DDM Holding AG

Ratings

Foreign Currency

Long-Term IDR	B

Sovereign Risk (Switzerland)

Long-Term Foreign-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (February 2020)

Related Research

Fitch Assigns Swedish Debt Purchaser DDM 'B'/Stable Final IDR; Secured Debt 'B' (April 2021)

Debt Purchasers and Debt Servicers–4Q20 and FY20 Earnings Wrap-Up (April 2021)

Debt Purchaser Dashboard (September 2020)

European Debt Purchasers: Collections and Coronavirus (April 2020)

Financial Data

DDM Holding AG

(EURm)	31 Dec 20	31 Dec 19
Total assets	195.5	204.5
Tang. equity	37.2	24.6
Gross debt	138.2	164.4
Cash EBITDA	102.2	52.7
EBITDA margin (%)	57.1	56.8
Leverage ratio[a] (x)	1.4	3.1
Cash EBITDA/financial expense (x)	5.6	2.8

[a] Gross debt/cash EBITDA
Source: Fitch Ratings, DDM

Analysts

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Key Rating Drivers

Nominal Franchise; Evolving Business Model: DDM Holding AG's (DDM) debt purchasing franchise is small (120 months estimated remaining collections, ERC, of EUR258 million at end-2020). ERC is concentrated by geography (Croatia accounted for 73% of ERC for the next three years at end-2020) and by type (82% secured non-performing loans, NPL, based on end-2020 ERC to be received within the next three years). This represents a well-defined niche franchise, but Fitch Ratings believes DDM's business model could evolve by market and product type.

Reliance on Third-Party Providers: DDM relies on third-party servicers for the collection of unsecured NPLs and uses a related company for the collection of some of the secured debt. In our view, the reliance on external collection services limits the value of DDM's own franchise.

Addiko Bank; Strong Growth: In 2020, DDM acquired a 9.9% stake in Austria-based Addiko Bank AG with the intention to increase its stake further. There is an overlap between Addiko Bank's and DDM's strategic focus, but we view the investment as opportunistic in the context of DDM's debt-purchaser business model. DDM's risk controls are adequate but control mechanisms are likely to be stretched by ambitious growth expectations. DDM has an identified investment pipeline of over EUR250 million and aims to materially expand the book.

Adequate but Volatile Profitability: DDM's profitability is sound, supported by a strong, though declining, portfolio internal rate of return and fairly moderate leverage. This is reflected in solid and consistent EBITDA margins. However, in absolute terms, DDM's EBITDA is considerably more volatile than peers'. In 2020 the sector benefited from around EUR60 million of accelerated collections due to DDM's exit from the Greek market.

Post-Transaction Leverage Acceptable: Based on management projections, a EUR150 million senior secured bond issuance in April 2021 should lead to an increase in DDM's gross debt/adjusted EBITDA ratio to around 2.4x at end-2021 from 1.4x at end-2020. Positively, even under Fitch's downside scenario, we view DDM's deleveraging capacity as sound.

Acceptable Liquidity; Concentrated Funding Profile: Following a debt issue in April 2021, DDM's liquidity position is acceptable, with around EUR48 million in cash and EUR27 million draw-down capacity under the company's revolving credit facility (RCF). Reflecting its small size, DDM's funding profile is concentrated with virtually all its funding due in 2026.

Rating Sensitivities

Larger, More Diversified Franchise: A materially larger, more diversified franchise supporting a more stable company profile, in conjunction with maintained or improved financial metrics, could lead to an upgrade of DDM's Long-Term IDR in the medium- to long-term.

Higher Leverage; Tighter Liquidity: Gross leverage (under Fitch's rating case) exceeding 4.5x on a sustained basis or inability to deleverage in line with management projections could put pressure on DDM's Long-Term IDR. Tighter liquidity and inability to address refinancing needs in 2026 well ahead of the contractual maturity could also put pressure on DDM's ratings.

Debt Rating: Worsening Recovery Expectations: Worsening recovery expectations, for instance as a result of a layer of more senior debt, could lead Fitch to notch down the secured notes' rating from DDM Debt's Long-Term IDR.

DDM Holding AG (DDM) is a small Switzerland-domiciled and Stockholm-listed debt purchaser with operations largely in south-eastern Europe (SEE, notably Croatia). Sweden-domiciled DDM Debt AB (publ) (DDM Debt) is DDM's debt-issuing subsidiary, fully-owned by DDM.

Issuer Ratings

	Long-Term Foreign Currency IDR	Outlook
DDM Holding AG	B	Stable
DDM Debt AB (publ)	B	Stable

Source: Fitch Ratings

DDM Debt is a Sweden-domiciled non-bank financial institution ultimately fully-owned by Switzerland-domiciled and Nasdaq First North-listed DDM, established in 2007. Both DDM Debt and DDM publish financial statements audited by PwC. As it is the listed, consolidating entity we assigned the Long-Term IDR at the level of DDM. DDM Debt accounts for the bulk of the group's activities and its Long-Term IDR has been assigned on the basis of Fitch's "common ratings" approach.

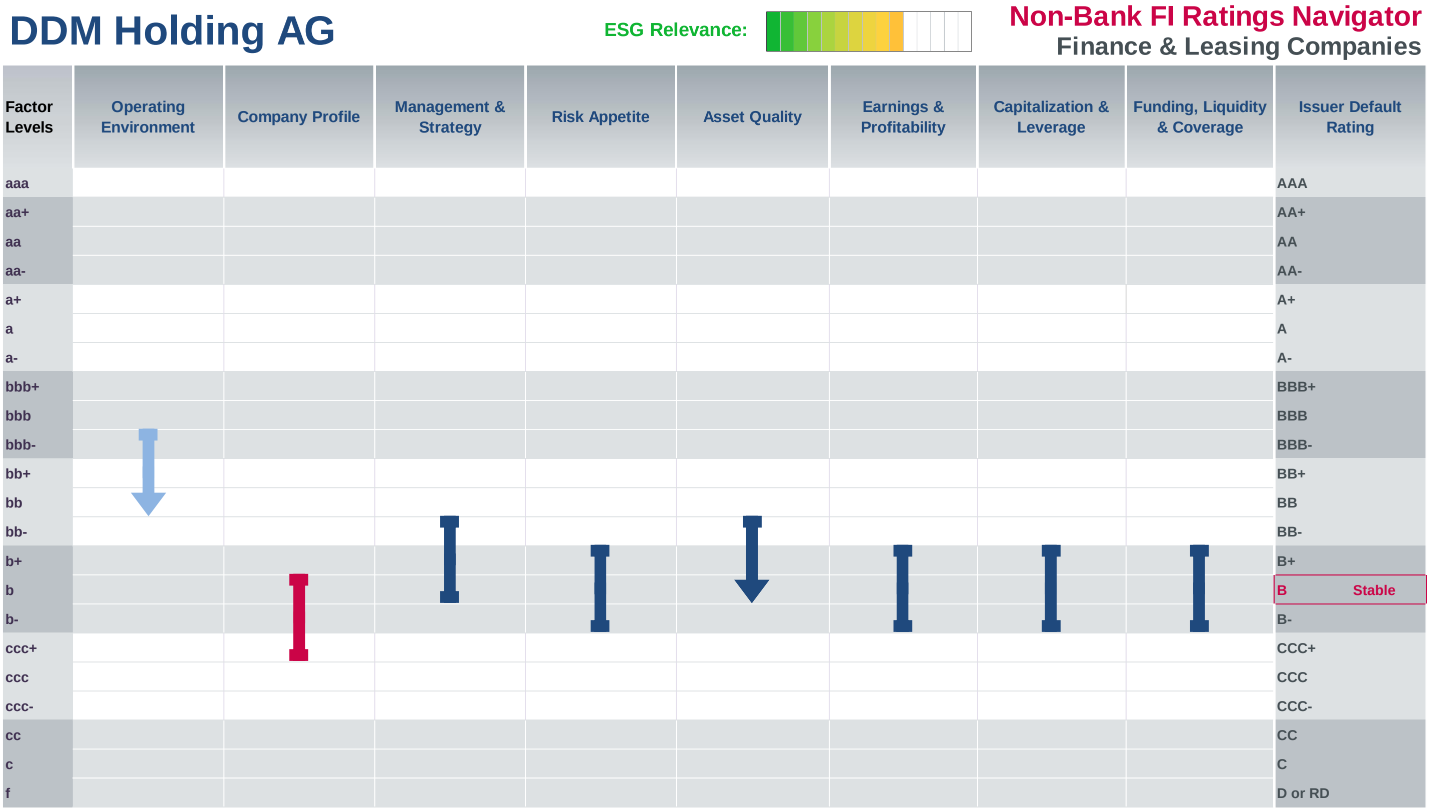
Debt Rating Classes

	Senior Secured
DDM Debt AB (publ)	B

Source: Fitch Ratings

DDM Debt's EUR150 million five-year 9% fixed-rate senior secured notes have been rated 'B'/'RR4'. The rating on DDM Debt's senior secured notes reflect Fitch's expectation of average recoveries, resulting in an equalisation of the bonds' ratings with DDM's Long-Term IDR. This is principally because, despite their secured nature, the notes are junior to DDM's EUR27 million RCF and represent DDM's main outstanding debt. The secured notes' rating is principally sensitive to changes in DDM Debt's Long-Term IDR. In addition, improved recovery expectations for instance, as a result of a layer of more junior debt, could lead Fitch to notch up the notes' rating up from DDM Debt's Long-Term IDR.

Ratings Navigator



Navigator Peer Comparison

Name	Sector	IDR/Outlook	Business Profile: Operating Environment	Business Profile: Company Profile	Business Profile: Management and Strategy	Business Profile: Risk Appetite	Financial Profile: Asset Quality & Performance / CP Exposure	Financial Profile: Earnings and Profitability	Financial Profile: Capitalisation and Leverage	Financial Profile: Funding, Liquidity and Coverage
DDM Holding AG	Fin Lease Co	B/Stable	bb+▼	b-■	b+■	b■	b+▼	b■	b■	b■
Garfunkelux Holdco 2 S.A.	Fin Lease Co	B+/Stable	a-▼	bb■	bb■	bb-■	bb▼	b▼	b■	b■
Encore Capital Group, Inc.	Fin Lease Co	BB+/Stable	a▼	bb+■	bbb-■	bb+■	bb+▼	bb+■	bb+■	bb■
PRA Group, Inc.	Fin Lease Co	BB+/Stable	a▼	bb+■	bbb-■	bb+■	bb+▼	bb+■	bbb-■	bb■
Intrum AB (publ)	Fin Lease Co	BB/Negative	a-▼	bb+■	bb+■	bb+■	bb+▼	bb+▼	b+■	bb-■
doValue S.p.A.	Fin Lease Co	BB/Stable	bbb-▼	bb■	bbb-■	bb+■	bb■	bb+■	bb■	bb■

Influence / Importance: Lower Moderate Higher   Outlook: Negative ▼ Stable ■ Positive ▲ Evolving ◆

Bar Chart Legend

Vertical bars – VR range of Rating Factor
Bar Colors – Influence on final VR
- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook
- ⇧ Positive
- ⇩ Negative
- ⇳ Evolving
- ▫ Stable

Key Developments

April 2021 Refinancing Improves Funding Profile

In April 2021, DDM issued a EUR150 million senior secured bond to fully repay its outstanding bonds and free up RCF capacity. The bond issue materially extended DDM's maturity profile (the bond matures in April 2026 with an issuer call in 2024). It also improved the company's liquidity buffer (cash and cash equivalents increased to EUR48 million from EUR31 million at end-2020) in anticipation of increasing business growth in the second half of 2021.

Prior to this issue, DDM's funding profile principally consisted of two senior secured bonds (EUR50 million due to mature in December 2021 and EUR100 million due in April 2022) backed by a small revolving credit facility (EUR27 million) established in March 2019. Before the December 2020 maturity of the EUR50 million issue, DDM requested an extension to the bond (to December 2021) with changes to the bond terms also including a mandatory partial redemption feature and a consent fee, paid in August 2020. According to the management, the amendments were requested in anticipation of improved capital market conditions in the first half of 2021 as the impact from the pandemic on financial markets receded.

Opportunistic Investment in Addiko Bank

The 2020 investment in Addiko Bank is in our view relatively opportunistic with limited synergies between Addiko Bank and DDM's core activities. Addiko Bank is a consumer and SME bank with around 800,000 clients in Central and Eastern European (CEE) and SEE countries. DDM believes that "Addiko offers a complementary route to gaining exposure to the credit cycle in DDMs core geographies at an attractive risk adjusted return proposition". In 2020, Addiko Bank was marginally loss-making but DDM projects the bank to return to sound profitability in the short-term and to deliver a steady stream of dividend income.

DDM's stake in Addiko Bank is accounted for as an associate despite DDM owning less than the 20% typically required 20% for this accounting treatment. This is because of its intention to increase its stake to 20%, and because the management believes it already has significant influence over Addiko Bank's strategy. A call option to acquire a further 10.1% in 4Q20 expired, according to the management, due to delayed regulatory approval.

Accelerated Exit from Greece

In 2020, DDM restructured its investment in Greece (where it had been present since 2017, with a net investment amount of EUR36.4 million; EUR20.1 million spent in 2019 to buy out co-investors). It reduced its exposure to the asset-owning Luxembourg SPV (Artemis Finance Holding S.A.R.L. controlled by DDM's majority shareholder). This resulted in accelerated and effectively one-off collections of EUR59.8 million in 2H20. As a result of this transaction, the entire carrying value of the transaction (EUR43.8 million) was recognised as amortisation of invested assets. DDM believes it might have access to future cash flows (e.g. from future share sales in the structure) which are, however, difficult to quantify and have not been included in projections.

The restructuring led to a material one-off increase in DDM's EBITDA in 2020 and a temporary reduction in cash flow leverage. As a result, Fitch would expect DDM's EBITDA in 2021 to be materially lower yoy and more comparable to EBITDA generated in 2019.

Focus to Remain on Secured Debt in SEE

Prior to 2018, DDM focused predominantly on unsecured portfolios but has since shifted almost exclusively to secured portfolios, primarily in South-East European (SEE) countries where it believes the less data-driven nature, and better pricing, increases the value of its niche franchise. Due to DDM's small size and the relatively large transaction sizes in the secured portfolio sector, the company's portfolio composition has materially changed over time. But it has remained geographically focused on the SEE region and centred on secured loans.

DDM's strategy envisages a further strengthening of its secured NPL franchise in SEE, including a diversification away from its currently large exposure to Croatia. Individual exposures (by ERC) will likely remain manageable but larger portfolio acquisitions are in our view a possibility (likely with a JV partners). By region, the company's primary focus will remain SEE but it is also assessing portfolios in Italy, Spain and Poland.

Company Summary and Key Qualitative Assessment Factors

Niche Debt Purchaser

DDM was established in 2007 and made its first portfolio acquisitions (in Russia) in 2008 followed by further acquistions in Eastern and SEE markets in subsequent years, including Croatia, which currently accounts for the bulk of DDM's ERC and collections. Since 2014, DDM has been listed on the Nasdaq OMX First North exchange although its free float remains small with around 89% of shares at end-2020 held by Luxembourg-based DDM Group Finance S.A..

DDM is part of "DDM Financial Services Group" which is not itself a separate legal entity but consists of DDM Group Finance S.A. and Aldridge EDC Specialty Finance Group. All three entities are ultimately majority-owned by the same shareholders. DDM uses a related company (Ax Financial Holding S.A.) for the collection of some of the secured debt portfolios.

Reliance on Co-Investment Structures

Due to its small size, DDM has often entered markets via co-investment structures, with co-investors often bought out at a later stage. This allowed DDM to conclude sizeable transactions while limiting corresponding funding needs. Co-investors to date include larger debt purchasers, banks and private equity investors. While this has helped DDM scale up its activities relatively quickly, it also means that its franchise relies to some extent on the continued appetite of co-investors.

DDM's capital deployment framework is adequate and well-structured. Business origination is relatively ad hoc, and arguably rely to some extent on DDM's majority shareholder, but once capital deployment is considered, DDM follows a uniform approach. This approach consists of a vetting committee and two investment committees (all with senior management representation). According to the management, the bulk of business leads is dismissed at the vetting committee stage. The capital deployment process does not differ between on-balance sheet transactions and JVs. IRR hurdle rates are a key input for the investment committees and the management has said that they expect IRR hurdle rates to remain unchanged in the medium-term.

Ambitious Growth Plans

DDM's recent growth has been strong (with compound annual growth rate of 38% between 2014 and 2019) but also volatile with management reducing acquisitions markedly in 2020 (EUR43 million compared to EUR99 million in 2019). DDM's growth plans are in our view ambitious and the company has identified an investment pipeline of over EUR250 million and aims to significantly grow the book. Given funding constraints, we believe that growth via co-investments will be DDM's main growth path, at least in the medium term. Positively, the management has said it does not intend to pay dividends in the next few years.

Material Foreign Currency Exposure

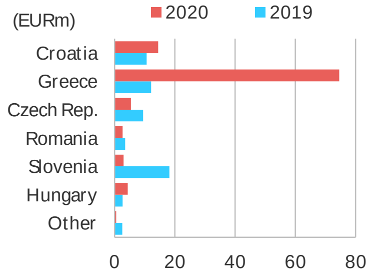
Given its geographic focus, DDM is exposed to foreign currency risks, notably in Croatia, Hungary, Serbia and Romania and the company reported a EUR1.8 million negative foreign exchange (FX) impact in 2020. The management has considered hedging FX risk but has so far ruled out hedging due to the prohibitive costs of hedging SEE currencies. Positively, its renegotiated RCF is multi-currency which will improve DDM's ability to match its balance sheet by currency. Interest rate risk management is rudimentary but DDM's decision to refinance its existing debt with fixed rate notes reduced the company's interest rate risk exposure in 2021.

Key Non-IFRS/Alternative Performance Metrics

Cash revenue	Revenue after adding back amortisation and revaluation of purchased loan portfolios.
Cash EBITDA	EBIT plus depreciation and amortisation of tangible and intangible assets plus amortisation and revaluation of purchased loan portfolios.
ERC	Expected gross cash proceeds from purchased debt portfolios over a 84-month, 120-month or 180-month period, assuming no additional purchases made and on an undiscounted basis.
Gross/net cash multiples	Gross attributable portfolio collections to the date on which the multiple is measured, plus ERC relating to the portfolio at the same date, divided by the total amount paid for the portfolio at the date of purchase. Net is the same metric net of collection-activity costs (direct costs).

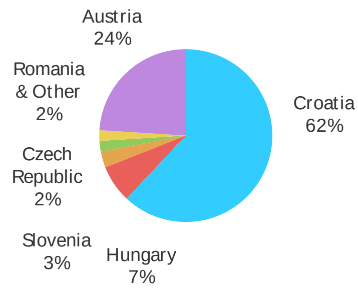
Source: Fitch Ratings

Collections by Country



Source: Fitch Ratings, DDM; net collections including sale of invested assets (notably Greece)

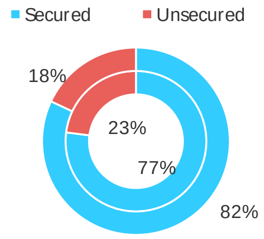
Portfolio by Country



Source: Fitch Ratings, DDM

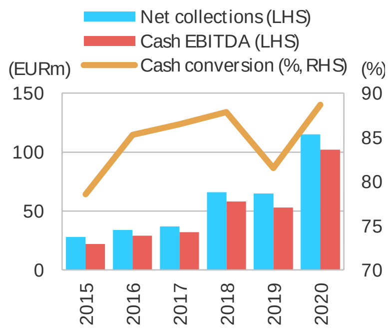
ERC by Type (End-2020)

Inner ring: total ERC; out ring: ERC expected in next three years)



Source: Fitch Ratings, DDM

Cash EBITDA Trend



Source: Fitch Ratings, DDM

Key Financial Metrics – Latest Developments

Acceptable But Volatile Collection Performance

Compared to peers, DDM has a disproportionate exposure to secured debt with the bulk of future cash flows expected to be received in the first three years. The company relies to a large extent on realising ERC amicably. If collection strategies were to involve more court proceedings then this could lead to a material delay in realising ERC. We believe the probability of amicable and judicial solutions are difficult to assess in many SEE countries.

DDM's collection record is shorter than that of many peers and considerably more volatile. Net cash-on-cash multiples were relatively low in the period 2011-2014 but recovered from 2015. The portfolio is relatively well diversified with the 10 largest exposures accounting for around 14% of ERC at end-2020.

Given the unprecedented nature of the current disruption, with unknown longer-term impacts on consumer behaviour, and the reliance on internal modelling and estimates for portfolio valuations, Fitch's outlook for DDM's asset quality is negative.

Resilient EBITDA Margin

DDM's primary source of revenue is the yield earned on its owned portfolio, measured at amortised cost using the effective interest method. Since 2017, DDM's EBITDA margin has been stable (at around 57%), comparing adequately with peers.The margin calculation adds back portfolio amortisation and the revaluation of purchased loan portfolios to revenues as well as EBITDA. This assumes that portfolio acquisitions will be made to replenish the amortisation over time and adjusted EBITDA levels will be maintained.

Due to the on-off nature of the Greek transaction in 2020, we expect DDM's EBITDA in 2021 to be materially lower yoy. In addition, DDM will now account for Addiko Bank's results as a share of net profits (negligible in 2020 but likely more significant in future years) which arguably overstates its income statement (but not EBITDA). DDM's cost base compares favourably to that of peers and pre-tax profits have consistently been positive (or break-even), supported by the company's only modest leverage and associated interest expenses.

Deleveraging Relies on EBITDA Improvements

Based on management projections and pro forma for the April 2021 debt issue, DDM's gross debt/adjusted EBITDA will increase to around 2.4x at end-2021 from 1.4x at end-2020 before decreasing in 2022 and beyond (contingent on capital deployment and collection rates being in line with projections). Under Fitch's base case (which haircuts projected collection rates), DDM's end-2021 leverage ratio would amount to around 2.8x which still compares adequately with peers'. However, our assesment of DDM's leverage position also considers DDM's small size and concentrated risks.

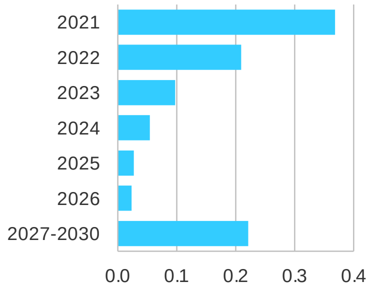
DDM's new senior secured bonds are subject to two incurrence covenants, namely maintaining the company's equity ratio above 20% and its net interest bearing debt to ERC ratio below 75%. Based on management projections, DDM remains comfortably below both covenants over the business plan horizon.

Secured Funding Profile; No Near-Term Debt Maturities

DDM's funding profile is concentrated and fully secured which reduces the company's flexiblity in case of stress. More positively, following the recent bond issue, DDM does not have material near-term funding maturities (with the first maturity, its RCF, in 2023). The senior secured bond includes an issuer call option in 2024 and Fitch would expect DDM to opportunistically make use of any favourable periods in funding markets to diversify its funding profile.

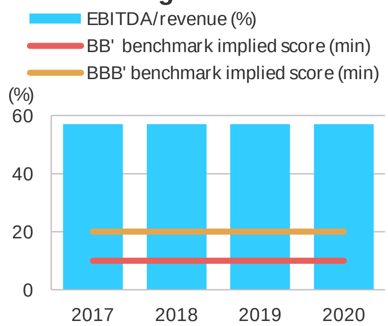
DDM's liquidity position is acceptable, with around EUR48 million in cash and EUR27 million draw-down capacity under its RCF. However, we expect DDM's cash level to quickly normalise (to around EUR16 million-EUR18 million over the business plan horizon plus EUR27 million of RCF capacity) due to portfolio acquisitions.

ERC by Year (End-2020)
In % of total



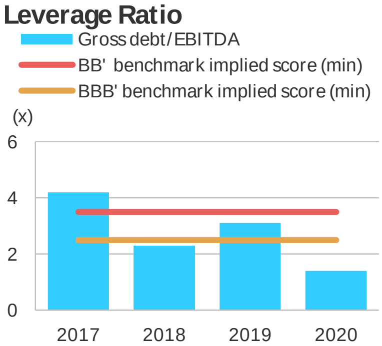
Source: Fitch Ratings, DDM

EBITDA Margin



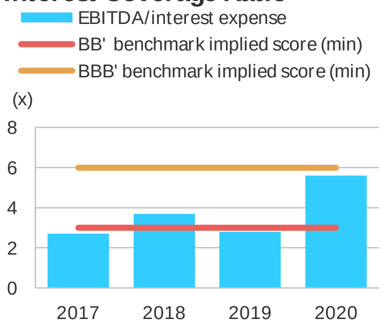
Source: Fitch Ratings, DDM

Leverage Ratio



Source: Fitch Ratings, DDM

Interest Coverage Ratio



Source: Fitch Ratings, DDM

Environmental, Social and Governance Considerations

FitchRatings **DDM Holding AG**

Non-Bank FI Ratings Navigator
Finance & Leasing Companies

Credit-Relevant ESG Derivation

DDM Holding AG has 1 ESG rating driver and 4 ESG potential rating drivers

- DDM Holding AG has exposure to quality and timing of financial reporting and auditing processes which, in combination with other factors, impacts the rating.
- DDM Holding AG has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- DDM Holding AG has exposure to operational implementation of strategy but this has very low impact on the rating.
- DDM Holding AG has exposure to board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions but this has very low impact on the rating.
- DDM Holding AG has exposure to organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership but this has very low impact on the rating.

			Overall ESG Scale
key driver	0	issues	5
driver	1	issues	4
potential driver	4	issues	3
not a rating driver	5	issues	2
	4	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Quality	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	4	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

DDM has an ESG relevance score of '4' for 'Financial Transparency', in view of the significance of internal modelling to portfolio valuations and associated metrics such as estimated remaining collections. These are features of the debt purchasing sector as a whole, and not specific to DDM.

Except for the matters discussed above, the highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Income Statement

	31 Dec 20		31 Dec 19	31 Dec 18	31 Dec 17
	Year end	Year end	Year end	Year end	Year end
	(USDm)	(EURtrn)	(EURtrn)	(EURtrn)	(EURtrn)
	Audited - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified
Revenue					
Gross interest, leasing and dividend income	50	40,936	22,565	30,841	18,270
Total interest expense	19	15,344	14,817	13,783	8,154
Net interest income	31	25,630	7,748	17,058	10,116
Total non-interest operating income	-2	-1,831	2,814	1,875	810
Expenses					
Total non-interest expenses	16	13,098	13,770	9,927	9,910
Pre-impairment/provision operating profit	13	10,701	-3,208	9,006	1,016
Impairment charges	0	332	5,780	2,445	603
Operating profit	13	10,369	-8,988	5,929	1,221
Pre-tax income	13	10,369	-4,512	5,929	1,221
Net income	11	9,140	-4,120	4,817	664
Fitch comprehensive income	14	11,625	-4,160	4,936	581
Memo: EBITDA	32	26,006	10,456	19,842	9,518
Memo: Cash EBITDA	124	102,163	52,727	57,656	32,271
Exchange rate		USD1 = EUR0.821963	USD1 = EUR0.89015	USD1 = EUR0.873057	USD1 = EUR0.83382

Source: Fitch Ratings

Balance Sheet

	31 Dec 20		31 Dec 19	31 Dec 18	31 Dec 17
	Year end (USDm)	Year end (EURtrn)	Year end (EURtrn)	Year end (EURtrn)	Year end (EURtrn)
Assets					
Loans and leases					
Gross loans	97	79,584	148,807	118,588	106,150
Net loans	96	79,252	143,027	116,143	105,547
Gross loans and leases	97	79,584	148,807	118,588	106,150
Loan loss allowances for receivables and loans	0	332	5,780	2,445	603
Net loans and leases	96	79,252	143,027	116,143	105,547
Other earning assets	24	19,672	7,547	9,421	6,304
Total earning assets	192	157,601	183,549	127,999	118,316
Total assets	238	195,525	204,456	194,534	183,577
Liabilities and equity					
Debt and deposits					
Total short-term debt funding	55	45,362	49,504	14,000	10,000
Total long-term funding	113	92,840	114,913	133,225	134,166
Total debt and deposits	168	138,202	164,417	147,225	144,166
Total interest-bearing liabilities	168	138,202	164,417	147,225	144,166
Total liabilities	185	152,210	172,766	158,684	152,663
Total equity	53	43,315	31,690	35,850	30,914
Total equity less non-controlling interest/minority interest	53	43,315	31,690	35,850	30,914
Total liabilities and equity	238	195,525	204,456	194,534	183,577
Exchange rate		USD1 = EUR0.821963	USD1 = EUR0.89015	USD1 = EUR0.873057	USD1 = EUR0.83382

Source: Fitch Ratings, Fitch Solutions, DDM

Summary Analytics

	31 Dec 20 Year end	31 Dec 19 Year end	31 Dec 18 Year end	31 Dec 17 Year end
Asset quality ratios (%)				
Growth of gross loans and leases (yoy)	-46.5	25.5	11.7	n.a.
Impairment to capital ratio	-1.1	-21.5	-9.2	n.a.
Earnings and profitability ratios (%)				
Pre-tax income/average assets	5.2	-2.3	3.1	n.a.
EBITDA/total revenue	66.4	41.2	60.6	49.9
Cash EBITDA/revenue & portfolio amortisation	57.1	56.8	57.4	57.0
Non-interest expense/gross revenue	33.5	54.3	30.3	51.9
Pre-tax income/average equity	27.6	-13.4	17.8	n.a.
Impairment charges/pre-impairment operating profit	3.1	-180.2	34.2	-20.2
Depreciation expense/total revenue	0.7	0.6	0.4	0.7
Capitalisation and leverage ratios				
Debt/tangible equity	3.7	6.7	5.0	6.1
Gross Debt/Cash EBITDA	1.4	3.1	2.3	4.2
Fitch Core Capital/tangible assets	19.7	12.5	15.6	13.5
Debt+off balance sheet funding/Fitch Core Capital	3.7	6.7	5.0	6.1
Funding, liquidity and coverage ratios				
EBITDA/interest expense	1.7	0.7	1.4	1.2
Cash EBITDA/financial expenses	5.6	2.8	3.7	2.7
Short-term debt/total funding	32.8	30.1	9.5	6.9

Source: Fitch Ratings, Fitch Solutions, DDM

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.