

8 FEBRUARY 2024

Q4 Results

Juha Hammarén, CEO

Outi Henriksson, CFO

Aktia

Highlights Q4

- Strong performance continued in Q4 – driven by net interest income.
- Margin improvement contributed to NII growth.
- Assets under management grew and net commission income from asset management was solid. This was supported by changes in market values.
- Net subscriptions in Private Banking remained positive – at the Group level offset by redemptions in the institutional side.
- Despite inflation, costs were well under control.
- Credit losses remained at a moderate level.

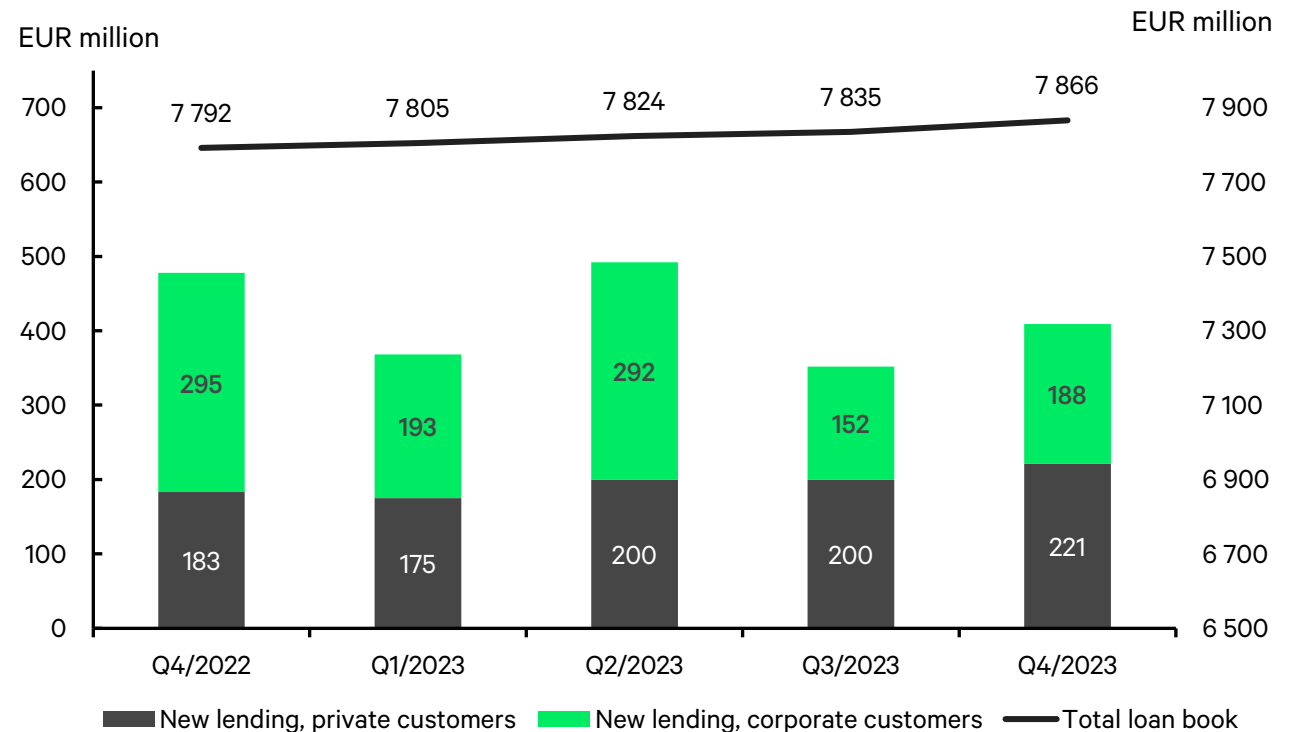


Business areas

Corporate lending remains strong

- Corporate lending continued to grow, while demand on the housing loan side was still low.
- The average margin for the loan book continued to improve.
- The demand for hire purchase and leasing financing remained strong.
- In 2023, more than 3,500 new corporate customers joined Aktia.
- Finnair cooperation brought over 30,000 new private customers to Aktia in 2023.

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

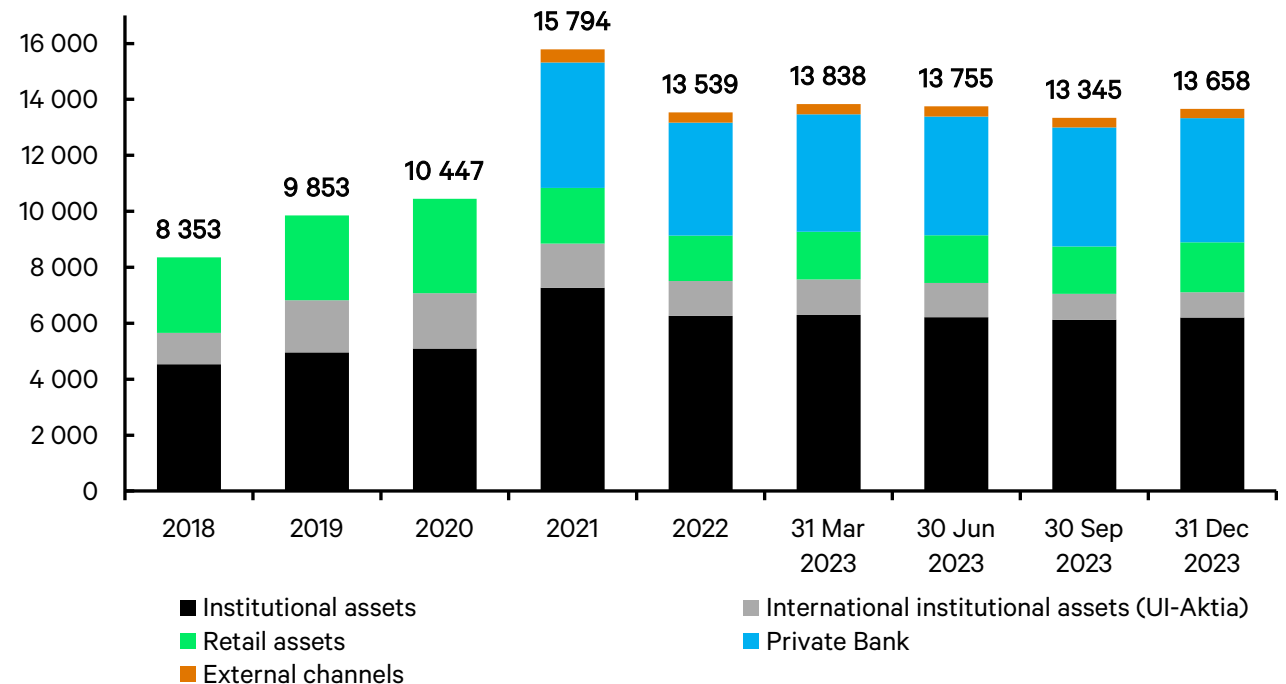


Assets under Management

- The market sentiment improved in Q4, after disappointing early 2023 - specifically the Finnish equity market.
- Short market rates, specifically 12 months Euribor, turned downwards ahead of expectations regarding ECB rate cuts
- Net sales to domestic institutional investors and Private Banking customers were clearly positive in 2023, while international investors made redemptions.
- Net commission income from Asset Management grew slightly in Q4.

The Group's Assets under Management, excluding custody

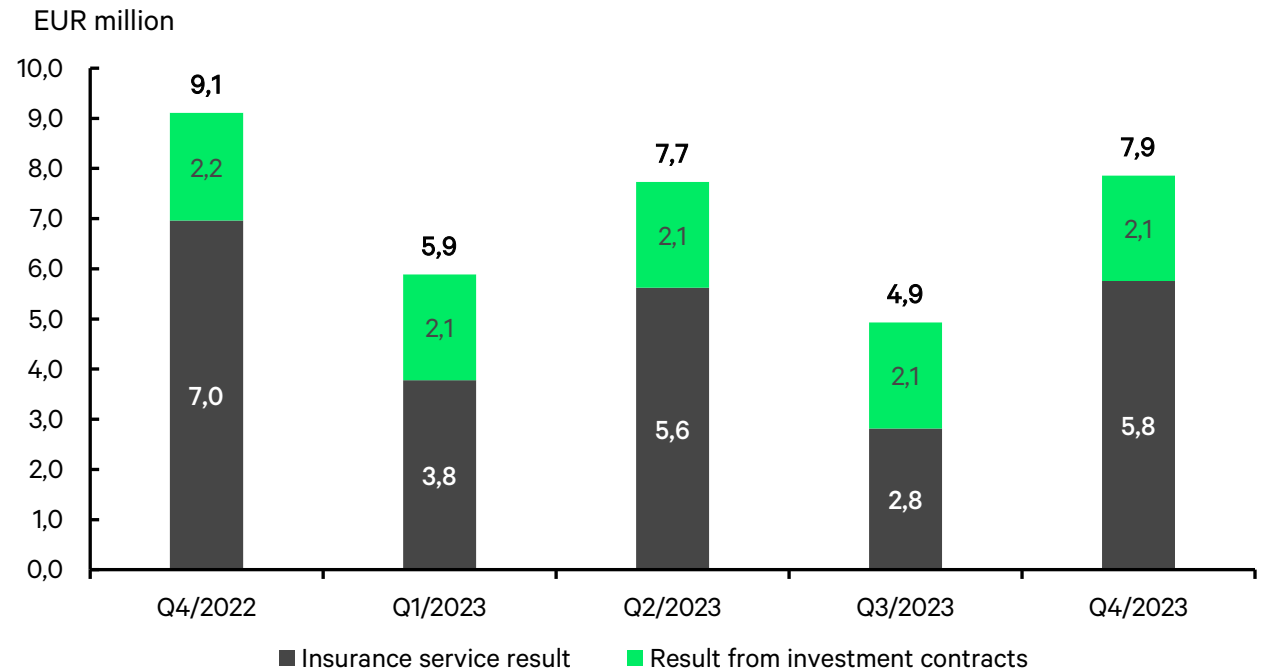
EUR million



Insurance service result improved from Q3

- Sales of risk life insurance policies continued to developed well.
- Sales of investment-linked insurance policies remained stable.
- The result from investment activities amounted to EUR -1.1 million.
- The solvency ratio remained on a good level.

Development of the actuarially calculated result Q-o-Q



Aktia's sustainability in Q4/2023

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.

Q4/2023 highlights

Preparations for the upcoming CSRD regulation

We updated our double materiality assessment and identified gaps in the current reporting compared to the upcoming requirements of the CSRD. Preparations are well underway.

Launching a new loan product, a green mortgage

The offering of green product solutions expanded by launching green mortgages for clients to support the demand for energy efficient housing.

Continuing work in the ASCOR project advisory committee

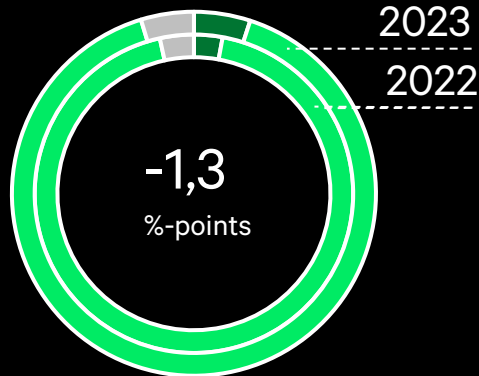
ASCOR published the first independent academic assessment of 25 countries' climate goals and policies in December 2023. The work will continue in 2024.

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



People



Siqni Flame Index*
Target: 80
2023 2022
72 72



eNPS**
Target 20
2023 2022
-4 -13



SHE Index***
Target: 85
2023
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.

Principles of Governance

Aktia's ESG ratings

Target: reach at least industry average

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



Financial overview

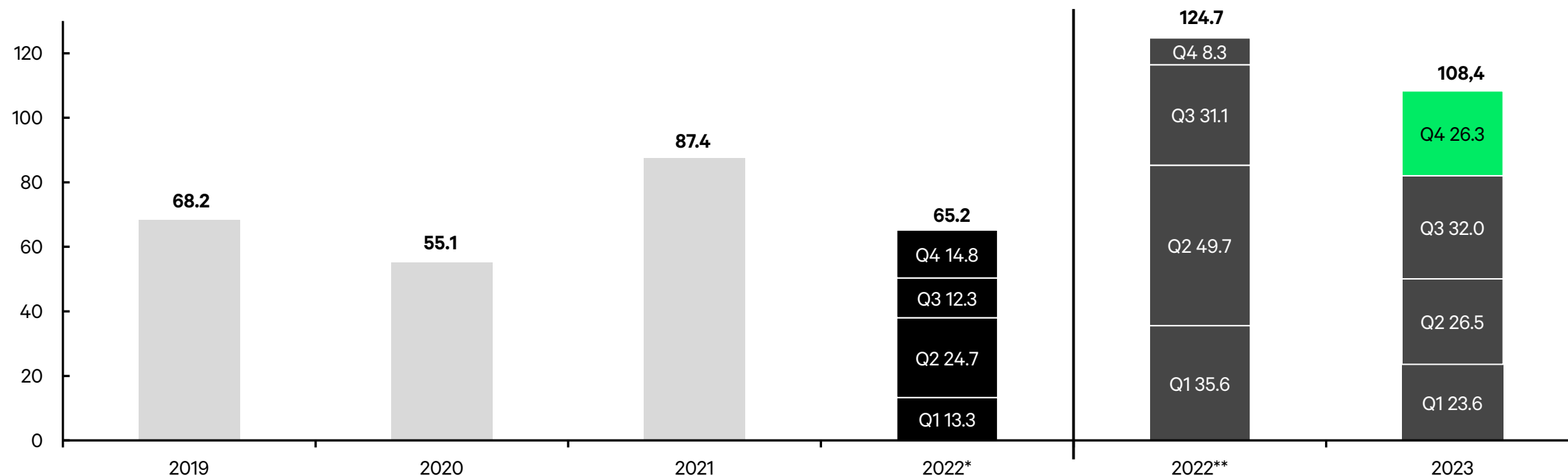
Outi Henriksson, CFO

Aktia

Comparable operating profit growth in 2023 driven by net interest income

Comparable operating profit 2019–2023

EUR million



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

** Restated 2022 figures

Financial summary Q4

EUR million	Q4/2023	Q4/2022	Δ %	Q3/2023	Δ %	1-12/2023	1-12/2022	Δ %
Total operating income	75,2	58,2	29 %	75,2	0 %	291,0	302,9	-4 %
Net interest income	38,9	24,2	61 %	39,5	-2 %	144,0	99,2	45 %
Net commission income	29,8	29,1	2 %	30,0	-1 %	120,4	122,0	-1 %
Net income from life insurance	6,0	3,3	82 %	5,1	18 %	24,1	79,2	-70 %
Other income	0,5	1,5	-67 %	0,6	-16 %	2,6	2,6	-1 %
Total operating expenses	-46,5	-44,1	6 %	-40,8	14 %	-176,6	-169,4	4 %
Impairments of credits and other commitments	-2,4	-7,1	-66 %	-2,3	8 %	-7,0	-10,2	-32 %
Operating profit	25,2	6,9	266 %	32,0	-21 %	106,2	123,5	-14 %
Comparable operating profit*	26,3	8,3	216 %	32,0	-18 %	108,4	124,7	-13 %
Earnings Per Share (EPS), EUR	0,28	0,07	277 %	0,34	-18 %	1,16	1,37	-15 %
Return on Equity (ROE), %	12,8	3,7	244 %	16,2	-21 %	13,7	17,0	-20 %
Cost-to-income ratio (comparable)	0,60	0,73	-18 %	0,54	12 %	0,60	0,56	8 %
Common Equity Tier 1 capital ratio, %	11,3	10,8	4 %	11,0	3 %	11,3	10,8	4 %

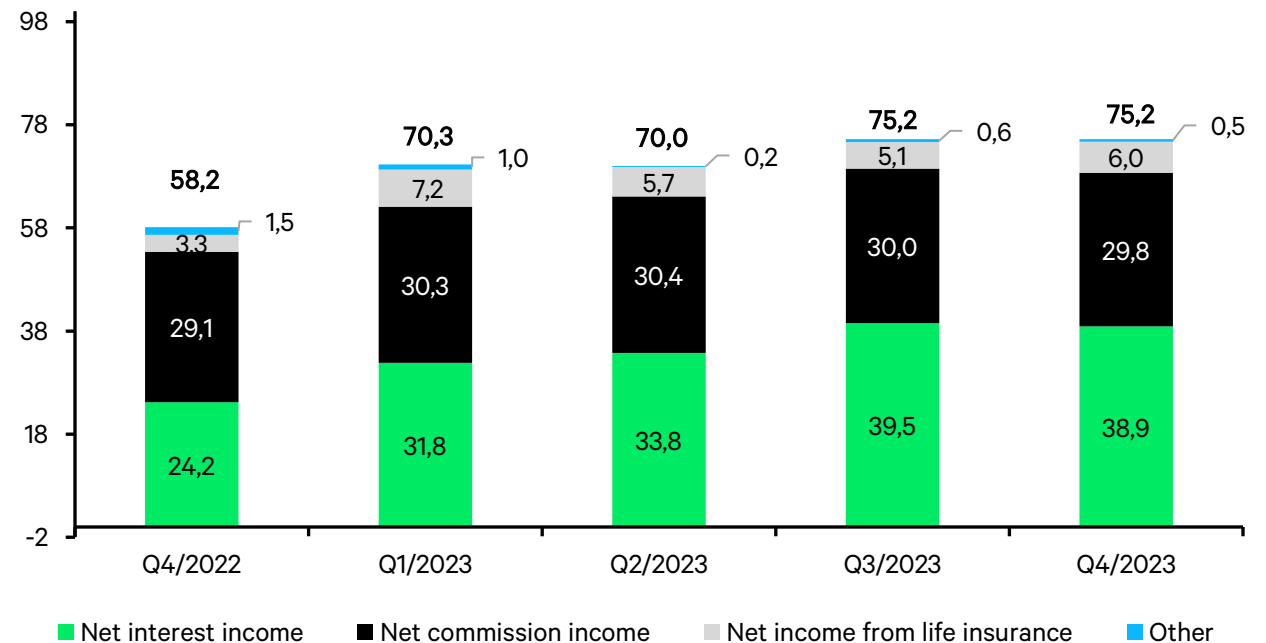
*) Excl. items affecting comparability

Total operating income stable vs. Q3

- Interest income from lending continued its strong growth, however cost of both market-based funding and deposits rose
- Net interest income grew by 61% from the comparison quarter to EUR 38.9 (24.2) million
- Net commission income improved slightly from the comparison quarter and amounted to EUR 29.8 (29.1) million
- Net income from life insurance rose to EUR 6.0 (3.3) million. The change in the accounting standard IFRS 17 and related restatement of 2022 results affect the comparison between the years.

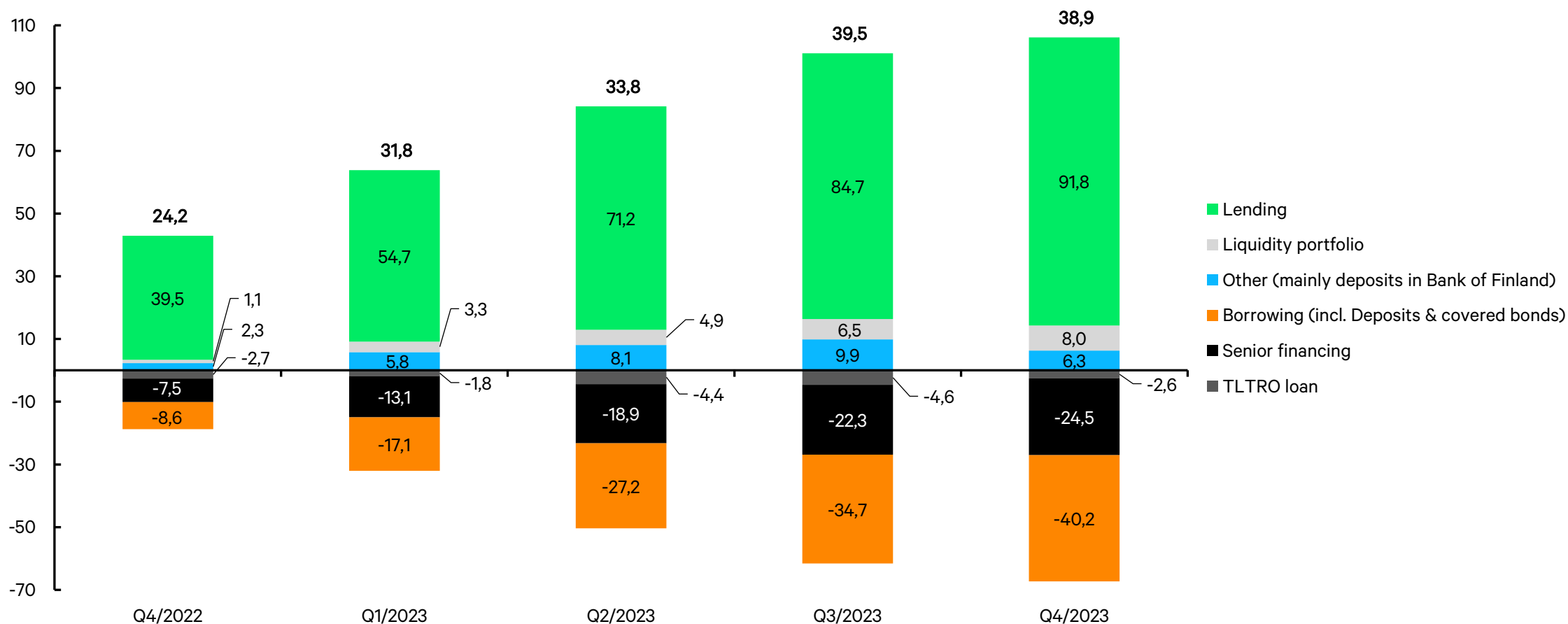
Comparable operating income, Q-o-Q

EUR million



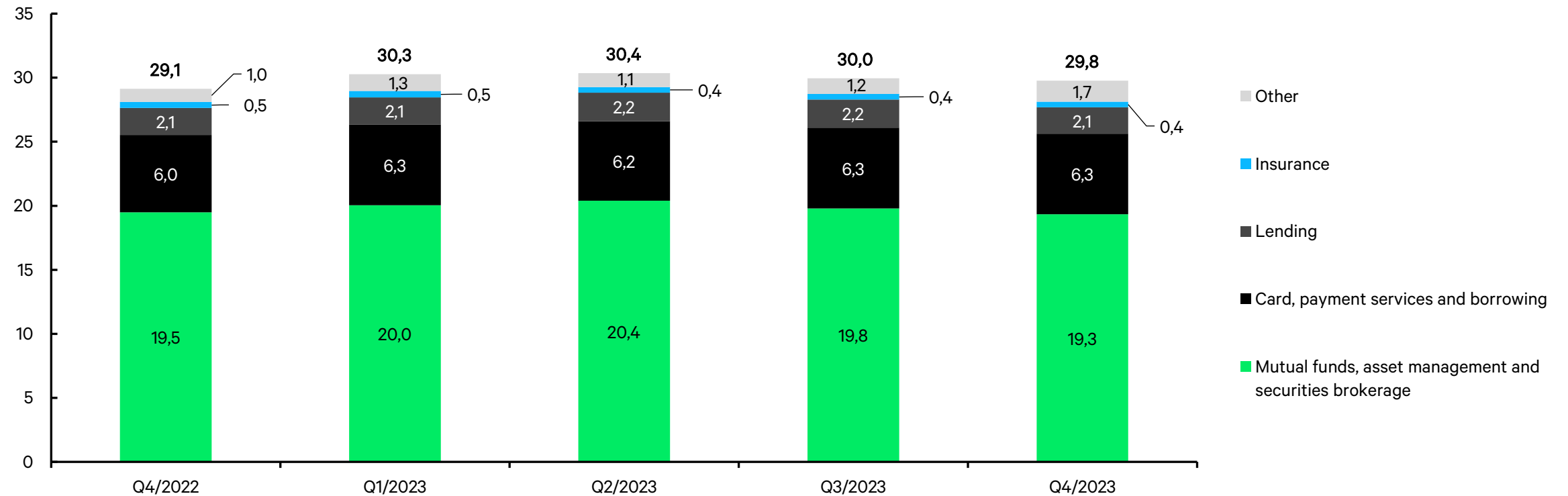
Composition of the Group net interest income

EUR million



Net commission income mix

EUR million

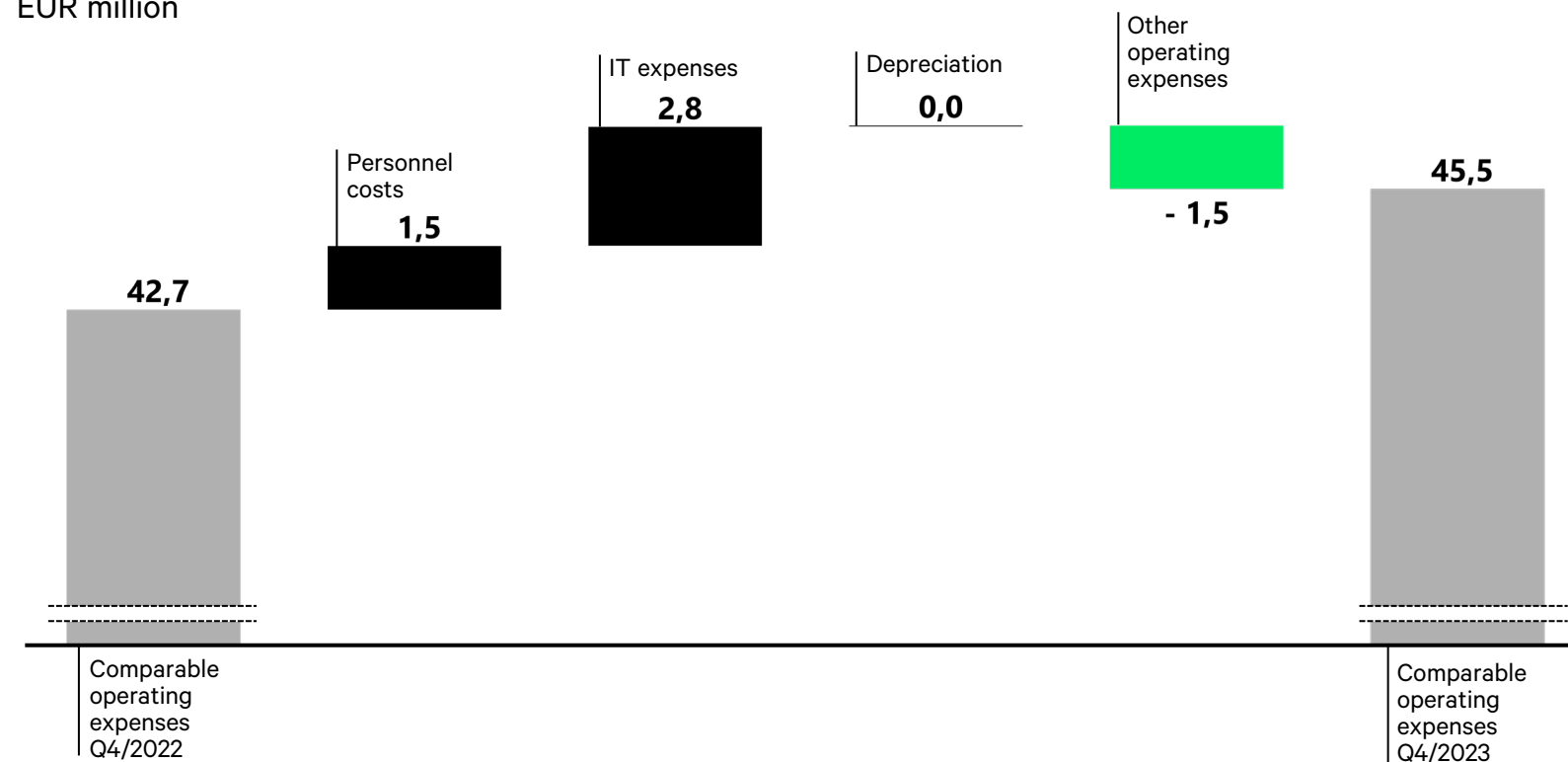


Comparable operating expenses under control

- Comparable personnel costs rose by 8% from Q4/22 to EUR 20.6 (19.1) million. This was mainly driven by variable pay changes and collective agreement related raises from last year.
- IT expenses were 28% above Q4/22 level, as a result of outsourcing arrangements done in the end of 2022, high inflation and somewhat higher spend in Q4.
- Operational efficiency improvements had a positive impact on other operating expenses.

Comparable operating expenses Q4/2023 vs Q4/2022

EUR million

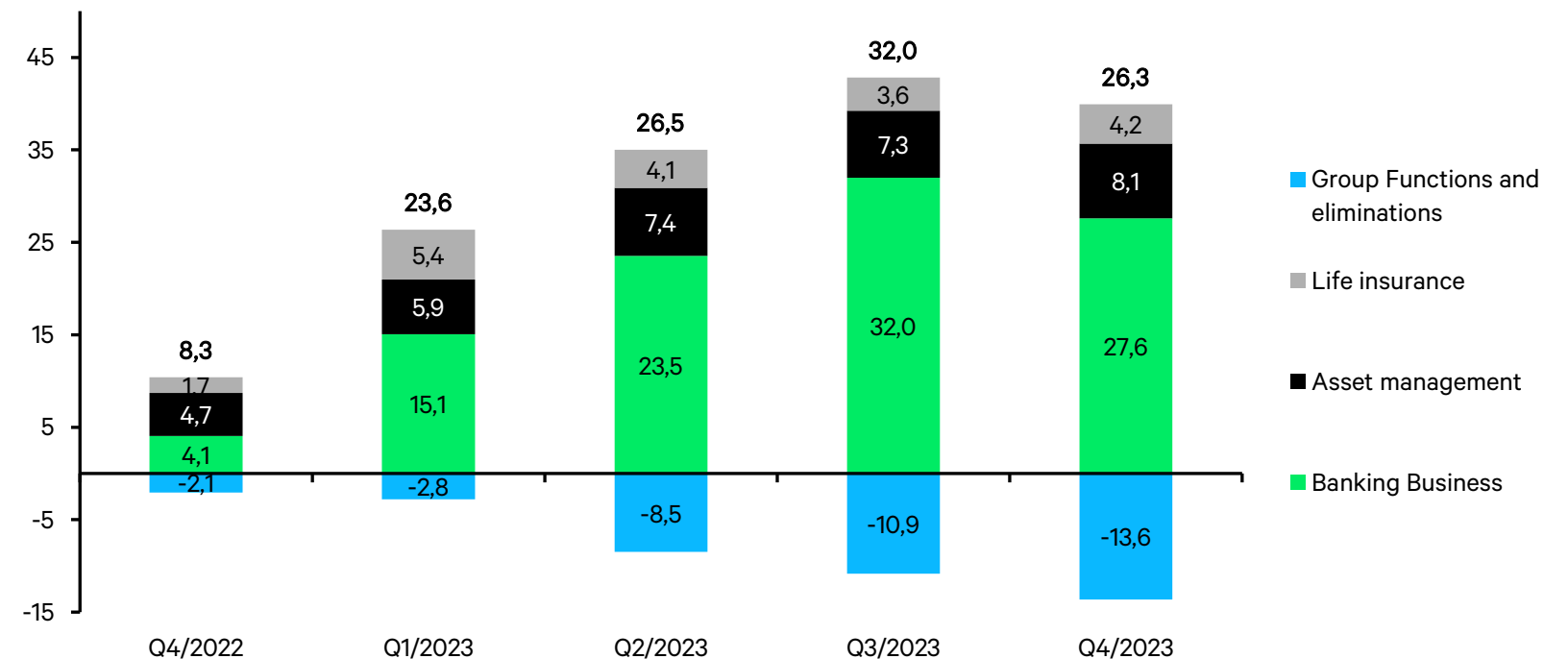


Comparable operating profit improved in all business segments

- Comparable operating profit improved significantly in Banking business and in Asset Management, driven mainly by net interest income
- Comparable operating profit improved in Life Insurance and was solid throughout the year.
- Group function result includes certain financing costs reported in centralised Treasury.

Comparable operating profit Q-o-Q

EUR million

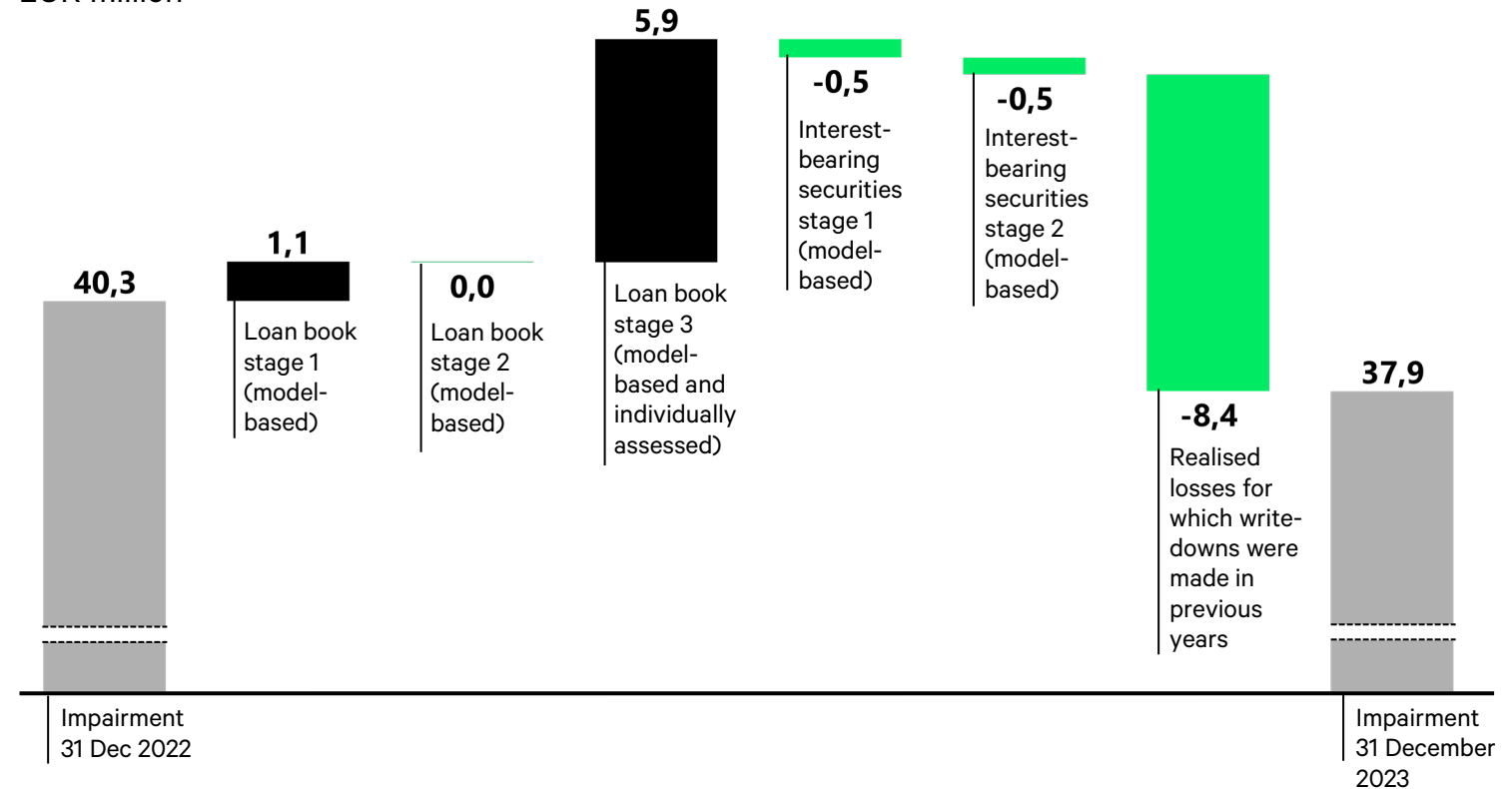


Quality of the credit portfolio remains solid

- Loan book constitutes for the major part of loans to households with residential or real estate securities.
- The loan-to-value (LTV) ratio remained at a healthy level (42%).
- Changes in credit loss provisions in Q4 remained at a very moderate level (EUR -2.4 million) and totalled EUR -7.0 million year-to-date.

Change in expected credit losses (ECL) 1–12/2023

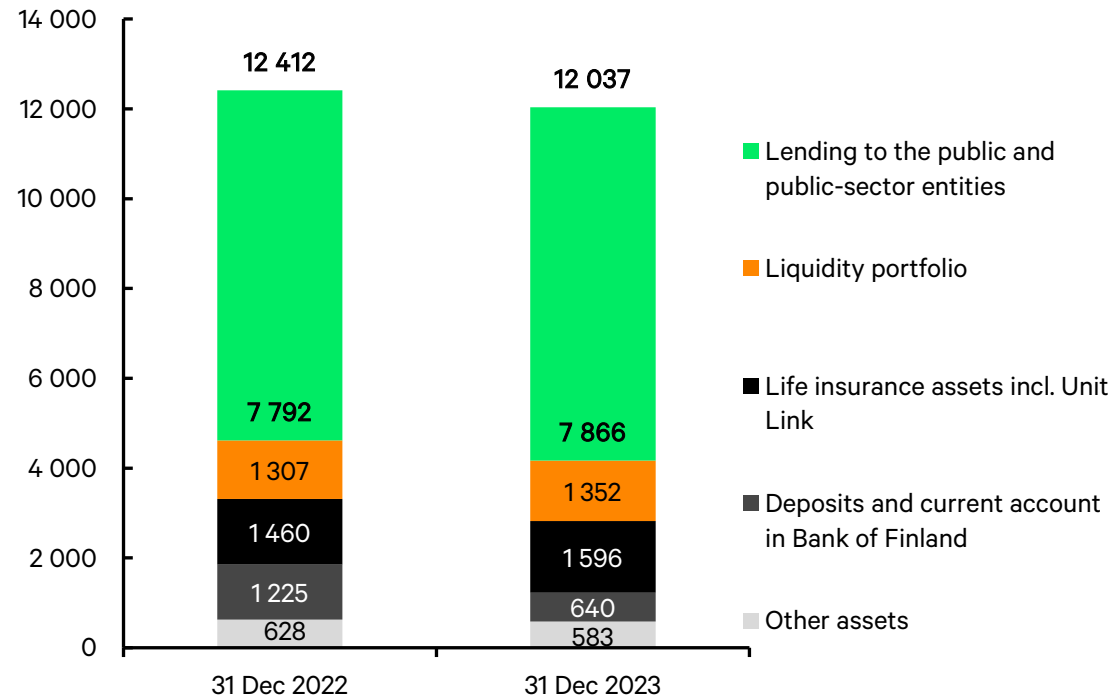
EUR million



Balance sheet total EUR 12,037 million

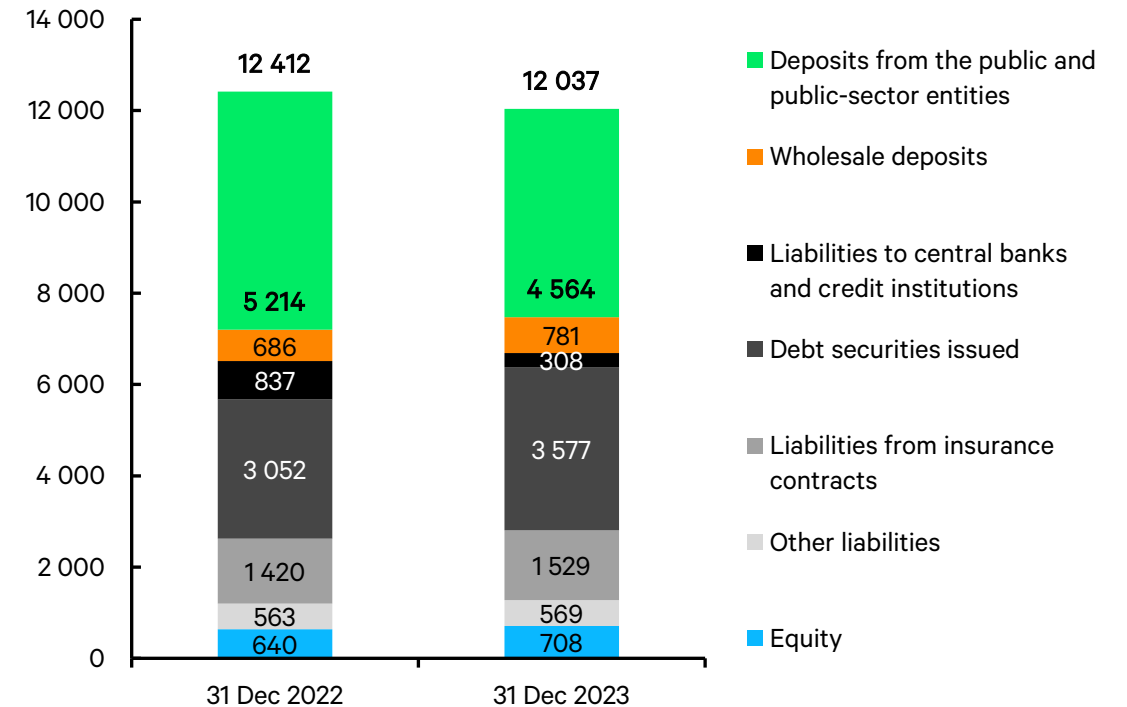
Total assets

EUR million



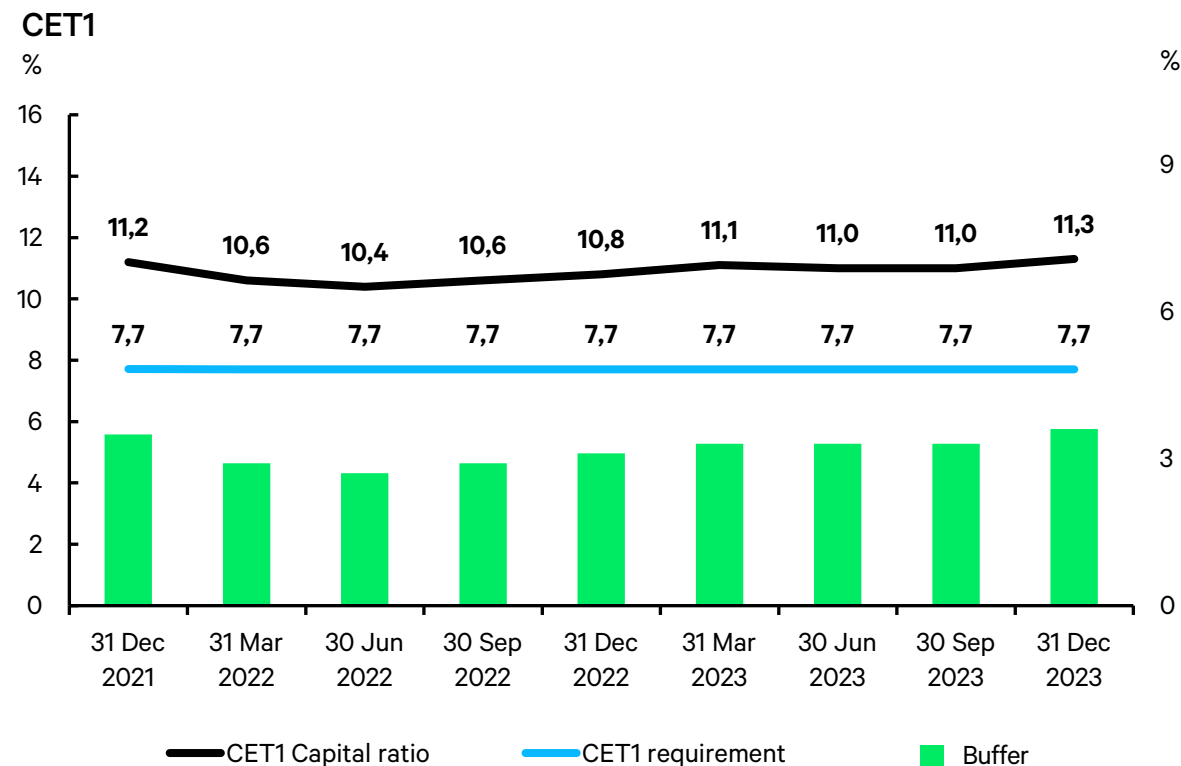
Total liabilities and equity

EUR million



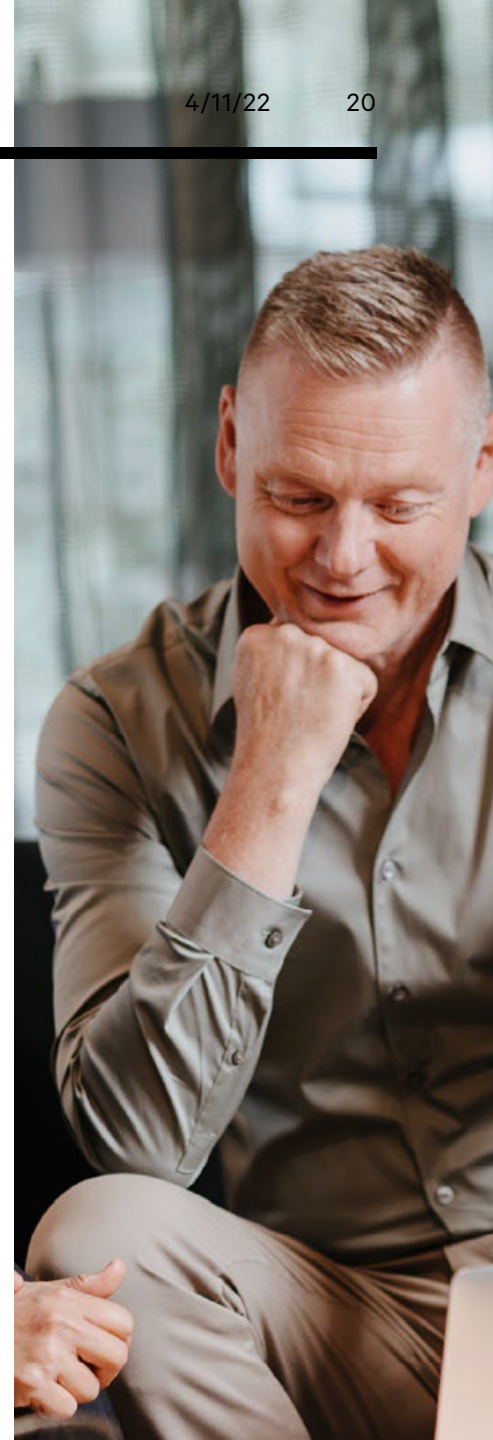
CET1 ratio 3.6 percentage points above the regulatory requirement

- CET1 ratio was 11.3%, improving by +0.3 percentage points from Q3/2023 and +0.5 percentage points from Q4/2022.
- Risk-weighted assets increased by EUR 281 million from the year-end 2022 mainly due to the growth in corporate lending (e.g. finance lease).
- Regulatory CET1 own funds increased by EUR 28 million, including:
 - Result for the period (EUR 77 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 7 million)



Funding activities

- Market sentiment turned fairly positive towards the end of the fourth quarter. Long term interest rates fell quite significantly and opened also the longer maturities for issuance. Still vast majority of the focus was concentrated to the short to mid part of the curve and larger size benchmark issuance.
- During Q4/2023, Aktia completed four senior preferred private placement transactions. The total volume in nominal value was approximately EUR 162 million with maturities in the range of 2–7 years. Aktia was able to execute deals in NOK and EUR markets.
- 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 very good level, the LCR ratio being 221% at the end of Q4.

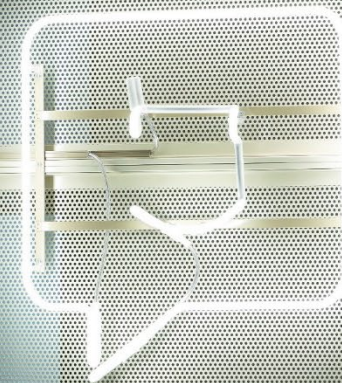


Outlook 2024

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

The outlook has been prepared based on the following assumptions:

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



Financial targets 2025

<p>Comparable operating profit above EUR 120 million</p> <p>1-12/2023: EUR 108.4</p> <p>1-12/2022: EUR 124.7 million*</p>	<p>Comparable return on Equity (ROE) above 12%</p> <p>31 December 2023: 14.0%</p> <p>31 December 2022: 17.2%*</p>	<p>Comparable cost-to-income ratio under 0.60</p> <p>1-12/2023: 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>31 December 2023: 3.6 percentage points over the regulatory requirement</p> <p>7.7%</p>
--	--	---	--

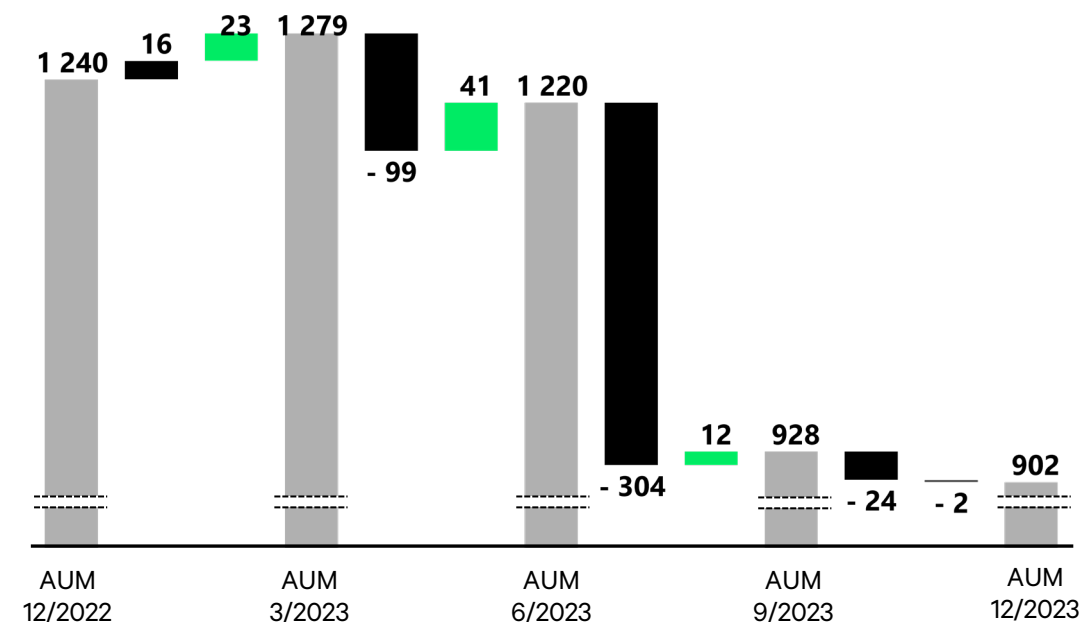
* Adjusted due to the adoption of IFRS 17 accounting standard as of 1 January 2023

Appendices

AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q

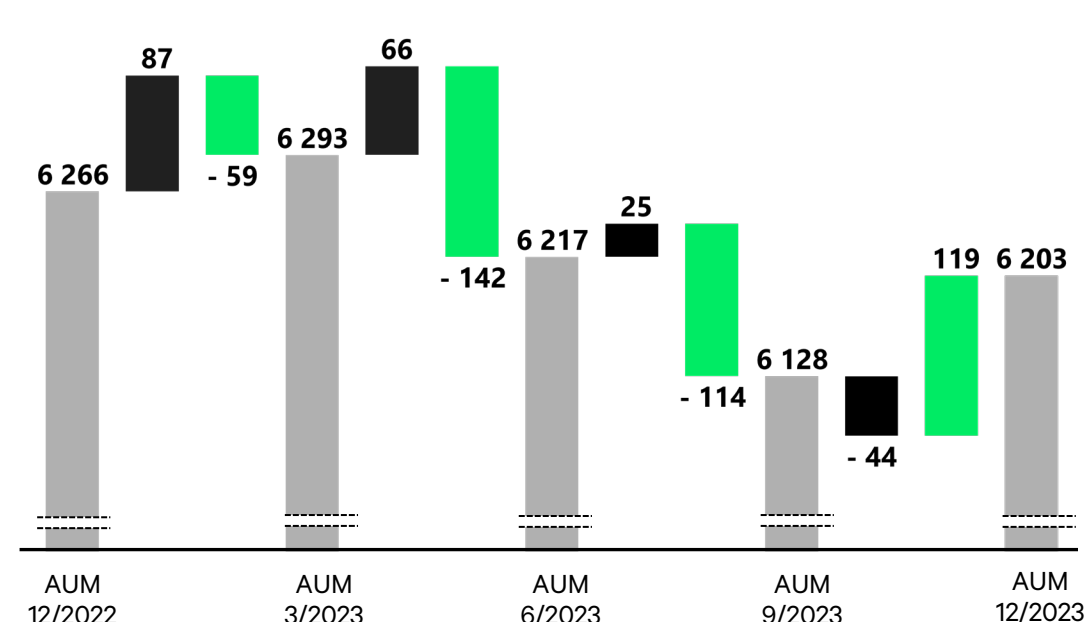
EUR million



■ Net subscriptions ■ Market changes

Asset Management, Domestic institutions Q-o-Q

EUR million

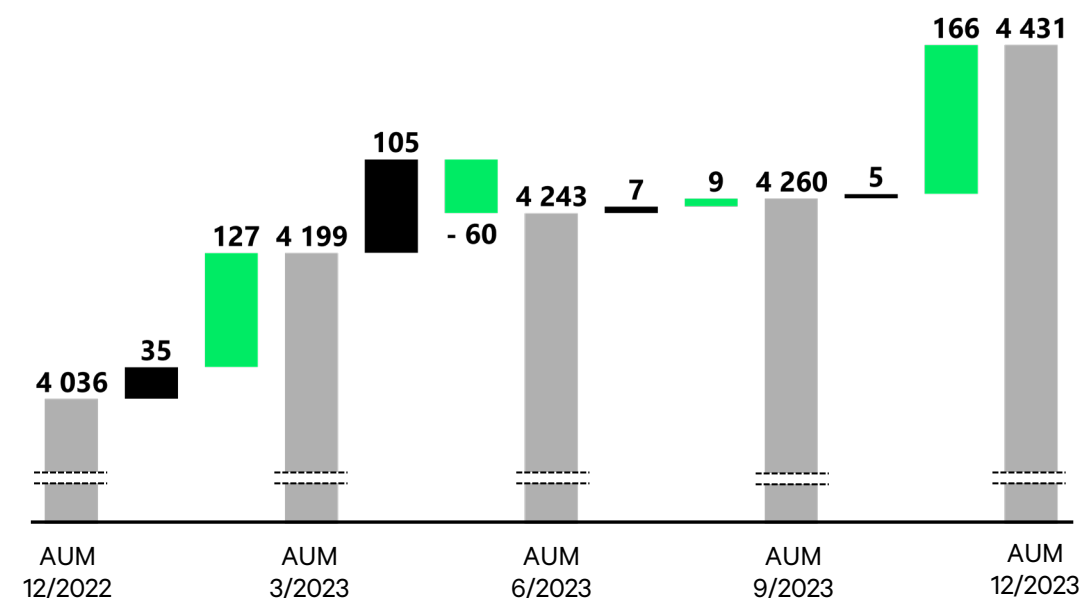


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Asset Management, Private Banking Q-o-Q

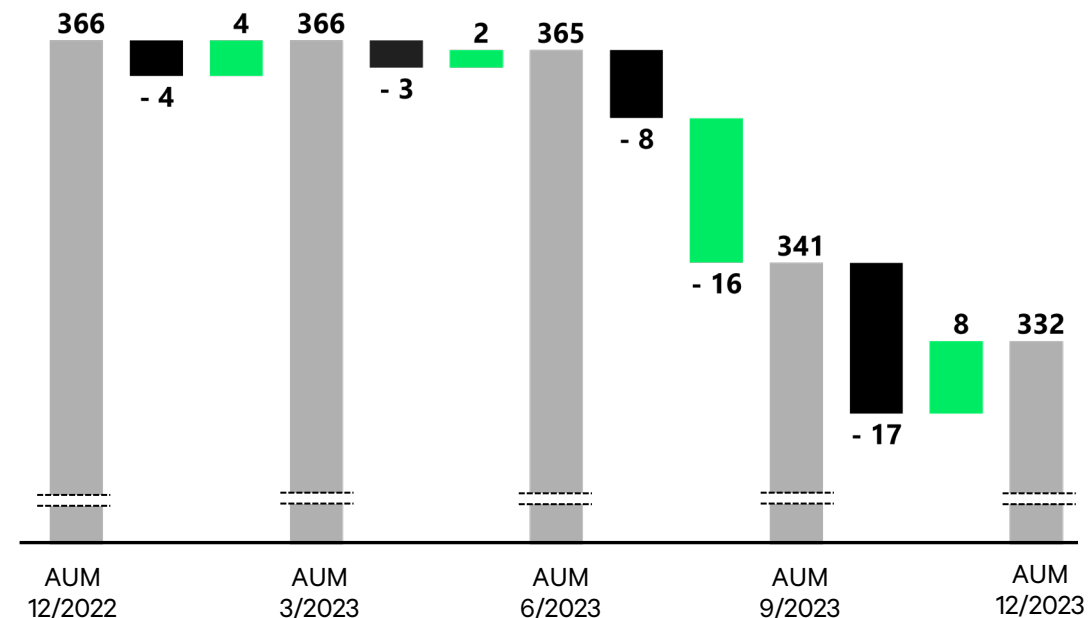
EUR million



■ Net subscriptions ■ Market changes

Asset Management, External channels Q-o-Q

EUR million

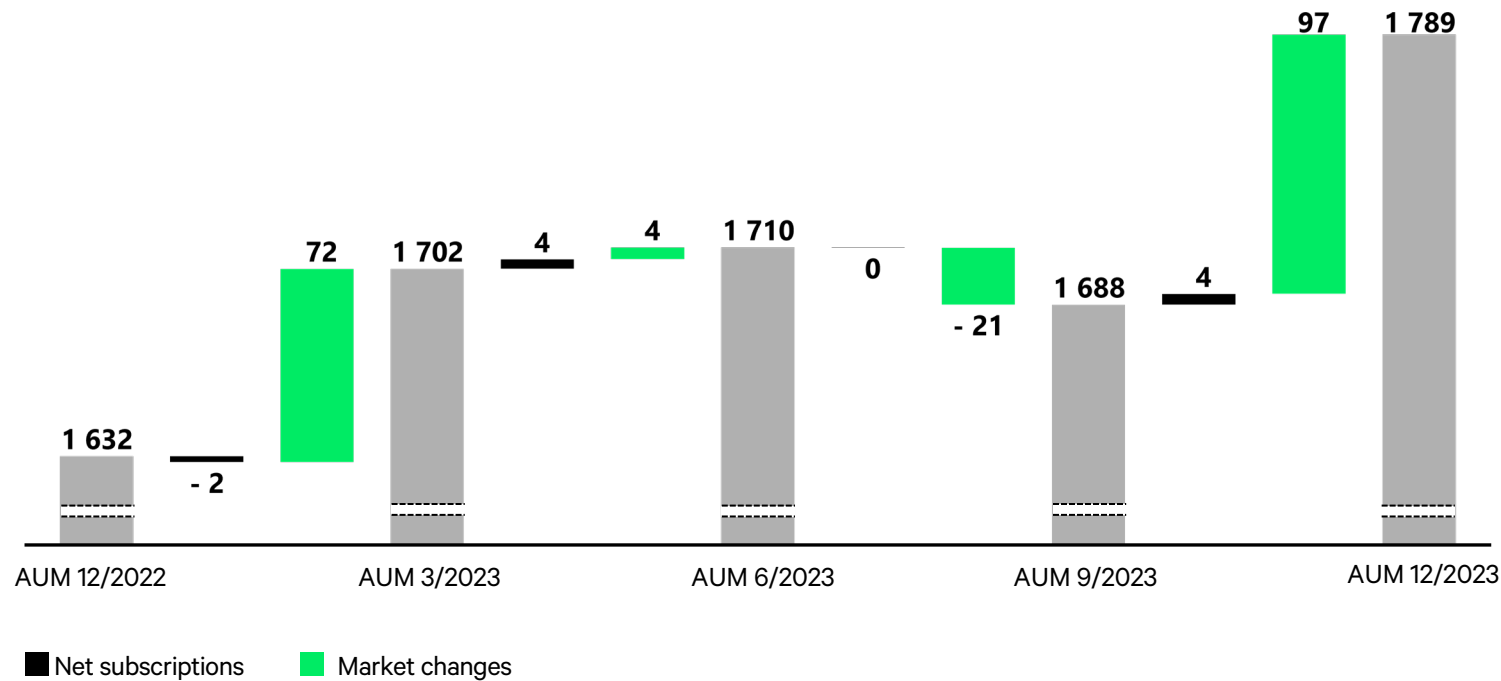


■ Net subscriptions ■ Market changes

AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

EUR million





Building wealth for our customers and society

Investor Relations contacts:

ir@aktia.fi

Aktia