

Acquisition of Bank Schilling as good move: Buy, TP EUR 12.00



Following the closing of the transaction of the takeover of Bank Schilling we have updated our model and taken into account the acquired bank for our estimates. As already commented before we see the takeover positively as it makes sense from a strategic (better diversifying Merkur Bank's revenues) and financial point of view. We increase our EPS estimates for 2020e and 2021e slightly and increase our TP from EUR 10.50 to EUR 12.00. We confirm our Buy rating with a new TP of EUR 12.0 on the back of the bank's attractive valuation (2020e P/B: 1.0x, ROE: 8%) and its div. yield of close to 4%.

Good strategic fit

We see this transformational deal as the right strategic step for Merkur Bank as it will reduce its dependence on the real estate developer finance business, strengthen its private banking activities and significantly increase its earnings. Merkur Bank's AuC will improve from EUR 0.4bn to around EUR 2.0bn post the transaction.

Bank Schilling

Bank Schilling, which is headquartered in Hammelburg (Northern Bavaria) focuses on private banking but is also active in leasing, in SME loans and bond trading. It has EUR 1.4bn of private banking assets under management. The bank has 16 branches (incl. Hammelburg) in Bavaria, Rhineland Patina, Hesse, North Rhine-Westphalia, Thuringia and Baden Württemberg. Total assets amounted to EUR 1bn at the end of 2018, total loan book stood at EUR 618m. Last year the bank reached a net profit of EUR 4.4m (pretax profit of EUR 9.8m), CT 1 ratio stood at 16.1%. End of 2018 Bank Schilling had 237 employees.

EURm	2017	2018	2019e	2020e	2021e
M.cap.	45	46	75	75	75
NII	23	29	38	42	43
Other inc.	1	1	1	2	2
Op.costs	(24)	(24)	(26)	(39)	(40)
L.losses	(0)	(0)	(1)	(1)	(1)
Net profit	3	4	4	6	6
EPS	0.60	0.64	0.53	0.72	0.75
EPS adj	0.60	0.64	0.53	0.72	0.75
P/E	13.0	12.7	18.2	13.3	12.8
P/B	0.93	0.93	1.07	1.03	0.99
Yield (%)	3.8	3.9	3.5	3.8	3.9
ROE (%)	7.4	7.5	6.4	7.8	7.9

Source: Pareto

Target price (EUR)	12.0
Share price (EUR)	9.6

Forecast changes

%	2019e	2020e	2021e
NII	-	11	11
Operating income	-	43	43
PBLL	-	25	25
EPS	(22)	4	5

Source: Pareto

Ticker	MBKG.DE, MBK GY
Sector	Banks
Shares fully diluted (m)	5.7
Market cap (EURm)	55

Performance



Source: Factset

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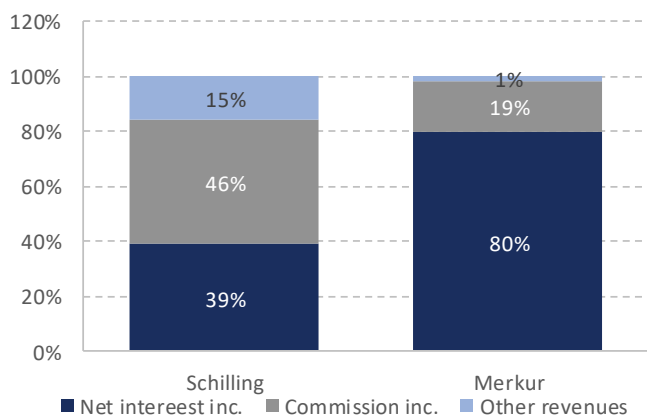
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Transformational deal

Total assets will increase to around EUR 2.2bn

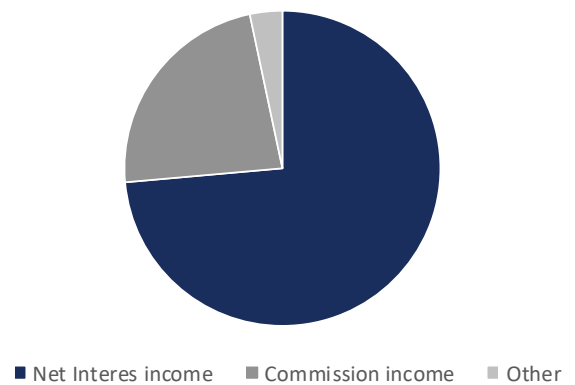
We see the takeover of Bank Schilling as a transformational deal for Merkur Bank as it will on the one hand diversify its revenue split and on the other hand significantly increase its total assets from EUR 1.5bn to around EUR 2.2bn, the number of employees should roughly double to more than 400. Despite its attempts to build up the leasing/ SME lending business and its retail banking activities in recent years the residential real estate developer business is still the key earnings driver of Merkur Bank with estimated more than 75% of earnings coming from this business. In case of a contraction of the residential real estate market in Munich, which is by far the most important region for Merkur Bank, the bank would not only face possibly rising risk provisions but a possible decline of the loan book would result in a lower net interest income as well. The high dependence on net interest income is reflected in the fact that 80% of Merkur Bank's revenues came from net interest income in 2018. Schilling Bank has through its private banking activities a much higher net commission income and generates only 39% of total revenues from net interest income. The new bank will have a much more even revenue mix than Merkur Bank with estimated c. 70% coming from net interest income and c. 20% from commission income. We see this development positively as it should make Merkur Bank's earnings development more resilient against possible contractions of the residential real estate market in Southern Germany.

Exhibit 1: Revenue Split (2018)



Source: Pareto Securities Research, Bank Schilling, Merkur Bank

Exhibit 2: Revenue Split of Merkur Bank (2020e)



Source: Pareto Securities Research

Financial Impact

Bank Schilling has achieved an average annual net profit of EUR 4.4m and an average annual pretax profit of EUR 12.6 m during the last three years. In 2018 it has reached a pretax profit of EUR 9.8m and a net profit of EUR 4.4m. We have conservatively assumed no earnings growth for Bank Schilling in 2019e and 2020e, no restructuring costs or synergies are taken into account as Dr. Lingel has been quoted in a newspaper article that he wants to keep all of Bank Schilling's employees on board. We have conservatively calculated with c. 60% of Bank Schilling's earnings contributing to Merkur Bank's profit as Merkur Bank will not take over the full bank. For 2019e we have assumed transaction-related costs of approximately EUR 1.5m for the takeover. We assume that Merkur Bank plans to fully consolidate Bank Schilling from October 1, 2019 onwards but have not taken into account any significant earnings impact for 2019e.

Exhibit 3: P&L Bank Schilling (EUR m)

	2016	2017	yoy	2018	yoy
Net interest income	17.18	14.36	-16%	14.13	-2%
Commission income	15.84	19.13	21%	16.52	-14%
Other revenues	7.70	8.40	9%	5.61	-33%
Total Revenues	40.72	41.90	3%	36.25	-13%
Administrative expenses	25.43	27.15	7%	26.20	-4%
CIR	62%	65%	nm	72%	nm
Risk provisions	2.06	0.00	-100%	0.22	nm
Pretax profit	13.22	14.74	12%	9.84	-33%
Fund for general banking risks	4.80	6.26	30%	2.88	-54%
Taxes	4.07	4.16	2%	2.60	-37%
Net profit	4.35	4.33	-1%	4.35	1%

Source: Pareto Securities Research

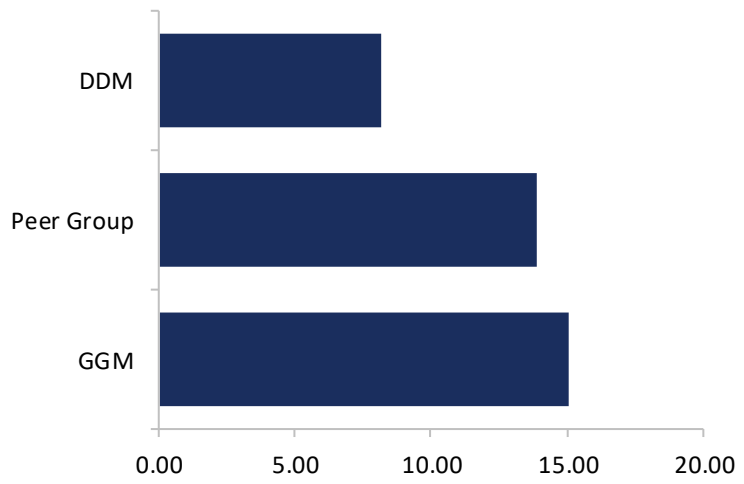
We have updated our financial model and have taken Bank Schilling into account. Thus we have reduced our EPS estimate from EUR 0.67 to EUR 0.53 for 2019e and have increased our EPS estimate from EUR 0.69 to EUR 0.72 for 2020e. For 2019e we have not taken any positive earnings impact into account from the takeover as Bank Schilling will be fully consolidated for only three months and as there should be some additional integration, merger-related costs booked in Q4. The capital increases will however lead to a higher number of shares and thus negatively impact EPS. For 2020e we have cautiously taken into account a pretax profit contribution of EUR 6m from Bank Schilling which is however somewhat reduced by higher funding costs at Merkur Bank for the newly issued Tier 1/2 capital. As we have no segmental reporting from Bank Schilling it is difficult to estimate the concrete earnings contribution from the bank as Merkur Bank will not acquire 100%.

Note that we have not changed our dividend per share estimate of EUR 0.34 for 2019e as the new shares will not be eligible for a dividend for fiscal year 2019. Hence, we have calculated the dividend on the old number of shares.

Valuation and Recommendation

Our valuation is based upon a Dividend Discount Model, a Gordon Growth Model and a Peer Group Analysis. For the Peer Group Analysis we have taken into account other German banks; as some of these banks are significantly bigger than Merkur Bank the peer group comparison must be seen in combination with the two other valuation approaches, which we regard as more appropriate. From the weighted average of the three calculated fair values we have derived a target price of EUR 12 (EUR 10.50). Given a share price upside of 10% we recommend buying the shares.

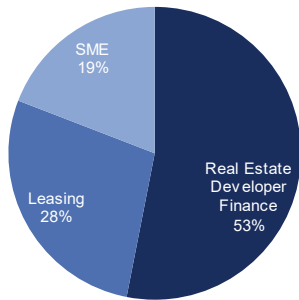
Exhibit 4: Target price derived from three different valuation methods



Source: Pareto Securities Research

Exhibit 5: Investment Case in Charts

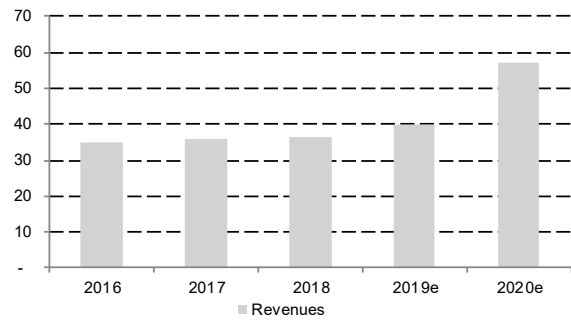
Loan portfolio split by business unit (12 2018)



Commercial Real Estate Developer Financing business is Merkur Bank's key revenue pillar.

Source: Merkur Bank, Pareto Research

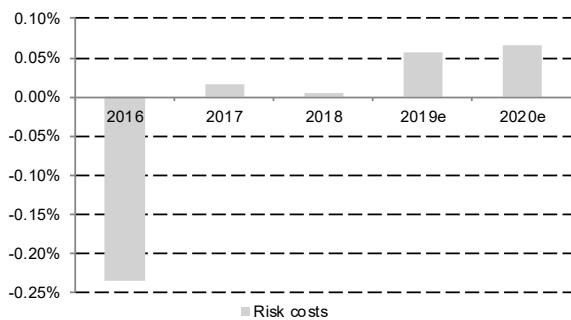
Revenues should grow ...



The strong revenues growth in 2020e should mainly result from the takeover of Bank Schilling.

Source: Merkur Bank, Pareto Research

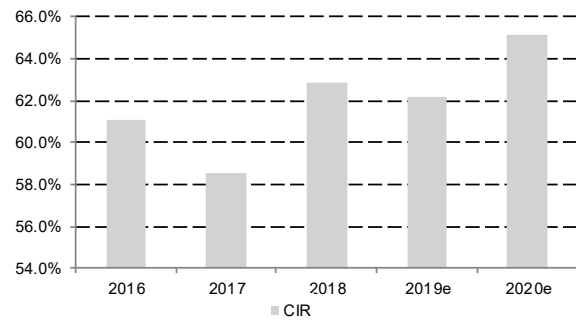
... while risk costs should remain low



Risk costs should remain on low level as we expect the benign commercial real estate environment to continue.

Source: Merkur Bank, Pareto Research

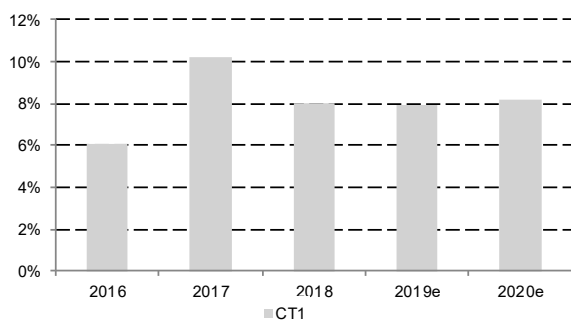
Efficiency is solid with a CIR of slightly above 60%



CIR is at relatively low level. We see no room for further improvement as Merkur Bank is already operating quite efficiently.

Source: Merkur Bank, Pareto Research

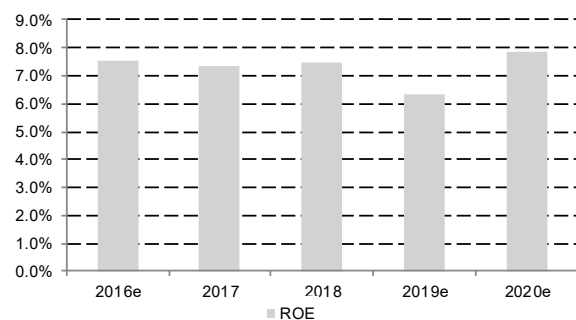
Capitalization on sufficient level



With an estimated CT1 ratio of 10% in 2018 we see Merkur Bank sufficiently capitalized.

Source: Merkur Bank, Pareto Research

Solid Profitability


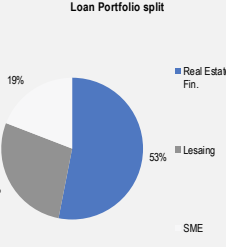
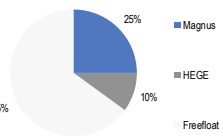


ROE should recover again in 2020e as Bank Schilling will contribute to earnings on a full-year basis.

Source: Merkur Bank, Pareto Research

Source: Pareto Securities Research

Exhibit 6: At a Glance

Business Areas	Corporate Banking	Retail / Private Banking				
Company Profile	 <p>MERKUR Bank is a private bank, located in Munich, focusing on corporate and retail banking. While it has expanded its retail banking activities in recent years, residential real estate developer finance remains its most important business. MERKUR Bank has the legal status of a KGaA and is listed on the Munich stock exchange.</p>					
Business Focus	MERKUR Bank offers residential real estate developer finance, leasing and classical loans to its customers with a clear focus on developer loans. Total corporate loans amount to around EUR 1.15bn.	In Retail / Private Banking MERKUR Bank offers retail banking services both online and through its four branches to its customers. It has more than EUR 300m assets under custody.				
Customers	MERKUR Bank's customer are SME customers. While in real estate financing they comprise different real estate investors, they include traditional SME in the other segments.	MERKUR Bank's customers are classical retail customers which should be somewhat more affluent than the average retail customer.				
Regional Focus	Regional Focus in real estate developer finance is Munich and to a lesser extent Stuttgart and Nuremberg.	Regional Focus is Bavaria, Thuringia and Saxony with the branches being located in Munich, Jena, Plauen and Auerbach.				
Market share/ positioning	MERKUR Bank's market share should be insignificant overall but in its core market Munich MERKUR Bank should be among the established players in its niche.	MERKUR Bank's market share in the German retail banking market insignificant.				
Drivers	Apart from the general macroeconomic development in Germany, the overall demand for housing in Munich and thus new construction activity is the key driver for MERKUR Bank's revenues.	We see two developments which should be beneficial for MERKUR Bank: 1) The ongoing branch closures of the market leaders (savings and mutual banks) should continue to be beneficial for MERKUR Bank as it should help it to further grow its assets under custody. 2) The low interest rate environment forces people to invest its assets into riskier assets which should be beneficial for banks/asset managers offering asset management services.				
Asset Quality	We do not have any NPL figures for MERKUR Bank but based upon the current very favorable housing market in Munich, particularly the high demand for new housing, and the company's statement we assume that NPLs are currently on low levels. Clearly, a deterioration of the housing market in Munich should lead to rising NPLs.					
Capitalization	With a CT1 ratio of 10% (2018; Pareto estimate) and total capital ratio of 15.3% MERKUR Bank fulfills the regulatory requirements but capitalization, unlike in the years before the CT1 ratio, is not a weak spot anymore for MERKUR Bank, i.e. the bank should be able to take advantage of future growth opportunities.					
Strategy & Guidance	Strategy: (I) MERKUR Bank intends to further increase its AuC to increase revenues in retail/private banking to become less dependent from the real estate business (II) Further improve its capitalization to be able to make use of the business opportunities in the housing market in Munich	Guidance 2019: no concrete earnings guidance published	EPS y/y 0.53 -13.9%	Pareto Estimates na na	Consensus na na	
2018	Revenues (EURm) 36.6 2.4% w/y	CIR 62.9%	Net Profit (EURm) 3.7 7.5% ROE	EPS 5Y hist. CAGR 1.1%		
New bus. & Portfolio Split						
Shareholder structure & management	CEO  Dr. Marcus Lingel CEO & personal liability partner <ul style="list-style-type: none"> • Dr. Lingel joined MERKUR Bank's management board in 2005 • He joined MERKUR Bank in 2000 after having finished his studies and having worked for a large private bank in the corporate banking unit 		Board member  Claus Herrmann <ul style="list-style-type: none"> • Mr. Herrmann joined MERKUR Bank in 1999 and became a board member in 2002 • Mr. Herrmann has gained bank experience in different savings banks and other mid-sized banks 		Shareholder structure 	
# of employees FY 2018			191			

Source: Pareto Securities Research, Merkur Bank

PROFIT & LOSS (fiscal year) (EURm)	2015	2016	2017	2018	2019e	2020e	2021e
Net interest income	22	23	23	29	38	42	43
Net fee and commission income	10	10	12	7	2	13	13
Operating income	33	35	36	37	40	57	58
Staff costs	(13)	(13)	(13)	(14)	(14)	(24)	(24)
Other expenses	(9)	(9)	(10)	(10)	(11)	(15)	(15)
Depr.	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Operating expenses	(23)	(23)	(24)	(24)	(26)	(39)	(40)
Operating profit before losses	10	11	12	12	14	18	18
Net loan losses	(2)	2	(0)	(0)	(1)	(1)	(1)
Pre-tax profit	8	13	12	12	13	17	17
Tax expense	(3)	(4)	(4)	(5)	(5)	(7)	(7)
Net profit	4	9	7	7	8	10	10
Minority interests	(2)	(6)	(4)	(3)	(4)	(4)	(4)
Net profit attributable	3	3	3	4	4	6	6
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019e	2020e	2021e
Current assets	72	121	141	98	113	117	127
Gross loans	813	847	888	1,152	2,002	2,042	2,083
Other assets and accruals	87	65	64	103	127	127	127
Total assets	973	1,033	1,094	1,353	2,242	2,286	2,337
Deposits from credit institutions	84	74	62	68	63	58	60
Deposits from the public	800	846	905	1,152	2,002	2,042	2,083
Certificates and bond loans	-	-	-	-	-	-	-
Other liabilities accruals and allocat.	19	26	32	37	30	32	32
Subordinated loan capital	31	41	46	46	76	81	86
Equity	39	46	48	50	70	73	76
Total debt and equity	973	1,033	1,094	1,353	2,242	2,286	2,337
Average total assets		1,003	1,063	1,223	1,797	2,264	2,312
PER SHARE DATA & VALUATION (EUR)	2015	2016	2017	2018	2019e	2020e	2021e
Avg. no. of shares	5	5	6	6	7	8	8
End. no. of shares	5	6	6	6	8	8	8
Price	5.9	6.7	7.9	8.2	9.6	9.6	9.6
Market cap.	31	38	45	46	75	75	75
EPS reported	0.51	0.61	0.60	0.64	0.53	0.72	0.75
EPS adj.	0.51	0.61	0.60	0.64	0.53	0.72	0.75
BVPS	7.5	8.0	8.4	8.8	9.0	9.4	9.7
DPS	0.22	0.26	0.30	0.32	0.34	0.36	0.38
P/E	11.6	10.9	13.0	12.7	18.2	13.3	12.8
P/E adj.	11.6	10.9	13.0	12.7	18.2	13.3	12.8
P/B	0.8	0.8	0.9	0.9	1.1	1.0	1.0
Dividend Yield	3.7%	3.9%	3.8%	3.9%	3.5%	3.8%	3.9%
KEY RATIOS	2015	2016	2017	2018	2019e	2020e	2021e
Net interest margin	2.39%	2.30%	2.16%	2.39%	2.09%	1.86%	1.86%
Net interest margin (int.-bearing assets)	2.63%	2.62%	2.53%	2.71%	2.28%	2.02%	2.03%
Cost/Income	67%	64%	63%	63%	62%	65%	65%
Loan losses (bps annualised)	0	(0)	0	0	0	0	0
ROE		7.5%	7.4%	7.5%	6.4%	7.8%	7.9%
ROA	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.3%
RORWA	0.3%	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%

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Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – own a portion of the shares exceeding 5% of the total share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	13,672,650	19.57%	Sparebanken Vest	4,507,960	7.64%

Pareto Securities AS or its affiliates own as determined in accordance with Section 13(d) of the US Exchange Act, 1% or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	13,672,650	19.57%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig ASA	2,172,147	2.32%	Sparebanken Sør	433,149	2.77%
SpareBank 1BV	1,650,920	2.62%	Sparebanken Vest	4,507,960	7.64%
SpareBank 1Nord-Norge	3,113,087	3.10%	Totens Sparebank	79,246	1.29%
SpareBank 1SMN	1,878,192	1.45%			

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	18,475	Helgeland Sparebank	0	4,127	SailMar	0	280
Aker	0	1,021	Höegh LNG	0	3,890	Sandnes Sparebank	0	23,832
Aker BP	0	8,560	Jæren Sparebank	0	500	Scatec Solar	0	35,635
AKVA Group	0	2,100	Komplett Bank	0	108,913	Schibsted ASA B Aksjer	0	453
Archer	0	38,730	Kongsberg Gruppen	0	34,051	Seadrill	0	11,722
Atlantic Sapphire	0	3,805	KWS	75	75	Selvaag Bolig	0	3,000
Avance Gas	0	4,580	Lerøy Seafood	0	4,880	SpareBank 1BV	0	17,700
Axactor	0	8,709	Magseis Fairfield	0	12,379	SpareBank 1Nord-Norge	0	26,500
BASF	270	270	Mowi	0	2,679	SpareBank 1Ringerike Hadr	0	500
Bonheur	0	48,485	NEXT Biometrics	0	10,976	SpareBank 1SMN	0	15,490
BRABank	0	137,1000	NORBIT	0	18,864	SpareBank 1SR-Bank	0	29,482
BWLPG	0	2,069	Nordic Semiconductor	0	6,000	Sparebank 1Østfold Akersl	0	450
DNB	0	31,295	Norsk Hydro	0	96,051	SpareBank 1Østlandet	0	2,891
DNO	0	391,278	Northern Drilling	0	5,060	Sparebanken Sør	0	15,840
DNO Bull ETN	0	7,000	Norwegian Air Shuttle	0	66,467	Sparebanken Vest	0	1,900
Entra	0	31,627	Norwegian Energy Compan	0	300	Sparebanken Øst	0	1,500
Equinor	0	6,431	Ocean Yield	0	34,967	Stolt-Nielsen	0	40,400
Europris	0	14,750	Odfjell Drilling	0	2,244	Storebrand	0	5,565
Fjord1	0	51,250	Okeanis Eco Tankers	0	1,738	Subsea 7	0	1,162
Fjordkraft Holding	0	5,000	Orkla	0	19,864	Telenor	0	1,911
Flex LNG	0	1,032	Panoro Energy	0	5,670	TGS-NOPEC	0	2,000
Frontline	0	11,730	Pareto Bank	0	1183,040	XXL	0	8,879
Gjensidige Forsikring	0	6,690	Pioneer Property	0	2,050	Yara International	0	12,475
Golden Ocean Group	0	1,744	Protector Forsikring	0	14,385	Zenterio	0	78,865
Grieg Seafood	0	970	REC Silicon	0	32,776			

This overview is updated monthly (last updated 15.10.2019).

*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

2020Bulkers	Genel Energy	Norwegian Air Shuttle
Avanzia Bank	Gfinity Plc	Nouveau Monde Graphite
African Petroleum	GG. St. Kongensgade 100 og 106	Ocean Yield
Agder Energi	Hafslund E-CO	OKEA
American Tanker	Herttha BSC GmbH	Okeanis Eco Tankers
Andfjord Salmon	HKN Energy Ltd	Otiga Group
APC Forsikringsmæglere A/S	Hunter Group ASA	Panoro Energy
Belships ASA	Hörmann Industries	Pareto Bank
Bluewater Holding	Ice Group	Petroleum Geo-Services
BRABank	Jactel AS	PetroTal
CentralNic Group	Klavness Ship Holding	Point Resources AS
DNO	LifeFit	Questerre Energy
Dof Subsea	Lundin Petroleum	Rødovre Port Holding A/S
Eco Atlantic Oil and Gas	Magseis	Shamaran Petroleum
Euromicron AG	Monobank ASA	Sparebank 1 Østlandet
Exmar NV	Navig8	Stolt Nilsen
FFS Bidco	Navigator Holdings	TEMPTON Dienstleistungen
Filo Mining Corp	NGEX Resources	Union Maritime Limited
Flex LNG	Norbit ASA	Vantage Drilling
Floatel		

This overview is updated monthly (this overview is for the period 30.09.2018 – 30.09.2019).

Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11(4)

Distribution of recommendations

Recommendation	% distribution
Buy	65%
Hold	31%
Sell	4%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	95%
Hold	5%
Sell	0%

* Companies under coverage with which Pareto Securities Group has on-going or completed public investment banking services in the previous 12 months

This overview is updated monthly (last updated 15.10.2019).

Appendix D

This section applies to research reports prepared by Pareto Securities AB.

Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

Disclosure of assignments and mandates

Overview over issuers of financial instruments where Pareto Securities AB has prepared or distributed investment recommendation, where Pareto Securities AB has been lead manager or co-lead manager or has rendered publicly known not immaterial investment banking services over the previous twelve months:

Azelio	Green Landscaping Holding	Mentice AB	Sedana Medical
Bionvent	IRRAS AB	Pledpharma AB	ShaM aran Petroleum
Climeon	Jetpak Top Holding AB		

Members of the Pareto Group provide market making or other liquidity providing services to the following companies included in Pareto Securities AB's research coverage universes:

Cavotec	Saltängen Property Invest	Sedana Medical	Tethys Oil
Cibus Nordic Real Estate	SciBase Holding	ShaM aran Petroleum	Vostok Emerging Finance
Isofol Medical			

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None
This overview is updated monthly (last updated 15.10.2019).

Appendix E

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

Designated Sponsor

Pareto Securities acts as a designated sponsor for the following companies, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Pareto Securities receives a commission from the company for the provision of the designated sponsor services.

2G Energy *	Freenet	MAX Automation SE	SCOUT24
Aixtron *	Gesco *	Merkur Bank	Siemens Healthineers AG
Baywa	GFT Technologies *	MLP *	SMT Scharf AG *
Biotest *	Gigaset *	MOBOTIX AG	Surteco Group *
Brenntag	Heidelberg Pharma *	OVB Holding AG	Szygy AG *
CORESTATE Capital Holding S.A.	Hypoport AG	Procredit Holding *	TAKKT AG
Daldrup & Söhne	init	PSI SOFTWARE AG *	Vapiano
Demire	Intershop Communications AG	PWO *	va-Q-tec *
Epigenomics AG*	Leifheit	RIB Software *	Viscom *
Euromicron AG *	Logwin *	S&T AG *	windeln.de
Eyemaxx Real Estate	Manz AG *	Schaltbau Holding AG	

* The designated sponsor services include a contractually agreed provision of research services.

Appendix F

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter g, ref the Securities Trading Act Section 3-10

Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and—in return—receives compensation.

Adler Modemaerkte	Eyemaxx Real Estate	Intershop Communications AG	OHB SE
Baywa	First Sensor	Leifheit	OVB Holding AG
BB Biotech	Godewind Immobilien AG	MAX Automation SE	Schaltbau Holding AG
comdirect	Hypoport AG	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	init	MOBOTIX AG	Vapiano

This overview is updated monthly (last updated 15.10.2019).