


22. January 2009 Strictly private and confidential

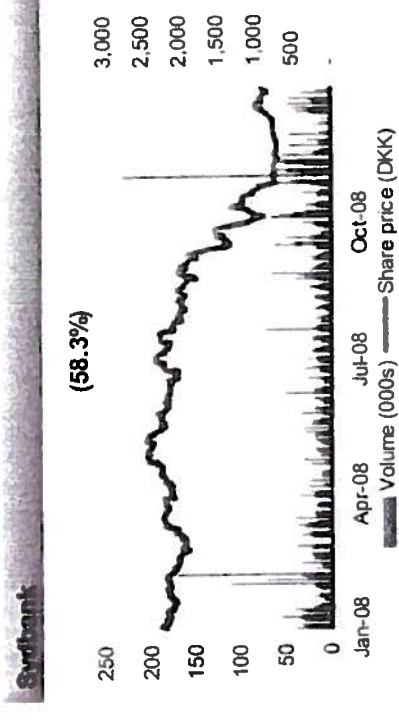
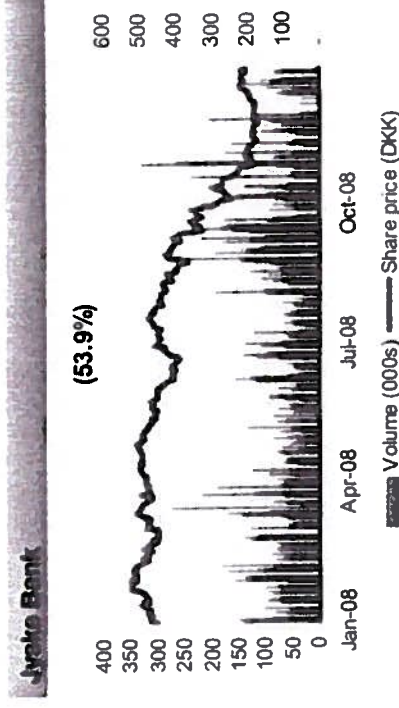
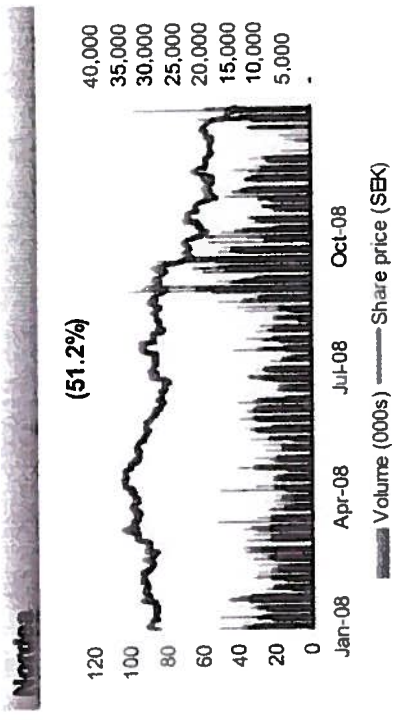
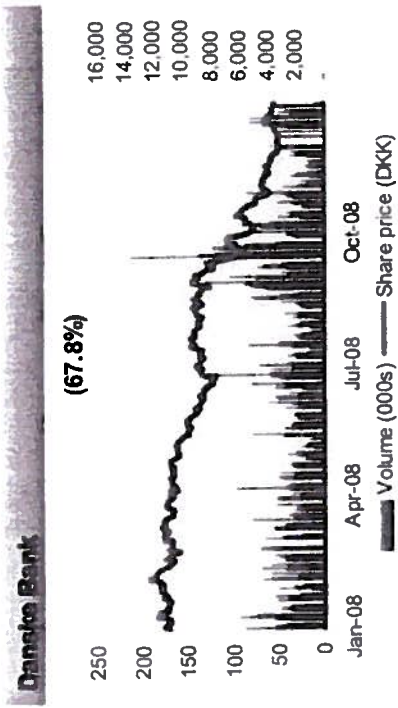
■ Project Horizon: market update

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243

38/1

Group 1 banks: LTM share price performance and volume analysis



Market update

Group 1 and 2 listed banks

Share price performance

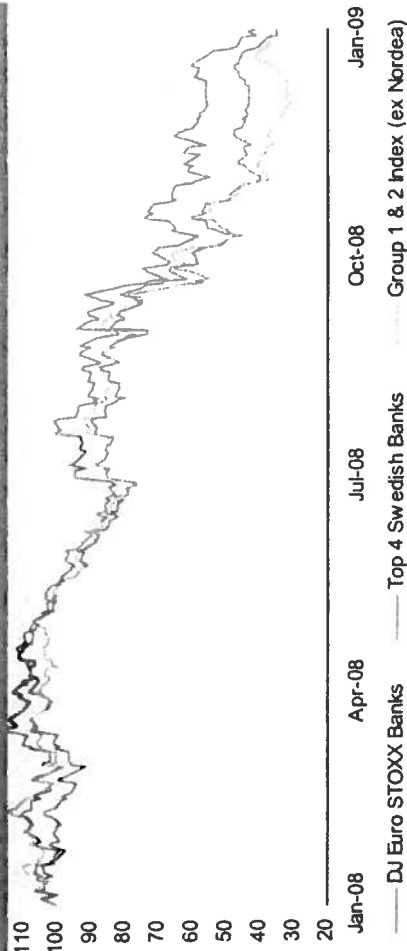
	Danske	Nordea	Jyske Bank	Sydbank	Spar Nord	Alm. Brand	Føngkjøbing LBB	Vestjysk	Fionia	Amagerbanken	Sparbank
1 day	0.5%	(6.1%)	(4.8%)	3.0%	(4.8%)	2.5%	(1.5%)	(4.3%)	8.6%	7.4%	3.0%
1 week	(8.3%)	(13.5%)	(3.8%)	(2.2%)	(4.8%)	2.5%	(4.4%)	(8.2%)	(17.4%)	(11.4%)	(6.2%)
1 month	8.8%	(26.0%)	13.8%	17.8%	5.4%	21.8%	8.3%	30.1%	101.1%	119.9%	(5.6%)
3 months	(44.9%)	(40.1%)	(36.4%)	(33.0%)	(28.3%)	(7.4%)	(37.5%)	(48.5%)	(39.7%)	(57.1%)	(60.0%)
6 months	(59.3%)	(51.6%)	(51.3%)	(59.0%)	(39.3%)	(58.2%)	(49.1%)	(60.6%)	(57.8%)	(73.1%)	(64.1%)
LTM	(67.8%)	(51.2%)	(53.9%)	(58.3%)	(50.3%)	(67.3%)	(49.1%)	(66.0%)	(69.1%)	(78.5%)	(71.1%)

Market cap (DKKbn)	38,609	80,162	7,938	4,995	2,711	1,458	1,663	875	635	377	398
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Index performance

	DJ Euro STOXX Banks	Top 4 Sw edish Banks	Group 1 & 2 Index (ex Nordea)
1 day	(0.7%)	(4.7%)	(0.2%)
1 week	(13.0%)	(12.0%)	(6.6%)
1 month	(18.9%)	(26.0%)	11.3%
3 months	(38.7%)	(41.0%)	(41.6%)
6 months	(58.4%)	(54.7%)	(67.9%)
LTM	(64.9%)	(58.4%)	(64.3%)

Relative performance



Source Factsset 22/01/2009

Market update

News

Economist Intelligence Unit – Viewswire, 21 Jan 2009

"This follows a round of emergency relief measures implemented in October when the crisis erupted, which included a state guarantee for all bank depositors and other unsecured creditors and the creation of a fund to wind-up insolvent banks, part-financed by the banks themselves. Under the terms of the new deal, banks will have until the end of June to apply for injections of tier one capital at an average interest rate of between 9% and 11.25%, depending on the individual bank's credit rating, capital adequacy and liquidity risk. Total loans to banks could total up to Dkr75bn, with mortgage credit institutions receiving a further Dkr25bn, and may be redeemed after three years...

There is still widespread concern over banks' reluctance to lend and the overall strength of the banking system. Six banks were declared bankrupt last year and were either purchased by, or merged with, other banks, avoiding the need for nationalisation. But according to a recent survey, a growing number of firms are now reporting difficulties in accessing credit."

Børsen, 22 Jan 2009

According to Børsen, 12 smaller banks, including Amagerbanken and Fionia, will need DKK 5bn from the state. The article points out that Amagerbanken will need to borrow DKK 1.2bn from the state in order to increase its Tier 1 ratio to 12%. It then contrasts the sum with the bank's market value, DKK 355m, and asserts that interest rate for the scheme is high. Furthermore, it states that the cost will be falling on the banks' customers (quoting an analyst from Jyske Bank).

Market update

Broker comments

Moody's, 21 Jan 09 (re Danish scheme and banks)

"Moody's Investors Service today commented on the second government support package announced by the Danish government for the domestic financial sector. The package comprises the recapitalisation of the financial sector and the extension of the guarantee scheme for the issuance of medium-term loans by banks, and also includes senior unsecured debt of mortgage credit institutions and supplementary issuances (typically referred to as junior covered bonds). **Moody's views the package as a positive development in the current challenging market environment, but the rating agency does not expect it to lead to rating upgrades in the sector...**

Moody's expects that recapitalisation as such is unlikely to lead to rating upgrades given that the measure is intended to be temporary. However, higher capital levels would be viewed favourably by the rating agency given the pressure on profitability that Danish banks are experiencing, which reflects the increasing need for impairments on loan portfolios. Improved capital adequacy will merely help to counterbalance the downward pressure on the ratings exerted by the difficult operating environment, deteriorating asset quality and higher funding costs, as well as the cost of the two support packages."

UBS, 22 Jan 09 (re DnB NOR, with reference to Danske)

"Danish Commercial Real Estate portfolio that was the main driver of [DnB NOR's] Q4 losses is... DKr 4bn o/w DKr c1bn was provided for in Q4..."

With Denmark being the main driver of the Q4 losses, we reiterate our Sell on Danske."

244

Hanne Lanther (DEP)

Fra: Peter Brixen [PBR@fm.dk]
Sendt: 22. januar 2009 09:14
Til: Lotte Aakjær Jensen (DEP); Niels Kleis Frederiksen
Emne: SV: Termsheet. Betaling af kuponrente

Hej Lotte

Teknisk har vi ingen problemer med forslaget.

Jeg ved, at politikerne blev præsenteret for problemstillingen om den skattemæssige behandling af renterne, men ikke hvad der præcis blev sagt. Hvis det blev præsenteret med en formodning om, at der ville være skattefradrag, synes modellen politisk acceptabel. Hvis formodningen omvendt var, at der ikke ville være skattefradrag, kunne det modellen muligvis skabe støj.

Min fornemmelse, men det er kun en fornemmelse, er, at formodningen var, at renterne ville fradragsberettigede, men hvis du havde mulighed for at checke med Michael, var nok lige værd at få skabt lidt større sikkerhed for, hvad der blev sagt under de politiske forhandlinger.

Venlig hilsen

Peter

Fra: Lotte Aakjær Jensen (DEP) [mailto:lj@oem.dk]
Sendt: 22. januar 2009 00:15
Til: Niels Kleis Frederiksen; Peter Brixen
Emne: VS: Termsheet. Betaling af kuponrente

Hej Kleis og Peter

Finansrådet har åbenbart lidt problemer med godkendelsen i Skatterådet og den variable rente. Vil I komme med jeres syn/vurdering på nedenstående, herunder også hvordan vi processer det i forhold til Skatterådet, hvis det bliver relevant?

Politisk giver den vel ikke problemer, da politikerne ikke har set term sheet. Men det kan selvfølgelig give nogle andre (finansielle) problemer, som jeg ikke lige kan gennemskue. Jeg har også spurgt i tilsynet.

I første omgang i går foreslog Finansrådet som en tanke, at man alternativt kunne "regne baglæns" i formlen, og så lægge et udbytteloft, der hvor skæringsrenten var. Men deres forslag her ser umiddelbart mindre indgribende ud.

Men giv en tilbagemelding, så må vi tage den derfra.

Med venlig hilsen


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