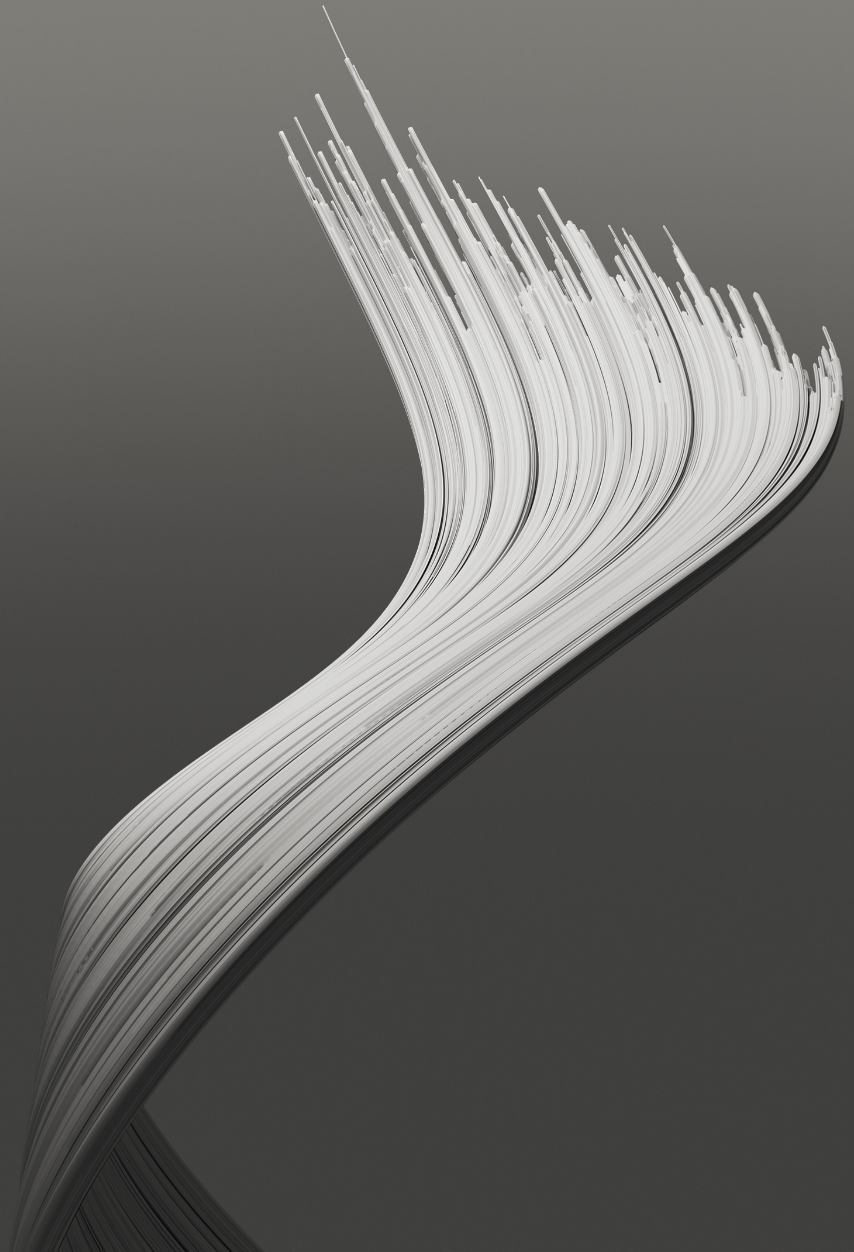
Financial review 2023



Aktia

Contents

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Report by the Board of Directors

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Profit 2023

The Group's operating profit amounted to EUR 106.2 (123.5) million and the profit for the period to EUR 84.2 (98.3) million. The comparable operating profit amounted to EUR 108.4 (124.7) million. The effect of the sharp rise in the interest rates in 2022 led to a very high net investment result according to IFRS 17 for the comparison year.

Items affecting comparability

(EUR million)	2023	2022
Additional income from divestmet of Visa Europe to Visa inc	0.3	0.2
Costs for restructuring	-2.4	-1.4
Operating profit	**-2.1**	**-1.2**

Income

The Group's operating income amounted to EUR 291.0 (302.9) million and the comparable operating income to EUR 290.8 (302.8) million. Net interest income developed very positively, while net income from life insurance was clearly below the previous year's level due to the implementation of IFRS 17 and its effects.

Net interest income increased by 45% to EUR 144.0 (99.2) million. Interest income from lending increased by 178% to EUR 302.5 (108.8) million. The increase mainly pertains to the positive development of the customer margins for lending, rising reference interest rates and the growth of the corporate loan book. Interest expenses from borrowing increased to EUR 119.1 (1.7) million, mainly due to increased interest expenses from deposits and covered bonds. Interest expenses from senior financing increased to EUR 78.8 (10.9) million. Higher market interest rates led to interest income from the liquidity portfolio increasing to EUR 22.7 (2.6) million. Other net interest income, which mainly includes TLTRO financing and deposits in the central bank, increased to EUR 16.7 (0.3) million.

Net commission income decreased by 1% to EUR 120.4 (122.0) million. Commission income from funds, asset management and securities brokerage decreased by 4% to EUR 84.0 (87.8) million. The decrease is due to 5% lower average customer assets under management (AuM) than the previous year. Commission income from cards, payment services and borrowing increased by 14% to EUR 33.3 (29.2) million, while commission income from lending decreased by 5% to EUR 8.6 (9.1) million.

The result for the insurance business improved from the previous year, but the implementation of IFRS 17 decreased the net investment result and thus the net income from life insurance to EUR 24.1 (79.2) million. Insurance service result increased by 18% to EUR 18.0 (15.3) million owing to good new sales, low loss ratio and profitable insurance contracts. The result from investment contracts decreased by 2% to EUR 8.4 (8.7) million. The decrease is due to a lower earnings level for customer assets compared to the previous year. The net investment result decreased to EUR -2.4 (55.2) million. The IFRS 17 recalculation of the comparison period combined with a sharp increase in the interest rates in 2022 is making the comparison between the years challenging.

Net income from financial transactions amounted to EUR 1.7 (0.6) million and included an additional income of EUR 0.3 (0.2) million relating to the sale of Visa Europe to Visa Inc, which is not included in the comparable result. Comparable net income from financial transactions amounted to EUR 1.4 (0.5) million. The improvement is mainly related to changes in model based ECL impairments on the bank's interest-bearing securities of EUR 0.6 (-0.7) million.

Expenses

Operating expenses increased to EUR 176.6 (169.4) million. Comparable operating expenses increased by 4% to EUR 174.2 (168.1) million.

Personnel costs increased to EUR 84.5 (80.4) million. Comparable personnel costs increased by 3% to EUR 82.2 (79.6) million despite the outsourcing of IT services. The excellent result led to an increase in variable remuneration compared to the previous year. Running costs for personnel decreased by 4% compared to the previous year and the average number of full-time employees decreased to 855 (911).

IT expenses increased by 26% to EUR 41.1 (32.7) million. The increase mainly relates to outsourcing of IT services and index adjustments by several suppliers. In addition, increased transaction volumes and one-off expenses have contributed to increased IT expenses.

Depreciation of tangible and intangible assets increased by 1% to EUR 23.5 (23.3) million. The increase is mainly due to higher depreciations on office renovations.

Other operating expenses decreased to EUR 27.5 (33.0) million. Comparable other operating expenses decreased by 15% to EUR 27.4 (32.4) million. The decrease is due to lower costs for purchased services and a lower fee to the stability fund.

Impairments on credits and other commitments amounted to EUR -7.0 (-10.2) million. The change in the allowance for model-based credit losses (ECL) decreased to EUR -1.8 (-8.0) million while individual impairments increased to EUR -5.1 (-2.3) million.

Balance sheet and off-balance sheet commitments

The Group's balance sheet total decreased to EUR 12,037 (12,412) million. Off-balance sheet commitments, consisting of credit limits, other loan promises, and bank guarantees, decreased to EUR 617 (645) million.

Borrowing

Borrowing from the public and public-sector entities was 12% lower than previous year and amounted to EUR 4,564 (5,214) million. Aktia's market share of deposits was 2,9 (3.1) % at the end of December.

The value of long-term bonds issued by Aktia Bank totalled EUR 3,457 (2,947) million. After an issued retained covered bond was set off, covered bonds issued by Aktia Bank amounted to EUR 1,426 (1,354) million.

At the end of May, Aktia Bank issued a new covered bond of EUR 500 million with a maturity of 4 years, replacing a corresponding bond that was due in May. The issue was oversubscribed 2.5 times and priced competitively despite the competitive market conditions.

In addition, Aktia Bank issued a senior non-preferred bond of EUR 25 million in October. During the year, Aktia issued senior preferred bonds of EUR 609 million in total as part of its EMTN programme. During the year, TLTRO III loans totalling EUR 550 million were repaid. In March, issued retained covered bonds of EUR 400 million were cancelled.

Lending

Group lending to the public and public-sector entities increased by 1% from last year and amounted to EUR 7,866 (7,792) million. New lending to corporate customers decreased to EUR 825 (917) million and new lending to private customers to EUR 796 (995) million. The share of corporate customers and housing companies of the total loan book increased from the previous year, while the households' share decreased.

The housing loan book decreased to EUR 5,346 (5,434) million, of which the share of households was EUR 4,094 (4,289) million. At the end of December, Aktia's market share in housing loans to households was 3.8 (3.9) %.

Loan book by sector

(EUR million)	31 Dec 2023	31 Dec 2022	Δ	Share, %
Households	5,154	5,312	-158	65.5%
Corporates	1,416	1,301	115	18.0%
Housing companies	1,230	1,120	110	15.6%
Non-profit organisations	59	52	7	0.8%
Public sector entities	7	6	1	0.1%
Total	**7,866**	**7,792**	**74**	**100.0%**

Financial assets

Aktia Group's financial assets consist of the Bank Group's liquidity portfolio (net after the issued retained covered bond was set-off) amounting to EUR 1,352 (1,307) million, the life insurance company's investment portfolio of EUR 486 (488) million, and the Bank Group's equity holdings of EUR 9 (8) million.

Liabilities from insurance business

The total liabilities from insurance business increased during the year by 8% to EUR 1,529 (1,420) million. Liabilities from insurance contracts decreased by 3% to EUR 475 (492) million. The main reason for the decrease is related to pensions paid from pension insurances in run-off. Liabilities from investment contracts, on the other hand, increased by 13% to EUR 1,054 (928) million due to a positive net inflow and higher market values compared to the previous year.

Equity

Aktia Group's equity increased to EUR 708 (640) million. The value of the fund at fair value increased to EUR -39 (-50) million and the profit for the period amounted to EUR 84 million. Dividend amounting to EUR 31 million was paid to the shareholders in April.

Fund at fair value

(EUR million)	31 Dec 2023	31 Dec 2022	Δ
Interest-bearing securities, Aktia Bank	-28.3	-35.8	7.5
Interest-bearing securities, Aktia Life Insurance	-10.0	-14.0	4.0
Cash flow hedging, Aktia Bank	-0.7	-0.1	-0.6
Total	**-39.0**	**-49.9**	**10.9**

Assets under Management

The Group's total assets under management, including group financial assets, decreased by 3% to EUR 16,055 (16,475) million.

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

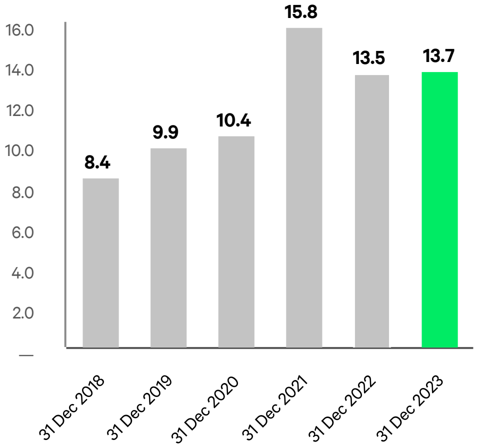
Group financial assets include the Bank Group's liquidity portfolio managed by the treasury function and the life insurance company's investment portfolio.

Assets under management

Customer assets under management*	13,658	13,539	1%
Group financial assets	2,397	2,936	-18%
Total	**16,055**	**16,475**	**-3%**

* Excluding fund in funds

Customer assets under management (AuM) excluding custody assets 2018-2023*



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

Segment overview

As of 1 January 2023, 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 total loan book of Aktia's banking business as well as the net interest income from the loan book grew despite the modest development of the housing loan market. The average margin for the entire loan book also continued to increase. The quality of the loan book remained good.
- In the corporate customer business, the demand for hire-purchase and leasing financing remained strong. System investments in these product areas have been completed, enabling continued profitable growth.
- Overall, the corporate customer business grew very strongly, and in 2023 more than 3,500 new corporate customers joined Aktia.
- In the private customer business, the Finnair cooperation proceeded as expected. The cooperation brought almost 30,000 new customers to Aktia during the year.

Results for Banking Business segment

(EUR million)	2023	2022	Δ%
Operating income	151.8	86.3	76%
Operating expenses	58.2	58.3	0%
Other operating income	0.5	0.2	123%
Operating income	210.4	144.8	45%
Operating expenses	-104.8	-101.2	4%
Impairments	-7.9	-10.3	-23%
Operating profit	**97.7**	**33.3**	**193%**
Comparable operating profit	**98.2**	**34.1**	**188%**

Operating income increased to EUR 210.4 (144.8) million. Net interest income was 76% higher than in the previous year and amounted to EUR 151.8 (86.3) million. The increase in customer margins for the entire loan book continued during the year. Rising reference interest rates have had a positive impact on interest income from lending, while internal interest expenses have increased. A large part of the loan book is tied to 12-month Euribor and the quotation amounted to 3.51% at the end of the year, which was 0.22 percentage points higher than last year.

The loan book increased to EUR 7,631 (7,620) million from the previous year. The corporate customers' loan book increased to EUR 2,688 (2,489) million, while the private customers' loan book decreased to EUR 4,943 (5,131) million. The favourable demand for fixed-term savings deposits continued among private customers. The total borrowing from the public and public-sector entities decreased by 12% from the previous year to EUR 3,890 (4,443) million.

Net commission income was on the same level as in the previous year and amounted to EUR 58.2 (58.3) million. Net commission income from lending decreased by 5% to EUR 8.5 (9.0) million, mainly due to lower credit demand. Net commission income from cards, payment services and borrowing was 3% higher than in the previous year and amounted to EUR 25.5 (24.7) million. Net commission income from investment operations was on the previous year's level and amounted to EUR 14.9 (14.8) million. Customer assets under management increased by 10% from the previous year to EUR 1,789 million.

Operating expenses were 4% higher than last year and amounted to EUR 104.8 (101.2) million. The increase is mainly due to higher depreciations related to development projects.

During the year, an EUR -1.0 (0,0) million impairment of intangible assets was recorded. Impairments on credits and other commitments amounted to EUR -7.0 (-10.2) million, of which the change in the allowance for model-based credit losses (ECL) amounted to EUR -1.8 (-8.0) million and other individual impairments to EUR -5.1 (-2.3) 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 market environment remained unstable, but the equity indexes, especially in the US and Europe, developed strongly during the year. The Finnish equity market developed negatively throughout the year, but the trend clearly turned in the final quarter, even though the situation in the Finnish real economy remained challenging.
- Central banks continued their reference interest rate hikes at the beginning of the year. Market expectations of lower interest rates moved forward, but the rise in interest rates stagnated in the fourth quarter. The market consensus predicts that the rate-hike cycle has peaked, and for 2024 central banks are expected to cut key interest rates as inflationary pressures decrease.
- Aktia Asset Management's net sales to domestic institutional investors and Private Banking customers were clearly positive in 2023. However, international investors made significant redemptions from certain well-performing Aktia fixed-income funds, leaving the Asset Management's total net sales negative for 2023. However, in the last month of the year, international sales also turned positive.
- Net commission income from Asset Management were slightly lower than last year, but the fourth quarter was 8% higher than for the corresponding quarter last year.

Results for Asset Management segment

(EUR million)	2023	2022	Δ%
Operating income	18.2	3.4	439%
Operating expenses	64.0	65.5	-2%
Other operating income	0.1	0.4	-80%
Comparable operating profit	82.3	69.3	19%
Operating expenses	-55.1	-50.0	10%
Impairments	-0.2	—	—
Operating profit	**27.0**	**19.2**	**40%**
Comparable operating profit	**28.6**	**19.7**	**45%**

Customer assets under management

(EUR million)	31 Dec 2023	31 Dec 2022	Δ%
Customer assets under management	13,658	13,539	1%
of which institutional assets	7,438	7,872	-6%

*Excluding fund in funds

The operating income increased by EUR 13.0 million to EUR 82.3 million. The increase was due to the improved net interest income.

Net commission income decreased by 2% from the previous year to EUR 64.0 million. The decrease was mainly due to the fact that customer assets under management were on average EUR 586 million lower than in the previous year.

Overall, the commission income from funds was on a lower level compared to the previous year, only the income from capital funds was higher than in the previous year. Net sales to both Private Banking and domestic institutional customer was clearly positive during the year.

Assets under management increased by EUR 119 million from the previous year and amounted to EUR 13,658 (13,539) million at the end of the year. The net subscriptions of the year amounted to EUR -151 million, and the market value change was EUR 270 million.

The operating expenses of the segment increased by EUR 5.1 million to EUR 55.1 million. The increase is mainly attributable to higher costs for variable remuneration. Personnel costs constituted 42 (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 o investment-linked insurance products to be distributed in Aktia's and external partners' sales channels. As security for its customer liabilities, Aktia Life Insurance has investment assets.

- Sales of risk life insurance policies developed well during the year.
- Sales of investment-linked insurance policies remained stable.
- The net investment result, including insurance finance result and income from investment activities, amounted to EUR 0.6 million.
- The solvency ratio decreased during the year but remained on a good level.

Results for Life Insurance segment

(EUR million)	2023	2022	Δ%
Insurance service result	18.0	15.3	18%
Result from investment contracts	8.4	8.7	-2%
Net investment result	0.6	58.1	-99%
Net income from life insurance	27.0	82.1	-67%
Operating expenses	-9.7	-9.7	-1%
Operating profit	**17.3**	**72.3**	**-76%**
Comparable operating profit	**17.3**	**72.4**	**-76%**

The sale of risk insurance, especially through agents, continued positively during the year and contributed to the improved insurance service result. A good loss ratio and new sales had a positive impact on the insurance service result for the year.

The investment-linked insurance book, which includes both investment and insurance contracts, increased by 13%.

The net investment result was affected by the volatility of the fixed income market and the valuation of individual investments. The result for the year was positive despite challenges in the real estate market which had a negative effect on the result.

The contractual service margin (CSM), which represents the future profit that the company expects to earn on the insurance contracts, increased by EUR 15.8 million during the year. During the year, EUR 9.0 million of the contractual service margin was dissolved through the income statement for insurance services provided, while new insurances sold increased the margin by EUR 16.5 million. Other effects, such as changes in the mortality and surrender assumptions, increased the margin by EUR 8.3 million.

The solvency ratio decreased to 191.7 (243.5) % during the year. The decrease is mainly due to declining interest rates, paid dividends and updated models and assumptions.

As of the beginning of the year, Aktia Life Insurance adopted a new accounting standard, IFRS 17. Under the new standard, liabilities from insurance contracts are valued using current market interest rates. The volatility in results had therefore a significant impact on the comparative figures for 2022, as the interest rate hedging programme was not complete. The comparable operating profit for the Life Insurance segment was 76% lower than the previous year due to the above-mentioned reasons. With investments and interest rate hedging, Aktia aims to minimise volatility in results arising from the market valuation of liabilities from insurance contracts according to IFRS 17.

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.

Results for Group Functions segment

(EUR million)	2023	2022	Δ%
Operating income	-17.8	17.6	—
Operating expenses	-17.4	-19.3	-10%
Impairments	-0.2	—	—
Operating profit	**-35.5**	**-1.6**	**—**
Comparable operating profit	**-35.5**	**-1.7**	**—**

The segment's comparable operating income for the reporting period decreased to EUR -18.1 (17.5) million, mainly due to the decrease in net interest income.

Net interest income decreased to EUR -26.4 (9.5) million. The change is mainly attributable to higher financing expenses. Interest income from the liquidity portfolio and from deposits in the Bank of Finland have increased. At the segment level, the higher financing expenses are partly offset by higher internal interest income.

Since March 2015, Aktia Bank has participated in the European Central Bank's refinancing operations (TLTRO), which has enabled Aktia to offer the market favourable and competitive loans. The remaining amount of the loan is EUR 250 million and it is due for payment in 2024.

Net income from financial transactions amounted to EUR 1.5 (0.3) million. The increase is mainly attributable to a positive change in ECL impairments on interest-bearing securities and unrealised fair value changes in financial assets.

The comparable operating expenses of the segment are presented net of costs allocated to the business segments. The comparable operating expenses before allocations decreased by 2% to EUR 99.2 (101.2) million. IT costs have increased while costs from purchased services, depreciations and costs related to personnel have decreased. Most of the segment's operating expenses are allocate to the other segments.

Group’s segment reporting

(EUR million)	Banking Business		Asset Management		Life insurance		Group Functions		Other & eliminations		Total Group	
Income statement	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net interest income	151.8	86.3	18.2	3.4	—	—	-26.4	9.5	0.5	0.1	144.0	99.2
Net commission income	58.2	58.3	64.0	65.5	—	—	6.1	5.9	-7.8	-7.8	120.4	122.0
Net income from life insurance	—	—	—	—	27.0	82.1	—	—	-2.9	-2.9	24.1	79.2
Other operating income	0.5	0.2	0.1	0.4	—	—	2.6	2.2	-0.5	-0.2	2.6	2.6
Total operating income	**210.4**	**144.8**	**82.3**	**69.3**	**27.0**	**82.1**	**-17.8**	**17.6**	**-10.8**	**-10.9**	**291.0**	**302.9**
Personnel costs	-17.8	-17.1	-23.1	-19.2	-2.4	-2.2	-41.2	-42.0	—	0.0	-84.5	-80.4
Other operating expenses [1]	-87.0	-84.2	-32.1	-30.8	-7.3	-7.6	23.8	22.7	10.5	10.9	-92.1	-89.0
Total operating expenses	**-104.8**	**-101.2**	**-55.1**	**-50.0**	**-9.7**	**-9.7**	**-17.4**	**-19.3**	**10.5**	**10.9**	**-176.6**	**-169.4**
Impairment of tangible and intangible assets	-1.0	0.0	-0.1	—	—	—	-0.2	—	—	—	-1.3	0.0
Expected credit losses and impairment of credits and other commitments	-7.0	-10.2	—	—	—	—	—	—	—	—	-7.0	-10.2
Impairment of other receivables	—	—	-0.1	—	—	—	—	—	—	—	-0.1	—
Share of profit from associated companies	—	—	—	—	—	—	—	—	0.1	0.2	0.1	0.2
Operating profit	**97.7**	**33.3**	**27.0**	**19.2**	**17.3**	**72.3**	**-35.5**	**-1.6**	**-0.2**	**0.2**	**106.2**	**123.5**
Comparable operating profit	**98.2**	**34.1**	**28.6**	**19.7**	**17.3**	**72.4**	**-35.5**	**-1.7**	**-0.2**	**0.2**	**108.4**	**124.7**

Balance sheet	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Financial assets measured at fair value	—	—	0.0	0.1	1,497.9	1,407.0	920.9	854.2	0.0	-14.8	2,418.7	2,246.5
Cash and balances with central banks	0.6	0.9	—	—	—	0.0	91.1	164.9	—	—	91.8	165.8
Interest-bearing securities measured at amortised cost	—	—	—	—	37.6	36.8	450.9	492.6	—	—	488.4	529.4
Loans and other receivables	7,639.0	7,620.1	284.7	219.5	26.9	14.8	635.2	1,155.7	-23.7	-25.2	8,562.1	8,984.9
Other assets	61.1	87.5	53.5	54.1	114.0	109.5	326.2	298.6	-79.0	-64.1	475.9	485.6
Total assets	**7,700.7**	**7,708.4**	**338.2**	**273.7**	**1,676.5**	**1,568.1**	**2,424.2**	**2,966.1**	**-102.6**	**-104.1**	**12,036.9**	**12,412.2**
Deposits	3,910.0	4,472.4	712.4	820.3	—	—	274.0	778.0	-23.7	-25.2	4,872.6	6,045.7
Debt securities issued	—	—	—	—	—	—	3,577.3	3,066.6	—	-14.8	3,577.3	3,051.7
Technical provisions	—	—	—	—	1,529.0	1,420.0	—	—	—	—	1,529.0	1,420.0
Other liabilities	169.1	140.5	51.6	34.8	81.2	93.3	1,080.4	1,003.9	-32.3	-17.7	1,350.1	1,254.8
Total liabilities	**4,079.1**	**4,612.9**	**764.0**	**855.2**	**1,610.2**	**1,513.2**	**4,931.7**	**4,848.5**	**-56.0**	**-57.7**	**11,329.0**	**11,772.1**

1) The net costs 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.

The comparison period 2022 is recalculated according to the new IFRS 17 standard for insurance contracts.

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) was 11.3 (10.8) %, which is 3.6 (3.1) percentage points above the minimum requirement. CET1 increased by EUR 46.2 million mainly due to the profit for the period and an increase in the fund at fair value. The result includes a dividend of EUR 6.3 million from Aktia Life Insurance Ltd paid in the first quarter of the year. The risk-weighted assets increased by EUR 281 million mainly due to increased corporate lending. Risk-weighted exposures to household lending with real-estate collateral decreased from the previous year. Despite this, risk-weighted assets for these exposures increased during the fourth quarter, primarily due to changes in Loss Given Default (LGD). An increase of the Bank Group's operating income also led to an increase in the capital requirement for operational risks compared to the previous year.

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

Capital adequacy, %	31 Dec 2023	31 Dec 2022
Bank Group		
CET1 capital ratio	11.3	10.8
Total capital ratio	15.0	14.9

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 11.80% for the Bank Group and 9.49% for Tier 1 capital ratio at the end of the year. 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	31 Dec 2023	31 Dec 2022
Tier 1 capital	443.1	396.9
Total exposures	10,468.9	10,985.2
Leverage ratio, %	**4.2%**	**3.6%**

For Aktia, the ratio of own funds and eligible liabilities to the total risk exposure amount (TREA) was 320.0% and to the leverage ratio exposure (LRE) 350.3%, as compared to the current MREL requirements of 19.86% for the TREA and 5.91% for the LRE. The current requirement entered into force on 1 January 2022. 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 Dec 2023	31 Dec 2022
Total Risk Exposure Amount (TREA)	3,411.2	3,130.6
of which MREL requirement	677.5	621.7
Leverage Ratio Exposure (LRE)	10,468.9	10,985.2
of which MREL requirement	618.7	649.2
MREL requirement	**677.5**	**649.2**
Own funds and eligible liabilities		
CET1	385.5	339.2
AT 1-instruments	57.7	57.7
Tier 2-instruments	69.6	69.5
Other liabilities	1,654.8	1,599.3
Total	**2,167.6**	**2,065.7**

Aktia's buffer for the MREL was EUR 1,490.1 (1,416.5) million. The MREL requirement for Aktia was based on the total risk exposures (TREA). The Financial Stability Authority updated the MREL requirement for Aktia on 6 April 2022. From 1 January 2024, the MREL requirement will increase to 20.30% of the total risk exposure amount and 7.72% of the leverage ratio exposures. Aktia's buffer to the requirement will remain stable even after the new requirement has entered into force.

Total capital requirements

			Buffer requirements				
31 Dec 2023 (%)	Pilar 1 minimum requirement	Pilar 2 requirement	Capital conservation	Counter-cyclical	O-SII	Systemic risk	Total capital requirements
CET1 capital	4.50%	0.70%	2.50%	0.05%	—%	—%	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%**	**0.05%**	**—%**	**—%**	**11.80%**

Solvency II	With transitional rules		Without transitional rules	
(EUR million)	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
MCR	23.5	21.8	23.1	23.1
SCR	93.9	75.2	101.9	84.2
Eligible capital	180.1	183.2	152.1	152.2
Solvency ratio, %	**191.7**	**243.5**	**149.3**	**180.8**

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 within the regulation. Aktia Life Insurance Ltd applies the standard formula for SCR, with consideration of the transitional measure for technical provisions, in accordance with the permission granted by the Financial Supervisory Authority.

During the period, the Life Insurance Company's solvency ratio (with transition rules) has somewhat decreased. The main reasons for the decrease is attributable to changes in the modelling of actuarial provisions, impairments on investments in direct real estates, and a higher capital requirement for shareholdings due to the change in the symmetric equity dampener in Solvency II.

The Group's risk exposures

The Group focuses primarily on banking, asset management and life insurance operations. Risks and risk management are thus an important part of Aktia's operating environment and business activities. The main areas of risk are credit, interest rate and liquidity risks in the Bank Group, as well as interest rate and other market risks and actuarial risks in the life insurance business. All these operations are exposed to business and operational risks.

Definitions and general principles for asset and risk management can be found in note G2, The Group's risk management, in Aktia Bank Plc's Financial Review and in Aktia Bank Plc's Pillar III Report, 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 fourth quarter of 2023, the average LTV level amounted to 42% for the entire loan portfolio.

Household lending has decreased in 2023, while corporate lending has continued to increase. The instalment-free periods for households have decreased, which is expected in the current interest rate environment, as customers with good repayment capacity are paying back their loans with increased pace. The growth of Aktia Finnair Visa card exposures has, however, been strong.

Private customers' repayment capacity has changed during the fourth quarter, which is seen in the increase of forbearances. Additionally, the number of loans 30–60 days past due has increased, contributing to the growing number of exposures in ECL stage 2. The number of defaults has remained stable during the year, although loans with forbearance measures and days-past-due have slightly increased. 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 2023, as loans for corporates and housing cooperatives have increased while loans for housing cooperatives under construction and commercial real estates have decreased. Defaults have decreased during the year, which is mainly due to the curing of some larger loans.

Gross loans past due by time overdue and ECL stages

(EUR million)	31 Dec 2023			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	38.5	24.7	8.2	71.3
of which households	29.6	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

(EUR million)	31 Dec 2022			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	34.0	22.9	6.4	63.4
of which households	24.4	22.5	6.3	53.2
> 30 ≤ 90	—	24.5	16.1	40.7
of which households	—	20.1	11.6	31.7
> 90	—	—	55.7	55.7
of which households	—	—	45.3	45.3

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

(EUR million)	31 Dec 2023	31 Dec 2022
Corporate		
PD grades A	2,449.4	2,264.3
PD grades B	75.6	62.4
PD grades C	15.9	12.7
Default	21.7	28.3
Book value of ECL provisions	2,562.7	2,367.7
Loss allowance (ECL)	-13.2	-14.4
Carrying amount	**2,549.5**	**2,353.3**
Households		
PD grades A	4,208.1	4,342.5
PD grades B	821.1	839.1
PD grades C	324.0	247.9
Default	110.0	112.4
Book value of ECL provisions	5,463.2	5,541.9
Loss allowance (ECL)	-23.4	-23.7
Carrying amount	**5,439.8**	**5,518.2**
Other		
PD grades A	489.3	535.5
PD grades B	8.4	18.8
PD grades C	14.6	1.6
Default	1.0	1.4
Book value of ECL provisions	513.2	557.3
Loss allowance (ECL)	-0.7	-0.7
Carrying amount	**512.5**	**556.6**

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 of the Bank's internal market risk model, which measures the fair value risk of the instruments in the liquidity portfolio (HTCS liquidity portfolio). The Bank has protected its liquidity portfolio against rising interest rates and has continued the hedging measures since the third quarter 2022, which means that the interest rate risk is currently very low. There was no significant change in the risk level during the fourth quarter.

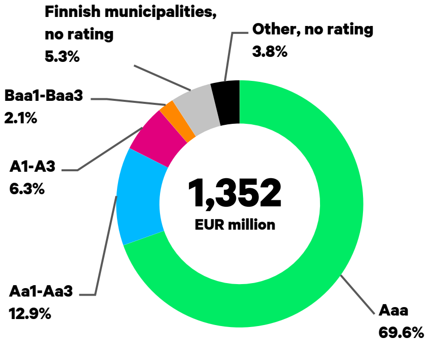
Structural interest rate risk arises from differences in fixed interest periods and repricing of interest-bearing assets and liabilities. In the banking business, structural interest rate risk is actively managed through various business transactions taking into consideration the market interest rates, either through hedging derivatives or fixed-term investments in the liquidity portfolio.

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 (8) 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 6 (5) million at the end of the period.

Rating distribution for the Bank Group's liquidity portfolio 31 Dec 2023 total



Liquidity reserve and measurement of liquidity risk

The liquidity portfolio consists of high-quality assets that can be used to meet liquidity requirements in stressed situations. The unencumbered assets in the liquidity portfolio, which can be used as a liquidity reserve, including cash and balances with central banks, had a market value of EUR 1,817 (2,256) million at the end of the year.

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

The liquidity risk is monitored e.g., using the Liquidity Coverage Ratio (LCR). LCR measures the short-term liquidity risk and is aimed to ensure that Aktia Bank's liquidity reserve, consisting of unencumbered high-quality assets, is strong enough to meet short-term net outflows in stressed situations over the coming 30 days. LCR fluctuates over time, partly depending on the maturity structure of the bank's issued bonds. The LCR amounted to 221 (183) %. On 31 December 2023, the Net Stable Funding Ratio (NSFR) was 122 (121) %.

Liquidity risk ratios	31 Dec 2023	31 Dec 2022
LCR, % (minimi requirement: 100%)	221%	183%
NSFR, % (minimi requirement: 100%)	122%	121%

Liquidity reserve, market value(EUR million)	31 Dec 2023	31 Dec 2022
Cash and balances with central banks	597	1,172
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	191	196
Securities issued or guaranteed by municipalities or the public sector	72	111
Covered bonds	957	777
Securities issued by credit institutions	—	0
Total	**1,817**	**2,256**
of which LCR-qualified	1,817	2,256

Life Insurance Business

Investment portfolio of the life insurance company

The market value of the life insurance business' total investment portfolio amounted to EUR 486 (488) million. The life insurance company's direct real estate investments amounted to EUR 73 (49) million. The properties are located in the Helsinki region and in other growth centres in Southern Finland and they mostly have long tenancies.

Life insurance company's market risk

The interest rate risk is the most significant market risk within the technical provisions 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.

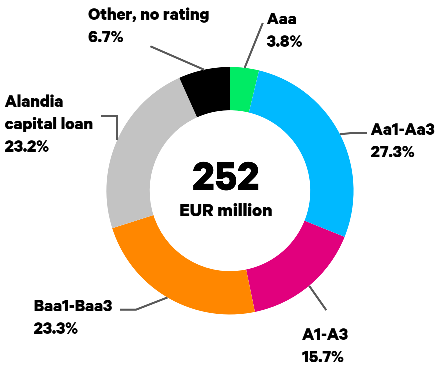
In the Group's internal capital calculation, the company's largest market risk exposure is equity risk, arising from a potential deprecation in the value of the company's equity holdings, and from the share of risk in the customers' holdings in investment-linked insurance portfolios attributed to the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

The IFRS 17 standard, effective from 1 January 2023, increases the result's exposure to interest rate risks. The new standard results in interest rate fluctuations affecting the value of liabilities from insurance contracts, directly impacting the Group's result. The interest rate risk is still a significant partial risk within the market risk, but after the hedging measures carried out during 2022, it is no longer the largest market risk.

The risk exposure in the internal model is calculated as a difference under a stress scenario describing a historical 99.5% percentile of various risk factors. On 31 December 2023, the risk sensitivity was EUR 23.1 (3.3) million for interest rate risk, EUR 35.2 (31.6) million for equity risk, EUR 25.9 (25.6) million for real estate risk, EUR 23.0 (15.2) million for credit spread risk, and EUR 22.2 (16.4) million for currency risk. After summation and diversification effects, the internal requirement is EUR 82.1 (61.7) million, against the allowed limit of EUR 100 (105) million. The relatively large change is due to the calibration of the model at the end of the year 2022, as rising interest rate levels considerably affect the calculation parameters. The earlier parameters were applied until 31 December 2022.

Rating distribution for the life insurance business's direct interest-bearing investments 31 Dec 2023 total

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



Aktia Life Insurance, allocation of investment portfolio

(EUR million)	31 Dec 2023		31 Dec 2022	
Equities	**10.1**	**2.1%**	**12.8**	**2.6%**
Europe	1.5	0.3%	8.6	1.8%
Finland	0.5	0.1%	—	—%
USA	6.9	1.4%	4.2	0.9%
Japan	0.6	0.1%	—	—%
Emerging markets	0.6	0.1%	—	—%
Fixed income investments	**316.7**	**65.1%**	**327.7**	**67.1%**
Government bonds	88.7	18.2%	90.9	18.6%
Financial bonds	29.4	6.0%	31.7	6.5%
Other corporate bonds [1]	139.7	28.7%	143.7	29.4%
Emerging Markets (mtl. funds)	34.1	7.0%	37.2	7.6%
High yield (mtl. funds)	22.8	4.7%	21.5	4.4%
Other funds	2.1	0.9%	2.8	0.6%
Alternative investments	**27.1**	**5.9%**	**28.7**	**5.9%**
Private Equity etc	22.6	4.6%	21.5	4.4%
Infrastructure funds	4.6	1.5%	7.2	1.5%
Real estates	**91.9**	**14.9%**	**72.7**	**14.9%**
Directly owned	72.7	10.0%	48.7	10.0%
Real estate funds	19.2	4.9%	24.0	4.9%
Money Market	**25.8**	**11.3%**	**55.3**	**11.3%**
Derivatives	**-12.2**	**-4.9%**	**-23.9**	**-4.9%**
Cash and bank	**26.8**	**5.5%**	**14.7**	**3.0%**
Total	**486.3**	**100.0%**	**488.0**	**100.0%**

1) Includes a capital loan to Alandia.

Main events

Aktia introduced Green Mortgage

Green Mortgage is Aktia's first green loan product. Green Mortgage is a housing loan that meets the requirements of EU's sustainable finance classification system, or taxonomy, in terms of energy efficiency of the building. Thus, it contributes significantly to the environmental goal of mitigating climate change.

Aktia began to pay interest on the Savings Deposit (Säästötalletus)

Aktia was among the first to start paying interest on fixed-term deposits as early as in August 2022, after market interest rates had, after a long period of time, returned positive. As of 1 January 2024, Aktia also began paying a deposit interest of 0.25% to the Savings Deposit Account. The savings deposit has no minimum deposit and no withdrawal limit.

Aktia reorganised parts of its operations

Aktia carried out change negotiations to reorganise part of its operations. The change negotiations concerned certain areas of asset management and group functions. The aim of the negotiations was to simplify and renew the organisation and its activities. As a result of the negotiations, approximately 23 job positions were reduced.

Aktia raised its prime rate to 2.50 per cent

Aktia Bank raised its prime rate from 2.00 per cent to 2.50 per cent. The new prime rate was applied from 2 October 2023. The increase was due to rising market interest rates. On 1 April 2023, Aktia Bank raised its prime rate from 1.00 per cent to 2.00 per cent.

Aktia Wealth Planning to be merged with Aktia Bank

Aktia Bank Plc's planned merger of the wholly-owned subsidiary Aktia Wealth Planning Ltd with Aktia Bank Plc will enter into force on 1 April 2024. The subsidiary merger simplifies Aktia's group structure and enables a more efficient development of the business. The merger has no impact on Aktia's customers, services or personnel.

Aktia Aurinkotuuli III fund raised over EUR 160 million in its first fundraising round

Aktia Aurinkotuuli III is a closed private equity fund whose only investment is Taaleri SolarWind III. Aktia Aurinkotuuli III belongs to the highest “dark green” category in the sustainability rating, as its target fund Taaleri SolarWind III is also a financial product under Article 9 of the EU Sustainable Finance Disclosure Regulation.

With Aktia Aurinkotuuli III, also private investors can make impactful investments in increasing the production of renewable energy. The fund’s investment strategy is to acquire, develop, build, operate and sell industrial-scale wind farms and solar power parks as well as energy storage facilities in the target markets in the Nordic countries, the Baltic countries, Poland, Southeast Europe, Spain and Texas.

Aktia was awarded the best European fixed income fund house

Aktia was awarded the best European fixed income fund house in the series for small fund houses in the Refinitiv Lipper Fund Awards comparison. In addition, Aktia's funds once again collected first prizes in both the Nordics and Europe. Refinitiv Lipper Fund Awards are granted annually to the best funds and asset management and fund management companies all over the world. The awards are based on risk-weighted returns over three, five and ten years.

Aktia and Käärijä encourage children and young people to learn about finances

The runner up in the Eurovision Song Contest 2023, Käärijä, or Jere Pöyhönen, and Aktia, started working together to improve the financial literacy of children and young people. Good financial literacy is an important civic skill that increases equality in society. Aktia and Käärijä joined forces to make financial literacy a natural part of life for children and young people.

Elisa took charge of a part of Aktia's IT and network management services

Aktia Bank Plc and Elisa Plc signed an agreement for a long-term partnership, through which Elisa will take charge of a part of Aktia’s IT and network management services. The agreement took effect on 1 June 2023, and it has been drawn up for the next five years, after which it can be extended. The cooperation supports Aktia's strategic goal of being the leading wealth manager bank in Finland.

Aktia issued a EUR 500 million covered bond

On 23 May 2023, Aktia Bank Plc issued a new EUR 500 million covered bond, due in May 2027. The bond was competitively priced 17 basis points over swap rates (MS +17) and it was oversubscribed by 2.5 times. The final order book included subscription offers from over 50 investors.

Aktia set clearer targets for sustainability

Sustainability is at the heart of Aktia’s activities and guides Aktia towards the vision of being the leading wealth manager bank. To reach this goal, Aktia updated its sustainability programme to align it even more with the strategy. The new programme will steer the company’s sustainability efforts on a comprehensive scale until the year 2025. More information about Aktia’s sustainability program can be found on the company’s website at www.aktia.com/en/sustainability/corporate-responsibility-programme

Aktia was selected the best fixed income fund house in Finland

Aktia was selected the best fixed income fund house in Finland in the Morningstar Awards 2023 comparison. In the same comparison, Aktia’s balanced fund Aktia Wealth Allocation+ Moderate B was selected as the best balanced fund in Finland. Morningstar is an independent party which carries out fund comparisons and selects the best fund houses annually based on a five-year risk-adjusted return.

Other information

Events after the end of the reporting period

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.

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.

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 8 November 2022 related to the S&P’s “Ratings Direct” report.

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 Investors 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.

Personnel

The number of full-time employees at the end of December amounted to 833 (31 December 2022; 891). The average number of full-time employees amounted to 855 (1 January–31 December 2022; 911).

Governance

Executive Committee

On 9 November 2023, Aktia announced that Kaapro Kanto, Bachelor of Computer Science BCS, had been appointed as the EVP, Chief Information Officer (CIO) of Aktia and member of the Group's Executive Committee. He reports to Aktia's CEO Juha Hammarén.

Kati Eriksson, M.Sc (Econ.) has been appointed as the EVP, Asset Management, and as a member of the Group's Executive Committee. Eriksson assumed her position on 26 January 2024.

On 5 June 2023, Aktia's Board of Directors appointed M.Soc.Sc. Aleksi Lehtonen as the new President and CEO of Aktia Bank Plc. Lehtonen will start in his position on 1 June 2024.

On 31 December 2023, Aktia's Executive Committee consisted of the following persons: Juha Hammarén, CEO; Outi Henriksson, Executive Vice President & CFO; Anssi Huhta, Executive Vice President, Banking Business & Deputy CEO; Uki Lammi, Executive Vice President (interim), Asset Management; Sini Kivekäs, Executive Vice President, Group Functions, and Kaapro Kanto, Executive Vice President & CIO.

Shareholders' Nomination Board

In accordance with the Articles of Association of Aktia Bank Plc, a Nomination Board shall be appointed annually with the duty to prepare a proposal for members of the Board of Directors as well as for the remuneration of them to the Annual General Meeting. Aktia announced the appointment of the Shareholders' Nomination Board on 17 August 2023.

The composition of the Nomination Board as from 17 August 2023 is: Matts Rosenberg, appointed by RG Partners Oy; Gisela Knuts, appointed by the Pension Insurance Company Veritas and the companies controlled by Erkki Etola; Stefan Wallin, appointed by the Åbo Akademi University Foundation and Johan Hammarén, appointed by Oy Hammarén & Co Ab. Gisela Knuts was elected chair of the Nomination Board. Further, the chair of the Board of Aktia Bank Plc, Lasse Svens participates in the work of the Nomination Board as an expert.

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 and commitment of the employees and management to work for a good value development and increased shareholder value in the long term.

AktiaUna 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 motivated by granting 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, and 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 25 key employees belong to the target group of the plan.

Decisions of Aktia Bank Plc's Annual General Meeting 2023

The Annual General Meeting of Aktia Bank Plc, held on 5 April 2023, 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 0.43 euro per share for the accounting period 1 January – 31 December 2022.

The Annual General Meeting confirmed the number of board members as eight. Maria Jerhamre Engström, Harri Lauslahti, Sari Pohjonen, Johannes Schulman, Lasse Svens and Timo Vättö were re-elected as Board members. Ann Grevelius and Carl Haglund 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 Timo Vättö 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 and Johannes Schulman as members of the Audit Committee. Maria Jerhamre Engström was elected as chair and Harri Lauslahti and Lasse Svens as members of the Risk Committee. Timo Vättö was elected as chair and Carl Haglund 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 for 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.

The Annual General Meeting adopted the proposal of the Board of Directors regarding amendment of article 5 of the company's Articles of Association to allow organising of a remote general meeting without a meeting venue as an alternative to a physical general meeting or a hybrid meeting. In the same context, the venue for physical general meetings was be defined to be Helsinki, Espoo or Vantaa.

The Annual General Meeting adopted the proposal of the Board of Directors regarding resolution for share issue authorisation for up to 7,238,000 shares or securities entitling to shares, authorisation to acquire up to 500,000 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 and authorisation to divest up to 500,000 company's own shares.

Share capital and ownership

Aktia Bank Plc’s share capital amounts to EUR 170 million. On 22 November 2023, Aktia issued a total of 87,022 new shares as part of the Aktia Group’s employee share savings plan AktiaUna 2023–2024. The share issue was based on the authorisation by the Annual General Meeting of Shareholders held on 5 April 2023. The number of shares in Aktia after this share issue increased to 72,644,887 shares.

On 28 November 2023, Aktia announced it had divested a total of 808 own shares held by the company to four persons as a deferred payment based on the company’s remuneration programs. On 31 December 2023, the company held a total of 159,538 (31 December 2022; 228,122) own shares.

On 31 December 2023, the total number of registered holders of Aktia Bank Plc’s shares amounted to 39,975 (31 December 2022; 40,147). Foreign ownership was 10.11 (10.00) per cent.

Aktia Bank Plc’s market value on 29 December 2023, the last trading day of the period, was approximately EUR 684 (31 December 2022; 740) million. The closing price for the Aktia share on 29 December 2023 was EUR 9.42 (31 December 2022; 10.22). The highest price for the Aktia share during the period was EUR 11.12 (12.88) and the lowest EUR 8.73 (8.62). The average daily turnover of the Aktia share during January-December 2023 was EUR 429,539 (523,742) or 45,685 (55,225) shares.

(EUR million)	Number of shares	Share capital	Unrestricted equity reserve
1 Jan 2022	**72,144,081**	**169.7**	**138.6**
Share issue 14 February 2022	75,000		0.9
Share issue 24 May 2022	74,631		0.7
Share issue 17 November 2022	91,360		0.8
Other changes	—		0.5
31 Dec 2022	**72,385,072**	**169.7**	**141.5**
Share issue 30 January 2023	80,000		0.9
Share issue 25 May 2023	92,793		0.8
Share issue 22 November 2023	87,022		0.7
Other changes	—		0.4
31 Dec 2023	**72,644,887**	**169.7**	**144.2**

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.

The series of successive rate hikes by the European Central Bank ended with the Governing Council deciding to keep the key policy rates unchanged in its December meeting. Inflation in the euro area continued to decrease to 2.4% in November 2023, but Eurostat's forecast for December was 2.9%. The markets expect interest rate cuts to start this year, which is also reflected in the downward yield curve. The 12-month Euribor remained below shorter-term market rates throughout December, which as a prolonged situation is not favourable for the development of the Bank's net interest income.

Capital markets are operating fairly normally, and a large number of issues have been made during the fourth quarter. Aktia's senior funding recovered in the fourth quarter of the year, and the bank issued new bonds to a total value of approx. EUR 161.5 million. However, retail deposits are an excellent form of fundraising alongside wholesale funding also going forward. Aktia has been an active provider of deposit options also in the international deposit market.

There was no significant change in the ECL level in the fourth quarter of 2023. Any future impairment of credits in Aktia’s credit portfolio may depend on many factors, of which the most important are the general economic situation, the interest rate level, the unemployment rate and the development of real estate prices.

The current economic situation, with decreased economic development and higher interest rate levels having a negative effect on customers’ economic situation, increases the uncertainty in Aktia’s loan book. Defaulted exposures have decreased in the household and corporate portfolios during the year. The number of instalment-free periods for private customers decreased significantly compared to the previous year. Forbearance measures increased somewhat during the fourth quarter, caused by private customers’ increased payment difficulties. Unpaid exposures have remained stable in the mortgage portfolio. Some individual products, such as student loans and credit cards, are showing a minor increase in unpaid loans.

Aktia's operational risks are within the risk appetite at the end of the year. No major incidents occurred during the fourth quarter. The deficiencies discovered based on the incidents are 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 fourth 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

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.

Quarterly trends in the Group

(EUR 1,000)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022	1-12/2023	1-12/2022
Net interest income	38,894	39,544	33,760	31,833	24,209	24,045	25,814	25,111	144,031	99,180
Dividends	58	14	55	14	14	1,002	416	11	140	1,444
Commission income	33,637	33,688	33,981	33,328	32,360	32,441	34,774	34,676	134,634	134,251
Commission expenses	-3,858	-3,734	-3,624	-3,047	-3,228	-2,547	-3,126	-3,358	-14,264	-12,259
Net commission income	29,779	29,953	30,357	30,281	29,132	29,894	31,648	31,318	120,371	121,992
Net income from life insurance	6,049	5,129	5,712	7,172	3,324	19,565	34,861	21,431	24,061	79,182
Net income from financial transactions	339	457	311	605	1,279	-2,215	873	701	1,711	638
Other operating income	103	127	98	399	202	125	105	80	727	512
Total operating income	**75,222**	**75,223**	**70,292**	**70,304**	**58,161**	**72,416**	**93,716**	**78,654**	**291,041**	**302,947**
Personnel costs	-21,597	-21,026	-20,852	-21,047	-19,874	-20,091	-19,931	-20,497	-84,521	-80,393
IT expenses	-12,610	-9,557	-9,737	-9,197	-9,850	-7,267	-8,133	-7,469	-41,102	-32,719
Depreciation of tangible and intangible assets	-5,896	-5,825	-5,876	-5,890	-5,865	-5,813	-5,840	-5,774	-23,487	-23,292
Other operating expenses	-6,440	-4,363	-5,698	-10,992	-8,470	-7,081	-7,927	-9,549	-27,493	-33,026
Total operating expenses	**-46,544**	**-40,770**	**-42,164**	**-47,125**	**-44,059**	**-40,253**	**-41,830**	**-43,288**	**-176,603**	**-169,430**
Impairment of tangible and intangible assets	-1,078	-223	—	—	-40	—	—	—	-1,301	-40
Impairment of credits and other commitments	-2,442	-2,270	-1,314	-941	-7,150	-1,002	-2,375	303	-6,967	-10,224
Impairment of other receivables	—	—	—	-105	—	—	—	—	-105	—
Share of profit from associated companies	88	7	-19	71	-6	-46	194	108	147	249
Operating profit	**25,247**	**31,966**	**26,795**	**22,203**	**6,907**	**31,115**	**49,704**	**35,776**	**106,212**	**123,502**
Taxes	-4,880	-7,261	-5,748	-4,103	-1,536	-6,343	-10,099	-7,195	-21,991	-25,174
Profit for the period	**20,367**	**24,706**	**21,047**	**18,101**	**5,371**	**24,771**	**39,605**	**28,581**	**84,221**	**98,329**
Attributable to:										
Shareholders in Aktia Bank plc	20,367	24,706	21,047	18,101	5,371	24,771	39,605	28,581	84,221	98,329
Total	**20,367**	**24,706**	**21,047**	**18,101**	**5,371**	**24,771**	**39,605**	**28,581**	**84,221**	**98,329**
Earnings per share (EPS), EUR	0.28	0.34	0.29	0.25	0.07	0.34	0.55	0.40	1.16	1.37
Earnings per share (EPS), EUR, after dilution	0.28	0.34	0.29	0.25	0.07	0.34	0.55	0.40	1.16	1.37
Operating profit excluding items affecting comparability:										
Operating profit	25,247	31,966	26,795	22,203	6,907	31,115	49,704	35,776	106,212	123,502
Operating income:										
Additional income from divestment of Visa Europe to Visa Inc	—	—	-280	—	—	—	—	-180	-280	-180
Operating expenses:										
Costs for restructuring	1,058	—	—	1,362	1,370	—	—	—	2,421	1,370
Impairment of tangible and intangible assets:										
Costs for restructuring	—	—	—	—	40	—	—	—	—	40
Comparable operating profit	**26,306**	**31,966**	**26,515**	**23,566**	**8,317**	**31,115**	**49,704**	**35,596**	**108,353**	**124,732**

Quarterly trends of comprehensive income

(EUR 1,000)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022	1-12/2023	1-12/2022
Profit for the period	20,367	24,706	21,047	18,101	5,371	24,771	39,605	28,581	84,221	98,329
Other comprehensive income after taxes:										
Change in fair value for financial assets	4,366	1,269	2,812	3,431	987	-7,017	-22,741	-27,063	11,878	-55,833
Change in fair value for cash flow hedging	-372	824	-499	-525	406	83	-812	-15	-572	-338
Transferred to the income statement for financial assets	-420	43	-37	5	-682	705	458	-425	-409	55
Comprehensive income from items which can be transferred to the income statement	3,574	2,136	2,276	2,911	711	-6,230	-23,095	-27,503	10,898	-56,116
Defined benefit plan pensions	-47	—	—	—	455	—	—	—	-47	455
Comprehensive income from items which can not be transferred to the income statement	-47	—	—	—	455	—	—	—	-47	455
Total comprehensive income for the period	**23,895**	**26,842**	**23,323**	**21,012**	**6,537**	**18,542**	**16,510**	**1,079**	**95,071**	**42,668**
Total comprehensive income attributable to:										
Shareholders in Aktia Bank plc	23,895	26,842	23,323	21,012	6,537	18,542	16,510	1,079	95,071	42,668
Total	**23,895**	**26,842**	**23,323**	**21,012**	**6,537**	**18,542**	**16,510**	**1,079**	**95,071**	**42,668**
Total earnings per share, EUR	0.33	0.37	0.32	0.29	0.09	0.25	0.23	0.02	1.31	0.59
Total earnings per share, EUR, after dilution	0.33	0.37	0.32	0.29	0.09	0.25	0.23	0.02	1.31	0.59
Total comprehensive income excluding items affecting comparability:										
Total comprehensive income	23,895	26,842	23,323	21,012	6,537	18,542	16,510	1,079	95,071	42,668
Additional income from divestment of Visa Europe to Visa Inc	—	—	-224	—	—	—	—	-144	-224	-144
Costs for restructuring	847	—	—	1,090	1,128	—	—	—	1,937	1,128
Comparable total comprehensive income	**24,741**	**26,842**	**23,099**	**22,102**	**7,665**	**18,542**	**16,510**	**935**	**96,784**	**43,652**

Quarterly trends in the Segments

(EUR 1,000)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022	1-12/2023	1-12/2022
Banking Business										
Net interest income	44,600	43,674	34,680	28,825	22,779	23,024	20,974	19,497	151,778	86,275
Net commission income	13,935	14,753	14,558	14,909	14,410	14,050	14,773	15,080	58,154	58,313
Other operating income	38	63	35	316	129	49	23	1	451	202
Total operating income	**58,572**	**58,489**	**49,272**	**44,050**	**37,319**	**37,123**	**35,770**	**34,579**	**210,383**	**144,790**
Personnel costs	-4,694	-4,423	-4,575	-4,143	-4,469	-4,418	-4,298	-3,878	-17,836	-17,062
Other operating expenses [1]	-22,972	-19,809	-19,840	-24,337	-22,404	-18,958	-20,231	-22,575	-86,958	-84,168
Total operating expenses	**-27,667**	**-24,231**	**-24,416**	**-28,480**	**-26,873**	**-23,376**	**-24,528**	**-26,453**	**-104,794**	**-101,230**
Impairment of tangible and intangible assets	-970	—	—	—	-40	—	—	—	-970	-40
Impairment of credits and other commitments	-2,442	-2,270	-1,314	-941	-7,150	-1,002	-2,375	303	-6,967	-10,224
Operating profit	**27,493**	**31,988**	**23,543**	**14,628**	**3,256**	**12,745**	**8,867**	**8,429**	**97,652**	**33,297**
Comparable operating profit	**27,586**	**31,988**	**23,543**	**15,071**	**4,072**	**12,745**	**8,867**	**8,429**	**98,187**	**34,114**
Asset Management										
Net interest income	5,583	4,654	4,304	3,688	1,684	668	535	494	18,230	3,381
Net commission income	16,243	15,561	16,215	15,985	15,083	16,275	17,491	16,701	64,004	65,550
Other operating income	-49	38	38	46	48	72	106	137	73	364
Total operating income	**21,777**	**20,254**	**20,557**	**19,720**	**16,815**	**17,015**	**18,132**	**17,333**	**82,307**	**69,295**
Personnel costs	-6,480	-5,622	-5,428	-5,547	-4,248	-4,883	-4,345	-5,726	-23,077	-19,202
Other operating expenses [1]	-8,052	-7,373	-7,773	-8,869	-8,388	-6,969	-8,030	-7,460	-32,067	-30,846
Total operating expenses	**-14,532**	**-12,995**	**-13,202**	**-14,416**	**-12,636**	**-11,853**	**-12,374**	**-13,185**	**-55,144**	**-50,048**
Arvonalentumiset aineellisista ja aineettomista hyödykkeistä	-108	—	—	—	—	—	—	—	-108	—
Arvonalentumiset muista saamisista	—	—	—	-105	—	—	—	—	-105	—
Operating profit	**7,137**	**7,259**	**7,356**	**5,199**	**4,179**	**5,163**	**5,757**	**4,147**	**26,951**	**19,247**
Comparable operating profit	**8,103**	**7,259**	**7,356**	**5,922**	**4,651**	**5,163**	**5,757**	**4,147**	**28,639**	**19,718**

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 expenses.

The table continues

(EUR 1,000)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022	1-12/2023	1-12/2022
Life Insurance										
Insurance service result	5,758	2,818	5,623	3,780	6,961	1,699	3,214	3,423	17,978	15,297
Result from investment contracts	2,107	2,118	2,115	2,109	2,152	2,148	2,121	2,238	8,449	8,659
Results from investment activities	-1,134	990	-1,322	2,030	-5,048	16,418	30,222	16,535	564	58,127
Net income from life insurance	**6,730**	**5,926**	**6,416**	**7,918**	**4,065**	**20,265**	**35,556**	**22,196**	**26,990**	**82,083**
Personnel costs	-626	-632	-608	-526	-579	-516	-553	-510	-2,391	-2,158
Other operating expenses [1]	-1,866	-1,721	-1,700	-2,013	-1,878	-1,906	-1,968	-1,834	-7,300	-7,587
Total operating expenses	**-2,492**	**-2,353**	**-2,308**	**-2,539**	**-2,458**	**-2,421**	**-2,522**	**-2,344**	**-9,691**	**-9,745**
Operating profit	**4,239**	**3,573**	**4,108**	**5,379**	**1,608**	**17,843**	**33,035**	**19,852**	**17,299**	**72,338**
Comparable operating profit	**4,239**	**3,573**	**4,108**	**5,379**	**1,668**	**17,843**	**33,035**	**19,852**	**17,299**	**72,398**
The comparison periods 2022 are recalculated according to the new IFRS 17 standard for insurance contracts.										
Group Functions										
Net interest income	-11,385	-8,981	-5,289	-774	-295	345	4,303	5,119	-26,429	9,473
Net commission income	1,472	1,640	1,446	1,493	1,576	1,525	1,370	1,469	6,052	5,940
Other operating income	550	534	428	1,069	1,356	-1,183	1,334	724	2,580	2,230
Total operating income	**-9,362**	**-6,807**	**-3,415**	**1,787**	**2,637**	**687**	**7,006**	**7,313**	**-17,797**	**17,644**
Personnel costs	-9,797	-10,350	-10,240	-10,830	-10,577	-10,274	-10,736	-10,384	-41,217	-41,971
Other operating expenses [1]	5,449	6,520	5,463	6,345	5,810	4,996	5,582	6,310	23,777	22,698
Total operating expenses	**-4,348**	**-3,830**	**-4,777**	**-4,486**	**-4,767**	**-5,278**	**-5,154**	**-4,073**	**-17,441**	**-19,273**
Operating profit	**-13,710**	**-10,860**	**-8,192**	**-2,698**	**-2,131**	**-4,590**	**1,852**	**3,240**	**-35,461**	**-1,629**
Comparable operating profit	**-13,710**	**-10,860**	**-8,472**	**-2,501**	**-2,068**	**-4,590**	**1,852**	**3,060**	**-35,543**	**-1,747**

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 expenses.

5 year overview

(EUR 1,000)	2023	2022	2021	2020	2019
Income statement					
Net interest income	144,031	99,180	96,249	80,677	77,568
Net commission income	120,371	121,992	123,992	97,641	99,120
Net income from life insurance	24,061	79,182	37,657	19,876	29,978
Net income from financial transactions	1,711	638	4,684	635	2,878
Other operating income	867	1,955	1,202	2,287	11,870
Total operating income	**291,041**	**302,947**	**263,784**	**201,117**	**221,415**
Personnel costs	-84,521	-80,393	-83,723	-69,068	-68,993
IT expenses	-41,102	-32,719	-30,655	-26,002	-26,193
Depreciation of tangible and intangible assets	-23,487	-23,292	-21,504	-18,276	-19,481
Other operating expenses	-27,493	-33,026	-38,523	-28,813	-29,233
Total operating expenses	**-176,603**	**-169,430**	**-174,404**	**-142,159**	**-143,901**
Impairment of tangible and intangible assets	-1,301	-40	—	—	—
Expected credit losses and impairment of credits and other commitments	-6,967	-10,224	-4,494	-4,046	-4,452
Impairment of other receivables	-105	—	—	—	—
Share of profit from associated companies	147	249	-265	-118	1,694
Operating profit	**106,212**	**123,502**	**84,621**	**54,793**	**74,756**
Taxes	-21,991	-25,174	-17,265	-12,172	-12,931
Profit for the reporting period	**84,221**	**98,329**	**67,356**	**42,621**	**61,825**
Attributable to:					
Shareholders in Aktia Bank plc	84,221	98,329	66,816	42,621	61,825
Holders of Additional Tier 1 capital	—	—	540	—	—
Total	**84,221**	**98,329**	**67,356**	**42,621**	**61,825**
Comprehensive income					
Profit for the reporting period	84,221	98,329	67,356	42,621	61,825
Comprehensive income from items which can be transferred to the income statement	10,898	-56,116	-15,066	6,172	-2,558
Comprehensive income from items which can not be transferred to the income statement	-47	455	-131	-217	-307
Total comprehensive income for the year	**95,071**	**42,668**	**52,159**	**48,576**	**58,959**
Comprehensive income attributable to:					
Shareholders in Aktia Bank plc	95,071	42,668	51,619	48,576	58,959
Holders of Additional Tier 1 capital	—	—	540	—	—
Total	**95,071**	**42,668**	**52,159**	**48,576**	**58,959**

The table continues

(EUR 1,000)	2023	2022	2021	2020	2019
Balance sheet					
Financial assets measured at fair value through income statement	1,369,716	1,249,457	1,451,815	1,232,497	1,039,093
Financial assets measured at fair value through other comprehensive income	1,049,031	997,056	1,106,966	1,258,224	1,240,331
Interest-bearing securities measured at amortised cost	488,448	529,409	386,464	413,759	336,495
Loans and other receivables	8,562,071	8,984,948	7,551,691	7,028,686	6,446,455
Cash and balances with central banks	91,752	165,794	732,829	298,615	315,383
Derivative instruments	81,916	54,711	39,553	76,068	68,134
Other assets	394,007	430,870	405,409	264,920	251,208
Total assets	**12,036,941**	**12,412,246**	**11,674,728**	**10,572,768**	**9,697,098**
Deposits	4,872,638	6,045,668	5,425,806	5,164,416	4,657,453
Derivative instruments	223,659	294,049	20,484	12,247	9,847
Other financial liabilities	4,479,636	3,861,793	3,730,391	3,178,507	3,023,129
Liabilities from insurance business	1,528,964	1,419,981	1,698,718	1,410,818	1,259,771
Provisions	1,233	1,270	987	1,284	999
Other liabilities	222,830	149,390	164,348	138,667	135,904
Total liabilities	**11,328,960**	**11,772,150**	**11,040,734**	**9,905,939**	**9,087,102**
Equity	707,981	640,096	633,994	666,830	609,996
Total liabilities and equity	**12,036,941**	**12,412,246**	**11,674,728**	**10,572,768**	**9,697,098**

Key figures and ratios

(EUR 1,000 if nothing else is stated)	2023	2022	2021	2020	2019
Earnings per share (EPS), EUR	1.16	1.37	0.95	0.61	0.90
Total earnings per share, EUR	1.31	0.59	0.73	0.70	0.85
Dividend per share, EUR *) **)	0.70	0.43	0.56	0.43	0.53
Payout ratio, %	60.2	60.3	59.8	72.4	59.5
Equity per share (NAV), EUR [1)]	8.95	8.05	8.00	9.60	8.82
Average number of shares (excluding treasury shares)	72,347,806	72,013,512	70,460,062	69,787,931	69,037,320
Number of shares at the end of the period (excluding treasury shares)	72,485,349	72,156,950	71,817,540	69,460,801	69,143,116
Return on equity (ROE), % [1)]	13.7	17.0	10.9	6.7	10.3
Return on assets (ROA), % [1)]	0.69	0.82	0.61	0.42	0.65
Cost-to-income ratio [1)]	0.61	0.56	0.66	0.71	0.65
Common Equity Tier 1 capital ratio (Bank Group), %	11.3	10.8	11.2	14.0	14.7
Tier 1 capital ratio (Bank Group), %	13.0	12.7	13.2	14.0	14.7
Capital adequacy ratio (Bank Group), %	15.0	14.9	15.6	16.6	18.6
Risk-weighted commitments (Bank Group)	3,411,193	3,130,631	2,940,550	3,030,010	2,636,934
Capital adequacy ratio (finance and insurance conglomerate), %	135.9	141.5	145.0	126.6	131.6
Equity ratio, % [1)]	5.8	5.3	5.7	6.6	6.4
Group financial assets [1)]	2,396,707	2,936,462	2,546,099	2,265,470	2,094,688
Assets under management [1)]	13,658,000	13,539,000	15,450,954	10,446,947	9,853,097
Borrowing from the public	4,564,191	5,213,777	4,503,297	4,465,767	4,059,841
Lending to the public	7,865,883	7,791,700	7,486,371	6,999,814	6,429,143

*) Dividend proposal of EUR 0.70 per share for the reporting period 2023.

**) Dividend for 2019 was paid in January 2021.

1) 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.

The table continues

(EUR 1,000 if nothing else is stated)	2023	2022	2021	2020	2019
Premiums written before reinsurers' share (Aktia Life Insurance Ltd) [1)]	149,903	142,189	152,696	106,161	118,606
Expense ratio, % (Aktia Life Insurance Ltd) [1)]	111.3	108.0	98.9	73.9	73.9
Solvency ratio (Aktia Life Insurance Ltd), %	191.7	243.5	224.7	145.9	192.1
Eligibe (Solvency II) capital (Aktia Life Insurance Ltd)	180,070	183,180	244,690	159,070	166,290
Investments at fair value (Aktia Life Insurance Ltd) [1)]	1,597,132	1,474,397	1,693,406	1,515,218	1,344,989
Liabilities from insurance contracts [1)]	475,325	491,554	650,850	441,005	390,364
Liabilities from investment contracts [1)]	1,053,639	928,426	1,047,868	969,814	869,407
Group's personnel (FTEs), average number of employees	855	911	862	806	787
Group's personnel (FTEs), at the end of the reporting period	833	891	854	830	776
Alternative performance measures excluding items affecting comparability:					
Comparable cost-to-income ratio [2)]	0.60	0.56	0.65	0.71	0.66
Comparable earnings per share (EPS), EUR [2)]	1.19	1.38	0.99	0.61	0.79
Comparable return on equity (ROE), % [2)]	14.0	17.2	11.2	6.7	9.1

1) 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.

2) 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 a table under the Group’s income statement and comprehensive income.

Basis of calculation

Earnings per share (EPS), EUR

Profit for the year after taxes attributable to the shareholders of Aktia Bank plc / Average number of shares over the year (adjusted for new issue)

Total earnings per share, EUR

Comprehensive income for the year after taxes attributable to the shareholders of Aktia Bank plc / Average number of shares over the year (adjusted for new issue)

Equity per share (NAV), EUR

Equity attributable to the shareholders of Aktia Bank plc / Number of shares at the end of the year

Return on equity (ROE), %

Profit for the year / Average equity excl. additional Tier 1 capital holders x 100

Return on assets (ROA), %

Profit for the year / Average balance total x 100

Cost-to-income ratio

Total operating expenses / Total operating income

Common Equity Tier 1 capital ratio (Bank Group), %

Common Equity Tier 1 capital / Risk-weighted commitments x 100

Tier 1 capital ratio (Bank Group), %

Tier 1 capital / Risk-weighted commitments x 100

Capital adequacy ratio (Bank Group), %

Capital base (Tier 1 capital + Tier 2 capital) / Risk-weighted commitments x 100

The capital base is calculated in accordance with the EU requirements on capital adequacy.

Risk-weighted commitments (Bank Group)

Total assets in the balance sheet and off-balance sheet items, including derivates measured and risk-weighted in accordance with the EU requirements on capital adequacy.

The capital requirements for operational risks have been calculated and risk-weighted in accordance with the standardised method in EU requirements on capital adequacy.

Capital adequacy ratio, % (finance and insurance conglomerate)

The total capital base of the conglomerate (equity including sector-specific assets and deductions) / Minimum requirement for the conglomerate's own funds (credit institution + insurance business) x 100

The capital adequacy of the conglomerate is regulated by section 3 of the act governing financial and insurance conglomerates and its related degree.

Equity ratio, %

Equity incl. non-controlling interest's share of equity / Average balance total x 100

Group financial assets

The Bank Group's liquidity portfolio and the life insurance company's investment portfolio

Assets under management

Assets under management and brokered mutual funds and assets managed by Aktia Fund Management Company, Aktia Bank's Private Banking and Aktia Life Insurance.

Expense ratio, % (Aktia Life Insurance Ltd)

(Operating costs + cost of claims paid) / Total expense loadings x 100

Total expense loadings are items which, according to acturial calculations, should cover the costs. The operating costs do not include the re-insurers' commissions.

Solvency ratio (Aktia Life Insurance Ltd), %

Eligible capital / Solvency capital requirement (SCR) x 100

Eligible (Solvency II) capital (Aktia Life Insurance Ltd)

The difference between assets and liabilities (the Tier II capital loan is taken into account up to a maximum of 50% of the SCR)

Non-financial report

Business model

Aktia Group's business model is based on offering private, corporate, organisational and institutional customers customer-oriented banking and financial services based on close advice via various channels. Aktia has three business areas: Banking, Asset Management and Life Insurance. The Group's geographical business area is located on the Finnish coast, in the metropolitan area and in growth centres. Aktia is a Finnish company that operates and pays taxes in Finland.

The current updated strategy, which extends until 2025, supports the company's growth goals and steers the company towards a new vision of being "The leading wealth manager bank". The growth strategy is based on close cooperation between Aktia's three business areas.

Sustainability

Aktia's current sustainability programme was updated in 2022, the revised programme is better aligned with the company strategy and its timeline. The sustainability programme guides Aktia's sustainability work for the years 2022-2025.

Indicator (target for year 2025)		2023	2022	Change
T-media reputation & trust score (at least 3.50)		3.35	3.45	-0,10
Share of Article 8/9 classified funds (increase)		95.3%	96.6%	-1.3 percentage points
Share of green loans (increase)		2.5%	2.1%	0.4 percentage points
Wealth plan (90%)		82	—	First time reported
Siqni flame Index (80)		72	72	No change
eNPS (20)		-4	-13	+5
SHE Index		74	—	First time reported
Aktia's ESG ratings (at least industry average)	MSCI	A	AA	Decrease
	Sustainalytics	Low risk	High risk	No change
	ISS	D+	D+	No change
Aktia bank's net impact ratio according to Upright's model (positive)**		+21%	+21%	No change
Information security***	Inreach program	3.45	3.47	-0,02
	Outreach program	35	27	+8
Interim objectives of the climate strategy	Relative carbon footprint of equity and credit portfolios per M€ invested**** (2025 -30% vs. 2019)	38.75	42.70	-3,95
	Change in the relative carbon footprint of equity and credit portfolios**** (tonnes of CO_2 e/ million euros invested) (2025 -30% vs. 2019)	-30.1%	-22,9%	-7,2 percentage points
	Green bonds share of corporate credit funds (35%)	25.56%	24.34 %	1.22 percentage points
	Reduction of loan portfolio emissions - 2025 intermediate goal not defined			
	Scope 2 emissions in Aktia's HQ (Net Carbon neutrality)	0	0	No change

* scale 0-100
**The net impact ratio has been restated for 2022 (the reported figure in Financial review 2022 was 31%)
*** Inreach program – awareness of information security activities among employees (average, max 4)
Outreach program – supplier evaluations and stakeholder meetings carried per year
***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 IU Aktia Sustainable Corporate Bond.
Also includes Balanced funds Secura and Solida as well as Aktia Treasury's and Aktia Life Insurance's funds
Baseline figure for 2019: 55.40

The sustainability programme is divided into four themes:

- Principles of Governance
- Prosperity
- Planet
- People

During 2023 Aktia started preparing for the Corporate Sustainability Reporting Directive (CSRD). Aktia will be subject to report according to the CSRD requirements for the fiscal year 2024. Aktia has during 2023 started preparing for the CSRD by conducting a double materiality assessment, which is mandatory, to identify the relevant sustainability topics for Aktia's business. Additionally, a gap analysis was conducted based on the double materiality assessment to identify development measures for 2024. We will continue the work around CSRD in 2024.

Aktia's Executive Committee and Board of Directors approved in December 2022 Aktia Group's sustainability programme and its targets and actions. The topics in the sustainability programme are based on the materiality analysis conducted in 2020, which was supplemented by a trend and peer analysis to examine topics that have an impact on the working environment of the financial sector. Aktia's ESG team specified the final programme focus areas, making use of the survey targeted at employees and workshops of selected target groups. The focus areas in the sustainability programme are Aktia's material topics and their development will be monitored in accordance with the table on the previous page. Different sustainability indicators are examined more thoroughly in our Annual Review 2023.

The following indicators have both internal and external impacts: The T-Media Reputation&Trust survey measuring Aktia's reputation and the level of trust in Aktia among stakeholders, the share of customer assets classified as Article 8/9, the share of sustainable loans, the share of wealth plans drawn up, the eNPS (Employee Net Promoter Score), Aktia Bank's ESG ratings and the net impact ratio, the level of Aktia's information security training and activities, and Aktia's climate impact (interim targets in the climate strategy). The following indicators have primarily only internal impacts: the Siqni Flame Index, measuring employee satisfaction and the SHE Index measuring how well equality is realised. The internal and external impacts are described in more detail in the Annual Review 2023.

Central rules, principles and instructions that guide Aktia's responsibility work are:

- Laws and decrees and good banking and insurance practices
- The Board of Directors' instructions on the principles of disclosure
- Aktia - Statement on sustainability risks and factors
- Aktia - Statement on principal adverse impacts of investment decisions on sustainability factors
- Aktia's Stewardship policy
- Principles for Responsible Investment
- Principles for Responsible Lending
- Aktia Group's Code of Conduct
- Aktia Group's Ethical Code of Conduct for suppliers
- Aktia Group's Green Procurement guidelines
- Climate strategy and climate policy
- Aktia Group's Health and safety policy
- Aktia Group's diversity and non-discrimination policy
- Aktia Group's Compensation policy
- Personnel wellbeing programme (AktiaWellbeing)
- Sustainability programme
- WWF Green Office principles
- Sustainable loan framework

Central policies and principles that guide Aktia's corporate responsibility are described in more detail on the Group's sustainability website www.aktia.com/en/sustainability.

Principles of Governance

It is important for Aktia to follow good governance and to act in an ethical and transparent manner. We comply with international principles, and we are also playing a pioneering role, encouraging other companies to join sustainability initiatives. We strive for broad transparency both in Aktia's own activities and in our reporting. Our goal is to achieve at least the industry average in the ESG ratings by MSCI, Sustainalytics and ISS and that Aktia has a positive net impact ratio according to the Upright Project model.

Aktia Group has a Code of Conduct that supports and guides our employees in their everyday work. Personnel also receives annual training in the Code of Conduct as part of mandatory compliance training.

As a critical player in terms of supply readiness within the financial sector, information security, data protection and the protection of customer data are of particular importance to us and key factors in maintaining customer trust. The work to maintain and promote information security and data protection at Aktia is employee-based, comprehensive, long-term, and integrated into all our activities.

We measure the results of information security work through the Inreach and Outreach programmes. With the Inreach programme, we measure the general awareness among employees, including online training, the Hoxhunt security awareness game, as well as employee survey. Using the employee survey on information security, Aktia measures employees' attitudes towards information security, the quality of the information security unit's services, and the overall development of the information security culture. Our target is to achieve an average of over 3 in all areas of the survey (range 1–4). In 2023 we achieved the target with a result of 3.45 (3.47). The Outreach programme, on the other hand, measures the number of supplier reviews and stakeholder meetings carried out, and our aim is to carry out at least 25 of these every year. During 2023, 35 supplier reviews were launched, and various stakeholder meetings were organised as necessary.

Prosperity

Sustainability is at the core of Aktia's activities and guides Aktia towards its goal of being the leading wealth manager bank. We want to promote the building of sustainable wealth in society by offering our customers the best and most comprehensive solutions for investment, financing and personal insurance. We aim to identify new opportunities in the changing world of digitalisation and ESG megatrends to be able to offer interesting solutions to customers. Our pledge is to help our customers think further and enable sustainable prosperity.

We want to respond to our customers' needs and provide high-quality customer service. We monitor Aktia's reputation and the level of trust among our stakeholders through the T-Media Reputation&Trust survey biannually, and our goal is to reach a minimum level of 3.50 (max 4.00). In 2023, Aktia's T-Media reputation and trust score was 3.35 (3.45).

Especially as an asset manager, Aktia has a considerable opportunity to influence responsibly through its investment decisions. Central international agreements and norms, such as the UN Universal Declaration of Human Rights and corresponding UN conventions, UN Sustainable Development Goals, ILO conventions and OECD Guidelines for Multinational Enterprises create the value base for our investment activities. In addition to Aktia's own principles, we are a member or signatory of a number of associations and initiatives such as the Principles of Responsible Investment (PRI) and Principles for Responsible Banking (PRB) supported by the UN. As so, we are committed to taking environmental, social and good governance criteria into account in our asset management. Responsible investment is an important part of the development of Aktia's wealth management activities as well as the activities of the entities responsible for investment funds and discretionary wealth management and the entities responsible for the bank's own investments. Responsible investment also means that Aktia can promote responsibility in companies that constitute investment objects. Our objective in terms of responsible investment is to increase the share of client AUM invested in Article 8/9 classified funds.

One essential element of our ESG policy for responsible investment is the mitigation of climate change. We also encourage external asset managers to commit to mitigating climate change and to support the transition to a less low-dependent society in their investment decisions. Our impact work is not limited to companies, but also covers government institutions and policy makers.

After investment, lending has the second biggest impact, which is why we also want to practise responsible lending. Our lending is guided by our policy for credit risk management and credit risk strategy. In 2023, we have continued our sustainability-related work within our banking business. ESG risk assessment is an incorporated part of Aktia's creditworthiness assessment for corporate customers and employees have been provided with ESG training. As part of granting credit, the Group's climate policy is considered.

We only conclude sound and ethically justifiable credit agreements. Granting credit is always based on the customer's adequate ability to pay. Before granting the credit, a thorough risk assessment is carried out to assess the customer's ability to pay and to ensure that the customer can meet their obligations. We will not contribute to arrangements for circumventing legislation or regulation or arrangements that may cause a reputational risk. The identity of the customer or the customer's representative is verified and information about the customer is gathered. The customer relationship is monitored, and the information is saved as a part of the Know Your Customer process as well as the prevention of money laundering and the financing of terrorism. Our key tools for responsible granting of credits are the new sales of credit according to the customer's ability to pay, as well as the loan limits and active monitoring of the credits.

In 2023, Aktia participated as lender in syndicated loans classified as sustainability linked and provided Aktia´s first own sustainability linked loan. Aktia also has the possibility to grant customized green loans to corporate customers. In the fourth quarter of 2023, Aktia launched its first green loan product, green mortgages for private customers. Aktia´s green mortgage eligibility criteria are based on substantial contribution to climate change mitigation in accordance with EU taxonomy and green mortgages are granted without expedition fee. In 2024 Aktia is preparing to launch other green loan products, including sustainable car financing and green renovation loans. In December 2023, Aktia signed a sustainability guarantee agreement with the European Investment Fund in the context of the InvestEU fund and can in 2024 provide sustainability guarantee to eligible customers to enable green and sustainable transformation of the Finnish economy by providing financing on more favourable terms. The development of green and sustainable linked loans is conducted in co-operation between the Banking business area and the Group-wide ESG team.

The share of sustainable bonds in Aktia's funds, %	Green bonds	Social bonds	Sustainability bonds	Sustainability linked bonds
Corporate Bond+	33.20%	2.30%	2.39%	3.02%
Short Corporate Interest Rate+	17.66%	1.95%	1.66%	0.50%
European High Yield Bond+	9.24%	0.00%	0.00%	5.16%
Nordic High Yield	18.18%	0.00%	0.86%	11.13%
UI Aktia Sustainable Corporate Bond	89.76%	6.69%	3.55%	0.00%
Impact	20.10%	0.50%	1.50%	0.00%
Secura	13.97%	0.28%	1.07%	1.01%
Solida	21.77%	1.50%	1.53%	1.26%
Sustainable Government Bond	76.21%	17.74%	4.33%	0.00%
Emerging Market Bond+	3.00%	1.40%	6.60%	0.00%
EM Local Curr. Frontier Bond+	4.15%	0.00%	0.00%	0.00%
UI Aktia EM Local Curr. Bond	7.63%	0.00%	0.00%	0.00%

The share of sustainable bonds in Aktia's fundsr, mn €.	Green bonds	Social bonds	Sustainability bonds	Sustainability linked bonds
Corporate Bond+	176.8	12.2	12.7	16.1
Short Corporate Interest Rate+	102.4	11.3	9.6	2.9
European High Yield Bond+	25.1	0.0	0.0	14.0
Nordic High Yield	22.1	0.0	1.0	13.5
UI Aktia Sustainable Corporate Bond	81.5	6.1	3.2	0.0
Impact	6.8	0.2	0.5	0.0
Secura	0.6	0.0	0.0	0.0
Solida	1.0	0.1	0.0	0.1
Sustainable Government Bond	73.2	17.0	4.2	0.0
Emerging Market Bond+	8.2	3.8	18.0	0.0
EM Local Curr. Frontier Bond+	12.9	0.0	0.0	0.0
UI Aktia EM Local Curr. Bond	12.0	0.0	0.0	0.0
Total share of sustainable bonds, mn euro	**522.6**	**50.7**	**49.2**	**46.6**

The shares and amounts in euro of green and other sustainable bonds in Aktia Asset Management's funds are presented in the table above. These green, social and other sustainable bonds form an important part of the portfolio management in this asset class and an important feature of our product solutions.

Investments in green bonds accounted for 7.6% and EUR 102.6 million of Aktia's liquidity portfolio.

Planet

The environmental theme is directly linked to Aktia's climate strategy, and the targets of our sustainability programme are the interim targets of the climate strategy for 2025. In terms of asset management and investments, the targets are to reduce the carbon footprint of equity and corporate bond funds by 30% compared to the baseline year 2019, and to increase the share of green bonds in corporate credit funds to 35%. With regard to lending, the target for 2030 is to reduce the carbon footprint of corporate and household loans by 30 %. The long-term target for 2050 will be defined at a later stage. The objective for Aktia's own activities is net carbon neutrality regarding energy consumption in Aktia's head office. Aktia's climate strategy and carbon dioxide emissions (Scope 1, 2 and 3) are described in more detail in the Annual Review 2023.

Aktia's head office is WWF Green Office certified. We encourage environmentally friendly measures in all our offices, and we share internally good and successful practices. Aktia uses so-called green electricity produced from renewable sources in Aktia's head office and in all Aktia offices where Aktia has its own electricity contract (88% of Aktia's electricity consumption).

In addition to climate change, biodiversity is one of the most important themes. In asset management, we have developed tools for identifying transition companies and analysing the dependence of funds on natural capital resources. Since 2023, Aktia is a participant in Nature Action 100, which is a global investor engagement initiative that focuses on reversing nature and biodiversity loss by 2030.

People

Aktia want our employees to feel that Aktia is a good workplace and that they are valued. Aktia offers equal opportunities for all employees to succeed and to develop as professionals. Due to a low hierarchy and an entrepreneurial work culture, employees have the opportunity to influence and develop Aktia. Social responsibility indicators for Aktia includes the Employee Net Promoter Score (eNPS i.e., the willingness to recommend Aktia as an employer). For eNPS, Aktia's target is 20. In 2023 Aktia's eNPS was -4 (-13).

Aktia's values — courageously, skilfully, and together — that we have established together with our employees, govern all our activities. In 2022, Aktia updated its sustainability programme for 2022–2025, with good leadership, employee experience, and diversity, equity, and inclusion (DEI) as the focus areas for the theme people. Employee experience was a strong focus area also during the year 2023, and Aktia continued investing in employee experience with launching many new initiatives. We honed our customer experience internally and revisited our organisational structure to ensure that it serves the company and our customers as well as possible.

Good leadership

Good leadership is a key factor in being an attractive workplace. All employees have the right to enjoy good leadership. Aktia is investing in regular management training based on Aktia's strategy and values and the ability for change management. In 2023, Aktia has continued focusing on deepening the understanding and awareness regarding the strategy through continuous internal strategy communication and performance management. Special attention has been paid to supporting senior management, in driving strategy execution, by establishing a senior management leadership steering group. One aim of the steering group is to define and develop leadership in Aktia. The steering group met eight times during 2023. Another key investment in leadership during 2023 was launching the coaching leadership program, which is directed to all leaders. The work around the coaching leadership program will continue in 2024.

Employee experience and well-being

Aktia has, in cooperation with occupational health care, strived to ensure safe ways of working. In 2023, Aktia continued its cooperation with Mehiläinen and the AktiaWellbeing concept regarding well-being. The concept is an advanced way of organising occupational healthcare. The activities within the concept have been mostly digital. The concept includes, in addition to basic health services, versatile services and coaching which employees can utilise to improve their own health. Examples of these include coaching on nutrition, exercise, and recovery, as well as individual digi-coaching. Aktia has also regularly arranged mutual Aktia Take a Break sessions to support remote working. Many Aktia employees use the digital well-being services. With the AktiaWellbeing programme, employees have also benefitted from many other tools that support occupational health. In Aktia, for example, Mehiläinen's Wellbeing Radar tool has been used, which allows for early intervention in terms of possible health risks. In addition, an important part of the well-being concept is the early support for working capacity that helps to improve the health of Aktia employees and prolong their working careers.

With constant change and uncertainty in the society we have noticed a need of mental coaching for our employees. During 2023, Aktia arranged two different pilot-programs supporting mental health. Together with Mehiläinen, we arranged a psychotherapy pilot for some of our employees, which will continue partly during 2024. The feedback and results so far have been positive.

The second pilot program, a follow-up project, involved approximately 10% of the employees within Asset Management. The participation was voluntary, and the pilot lasted about half a year. Health and wellbeing was measured before and after the supervision-pilot and in all areas were the results either higher or at the same level after supervision. Almost all participants recommended the coaching-pilot as a tool to support their own ability to work and general wellbeing.

DEI (Diversity, equity and inclusion)

In Aktia we respect diversity, equality and equal opportunity. Aktia's diversity policy covers both the employees and the Board of Directors. Diversity is an essential part of the organisation's ability to function. We believe that the diversity of our employees creates competitive advantages both within the business operations and in the competition for the best possible talent. Aktia's diversity policy is based on Aktia's values, the Code of Conduct and anti-discrimination work. Diversity is part of good governance and Aktia's success. Aktia aims to promote diversity and equality in our employee policies. The equal treatment of employees starts from recruitment: Aktia strives to ensure diversity among our employees through our recruitment processes and is committed to guaranteeing equal opportunities for all employees, as well as ensuring fair treatment in recruitment situations

Aktia monitors the gender structure amongst our employees and in 2023, 44 (45)% of the employees at

Aktia were men and 56 (55)% women. In 2023, 66% of the Executive Committee were men and 34% women. For the Board of Directors were 62% men and 38% were women during 2023. Our daily working environment also supports cultural diversity. All employees have equal opportunities to advance in their career and Aktia is a multilingual workplace. In 2023, efforts were made to ensure that employee documents are available in multiple languages (Swedish, Finnish, and English). Aktia's principle is to equally support multilingualism, minorities, or groups that are in a vulnerable position in the work community. For example, Aktia organises language courses for its employees and provides comprehensive well-being services for all employees. Aktia's aim is to provide its employees with training and programmes to support career development.

Co-operation within undertakings

At Aktia there is a close co-operation and dialogue with the Union representatives and Health & Safety representatives. They represent our employees based on both job type and workplace. Aktia has scheduled quarterly meetings with the representatives and additional meetings are arranged as needed. All issues and decisions that affect our employees or the way of working are discussed with the representatives to make sure that all aspects are considered before decision-making. Aktia's union representatives have also been official members of the "Operations Committee", thus receiving information about ongoing projects in the organization every other week.

Respecting human rights

Aktia has an ethical Code of Conduct for suppliers, which assumes that Aktia's suppliers respect human rights as well as the rights of employees and labor protection.

Aktia's suppliers are required to investigate aspects related to human rights in their operations and their impact. They are also required to commit to ensuring that child labor is not used in the suppliers' or its subcontractors' operations. The supplier must also make sure that employing people that are over the minimum age but under 18 years old does not jeopardise their education, health, safety, or mental development.

Responsible investment in Aktia and responsibility in general are based on key international conventions and standards, such as the UN Declaration of Human Rights and other UN conventions, the UN Sustainable Development Goals, ILO conventions and the OECD Guidelines for Multinational Enterprises. Aktia has had its own principles for responsible investment since 2006. By signing the UN supported Principles for Responsible Investment, PRI, Aktia has committed to being an active owner and to include ESG aspects in our corporate governance and to report on our ESG activities in a transparent manner. In addition, Aktia has signed Principles for Responsible Banking (PRB) in 2022. Through the Principles, banks take action to align their core strategy, decision-making, lending and investment with the UN Sustainable Development Goals, and international agreements such as the Paris Climate Agreement.

Aktia has chosen to work together with the company ISS ESG, a forerunner in norm-based shareholder influence, to identify violations of norms in the investment funds' investment objects and to conduct advocacy dialogues with the companies via the pooled engagement service. In investment activities in emerging markets, a number of ESG factors are integrated into Aktia's country selection model that assesses how well human rights are realised. More detailed ESG reporting in asset management including, for example, compliance with norms in our investment funds is published biannually in our Overview of responsible investment.

Preventing corruption and bribes

Aktia is constantly striving to identify and define major risks, including money laundering and the financing of terrorism. The legislation on money laundering sets strict requirements for knowing the customers, such as politically exposed persons (so-called PEP), and for identifying the risks. Aktia strives for responsibility and high business ethics in all its activities, as well as to operate in order to maintain customer confidence and confidence in the financial market. Aktia has zero tolerance for bribery, corruption and other inappropriate influence, regardless of its form. Aktia strives to prevent corruption and the risk of bribery on a continuous basis by informing the management and employees on how to deal with receiving or giving gifts and other benefits, including participation in events.

To support employees, Aktia has compiled the main rules to be followed by the employees in their work in Aktia's Code of Conduct. All employees of Aktia are required to comply with the Code of Conduct and receive regular training on it. The Group's Code of Conduct covers, for example, prevention of corruption and bribery, prevention of money laundering and financing of terrorism, confidentiality, insider rules, reporting sideline jobs and positions of trust, as well as rules on the protection of Aktia's trade secrets. The Code of Conduct also encourages the Group's employees to report violations of the code's rules and any unethical business practices or suspicions thereof (so-called whistleblowing). In 2023, Aktia introduced a new channel, Whistle B, for reporting suspected infringement. The cases are handled and accessed by directors for the independent compliance and internal audit function to guarantee confidentially during the entire reporting process. The number of cases is reported on a quarterly basis to management at headline level. During 2023, there were no reports in the whistleblowing channel. Aktia Bank Plc has deemed that in its operations, the risk of corruption and bribes is low.

Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD is an international reporting framework that guides the reporting of climate-related risks and opportunities. Aktia became a public supporter of the TCFD reporting recommendations in 2021. In this section we have gathered information about the activities in Aktia by using the TCFD reporting framework.

Governance

Sustainability, consisting of both corporate responsibility and ESG integration in all business areas, is managed in a structured way at Aktia. Sustainability is an integrated part of all Aktia's operations. The board of directors holds the highest governing power over sustainability issues. Sustainability issues are presented to the board of directors regularly, at least annually and most important decisions are made on the board level. During 2023 sustainability issues presented to the board included for example an overview of the sustainability work for the whole year, status updates as well as training relating to the CSRD requirements and implementation at Aktia.

Sustainability issues are regularly on the agenda of the Executive Committee, the Board's Audit Committee and quarterly on Aktia Fund Management Company Ltd Board's agenda. The Audit Committee oversees ESG development and the progression of the sustainability programme in general. The Sustainability Director is responsible for sustainability development at Aktia together with a team of sustainability and ESG professionals. The Sustainability Director reports to the Executive Vice President for the Group Business Support area. The scope of the ESG team's responsibility covers all group activities. The management of corporate responsibility and ESG is described in closer detail in our Annual Review 2023.

During 2023, Aktia's asset management has continued to actively develop its responsible investment approach. Asset management has an ESG committee with representatives from all asset classes. The committee develops responsible investment activities in Aktia's asset management, coordinates the implementation of Aktia's responsible investment policy, measures and initiatives as well as ESG analysis and performance in investments, addresses violations of norms, and prioritises engagement discussions with companies. In asset management, investment decisions are guided by Aktia's principles of responsible investment, which covers both client asset management and Aktia's own investment activities. Aktia's principles of responsible investment will be updated during 2024.

Aktia Group has a climate policy and instructions on green procurement that apply to all functions. The Group holds discussions relating to the climate and environment with its suppliers in the scope of the instructions.

Aktia's climate policy is built around the following five strategic goals:

1. Continuously developing our knowledge of climate change matters that have to do with providing advice on our products and services.
2. Improving transparency and commitment to our customers so that they can make informed decisions while considering climate change aspects.
3. Developing responsible products, promoting climate-friendly measures and to setting goals in our activities.
4. Considering and assessing climate aspects in our selected research and analysis processes. We want to understand the risks and opportunities in different lines of business and companies regarding for example the financial effects of climate change.
5. Using our rights as a long-term shareholder through Proxy Voting on behalf of the assets managed by Aktia Asset Management. We participate in selected Annual General Meetings and cooperate with companies to influence their climate change-related governance practices.

Climate strategy

In 2021 Aktia published a climate strategy, and during 2023 we have worked towards achieving the set targets for 2023.

The main objectives of our climate strategy are:

Asset management and own investments:

Net carbon neutrality in investment portfolios by 2050. Aktia participates in the Net Zero Asset Managers initiative to support the goal of carbon neutrality. The carbon neutrality goal covers both customer assets and Aktia's own investments.

Lending:

Reducing the loan portfolio emissions. In 2023, Aktia launched the first green loan product, green mortgage, on the market.

Aktia's own activities:

Net carbon neutrality for own activities by 2050.

Climate work is a part of the daily activities in Aktia's asset management. Aktia has committed to the UN supported Principles for Responsible Investment (PRI) and thus to considering e.g. environmental criteria in its wealth management. As a wealth manager, Aktia has an opportunity to affect the environment through its investment decisions. Aktia's equity investment strategy favours less capital-intensive companies with good emissions profiles. As a part of our transparent operations, we report the net impacts of our funds quarterly, using the Finnish Upright Project modelling.

To support climate change mitigation efforts globally, Aktia participates in the international Climate Action 100+ investor initiative, which is aimed at influencing companies with some of the largest greenhouse gas emissions. Phase 1 of the initiative came to an end in 2023 and phase 2 of the initiative was started during 2023. Aktia has also signed the Net Zero Asset Managers Initiative and the CDP's (previously Carbon Disclosure Project) climate change, water and forest initiatives. In addition, we report to the CDP on our climate impacts.

Risk management

Risks and risk management are a part of Aktia's business environment and operations. The main areas of risk are credit, interest rate and liquidity risks in the Bank Group, interest rate and other market risks as well as actuarial risks in the life insurance business. All these operations are exposed to business and operational risks. The above-mentioned risks and their management are described more in detail in the risk section of the Board of Directors' report and in Aktia's Pillar III report.

The Group's Board of Directors has the ultimate responsibility for the Group's risk management. The Board of Directors manages risk appetite by confirming instructions for the most important areas of risk and business units and the allocation of capital and by giving general instructions on organising the Group's risk management, internal control and capital management process. In 2023, the ESG credit risk appetite was defined, and additions related to the ESG credit risk appetite were added into the credit risk strategy. Since 2020, Aktia's Executive Committee and Board of Directors have reviewed the Group's sustainability risks annually. The Audit Committee of the board acts as the governing body that monitors the Group's ESG work.

In addition to these general principles, Aktia Group's risk management is based on the principle of three lines of defence. The first line of defence consists of the line organisation. The second line of defence consists of the independent Compliance and Risk Control functions, whose primary task is to develop, maintain and supervise the general principles and the framework for risk management as well as continuously monitor the development of material risks. The third line of defence consists of internal audit, a unit that is separate and independent from other functions, the task of which is to make sure that the internal control and risk management are organised appropriately.

Aktia Group aims to follow the European Central Bank's (ECB) guide on climate and environmental risks as well as the European Banking Authority's (EBA) discussion paper on ESG risks. ESG risks are part of Aktia's risk management policy and Aktia aims at developing its strategic and risk management processes to consider climate change in a more comprehensive way. During 2023, we have included ESG risks into the ICAAP risk assessment of Aktia

Bank and worked on an ESG modelling as part of the risk and solvency assessment of the life insurance company.

Aktia assesses climate risks annually in the short, medium and long term, which means that the risks are annually reviewed during the current strategy period (less than five years), over a five to ten-year period, and over a ten to thirty-year period. The purpose of identifying and assessing the risks is to make it possible to control and mitigate climate risks in the business environment. Climate risks may influence the investment chain and Aktia's other business areas. The risks can also materialise through the supply chain or due to changes in customer behavior. The risks may involve financial consequences or effects of market developments, leading to reputation risk for Aktia or a lack of credibility.

When lending, we consider Aktia’s policy for credit risk management and credit risk strategy as well as Aktia Group’s climate strategy and climate policy, according to which we strive to understand the risks and possibilities incorporated in companies’ business operations and industries when climate change is relevant. Aktia’s responsible lending approach is described further in our Annual Review 2023.

The portfolio managers at Aktia Asset Management consider ESG risks and opportunities as well as the principal adverse impacts (PAI) in the investment decision-making process. The principal adverse impacts (PAI) and the negative impact of investments on sustainability factors are considered as a part of the funds’ investment process. As support for our portfolio management, we use our own as well as an external ESG analysis that has been produced by carefully selected service providers. We use e.g. Morningstar/Sustainalytics and ISS ESG’s company-specific ESG assessments and analyses and ISS ESG's climate risk analysis. As a part of the climate risk analysis, we carry out a scenario analysis for our funds according to the different climate warming scenarios at least biannually. We assess how well our investment portfolio is in line with the Paris Agreement’s objective to limit global warming to 1.5 degrees. With the tool we also assess carbon footprint (scope 1, 2 and 3), carbon intensity, transition risks, and physical risks for both the asset management and our own investment portfolios. The results are reported as part of the Overview of responsible investment, published biannually, and the ESG reports of the funds, published on a quarterly basis. The portfolio managers take the results of the monitoring into account as part of portfolio management. If an elevated carbon risk or shortcomings in setting climate targets are identified for the investment objects, portfolio managers may initiate active ownership and engagement efforts with portfolio companies.

Aktia takes part in the advisory committee of the Assessing Sovereign Climate-Related Opportunities and Risks (ASCOR) Project. The aim of the project is to create practical tools to support investors in their assessment of sovereign climate related risks and opportunities. It is the first, public investor framework to assess sovereign bond issuers on climate change. ASCOR has been a collaboration by asset owners and asset managers, supported by international investor networks, to incorporate financially material climate change information when assessing sovereign bond investments. The tool consists of three areas, emissions pathways, climate policy and climate finance. During 2023 the methodology of the ASCOR tool was finalised and the initial results of a pilot assessment including 25 countries was published.

Climate-related risks identified by Aktia Group are for example:

Regulatory risks:

Regulatory risks are associated with, for example, climate and energy policies at the national and EU levels, as well as potential changes in regulations and reporting. These risks are managed by developing practices to meet the newest regulation and by preparing for changes.

Technology risks

Technology risks for climate change are related, for example, to the supply chain and Aktia’s funds that invest in technology. These risks are managed by carefully analysing the investment objects, the technology used and the development of new technologies.

Legal risks

Aktia complies meticulously with environmental and climate legislation, and no legal measures relating to this have been taken against Aktia.

Market risks

Market risks are related to the change in consumers’ preference towards more sustainable products and services with a smaller carbon footprint. Aktia manages these risks by developing sustainable services.

Reputational risks

Reputational risks are related for example to analysts’ and rating institutes’ practice to include ESG factors in the rating process, in which case the possibly lower rating could cause a reputational risk. This risk is actively managed by working to maintain and improve ratings and by developing the business in accordance with ESG trends. Another reputational risk could arise if a product or a service turned out to be less green or sustainable than communicated. Aktia manages this risk by applying thorough screening and analysis of the services and products provided and by following and complying with external regulation relating to ESG, sustainable finance and product governance.

Short-term physical risks

Short-term physical risks are for example an increase in extreme weather events, such as storms, floods or downpours, which may cause property damage. These risks are managed by ensuring adequate insurance cover and predictive property maintenance and by carrying out environmental due diligence before making property investment. Also, through an initiation of updating the principles for responsible lending we can manage the risks relating to mortgage loans.

Long-term physical risks

Long-term physical risks are for example the consequences of permanent, long-term changes in the weather conditions, such as higher insurance premiums and depreciation of properties in, for example, flood risk areas. These risks are managed by ensuring, through property maintenance that the properties are sufficiently prepared for long-term changes in the weather conditions and by carrying out environmental due diligence before making a property investment.

The major risks for Aktia have been assessed to be regulatory, market, and technology risks. The significance of environmental risks in Aktia's own operations has been assessed to be low.

Climate-related opportunities identified by Aktia are for example:

Resource efficiency:

In connection with conserving natural resources and reducing carbon dioxide emissions, it is also possible to achieve cost savings. Lower paper, electricity, and water consumption, along with fewer travels, reduce emissions. Aktia utilises these opportunities and achieves savings by educating employees, favouring more energy-efficient facilities, implementing eco-efficiency measures, and organizing more video and remote meetings.

Using renewable energy:

Aktia can reduce its carbon dioxide emissions and in the long term cut costs by favouring energy that is produced with renewable energy sources. Aktia buys green electricity for the offices where it has its own electricity contract.

Business opportunities:

Aktia can achieve growth through new business opportunities as customer preferences shift towards more responsible products and services. Through investment and financial products Aktia can have an influence on climate change mitigation and promoting adaptation.

Aktia has identified climate change as a megatrend that has an impact on Aktia's strategy and financial planning in the future. There are both risks and opportunities arising from climate change mitigation and adaptation for Aktia. Aktia actively develops products and services to have more sustainable options both in asset management and in lending. In 2023, Aktia launched two sustainable funds: Aktia Aurinkotuuli III Ky and Aktia Sustainable Government Bond Fund. There are now five funds classified as so-called dark green, Article 9 aligned fund, in accordance with the EU Sustainable Finance Disclosure Regulation. During 2023, Aktia launched its first green loan product, green mortgage. We will continue developing green loan products during 2024. In addition to these, Aktia is also focusing on climate change adaptation and mitigation activities in its own operations for example through setting targets to reduce energy consumption and to procure green electricity as well as paying attention to sustainability in the supply chain.

Indicators

Aktia has reported the carbon footprint and carbon intensity of our own direct equity funds and corporate bond funds twice a year. We publish an overview of responsible investment on Aktia's website biannually. At the end of the year, the weighted average relative carbon footprint of Aktia's funds was 38.75 tonnes Co2e per million euros of earnings, which is on average 52% lower than the market benchmark. The carbon footprint of Aktia's funds has been consistently below the market benchmark for several years.

Aktia's own emissions from energy consumption, i.e. Scope 2 emissions in 2023 were 297.1 tonnes CO2e (market based). Aktia's total emissions (Scope 1, 2 and 3) are reported in Aktia's Annual Review 2023.

Taxonomy reporting

Qualitative information

The EU taxonomy regulation sets the framework that defines the criteria for classifying environmentally sustainable economic activities. The classification includes the technical screening criteria where an economic activity can be held to contribute significantly to the environmental objectives of the EU taxonomy (TSC criteria). The taxonomy also includes the requirement that an economic activity that provides significant benefits for one environmental objective must not cause significant harm to other environmental objectives (DNSH criteria). In addition, the regulation includes a requirement for a minimum level of safeguards.

The 2023 taxonomy reporting for financial undertakings differs from previous years in that, for the first time, reporting will have to include not only taxonomy eligibility but also taxonomy alignment. Taxonomy eligibility does not yet tell us anything about the relationship of activities to environmental objectives, only taxonomy aligned activities are compliant with environmental objectives.

The economic activities reported as taxonomy aligned must be fact-based, and in Aktia's taxonomy reporting, data primarily used were reported by the companies for year 2022. As the more detailed (taxonomy alignment) reporting for financial undertakings begins in 2023, there are still no exact details to report on the taxonomy alignment of financial undertakings. Aktia's taxonomy reporting is based on information collected by the bank regarding mortgage loans and renovation loans to private customers, vehicle financing, and taxonomy information reported by NFRD-reporting companies. In its reporting, Aktia has taken into account only the figures reported by the companies in relation to taxonomy eligibility and only takes into account those assets when reporting taxonomy eligibility. In case a reporting-obligated company of the Taxonomy is part of a group, group reporting data is considered in the Taxonomy reporting. Collecting detailed DNSH-compliant data is challenging, especially regarding taxonomy alignment reporting for retail exposures and leasing finance. Therefore, the taxonomy exposure of unsecured consumer credits are currently not reported as the purpose of use cannot be determined with certainty.

During 2023, Aktia has launched green loan products that may affect the taxonomy eligibility of our financing activities in the future. In addition to green loan products, Aktia also offers tailored green loans for corporate clients. The taxonomy's relevance for Aktia's non-reporting corporate clients may also increase as a consequence of Aktia's green loans where the taxonomy's significant benefit criteria may be a prerequisite for a green loan.

The taxonomy reporting for Aktia's investment activities is based on a third party (Upright Project) analysis of taxonomy eligibility and taxonomy alignment for equity and fixed income investments based on figures reported by the relevant companies. Data produced by Upright Project is also used in Aktia's overall taxonomy reporting.

Aktia reports taxonomy on group level. Therefore, the reporting includes data from Aktia Bank plc, Aktia Life Insurance Ltd and Aktia Fund Management Company Ltd. Aktia does not have a trading book. Aktia does not have a business model that relies heavily on financing public housing and hence Aktia does not report a separate performance indicator for these.

The performance indicator on assets under management includes assets under management for corporate clients that are obliged to report on taxonomy and as Aktia's fund products are reported only mutual funds managed by Aktia Fund Management Company Ltd, since the performance indicator for fee income and costs is not yet included in the reported performance indicators.

All six environmental objectives are included in the reporting this year. However, the majority of the data reported is still focused on the first two climate objectives, in particular climate change mitigation. In the coming years, the reporting data is expected to be more evenly distributed between the different environmental objectives.

Asset management considers whether the investment objects are taxonomy eligible as part of the qualitative analysis. The taxonomy is also strongly linked to the development of funds that have a sustainable investment objective in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR article 9 funds).

Taxonomy aspects are also closely linked to Aktia’s climate strategy regarding both the development of loan products and in the wealth management.

Of all economic activities, only a limited part is currently covered by the taxonomy. The reporting obligation is still limited to companies subject to the non-financial reporting directive, which in Finland includes listed companies, credit institutions and insurance companies with more than 500 employees. The majority of Aktia's corporate clients are small and medium-sized companies, which are not subject to the reporting requirements. Taxonomy-related reporting numbers are still low in Aktia's reporting. This is due to both a limited amount of data and the ambiguity of the regulation, as well as different reporting options. The reporting will require further refinement and development of data collection in the future.

However, as the demand for sustainable finance and sustainable investments continues to grow, the taxonomy is expected to become more important in the future as the taxonomy will cover more sectors and more companies will be subject to reporting requirements.

KPMG has conducted a limited assurance of the information in the non-financial report, with the exception of the Taxonomy. The assurance statement is included in Aktia's Annual Review 2023.

For more information, please refer to the separate appendix, ESG Taxonomy tables, on pages 157-191.

Financial statement

Contents

Aktia Bank Plc - Parent company's financial statement

Aktia Bank Plc - Consolidated financial statement

Consolidated income statement

(EUR 1,000)	Note	2023	2022
Interest income		360,709	119,511
Interest expenses		-216,678	-20,331
Net interest income	G4	144,031	99,180
Dividends	G5	140	1,444
Commission income		134,634	134,251
Commission expenses		-14,264	-12,259
Net commission income	G6	120,371	121,992
Insurance service result		17,978	15,297
Result from investment contracts		8,449	8,659
Net investment result		-2,366	55,226
Net income from life insurance	G7	24,061	79,182
Net income from financial transactions	H8	1,711	638
Other operating income	H9	727	512
Total operating income		**291,041**	**302,947**
Personnel costs	G10	-84,521	-80,393
IT expenses		-41,102	-32,719
Depreciation of tangible and intangible assets	G11	-23,487	-23,292
Other operating expenses	G12	-27,493	-33,026
Total operating expenses		**-176,603**	**-169,430**
Impairment of tangible and intangible assets	G26	-1,301	-40
Impairment of credits and other commitments	G20	-6,967	-10,224
Impairment of other receivables		-105	—
Share of profit from associated companies		147	249
Operating profit		**106,212**	**123,502**
Taxes	G13	-21,991	-25,174
Profit for the reporting period		**84,221**	**98,329**

The table continues

(EUR 1,000)	Note	2023	2022
Attributable to:			
Shareholders in Aktia Bank plc		84,221	98,329
Total		**84,221**	**98,329**
Earnings per share (EPS), EUR	G14	1.16	1.37
Earnings per share (EPS), EUR, after dilution	G14	1.16	1.37

Consolidated statement of comprehensive income

(EUR 1,000)	Note	2023	2022
Profit for the reporting period		84,221	98,329
Other comprehensive income after taxes:			
Change in fair value for financial assets		11,878	-55,833
Change in fair value for cash flow hedging		-572	-338
Transferred to the income statement for financial assets		-409	55
Comprehensive income from items which can be transferred to the income statement		10,898	-56,116
Defined benefit plan pensions		-47	455
Comprehensive income from items which can not be transferred to the income statement		-47	455
Total comprehensive income for the reporting period		**95,071**	**42,668**
Total comprehensive income attributable to:			
Shareholders in Aktia Bank plc		95,071	42,668
Total		**95,071**	**42,668**
Total earnings per share, EUR	G14	1.31	0.59
Total earnings per share, EUR, after dilution	G14	1.31	0.59

Consolidated balance sheet

(EUR 1,000)	Note	31 Dec 2023	31 Dec 2022
Assets			
Interest-bearing securities		73,810	72,926
Shares and participations		162,316	174,936
Investments for unit-linked investments		1,133,591	1,001,595
Financial assets measured at fair value through income statement	G16	1,369,716	1,249,457
Interest-bearing securities		1,049,031	997,056
Financial assets measured at fair value through other comprehensive income	G17	1,049,031	997,056
Interest-bearing securities	H18	488,448	529,409
Lending to Bank of Finland and credit institutions	G19	696,188	1,193,248
Lending to the public and public sector entities	G19	7,865,883	7,791,700
Cash and balances with central banks	G21	91,752	165,794
Financial assets measured at amortised cost		9,142,270	9,680,151
Derivative instruments	G22	81,916	54,711
Investments in associated companies and joint ventures	G23	2,904	3,089
Intangible assets and goodwill	G24	168,187	166,317
Right-of-use assets	G25	21,349	19,893
Investment properties	G26	62,319	44,673
Other tangible assets	G27	8,616	8,973
Tangible and intangible assets		260,471	239,855
Accrued income and advance payments		76,892	52,350
Other assets		28,586	95,901
Total other assets	G28	105,478	148,251
Income tax receivables		7	1,522
Deferred tax receivables	G29	25,147	38,154
Tax receivables		25,155	39,676
Total assets		**12,036,941**	**12,412,246**

The table continues

(EUR 1,000)	Note	31 Dec 2023	31 Dec 2022
Liabilities			
Liabilities to central banks (TLTRO loan)		250,000	800,000
Liabilities to credit institutions		58,447	31,891
Liabilities to the public and public sector entities		4,564,191	5,213,777
Deposits	G30	4,872,638	6,045,668
Derivative instruments	G22	223,659	294,049
Debt securities issued	G32	3,577,279	3,051,735
Subordinated liabilities	G32	121,357	118,540
Other liabilities to credit institutions	G33	—	5,517
Other liabilities to the public and public sector entities	G34	781,000	686,000
Other financial liabilities		4,479,636	3,861,793
Liabilities from insurance contracts		470,500	486,762
Liabilities from investment contracts		1,053,639	928,426
Liabilities from reinsurance contracts		4,824	4,792
Liabilities from insurance business	G35	1,528,964	1,419,981
Accrued expenses and income received in advance		106,107	43,452
Other liabilities		58,265	40,168
Total other liabilities	G36	164,372	83,621
Provisions	G20	1,233	1,270
Income tax liabilities		4,591	2,839
Deferred tax liabilities	G29	53,867	62,930
Tax liabilities		58,458	65,769
Total liabilities		**11,328,960**	**11,772,150**
Equity			
Restricted equity		130,715	119,817
Unrestricted equity		517,805	460,818
Shareholders' share of equity		648,521	580,636
Holders of Additional Tier 1 capital		59,460	59,460
Equity	G37	**707,981**	**640,096**
Total liabilities and equity		**12,036,941**	**12,412,246**

Consolidated statement of changes in equity

(EUR 1,000)	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 31 December 2021	**169,732**	**6,201**	**3,919**	**138,597**	**360,488**	**678,937**	**59,460**	**738,397**
Effect of the implementation of IFRS 17					-104,403	-104,403		-104,403
Equity as at 1 January 2022	**169,732**	**6,201**	**3,919**	**138,597**	**256,084**	**574,534**	**59,460**	**633,994**
Share issue				2,348		2,348		2,348
Acquisition of treasury shares					-857	-857		-857
Divestment of treasury shares				523	1,151	1,675		1,675
Dividend to shareholders					-40,308	-40,308		-40,308
Profit for the reporting period					98,329	98,329		98,329
Change in fair value for financial assets		-55,833				-55,833		-55,833
Change in fair value for cash flow hedging		-338				-338		-338
Transferred to the income statement for financial assets		55				55		55
Comprehensive income from items which can be transferred to the income statement		-56,116				-56,116		-56,116
Defined benefit plan pensions					455	455		455
Comprehensive income from items which can not be transferred to the income statement					455	455		455
Total comprehensive income for the reporting period		-56,116			98,783	42,668		42,668
Paid interest on Additional Tier 1 (AT1) capital, after taxes					-1,860	-1,860		-1,860
Change in share-based payments (IFRS 2)			1,761		675	2,436		2,436
Equity as at 31 December 2022	**169,732**	**-49,915**	**5,680**	**141,468**	**313,670**	**580,636**	**59,460**	**640,096**
Equity as at 1 January 2023	**169,732**	**-49,915**	**5,680**	**141,468**	**313,670**	**580,636**	**59,460**	**640,096**
Share issue				2,355		2,355		2,355
Acquisition of treasury shares					-872	-872		-872
Divestment of treasury shares				366	1,173	1,540		1,540
Dividend to shareholders					-31,087	-31,087		-31,087
Profit for the reporting period					84,221	84,221		84,221
Change in fair value for financial assets		11,878				11,878		11,878
Change in fair value for cash flow hedging		-572				-572		-572
Transferred to the income statement for financial assets		-409				-409		-409
Comprehensive income from items which can be transferred to the income statement		10,898				10,898		10,898
Defined benefit plan pensions					-47	-47		-47
Comprehensive income from items which can not be transferred to the income statement					-47	-47		-47
Total comprehensive income for the reporting period		10,898			84,174	95,071		95,071
Paid interest on Additional Tier 1 (AT1) capital, after taxes					-1,860	-1,860		-1,860
Change in share-based payments (IFRS 2)			2,063		675	2,738		2,738
Equity as at 31 December 2023	**169,732**	**-39,017**	**7,743**	**144,189**	**365,873**	**648,521**	**59,460**	**707,981**

Consolidated cash flow statement

(EUR 1,000)	2023	2022
Cash flow from operating activities		
Operating profit	106,212	123,502
Adjustment items not included in cash flow	31,587	3,017
Paid income taxes	-17,029	-21,105
Cash flow from operating activities before change in receivables and liabilities	**120,771**	**105,414**
Increase (-) or decrease (+) in receivables from operating activities	**388,862**	**-1,440,162**
Financial assets measured at fair value through the income statement	6,145	37,760
Financial assets measured at fair value through other comprehensive income	-11,684	9,421
Interest-bearing securities measured at amortised cost, increase	-63,500	-143,500
Interest-bearing securities measured at amortised cost, decrease	104,000	—
Loans and other receivables [1)]	450,592	-1,493,234
Investments for unit-linked insurances	-131,996	152,425
Other assets	35,304	-3,033
Increase (+) or decrease (-) in liabilities from operating activities	**-484,800**	**825,024**
Deposits	-1,184,496	646,625
Debt securities issued	423,300	223,181
Other financial liabilities	89,483	171,483
Liabilities from insurance business	108,983	-200,379
Other liabilities	77,929	-15,885
Total cash flow from operating activities	**24,832**	**-509,723**
Cash flow from investing activities		
Investment in investment properties	-21,576	—
Investment in tangible and intangible assets	-21,966	-12,206
Proceeds from sale of tangible and intangible assets	—	78
Capital loan to associated companies	-544	-2,676
Dividend from associated companies	376	—
Total cash flow from investing activities	**-43,711**	**-14,803**

The table continues

	2023	2022
Cash flow from financing activities		
Subordinated liabilities, decrease	—	-24,983
Paid interest on Additional Tier 1 (AT1) capital	-2,325	-2,325
Divestment of treasury shares	1,540	1,675
Paid dividends	-31,087	-40,308
Total cash flow from financing activities	**-31,873**	**-65,941**
Change in cash and cash equivalents	**-50,751**	**-590,468**
Cash and cash equivalents at the beginning of the year	144,442	734,910
Cash and cash equivalents at the end of the year	93,692	144,442
Cash and cash equivalents in the cash flow statement consist of the following items:		
Cash in hand	607	852
Bank of Finland current account excl. the minimum reserve deposit in Bank of Finland	33,043	111,053
Repayable on demand claims on credit insitutions	60,041	32,537
Total	**93,692**	**144,442**
Adjustment items not included in cash flow consist of:		
Impairment of interest-bearing securities	-943	1,107
Unrealised change in value for financial assets measured at fair value through income statement	5,591	9,757
Impairment of credits and other commitments	6,967	10,224
Change in fair values	-6,733	-37,861
Depreciation and impairment of tangible and intangible assets	20,452	18,877
Unwound fair value hedging	-550	-2,041
Change in fair values of investment properties	3,930	799
Change in share-based payments	1,899	1,590
Other adjustments	973	565
Total	**31,587**	**3,017**

1) Including a deposit in Bank of Finland of EUR 549 (1,060) million.

Key figures and ratios

(EUR 1,000)	2023	2022
Earnings per share (EPS), EUR	1.16	1.37
Total earnings per share, EUR	1.31	0.59
Dividend per share, EUR *	0.70	0.43
Equity per share (NAV), EUR [1]	8.95	8.05
Average number of shares (excl. treasury shares)	72,347,806	72,013,512
Number of shares at the end of the period (excl. treasury shares)	72,485,349	72,156,950
Return on equity (ROE), % [1]	13.7	17.0
Return on assets (ROA), % [1]	0.69	0.82
Cost-to-income ratio [1]	0.61	0.56
Common Equity Tier 1 capital ratio, CET1 (Bank Group), %	11.3	10.8
Tier 1 capital ratio (Bank Group), %	13.0	12.7
Capital adequacy ratio (Bank Group), %	15.0	14.9
Risk-weighted exposures (Bank Group)	3,411,193	3,130,631
Capital adequacy ratio (finance and insurance conglomerate)	135.9	141.5
Equity ratio, % [1]	5.8	5.3
Group financial assets [1]	2,396,707	2,936,462
Assets under management [1]	13,658,000	13,539,000
Borrowing from the public	4,564,191	5,213,777
Lending to the public	7,865,883	7,791,700
Premiums written before reinsurers' share (Aktia Life Insurance Ltd) [1]	149,903	142,189
Expense ratio, % (Aktia Life Insurance Ltd) [1]	111.3	108.0
Solvency ratio (Aktia Life Insurance Ltd), %	191.7	243.5
Eligibe (Solvency II) capital (Aktia Life Insurance Ltd)	180,070	183,180
Investments at fair value (Aktia Life Insurance Ltd) [1]	1,597,132	1,474,397
Liabilities from insurance contracts [1]	475,325	491,554
Liabilities from investment contracts [1]	1,053,639	928,426

The table continues

(EUR 1,000)	2023	2022
Group's personnel (FTEs), average number of employees	855	911
Group's personnel (FTEs), at the end of the period	833	891
Alternative performance measures excluding items affecting comparability:		
Comparable cost-to-income ratio 2)	0.60	0.56
Comparable earnings per share (EPS), EUR 2)	1.19	1.38
Comparable return on equity (ROE), % [2]	14.0	17.2

*) The Board of Directors propose a dividend of EUR 0.70 per share for the reporting period 2023.

1) 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.

2) 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 a table under the Group's income statement and comprehensive income.

Basis of calculation

Earnings per share (EPS), EUR

Profit for the year after taxes attributable to the shareholders of Aktia Bank plc / Average number of shares over the year (adjusted for new issue)

Total earnings per share, EUR

Comprehensive income for the year after taxes attributable to the shareholders of Aktia Bank plc / Average number of shares over the year (adjusted for new issue)

Equity per share (NAV), EUR

Equity attributable to the shareholders of Aktia Bank plc / Number of shares at the end of the year

Return on equity (ROE), %

Profit for the year / Average equity excl. additional Tier 1 capital holders x 100

Return on assets (ROA), %

Profit for the year / Average balance total x 100

Cost-to-income ratio

Total operating expenses / Total operating income

Common Equity Tier 1 capital ratio (Bank Group), %

Common Equity Tier 1 capital / Risk-weighted commitments x 100

Tier 1 capital ratio (Bank Group), %

Tier 1 capital / Risk-weighted commitments x 100

Capital adequacy ratio (Bank Group), %

Capital base (Tier 1 capital + Tier 2 capital) / Risk-weighted commitments x 100

The capital base is calculated in accordance with the EU requirements on capital adequacy.

Risk-weighted commitments (Bank Group)

Total assets in the balance sheet and off-balance sheet items, including derivates measured and risk-weighted in accordance with the EU requirements on capital adequacy.

The capital requirements for operational risks have been calculated and risk-weighted in accordance with the standardised method in EU requirements on capital adequacy.

Capital adequacy ratio, % (finance and insurance conglomerate)

The total capital base of the conglomerate (equity including sector-specific assets and deductions) / Minimum requirement for the conglomerate's own funds (credit institution + insurance business) x 100

The capital adequacy of the conglomerate is regulated by section 3 of the act governing financial and insurance conglomerates and its related degree.

Equity ratio, %

Equity incl. non-controlling interest's share of equity / Average balance total x 100

Group financial assets

The Bank Group's liquidity portfolio and the life insurance business's investment portfolio

Assets under management

Assets under management and brokered mutual funds and assets managed by Aktia Fund Management Company, Aktia Asset Management, Aktia Bank’s Private Banking and Aktia Life Insurance.

Expense ratio, % (Aktia Life Insurance Ltd)

(Operating costs + cost of claims paid) / Total expense loadings x 100

Total expense loadings are items which, according to acturial calculations, should cover the costs. The operating costs do not include the re-insurers' commissions.

Solvency ratio (Aktia Life Insurance Ltd), %

Eligible capital / Solvency capital requirement (SCR) x 100

Eligible (Solvency II) capital (Aktia Life Insurance Ltd)

The difference between assets and liabilities (the Tier II -loan is taken into account up to a maximum of 50% of the SCR)

G1 Consolidated accounting principles

The report by the Board of Directors and the financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 28 February 2024 and are to be adopted by the Annual General Meeting on 3 April 2024. The report by the Board of Directors and financial statements are published on 13 March 2024 at the latest.

The Group's parent company is Aktia Bank plc, domiciled in Helsinki. Aktia Bank plc's financial statements and interim reports are available on Aktia's website www.aktia.com

Basis for preparing financial statements

Aktia Bank Plc's consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. In preparing the notes to the consolidated accounts, the applicable Finnish accounting and corporate legislation and regulatory requirements have also been taken into account. The Act on Mortgage Credit Banks and Covered Bonds came into force on 8 July 2022 and the bank has taken the changes brought on by the amendment into consideration. Figures in the accounts are presented in thousands of euros, unless indicated otherwise. The consolidated accounts have been prepared in accordance with original acquisition value, unless otherwise indicated in the accounting principles.

During the year, the figures in the interim reports are presented so that income statement items are compared with the corresponding period of the previous year, while the comparison of balance sheet items relates to the previous year-end unless specified otherwise.

In the financial statement, the term Basel III refers to EU requirements on capital adequacy 575/2013 and additional regulations issued by European and national supervisory authorities.

Aktia adheres to the European Securities and Market Agency (ESMA) guidelines regarding alternative key figures (Alternative Performance Measures, APM). The alternative key figures facilitate the comparison of periods and provide additional useful information on the financial reports' users. Aktia is presenting a number of alternative key figures from which the Group's items affecting comparability are excluded. Items affecting comparability are not linked to ongoing operations and refer to revenues and costs relating to the restructuring and disposal of businesses and the impairment of assets deviating from ongoing activities.

The following new and amended IFRS standard has been implemented as of 1 January 2023:

The new IFRS 17 standard for insurance contracts became mandatory within the EU from 1 January 2023, when Aktia Group also adopted the new standard, which replaced the previous IFRS 4 standard. IFRS 17 establishes new starting points for the reporting and valuation of insurance contracts and rules for how insurance contracts are reported in the notes. The purpose of the new standard is to increase transparency, provide a more accurate picture of the performance of insurance contracts and reduce the differences in reporting between different insurance contracts.

The new standard is based on uniform valuation principles based on three methods of valuation: the General Model, the Premium Allocation Approach and the Variable Fee Approach. IFRS 17 prescribes the General Model for the valuation of insurance contracts, whereby the insurance obligation is valued based on the expected present value of future cash flows, taking into account a risk and return margin. The other two valuation methods can be applied under certain conditions. The choice of valuation method depends on the contract terms (long-term, short-term or profit-sharing). Aktia Group's current insurance contracts are reported using the General Model valuation method.

The transition to IFRS 17 occurred retroactively as of 1 January 2022, and all comparison periods in 2022 have been recalculated to conform to the new standard. At the time of the transition to IFRS 17, Aktia has not had the opportunity to use the fully retrospective method for the majority of insurance contracts as a large part of the insurance portfolio is very old. In the case of contracts for which the fully retrospective method cannot be applied, the fair value method has been used. The fair value method has been used for insurance contracts granted in 2020 or earlier. For contract groups where the fair value method has been applied, estimated cash flows have been used as a basis and adjusted according to specific margins for the portfolio and cash flow type so that the value reflects the expected price for an acquirer to take over the contract group. The adoption of IFRS 17 on 1 January 2022 resulted in a decrease in equity (net after tax) of EUR 104 million, mainly due to low interest rates and the discounting effects of liabilities from insurance business. Rising interest rates led to an increase in equity during 2022. To reduce earnings volatility, Aktia has gradually expanded its interest rate hedging programme until the end of 2022. The implementation of IFRS 17 signifies that net income from sold insurance contracts are reported for the duration of the contract, which means that the Group according to the new standard expects a higher result from the insurance business in future periods compared to the previous standard. The reduction in equity due to the transition to IFRS 17 on 1 January 2022 does not affect the solvency ratio of Aktia Livförsäkring Ab or the capital adequacy ratio of the banking group. However, the capital adequacy ratio of the financial and insurance group increased by just under two percentage points.

Under IFRS 4, insurance liabilities amounted to EUR 1351 million as of 31 December 2022. The adoption of IFRS 17 increased total liabilities of the insurance business by EUR 69 million to EUR 1420 million, of which EUR 492 million relates to insurance contracts under IFRS 17 and EUR 928 million to investment contracts under IFRS 9. The contractual service margin (CSM) in the transition to IFRS 17 amounted to EUR 81 million as of 1 January 2022 and to EUR 58 million as of 31 December 2022.

Aktia has not exercised the option to report financial income and expenses through other comprehensive income.

See note G47 for the transitional effects of adopting IFRS 17 as of 1 January 2022.

The Group does not expect other new or revised IFRSs or interpretations from IFRIC (International Financial Reporting Interpretations Committee) to have an impact on the Group's future results, financial position or explanatory notes.

Consolidation principles

For each transaction, the group assesses whether it is a business combination or an assets acquisition. It is a business combination if the company obtains dominant influence in a business. A business consists of activities and assets and of processes that can produce goods or services to customers in order to provide return in the ordinary business. Transactions, where the fair value of the acquired assets in all significance is an asset or a group of similar assets, are recognised through a simplified assessment as an asset acquisition. The choice to use the simplified assessment is applied on a transaction-by-transaction basis.

The consolidated financial statement encompasses the parent company, Aktia Bank plc, and all the subsidiaries in which the parent company has a controlling interest. The Group is deemed to have a controlling interest if it has control over the investment object, is exposed to or is entitled to variable gains from the investment and has the opportunity to use its controlling interest to influence its gain from the investment. When deeming controlling interest both potential shares with voting right and actual control are considered. Subsidiaries are consolidated from the time of acquisition until the controlling interest no longer exists.

The consolidated accounts cover those subsidiaries in which the parent company directly or indirectly owns more than 50% of voting rights or otherwise has considerable influence. The acquisition method has been applied to acquisition eliminations. The acquisition method involves the identifiable assets, liabilities, contingent assets and contingent liabilities of the acquired company at the time of acquisition being assessed at fair value. In business combinations in which the consideration transferred, any holdings without controlling influence and fair value of previously owned share (in the case of successive acquisitions) exceeds the fair value of the assets and liabilities acquired, the difference is recognised as goodwill. Transaction costs, except costs attributable to issue of equity instruments or debt instruments, arising in connection with an acquisition are recognised directly in the income statement. The consideration transferred on acquisition does not include payments related to the settlement of previous business relationships. This type of settlement is recognised on the income statement. Contingent consideration is recognised at fair value on the acquisition date. Where contingent consideration is classified as equity instruments, no revaluation and the settlement is made within equity. For other contingent consideration, they are revalued at each reporting date and the change is recognised in profit or loss for the period.

Consolidated financial statements include associates over which the Group has a significant, but not controlling, influence over the operational and financial governance. Significant influence is usually obtained through holdings in which the Group holds between 20 and 50% of the voting rights. When consolidating associated companies, the equity method has been applied. The equity method means that the Group's share of the associated company's equity and result increase or reduce the value of the shares reported on the date the accounts are closed. The Group's share of associated companies' other comprehensive income is reported on a separate row under the Group's other comprehensive income.

All internal business transactions, receivables, liabilities, dividends, profits and losses are eliminated within the consolidated accounts. Unrealised gains arising from transactions with associates and joint ventures are eliminated according to the Group's holdings in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment loss.

Non-controlling holdings are based on their proportional share of net assets and reported separately under consolidated shareholders' equity. The share of holdings where a non-controlling interest exists which cannot be reported as shareholders' equity is reported as other liabilities. In acquisitions possible non-controlling holdings in the acquired company are identified at the time of acquisition. In the case of step-by-step acquisitions, goodwill is determined on the date on which controlling influence arises. Previous holdings are measured at fair value and the value change is recognised in the result of the period. Remaining holdings are valued at fair value and the value change is recognised in the result for the period when divestments result in the cessation of controlling influence.

Segment-based reporting

Segment reporting corresponds internal reporting to the highest executive body. The highest executive body is the function responsible for appropriation of resources and evaluation of the business segments' results. The Group's Executive Committee, appointed by the Board of Directors, has been identified as the company's highest executive decision maker.

The costs of centralised functions are allocated to the segments in accordance with resource use, defined projects and according to different allocation rules. Aktia Bank plc is not allocating equity to the different segments.

Group internal transactions are eliminated within each segment if the entities are in the same segment. Group internal transactions between entities in different segments are included in the eliminations. Pricing between the segments is based on market prices.

The Banking Business segment includes the Banking Business' private and corporate customers (excluding Private Banking customers) in Aktia Bank Plc.

The Asset Management segment encompasses asset management business, which include the Aktia Bank Plc's asset management business, Private Banking business and capital market support function as well as the subsidiaries Aktia Fund Management Company Ltd, Aktia Wealth Planning Ltd, Aktia Housing GP Oy, Evervest Ltd, AV Partner Oy, Aktia Alternatiivi I GP Oy, Aktia Private Equity I GP Oy, Aktia Velkarahastot II GP Oy, Aktia Kiinteistöt I GP Oy, Aktia Infra I GP Oy, Aktia Asuntorahasto VIII GP Oy, Aktia Bioteollisuus I GP Oy and Aktia Aurinkotuuli III GP Oy.

The Life Insurance segment encompasses life insurance business, which include the subsidiary Aktia Life Insurance Ltd with its real estate subsidiaries Keskinäinen Kiinteistö Oy Tikkurilantie 141 and Keskinäinen Kiinteistö Oy Areenakatu 4, as well as the associated companies Kiinteistö Oy Skanssinkatu (holdings 49.95 %), Kiinteistö Oy Lempäälän Rajamäentie (holdings 49.95 %), Kiinteistö Oy Helsingin Gigahertsi (holdings 33.33%) and Asunto Oy Helsingin Tuulensuoja (holdings 50%).

The segment Group functions includes the Group´s treasury operations as well as other centralised functions of Aktia Bank Plc.

Foreign currency translation

The functional currency of the parent company is Euro, and it is also the currency used in the parent company's and the Group's reporting. Functional currency is the currency used in the economic environment where the company operates. Transactions in foreign currency are converted into the functional currency using the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are converted into the functional currency using the exchange rate on the balance date. Assets and liabilities denominated in foreign currencies outside the Euro zone have been converted into euros using the European Central Bank's average rate of exchange on the day the accounts were closed. The exchange rate differences that have arisen on valuation have been reported in the income statement as net income from currency operations. The exchange rate differences that arise from the life insurance business are reported in net income from investments, which is included in the net income from life-insurance.

Revenue and expenses recognition

Interest and dividend

Interest income and expenses are accrued according to the lifetime of the agreement by using the effective interest rate method. This method recognises income and expenses from the instrument evenly in proportion to amounts outstanding over the period until maturity. Interest income and expenses attributable to financial assets held for trading purposes are reported in the income statement as net income from financial transactions.

TLTRO loans are reported at amortised cost in accordance with IFRS 9. IAS 20 has not been applied. Interest income from the TLTRO loans is recognised as income when the contractual conditions for income recognition are fulfilled. Aktia Bank has fulfilled the European Central Bank's conditions regarding increased corporate lending linked to TLTRO III financing and, consequently, the bank has been able to recognise the extra interest rate, valid until 23 June 2022, as income. The extra interest rate was 0,5 percentage points below the ECB's deposit facility rate for each TLTRO III transaction for the periods 24 June 2020 to 23 June 2021 and 24 June 2021 to 23 June 2022. As of 24 June 2022, the interest rate on all TLTRO III loans has been calculated according to the ECB's average deposit facility rate.

When a financial asset is impaired due to a reduction in value, the original effective interest rate is used when calculating interest income.

Dividends paid on shares and participations are reported as income for the reporting period during which the right to receive payment is considered.

Commissions

Commission income consists mainly of commissions from fund and asset management, securities brokerage, card- and payment services, borrowing and lending, currency- and foreign operations as well as insurance brokerage. Commission expenses consist of expenses directly related to services whose income has been recognised as commission income. Commission income and expenses are reported using the accruals convention, which, depending on the nature of the service, is either linear over time as the service is being provided or at a certain point in time when the service is carried out.

The cost of acquiring new insurance policies or renewing existing policies is dealt with within the insurance business as commission expenses and is included in other operating expenses.

Insurance contracts

Insurances policies classified as insurance contracts are reported as insurance service result in net income from life insurance. Insurance service result includes income and expenses related to the insurance business and changes in certain assumptions related to future cash flows. Agreements where the issuer takes on a significant insurance risk and where agreements must include at least one insurance component (risk insurance, insurance contracts with a death benefit less than 100% of the insurance saving or insurances with a possibility for considerable customer bonuses) are classified as insurance agreements.

Investment contracts

For investment contracts, insurance premiums and claims received are reported as premiums earned or claims paid in the income statement and are included in the net income from life insurance. Investment contracts are contracts not classified as insurance contracts.

Other income and expenses

Income from derivatives for hedge accounting issued to savings banks and local co-operative banks are entered directly.

Depreciation

Tangible and intangible assets are subject to linear planned depreciation, according to the financial lifetime of the assets. As a rule, the residual value of these tangible and intangible assets is assumed to be zero. There is no depreciation of land areas.

The estimated financial lifetimes for each asset category are as follows:

Buildings	40 years
Basic repairs to buildings	5-10 years
Other tangible assets	2-5 years
Intangible assets (IT acquisition)	3-10 years

If fixed assets are classified according to IFRS 5 Non-current assets held for sale and discontinued operations, depreciation ceases.

Employee remuneration

Pension plans

The Group reports pension plans either as defined-contribution pension plans or defined-benefit pension plans. For defined-contribution pension plans, the Group makes fixed payments to external pension insurance companies. After this, the Group has no legal or actual obligation to make further payments if the pension insurance companies do not have sufficient assets to pay the employees' pensions for current or preceding periods. According to the Employees' Pensions Act, basic insurance coverage is the most important defined-contribution pension plan. Independent pension insurance companies are responsible for this form of pension protection within the Group companies. The pension insurance premiums for those arrangements which are classified as defined-contribution plans have been accrued to correspond to performance salaries in the financial statements.

The Group also has voluntary defined-benefit plans. For defined-benefit plans, the Group still has obligations after payments have been made for the reporting period and bears the actuarial risk and/or the investment risk. The Group's defined-benefit plans are reported in accordance with IAS 19 Employee benefits. Calculations are made by a qualified actuary, using the so called "Projected Unit Credit" method. A liability for defined-benefit pension plans was recognised in the financial statements. Revaluation effects from the pension liability are reported in other comprehensive income.

Share-based payments

The Group has an incentive agreement with key personnel in management positions and a share savings program for the whole personnel. The Group continuously evaluates the likely outcome of this incentive agreement. The benefits earned within the incentive agreement are valued at fair value on the decision date and costs are entered linearly during the earning-period. Payment is made either as transfer of equity instruments or in cash. For the part of the incentive agreement where payment is made as transfer of equity instruments, an accrued change is recognised in shareholders' equity under Fund for share-based payments. The cash-payment part of the incentive agreement is recorded under liabilities. Possible changes in the fair value of the liabilities are reported as personnel costs.

Taxes

Taxes in the income statement consist of direct and deferred taxes for the year and previous years. The tax cost is reported in the income statement, except where this relates to items which are reported directly against shareholders' equity, where the tax effect is reported as part of shareholders' equity. Income taxes are reported on the basis of estimated taxable income for the year. Deferred tax is entered in relation to differences between the book value of assets and liabilities, compared with their taxation value. A deferred tax asset is reported where it is likely that future taxable income will arise against which the temporary difference can be used.

Financial assets and liabilities

Aktia is applying IFRS 9 where financial assets are reported in three valuation categories. Classification and measurement of financial assets is based on the business model on which the instrument is managed and the instrument's properties in respect of the contractual cash flows.

Classification of financial assets

The Group classifies financial assets in the following categories:

- Reported at amortised cost (AC)
- Measured at fair value through other comprehensive income (FVOCI)
- Measured at fair value through the income statement (FVTPL)

The category **financial assets reported at amortised cost** includes:

- interest-bearing securities
- loans and other receivables
- cash and balances with central banks

Financial assets are reported at amortised cost if the asset is managed according to a business model where the instrument is expected to be held until maturity in order to obtain contractual cash flows. The contractual cash flows consist only of the payment of capital and interest on the outstanding capital (SPPI). The instruments in this category are reported on entering into agreements at fair value (acquisition cost minus attributable transaction costs) and then at amortised cost. Impairments are based on a three-stage model for expected credit losses (ECL) and are described under the heading Impairment of financial assets. Interest income, impairments as well as sales gains and losses are recorded in the income statement.

The category **financial assets measured at fair value through other comprehensive income** includes:

- shares and participations
- interest-bearing securities

Financial assets are measured at fair value through other comprehensive income if:

- the asset is an interest-bearing security (debt instrument) managed according to a business model where the securities are held both in order to obtain contractual cash flows (SPPI requirement concerning payment of capital and interest on the outstanding capital) and which may be sold if necessary
- the asset is shares and participations (equity instrument) which is not held for trading purposes and is chosen to be classified in this category at the first recognition

The instruments in this category are reported on entering into agreements at fair value (acquisition cost minus attributable transaction costs) and then at fair value through other comprehensive income.

The **impairment of debt instruments (interest-bearing securities)** is based on a three-stage model for expected credit losses (ECL) and are described in more detail under the heading Impairment of financial assets. Interest income, dividends and impairments are reported in the income statement and the return of capital is reported in other comprehensive income. The counter item to impairments relating to the three-stage model for expected credit losses is recognised in the fund at fair value (other comprehensive income) and thus does not affect the fair value of the asset in the balance sheet. In connection with the sale of debt securities (debt instruments), the cumulative unrealised profit or loss is transferred from the fund at fair value to the income statement.

For **shares and participations** in this category, no ECL is calculated, and value changes are recognised on an ongoing basis in other comprehensive income after deferred tax. For an investment in an equity instrument that is not held for trading, the Group may make an irrevocable choice on initial recognition to recognise subsequent changes in fair value in other comprehensive income. The choice is made separately for each individual investment. The choice to recognise an equity instrument in this category leads to future sales gains and losses also being recognised in other comprehensive income. Only dividend from these instruments is recognised in the income statement.

The category **financial assets measured at fair value through the income statement** includes:

- derivative instruments
- life insurance investments providing cover for unit-linked agreements
- shares and participations
- interest-bearing securities
- loans and other receivables (included in this category if the SPPI-requirement is not fulfilled)

Financial assets are measured at fair value through the income statement if the asset is a derivative, the asset is held for trading purposes or is a debt instrument that does not meet the requirement for contractual cash flows. Shares and participations are included in this category if held for trading purposes or if the possibility to be classified in the category Financial assets measured at fair value through other comprehensive income at first recognition is not used. Financial assets held for trading purposes are assets acquired for a short time with the intent to earn revenue and where the intention is to actively trade in these instruments. On entering into agreements, the instruments in this category are reported at fair value and then at fair value through the income statement. Transaction costs are recorded in the income statement when they occur. Interest income, dividends, changes in fair value and sales gains and losses are reported on an ongoing basis in the income statement.

Financial liabilities

Liabilities to credit institutions, liabilities to the public and public sector entities, derivative instruments and debt securities to the public are reported in the category Financial liabilities. Derivative instruments are included in the balance sheet at fair value while other financial liabilities are included at their acquisition value on entering into the agreement, and subsequently with the effective interest method at their amortised cost. TLTRO loans are reported at amortised cost in accordance with IFRS 9. When hedge accounting is applied, the amortised cost of the liabilities is adjusted with the fair value of the hedged risk. If the financial liabilities are related to commitments to acquire equity instruments, the liabilities are reported at fair value through the income statement.

In the cash flow statement, issued debts are deemed to belong to the bank's operating activities, while subordinated liabilities are deemed to belong to financing activities.

Reclassification

In connection to acquiring a financial asset, the asset is classified according to one of the three categories of recognition. Latter reclassification of a financial asset can only be done if the business model, according to which the assets are managed, is changed. Latter reclassification can also be done if an instrument no longer meets the criteria needed for entering a certain business model. Financial liabilities are not reclassified.

Reclassification of a financial asset according to the above-mentioned requirements is to be applied going forward from the reclassification day. Previously reported profits and losses (including profits and losses from impairments) are not recalculated retroactively.

Reclassification between different valuation categories are reported as follows:

- From amortised cost to fair value through the income statement: The asset is measured at fair value and the difference between the fair value and the amortised cost is reported as profit or loss in the income statement.
- From fair value through the income statement to amortised cost: The fair value of the asset on the reclassification day is its new acquisition value. An expected credit loss is reported on the reclassification day according to the rules of the new valuation category and an effective interest rate for the instrument is stipulated.
- From amortised cost to fair value through other comprehensive income: The asset is measured at fair value and the difference between the fair value and the amortised cost is reported as profit or loss in other comprehensive income. The expected credit loss does not change due to reclassification.
- From fair value through other comprehensive income to amortised cost: The fair value of the asset on the reclassification day is its new acquisition value. The cumulative profits and losses which previously were recognised in other comprehensive income is moved from equity and adjusts the book value of the asset. This means that the asset is reported as if it always had been reported at amortised cost. The expected credit loss does not change due to reclassification.
- From fair value through the income statement to fair value through other comprehensive income: The asset is still measured at fair value. From the reclassification day the changes in fair value are recognised through other comprehensive income and an expected credit loss is on the reclassification day to be reported according to the rules of the new valuation category.
- From fair value through other comprehensive income to fair value through the income statement: The asset is still measured at fair value. As of the reclassification day cumulative profits and losses are re-entered, as previously reported in other comprehensive income, from equity to income statement. The effect of the reclassification can be seen in the income statement and in other comprehensive income but the total comprehensive income of the reclassification is zero.

Repurchase agreements

Repurchase agreements relate to agreements where the parties have reached an agreement on selling securities and the subsequent repurchase of corresponding assets at a set price. For repurchase agreements, sold securities are still reported in the balance sheet, and the payment received is reported as a financial liability. Sold securities are also reported as collateral pledged. The payment made for acquired securities is reported as lending to the vendor.

Cash and balances with central banks

Cash and balances with central banks consist of cash, bank balances, a current account held with the Bank of Finland and short-term deposits with a duration of less than three months. Loans to credit institutions repayable on demand are included in Loans and other receivables. Cash and cash equivalents in the cash flow statement include cash and balances with central banks excluding the minimum reserve deposit in Bank of Finland and loans to credit institutions repayable on demand.

Derivative instruments

All derivative instruments are reported in the balance sheet and are valued at fair value. Derivatives with a positive fair value are reported as assets in Derivative instruments. Derivatives with a negative fair value are reported as liabilities in Derivative instruments. Financial derivatives which are valued at fair value through the income statement are initially valued at fair value, but the transaction costs are reported directly in the income statement and are revalued thereafter at fair value. Changes in fair value, together with realised profits and losses, are reported in the income statement and are included in Net income from financial transactions.

Interest-rate derivatives issued to local banks, which are hedged back-to-back with third parties, are valued at fair value, and the change in fair value is recognised in Net income from financial transactions. The counterparty risk arising in these derivative agreements has been limited via mutual pledging agreements with local banks. Individual security arrangements are made with third parties in accordance with the terms and conditions of ISDA/ CSA (Credit Support Annex).

Hedge accounting

In accordance with the Aktia Group's hedge accounting policy, hedge accounting is defined either as fair value hedging or cash flow hedging. Documentation and establishment of the hedging relationship between the hedging instrument, the hedged item, the risk management aim and the strategy, occur when hedging is entered. When a high negative correlation exists between the hedging instrument's change in value and the change in value of the hedged item or cash flow, the hedging is considered to be effective. The effectiveness of the hedging relationship is continually assessed and evaluated through prospective efficiency testing and measured on a cumulative basis. If the hedging relationship between the derivatives and the hedged items is not a 100% match, the ineffective part is reported in the income statement. Aktia applies IFRS 9 hedge accounting for all hedge relationships except for portfolio hedging of interest rate risk for which the Group has chosen to use the possibility to continue to apply the rules set out in IAS 39.

Valuation of financial instruments at fair value

The fair value of listed shares and other financial instruments that are traded on an active market is based on the latest listed purchase price. Should the listed price of a financial instrument not represent actual market transactions occurring with regularity, or if listed prices cannot be obtained, the fair value is established with an appropriate valuation technique. The valuation techniques may vary from a simple analysis of discounted cash flows to complex option valuation models. The valuation models have been drawn up so that observable market prices and rates are used as input parameters in the evaluated cases, but unobservable model parameters may also be used.

The fair value for financial instruments has been divided in three levels. The levels are based on quoted market prices available on an active market for the same instrument (level 1), valuation techniques based on observable market data (level 2), and valuation techniques not using observable market data (level 3).

Impairment of financial assets

The Group applies a three-stage model to calculate the expected credit losses (ECL) for the following financial assets that are not measured at fair value through the income statement:

- debt instruments (interest-bearing securities and loans and other receivables) measured at amortised cost
- debt instruments (interest-bearing securities) measured at fair value through other comprehensive income
- loan promises
- financial guarantee contracts

Expected credit loss (ECL) is not calculated for equity instruments.

Financial assets are transferred between the following three stages based on the change in the credit risk from the date of first recognition:

- Stage 1 12 months' ECL
  Expected credit losses for twelve months are calculated for non-defaulted exposures where the credit risk has not increased significantly since the date of recognition. The effective interest rate is calculated on the gross book value.
- Stage 2 ECL for the remaining duration of non-defaulted exposures
  The expected credit losses for the instrument's remaining duration are calculated for non-defaulted exposures where the credit risk has increased significantly since the date of recognition. The effective interest rate is calculated on the gross book value.
- Stage 3 ECL for the remaining duration of defaulted exposures
  Stage 3 includes exposures for which one or more events that have a significant negative impact on the future estimated cash flows has occurred. For defaulted assets in stage 3, expected credit losses for the instruments remaining duration are recognised on an ongoing basis, whereas the effective interest rate is calculated on the impaired book value.

At each reporting date, an evaluation is made as to whether a **significant increase in the credit risk** has occurred, by comparing the probability of default at the reporting date with the situation on the date of recognition. The evaluation considers all relevant and available information which can be accessed without excessive cost or effort. This includes qualitative and quantitative and financial information that describes the future. An exposure migrates through the various ECL stages when the credit quality decreases. In a similar way, the exposure migrates back from the ECL for the entire duration to ECL 12 months if the credit quality improves and a previous assessment of a substantial increase in credit risk is revised. Exposures whose credit quality has not substantially deteriorated since the date of recognition are considered as low credit risk. For such exposures, a 12 months ECL is calculated. When an asset is no longer recoverable, a credit loss is recognised against the impairment allowance in the balance sheet. A credit loss is recognised when all recovery actions have been completed and the final loss has been established. Any future payments are recognised in the income statement as a reversal of the credit loss.

The **expected credit losses (ECL)** are calculated as an objective probability-weighted estimate of future losses. The calculation includes:

- non-impaired or defaulted financial assets at the time of reporting. ECL is calculated as the present value of all estimated defaults over the financial asset's calculated term of maturity or during the following 12 months. The estimated defaults are the difference between the asset's contractual cash flows and the cash flows the Group expects to receive.
- impaired or defaulted financial assets at the time of reporting. ECL is calculated as the difference between the amortised cost and the present value of the financial asset's estimated future cash flows discounted with the effective interest rate.
- loan promises granted but not used. ECL is calculated as the difference between the contractual cash flows in case a credit is used and the cash flow the Group expects to receive.
- financial guarantee contracts. ECL is calculated as the difference between the expected payments and the amount the Group expects to recover.

Calculation of the expected credit losses (ECL)

The Group has internally developed models for the evaluation of the creditworthiness. The models are used in the assessment of the probability of default when providing loans and other financial exposures to counterparties and customers. The Group has in advance defined probabilities for counterparty risks regarding the Group's all private and corporate loans and other receivables. For **credits and other receivables**, ECL is calculated on the basis of the exposure's risk parameters PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure At Default). These parameter estimates are derived from the same models used in the IRB solvency calculation, but are based on a so-called "Point-in-Time" calibration reflecting the prevailing or anticipated economic situation at the accounting horizon. For credits in Stage 1, ECL is equal to the product of the PD, LGD and EAD, i.e. 12-month ECL. For credits in Stage 2 and 3, ECL is calculated as the sum of 12-month ECL over the lifetime of the claim, adjusted for the probability that the exposure defaults during a previous period. Lifetime ECL also takes into account the contractual amortisation plan that is reflected in both the EAD and LGD estimate. Lifetime ECL for **interest-bearing securities** is calculated on the basis of the interest certificate's contractual calendar. Lifetime ECL is calculated as LGD multiplied by the sum of all expected and discounted cash flows times the probability of a credit event (PD). PD is calculated separately for each security by allocating an appropriate risk curve and by taking into account the liquidity and tax effects. 12-month ECL is then calculated by scaling down the lifetime ECL with a securities-specific proportionality constant which comprises the credit risk quota during the certificate's lifetime and the credit risk in the coming year.

Significant increase of credit risk

When determining whether a significant increase in credit risk has occurred since the date of recognition, the Group uses both quantitative and qualitative information and analysis. The information and analysis are based on the historical data and expert assessment of the credit risk and also include financial information that describes the future.

For **credits and other receivables** an increase in credit risk is considered to have occurred:

- based on an absolute and relative change in PD for the remaining maturity
- at the latest when a payment is over 30 days delayed or when a customer is covered by mitigating circumstances. In the case of mitigating measures, credits are considered to have an increased credit risk over a period of two years from the date of when the measures have been initiated. These criteria define an absolute baseline for when an increase in credit risk has occurred when there are indications of other qualitative factors that have not been visible in regular quantitative analyses. In such cases the Group can use expert evaluations and relevant historical information

Defaulted credits and receivables are transferred to stage 3. For the reversal of credit and receivables to non-defaulted, the bank has implemented a three-month probationary period, where default factors can no longer be applicable and the customer's payment behaviour is a sign of a decreased risk. For defaulted credits with mitigating measures, the probation period is one year before they can be reverted to non-defaulted.

For **interest-bearing securities**, the increase in credit risk is evaluated according to two different criteria. The first criterion for an increase in credit risk is a significant drop in external credit rating. The second criterion is that the value development for the interest-bearing security keeps within its volatility range. Volatility is calculated according to the price development throughout the instrument's lifetime. In addition to the above-mentioned criteria, expert evaluation is used if necessary. The expert evaluation is carried out taking the Groups internal rating into consideration.

Assessment of impairment needs (definition of default)

In the model for calculating expected credit losses (ECL) the Group has defined default as described in the Group's credit regulations and processes when assessing the need for impairment. Default means the counterparty's inability or probable inability according to agreed terms handle all its obligations towards the bank.

A counterparty is considered defaulted if at least one of the following criteria is met:

- A significant loan repayment is delayed 90 days or more
- A significant loan repayment is delayed less than 90 days but at least one of the following criteria are met:
  - the bank has applied for or the counterparty has been declared bankrupt
  - the counterparty is in debt reconstruction
  - according to the bank's assessment it is unlikely that the customer fully can pay its loan obligations to the bank without the bank having to take action, e.g. liquidising possible collateral

For defaulted credits and other receivables, accrued interest is not recognised.

Interest-bearing securities are considered defaulted if the financial position of the company, where the investment is made, meets one of the following criteria:

- The company has been declared bankrupt or is de facto insolvent and unable to make payments
- The company has entered into an agreement about business debt restructuring or has applied for protection against its creditors or is undergoing significant restructuring which affects creditors
- The company has missed a payment according to contractual cash flow and has not been corrected within 30 days

In addition to default, interest-bearing securities are checked individually for assessing the need for impairments if the security's rate has dropped under 50%.

Information describing the future

The Group has established a panel of experts which takes account of various relevant future macro-economic factors to define an objective assumption supporting the ECL calculations. The expert panel consists of the management of the risk and economy function as well as the Group's Chief Economist, amongst others. Relevant regional and sector-specific adjustments are made to capture deviations from general macro-economic scenarios. The adjustments reflect the best assumption on future macro-economic conditions which are not incorporated in the ECL calculations. Macro-economic factors taken into account include, for example, unemployment, interest rate level, inflation, residential and commercial property prices. The methodologies and scenarios for future macro-economic conditions are revised regularly.

For **credits and other receivables (credit portfolio)** the risk parameters are adjusted according to assumptions in the relevant macro scenario in calculation of lifetime ECL. The PD estimate is adjusted based on a macro economic model that takes e.g. developments of unemployment into account. If unemployment is expected to increase, the PD estimate of household credits will increase. The LGD estimate takes the assumed development of house and real estate prices into account. If the market value of the securities decreases in the scenario, this has a positive effect on the LGD estimate, given that the amortisation speed does not exceed the decrease in the market value of the securities.

The ECL calculation for **interest-bearing securities (liquidity and investment portfolio)** uses directly observable market prices and therefore needs no stochastic or constructed estimates. When the models use market information as much as possible, the market's expectation of the future development is implicitly represented in the model.

Tangible and intangible assets

The Group's real estate and participations in real estate corporations have been divided up into commercial properties and investment properties according to how they are used. Commercial properties are properties used by the Group. Investment properties are properties which are held in order to generate rental income and to obtain an increase in the value of capital. If part of the premises is used by the Group, the division has been made according to the square metres reserved for their respective purposes.

Commercial properties are reported at cost after deduction for accumulated depreciations and impairments, whereas investment properties are reported at fair value. The valuation of the fair value of investment properties is based on statements from independent valuers and the company's own valuation models for future rental payments. Changes in the fair values of investment properties are reported in the income statement.

In connection with acquisitions and business combinations, the acquired company's net assets are measured at fair value. The difference between the consideration transferred and the fair value of the acquired company's net assets is recognised as goodwill or negative goodwill. Goodwill is recognised in the balance sheet under intangible assets, while negative goodwill is recognised in the income statement directly. Depreciation is not made for goodwill. Impairment losses for goodwill are tested once a year and when there is an indication of impairment losses. The test is performed by estimating the future cash flows of the smallest cash-generating unit, discounting those cash flows and comparing the recoverable amount (present value of future net cash flows) with the carrying amount of the unit including goodwill. If the carrying amount is greater than the recoverable amount, it results in an impairment of goodwill. The parameters used in the calculation are described in the note about intangible assets.

Other tangible and intangible assets are included in the balance sheet at their acquisition price less planned depreciation. Planned depreciation is based on the financial lifetime of the assets.

In April 2021, the IFRS Interpretations Committee (IFRIC) adopted a final agenda decision on the treatment of development expenses related to purchased cloud services (IAS 38 intangible assets). Cloud services are reported as an asset if the Group gets control of the software and fulfils the criteria for reporting of an asset. For service agreements, which only give the Group access to the cloud service provider's software during the contract period, implementation expenses, including software configuration, are recognised as operating expenses upon receipt of the service. If a cloud service provider offers both configuration and customisation services, an assessment of whether the service is distinct from the cloud service or not is carried out. Configuration and customisation expenses that are distinct in relation to the cloud service are recognised as expenses upon receipt of the service. If the configuration and customisation expenses are not distinct from the cloud service, the expenses are reported as an advance payment, which is recognised as an expense during the contract period.

The Group as a lessor

The leasing of assets where the financial risks and advantages associated with the ownership of an object are essentially transferred from the Group to the lessee is classified as a finance lease, and the assets are entered in the lessee's balance sheet. At the beginning of the leasing period, a receivable on the lessee arises in the Group which is repaid in line with the length of the leasing period. Each leasing payment is allocated between interest and repayment of the receivable. The interest income is allocated over the leasing period, so that every reporting period is allocated an amount which corresponds to a fixed interest rate for the receivable reported for each reporting period.

The Group as a lessee

The Group reports a right-of-use asset and a lease liability at the starting date of the lease. The right-of-use asset is initially measured at acquisition value, which includes the initial value of the lease liability added with possible lease expenses paid at or after the starting date, and other initial direct costs. The right-of-use asset is depreciated linearly during the leasing period. If Aktia aims at using an option for purchasing the underlying asset, the asset is depreciated linearly during the right-of-use period.

The lease liability is initially measured at present value of the remaining lease expenses for the leasing period assessed. The leasing period consists of the period that cannot be cancelled with the addition of further periods, if it at the initial stage is estimated with reasonable certainty that an option for a lengthening of the agreement will be utilised. Lease expenses are discounted according to the lease agreement's implicit interest rate. If the agreement's implicit interest rate cannot be determined, the marginal interest rate for borrowing is used for the discounting of lease expenses. The lease liability includes the present value of fixed lease expenses, variable index-bound lease expenses, possible residual value guarantees expected to be paid, redemption price for a call option which Aktia is reasonably sure to use, and penalties for lease agreements Aktia deems will be cancelled prematurely. The lease liability is calculated according to the assessment of the remaining leasing period, and according to the rent valid at the end of each reporting period. The value of the lease liability increases with the interest expenses for each period and decreases with the leasing payments.

Leases with a leasing period of 12 months or less and leases for low-value assets are not reported as right-of-use assets and lease liability in the balance sheet. Lease expenses for these leases are reported during the leasing period as rental expenses in the income statement.

Assets classified as held for sale

A fixed asset, or a disposal Group, is reported in Assets classified as held for sale if the asset is available for immediate sale in accordance with conditions that are normal and customary when selling such assets. It must also be extremely likely that a sale will take place. In order for a sale to be extremely likely, a decision must have been taken by the Board of Directors on a plan for selling the asset, and active work must have been started to find a buyer and accomplish the plan. Assets held for sale are valued at fair value with deductions for sales costs. Discontinued operations are part of the company's operations, representing an independent business, a significant operation within a geographic area or a subsidiary acquired solely for the purpose to be sold again. Classification as discontinued operation is made at the time of divestment or at an earlier time when the business operations meet the criteria for assets held for sale.

Provisions

A provision is reported where the Group has an existing legal or informal obligation due to an event which has occurred, and it is likely that the obligation will be realised and the Group can reliably estimate the amount of the obligation. If it is possible to obtain remuneration from a third party for part of the obligation, this remuneration is reported as a separate asset item when it is certain in practice that remuneration will be received. The provisions are assessed each balance sheet date and are adjusted if needed. The provision is valued at the current value of the amount which is expected in order to regulate the obligation. Expected credit losses on off-balance-sheet commitments are reported as provisions.

Insurance and investment contracts

Classification of insurance and investment contracts

Contracts in the life insurance business are classified either as insurance contracts or investment contracts. Insurance contracts are contracts whereby a significant insurance risk is transferred from the policyholder to the insurer. The same applies to reinsurance contracts issued or held by the company. Insurance policies with the right to discretionary benefits (customer bonuses) are reported as insurance contracts.

In Aktia, insurance policies containing at least one of the following insurance components are considered insurance contracts:

- A risk component
- Life insurance coverage that is not 100% of savings
- A possibility of client compensation

Other insurance policies are classified as investment contracts. Unit-linked agreements without significant insurance risk and capitalisation contracts are classified as investment contracts.

Insurance contracts

Liabilities from insurance contracts are divided into net present value of future cash flows, contractual service margin and risk adjustment.

Aktia assumes the legal insurance contract for accounting according to IFRS 17. The grouping of agreements in portfolios follows the grouping used in other reporting; however, some stock in run-off have been combined. Portfolios consist of insurance contracts containing similar risks and are divided into annual cohorts according to the year of issue, with the exception of insurance policies which at the implementation of IFRS 17 were transferred according to the fair value method, where the cohort may contain insurance agreements issued in different years. The profitability of the contracts is assessed on group level. Those groups which at the first time of reporting would have a negative contractual margin are classified as onerous contracts. Reinsurance contracts held are reported separately from the underlying contracts.

Contracts transferred to IFRS 17 according to the fair value method have been measured according to expected discounted cash flows. The discount rate used is according to the method described below. Cash flows have been adjusted with margins to reflect the profit requirement and risk premium a possible buyer would demand to take over the contracts (see the table below).

Insurance type	Margin on present value of expected future benefits	Margin on present value of expected future handling expenses (excl. commissions)	Margin on present value of expected future reinsurance premiums	Margin on current saving	Margin on risk adjustment	Margin on discount rate (parallel shift) and liquidity adjustment
Risk insurances	5.0%	15.0%	—	—	15.0%	—
Risk insurances which may have a savings component, ATG	3.0%	15.0%	—	—	15.0%	—
Risk insurances new sales	10.0%	15.0%	—	—	15.0%	—
Savings insurances	5.0%	15.0%	—	1.5%	15.0%	-0.5%
Pension insurances	5.0%	15.0%	—	3.0%	15.0%	-0.5%
Reinsurance contracts	—	—	10.0%	—	—	—

Aktia reports a group of issued insurance contracts starting from the earliest of the following dates:

- The beginning of the insurance coverage term for the group of contracts
- The date on which the first payment from a policyholder in the group is due
- For a group of loss-making contracts, the point at which the group becomes a loss-making contract

A contract is removed from the balance sheet when it expires, i.e. when the obligation specified in the insurance contract expires, is fulfilled or cancelled, or when the contract is amended so that a new contract with new terms and conditions is reported.

For contracts shorter than one year, the premium allocation approach can be used. For other contracts, the General Model is used unless the conditions for the variable fee approach are met. For a group of insurance contracts, future cash flows are estimated during initial reporting. For a group of insurance contracts with a positive net cash flow, the expected profit (contractual margin) is reported as a liability on the balance sheet.

The contractual margin shall reflect the value of the insurance services that are expected to be performed over the life of the contract and affect future returns.

For a group of insurance contracts with expected negative net cash flows, the future expected loss is reported as a loss component on the income statement during initial reporting. Financial income and expenses are reported on the income statement.

Future cash flows consist of estimates for amount, timing and uncertainty made by the company based on reasonable and verifiable information that can be obtained without undue cost and effort. The cash flows of contracts are mainly estimated based on the coverage level of the individual contracts. Cash flows from contracts defined as insurance contracts consist of premiums, claims, costs incurred by the company to fulfil its obligations to the policyholder and other cash flows directly related to the contract.

Future cash flows are adjusted so that the present value estimate reflects the compensation required by the company to cover uncertainty with regard the amount and timing of cash flows arising from non-financial risk. This adjustment is calculated using a cost-of-capital method that reflects the cost of capital tied up in the cash flow uncertainty based on the owners' required rate of return. The expense is calculated with a fixed interest of 6% p.a.

To spread the contractual margin over the life of a contract group, insurance coverage units are used that reflect the volume of insurance contract services provided. For risk insurance, the coverage units are based on the sum insured; if claims can be paid multiple times, the coverage units are based on the maximum remaining claim amount. For savings and pension insurance, the insurance coverage units are based on the total savings.

Estimated future cash flows are adjusted to reflect the time value of money and the financial risks associated with the cash flows. The discount rate used is a risk-free interest rate curve based on SWAP rates adjusted by a liquidity premium that varies according to the uncertainty of the cash flows of the portfolios.

The group has defined its risk-free interest according to the "bottom up" approach. The risk-free interest rate is the interest rate on interest rate swaps in euro with liquid maturities of up to 50 years. The risk-free interest-rate is interpolated between liquid maturities and extrapolated for maturities over 50 years using the numerical Smith-Wilson method. In relation to the discount rate level over 50 years, it is assumed that forward rates will converge to the equilibrium level defined by the maximum value of the latest liquid 40y10y forward rate and the European Central Bank's medium-term inflation target of 2%.

A liquidity premium is implemented for liabilities from insurance contracts. For pension insurances the premium is 50% and for other insurances the premium is 25% of the difference between risk premiums and euro-denominated bonds issued by the financial sector and credit risk swaps from the same issuer. The liquidity premium measures the spread that more illiquid bonds have in relation to credit risk swaps in standardised samples for credit rating, issue size and maturity.

With regard to insurance, in accordance with Chapter 13, Section 3 of the Insurance Companies Act, the principle of 'reasonableness' is observed for insurance policies that are entitled to bonuses under the insurance contract. For savings and pension insurance, the aim is for the sum of the interest rate and annually determined bonuses for customers on the savings of fixed-interest pension insurance to be higher than the return on the Finnish government's 10-year bond, and that fixed-interest savings and investment insurance remain at the same level as returns on the Finnish government's 5-year bond. In addition, the solvency ratio of Aktia Life Insurance Ltd must be kept at a level that enables the distribution of customer bonuses and profits to shareholders. The Board of Directors of Aktia Life Insurance Ltd decides on customer bonuses on a yearly basis.

Investment contracts

Liabilities from investment contracts are measured based on the market value of investments linked to the insurance. Liabilities from investment contracts consist of premium liabilities and claim provisions. Savings insurance outstanding claims include provision for losses incurred which are still unpaid on the balance sheet date (claims incurred) as well as an estimate of future pension payments including costs.

Reinsurance

The term reinsurance contracts refer to insurance contracts under which the insurance business can receive remuneration from another insurance company if it is liable to pay remuneration itself as a result of insurance agreements entered into. Premiums paid to reinsurers are reported as premiums written and costs attributable to compensation as insurance claims paid. Remuneration which will be received through reinsurance agreements is reported in the balance sheet as assets. Unpaid premiums to reinsurers are reported in the balance sheet as liabilities.

Equity

Dividend payments to shareholders are reported in shareholders' equity when the annual general meeting decides on the pay-out.

The terms of AT1 instrument (Additional Tier 1 capital) include no agreed maturity and the payment of interest can be cancelled by the issuer. The capital and the interest for the AT1 instrument are reported as equity according to IAS 32.16. The accumulated interest is paid as a contingent liability. The capital can be counted as AT1 capital (Additional Tier 1) in the capital adequacy.

Holdings with non-controlling interest

Non-controlling holdings include the minority's share and is reported in equity. For subsidiaries having certain redemption clauses in their contracts, the non-controlling holdings are reported as liability to the owners. The liability to non-controlling holdings is valued at fair value on the reporting date.

Accounting principles requiring management discretion

When preparing reports in accordance with the IFRS certain estimations and assessments are required by management which have an impact on the income, expenses, contingent assets and contingent liabilities presented in the report.

The Group's central assumption relates to the future and key uncertainty factors in connection with balance date estimations, and depends on factors such as fair value estimations, the impairment of financial assets, the impairment of loans and other receivables, impairment of tangible and intangible assets, and assumptions made in actuarial calculations.

The calculation of ECL (Expected Credit Loss) includes essential assessments due to the current insecurity and the low visibility regarding the effects of the coronavirus crisis. To support the Group's ECL calculations an expert panel has been established in order to observe relevant future macroeconomic factors. Macroeconomic factors taken into account include, for example, unemployment, interest rate level, inflation, residential and commercial property prices. The methodologies and scenarios over future macroeconomic conditions have been updated quarterly and include essential assessments in order to e.g. observe the coronavirus crisis' impact on future expected credit losses. The assessment includes several considerations, the Group has among other things taken into account the authorities' extensive stimulus packages. In the calculation of the ECL it has also been taken into account that the instalment free periods due to the corona crisis do not automatically lead to an increased need for provisions, the assessment is carried out individually in conjunction with the handling of the applications. The assessments have been made on the basis of the information available at the date of reporting.

Due to the current uncertainty and the limited availability on trustworthy data the assessments for the future include significant uncertainty, which could have a considerable effect on the ECL estimate. The macroeconomic development and the assessments of credit quality are continuously revised quarterly. As of 1 January 2021, Aktia has introduced the new Definition of Default in accordance with EBA's guidelines in CRR 178.

Estimation and assessment of fair value

Valuation of unquoted financial assets or other financial assets where access to market information is limited requires management discretion. The principles of valuation at fair value are described in the section Valuation of financial instruments at fair value. The fair value of financial assets held until maturity in order to obtain contractual cash flows is sensitive to both changes in interest rate levels and the liquidity and risk premiums of the instrument.

Impairment of financial assets

Management's assessment is required when estimating the amount and timing of future cash flows when evaluating impairment of financial assets. When estimating these cash flows, an assessment is made of the debtor's ability to pay and the net realisable value of any securities. The estimates are based on assumptions regarding various factors that can affect the ECL calculation. The actual result may vary in relation to these assumptions, which affects future changes in provisions for impairment. The principles are described above in the section Impairment of financial assets.

Leases

Some leases include extension options and termination options. An assessment of whether it is reasonably certain that an extension option will be exercised is made at the inception of the lease. The Group reconsiders the leasing period on the occurrence of a significant event or significant circumstances within the control of the Group that affect whether it is reasonably certain that the Group will exercise, or not exercise, an option in the original agreement.

Actuarial calculations

The calculations of liabilities from insurance contracts are based on actuarial assumptions and always involve an element of uncertainty. The calculations are based on forecasts on, among other things, future interest rates, mortality, morbidity and future cost levels. This is described in more detail in the notes under methods and assumptions for determining the liabilities from insurance business. Where possible, Aktia strives to use the same forecasts as in the Solvency II legal framework.

Share-based payments

The Group has an incentive agreement with key personnel in management positions and a share savings program for the whole personnel, and the probable outcome of the incentive agreement is continuously evaluated. The principles are described above in the Section Employee remuneration and Share-based payments.

G2 The Groups`s risk management

The Group focuses primarily on banking, asset management and life insurance operations. Risks and risk management are thus an important part of Aktia's operating environment and business activities. The main areas of risk are credit, interest rate and liquidity risks in the Bank Group, interest rate and other market risks and actuarial risks in the life insurance business. All these operations are exposed to business and operational risks.

Aktia Bank Plc is the parent company of Aktia Group. For the preparation of regulatory reports, capital adequacy calculations, and internal risk and capital allocation assessments, the company compiles data for the Bank Group, which includes Aktia Bank Plc and all subsidiaries excluding insurance holdings (the subsidiary company Aktia Life Insurance Ltd).

A description of internal control, risks and risk management in the Aktia Group, including the disclosure requirements in CRR Chapter 8 (Pillar III), is provided in the Group's Pillar III Report, which is published separately from and at the same time as the annual report.

General

Internal control and risk management

In providing financial services to its customers, Aktia is exposed to various risks. Risks and risk management are thus an important part of Aktia's operating environment and business activities. The term risk management refers to all activities related to risk taking, risk reduction, analysis, measurement, control and monitoring.

Business units and the line organisations have the primary responsibility for internal control as they are in charge of the governance of the day-to-day business activities, operational processes, financial reporting and controls in these processes as well as for risk management measures.

The independent control functions consist of the Group's Risk Control function, Compliance function as well as the independent Actuarial function in Aktia Life Insurance Ltd. The role of the Risk Control function is to monitor and evaluate risk management within the Group and to report risks to the management and the Board of Directors. Risk Control is responsible for ensuring that all material risks are identified, evaluated, measured, monitored, managed, mitigated and reported by and to all operating areas, and that an assessment is carried out of the Group's overall risk position. The role of the Compliance function is to control and evaluate the management of risks related to an inadequate compliance, and to report to the management and the Board of Directors on significant observations and changes in applicable rules. The Compliance function is responsible for ensuring that the rules are adhered to within the Group's activities through its advisory and supervisory tasks and consequently supporting the business activities in ensuring that applicable rules are known and duly implemented. The Group's Data Protection Officer (DPO) forms also a part of the Compliance function.

The Group's Internal Audit function carries out an independent assessment and evaluation of the adequacy and quality of the Group's internal control, risk management and control functions. External parties, such as auditors, also evaluate the internal control and its adequacy.

Group capital management

The purpose of the Group's capital management activities is to assess the Group's capitalisation in relation to the risks in business operations. Capital management should support the Group's business strategies and ensure that the Group has access to capital also during periods of weak economic activity. The objective is to find a balance between the shareholders' required rate of return and financial stability requirements of regulators, debt investors, counterparties in the Group's business activities and rating agencies. In its capital management activities, the Group strives to identify material risks and assess their extent and the capital requirements that they give rise to.

The Executive Committee is responsible for preparing the Board's annual strategic process, and for the accompanying capital planning and allocation. The Board's Risk Committee is involved in the work and prepares proposals which are then decided on by the Group's Board of Directors. The Group's internal audit conducts an annual evaluation of the capital management process. The rules of procedure for the Board of Directors and its Risk Committee specify the drafting and decision-making process in the capital management process. The Group's Risk Control function is in charge of compiling data and performing calculations for assessing the internal capital requirement and capital adequacy objectives.

The Group's capital planning is based on a business plan which covers changes in volumes and risk levels in the near future. Based on the plans, forecasts of changes in capital adequacy requirements for the Group and the various companies are prepared. In addition to the baseline scenarios, stress tests are performed, which are used to assess how weaker economic environments would affect capital adequacy.

The target for the Bank Group's Core Tier 1 ratio (CET1) is 1.5 percentage points above the regulatory requirement and for the total capital adequacy 2.0 percentage points above the regulatory requirement. The minimum target for the Bank Group's leverage ratio is 3.6%. For the finance and insurance conglomerate, the target for capital adequacy is for it to exceed 115%.

Information on the Group's capital adequacy is presented in the Report by the Board of Directors.

Management of operational risks

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, inadequate or unreliable systems, insufficient or unreliable information, deficient quantitative models, other failures in internal control or risk management, personnel or from external factors. Operational risks also include legal, compliance and risks for anti money laundering and combating the financing of terrorism (AML/CFT) but excludes strategic risks. The damage arising from the occurrence of an operational risk can take the form of direct or indirect financial loss for Aktia, but can also, independently thereof, pose a threat to Aktia's reputation.

Operational risks are present in all of Aktia's operations. Under a resolution of the Board of Directors, the level of operational risks must in general be moderate in relation to Aktia's activities and in relation to its competitors. A moderate risk level requires that the rules, policies and valid legislation are followed.

The risk level for information security is mainly low or moderate. The risk level for systems used to produce critical or significant services, as well as for support components, processes and systems used in the IT infrastructure identified on a risk basis, must be low. The risk level for information security should also be low considering services, processes and systems which are socially significant. The risk level for information security is otherwise moderate. A high level of risk is only allowed if it is a question of sharing banking/ insurance related confidential information with other industry operators and the Finnish Transport and Communication Agency/ Cybersecurity Center to ensure the industry's information security.

The compliance risk level is basically low, but with regard to the type of risk related to the implementation of authorities' recommendations and simpler forms of control, it is moderate (principle of proportionality). This means that Aktia does not accept from the company, its management or employees violations of legislation, authority regulations, industry regulation/its own regulation, practices based on external binding requirements and internal or established company practices and requirements that concern Aktia as a financial market operator. Aktia does not accept unethical procedures either. This requires a good knowledge of own operations, sufficiently functional and effective internal control and risk management, good leadership, sound processes and competent personnel.

The risk level for the AML/CFT-risks shall accordingly be low. Aktia has zero tolerance for all types of misuse of Aktia's services or products for criminal purposes but accepts the possibility that the risk can materialise. Aktia strives to take measures against misuse by means available, including monitoring, control measures and reporting. Aktia cooperates with authorities and other actors in the private sector to prevent activities aimed at financing terrorism, fraud, circumvention of sanctions and money laundering.

As part of the Group's risk management framework, the Board of Directors has also adopted an instruction for the management and reporting of operational risks, which covers information security and data protection.

In addition to preventing operational risks from being realised, Aktia also strives to maintain adequate insurance cover for damage that occurs as a result of irregularities, hacking and other criminal activities. Aktia and its management are not, however, allowed to take out insurance against administrative fines or penalty payments when such a practice is not considered to be consistent with good insurance practice.

2.1 Banking business and asset management

Credit and counterparty risks

Credit risk is defined as the risk of losses brought about by the debtor failing to fulfil obligations towards Aktia, while counterparty risk is defined as the risk of losses or negative valuation differences due to deterioration of the counterparty's creditworthiness. Credit and counterparty risks are measured by assessing expected credit losses. Expected credit losses are assessed with the help of Expected Credit Loss models (ECL) in accordance with IFRS9. ECL models are statistical models for measuring the probability of default (PD) and loss given fault (LGD) in future macroeconomic scenarios.

The Bank Group applies internal risk classification in compliance with the advanced method (Advanced IRB) in the calculation of capital adequacy requirements for credit risk for private and household customers, and companies with small exposures, and the basic method (Foundation IRB) for other corporate exposures. A total of 64% of the Bank Group's exposures are calculated according to the IRB approach at the end of the period. In addition to the capital adequacy calculation these models are used for monitoring credit risk, internal risk reporting, and for estimating expected credit loss. The calculation of risk-weighted assets is affected by risk add-ons set by the The Financial Supervisory Authority (FSA). The bank got approval to use updated internal models in the fourth quarter of 2022, with some additional add-ons set by the FIN-FSA due to deficiencies.

Each year, the Group's Board of Directors determines the credit policy, and revises both the credit risk strategy and delegation of decision-making. The regulation of counterparty risks is managed in a similar manner. The Group's Board of Directors determines also the main principles for internal credit risk models after preparation in the Board's Risk Committee as well as in the Group's Asset and Liability Committee (ALCO). ALCO is responsible for the operative decisions pertaining to internal credit risk models and the development of these.

Credit risks occur in the banking operations, while counterparty risks occur in both banking and insurance operations.

The limit structure restricts credit and counterparty risks in both banking and insurance operations, individually and also at conglomerate level, through restrictions on the total exposure, and against individual counterparties.

The table below shows the exposures of the Bank Group at default (EAD) and their risk-weighted amounts, including accrued interest, by exposure class. Intra-group receivables have been eliminated and the collateral acceptable in the capital adequacy has been taken into account. A more detailed presentation of the Group's capital adequacy and the tables in part 2.3 Group's capital adequacy and risk exposures.

The Bank Group's exposures at default and risk-weighted amounts by exposure class 31.12.2023

	31 Dec 2023		31 Dec 2022	
(EUR 1,000)	Exposure at default	Risk-weighted amount	Exposure at default	Risk-weighted amount
The Bank Group's total risk exposures				
Exposure class				
Credit risk, IRB approach				
Corporates - SME	1,073,983	595,114	991,848	579,288
Corporates - Other	897,719	689,875	800,583	564,296
Retail - Secured by immovable property non-SME	4,594,589	703,268	4,845,781	733,029
Retail - Secured by immovable property SME	103,603	17,244	106,842	12,588
Retail - Other non-SME	245,048	53,229	226,223	53,603
Retail - Other SME	18,599	8,537	14,994	8,903
Equity exposures	46,477	124,597	41,560	113,844
Total exposures, IRB approach	**6,980,018**	**2,191,863**	**7,027,831**	**2,065,552**
Credit risk, standardised approach				
States and central banks	811,770	—	1,478,274	—
Regional goverments and local authorities	85,735	293	173,198	281
Multilateral development banks	—	—	49,622	—
International organisations	25,314	—	24,971	—
Credit institutions	303,545	62,770	318,845	67,281
Corporates	113,640	29,031	43,708	29,333
Retail exposures	586,187	197,938	160,396	109,698
Secured by immovable property	895,911	259,860	781,188	238,467
Past due items	5,451	4,580	6,152	6,737
Covered bonds	961,013	96,757	853,727	90,323
Other items	105,274	83,572	104,316	77,031
Total exposures, standardised approach	**3,893,839**	**734,801**	**3,994,396**	**619,152**
Total risk exposures	**10,873,856**	**2,926,664**	**11,022,227**	**2,684,704**

Problem loans

Problem loans are followed up regularly through delinquency lists at credit level as well as analysis and reporting at loan book level in the bank's risk management in the first line of defence and separately in the group's risk control unit. Internal rules and tools have been created to identify at an early stage those customers whose ability to pay no longer fulfils the conditions of the debt. Acting quickly in these situations is in the interest of both the customer and the bank.

According to the Group's accounting principles, an evaluation is made at each reporting date as to whether a substantial increase in the credit risk has occurred. The evaluation is based on the change in the probability of default (PD) since initial recognition, and whether the customer has a past due loan payment (30 days), an increased PD both relatively and absolutely, an estimated elevated credit risk, or if there are forbearance measures taken. Expected credit losses for twelve months are calculated for non-defaulted exposures where the credit risk has not increased significantly (ECL Stage 1). The expected credit losses for the credit's remaining maturity are calculated for non-defaulted exposures where the credit risk has increased significantly (ECL Stage 2) and for defaulted credits (ECL Stage 3). A credit is considered defaulted if at least one of the following criteria is met: Late payment of a loan (90 days or more of a significant amount both relatively and absolutely), accrued interest on the credit obligation is no longer recognised as income, the counterparty has been declared bankrupt or in debt restructuring, or it is considered unlikely that the customer will pay its loan obligations in full.

Loans past due by time overdue and ECL stages

(EUR 1,000)	31 Dec 2023			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	38,518	24,656	8,165	71,339
of which households	29,555	20,508	7,173	57,228
> 30 ≤ 90	—	37,927	12,530	50,457
of which households	—	29,990	12,098	42,087
> 90	—	—	54,720	54,720
of which households	—	—	45,564	45,564

(EUR 1,000)	31 Dec 2022			
Days	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
≤ 30	34,027	22,944	6,411	63,382
of which households	24,422	22,487	6,281	53,190
> 30 ≤ 90	—	24,519	16,141	40,660
of which households	—	20,132	11,610	31,742
> 90	—	—	55,739	55,739
of which households	—	—	45,279	45,279

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

	31 Dec 2023				31 Dec 2022			
(EUR 1,000)	12 month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12 month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Corporate								
PD grades A	2,423,527	25,911	—	2,449,438	2,240,300	24,000	—	2,264,300
PD grades B	57,993	17,604	—	75,597	45,100	17,300	—	62,400
PD grades C	10,436	5,462	—	15,898	7,200	5,500	—	12,700
Default	—	—	21,748	21,748	—	—	28,300	28,300
	2,491,956	48,976	21,748	2,562,681	2,292,600	46,800	28,300	2,367,700
Loss allowance (ECL)	-3,742	-1,782	-7,683	-13,208	-3,300	-1,700	-9,500	-14,400
Carrying amount	2,488,214	47,194	14,065	2,549,473	2,289,300	45,100	18,800	2,353,300
Households								
PD grades A	4,109,154	98,937	—	4,208,091	4,270,400	72,100	—	4,342,500
PD grades B	756,316	64,743	—	821,059	784,200	54,900	—	839,100
PD grades C	217,029	107,014	—	324,043	131,600	116,300	—	247,900
Default	—	—	110,003	110,003	—	—	112,400	112,400
	5,082,500	270,694	110,003	5,463,197	5,186,200	243,300	112,400	5,541,900
Loss allowance (ECL)	-1,951	-4,539	-16,952	-23,442	-1,400	-4,700	-17,700	-23,700
Carrying amount	5,080,548	266,155	93,052	5,439,755	5,184,800	238,600	94,700	5,518,200
Other								
PD grades A	489,237	24	—	489,261	535,500	—	—	535,500
PD grades B	8,285	137	—	8,422	18,400	400	—	18,800
PD grades C	12,181	2,401	—	14,581	300	1,300	—	1,600
Default	—	—	958	958	—	—	1,400	1,400
	509,702	2,562	958	513,222	554,200	1,700	1,400	557,300
Loss allowance (ECL)	-379	-2	-321	-702	-400	0	-300	-700
Carrying amount	509,323	2,560	637	512,520	553,800	1,700	1,100	556,600

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%.

Credit exposures (incl. off-balance sheet items) per loss given default (LGD)

	31 Dec 2023				31 Dec 2022			
(EUR 1,000)	12 month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12 month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Corporate								
LGD class 1 (low)	—	—	1,804	1,804	—	—	1,000	1,000
LGD class 2	87,281	420	687	88,388	56,500	100	1,100	57,700
LGD class 3	1,629,370	25,578	5,056	1,660,004	1,687,000	31,500	9,600	1,728,100
LGD class 4	457,390	19,383	6,397	483,169	348,500	15,200	6,700	370,400
LGD class 5 (high)	317,916	3,596	7,805	329,316	200,800	—	9,700	210,500
	2,491,956	48,976	21,748	2,562,681	2,292,800	46,800	28,100	2,367,700
Loss allowance (ECL)	-3,742	-1,782	-7,683	-13,208	-3,300	-1,700	-9,500	-14,400
Carrying amount	2,488,214	47,194	14,065	2,549,473	2,289,500	45,100	18,600	2,353,300
Households								
LGD class 1 (low)	137,377	6,743	382	144,503	134,715	4,977	108	139,800
LGD class 2	3,156,959	143,805	5,597	3,306,361	3,335,283	133,361	12,416	3,481,060
LGD class 3	1,282,780	110,246	19,913	1,412,939	1,361,317	96,764	25,930	1,484,011
LGD class 4	50,396	1,663	38,251	90,310	47,051	2,188	30,885	80,124
LGD class 5 (high)	454,987	8,237	45,860	509,084	307,908	5,940	42,968	356,817
	5,082,500	270,694	110,003	5,463,197	5,186,274	243,231	112,306	5,541,811
Loss allowance (ECL)	-1,951	-4,539	-16,952	-23,442	-1,407	-4,669	-17,673	-23,748
Carrying amount	5,080,548	266,155	93,052	5,439,755	5,184,868	238,562	94,633	5,518,062
Other								
LGD class 1 (low)	—	—	—	—	—	0	—	0
LGD class 2	47,682	349	74	48,105	78,700	500	100	79,300
LGD class 3	384,539	2,111	208	386,858	405,800	1,000	500	407,300
LGD class 4	28,599	54	192	28,845	32,600	0	400	33,000
LGD class 5 (high)	48,881	49	484	49,414	37,000	100	400	37,500
	509,702	2,562	958	513,222	554,100	1,600	1,400	557,100
Loss allowance (ECL)	-379	-2	-321	-702	-400	—	-300	-700
Carrying amount	509,323	2,560	637	512,520	553,700	1,700	1,100	556,600

LGD classes for household exposures have been updated in 2023 to better describe the risk level in lending. Figures are comparable between the two periods.
Class 1 Risk free, e.g. state guarantee
Class 2 Low risk, e.g. shares in housing co-operatives
Class 3 Medium risk, e.g. other real estate security
Class 4 Increased risk, other guarantees
Class 5 High risk, no collateral

Management of funding and liquidity risks

Funding and liquidity risk include a risk that the Group will not be able to meet its payment obligations, or could only do so at high cost, and is defined as the availability and cost of refinancing, as well as differences in maturity between assets and liabilities. Funding risk also occurs if funding is largely concentrated in individual counterparties, instruments or markets. Management of refinancing risks ensures that the Group can honour its financial obligations.

The funding and liquidity risks are managed in the legal business entities, and there are no explicit financing commitments between Aktia Bank Plc and Aktia Life Insurance Ltd.

Liquidity reserve and measurement of liquidity risk

The liquidity portfolio consists of high-quality assets that can be used to meet liquidity requirements in stressed situations. The unencumbered assets in the liquidity portfolio, which in the aforesaid manner can be used as a liquidity reserve, including cash, had a market value of EUR 1,817 (2,256) million at year-end.

Liquidity reserve, market value

(EUR 1,000)	31 Dec 2023	31 Dec 2022
Cash and holdings in central banks	596,811	1,171,905
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	190,612	196,287
Securities issued or guaranteed by municipalities or Public sector entities	72,159	110,844
Covered bonds	957,250	776,904
Securities issued by credit institution	—	0
Securities issued by financial corporates (commercial papers)	—	—
Total	**1,816,832**	**2,255,940**
of which LCR-qualfied	1,816,832	2,255,940

The liquidity risk is monitored based on the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). LCR measures the short-term liquidity risk and is aimed to ensure that Aktia Bank's liquidity reserve, consisting of unencumbered high-quality assets, is enough to meet short-term net outflows in stressed situations over the coming 30 days. NSFR measures the matching of assets and liabilities with maturities of more than one year for in Aktia Bank's balance sheet and is designed to ensure that long-term lending is financed by long-term borrowing to a satisfactory degree.

LCR fluctuates over time, partly depending on the maturity structure of the bank's issued securities. Table G2.2.5 presents outcomes in 2023 for the LCR and NSFR risk measures for the Aktia Bank Group.

LCR and NSFR

%	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
LCR, %	221%	220%	221%	188%	183%
NSFR, %	122%	127%	126%	118%	121%

Management of market, balance sheet and counterparty risks

Market and asset and liability risks in the Bank Group

Each year, following preparatory work in the Group's Asset and Liability Committee (ALCO) and the Board's Risk Committee, the Group's Board of Directors adopts a strategy and defines limits for managing market risks related to the development of net interest income and volatility, and for the operational management of the Group's internal investment assets within the defined framework and limits. The bank's Treasury unit carries out transactions to manage the structural interest rate risk based on the established strategy and limits.

Interest rate risk

Interest rate risk bears upon net interest income risk and present value risk (financial value) when the market rates are changing. Both interest rate risk indicators are measured according to EBA's rules and are monitored monthly.

Structural net interest income risk (profit risk) arises as a result of an imbalance between reference rates and the re-pricing of assets and liabilities. As well as matching reference rates in lending and borrowing through business management, hedging with interest rate derivatives, and fixed rate investments in the liquidity portfolio are also utilised, with the aim of maintaining net interest income at a stable level.

The structural net interest income risk is simulated using a dynamic asset and liability risk management model. The model considers the effects on the balance sheet's structure, starting from planned growth and simulated customer behaviour. In addition, various interest rate scenarios for dynamic or parallel changes in interest rates are applied.

The structural present value risk (change in financial value) is measured as the sensitivity of the calculated present value for all existing interest-bearing items. The internal model for non-maturing deposits has been updated with the inclusion of scenario dependent customer behaviour. A transition to a higher interest rate level leads to a shorter interest rate adjustment period and vice versa, which in turn leads to notable changes in the economic value risk calculation compared to the previous period. Table G2.2.6 shows the outcome of a parallel shift of the interest rate curve for both the net interest income risk and the present value risk.

Structural interest rate risk

	31 December 2023	
Parallel shift in the interest rate curve	**Basis points**	
(EUR 1,000)	**-200**	**+200**
Net interest income risk		
Changes during the next 12 months	-11,668	5,346
Changes during 13-24 months	-48,773	29,929
Net Present Value risk (Change in Economic Value)	**105,307**	**-50,420**

The Bank Group's liquidity portfolio and other interest-bearing securities

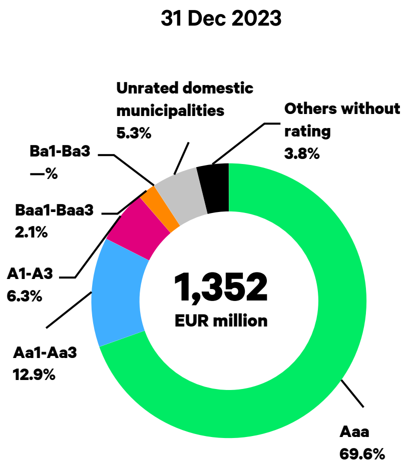
The liquidity portfolio of the Bank Group, which comprises of interest-bearing securities and is managed by the bank's Treasury unit, was EUR 1,352 (1,307) million on 31 December 2023 and includes Aktia Bank's liquidity portfolio as well as other interest-bearing securities in the Bank Group.

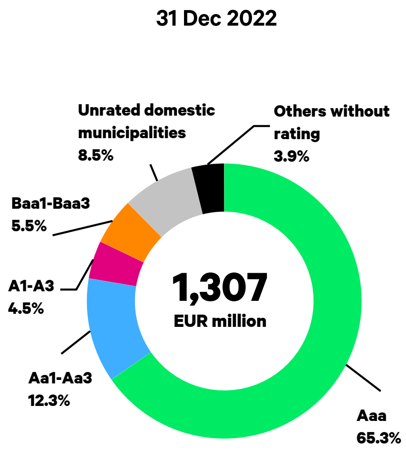
All bonds in the liquidity portfolio met the criteria for refinancing at the central bank at the end of the period.

The counterparty risks that arise in connection with liquidity management and the conclusion of derivatives contracts are managed by demanding a sufficiently high external rating. Counterparty risks in derivative instruments are managed through the daily requirement for exchanging securities (ISDA Credit Support Annex agreement). Individual investment decisions are made in accordance with an investment plan in place and are based on careful assessment of the counterparty. The Group's Board of Directors establishes limits for counterparty risks every year. The investment portfolio is market valued and monitored on a daily basis.

No impairment losses were recognised during the year.

Rating distribution for banking business' liquidity portfolio and other direct fixed income assets





Exchange rate risk

Exchange rate risk refers to a negative change in value of the Bank Group's currency positions caused by fluctuations in exchange rates, particularly against the euro.

In the Bank Group, currency dealings are based on customer requirements, which is why most of this activity involves Nordic currencies and the US dollar. The guiding principle for the management of exchange rate risks is matching. The Treasury unit is responsible for managing the bank's day-to-day currency position, subject to the limits set.At year-end, total net currency exposure for the Bank Group amounted to EUR 5.7 (4.6) million.

Equity risk

Equity risk refers to changes in value due to fluctuations in share prices. Real estate risk refers to risk associated with a fall in the market value of real estate assets.

The Bank Group conducts no equity trading for trading purposes.

Equity investments pertaining to business operations amounted at year-end to EUR 9.1 (8.3) million.

Risk sensitivity

With regard to investments, the key risks are interest rate risk and credit spread risk. The table on the following page, Sensitivity analysis for market risks, shows a summary of the market value sensitivity of the banking group's available-for-sale financial assets under different market risk scenarios. The shocks applied are based on historical interest rate volatility and reflect both a high and low interest rate scenario. The same interest rate scenarios form the basis for the Board's limits on capital usage. The risk components set out in the table are defined as follows:

Upward interest rate risk: The change is applied to a risk-free interest rate curve derived from Euribor and Euro swap interest rates. The stress factors have been determined based on a historical analysis and the changes have been selected to represent a 99.5 percentile (the 995th highest of 1,000 cases) for possible outcomes over a one-year period. The factors are revised annually and a minimum shock of 1% is applied.

Downward interest rate risk: The change is applied to a risk-free interest rate curve derived from Euribor and Euro swap interest rates. The stress factors have been determined based on a historical analysis and the changes have been selected to represent a 0.5 percentile (the 5th lowest of 1,000 cases) for possible outcomes over a one-year period. The factors are revised annually and a minimum shock of -0.5% is applied.

Credit spread risk: Describes the risk that spreads, i.e. counterparty specific risk premiums, will rise. The size of the change is an annually revised figure that is based on yield curves for interest rate instruments with a given rating and investment type. The stress factors have been determined based on a historical analysis based on a 99.5 percentile from which the interest rate component has been excluded. The factors are revised annually.

Exchange rate risk: Describes the risk of changes in different currencies against the euro. Each currency is tested separately for an upward shock and a downward shock, and the worse outcome for each currency is selected and the effects for all currencies are then summed up. The stress factors have been determined based on a historical analysis and the changes have been selected so that upward shock represents a 99.5 percentile and the downward shock a 0.5 percentile for possible outcomes over a one-year period. The factors are revised annually.

Equity and real estate risk: Describes the risk that the market value of shares and real estate will fall. The extent of the shock for equities is -55% and is determined by a historical analysis of an equity index basket so that the downward shock represents a 0.5% percentile for the possible outcomes of the change in the level of the index over one year. Based on expert opinions, -60% is used for unlisted equities and -25% for properties.

The impact on equity and income statement is given after tax.

Sensitivity analysis for market risks

	Financial assets measured at fair value through other comprehensive income			
	2023		2022	
Banking Group	(EUR 1,000)	%	(EUR 1,000)	%
Market value 31.12.	929,922	100.0%	884,424	100.0%
IR risk up (normal method)	-1,064	-0.1%	-2,049	-0.2%
IR risk up (100 bp)	-2,731	-0.3%	-2,049	-0.2%
IR risk down (normal method)	4,330	0.5%	1,468	0.2%
Spreadrisk	-11,436	-1.2%	-9,443	-1.1%
Equity risk	-4,771	-0.5%	-4,682	-0.5%
Real estate risk	—	—%	—	—%

The Bank has hedged its liquidity portfolio against rising interest rates, which means that interest rate risk is currently very low. In the table, the market value consists of the market value of bonds, interest rate swaps and shares.

In the table above, the normal method refers to a 99.5% percentage point interest rate shock, with a minimum 100 basis point shock applied to all interest rate points in the upside scenario and a -50 basis point shock in the downside scenario.

2.2 Life insurance operations

Market and asset and liability risks (ALM) in the insurance business

After preparation by the Group Executive Committee, the risk committee of the Group's Board of Directors, and the Board of Directors of Aktia Life Insurance, Aktia Bank Plc's Board of Directors authorizes the investment strategy and plans. It also sets out the limits for managing market risks in both the investment portfolio and interest-linked technical provisions on a yearly basis. The Group's Asset and Liability Committee (ALCO) is responsible for the operational management of the group's investment assets within predetermined guidelines and limits. The asset management of the parent company Aktia Bank Plc has a mandate for the fixed income and equity investments of Aktia Life Insurance Ltd, and a named portfolio manager is responsible for the operational management. The Board of Directors of Aktia Life Insurance is responsible for the strategic and property investments. Aktia Life Insurance's investment manager is positioned within the ALM unit of the Group, and is responsible for the overall planning of the portfolio and risk-taking. The Group's independent risk control unit monitors risk positions and follow-up of limits.

The policyholder bears the investment risk of the investments that cover the investment-linked insurance policies. Aktia Life Insurance bears the risk for other investments for covering the interest-linked technical provisions. There is thus a certain degree of risk-taking in the investment activities of Aktia Life Insurance.

The objective of Aktia Life Insurance is for the portfolio of assets covering the technical provisions to be built taking into account the risk-bearing capacity of the insurance business, its return requirements, and the readiness to convert liquid assets into cash. The biggest risks pertaining to the investment activities are a decline in the asset market value due to fluctuation of interest rates, credit premiums (spread), share prices, real estate prices, and foreign exchange rates, as well as the risk that illiquid assets cannot be sold at the rate required by the decreasing technical provisions.

Interest rate risk is the most significant market risk connected with the technical provisions in Aktia Life insurance and affects profitability as a result of demands for returns over guaranteed interest rates and capital adequacy as a result of the market valuation of assets and liabilities The portfolio's fixed income instruments generally have an opposite risk to the technical provisions. Aktia Life Insurance also uses hedging interest rate derivatives, and through them has been able to reduce the overall interest rate risk. Today, interest rate risk is one of the company's smaller market risks, regarding both the Solvency II capital requirement and the internal capital requirement.

Managing interest rate risk requires active follow-up of the technical provisions and the development of the portfolio. Interest rate swaps have been used as hedging derivatives, in part for hedging the technical provisions as a whole, and in part for hedging certain individual holdings and interest-bearing securities, such as the Tier 2 capital loan.

While interest rates rose throughout most of 2023, the end of the year saw a marked decline in medium and long-term rates in particular: the euro swap rates with a maturity of one year or more fell by an average of 87 basis points in the final quarter. Calculated for the full year, however, the decline was not quite as large, amounting to about 36 basis points. The overall effect on the balance sheet was positive for the year, both from a Solvency II and IFRS point of view.

In addition to the balance sheet, interest rate fluctuation also affects the capital requirement. The interest rate risk component of the requirement is calculated in Solvency II using a percentage interest rate shock, meaning that the size of the shock increases with rising interest rates and decreases with falling interest rates. At year-end, the requirement was EUR 9.1 (11.6) million as part of the Solvency Capital Requirement (SCR). The internal shock is a fixed additive shock that is calibrated annually, and within this model, the interest rate shock was EUR 23.1 (14.5) million at year-end.

The comparative figure is calculated using the model parameters calibrated for 2023. The increase is due to the fact that lower interest rates led to an increase in technical provisions and that the shock as a curve has a more unfavourable shape for the company than the Solvency II shock.

The size of the credit spread risk depends on the prospects for the counterparty, the instrument's seniority, and whether or not the investment has collateral. With regard to contracts with an active market (as for most investment instruments), the market is constantly valuing the risk, making credit spread a component of the instrument's market value and therefore part of the market risk.

Fixed income investments still dominated the insurance business' portfolio, but the share has decreased significantly during the year, which is due to the fact that the portfolio has decreased in line with technical provisions and divestments for liquidity needs have mainly been made in the fixed income portfolio. In particular, the share of money market instruments has decreased and amounted to EUR 25.8 (55.3) million. Fixed income investments amounted to EUR 342.5 (383.0) million, constituting 68 (78) per cent of the portfolio. The share of fixed income mutual funds remains significant and the direct fixed income investments amounted to EUR 252.2 (281.5) million at year-end.

Credit risk has increased despite the decline in fixed income investments both in absolute terms and in relation to the entire portfolio. This is mainly due to the fact that lower interest rates increase the value of fixed income investments, thereby increasing their credit risk. At year-end, the credit risk amounted to EUR 18.2 (18.4) million as part of the Solvency Capital Requirement and to EUR 23.0 (20.2) as part of the internal model. The comparative figure is calculated using the model parameters calibrated for 2023.

Equity risk occurs if market prices of shares and other comparable instruments fall. Listed share holdings in the portfolio decreased to EUR 10.1 (12.8) million during the year. All listed share holdings are in the form of investment funds. Holdings in private equity funds decreased to EUR 27.1 (28.7) million due to divestments. Private equity funds also include Pohjantähti Mutual Insurance Company guarantee capital holdings and infrastructure funds.

Most of the equity risk arises from investment-linked insurance policies. This portfolio has increased by more than EUR 130 million to EUR 1,135.5 million during the year. This portfolio is for the most part exposed to equity risk. Despite Aktia Life Insurance only bearing a very small part of the risk, the large volume makes this part of the risk significant. Furthermore, the parameter for the countercyclical equity damper of the SCR calculation increased by almost 4.5 per cent during the year. At year-end, the equity risk totalled EUR 24.1 (19.0) million as part of the Solvency Capital Requirement and to EUR 35.2 (32.2) as part ofthe internal model. The comparative figure is calculated using the model parameters calibrated for 2023.

Real estate risk arises when the prices on the real estate market or rent levels fall and thus provide lower returns on real estate investments.

Aktia Life Insurances' real estate risk arises through investments in indirect real estate instruments, such as unlisted real estate funds and shares in real estate companies, or in direct real estate. At year-end, the total real estate investments amounted to EUR 91.9 (72.7) million. The increase is partly due to the call for capital in the Espoon Erica new build, but mostly due to the lower loan-to-value ratio in the real estate portfolio as the loan share in Asunto Oy Helsingin Tuulensuoja and Kiinteistö Oy Helsingin Gigahertsi has been repaid. Although the net value of the investments has increased, the risk has remained unchanged.

Real estate risk applies the same model for the Solvency Capital Requirement and the internal capital requirement and amounted to EUR 25.9 (25.6) million at year-end.

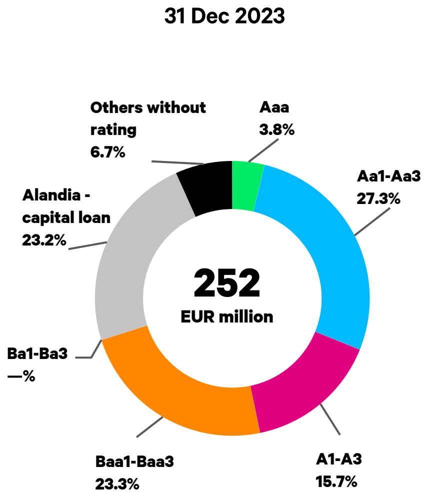
Currency risk occurs due to changes in exchange rates against one another, and especially due to changes in foreign currencies against the euro. The technical provisions only consist of liabilities in euros, and currency risk is taken only for investment purposes.

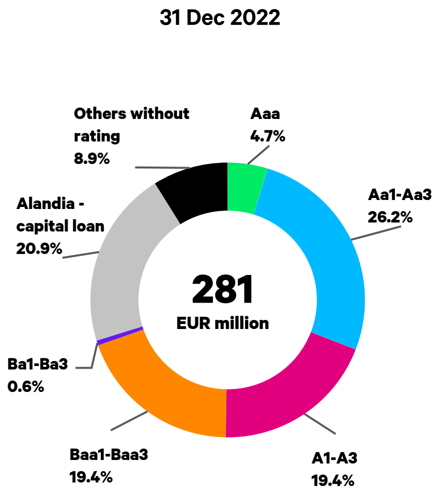
The currency risk of Aktia Life Insurance relates to holdings in funds that invest in interest-bearing securities or equities, where the underlying investments are issued in other currencies. This risk is present in the interest-linked portfolio and in the investment-linked insurance portfolios. At year-end, the currency risk amounted to EUR 17.0 (12.4) million as part of the Solvency Capital Requirement and to EUR 22.2 (20.1) as part of the internal model. The comparative figure is calculated using the model parameters calibrated for 2023.

When calculating risk sensitivity, the same parameters as in calculation of the bank's risk sensitivity are used. These parameters are described in Chapter 2.4.1.5. For Aktia Life Insurance, stress is also considered for technical provisions.

Rating distribution for direct fixed income investments of life insurance business

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





Management of insurance risks

Insurance risk is divided into risks arising from the selection of exposures (underwriting risk) and risks arising from the adequacy of the technical provisions, which are generally referred to as actuarial risks. Actuarial risk refers to the risk that the claims paid out to policyholders and other costs associated with technical provisions are higher than calculated or that the expected income is lower than anticipated. Underwriting risk is caused by losses arising as a result of, for example, incorrect pricing, risk concentrations, inadequate reinsurance or unexpectedly high frequency of claims.

Aktia Life Insurance's product offering includes life and health insurance, voluntary pension insurances, savings and investment insurances and capitalisation agreements. Due to the regulations of the Insurance Contracts Act, the company is very limited in its ability to influence premiums and terms and conditions for old policies that are still in effect. Premium adequacy is followed up annually. For new policies, the company is free to set the premium levels itself. This is decided by the Board, at the proposal of the head actuary. Reinsurance is used to limit compensation liabilities on the company's own account so that solvency capital is adequate, and the profit level does not fluctuate too much. The Board of Directors of Aktia Life Insurance defines the limits that the company itself can bear without taking out reinsurance.

Sensitivity analysis for market risks

	Portfolio		Technical provisions*		Total			
	2023	2022	2023	2022	2023	2022	2023	2022
Life insurance company	(EUR 1,000)	(EUR 1,000)	(EUR 1,000)	(EUR 1,000)	(EUR 1,000)	(EUR 1,000)	%**	%**
Interest linked								
Market value 31.12.	459,437	473,244	-320,301	-318,554	139,136	154,690	89.7%	90.0%
IR risk up	-83,912	-28,007	57,880	23,910	-26,031	-4,097	-16.8%	-2.1%
IR risk down	83,565	37,819	-72,399	-38,154	11,166	-335	7.2%	-0.2%
Spreadrisk	-21,016	-14,483	120	24	-20,896	-14,459	-13.5%	-7.3%
Currency risk	-15,326	-12,393	408	144	-14,918	-12,248	-9.6%	-6.2%
Equity risk	-18,975	-21,505	959	359	-18,016	-21,146	-11.6%	-10.6%
Real estate risk	-25,870	-25,628	—	—	-25,870	-25,628	-16.7%	-12.9%
Unit- and index linked								
Market value 31.12.	1,133,591	1,001,595	-1,117,661	-981,726	15,930	19,869	10.3%	10.0%
IR risk up	-49,039	-13,840	51,945	14,590	2,907	750	1.9%	0.4%
IR risk down	49,089	13,929	-54,282	-15,335	-5,193	-1,406	-3.3%	-0.7%
Spreadrisk	-40,480	-18,360	38,350	17,665	-2,129	-695	-1.4%	-0.4%
Currency risk	-137,679	-108,861	130,422	104,741	-7,257	-4,121	-4.7%	-2.1%
Equity risk	-323,653	-271,871	306,442	261,423	-17,210	-10,448	-11.1%	-5.3%
Total								
Market value 31.12.	**1,593,027**	**1,474,839**	**-1,437,962**	**-1,300,280**	**155,066**	**174,559**	**100.0%**	**100.0%**
IR risk up	-132,951	-41,847	109,826	38,500	-23,125	-3,347	-14.9%	-1.7%
IR risk down	132,653	51,748	-126,680	-53,489	5,973	-1,741	3.9%	-0.9%
Spreadrisk	-61,496	-32,843	38,470	17,689	-23,026	-15,154	-14.8%	-7.6%
Currency risk	-153,005	-121,254	130,830	104,885	-22,175	-16,369	-14.3%	-8.3%
Equity risk	-342,628	-293,376	307,401	261,782	-35,226	-31,594	-22.7%	-15.9%
Real estate risk	-25,870	-25,628	—	—	-25,870	-25,628	-16.7%	-12.9%

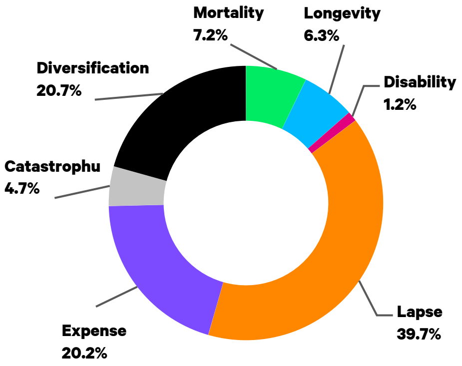
* The market value of the Technical Provisions is a risk neutral value which is obtained by discounting simulated cashflows. Therefore it differs from the book value of the Technical Provisions.
** The percentage is the portion of the total market value.

Distribution of underwriting risks according to Solvency II categories

The principal risks associated with risk insurance are biometric risks connected to mortality, compensation for healthcare costs, long-term inability to work and daily compensation in the event of illness. The most important methods used to manage risk associated with risk insurance are risk selection, pricing, re-insuring of risks and the monitoring of compensation costs. With respect to health insurance, the company can increase policy premiums, within certain limits, to cover the increasing compensation paid out in the event of ill health.

In the solvency calculation, Aktia Life Insurance applies the standard formula of the regulatory framework for the calculation of the Solvency Capital Requirement and its sub-risks. A large part of the actuarial risks in that calculation relate to life insurance obligations, as they are often long-term by nature. At year-end, the solvency actuarial risks of the life insurance obligations amounted to EUR 58.5 (45.8) million, with the mass cancellation risk being the most significant single actuarial sub-risk. At year-end, the corresponding actuarial risks for sickness obligations amounted to EUR 1.5 (1.9) million.

31 Dec 2023



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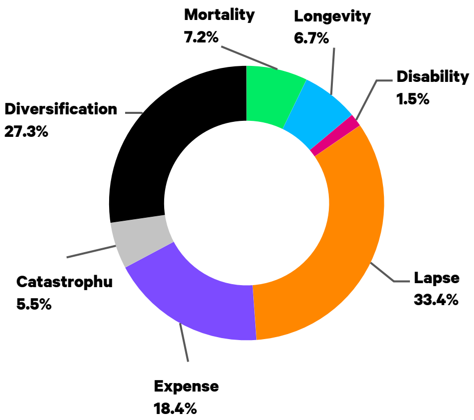

Group’s capital adequacy and risk exposures

The Bank Group’s capital adequacy - Banking Group includes Aktia Bank plc and all its subsidiaries except for Aktia Life Insurance, and forms a consolidated group in accordance with the capital adequacy regulations

	31 Dec 2023		31 Sep 2023		30 Jun 2023		31 Mar 2023		31 Dec 2022	
(EUR 1,000)	Group	Bank Group	Group	Bank Group	Group	Bank Group	Group	Bank Group	Group	Bank Group
Calculation of the Bank Group's capital base										
Total assets	**12,036,941**	**10,431,732**	**11,949,237**	**10,424,125**	**12,292,417**	**10,761,185**	**12,122,218**	**10,594,536**	**12,393,275**	**10,918,840**
of which intangible assets	168,187	165,312	167,328	165,302	167,213	165,392	166,112	164,334	166,317	164,581
Total liabilities	**11,328,960**	**9,743,804**	**11,266,955**	**9,755,431**	**11,638,223**	**10,118,332**	**11,459,953**	**9,940,328**	**11,695,522**	**10,286,585**
of which subordinated liabilities	121,357	69,614	119,403	69,597	118,988	69,580	119,163	69,564	118,540	69,547
Share capital	169,732	169,732	169,732	169,732	169,732	169,732	169,732	169,732	169,732	169,732
Fund at fair value	-39,017	-28,984	-42,591	-29,960	-44,727	-32,051	-47,003	-34,392	-49,915	-35,891
Restricted equity	**130,715**	**140,748**	**127,141**	**139,772**	**125,005**	**137,681**	**122,729**	**135,340**	**119,817**	**133,841**
Unrestricted equity reserve and other funds	151,932	151,802	150,297	150,202	149,219	149,145	146,956	146,921	147,148	147,033
Retained earnings	281,652	259,024	281,531	258,903	281,362	258,734	315,020	292,392	319,745	215,677
Profit for the year	84,221	76,893	63,853	60,357	39,148	37,834	18,101	20,095	51,583	76,245
Unrestricted equity	**517,805**	**487,720**	**495,681**	**469,462**	**469,729**	**445,713**	**480,076**	**459,409**	**518,476**	**438,954**
Shareholders' share of equity	648,521	628,468	622,822	609,234	594,734	583,394	602,805	594,749	638,294	572,796
Holders of other Tier 1 capital	59,460	59,460	59,460	59,460	59,460	59,460	59,460	59,460	59,460	59,460
Equity	**707,981**	**687,928**	**682,282**	**668,694**	**654,194**	**642,854**	**662,265**	**654,209**	**697,754**	**632,256**
Total liabilities and equity	**12,036,941**	**10,431,732**	**11,949,237**	**10,424,125**	**12,292,417**	**10,761,185**	**12,122,218**	**10,594,536**	**12,393,275**	**10,918,840**
Off-balance sheet commitments	617,491	607,493	620,943	607,445	626,383	610,385	573,191	555,879	645,125	627,813
The Bank Group's equity		**687,928**		**668,694**		**642,854**		**654,209**		**632,256**
Provision for dividends to shareholders		-50,739		-51,083		-31,318		-14,481		-30,950
Profit for the year, for which no application was filed with the Financial Supervisory Authority		—		—		—		—		—
Intangible assets		-149,753		-157,744		-157,004		-154,539		-153,410
Debentures		69,614		69,597		69,580		69,564		69,547
Additional expected losses according to IRB		-26,064		-22,972		-22,387		-24,395		-26,703
Deduction for significant holdings in financial sector entities		-8,767		-11,337		-11,890		-12,238		-12,969
Other incl. unpaid dividend		-9,455		-10,092		-10,284		-41,842		-11,302
Total capital base (CET1 + AT1 + T2)		**512,764**		**485,064**		**479,552**		**476,279**		**466,469**

(EUR 1,000)	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
The Bank Group's capital adequacy					
Common Equity Tier 1 Capital before regulatory adjustments	568,482	547,968	540,822	537,348	532,066
Common Equity Tier 1 Capital regulatory adjustments	-183,011	-190,765	-189,698	-190,060	-192,819
Total Common Equity Tier 1 Capital (CET1)	**385,471**	**357,203**	**351,124**	**347,288**	**339,247**
Additional Tier 1 capital before regulatory adjustments	57,679	58,263	58,848	59,427	57,675
Additional Tier 1 capital after regulatory adjustments (AT1)	**57,679**	**58,263**	**58,848**	**59,427**	**57,675**
Total Tier 1 capital (T1 = CET1 + AT1)	**443,150**	**415,467**	**409,972**	**406,715**	**396,922**
Tier 2 capital before regulatory adjustments	69,614	69,597	69,580	69,564	69,547
Total Tier 2 capital (T2)	**69,614**	**69,597**	**69,580**	**69,564**	**69,547**
Total own funds (TC = T1 + T2)	**512,764**	**485,064**	**479,552**	**476,279**	**466,469**

The table continues

(EUR 1,000)	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Risk weighted exposures total	**3,411,193**	**3,257,264**	**3,202,720**	**3,132,791**	**3,130,631**
of which credit risk, the standardised model	734,801	712,852	668,132	646,523	619,152
of which credit risk, the IRB model	2,191,863	2,100,705	2,093,560	2,040,356	2,065,552
of which CVA risk	13,840	12,356	9,676	14,561	14,576
of which market risk	—	—	—	—	—
of which operational risk	470,689	431,351	431,351	431,351	431,351
Own funds requirement (8%)	272,895	260,581	256,218	250,623	250,450
Own funds buffer	239,869	224,483	223,335	225,655	216,018
CET1 Capital ratio	11.3%	11.0%	11.0%	11.1%	10.8%
T1 Capital ratio	13.0%	12.8%	12.8%	13.0%	12.7%
Total capital ratio	15.0%	14.9%	15.0%	15.2%	14.9%
Own funds floor (CRR article 500)					
Own funds	512,764	485,064	479,552	476,279	466,469
Own funds floor [1)]	260,890	253,955	250,793	247,081	245,995
Own funds buffer	251,874	231,109	228,760	229,197	220,474

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

(EUR 1,000)	2021	2022	2023	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Risk-weighted amount for operational risks								
Gross income	240,509	235,834	276,759					
- average 3 years			251,034					
Capital requirement for operational risk				**37,655**	**34,508**	**34,508**	**34,508**	**34,508**
Risk-weighted amount				**470,689**	**431,351**	**431,351**	**431,351**	**431,351**

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%.

31 Dec 2023

(EUR 1,000)	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital requirement 8%
The Bank Group's total risk exposures					
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,073,983	977,405	61%	595,114	47,609
Corporates - Other	897,719	841,822	82%	689,875	55,190
Retail - Secured by immovable property non-SME	4,594,589	4,581,489	15%	703,268	56,261
Retail - Secured by immovable property SME	103,603	102,984	17%	17,244	1,379
Retail - Other non-SME	245,048	231,270	23%	53,229	4,258
Retail - Other SME	18,599	16,529	52%	8,537	683
Equity exposures	46,477	46,477	268%	124,597	9,968
Total exposures, IRB approach	**6,980,018**	**6,797,976**	**32%**	**2,191,863**	**175,349**
Credit risk, standardised approach					
States and central banks	811,770	858,707	—%	—	—
Regional governments and local authorities	85,735	84,171	0%	293	23
Multilateral development banks	—	41,928	—%	—	—
International organisations	25,314	25,314	—%	—	—
Credit institutions	303,545	300,410	21%	62,770	5,022
Corporates	113,640	35,639	81%	29,031	2,322
Retail exposures	586,187	292,440	68%	197,938	15,835
Secured by immovable property	895,911	883,931	29%	259,860	20,789
Past due items	5,451	3,780	121%	4,580	366
Covered bonds	961,013	961,013	10%	96,757	7,741
Other items	105,274	105,274	79%	83,572	6,686
Total exposures, standardised approach	**3,893,839**	**3,592,607**	**20%**	**734,801**	**58,784**
Total risk exposures	**10,873,856**	**10,390,583**	**28%**	**2,926,664**	**234,133**

31 Dec 2022

(EUR 1,000)	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital rquirement 8%
The Bank Group's total risk exposures					
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,092,900	991,848	58%	579,288	46,343
Corporates - Other	869,944	800,583	70%	564,296	45,144
Retail - Secured by immovable property non-SME	4,858,115	4,845,781	15%	733,029	58,642
Retail - Secured by immovable property SME	107,271	106,842	12%	12,588	1,007
Retail - Other non-SME	238,781	226,223	24%	53,603	4,288
Retail - Other SME	16,677	14,994	59%	8,903	712
Equity exposures	41,560	41,560	274%	113,844	9,108
Total exposures, IRB approach	**7,225,246**	**7,027,831**	**29%**	**2,065,552**	**165,244**
Credit risk, standardised approach					
States and central banks	1,429,649	1,478,274	—%	—	—
Regional governments and local authorities	174,732	173,198	0%	281	22
Multilateral development banks	—	49,622	—%	—	—
International organisations	24,971	24,971	—%	—	—
Credit institutions	322,103	318,845	21%	67,281	5,382
Corporates	95,583	43,708	67%	29,333	2,347
Retail exposures	384,108	160,396	68%	109,698	8,776
Secured by immovable property	797,221	781,188	31%	238,467	19,077
Past due items	8,136	6,152	110%	6,737	539
Covered bonds	853,727	853,727	11%	90,323	7,226
Other items	104,316	104,316	74%	77,031	6,163
Total exposures, standardised approach	**4,194,545**	**3,994,396**	**16%**	**619,152**	**49,532**
Total risk exposures	**11,419,792**	**11,022,227**	**24%**	**2,684,704**	**214,776**

(EUR 1,000)	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
The Bank Group's leverage Ratio					
Tier 1 capital	443,150	415,467	410,462	406,715	396,922
Total exposure	10,468,879	10,432,349	10,793,555	10,619,437	10,985,194
Leverage Ratio, %	**4.23**	**3.98**	**3.80**	**3.83**	**3.61**

(EUR 1,000)	31 Dec 2023	31 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
The financial conglomerate's capital adequacy					
Summary					
The Group's equity	707,981	682,282	654,194	662,265	640,096
Sector-specific assets	125,614	125,597	125,580	125,564	125,547
Intangible assets and other reduction items	-174,216	-184,189	-159,547	-168,794	-151,302
Conglomerate´s total capital base	**659,379**	**623,691**	**620,227**	**619,035**	**614,341**
Capital requirement for banking business	391,439	373,413	367,392	359,223	359,030
Capital requirement for insurance business [1)]	93,933	84,396	83,778	79,340	75,229
Minimum amount for capital base	**485,371**	**457,810**	**451,170**	**438,563**	**434,258**
Conglomerate´s capital adequacy	**174,008**	**165,881**	**169,057**	**180,472**	**180,082**
Capital adequacy ratio, %	135.9%	136.2%	137.5%	141.2%	141.5%

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.

G3 The Group’s segment reporting

	Banking Business		Asset Management		Life Insurance		Group Functions		Other & eliminations		Total Group	
(EUR 1,000)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Income statement												
Net interest income	151,778	86,275	18,230	3,381	—	—	-26,429	9,473	452	51	144,031	99,180
Net commission income	58,154	58,313	64,004	65,550	—	—	6,052	5,940	-7,840	-7,811	120,371	121,992
Net income from life insurance	—	—	—	—	26,990	82,083	—	—	-2,929	-2,901	24,061	79,182
Other operating income	451	202	73	364	—	—	2,580	2,230	-526	-203	2,578	2,594
Total operating income	**210,383**	**144,790**	**82,307**	**69,295**	**26,990**	**82,083**	**-17,797**	**17,644**	**-10,843**	**-10,865**	**291,041**	**302,947**
Personnel costs	-17,836	-17,062	-23,077	-19,202	-2,391	-2,158	-41,217	-41,971	—	0	-84,521	-80,393
Other operating expenses [1)]	-86,958	-84,168	-32,067	-30,846	-7,300	-7,587	23,777	22,698	10,467	10,865	-92,082	-89,037
Total operating expenses	**-104,794**	**-101,230**	**-55,144**	**-50,048**	**-9,691**	**-9,745**	**-17,441**	**-19,273**	**10,467**	**10,865**	**-176,603**	**-169,430**
Impairment of tangible and intangible assets	-970	-40	-108	—	—	—	-223	—	—	—	-1,301	-40
Expected credit losses and impairment of credits and other commitments	-6,967	-10,224	—	—	—	—	—	—	—	—	-6,967	-10,224
Impairment of other receivables	—	—	-105	—	—	—	—	—	—	—	-105	—
Share of profit from associated companies	—	—	—	—	—	—	—	—	147	249	147	249
Operating profit	**97,652**	**33,297**	**26,951**	**19,247**	**17,299**	**72,338**	**-35,461**	**-1,629**	**-229**	**249**	**106,212**	**123,502**
Comparable operating profit	**98,187**	**34,114**	**28,639**	**19,718**	**17,299**	**72,398**	**-35,543**	**-1,747**	**-229**	**249**	**108,353**	**124,732**
(EUR 1,000)	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Balance sheet												
Financial assets measured at fair value	—	—	1	88	1,497,884	1,407,047	920,862	854,222	0	-14,843	2,418,747	2,246,513
Cash and balances with central banks	607	851	—	—	—	0	91,144	164,942	—	—	91,752	165,794
Interest-bearing securities measured at amortised cost	—	—	—	—	37,580	36,812	450,868	492,597	—	—	488,448	529,409
Loans and other receivables	7,638,971	7,620,072	284,667	219,489	26,949	14,806	635,160	1,155,732	-23,676	-25,152	8,562,071	8,984,948
Other assets	61,099	87,515	53,527	54,130	114,037	109,483	326,212	298,561	-78,951	-64,107	475,924	485,582
Total assets	**7,700,677**	**7,708,439**	**338,195**	**273,707**	**1,676,450**	**1,568,148**	**2,424,246**	**2,966,054**	**-102,627**	**-104,102**	**12,036,941**	**12,412,246**
Deposits	3,909,963	4,472,436	712,354	820,344	—	—	273,997	778,039	-23,676	-25,152	4,872,638	6,045,668
Debt securities issued	—	—	—	—	—	—	3,577,279	3,066,578	—	-14,843	3,577,279	3,051,735
Liabilities from insurance business	—	—	—	—	1,528,964	1,419,981	—	—	—	—	1,528,964	1,419,981
Other liabilities	169,101	140,479	51,612	34,834	81,243	93,256	1,080,445	1,003,903	-32,321	-17,706	1,350,079	1,254,766
Total liabilities	**4,079,064**	**4,612,916**	**763,966**	**855,178**	**1,610,207**	**1,513,237**	**4,931,721**	**4,848,521**	**-55,997**	**-57,701**	**11,328,960**	**11,772,150**

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.

G4 Net interest income

(EUR 1,000)	2023	2022
Interest income		
Financial assets valued at fair value through income statement	17,254	-3,823
Financial assets valued at fair value through OCI	6,841	2,239
Cash and balances with central banks	1,506	282
Receivables from credit institutions and central bank	33,247	7,142
Receivables from public and public sector entities	290,474	108,095
Finance lease contracts	4,800	1,200
Loans and other receivables which are valued at amortised cost	328,520	116,437
Interest-bearing securities which are valued at amortised cost	6,538	4,377
Other external interest income	49	-1
Financial assets which are valued at amortised cost	335,108	120,813
Total	**360,709**	**119,511**
of which interest income from financial assets reported at stage 3	259	341
Interest expenses		
Deposits, credit institutions	-40,379	-6,213
Deposits, other than public sector entities	-27,056	-1,165
Deposits	-67,435	-7,378
Debt securities issued to the public	-82,934	-20,359
Subordinated liabilities	-1,029	-1,144
Debt securities issued and subordinated liabilities	-83,963	-21,503
Hedging derivative instruments	-63,148	10,545
Interest expenses for right-of-use assets	-1,135	-1,262
Other interest expenses, external	-998	-733
Total	**-216,678**	**-20,331**
Net interest income	**144,031**	**99,180**
Lending	302,488	108,810
Borrowing	-119,119	-1,654
Senior financing	-78,785	-10,904
Liquidity portfolio	22,745	2,582
Other	16,702	346
of which TLTRO loan	-13,396	1,294
of which deposits in the Bank of Finland	27,861	1,452
Total	**144,031**	**99,180**

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 senior financing, its interest rate hedging and risk debentures.

G5 Dividends

(EUR 1,000)	2023	2022
Equity instruments measured at fair value through the income statement	140	1,444
Total	**140**	**1,444**

Dividends received from life insurance business are included in net income from investments and amounts to EUR 0.2 (0.1) million. For more information see note G7.

G6 Net commission income

(EUR 1,000)	2023	2022
Commission income		
Mutual funds, asset management and securities brokerage	84,028	87,796
Card- and payment services	29,369	25,430
Borrowing	3,946	3,747
Lending	8,623	9,113
Currency- and foreign operations	4,955	4,576
Insurance brokerage	1,794	1,954
Legal services	610	929
Guarantees and other off-balance sheet commitments	757	486
Other commission income	552	221
Total	**134,634**	**134,251**
Commission expenses		
Money handling	-1,490	-1,514
Card- and payment services	-7,289	-4,371
Securities and investments	-3,916	-3,965
Other commission expenses	-1,568	-2,409
Total	**-14,264**	**-12,259**
Net commission income	**120,371**	**121,992**

G7 Net income from life insurance

(EUR 1,000)	2023	2022
Insurance revenue from (re)insurance contracts issued	55,146	52,820
Insurance service expenses	-36,455	-37,306
Net income (expenses) from reinsurance contracts held	-713	-217
Insurance service result	17,978	15,297
Premiums written	116,954	112,073
Insurance claims paid	-69,389	-63,584
Net value change of unit-linked investments	86,097	-159,271
Changes in outstanding claims provision	287	-130
Changes in life insurance provision	-125,500	119,571
Result from investment contracts	**8,449**	**8,659**
Actuarially calculated result	**26,427**	**23,956**
Net income from investments	21,098	-29,972
Insurance finance income or expenses	-23,463	85,197
Net investment result	**-2,366**	**55,226**
Net income from life insurance	**24,061**	**79,182**

	Fair value		Full Retrospective		Total	
(EUR 1,000)	2023	2022	2023	2022	2023	2022
INSURANCE CONTRACTS						
Change in contractual service margin (CSM)	5,450	6,813	3,581	1,833	9,031	8,645
Change in the risk adjustment	1,780	3,973	839	1,155	2,618	5,128
Expected incurred claims and other expenses after loss component allocation	38,967	35,222	6,909	3,818	45,876	39,040
Insurance acquisition cash flow recovery	0	—	14	7	14	7
Actuarial gains (-) / losses (+)	-1,104	—	-1,289	—	-2,393	—
Insurance revenue from (re)insurance contracts issued	**45,093**	**46,007**	**10,053**	**6,813**	**55,146**	**52,820**

(EUR 1,000)	2023	2022
INVESTMENT CONTRACTS		
Premiums written from investment contracts		
Distribution of premiums written from investment contracts		
Saving plans	109,334	103,516
Individual pension insurance	2,745	3,186
Group pension insurance	4,875	5,371
Total	**116,954**	**112,073**
On-going and one-off premiums from direct insurance		
On-going premiums from investment agreements	42,837	52,709
One-off premiums from investment agreements	74,117	59,364
Total premiums written	**116,954**	**112,073**
Claims paid from investment contracts		
Saving plans		
Repayment of saving sums	—	-3
Payments in the event of death	-21,612	-21,766
Repurchase	-43,950	-37,565
Total	**-65,563**	**-59,334**
Individual pension insurance		
Pensions	-3,059	-3,408
Payments in the event of death	-166	-266
Repurchase	-497	-401
Total	**-3,722**	**-4,074**
Group pension insurance		
Pensions	-99	-74
Repurchase	-5	-101
Total	**-105**	**-176**
Total claims paid	**-69,389**	**-63,584**

(EUR 1,000)	2023	2022
NET INVESTMENT RESULT		
Net income from financial assets measured at fair value through income statement		
Profit and losses	-188	11
Unrealised value changes	10,087	-33,289
Derivative contracts	9,899	-33,278
Interest income	-1,362	527
Capital gains and losses	4	—
Unrealised value changes	4,520	-4,712
Other income and expenses	-4	-3
Interest-bearing securities	3,158	-4,188
Dividends	117	117
Capital gains and losses	2,496	10,143
Unrealised value changes	2,450	-7,632
Other income and expenses	611	880
Shares and participations	5,675	3,509
Total	**18,731**	**-33,957**
Net income from financial assets measured at fair value through other comprehensive income		
Interest income	2,884	1,406
Capital gains and losses	37	97
Transferred to income statement from fund at fair value	7	-12
Other income and expenses	50	-2
Interest-bearing securities	2,978	1,490
Total	**2,978**	**1,490**

The table continues

(EUR 1,000)	2023	2022
Net income from financial assets measured at amortised cost		
Interest income	1,565	1,568
Interest-bearing securities	**1,565**	**1,568**
Net income from investment properties		
Rental income	4,674	4,150
Valued at fair value	-4,532	-809
Direct expenses from investment properties, which generated rental income during during the reporting period	-2,294	-2,377
Total	**-2,151**	**963**
Interest expenses for right-of-use assets	-26	-35
Total for the Insurance business' net income from the investment business	**21,098**	**-29,972**
Interest accreted	-12,219	2,945
Effect of changes in interest rates and other financial assumptions	-50,474	74,798
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	39,230	7,453
Total insurance finance income or expenses	**-23,463**	**85,197**
Net investment result	**-2,366**	**55,226**

G8 Net income from financial transactions

(EUR 1,000)	2023	2022
Net income from derivative instruments measured at fair value through income statement		
Capital gains and losses from equity instruments	-6	17
Capital gains and losses from derivative instruments	-2	-6
Total	-8	11
Valuation gains and losses from interest-bearing securities	-87	—
Valuation gains and losses from equity instruments	907	76
Valuation gains and losses from derivative instruments	—	28
Total	821	104
Total	**813**	**115**

The table continues

(EUR 1,000)	2023	2022
Net income from currency operations	**163**	**608**
Net income from derivative instruments valued at fair value through other comprehensive income		
Capital gains and losses from interest-bearing securities	—	-94
Capital gains and losses from equity instruments	280	180
Total	280	86
Valuation gains and losses from interest-bearing securities	504	-493
Total	504	-493
Transferred to income statement from fund at fair value	—	435
Total	—	435
Total	**784**	**28**
Net income from interest-bearing securities measured at amortised cost		
Capital gains and losses from interest-bearing securities	—	—
Total	—	—
Valuation gains and losses from interest-bearing securities	122	-165
Total	122	-165
Total	**122**	**-165**
Fair value hedging		
Interest rate-related hedging for repayable on demand liabilities	11,649	-24,491
Interest rate-related hedging for lending to the public	-11,378	26,554
Interest rate-related hedging for issued bonds	78,994	-202,790
Changes in fair value of hedge instruments, net	79,265	-200,727
Repayable on demand liabilities	-12,015	24,722
Lending to the public and public sector entities	11,427	-26,603
Bonds issued	-78,848	202,661
Changes in fair value of items hedged, net	-79,436	200,779
Total	**-171**	**53**
Ineffective share of cash flow hedging	—	—
Net income from hedge accounting	**-171**	**53**
Net income from financial transactions	**1,711**	**638**

On disposal of financial instruments, the unrealised value change included in the fund at fair value at the beginning of the year, is transferred from the fund at fair value to the income statement.

G9 Other operating income

(EUR 1,000)	2023	2022
Income from other banking business	—	36
Capital gains from sale of tangible and intangible assets	117	18
Other operating income	609	457
Total	**727**	**512**

G10 Personnel

(EUR 1,000)	2023	2022
Salaries and remunerations	-66,275	-63,583
Share-based payments	-4,262	-3,866
Pension costs		
Defined contribution plans	-11,491	-10,395
Defined benefit plans	-72	-112
Other indirect employee costs	-2,421	-2,438
Indirect emplyee costs	-13,984	-12,944
Total	**-84,521**	**-80,393**
Number of emplyees 31 December		
Full-time employees	**789**	**847**
Part-time employees	109	117
Total	**898**	**964**
of which temporary	88	74
Number of employees converted to full-time equivalents	833	891
Full-time equivalent average number of employees for the year	855	910

The managements salaries and remuneration are presented in note G43.

G11 Depreciation and impairment of tangible and intangible assets

(EUR 1,000)	2023	2022
Depreciation of right-of-use assets	-4,668	-4,742
Depreciation of other tangible assets	-2,174	-1,874
Depreciation of intangible assets	-16,977	-16,964
Depreciations which are included in the result of insurance services according to IFRS 17	333	287
Total	**-23,487**	**-23,292**

G12 Other operating expenses

(EUR 1,000)	2023	2022
Other personnel expenses	-3,571	-3,906
Office expenses	-1,007	-1,153
Communication expenses	-2,755	-2,882
Marketing- and representation expenses	-3,766	-4,056
Purchased services	-6,489	-9,907
Rental expenses 1)	-1,673	-2,109
Expenses for properties in own use	-613	-602
Insurance and security expenses	-5,805	-6,490
Monitoring, control and membership fees	-1,873	-1,584
Other operating expenses	60	-338
Total	**-27,493**	**-33,026**

1) Rental expenses refer to leasing agreements with a maximum term of 12 months of EUR 0.5 (0.5) million or low value assets of EUR 0.9 (1.0) million. Other leasing agreements are reported in accordance with IFRS 16.

Auditors' fees		
Statutory auditing	428	456
Services related to auditing	69	40
Tax counselling	18	26
Other services	126	57
Total	**641**	**579**
The Financial Stability Board has determined the stability fees as:		
Deposit guarantee contribution	-3,215	-3,775
amount of which paid from the old Deposit guarantee fund (VTS fund)	-3,215	-3,775
Aktia's estimate of how many years funds may be transferred from the VTS fund for Aktia Bank plc	8	9
Contribution to the Single resolution fund	-4,291	-5,086
amount of which transferred from previously paid bank tax	—	—
Aktia's estimate of how many years funds may be transferred from earlier paid bank tax for Aktia Bank plc	—	—

Aktia's deposit guarantee contribution for 2023 amounted to EUR 3,2 (3,8) million, which has been fully covered by the VTS fund. The credit institutions that are members of the VTS fund have the right to partially or fully cover the deposit guarantee contribution from the VTS fund to the Financial Stability Board. As a member of the VTS fund, Aktia is entitled to cover deposit guarantee contributions from the VTS fund to the Financial Stability Board. At the end of the reporting period, deposit guarantee contributions totalled EUR 29.9 (33.2) million.

G13 Taxes

(EUR 1,000)	2023	2022
Income taxes	-20,304	-15,578
Taxes from previous reporting periods	8	-344
Change in deferred taxes	-1,695	-9,252
Total	**-21,991**	**-25,174**

More information on deferred taxes is presented in note G29. The tax on the Group's profit before tax deviates from the theoretical value that should arise when using the tax rate for the parent company as follows:

	2023	2022
Profit before tax	106,212	123,502
Tax calculated on a 20.0% tax rate	-21,242	-24,700
Non-deductible expenses	-724	-145
Tax free income	73	79
Associated companies and investment properties	29	73
Taxes from previous reporting periods	8	-344
Other	-135	-135
Total taxes	**-21,991**	**-25,174**
Average effective tax rate	20.7%	20.4%
Deferred tax recognised in comprehensive income		
Deferred tax relating to financial assets	-2,867	13,944
Deferred tax relating to cash flow hedging	143	85
Deferred tax relating to defined benefit plan pensions	12	-114
Total	**-2,713**	**13,915**

G14 Earnings per share

(EUR 1,000)	2023	2022
Profit for the reporting period attributable to shareholders in Aktia Bank plc	84,221	98,329
Average number of shares	72,347,806	72,013,512
Earnings per share (EPS), EUR (excluding treasury shares)	1.16	1.37
Earnings per share (EPS), EUR, after dilution (excluding treasury shares)	1.16	1.37
Total comprehensive income attributable to shareholders in Aktia Bank plc	95,071	42,668
Total earnings per share, EUR (excluding treasury shares)	1.31	0.59
Total earnings per share, EUR, after dilution (excluding treasury shares)	1.31	0.59

G15 Classification of assets and liabilities

(EUR 1,000)	Note	Amortised cost	Fair value through the income statement	Fair value through other comprehensive income	Non-financial assets	Total
Assets 31 December 2023						
Interest-bearing securities	G16, G17, G18	488,448	73,810	1,049,031		1,611,288
Shares and participations	G16		162,316			162,316
Investments for unit-linked investments	G16		1,133,591			1,133,591
Lending to Bank of Finland and credit institutions	G19	696,188				696,188
Lending to the public and public sector entities	G19	7,865,883				7,865,883
Cash and balances with central banks	G21	91,752				91,752
Derivative instruments	G22		81,916			81,916
Total financial instruments		**9,142,270**	**1,451,633**	**1,049,031**	**—**	**11,642,934**
Investments in associated companies and joint ventures	G23				2,904	2,904
Intangible assets and goodwill	G24				168,187	168,187
Right-of-use assets	G25				21,349	21,349
Investment properties	G26				62,319	62,319
Other tangible assets	G27				8,616	8,616
Accrued income and advance payments	G28				76,892	76,892
Other assets	G28				28,586	28,586
Income tax receivables					7	7
Deferred tax receivables	G29				25,147	25,147
Total		**9,142,270**	**1,451,633**	**1,049,031**	**394,007**	**12,036,941**

The table continues

(EUR 1,000)	Note	Amortised cost	Fair value through the income statement	Fair value through other comprehensive income	Non-financial assets	Totalt
Assets 31 December 2022						
Interest-bearing securities	G16, G17, G18	529,409	72,926	997,056		1,599,391
Shares and participations	G16		174,936			174,936
Investments for unit-linked investments	G16		1,001,595			1,001,595
Lending to Bank of Finland and credit institutions	G19	1,193,248				1,193,248
Lending to the public and public sector entities	G19	7,791,700				7,791,700
Cash and balances with central banks	G21	165,794				165,794
Derivative instruments	G22		54,711			54,711
Total financial instruments		**9,680,151**	**1,304,168**	**997,056**	**—**	**11,981,375**
Investments in associated companies and joint ventures	G23				3,089	3,089
Intangible assets and goodwill	G24				166,317	166,317
Right-of-use assets	G25				19,893	19,893
Investment properties	G26				44,673	44,673
Other tangible assets	G27				8,973	8,973
Accrued income and advance payments	G28				52,350	52,350
Other assets	G28				95,901	95,901
Income tax receivables					1,522	1,522
Deferred tax receivables	G28				38,154	38,154
Total		**9,680,151**	**1,304,168**	**997,056**	**430,870**	**12,412,246**

(EUR 1,000)	Note	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities 31 December 2023					
Liabilities to credit institutions and central banks	G30		308,447		308,447
Liabilities to the public and public sector entities	G30		4,564,191		4,564,191
Derivative instruments	G22	223,659			223,659
Debt securities issued	G31		3,577,279		3,577,279
Subordinated liabilities	G32		121,357		121,357
Other liabilities to credit institutions	G33		—		—
Other liabilities to the public and public sector entities	G34		781,000		781,000
Liabilities from insurance contracts	G35			470,500	470,500
Liabilities from investment contracts	G35			1,053,639	1,053,639
Accrued expenses and income received in advance	G36			106,107	106,107
Liabilities for right-of-use assets	G28		23,663		23,663
Other liabilities	G36			34,601	34,601
Provisions	G20		1,233		1,233
Income tax liabilities				4,591	4,591
Deferred tax liabilities	G29			53,867	53,867
Total		**223,659**	**9,377,171**	**1,728,131**	**11,328,960**

The table continues

(EUR 1,000)	Note	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities 31 December 2022					
Liabilities to credit institutions and central banks	G30		831,891		831,891
Liabilities to the public and public sector entities	G30		5,213,777		5,213,777
Derivative instruments	G22	294,049			294,049
Debt securities issued	G31		3,051,735		3,051,735
Subordinated liabilities	G32		118,540		118,540
Other liabilities to credit institutions	G33		5,517		5,517
Other liabilities to the public and public sector entities	G34		686,000		686,000
Liabilities from insurance contracts	G35			486,762	486,762
Liabilities from investment contracts	G35			928,426	928,426
Accrued expenses and income received in advance	G36			43,452	43,452
Liabilities for right-of-use assets	G36		22,263		22,263
Other liabilities	G36			17,905	17,905
Provisions	G20		1,270		1,270
Income tax liabilities				2,839	2,839
Deferred tax liabilities	G29			62,930	62,930
Total		**294,049**	**10,730,994**	**1,565,012**	**11,772,150**

G16 Financial assets measured at fair value through income statement

(EUR 1,000)	2023	2022
Interest bearing securities, other	0	87
Interest-bearing securities, Banking business	0	87
Interest bearing securities, credit institutions	6,035	9,002
Interest bearing securities, other	67,775	63,838
Interest-bearing securities, Life insurance	73,810	72,839
Total interest-bearing securities	**73,810**	**72,926**
Publicly quoted shares and holdings	5,244	4,336
Shares and holdings that are not publicly quoted	906	913
Shares and holdings, Banking business	6,150	5,249
Publicly quoted shares and holdings	109,560	122,578
Shares and holdings that are not publicly quoted	46,606	47,109
Shares and holdings, Life insurance	156,166	169,687
Total shares and participations	**162,316**	**174,936**
Investments for unit-linked insurances		
Publicly quoted shares and holdings	1,133,591	1,001,595
Total shares and participations	**1,133,591**	**1,001,595**
Total financial assets measured at fair value through income statement	**1,369,716**	**1,249,457**

G17 Financial assets measured at fair value through other comprehensive income

(EUR 1,000)	2023	2022
Interest bearing securities, goverments and public sector entities	95,764	134,737
Interest bearing securities, credit institutions	818,949	714,237
Interest-bearing securities, Banking business	914,713	848,974
Interest bearing securities, goverments and public sector entities	46,361	49,095
Interest bearing securities, credit institutions	23,482	26,187
Interest bearing securities, other	64,474	72,800
Interest-bearing securities, Life insurance	134,317	148,082
Total interest-bearing securities	**1,049,031**	**997,056**
Total financial assets measured at fair value through other comprehensive income	**1,049,031**	**997,056**

G18 Interest-bearing securities measured at amortised cost

	2023		2022	
(EUR 1,000)	Carrying amount	of which ECL	Carrying amount	of which ECL
Interest-bearing securities, states	94,861	-46	129,762	-58
Interest-bearing securities, other public corporations	84,228	-32	63,976	-26
Interest-bearing securities, credit institutions	271,779	-30	298,858	-146
Interest-bearing securities, Banking business	450,868	-108	492,597	-230
Interest-bearing securities, states	37,580	-20	36,812	-31
Interest-bearing securities, Life insurance	37,580	-20	36,812	-31
Total interest-bearing securities measured at amortised cost	**488,448**	**-128**	**529,409**	**-262**

G19 Loans and other receivables

(EUR 1,000)	2023 Carrying amount	2023 of which ECL	2022 Carrying amount	2022 of which ECL
Payable on demand claims on credit institutions	60,041	—	32,537	—
Other than payable on demand claims on credit institutions	636,146	—	1,160,711	—
Lending to Bank of Finland and credit institutions	696,188	—	1,193,248	—
Current account credits, public and corporates	348,740	-2,866	253,101	-2,246
Loans	7,310,816	-31,800	7,470,007	-34,306
Change in fair value of loans	-16,029	—	-27,456	—
Receivables from finance lease contracts	222,307	-1,096	95,729	-345
Loans	7,865,834	-35,762	7,791,380	-36,896
Bank guarantee claims	49	-249	319	-559
Lending to the public and public sector entities	7,865,883	-36,011	7,791,700	-37,456
Total	**8,562,071**	**-36,011**	**8,984,948**	**-37,456**

(EUR 1,000)	2023	2022
Breakdown of maturity on finance lease receivables		
Under 1 year	181,952	29,599
1-5 years	44,549	69,104
Over 5 years	7,255	928
Gross investment	**233,756**	**99,631**
Unearned future finance income	-11,449	-3,902
Net investment	**222,307**	**95,729**
Present value of finance lease receivables		
Under 1 year	172,532	28,440
1-5 years	42,804	66,398
Over 5 years	6,971	891
Total	**222,307**	**95,729**

G20 Financial assets and impairment by stage

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Book value of financial assets 31 December 2023				
Interest-bearing securities	1,608,832	2,456	—	1,611,288
Lending to the public and public sector entities	7,450,201	311,872	103,811	7,865,883
Off-balance sheet commitments	612,462	2,413	2,615	617,491
Total	**9,671,495**	**316,741**	**106,426**	**10,094,662**
Book value of financial assets 31 December 2022				
Interest-bearing securities	1,517,806	81,585	—	1,599,391
Lending to the public and public sector entities	7,398,282	281,863	111,555	7,791,700
Off-balance sheet commitments	640,204	2,810	2,112	645,125
Total	**9,556,291**	**366,258**	**113,666**	**10,036,216**
Impairment of credits and other commitments				
Impairment of credits and the other commitments 1 January 2023	5,017	6,351	27,441	38,808
Transferred from stage 1 to stage 2	-282	2,283	—	2,002
Transferred from stage 1 to stage 3	-36	—	1,788	1,751
Transferred from stage 2 to stage 1	103	-1,151	—	-1,049
Transferred from stage 2 to stage 3	—	-718	1,537	819
Transferred from stage 3 to stage 1	36	—	-1,014	-978
Transferred from stage 3 to stage 2	—	212	-1,004	-792
Increases due to origination and acquisition	3,458	227	1,034	4,720
Decreases due to derecognition	-1,348	-522	-2,170	-4,040
Decrease in allowance account due to write-offs	—	—	-8,484	-8,484
Other changes	-875	-359	5,827	4,593
Impairment of credits and the other commitments 31 December 2023	**6,073**	**6,324**	**24,955**	**37,352**
of which provisions	1,054	53	127	1,233

The table continues

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Impairment of credits and other commitments by sector				
Households	1,951	4,539	16,952	23,442
Corporates	3,511	1,764	7,606	12,881
Housing associations	568	18	77	664
Public sector entities	8	—	—	8
Non-profit organisations	33	2	321	356
Total	**6,073**	**6,324**	**24,955**	**37,352**
Impairment of interest-bearing securities				
Impairment of interest-bearing securities 1 January 2023	912	588	—	1,500
Transferred from stage 1 to stage 2	—	—	—	—
Transferred from stage 1 to stage 3	—	—	—	—
Transferred from stage 2 to stage 1	47	-485	—	-439
Transferred from stage 2 to stage 3	—	—	—	—
Transferred from stage 3 to stage 1	—	—	—	—
Transferred from stage 3 to stage 2	—	—	—	—
Increases due to origination and acquisition	21	—	—	21
Decreases due to derecognition	-145	—	—	-145
Decrease in allowance account due to write-offs	—	—	—	—
Other changes	-414	34	0	-380
Impairment of interest-bearing securities 31 December 2023	**420**	**137**	**0**	**557**
Impairment of interest-bearing securities by sector				
Corporates	286	—	—	286
Public sector entities	134	137	—	271
Total	**420**	**137**	**—**	**557**

G21 Cash and balances with central banks

(EUR 1,000)	2023	2022
Cash in hand	607	852
Bank of Finland current account	91,144	164,942
Total	**91,752**	**165,794**

G22 Derivative instruments

Derivative instruments, book value

	2023		2022	
(EUR 1,000)	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	72,431	202,125	53,495	280,067
Fair value hedging	72,431	202,125	53,495	280,067
Interest rate derivatives	9,426	21,521	268	13,043
Cash flow hedging	9,426	21,521	268	13,043
Interest rate derivatives	—	—	941	935
Currency derivatives	59	12	7	5
Other derivative instruments	59	12	948	939
Total	**81,916**	**223,659**	**54,711**	**294,049**

The nominal value of the underlying property and the fair value of the derivative instrument

31 Dec 2023

Hedging derivative instruments	Nominal values / term remaining				Fair value	
(EUR 1,000)	**Under 1 year**	**1-5 years**	**Over 5 years**	**Total**	**Assets**	**Liabilities**
Fair value hedging						
Interest rate swaps	1,355,000	3,107,925	923,595	5,386,519	55,448	201,919
Interest rate option agreements	—	682,125	89,415	771,540	16,983	206
Purchased	—	332,125	89,415	421,540	16,983	—
Written	—	350,000	—	350,000	—	206
Total fair value hedging	**1,355,000**	**3,790,050**	**1,013,010**	**6,158,059**	**72,431**	**202,125**
Cash flow hedging						
Interest rate swaps	47,395	487,769	76,681	611,845	9,426	21,521
Total cash flow hedging	**47,395**	**487,769**	**76,681**	**611,845**	**9,426**	**21,521**
Total interest rate derivatives	**1,402,395**	**4,277,818**	**1,089,691**	**6,769,904**	**81,857**	**223,647**
Total hedging derivative instruments	**1,402,395**	**4,277,818**	**1,089,691**	**6,769,904**	**81,857**	**223,647**
Other derivative instruments						
Interest rate swaps	—	—	—	—	—	—
Total interest rate derivatives	**—**	**—**	**—**	**—**	**—**	**—**
Forward rate agreements	4,671	—	—	4,671	59	12
Total forward rate agreements	**4,671**	**—**	**—**	**4,671**	**59**	**12**
Total other derivative instruments	**4,671**	**—**	**—**	**4,671**	**59**	**12**
Total derivative instruments	**1,407,067**	**4,277,818**	**1,089,691**	**6,774,576**	**81,916**	**223,659**

31 Dec 2022

Hedging derivative instruments	Nominal values / term remaining				Fair value	
(EUR 1,000)	**Under 1 year**	**1-5 years**	**Over 5 years**	**Total**	**Assets**	**Liabilities**
Fair value hedging						
Interest rate swaps	540,000	2,568,625	1,341,095	4,449,719	25,798	279,134
Interest rate option agreements	—	650,625	110,950	761,575	27,696	932
Purchased	—	350,625	60,950	411,575	27,696	—
Written	—	300,000	50,000	350,000	—	932
Total fair value hedging	**540,000**	**3,219,250**	**1,452,045**	**5,211,294**	**53,495**	**280,067**
Cash flow hedging						
Interest rate swaps	48,290	281,917	—	330,207	268	13,043
Total cash flow hedging	**48,290**	**281,917**	**—**	**330,207**	**268**	**13,043**
Total interest rate derivatives	**588,290**	**3,501,166**	**1,452,045**	**5,541,501**	**53,763**	**293,109**
Total hedging derivative instruments	**588,290**	**3,501,166**	**1,452,045**	**5,541,501**	**53,763**	**293,109**
Other derivative instruments						
Interest rate swaps	60,000	—	—	60,000	941	935
Total interest rate derivatives	**60,000**	**—**	**—**	**60,000**	**941**	**935**
Forward rate agreements	4,220	—	—	4,220	7	5
Total forward rate agreements	**4,220**	**—**	**—**	**4,220**	**7**	**5**
Total other derivative instruments	**64,220**	**—**	**—**	**64,220**	**948**	**939**
Total derivative instruments	**652,511**	**3,501,166**	**1,452,045**	**5,605,722**	**54,711**	**294,049**

G23 Investments in associated companies and joint ventures

(EUR 1,000)	2023	2022
Book value at 1 January	3,298	623
Increases	44	2,676
Book value at 31 December	3,343	3,298
Share of profits at 1 January	-210	-459
Share of profit from associated companies	147	249
Received dividends during the reporting period	-376	—
Share of profits at 31 December	-439	-210
Book value at 31 December	**2,904**	**3,089**
Associated companies:		
Figure Financial Management Ltd		
Percentage of shares and votes	25%	25%
Book value in parent company at 31 December	178	178
Share of profits in Figure Financial Management Ltd	27	52
Finlands Företagarskydd Ab		
Percentage of shares and votes	45%	45%
Book value in parent company at 31 December	720	620
Share of profits in Finlands Företagarskydd Ab	-71	-173
Aktia Alexander Corporate Finance Oy		
Percentage of shares and votes	20%	20%
Book value in parent company at 31 December	2,000	2,000
Share of profits in Aktia Alexander Corporate Finance Oy	190	370
AktiaDuetto Ab		
Percentage of shares and votes	60%	60%
Book value in parent company at 31 December	445	501
Share of profits in AktiaDuetto Ab	—	—

Reports for associated companies are prepared following the Group's accounting principles in accordance with IFRS.

See note G43, related-party transactions, for transactions with associated companies.

G24 Intangible assets and goodwill

(EUR 1,000)	Goodwill	Other intangible assets in connection with the Taaleri acquisition	Capitalised development expenses	Other intangible assets	Total
2023					
Acquisition cost at 1 January	80,395	43,074	18,459	124,095	266,023
Increases	—	—	2,652	17,274	19,926
Decreases	—	—	—	-185	-185
Acquisition cost at 31 December	80,395	43,074	21,111	141,184	285,764
Accumulated depreciations and impairments at 1 January	—	-7,332	-8,604	-83,771	-99,707
Accumulated depreciation on decreases	—	—	—	185	185
Planned depreciation	—	-4,399	-2,215	-10,363	-16,977
Impairments	—	—	—	-1,078	-1,078
Accumulated depreciations and impairments at 31 December	—	-11,731	-10,820	-95,026	-117,577
Book value at 31 December	**80,395**	**31,343**	**10,292**	**46,157**	**168,187**

The table continues

	Goodwill	Other intangible assets in connection with the Taaleri acquisition	Capitalised development expenses	Other intangible assets	Total
2022					
Acquisition cost at 1 January	80,395	43,074	16,073	117,179	256,721
Increases	—	—	2,386	6,916	9,303
Acquisition cost at 31 December	80,395	43,074	18,459	124,095	266,023
Accumulated depreciations and impairments at 1 January	—	-2,933	-6,588	-73,222	-82,743
Planned depreciation	—	-4,399	-2,016	-10,549	-16,964
Accumulated depreciations and impairments at 31 December	—	-7,332	-8,604	-83,771	-99,707
Book value at 31 December	**80,395**	**35,742**	**9,855**	**40,324**	**166,317**

All goodwill relates to the Asset Management segment. The goodwill impairment test did not lead to impairments of goodwill in 2023.

The impairment test is based on an assessment of the recoverable amount of the cash-generating unit (CGU). The parameters used are based on the management's assessment. The net growth of cash flows is estimated at 4 % per annum over the following five years. The net growth after five years is estimated at 2 % per annum in line with the inflation target of the European Central Bank (ECB). The discount rate (WACC) is 13.51 %. The recoverable amount exceeds its reported amount by EUR 72 million and therefore does not lead to an impairment of goodwill.

Sensitivity analysis:
The calculation of the recoverable amount contains two significant variables; growth rate and discount rate, which in turn could result in a theoretical goodwill impairment loss. The management considers that the sensitivity analysis shows that the emergence of such factors, which would in practice change the said variables in such a way that the reported amount would exceed the recoverable amount, do not exist.

G25 Right-of-use assets

(EUR 1,000)	2023	2022
Carrying amount 1 January	**19,893**	**22,313**
Net change	6,124	2,256
Planned depreciation	-4,668	-4,676
Book value at 31 December	**21,349**	**19,893**
of which properties	20,860	19,454
of which cars	489	439

G26 Investment properties

(EUR 1,000)	Land and water areas	Buildings	Shares and participation in real estate corporations	Total
2023				
Acquisition cost at 1 January	2,053	16,547	27,156	45,756
Valuation at fair value	—	350	-4,280	-3,930
Increases	—	—	21,576	21,576
Acquisition cost at 31 December	2,053	16,897	44,452	63,402
Accumulated depreciations and impairments at 1 January	—	—	-1,083	-1,083
Accumulated depreciations and impairments at 31 December	—	—	-1,083	-1,083
Book value at 31 December	**2,053**	**16,897**	**43,369**	**62,319**
2022				
Acquisition cost at 1 January	2,053	16,447	28,055	46,555
Valuation at fair value	—	100	-899	-799
Acquisition cost at 31 December	2,053	16,547	27,156	45,756
Accumulated depreciations and impairments at 1 January	—	—	-1,083	-1,083
Accumulated depreciations and impairments at 31 December	—	—	-1,083	-1,083
Book value at 31 December	**2,053**	**16,547**	**26,073**	**44,673**

G27 Other tangible assets

(EUR 1,000)	Machines and equipment	Office renovations	Other tangible assets	Total other tangible assets
2023				
Acquisition cost at 1 January	21,812	12,693	296	34,801
Increases	116	163	1,761	2,040
Acquisition cost at 31 December	21,928	12,856	2,058	36,842
Accumulated depreciations and impairments at 1 January	-18,049	-7,779	—	-25,828
Planned depreciation	-1,276	-898	—	-2,174
Impairments	—	—	-223	-223
Accumulated depreciations and impairments at 31 December	-19,325	-8,677	-223	-28,225
Book value at 31 December	**2,603**	**4,179**	**1,835**	**8,616**
2022				
Acquisition cost at 1 January	21,020	10,659	296	31,976
Increases	870	2,034	—	2,903
Decreases	-78	—	—	-78
Acquisition cost at 31 December	21,812	12,693	296	34,801
Accumulated depreciations and impairments at 1 January	-16,883	-7,032	—	-23,915
Planned depreciation	-1,137	-736	—	-1,874
Impairments	-29	-11	—	-40
Accumulated depreciations and impairments at 31 December	-18,049	-7,779	—	-25,828
Book value at 31 December	**3,763**	**4,914**	**296**	**8,973**

G28 Other assets

(EUR 1,000)	2023	2022
Accrued and advance interests	47,347	22,501
Other accrued income and advance payments	29,545	29,848
Total accrued income and advance payments	76,892	52,350
Cash items being collected	530	472
Receivables from transactions with a future valuation day	—	50,000
The Card unit's working capital	—	13,329
Other receivables	28,056	32,101
Other assets	28,586	95,901
Total	**105,478**	**148,251**

G29 Deferred tax receivables and liabilities

(EUR 1,000)	2023	2022
Deferred tax liabilities, net		
Net deferred tax liabilities / receivables at 1 January	24,776	29,905
Changes during the reporting period booked through the income statement	1,695	9,252
Financial assets:		
Valuation at fair value within equity	2,970	-13,958
Transferred to the income statement	-102	14
Cash flow hedging:		
Valuation at fair value within equity	-143	-85
Defined-benefit pensions plans through comprehensive income	-12	114
AT1 loan through retained earnings	-465	-465
Net deferred tax liabilities at 31 December	**28,719**	**24,776**

The table continues

(EUR 1,000)	2023	2022
Deferred tax liabilities		
Appropriations	43,003	43,000
Expected credit losses (ECL)	-1,530	-1,530
Financial assets	2,418	2,489
Liabilities from insurance business	—	8,071
Investment properties valued at fair value	1,129	1,020
Activated development costs	2,058	1,971
Equalisation provision of the life insurance business	240	480
Intangible assets from the acquisition of Taaleri's wealth management operations	6,269	7,148
Other	280	280
Total	**53,867**	**62,930**
Deferred tax receivables		
Expected credit losses (ECL)	2,848	2,482
Financial assets	7,539	9,246
Liabilities from insurance business	13,740	24,878
Tier2 loan	765	1,299
Defined-benefit pension plans	97	94
Other	158	155
Total	**25,147**	**38,154**
Specification of changes during the reporting period booked via the income statement		
Appropriations	-3	—
Expected credit losses (ECL)	366	1,591
Financial assets	-8,994	-3,194
Liabilities from insurance business	7,029	-9,294
Tier2 loan	-534	1,299
Investment properties valued at fair value	-109	-18
Defined-benefit pension plans	-8	-3
Activated development costs	-87	-124
Equalisation provision of the life insurance business	240	240
Intangible assets from the acquisition of Taaleri's wealth management operations	880	880
Other	-474	-629
Total	**-1,695**	**-9,252**

The table continues

(EUR 1,000)	2023	2022
Specification of changes during the reporting period booked via other comprehensive income		
Financial assets	-2,724	14,029
Defined-benefit pension plans	12	-114
Total	**-2,713**	**13,915**
Specification of changes during the reporting period booked via retained earnings		
Tier2 loan	465	465
Total	**465**	**465**
Total change in deferred taxes	**-3,943**	**5,129**

G30 Deposits

(EUR 1,000)	2023	2022
Repayable on demand deposits	22,680	30,631
TLTRO loan from ECB (other than repayable on demand deposits)	250,000	800,000
Other than repayable on demand deposits	35,766	1,260
Liabilities to credit institutions	308,447	831,891
Repayable on demand deposits	3,455,812	4,590,397
Other than repayable on demand deposits	1,108,379	623,380
Liabilities to the public and public sector entities	4,564,191	5,213,777
Total	**4,872,638**	**6,045,668**

G31 Debt securities issued

(EUR 1,000)	2023 Book value	2023 Nominal value	2022 Book value	2022 Nominal value
Certificates of deposits	120,153	121,500	105,148	105,500
Bonds	3,457,126	3,608,564	2,946,587	3,192,926
Total	**3,577,279**	**3,730,064**	**3,051,735**	**3,298,426**

(EUR 1,000)	2023 Under 1 year	2023 Over 1 year	2023 Total	2022 Under1Year	2022 Over 1 year	2022 Total
Secured Debts (collateralised)						
Issued covered bonds	—	1,425,622	1,425,622	495,968	857,495	1,353,463
Total	**—**	**1,425,622**	**1,425,622**	**495,968**	**857,495**	**1,353,463**
Unsecured Debts						
Issued senior preferred debts	443,642	1,495,565	1,939,207	164,734	1,357,055	1,521,789
Issued senior non-preferred debts	—	92,297	92,297			
Total	**443,642**	**1,587,862**	**2,031,504**	**164,734**	**1,428,389**	**1,593,124**

(EUR 1,000)	Under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
31 Dec 2023						
Certificates of deposit with fixed interest rate	39,500	82,000	—	—	—	121,500
Aktia Bank's EMTCN (Euro Medium Term Covered Note) program, fixed interest rate	—	—	1,500,000	—	—	1,500,000
Aktia Bank's EMTN (Euro Medium Term Note) program senior preferred, fixed interest rate	80,000	35,000	264,625	189,555	243,540	812,719
Aktia Bank's EMTN (Euro Medium Term Note) program senior preferred, floating interest rate	115,000	217,395	789,964	76,681	—	1,199,040
Aktia Bank's EMTN (Euro Medium Term Note) program senior non-preferred, fixed interest rate	—	—	25,000	—	—	25,000
Aktia Bank's EMTN (Euro Medium Term Note) program senior non-preferred, floating interest rate	—	—	71,804	—	—	71,804
Total	**234,500**	**334,395**	**2,651,393**	**266,236**	**243,540**	**3,730,064**
31 Dec 2022						
Certificates of deposit with fixed interest rate	84,500	21,000	—	—	—	105,500
Aktia Bank's EMTCN (Euro Medium Term Covered Note) program, fixed interest rate	—	500,000	500,000	500,000	—	1,500,000
Aktia Bank's EMTN (Euro Medium Term Note) program senior preferred, fixed interest rate	60,000	10,000	289,625	209,555	283,540	852,719
Aktia Bank's EMTN (Euro Medium Term Note) program senior preferred, floating interest rate	—	98,290	670,112	—	—	768,402
Aktia Bank's EMTN (Euro Medium Term Note) program senior non-preferred, floating interest rate	—	—	71,804	—	—	71,804
Total	**144,500**	**629,290**	**1,531,541**	**709,555**	**283,540**	**3,298,426**

G32 Subordinated liabilities

(EUR 1,000)	2023	2022
Debentures	121,357	118,540
Total	**121,357**	**118,540**
Nominal value	126,000	126,000
Amount counted to Tier 2 capital	69,614	69,547

Subordinated loans issued by Aktia Bank Plc

A EUR 70 million 10-year non-call 5 subordinated loan that can be redeemed on 18 September 2024, is due on 18 September 2029. The loan runs at a fixed rate of 1.375% per annum until 18 September 2024, after which the interest rate changes to a fixed 5-year mid swap of +1.90%.

Subordinated loans issued by Aktia Life Insurance Ltd

A EUR 56 million 10-year non-call 5 subordinated loan that can be redeemed on 26 November 2026, is due on 26 November 2031. The loan runs at a fixed rate of 3.0% per annum until 26 November 2026, after which the interest rate changes to a variable 5-year mid swap rate of +3.138%.

G33 Other liabilities to credit institutions

(EUR 1,000)	2023	2022
Other liabilities to credit institutions, unsecured debts	—	5,517
Total	**—**	**5,517**

Other liabilities to credit institutions include liabilities of EUR 0 (6) million with fixed interest rate to the European Investment Bank.

G34 Other liabilities to the public and public sector entities

(EUR 1,000)	2023	2022
Other liabilities	781,000	686,000
Total	**781,000**	**686,000**

G35 Liabilities from insurance business

(EUR 1,000)	2023	2022
Liabilities from (re)insurance contracts		
Liabilities from (re)insurance contracts 1 January	491,554	650,850
Premiums received	33,201	29,117
Claims and expenses paid	-61,700	-60,246
Insurance acquisition cash flows	-431	-396
Insurance revenue	-55,146	-52,820
Service expenses	37,168	37,523
Insurance finance expense	30,678	-112,474
Liabilities from insurance contracts 31 December	**475,325**	**491,554**

Analysis for the liability of remaining coverage and incurred claims

(EUR 1,000)	2023				2022			
	Liabilities for the remaining period				Liabilities for the remaining period			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Insurance contracts								
Liabilities from (re)Insurance contracts 1 January	511,007	1,793	1,198	513,999	680,373	—	1,644	682,017
Insurance contract assets 1 January	-28,666	—	1,430	-27,237	-38,917	—	1,686	-37,230
Net liabilities from (re)insurance contracts 1 January	**482,341**	**1,793**	**2,628**	**486,762**	**641,456**	**—**	**3,330**	**644,787**
Insurance Revenue								
Contracts measured according to the fair value approach at the transition to IFRS 17	-45,093	—	—	-45,093	-46,007	—	—	-46,007
New contracts and contracts measured according to the full retrospective approach at the transition to IFRS 17	-10,053	—	—	-10,053	-6,813	—	—	-6,813
Total insurance revenue	**-55,146**	**—**	**—**	**-55,146**	**-52,820**	**—**	**—**	**-52,820**
Insurance service expenses								
Incurred claims and other insurance service expenses	-15,492	145	31,248	15,901	9,334	—	27,968	37,302
Amortisation of insurance acquisition cash flows	14	—	—	14	7	—	—	7
Losses and reversal of losses on onerous contracts	—	22,258	—	22,258	—	1,793	—	1,793
Adjustments to liabilities for incurred claims	—	—	-1,717	-1,717	—	—	-1,796	-1,796
Total insurance service expenses	**-15,478**	**22,403**	**29,530**	**36,455**	**9,341**	**1,793**	**26,172**	**37,306**
Total insurance service result	**-70,624**	**22,403**	**29,530**	**-18,691**	**-43,479**	**1,793**	**26,172**	**-15,514**
Net finance expenses from insurance contracts issued recognised in profit or loss	30,435	-2	-27	30,407	-111,561	—	-33	-111,595
Total change in the statement of profit or loss and OCI	**-40,189**	**22,401**	**29,504**	**11,716**	**-155,040**	**1,793**	**26,139**	**-127,108**
Investment components	-22,641	—	22,641	—	-24,462	—	24,462	—
Cash flows								
Premiums received	32,949	—	—	32,949	30,116	—	—	30,116
Claims and other insurance services paid, including investment components	-9,787	—	-50,708	-60,496	-9,334	—	-51,303	-60,637
Insurance acquisition cash flows	-431	—	—	-431	-396	—	—	-396
Total cash flows	**22,731**	**—**	**-50,708**	**-27,978**	**20,387**	**—**	**-51,303**	**-30,916**
Net liabilities from insurance contracts, 31 December	**442,241**	**24,194**	**4,065**	**470,500**	**482,341**	**1,793**	**2,628**	**486,762**

Analysis for the liability of remaining coverage and incurred claims

(EUR 1,000)	2023 Liabilities for remaining period				2022 Liabilities for remaining period			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Reinsurance contracts								
Reinsurance contracts liabilities 1 January	—	—	—	—	—	—	—	—
Reinsurance contracts assets 1 January	4,792	—	—	4,792	6,063	—	—	6,063
Net reinsurance contracts liabilities 1 January	**4,792**	**—**	**—**	**4,792**	**6,063**	**—**	**—**	**6,063**
Total change in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	964	—	—	964	590	—	—	590
Recoveries of incurred claims and other insurance service expenses	—	—	-253	-253	—	—	-390	-390
Effect of changes in non-performance risk of reinsurers	2	—	—	2	17	—	—	17
Net expenses from reinsurance contracts	**966**	**—**	**-253**	**713**	**607**	**—**	**-390**	**217**
Net finance income from reinsurance contracts	271	—	—	271	-880	—	—	-880
Total change in the statement of profit or loss and OCI	**1,237**	**—**	**-253**	**984**	**-272**	**—**	**-390**	**-663**
Cash flows								
Premiums paid	-1,205	—	—	-1,205	-999			-999
Amounts received	—	—	253	253	—		390	390
Total cash flows	**-1,205**	**—**	**253**	**-952**	**-999**	**—**	**390**	**-609**
Net reinsurance contract liabilities 31 December	**4,824**	**—**	**—**	**4,824**	**4,792**	**—**	**—**	**4,792**
of which liabilities 31 December	4,824	—	—	4,824	4,792	—	—	4,792
of which assets 31 December	—	—	—	—	—	—	—	—

Analysis by measurement component

(EUR 1,000)	2023 Present value of future cash flows	2023 Risk adjustment for non-financial risk	2023 CSM for contracts under the fair value approach at transition	2023 CSM for new contracts and contracts under the full retrospective approach at transition	2023 Total	2022 Present value of future cash flows	2022 Risk adjustment for non-financial risk	2022 CSM for contracts under the fair value approach at transition	2022 CSM for new contracts and contracts under the full retrospective approach at transition	2022 Total
Insurance contracts										
Liabilities 1 January	491,203	11,034	11,762	—	513,999	612,794	18,481	50,742	—	682,017
Assets 1 January	-93,800	21,372	22,906	22,286	-27,237	-108,367	41,775	19,185	10,177	-37,230
Net liabilities 1 January	**397,402**	**32,406**	**34,668**	**22,286**	**486,762**	**504,427**	**60,256**	**69,927**	**10,177**	**644,787**
Changes in the statement of profit or loss and OCI										
CSM recognised for the services provided	—	—	-5,450	-3,581	-9,031	—	—	-6,813	-1,833	-8,645
Change in the risk adjustment for non-financial risk for the risk expired	—	-2,621	—	—	-2,621	—	-5,128	—	—	-5,128
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	—	39	—	—	39	—	30	—	—	30
Experience adjustments	-968	—	—	—	-968	-1,768	—	—	—	-1,768
Changes related to current service	**-968**	**-2,582**	**-5,450**	**-3,581**	**-12,581**	**-1,768**	**-5,098**	**-6,813**	**-1,833**	**-15,511**
Contracts initially recognised in the year	-21,334	4,824	—	16,510	0	-22,956	8,682	—	14,274	—
Changes in estimates adjusting the CSM	-14,714	8,223	6,468	23	0	53,236	-24,632	-28,106	-498	0
Changes in estimates resulting in onerous contract losses or reversal of losses	-6,467	2,074	—	—	-4,393	1,728	66	—	—	1,793
Changes related to future service	**-42,515**	**15,121**	**6,468**	**16,534**	**-4,393**	**32,009**	**-15,885**	**-28,106**	**13,776**	**1,793**
Adjustments to liabilities for incurred claims	**-1,687**	**-30**	**—**	**—**	**-1,717**	**-1,763**	**-33**	**—**	**—**	**-1,796**
Insurance service result	**-45,170**	**12,509**	**1,017**	**12,953**	**-18,691**	**28,478**	**-21,016**	**-34,918**	**11,943**	**-15,514**
Net finance income or expenses from insurance contracts issued	**30,980**	**-1,453**	**-35**	**915**	**30,407**	**-104,587**	**-6,834**	**-340**	**167**	**-111,595**
Total change in the statement of profit and loss and OCI	**-14,190**	**11,056**	**982**	**13,868**	**11,716**	**-76,109**	**-27,850**	**-35,258**	**12,109**	**-127,108**
Cash flows										
Premiums paid	32,949	—	—	—	32,949	30,116	—	—	—	30,116
Claims and other insurance service expenses paid, incl. investment components	-60,496	—	—	—	-60,496	-60,637	—	—	—	-60,637
Insurance acquisition cash flows	**-431**	**—**	**—**	**—**	**-431**	**-396**	**—**	**—**	**—**	**-396**
Total cash flows	**-27,978**	**—**	**—**	**—**	**-27,978**	**-30,916**	**—**	**—**	**—**	**-30,916**
Net liabilities 31 December	**355,234**	**43,462**	**35,650**	**36,154**	**470,500**	**397,402**	**32,406**	**34,668**	**22,286**	**486,762**
of which liabilities 31 December	472,325	14,055	5,180	8,911	500,471	491,203	11,034	11,762	0	486,762
of which assets 31 December	-117,091	29,407	30,471	27,243	-29,970	-93,800	21,372	22,906	22,286	—

Analysis by measurement component

(EUR 1,000)	2023 Present value of future cash flows	2023 Risk adjustment for non-financial risk	2023 CSM for contracts under the fair value approach at transition	2023 New contracts and contracts under the full retrospective approach at transition	2023 Total	2022 Present value of future cash flows	2022 Risk adjustment for non-financial risk	2022 CSM for contracts under the fair value approach at transition	2022 New contracts and contracts under the full retrospective approach at transition	2022 Total
Reinsurance contracts										
Liabilities 1 January	4,261	-728	1,259	—	4,792	—	—	—	—	—
Assets 1 January	—	—	—	—	—	6,396	-1,482	1,149	—	6,063
Net liabilities from reinsurance contracts, 1 January	**4,261**	**-728**	**1,259**	**—**	**4,792**	**6,396**	**-1,482**	**1,149**	**—**	**6,063**
CSM recognised for the services provided	—	—	-177	-167	-344	—	—	-194	—	-194
Change in the risk adjustment for non-financial risk for the risk expired	—	83	—	—	83	—	96	—	—	96
Experience adjustments	972	—	—	—	972	298	—	—	—	298
Changes related to current service	**972**	**83**	**-177**	**-167**	**711**	**298**	**96**	**-194**	**—**	**200**
Changes in recoveries of losses on onerous underlying contracts adjusting the CSM	-415	85	607	-384	-107	-815	505	310	—	—
Effect of changes in non-performance risk	2	—	—	—	2	17	—	—	—	17
Changes related to future service	**-1,280**	**-114**	**607**	**682**	**-105**	**-798**	**505**	**310**	**—**	**17**
Net expenses from reinsurance contracts	**-308**	**-31**	**430**	**515**	**606**	**-500**	**601**	**116**	**—**	**217**
Net finance income or expenses from reinsurance contracts	380	-37	-1	37	378	-1,026	152	-6	—	-880
Total change in the statement of profit and loss and OCI	**72**	**-69**	**429**	**552**	**984**	**-1,526**	**753**	**110**	**—**	**-663**
Cash flows	**-952**	**—**	**—**	**—**	**-952**	**-609**	**—**	**—**	**—**	**-609**
Net liabilities from reinsurance contracts, 31 December	**3,381**	**-797**	**1,688**	**552**	**4,824**	**4,261**	**-728**	**1,259**	**—**	**4,792**
of which liabilities 31 December	3,381	-797	1,688	552	4,824	4,261	-728	1,259	—	4,792
of which assets 31 December	—	—	—	—	—	—	—	—	—	—

Impact of contracts initially recognised in the reporting period		**2023**			**2022**	
(EUR 1,000)	**Non-onerous insurance contracts**	**Reinsurance contracts**	**Total**	**Non-onerous insurance contracts**	**Reinsurance contracts**	**Total**
Claims and other insurance service expenses payable	28,633		28,633	28,884		28,884
Insurance acquisition cash flows	427		427	349		349
Reinsurance recoveries		-4,966	-4,966		-4,671	-4,671
Estimates of present value of cash outflows	**29,060**	**-4,966**	**24,094**	**29,233**	**-4,671**	**24,561**
Estimates of present value of cash inflows	-50,394	4,099	-46,295	-52,188	3,790	-48,398
Net cash flows	**-21,334**	**-867**	**-22,201**	**-22,956**	**-881**	**-23,837**
Risk adjustment for non-financial risk	4,824	-199	4,625	8,682	-187	8,495
CSM	16,510	1,066	17,576	14,274	1,069	15,342
Total	**0**	**0**	**0**	**0**	**0**	**—**

Remaining CSM from insurance contracts		**2023**			**2022**	
< 1 year	6,823	384	7,207	7,388	137	7,525
1-2 years	6,559	227	6,786	5,972	82	6,054
3-4 years	5,690	260	5,950	5,272	100	5,372
4-5 years	5,023	244	5,267	4,660	95	4,755
5-10 years	21,335	587	21,923	18,382	426	18,808
> 10 years	26,374	510	26,884	15,280	408	15,689

(EUR 1,000)	2023	2022
Liabilities from investment contracts		
Liabilities from investment contracts 1 January	928,426	1,047,868
Change of category due to amended insurance terms and conditions	—	—
Income from insurance premiums	116,369	109,518
Insurance claims paid	-69,389	-63,584
Transfer of savings from / to unit-linked insurance	586	2,554
Compensated interest for savings	1	1
Customer compensation for savings	1	1
Total expense loading	-8,427	-8,558
Value changes and other items	86,073	-159,374
Liabilities from investment contracts 31 December	**1,053,639**	**928,426**
of which liabilities from risk and interest-related insurances	6,605	8,668
of which liabilities from unit-linked insurances	1,047,035	919,758
Liabilities from investment contracts by insurance branches		
Saving plans	934,139	821,678
Individual pension insurance	106,791	99,583
Group pension insurance	12,709	7,165
Change of liabilities from investment contracts		
Liabilities from investment contracts 1 January	928,426	1,047,686
Change of the year	125,213	-119,442
Liabilities from investment contracts 31 December	**1,053,639**	**928,426**
Average calculation interest		
Group pension insurance	0.9%	1.0%

G36 Other liabilities

(EUR 1,000)	2023	2022
Interest liabilities	61,096	8,828
Interets received in advance	-2,008	259
Accrued interest expenses and interest income received in advance	59,088	9,087
Other accrued expenses and income received in advance	47,018	34,365
Accrued expenses and income received in advance	**106,107**	**43,452**
Cash items in the process of collection	25,700	8,201
Lease liability	23,663	22,263
Defined benefit plan pensions	486	469
Other liabilities	8,415	9,235
Total other liabilities	**58,265**	**40,168**
Total	**164,372**	**83,621**

G37 Equity

(EUR 1,000)	2023	2022
Share capital	169,732	169,732
Fund at fair value	-39,017	-49,915
Restricted equity	**130,715**	**119,817**
Fund for share-based payments	7,743	5,680
Unrestricted equity reserve	144,189	141,468
Retained earnings 1 January	313,670	256,084
Dividend to shareholders	-31,087	-40,308
Other change in retained earnings	-1,185	-1,185
Acquisition of treasury shares	-872	-857
Divestment of treasury shares	1,173	1,151
Defined pension plans, OCI	-47	455
Profit for the year	84,221	98,329
Unrestricted equity	**517,805**	**460,818**
Shareholders' share of equity	648,521	580,636
Holders of Additional Tier 1 capital	59,460	59,460
Equity	**707,981**	**640,096**

Share capital and shares

Aktia Bank Plc has only one share class. At the end of the year, the bank's paid-up share capital as entered in the Finnish Trade Register was EUR 169,731,963.93 (169,731,963.93) corresponding to 72,644,887 (72,385,072) shares. The number of registred shareholders at the end of the reporting period was 39,975 (40,134).

Treasury shares

At year-end, the number of Aktia treasury shares was 159,538 (228,122). Aktia Bank Plc has during the year issued 80,000 (75,000) treasury shares and has received 0 (16,195) shares in return from the acquisition of the minority in Aktia Asset Management Ltd (conditional acquisition). During the year 147,776 (157,224) treasury shares held by the company was used for payment of deferred instalments for the share-based inventive scheme and the share ownership scheme. On 5 April 2023, the Annual General Meeting authorised the Board of Directors to acquire a maximum of 500,000 treasury shares and to divest a maximum of 500,000 treasury shares. At the accounting closing date the the acquisition of a maximum of 500,000 treasury shares and the divestment of a maximum of 352,224 treasury shares remain of the Annual General Meeting's authorisation.

Fund at fair value

The fund at fair value contains changes in fair value after tax on the financial assets measured at fair value through the other comprehensive income and on financial derivatives that are held for cash flow hedging. Financial assets recognised in the fund at fair value are transferred to the income statement on sale or on impairment of the assets.

Fund for share-based payments

Share-based payments relate to the transfer of equity instruments which are paid to employees in accordance with different kind of long-term share-based incentive schemes. Within the Group, there are savings scheme for the entire personnel as well as incentive scheme for personnel in managerial positions whereby certain targets must be met in order for the incentives to be issued in full. The Group continuously evaluates the likely outcome of this incentive agreement, booking a periodised increase in the Fund for share-based payments in the shareholder's equity.

Unrestricted equity reserve

Items entered in the unrestricted equity reserve has since 1 September 2006 been equivalent to the sum paid in addition to the counter value paid for shares in an new issue. On 5 April 2023, the Annual General Meeting authorised the Board of Directors to issue a maximum of 7,238,000 shares and, at the time of the closing of the accounts, the remaining number of the Annual General Meeting's authorisation is 6,978,185 shares.

Retained earnings

Retained earning contains retained earnings from previous years and profit for the reporting period.

(EUR 1,000)	2023	2022
Specification of change in fund at fair value		
Fund at fair value at 1 January	-49,915	6,201
Profit / loss on valuation to fair value, interest bearing securities	14,848	-69,791
Deferred taxes on profit / loss on valuation to fair value	-2,970	13,958
Transferred to the income statement, interest-bearing securities, included in:		
Net income from financial transactions	-504	58
Net income from life insurance	-7	12
Deferred taxes	102	-14
Profit / loss on valuation to fair value for cash flow hedging derivative contracts	-715	-423
Deferred taxes on profit / loss on valuation to fair value	143	85
Fund at fair value at 31 December	**-39,017**	**-49,915**

Share capital and unrestricted equity reserve

(EUR 1,000)	Number of shares	Share capital	Unrestricted equity reserve
1 January 2022	**72,144,081**	**169,732**	**138,597**
Share issue 14 February 2022	75,000		857
Share issue 24 May 2022	74,631		685
Share issue 17 November 2022	91,360		807
Other changes			523
31 December 2022	**72,385,072**	**169,732**	**141,468**
Share issue 30 January 2023	80,000		872
Share issue 25 May 2023	92,793		771
Share issue 22 November 2023	87,022		712
Other changes			366
31 December 2023	**72,644,887**	**169,732**	**144,189**

Group's unrestricted equity

(EUR 1,000)	2023	2022
The Group's unrestricted equity, which is non-distributable		
Share of the accumulated appropriations that have been included in the retained earnings at 1 January	172,000	172,000
Share of activated development expenses that have been included in the retained earnings at 1 Janaury	7,884	7,388
Total non-distributable earnings in the retained earnings 1 January	**179,884**	**179,388**
Share of activated development expenses that have been included in the profit for the reporting period	349	496
Total non-distributable earnings that have been included in the profit for the reporting period	**349**	**496**
Share of the accumulated appropriations that have been included in the retained earnings at 31 December	172,000	172,000
Share of activated development expenses that have been included in the retained earnings 31 December	8,233	7,884
Total non-distributable earnings in the retained earnings 31 December	**180,233**	**179,884**

Dividend to shareholders

Dividend for 2022 of EUR 0.43 per share was paid in April 2023.

The Board of Directors proposes to the Annual General Meeting of Aktia Bank plc held on 3 April 2024 that a dividend of EUR 0.70 per share, estimated totalling EUR 50,739,744.30 to be paid for the year based on the parent company's distributable retained earnings of EUR 157,209,530.53

There have been no significant changes in the company's financial position after the end of the reporting period. The company's liquidity is good, and according to the Board of Directors the proposed distribution of dividend does not affect the solvency of the company.

G38 Financial assets and liabilities

Fair value of financial assets and liabilities

	2023		2022	
(EUR 1,000)	Book value	Fair value	Book value	Fair value
Financial assets				
Financial assets measured at fair value through income statement	1,369,716	1,369,716	1,249,457	1,249,457
Financial assets measured at fair value through other comprehensive income	1,049,031	1,049,031	997,056	997,056
Interest-bearing securities measured at amortised cost	488,448	469,510	529,409	493,640
Loans and other receivables	8,562,071	8,581,508	8,984,948	8,796,198
Cash and balances with central banks	91,752	91,752	165,794	165,794
Derivative instruments	81,916	81,916	54,711	54,711
Total	**11,642,934**	**11,643,433**	**11,981,375**	**11,756,856**
Financial liabilities				
Deposits	4,872,638	4,886,769	6,045,668	6,062,231
Derivative instruments	223,659	223,659	294,049	294,049
Debt securities issued	3,577,279	3,611,021	3,051,735	3,070,247
Subordinated liabilities	121,357	118,157	118,540	113,405
Other liabilities to credit institutions	—	—	5,517	5,528
Other liabilities to the public and public sector entities	781,000	781,367	686,000	684,757
Lease liability	23,663	23,663	22,263	22,263
Total	**9,599,596**	**9,644,636**	**10,223,772**	**10,252,481**

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 flow 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.

Financial instruments measured at fair value

	31 Dec 2023				31 Dec 2022			
	Fair value classified into				Fair value classified into			
(EUR 1,000)	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	1,133,591	—	—	1,133,591	1,001,595	—	—	1,001,595
Interest-bearing securities	16,041	57,769	0	73,810	18,529	54,310	87	72,926
Shares and participations	109,560	—	52,756	162,316	122,578	—	52,358	174,936
Total	**1,259,192**	**57,769**	**52,756**	**1,369,716**	**1,142,703**	**54,310**	**52,445**	**1,249,457**
Financial assets measured at fair value through other comprehensive income								
Interest-bearing securities	993,823	25,512	29,696	1,049,031	886,809	68,236	42,011	997,056
Total	**993,823**	**25,512**	**29,696**	**1,049,031**	**886,809**	**68,236**	**42,011**	**997,056**
Derivative instrument, net	47	-141,790	—	-141,743	2	-239,340	—	-239,338
Total	**47**	**-141,790**	**—**	**-141,743**	**2**	**-239,340**	**—**	**-239,338**
Total	**2,253,062**	**-58,509**	**82,451**	**2,277,004**	**2,029,513**	**-116,794**	**94,456**	**2,007,176**

Transfers between levels 1 and 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 together with Treasury Middle Office 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 measurement category 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.

(EUR 1,000)	Financial assets valued at fair value via the income statement			Financial assets measured at fair value through other comprehensive income			Total		
	Interest-bearing securities	Shares and participations	Total	Interest-bearing securities	Shares and participations	Total	Interest-bearing securities	Shares and participations	Total
Reconciliation of the changes taken place for financial instruments belonging to level 3									
Carrying amount 1 January 2023	87	52,358	52,445	42,011	—	42,011	42,098	52,358	94,456
New purchases	—	7,181	7,181	—	—	—	—	7,181	7,181
Sales	—	-5,523	-5,523	—	—	—	—	-5,523	-5,523
Matured during the year	—	—	—	-13,000	—	-13,000	-13,000	—	-13,000
Realised value change in the income statement	—	-906	-906	—	—	—	-87	-906	-992
Unrealised value change in the income statement	-87	-356	-443	—	—	—	—	-356	-356
Value change recognised in other comprehensive income	—	—	—	684	—	684	684	—	684
Carrying amount 31 December 2023	**0**	**52,755**	**52,755**	**29,696**	**—**	**29,696**	**29,696**	**52,755**	**82,450**

Sensitivity analysis for level 3 Financial instruments

The value of financial instruments reported at fair value in level 3 includes instruments, that have been valued partly or in total, using techniques based on assumptions not supported by observable market prices.

This information shows the effect that relative uncertainty can have on the fair value of financial instruments whose valuation is dependent on non-observable parameters. The information should not be seen as predictions or as indication of future changes in fair value.

Set off of financial assets and liabilities

	31 Dec 2023		31 Dec 2022	
(EUR 1,000)	Derivatives	Reserve repurchase agreements	Derivatives	Reserve repurchase agreements
Assets				
Financial assets included in general agreements on set off or similar agreements	81,916	—	54,711	—
Carrying amount in the balance sheet	**81,916**	**—**	**54,711**	**—**
Amount not set off but included in general agreements on set off or similar	41,110	—	53,147	—
Collateral assets	35,766	—	1,260	—
Total amount of sums not set off in the balance sheet	**76,877**	**—**	**54,407**	**—**
Net amount	**5,040**	**—**	**304**	**—**
Liabilities				
Financial liabilities included in general agreements on set off or similar agreements	223,659	—	294,049	—
Carrying amount in the balance sheet	**223,659**	**—**	**294,049**	**—**
Amount not set off but included in general agreements on set off or similar	41,110	—	53,147	—
Collateral liabilities	105,173	—	127,584	—
Total amount of sums not set off in the balance sheet	**146,284**	**—**	**180,731**	**—**
Net amount	**77,375**	**—**	**113,318**	**—**

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.

G39 Breakdown by maturity of financial assets and liabilities by balance sheet item

(EUR 1,000)	Note	Under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
Assets 31 December 2023							
Investments for unit-linked investments measured at fair value through income statement	G16	—	—	—	—	1,133,591	1,133,591
Equity instruments measured at fair value through income statement	G16	—	—	—	—	162,316	162,316
Interest-bearing securities measured at fair value through income statement	G16	—	1,660	24,602	10,201	37,347	73,810
Interest-bearing securities measured at fair value through other comprehensive income	G17	47,414	122,867	748,624	105,127	24,998	1,049,031
Interest-bearing securities measured at amortised cost	G18	37,994	49,696	208,969	186,752	5,036	488,448
Loans and other receivables	G19	1,156,342	921,008	3,122,992	1,640,217	1,721,512	8,562,071
Cash and balances with central banks	G21	91,752	—	—	—	—	91,752
Derivative instruments	G22	18,000	2,488	49,700	7,723	4,006	81,916
Total		**1,351,501**	**1,097,718**	**4,154,888**	**1,950,020**	**3,088,806**	**11,642,934**
Liabilities 31 December 2023							
Deposits	G30, G34	4,591,141	1,011,219	14,455	36,822	—	5,653,638
Derivative instruments	G22	993	12,663	136,578	26,996	46,430	223,659
Debt securities issued	G31	234,037	325,519	2,564,281	249,594	203,848	3,577,279
Subordinated liabilities	G32	—	—	—	121,357	—	121,357
Lease liability	G36	1,172	3,517	15,279	3,695	—	23,663
Total		**4,827,343**	**1,352,918**	**2,730,593**	**438,464**	**250,278**	**9,599,596**
Assets 31 December 2022							
Investments for unit-linked investments measured at fair value through income statement	G16	—	—	—	—	1,001,595	1,001,595
Equity instruments measured at fair value through income statement	G16	—	—	—	—	174,936	174,936
Interest-bearing securities measured at fair value through income statement	G16	—	0	25,410	13,484	34,032	72,926
Interest-bearing securities measured at fair value through other comprehensive income	G17	148,739	88,519	607,947	128,671	23,179	997,056
Interest-bearing securities measured at amortised cost	G18	15,994	87,829	226,931	193,963	4,691	529,409
Loans and other receivables	G19	1,521,776	658,992	2,191,994	1,560,618	3,051,568	8,984,948
Cash and balances with central banks	G21	165,794	—	—	—	—	165,794
Derivative instruments	G22	860	87	46,746	5,967	1,050	54,711
Total		**1,853,163**	**835,427**	**3,099,029**	**1,902,704**	**4,291,052**	**11,981,375**
Liabilities 31 December 2022							
Deposits	G30, G34	5,295,903	913,534	522,202	29	—	6,731,668
Derivative instruments	G22	929	7,773	121,631	105,830	57,886	294,049
Debt securities issued	G31	144,281	621,570	1,450,239	609,994	225,652	3,051,735
Subordinated liabilities	G32	—	—	—	118,540	—	118,540
Other liabilities to credit institutions	G33	1,379	4,138	—	—	—	5,517
Lease liability	G36	1,217	3,651	14,588	2,808	—	22,263
Total		**5,443,709**	**1,550,666**	**2,108,659**	**837,200**	**283,539**	**10,223,772**

G40 Collateral assets and liabilities

(EUR 1,000)	2023	2022
Collateral assets		
Collateral for own liabilities		
Securities	29,644	246,665
Outstanding loans constituting security for covered bonds	2,475,488	2,519,132
Total	**2,505,131**	**2,765,797**
Other collateral assets		
Pledged securities [1]	100,310	1,301
Cash included in pledging agreements and repurchase agreements	105,173	127,584
Total	**205,483**	**128,885**
Total collateral assets	**2,710,615**	**2,894,683**
Collateral above refers to the following liabilities		
Liabilities to credit institutions [2]	250,000	800,000
Issued covered bonds [3]	1,425,622	1,353,463
Derivatives	105,173	127,584
Total	**1,780,795**	**2,281,047**

1) Refers to securities pledged for the intra day limit. As at 31 December 2023, a surplus of pledged securities amounted to EUR 14.2 (25.4) million.
2) Refers to debts 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.

(EUR 1,000)	2023	2022
Collateral liabilities		
Cash included in pledging agreements [1]	35,766	1,260
Total	**35,766**	**1,260**

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

G41 Off-balance sheet commitments

(EUR 1,000)	2023	2022
Guarantees	59,208	18,980
Other commitments provided to a third party	2,265	4,252
Unused credit arrangements	546,020	604,581
Other irrevocable commitments	9,998	17,312
Total	**617,491**	**645,125**

Off-balance sheet commitments, exclude rental commitments.

(EUR 1,000)	Under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
31 Dec 2023						
Guarantees	9,297	6,673	39,180	1,479	2,579	59,208
Other commitments provided to a third party	464	428	973	250	150	2,265
Unused credit arrangements	155,686	57,946	15,032	—	317,356	546,020
Other irrevocable commitments	—	—	9,998	—	—	9,998
Total	**165,447**	**65,047**	**65,183**	**1,729**	**320,085**	**617,491**
31 Dec 2022						
Guarantees	4,686	2,433	2,518	3,701	5,642	18,980
Other commitments provided to a third party	1,631	1,303	918	250	150	4,252
Unused credit arrangements	203,726	134,863	63,130	—	202,861	604,581
Other irrevocable commitments	—	55	16,846	411	—	17,312
Total	**210,044**	**138,654**	**83,413**	**4,362**	**208,653**	**645,125**

G42 Subsidiaries and associated companies included in consolidated accounts

	2023		2022	
	Proportion of shares	Proportion of votes	Proportion of shares	Proportion of votes
Subsiadiaries and associated companies				
Investment funds				
Aktia Fund Management Company Ltd, Helsinki	100%	100%	100%	100%
Insurance companies				
Aktia Life Insurance Ltd, Turku	100%	100%	100%	100%
Keskinäinen Kiinteistö Oy Tikkurilantie 141, Turku	100%	100%	100%	100%
Keskinäinen Kiinteistö Oy Areenakatu 4, Turku				
Asunto Oy Helsingin Tuulensuoja, Helsinki	50%	50%	50%	50%
Kiinteistö Oy Skanssinkatu, Turku	50%	50%	50%	50%
Kiinteistö Oy Lempäälän Rajamäentie, Helsinki	50%	50%	50%	50%
Kiinteistö Oy Helsingin Gigahertsi, Helsinki	33%	33%	33%	33%
Other operations				
Aktia Wealth Planning Ltd, Helsinki	100%	100%	100%	100%
Aktia Housing GP Oy, Helsinki	100%	100%	100%	100%
Evervest Ltd, Helsinki	100%	100%	100%	100%
AV Partner Oy, Helsinki	100%	100%	100%	100%
Aktia Alternatiivi I GP Oy	100%	100%	100%	100%
Aktia Private Equity I GP Oy	100%	100%	100%	100%
Aktia Velkarahastot II GP Oy	100%	100%	100%	100%
Aktia Kiinteistöt I GP Oy	100%	100%	100%	100%
Aktia Infra I GP Oy	100%	100%	100%	100%
Aktia Asuntorahasto VIII GP Oy	100%	100%	100%	100%
Aktia Bioteollisuus GP Oy	100%	100%	100%	100%
Aktia Aurinkotuuli III GP Oy	100%	100%	100%	100%
AktiaDuetto Ab	60%	60%	60%	60%
Suomen Yrittäjäturva Oy, Helsinki	45%	45%	45%	45%
Figure Financial Management Ltd, Espoo	25%	25%	25%	25%
Aktia Alexander Corporate Finance Oy, Helsinki	20%	20%	20%	20%

The Group companies' holdings in the investment funds managed by Aktia of EUR 13,658 (13,539) million have been taken into account when consolidating.

G43 Related-party transactions

Related parties include 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. The Aktia Group's key persons are the members the Board of Directors of Aktia Bank plc, the Managing Director, the Managing Director's alternate and other members of the Executive Committee.

Management personnel paid compensation

(EUR 1,000)	Salary remunerations and other fringe benefits *	Result-based salary **	Share-based payment	Total salary and remunerations	Statutory pension costs	Cost for voluntary supplementary pension (IFRS)
2023						
Juha Hammarén, Managing Director from 28.2.2023	320	40	63	422	30	52
Mikko Ayub, Managing Director until 27.2.2023	598	9	87	694	28	—
Anssi Huhta, Deputy Managing Director	285	86	19	390	23	44
Executive Committee excl. Managing Director and Deputy Managing Director	1,239	114	88	1,442	97	100
Total	**2,443**	**249**	**256**	**2,948**	**179**	**196**
2022						
Mikko Ayub, Managing Director	361	72	135	568	34	57
Juha Hammarén, Deputy Managing Director	278	86	149	513	33	44
Executive Committee excl. Managing Director and Deputy Managing Director	1,283	348	349	1,980	126	200
Total	**1,922**	**506**	**633**	**3,061**	**193**	**301**

*) Including salaries and other fringe benefits such as car and phone (fixed compensation)
**) Payments in accordance with the long-term incentive programme for executive management during the financial year (variable compensation)

Paid compensation to Members of the Board of Directors

(EUR 1,000)	2023 Annual remuneration and remuneration per meeting	2023 Statutory pension costs	2023 Cost for voluntary supplementary penrion (IFRS)	2022 Annual remuneration and remuneration per meeting	2022 Statutory pension costs	2022 Cost for voluntary supplementary penrion (IFRS)
Lasse Svens, Chairman	87	8	—	84	7	—
Timo Vättö, Vice Chair	71	6	—	68	6	—
Ann Grevelius	43	4	—	—	—	—
Carl Haglund	47	3	—	—	—	—
Johan Hammarén	8	1	—	53	4	—
Maria Jerhamre Engström	62	5	—	57	4	—
Harri Lauslahti	51	4	—	49	4	—
Olli-Petteri Lehtinen	8	1	—	60	5	—
Sari Pohjonen	58	5	—	41	4	—
Johannes Schulman	49	4	—	47	2	—
Arja Talma	—	—	—	5	—	—
Total	**482**	**41**	**—**	**464**	**36**	**—**

(EUR 1,000)	2023 Total salary and remunerations	2023 Statutory pension costs	2023 Cost for voluntary supplementary penrion (IFRS)	2022 Annual remuneration and remuneration per meeting	2022 Statutory pension costs	2022 Cost for voluntary supplementary penrion (IFRS)
Management personnel compensation	2,948	179	196	3,061	193	301
Compensation to Members of the Board of Directors	482	41	—	464	36	—
Total compensation to Management personnel and the Board of Directors	**3,430**	**220**	**196**	**3,525**	**229**	**301**

40 (40) % of the Board of Directors' annual remuneration was paid in the form of Aktia shares.

The period of notice of the CEO's and the Deputy CEO's employment contract is six (6) months. If notice is given by Aktia Bank they shall receive, in addition to the salary for the period of notice, a sum of money (severance pay) corresponding to their monetary salary for nine (9) months respectively. However, this is not the case if notice is given on grounds which would have entitled to a cancellation of the contract. The corresponding condition for the other members of the Executive Committee is 3 + 9 months.

Shareholding

At the end of 2023, the Group's related-parties held a total of 223,304 (297,709) Aktia shares in Aktia Bank plc, which represents 0.3 (0.4) % of the total number of shares.

Related-party transactions

	2023		2022	
(EUR 1,000)	Associated companies	Other related-party	Associated companies	Other related-party
Credits and guarantees	0	3,991	0	7,196
Deposits	923	20,195	6,337	37,086
Bought services	516	—	389	—

Lending to close relations is on the normal customer conditions, with the normal evaluation of the debtor risk and with the same security requirement and with the same requirement on return as applies to the bank's customers in general.

G44 Defined benefit pension plans

In addition to statutory pensions, Aktia has defined-benefit pension plans for employees who were members of the Pension Fund (pensionskassan) when the pensions fund was closed. On reaching retirement age (63 years), they receive a pension of 60% of the pensionable salary.

Assets in the insurance plan show the insurance company's liability of the obligation, and they are calculated by using the same discount rate as for the obligation.

The insurance plan is regulated by local laws and other legal rules. Thus the company's liability only includes the effect of changes on the discount rate and salary increases on the net liability. The insurance company carries the total risk of pension increases.

The assets comprise 100% qualifying insurance policies.

During 2023, 3 (2022; 10) members have left the programme.

(EUR 1,000)	2023	2022
Current service cost	-59	-102
Net interest income	-13	-9
Expense recognised in income statement	**-72**	**-112**
Remeasurements in total comprehensive income	59	568
Total comprehensive income before taxes	**-13**	**457**
Present value of obligation 1 January	**1,509**	**2,831**
Current service cost	59	102
Interest expenses	46	26
Actuarial gains (-) / losses (+) from experience adjustments	-22	-368
Actuarial gains (-) / losses (+) from changes in financial assumptions	-162	-832
Benefits paid	-104	-250
Present value of obligation 31 December	**1,327**	**1,509**
Fair value of plan assets 1 January	**1,040**	**1,780**
Interest income	33	17
Return on plan assets excluding amount included in interest expenses / income	-242	-632
Benefits paid	-104	-250
Contributions by employer	114	125
Fair value of plan assets 31 December	**840**	**1,040**

The table continues

(EUR 1,000)	2023	2022
Present value of obligation	1,327	1,509
Fair value of plan assets	-840	-1,040
Liability recognised in balance sheet 31 December	**486**	**469**
Liability recognised in balance sheet 1 January	**469**	**1,051**
Expenses recognised in income statement	72	112
Contributions by employer	-114	-125
Additional expense (+) to local GAAP	-42	-13
Remeasurements in comprehensive income	-59	-568
Liability recognised in balance sheet 31 December	**368**	**469**
Actuarial assumptions		
Discount rate, %	3.90%	3.20%
Rate of salary increase, %	3.50%	3.60%
Rate of benefit increase, %	0.00%	0.00%
Sensitivity analysis		
The following table show how the changes in assumptions used affect the defined benefit obligation (EUR)		
Discount rate 1.00% (0.40%)	1,327	1,509
Change in discount rate +0.50%	-96	-119
Change in discount rate -0.50%	108	134
Salary increase 3.0% (2.3%)	1,327	1,509
Change in salary increase +0.50%	35	37
Change in salary increase -0.50%	-34	-36

The weighted average duration of the defined benefit obligation is 15 (2022; 18) years.

The Group is expected to pay approximately EUR 0.1 million contributions to the defined benefit plans during 2023.

G45 Share-based incentive scheme

AktiaUNA

The share savings plan will be offered to approximately 900 Aktia employees, who will be offered an opportunity to save 2–4% of their salaries (the members of the Group's Executive Committee up to 12% and selected key employees up to 7%) and regularly acquire the company's shares at a 10% reduced price. Furthermore, the participants are motivated by granting them free matching shares against shares acquired in the share savings plan after approximately two years. The total savings amount and thus the value of the matching shares to be paid based on the savings period 2019–2020 to the participants amounts to a maximum total of EUR 1,800,000 upon the launch of the plan, corresponding to the value of 190,000 Aktia shares. The total savings amount and thus the value of the matching shares to be paid based on the savings period 2020-2021 to the participants amounts to a maximum total of EUR 950,000 upon the launch of the plan, corresponding to the value of 100,000 Aktia shares. The total savings amount and thus the value of the matching shares to be paid based on the savings period 2021-2022 to the participants amounts to a maximum total of EUR 2,270,000 upon the launch of the plan, corresponding to the value of 240,000 Aktia shares. The total savings amount and thus the value of the matching shares to be paid based on the savings period 2022-2023 to the participants amounts to a maximum total of EUR 2,800,000 upon the launch of the plan, corresponding to the value of 240,000 Aktia shares. The total savings amount and thus the value of the matching shares to be paid based on the savings period 2023-2024 to the participants amounts to a maximum total of EUR 2,600,000 upon the launch of the plan, corresponding to the value of 240,000 Aktia shares. The estimated total savings for the second half of the savings period 2023–2024 (October 2023–March 2024) amounts up to a maximum total of approximately EUR 682,000. The final number of matching shares to be paid under savings period 2023-2024 depends on the number of participants and shares acquired in the plan by the employees.

In 2023 a total of 73,120 shares were transferred to participants under AktiaUna 2021-2022. In addition, a cash portion was paid corresponding to a value of 34,211 shares.

Within the scope of the above mentioned AktiaUna savings plan, approximately 30 key employees, including the CEO and the members of the Group's Executive Committee, have until the period 2022-2023 been offered a possibility to participate in a performance-based share savings plan. The performance criteria are the Aktia Group's comparable operating profit and net commission income during the performance period. The value of the reward for the performance period 2019–2020 amounts up to a maximum total of EUR 2,100,000 upon the launch of the plan, corresponding to the value of 214,000 Aktia shares. The value of the reward for the performance period 2020–2021 amounts up to a maximum total of EUR 1,500,000 upon the launch of the plan, corresponding to the value of 158,000 Aktia shares. The value of the reward for the performance period 2021–2022 amounts up to a maximum total of EUR 2,236,000 upon the launch of the plan, corresponding to the value of 246,000 Aktia shares. The value of the reward for the performance period 2022–2023 amounts up to a maximum total of EUR 3,950,000 upon the launch of the plan, corresponding to the value of 340,000 Aktia shares. The final cost of the plan depends on the number of shares that the key employees acquire in the AktiaUna Share Plan, as well as on the achievement of the targets of the performance criteria of the performance period.

In 2023 based on criteria attainment a total of 23,065 shares were transferred to participants under PSP 2021-2022. In addition, a cash portion was paid corresponding to a value of 15,884 shares. A total of 31,084 Aktia shares (gross) are subject to deferral based on EBA Guidelines, and will be delivered in equal instalments during the following four years.

The vesting schedule for PSP was modified during 2020, and the potential rewards form the plan will be paid to the key employees in 2021 (PSP 2019-2020), 2022 (PSP 2020-2021) and 2023 (PSP 2021-2022). The reward can be partially deferred based on EBA Guidelines. The deferred part of the reward will be paid during the following three years in equal instalments for PSP 2019-2020 and PSP 2020-2021. For PSP 2021-2022 the deferred part of the reward will be paid during the following four years in equal instalments. In case of deferral, each instalment is subject to a 12-month retention period, during which the shares may not be transferred. For PSP 2022-2023, the outcome of the reward was zero.

The Board of Directors of Aktia Bank Plc will annually resolve on the launch of a new Aktia employee share savings plan and performance-based plan. No new period was launched in 2023, the new Executive and key employee incentive plan has replaced the previous PSP and separate STI for target group.

Business Areas' performance-based incentive plan

The Board of Directors of Aktia Bank Plc decided to launch a new period for the Business Area's performance-based incentive plan for the key employees of Aktia's business areas. 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 key employees' own business area. The same persons may not be included in the performance-based part of the share savings plan and in the performance-based incentive program for the segments. Participation in the program requires participation in AktiaUna share savings plan.

The plan 2022-2023 includes one 1-year performance period, calendar year 2022. The performance period is followed by an approximately 14-month restriction period. During the performance period 2022, the reward from the plan is based on each business area's comparable operating profit and strategic performance criterion. The cash reward earned based on the performance period will be converted into Aktia shares after the performance period and will be paid in five instalments after the end of the restriction period in 2024, 2025, 2026, 2027 and 2028, partly in Aktia shares and partly in cash. The cash portion is intended to cover taxes and tax-related costs arising from the reward to the key employee. Shares received as a reward cannot be transferred within one year of the payment of the reward instalment. At the target level, the maximum value of the reward based on the performance period is 1,500,000 euros in total upon the launch of the plan. At an Aktia share price of 11.52 euros, this amount corresponds to the value of approximately 130,000 Aktia shares. The final cost of the plan depends on the achievement of the targets of the performance criteria of the performance period and on the conversion price of the share after the end of the performance period. During the performance period 2022, approximately 50 key employees belong to the target group of the plan.

The plan period 2023-2024 includes one 1-year performance period, calendar year 2023. The performance period is followed by an approximately 14-month restriction period. During the performance period 2023, the reward from the plan is based on each business area's comparable operating profit. The cash reward earned based on the performance period will be converted into Aktia shares after the performance period and will be paid in five instalments after the end of the restriction period in 2025, 2026, 2027, 2028 and 2029, partly in Aktia shares and partly in cash. The cash portion is intended to cover taxes and tax-related costs arising from the reward to the key employee. Shares received as a reward cannot be transferred within one year of the payment of the reward instalment. At the target level, the maximum value of the reward based on the performance period is 1,110,000 euros in total upon the launch of the plan. At an Aktia share price of 10.84 euros, this amount corresponds to the value of approximately 103,000 Aktia shares. The final cost of the plan depends on the achievement of the targets of the performance criteria of the performance period and on the conversion price of the share after the end of the performance period. During the performance period 2023, approximately 45 key employees belong to the target group of the plan.

The Board of Directors of Aktia Bank Plc will annually decide on the launch of new performance periods of the business areas' performance-based incentive plan.

Executive and key employee incentive plan

The The Board of Directors of Aktia Bank Plc has decided to launch a new performance-based incentive plan for key employees, including CEO and group executive committee, of the group. The new incentive plan replaces Aktias current PSP plan and separate STI plan. The objective of the new plan is to support the company's strategy by motivating the key employees to achieve financial and strategic targets set for the group. Participation in the program requires participation in AktiaUna share savings plan.

The plan period 2023 includes one 1-year performance period, calendar year 2023. During the performance period 2023, the reward from the plan is based on group comparable operating profit, strategic metrics decided by the board and participants individual performance. Half of the cash 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 2024, 2025, 2026, 2027 and 2028, partly in Aktia shares and partly in cash. Shares received as a reward cannot be transferred within one year of the payment of the reward instalment. At the target level, the maximum value of the reward based on the performance period is 2,560,000 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 of the performance period and on the conversion price of the share after the end of the performance period. During the performance period 2023, approximately 25 key employees belong to the target group of the plan.

The Board of Directors of Aktia Bank Plc will annually decide on the launch of new performance periods of the Executive and key employee incentive plan.

	AktiaUna 2021-2022	AktiaUna 2022-2023	AktiaUna 2023-2024	PSP 2021-2022	PSP 2022-2023	Executive 2023-2024	BALTI 2022-2023	BALTI 2023-2024	Total
Estimated maximum gross shares upon the launch of the plan, pcs	240,000	240,000	240,000	246,000	340,000		130,000	103,000	1,539,000
Estimated maximum value of the reward at target, EUR *)						2,560,000			2,560,000
Initial allocation date	1 Apr 2021	1 Apr 2022	1 Apr 2023	1 Apr 2021	1 Apr 2022	1 Apr 2023	1 Apr 2022	1 Apr 2023	
Performance period begin				1 Jan 2021	1 Jan 2022	1 Jan 2023	1 Jan 2022	1 Jan 2023	
Performance period end				31 Dec 2022	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2023	
					31 Mar 2024	31 Mar 2024	31 Mar 2024	31 Mar 2025	
					31 Mar 2025	31 Mar 2025	31 Mar 2025	31 Mar 2026	
					31 Mar 2026	31 Mar 2026	31 Mar 2026	31 Mar 2027	
					31 Mar 2027	31 Mar 2027	31 Mar 2027	31 Mar 2028	
Vesting date	31 May 2023	28 Feb 2024	28 Feb 2025	31 May 2023	31 Mar 2028	31 Mar 2028	31 Mar 2028	31 Mar 2029	
Vesting conditions	Share ownership, employment	Share ownership, employment	Share ownership, employment	Share ownership, Aktia Group's comparable operating profit and net commission income during the performance period, employment	Share ownership, Aktia Group's comparable operating profit and net commission income during the performance period, employment	Aktia Group's comparable operating profit, criteria for strategic targets, individual targets, participation in the AktiaUna savings program, employment	The business areas' comparable operating profit, criteria for strategic targets, participation in the AktiaUna savings program, employment	The business areas' comparable operating profit, participation in the AktiaUna savings program, employment	
Maximum contractual life, years	2.2	1.9	1.9	2.2	6.0	5.0	6.0	6.0	
Remaining contractual life, years	0.0	0.2	1.2	0.0	4.2	4.2	4.2	5.2	
Number of persons at the end of the reporting year	500	554	531	40	20	20	34	14	
Payment method	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	

Executive is a preformance-based reward program for the management group and certain selected key personnel.

BALTI is a performance-based reward program for the business areas.

*) Half of the cash reward earned based on the performance periode will be converted into Aktia shares after the performance period. The reported amount in the table includes the part that is not to be converted into Aktia shares.

Changed during the reporting period (number of shares)	AktiaUna 2021-2022	AktiaUna 2022-2023	AktiaUna 2023-2024 *)	PSP 2021-2022	PSP 2022-2023	Executive 2023-2024	BALTI 2022-2023	BALTI 2023-2024 **)	Total
Outstanding at the beginning of the reporting period	111,426	84,130	—	165,092	158,976	—	—	—	519,624
Changes during the reporting period									
Granted during the reporting period	—	92,793	87,022	—	158,792	—	35,524	—	374,131
Forfeited during the reporting period	4,095	14,293	3,038	17,276	23,356	—	—	—	62,058
Excercised during the reporting period	107,331	—	—	38,949	—	—	—	—	146,280
Expired during the reporting period	—	—	—	77,783	—	—	—	—	77,783
Outstanding at the end of the reporting period	**—**	**162,630**	**83,984**	**31,084**	**294,412**	**—**	**35,524**	**—**	**607,634**

* Figures based on shares acquired with savings from April 2022 to September 2022. The savings period 2022-2023 continues until March 2023.
** The cash reward earned based on the performance period will be converted into Aktia shares after the performance period.

Valuation parameters for instruments granted during the reporting period	AktiaUna 2022-2023	AktiaUna 2023-2024	PSP 2022-2023	BALTI 2022-2023
Share price at share purchase date, EUR *)	9.62	9.09	9.62	10.50
Share price at the end of the reporting period, EUR	9.42	9.42	9.42	9.42
Maturity, years	0.80	1.30	1.89	1.76
Expected dividends, EUR	—	0.72	0.74	0.52
Fair value of one share, EUR	9.62	8.37	8.88	9.58

Determination of fair value

The fair value of the share-based incentive programs has been determined at the time of grant and the fair value is expensed until vesting. The pricing of the share-based incentives rewarded during the period is shown in the table above.

*) För BALTI, the conversion price is reported in this table.

Impact of share-based payments on the company's result and financial position (EUR 1,000)	2023	2022
Accounting period expenses from share-based payments in the income statement	3,141	2,202
of which shareholder-controlled	3,141	2,202
Liabilities arising from share-based payments at the end of the reporting period	—	—
Future cash payment to be paid to the tax authorities from share-based payments, estimated at the end of the reporting period	4,117	3,273

G46 The customer assets being managed

(EUR 1,000)	2023	2022
Aktia Bank plc offers private individuals and institutions discretionary asset management services. Customer funds are not intermediated to other customers.		
Customer assets being managed		
Funds in a customer funds account	3,253	4,736
Funds in discretionary asset management services	15,475,673	14,761,481
Funds within the framework of investment advising according to a separate agreement	3,882,603	3,688,923
Total	**19,361,529**	**18,455,140**

Customer assets being managed in this table show the group's investment products gross and include fund in funds. In the group's customer assets , fund in funds are eliminated.

G47 Transition effects in connection with the implementation of IFRS 17

(EUR 1,000)	31 Dec 2021 according to IFRS 4	IFRS 17 transition effects	1 Jan 2022 according to IFRS 17
Consolidated balance sheet			
Financial assets measured at fair value through income statement	1,451,815		1,451,815
Financial assets measured at fair value through other comprehensive income	1,106,966		1,106,966
Financial assets measured at amortised cost	8,670,984		8,670,984
Derivative instruments	39,553		39,553
Investments in associated companies and joint ventures	164		164
Tangible and intangible assets	249,824		249,824
Other assets	131,708		131,708
Income tax receivables	186		186
Deferred tax receivables	2,141	21,386	23,527
Tax receivables	2,327	21,386	23,713
Total assets	**11,653,341**	**21,386**	**11,674,728**
Deposits	5,425,806		5,425,806
Derivative instruments	20,484		20,484
Other financial liabilities	3,730,391		3,730,391
Liabilities from insurance contracts	523,085	127,765	650,850
Liabilities from investment contracts	1,045,130	2,739	1,047,868
Liabilities from insurance business	1,568,214	130,504	1,698,718
Other liabilities	104,230		104,230
Provisions	987		987
Income tax liabilities	6,686		6,686
Deferred tax liabilities	58,146	-4,715	53,432
Tax liabilities	64,832	-4,715	60,117
Total liabilities	**10,914,945**	**125,789**	**11,040,734**
Restricted equity	175,933		175,933
Fund for share-based payments	3,919		3,919
Unrestricted equity reserve	138,597		138,597
Retained earnings	360,488	-104,403	256,084
Unrestricted equity	503,004	-104,403	398,600
Shareholders' share of equity	678,937	-104,403	574,534
Holders of Additional Tier 1 capital	59,460		59,460
Total equity	**738,397**	**-104,403**	**633,994**
Total liabilities and equity	**11,653,341**	**21,386**	**11,674,728**

"Aktia Group has implemented the new IFRS 17 standard for insurance contracts, which replaces the previous IFRS 4 standard as of 1 January 2023. The transition to IFRS 17 was carried out retroactively on 1 January 2022, and the transition effects are shown in the table above.

In the transition to IFRS 17 Aktia has not been able to use the fully retrospective method for the majority of insurance contracts, as a large part of the insurance portfolio is very old. For those contracts where it has not been possible to use the fully retrospective method, the fair value method has been used. The fair value method has been used for insurance contracts granted in 2020 and earlier. In contract groups where the fair value method has been used, the estimated cash flows have been used as a base and adjusted with portfolio and cash flow type specific margins. The value reflects what a potential buyer of the contract group in question is expected to demand as compensation for this transfer.

The transition to IFRS 17 on 1 January 2022 signified that equity (net after taxes) decreased by EUR 104 million. The decrease pertains mainly to the low interest rate level and the discounting effects from liabilities from insurance contracts. The implementation of IFRS 17 signifies that net income from sold insurance contracts are reported for the duration of the contract, which means that the Group according to the new standard expects a higher result from the insurance business in future periods compared to the previous standard. The decrease in equity at the transition to IFRS 17 on 1 January 2022 does not affect the solvency ratio for Aktia Life Insurance Ltd or the bank group's capital adequacy ratio. However, the capital adequacy ratio of the finance and insurance conglomerate increased by just under two percentage points.

G48 Events after the end of the reporting period

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.

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 Bank Plc - Parent company's financial statement

Income statement - Aktia Bank plc

(EUR 1,000)	Note	2023	2022
Interest income		355,178	118,309
Net income from leasing operations		5,332	1,353
Interest expenses		-219,450	-22,712
Net interest income	P2	141,060	96,949
Income from equity instruments	P3	23,842	55,944
Commission income		113,167	120,785
Commission expenses		-11,165	-8,684
Net commission income	P4	102,002	112,101
Net income from financial instruments measured at fair value through the income statement	P5	891	748
Net income from financial assets measured at fair value through fund at fair value	P6	784	28
Other operating income	P7	753	561
Personnel costs	P8	-81,755	-77,031
Other administrative expenses	P9	-54,117	-46,544
Personnel and administrative expenses		-135,871	-123,575
Depreciation and impairment of tangible and intangible assets as well as shares and participations	P10, P21, P22	-22,501	-22,469
Other operating expenses	P11	-15,324	-22,928
Final and expected credit losses	P12	-6,845	-10,389
Operating profit		**88,792**	**86,969**
Taxes	P13	-13,985	-6,096
Profit for the reporting period		**74,807**	**80,873**

Balance sheet - Aktia Bank plc

(EUR 1,000)	Note	2023	2022
Assets			
Cash and balances with central banks		91,752	165,794
Bonds eligible for refinancing with central banks	P14	1,365,581	1,341,571
Claims on credit institutions	P15	659,235	1,183,601
Receivables from the public and public sector entities	P16	7,643,576	7,695,970
Leasing assets	P18	222,361	95,753
Shares and participations	P19	135,845	135,952
Derivative instruments	P20	75,908	53,657
Intangible assets and goodwill	P21	77,996	78,915
Right-of-use assets		20,599	19,544
Other tangible assets		2,785	3,917
Other properties		1,538	—
Tangible assets	P22	24,923	23,461
Other assets	P23	9,524	68,391
Accrued income and advance payments	P24	96,308	59,836
Deferred tax receivables	P25	12,059	13,610
Total assets		**10,415,070**	**10,916,511**
Liabilities			
Liabilities to credit institutions and central banks	P26	308,447	837,408
Borrowing		4,587,867	5,238,929
Other liabilities		781,000	686,000
Liabilities to the public and public sector entities	P27	5,368,867	5,924,929
Debt securities issued to the public	P28	3,577,279	3,066,578
Derivatives and other liabilities held for trading	P20	205,488	269,065
Provisions	P17	1,233	1,270
Other liabilities	P29	53,658	37,107
Accrued expenses and income received in advance	P30	107,068	40,968
Subordinated liabilities	P31	129,614	129,547
Deferred tax liabilities	P32	6,269	7,148
Total liabilities		**9,757,923**	**10,314,021**
Accumulated appropriations		215,000	215,000

The table continues

(EUR 1,000)	Note	2023	2022
Equity			
Share capital		169,732	169,732
Fund at fair value		-28,984	-35,891
Restricted equity		140,748	133,841
Unrestricted equity reserve		144,189	141,468
Retained earnings		112,181	71,212
Dividend to shareholders		-31,087	-40,308
Change in share-based payments		1,008	109
Acquisition of treasury shares		301	295
Profit for the reporting period		74,807	80,873
Unrestricted equity		301,399	253,649
Total equity	P33	**442,147**	**387,490**
Total liabilities and equity		**10,415,070**	**10,916,511**

Off-balance sheet commitments - Aktia Bank plc

(EUR 1,000)	Note	2023	2022
Off-balance sheet commitments	P38		
Guarantees and pledges		59,208	18,980
Other		2,265	4,252
Commitments provided to a third party on behalf of the customers		61,472	23,232
Unused credit arrangements		546,020	604,581
Irrevocable commitments provided on behalf of customers		546,020	604,581
Total		**607,493**	**627,813**

Cash flow statement - Aktia Bank plc

(EUR 1,000)	2023	2022
Cash flow from operating activities		
Operating profit	88,792	86,969
Adjustment items not included in cash flow for the period	52,049	63,674
Paid income taxes	-9,361	-16,218
Increase (-) or decrease (+) in receivables from operating activities	**606,688**	**-1,545,466**
Debt securities measured at fair value through other comprehensive income	-32,995	16,388
Debt securities measured at amortised cost, increase	-63,500	-143,500
Debt securities measured at amortised cost, decrease	104,000	—
Claims on Bank of Finland and credit institutions [1)]	520,352	-1,151,361
Receivables from the public and public sector entities	56,818	-280,946
Shares and participations measured at fair value through income statement	7	31
Other assets	22,005	13,921
Increase (+) or decrease (-) in liabilities from operating activities	**-611,400**	**968,669**
Liabilities to credit institutions	-528,962	-99,136
Liabilities to the public and public sector entities	-507,527	945,089
Debt securities issued to the public	348,457	138,024
Other liabilities	76,631	-15,309
Total cash flow from operating activities	**126,768**	**-442,372**
Cash flow from investing activities		
Investments in group companies and associated companies	—	-2,001
Capital loan to subsidiaries and associated companies	-44	-675
Impairment of shares in subsidiaries	1,051	—
Investments in tangible and intangible assets	-176,282	-82,747
Proceeds from sale of tangible and intangible assets	—	78
Total cash flow from investing activities	**-175,275**	**-85,344**

The table continues

(EUR 1,000)	2023	2022
Cash flow from financing activities		
Subordinated liabilities, decrease	—	-24,983
Divestment of treasury shares	1,540	1,675
Paid dividends	-31,087	-40,308
Total cash flow from financing activities	**-29,548**	**-63,616**
Change in cash and cash equivalents	**-78,055**	**-591,333**
Cash and cash equivalents at the beginning of the year	134,795	713,617
Cash and cash equivalents at the end of the year	56,739	134,795
Cash and equivalents transferred in connection with merger	—	12,511
Cash and cash equivalents in the cash flow statement consist of the following items:		
Cash in hand	607	851
Bank of Finland current account	33,043	111,053
Repayable on demand claims on credit institutions	23,089	22,890
Total	**56,739**	**134,795**
Adjustment items not included in cash flow consist of:		
Impairment (ECL) of interest-bearing securities	-626	658
Impairment (ECL) of credits and other commitments	6,967	10,224
Unrealised changes in value of shares and participations	-907	-76
Change in fair values	-3,984	20,494
Depreciation and impairment of intangible and tangible assets	50,186	31,227
Unwound fair value hedging	-550	-2,041
Change in share-based payments	1,008	104
Merger profit	—	2,933
Other adjustments	-44	152
Total	**52,049**	**63,674**

1) Including a deposit in Bank of Finland of EUR 549 (1,060) million.

P1 The parent company`s accounting principles

The parent company Aktia Bank Plc's financial statement is prepared in compliance with Finnish accounting standard (FAS), the statutes of the Finnish Accounting Act and the Credit Institutions Act, the ordinance issued by the Ministry of Finance on financial statements, consolidated financial statements and reports by the board of directors for credit institutions as well as Regulations and guidelines 2/2016, Accounting, financial statements and report by the board of directors issued by the Financial Supervisory Authority.

Information about business segments in the parent company is not relevant. The Group's segment reporting is presented in note G3.

Aktia Bank Plc, domiciled in Helsinki, is the parent company of the Aktia Bank Plc Group. Aktia Bank Plc's financial statements, financial statement release and interim reports are available on Aktia's www.aktia.com.

Foreign currency translation

The functional currency of the parent company is Euro, and it is also the currency used in the parent company's and the Group's reporting. Functional currency is the currency used in the economic environment where the company operates. Transactions in foreign currency are converted into the functional currency using the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are converted into the functional currency using the exchange rate on the balance date. Assets and liabilities denominated in foreign currencies outside the Euro zone have been converted into euros using the European Central Bank's average rate of exchange on the day the accounts were closed. The exchange rate differences that have arisen on valuation have been reported in the income statement as Net income from currency operations.

Revenue and expenses recognition

Interest and dividend

Interest income and expenses are accrued according to the lifetime of the agreement by using the effective interest rate method. This method recognises income and expenses from the instrument evenly in proportion to amounts outstanding over the period until maturity. Interest income and expenses attributable to financial assets held for trading purposes are reported in the income statement as net income from securities and currency operations.

TLTRO loans are reported at amortised cost in accordance with IFRS 9. IAS 20 has not been applied. Interest income from the TLTRO loans is recognised as income when the contractual conditions for income recognition are fulfilled. Aktia Bank has fulfilled the European Central Bank's conditions regarding increased corporate lending linked to TLTRO III financing and, consequently, the bank has been able to recognise the extra interest rate, valid until 23 June 2022, as income. The extra interest rate was 0,5 percentage points below the ECB's deposit facility rate for each TLTRO III transaction for the periods 24 June 2020 to 23 June 2021 and 24 June 2021 to 23 June 2022. As of 24 June 2022, the interest rate on all TLTRO III loans has been calculated according to the ECB's average deposit facility rate.

When a financial asset is impaired due to a reduction in value, the original effective interest rate is used when calculating interest income.

Dividends paid on shares and participations are reported as income for the reporting period during which the right to receive payment is noted.

Comissions

Commission income consists mainly of commissions from fund and asset management, securities brokerage, card- and payment services, borrowing and lending, currency- and foreign operations as well as insurance brokerage. Commission expenses consist of expenses directly related to services whose income has been recognised as commission income. Commission income and expenses are reported in accordance with the accruals convention, which, depending on the nature of the service, is either linear over time as the service is being provided or at a certain point in time when the service is carried out.

Other income and expenses

Income from derivatives for hedge accounting issued to savings banks and local co-operative banks are entered directly.

Depreciation

Tangible and intangible assets are subject to linear planned depreciation, according to the financial lifetime of the assets. As a rule, the residual value of these tangible and intangible assets is assumed to be zero. There is no depreciation of land areas. The estimated financial lifetimes for each asset category are as follows:

Buildings	40 years
Basic repairs to buildings	5-10 years
Other tangible assets	3-5 years
Intangible assets (IT acquisitions)	3-10 years

Share-based payments

The Group has an incentive agreement with key personnel in management positions and a share savings program for the whole personnel. The Group continuously evaluates the likely outcome of this incentive agreement. The benefits earned within the incentive agreement are valued at fair value on the decision date and costs are entered linearly during the earning-period. Payment is made either as transfer of equity instruments or in cash. For the part of the incentive agreement where payment is made as transfer of equity instruments, an accrued change is recognised in shareholders' equity under Fund for share-based payments. The cash-payment part of the incentive agreement is recorded under liabilities. Possible changes in the fair value of the liabilities are reported as personnel costs.

Taxes

Taxes in the income statement consist of direct and deferred taxes for the year and previous years. The tax cost is reported in the income statement, except where this relates to items which are reported directly against shareholders' equity, where the tax effect is reported as part of shareholders' equity. Income taxes are reported on the basis of estimated taxable income for the year. Deferred tax is entered in relation to differences between the book value of assets and liabilities, compared with their taxation value. A deferred tax asset is reported where it is likely that future taxable income will arise against which the temporary difference can be used.

Financial assets and liabilities

Aktia applies IFRS 9 according to the regulations and guidelines 2/2016 issued by the Financial Supervisory Authority, where financial assets are reported in three valuation categories. Classification and measurement of financial assets is based on the business model on which the instrument is managed and the instrument's properties in respect of the contractual cash flows.

Classification assets and liabilities

The Group classifies financial assets in the following categories:

- Reported at amortised cost (AC)
- Measured at fair value through other comprehensive income (FVOCI)
- Measured at fair value through the income statement (FVTPL)

The category **financial assets reported at amortised cost** includes:

- interest-bearing securities
- loans and other receivables
- cash and balances with central banks

Financial assets are reported at amortised cost if the asset is managed according to a business model where the instrument is expected to be held until maturity in order to obtain contractual cash flows. The contractual cash flows consist only of the payment of capital and interest on the outstanding capital (SPPI). The instruments in this category are reported on entering into agreements at fair value (acquisition cost minus attributable transaction costs) and then at amortised cost. Impairments are based on a three-stage model for expected credit losses (ECL) and are described under the heading Impairment of financial assets. Interest income, impairments as well as sales gains and losses are recorded in the income statement.

The category **financial assets measured at fair value through other comprehensive income** , includes:

- shares and participations
- interest-bearing securities

Financial assets are measured at fair value through other comprehensive income if:

- the asset is an interest-bearing security (debt instrument) managed according to a business model where the securities are held both in order to obtain contractual cash flows (SPPI requirement concerning payment of capital and interest on the outstanding capital) and which may be sold if necessary
- the asset is shares and participations (equity instrument) which is not held for trading purposes and is chosen to be classified in this category at the first recognition

The instruments in this category are reported on entering into agreements at fair value (acquisition cost minus attributable transaction costs) and then at fair value through other comprehensive income.

The **impairment of debt instruments (interest-bearing securities)** is based on a three-stage model for expected credit losses (ECL) and are described in more detail under the heading Impairment of financial assets. Interest income, dividends and impairments are reported in the income statement and the return of capital is reported in other comprehensive income. The counter item to impairments relating to the three-stage model for expected credit losses is recognised in the fund at fair value (other comprehensive income) and thus does not affect the fair value of the asset in the balance sheet. In connection with the sale of debt securities (debt instruments), the cumulative unrealised profit or loss is transferred from the fund at fair value to the income statement.

For **shares and participations** in this category, no ECL is calculated, and value changes are recognised on an ongoing basis in other comprehensive income after deferred tax. For an investment in an equity instrument that is not held for trading, the Group may make an irrevocable choice on initial recognition to recognise subsequent changes in fair value in other comprehensive income. The choice is made separately for each individual investment. The choice to recognise an equity instrument in this category leads to future sales gains and losses also being recognised in other comprehensive income. Only dividend from these instruments is recognised in the income statement.

The category **financial assets measured at fair value through the income statement** includes:

- derivative instruments
- life insurance investments providing cover for unit-linked agreements
- shares and participations
- interest-bearing securities
- loans and other receivables (included in this category if the SPPI-requirement is not fulfilled)

Financial assets are measured at fair value through the income statement if the asset is a derivative, the asset is held for trading purposes or is a debt instrument that does not meet the requirement for contractual cash flows. Shares and participations are included in this category if held for trading purposes or if the possibility to be classified in the category Financial assets measured at fair value through other comprehensive income at first recognition is not used. Financial assets held for trading purposes are assets acquired for a short time with the intent to earn revenue and where the intention is to actively trade in these instruments. On entering into agreements, the instruments in this category are reported at fair value and then at fair value through the income statement. Transaction costs are recorded in the income statement when they occur. Interest income, dividends, changes in fair value and sales gains and losses are reported on an ongoing basis in the income statement.

Financial liabilities

Liabilities to credit institutions, liabilities to the public and public sector entities, derivative instruments and debt securities to the public are reported in the category Financial liabilities. Derivative instruments are included in the balance sheet at fair value while other financial liabilities are included at their acquisition value on entering into the agreement, and subsequently with the effective interest method at their amortised cost. TLTRO loans are reported at amortised cost in accordance with IFRS 9. When hedge accounting is applied, the amortised cost of the liabilities is adjusted with the fair value of the hedged risk. If the financial liabilities are related to commitments to acquire equity instruments, the liabilities are reported at fair value through the income statement.

In the cash flow statement, issued debts are deemed to belong to the bank's operating activities, while subordinated liabilities are deemed to belong to financing activities.

Reclassification

In connection to acquiring a financial asset, the asset is classified according to one of the three categories of recognition. Latter reclassification of a financial asset can only be done if the business model, according to which the assets are managed, is changed. Latter reclassification can also be done if an instrument no longer meets the criteria needed for entering a certain business model. Financial liabilities are not reclassified.

Reclassification of a financial asset according to the above-mentioned requirements is to be applied going forward from the reclassification day. Previously reported profits and losses (including profits and losses from impairments) are not recalculated retroactively.

Reclassification between different valuation categories are reported as follows:

- From amortised cost to fair value through the income statement: The asset is measured at fair value and the difference between the fair value and the amortised cost is reported as profit or loss in the income statement.
- From fair value through the income statement to amortised cost: The fair value of the asset on the reclassification day is its new acquisition value. An expected credit loss is reported on the reclassification day according to the rules of the new valuation category and an effective interest rate for the instrument is stipulated.
- From amortised cost to fair value through other comprehensive income: The asset is measured at fair value and the difference between the fair value and the amortised cost is reported as profit or loss in other comprehensive income. The expected credit loss does not change due to reclassification.
- From fair value through other comprehensive income to amortised cost: The fair value of the asset on the reclassification day is its new acquisition value. The cumulative profits and losses which previously were recognised in other comprehensive income is moved from equity and adjusts the book value of the asset. This means that the asset is reported as if it always had been reported at amortised cost. The expected credit loss does not change due to reclassification.
- From fair value through the income statement to fair value through other comprehensive income: The asset is still measured at fair value. From the reclassification day the changes in fair value are recognised through other comprehensive income and an expected credit loss is on the reclassification day to be reported according to the rules of the new valuation category.
- From fair value through other comprehensive income to fair value through the income statement: The asset is still measured at fair value. As of the reclassification day cumulative profits and losses are re-entered, as previously reported in other comprehensive income, from equity to income statement. The effect of the reclassification can be seen in the income statement and in other comprehensive income but the total comprehensive income of the reclassification is zero.

Repurchase agreements

Repurchase agreements relate to agreements where the parties have reached an agreement on selling securities and the subsequent repurchase of corresponding assets at a set price. For repurchase agreements, sold securities are still reported in the balance sheet, and the payment received is reported as a financial liability. Sold securities are also reported as collateral pledged. The payment made for acquired securities is reported as lending to the vendor.

Cash and balances with central banks

Cash and balances with central banks consist of cash, bank balances, a current account held with the Bank of Finland and short-term deposits with a duration of less than three months. Loans to credit institutions repayable on demand are included in Loans and other receivables. Cash and cash equivalents in the cash flow statement include cash and balances with central banks excluding the minimum reserve deposit in Bank of Finland and loans to credit institutions repayable on demand.

Derivative instruments

All derivative instruments are reported in the balance sheet and are valued at fair value. Derivatives with a positive fair value are reported as assets in derivative instruments. Derivatives with a negative fair value are reported as liabilities in derivative instruments. Financial derivatives which are valued at fair value through the income statement are initially valued at fair value, but the transaction costs are reported directly in the income statement and are revalued thereafter at fair value. Changes in fair value, together with realised profits and losses, are reported in the income statement and are included in net income from securities.

Interest-rate derivatives issued to local banks, which are hedged back-to-back with third parties, are valued at fair value, and the change in fair value is recognised in Net income from financial transactions. The counterparty risk arising in these derivative agreements has been limited via mutual pledging agreements with local banks. Individual security arrangements are made with third parties in accordance with the terms and conditions of ISDA/CSA (Credit Support Annex).

Hedge accounting

In accordance with the Aktia Group's hedge accounting policy, hedge accounting is defined either as fair value hedging or cash flow hedging. Documentation and establishment of the hedging relationship between the hedging instrument, the hedged item, the risk management aim and the strategy, occur when hedging is entered. When a high negative correlation exists between the hedging instrument's change in value and the change in value of the hedged item or cash flow, the hedging is considered to be effective. The effectiveness of the hedging relationship is continually assessed and evaluated through prospective efficiency testing and measured on a cumulative basis. If the hedging relationship between the derivatives and the hedged items is not a 100 % match, the ineffective part is reported in the income statement. Aktia applies IFRS 9 hedge accounting for all hedge relationships except for portfolio hedging of interest rate risk for which the Group has chosen to use the possibility to continue to apply the rules set out in IAS 39.

Valuation of financial instruments at fair value

The fair value of listed shares and other financial instruments that are traded on an active market is based on the latest listed purchase price. Should the listed price of a financial instrument not represent actual market transactions occurring with regularity, or if listed prices cannot be obtained, the fair value is established with an appropriate valuation technique. The valuation techniques may vary from a simple analysis of discounted cash flows to complex option valuation models. The valuation models have been drawn up so that observable market prices and rates are used as input parameters in the evaluated cases, but unobservable model parameters may also be used.

The fair value for financial instruments has been divided in three levels. The levels are based on quoted market prices available on an active market for the same instrument (level 1), valuation techniques based on observable market data (level 2), and valuation techniques not using observable market data (level 3).

Impairment of financial assets

The Group applies a three-stage model to calculate the expected credit losses (ECL) for the following financial assets that are not measured at fair value through the income statement:

- debt instruments (interest-bearing securities and loans and other receivables) measured at amortised cost
- debt instruments (interest-bearing securities) measured at fair value through other comprehensive income
- loan promises
- financial guarantee contracts

Expected credit loss (ECL) is not calculated for equity instruments.

Financial assets are transferred between the following three stages based on the change in the credit risk from the date of first recognition:

- Stage 1 12 months' ECL
  Expected credit losses for twelve months are calculated for non-defaulted exposures where the credit risk has not increased significantly since the date of recognition. The effective interest rate is calculated on the gross book value.
- Stage 2 ECL for the remaining duration of non-defaulted exposures
  The expected credit losses for the instrument's remaining duration are calculated for non-defaulted exposures where the credit risk has increased significantly since the date of recognition. The effective interest rate is calculated on the gross book value.
- Stage 3 ECL for the remaining duration of defaulted exposures
  Stage 3 includes exposures for which one or more events that have a significant negative impact on the future estimated cash flows has occurred. For defaulted assets in stage 3, expected credit losses for the instruments remaining duration are recognised on an ongoing basis, whereas the effective interest rate is calculated on the impaired book value.

At each reporting date, an evaluation is made as to whether a **significant increase in the credit risk** has occurred, by comparing the probability of default at the reporting date with the situation on the date of recognition. The evaluation considers all relevant and available information which can be accessed without excessive cost or effort. This includes qualitative and quantitative and financial information that describes the future. An exposure migrates through the various ECL stages when the credit quality decreases. In a similar way, the exposure migrates back from the ECL for the entire duration to ECL 12 months if the credit quality improves and a previous assessment of a substantial increase in credit risk is revised. Exposures whose credit quality has not substantially deteriorated since the date of recognition are considered as low credit risk. For such exposures, a 12 months ECL is calculated. When an asset is no longer recoverable, a credit loss is recognised against the impairment allowance in the balance sheet. A credit loss is recognised when all recovery actions have been completed and the final loss has been established. Any future payments are recognised in the income statement as a reversal of the credit loss.

The **expected credit losses (ECL)** are calculated as an objective probability-weighted estimate of future losses. The calculation includes:

- non-impaired or defaulted financial assets at the time of reporting. ECL is calculated as the present value of all estimated defaults over the financial asset's calculated term of maturity or during the following 12 months. The estimated defaults are the difference between the asset's contractual cash flows and the cash flows the Group expects to receive.
- impaired or defaulted financial assets at the time of reporting. ECL is calculated as the difference between the amortised cost and the present value of the financial asset's estimated future cash flows discounted with the effective interest rate.
- loan promises granted but not used. ECL is calculated as the difference between the contractual cash flows in case a credit is used and the cash flow the Group expects to receive.
- financial guarantee contracts. ECL is calculated as the difference between the expected payments and the amount the Group expects to recover.

Calculation of the expected credit losses (ECL)

The group has internally developed models for the evaluation of the creditworthiness. The models are used in the assessment of the probability of default when providing loans and other financial exposures to counterparties and customers. The Group has in advance defined probabilities for counterparty risks regarding the Group's all private and corporate loans and other receivables. For **credits and other receivables**, ECL is calculated on the basis of the exposure's risk parameters PD (Probability of Default), LGD (Loss Given Default) and EAD (Exposure At Default). These parameter estimates are derived from the same models used in the IRB solvency calculation, but are based on a so-called "Point-in-Time" calibration reflecting the prevailing or anticipated economic situation at the accounting horizon. For credits in Stage 1, ECL is equal to the product of the PD, LGD and EAD, i.e. 12-month ECL. For credits in Stage 2 and 3, ECL is calculated as the sum of 12-month ECL over the lifetime of the claim, adjusted for the probability that the exposure defaults during a previous period. Lifetime ECL also takes into account the contractual amortisation plan that is reflected in both the EAD and LGD estimate. Lifetime ECL for **interest-bearing securities** is calculated on the basis of the interest certificate's contractual calendar. Lifetime ECL is calculated as LGD multiplied by the sum of all expected and discounted cash flows times the probability of a credit event (PD). PD is calculated separately for each security by allocating an appropriate risk curve and by taking into account the liquidity and tax effects. 12-month ECL is then calculated by scaling down the lifetime ECL with a securities-specific proportionality constant which comprises the credit risk quota during the certificate's lifetime and the credit risk in the coming year.

Significant increase of credit risk

When determining whether a significant increase in credit risk has occurred since the date of recognition, the Group uses both quantitative and qualitative information and analysis. The information and analysis are based on the historical data and expert assessment of the credit risk and also include financial information that describes the future.

For **credits and other receivables** an increase in credit risk is considered to have occurred:

- based on an absolute and relative change in PD for the remaining maturity

- at the latest when a payment is over 30 days delayed or when a customer is covered by mitigating circumstances. In the case of mitigating measures, credits are considered to have an increased credit risk over a period of two years from the date of when the measures have been initiated. These criteria define an absolute baseline for when an increase in credit risk has occurred when there are indications of other qualitative factors that have not been visible in regular quantitative analyses. In such cases the Group can use expert evaluations and relevant historical information

Defaulted credits and receivables are transferred to stage 3. For the reversal of credit and receivables to non-defaulted, the bank has implemented a three-month probationary period, where default factors can no longer be applicable and the customer's payment behaviour is a sign of a decreased risk. For defaulted credits with mitigating measures, the probation period is one year before they can be reverted to non-defaulted.

For **interest-bearing securities**, the increase in credit risk is evaluated according to two different criteria. The first criterion for an increase in credit risk is a significant drop in external credit rating. The second criterion is that the value development for the interest-bearing security keeps within its volatility range. Volatility is calculated according to the price development throughout the instrument's lifetime. In addition to the above-mentioned criteria, expert evaluation is used if necessary. The expert evaluation is carried out taking the Groups internal rating into consideration.

Assessment of impairment needs (definition of default)

In the model for calculating expected credit losses (ECL) the Group has defined default as described in the Group's credit regulations and processes when assessing the need for impairment. Default means the counterparty's inability or probable inability according to agreed terms handle all its obligations towards the bank.

A counterparty is considered defaulted if at least one of the following criteria is met:

- A significant loan repayment is delayed 90 days or more
- A significant loan repayment is delayed less than 90 days but at least one of the following criteria are met:
  - the bank has applied for or the counterparty has been declared bankrupt
  - the counterparty is in debt reconstruction
  - according to the bank's assessment it is unlikely that the customer fully can pay its loan obligations to the bank without the bank having to take action, e.g. liquidising possible collateral

For defaulted credits and other receivables, accrued interest is not recognised.

Interest-bearing securities are considered defaulted if the financial position of the company, where the investment is made, meets one of the following criteria:

- The company has been declared bankrupt or is de facto insolvent and unable to make payments
- The company has entered into an agreement about business debt restructuring or has applied for protection against its creditors or is undergoing significant restructuring which affects creditors
- The company has missed a payment according to contractual cash flow and has not been corrected within 30 days

In addition to default, interest-bearing securities are checked individually for assessing the need for impairments if the security's rate has dropped under 50%.

Information describing the future

The Group has established a panel of experts which takes account of various relevant future macro-economic factors to define an objective assumption supporting the ECL calculations. The expert panel consists of the management of the risk and economy function as well as the Group's Chief Economist, amongst others. Relevant regional and sector-specific adjustments are made to capture deviations from general macro-economic scenarios. The adjustments reflect the best assumption on future macro-economic conditions which are not incorporated in the ECL calculations. Macro-economic factors taken into account include, for example, unemployment, interest rate level, inflation, residential and commercial property prices. The methodologies and scenarios for future macro-economic conditions are revised regularly.

For **credits and other receivables (credit portfolio)** the risk parameters are adjusted according to assumptions in the relevant macro scenario in calculation of lifetime ECL. The PD estimate is adjusted based on a macro economic model that takes e.g. developments of unemployment into account. If unemployment is expected to increase, the PD estimate of household credits will increase. The LGD estimate takes the assumed development of house and real estate prices into account. If the market value of the securities decreases in the scenario, this has a positive effect on the LGD estimate, given that the amortisation speed does not exceed the decrease in the market value of the securities.

The ECL calculation for **interest-bearing securities (liquidity and investment portfolio)** uses directly observable market prices and therefore needs no stochastic or constructed estimates. When the models use market information as much as possible, the market's expectation of the future development is implicitly represented in the model.

Tangible and intangible assets

Assets acquired through finance lease agreements are reported as of 1 January 2019 according to chapter 5, § 5 b of the Finnish Accounting Act and the statement 1988/2018 (27 June 2018) of the Accounting Board, which means that IFRS 16 is applied in the reporting of these assets in the parent company's financial statements.

Leases with a leasing period of 12 months or less and leases for low-value assets are not reported as right-of-use assets and lease liability in the balance sheet. Lease expenses for these leases are reported during the leasing period as rental expenses in the income statement.

Other tangible and intangible assets are included in the balance sheet at their acquisition price less planned depreciation. Planned depreciation is based on the financial lifetime of the assets.

The bank as a lessor

The leasing of assets where the financial risks and advantages associated with the ownership of an object are essentially transferred from the Group to the lessee is classified as a finance lease, and the assets are entered in the lessee's balance sheet. At the beginning of the leasing period, a receivable on the lessee arises in the Group which is repaid in line with the length of the leasing period. Each leasing payment is allocated between interest and repayment of the receivable. The interest income is allocated over the leasing period, so that every reporting period is allocated an amount which corresponds to a fixed interest rate for the receivable reported for each reporting period.

The bank as a lessee

The Group reports a right-of-use asset and a lease liability at the starting date of the lease. The right-of-use asset is initially measured at acquisition value, which includes the initial value of the lease liability added with possible lease expenses paid at or after the starting date, and other initial direct costs. The right-of-use asset is depreciated linearly during the leasing period. If Aktia aims at using an option for purchasing the underlying asset, the asset is depreciated linearly during the right-of-use period.

The lease liability is initially measured at present value of the remaining lease expenses for the leasing period assessed. The leasing period consists of the period that cannot be cancelled with the addition of further periods, if it at the initial stage is estimated with reasonable certainty that an option for a lengthening of the agreement will be utilised. Lease expenses are discounted according to the lease agreement's implicit interest rate. If the agreement's implicit interest rate cannot be determined, the marginal interest rate for borrowing is used for the discounting of lease expenses. The lease liability includes the present value of fixed lease expenses, variable index-bound lease expenses, possible residual value guarantees expected to be paid, redemption price for a call option which Aktia is reasonably sure to use, and penalties for lease agreements Aktia deems will be cancelled prematurely. The lease liability is calculated according to the assessment of the remaining leasing period, and according to the rent valid at the end of each reporting period. The value of the lease liability increases with the interest expenses for each period and decreases with the leasing payments.

Leases with a leasing period of 12 months or less and leases for low-value assets are not reported as right-of-use assets and lease liability in the balance sheet. Lease expenses for these leases are reported during the leasing period as rental expenses in the income statement.

Provisions

A provision is reported where the bank has an existing legal or informal obligation due to an event which has occurred, and it is likely that the obligation will be realised and the bank can reliably estimate the amount of the obligation. If it is possible to obtain remuneration from a third party for part of the obligation, this remuneration is reported as a separate asset item when it is certain in practice that remuneration will be received. The provisions are assessed each balance sheet date and are adjusted if needed. The provision is valued at the current value of the amount which is expected in order to regulate the obligation. Expected credit losses on off-balance-sheet commitments are reported as provisions.

Equity

Dividend payments to shareholders are reported in shareholders' equity when the annual general meeting decides on the pay-out.

P2 Net interest income

(EUR 1,000)	2023	2022
Interest income		
Cash and balances with central banks	1,506	282
Claims on credit institutions	32,515	7,142
Receivables from the public and public sector entities	290,474	108,095
Bonds	13,379	6,616
Derivatives	17,254	-3,823
Other interest income	49	-4
Total	**355,178**	**118,309**
of which interest income from financial assets reported at stage 3	259	341
Net income from leasing operations		
Rental income	36,790	14,380
Depreciation according to plan	-31,996	-13,186
Sales gains	117	18
Commission income	420	141
Total	**5,332**	**1,353**
Interest expenses		
Liabilities to credit institutions	-15,878	-4,631
Liabilities to the public and public sector entities	-27,056	-1,165
Debt securities issued to the public	-107,887	-22,001
Derivatives and liabilities held for trading	-63,148	10,545
Subordinated liabilities	-3,350	-3,469
Interest expenses for right-of-use assets	-1,133	-1,261
Other interest expenses	-998	-730
Total	**-219,450**	**-22,712**
Net interest income	**141,060**	**96,949**

P3 Income from equity instruments

(EUR 1,000)	2023	2022
Group companies	23,325	54,500
Associated companies	376	—
Equity instruments measured at fair value through income statement	140	1,444
Total	**23,842**	**55,944**

P4 Net commission income

(EUR 1,000)	2023	2022
Commission income		
Card- and payment services	29,463	25,525
Mutual funds, asset management and securities brokerage	52,783	63,335
Brokerage of insurance	5,865	6,857
Lending	8,623	9,113
Borrowing	3,946	3,747
Currency operations	3,992	3,834
Guarantees and other off-balance sheet commitments	757	486
Other commission income	7,738	7,889
Total	**113,167**	**120,785**
Commission expenses		
Card- and payment services	-7,280	-4,348
Securities and investments	-1,820	-2,043
Money handling	-1,490	-1,514
Other commission expenses	-575	-779
Total	**-11,165**	**-8,684**
Net commission income	**102,002**	**112,101**

P5 Net income from financial instruments measured at fair value through the income statement

(EUR 1,000)	2023	2022
Shares and participations		
Capital gains and losses	-6	17
Valuation gains and losses	907	76
Total	**901**	**93**
Derivative instruments		
Capital gains and losses	-2	-6
Total	**-2**	**-6**
Total		
Capital gains and losses	-8	11
Valuation gains and losses	907	76
Net income from securities	**900**	**87**
Net income from currency operations	163	608
Fair value hedging		
Interest rate-related hedging repayable on demand liabilities	11,649	-24,491
Interest rate-related hedging lending to public	-11,378	26,554
Interest rate-related hedging issued bonds	78,994	-202,790
Changes in fair value of hedge instrument, net	79,265	-200,727
Repayable on demand liabilities	-12,015	24,722
Lending to public	11,427	-26,603
Bonds issued	-78,848	202,661
Changes in fair value of items hedged, net	-79,436	200,779
Total	**-171**	**53**
Net income from financial instruments measured at fair value through the income statement	**891**	**748**

P6 Net income from financial assets measured at fair value through fund at fair value

(EUR 1,000)	2023	2022
Interest-bearing securities		
Capital gains and losses	280	86
Transferred to income statement from fund at fair value	—	435
Change in ECL impairments on interest-bearing securities measured at fair value through the fund at fair value	504	-493
Total	**784**	**28**

P7 Other operating income

(EUR 1,000)	2023	2022
Income from other banking business	—	36
Group internal compensations	144	69
Other operating income	609	455
Total	**753**	**561**

P8 Personnel

(EUR 1,000)	2023	2022
Salaries and remunerations	-67,946	-64,237
Pension costs	-11,368	-10,344
Other indirect employee costs	-2,440	-2,449
Indirect employee costs	-13,809	-12,793
Total	**-81,755**	**-77,031**
Number of employees 31 December		
Full-time employees	713	766
Part-time employees	93	101
Total	**806**	**867**
of which temporary	80	83

Pension commitments
The personnel's retirement plan is organised via the Pension insurance company Veritas and there are no pension commitments with a liability deficit.

P9 Other administrative expenses

(EUR 1,000)	2023	2022
IT expenses	-40,298	-31,843
Other personnel expenses	-3,369	-3,715
Office expenses	-970	-1,107
Communication expenses	-2,639	-2,758
Marketing- and representation expenses	-3,758	-4,044
Other administrative expenses	-3,083	-3,077
Total	**-54,117**	**-46,544**

P10 Depreciation and impairment of tangible and intangible assets as well as shares and participations

(EUR 1,000)	2023	2022
Depreciation of right-of-use assets	-4,311	-4,429
Depreciation of other tangible assets	-1,247	-1,127
Depreciation of intangible assets	-15,642	-16,873
Impairment of tangible and intangible assets	-1,301	-40
Total	**-22,501**	**-22,469**

P11 Other operating expenses

(EUR 1,000)	2023	2022
Rental expenses [1)]	-1,547	-1,987
Expenses for properties in own use	-595	-589
Insurance and security expenses	-5,804	-6,490
Monitoring, control and membership fees	-1,577	-1,275
Consulting fees	-2,882	-6,448
Group services	—	-53
Phishing costs	—	-79
Other operating expenses	-2,920	-6,007
Total	**-15,324**	**-22,928**

1) Rental expenses refer to leasing agreements with a maximum term of 12 months of EUR 0.4 (0.4 million) or low value assets of EUR 0.9 (1.0 million). Other leasing agreements are reported in accordance with IFRS 16.

Auditors' fees		
Statutory auditing	326	310
Services related to auditing	69	40
Tax counselling	18	23
Other services	126	57
Total	**539**	**429**

The Financial Stability Board has determined the stability fees as:		
Deposit guarantee contribution	-3,215	-3,775
amount of which paid from the old Deposit Guarantee Fund	-3,215	-3,775
Aktia's estimate of how many years funds may be transferred for Aktia Bank plc from the old Deposit Guarantee Fund	8	9
Contribution to the Single Resolution Fund	-4,291	-5,086
amount of which transferred from previously paid bank tax	—	—
Aktia's estimate of how many years funds may be transferred from previously paid fees for bank tax for Aktia Bank plc's part	—	—

P12 Final and expected credit losses

(EUR 1,000)	2023	2022
Final and expected credit losses and impairment of credits and other commitments	-6,967	-10,224
Expected credit losses and impairment of interest-bearing securities as well as shares and participations	122	-165
Total	**-6,845**	**-10,389**

P13 Taxes

(EUR 1,000)	2023	2022
Income taxes on the ordinary business	-15,044	-8,484
Taxes from previous years	3	-164
Changes in deferred taxes	1,056	2,551
Total	**-13,985**	**-6,096**

P14 Bonds according to financial instruments

	2023		2022	
(EUR 1,000)	Total	of which ECL	Total	of which ECL
Government bonds	135,205	-46	169,345	-58
Other	1,230,376	-62	1,172,226	-172
Total	**1,365,581**	**-108**	**1,341,571**	**-230**
of which eligible for refinancing with central banks	1,365,581	—	1,341,571	—

Bonds by financial instrument

	Publicly quoted	Other	Total	of which ECL
31 Dec 2023				
Bonds measured at fair value through other comprehensive income	894,188	20,526	914,713	—
Bonds valued at amortised cost	450,868	—	450,868	-108
Total	**1,345,056**	**20,526**	**1,365,581**	**-108**
31 Dec 2022				
Bonds measured at fair value through other comprehensive income	800,688	48,286	848,974	—
Bonds valued at amortised cost	492,597	—	492,597	-230
Total	**1,293,285**	**48,286**	**1,341,571**	**-230**

P15 Claims on credit institutions

(EUR 1,000)	Repayable on demand	Other than repayable on demand	Total	Of which ECL
31 Dec 2023				
Finnish credit institutions	8,047	551,550	559,597	0
Foreign credit institutions	15,042	84,596	99,638	—
Total	**23,089**	**636,146**	**659,235**	**0**
31 Dec 2022				
Finnish credit institutions	7,890	1,061,650	1,069,540	0
Foreign credit institutions	15,001	99,061	114,062	—
Total	**22,890**	**1,160,711**	**1,183,601**	**0**

P16 Receivables from the public and public sector entities

(EUR 1,000)	2023	2022
A sector-by-sector analysis of receivables from the public and public sector entities		
Households	5,153,592	5,312,016
Corporates	1,203,122	1,210,749
Housing associations	1,229,127	1,119,975
Public sector entities	1,193	1,590
Non-profit organisations	56,542	51,640
Total	**7,643,576**	**7,695,970**

The bank has in the category receivables from the public and public sector entities only receivables other than repayable on demand.

P17 Financial assets and impairment by stage

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Book value of financial assets 31 December 2023				
Interest-bearing securities	1,365,581	—	—	1,365,581
Lending	7,887,129	311,872	103,811	8,302,811
Off-balance sheet commitments	602,464	2,413	2,615	607,493
Total	**9,855,174**	**314,285**	**106,426**	**10,275,885**
Book value of financial assets 31 December 2022				
Interest-bearing securities	1,277,565	64,006	—	1,341,571
Lending	8,486,154	281,863	111,555	8,879,572
Off-balance sheet commitments	622,891	2,810	2,112	627,813
Total	**10,386,610**	**348,679**	**113,666**	**10,848,955**
Impairment of credits and other commitments				
Impairment of credits and the other commitments 1 January 2023	5,017	6,351	27,441	38,808
Transferred from stage 1 to stage 2	-282	2,283	—	2,002
Transferred from stage 1 to stage 3	-36	—	1,788	1,751
Transferred from stage 2 to stage 1	103	-1,151	—	-1,049
Transferred from stage 2 to stage 3	—	-718	1,537	819
Transferred from stage 3 to stage 1	36	—	-1,014	-978
Transferred from stage 3 to stage 2	—	212	-1,004	-792
Increases due to origination and acquisition	3,458	227	1,034	4,720
Decreases due to derecognition	-1,348	-522	-2,170	-4,040
Decrease in allowance account due to write-offs	—	—	-8,484	-8,484
Other changes	-875	-359	5,827	4,593
Impairment of credits and the other commitments 31 December 2023	**6,073**	**6,324**	**24,955**	**37,352**
of which provisions	1,054	53	127	1,233

(EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Impairment of credits and other commitments by sector				
Households	1,951	4,539	16,952	23,442
Corporates	3,511	1,764	7,606	12,881
Housing associations	568	18	77	664
Public sector entities	8	—	—	8
Non-profit organisations	33	2	321	356
Total	**6,073**	**6,324**	**24,955**	**37,352**
Impairment of interest-bearing securities				
Impairment of interest-bearing securities 1 January 2023	628	229	—	857
Transferred from stage 1 to stage 2	—	—	—	—
Transferred from stage 1 to stage 3	—	—	—	—
Transferred from stage 2 to stage 1	14	-229	—	-215
Transferred from stage 2 to stage 3	—	—	—	—
Transferred from stage 3 to stage 1	—	—	—	—
Transferred from stage 3 to stage 2	—	—	—	—
Increases due to origination and acquisition	12	—	—	12
Decreases due to recognition	-58	—	—	-58
Other changes	-365	—	—	-365
Impairment of interest-bearing securities 31 December 2023	**231**	**—**	**—**	**231**
Impairment of interest-bearing securities by sector				
Corporates	137	—	—	137
Public sector entities	93	—	—	93
Total	**231**	**—**	**—**	**231**

P18 Leasing assets

(EUR 1,000)	2023	2022
Book value at 1 January	95,753	34,796
Increases	158,604	74,143
Planned depreciation	-31,996	-13,186
Book value at 31 December	**222,361**	**95,753**

P19 Shares and participations

(EUR 1,000)	Publicly quoted	Credit institutions	Other	Total
31 Dec 2023				
Equity instruments measured at fair value through income statement	—	5,392	757	6,150
Shares and participations in associated companies	—	—	2,898	2,898
Shares and participations in group companies	—	—	126,798	126,798
Total	**—**	**5,392**	**130,453**	**135,845**
31 Dec 2022				
Equity instruments measured at fair value through income statement	—	4,485	765	5,249
Shares and participations in associated companies	—	—	3,298	3,298
Shares and participations in group companies	—	—	127,405	127,405
Total	**—**	**4,485**	**131,467**	**135,952**

The holdings in associated and group companies have been valued at their acquisition cost.

P20 Derivative instruments

The nominal value of the underlying property and the fair value of the derivative instrument

31 Dec 2023

Hedging derivative instrument	Nominal values / term remaining				Fair value	
(EUR 1,000)	Under 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Interest rate derivatives						
Interest rate swaps	1,255,000	2,718,925	463,595	4,437,519	49,439	183,748
Interest rate options	—	682,125	89,415	771,540	16,983	206
Purchased	—	332,125	89,415	421,540	16,983	—
Written	—	350,000	—	350,000	—	206
Total	**1,255,000**	**3,401,050**	**553,010**	**5,209,059**	**66,422**	**183,954**
Cash flow hedging						
Interest rate swaps	47,395	487,769	76,681	611,845	9,426	21,521
Total	**47,395**	**487,769**	**76,681**	**611,845**	**9,426**	**21,521**
Total interest rate derivatives	**1,302,395**	**3,888,818**	**629,691**	**5,820,904**	**75,848**	**205,476**
Total hedging derivative instruments	**1,302,395**	**3,888,818**	**629,691**	**5,820,904**	**75,848**	**205,476**
Other derivative instruments						
Interest rate swaps	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**
Forward rate agreements	4,671	—	—	4,671	59	12
Total forward rate agreements	**4,671**	**—**	**—**	**4,671**	**59**	**12**
Total other derivative instruments	**4,671**	**—**	**—**	**4,671**	**59**	**12**
Total derivative instruments	**1,307,067**	**3,888,818**	**629,691**	**5,825,576**	**75,908**	**205,488**

31 Dec 2022

Hedging derivative instrument	Nominal values / term remaining				Fair value	
(EUR 1,000)	Under 1 year	1-5 years	Over 5 years	Total	Assets	Liabilities
Interest rate derivatives						
Interest rate swaps	540,000	2,279,625	988,095	3,807,719	24,749	254,156
Interest rate options	—	650,625	110,950	761,575	27,696	932
Purchased	—	350,625	60,950	411,575	27,696	—
Written	—	300,000	50,000	350,000	—	932
Total	**540,000**	**2,930,250**	**1,099,045**	**4,569,294**	**52,445**	**255,088**
Cash flow hedging						
Interest rate swaps	48,290	281,917	—	330,207	268	13,043
Total	**48,290**	**281,917**	**—**	**330,207**	**268**	**13,043**
Total interest rate derivatives	**588,290**	**3,212,166**	**1,099,045**	**4,899,501**	**52,714**	**268,130**
Total hedging derivative instruments	**588,290**	**3,212,166**	**1,099,045**	**4,899,501**	**52,714**	**268,130**
Other derivative instruments						
Interest rate swaps	60,000	—	—	60,000	937	930
Total	**60,000**	**—**	**—**	**60,000**	**937**	**930**
Forward rate agreements	4,220	—	—	4,220	7	5
Total forward rate agreements	**4,220**	**—**	**—**	**4,220**	**7**	**5**
Total other derivative instruments	**64,220**	**—**	**—**	**64,220**	**944**	**935**
Total derivative instruments	**652,511**	**3,212,166**	**1,099,045**	**4,963,722**	**53,657**	**269,065**

P21 Intangible assets and goodwill

(EUR 1,000)	Immaterial right (IT expenses)	Other intangible assets in connection with the Taaleri acquisition	Capitalised development expenses	Other long-term expenditures	Total
2023					
Acquisition cost at 1 January	116,339	43,074	6,504	12,693	178,610
Increases	15,638	—	—	163	15,801
Decreases	-185	—	—	—	-185
Acquisition cost at 31 December	131,792	43,074	6,504	12,856	194,226
Accumulated depreciations and impairments at 1 January	-78,080	-7,332	-6,504	-7,779	-99,696
Accumulated depreciation on decreases	185	—	—	—	185
Planned depreciation	-10,345	-4,399	—	-898	-15,642
Impairments	-1,078	—	—	—	-1,078
Accumulated depreciations and impairments at 31 December	-89,318	-11,731	-6,504	-8,677	-116,230
Book value at 31 December	**42,474**	**31,343**	**—**	**4,179**	**77,996**
2022					
Acquisition cost at 1 January	102,505	—	6,504	10,659	119,669
Merger	7,989	43,074	—	—	51,063
Increases	5,845	—	—	2,034	7,878
Acquisition cost at 31 December	116,339	43,074	6,504	12,693	178,610
Accumulated depreciations and impairments at 1 January	-61,334	—	-5,304	-7,032	-73,671
Merger	-6,209	-2,933	—	—	-9,141
Planned depreciation	-10,538	-4,399	-1,200	-736	-16,873
Impairments	—	—	—	-11	-11
Accumulated depreciations and impairments at 31 December	-78,080	-7,332	-6,504	-7,779	-99,696
Book value at 31 December	**38,259**	**35,742**	**—**	**4,914**	**78,915**

P22 Tangible assets

(EUR 1,000)	Right-of-use assets	Machines and equipment	Other tangible assets	Total Tangible assets
2023				
Acquisition cost at 1 January	31,137	20,652	288	52,078
Increases	6,445	116	1,761	8,323
Decreases	-3,682	—	—	-3,682
Acquisition cost at 31 December	33,900	20,768	2,050	56,718
Accumulated depreciations and impairments at 1 January	-11,593	-17,024	—	-28,617
Accumulated depreciation on decreases	2,603	—	—	2,603
Planned depreciation	-4,311	-1,247	-223	-5,781
Accumulated depreciations and impairments at 31 December	-13,301	-18,271	-223	-31,795
Book value at 31 December	**20,599**	**2,497**	**1,827**	**24,923**
of which properties	20,182			
of which cars	417			

(EUR 1,000)	Right-of-use assets	Machines and equipment	Other tangible assets	Total Tangible assets
2022				
Acquisition cost at 1 January	29,532	18,338	288	48,159
Merger	—	1,667	—	1,667
Increases	3,414	725	—	4,140
Decreases	-1,810	-78	—	-1,888
Acquisition cost at 31 December	31,137	20,652	288	52,078
Accumulated depreciations and impairments at 1 January	-7,870	-14,200	—	-22,070
Merger	—	-1,667	—	-1,667
Accumulated depreciation on decreases	640	—	—	640
Planned depreciation	-4,363	-1,127	—	-5,490
Impairments	—	-29	—	-29
Accumulated depreciations and impairments at 31 December	-11,593	-17,024	—	-28,617
Book value at 31 December	**19,544**	**3,628**	**288**	**23,461**
of which properties	19,145			
of which cars	399			

P23 Other assets

(EUR 1,000)	2023	2022
Cash items being collected	530	472
Receivables from transactions with a future valuation day	—	50,000
The Card unit's working capital	—	13,329
Other assets	8,995	4,591
Total	**9,524**	**68,391**

P24 Accrued income and advance payments

(EUR 1,000)	2023	2022
Interest receivables	44,083	19,392
Other	52,225	40,444
Total	**96,308**	**59,836**

P25 Deferred tax receivables

(EUR 1,000)	2023	2022
Deferred tax receivables at 1 January	13,610	3,259
Change during the reporting period recognised through income statement	176	1,339
Financial assets:		
Valuation at fair value	-1,870	8,928
Hedging of cash flow	143	85
Deferred tax receivables at 31 December	**12,059**	**13,610**

Deferred tax receivables relates to the unwound hedge interest-rate derivatives and to ECL for credit and other commitments.

P26 Liabilities to credit institutions

(EUR 1,000)	2023	2022
Repayable on demand liabilities to credit institutions	22,680	30,631
TLTRO loan from ECB (other than repayable on demand deposits)	250,000	800,000
Other than repayable on demand deposits from credit institutions	35,766	6,777
Total	**308,447**	**837,408**

P27 Liabilities to the public and public sector entities

(EUR 1,000)	Repayable on demand	Other than repayable on demand	Total
31 Dec 2023			
Borrowing	3,479,487	1,108,379	4,587,867
Other liabilities	—	781,000	781,000
Total	**3,479,487**	**1,889,379**	**5,368,867**
31 Dec 2022			
Borrowing	4,615,548	623,380	5,238,929
Other liabilities	—	686,000	686,000
Total	**4,615,548**	**1,309,380**	**5,924,929**

P28 Debt securities issued to the public

(EUR 1,000)	2023 Book value	2023 Nominal value	2022 Book value	2022 Nominal value
Certificates of deposits	120,153	121,500	119,992	120,500
Bonds	3,457,126	3,608,564	2,946,587	3,192,926
Total	**3,577,279**	**3,730,064**	**3,066,578**	**3,313,426**

P29 Other liabilities

(EUR 1,000)	2023	2022
Cash items in the process of collection	24,454	7,071
Lease liability	22,890	21,878
Liabilities from transactions with a future valuation day	—	2,994
Other liabilities	6,314	5,164
Total	**53,658**	**37,107**

P30 Accrued expenses and income received in advance

(EUR 1,000)	2023	2022
Interest liabilities	62,328	10,064
Other	44,739	30,904
Total	**107,068**	**40,968**

P31 Subordinated liabilities

(EUR 1,000)	2023	2022
Subordinated debentures	69,614	69,547
Additional Tier 1 capital loan	60,000	60,000
Total	**129,614**	**129,547**
Nominal value	130,000	130,000
Amount counted to Tier 2 capital	69,614	69,547

Subordinated loans
A EUR 70 million 10-year non-call 5 subordinated loan that can be redeemed on 18 September 2024, is due on 18 September 2029. The loan runs at a fixed rate of 1.375% per annum until 18 September 2024, after which the interest rate changes to a fixed 5-year mid swap of +1.90%.

Additional Tier 1 capital loan
The EUR 60 million Additional Tier 1 capital loan is a perpetual loan that can be redeemed for the first time on 26 May 2026. The loan runs at a fixed rate of 3.875% p.a. until 26 May 2026, after which the interest rate changes to a fixed 5-year mid swap of +4.088%.

P32 Deferred tax liabilities

(EUR 1,000)	2023	2022
Deferred tax liabilities at 1 January	7,148	1,338
Acquisition / Sales	—	8,028
Change during the year booked via the income statement	-880	-1,213
Financial assets:		
Fair value measurement	101	-1,017
Transferred to income statement	-101	12
Deferred tax liabilities at 31 December	**6,269**	**7,148**

Deferred tax liabilities relates to the financial assets measured at fair value. In the Group, a deferred tax liability of EUR 43 million occurs from the accumulated appropriations that include credit losses pursuant to Section 46 of the Act on the Taxation of Business Profits and Income from Professional Activity.

P33 Equity

(EUR 1,000)	At the beginning of the year	Increase/decrease	At the end of the year
Share capital	169,732	—	169,732
Measured at fair value	-35,774	7,479	-28,295
Cash flow hedging	-117	-572	-689
Fund at fair value	-35,891	6,907	-28,984
Restricted equity	**133,841**	**6,907**	**140,748**
Unrestricted equity reserve	141,468	2,721	144,189
Retained earnings 1 January	112,181	—	112,181
Dividend to shareholders		-31,087	-31,087
Change in share-based payments		1,008	1,008
Acquisition / divestment of treasury shares		301	301
Profit for the year		74,807	74,807
Unrestricted equity [1]	**253,649**	**47,750**	**301,399**
Equity	**387,490**	**54,657**	**442,147**

1) Unrestricted equity only consist of distributable assets. No personnel costs for development projects have been activated.

(EUR 1,000)	2023	2022
Fund at fair value at 1 January	-35,891	4,181
Changes in fair value during the year	9,138	-50,147
Deferred taxes on changes in fair value during the year	-1,828	10,029
Transferred to income statement during the year	-504	58
Deferred taxes on transferred to income statement during the year	101	-12
Fund at fair value at 31 December [1]	**-28,984**	**-35,891**
Distributable assets in unrestricted equity		
Retained earnings	108,977	68,111
Dividend to shareholders	-31,087	-40,308
Profit for the year	74,807	80,873
Unrestricted equity reserve	144,189	141,468
Share-based payments	4,513	3,504
Total	**301,399**	**253,649**

1) Fair value for financial assets measured at fair value through other comprehensive income are recognised in the fund at fair value.

Share capital and shares

Aktia Bank Plc has only one share class. At the end of the year, the bank's paid-up share capital as entered in the Finnish Trade Register was EUR 169,731,964 (169,731,964) divided 72,644,887 (72,385,072) Aktia shares. The number of registered shareholders at the end of the year was 39,975 (40,134).

Treasury shares

At year-end, the number of Aktia treasury shares was 159,538 (228,122). Aktia Bank Plc has during the year issued 80,000 (75,000) treasury shares and has received 0 (16,195) shares in return from the acquisition of the minority in Aktia Asset Management Ltd (conditional acquisition). During the year 147,776 (157,224) treasury shares held by the company was used for payment of deferred instalments for the share-based inventive scheme and the share ownership scheme. On 5 April 2023, the Annual General Meeting authorised the Board of Directors to acquire a maximum of 500,000 treasury shares and to divest a maximum of 500,000 treasury shares. At the date the accounts closed the acquisition of a maximum of 500,000 treasury shares and the divestment of a maximum of 352,224 treasury shares remain of the Annual General Meeting's authorisation.

Fund at fair value

The fund at fair value contains changes in fair value after tax on the financial assets measured at fair value through the other comprehensive income and on financial derivatives that are held for cash flow hedging. Financial assets recognised in the fund at fair value are transferred to the income statement on sale or on impairment of the assets.

Unrestricted equity reserve

Items entered in the unrestricted equity reserve has since 1 September 2006 been equivalent to the sum paid in addition to the counter value paid for shares in an new issue. On 5 April 2023, the Annual General Meeting authorised the Board of Directors to issue a maximum of 7,238,000 shares and, at the time of the closing of the accounts, the remaining number of the Annual General Meeting's authorisation is 6,978,185 shares.

Retained earnings

Retained earnings contains retained earnings from previous years and profit for the year.

P34 Fair value of financial assets and liabilities

(EUR 1,000)	2023 Book value	2023 Fair value	2022 Book value	2022 Fair value
Financial assets				
Cash and balances with central banks	91,752	91,752	165,794	165,794
Bonds	1,365,581	1,343,484	1,341,571	1,302,461
Claims on credit institutions	659,235	659,237	1,183,601	1,183,604
Receivables from the public and public sector entities	7,643,576	7,663,011	7,695,970	7,507,217
Shares and participations	6,150	6,150	5,249	5,249
Shares and participations in associated companies	2,397	3,342	2,798	3,298
Shares and participations in group companies	127,299	126,354	127,905	127,404
Derivative instruments	75,908	75,908	53,657	53,657
Total	**9,971,898**	**9,969,237**	**10,576,545**	**10,348,684**
Financial liabilities				
Liabilities to credit institutions and central banks	308,447	309,366	837,408	824,686
Liabilities to the public and public sector entities	5,368,867	5,382,446	5,924,929	5,947,453
Debt securities issued to the public	3,577,279	3,611,021	3,066,578	3,085,090
Derivatives and other liabilities held for trading	205,488	205,488	269,065	269,065
Subordinated liabilities	129,614	120,357	129,547	118,013
Liabilities for right-of-use assets	22,890	22,890	21,878	21,878
Total	**9,612,585**	**9,651,567**	**10,249,406**	**10,266,187**

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 flow 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.

P35 Breakdown by maturity of financial assets and liabilities by balance sheet item

(EUR 1,000)	Note	Under 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
Assets 31 December 2023							
Bonds eligible for refinancing with central banks	P14	80,422	162,970	874,109	248,081	—	1,365,581
Claims on credit institutions	P15	659,235	—	—	—	—	659,235
Receivables from the public and public sector entities	P16	459,151	912,082	2,932,527	1,618,303	1,721,512	7,643,576
Total		**1,198,809**	**1,075,052**	**3,806,636**	**1,866,384**	**1,721,512**	**9,668,393**
Liabilities 31.12.2023							
Liabilities to credit institutions and central banks	P26	158,447	150,000	—	—	—	308,447
Liabilities to the public and public sector entities	P27	4,456,370	861,219	14,455	36,822	—	5,368,867
Debt securities issued to the public	P28	234,037	325,519	2,564,281	249,594	203,848	3,577,279
Subordinated liabilities	P31	—	—	—	69,614	60,000	129,614
Lease liabilities	P29	1,081	3,244	14,877	3,688	—	22,890
Total		**4,849,935**	**1,339,982**	**2,593,613**	**359,718**	**263,848**	**9,407,097**
Assets 31 December 2022							
Bonds eligible for refinancing with central banks	P14	140,757	163,339	757,262	280,213	—	1,341,571
Claims on credit institutions	P15	1,183,601	—	—	—	—	1,183,601
Receivables from the public and public sector entities	P16	304,596	587,195	2,191,994	1,560,618	3,051,568	7,695,970
Total		**1,628,953**	**750,534**	**2,949,256**	**1,840,832**	**3,051,568**	**10,221,142**
Liabilities 31.12.2022							
Liabilities to credit institutions and central banks	P26	33,270	554,138	250,000	—	—	837,408
Liabilities to the public and public sector entities	P27	5,289,164	363,534	272,202	29	—	5,924,929
Debt securities issued to the public	P28	144,281	636,413	1,450,239	609,994	225,652	3,066,578
Subordinated liabilities	P31	—	—	—	69,547	60,000	129,547
Lease liabilities	P29	1,134	3,403	14,539	2,803	—	21,878
Total		**5,467,849**	**1,557,488**	**1,986,979**	**682,372**	**285,652**	**9,980,341**

P36 Property items and liabilities in euros and in foreign currency

(EUR 1,000)	Euros	Foreign currency	Total	of which from Group companies	of which from associated companies
Assets 31 December 2023					
Bonds	1,365,581	—	1,365,581	—	—
Claims on credit institutions	647,100	12,136	659,235	—	—
Receivables from the public and public sector entities	7,643,576	—	7,643,576	—	—
Leasing assets	222,361	—	222,361	—	—
Shares and participations	135,845	—	135,845	—	—
Derivative instruments	75,908	—	75,908	—	—
Other assets	312,562	—	312,562	33,197	—
Total	**10,402,934**	**12,136**	**10,415,070**	**33,197**	**—**
Liabilities 31 December 2023					
Liabilities to credit institutions and central banks	308,329	117	308,447	—	—
Liabilities to the public and public sector entities	5,351,890	16,977	5,368,867	23,676	—
Debt securities issued to the public	3,577,279	—	3,577,279	—	—
Derivative instruments	205,488	—	205,488	—	—
Subordinated liabilities	129,614	—	129,614	—	—
Provisions	1,233	—	1,233	—	—
Other liabilities	166,994	—	166,994	99	—
Total	**9,740,828**	**17,094**	**9,757,923**	**23,775**	**—**

The table continues

(EUR 1,000)	Euros	Foreign currency	Total	of which from Group companies	of which from associated companies
Assets 31 December 2022					
Bonds	1,341,571	—	1,341,571	—	—
Claims on credit institutions	1,169,620	13,982	1,183,601	—	—
Receivables from the public and public sector entities	7,695,970	—	7,695,970	—	—
Leasing assets	95,753	—	95,753	—	—
Shares and participations	135,952	—	135,952	—	—
Derivative instruments	53,657	—	53,657	—	—
Other assets	410,007	—	410,007	18,640	—
Total	**10,902,530**	**13,982**	**10,916,511**	**18,640**	**—**
Liabilities 31 December 2022					
Liabilities to credit institutions and central banks	837,293	115	837,408	—	—
Liabilities to the public and public sector entities	5,910,028	14,901	5,924,929	25,152	—
Debt securities issued to the public	3,066,578	—	3,066,578	14,843	—
Derivative instruments	269,065	—	269,065	—	—
Subordinated liabilities	129,547	—	129,547	—	—
Provisions	1,270	—	1,270	—	—
Other liabilities	85,224	—	85,224	1,183	—
Total	**10,299,006**	**15,016**	**10,314,021**	**41,178**	**—**

P37 Collateral assets and liabilities

(EUR 1,000)	2023	2022
Collateral assets		
Collateral for own liabilities		
Securities	29,644	246,665
Outstanding loans constituting security for covered bonds	2,475,488	2,519,132
Total	**2,505,131**	**2,765,797**
Other collateral assets		
Pledged securities [1]	100,310	1,301
Cash included in pledging agreements and repurchase agreements	87,041	100,711
Total	**187,351**	**102,012**
Total collateral assets	**2,692,482**	**2,867,809**
Collateral above refers to the following liabilities		
Liabilities to credit institutions [2]	250,000	800,000
Issued covered bonds [3]	1,425,622	1,353,463
Derivatives	87,041	100,711
Total	**1,762,663**	**2,254,174**

1) Refers to securities pledged for the intra day limit. As at 31 Dec 2023 a surplus of pledged securities amounted to EUR 14.2 (25.4) million.

2) Refers to debts 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.

(EUR 1,000)	2023	2022
Collateral liabilities		
Cash included in pledging agreements [1]	35,766	1,260
Total	**35,766**	**1,260**

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

P38 Off-balance sheet commitments

(EUR 1,000)	2023	2022
Guarantees	59,208	18,980
Other commitments provided to a third party	2,265	4,252
Unused credit arrangements	546,020	604,581
Total	**607,493**	**627,813**
Of which Group internal off-balance sheet commitments:		
Unused credit arrangements	—	—
Off-balance sheet commitments exclude rental commitments.	—	—

P39 Customer assets being managed

(EUR 1,000)	2023	2022
The parent company, Aktia Bank plc, offers private individuals and institutions discretionary asset management services. Customer funds are not intermediated to other customers.		
Customer assets being managed		
Funds in a customer funds account	3,253	4,736
Funds in discretionary asset management services	9,335,988	8,996,906
Funds within the framework of investment advising according to separate agreement	3,882,603	3,688,923
Total	**13,221,844**	**12,690,565**

The customer assets being managed shown in the table represent the bank's gross investment products and include fund in funds.

P40 The parent company's capital adequacy

(EUR 1,000)	2023	2022
Calculation of the parent company's capital base		
Total assets	**10,415,070**	**10,916,511**
of which intangible assets	77,996	78,915
Total liabilities	**9,972,923**	**10,529,021**
of which subordinated liabilities	129,614	129,547
Share capital	169,732	169,732
Fund at fair value	-28,984	-35,891
Restricted equity	140,748	133,841
Unrestricted equity reserve and other funds	144,189	141,468
Retained earnings	82,403	31,308
Profit for the year	74,807	80,873
Unrestricted equity	301,399	253,649
Equity	**442,147**	**387,490**
Total liabilities and equity	**10,415,070**	**10,916,511**
Off-balance sheet commitments	607,493	627,813
Aktia Bank plc's equity	**442,147**	**387,490**
Provision for dividends to shareholders	-50,739	-30,950
Intangible assets	-65,838	-70,442
Debentures	69,614	69,547
Additional expected losses according to IRB	-27,998	-28,657
Deduction for significant holdings in financial sector entities	-2,432	-6,570
AT1 instruments	60,000	60,000
Other	160,018	158,765
Total capital base (CET1 + AT1 + T2)	**584,772**	**539,183**

The table continues

(EUR 1,000)	2023	2022
The parent company's capital adequacy		
Common Equity Tier 1 capital before regulatory adjustments	551,840	516,435
Common Equity Tier 1 capital regulatory adjustments	-96,683	-106,799
Common Equity Tier 1 capital (CET1)	**455,157**	**409,636**
Additional TIER 1 capital before regulatory adjustments	60,000	60,000
Additional TIER 1 (AT1) capital after regulatory adjustments	**60,000**	**60,000**
TIER 1 capital (T1 = CET1 + AT1)	**515,157**	**469,636**
TIER 2 capital before regulatory adjustments	69,614	69,547
TIER 2 capital (T2)	**69,614**	**69,547**
Own funds total (TC = T1 + T2)	**584,772**	**539,183**
Risk weighted exposures total	**3,727,639**	**3,423,921**
of which credit risk, the standardised model	747,293	621,459
of which credit risk, the IRB model	2,505,924	2,382,813
of which CVA risk	13,840	14,576
of which operational risk	460,581	405,073
CET1 capital ratio	12.2%	12.0%
T1 capital ratio	13.8%	13.7%
Total capital ratio	15.7%	15.7%

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

(EUR 1,000)	2021	2022	2023	31.12.2023	31.12.2022
Risk-weighted amount for operational risks					
Gross income	233,745	235,963	267,223		
- average 3 years			245,643		
Capital requirement for operational risk				**36,847**	**32,406**
Risk-weighted amount				**460,581**	**405,073**

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

P41 Holdings in other companies

	2023		2022	
(EUR 1,000)	Percentage of shares	Book value	Percentage of shares	Book value
Subsidiaries				
Investment funds				
Aktia Fund Management Company Ltd, Helsinki	100%	75,978	100%	75,978
Insurance companies				
Aktia Life Insurance Ltd, Turku	100%	46,191	100%	46,191
Keskinäinen Kiinteistö Oy Tikkurilantie 141, Turku	100%	—	100%	—
Keskinäinen Kiinteistö Oy Areenakatu 4, Turku	100%	—	100%	—
Other operations				
Aktia Wealth Planning Ltd, Helsinki	100%	560	100%	560
Aktia Housing GP Oy, Helsinki	100%	—	100%	—
Evervest Ltd, Helsinki	100%	3,625	100%	4,676
AktiaDuetto Ab, Helsinki	60%	445	60%	1
Total		**126,798**		**127,405**
Associated companies and joint ventures				
Other				
Figure Financial Management Ltd, Espoo	25%	178	25%	178
Finlands Företagarskydd Ab, Helsinki	45%	720	45%	1,120
Aktia Alexander Corporate Finance Oy	20%	2,000	20%	2,000
Asunto Oy Helsingin Tuulensuoja, Helsinki	50%	—	50%	—
Kiinteistö Oy Skanssinkatu, Turku	50%	—	50%	—
Kiinteistö Oy Lempäälän Rajamäentie, Helsinki	50%	—	50%	—
Kiinteistö Oy Helsingin Gigahertsi, Helsinki	33%	—	33%	—
Total		**2,898**		**3,298**

P42 Shareholders

	Shareholders 31 December 2023		Shareholders 31 December 2022	
	Shares	Of shares, %	Shares	Of shares, %
The 20 largest shareholders:				
Rg Partners Oy	7,394,115	10.2	7,394,115	10.2
Veritas Pension Insurance Company Ltd.	6,040,391	8.3	6,040,391	8.3
Companies controlled by Erkki Etola [1)]	6,810,000	9.4	5,920,000	8.2
Skandinaviska Enskilda Banken AB (publ) Helsinki Branch [2)]	2,135,053	2.9	4,013,523	5.5
Åbo Akademi University Foundation	2,993,569	4.1	2,993,569	4.1
Oy Hammaren & Co AB	2,300,000	3.2	2,500,000	3.5
Mandatum Life Insurance Company Limited	2,209,759	3.0	1,808,358	2.5
Stiftelsen Tre Smeder	1,713,545	2.4	1,713,545	2.4
Aktiastiftelsen i Borgå	1,547,404	2.1	1,547,404	2.1
Citibank Europe Plc [2)]	1,467,906	2.0	1,494,219	2.1
Aktiastiftelsen i Vasa	1,421,457	2.0	1,471,457	2.0
Varma Mutual Pension Insurance Company	1,175,000	1.6	1,175,000	1.6
Nordea Life Assurance Finland Ltd.	2,038,794	2.8	1,057,192	1.5
Taaleri Oyj	974,563	1.3	974,563	1.4
Sparbanksstiftelsen i Karis-Pojo	945,266	1.3	945,266	1.3
Ilmarinen Mutual Pension Insurance Company	897,401	1.2	897,401	1.2
Sparbanksstiftelsen i Hangö	662,000	0.9	652,000	0.9
Vörå Sparbanks Aktiastiftelse	627,220	0.9	627,220	0.9
Samfundet Folkhälsan i svenska Finland r.f.	562,906	0.8	562,906	0.8
Aktia Sparbanksstiftelsen i Malax	530,050	0.7	540,050	0.8
Largest 20 owners	**44,446,399**	**61.2**	**44,328,179**	**61.2**
Other	28,198,488	38.8	28,056,893	38.8
Total	**72,644,887**	**100.0**	**72,385,072**	**100.0**

1) Companies controlled by Erkki Etola; Etola Group Oy, Oy Etra Invest Ab and Etola Oy
2) Entered in nominee register

	Number of owners	%	Number of shares	%
Shareholders by sector 2023				
Non-financial corporations and housing corporations	2,028	5.1	16,906,879	23.3
Financial and insurance institutions	56	0.1	12,280,536	16.9
Public sector organisations	31	0.1	8,749,367	12.0
Households	37,275	93.2	17,196,968	23.7
Non-profit organisations	425	1.1	15,888,061	21.9
Nominee registered and non-Finnish shareholders	160	0.4	1,623,076	2.2
Total by sector	**39,975**	**100.0**	**72,644,887**	**100.0**
Shareholders by sector 2022				
Non-financial corporations and housing corporations	2,069	5.2	16,232,437	22.4
Financial and insurance institutions	54	0.1	8,834,777	12.2
Public sector organisations	30	0.1	8,576,087	11.8
Households	37,395	93.2	16,740,046	23.1
Non-profit organisations	432	1.1	16,315,380	22.5
Nominee registered and non-Finnish shareholders	154	0.4	5,686,345	7.9
Total by sector	**40,134**	**100.0**	**72,385,072**	**100.0**

	Number of owners	%	Number of shares	%
Breakdown of stock 2023				
Number of shares				
1-100	20,912	52.3	886,830	1.2
101-1,000	15,443	38.6	5,455,620	7.5
1,001 - 10,000	3,327	8.3	8,825,475	12.1
10,001 - 100,000	237	0.6	5,354,548	7.4
100,000 -	56	0.1	52,122,414	71.7
Total by sector	**39,975**	**100.0**	**72,644,887**	**100.0**
Breakdown of stock 2022				
Number of shares				
1-100	21,229	52.9	901,753	1.2
101-1,000	15,396	38.4	5,379,305	7.4
1,001 - 10,000	3,214	8.0	8,508,584	11.8
10,001 - 100,000	238	0.6	5,386,644	7.4
100,000 -	57	0.1	52,208,786	72.1
Total by sector	**40,134**	**100.0**	**72,385,072**	**100.0**

P43 Related-party information

Related parties include 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. The Aktia Group's key persons are the members the Board of Directors of Aktia Bank plc, the Managing Director, the Managing Director's alternate and other members of the Executive Committee.

For compensation to persons in management positions, refer to note K43

(EUR 1,000)	2023	2022
Related-party transactions with subsidiaries		
Deposits	23,676	25,152
Receivables	2,724	3,965
Services sold	6,009	6,118
Financing income obtained from and financing expenses paid to other group companies		
Dividends	23,325	54,500
Net finance income	**23,325**	**54,500**

The Board of Directors' and the CEO's signing of the Report by the Board of Directors and the Financial statements 2023

The Group's parent company is Aktia Bank Plc domiciled in Helsinki. A copy of the report by the Board of Directors and financial statement is available from Aktia BankPlc, Arkadiankatu 4–6, 00100 Helsinki and from Aktia's website www.aktia.com.

The parent company's distributable retained earnings including profit for the financial year are EUR 157,209,530.53 and the unrestricted equity reserve is EUR 144,189,391.67. Board of Directors proposes to the Annual General Meeting that: A dividend of EUR 0.70 per share is proposed for the financial year 2023. The dividend is expected to amount to a total of EUR 50,739,744.30, , excluding dividend for treasury shares. The dividend is paid from retained earnings. After dividend pay-out, the distributable retained earnings in the parent company amount to EUR 106,469,786.23.

Helsinki, 28 February 2024
Aktia Bank's Board of Directors

Lasse Svens
Chair

Timo Vättö
Vice chair

Ann Grevelius

Carl Haglund

Maria Jerhamre Engström

Harri Lauslahti

Sari Pohjonen

Johannes Schulman

Juha Hammarén
Managing Director

Our auditor's report has been issued today
Helsinki, 28 February 2024

KPMG Oy Ab
Marcus Tötterman
CGR

Auditor's Report To the Annual General Meeting of Aktia Bank plc

This document is an English translation of the Swedish auditor's report. Only the Swedish version of the report, in the Swedish language, is legally binding.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aktia Bank plc (business identity code 2181702-8) for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note K 12 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of lending to the public and public sector entities (Accounting Principles and Notes G1, G19, G20, P16, P17)	
• Lending to the public and public sector entities aggregated 7,9 billion euros comprising approximately 65 per cent of the Group's total assets. Interest income accruing on loans and other receivables forms a material part of the Group's income statement.	• We have assessed principles and controls for lending regarding the approval, recognition and monitoring of loans and receivables. In addition, we have assessed the risk monitoring and impairment recognition principles applied.
• IFRS 9 Financial Instruments standard is applied in the calculation of expected credit losses. Calculation of expected credit losses involves assumptions, estimates and management judgment for example in respect of the probability and amount of the expected credit losses as well as determining the significant increases in credit risk.	• We assessed the methods and the key assumptions for calculating expected credit losses as well as tested the controls related to the calculation process for expected credit losses. Our audit procedures included an analysis of the most significant individual impairments recognized during the financial period.
• Due to the significance of the carrying amount involved, complexity of the accounting methods used for measurement purposes and management judgement involved, lending to the public and public sector entities are addressed as a key audit matter.	• Our IFRS and financial instruments specialists were involved in the audit. • Furthermore, we considered the appropriateness of the notes provided by the Aktia Bank plc in respect of loans and other receivables and credit losses.
Insurance Liabilities (Accounting Principles and Notes G1, G35, G47)	
• Insurance contract liabilities in the balance sheet of Aktia Bank plc totalled 0,5 billion euros and is a material item in the Group's balance sheet.	• Our audit procedures included assessment of the accounting principles related to calculation and recognition of insurance contract liabilities under IFRS 17.
• Aktia Bank group applied IFRS 17 Insurance Contracts since 1 January 2023. IFRS 17 affects the measurement and recognition of Aktia group's insurance products as well as their presentation in the financial statements. In transition the income statement and balance sheet for the financial period 2022 have been adjusted retrospectively. The transitional impact is disclosed in Note K47 to the financial statements.	• We assessed internal processes and key controls for accounting insurance contract liabilities and completeness and accuracy of the underlying source data. • In respect of the measurement of insurance contract liabilities we evaluated the key actuarial methods and the reasonableness of key assumptions and significant judgment used in implementation and application of the new standard.
• Measurement of insurance contract liabilities and adopting of IFRS 17 requires significant management judgement including defining methods applied in calculations as the discount rate, risk adjustment, defining future cash flows and selecting transitional methods.	• We extensively involved KPMG specialists, especially actuarial specialists. • We assessed the IFRS 17 opening balance sheet as of January 2022 and the transition methods applied.
• The carrying value of insurance contract liabilities is significant and measurement of the liabilities involves complex actuarial models. Adoption of IFRS 17 has required significant judgement and interpretation. As a result, insurance contract liabilities and adoption of IFRS 17 are addressed as a key audit matter.	• Furthermore, we evaluated presentation and disclosures in the financial statements including the IFRS 17 transition.

Net commission income from mutual funds, asset management and investment brokerage (Accounting Principles and Notes G6 and P4)	
• The assets managed by the Aktia Bank plc entitles to fee and commission income on the grounds of the agreements entered into with customers and the cooperation parties. Commission income, in aggregate 87,8 million euros, forms a material part of the Group's result income statement. • The accounting of commission income from mutual funds and asset management comprises manual phases and the determination of the commission amount and revenue recognition may involve management judgement. • Due to the significance of the income amount and the judgement involved, commission income is considered a key audit matter.	• We assessed the methods used by the Aktia Bank plc for calculation of mutual fund and asset management commissions. • Our review regarding the accounting of mutual fund and asset management commissions focused on controls in the billing and fee calculation processes. Our audit procedures involved an assessment of the functionality and effectiveness of these controls. • Our audit procedures included testing of commission calculations on a sample basis, as well as an assessment of the underlying related agreements and fund statutes where fees have been defined. We utilized data analysis in our analysis of the charged fees.

Responsibilities of the Board of Directors and the Chief Executive Officer for the Financial Statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

KPMG OY AB was appointed as auditor by the Annual General Meeting in 2011, and our appointment represents a total period of uninterrupted engagement of 13 years.

Other Information

The Board of Directors and the Chief Executive Officer are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 28 February 2024
KPMG OY AB

Marcus Tötterman
Authorised Public Accountant, KHT

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Appendix to the non-financial report in the report by the Board of Directors

Appendix, ESG taxonomy tables

Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR)	Based on the Turnover KPI 117 mEUR	1,3330%	1,3743 %	Based on the Turnover KPI	36,8405 %	9,5512 %

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	Based on the Turnover 16 mEUR	0,1813 %	0,2118 %	Based on the Turnover	7,5947 %	1,8097 %
	Trading book*	n/a	n/a	n/a			
	Financial guarantees	0	0	0			
	Assets under management	Based on the Turnover 24 mEUR Based on the CapEx 26 mEUR	0,1880 %	0,2050 %			
	Fees and commissions	n/a	n/a	n/a			

(*) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.

(**) Fees and commissions income from services other than lending and AuM. Instutitons shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

(***) % of assets covered by the KPI over banks' total assets.

(****) Based on the Turnover KPI of the counterparty.

(*****) Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2023																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	778	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	0.549	—	—	[redacted]	—	—	—	—	[redacted]	—	—	—	[redacted]	—	—	—	[redacted]	—	—	—	[redacted]	—	—	—	[redacted]	—	—	—	[redacted]	—	—
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management companies																															
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	18	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	188	5	5		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	5	5		—	—
16	of which insurance undertakings																															
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	0.26	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	Non-financial undertakings																															
21	Loans and advances	6	0.91	0.62	—	0.02	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.91	0.62	—	0.02	—
22	Debt securities, including UoP	34	13	8	—	1	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13	8	—	1	2
23	Equity instruments	6	0.58	0.37		—	0.04	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.58	0.37		—	0.04
24	Households																															
25	of which loans collateralised by residential immovable property	4,094	4,094	104	104	—	—	—	—	—	—					—	—	—	—									4,094	104	104	—	—
26	of which building renovation loans	56	56	—	—	—	—	—	—	—	—					—	—	—	—									56	—	—	—	—
27	of which motor vehicle loans	6	6	—	—	—	—																					6	—	—	—	—
28	Local governments financing																															
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																															
33	Financial and Non-financial corporations																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35	Loans and advances	2,697																														
36	of which loans collateralised by commercial immovable property	—																														
37	of which building renovation loans	—																														
38	Debt securities	346																														
39	Equity instruments	14																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations																															
41	Loans and advances	—																														
42	Debt securities	97																														
43	Equity instruments	6																														
44	Derivatives	82																														
45	On demand interbank loans	60																														
46	Cash and cash-related assets	0.61																														

47	Other categories of assets (e.g. Goodwill, commodities etc.)	260																																			
48	Total GAR assets	8,750	4,175	117	104	1	2	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—			4,175	117	104	1	2
49	Assets not covered for GAR calculation																																					
50	Central governments and Supranational issuers	284																																				
51	Central banks exposure	640																																				
52	Trading book	—																																				
53	Total assets	9,674																																				
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																					
54	Financial guarantees	434	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management																																					
56	Of which debt securities	873	8	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8	3	—	—	—
57	Of which equity instruments	235	21	21	—	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21	21	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2023																														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	Million EUR				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	778	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	0.549	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations																															
8	of which investment firms																															

9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		—	—	—	—	—	—	—		—	—	—		—	—	—		—	—	—		—	—
12	of which management companies																															
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	18	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	188	5	5		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	5	5			
16	of which insurance undertakings																															
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP																															
19	Equity instruments	0.256	—	—	—	—	—	—	—	—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	Non-financial undertakings																															
21	Loans and advances	6	0.743	0.394	—	0.002	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.743	0.394	—	0.002	
22	Debt securities, including UoP	34	18	12		0.562	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18	12		0.562	2
23	Equity instruments	6	0.566	0.132		0.008	0.052	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.566	0.132		0.008	0.052
24	Households																															
25	of which loans collateralised by residential immovable property	4,094	4,094	104	104	—	—	—	—	—	—					—	—	—	—									4,094	104	104	—	—
26	of which building renovation loans	56	56	—	—	—	—	—	—	—	—					—	—	—	—									56	—	—	—	—
27	of which motor vehicle loans	6	6	—	—	—	—																					6	—	—	—	—

28	Local governments financing																															
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																															
33	Financial and Non-financial corporations																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35	Loans and advances	2,697																														
36	of which loans collateralised by commercial immovable property	—																														
37	of which building renovation loans	—																														
38	Debt securities	346																														
39	Equity instruments	14																														

40	Non-EU country counterparties not subject to NFRD disclosure obligations		[redacted]																																		
41	Loans and advances	—	[redacted]																																		
42	Debt securities	97	[redacted]																																		
43	Equity instruments	6	[redacted]																																		
44	Derivatives	82	[redacted]																																		
45	On demand interbank loans	60	[redacted]																																		
46	Cash and cash-related assets	1	[redacted]																																		
47	Other categories of assets (e.g. Goodwill, commodities etc.)	260	[redacted]																																		
48	Total GAR assets	8,750	4,180	120	104	1	2	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—		—	4,180	120	104	0.572	2
49	Assets not covered for GAR calculation		[redacted]																																		
50	Central governments and Supranational issuers	284	[redacted]																																		
51	Central banks exposure	640	[redacted]																																		
52	Trading book	—	[redacted]																																		
53	Total assets	9,674																																			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																				
54	Financial guarantees	434	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management																																				
56	Of which debt securities	873	9	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9	5	—	—	—
57	Of which equity instruments	235	21	20	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21	20	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2023																														
	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	229	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	0.221	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

11	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—	—	—	—
12	of which management companies																															
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
14	Debt securities, including UoP																															
15	Equity instruments	7	0.045	0.045		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.045	0.045		—	—
16	of which insurance undertakings																															
17	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	Non-financial undertakings																															
21	Loans and advances	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22	Debt securities, including UoP	17	7	5	—	0.010	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7	5	—	0.010	3
23	Equity instruments	0.663	0.105	0.033		0.001	0.014	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.105	0.033		0.001	0.014
24	Households																															
25	of which loans collateralised by residential immovable property	355	355	11	11	—	—	—	—	—	—					—	—	—	—									355	11	11		—
26	of which building renovation loans	4	4	—	—	—	—	—	—	—	—					—	—	—	—									4		—	—	—
27	of which motor vehicle loans	3	3	—	—	—	—																					3		—	—	—
28	Local governments financing																															
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																															
33	Financial and Non-financial corporations																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35	Loans and advances																															
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities																															
39	Equity instruments																															
40	Non-EU country counterparties not subject to NFRD disclosure obligations																															
41	Loans and advances																															
42	Debt securities																															
43	Equity instruments																															
44	Derivatives																															
45	On demand interbank loans																															
46	Cash and cash-related assets																															

47	Other categories of assets (e.g. Goodwill, commodities etc.)																																				
48	Total GAR assets	619	369	16	11	0.011	3	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—		—	—	—	—		—	369	16	11	0.011	3
49	Assets not covered for GAR calculation																																				
50	Central governments and Supranational issuers																																				
51	Central banks exposure																																				
52	Trading book																																				
53	Total assets																																				
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																				
54	Financial guarantees	140	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management																																				
56	Of which debt securities	46	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	53	1	0.014	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0.014	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2023																														
	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP	229	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	0.221	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															

11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments	7	0.045	0.045		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.045	0.045		—	—
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	Non-financial undertakings																															
21	Loans and advances	3	0.028	0.014		0.014	—	—	—	—	—	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	0.028	0.014	—	0.014	—
22	Debt securities, including UoP	17	13	7	—	0.026	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13	7	—	0.026	3
23	Equity instruments	0.663	0.177	0.006		0.003	0.024	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	0.177	0.006		0.003	0.024
24	Households																															
25	of which loans collateralised by residential immovable property	355	355	11	11																							355	11	11		—
26	of which building renovation loans	4	4	—	—	—	—	—	—	—	—					—	—	—	—									4		—	—	—
27	of which motor vehicle loans	3	3	—	—	—	—																					3		—	—	—
28	Local governments financing																															
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																															
33	Financial and Non-financial corporations																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																															
35	Loans and advances																															
36	of which loans collateralised by commercial immovable property																															
37	of which building renovation loans																															
38	Debt securities																															
39	Equity instruments																															
40	Non-EU country counterparties not subject to NFRD disclosure obligations																															
41	Loans and advances																															
42	Debt securities																															
43	Equity instruments																															
44	Derivatives																															
45	On demand interbank loans																															
46	Cash and cash-related assets																															

47	Other categories of assets (e.g. Goodwill, commodities etc.)																																				
48	Total GAR assets	619	375	19	11	0.042	3																									375	19	11	0.042	3
49	Assets not covered for GAR calculation																																				
50	Central governments and Supranational issuers																																				
51	Central banks exposure																																				
52	Trading book																																				
53	Total assets																																				
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																				
54	Financial guarantees	140	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management																																				
56	Of which debt securities	46	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	53	1	0.071	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0.071	—	—	—

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable	Mn EUR	Of which environmentally sustainable
20.59 Manufacture of other chemical products	1.491	—																							1.491	—		
29.10 Manufacture of motor vehicles	0.979	0.092																							0.979	0.092		
17.12 Manufacture of paper and paperboard	1.691	0.071																							1.691	0.071		
33.20 Installation of industrial machinery and equipment	0.098	0.098																							0.098	0.098		
41.10 Development of building projects	0.442	0.037																							0.442	0.037		
41.20 Construction of residential and non-residential buildings	0.766	0.582																							0.766	0.582		
70.2 Management consultancy activities	1.922	0.314																							0.942	0.312		
28.92 Manufacture of machinery for mining, quarrying and construction	1.252	0.275																							1.252	0.275		
19.20 Manufacture of refined petroleum	1.345	0.390																							1.345	0.390		
61.20 Wireless telecommunications activities	5.118	0.144																							5.118	0.144		
35.11 Production of electricity	11.525	5.596																							11.525	5.596		
70.10 Activities of head offices	2.111	0.034																							2.111	0.034		
49.10 Passenger rail transport, interurban	1.023	0.686																							1.023	0.686		
28.22 Manufacture of lifting and handling	1.212	0.115																							1.212	0.115		
22.10 Manufacture of rubber products	0.311	0.069																							0.311	0.069		

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable	Mn EUR	Of which environmentally sustainable
29.10 Manufacture of motor vehicles	0.979	0.338																							0.979	0.338		
17.12 Manufacture of paper and paperboard	1.691	0.248																							1.691	0.248		
33.20 Installation of industrial machinery and equipment	0.098	0.089																							0.098	0.089		
41.10 Development of building projects	0.442	0.062																							0.442	0.062		
41.20 Construction of residential and non-residential buildings	0.582	0.312																							0.582	0.312		
70.20 Management consultancy activities	1.922	0, 083																							1.922	0.083		
28.92 Manufacture of machinery for mining, quarrying and construction	1.252	0.301																							1.252	0.301		
19.20 Manufacture of refined petroleum	1.345	0.708																							1.345	0.708		
61.20 Wireless telecommunications activities	5.118	0.084																							5.118	0.084		
35.11 Production of electricity	11.525	8.419																							11.525	8.419		
70.10 Activities of head offices	2.111	0.009																							2.111	0.009		
49.10 Passenger rail transport, interurban	1.023	0.513																							1.023	0.513		
28.22 Manufacture of lifting and handling equipment	1.212	0.872																							1.212	0.872		
22.11 Manufacture of rubber products	0.311	0.039																							0.311	0.039		
46.90 Non-specialised wholesale trade	0.353	0.007																							0.353	0.007		
27.11 Manufacture of electric motors, generators and transformers	0.967	0.019																							0.967	0.019		

		b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	a
	% (compared to total covered assets in the denominator)	Disclosure reference date 31.12.2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	

11	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
12	of which management companies																															
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
15	Equity instruments	3%	3%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	3%	3%		—%	—%	
16	of which insurance undertakings																															
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
20	Non-financial undertakings																															
21	Loans and advances	16%	11%	—%	0.345%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	16%	11%	—%	0.345%	—%	
22	Debt securities, including UoP	38%	22%	—%	3%	6%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	38%	22%	—%	3%	6%	
23	Equity instruments	9%	6%		0.065%	0.564%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	9%	6%		0.065%	0.564%	
24	Households																															
25	of which loans collateralised by residential immovable property	100%	3%	3%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	3%	3%	—%	—%	
26	of which building renovation loans	100%	—%	—%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	—%	—%	—%	—%	
27	of which motor vehicle loans	100%	—%	—%	—%	—%																					100%	—%	—%	—%	—%	
28	Local governments financing																															
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
30	Other local government financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
32	Total GAR assets	48%	1%	1%	0.013%	0.023%																					48%	1%	1%	0.013%	0.023%	

		b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	a
		Disclosure reference date 31.12.2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	

7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
12	of which management companies																															
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
15	Equity instruments	3%	3%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	3%	3%		—%	—%	
16	of which insurance undertakings																															
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
19	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
20	Non-financial undertakings																															
21	Loans and advances	13%	7%	—%	0.035%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	13%	7%	—%	0.035%	—%	
22	Debt securities, including UoP	54%	35%	—%	2%	7%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	54%	35%	—%	2%	7%	
23	Equity instruments	9%	2%		0.121%	0.825%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	9%	2%		0.121%	0.825%	
24	Households																															

25	of which loans collateralised by residential immovable property	100%	3%	3%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	3%	3%	—%	—%	
26	of which building renovation loans	100%	—%	—%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	—%	—%	—%	—%	
27	of which motor vehicle loans	100%	—%	—%	—%	—%																										
28	Local governments financing																															
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
30	Other local government financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
32	Total GAR assets	48%	1%	1%	0.007%	0.027%																					48%	1%	1%	0.007%	0.027%	

		b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	a
		Disclosure reference date 31.12.2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
6	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	

10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
11	Equity instruments	—%	—%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	
12	of which management companies																															
13	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
15	Equity instruments	0.674%	0.674%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	0.674%	0.674%		—%	—%	
16	of which insurance undertakings																															
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
19	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
20	Non-financial undertakings																															
21	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
22	Debt securities, including UoP	41%	26%	—%	0.057%	14%	—%	—%	—%	—%	—%	—%															41%	26%	—%	0.057%	14%	
23	Equity instruments	16%	5%		0.151%	2%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	16%	5%		0.151%	2%	
24	Households																															
25	of which loans collateralised by residential immovable property	100%	3%	3%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	3%	3%	—%	—%	
26	of which building renovation loans	100%	—%	—%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	—%	—%	—%	—%	
27	of which motor vehicle loans	100%	—%	—%	—%	—%																					100%	—%	—%	—%	—%	
28	Local governments financing																															
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
30	Other local government financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	

31	Collateral obtained by taking possession: residential and commercial immovable properties	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
32	Total GAR assets	60%	3%	2%	0.002%	0.395%																					60%	3%	2%	0.002%	0.395%	

	% (compared to total covered assets in the denominator)	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af	a
		Disclosure reference date 31.12.2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-				Of which environmentally sustainable (Taxonomy-				Of which environmentally sustainable (Taxonomy-				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	Financial undertakings																															
3	Credit institutions																															
4	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
5	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
6	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
10	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
11	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	

12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
15	Equity instruments	0.674%	0.674%		—%	—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	0.674%	0.674%		—%	—%	
16	of which insurance undertakings																															
17	Loans and advances	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
18	Debt securities, including UoP	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
19	Equity instruments	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
20	Non-financial undertakings																															
21	Loans and advances	1%	0.540%	—%	1%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	1%	0.540%	—%	1%	—%	
22	Debt securities, including UoP	76%	41%	—%	0.150%	14%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	76%	41%	—%	0.150%	14%	
23	Equity instruments	27%	0.860%		0.392%	4%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	—%	—%		—%	27%	0.860%		0.392%	4%	
24	Households			—%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%											—%	—%	—%	
25	of which loans collateralised by residential immovable property	100%	3%	3%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	3%	3%	—%	—%	
26	of which building renovation loans	100%	—%	—%	—%	—%	—%	—%	—%	—%					—%	—%	—%	—%									100%	—%	—%	—%	—%	
27	of which motor vehicle loans	100%	—%	—%	—%	—%																					100%	—%	—%	—%	—%	
28	Local governments financing																															
29	Housing financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
30	Other local government financing	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
31	Collateral obtained by taking possession: residential and commercial immovable properties	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	
32	Total GAR assets	61%	3%	2%	0.007%	0.397%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61%	3%	2%	0.007%	0.397%	

% (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date 31.12.2023																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiveristy and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
2	Assets under management (AuM KPI)	0.231%	0.188%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	0.231%	0.188%	—%	—%	—%

		a	b	c	d	e	f	g	h	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	af
		Disclosure reference date 31.12.2023																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiveristy and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
2	Assets under management (AuM KPI)	0.009%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	0.009%	—%	—%	—%	—%

		a	b	c	d	e	f	g	h	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	af
		Disclosure reference date 31.12.2023																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiveristy and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
2	Assets under management (AuM KPI)	0.237%	0.205%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	0.237%	0.205%	—%	—%	—%

		a	b	c	d	e	f	g	h	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	af
	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2023																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiveristy and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
2	Assets under management (AuM KPI)	0.010%	0.001%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	0.010%	0.001%	—%	—%	—%

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)		
		CCM + CCA	Climate change mitigation (CCM)	Climate change adaptation (CCA)
		Amount %	Amount %	Amount %
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,000 mEur 0,000 %	0,000 mEur 0,000 %	n/a
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2 mEur 1,834 %	2 mEur 1,834 %	n/a
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,000 mEur 0,00 %	0,000 mEur 0,00 %	n/a
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,012 mEur 0,011%	0,012 mEur 0,011%	n/a
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	115 mEur 98 %	115 mEur 98 %	n/a
8	**Total applicable KPI**	117 mEur 100 %	117 mEur 100 %	n/a

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)		
		CCM + CCA	Climate change mitigation (CCM)	Climate change adaptation (CCA)
		Amount %	Amount %	Amount %
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,000 mEur 0,000 %	0,000 mEur 0,000 %	n/a
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2 mEur 1,834 %	2 mEur 1,834 %	n/a
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,000 mEur 0,00 %	0,000 mEur 0,00 %	n/a
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,012 mEur 0,011%	0,012 mEur 0,011%	n/a
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	115 mEur 98 %	115 mEur 98 %	n/a
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	117 mEur 100 %	117 mEur 100 %	n/a

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a		n/a		n/a	
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,014 mEur	0,003 %	0,014 mEur	0,003 %	n/a	
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,314 mEur	0,008 %	0,314 mEur	0,008 %	n/a	
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a		n/a		n/a	
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a		n/a		n/a	
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a		n/a		n/a	
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4058 mEur	100 %	4058 mEur	100 %	n/a	
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	4058 mEur	100 %	4058 mEur	100 %		

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	4575 mEur	100%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	4575 mEur	100%

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)		
		CCM + CCA	Climate change mitigation (CCM)	Climate change adaptation (CCA)
		Amount %	Amount %	Amount %
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,000 mEur 0,000 %	0,000 mEur 0,000 %	n/a
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2 mEur 1,864 %	2 mEur 1,864 %	n/a
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,000 mEur 0,00 %	0,000 mEur 0,00 %	n/a
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,002 mEur 0,002 %	0,002 mEur 0,002 %	n/a
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	118 mEur 98,135 %	118 mEur 98,135 %	n/a
8	**Total applicable KPI**	120 mEur 100 %	120 mEur 100 %	n/a

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)		
		CCM + CCA	Climate change mitigation (CCM)	Climate change adaptation (CCA)
		Amount %	Amount %	Amount %
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,000 mEur 0,000 %	0,000 mEur 0,000 %	n/a
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2 mEur 1,864 %	2 mEur 1,864 %	n/a
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,000 mEur 0,00 %	0,000 mEur 0,00 %	n/a
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	n/a	n/a	n/a
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,002 mEur 0,002 %	0,002 mEur 0,002 %	n/a
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	118 mEur 98,135 %	118 mEur 98,135 %	n/a
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	120 mEur 100 %	120 mEur 100 %	n/a

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)		
		CCM + CCA	Climate change mitigation (CCM)	Climate change adaptation (CCA)
		Amount %	Amount %	Amount %
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,075 mEur 0,002 %	0,075 mEur 0,002 %	n/a
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,088 mEur 0,002%	0,088 mEur 0,002%	n/a
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a	n/a
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	4060 mEur 99,996 %	4060 mEur 99,996 %	n/a
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	4060 mEur 100%	4060 mEur 100%	n/a

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	n/a	n/a
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	4570 mEur	100%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	4570 mEur	100%

Contact information

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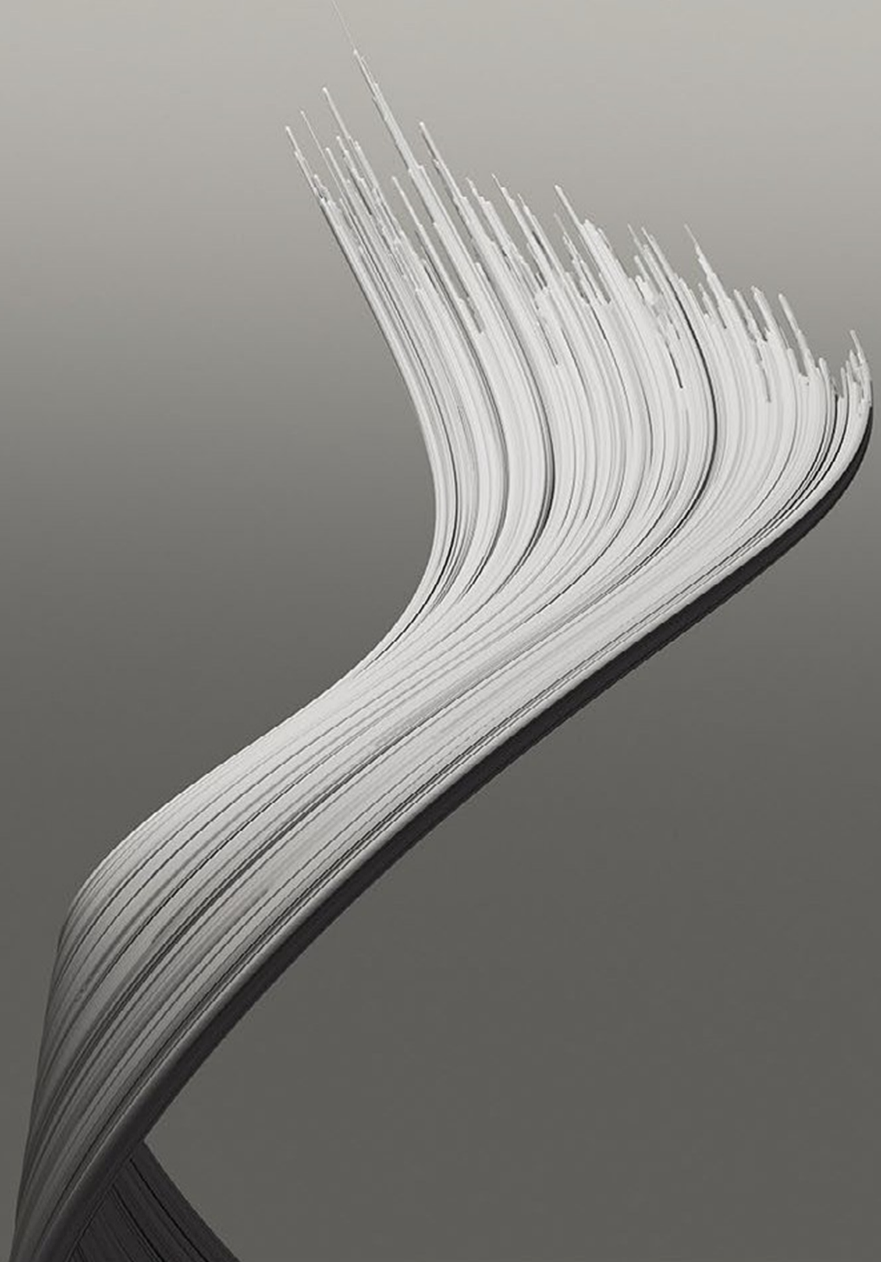

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