AKTIA

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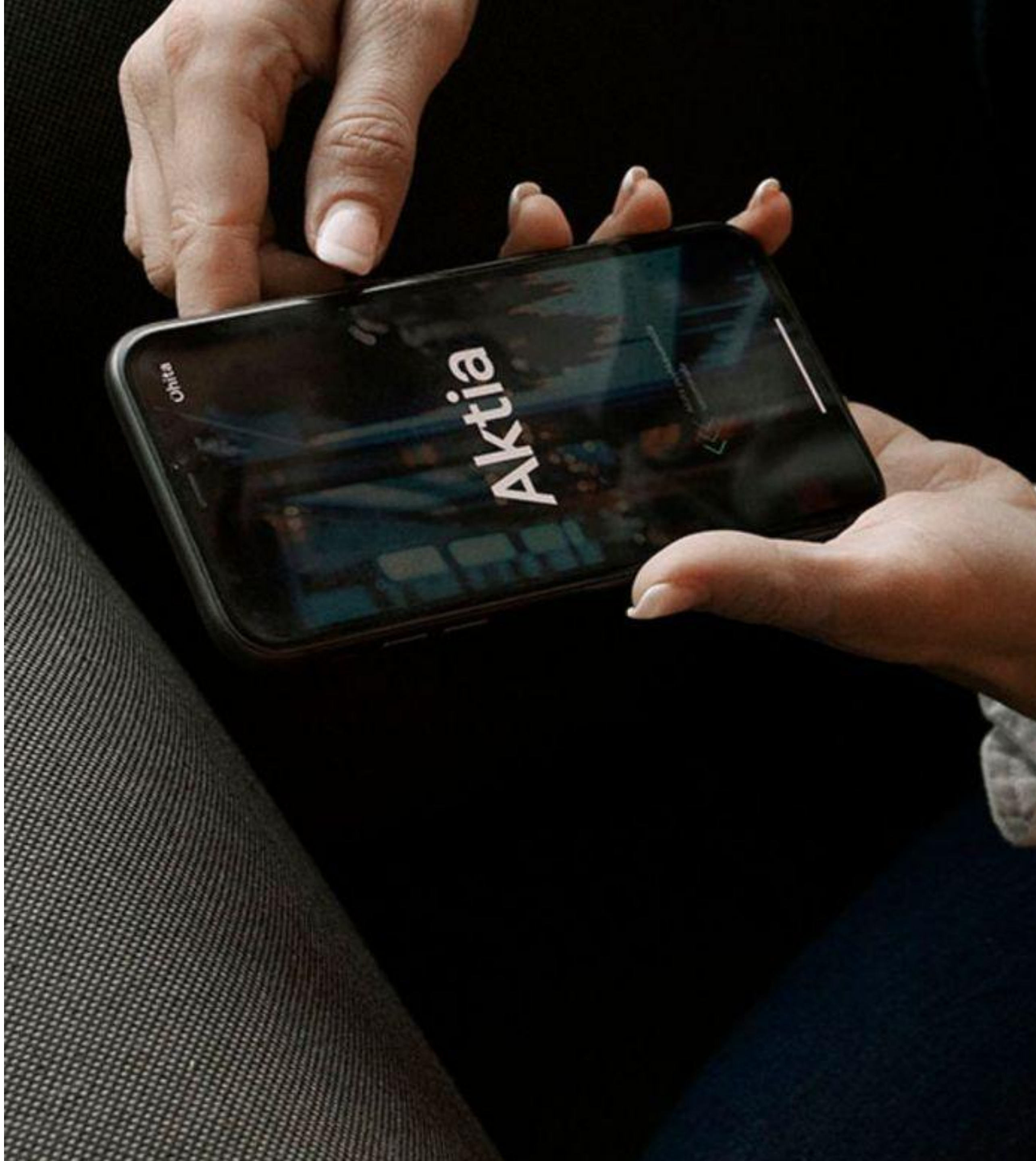
INDERES CORPORATE CUSTOMER

COMPANY REPORT



Operational development continued as anticipated

Aktia's operational development in the last quarter of the year did not offer any major surprises, so the forecast changes after the earnings day remained moderate. However, we revise our target price to EUR 12.5 (from EUR 12.0) as Asset Management's new sales have continued their positive trend. We consider the share price decline on the earnings day to be excessive and thus reiterate our Accumulate recommendation as the stock's valuation remains moderate.

Non-recurring items spoiled an otherwise decent result

Aktia's comparable result in Q4 was roughly in line with our expectations, but significant write-downs of goodwill and other intangible assets from Taaleri Wealth Management, acquired in 2021, pushed the reported result into a loss. The loan portfolio grew slightly due to buoyant demand for corporate loans, and asset management sales also developed positively, with net subscriptions from international institutional clients being clearly positive. The current year's earnings guidance also offered no surprises, as Aktia expects a comparable operating profit roughly in line with 2025. Our morning comment on Aktia's Q4 report can be read here.

Only moderate forecast changes after the earnings release

As the operational development largely met our expectations, our earnings forecasts for the coming years also remained virtually unchanged. However, our dividend forecasts decreased slightly, as the growth in risk-weighted assets surprisingly pushed Aktia's solvency to its target level. In addition, the company expects a slight headwind to solvency from the update of internal credit risk models.

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 decline by another 3%. After this, we estimate that earnings will turn back to growth in line with business volumes. We estimate that the recovering loan demand will turn Aktia's loan portfolio to clearer growth starting from late 2026. Our growth forecasts for Asset Management, on the other hand, are moderate, reflecting the challenges in institutional sales. Achieving the ambitious growth targets (over 15% return on equity and 5% organic annual growth in commission income), which largely rest on Asset Management, would require significantly more favorable development than this. Although there were signs of improvement in 2025, evidence of a shift towards more sustainable growth is still insufficient.

However, Aktia's reported earnings and EPS are expected to continue growing in our forecasts in 2026, as one-off expenses significantly burdened the 2025 result. We expect Aktia's profit distribution to remain relatively strong, similar to the rest of the banking sector, with an average payout ratio of roughly 80% in our forecasts for the coming years.

The share price decline on the earnings day kept the expected return sufficient

We have examined Aktia's valuation through balance sheet multiples, the dividend model, and Nordic banking peers. The methods indicate a share value of EUR 11.4-14.1. Due to slightly improved net sales in Asset Management, we believe a suitable anchor point for Aktia's valuation is already at the midpoint of the range (previously closer to the lower end), which justifies a small increase in our target price. Although there is clear uncertainty regarding the sustainability of the turnaround in Asset Management sales, net sales have been positive for three consecutive quarters. Overall, we still consider Aktia's valuation attractive and believe the upside in the multiples and a strong dividend yield (7-8%) offer investors a sufficient expected return (>10%).

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 12.50
(was EUR 12.00)

Share price:
EUR 11.92

Business risk
●●○○○

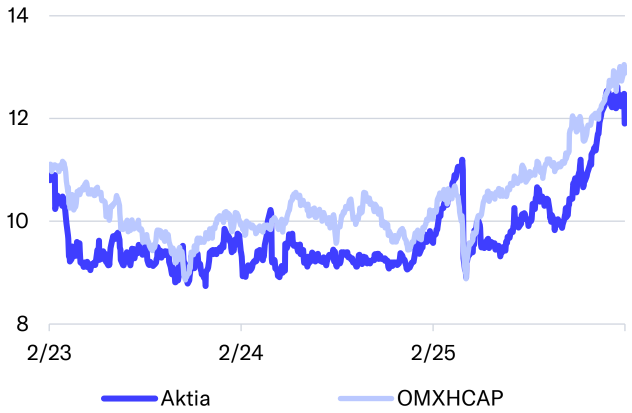
Valuation risk
●●●○○

	2025	2026e	2027e	2028e
Operating income	296	295	304	314
growth-%	-4%	0%	3%	3%
EBIT adj.	36.0	103.3	109.1	113.3
Net income	10.3	81.4	88.3	91.6
EPS (adj.)	1.15	1.12	1.21	1.25
Dividend	0.80	0.82	0.90	0.98
Payout ratio	70%	73%	74%	78%
ROE-%	1.6%	12.4%	13.0%	13.0%
P/E (adj.)	10.8	10.6	9.8	9.5
P/B	1.4	1.3	1.3	1.2
Dividend yield-%	6.5%	6.9%	7.6%	8.2%

Guidance (New guidance)

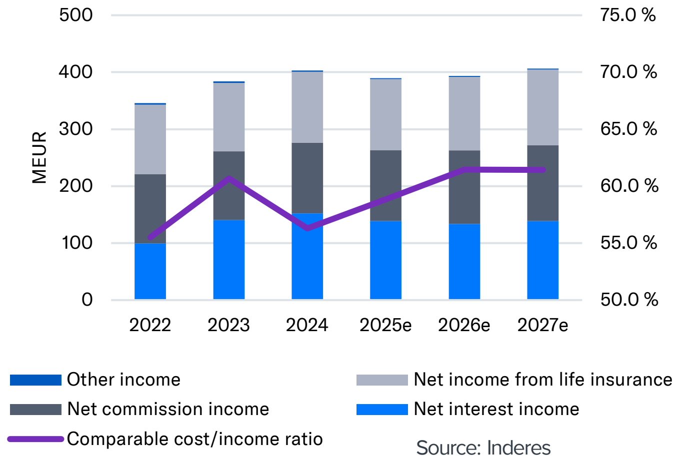
Aktia expects comparable EBIT or 2026 to be approximately at the same level as the comparable EBIT for 2025, which amounted 106.0 MEUR.

Share price



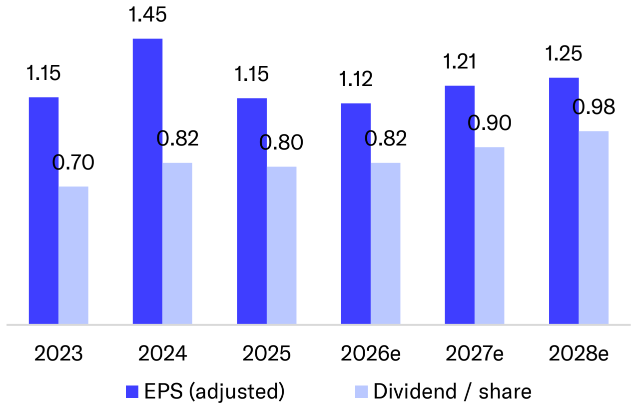
Source: Millistream Market Data AB

Operating income and cost/income ratio



Source: Inderes

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 level	2026e	2027e	2028e
Share price	11.9	11.9	11.9
Market cap	877	880	884
P/E (adj.)	10.6	9.8	9.5
P/E	10.8	10.0	9.6
P/B	1.3	1.3	1.2
Dividend/earnings (%)	74.2%	75.4%	79.4%
Dividend yield-%	6.9%	7.6%	8.2%

Source: Inderes

Non-recurring items spoiled an otherwise decent result

Income developed slightly better than expected

Aktia's operating income in Q4 was slightly higher than our expectations due to higher net interest income. According to the company's comments, net interest income was supported by one-off items, and adjusted for these, net interest income still declined from the previous quarter. Net commission income and Other income, on the other hand, were well in line with our expectations.

In Asset Management, AUM developed well and the fee level remained stable. Gross AUM grew by some 1.8% from the previous quarter to 16.6 BEUR, thanks to both positive net subscriptions and value changes. Compared to peers that have already reported their results, this figure is not high, but considering Aktia's weak new sales in recent years, the direction is still correct. The majority of new sales came from international institutional clients, while net subscriptions from Private Banking clients turned negative.

The loan portfolio also grew slightly, with growth coming from corporate customers, as we expected. Growth was driven by leasing and invoice financing, similar to previous quarters. Thus, the development of Aktia's credit demand was in line with published market data, which showed that household credit demand remained subdued. On the other hand, the volume of new loans granted by Aktia was higher than in the corresponding period in the previous two years, so a slight positive momentum is already visible in the loan market, even though new loan disbursements are not yet enough to offset the negative impact of repayments.

Overall, Aktia's operating income decreased by 4% from the comparison period to 75.6 MEUR, as lower market interest rates weighed on net interest income.

Non-recurring items spoiled an otherwise decent result

Aktia's comparable operating expenses in Q4 were in line with our expectations, i.e., roughly at the level of the comparison period However, one-off costs related to the restructuring were higher than expected (3.9 MEUR).

Credit losses, on the other hand, significantly exceeded our forecast (5.9 MEUR vs. 3.1 MEUR forecast). According to the company, credit losses mainly stemmed from a single debtor. However, there was no longer any deterioration in the quality of the credit portfolio, and the proportion of non-performing loans began to decline. Against this backdrop, the company's view on the one-off nature of high credit losses seems plausible.

In addition, Aktia announced that it would write down intangible assets from the Taaleri acquisition totaling 70 MEUR, which significantly weighed down the reported Q4 result into negative territory. This has no material impact, as intangible assets have already been deducted from own funds in the regulatory capital adequacy calculation. Therefore, this does not affect the bank's dividend outlook. The weak performance after the acquisition is also quite well known, although we had not expected such significant write-downs from it.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Diff-%	2025
MEUR/EUR	Comparison	Realized	Inderes	Consensus	High	Low	Act. vs. Inderes	Actualized
Net interest income	38.1	34.9	33.2	33.4			5%	138.8
Net commission income	32.5	32.3	32.8	32.8			-2%	124.6
Other income	8.1	8.3	8.1	7.6			2%	32.4
Operating income	78.7	75.6	74.0	74.1			2%	295.8
Operating expenses	-49.3	-49.9	-49.0	-47.9			-2%	-185.2
EBIT	0.1	-50.3	21.9	23.2			-330%	24.9
Comparable EBIT	28.3	23.7	24.4	-			-3%	106.0
Earnings per share (EPS)	0.00	-0.68	0.24	0.25			-383%	0.14

Source: Inderes & Modular Finance (consensus)

Guidance was in line with expectations; dividend outlook saw a slight setback

Comparable EPS was EUR 0.25 for the quarter, only slightly below our forecast (EUR 0.27) due to higher-than-expected loan losses. However, reported EPS turned clearly negative due to the write-downs.

Aktia proposed a dividend of EUR 0.80 per share for the past financial year, which was slightly below our estimate of EUR 0.83.

No surprises in the earnings guidance

Based on the current year's earnings guidance, Aktia expects its comparable operating profit to be around at the same level as in 2025. The outlook did not offer any surprises, as our current earnings forecast anticipates a very moderate decline in earnings. The underlying assumptions of the guidance expect asset management commission income to increase slightly and credit losses to decrease, but the decline in net interest income and the increase in operating expenses are estimated to negate these positive effects. Thus, there was nothing surprising in the assumptions underlying the guidance either.

The dividend outlook took a small step backward

A slight disappointment in the earnings report was that the balance sheet's risk-weighted assets grew significantly faster than the loan portfolio, which lowered Aktia's capital adequacy to the target level. In addition, management stated in the earnings call that it is currently updating its internal credit risk models, as a result of which the company expects risk-weighted assets to continue to increase. As a result, there is less capital available for profit distribution than we previously estimated, which was also reflected in our profit distribution forecasts. However, this is not a dramatic change, as we estimate that Aktia should be able to distribute the majority (~80%) of its annual earnings as dividends.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Diff-%	2025
MEUR/EUR	Comparison	Realized	Inderes	Consensus	High	Low	Act. vs. Inderes	Actualized
Net interest income	38.1	34.9	33.2	33.4			5%	138.8
Net commission income	32.5	32.3	32.8	32.8			-2%	124.6
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Operating income	78.7	75.6	74.0	74.1			2%	295.8
Operating expenses	-49.3	-49.9	-49.0	-47.9			-2%	-185.2
EBIT	0.1	-50.3	21.9	23.2			-330%	24.9
Comparable EBIT	28.3	23.7	24.4	-			-3%	106.0
Earnings per share (EPS)	0.00	-0.68	0.24	0.25			-383%	0.14

Source: Inderes & Modular Finance (consensus)

Aktia Bank, Webcast, Q4'25

Forecast changes were moderate after the Q4 report

Estimate revisions:

- We lowered our forecasts for household loan portfolios as a clearer turnaround in demand is prolonged. However, we raised our corporate loan portfolio growth estimates following strong performance at the end of the year. At the same time, we slightly revised upward our estimate for the development of the net interest margin, as the loan portfolio's focus is shifting more strongly towards higher-interest invoice and leasing financing for corporate customers. Overall, however, the increase in our revenue forecasts remained very modest.
- At the same time, our cost forecasts rose marginally, so overall our operating profit forecasts remained practically unchanged.
- However, our dividend forecasts fell more significantly, as the growth in risk-weighted assets consumed the bank's excess capital in Q4. In addition, model updates will continue to weigh on the balance sheet in early 2026.

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 relatively subdued during the first half of the current year. 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.

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 early 2026 and then turn to a moderate increase in line with interest rate forecasts. In addition, we estimate that the growing share of the corporate loan portfolio will support margin development in the coming years. 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 moderately in 2026, and then grow slightly faster than the loan portfolio in the coming years, supported by the net interest margin.

Estimate revisions MEUR/EUR	2025 Estimate	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Net interest income	137	139	1%	133	134	1%	137	139	1%
Net commission income	125	125	0%	129	129	0%	133	133	0%
Net income from life insurance	30	31	1%	30	31	3%	31	31	1%
Operating income	294	296	1%	294	295	1%	303	304	1%
Operating expenses	-185	-185	0%	-183	-183	0%	-187	-188	1%
Credit losses	-13	-16	21%	-10	-11	1%	-8	-8	0%
EBIT	96	25	-74%	103	102	-1%	109	108	-1%
Comparable EBIT	106	106	0%	105	103	-1%	111	109	-1%
EPS	1.06	0.14	-87%	1.12	1.10	-1%	1.21	1.19	-2%
EPS (adjusted)	1.19	1.25	5%	1.14	1.13	-2%	1.23	1.21	-2%
Dividend per share	0.83	0.80	-4%	0.94	0.82	-13%	0.95	0.90	-5%

Source: Inderes

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 4.5%, 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 there were signs of improvement towards the end of 2025, evidence of a sustainable turnaround to stronger growth is still lacking.

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.

Elimination of one-offs supports the 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 MEUR/EUR	2025 Estimate	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
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Credit losses	-13	-16	21%	-10	-11	1%	-8	-8	0%
EBIT	96	25	-74%	103	102	-1%	109	108	-1%
Comparable EBIT	106	106	0%	105	103	-1%	111	109	-1%
EPS	1.06	0.14	-87%	1.12	1.10	-1%	1.21	1.19	-2%
EPS (adjusted)	1.19	1.25	5%	1.14	1.13	-2%	1.23	1.21	-2%
Dividend per share	0.83	0.80	-4%	0.94	0.82	-13%	0.95	0.90	-5%

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 loan losses to remain slightly elevated next year (~0.12% of the loan portfolio) and then decline to our estimated normal level (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 decline by another 3% 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. At the same time, the reduction in Finland's corporate tax rate supports net income development from 2027 onwards. 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 interest rate environment.

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.

Overall, our dividend forecasts anticipate a payout ratio of ~80% for the coming years, which would represent a clear increase compared to 2021-2025, when Aktia focused on strengthening its balance sheet. 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 remain around 13%, which corresponds to the company's targeted buffer of about 4% above the regulatory minimum (8.8%).

Estimate revisions MEUR/EUR	2025 Estimate	2025 Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
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EBIT	96	25	-74%	103	102	-1%	109	108	-1%
Comparable EBIT	106	106	0%	105	103	-1%	111	109	-1%
EPS	1.06	0.14	-87%	1.12	1.10	-1%	1.21	1.19	-2%
EPS (adjusted)	1.19	1.25	5%	1.14	1.13	-2%	1.23	1.21	-2%
Dividend per share	0.83	0.80	-4%	0.94	0.82	-13%	0.95	0.90	-5%

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 11.4-14.1, with a midpoint of around EUR 12.8.

Overall, we still consider Aktia's valuation attractive and believe the upside in the multiples and a strong dividend yield (7–8%) 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 in the last earnings report, these multiples would put the share value in the range of EUR 11.0-13.8. 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. In the light of this market-based model (chart on the right), a P/B ratio of around 1.4x could be justified for Aktia, which corresponds to a share price of around EUR 12-13.

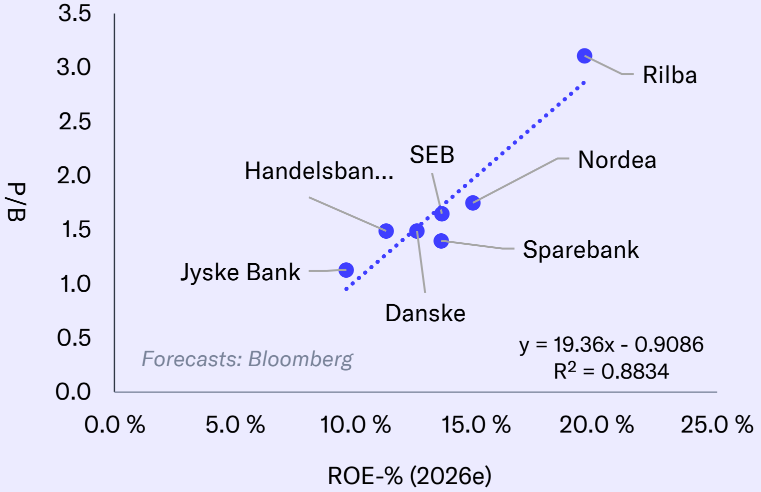
DDM provides support for expected returns

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 13.2. 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 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 growth. 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 level	2026e	2027e	2028e
Share price	11.9	11.9	11.9
Market cap	877	880	884
P/E (adj.)	10.6	9.8	9.5
P/E	10.8	10.0	9.6
P/B	1.3	1.3	1.2
Dividend/earnings (%)	74.2%	75.4%	79.4%
Dividend yield-%	6.9%	7.6%	8.2%

Source: Inderes

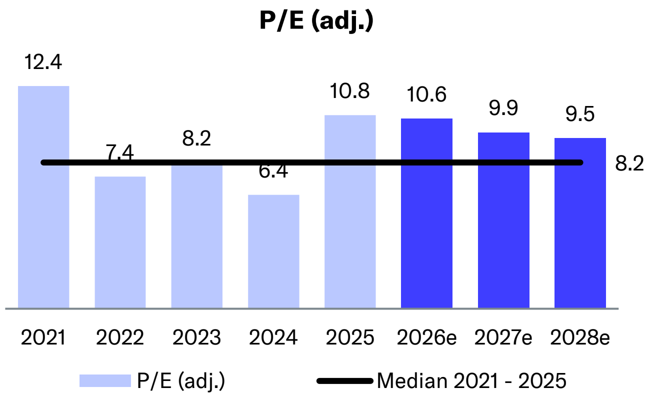
Regression model (P/B)

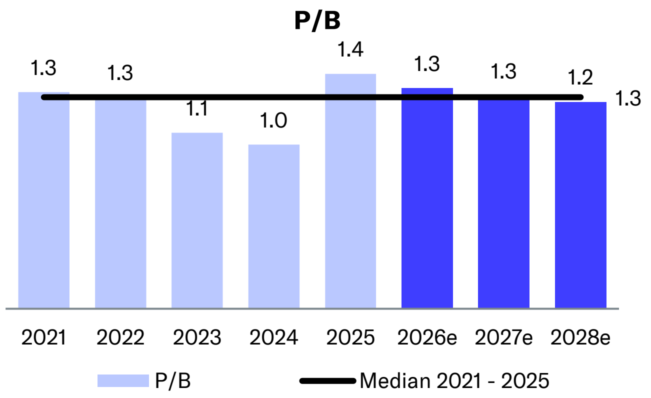


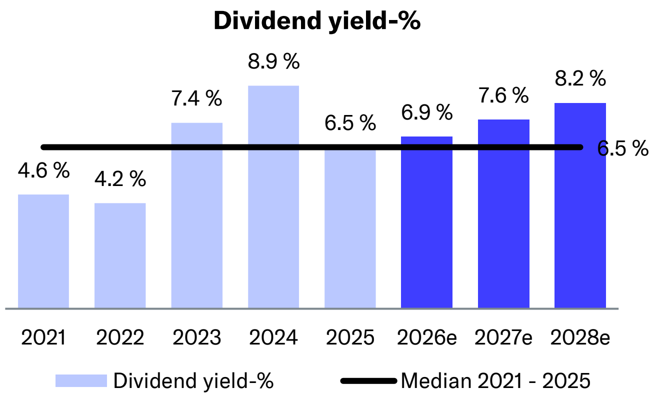
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	12.3	10.2	9.42	9.21	12.4	**11.9**	**11.9**	**11.9**	**11.9**
Market cap	882	736	684	672	910	**878**	**882**	**885**	**889**
P/E (adj.)	12.4	7.4	8.2	6.4	10.8	**10.6**	**9.9**	**9.5**	**9.3**
P/E	13.0	7.5	8.4	8.9	88.3	**10.8**	**10.0**	**9.7**	**9.5**
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 %	**74.2 %**	**75.4 %**	**79.4 %**	**79.3 %**
Dividend yield-%	4.6 %	4.2 %	7.4 %	8.9 %	6.5 %	**6.9 %**	**7.6 %**	**8.2 %**	**8.4 %**

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	57705	11.8	11.1	5.8	6.0	1.8
Danske	37161	11.8	11.1	6.2	6.3	1.5
Handelsbanken	27698	13.2	12.6	6.8	6.6	1.5
SEB	38482	12.4	11.3	4.6	5.0	1.7
Rilba	5526	16.6	15.1	0.7	0.7	3.1
Sparebank	2470	10.7	10.3	6.5	6.6	1.4
Jyske Bank	7945	12.2	11.3	2.8	3.0	1.1
Aktia (Inderes)	**878**	**10.6**	**9.9**	**6.9**	**7.6**	**1.3**
Average		**12.7**	**11.8**	**4.8**	**4.9**	**1.7**
Median		**12.2**	**11.3**	**5.8**	**6.0**	**1.5**
Diff-% to median		**-13%**	**-12%**	**18%**	**25%**	**-11%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025	Q1'26e	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	33.2	33.3	33.6	33.9	134.0	138.7	143.9	148.0
Net commission income	124.3	30.8	30.3	31.2	32.3	124.6	31.9	31.8	32.1	33.1	129.0	133.1	137.2	141.1
Net income from life insurance	30.2	6.5	8.0	8.2	7.8	30.6	7.6	7.6	7.7	7.7	30.7	30.8	31.5	32.3
Other income	2.2	0.9	0.3	0.0	0.5	1.7	0.4	0.5	0.4	0.5	1.7	1.7	1.7	1.7
Total income	**308.8**	**73.5**	**73.3**	**73.5**	**75.6**	**295.8**	**73.0**	**73.2**	**73.9**	**75.1**	**295.3**	**304.3**	**314.3**	**323.1**
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**	**73.0**	**73.2**	**73.9**	**75.1**	**295.3**	**304.3**	**314.3**	**323.1**
Personnel expenses	-80.5	-20.6	-21.1	-20.3	-20.6	-82.6	-20.6	-21.1	-20.7	-22.2	-84.6	-87.5	-90.5	-93.6
IT costs	-51.5	-12.8	-13.2	-13.4	-14.4	-53.8	-13.7	-13.7	-13.8	-14.4	-55.6	-57.8	-59.6	-61.3
Depreciation on tangible and intangible assets	-23.7	-4.0	-4.1	-4.6	-4.7	-17.4	-4.6	-4.6	-4.7	-4.7	-18.6	-19.0	-19.4	-19.7
Other operating expenses	-22.8	-6.7	-8.5	-6.2	-10.3	-31.7	-6.1	-5.7	-6.1	-6.3	-24.2	-24.2	-24.7	-25.2
Total operating expenses	**178.6**	**-44.0**	**-46.9**	**-44.4**	**-49.9**	**-185.2**	**-45.0**	**-45.1**	**-45.3**	**-47.6**	**-183.0**	**-188.4**	**-194.0**	**-199.8**
Non-recurring expenses	-4.8	-2.1	-3.2	-2.1	-3.9	-11.4	-0.5	0.0	-0.5	-0.5	-1.5	-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**	**-44.8**	**-47.1**	**-181.5**	**-186.9**	**-192.5**	**-198.3**
Impairment	-35.6	-2.9	-3.2	-3.8	-76.0	-85.8	-2.8	-2.6	-2.6	-2.6	-10.6	-8.3	-8.5	-8.6
Share of associated companies' profit or loss	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**	**25.3**	**25.5**	**26.0**	**25.0**	**101.8**	**107.6**	**111.8**	**114.7**
Comparable EBIT	**124.5**	**28.7**	**26.2**	**27.4**	**23.7**	**106.0**	**25.8**	**25.5**	**26.5**	**25.5**	**103.3**	**109.1**	**113.3**	**116.2**
Taxes	-18.8	-4.9	-4.8	-5.2	0.2	-14.7	-5.1	-5.1	-5.2	-5.0	-20.4	-19.4	-20.1	-20.6
Net profit	**76.0**	**21.8**	**18.5**	**20.1**	**-50.1**	**10.3**	**20.2**	**20.4**	**20.8**	**20.0**	**81.4**	**88.3**	**91.6**	**94.0**
EPS (adjusted)	**1.45**	**0.33**	**0.30**	**0.30**	**0.25**	**1.25**	**0.28**	**0.28**	**0.29**	**0.28**	**1.13**	**1.21**	**1.25**	**1.28**
EPS (reported)	**1.04**	**0.30**	**0.25**	**0.27**	**-0.68**	**0.14**	**0.27**	**0.28**	**0.28**	**0.27**	**1.10**	**1.19**	**1.23**	**1.26**
Dividend per share	**0.82**	**-**	**-**	**-**	**-**	**0.80**	**-**	**-**	**-**	**-**	**0.82**	**0.90**	**0.98**	**1.00**

Key indicators	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026	2027	2028	2029
Increase in comparable income	7.6%	-5.0%	-4.6%	-3.4%	-3.9%	-4.3%	-0.6%	0.1%	0.6%	-0.6%	-0.1%	3.1%	3.3%	2.8%
Comparable cost/income ratio	56.3%	57.2%	59.7%	57.6%	60.8%	58.9%	60.9%	61.6%	60.7%	62.6%	61.5%	61.4%	61.3%	61.4%
AUM, gross (BEUR)	16.2	15.7	15.9	16.3	16.6	16.6	16.8	17.0	17.2	17.4	17.4	18.2	19.0	19.8
Asset Management fees/AUM %	0.50%	0.50%	0.49%	0.50%	0.51%	0.48%	0.49%	0.49%	0.49%	0.51%	0.48%	0.49%	0.49%	0.48%
Net interest income/loan portfolio-%	1.94%	1.82%	1.78%	1.73%	1.78%	1.77%	1.68%	1.68%	1.69%	1.69%	1.68%	1.70%	1.72%	1.73%
Average headcount	843	851	856	860	853	855	858	865	869	874	867	875	883	891
Average personnel cost (TEUR)	-96	-97	-99	-94	-97	-97	-96	-98	-95	-101	-98	-100	-103	-105
ROE %	11.4%	12.5%	10.8%	11.8%	-29.9%	1.3%	12.4%	12.7%	13.1%	12.2%	12.1%	12.8%	12.8%	12.7%
Return on equity-% (adjusted)	15.0%	13.5%	12.1%	12.8%	-28.1%	11.4%	12.6%	12.7%	13.3%	12.4%	12.6%	13.2%	13.2%	13.2%
Common Equity Tier 1 (CET1) ratio	12.0%	13.0%	12.8%	13.0%	12.6%	12.6%	12.3%	12.2%	12.1%	12.6%	12.6%	12.7%	13.0%	13.2%

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Receivables from the Bank of Finland and credit institutions	581	488	498	512	524
Claims on the public and public sector entities	7777	7882	8038	8262	8458
Cash	65	77	78	80	82
Investments related to unit-linked insurance	1326	1518	1548	1592	1629
Intangible assets	155	98	103	108	108
Other assets	478	472	482	495	507
Total assets	**11904**	**11980**	**12220**	**12563**	**12859**

Source: Inderes

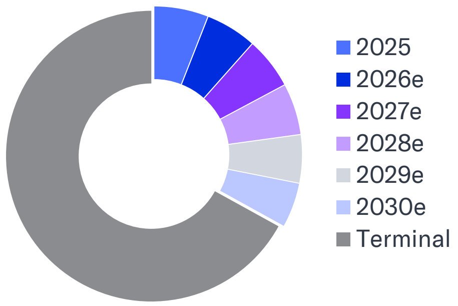
Liabilities	2024	2025	2026e	2027e	2028e
Total liabilities	**11162**	**11275**	**11496**	**11813**	**12085**
Liabilities to the public and public entities	4084	4078	4158	4274	4376
Liabilities to central banks and credit institutions	330	77	76	75	69
Other financial liabilities	4668	4904	5001	5141	5263
Insurance debt	1691	1845	1882	1934	1980
Other liabilities	389	371	378	389	398
Restricted equity	141	153	150	150	150
Unrestricted equity	542	494	514	540	564
Non-controlling	60	60	60	60	60
Total equity	**742**	**706**	**724**	**750**	**774**
Liabilities and equity in total	**11904**	**11980**	**12220**	**12563**	**12859**

Dividend model (DDM)

DDM valuation (MEUR)	2024	2025	2026e	2027e	2028e	2029e	2030e	Terminal
Net profit	**76.0**	**10.3**	**81.4**	**88.3**	**91.6**	**94.0**	**96.6**	
Growth in net income-%	*-6.5%*	*-86.4%*	*687.3%*	*8.4%*	*3.8%*	*2.6%*	*2.7%*	*2.0%*
ROE-%	*11.4%*	*1.3%*	*12.1%*	*12.8%*	*12.8%*	*12.7%*	*12.7%*	
Dividend	**59.8**	**58.7**	**60.4**	**66.6**	**72.8**	**74.6**	**76.4**	**1039**
Payout ratio	*79%*	*568%*	*74%*	*75%*	*79%*	*79%*	*79%*	
CET1-%	12.0%	12.6%	12.6%	12.7%	13.0%	13.2%	13.4%	
Discounted dividend		57.5	54.0	54.4	54.3	50.8	47.5	646
Discounted cumulative dividend		964	907	853	799	744	693	646
Equity value, DDM		964						
Per share		**13.2**						

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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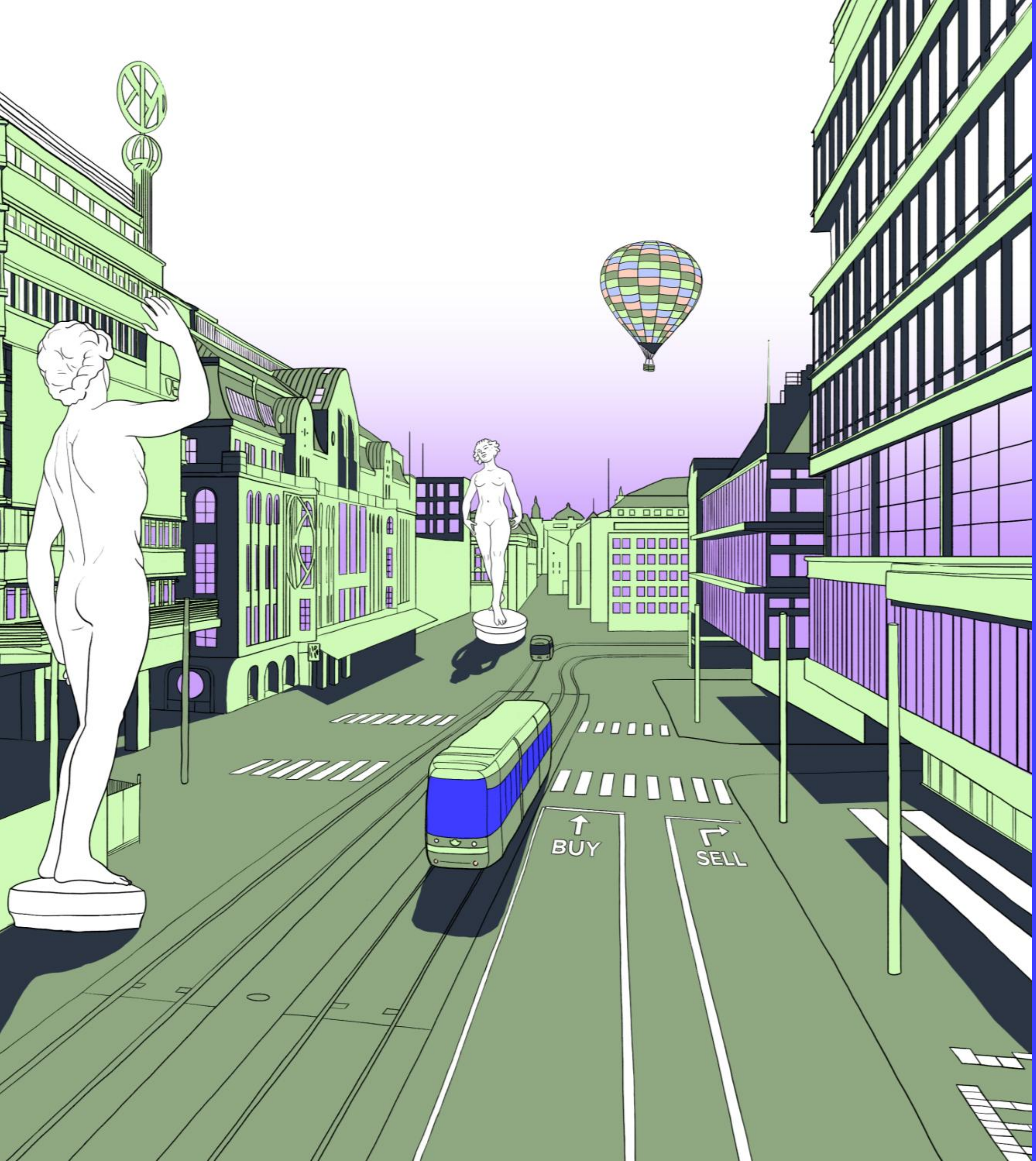
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/19/2021	Reduce	10.00 €	9.69 €
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 €



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