



08/05/2018

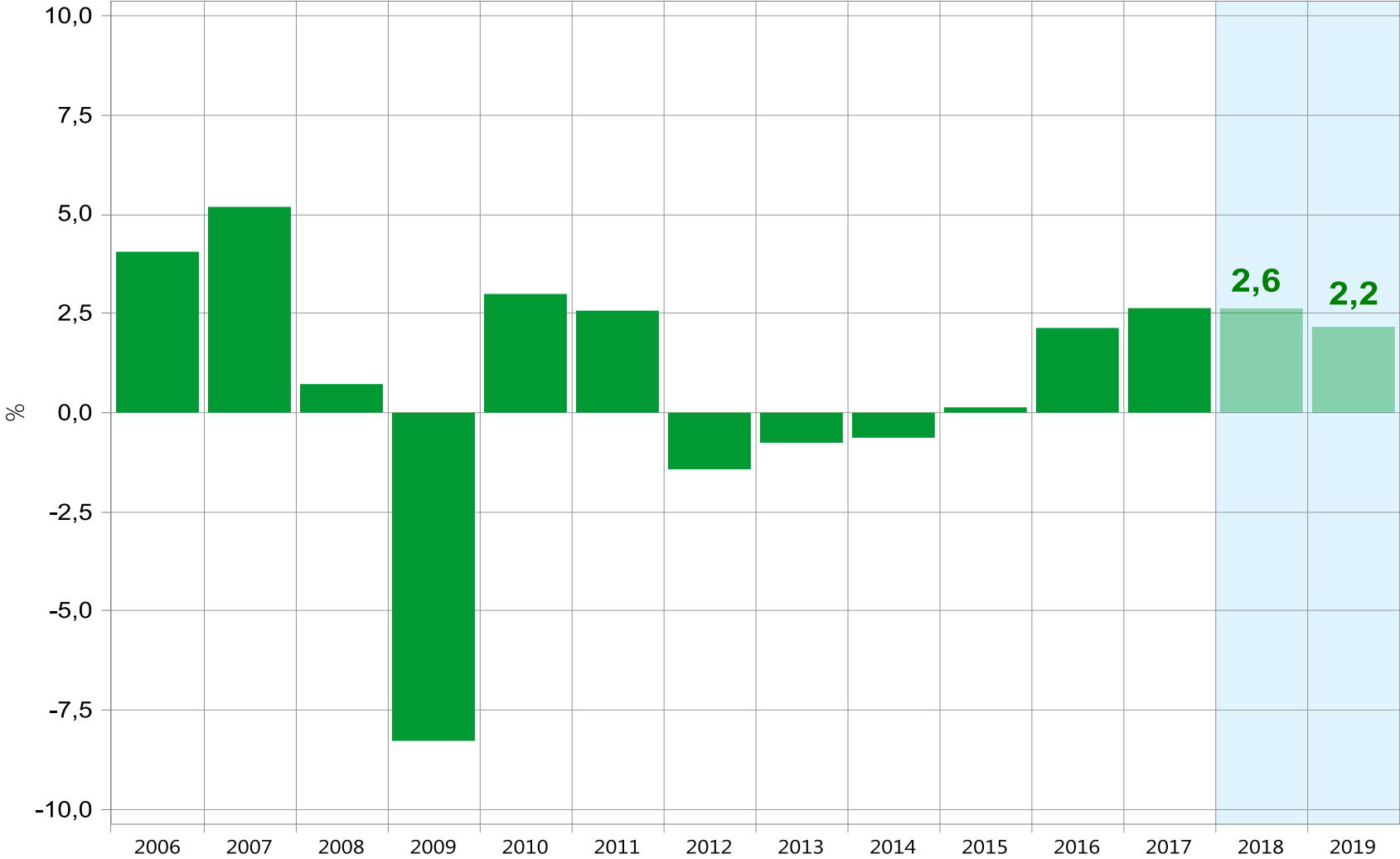
January–March 2018

Acting CEO Juha Hammarén

Aktia

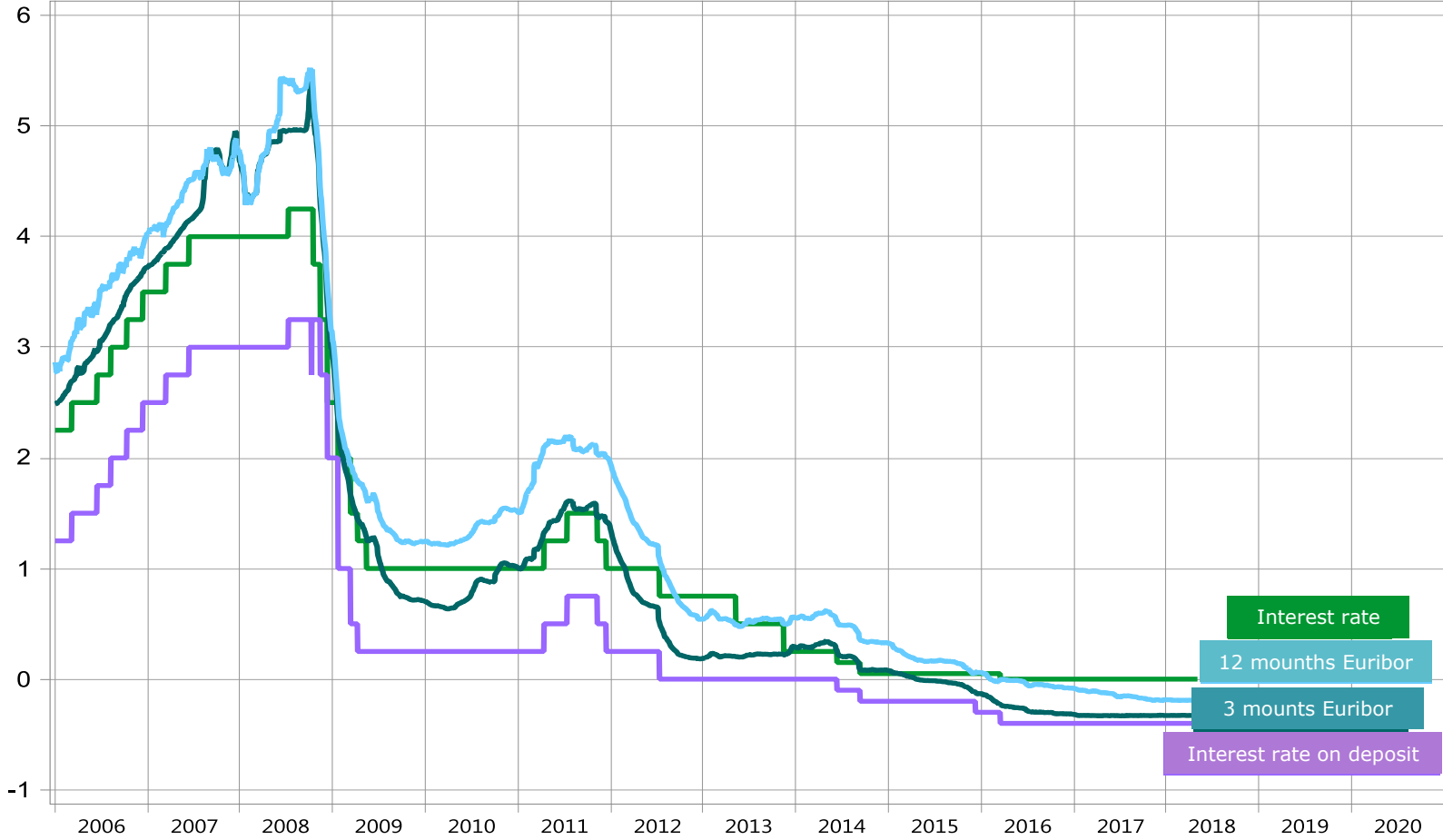
Good outlook for the Finnish economy

Finnish GDP, % change from the previous year



Interest rate situation still challenging

ECB's interest rates and 3 and 12 months euribor



Source: Aktia and Macrobond

January–March 2018:

Transformation continues in accordance with the strategy

- **Development of the customer service**
 - Focus on personal service.
 - Smooth digital solutions that help our customers.
 - Application of automation, robotics and data.
- **Competence development**
 - Staff training that supports Aktia's digital development e.g. in artificial intelligence (AI).

40%

of Aktia's customers have a personal adviser

January–March 2018 in short

Cost savings produce results. Strong net commission income. New services and better economic governance and reporting with the new core banking system.

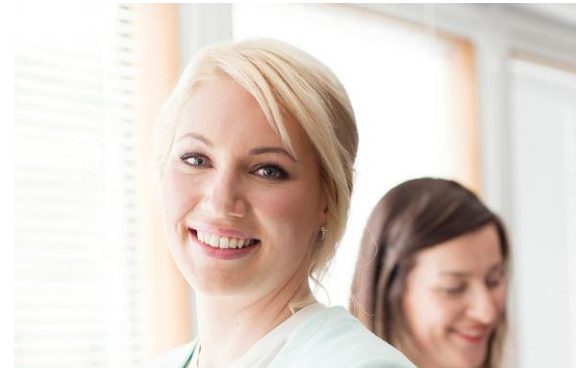
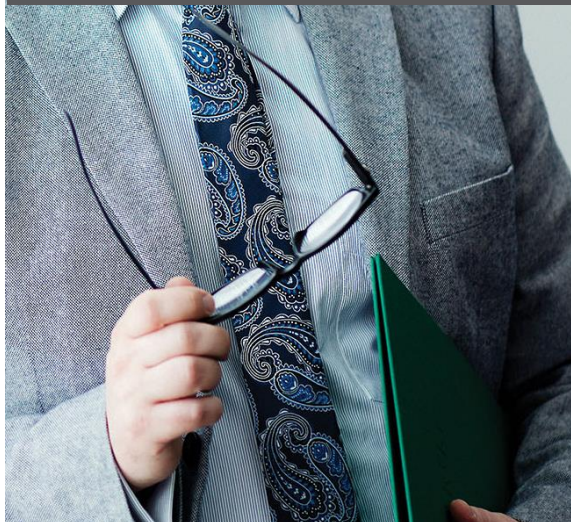


Governance

- Combination of R and A shares.
- Recruiting of a new CEO is ongoing.

Implementation of our strategy

- New segment reporting
- Share savings plan for employees



Business operations

Wealth Management:

- Good sales and exceptionally high level of mutual fund capital
- Morningstar: The best interest fund manager.
- Cooperation with Universal Investment proceeds

Personal and Corporate Banking:

- New customer concepts

New digital solutions

- Automated balance certificates and robotised customer enquiries.
- Electronic signatures.
- Loan application through new channels, such as Nettivene.fi

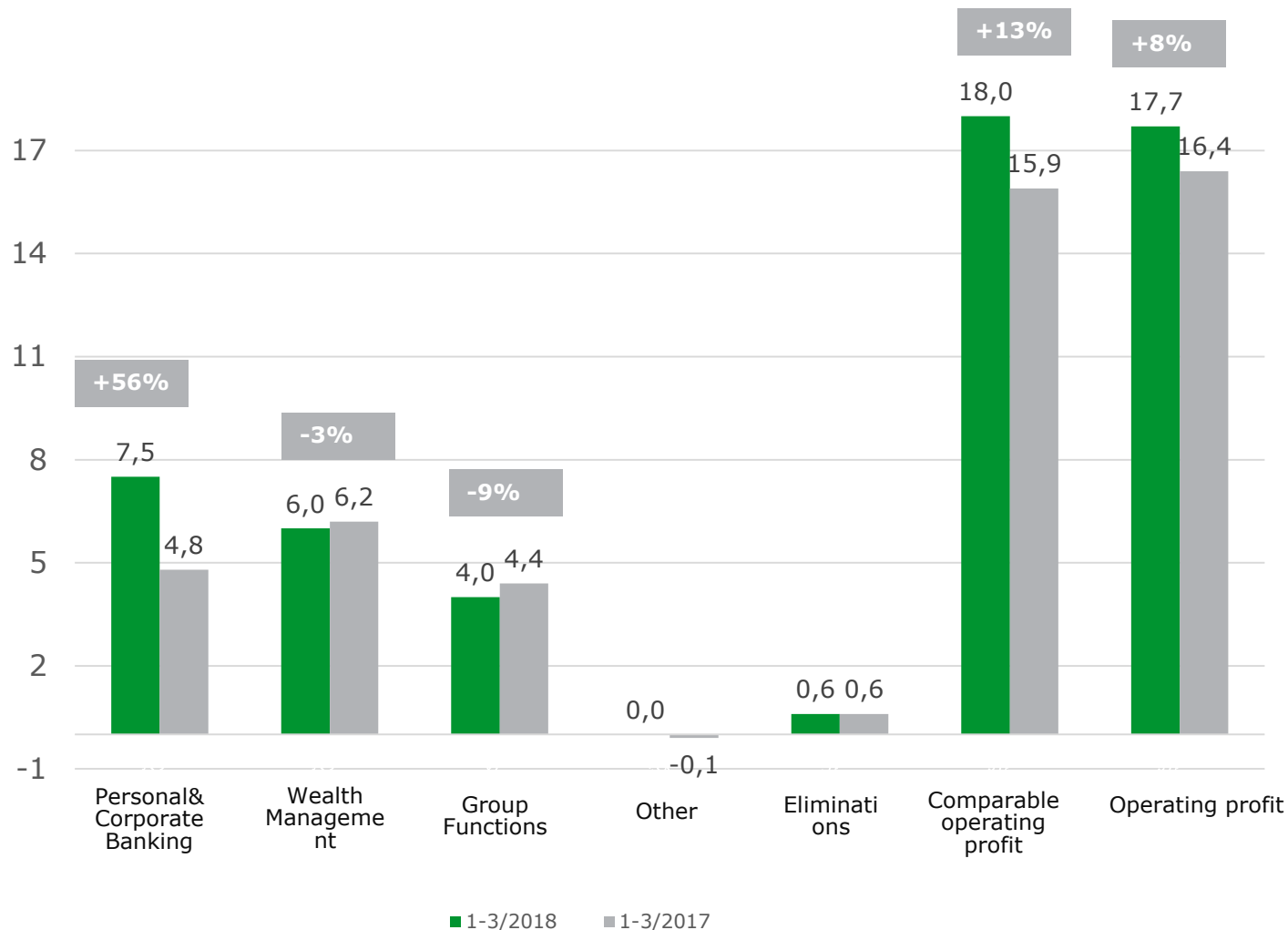


Outlook for 2018 (updated)

- The continued low interest rate environment and decreased income from previously unwound interest-rate hedges (2012) will have a negative impact on the total net interest income for 2018.
- Commission income is expected to increase in 2018. Furthermore, the cost savings measures taken in 2017 are expected to affect profitability in a more favourable way than previously estimated.
- Write-downs on credits are expected to remain low in 2018.

The comparable operating profit for 2018 is expected to be somewhat higher than (previously: approximately to be on the same level) the comparable operating profit for 2017.

The segments' contribution to the comparable operating profit: Good development in Personal & Corporate Banking, Wealth Management continued strong



- Wealth Management comprises wealth management, private banking and life insurance.
- The net income from life insurance was negatively affected by the new accounting principles (IFRS9) during the first quarter of 2018

January–March 2018: Comparable operating profit increased by 13% to EUR 18 million

EUR million	1–3/2018	1–3/2017	CHANGE	2017	2016	CHANGE
Total operating income	51.2	53.1	-4%	210.3	211.3	-1%
Net interest income	20.7	23.4	-11%	89.6	95.6	-6%
Net commission income	23.8	21.1	13%	91.4	79.7	15%
Net income from life insurance	5.8	7.0	-17%	26.6	24.7	8%
Other income	0.8	1.6	-46%	2.6	11.4	-77%
Total operating expenses	-33.5	-37.3	-10%	-160.7	-148.4	8%
Operating profit	17.7	16.4	8%	49.1	61.5	-20%
Comparable operating profit*	18.0	15.9	13%	59.9	57.5	4%
Earnings per share (EPS)	0.22	0.20	12%	0.57	0.72	-20%
Return on equity (ROE) %	10.2	8.7	16%	6.5	8.0	-19%
Cost-to-income ratio	0.65	0.70	-7%	0.76	0.70	9%
Common Equity Tier capital ratio	16.4	18.2	-10%	18.0	19.5	-7%

Financial objectives for 2018-2022

**Comparable
operating profit to
aprox. EUR 80
million**

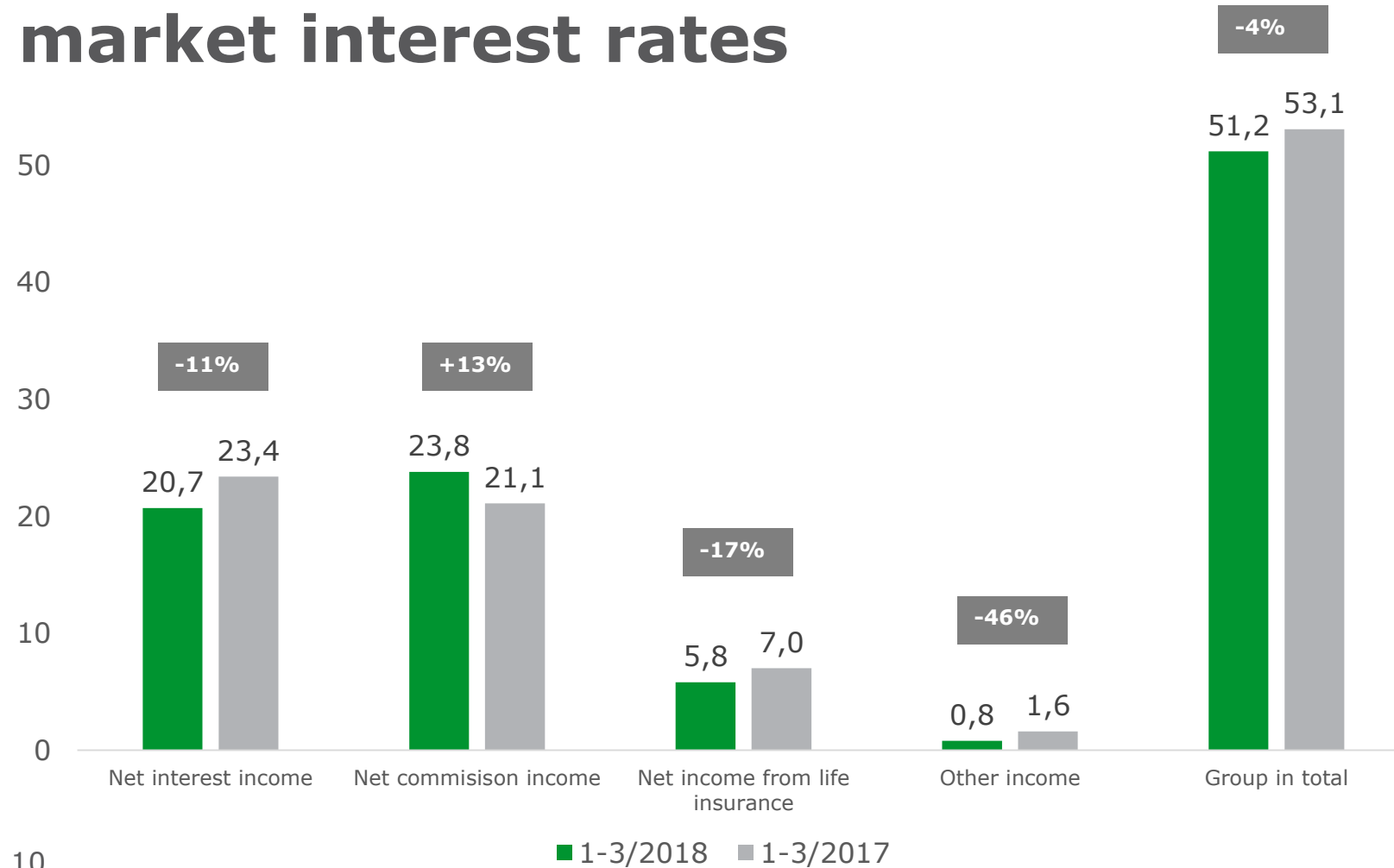
**Return on equity
ROE to 9.7%**

**Comparable
cost-to-income ratio to
0.61**

**Common Equity Tier capital ratio
CET1 to 1.5-3 over regulatory
requirements**

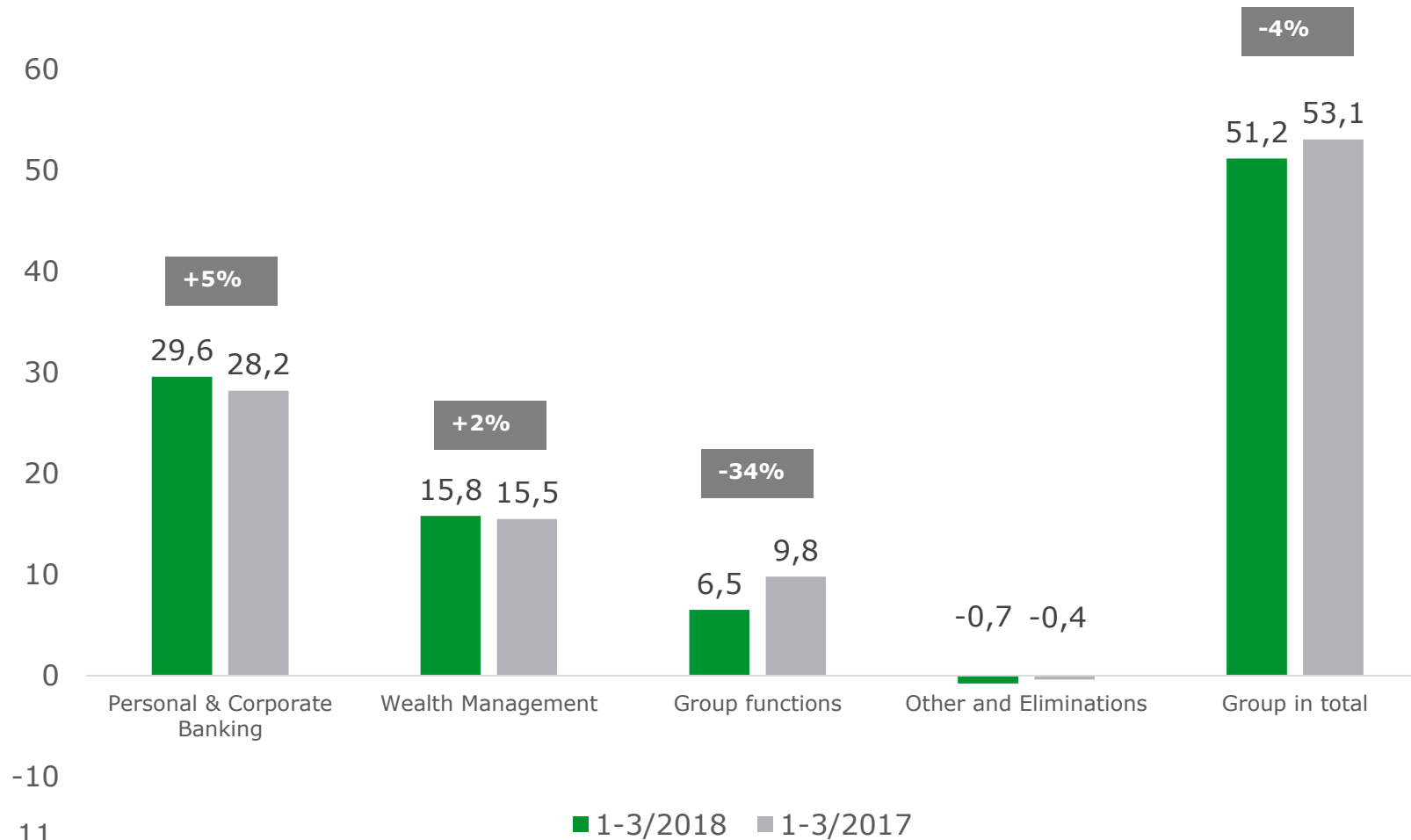
Operating income:

Strong net commission income and stable net interest income in spite of the continued low market interest rates



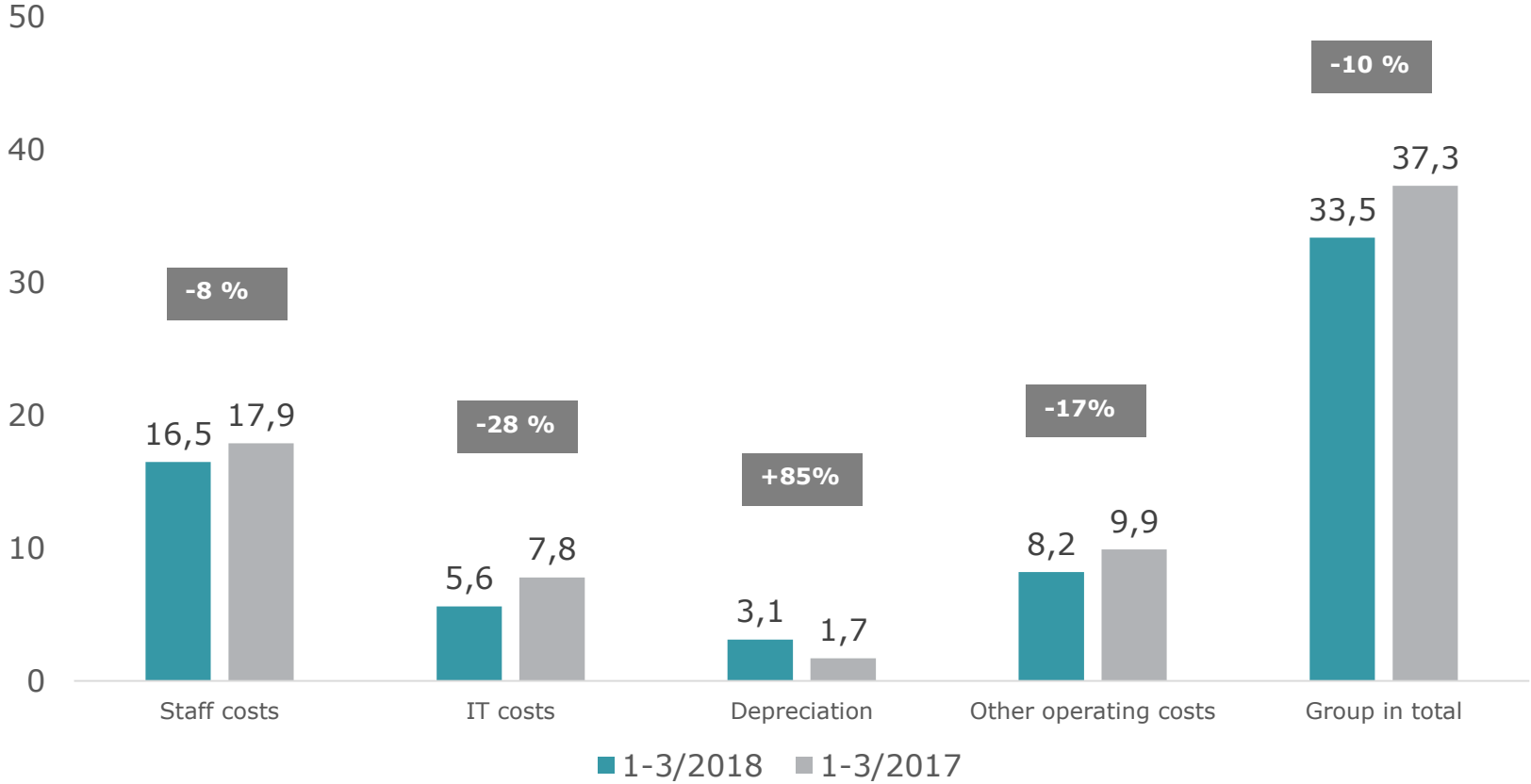
Operating income:

Strong net commission income compensated for the expected downturn in net interest income



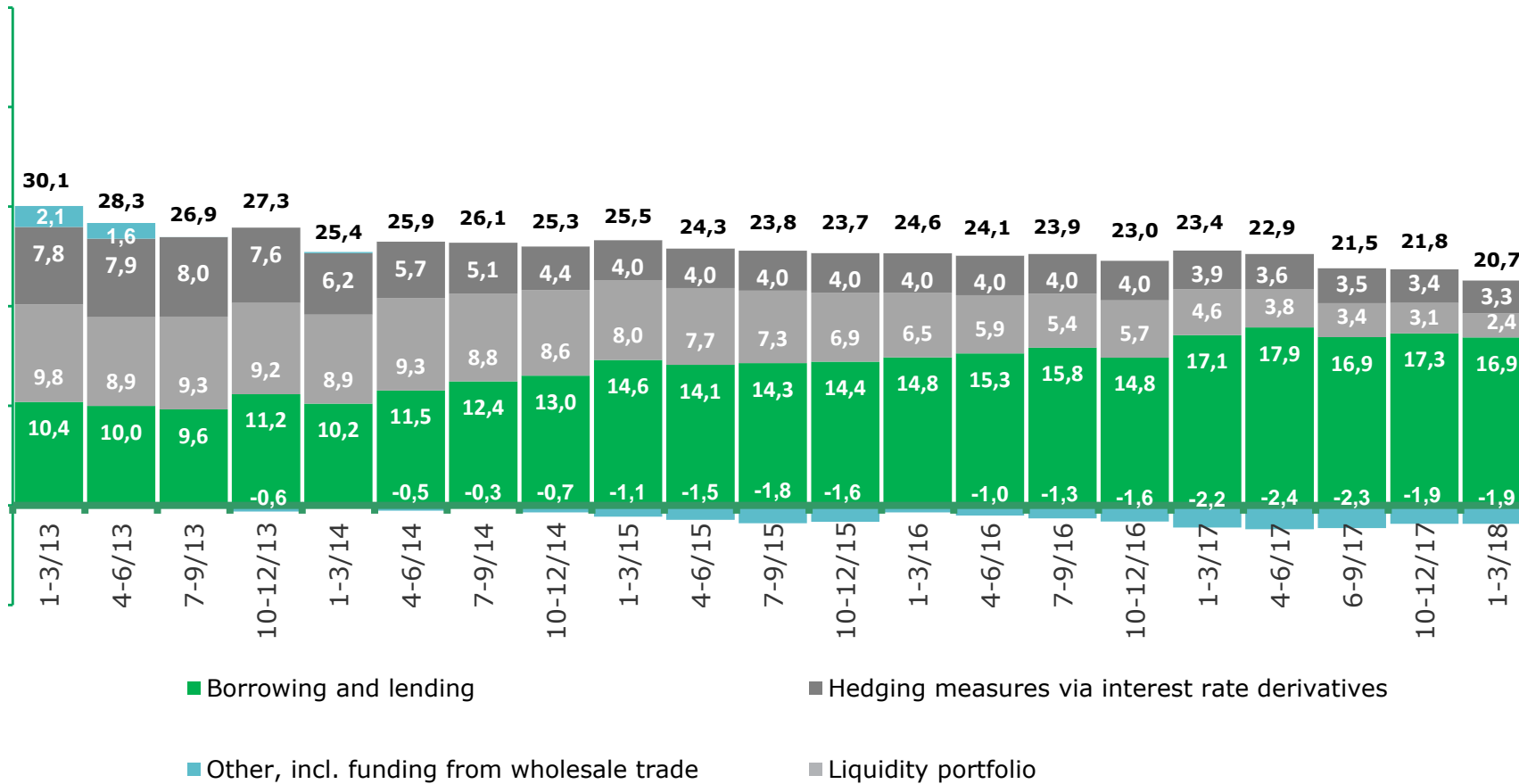
Wealth Management comprises wealth management, private banking and life insurance.

Operating costs: Measures that improve cost-efficiency and produce results



- Depreciation including depreciation for the core banking system EUR 1.5 (-) million.

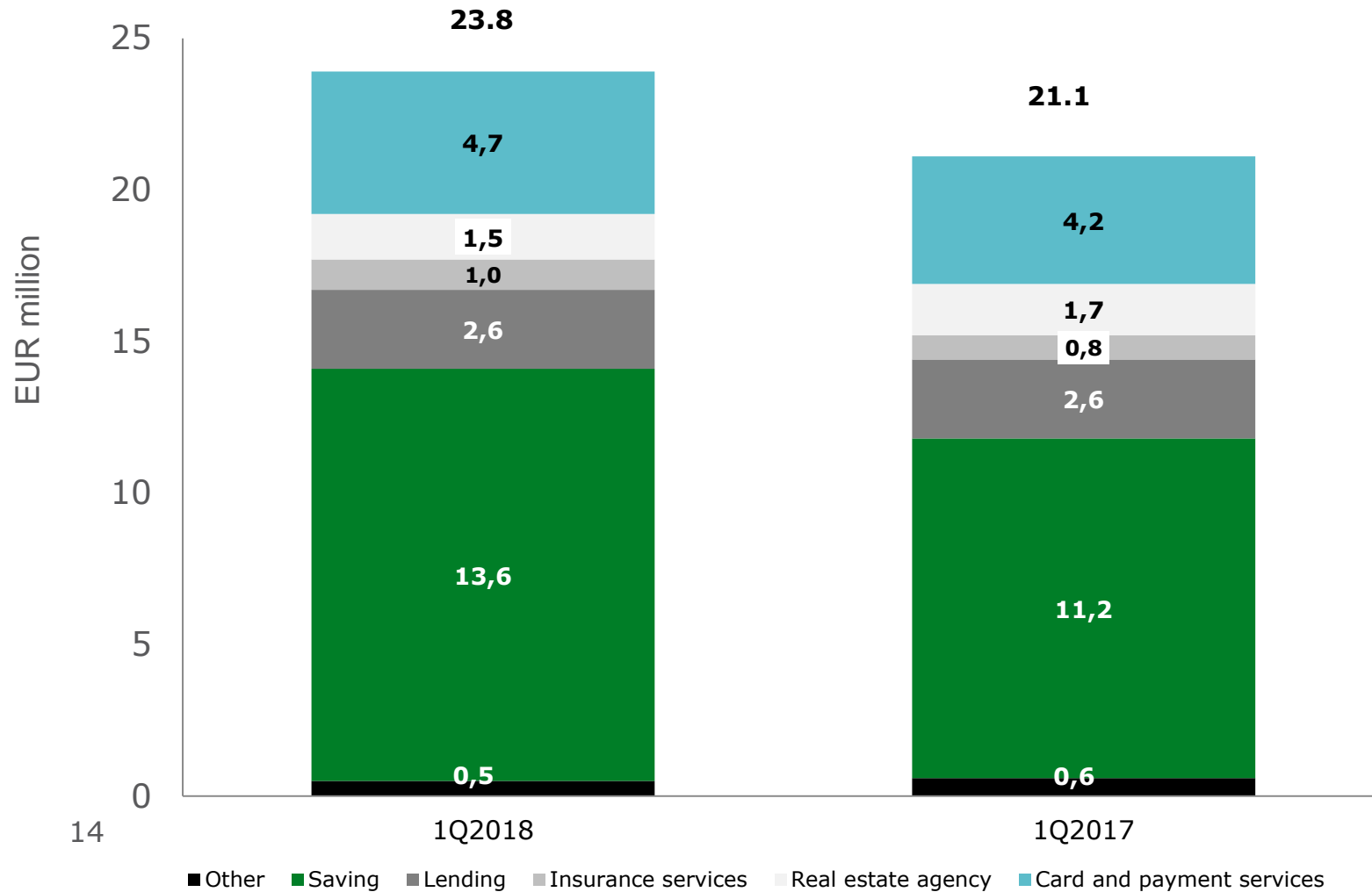
Net interest income mix per quarter: Borrowing and lending continue strong



- New division of net interest income: all income from liquidity portfolio are reported together (earlier in Other and Hedging measures)

Net commission income mix per quarter:

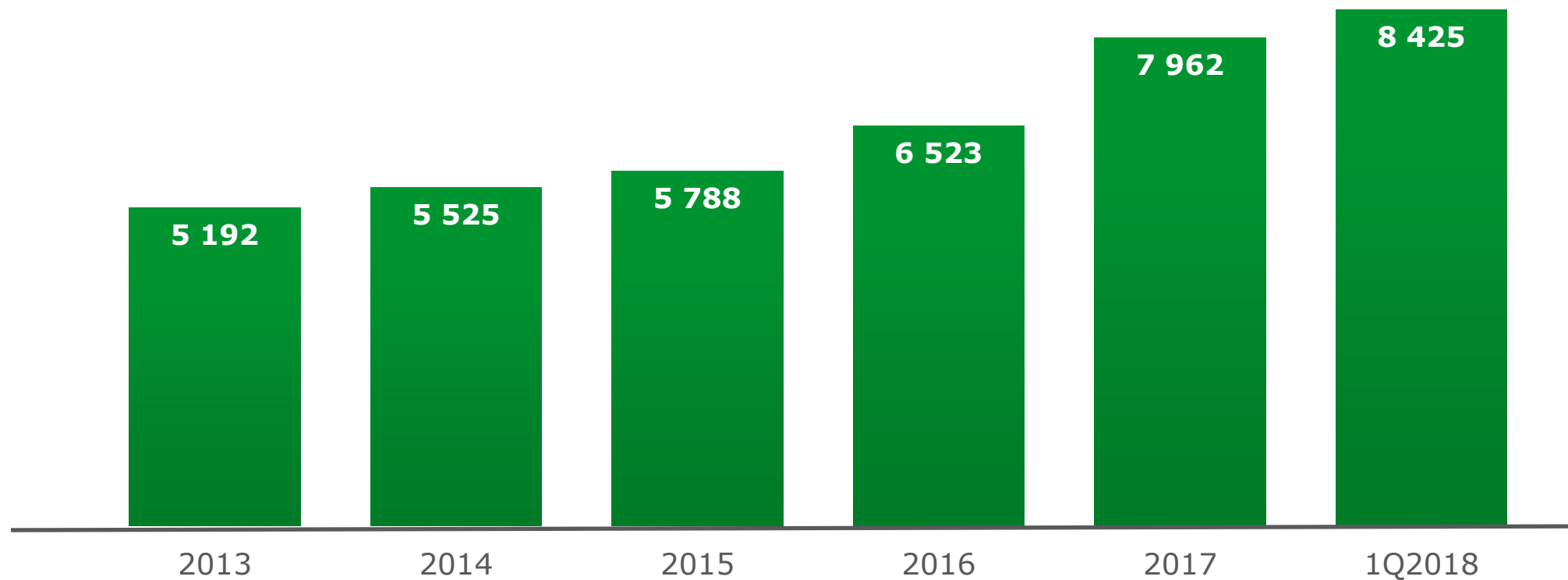
Strong growth in Saving contributed to a 13% higher net commission income



**Incl. mutual funds, asset management and securities brokerage*

Assets under management increased during the first quarter

AUM, EUR million



Capital adequacy: **CET1 remains at a good level**

- Aktia's Common Equity Tier 1 Capital is at a good level at 16.4 (18.0) %.
- Aktia's Common Equity Tier 1 Capital decreased because of:
 - The introduction of the risk weight floor of 15% for housing loans increased risk-weighted commitments by EUR 137 million.
 - The corporate lending also increased the risk-weighted commitments.

Change in CET1%	
CET1 % 31 December 2017	18.0%
Introduction of the risk weight floor	-1.0 percentage points
Other increase in risk-weighted commitments	-0.5 percentage points
Decrease in CET1 capital base	-0.2 percentage points
CET1 % 31 March 2018	16.4%

**Courageously.
Skilfully.
Together.**



Aktia