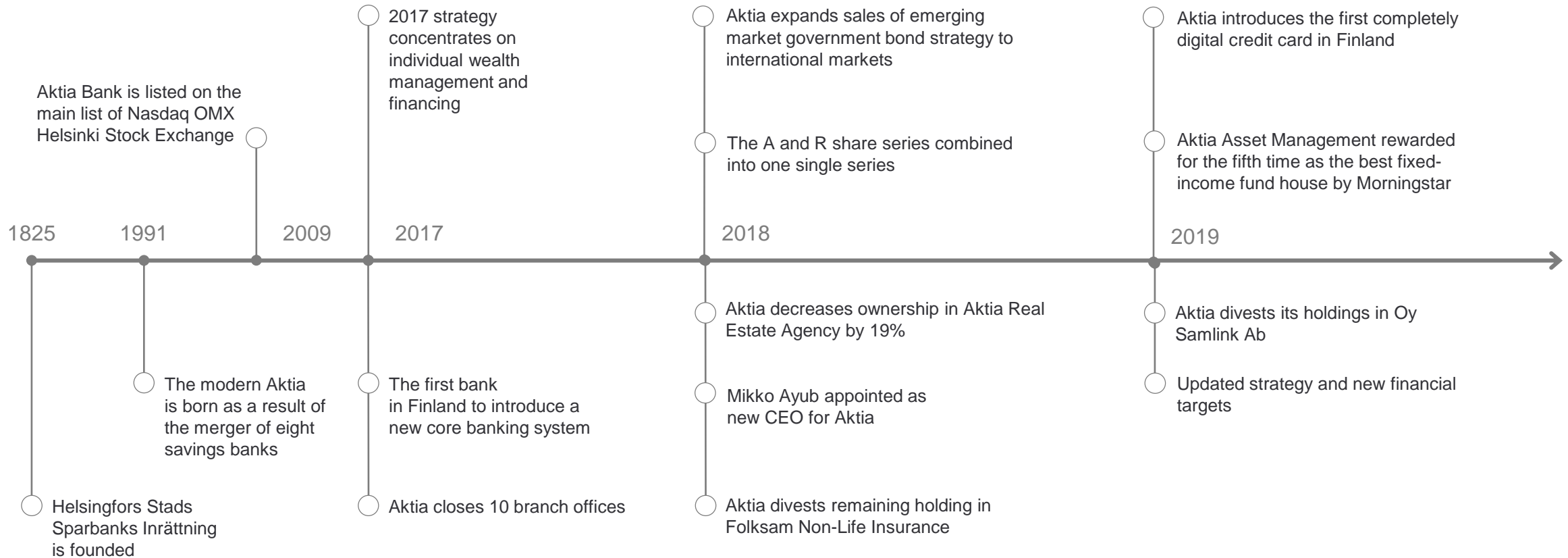


30 OCTOBER 2019

Aktia Q3 2019 Investor presentation

Aktia

200 years of banking



Aktia

3 business areas organised into 2+1 reporting segments

Business areas



Retail Banking in banking operations



Personal Banking
Premium Banking
Private Banking



Corporate Banking in banking operations



Corporate Banking



Asset Management



Asset Management
Life Insurance

Reporting segments

Banking Business

Private, corporate and institutional
customers of the banking business

Asset Management

Asset management and
life insurance business

Group Functions

Group's support functions
incl. financing and liquidity
management and HR

Aktia

Aktia in brief

2019

280,000

Private customers

151,756

Aktia Wallet
application downloads

37,000

Shareholders

Appr.
EUR **600** million
Market cap

30,000

Corporate and institutional
customers

10.2 M

Online banking logins

 **45%**  **55%**

Senior management gender distribution

103,000

Insurance policies

790 

Personnel

Rating

	Long-term borrowing	Short-term borrowing	Outlook	Covered Bonds
Moody's Investors Service	A1	P-1	Stable	Aaa
Standard & Poor's	A-	A-2	Stable	-

Aktia

Key figures

2018

210.1

Total operating income,
EUR million

+0% (210.3)

143.0

Operating Expenses,
EUR million

-11% (160.7)

0.69

Comparable
cost-to-income ratio

+3% (0.71)

Outlook:

Despite the uncertainty of the economic development, the comparable operating profit 2019 is expected to be approximately on the same level as for 2018.

65.4

Comparable operating profit,
EUR million

+9% (59.9)

9.4

Return on equity (ROE),
%

+45% (6.5)

17.5

Common Equity Tier 1 capital
ratio (CET1), %

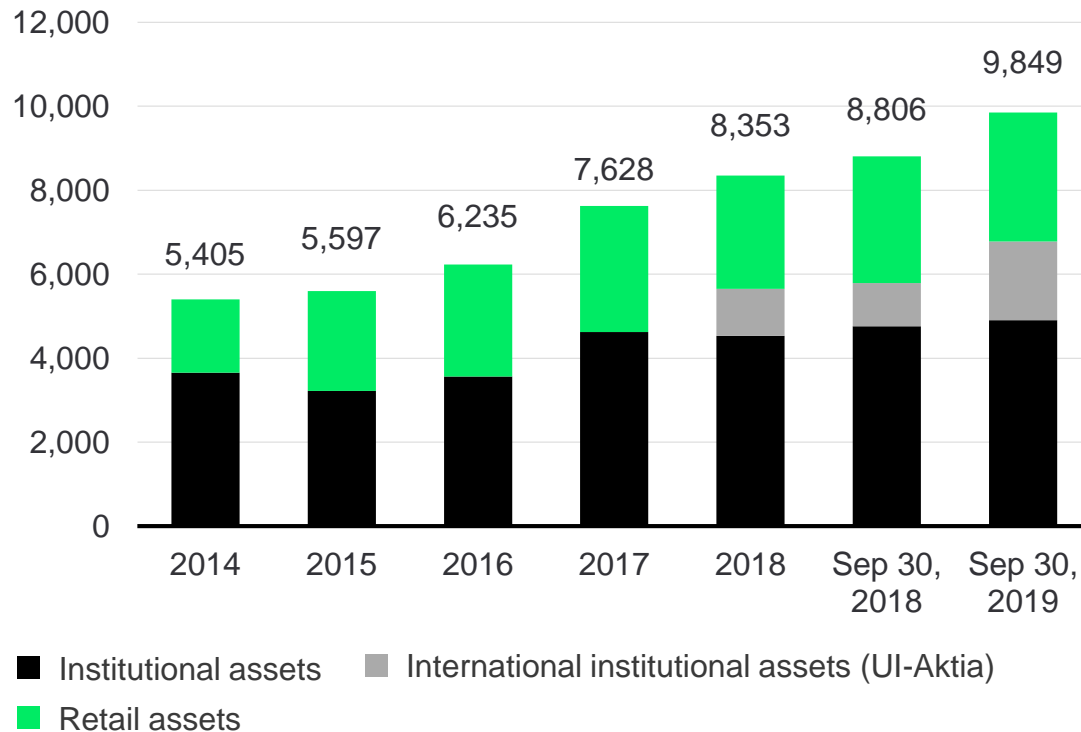
-3% (18.0)

Aktia

Assets under management on highest level ever

Asset Management

Assets under management excluding custody (AuM)
EUR million



- Assets under management (AuM) reached its highest level ever and amounted to EUR 9,849 (8,353) million.
- The increase is related to both strong sales and favourable market development.
- The UI-Aktia fund capital has increased by 67% during the year and amounted at the end of September to EUR 1,873 (1,121) million.
- Aktia Emerging Market Local Currency Frontier Bond+ was the first of Aktia's own funds to exceed one billion euro.
- Morningstar rates 85% of Aktia's all funds as 4 or 5 star funds.

Strong lending and high customer activity

Banking Business

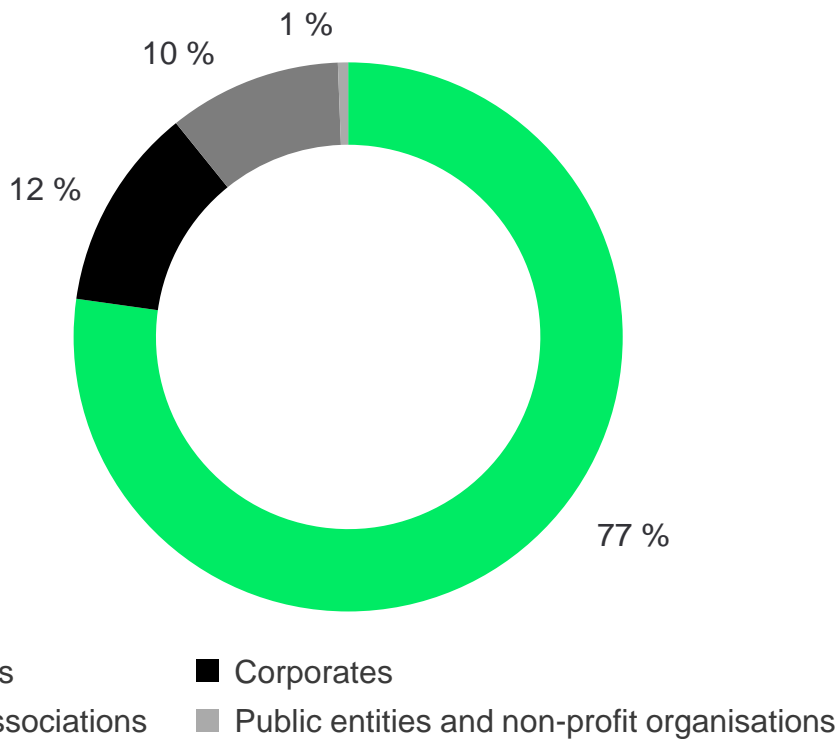
- The growth in lending was still stable and acquisition of new customers was strong.
- The demand on housing loans is still increasing but it seems to be stabilising slowly.
- The intensive price competition in housing loans continued, especially in the Helsinki region, i.e. the pressure on margins continues.
- Aktia improved its private customer satisfaction the most in the September EPSI rating that measures banking customers' satisfaction.
- The use of online and mobile bank among private customers increased by 19% compared to the year before.



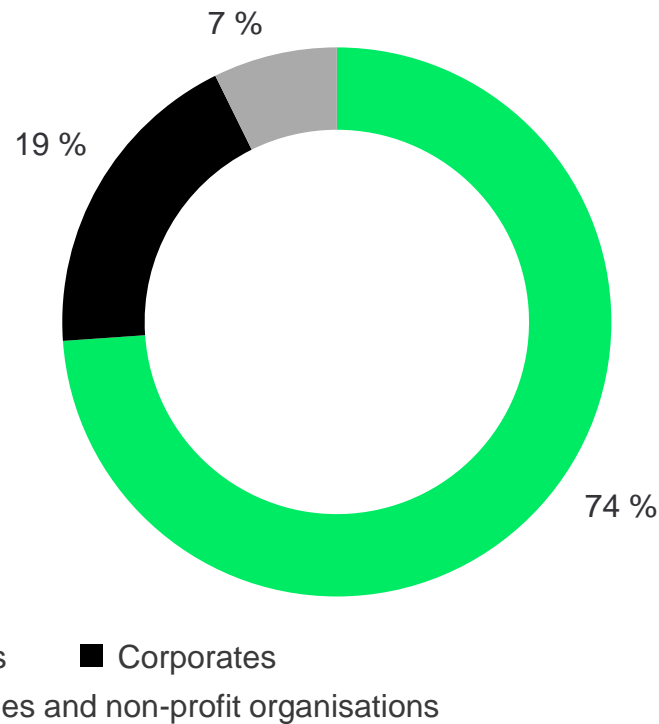
Structure of lending and deposits

September 30, 2019

Lending
Total EUR 6,273 million



Deposits
Total EUR 4,116 million



Responsibility in Aktia

New responsibility programme

In 2018 Aktia launched a new corporate responsibility programme together with stakeholders. As a part of the programme we created an action plan for the responsibility programme for the coming 5-year period.

Aktia reports every six months on the most important indicators of our corporate responsibility programme (carbon footprint of our funds and customer satisfaction (NPS); to be complemented).

Initiatives in 2019:

- A regular integration of responsibility to the Executive Committee's and the Board's agenda
- Implementing WWF's Green Office system at the main office
- Choosing UN sustainable development themes and goals
- Drawing up a climate change policy, evaluating climate change risks and opportunities
- Clarifying the policy for sponsoring and charity

Aktia

Aktia's corporate responsibility programme



Responsible investments in Aktia

Cornerstones in our business



Our view

Only by considering all material aspects regarding the **environment, society and governance** can we make better investment decisions and avoid risks that are hard to assess and control



Our methods

- Exclusion
- Norm-based screening
- ESG integration
- Engagement
- Voting
- Investor initiatives



GHG emissions

We calculate and report the carbon footprint of our equity and credit funds semi-annually.

Our funds have on average **49% lower carbon footprint** than the respective market.



Initiatives and memberships

Signatory of:



ESG-considerations are integrated into a natural part of the investment process.

Aktia Q3 2019

Financial summary Q3 and YTD

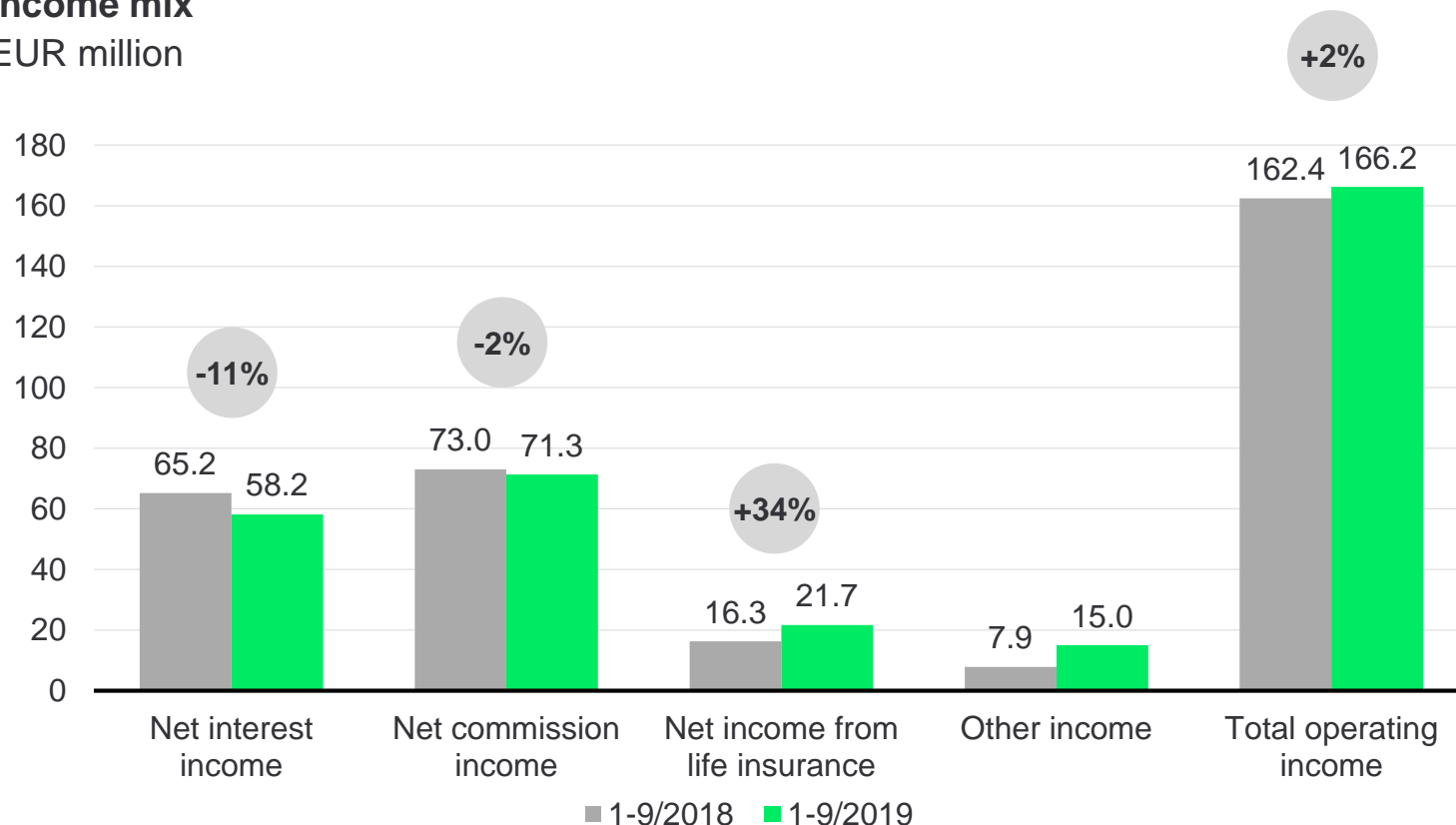
EUR million	3Q2019	3Q2018	Δ, %	1-9/2019	1-9/2018	Δ, %
Total operating income	52.9	55.4	-4%	166.2	162.4	2%
Net interest income	19.6	21.0	-7%	58.2	65.2	-11%
Net commission income	24.6	22.9	7%	71.3	73.0	-2%
Net income from life insurance	6.8	5.5	25%	21.7	16.3	34%
Other income	1.9	6.0	-68%	15.0	7.9	89%
Total operating expenses	-37.5	-31.8	18%	-108.6	-103.6	5%
Impairments of credits and other commitments	-1.2	-0.8	52%	-3.7	-0.7	424%
Operating profit	14.3	23.7	-40%	55.6	59.5	-7%
Comparable operating profit*	17.6	18.6	-6%	49.0	55.2	-11%
Earnings Per Share (EPS), EUR	0.16	0.29	-44%	0.67	0.72	-8%
Return on Equity (ROE), %	7.4	13.7	-46%	10.2	11.2	-8%
Cost-to-income ratio (comparable)	0.65	0.63	2%	0.67	0.65	3%
Common Equity Tier 1 capital ratio, %	15.6%	16.6%	-6%	15.6	16.6	-6%

*) Excl. items affecting comparability

The good underlying development of Aktia's business operations continued

Income mix

EUR million



Net interest income:

Net interest income decreased by 11% to EUR 58.2 million. Net interest income from borrowing and lending increased by 5% to EUR 54.8 million.

Net commission income:

Net commission income decreased by 2% to EUR 71.3 million. Taking into account the reference period's income from the divested real estate agency, the terminated co-operation with Folksam and the changes in accounting principles for recognition of insurance brokerage commissions, net commission income increased by 5%.

Net income from life insurance:

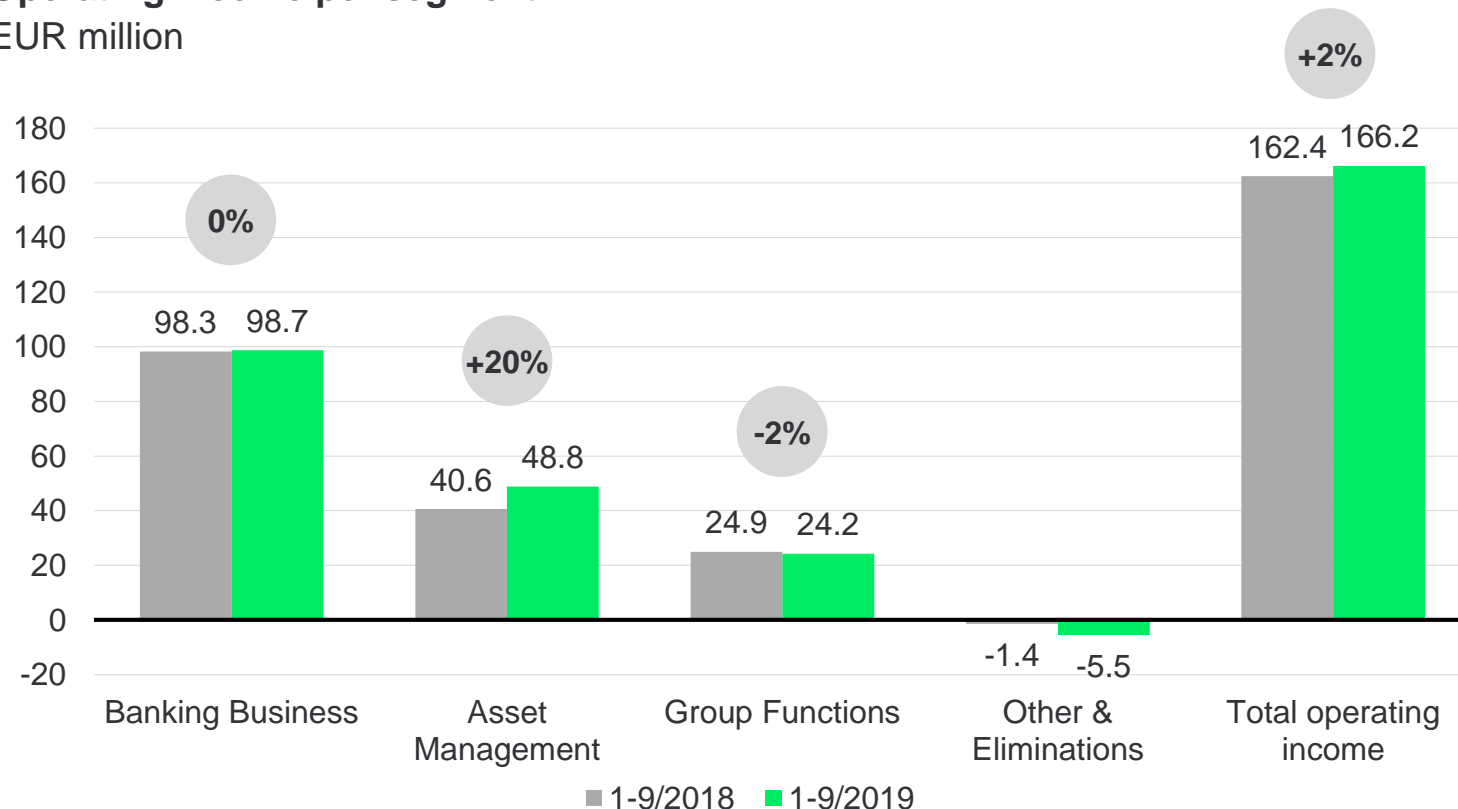
Net income from life insurance increased by 34% to EUR 21.7 million, which is mainly related to unrealised value changes in the investment portfolio of EUR 3.5 million.

Aktia

Operating income for Asset Management increased by 20%

Operating income per segment

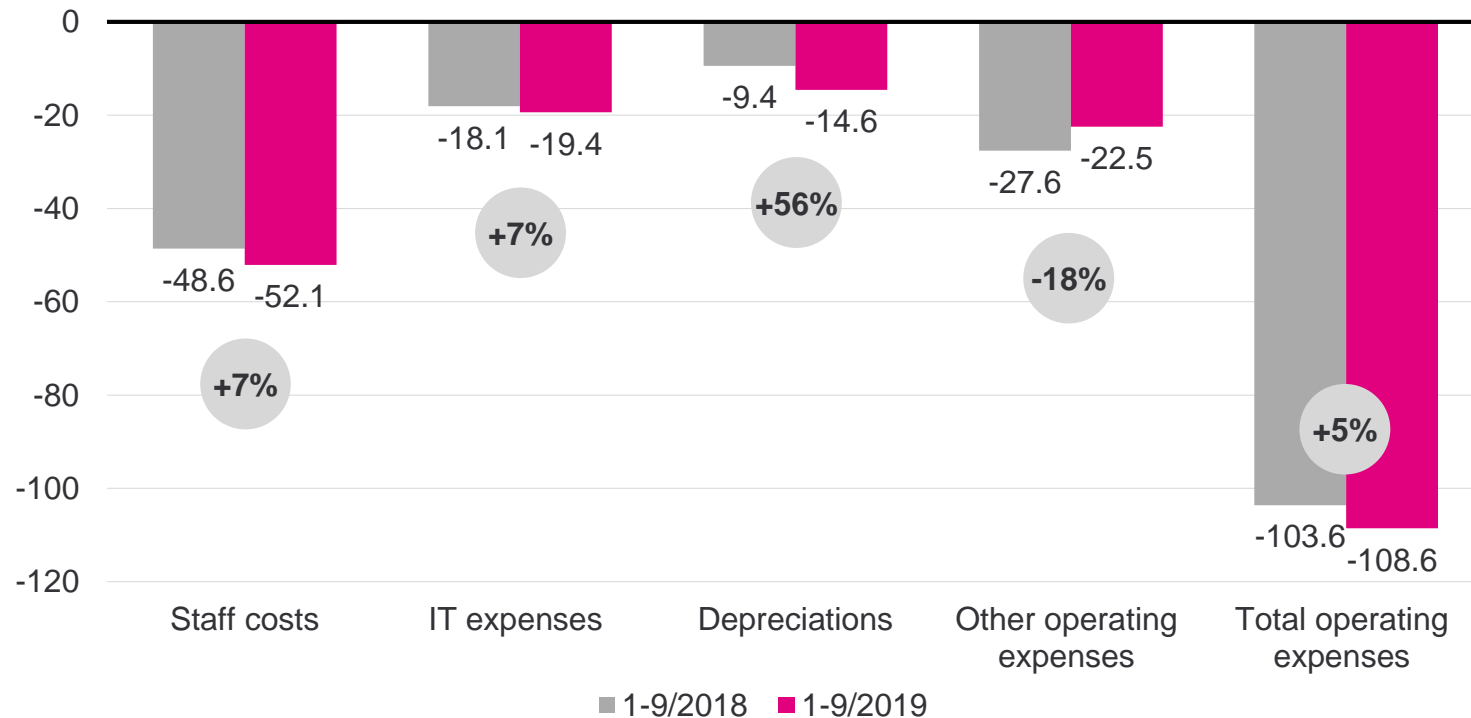
EUR million



Total cost level is unchanged

Operating expenses

EUR million



Staff costs:

The increase in staff costs was mainly related to somewhat higher costs for the AktiaUna programme and phasing of holiday pay reserve. The ongoing staff costs were approximately on the same level as last year.

IT expenses:

The increase in IT expenses was mainly related to higher IT investments in the beginning of 2019 compared to 2018.

Depreciations:

Office and other lease expenses are reported from 1 January 2019 according to IFRS 16, which means including them in the depreciations (EUR 5.1 million) and interest expenses (EUR 0.8 million) instead of other operating expenses.

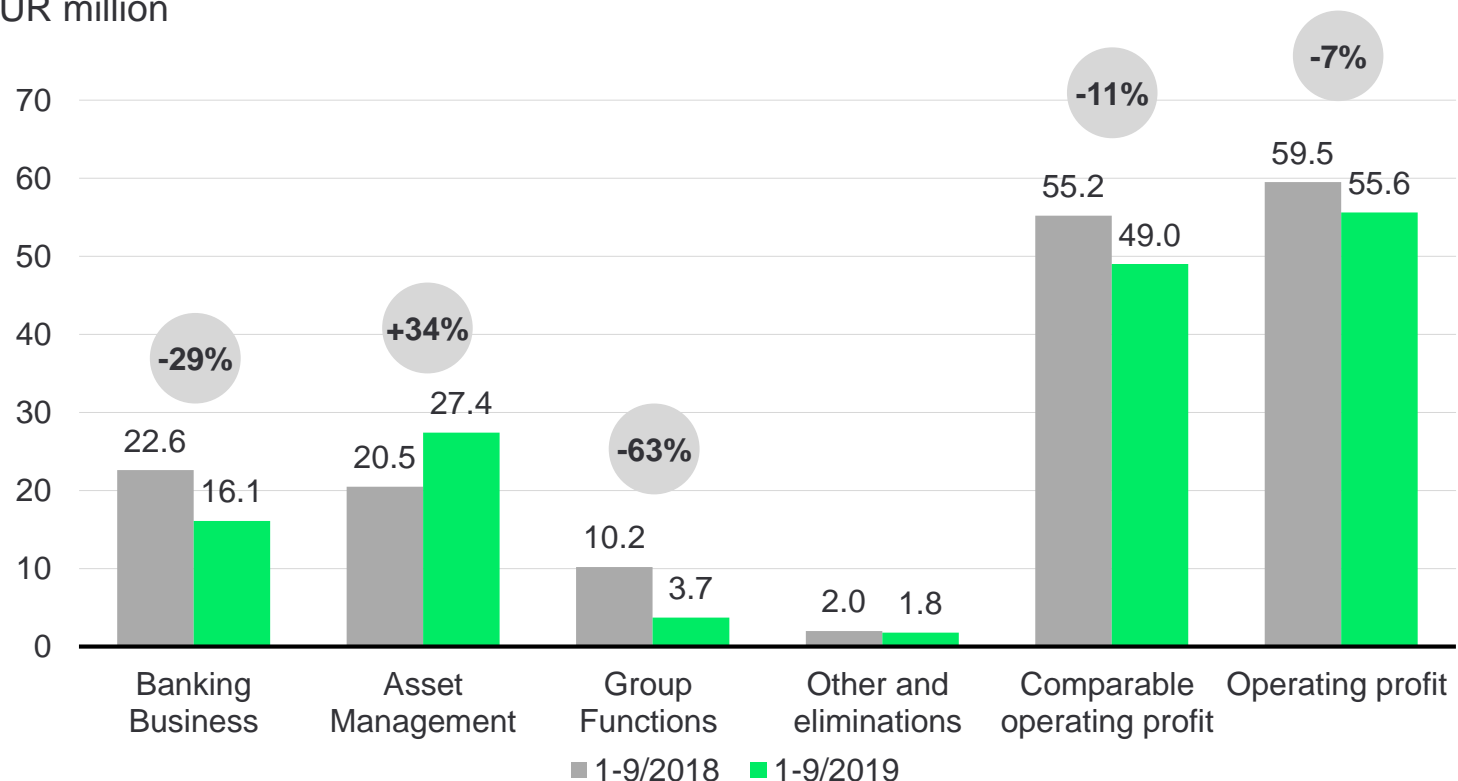
Other operating expenses:

IFRS 16: see depreciations.

Comparable operating profit decreased by 11%

Comparable operating profit per segment

EUR million



Banking Business:

Solid development in lending. The interest income from Aktia's TLTRO financing programme amounted to EUR 1.2 (3.1) million.

Impairments on credits and other commitments remained low. The change in the allowance for model-based credit losses (ECL) increased by EUR 2.1 million from the corresponding period last year, which affected the increase of total impairments to EUR -3.7 (-0.7) million.

Asset Management:

The comparable operating profit for the period increased by 34%, which is explained by strong sales, a good market development and positive value changes in the investment portfolio of Aktia Life Insurance of EUR 3.5 (-3.3) million.

The debt investment case

CET1 on a solid level

Capital adequacy and capital requirement

- Aktia's Common Equity Tier 1 (CET1) Capital is at a good level at 15.6% (2Q19 16.4%).
- Total Capital Ratio after successful Tier 2 issue is 20.0% (2Q19 18.6%)
- Target for CET 1 over time is to exceed the regulative requirement with 150–300 basis points.
- Aktia Bank Group's leverage ratio was 4.7% (2Q19 4.7%).
 - Tier 1 capital** **EUR 393 million**
 - Total exposures** **EUR 8,302 million**
- The Finnish Financial Stability Authority has set the MREL requirement for Aktia Bank at twice the minimum capital requirement, at least 8% of the balance sheet total.
 - MREL requirement** **EUR 665.4 million**
 - Own funds and eligible liabilities** **EUR 1,272.8 million**

Capital requirement	%
CET1 %	8.0%
Pillar 1 min req	4.5%
Pillar 2 req	1.75%
Capital Conservation buffer	2.5%
Counter Cyclical buffer	0.04%
Systemic Risk buffer	1.00%
Total CET1 % req	9.79%
AT1 Capital	1.5%
Tier 2 Capital	2.0%
Total Capital Requirement	13.29%

Prudent and low-risk lending policy

Low long-term trend in non-performing loans

Aktia Bank operates under strict origination criteria:

- Identification of the customer mandatory (KYC).
- 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.

ECL (IFRS 9)

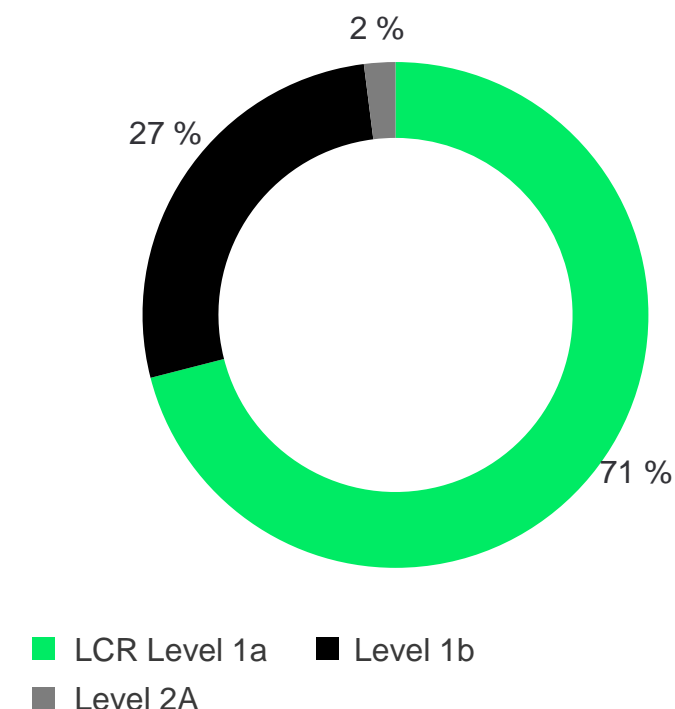
(EUR million)	Stage 1	Stage 2	Stage 3
≤ 30 days	45.6	32.0	0.3
Households	28.7	30.2	0.2
> 30 ≤ 90 days	0.0	23.8	0.9
Households	0.0	21.4	0.5
> 90 days	0.0	0.0	44.1
Households	0.0	0.0	36.9
Total	45.6	55.8	45.3
Households	(28.7)	(51.6)	(37.6)
% of portfolio	0.73	0.89	0.72

High-quality liquidity portfolio

The liquidity portfolio consists of high-quality assets that can be used to meet liquidity requirements in stressed situations. The unencumbered assets in the liquidity portfolio, which can be used as a liquidity reserve, including cash and balances with central banks, had a market value of EUR 1,155 (965) million on 30 September 2019.

The Liquidity Coverage ratio (LCR) was 133%.

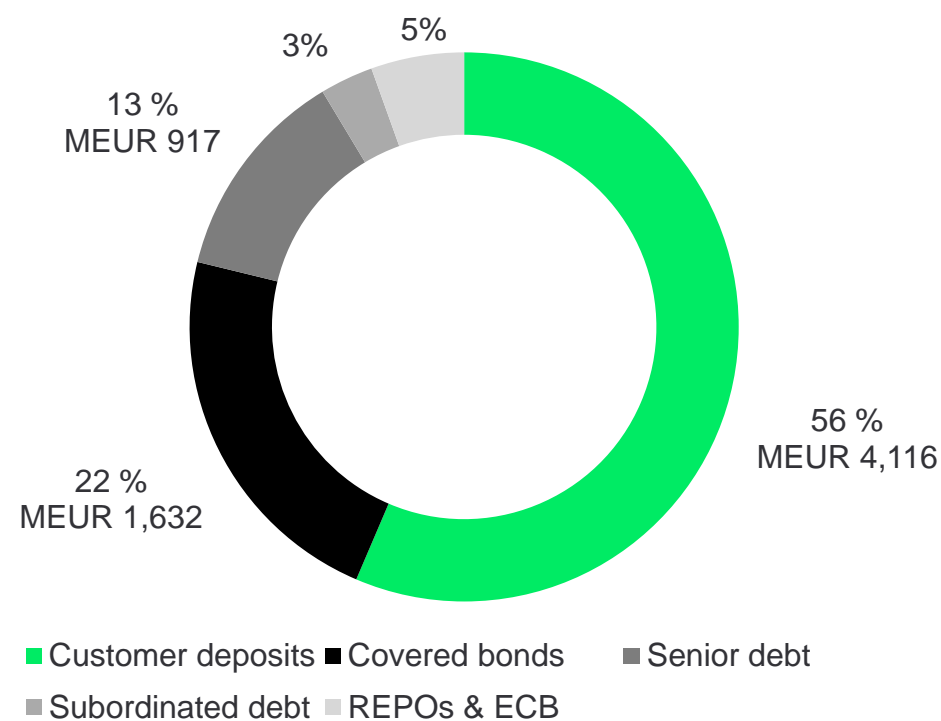
Total Liquidity portfolio	Sept 30, 2019	June 30, 2019
EUR million	1,410	1,478
AAA	52.4%	49.7%
Aa1–Aa3	19.2%	18.5%
A1–A3	2.7%	2.6%
Baa1–Baa3	5.9%	5.6%
Ba1–Ba3	1.3%	2.7%
Finnish municip. (no rating)	17.8%	15.5%
No rating	0.7%	5.4%
Total	100.0%	100.0%



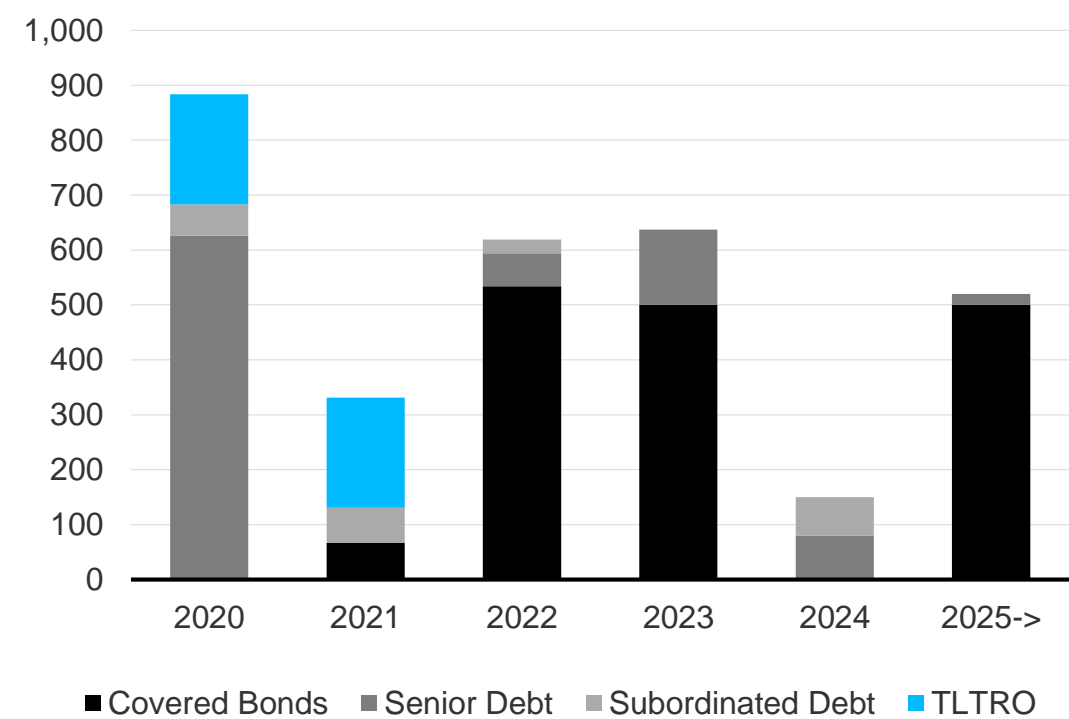
Sound funding profile

Customers deposits and covered bonds dominate but year ahead will bring in substantial senior refinancing interest.

Total 7,294 EUR million



Redemptions
Millions



Aktia Bank as covered bond issuer

Aktia Bank operates under the legislation as mortgage bank (Act on Mortgage Credit Bank Operations, MCBA 688/2010) and issues the covered bonds directly from the bank's balance sheet.

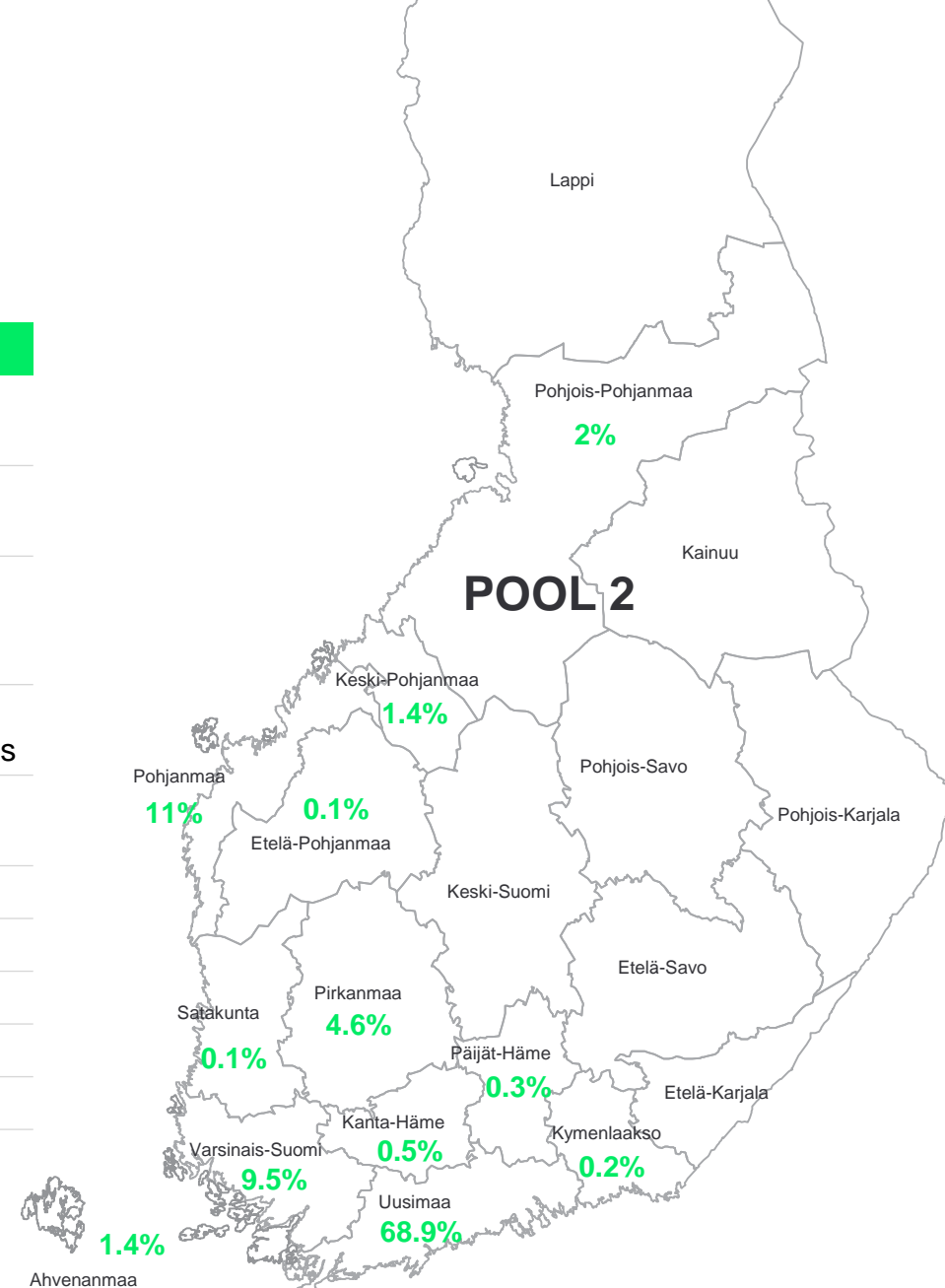
- The Aktia Bank mortgage loan portfolio is of very high quality:
 - Only prime residential mortgage loans
 - Collateral located in Finland
 - Low average LTV
- Aktia Bank covered bonds are CRR & UCITS, ECB repo and CBPP eligible.
- Bank aims to comply with the ECBC covered bond label transparency initiative.
- Stable access to the covered bond market is in high priority.
- Aktia Bank will focus on EUR 500m public benchmark Covered Bond issues with selective private placement offerings.

Cover pools

3Q 2019

	COVER POOL 2	COVER POOL 1
Total asset pool (No substitute assets)	EUR 2,136 million	EUR 172 million
No of loans / average loan balance	35,448 / EUR 60,256	2,374 / EUR 72,482
Types of loans	First ranking residential mortgages and pledges of shares in housing companies	First ranking residential mortgages and pledges of shares in housing companies
Geography	Finland, well diversified with concentration on growth areas	Finland, well diversified with concentration on growth areas
Non-performing loans > 90 days in arrears	0.0	0.0
WA indexed LTV	47.08%	37.03%
Maximum LTV	LTV limit: 70%	LTV limit: 70%
Interest base	floating 97%, fixed 3%	floating 98%, fixed 2%
WA seasoning	62.1 months	83 months
Overcollateralisation (%)	38.7% (committed 10%)	300.2% (committed 12%)
Moody's Collateral Score	5.00 %	5.00 %

Aktia



Finland – growing but very export driven economy

The Finnish Economy

Key facts about Finland

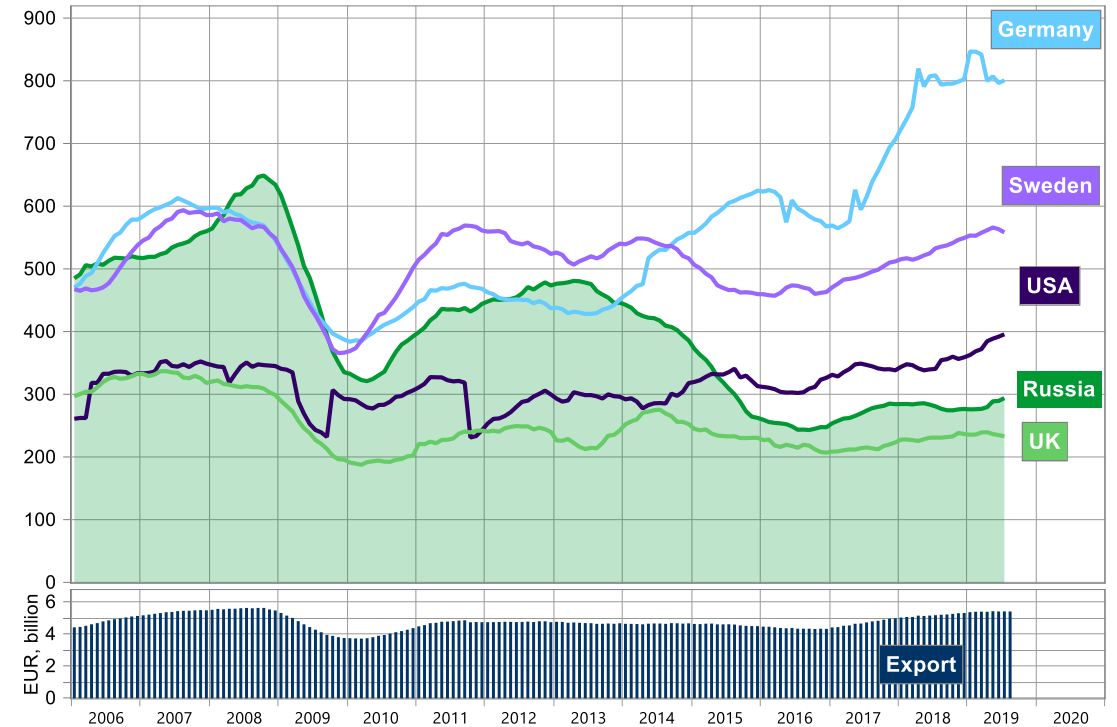
- Member of EU and Euro area
- Population: 5.5 million
- Area: 338,430 sq. Km
- GDP per capita EUR 42,502 (2018)

Credit ratings:

- Aa1 (stable) / AA+ (stable) / AA+ (stable)

Aktia

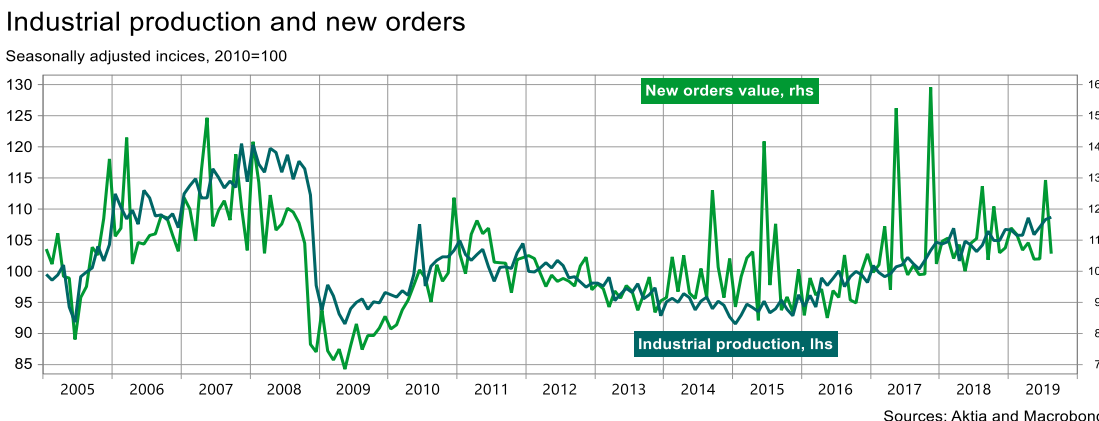
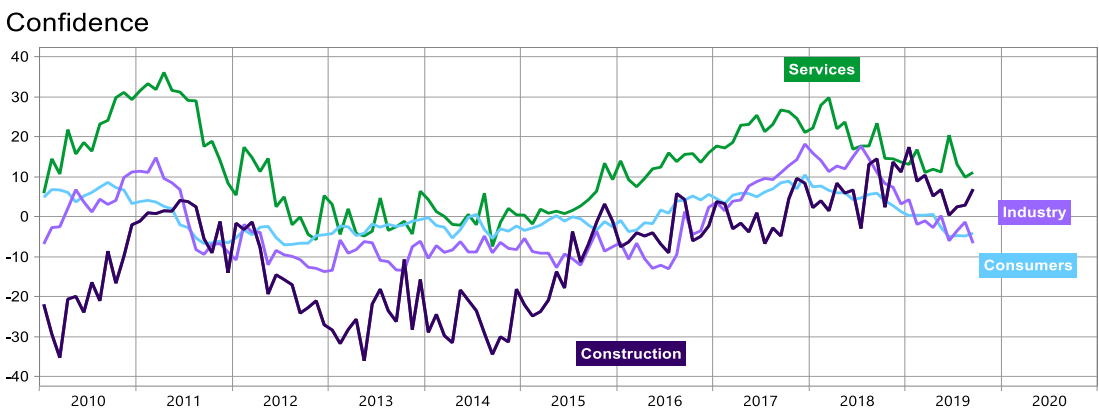
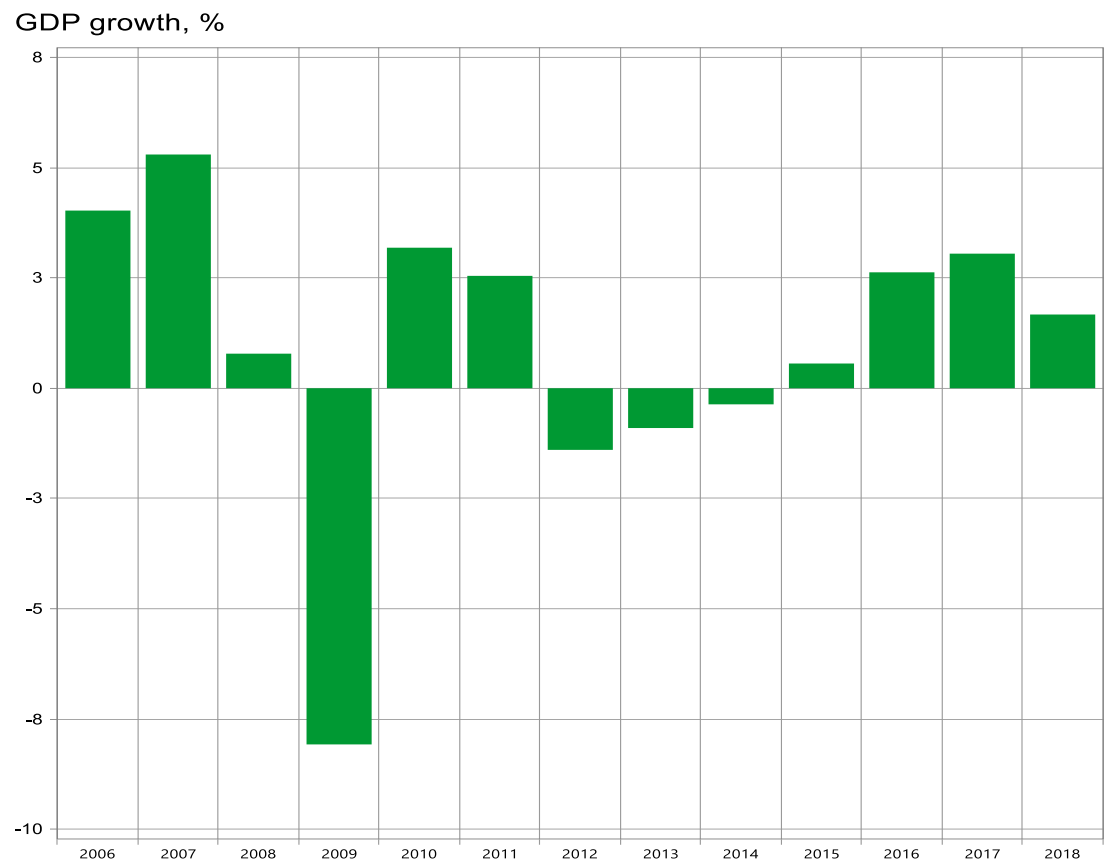
Finland: Export value, mil. euro



Sources: Aktia and Macrobond

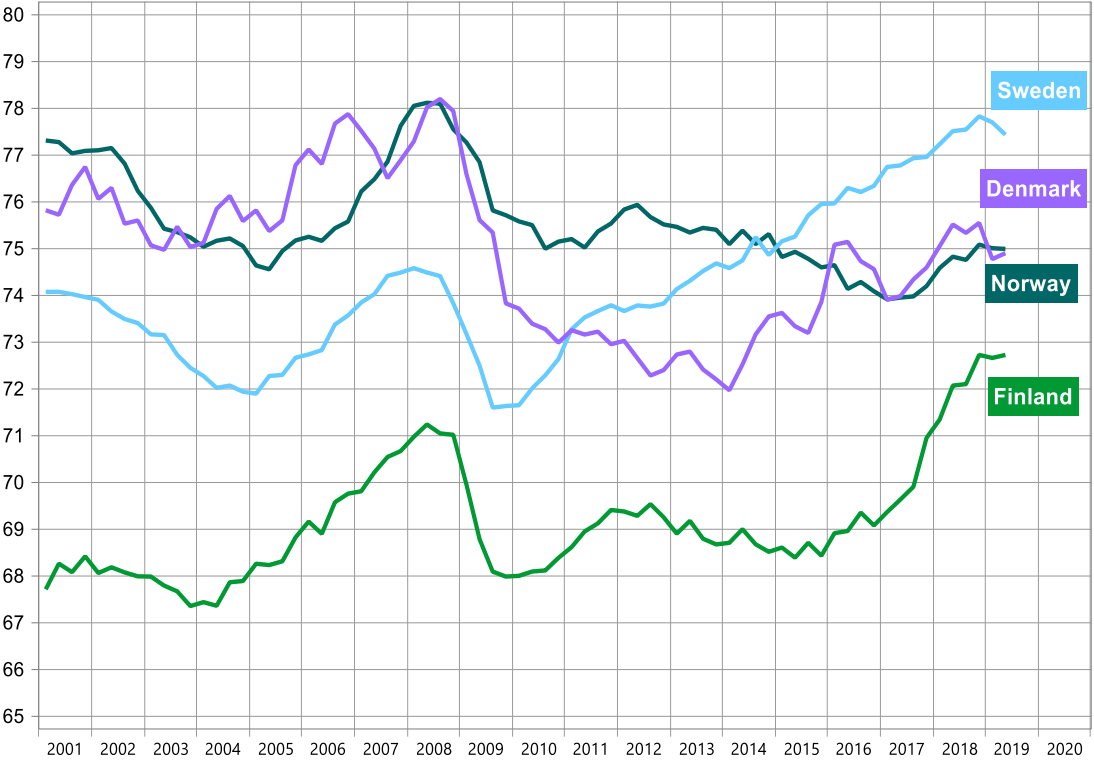
The Finnish Economy

Growth continues, but weaker



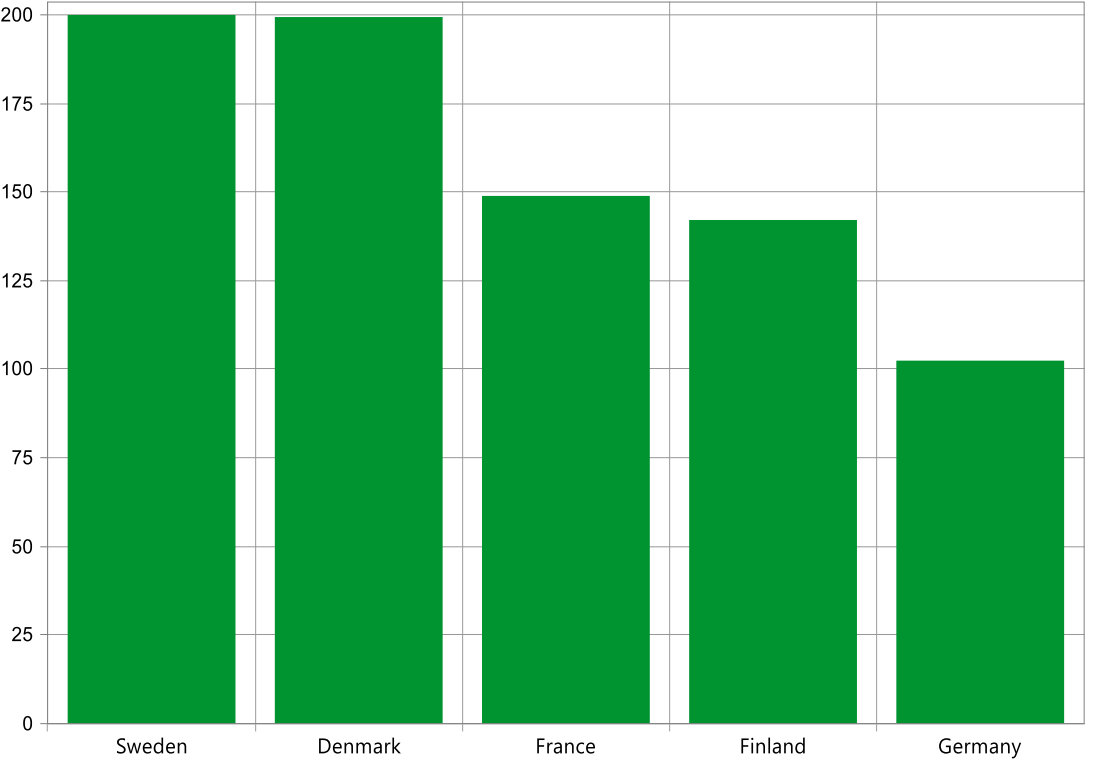
The Finnish Economy

Employment rate, 15-64 year olds



Sources: Aktia and Macrobond

Private debt, % of GDP (2017)



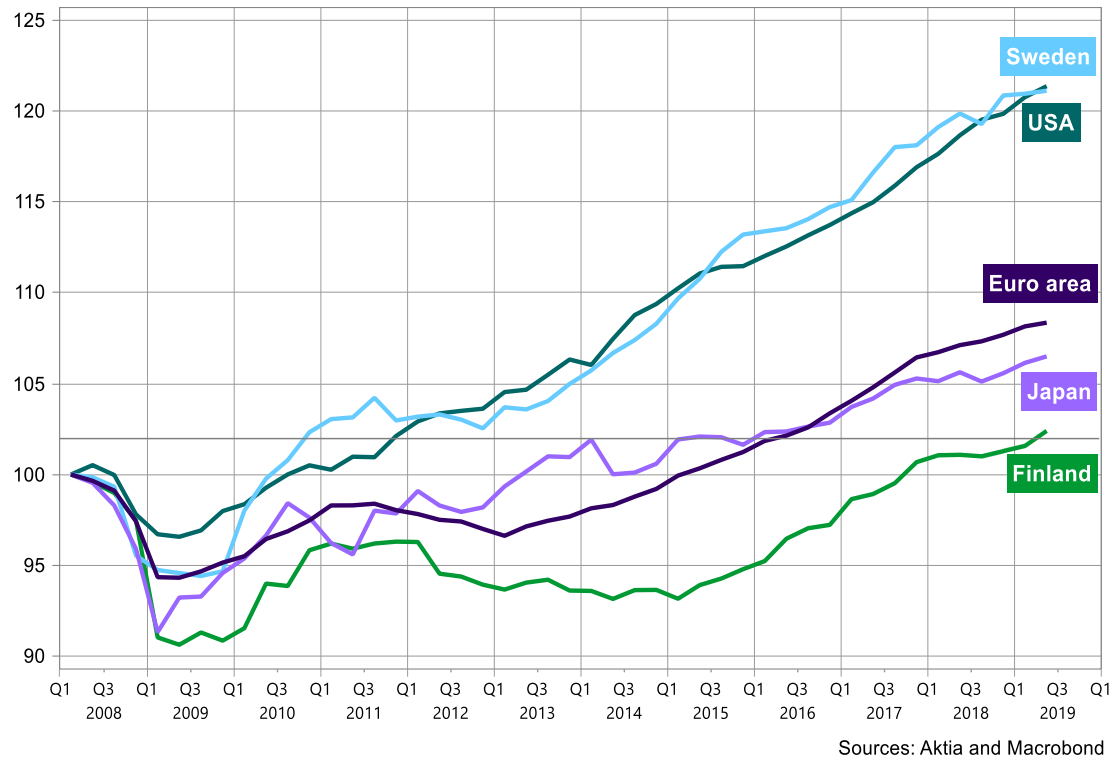
Sources: Aktia and Macrobond

Macroeconomic environment

Worrying environment

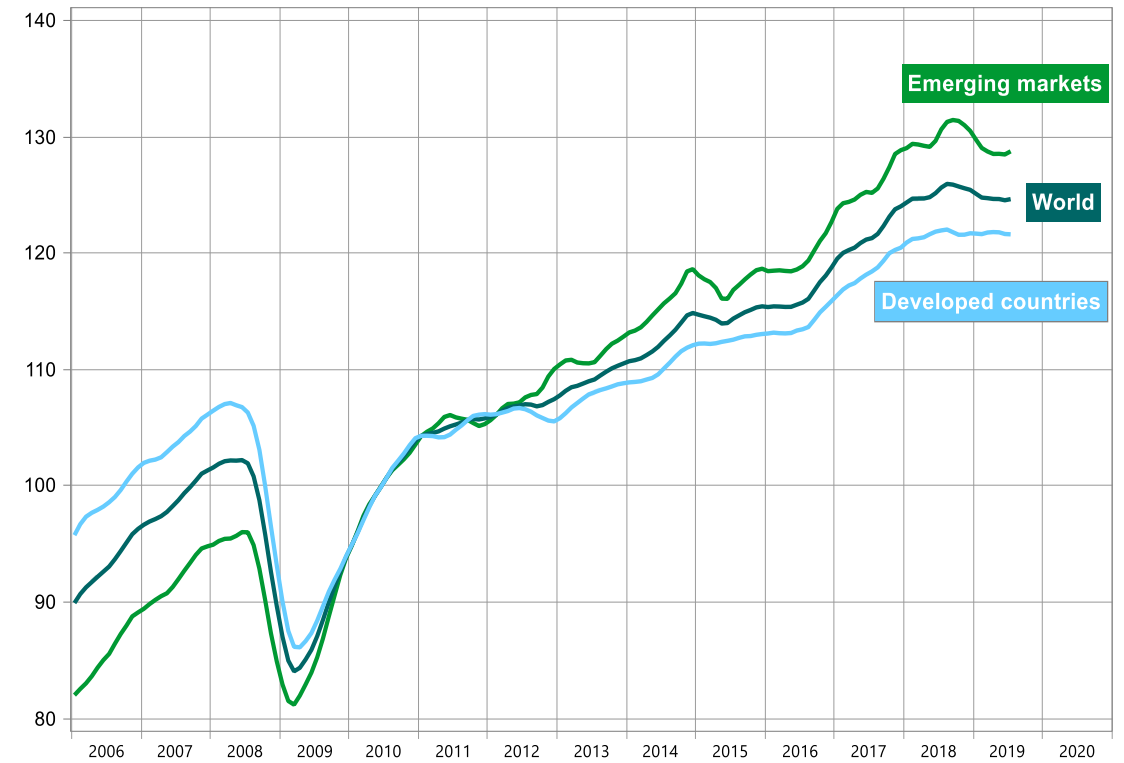
GDP in some countries

Index, Q12008=100



World exports

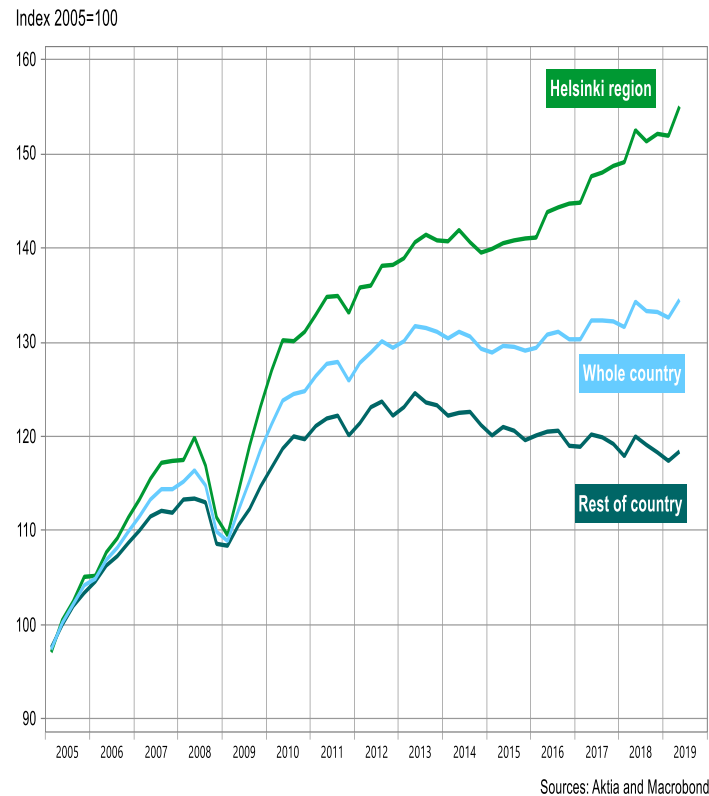
Volyme. Index 2010=100. 6 mMA. Sources: Aktia and Macrobond



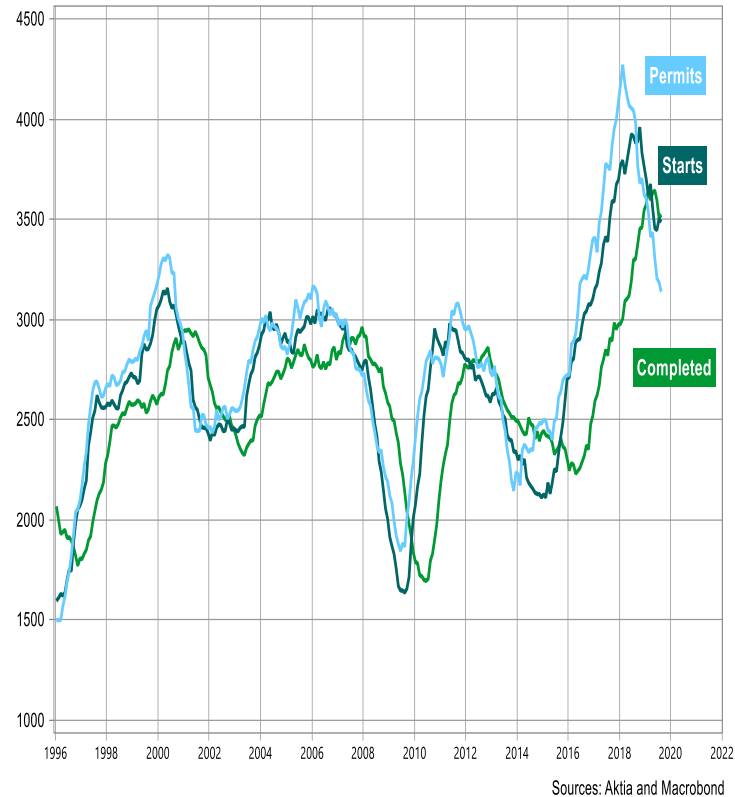
Finnish housing market

Solid and stable market, a slowdown in growth projected

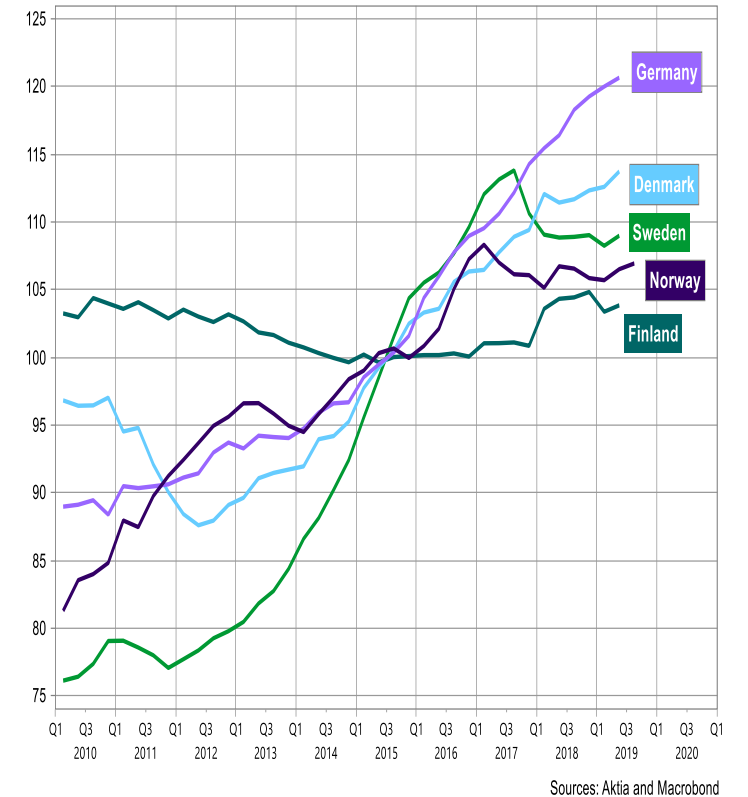
Finland: Prices, old apartments



Number of new dwellings



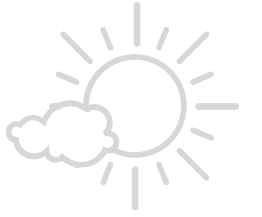
Real House Prices, index 2010=100



Aktia

Going forward

Our three strategic priorities



2023

① Win in **asset management**

② Acquire **new customers** in growing **cities**

③ Drive **operational efficiency**
to capitalise on our challenger position

Banking & Insurance

Aktia

Long-term financial targets 2023

**Comparable
operating profit
EUR 100 million**

1–9/2019:
EUR 49.0 million

**Return on
Equity (ROE)
above 11%**

1–9/2019:
10.2%

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

1–9/2019:
0.67

**Common Equity
Tier 1 capital ratio
(CET1) 1.5–3
percentage points
over the regulatory
requirements**

1–9/2019:
15.6%

Continuous releases on the digital front

Mobile banking is growing fast throughout our client base – 55% increase in mobile services during last 12 months

- Increased control with real-time push notifications for card payments through Aktia Wallet
- Possibility for biometric identification instead of PIN-code creating an easier alternative to access mobile banking services
- Notifications can also be used for advising, up-selling and marketing purposes

Payments

- Increased safety in card payments by utilising encrypted card number with one time codes to prevent card frauds
- Aiming for the most diverse selection of Mobile and Smart devices* payment solutions for everyday consumption with ease

Service models: more effective – wider, faster & cheaper

- Self service platform
- Movement of people

* e.g. Apple and Android mobile devices and various smart watches

Aktia



Rapidly changing customer behaviour and adaptation of technologies create new business opportunities and boost efficiency

Appendices

Award-winning Asset Management

Morningstar awards

Best Fund House Fixed Income 2013, 2014, 2015, 2018, 2019
TOP 3 Fund House Fixed Income 2016, 2017
TOP 3 Fund House Overall 2019
Best Balanced Fund (Aktia Secura) 2015
TOP 3 Balanced Fund (Aktia Solida/POP Vakaa) 2019
Best Fixed Income Fund (Aktia Government Bond+) 2019
TOP 3 Fixed Income Fund (Aktia Corporate Bond+)
2015, 2016, 2017, 2018
TOP 3 Fund House, Multi Asset 2013



Lipper fund awards

Overall Group Award:
Small Company Fixed Income 2019
Small Company 2017
Mixed Assets 2008
Best Fund, Fixed Income:
Aktia EM Local Currency Frontier Bond+ 2019



Scandinavian financial research

Platinum Award 2010, 2012, 2013
Gold Award 2011, 2015, 2016, 2017



Nordic fund selection awards

Best Finnish Fund Selector
2010, 2011, 2012, 2013, 2014, 2015



Kantar sifo prospera

2013 #4, 2014 #6, 2015 #4,
2016 #5, 2017 #3, 2018 #3



Aktia



**The good bank.
And a great asset manager.**

Aktia