

Financials

Nordic banks Q3'25: Adj. EPS up for '27e

- We remain constructive on the sector
- 8% yield, 2% adj. EPS growth in '25e-'27e and adj. P/E of 10-11x...
- ...should bode well for decent absolute returns

Positive earnings growth from 2027e

We remain constructive on the sector despite the recent healthy performance. Reasons are avg. cash yields of 8% p.a. in 2026e-27e and that we expect the negative earnings growth trend in 2025e to flatten out in 2026e and turn positive in 2027e. Important drivers are short-term interest rates bottoming out in Sweden and the Eurozone in 2025/2026 and rising slightly in 2027, and improving lending growth. This means that, once we are through 2025, expected earnings growth should be positive into 2027/28. Together with average cash yields of 8% at 10-11x earnings in 2025e-26e (<10x in 2027e), this should be enough for decent absolute returns. The main risks would be continued low volume growth with a negative impact on (household mortgage) lending margins and/or even lower policy rates (as on-demand savings accounts yield 0%). Our ratings are unchanged, with four BUY ratings and two HOLD ratings.

Adj. EPS intact for 2025e-26e and up for 2027e

We have on average marginally revised our operating profit and adjusted EPS estimates for 2025-26 while our 2027 forecasts are up 2%. Reasons are higher capital markets-related earnings and lower costs, which are offset by the resolution fund fee in Sweden in 2026e.

Nordea should be de-risked into the numbers

Nordea's Q3'25 numbers should be de-risked amid the guidance already from the Q2'25 conference call, while the bank still has higher cost/income ratio ambitions than the market for 2025-27. Therefore, the risk/reward should be decent over the report and into the CMD on 5 November. We also like that Swedbank's challenging ROE target for 2025 means that it will do its utmost to maximise operational performance from here. It could also surprise positively with the full-year cost guidance for 2025. However, we also acknowledge that the stock has outperformed. Finally, we note that Handelsbanken has underperformed throughout the year, which means that expectations are low. Although we have no clear-cut funding candidates, we note that SEB has done well in absolute and relative terms since the Q2 report on hopes of an activity-based turnaround, which might not materialise as early as the Q3'25 report.

BUY  HOLD  SELL 

Nordea, Swedbank, Danske Bank, SEB

BUY  HOLD  SELL 

Handelsbanken, DNB

BUY  HOLD  SELL 

Reporting dates & key estimates

Company	Date		Q3'25e op. profit	
Nordea	16-Oct	EURm	1,524	(1,634)
DNB	22-Oct	NOKm	13,193	(15,250)
Handelsbanken	22-Oct	SEKm	7,481	(9,059)
SEB	23-Oct	SEKm	10,050	(11,818)
Swedbank	23-Oct	SEKm	9,598	(11,882)
Danske Bank	31-Oct	DKKm	7,336	(7,935)

Source: ABGSC Research

Key changes

Oct 09, 25		Rec		Target price	
Local curr.		New	Old	New	Old
DB	Buy	Buy	Buy	292	278
DNB	Hold	Hold	Hold	275	260
Handelsbanken	Hold	Hold	Hold	125	118
Nordea	Buy	Buy	Buy	166	156
SEB	Buy	Buy	Buy	198	176
Swedbank	Buy	Buy	Buy	313	276

Source: ABGSC Research

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ABG Sundal Collier bank list

Oct 09, 2025				Target	Diff. to	P/E adj.		P/BV		P/NAV		RONAV	Yield	Performance		
Local curr.		Rec	Price	Price	Target	25e	26e	25e	26e	25e	26e	'25e	'25e	-1m	-3m	-12m
Nordea	NDA.ST	Buy	152.0	166.0	9%	9.8	9.8	1.47	1.42	1.68	1.61	17.4%	6.8%	2%	8%	38%
Swedbank	SWEDa.ST	Buy	285.4	313.0	10%	10.6	10.9	1.44	1.39	1.58	1.52	15.1%	6.6%	6%	13%	51%
Danske Bank	DANSKE.CO	Buy	271.4	292.0	8%	10.0	9.6	1.25	1.24	1.31	1.29	13.2%	7.4%	4%	4%	51%
SEB	SEBa.ST	Buy	182.0	198.0	9%	11.3	11.0	1.57	1.51	1.63	1.56	14.5%	5.2%	3%	10%	29%
Handelsbanken	SHBa.ST	Hold	121.3	125.0	3%	10.3	10.8	1.20	1.21	1.25	1.26	11.8%	9.9%	1%	-4%	34%
DNB	DNB.OL	Hold	268.1	275.0	3%	9.7	10.3	1.43	1.37	1.55	1.48	16.3%	6.4%	2%	-5%	32%
Nordics, avg.					7%	10.3	10.4	1.39	1.36	1.50	1.46	14.7%	7.1%	2%	4%	32%

Source: ABGSC Research

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Ahead of the Q3'25 reports

Nordea should be de-risked into the numbers

It is always difficult to assess the risk/reward into the numbers before we have updated consensus numbers. However, when considering that Nordea's Q3'25 numbers should be de-risked amid clear guidance already from the Q2'25 conference call, while the bank has higher cost/income ratio ambitions than the current market expectations not only for 2026 and 2027, but also 2025, the risk/reward should be decent over the report and into the CMD on 5 November. We also like that Swedbank has a challenging ROE target for 2025, which means that it will do its utmost to maximise operational performance from here. It could also surprise positively with the updated full-year cost guidance for 2025. However, we acknowledge that the stock has already outperformed into the numbers. Finally, we note that Handelsbanken has underperformed throughout the year, which means that expectations are low. Although we have no clear-cut funding candidates into the reporting season, we note that SEB has done well in absolute and relative terms since the Q2 report on hopes of an activity-based turnaround, which might not materialise as early as the Q3'25 report. We also think the risk of SEB's board changing its mind about eating into the capital buffer cannot be ruled out. Otherwise, DNB compares negatively vs. the sector in terms of both expected earnings growth and cash yields.

Nordic Banks - Ahead of Q3'25 reports							
Company	Date	Key estimates Q3'25e		Risk/reward	Comment	Focal points	Rating
Nordea	16-Oct	Net interest income	EURm	1,765	↗ * Well-guided results should cap downside risk	* C/I ratio outlook for 2025	Buy
		Profit bf. loan losses	EURm	1,526		* Implicit guidance for Q4'25	
		Loan losses	EURm	3			
		Operating profit	EURm	1,524			
DNB	22-Oct	Net interest income	NOKm	16,274	→ * NII impact from rate changes * ECM recovery and CAR integration	* Mortgage competition	Hold
		Profit bf. loan losses	NOKm	13,938		* Lending growth outlook	
		Loan losses	NOKm	-745		* Excess capital levels vs new CET1-req	
		Operating profit	NOKm	13,193			
Handelsbanken	22-Oct	Net interest income	SEKm	10,425	→ * The stock has underperformed into the numbers	* Net interest income	Hold
		Profit bf. loan losses	SEKm	8,153		* Costs	
		Loan losses	SEKm	0			
		Operating profit	SEKm	7,481			
SEB	23-Oct	Net interest income	SEKm	10,215	→ * Strong share price performance in the last three months	* Net commission income	Buy
		Profit bf. loan losses	SEKm	11,242		* Cost trajectory	
		Loan losses	SEKm	-340			
		Operating profit	SEKm	10,050			
Swedbank	23-Oct	Net interest income	SEKm	10,720	→ * Strong share price performance in the last three months	* Net interest income	Buy
		Profit bf. loan losses	SEKm	10,619		* Cost guidance for 2025	
		Loan losses	SEKm	-225			
		Operating profit	SEKm	9,598			
Danske Bank	31-Oct	Net interest income	DKKm	8,967	→ * Unchanged '25 guidance * NII impact from rate changes * Valuation discount	* Net interest income and hedge impact	Buy
		Profit bf. loan losses	DKKm	7,596		* Extensive capital repatriation	
		Loan losses	DKKm	-260		* Cost management	
		Operating profit	DKKm	7,336			

Source: ABGSC Research

Average earnings up for 2027e

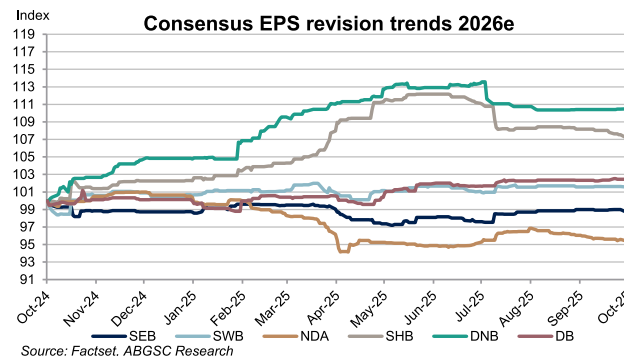
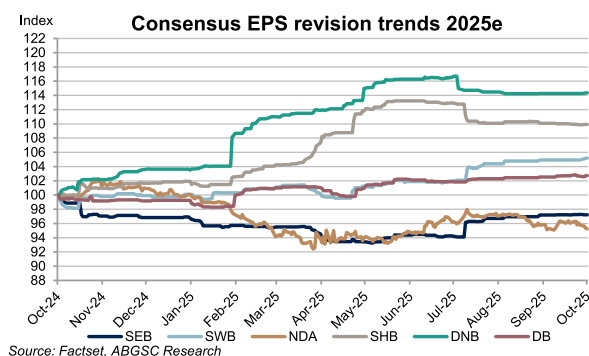
On average, we have marginally revised our estimates for profit before loan losses, operating profit and adjusted EPS for 2025e-26e even though we once again factor in the Swedish resolution fund fee for 2026 (but not for 2027). We have, however, raised our average earnings estimates for 2027e by another 2%, primarily driven by DNB, SEB and Swedbank. In terms of individual P&L lines, we have raised our net commission income estimates for all banks but Danske Bank amid the continued strong equity markets, while our net interest income forecasts have mainly been fine-tuned. The most notable NII change is that we have raised our forecast for DNB primarily for 2027 given a revised policy rate scenario for Norges Bank (see the next page). For the other central banks, our rate scenarios are essentially unchanged. Furthermore, we have trimmed our cost estimates slightly for the Swedish banks and Nordea as a response to the income pressure from lower interest rates. Please see the company pages at the back for further details.

Nordic banks - Changes in estimates

Local ccy		2025e			2026e			2027e		
		Old	New	%	Old	New	%	Old	New	%
DB	Tot. income	55,991	56,238	0%	56,209	56,348	0%	57,677	57,760	0%
	Tot. costs	-25,551	-25,838	1%	-25,538	-25,884	1%	-25,891	-25,955	0%
	PBLL*	30,440	30,399	0%	30,671	30,464	-1%	31,786	31,805	0%
	Op. profit	29,653	29,612	0%	29,970	29,763	-1%	31,248	31,133	0%
	Adj. EPS	27.2	27.2	0%	28.4	28.1	-1%	30.8	30.6	-1%
DNB	Tot. income	89,564	89,605	0%	88,953	90,050	1%	91,004	92,482	2%
	Tot. costs	-34,204	-34,254	0%	-36,103	-36,286	1%	-37,755	-37,880	0%
	PBLL*	55,360	55,351	0%	52,850	53,764	2%	53,249	54,602	3%
	Op. profit	52,936	52,927	0%	50,595	51,486	2%	51,041	52,372	3%
	Adj. EPS	27.5	27.5	0%	25.6	26.0	2%	26.2	26.9	3%
NDA	Tot. income	11,700	11,691	0%	11,770	11,765	0%	12,170	12,200	0%
	Tot. costs	-5,460	-5,439	0%	-5,507	-5,481	0%	-5,612	-5,548	-1%
	PBLL*	6,240	6,252	0%	6,262	6,284	0%	6,558	6,652	1%
	Op. profit	6,270	6,287	0%	6,062	6,084	0%	6,358	6,452	1%
	Adj. EPS	1.41	1.41	0%	1.41	1.41	0%	1.50	1.52	1%
SEB	Tot. income	77,192	77,920	1%	77,578	78,510	1%	81,419	82,731	2%
	Tot. costs	-32,722	-32,722	0%	-33,557	-33,503	0%	-34,547	-34,322	-1%
	PBLL*	44,470	45,197	2%	44,021	45,007	2%	46,872	48,410	3%
	Op. profit	39,270	39,997	2%	40,607	40,255	-1%	43,397	44,947	4%
	Adj. EPS	15.8	16.1	2%	16.8	16.6	-1%	18.4	19.0	3%
SHB	Tot. income	56,113	56,397	1%	56,282	56,070	0%	58,535	58,630	0%
	Tot. costs	-24,281	-24,173	0%	-24,924	-24,737	-1%	-25,686	-25,492	-1%
	PBLL*	31,816	32,223	1%	31,355	31,332	0%	32,847	33,138	1%
	Op. profit	29,249	29,786	2%	29,452	28,329	-4%	30,892	31,132	1%
	Adj. EPS	11.5	11.7	2%	11.6	11.2	-4%	12.2	12.3	1%
SWB	Tot. income	66,814	67,349	1%	66,465	66,660	0%	70,512	71,124	1%
	Tot. costs	-25,550	-25,355	-1%	-26,452	-26,239	-1%	-27,255	-26,792	-2%
	PBLL*	41,264	41,994	2%	40,014	40,421	1%	43,257	44,333	2%
	Op. profit	37,643	38,373	2%	37,128	36,700	-1%	40,487	41,551	3%
	Adj. EPS	26.5	27.0	2%	26.4	26.1	-1%	28.6	29.4	3%

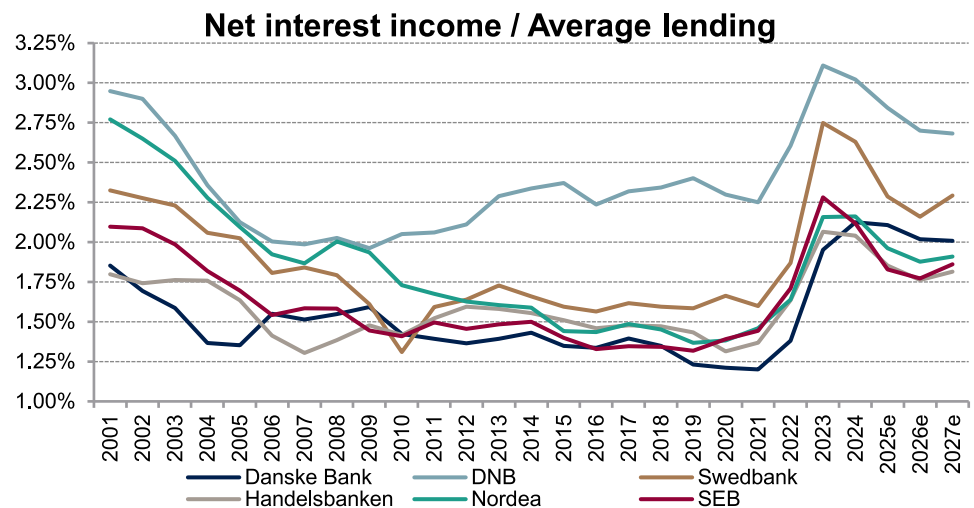
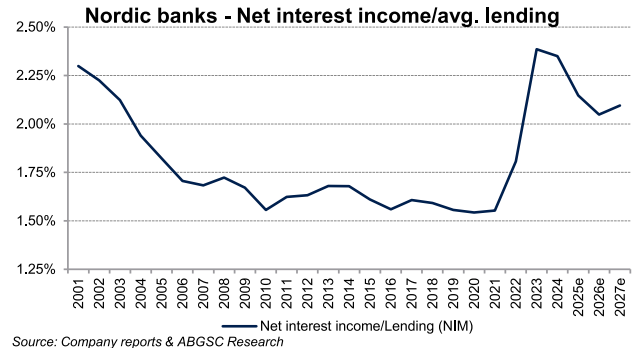
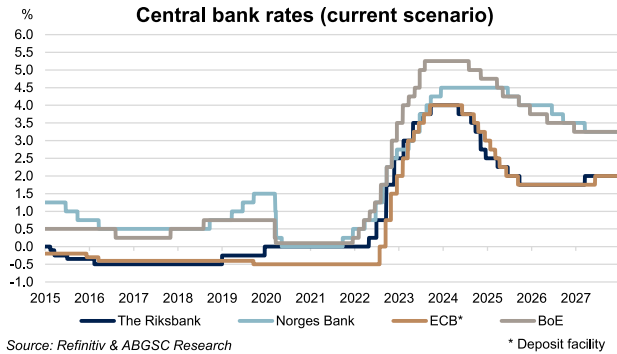
Source: ABGSC Research

* PBLL = Profit before loan losses



Slightly revised rate scenario

We have marginally updated our central bank rate scenario, which means that we expect 25bp higher rates from Norges Bank. We have also lowered our projection for the Riksbank's policy rate by 25bp for H2'26. In general, our rate scenario implies a net interest margin uptick in 2027 for the unhedged banks with exposure to the Riksbank's policy rate and the ECB's deposit facility, i.e SEB and Swedbank. Handelsbanken should also benefit in 2027e, as the impact of the cuts by the Bank of England should have levelled off. The main risk, beside additional rate cuts, would be if volumes remain sluggish and the Swedish mortgage margins thereby remain under pressure.



Nordic banks - ABGSC interest rate scenario

	2025e		2026e		2027e	
Policy rate	December	June	December	June	December	
Bank of England						
OLD	3.75%	3.50%	3.25%	3.25%	3.25%	
NEW	3.75%	3.50%	3.25%	3.25%	3.25%	
Diff.	0.00%	0.00%	0.00%	0.00%	0.00%	
ECB*						
OLD	1.75%	1.75%	1.75%	2.00%	2.00%	
NEW	1.75%	1.75%	1.75%	2.00%	2.00%	
Diff.	0.00%	0.00%	0.00%	0.00%	0.00%	
Norges Bank						
OLD	3.75%	3.50%	3.25%	3.00%	3.00%	
NEW	4.00%	3.75%	3.50%	3.25%	3.25%	
Diff.	0.25%	0.25%	0.25%	0.25%	0.25%	
Riksbanken						
OLD	1.75%	1.75%	2.00%	2.00%	2.00%	
NEW	1.75%	1.75%	1.75%	2.00%	2.00%	
Diff.	0.00%	0.00%	-0.25%	0.00%	0.00%	

Source: ABGSC Research

*Deposit rate

Positive growth (CAGR) in 2025-27e

Our earnings scenario implies an average CAGR of -1% in underlying profit before loan losses and -2% in operating profit and net profit for 2024-27e. The main drivers are flat income growth and +3% cost growth. In terms of CAGR'25e-'27e, our estimates imply 2% growth in profit before loan losses, operating profit and net profit. The drivers are 2% income growth and 2% cost growth.

Positive growth in 2027e with the Swedes standing out

At the corporate level, our estimates imply negative adjusted net earnings growth in all banks in 2025e, with the Swedish banks (SEB, SHB and SWB) standing out. Danske Bank, DNB and Nordea should manage better, partly due to net interest income hedges (Danske Bank and Nordea) and higher short-term interest rates (DNB). In 2026e, we anticipate flattish net earnings growth y-o-y in Danske Bank and SEB and slightly negative net earnings growth y-o-y in the other banks. For 2027, however, our estimates imply significant earnings growth for the Swedish banks in particular, driven primarily by NII (volumes and margins/higher rates) while also the cost-cutting measures bite and the resolution fund fee should disappear.

Growth trends (y-o-y)*																					
	Danske Bank			DNB			Handelsbanken			Nordea			SEB			Swedbank			CAGR	CAGR	
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2024-2027e	2025-2027e	
Net interest income	-2%	-2%	2%	1%	-2%	2%	-9%	-4%	5%	-6%	-2%	4%	-11%	-2%	7%	-12%	-4%	9%	-1%	1%	
Net commission income	0%	5%	4%	29%	8%	4%	0%	5%	4%	1%	5%	4%	10%	5%	4%	-2%	5%	4%	5%	5%	
Trading income	22%	-6%	2%	-10%	9%	2%	-51%	44%	1%	2%	0%	2%	-11%	-1%	2%	-25%	-1%	2%	-2%	2%	
Total income	0%	0%	3%	5%	0%	3%	-10%	-1%	5%	-3%	1%	4%	-5%	1%	5%	-9%	-1%	7%	0%	2%	
Total operating costs	1%	0%	0%	14%	6%	4%	-3%	3%	3%	3%	1%	1%	6%	2%	2%	2%	2%	2%	3%	2%	
Profit before loan losses	0%	0%	4%	0%	-3%	2%	-14%	-3%	6%	-8%	1%	6%	-11%	0%	8%	-15%	-3%	10%	-1%	2%	
Loan losses, net	n.m.	-11%	-4%	102%	-7%	-2%	n.m.	n.m.	0%	n.m.	n.m.	0%	92%	-15%	3%	n.m.	111%	0%	47%	27%	
Operating profit	-5%	1%	5%	-3%	-3%	2%	-16%	-5%	10%	-4%	-3%	6%	-14%	0%	11%	-15%	-4%	13%	-2%	2%	
Net profit	-5%	0%	5%	-6%	-6%	2%	-17%	-5%	9%	-4%	-2%	6%	-13%	0%	11%	-15%	-3%	13%	-2%	2%	
Adjusted EPS	-2%	3%	9%	-5%	-5%	3%	-17%	-5%	9%	-3%	0%	8%	-10%	3%	14%	-15%	-3%	13%			

Source: ABGSC Research

* excluding EO items and writedowns on intangible assets

Growth trends (CAGR) *														
	Danske Bank		DNB		Handelsbanken		Nordea		SEB		Swedbank		CAGR	CAGR
	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	CAGR	2024-27e	2025-27e
	2024-27e	2025-27e	2024-27e	2025-27e	2024-27e	2025-27e	2024-27e	2025-27e	2024-27e	2025-27e	2024-27e	2025-27e		
Net interest income	-1%	0%	0%	0%	-3%	0%	-1%	1%	-2%	3%	-2%	2%	-1%	1%
Net commission income	3%	4%	13%	6%	3%	5%	3%	4%	6%	4%	2%	4%	5%	5%
Trading income	5%	-2%	0%	6%	-11%	20%	2%	1%	-4%	0%	-9%	1%	-2%	2%
Total income	1%	1%	3%	2%	-2%	2%	0%	2%	0%	3%	-1%	3%	0%	2%
Total operating costs	0%	0%	8%	5%	1%	3%	2%	1%	4%	2%	2%	2%	3%	2%
Profit before loan losses	1%	2%	-1%	-1%	-4%	1%	-1%	3%	-2%	3%	-3%	3%	-1%	2%
Loan losses, net	n.m.	-8%	23%	-4%	n.m.	n.a	0%	n.a	19%	-6%	n.m.	45%	47%	27%
Operating profit	0%	3%	-1%	-1%	-4%	2%	-1%	1%	-1%	6%	-3%	4%	-2%	2%
Net profit	0%	2%	-4%	-2%	-5%	2%	0%	2%	-1%	6%	-3%	4%	-2%	2%
Adjusted EPS	3%	6%	-3%	-1%	-5%	2%	1%	4%	2%	9%	-3%	4%		

Source: ABGSC Research

* excluding EO items and writedowns on intangible assets

Solid capital buffers

Capital repatriation to shareholders remains an important part of the expected total return. As illustrated in the table below, the Nordic banks remain well-capitalised vs. the minimum requirements from local regulators following our anticipated capital distribution. If lending growth became significantly higher than the low, single-digit growth rates we currently assume, cash yields would most likely shrink (despite the high buffers), which would be offset by higher net interest income/earnings growth.

Swedbank remains well above its target

The reason why Swedbank is significantly above its capital target is that it has not yet reached a full settlement with the US authorities (the DoJ and the DFDS) about the ML allegations. Although it has no official target, our impression is that Swedbank works with a management buffer cap of 500bp. Although it is above that in 2025e, it is worth pointing out that the recently announced transactions (the acquisitions of Stabelo and the outstanding 50% of EnterCard) should cost ~30bp up front in terms of CET1 ratio. On top of that, the earn-out in Stabelo could cost another ~10bp until 2028.

Estimated management buffer levels in 2025-27e						
	DB	DNB	NDA	SEB	SHB	SWB
CET1 ratio (2025e)	16.8%	17.6%	15.7%	17.2%	18.4%	20.0%
CET1 ratio (2026e)	16.1%	17.7%	15.6%	16.9%	18.1%	19.9%
CET1 ratio (2027e)	16.0%	17.7%	15.8%	17.1%	18.1%	20.0%
Local FSA CET1 ratio requirement (2025e)	14.6%	16.5%	13.9%	14.7%	14.9%	14.9%
Local FSA CET1 ratio requirement (2026e)	14.7%	16.5%	14.1%	14.9%	15.1%	15.2%
Local FSA CET1 ratio requirement (2027e)	14.7%	16.5%	14.1%	14.9%	15.1%	15.2%
Buffer to the min. local FSA requirement (2025e)	2.2%	1.1%	1.8%	2.6%	3.5%	5.1%
Buffer to the min. local FSA requirement (2026e)	1.4%	1.1%	1.5%	2.0%	2.9%	4.7%
Buffer to the min. local FSA requirement (2027e)	1.3%	1.1%	1.7%	2.2%	2.9%	4.8%
Management buffer targets	>16%	>16.7%	150bps	100-300bps	100-300bps	100-300bps

Source: SFSA, DFSA, NFSA, company reports & ABGSC Research

Attractive cash yields in 2026e-27e

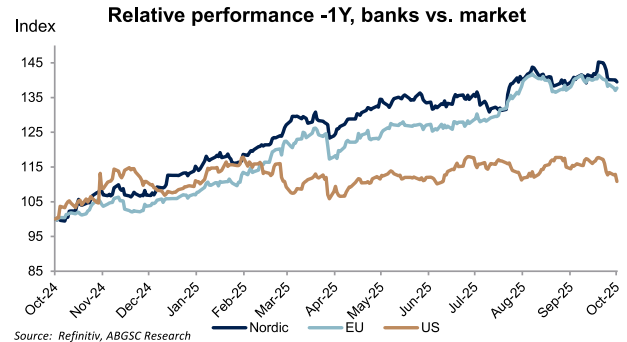
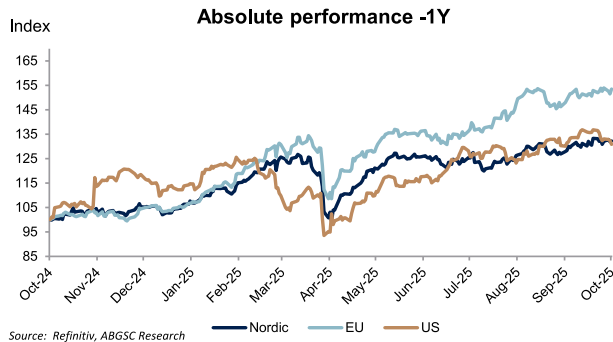
Below, we illustrate the timing of our expected cash flow (dividends and share buybacks) to shareholders in 2025e-27e. This means that it shows dividends when they are paid rather than in the years to which they relate. In conclusion, our estimates imply attractive cash yields across the board, at 8% on average p.a. for 2026e-27e. For the remainder of 2025, the cash yields to shareholders consist of share buybacks, while the next round of dividends will be paid next spring.

Assumed capital repatriation in 2025-2027e - cashflows			
Local currency (m)	2025e	2026e	2027e
Danske Bank			
Dividends	0	16,245	16,476
Share buybacks (remaining)	1,688	7,500	8,500
Sum	1,688	23,745	24,976
Total cash yield	1%	11%	11%
Dividend yield	0%	7%	7%
DNB			
Dividends	0	25,176	25,272
Share buybacks (remaining)	0	4,000	4,000
Sum	0	29,176	29,272
Total cash yield	0%	7%	7%
Dividend yield	0%	6%	6%
Nordea			
Dividends	0	3,250	3,250
Share buybacks (remaining)	208	800	800
Sum	208	4,050	4,050
Total cash yield	0%	8%	8%
Dividend yield	0%	7%	7%
SEB			
Dividends	0	18,610	16,190
Share buybacks (remaining)	2,678	10,000	10,000
Sum	2,678	28,610	26,190
Total cash yield	1%	8%	7%
Dividend yield	0%	5%	4%
Svenska Handelsbanken			
Dividends	0	23,755	19,800
Sum	0	23,755	19,800
Total cash yield	0%	10%	8%
Dividend yield	0%	10%	8%
Swedbank			
Dividends	0	21,155	23,063
Sum	0	21,155	23,063
Total cash yield	0%	7%	7%
Dividend yield	0%	7%	7%

Source: Company data & ABGSC Research

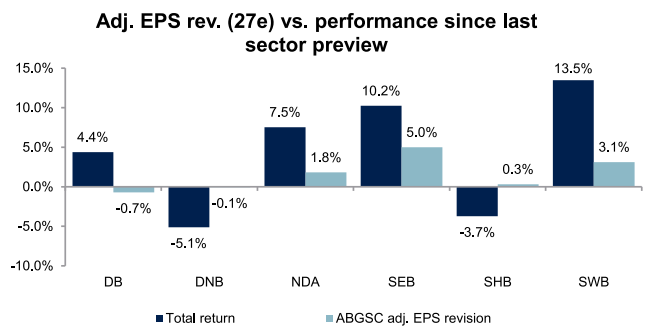
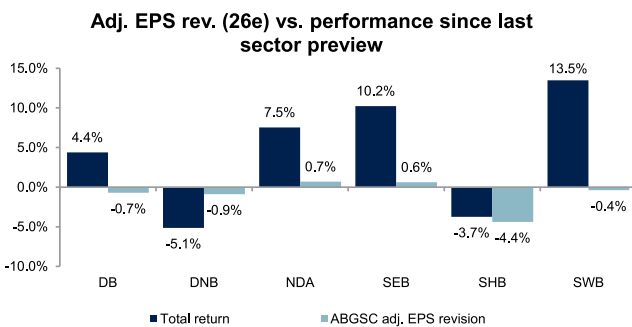
Performance and valuation

Nordic banks have done well recently in absolute terms, which means that they are trading close to all-time highs (all of the shares except DNB and Handelsbanken). The same goes for the rest of Europe. Relative to the market, Nordic and other European banks have outperformed.



EPS revisions vs. share price performance

When assessing share price performance vs. our adjusted EPS revisions for 2026e and 2027e, we should keep in mind that we have included the Swedish resolution fund fee again for 2026, which has nothing to do with the banks' operational performance. It therefore makes more sense to look at our earnings revisions for 2027e for the actual trends. We conclude that our underlying earnings revisions have been positive for Nordea, SEB and Swedbank since our Q2'25 sector preview, which has been rewarded with positive share price performances. As for the others, it looks like DNB and Handelsbanken have been unfairly punished, while the opposite is true for Danske Bank.



Largest upside in Swedbank and Nordea

With ~16% normalised RONAV, ~10% cost of equity and 3% long-term growth, we see 12% theoretical upside in the sector and 7% average upside to our target prices (after applied discounts). We see the largest fundamental upside in Swedbank and Nordea, followed by Danske Bank. SEB does not really have more upside than Handelsbanken anymore, but with superior expected earnings growth (CAGR) in 2025-27e, it still looks more attractive. See the appendix for further details.

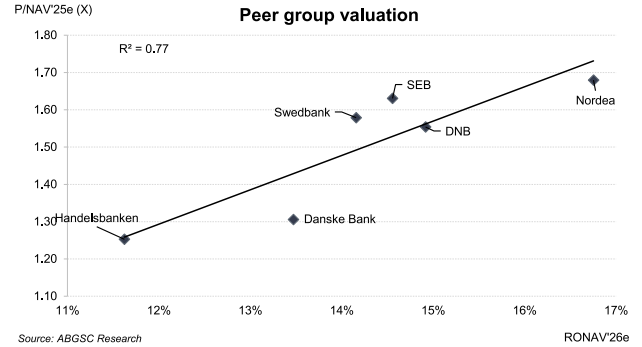
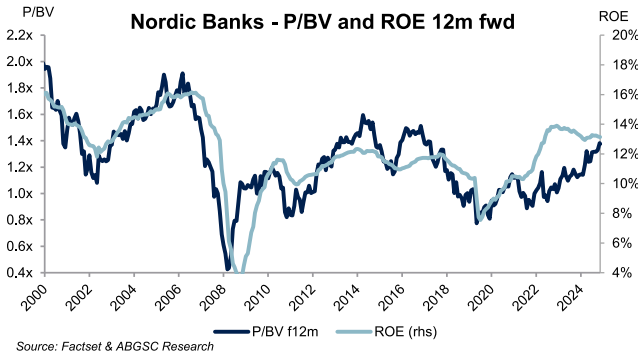
ABG Sundal Collier bank list

Oct 09, 2025				Target	Diff. to	P/E adj.		P/BV		P/NAV		RONAV	Yield	Performance		
Local curr.		Rec	Price	Price	Target	25e	26e	25e	26e	25e	26e	'25e	'25e	-1m	-3m	-12m
Nordea	NDA.ST	Buy	152.0	166.0	9%	9.8	9.8	1.47	1.42	1.68	1.61	17.4%	6.8%	2%	8%	38%
Swedbank	SWEDa.ST	Buy	285.4	313.0	10%	10.6	10.9	1.44	1.39	1.58	1.52	15.1%	6.6%	6%	13%	51%
Danske Bank	DANSKE.CO	Buy	271.4	292.0	8%	10.0	9.6	1.25	1.24	1.31	1.29	13.2%	7.4%	4%	4%	51%
SEB	SEBa.ST	Buy	182.0	198.0	9%	11.3	11.0	1.57	1.51	1.63	1.56	14.5%	5.2%	3%	10%	29%
Handelsbanken	SHBa.ST	Hold	121.3	125.0	3%	10.3	10.8	1.20	1.21	1.25	1.26	11.8%	9.9%	1%	-4%	34%
DNB	DNB.OL	Hold	268.1	275.0	3%	9.7	10.3	1.43	1.37	1.55	1.48	16.3%	6.4%	2%	-5%	32%
Nordics, avg.					7%	10.3	10.4	1.39	1.36	1.50	1.46	14.7%	7.1%	2%	4%	32%

Source: ABGSC Research

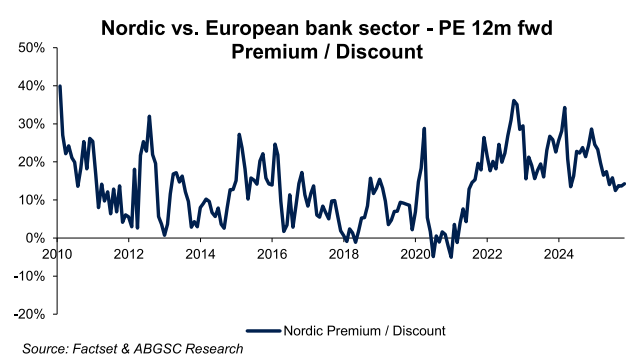
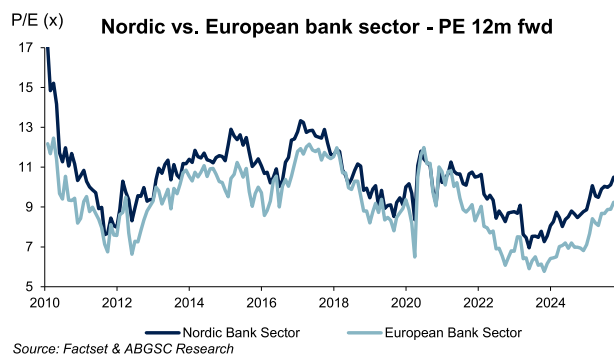
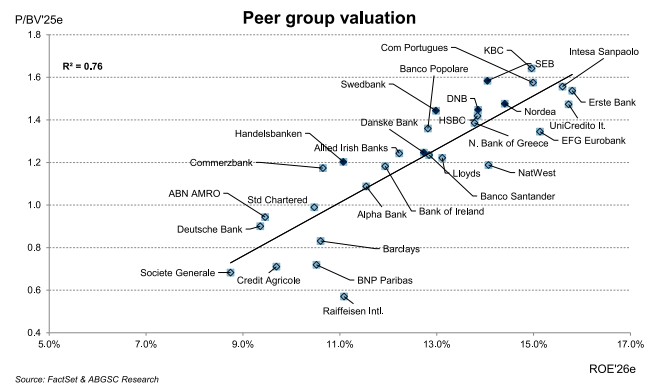
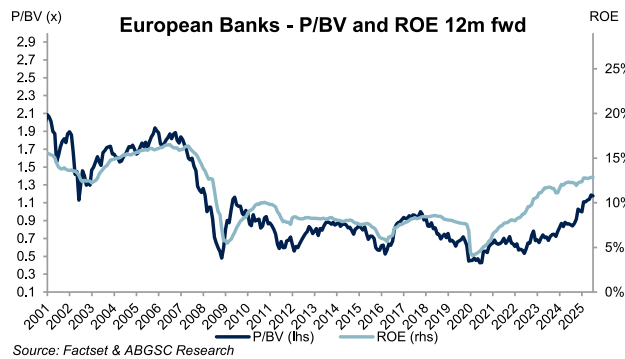
Danske Bank at a discount

From an absolute perspective, there is still some upside given our expected profitability levels. When also taking expected net earnings growth into account, we see enough absolute return potential for BUY ratings in four out of the six large cap banking stocks. From a relative point of view (P/NAV25e-RONAV'26e), we find SEB and Swedbank at valuation premiums, while primarily Danske Bank stands out at the other end.



The "Nordic valuation premium" has come down

Although all the large cap Nordic banks are trading at or above the regression line from a European perspective, we note that the "Nordic valuation premium" in terms of P/E ratios (12m fwd) has come down to 14%.



Nordic banks - peer group valuation

Nordic banks - Peer group valuation														
Oct 09, 2025				Target	Mcap	Adj. EPS*			Normalised EPS**			PBL per share		
Local curr.		Rec	Price	Price	EURm	25e	26e	27e	25e	26e	27e	25e	26e	27e
Danske Bank	DANSKE.CO	Buy	271.4	292	29,957	27.2	28.1	30.6	23.1	23.8	25.9	37.0	38.2	41.4
DNB	DNB.OL	Hold	268.1	275	34,077	27.5	26.0	26.9	26.4	24.7	25.4	36.4	35.6	36.7
Nordea	NDA.ST	Buy	152.0	166	47,993	1.41	1.41	1.52	1.24	1.28	1.38	1.8	1.8	2.0
SEB	SEBa.ST	Buy	182.0	198	33,004	16.1	16.6	19.0	15.4	15.8	18.1	22.7	23.3	25.7
Handelsbanken	SHBa.ST	Hold	121.3	125	21,890	11.7	11.2	12.3	10.7	10.4	11.4	16.3	15.8	16.7
Swedbank	SWEDa.ST	Buy	285.4	313	29,255	27.0	26.1	29.4	24.6	24.0	27.3	36.9	36.0	39.4
Nordics, aggr.					196,176									
Oct 09, 2025			P/E adj.* (X)			P/E Normalised (X)**			P/PBLL (X)			P/E Consensus (X)		
Local curr.			25e	26e	27e	25e	26e	27e	25e	26e	27e	25e	26e	27e
Danske Bank	DANSKE.CO		10.0	9.6	8.9	11.7	11.4	10.5	7.3	7.1	6.6	10.0	9.8	9.1
DNB	DNB.OL		9.7	10.3	10.0	10.2	10.8	10.5	7.4	7.5	7.3	9.7	10.2	9.9
Nordea	NDA.ST		9.8	9.8	9.1	11.2	10.8	10.0	7.7	7.5	7.0	10.1	10.0	9.5
SEB	SEBa.ST		11.3	11.0	9.6	11.8	11.5	10.0	8.0	7.8	7.1	11.4	10.8	9.9
Handelsbanken	SHBa.ST		10.3	10.8	9.9	11.3	11.7	10.6	7.4	7.7	7.2	10.5	10.7	10.2
Swedbank	SWEDa.ST		10.6	10.9	9.7	11.6	11.9	10.5	7.7	7.9	7.2	10.6	10.9	10.3
Nordics, avg.			10.3	10.4	9.5	11.3	11.4	10.4	7.6	7.6	7.1	10.4	10.4	9.8
Oct 09, 2025			P/BV (X)			P/NAV (X)			ROE			RONAV		
Local curr.			25e	26e	27e	25e	26e	27e	25e	26e	27e	25e	26e	27e
Danske Bank	DANSKE.CO		1.25	1.24	1.20	1.31	1.29	1.26	12.7%	12.9%	13.7%	13.2%	13.5%	14.4%
DNB	DNB.OL		1.43	1.37	1.31	1.55	1.48	1.41	15.3%	13.8%	13.6%	16.3%	14.9%	14.7%
Nordea	NDA.ST		1.47	1.42	1.36	1.68	1.61	1.54	15.0%	14.4%	14.9%	17.4%	16.8%	17.2%
SEB	SEBa.ST		1.57	1.51	1.41	1.63	1.56	1.46	13.8%	13.9%	15.1%	14.5%	14.6%	15.8%
Handelsbanken	SHBa.ST		1.20	1.21	1.19	1.25	1.26	1.24	11.2%	11.1%	12.1%	11.8%	11.6%	12.6%
Swedbank	SWEDa.ST		1.44	1.39	1.34	1.58	1.52	1.45	13.7%	12.7%	13.9%	15.1%	14.2%	15.3%
Nordics, avg.			1.39	1.36	1.30	1.50	1.46	1.39	13.6%	13.1%	13.9%	14.7%	14.2%	15.0%
Oct 09, 2025			Dividend Yield			T1 ratio, reported			T1 ratio, core			Perf. (Div. Adj.)		
Local curr.			25e	26e	27e	25e	26e	27e	25e	26e	27e	-1m	-3m	-12m
Danske Bank	DANSKE.CO		7.4%	7.7%	8.1%	17.7%	17.0%	16.9%	16.8%	16.1%	16.0%	4%	4%	51%
DNB	DNB.OL		6.4%	6.5%	6.6%	19.3%	19.3%	19.2%	17.6%	17.7%	17.7%	2%	-5%	32%
Nordea	NDA.ST		6.8%	7.0%	7.1%	17.6%	17.4%	17.5%	15.7%	15.6%	15.8%	2%	8%	38%
SEB	SEBa.ST		5.2%	4.7%	5.5%	18.7%	18.2%	18.4%	17.2%	16.9%	17.1%	3%	10%	29%
Handelsbanken	SHBa.ST		9.9%	8.2%	8.5%	19.6%	19.2%	19.2%	18.4%	18.1%	18.1%	1%	-4%	34%
Swedbank	SWEDa.ST		6.6%	7.2%	8.1%	21.7%	21.6%	21.6%	20.0%	19.9%	20.0%	6%	13%	51%
Nordics, avg.			7.1%	6.9%	7.3%	19.1%	18.8%	18.8%	17.6%	17.4%	17.4%	2%	4%	32%

Source: ABGSC forecasts, Infront consensus, Refinitiv

* Adjusted for amortisation of intangible assets and extraordinary items, ** Normalised loan losses

European banks - peer group valuation

European Banks - Peer group valuation (consensus)																
Oct 09, 2025		Mcaps	P/E		EPS gr.		EPS rev '25e		P/BV		RoE		Div. yield		Performance	
EUR	Cntry	EURm	25e	26e	25e	26e	-1m	-6m	25e	26e	25e	26e	25e	26e	-3m	-1y
Danske Bank	DK	23,753	10.0	9.8	-2%	3%	0%	2%	1.25	1.24	13%	13%	7%	8%	4%	38%
DNB	NO	29,434	9.7	10.1	-5%	-5%	0%	2%	1.45	1.39	15%	14%	6%	7%	-3%	25%
Nordea	FI	38,297	10.1	10.1	-5%	1%	0%	1%	1.48	1.42	15%	14%	7%	7%	10%	33%
SEB	SE	27,396	11.5	11.0	-5%	5%	0%	4%	1.58	1.50	14%	14%	5%	5%	13%	25%
SHB	SE	20,313	10.5	10.9	-8%	-4%	0%	1%	1.20	1.22	12%	11%	10%	9%	-2%	31%
Swedbank	SE	22,250	10.7	11.0	-9%	-3%	0%	5%	1.44	1.41	14%	13%	7%	7%	16%	43%
Nordic avg.		26,907	10.4	10.5	-6%	-1%	0%	2%	1.40	1.36	14%	13%	7%	7%	6%	32%
Barclays	GB	61,779	9.2	7.4	12%	23%	0%	0%	0.83	0.75	9%	11%	2%	3%	14%	62%
HSBC	GB	212,364	10.4	9.9	-3%	2%	1%	2%	1.42	1.32	14%	14%	5%	5%	18%	55%
Lloyds	GB	59,114	11.3	8.9	17%	26%	0%	3%	1.22	1.12	11%	13%	4%	5%	14%	43%
NatWest	GB	51,082	9.2	8.1	7%	13%	0%	6%	1.19	1.10	13%	14%	5%	6%	12%	53%
Std Chartered	GB	39,154	9.7	8.9	10%	7%	3%	5%	0.99	0.90	10%	10%	2%	2%	18%	74%
Allied Irish Banks	IE	17,009	10.1	9.9	-15%	2%	1%	2%	1.24	1.19	13%	12%	5%	5%	15%	58%
Bank of Ireland	IE	13,849	10.9	9.7	-18%	9%	1%	-2%	1.18	1.13	11%	12%	4%	5%	18%	52%
UK/IE avg.		64,907	10.1	9.0	1%	12%	1%	2%	1.15	1.07	12%	12%	4%	4%	15%	57%
BNP Paribas	FR	83,982	7.4	6.7	7%	10%	0%	2%	0.72	0.68	10%	11%	7%	8%	-2%	21%
Credit Agricole	FR	50,244	7.5	7.2	3%	4%	1%	5%	0.71	0.68	10%	10%	7%	7%	3%	19%
Societe Generale	FR	42,730	8.8	7.6	40%	18%	0%	11%	0.68	0.63	8%	9%	3%	3%	9%	139%
France avg.		58,985	7.9	7.1	17%	11%	1%	6%	0.70	0.66	9%	10%	6%	6%	3%	60%
Commerzbank	DE	35,742	12.7	10.6	22%	16%	0%	9%	1.17	1.10	10%	11%	3%	4%	6%	89%
Deutsche Bank	DE	59,402	10.5	9.3	22%	12%	2%	7%	0.90	0.84	9%	9%	3%	4%	22%	93%
Germany avg.		47,572	11.6	10.0	22%	14%	1%	8%	1.04	0.97	9%	10%	3%	4%	14%	91%
Erste Bank	AT	34,524	11.2	9.1	4%	25%	0%	2%	1.54	1.33	14%	16%	1%	4%	17%	74%
Raiffeisen Intl.	AT	9,895	6.8	5.3	30%	46%	0%	-33%	0.57	0.53	8%	11%	5%	6%	16%	72%
ABN AMRO	NL	22,442	10.5	9.8	-7%	8%	0%	3%	0.94	0.90	9%	9%	5%	5%	11%	72%
KBC	BE	41,984	11.9	10.8	3%	11%	1%	7%	1.64	1.54	15%	15%	5%	6%	14%	47%
AT/Benelux avg.		24,093	10.1	8.8	7%	22%	0%	-5%	1.17	1.07	11%	13%	4%	5%	14%	66%
Alpha Bank	GR	8,774	10.3	9.1	4%	15%	0%	7%	1.09	1.00	11%	12%	3%	3%	16%	152%
EFG Eurobank	GR	13,140	9.3	8.7	-2%	9%	0%	2%	1.34	1.23	15%	15%	4%	6%	15%	81%
N. Bank of Greece	GR	12,486	10.0	9.9	-10%	0%	2%	9%	1.39	1.31	15%	14%	5%	5%	19%	80%
Banco Popolare	IT	19,682	10.7	10.4	7%	3%	1%	12%	1.36	1.34	13%	13%	8%	8%	24%	119%
Intesa Sanpaolo	IT	98,668	10.3	9.6	9%	7%	0%	3%	1.56	1.48	16%	16%	7%	7%	12%	46%
UniCredito It.	IT	100,361	9.7	9.0	17%	6%	1%	10%	1.47	1.38	16%	16%	5%	6%	10%	64%
Com Portugues	PT	11,393	11.5	10.0	10%	12%	2%	10%	1.58	1.48	14%	15%	4%	5%	11%	82%
Banco Santander	ES	130,425	10.0	9.3	16%	6%	1%	6%	1.23	1.15	13%	13%	3%	3%	19%	92%
BBVA	ES	94,287	9.2	8.5	6%	8%	1%	10%	1.58	1.47	18%	18%	5%	6%	22%	76%
Akbank	TR	6,232	4.6	2.6	20%	80%	-3%	-13%	1.04	0.76	22%	35%	3%	6%	-17%	-20%
Is Bank	TR	7,105	3.8	2.1	42%	75%	0%	-3%	0.78	0.57	21%	31%	3%	6%	-13%	-22%
Turkiye Garanti	TR	11,341	4.8	3.1	-5%	57%	0%	-8%	1.32	0.95	27%	35%	4%	6%	-8%	-12%
South Eur. avg.		42,825	8.6	7.7	10%	21%	0%	4%	1.27	1.15	16%	18%	5%	6%	9%	60%
Europe Banks			9.5	8.6	6%	14%	0%	2%	1.20	1.11	13%	14%	5%	6%	10%	56%

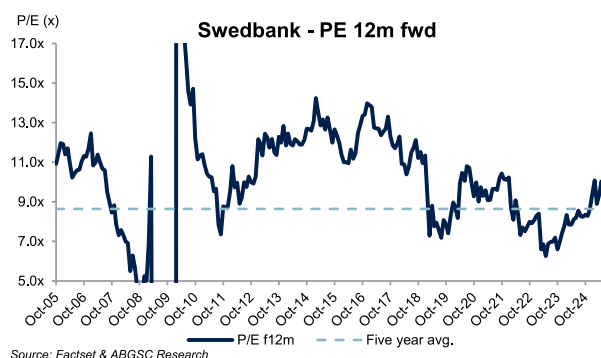
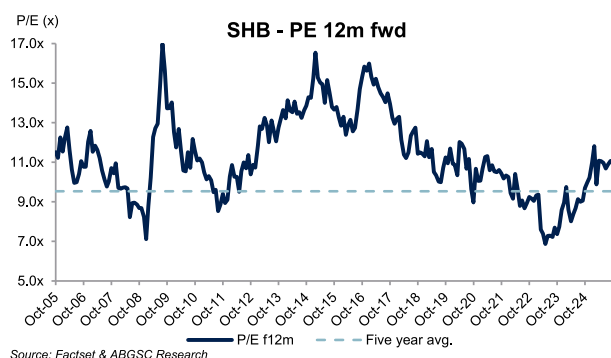
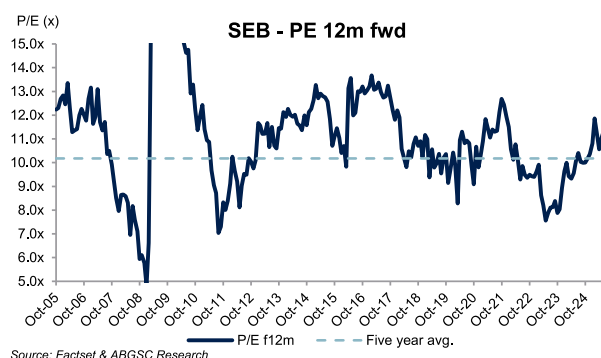
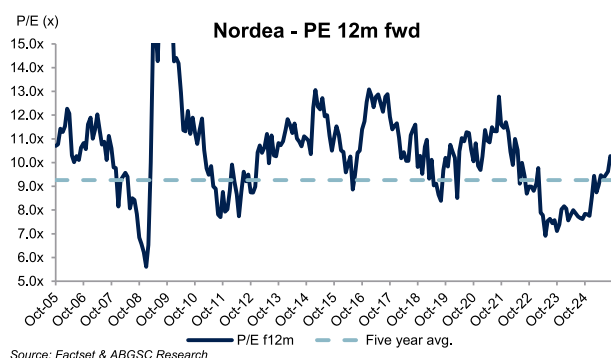
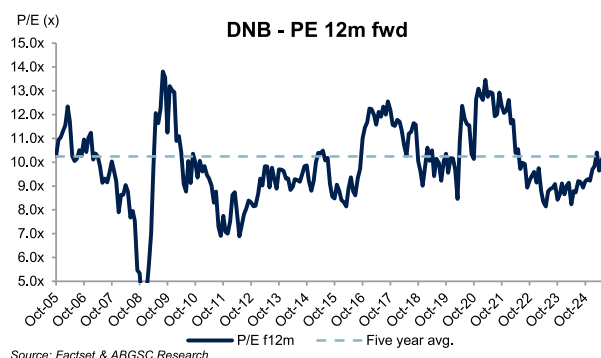
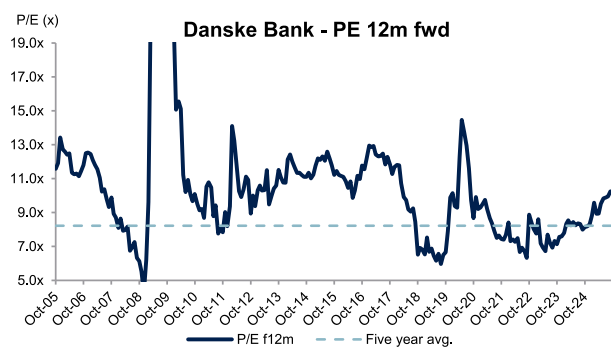
Source: Factset

Nordic banks - valuation model

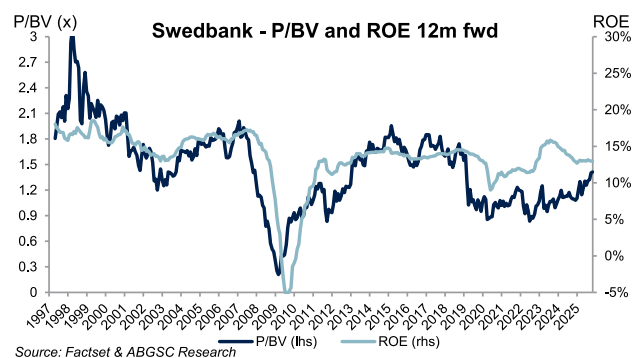
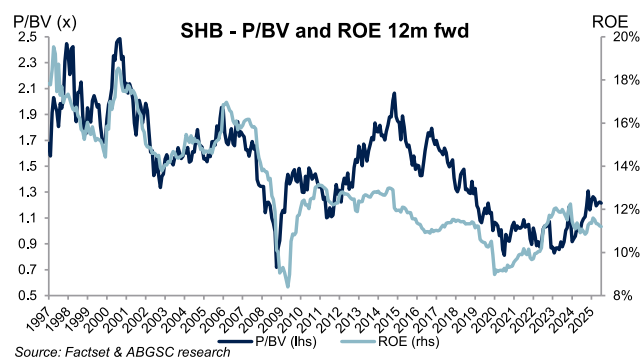
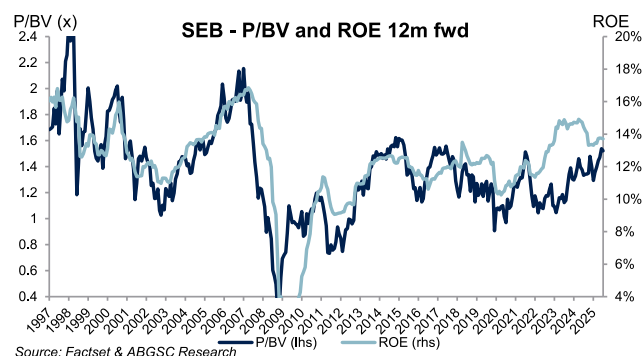
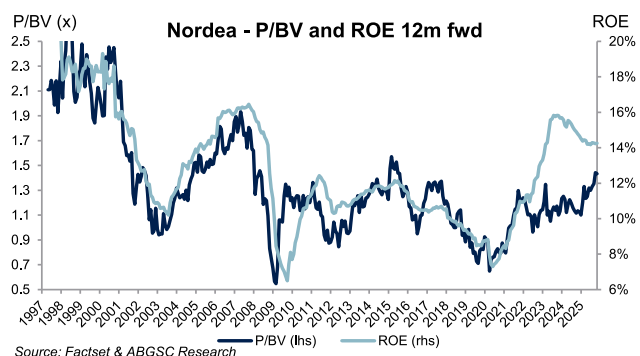
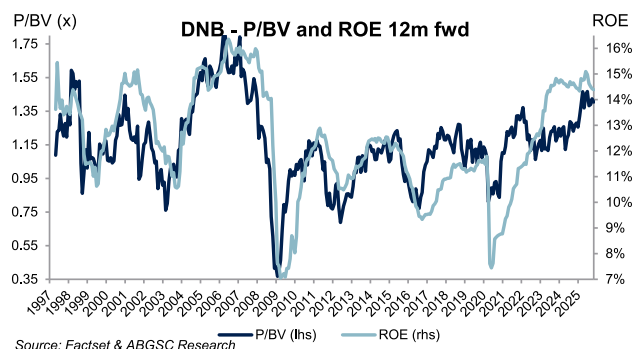
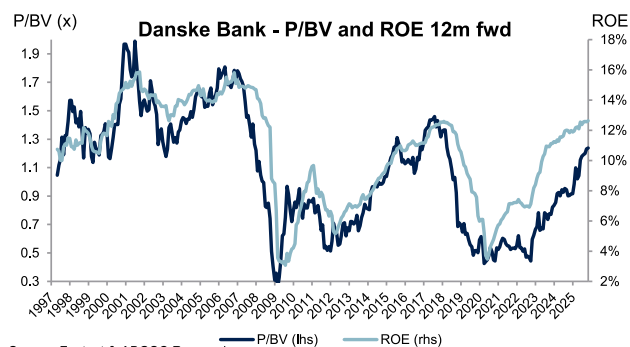
Nordic Banks: Fundamental valuation based on the Gordon growth model (base case)							
Share price	271.4	268.1	13.9	182.0	121.3	285.4	
Shareholder's equity (local ccy)	Danske Bank	DNB	Nordea	SEB	SHB	Swedbank	Avg.
Adjusted equity							
Latest reported equity (div. adj.)	172,771	253,902	30,367	216,574	188,546	208,681	
- per share	209.6	172.2	8.8	108.9	95.2	185.6	
Goodwill/intangibles	7,262	22,227	4,012	8,295	8,183	19,508	
Net asset value (NAV)	165,509	231,675	26,355	208,279	180,363	189,173	
- NAVPS	200.8	157.2	7.6	104.7	91.1	168.3	
- P/NAV	1.35	1.71	1.82	1.74	1.33	1.70	1.61
Adj. Net profit 2025e (remaining)	11,160	19,958	2,407	15,672	11,248	14,320	
Adj. Net profit 2026e	22,457	37,815	4,799	32,050	22,174	29,314	
Adj. Net profit 2027e	23,490	38,614	5,079	35,719	24,273	33,018	
Aggregated adj. net profit '25e-27e	57,108	96,386	12,285	83,441	57,695	76,651	
- % of current NAV	35%	42%	47%	40%	32%	41%	
Gross NAV 2027e (incl. dividends)	222,617	328,062	38,640	291,720	238,058	265,824	
- NAVPS	270.1	222.6	11.2	146.6	120.2	236.5	
- P/Gross NAV	1.00	1.20	1.24	1.24	1.01	1.21	1.15
Valuation (Gordon growth)	Danske Bank	DNB	Nordea	SEB	SHB	Swedbank	Avg.
ADJUSTED CAPITALISATION (assuming full repatriation of excess cash to shareholders)							
Total distributable capital	75,692	94,878	12,024	80,274	71,846	97,185	
Normalised loan loss levels	0.30%	0.20%	0.20%	0.15%	0.10%	0.20%	0.19%
Average loan loss levels in 2008-2027e	0.26%	0.20%	0.16%	0.13%	0.06%	0.16%	0.16%
Norm. RONAV'27e, capital adjusted	13.52%	16.54%	17.08%	16.08%	13.32%	17.78%	15.72%
Long term growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cost of equity	9.75%	10.25%	9.75%	9.75%	9.75%	9.75%	9.83%
Justified P/NAV (X), capital adjusted	1.56	1.87	2.09	1.94	1.53	2.19	1.86
Justified P/NAV (X), unadjusted	1.37	1.62	1.75	1.68	1.37	1.76	1.59
Fundamental value 2027e	304,618	530,472	67,550	490,064	325,883	466,529	
Net present fundamental value	247,541	426,729	54,893	398,241	264,822	379,115	
Fundamental value per share	300	289	15.8	200	134	337	
Valuation upside/downside	11%	8%	14%	10%	10%	18%	12%
ABGSC target price	292	275	166	198	125	313	
Upside/downside	8%	3%	9%	9%	3%	10%	7%

Source: ABGSC Research, Company data

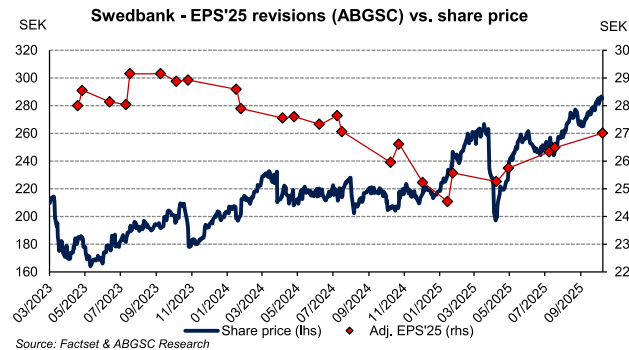
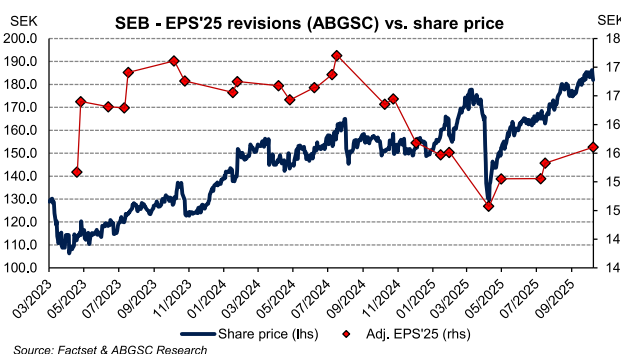
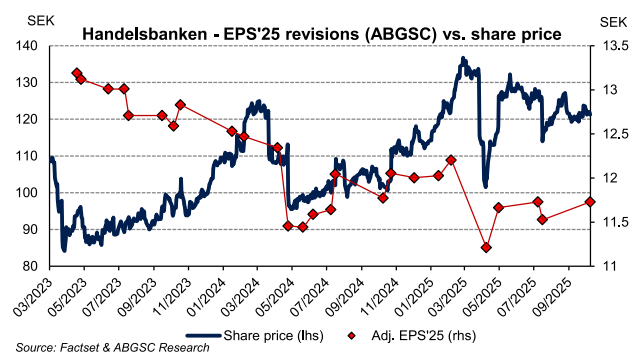
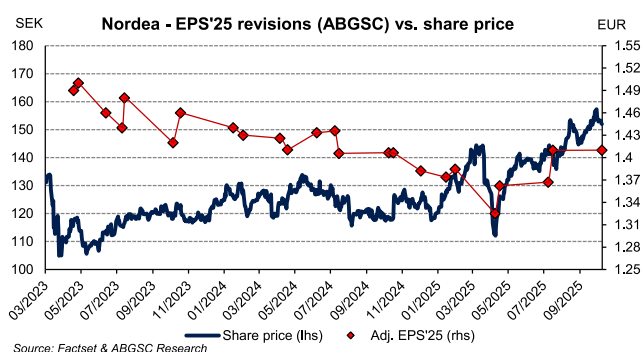
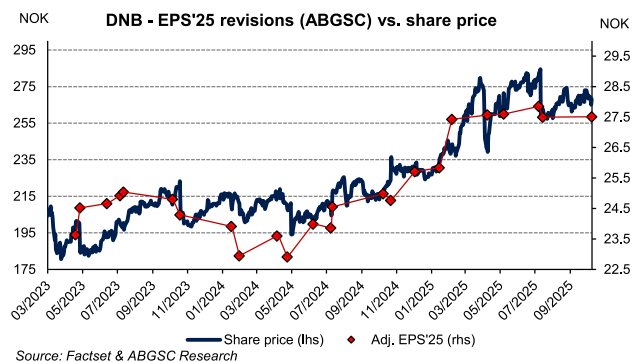
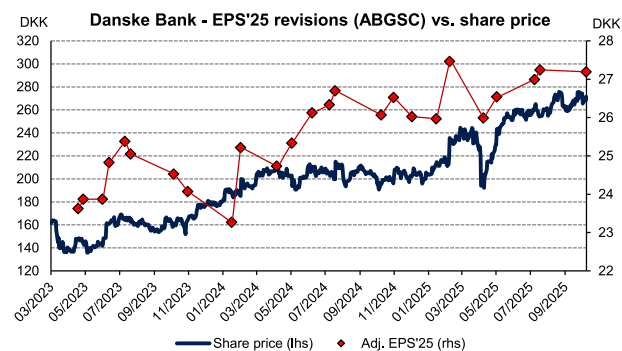
Historical valuation (P/E 12M fwd)



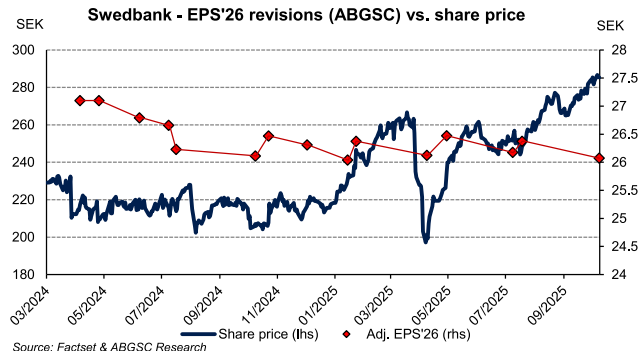
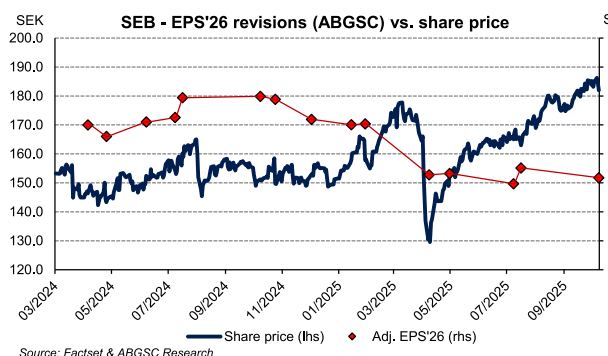
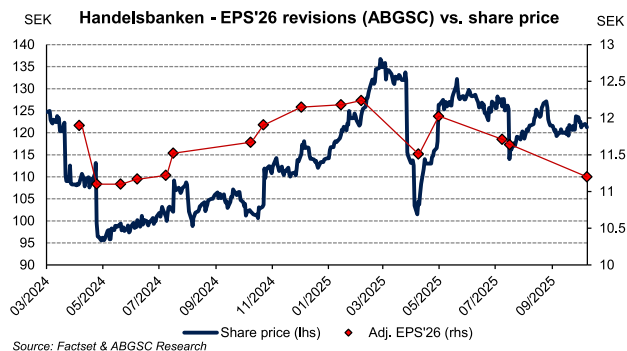
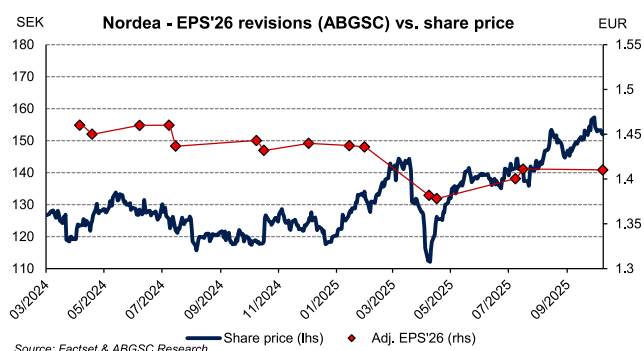
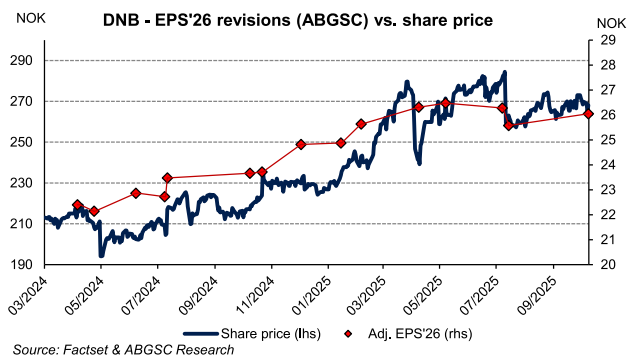
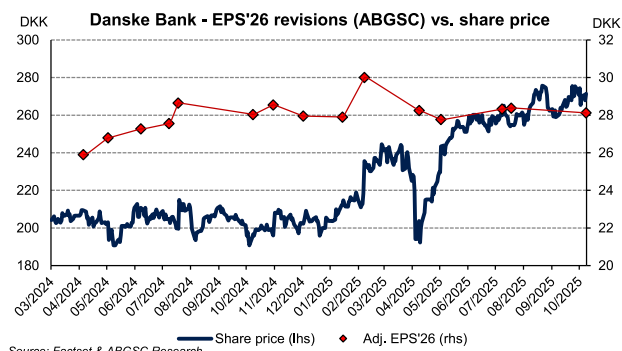
P/BV and ROE 12M fwd



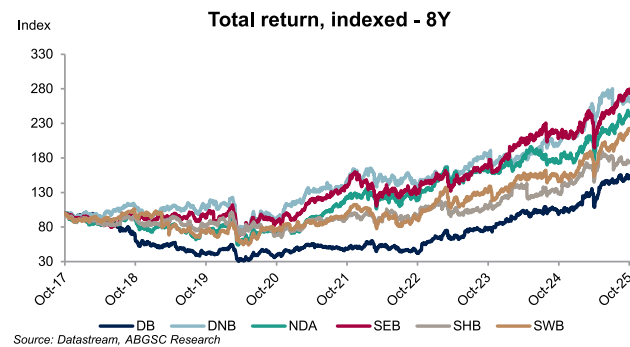
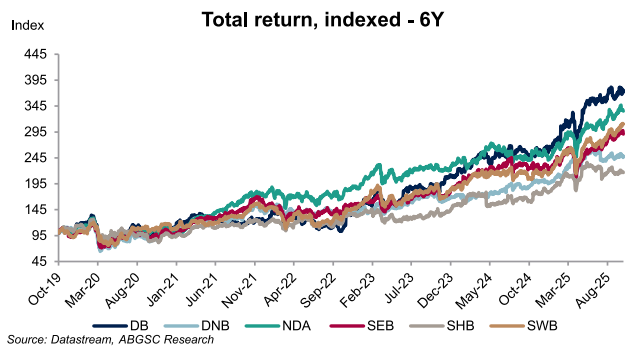
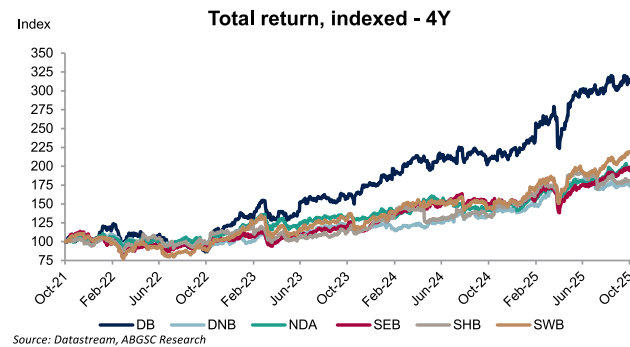
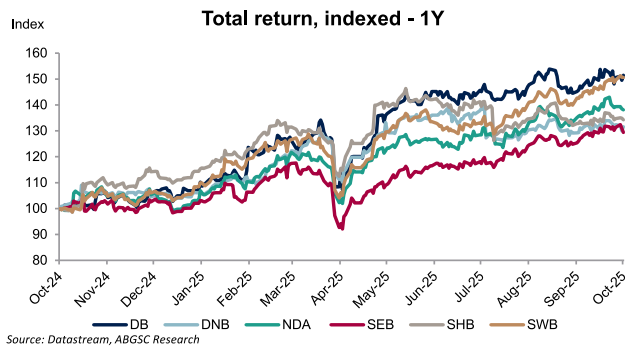
ABGSC EPS revisions for 2025e



ABGSC EPS revisions for 2026e



Total return, indexed



Nordea

Awaiting the CMD on 5 November

- Operational improvement potential
- CMD could trigger positive estimate revisions
- Earnings scenario intact into the numbers

Efficiency improvement in focus

Nordea hosted an analyst call with its CFO Ian Smith in mid-September in which he reiterated that Nordea should reach its 44-46% cost/income ratio target for 2025 on the earlier communicated cost growth guidance of 2-2.5%, and that cost efficiency should improve thereafter. We also got the impression that cost growth should be lower than 2-2.5% in 2026-27e, with Nordea targeting a cost/income ratio improvement over time. There would be upside to our estimates if Nordea were to deliver, as it is difficult to get well within Nordea's targeted C/I ratio range for 2025-26e without anything out of the ordinary. The same goes for the current Infront consensus expectations. On the back of this, and given the fact that Nordea should have a decent operational improvement potential in both absolute and relative terms, we look forward to the CMD on 5 November. On an overarching level, the >15% ROE target is likely to be prolonged beyond 2025e. In the call, Mr. Smith also re-iterated the message from the Q2'25 report about a somewhat muted Q3 with momentum in terms of activity building for Q4.

Earnings scenario intact

Ahead of the Q3'25 report, our net earnings estimates are largely unchanged for 2025-27e, which also goes for our dividend and share buyback expectations. We will potentially get another approval in conjunction with the interim report.

Decent absolute return potential

At the current valuation levels, the absolute return potential should still be decent considering adjusted P/E ratios of 9x-10X, 8% cash yields in 2026e-27e and positive adjusted net earnings growth from 2027e, alongside a potentially bullish message at the upcoming CMD. We fine-tune our TP to EUR 15.1/SEK 166 (156).

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EURm	2023	2024	2025e	2026e	2027e
Total income	11,743	12,084	11,691	11,765	12,200
Total operating costs	-5,238	-5,330	-5,439	-5,481	-5,548
Operating profit	6,338	6,548	6,287	6,084	6,452
EPS adj.	1.40	1.46	1.41	1.41	1.52
BVPS	8.64	9.05	9.42	9.77	10.20
NAVPS	7.56	7.94	8.25	8.59	9.00
DPS	0.92	0.94	0.95	0.96	0.99
Total income growth (%)	20.8	2.9	-3.3	0.6	3.7
Total.op.costs (%)	8.4	1.8	2.0	0.8	1.2
Op. profit growth (%)	33.1	3.3	-4.0	-3.2	6.0
C/I (%)	44.7	43.9	46.6	46.6	45.5
Loan losses (%)	0.05	0.06	-0.01	0.05	0.05

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	-0.1	-0.0	0.3
Total op costs	0.4	0.5	1.1
Operating profit	0.3	0.4	1.5
EPS adj.	0.0	-0.1	0.9

Source: ABG Sundal Collier

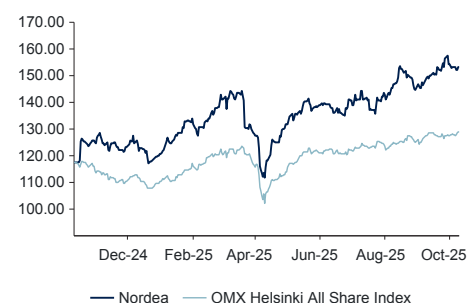
NDA.SE-SE/NDA SS

Share price (SEK)	9/10/2025	151.95
Target price	(156.00)	166.00

MCap (SEKm)	526,361
MCap (EURm)	47,993
No. of shares (m)	3,447.7
Free float (%)	90.7
Av. daily volume (k)	3,878

Next event Q3 Report 16 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	9.8	9.8	9.1
EPS adj. growth (%)	-3.2	0.0	7.6
P/BV (x)	1.47	1.42	1.36
BVPS growth (%)	4.1	3.7	4.4
P/NAV	1.68	1.62	1.54
NAVPS growth	3.9	4.1	4.8
Dividend yield (%)	6.8	6.9	7.1
ROE (%)	15.0	14.4	14.9
RONAV (%)	17.4	16.8	17.2
CET 1 ratio	15.7	15.6	15.8

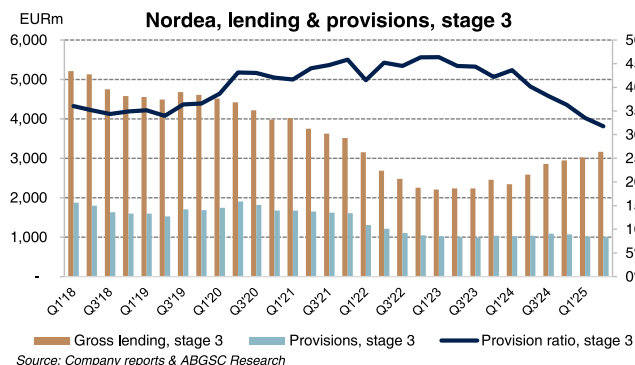
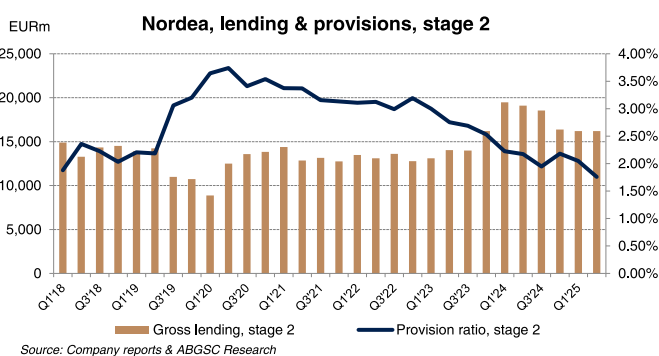
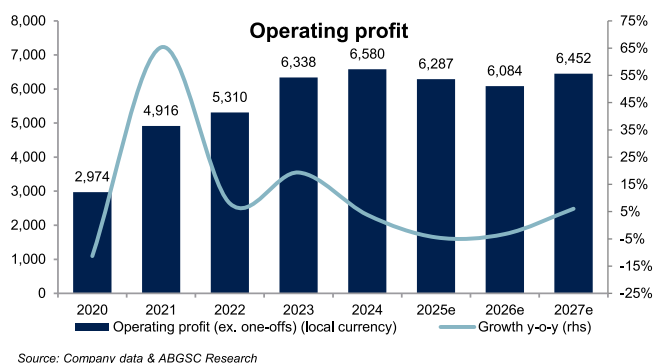
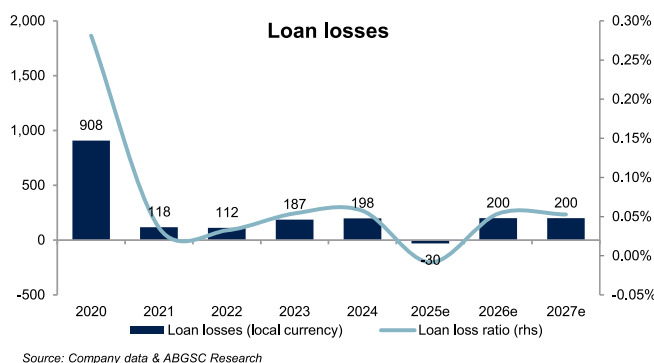
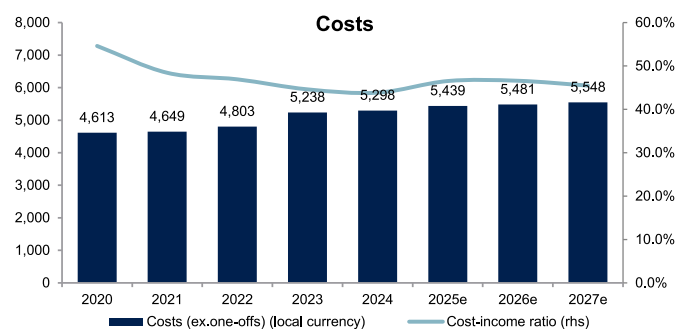
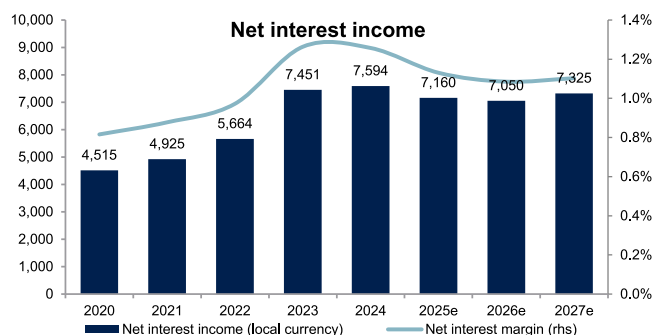
Company description

Nordea is the largest bank in the Nordics with significant presence in all Nordic countries. Although the lion's share of its earnings are derived from its Retail Banking operations, they are also present within Wholesale Banking, Life and Wealth Management.

Sustainability information

Risks

Weaker than expected asset quality in the Nordics, weaker than expected pre-provisioning earnings trend and regulation (capital requirements, taxes etc.).



Forecast revisions												
EURm	New forecasts			Old forecasts			Diff					
	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	7,160	7,050	7,325	7,165	7,100	7,350	-5	0%	-50	-1%	-25	0%
Net commission income	3,203	3,359	3,493	3,195	3,329	3,452	8	0%	30	1%	40	1%
Trading income	1,045	1,050	1,071	1,050	1,035	1,056	-5	0%	15	1%	15	1%
Insurance	240	245	250	240	245	250	0	0%	0	0%	0	0%
Other income	43	61	62	50	61	62	-7	-14%	0	0%	0	0%
Total income	11,691	11,765	12,200	11,700	11,770	12,170	-9	0%	-5	0%	30	0%
Personnel costs	-3,207	-3,234	-3,281	-3,215	-3,251	-3,331	8	0%	16	0%	50	-1%
Other costs	-2,232	-2,246	-2,266	-2,245	-2,257	-2,281	13	-1%	10	0%	14	-1%
Total costs	-5,439	-5,481	-5,548	-5,460	-5,507	-5,612	21	0%	26	0%	64	-1%
Profit before loan losses	6,252	6,284	6,652	6,240	6,262	6,558	12	0%	21	0%	95	1%
Loan losses	35	-200	-200	30	-200	-200	5	17%	0	0%	-1	0%
Operating profit	6,287	6,084	6,452	6,270	6,062	6,358	17	0%	22	0%	94	1%
Tax	-1,460	-1,397	-1,482	-1,444	-1,377	-1,444	-16	1%	-20	1%	-37	3%
Net profit	4,801	4,687	4,970	4,800	4,685	4,914	1	0%	2	0%	56	1%
<i>Adjusted net profit</i>	<i>4,887</i>	<i>4,799</i>	<i>5,079</i>	<i>4,887</i>	<i>4,798</i>	<i>5,022</i>	<i>1</i>	<i>0%</i>	<i>2</i>	<i>0%</i>	<i>56</i>	<i>1%</i>
<i>Number of shares*, YE</i>	<i>3,432</i>	<i>3,375</i>	<i>3,322</i>	<i>3,431</i>	<i>3,369</i>	<i>3,312</i>	<i>1</i>	<i>0%</i>	<i>6</i>	<i>0%</i>	<i>10</i>	<i>0%</i>
<i>Share buybacks</i>	<i>814</i>	<i>800</i>	<i>800</i>	<i>800</i>	<i>800</i>	<i>800</i>	<i>14</i>	<i>2%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>EPS</i>	<i>1.38</i>	<i>1.38</i>	<i>1.48</i>	<i>1.38</i>	<i>1.38</i>	<i>1.47</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>	<i>0.01</i>	<i>1%</i>
<i>Adjusted EPS</i>	<i>1.41</i>	<i>1.41</i>	<i>1.52</i>	<i>1.41</i>	<i>1.41</i>	<i>1.50</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>	<i>0.01</i>	<i>1%</i>
<i>DPS</i>	<i>0.95</i>	<i>0.96</i>	<i>0.99</i>	<i>0.95</i>	<i>0.96</i>	<i>0.99</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>
Source: ABGSC forecasts							* Number of shares outstanding					

Nordea - Income statement, quarterly								
EURm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	1,954	1,904	1,882	1,854	1,829	1,798	1,765	1,768
Net commission income	763	795	774	825	793	792	786	832
Trading income	291	247	284	201	289	254	250	252
Insurance	61	63	60	69	54	58	61	67
Other income	16	21	14	6	9	9	13	12
Total income	3,085	3,030	3,014	2,955	2,974	2,911	2,875	2,931
Personnel costs	-749	-761	-779	-817	-792	-809	-801	-805
Other costs	-540	-517	-550	-617	-562	-524	-548	-598
Total costs	-1,289	-1,278	-1,329	-1,434	-1,354	-1,333	-1,349	-1,403
Profit before loan losses	1,796	1,752	1,685	1,521	1,620	1,578	1,526	1,528
Loan losses	-29	-61	-52	-56	-20	18	3	34
Other	-4	-7	1	2	7	3	-5	-5
Operating profit	1,763	1,684	1,634	1,467	1,607	1,599	1,524	1,557
Tax	-402	-381	-368	-338	-373	-378	-351	-359
Other	-26	0	0	0	-26	0	0	0
Net profit	1,335	1,303	1,266	1,129	1,208	1,221	1,174	1,198
Tax rate	23%	23%	23%	23%	23%	24%	23%	23%
EPS	0.38	0.37	0.36	0.32	0.35	0.35	0.34	0.35
Adjusted net profit	1,343	1,311	1,314	1,143	1,235	1,246	1,193	1,214
Adjusted EPS	0.38	0.37	0.37	0.33	0.35	0.36	0.35	0.35
Key balance sheet data								
EURm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	346,216	346,894	348,896	357,588	366,774	367,954	369,479	372,173
Goodwill & other intangibles	3,785	3,840	3,840	3,882	4,016	4,012	4,010	4,009
Total assets	604,904	606,828	617,415	623,355	641,370	636,808	636,808	643,267
Shareholders' equity	28,144	29,607	30,704	31,686	29,746	30,367	31,327	32,318
Net asset value	24,359	25,767	26,864	27,804	25,730	26,355	27,317	28,309
Capital adequacy								
EURm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. hybrids	23,798	24,315	24,316	24,570	25,002	24,709	24,881	25,153
Tier 1 capital, reported	27,061	27,602	28,225	28,683	28,121	27,678	27,850	28,122
Capital base	31,021	32,008	32,083	32,800	32,182	31,702	31,874	32,146
Risk exposure amount (BIS II/III)	138,579	139,333	153,691	155,850	159,685	158,576	159,369	160,166
Asset quality								
EURm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	2,343	2,585	2,857	2,945	3,023	3,164	3,165	3,090
Provisions	-1,636	-1,644	-1,635	-1,605	-1,557	-1,478	-1,416	-1,328
Problem loans, net	707	941	1,222	1,340	1,466	1,686	1,748	1,763
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	1.31%	1.26%	1.23%	1.20%	1.16%	1.13%	1.11%	1.11%
ROE	18.22%	18.05%	16.79%	14.48%	15.73%	16.25%	15.22%	15.06%
RONAV	21.06%	20.92%	19.98%	16.73%	18.45%	19.14%	17.79%	17.46%
ROREA	3.85%	3.75%	3.46%	2.92%	3.06%	3.07%	2.95%	3.00%
Efficiency								
Adj. cost/income ratio	42%	42%	43%	49%	46%	46%	47%	48%
Adj. cost/assets	0.87%	0.84%	0.85%	0.92%	0.86%	0.83%	0.85%	0.88%
Financial position								
Lending/deposits	160%	155%	157%	154%	153%	155%	156%	154%
REA/total assets	23%	23%	25%	25%	25%	25%	25%	25%
Tier 1 ratio, core	17.2%	17.5%	15.8%	15.8%	15.7%	15.6%	15.6%	15.7%
Tier 1 ratio, reported	19.5%	19.8%	18.4%	18.4%	17.6%	17.5%	17.5%	17.6%
Capital adequacy	22.4%	23.0%	20.9%	21.0%	20.2%	20.0%	20.0%	20.1%
Equity ratio, core	3.9%	4.0%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Asset quality								
Problem loans, gross/lending	0.67%	0.74%	0.82%	0.82%	0.82%	0.86%	0.85%	0.83%
Problem loans, net/lending	0.20%	0.27%	0.35%	0.37%	0.40%	0.46%	0.47%	0.47%
Provision ratio	69.8%	63.6%	57.2%	54.5%	51.5%	46.7%	44.8%	43.0%
Loan losses, net/lending	0.03%	0.07%	0.06%	0.06%	0.02%	-0.02%	0.00%	-0.04%

Source: Company data, ABGSC forecasts

Income statement (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	4,491	4,318	4,515	4,925	5,664	7,451	7,594	7,160	7,050	7,325
Net commission income	2,993	3,011	2,959	3,495	3,186	3,021	3,157	3,203	3,359	3,493
Trading income	1,088	1,012	900	1,119	623	1,014	1,023	1,045	1,050	1,071
Insurance income	0	0	0	0	173	217	253	240	245	250
Other operating income	600	282	92	81	75	40	57	43	61	62
Total income	9,172	8,623	8,466	9,620	9,721	11,743	12,084	11,691	11,765	12,200
Personnel costs	-2,998	-3,017	-2,752	-2,759	-2,793	-2,908	-3,106	-3,207	-3,234	-3,281
Other operating costs	-1,873	-2,969	-1,891	-1,890	-2,041	-2,330	-2,224	-2,232	-2,246	-2,266
Total operating costs	-4,871	-5,986	-4,643	-4,649	-4,834	-5,238	-5,330	-5,439	-5,481	-5,548
Profit before loan losses	4,301	2,637	3,823	4,971	4,887	6,505	6,754	6,252	6,284	6,652
Loan losses	-173	-536	-908	-118	-112	-187	-198	35	-200	-200
Investment portfolio	-	-	-	-	-	-	-	-	-	-
Other items	-175	12	48	83	-13	20	-8	0	0	0
Operating profit	3,953	2,113	2,963	4,936	4,762	6,338	6,548	6,287	6,084	6,452
Tax	-872	-571	-698	-1,105	-1,175	-1,404	-1,489	-1,460	-1,397	-1,482
Other items after tax	-11	-23	-27	-26	-24	-25	-26	-26	0	0
Net profit	3,070	1,519	2,238	3,805	3,563	4,909	5,033	4,801	4,687	4,970
Tax rate (%)	22.1	27.0	23.6	22.4	24.7	22.2	22.7	23.2	23.0	23.0
EPS	0.76	0.38	0.55	0.95	0.94	1.37	1.43	1.38	1.38	1.48
Net profit adj.	2,382	2,335	2,240	3,844	4,136	5,025	5,111	4,887	4,799	5,079
EPS adj.	0.59	0.58	0.55	0.96	1.09	1.40	1.46	1.41	1.41	1.52
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	308,304	323,091	329,765	345,050	345,743	344,828	357,588	372,173	379,321	388,170
Goodwill and intangibles	4,035	3,695	3,771	3,784	4,005	3,826	3,882	4,009	3,968	3,968
Total assets	551,408	554,848	552,160	570,353	594,729	584,702	623,355	643,267	656,124	672,237
Shareholders equity	32,145	30,740	32,983	32,744	30,096	30,475	31,686	32,318	32,955	33,875
Net asset value	28,110	27,045	29,212	28,960	26,091	26,649	27,804	28,309	28,987	29,907
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	24,134	24,421	26,553	25,880	23,872	23,645	24,570	25,153	25,818	26,713
Tier 1 capital, reported	26,984	27,518	29,141	29,012	27,154	26,845	28,683	28,122	28,787	29,682
Capital base	31,028	31,236	31,801	32,275	30,213	30,815	32,800	32,146	32,811	33,706
Risk exposure amount (BIS II)	155,886	150,215	155,440	151,906	145,299	138,719	155,850	160,166	165,343	169,404
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	4,581	4,610	3,979	3,512	2,255	2,457	2,945	3,090	2,929	2,829
Provisions for problem loans	-2,040	-2,184	-2,448	-2,206	-1,673	-1,653	-1,605	-1,328	-1,311	-1,306
Problem loans, net	2,541	2,426	1,531	1,306	582	804	1,340	1,763	1,618	1,523
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	0.79	0.78	0.82	0.88	0.97	1.26	1.26	1.13	1.09	1.10
ROE (%)	9.51	4.83	7.02	11.58	11.34	16.21	16.19	15.00	14.36	14.87
RONAV (%)	8.43	8.47	7.96	13.22	15.03	19.06	18.77	17.42	16.75	17.25
ROREA (%)	2.18	0.99	1.46	2.48	2.40	3.46	3.42	3.04	2.88	2.97
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	56.94	57.57	54.79	48.56	47.03	44.70	43.94	46.62	46.59	45.47
Costs/assets Core (%)	0.86	0.88	0.83	0.83	0.82	0.89	0.88	0.86	0.84	0.84
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	186.9	191.5	179.8	167.7	159.0	164.2	153.8	154.3	154.3	154.6
REA/assets (%)	28.3	27.1	28.2	26.6	24.4	23.7	25.0	24.9	25.2	25.2
Common equity tier 1 ratio (%)	15.5	16.3	17.1	17.0	16.4	17.0	15.8	15.7	15.6	15.8
Tier 1 ratio, reported (%)	17.3	18.3	18.7	19.1	18.7	19.4	18.4	17.6	17.4	17.5
Capital adequacy (%)	19.9	20.8	20.5	21.2	20.8	22.2	21.0	20.1	19.8	19.9
Equity ratio Core (%)	4.4	4.4	4.8	4.5	4.0	4.0	3.9	3.9	3.9	4.0
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	1.50	1.44	1.22	1.02	0.66	0.72	0.83	0.83	0.77	0.73
Problem loans, net/lending (%)	0.82	0.75	0.46	0.38	0.17	0.23	0.37	0.47	0.43	0.39
Provision ratio (%)	44.5	47.4	61.5	62.8	74.2	67.3	54.5	43.0	44.8	46.2
Loan losses, net/lending (%)	0.06	0.17	0.28	0.04	0.03	0.05	0.06	-0.01	0.05	0.05

Source: ABG Sundal Collier, Company Data

DNB

Higher estimates amid raised rate path

- Q3e: Sequential NII uptick in "messy" quarter
- '26e-'27e adj. EPS up 2-3% from 25bp higher rate path
- Stock at fair value (P/NAV) given our normalised RONAV

Q3e: Sequential NII uptick in "messy" quarter

We expect flat total income q-o-q as slightly higher NII and better trading (basis swap gain) offset seasonally lower fees. The NII uptick largely reflects the positive timing effect of cheaper funding (given the immediate and abnormally steep NIBOR drop post-rate cut) whilst delaying customers' rate cuts with the eight-week lag. We see similar effects playing out into Q4, before reversing in Q1. More generally, a focus area for Q3 will be comments on changes to market dynamics amid the two consecutive rate cuts, which have reignited competition and opened for new entrants/banks to gain market share (e.g., by offering speedier or larger cuts). Finally, following the miss in Q2, we would also like to see positive cost signals (i.e., structurally lower costs after cutting staff).

'26e-'27e adj. EPS up +2-3% on a higher rate path

Our total income is largely unchanged for '25e, but raised 2-3% for '26e-'27e, primarily driven by the higher NII (we now expect one less rate cut by the central bank), combined with a slightly more optimistic view on Nordic transaction markets (fees) and other income (Fremtind). We also fine-tune our cost assumptions, whilst keeping loan losses largely unchanged. CET1 drops ~60bps into Q3'25e from new risk weight floors, but remains at comfortable levels of ~17.7%. In sum, our adj. EPS for '25e-'27e is up 0%/2%/3%.

Stock at fair value (P/NAV) given normalised RONAV

Our earnings trajectory for DNB remains subdued (adj. net profit CAGR '25e-'27e of 0%), as the negative rate path towards YE'27e (-75 bps) is offset by lending growth and positive non-NII contributions (+6% CAGR '25e-'27e). DNB's '25e P/NAV looks fair given its normalised RONAV of <16%. We stick to HOLD, TP up to NOK 275 (260) on higher estimates.

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NOKm	2023	2024	2025e	2026e	2027e
Total income	81,697	85,719	89,605	90,050	92,482
Total operating costs	-28,620	-30,448	-34,254	-36,286	-37,880
Operating profit	50,440	54,878	52,927	51,486	52,372
EPS adj.	24.27	29.02	27.51	26.05	26.88
BVPS	164.35	176.96	187.83	196.26	205.35
NAVPS	157.39	169.68	172.55	180.82	189.74
DPS	16.00	16.75	17.25	17.50	17.75
Total income growth (%)	23.5	4.9	4.5	0.5	2.7
Total.op.costs (%)	10.9	6.4	12.5	5.9	4.4
Op. profit growth (%)	24.3	8.8	-3.6	-2.7	1.7
C/I (%)	35.1	35.0	38.1	40.3	41.0
Loan losses (%)	0.14	0.06	0.11	0.10	0.09

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	0.0	1.2	1.6
Total op costs	-0.1	-0.5	-0.3
Operating profit	-0.0	1.8	2.6
EPS adj.	0.0	1.8	2.7

Source: ABG Sundal Collier

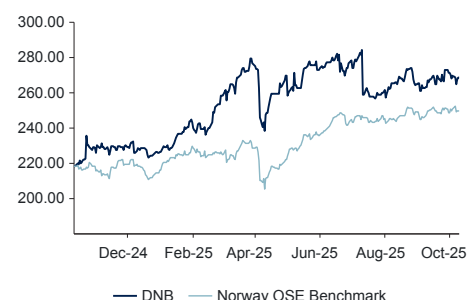
DNB-NO/DNB NO

Share price (NOK)	9/10/2025	268.10
Target price	(260.00)	275.00

MCap (NOKm)	395,206
MCap (EURm)	37,077
No. of shares (m)	1,492.5
Free float (%)	56.6
Av. daily volume (k)	1,394

Next event Q3 Report 22 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	9.7	10.3	10.0
EPS adj. growth (%)	-5.2	-5.3	3.2
P/BV (x)	1.43	1.37	1.31
BVPS growth (%)	6.1	4.5	4.6
P/NAV	1.55	1.48	1.41
NAVPS growth	1.7	4.8	4.9
Dividend yield (%)	6.4	6.5	6.6
ROE (%)	15.3	13.8	13.6
RONAV (%)	16.3	14.9	14.7
CET 1 ratio	17.6	17.7	17.7

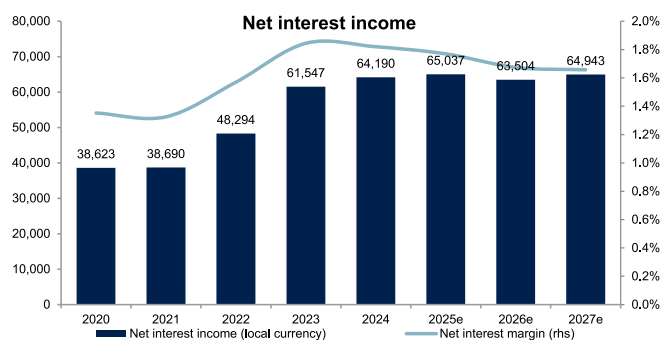
Company description

DNB is the largest bank in Norway. Around 80% of group net income is derived from the Norwegian market. This means that DNB has a higher exposure to shipping & oil than its Nordic peer banks. DNB is also present in the Baltics, in the UK and in Sweden. Around 45% of DNB's operations are retail oriented, while ~15% is derived from the Large Corporates division. The rest comes from its trading and life insurance divisions.

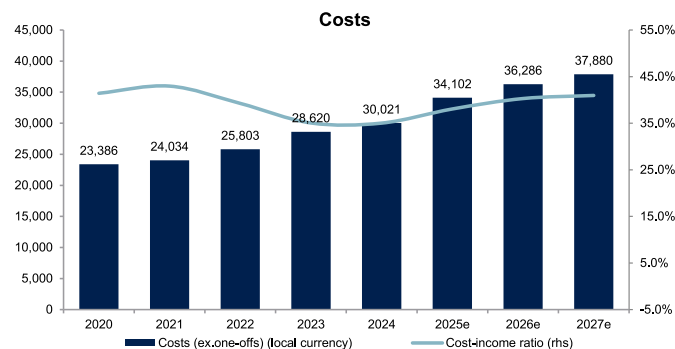
Sustainability information

Risks

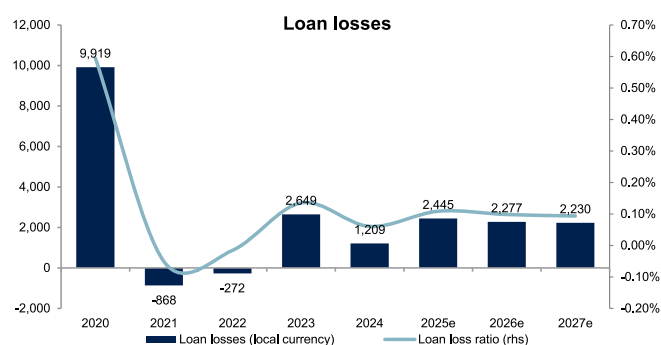
Deteriorating asset quality in mainland Norway, weaker than expected pre-provisioning earnings trend and regulation (capital requirements, taxes etc.).



Source: Company data & ABGSC research



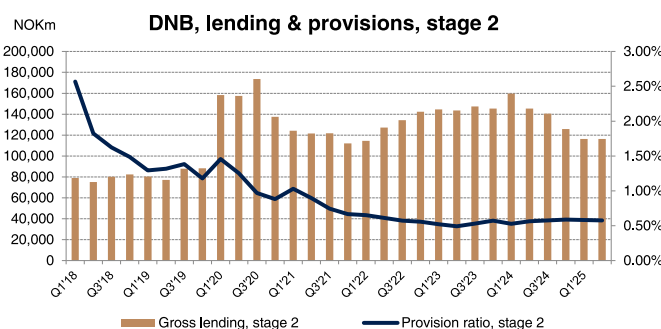
Source: Company data & ABGSC research



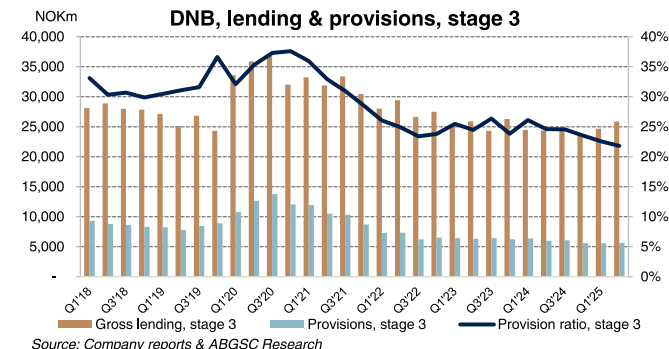
Source: Company data & ABGSC research



Source: Company data & ABGSC research



Source: Company reports & ABGSC Research



Source: Company reports & ABGSC Research

Forecast revisions												
NOKm	New forecasts			Old forecasts			Diff					
	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	65,037	63,504	64,943	65,236	62,722	63,851	-199	0%	782	1%	1,092	2%
Net commission income	16,129	17,345	18,039	16,041	17,095	17,720	88	1%	250	1%	319	2%
Trading income	3,790	4,135	4,235	3,662	4,135	4,235	128	3%	0	0%	0	0%
Insurance (Life)	1,412	1,472	1,522	1,412	1,462	1,512	0	0%	10	1%	10	1%
Other income	3,237	3,594	3,743	3,213	3,539	3,685	24	1%	55	2%	58	2%
Total income	89,605	90,050	92,482	89,564	88,953	91,004	41	0%	1,097	1%	1,478	2%
Personnel costs	-20,344	-21,540	-22,648	-20,294	-21,404	-22,537	-50	0%	-136	1%	-111	0%
Other costs	-13,911	-14,747	-15,232	-13,911	-14,699	-15,218	0	0%	-48	0%	-14	0%
Total costs	-34,254	-36,286	-37,880	-34,204	-36,103	-37,755	-50	0%	-183	1%	-125	0%
Profit bef. loan losses	55,351	53,764	54,602	55,360	52,850	53,249	-9	0%	914	2%	1,353	3%
Loan losses	-2,445	-2,277	-2,230	-2,445	-2,255	-2,208	0	0%	-22	1%	-22	1%
Other	21	0	0	21	0	0	0	n.m	0	n.m	0	n.m
Pre-tax profit	52,927	51,486	52,372	52,936	50,595	51,041	-9	0%	892	2%	1,331	3%
Tax	-10,717	-11,842	-12,046	-10,718	-11,637	-11,739	2	0%	-205	2%	-306	3%
Other / AT1	-1,735	-1,618	-1,501	-1,723	-1,606	-1,489	-11	1%	-11	1%	-11	1%
Net profit	40,476	38,027	38,826	40,495	37,352	37,812	-19	0.0%	675	1.8%	1,014	2.7%
<i>Adjusted net profit</i>	<i>40,362</i>	<i>37,815</i>	<i>38,614</i>	<i>40,344</i>	<i>37,139</i>	<i>37,600</i>	<i>19</i>	<i>0%</i>	<i>675</i>	<i>2%</i>	<i>1,014</i>	<i>3%</i>
<i>Number of shares*, YE</i>	<i>1,459</i>	<i>1,444</i>	<i>1,429</i>	<i>1,459</i>	<i>1,444</i>	<i>1,429</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>Share buybacks</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>EPS</i>	<i>27.59</i>	<i>26.19</i>	<i>27.03</i>	<i>27.60</i>	<i>25.73</i>	<i>26.32</i>	<i>-0.01</i>	<i>0%</i>	<i>0.47</i>	<i>2%</i>	<i>0.71</i>	<i>3%</i>
Adjusted EPS	27.51	26.05	26.88	27.50	25.58	26.18	0.01	0%	0.47	2%	0.71	3%
<i>DPS</i>	<i>17.25</i>	<i>17.50</i>	<i>17.75</i>	<i>17.25</i>	<i>17.50</i>	<i>17.75</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>

Source: ABGSC forecasts

* Number of shares outstanding

DNB - Income statement, quarterly								
NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	15,526	15,817	16,129	16,718	16,410	16,152	16,274	16,201
Net commission income	2,702	3,439	3,038	3,287	3,500	4,370	4,015	4,243
Trading income	1,183	1,010	1,660	372	1,193	519	1,103	975
Insurance (Life)	203	433	318	467	280	357	380	395
Other income	783	873	990	771	530	1,093	821	794
Total income	20,398	21,572	22,135	21,614	21,913	22,491	22,593	22,608
Personnel costs	-4,261	-4,319	-4,399	-4,982	-4,590	-5,203	-5,206	-5,345
Other costs	-3,023	-3,186	-3,033	-3,244	-3,317	-3,522	-3,449	-3,622
Total costs	-7,284	-7,505	-7,431	-8,227	-7,907	-8,725	-8,655	-8,967
Profit bef. loan losses	13,113	14,067	14,703	13,387	14,006	13,766	13,938	13,642
Loan losses	-323	-560	-170	-157	-410	-677	-745	-613
Other	-2	-3	716	104	18	3	0	0
Pre-tax profit	12,789	13,504	15,250	13,334	13,614	13,091	13,193	13,029
Tax	-2,558	-2,701	-3,050	-765	-2,723	-2,618	-2,705	-2,671
Other	-442	-533	-568	-391	-457	-424	-430	-424
Net profit	9,789	10,271	11,632	12,178	10,434	10,049	10,059	9,934
Tax rate	20%	20%	20%	6%	20%	20%	21%	21%
EPS	6.53	6.89	7.84	8.25	7.07	6.81	6.86	6.80
Adjusted net profit	9,736	10,226	10,859	12,342	10,371	10,016	10,041	9,917
Adjusted EPS	6.5	6.9	7.3	8.4	7.0	6.8	6.8	6.8
Key balance sheet data								
NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	2,008,528	2,011,602	2,074,352	2,251,513	2,323,370	2,290,686	2,296,499	2,321,337
Goodwill & other intangibles	10,452	10,461	10,585	10,735	22,128	22,227	22,277	22,302
Total assets	3,896,408	3,677,388	3,851,957	3,614,125	4,030,241	3,835,781	3,855,151	3,735,883
Shareholders' equity	257,012	238,936	249,431	260,974	270,130	253,902	264,080	274,130
Net asset value	246,559	228,475	238,846	250,239	248,002	231,675	241,802	251,828
Capital adequacy								
NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. hybrids	206,476	206,602	211,286	217,240	209,301	207,042	210,844	213,721
Tier 1 capital, reported	229,825	226,882	231,556	237,410	229,817	227,258	215,098	237,937
Capital base	257,456	253,909	259,529	266,585	258,491	256,853	244,693	267,533
Risk exposure amount *	1,089,118	1,090,019	1,109,920	1,121,130	1,133,959	1,129,922	1,189,282	1,213,466
Asset quality								
NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,414
Provisions	-9,170	-9,341	-9,495	-9,618	-9,746	-9,861	-9,990	-10,171
Problem loans, net	23,244	23,073	22,919	22,796	22,668	22,553	22,424	22,243
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	1.69%	1.67%	1.71%	1.79%	1.72%	1.64%	1.69%	1.71%
ROE	15.6%	16.6%	19.1%	19.1%	15.8%	15.4%	15.6%	14.8%
RONAV	16.2%	17.3%	18.7%	20.2%	16.7%	16.8%	17.0%	16.1%
ROREA	3.58%	3.77%	4.23%	4.37%	3.70%	3.55%	3.47%	3.31%
Efficiency								
Adj. cost/income ratio	35.7%	34.8%	33.6%	36.1%	36.0%	38.7%	38.1%	39.4%
Adj. cost/assets	0.79%	0.79%	0.79%	0.84%	0.83%	0.88%	0.90%	0.94%
Financial position								
Lending/deposits	128%	129%	132%	151%	143%	148%	146%	151%
REA/total assets	28%	30%	29%	31%	28%	29%	31%	32%
Tier 1 ratio, core	19.0%	19.0%	19.0%	19.4%	18.5%	18.3%	17.7%	17.6%
Tier 1 ratio, reported	21.1%	20.8%	20.9%	21.2%	20.3%	20.1%	18.1%	19.6%
Capital adequacy	23.6%	23.3%	23.4%	23.8%	22.8%	22.7%	20.6%	22.0%
Equity ratio, core	5.3%	5.6%	5.5%	6.0%	5.2%	5.4%	5.5%	5.7%
Asset quality								
Problem loans, gross/lending	1.61%	1.60%	1.56%	1.43%	1.39%	1.41%	1.41%	1.39%
Problem loans, net/lending	1.16%	1.15%	1.10%	1.01%	0.98%	0.98%	0.98%	0.96%
Provision ratio	28.3%	28.8%	29.3%	29.7%	30.1%	30.4%	30.8%	31.4%
Loan losses, net/lending	0.06%	0.11%	0.03%	0.03%	0.07%	0.12%	0.13%	0.11%

Source: Company data, ABGSC forecasts

Financials

Income statement (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	36,822	39,202	38,623	38,690	48,294	61,547	64,190	65,037	63,504	64,943
Net commission income	9,311	9,715	9,500	11,011	10,328	11,115	12,466	16,129	17,345	18,039
Trading income	1,342	3,182	5,903	3,621	4,147	5,283	4,225	3,790	4,135	4,235
Insurance income	969	1,129	659	790	1,235	1,183	1,421	1,412	1,472	1,522
Other operating income	1,924	1,629	1,713	1,803	2,129	2,569	3,417	3,237	3,594	3,743
Total income	50,368	54,857	56,398	55,915	66,133	81,697	85,719	89,605	90,050	92,482
Personnel costs	-11,865	-12,602	-12,874	-13,826	-14,690	-16,320	-17,961	-20,344	-21,540	-22,648
Other operating costs	-10,192	-10,529	-10,527	-10,208	-11,113	-12,300	-12,487	-13,911	-14,747	-15,232
Total operating costs	-22,057	-23,131	-23,400	-24,034	-25,803	-28,620	-30,448	-34,254	-36,286	-37,880
Profit before loan losses	28,311	31,726	32,998	31,881	40,330	53,077	55,271	55,351	53,764	54,602
Loan losses	138	-2,190	-9,919	868	272	-2,649	-1,209	-2,445	-2,277	-2,230
Investment portfolio	-	-	-	-	-	-	-	-	-	-
Other items	529	1,702	767	-82	-24	11	816	21	0	0
Operating profit	28,978	31,238	23,846	32,667	40,579	50,440	54,878	52,927	51,486	52,372
Tax	-4,492	-5,466	-4,229	-7,462	-7,411	-10,811	-9,074	-10,717	-11,842	-12,046
Other items after tax	-1,162	-1,171	-921	-798	-580	-1,463	-1,933	-1,735	-1,618	-1,501
Net profit	23,324	24,601	18,697	24,407	32,588	38,166	43,870	40,476	38,027	38,826
Tax rate (%)	15.5	17.5	17.7	22.8	18.3	21.4	16.5	20.2	23.0	23.0
EPS	14.57	15.60	12.00	15.74	21.02	24.87	29.50	27.59	26.19	27.03
Net profit adj.	23,211	23,062	18,027	24,550	32,343	37,234	43,162	40,362	37,815	38,614
EPS adj.	14.50	14.62	11.57	15.83	20.86	24.27	29.02	27.51	26.05	26.88
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	1,597,758	1,667,189	1,693,811	1,744,922	1,961,464	1,997,363	2,251,513	2,321,337	2,383,746	2,459,779
Goodwill and intangibles	5,455	5,454	5,498	5,804	10,273	10,456	10,735	22,302	22,302	22,302
Total assets	2,634,903	2,793,294	2,918,943	2,919,244	3,233,405	3,439,724	3,614,125	3,735,883	3,850,905	3,986,917
Shareholders equity	207,772	215,481	229,915	226,612	233,297	246,957	260,974	274,130	283,424	293,385
Net asset value	202,317	210,027	224,418	220,808	223,024	236,501	250,239	251,828	261,121	271,083
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	176,831	192,394	181,115	189,305	194,088	199,927	217,240	213,721	222,919	232,792
Tier 1 capital, reported	190,886	214,381	194,690	204,400	208,445	220,230	237,410	233,937	243,135	253,008
Capital base	214,003	234,306	214,188	233,801	231,463	247,414	266,585	263,533	272,730	282,604
Risk exposure amount (BIS II)	1,029,560	960,691	967,146	973,431	1,061,993	1,099,949	1,121,130	1,213,466	1,262,906	1,318,369
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	31,998	27,651	25,498	35,783	32,414	32,414	32,414	30,571	29,632	29,262
Provisions for problem loans	-11,617	-11,609	-11,277	-11,191	-8,567	-8,999	-9,618	-10,910	-11,910	-12,701
Problem loans, net	20,380	16,041	14,221	24,592	23,847	23,415	22,796	19,661	17,722	16,561
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	1.38	1.44	1.35	1.33	1.57	1.84	1.82	1.77	1.67	1.66
ROE (%)	11.56	11.78	8.55	10.82	14.28	16.06	17.50	15.31	13.80	13.60
RONAV (%)	11.82	11.35	8.46	11.16	14.69	16.38	17.97	16.27	14.92	14.66
ROREA (%)	2.27	2.47	1.94	2.52	3.20	3.53	3.95	3.47	3.07	3.01
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	42.86	41.55	41.42	42.96	39.25	35.05	35.02	38.06	40.30	40.96
Costs/assets Core (%)	0.81	0.84	0.82	0.82	0.84	0.86	0.85	0.93	0.96	0.97
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	172.3	172.0	153.2	139.8	140.4	140.4	151.3	151.0	155.0	157.9
REA/assets (%)	39.1	34.4	33.1	33.3	32.8	32.0	31.0	32.5	32.8	33.1
Common equity tier 1 ratio (%)	17.2	20.0	18.7	19.4	18.3	18.2	19.4	17.6	17.7	17.7
Tier 1 ratio, reported (%)	18.5	22.3	20.1	21.0	19.6	20.0	21.2	19.3	19.3	19.2
Capital adequacy (%)	20.8	24.4	22.1	24.0	21.8	22.5	23.8	21.7	21.6	21.4
Equity ratio Core (%)	6.7	6.9	6.2	6.5	6.0	5.8	6.0	5.7	5.8	5.8
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	2.02	1.67	1.52	2.06	1.66	1.63	1.45	1.32	1.25	1.20
Problem loans, net/lending (%)	1.28	0.96	0.84	1.41	1.22	1.17	1.01	0.85	0.74	0.67
Provision ratio (%)	36.3	42.0	44.2	31.3	26.4	27.8	29.7	35.7	40.2	43.4
Loan losses, net/lending (%)	-0.01	0.14	0.59	-0.05	-0.02	0.14	0.06	0.11	0.10	0.09

Source: ABG Sundal Collier, Company Data

Svenska Handelsbanken

All eyes on NII

- The stock has underperformed into the numbers
- Adj. EPS up 2% for 2025e and cut by 4% for 2026e
- We stay cautious in relative terms - DPS the main attraction

Juicy dividend yields the main attraction

With 90% of its lending book exposed to low-risk real estate-related lending (household mortgages, commercial & residential real estate and housing associations), it could prove difficult for Handelsbanken (SHB) to compete with peers in terms of earnings growth and profitability in the longer term. While SHB loses market share and hardly grows in the Swedish household mortgage segment, its Swedish property management portfolio is not growing either. When assessing the other regions of any significance, volumes in the UK are not growing in any segment (corporates or mortgages). Corporate (real estate-related) volumes are not growing in Norway either, while mortgage lending got a boost when Nordea acquired Danske Banks's Norwegian retail business. Since then, volumes have been flat. With a high exposure to NII of total income, cost-cutting measures finalised and net recoveries at the loan loss line, net earnings growth should at least not compare positively in the mid-term. At a valuation in line with the sector, this leaves us with the juicy dividend yields and capital repatriation potential as the main attraction. We have raised our TP to SEK 125 (118) for closer alignment with our valuation model.

Adj. EPS up for 2025e and down for 2026e

Our pre-provisioning earnings estimates are largely intact into the numbers, while we have raised adj. EPS for 2025e by 2% (loan loss recoveries) and lowered our forecast for 2026e by 4%. The reason for the latter is that we now expect that the banks will have to pay the resolution fund fee in 2026 also. Our DPS estimates are intact.

Main focus on NII

After the NII miss in the Q2'25 report, NII is likely to remain in focus this time around also.

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SEKm	2023	2024	2025e	2026e	2027e
Total income	62,251	62,345	56,397	56,070	58,630
Total operating costs	-23,181	-25,208	-24,173	-24,737	-25,492
Operating profit	36,325	35,018	29,786	28,329	31,132
EPS adj.	14.56	14.10	11.73	11.20	12.26
BVPS	103.57	106.07	100.90	100.00	102.20
NAVPS	99.25	101.81	96.80	95.90	98.10
DPS	13.00	15.00	12.00	10.00	10.25
Total income growth (%)	23.6	0.2	-9.5	-0.6	4.6
Total op. costs (%)	9.3	8.7	-4.1	2.3	3.1
Op. profit growth (%)	35.4	-3.6	-14.9	-4.9	9.9
C/I (%)	37.3	39.7	42.7	44.1	43.5
Loan losses (%)	0.01	-0.03	-0.01	0.01	0.01

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	0.5	-0.4	0.2
Total op costs	0.4	0.7	0.8
Operating profit	1.8	-3.8	0.8
EPS adj.	1.7	-3.8	0.8

Source: ABG Sundal Collier

SHB.A-SE/SHBA SS

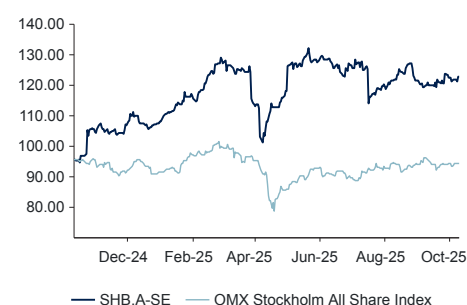
Share price (SEK)	9/10/2025	121.30
Target price	(118.00)	125.00

MCap (SEKm)	240,078
MCap (EURm)	21,890
No. of shares (m)	1,980.0
Free float (%)	73.1
Av. daily volume (k)	4,180

Next event

Q3 Report 22 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	10.3	10.8	9.9
EPS adj. growth (%)	-16.8	-4.5	9.5
P/BV (x)	1.20	1.21	1.19
BVPS growth (%)	-4.9	-0.9	2.2
P/NAV	1.25	1.26	1.24
NAVPS growth	-4.9	-0.9	2.3
Dividend yield (%)	9.9	8.2	8.5
ROE (%)	11.2	11.1	12.1
RONAV (%)	11.8	11.6	12.6
CET 1 ratio	18.4	18.1	18.1

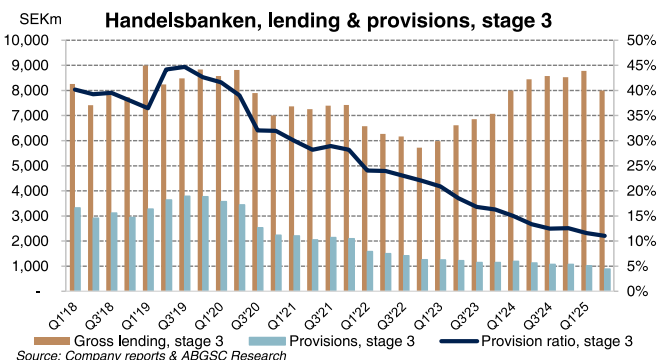
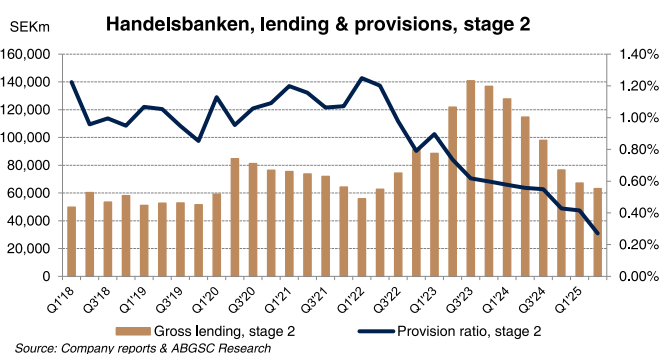
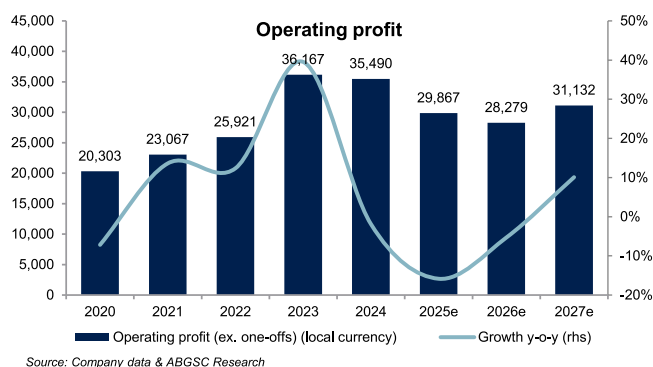
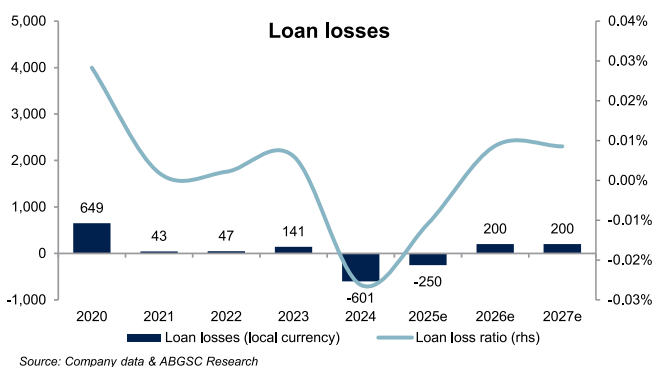
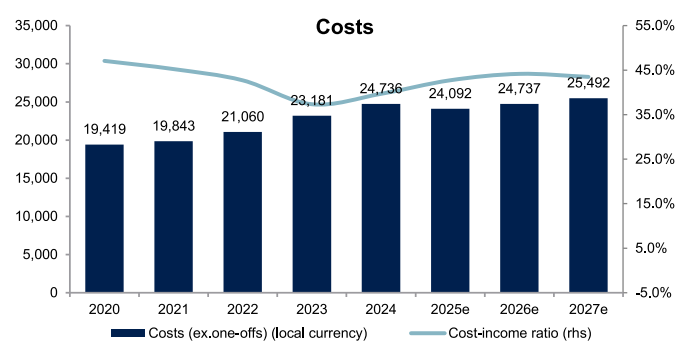
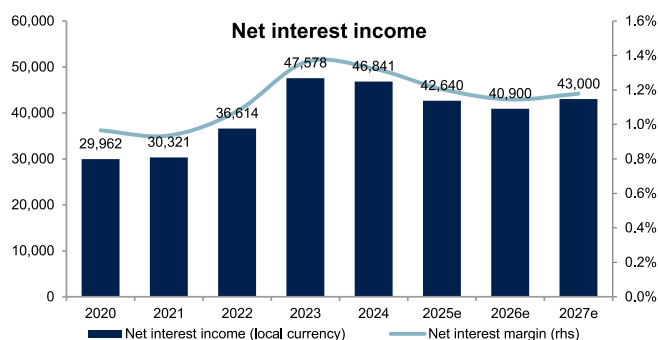
Company description

Handelsbanken is one of the four large banks in Sweden. Its operations are primarily based in Sweden, while it is also present in Norway, in the UK and in the Netherlands. While the lion's share of its profit is derived from its Swedish branch office operations, the contributions from the UK and Norway are meaningful.

Sustainability information

Risks

Deteriorating asset quality, weaker than expected pre-provisioning earnings trend and regulation (capital requirements, taxes etc.).



Forecast revisions												
SEKm	New forecasts			Old forecasts			Diff					
	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	42,640	40,950	43,000	42,500	41,600	43,300	140	0%	-650	-2%	-300	-1%
Net commission income	11,732	12,364	12,838	11,555	11,998	12,495	177	2%	366	3%	343	3%
Trading income	1,532	2,200	2,222	1,500	2,125	2,168	32	2%	75	4%	55	3%
Insurance	300	309	318	300	309	318	0	0%	0	0%	0	0%
Other income	192	247	252	242	247	252	-50	-21%	0	0%	0	0%
Total income	56,397	56,070	58,630	56,113	56,282	58,535	283	1%	-212	0%	95	0%
Personnel costs**	-15,030	-15,463	-16,073	-15,086	-15,597	-16,212	56	0%	133	-1%	139	-1%
Other costs	-9,143	-9,274	-9,419	-9,195	-9,327	-9,474	52	-1%	53	-1%	55	-1%
Total costs	-24,173	-24,737	-25,492	-24,281	-24,924	-25,686	108	0%	187	-1%	193	-1%
Profit before loan losses	32,223	31,332	33,138	31,816	31,355	32,847	407	1%	-23	0%	291	1%
Loan losses	250	-200	-200	120	-200	-200	130	109%	0	0%	-1	0%
Other	-2,687	-2,803	-1,806	-2,687	-1,704	-1,755	0	0%	-1,100	65%	-51	3%
Operating profit	29,786	28,329	31,132	29,249	29,452	30,892	537	2%	-1,123	-4%	240	1%
Tax	-6,677	-6,346	-6,974	-6,556	-6,597	-6,920	-121	2%	251	-4%	-54	1%
Other (disc. operations)	-67	-2	-2	-47	-2	-2	-20	43%	0	0%	0	0%
Net profit	23,042	21,981	24,156	22,646	22,852	23,970	396	2%	-871	-4%	186	1%
<i>Adjusted net profit</i>	<i>23,224</i>	<i>22,174</i>	<i>24,273</i>	<i>22,827</i>	<i>23,045</i>	<i>24,087</i>	<i>397</i>	<i>2%</i>	<i>-871</i>	<i>-4%</i>	<i>186</i>	<i>1%</i>
<i>Number of shares (m)*, YE</i>	<i>1,980</i>	<i>1,980</i>	<i>1,980</i>	<i>1,980</i>	<i>1,980</i>	<i>1,980</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>Share buybacks</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n.a.</i>	<i>0</i>	<i>n.a.</i>	<i>0</i>	<i>n.a.</i>
<i>EPS</i>	<i>11.6</i>	<i>11.1</i>	<i>12.2</i>	<i>11.4</i>	<i>11.5</i>	<i>12.1</i>	<i>0.2</i>	<i>2%</i>	<i>-0.4</i>	<i>-4%</i>	<i>0.1</i>	<i>1%</i>
<i>Adjusted EPS</i>	<i>11.7</i>	<i>11.2</i>	<i>12.3</i>	<i>11.5</i>	<i>11.6</i>	<i>12.2</i>	<i>0.2</i>	<i>2%</i>	<i>-0.4</i>	<i>-4%</i>	<i>0.1</i>	<i>1%</i>
<i>DPS***</i>	<i>12.0</i>	<i>10.0</i>	<i>10.3</i>	<i>11.8</i>	<i>10.0</i>	<i>10.3</i>	<i>0.2</i>	<i>2%</i>	<i>0.0</i>	<i>0%</i>	<i>0.0</i>	<i>0%</i>

Source: ABGSC forecasts

* N:o of shares outstanding

** Oktogonen SEK 300m p.a. in 2025e-27e

***Including special DPS of SEK 3.50 for 2025e, SEK 1.00 for 2026e and SEK 0.75 for 2027e

Handelsbanken - Income statement, quarterly								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	11,587	11,746	11,763	11,745	11,347	10,689	10,425	10,179
Net commission income	2,754	2,939	2,966	3,067	2,900	2,866	2,927	3,039
Trading income	750	580	626	1,147	506	-64	545	545
Insurance	125	138	129	30	28	105	83	84
Other income	102	55	59	36	9	28	62	93
Total income	15,318	15,458	15,543	16,025	14,790	13,624	14,042	13,940
Personnel costs	-3,935	-3,990	-3,825	-3,981	-3,789	-3,784	-3,702	-3,755
Other costs	-2,535	-2,430	-2,131	-2,381	-2,236	-2,233	-2,188	-2,485
Total costs	-6,470	-6,420	-5,956	-6,362	-6,025	-6,017	-5,890	-6,240
Profit before loan losses	8,848	9,038	9,587	9,663	8,765	7,607	8,153	7,700
Loan losses	95	133	141	232	54	219	0	-23
Other	-676	-659	-669	-716	-681	-663	-672	-671
Operating profit	8,267	8,512	9,059	9,179	8,138	7,163	7,481	7,006
Tax	-1,874	-1,921	-2,024	-1,976	-1,801	-1,624	-1,676	-1,576
Other	210	203	173	-357	-15	-51	-1	0
Net profit	6,603	6,794	7,208	6,846	6,322	5,488	5,804	5,429
Tax rate	23%	23%	22%	22%	22%	23%	22%	23%
EPS	3.3	3.4	3.6	3.5	3.2	2.8	2.9	2.7
Adjusted net profit	6,611	7,032	7,306	6,967	6,386	5,590	5,814	5,434
Adjusted EPS	3.3	3.6	3.7	3.5	3.2	2.8	2.9	2.7
Key balance sheet data								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	2,297,097	2,301,960	2,293,211	2,297,878	2,281,255	2,302,424	2,288,838	2,304,039
Goodwill & other intangibles	8,603	8,589	8,476	8,426	8,274	8,183	8,152	8,120
Total assets	3,756,288	3,727,558	3,756,046	3,539,173	3,702,091	3,660,767	3,679,071	3,539,455
Shareholders' equity	189,562	195,033	201,067	210,021	183,916	188,546	194,350	199,779
Net asset value	180,959	186,444	192,591	201,595	175,642	180,363	186,198	191,659
Capital adequacy								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. hybrids	162,647	160,292	158,433	155,345	148,127	148,423	150,209	150,115
Tier 1 capital, reported	173,274	170,860	168,512	166,296	158,145	157,896	159,682	159,588
Capital base	193,227	190,567	188,224	193,192	183,568	183,804	185,589	185,495
Risk exposure amount (BIS II/III)	863,310	848,556	842,280	825,457	807,228	808,404	818,105	816,060
Asset quality								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	7,999	8,442	8,574	8,525	8,781	8,001	7,821	7,633
Provisions	-2,322	-2,104	-1,887	-1,614	-1,482	-1,216	-1,224	-1,244
Problem loans, net	5,677	6,338	6,687	6,911	7,299	6,785	6,597	6,389
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	1.27%	1.26%	1.26%	1.29%	1.25%	1.16%	1.14%	1.13%
ROE	13.39%	14.13%	14.56%	13.32%	12.84%	11.79%	12.13%	11.02%
RONAV	14.01%	15.31%	15.42%	14.14%	13.54%	12.56%	12.69%	11.51%
RORWA	3.11%	3.18%	3.41%	3.28%	3.10%	2.72%	2.85%	2.66%
Efficiency								
Adj. cost/income ratio	42%	40%	38%	39%	41%	44%	42%	45%
Adj. cost/assets	0.71%	0.65%	0.63%	0.68%	0.66%	0.65%	0.64%	0.69%
Financial position								
Lending/deposits	162%	163%	166%	175%	160%	163%	165%	170%
REA/total assets	23%	23%	22%	23%	22%	22%	22%	23%
Tier 1 ratio, core	18.8%	18.9%	18.8%	18.8%	18.4%	18.4%	18.4%	18.4%
Tier 1 ratio, reported	20.1%	20.1%	20.0%	20.1%	19.6%	19.5%	19.5%	19.6%
Capital adequacy	22.4%	22.5%	22.3%	23.4%	22.7%	22.7%	22.7%	22.7%
Equity ratio, core	4.3%	4.3%	4.2%	4.4%	4.0%	4.1%	4.1%	4.2%
Asset quality								
Problem loans, gross/lending	0.35%	0.37%	0.37%	0.37%	0.38%	0.35%	0.34%	0.33%
Problem loans, net/lending	0.25%	0.28%	0.29%	0.30%	0.32%	0.29%	0.29%	0.28%
Provision ratio	29.0%	24.9%	22.0%	18.9%	16.9%	15.2%	15.6%	16.3%
Loan losses, net/lending	-0.02%	-0.02%	-0.02%	-0.04%	-0.01%	-0.04%	0.00%	0.00%

Source: Company data, ABGSC forecasts

Financials

Income statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	31,286	32,135	29,962	30,321	36,614	47,578	46,841	42,640	40,950	43,000
Net commission income	10,247	10,697	9,670	11,458	10,981	11,140	11,727	11,732	12,364	12,838
Trading income	908	1,299	1,217	1,699	1,540	2,661	3,103	1,532	2,200	2,222
Insurance income	106	145	194	179	-11	493	422	300	309	318
Other operating income	1,223	288	208	620	1,250	379	252	192	247	252
Total income	43,770	44,564	41,251	44,277	50,374	62,251	62,345	56,397	56,070	58,630
Personnel costs	-13,465	-13,549	-13,907	-12,452	-13,040	-13,642	-15,731	-15,030	-15,463	-16,073
Other operating costs	-7,425	-8,194	-7,020	-7,391	-8,172	-9,539	-9,477	-9,143	-9,274	-9,419
Total operating costs	-20,890	-21,743	-20,927	-19,843	-21,212	-23,181	-25,208	-24,173	-24,737	-25,492
Profit before loan losses	22,880	22,821	20,324	24,434	29,162	39,070	37,137	32,223	31,332	33,138
Loan losses	-881	-1,045	-649	-43	-47	-141	601	250	-200	-200
Investment portfolio	-	-	-	-	-	-	-	-	-	-
Other items	14	20	-880	-916	-2,287	-2,604	-2,720	-2,687	-2,803	-1,806
Operating profit	22,013	21,796	18,795	23,475	26,828	36,325	35,018	29,786	28,329	31,132
Tax	-4,656	-4,871	-4,240	-4,627	-5,431	-8,417	-7,795	-6,677	-6,346	-6,974
Other items after tax	-3	-3	1,028	679	279	1,201	229	-67	-2	-2
Net profit	17,354	16,922	15,583	19,527	21,676	29,109	27,452	23,042	21,981	24,156
Tax rate (%)	21.2	22.3	22.6	19.7	20.2	23.2	22.3	22.4	22.4	22.4
EPS	8.78	8.62	7.87	9.86	10.95	14.70	13.86	11.64	11.10	12.20
Net profit adj.	16,240	16,502	16,567	19,369	20,598	28,833	27,918	23,224	22,174	24,273
EPS adj.	8.22	8.41	8.37	9.78	10.40	14.56	14.10	11.73	11.20	12.26
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	2,189,092	2,292,603	2,269,612	2,163,135	2,315,818	2,291,808	2,297,878	2,304,039	2,343,056	2,395,658
Goodwill and intangibles	10,455	11,185	11,330	8,302	8,402	8,567	8,426	8,120	8,120	8,120
Total assets	2,978,174	3,069,667	3,135,288	3,346,764	3,453,718	3,537,792	3,539,173	3,539,455	3,604,977	3,692,587
Shareholders equity	142,249	159,824	171,464	181,706	194,021	205,077	210,021	199,779	198,006	202,362
Net asset value	131,794	148,639	160,134	173,404	185,619	196,510	201,595	191,659	189,886	194,242
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	118,810	132,731	146,160	149,709	158,551	157,577	155,345	150,115	152,297	156,153
Tier 1 capital, reported	131,463	148,550	158,332	163,222	174,134	172,603	166,296	159,588	161,770	165,626
Capital base	148,659	166,060	175,245	180,458	193,186	200,082	193,192	185,495	187,677	191,533
Risk exposure amount (BIS II)	707,579	716,462	721,403	773,158	810,144	836,790	825,457	816,060	843,565	864,065
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	7,731	8,831	7,002	7,421	5,716	7,064	8,525	7,633	7,417	7,184
Provisions for problem loans	-3,813	-4,574	-3,467	-3,185	-2,459	-2,400	-1,614	-1,244	-1,412	-1,595
Problem loans, net	3,918	4,257	3,535	4,236	3,257	4,664	6,911	6,389	6,005	5,589
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	1.09	1.06	0.97	0.94	1.08	1.36	1.32	1.20	1.15	1.18
ROE (%)	11.96	11.20	9.41	11.06	11.54	14.59	13.23	11.25	11.05	12.07
RONAV (%)	12.03	11.64	10.73	11.61	11.47	15.09	14.03	11.81	11.62	12.64
ROREA (%)	2.85	2.38	2.17	2.61	2.74	3.53	3.30	2.81	2.65	2.83
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	47.24	48.55	47.08	45.23	42.71	37.33	39.68	42.72	44.12	43.48
Costs/assets Core (%)	0.70	0.71	0.63	0.61	0.62	0.66	0.70	0.68	0.69	0.70
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	217.1	205.1	184.6	168.1	175.6	176.5	175.2	176.9	177.0	177.1
REA/assets (%)	23.8	23.3	23.0	23.1	23.5	23.7	23.3	23.1	23.4	23.4
Common equity tier 1 ratio (%)	16.8	18.5	20.3	19.4	19.6	18.8	18.8	18.4	18.1	18.1
Tier 1 ratio, reported (%)	18.6	20.7	21.9	21.1	21.5	20.6	20.1	19.6	19.2	19.2
Capital adequacy (%)	21.0	23.2	24.3	23.3	23.8	23.9	23.4	22.7	22.2	22.2
Equity ratio Core (%)	4.0	4.3	4.7	4.5	4.6	4.5	4.4	4.2	4.2	4.2
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	0.35	0.39	0.31	0.34	0.25	0.31	0.37	0.33	0.32	0.30
Problem loans, net/lending (%)	0.18	0.19	0.16	0.20	0.14	0.20	0.30	0.28	0.26	0.23
Provision ratio (%)	49.3	51.8	49.5	42.9	43.0	34.0	18.9	16.3	19.0	22.2
Loan losses, net/lending (%)	0.04	0.05	0.03	0.00	0.00	0.01	-0.03	-0.01	0.01	0.01

Source: ABG Sundal Collier, Company Data

SEB

Capital markets activity picking up

- Estimates up for 2025e and 2027e...
- ...partly due to stronger equity market-related activity
- Decent absolute return potential

CAGR '25-'27e in adj. net profit of 6%

The SEB shares have recovered since the Q2'25 report on the back of an expected turn-around in corporate and investment banking activity. While global transaction data about the PE industry confirms the latter, general corporate activity appears subdued. Despite that, earnings estimates in SEB should be supported by the buoyant equity markets and strong volume growth in the Baltic banking operations, while it is also the case that cost growth should slow down from here. When assessing our earnings scenario, it is worth noting that net interest income and pre-provisioning earnings bottom out in 2026, which means that expected earnings growth look strong in terms of CAGR in 2025-27e (+6%). When adding cash yields of 7-8% p.a. in 2026-27e (including share buybacks), the absolute return potential should remain decent. The main risk would be if SEB's board were for some reason to not approve of a capitalisation in the middle of SEB's target range (100-300bp above the minimum requirement), as this would jeopardise the capital repatriation story.

Adjusted net profit up for 2025e and 2027e

We have raised our adjusted net profit estimates by 2% for 2025e (NII and net commission income) and 3% for 2027e (NII, net commission income and costs), while our forecast for 2026 is intact. The reason for the latter is that we expect the resolution fund fee to remain in 2026, while it should be abolished from 2027. We have kept our share buyback assumptions unchanged, which means that we expect another SEK 2.5bn programme to be announced in conjunction with the report. Anything else would be taken negatively.

Higher TP partly due to higher earnings estimates

We have raised our target price to SEK 198 (176) due to positive earnings revisions and a closer alignment with our valuation model.

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SEKm	2023	2024	2025e	2026e	2027e
Total income	80,196	81,888	77,920	78,510	82,731
Total operating costs	-27,450	-30,946	-32,722	-33,503	-34,322
Operating profit	47,965	46,046	39,997	40,255	44,947
EPS adj.	18.35	17.94	16.11	16.59	18.99
BVPS	106.99	114.41	115.83	120.75	128.99
NAVPS	103.65	110.19	111.59	116.40	124.53
DPS	11.50	11.50	9.50	8.50	10.00
Total income growth (%)	24.4	2.1	-4.8	0.8	5.4
Total op. costs (%)	9.6	12.7	5.7	2.4	2.4
Op. profit growth (%)	42.2	-4.0	-13.1	0.6	11.7
C/I (%)	34.5	37.8	42.0	42.7	41.5
Loan losses (%)	0.05	0.04	0.08	0.06	0.07

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	0.9	1.2	1.6
Total op costs	0.0	0.2	0.7
Operating profit	1.9	-0.9	3.6
EPS adj.	1.7	-1.0	3.2

Source: ABG Sundal Collier

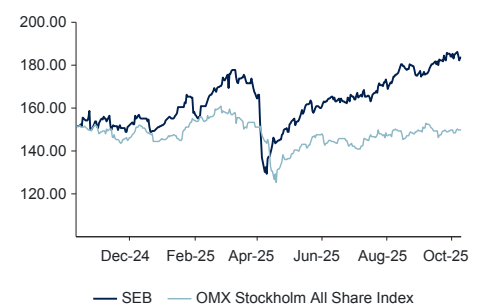
SEB.A-SE/SEBA SS

Share price (SEK)	9/10/2025	182.00
Target price	(176.00)	198.00

MCap (SEKm)	361,973
MCap (EURm)	33,004
No. of shares (m)	1,975.0
Free float (%)	72.8
Av. daily volume (k)	2,886

Next event Q3 Report 23 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	11.3	11.0	9.6
EPS adj. growth (%)	-10.2	3.0	14.5
P/BV (x)	1.57	1.51	1.41
BVPS growth (%)	1.2	4.3	6.8
P/NAV	1.63	1.56	1.46
NAVPS growth	1.3	4.3	7.0
Dividend yield (%)	5.2	4.7	5.5
ROE (%)	13.8	13.9	15.1
RONAV (%)	14.5	14.6	15.8
CET 1 ratio	17.2	16.9	17.1

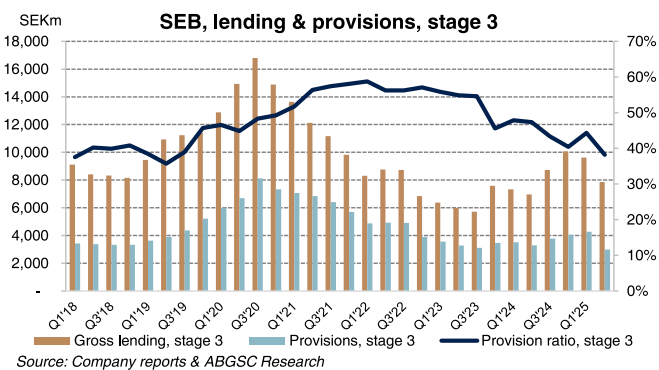
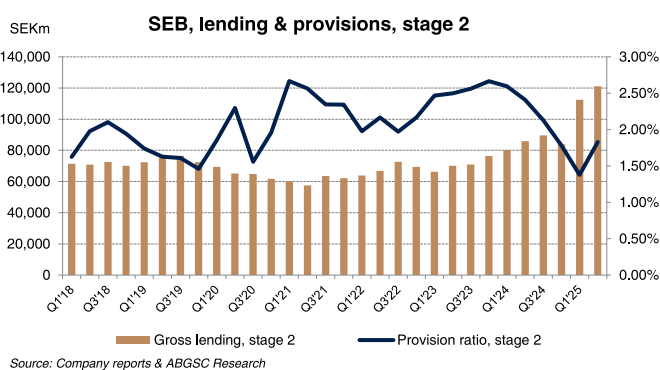
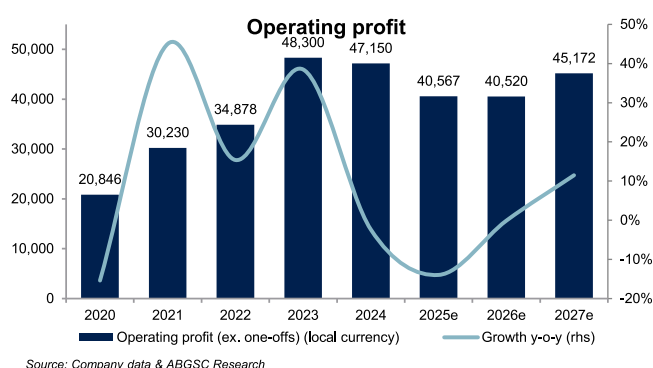
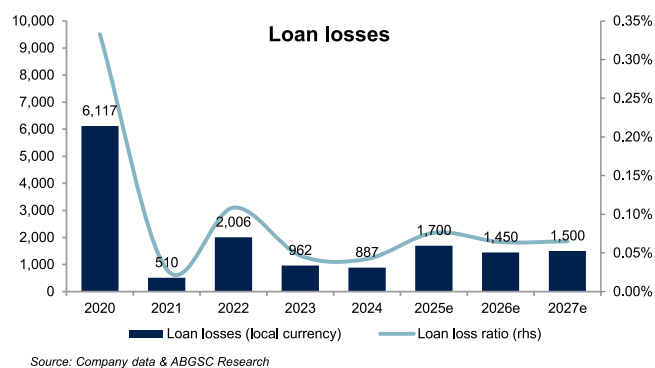
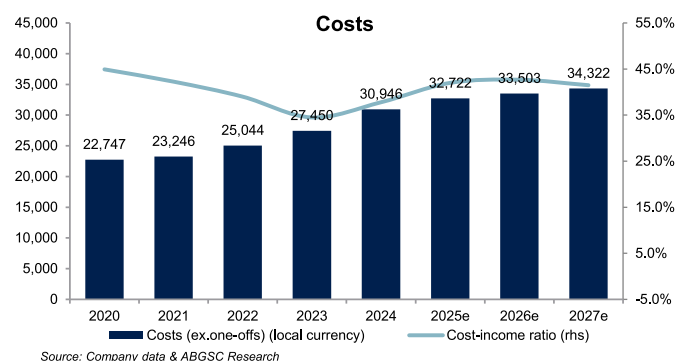
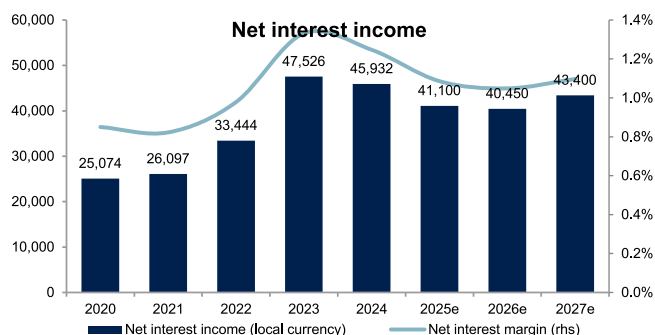
Company description

SEB is one of the four large banks in Sweden. Its operations are primarily based in Sweden, while it is also present in the other Nordic countries through its Large Corporates and Financial Institutions division. It also has a significant exposure in the Baltic banking market (Estonia, Latvia and Lithuania).

Sustainability information

Risks

Weaker than expected asset quality, weaker than expected pre-provisioning earnings trend and regulation (capital requirements, taxes etc.).



Forecast revisions												
	New forecasts			Old forecasts			Diff					
SEKm	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	41,100	40,450	43,400	40,750	40,400	43,000	350	1%	50	0%	400	1%
Net commission income	26,603	27,860	28,927	26,225	27,103	28,143	378	1%	757	3%	785	3%
Trading income	10,150	10,000	10,200	10,150	9,875	10,073	0	0%	125	1%	128	1%
Other Income	67	200	204	67	200	204	0	0%	0	0%	0	0%
Total income	77,920	78,510	82,731	77,192	77,578	81,419	728	1%	932	1%	1,312	2%
Personnel costs	-21,175	-21,870	-22,523	-21,175	-21,925	-22,748	0	0%	54	0%	225	-1%
Other costs	-11,547	-11,632	-11,799	-11,547	-11,632	-11,799	0	0%	0	0%	0	0%
Total costs	-32,722	-33,503	-34,322	-32,722	-33,557	-34,547	0	0%	54	0%	225	-1%
Profit before loan losses	45,197	45,007	48,410	44,470	44,021	46,872	728	2%	986	2%	1,537	3%
Loan losses	-1,700	-1,450	-1,500	-1,700	-1,450	-1,500	0	0%	0	0%	0	0%
Other	-3,500	-3,303	-1,963	-3,500	-1,965	-1,976	0	0%	-1,338	68%	13	-1%
Operating profit	39,997	40,255	44,947	39,270	40,607	43,397	728	2%	-351	-1%	1,550	4%
Tax	-8,399	-8,454	-9,439	-8,234	-8,527	-9,113	-165	2%	74	-1%	-325	4%
Net profit	31,598	31,802	35,508	31,036	32,079	34,283	562	2%	-277	-1%	1,224	4%
<i>Adjusted net profit</i>	<i>32,045</i>	<i>32,050</i>	<i>35,719</i>	<i>31,482</i>	<i>32,327</i>	<i>34,494</i>	<i>562</i>	<i>2%</i>	<i>-277</i>	<i>-1%</i>	<i>1,224</i>	<i>4%</i>
<i>Number of shares*, YE</i>	<i>1,959</i>	<i>1,905</i>	<i>1,856</i>	<i>1,957</i>	<i>1,901</i>	<i>1,849</i>	<i>2</i>	<i>0%</i>	<i>4</i>	<i>0%</i>	<i>7</i>	<i>0%</i>
<i>Share buybacks</i>	<i>10,500</i>	<i>10,000</i>	<i>10,000</i>	<i>10,500</i>	<i>10,000</i>	<i>10,000</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>EPS</i>	<i>15.9</i>	<i>16.5</i>	<i>18.9</i>	<i>15.6</i>	<i>16.6</i>	<i>18.3</i>	<i>0.3</i>	<i>2%</i>	<i>-0.2</i>	<i>-1%</i>	<i>0.6</i>	<i>3%</i>
<i>Adjusted EPS</i>	<i>16.1</i>	<i>16.6</i>	<i>19.0</i>	<i>15.8</i>	<i>16.8</i>	<i>18.4</i>	<i>0.3</i>	<i>2%</i>	<i>-0.2</i>	<i>-1%</i>	<i>0.6</i>	<i>3%</i>
<i>DPS**</i>	<i>9.50</i>	<i>8.50</i>	<i>10.00</i>	<i>9.50</i>	<i>8.50</i>	<i>10.00</i>	<i>0.0</i>	<i>0%</i>	<i>0.0</i>	<i>0%</i>	<i>0.0</i>	<i>0%</i>
Source: ABGSC forecasts							* Number of shares outstanding					

SEB - Income statement, quarterly								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	11,818	11,736	11,266	11,112	10,469	10,342	10,215	10,075
Net commission income	5,625	5,936	6,034	6,508	6,705	6,685	6,453	6,761
Trading income	3,196	2,622	3,561	2,061	2,743	2,468	2,500	2,439
Other Income	44	17	46	306	-96	63	50	50
Total income	20,683	20,311	20,907	19,987	19,821	19,558	19,217	19,324
Personnel costs	-4,795	-4,846	-5,004	-5,426	-5,454	-5,230	-5,235	-5,257
Other costs	-2,364	-2,536	-2,713	-3,262	-2,787	-2,752	-2,741	-3,267
Total costs	-7,159	-7,382	-7,717	-8,688	-8,241	-7,982	-7,976	-8,524
Profit before loan losses	13,524	12,929	13,190	11,299	11,580	11,576	11,242	10,801
Loan losses	-73	-44	-393	-377	-663	-295	-340	-402
Other	-1,133	-1,046	-979	-851	-964	-882	-852	-802
Operating profit	12,318	11,839	11,818	10,071	9,953	10,399	10,050	9,597
Tax	-2,813	-2,424	-2,364	-2,576	-2,129	-2,146	-2,112	-2,013
Net profit	9,505	9,415	9,454	7,495	7,824	8,253	7,938	7,584
Tax rate	23%	20%	20%	26%	21%	21%	21%	21%
EPS	4.6	4.6	4.6	3.7	3.9	4.1	4.0	3.9
Adjusted net profit	9,812	9,682	9,654	7,593	8,012	8,362	8,033	7,639
Adjusted EPS	4.7	4.7	4.7	3.7	4.0	4.2	4.1	3.9
Key balance sheet data								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	2,154,609	2,184,143	2,211,406	2,236,512	2,242,481	2,289,046	2,240,720	2,260,720
Goodwill & other intangibles	7,052	7,030	8,518	8,527	8,305	8,295	8,295	8,296
Total assets	4,127,175	4,150,643	4,141,962	3,758,358	4,086,760	4,110,475	4,110,475	3,812,959
Shareholders' equity	208,947	217,634	224,592	231,148	235,400	216,574	221,992	226,898
Net asset value	201,895	210,604	216,074	222,621	227,095	208,279	213,696	218,602
Capital adequacy								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. Hybrids	175,004	174,743	178,737	166,867	170,155	174,827	178,586	174,568
Tier 1 capital, reported	189,962	189,294	197,962	192,505	185,351	189,374	193,133	189,115
Capital base	211,068	209,736	218,187	213,104	205,207	214,473	218,232	214,214
Risk exposure amount (BIS II/III)	926,500	920,279	923,626	947,860	970,215	989,996	1,012,371	1,012,247
Asset quality								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	10,111	10,021	12,794	14,116	13,350	9,078	9,949	10,862
Provisions	-8,067	-7,730	-7,975	-7,428	-7,525	-7,140	-7,243	-7,407
Problem loans, net	2,044	2,291	4,819	6,688	5,825	1,938	2,706	3,455
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	1.22%	1.13%	1.09%	1.13%	1.07%	1.01%	0.99%	1.02%
ROE	17.7%	17.7%	17.1%	13.2%	13.4%	14.6%	14.5%	13.5%
RONAV	18.8%	18.8%	18.1%	13.8%	14.3%	15.4%	15.2%	14.1%
ROREA	4.18%	4.08%	4.10%	3.20%	3.26%	3.37%	3.17%	3.00%
Efficiency								
Adj. cost/income ratio	35%	36%	37%	43%	42%	41%	42%	44%
Adj. cost/assets	0.74%	0.71%	0.74%	0.88%	0.84%	0.78%	0.78%	0.86%
Financial position								
Lending/deposits	113%	112%	114%	133%	115%	116%	112%	134%
REA/total assets	22%	22%	22%	25%	24%	24%	25%	27%
Tier 1 ratio, core	18.9%	19.0%	19.4%	17.6%	17.5%	17.7%	17.6%	17.2%
Tier 1 ratio, reported	20.5%	20.6%	21.4%	20.3%	19.1%	19.1%	19.1%	18.7%
Capital adequacy	22.8%	22.8%	23.6%	22.5%	21.2%	21.7%	21.6%	21.2%
Equity ratio, core	4.2%	4.2%	4.3%	4.4%	4.2%	4.3%	4.3%	4.6%
Asset quality								
Problem loans, gross/lending	0.47%	0.46%	0.58%	0.63%	0.59%	0.40%	0.44%	0.48%
Problem loans, net/lending	0.09%	0.10%	0.22%	0.30%	0.26%	0.08%	0.12%	0.15%
Provision ratio	79.8%	77.1%	62.3%	52.6%	56.4%	78.7%	72.8%	68.2%
Loan losses, net/lending	0.01%	0.01%	0.07%	0.07%	0.13%	0.06%	0.06%	0.08%

Source: Company data, ABGSC forecasts

Financials

Income statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	21,022	22,950	25,074	26,097	33,444	47,526	45,932	41,100	40,450	43,400
Net commission income	18,364	18,711	18,063	21,142	21,534	21,669	24,103	26,603	27,860	28,927
Trading income	6,079	7,617	7,262	8,235	9,242	9,992	11,440	10,150	10,000	10,200
Insurance income	0	0	0	0	0	0	0	0	0	0
Other operating income	401	858	229	163	259	1,009	413	67	200	204
Total income	45,867	50,136	50,628	55,637	64,479	80,196	81,888	77,920	78,510	82,731
Personnel costs	-14,004	-14,660	-14,976	-15,372	-15,979	-17,559	-20,071	-21,175	-21,870	-22,523
Other operating costs	-7,936	-8,285	-7,771	-7,874	-9,065	-9,891	-10,875	-11,547	-11,632	-11,799
Total operating costs	-21,939	-22,945	-22,747	-23,246	-25,044	-27,450	-30,946	-32,722	-33,503	-34,322
Profit before loan losses	23,927	27,192	27,881	32,392	39,435	52,746	50,942	45,197	45,007	48,410
Loan losses	-1,166	-2,294	-6,117	-510	-2,006	-962	-887	-1,700	-1,450	-1,500
Investment portfolio	0	0	0	0	0	0	0	0	0	0
Other items	4,524	-2	-1,918	-1,019	-3,687	-3,819	-4,009	-3,500	-3,303	-1,963
Operating profit	27,285	24,896	19,846	30,863	33,741	47,965	46,046	39,997	40,255	44,947
Tax	-4,152	-4,717	-4,100	-5,441	-6,861	-9,848	-10,177	-8,399	-8,454	-9,439
Other items after tax	0	0	0	0	0	0	0	0	0	0
Net profit	23,133	20,178	15,746	25,422	26,880	38,117	35,869	31,598	31,802	35,508
Tax rate (%)	15.2	18.9	20.7	17.6	20.3	20.5	22.1	21.0	21.0	21.0
EPS	10.68	9.33	7.28	11.77	12.61	18.20	17.51	15.88	16.46	18.88
Net profit adj.	17,955	19,830	16,746	24,890	27,805	38,429	36,741	32,045	32,050	35,719
EPS adj.	8.29	9.17	7.74	11.52	13.05	18.35	17.94	16.11	16.59	18.99
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	1,644,825	1,837,605	1,770,161	1,846,362	2,065,271	2,101,181	2,236,512	2,260,720	2,303,434	2,358,488
Goodwill and intangibles	8,157	8,186	7,808	7,466	7,186	6,925	8,527	8,296	8,294	8,294
Total assets	2,567,516	2,856,648	3,040,432	3,304,230	3,532,779	3,608,218	3,758,358	3,812,959	3,900,875	4,011,539
Shareholders equity	148,789	155,700	171,943	193,228	204,141	221,775	231,148	226,898	230,089	239,407
Net asset value	140,632	147,514	164,135	185,762	196,955	214,850	222,621	218,602	221,796	231,114
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	125,857	131,155	152,124	154,821	162,956	170,364	166,867	174,568	180,181	187,129
Tier 1 capital, reported	141,108	155,398	164,403	168,375	177,517	184,409	192,505	189,115	194,728	201,676
Capital base	159,331	173,382	181,835	181,737	193,025	199,688	213,104	214,214	221,027	227,975
Risk exposure amount (BIS II)	716,498	745,637	725,560	787,490	859,320	891,992	947,860	1,012,247	1,068,840	1,097,156
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	8,400	11,836	15,590	9,997	7,268	9,023	14,116	10,862	11,456	11,954
Provisions for problem loans	-5,813	-7,366	-10,165	-8,786	-8,613	-7,998	-7,428	-7,407	-7,255	-7,191
Problem loans, net	2,587	4,470	5,425	1,211	-1,345	1,025	6,688	3,455	4,201	4,763
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	0.82	0.85	0.85	0.82	0.98	1.33	1.25	1.09	1.05	1.10
ROE (%)	15.95	13.25	9.61	13.92	13.53	17.90	15.84	13.80	13.92	15.13
RONAV (%)	13.11	13.76	10.75	14.23	14.53	18.66	16.80	14.53	14.56	15.77
ROREA (%)	3.49	2.76	2.14	3.36	3.26	4.35	3.90	3.22	3.06	3.28
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	47.83	46.00	44.93	42.26	39.00	34.49	37.79	41.99	42.67	41.49
Costs/assets Core (%)	0.86	0.85	0.77	0.73	0.73	0.77	0.84	0.86	0.87	0.87
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	148.0	158.2	129.1	115.6	121.4	130.4	133.1	134.2	134.4	134.5
REA/assets (%)	27.9	26.1	23.9	23.8	24.3	24.7	25.2	26.5	27.4	27.4
Common equity tier 1 ratio (%)	17.6	17.6	21.0	19.7	19.0	19.1	17.6	17.2	16.9	17.1
Tier 1 ratio, reported (%)	19.7	20.8	22.7	21.4	20.7	20.7	20.3	18.7	18.2	18.4
Capital adequacy (%)	22.2	23.3	25.1	23.1	22.5	22.4	22.5	21.2	20.7	20.8
Equity ratio Core (%)	4.9	4.6	5.0	4.7	4.6	4.7	4.4	4.6	4.6	4.7
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	0.51	0.65	0.89	0.54	0.35	0.43	0.63	0.48	0.50	0.51
Problem loans, net/lending (%)	0.16	0.24	0.31	0.07	-0.07	0.05	0.30	0.15	0.18	0.20
Provision ratio (%)	69.2	62.2	65.2	87.9	118.5	88.6	52.6	68.2	63.3	60.2
Loan losses, net/lending (%)	0.08	0.14	0.33	0.03	0.11	0.05	0.04	0.08	0.06	0.07

Source: ABG Sundal Collier, Company Data

Swedbank

A cost-cutting sheriff is in town

- Updated cost guidance for 2025 to set the base for 2026-27
- Adj. EPS up for 2025e and 2027e
- Still decent absolute return potential

Profitability in focus

With Swedbank's new CFO, a well needed improvement of cost efficiency seems to be underway. Having talked about it since he assumed office in conjunction with the Q4'25 report, he now seems to be walking the talk with headcount continuing down in H1'25. This rhymes well with our view that Swedbank must be fierce when it comes to cost efficiency, targeting at least 15% ROE on a capital adjusted basis in '25e-'27e. We therefore look forward to the revisited cost guidance for '25 in conjunction with the Q3 report. In addition to the disciplinary impact on cost management from the ROE target, we also like the exceptional volume growth in the Baltic banking market and the outlook for further VAT recoveries (for 2019-23). Judging by the levels in Q1-Q3'25 (pre-announced) this could amount to ~SEK 1bn. Finally, it adds to credibility of the ROE-enhancing efforts that Swedbank deals with the underperforming Entercard, although the short-term effects from a full consolidation (from 2026?) will look ugly. On the negative side, we dislike the margin pressure in the Swedish household mortgage segment. Although the stock has done exceptionally well YTD, we still see decent absolute return potential.

Adj. EPS up for 2025e and 2027e

Our adj. EPS estimates are up 2% for 2025 (NII and costs) and 3% for 2027 (NII, net commission income, trading income and costs), while we have cut our forecast for 2026 marginally. Although we have raised our expectations for net commission income and trading income and cut our cost forecast also for 2026, this is offset by us factoring in the resolution fund fee for one more year.

Higher TP due to estimate revisions and lower risk

We have raised our target price to SEK 313 (276), due to positive earnings revisions and a lower risk level (litigation (SEC) and P2R buffer from the SFSA).

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SEKm	2023	2024	2025e	2026e	2027e
Total income	73,057	74,105	67,349	66,660	71,124
Total operating costs	-24,103	-25,356	-25,355	-26,239	-26,792
Operating profit	43,621	44,209	38,373	36,700	41,551
EPS adj.	31.92	31.89	27.01	26.07	29.37
BVPS	176.71	194.50	198.20	205.03	213.57
NAVPS	159.61	177.21	180.76	187.60	196.21
DPS	15.15	21.68	18.82	20.51	23.24
Total income growth (%)	40.4	1.4	-9.1	-1.0	6.7
Total.op.costs (%)	15.8	5.2	-0.0	3.5	2.1
Op. profit growth (%)	63.0	1.3	-13.2	-4.4	13.2
C/I (%)	33.0	34.3	38.3	39.4	37.7
Loan losses (%)	0.09	-0.01	0.03	0.05	0.05

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	0.8	0.3	0.9
Total op costs	0.8	0.8	1.7
Operating profit	1.9	-1.2	2.6
EPS adj.	1.9	-1.1	2.6

Source: ABG Sundal Collier

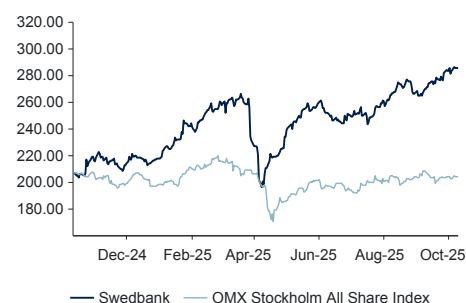
SWED.A-SE/SWEDA SS

Share price (SEK)	9/10/2025	285.40
Target price	(276.00)	313.00

MCap (SEKm)	320,854
MCap (EURm)	29,255
No. of shares (m)	1,124.2
Free float (%)	82.0
Av. daily volume (k)	2,668

Next event Q3 Report 23 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	10.6	10.9	9.7
EPS adj. growth (%)	-15.3	-3.5	12.6
P/BV (x)	1.44	1.39	1.34
BVPS growth (%)	1.9	3.4	4.2
P/NAV	1.58	1.52	1.45
NAVPS growth	2.0	3.8	4.6
Dividend yield (%)	6.6	7.2	8.1
ROE (%)	13.7	12.7	13.9
RONAV (%)	15.1	14.2	15.3
CET 1 ratio	20.0	19.9	20.0

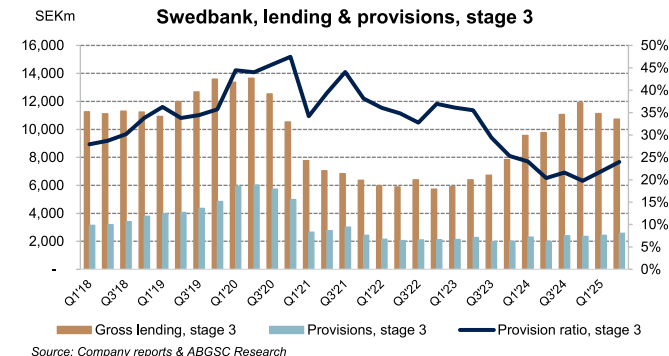
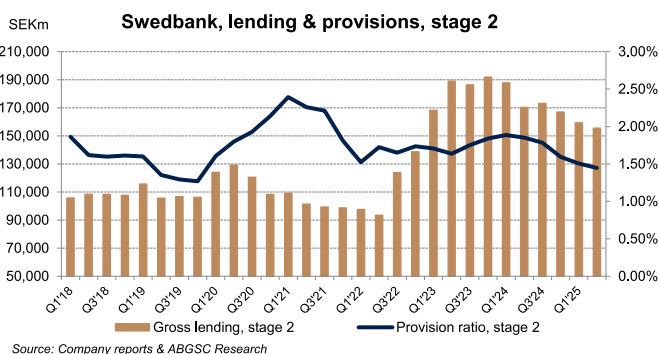
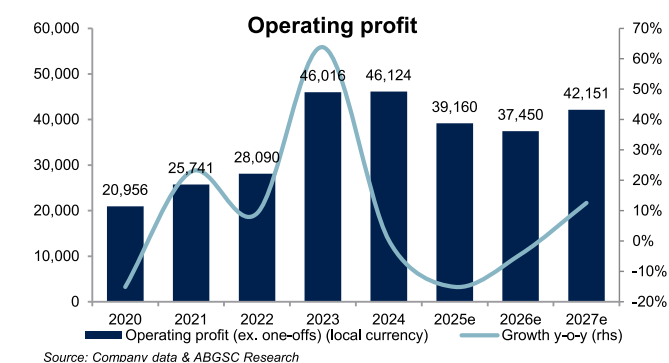
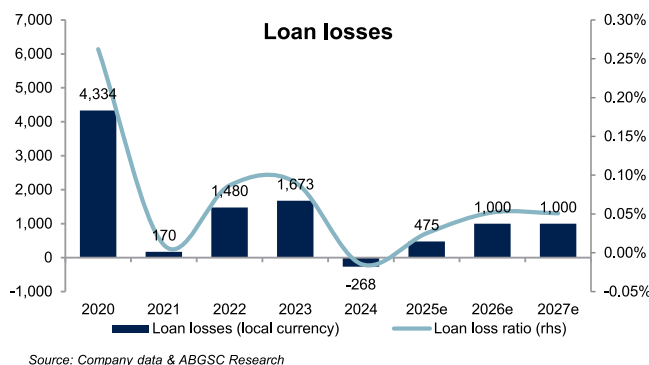
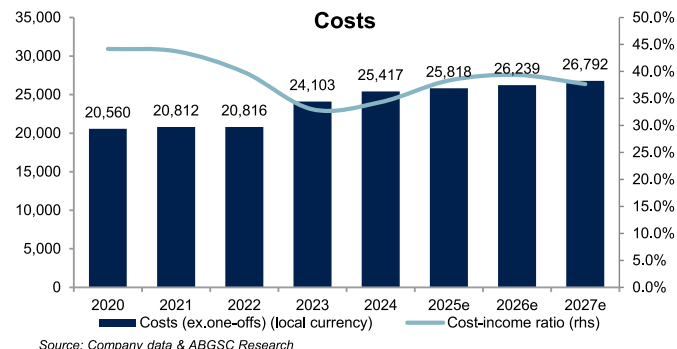
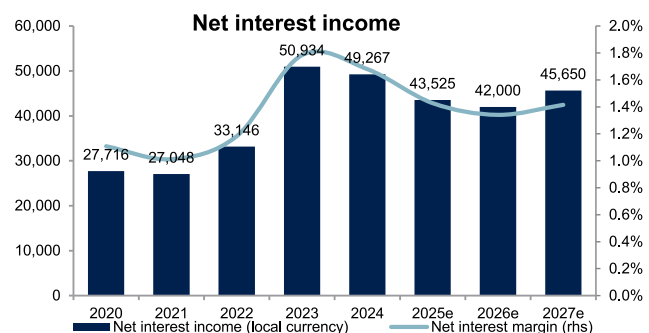
Company description

Swedbank is one of the four large banks in Sweden. Its operations are primarily based in Sweden, where it has a more rural exposure than peers, while it also has a significant exposure in the Baltic banking market (Estonia, Latvia and Lithuania).

Sustainability information

Risks

Weaker than expected asset quality, weaker than expected pre-provisioning earnings trend and regulation (capital requirements, taxes etc.).



Forecast revisions												
SEKm	New forecasts			Old forecasts			Diff					
	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	43,525	42,000	45,650	43,125	42,225	45,475	400	1%	-225	-1%	175	0%
Net commission income	16,357	17,122	17,785	16,276	16,904	17,555	81	0%	217	1%	230	1%
Trading income	2,772	2,750	2,805	2,770	2,600	2,652	2	0%	150	6%	153	6%
Insurance	1,775	1,811	1,847	1,743	1,778	1,813	32	2%	33	2%	33	2%
Other income	2,920	2,978	3,038	2,900	2,958	3,017	20	1%	20	1%	21	1%
Total income	67,349	66,660	71,124	66,814	66,465	70,512	535	1%	195	0%	612	1%
Personnel costs	-15,163	-15,520	-16,061	-15,159	-15,589	-16,209	-4	0%	69	0%	148	-1%
Other costs	-10,192	-10,719	-10,730	-10,391	-10,862	-11,046	199	-2%	143	-1%	316	-3%
Total costs	-25,355	-26,239	-26,792	-25,550	-26,452	-27,255	195	-1%	212	-1%	464	-2%
Profit before loan losses	41,994	40,421	44,333	41,264	40,014	43,257	730	2%	407	1%	1,076	2%
Loan losses	-475	-1,000	-1,000	-475	-1,000	-1,000	0	0%	0	0%	0	0%
Other	-3,146	-2,722	-1,781	-3,146	-1,886	-1,770	0	0%	-836	44%	-11	1%
Operating profit	38,373	36,700	41,551	37,643	37,128	40,487	730	2%	-428	-1%	1,064	3%
Tax	-8,151	-7,871	-8,886	-7,995	-7,961	-8,663	-157	2%	90	-1%	-224	3%
Net profit	30,222	28,828	32,665	29,648	29,166	31,825	573	2%	-338	-1%	841	3%
<i>Adjusted net profit</i>	<i>30,376</i>	<i>29,314</i>	<i>33,018</i>	<i>29,803</i>	<i>29,652</i>	<i>32,177</i>	<i>573</i>	<i>2%</i>	<i>-338</i>	<i>-1%</i>	<i>841</i>	<i>3%</i>
<i>Number of shares (m)*, YE</i>	<i>1,124</i>	<i>1,124</i>	<i>1,124</i>	<i>1,124</i>	<i>1,124</i>	<i>1,124</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>Share buybacks</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>n.a.</i>	<i>0</i>	<i>n.a.</i>	<i>0</i>	<i>n.a.</i>
<i>EPS</i>	<i>26.9</i>	<i>25.6</i>	<i>29.1</i>	<i>26.4</i>	<i>25.9</i>	<i>28.3</i>	<i>0.5</i>	<i>2%</i>	<i>-0.3</i>	<i>-1%</i>	<i>0.7</i>	<i>3%</i>
<i>Adjusted EPS</i>	<i>27.0</i>	<i>26.1</i>	<i>29.4</i>	<i>26.5</i>	<i>26.4</i>	<i>28.6</i>	<i>0.5</i>	<i>2%</i>	<i>-0.3</i>	<i>-1%</i>	<i>0.7</i>	<i>3%</i>
<i>DPS</i>	<i>18.8</i>	<i>20.5</i>	<i>23.2</i>	<i>18.5</i>	<i>20.8</i>	<i>22.6</i>	<i>0.4</i>	<i>2%</i>	<i>-0.2</i>	<i>-1%</i>	<i>0.6</i>	<i>3%</i>
Source: ABGSC forecasts							* Number of shares outstanding					

Swedbank - Income statement, quarterly								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	12,599	12,165	12,229	12,274	11,489	10,917	10,720	10,399
Net commission income	3,976	4,169	4,286	4,285	4,052	3,902	4,184	4,220
Trading income	682	911	1,170	923	541	856	675	700
Insurance	267	291	557	415	470	523	400	382
Other income	564	700	904	737	776	762	760	622
Total income	18,088	18,236	19,146	18,634	17,328	16,960	16,739	16,322
Personnel costs	-3,700	-3,785	-3,710	-3,831	-3,831	-3,767	-3,715	-3,850
Other costs	-2,481	-2,675	-2,271	-2,902	-2,284	-2,352	-2,405	-3,150
Total costs	-6,181	-6,460	-5,981	-6,733	-6,115	-6,119	-6,120	-7,000
Profit before loan losses	11,907	11,776	13,165	11,901	11,213	10,841	10,619	9,323
Loan losses	-144	289	-271	394	141	-151	-225	-240
Other	-1,104	-1,077	-1,012	-1,615	-929	-676	-796	-746
Operating profit	10,659	10,988	11,882	10,680	10,425	10,014	9,598	8,337
Tax	-2,227	-2,388	-2,498	-2,208	-2,228	-2,130	-2,025	-1,768
Other	0	0	0	0	0	0	0	0
Net profit	8,432	8,600	9,384	8,472	8,197	7,884	7,573	6,569
Tax rate	21%	22%	21%	21%	21%	21%	21%	21%
EPS	7.5	7.6	8.3	7.5	7.3	7.0	6.7	5.8
<i>Adjusted net profit</i>	<i>8,879</i>	<i>8,907</i>	<i>9,539</i>	<i>8,556</i>	<i>8,320</i>	<i>7,738</i>	<i>7,602</i>	<i>6,717</i>
<i>Adjusted EPS</i>	<i>7.9</i>	<i>7.9</i>	<i>8.5</i>	<i>7.6</i>	<i>7.4</i>	<i>6.9</i>	<i>6.8</i>	<i>6.0</i>
Key balance sheet data								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	1,890,048	1,896,756	1,916,355	1,882,244	1,922,526	1,969,522	1,976,903	1,923,934
Goodwill & other intangibles	19,695	19,639	19,768	19,453	19,028	19,508	19,556	19,605
Total assets	3,079,424	3,067,911	3,134,045	3,009,697	3,099,331	3,132,442	3,132,442	3,087,103
Shareholders' equity	192,113	199,612	208,825	218,874	200,394	208,681	216,254	222,823
Net asset value	172,418	179,973	189,057	199,421	181,366	189,173	196,698	203,218
Capital adequacy								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. hybrids	166,143	170,510	174,816	172,620	172,843	175,081	177,283	179,180
Tier 1 capital, reported	187,988	192,269	191,178	189,809	188,906	190,658	192,860	194,757
Capital base	208,908	212,259	211,344	209,547	207,271	209,222	211,424	213,321
Risk exposure amount (BIS II/III)	859,345	847,922	857,827	871,902	876,721	888,540	886,763	897,847
Asset quality								
SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	9,569	9,769	11,072	11,903	11,127	10,738	11,021	11,493
Provisions	-7,320	-6,575	-6,880	-6,247	-6,133	-6,197	-6,271	-6,365
Problem loans, net	2,249	3,194	4,192	5,656	4,994	4,541	4,751	5,128
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	1.70%	1.58%	1.58%	1.60%	1.50%	1.40%	1.37%	1.34%
ROE	17.26%	17.56%	18.38%	15.85%	15.64%	15.42%	14.26%	11.97%
RONAV	20.18%	20.22%	20.68%	17.62%	17.48%	16.71%	15.76%	13.44%
ROREA	3.95%	4.03%	4.40%	3.92%	3.75%	3.57%	3.41%	2.94%
Efficiency								
Adj. cost/income ratio	34%	35%	32%	36%	36%	37%	38%	43%
Adj. cost/assets	0.83%	0.84%	0.78%	0.88%	0.81%	0.81%	0.81%	0.90%
Financial position								
Lending/deposits	148%	147%	150%	146%	149%	149%	148%	146%
RWA/total assets	28%	28%	27%	29%	28%	28%	28%	29%
Tier 1 ratio, core	19.3%	20.1%	20.4%	19.8%	19.7%	19.7%	20.0%	20.0%
Tier 1 ratio, reported	21.9%	22.7%	22.3%	21.8%	21.5%	21.5%	21.7%	21.7%
Capital adequacy	24.3%	25.0%	24.6%	24.0%	23.6%	23.5%	23.8%	23.8%
Equity ratio, core	5.4%	5.6%	5.6%	5.7%	5.6%	5.6%	5.7%	5.8%
Asset quality								
Problem loans, gross/lending	0.50%	0.51%	0.58%	0.63%	0.58%	0.54%	0.56%	0.60%
Problem loans, net/lending	0.12%	0.17%	0.22%	0.30%	0.26%	0.23%	0.24%	0.27%
Provision ratio	76.5%	67.3%	62.1%	52.5%	55.1%	57.7%	56.9%	55.4%
Loan losses, net/lending	0.03%	-0.06%	0.06%	-0.08%	-0.03%	0.03%	0.05%	0.05%

Source: Company data, ABGSC forecasts

Income statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	25,228	25,989	27,716	27,048	33,146	50,934	49,267	43,525	42,000	45,650
Net commission income	12,836	12,984	12,770	14,853	14,113	15,089	16,717	16,357	17,122	17,785
Trading income	2,112	3,629	2,655	2,048	1,939	2,937	3,686	2,772	2,750	2,805
Insurance income	1,192	1,465	1,518	1,457	530	1,526	1,530	1,775	1,811	1,847
Other operating income	2,854	1,893	1,880	2,274	2,298	2,571	2,905	2,920	2,978	3,038
Total income	44,222	45,960	46,539	47,680	52,026	73,057	74,105	67,349	66,660	71,124
Personnel costs	-10,284	-11,119	-11,873	-12,739	-12,831	-13,944	-15,026	-15,163	-15,520	-16,061
Other operating costs	-6,551	-8,865	-8,687	-8,200	-7,986	-10,159	-10,330	-10,192	-10,719	-10,730
Total operating costs	-16,835	-19,984	-20,560	-20,939	-20,816	-24,103	-25,356	-25,355	-26,239	-26,792
Profit before loan losses	27,387	25,976	25,979	26,741	31,210	48,954	48,749	41,994	40,421	44,333
Loan losses	-521	-1,469	-4,334	-170	-1,480	-1,673	268	-475	-1,000	-1,000
Investment portfolio	0	0	0	0	0	0	0	0	0	0
Other items	-314	-87	-4,865	-847	-2,968	-3,660	-4,808	-3,146	-2,722	-1,781
Operating profit	26,552	24,420	16,780	25,724	26,762	43,621	44,209	38,373	36,700	41,551
Tax	-5,374	-4,711	-3,851	-4,945	-5,395	-9,492	-9,321	-8,151	-7,871	-8,886
Other items after tax	-16	-12	0	-1	-3	-2	0	0	0	0
Net profit	21,162	19,697	12,929	20,778	21,364	34,127	34,888	30,222	28,828	32,665
Tax rate (%)	20.2	19.3	22.9	19.2	20.2	21.8	21.1	21.2	21.4	21.4
EPS	18.98	17.63	11.55	18.54	19.04	30.36	31.01	26.87	25.64	29.06
Net profit adj.	19,972	19,582	16,646	20,294	22,019	35,875	35,881	30,376	29,314	33,018
EPS adj.	17.91	17.52	14.87	18.11	19.62	31.92	31.89	27.01	26.07	29.37
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	1,627,368	1,652,296	1,680,987	1,703,206	1,842,811	1,863,375	1,882,244	1,923,934	1,967,172	2,014,220
Goodwill and intangibles	16,809	17,421	17,677	18,518	18,823	19,231	19,453	19,605	19,593	19,513
Total assets	2,246,092	2,408,228	2,594,642	2,750,617	2,854,646	2,855,519	3,009,697	3,087,103	3,177,673	3,274,342
Shareholders equity	137,396	138,608	155,168	161,670	176,052	198,760	218,874	222,823	230,496	240,099
Net asset value	120,587	121,187	137,491	143,152	157,229	179,529	199,421	203,218	210,903	220,586
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	103,812	110,073	120,496	129,644	144,107	160,660	172,620	179,180	184,902	191,435
Tier 1 capital, reported	114,761	126,226	128,848	143,022	153,320	174,848	189,809	194,757	200,479	207,012
Capital base	136,993	141,554	144,737	158,552	176,331	195,648	209,547	213,321	219,043	225,576
Risk exposure amount (BIS II)	637,882	649,237	689,594	707,753	809,438	847,121	871,902	897,847	929,469	957,745
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	11,239	13,593	10,530	6,362	5,738	7,855	11,903	11,493	12,845	14,226
Provisions for problem loans	-6,026	-6,684	-8,169	-5,022	-6,049	-7,127	-6,247	-6,365	-6,610	-6,819
Problem loans, net	5,213	6,909	2,361	1,340	-311	728	5,656	5,128	6,234	7,407
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	1.13	1.12	1.11	1.01	1.18	1.78	1.68	1.43	1.34	1.42
ROE (%)	15.63	14.27	8.80	13.12	12.65	18.21	16.71	13.68	12.72	13.88
RONAV (%)	16.79	16.20	12.87	14.46	14.66	21.31	18.94	15.09	14.16	15.30
ROREA (%)	4.05	3.06	1.93	2.97	2.82	4.12	4.06	3.42	3.16	3.46
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	39.52	42.79	44.18	43.75	39.86	32.99	34.33	38.33	39.36	37.67
Costs/assets Core (%)	0.76	0.84	0.82	0.78	0.74	0.84	0.87	0.85	0.84	0.83
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	176.7	173.2	146.4	134.6	141.1	151.0	146.1	146.1	145.5	145.0
REA/assets (%)	28.4	27.0	26.6	25.7	28.4	29.7	29.0	29.1	29.3	29.3
Common equity tier 1 ratio (%)	16.3	17.0	17.5	18.3	17.8	19.0	19.8	20.0	19.9	20.0
Tier 1 ratio, reported (%)	18.0	19.4	18.7	20.2	18.9	20.6	21.8	21.7	21.6	21.6
Capital adequacy (%)	21.5	21.8	21.0	22.4	21.8	23.1	24.0	23.8	23.6	23.6
Equity ratio Core (%)	4.6	4.6	4.6	4.7	5.0	5.6	5.7	5.8	5.8	5.8
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	0.69	0.83	0.63	0.37	0.31	0.42	0.63	0.60	0.66	0.71
Problem loans, net/lending (%)	0.32	0.42	0.14	0.08	-0.02	0.04	0.30	0.27	0.32	0.37
Provision ratio (%)	53.6	49.2	77.6	78.9	105.4	90.7	52.5	55.4	51.5	47.9
Loan losses, net/lending (%)	0.03	0.09	0.26	0.01	0.09	0.09	-0.01	0.03	0.05	0.05

Source: ABG Sundal Collier, Company Data

Danske Bank

Expectations up after recent outperformance

- Q3e: Stable PBLL y-o-y amid NII decline and fee uptick
- Adj. EPS +/- 0% for '25e-'27e; downside risk to costs?
- Recent outperformance raises expectations: BUY

Q3e: Stable PBLL y-o-y; income drop offset by costs

For Q3e we expect NII of DKK 8.97bn, down 1% q-o-q and 2% y-o-y, as the margin hit amid lower folio rates is only partly offset by Danske's structural hedging and a disciplined market. Following a soft Q2 we expect a slight pick-up in commission income, given gradually improving capital markets and higher investment fees. We pencil in DKK 420m insurance income, in line with Danske's soft guidance. With limited changes to other income lines, we end at a total income of DKK 13.8bn. This feeds through to profit before loan losses of DKK 7.6bn, stable q-o-q and y-o-y.

Adj. EPS +/-0% for '25e-'27e; downside risk to costs?

Ahead of Q3e we leave our long-term '27e rate assumptions for the BoE and the ECB unchanged, although a slightly delayed rate cut by the ECB (i.e. we still expect a 25bps cut by Dec '25) should provide some short-term NII tailwind. Combined with what seems to be continued discipline among Danish banks, the NII is up +0.5%/+0.4%/+0.2% for '25e-'27e. We raise our cost estimates somewhat, partly due to keeping Swedish resolution fees also through '26e, but we highlight the downside risk if Danske successfully executes its ongoing efficiency programme ('26e C/I at 46% vs. targeted ~45%). We keep loan losses broadly unchanged (mgmt. overlays are still high at ~34bp), resulting in adj. EPS being largely unchanged at -0%/-1%/-1% for '25e-'27e. Due to temporary insurance-related effects, our '25e CET1 ratio drops ~50bps, but we leave it largely unchanged for '26e-'27e at ~16%.

Trading at overly high discount to peers

Danske is trading at a '25e P/NAV of 1.29x and a '27e RONAV of 14.4%; an attractive valuation both in absolute terms and vs. Nordic peers. We reiterate BUY with a TP of DKK 292 (278), closer to our fundamental value.

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DKKmn	2023	2024	2025e	2026e	2027e
Total income	52,421	56,405	56,238	56,348	57,760
Total operating costs	-25,477	-25,736	-25,838	-25,884	-25,955
Operating profit	26,681	31,212	29,612	29,763	31,133
EPS adj.	24.70	27.74	27.19	28.13	30.55
BVPS	204.28	210.91	216.79	219.03	225.77
NAVPS	197.23	202.82	207.85	209.78	216.12
DPS	14.50	28.70	20.00	21.00	22.00
Total income growth (%)	25.4	7.6	-0.3	0.2	2.5
Total op. costs (%)	-39.2	1.0	0.4	0.2	0.3
Op. profit growth (%)	-1,672.2	17.0	-5.1	0.5	4.6
C/I (%)	45.6	45.7	45.9	45.9	44.9
Loan losses (%)	0.01	-0.03	0.05	0.04	0.04

Source: ABG Sundal Collier, Company Data

[Click here for individual report](#)

Reason: Preview of results

BUY



HOLD



SELL



Financials

Estimate changes (%)

	2025e	2026e	2027e
Total income	0.4	0.2	0.1
Total op costs	-1.1	-1.4	-0.2
Operating profit	-0.1	-0.7	-0.4
EPS adj.	-0.2	-0.9	-0.8

Source: ABG Sundal Collier

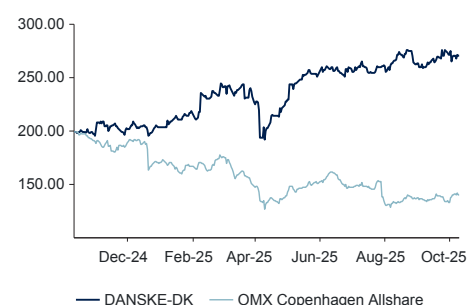
DANSKE-DK/DANSKE DC

Share price (DKK)	9/10/2025	271.40
Target price	(278.00)	292.00

MCap (DKKmn)	223,681
MCap (EURmn)	29,957
No. of shares (m)	835.0
Free float (%)	76.2
Av. daily volume (k)	1,426

Next event Q3 Report 31 October 2025

Performance



	2025e	2026e	2027e
P/E adj. (x)	10.0	9.6	8.9
EPS adj. growth (%)	-2.0	3.4	8.6
P/BV (x)	1.25	1.24	1.20
BVPS growth (%)	2.8	1.0	3.1
P/NAV	1.31	1.29	1.26
NAVPS growth	2.5	0.9	3.0
Dividend yield (%)	7.4	7.7	8.1
ROE (%)	12.7	12.9	13.7
RONAV (%)	13.2	13.5	14.4
CET 1 ratio	16.8	16.1	16.0

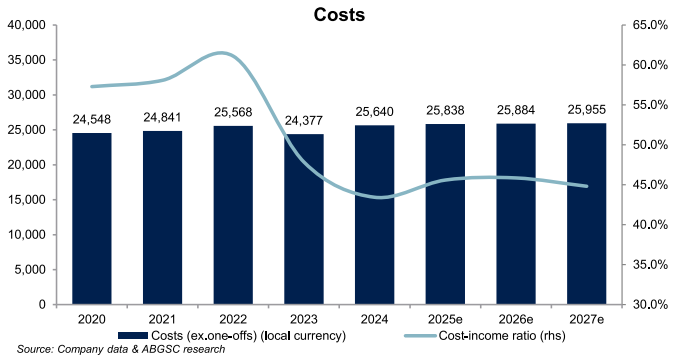
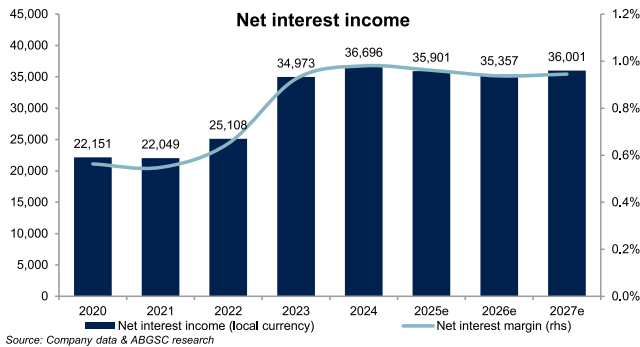
Company description

Danske Bank is the largest Danish bank, with a Danish market share of 25-30% across product categories such as mortgage lending, corporate lending and asset management. It also has a significant presence in Norway, Finland and Sweden. Its dividend policy is to pay out 40-60% of profit, and Danske is expected to distribute significantly capital ahead to reach its new financial ambition towards 2028.

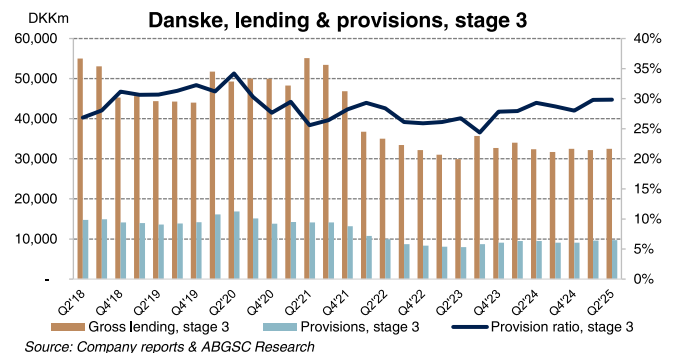
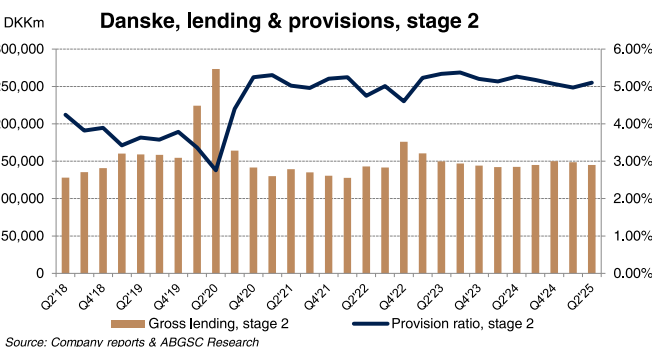
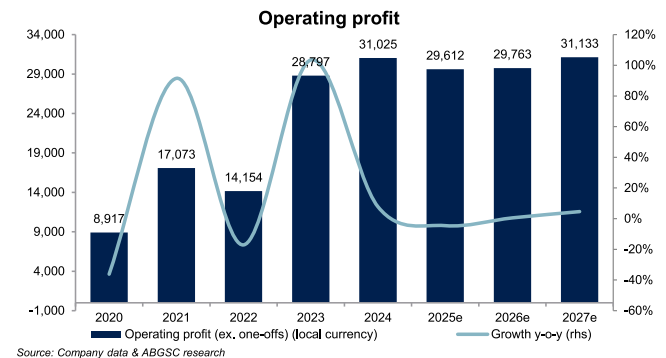
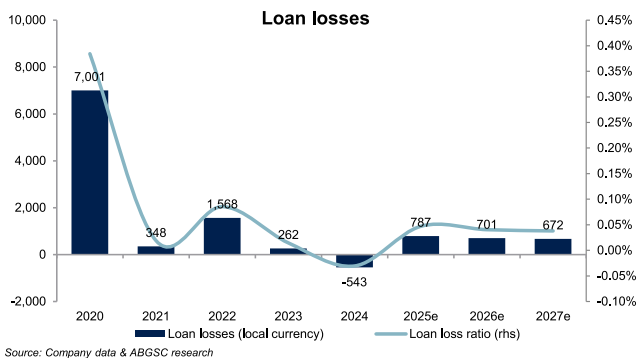
[Sustainability information](#)

Risks

Danske has put behind themselves its Estonian money laundering case as well as debt collection failure, however they still have significant higher regulatory costs to end these complex cases. Regulatory risks are significant, but Danske has invested heavily into the anti-money laundry and there could be challenges of cutting back on compliance costs in time. New regulations such as Basel IV, MREL and IFRS 9 are and will be fully implemented over the coming years. We see potential post COVID-19 bankruptcies as the largest credit risk for Danske.



Source: Company, ABG Sundal Collier



Forecast revisions												
DKK M	New forecasts			Old forecasts			Diff					
	2025e	2026e	2027e	2025e	2026e	2027e	2025e		2026e		2027e	
Net interest income	35,901	35,357	36,001	35,734	35,227	35,926	168	0%	130	0%	75	0%
Net commission income	14,854	15,556	16,164	14,888	15,573	16,181	-34	0%	-17	0%	-17	0%
Trading income	3,261	3,075	3,125	3,186	3,075	3,125	75	2%	0	0%	0	0%
Insurance	1,554	1,650	1,700	1,516	1,625	1,675	38	3%	25	2%	25	1%
Other income	667	710	770	667	710	770	0	0%	0	0%	0	0%
Total income	56,238	56,348	57,760	55,991	56,209	57,677	247	0%	138	0%	84	0%
Personnel costs	-16,339	-16,670	-16,801	-16,194	-16,540	-16,782	-144	1%	-130	1%	-19	0%
Other costs	-9,500	-9,214	-9,154	-9,356	-8,999	-9,109	-143	2%	-215	2%	-45	0%
Total costs	-25,838	-25,884	-25,955	-25,551	-25,538	-25,891	-288	1%	-345	1%	-64	0%
Profit before loan losses	30,399	30,464	31,805	30,440	30,671	31,786	-41	0%	-207	-1%	19	0%
Loan losses	-787	-701	-672	-787	-701	-538	0	0%	0	0%	-134	25%
Operating profit, core	29,612	29,763	31,133	29,653	29,970	31,248	-41	0%	-207	-1%	-115	0%
Non-core	0	0	0	0	0	0	0	n.m	0	n.m	0	n.m
Operating profit	29,612	29,763	31,133	29,653	29,970	31,248	-41	0%	-207	-1%	-115	0%
Tax	-7,242	-7,306	-7,643	-7,252	-7,357	-7,671	10	0%	51	-1%	28	0%
Net profit	22,370	22,457	23,490	22,402	22,613	23,577	-31	0%	-156	-1%	-87	0%
<i>Adjusted net profit</i>	<i>22,370</i>	<i>22,457</i>	<i>23,490</i>	<i>22,402</i>	<i>22,613</i>	<i>23,577</i>	<i>-31</i>	<i>0%</i>	<i>-156</i>	<i>-1%</i>	<i>-87</i>	<i>0%</i>
<i>Number of shares*, YE</i>	<i>812</i>	<i>785</i>	<i>753</i>	<i>812</i>	<i>782</i>	<i>749</i>	<i>1</i>	<i>0%</i>	<i>3</i>	<i>0%</i>	<i>5</i>	<i>1%</i>
<i>Share buybacks</i>	<i>5,000</i>	<i>7,500</i>	<i>8,500</i>	<i>5,000</i>	<i>7,500</i>	<i>8,500</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>EPS</i>	<i>27.2</i>	<i>28.1</i>	<i>30.6</i>	<i>27.2</i>	<i>28.4</i>	<i>30.8</i>	<i>-0.05</i>	<i>0%</i>	<i>-0.25</i>	<i>-1%</i>	<i>-0.26</i>	<i>-1%</i>
Adjusted EPS	27.2	28.1	30.6	27.2	28.4	30.8	-0.05	0%	-0.25	-1%	-0.26	-1%
<i>DPS</i>	<i>20.0</i>	<i>21.0</i>	<i>22.0</i>	<i>20.0</i>	<i>21.0</i>	<i>22.0</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>	<i>0.00</i>	<i>0%</i>

Source: ABGSC forecasts

* Number of shares outstanding

Danske Bank - Income statement, quarterly								
DKKmn	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Net interest income	9,142	9,145	9,165	9,244	9,020	9,063	8,967	8,851
Net commission income	3,376	3,698	3,329	4,509	3,658	3,409	3,492	4,295
Trading income	769	608	733	559	882	854	800	725
Insurance	492	457	459	-20	201	513	420	420
Other income	176	147	140	277	170	147	175	175
Total income	13,955	14,055	13,826	14,569	13,931	13,986	13,854	14,466
Personnel costs	-4,038	-4,038	-3,957	-3,921	-4,084	-4,139	-3,969	-4,146
Other costs	-2,299	-2,443	-2,271	-2,769	-2,207	-2,240	-2,289	-2,764
Total costs	-6,337	-6,481	-6,228	-6,690	-6,291	-6,379	-6,258	-6,910
Profit before loan losses	7,618	7,574	7,598	7,879	7,640	7,607	7,596	7,557
Loan losses	-101	200	337	107	-50	-217	-260	-260
Other	0	0	0	0	0	0	0	0
Operating profit	7,517	7,774	7,935	7,986	7,590	7,390	7,336	7,297
Tax	-1,888	-1,936	-1,770	-1,991	-1,834	-1,936	-1,741	-1,731
Other								
Net profit	5,629	5,838	6,165	5,995	5,756	5,454	5,595	5,565
Tax rate	25%	25%	22%	25%	24%	26%	24%	24%
EPS	6.6	6.8	7.3	7.2	6.9	6.6	6.8	6.8
Adjusted net profit	5,629	5,836	6,162	5,857	5,756	5,454	5,595	5,565
Adjusted EPS	6.6	6.8	7.3	7.0	6.9	6.6	6.8	6.8
Key balance sheet data								
DKKmn	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Lending, net	1,727,995	1,741,492	1,747,518	1,674,680	1,709,470	1,725,662	1,734,985	1,733,920
Goodwill & other intangibles	6,046	6,083	6,165	6,737	6,987	7,262	7,262	7,262
Total assets	3,664,668	3,719,072	3,698,275	3,716,042	3,758,856	3,739,632	3,748,981	3,753,202
Shareholders' equity	173,417	178,055	176,916	175,687	169,430	172,771	177,672	176,090
Net asset value	167,371	171,972	170,751	168,950	162,443	165,509	170,410	168,828
Capital adequacy								
DKKmn	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Tier 1 capital, excl. Hybrids *	149,810	156,633	159,704	145,217	148,366	150,500	149,779	136,522
Tier 1 capital, reported *	159,871	166,858	169,498	155,577	161,804	158,168	157,447	144,190
Capital base *	186,343	190,529	192,462	182,147	184,066	180,145	179,424	166,167
Risk exposure amount (BIS II/III) *	809,090	846,180	835,887	814,706	804,726	806,008	809,873	813,679
Asset quality								
DKKmn	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Problem loans, gross	24,500	22,900	22,600	23,460	22,700	22,800	22,914	23,929
Provisions	-20,297	-20,539	-20,225	-19,901	-20,192	-20,179	-20,381	-20,299
Problem loans, net	4,203	2,361	2,375	3,559	2,508	2,621	2,533	3,630
Key figures								
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25e	Q4'25e
Profitability								
Net interest margin	0.98%	0.99%	0.99%	1.00%	0.97%	0.97%	0.96%	0.94%
ROE	12.90%	13.29%	13.89%	13.60%	13.34%	12.75%	12.77%	12.59%
RONAV	13.36%	13.76%	14.38%	13.79%	13.90%	13.30%	13.32%	13.12%
ROREA	2.75%	2.82%	2.93%	2.91%	2.84%	2.71%	2.77%	2.74%
Efficiency								
Adj. cost/income ratio	45%	46%	45%	46%	45%	46%	45%	48%
Adj. cost/assets	0.68%	0.69%	0.67%	0.72%	0.67%	0.68%	0.67%	0.74%
Financial position								
Lending/deposits	164%	162%	165%	153%	155%	161%	162%	153%
REA/total assets	22%	23%	23%	22%	21%	22%	22%	22%
Tier 1 ratio, core *	18.5%	18.5%	19.1%	17.8%	18.4%	18.7%	18.5%	16.8%
Tier 1 ratio, reported *	19.8%	19.7%	20.3%	19.1%	20.1%	19.6%	19.4%	17.7%
Capital adequacy *	23.0%	22.5%	23.0%	22.4%	22.9%	22.4%	22.2%	20.4%
Equity ratio, core	4.1%	4.2%	4.3%	3.9%	3.9%	4.0%	4.0%	3.6%
Asset quality								
Problem loans, gross/lending	1.40%	1.30%	1.28%	1.38%	1.31%	1.31%	1.31%	1.36%
Problem loans, net/lending	0.24%	0.14%	0.14%	0.21%	0.15%	0.15%	0.15%	0.21%
Provision ratio	82.8%	89.7%	89.5%	84.8%	89.0%	88.5%	88.9%	84.8%
Loan losses, net/lending	0.02%	-0.05%	-0.08%	-0.02%	0.01%	0.05%	0.06%	0.06%

Source: Company data, ABGSC forecasts

*Based on restated P&L

Financials

Income statement (DKKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Net interest income	23,571	22,104	22,151	22,049	25,108	34,973	36,696	35,901	35,357	36,001
Net commission income	15,402	12,636	12,217	13,535	12,589	12,904	14,912	14,854	15,556	16,164
Trading income	4,676	4,350	4,297	4,125	1,875	2,612	2,669	3,261	3,075	3,125
Insurance income	0	2,385	1,669	2,088	280	1,472	1,388	1,554	1,650	1,700
Other operating income	716	1,059	594	797	1,937	460	740	667	710	770
Total income	44,365	42,534	40,928	42,594	41,789	52,421	56,405	56,238	56,348	57,760
Personnel costs	-13,943	-14,932	-15,021	-15,698	-15,161	-15,831	-15,954	-16,339	-16,670	-16,801
Other operating costs	-9,567	-11,771	-12,006	-9,965	-26,744	-9,646	-9,782	-9,500	-9,214	-9,154
Total operating costs	-23,510	-26,703	-27,027	-25,663	-41,905	-25,477	-25,736	-25,838	-25,884	-25,955
Profit before loan losses	20,855	15,831	13,901	16,930	-116	26,944	30,669	30,399	30,464	31,805
Loan losses	617	-1,516	-7,001	-348	-1,568	-262	543	-787	-701	-672
Investment portfolio	-	-	-	-	-	-	-	-	-	-
Other items	-282	-493	-596	-3	-13	-1	0	0	0	0
Operating profit	21,190	13,822	6,304	16,579	-1,697	26,681	31,212	29,612	29,763	31,133
Tax	-4,721	1,249	-1,715	-3,651	-2,883	-5,420	-7,585	-7,242	-7,306	-7,643
Other items after tax	0	0	0	0	0	0	0	0	0	0
Net profit	16,469	15,072	4,589	12,928	-4,580	21,261	23,627	22,370	22,457	23,490
Tax rate (%)	22.3	-9.0	27.2	22.0	-169.9	20.3	24.3	24.5	24.5	24.5
EPS	18.77	17.52	5.34	15.04	-5.33	24.71	27.91	27.19	28.13	30.55
Net profit adj.	16,993	11,310	6,736	13,253	10,711	21,249	23,484	22,370	22,457	23,490
EPS adj.	19.37	13.14	7.83	15.42	12.47	24.70	27.74	27.19	28.13	30.55
Key balance sheet data	-	-	-	-	-	-	-	-	-	-
Net lending	1,771,399	1,821,309	1,838,126	1,834,372	1,803,955	1,779,024	1,674,680	1,733,920	1,769,329	1,814,957
Goodwill and intangibles	11,224	9,165	8,785	8,819	6,045	6,064	6,737	7,262	7,262	7,262
Total assets	3,578,467	3,761,050	4,109,231	3,935,834	3,790,566	3,770,981	3,716,042	3,753,202	3,790,734	3,828,642
Shareholders equity	148,976	156,271	160,171	171,207	160,278	175,739	175,687	176,090	171,850	170,048
Net asset value	137,752	147,106	151,386	162,388	154,233	169,675	168,950	168,828	164,588	162,786
Capital adequacy	-	-	-	-	-	-	-	-	-	-
Tier 1 capital, excl. hybrids	126,827	132,664	143,727	151,935	149,197	155,308	145,217	136,522	134,050	136,904
Tier 1 capital, reported	150,505	156,608	161,009	171,868	164,497	170,113	155,577	144,190	141,718	144,572
Capital base	159,666	174,206	180,117	192,756	185,262	190,903	182,147	166,167	164,245	167,662
Risk exposure amount (BIS II)	748,104	767,177	784,184	860,173	838,193	827,882	814,706	813,679	832,411	855,152
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross	29,923	34,713	31,776	33,615	23,881	23,624	23,460	23,929	24,408	24,896
Provisions for problem loans	-20,353	-20,451	-22,554	-21,935	-19,605	-20,140	-19,901	-20,299	-20,705	-21,119
Problem loans, net	9,570	14,262	9,222	11,680	4,276	3,484	3,559	3,630	3,703	3,777
Key figures	-	-	-	-	-	-	-	-	-	-
Profitability	-	-	-	-	-	-	-	-	-	-
Net interest margin (%)	0.66	0.60	0.56	0.55	0.65	0.93	0.98	0.96	0.94	0.94
ROE (%)	10.87	9.87	2.90	7.80	-2.76	12.65	13.45	12.72	12.91	13.74
RONAV (%)	11.95	7.94	4.51	8.45	6.77	13.12	13.87	13.25	13.47	14.35
ROREA (%)	2.19	1.99	0.59	1.57	-0.54	2.55	2.88	2.75	2.73	2.78
Cost efficiency	-	-	-	-	-	-	-	-	-	-
Cost/income Core (%)	50.36	59.54	59.78	58.77	62.89	45.62	45.69	45.94	45.94	44.94
Costs/assets Core (%)	0.61	0.64	0.62	0.62	0.66	0.64	0.68	0.69	0.69	0.68
Financial position	-	-	-	-	-	-	-	-	-	-
Net lending/deposits (%)	198.0	189.2	154.1	157.1	154.2	156.5	153.0	153.3	154.2	155.1
REA/assets (%)	20.9	20.4	19.1	21.9	22.1	22.0	21.9	21.7	22.0	22.3
Common equity tier 1 ratio (%)	17.0	17.3	18.3	17.7	17.8	18.8	17.8	16.8	16.1	16.0
Tier 1 ratio, reported (%)	20.1	20.4	20.5	20.0	19.6	20.5	19.1	17.7	17.0	16.9
Capital adequacy (%)	21.3	22.7	23.0	22.4	22.1	23.1	22.4	20.4	19.7	19.6
Equity ratio Core (%)	3.5	3.5	3.5	3.9	3.9	4.1	3.9	3.6	3.5	3.6
Asset quality	-	-	-	-	-	-	-	-	-	-
Problem loans, gross/lending (%)	1.71	1.93	1.75	1.85	1.34	1.34	1.42	1.40	1.40	1.39
Problem loans, net/lending (%)	0.54	0.78	0.50	0.64	0.24	0.20	0.21	0.21	0.21	0.21
Provision ratio (%)	68.0	58.9	71.0	65.3	82.1	85.3	84.8	84.8	84.8	84.8
Loan losses, net/lending (%)	-0.04	0.09	0.38	0.02	0.09	0.01	-0.03	0.05	0.04	0.04

Source: ABG Sundal Collier, Company Data

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