

NORDEA

1/31/2026 6:30 pm EET

This is a translated version of "Kannattavuusnäkymä säilyy erinomaisena" report, published on 1/30/2026



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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Profitability outlook remains excellent

Nordea's steady earnings development continued in Q4. There was strong development in both new sales in asset management and demand for lending. However, after the rather unsurprising earnings report, the changes in estimates remained moderate. We reiterate our EUR 17.5 target price, but following the slight decline in the share price, we raise our recommendation back to Accumulate (was Reduce).

Q4 result offered no surprises

Nordea's result in Q4 developed largely in line with our expectations. Net interest income decreased by approximately 5% year-on-year due to lower interest rates, though growth in the loan portfolio offset some of this impact. Net fee and commission income continued to develop excellently, driven by asset management, and assets under management grew nearly 5% from the previous quarter. Costs continued to develop moderately, and loan losses also remained fairly modest. Overall, Q4 EBIT exceeded our forecast by a narrow margin of approximately 3%. Earnings per share were EUR 0.34, and return on equity was 14.5%. Nordea proposed a dividend of EUR 0.96 per share, which is in line with our forecast. Additionally, the company will distribute 50% of its H1/2026 net profit as dividends in the summer.

Meanwhile, guidance for 2026 indicates stable development of profitability, as Nordea expects its return on equity to exceed 15%.

The bottom of net interest income is at hand

We have made only marginal changes to our forecasts, and overall, our earnings expectations for the coming years have remained virtually unchanged.

We expect Nordea's results to continue declining at a very moderate rate in 2026 before returning to steady growth, driven by rising returns and effective cost control. We anticipate that the interest margin will continue to decline for a few quarters.

However, this effect should be offset by credit portfolio growth by the end of the first half of 2026. Consequently, in addition to fee and commission income, we also expect net interest income to gradually start supporting earnings development. Growth in fee and commission income is primarily driven by asset management, which we expect will continue to grow faster than other banking activities. Additionally, the reversal of existing loan loss provisions will clearly support the results in our forecasts in 2026 as well. Even when adjusted for this, we expect loan losses to remain very moderate.

Our earnings and profitability estimates are below the company's new targets, which we find very ambitious. However, we expect Nordea's profitability to remain above 15% and gradually improve, which we consider an excellent level in the competitive banking sector. We estimate that shareholder distributions will remain generous, as the bank supplements its dividend distributions with regular share buyback programs (total shareholder distribution ~85% of the result).

Expected return once again sufficient

Based on our forecasts of a 15–16% return on equity and a required return of 9.5%, we have approved a P/B ratio of 1.7–2.0x for Nordea, which, given the bank's current equity capital, justifies a share price of EUR 16.3–18.9. Our target price is around the midpoint of the range because our base-case scenario estimates require fairly strong development from the company and the market. In light of the slight decline in the share price, we consider the expected return sufficient for a positive recommendation. In our projections, the expected annual return for the coming years is 10–12%, consisting of profit distribution (7–8%) and a moderate increase in the share price (3–4%). Although Nordea is already valued at a premium to its peer group, we consider this justified, given the better profitability outlook.

Recommendation

Accumulate

(was Reduce)

Business risk



Target price:

EUR 17.50

(was EUR 17.50)

Share price:

EUR 16.21

Valuation risk



	2025	2026e	2027e	2028e
Operating income	11 743	11 951	12 432	12 885
growth-%	-3 %	2 %	4 %	4 %
Operating costs	5 405	5 643	5 594	5 687
Cost/income ratio	46 %	47 %	45 %	44 %
Adj. EBIT	6 316	6 293	6 518	6 868
Net profit	4 840	4 726	5 038	5 309
EPS (adj.)	1.40	1.42	1.50	1.60
Dividend	0.96	0.98	1.02	1.04
Payout ratio	69 %	69 %	68 %	65 %
ROE-%	16 %	15 %	15 %	15 %
P/E (adj.)	11.9	11.4	10.8	10.2
P/B	1.8	1.7	1.6	1.5
Dividend yield-%	5.8 %	6.0 %	6.3 %	6.4 %

Guidance

(New guidance)

Nordea expects its return on equity to exceed 15% and its cost-to-income ratio, excluding regulatory fees, to be around 45% in 2026.

Q4 result offered no surprises

No surprises on the main income lines

Nordea's net interest income declined by about 5% year-on-year in Q4, as expected, in line with interest rate levels. The decrease from the previous quarter was only 1%, as strong loan portfolio growth (+1.8% from previous quarter) offset the impact of lower interest rates. Demand was strongest among corporate customers, though the household credit portfolio also developed adequately. Geographically, according to the report, demand for loans at the end of the year was strongest in Sweden and Denmark,. Deposits grew even faster than lending, increasing by around 8% from the previous quarter.

Nordea's net fee and commission income continued to grow as expected, driven by asset management. Assets under management increased by almost 5% from the previous quarter due to strong new sales and positive value changes. Sales were robust across the bank's Nordic customer base, and new assets under management were acquired through international distribution channels as well. This reflects a clear change in recent quarters compared to previous years

(2022–2024), when redemptions by international clients negatively impacted the entire group's AUM development.

Meanwhile, changes in fair value were slightly higher than we had anticipated, resulting in Nordea's Q4 income exceeding our forecast by a modest 1%, reaching 2,948 MEUR.

Loan losses remained low, supporting the result

Nordea's operating expenses were well in line with our expectations. This was unsurprising, as the company had already provided a preliminary estimate of its cost trend for the latter part of the year. Overall, the cost level decreased due to lowered IT costs year-on-year. Correspondingly, the share of development expenses capitalized on the balance sheet increased (reflected with a delay as an increase in depreciation), showing that Nordea has continued its technology investments in line with its strategy.

The loan losses recognized in the income statement were also in line with our forecasts. However, the decrease in management judgment buffers was slightly less than

expected, so actual loan losses for the quarter (0.07% of credit portfolio) remained very moderate again when adjusted for this. There was also no deterioration in the quality of the credit portfolio during the quarter.

Owing to slightly higher-than-expected returns, Nordea's Q4 EBIT exceeded our estimate by about 3%. Earnings per share were EUR 0.34, and return on equity was 14.5%. The bank proposed a dividend of EUR 0.96 per share, which was fully in line with our forecast. In addition, as announced at the Capital Markets Day, the company plans to distribute 50% of its first-half 2026 earnings as dividends in the summer.

Guidance points to stable profitability development

In connection with the earnings report, Nordea issued non-surprising profitability guidance for the current year, stating that it expects its ROE to exceed 15% in 2025 (2024: 15.5%). In addition, Nordea expects its cost-to-income ratio, adjusted for regulatory fees and non-recurring items, to be around 45% this year.

Estimates MEUR / EUR	Q4'24		Q4'25		Q4'25e		2025 Actualized	
	Comparision	Actualized	Inderes	Consensus	Consensus	Low	High	Act. vs. Inderes
Net interest income	1,854	1,765	1,755	1,753	1,731 – 1,770	1%	7,167	
Net commission income	825	853	846	847	835 – 866	1%	3,249	
Insurance income	69	64	60	63	52 – 70	7%	1,045	
Changes in fair value	201	257	240	245	217 – 270	7%	1,045	
Total income	2,955	2,948	2,910	2,920	2,893 – 2,949	1%	11,743	
Total expenses	-1,434	-1,386	-1,392	-1,387	-1,421 – -1,370	0%	-5,405	
Credit losses	-54	-49	-44	-46	-94 – -1	11%	-22	
EBIT	1,467	1,513	1,474	1,488	1,419 – 1,554	3%	6,316	
EPS	0.32	0.34	0.33	0.33	0.32 – 0.35	2%	1.40	
Dividend per share	0.94	0.96	0.96	0.95	0.90 – 0.97	0%	0.96	

Source: Inderes & Infront (consensus)

The bottom of net interest income is at hand

Estimate changes:

- We slightly raised our estimates for credit portfolio growth in the coming years because demand developed more favorably than we expected at the end of the year and the outlook in the operating countries is reasonably good. Nevertheless, we revised our net interest income margin estimate downward based on management's comments.
- Our fee and commission income estimates also increased moderately, as assets under management grew more strongly than we expected in Q4. Overall, our earnings forecasts for the next few years rose by about 2-1%.
- We also slightly increased our share buyback estimates for 2027–2028.

The bottom of net interest income is at hand

Our Nordea return forecasts are driven primarily by credit portfolio growth, net interest margin (net interest income/loan portfolio), and the projected development of fee

and commission income. We expect the credit portfolio to grow by just over 3% in 2026-2028. We therefore expect the positive sentiment that began in 2025 to continue in both corporate lending and personal loans, as we believe that the demand outlook in Nordea's operating countries is generally favorable. Finland remains the weakest region, as high unemployment and sluggish consumer confidence are clearly hampering demand for lending.

We estimate that Nordea's net interest margin will bottom out in early 2026, after which it will start to rise moderately, in line with interest rate forecasts. Regarding the margin, it should still be noted that forecasting interest rate developments is extremely challenging and the margin of error has historically been large. The situation will certainly continue to live in one direction or another. Overall, we expect Nordea's net interest income to grow at an average rate consistent with the growth of its credit portfolio in the coming years. The most significant component of Nordea's net fee and commission income is asset management fees.

We forecast Nordea's annual AUM growth at approximately 6%, split between positive value changes (4.5%) and net subscriptions (1.5–1.7%). At the same time, we expect average fee levels to continue their downward trend. This is influenced by both the growing popularity of passive investment products and the continued intensification of price competition in traditional asset management (equity and fixed income funds). Consequently, our growth forecast for asset management fee income is slightly below the growth forecast for assets under management.

We estimate that other fee and commission income (mainly related to lending and basic banking operations) will develop roughly in line with the growth of the credit portfolio. Of the remaining income lines, only changes in fair value are of material significance. These have historically amounted to approximately 1 BEUR annually, and based on the company's comments, this level is not expected to change.

Estimate revisions MEUR / EUR	2025 Estimate	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Net interest income	7,157	7,167	0%	7,221	7,172	-1%	7,476	7,486	0%
Net commission income	3,242	3,249	0%	3,430	3,467	1%	3,586	3,618	1%
Net result from items at fair value	1,028	1,045	2%	1,040	1,020	-2%	1,050	1,030	-2%
Total operating income	11,705	11,743	0%	11,979	11,951	0%	12,407	12,432	0%
Total operating expenses	-5,411	-5,405	0%	-5,636	-5,643	0%	-5,596	-5,594	0%
Net loan losses	-17	-22	27%	-154	-155	1%	-316	-321	1%
Operating profit	6,277	6,316	1%	6,190	6,153	-1%	6,494	6,518	0%
Operating profit excl. non-rec. items	6,277	6,316	1%	6,330	6,293	-1%	6,494	6,518	0%
EPS (reported)	1.39	1.40	1%	1.40	1.39	-1%	1.49	1.50	0%
EPS (adj.)	1.39	1.40	1%	1.43	1.42	-1%	1.49	1.50	0%
Dividend per share	0.96	0.96	0%	0.98	0.98	0%	1.01	1.02	1%

Source: Inderes

Nordea fourth-quarter and full-year results 2025



Profitability outlook has remained excellent

Moderate cost growth expected

Our cost estimates anticipate a more moderate cost growth than Nordea's targeted level (of around 2% average annual growth), as the current management has an excellent track record of improving efficiency. In our estimates, cost growth has been weighted more heavily towards other operating expenses (particularly IT-related costs), as Nordea aims to achieve clear efficiency benefits through AI investments. We estimate that this will keep staffing levels down.

Buffers will still cushion loan losses for a while

We estimate annual loan losses to average around 0.08% of the credit portfolio. The company itself estimates the normal level to be around 0.10%, but despite challenges in the real estate market and sluggish economic development, the actual outcome has been more modest, even in recent years. Thus, we consider the risks of the bank's credit portfolio to be moderate overall.

However, our loan loss forecast for 2026 is lower, due to the release of loan loss provisions. Nordea has stated its intention to either release or allocate the remaining provisions to loans in 2026, a message that was not changed on their earnings announcement day. At the end of Q4, the buffers stood at 276 MEUR.

Profitability outlook is strong

Overall, we expect Nordea's results to continue declining at a moderate rate in 2026 before returning to steady growth, driven by increasing returns and effective cost control. However, our profitability estimates are below the company's new targets, which we consider ambitious, especially towards the end of the target period (2026–2030). The difference can be explained by growth assumptions: Nordea aims to grow faster than the overall market, but our estimates anticipate development that is roughly in line with market growth. However, we expect Nordea's return on equity, adjusted for one-time costs, to

remain above 15% and gradually improve, which can be considered an excellent level in the competitive banking sector. We note that Nordea calculates its return on equity as a quarterly average. Our estimates, on the other hand, use the average equity at the end of the year, so the profitability estimates presented in the tables in this report differ slightly from the company's calculations.

Profit distribution remains abundant

We continue to forecast generous dividend distributions as in previous years, and we expect Nordea to distribute 65–70% of its profits as dividends in accordance with its dividend policy. We believe that the company is aiming for a steadily increasing dividend, which is also in line with our own forecasts. Dividends are supplemented by regular share buyback programs.

Estimate revisions MEUR / EUR	2025 Estimate	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Net interest income	7,157	7,167	0%	7,221	7,172	-1%	7,476	7,486	0%
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Operating profit	6,277	6,316	1%	6,190	6,153	-1%	6,494	6,518	0%
Operating profit excl. non-rec. items	6,277	6,316	1%	6,330	6,293	-1%	6,494	6,518	0%
EPS (reported)	1.39	1.40	1%	1.40	1.39	-1%	1.49	1.50	0%
EPS (adj.)	1.39	1.40	1%	1.43	1.42	-1%	1.49	1.50	0%
Dividend per share	0.96	0.96	0%	0.98	0.98	0%	1.01	1.02	1%

Source: Inderes

Expected return once again sufficient

In our view, Nordea is well-positioned for stable earnings development and strong profitability in the coming years. In light of the slight decline in the share price, we consider the expected return sufficient for a positive recommendation. The expected annual return (10–12%) is based in our estimates on a combination of profit distribution (7–8%) and share price growth potential (3–4%). Although Nordea is valued at a premium to its peer group, we believe the difference is justified, given Nordea's superior profitability outlook. Additionally, we believe the moderately high profit distribution yield will have a supportive effect on the share price, reducing the risk associated with its valuation.

Good profitability outlook justifies high multiples

Nordea's acceptable fundamentals-based P/B valuation can be examined by making assumptions about a sustainable long-term return on equity (ROE), the cost of equity requirement (CoE) and a sustainable growth factor (g).

We assume that Nordea will sustainably reach a return on equity of about 15–16%, applying a CoE requirement of 9.25–9.75% and a growth factor of 2.5%, which results in an acceptable P/B ratio of 1.7–2.0x. With the current balance sheet equity, the value would be EUR 16.3–18.9 with these multiples (midpoint EUR 17.6).

Therefore, after a slight decline in its price, the share now appears to be moderately priced again, and the expected annual return has risen to 10–12% in our calculations. Due to Nordea's consistent results, we believe the margin of safety to the required return (9.5%) is sufficient to justify a positive recommendation.

Peer valuation no longer provides equally strong support

Nordea is valued above its peer group of Nordic banks on a price-to-book (P/B) basis. We believe this can be considered justified, given the company's stronger profitability outlook compared to its peers.

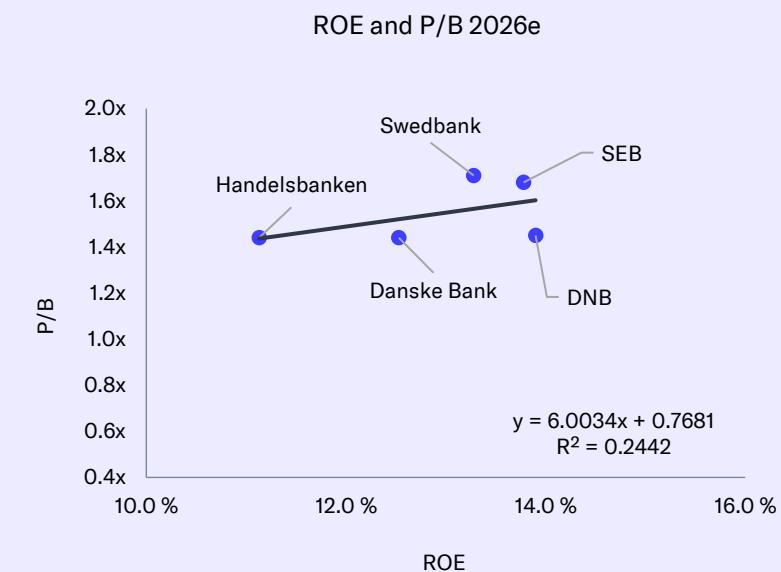
Also, according to a regression model that accounts for company-specific profitability differences (the relationship between return on equity and P/B ratio), the valuation gap is justified, as a P/B ratio of 1.7x could be justified for Nordea in light of this market model (chart on the right). This is in line with the current pricing. However, peer analysis no longer supports the attractiveness of Nordea's share.

It is noteworthy that the valuation multiples of the entire peer group have risen over the past year, which indicates to us decreased return requirements in the banking sector.

EVA model (Economic Value Added)

We have also looked at Nordea's valuation using an Economic Value Added (EVA) model, which gives Nordea a value of around EUR 18.0 per share (unchanged). Since Nordea's return on equity is higher than its cost, according to our estimates, the bank's business is value-creating. For this reason, the result provided by the EVA model significantly exceeds the book value of equity, as with other valuation methods. We have applied 2.5% as the growth assumption for the terminal period. The EVA model with its assumptions can be found in the appendices of the report.

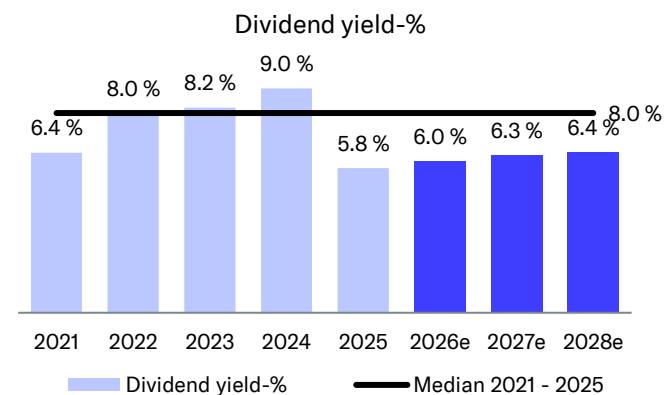
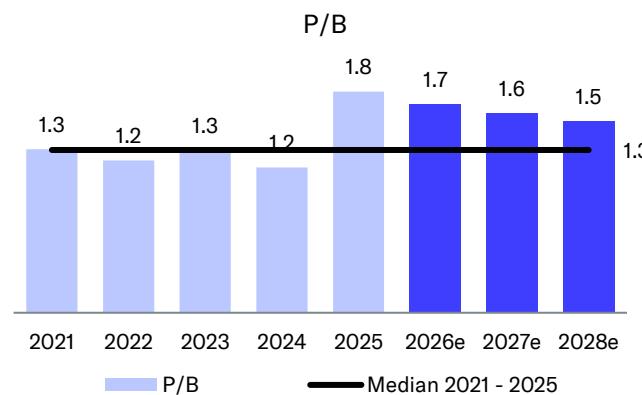
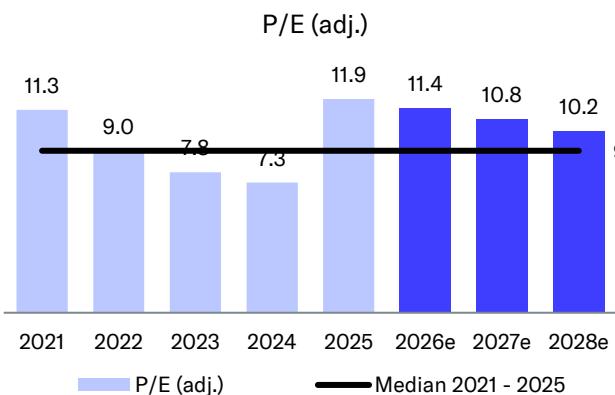
Valuation	2026e	2027e	2028e
Share price	16.2	16.2	16.2
Number of shares, millions	3,407	3,368	3,316
Market cap	54,958	54,231	53,287
P/E (adj.)	11.4	10.8	10.2
P/B	1.7	1.6	1.5
Dividend yield-%	6.0 %	6.3 %	6.4 %
Source: Inderes			



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	10.8	10.0	11.2	10.5	16.6	16.2	16.2	16.2	16.2
Number of shares, millions	4,025	3,721	3,579	3,505	3,458	3,407	3,368	3,316	3,259
Market cap	42,793	36,650	39,619	36,782	57,073	54,958	54,231	53,287	52,370
P/E (adj.)	11.3	9.0	7.8	7.3	11.9	11.4	10.8	10.2	9.6
P/B	1.3	1.2	1.3	1.2	1.8	1.7	1.6	1.5	1.5
Dividend yield-%	6.4 %	8.0 %	8.2 %	9.0 %	5.8 %	6.0 %	6.3 %	6.4 %	6.5 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	P/E		Dividend yield-%		P/B 2026e
		2026e	2027e	2026e	2027e	
Danske Bank	35819	11.4	10.7	6.5	6.6	1.4
DNB	35829	10.6	10.3	6.3	6.5	1.5
Handelsbanken	26964	12.8	12.2	7.0	6.8	1.4
SEB	39166	12.4	11.3	4.6	4.8	1.7
Swedbank	37123	13.0	12.2	6.8	7.0	1.7
Nordea (Inderes)	54958	11.4	10.8	6.0	6.3	1.7
Average		12.0	11.3	6.2	6.3	1.5
Median		12.4	11.3	6.5	6.6	1.5
Diff-% to median		-8%	-4%	-7%	-5%	15%

Source: Refinitiv / Inderes

Income statement

Income statement (MEUR)	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Net interest income	7,594	1,829	1,798	1,775	1,765	7,167	1,755	1,778	1,802	1,836	7,172	7,486	7,763	7,996
Net fee and commission income	3,157	793	792	811	853	3,249	844	864	865	895	3,467	3,618	3,777	3,942
Net insurance result	253	54	58	66	64	242	62	62	62	62	248	254	261	267
Net result from items at fair value	1,023	289	254	245	257	1,045	255	255	255	255	1,020	1,030	1,041	1,051
Other income	57	9	9	13	9	40	12	10	12	10	44	44	44	44
Total operating income	12,084	2,974	2,911	2,910	2,948	11,743	2,928	2,969	2,997	3,058	11,951	12,432	12,885	13,300
Non-recurring items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating income excl. non-rec. items	12,084	2,974	2,911	2,910	2,948	11,743	2,928	2,969	2,997	3,058	11,951	12,432	12,885	13,300
Staff costs	-3,106	-792	-809	-806	-827	-3,234	-776	-802	-811	-844	-3,232	-3,264	-3,296	-3,329
Other expenses	-1,647	-413	-373	-372	-399	-1,557	-566	-395	-382	-420	-1,763	-1,664	-1,706	-1,749
Depreciation tangible and intangible assets	-577	-149	-151	-154	-160	-614	-161	-162	-162	-163	-648	-667	-685	-705
Total operating expenses	-5,330	-1,354	-1,333	-1,332	-1,386	-5,405	-1,502	-1,358	-1,355	-1,427	-5,643	-5,594	-5,687	-5,782
Non-recurring expenses	-32	0	0	0	0	0	-140	0	0	0	-140	0	0	0
Total operating expenses excl. non-rec. expenses	-5,299	-1,354	-1,333	-1,332	-1,386	-5,405	-1,362	-1,358	-1,355	-1,427	-5,503	-5,594	-5,687	-5,782
Profit before loan losses	6,754	1,620	1,578	1,578	1,562	6,338	1,426	1,611	1,641	1,631	6,309	6,838	7,198	7,518
Net loan losses	-206	-13	21	19	-49	-22	-38	-39	-39	-39	-155	-321	-331	-341
Operating profit	6,548	1,607	1,599	1,597	1,513	6,316	1,387	1,572	1,602	1,592	6,153	6,518	6,868	7,178
Total non-recurring items	-32	0	0	0	0	0	-140	0	0	0	-140	0	0	0
Operating profit excl. non-rec. items	6,580	1,607	1,599	1,597	1,513	6,316	1,527	1,572	1,602	1,592	6,293	6,518	6,868	7,178
Taxes	-1,489	-373	-378	-369	-356	-1,476	-322	-365	-372	-369	-1,428	-1,479	-1,559	-1,629
Net profit for the period	5,059	1,234	1,221	1,228	1,157	4,840	1,065	1,207	1,231	1,223	4,726	5,038	5,309	5,548
Net profit excl. non-rec. Items	5,083	1,234	1,221	1,228	1,157	4,840	1,173	1,207	1,231	1,223	4,833	5,038	5,309	5,548
EPS (reported)	1.44	0.35	0.35	0.36	0.34	1.40	0.31	0.35	0.36	0.36	1.39	1.50	1.60	1.70
EPS (adj.)	1.45	0.35	0.35	0.36	0.34	1.40	0.34	0.35	0.36	0.36	1.42	1.50	1.60	1.70
Dividend per share	0.94					0.96					0.98	1.02	1.04	1.06

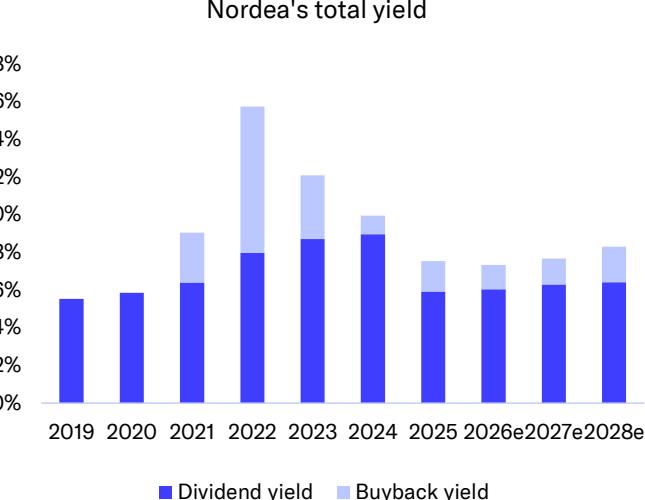
Balance sheet

Balance sheet (EURbn)	2024	2025	2026e	2027e	2028e	2029e
Cash and loans to central banks	51	45	47	48	50	51
Loans to credit institutions	3	4	4	4	4	5
Loans to the public	358	382	394	407	419	432
Intangibles	4	4	4	4	4	4
Other assets	208	219	226	234	241	248
Total assets	623	654	676	698	719	740
Equity	32	32	33	34	35	36
Deposits by credit institutions	29	34	40	41	43	44
Deposits and borrowings from the public	232	243	246	255	262	270
Debt securities in issue	188	196	203	209	216	222
Subordinated liabilities	7	9	9	9	10	10
Other liabilities	134	140	144	149	154	158
Total equity and liabilities	623	654	676	698	719	740

Summary tables 1/2

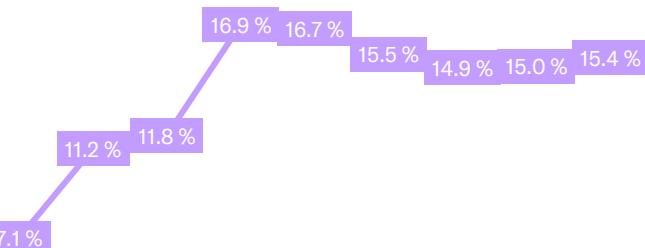
Income statement (MEUR)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Net interest income	4,318	4,515	4,925	5,664	7,451	7,594	7,167	7,172	7,486	7,763	7,996
Net fee and commission income	3,011	2,959	3,495	3,186	3,021	3,157	3,249	3,467	3,618	3,777	3,942
Net result from items at fair value	1,012	900	1,119	623	1,014	1,023	1,045	1,020	1,030	1,041	1,051
Other income	282	92	81	248	257	310	282	292	298	305	311
Total operating income	8,623	8,466	9,620	9,721	11,743	12,084	11,743	11,951	12,432	12,885	13,300
Total operating expenses	-5,986	-4,643	-4,649	-4,834	-5,061	-5,299	-5,405	-5,503	-5,594	-5,687	-5,782
Profit before loan losses	2,637	3,823	4,971	4,887	6,505	6,754	6,338	6,309	6,838	7,198	7,518
Net loan losses	-524	-860	-35	-125	-167	-206	-22	-155	-321	-331	-341
Operating profit	2,113	2,963	4,936	4,762	6,338	6,548	6,316	6,153	6,518	6,868	7,178
Taxes	-571	-698	-1,105	-1,175	-1,404	-1,489	-1,476	-1,428	-1,479	-1,559	-1,629
Net profit from continuing operations	1,542	2,265	3,831	3,587	4,934	5,059	4,840	4,726	5,038	5,309	5,548
Profit from discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Net profit for the period	1,542	2,265	3,831	3,587	4,934	5,059	4,840	4,726	5,038	5,309	5,548

Nordea's total yield



Balance sheet (BNEUR)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Loans to the public	323	330	345	346	345	358	382	394	407	419	432
Other assets	232	222	225	249	240	266	272	281	291	299	308
Total assets	555	552	570	595	585	623	654	676	698	719	740
Deposits	169	183	206	217	210	232	243	246	255	262	270
Other liabilities	355	335	331	346	343	358	379	396	409	422	434
Total equity	32	34	34	31	31	32	32	33	34	35	36
Total equity and liabilities	555	552	570	595	585	623	654	676	698	719	740

Return on equity (ROE)



Solvency	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	
Risk-weighted assets (BNEUR)	150	155	152	145	139	156	160	166	173	179	184
CET1 solvency	16.3 %	17.1 %	17.0 %	16.4 %	17.0 %	15.8 %	15.7 %	15.5 %	15.3 %	15.2 %	15.2 %
Tier 1 solvency	18.3 %	18.7 %	19.1 %	18.7 %	19.4 %	18.4 %	18.4 %	17.6 %	17.3 %	17.1 %	17.1 %
Total capital ratio	20.8 %	20.5 %	21.2 %	20.8 %	22.2 %	21.1 %	21.2 %	20.6 %	19.9 %	19.7 %	19.6 %

Return on equity (ROE)

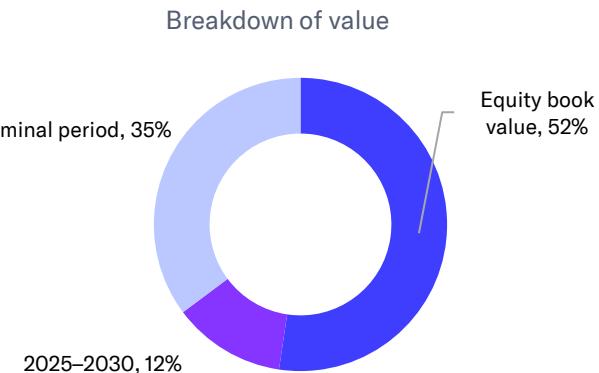


Summary tables 2/2

Other key ratios	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Income growth-%	-6%	-2%	14%	1%	21%	3%	-3%	2%	4%	4%	3%
Interest income/loan portfolio	1.37%	1.38%	1.46%	1.64%	2.16%	2.16%	1.94%	1.85%	1.87%	1.88%	1.88%
Loan portfolio growth-%	4.8 %	2.1 %	4.6 %	0.2 %	-0.3 %	3.7 %	6.8 %	3.2 %	3.3 %	3.0 %	3.0 %
Deposit growth -%	2.3 %	8.7 %	12.2 %	5.7 %	-3.4 %	10.7 %	4.5 %	1.5 %	3.3 %	3.0 %	3.0 %
Cost/income ratio excl. non-recurring items	57%	55%	48%	47%	43%	43%	45%	45%	44%	43%	42%
Loan losses/loan portfolio, average	0.17%	0.26%	0.01%	0.04%	0.05%	0.06%	0.01%	0.04%	0.08%	0.08%	0.08%
Return on equity (ROE)	5.0 %	7.1 %	11.2 %	11.8 %	16.9 %	16.7 %	15.5 %	14.9 %	15.0 %	15.4 %	15.6 %
Number of employees	29,000	28,051	26,894	28,268	29,153	30,157	28,989	28,989	28,844	28,700	28,556
Dividends paid in the review period (MEUR)	2,788	0	3,192	2,655	2,876	3,218	3,268	3,320	3,308	3,401	3,424
	0	0	1,136	2,841	1,263	366	896	710	750	1,000	1,000
Share details	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.24	6.67	10.79	10.03	10.57	10.50	16.21	16.21	16.21	16.21	16.21
Number of shares at the end of the period	4,050	4,050	3,966	3,654	3,528	3,503	3,434	3,390	3,346	3,287	3,231
Reported EPS	0.38	0.55	0.95	0.96	1.38	1.44	1.40	1.39	1.50	1.60	1.70
EPS excl. non-recurring items	0.61	0.55	0.95	1.11	1.42	1.45	1.40	1.42	1.50	1.60	1.70
Dividend per share	0.40	0.39	0.69	0.80	0.92	0.94	0.96	0.98	1.02	1.04	1.06
Buybacks per share	0.00	0.00	0.29	0.78	0.36	0.10	0.26	0.21	0.22	0.30	0.31
Equity per share	7.80	8.35	8.51	8.62	8.85	9.26	9.44	9.77	10.19	10.65	11.18
Dividend payout ratio	105%	71%	73%	83%	67%	65%	69%	71%	68%	65%	62%
Total profit distribution ratio	66%	71%	103%	142%	90%	72%	87%	86%	83%	84%	80%
Valuation	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Market value	29,322	27,014	42,793	36,650	37,291	36,782	55,665	54,958	54,231	53,287	52,370
P/E (adjusted)	11.9	12.1	11.4	9.0	7.4	7.2	11.5	11.6	10.8	10.0	9.4
P/B	0.9	0.8	1.3	1.2	1.2	1.1	1.7	1.7	1.6	1.5	1.4
Dividend yield	5.5 %	5.8 %	6.4 %	8.0 %	8.7 %	9.0 %	5.9 %	6.0 %	6.3 %	6.4 %	6.5 %
Buyback yield	0.0 %	0.0 %	2.7 %	7.8 %	3.4 %	1.0 %	1.6 %	1.3 %	1.4 %	1.9 %	1.9 %
Total profit distribution yield	5.5 %	5.8 %	9.0 %	15.7 %	12.1 %	9.9 %	7.5 %	7.3 %	7.7 %	8.3 %	8.4 %

Economic Value Added Model (EVA)

EVA calculation	2025	2026e	2027e	2028e	2029e	2030e	TERM
Net profit	4,814	4,726	5,038	5,309	5,548	5,783	
Equity	32,419	33,115	34,095	35,003	36,127	37,470	
Return on equity-% (ROE)		14.4 %	15.0 %	15.4 %	15.6 %	15.7 %	
Economic value added (EVA)		1,636	1,882	2,059	2,213	2,340	34,116
Common Equity Tier 1 capital (CET1)		25,764	26,476	27,143	28,044	29,166	
RWA		166,379	173,369	178,570	183,927	188,525	
CET1-%		15.5 %	15.3 %	15.2 %	15.2 %	15.5 %	
Disc. EVA		1,505	1,581	1,579	1,549	1,496	21,806
Disc. Cum. EVA		29,516	28,010	26,430	24,850	23,301	21,806
+ Equity book value		32,419					
-Dividend/returned capital		0					
+/-Other items		0					
Equity value EVA		61935					
Number of outstanding shares (million)		3434					
Equity value EVA per share		18.0					
Cost of capital							
Risk-free interest rate		2.5 %					
Beta		1.5x					
Market risk premium		4.75%					
Liquidity premium		0.0 %					
Cost of equity		9.5 %					



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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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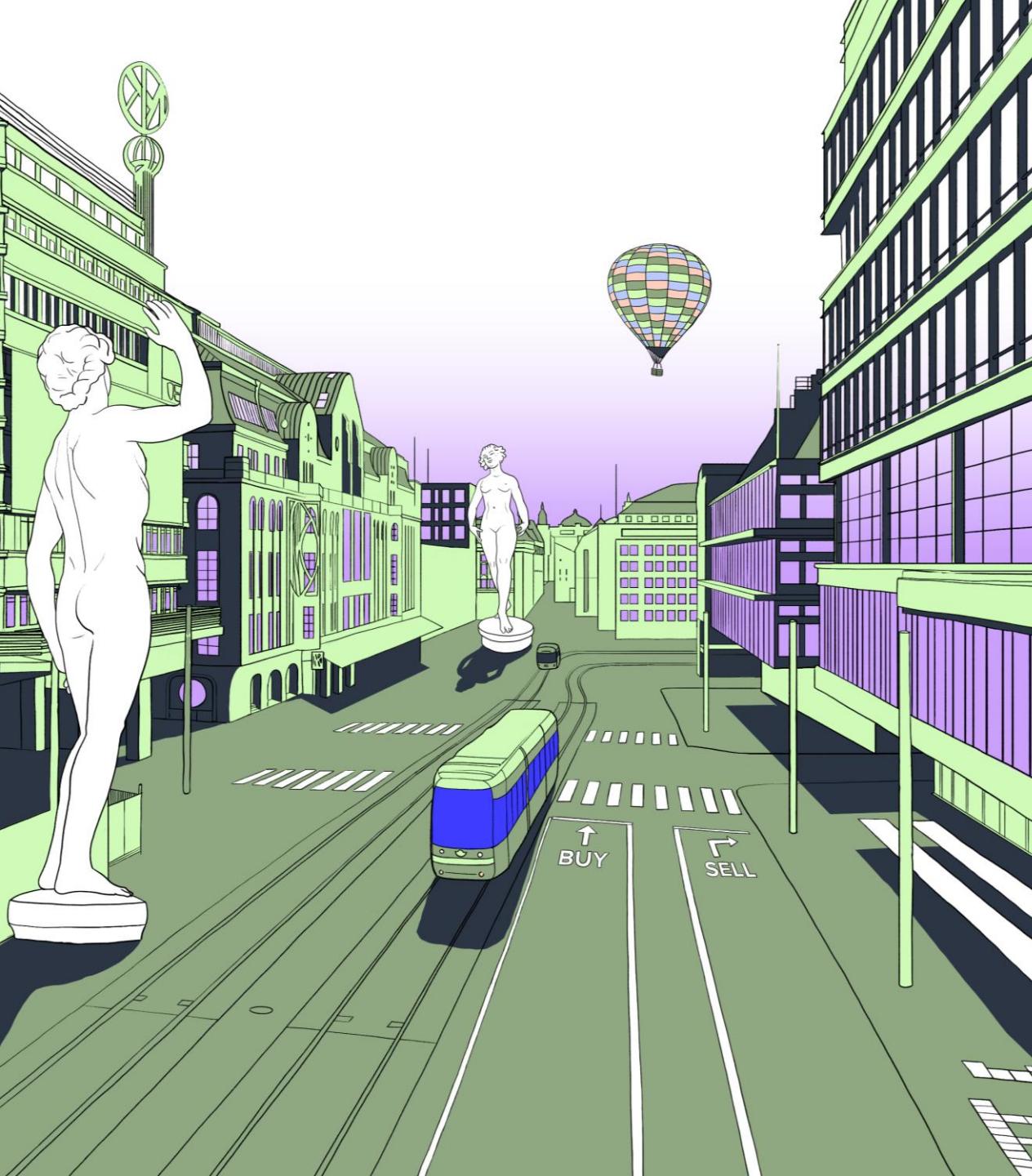
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/9/2023	Buy	12.50 €	9.73 €
7/18/2023	Buy	12.50 €	10.33 €
10/20/2023	Buy	12.50 €	10.42 €
2/7/2024	Buy	12.50 €	10.81 €
4/19/2024	Buy	12.50 €	10.74 €
7/16/2024	Buy	12.50 €	10.57 €
10/18/2024	Buy	12.50 €	11.05 €
11/20/2024	Buy	12.50 €	10.73 €
1/31/2025	Accumulate	12.50 €	11.69 €
4/17/2025	Accumulate	12.00 €	11.36 €
7/18/2025	Accumulate	12.50 €	12.05 €
10/2/2025	Accumulate	15.00 €	13.96 €
10/17/2025	Accumulate	15.00 €	14.63 €
1/23/2026	Reduce	17.50 €	16.95 €
1/30/2026	Accumulate	17.50 €	16.21 €



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