

The background features a large, faint watermark of the Aktia logo, which consists of a stylized 'A' with a vertical bar on the left side. The logo is rendered in a light blue-grey color. The overall design is modern and minimalist, with a grey background and a vertical green bar on the left side.

Aktia
Interim report
1/2000

Aktia Savings Bank plc

First Quarter Report 1 January - 31 March 2000

- Aktia gained approx. 8,000 new mutual fund customers during the first quarter
- Borrowing increased by 0.5% to FIM 10.4 billion (13.6% p.a.)
- Lending increased by 2.7% to FIM 10.3 billion (19.0% p.a.)
- Net operating profit increased by 70.0% to FIM 64.6 million
- Income from financial operations increased by 13.0% to FIM 95.1 million
- Total income increased by 36.0% to FIM 183.7 million
- Return on equity (ROE) was 27.2% (22.0%)
- Income-to-cost ratio was 1.51 (1.39)
- Aktia's rating is A3 with positive outlook for long-term borrowing (Moody's)
- Number of Internet bank transactions increased by 134%
- About 2,500 Aktia customers trade equities on the Internet
- Aktia Medica, a new investment fund, has accumulated a capital of nearly FIM 50 million and attracted over 1,700 investors over a period of one month since its launch

Result

Group profit for the first quarter reached FIM 56.3 million, showing a year-on-year increase of FIM 18.4 million. Growth was due to increased volumes in savings and loan products. The profit includes one-off items from the sales of real estate property and shares to a total value of FIM 20.4 million and FIM 10.0 million write-downs on property holdings. Net operating profit increased by FIM 26.5 million to FIM 64.6 million.

Income

Total income increased by FIM 48.7 million to FIM 183.7 million.

Net operating profit increased by FIM 10.8 million to FIM 95.1 million. Growth was primarily due to increased volumes in savings and loan products. Other factors contributing to the net operating profit included the increase in market rates during the period and the raising of Aktia's prime rate on 2 March 2000. At the end of the quarter, the interest rate margin was 0.11 percentage points higher than at the corresponding time in the previous year.

Total other earnings increased by FIM 37.9 million to FIM 88.6 million. Other earnings include commissions receivable, which increased by FIM 22.3 million to FIM 58.2 million, primarily due to the growth in share brokerage and increased sales of units in mutual funds, insurance products, and payment transactions. As a result of the increase in volume, commissions payable increased by FIM 2.6 million to FIM 6.2 million. Securities transactions and foreign exchange dealing showed a profit of FIM 18.2 million, up FIM 16.0 million. Income includes one-off items from the sale of shares for FIM 14.3 million and shares in real estate corporations for FIM 1.4 million. Other operating income rose by FIM 2.3 million to FIM 17.9 million, but this figure includes one-off gains of FIM 4.7 million from the sale of real estate holdings.

Expenses

Total costs increased by FIM 23.2 million to FIM 119.1 million.

Personnel costs grew by FIM 7.3 million to FIM 51.1 million. This was mainly due to the recruitment of staff for the new branch offices and offices operating in high-growth areas as well as the increase in volume in the asset management sector. Additionally, provisions for incen-

tive staff bonuses were increased. Other administrative expenses increased by FIM 2.2 million, reaching FIM 27.8 million. Depreciation and write-downs increased by FIM 11.7 million to FIM 19.2 million, but they are not directly comparable as the parent company booked a write-down of FIM 10.0 million in order to increase the rate of return on leased bank premises and to ensure a more conservative valuation of the holdings. Other operating expenses grew by FIM 2.0 million to FIM 21.0 million despite the fall in real estate expenditure as a result of the decrease in real estate holdings as compared with the first quarter of 1999. At the same time, costs of FIM 0.7 million were capitalised with the sale of a piece of real estate property, while expenditure by Aktia Fund Management Ltd increased due to significantly higher volumes and marketing outlays.

On 31 March, the income-to-cost ratio was 1.51 (1.39).

Saving

Group borrowing increased during the first quarter by FIM 49.8 million to FIM 10,374.6 million (0.5%). Compared with the first quarter of 1999, the increase was 1,244.7 million (13.6%). On 31 March 2000, households accounted for 82 per cent, companies for 13 per cent and public and non-profit organisations for 5 per cent of the total deposit stock.

The market value of the funds managed by Aktia Fund Management Ltd increased during the quarter by FIM 678 million to FIM 2,975.3 million. Compared with the same period in 1999, the growth was 1,267.4 million (70.0%) while the number of subscriptions grew by 70 per cent to reach a net value of FIM 504 million. The number of customers increased by over 8,000 during the first three months of 2000.

Sales of investment-linked insurance policies reached FIM 81.0 million during the quarter under review.

Gross commissions earned by Aktia Securities Ltd showed a 230 per cent year-on-year growth, and deals closed over the Internet have been increasing since the start in November at an average rate of 200 per cent per month. The number of customers trading with equities over the Internet has been growing considerably reaching about 2,500 by the end of the quarter.

Lending

During the first three months of 2000, Group lending increased by FIM 282.4 million (2.7%) reaching FIM 10,298.4 million. Compared with the first quarter of 1999, the increase was 1,645.1 million (19.0%). New loans over the period amounted to FIM 1,132.2 million, of which FIM 797.3 million consisted of credits extended to households. On 31 March 2000, households accounted for 74 per cent, companies for 17 per cent and public and non-profit organisations for 9 per cent of the total credit stock.

Balance sheet total

On 31 March 2000, the Group's balance sheet total stood at FIM 16.9 billion while the corresponding figure for the first quarter of 1999 was FIM 15.0 billion.

Loan losses and risks

During the first three months of the year, the Group booked loan losses with a positive net effect of FIM 0.1 million. The corresponding figure for the same period in 1999 was FIM -1.3 million.

Compared with the first quarter of 1999, non-

performing loans were reduced by FIM 17.1 million to FIM 83.8 million. Combined with non-interest-bearing loans, they accounted for 0.9 per cent of the total credit stock, including commitments.

Appropriations

At the end of the quarter, the Group periodized taxes to a total value of FIM 3.8 million.

The parent company increased the general loan loss provision with FIM 15.0 million, whose tax implications for the Group profit was FIM 4.4 million.

Capital adequacy

Group net capital on 31 March 2000 was FIM 939.9 million. Of this, FIM 775.8 was Tier 1 capital and FIM 164.1 million Tier 2 capital. The capital adequacy ratio was 11.5 per cent, the proportion of Tier 1 capital being 9.5 per cent. To increase its Tier 2 capital, Aktia issued in March a debenture loan of 8.0 million euros, equivalent to FIM 47.6 million.

Personnel

At the end of the first quarter, the number of personnel within the Group stood at 786 (742 in 1999) of which 742 were actual bank staff. The average number of employees during the period was 775, the corresponding figure at the end of 1999 being 769.

Latest news

- Investment Fund Aktia Medica, which invests in the pharmaceuticals industry, was launched in March. Annually, 0.2 percentage units of the fund's management fees are donated to Pro Medi-Heli. Since its launch on 27 March 2000, the fund's capital has reached nearly FIM 50 million invested by over 1,700 subscribers.
- Aktia Fund Management Ltd published the first issue of the Fund Saver (Rahastosäästäjä) magazine in March. The magazine appearing twice a year seeks to provide information on investing in mutual funds and the benefits of regular investments as well as to strengthen customer loyalty and Aktia's brand.
- In the spring, Aktia launched "mutual fund investment workshops" for private individuals where Aktia's specialists explain in detail the various opportunities, options and risks associated with investments in funds, insurance, and equities. The mutual fund investment workshops aroused widespread interest and more such courses will be organised in the autumn as part of the marketing efforts for new savings products.
- The number of Internet bank transactions increased by 134 per cent compared with the corresponding period in 1999. In May, web services were expanded by the introduction of the online-shopping "Aktia Payment Button".
- On 5 April, Aktia issued a debenture loan of 8.0 million euros (FIM 47.6 million) for subscription by the public. As a result of great demand, the ceiling was increased to FIM 16.0 million euros on 11 April.

Prospects

Financial performance during the first quarter of 2000 exceeded expectations. Assuming that the current business cycle holds as anticipated and no major changes take place in the interest market, Aktia's financial performance is expected to develop favourably as compared with the previous year.

Helsinki, 2 May 2000

AKTIA SAVINGS BANK plc
Board of Directors

| Profit and loss account | (million) | Group | | | | | | Parent company | | | | | |
|--|-----------|--------------|-------------|--------------|-------------|--------------|-------------|----------------|-------------|--------------|-------------|--------------|-------------|
| | | 1-3/00 | | 1-3/99 | | 1-12/99 | | 1-3/00 | | 1-3/99 | | 1-12/99 | |
| | | mk | euro | mk | euro | mk | euro | mk | euro | mk | euro | mk | euro |
| Interest income | | 174.4 | 29.3 | 152.8 | 25.7 | 603.8 | 101.5 | 176.6 | 29.7 | 154.3 | 25.9 | 609.6 | 102.5 |
| Interest expenses | | 79.3 | 13.3 | 68.5 | 11.5 | 267.7 | 45.0 | 79.2 | 13.3 | 68.3 | 11.5 | 266.8 | 44.9 |
| Net income from financial operations | | 95.1 | 16.0 | 84.3 | 14.2 | 336.1 | 56.5 | 97.4 | 16.4 | 86.0 | 14.4 | 342.8 | 57.6 |
| Income from equity investments | | 0.5 | 0.1 | 0.6 | 0.1 | 2.9 | 0.5 | 0.9 | 0.2 | 2.0 | 0.3 | 4.8 | 0.8 |
| Commissions receivable | | 58.2 | 9.8 | 35.9 | 6.0 | 153.9 | 25.9 | 52.4 | 8.8 | 32.1 | 5.4 | 141.1 | 23.8 |
| Commissions payable | | -6.2 | -1.1 | -3.6 | -0.6 | -15.4 | -2.6 | -6.2 | -1.1 | -3.1 | -0.5 | -15.4 | -2.6 |
| Net income from securities transactions and foreign exchange dealing | | 18.2 | 3.1 | 2.2 | 0.4 | -9.3 | -1.6 | 18.0 | 3.0 | 2.3 | 0.4 | -9.3 | -1.6 |
| Other operating income | | 17.9 | 3.0 | 15.6 | 2.6 | 88.4 | 14.9 | 12.6 | 2.1 | 16.7 | 2.8 | 105.3 | 17.7 |
| Total other income | | 88.6 | 14.9 | 50.7 | 8.5 | 220.5 | 37.1 | 77.7 | 13.1 | 50.0 | 8.4 | 226.5 | 38.1 |
| Total income | | 183.7 | 30.9 | 135.0 | 22.7 | 556.6 | 93.6 | 175.1 | 29.4 | 136.0 | 22.8 | 569.3 | 95.7 |
| Staff costs | | 51.1 | 8.6 | 43.8 | 7.4 | 168.9 | 28.4 | 49.3 | 8.3 | 42.3 | 7.1 | 162.3 | 27.3 |
| Other administrative expenses | | 27.8 | 4.7 | 25.6 | 4.3 | 114.5 | 19.3 | 28.2 | 4.7 | 25.3 | 4.2 | 111.6 | 18.7 |
| Depreciation and writedowns on tangible and intangible assets | | 19.2 | 3.2 | 7.5 | 1.3 | 57.0 | 9.6 | 16.6 | 2.8 | 4.8 | 0.8 | 46.3 | 7.8 |
| Other operating expenses | | 21.0 | 3.5 | 19.0 | 3.2 | 81.0 | 13.6 | 2.6 | 3.6 | 24.2 | 4.1 | 114.5 | 19.2 |
| Total costs | | 119.1 | 20.0 | 95.9 | 16.2 | 421.4 | 70.8 | 115.7 | 19.5 | 96.6 | 16.2 | 434.7 | 73.0 |
| Profit before loan losses | | 64.6 | 10.9 | 39.1 | 6.5 | 135.2 | 22.7 | 59.4 | 10.0 | 39.4 | 6.6 | 134.6 | 22.7 |
| Loan and guarantee losses | | -0.1 | -0.0 | 1.3 | 0.2 | 6.8 | 1.1 | -0.1 | -0.0 | 1.3 | 0.2 | 9.6 | 1.6 |
| Share of results in associated undertakings | | -0.1 | -0.0 | 0.3 | 0.1 | 1.6 | 0.3 | - | - | - | - | - | - |
| Net operating profit | | 64.6 | 10.9 | 38.1 | 6.4 | 130.0 | 21.9 | 59.5 | 10.0 | 38.1 | 6.4 | 125.0 | 21.1 |
| Appropriations | | - | - | - | - | - | - | -15.0 | -2.5 | - | - | 10.0 | -1.7 |
| Taxes | | -3.8 | -0.6 | -0.2 | -0.0 | -11.0 | -1.9 | -2.7 | -0.5 | - | - | 9.8 | -1.7 |
| Changes in imputed tax claims | | -4.4 | -0.8 | - | - | -2.9 | -0.5 | - | - | - | - | - | - |
| Minority interest | | -0.1 | 0.0 | -0.0 | -0.0 | -0.5 | -0.1 | - | - | - | - | - | - |
| Profit for the period | | 56.3 | 9.5 | 37.9 | 6.4 | 115.6 | 19.4 | 41.8 | 7.0 | 38.1 | 6.4 | 105.2 | 17.7 |

Balance sheet

Assets

| | | | | | | | | | | | | |
|---|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| Liquid assets | 884.2 | 148.7 | 1,229.9 | 206.9 | 1,101.4 | 185.2 | 884.2 | 148.7 | 1,229.9 | 206.9 | 1,101.4 | 185.2 |
| Debt securities eligible for refinancing with central banks | 2,854.3 | 480.1 | 2,563.7 | 431.2 | 2,969.5 | 499.4 | 2,854.3 | 480.1 | 2,563.7 | 431.2 | 2,969.5 | 499.4 |
| Claims on credit institutions | 1,254.5 | 211.0 | 596.3 | 100.3 | 752.0 | 126.5 | 1,252.4 | 210.6 | 596.1 | 100.2 | 759.4 | 127.7 |
| Claims on the public and public sector entities | 10,298.4 | 1,732.1 | 8,653.3 | 1,455.4 | 10,016.0 | 1,684.6 | 10,540.3 | 1,772.7 | 8,788.7 | 1,478.2 | 10,248.8 | 1,723.7 |
| Debt securities | 102.9 | 17.3 | 455.7 | 76.6 | 118.7 | 20.0 | 94.9 | 16.0 | 452.7 | 76.1 | 113.2 | 19.0 |
| Shares and participations | 27.3 | 4.6 | 72.3 | 12.2 | 74.6 | 12.5 | 18.3 | 3.1 | 72.0 | 12.1 | 67.1 | 11.3 |
| Shares and participations in group undertakings | 12.5 | 2.1 | 10.8 | 1.8 | 12.4 | 2.1 | 33.8 | 5.7 | 33.2 | 5.6 | 33.8 | 5.7 |
| Intangible assets | 24.4 | 4.1 | 24.7 | 4.1 | 24.8 | 4.2 | 22.8 | 3.8 | 22.9 | 3.8 | 23.1 | 3.9 |
| Tangible assets | 1,015.0 | 170.7 | 1,062.8 | 178.8 | 1,038.0 | 174.6 | 763.8 | 128.5 | 888.3 | 149.4 | 788.3 | 132.6 |
| Other assets | 306.5 | 51.6 | 183.1 | 30.8 | 37.2 | 6.3 | 303.4 | 51.0 | 176.7 | 29.7 | 34.3 | 5.8 |
| Accrued income | 171.2 | 28.7 | 131.5 | 22.1 | 134.3 | 22.6 | 172.0 | 28.9 | 130.7 | 22.0 | 132.3 | 22.3 |
| Total assets | 16,951.2 | 2,851.0 | 14,984.1 | 2,520.2 | 16,278.9 | 2,738.0 | 16,940.2 | 2,849.1 | 14,954.9 | 2,515.2 | 16,271.4 | 2,736.7 |

Liabilities

| | | | | | | | | | | | | |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| Liabilities to credit institutions and central banks | 3,302.0 | 555.4 | 3,376.1 | 567.8 | 3,339.6 | 561.7 | 3,305.1 | 555.9 | 3,379.3 | 568.3 | 3,355.8 | 564.4 |
| Liabilities to the public | 10,374.6 | 1,744.9 | 9,129.9 | 1,535.5 | 10,324.8 | 1,736.5 | 10,402.0 | 1,749.5 | 9,136.0 | 1,536.6 | 10,351.4 | 1,741.0 |
| Liabilities to public sector entities | 645.7 | 108.6 | 214.1 | 36.0 | 419.0 | 70.5 | 648.1 | 109.0 | 212.3 | 35.7 | 423.8 | 71.2 |
| Debt securities issued to the public | 693.3 | 116.6 | 528.2 | 88.8 | 571.8 | 96.2 | 683.4 | 114.9 | 507.7 | 85.4 | 551.6 | 92.8 |
| Other liabilities | 600.0 | 100.8 | 618.9 | 104.1 | 434.4 | 73.1 | 592.4 | 99.6 | 617.1 | 103.8 | 424.1 | 71.3 |
| Accrued expenses | 149.7 | 25.1 | 98.1 | 16.5 | 109.6 | 18.4 | 143.7 | 24.1 | 95.9 | 16.1 | 101.5 | 17.0 |
| Compulsory provisions | - | - | 4.9 | 0.8 | 2.0 | 0.3 | - | - | 4.9 | 0.8 | 2.0 | 0.3 |
| Subordinated liabilities | 352.7 | 59.3 | 305.1 | 51.3 | 305.1 | 51.3 | 352.6 | 59.3 | 305.1 | 51.3 | 305.1 | 51.3 |
| Appropriations | - | - | - | - | - | - | 25.0 | 4.2 | - | - | 10.0 | 1.7 |
| Imputed tax claims | 7.3 | 1.2 | - | - | 2.9 | 0.5 | - | - | - | - | - | - |
| Minority interest | 17.9 | 3.0 | 17.1 | 2.9 | 17.9 | 3.0 | - | - | - | - | - | - |
| Share capital | 423.1 | 71.2 | 423.1 | 71.2 | 423.1 | 71.2 | 423.1 | 71.2 | 423.1 | 71.2 | 423.1 | 71.2 |
| Share premium account | 6.9 | 1.2 | 6.9 | 1.2 | 6.9 | 1.2 | 6.9 | 1.2 | 6.9 | 1.2 | 6.9 | 1.2 |
| Reserve fund | 44.3 | 7.5 | 44.3 | 7.5 | 44.3 | 7.5 | 48.0 | 8.1 | 48.0 | 8.1 | 48.0 | 8.1 |
| Profit brought forward | 277.4 | 46.7 | 179.5 | 30.2 | 161.8 | 27.2 | 268.1 | 45.1 | 180.5 | 30.3 | 162.9 | 27.4 |
| Profit for the period | 56.3 | 9.5 | 37.9 | 6.4 | 115.6 | 19.4 | 41.8 | 7.0 | 38.1 | 6.4 | 105.2 | 17.8 |
| Total liabilities | 16,951.2 | 2,851.0 | 14,984.1 | 2,520.2 | 16,278.9 | 2,737.9 | 16,940.2 | 2,849.1 | 14,954.9 | 2,515.2 | 16,271.4 | 2,736.7 |
| Off-balance sheet commitments | 731.6 | 123.0 | 720.7 | 121.2 | 813.6 | 136.8 | 731.6 | 123.0 | 727.3 | 122.3 | 723.7 | 121.7 |

Auditor's report

We have conducted a general audit of the interim report of Aktia Savings Bank p.l.c. as at March 31, 2000. In our opinion, the Report has been prepared in accordance with current regulations. The consolidated three-month net operating profit was FIM 64,6 million.

Helsinki, 25 April, 2000

OY JOE SUNDHOLM & CO AB
Authorised Public Accountants

Jan Holmberg, APA Sune Back, APA

Rolf Nyberg, CA

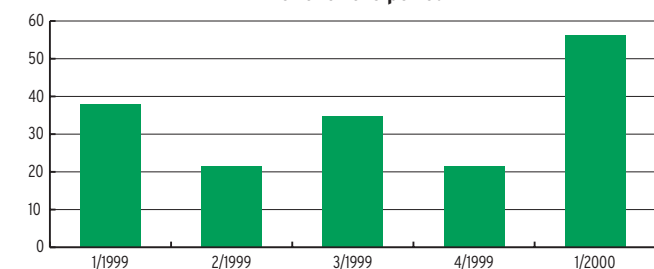
Group

| | 31.3.2000 | | 31.3.1999 | | 31.12.1999 | |
|---|---------------|--------------|--------------|--------------|---------------|--------------|
| | mk | euro | mk | euro | mk | euro |
| Credit stock (million) | | | | | | |
| Households | 7,590 | 1,277 | 6,019 | 1,012 | 7,346 | 1,236 |
| Corporate | 1,799 | 302 | 1,692 | 284 | 1,750 | 294 |
| Non-profit organisations | 640 | 108 | 604 | 102 | 654 | 110 |
| Public sector organisations | 269 | 45 | 257 | 43 | 266 | 45 |
| Total | 10,298 | 1,732 | 8,572 | 1,442 | 10,016 | 1,685 |
| Risk commitments | | | | | | |
| Non-performing loans (million) | 83.8 | 14.1 | 101.9 | 17.1 | 75.0 | 12.6 |
| Non-interest-bearing loans (million) | 10.5 | 1.8 | 28.7 | 4.8 | 10.7 | 1.8 |
| Non-performing/credit stock incl. commitments (%) | | 0.9 | | 1.2 | | 0.9 |
| Key ratios | | | | | | |
| Turnover (million) | 269.3 | 45.3 | 207.0 | 34.8 | 839.7 | 141.2 |
| Earnings/share (FIM/euro) | 1.60 | 0.27 | 1.07 | 0.17 | 3.36 | 0.57 |
| Equity/share (FIM/euro) | 22.28 | 3.75 | 19.13 | 3.22 | 20.73 | 3.49 |
| Return on equity, % (ROE) p.a. | | 27.2 | | 21.98 | | 16.53 |
| Income-to-cost ratio | | 1.51 | | 1.39 | | 1.31 |
| Number of shares | 35,258,050 | | 35,258,050 | | 35,258,050 | |
| Average number of shares during the period | 35,258,050 | | 35,258,050 | | 35,258,050 | |
| Number of employees during the period | | 775 | | 736 | | 764 |
| Capital base | | | | | | |
| Tier 1 capital (million) | 775.8 | 130.5 | 666.4 | 112.1 | 720.9 | 121.2 |
| Tier 2 capital (million) | 164.1 | 27.6 | 175.8 | 29.6 | 118.7 | 20.0 |
| Net capital base (million) | 939.9 | 158.1 | 842.2 | 141.7 | 839.6 | 141.2 |
| Risk-weighted commitments (million) | 8,201.4 | 1,379.4 | 6,798.9 | 1,143.5 | 7,755.9 | 1,305.0 |
| Capital adequacy, % | | 11.5 | | 12.4 | | 10.8 |
| Tier 1 ratio, % | | 9.5 | | 9.8 | | 9.3 |

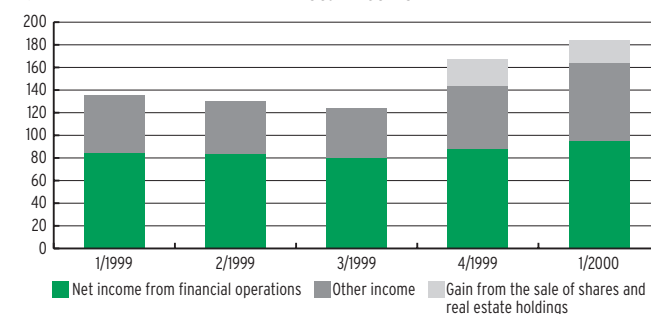
Profit for the period is included in Tier 1 capital.

First quarter comparisons

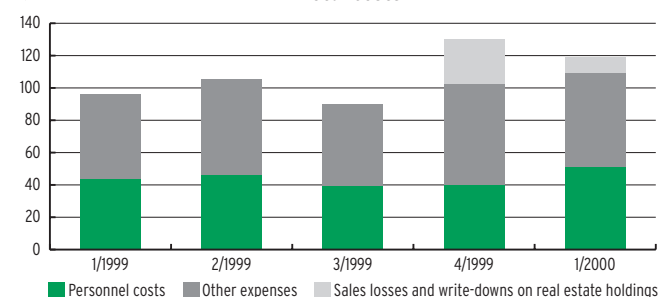
Profit for the period



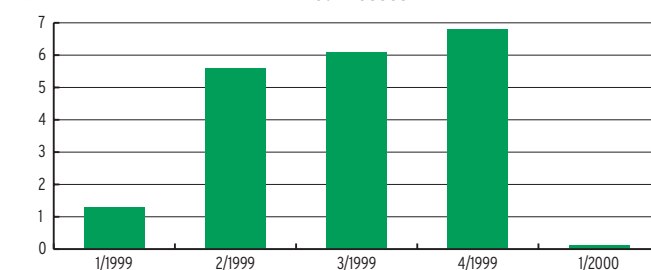
Total income



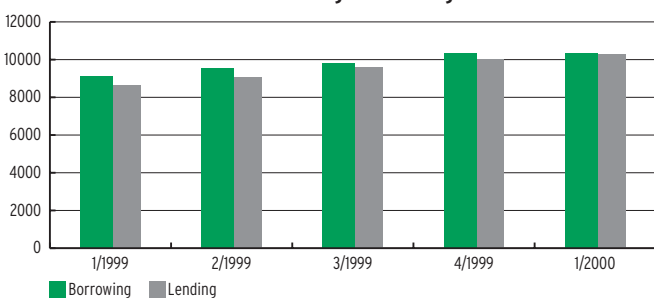
Total costs



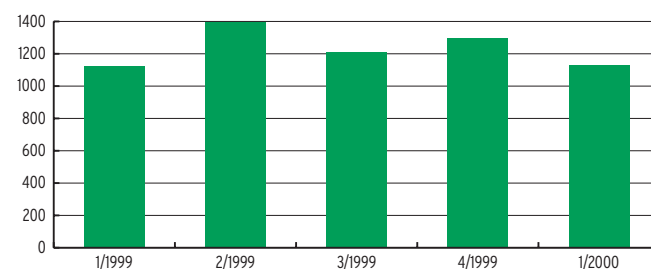
Loan losses



Borrowing and lending



New loans



Aktia in a nutshell

Aktia was created in its current form at the beginning of the 1990s when it merged with a number of savings banks based in the coastal areas. Historically speaking, Aktia's roots date back to 1825, when Finland's first deposit bank saw the light of day.

Aktia is a Finnish bilingual savings bank responsive to the needs of its customers - private individuals, local companies, municipalities, and non-profit organisations.

With its partners, savings banks and local co-operative banks, Aktia operates an extensive network of about 370 branch offices. Aktia serves as the central bank for savings and local co-operative banks. The bank is engaged in deposit banking and operates as an authorised securities broker with a comprehensive network of global correspondent banks. Aktia is approved by the Bank of Finland as a money-market counterparty and is a party to the Bank of

Finland's payments, liquidity and cheque account facilities.

The Aktia Savings Bank plc includes Aktia Fund Management Ltd, Aktia Asset Management Oy Ab, and Aktia Securities Ltd. Aktia is owned by Finnish savings bank foundations, institutions, savings banks, the FöreningsSparbanken of Sweden, and private individuals.

