

9 NOVEMBER 2023

Q3 Results

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Aktia

Highlights Q3

- **Net interest income** increased by 64% to EUR 39.5 (24.0) million.
- **Net commission income** was on the previous year's level at EUR 30.0 (29.9) million. Net subscriptions were EUR -279 million.
- **Net income from life insurance** was EUR 5.1 (19.6) million, despite the result including value changes of EUR -2.0 million in the real estate portfolio. Comparative figures recalculated according to the new IFRS 17 accounting standard make the comparison significantly more difficult.
- **Comparable operating expenses** were approximately on previous year's level at EUR 40.8 (40.3) million.
- **Comparable operating profit** increased by 3% to EUR 32.0 (31.1) million.
- **Credit loss provisions** were still very moderate, EUR -2.3 million.

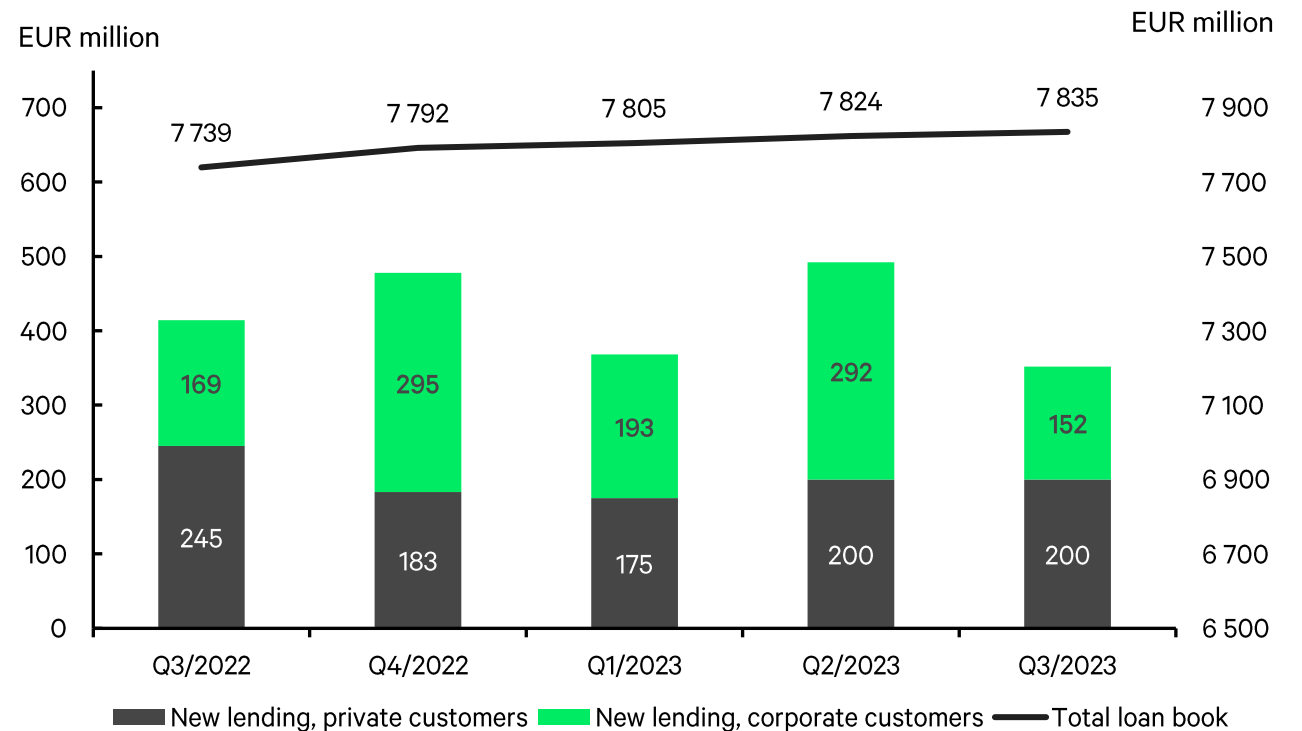


Business areas

Average margin continued to increase

- Despite challenging market conditions, the loan book grew somewhat. The growth was driven by corporate lending, while housing loan demand remained low.
- The growth in net interest income was driven by higher interest rates and favorable margin development. The quality of the loan portfolio remained at a good level and the average margin continued to increase.
- In the corporate customer business, demand for hire purchase and leasing financing remained good.
- In the private customer business, cooperation with Finnair progressed as expected.

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

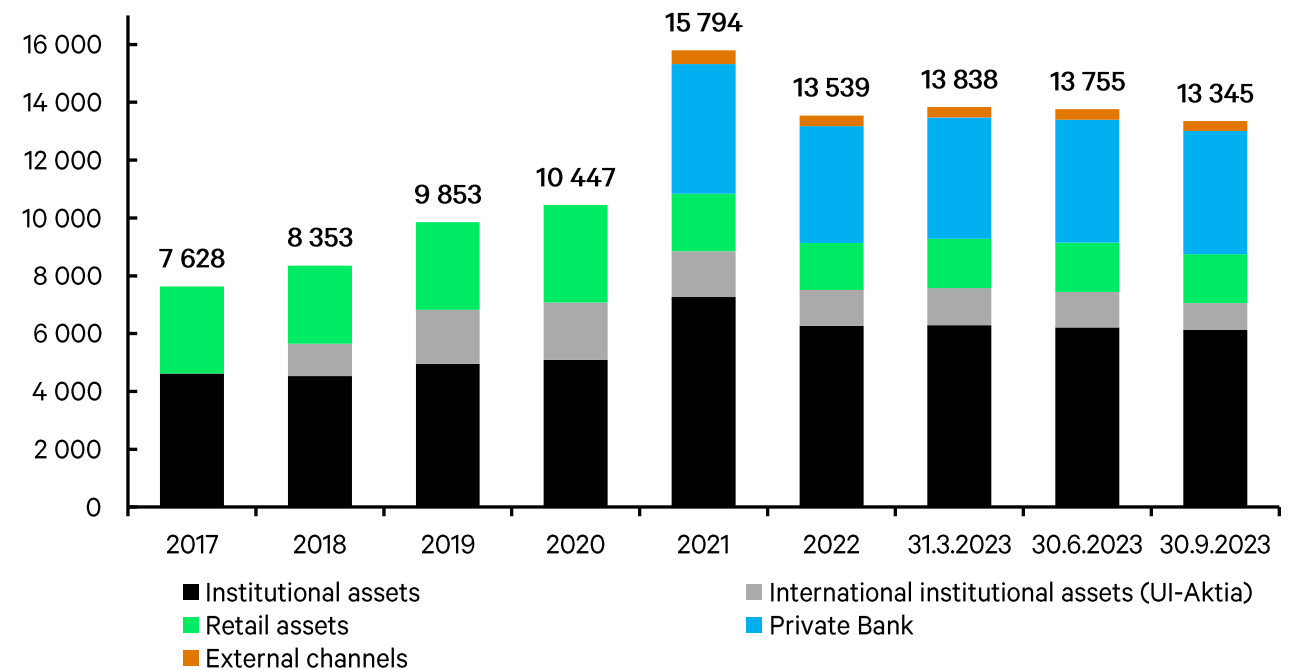


Assets under Management decreased slightly

- Market environment remained volatile and the development on equity markets was very weak.
- Central banks continued rate hikes and market expectations for a decrease in interest rates were postponed.
- Net sales to domestic institutional investors and Private Banking customers were positive, while international investors made redemptions from some of Aktia's well-performing fixed income funds.

The Group's Assets under Management, excluding custody

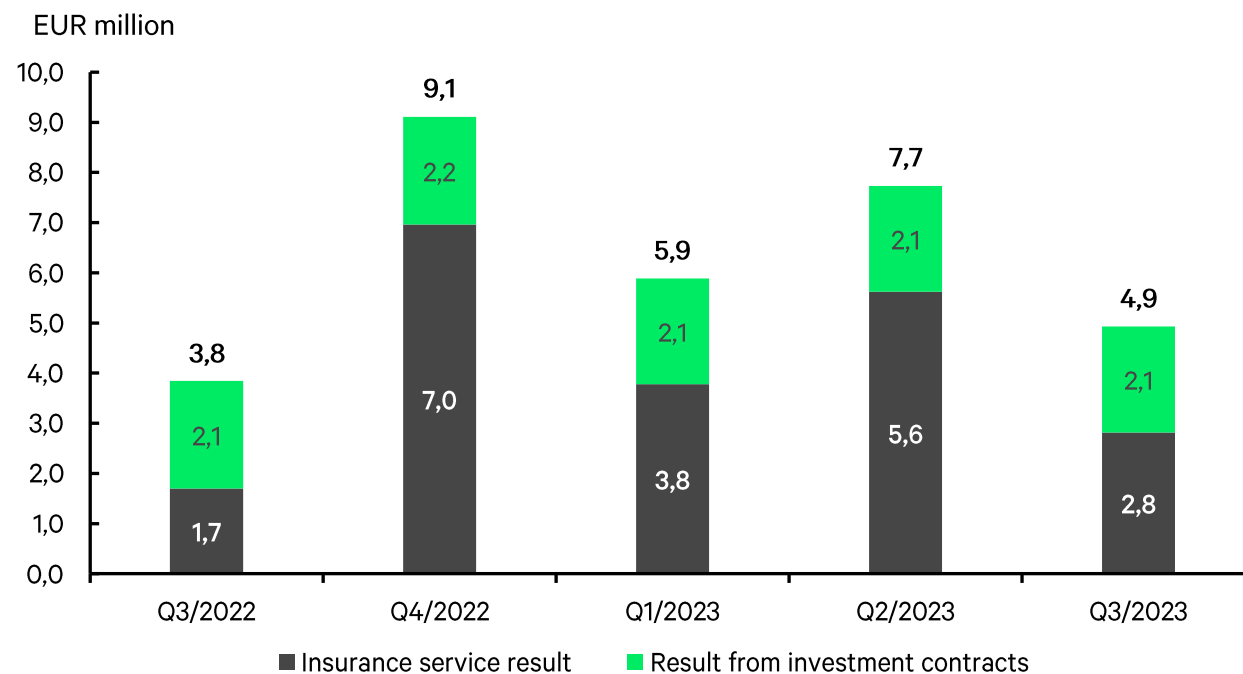
EUR million



Insurance service result improved

- Sales of risk life insurance developed well.
- Sales of investment-linked insurance policies remained stable.
- The result from investment activities, including insurance finance result and income from investment activities, amounted to EUR 1.0 million in the life insurance business.
- The solvency ratio remained on a good level.

Development of the actuarially calculated result Q-o-Q



Aktia's Sustainability in Q3/2023

The high-level targets of the programme

- 1 Enable sustainable prosperity.
- 2 Competence and well-being of employees who can influence their work and feel that their work is meaningful.
- 3 Ensure reliable and transparent operations.
- 4 Work towards carbon-neutrality.

Highlights in Q3 2023: Focus on nature

Weakened biodiversity poses risks to investors. **Corporate engagement** can be carried out to demand urgent and necessary measures from companies to protect and restore nature and ecosystems and thereby **reduce economic risks**.

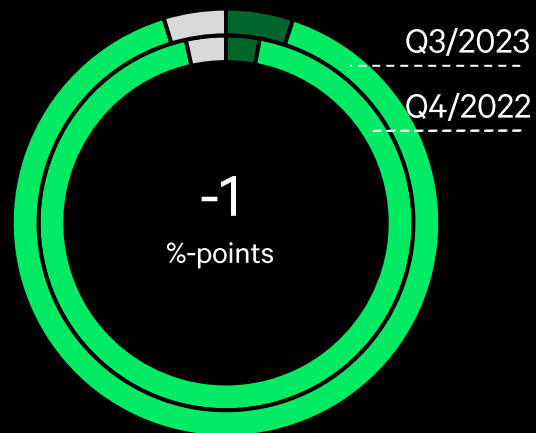
Aktia has joined a new investor initiative **Nature Action 100** - the first global investor initiative to address the acute crisis of loss of nature and biodiversity.

Sustainability-driven success for the leading wealth manager bank

☑ = 2025 target achieved

Prosperity

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



SFDR Article



Principles of Governance

Aktia's ESG ratings
Target: reach at least industry average

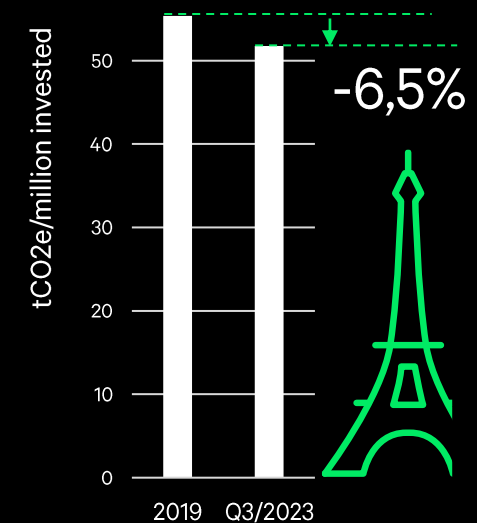
MSCI ☑ A
Sustainalytics ☑ Low Risk
ISS-ESG ☑ D+

Aktia's net impact
Target: positive net impact

Upright Project ☑ 31%

Planet

Relative carbon footprint of equity and credit portfolios
Target: -30% vs 2019



One of the cornerstones of our strategy – excellent customer experience

Aktia's strategic priorities

- 1 Excellent customer experience
- 2 Win in wealth management
- 3 Growth among customers who are willing to increase their wealth

Investing in improving the customer experience in 2023:

- Shortening the waiting times for the telephone service
- Large-scale adoption of the electronic identification application
- Providing comprehensive and high-quality advice to customers in both domestic languages



Financial overview

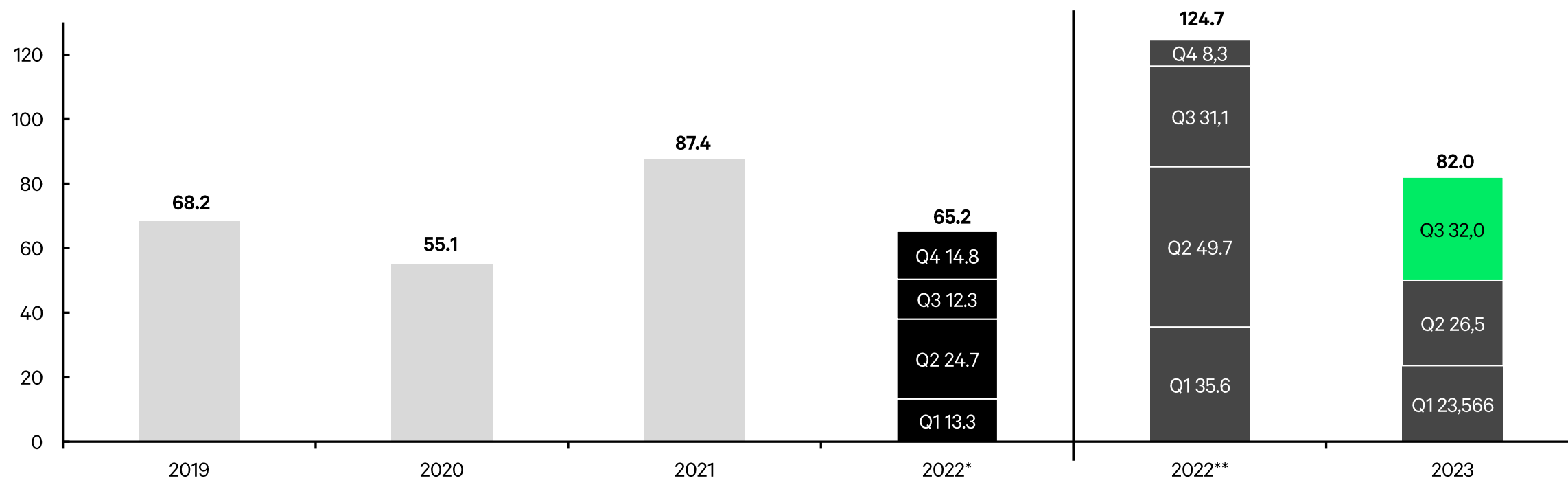
Outi Henriksson, CFO

Aktia

Comparable operating profit growth driven by net interest income

Comparable operating profit 2019–Q3/2023

EUR million



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

** Restated 2022 figures

Financial summary Q3

| EUR million | Q3/2023 | Q3/2022 | Δ % | Q2/2023 | Δ % | 1-9/2023 | 1-9/2022 | Δ % |
|--|---------|---------|-------|---------|------|----------|----------|------|
| Total operating income | 75.2 | 72.4 | 4% | 70.3 | 7% | 215.8 | 244.8 | -12% |
| Net interest income | 39.5 | 24.0 | 64% | 33.8 | 17% | 105.1 | 75.0 | 40% |
| Net commission income | 30.0 | 29.9 | 0% | 30.4 | -1% | 90.6 | 92.9 | -2% |
| Net income from life insurance | 5.1 | 19.6 | -74% | 5.7 | -10% | 18.0 | 75.9 | -76% |
| Other income | 0.6 | -1.1 | -155% | 0.5 | 29% | 2.1 | 1.1 | 89% |
| Total operating expenses | -40.8 | -40.3 | 1% | -42.2 | -3% | -130.1 | -125.4 | 4% |
| Impairments of credits and other commitments | -2.3 | -1.0 | 127% | -1.3 | 73% | -4.5 | -3.1 | 47% |
| Operating profit | 32.0 | 31.1 | 3% | 26.8 | 19% | 81.0 | 116.6 | -31% |
| Comparable operating profit* | 32.0 | 31.1 | 3% | 26.5 | 21% | 82.0 | 116.4 | -30% |
| Earnings Per Share (EPS), EUR | 0.34 | 0.34 | -1% | 0.29 | 17% | 0.88 | 1.29 | -32% |
| Return on Equity (ROE), % | 16.2 | 17.6 | -8% | 14.1 | 15% | 14.1 | 21.6 | -35% |
| Cost-to-income ratio (comparable) | 0.54 | 0.56 | -2% | 0.60 | -10% | 0.60 | 0.51 | 16% |
| Common Equity Tier 1 capital ratio, % | 11.0 | 10.6 | 3% | 11.0 | 0% | 11.0 | 10.6 | 3% |

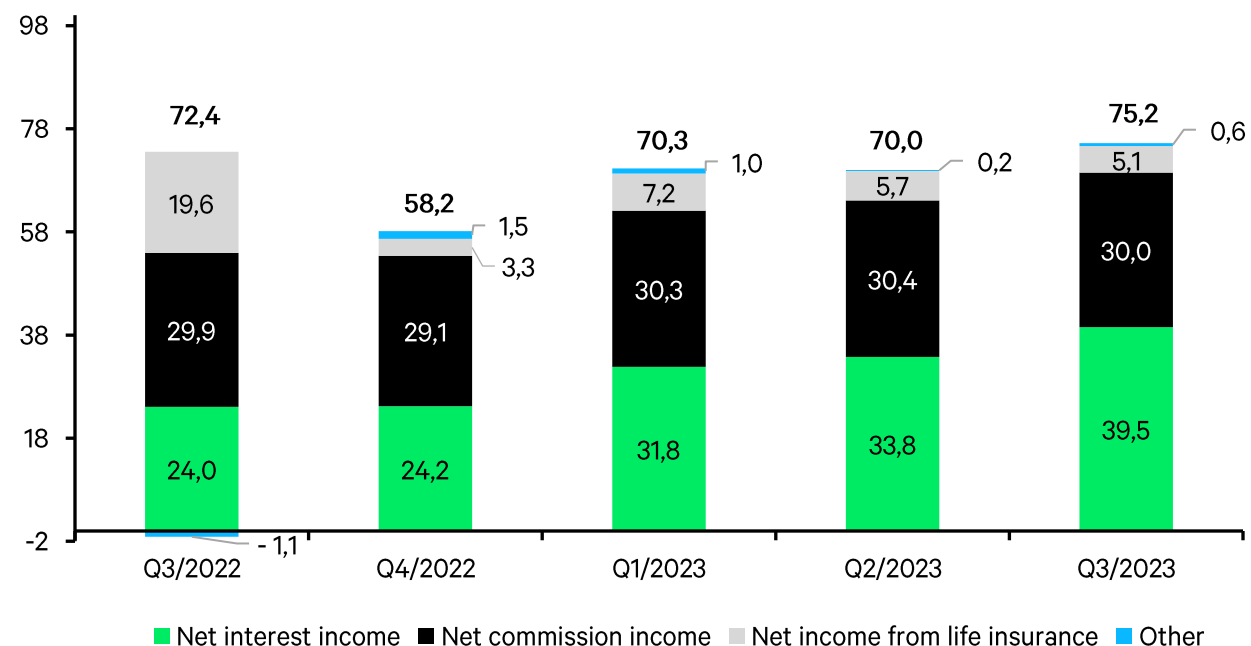
*) Excl. items affecting comparability

Net interest income improved significantly in Q3

- Comparable operating income was EUR 75.2 (72.4) million.
- Net interest income improved significantly, supported by the positive development of the customer margins, rising reference interest rates and the growth in the corporate loan book.
- Net commission income remained on the previous year's level, despite average customer assets (AuM) being somewhat lower than the previous year.
- Net income from life insurance was solid, however below last year's level due to the restated comparison figures (IFRS 17).

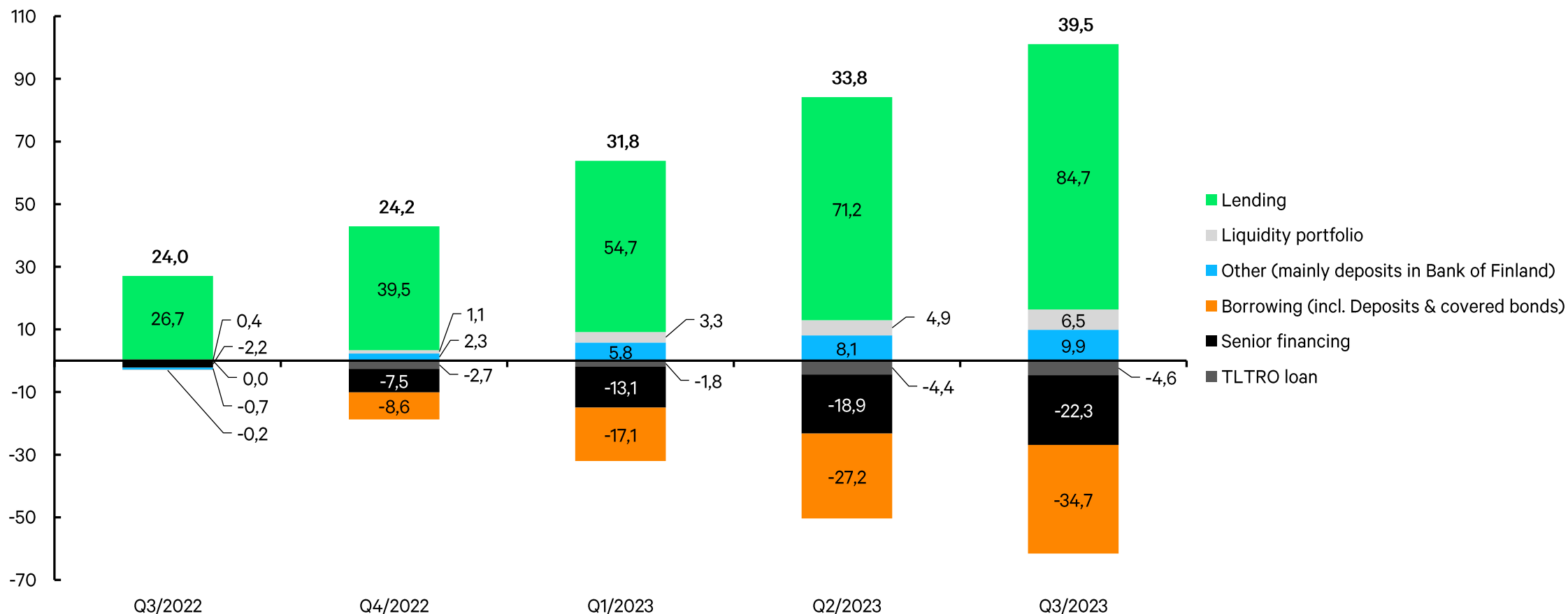
Comparable operating income, Q-o-Q

EUR million



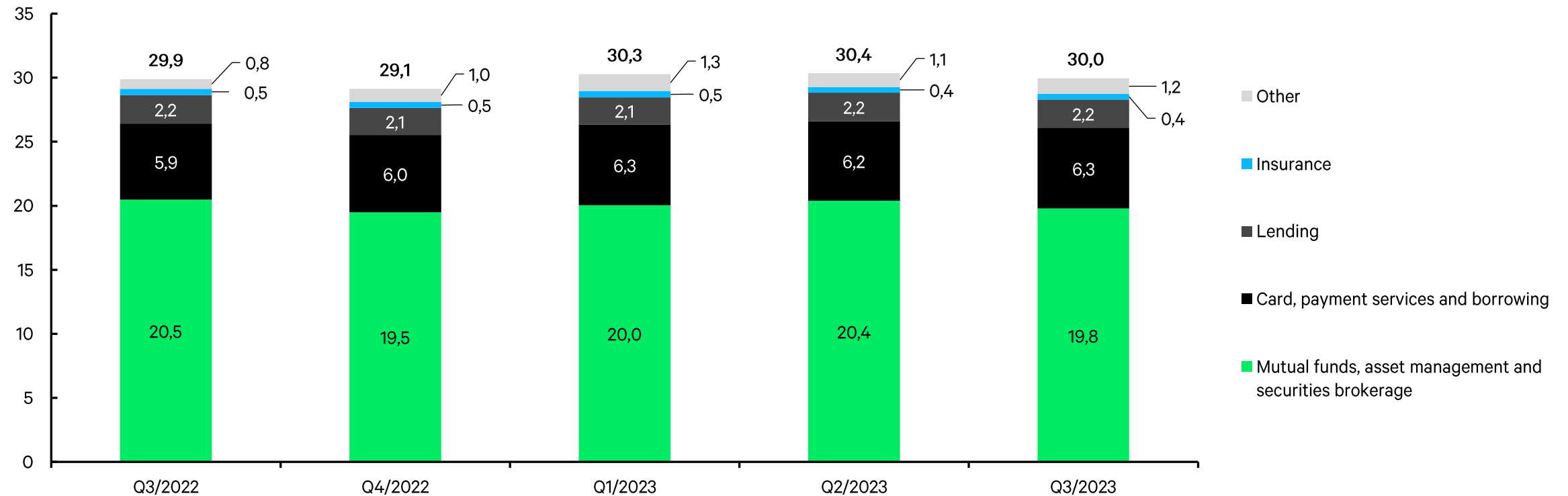
Composition of the Group net interest income

EUR million



Net commission income mix

EUR million

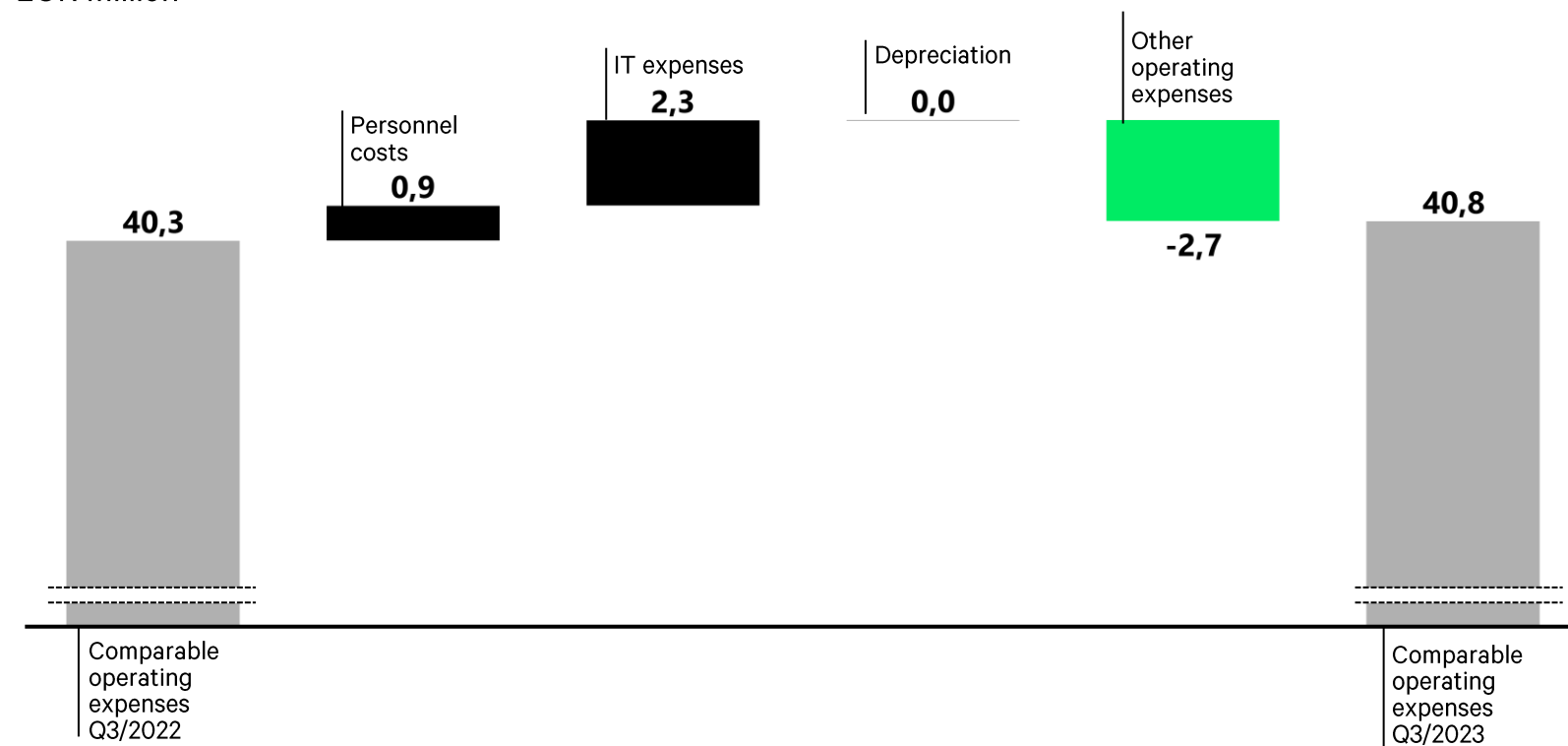


Despite high inflation, comparable operating expenses were at the previous year's level

- Personnel costs increased by 5%, mainly driven by collective agreement related raises and variable pay changes from last year.
- IT expenses increased by 32%, driven by outsourcing arrangements done in the end of last year and high inflation.
- Other operating expenses were clearly below last year level.

Comparable operating expenses Q3/2023 vs Q3/2022

EUR million

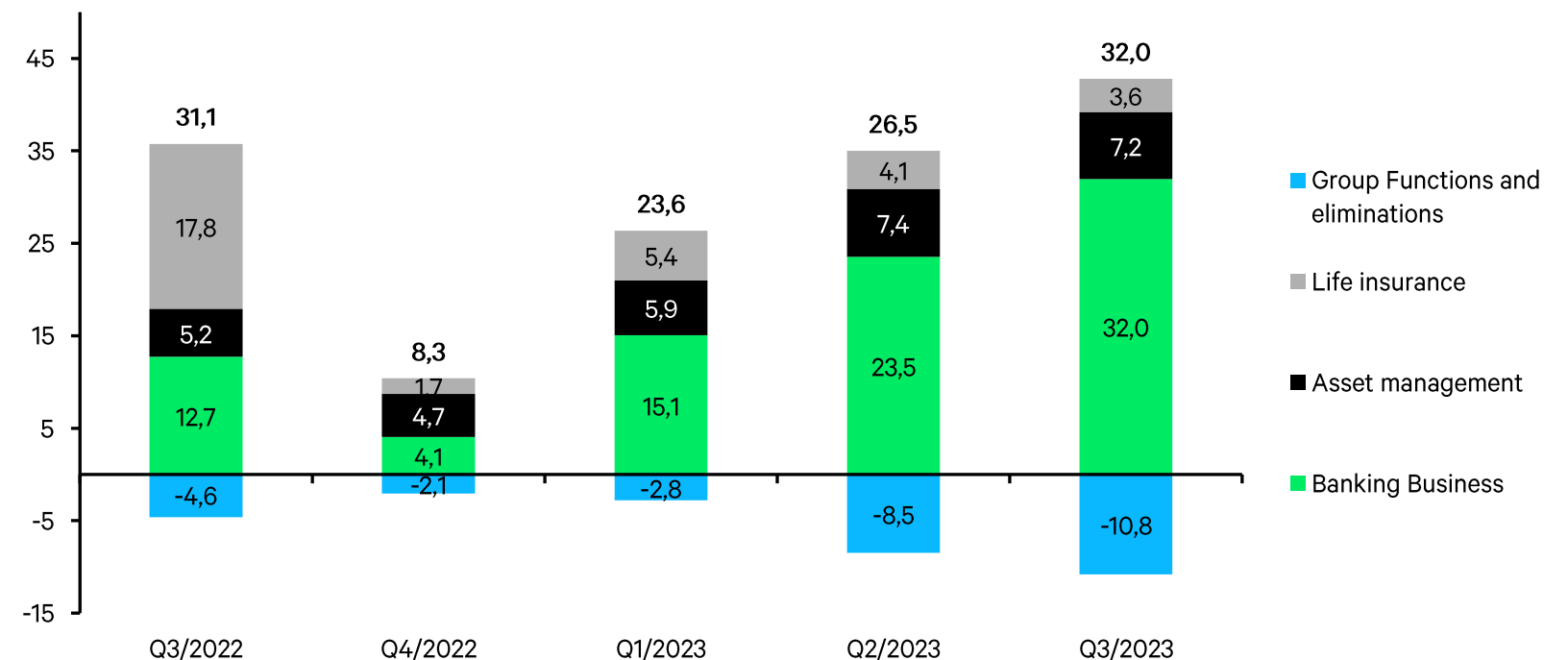


Comparable operating profit improved in Banking Business and in Asset Management

- Comparable operating profit increased significantly in Banking Business and in Asset Management, driven mainly by net interest income
- Comparable operating profit decreased in Life Insurance as a result of restatement of 2022 to IFRS 17
- Group functions lower result mainly affected by NII related expenses in Treasury

Comparable operating profit Q-o-Q

EUR million

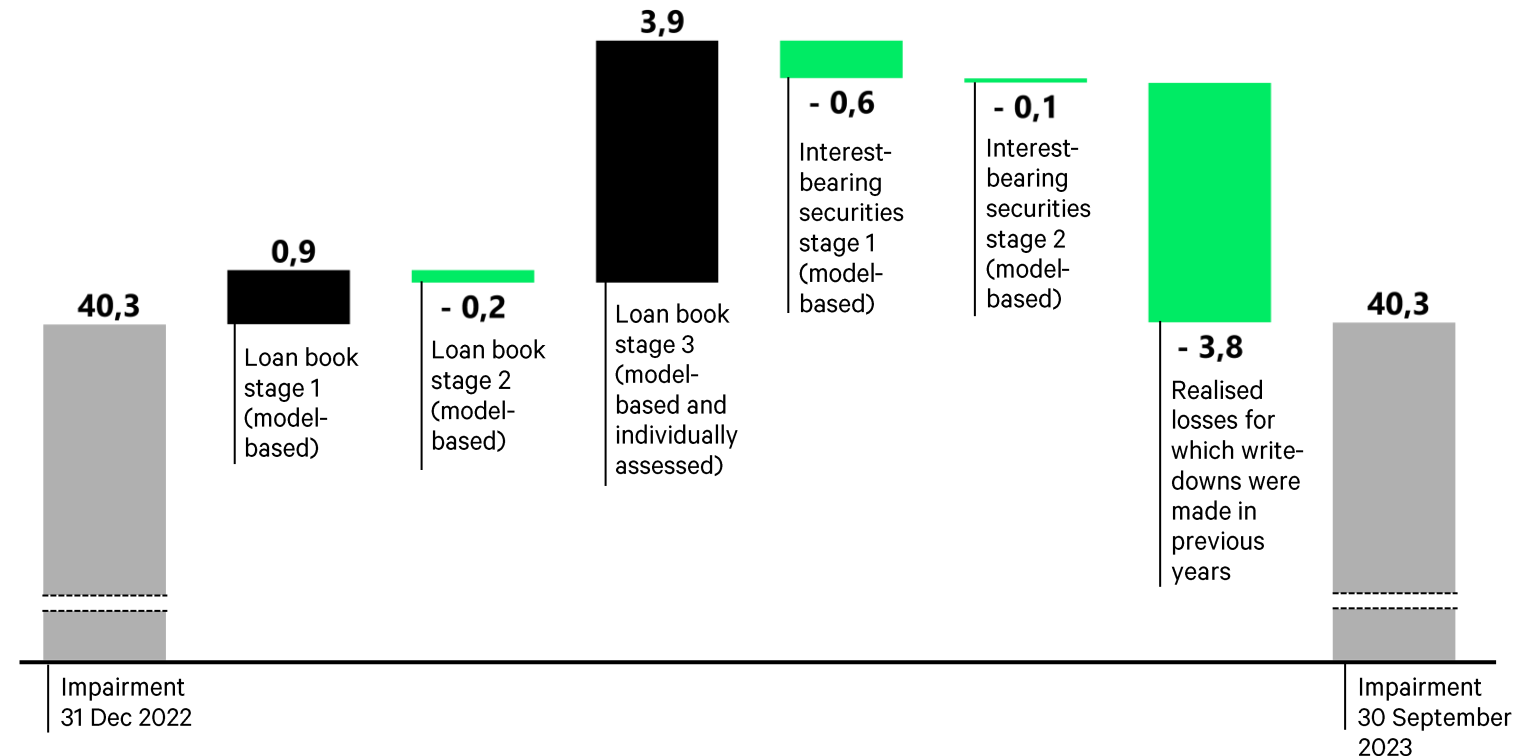


Quality of the credit portfolio remains solid

- Loan book constitutes for the major part of loans to households and private persons with residential or real estate securities.
- The loan-to-value (LTV) ratio remained at a healthy level (41%) and a low risk level provides a solid quality of credits in Aktia's loan book.
- Changes in credit loss provisions in 3Q remained at a very moderate level (EUR - 2.3 million) and totalled EUR -4,5 million year-to-date.

Change in expected credit losses (ECL) 1–9/2023

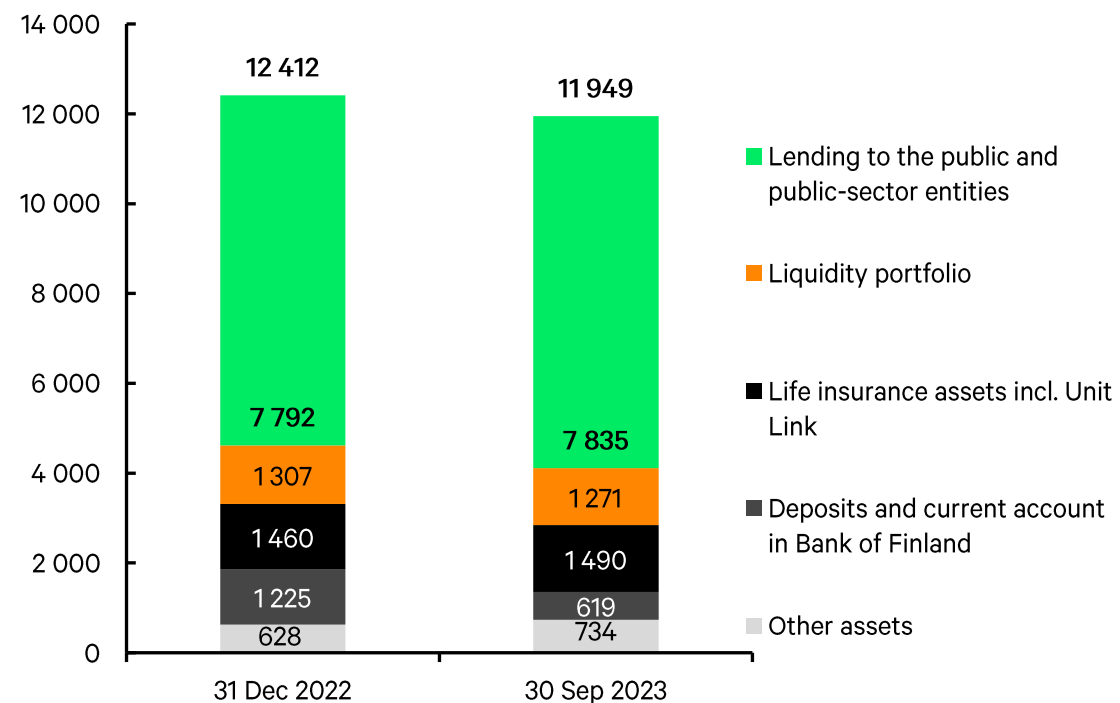
EUR million



Balance sheet total EUR 11,949 million

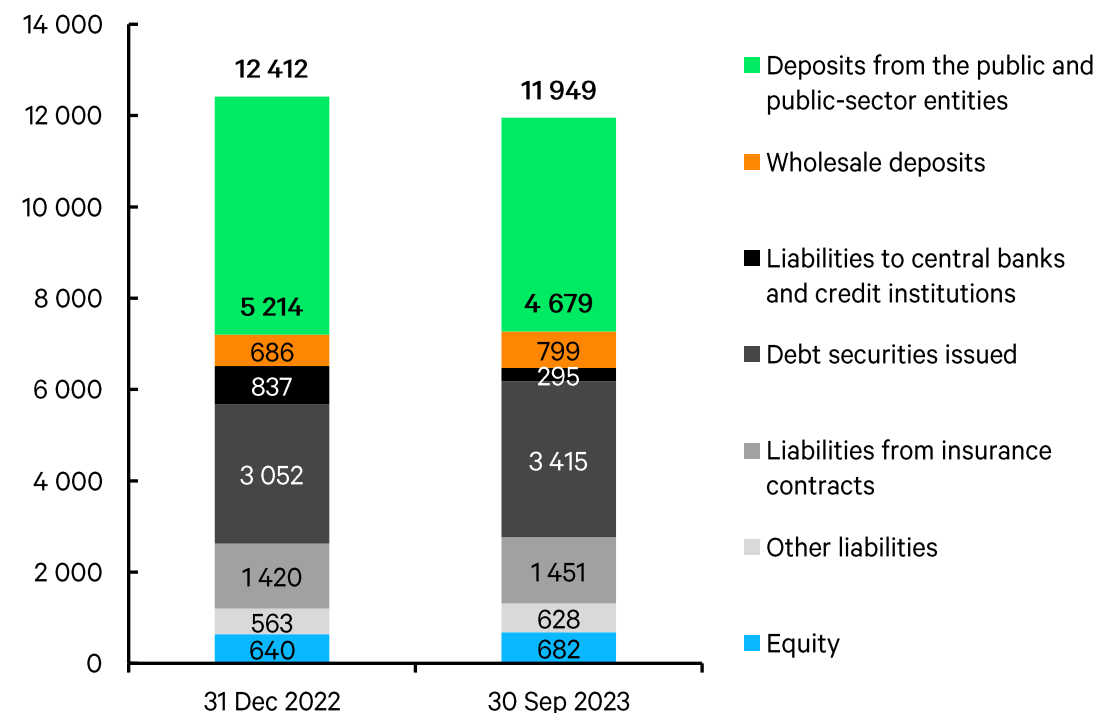
Total assets

EUR million



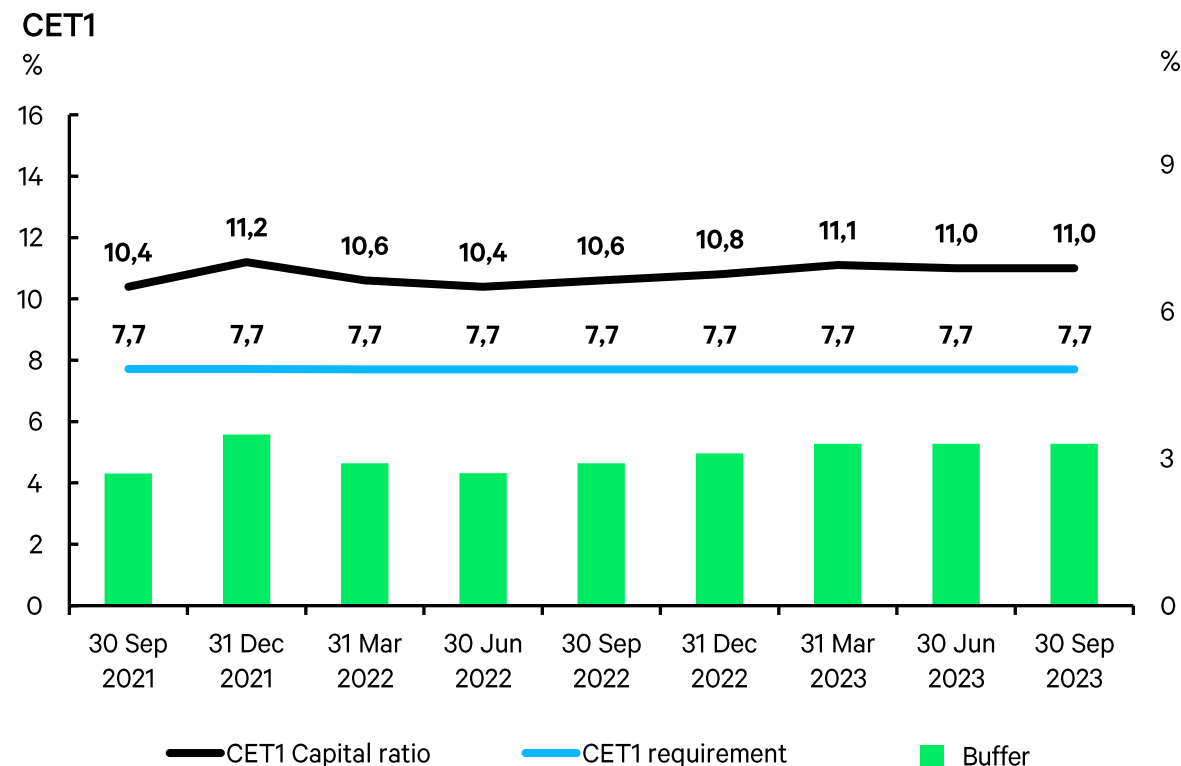
Total liabilities and equity

EUR million



CET1 ratio 3.2 percentage points above the regulatory requirement

- CET1 ratio was 11.0%, being at the same level than in Q2/2023 and improved by +0.2 percentage points from Q4/2022.
- Risk-weighted assets increased by EUR 127 million from the year-end mainly due to the growth in corporate lending (such as leasing).
- Regulatory CET1 own funds increased by EUR 18 million, including:
 - Result for the period (EUR 60 million, including dividend from Aktia Life insurance of EUR 6 million)
 - Reserve for dividends (EUR -51 million)
 - Increase in the fund at fair value (EUR 6 million)



Funding activities

- In Q3/2023, market sentiment improved from Q2, but investors interest was still focused on the shorter end of the curve and larger-size benchmark issuance.
- Persistent high inflation levels have to some extent surprised the market and Central Banks' "higher for longer" guidance lifted longer yields towards the end of the period.
- In Q3/2023, Aktia completed three senior preferred private placement transactions.
 - Total volume approximately EUR 90 million
 - Maturities in the range of 2–15 years
 - Deals were executed in SEK and EUR
- In September, Aktia paid back part of the TLTRO III financing at the redemption of the tranche (EUR 250 million).
- The bank will continue to issue senior debt to prefund some redeeming notes and to convert part of the short-term money market funding to longer term issuance.
- Aktia's liquidity continued to be at a very good level, the LCR ratio being 220% at the end of Q3.

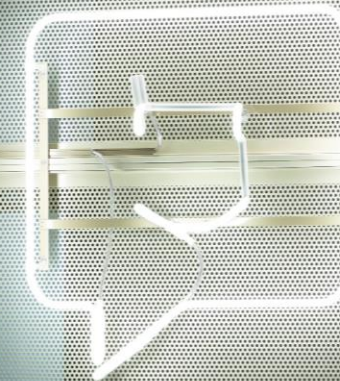


Outlook 2023

Aktia's comparable operating profit for 2023 is expected to be clearly higher than the EUR 65.2 million reported for 2022 under the accounting standard previously applied for the life insurance business.

The outlook has been prepared based on the following assumptions:

- Net interest income is expected to be significantly higher than in 2022.
- Net commission income is expected to be at the same level or decrease slightly from 2022 (updated, earlier: is expected to increase slightly in 2023).
- Life insurance business is expected to develop stably. However, the result can be affected by changes in market values. The recalculated result in 2022 according to the new accounting standard IFRS 17 is exceptionally high due to accounting technical changes.
- Operating expenses are expected to be on the same level or increase slightly from 2022, due in particular to higher inflation and the initial costs of outsourcing IT services.
- Potential provisions for credit losses are expected to be at the same level as in 2022.



Financial targets 2025

| | | | |
|--|---|--|---|
| <p>Comparable operating profit above EUR 120 million</p> <p>1-9/2023: EUR 82.0 million</p> <p>1-12/2022: EUR 124.7 million*</p> | <p>Comparable return on Equity (ROE) above 12%</p> <p>30 September 2023: 14.3%</p> <p>31 December 2022: 17.2%*</p> | <p>Comparable cost-to-income ratio under 0.60</p> <p>1-9/2023: 0.60</p> <p>1-12/2022: 0.56*</p> | <p>Common Equity Tier 1 capital ratio (CET1) above 1.5 percentage points over the regulatory requirement</p> <p>30 September 2023: 3.2 percentage points over the regulatory requirement</p> <p>7.7%</p> |
|--|---|--|---|

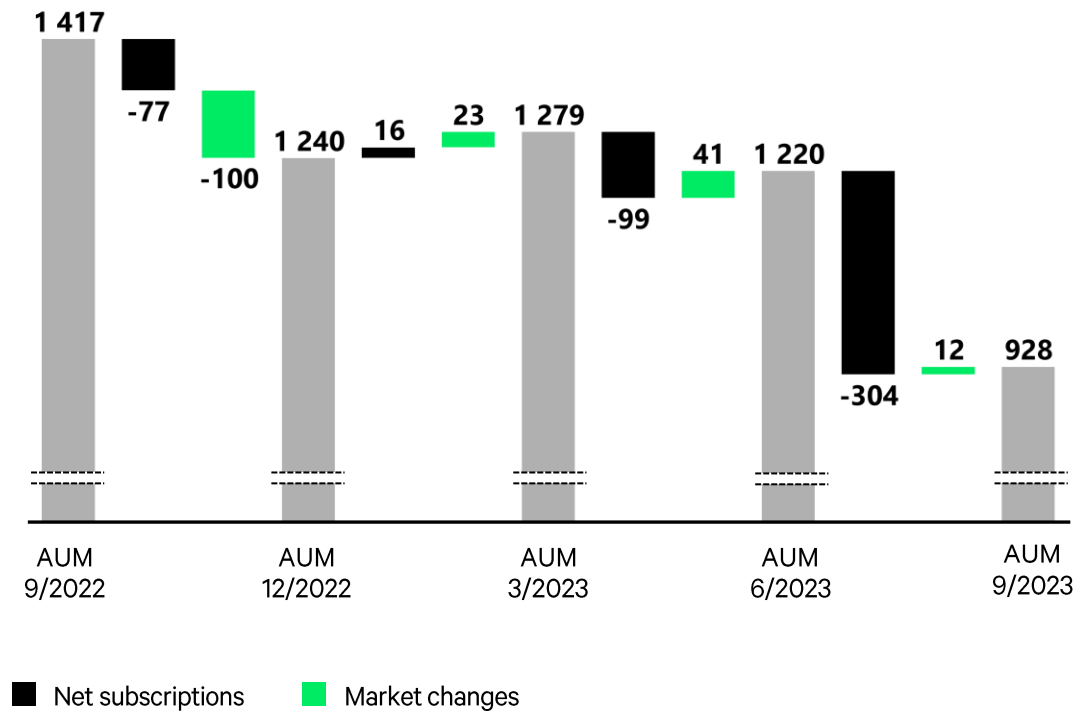
* Adjusted due to the adoption of IFRS 17 accounting standard as of 1 January 2023

Appendices

AuM: net subscriptions and market changes

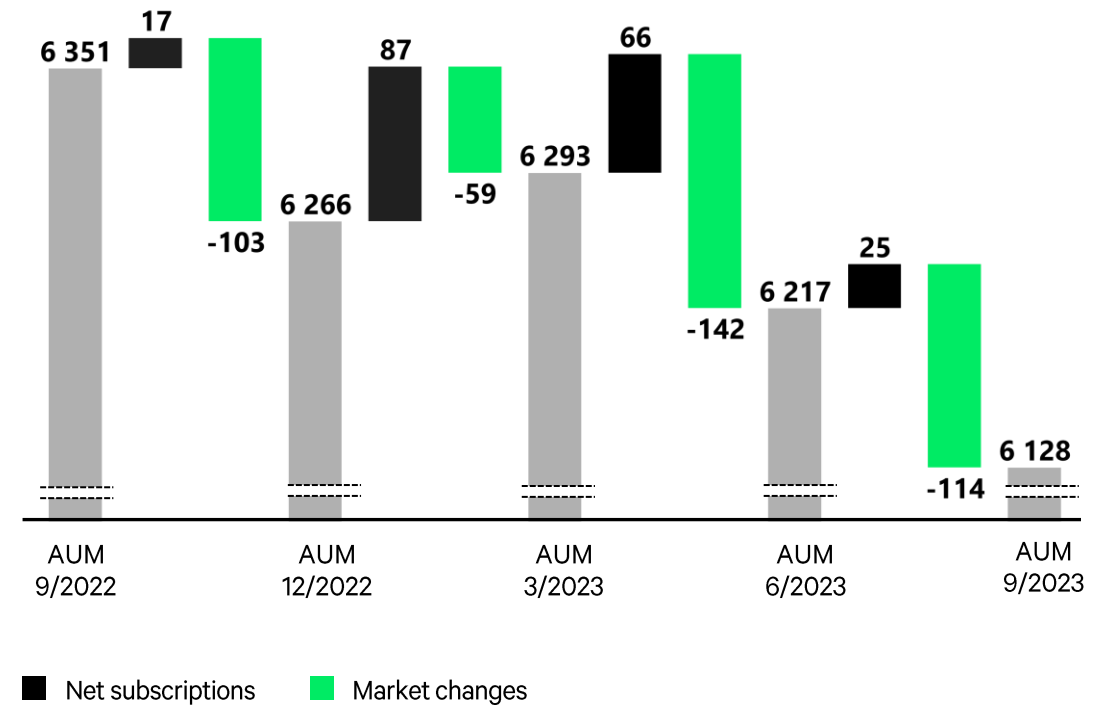
Asset Management, Aktia UI Q-o-Q

EUR million



Asset Management, Domestic institutions Q-o-Q

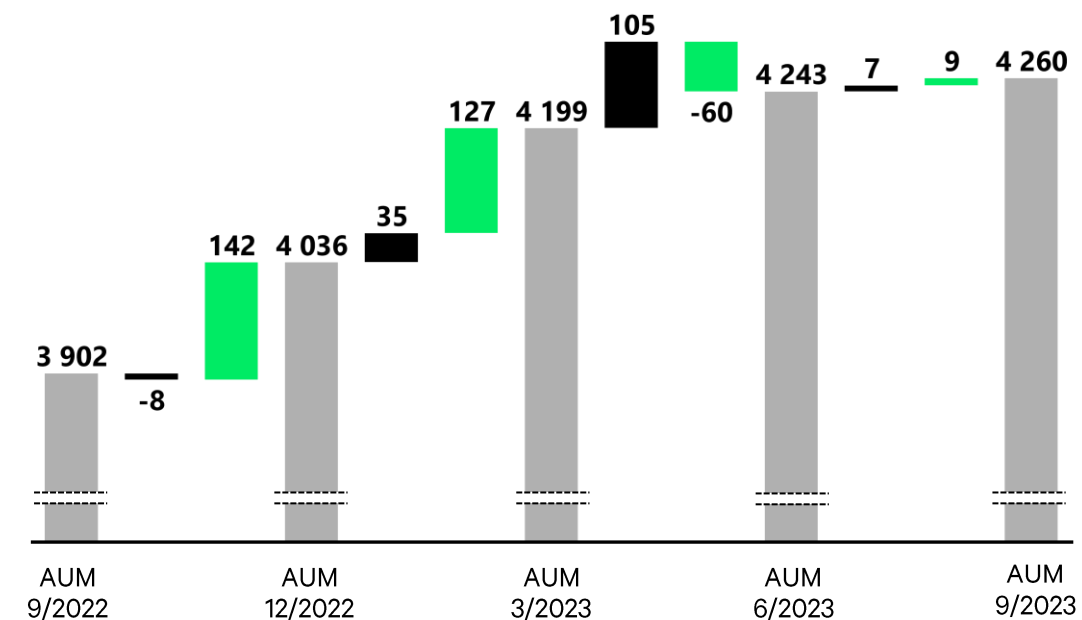
EUR million



AuM: net subscriptions and market changes

Asset Management, Private Banking Q-o-Q

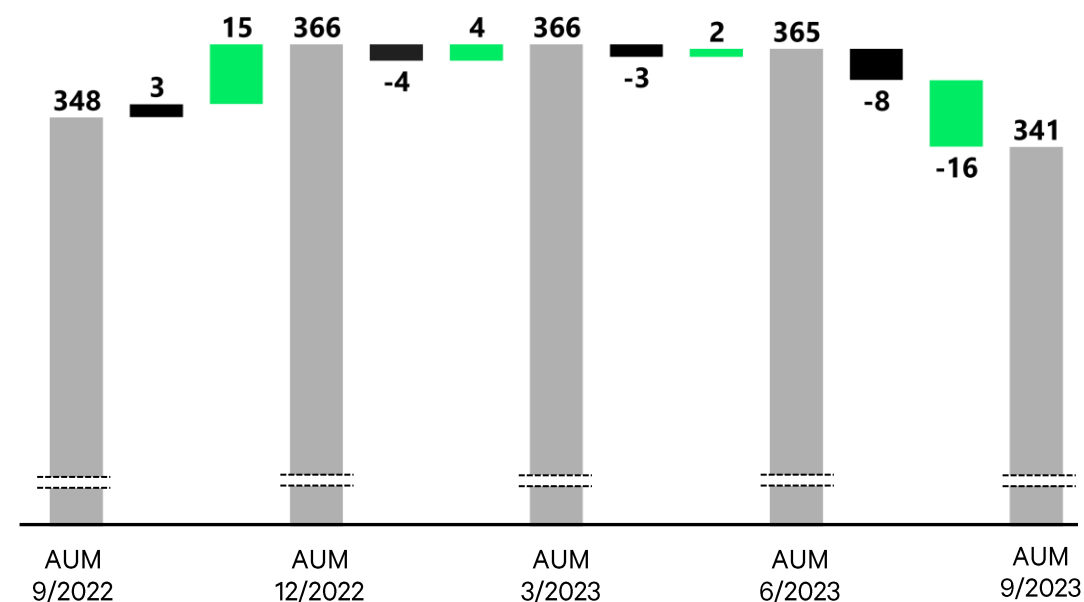
EUR million



■ Net subscriptions ■ Market changes

Asset Management, External channels Q-o-Q

EUR million

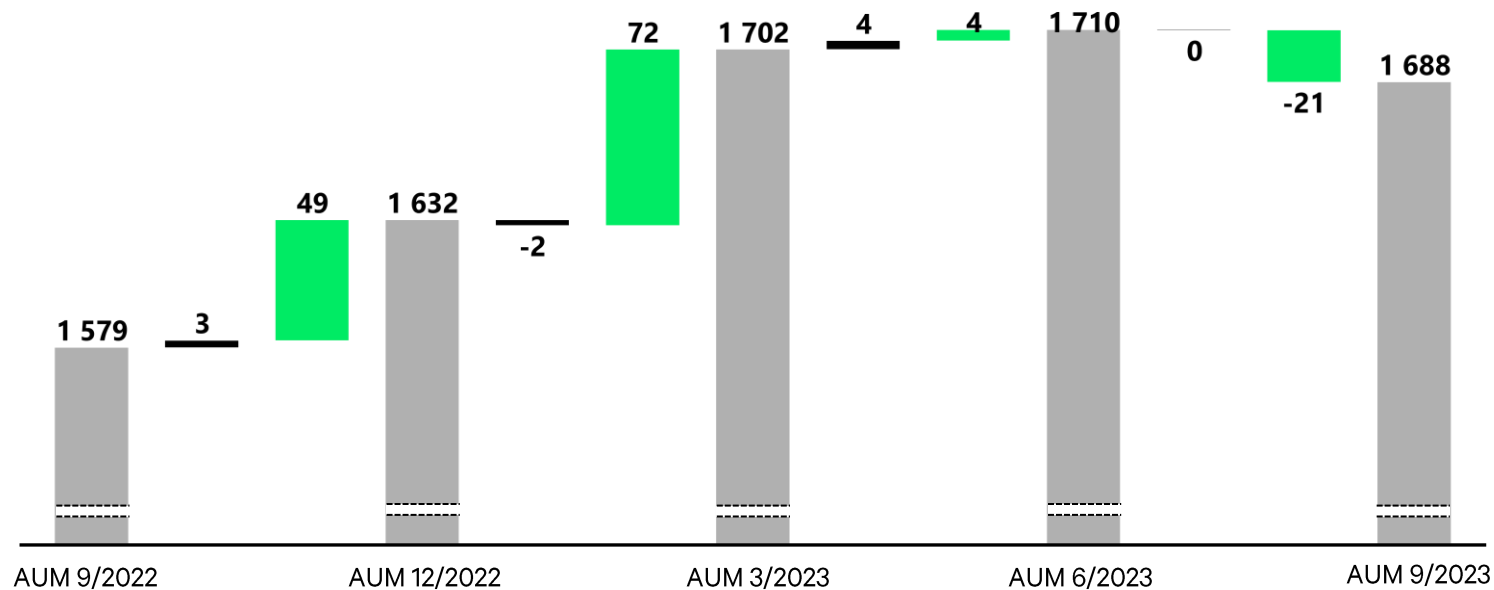


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

EUR million



■ Net subscriptions

■ Market changes



Building wealth for our customers and society

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Aktia