Q1

INTERIM REPORT JANUARY - MARCH 2019

Aktia

Stable first quarter – increase in operating income

January - March 2019

- The total operating income increased by 3% to EUR 52.7 (51.2) million, of which the net interest income amounted to EUR 19.4 (20.7) million, the net commission income to EUR 22.7 (23.8) million and the net income from life insurance to EUR 8.3 (5.8) million.
- Operating expenses excluding items affecting comparability increased by 9% to EUR 36.1 (33.1) million. Total operating expenses increased to EUR 36.1 (33.5) million.
- The comparable operating profit amounted to EUR 17.2 (18.0) million, a decrease by 5%. The reported operating profit amounted to EUR 17.2 (17.7) million.

Outlook 2019 (unchanged)

- Despite the uncertainty of the economic development, the comparable operating profit 2019 is expected to be approximately on the same level as for 2018 (see page 18).

Key figures

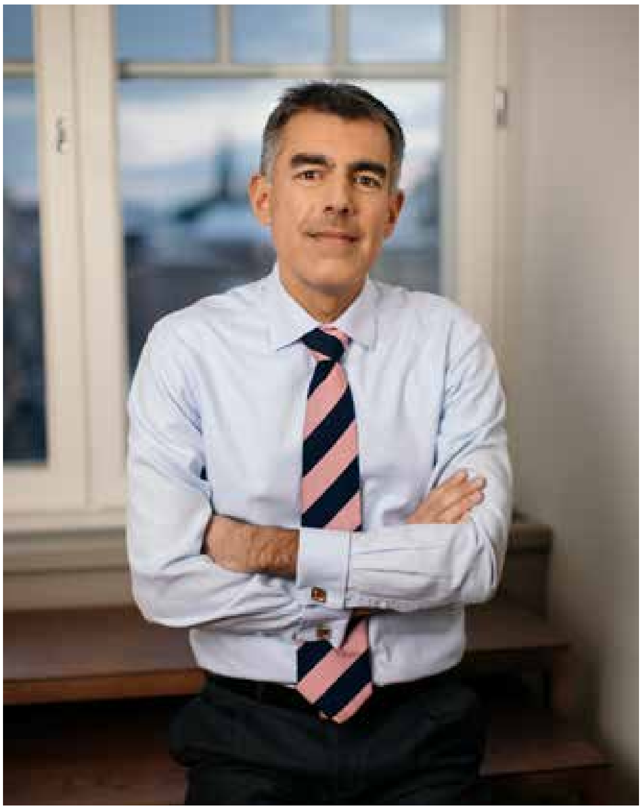
(EUR million)	1Q2019	1Q2018	Δ %	2018	4Q2018	Δ %	3Q2018	2Q2018
Net interest income	19.4	20.7	-6%	85.9	20.7	-6%	21.0	23.5
Net commission income	22.7	23.8	-5%	95.6	22.6	0%	22.9	26.2
Net income from life insurance	8.3	5.8	43%	21.4	5.1	62%	5.5	5.0
Other operating income	2.3	0.8	169%	7.3	-0.7	-	6.0	1.1
Total operating income	52.7	51.2	3%	210.1	47.7	10%	55.4	55.8
Total operating expenses	-36.1	-33.5	8%	-143.0	-39.4	-8%	-31.8	-38.3
Impairment of credits and other commitments	-1.1	-0.6	80%	-0.8	-0.1	707%	-0.8	0.7
Operating profit	**17.2**	**17.7**	**-3%**	**67.6**	**8.0**	**113%**	**23.7**	**18.2**
Comparable operating profit[1]	**17.2**	**18.0**	**-5%**	**65.4**	**10.2**	**68%**	**18.6**	**18.5**
Cost-to-income ratio	0.69	0.65	6%	0.68	0.83	-17%	0.57	0.69
Comparable cost-to-income ratio[1]	0.69	0.65	6%	0.69	0.79	-13%	0.63	0.68
Earnings per share (EPS), EUR	0.21	0.22	-7%	0.81	0.09	128%	0.29	0.21
Comparable earnings per share (EPS), EUR	0.21	0.22	-5%	0.77	0.12	75%	0.23	0.22
Return on equity (ROE), %	9.4	10.2	-7%	9.4	4.4	116%	13.7	10.1
Common Equity Tier 1 capital ratio (CET1), %[2]	16.9	16.4	3%	17.5	17.5	-3%	16.6	16.3

1) Alternative performance measures excluding items affecting comparability, see page 19
2) At the end of the period

CEO's comments

The new year has got off to a good start in Aktia. The activity level in both the private and corporate customer segment has been high and we have launched new products to further improve the customer experience. At the beginning of the year Aktia introduced the first completely digital credit card in Finland and in April we successfully adopted Apple Pay mobile payments as the second bank in Finland. Mobile payments are becoming increasingly common in Finland and globally, and we want to offer our customers the best solutions for this. Both payment methods make payments easier and safer.

> The activity level in both the private and corporate customer segment has been high and we have launched new products to further improve the customer experience.
>
> Mikko Ayub, CEO



Also, within asset management the beginning of the year has been successful. In March the American mutual fund rating company Morningstar chose Aktia's asset management again as the best fixed-income fund house in Finland and in April Aktia won the Lipper Fund Award as the best Nordic fixed-income fund house. Our long-term success is built on several years of determined work as well as on unique competence and expertise in fixed-income fund management. In addition to the awards we have received, our success is also visible in the growth in customer assets and in the increasing international demand on our funds.

Our determined work continues

I am pleased with the development of Aktia's underlying operations during the first quarter of the year. The operating income of the first quarter was 3% higher compared to the corresponding period last year. Although the market downswing at the end of the year now has recovered to its earlier level, its effects through managed customer assets were still partly visible in the commission income. The net interest income amounted to EUR 19.4 (20.7) million, although the income from the 2012 unwound interest rate hedges was approximately EUR 2 million lower than during the reference period. In addition, the tough competition is still putting pressure on loan margins. The positive development of the net income from life insurance is mainly explained by the positive value changes in the investment portfolio. The costs were somewhat higher than last year due to IT and digital projects at the beginning of the year, as well as the estimated cost of EUR 2 million for the stability fee which this year has been booked in its entirety to the first quarter.

Although Aktia's first quarter as a whole was on a good level, we cannot afford to be too satisfied. The low interest rate environment is still burdening the banking sector and according to prognoses the economic growth in Finland will diminish during the following years. The implementation of our strategy is going forward within the framework of new plans of action. The focus of these plans is to develop Aktia's corporate culture to better serve our goals, to intensify our operations, to work on a new customer experience by offering our customers even more individual and versatile services and to sharpen our sales processes. Our goal is to be an even more efficient and profitable bank and our determined work to develop Aktia continues.

Helsinki 3 May 2019

Mikko Ayub
CEO

Content

Webcast from the results conference

A live webcast from the results conference will take place on 3 May 2019 at 10 am. CEO Mikko Ayub and CFO Outi Henriksson will present the results. The conference is held in Finnish and Swedish and can be seen live at https://aktia.videosync.fi/2019-q1-results. A recording of the webcast will be available at www.aktia.com after the conference.

Financial calendar

Half-year report January - June 2019 .... 1 August 2019
Interim report January - September 2019 .... 31 October 2019

The interim report January - March 2019 is a translation of the orginal Swedish version "Delårsrapport 1.1-31.3.2019". In case of discrepancies, the Swedish version shall prevail.

Business environment

The economic development has both in Finland and globally experienced a weaker growth during the winter, but the development in Finland is still looking rather good. Statistics Finland's meter on the economic cycle shows a growth of 1.7% in February and 2.1% in January, which is in line with Aktia's growth prognosis of 1.7% for 2019. The somewhat weaker economic cycle is supported by the confidence indicators continuing their downward trend during the first quarter of 2019. Consumer confidence in the economy as a whole in Finland has been diminished, whereas households' confidence in their own economy, supported by the positive development of employment, is still strong.

The inflation pressure both in Finland and the euro area was still moderate and inflation expectations have dampened. This has, together with an increasingly weaker situation in real economy, contributed to changing the view on the monetary policy ahead. We are not expecting a rise in the interest rate level in 2019 or 2020, in our view the long-term period with negative interest rates will continue.

Despite the very low expenses for loans the households' loan book increased by a moderate 2.4% during the first two months of the year, which is in line with the development in previous years. The corporate loan book, which is generally more volatile, increased on average with over 7% during the first two months of the year, which is considerably faster than the average increase in the last few years. According to the statistics of the Bank of Finland the average interest rate on new housing loans was 0.81% in February.

The development of housing prices for old row and block house apartments has continued to be moderate but twofold. In February housing prices increased in the Helsinki area by 2.5% compared to the same period one year earlier. The corresponding figure for the whole country was 1.4%. In Vantaa and Tampere the price development was somewhat negative, whereas Turku and Oulu had an upswing of approximately 2.5%. In Helsinki prices rose with 4% in February.

The OMX Helsinki 25-index increased by approximately 9% in January–March 2019, while the Nordic banking sector index (N Banks EUR PI) decreased by approximately 5%. Aktia's share (AKTIA) increased by approximately 3% in the same period.

Rating

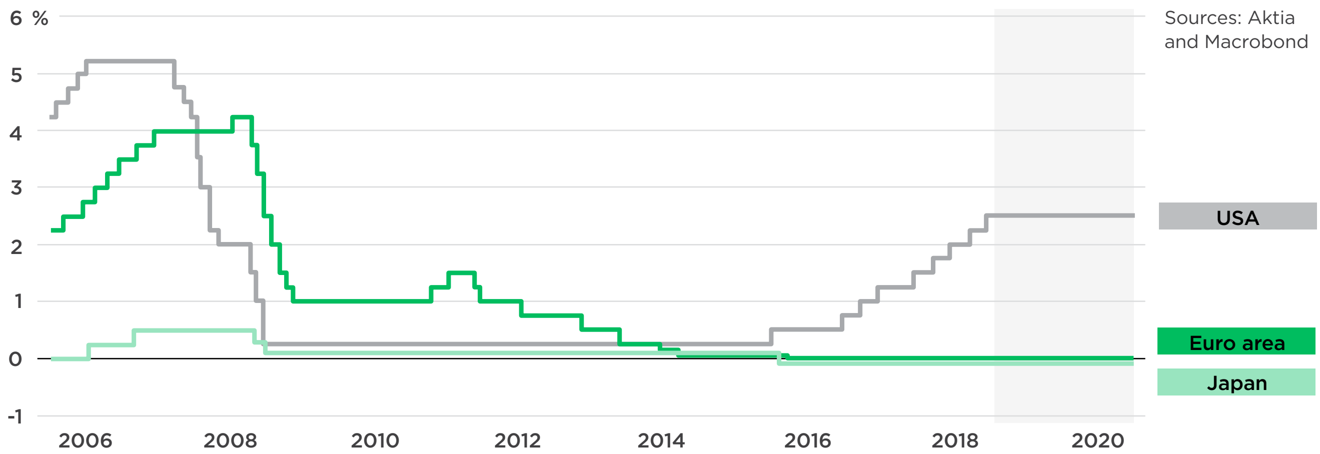
On 18 December 2018, Standard and Poor's confirmed its rating of Aktia Bank Plc's creditworthiness. The rating is A- for long-term borrowing and A2 for short-term borrowing, both with stable outlook.

On 2 July 2018, credit institution Moody's Investors Service upgraded (and confirmed on 28 December 2018) the long- and short-term deposit ratings of Aktia Bank from A3/P-2 to A1/P-1 and the long-term Senior Unsecured rating from A3 to A1. Baseline Credit Assessment (BCA) was upgraded to a3. Furthermore, the foreign and local currency Counterparty Risk Ratings (CRR) were upgraded to Aa3/P-1 and the long- and short-term Counterparty Risk (CR) Assessments were upgraded to Aa3(cr)/P-1(cr). The outlook on the long-term deposit and senior ratings was changed from positive to stable.

Moody's Investors Service confirmed the rating Aaa for Aktia Bank's long-term covered bonds.

	Long-term borrowing	Short-term borrowing	Outlook	Covered bonds
Moody's Investors Service	A1	P-1	stable	Aaa
Standard & Poor's	A-	A-2	stable	-

CENTRAL BANKS RATES, %



Profit and balance

Profit January - March 2019

The Group's operating profit was EUR 17.2 (17.7) million. The Group's profit was EUR 14.1 (15.1) million. Operating profit excluding items affecting comparability amounted to EUR 17.2 (18.0) million, a decrease by 5%. The implementation of IFRS 16 affected the operating profit of the first quarter with EUR -0.2 million.

Items affecting comparability

(EUR million)	Jan-Mar 2019	Jan-Mar 2018
Costs for restructuring	-	-0.4
Total	**-**	**-0.4**

Income

The Group's operating income increased by 3% to EUR 52.7 (51.2) million.

Net interest income decreased by 6% to EUR 19.4 (20.7) million. Net interest income from borrowing and lending increased by 6% to EUR 17.9 (16.9) million. Continued low market interest rates and thereby lower interest income from the bank's liquidity portfolio decreased the Group's net interest income by EUR 0.8 million. Interest income from the 2012 unwound interest rate hedges decreased by EUR 2.2 million, while interest income from active interest rate hedging increased to EUR 0.4 (0.1) million.

Net commission income decreased by 5% to EUR 22.7 (23.8) million. Net commission income, excluding the income from the real estate agency sold in July 2018, increased by 1%. Commission income from borrowing and lending amounted to EUR 3.2 (3.4) million. Commission income from funds, asset management and securities brokerage were on the same level as last year and amounted to EUR 14.7 (14.7) million. Card and other payment service commissions increased by 6% to EUR 6.2 (5.8) million.

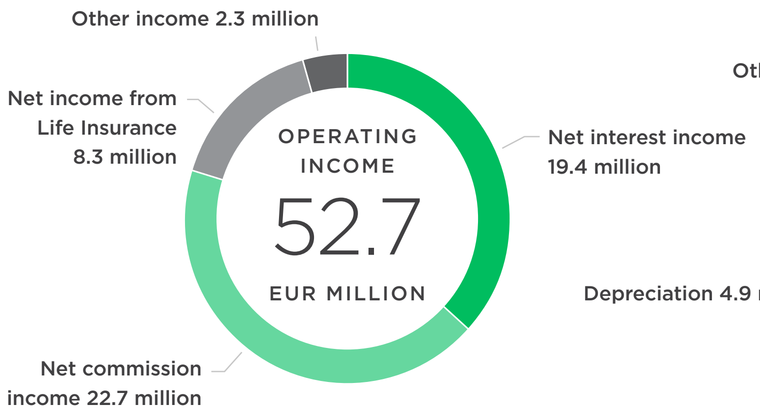
Net income from life insurance increased by 43% to EUR 8.3 (5.8) million, which relates to improved net income from investment operations. The income from investments includes value changes of EUR 1.7 (-0.9) million. The actuarially calculated result was on the same level as last year.

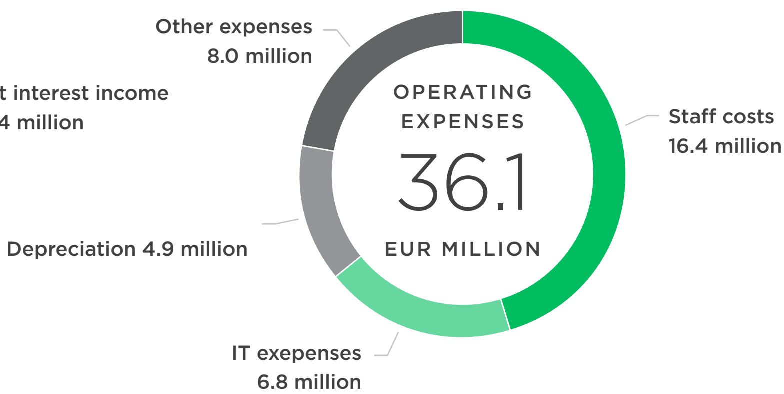
Net income from financial transactions was EUR 2.0 (0.6) million, which includes a positive change in expected credit losses (ECL) on the bank's interest-bearing securities of EUR 0.5 (0.0) million, and value change in shares and participations of EUR 0.4 (0.1) million.

Expenses

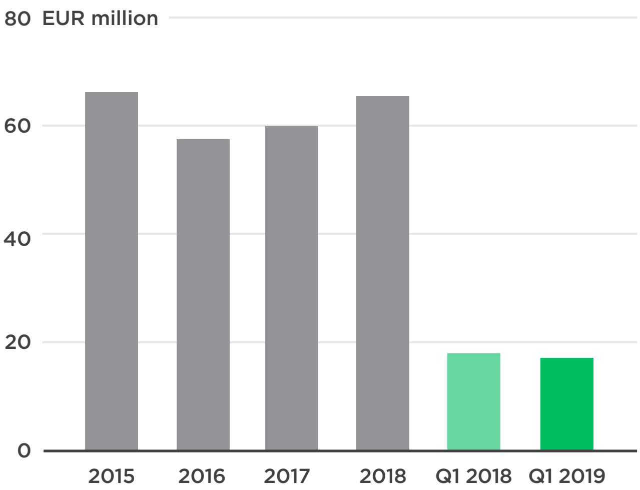
The operating expenses amounted to EUR 36.1 (33.5) million. Operating expenses excluding items affecting comparability increased by 9% to EUR 36.1 (33.1) million.

The staff costs amounted to EUR 16.4 (16.5) million. The reference period includes EUR 0.4 million in restructuring costs.





COMPARABLE OPERATING PROFIT 2015–Q1 2019, EUR MILLION



The depreciation of tangible and intangible assets increased to EUR 4.9 (3.1) million and includes depreciation of real estate leases and cars according to IFRS 16 of EUR 1.7 (-) million.

IT costs increased due to investments at the beginning of the year and amounted to EUR 6.8 (5.6) million.

Other operating expenses amounted to EUR 8.0 (8.2) million and include an estimation for the EU statutory expense to the fund for financial stability of EUR 2.0 (-) million. Last year the EU statutory expense was accrued in the result from the second quarter. The implementation of IFRS 16 as of 1 January 2019 means that rent payments for real estates and cars are no longer recognised as rental expenses (EUR 1.8 million). These expenses are from 1 January 2019 included in depreciation and interest expenses. Implementation effects are described in note 1.

Impairments on credits and other commitments amounted to EUR -1.1 (-0.6) million.

Share of profit from associated companies includes dividend of EUR 1.7 (0,5) million from Oy Samlink Ab.

Balance sheet and off-balance sheet commitments

The Group's balance sheet total increased to EUR 9,913 (9,267) million. Off-balance sheet commitments, consisting of credit limits, other loan promises, and bank guarantees decreased to EUR 495 (519) million.

Borrowing

Borrowing from the public and public-sector entities amounted to EUR 3,999 (3,963) million. Aktia's market share of deposits was 3.3 (3.3) % at the end of February.

In total, the value of bonds issued by the Aktia Group amounted to EUR 3,026 (2,460) million. Of these, EUR 2,171 (1,666) million were covered bonds issued by Aktia Bank.

Aktia Bank issued in February a new long-term covered bond to a value of EUR 500 million and with a maturity of 7 years, replacing a corresponding bond of EUR 500 million due in April. The issue was carried out to very favourable terms and it was oversubscribed more than twofold. As security for the CB issue, bonds with a value of EUR 2,487 (2,264) million were reserved.

During the period, Aktia Bank has also issued new long-term unsecured bonds to the value of EUR 60 million as part of its EMTN programme.

Lending

Total Group lending to the public and public-sector entities increased by EUR 51 million to EUR 6,157 (6,106) million. Loans to households accounted for EUR 4,770 (4,756) million, or 77.5 (77.9) % of the loan book.

The housing loan book totalled EUR 4,770 (4,698) million, of which the share for households was EUR 3,960 (3,958) million. Aktia's new lending to households increased to EUR 188 (192) million. At the end of February, Aktia's market share in housing loans to households stood at 4.1 (4.1) %.

Corporate lending accounted for 12.0 (11.6) % of Aktia's loan book. Total corporate lending increased to EUR 738 (707) million. Loans to housing companies amounted to EUR 607 (604) million, making up 9.9 (9.9) % of Aktia's total loan book.

Loan book by sector

(EUR million)	31 Mar 2019	31 Dec 2018	Δ	Share, %
Households	4,770	4,756	15	77.5%
Corporates	738	707	31	12.0%
Housing companies	607	604	3	9.9%
Non-profit organisations	38	35	2	0.6%
Public sector entities	4	4	0	0.1%
Total	**6,157**	**6,106**	**51**	**100.0%**

Financial assets

Aktia Group's financial assets consist of the liquidity portfolio and other interest-bearing investments of the Bank Group amounting to EUR 1,527 (1,368) million, the life insurance company's investment portfolio amounting to EUR 555 (551) million and the equity holdings of the Bank Group amounting to EUR 4 (4) million.

Technical provisions

The life insurance company's technical provisions were EUR 1,210 (1,156) million, of which EUR 813 (757) million were unit-linked. Interest-related technical provisions decreased to EUR 397 (399) million. The average discount rate for the interest-bearing technical provisions is 3.4%. Technical provisions include an interest reserve of EUR 16.0 (16.0) million, which can be used to cover the future interest rate requirements.

Equity

Aktia Group's equity amounted to EUR 608 (590) million. The fund at fair value increased by EUR 3 million to EUR 21 (18) million and the profit for the period amounted to EUR 14 million.

Managed assets

The Group's total assets under management amounted to EUR 12.049 (10.973) million.

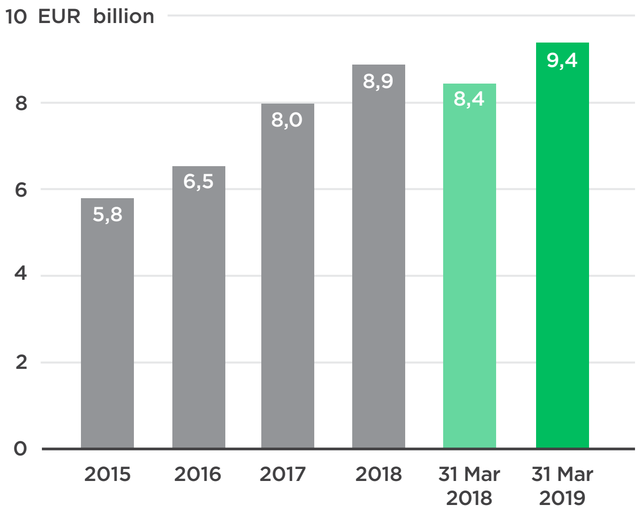
Assets under management comprise managed and brokered mutual funds as well as managed capital in the subsidiaries Aktia Asset Management Ltd and Aktia Fund Management Company Ltd. The assets under management presented in the table below reflect net volumes, so that AuM in multiple companies have been eliminated.

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

Managed assets

(EUR million)	31 Mars 2019	31 Dec 2018	Δ %
Assets under management	9,373	8,860	6%
Group financial assets	2,676	2,113	27%
Total	**12,049**	**10,973**	**10%**

ASSETS UNDER MANAGEMENT (AUM) EXCLUDING CUSTODY ASSETS 2015–Q1 2019, EUR BILLION



Segment overview

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

Banking Business

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

The segment's operating profit

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %
Operating income	31.4	31.7	-1%
Operating expenses	-27.5	-24.5	12%
Operating profit	2.8	6.5	-57%
Comparable operating profit	2.8	6.7	-58%

Net interest income from borrowing and lending has stayed on a good level due to low interest rates on deposits and stable growth in lending.

The high demand for housing loans continued and the tough competition for good housing loan borrowers is still putting pressure on customer margins for new housing loans. The customers demand for interest rate collar and interest rate cap products have been high. The private customers fund book increased during the first quarter due to both a favourable market development and positive new sales.

Lending increased to EUR 6,150 (6,099) million, of which the private customers loan book in the banking business increased to EUR 4,804 (4,787) million and the corporate customers' loan book in the banking business increased to EUR 1,346 (1,312) million.

The increase in the corporate customers' loan book reflects the high demand on the market for both corporate investments and property financing. The segment's strategic focus on small and medium-sized companies and financial solutions for larger corporate customers has contributed to the positive development of the loan book.

The operating expenses for the period increased to EUR 27.5 (24.5) million. The increase is mainly attributable to the estimated stability fee of EUR 2.0 million which has been recognised in its entirety in the first quarter. Last year the stability fee was accrued in the results from the second quarter.

Private customers' savings in deposits increased to EUR 3,121 (3,041) million and savings in funds increased to EUR 1,541 (1,419) million. The market has recovered during the first quarter 2019 compared to the year end. The development of sales for the period was positive and the monthly savings of private customers increased by 8% compared to the corresponding period last year. Aktia's mobile solutions have been received well by private customers and the number of customers who have downloaded and activated Aktia's mobile bank has increased by 9% during the quarter. The Aktia Premium Banking concept has also been well-received and the concept provides Aktia's customers with personal long-term financial advice.

Asset management

The segment comprises asset management and life insurance business. The segment provides asset management to institutional investors, and a wide range of investment and life insurance products for distribution in Aktia's and external partners' sales channels.

The segment's operating profit

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %
Operating income	16.6	13.8	21%
Operating expenses	-7.0	-6.7	4%
Operating profit	9.6	7.0	37%
Comparable operating profit	9.6	7.0	37%

The international investment through cooperation with fund management company Universal-Investment (UI) in Luxembourg has proceeded well. Mainly Nordic and European institutions have subscribed to funds in UI-Aktia. The UI-Aktia range will be extended geographically during 2019. EMD fund products through UI-Aktia have been offered to institutional investors and the UI-Aktia mutual fund capital amounted to EUR 1,205 million at the end of March.

The income from the period was clearly higher than for the reference period, which is mainly explained by positive value changes of EUR 1.7 (-0.9) million in the life insurance business. Net commission income developed positively during the period and increased by 5%.

Aktia Fund Management Company's fund book was EUR 4.8 billion, which is EUR 0.3 billion higher than at the year end 2018. The increase is mainly explained by a positive market change and the fund book has recovered to the level at the end of the third quarter 2018. Net subscriptions of funds to Finnish institutional investors and for funds distributed through Aktia's branch network was positive for the period.

Institutional sales have despite the turbulence on the market in the fourth quarter 2018 proceeded well during the first quarter of 2019 and the total fund sales amounted to EUR 80 (375) million. Most of the sales were carried out to foreign institutions which subscribed to funds through Universal-Investment in Luxembourg. Net subscriptions of funds to domestic institutions were also positive for the period.

Aktia Asset Management has again been rewarded by both Lipper Fund and Morningstar. In the Lipper Fund Awards competition Aktia Asset Management was awarded as the best fixed-income fund house and Aktia EM Local Currency Frontier Bond+ was chosen as the best Nordic fund in its category. In the Awards 2019 competition Morningstar once again chose Aktia as the best fixed-income fund house in Finland and Aktia Government Bond+ as the best fixed-income fund. In addition, in the overall category Aktia finished among the top three fund managers. A position among the top three requires a very strong return/risk ratio during a five-year period. Aktia's fixed-income management has been in the top in Morningstar's surveys since 2013.

The application of IFRS 9 has entailed an increased volatility in the net income from life insurance, which for the segment increased to EUR 7.1 (4.7) million. The net income from life insurance during the period includes unrealised value changes of EUR 1.7 (-0.9) million.

The segment's operating expenses increased by EUR 0.3 million, which is mainly due to somewhat higher staff costs. The expense ratio for the life insurance business was at a good level and amounted to 78.2 (77.8) %.

Assets under management totalled EUR 9,373 (8,860) million.

(EUR million)	31 Mar 2019	31 Dec 2018	Δ %
Assets under management	9,373	8,860	6%
of which Institutional assets	6,074	5,824	4%

Group functions

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

The segment's operating profit

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %
Operating income	6.5	6.5	-1%
Operating expenses	-3.5	-2.9	17%
Operating profit	3.0	3.6	-15%
Comparable operating profit	3.0	3.8	-19%

The net interest income for the segment decreased due to lower interest income of the bank's liquidity portfolio and lower interest income from the 2012 unwound interest rate hedges. Despite the challenging interest rate situation, a positive interest yield has been retained when reinvesting in the liquidity portfolio. Interest income from the 2012 unwound interest rate hedges decreased during the period by EUR 2.2 million and for the whole year 2019 the interest income will amount to approximately EUR 2.4 (2018: 10.3) million. Lower financing expenses, mainly from senior financing, is partially compensating for decreasing income from the liquidity portfolio and unwound interest rate hedges.

Net income from financial transactions increased to EUR 2.0 (0.6) million, which includes a positive change in expected credit losses (ECL) on the bank's interest-bearing securities of EUR 0.5 (0.0) million as well as a value change in shares and participations of EUR 0.4 (0.1) million.

Since March 2015, Aktia participates in the European Central Bank's long-term refinancing operations (TLTRO), which has enabled Aktia to offer financing with favourable and competitive terms. During the period the interest income from Aktia's TLTRO financing amounted to EUR 0.4 (-) million.

The segment's operating expenses increased mainly due to higher staff costs and higher IT expenses. IT expenses include larger investments during the beginning of the year.

Group's segment reporting

(EUR million)	Banking Business		Asset Management		Group functions		Other & eliminations		Total Group	
Income statement	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Mar 2019**	**Jan-Mar 2018**	**Jan-Mar 2019**	**Jan-Mar 2018**
Net interest income	15.9	15.8	0.0	0.0	3.5	4.9	-	0.0	19.4	20.7
Net commission income	15.4	15.8	9.5	9.0	0.8	0.8	-3.0	-1.8	22.7	23.8
Net income from life insurance	-	-	7.1	4.7	-	-	1.2	1.1	8.3	5.8
Other operating income	0.1	0.1	0.1	0.0	2.2	0.8	0.0	-0.1	2.3	0.8
Total operating income	**31.4**	**31.7**	**16.6**	**13.8**	**6.5**	**6.5**	**-1.8**	**-0.8**	**52.7**	**51.2**
Staff costs	-4.0	-4.9	-3.4	-3.2	-9.0	-7.6	-	-0.8	-16.4	-16.5
Other operating expenses[1]	-23.5	-19.6	-3.6	-3.6	5.5	4.7	1.9	1.5	-19.7	-17.0
Total operating expenses	**-27.5**	**-24.5**	**-7.0**	**-6.7**	**-3.5**	**-2.9**	**1.9**	**0.8**	**-36.1**	**-33.5**
Impairment of credits and other commitments	-1.1	-0.6	-	-	-	-	-	-	-1.1	-0.6
Share of profit from associated companies	-	-	-	-	-	-	1.7	0.5	1.7	0.5
Operating profit	**2.8**	**6.5**	**9.6**	**7.0**	**3.0**	**3.6**	**1.7**	**0.5**	**17.2**	**17.7**
Comparable operating profit	**2.8**	**6.7**	**9.6**	**7.0**	**3.0**	**3.8**	**1.7**	**0.5**	**17.2**	**18.0**
Balance sheet	**31 Mar 2019**	**31 Dec 2018**	**31 Mar 2019**	**31 Dec 2018**	**31 Mar 2019**	**31 Dec 2018**	**31 Mar 2019**	**31 Dec 2018**	**31 Mar 2019**	**31 Dec 2018**
Financial assets measured at fair value	0.1	0.1	1,193.2	1,122.8	1,223.3	1,120.7	-	-	2,416.6	2,243.6
Cash and balances with central banks	3.8	4.4	0.0	0.0	671.5	284.8	-	-	675.3	289.2
Interest-bearing securities measured at amortised cost	-	-	69.0	69.0	293.3	239.0	-	-	362.3	308.0
Loans and other receivables	6,149.9	6,099.9	50.2	77.7	34.9	28.1	-48.2	-75.8	6,186.8	6,129.8
Other assets	22.0	11.8	-45.9	5.0	351.3	342.3	-55.7	-63.0	271.8	296.2
Total assets	**6,175.8**	**6,116.2**	**1,266.5**	**1,274.5**	**2,574.3**	**2,014.9**	**-103.8**	**-138.8**	**9,912.7**	**9,266.8**
Deposits	4,089.2	4,071.0	-	-	545.5	569.8	-48.2	-75.6	4,586.6	4,565.1
Debt securities issued	0.5	0.6	-	-	3,025.0	2,459.7	-	-	3,025.5	2,460.3
Technical provisions	-	-	1,209.8	1,155.7	-	-	-	-	1,209.8	1,155.7
Other liabilities	3.1	3.6	27.7	29.8	456.7	465.5	-4.3	-3.2	483.2	495.7
Total liabilities	**4,092.9**	**4,075.2**	**1,237.4**	**1,185.5**	**4,027.2**	**3,495.0**	**-52.4**	**-78.9**	**9,305.1**	**8,676.9**

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

Main events

Aktia's renewal of its business segments

Aktia is reporting according to the following three business segments, Banking Business, Asset Management and Group functions, as of 1 January 2019. The new segment Banking Business comprises the previous segment Personal & Corporate Banking as well as Aktia's private banking business and the banking business of institutional customers, which previously were included in the Wealth Management segment. The new segment Asset Management comprises the previous segment Wealth Management, excluding the private banking business and the banking business of institutional customers, which from now on are included in the new Banking Business segment. The support and staff functions, including the group's treasury operations, will still form part of the Group functions segment.

Aktia divests its holdings in Oy Samlink Ab

On 23 January 2019 Aktia Bank Plc entered into an agreement to divest its holdings (22.56%) in Oy Samlink Ab to Cognizant Technology Solutions Finland Ltd. The sale was finalised on 1 April 2019. In 2013 Aktia took the strategic decision to renew its core banking system and to waive from Samlink's system environment. The transaction will generate a sales gain of about EUR 9.5 million in the second quarter, which will affect the Group's reported operating profit for 2019. However, the transaction will not affect the group's comparable operating profit.

Morningstar chose Aktia again as the best fixed-income fund house in Finland

Morningstar, a leading provider of impartial investment analyses in North America, Europe, Australia and Asia, awarded Aktia again as the best fixed-income fund house in Finland in the Awards 2019 competition. Fixed-income management at Aktia has been in the top in Morningstar's surveys since 2013. In addition to being awarded as the best fixed-income fund house, Aktia Government Bond+ was chosen as the best fixed-income fund in the Awards 2019 competition. In the overall category Aktia also finished among the top three fund managers.

Aktia's asset management was rewarded with two Lipper Fund Awards

Aktia Asset Management was awarded as the best Nordic fixed-income fund house in the Lipper Fund Awards Small Company category. Lipper is the leading international and independent producer of fund analyses and comparisons. The valued Lipper Fund Awards are awarded yearly to the best funds and to the best asset management and fund companies in more than 20 countries globally. In addition, the Aktia EM Local Currency Frontier Bond+ fund was awarded the Lipper Fund Awards 2019 for the best Nordic fixed-income fund. The fund award is awarded based on the best yield development.

Aktia offers Apple Pay to its customers

As of 2 April 2019, Aktia offers its customers Apple Pay, making mobile payments fast and effortless in an easy and secure way. Security and integrity are the core of Apple Pay. When using a charge card with Apple Pay the actual card information is not saved on the device or on Apple's servers. Instead a unique number code is generated, encrypted and saved securely on the device. Each transaction is authorised with a dynamic unique transaction code.

Capital adequacy and solvency

At the end of the period, the Common Equity Tier 1 capital ratio of Aktia Bank Group (Aktia Bank Plc and all its subsidiaries except Aktia Life Insurance Ltd) was 16.9 (17.5) %. After deductions, Common Equity Tier 1 capital increased by EUR 4.4 million during the period which improved the CET1 capital ratio by 0.2 percentage points. Risk-weighted commitments increased by EUR 106.0 million, which reduced the CET1 capital ratio by 0.8 percentage points. The change is mainly related to increase in the corporate exposures. The minimum level of 15% for the average risk weight for the housing loan portfolio increased the risk-weighted commitments by EUR 237.3 million, which decreased the CET1 by 1.9 percentage points.

The Bank Group applies internal risk classification (IRB) for the calculation of capital requirement for retail and equity exposures. For other exposures the standardised approach is used.
AAktia has submitted an IRBA application regarding corporate exposures (Foundation Internal Ratings Based Approach, F-IRB) to the Financial Supervisory Authority. The approved application is estimated to reduce the Bank Group's CET1 capital ratio by 0.5-1.5 percentage points.

Capital adequacy, %	31 Mar 2019	31 Dec 2018
Bank Group		
CET1 capital ratio	16.9	17.5
Total capital ratio	19.4	20.5

The total capital requirement for the banking business 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 for Aktia's capital requirements. Taking all buffer requirements into account, the minimum total capital ratio for the Bank Group was 12.30%, and 10.30% for Tier 1 capital ratio at the end of the period.

The board of Financial Supervisory Authority has decided to set system risk buffer requirements for Finnish credit institutions. According to the Financial Supervisory Authority, the buffer requirement aims to strengthen the credit institutions' structural system risk tolerance. The requirement varies between the credit institutions and a 1% system risk buffer has been set for Aktia Bank Plc. The system risk buffer is to be met with CET1 capital and enters into force on 1 July 2019. The Financial Supervisory Authority has also made a decision which requires the Finnish banks to implement a 1% systemic risk buffer requirement on exposures located in Estonia as of 1 January 2019. This marginally increases Aktia's capital requirement.

Leverage Ratio	31 Mar 2019	31 Dec 2018
Tier 1 capital	388.6	384.2
Total exposures	8,675.9	8,111.1
Leverage ratio, %	**4.5**	**4.7**

The Financial Stability Board has set a minimum requirement for Aktia Bank on eligible liabilities that can be written down (MREL requirement). The requirement set is twice the minimum capital requirement, including the total buffer requirement according to the Finnish Credit Institutions Act, however, at least 8% of the balance sheet total. The requirement entered into force on 31 December 2018.

MREL-requirement (EUR million)	31 Mar 2019	31 Dec 2018
RWA based	565.7	539.7
Balance sheet based	691.5	645.5
Own funds and eligible liabilities		
CET1	388.6	384.2
AT1 instruments	0.0	0.0
Tier 2 instruments	128.3	148.3
Other liabilities	720.5	660.6
Total	**1,237.5**	**1,193.1**

The life insurance company follows the Solvency II directive, in which the calculation for technical provisions are measured at market value. According to Solvency II, the company calculates its Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) and identifies its available solvency capital within Solvency II. Aktia Life Insurance 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.

Solvency II	With transitional rules		Whitout transitional rules	
(EUR million)	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
MCR	23.7	22.7	25.5	24.7
SCR	82.8	76.4	94.5	89.0
Eligible capital	166.1	175.5	119.9	125.8
Solvency coverage ratio, %	200.5	229.8	126.9	141.5

Total capital requirement

31 Mar 2019	Pillar 1 minimum requirement	Pillar 2 requirement	Buffer requirements: Capital Conservation	Counter-cyclical	O-SII	Systemic risk	Total
CET1 capital	4.50	1.75	2.50	0.05	0.00	0.00	8.80
AT1 capital	1.50	0.00					1.50
Tier 2 capital	2.00	0.00					2.00
Total	**8.00**						**12.30**

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, interest rate and other market risks and actuarial risks in the life insurance business. All of these operations are exposed to business and operational risks.

Definitions and general principles for asset and risk management can be found in Aktia Bank Plc's Annual Report for 2018 (www.aktia.com), in note G2 on pages 83-95, or in Aktia Bank Plc's Capital and Risk Management Report on the Group's website www.aktia.com.

Banking and asset management business

Credit risks

Aktia's loan book constitutes for the major part of loans to households and private persons with residential or real estate securities. The loan ratio measured in loan-to-value (LTV) is on an adequate level and a low risk level provides a good quality of credits in Aktia's loan book. The LTV level on average amounted at the end of the period to 45% for the entire loan book.

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

(EUR million)	1Q2019	4Q2018	1Q2018
Corporate			
PD grades A	188.7	180.8	168.0
PD grades B	731.0	737.7	657.3
PD grades C	517.0	563.3	533.2
Default	25.1	26.7	30.3
	1,461.8	1,508.5	1,388.7
Loss allowance (ECL)	-23.1	-24.3	-27.7
Carrying amount	1,438.8	1,484.1	1,361.0
Households			
PD grades A	3,336.3	3,482.4	3,067.3
PD grades B	1,062.7	974.8	938.9
PD grades C	680.4	617.5	1,031.4
Default	46.5	45.7	52.0
	5,126.0	5,120.4	5,089.7
Loss allowance (ECL)	-15.1	-14.9	-16.5
Carrying amount	5,110.8	5,105.5	5,073.2
Other			
PD grades A	0.0	0.0	0.0
PD grades B	0.0	0.0	0.0
PD grades C	48.0	48.3	47.8
Default	0.0	0.0	0.0
	48.0	48.3	47.8
Loss allowance (ECL)	0.0	0.0	0.0
Carrying amount	48.0	48.2	47.8

Loans past due by time overdue and ECL stages

	31 Mar 2019			
(EUR million) Days	Stage 1	Stage 2	Stage 3	Total
≤ 30	6.7	7.0	0.1	13.8
of which households	2.4	5.9	0.0	8.3
> 30 ≤ 90	0.0	17.3	2.0	19.3
of which households	0.0	16.3	1.1	17.4
> 90	0.0	0.0	35.1	35.1
of which households	0.0	0.0	27.4	27.4

	31 Dec 2018			
(EUR million) Days	Stage 1	Stage 2	Stage 3	Total
≤ 30	3.2	5.1	0.0	8.3
of which households	2.9	5.1	0.0	8.0
> 30 ≤ 90	0.0	18.1	0.1	18.2
of which households	0.0	17.8	0.1	17.9
> 90	0.0	0.0	34.1	34.1
of which households	0.0	0.0	27.3	27.3

Market risks

Market risks are formed as a result of price changes and risk factors on the financial market. Market risks include interest rate risk, currency risk as well as equity and real estate risk.

The interest rate risk constitutes the largest market risk. A structural interest rate risk arises as a result of differences in periods for which interest rates are tied and at repricing of interest-bearing assets and liabilities. In the banking business, structural interest rate risks are managed actively through different trading arrangements, either through hedging derivatives or investments in the liquidity portfolio or a combination of both, depending on the prevailing market conditions.

The bank measures the interest rate risk through sensitivity analyses of the net interest income, and through the current value on interest-bearing assets and liabilities where the interest rate curve is stressed using different interest rate scenarios for a dynamic or parallel change in interest rates.

Structural interest rate risk

Interest sensitivity analysis with a parallel shift in the interest rate curve with of 1% percentage point (EUR million)	Interest rate change	Change in net interest income 31 Mar 2019 Ner	31 Mar 2019 Upp	31 Dec 2018 Ner	31 Dec 2018 Upp
Changes during the next 12 months		-0.2	8.7	0.0	8.1
Changes during 12-24 months		1.1	20.6	0.6	22.8

The table Structural interest rate risk shows the interest rate sensitivity of the net interest income with a parallel shift in the interest rate curve of 1 percentage point.

The banking business conducts no equity trading or investments in real estate property for yield purposes.

Equity investments pertaining to business operations amounted to EUR 4.0 (3.6) million at the end of the period. The Bank Group has no real estate holdings at the end of the period.

The Bank Group's total currency exposure amounted to EUR 3.4 (3.6) million at the end of the period.

Liquidity reserve and measurement of liquidity risk

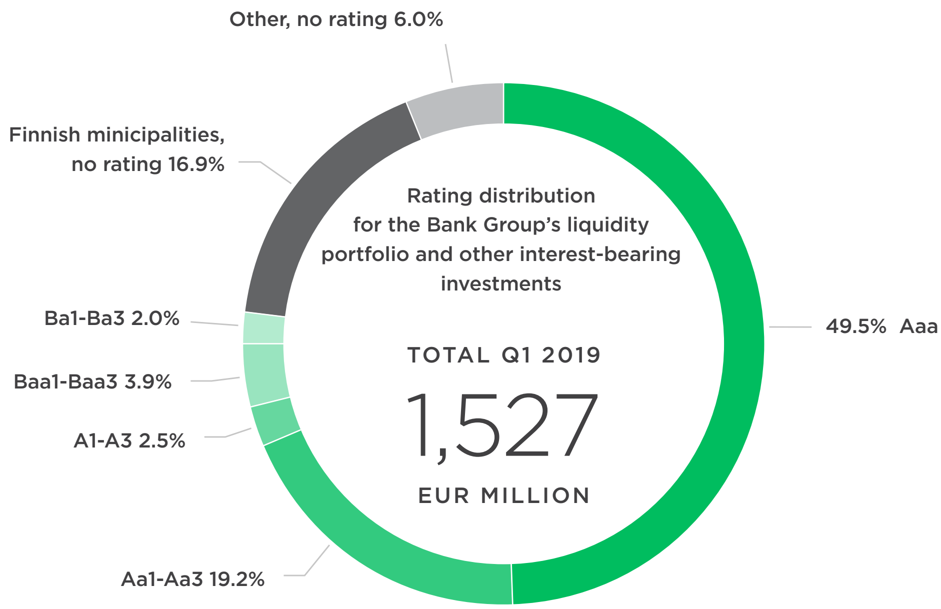
The liquidity portfolio consists of high-quality assets that can be used to meet liquidity requirements in stressed situations. The unencumbered assets in the liquidity portfolio, which can be used as a liquidity reserve, including cash and balances with central banks, had a market value of EUR 1,614 (965) million at the end of the period.

To monitor liquidity risks, a so-called survival horizon is used. The survival horizon measures how long the cash flow of the liquidity reserve will last to cover the contractual outgoing cash flows from the capital market without access to new financing. In February the bank issued a new covered bond of EUR 500 million, which contributed to the liquidity reserve on 31 March 2019 surviving for more than 36 months in a scenario with completely closed capital markets.

Liquidity reserve, market value (EUR million)	31 Mar 2019	31 Dec 2018
Cash and balances with central banks	633	247
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	215	205
Securities issued or guaranteed by municipalities or the public sector	303	236
Covered bonds	337	241
Securities issued by credit institution	4	37
Securities issued by corporates (commercial papers)	123	0
Total	**1,614**	**965**

At the end of the period there was a bond of EUR 4 million that didn't meet the criteria for refinancing at the central bank since the issue had no rating. In addition, the investments in domestic commercial papers are not eligible for refinancing at the central bank.

The liquidity risk is also followed up by 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 sufficient 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 securities. On 31 March 2019 the LCR was 113 (134) %.

Liquidity coverage ratio (LCR)*	31 Mar 2019	31 Dec 2018
LCR %	113%	134%

* LCR is calculated according to the resolution published by the EU Commission in October 2014. The authority's minimum requirement for LCR is 100%.

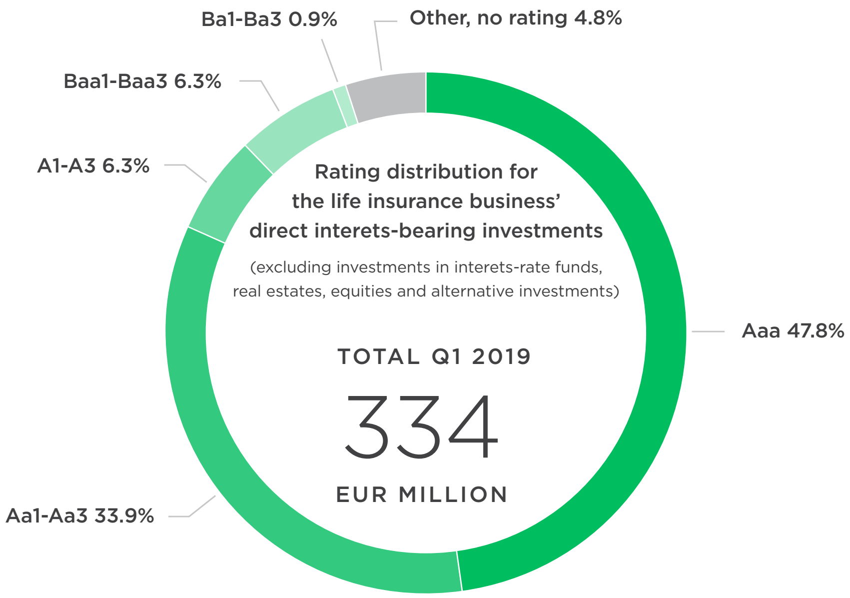
Life Insurance Business

Investment portfolio of the life insurance company

The market value of the life insurance company's total investment portfolio amounted to EUR 555 (551) million. The life insurance company's direct real estate investments amounted to EUR 39 (39) million. The properties are located in the Helsinki region and in other growth areas in Southern Finland, and they mostly have long tenancies.

Aktia Life Insurance, allocation of investment portfolio

(EUR million)	31 Mar 2019		31 Dec 2018	
Fixed income investments	**440.3**	**79.4%**	**428.8**	**77.7%**
Government bonds	104.8	18.9%	84.3	15.3%
Financial bonds	188.3	34.0%	188.6	34.2%
Other corporate bonds	51.3	9.2%	61.3	11.1%
Emerging Markets (mtl. funds)	47.9	8.6%	46.9	8.5%
High yield (mtl. funds)	19.8	3.6%	19.5	3.5%
Trade finance (mtl. funds)	28.2	5.1%	28.2	5.1%
Alternative investments	**5.4**	**1.0%**	**4.5**	**0.8%**
Private Equity etc.	5.4	1.0%	4.5	0.8%
Real estates	**71.8**	**12.9%**	**67.2**	**12.2%**
Directly owned	39.3	7.1%	38.6	7.0%
Real estate funds	32.5	5.9%	28.5	5.2%
Cash and bank	**37.3**	**6.7%**	**51.1**	**9.3%**
Total	**554.8**	**100.0%**	**551.5**	**100.0%**



Other information

Events concerning related parties

Related parties include 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 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 G44 and P44 in the Financial statements 2018.

Events after the end of the period

On 23 January 2019 Aktia Bank Plc entered into an agreement to divest its holdings (22.56%) in Oy Samlink Ab to Cognizant Technology Solutions Finland Ltd. The sale was finalised on 1 April 2019. In 2013 Aktia took the strategic decision to renew its core banking system and to waive from Samlink's system environment. The transaction will generate a sales gain of about EUR 9.5 million in the second quarter, which will affect the Group's reported operating profit for 2019. However, the transaction will not affect the group's comparable operating profit.

Staff

The number of full-time employees at the end of March amounted to 774 (31 December 2018; 779). The average number of full-time employees decreased by 25 from the year end to 778 (803).

Incentive scheme

As of 2018, Aktia Bank Plc has launched a new long-term share savings plan for Aktia Group's employees in order to support the implementation of Aktia's new strategy. The performance-based part of the share savings plan replaces the management's previous share-based incentive scheme.

The share savings plan AktiaUna is offered to approximately 800 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 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.

Within the scope of the above mentioned AktiaUna savings plan, approximately 60 key employees, including the CEO and the members of the Group's Executive Committee, have 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.

For more information on the incentive scheme see www.aktia.com > Corporate Governance > Remuneration

Decisions of Aktia Bank Plc's Annual General Meeting 2019

The Annual General Meeting of Aktia Bank Plc on 11 April 2019 adopted the consolidated financial statements of the parent company and the Group, and discharged the members of the Board of Directors, the CEO and Deputy CEO from liability.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to distribute a dividend of EUR 0.61 per share totalling approximately EUR 42 million for the financial period 1 January–31 December 2018.

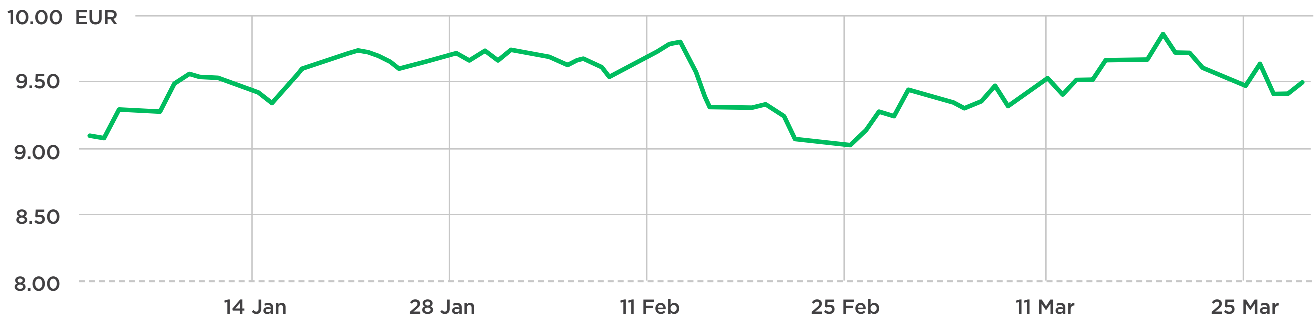
The following Board members were re-elected: Christina Dahlblom, Stefan Damlin, Maria Jerhamre Engström, Johannes Schulman, Lasse Svens and Arja Talma. New Board members are Tarja Wist, LL.M., Attorney-at-Law, and Johan Hammarén, M.Sc (Econ.), LL.M. All Board members were elected for the term running until the end of the next Annual General Meeting.

The Annual General Meeting determined that the number of auditors shall be one, and re-elected KPMG Oy Ab as auditor.

The Annual General Meeting adopted the proposals by the Board of Directors concerning the authorisation to issue shares, the authorisation to acquire treasury shares to be used in the company's share-based incentive scheme and/or as remuneration to members of executive bodies in the company as well as the authorisation to divest treasury shares.

All proposals mentioned above are included in the Summons to the AGM published on the website www.aktia.com under About Aktia > Corporate Governance > Annual General Meeting > Annual General Meeting 2019.

DEVELOPMENT OF AKTIA'S SHARE 2 JANUARY – 29 MARCH 2019



Share capital and ownership

Aktia Bank Plc's share capital amounts to EUR 163 million. At the end of March 2019, the number of Aktia shares was 69,027,794. The total amount of registered holders amounted to 36,863 (31 March 2018: 39,235). 7.5% of the shares were in foreign ownership. The number of unregistered shares was 765,583 at 31 March 2019, corresponding to 1.1% of the total number of shares. On 31 March 2019, the Group held 52,722 Aktia shares. Aktia Bank Plc's market value on 29 March 2019, the last trading day of the period, was EUR 647 million. Aktia's stock exchange value on 29 March 2019 was EUR 9.37. The highest price for the Aktia share was EUR 9.65 and the lowest EUR 9.02.

Shares

The average daily turnover of the Aktia share during January–March 2019 was EUR 299,444 or 31,954 shares.

Outlook and risks

Outlook 2019 (unchanged)

The continued low interest rate environment and decreased income from previously unwound interest-rate hedges (2012) will still have a negative impact on the total net interest income 2019.

The uncertainty regarding the future economic development brings uncertainty to the prognosis, which may have a considerable effect especially on the income from wealth management and investment activities in the net commission income and net income from life-insurance.

Impairment of credits are expected to remain on a low level in 2019.

Despite the uncertainty of the economic development, the comparable operating profit 2019 is expected to be approximately on the same level as for 2018.

Risks (unchanged)

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. The demand for banking, insurance, and wealth management services can be changed by these factors.

Changes in interest rate level, yield curves and credit margins are hard to predict and can affect Aktia's interest margins and thus profitability. Aktia is pursuing a proactive management of interest rate risks.

Any future impairment of credits in Aktia's loan book could be due to many factors, of which the most important are the general economic situation, the interest rate level, the level of unemployment and the development of house prices.

The availability of liquidity on the financial market is important for Aktia's refinancing activities. Like other banks, Aktia relies on deposits from households to service some of its liquidity needs.

The market value of Aktia's financial and other assets can change, among other things, as a result of requirements among investors for higher returns.

Increased regulation of banking and insurance operations has led to more stringent capital and liquidity requirements for the bank. The new regulations have also resulted in increased competition for deposits, higher demands on long-term financing and higher fixed costs.

Financial objectives up until 2022

The financial objectives stipulated by the Board of Directors in October 2017 are:

- Improve the comparable operating profit to approximately EUR 80 million (2018; EUR 65.4 million)
- Improve the comparable cost-to-income ratio to 0.61 (2018; 0.69)
- Improve Return on Equity (ROE) to 9.7% (2018; 9.4%)
- Common Equity Tier 1 capital ratio (CET 1) 1.5–3 percentage points over the regulatory requirement (2018; 7.2 percentage points over the minimum capital requirement 10.3%)

Tabels and notes to the interim report

Key figures

(EUR milliom)	1Q2019	1Q2018	Δ %	2018	4Q2018	3Q2018	2Q2018
Earnings per share (EPS), EUR	0.21	0.22	-7%	0.81	0.09	0.29	0.21
Total earnings per share, EUR	0.25	0.17	47%	0.67	0.08	0.21	0.20
Equity per share (NAV), EUR *[1]	8.81	8.61	2%	8.56	8.56	8.48	8.26
Average number of shares (excl. treasury shares), million[2]	69.0	68.8	0%	68.8	68.8	68.8	68.8
Number of shares at the end of the period (excl. treasury shares), million[1]	69.0	68.8	0%	68.9	68.9	68.8	68.8
Return on equity (ROE), %*	9.4	10.2	-7%	9.4	4.4	13.7	10.1
Return on assets (ROA), %*	0.59	0.64	-8%	0.60	0.28	0.84	0.63
Cost-to-income ratio*	0.69	0.65	6%	0.68	0.83	0.57	0.69
Common Equity Tier 1 capital ratio, CET1 (Bank Group), %[1]	16.9	16.4	3%	17.5	17.5	16.6	16.3
Tier 1 capital ratio (Bank Group), %[1]	16.9	16.4	3%	17.5	17.5	16.6	16.3
Capital adequacy ratio (Bank Group), %[1]	19.4	20.8	-7%	20.5	20.5	20.1	20.1
Risk-weighted commitments (Bank Group)[1]	2,305.2	2,271.6	1%	2,199.2	2,199.2	2,262.0	2,318.0
Capital adequacy ratio (finance and insurance conglomerate), %[1]	154.7	151.7	2%	166.1	166.1	157.0	152.9
Equity ratio, %*[1]	6.3	6.3	1%	6.3	6.3	6.2	6.0
Group financial assets*[1]	2,675.9	2,413.1	11%	2,112.9	2,112.9	2,265.0	2,350.0
Assets under management*[1]	9,373.2	8,425.1	11%	8,860.3	8,860.3	9,277.5	8,969.7
Borrowing from the public[1]	3,999.4	3,932.7	2%	3,962.5	3,962.5	4,024.8	4,099.9
Lending to the public[1]	6,156.7	5,893.1	4%	6,106.0	6,106.0	6,028.8	5,957.7
Premiums written before reinsurers' share*	24.6	32.3	-24%	105.6	19.3	19.8	34.3
Expense ratio, % (life insurance company)*[2]	78.2	77.8	1%	77.0	77.0	75.3	76.8
Solvency ratio (life insurance company), %	200.5	193.8	3%	229.8	229.8	216.1	204.7
Eligible capital (life insurance company)	166.1	167.0	-1%	175.5	175.5	177.2	170.7
Investments at fair value (life insurance company)*[1]	1,302.9	1,304.1	0%	1,230.5	1,230.5	1,314.8	1,326.7
Technical provisions for risk insurances and interest-related insurances[1]	396.9	413.1	-4%	398.9	398.9	402.5	407.5
Technical provisions for unit-linked insurances[1]	812.8	792.3	3%	756.8	756.8	821.9	815.4
Group's personnel (FTEs), average number of employees	778	793	-2%	803	780	810	831
Group's personnel (FTEs), at the end of the period[1]	774	796	-3%	779	779	770	868
Alternative performance measures excluding items affecting comparability:							
Comparable cost-to-income ratio*	0.69	0.65	6%	0.69	0.79	0.63	0.68
Comparable earnings per share (EPS), EUR*	0.21	0.22	-5%	0.77	0.12	0.23	0.22
Comparable return on equity (ROE), %*	9.4	10.3	-9%	8.9	5.5	10.8	10.2

* 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. As from the second quarter of 2017, Aktia presents a number of new 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.

1) At the end of the period
2) Cumulative from the beginning of the year

Formulas for key figures are presented in AktiaBank plc's annual report 2018 page 71.

Consolidated income statement

(EUR million)	Note	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Net interest income	3	19.4	20.7	-6%	85.9
Dividends		0.0	0.0	37%	0.1
Commission income		25.3	27.1	-6%	107.9
Commission expenses		-2.6	-3.2	19%	-12.3
Net commission income		22.7	23.8	-5%	95.6
Net income from life insurance	4	8.3	5.8	43%	21.4
Net income from financial transactions	5	2.0	0.6	206%	4.9
Net income from investment properties		-	-	-	0.0
Other operating income		0.3	0.2	54%	2.3
Total operating income		**52.7**	**51.2**	**3%**	**210.1**
Staff costs		-16.4	-16.5	-1%	-66.7
IT expenses		-6.8	-5.6	21%	-25.6
Depreciation of tangible and intangible assets		-4.9	-3.1	57%	-12.4
Other operating expenses		-8.0	-8.2	-2%	-38.3
Total operating expenses		**-36.1**	**-33.5**	**8%**	**-143.0**
Impairment of credits and other commitments	7	-1.1	-0.6	80%	-0.8
Share of profit from associated companies		1.7	0.5	219%	1.3
Operating profit		**17.2**	**17.7**	**-3%**	**67.6**
Taxes		-3.0	-2.6	18%	-11.6
Profit for the period		**14.1**	**15.1**	**-6%**	**56.0**
Attributable to:					
Shareholders in Aktia Bank plc		14.1	15.1	-6%	56.0
Total		**14.1**	**15.1**	**-6%**	**56.0**
Earnings per share (EPS), EUR		0.21	0.22	-7%	0.81
Earnings per share (EPS), EUR, after dilution		0.21	0.22	-7%	0.81
Operating profit excluding items affecting comparability:					
Operating profit		17.2	17.7	-3%	67.6
Operating income:					
Net income from equity holding in Folksam Non-Life Insurance Company		-	-	-	-4.0
Value change of equity holding in Bohemian Wrappsody		-	-	-	1.0
Profit from divestment of Aktia Real Estate Agency		-	-	-	-1.1
Operating expenses:					
Expenses for restructuring		-	0.4	-	1.8
Comparable operating profit		**17.2**	**18.0**	**-5%**	**65.4**

Consolidated statement of comprehensive income

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Profit for the period	14.1	15.1	-6%	56.0
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets	3.6	-3.1	-	-8.9
Change in valuation of fair value for cash flow hedging	-	0.0	-	0.1
Transferred to the income statement for financial assets	-0.4	0.0	-	-1.1
Comprehensive income from items which can be transferred to the income statement	3.1	-3.1	-	-10.0
Defined benefit plan pensions	-	-	-	0.0
Comprehensive income from items which can not be transferred to the income statement	-	-	-	0.0
Total comprehensive income for the period	**17.3**	**12.0**	**44%**	**46.0**
Total comprehensive income attributable to:				
Shareholders in Aktia Bank plc	17.3	12.0	44%	46.0
Total	**17.3**	**12.0**	**44%**	**46.0**
Total earnings per share, EUR	0.25	0.17	44%	0.67
Total earnings per share, EUR, after dilution	0.25	0.17	44%	0.67
Total comprehensive income excluding items affecting comparability:				
Total comprehensive income	17.3	12.0	44%	46.0
Operating income:				
Net income from equity holding in Folksam Non-Life Insurance Company	-	-	-	-4.0
Value change of equity holding in Bohemian Wrappsody	-	-	-	0.8
Profit from divestment of Aktia Real Estate Agency	-	-	-	-1.1
Operating expenses:				
Expenses for restructuring	-	0.3	-	1.5
Comparable total comprehensive income	**17.3**	**12.3**	**41%**	**43.3**

Items affecting consolidated income statement and comprehensive income

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Net income from financial transactions	-	-	-	2.9
Other operating income	-	-	-	1.1
Total operating income	**-**	**-**	**-**	**4.0**
Staff costs	-	-0.4	-	-1.8
Other operating expenses	-	-	-	0.0
Total operating expenses	**-**	**-0.4**	**-**	**-1.8**
Operating profit	**-**	**-0.4**	**-**	**2.2**
Taxes	-	0.1	-	0.6
Total comprehensive income for the period	**-**	**-0.3**	**-**	**2.8**

Consolidated balance sheet

(EUR million)	Note	31 Mar 2019	31 Dec 2018	Δ %	31 Mar 2018
Assets					
Interest-bearing securities		9.8	8.7	12%	7.5
Shares and participations		137.7	136.2	1%	135.4
Investments for unit-linked investments		813.2	757.8	7%	793.0
Financial assets measured at fair value through income statement	8	960.7	902.7	6%	935.9
Interest-bearing securities		1,455.9	1,340.9	9%	1,731.7
Financial assets measured at fair value through other comprehensive income	8	1,455.9	1,340.9	9%	1,731.7
Interest-bearing securities	7,8	362.3	308.0	18%	338.1
Lending to Bank of Finland and other credit institutions	7,8	30.1	23.1	30%	31.8
Lending to the public and public sector entities	7,8	6,156.7	6,106.7	1%	5,893.7
Cash and balances with central banks	8	675.3	289.2	133%	154.5
Financial assets valued at amortised cost		7,224.3	6,727.0	7%	6,418.1
Derivative instruments	6,8	77.5	70.0	11%	78.1
Investments in associated companies and joint ventures		0.1	0.1	-3%	0.0
Intangible assets		65.9	66.7	-1%	71.0
Right-of-use assets		14.4	-	-	-
Investment properties		39.8	39.1	2%	55.7
Tangible assets excl. investment properties		2.9	3.2	-11%	4.3
Tangible and intangible assets		123.0	109.0	13%	130.9
Total other assets		69.1	114.9	-40%	65.4
Tax receivables		2.1	2.4	-12%	4.8
Total assets		**9,912.7**	**9,266.8**	**7%**	**9,365.0**
Liabilities					
Liabilities to central banks		400.0	400.0	0 %	400.0
Liabilities to credit institutions		187.2	202.6	-8 %	326.6
Liabilities to the public and public sector entities		3,999.4	3,962.5	1 %	3,932.7
Deposits	8	4,586.6	4,565.1	0 %	4,659.3
Derivative instruments	6,8	14.2	17.1	-17 %	31.7
Debt securities issued		3,025.5	2,460.3	23 %	2,442.3
Subordinated liabilities		184.5	207.8	-11 %	228.8
Other liabilities to credit institutions		44.2	45.6	-3 %	58.7
Other liabilities to the public and public sector entities		100.0	100.0	0 %	-
Other financial liabilities	8	3,354.3	2,813.7	19 %	2,729.8
Technical provisions for risk insurances and interest-related insurances		396.9	398.9	0 %	413.1
Technical provisions for unit-linked insurances		812.8	756.8	7 %	792.3
Technical provisions		1,209.8	1,155.7	5 %	1,205.4
Total other liabilities		87.0	70.8	23 %	92.6
Provisions		0.6	0.8	-19 %	0.6
Income tax liabilities		0.9	3.3	-72 %	53.3
Deferred tax liabilities		51.7	50.3	3 %	8,772.7
Tax liabilities		52.6	53.6	-2 %	53.3
Total liabilities		**9,305.1**	**8,676.9**	**7 %**	**8,772.1**
Equity					
Restricted equity		183.8	180.7	2%	187.5
Unrestricted equity		423.8	409.3	4%	404.7
Total equity		**607.6**	**589.9**	**3%**	**592.3**
Total liabilities and equity		**9,912.7**	**9,266.1**	**7%**	**9,365.0**

Consolidated off-balance-sheet commitments

(EUR million)	31 Mar 2019	31 Dec 2018	Δ%	31 Mar 2018
Guarantees	31.8	31.3	2%	31.4
Other commitments provided to a third party	4.1	3.6	15%	7.4
Commitments provided to a third party on behalf of the customers	36.0	34.8	3%	38.8
Unused credit arrangements	432.5	456.7	-5%	504.8
Other commitments provided to a third party	26.6	27.2	-2%	8.3
Irrevocable commitments provided on behalf of customers	459.1	484.0	-5%	513.1
Total	**495.1**	**518.8**	**-5%**	**552.0**

Consolidated statement of changes in equity

(EUR million)	Share capital	Fund at fair value	Fund for sharebased payments	Unrestricted equity reserve	Retained earnings	Total equity
Equity as at 1 January 2018	**163.0**	**51.5**	**1.5**	**108.4**	**273.6**	**598.0**
Restated for adoption of IFRS 9		-23.9			5.9	-18.0
Divestment of treasury shares				0.5	1.2	1.8
Dividend to shareholders					-37.8	-37.8
Profit for the period					56.0	56.0
Financial assets		-10.1				-10.1
Cash flow hedging		0.1				0.1
Defined benefit plan pensions					0.0	0.0
Total comprehensive income for the period		-10.0			56.0	46.0
Other change in equity			-0.1			-0.1
Equity as at 31 December 2018	**163.0**	**17.7**	**1.4**	**108.9**	**298.9**	**589.9**
Equity as at 1 January 2019	**163.0**	**17.7**	**1.4**	**108.9**	**298.9**	**589.9**
Divestment of treasury shares				0.0	0.5	0.5
Profit for the period					14.1	14.1
Financial assets		3.1				3.1
Total comprehensive income for the period		3.1			14.1	17.3
Other change in equity			-0.2			-0.2
Equity as at 31 March 2019	**163.0**	**20.8**	**1.3**	**108.9**	**313.6**	**607.6**
Equity as at 1 January 2018	**163.0**	**51.5**	**1.5**	**108.4**	**273.6**	**598.0**
Restated for adoption of IFRS 9		-23.9			5.9	-18.0
Divestment of treasury shares				0.0	0.4	0.4
Profit for the period					15.1	15.1
Financial assets		-3.1				-3.1
Cash flow hedging		0.0				0.0
Total comprehensive income for the period		-3.1			15.1	12.0
Other change in equity			-0.2			-0.2
Equity as at 31 March 2018	**163.0**	**24.5**	**1.3**	**108.4**	**295.0**	**592.3**

Consolidated cash flow statement

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Cash flow from operating activities				
Operating profit	17.2	17.7	-3%	67.6
Adjustment items not included in cash flow	0.1	0.6	-79%	12.1
Paid income taxes	-4.5	-2.9	-56%	-6.2
Cash flow from operating activities before change in receivables and liabilities	**12.8**	**15.4**	**-17%**	**73.4**
Increase (-) or decrease (+) in receivables from operating activities	-224.6	12.6	-	184.6
Increase (+) or decrease (-) in liabilities from operating activities	634.1	-157.0	-	-216.8
Total cash flow from operating activities	**422.3**	**-129.0**	**-**	**41.3**
Cash flow from investing activities				
Investments in group companies and joint ventures	-	-	-	-0.2
Proceeds from sale of group companies and associated companies	-	-	-	1.0
Investment in investment properties	-0.6	-0.5	-17%	-5.0
Proceeds from sale of investment properties	-	-2.4	-	21.1
Investment in tangible and intangible assets	-2.1	-	-	-6.3
Proceeds from sale of tangible and intangible assets	-	-	-	0.0
Total cash flow from investing activities	**-2.7**	**-2.9**	**7%**	**10.6**
Cash flow from financing activities				
Subordinated liabilities	-23.3	-6.4	-266%	-27.4
Dividend/share issue to the non-controlling interest	-2.3	-1.7	-35%	-1.7
Divestment of treasury shares	0.5	0.4	45%	1.2
Paid dividends	-	-	-	-37.8
Total cash flow from financing activities	**-25.1**	**-7.7**	**-225%**	**-65.7**
Change in cash and cash equivalents	**394.5**	**-139.7**	**-**	**-13.9**
Cash and cash equivalents at the beginning of the year	264.4	278.3	-5%	278.3
Cash and cash equivalents at the end of the period	658.9	138.7	375%	264.4
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	3.8	4.0	-7%	4.4
Bank of Finland current account	628.9	110.3	470%	242.2
Repayable on demand claims on credit insitutions	26.2	24.3	8%	17.7
Total	**658.9**	**138.7**	**375%**	**264.4**
Adjustment items not included in cash flow consist of:				
Impairment of interest-bearing securities	-0.6	0.0	-	0.3
Unrealised change in value for financial assets measured at fair value through income statement	-2.1	-	-	4.9
Write-downs on credits and other commitments	1.1	0.6	80%	0.8
Change in fair values	-0.6	-0.2	-250%	4.8
Depreciation and impairment of tangible and intangible assets	3.2	3.1	2%	13.4
Sales gains and losses from tangible and intangible assets	-	-	-	-2.3
Unwound fair value hedging	-1.0	-3.2	70%	-10.3
Change in fair values of investment properties	-0.1	0.1	-	-0.5
Change in share-based payments	-0.5	-0.4	-38%	-0.9
Other adjustments	0.7	0.5	54%	1.9
Total	**0.1**	**0.6**	**-79%**	**12.1**

Quarterly trends in the Group

(EUR million)						
Income statement	**1Q2019**	**4Q2018**	**3Q2018**	**2Q2018**	**1Q2018**	**2018**
Net interest income	19.4	20.7	21.0	23.5	20.7	85.9
Dividends	0.0	0.0	0.0	0.1	0.0	0.1
Net commission income	22.7	22.6	22.9	26.2	23.8	95.6
Net income from life insurance	8.3	5.1	5.5	5.0	5.8	21.4
Net income from financial transactions	2.0	-1.2	4.6	0.7	0.6	4.9
Net income from investment properties	-	-	0.0	-	-	0.0
Other operating income	0.3	0.5	1.3	0.3	0.2	2.3
Total operating income	**52.7**	**47.7**	**55.4**	**55.8**	**51.2**	**210.1**
Staff costs	-16.4	-18.1	-14.3	-17.8	-16.5	-66.7
IT expenses	-6.8	-7.6	-6.1	-6.3	-5.6	-25.6
Depreciation of tangible and intangible assets	-4.9	-3.0	-3.1	-3.2	-3.1	-12.4
Other operating expenses	-8.0	-10.7	-8.4	-11.0	-8.2	-38.3
Total operating expenses	**-36.1**	**-39.4**	**-31.8**	**-38.3**	**-33.5**	**-143.0**
Impairment of credits and other commitments	-1.1	-0.1	-0.8	0.7	-0.6	-0.8
Share of profit from associated companies	1.7	-0.1	0.9	-	0.5	1.3
Operating profit	**17.2**	**8.0**	**23.7**	**18.2**	**17.7**	**67.6**
Taxes	-3.0	-1.6	-3.9	-3.5	-2.6	-11.6
Profit for the period	**14.1**	**6.4**	**19.8**	**14.7**	**15.1**	**56.0**
Attributable to:						
Shareholders in Aktia Bank plc	14.1	6.4	19.8	14.7	15.1	56.0
Total	**14.1**	**6.4**	**19.8**	**14.7**	**15.1**	**56.0**
Earnings per share (EPS), EUR	0.21	0.09	0.29	0.21	0.22	0.81
Earnings per share (EPS), EUR, after dilution	0.21	0.09	0.29	0.21	0.22	0.81

Operating profit excluding items affecting comparability:	**1Q2019**	**4Q2018**	**3Q2018**	**2Q2018**	**1Q2018**	**2018**
Operating profit	17.2	8.0	23.7	18.2	17.7	67.6
Operating income:						
Net income from equity holding in Folksam Non-Life Insurance Company	-	0.0	-4.0	-	-	-4.0
Value change of equity holding in Bohemian Wrappsody	-	1.0	-	-	-	1.0
Profit from divestment of Aktia Real Estate Agency	-	-	-1.1	-	-	-1.1
Operating expenses:						
Expenses for restructuring	-	1.1	-	0.3	0.4	1.8
Comparable operating profit	**17.2**	**10.2**	**18.6**	**18.5**	**18.0**	**65.4**

(EUR million)

Comprehensive income	**1Q2019**	**4Q2018**	**3Q2018**	**2Q2018**	**1Q2018**	**2018**
Profit for the period	14.1	6.4	19.8	14.7	15.1	56.0
Other comprehensive income after taxes:						
Change in valuation of fair value for financial assets	3.6	-0.3	-4.8	-0.8	-3.1	-8.9
Change in valuation of fair value for cash flow hedging	-	0.0	0.0	0.0	0.0	0.1
Transferred to the income statement for financial assets	-0.4	-0.6	-0.3	-0.2	0.0	-1.1
Comprehensive income from items which can be transferred to the income statement	3.1	-0.9	-5.0	-1.0	-3.1	-10.0
Defined benefit plan pensions	-	0.0	-	-	-	0.0
Comprehensive income from items which can not be transferred to the income statement	-	0.0	-	-	-	0.0
Total comprehensive income for the period	**17.3**	**5.6**	**14.7**	**13.8**	**12.0**	**46.0**
Total comprehensive income attributable to:						
Shareholders in Aktia Bank plc	17.3	5.6	14.7	13.8	12.0	46.0
Total	**17.3**	**5.6**	**14.7**	**13.8**	**12.0**	**46.0**
Total earnings per share, EUR	0.25	0.08	0.21	0.20	0.17	0.67
Total earnings per share, EUR, after dilution	0.25	0.08	0.21	0.20	0.17	0.67

Total comprehensive income excluding items affecting comparability:	**1Q2019**	**4Q2018**	**3Q2018**	**2Q2018**	**1Q2018**	**2018**
Operating profit	17.3	5.6	14.7	13.8	12.0	46.0
Operating income:						
Net income from equity holding in Folksam Non-Life Insurance Company	-	0.0	-4.0	-	-	-4.0
Value change of equity holding in Bohemian Wrappsody	-	0.8	-	-	-	0.8
Profit from divestment of Aktia Real Estate Agency	-	-	-1.1	-	-	-1.1
Operating expenses:						
Expenses for restructuring	-	0.9	-	0.3	0.3	1.5
Comparable total comprehensive income	**17.3**	**7.3**	**9.7**	**14.0**	**12.3**	**43.3**

Quarterly trends in the Segments

Banking business	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	2018
Net interest income	15.9	16.5	16.2	16.1	15.8	64.6
Net commission income	15.4	15.6	15.7	17.3	15.8	64.4
Other operating income	0.1	0.1	0.0	0.1	0.1	0.4
Total operating income	**31.4**	**32.2**	**32.0**	**33.6**	**31.7**	**129.3**
Staff costs	-4.0	-5.9	-3.9	-5.4	-4.9	-20.2
Other operating expenses[1]	-23.5	-24.7	-19.7	-21.9	-19.6	-85.9
Total operating expenses	**-27.5**	**-30.6**	**-23.6**	**-27.4**	**-24.5**	**-106.2**
Impairment of credits and other commitments	-1.1	-0.1	-0.8	0.7	-0.6	-0.8
Operating profit	**2.8**	**1.4**	**7.5**	**6.9**	**6.5**	**22.3**
Comparable operating profit	**2.8**	**2.5**	**7.5**	**7.2**	**6.7**	**23.9**

Asset Management	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	2018
Net interest income	0.0	0.0	0.0	0.0	0.0	0.0
Net commission income	9.5	9.4	9.4	9.3	9.0	37.1
Net income from life insurance	7.1	3.9	4.3	3.8	4.7	16.7
Other operating income	0.1	0.1	0.1	0.1	0.0	0.3
Total operating income	**16.6**	**13.4**	**13.7**	**13.2**	**13.8**	**54.0**
Staff costs	-3.4	-3.5	-3.3	-3.4	-3.2	-13.3
Other operating expenses[1]	-3.6	-3.7	-3.4	-3.4	-3.6	-14.0
Total operating expenses	**-7.0**	**-7.2**	**-6.6**	**-6.8**	**-6.7**	**-27.4**
Operating profit	**9.6**	**6.2**	**7.0**	**6.4**	**7.0**	**26.7**
Comparable operating profit	**9.6**	**6.2**	**7.0**	**6.4**	**7.0**	**26.7**

Group functions	1Q2019	4Q2018	3Q2018	2Q2018	1Q2018	2018
Net interest income	3.5	4.2	4.8	7.4	4.9	21.3
Net commission income	0.8	0.6	0.9	0.5	0.8	2.8
Other operating income	2.2	-0.8	4.8	1.0	0.8	5.8
Total operating income	**6.5**	**4.0**	**10.6**	**8.9**	**6.5**	**29.9**
Staff costs	-9.0	-8.7	-7.1	-7.7	-7.6	-31.1
Other operating expenses[1]	5.5	5.2	3.4	3.4	4.7	16.8
Total operating expenses	**-3.5**	**-3.4**	**-3.7**	**-4.3**	**-2.9**	**-14.3**
Operating profit	**3.0**	**0.5**	**6.9**	**4.6**	**3.6**	**15.6**
Comparable operating profit	**3.0**	**1.6**	**2.9**	**4.6**	**3.8**	**12.9**

1) The net expenses for support and staff functions are allocated from the Group functions to the business segments Banking Business and Asset Management. This cost allocation is included in the segments' other expenses.

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

Basis for preparing the interim report

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

The interim report for the period 1 January – 31 March 2019 has been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim report does not contain all the information and notes required for financial statements and should therefore be read together with the Aktia Group's annual report of 31 December 2018. Figures in the tables are presented in millions of euros rounded to one decimal. Therefore, the total of individual amounts may differ from the presented total.

The interim report for the period 1 January – 31 March 2019 was approved by the Board of Directors on 3 May 2019.

Aktia Bank Plc's financial statements and interim reports are available on Aktia's website www.aktia.com.

Key accounting principles

In preparing the interim report the Group has followed the accounting principles applicable to the annual report of 31 December 2018.

As of 1 January 2019, Aktia is reporting according to the following three business segments: Banking Business, Asset Management and Group functions. Aktia announced in a stock exchange release on 23 November 2018 of an organisational change where the areas of responsibility of the Executive Committee were renewed to more efficiently implement the strategy reform from 2017. Aktia is thus renewing also its business segments. The new segment Banking Business comprises the previous segment Personal & Corporate Banking as well as Aktia's private banking business and the banking business of institutional customers, which previously were included in the Wealth Management segment. The new segment Asset Management comprises the previous segment Wealth Management, excluding the private banking business and the banking business of institutional customers, which from now on are included in the new Banking Business segment. The support and staff functions, including the group's treasury operations, will still form part of the Group functions segment. Operations that are not reported in the business segments mentioned above are reported in Other business. Comparison figures for 2018 have been published in a stock exchange release on 30 April 2019.

The following new and amended IFRSs has taken effect as of 1 January 2019:

On 13 January 2016 IASB published **IFRS 16** Leases to supersede IAS 17 Leases. IFRS 16 has eliminated the distinction between operating and finance leases for lessees, and has introduced a new model instead, where assets and liabilities for all leases with lease terms exceeding 12 months are reported in the balance sheet. For leases where the lease term is 12 months or less, or where the value of the underlying asset is low, exemptions may be applied. For the leased asset, depreciation and interest expenses relating to the lease liability are reported separately. The requirements concerning lessor accounting remain largely unchanged from IAS 17, and the earlier distinction between operating and finance leases is retained. The new standard has mainly changed the accounting of rented properties and leased cars. An assessment of the likely rental period has been used to establish the leasing period and the discount rate has been established according to the fair market return requirements. The leased asset and the leased liability have at the transition to IFRS 16 increased the balance sheet total by EUR 15 million. At the transition to IFRS 16, the Group has applied the so-called simplified method, which means that the right-of-use asset amounts to the same amount as the lease liability. Changes in accounting principles for leases have not any significant impact on the Group's result or financial position. The standard was approved by the EU in October 2017. The Aktia Group implemented IFRS 16 when the standard became mandatory as of 1 January 2019.

Effects from the implemention of IFRS 16

(EUR million)	31 Dec 2018	Adjust-ment for transition to IFRS 16	1 Jan 2019	31 Mar 2019
Right-of-use asset, real estates	-	14.0	14.0	13.8
Right-of-use asset, cars	-	0.7	0.7	0.6
Deferred tax receivables	-	-	-	0.0
Assets	**-**	**14.7**	**14.7**	**14.5**
Lease liability, real estates	-	14.0	14.0	14.0
Lease liability, cars	-	0.7	0.7	0.6
Equity	-	-	-	-0.1
Liabilities and equity	**-**	**14.7**	**14.7**	**14.5**

	Jan-Mar 2019
Interest expenses	-0.3
Depreciations	-1.7
Rental expenses	1.8
Operating profit	**-0.2**
Change in deferred tax receivables	0.0
Profit for the period	**-0.1**

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

Note 2. Group's risk exposure

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 regulations pertaining to capital adequacy.

(EUR million)	31 Mar 2019		31 Dec 2018		31 Mar 2018	
Calculation of the Bank Group's capital base	**Group**	**Bank Group**	**Group**	**Bank Group**	**Group**	**Bank Group**
Total assets	**9,912.7**	**8,644.1**	**9,266.1**	**8,069.2**	**9,364.4**	**8,095.3**
of which intangible assets	65.9	65.6	66.7	66.3	71.0	70.5
Total liabilities	**9,305.1**	**8,119.9**	**8,676.1**	**7,558.5**	**8,772.1**	**7,582.3**
of which subordinated liabilities	184.5	184.5	207.8	207.8	228.8	228.8
Share capital	163.0	163.0	163.0	163.0	163.0	163.0
Fund at fair value	20.8	7.4	17.7	4.0	24.5	6.0
Restricted equity	183.8	170.4	180.7	167.0	187.5	169.0
Unrestricted equity reserve and other funds	110.2	110.2	110.4	110.3	109.8	109.8
Retained earnings	299.5	233.9	242.9	184.5	279.9	221.5
Profit for the year	14.1	9.7	56.0	48.9	15.1	12.8
Unrestricted equity	423.8	353.8	409.3	343.7	404.7	344.1
Shareholders' share of equity	607.6	524.2	589.9	510.7	592.3	513.1
Equity	**607.6**	**524.2**	**589.9**	**510.7**	**592.3**	**513.1**
Total liabilities and equity	**9,912.7**	**8,644.1**	**9,266.1**	**8,069.2**	**9,364.4**	**8,095.3**
Off-balance sheet commitments	**495.1**	**468.5**	**518.8**	**491.6**	**552.0**	**543.7**

	31 Mar 2019	31 Dec 2018	31 Mar 2018
The Bank Group's equity	**524.2**	**510.7**	**513.1**
Provision for dividends to shareholders	-	-42.0	-
Profit for the year, for which no application was filed with the Financial Supervisory Authority	-9.7	-	-12.8
Intangible assets	-65.6	-66.3	-70.5
Debentures	58.0	67.5	100.0
Additional expected losses according to IRB	-12.2	-11.9	-12.9
Deduction for significant holdings in financial sector entities	-6.7	-7.1	-8.2
Other incl. unpaid dividend	-41.4	0.8	-37.1
Total capital base (CET1 + AT1 + T2)	**446.6**	**451.7**	**471.6**

(EUR million)

The Bank Group's capital adequacy	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Common Equity Tier 1 Capital before regulatory adjustments	472.9	469.7	461.3	464.1	464.3
Common Equity Tier 1 Capital regulatory adjustments	-84.3	-85.5	-85.0	-86.9	-92.7
Total Common Equity Tier 1 Capital (CET1)	**388.6**	**384.2**	**376.4**	**377.2**	**371.6**
Additional Tier 1 capital before regulatory adjustments	-	-	-	-	-
Additional Tier 1 capital regulatory adjustments	-	-	-	-	-
Additional Tier 1 capital after regulatory adjustments (AT1)	**-**	**-**	**-**	**-**	**-**
Total Tier 1 capital (T1 = CET1 + AT1)	**388.6**	**384.2**	**376.4**	**377.2**	**371.6**
Tier 2 capital before regulatory adjustments	58.0	67.5	78.0	88.9	100.0
Tier 2 capital regulatory adjustments	-	-	-	-	-
Total Tier 2 capital (T2)	**58.0**	**67.5**	**78.0**	**88.9**	**100.0**
Total own funds (TC = T1 + T2)	**446.6**	**451.7**	**454.4**	**466.1**	**471.6**
Risk weighted exposures total	**2 305.2**	**2,199.2**	**2,262.0**	**2,318.0**	**2,271.6**
of which credit risk, the standardised model	1 000.8	898.3	915.8	976.6	924.4
of which credit risk, the IRB model	713.4	721.4	808.1	823.4	860.3
of which 15% risk-weight floor for residential mortgages	237.3	225.9	188.1	168.1	136.9
of which market risk	-	-	-	-	-
of which operational risk	353.6	353.6	349.9	349.9	349.9
Own funds requirement (8%)	184.4	175.9	181.0	185.4	181.7
Own funds buffer	262.2	275.8	273.4	280.7	289.9
CET1 Capital ratio	16.9%	17.5%	16.6%	16.3%	16.4%
T1 Capital ratio	16.9%	17.5%	16.6%	16.3%	16.4%
Total capital ratio	19.4%	20.5%	20.1%	20.1%	20.8%
Own funds floor (CRR article 500)					
Own funds	446.6	451.7	454.4	466.1	471.6
Own funds floor[1]	209.0	201.9	202.4	204.3	199.2
Own funds buffer	237.6	249.9	252.0	261.8	272.4

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

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

Bank Group's risk-weighted amount for operational risks

(EUR million)

Risk-weighted amount for operational risks	2016	2017	2018	3/2019	12/2018	9/2018	6/2018	3/2018
Gross income	183.3	188.9	193.6					
- average 3 years			188.6					
Capital requirement for operational risk				**28.3**	**28.3**	**28.0**	**28.0**	**28.0**
Risk-weighted amount				**353.6**	**353.6**	**349.9**	**349.9**	**349.9**

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

(EUR million)			31 Mar 2019		
The Bank Group's total exposures	**Contractual exposure**	**Exposure at default**	**Risk weight, %**	**Risk-weighted amount**	**Capital requirement 8%**
Exposure class					
Credit risk, IRB approach					
Retail - Secured by immovable property non-SME	4,547.4	4,540.2	10%	453.7	36.3
Retail - Secured by immovable property SME	176.1	175.0	46%	80.4	6.4
Retail - Other non-SME	145.3	141.2	33%	47.1	3.8
Retail - Other SME	25.7	23.9	78%	18.6	1.5
Risk-weight floor for residential mortgages, 15%	-	-	15%	237.3	19.0
Equity exposures	43.6	43.6	261%	113.7	9.1
Total exposures, IRB approach	**4,938.1**	**4,923.9**	**19%**	**950.8**	**76.1**
Credit risk, standardised approach					
States and central banks	820.6	867.7	0%	0.8	0.1
Regional goverments and local authorities	297.5	317.4	0%	0.6	0.1
Multilateral development banks	15.3	15.3	0%	-	-
International organisations	51.2	51.2	0%	-	-
Credit institutions	331.9	196.0	27%	52.9	4.2
Corporates	564.9	415.0	92%	381.8	30.5
Retail exposures	301.7	140.2	69%	97.3	7.8
Secured by immovable property	996.0	959.1	34%	325.7	26.1
Past due items	27.5	7.2	104%	7.5	0.6
Covered bonds	715.5	715.5	10%	71.5	5.7
Other items	87.3	87.3	54%	47.5	3.8
Total exposures, standardised approach	**4,209.4**	**3,771.8**	**26%**	**985.7**	**78.9**
Total risk exposures	**9,147.6**	**8,695.7**	**22%**	**1,936.4**	**154.9**

(EUR million)			31 Dec 2018		
The Bank Group's total exposures	**Contractual exposure**	**Exposure at default**	**Risk weight, %**	**Risk-weighted amount**	**Capital requirement 8%**
Exposure class					
Credit risk, IRB approach					
Retail - Secured by immovable property non-SME	4,535.3	4,528.3	10%	465.3	37.2
Retail - Secured by immovable property SME	177.8	176.8	46%	81.3	6.5
Retail - Other non-SME	139.2	134.8	33%	44.1	3.5
Retail - Other SME	24.8	23.2	83%	19.4	1.5
Risk-weight floor for residential mortgages, 15%	-	-	15%	225.9	18.1
Equity exposures	42.8	42.8	260%	111.2	8.9
Total exposures, IRB approach	**4,919.8**	**4,905.9**	**19%**	**947.2**	**75.8**
Credit risk, standardised approach					
States and central banks	391.8	456.1	0%	0.8	0.1
Regional goverments and local authorities	281.0	301.5	0%	0.7	0.1
Multilateral development banks	15.2	15.2	0%	-	-
International organisations	66.7	66.7	0%	-	-
Credit institutions	428.0	240.0	27%	65.7	5.3
Corporates	468.1	309.6	92%	283.7	22.7
Retail exposures	298.7	142.9	72%	102.3	8.2
Secured by immovable property	961.2	917.4	35%	323.1	25.9
Past due items	28.7	6.7	112%	7.5	0.6
Covered bonds	714.9	714.9	10%	71.5	5.7
Other items	63.5	63.5	46%	29.4	2.4
Total exposures, standardised approach	**3,717.8**	**3,234.5**	**27%**	**884.9**	**70.8**
Total risk exposures	**8,637.6**	**8,140.4**	**23%**	**1,832.1**	**146.6**

The finance and insurance conglomerates capital adequacy

(EUR million)	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Summary					
The Group's equity	607.6	589.9	583.5	568.5	592.3
Sector-specific assets	63.5	73.3	84.0	95.2	106.5
Intangible assets and other reduction items	-123.3	-107.3	-120.8	-118.7	-162.0
Conglomerate´s total capital base	**547.8**	**556.0**	**546.8**	**545.0**	**536.8**
Capital requirement for banking business	271.3	258.5	266.2	273.1	267.6
Capital requirement for insurance business[1]	82.8	76.4	82.0	83.4	86.2
Minimum amount for capital base	**354.1**	**334.8**	**348.2**	**356.5**	**353.8**
Conglomerate´s capital adequacy	**193.7**	**221.2**	**198.6**	**188.4**	**183.0**
Capital adequacy ratio, %	154.7%	166.1%	157.0%	152.9%	151.7%

1) From 1 January 2016 Solvency II requirement (SCR)

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

Note 3. Net interest income

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Borrowing and lending	17.9	16.9	6%	70.1
Liquidity portfolio	1.6	2.4	-35%	8.3
Hedging measures through interest rate derivatives	1.3	3.3	-60%	11.4
Other, incl. funfing from wholesale market	-1.4	-1.9	25%	-4.0
Total	**19.4**	**20.7**	**-6%**	**85.9**

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.

Note 4. Net income from life insurance

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Premiums written	24.4	32.1	-24%	104.9
Net income from investments	6.9	4.4	56%	13.9
of which change in ECL impairment	0.1	0.0	-	0.0
of which unrealised value changes for shares and participations	1.7	-0.9	-	-3.3
Insurance claims paid	-28.6	-32.6	12%	-110.4
Net change in technical provisions	5.5	1.9	196%	12.9
Total	**8.3**	**5.8**	**43%**	**21.4**

Note 5. Net income from financial transactions

(EUR million)	Jan-Mar 2019	Jan-Mar 2018	Δ %	2018
Net income from financial assets measured at fair value through income statement	0.0	-0.2	-	-1.0
Net income from securities and currency trading	1.2	0.6	80%	6.2
of which unrealised value changes for shares and participations	0.4	0.1	486%	3.7
Net income from financial assets measured at fair value through other comprehensive income	0.7	0.0	-	0.1
of which change in ECL impairment	0.4	0.0	-	-0.2
Net income from interets-bearing securities measured at amortised cost	0.0	0.0	-	0.0
of which change in ECL impairment	0.0	0.0	-	0.0
Net income from hedge accounting	0.1	0.2	-45%	-0.4
Total	**2.0**	**0.6**	**206%**	**4.9**

Note 6. Derivatives

Hedging derivative instruments (EUR million)	31 Mar 2019 Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	2,662.0	64.3	0.7
Total	**2 662.0**	**64.3**	**0.7**
Derivative instruments valued through the income statement			
Interest rate-related[1]	300.6	13.2	13.5
Currency-related	1.4	0.0	0.0
Total	**302.0**	**13.2**	**13.5**
Total derivative instruments			
Interest rate-related	2,962.6	77.5	14.2
Currency-related	1.4	0.0	0.0
Total	**2,964.0**	**77.5**	**14.2**

Hedging derivative instruments (EUR million)	31 Dec 2018 Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	2,102.0	54.2	0.7
Total	**2,102.0**	**54.2**	**0.7**
Derivative instruments valued through the income statement			
Interest rate-related[1]	380.8	15.8	16.4
Currency-related	3.0	0.0	0.0
Total	**383.8**	**15.8**	**16.4**
Total derivative instruments			
Interest rate-related	2,482.8	70.0	17.1
Currency-related	3.0	0.0	0.0
Total	**2,485.8**	**70.0**	**17.1**

1) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 300.0 (380.0) million.

Note 7. Financial assets and impairment by stage

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Book value of financial assets 31 March 2019				
Interest-bearing securities	1,818.2	-	-	1,818.2
Lending	6,012.1	125.0	49.7	6,186.8
Off-balance sheet commitments	487.9	6.8	0.3	495.1
Total	**8,318.2**	**131.8**	**50.0**	**8,500.0**
Book value of financial assets 31 December 2018				
Interest-bearing securities	1,648.9	-	-	1,648.9
Lending	5,948.1	134.9	46.1	6,129.1
Off-balance sheet commitments	511.4	7.2	0.1	518.8
Total	**8,108.5**	**142.1**	**46.2**	**8,296.8**

Credits and other commitments

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of credits and the other commitments 1 January 2019 according to IFRS 9	2.6	3.7	33.1	39.4
Transferred from stage 1 to stage 2	-0.4	0.4	0.0	-
Transferred from stage 1 to stage 3	-0.4	0.0	0.4	-
Transferred from stage 2 to stage 1	0.0	0.0	0.0	-
Transferred from stage 2 to stage 3	0.0	-0.3	0.3	-
Transferred from stage 3 to stage 1	0.0	0.0	0.0	-
Transferred from stage 3 to stage 2	0.0	0.1	-0.1	-
Reversal of impairment	-	-	0.0	0.0
Other changes	0.6	0.0	0.4	1.1
Impairment January-March 2019 in the income statement	-0.1	0.2	1.0	1.1
Realised losses for which write-downs were made in previous years	-	-	-2.0	-2.0
Reversal of impairment	-	-	0.0	0.0
Impairment of credits and the other commitments 31 March 2019 according to IFRS 9	**2.5**	**3.8**	**32.1**	**38.4**

Interest-bearing securities

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of interest-bearing securities 1 January 2019 according to IFRS 9	1.1	-	-	1.1
Other changes	-0.6	-	-	-0.6
Impairment January-March 2019 in the income statement	-0.6	-	-	-0.6
Impairment of interest-bearing securities 31 March 2019 according to IFRS 9	**0.6**	**-**	**-**	**0.6**

Note 8. Financial assets and liabilities

Fair value of financial assets and liabilities

(EUR million)	31 Mar 2019		31 Dec 2018	
Financial assets	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets measured at fair value through income statement	960.7	960.7	902.7	902.7
Financial assets measured at fair value through other comprehensive income	1,455.9	1,455.9	1,340.9	1,340.9
Interest-bearing securities measured at amortised cost	362.3	396.4	308.0	336.6
Loans and other receivables	6,186.8	6,206.5	6,129.8	6,137.1
Cash and balances with central banks	675.3	675.3	289.2	289.2
Derivative instruments	77.5	77.5	70.0	70.0
Total	**9,718.4**	**9,772.2**	**9,040.6**	**9,076.5**
Financial liabilities				
Deposits	4,586.6	4,582.8	4,565.1	4,561.1
Derivative instruments	14.2	14.2	17.1	17.1
Debt securities issued	3,025.5	3,033.0	2,460.3	2,457.2
Subordinated liabilities	184.5	186.3	207.8	209.8
Other liabilities to credit institutions	44.2	45.0	45.6	46.3
Other liabilities to the public and public sector entities	100.0	100.1	100.0	100.1
Total	**7,955.1**	**7,961.5**	**7,396.0**	**7,391.7**

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 determing 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.

	31 Mar 2019				31 Dec 2018			
(EUR million)	**Fair value classified into**				**Fair value classified into**			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through income statement								
Investments for unit-linked investments	813.2	-	-	813.2	756.8	-	-	756.8
Interest-bearing securities	9.6	-	0.2	9.8	8.6	-	0.2	8.7
Shares and participations	97.3	-	40.4	137.7	101.1	-	35.0	136.2
Total	**920.2**	**-**	**40.5**	**960.7**	**866.5**	**-**	**35.2**	**901.7**
Financial assets measured at fair value through other comprehensive income								
Interest-bearing securities	1,076.2	218.6	161.1	1,455.9	1,124.8	55.1	161.1	1,340.9
Shares and participations	-	-	-	-	-	-	-	-
Total	**1,076.2**	**218.6**	**161.1**	**1,455.9**	**1,124.8**	**55.1**	**161.1**	**1,340.9**
Derivative instrument, net	0.0	63.3	-	63.3	0.0	52.9	-	52.9
Total	**0.0**	**63.3**	**-**	**63.3**	**0.0**	**52.9**	**-**	**52.9**
Total	**1,996.3**	**281.8**	**201.6**	**2,479.8**	**1 991.2**	**108.0**	**196.3**	**2,295.5**

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. The increase in level 2 is due to an increase in business volumes, mainly relating to domestic municipal bonds and commercial papers.

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

Changes within level 3

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

Reconciliation of changes for financial instruments belonging to level 3	Financial assets valued at fair value via the income statement			Financial assets measured at fair value through other comprehensive income			Total		
(EUR million)	Interest-bearing securities	Shares and parti-ci-pations	Total	Interest-bearing securities	Shares and partici-pations	Total	Interest-bearing securities	Shares and partici-pations	Total
Carrying amount 1 January 2019	0.2	35.0	35.2	161.1	0.0	161.1	161.3	35.0	196.3
New purchases	-	4.6	4.6	-	-	-	-	4.6	4.6
Sales	-	0.0	0.0	-	-	-	-	0.0	0.0
Matured during the year	-	-	-	-	-	-	-	-	-
Realised value change in the income statement	-	-	-	-	-	-	-	-	-
Unrealised value change in the income statement	0.0	0.7	0.7	-	-	-	0.0	0.7	0.7
Value change recognised in total comprehensive income	-	-	-	0.0	-	0.0	0.0	-	0.0
Transfer from level 1 and 2	-	-	-	-	-	-	-	-	-
Transfer to level 1 and 2	-	-	-	-	-	-	-	-	-
Carrying amount 31 March 2019	**0.2**	**40.4**	**40.5**	**161.1**	**0.0**	**161.1**	**161.3**	**40.4**	**201.6**

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.

The following table shows the sensitivity of fair value in level 3 instruments in the event of market changes. Interest-bearing securities have been tested by assuming a 3 percantage points parallel shift of the interest rate level in all maturities. At the same time the market prices for shares and participations are assumed to change by 20%. These assumptions would mean a result or valuation effect via the income statement or via other comprehensive income corresponding to 2.4 (2.1)% of the finance and insurance conglomerate's own funds.

Sensitivity analysis for financial instruments belonging to level 3	31 Mar 2019 Effect at an assumed movement			31 Dec 2018 Effect at an assumed movement		
(EUR million)	**Carrying amount**	**Positive**	**Negative**	**Carrying amount**	**Positive**	**Negative**
Financial assets measured at fair value through income statement						
Investments for unit-linked investments	-	-	-	-	-	-
Interest-bearing securities	0.2	0.0	0.0	0.2	0.0	0.0
Shares and participations	40.4	8.1	-8.1	35.0	7.0	-7.0
Total	**40.5**	**8.1**	**-8.1**	**35.2**	**7.0**	**-7.0**
Financial assets measured at fair value through other comprehensive income						
Interest-bearing securities	161.1	4.8	-4.8	161.1	4.8	-4.8
Shares and participations	-	-	-	-	-	-
Total	**161.1**	**4.8**	**-4.8**	**161.1**	**4.8**	**-4.8**
Total	**201.6**	**12.9**	**-12.9**	**196.3**	**11.8**	**-11.8**

Set off of financial assets and liabilities

(EUR million)	31 Mar 2019		31 Dec 2018	
Assets	**Derivatives**	**Reverse repurchase agreements**	**Derivatives**	**Reverse repurchase agreements**
Financial assets included in general agreements on set off or similar agreements	77.5	-	70.0	-
Set off amount	-	-	-	-
Carrying amount in the balance sheet	**77.5**	**-**	**70.0**	**-**
Amount not set off but included in general agreements on set off or similar	0.4	-	0.4	-
Collateral assets	78.4	-	64.0	-
Total amount of sums not set off in the balance sheet	**78.8**	**-**	**64.4**	**-**
Net amount	**-1.3**	**-**	**5.6**	**-**

Liabilities	Derivatives	Reverse repurchase agreements	Derivatives	Reverse repurchase agreements
Financial liabilities included in general agreements on set off or similar agreements	14.2	49.6	17.1	98.8
Set off amount	-	-	-	-
Carrying amount in the balance sheet	**14.2**	**49.6**	**17.1**	**98.8**
Amount not set off but included in general agreements on set off or similar	0.4	-	0.4	-
Collateral liabilities	3.9	49.7	5.4	99.0
Total amount of sums not set off in the balance sheet	**4.3**	**49.7**	**5.8**	**99.0**
Net amount	**10.0**	**-0.1**	**11.4**	**-0.2**

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

Note 9. Specification of Aktia Group's funding structure

(EUR million)	31 Mar 2019	31 Dec 2018	31 Mar 2018
Deposits from the public and public sector entities	3,999.4	3,962.5	3,932.7
Short-term liabilities, unsecured debts			
Banks	59.2	39.7	49.7
Certificates of deposits issued and Money Market deposits	100.0	100.0	-
Total	**159.2**	**139.7**	**49.7**
Short-term liabilities, secured debts (collateralised)			
Banks - received cash in accordance with collateral agreements	78.4	64.0	67.0
Repurchase agreements - banks	49.6	98.8	210.0
Total	**128.0**	**162.9**	**277.0**
Total short-term liabilities	**287.2**	**302.6**	**326.6**
Long-term liabilities, unsecured debts			
Issued debts, senior financing	854.9	793.9	777.1
Other credit institutions	26.2	27.6	35.7
Subordinated debts	184.5	207.8	228.8
Total	**1,065.7**	**1,029.3**	**1,041.6**
Long-term liabilities, secured debts (collateralised)			
Centralbank and other credit institutions	418.0	418.0	423.0
Issued covered bonds	2,170.6	1,666.4	1,665.3
Total	**2,588.6**	**2,084.4**	**2,088.3**
Total long-term liabilities	**3,654.3**	**3,113.7**	**3,129.8**
Interest-bearing liabilities in the banking business	**7,940.8**	**7,378.8**	**7,389.1**
Technical provisions in the life insurance business	1,209.8	1,155.7	1,205.4
Total other non interest-bearing liabilities	154.5	141.5	177.6
Total liabilities	**9,305.1**	**8,676.0**	**8,772.1**

Short-term liabilities = liabilities which original maturity is under 1 year

Long-term liabilities = liabilities which original maturity is over 1 year

Note 10. Collateral assets and liabilities

Collateral assets (EUR million)	31 Mar 2019	31 Dec 2018	31 Mar 2018
Collateral for own liabilities			
Securities	479.8	529.1	640.7
Outstanding loans constituting security for covered bonds	2,487.3	2,264.0	2,329.6
Total	**2,967.1**	**2,793.1**	**2,970.4**
Other collateral assets			
Pledged securities[1]	78.1	121.7	135.3
Cash included in pledging agreements and repurchase agreements	3.9	5.4	7.5
Total	**81.9**	**127.1**	**142.8**
Total collateral assets	**3,049.0**	**2,920.2**	**3,113.2**
Collateral above refers to the following liabilities			
Liabilities to credit institutions[2]	467.6	516.8	633.0
Issued covered bonds[3]	2,170.6	1,666.4	1,665.3
Derivatives	3.9	5.4	7.5
Total	**2,642.1**	**2,188.7**	**2,305.7**

1) Refers to securities pledged for the intra day limit. As at 31 March 2019, a surplus of pledged securities amounted to EUR 19 (5) 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.

Collateral liabilities (EUR million)	31 Mar 2019	31 Dec 2018	31 Mar 2018
Cash included in pledging agreements[1]	78.4	64.0	67.0
Total	**78.4**	**64.0**	**67.0**

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

Helsinki 3 May 2019

AKTIA BANK PLC
THE BOARD OF DIRECTORS

This document is an English translation of the Swedish report on review of the interim report. Only the Swedish version of the report is legally binding.

Report on review of the interim report of Aktia Bank plc as of and for the three months period ending March 31, 2019

To the Board of Directors of Aktia Bank plc

Introduction

We have reviewed the balance sheet as of March 31, 2019 and the related income statement, statement of other comprehensive income, statement of changes in equity capital and cash flow statement of Aktia Bank plc Group for the three-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the interim report based on our review.

Scope of review

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

Conclusion

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

Helsinki 3 May, 2019

KPMG OY AB
Marcus Tötterman
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