

30 APRIL 2024

Q1 Results

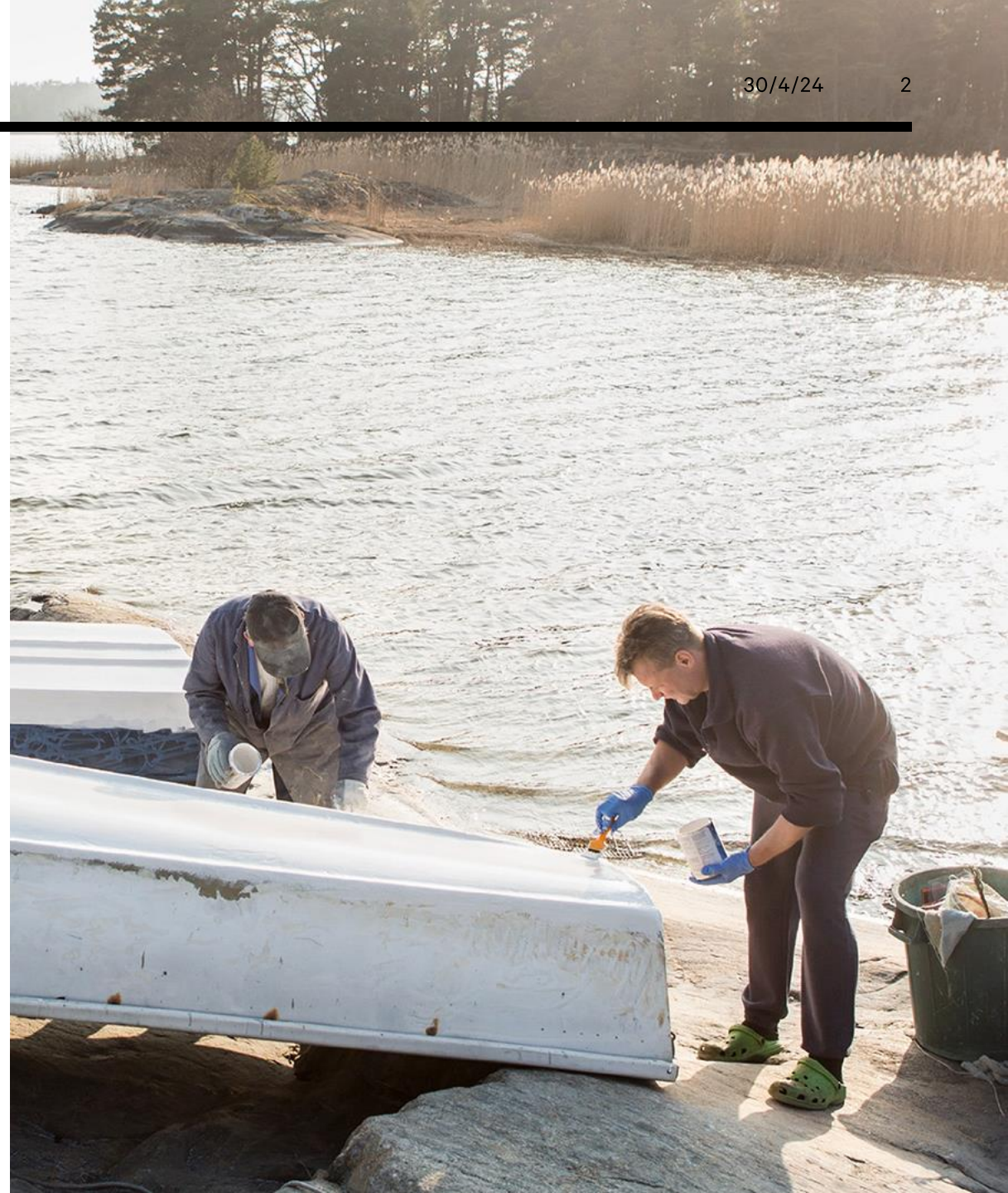
Juha Hammarén, CEO

Outi Henriksson, CFO

Aktia

Highlights Q1

- Aktia's strong performance continued in Q1.
- Good comparable operating profit, driven by a high net interest income.
- Important key metrics such as C/I ratio and ROE improved.
- Assets under management increased slightly and net commission income from asset management was solid.
- Costs were well under control, though IT expenses increased, mainly reflecting investments in system improvements, data and analytics, and customer experience.
- Credit losses remained at a moderate level.



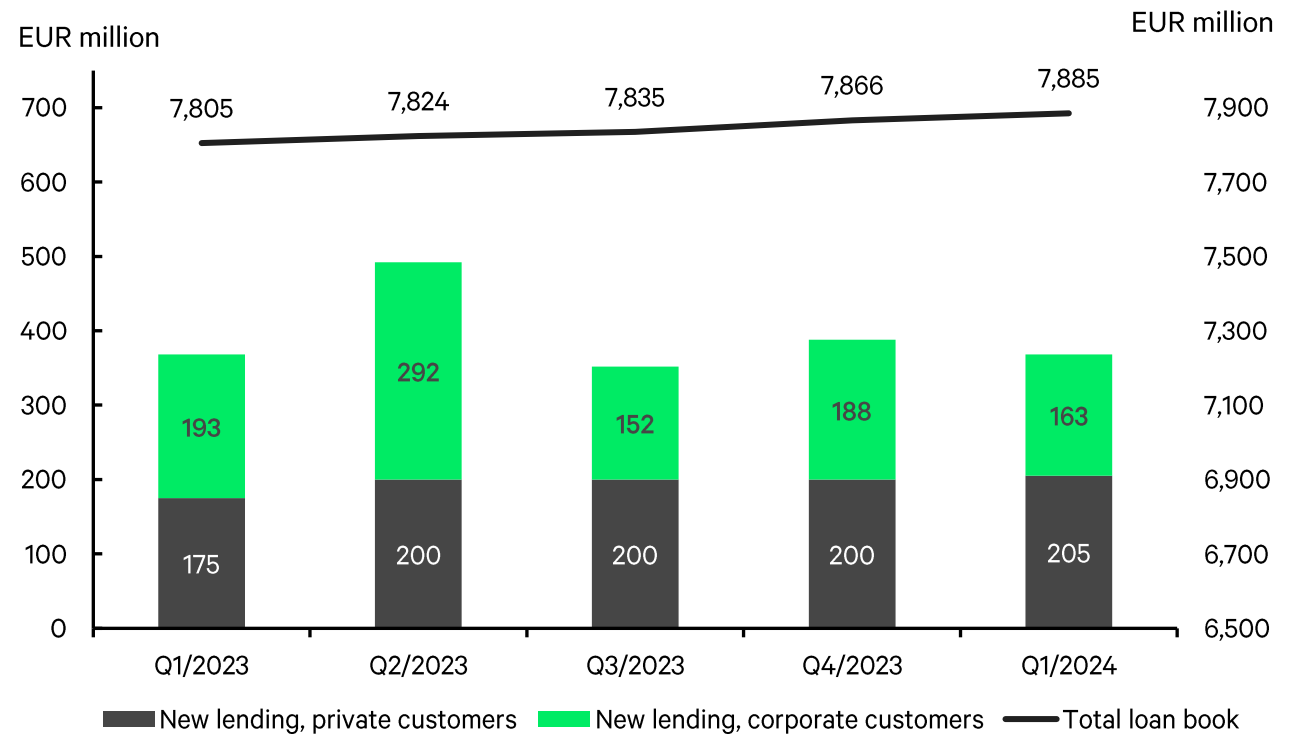
Business areas



NII supported by corporate lending

- Strong net interest income, driven by interest income from lending and growth in profitable financial solutions.
- Demand for hire purchase and leasing financing remained strong.
- Demand for housing loans still low.
- Credit losses increased slightly, but remain at a moderate level, thanks to good risk management and the good quality of the loan book.
- Continued growth in the card business.
- Sales of investment products to banking business customers developed well.

Development of the Group's credit portfolio Q-o-Q

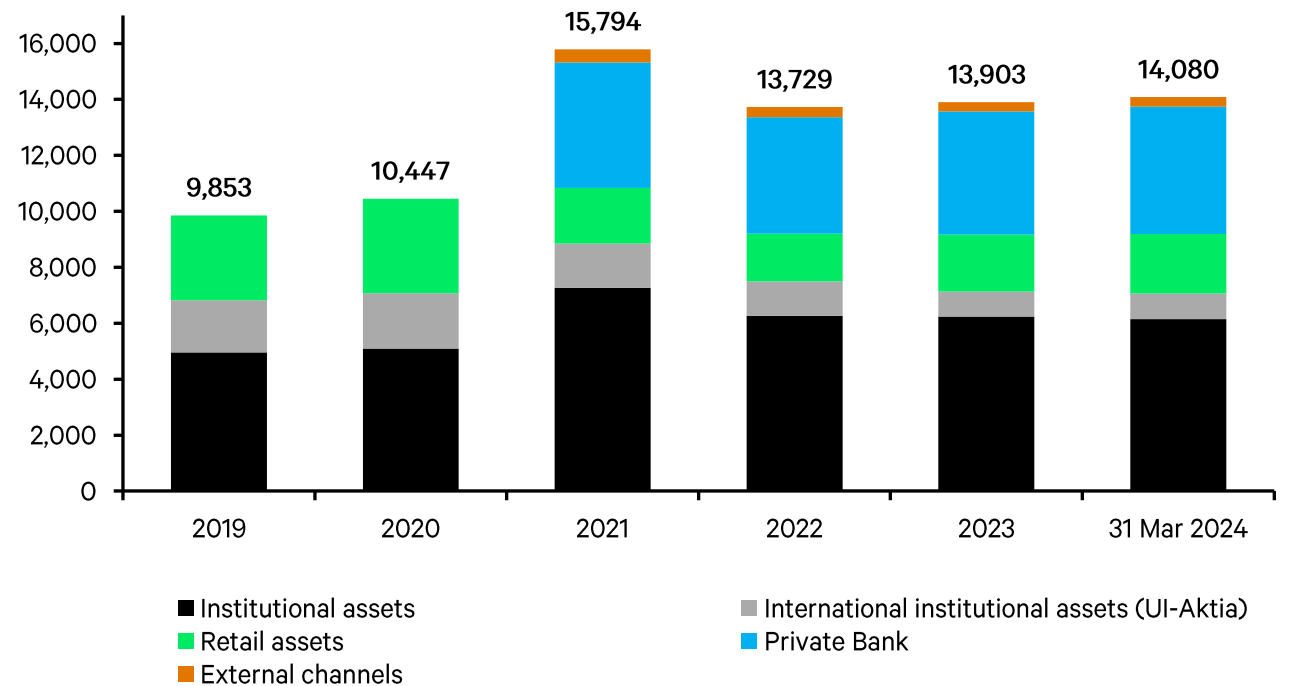


Assets under Management grew slightly

- AuM grew slightly in Q1, as market environment remained mainly positive.
- Growth was supported by strong net sales in the banking business and in Private Banking.
- Total net subscriptions were negative in Q1, due to negative net sales to institutions. However, this had only a marginal impact on the result.
- Net commission income from asset management remained solid.
- In January, Kati Eriksson started as EVP, Asset Management.

The Group's Assets under Management, excluding custody

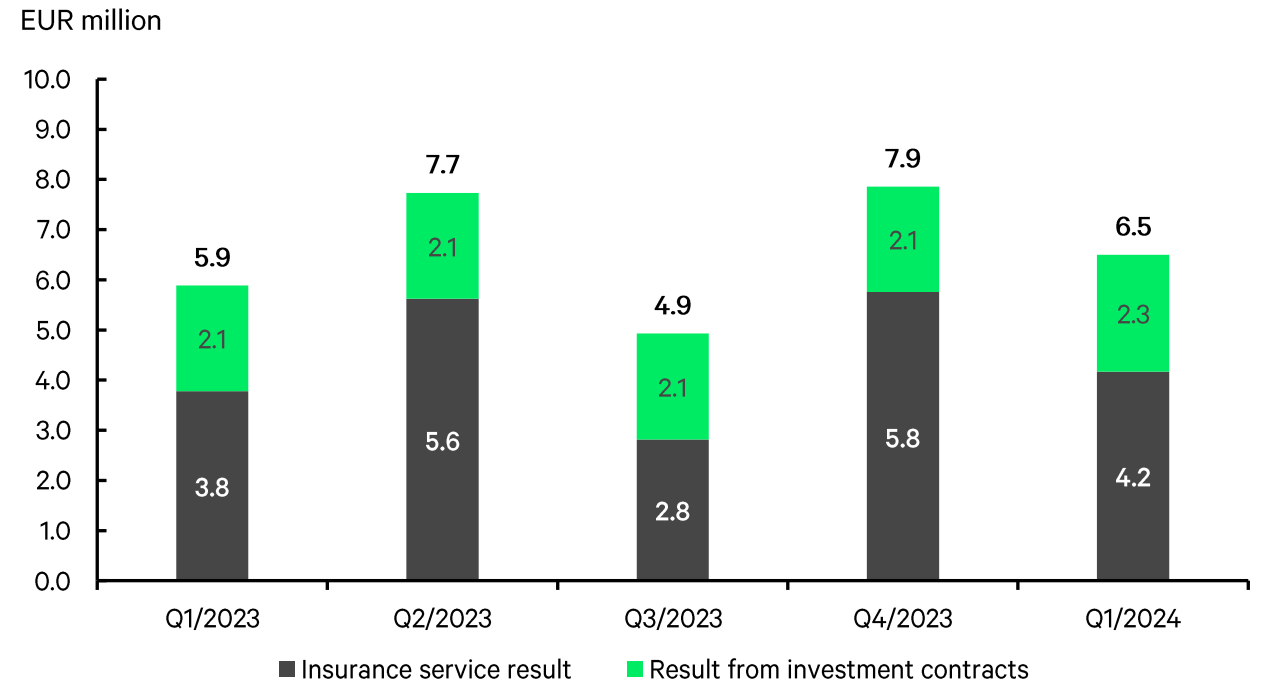
EUR million



Insurance service result remained solid

- Sales of risk life insurance policies continued to developed well.
- Sales of investment-linked insurances were strong.
- Favourable market development had a positive impact on the result.
- The result from investment activities was stable and amounted to EUR 1.8 million.
- The solvency ratio remained on a good level.

Development of the actuarially calculated result Q-o-Q



Aktia's sustainability in Q1/2024

Our mission is to build wealth for our customers and society, not only today but also for generations to come. The financial sector can play a major role in the green transition.

Q1/2024 highlights



New active ownership methods for engagement dialogues with government institutions

We developed our active ownership methods by building a new model for sovereign engagement. The model is based on a new public climate performance assessment tool (ASCOR), where Aktia has been part of the advisory committee. This pilot aims to enhance climate change considerations within Aktia's emerging market debt funds, with implementation scheduled for the second quarter.



Aktia's updated principles for responsible investing

Aktia's own principles for responsible investing have been a focus during the first quarter. The principles have been updated during the first quarter and will come into effect during the second quarter. The updated principles include e.g., specification regarding the exclusion criteria in our investment practices.

Sustainability-driven success for the leading wealth manager bank

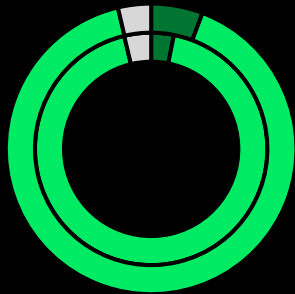
☑ = 2025 target achieved

Prosperity & Planet

People

Principles of Governance

Share of SFDR Article 8 and 9 classified funds
Target: increase the share



Q1 2024 96.3%
(outer circle)

Q1 2023 96.3%
(inner circle)

SFDR Article



Change in the relative carbon footprint of equity and credit portfolios

-40,1% ☑

(tonnes of CO2e/ million euros invested)
Target: 2025 -30% vs. 2019



Siqni Flame Index*

Target: 80

2024 H1

2023 H2

75

72



eNPS**

Target 20

2024 H1

2023 H2

18

-4



SHE Index***

Target: 85

2023 Q4

74

*The Flame Index is the average of how the five most significant factors according to the employee are realized at the workplace. Scale 0-100

** Measures the recommendability of the employer from the employees point of view

*** The target was set during the year 2023, after receiving the initial score for Aktia.

Siqni and eNPS are measured biannually and SHE index annually

Aktia's ESG ratings

Target: reach at least industry average

MSCI

☑ AA

Sustainalytics

☑ Low Risk

ISS-ESG

☑ D+

Financial overview



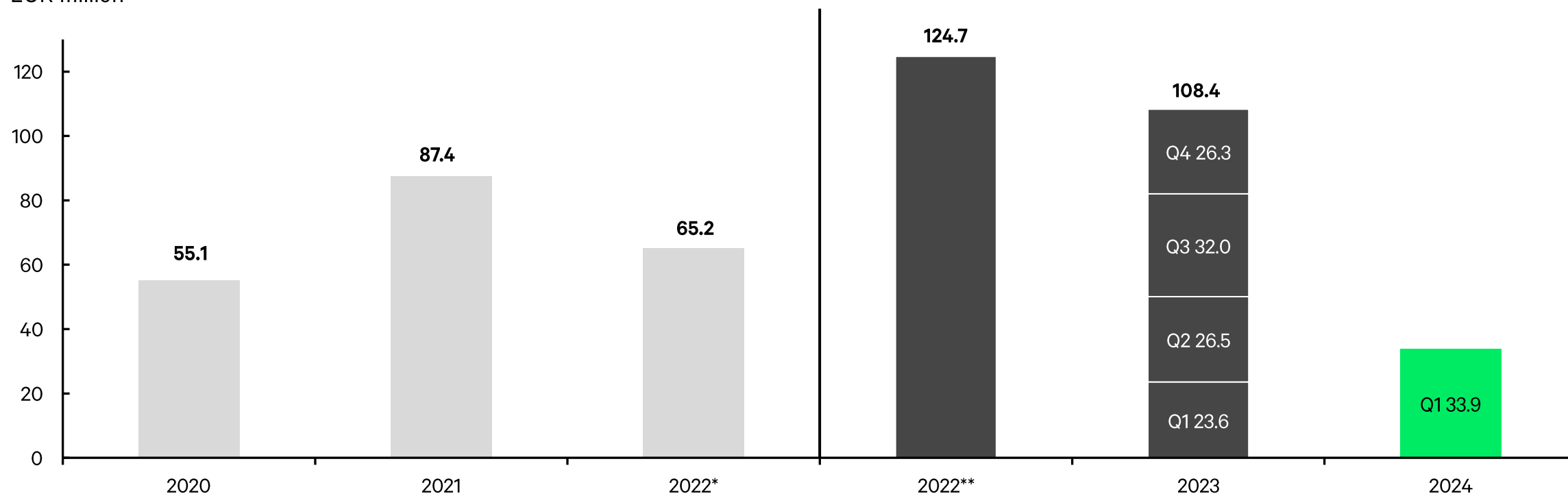
Outi Henriksson, CFO

Aktia

Comparable operating profit growth driven by strong NII and good cost control

Comparable operating profit 2020–2024

EUR million



* Reported 2022 figures (according to the accounting standard used at the time)

** Restated 2022 figures

Financial summary Q1

EUR million	Q1/2024	Q1/2023	Δ %	Q4/2023	Δ %
Total operating income	77.3	70.3	10%	75.2	3%
Net interest income	39.1	31.8	23%	38.9	0%
Net commission income	30.1	30.3	0%	29.8	1%
Net income from life insurance	7.7	7.2	7%	6.0	27%
Other income	0.4	1.0	-59%	0.5	-17%
Total operating expenses	-41.4	-47.1	-12%	-46.5	-11%
Impairments of credits and other commitments	-2.7	-0.9	190%	-2.4	12%
Operating profit	33.3	22.2	50%	25.2	32%
Comparable operating profit**	33.9	23.6	44%	26.3	29%
Earnings Per Share (EPS), EUR	0.38	0.25	52%	0.28	35%
Return on Equity (ROE), %	16.4	12.2	4,2*	12.8	3,6*
Cost-to-income ratio (comparable)	0.53	0.65	-18%	0.60	-12%
Common Equity Tier 1 capital ratio, %	11.4	11.1	0,3*	11.3	0,1*

*) The change is calculated in percentage points

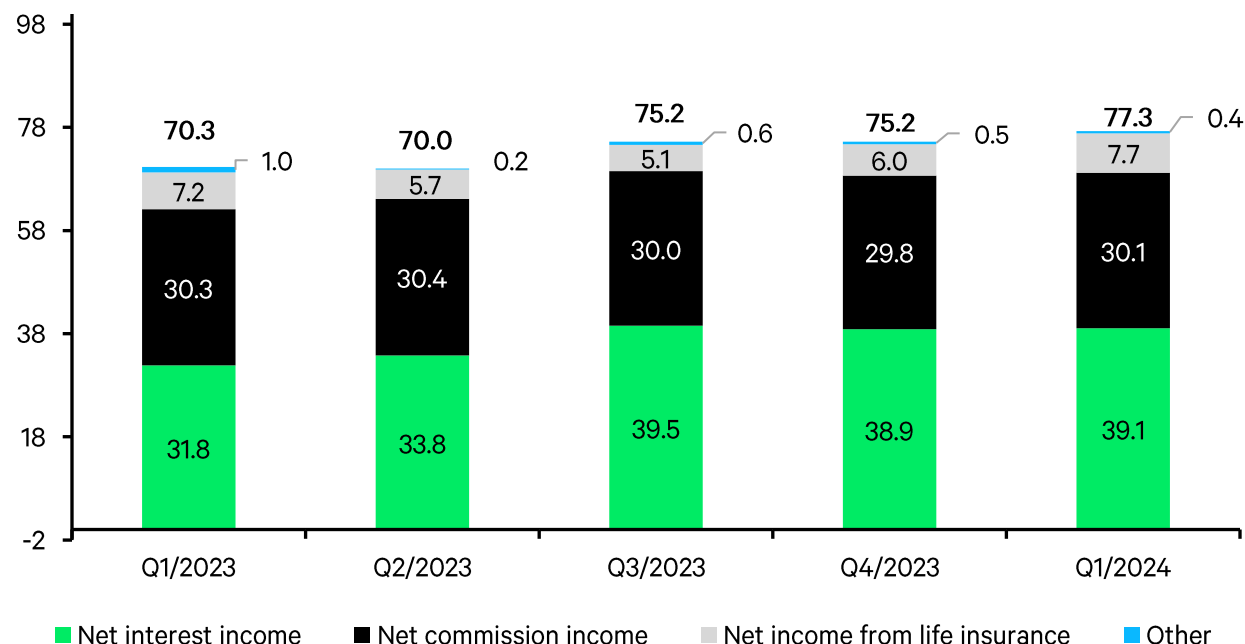
***) Excl. items affecting comparability

Total operating income 10% above last year

- Top line growth driven by NII and strong income from life insurance in Q1.
- Interest income from lending has been supported by favorable margin development as the growth is attributable to corporate lending and higher margin product mix. However, cost of market-based funding remains high. Interest expenses from deposits has increased somewhat as a result of movement from current accounts to term deposits.
- Net commission income was at the same level as previous quarters

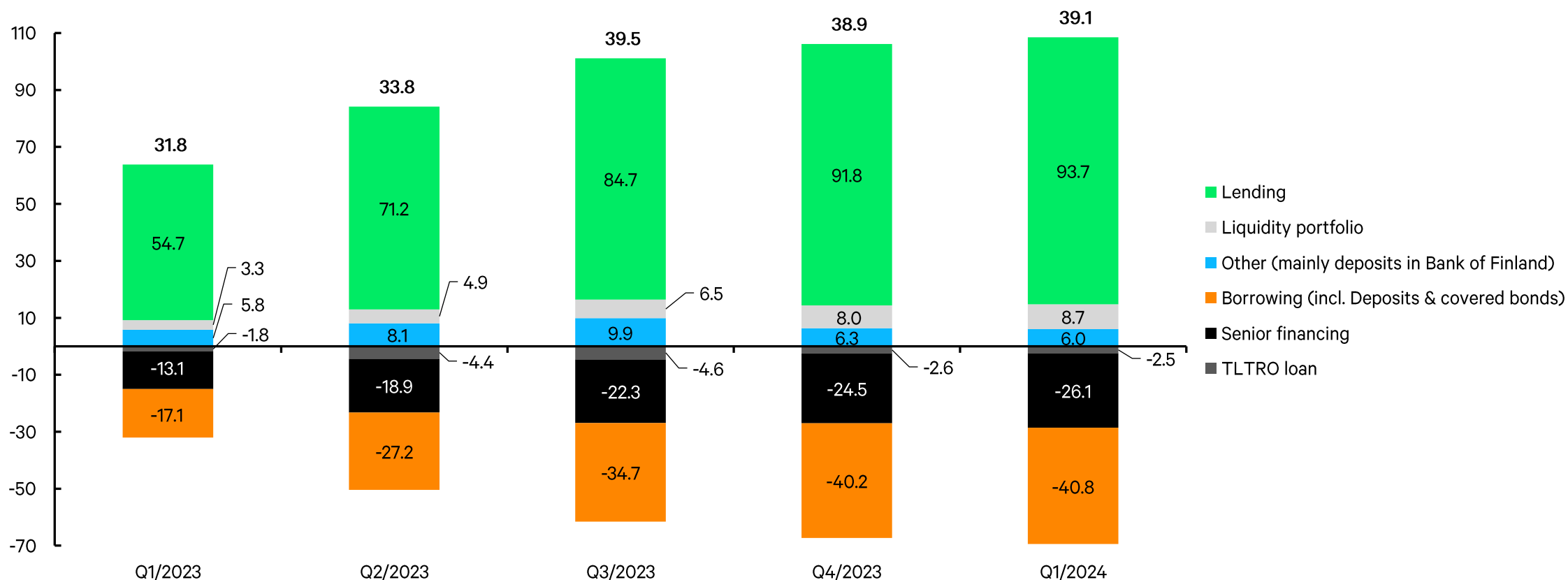
Comparable operating income, Q-o-Q

EUR million



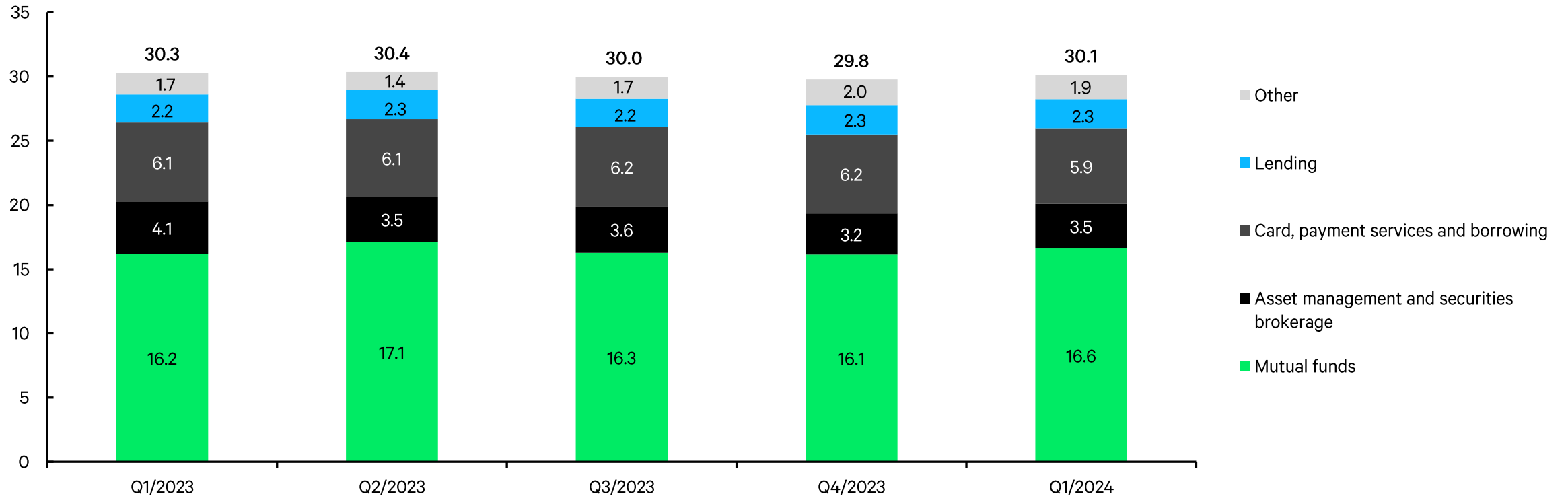
Composition of the Group net interest income

EUR million



Net commission income mix

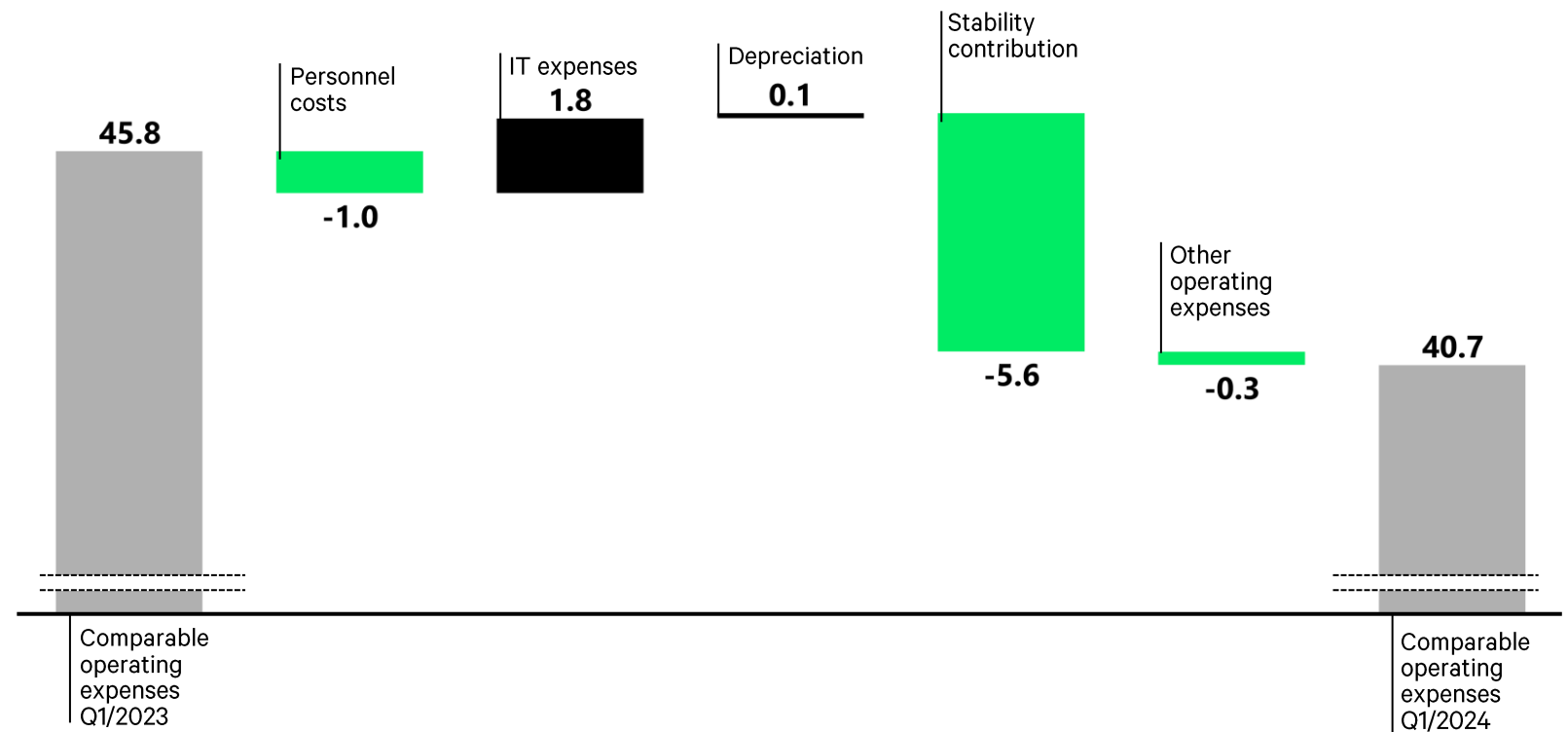
EUR million



Despite high inflation, operating expenses are well under control

- Efficiency improvements now visible in personnel expenses and other operating expenses – despite high inflation last year.
- IT expenses increased by 19% compared to last year, mainly reflecting efforts and investments in system improvements, data and analytics, as well as customer experience.
- Comparison to last year is affected by the stability contribution (EUR 5.6 million last year, no reservation this year).

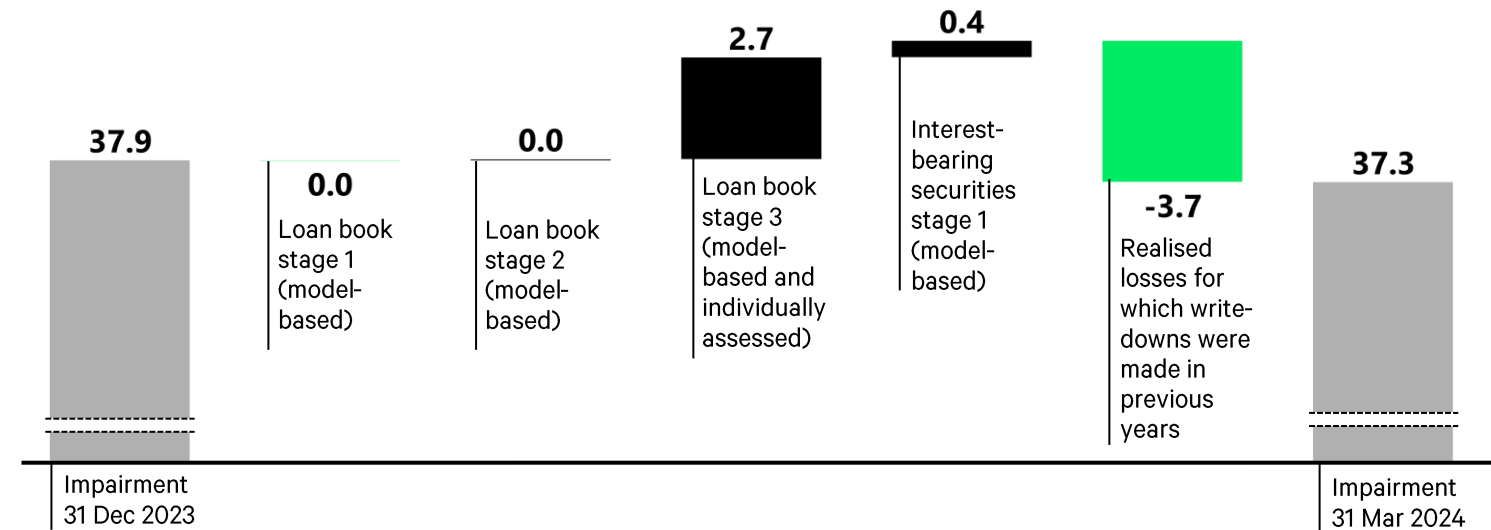
Comparable operating expenses Q1/2024 vs Q1/2023
EUR million



Quality of the credit portfolio remains solid

- Loan book constitutes for the major part of loans to households with residential or real estate securities.
- The loan-to-value (LTV) ratio remained at a healthy level (42%).
- Credit loss provisions in Q1 remained at a moderate level (EUR -2.7 million). Growth in credit card business has somewhat increased the exposure.

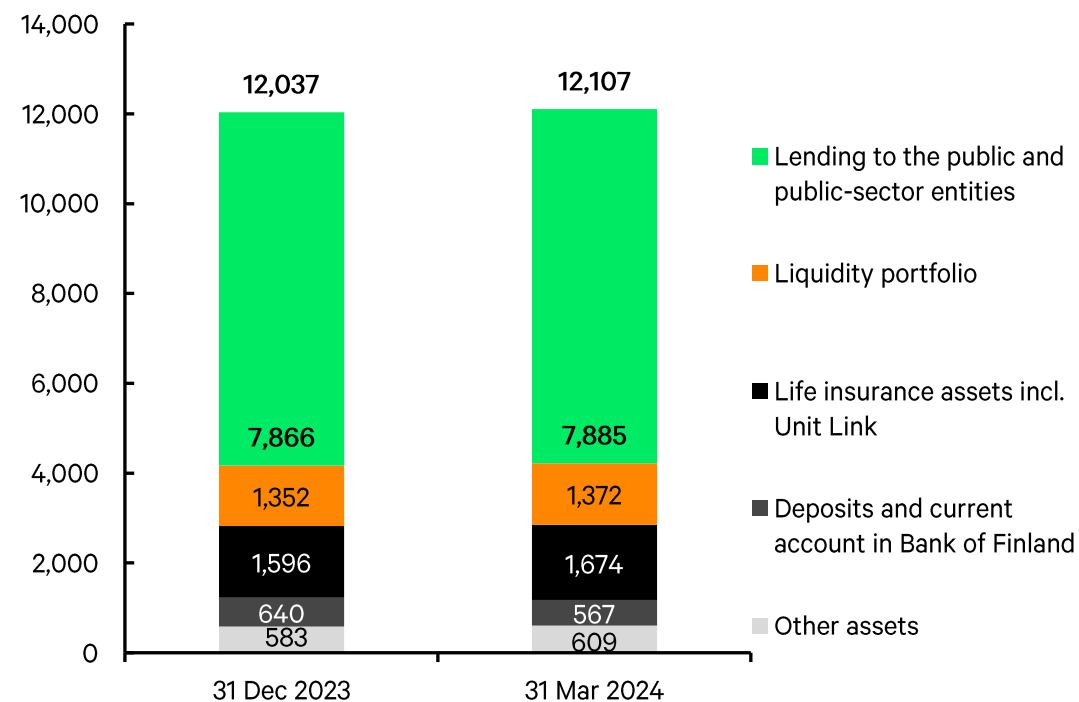
Change in expected credit losses (ECL) 1–3/2024
EUR million



Balance sheet total EUR 12,107 million

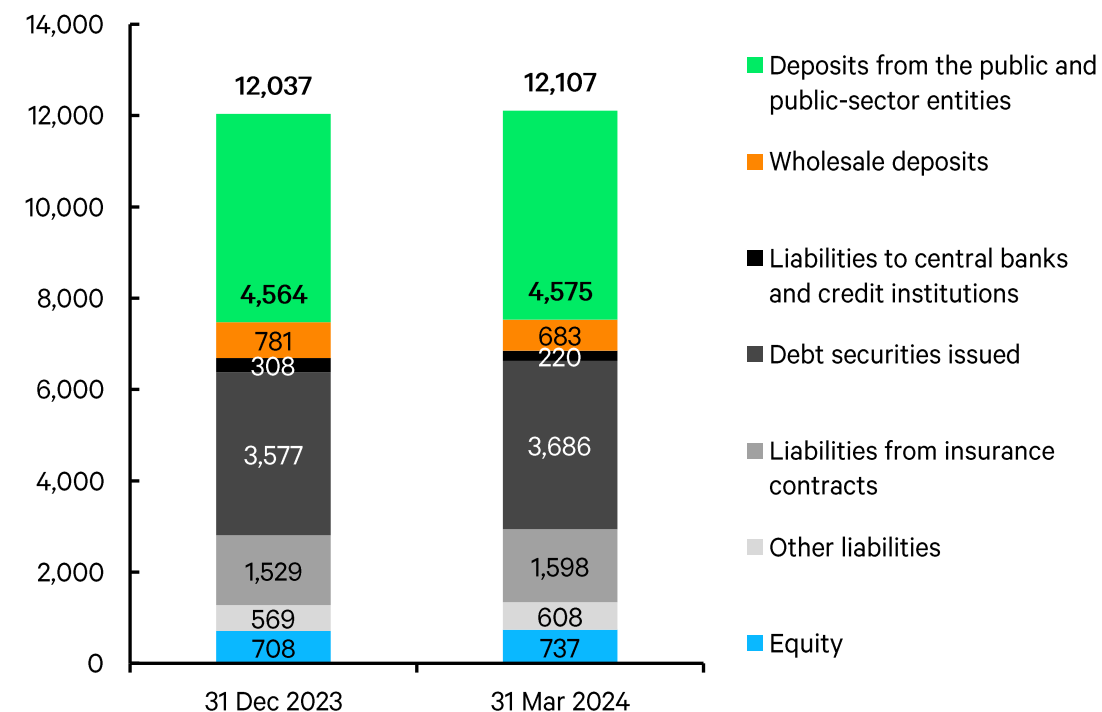
Total assets

EUR million



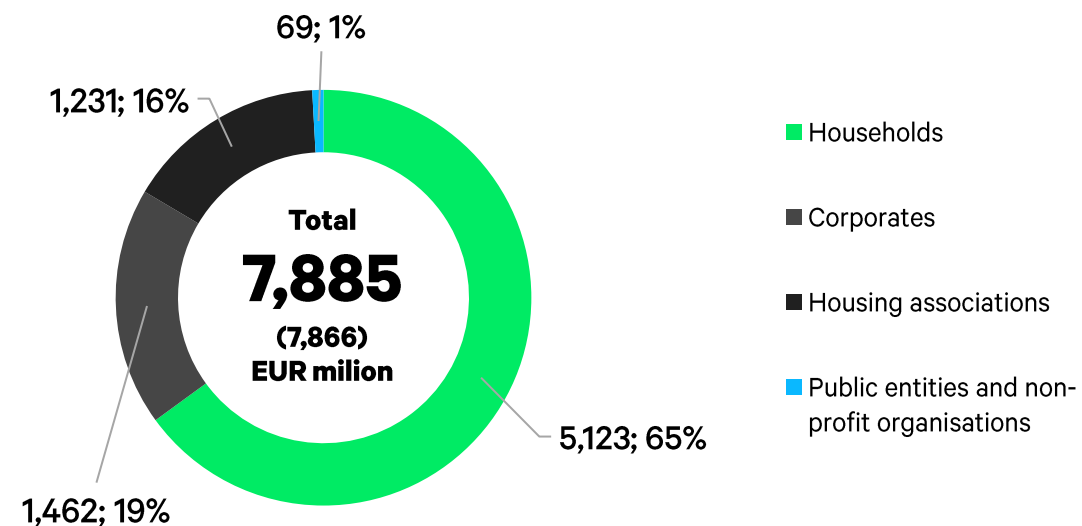
Total liabilities and equity

EUR million

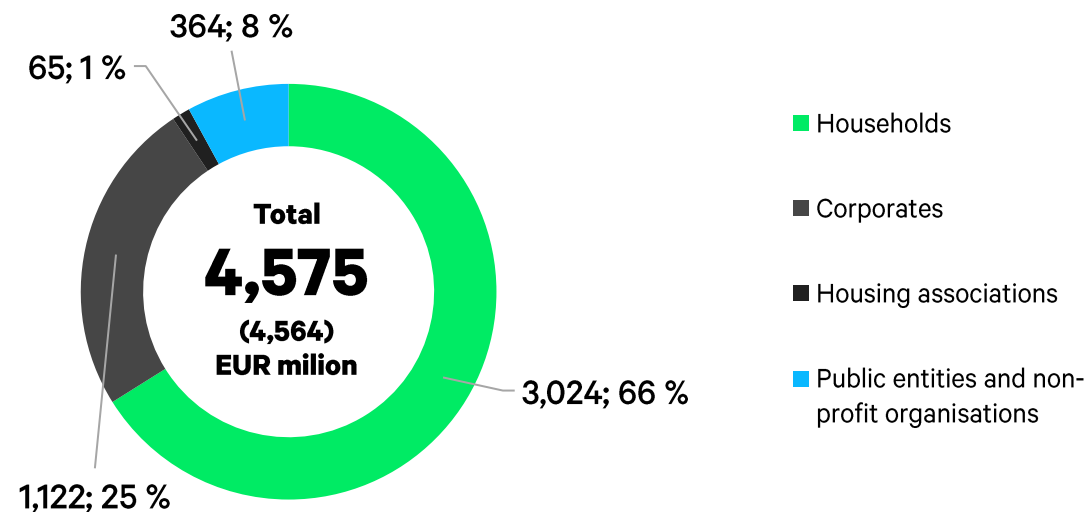


Structure of lending and deposits

Lending

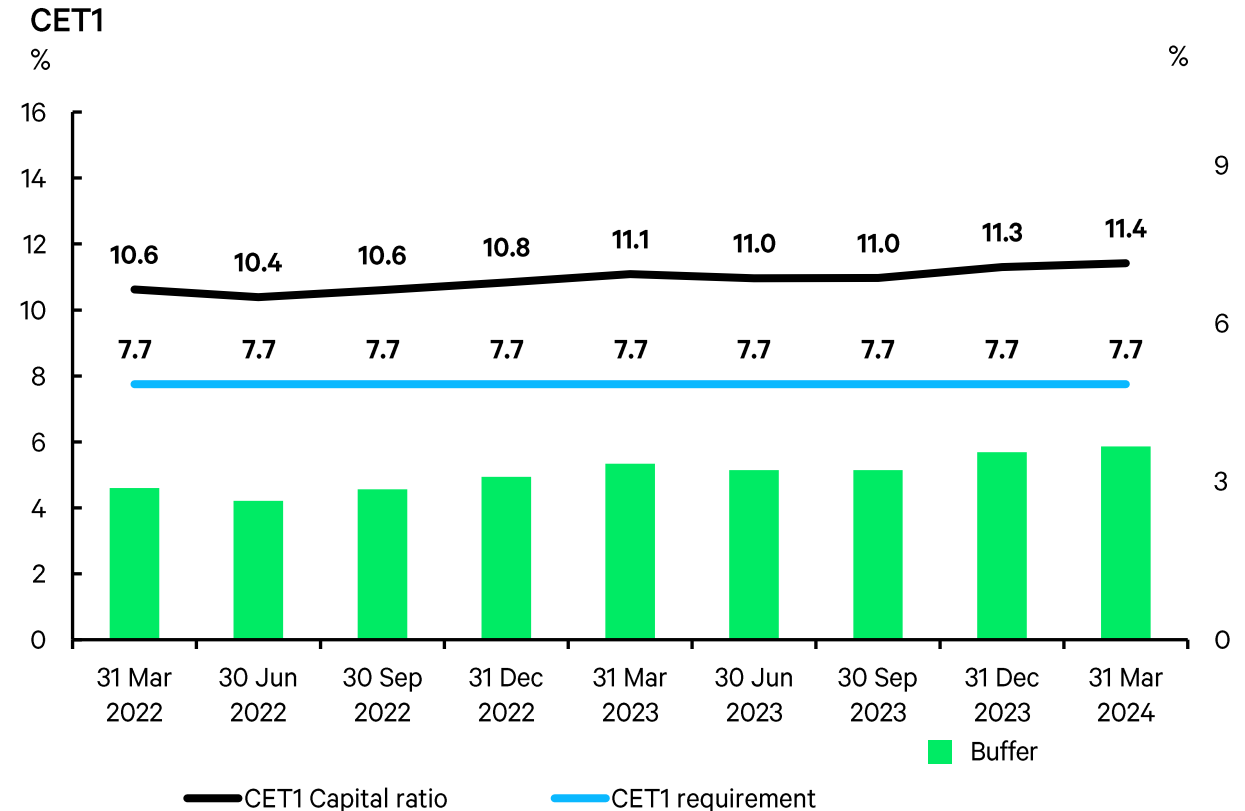


Deposits



CET1 ratio 3.7 percentage points above the regulatory requirement

- CET1 ratio was 11.4%, thus improved 0.1 percentage points from Q4/2023 and 0.3 percentage points from Q1/2023.
- Regulatory CET1 own funds increased by EUR 6.8 million, including:
 - Increase in the fund at fair value (EUR 3.2 million).
- Risk-weighted assets increased by EUR 25.5 million from the year-end 2023 mainly due to the growth in corporate lending.
- Reservations for dividends:
 - 31 December 2023 EUR 50.7 million.
 - 31 March 2024 EUR 16.3 million (corresponding to 60% of the Group's distributable result).



Future changes in the regulatory requirements regarding capital adequacy

- FIN-FSA decided to adjust the **discretionary additional capital requirement (Pillar 2)** down to 1.00% for Aktia (currently 1.25% and valid until further notice as of **30 September 2024**).
- As previously announced by FIN-FSA, a systematic buffer increase of 1.00% percentage points will be effective for the majority Finnish credit institutions, including Aktia, from **1 April 2024** onwards.

* after the reporting period

Funding activities

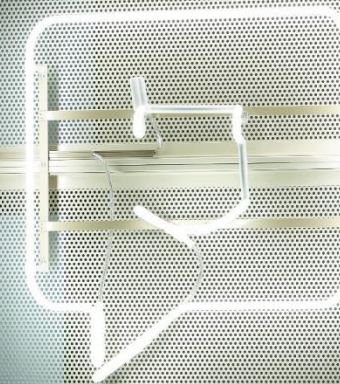
- Through the first quarter of 2024, the market has remained very strong, and issuance of covered bonds in particular has been very active. Also, senior and subordinated debt markets have performed strongly.
- During Q1/2023, Aktia completed six senior preferred private placement transactions. The total volume in nominal value was approximately EUR 285 million with maturities in the range of 2–5 years. The bank also issued successfully inaugural SEK Tier 2 issue to Swedish market (SEK 350 million), equivalent approximately EUR 31 million.
- Aktia is monitoring the EUR market for possible benchmark size public issue in Q2. The bank will also continue to issue senior debt in private placement format.
- Aktia's liquidity continued to be at very good level, the LCR ratio being 187% at the end of Q1/2024.

Outlook 2024 (updated)

Aktia's comparable operating profit for 2024 is expected to be somewhat higher or higher than the EUR 108.4 million reported for 2023.

The outlook has been prepared based on the following expectations:

- Despite market uncertainty and a probable decline in interest rates, the net interest income is expected to be higher than in 2023.
- Net commission income is expected to be somewhat higher than in 2023, provided that the market conditions are favourable.
- The life insurance business is expected to develop steadily. However, the result may be affected by changes in market values.
- Total operating expenses are expected to remain on approximately the same level as in 2023, IT expenses are expected to increase.
- Impairments and provisions for credit losses are expected to increase slightly compared to the 2023 level, given the current market situation.



Financial targets 2025

Comparable
operating profit
above EUR
120 million

1-3/2024:
EUR 33.9 million

1-12/2023:
EUR 108.4 million

Comparable return
on Equity (ROE)
above 12%

31 March 2024:
16.7%

31 December 2023:
14.0%

Comparable
cost-to-income ratio
under 0.60

1-3/2024:
0.53

1-12/2023:
0.60

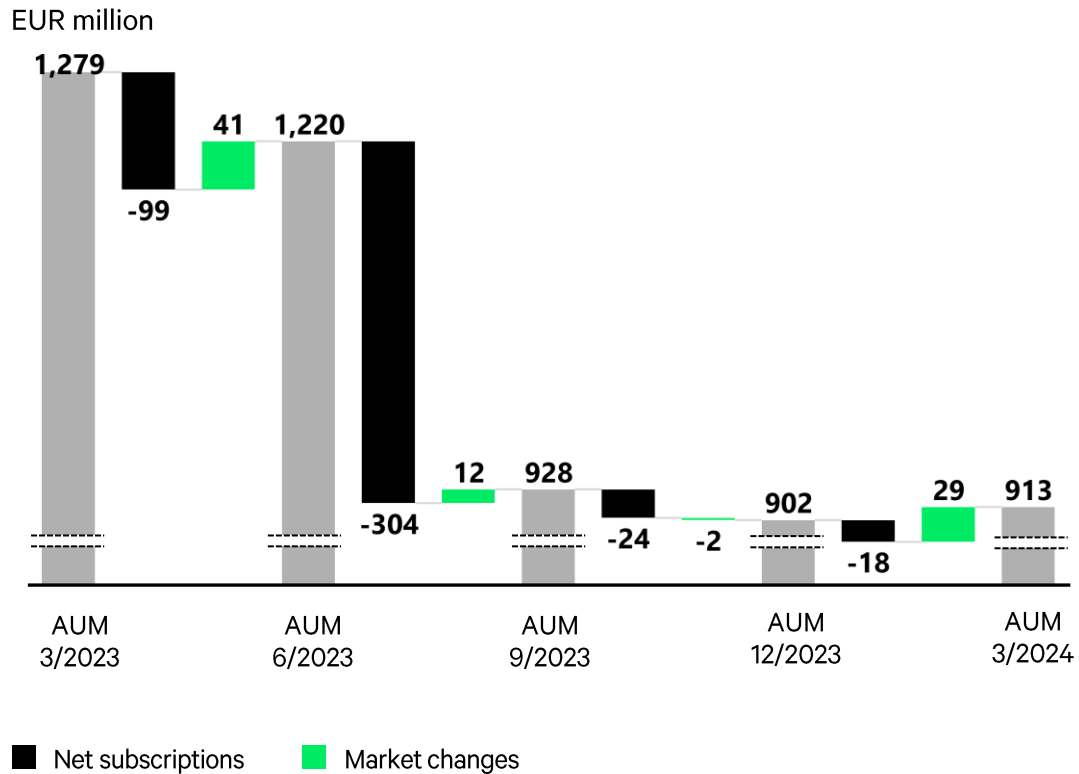
Common Equity
Tier 1 capital ratio
(CET1) above 1.5
percentage points
over the regulatory
requirement

31 March 2024:
3.7 percentage points over
the regulatory requirement
7.7%

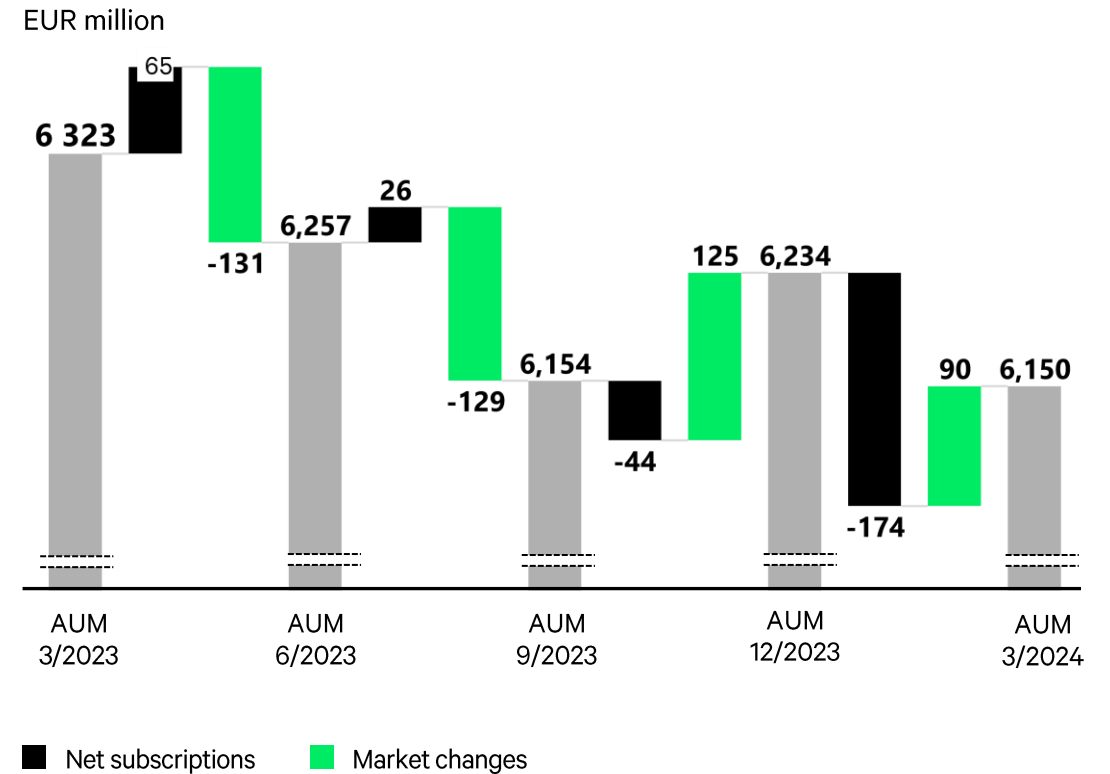
Appendices

AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q



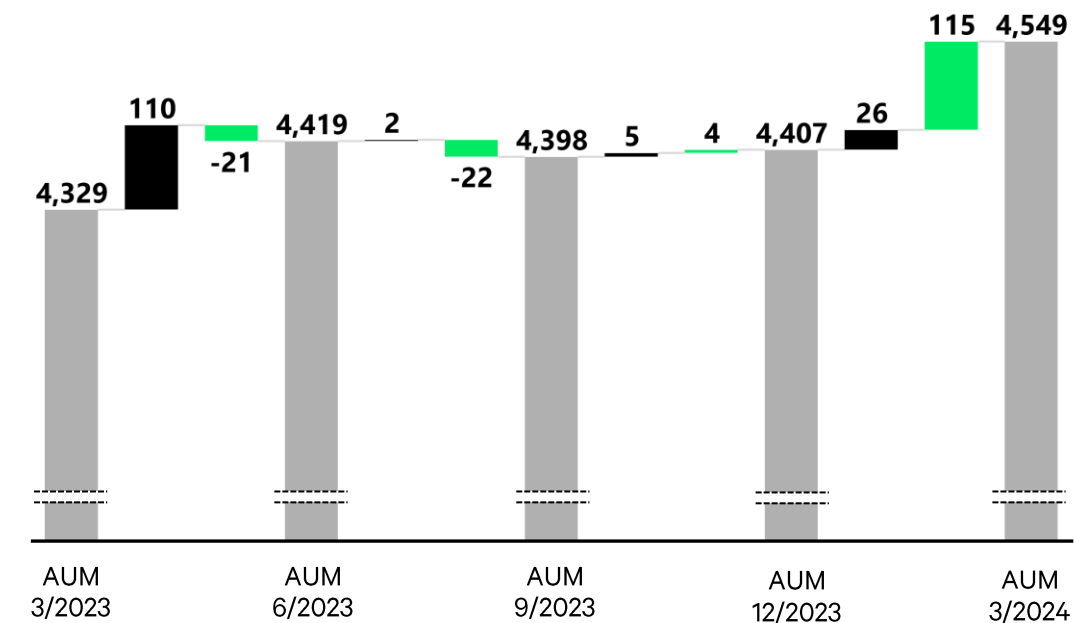
Asset Management, Domestic institutions Q-o-Q



AuM: net subscriptions and market changes

Asset Management, Private Banking Q-o-Q

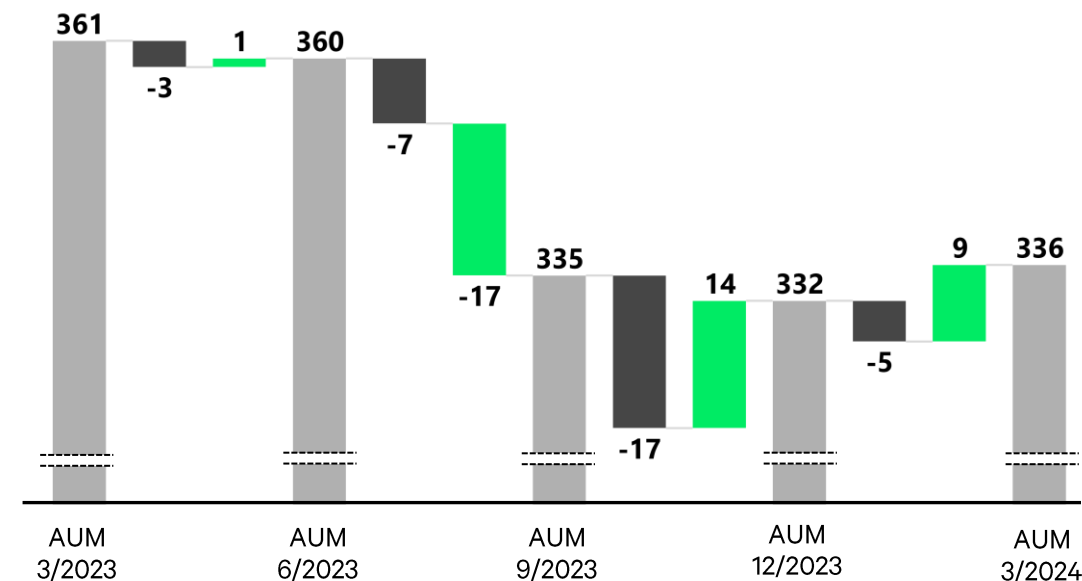
EUR million



■ Net subscriptions ■ Market changes

Asset Management, External channels Q-o-Q

EUR million

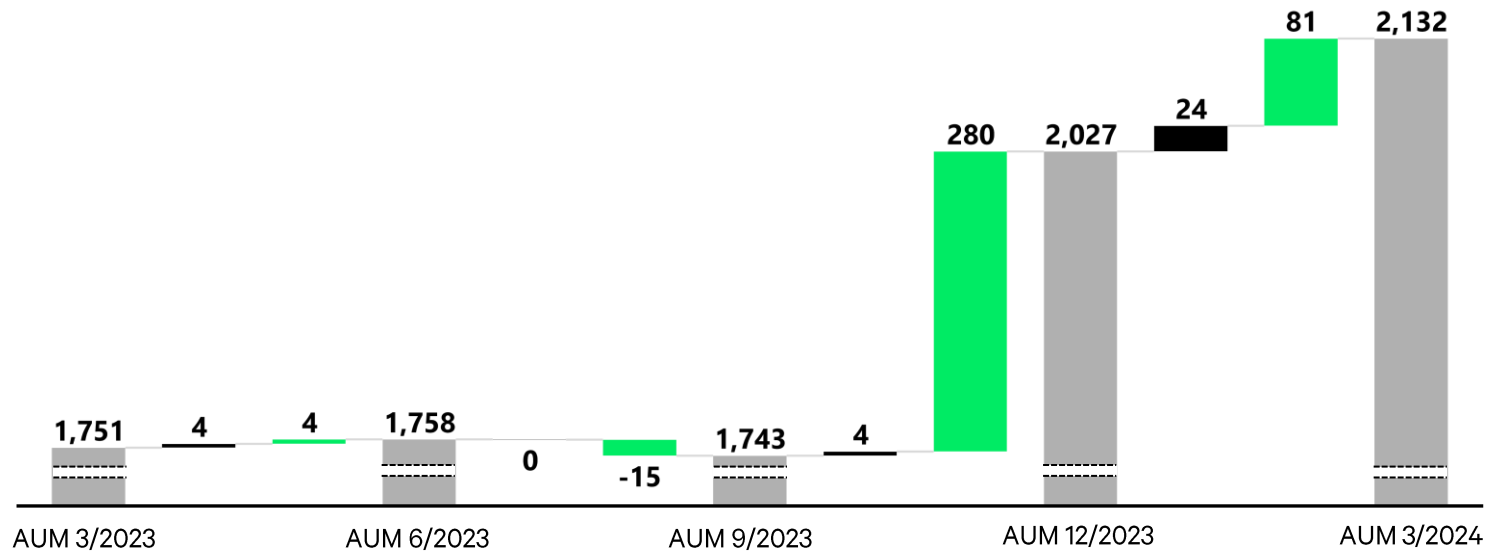


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

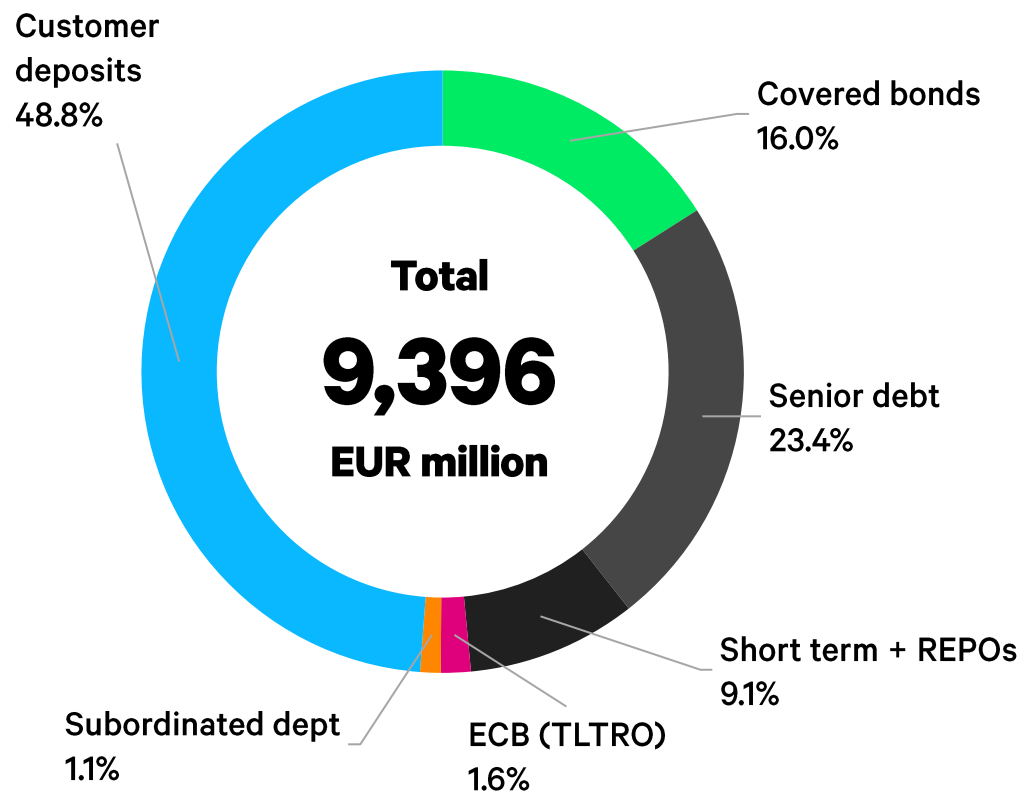
Banking Business, Retail Q-o-Q

EUR million



■ Net subscriptions ■ Market changes

Sound funding profile





Building wealth for our customers and society

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Aktia