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Results Reaction	Banks	Finland	07 May 2025
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Q1: First take

Aktia reported a disappointing Q1 with a PBT of EUR 26.6m, 9% below consensus. The weakness came from revenues and loan loss provisions. The NII was 5% below consensus (4% below SEB) on lower rates and Fees were 3% lower on weak markets. Life also on the weak side with a 7% miss. Costs were the positive surprise in the quarter as reported costs came in 3% better. Loan losses 45% higher. Consensus estimates to move down and stock to follow today.

Outcome: A weak report

The quarter has been unfavorable for Aktia as interest rates have continued down and the equity market performance has been negative. This was directly visible in the report with the NII 5% below consensus driven both by lower interest rates and a 2% yoy decline in the loan book.

Fees were 3% worse with particularly Brokerage being weak with a 40% decline from Q4 which was however a very strong quarter. Mutual fund fees were down only 1% which we consider decent given 4% decline in AUM even though we note that the Fees are generated during the quarter and the reported AUM is on the last day of the quarter which poses a risk for also Q2 unless AUM recovers. In terms of fund flows, there was a EUR 255m outflow in the quarter even if management stated that there were positive flows in March. The main outflow came from Domestic institutions with EUR -382m while International institutions were positive EUR 121m. Retail and Private banking saw smaller movements.

Our main concern in the report was that loan loss provisions increased to EUR 2.9m which was 45% above consensus and 14bps of loans. The main driver of the increase was corporate loans.

The CET 1 ratio came in at 13% vs our expected 11.9%. The increase from 12% in Q4 was according to the company driven by temporary drivers relating to RWAs. Aktia in the quarter got an IRB related RWA benefit but as the company will move to a standardised approach later in the year, the RWA benefits will be removed.

Deviation table

	Reported			Expected		Deviation	
	Q1 2024	Q4 2024	Q1 2025E	SEB	Consensus	SEB	Consensus
NII	39.1	38.1	35.2	36.7	37.1	-4.0%	-5.1%
Fees	30.1	32.5	30.8	31.9	31.8	-3.5%	-3.1%
Life	7.7	6.3	6.5	7.3	7.0	-11.1%	-7.1%
Other	0.4	1.8	1.0	0.4	0.6	146.9%	66.7%
Total revenues	77.3	78.7	73.5	76.3	76.5	-3.6%	-3.9%
Costs	-41.4	-49.3	-44.0	-45.2	-45.3	-2.6%	-2.9%
PPP	35.9	29.4	29.5	31.1	31.2	-5.1%	-5.4%
Provisions	-2.7	-4.3	-2.9	-1.8	-2.0	65.2%	45.0%
PBT	33.3	0.1	26.6	29.3	29.2	-9.3%	-8.9%
Tax	-6.0	-0.3	-4.9	-5.9	-5.8	-16.5%	-15.5%
Net profit	27.3	-0.2	21.7	23.5	23.4	-7.5%	-7.3%
ROE	16.1%	-0.1%	12.3%	13.3%			
CET1	11.4%	12.0%	13.0%	11.9%			
NII+Fees-Costs	27.8	21.3	22.0	23.4	23.6	-5.8%	-6.8%

Source: Modular Finance, SEB

Outlook: No change

Aktia did not change its full year outlook

Impact: Stock set to trade down

With NII+Fees-Costs (which are the P&L lines that analysts tend to extrapolate) coming in 7% below consensus, we believe estimates in the market will move down 3-5% for the year and the stock should follow.

Conference call details: At 9:30 CET

Link to webcast: [Interim Report January–March 2025](#)

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