Nordic Credit Rating

SME lending gains momentum among Nordic niche banks

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Sean Cotten
Lead Senior Analyst

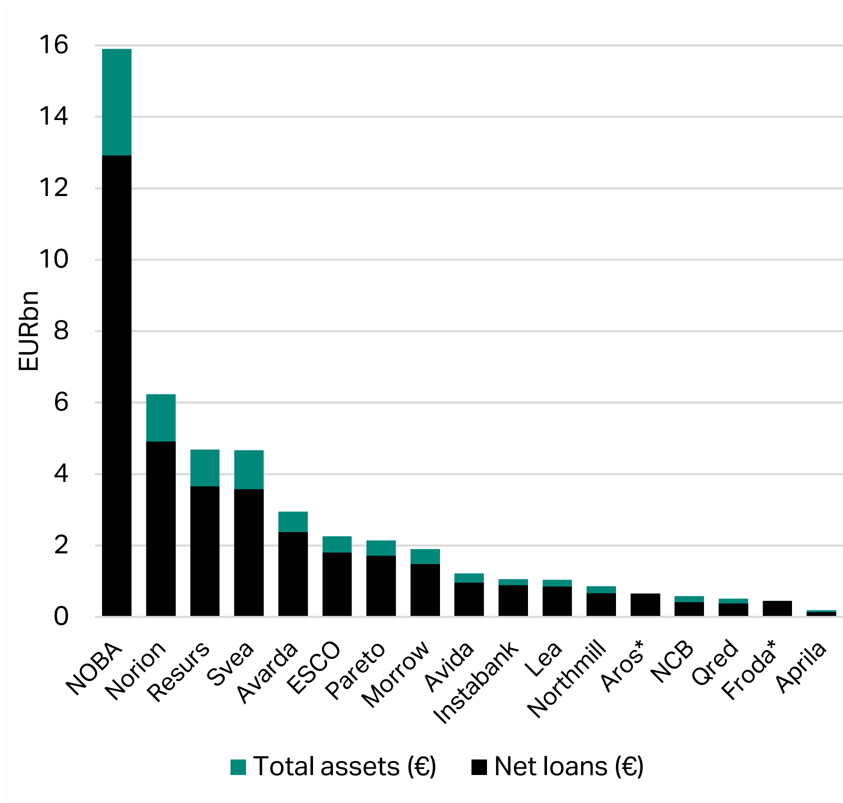
Ylva Forsberg
Bank Analyst

nordiccreditrating.com

Summary

- Profitability continued to improve across most banks, with digital platforms supporting scalable growth.
- Strong earnings momentum is supported by growth and improved efficiency.
- Asset quality trends were broadly positive, with lower provisions and reductions in Stage 2 loan volumes.
- Banks are increasingly diversifying into new products and customer segments to support future growth and resilience.

Nordic consumer & SME lenders, 30 Jun. 2026



Source: bank reports. *as of year-end 2025.

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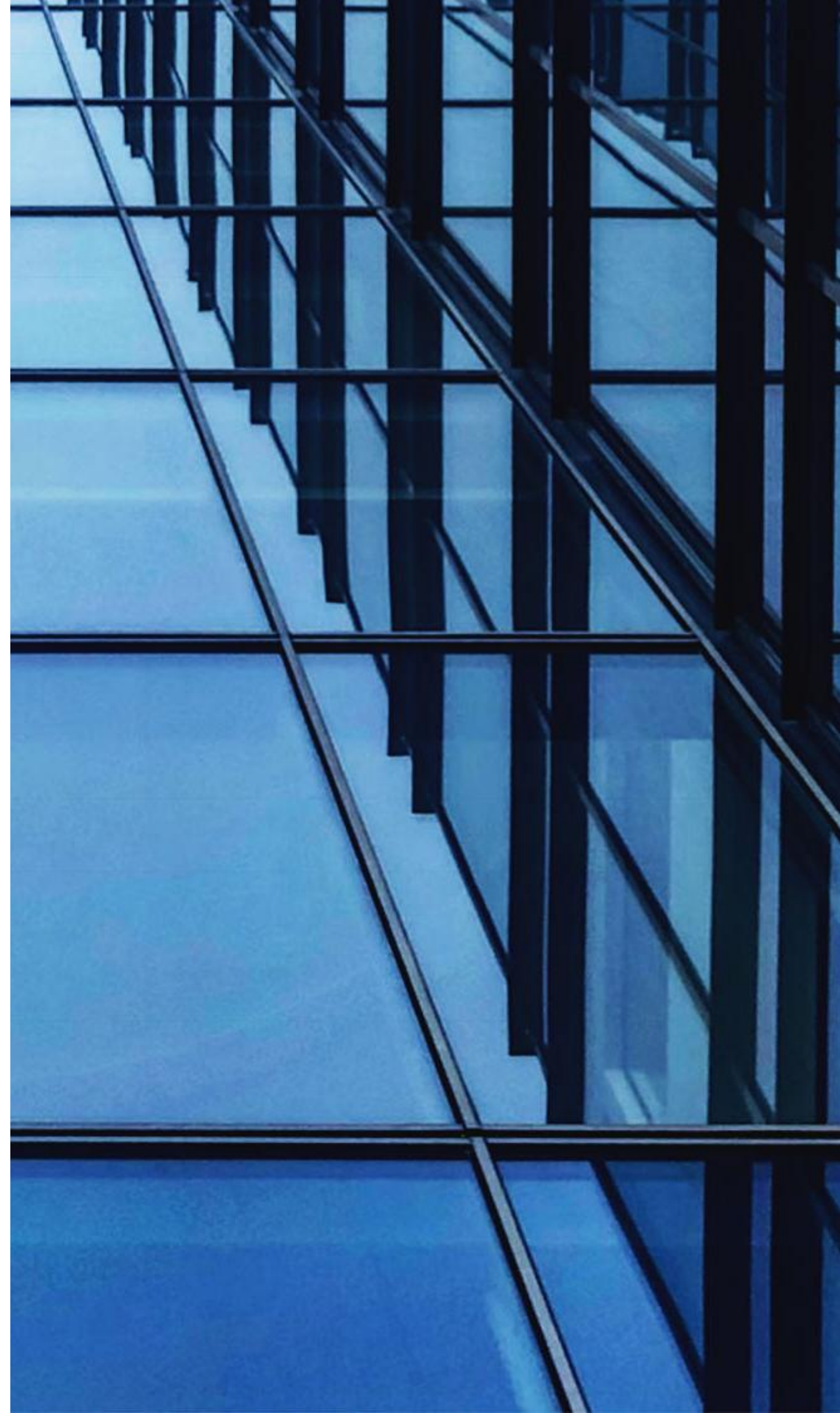
1. **Earnings performance reaching new heights**
2. Asset quality metrics show positive momentum
3. Interest in SME lending is on the rise

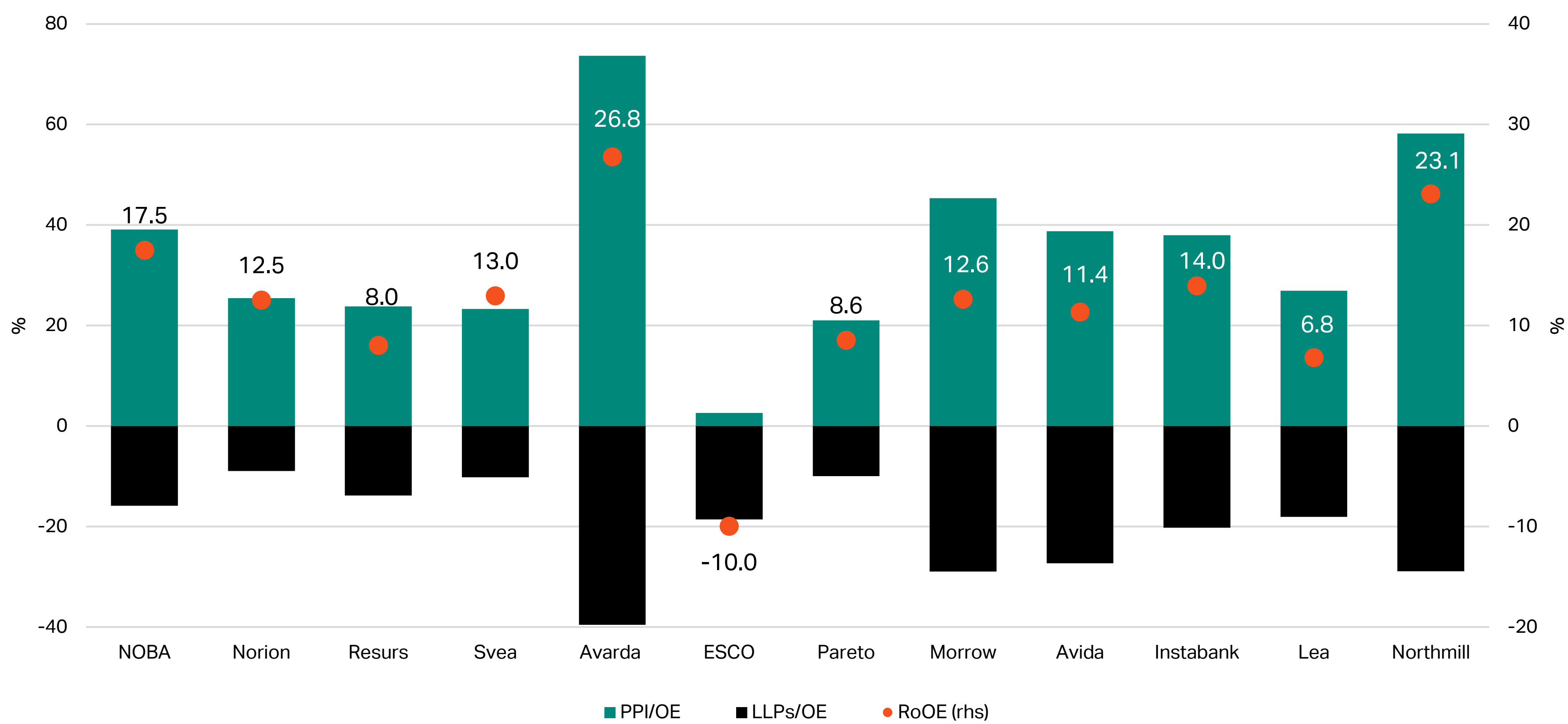
Appendix



Profitability is rising for most sample banks

More benign loan loss perfomance and scalable platforms support capital generation.

PPI/avg ordinary equity and LLPs/avg ordinary equity + RoOE per bank, last 12 months to 30 Jun. 2026

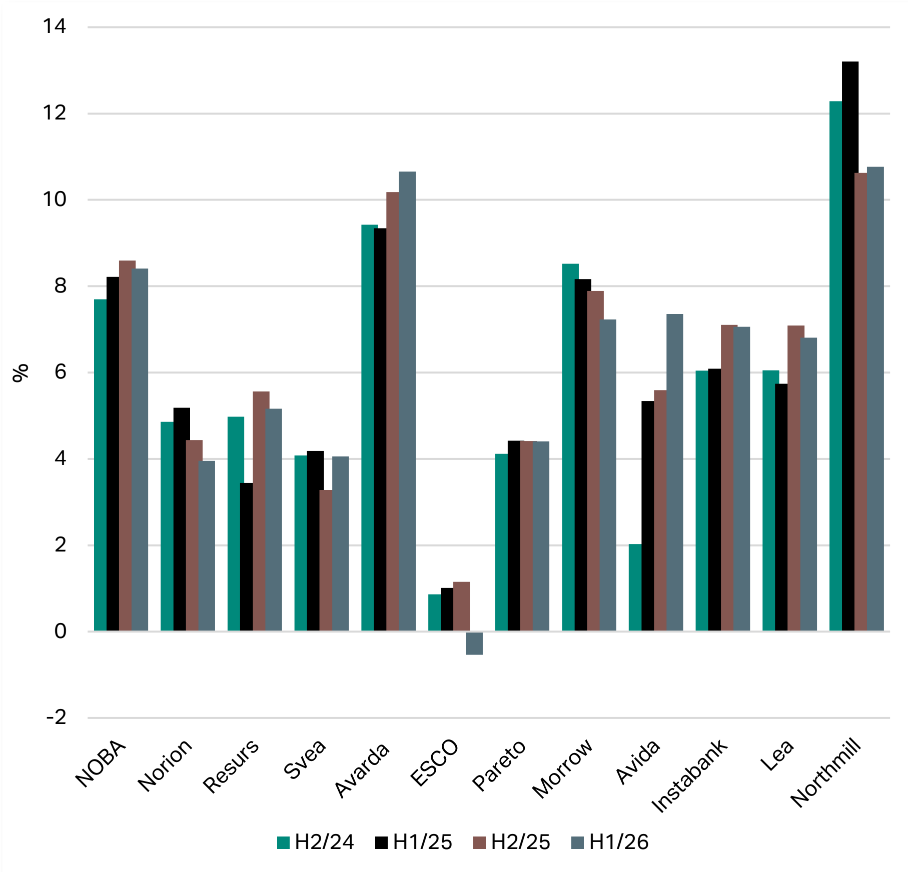


Source: bank reports. PPI – pre-provision income. OE – ordinary equity. RoOE – return on ordinary equity.

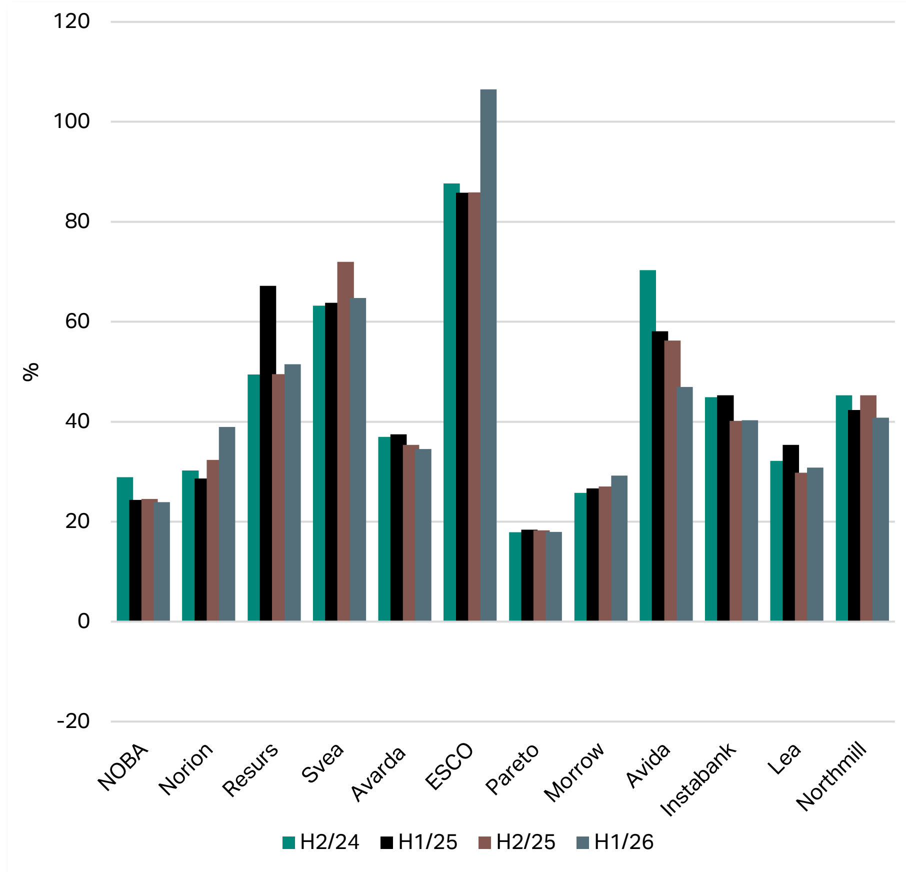
Efficiency gains are driving risk-adjusted earnings

Stronger pre-provision earnings reflect scalable platforms and low cost bases.

Annualised PPI/REA, H2 2024 – H1 2026



Cost-to-income ratio, H2 2024 – H1 2026



Source: bank reports. REA – risk exposure amount.

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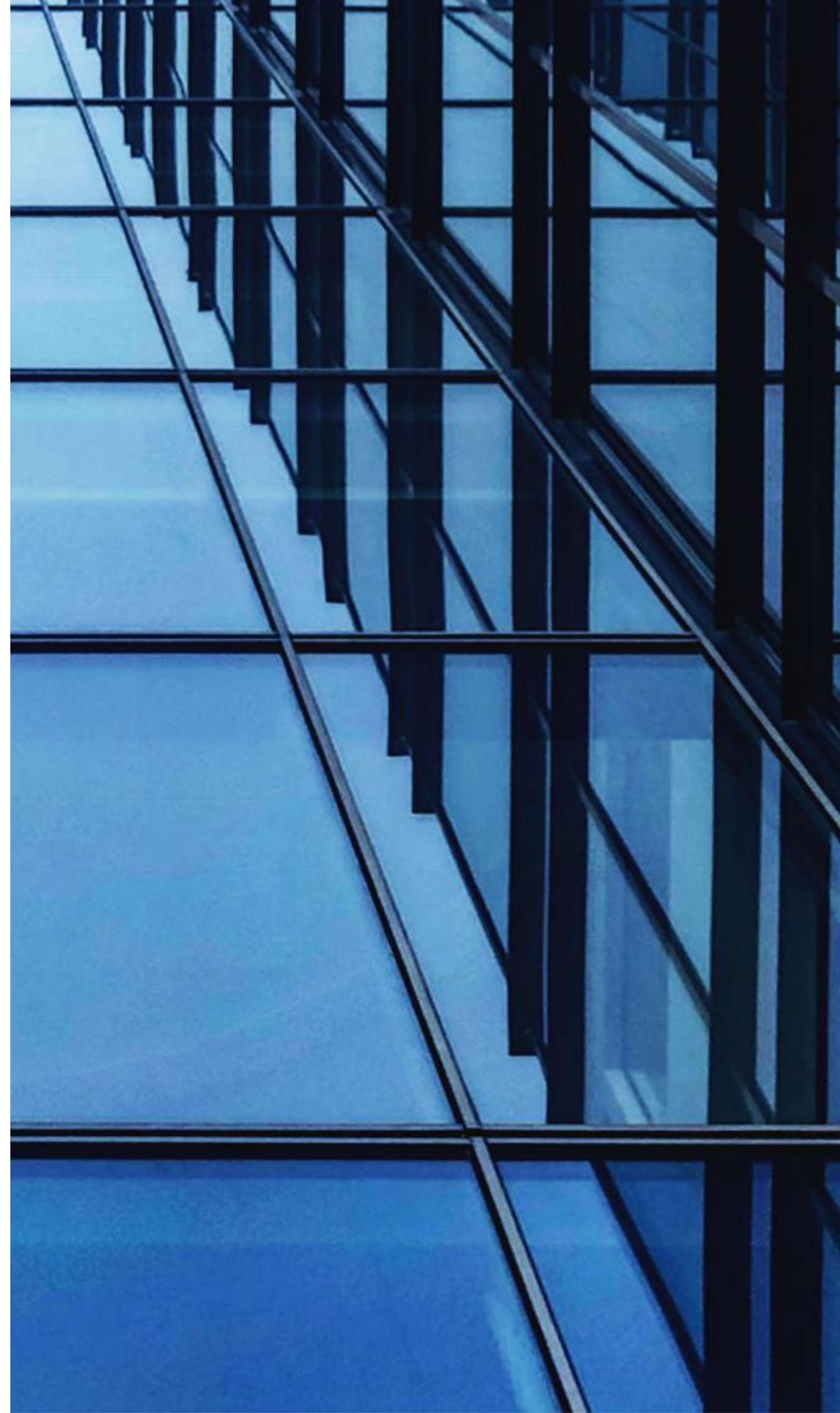
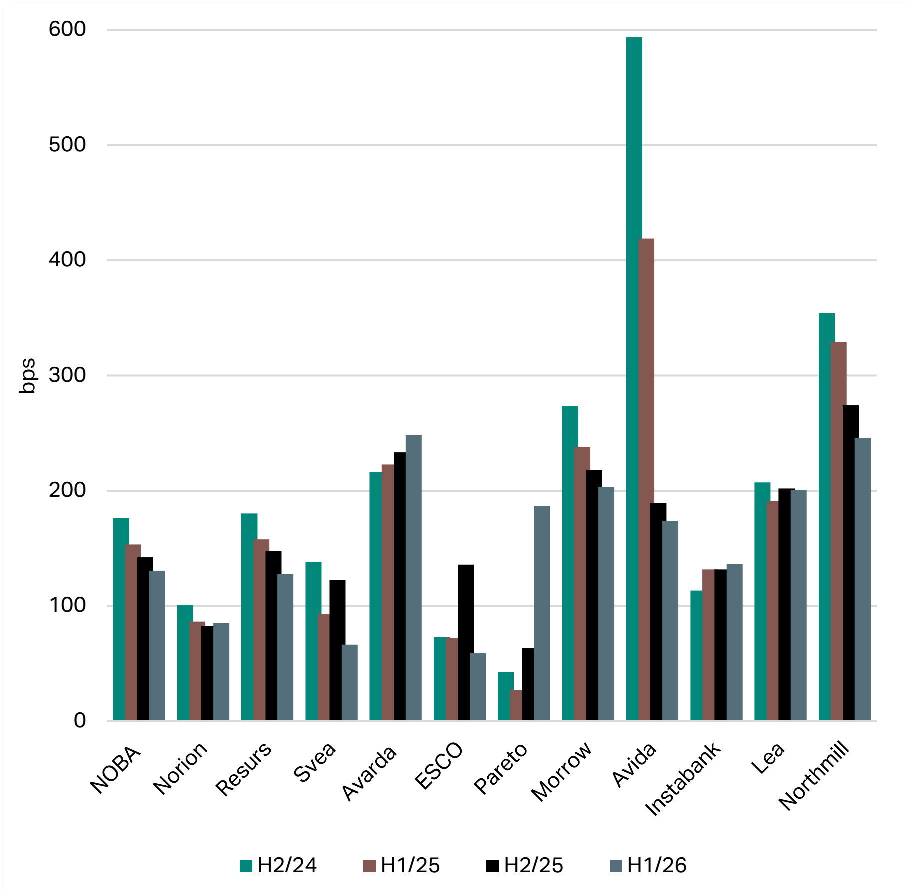


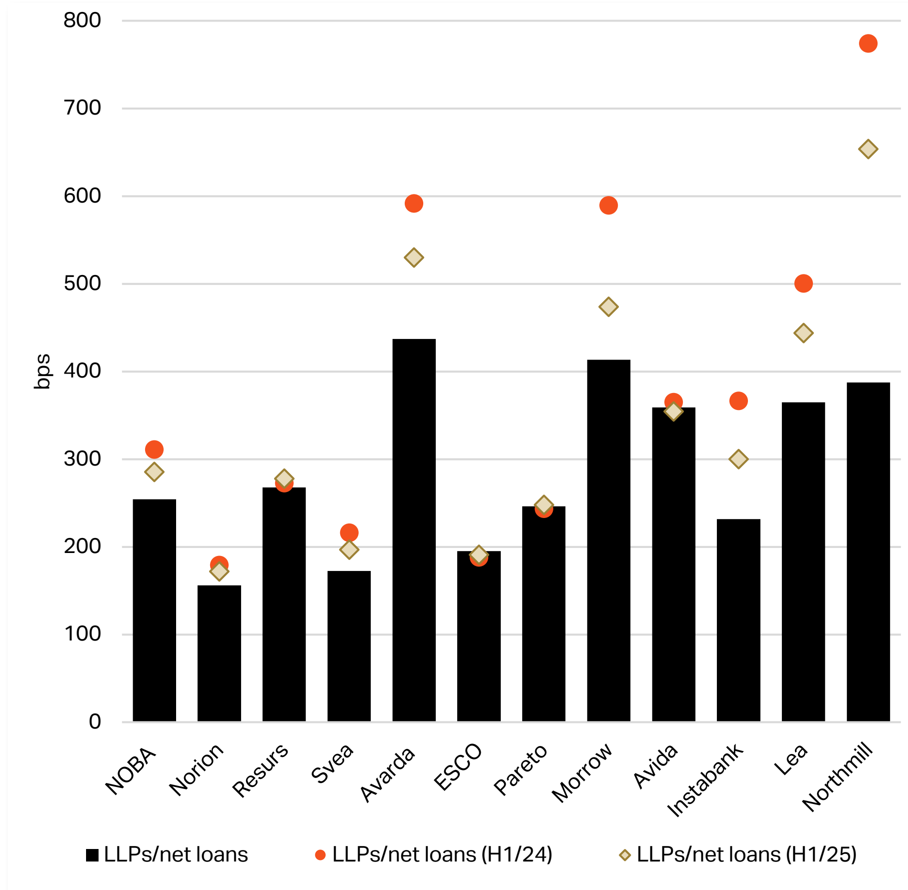
Loan loss provisions improve

But high growth could mask underlying development.

LLPs as a share of net loans, H2 2024 – H1 2026



Annualised LLPs as share of historical net loan volume

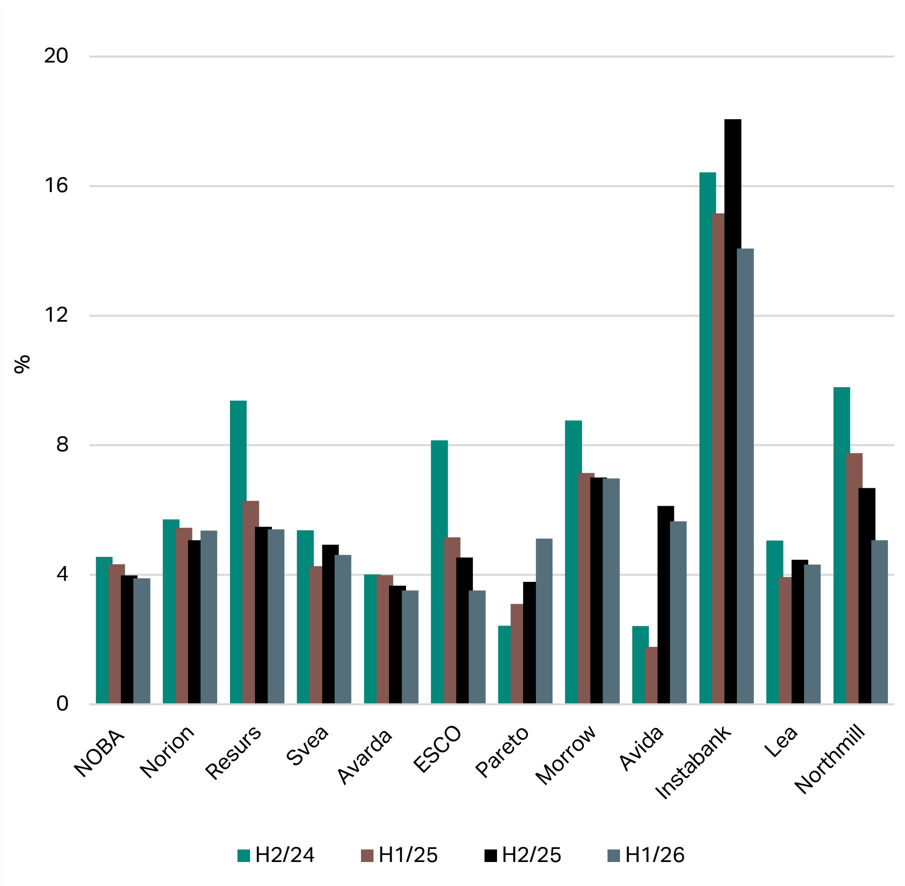


Source: bank reports. LLPs – loan loss provisions.

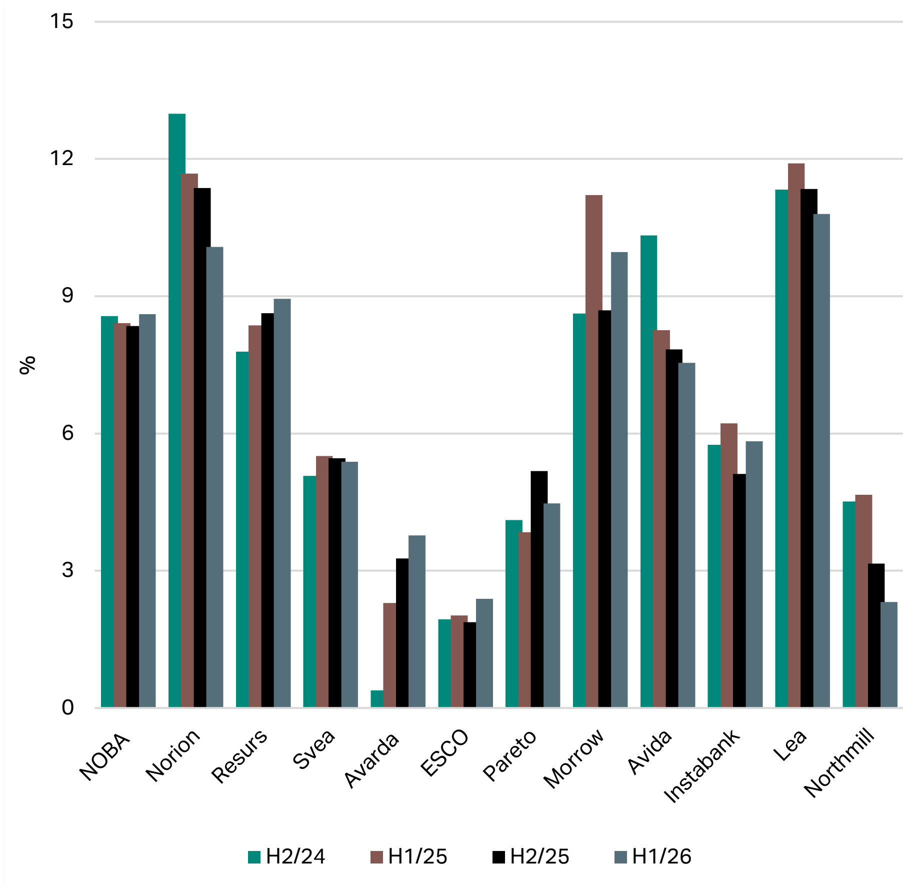
Clearer improvement in Stage 2 loans than NPLs

Large Q3 transactions will lead to material NPL reductions for some banks.

Net Stage 2/net loans, H2 2024 – H1 2026



Net Stage 3/net loans, H2 2024 – H1 2026



Source: bank reports. NPLs – non-performing loans.

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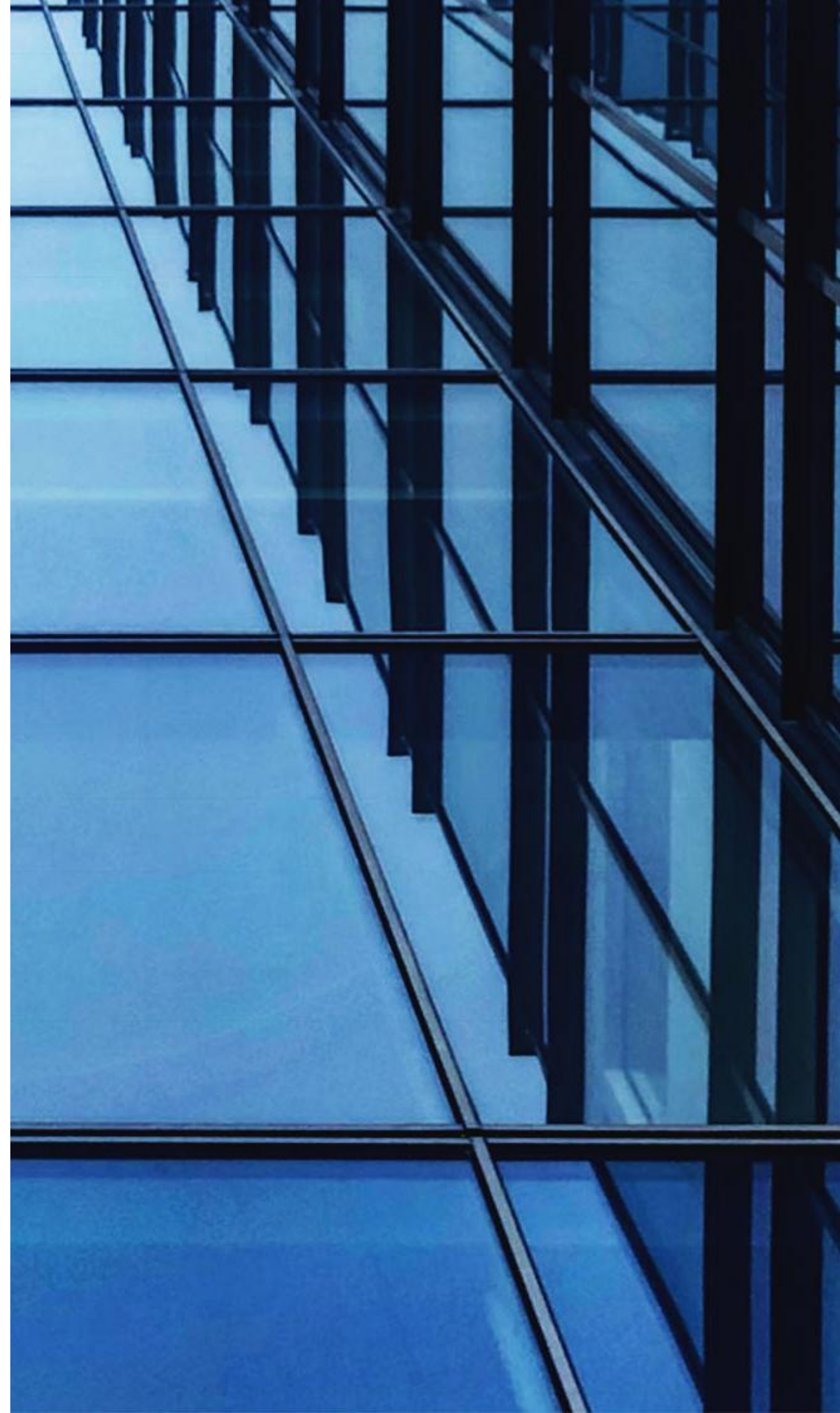
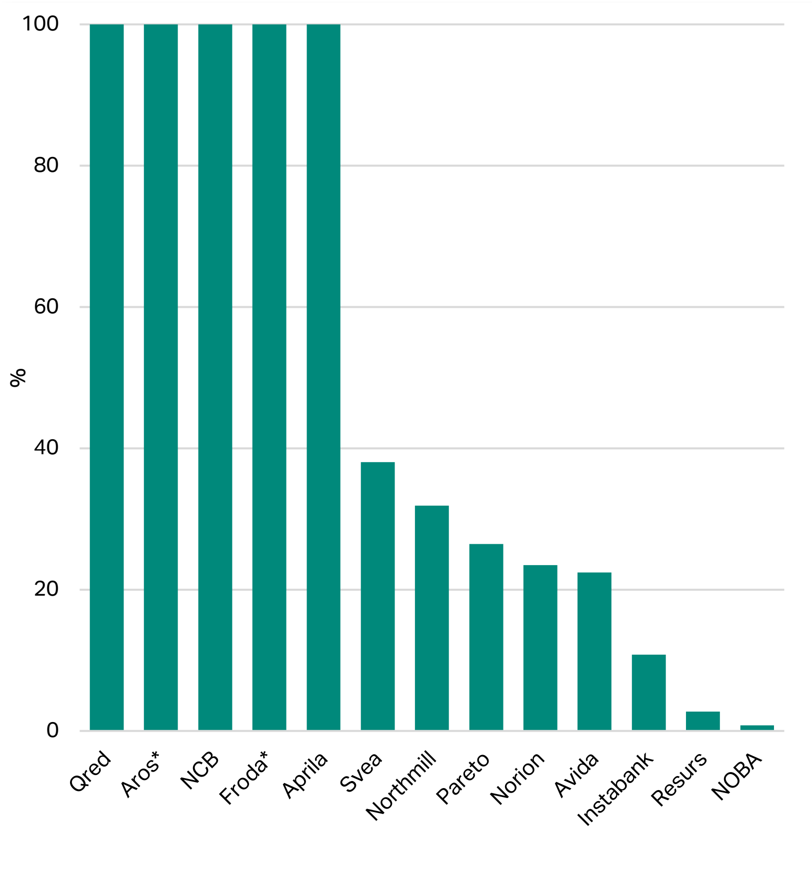
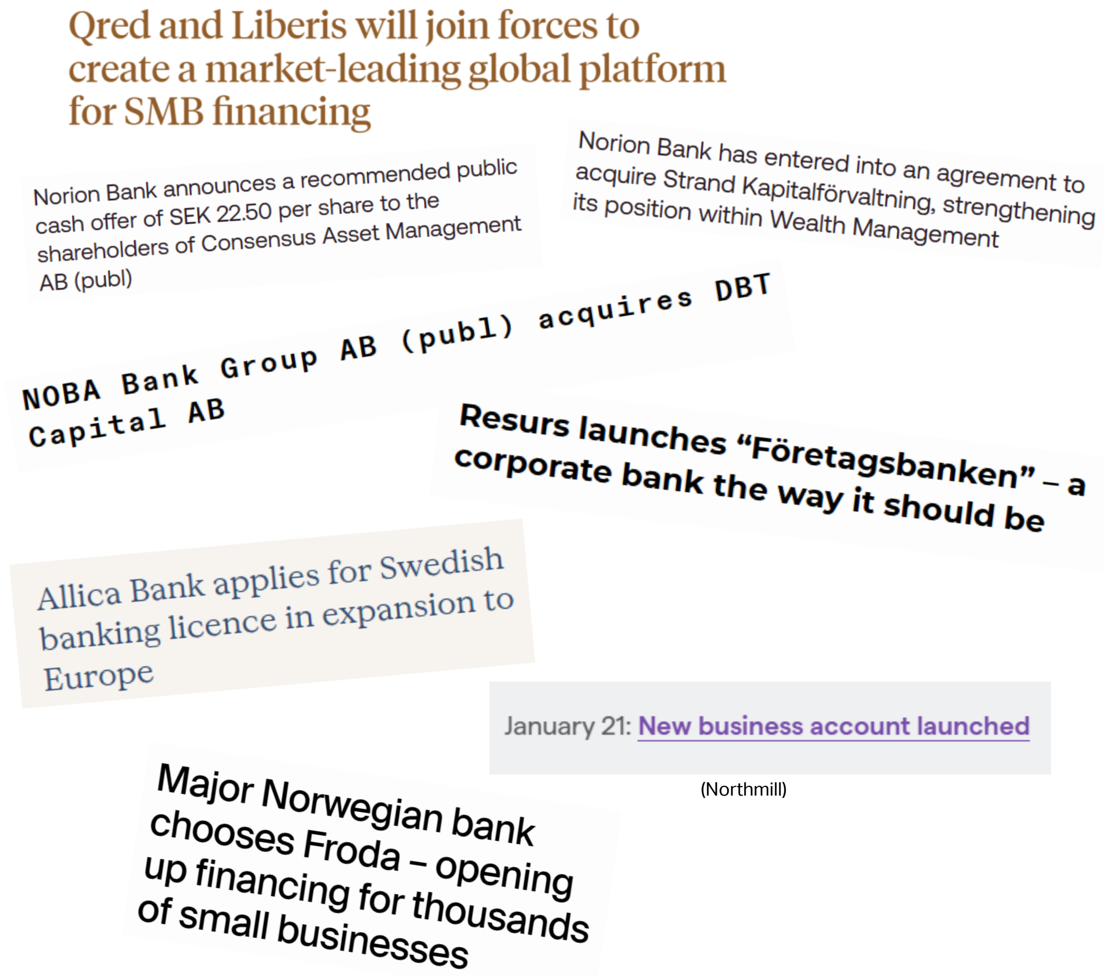


Rising interest from specialists & generalists

Both dedicated SME lenders and broader niche banks invest in the segment

SME loans as share of total gross lending, H1 2026

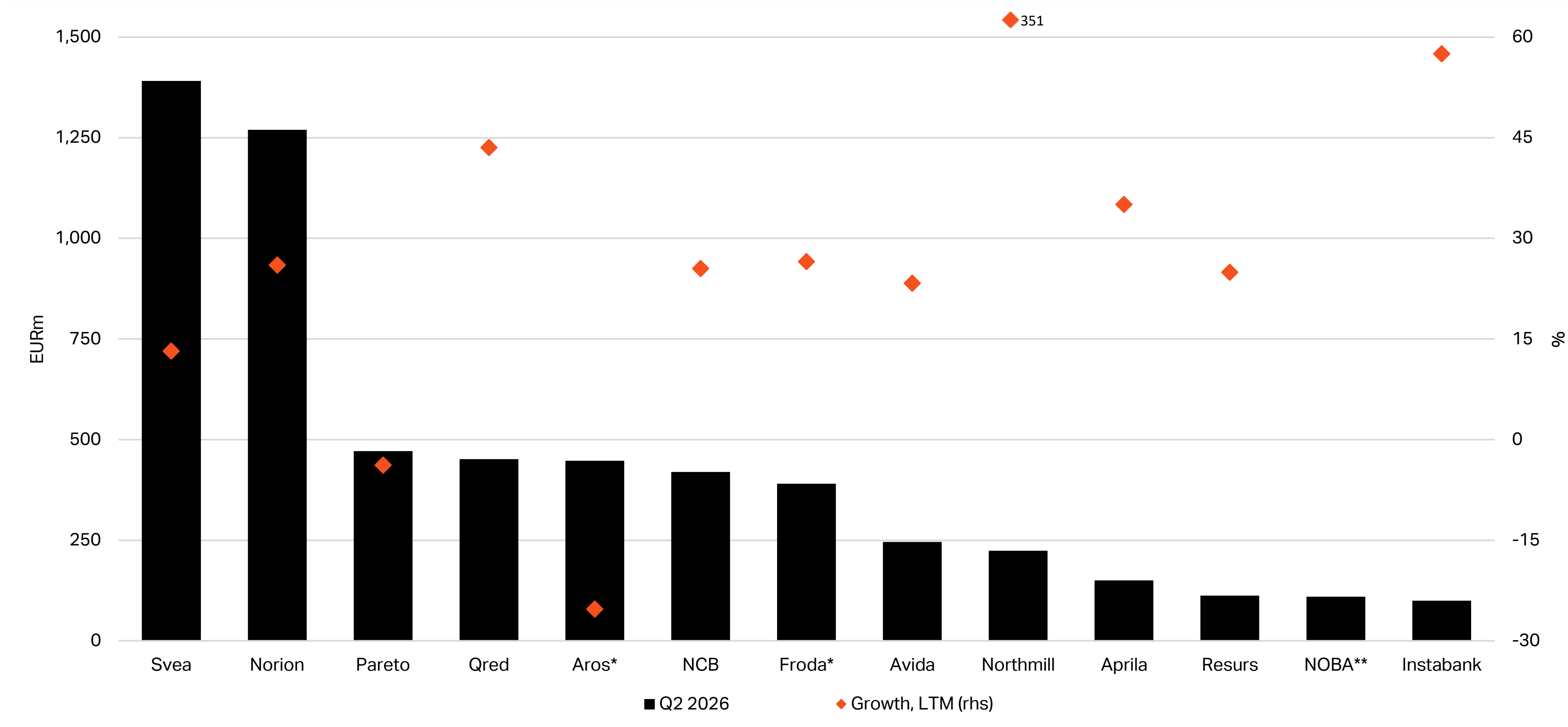




Source: bank reports. *as of year-end 2025.

SME growth outpaced total loan growth

SME lending and twelve month growth, H1 2026



Source: bank reports. Adjusted for FX changes. SME – small and medium-sized enterprises.
*only annual reports, volume as of year-end 2025 vs. year-end 2024. **no SME lending prior to DBT Capital acquisition in 2026.

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Contacts

Sean Cotten
Senior Lead Analyst
sean.cotten@nordiccreditrating.com
+46 735 600 337

Ylva Forsberg
Credit Rating Analyst
ylva.forsberg@nordiccreditrating.com
+46 768 806 742

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