

2 AUGUST 2024

Q2 Results

Aleksi Lehtonen, CEO

Outi Henriksson, CFO

Aktia

Key takeaways from first two months as CEO

Truly professional and committed colleagues

Strong and well-functioning customer relationships

Inspiring purpose: “Building wealth for our customers and society”

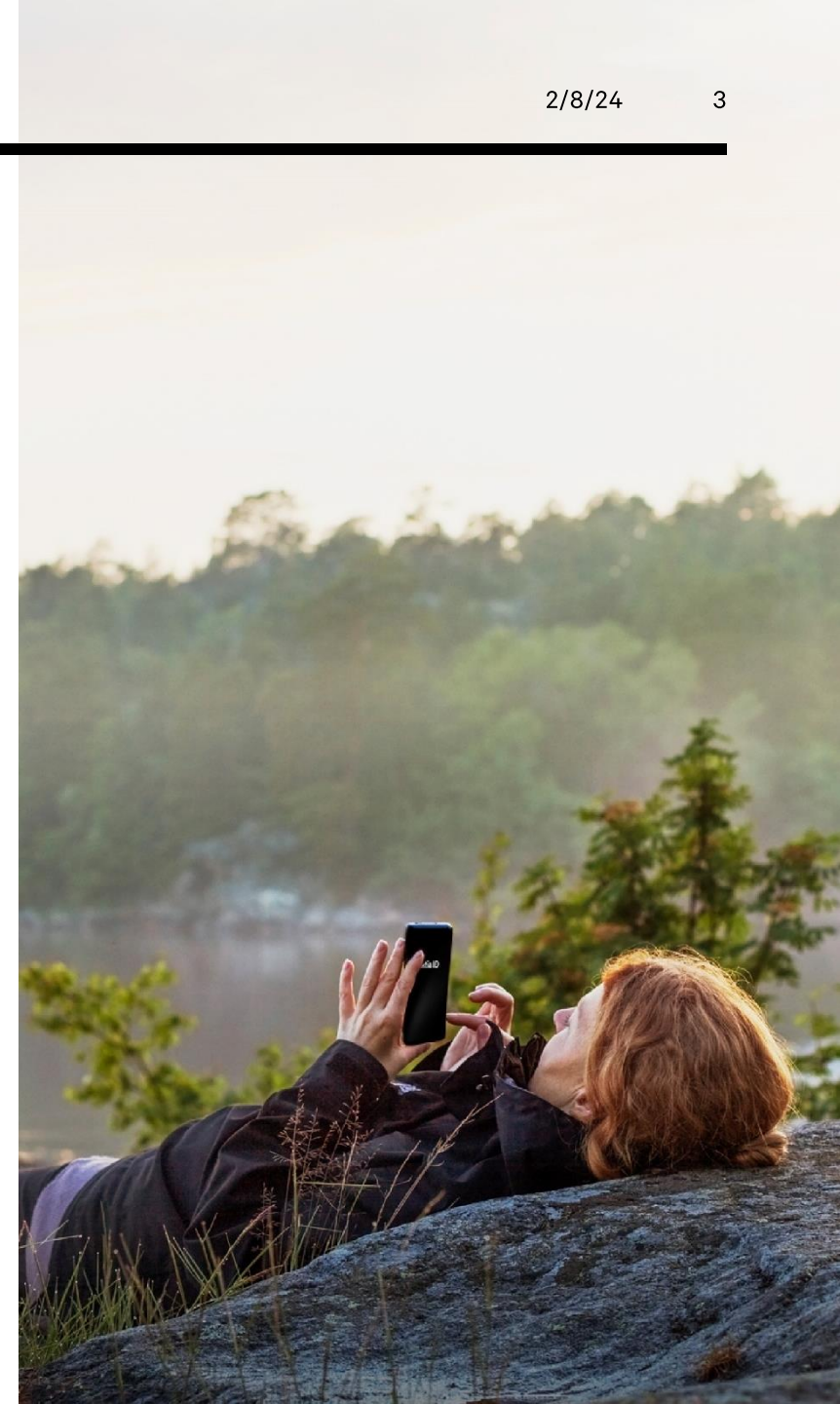
Large potential on many fronts within our business areas, especially in asset management

The review of the Group strategy has begun promptly, though it is still in its early stages

Highlights Q2

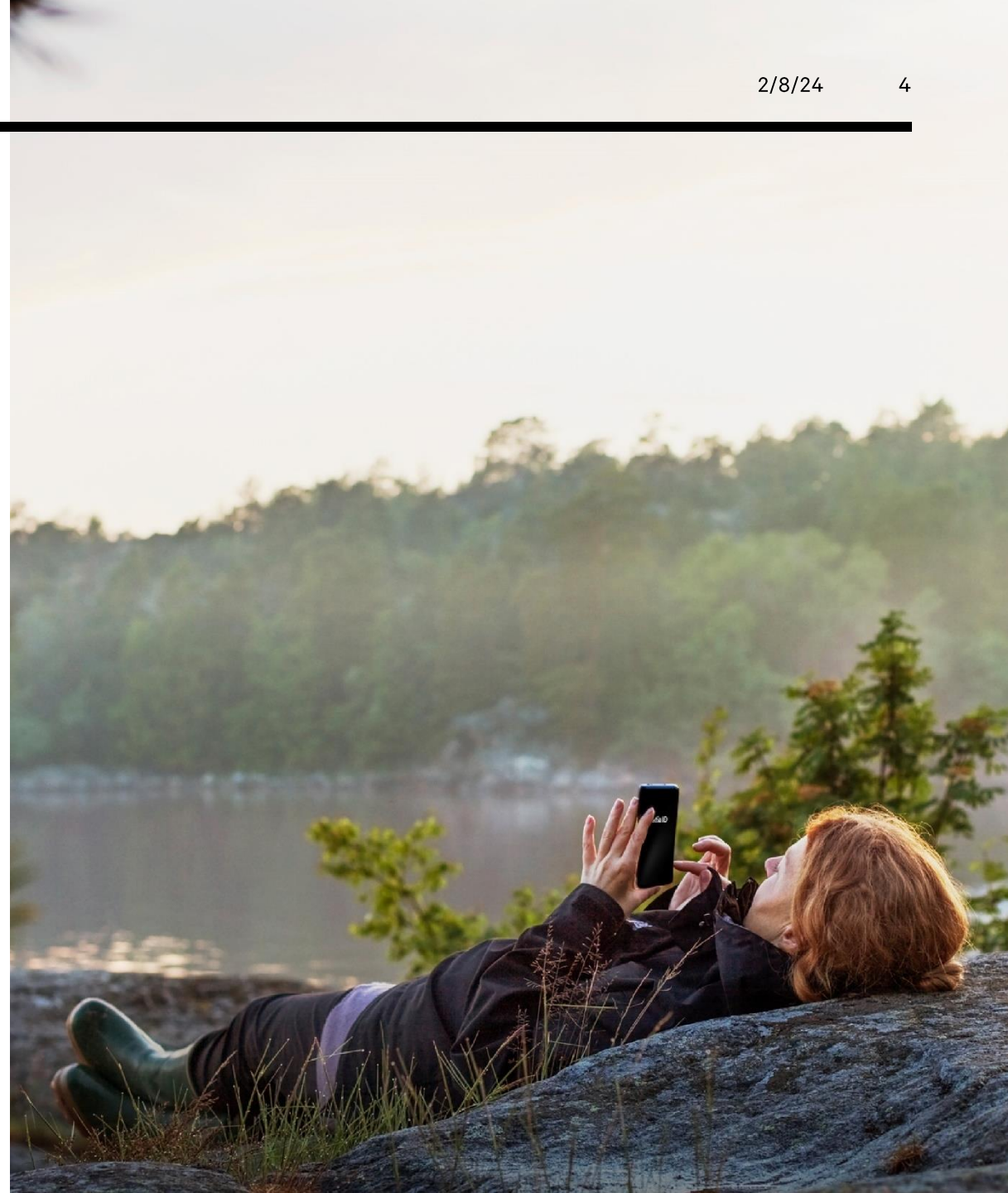
- Quarterly performance was once again strong.
- Financial result improved in all business areas.
- Aktia and Swedbank entered into a strategic partnership at the end of May.
- We launched Aktia Velkarahastot II Ky (Private Debt Fund) in June with a target size of EUR 100 million. The first investment of the fund is Oaktree Opportunities XII fund, managed by one of the leading alternative investment manager in the world, Oaktree Capital Management.
- Our truly professional portfolio management was again recognised at LSEG Lipper Fund Awards Nordics: Aktia Emerging Market Local Currency Bond and Aktia Wealth Allocation 25 were recognised as the best funds in the Nordics in their respective categories.
- Share of AuM invested in SFDR* Article 8/9 classified funds increased to 98.0% from 95.4% last year.

*Sustainable Finance Disclosures Regulation



Q2 in short

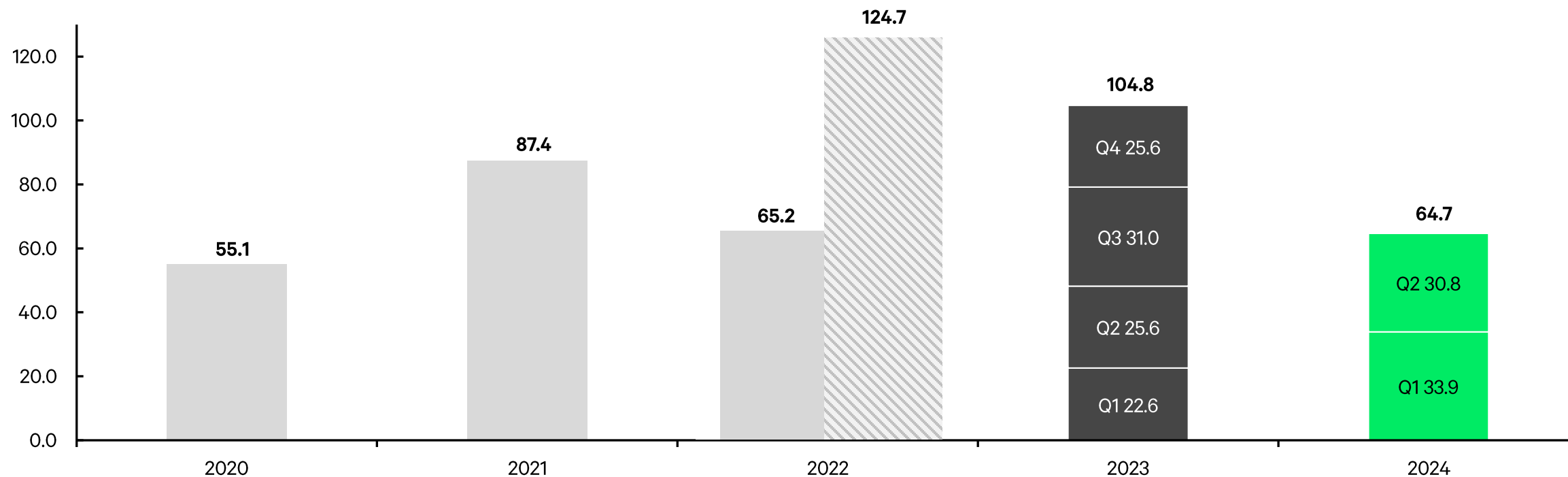
- Comparable operating profit was 21% higher than last year.
- Comparable ROE increased to 14.9% (13.4%) and comparable C/I ratio improved to 0.57 (0.61) driven by improved profit.
- AuM increased to EUR 14.1 billion in Q2 driven by favourable market development.
- Good cost control with decreased personnel costs, comparable operating expenses increased by 5% mainly due to higher IT expenses and inflation.
- Reservations for credit losses (8 bps) were at a moderate level.



Strong performance compared to last years

Comparable operating profit 2020–2024

EUR million



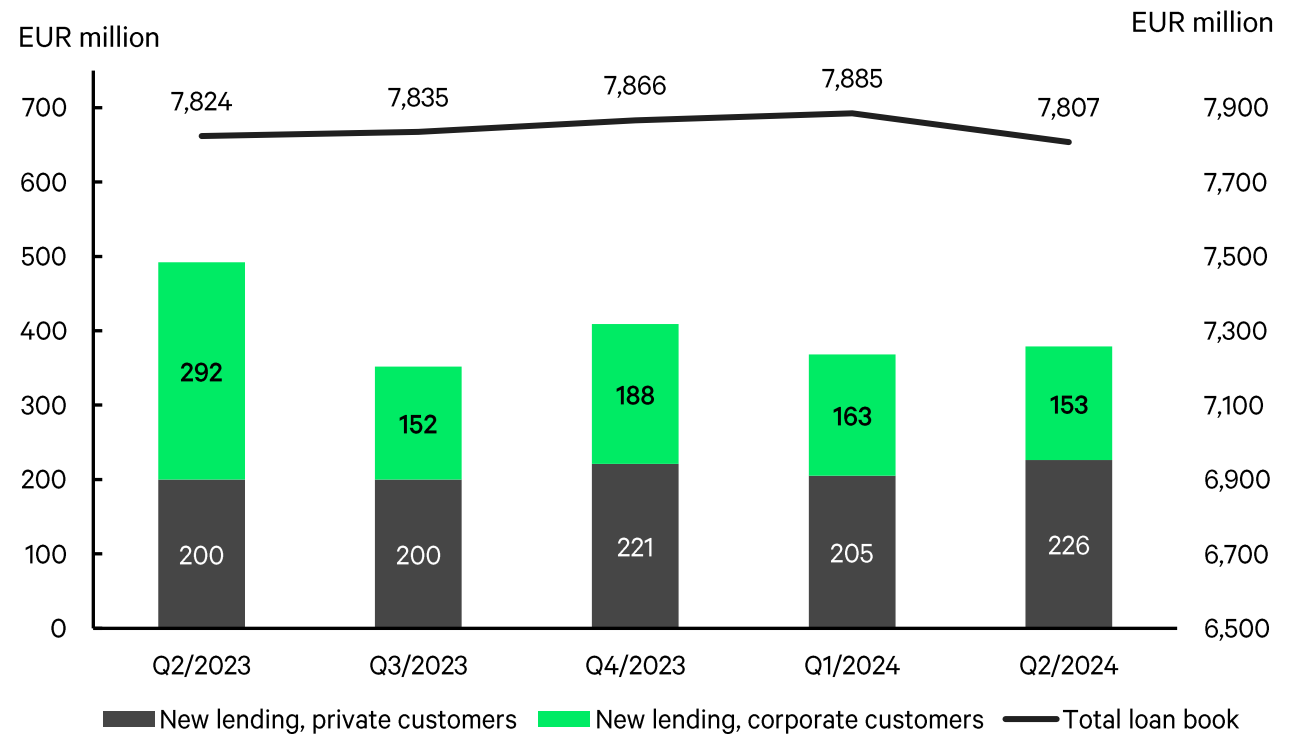
▨ Restated according to the accounting standard IFRS 17

Business areas

NII continued to develop positively

- Net interest income was 18% higher than last year, driven by high interest income from lending, growth in profitable financing solutions and high reference rates.
- Average margin development continued to improve, primarily driven by factoring, leasing and hire purchase financing.
- Credit loss provisions increased slightly compared to last year but remained moderate due to continued good risk management and the quality of the loan book.
- Sales of investment solutions to Banking business customers remained at a good level.

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

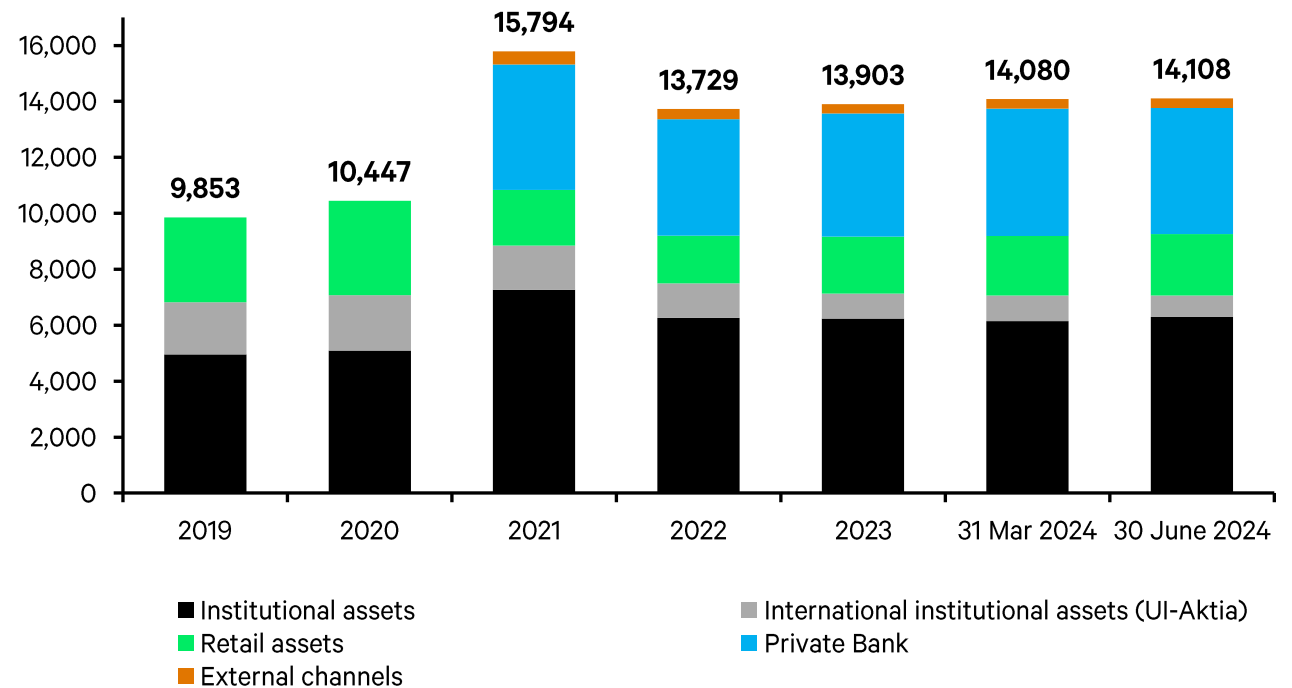


Assets under Management increased in Q2

- Assets under Management increased in Q2 supported by favourable market development.
- Negative total net subscriptions in Q2, however positive net subscriptions in June among domestic and international institutions, Private Banking and Banking customers.
- Development of the Asset Management business progressed further by simplifying the organisational structure of the business area.

The Group's Assets under Management, excluding custody

EUR million

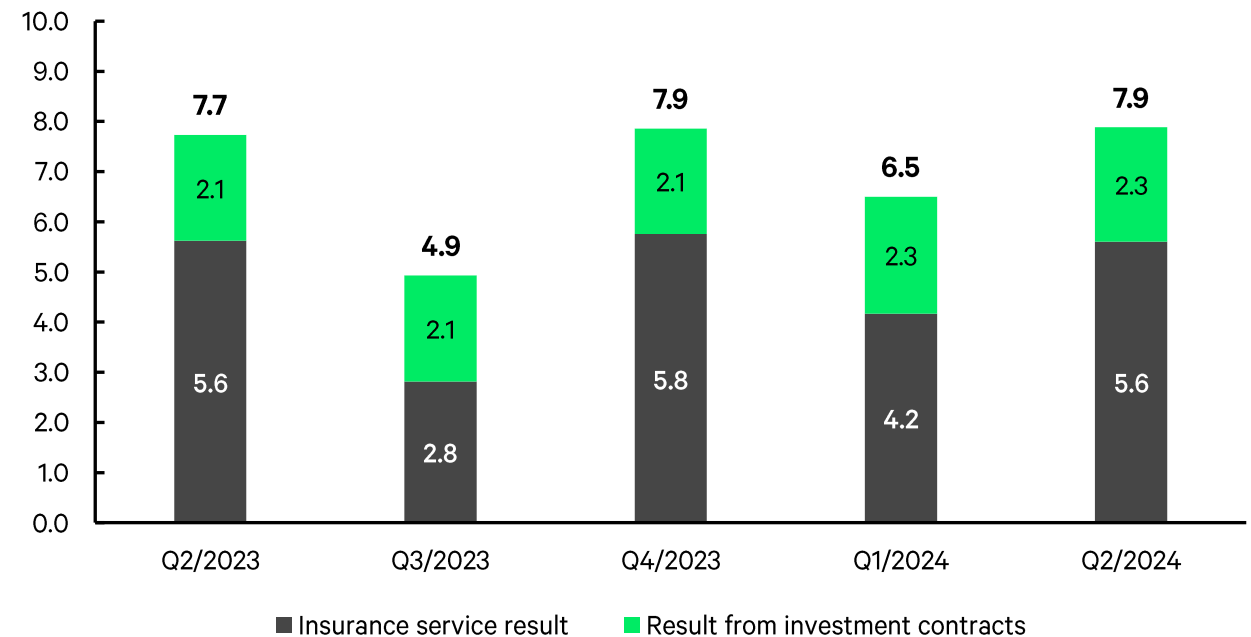


Life insurance business delivered a solid result

- Sales of risk life insurance policies remained as strong level as in the previous quarters.
- Sales of investment-linked insurances were good. Positive net inflow of EUR 28 million during Q2.
- Favourable market development had a positive impact on the Unit Linked portfolio and thereafter on the result from investment contracts.
- The solvency ratio increased slightly during Q2 due to an increase of the investment-linked insurance book and rising interest rates.

Development of the actuarially calculated result Q-o-Q

EUR million



Aktia committed to SBTi requirements in Q2

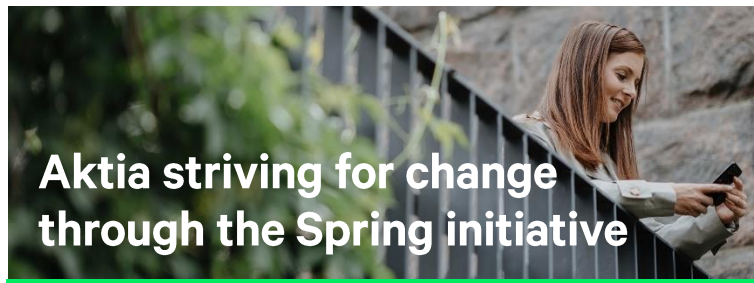
Our mission is to build wealth for our customers and society, not only today but also for generations to come. Aktia and the financial sector as a whole play a major role in the green transition. Aktia wants to be at the forefront.

Q2/2024 highlights



Science Based Targets initiative (SBTi)

Aktia is committed to align its emissions reduction targets with the Science Based Targets initiative and in line with the Paris Agreement's goals. Within the next two years, Aktia will specify its pathway to carbon-neutrality for its investments, lending and own operations.



Aktia striving for change through the Spring initiative

Aktia announced its participation in the Spring initiative led by the UN-supported Principles for Responsible Investment to halt biodiversity loss by 2030. As a collaborating investor Aktia will have an active role in the engagement with specified companies.



Aktia participating again in the CDP non-disclosure campaign

Aktia is the lead investor in six companies within the CDP non-disclosure campaign. CDP ensures high-quality environmental reporting towards investors and stakeholders. Aktia will be supporting the six companies on their environmental transition journey.

Sustainability-driven success for the leading wealth manager bank

☑ = 2025 target achieved

Prosperity & Planet

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



Q2/2024 98.0%
(outer circle)

Q2/2023 95.3%
(inner circle)

SFDR Article



Change in the relative carbon footprint of equity and credit portfolios

-41.7% ☑

(tonnes of CO₂e/ million euros invested)

Target: 2025 -30% vs. 2019

People



Signi Flame Index*

Target: 80

Q2/2024 Q2/2023

75 70



eNPS**

Target 20

Q2/2024 Q2/2023

18 -8



SHE Index***

Target: 85

H1/2024 H1/2023

79 74

*The Flame Index is the average of how the five most significant factors according to the employee are realised 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 2023 H2.

Signi and eNPS are measured biannually and SHE index annually

Principles of Governance

Aktia's ESG ratings

Target: reach at least industry average

MSCI

☑ AA

Sustainalytics

☑ Low Risk

ISS-ESG

☑ D+

Positive Net impact ratio ☑

Target: positive net impact based on the Upright Project's model

We are on track to meet our financial targets 2025

Comparable
operating profit
above EUR
120 million

1-6/2024:
EUR 64.7 million

1-12/2023:
EUR 104.8 million

Comparable return
on equity (ROE)
above 12%

30 June 2024:
16.1%

31 December 2023:
13.6%

Comparable
cost-to-income ratio
under 0.60

1-6/2024:
0.55

1-12/2023:
0.61

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

30 June 2024:
2.8 percentage points
over the regulatory
requirement of 8.75%

Financial overview



Outi Henriksson, CFO

Aktia

Financial summary

EUR million	Q2/2024	Q2/2023	Δ %	Q1/2024	Δ %	1-6/2024	1-6/2023	Δ %
Total operating income	76.7	69.3	11%	77.3	-1%	154.0	138.7	11%
Net interest income	38.8	32.8	18%	39.1	-1%	77.9	63.7	22%
Net commission income	30.8	30.4	2%	30.1	2%	61.0	60.6	1%
Net income from life insurance	7.4	5.7	29%	7.7	-4%	15.0	12.9	17%
Other income	-0.3	0.5	-167%	0.4	-175%	0.1	1.5	-93%
Total operating expenses	-44.8	-42.2	6%	-41.4	8%	-86.2	-89.3	-3%
Impairments of credits and other commitments	-1.8	-1.3	38%	-2.7	-34%	-4.5	-2.3	101%
Operating profit	30.1	25.8	17%	33.3	-9%	63.4	47.1	35%
Comparable operating profit**	30.8	25.6	21%	33.9	-9%	64.7	48.2	34%
Earnings per share (EPS), EUR	0.33	0.28	18%	0.38	-12%	0.71	0.52	36%
Return on equity (ROE), %	14.5	13.6	0,9*	16.5	-2*	15.8	12.8	3.0*
Comparable return on equity (ROE), %	14.9	13.4	1.4*	16.8	-1.9*	16.1	13.1	3.0*
Cost-to-income ratio (comparable)	0.57	0.61	-6%	0.53	9%	0.55	0.64	-13%
Common Equity Tier 1 capital ratio, %	11.5	11.0	0.5*	11.4	0.1*	11.5	11.0	0.5*

*) The change is calculated in percentage points

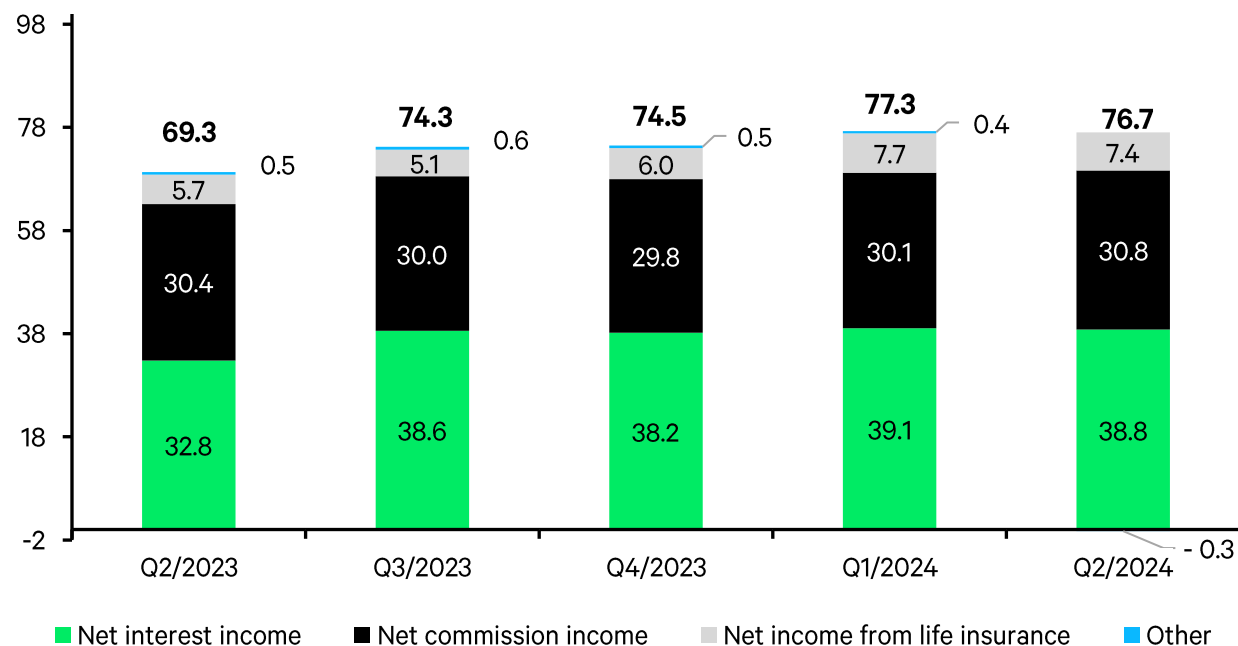
***) Excl. items affecting comparability

Total operating income 11% above last year

- NII remained strong and grew by 18% from last year, thanks to favourable margin development driven specifically by growth in profitable financing solutions and still relatively high reference rates.
- Net commission income was at the same level as in the previous quarters, +2% Y-o-Y.
- Net income from life insurance was stable mainly as a result of good risk insurance sales and solid development of the insurance service result.

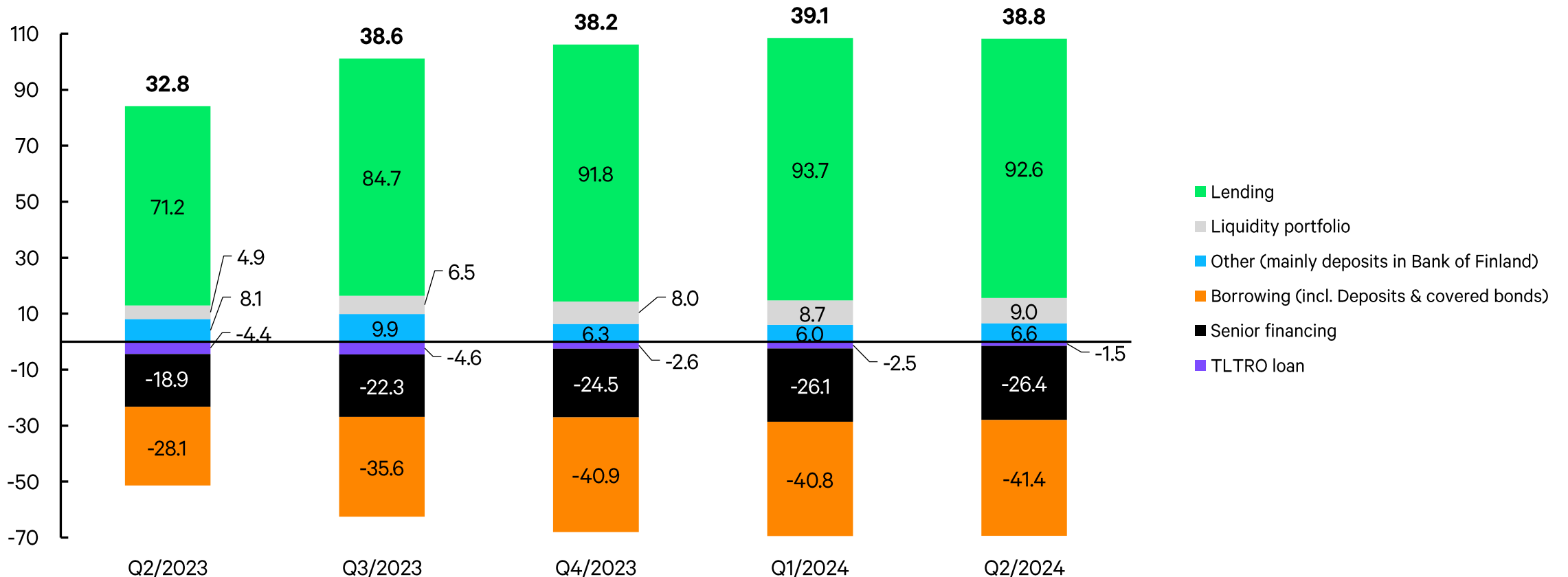
Comparable operating income, Q-o-Q

EUR million



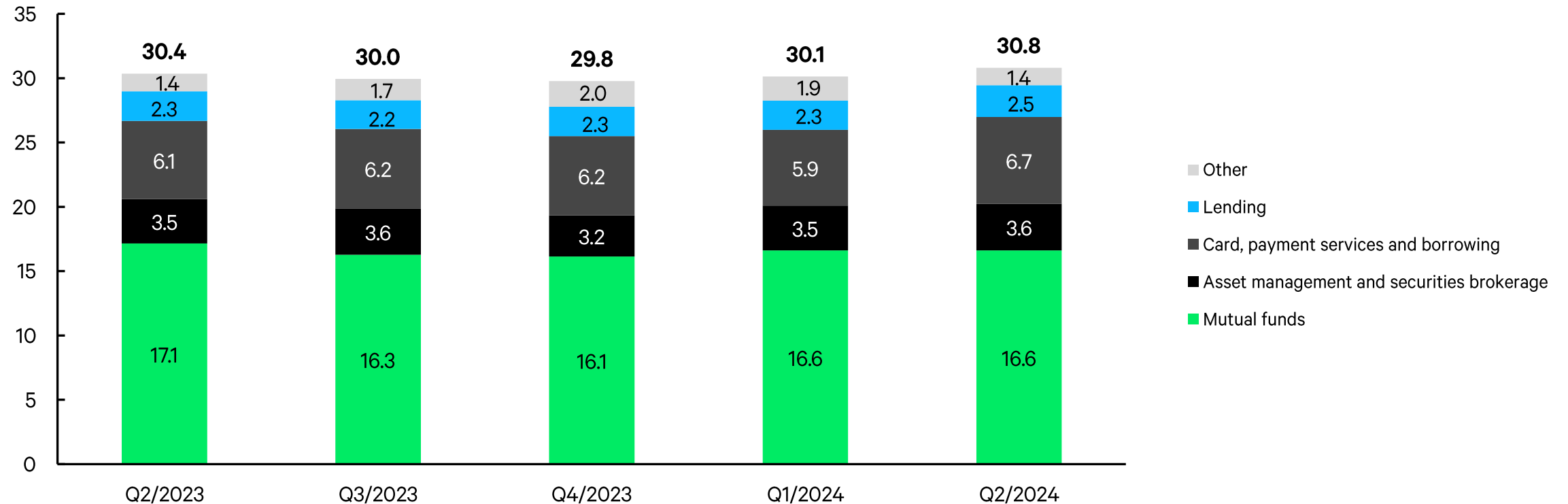
Composition of the Group net interest income

EUR million



Net commission income grew slightly

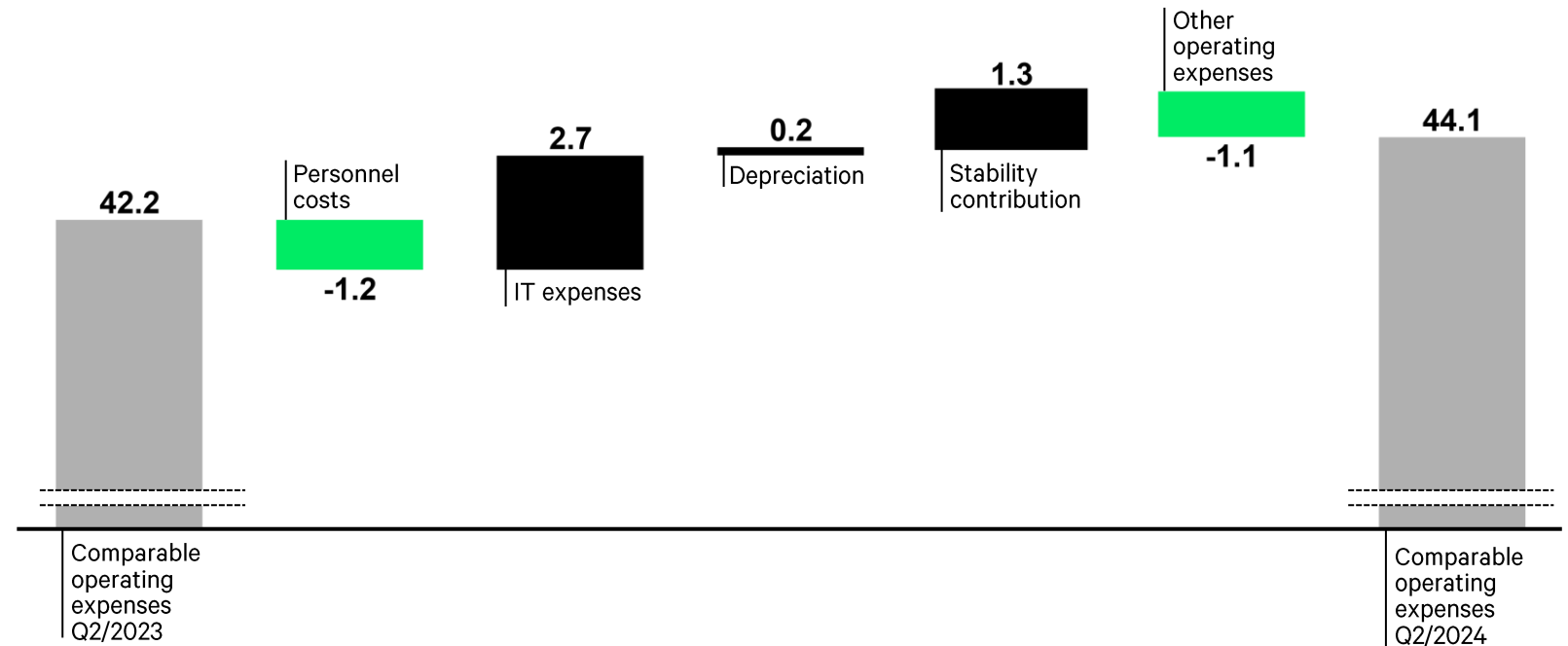
EUR million



Good cost control despite higher IT spend and inflation

- Comparable operating expenses increased by 5% due to increased IT expenses and inflation.
- IT expenses increased due to continued investments in customer experience, banking system functionality, information security and regulatory processes.
- In summary, good cost control with slightly lower personnel costs.

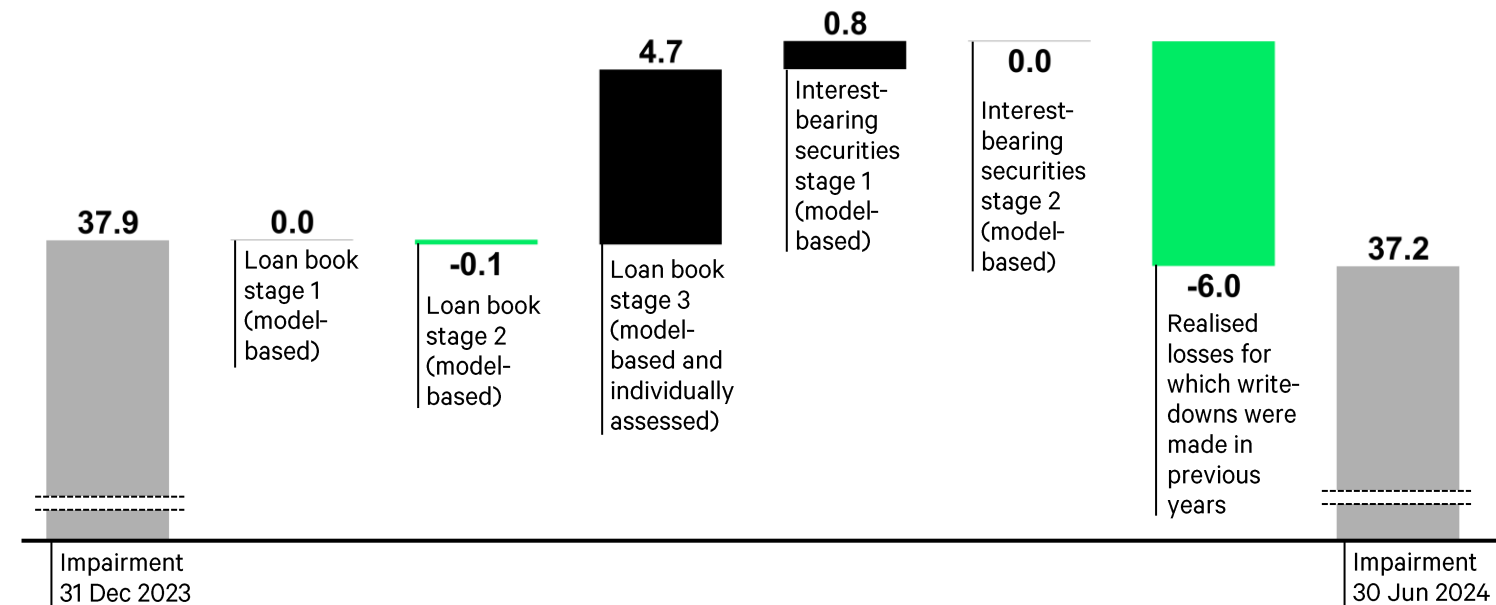
Comparable operating expenses Q2/2024 vs Q2/2023
EUR million



Quality of the credit portfolio remains good

- For the major part, our loan book consists of loans to households supported by residential or real estate securities.
- The loan-to-value (LTV) ratio remained at a healthy level at 43%.
- Credit loss provisions in Q2 (EUR 1.8 million) increased slightly compared to last year but remained moderate due to continued good risk management and the quality of the loan book.

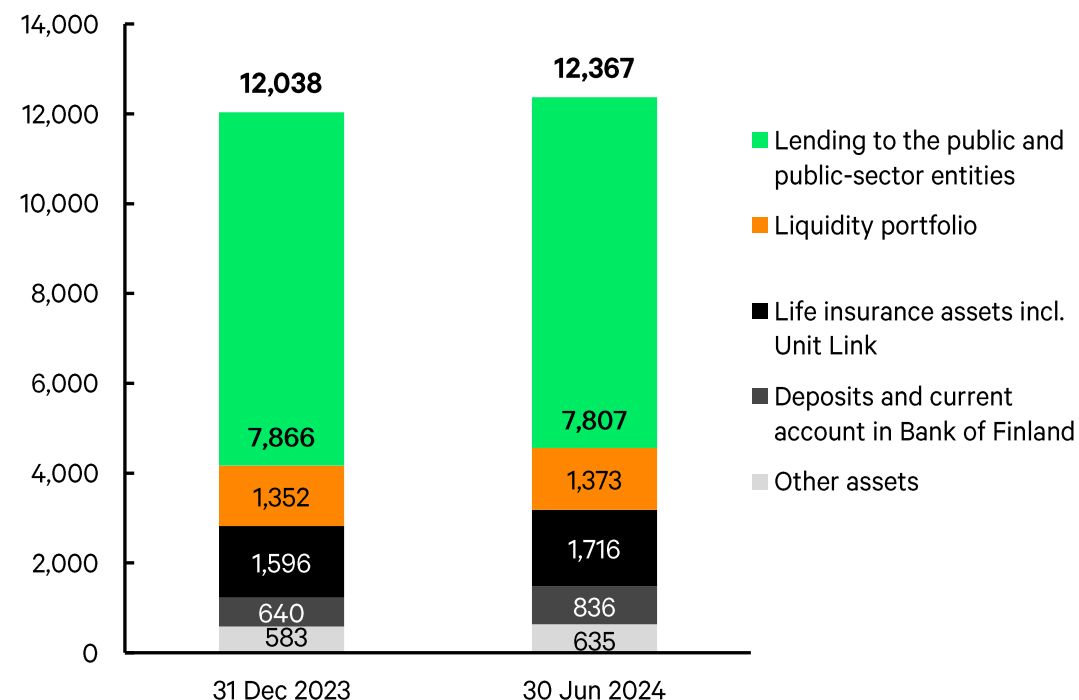
Change in expected credit losses (ECL) 1–6/2024
EUR million



Balance sheet increased to EUR 12,367 million

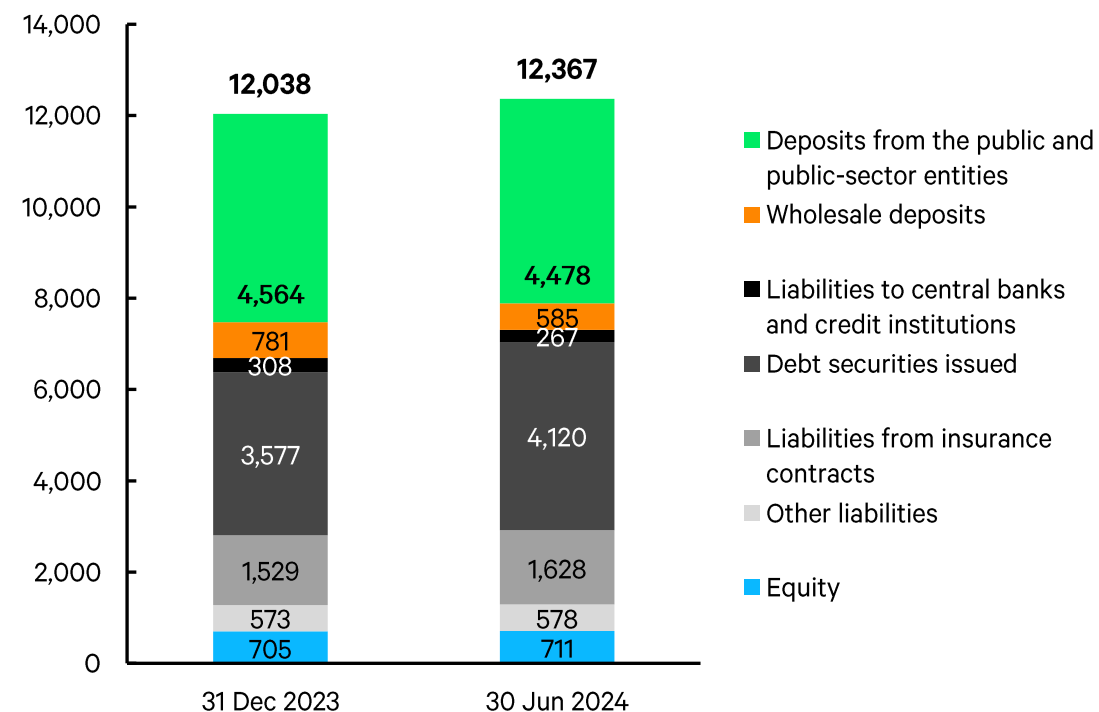
Total assets

EUR million



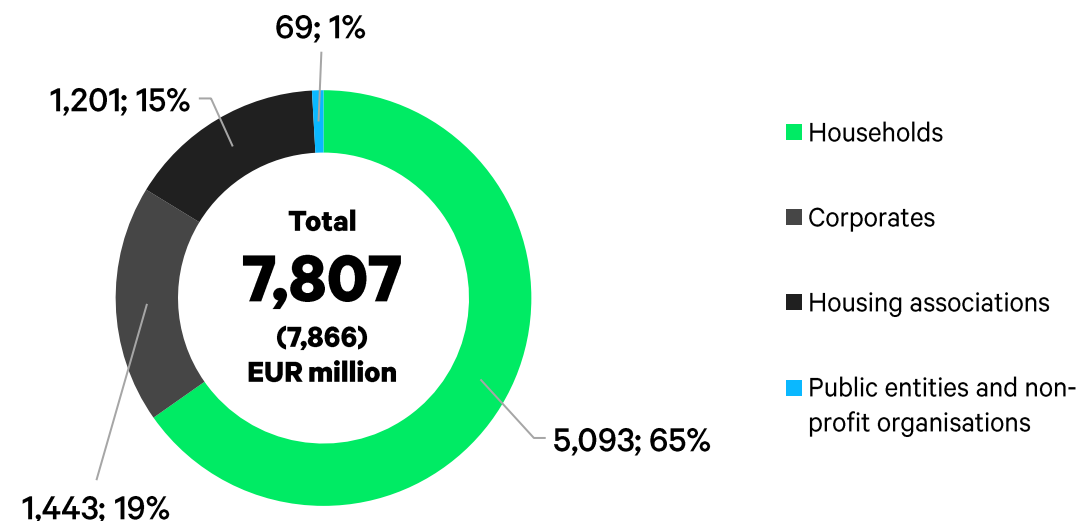
Total liabilities and equity

EUR million

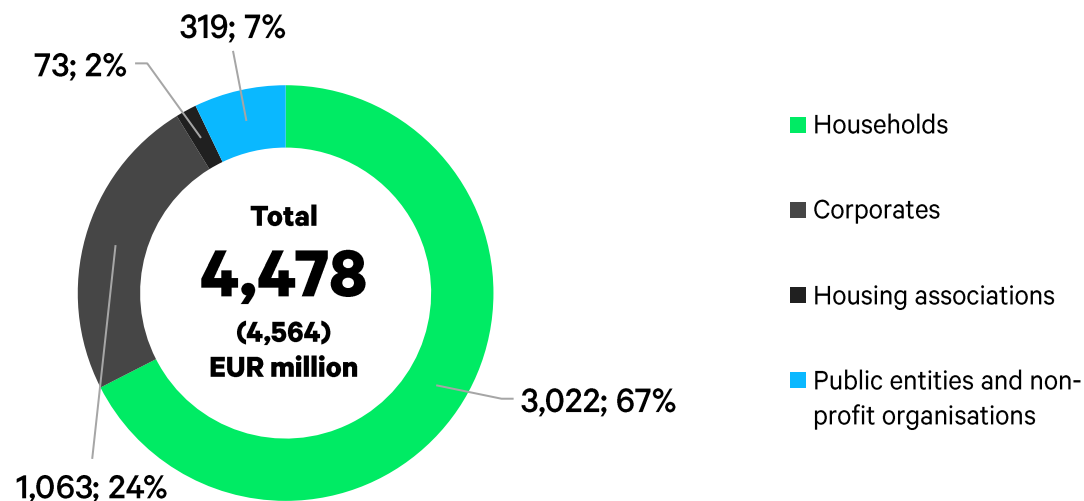


Households account for the majority of lending and deposits

Lending

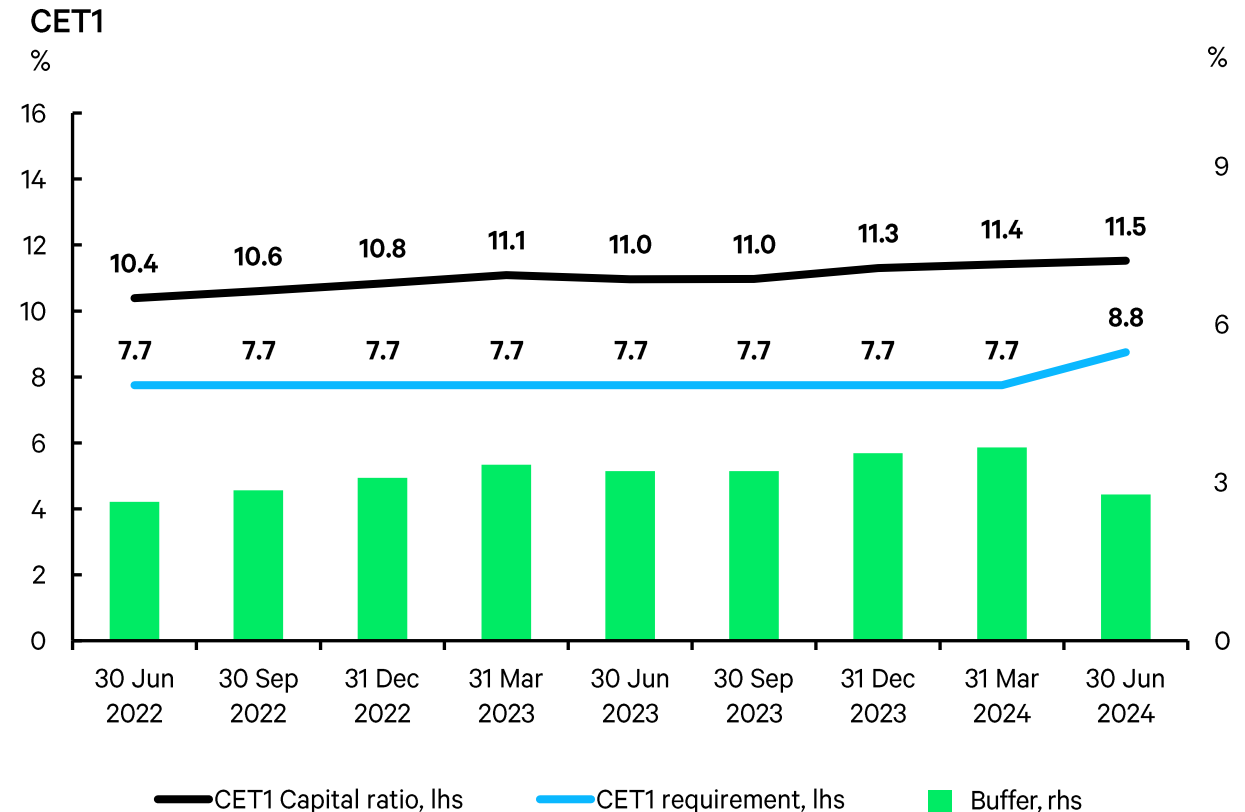


Deposits



CET1 ratio improved slightly to 11.5%

- CET1 ratio was 11.5% and 2.8 percentage points above the regulatory requirement.
- Regulatory CET1 own funds increased by EUR 9.3 million, driven by increase in the fund at fair value (EUR 7.8 million).
- CET1 includes a EUR 30.8 million reservation for dividends, corresponding to 60% of the Group's distributable result.
- An additional systemic risk buffer requirement of 1 percentage point entered into force on 1 April 2024 for a large part of Finnish credit institutions, including Aktia.



Year 2023 financial reporting has been revised due to a technical error

- Aktia's reported net interest income and thus the result for 2023 was revised in June 2024.
- This was due to a correction of the credit interest of a limited number of corporate accounts.
- The correction of the net interest income for 2023 amounted to EUR -3.6 million.
 - The total correction as of 31 December 2023 decreased retained earnings by EUR 3.1 million.
- The impact of the technical error on the first half of 2024 was EUR -1.2 million and is included in the net interest income in Q2/2024 reporting.

Success in funding activities

- Throughout H1/2024, the market has continued to be very active and supportive for new issuance.
- During Q2/2024, Aktia issued one senior preferred private placement transaction and benchmark size Covered Bond. The EUR 500 million 5-year Covered Bond benchmark was a success. The final book was over EUR 1.9 billion, which translates into a subscription ratio of 3.8x – the highest ever orderbook for any EUR transaction from Aktia. The re-offer spread was MS+25 bps.
- In April Aktia and the Nordic Investment Bank (NIB) signed a 7-year EUR 75 million loan agreement to finance small and medium-sized enterprises (SMEs), smaller mid-caps (SMCs), and environmental projects in Finland.
- Aktia is monitoring the EUR market to refinance the inaugural Tier 2 bond issued in 2019. The bank will also continue to issue senior debt in private placement format.
- Aktia's liquidity continued to be at a very good level with the LCR ratio being 277% at the end of Q2/2024.

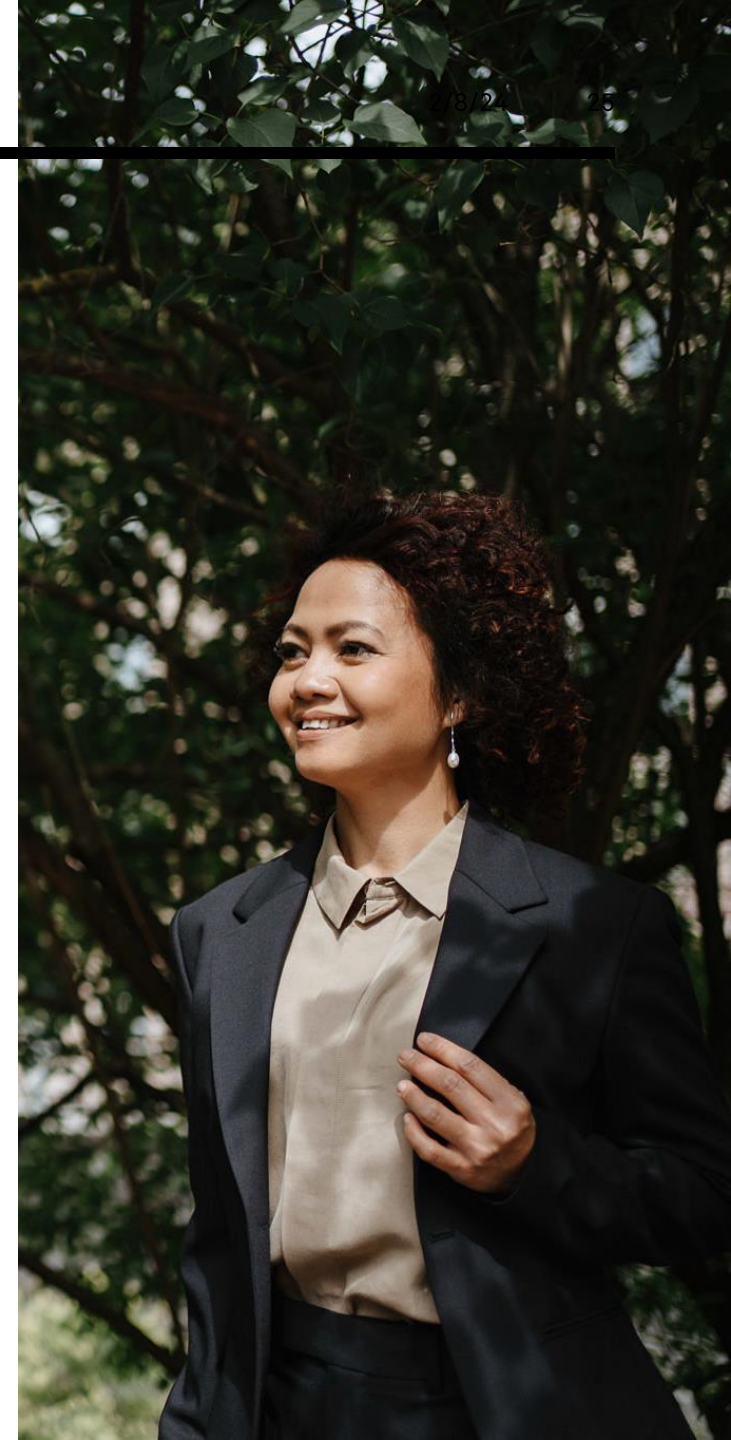


Outlook 2024 (updated)

Aktia's comparable operating profit for 2024 is expected to be higher than the EUR 104.8 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, given the absence of stability contribution offset by higher expected IT expenses.
- Impairments and provisions for credit losses are expected to increase slightly compared to the 2023 level, given the current market situation.





Building wealth for our customers and society

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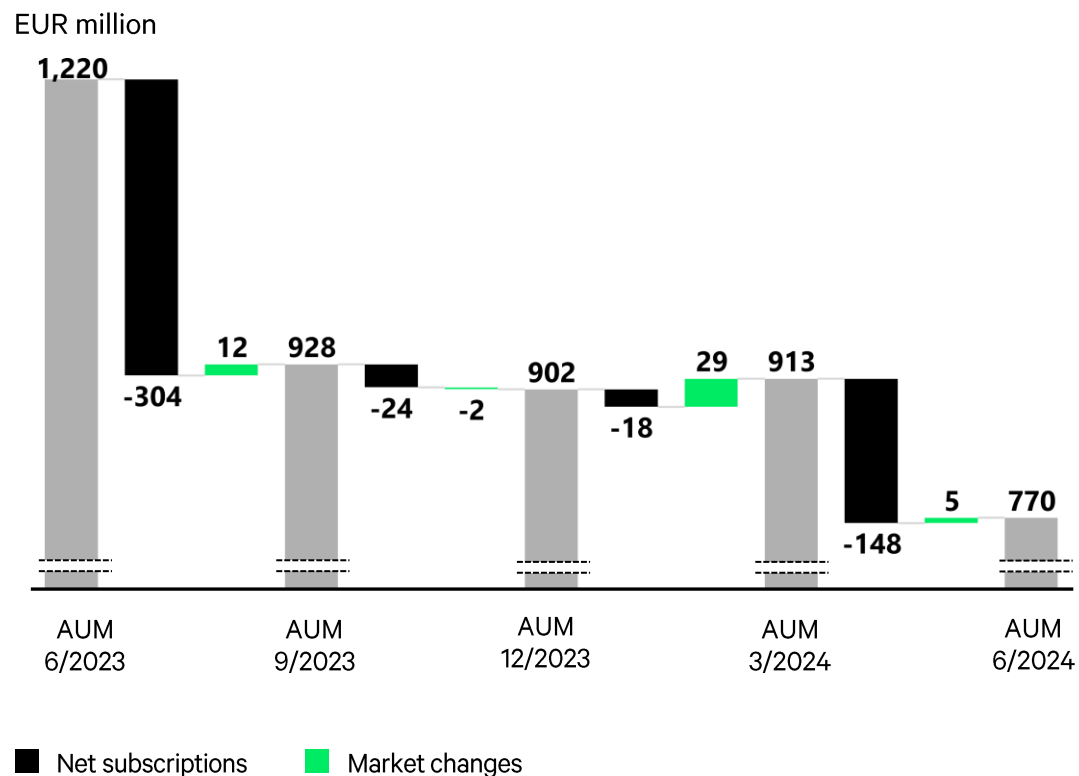
Aktia

Appendices

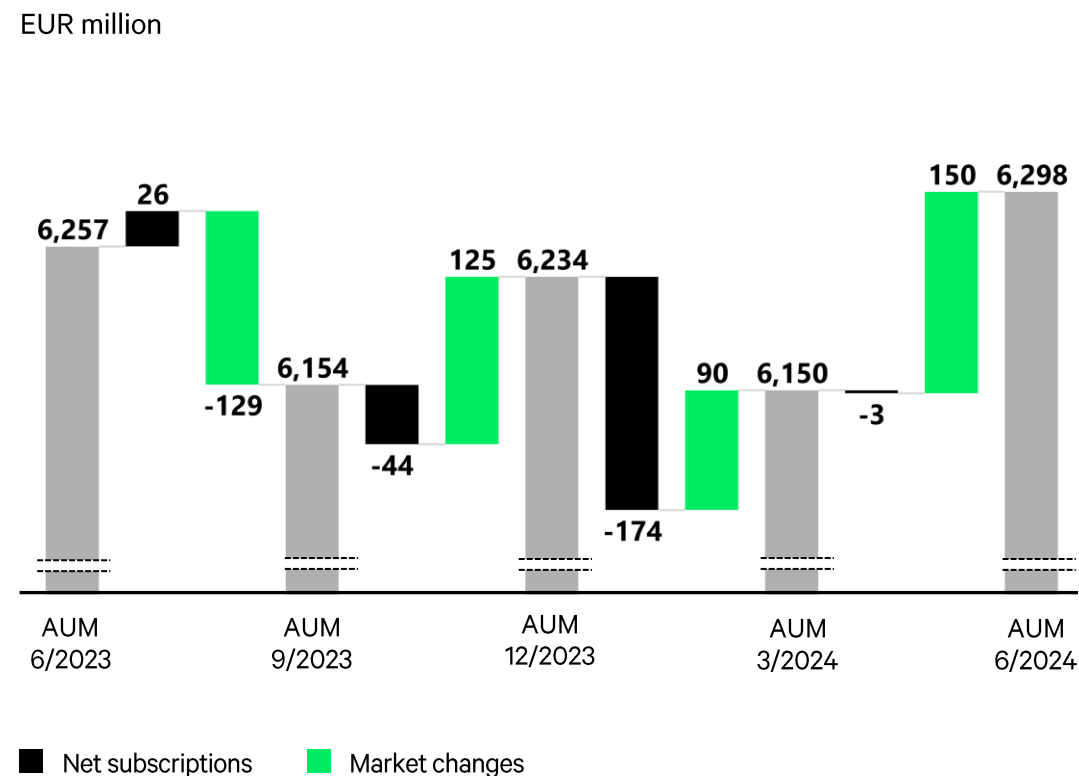


AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q



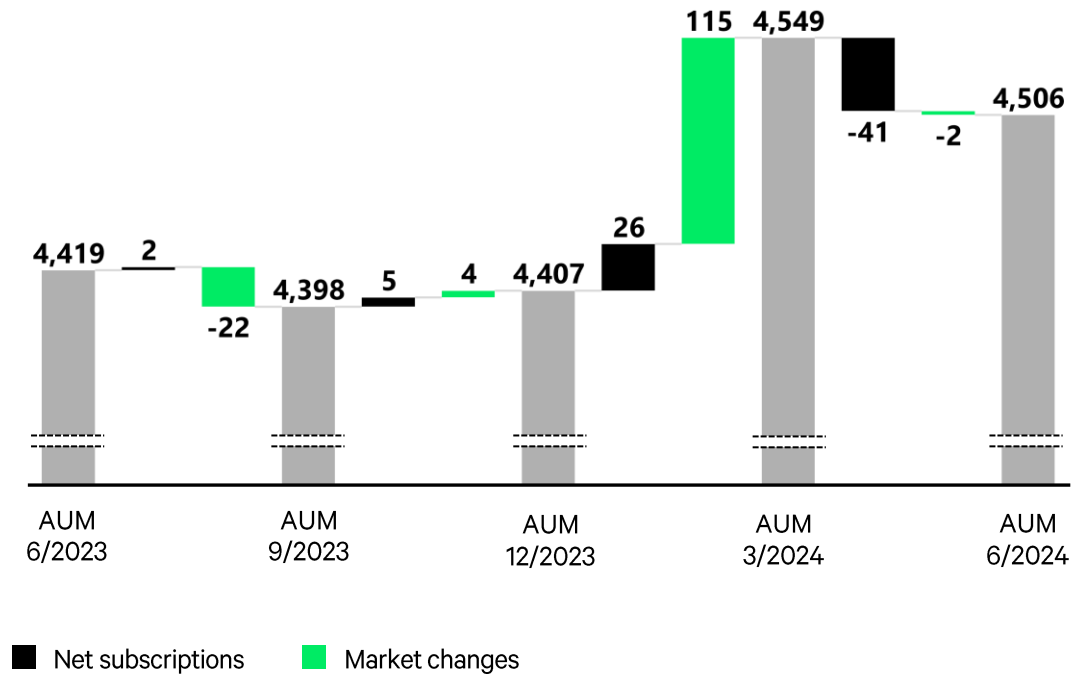
Asset Management, Domestic institutions Q-o-Q



AuM: net subscriptions and market changes

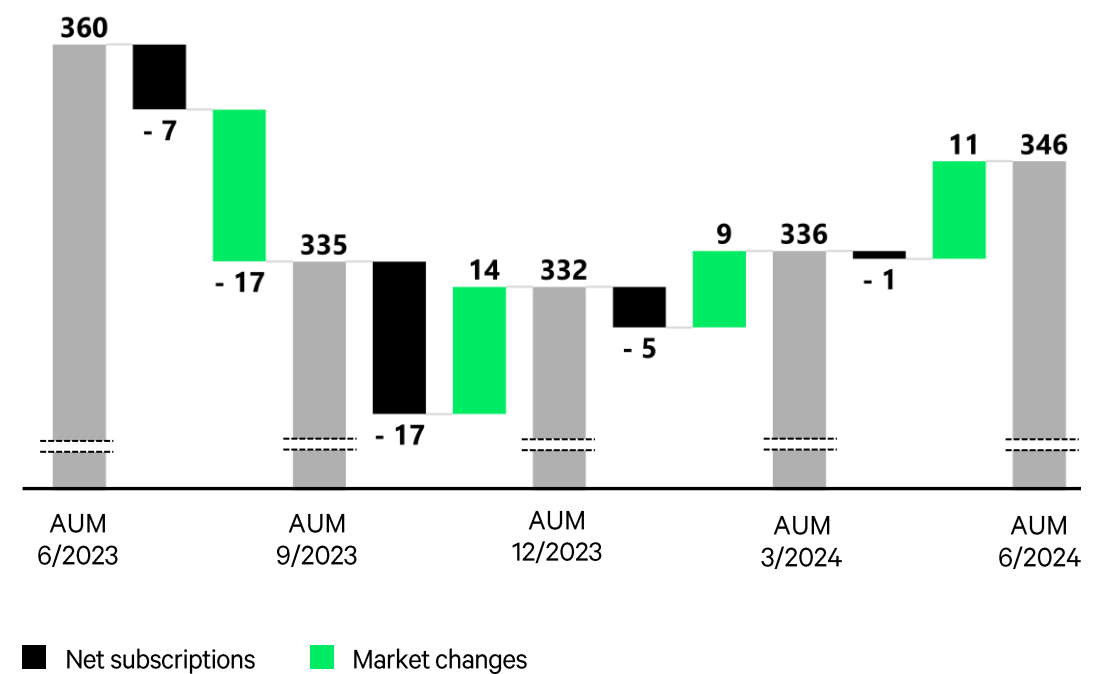
Asset Management, Private Banking Q-o-Q

EUR million



Asset Management, External channels Q-o-Q

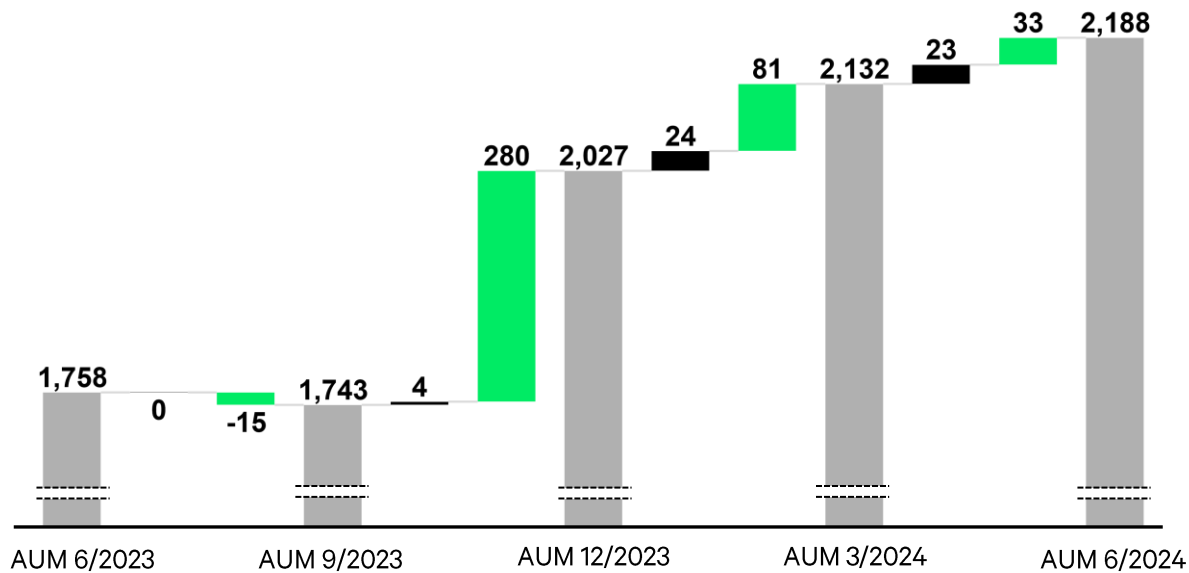
EUR million



AuM: net subscriptions and market changes

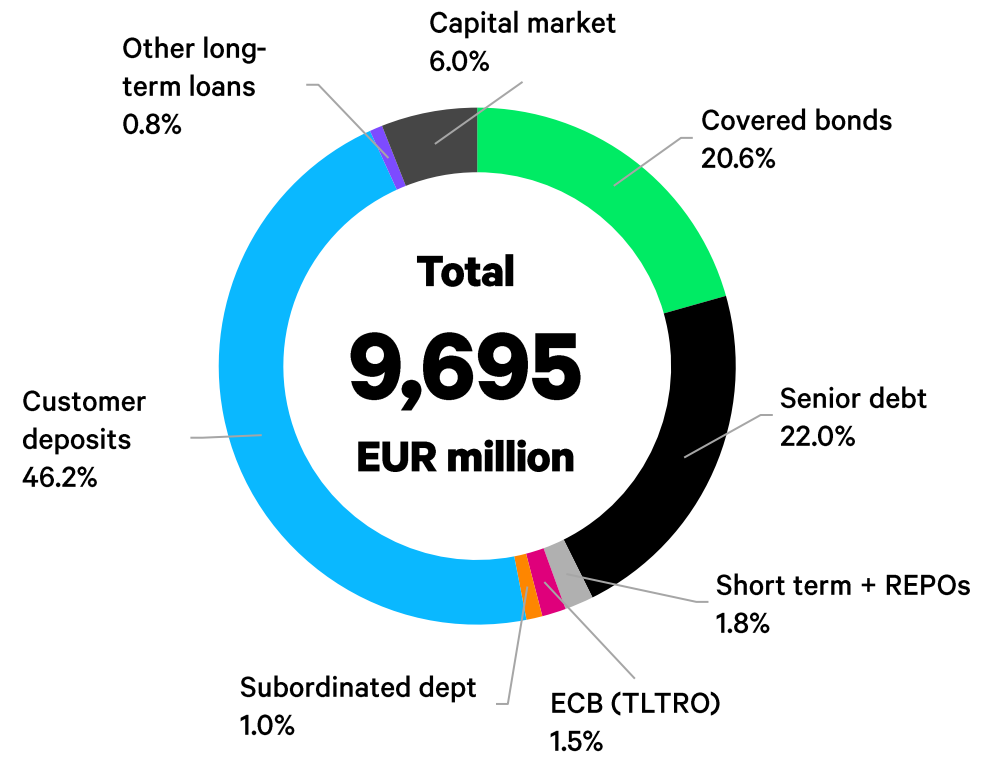
Banking Business, Retail Q-o-Q

EUR million



■ Net subscriptions ■ Market changes

Sound funding profile



Previous outlook for 2024

(30 April 2024)

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.

