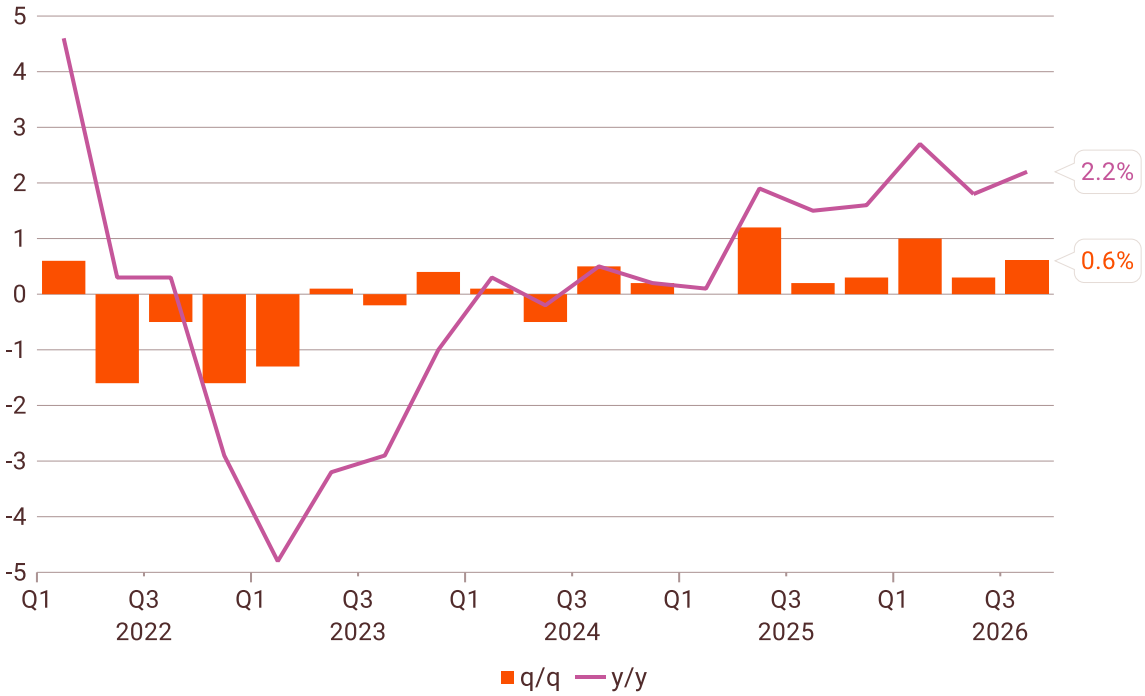
Estonia – economic growth picked up

Main drivers of the growth this year are private consumption and government investment

- According to Statistics Estonia's flash estimate, Estonia's real GDP increased by 2.2% y/y and by 0.6% q/q (seasonally and working day adjusted - swda) in Q3 2026, in line with our expectations.

Estonia: real GDP

%, swda



Sources: Swedbank Research & Macrobond

- The economy grew by an average of 2.2% y/y over the first three quarters of 2026. Private consumption, alongside government consumption and investment, has been among the main drivers of economic growth in the first half of 2026.
- Swedbank's card payment data indicate that consumer spending remained solid in the third quarter, supported by strong growth in real net wages. Retail trade, which accounts for nearly one-third of private consumption, also performed strongly. However, accelerating inflation and higher loan repayments due to rising Euribor rates are gradually putting pressure on household budgets, while household confidence deteriorated sharply in October.
- Nominal export growth has been supported by higher prices, although it slowed in the third quarter. Growth in real export volumes remains modest. Manufacturing output is showing signs of recovery. Improving external demand and exporters' stable position in European markets point to a more favourable outlook, while higher energy costs remain a risk.
- We expect moderate growth to continue, supported by private consumption and government consumption and investment.

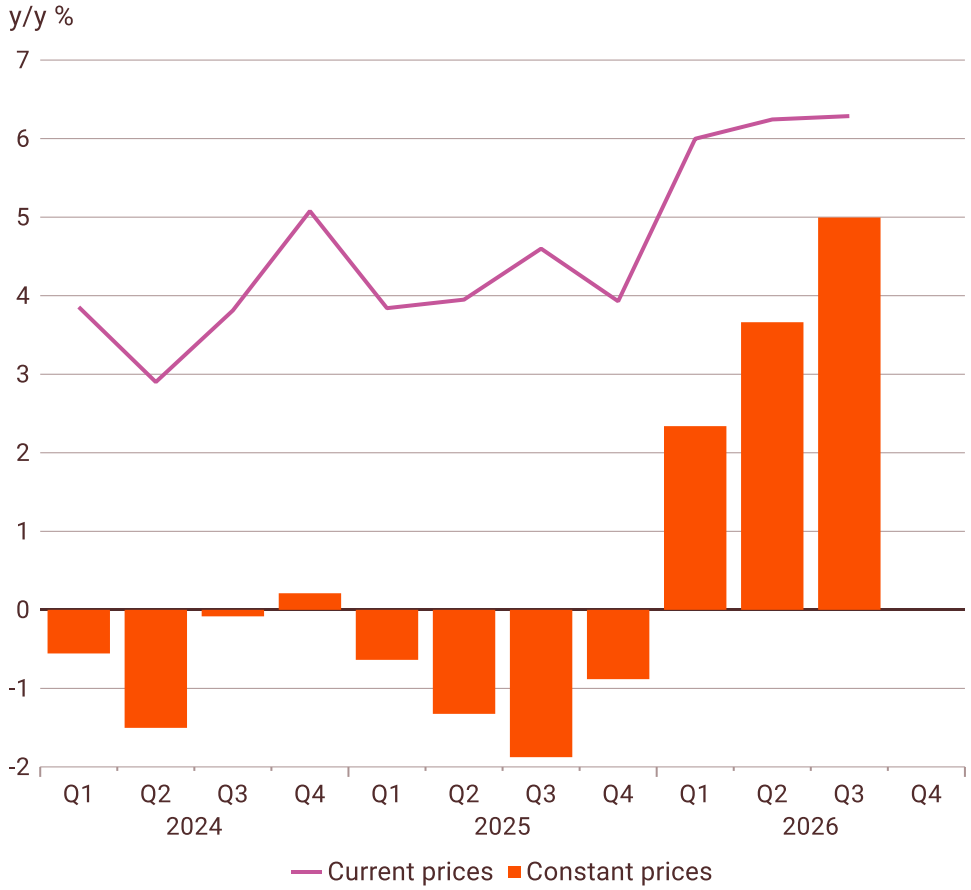
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Private consumption is supported by strong growth in real net wages

However, inflation and borrowing costs are rising

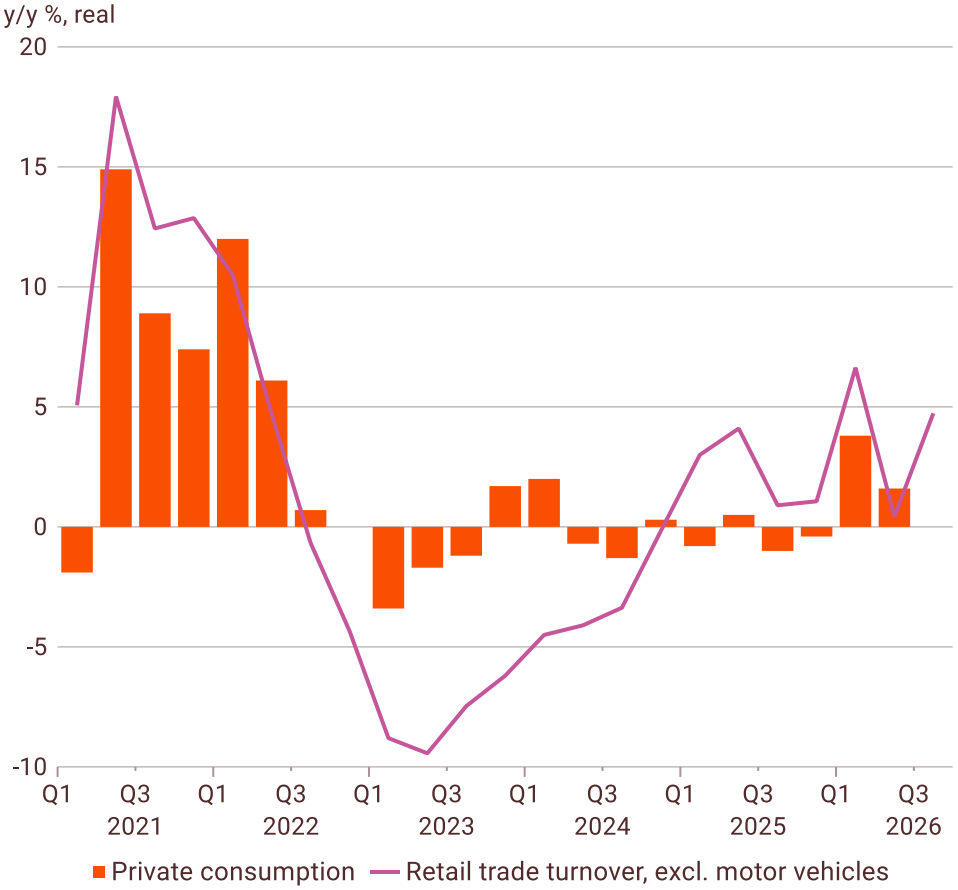
- In the third quarter, growth in Swedbank's card payment volumes accelerated, with September also recording solid growth. Retail trade, which accounts for nearly one-third of private consumption, also performed strongly. However, accelerating inflation and higher loan repayments due to rising Euribor rates are gradually putting pressure on household budgets.
- After improving steadily through September, household confidence deteriorated sharply in October, reflecting growing concerns about rising inflation and its impact on both households' financial situation and the broader economic outlook.

Swedbank card transactions



Sources: Swedbank Research & Macrobond

Private consumption and retail trade



Sources: Swedbank Research & Macrobond

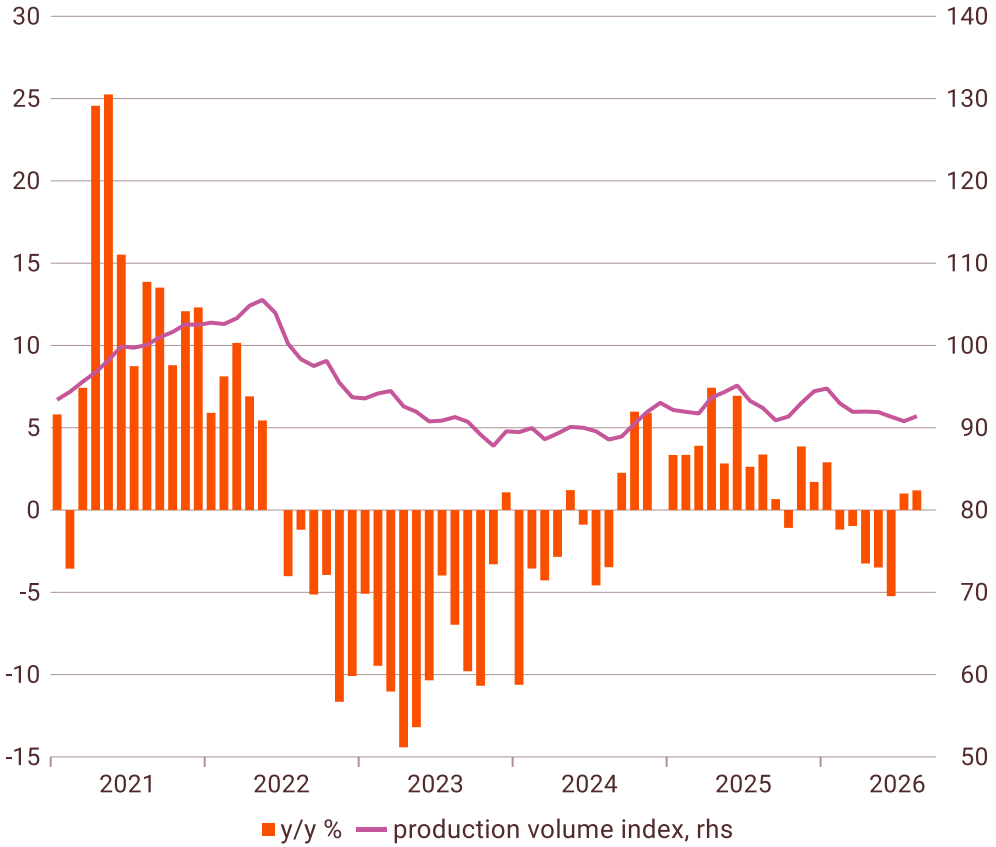
Improving external demand is supporting the outlook

High energy prices remain a risk to manufacturing recovery

- Manufacturing output is showing some improvement, growing by around 1% y/y in July and August, although production volumes remained 3% below last year's level over the first eight months.
- Nominal export growth has been supported by higher prices, although it slowed in the third quarter. Growth in real export volumes remains modest. However, improving external demand and exporters' stable position in European markets point to a more favourable outlook, while higher energy costs remain a risk.

Manufacturing output

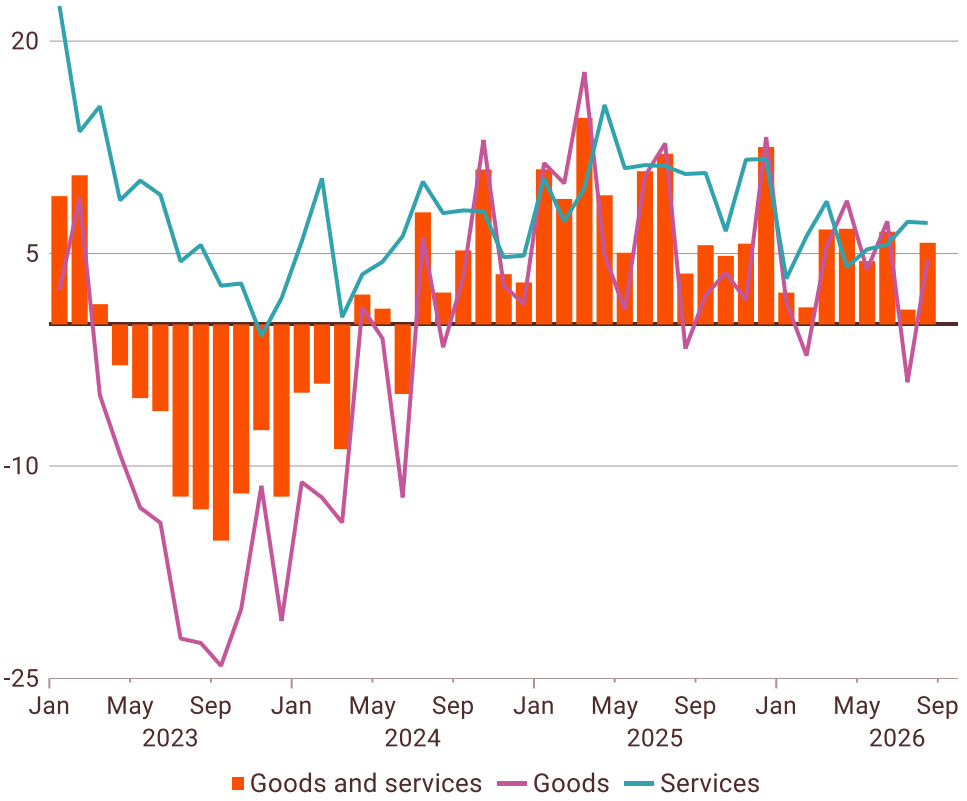
y/y % (lhs); index, swda, 3 mma (rhs)



Sources: Swedbank Research & Macrobond

Exports of goods and services

y/y %, nominal (balance of payments)



Sources: Swedbank Research & Macrobond

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