Q1

Interim report January–March 2024

Aktia

Strong improvement of the comparable operating profit driven by a solid development of net interest income and good cost control

January-March in short

- Comparable operating profit for the quarter amounted to EUR 33.9 million, 44% higher than last year (23.6).
- The comparable cost-to-income ratio strengthened to 0.53 (0.65; 0,57 excluding the stability contribution).
- The comparable return on Equity (ROE) increased to 16.7% (13.0) due to the strong result improvement during the quarter.
- As expected, net interest income remained at a good level due to high interest income from lending and growth in profitable financing solutions.
- Net commission income remained at approximately the same level as in the corresponding quarter last year.
- Assets under management increased slightly from year-end and net sales to Private Banking customers remained positive. However, total net subscriptions were negative in the quarter.
- Net income from life insurance continued to develop strongly and increased slightly from the corresponding period last year.
- Total comparable operating expenses decreased by 11% compared to last year, thanks to good cost control and no stability contribution collected for 2024. Excluding the impact for the stability contribution the comparable operating expenses was on the same level as last year.
- IT expenses increased, mainly reflecting efforts and investments in system improvements, data and analytics, as well as customer experience.
- Personnel costs, depreciations and other operating expenses were kept well under control.
- Credit loss provisions increased slightly, as anticipated. Thanks to good risk management and the good quality of the loan book, credit losses remained at a moderate level.

Outlook 2024 (updated)

Aktia's comparable operating profit for 2024 is expected to be somewhat higher or higher than the EUR 108.4 million reported for 2023.

The outlook has been prepared based on the following expectations:

- Despite market uncertainty and a probable decline in interest rates, the net interest income is expected to be higher than in 2023.
- Net commission income is expected to be somewhat higher than in 2023, provided that the market conditions are favourable.
- The life insurance business is expected to develop steadily. However, the result may be affected by changes in market values.
- Total operating expenses are expected to remain on approximately the same level as in 2023, IT expenses are expected to increase.
- Impairments and provisions for credit losses are expected to increase slightly compared to the 2023 level, given the current market situation.

Previous outlook for 2024: Aktia's comparable operating profit for 2024 is expected to be somewhat higher than the EUR 108.4 million reported for 2023. (See Outlook.)

(EUR million)	Q1/2024	Q1/2023	Δ %	Q4/2023	Δ %	Jan–Dec 2023
Net interest income	39.1	31.8	23%	38.9	0%	144.0
Net commission income	30.1	30.3	0%	29.8	1%	120.4
Net income from life insurance	7.7	7.2	7%	6.0	27%	24.1
Total operating income	77.3	70.3	10%	75.2	3%	291.0
Operating expenses	-41.4	-47.1	-12%	-46.5	-11%	-176.6
Impairment of credits and other commitments	-2.7	-0.9	190%	-2.4	12%	-7.0
Operating profit	**33.3**	**22.2**	**50%**	**25.2**	**32%**	**106.2**
Comparable operating income [1]	77.3	70.3	10%	75.2	3%	290.8
Comparable operating expenses [1]	-40.7	-45.8	-11%	-45.5	-10%	-174.2
Comparable operating profit [1]	**33.9**	**23.6**	**44%**	**26.3**	**29%**	**108.4**
Cost-to-income ratio	0.54	0.67	-19%	0.62	-13%	0.61
Comparable cost-to-income ratio[1]	0.53	0.65	-18%	0.60	-12%	0.60
Earnings per share (EPS), EUR	0.38	0.25	52%	0.28	36%	1.16
Comparable earnings per share (EPS), EUR [1]	0.38	0.27	41%	0.29	31%	1.19
Return on equity (ROE), %	16.4	12.2	4,3*	12.8	3,6*	13.7
Comparable return on equity (ROE), %[1]	16.7	13.0	3,8*	13.3	3,4*	14.0
Common Equity Tier 1 capital ratio (CET1), % [2]	11.4	11.1	0,3*	11.3	0,1*	11.3

*) The change is calculated in percentage points
1) Alternative performance measures
2) At the end of the period
The Interim report January–March 2024 is a translation of the original Swedish version "Delårsrapport 1.1–31.3.2024". In case of discrepancies, the Swedish version shall prevail.

CEO's comments

Aktia's result for the first quarter of 2024 was strong, with a very good comparable operating profit of EUR 33.9 million and an excellent comparable return on equity (ROE) of 16.7%. In other words, the positive development from last year in terms of results continued. Our strategic choice to stand on three strong legs, i.e. our three business areas, works well and our investments in customer experience can be seen in our daily work.

I am especially satisfied that the cost-to-income ratio, one of the key indicators, improved clearly during the quarter. Our long-term goal is a cost-to-income ratio of a maximum of 0.60, and after the first quarter, it was 0.53. A significant contributing factor is our net interest income, which, in line with expectations, was on a good level and 23% higher than in the corresponding quarter last year.

Compared with the first quarter of 2023, it should, however, be noted that the comparative figures are burdened by a significant provision for the stability contribution, which is not relevant this year.

Business area development

Banking business delivered a strong result again, and the continued high interest rate levels and higher average margins, mainly in the corporate business, supported the net interest income. In accordance with our strategy, we have focused on growth in leasing and hire purchase products, which has shifted the credit portfolio structure towards higher-margin products. Among private customers, the subdued sentiment in the housing market continued, and the housing loan book decreased as expected. To strengthen demand for housing loans, we initiated a cooperation with YIT, financing new, move-in ready homes. Although we note a slight increase in financial difficulties among private customers, the quality of our loan book remains good and credit loss provisions remain moderate. In the card business, we saw continued growth, and the sales of investment services to banking business customers was also a bright spot.

Assets under management increased slightly in the quarter in market conditions that were mainly positive. The determined development work in asset management continued, led by Kati Eriksson, who took over as Director responsible for the business area in January. In accordance with our growth strategy, we aim to be the best wealth manager, which requires a long-term, methodical approach as well as process and product development. I am happy and confident about the work that is being done. It is also pleasing to see how the work with Private Banking has borne fruit, and that we yet again saw a quarter with positive net subscriptions in this segment.

The life insurance business, for its part, continued to develop steadily and delivered a strong net income from life insurance during the first quarter, increasing slightly from the corresponding quarter last year. The work with the basic system renewal, started in 2023, progresses according to plan.

Sustainability work at Aktia is well integrated in business operations, and our climate strategy is being implemented according to plan. We welcome the new EU Corporate Sustainability Reporting Directive (CSRD), as it standardises reporting from the full year 2024 onwards. The work to prepare ourselves for the new requirements began in 2023 and continues this year.

Conscious efforts

We maintained a strong cost consciousness during the first quarter of the year. We have made careful prioritisations and chosen what to focus on. This is reflected, for example, in our personnel costs as well as our other expenses, which were kept well under control.

In contrast, IT expenses increased, as we made efforts and investments in system improvements, data and analytics, as well as customer experience.

Customer experience remains at the core of our strategy, and during the first quarter, we implemented nearly 30 concrete actions in order to improve our service. All our employees participate in the common project, where the best ideas are recognised and rewarded. Overall, the employees' strategic significance has been highlighted and the employee experience has been chosen as a strategic priority.

I look forward with confidence to the current year, which is off to a good start. We are well prepared to implement our strategy and create wealth for our customers and society.

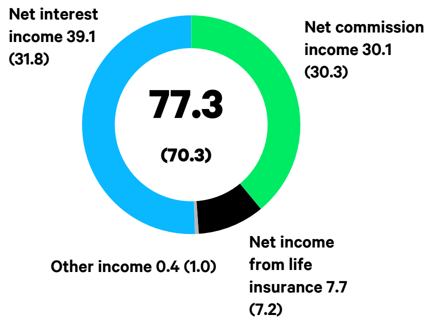
Helsinki, 30 April 2024

Juha Hammarén

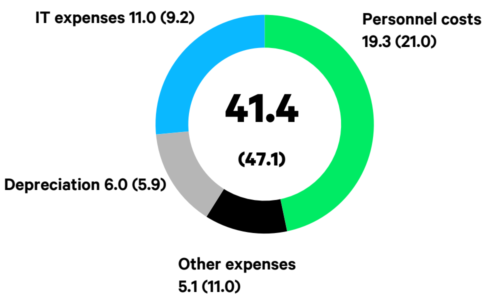
CEO

Profit and balance

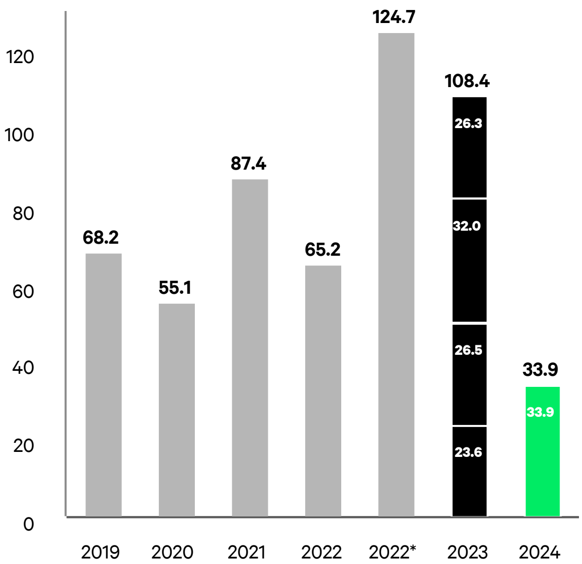
Operating income Q1/2024 (EUR million)



Operating expenses Q1/2024 (EUR million)



Comparable operating profit 2019–2024 (EUR million)



*) Recalculated according to the accounting standard IFRS 17

Profit January–March 2024

The Group's operating profit increased to EUR 33.3 (22.2) million and the profit for the period to EUR 27.2 (18.1) million. The comparable operating profit increased by 44% to EUR 33.9 (23.6) million. The net interest income has continued to develop well and the operating expenses remained stable. Impairments of credits and other commitments have, as expected, increased slightly. Credit losses remained at a moderate level due to the high quality of the loan book.

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%
Operating profit	33.3	22.2	50%
Items affecting comparability	0.6	1.4	-55%
Comparable operating profit	**33.9**	**23.6**	**44%**

Operating income

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%
Net interest income	39.1	31.8	23%
Dividends	0.2	0.0	—
Net commission income	30.1	30.3	0%
Net income from life insurance	7.7	7.2	7%
Net income from financial transactions	0.1	0.6	-81%
Other operating income	0.1	0.4	-67%
Total operating income	**77.3**	**70.3**	**10%**

The Group's operating income increased by 10% compared to last year thanks to a continued positive development in net interest income. The net interest income from lending increased by 71% to EUR 93.7 (54.7) million. The increase primarily relates to the loan book's reference interest rates being at a higher level than in the corresponding quarter last year. The positive development of the customer margins for lending and the growth of the corporate loan book have also contributed to the increase. The interest expense from borrowing increased to EUR -40.8 (-17.1) million, mainly due to increased interest expenses from deposits and covered bonds. Interest expenses from senior financing increased to EUR -26.1 (-13.1) million due to repricing to higher short-term market interest rates and increased senior financing. Higher short-term market interest rates were also the primary reason for the increase in interest income from the liquidity portfolio to EUR 8.7 (3.3) million.

Net commission income and the average customer assets under management (AuM) remained at the same level as last year. Commission income from funds increased by 3% to EUR 16.6 (16.2) million, while income from transaction-related products decreased by EUR 1.0 million. Net commission income from asset management and securities brokerage increased by EUR 0.4 million compared to the corresponding quarter last year. Commission income from cards decreased compared to the previous year due to the Finnair Visa loan book and its costs increasing at a faster rate than the income. This is expected to be balanced out in the future.

Net income from life insurance increased by 7% compared to the previous year. The increase is primarily due to good new sales, a lower loss ratio than last year and a favourable market development for the investment-linked insurance portfolio.

The change in model-based expected credit loss (ECL) impairments on the bank's interest-bearing securities was the main reason to the decrease of EUR 0.5 million in the net income from financial transactions.

Operating expenses

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%
Personnel costs	19.3	21.0	-8%
IT expenses	11.0	9.2	19%
Depreciation of tangible and intangible assets	6.0	5.9	2%
Other operating expenses	5.1	11.0	-54%
Total operating expenses	**41.4**	**47.1**	**-12%**

Comparable operating expenses decreased by 11% to EUR 40.7 (45.8) million.

Comparable personnel costs, excluding costs for restructuring, decreased by 5% to EUR 18.7 (19.7) million. The change is explained by lower running costs for personnel due to the average number of full-time employees decreasing to 820 (870).

IT expenses increased by 19% compared to the previous year, which is primarily explained by efforts and investment in system improvements, data and analytics, as well as customer experience. The increased costs are also affected by index adjustments from many suppliers as well as certain IT services being outsourced in the second quarter of last year.

Other operating expenses decreased by EUR 5.9 million (54%) from the corresponding period last year. The decrease is due to no contribution being collected to the stability fund for 2024, whereas the cost of the stability contribution in the first quarter 2023 amounted to EUR 5.6 million. The final contribution to the stability fund 2023 was EUR 4.3 million.

Other items

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%
Impairment of credits and other commitments	-2.7	-0.9	190%
Impairment of other receivables	—	-0.1	-100%
Share of profit from associated companies	0.0	0.1	-36%
Total	**-2.7**	**-1.0**	**175%**

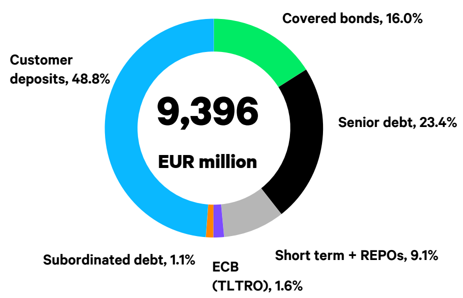
Impairments on credits and other commitments increased by EUR 1.8 million compared to the first quarter last year. The change in the allowance for model-based credit losses (ECL) increased to EUR -1.0 (0.2) million and the individual impairments to EUR -1.7 (-1.2) million.

Balance sheet and off-balance sheet commitments

The Group's balance sheet total increased to EUR 12,107 (12,037) million. Off-balance sheet commitments, consisting of credit limits, other loan promises, and bank guarantees, decreased to EUR 601 (617) million.

The Group's funding is well balanced between retail and institutional funding sources and the shares are presented below according to nominal values.

The group's funding structure 31 March 2024



Borrowing

Borrowing from the public and public-sector entities was at the same level as at the year-end and amounted to EUR 4,575 (4,564) million.

Aktia Bank issued a new Tier 2 loan of EUR 31 million in March in order to strengthen its capital base. During the period, Aktia Bank also issued new long-term senior preferred loans of EUR 285 million within the scope of the bank's EMTN programme, which were carried out to repay senior loans of EUR 195 million that matured during the period. Aktia repaid TLTRO III loans of EUR 100 million during the period.

Lending

Group lending to the public and public-sector entities increased marginally from the year-end to EUR 7,885 (7,866) million. New lending to corporate customers decreased to EUR 163 (193) million, while new lending to private customers increased to EUR 205 (175) million. The share of corporate customers of the total loan book increased from the year-end, while the households' share decreased.

The housing loan book decreased to EUR 5,323 (5,346) million, of which the share of households was EUR 4,063 (4,094) million.

Loan book by sector

(EUR million)	31 Mar 2024	31 Dec 2023	Δ	Share, %
Households	5,123	5,154	-31	65.0%
Corporates	1,462	1,416	46	18.5%
Housing companies	1,231	1,230	1	15.6%
Non-profit organisations	60	59	1	0.8%
Public sector entities	8	7	1	0.1%
Total	**7,885**	**7,866**	**19**	**100.0%**

Equity

Aktia Group's equity increased to EUR 737 (708) million. The fund at fair value increased to EUR -36 (-39) million and the profit for the period amounted to EUR 27 million. In February 2024, a directed share issue without payment of 152,000 shares was carried out. The shares will be used for compensation payments as part of the company's share-based incentive programmes. The values of the issued shares were recognised in the unrestricted equity reserve.

Fund at fair value

(EUR million)	31 Mar 2024	31 Dec 2023	Δ
Interest-bearing securities, Aktia Bank	-25.8	-28.3	2.5
Interest-bearing securities, Aktia Life Insurance	-10.4	-10.0	-0.3
Cash flow hedging, Aktia Bank	0.0	-0.7	0.7
Total	**-36.2**	**-39.0**	**2.8**

Assets under management

The Group's total assets under management, including group financial assets, increased by 1% to EUR 16,425 (16,300) million.

Customer assets under management comprise managed and brokered mutual funds as well as managed capital.

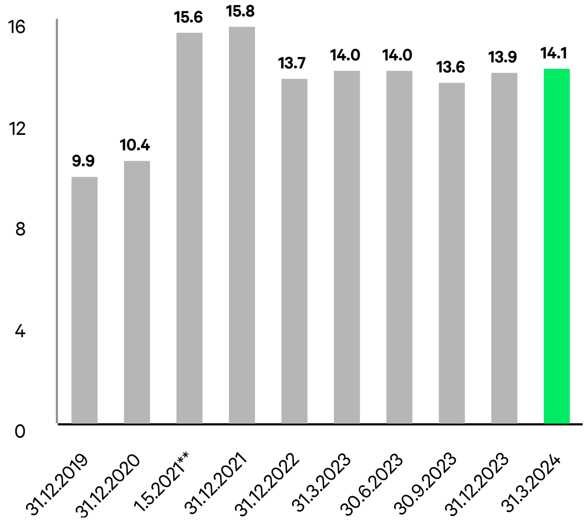
Group financial assets include the Bank Group's liquidity portfolio managed by the treasury function and the life insurance company's investment portfolio.

Customer and group financial assets under management

(EUR million)	31 Mar 2024	31 Dec 2023	Δ%
Customer assets under management (AuM)*	14,080	13,903	1%
Group financial assets	2,344	2,397	-2%
Total	**16,425**	**16,300**	**1%**

*) Excluding fund in funds

Customer assets under management (AuM) excluding custody assets 2019–2024 (EUR billion)*

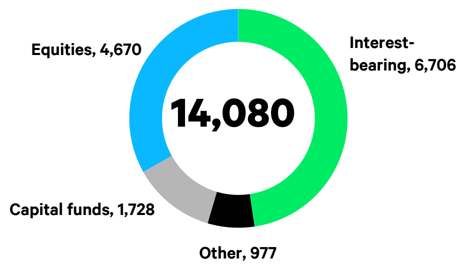


*) Assets under management presented in the table reflect net volumes, so that assets under management included in multiple companies or funds have been eliminated.

**) Following the acquisition of Taaleri's wealth management operations on 1 May 2021, the group's assets under management (AuM) increased by EUR 4.7 billion.

Customer assets under management (AuM) have been extended with some products from 2024. The comparison figures have been recalculated to correspond to the change from 2022.

Customer assets (AuM) by asset class (EUR million)



Segment overview

Aktia Bank's operations are divided into four reporting business segments: Banking Business, Asset Management, Life Insurance and Group Functions.

Banking Business

The segment comprises household and corporate customers of the banking business excluding Private Banking. Aktia's private customers are provided a wide range of financing, insurance, savings as well as investment products and services through various channels. Aktia's corporate business provides services to companies and organisations, from micro-sized companies and associations to listed companies, as well as other banking services than asset management to institutional customers.

- The net interest income continued to grow during the first quarter. The average loan book margin continued to increase due to the strategic choice to invest in, for example, in the factoring, leasing and hire purchase business.
- The total loan book of Aktia's banking business decreased slightly due to the subdued development on the housing loan market. In the corporate customer business, the demand for hire purchase and leasing financing remained strong.
- The quality of the loan book remained good. Credit losses have increased slightly but remain at a moderate level.
- Investment product sales increased significantly from the 2023 level and exceeded EUR 20 million net during the first quarter. The growth is explained by efforts in investment sales expertise, comprehensive advisory services, and a high activity level. The demand for term deposits also remained high.
- Investments in Aktia's availability and service level bore fruit during the first quarter. The service level of telephone customer service remained on a good level throughout the quarter and NPS was 46.

Result

(EUR million)	Q1/2024	Q1/2023	Δ%
Net interest income	44.8	28.8	56%
Net commission income	13.6	14.9	-9%
Other operating income	0.1	0.3	-79%
Operating income	58.5	44.0	33%
Operating expenses	-24.0	-28.5	-16%
Impairment	-2.7	-0.9	190%
Operating profit	**31.8**	**14.6**	**117%**
Comparable operating profit	**31.9**	**15.1**	**111%**

Result for Banking Business segment

Net interest income was strong in the first quarter. A large part of the loan book is tied to the 12-month Euribor, which rose to 3.67% at the end of the quarter, approximately the same level as at the end of the corresponding quarter last year. The current reference rate level has had a positive impact on interest income from lending, while interest expenses also have increased.

The loan book remained on approximately the same level as at the year-end, amounting to EUR 7,601 (7,631) million. Corporate customers' loan book increased to EUR 2,738 (2,688) million, while private customers' loan book decreased to EUR 4,864 (4,943) million. The favourable demand for fixed-term savings deposits continued. The total borrowing from the public and public-sector entities increased by 5% from year-end and amounted to EUR 4,087 (3,890) million.

Net commission income from lending remained unchanged and amounted to EUR 2.2 (2.2) million. Net commission income from cards, payment services and borrowing was 5% lower than in the first quarter last year, amounting to EUR 6.1 (6.4) million, mostly due to higher card-related expenses. The reported net commission income from investment activities decreased by 22% to EUR 3.0 (3.9) million, mainly due to internal income allocations. Customer assets under management increased by 5% to EUR 2,132 million from year-end.

The deviation in operating expenses compared to last year is mainly due to the provision for the stability contribution (which was collected last year, but not this year) and a decrease in personnel costs.

Impairments on credits and other commitments amounted to EUR -2.7 (-0.9) million, of which the change in the allowance for model-based credit losses (ECL) amounted to EUR -1.0 (0.2) million, whereas other individual impairments on credits amounted to EUR -1.7 (-1.2) million.

Asset Management

The segment includes asset management business as well as Private Banking and provides asset management to institutional investors, as well as a wide range of investment products to be distributed in Aktia's and external partners' sales channels.

- The customer assets under management increased in the first quarter, as the market environment remained mainly positive. The growth in the customer assets under management was supported by positive net sales in the banking business and in Private Banking and by the development in market values.
- Net sales to domestic and foreign institutions were negative for the first quarter. However, the negative net sales had a marginal impact on the result.
- Aktia EM Local Currency Bond Fund, which invests in local currency bonds in emerging markets, was awarded the best European fund in the Bond Emerging Markets Global Local Currency category over a three- and five-year reference period in the Refinitiv Lipper Fund Awards.

Result

(EUR million)	Q1/2024	Q1/2023	Δ%
Net interest income	3.9	3.7	5%
Net commission income	16.8	16.0	5%
Other operating income	0.0	0.0	-8%
Operating income	20.7	19.7	5%
Operating expenses	-13.4	-14.4	-7%
Impairment	—	-0.1	-100%
Operating profit	**7.3**	**5.2**	**41%**
Comparable operating profit	**7.8**	**5.9**	**31%**

Customer assets under management

(EUR million)	31 Mar 2024	31 Dec 2023	Δ%
Customer assets under management*	14,080	13,903	1%
of which institutional assets	7,438	7,872	-6%

*) Excluding fund in funds

Result for Asset Management segment

The operating income for the period increased by EUR 1.0 million to EUR 20.7 million due to higher net interest income and net commission income than in the reference period.

Net commission income increased by EUR 0.8 million to EUR 16,8 million. Income from fund management and wealth management agreements increased, while transaction-related income was lower compared with the corresponding period last year. In fund management, private equity funds developed strongly. Internal income allocations also had a positive impact on the higher net interest income. Customer assets under management increased by EUR 37 million from the reference period and amounted to EUR 14,080 (31 March 2023: 14,043) million at the end of the period. The net subscriptions for the period amounted to EUR -147 million, and the market value change was EUR 324 million during the period.

The operating expenses of the segment decreased by EUR 1.0 million to EUR 13.4 million. The decrease in the segment's expenses is mainly attributable to lower IT expenses, other operating expenses and allocated Group expenses. Personnel costs remained on the same level as in the reference period, constituting 41% (38) of the total expenses of the segment.

Life insurance

The segment includes the Life Insurance business area, which operates in risk life insurance and manages and sells an extensive range of investment-linked insurance products to be distributed in Aktia's and external partners' sales channels. As security for its customer liabilities, Aktia Life Insurance Ltd has investment assets.

- Sales of risk life insurance policies developed well during the first quarter.
- Sales of investment-linked insurances were strong during the quarter and the favourable market development had a positive impact on the result.
- The actuarially calculated result increased by 10% to EUR 6.5 (5.9) million.
- The result from investment activities, including insurance finance result and income from investment activities, was stable.
- The solvency ratio decreased during the period but was still on a good level.

Result

(EUR million)	Q1/2024	Q1/2023	Δ%
Insurance service result	4.2	3.8	10%
Result from investment contracts	2.3	2.1	11%
Net investment result	1.8	2.0	-12%
Net income from life insurance	8.3	7.9	5%
Operating expenses	-2.6	-2.5	3%
Operating profit	**5.7**	**5.4**	**6%**
Comparable operating profit	**5.7**	**5.4**	**6%**

Result for Life Insurance segment

The sale of risk insurances, especially through agents, continued positively during the first quarter and contributed to the higher result from insurance service in combination with lower loss ratios. The investment-linked insurance book, which includes both investment and insurance contracts, increased by 7%. The result from investment activities developed as expected.

The contractual service margin (CSM), which represents the future profit that the company expects to earn on the insurance contracts, decreased by EUR 0.5 million during the period. The decrease is mainly due to terminated insurance policies in connection with the company terminating its medical expense insurance policies. New insurances sold contributed with EUR 4.7 million, while EUR 2.2 million was dissolved through the income statement for insurance services provided. The solvency ratio decreased by 7 percentage points during the quarter. The decrease is mainly due to the planned easing of the transition rule as well as an increase in the equity risk of the Solvency Capital Requirement.

Group Functions

The Group Functions comprise the Group's centralised functions. The entities oversee the Group's financing and liquidity management and assist the other business segments with sales, IT and product support and development. The Group Functions are also responsible for monitoring and controlling risk and financial follow-up.

Result

(EUR million)	Q1/2024	Q1/2023	Δ%
Operating income	-7.4	1.8	—
Operating expenses	-4.0	-4.5	-11%
Operating profit	**-11.4**	**-2.7**	**321%**
Comparable operating profit	**-11.3**	**-2.5**	**353%**

Result for Group Functions segment

Operating income for the segment decreased to EUR -7.4 (1.8) million in the first quarter, mainly due to a lower net interest income than in the corresponding quarter last year.

Net interest income for Group Functions decreased to EUR -9.6 (-0.8) million. The change is mainly due to higher interest expenses for covered bonds and senior financing. Interest income from the liquidity portfolio increased.

Operating expenses for the segment are presented as net figures after costs allocated to business segments. Gross expenses for the segment decreased by 14% to EUR 24.7 (28.7) million, however, so that IT expenses have increased while the stability contribution has decreased. Most of the operating expenses for the segment are allocated to the other segments.

Group's segment reporting

(EUR million)	Banking Business		Asset Management		Life Insurance		Group Functions		Other & eliminations		Total Group	
Income statement	**Jan–Mar 2024**	**Jan–Mar 2023**	**Jan–Mar 2024**	**Jan–Mar 2023**	**Jan–Mar 2024**	**Jan–Mar 2023**	**Jan–Mar 2024**	**Jan–Mar 2023**	**Jan–Mar 2024**	**Jan–Mar 2023**	**Jan–Mar 2024**	**Jan–Mar 2023**
Net interest income	44.8	28.8	3.9	3.7	—	—	-9.6	-0.8	—	0.1	39.1	31.8
Net commission income	13.6	14.9	16.8	16.0	—	—	1.7	1.5	-2.0	-2.1	30.1	30.3
Net income from life insurance	—	—	—	—	8.3	7.9	—	—	-0.6	-0.7	7.7	7.2
Other income	0.1	0.3	—	—	—	—	0.5	1.1	-0.2	-0.4	0.4	1.0
Total operating income	**58.5**	**44.0**	**20.7**	**19.7**	**8.3**	**7.9**	**-7.4**	**1.8**	**-2.9**	**-3.2**	**77.3**	**70.3**
Personnel costs	-2.4	-4.1	-5.5	-5.5	-0.6	-0.5	-10.9	-10.8	—	—	-19.3	-21.0
Other expenses [1)]	-21.6	-24.3	-7.9	-8.9	-2.0	-2.0	6.9	6.3	2.7	2.8	-22.0	-26.1
Total operating expenses	**-24.0**	**-28.5**	**-13.4**	**-14.4**	**-2.6**	**-2.5**	**-4.0**	**-4.5**	**2.7**	**2.8**	**-41.4**	**-47.1**
Expected credit losses and impairment of credits and other commitments	-2.7	-0.9	—	—	—	—	—	—	—	—	-2.7	-0.9
Impairment of other receivables	—	—	—	-0.1	—	—	—	—	—	—	—	-0.1
Share of profit from associated companies	—	—	—	—	—	—	—	—	0.0	0.1	0.0	0.1
Operating profit	**31.8**	**14.6**	**7.3**	**5.2**	**5.7**	**5.4**	**-11.4**	**-2.7**	**-0.1**	**-0.3**	**33.3**	**22.2**
Comparable operating profit	**31.9**	**15.1**	**7.8**	**5.9**	**5.7**	**5.4**	**-11.3**	**-2.5**	**-0.1**	**-0.3**	**33.9**	**23.6**

Balance sheet	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**
Financial assets measured at fair value	—	—	0.0	—	1,580.2	1,497.9	979.8	920.9	0.0	—	2,560.0	2,418.7
Cash and balances with central banks	0.5	0.6	—	—	—	0.0	75.5	91.1	—	—	76.0	91.8
Interest-bearing securities measured at amortised cost	—	—	—	—	37.3	37.6	412.7	450.9	—	—	450.0	488.4
Loans and other receivables	7,636.6	7,639.0	339.7	284.7	16.3	26.9	604.3	635.2	-14.6	-23.7	8,582.3	8,562.1
Other assets	42.8	61.1	55.6	53.5	114.4	114.0	307.0	326.2	-81.1	-79.0	438.7	475.9
Total assets	**7,679.8**	**7,700.7**	**395.3**	**338.2**	**1,748.2**	**1,676.5**	**2,379.4**	**2,424.2**	**-95.7**	**-102.6**	**12,107.0**	**12,036.9**
Deposits	4,138.9	3,910.0	517.9	712.4	—	—	152.7	274.0	-14.6	-23.7	4,795.0	4,872.6
Debt securities issued	—	—	—	—	—	—	3,686.4	3,577.3	—	—	3,686.4	3,577.3
Liabilities from insurance business	—	—	—	—	1,597.7	1,529.0	—	—	—	—	1,597.7	1,529.0
Other liabilities	186.9	169.1	49.8	51.6	80.0	81.2	1,008.5	1,080.4	-34.3	-32.3	1,291.0	1,350.1
Total liabilities	**4,325.9**	**4,079.1**	**567.7**	**764.0**	**1,677.7**	**1,610.2**	**4,847.6**	**4,931.7**	**-48.9**	**-56.0**	**11,370.0**	**11,329.0**

1) The net expenses for central functions are allocated from the Group Functions to the business segments Banking Business, Asset Management and Life Insurance. This cost allocation is included in the segments' other operating expenses.

The quarterly figures for the segments are presented later in the report.

Capital adequacy and solvency

At the end of the period, Common Equity Tier 1 capital ratio of Aktia Bank Group (Aktia Bank Plc and all its subsidiaries except Aktia Life Insurance) amounted to 11.4% (11.3), which is 3.7 (3.6) percentage points above the minimum requirement. CET1 increased by EUR 6.8 million mainly due to the profit for the period. Risk-weighted exposures were on the same level as at the year-end. Aktia updated its dividend policy in the first quarter of the year, meaning that a higher proportion of the quarterly result can be included in own funds already during the reporting period 2024.

The Bank Group applies internal risk classification (IRBA) for the calculation of capital requirement for retail, equity and certain corporate exposures. The standardised approach is used for other exposures.

Capital adequacy, %	**31 Mar 2024**	**31 Dec 2023**
Bank Group		
CET1 capital ratio	11.4	11.3
Total capital ratio	16.1	15.0

The total capital requirement for banks consists of a minimum requirement (so-called Pillar 1), buffer requirement based on assessment (so-called Pillar 2) and other buffer requirements. The table below describes the different components of Aktia's capital requirements. Taking all capital requirements into account, the minimum total capital ratio was 11.8% for the Bank Group and 9.5% for Tier 1 capital ratio at the end of the quarter. On 30 March 2023, the Financial Supervisory Authority informed Aktia of a system risk buffer requirement of 1.0% as of 1 April 2024.

Leverage ratio (EUR million)	**31 Mar 2024**	**31 Dec 2023**
Tier 1 capital	451.7	443.1
Total exposures	10,465.6	10,468.9
Leverage ratio	**4.3%**	**4.2%**

For Aktia, the ratio of own funds and eligible liabilities to the leverage ratio exposure (LRE) was 294.4% and to the total risk exposure amount (TREA) 341.0%, as compared to the current MREL requirements of 20.30% for the TREA and 7.72% for the LRE. The current requirement entered into force on 1 January 2024. Aktia's requirement was covered by own funds and unsecured senior bonds. The MREL requirement does not include a so-called subordination requirement.

MREL requirement (EUR million)	**31 Mar 2024**	**31 Dec 2023**
Total risk exposures (TREA)	3,436.7	3,411.2
of which MREL requirement	697.6	677.5
Leverage ratio exposures (LRE)	10,465.6	10,468.9
of which MREL requirement	807.9	618.7
MREL requirement	**807.9**	**677.5**
CET1 capital	392.3	385.5
AT 1 instruments	59.4	57.7
Tier 2 instruments	100.0	69.6
Other liabilities	1,827.2	1,654.8
Total	**2,378.9**	**2,167.6**

The MREL requirement increased by EUR 130 million compared to the year-end. The main reason to the increase is related to the new requirement that entered into force on 1 January 2024, which increased Aktia's MREL requirement by EUR 125 million. However, the buffer to the MREL requirement has remained strong. Aktia's buffer to the MREL requirement was EUR 1,571 million. The MREL requirement for Aktia was based on the LRE.

Total capital requirement

			Buffer requirements				
31 March 2024 (%)	**Pillar 1 requirement**	**Pillar 2 requirement**	**Capital Conservation**	**Counter -cyclical**	**O-SII**	**Systemic risk**	**Total**
CET1 capital	4.50%	0.70%	2.50%	0.04%	—%	—%	7.75%
AT1 capital	1.50%	0.23%	—%	—%	—%	—%	1.73%
Tier 2 capital	2.00%	0.31%	—%	—%	—%	—%	2.31%
Total	**8.00%**	**1.25%**	**2.50%**	**0.04%**	**—%**	**—%**	**11.79%**

The life insurance business follows the Solvency II directive, in which calculations for insurance liabilities are measured at market value. In line with Solvency II, the company calculates its Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) and identifies its available solvency capital. Aktia Life Insurance Ltd applies the standard formula for SCR, with consideration of the transitional measure for the insurance liability, in accordance with the permission granted by the Financial Supervisory Authority.

During the period, the Aktia Life Insurance Ltd's solvency ratio (with transition rules) has decreased by 7 percentage points. The decrease is mainly attributable to the planned easing of the transition rule as well as a higher capital requirement for equity holdings due to the increase in the symmetric equity dampener in Solvency II. The strong growth in the investment-linked portfolio has led to an increase in equity risk and capital requirements as new sales have shifted towards equities and private equity.

Solvency II

	With transitional rules		**Without transitional rules**	
(EUR million)	**31 Mar 2024**	**31 Dec 2023**	**31 Mar 2024**	**31 Dec 2023**
MCR	24.7	23.5	25.5	23.1
SCR	99.0	93.9	106.1	101.9
Eligible capital	182.5	180.1	156.2	152.1
Solvency ratio, %	**184.4**	**191.7**	**147.3**	**149.3**

The Group's risk exposures

The Group's main risk areas are credit, interest rate and liquidity risks in the Bank Group, as well as interest rate and other market risks and actuarial risks within the life insurance business. All these operations are exposed to business and operational risks.

Definitions and general principles for asset and risk management are presented in note G2, The Group's risk management, in Aktia Bank Plc's Financial Review 2023 and in Aktia Bank Plc's Pillar III Report 2023, published on the Group's website **www.aktia.com.**

Banking and asset management business

Credit risks

Aktia's loan portfolio consists for the major part of loans to households and private persons with residential or real estate collaterals. The loan ratio measured in loan-to-value (LTV) is at an adequate level. At the end of the first quarter, the average LTV level amounted to 42% for the entire loan portfolio.

Household lending slowed down slightly during the quarter, while corporate lending continued to increase. The instalment-free periods for households continued to decrease, which is expected in the current interest rate environment, as customers with good repayment capacity are paying back their loans with increased pace. Card credit portfolio continued to increase during the quarter.

The repayment capacity among some private customers is weakened, which is seen as an increased number of loans with forbearances. Defaults increased slightly among private customers. The current economic situation is expected to continue to be challenging for individual customers, which is expected to have a negative impact on customers' repayment capacity.

Corporate exposures have continued to increase during the quarter, as loans for corporates and housing cooperatives have increased, while loans to housing cooperatives under construction and commercial real estates have decreased.

Gross loans past due by time overdue and ECL stages

(EUR million)	31 March 2024			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	45.1	23.6	8.1	75.8
of which households	21.0	18.7	5.8	45.4
> 30 ≤ 90	—	28.8	18.4	47.2
of which households	—	25.0	16.6	41.6
> 90	—	—	53.6	53.6
of which households	—	—	45.1	45.1

(EUR million)	31 December 2023			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	38.5	24.7	8.2	71.3
of which households	29.5	20.5	7.2	57.2
> 30 ≤ 90	—	37.9	12.5	50.5
of which households	—	30.0	12.1	42.1
> 90	—	—	54.7	54.7
of which households	—	—	45.6	45.6

Credit exposures (incl. off-balance sheet commitments) per probability of default (PD)

(EUR million)	31 Mar 2024	31 Dec 2023
Corporate		
PD grades A	2,471.8	2,449.4
PD grades B	73.3	75.6
PD grades C	14.7	15.9
Default	19.3	21.7
Book value before ECL provisions	2,579.0	2,562.7
Loss allowance (ECL)	-13.2	-13.2
Carrying amount	**2,565.8**	**2,549.5**
Households		
PD grades A	4,208.2	4,208.1
PD grades B	836.3	821.1
PD grades C	288.3	324.0
Default	112.9	110.0
Book value before ECL provisions	5,445.7	5,463.2
Loss allowance (ECL)	-22.8	-23.4
Carrying amount	**5,422.9**	**5,439.8**
Other		
PD grades A	501.2	489.3
PD grades B	8.4	8.4
PD grades C	3.8	14.6
Default	0.6	1.0
Book value before ECL provisions	513.9	513.2
Loss allowance (ECL)	-0.4	-0.7
Carrying amount	**513.5**	**512.5**

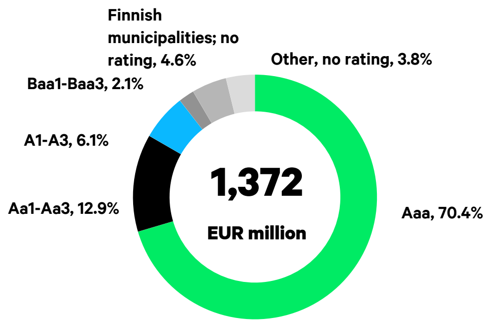
Reporting of PD classes A, B and C divided according to the credit classification models in the bank. Corporates and households are classified with the IRB-approach. Defaulted exposures has a PD of 100%.

Market risks

Market risk arises from changes in price and risk factors in financial markets. Market risk includes interest rate risk, credit spread risk, currency risk, equity risk and real estate risk. The main market risk in the liquidity portfolio is credit spread risk, while the main market risk in the entire banking book is interest rate risk.

Credit spread risk is the most significant risk component in the Bank's internal market risk model, which measures the fair value risk of instruments measured through the statement of comprehensive income in the liquidity portfolio. The Bank hedges its liquidity portfolio against rising interest rates, which means that interest rate risk is very low. There has been no significant change in the level of risk during the last quarter.

Rating distribution for the Bank Group's liquidity portfolio 31 Mar 2024



Banking operations do not engage in equity trading for trading purposes and no real estate investments are made for yield purposes.

Equity investments attributable to the operations amounted to EUR 9 (9) million. The Bank Group had no real estate holdings at the end of the period.

The Bank Group's total currency exposure is marginal and amounted to EUR 8 (6) million at the end of the period.

Liquidity reserve and measurement of liquidity risk

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 1,869 (1,817) million at the end of the period.

All bonds met the criteria for refinancing at the central bank.

Liquidity reserve, market value (EUR million)	**31 Mar 2024**	**31 Dec 2023**
Cash and balances with central banks	625	597
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	198	191
Securities issued or guaranteed by municipalities or the public sector	64	72
Covered Bonds	983	957
Securities issued by credit institutions	—	—
Total	**1,869**	**1,817**
of which LCR-qualified	1,869	1,817

The liquidity risk is monitored e.g. using the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). On 31 March 2024, the LCR amounted to 187% (221) and NSFR amounted to 124% (122).

Liquidity coverage ratio (LCR)	**31 Mar 2024**	**31 Dec 2023**
LCR %	187%	221%
NSFR %	124%	122%

Life Insurance Business

Investment portfolio of the life insurance business

The market value of the life insurance business' total investment portfolio amounted to EUR 476 (486) million, of which the life insurance business' direct real estate investments amounted to EUR 75 (73) million. The properties are in the Helsinki metropolitan area and other growth centres in southern Finland and have mainly tenants with long-term leases.

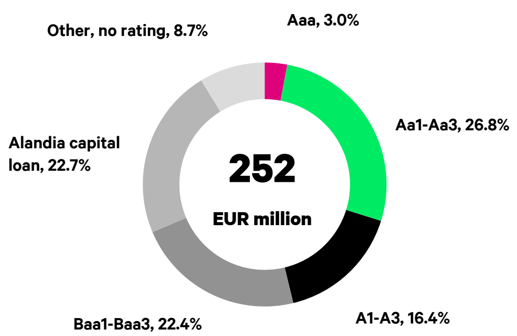
Aktia Life Insurance, allocation of investment portfolio

(EUR million)	31 Mar 2024		31 Dec 2023	
Equities	**10.9**	**2.4%**	**10.1**	**2.1%**
Europe	1.5	0.3%	1.5	0.3%
Finland	0.5	0.1%	0.5	0.1%
USA	7.6	1.7%	6.9	1.4%
Japan	0.7	0.1%	0.6	0.1%
Emerging markets	0.6	0.1%	0.6	0.1%
Fixed income investments	**309.4**	**67.3%**	**316.7**	**65.1**
Government bonds	87.3	19.0%	88.7	18.2%
Financial bonds	29.4	6.4%	29.4	6.0%
Other corporate bonds[1]	134.4	29.2%	139.7	28.7%
Emerging Markets (mtl. funds)	34.3	7.5%	34.1	7.0%
High yield (mtl. funds)	22.6	4.9%	22.8	4.7%
Other funds	1.4	0.3%	2.1	0.9%
Alternative investments	**27.6**	**6.0%**	**27.1**	**5.9%**
Private Equity etc.	22.8	4.9%	22.6	4.6%
Infrastructure funds	4.9	1.1%	4.6	1.5%
Real estates	**93.4**	**20.3%**	**91.9**	**14.9%**
Directly owned	74.9	16.3%	72.7	10.0%
Real estate funds	18.5	4.0%	19.2	4.9%
Money Market	**32.9**	**7.2%**	**25.8**	**11.3%**
Derivatives	**-14.3**	**-3.1%**	**-12.2**	**-4.9%**
Cash and bank	**16.3**	**3.4%**	**26.8**	**5.5%**
Total	**476.2**	**100.0%**	**486.3**	**100.0%**

1) Includes capital loan to Alandia

Rating distribution for the life insurance business's direct interest-bearing investments 31 March 2024

(excluding investments in fixed income funds, real estates, equities and alternative investments)



Life insurance business' market risk

The interest rate risk is the most significant market risk for the liabilities from insurance contracts of the life insurance company, as other market risks are of marginal significance. Through its investment portfolio, the company is also exposed to credit spread risk, equity risk, real estate risk, as well as currency and concentration risk.

In the Group's internal capital calculation, the company's largest market risk exposure is equity risk, arising from a potential reduction in the value of the company's equity holdings, as well as through the share of risk in the customers' holdings in investment-linked insurance portfolios attributed to the company. The risks arising from decreasing real estate prices or an increase in credit margins (spreads) are also considerable.

The risk exposure in the internal model is calculated under a stress scenario describing a historical 99.5% percentile of the different risk factors. As at 31 March 2024, the risk sensitivity amounted to EUR 10.9 (23.1) million for interest rate risk, EUR 42.4 (35.2) million for equity risk, EUR 25.9 (25.9) million for real estate risk, EUR 21.3 (23.0) million for credit spread risk and EUR 20.0 (22.2) million for currency risk. After aggregation and diversification effect, the internal requirement is EUR 79.2 (82.1) million, against the authorised limit of EUR 95 (100) million. The magnitude of the change is mainly due to the calibration of the model at the year-end. The increase in interest rates has had a significant impact on the calculation parameters.

Main events

Changes in the Executive Commitee

Aleksi Lehtonen, new CEO of Aktia, will assume his duties on 1 June 2024. Aleksi Lehtonen was appointed CEO of Aktia in June 2023.

Kaapro Kanto left his duties as Chief Information Officer at Aktia on 13 March 2024.

Aktia's interim EVP, Asset Management Uki Lammi stepped down from his duties on 11 January 2024. Kati Eriksson assumed the position of EVP, Asset Management on 26 January 2024.

Aktia updated its dividend policy

Updated dividend policy (as of 28 February 2024)

Aktia's goal is to provide a competitive dividend yield to its shareholders. The amount of dividends to be paid depends on the group's financial performance and its growth and investment needs. In addition, Aktia wants to ensure sufficient capital adequacy also during changing market conditions.

Aktia intends to pay out a dividend of approximately 60 per cent of the profit for the reporting period to its shareholders.

Aktia's goal is to achieve profitable growth in all business areas. The capital structure must support both this growth and the ensuring of a good level of capital adequacy.

Previous dividend policy (until 28 February 2024)

Aktia's goal is to pay out a dividend of 60–80 per cent of the profit for the reporting period.

Aktia clarified its strategic priorities and targets – employee experience added as part of the strategy

After the change, Aktia's strategic priorities are the following: "Excellent customer experience", "Empowering employee experience", "Win in wealth management", and "Growth among customers who are willing to increase their wealth".

Aktia's long-term financial objectives will be reviewed in autumn 2024.

Aktia's emerging market fund was awarded the best in Europe

Aktia Emerging Market Local Currency Bond+ received first prize in the Refinitiv Lipper Fund Awards comparison.

Events after the end of the reporting period

The Pillar 2 requirement for Aktia decreases by 0.25 percentage points to 1.00%

The Finnish Financial Supervisory Authority imposed on 25 April 2024 a discretionary additional capital requirement (Pillar 2) of 1.00% for Aktia Bank Plc Group. The requirement is valid until further notice as of 30 September 2024 but not longer than until 30 September 2027. The current Pillar 2 requirement, valid until the new requirement enters into force, is 1.25%.

Other information

Rating

Standard & Poor's (S&P) outlook for the creditworthiness of Aktia Bank Plc has been stable since the latest update on 22 January 2021. The rating is A- for long-term borrowing and A2 for short-term borrowing. The rating was affirmed on 27 November 2023.

On 6 April 2023, Moody's Investors Service changed the long-term outlook on Aktia's credit ratings for short-term and long-term funding from stable to negative. At the same time, Moody's confirmed Aktia's short-term funding rating at P-1 and long-term funding rating at A2. Moody's Investors Service's rating for Aktia Bank's long-term Covered Bonds is Aaa.

	Long-term borrowing	Short-term borrowing	Outlook	Covered Bonds
Moody's Investor Service	A2	P-1	negative	Aaa
Standard & Poor's	A-	A-2	stable	—

Events concerning related parties

Related parties include Aktia's subsidiaries and associated companies, shareholders with significant influence and key persons in management positions and close family members, as well as companies where a key person in a management position has a controlling influence. Aktia Group's key persons are the members of the Board of Directors, the CEO, the Deputy CEO and other members of the Executive Committee.

Further information on events concerning related parties is described in notes G43 and P43 in the Financial statements 2023.

Personnel

The number of full-time employees at the end of March amounted to 819 (31 Dec 2023; 833). The average number of full-time employees amounted to 820 (1 Jan–31 Mar 2023; 870).

Aktia Bank Plc's incentive programme 2024–2025

Share Savings Plan

The Board of Directors of Aktia Bank Plc has decided on a continuation of AktiaUna, a long-term share savings plan for the employees of the Aktia Group that was launched in 2018 to support the implementation of Aktia's strategy.

The objective of the share savings plan is to motivate Aktia's employees to invest in Aktia shares and to own shares in Aktia. The objective is also to align the interests of the employees and shareholders and commit the employees to work for a good value development and increased shareholder value in the long term.

The share savings plan offers approximately 850 Aktia employees the opportunity to save 2–6% of their salaries (the members of the Group's Executive Committee up to 12% and selected key employees up to 7%) and with this savings amount regularly acquire Aktia shares at a 10% discount. Furthermore, the participants are granted them free matching shares against shares acquired in AktiaUna share savings plan after approximately two years.

Executive and key employee incentive plan 2024

The Board of Directors of Aktia Bank Plc has decided to continue a performance-based incentive plan for key employees of the group, including the CEO and the group executive committee. The objective of the plan is to support the company's strategy by motivating the key employees to achieve financial and strategic targets set for the group.

The plan includes one 1-year performance period, calendar year 2024. During the performance period 2024, the reward from the plan is based on group comparable operating profit, cost/income ratio and strategic metrics decided by the Board, as well as the participants' individual performance. Participation in the programme requires participation in the AktiaUna share savings plan.

Half of the reward earned based on the performance period will be converted into Aktia shares after the performance period and will be paid in five instalments in 2025, 2026, 2027, 2028 and 2029, partly in Aktia shares and partly in cash.

At the target level, the maximum value of the reward based on the performance period is 2,330,000 euros in total upon the launch of the plan. The final cost of the plan depends on the achievement of the targets of the performance criteria for the performance period and on the conversion price of the share after the end of the performance period. During the performance period 2024, approximately 20 key employees belong to the target group of the plan.

Decisions of Aktia Bank Plc's Annual General Meeting 2024

The Annual General Meeting of Aktia Bank Plc, held on 3 April 2024, adopted the financial statements of the parent company and the consolidated financial statements and discharged the members of the Board of Directors, the CEO and his deputy from liability.

In accordance with the proposal by the Board of Directors, the Annual General Meeting decided on the payment of a dividend of 0.70 euro per share for the accounting period 1 January – 31 December 2023.

The Annual General Meeting confirmed the number of board members as nine. Ann Grevelius, Carl Haglund, Maria Jerhamre Engström, Harri Lauslahti, Sari Pohjonen, Johannes Schulman and Lasse Svens were re-elected as Board members. Joakim Frimodig and Matts Rosenberg were elected as new members of the Board of Directors. The Board of Directors, which convened after the General Meeting, elected Lasse Svens as chair and Joakim Frimodig as vice chair. In the same meeting, the Board of Directors also decided on the composition of the Board's Audit Committee, Risk Committee, as well as the Remuneration and Corporate Governance Committee. Sari Pohjonen was elected as chair and Ann Grevelius, Matts Rosenberg and Johannes Schulman as members of the Audit Committee. Maria Jerhamre Engström was elected as chair and Joakim Frimodig, Harri Lauslahti and Lasse Svens as members of the Risk Committee. Joakim Frimodig was elected as chair and Carl Haglund, Matts Rosenberg and Lasse Svens as members of the Remuneration and Corporate Governance Committee.

In accordance with the proposal by the Board of Directors, the Annual General Meeting decided to approve the remuneration report and the remuneration policy of the governing bodies of Aktia Bank Plc and the remuneration of the Board of Directors.

The Annual General Meeting determined that the number of auditors shall be one, and re-elected APA firm KPMG Oy Ab as auditor with Marcus Tötterman, M.Sc. (Econ.), APA, as auditor-in-charge. KPMG Oy Ab was elected also as sustainability auditor, with Marcus Tötterman, M.Sc. (Econ.), Authorised Sustainability Auditor (ASA), as sustainability auditor-in-charge.

The Annual General Meeting adopted the proposal of the Board of Directors regarding a resolution for a share issue authorisation for up to 7,279,000 shares or securities entitling to shares, authorisation to acquire up to 500,000 of the company's own shares for use in the company's share-based scheme and/or the remuneration of members of the company's Board of Directors, for further transfer, retention, or cancellation, and authorisation to divest up to 500,000 of the company's own shares.

All proposals mentioned above are published on the website **www.aktia.com** under Investors > Corporate governance > Annual General Meeting > Annual General Meeting 2024.

Share capital and number of shares

Aktia Bank Plc's share capital amounts to EUR 170 million. At the end of March 2024, the number of Aktia shares was 72,796,887. The total number of registered holders amounted to 40,797 (31 March 2023; 40,457). 6.83% of the shares were in foreign ownership. There were no unregistered shares at the end of March. On 31 March 2024, the Group held 121,608 (31 March 2023; 169,499) Aktia shares.

Aktia Bank Plc's market value on 28 March 2024, the last trading day of the period, was approximately EUR 729 million. The closing price for the share on 28 March 2024 was EUR 10.02. The highest price for the share during the period was EUR 10.06 and the lowest EUR 8.85.

The average daily turnover of the share during January–March 2024 was EUR 502,646 or 53,611 shares.

(EUR million)	Number of shares	Share capital	Unrestricted equity reserve
1 Jan 2023	**72,385,072**	**169.7**	**141.5**
Share issue 30 Jan 2023	80,000	—	0.9
Share issue 25 May 2023	92,793	—	0.8
Share issue 22 Nov 2023	87,022	—	0.7
Other changes	—	—	0.4
31 Dec 2023	**72,644,887**	**169.7**	**144.2**
Share issue 8 Apr 2024	152,000	—	1.4
Other changes	—	—	0.6
31 Mar 2024	**72,796,887**	**169.7**	**146.2**

Sustainability

We are well on track to prepare for reporting sustainability information for the fiscal year 2024 in accordance with EU's Corporate Sustainability Reporting Directive (CSRD). The directive will entail significant changes in Aktia's sustainability reporting. During the first quarter, we have focused on furthering Aktia's double materiality analysis, an essential part of the sustainability reporting directive. The results of the analysis are expected to be finalised during the upcoming quarter.

The principles of responsible investing have been a focus area during the first quarter. The principles have been updated during the first quarter and will come into effect during the second quarter. In the updated principles we have specified the exclusion criteria for controversial weapons, fossil fuels, and unconventional fossil fuels. The principles also describe how investment activities consider opportunities and risks related to sustainability.

During the first quarter, we developed our active ownership methods by creating a new model for engagement dialogues with government institutions. The model is based on the results of the ASCOR* tool, where Aktia is a member of the advisory committee, and it is expected to improve the consideration of aspects related to climate change mitigation and adaptation in Aktia's emerging market debt funds. The model will be piloted during the second quarter.

In the fourth quarter of 2023, Aktia launched its first green loan product, a green mortgage. The sale of green mortgages has had a good start during the first quarter.

*) ASCOR = Assessing Sovereign Climate-related Opportunities and Risks.

Aktia monitors some of the sustainability indicators in Aktia’s sustainability programme on a quarterly or biannual basis. The levels of these indicators are presented in the table below.

Indicator (target for year 2025)		Q1/2024	Q3/2024
Share of Article 8/9 classified funds (increase)		96.3%	95.3%
Siqni flame Index (80)		75*	72
eNPS, Employee Net Promoter Score measures employees' willingness to recommend the organization (20)		18*	-4
Aktia’s ESG ratings (at least industry average)	MSCI	AA	A
	Sustainalytics	Low risk	Low risk
	ISS	D+	D+
Interim objectives of the climate strategy			
Change in the relative carbon footprint of equity and credit portfolios** (tonnes of CO_2 e/ million euros invested) (2025 -30% vs. 2019)		-40.1%	-30.1%

*) The meters have been updated in April 2024
**) Equity funds: Capital, Nordic, Nordic Small Cap, Nordic Micro Cap, Europa, Europe Small Cap, America, Global, Micro Rhein, Rhein Value, Micro Markka and Europa Dividend.
Credit funds: Corporate Bond +, Short-Term Corporate Bond +, European High Yield Bond +, Nordic High Yield and UI Aktia Sustainable Corporate Bond.
Includes also the mixed funds Secura and Solida as well as Aktia Treasury’s and Aktia Life Insurance’s investment portfolios.

Risks

Aktia's result is affected by many factors, of which the most important are the general economic situation, fluctuations in share prices, interest rates and exchange rates, as well as the competitive situation. Changes in these factors may affect the demand for banking, insurance, and asset management services. The market value of Aktia's financial and other assets may change, among other things, as a result of investors' higher return requirements or rising interest rates.

Capital markets are operating normally, and a large number of successful issues have been made in the market. Aktia's senior funding remained active during the first quarter of the year and the bank issued new bonds to a total value of EUR 285 million as well as a Tier 2 capital loan to the Swedish market (SEK) with a counter-value of EUR 31 million. Retail deposits and capital markets continued to be an excellent form of funding alongside wholesale funding at the beginning of the year.

Credit risks remained stable, and no major changes took place in the credit portfolio risk level during the past quarter. Credit risks are considered to have somewhat increased, caused by higher interest rates than before and high inflation, which can be seen as an increase in the number of forbearance measures granted to private customers. The number of private customers' defaulted loans increased slightly during the quarter, while the number of corporate customers' defaulted loans decreased. The total defaulted loan book remained at the same level as in the previous quarter. The number of instalment-free periods decreased further among private customers, while the level was stable among corporate customers. There was no significant change in unpaid debts. The level follows the historical development for both private and corporate customers. The bank started using the Positive credit register for private customers on 1 April. The register shows private customers' debt on a daily basis, improving the bank's insight into customers' finances at loan application date.

Aktia's operational risks were outside the risk appetite but remained within the risk tolerance during the first quarter. During the quarter, Aktia had several IT-related incidents, but they were dealt with relatively quickly and the impact on customers remained small. The deficiencies discovered based on the incidents are being analysed and necessary measures are taken to prevent similar incidents in the future. The risk level of information security is considered to be outside the risk appetite but within the risk tolerance due to the general situation and the international cyber threats against the financial sector. Aktia works actively to combat potential cyber threats. During the first quarter, cyber attacks continued e.g. against Finnish actors in the financial sector. However, the impacts have so far been insignificant for Aktia.

Outlook for 2024 (updated)

Aktia's comparable operating profit for 2024 is expected to be somewhat higher or higher than the EUR 108.4 million reported for 2023.

The outlook has been prepared based on the following expectations:

- Despite market uncertainty and a probable decline in interest rates, the net interest income is expected to be higher than in 2023.
- Net commission income is expected to be somewhat higher than in 2023, provided that the market conditions are favourable.
- The life insurance business is expected to develop steadily. However, the result may be affected by changes in market values.
- Total operating expenses are expected to remain on approximately the same level as in 2023, IT expenses are expected to increase.
- Impairments and provisions for credit losses are expected to increase slightly compared to the 2023 level, given the current market situation.

Outlook for 2024 (previous)

Aktia's comparable operating profit for 2024 is expected to be somewhat higher than the EUR 108.4 million reported for 2023.

The outlook has been prepared based on the following expectations:

- Despite market uncertainty and a probable decline in interest rates, the net interest income is expected to be slightly higher than in 2023.
- Net commission income is expected to be somewhat higher than in 2023, provided that the market conditions are favourable.
- The life insurance business is expected to develop steadily. However, the result may be affected by changes in market values.
- Operating expenses are expected to be on the same level or somewhat higher than in 2023, IT expenses are expected to increase slightly.
- Impairments and provisions for credit losses are expected to increase slightly compared to the 2023 level, given the current market situation.

Tables and notes to the interim report

Key figures

(EUR million)	1-3/2024	1-3/2023	Δ %	Q4/2023	Q3/2023	Q2/2023	2023
Earnings per share (EPS), EUR	0.38	0.25	52%	0.28	0.34	0.29	1.16
Total earnings per share, EUR	0.41	0.29	41%	0.33	0.37	0.32	1.31
Equity per share (NAV), EUR[**1]	9.32	8.33	12%	8.95	8.60	8.22	8.95
Average number of shares (excl. treasury shares), million[2]	72.6	72.2	0%	72.3	72.3	72.3	72.3
Number of shares at the end of the period (excl. treasury shares), million[1]	72.7	72.3	1%	72.5	72.4	72.4	72.5
Return on equity (ROE), %[**]	16.4	12.2	4,2*	12.8	16.2	14.1	13.7
Return on assets (ROA), %**	0.90	0.59	0,31*	0.68	0.82	0.69	0.69
Cost-to-income ratio**	0.54	0.67	-19%	0.62	0.54	0.60	0.61
Common Equity Tier 1 capital ratio, CET1 (Bank Group), %[1]	11.4	11.1	0,3*	11.3	11.0	11.0	11.3
Tier 1 capital ratio (Bank Group), %[1]	13.1	13.0	0,1*	13.0	12.8	12.8	13.0
Capital adequacy ratio (Bank Group), %[1]	16.1	15.2	0,9*	15.0	14.9	15.0	15.0
Risk-weighted exposures (Bank Group)[1]	3,436.7	3,132.8	10%	3,411.2	3,257.3	3,202.7	3,411.2
Capital adequacy ratio (finance and insurance conglomerate), %[1]	137.2	141.2	-4,0*	135.9	136.2	137.5	135.9
Equity ratio, %[**1]	6.1	5.4	0,7*	5.8	5.6	5.3	5.8
Group financial assets[**1]	2,344	2,580	-9%	2,397	2,254	2,681	2,397
Assets under management[**1]	14,080	14,043	0%	13,903	13,559	14,014	13,903
Borrowing from the public[1]	4,575	4,871	-6%	4,564	4,679	4,793	4,564
Lending to the public[1]	7,885	7,805	1%	7,866	7,835	7,824	7,866
Premiums written before reinsurers' share (Aktia Life Insurance Ltd)*	55.3	40.6	36%	33.6	31.0	44.7	149.9
Expense ratio, % (Aktia Life Insurance Ltd)[2]	131.4	108.1	23,3*	111.3	110.5	110.6	111.3
Solvency ratio (Aktia Life Insurance Ltd), %	184.4	224.3	-39,9*	191.7	201.4	207.6	191.7
Eligibe capital (Aktia Life Insurance Ltd)	182.5	177.9	3%	180.1	170.0	174.0	180.1
Investments at fair value (Aktia Life Insurance Ltd)[**1]	1,681	1,509	11%	1,597	1,539	1,553	1,597
Liabilities from insurance contracts[1]	470	493	-5%	475	458	481	475
Liabilities from investment contracts[1]	1,128	970	16%	1,054	993	1,000	1,054
Group's personnel (FTEs), average number of employees	820	870	-6%	834	855	863	855
Group's personnel (FTEs), at the end of the period[1]	819	860	-5%	833	839	870	833
Alternative performance measures excluding items affecting comparability:							
Comparable cost-to-income ratio**	0.53	0.65	-18%	0.60	0.54	0.60	0.60
Comparable earnings per share (EPS), EUR**	0.38	0.27	41%	0.29	0.34	0.29	1.19
Comparable return on equity (ROE), %[**]	16.7	13.0	3,8*	13.3	16.2	13.9	14.0

*) The change is calculated in percentage units.

**) Aktia has defined the alternative performance measures to be presented in the Group's financial reports in accordance with the guidelines for Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA). The Alternative Performance Measures (APMs) are financial measures that have not been defined in the IFRS rules, the capital requirements regulation (CRD/CRR) or in the Solvency II framework (SII). Therefore, the APMs shall not be regarded as substitutes for financial measures in accordance with IFRS. The APMs make comparison of different periods easier and gives users of financial reports useful further information. Aktia presents a number of APMs, from which items affecting comparability are excluded. Items affecting comparability are not associated with day-to-day business, and such items are income and expenses attributable to restructuring, divestment of operations as well as impairment of assets departing from day-to-day business. The items affecting comparability are shown in the table under the Group's income statement and comprehensive income.

1) At the end of the period.

2) Cumulative from the beginning of the year.

Formulas for the key figures are available in Aktia Bank Plc's Consolidated Financial Statement 2023.

Consolidated income statement

EUR million	Note	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Net interest income	3	39.1	31.8	23%	144.0
Dividends		0.2	0.0	—	0.1
Commission income		34.5	33.3	4%	134.6
Commission expenses		-4.4	-3.0	44%	-14.3
Net commission income		30.1	30.3	0%	120.4
Insurance service result		4.2	3.8	10%	18.0
Result from investment contracts		2.3	2.1	11%	8.4
Net investment result		1.2	1.3	-10%	-2.4
Net income from life insurance	4	7.7	7.2	7%	24.1
Net income from financial transactions	5	0.1	0.6	-81%	1.7
Other operating income		0.1	0.4	-67%	0.7
Total operating income		**77.3**	**70.3**	**10%**	**291.0**
Personnel costs		-19.3	-21.0	-8%	-84.5
IT expenses		-11.0	-9.2	19%	-41.1
Depreciation of tangible and intangible assets		-6.0	-5.9	2%	-23.5
Other operating expenses		-5.1	-11.0	-54%	-27.5
Total operating expenses		**-41.4**	**-47.1**	**-12%**	**-176.6**
Impairment of tangible and intangible assets		—	—	—	-1.3
Impairment of credits and other commitments	7	-2.7	-0.9	190%	-7.0
Impairment of other receivables		—	-0.1	-100%	-0.1
Share of profit from associated companies		0.0	0.1	-36%	0.1
Operating profit		**33.3**	**22.2**	**50%**	**106.2**
Taxes		-6.0	-4.1	46%	-22.0
Profit for the period		**27.2**	**18.1**	**51%**	**84.2**
Attributable to:					
Shareholders in Aktia Bank Plc		27.2	18.1	51%	84.2
Total		**27.2**	**18.1**	**51%**	**84.2**
Earnings per share (EPS), EUR		0.38	0.25	52%	1.16
Earnings per share (EPS) after dilution, EUR		0.38	0.25	52%	1.16
Operating profit excluding items affecting comparability:					
Operating profit		33.3	22.2	50%	106.2
Operating income:					
Additional income from divestment of Visa Europe to Visa Inc		—	—	—	-0.3
Operating expenses:					
Costs for restructuring		0.6	1.4	-55%	2.4
Comparable operating profit		**33.9**	**23.6**	**44%**	**108.4**

Consolidated statement of comprehensive income

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Profit for the period	27.2	18.1	51%	84.2
Other comprehensive income after taxes:				
Change in fair value for financial assets	2.1	3.4	-38%	11.9
Change in fair value for cash flow hedging	0.7	-0.5	—	-0.6
Transferred to the income statement for financial assets	0.0	0.0	618%	-0.4
Comprehensive income from items which can be transferred to the income statement	2.8	2.9	-3%	10.9
Defined benefit plan pensions	—	—	—	0.0
Comprehensive income from items which can not be transferred to the income statement	—	—	—	0.0
Total comprehensive income for the period	**30.1**	**21.0**	**43%**	**95.1**
Total comprehensive income attributable to:				
Shareholders in Aktia Bank plc	30.1	21.0	43%	95.1
Total	**30.1**	**21.0**	**43%**	**95.1**
Total earnings per share, EUR	0.41	0.29	41%	1.31
Total earnings per share, EUR, after dilution	0.41	0.29	41%	1.31
Total comprehensive income excluding items affecting comparability:				
Total comprehensive income	30.1	21.0	43%	95.1
Additional income from divestment of Visa Europe to Visa Inc	—	—	—	-0.2
Costs for restructuring	0.5	1.1	-55%	1.9
Comparable total comprehensive income	**30.6**	**22.1**	**38%**	**96.8**

Items affecting consolidated income statement and comprehensive income

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Net income from financial transactions	—	—	—	0.3
Total operating income	**—**	**—**	**—**	**0.3**
Personnel costs	-0.6	-1.4	-55%	-2.4
Other operating expenses	—	—	-100%	-0.1
Total operating expenses	**-0.6**	**-1.4**	**-55%**	**-2.4**
Operating profit	**-0.6**	**-1.4**	**-55%**	**-2.1**
Taxes	0.1	0.3	-55%	0.4
Total comprehensive income for the period	**-0.5**	**-1.1**	**-55%**	**-1.7**

Consolidated balance sheet

(EUR million)	Note	31 Mar 2024	31 Dec 2023	Δ%	31 Mar 2023
Interest-bearing securities		73.2	73.8	-1%	70.2
Shares and participations		165.2	162.3	2%	159.9
Investments for unit-linked investments		1,211.9	1,133.6	7%	1,050.1
Financial assets measured at fair value through income statement	8	1,450.3	1,369.7	6%	1,280.2
Interest-bearing securities		1,109.7	1,049.0	6%	968.2
Financial assets measured at fair value through other comprehensive income	8	1,109.7	1,049.0	6%	968.2
Interest-bearing securities	7,8	450.0	488.4	-8%	551.0
Lending to Bank of Finland and credit institutions	7,8	697.2	696.2	0%	956.7
Lending to the public and public sector entities	7,8	7,885.1	7,865.9	0%	7,804.5
Cash and balances with central banks	8	76.0	91.8	-17%	114.5
Financial assets measured at amortised cost		9,108.3	9,142.3	0%	9,426.8
Derivative instruments	6,8	60.6	81.9	-26%	49.1
Investments in associated companies and joint ventures		2.8	2.9	-5%	2.8
Intangible assets and goodwill		169.5	168.2	1%	166.1
Right-of-use assets		21.0	21.3	-2%	21.1
Investment properties		62.3	62.3	0%	44.7
Other tangible assets		8.2	8.6	-5%	8.6
Tangible and intangible assets		261.0	260.5	0%	240.6
Other assets		92.5	105.5	-12%	115.0
Income tax receivables		0.0	0.0	-67%	2.3
Deferred tax receivables		21.8	25.1	-13%	37.2
Tax receivables		21.9	25.2	-13%	39.6
Total assets		**12,107.0**	**12,036.9**	**1%**	**12,122.2**
Liabilities					
Liabilities to central banks (TLTRO loan)		150.0	250.0	-40%	550.0
Liabilities to credit institutions		70.3	58.4	20%	36.1
Liabilities to the public and public sector entities		4,574.7	4,564.2	0%	4,871.2
Deposits	8	4,795.0	4,872.6	-2%	5,457.3
Derivative instruments	6,8	246.6	223.7	10%	295.9
Debt securities issued		3,686.4	3,577.3	3%	3,233.6
Subordinated liabilities		151.6	121.4	25%	119.2
Other liabilities to credit institutions		—	—	—	4.1
Other liabilities to the public and public sector entities		683.0	781.0	-13%	714.0
Other financial liabilities	8	4,521.0	4,479.6	1%	4,070.9
Liabilities from insurance contracts		469.7	475.3	-1%	492.7
Liabilities from investment contracts		1,128.0	1,053.6	7%	970.2
Liabilities from insurance business	4	1,597.7	1,529.0	4%	1,462.9
Other liabilities		154.3	164.4	-6%	108.6
Provisions		1.2	1.2	-7%	1.2
Income tax liabilities		2.4	4.6	-47%	0.5
Deferred tax liabilities		51.8	53.9	-4%	63.5
Tax liabilities		54.3	58.5	-7%	64.1
Total liabilities		**11,370.0**	**11,329.0**	**0%**	**11,460.8**
Equity					
Restricted equity		133.6	130.7	2%	122.7
Unrestricted equity		544.0	517.8	5%	479.2
Shareholders' share of equity		677.5	648.5	4%	601.9
Holders of Additional Tier 1 capital		59.5	59.5	0%	59.5
Total equity		**737.0**	**708.0**	**4%**	**661.4**
Total liabilities and equity		**12,107.0**	**12,036.9**	**1%**	**12,122.2**

Consolidated off-balance-sheet commitments

(EUR million)	31 Mar 2024	31 Dec 2023	Δ%	31 Mar 2023
Guarantees	57.4	59.2	-3%	19.0
Other commitments provided to a third party	2.0	2.3	-13%	3.9
Unused credit arrangements	531.9	546.0	-3%	533.0
Other irrevocable commitments	10.0	10.0	0%	17.3
Total	**601.2**	**617.5**	**-3%**	**573.2**

Consolidated statement of changes in equity

(EUR million)	Share capital	Fund at fair value	Fund for share-based payments	Unrestricted equity reserve	Retained earnings	Shareholders' share of equity	Additional Tier 1 capital holders	Total equity
Equity as at 1 January 2023	**169.7**	**-49.9**	**5.7**	**141.5**	**313.7**	**580.6**	**59.5**	**640.1**
Share issue				2.4		2.4		2.4
Acquisition of treasury shares					-0.9	-0.9		-0.9
Divestment of treasury shares				0.4	1.2	1.5		1.5
Dividend to shareholders					-31.1	-31.1		-31.1
Profit for the period					84.2	84.2		84.2
Change in fair value for financial assets		11.9				11.9		11.9
Change in fair value for cash flow hedging		-0.6				-0.6		-0.6
Transferred to the income statement for financial assets		-0.4				-0.4		-0.4
Comprehensive income from items which can be transferred to the income statement		10.9				10.9		10.9
Defined benefit plan pensions					0.0	0.0		0.0
Comprehensive income from items which can not be transferred to the income statement					0.0	0.0		0.0
Total comprehensive income for the period		10.9			84.2	95.1	—	95.1
Paid interest on Additional Tier 1 (AT1) capital, after taxes					-1.9	-1.9		-1.9
Change in share-based payments (IFRS 2)			2.1		0.7	2.7		2.7
Equity as at 31 December 2023	**169.7**	**-39.0**	**7.7**	**144.2**	**365.9**	**648.5**	**59.5**	**708.0**
Equity as at 1 January 2024	**169.7**	**-39.0**	**7.7**	**144.2**	**365.9**	**648.5**	**59.5**	**708.0**
Share issue				1.4		1.4		1.4
Acquisition of treasury shares					-1.4	-1.4		-1.4
Divestment of treasury shares				0.6	1.2	1.8		1.8
Profit for the period					27.2	27.2		27.2
Change in fair value for financial assets		2.1				2.1		2.1
Change in fair value for cash flow hedging		0.7				0.7		0.7
Transferred to the income statement for financial assets		0.0				0.0		0.0
Comprehensive income from items which can be transferred to the income statement		2.8				2.8		2.8
Total comprehensive income for the period		2.8			27.2	30.1		30.1
Change in share-based payments (IFRS 2)			-2.9			-2.9		-2.9
Equity as at 31 March 2024	**169.7**	**-36.2**	**4.9**	**146.2**	**393.0**	**677.5**	**59.5**	**737.0**

(EUR million)	Share capital	Fund at fair value	Fund for share-based payments	Unrestric-ted equity reserve	Retained earnings	Share-holders' share of equity	Additional Tier 1 capital holders	Total equity
Equity as at 1 January 2023	**169.7**	**(49.9)**	**5.7**	**141.5**	**313.7**	**580.6**	**59.5**	**640.1**
Share issue				0.9	—	0.9		0.9
Acquisition of treasury shares					(0.9)	(0.9)		(0.9)
Divestment of treasury shares				0.3	1.2	1.5		1.5
Profit for the period					18.1	18.1		18.1
Change in fair value for financial assets		3.4				3.4		3.4
Change in fair value for cash flow hedging		(0.5)				(0.5)		(0.5)
Transferred to the income statement for financial assets		0.0				0.0		0.0
Comprehensive income from items which can be transferred to the income statement		2.9				2.9		2.9
Total comprehensive income for the period		2.9			18.1	21.0		21.0
Change in share-based payments (IFRS 2)			(1.3)		0.2	(1.2)		(1.2)
Equity as at 31 March 2023	**169.7**	**(47.0)**	**4.3**	**142.6**	**332.2**	**601.9**	**59.5**	**661.4**

Consolidated cash flow statement

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Cash flow from operating activities				
Operating profit	33.3	22.2	50%	106.2
Adjustment items not included in cash flow	34.7	30.2	15%	31.6
Paid income taxes	-7.6	-6.4	18%	-17.0
Cash flow from operating activities before change in receivables and liabilities	**60.3**	**45.9**	**31%**	**120.8**
Increase (-) or decrease (+) in receivables from operating activities[1]	-76.9	263.5	—	388.9
Increase (+) or decrease (-) in liabilities from operating activities	3.5	-341.1	—	-484.8
Total cash flow from operating activities	**-13.1**	**-31.7**	**-59%**	**24.8**
Cash flow from investing activities				
Investment in investment properties	—	—	—	-21.6
Investment in tangible and intangible assets	-5.9	-4.2	41%	-22.0
Acquisition of and capital loan to associated companies	—	—	—	-0.5
Dividend from associated companies	0.2	0.4	-50%	0.4
Total cash flow from investing activities	**-5.7**	**-3.8**	**50%**	**-43.7**
Cash flow from financing activities				
Subordinated liabilities	31.3	—	—	—
Paid interest on Additional Tier 1 (AT1) capital	—	—	—	-2.3
Divestment of treasury shares	1.8	1.5	24%	1.5
Paid dividends	—	—	—	-31.1
Total cash flow from financing activities	**33.1**	**1.5**	**—**	**-31.9**
Change in cash and cash equivalents	14.3	-34.0	—	-50.8
Cash and cash equivalents at the beginning of the year	93.7	144.4	-35%	144.4
Cash and cash equivalents at the end of the period	108.0	110.4	-2%	93.7
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	0.5	0.7	-33%	0.6
Bank of Finland current account excl. the minimum reserve deposit in Bank of Finland	19.1	55.1	-65%	33.0
Repayable on demand claims on credit institutions	88.4	54.6	62%	60.0
Total	**108.0**	**110.4**	**-2%**	**93.7**
Adjustment items not included in cash flow consist of:				
Impairment of interest-bearing securities	0.4	-0.5	—	-0.9
Unrealised change in value for financial assets measured at fair value through income statement	-0.9	-2.7	-68%	5.6
Impairment of credits and other commitments	2.7	0.9	190%	7.0
Change in fair values	30.3	29.5	3%	-6.7
Depreciation and impairment of tangible and intangible assets	5.0	4.8	4%	20.5
Unwound fair value hedging	—	-0.3	-100%	-0.5
Change in fair values of investment properties	0.0	-0.1	—	3.9
Change in share-based payments	-2.9	-1.3	113%	1.9
Other adjustments	0.0	-0.1	-85%	1.0
Total	**34.7**	**30.2**	**15%**	**31.6**

1) Includes change in deposits at the Bank of Finland of EUR -58 (1-3/2023: -280, 1-12/2023: -511) million, which has a positive impact on the cash flow.

Quarterly trends in the Group

(EUR million) Income statement	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Net interest income	39.1	38.9	39.5	33.8	31.8	144.0
Dividends	0.2	0.1	0.0	0.1	0.0	0.1
Net commission income	30.1	29.8	30.0	30.4	30.3	120.4
Net income from life insurance	7.7	6.0	5.1	5.7	7.2	24.1
Net income from financial transactions	0.1	0.3	0.5	0.3	0.6	1.7
Other operating income	0.1	0.1	0.1	0.1	0.4	0.7
Total operating income	**77.3**	**75.2**	**75.2**	**70.3**	**70.3**	**291.0**
Personnel costs	-19.3	-21.6	-21.0	-20.9	-21.0	-84.5
IT expenses	-11.0	-12.6	-9.6	-9.7	-9.2	-41.1
Depreciation of tangible and intangible assets	-6.0	-5.9	-5.8	-5.9	-5.9	-23.5
Other operating expenses	-5.1	-6.4	-4.4	-5.7	-11.0	-27.5
Total operating expenses	**-41.4**	**-46.5**	**-40.8**	**-42.2**	**-47.1**	**-176.6**
Impairment of tangible and intangible assets	—	-1.1	-0.2	—	—	-1.3
Impairment of credits and other commitments	-2.7	-2.4	-2.3	-1.3	-0.9	-7.0
Impairment of other receivables	—	—	—	—	-0.1	-0.1
Share of profit from associated companies	0.0	0.1	0.0	0.0	0.1	0.1
Operating profit	**33.3**	**25.2**	**32.0**	**26.8**	**22.2**	**106.2**
Taxes	-6.0	-4.9	-7.3	-5.7	-4.1	-22.0
Profit for the period	**27.2**	**20.4**	**24.7**	**21.0**	**18.1**	**84.2**
Attributable to:						
Shareholders in Aktia Bank plc	27.2	20.4	24.7	21.0	18.1	84.2
Total	**27.2**	**20.4**	**24.7**	**21.0**	**18.1**	**84.2**
Earnings per share (EPS), EUR	0.38	0.28	0.34	0.29	0.25	1.16
Earnings per share (EPS), EUR, after dilution	0.38	0.28	0.34	0.29	0.25	1.16

comparability:	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Operating profit	33.3	25.2	32.0	26.8	22.2	106.2
Operating income:						
Additional income from divestment of Visa Europe to Visa Inc	—	—	—	-0.3	—	-0.3
Operating expenses:						
Costs for restructuring	0.6	1.1	—	—	1.4	2.4
Comparable operating profit	**33.9**	**26.3**	**32.0**	**26.5**	**23.6**	**108.4**

(EUR million) Comprehensive income	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Profit for the period	**27.2**	**20.4**	**24.7**	**21.0**	**18.1**	**84.2**
Other comprehensive income after taxes:						
Change in fair value for financial assets	2.1	4.4	1.3	2.8	3.4	11.9
Change in fair value for cash flow hedging	0.7	-0.4	0.8	-0.5	-0.5	-0.6
Transferred to the income statement for financial assets	0.0	-0.4	0.0	0.0	0.0	-0.4
Comprehensive income from items which can be transferred to the income statement	2.8	3.6	2.1	2.3	2.9	10.9
Defined benefit plan pensions	—	0.0	—	—	—	0.0
Comprehensive income from items which can not be transferred to the income statement	—	0.0	—	—	—	0.0
Total comprehensive income for the period	**30.1**	**23.9**	**26.8**	**23.3**	**21.0**	**95.1**
Total comprehensive income attributable to:						
Shareholders in Aktia Bank plc	30.1	23.9	26.8	23.3	21.0	95.1
Total	**30.1**	**23.9**	**26.8**	**23.3**	**21.0**	**95.1**
Total earnings per share, EUR	0.41	0.33	0.37	0.32	0.29	1.31
Total earnings per share, EUR, after dilution	0.41	0.33	0.37	0.32	0.29	1.31

Total comprehensive income excluding items affecting comparability:	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Total comprehensive income	**30.1**	**23.9**	**26.8**	**23.3**	**21.0**	**95.1**
Additional income from divestment of Visa Europe to Visa Inc	—	—	—	-0.2	—	-0.2
Costs for restructuring	0.5	0.8	—	—	1.1	1.9
Comparable total comprehensive income	**30.6**	**24.7**	**26.8**	**23.1**	**22.1**	**96.8**

Quarterly trends in the segments

(EUR million) Banking Business	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Net interest income	44.8	44.6	43.7	34.7	28.8	151.8
Net commission income	13.6	13.9	14.8	14.6	14.9	58.2
Other income	0.1	0.0	0.1	0.0	0.3	0.5
Total operating income	**58.5**	**58.6**	**58.5**	**49.3**	**44.0**	**210.4**
Personnel costs	-2.4	-4.7	-4.4	-4.6	-4.1	-17.8
Other expenses [1]	-21.6	-23.0	-19.8	-19.8	-24.3	-87.0
Total operating expenses	**-24.0**	**-27.7**	**-24.3**	**-24.4**	**-28.5**	**-104.8**
Impairment of tangible and intangible assets	—	-1.0	—	—	—	-1.0
Impairment of credits and other commitments	-2.7	-2.4	-2.3	-1.3	-0.9	-7.0
Operating profit	**31.8**	**27.5**	**32.0**	**23.5**	**14.6**	**97.7**
Comparable operating profit	**31.9**	**27.6**	**32.0**	**23.5**	**15.1**	**98.2**

(EUR million) Asset Management	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Net interest income	3.9	5.6	4.7	4.3	3.7	18.2
Net commission income	16.8	16.2	15.6	16.2	16.0	64.0
Other income	0.0	0.0	0.0	0.0	0.0	0.1
Total operating income	**20.7**	**21.8**	**20.3**	**20.6**	**19.7**	**82.3**
Personnel costs	-5.5	-6.5	-5.6	-5.4	-5.5	-23.1
Other expenses [1]	-7.9	-8.1	-7.4	-7.8	-8.9	-32.1
Total operating expenses	**-13.4**	**-14.5**	**-13.0**	**-13.2**	**-14.4**	**-55.1**
Impairment of tangible and intangible assets	—	-0.1	—	—	—	-0.1
Impairment of other receivables	—	—	—	—	-0.1	-0.1
Operating profit	**7.3**	**7.1**	**7.2**	**7.4**	**5.2**	**27.0**
Comparable operating profit	**7.8**	**8.1**	**7.2**	**7.4**	**5.9**	**28.6**

(EUR million) Life Insurance	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Insurance service result	4.2	5.8	2.8	5.6	3.8	18.0
Result from investment contracts	2.3	2.1	2.1	2.1	2.1	8.4
Net investment result	1.8	-1.1	1.0	-1.3	2.0	0.6
Net income from life insurance	**8.3**	**6.7**	**5.9**	**6.4**	**7.9**	**27.0**
Personnel costs	-0.6	-0.6	-0.6	-0.6	-0.5	-2.4
Other expenses [1]	-2.0	-1.9	-1.7	-1.7	-2.0	-7.3
Total operating expenses	**-2.6**	**-2.5**	**-2.4**	**-2.3**	**-2.5**	**-9.7**
Operating profit	**5.7**	**4.2**	**3.6**	**4.1**	**5.4**	**17.3**
Comparable operating profit	**5.7**	**4.2**	**3.6**	**4.1**	**5.4**	**17.3**

(EUR million) Group Functions	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Jan–Dec 2023
Net interest income	-9.6	-11.4	-9.0	-5.3	-0.8	-26.4
Net commission income	1.7	1.5	1.6	1.4	1.5	6.1
Other income	0.5	0.5	0.5	0.4	1.1	2.6
Total operating income	**-7.4**	**-9.4**	**-6.8**	**-3.4**	**1.8**	**-17.8**
Personnel costs	-10.9	-9.8	-10.3	-10.2	-10.8	-41.2
Other expenses [1]	6.9	5.4	6.6	5.5	6.3	23.8
Total operating expenses	**-4.0**	**-4.3**	**-3.8**	**-4.8**	**-4.5**	**-17.4**
Impairment of tangible and intangible assets	—	—	-0.2	—	—	-0.2
Operating profit	**-11.4**	**-13.7**	**-10.8**	**-8.2**	**-2.7**	**-35.5**
Comparable operating profit	**-11.3**	**-13.7**	**-10.8**	**-8.5**	**-2.5**	**-35.5**

1) The net expenses for central functions are allocated from the Group Functions to the business segment's Banking Business, Asset Management and Life Insurance. This cost allocation is included in the segments' other operating expenses.

Note 1. Basis for preparing the interim report and significant accounting principles

Basis for preparing the interim report

Aktia Bank Plc's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The interim report for the period 1 January–31 March 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not contain all the information required for financial statements and should therefore be read together with Aktia Group's Financial Statement 2023 and other supplementary reports (mainly Financial Review 2023 and Pillar III Report 2023). The figures in the tables are presented in millions of euros to one decimal place and are rounded, therefore the sum of individual amounts may differ from the total presented.

The interim report for the period 1 January–31 March 2024 was approved by the Board of Directors on 30 April 2024.

Significant accounting principles

In preparing the interim report, the Group has followed the accounting principles applied in the annual consolidated financial statements on 31 December 2023.

The Group assesses that new or revised IFRS standards issued by the IASB (International Accounting Standards Board) or IFRIC (International Financial Reporting Interpretations Committee) interpretations that became effective 1 January 2024 have no significant impact on the Group's future results, financial position or disclosures. New and revised standards issued by the IASB that are not yet effective are not expected to have any significant impact on the Group's financial statements.

The Group's Assets under management (AuM) have been extended with some products from 1 January 2024. The comparison figures have been recalculated to correspond to the change from 1 January 2022.

Note 2. Group's risk exposure

The Bank Group’s capital adequacy

The Bank Group includes Aktia Bank Plc and all its subsidiaries except for Aktia Life Insurance Ltd, and forms a consolidated group in accordance with the capital adequacy regulations.

(EUR million)	31 March 2024		31 December 2023	
Calculation of the Bank Group's capital base	**Group**	**Bank Group**	**Group**	**Bank Group**
Total assets	**12,107.0**	**10,422.1**	**12,036.9**	**10,431.7**
of which intangible assets	169.5	165.7	168.2	165.3
Total liabilities	**11,370.0**	**9,709.4**	**11,329.0**	**9,743.8**
of which subordinated liabilities	151.6	100.0	121.4	69.6
Share capital	169.7	169.7	169.7	169.7
Fund at fair value	-36.2	-25.8	-39.0	-29.0
Restricted equity	133.6	143.9	130.7	140.7
Unrestricted equity reserve and other funds	151.0	151.0	151.9	151.8
Retained earnings	365.7	335.7	281.7	259.0
Profit for the period	27.2	22.6	84.2	76.9
Unrestricted equity	544.0	509.3	517.8	487.7
Shareholders' share of equity	677.5	653.2	648.5	628.5
Holders of other Tier 1 capital	59.5	59.5	59.5	59.5
Equity	**737.0**	**712.7**	**708.0**	**687.9**
Total liabilities and equity	**12,107.0**	**10,422.1**	**12,036.9**	**10,431.7**
Off-balance sheet commitments	**601.2**	**591.2**	**617.5**	**607.5**
The Bank Group's equity		**712.7**		**687.9**
Provision for dividends to shareholders[1]		-16.3		-50.7
Intangible assets		-149.3		-149.8
Debentures		100.0		69.6
Additional expected losses according to IRB		-26.2		-26.1
Deduction for significant holdings in financial sector entities		-8.1		-8.8
Other incl. unpaid dividend		-60.9		-9.5
Total capital base (CET1 + AT1 + T2)		**551.7**		**512.8**

1) Based on the CRR regulation

(EUR million) The Bank Group's capital adequacy	31 Mar 2024	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023
Common Equity Tier 1 Capital before regulatory adjustments	575.3	568.5	548.0	540.8	537.3
Common Equity Tier 1 Capital regulatory adjustments	-183.0	-183.0	-190.8	-189.7	-190.1
Total Common Equity Tier 1 Capital (CET1)	**392.3**	**385.5**	**357.2**	**351.1**	**347.3**
Additional Tier 1 capital before regulatory adjustments	59.4	57.7	58.3	58.8	59.4
Additional Tier 1 capital after regulatory adjustments (AT1)	**59.4**	**57.7**	**58.3**	**58.8**	**59.4**
Total Tier 1 capital (T1 = CET1 + AT1)	**451.7**	**443.1**	**415.5**	**410.0**	**406.7**
Tier 2 capital before regulatory adjustments	100.0	69.6	69.6	69.6	69.6
Total Tier 2 capital (T2)	**100.0**	**69.6**	**69.6**	**69.6**	**69.6**
Total own funds (TC = T1 + T2)	**551.7**	**512.8**	**485.1**	**479.6**	**476.3**
Risk weighted exposures	**3,436.7**	**3,411.2**	**3,257.3**	**3,202.7**	**3,132.8**
of which credit risk, the standardised model	759.4	734.8	712.9	668.1	646.5
of which credit risk, the IRB model	2,192.0	2,191.9	2,100.7	2,093.6	2,040.4
of which CVA risk	14.5	13.8	12.4	9.7	14.6
of which operational risk	470.7	470.7	431.4	431.4	431.4
Own funds requirement (8 %)	274.9	272.9	260.6	256.2	250.6
Own funds buffer	276.8	239.9	224.5	223.3	225.7
CET1 Capital ratio	11.4%	11.3%	11.0%	11.0%	11.1%
T1 Capital ratio	13.1%	13.0%	12.8%	12.8%	13.0%
Total capital ratio	16.1%	15.0%	14.9%	15.0%	15.2%
Own funds floor (CRR article 500)					
Own funds	551.7	512.8	485.1	479.6	476.3
Own funds floor[1]	263.4	260.9	254.0	250.8	247.1
Own funds buffer	288.2	251.9	231.1	228.8	229.2

1) 80% of the capital requirement based on standardised approach (8%).

Calculation of capital adequacy is made using ratings from Moody's Investors Services to define risk weight of exposures.

Bank Group's risk-weighted amount for operational risks

(EUR million) Risk-weighted amount for operational risks	2021	2022	2023	31 Mar 2024	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023
Gross income	240.5	235.8	276.8					
- average 3 years			251.0					
Capital requirement for operational risk				**37.7**	**37.7**	**34.5**	**34.5**	**34.5**
Risk-weighted amount				**470.7**	**470.7**	**431.4**	**431.4**	**431.4**

The capital requirement for operational risk is 15% of average gross income for the last three years.
The risk-weighted amount for operational risk is calculated by dividing the capital requirement by 8%.

(EUR million)

The Bank Group's total risk exposures	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital requirement 8 %
	31 Mar 2024				
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,082.4	976.8	62%	603.1	48.2
Corporates - Other	888.2	849.2	82%	697.5	55.8
Retail - Secured by immovable property non-SME	4,557.2	4,543.8	15%	692.0	55.4
Retail - Secured by immovable property SME	101.5	100.9	16%	16.4	1.3
Retail - Other non-SME	249.4	234.3	20%	47.3	3.8
Retail - Other SME	18.7	16.7	50%	8.3	0.7
Equity exposures	47.4	47.4	269%	127.4	10.2
Total exposures, IRB approach	**6,944.7**	**6,769.1**	**32%**	**2,192.0**	**175.4**
Credit risk, standardised approach					
States and central banks	733.4	778.9	—%	—	—
Regional governments and local authorities	89.0	79.3	0%	0.3	0.0
Multilateral development banks	9.0	46.5	—%	—	—
International organisations	29.5	29.5	—%	—	—
Credit institutions	353.4	350.2	21%	72.5	5.8
Corporates	111.4	31.4	82%	25.6	2.0
Retail exposures	607.5	301.0	67%	202.5	16.2
Secured by immovable property	902.2	884.3	30%	263.4	21.1
Past due items	10.9	8.7	101%	8.8	0.7
Covered bonds	963.4	963.4	10%	97.2	7.8
Other items	113.6	113.6	78%	89.1	7.1
Total exposures, standardised approach	**3,923.3**	**3,586.6**	**19%**	**759.4**	**60.8**
Total risk exposures	**10,868.0**	**10,355.7**	**27%**	**2,951.5**	**236.1**

(EUR million)	31 December 2023				
The Bank Group's total risk exposures	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital requirement 8 %
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,074.0	977.4	61%	595.1	47.6
Corporates - Other	897.7	841.8	82%	689.9	55.2
Retail - Secured by immovable property non-SME	4,594.6	4,581.5	15%	703.3	56.3
Retail - Secured by immovable property SME	103.6	103.0	17%	17.2	1.4
Retail - Other non-SME	245.0	231.3	23%	53.2	4.3
Retail - Other SME	18.6	16.5	52%	8.5	0.7
Equity exposures	46.5	46.5	268%	124.6	10.0
Total exposures, IRB approach	**6,980.0**	**6,798.0**	**31%**	**2,191.9**	**175.3**
Credit risk, standardised approach					
States and central banks	811.8	858.7	—%	—	—
Regional goverments and local authorities	85.7	84.2	0%	0.3	0.0
Multilateral development banks	—	41.9	—%	—	—
International organisations	25.3	25.3	—%	—	—
Credit institutions	303.5	300.4	21%	62.8	5.0
Corporates	113.6	35.6	81%	29.0	2.3
Retail exposures	586.2	292.4	68%	197.9	15.8
Secured by immovable property	895.9	883.9	29%	259.9	20.8
Past due items	5.5	3.8	121%	4.6	0.4
Covered bonds	961.0	961.0	10%	96.8	7.7
Other items	105.3	105.3	79%	83.6	6.7
Total exposures, standardised approach	**3,893.8**	**3,592.6**	**19%**	**734.8**	**58.8**
Total risk exposures	**10,873.9**	**10,390.6**	**27%**	**2,926.7**	**234.1**

The finance and insurance conglomerates capital adequacy

(EUR million)	31 Mar 2024	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023
Summary					
The Group's equity	737.0	708.0	682.3	654.2	662.3
Sector-specific assets	156.0	125.6	125.6	125.6	125.6
Intangible assets and other reduction items	-216.9	-174.2	-184.2	-159.5	-168.8
Conglomerate´s total capital base	**676.1**	**659.4**	**623.7**	**620.2**	**619.0**
Capital requirement for banking business	393.9	391.4	373.4	367.4	359.2
Capital requirement for insurance business	99.0	93.9	84.4	83.8	79.3
Minimum amount for capital base	**492.9**	**485.4**	**457.8**	**451.2**	**438.6**
Conglomerate´s capital adequacy	**183.2**	**174.0**	**165.9**	**169.1**	**180.5**
Capital adequacy ratio, %	137.2%	135.9%	136.2%	137.5%	141.2%

The finance and insurance conglomerate´s capital adequacy is based on consolidation method and is calculated according to the rules of the Finnish Act on the Supervision of Financial and Insurance Conglomerates and the standards of the Finnish Financial Supervision Authority.

Note 3. Net interest income

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Lending	93.7	54.7	71%	302.5
Borrowing	-40.8	-17.1	139%	-119.1
Senior financing	-26.1	-13.1	99%	-78.8
Liquidity portfolio	8.7	3.3	162%	22.7
Other	3.6	4.0	-11%	16.7
of which TLTRO loan	-2.5	-1.8	34%	-13.4
of Which deposits in the bank of Finland	5.7	5.9	-4%	27.9
Total	**39.1**	**31.8**	**23%**	**144.0**

Borrowing and lending include the covered bonds issued by mortgage bank operations and the interest rate hedging that was made in connection with the issues. Other consists mainly of TLTRO loan, deposits in the Bank of Finland and risk debentures.

Note 4. Net income from life insurance and liabilities from insurance contracts

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Insurance service result	4.2	3.8	10%	18.0
Result from investment contracts	2.3	2.1	11%	8.4
Actuarially calculated result	6.5	5.9	10%	26.4
Net income from investments	2.2	4.8	-54%	21.1
of which change in ECL impairment	0.0	0.1	—	0.3
of which unrealised value changes for shares and participations	0.4	2.4	-84%	17.1
of which unrealised value changes for investment properties	0.0	0.1	—	-1.3
Insurance finance result	-1.1	-3.6	-69%	-23.5
Net investment result	1.2	1.3	-10%	-2.4
Net income from life insurance	**7.7**	**7.2**	**7%**	**24.1**

Insurance service result includes results from contracts which according to IFRS 17 are defined as insurance contracts. Liabilities from insurance contracts are divided into present value of future expected cash flows, contractual service margin and risk adjustment. Regarding investment contracts insurance premiums received and claims are reported as premiums written, or insurance claims paid in the income statement. Premiums are reported as premiums written when payment is received. Liabilities from investment contracts are measured based on market value for investments that are associated with the insurance policy. Insurance finance result include financial income and expenses from discounting of future cash flows for liabilities from insurance contracts, as well as a possible changes in the actuarial assumptions.

(EUR million)	31 Mar 2024	31 Mar 2023	Δ%	Jan–Dec 2023
Present value of future cash flows (PVCF)	353.3	399.9	-12%	358.6
Contractual service margin (CSM)	73.5	60.7	21%	74.0
Risk adjustment (RA)	42.9	32.1	34%	42.7
Liabilities for insurance contracts	469.7	492.7	-5%	475.3
Liabilities for investment contracts	1,128.0	970.2	16%	1,053.6
Liabilities from insurance business	**1,597.7**	**1,462.9**	**9%**	**1,529.0**

Note 5. Net income from financial transactions

(EUR million)	Jan–Mar 2024	Jan–Mar 2023	Δ%	Jan–Dec 2023
Net income from financial assets measured at fair value through income statement	—	0.0	-100%	0.0
Net income from securities and currency operations	0.5	0.3	56%	1.0
of which unrealised value changes for shares and participations	0.5	0.3	78%	0.9
Net income from financial assets measured at fair value through other comprehensive income	-0.2	0.4	—	0.8
of which change in ECL impairment	-0.2	0.4	—	0.5
Net income from interest-bearing securities measured at amortised cost	-0.2	0.1	—	0.1
of which change in ECL impairment	-0.2	0.1	—	0.1
Net income from hedge accounting	0.1	-0.1	—	-0.2
Total	**0.1**	**0.6**	**-81%**	**1.7**

Note 6. Derivative instruments

Hedging derivative instruments (EUR million)	31 March 2024 Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	5,371.3	57.8	208.7
Total	**5,371.3**	**57.8**	**208.7**
Cash flow hedging			
Interest rate-related	643.1	2.8	37.9
Total	**643.1**	**2.8**	**37.9**
Derivative instruments measured through the income statement			
Currency-related	5.5	0.0	0.0
Total	**5.5**	**0.0**	**0.0**
Total derivative instruments			
Interest rate-related	6,014.4	60.6	246.6
Currency-related	5.5	0.0	0.0
Total	**6,019.9**	**60.6**	**246.6**
Of which cleared interest rate swaps	1,043.0	7.1	8.3

Hedging derivative instruments (EUR million)	31 December 2023 Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	6,158.1	72.4	202.1
Total	**6,158.1**	**72.4**	**202.1**
Cash flow hedging			
Interest rate-related	611.8	9.4	21.5
Total	**611.8**	**9.4**	**21.5**
Derivative instruments valued through the income statement			
Currency-related	4.7	0.1	0.0
Total	**4.7**	**0.1**	**0.0**
Total derivative instruments			
Interest rate-related	6,769.9	81.9	223.6
Currency-related	4.7	0.1	0.0
Total	**6,774.6**	**81.9**	**223.7**
Of which cleared interest rate swaps	1,759.8	25.2	8.9

Note 7. Financial assets and impairment by stage

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Book value of financial assets 31 March 2024				
Interest-bearing securities	1,630.5	2.4	—	1,632.9
Lending to the public and public sector entities	7,456.3	323.7	105.1	7,885.1
Off-balance sheet commitments	596.9	2.1	2.2	601.2
Total	**9,683.7**	**328.2**	**107.3**	**10,119.3**
Book value of financial assets 31 December 2023				
Interest-bearing securities	1,608.8	2.5	—	1,611.3
Lending to the public and public sector entities	7,450.2	311.9	103.8	7,865.9
Off-balance sheet commitments	612.5	2.4	2.6	617.5
Total	**9,671.5**	**316.7**	**106.4**	**10,094.7**

Impairment of credits and other commitments

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of credits and the other commitments 1 January 2024	6.1	6.3	25.0	37.4
Transferred from stage 1 to stage 2	-0.1	1.1	—	1.0
Transferred from stage 1 to stage 3	0.0	—	0.2	0.2
Transferred from stage 2 to stage 1	0.1	-0.6	—	-0.6
Transferred from stage 2 to stage 3	—	-0.3	0.9	0.5
Transferred from stage 3 to stage 1	0.0	—	-0.5	-0.4
Transferred from stage 3 to stage 2	—	0.2	-0.4	-0.3
Increases due to origination and acquisition	0.6	0.0	0.1	0.7
Decreases due to derecognition	-0.2	-0.2	-0.5	-0.9
Decrease in allowance account due to write-offs	—	—	-3.8	-3.8
Other changes	-0.3	-0.1	2.9	2.5
Impairment of credits and the other commitments 31 March 2024	**6.1**	**6.4**	**23.9**	**36.3**
of which provisions	0.9	0.0	0.2	1.2

Impairment of interest-bearing securities

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of interest-bearing securities 1 January 2024	0.4	0.1	—	0.6
Decreases due to derecognition	-0.1	—	—	-0.1
Other changes	0.5	0.0	—	0.5
Impairment of interest-bearing securities 31 March 2024	**0.9**	**0.1**	**—**	**1.0**

Note 8. Financial assets and liabilities

Fair value of financial assets and liabilities

(EUR million)	31 March 2024		31 December 2023	
Financial assets	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets measured at fair value through income statement	1,450.3	1,450.3	1,369.7	1,369.7
Financial assets measured at fair value through other comprehensive income	1,109.7	1,109.7	1,049.0	1,049.0
Interest-bearing securities measured at amortised cost	450.0	429.2	488.4	469.5
Lending to Bank of Finland, credit institutions, public and public sector entities	8,582.3	8,596.9	8,562.1	8,581.5
Cash and balances with central banks	76.0	76.0	91.8	91.8
Derivative instruments	60.6	60.6	81.9	81.9
Total	**11,728.9**	**11,722.7**	**11,642.9**	**11,643.4**
Financial liabilities				
Deposits	4,795.0	4,810.3	4,872.6	4,886.8
Derivative instruments	246.6	246.6	223.7	223.7
Debt securities issued	3,686.4	3,721.2	3,577.3	3,611.0
Subordinated liabilities	151.6	150.6	121.4	118.2
Other liabilities to the public and public sector entities	683.0	683.4	781.0	781.4
Liabilities for right-of-use assets	23.4	23.4	23.7	23.7
Total	**9,586.0**	**9,635.5**	**9,599.6**	**9,644.6**

In the table, the fair value and the book value of the financial assets and liabilities, are presented per balance sheet item. The fair values are determined both for agreements with fixed and variable interest rates. The fair values are calculated without accrued interest and without the effect of possible hedging derivatives attributable to the balance sheet item.

Fair values on investment assets are determined by market prices quoted on the active market. If quoted market prices are not available, the value of the balance sheet items is mainly determined by discounting future cash flow using market interest rates on the day the accounts were closed. In addition to the credit risk profile of current stock, costs for re-financing are considered in the discount rate when determining fair values on loans. For cash and balances with central banks, the nominal value is used as fair value.

For deposits repayable on demand, the nominal value is assumed to be equivalent to the fair value. Deposits with maturity are determined by discounting future cash flows at market interest rates on the day the accounts were closed. The fair value of issued debts is mainly determined based on quotes on the market. In the discount rate for unquoted issued debts and subordinated liabilities, a margin corresponding the seniority of the instrument is applied.

Derivatives are valued at fair value corresponding to quotes on the market.

Measurement of financial assets at fair value

Level 1 consists of financial instruments that are valued using prices listed on an active market. In an active market transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes listed bonds and other securities, listed equity instruments and derivatives, for which tradable price quotes exist.

Level 2 consists of financial instruments that do not have directly accessible listed prices from an effective market. The fair value has been determined by using valuation techniques, which are based on assumptions supported by observable market prices. Such market information may include listed interest rates, for example, or prices for closely related instruments. This category includes the majority of OTC derivative instruments, as well as many other instruments that are not traded on an active market. In addition, the Bank makes an independent valuation adjustment to the market value of the outstanding OTC derivatives for the total credit risk component for the counterparty credit risk as well as for the own credit risk.

Level 3 consists of financial instruments for which the fair value cannot be obtained directly from quoted market prices or indirectly by using valuation techniques or models supported by observable market prices. This category mainly includes unlisted equity instruments and funds, and other unlisted funds and securities where there currently are no fixed prices.

	31 March 2024				31 December 2023			
(EUR million)	**Market value classified into**				**Market value classified into**			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through income statement								
Investments for unit-linked investments	1,211.9	—	—	1,211.9	1,133.6	—	—	1,133.6
Interest-bearing securities	16.1	57.0	0.0	73.2	16.0	57.8	0.0	73.8
Shares and participations	110.0	—	55.3	165.2	109.6	—	52.8	162.3
Total	**1,338.0**	**57.0**	**55.3**	**1,450.3**	**1,259.2**	**57.8**	**52.8**	**1,369.7**
Financial assets measured at fair value through other comprehensive income								
Interest-bearing securities	1,056.1	23.9	29.8	1,109.7	993.8	25.5	29.7	1,049.0
Total	**1,056.1**	**23.9**	**29.8**	**1,109.7**	**993.8**	**25.5**	**29.7**	**1,049.0**
Derivative instrument, net	0.0	-186.1	—	-186.1	0.0	-141.8	—	-141.7
Total	**0.0**	**-186.1**	**—**	**-186.1**	**0.0**	**-141.8**	**—**	**-141.7**
Total	**2,394.1**	**-105.2**	**85.0**	**2,374.0**	**2,253.1**	**-58.5**	**82.5**	**2,277.0**

Transfers between level 1 and level 2

Transfers between levels may occur when there are indications of changes in market conditions, e.g. when instruments cease to be actively traded. During the period no transfers between level 1 and level 2 have occurred.

Aktia Group's Risk control has the responsibility for classifying financial instrument into levels 1, 2 and 3. The valuation process, which is made on an ongoing basis, is the same for financial instruments in all levels. The process determines to which level in the fair value hierarchy a financial instrument will be classified. In cases where internal assumptions have a material impact on fair value, the financial instrument is reported in level 3. The process also includes an evaluation based on the quality of the valuation data if a class of financial instrument is to be transferred between levels.

Changes within level 3

The following table present the change from year-end regarding level 3 financial assets reported at fair value.

Reconciliation of changes for financial instruments belonging to level 3	Financial assets measured at fair value through income statement			Financial assets measured at fair value through other comprehensive income			Total		
(EUR million)	Interest bearing securities	Shares and participations	Total	Interest bearing securities	Shares and participations	Total	Interest bearing securities	Shares and participations	Total
Carrying amount 1 January 2024	0.0	52.8	52.8	29.7	—	29.7	29.7	52.8	82.5
New purchases	—	2.2	2.2	—	—	—	—	2.2	2.2
Sales	—	-1.0	-1.0	—	—	—	—	-1.0	-1.0
Unrealised value change in the income statement	—	1.3	1.3	—	—	—	—	1.3	1.3
Value change recognised in total comprehensive income	—	—	—	0.1	—	0.1	0.1	—	0.1
Carrying amount 31 March 2024	**0.0**	**55.3**	**55.3**	**29.8**	**—**	**29.8**	**29.8**	**55.3**	**85.0**

Set off of financial assets and liabilities

(EUR million)	31 March 2024		31 December 2023	
Assets	**Derivatives**	**Reverse repurchase agreements**	**Derivatives**	**Reverse repurchase agreements**
Financial assets included in general agreements on set off or similar agreements	60.6	—	81.9	—
Carrying amount in the balance sheet	**60.6**	**—**	**81.9**	**—**
Amount not set off but included in general agreements on set off or similar	38.7	—	41.1	—
Collateral assets	16.2	—	35.8	—
Total amount of sums not set off in the balance sheet	**54.9**	**—**	**76.9**	**—**
Net amount	**5.6**	**—**	**5.0**	**—**

Liabilities	Derivatives	Reverse repurchase agreements	Derivatives	Reverse repurchase agreements
Financial liabilities included in general agreements on set off or similar agreements	246.6	—	223.7	—
Carrying amount in the balance sheet	**246.6**	**—**	**223.7**	**—**
Amount not set off but included in general agreements on set off or similar	38.7	—	41.1	—
Collateral liabilities	137.3	—	105.2	—
Amount not set off in the balance sheet	**176.1**	**—**	**146.3**	**—**
Net amount	**70.6**	**—**	**77.4**	**—**

The table shows financial assets and liabilities that are not set off in the balance sheet, but have potential rights associated with enforceable master set-off arrangements or similar arrangements, such as ISDA Master Agreements, together with related collateral. The net amount shows the exposure in normal business as well as in the event of default or insolvency.

Note 9. Specification of the Group's funding structure

(EUR million)	31 Mar 2024	31 Dec 2023	31 Mar 2023
Deposits from the public and public sector entities	4,574.7	4,564.2	4,871.2
Short-term liabilities, unsecured debts [1]			
Banks	54.1	22.7	34.3
Certificates of deposits issued and Money Market deposits	855.3	901.2	787.9
Total	**909.4**	**923.8**	**822.2**
Short-term liabilities, secured debts (collateralised) [1]			
Banks - received cash in accordance with collateral agreements	16.2	35.8	1.8
Total	**16.2**	**35.8**	**1.8**
Total short-term liabilities	**925.6**	**959.6**	**824.0**
Long-term liabilities, unsecured debts [2]			
Issued senior preferred debts	2,004.6	1,939.2	1,724.5
Issued senior non-preferred debts	89.3	92.3	65.8
Other credit institutions	—	—	4.1
Subordinated debts	100.0	69.6	69.6
AT1 loan (Additional Tier 1 capital)	60.0	60.0	60.0
Total	**2,253.8**	**2,161.1**	**1,924.0**
Long-term liabilities, secured debts (collateralised) [2]			
Central bank and other credit institutions	150.0	250.0	550.0
Issued covered bonds [3]	1,420.3	1,425.6	1,369.4
Total	**1,570.3**	**1,675.6**	**1,919.4**
Total long-term liabilities	**3,824.1**	**3,836.7**	**3,843.4**
Interest-bearing liabilities in the banking business	**9,324.4**	**9,360.5**	**9,538.6**
Technical provisions in the life insurance business	1,597.7	1,529.0	1,462.9
Subordinated debts in the life insurance business	51.6	51.7	49.6
Total other non-interest-bearing liabilities	456.3	447.7	468.8
Total liabilities	**11,430.0**	**11,389.0**	**11,520.0**

1) Short-term liabilities = liabilities which original maturity is under 1 year
2) Long-term liabilities = liabilities which original maturity is over 1 year
3) After netting of an issued retained covered bond of EUR 300 million

Note 10. Collateral assets and liabilities

Collateral assets (EUR million)	31 Mar 2024	31 Dec 2023	31 Mar 2023
Collateral for own liabilities			
Securities	25.5	29.6	327.2
Outstanding loans constituting security for covered bonds	2,374.3	2,475.5	2,459.1
Total	**2,399.8**	**2,505.1**	**2,786.4**
Other collateral assets			
Pledged securities [1]	100.3	100.3	1.3
Cash included in pledging agreements and repurchase agreements	137.3	105.2	149.1
Total	**237.7**	**205.5**	**150.5**
Total collateral assets	**2,637.4**	**2,710.6**	**2,936.8**
Collateral above refers to the following liabilities			
Liabilities to credit institutions [2]	150.0	250.0	550.0
Issued covered bonds [3]	1,420.3	1,425.6	1,369.4
Derivatives	137.3	105.2	149.1
Total	**1,707.6**	**1,780.8**	**2,068.6**

1) Refers to securities pledged for the intra day limit. As of 31 March 2024, a surplus of pledged securities amounted to EUR 114.5 (14.2) million.
2) Refers to liabilities to the central bank, the European Investment Bank and to repurchase agreements with standardised GMRA (Global Master Repurchase Agreement) terms and conditions.
3) Own repurchases deducted.

Collateral liabilities (EUR million)	31 Mar 2024	31 Dec 2023	31 Mar 2023
Cash included in pledging agreements [1]	16.2	35.8	1.8
Total	**16.2**	**35.8**	**1.8**

1) Refers to derivative agreements where collaterals were received from the counterparty in accordance with ISDA/CSA agreements.

Report on review of the interim report of Aktia Bank plc as of and for the three months period ending March 31, 2024

To the Board of Directors of Aktia Bank plc

Introduction

We have reviewed the balance sheet as of March 31, 2024 and the related income statement, statement of other comprehensive income, statement of changes in equity capital and cash flow statement of Aktia Bank plc Group for the three-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and other generally accepted auditing practices and consequently does not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared in accordance with IAS 34 Interim Financial Reporting and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki 30 April 2024

KPMG OY AB

Marcus Tötterman

Authorised Public Accountant,
KHT

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Webcast from the results event

A live webcast from the results event will take place on 30 April 2024 at 10.30 a.m. (EEST). CEO Juha Hammarén and CFO Outi Henriksson will present the results.

The event is held in English and can be seen live at **https://aktia.videosync.fi/2024-q1-results**.

A recording of the webcast will be available at **www.aktia.com** after the event.

Financial calendar

Half-year Report January–June 2024 .... 2 August 2024

Interim Report January–September 2024 .... 6 November 2024