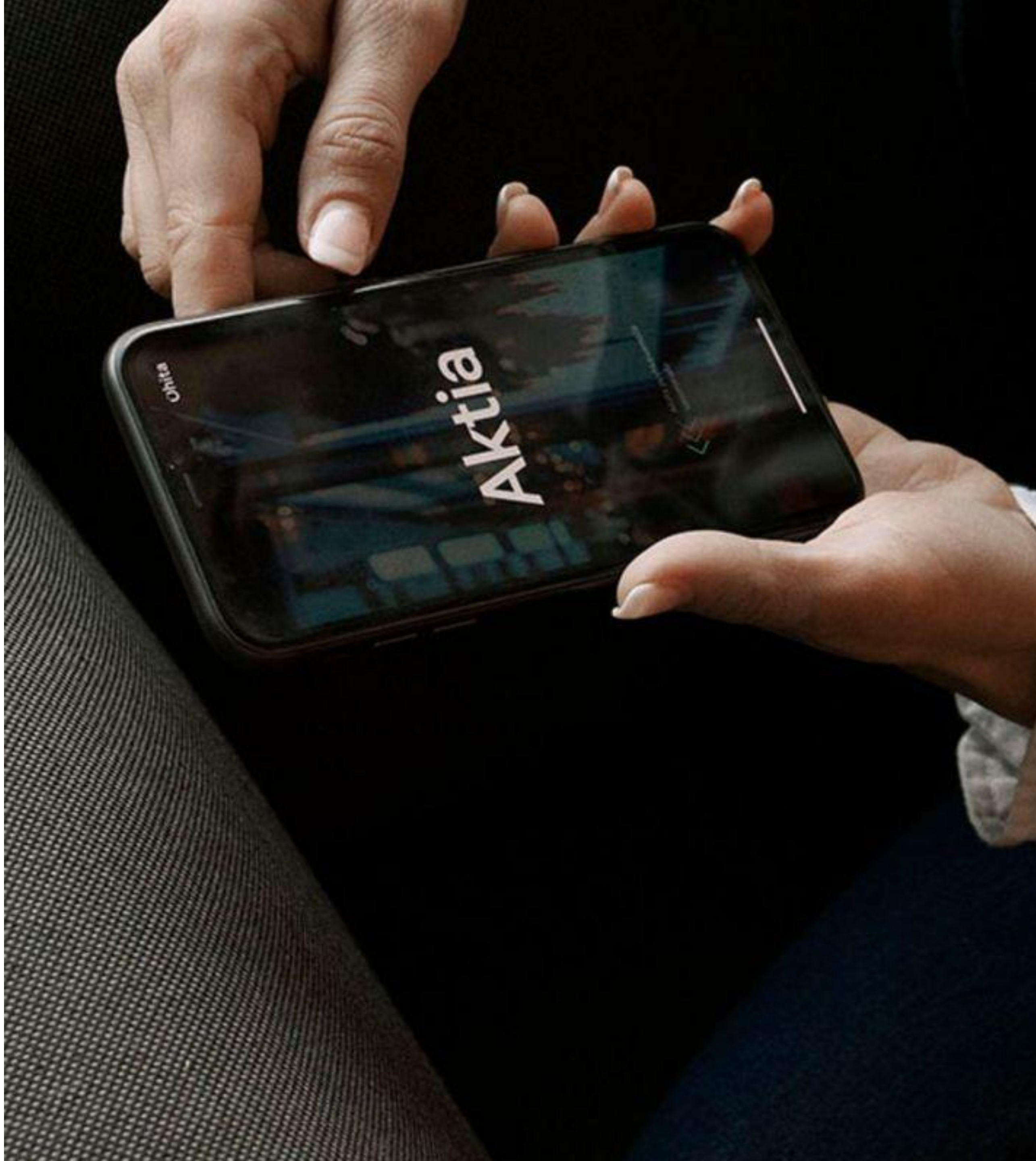
AKTIA

5/4/2026 11:28 am EEST

This is a translated version of ”Kurssilasku käänsi tuotto-odotuksen houkuttelevaksi” report, published on 5/4/2026

Kasper Mellas, Analyst
+358 45 6717 150
kasper.mellas@inderes.fi



INDERES CORPORATE CUSTOMER

COMPANY REPORT

Share price drop made expected return attractive

Aktia's Q1 result fell well below our expectations. However, this was largely a result of market value changes in the investment portfolio of the life insurance business. Consequently, changes to the forecasts remained modest following earnings day. We revise our target price to EUR 12.0 (was EUR 12.5), mainly due to the dividend payout. We consider the share price decline on the earnings day to be excessive and thus raise recommendation to Accumulate (was Reduce) as the stock's valuation becomes moderate again.

Report's only disappointment was clear decline in net interest income

Aktia's net interest income decreased more than we expected in Q1, which was the most obvious disappointment in the report. The loan book slightly contracted due to subdued household demand, even though the corporate loan book grew commendably. In Asset Management, sales performed excellently, and net subscriptions were positive for the fourth consecutive quarter already. Net income from life insurance, on the other hand, was weighed down by the notional value development of the investment portfolio, which caused Aktia's earnings to fall significantly short of our estimate. However, due to the non-recurring nature of the item, its significance is minimal. Costs were in line with our expectations, but credit losses were more moderate than we anticipated. Aktia's comparable EPS (EUR 0.19) fell short of our estimate of EUR 0.27. Our morning comment on Aktia's Q1 report can be read here.

Overall, estimate changes remained moderate

Our forecasts for this year's net interest income and life insurance decreased due to the weaker Q1 development. However, changes in our credit loss forecasts offset this effect. We made several other adjustments, but our earnings forecasts remained virtually unchanged overall. Nevertheless, our dividend forecasts decreased slightly to better reflect the company's declining solvency in Q2.

Like the rest of the banking sector, Aktia's earnings and profitability have clearly improved due to rising interest rates. However, the trend has temporarily reversed with interest rates, and in 2026, we expect Aktia's comparable EBIT to still decline slightly. After this, we estimate that earnings will return to growth in line with business volumes and rising interest rates. We estimate that the recovering loan demand will turn Aktia's loan portfolio to clearer growth only from 2027 onwards. Our growth forecasts for asset management, on the other hand, are moderate, reflecting the challenges in institutional sales in recent years. Although recent times have shown signs of improvement, there is still insufficient evidence of a shift towards more sustainable growth. Achieving the ambitious growth targets (over 15% return on equity and 5% organic annual growth in net commission income), which rest heavily on asset management, would require a significantly more favorable development than what our forecasts show.

However, Aktia's reported earnings are expected to keep growing in our forecasts for 2026, as one-off expenses significantly burdened the 2025 result. We expect Aktia's payout ratio to remain around the 60% target level in the coming years as the update to the credit risk model decreased solvency in Q2. A strengthening balance sheet from 2028 onwards should enable more generous profit distribution.

Share price drop made expected return attractive

We have examined Aktia's valuation through balance sheet multiples, the dividend model, and Nordic banking peers. The methods indicate a per-share value of EUR 10.8-13.2. Due to slightly improved new sales in Asset Management, we believe the midpoint of the range is a suitable anchor point for Aktia's valuation. Although there is clear uncertainty regarding the sustainability of the turnaround in Asset Management sales, net sales have been positive for four consecutive quarters. Overall, we consider Aktia's valuation attractive following the recent decline in share price and believe the upside in the multiples and a strong dividend yield (6–7%) offer investors an appealing expected return (>10%).

Recommendation
Accumulate
(was Reduce)

Target price:
EUR 12.00
(was EUR 12.50)

Share price:
EUR 10.88

Business risk

●●○○○

Valuation risk

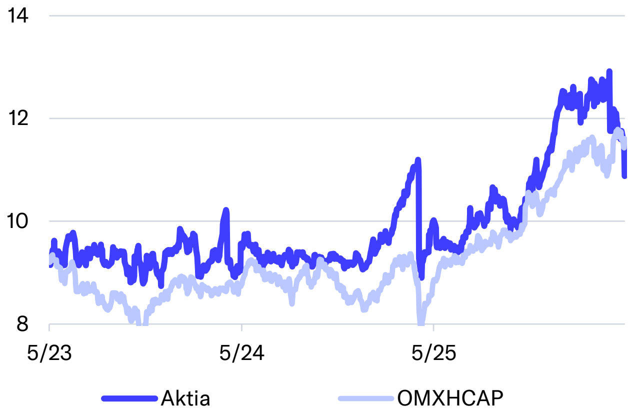
●●●○○

	2025	2026e	2027e	2028e
Operating income	296	286	308	317
growth-%	-4%	-3%	8%	3%
EBIT adj.	36.0	105.2	114.1	117.0
Net Income	10.3	82.9	92.4	94.7
EPS (adj.)	1.15	1.07	1.19	1.22
Dividend	0.80	0.70	0.75	0.90
Payout ratio	70%	65%	63%	74%
ROE-%	1.6 %	12.6 %	13.5 %	13.2 %
P/E (adj.)	10.8	10.1	9.1	8.9
P/B	1.4	1.2	1.1	1.1
Dividend yield-%	6.5 %	6.4 %	6.9 %	8.3 %

Guidance (Unchanged)

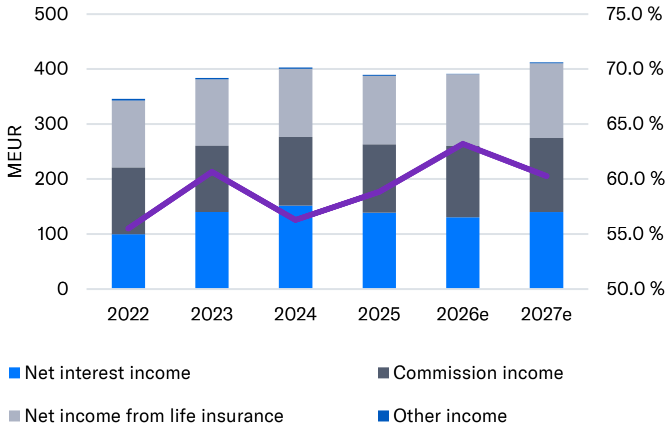
Aktia expects comparable EBIT for 2026 to be approximately at the same level as the comparable EBIT for 2025, which amounted 106.0 MEUR.

Share price

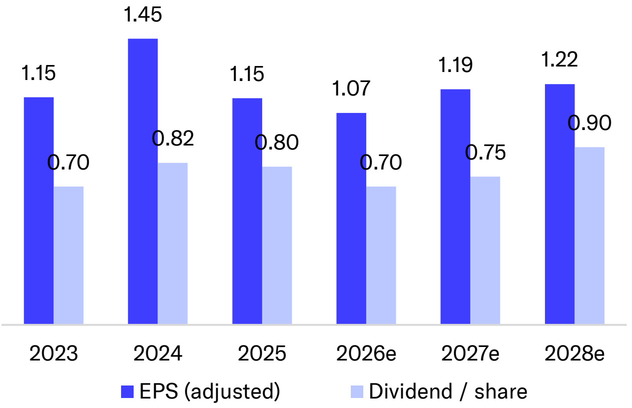


Source: Millistream Market Data AB

Operating income and cost/income ratio



EPS and dividend



Source: Inderes

Value drivers

- Rise in interest rates
- Growth in asset management
- Improving cost-efficiency
- Increasing market share in banking
- M&A

Risk factors

- Fall in interest rates
- High leverage as is typical for banks
- Constantly tightening regulation
- Dependence on economic cycles and capital market development
- High dependence on the Finnish real estate market

Valuation	2026e	2027e	2028e
Share price	10.9	10.9	10.9
Market cap	802	805	808
P/E (adj.)	10.1	9.1	8.9
P/E	10.2	9.3	9.0
P/B	1.2	1.1	1.1
Payout ratio (%)	62.2 %	60.1 %	70.6 %
Dividend yield-%	6.4 %	6.9 %	8.3 %

Source: Inderes

Report's only disappointment was clear decline in net interest income

Life insurance's lackluster quarter weighed on income

As expected, Aktia's net interest income declined from the previous quarter, but the decline was greater than we had anticipated. This was the most obvious disappointment in the report. Meanwhile, the development of loan demand was twofold. On the one hand, the corporate loan portfolio grew very strongly (+7% from the previous quarter), but due to weak demand for loans from households, the total loan book shrank slightly since the start of the year. Thus, the trend broadly followed public market data, although Aktia has managed to gain market share in the corporate sector. Similar to previous quarters, demand was strong, particularly for leasing, hire purchase, and factoring services.

Commission income was roughly in line with our estimate. In asset management, AuM was also at our estimated level of 16.6 BEUR. However, the underlying development was encouraging, as new sales performed exceptionally well. Demand was strongest in the banking segment, and net subscriptions by institutional clients were also slightly positive. On the flip side, value changes were slightly more negative than we anticipated, offsetting the positive impact of strong new sales. Nevertheless, net subscriptions are clearly a more valuable source of growth, as asset values fluctuate with the market. The quarter was also the company's fourth consecutive positive month in terms of sales. While this performance is not exceptional within the industry, it is moving in the right direction compared to Aktia's challenging past few years.

Net income from life insurance, on the other hand, was weighed down by the negative value development of the investment portfolio, which is why Aktia's operating income in Q1 fell significantly short of our forecast. Investors should not be concerned, however, as this relates purely to the accounting effects of discount rates when the company values its insurance liabilities at fair value on the balance sheet. Overall, Aktia's operating income decreased by 12% from the comparison period to 64.8 MEUR.

Credit losses decreased significantly

Aktia's comparable operating expenses in Q1 were exactly as we expected, with growth of about 6% year-over-year. The cost level increased largely due to IT investments. The company did not report any non-recurring expenses in Q1.

Credit losses, on the other hand, were clearly more moderate than we expected (1.7 MEUR vs. 2.8 MEUR forecast). In addition, the quality of the loan book showed a slight improvement, as the proportion of non-performing loans continued to decrease.

Aktia's reported comparable EPS was EUR 0.19 for the quarter, which was well below our estimate (EUR 0.27). Two factors contributed to this. Most of this was due to the subdued development of net income from life insurance, in addition to the company slightly changing the calculation method for its earnings per share. Going forward, interest on AT1 debt instruments will be included in earnings per share, whereas previously, it only affected the amount of equity.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Net interest income	35.2	32.0	33.2	33.5			-4%	130.1
Net commission income	30.8	32.3	31.8	32.0			2%	130.4
Operating income	73.5	64.8	73.0	72.1			-11%	286.0
Operating expenses	-44.0	-44.5	-45.0	-44.5			1%	-181.8
Credit losses	-2.9	-1.7	-2.8	-2.9			39%	-0.2
EBIT	26.6	18.7	25.3	24.9			-26%	104.2
Comparable EBIT	28.7	18.7	25.8	-			-28%	105.2
EPS	0.30	0.19	0.27	0.27			-30%	1.08

Source: Inderes & Modular Finance (consensus)

No significant surprises in the outlook

Earnings guidance unchanged

As expected, Aktia reiterated its earnings guidance for the current year and anticipates that its comparable operating profit will remain approximately at the same level as in 2025. The underlying assumptions of the guidance remained largely unchanged, but the outlook for credit losses was revised slightly upward. This is due to updated credit risk models, which will result in a decrease in credit loss provision amounts. According to the company's estimate, this will also have a one-off positive result impact of 7–10 MEUR, which will be recognized in Q2. While this is not of significant importance, it does support our previous assessments of the moderate risk level of the company's loan portfolio.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Net interest income	35.2	32.0	33.2	33.5			-4%	130.1
Net commission income	30.8	32.3	31.8	32.0			2%	130.4
Operating income	73.5	64.8	73.0	72.1			-11%	286.0
Operating expenses	-44.0	-44.5	-45.0	-44.5			1%	-181.8
Credit losses	-2.9	-1.7	-2.8	-2.9			39%	-0.2
EBIT	26.6	18.7	25.3	24.9			-26%	104.2
Comparable EBIT	28.7	18.7	25.8	-			-28%	105.2
EPS	0.30	0.19	0.27	0.27			-30%	1.08

Source: Inderes & Modular Finance (consensus)

Interest rate outlook supports net interest income in the coming years

Estimate revisions:

- We lowered our estimate of net interest income for the current year due to a larger-than-expected decrease in the margin in Q1.
- We revised our new sales forecast in asset management upward and adjusted our commission level estimates.
- We revised our credit loss forecasts downward for this year because the model update announced by Aktia will positively impact earnings in Q2.
- Overall, our earnings forecasts for the coming years remained unchanged following these changes. However, due to the change in calculation method, our EPS forecasts declined, though this has no impact on the company's value.
- Nevertheless, we slightly decreased our dividend forecasts to better reflect the company's declining solvency in Q2.

The bottom of net interest income is at hand

The key drivers of our earnings forecasts are loan portfolio growth, net interest margin (net interest income/loan portfolio), and the projected development of net commission income.

We estimate that lending to private customers will remain subdued through 2027. After this, we expect a gradual recovery in line with economic growth forecasts. In our forecasts, demand from retail customers is supported by factors such as rising real wages and gradually improving consumer confidence. On the corporate customer side, however, we expect the invigorated demand to continue.

For private customers, we expect Aktia's loan portfolio growth to be slightly weaker than the rest of the market (forecast ~2% vs. market growth expectation of 3%), as competition is quite intense and Aktia's focus is more on affluent individuals. For Aktia, we expect growth to continue at a faster pace in corporate loans, where the company has successfully gained market share in recent years, particularly in leasing and invoice financing. Overall, we expect Aktia's loan portfolio to grow by about 2-3% annually. However, our estimates indicate that 2026 will fall below this.

The net interest margin, in turn, depends on general interest rate developments, although the bank's hedging measures mitigate the impact of interest rate changes in the short term. We estimate Aktia's net interest income margin to bottom out in the first half of 2026 and then turn to a moderate increase in line with interest rate forecasts. Nevertheless, the stronger impact of rising interest rates should only be evident in 2027. In addition, we estimate that the growing share of the corporate loan portfolio will support margin development. It should still be noted that forecasting interest rate development is extremely challenging, and the margin of error has historically been large. Thus, the situation will certainly continue to evolve in one direction or another.

Overall, we expect Aktia's net interest income to decline in 2026 and then grow slightly faster than the loan portfolio in the coming years, supported by the net interest margin.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Net interest income	136	130	-5%	144	140	-3%	148	144	-3%
Net commission income	127	130	2%	132	135	3%	136	140	3%
Net income from life insurance	31	25	-19%	31	31	0%	31	32	0%
Operating income	296	286	-3%	308	308	0%	317	317	0%
Operating expenses	-183	-182	-1%	-188	-187	-1%	-194	-193	-1%
Credit losses	-11	0	-99%	-8	-8	0%	-8	-8	0%
EBIT	103	104	2%	111	113	1%	114	116	1%
Comparable EBIT	104	105	1%	113	114	1%	116	117	1%
EPS	1.11	1.08	-3%	1.23	1.19	-3%	1.26	1.22	-3%
EPS, adjusted	1.13	1.09	-4%	1.25	1.21	-4%	1.28	1.23	-4%
Dividend per share	0.74	0.70	-5%	0.78	0.75	-4%	0.90	0.90	0%

Source: Inderes

Aktia Bank, Webcast, Q1'26

Growth in net commission income plays a key role

Net commission income grows in line with AUM

For Aktia, net commission income is a significantly more important source of income than for its domestic and Nordic banking peers. This is explained by the large proportion of asset management relative to the size of the loan portfolio. This largely stems from the customer base, as Aktia's strategy is to focus specifically on serving wealthy individuals. The key forecast parameters for Asset Management's fee income are AUM and the average fee level received for them.

Our forecast for Aktia's AUM annual growth is approximately 5%, mainly driven by positive fair value changes. Our cautious new sales forecasts are particularly influenced by institutional asset management, which has seen significant redemptions in recent years. Although recent quarters have shown signs of improvement and new international distribution channels appear promising, there is still insufficient evidence of a shift towards more sustainable growth.

At the same time, we expect the average commission level to continue its downward trend. This is influenced by both the increasing share of passive investment products and the intensifying price competition in traditional asset management (equity and fixed income funds). Thus, our forecast for asset management commission income growth is slightly below the forecast for assets under management growth. We estimate that other commission income (mainly related to lending and basic banking operations) will develop roughly in line with the loan portfolio.

Aktia's third largest source of income is its life insurance business. We estimate Aktia's net income from life insurance to grow gradually with the AUM of unit-linked policies and the number of risk insurance contracts. Other income items, on the other hand, are of very little significance.

Removing non-recurring expenses supports reported result

We expect reported costs to decrease in 2026 as significant one-off costs are eliminated. It should be noted, however, that Aktia has recorded non-recurring expense items every year for the past nine financial periods. Therefore, we believe these already form a trend, which is why we have included 1.5 MEUR in annual restructuring costs in our forecasts as a precautionary measure.

In contrast, we estimate comparable costs to grow steadily with the scale of the business. The strongest cost growth in our forecasts is in 2026, when new IT investments capitalized on the balance sheet will increase the depreciation level compared to 2025. We expect comparable personnel costs to grow by just above 3% annually. Slightly over 2% of this comes from wage inflation and the remaining 1% from an increase in headcount. However, the strongest growth in operating expenses is in IT-related costs (direct IT costs and depreciation), as we estimate that Aktia, like the rest of the industry, still has investment needs in its digital service channels and information systems.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Net interest income	136	130	-5%	144	140	-3%	148	144	-3%
Net commission income	127	130	2%	132	135	3%	136	140	3%
Net income from life insurance	31	25	-19%	31	31	0%	31	32	0%
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Operating expenses	-183	-182	-1%	-188	-187	-1%	-194	-193	-1%
Credit losses	-11	0	-99%	-8	-8	0%	-8	-8	0%
EBIT	103	104	2%	111	113	1%	114	116	1%
Comparable EBIT	104	105	1%	113	114	1%	116	117	1%
EPS	1.11	1.08	-3%	1.23	1.19	-3%	1.26	1.22	-3%
EPS, adjusted	1.13	1.09	-4%	1.25	1.21	-4%	1.28	1.23	-4%
Dividend per share	0.74	0.70	-5%	0.78	0.75	-4%	0.90	0.90	0%

Source: Inderes

In our forecasts, comparable earnings will return to growth in the coming years

We estimate the loan portfolio's risk level to be moderate

We estimate that credit losses will decline significantly in 2026 due to one-time model updates. Going forward, we expect credit losses to stabilize at the level we have estimated (0.10% of the loan portfolio). This is slightly above the average level of the last 10 years (0.08% of the loan portfolio), as we estimate that the increase in the share of the corporate loan portfolio will slightly raise the average loan loss level. It should be noted that Aktia's emphasized factoring finance, leasing finance, and installment finance are secured, which limits their risk level. Overall, our forecasts show loan losses remaining low, reflecting the bank's conservative risk management and the moderate risk level of its loan portfolio.

We expect earnings growth from 2026 onwards

Due to declining income and moderately growing costs, we expect Aktia's comparable EBIT to continue to decline moderately in 2026 and then return to growth in line with business volumes (loan portfolio + AUM).

However, the reported result and EPS will turn to growth already in 2026 in our forecasts, as one-off cost items (impairments of intangible assets and change program costs) clearly burdened the 2025 result. Overall, our growth and profitability forecasts are below the strategic targets, which we consider ambitious for Aktia.

ROE is expected to remain around 12-13% in our forecasts (target over 15% by 2029), which we estimate to be a sustainable level for Aktia in the current environment of interest rates.

Profit distribution should increase in the coming years

Aktia's official dividend policy is to distribute around 60% of the financial year's profit as dividends, which can be supplemented by share buybacks or additional dividends.

Due to tightening capital adequacy, we expect profit distribution to be in line with the targeted level in the coming years, but beyond that, a stronger balance sheet should enable more generous distribution of profits. We expect the distribution to consist purely of dividends, even though the company has kept the door open for share repurchases. However, these have not been used as a means of profit distribution in the past. Due to the solvency having decreased to the target level, earnings performance largely determines the profit distribution in our forecasts for the coming years.

We expect Aktia's CET1 ratio to decrease to around 12% in 2026 as an update to the credit risk models increases the risk-weighted assets. However, a moderate profit distribution raises the level in our estimates to around 13% in the coming years, which corresponds to the company's targeted buffer of approximately 4% above the regulatory minimum (8.8%).

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
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Operating expenses	-183	-182	-1%	-188	-187	-1%	-194	-193	-1%
Credit losses	-11	0	-99%	-8	-8	0%	-8	-8	0%
EBIT	103	104	2%	111	113	1%	114	116	1%
Comparable EBIT	104	105	1%	113	114	1%	116	117	1%
EPS	1.11	1.08	-3%	1.23	1.19	-3%	1.26	1.22	-3%
EPS, adjusted	1.13	1.09	-4%	1.25	1.21	-4%	1.28	1.23	-4%
Dividend per share	0.74	0.70	-5%	0.78	0.75	-4%	0.90	0.90	0%

Source: Inderes

Valuation has turned attractive again

We have examined Aktia's valuation through balance sheet multiples, Nordic bank peers and the dividend model. The methods indicate that the value of the share is EUR 10.8-13.2, with a midpoint of around EUR 12.0.

Following the drop in its share price after the earnings announcement, we consider Aktia's valuation to be attractive overall, as we believe the decline was excessive given the day's results. We believe the upside in the multiples and a strong dividend yield (~6–7%) offer investors an attractive expected return (>10%).

P/B pricing is moderate

Aktia'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 Aktia will sustainably reach a long-term ROE level of about 12–13% according to our estimates (cf. current financial target +15%, average over the last 10 years ~11%) and apply a CoE requirement of 9.0-10.0% and a growth factor of 2.0%, whereby the acceptable P/B ratio would be around 1.3x-1.6x. Based on the amount of equity in the last earnings report, these multiples would put the share value in the range of EUR 10.2--12.9 (adjusted for dividend distribution).

Aktia's valuation can also be examined by comparing the current valuation to the company's historical multiples. We use the P/B ratio in our analysis as the banking business is very balance-sheet driven. Over the past 5 years, Aktia has been priced on a balance sheet basis at an average P/B ratio of 1.0x, which is below the current valuation level. We consider this justified, as the profitability outlook is better than before due to the rise in interest rates.

Relative to peers, the valuation is not demanding either

Aktia is priced on a P/B basis with lower multiples than the peer group. However, a better picture of the valuation can be obtained by looking at the differences in the projected profitability levels of banks. The regression model that considers company-specific profitability differences (the relationship between return on equity and the P/B ratio) tells a story consistent with our other methods regarding the moderate valuation of Aktia's share. In the light of this market-based model (chart on the right), a P/B ratio of around 1.3x could be justified for Aktia, which corresponds to a share price of around EUR 12.

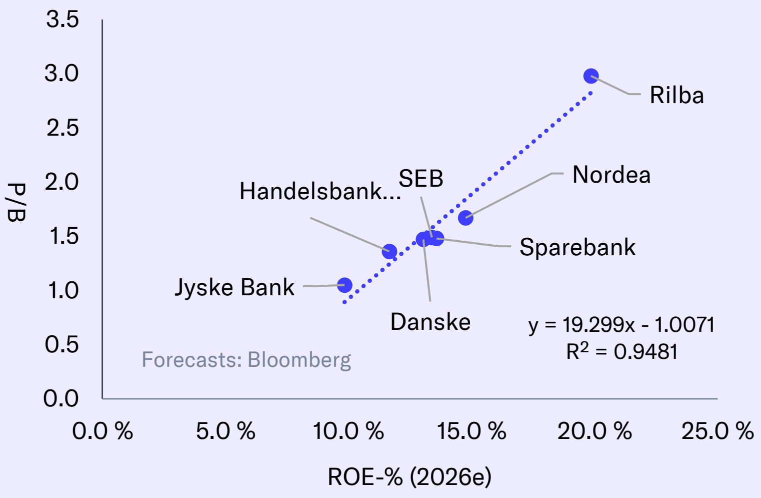
DDM provides support for expected returns

We have also approached Aktia's value through the discounted dividend model (DDM). The DDM model indicates that the value of the share is around EUR 12.5. The expectations attached to Aktia's current share price are thus moderate, and the risk level associated with the valuation is limited. However, to reap the benefits of the potential the market must be reassured that the company can 1) maintain its market share in lending and 2) turn net subscriptions in asset management back to more sustainable growth. In our view, these are the key drivers of the share and the company's value, in addition to the interest rate level. At the same time, investors bear the risk of interest rates falling, as this would weaken the profitability of the entire banking sector. Our dividend model with its assumptions can be found in the report's appendices.

Valuation	2026e	2027e	2028e
Share price	10.9	10.9	10.9
Market cap	802	805	808
P/E (adj.)	10.1	9.1	8.9
P/E	10.2	9.3	9.0
P/B	1.2	1.1	1.1
Payout ratio (%)	62.2 %	60.1 %	70.6 %
Dividend yield-%	6.4 %	6.9 %	8.3 %

Source: Inderes

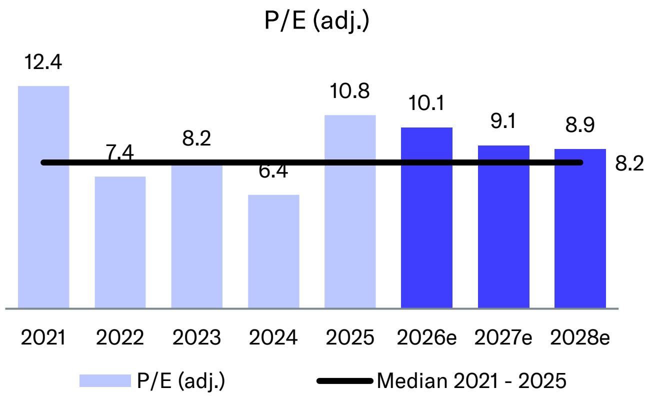
Regression model (P/B)

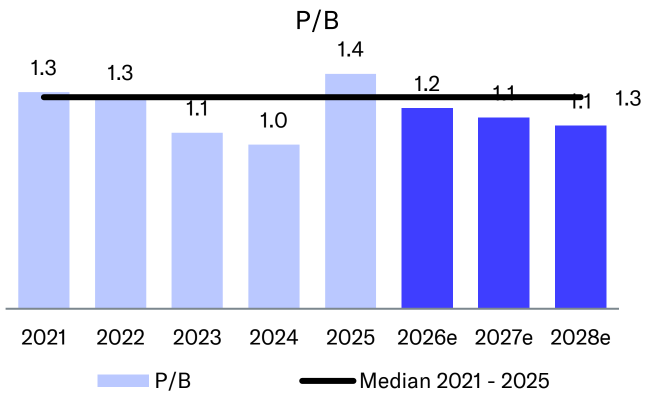


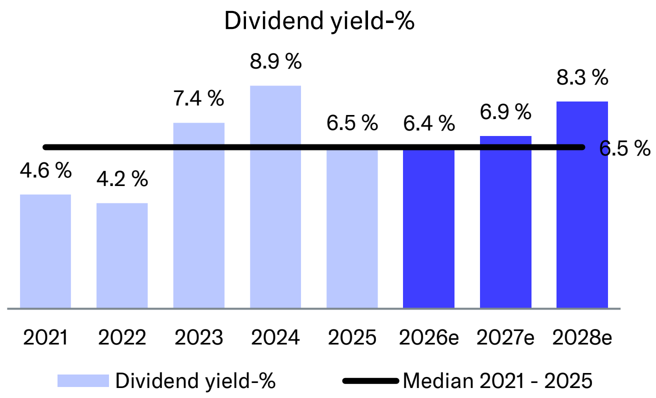
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	12.3	10.2	9.42	9.21	12.4	10.9	10.9	10.9	10.9
Market cap	882	736	684	672	910	802	805	808	811
P/E (adj.)	12.4	7.4	8.2	6.4	10.8	10.1	9.1	8.9	8.7
P/E	13.0	7.5	8.4	8.9	88.3	10.2	9.3	9.0	8.8
P/B	1.3	1.3	1.1	1.0	1.4	1.2	1.1	1.1	1.1
Payout ratio (%)	60.2 %	31.5 %	62.5 %	78.8 %	569.9 %	62.2 %	60.1 %	70.6 %	78.3 %
Dividend yield-%	4.6 %	4.2 %	7.4 %	8.9 %	6.5 %	6.4 %	6.9 %	8.3 %	9.4 %

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	Market cap	P/E		Dividend yield-%		P/B
Company	MEUR	2026e	2027e	2026e	2027e	2026e
Nordea	54411	11.5	10.5	6.0	6.3	1.7
Danske	35177	11.0	10.3	7.2	7.2	1.4
Handelsbanken	24239	11.5	11.1	7.8	7.4	1.4
SEB	34280	11.5	10.7	5.2	5.5	1.5
Rilba	5399	15.8	14.1	0.8	0.9	3.0
Sparebank	2739	11.2	10.8	6.3	6.4	1.5
Jyske Bank	7280	11.1	9.8	2.9	3.2	1.1
Aktia (Inderes)	802	10.1	9.1	6.4	6.9	1.2
Average		11.9	11.0	5.2	5.3	1.6
Median		11.5	10.7	6.0	6.3	1.5
Diff-% to median		-11%	-15%	8%	9%	-18%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Net interest income	152.0	35.2	34.7	34.0	34.9	138.8	32.0	32.1	32.7	33.3	130.1	139.8	143.8	147.8
Commission income	124.3	30.8	30.3	31.2	32.3	124.6	32.3	32.1	32.4	33.6	130.4	135.3	139.6	144.1
Net income from life insurance	30.2	6.5	8.0	8.2	7.8	30.6	1.1	8.5	7.6	7.6	24.9	31.0	31.6	32.4
Other income	2.2	0.9	0.3	0.0	0.5	1.7	-0.7	0.5	0.4	0.5	0.6	1.7	1.7	1.7
Total operating income	308.8	73.5	73.3	73.5	75.6	295.8	64.8	73.2	73.1	74.9	286.0	307.8	316.8	326.0
One-off income	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comparable operating income	308.8	73.5	73.2	73.5	75.6	295.7	64.8	73.2	73.1	74.9	286.0	307.8	316.8	326.0
Personnel costs	-80.5	-20.6	-21.1	-20.3	-20.6	-82.6	-20.1	-20.4	-20.5	-21.7	-82.8	-85.2	-87.7	-90.3
IT expenses	-51.5	-12.8	-13.2	-13.4	-14.4	-53.8	-13.7	-13.7	-13.8	-14.4	-55.6	-57.8	-60.1	-62.5
Depreciation of tangible and intangible assets	-23.7	-4.0	-4.1	-4.6	-4.7	-17.4	-4.7	-4.7	-4.8	-4.8	-19.0	-19.6	-20.2	-20.8
Other operating expenses	-22.8	-6.7	-8.5	-6.2	-10.3	-31.7	-6.0	-6.0	-6.1	-6.3	-24.4	-24.4	-24.9	-25.4
Total operating expenses	178.6	-44.0	-46.9	-44.4	-49.9	-185.2	-44.5	-44.8	-45.2	-47.2	-181.8	-187.0	-192.9	-199.0
One-off expenses	-4.8	-2.1	-3.2	-2.1	-3.9	-11.4	0.0	0.0	-0.5	-0.5	-1.0	-1.5	-1.5	-1.5
Comparable operating expenses	-173.8	-42.0	-43.7	-42.3	-46.0	-174.0	-44.5	-44.8	-44.7	-46.7	-180.8	-185.5	-191.4	-197.5
Impairments	-35.6	-2.9	-3.2	-3.8	-76.0	-85.8	-1.7	5.9	-2.2	-2.2	-0.2	-8.2	-8.4	-8.5
Share of profit from associated companies	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	94.6	26.6	23.3	25.3	-50.3	24.9	18.7	34.2	25.8	25.5	104.2	112.6	115.5	118.5
Comparable EBIT	124.5	28.7	26.2	27.4	23.7	106.0	18.7	34.2	26.3	26.0	105.2	114.1	117.0	120.0
Taxes	-18.8	-4.9	-4.8	-5.2	0.2	-14.7	-3.5	-6.8	-5.2	-5.1	-20.6	-20.3	-20.8	-21.3
Net profit	76.0	21.8	18.5	20.1	-50.1	10.3	14.5	27.4	20.6	20.4	82.9	92.4	94.7	97.1
EPS (adjusted)	1.45	0.33	0.30	0.30	0.25	1.25	0.19	0.36	0.27	0.27	1.09	1.21	1.23	1.26
EPS (reported)	1.04	0.30	0.25	0.27	-0.68	0.14	0.19	0.36	0.27	0.26	1.08	1.19	1.22	1.24
DPS	0.82	-	-	-	-	0.80	-	-	-	-	0.70	0.75	0.90	1.02

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026	2027	2028	2029
Growth in comparable income	7.6 %	-5.0 %	-4.6 %	-3.4 %	-3.9 %	-4.3 %	-11.8 %	0.0 %	-0.4 %	-0.9 %	-3.3 %	7.6 %	2.9 %	2.9 %
Comparable cost-to-income ratio	56.3 %	57.2 %	59.7 %	57.6 %	60.8 %	58.9 %	68.7 %	61.3 %	61.1 %	62.4 %	63.2 %	60.3 %	60.4 %	60.6 %
Customer assets under management, gross (BEUR)	16.2	15.7	15.9	16.3	16.6	16.6	16.6	16.9	17.2	17.5	17.5	18.3	19.3	20.2
Asset Management fees/AUM-%	0.50%	0.50%	0.49%	0.50%	0.51%	0.50%	0.51%	0.50%	0.50%	0.51%	0.50%	0.50%	0.49%	0.49%
Net interest income/loan book-%	1.94%	1.82%	1.78%	1.73%	1.78%	1.77%	1.63%	1.63%	1.65%	1.67%	1.64%	1.73%	1.74%	1.75%
Average number of personnel	843	851	856	860	853	855	831	855	860	865	853	861	869	877
Average personnel cost (TEUR)	-96	-97	-99	-94	-97	-97	-91	-96	-95	-100	-97	-99	-101	-103
ROE-%	11.4 %	12.5 %	10.8 %	11.8 %	-29.9 %	1.5 %	8.6 %	16.3 %	12.2 %	11.7 %	12.1 %	12.8 %	12.6 %	12.4 %
ROE-% (adjusted)	15.0 %	13.5 %	12.1 %	12.8 %	11.2 %	12.8 %	8.6 %	16.3 %	12.5 %	12.0 %	12.2 %	13.0 %	12.7 %	12.5 %
Common Equity Tier 1 (CET1) ratio	12.0 %	13.0 %	12.8 %	13.0 %	12.6 %	12.6 %	12.8 %	11.9 %	11.8 %	12.0 %	12.0 %	12.5 %	12.9 %	13.2 %

Source: Inderes

NB: the calculation of earnings per share changed at the beginning of 2026, so historical figures are not fully comparable

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Cash and bank deposits	647	565	582	595	609
Loan book	7777	7882	7991	8173	8360
Other financial assets	1703	1616	1662	1700	1739
Assets in investment-linked insurance portfolios	1326	1518	1554	1632	1714
Intangible assets	155	98	102	104	106
Other assets	298	301	404	411	418
Total assets	11904	11980	12295	12615	12946

Source: Inderes

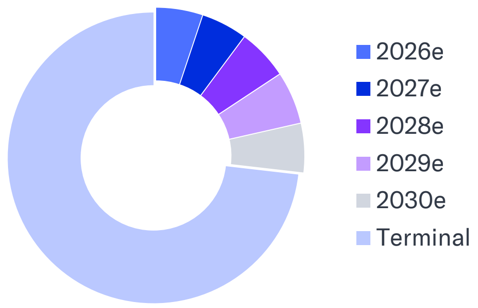
Liabilities & equity	2024	2025	2026e	2027e	2028e
Total liabilities	10771	10904	11182	11458	11747
Deposits from the public	4084	4078	4155	4250	4347
Debt securities issued	3979	4302	4356	4430	4509
Other financing liabilities	1017	678	779	792	805
Insurance debt	1691	1845	1892	1986	2085
Other liabilities	391	371	366	374	383
Shareholders' equity	682	646	667	703	736
Non-controlling interest	60	60	80	80	80
Total equity	1133	1077	1113	1157	1199
Total liabilities and equity	11904	11980	12295	12615	12946

DDM calculation

DDM valuation (MEUR)	2025	2026e	2027e	2028e	2029e	2030e	Terminal
Net income	10.3	82.9	92.4	94.7	97.1	99.0	
Net income growth-%	-86.4 %	701.7 %	11.4 %	2.6 %	2.5 %	2.0 %	2.0 %
ROE-%	1.5 %	12.1 %	12.8 %	12.6 %	12.4 %	12.3 %	
Dividend	58.7	51.6	55.5	66.8	76.1	77.9	1059
Payout ratio	568%	62%	60%	71%	78%	79%	
CET1-%	12.6 %	12.0 %	12.5 %	12.9 %	13.2 %	13.3 %	
Discounted dividend		47.1	46.3	51.0	52.9	49.5	673
Discounted cumulative dividend		920	873	827	776	723	673
Equity value, DDM		920					
Per share		12.5					

Cost of capital	
Risk-free interest	1.5 %
Market risk premium	4.8 %
Beta	1.0
Liquidity premium	3.2 %
Cost of capital	9.5 %

Cash flow breakdown



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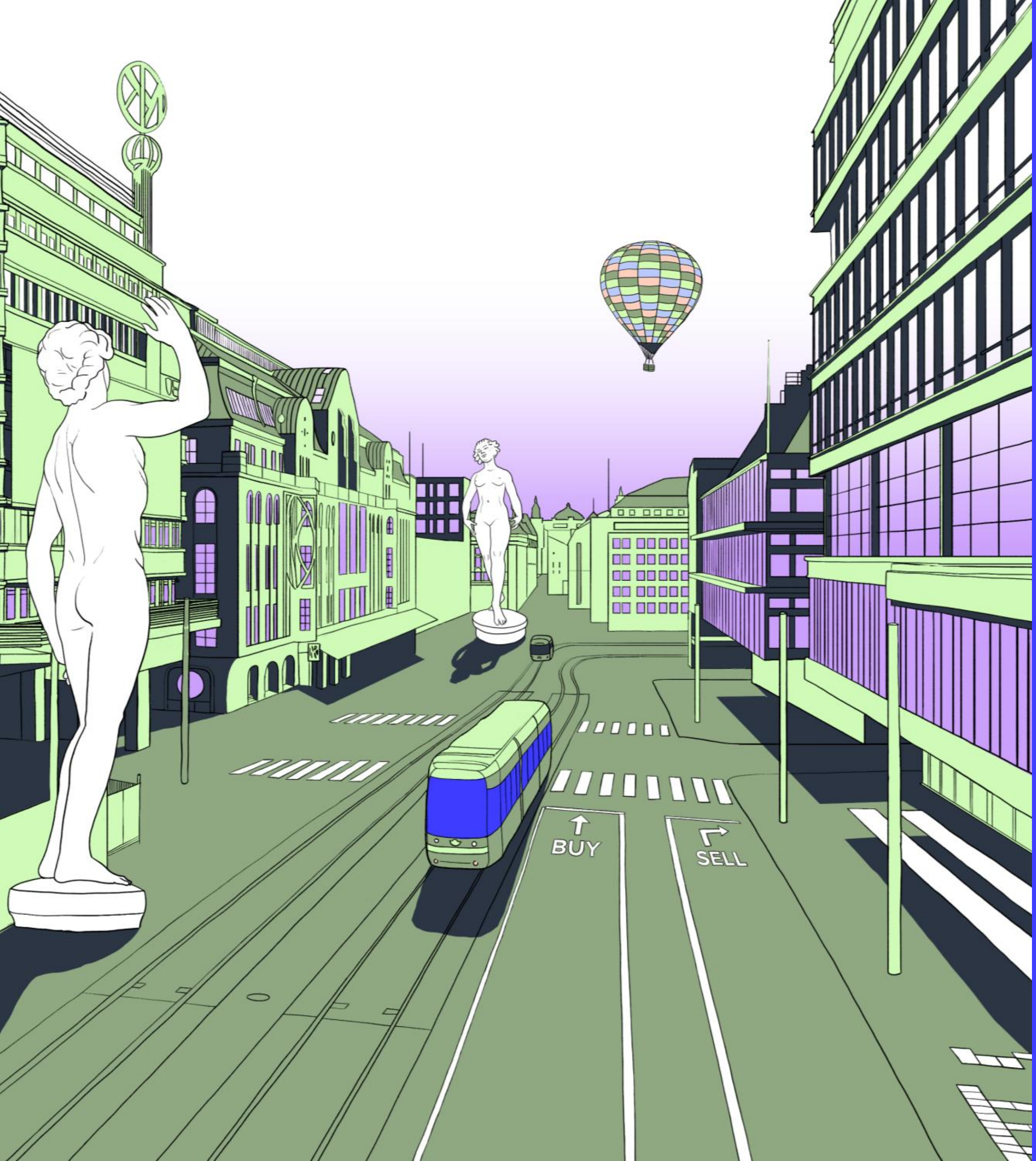
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/19/2021	Reduce	10.00 €	9.69 €
3/11/2021	Buy	11.00 €	9.36 €
5/6/2021	Buy	13.00 €	10.36 €
8/6/2021	Buy	14.00 €	12.80 €
9/9/2021	Buy	14.00 €	12.34 €
9/27/2021	Buy	14.00 €	11.90 €
11/5/2021	Buy	14.00 €	12.54 €
2/17/2022	Accumulate	12.00 €	11.16 €
5/9/2022	Accumulate	10.50 €	9.46 €
5/12/2022	Buy	10.50 €	9.03 €
5/30/2022	Accumulate	10.50 €	9.85 €
7/18/2022	Accumulate	9.50 €	8.73 €
8/8/2022	Buy	11.00 €	9.90 €
10/28/2022	Buy	11.00 €	10.14 €
11/7/2022	Accumulate	11.00 €	9.89 €
2/20/2023	Accumulate	11.00 €	10.24 €
5/12/2023	Accumulate	10.50 €	9.62 €
8/10/2023	Accumulate	10.50 €	9.40 €
11/10/2023	Accumulate	10.50 €	9.09 €
2/9/2024	Accumulate	10.50 €	9.08 €
5/2/2024	Accumulate	10.50 €	9.56 €
2/5/2024	Accumulate	10.50 €	9.41 €
11/7/2024	Accumulate	10.50 €	9.23 €
2/13/2025	Accumulate	10.50 €	9.84 €
5/8/2025	Accumulate	10.50 €	9.57 €
8/6/2025	Accumulate	10.50 €	9.97 €
11/7/2025	Accumulate	11.00 €	10.60 €
12/15/2025	Accumulate	12.00 €	11.38 €
2/6/2026	Accumulate	12.50 €	11.90 €
3/27/2026	Reduce	12.50 €	12.70 €
5/4/2026	Accumulate	12.00 €	10.88 €



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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

inderes.