

Trip Notes



East Africa Investor Trip

Morning Flight to Dodoma, Tanzania

Aktia

Summary

- We visited Uganda, Kenya and Tanzania in November, where we met with policy makers, international and local experts and businesses.
- All of the three countries have been hit with the recent global crises, through more expensive energy imports, destabilisation in tourism flows and tighter financial conditions. All of them have also been strongly supported by institutions such as the IMF.
- Uganda, a fast-growing economy, with promise of soon being an oil producer. This will significantly support government finances, already now moderately robust. Political risks will remain significant and will probably grow towards the next elections in 2026.
- Kenya is a large, fairly diversified economy and the hub of East Africa. The country has, however, been struggling with FX-liquidity issues in the last couple of years, hampering the economic recovery.
- Tanzania is slowly transforming towards a less centralised economy, with LNG-potential further down the road. Currently the country is still experiencing external pressures due to higher energy prices.

Sunset in Dar es Salaam



Overview

We visited three Eastern African countries, Uganda, Kenya, Tanzania, and five cities (Kampala, Entebbe, Nairobi, Dodoma, Dar es Salaam) in November. Like usually, we had meeting with government officials, international financial institutions like the IMF and the World Bank, local export and import companies and local traders and bankers.

These three countries are quite different in their economic development (Kenya has twice the GDP/capita compared to its two neighbours), level of democracy, indebtedness, and depth and openness of financial markets. Uganda is still classified as a low-income country, whereas Tanzania and Kenya have the lower bracket of the middle-income countries. There are also important similarities, all three of the countries are still energy importers, tourism is an important part of their economies and so is the agricultural sector. The countries form a core part of the East African Community, which has, however, so far not managed to live up to its potential in stimulating intra-regional trade, according to our understanding. Land-locked Uganda is also very dependent on its two neighbours for transport routes, as they constitute the shortest way to the ocean. There seems to be a bit of a rivalry between the bigger Kenya

and its neighbour Tanzania, for example showcased in the bid for the East African Oil Pipeline, which was eventually won by a very competitive bid from Tanzania, even if the distance would have been shorter through Kenya.



The countries form a core part of the East African Community, which has, however, so far not managed to live up to its potential in stimulating intra-regional trade, according to our understanding.

Uganda

There are currently three important narratives in Uganda. There is the long-term, underlying story of a low-income country with high growth, moderate debt levels, a regime which is successfully cooperating with the IMF, but led by an aging, authoritarian president, governing a very young population.

Then there is the medium-term game changer, the transformational story of oil production starting in 2025. The revenues will be large, and there are already questions around the use of the oil proceeds; will the institutional capacity be strong enough to safeguard the use of these significant government revenues to the benefit of society as a whole.

The third narrative, tied to the weaknesses observed in governance and social data, is the story of the 2023 anti-LGBT law, the financial repercussions of its enactment and the long-term effects of risks to diminishing tourism and FDI.

Growth is expected to continue being strong, around 6%. The source for growth comes mostly from the private sector, mostly driven by the service (tourism and hospitality) and industrial sectors and of course oil. We understood from the private sector that the current regime is pro-business and there is a healthy focus on increasing the value-addition of production.

Foreign direct investments have remained strong, largely to fund the oil projects. Privatisation has historically been successful, although recently there have been signs of a negative trend in this sphere, with sectors of the economy centralised (like oil and coffee exports) into

companies with potential beneficial owners within the administration. The recapitalisation of the Ugandan Development Bank and other companies is another sign of the state wanting to maintain a larger role in the economy.

There are expectations of the current account further improving, towards -5% of GDP, through a reduction in imports, especially after the oil projects are ready in a few years. Government imports have also been weighing on the trade balance, especially medicine and security related, but these are also expected to decrease this fiscal year. Gold exports have been stronger and there has been a rebound in tourism after the pandemic. There are also early signs of a reversal of the portfolio outflows the country has been experiencing. FX-reserves are still healthy at 4 months of import cover and they will further be supported by expected additional multilateral inflows. The Ugandan shilling was considered slightly overvalued on the ground, and our internal models confirm this view, however the overvaluation is moderate. From a tactical point of view, the dividend season is now over, and the end of the year is believed to exhibit positive seasonality for the shilling.

	2024F	2023F	2022	2021	2020	2011 - 2019
Real GDP (% annual percent change)	5,7 %	4,6 %	6,4 %	5,7 %	-1,2 %	5,3 %
Inflation (% annual percent change)	5,0 %	3,5 %	10,2 %	2,9 %	2,5 %	6,7 %
Overall Fiscal Balance (% of GDP)	-2,8 %	-4,2 %	-5,8 %	-7,5 %	-7,5 %	-3,0 %
Government Debt (% of GDP)	47,7 %	48,3 %	48,4 %	50,6 %	46,4 %	27,8 %
External Current Account (% of GDP)	-8,2 %	-7,1 %	-8,2 %	-8,3 %	-9,4 %	-5,6 %

Aktia, IMF and Macrobond

Uganda

Inflation has remained contained, headline inflation declined to 2.7% in September, helped by declining energy prices, improved crops after a drought and the tight monetary policy. The Central Bank of Uganda has favoured a cautious monetary policy in the last few years, due to global headwinds and lately due to the risks related to the anti-LGBT law. They have been a rare case where the IMF has suggested a looser monetary policy than the local authorities. Real rates remain high throughout the curve and it remains a bit of a mystery why local rates are allowed to be so high, in the long-term it will make it more difficult to contain debt levels. One possible explanation could be that the authorities are worried about too much volatility in the foreign exchange market where real rates less attractive.

The overall fiscal position is sound, and Uganda has only a moderate risk of debt distress according to the IMF (and these figures do not even include future oil revenues). The country has a funded IMF-program (Extended Credit Facility (ECF) ending in 2024), which has gone well. There have been small slippages from the program targets on the fiscal side (wages, pensions and security), with supplementary budgets eroding the credibility of budgeting process. Corrective measures are needed for the IMF to accept further waivers of program targets. These should include increased revenue mobilisation efforts with broadening the tax-base and the reduction of tax exceptions and elimination of wasteful expenditure. Government revenues are still low, a typical problem in Sub-Saharan Africa. The authorities hope to increase revenue to GDP by almost 4 percentage points to 18% by 2027.

There seemed to be interest for a successive funding program, however that one will be more expensive, as the country has used up its quota for ECF's. A new program will also be closer to the next elections, so it will be more difficult to set up. Also, these programs are mainly designed to counter serious balance of payments issues, something that the country does not face right now.

While there have been talks of oil production in Uganda for years, project completion seems to be close now, expected to be completed in 2025, compassing a total investment of around USD 15 billion. Both oil developments are in the west of the country, by Lake Albert; Tilenga, operated by TotalEnergies. In the larger oil field projected daily production would consist of 190 000 barrels eventually, and two oil rigs are already drilling. Kingfisher the smaller project, operated by China National Offshore Oil Corporation, has an expected production of 40 000 barrels per day. Drilling cannot, however, start properly, before either the East-African Crude Oil Pipeline or the planned refinery are fully functional. The pipeline is 1.5 years ahead of the refinery, with a timeline for completion in Q3 2025 currently. There is still no final investment decision for the refinery, but if completed, it would have a capacity of 60 000 barrels per day and would meet around 70% of diesel demand in Uganda. Other refined products might even have export potential.

Uganda

The possibly benefits to the economy are considerable. The production cost of the oil is fairly low, with a break-even price below USD 30 (and this includes the pipeline transport cost to the shore of USD 13 per barrel). The Ugandan state's share of the oil revenue will according to our understanding be around 70%, when the investment costs have been recouped, which should take 5-6 years. However, the state will get a small share already in the beginning. These revenues would add up to somewhere in the ballpark of 5% of GDP, with current oil prices. These revenues are planned to be channelled to a petroleum fund, run by the Bank of Uganda.

Apart from the revenue aspect, there are hopes that the oil projects will benefit the country through the creation of jobs and diffusion of know-how. A good example is the completion of the first seismic studies ever done by a Ugandan company. The agricultural sector could also be a big beneficiary, if the country manages to develop a domestic fertiliser industry on the back of the oil and gas projects.

In the long run, however, the ultimate success of the project will be measure in how the revenues are used. Again, the low governance level in Uganda will be an obstacle to the proper use of these funds. Uganda joined the Extractive Industries Transparency Initiative (EITI) in 2020 but has yet to follow some of the recommendations of the organisation, such as the publishing of production sharing agreements and beneficial ownership information.

While the economy of Uganda offers promises of a brighter future, it is worthy to remember that the institutional capacity of the country remains weak, and the country does not score strongly in our in-house Fundamental Tool.



View of Lake Victoria in Entebbe

Uganda

The risks emanating from weak governance levels will likely increase during the next election in 2026, as the current president, Yoweri Museveni, or his volatile son, Muhoozi Kainerugaba, will win. There was a clear sense on the ground that there will be some sort of reaction if the presidency becomes hereditary.

The constitutional court will start hearing petitions against the Anti-LGBT law in December. We understood that as the law is popular among the population, having it overturned by the court would be a convenient way for the government to appease the international community and at the same time not defy the church and other proponents of the law locally. We communicated to the authorities the multitude of issues we have with the law and the need to have it repelled.

The World Bank has taken a strong stance against the law, halting new funding to projects in Uganda, as the institutions social standards can no longer be guaranteed in its projects. The Bank later clarified that it needs to be able to ensure that sexual minorities are not discriminated in any of its projects in Uganda before being able to approve new funding. Although budget support from the World Bank is negligible, a pause in new project financing could result in a prolonged halt in projects down the road, as the approvals processes for projects are time consuming. The IMF board approved the review of the current program after the enactment of the law, so one can deduce that it is not an issue in their framework.

The US government has threatened to remove Ugandan preferential trade access to American markets under the African Growth and Opportunity Act (Agoa), due to the anti-LGBT law.

Although exports to the US are currently still very low, there have been hopes that Agoa would boost exports like coffee and textiles to the US.

The government has managed to contain debt below 50% of GDP, even if debt increased during the pandemic years, like everywhere else. Roughly 60% of debt is however external. Uganda has never issued a Eurobond, and it did not seem like they have imminent plans of doing so, instead the focus continues to be on concessional funding and grants. They are, however, borrowing through syndicated loans and the share of commercial external debt has been rising, although it is still only below 20% of the external debt stock.

The local government bonds are mostly owned by locals (commercial banks 40%, pension funds 30%) and the foreign ownership currently stands at only 8%. Most people in the country are underbanked, so the government is currently developing a project where retail investors could buy government bonds using their mobile phone. The authorities are also studying the possibilities of issuing green bonds in the medium-term. We raised the benefits of issuing inflation-linked government bonds and received positive feedback.

View: Uganda remains one of the larger investments in the Frontier strategy, with very attractive real yield levels, and clearly positive catalysts in the near future. We have, however, decreased the weight somewhat, due to higher funding risks with the possible WB project funding stop and we will be following closely the anti-LGBT court case.

Kenya

Kenya is a strong economy relative to its Sub-Saharan peers; GDP per capita is high compared to other non-commodity intensive economies and the economy is vibrant, business-friendly, and relatively advanced. Kenya is the most stable country in the region and there are no imminent geopolitical risks. Press freedom and freedom of speech is still high on regional basis, multiparty elections are held regularly, and the previous levels of violence associated with elections have been avoided.

Kenya has been a clear casualty of the previous years however, with the tourism industry taking a hit during the pandemic, the country being an energy importer, and even it's main export product, tea, going to countries themselves suffering from USD-liquidity issues, such as Pakistan and Egypt. Furthermore, the opposition has organised several, often violent demonstrations during 2023, but they have now been given inducements to discontinue these events. There is, however, little clarity how long this calm will last. These shocks have exasperated the fiscal and current account deficits and eventually led to dollar shortages in the economy.

The official rate of the shilling has depreciated at a steady rate against the dollar throughout the year, but a rate that would stabilise dollar demand has not been found yet. We heard

anecdotal evidence that deposit dollarization has continued, partly driven by the fear of refinancing issues with the June 2024 Eurobond, partly as a self-reinforcing loop where shilling weakness creates further dollar demand. However, there are expectations of things turning after the maturity is handled. We heard theories of how the central bank could eventually speed up such a positive feedback loop by a small intervention.

The government already tried an indirect form of FX-intervention earlier this year, in the form of a government to government oil supply agreement with Gulf states. The purchase agreement came with a dollar credit, which allows the postponement of the USD 500-700 millions oil import bill. The idea was that the extra dollars would temporarily increase the liquidity in the market, however, this has not happened, as they have not been flowing freely into the interbank market and everyone knows, that the can is just being kicked down the road. The agreement has now been extended to December 2024.

	2024F	2023F	2022	2021	2020	2011 - 2019
Real GDP (% annual percent change)	5,3 %	5,0 %	4,8 %	7,6 %	-0,3 %	4,7 %
Inflation (% annual percent change)	6,5 %	7,1 %	9,1 %	5,7 %	5,6 %	7,4 %
Overall Fiscal Balance (% of GDP)	-4,1 %	-4,7 %	-5,8 %	-7,2 %	-8,1 %	-6,2 %
Government Debt (% of GDP)	68,3 %	70,2 %	68,4 %	68,2 %	68,0 %	46,7 %
External Current Account (% of GDP)	-4,9 %	-4,9 %	-5,1 %	-5,2 %	-4,7 %	-6,9 %

Aktia, IMF and Macrobond

Kenya

The FX market is still working but has moved from the banking sector to registered bureau de changes and even unofficial merchants, as the banks are still not allowed to quote other than official rates. The difference is not very large though, as the parallel rate seemed to be around 157 (compared to the official rate of 151.5 at the time). The central bank is obviously one of the key authorities to solve the issue. Even though the real rate has risen when inflation has come down and the Central Bank of Kenya has hiked rates by 350 basis points since 2022, there are still arguments that real rates and the rate differential to the Fed are too low, especially when considering that growth potential might have come down and the FX imbalances. The new central bank governor, Dr. Kamau Thugge, is respected, and has a long IMF-career behind him.

Efforts to normalise the FX market would reduce negative effects on the real economy and capital outflows. In general, Kenya is very important to multilateral organisations, a relatively stable country in an otherwise restless part of the world, the current difficulties are partly a function of smaller global liquidity and not a solvency issue, so therefore it seems as it is in everybody's interest to support the nation through this liquidity crunch. We understood that this commitment goes both ways, and that the authorities are very focused on completing the needed reforms. The private sector confirmed to us in several instances that the government has become more aggressive with the collection of employee tax recently. The comparison to Ghana was often heard, and the Ghanaian default had clearly rattled many people in Kenya. It was pointed out that Kenya has much deeper capital markets than Ghana, Kenya has never defaulted and there is a sense of pride related to this.



Rainy Nairobi

Kenya

The IMF and Kenyan authorities reached a staff-level agreement on the latest review of Kenya's IMF programs in November. If approved by the IMF Executive Board, the total commitment of these programs would reach approximately USD 4.4 billion (around 4% of GDP) and give Kenya immediate access to close to USD 700 million. The country is also receiving World Bank budget support on top of this. However, both funding channels depend on the continuation of the reform program, which is focused on reforms to broaden the tax base and improve tax compliance, expenditure rationalisation (stabilisation of primary balance), targeting of subsidies and SOE management. Most fuel subsidies have been ended (temporary 'stabilisation' mechanism still in place though). In general, petrol prices were surprisingly high in the three countries visited, between USD1.3-1.45. The harmonisation of county and national laws is an example of growth enhancing reforms, VAT-clearance needs to be solved, and privatisation of for example ports, pipelines and sugar companies could generate robust FDI-inflows.

Investments have come down and so has productivity growth, dragging potential growth down as well, and worries were expressed whether the current growth of around 5% might even be above potential growth. We heard concerns that the country might be losing competitiveness, e.g. Kenya gets less FDI than Rwanda compared to GDP and exports as a share of GDP has also come down. The debt-service-to-exports ratio is the biggest weakness in the country's latest Debt Sustainability Analysis (DSA). Although the fiscal issues seem to be the most pressing concerns, the country also needs to fix the current account deficit. Global energy prices remain a risk, but tourism has recovered to pre-pandemic levels, remittances have remained strong and imports have fallen, all reducing the current account deficit.

We visited one of these important exporters, that exports agricultural products mostly to Europe; cut flowers and vegetables (such as sugar snaps, green beans, tenderstem broccoli). So be sure to check out where your flowers are grown, it might turn out that they are from the slopes of Mount Kenya, where the high altitude results in large and tough flowers. The goal is to move to higher margin exports, such as bouquets and ready to eat portions (such as salads). In Kenya there are good conditions for farming with a lot of sunlight, farming is also heavily incentivised by the authorities, with e.g. special economic zones with tax exemptions. The country has recently suffered from the worst drought in many decades, which has cut production by 30% according to our understanding. The current El Niño also poses risks, as Kenya tends to get more rainfall during the weather phenomenon, posing an equally large risks as droughts. Logistical issues still exist, although airfreight to the main markets in Europe is only two days door-to-door, the more sustainable and cheaper option of sea freight still takes around twice as long compared to their South American competition. The weaker currency does increase the competitiveness of Kenyan agricultural exports, but only for the part where costs are in shilling, which can be as low as 30% (mostly labour). This has, however, so far failed to stimulate exports.

View: We have significantly decreased holdings in Kenyan local bonds in our Frontier strategy during 2023, due to the dollar shortage and ensuing financing risks. However, once next year's Eurobond maturity is refinanced and deposit dollarisation should slow down, it might be a good time to invest, as yields have gone up and the currency has shed most of its previous overvaluation. We currently do not have any investment in Kenyan government bond in our hard currency strategy.

Tanzania

Tanzania was perhaps the least clear-cut story of the three countries that we visited. The new administration that started in 2021 under president Samia Hassan is considered much more business friendly than the previous one, an important development in Tanzania, which has often been implementing more socialist economic policies than its neighbours. However, this change is still in early stages, and we could witness first-hand the legacies of previous administrations, for example in the very top-down project of the administrative city of Dodoma; a town in the geographic centre of the large country, where civil servants and embassies are strongly recommended to move with massive and empty construction projects. Another example of a country in transition was the enormous differences in the ability and willingness of policy makers to talk to foreign investors, you really must meet the right people.

Growth is at a healthy 5%, but still lagging pre-covid figures and there is large infrastructure and human capital deficits, that are slowing down growth in conjunction with global risks. Recurring periods of loadshedding are also impacting the economy. However, the mega-project of the Julius Nyerere dam is expected to be finalized next year and will hopefully bring much needed respite into the electricity sector in Tanzania. The dam will have a full capacity of around 2500 MW (which will take time to reach though), putting it among the largest dams on

the continent. To put it further in context, current electricity production is around 1400 MW in Tanzania. There is even potential for electricity exports down the road, and for example the World Bank is involved in projects building transmission interconnectors to neighbouring countries.

The liquified natural gas project on the southern shores of the country is a positive development for the medium-term. Negotiations are said to be in the final stages with foreign investors such as Shell and Exxon, but the final investment decision is only expected in 2025. The size of the project is huge, at USD 42 billion and the GDP boost will be considerable. However, first gas is expected only in 2030 and confusingly there were almost no estimates of what the potential government revenue could eventually be, but one figure we heard was USD 5 billion per year, which would increase government revenues by about 40%.

	2024F	2023F	2022	2021	2020	2011 - 2019
Real GDP (% annual percent change)	6,1 %	5,2 %	4,7 %	4,9 %	4,8 %	6,7 %
Inflation (% annual percent change)	4,0 %	4,0 %	4,9 %	4,2 %	3,2 %	7,2 %
Overall Fiscal Balance (% of GDP)	-2,6 %	-3,3 %	-3,7 %	-3,4 %	-2,5 %	-2,7 %
Government Debt (% of GDP)	41,9 %	42,6 %	42,3 %	42,1 %	39,8 %	36,3 %
External Current Account (% of GDP)	-4,2 %	-5,2 %	-5,4 %	-3,4 %	-1,9 %	-7,0 %

Aktia, IMF and Macrobond

Tanzania

The current external imbalances have perhaps been the biggest issue for the economy recently as the country has been suffering from high energy prices. The higher current account deficit has eventually also tightened the FX-market, which has impacted importers, a somewhat similar situation to Kenya. However, there is hope for the situation to improve as tourism has surpassed pre-covid levels, a couple of large, capital-intensive infrastructure projects are near completion (like the Julius Nyerere dam and important parts of the standard gauge railway project) and the current harvesting season should bring export earnings. Foreign direct investments, mostly towards the mining sector, has so far only covered part of the CAD, and the authorities have been forced to cover the funding gap with commercial debt.

The central bank has allowed more flexibility in the Tanzanian shilling in 2023 (currency follows de facto a stabilized float arrangement), and the USD-shortage has eased according to our understanding. The banks cannot still quote any price for dollars, and a little bit more depreciation is probably needed for the market to clear, as the parallel rate is around 2700 (7% difference to official). Our internal models also indicate a moderate overvaluation only. FX backlogs have clearly been decreasing, thanks to central bank interventions (FX-reserves cover 3.5 months of goods imports, an adequate level), but are still there (around USD 700 million for oil importers). The lack of dollars in Kenya is reflected on its southern neighbors in a leakage of dollars across the border into Kenya and in loss of competitiveness compared to the weakening Kenyan shilling in especially tourism. However, judging from our short stay at least, prices in Tanzania did still seem cheaper than Nairobi. The feeling in Tanzania was that an end to the liquidity issues in Kenya would benefit the whole region.



Treasury Square, Dodoma, Tanzania

Tanzania

The Tanzanian bond market remains fairly closed; local currency government bonds were opened to investors from other East African Community and Southern African Development Community countries only in the last couple of years. The interest from foreigners has been muted though, we understood that there is only one investor from Uganda who has so far invested, as yields remain unattractive on a regional level. The Tanzanian Treasury is working together with the US Treasury in moving towards larger bond issues by consolidating the existing bonds into benchmark bonds. The country does not have a Eurobond currently and will not issue one in the current market environment. In general, the authorities will focus as much as possible on concessional finance, e.g. the World Bank is giving significant budget financing to the country.

The current IMF-program is on track and the previous program review only had one quantitative performance criterion that was missed. Fiscal space and increasing government revenue along with improving the deficits in infrastructure and human capital are central to the program. Government debt is still relatively low, and the IMF assesses the risk of debt distress to be only moderate. Last fiscal year ended with a 1% budget slippage due to lower than forecasted revenues. Authorities still remain committed to achieving this financial year's budgeted deficit of only -2.6% of GDP. The positive news is that arrears clearance has proceeded well (1.5% of GDP remaining), as VAT-refunds have mostly been paid back, and supplier arrears are also being cleared, at a slower pace though. One issue which seemed contentious locally and is negative in our view is the central bank financing of the government; the allowed overdraft facility has been increased from three months of previous year's

government revenue to six months (some people even claimed it is projected revenue, not actual revenue). At the same time, the current amount is still moderate, at below 3% of GDP.

On the monetary policy front, the important issue is the shift to an inflation targeting framework in early 2024. The IMF has given technical assistance on monetary policy communication and forecasting to the authorities and apparently statistics have improved a lot since the previous regime (the Bank of Tanzania Monthly Economic Review is a good read). We still got the picture on the ground, however, that current inflation figures are very low compared to the underlying price changes and that talking about inflation was quite difficult. The inflation rate on the island of Zanzibar could work as a good proxy for mainland Tanzania inflation. The overnight lending rates are around 6.5%, meaning a positive real rate compared to the official mainland inflation of 3.3%, but already much more accommodative if using the previous Zanzibar headline inflation figure of 6.5%.

View: We remain invested the Tanzanian shilling through non-deliverable forwards and development finance institution bonds. Yields have risen in 2023 on the back of currency volatility and compensate for the slight overvaluation. The country is slowly reforming its institutions with the help of the IMF and World Bank, while retaining low debt levels.

This presentation is produced by Aktia Bank plc (“Aktia”) for investors. The information has been collected from available public sources, considered by Aktia to be trustworthy. However, Aktia cannot guarantee that the information is correct or all-inclusive. The presentation is meant as a tool, among others, to help the investor to make decisions. The investor’s investment decision is his own, and it should always be founded on information and analyses that the investor himself deems to be sufficient. The investor should observe that there may be swift changes on the market, affecting this presentation. Aktia, its subsidiaries and associated companies, co-operation partners, or employees of said companies are not responsible for direct or indirect losses or damage caused by the use of this presentation, or parts of it, in investment operations. The presentation is meant to be shown in conjunction to a spoken presentation given by Aktia, and it should not be used without the presentation. The contents of this presentation is aimed for the target group it was presented to, and it shall not be made available to any other recipients. Copying or quoting the presentation, or parts of it, is not allowed without the permission of Aktia.

Investments always involve financial risks. The customer bears the responsibility for the financial impact of his investment decisions. The investment may fail to yield a profit, or the invested capital may even be lost. The customer may be debited the costs for financial services irrespective of the investment results. It is always advisable to study the investment market and alternative investments in detail before making the decision to invest. Aktia cannot give assurance to the materialisation of the expected yield presented. The information is based on assumptions based on the historic yield from different financial instruments, but it is no guarantee for future development of yield or value. This presentation is part of Aktia’s marketing material, and therefore not necessary put together in accordance with the rules for independent investment analysis. Trade restrictions concerning investment analysis is not applied on the financial instruments presented. This presentation is not based on the customer’s individual data, and it is not intended to be investment advice. The aim is to present the financial instruments, and their characteristics, included in the quotation. We would be happy to set a date for preparation of an individual investor profile and to give you individual investment advice. The customer may be obliged also to pay taxes and official charges other than those debited by Aktia. The customer should be aware that investments and investment property are subject to taxation, the impact of which was not necessarily taken into consideration in this presentation. Future performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future. The customer is responsible for the gathering of necessary information regarding taxation of his investments and his decisions concerning these.

Aktia