

A romantic couple is captured from behind, running along a sandy beach towards the ocean. The man, on the left, is wearing a light-colored short-sleeved shirt and dark trousers. The woman, on the right, is wearing a dark, patterned dress. They are holding hands and splashing water, creating a dynamic and joyful scene. The background features a calm sea and a distant city skyline under a warm, golden sunset sky. The overall mood is one of freedom and happiness.

Handelsbanken:
Nordic Mid and Small Cap Seminar, 23 May 2018

Aktia Bank Plc

Aktia Bank Plc – a local Finnish bank in transformation

Outi Henriksson
Chief Financial Officer
Finance, treasury and IR

Aktia

Banking – an industry in fundamental change

Key trends

Low interest rate environment

Industry boundaries and constraints are dissolving

Competition is intensifying

Regulation is increasing

The speed is picking up

Aktia's strategy as of October 2017

Focus on wealth management and financing

Increase and safeguard our customers' wealth

We provide tailored investment solutions and financing in an easy and sustainable way.

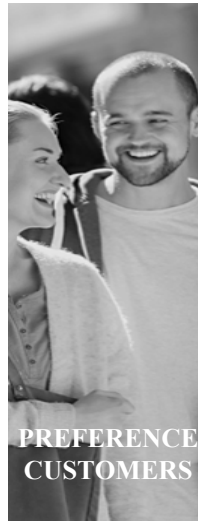
Develop our service model

We strengthen our specialist organisation and offer our customers advanced services and individual solutions.

Make use of digitalisation

We invest in flexible digital concepts and user interfaces.

Aktia's customer groups according to new strategy



70 %

of Finnish citizens would prefer Financial Advisory

40%

of Aktia's customers have a personal financial advisor – the highest proportion in Finland

Service offering:
Digital Services
and Sales

Service offering:
Personal Advisory
Digital Services
Call Center personal services

Aktia

A good market position, with room to grow

The Finnish market size

Aktia's market position

Loans	215	bn euro	Aktia No. 5
Deposits	145	bn euro	Aktia No. 5
Consumer credit	16	bn euro	Aktia No. 6
Funds	100	bn euro	Aktia No. 6
Life insurance	2	bn euro	Aktia No. 6-7

Aktia in numbers

Aktia is a local Finnish bank serving private customers, small and middle sized corporates and institutional investors. Aktia's share (AKTIA) is listed on the list of Nasdaq Helsinki Ltd.

Aktia Bank, 2017:

Operating income: EUR 210.3 million

Operating profit*: EUR 59.9 million

C/I: 0,7

ROE: 6.5%

CET1: 18.0%

AUM: EUR 9,680 million

New segment reporting as of 1.1.2018 (reported restated numbers for 2017) :

Personal and Corporate Banking

Private customers
Premium customers
Corporate customers

Operating income:

EUR 117.3 million

Operating profit*:

EUR 25.3 million

Market shares:

- Mortgages (households): 4.2%
- Deposits: 3.5%

Wealth Management

Private Banking customers
Asset Management customers
Life Insurance customers

Operating income:

EUR 64.9 million

Operating profit*:

EUR 25.4 million

Assets under management:

EUR 9,680 million

Market share:

- Mutual funds: 4.2%

Group functions

Support and staff
functions incl. Treasury
and risk- and financial
control.

Operating income:

EUR 28.6 million

Operating profit*:

EUR 8.3 million

Financial targets for 2018-2022:

Comparable
operating profit
to **EUR 80 million**

Return on equity
to **9.7%**

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

Common Equity Tier 1
capital ratio, CET1
to **1.5-3 over regulatory
requirements**

Dividend policy: Dividend pay-out 60–80 % of profit for the period after taxes

**Comparable operating profit.*

350,000

private customers

30,000

corporate and
institutional customers

32

branches

40%

of Aktia customers have a
personal financial advisor

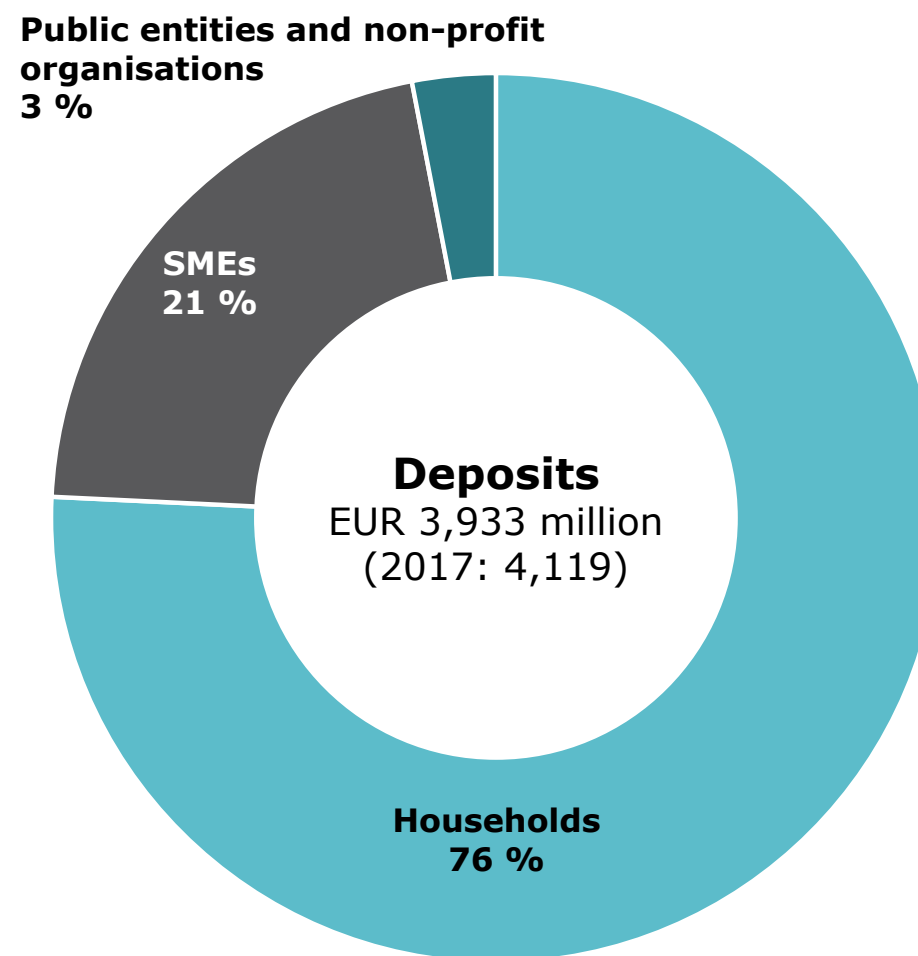
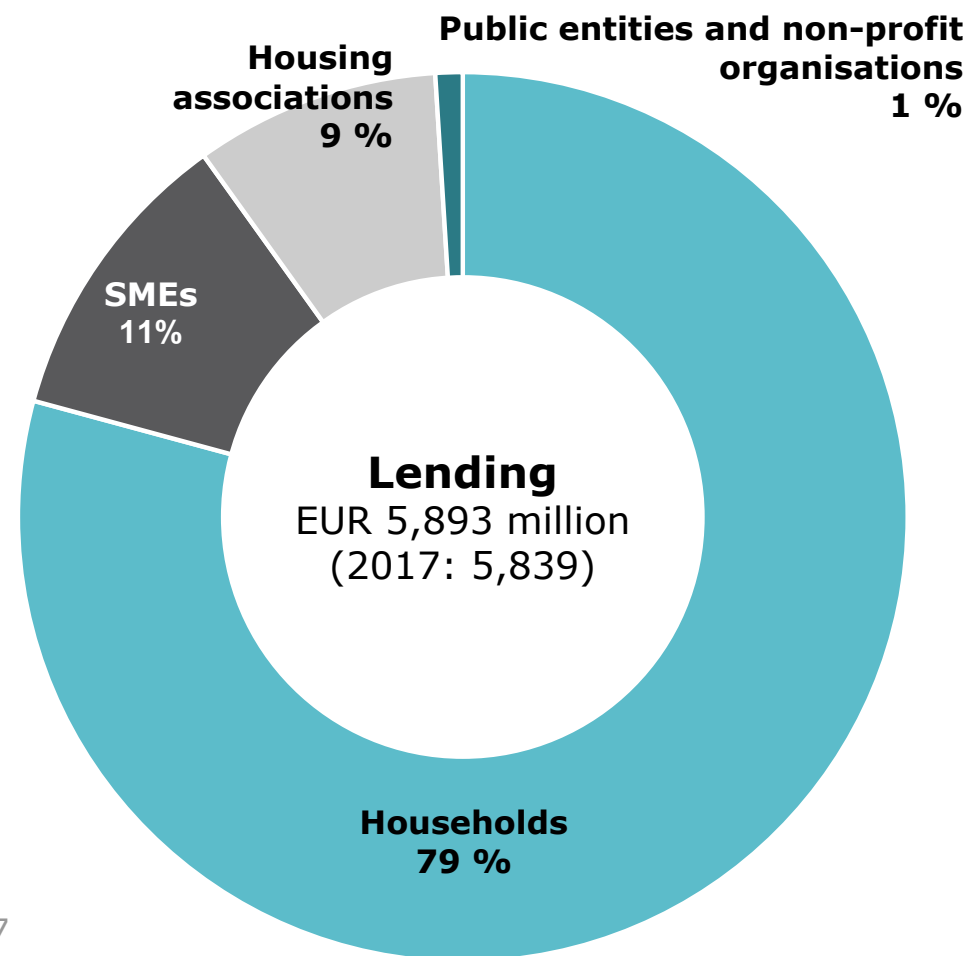
796

full-time employees
on 31.3.2018

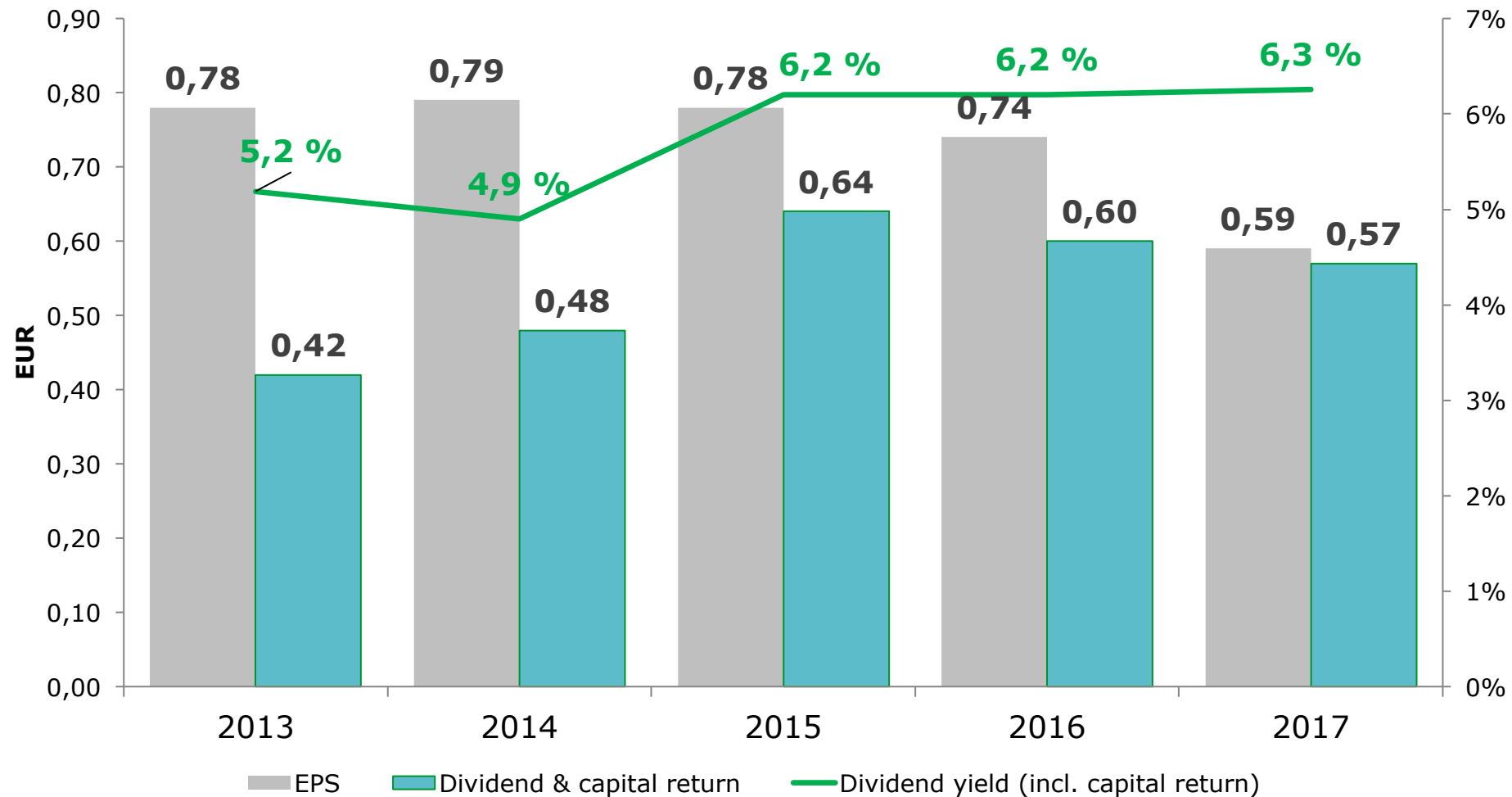
Aktia

Structure of lending and deposits

Households are key driver of business



Dividend and dividend yield history



Dividend yield has been calculated using actual number of A-shares. EPS has been calculated using actual number of shares and not adjusted for share combination.

January to March 2018:

- Full focus on implementation of new strategy
- Comparable operating profit up by 13%

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:

- Strong institutional asset management sales, AUM at all-time high.
- Morningstar: The best fixed income house in Finland.
- Cooperation with Universal Investment proceeds

Personal and Corporate Banking:

- New service packaging and pricing structures.

New digital solutions

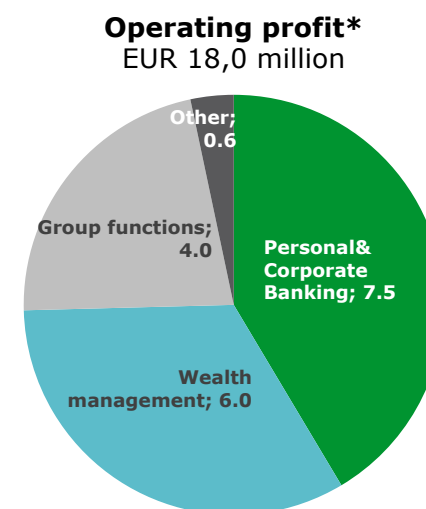
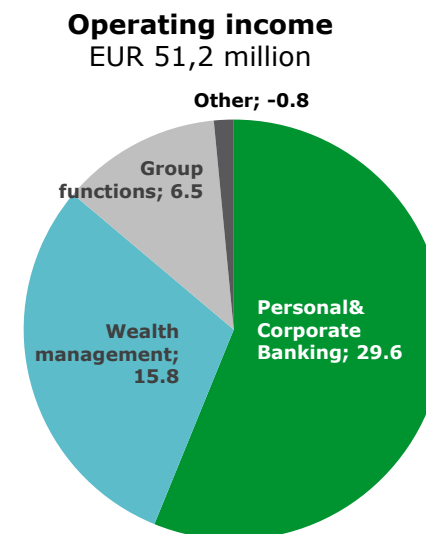
- Automated balance certificates and robotised customer enquiries.
- Electronic signatures.
- Loan application through new channels.



Comparable operating profit +13% in Q1/2018

EUR million	1-3/2018	1-3/2017	CHANGE	2017
Net Interest Income	20.7	23.4	-11%	89.6
Net Commission Income	23.8	21.1	+13%	91.4
Total Operating Income	51.2	53.1	-4%	210.3
Total Operating Expenses	-33.5	-37.3	-10%	-160.7
Operating profit	17.7	16.4	+8%	49.1
Comparable operating profit*	18.0	15.9	+13%	59.9
Profit for the period	15.1	13.5	+12%	39.3

Cost-to-income ratio	0.65	0.70	-7%	0.76
Return on Equity (ROE), %	10.2	8.7	+16%	6.5
Borrowing from the public	3,933	4,113	-4%	4,119
Lending to the public	5,893	5,703	+3%	5,839
Mortgage loans	3,751	4,400	-15%	3,714
Capital Adequacy Ratio, %	20.8	24.8	-16%	23.4
Tier 1 Capital Ratio, %	16.4	18.2	-10%	18.0
Risk-weighted commitments	2,272	2,100	+8%	2,080



Capital adequacy per 31 March 2018: **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.

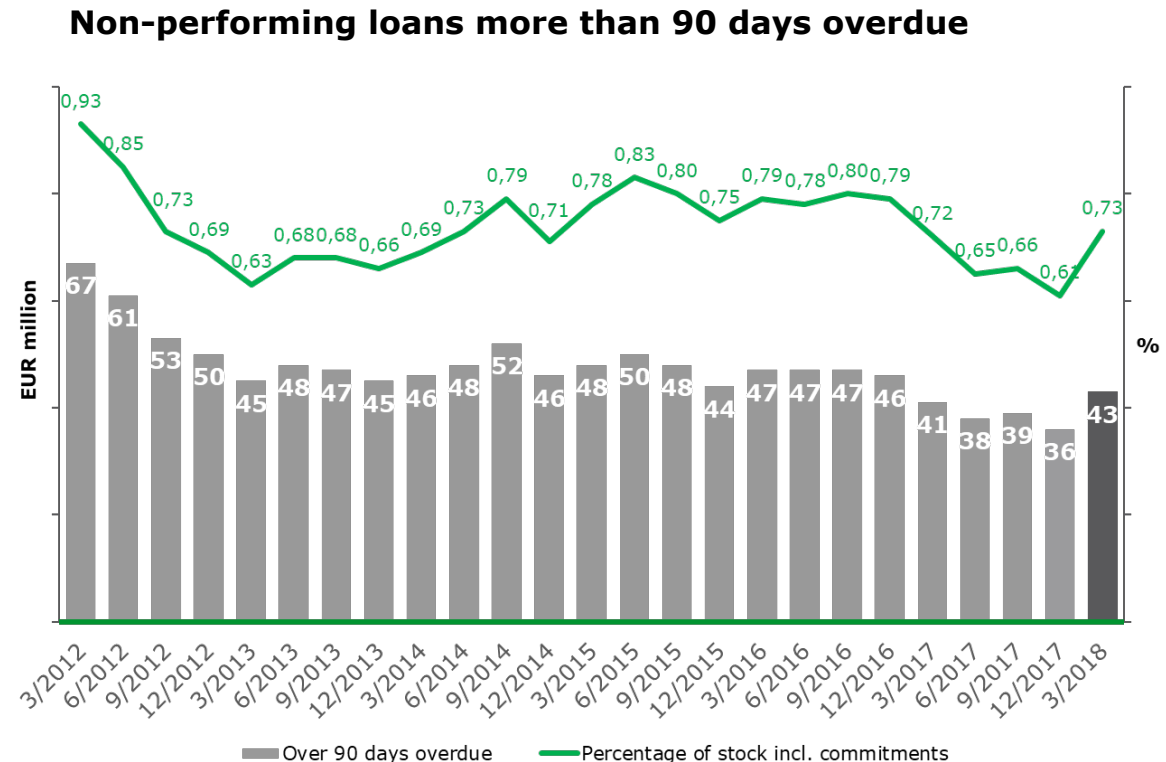
Change in CET1%	
CET1 % 31 December 2017	18.0%
Introduction of the risk weight floor	-1.0 percentage points
Other increase in risk-weighted commitments	-0.5 percentage points
Decrease in CET1 capital base	-0.2 percentage points
CET1 % 31 March 2018	16.4%

Prudent and low-risk lending policy

Stable long-term trend in non-performing loans

Aktia Bank operates under strict origination criteria:

- Identification of the customer mandatory
- Responsible lending: customer ability to pay stress tested
- Credit personnel internally educated and examined
- Rating and behavior based credit risk valuation
- Collateral only in Finland



Outlook for 2018 (updated at Q1/2018)

- 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.

Wealth Management

Awarded asset management

Anssi Rantala

Executive Vice President

Aktia Asset Management, Aktia Life Insurance and Aktia Fund Management Company

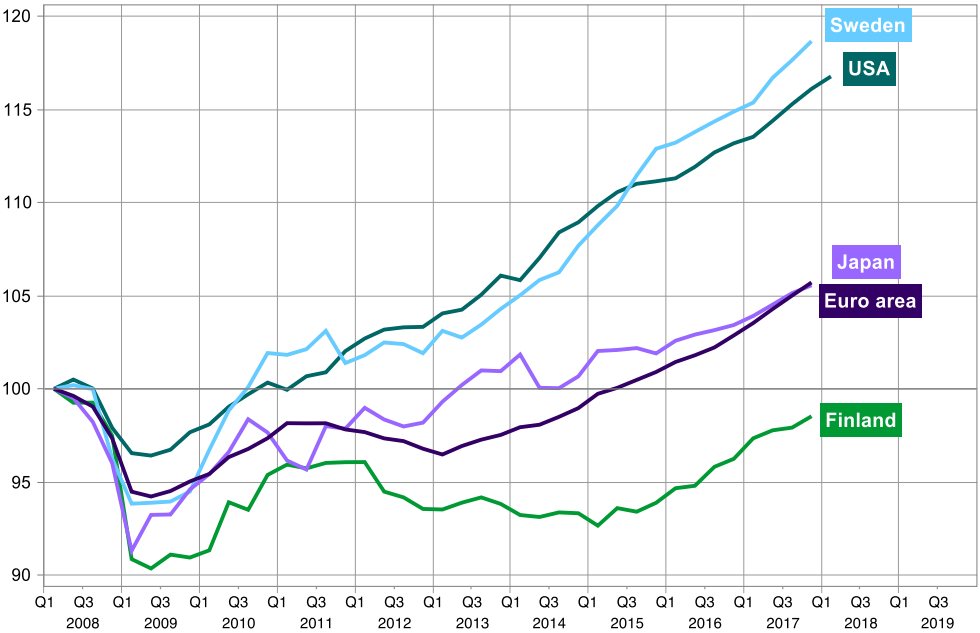
Aktia

Macroeconomic environment

All is well, for now.

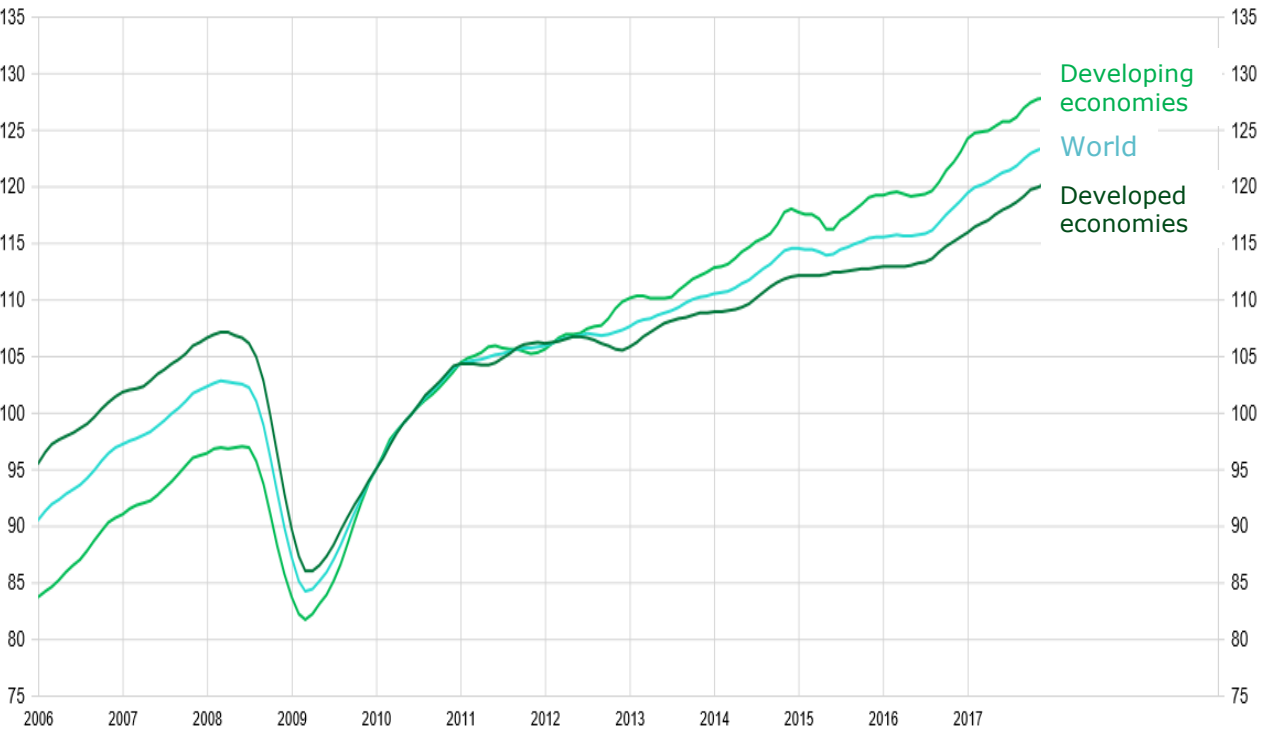
GDP in some countries

Index, Q12008=100



Sources: Aktia and Macrobond

World exports

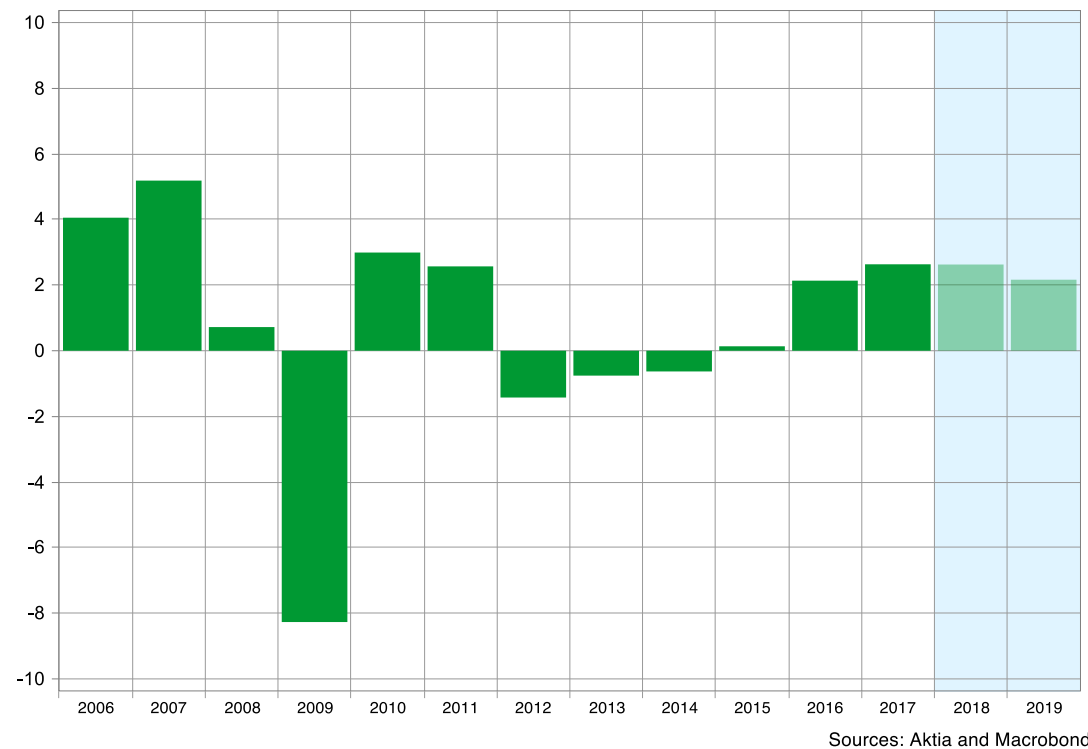


Sources: Aktia and Macrobond

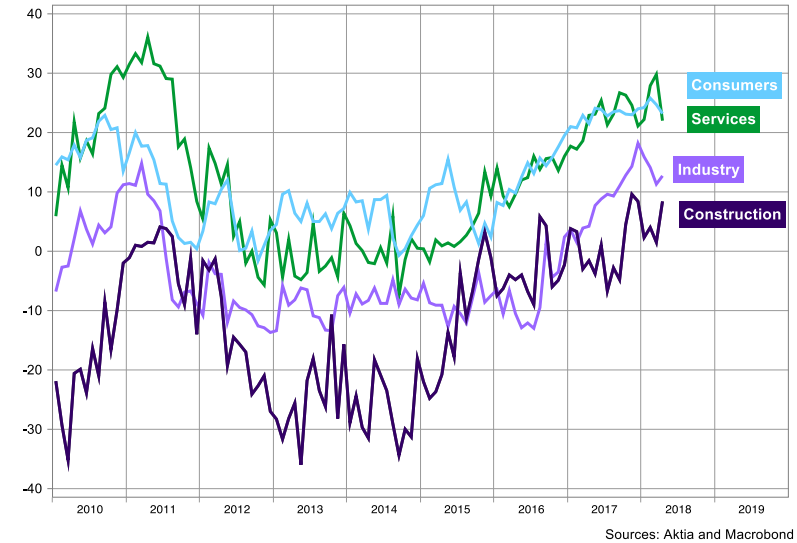
The Finnish Economy

Growth continues

GDP growth, %

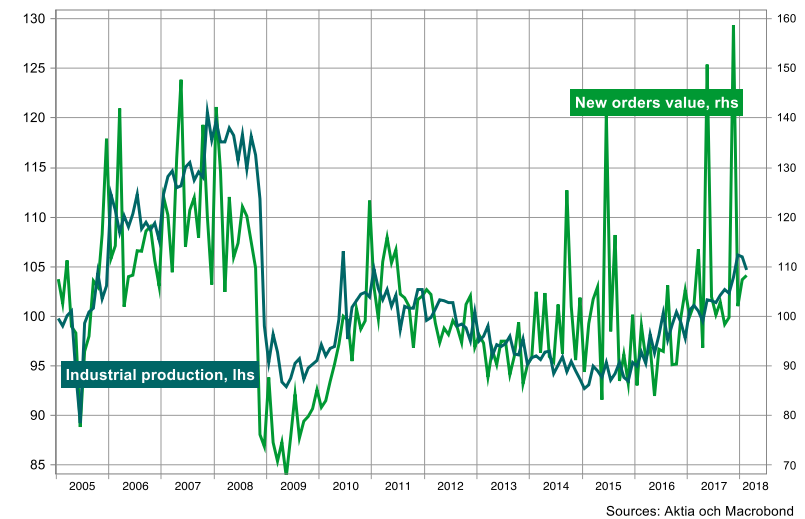


Confidence



Industrial production and new orders

Seasonally adjusted indices, 2010=100

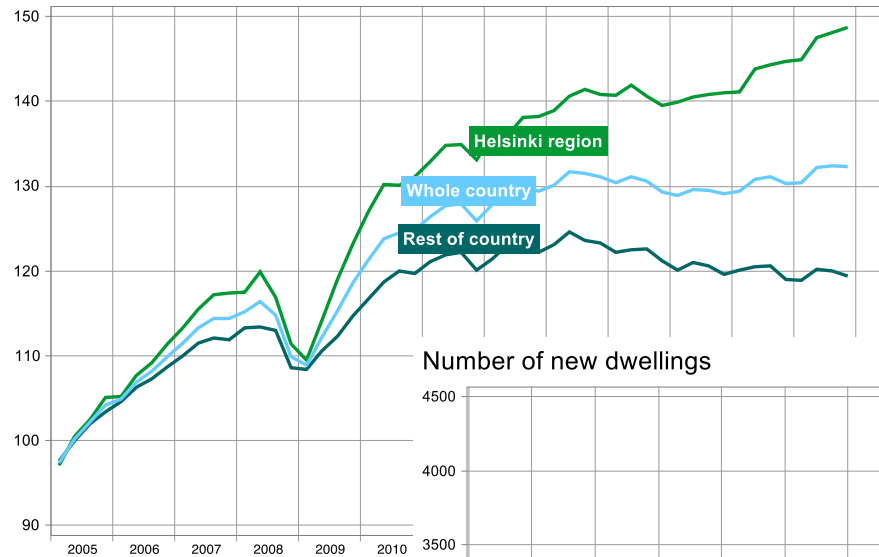


Finnish housing market

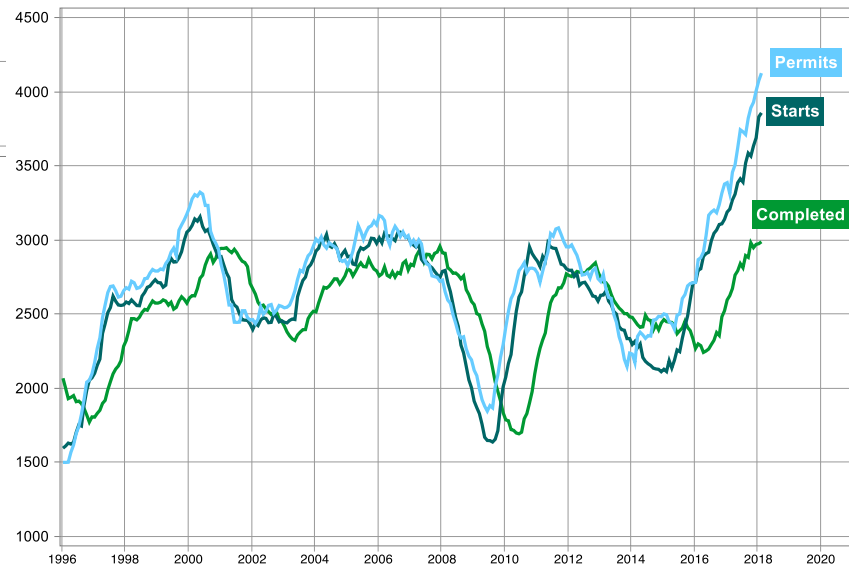
Solid and stable market

Finland: Prices, old apartments

Index 2005=100

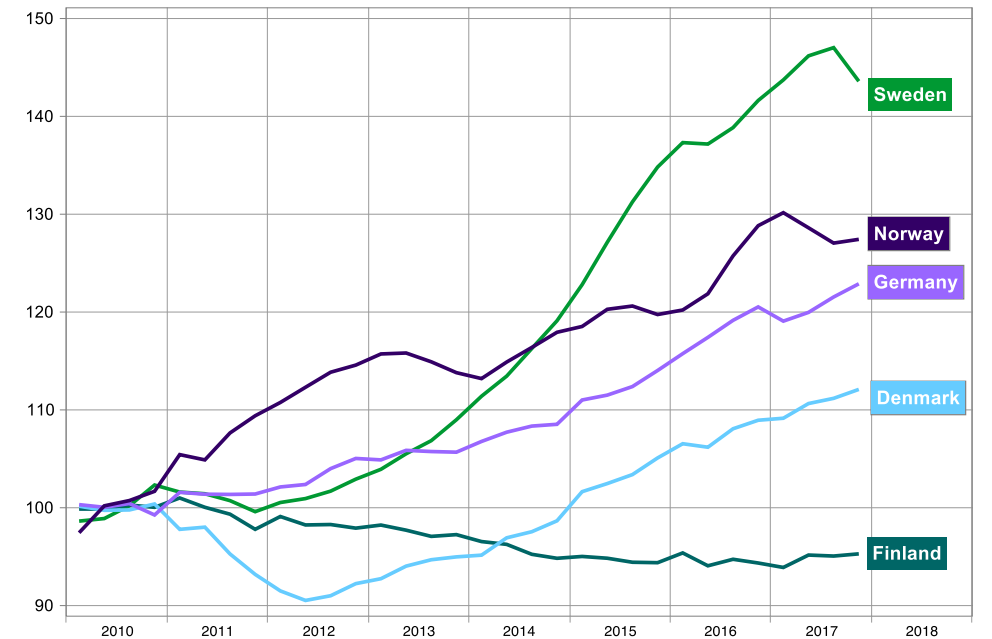


Number of new dwellings



Sources: Aktia and Macrobond

Real House Prices, index 2010=100



Sources: Aktia and Macrobond

Growing Asset Management

Awarded Wealth Management

ASSETS UNDER
MANAGEMENT (Group)

10.1
EUR billion

AUM,
annual growth

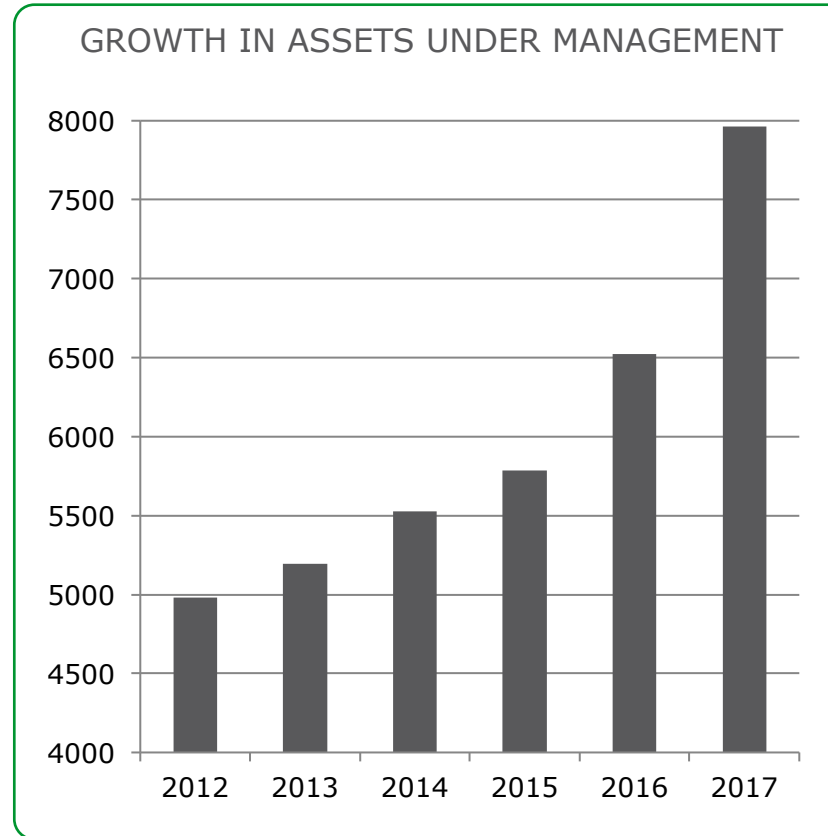
20 %

INSTITUTIONAL
CLIENTS AUM

5.2
EUR billion

EMERGING MARKETS
SHARE

2.1
EUR billion



MORNINGSTAR

SFR
SCANDINAVIAN
FINANCIAL
RESEARCH LTD.

 2017
THOMSON REUTERS
LIPPER FUND AWARD

TNS

TNS Sifo Prospera

All figures per 31.3.2018 unless otherwise indicated.

Asset management offering of Aktia

Tailored solutions that meet customer needs



AKTIA FUNDS

30 active investment funds managed by 19 portfolio managers

Focus: EMD, European corporate bonds, European and Nordic small-cap strategies, alternative investments.



DISCRETIONARY AND ADVISORY PORTFOLIO MANAGEMENT

Tailored solutions that consider the client's investment philosophy and risk appetite



FUND SELECTION

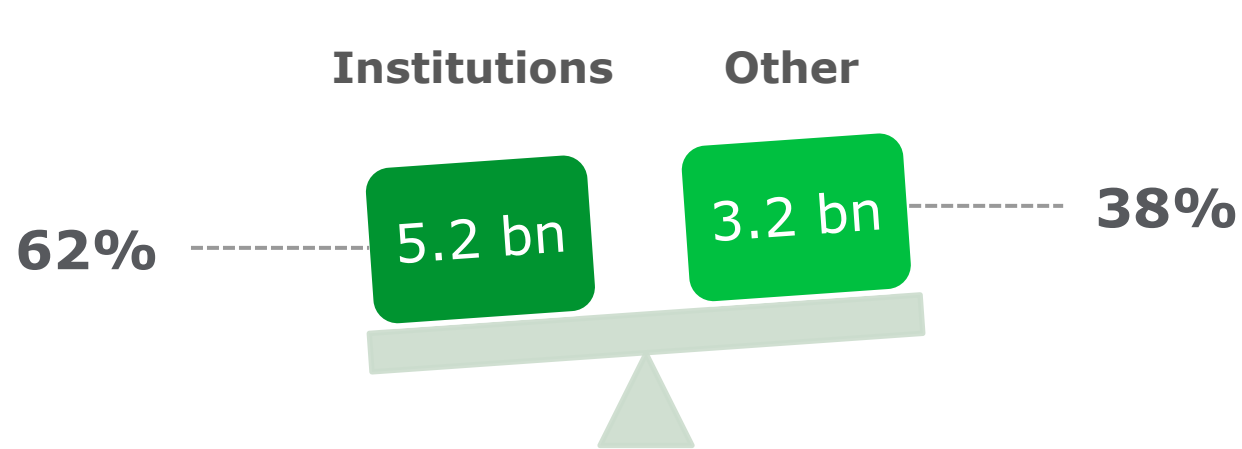
Thousands of funds analysed by Aktia's experienced team of analysts



REPORTING PORTFOLIO ANALYSIS

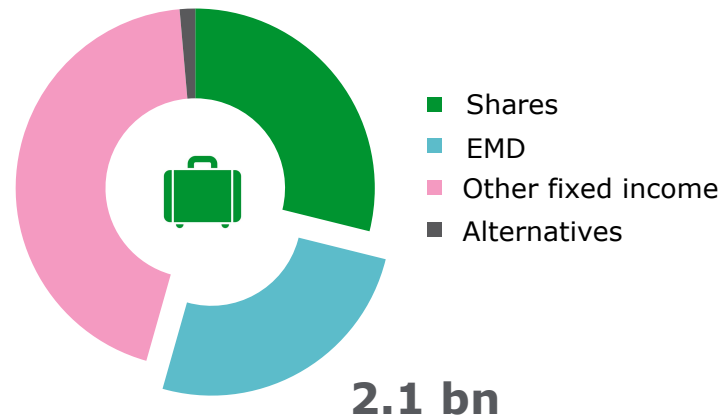
Extensive reporting services

Assets under management, EUR



Total assets under management
8.4 bn

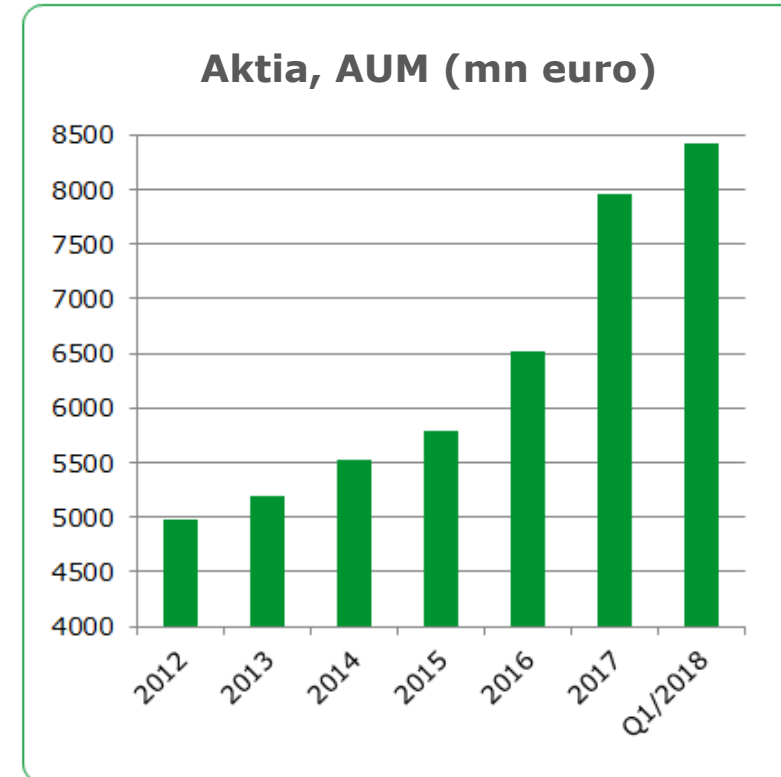
By asset class



Aktia Asset Management

Steady growth

- **EMD funds:** The institutional customer base becoming increasingly international.
- **Equity funds:** New products and broader institutional customer base
 - Nordic Micro cap AUM 75 mn euro
- New **alternative investment** products
 - Trade Finance AUM 92 mn euro
 - Opportunistic Credit
- **First real estate fund** expected to launch during H2 2018



Internationalisation

Aktia Asset Management in co-operation with Universal-Investment GmbH

Co-operation with Universal-Investment (UI) started in 2017

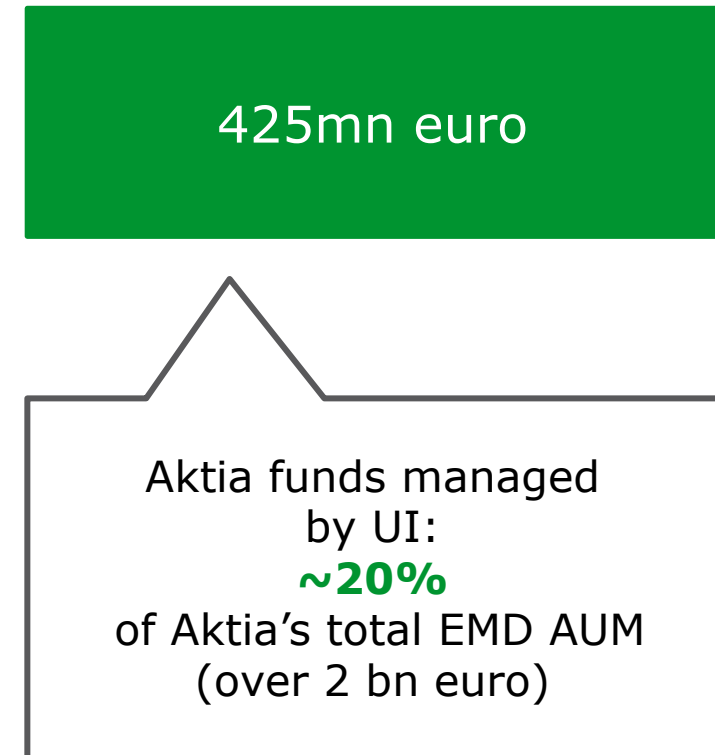
- Largest independent investment service provider in German speaking Europe (AUM 340 bn euro)

UI-Aktia EM Frontier Bond+

- Launched 16 November 2017
 - LUX AUM 89.3 mn euro (17.5.2018)

UI-Aktia EM Local Currency Bond+

- Launched 5 March 2018
 - LUX AUM 335.3 mn euro (17.5.2018)



Aktia – a local Finnish bank in transformation

- Full focus on implementation of new strategy
- Comparable operating profit up by 13% in Q1/2018
- Award winning asset management



Aktia