

11 MAY 2022

Q1 Results

Mikko Ayub, CEO

Outi Henriksson, CFO



Aktia

Highlights in Q1 2022

- Solid underlying business performance continued
- Strong growth in net interest income
- Net commission income was down mainly due to the market turbulence
- The negative unrealised value changes in the life insurance company's investment portfolio weighed down the net income from life insurance
- Comparable operating expenses excl. stability fee for Q1 decreased from Q4

Outlook (unchanged):

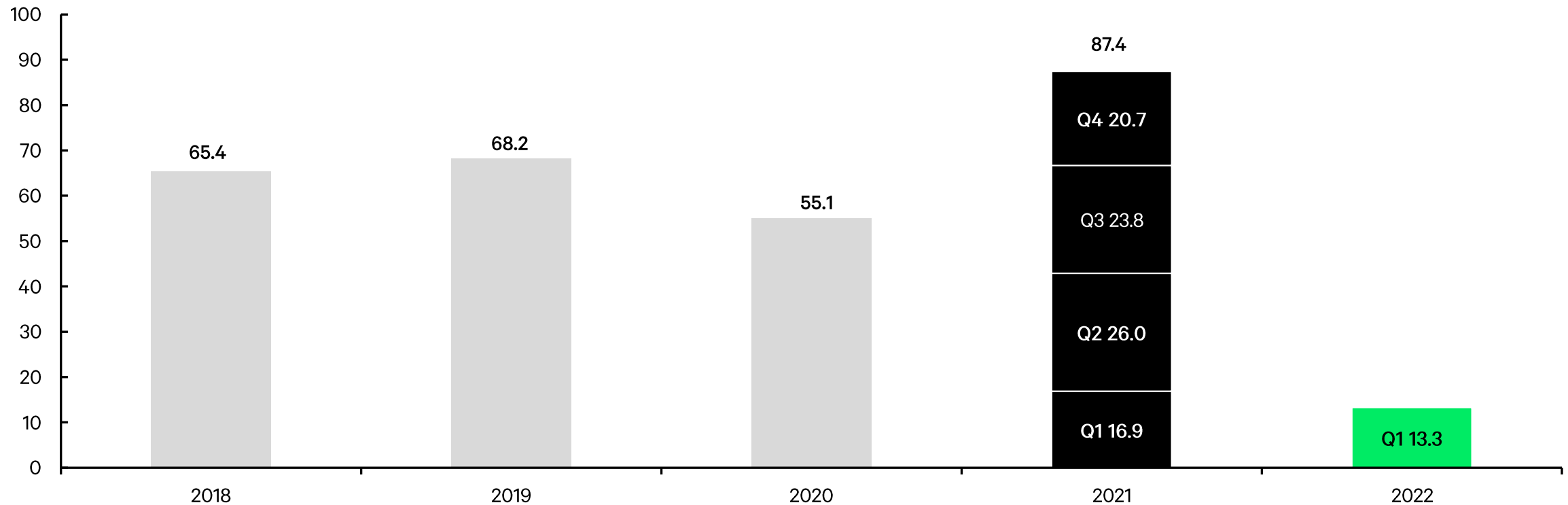
The comparable operating profit in 2022 is expected to be somewhat higher than in 2021.



Market uncertainty decreased the comparable operating profit

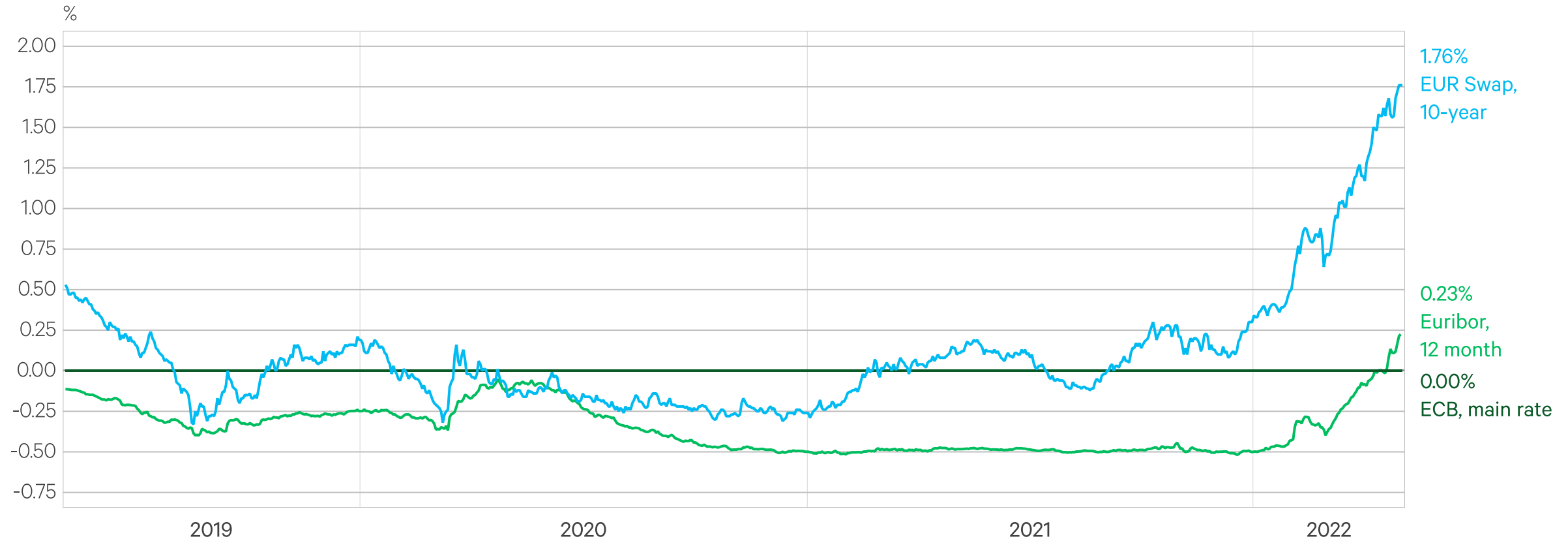
Comparable operating profit 2018–2022

EUR million



Interest rates experience a prominent shift

Interest rate development



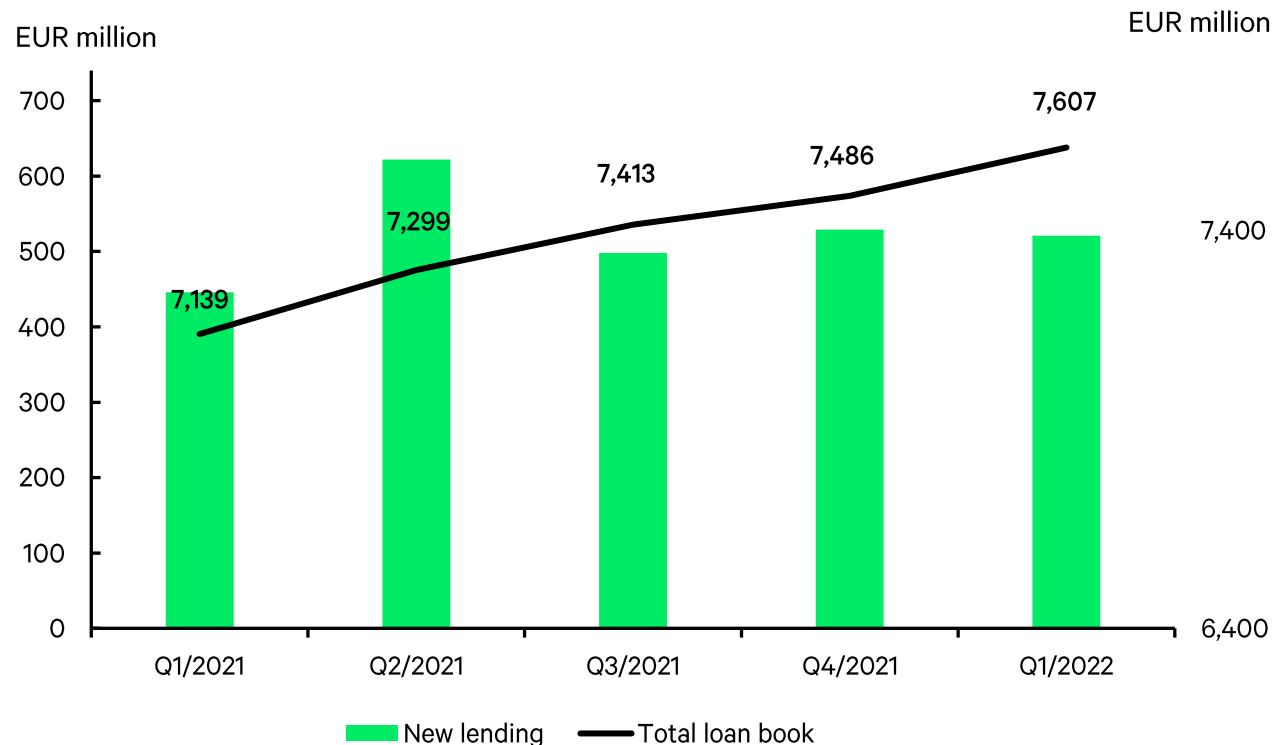
Business areas



Growth driven by corporate lending continues

- Excellent development in the corporate customer business
 - Growth achieved without change in our risk profile
- Private customers more cautious due to the increased interest rates and general uncertainty
 - Reduced demand for credits in Q1
 - Sales of interest rate hedges clearly increased
- Positive development in the pricing of all loans continued
- Quality of loan portfolio remains healthy

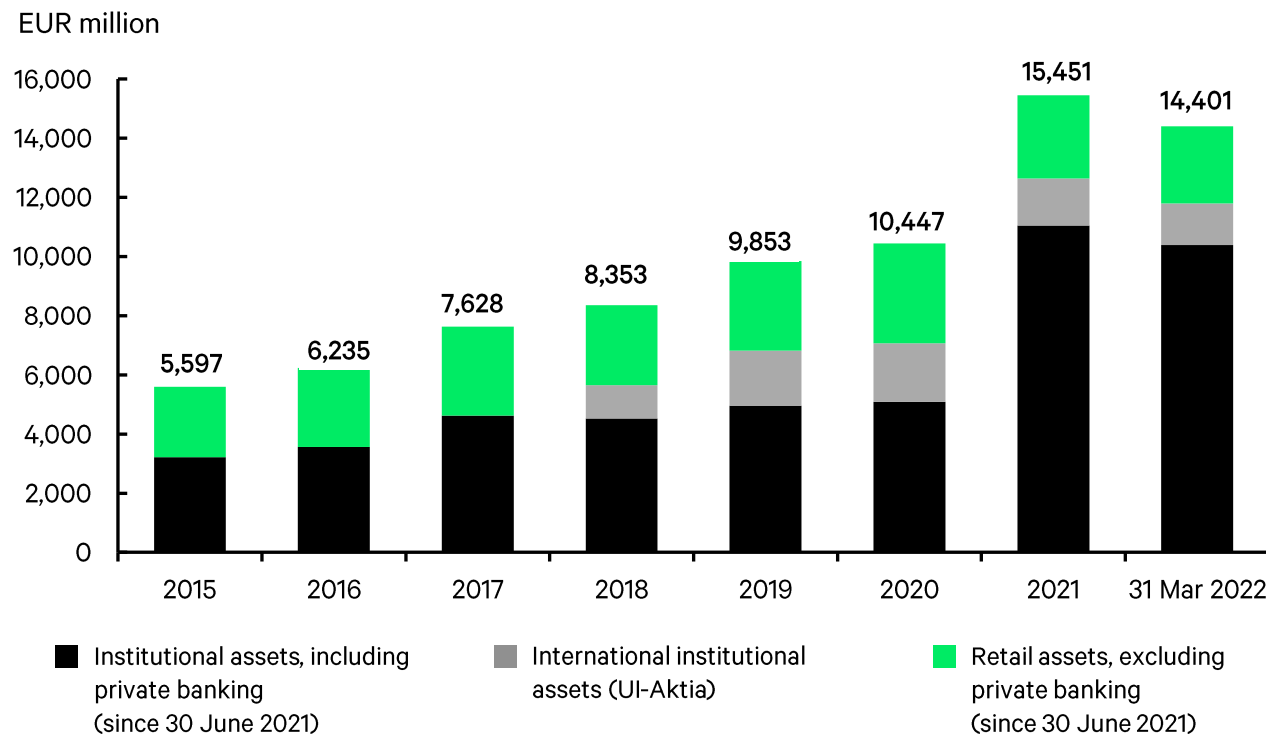
Development of credit portfolio Q-o-Q



High market volatility decreased AuM

- AuM decreased by approx. EUR 1 billion
 - High turbulence in the market affected market values
 - Net subscriptions amounted to approx. EUR -210 million
 - Reallocation of investments by a few foreign institutional investors led to redemptions from some Aktia funds
- Sales in Private Banking continued to develop well
- Aktia won again first place in Morningstar's fund comparison

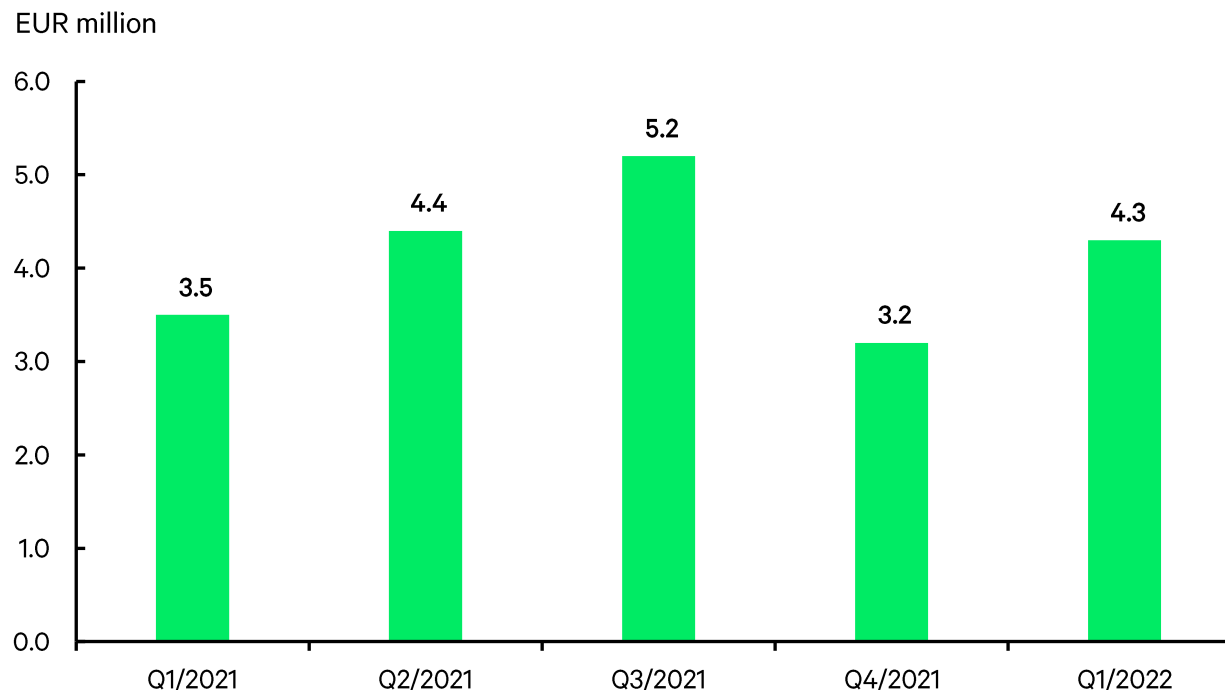
Assets under Management, excluding custody



Increase in interest rates weighed down investment portfolio

- Positive development in Life Insurance: The actuarially calculated result for Q1 increased to EUR 4.3 (3.5) million
- Premiums written increased by 18% since last year and sales of investment-linked savings insurances and risk insurances continued to be strong
- Simplification of policy terms and approval processes have increased sales
- The negative unrealised value changes in the life insurance company's investment portfolio weighed down the net income from life insurance to EUR 1.8 (9.9) million as a result of the impact of the rapid increase in interest rates and market turbulence

Development of the actuarially calculated result Q-o-Q



Strategy & financial targets



Our three strategic priorities

1

Win in wealth management

- A) The most preferred wealth manager among private and institutional customers
- B) Success in integrating Taaleri's wealth management operations

2

Growth among customers who are willing to increase their wealth

- C) Acquire new customers to our strategic sweet-spot
- D) Focus on cross-sales and development of our current customer base

3

Excellent customer experience

- E) Seamless collaboration and holistic service models across all business areas

OUR VISION

The leading wealth manager bank

OUR MISSION

Building wealth for our customers and society

2025

Courageously

Skillfully

Together

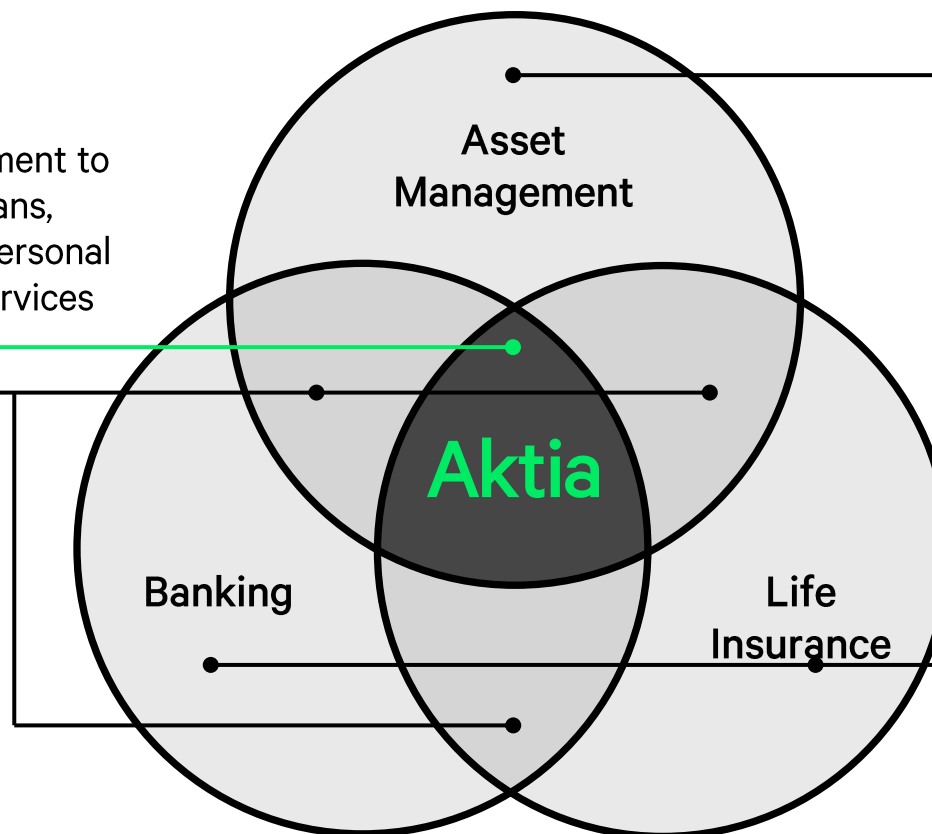
Focus on guiding customers to our focal point

Growth in our strategic sweet-spot

Offering comprehensive wealth management to our target segments, including wealth plans, financing, asset management services, personal life insurance and convenient banking services

Growth through cross-selling

Focus on cross sales and development of our current customer base



Focus on excellent customer experience and offering for single product customers

Focus on production and service cost for single product customers

The financial targets 2025

Comparable
operating profit
above EUR
120 million

1-3/2022;
EUR 13.3 million

Comparable return
on Equity (ROE)
above 12%

31 March 2022;
6.5%

Comparable
cost-to-income ratio
under 0.60

1-3/2022;
0.78

Common Equity
Tier 1 capital ratio
(CET1) above 1.5
percentage points
over the regulatory
requirement

31 March 2022;
2.9 percentage points over
the regulatory requirement
7.7%

Financial overview

A man with short dark hair and glasses, wearing a tan double-breasted coat over a dark shirt and blue jeans, is walking on a paved sidewalk. He is looking down at a smartphone in his right hand. He is also wearing white sneakers and carrying a black briefcase in his left hand. The background shows a concrete sidewalk with dark expansion joints. The lighting is bright, casting a shadow of the man onto the ground.

Outi Henriksson, CFO

Aktia

Financial summary Q1

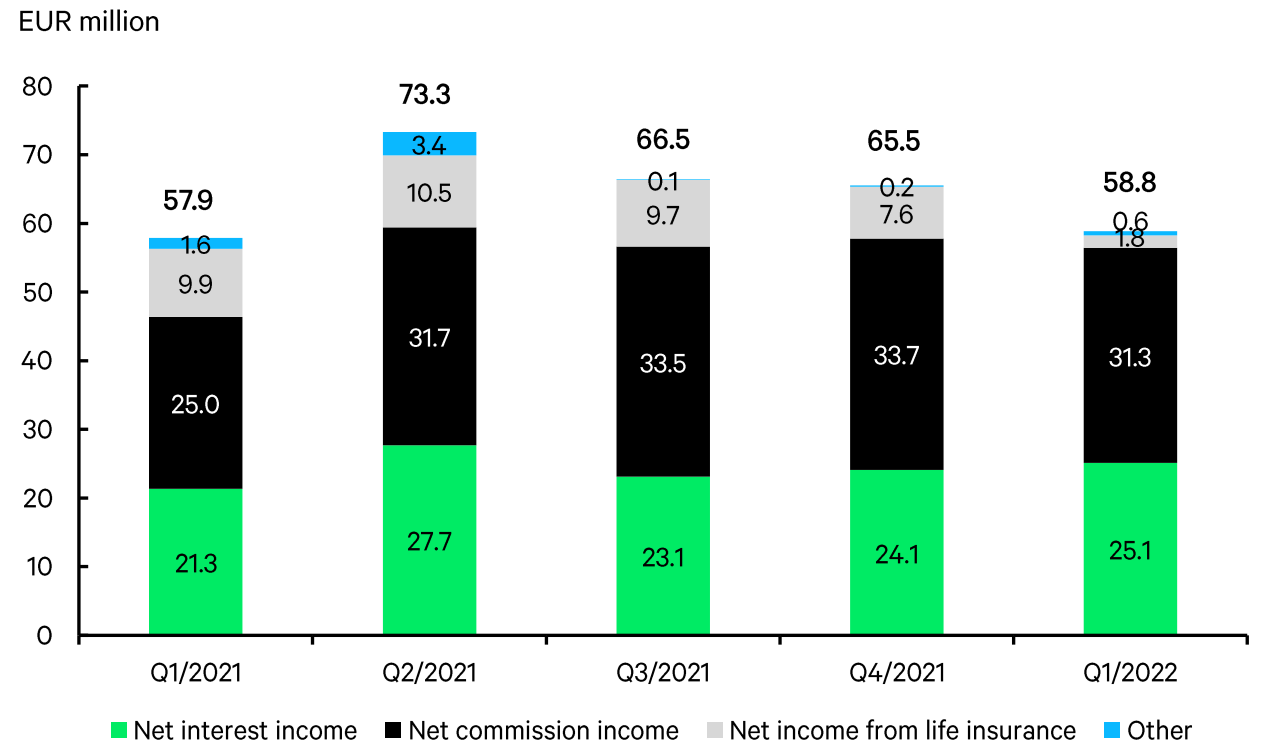
EUR million	1Q2022	1Q2021	Δ %	4Q2021	Δ %
Total operating income	59.0	57.9	2%	65.5	-10%
Net interest income	25.1	21.3	18%	24.1	4%
Net commission income	31.3	25.0	25%	33.7	-7%
Net income from life insurance	1.8	9.9	-82%	7.6	-76%
Other income	0.8	1.6	-51%	0.2	340%
Total operating expenses	-45.9	-38.7	19%	-45.2	2%
Impairments of credits and other commitments	0.3	-2.2	-	0.1	-
Operating profit	13.5	16.9	-20%	20.3	-33%
Comparable operating profit*	13.3	16.9	-21%	20.7	-35%
Earnings Per Share (EPS), EUR	0.15	0.20	-26%	0.23	-34%
Return on Equity (ROE), %	6.5	8.6	-24%	9.5	-31%
Cost-to-income ratio (comparable)	0.78	0.67	16%	0.69	14%
Common Equity Tier 1 capital ratio, %	10.6	13.8	-23%	11.2	-5%

*) Excl. items affecting comparability

Solid business performance continued

- Net interest income up 18% Y-o-Y
 - The strong growth was driven by excellent development in the corporate customer business
- 25% growth in net commission income Y-o-Y mainly due to acquisition of Taaleri wealth management
 - 7% decrease Q-o-Q was affected by the nervous market sentiment
- Negative unrealised value changes in the life insurance company's investment portfolio due to rapid increase in interest rates weighed down the net income from life insurance to EUR 1.8 (9.9) million in Q1

Comparable operating income, Q-o-Q

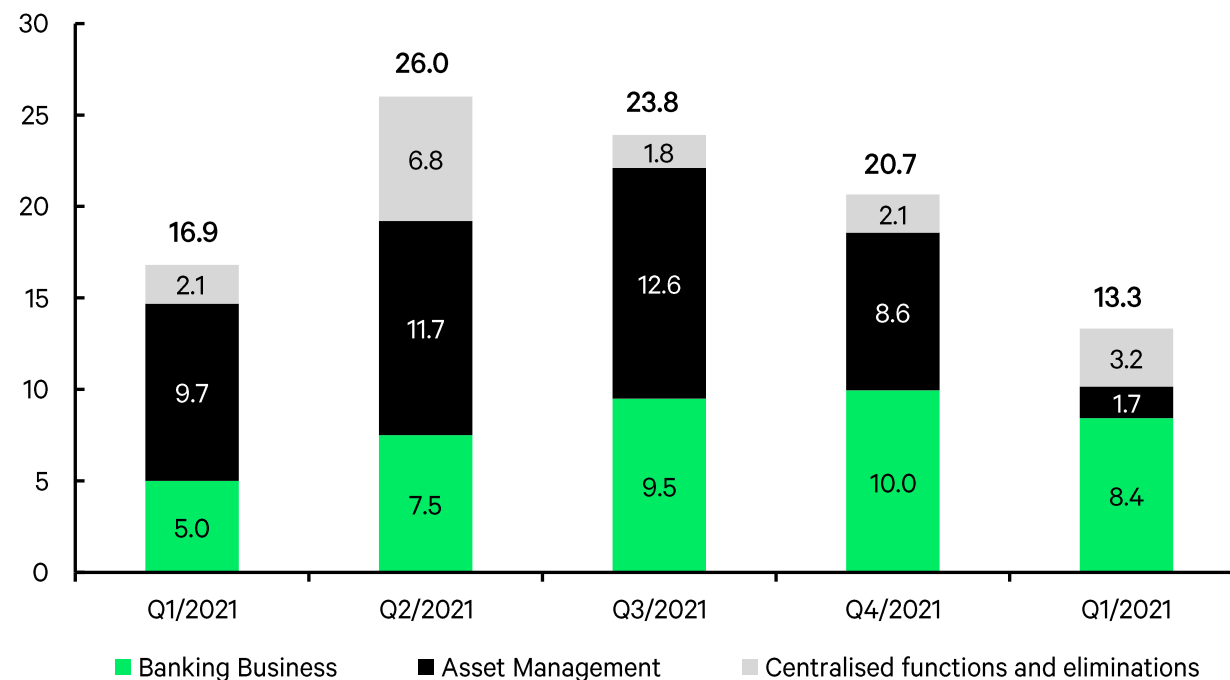


Comparable operating profit affected by market conditions

- Very solid development in Banking Business, profitability affected by the EUR 4.6 million reservation for the stability fee
- Negative value changes in the life insurance company's investment portfolio weighed down the comparable operating profit within Asset Management segment

Comparable operating profit, Q-o-Q

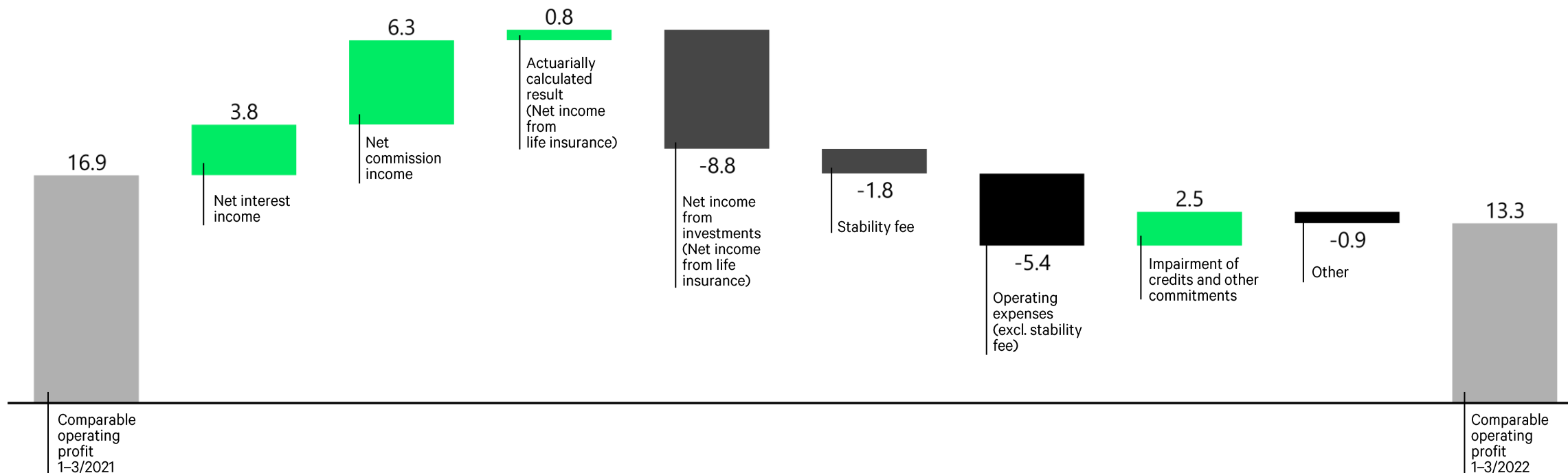
EUR million



Underlying profit increased by 8%

Comparable operating profit 1–3/2022 vs 1–3/2021

EUR million

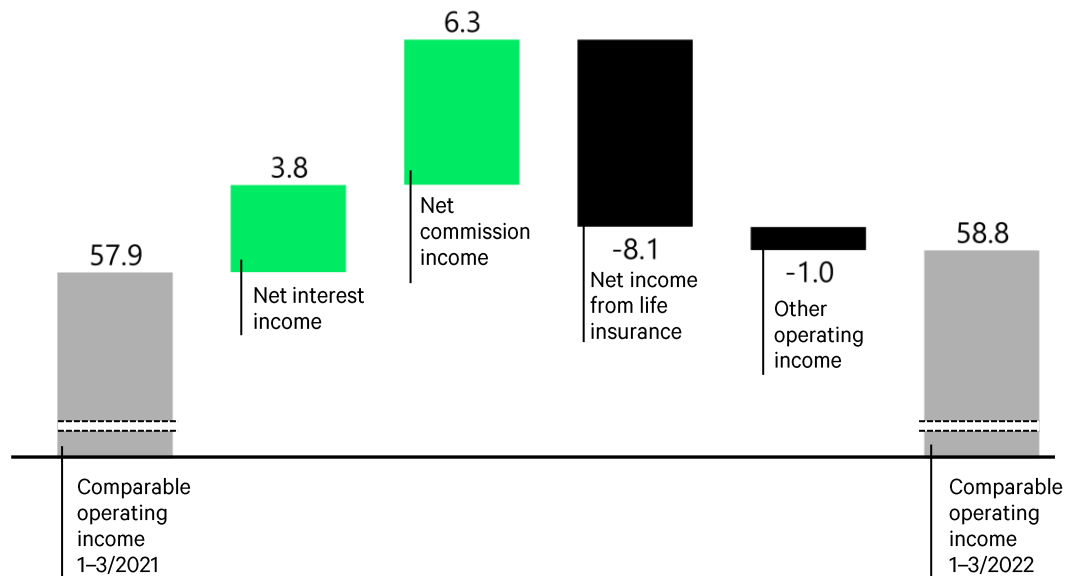


+8% underlying profit growth (without unrealised value changes, stability fee and transactions costs 2021 for the acquisition of Taaleri wealth management business)

Income growth driven by NII, expenses higher due to the Taaleri acquisition in 2Q/2021

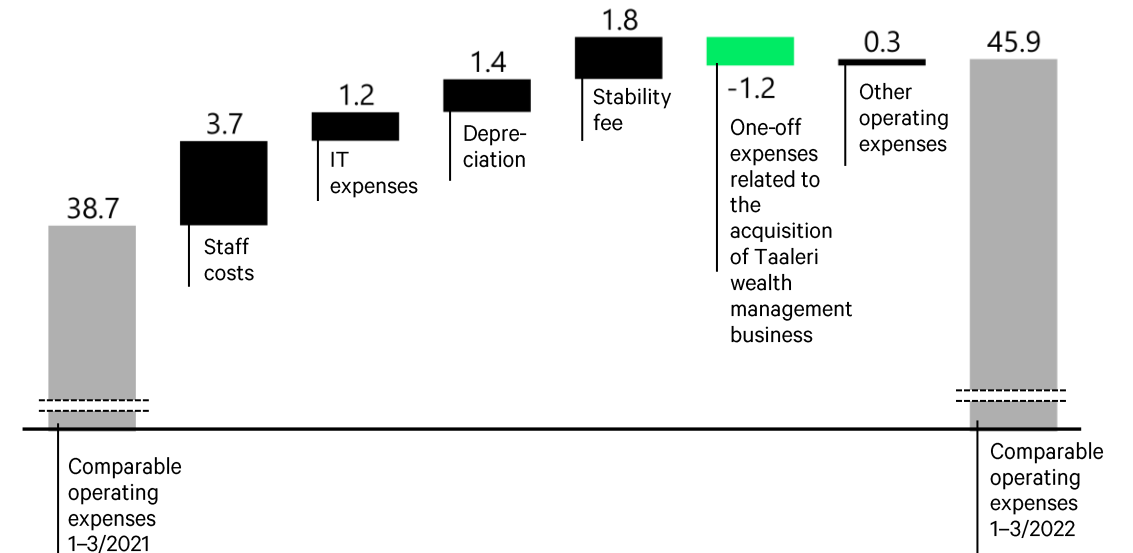
Comparable income 1-3/2022 vs 1-3/2021

EUR million



Comparable expenses 1-3/2022 vs 1-3/2021

EUR million

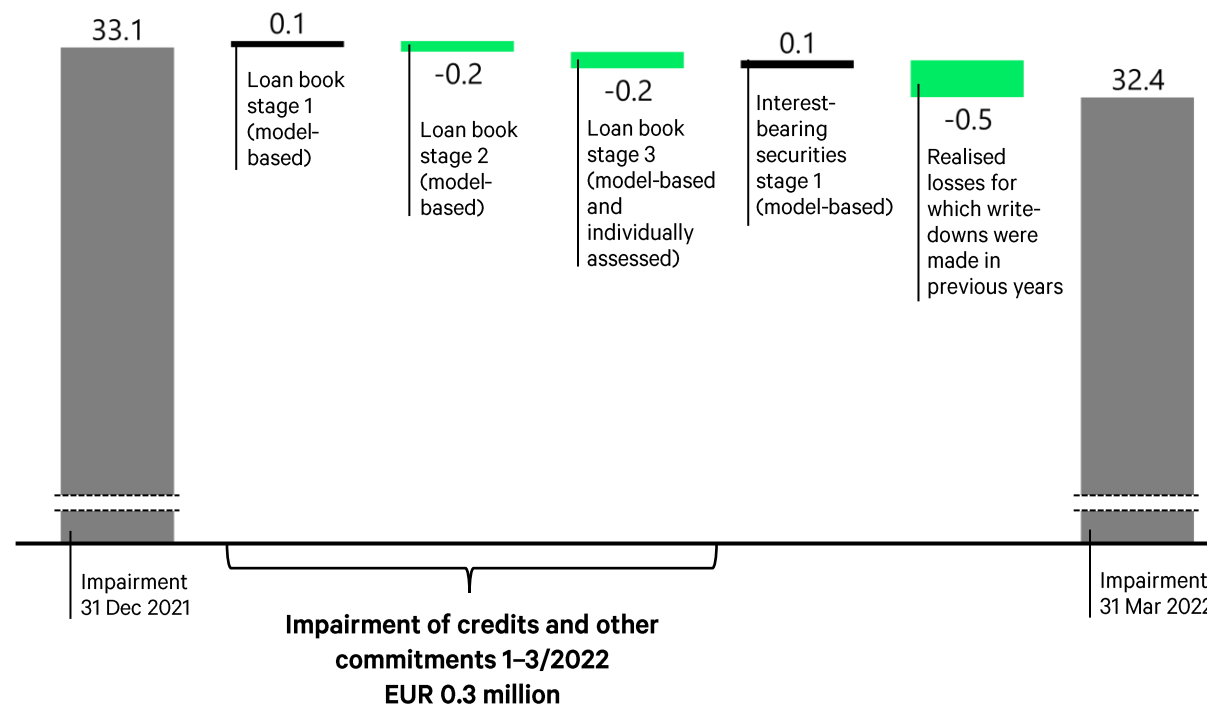


Expected credit losses at a very moderate level

- We have not observed any major new risk concentrations in our credit portfolio
- The macroeconomic assumptions in the ECL model were updated again in Q1, slightly positive but no material impact in 1Q

Change in expected credit losses (ECL) 1-3/2022

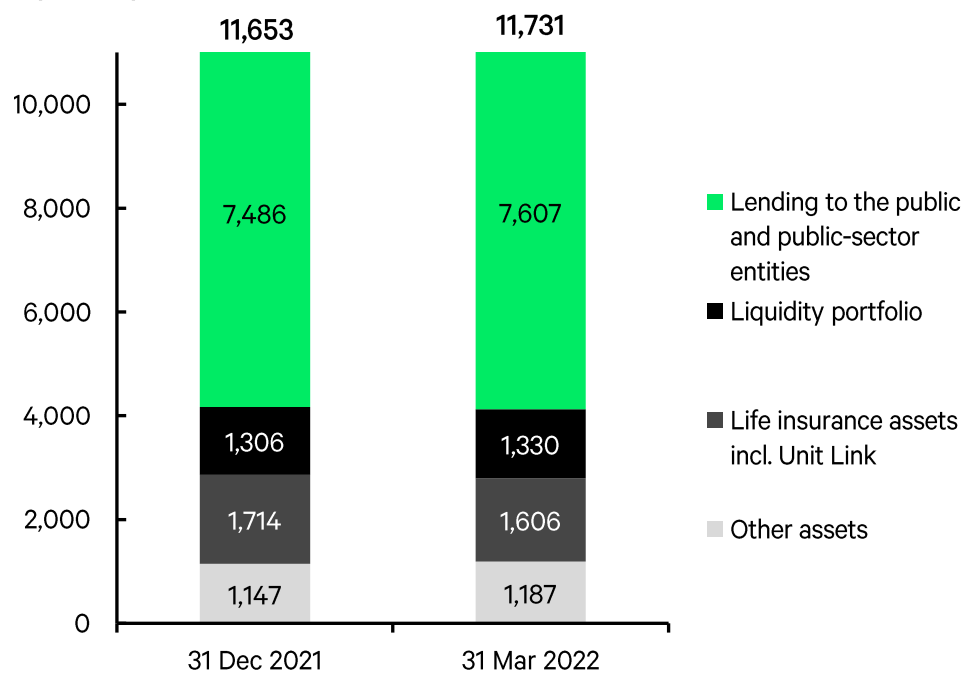
EUR million



Balance sheet total increased to EUR 11,731 million

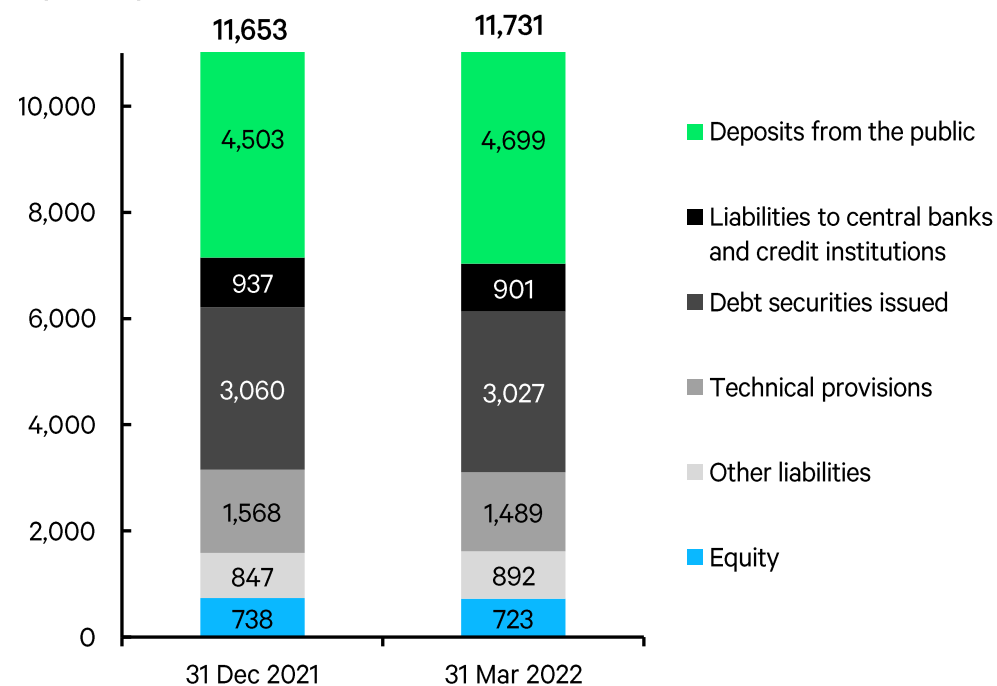
Total assets

EUR million



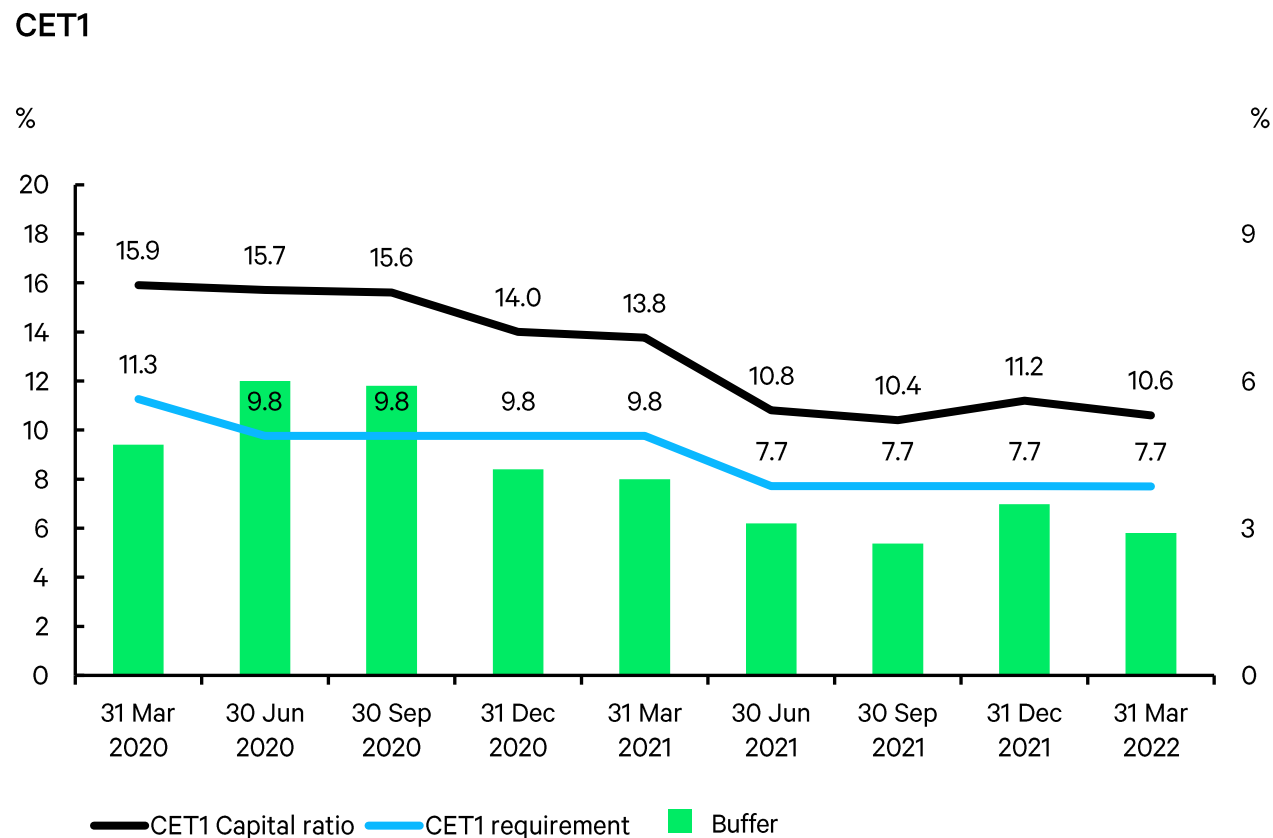
Total liabilities and equity

EUR million



CET1 ratio 2.9 percentage points above the requirement

- The CET1 ratio was 10.6% and decreased from year end by 0.6 percentage points
- Aktia Life Insurance Ltd paid a dividend of EUR 20 million to the parent company in March, which strengthened the Bank's CET1 capital
- The fair value reserve was negatively affected by the increase in interest rates in the first quarter, which in turn weakened the Bank's CET1 capital by approx. EUR 21 million.
- The risk-weighted assets increased by EUR 132 million, driven by growth in corporate lending



Funding activities

- During Q1 2022, Aktia completed 8 senior preferred private placement transactions. The total volume has been approximately EUR 276 million with maturities in the range of 2–12 years. The bank will continue to issue senior debt during the year 2022 to refinance redeeming notes and to convert some of the short-term money market funding to longer term issuance. The bank is planning also to issue limited amount of Non-Preferred Senior notes during the year of 2022.
- In January Aktia Bank issued EUR 500 million benchmark covered bond redeeming in October 2028. The transaction was more than twice oversubscribed with reoffer spread of Mid Swaps minus 1 basis point. This highly successful issue refinanced the similar size covered bond maturing on 31 March 2022.
- Aktia's liquidity continued to be at a good level. The LCR ratio has been comfortably over the regulative limit being 136% at the end of Q1. The cash level has been very good. The ECB tiering structure has been in full use for the whole period.



Outlook 2022 (unchanged)

The comparable operating profit in 2022 is expected to be somewhat higher than in 2021 provided that the market development is favourable and the circumstances in society remain stable. Aktia Group's result for 2022 depends on the impact of the uncertainty caused by Russia's war of aggression on the market.

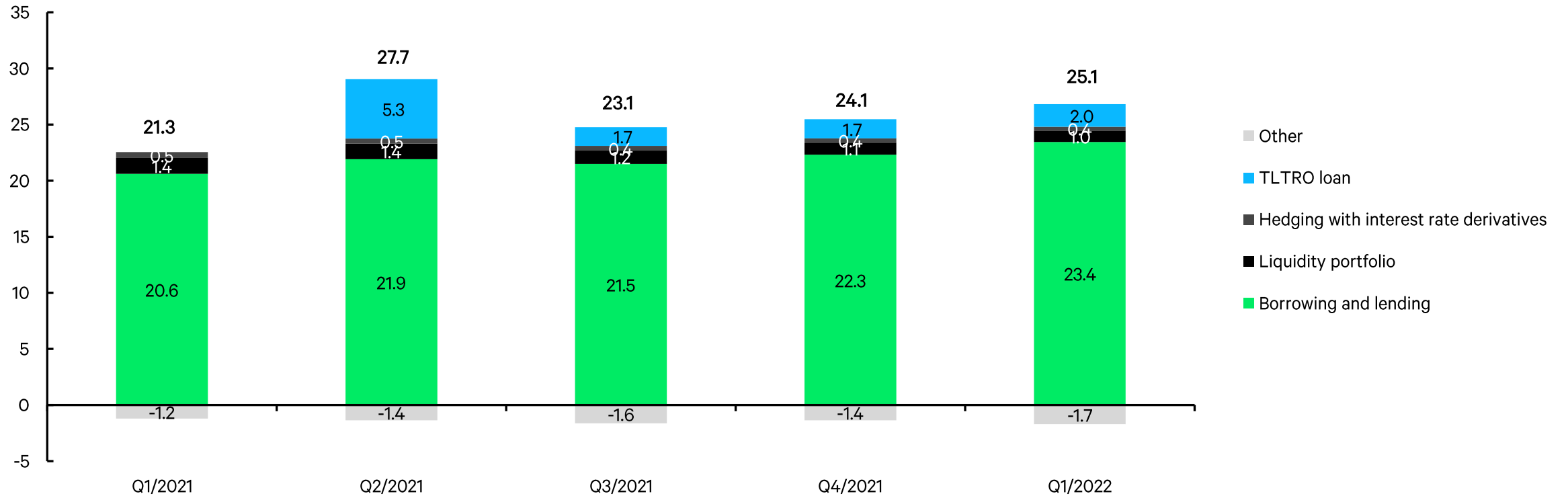
- The net interest income growth is expected to remain strong, especially in the corporate customer segment, due to the active pricing and expected volume growth. The financing expenses are expected to increase slightly as rates increase.
- The growth in commission income is expected to continue. The growth is supported by the completion of the integration of Taaleri's wealth management business.
- The development of the net income from life insurance is dependent on changes in the market values. As a result of increasing rates and market uncertainty, negative unrealised value changes were recorded during the first quarter of the year, but positive value changes from the real estate portfolio are expected for the remainder of the year. The actuarially calculated result is expected to improve compared to last year.
- Considering the impact of inflation, the expenses are expected to be approximately at the level of comparable operating expenses in 2021.
- Potential credit loss provisions are expected to remain at a moderate level while the liquidity and capital adequacy of Aktia remain stable.

Appendices



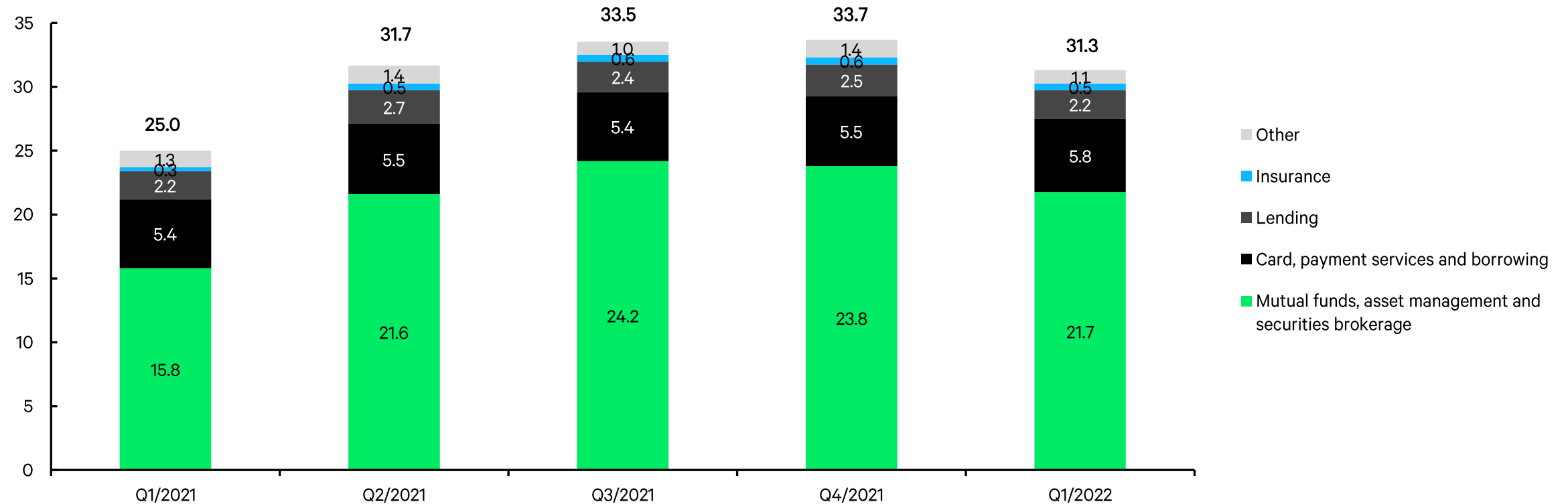
Net interest income mix

EUR million



Net commission income mix

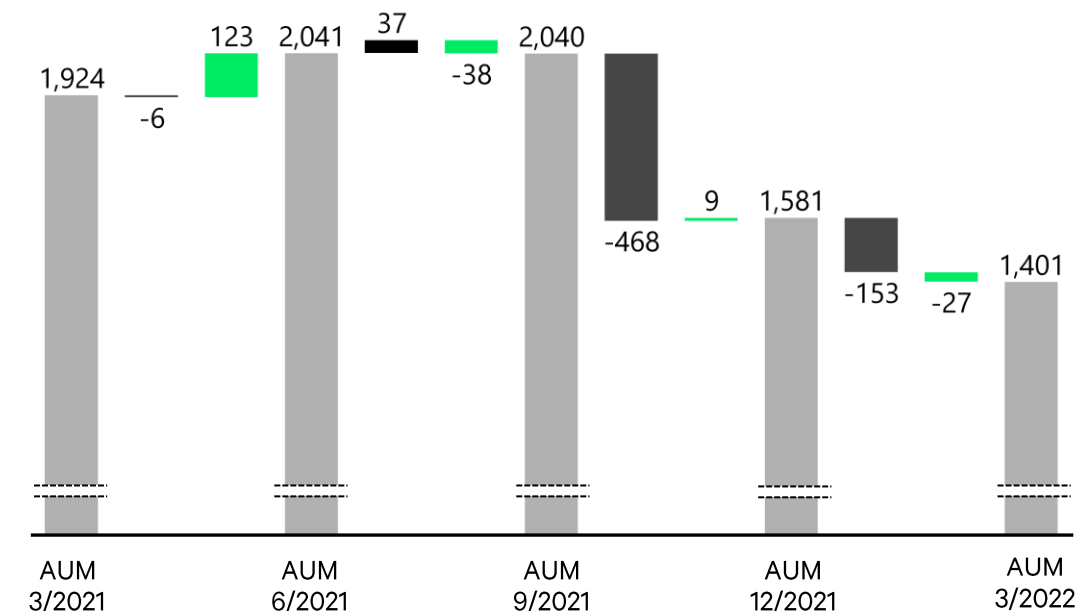
EUR million



AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q

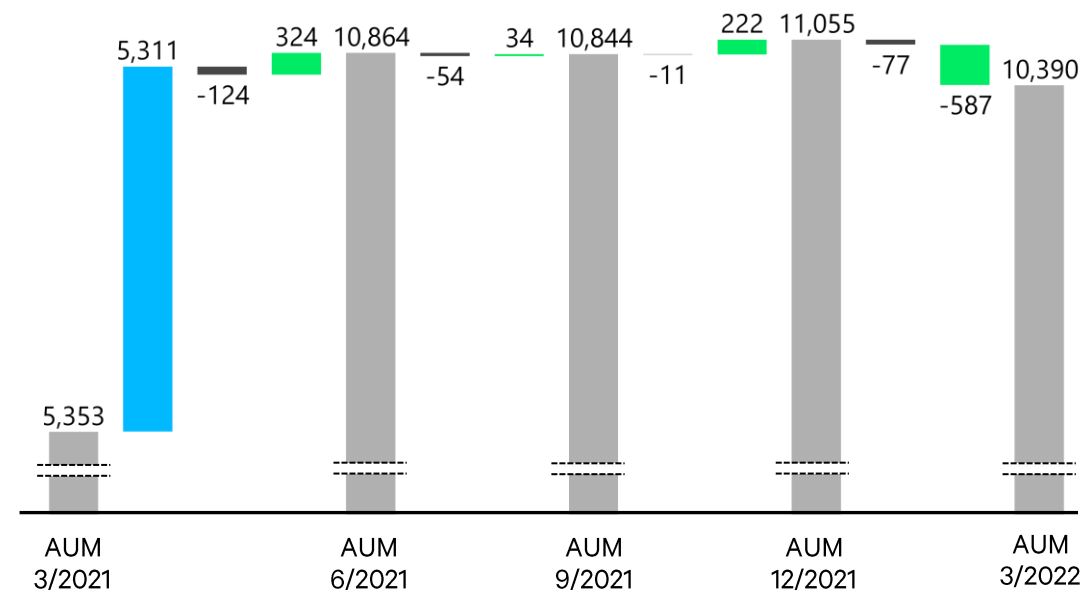
EUR million



■ Net subscriptions ■ Market changes

Asset Management, Domestic institutions Q-o-Q

EUR million

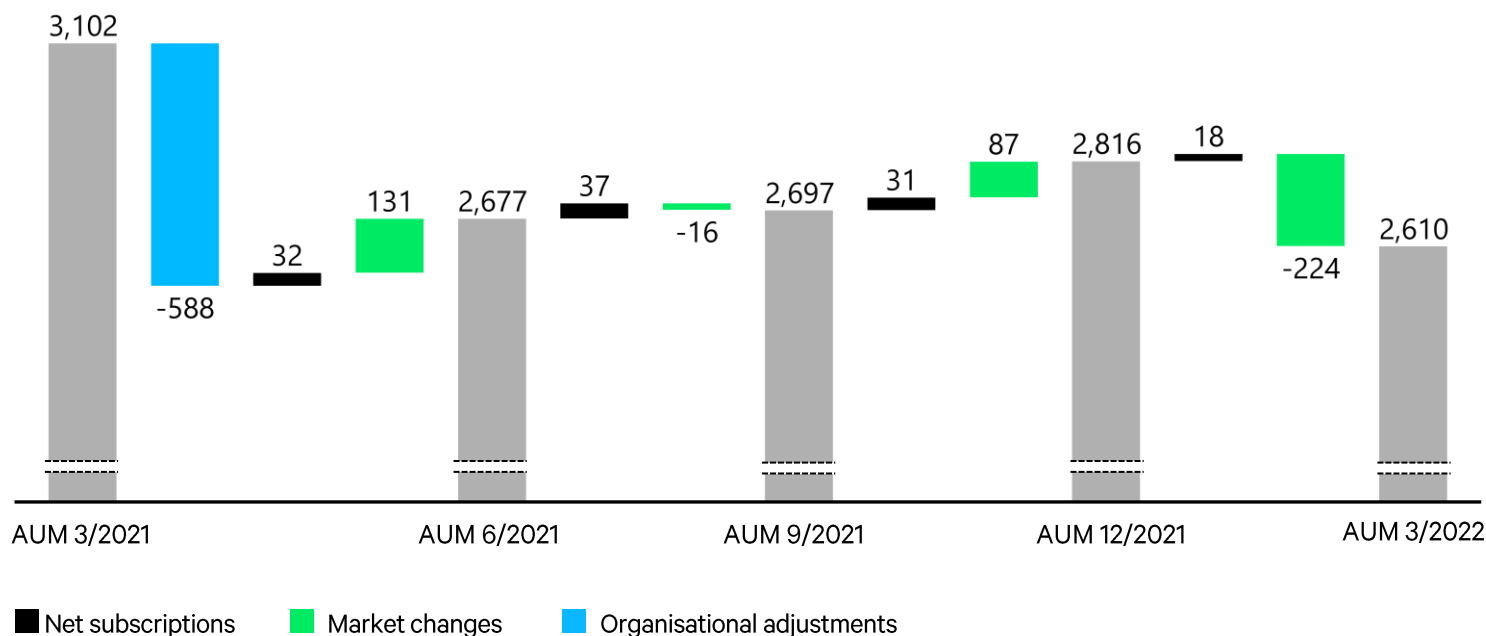


■ Net subscriptions ■ Market changes ■ Transaction and org. adj.

AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

EUR million





Building wealth for our customers and society

Investor Relations contacts:

Lotta Borgström

Director, Investor Relations and Communications

+358 10 247 6838

lotta.borgstrom@aktia.fi

Aktia