

5 AUGUST 2022

Q2 Results

Mikko Ayub, CEO

Outi Henriksson, CFO



Aktia

Highlights Q2 2022

- Interest income from lending increased by 10% with the support of the corporate customer business. Average margin for the entire loan book improved.
- NII continued to develop well; the decrease from last year is explained by the accumulated interest on central bank financing (TLTRO III) which was booked during Q2 2021.
- Net subscriptions for Q2 were positive, AuM decreased by 5% to EUR 13.9 (14.7 31.3.2022) billion as a result of the increasing interest rates and stock market decline.
- Sales of Aktia's international fund products expands to eight new markets.
- Increase in interest rates weighed down the life insurance investment portfolio. Capital gains of a real estate investment increased the result by EUR 11.0 million.
- Credit loss provisions continued to be at a moderate level.



Outlook 2022 (updated 15 July 2022)

New outlook for 2022:

Aktia's comparable operating profit in 2022 is expected to be approximately at the same level as in 2021. The key uncertainties related to the realisation of the outlook include the development of the interest rate and equity markets as well as the general economic situation.

Previous outlook for 2022:

Aktia's 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's comparable operating profit in 2021 was EUR 87.4 million.

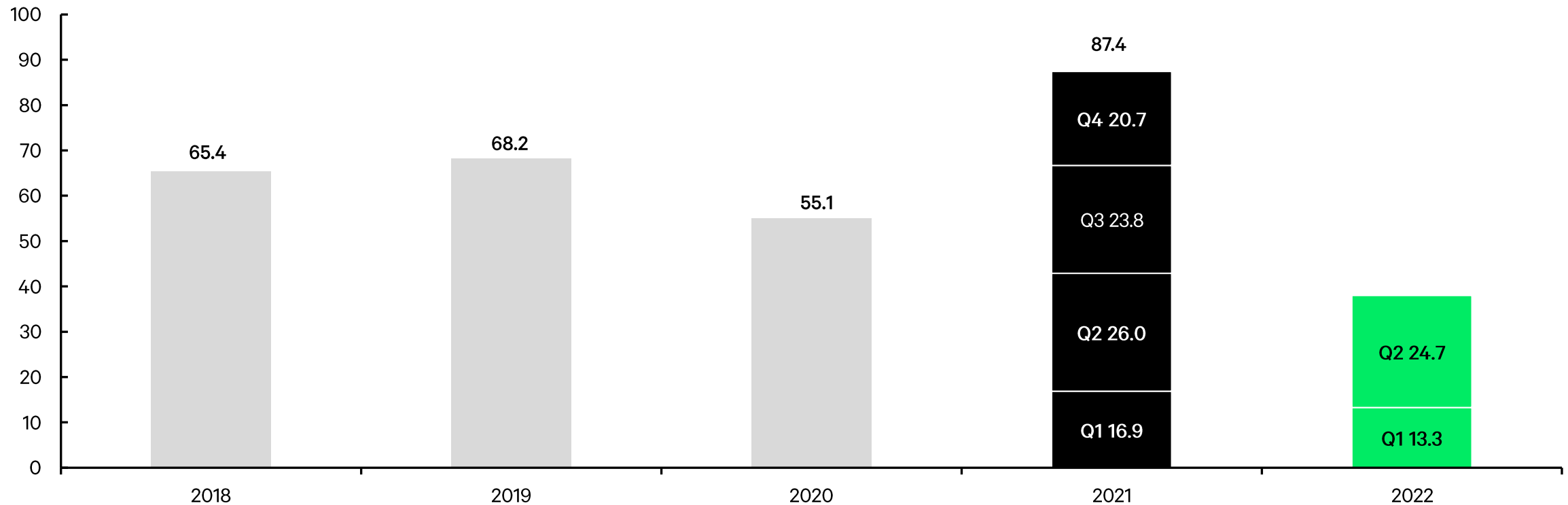
Outlook 2022

- The net interest income growth is expected to remain strong, especially in the corporate customer segment, due to active pricing and expected volume growth. The positive impact of the increasing short-term reference rate on private customers' net interest income will be gradually visible as a result of the annual interest rate adjustments on mortgage loans.
- Financing costs are expected to increase slightly as interest rates rise, the positive impact of the negative interest rate on central bank financing will decrease.
- Commission income is expected to increase. The growth is supported by the completion of the integration of Taaleri's wealth management business.
- The net income from life insurance depends on the changes in market values. In the first half of the year, rising interest rates and market uncertainty led to negative unrealised value changes in the life insurance business's investment portfolio. We expect the actuarially calculated result to increase compared to last year.
- Considering the impact of inflation, the expenses are expected to be approximately at the level of the comparable operating expenses 2021.
- Credit loss provisions are expected to remain at a moderate level while the liquidity and capital adequacy of Aktia remain stable.

Business in good shape despite the market decline

Comparable operating profit 2018–2022

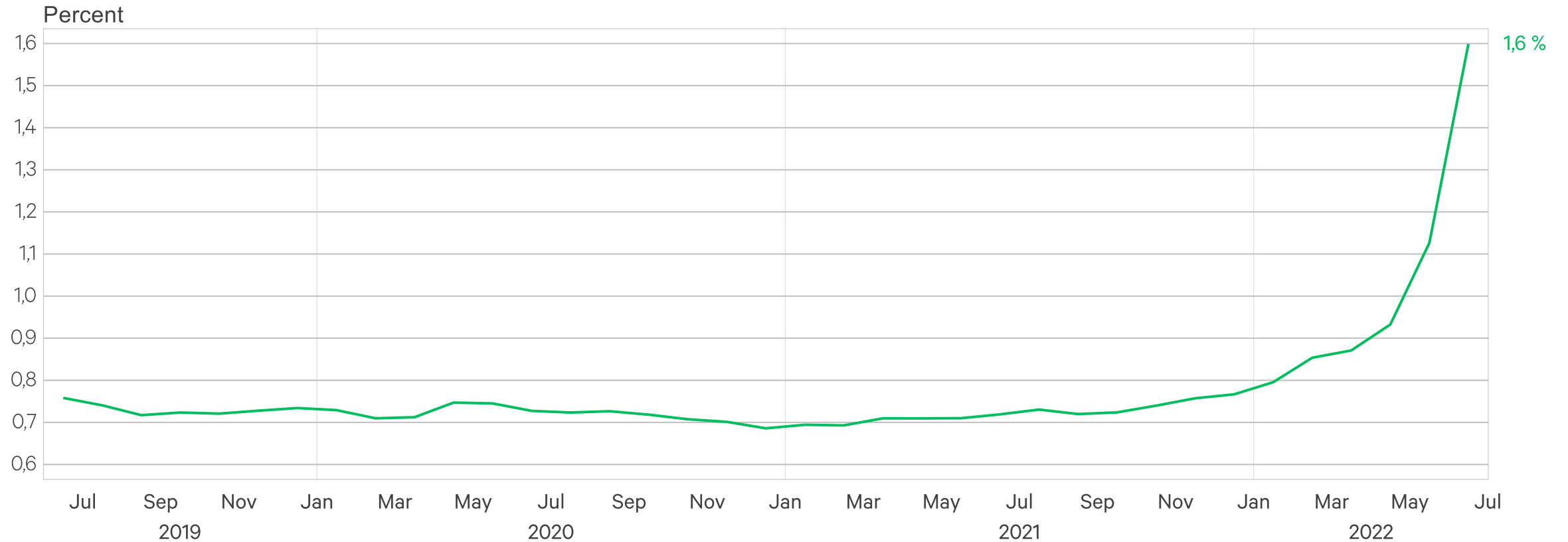
EUR million



Business areas

Rapid increase in housing loan interest rates

Average interest rate on new housing loans in Finland

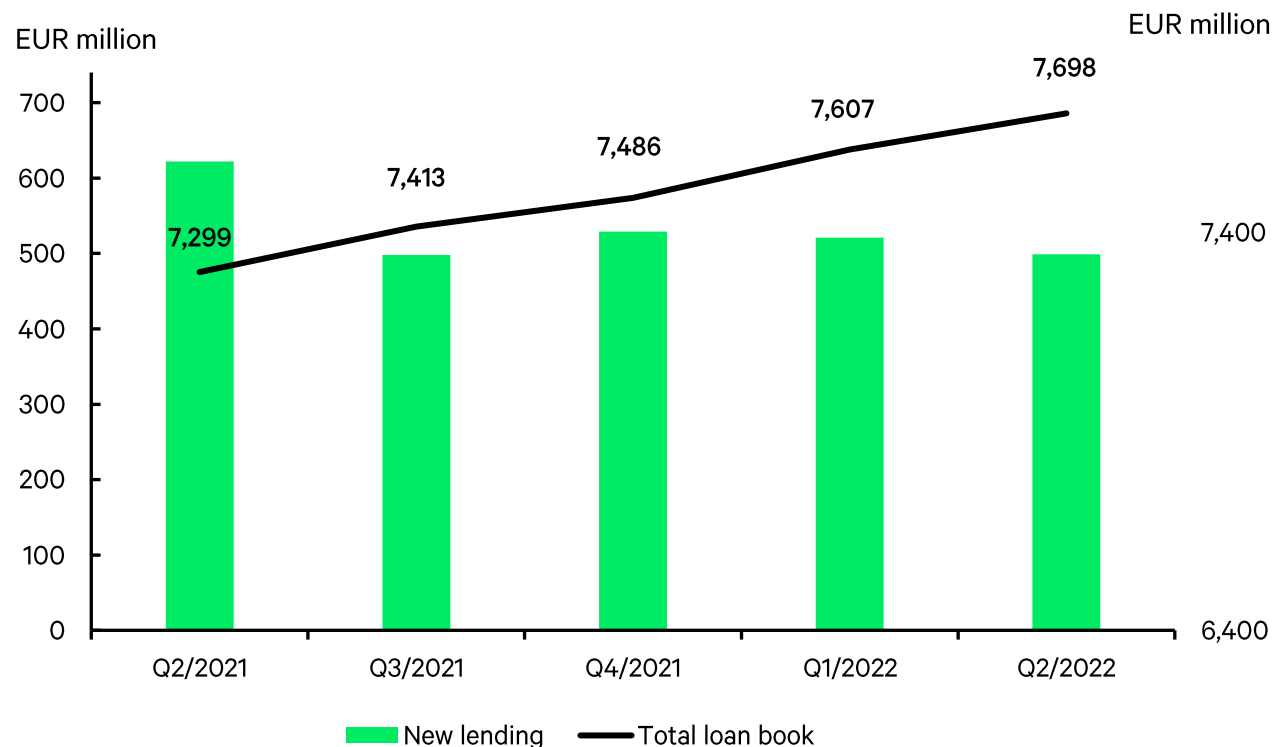


Source: Bank of Finland (Suomen Pankki).

Growth driven by corporate lending continues

- Interest income from lending increased by 10%, due to continued growth in corporate customer business.
- Acquisition of Taaleri's wealth management business with a broader customer base contributed to the growth.
- Average margin of entire loan book improved.
- Market uncertainty reflected in subdued housing market and a decline in the demand of housing loans.
- Credit quality continues to be high.
- Focus on customer selection.

Development of credit portfolio Q-o-Q



Finnair Visa Credit

Earn award points
with every purchase



Aktia Wealth Plan fully launched

- Aktia Wealth Plan is a new, standard part of our housing loan offering. It is the main way to offer customers a wide range of asset management, life insurance and banking products.
- At the moment appr. half of the housing loan offerings include a tailor-made Aktia Wealth Plan. We will include the Aktia Wealth Plan in every housing loan discussion.
- Customer feedback has so far been excellent.

Vaurastumis-suunnitelma
Tuote- ja palveluehdotus

Timothy Helin
Kaisa Särö
23.5.2022

Aktia

Kiitos keskustelustamme, Timothy ja Kaisa

Nykytilanne ja tavoitteet

- Asuntolaina 450 000€ 10v korkoputkella
- Takaismaksuunne ja talouttanne turvaamaan Henkilöturva
- Suunnitelma vaurastumista varten, 500 €kk 25 v ajan
- Tämän perusteella olemme tehneet alustavan ehdotuksen, jota voi päivittää ja muokata.
- Olisi hienoa saada teidät meille Aktiaan asiakkaiksi!

Seuraavaksi

- 1 Olen teihin yhteydessä viikolla 22 sopiaksemme suunnitelman lopullisesta sisällöstä
- 2 Valmistamme kaikki asiakirjat valmiiksi 31.05 mennessä
- 3 Lähetämme linkin sopimusten allekirjoittamista varten sähköpostisi viimeistään 31.05 Sähköpostit tulevat osoitteesta noreply@aktia.fi
- 4 Kun olette löytäneet kohteen, olettehan minuun yhteydessä vielä ennen sitovan ostotarjouksen tekemistä, jotta voimme tarkistaa kohteen yhdessä.

Yhteystiedot
Anttiainen Nina
010123456
nina.antiainen@aktia.fi

Näin keskustelimme

Aloitatte sijoittamaan säännöllisesti joka kuukausi jolloin kartutatte sijoitusvarallisuutta sekä asuntovarallisuutta. Tässä esimerkkilaskelma.

Tavoitteena on pitää kuukausittaiset menot sopivalla tasolla suhteessa tuloihin mutta jakaa summa niin, että osa menee säästöön ja osa henkilöturvaan.

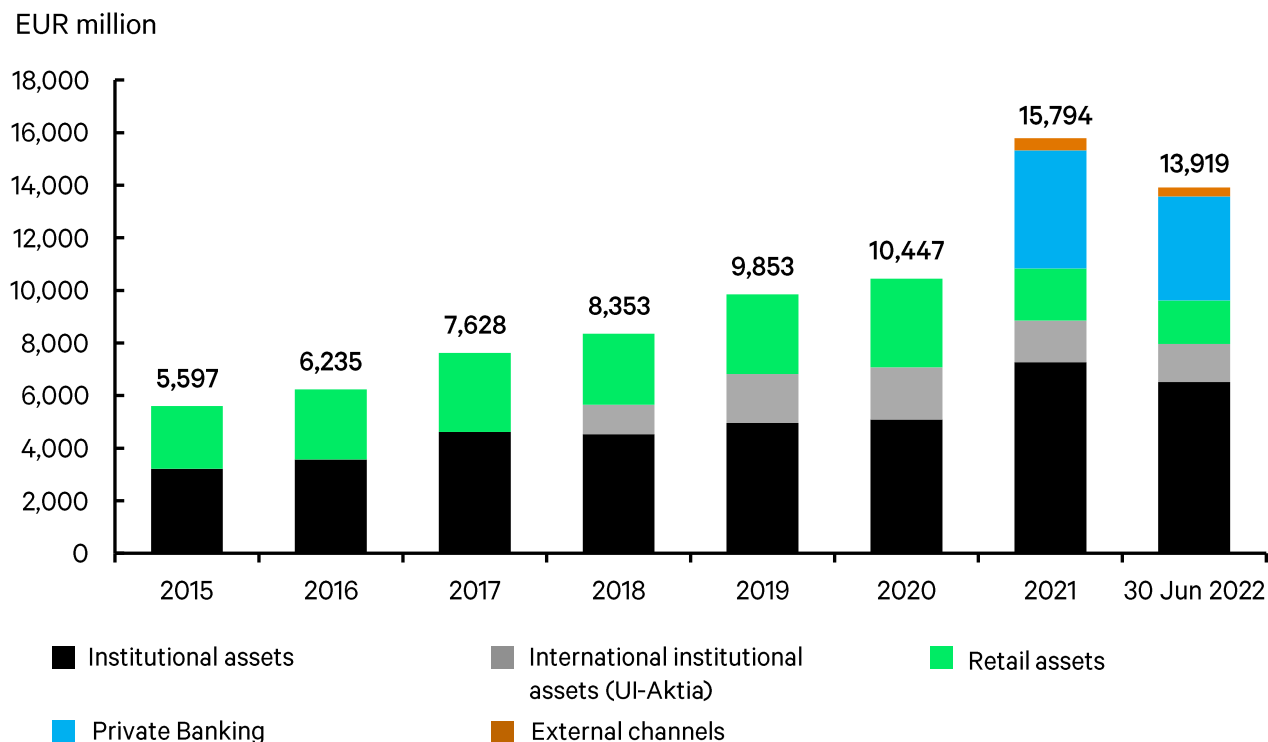
Kuukausimenot		25 vuoden tavoitteesi	
Laina	1 831 €	Asunto- asiallisuus	600 000 €
Sijoittaminen	500 €	Säästä- varallisuus	346 497 €
Henkilöturva	197 €	Henkilöturva	✓
Yhteensä	2 528 €	Yhteensä	946 497 €

Aktia

Net subscriptions turned positive

- Net subscriptions for Q2 were positive and amounted to EUR 111 million. Net sales increased in domestic and foreign institutions, as well as Private Banking customers.
- AuM decreased to EUR 13.9 billion due to increasing interest rates and stock market decline.
- Good cooperation with Taaleri Plc continued and resulted in the successful launch of the Bioindustry I fund.
- New distribution contract expands international sales to UK, Ireland, Benelux, Denmark, Norway and Switzerland.

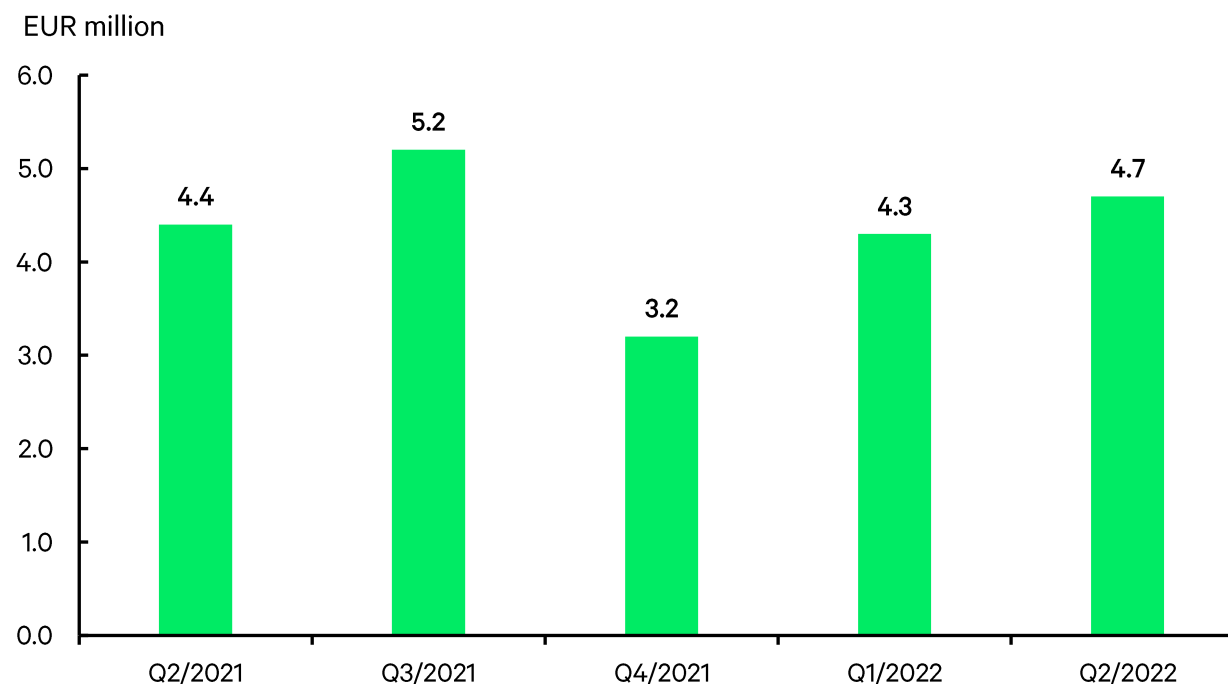
Assets under Management, excluding custody



Rapid increase in rates continued to weigh down investment portfolio

- Life insurance business continued to develop well
 - Continued positive net inflow in unit linked sales
 - Steady growth in risk life insurance premium income
- Net income from life insurance EUR 12.7 (10.5) million, the majority of which derives from the capital gains of EUR 11.0 million from a real estate investment in the portfolio
- Increased interest rates weighed down the life insurance business's investment portfolio

Development of the actuarially calculated result Q-o-Q



Strategy & Sustainability



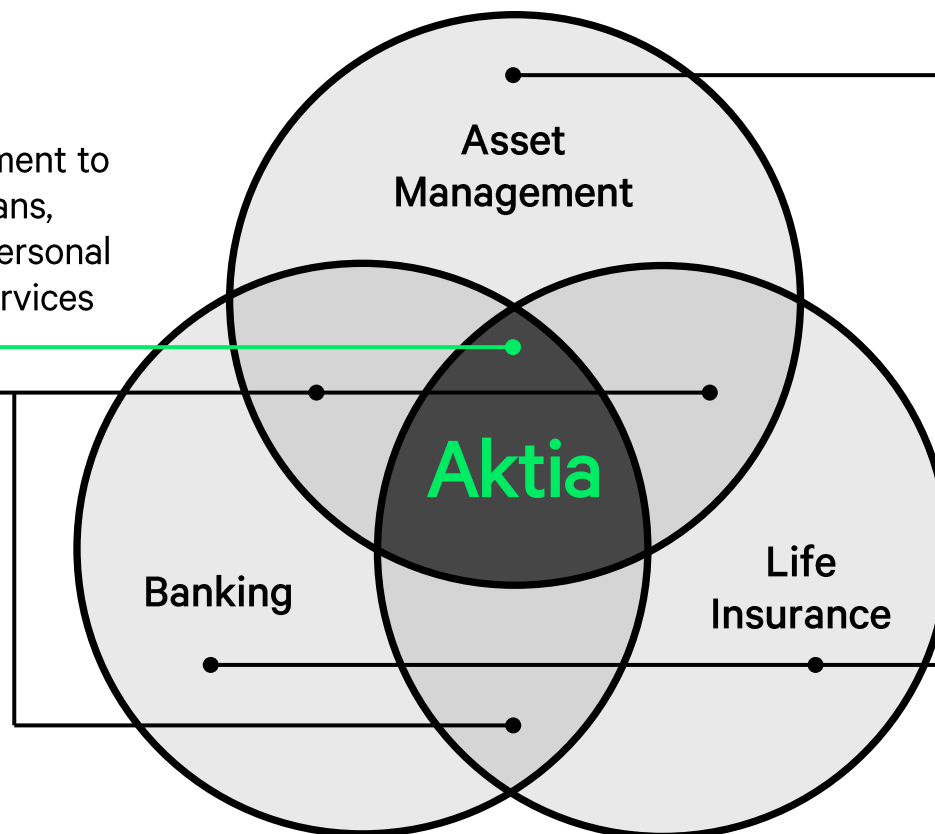
Focus on guiding customers to our focal point

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

Financial targets 2025

Comparable
operating profit
above EUR
120 million

1-6/2022;
EUR 38.0 million

Comparable return
on Equity (ROE)
above 12%

30 June 2022;
9.4%

Comparable
cost-to-income ratio
under 0.60

1-6/2022;
0.69

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

30 June 2022;
2.7 percentage points over
the regulatory requirement
7.7%

Aktia signed the UN Principles for Responsible Banking

Actions during H1:

- Aktia signed the UN Principles for Responsible Banking and became a member of UNEP FI
- Aktia's Responsible Lending Policy was implemented in the beginning of 2022
- Aktia acts as lead investor in two engagements in CDP's Non-disclosure campaign encouraging companies to increase transparent climate reporting by participating in CDP's questionnaire
- Aktia got certified as a 'Nasdaq ESG Transparency Partner'

Performance of key indicators from Aktia's corporate responsibility programme

-65%

The carbon footprint of Aktia's equity funds was on average approx. 65% smaller than reference market for H1 2022

72

The Net Promoter Score, measuring customer satisfaction, personal and premium customers was 72 for H1 2022 (target at least 50)



Financial overview



Aktia

Financial summary Q2

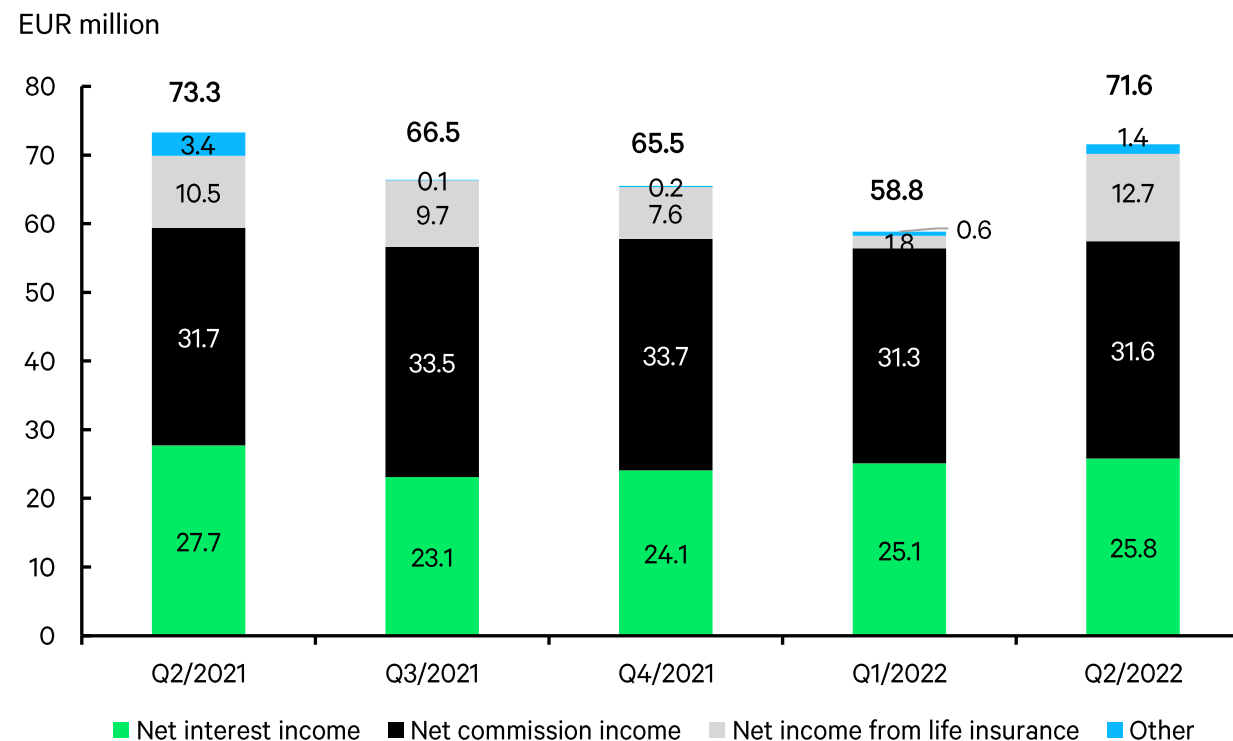
EUR million	2Q2022	2Q2021	Δ %	1-6/2022	1-6/2021	Δ %
Total operating income	71.6	73.3	-2%	130.6	131.2	0%
Net interest income	25.8	27.7	-7%	50.9	49.0	4 %
Net commission income	31.6	31.7	0%	63.0	56.8	11%
Net income from life insurance	12.7	10.5	21%	14.5	20.4	-29%
Other income	1.4	3.4	-59%	2.2	5.0	-56%
Total operating expenses	-44.7	-48.8	-8%	-90.6	-87.6	3%
Impairments of credits and other commitments	-2.4	-1.4	69%	-2.1	-3.6	-43%
Operating profit	24.7	23.0	7%	38.2	39.9	-4%
Comparable operating profit*	24.7	26.0	-5%	38.0	42.9	-11%
Earnings Per Share (EPS), EUR	0.28	0.24	13%	0.43	0.45	-4%
Return on Equity (ROE), %	12.3	10.5	17%	9.5	9.5	0%
Cost-to-income ratio (comparable)	0.62	0.63	-1%	0.69	0.64	8%
Common Equity Tier 1 capital ratio, %	10.4	10.8	-4%	10.4	10.8	-4%

*) Excl. items affecting comparability

Solid business performance continued

- NII growth driven by corporate lending; the decrease from last year is explained by the booking of the accumulated negative interest on central bank financing (TLTRO III) in June 2021.
- Net commission income for Q2 was around the level of the reference period.
- AuM decreased as a result of the increasing interest rates and stock market decline.
- Net income from life insurance increased from the reference period as a result of capital gains. However, it was negatively impacted by value changes in the investment portfolio.

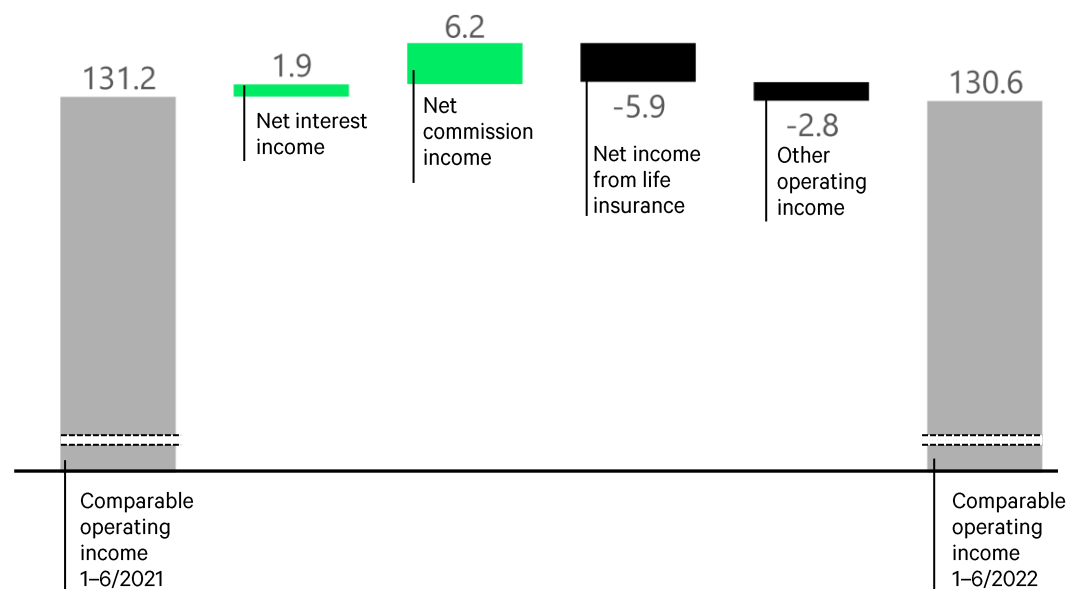
Comparable operating income, Q-o-Q



Increased operating expenses driven by acquisition of Taaleri wealth management

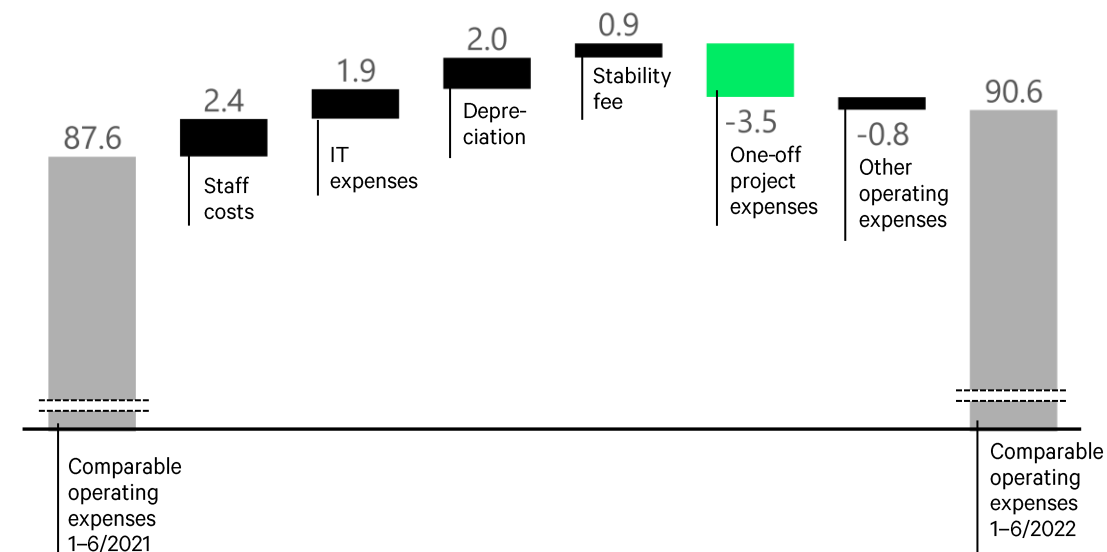
Comparable income 1-6/2022 vs 1-6/2021

EUR million



Comparable expenses 1-6/2022 vs 1-6/2021

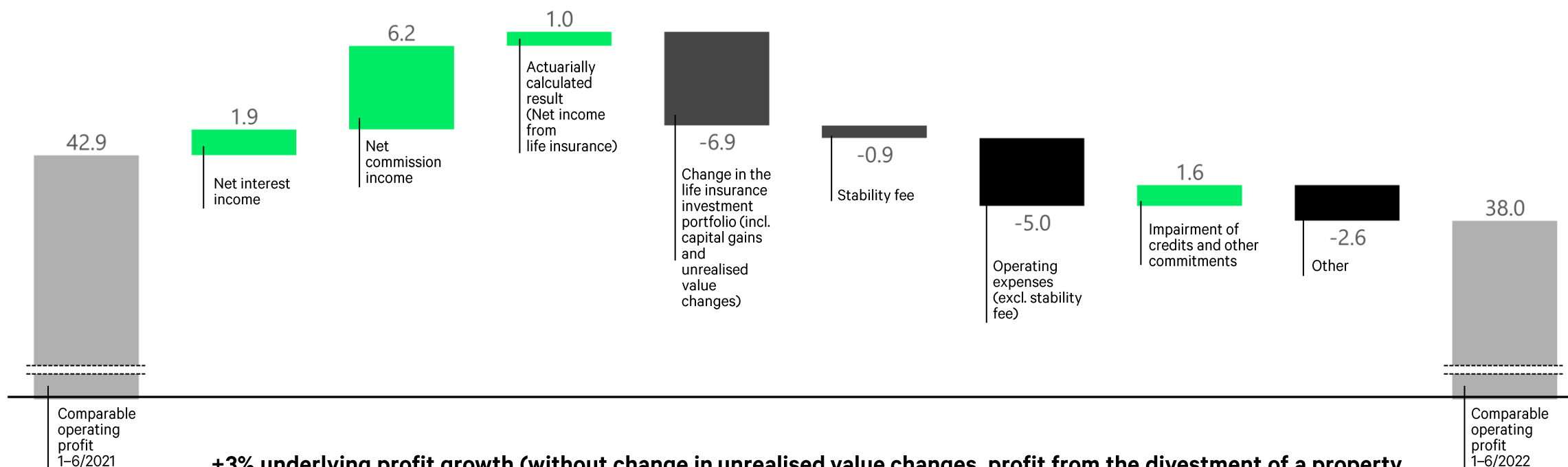
EUR million



Underlying profit increased by 3%

Comparable operating profit 1–6/2022 vs 1–6/2021

EUR million



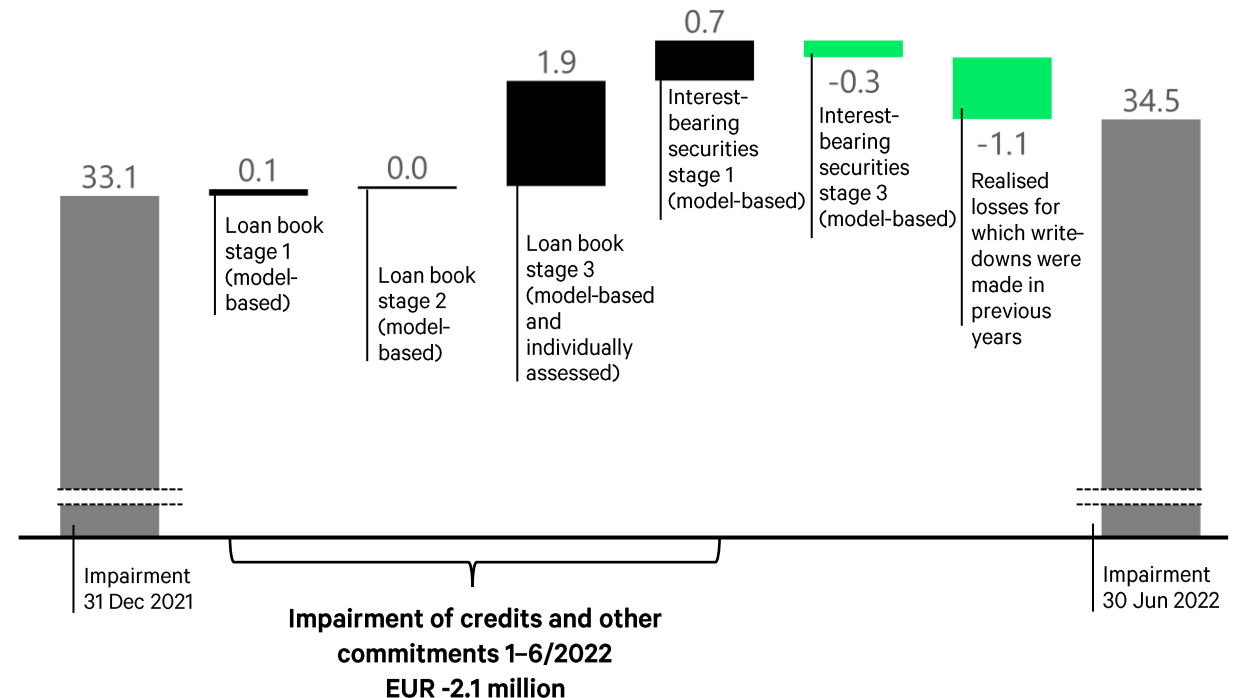
+3% underlying profit growth (without change in unrealised value changes, profit from the divestment of a property investment, realised profits from sales in the Bank's liquidity portfolio, impairments of credits and other commitments, stability fee and one-off project costs)

Expected credit losses at a moderate level

- Reservations for expected credit losses increased by EUR 2.4 million in Q2 2022, totaling at EUR -2.1 million in H1 2022.
- We have not observed any major new risk concentrations in our credit portfolio.
- A thorough review of corporate exposure was carried out during the quarter, no reason for a management overlay found.

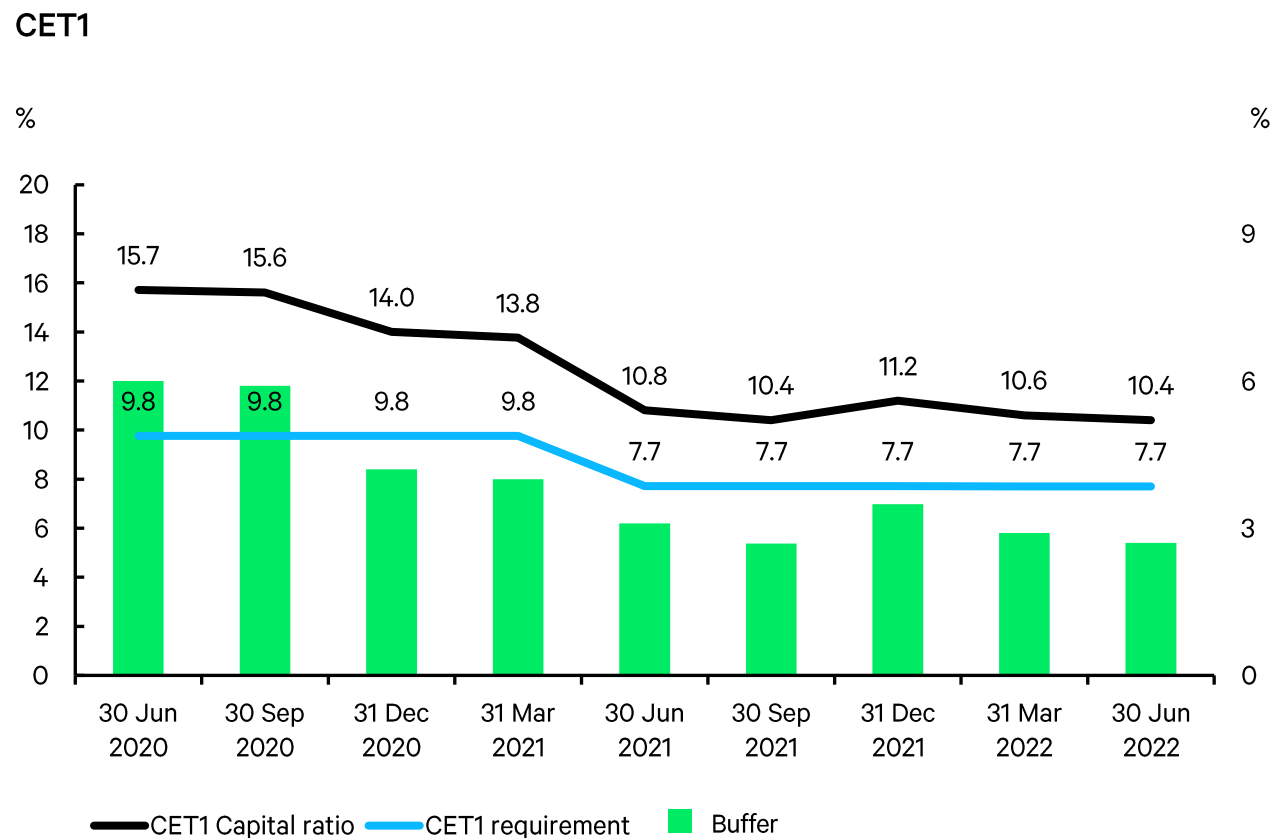
Change in expected credit losses (ECL) 1-6/2022

EUR million



CET1 ratio 2.7 percentage points above the requirement

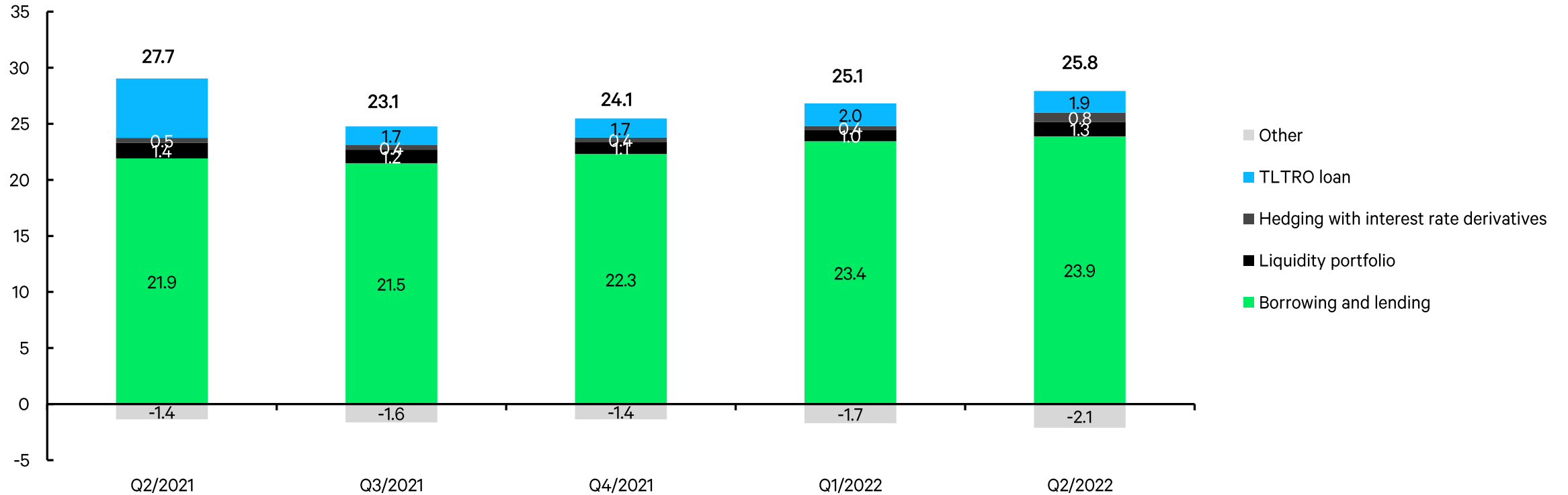
- The CET1 ratio was 10.4% and decreased from year end by 0.8 percentage points.
- Aktia Life Insurance Ltd paid a dividend of EUR 15 million to the parent company in June and 20 million in March, which strengthened the Bank's CET1 capital.
- The fair value reserve was negatively affected by the increase in interest rates during the first half of the year, which in turn weakened the Bank's CET1 capital by approx. EUR 39 million.
- The risk-weighted assets increased by EUR 149 million, driven by growth in corporate lending.



Appendices

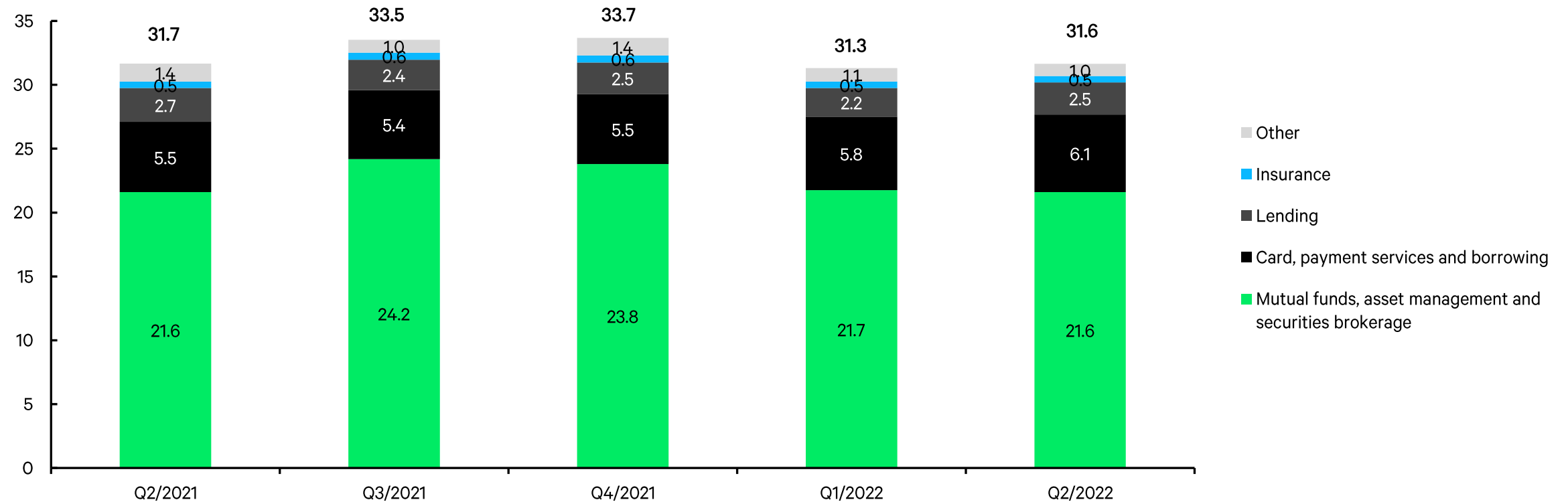
Net interest income mix

EUR million



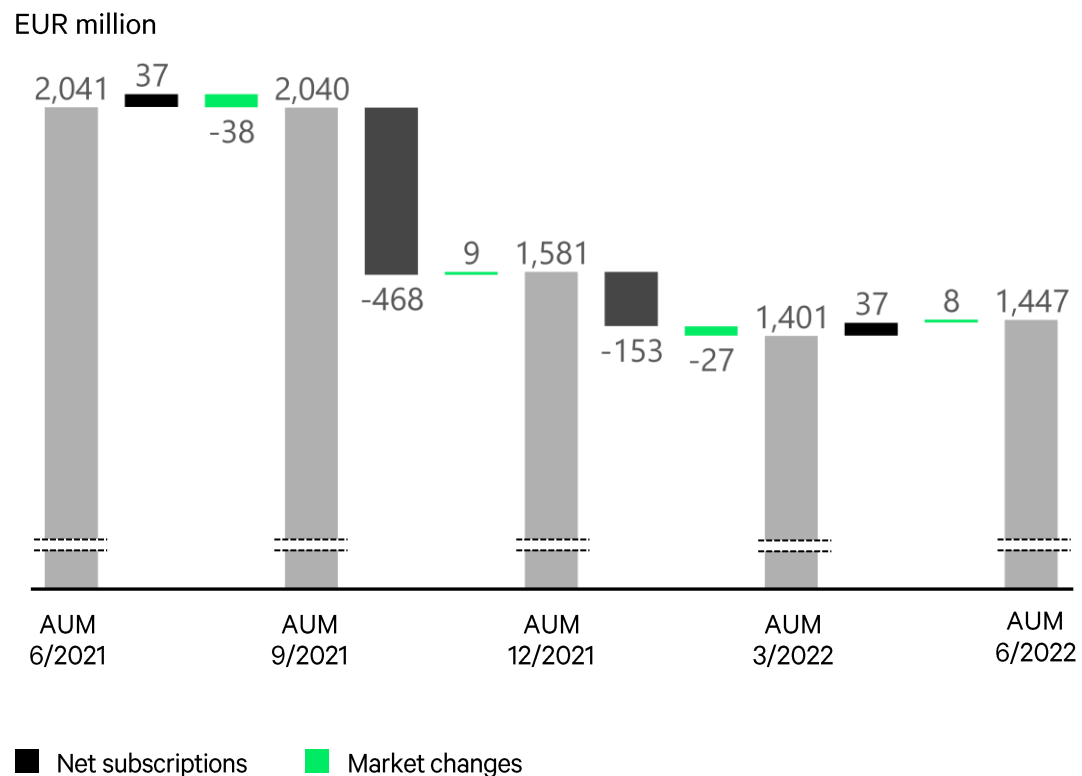
Net commission income mix

EUR million

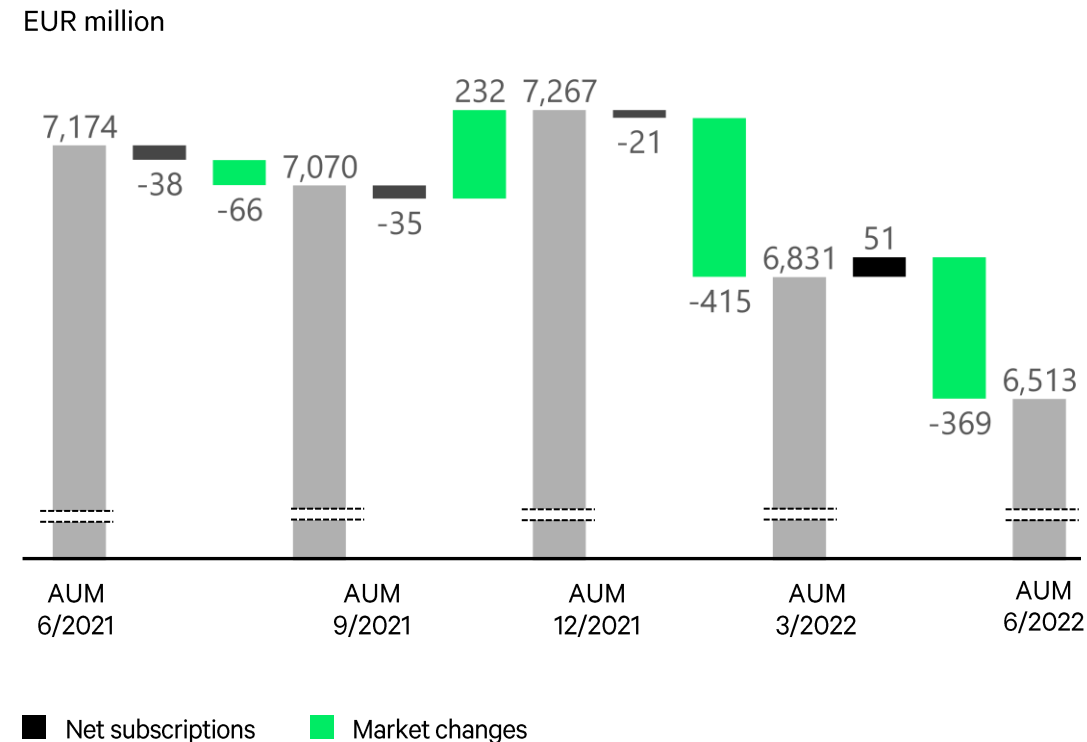


AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q



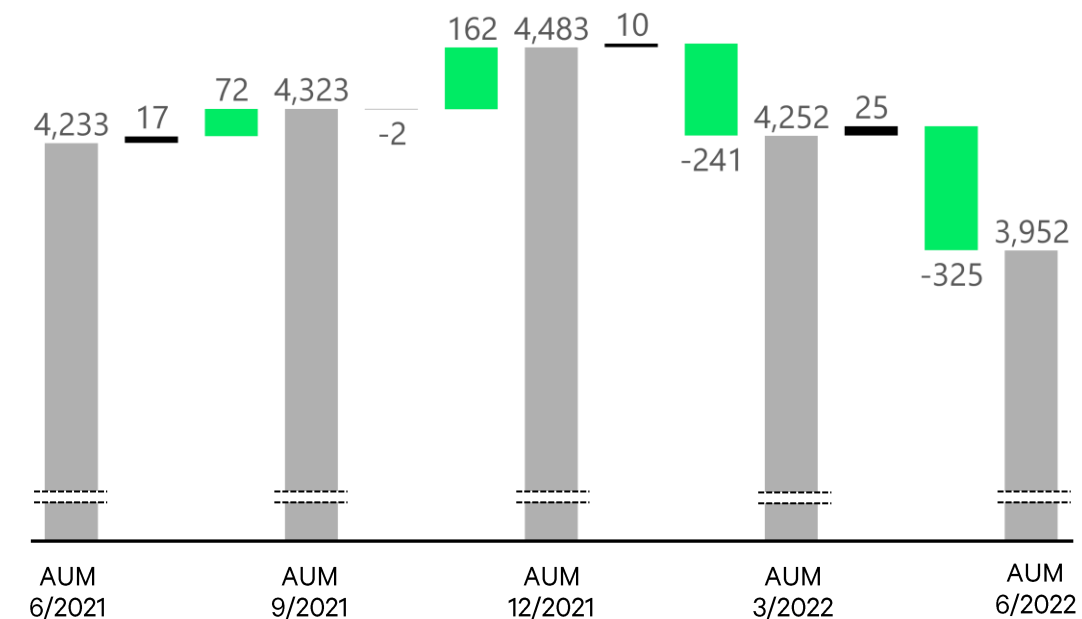
Asset Management, Domestic institutions Q-o-Q



AuM: net subscriptions and market changes

Asset Management, Private Banking Q-o-Q

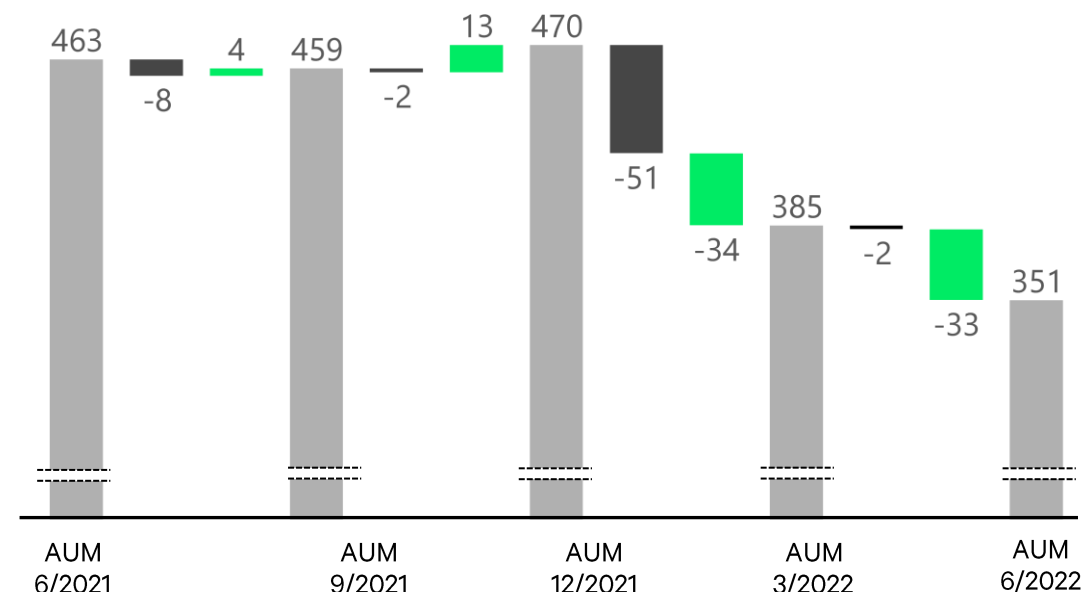
EUR million



■ Net subscriptions ■ Market changes

Asset Management, External channels Q-o-Q

EUR million

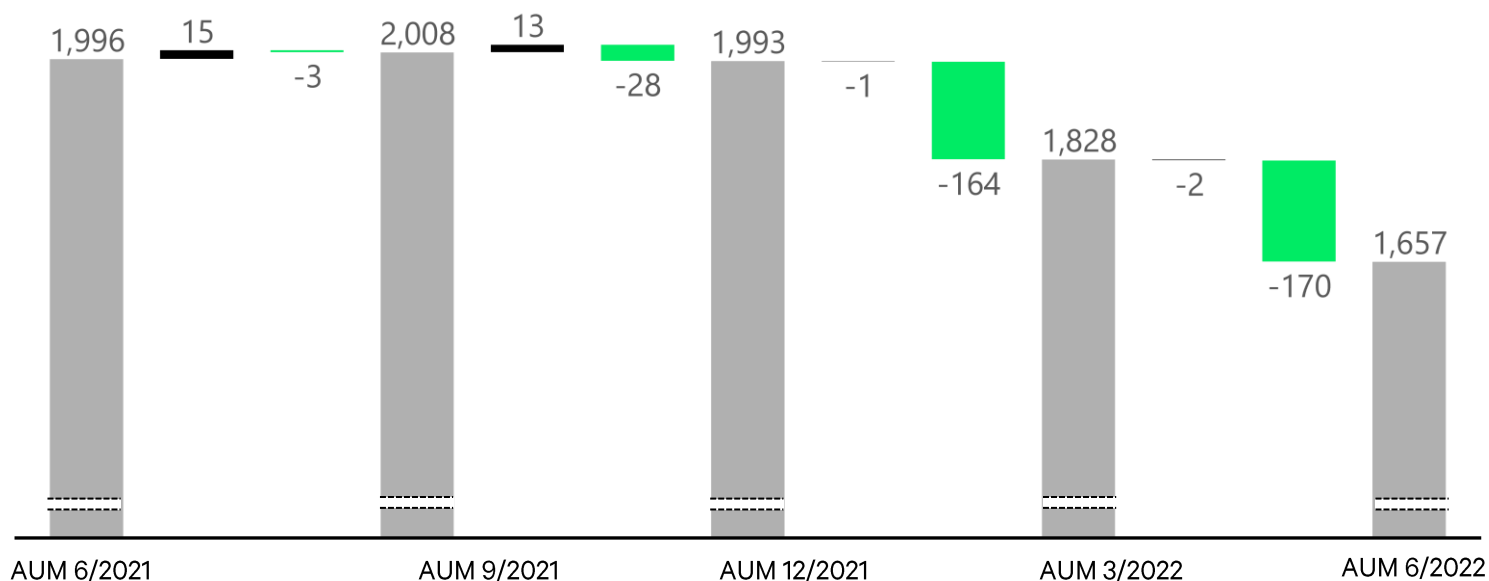


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

EUR million

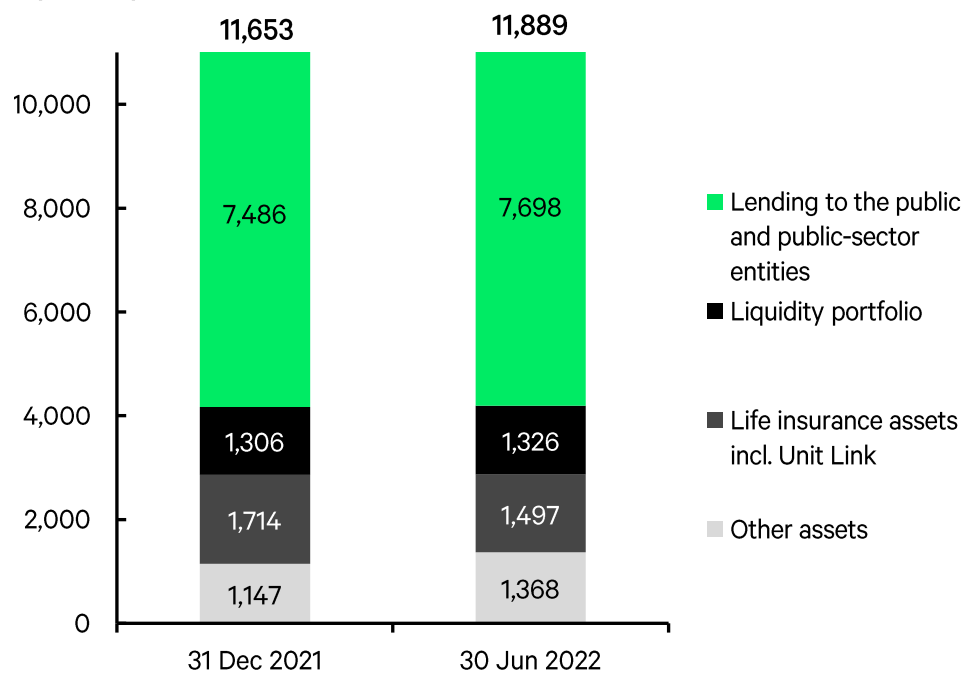


■ Net subscriptions ■ Market changes

Balance sheet total increased to EUR 11,889 million

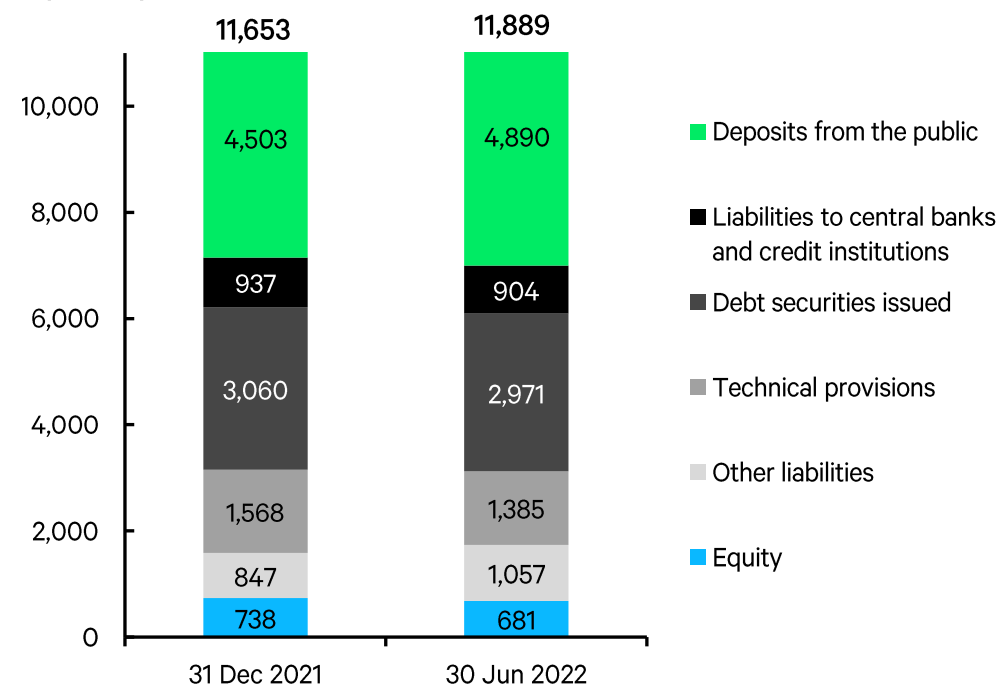
Total assets

EUR million



Total liabilities and equity

EUR million





Building wealth for our customers and society

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Aktia