

Research Update:

Aktia Bank PLC Outlook Revised To Stable On Leadership And Franchise Stability; 'A-/A-2' Ratings Affirmed

October 28, 2026

Overview

- Aktia Bank has successfully stabilized its leadership and remains focused on diligent strategy execution, aiming to increase cross-selling opportunities in its two segments life insurance and wealth management, and banking.
- The bank has demonstrated growing business volumes, strengthened customer satisfaction in the latest industrywide survey, and seen strong results in the first half of 2026, and we expect the solid performance to continue with projected return on equity of 14.0%-14.5% in 2026-2028, backed by the economic recovery in Finland.
- We therefore revised our outlook on Aktia Bank PLC to stable from negative, affirmed the 'A-/A-2' long- and short-term issuer credit ratings, and affirmed the 'A/A-1' resolution counterparty ratings.
- The stable outlook reflects Aktia's sound financial performance and diligent strategy execution in the next two years.

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Rating Action

On Oct. 28, 2026, S&P Global Ratings revised its outlook on Aktia Bank PLC to stable from negative and affirmed its 'A-/A-2' long-term and short-term issuer credit ratings. We also affirmed the 'A/A-1' long- and short-term resolution counterparty rating (RCR).

Rationale

The outlook revision reflects the successful stabilization of leadership. Following the period of executive turnover that previously drove a negative outlook, the bank has navigated its leadership transition through the stabilization of interim executives and appointment of new management. We see no imminent evidence that these changes have disrupted governance or the strategic roadmap, as Aktia has maintained momentum in its banking, life insurance and wealth

management segments. Although management shifts occurred, there has been no tangible negative impact on the customer franchise or business volumes. We consider the current shareholder structure provides Aktia with a stable long-term ownership foundation that facilitates strategic execution. This ownership structure is underpinned by a strong core, including the Erkki Etola-controlled companies (20%) and significant institutional holdings, such as Veritas Pension Insurance Co. Ltd. (8.2%) and Varma Mutual Pension Insurance Co. (4.7%).

In our view, Aktia's strategic execution remains resilient, evidenced by the bank progressing toward its financial targets set for 2029. We observe that the bank is advancing toward its €25 billion gross assets under management (AUM) target, with current levels reaching €18.1 billion as of June 30, 2026 (up 13% year on year), supported by strong net subscription, new partnerships, and favorable market developments. Improving economic conditions in Finland, reflected accelerating GDP growth driven by strong exports and investments in digital infrastructure, provide a supportive backdrop for the achievement of Aktia's long-term strategic targets despite still-muted household consumption and loan demand. Furthermore, portfolio diversification has improved within the banking segment through growth in leasing, factoring, and hire purchase financing to corporate customers, while real estate exposures are decreasing. The previous "Momentum" growth program has been fully integrated into core business processes.

We consider the bank's customer franchise remains intact and continues to outperform industry benchmarks. Aktia's business initiatives and focus on personalized services to more affluent customers and small and midsize corporates show results, as seen in consistently improving satisfaction metrics across various categories in the latest industrywide survey. Although management shifts occurred, Aktia's relative development in image and product quality has improved for both private and corporate customers in 2026. Notably, the bank recorded the most satisfied corporate customers in Finland and ranked fourth in a survey of retail customers.

Strong financial performance in the first half of 2026 demonstrates the bank's ability to deliver high returns despite shifts in interest rates. A 14% year-over-year increase in comparable operating profit to €62.4 million was driven by underlying business development and the one-off impact of a new expected credit loss model. Although net interest income fell by 7% to €65.1 million due to lower interest rates, net commission income rose 6% to €64.9 million, fueled by fund performance and higher net sales of AUM in line with strategic ambitions. While S&P Global Ratings' funding metrics on Aktia have weakened somewhat in recent years, with savings deposits having declined over the past three years, this partly reflects customers reallocating deposits into investment products, which generate capital-light fee income for the bank. The return on equity (ROE) of the bank increased to 15.6%, surpassing the 15.0% long-term target. We forecast annual net profit to reach €90 million-€100 million in 2026-2028, reflected in an ROE of 14.0%-14.5% in the forecast period. We note that results may remain sensitive to risk exposures within the investment and guaranteed portfolios in life insurance business.

Aktia's strong capitalization provides a buffer for growth. We forecast Aktia's risk-adjusted capitalization to remain robust at 11.8%-12.6% in 2026-2028, compared with 12.4% in 2025. Our revision of our view of economic risks in Finland has led to higher risk-weights applied to domestic exposures, and our adjusted view on Aktia Life's overcapitalization has moderately reduced the forecast range. We believe the capital build up is sufficient to maintain shareholder distributions in line with capital policy and support a loan growth of 3%-4% in 2027-2028 while holding a safety buffer for unexpected losses. While the common equity tier 1 ratio decreased to 12.0% as of June 2026 from 12.6% at year-end 2025 due to the internal ratings based and expected credit loss model-driven deductions, it remains well above the 8.74% regulatory minimum.

Outlook

The stable outlook indicates that we consider Aktia's executive management team to have stabilized and that the bank remains committed to diligent execution of its strategy plan to 2029 (targeting ROE of above 15% and AUM of €25 billion by 2029). It also reflects our expectation that, over the next 12-24 months, the bank will preserve a sound financial position, underpinned by strong risk-adjusted capitalization and prudent capital management. We expect the bank will maintain an additional loss-absorbing capacity (ALAC) buffer sufficiently above our adjusted threshold of 4% of S&P Global Ratings' risk-weighted assets.

Downside scenario

We could downgrade the bank if Aktia's strategic ambitions are not consistently translated into operational results. This could materialize, for example, if business volumes materially lowered or we see indications of an impaired capacity to diligently manage risks.

We could also lower the rating if we saw a lower likelihood that Aktia would sustain its ALAC above our adjusted 4% threshold.

Upside scenario

We consider an upgrade unlikely at this stage. It could be triggered if Aktia strengthened its wealth management franchise, delivered on its financial targets, and its risk-adjusted profitability consistently outperformed peers with 'bbb+' SACP's.

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	A-/Stable/A-2	A-/Negative/A-2
SACP	bbb+	bbb+
Anchor	bbb+	bbb+
Business position	Moderate (-1)	Moderate (-1)
Capital and earnings	Strong (1)	Strong (1)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	1	1
ALAC support	1	1
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity.
GRE--Government-related entity.

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status:

- Governance - other governance factors

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), May 5, 2026
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Rating On Eight Finnish Banks Affirmed Amid Weak Economy; Bonum Bank Outlook RevisedTear Sheet: Aktia Bank PLC](#), April 14, 2026
- [Banking Industry Country Risk Assessment: Finland](#), Dec. 16, 2025
- [Aktia Bank PLC](#), Oct. 3, 2025
- [Research Update: Aktia Bank PLC Outlook Revised To Negative On Significant Leadership Turnover; 'A-/A-2' Ratings Affirmed](#), Sept. 18, 2025

Ratings List

Ratings List

Ratings Affirmed; Outlook Action

	To	From
Aktia Bank PLC		
Issuer Credit Rating	A-/Stable/A-2	A-/Negative/A-2

Ratings Affirmed

Aktia Bank PLC		
Resolution Counterparty Rating	A/--/A-1	

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