

16 FEBRUARY 2022

Q4 Results

Mikko Ayub

CEO

Outi Henriksson

CFO

Aktia



The best year in the history of Aktia

HIGHLIGHTS

- Comparable operating profit up 59% to EUR 87.4 (55.1) million in 2021
- Aktia's comparable operating income for 2021 increased to EUR 263.2 (201.1) million and comparable expenses to EUR 171.1 (141.9) million
- Growth in all income categories during the year
- Comparable Return on Equity increased to 10.3 (6.7)% in 2021, comparable C/I ratio down to 0.65 (0.71)
- CET1 ratio 11.2 (10.4; Q3'21)%, 3.5 percentage points over the minimum capital requirement of 7.7%

Dividend:

- The Board of Directors proposes a dividend of EUR 0.56 per share

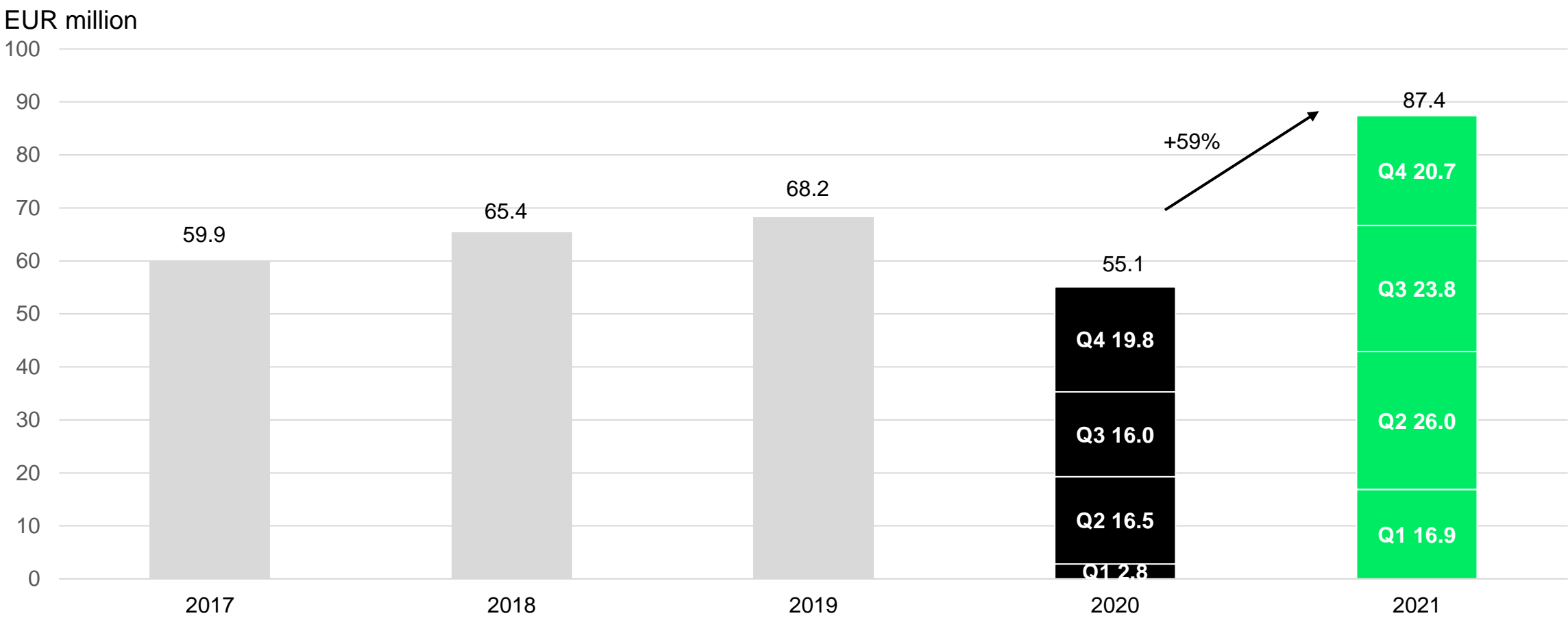
Outlook:

The comparable operating profit for 2022 is expected to be somewhat higher than in 2021 provided that the market development and circumstances in society remain stable.

Aktia

Comparable operating profit at all-time-high

COMPARABLE OPERATING PROFIT 2017–2021



Financial summary Q4 and YTD

EUR million	4Q2021	4Q2020	Δ %	1-12/2021	1-12/2020	Δ, %
Total operating income	65.5	57.0	15%	263.8	201.1	31%
Net interest income	24.1	20.8	16%	96.2	80.7	19%
Net commission income	33.7	25.4	33%	124.0	97.6	27%
Net income from life insurance	7.6	10.2	-26%	37.7	19.9	89%
Other income	0.2	0.6	-69%	5.9	2.9	101%
Total operating expenses	-45.2	-36.4	24%	-174.4	-142.2	23%
Impairments of credits and other commitments	0.1	-0.8	-	-4.5	-4.0	11%
Operating profit	20.3	19.7	3%	84.6	54.8	54%
Comparable operating profit*	20.7	19.8	4%	87.4	55.1	59%
Earnings Per Share (EPS), EUR	0.23	0.22	5%	0.95	0.61	56%
Return on Equity (ROE), %	9.5	9.2	3%	10.0	6.7	50%
Cost-to-income ratio (comparable)	0.69	0.64	7%	0.65	0.71	-8%
Common Equity Tier 1 capital ratio, %	11.2	14.0	-20%	11.2	14.0	-20%

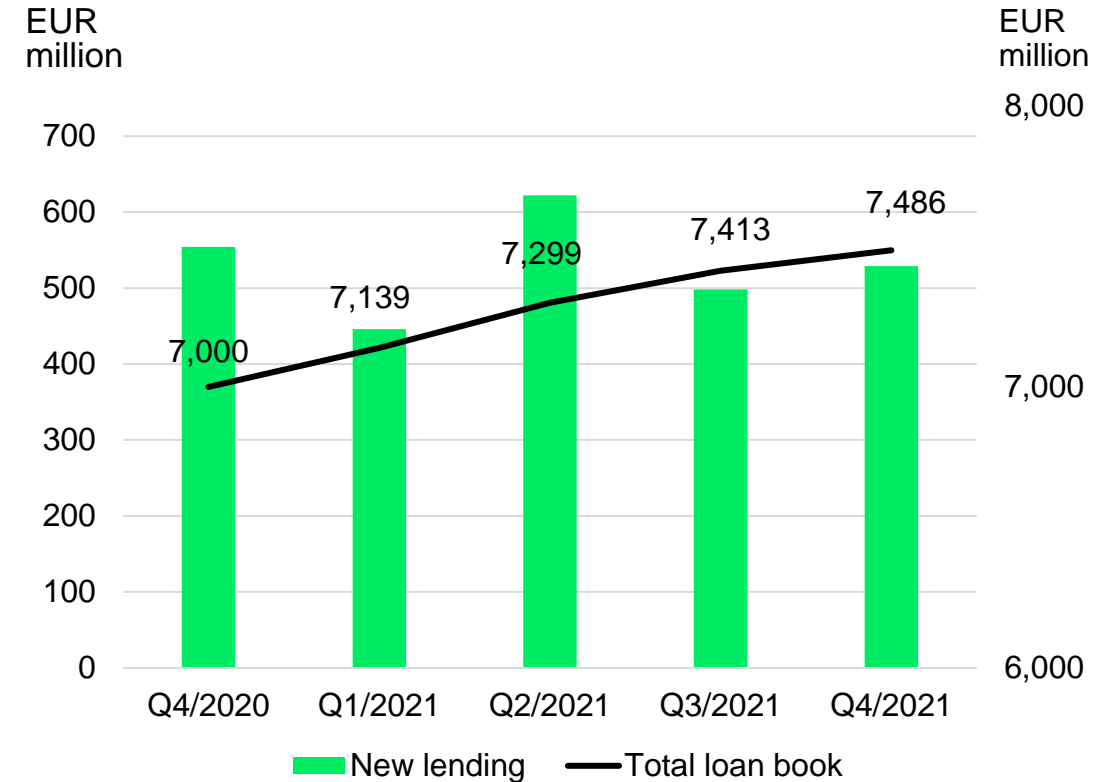
*) Excl. items affecting comparability

Aktia

Growth driven by corporate lending continues

BANKING BUSINESS

- Loan book growth 7% in 2021
- Growth in corporate customers 15% in 2021
 - Driven by SME lending
- Good demand for mortgage loans throughout the year
 - Focus on strategically important customers
 - Increase in margin of new mortgage loans
- 20% acquisition of Alexander Corporate Finance approved
- Finnair Plus co-operation advancing as planned



Development of credit portfolio Q-o-Q

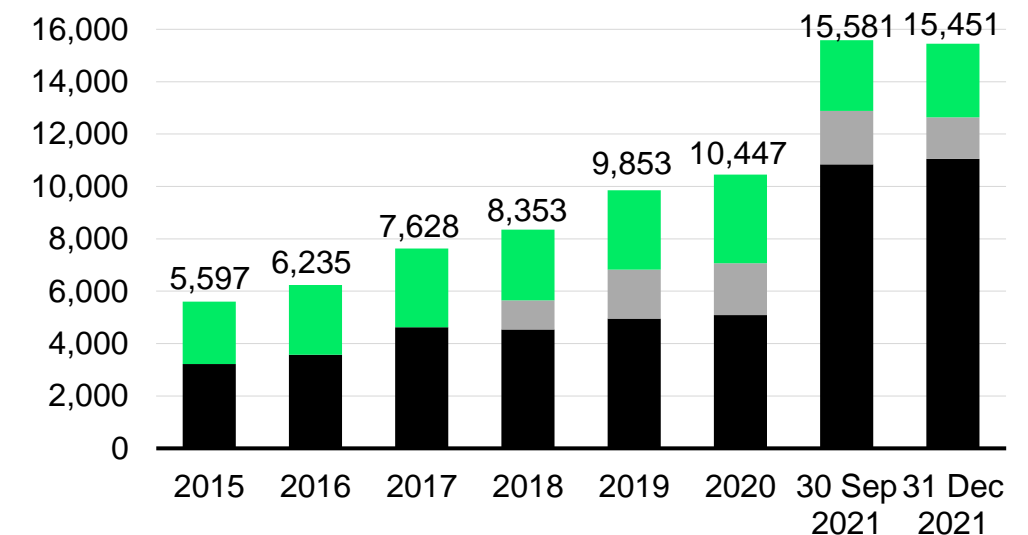
Good performance within Private Banking

ASSET MANAGEMENT

- AuM up 48% to EUR 15.5 billion
 - Supported by the acquisition of Taaleri Wealth Management
- Good growth in Private Banking continued
 - Aktia PB second in Finnish Prospera survey
 - Customer satisfaction at a very good level
- Integration progresses according to schedule
- Two new ESG funds pending regulatory approval
- Operational focus on sales

Assets under Management, excluding custody

EUR million



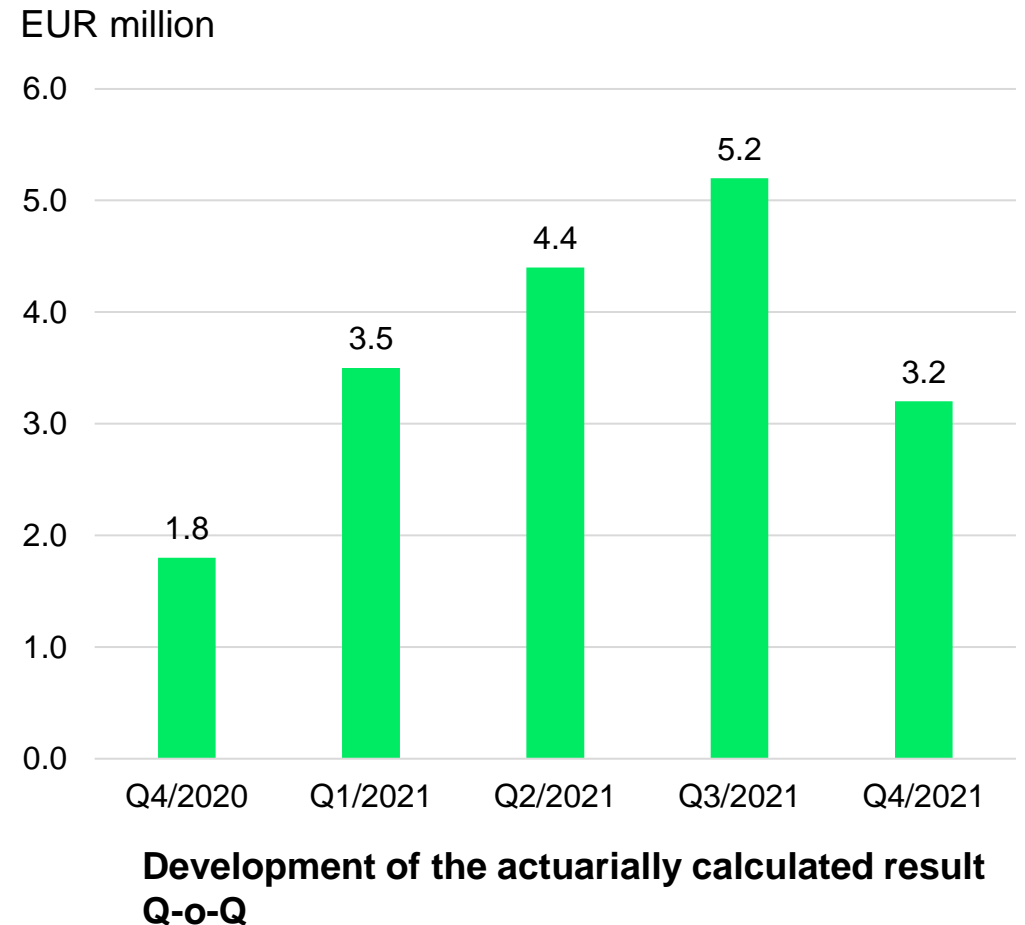
- Institutional assets, including private banking (since 30 June 2021)
- International institutional assets (UI-Aktia)
- Retail assets, excluding private banking (since 30 June 2021)

Aktia

Life Insurance business had a strong year

LIFE INSURANCE

- The actuarially calculated result for Q4 amounted to EUR 3.2 (1.8) million
- Continued growth in sales of unit-linked and personal insurances
 - Unit-linked AuM at an all-time high at year-end
- Risk insurance premiums for 2021 increased by 12%
- Approval of new policies simplified
 - Further supports sales



Our three strategic priorities

1

Win in wealth management

- A) The most preferred wealth manager among private and institutional customers
- B) Success in integrating Taaleri's wealth management operations

2

Growth among customers who are willing to increase their wealth

- C) Acquire new customers to our strategic sweet-spot
- D) Focus on cross-sales and development of our current customer base

3

Excellent customer experience

- E) Seamless collaboration and holistic service models across all business areas

OUR VISION

The leading wealth manager bank

OUR MISSION

Building wealth for our customers and society

2025

Aktia

Courageously

Skillfully

Together



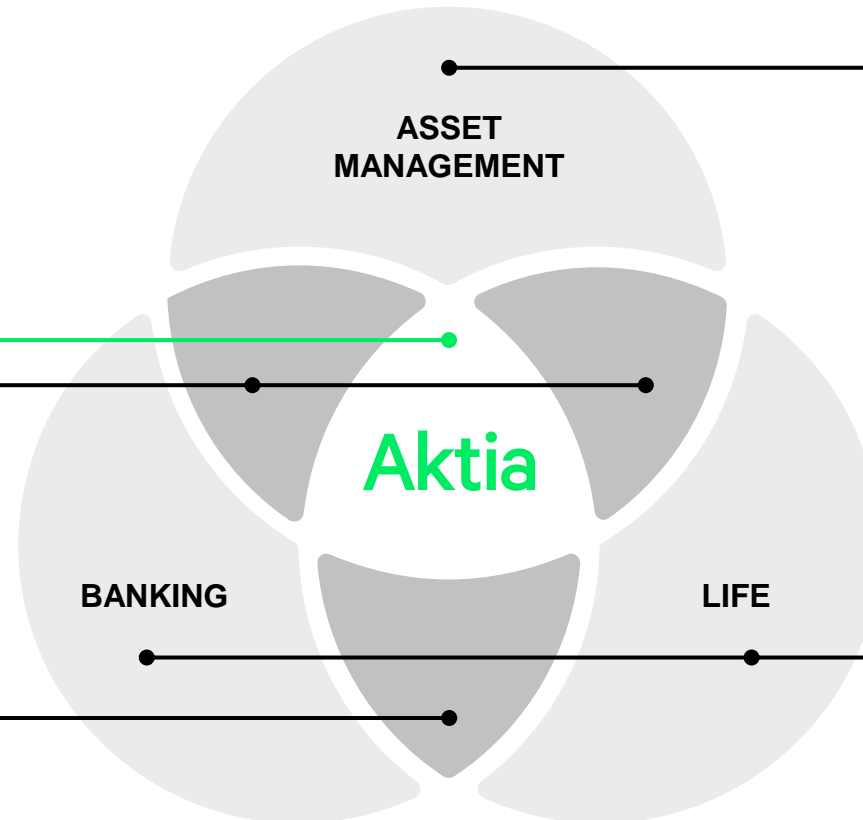
Focus on guiding customers to our focal point

Growth in our strategic sweet-spot

Offering comprehensive wealth management to our target segments, including wealth plans, financing, asset management services, personal life insurance and convenient banking services

Growth through cross-selling

Focus on cross sales and development of our current customer base



Focus on excellent customer experience and offering for single product customers

Focus on production and service cost for single product customers

The financial targets 2025

Comparable
operating profit
**above EUR 120
million**

1–12/2021;
EUR 87.4 million

Comparable
return on
Equity (ROE)
above 12%

31 December 2021;
10.3%

Comparable
cost-to-income
ratio **under 0.60**

1–12/2021;
0.65

Common Equity
Tier 1 capital ratio
(CET1) **above 1.5
percentage points
over the regulatory
requirement**

31 December 2021;
**3.5 percentage points over
the minimum capital
requirement 7.7%**

Financial overview

Outi Henriksson

CFO

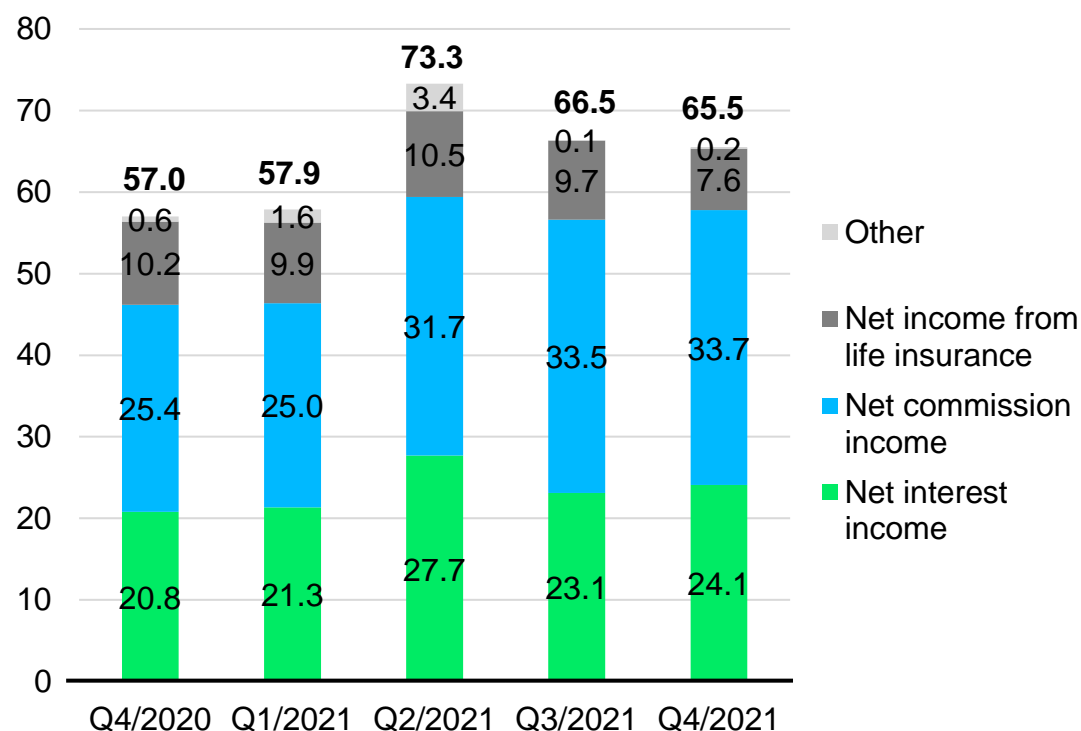
Aktia

A year of strong growth in all business areas

COMPARABLE OPERATING INCOME, Q-O-Q

Comparable operating income

EUR million



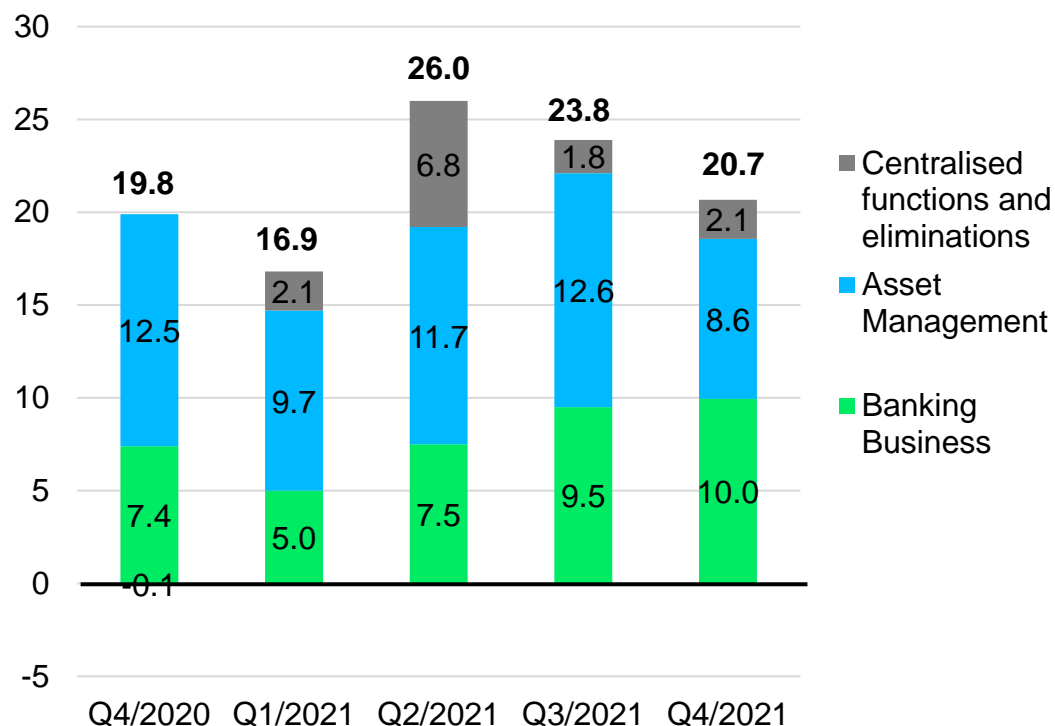
- Net interest income growth from lending continued strong, driven specifically by corporate (SME) segment. Household margin development on new loans turned positive after Q2/2021, corporate margins have improved the entire year.
- Net commission income solid and growing, credit card commission still somewhat under pre-covid levels
- Net income from life insurance below Q4/2020 due to higher value changes in the reference period as well as issue costs and interest expenses for the Tier 2 loan in Q4/2021. Very solid development in sales.

A year of strong growth in all business areas

COMPARABLE OPERATING PROFIT, Q-O-Q

Comparable operating profit

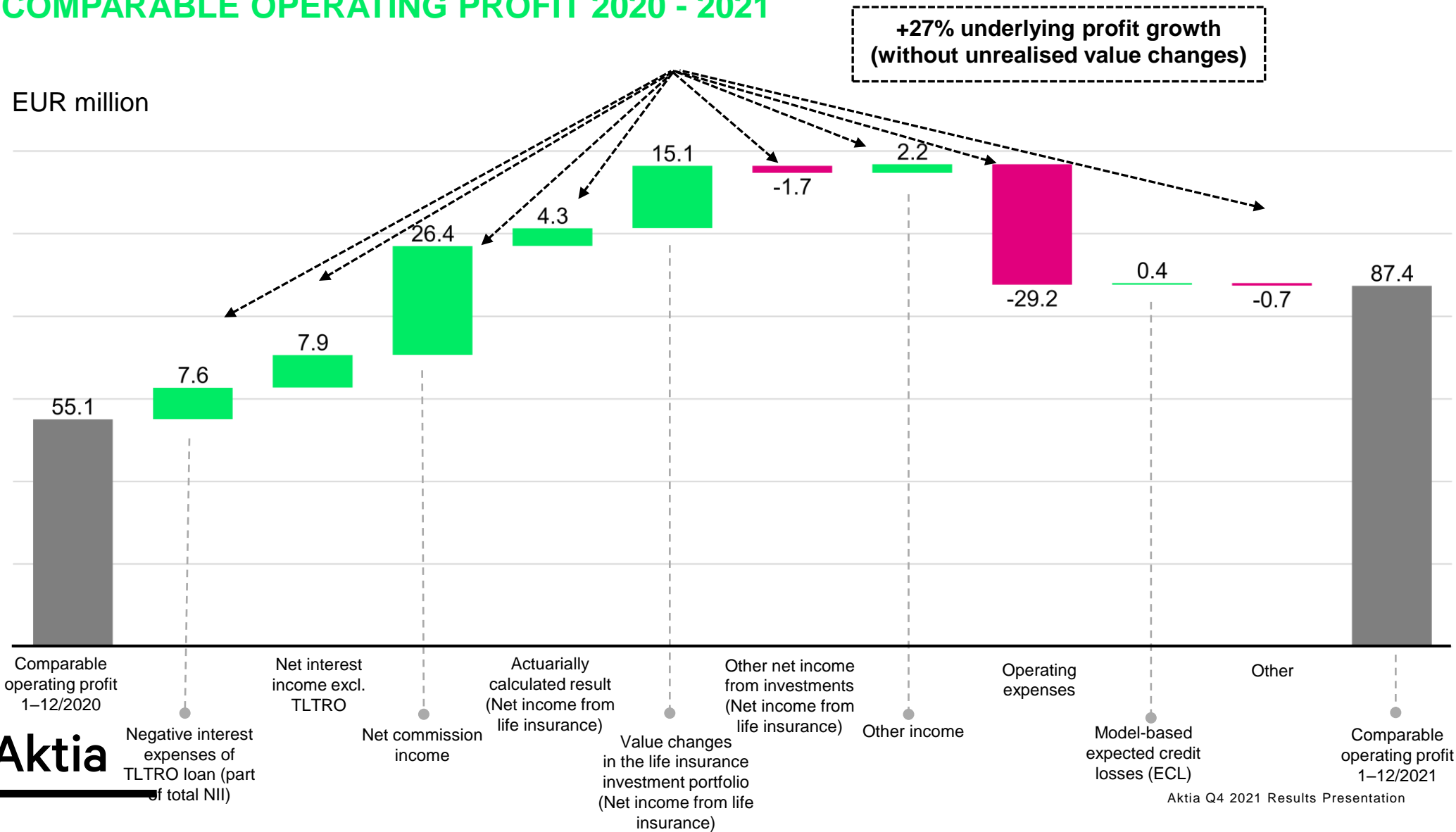
EUR million



- Banking business profitability has improved quarter on quarter, Q1 and Q2 expenses affected by stability fee (2,4M and 1,2M respectively).
- Asset management segment profitability in Q4 below the comparison period, affected by higher IT expenses of one-time nature in Asset Management business and Life Insurance (IFRS 17 project) and somewhat lower net income from life insurance business in comparison with Q4/2020.

Solid performance across operations

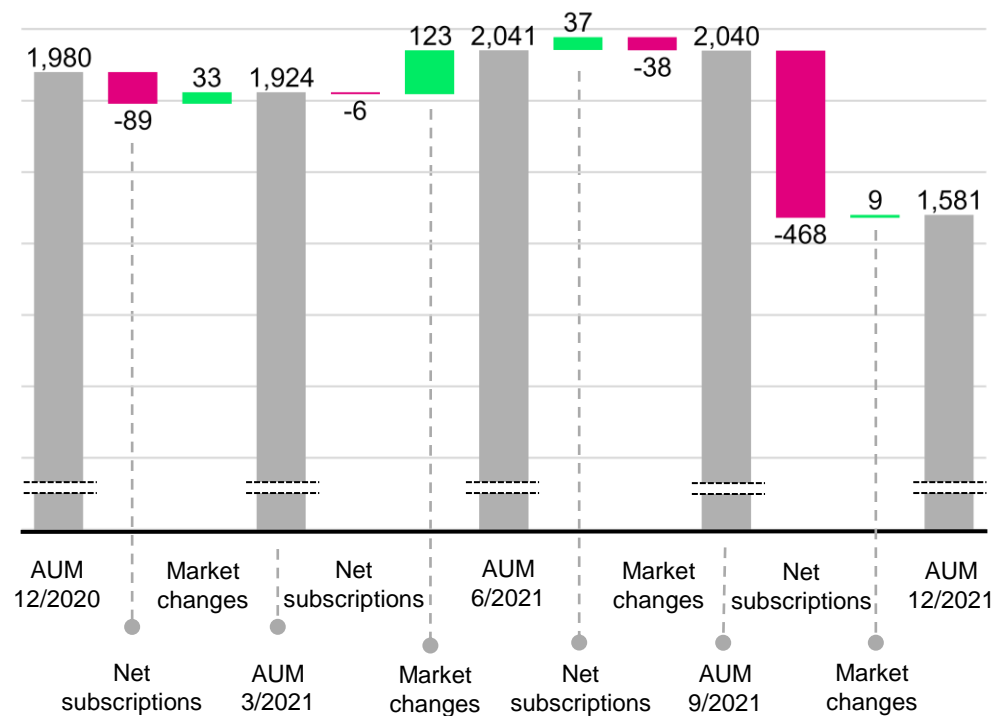
COMPARABLE OPERATING PROFIT 2020 - 2021



AuM: net subscriptions and market changes

Asset Management, Aktia UI Q-o-Q

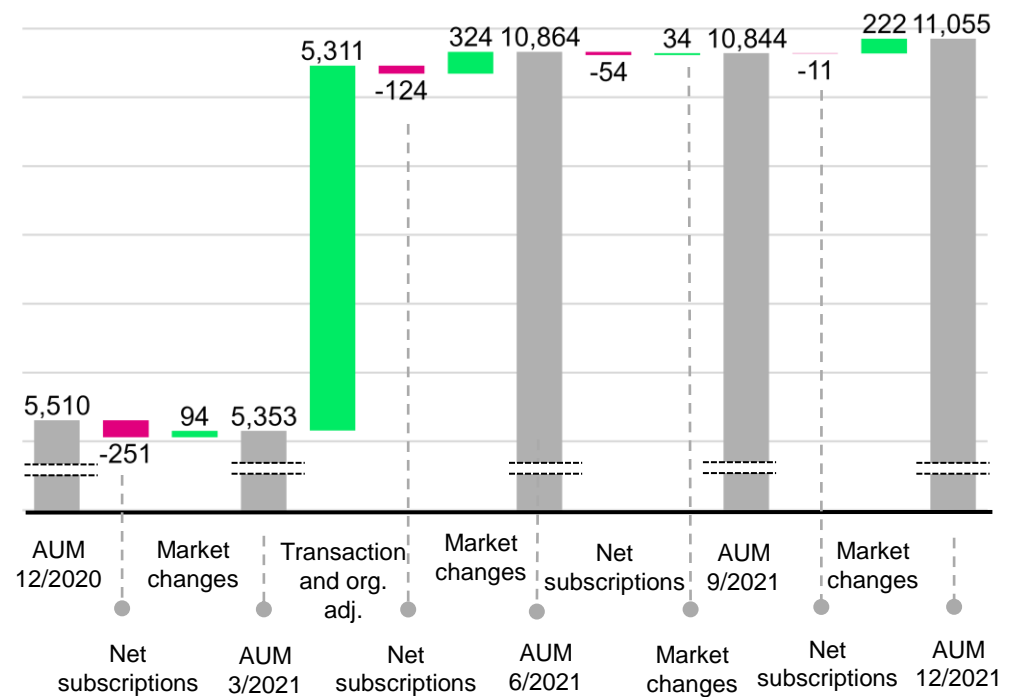
EUR million



Aktia

Asset Management, domestic institutions Q-o-Q

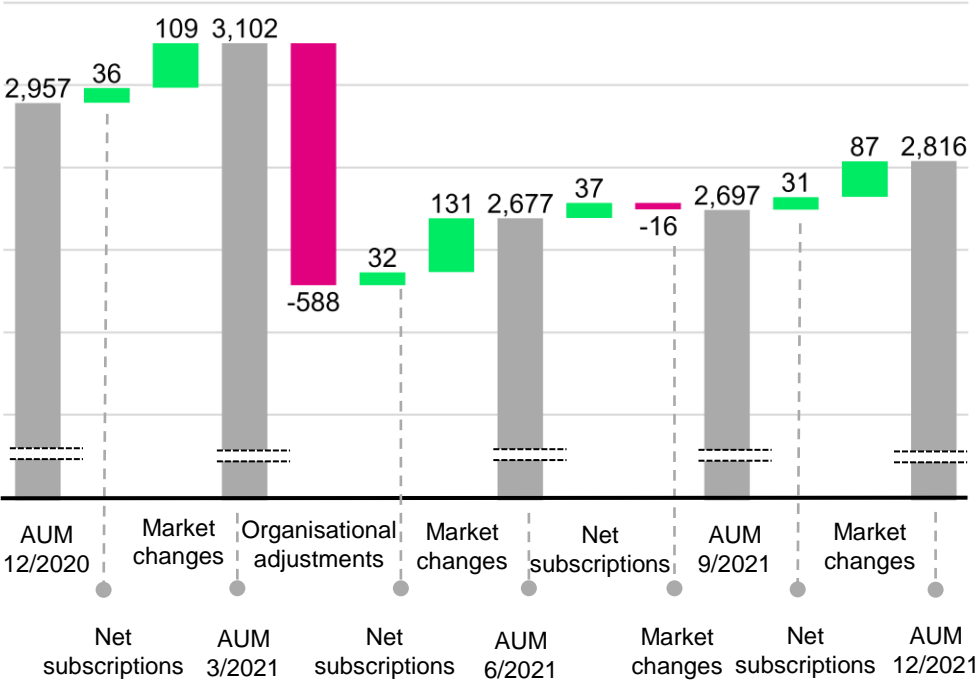
EUR million



AuM: net subscriptions and market changes

Banking Business, Retail Q-o-Q

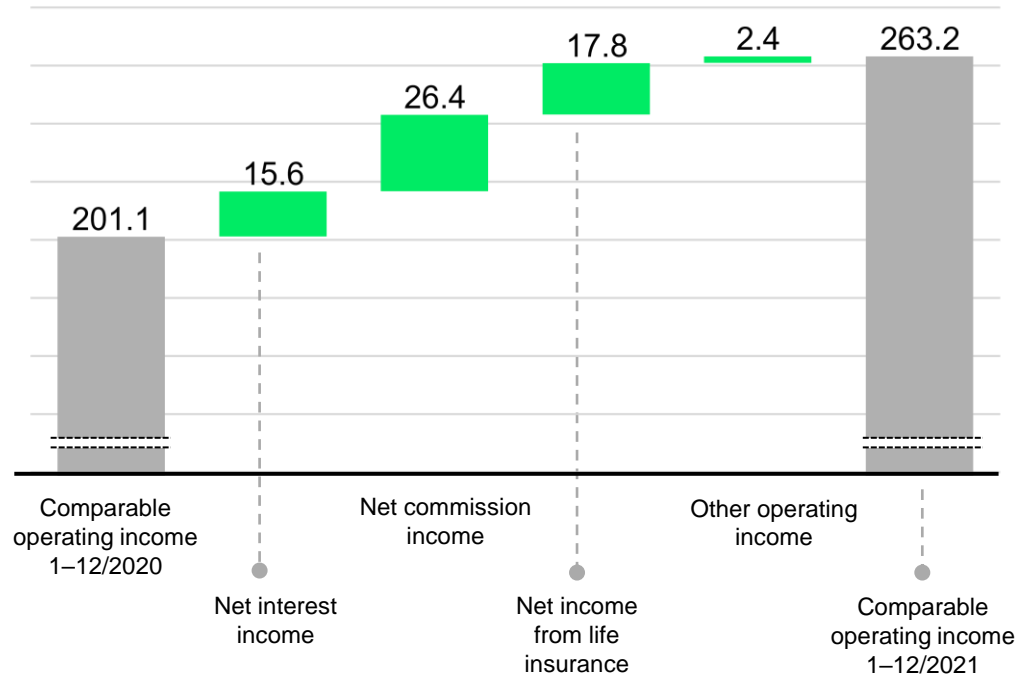
EUR million



Growth in both income and expenses after Taaleri wealth management acquisition

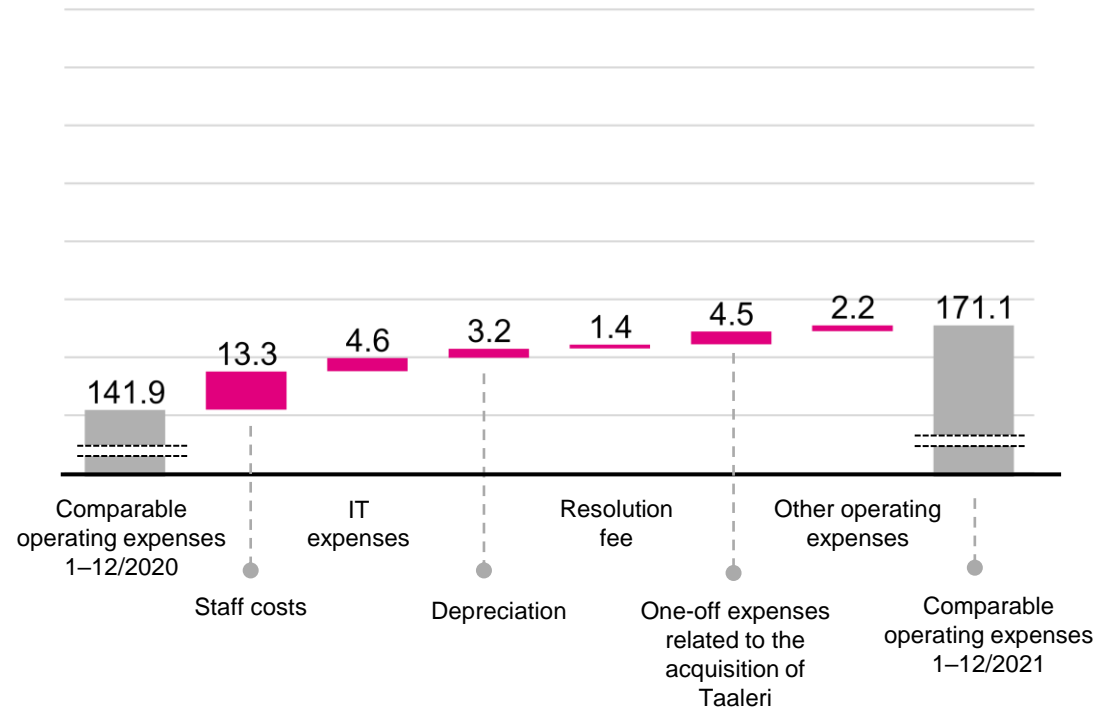
COMPARABLE INCOME 2020–2021

EUR million



COMPARABLE EXPENSES 2020–2021

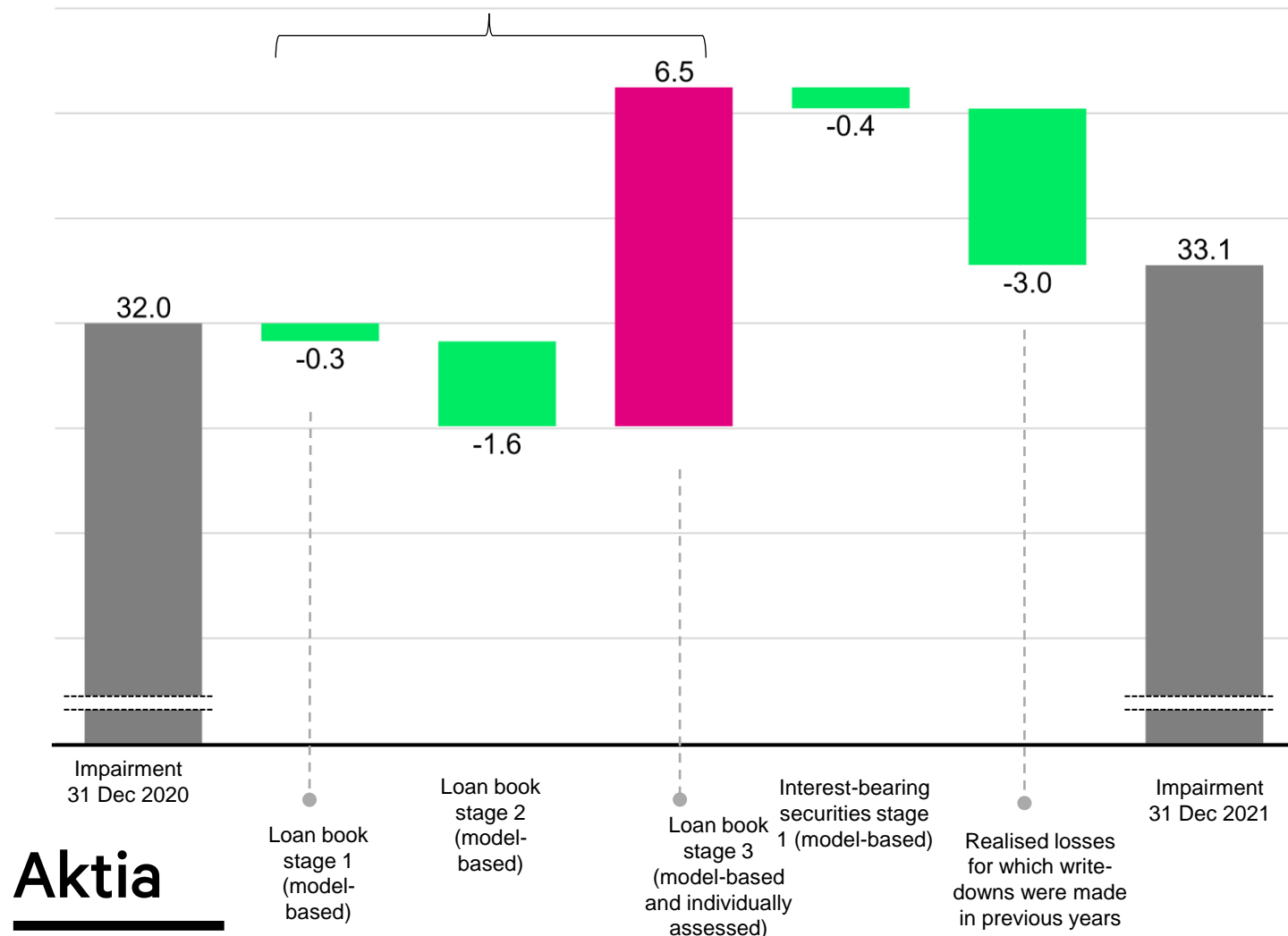
EUR million



Change in expected credit losses (ECL) 1–12/2021

EUR million

Impairment of credits and other commitments 1–12/2021 EUR -4.5 million



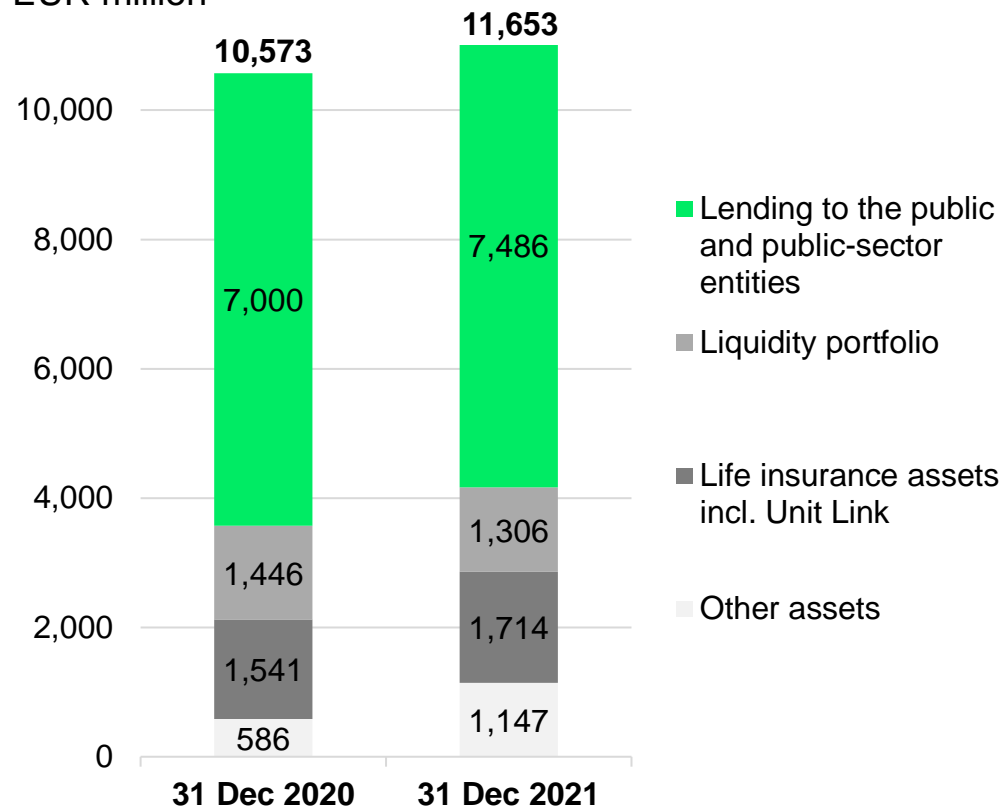
- Impairments on credits and other commitments increased to EUR -4.5 (-4.0) million, of which the change in the allowance for model-based credit losses (ECL) amounted to EUR -1.7 (-1.7) million, whereas other impairments on credits increased to EUR -2.8 (-2.3) million.
- The new definition of default that entered into force on 1 January 2021 increased the model-based impairments and has also affected the individual impairments.
- The macroeconomic assumptions were updated again in Q4, no material impact in Q4.
- We still have not observed any major covid-related new risk concentrations in our credit portfolio.

Balance sheet total increased to EUR 11,653 million

31 DECEMBER 2021

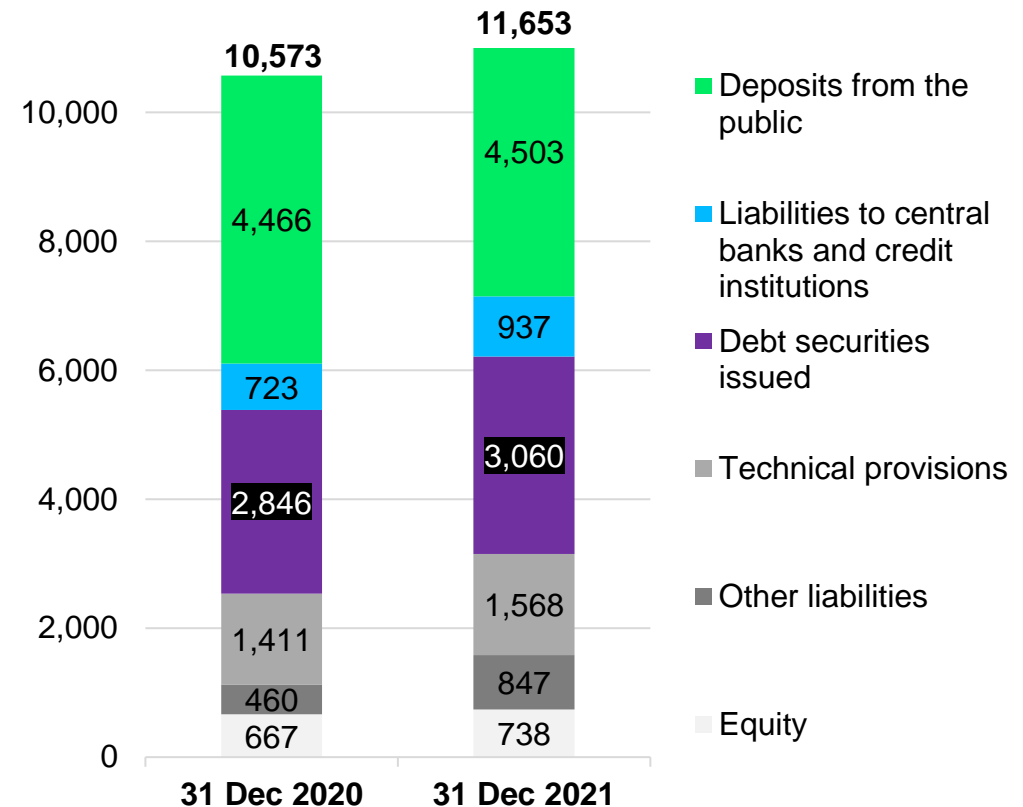
Total assets

EUR million



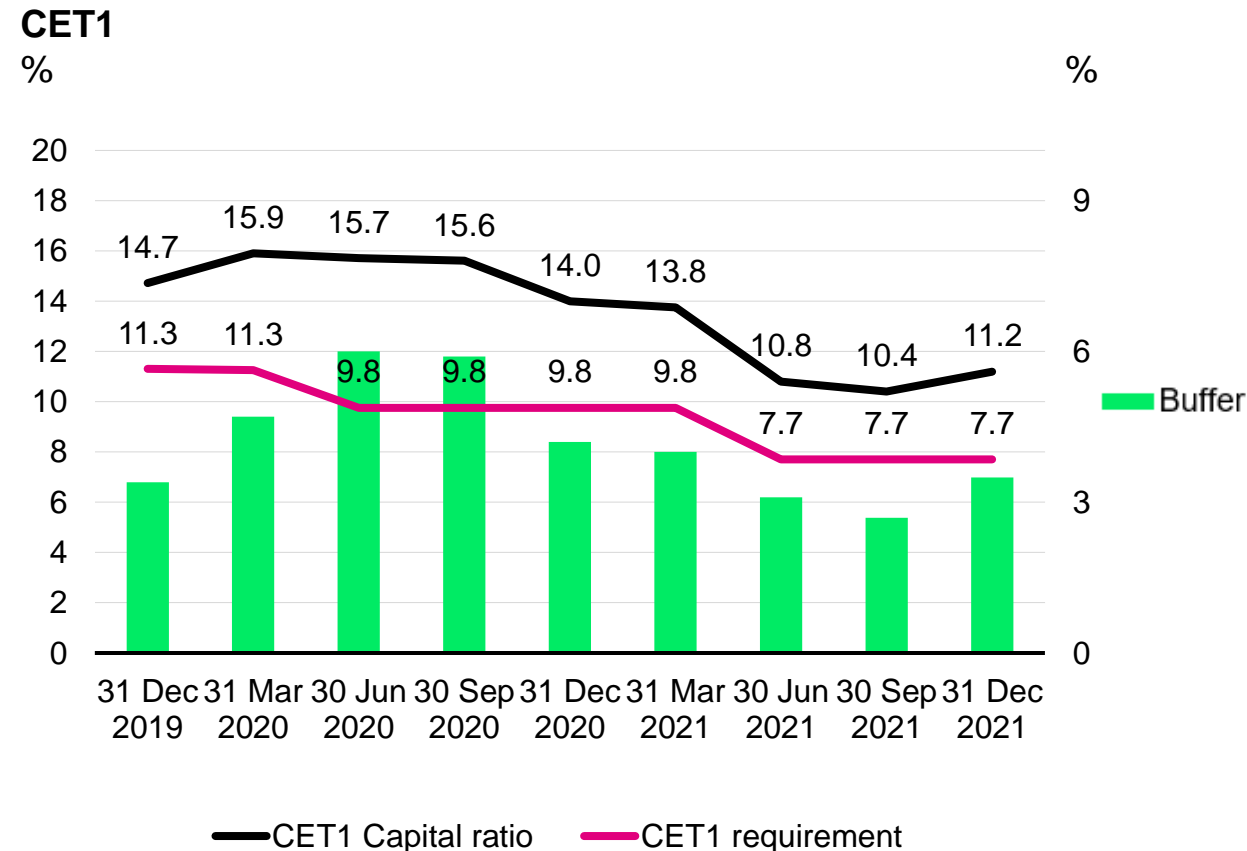
Total liabilities and equity

EUR million



CET1 ratio 3.5 percentage points above the requirement

- The CET1 ratio was 11.2% and increased during the last quarter by 0.8 percentage points.
- The 2021 dividend proposed by the Board of Directors, EUR 0.56 per share, has been deducted from the CET1 capital (1.3 percentage points).
- The CET1 capital decrease (EUR -95 million) was expected and mainly due to the increase of intangible assets and goodwill as a result of the acquisition of Taaleri's wealth management operations.
- Risk-weighted exposures decreased by EUR 89 million.



Funding activities

- During the year 2021, Aktia completed 20 senior preferred private placement transactions. The total volume has been approximately EUR 305 million with maturities in the range of 3–15 years. The bank will continue to issue senior debt during the year 2022 to refinance redeeming notes and to convert some of the short-term money market funding to longer term issuance. The bank is planning also to issue limited amount of Non-Preferred Senior notes during the first half year of 2022.
- In November Aktia Life company issued successfully EUR 56 million Solvency eligible Tier 2 further strengthening the capital structure of Aktia Life insurance. The structure of the transaction was 10nc5 (callable after 5 years by the issuer).
- Aktia's liquidity situation is very good. The LCR ratio has been comfortably over the regulative limit being 140% at the end of Q4. The cash level has been very good. The ECB tiering structure has been in full use for the whole period.
- Aktia Bank issued AT1 capital of EUR 60 million in the second quarter, and Aktia Life Insurance issued T2 capital of EUR 56 million in the fourth quarter.

Outlook 2022

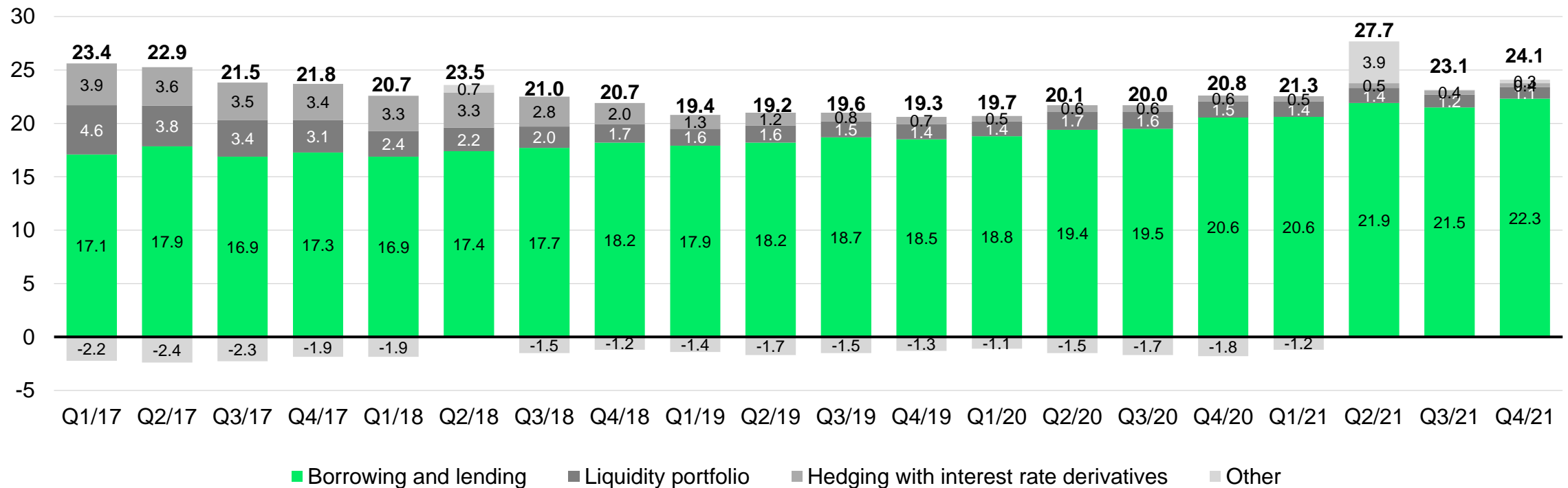
The comparable operating profit for 2022 is expected to be somewhat higher than in 2021 provided that the market development and circumstances in society remain stable.

- Net interest income growth is expected to remain strong, especially in the corporate customer segment, due to active pricing and expected volume growth. Financing expenses are expected to remain at a moderate level.
- The growth in commission income is expected to continue. Growth is supported by the completion of the integration of Taaleri's wealth management business.
- The development of net income from life insurance is dependent of changes in market values. We expect the actuarially calculated result to increase in 2022.
- The expenses are expected to be approximately at the same level as in 2021.
- Potential credit loss provisions are expected to remain at a moderate level while the liquidity and capital adequacy of Aktia remain stable.

Appendices

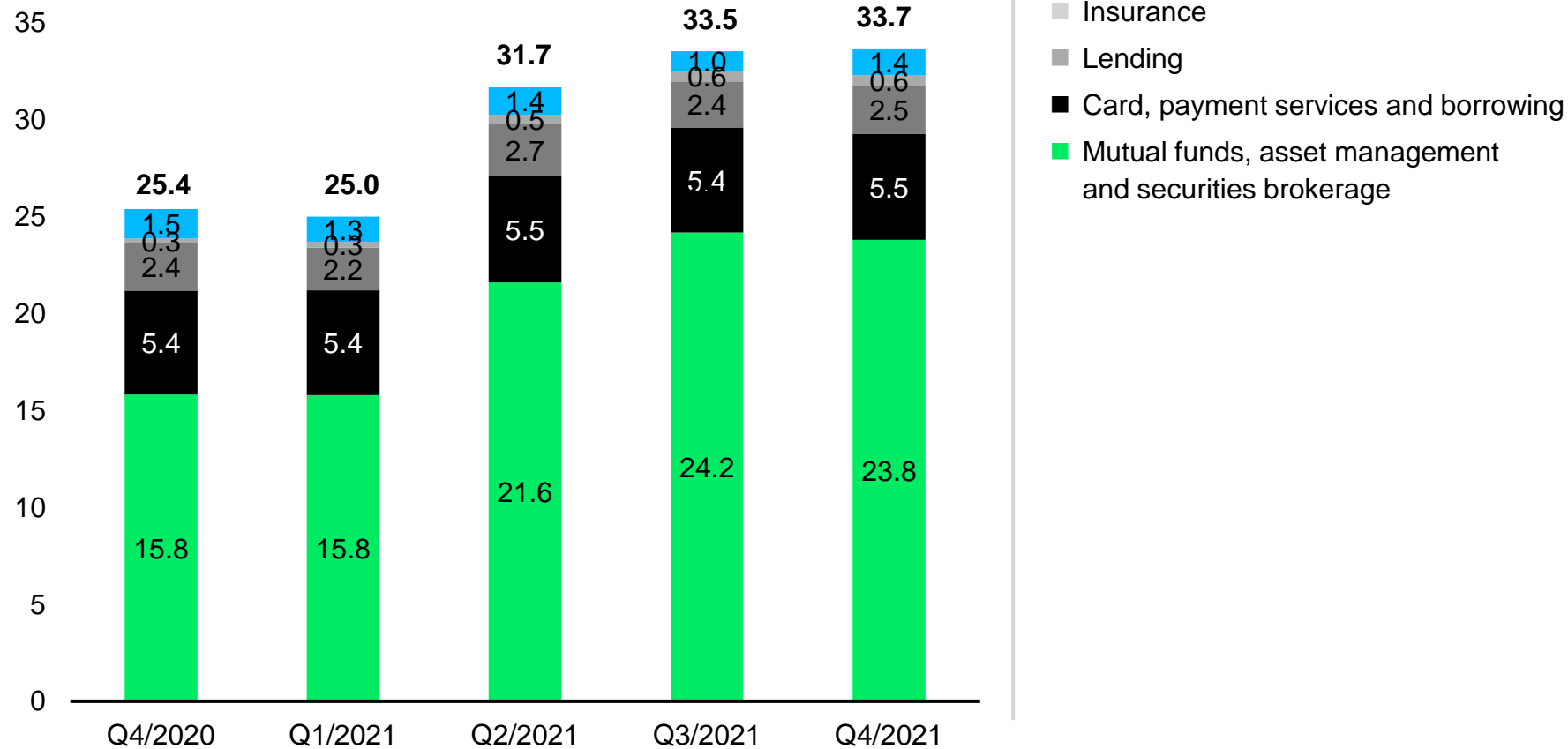
Net interest income mix

EUR million



Net commission income mix

EUR million



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Building wealth for our customers and society

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