AKTIA

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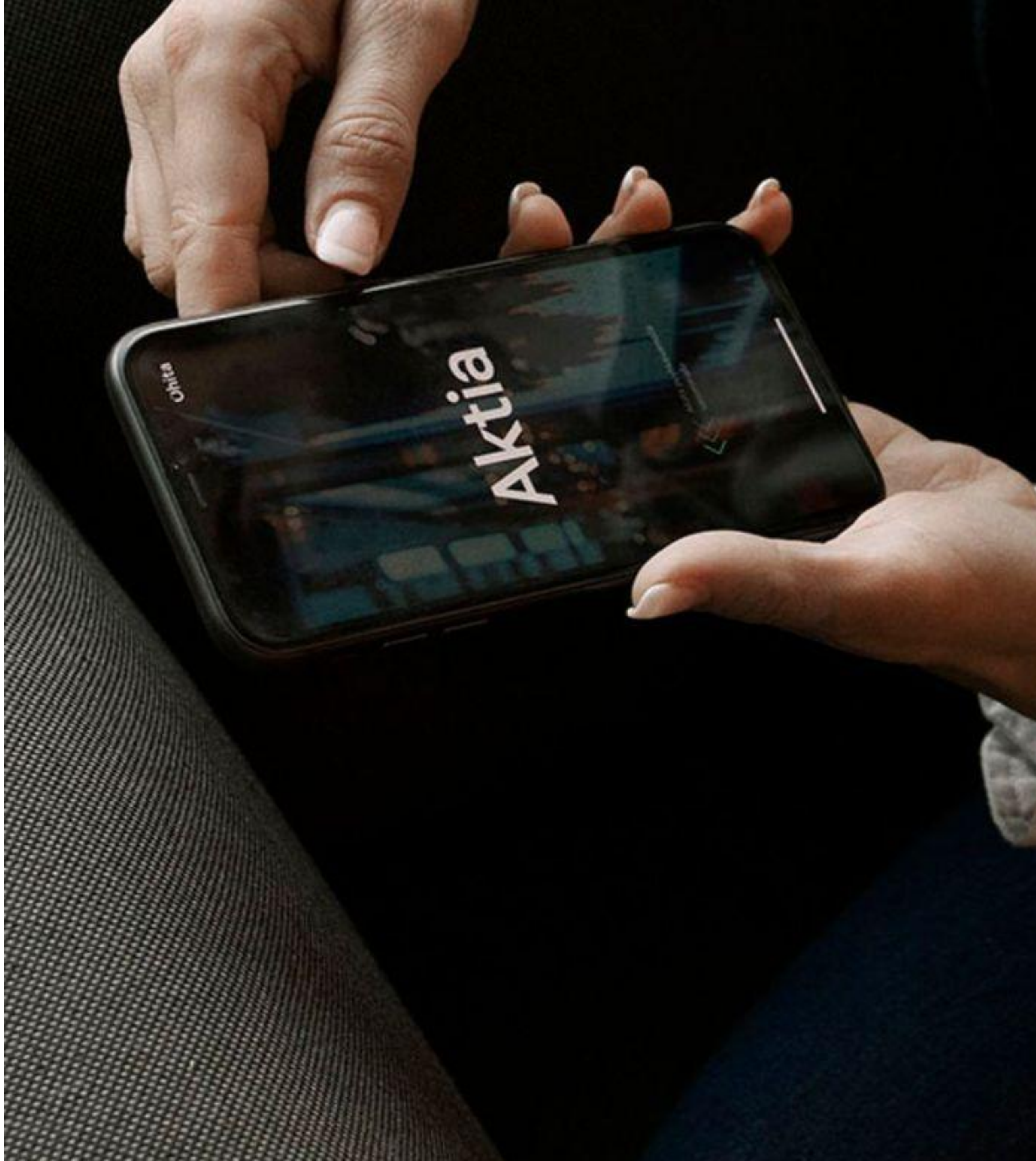
INDERES CORPORATE CUSTOMER

COMPANY REPORT



All clear on the coast

Aktia's Q2 report was operationally strong, and the robust new sales in asset management, in particular, were a positive surprise. We have made small positive forecast changes and are revising our target price to EUR 13.0 (from EUR 12.0). We also reiterate our Accumulate recommendation and still consider the stock's expected return attractive.

Q2 print well above expectations

Aktia's comparable EBIT rose to 43.7 MEUR (26.2 MEUR) in Q2, significantly exceeding our 34.4 MEUR estimate. However, the beat was qualitatively soft, as it mainly stemmed from volatile net income from life insurance. Operationally, the most important development was the turnaround in net interest income, which fell 5% year-on-year to 33.1 MEUR but rose 3% quarter-on-quarter – reinforcing our view that the income stream has bottomed out. Net commission income grew by 7% to 32.5 MEUR, driven by fund income, and assets under management rose to a record high of 18.1 BEUR, with net subscriptions in Q2 at ~380 MEUR (over 600 MEUR in H1). Comparable costs increased as expected, driven by, among other things, IT investments.

Another positive was the increase in employee satisfaction (eNPS) to 35, which is clearly the highest level in recent years and already in line with key peers. We consider this development important, as asset management is highly personnel-dependent, and higher turnover compared to Aktia's peers has previously burdened the business. Our morning commentary on the Q2 report can be read here.

Forecasts up heftily for the current year

We significantly raised our current year estimates following the Q2 earnings beat, while forecast changes for 2027–2028 were moderate. We lowered our loan book growth forecasts for the coming years, as the housing market is not yet showing signs of recovery. Correspondingly, we raised our net interest margin forecasts after the Q2 output, as we consider Q1 to be the margin's bottom. Fee income forecasts rose due to strong asset under management development, although institution-focused new sales lowered our estimate for the average fee level. We slightly increased our cost estimates due to growth investments in asset management and increasing IT and AI investments.

Aktia raised its guidance in the Q2 report and now expects comparable EBIT to be approximately at or slightly above last year's level of 106 MEUR. After a strong H1, the guidance appears cautious, as it allows for a decline in earnings in H2. We consider a further upward revision later in the year to be very possible if new sales in asset management remain strong. Overall, we expect this year's earnings to increase significantly, but the growth is partly based on non-recurring items. In 2027, earnings are expected to show moderate growth in our forecasts, driven by the recovery of net interest income. We expect Aktia's payout ratio to remain around the 60% target level in the coming years, as the credit risk model update weighed on solvency in Q2. However, the payout ratio should gradually rise to around 80%, in line with the rest of the industry.

Valuation still moderate

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 11.9-14.6 (was EUR 11.6-14.4), with a midpoint of around EUR 13.3. The fundamental P/B analysis and peer regression provide a consistent picture of moderate pricing, and the dividend model supports the expected return. We believe the upside in the multiples and the strong dividend yield still provide an attractive expected return, but the stock is not an exceptionally good buying opportunity: valuation levels in the Nordic banking sector have tightened during 2026, which also limits the upside in Aktia's multiples.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 13.00

(was EUR 12.00)

Share price:

EUR 12.24

Business risk

●●○○○

Valuation risk

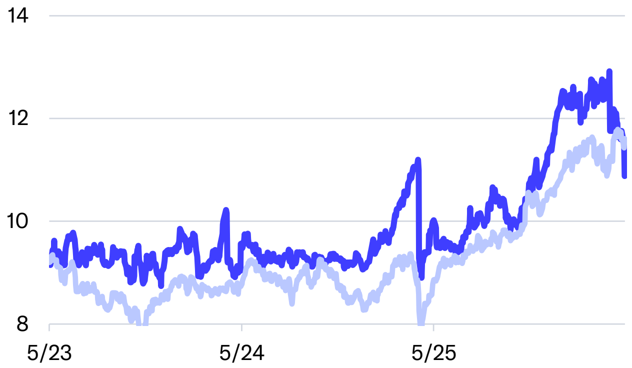
●●●○○

	2025	2026e	2027e	2028e
Operating income	296	297	313	323
growth-%	-4%	0%	5%	3%
EBIT adj.	36.0	115.1	116.4	119.7
Net Income	10.3	89.9	94.2	97.0
EPS (adj.)	1.15	1.18	1.22	1.25
Dividend	0.80	0.70	0.75	0.94
Payout ratio	70%	59%	62%	75%
ROE-%	1.6 %	13.6 %	13.5 %	13.2 %
P/E (adj.)	10.8	10.4	10.1	9.8
P/B	1.4	1.3	1.3	1.2
Dividend yield-%	6.5 %	5.7 %	6.1 %	7.7 %

Guidance (Upgraded)

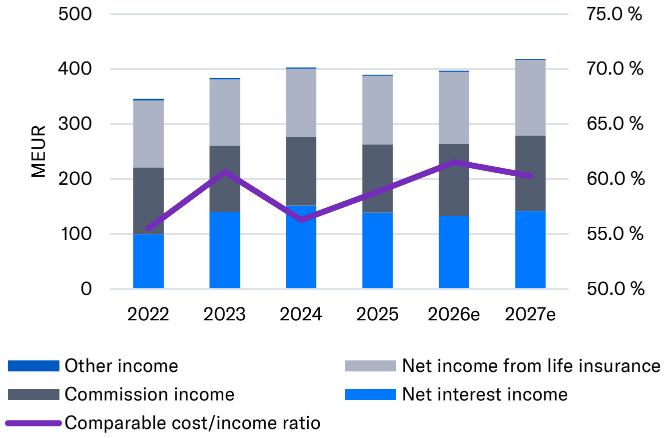
Aktia's comparable EBIT for 2026 is expected to be approximately at the same level as, or slightly higher than, the comparable EBIT for 2025, 106.0 MEUR..

Share price

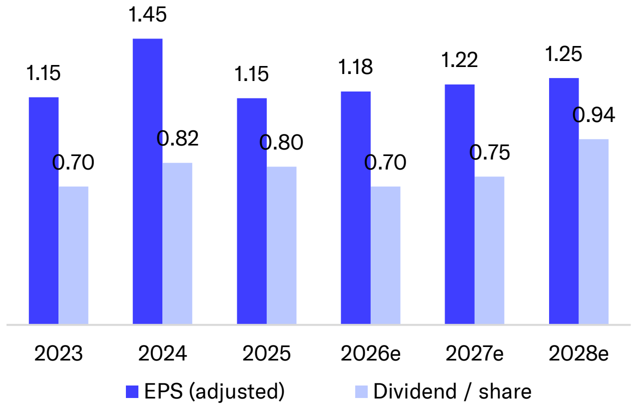


Source: Millistream Market Data AB

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	12.2	12.2	12.2
Market cap	902	905	909
P/E (adj.)	10.4	10.1	9.8
P/E	10.6	10.2	9.9
P/B	1.3	1.3	1.2
Payout ratio (%)	57.4 %	58.9 %	72.0 %
Dividend yield-%	5.7 %	6.1 %	7.7 %

Source: Inderes

Strong performance

Aktia's net interest income turned slightly more strongly than we anticipated in Q2, confirming that the income item bottomed out in the first half of the year. However, there was still a year-on-year decrease of some 5%, as the decline in interest rates affected net interest income with a delay. Loan demand showed a mixed trend. On the one hand, new lending to corporate customers grew strongly (+13% from the comparison period), but due to subdued household loan demand, the entire loan book contracted slightly from the turn of the year. The development was thus broadly in line with public market data.

Commission income was roughly in line with our forecast. However, assets under management exceeded our forecast, reaching 18.1 BEUR. The development below was also brisk, as net subscriptions grew faster than we anticipated (+376 MEUR). In addition, assets under management were supported by changes in value, which are influenced by market developments. Demand was strongest in institutional sales, where both domestic and foreign net subscriptions grew significantly. Q2 was the fifth consecutive positive quarter for Aktia in terms of new sales, which, when viewed against the company's history, is a positive development and indicates that the direction in asset management is now correct. We note that Aktia's net subscriptions were over 600 MEUR positive in H1. The level is very good in absolute and relative terms, and if the company could maintain this level in the future, there would be significant upward pressure on our estimates.

Net income from life insurance was boosted by investment income, which was higher than we anticipated, and thus net income from life insurance significantly exceeded our forecast. We note that net income from life insurance can fluctuate significantly on a quarterly basis, and the impact of the resulting earnings deviation is ultimately small. Q2 practically offset the weakness of this income item in Q1.

Overall, Aktia's business income grew by 12% year-on-year to 82.1 MEUR.

Aktia's reported earnings per share were EUR 0.44 for the quarter, significantly exceeding our forecast, mainly due to strong net income from life insurance.

No surprises in cost level and credit losses

Aktia’s comparable operating expenses in Q2 were in line with our expectations, representing a ~3% increase from the comparison period. The cost level increased particularly due to higher personnel and IT costs. Credit losses in Q2 were more positive than we expected. The positive development was due to the implementation of a new ECL model, which was known and whose impact was well in line with our expectations. Thus, even adjusted for this, loan losses were slightly more moderate overall than we anticipated. In addition, the quality of the loan book strengthened, as the proportion of non-performing loans continued to decline as in previous quarters.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Net interest income	34.7	33.1	32.1	-			3%	132.4
Net commission income	30.3	32.5	32.2	-			1%	131.1
Operating income	73.3	82.1	73.3	74.2			12%	297.0
Operating costs	-46.9	-46.8	-44.8	-45.8			-4%	-185.2
Credit losses	-3.2	6.8	5.9	6.3			15%	0.8
EBIT	23.3	42.1	34.4	34.7			22%	113.0
Comparable EBIT	26.2	43.7	34.4	-			27%	115.1
EPS	0.25	0.44	0.36	0.37			22%	1.19

Source: Inderes & Modular Finance (consensus)

Guidance seems cautious

Guidance was raised in the Q2 report

Aktia updated its earnings guidance in the Q2 report and expects its comparable EBIT to be approximately at the same level or slightly higher than the previous year's 106 MEUR. The previous guidance indicated that comparable EBIT would be approximately at the same level. The underlying assumptions for the guidance remained almost unchanged, although the banking business's result is expected to decline less severely than before, according to our interpretation.

After a very strong Q2 result, the guidance seems a bit cautious, especially if asset management sales continue the excellent development seen in H1. In practice, H2'26 comparable EBIT would have to decrease by around 15% year-on-year for the full-year result to reach the lower end of the guidance. We consider it very possible, and even likely, that Aktia will revise its guidance upwards again during H2.

Aktia's capital adequacy decreased by just under one percentage point as updates to the bank's models increased risk-weighted assets. This was not surprising, as the bank had already communicated the upcoming change. Aktia's CET1 ratio was 12% at the end of Q2, meaning solvency was in line with the company's target level (~2-4% above the regulatory requirement). However, there is no distributable surplus on the balance sheet.

Employee satisfaction has risen to a good level

Aktia's employee satisfaction (eNPS) continued its positive development, rising to 35. The level is an all-time high and is starting to align with key peers (Evli, eQ, etc.). In recent years, Aktia has faced ongoing challenges with employee satisfaction, which has been reflected in a significantly higher turnover rate compared to its peers. However, it now appears that these issues have been resolved under the current management. We consider this to be of paramount importance, as asset management is highly personnel-dependent.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Net interest income	34.7	33.1	32.1	-			3%	132.4
Net commission income	30.3	32.5	32.2	-			1%	131.1
Operating income	73.3	82.1	73.3	74.2			12%	297.0
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Credit losses	-3.2	6.8	5.9	6.3			15%	0.8
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Comparable EBIT	26.2	43.7	34.4	-			27%	115.1
EPS	0.25	0.44	0.36	0.37			22%	1.19

Source: Inderes & Modular Finance (consensus)

Aktia Bank, Webcast, Q2'26

Estimates revised upwards

Estimate revisions

- We updated our forecasts following the Q2 report. The changes are mainly explained by the earnings beat in the quarter, which led to a significant increase in our current year forecasts. We made moderate upward revisions to our 2027–2028 estimates.
- We lowered our loan book growth forecasts for the coming years, as the housing market is still not showing signs of recovery. Correspondingly, we raised our net interest margin forecasts following the Q2 output. We estimate that Q1 will be the bottom for the margin, and from this point forward, the margin should increase.
- We raised our commission income forecasts purely due to the strong performance of assets under management. At the same time, we slightly lowered the average commission level, as strong institutional sales weighed on this in Q2. We note that our new sales forecasts for Asset Management are still quite conservative, and if the company were able to continue the development seen in H1, there would be significant upside potential in our forecasts.
- We raised our cost estimates slightly, as the company appears to be investing in Asset Management growth. In addition, investments in IT systems and artificial intelligence appear to be constantly increasing.

Operational earnings drivers

Net interest income: Q2 confirmed our view that the decline in net interest income has ended. We expect the margin to gradually increase, but subdued loan book growth will limit the pace of net interest income growth in the coming years.

Commission income: Record-high assets under management create a strong foundation for the rest of the year. The key driver is new sales remaining positive, although institution-focused growth lowers the average fee level.

Costs: Growth investments in Asset Management, as well as IT and AI investments, will keep cost development slightly increasing, leaving cost leverage thin in the coming years.

Credit losses and capital: The quality of the loan book has continued to strengthen, and we expect credit losses to remain low. Solvency is at the company's target level, so earnings performance drives profit distribution.

Return on equity 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 interest rate environment.

Our dividend forecasts expect a 60% payout ratio in the coming years, in line with the target level, after the credit risk model update weighed on solvency in Q2. However, the payout ratio should gradually rise to around 80%, in line with the rest of the industry.

Estimate revisions MEUR/EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Net interest income	130	132	2%	140	141	1%	144	145	1%
Net commission income	130	131	1%	135	138	2%	140	142	2%
Net income from life insurance	25	31	24%	31	33	5%	32	33	6%
Operating income	286	297	4%	308	313	2%	317	323	2%
Operating expenses	-182	-185	2%	-187	-190	2%	-193	-196	2%
Credit losses	0	1	-613%	-8	-8	-3%	-8	-8	-3%
EBIT	104	113	8%	113	115	2%	116	118	2%
Comparable EBIT	105	115	9%	114	116	2%	117	120	2%
EPS	1.08	1.17	8%	1.19	1.21	2%	1.22	1.25	2%
EPS (adjusted)	1.09	1.19	9%	1.21	1.23	2%	1.23	1.26	2%
Dividend per share	0.70	0.70	0%	0.75	0.75	0%	0.90	0.94	4%

Source: Inderes

Expected return remains sufficient

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 11.9–14.6 (was EUR 11.6-14.4), with a midpoint of EUR 13.3 (was EUR 12.8).

Overall, we still consider Aktia's valuation attractive and believe the upside in the multiples and a strong dividend yield (~6%) offer investors a sufficient expected return (>10%). The stock does not appear to be an exceptionally attractive buying opportunity, but the high dividend yield and a rather stable earnings outlook raise the expected return above the required return.

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 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 at the end of Q2, these multiples would put the share value between EUR 10.9 and EUR 13.6. The current pricing can thus be considered moderate, with the share price hovering closer to the lower end of the range.

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. Based on this market-based model (see chart on the right), a clearly higher valuation than the current one could be justified for Aktia. We note, however, that valuation levels in the Nordic banking sector have tightened significantly during 2026. Aktia's valuation is thus moderate compared to its peers, but the tight sector-level pricing limits the upside potential of the multiples for Aktia as well.

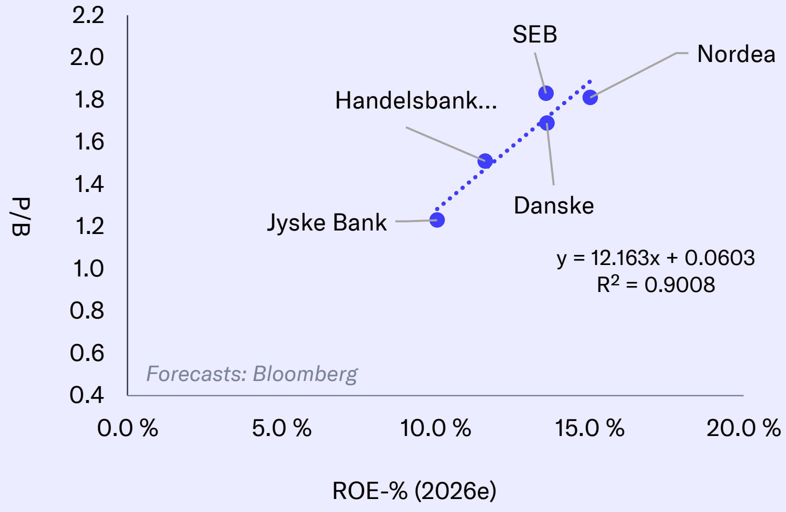
DDM provides support for expected returns

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 13.3. The expectations attached to Aktia's current share price are therefore still moderate, and the risk level associated with the valuation is limited. However, to realize the potential, the market needs to be convinced that the company can 1) maintain its market share in lending and 2) sustain the positive development of net subscriptions in asset management, where new international distribution partnerships play a key role. In our view, these are the key drivers of the share and the company's value. In addition, 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	12.2	12.2	12.2
Market cap	902	905	909
P/E (adj.)	10.4	10.1	9.8
P/E	10.6	10.2	9.9
P/B	1.3	1.3	1.2
Payout ratio (%)	57.4 %	58.9 %	72.0 %
Dividend yield-%	5.7 %	6.1 %	7.7 %

Source: Inderes

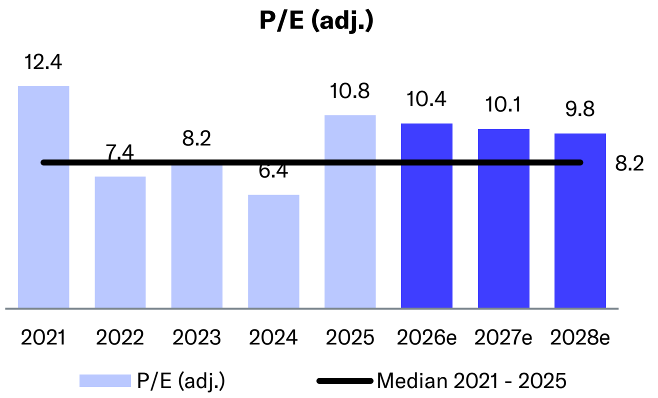
Regression model (P/B)

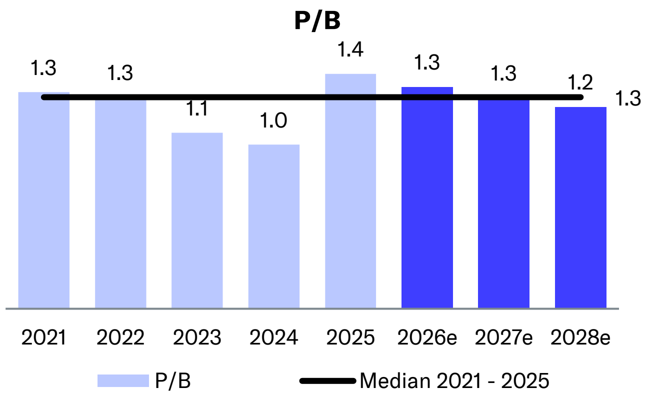


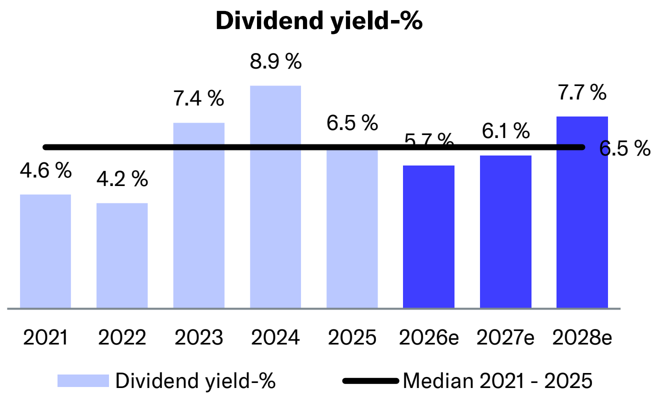
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	12.3	10.2	9.42	9.21	12.4	**12.2**	**12.2**	**12.2**	**12.2**
Market cap	882	736	684	672	910	**902**	**905**	**909**	**913**
P/E (adj.)	12.4	7.4	8.2	6.4	10.8	**10.4**	**10.1**	**9.8**	**9.6**
P/E	13.0	7.5	8.4	8.9	88.3	**10.6**	**10.2**	**9.9**	**9.7**
P/B	1.3	1.3	1.1	1.0	1.4	**1.3**	**1.3**	**1.2**	**1.2**
Payout ratio (%)	60.2 %	31.5 %	62.5 %	78.8 %	569.9 %	**57.4 %**	**58.9 %**	**72.0 %**	**79.4 %**
Dividend yield-%	4.6 %	4.2 %	7.4 %	8.9 %	6.5 %	**5.7 %**	**6.1 %**	**7.7 %**	**8.7 %**

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)	**902**	**10.4**	**10.1**	**5.7**	**6.1**	**1.3**
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		**-10%**	**-6%**	**-4%**	**-3%**	**-10%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	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	33.1	33.5	33.9	132.4	141.1	145.3	149.4
Net commission income	124.3	30.8	30.3	31.2	32.3	124.6	32.3	32.5	32.7	33.6	131.1	137.8	142.2	146.8
Net income from life insurance	30.2	6.5	8.0	8.2	7.8	30.6	1.1	14.1	7.8	7.8	30.8	32.5	33.4	34.3
Other income	2.2	0.9	0.3	0.0	0.5	1.7	-0.7	2.4	0.4	0.5	2.6	1.7	1.7	1.7
Total income	**308.8**	**73.5**	**73.3**	**73.5**	**75.6**	**295.8**	**64.8**	**82.1**	**74.4**	**75.8**	**297.0**	**313.1**	**322.7**	**332.1**
Non-recurring 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**	**82.1**	**74.4**	**75.8**	**297.0**	**313.1**	**322.7**	**332.1**
Personnel expenses	-80.5	-20.6	-21.1	-20.3	-20.6	-82.6	-20.1	-21.9	-20.5	-21.5	-83.9	-86.4	-89.0	-91.6
IT costs	-51.5	-12.8	-13.2	-13.4	-14.4	-53.8	-13.7	-14.0	-14.3	-15.3	-57.3	-59.6	-62.0	-64.5
Depreciation on tangible and intangible assets	-23.7	-4.0	-4.1	-4.6	-4.7	-17.4	-4.7	-4.6	-4.7	-4.8	-18.8	-19.4	-19.9	-20.5
Other operating expenses	-22.8	-6.7	-8.5	-6.2	-10.3	-31.7	-6.0	-6.3	-6.1	-6.5	-24.9	-24.9	-25.4	-25.9
Total operating expenses	**178.6**	**-44.0**	**-46.9**	**-44.4**	**-49.9**	**-185.2**	**-44.5**	**-46.8**	**-45.6**	**-48.1**	**-184.9**	**-190.3**	**-196.3**	**-202.5**
Non-recurring expenses	-4.8	-2.1	-3.2	-2.1	-3.9	-11.4	0.0	-1.6	0.0	-0.5	-2.1	-1.5	-1.5	-1.5
Comparable operating expenses	**-173.8**	**-42.0**	**-43.7**	**-42.3**	**-46.0**	**-174.0**	**-44.5**	**-45.1**	**-45.6**	**-47.6**	**-182.8**	**-188.8**	**-194.8**	**-201.0**
Impairment	-35.6	-2.9	-3.2	-3.8	-76.0	-85.8	-1.7	6.8	-2.2	-2.2	0.8	-7.9	-8.1	-8.3
Share of associated companies' profit or loss	0.0	0.1	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0
EBIT	**94.6**	**26.6**	**23.3**	**25.3**	**-50.3**	**24.9**	**18.7**	**42.1**	**26.7**	**25.5**	**113.0**	**114.9**	**118.2**	**121.3**
Comparable EBIT	**124.5**	**28.7**	**26.2**	**27.4**	**23.7**	**106.0**	**18.7**	**43.7**	**26.7**	**26.0**	**115.1**	**116.4**	**119.7**	**122.8**
Taxes	-18.8	-4.9	-4.8	-5.2	0.2	-14.7	-3.5	-8.5	-5.3	-5.1	-22.4	-20.7	-21.3	-21.8
Net profit	**76.0**	**21.8**	**18.5**	**20.1**	**-50.1**	**10.3**	**14.5**	**33.6**	**21.3**	**20.4**	**89.9**	**94.2**	**97.0**	**99.5**
EPS (adjusted)	**1.45**	**0.33**	**0.30**	**0.30**	**0.25**	**1.25**	**0.19**	**0.46**	**0.27**	**0.27**	**1.19**	**1.23**	**1.26**	**1.29**
EPS (reported)	**1.04**	**0.30**	**0.25**	**0.27**	**-0.68**	**0.14**	**0.19**	**0.44**	**0.27**	**0.26**	**1.17**	**1.21**	**1.25**	**1.27**
Dividend per share	**0.82**	**-**	**-**	**-**	**-**	**0.80**	**-**	**-**	**-**	**-**	**0.70**	**0.75**	**0.94**	**1.06**

Key indicators	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026	2027	2028	2029
Increase in comparable income	7.6%	-5.0%	-4.6%	-3.4%	-3.9%	-4.3%	-11.8%	12.2%	1.3%	0.2%	0.5%	5.4%	3.0%	2.9%
Comparable cost/income ratio	56.3%	57.2%	59.7%	57.6%	60.8%	58.9%	68.7%	55.0%	61.3%	62.8%	61.5%	60.3%	60.4%	60.5%
AUM, gross (BEUR)	16.2	15.7	15.9	16.3	16.6	16.6	16.6	18.1	18.3	18.6	18.6	19.6	20.5	21.6
Asset Management fees/AUM %	0.50%	0.50%	0.49%	0.50%	0.51%	0.50%	0.51%	0.49%	0.48%	0.49%	0.49%	0.48%	0.48%	0.47%
Net interest income/loan portfolio-%	1.94%	1.82%	1.78%	1.73%	1.78%	1.77%	1.63%	1.69%	1.71%	1.73%	1.69%	1.78%	1.79%	1.80%
Average headcount	843	851	856	860	853	855	831	844	850	855	845	853	861	869
Average personnel cost (TEUR)	-96	-97	-99	-94	-97	-97	-97	-104	-96	-100	-99	-101	-103	-105
ROE %	11.4%	12.5%	10.8%	11.8%	-29.9%	1.5%	9.3%	20.7%	12.5%	11.6%	13.0%	12.9%	12.6%	12.4%
Return on equity-% (adjusted)	15.0%	13.5%	12.1%	12.8%	11.2%	12.8%	9.3%	21.5%	12.5%	11.8%	13.2%	13.1%	12.8%	12.6%
Common Equity Tier 1 (CET1) ratio	12.0%	13.0%	12.8%	13.0%	12.6%	12.6%	12.8%	12.0%	11.8%	12.6%	12.6%	13.2%	13.6%	13.8%

Source: Inderes

The full-year EPS was calculated using the number of shares at the end of the year.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Cash and bank deposits	647	565	652	667	684
Loan portfolio	7777	7882	7838	8021	8216
Other financial assets	1703	1616	1630	1668	1709
Assets for unit-linked insurance policies	1326	1518	1721	1808	1889
Intangible assets	155	98	104	106	108
Other assets	298	301	314	320	325
Total assets	**11904**	**11980**	**12260**	**12590**	**12930**

Source: Inderes

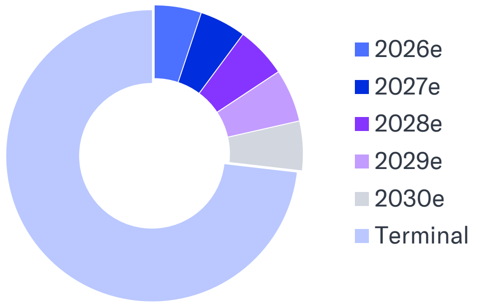
Liabilities	2024	2025	2026e	2027e
Total liabilities	**10771**	**10904**	**11161**	**11446**
Deposits from the public	4084	4078	4076	4171
Debt securities issued	3979	4302	4240	4314
Other financial liabilities	1017	678	800	813
Insurance liabilities	1691	1845	2045	2147
Other liabilities	391	371	341	349
Shareholders' equity	682	646	678	716
Non-controlling	60	60	80	80
Total equity	**1133**	**1077**	**1099**	**1145**
Liabilities and equity in total	**11904**	**11980**	**12260**	**12590**

Dividend model (DDM)

DDM valuation (MEUR)	2025	2026e	2027e	2028e	2029e	2030e	Terminal
Net profit	**10.3**	**89.9**	**94.2**	**97.0**	**99.5**	**102**	
Growth in net income-%	*-86.4%*	*769.0%*	*4.9%*	*2.9%*	*2.6%*	*2.0%*	*2.0%*
ROE %	*1.5%*	*13.0%*	*12.9%*	*12.6%*	*12.4%*	*12.4%*	
Dividend	**58.7**	**51.6**	**55.5**	**69.8**	**79.0**	**80.9**	**1100**
Payout ratio	*568%*	*57%*	*59%*	*72%*	*79%*	*80%*	
CET1-%	12.6%	12.6%	13.2%	13.6%	13.8%	13.8%	
Discounted dividend		48.2	47.4	54.4	56.3	52.6	715
Discounted cumulative dividend		974	926	878	824	768	715
Equity value, DDM		974					
Per share		**13.3**					

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

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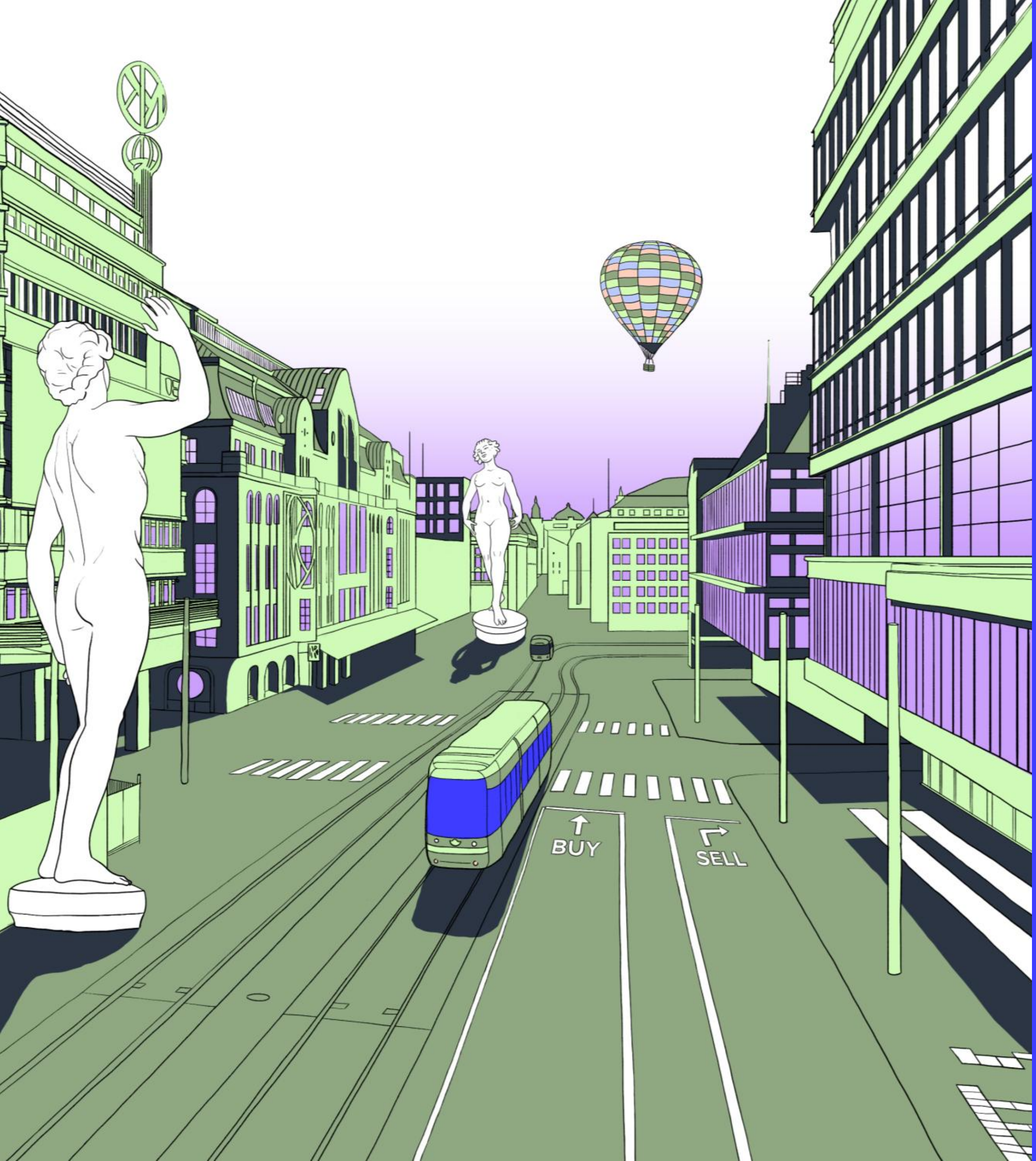
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/19/2021	Reduce	10.00 €	9.69 €
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 €
8/4/2026	Accumulate	13.00 €	12.00 €



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