

Q1



The market uncertainty decreased the comparable operating profit

The quarter in short

- The solid underlying business performance continued
- The net interest income continued to increase with the support of the strong corporate customer business
- The uncertain market was reflected in the prudence of private customers' drawdowns, and the sales of interest rate hedges clearly increased
- The negative unrealised value changes in the life insurance company's investment portfolio weighed down the net income from life insurance as a result of the impact of the rapid increase in interest rates and the market drop caused by Russia's war of aggression

Outlook 2022 (unchanged)

The comparable operating profit in 2022 is expected to be somewhat higher than in 2021 provided that the market development is favourable and the circumstances in society remain stable. Aktia Group's result for 2022 depends on the impact of the uncertainty caused by Russia's war of aggression on the market (see page 20).

Dividend

In accordance with the proposal by the Board of Directors, Aktia Bank Plc's Annual General Meeting 2022 decided on the payment of a dividend of 0.56 euro per share for the accounting period 1 January – 31 December 2021. The dividend was paid out on 19 April 2022.

(EUR million)	1Q/2022	1Q/2021	Δ%	2021	4Q/2021	Δ%	3Q/2021	2Q/2021
Net interest income	25.1	21.3	18%	96.2	24.1	4%	23.1	27.7
Net commission income	31.3	25.0	25%	124.0	33.7	-7%	33.5	31.7
Net income from life insurance	1.8	9.9	-82%	37.7	7.6	-76%	9.7	10.5
Total operating income	59.0	57.9	2%	263.8	65.5	-10%	67.1	73.3
Operating expenses	-45.9	-38.7	19%	-174.4	-45.2	-2%	-41.6	-48.8
Impairment of credits and other commitments	0.3	-2.2	-	-4.5	0.1	141%	-1.0	-1.4
Operating profit	13.5	16.9	-20%	84.6	20.3	-33%	24.4	23.0
Comparable operating income ¹	58.8	57.9	2%	263.2	65.5	-10%	66.5	73.3
Comparable operating expenses ¹	-45.9	-38.7	19%	-171.1	-44.9	-2%	-41.6	-45.9
Comparable operating profit¹	13.3	16.9	-21%	87.4	20.7	-35%	23.8	26.0
Cost-to-income ratio	0.78	0.67	16%	0.66	0.69	13%	0.62	0.67
Comparable cost-to-income ratio ¹	0.78	0.67	16%	0.65	0.69	14%	0.63	0.63
Earnings per share (EPS), EUR	0.15	0.20	-26%	0.95	0.23	-34%	0.28	0.24
Comparable earnings per share (EPS), EUR ¹	0.15	0.20	-25%	0.98	0.23	-36%	0.27	0.28
Return on equity (ROE), %	6.5	8.6	-24%	10.0	9.5	-31%	11.4	10.5
Comparable return on equity (ROE), % ¹	6.5	8.6	-25%	10.3	9.6	-33%	11.2	12.3
Common Equity Tier 1 capital ratio (CET1), % ²	10.6	13.8	-23%	11.2	11.2	-5%	10.4	10.8

1) Alternative performance measures

2) At the end of the period

CEO's comments

I am sure we all expected a more normal year after two years of the coronavirus pandemic, but the expectations changed very soon in the beginning of the year. The Russian war of aggression against Ukraine and the human suffering of civilians on the battlefield have shocked us all. The need for humanitarian aid in Ukraine has increased as the fighting has expanded, and Aktia, together with its personnel, has supported UNICEF's valuable work for the children of Ukraine through a donation.

The war will also have an extensive impact on the economy and society, and the consequences will certainly be visible far into the future. In these times, the reliable banking sector, and Aktia as a part of it, is an important part of the well-functioning society and the economic system. Aktia is a stable and conservative wealth manager bank operating in Finland and has no operations in Russia, Belarus or Ukraine. However, the rising inflation and rising energy and raw material prices are consequences whose negative effects on the Finnish economy are evident.

So far, the effects of the war on Aktia's business have been moderate. For our part, we are following all the sanctions imposed on Russia. In March, we decided to suspend all outgoing and incoming payments to and from Russia and Belarus for the time being. The decision was based on Aktia's own risk assessment. There are also not any significant direct risks in relation to the crisis area in our credit portfolio. In wealth management, the risks are equally manageable – Aktia's own funds do not contain any direct investments in Russia, and Aktia has stopped the new sales of other actors' funds mainly investing in Russia.

The market decline decreased the comparable operating profit

Aktia's comparable operating profit in the first quarter of 2022 was EUR 13.3 million, which was lower than the comparable operating profit in the reference period last year of EUR 16.9 million. The main reason for the decline in the profit development was the weakened operating environment: Even before the war in Ukraine, the market outlook was overshadowed by inflation concerns and expectations of increased interest rates. The market decline following Russia's attack and the impact of the rapid increase in interest rates on the fixed income investments led to negative unrealised value changes in the life insurance company's investment portfolio, which weighed down the net income from life insurance to EUR 1.8 (Q1/2021; 9.9) million in the first quarter of the year. The life insurance business itself, however, continued its positive development – the premiums written increased by 18% since last year, and the sales of investment-linked savings insurances and risk insurances continued to be strong.

In other income categories, the good development continued despite the uncertain operating environment, and the comparable income amounted to EUR 58.8 (57.9) million. The net interest income amounted to EUR 25.1 (21.3) million, thus clearly increasing in relation to the reference period. The strong growth was again mainly due to the excellent development in the corporate customer business. The good demand also shows that companies want to secure their own funding and liquidity in the uncertain situation. Our customers have also welcomed our improved offering. They have been especially happy with the offering in relation to investment funding. The exceptional situation in the private customer business has been reflected in caution among the customers. According to our strategy, we are not aiming for growth in our market share, but, in line with our conservative lending policy, we are aiming for growth in the customer segments that are important to us – customers who want to increase their wealth. The sales of interest rate hedges clearly increased during the beginning of the year.

The net commission income in the first quarter amounted to EUR 31.3 (25.0) million, which, considering the nervous market environment, is only a moderate decline from Q4/2021 of EUR 33.7 million and mainly the result of a decline in market values. The assets under management decreased by around EUR 1 billion from the turn of the year and amounted to EUR 14.4 billion at the end of the quarter. The market values decreased by approximately EUR 840 million, and the net subscriptions amounted to approximately EUR -210 million, which was largely due to the redemptions of international institutional investors from our emerging market (EMD) funds. However, the continued excellent relative return development of Aktia's EMD funds creates good conditions for the assets to return as the market situation improves. The sales in Aktia's Private Banking also continued to develop well.

The comparative expenses of the quarter remained at the same level as at the turn of the year, reaching EUR 45.9 million (Q4 2021; 44.9), which is a good level when taking into consideration that we made a reservation of EUR 4.6 million in the first quarter for the stability fee from the Financial Stability Authority. Last year's corresponding figure in the first quarter was EUR 2.8 million. The staff expenses were below the level of the third and fourth quarter last year, and the credit loss provisions were very moderate.



Helsinki 11 May 2022

Mikko Ayub
CEO

Profit and balance

Profit January–March 2022

The Group's operating profit decreased to EUR 13.5 (16.9) million and the profit for the period to EUR 11.0 (14.0) million. The comparable operating profit decreased to EUR 13.3 (16.9) million. The weaker result is mainly attributable to negative unrealised value changes in the life insurance business's investment portfolio. By contrast, the positive development of the net interest income and the acquisition of Taaleri's wealth management business in early May 2021 have had a positive impact on the result.

Items affecting comparability

(EUR million)	Jan-Mar 2022	Jan-Mar 2021
Additional income from divestment of Visa Europe to Visa Inc	0.2	-
Operating profit	0.2	-

Income

The Group's operating income increased to EUR 59.0 (57.9) million and the Group's comparable operating income to EUR 58.8 (57.9) million, which is an increase by 2% from the corresponding quarter last year. The improvement is related to the net interest income and the broader asset management business, while the net income from life insurance decreased heavily.

Net interest income increased by 18% to EUR 25.1 (21.3) million. Net interest income from borrowing and lending increased by 14% to EUR 23.4 (20.6) million. The improvement mainly pertains to the increase in the loan book by EUR 468 million in relation to the corresponding period last year. The higher lending margins have also had a positive impact on the net interest income. The negative interest expense for the TLTRO III financing increased to EUR 2.0 (0.0) million, while other funding costs increased to EUR -1,4 (-0,9) million.

Net commission income increased to EUR 31.3 (25.0) million. Commission income from funds, asset management and securities brokerage increased by 37% to EUR 23.2 (17.2) million. The increase pertains to the broader asset management business while negative market changes have had a negative impact on customer assets under management (AuM) and commission income. Commission income from cards, payment services and borrowing increased by 9% to EUR 6.9 (6.4) million and commission income from lending was at the same level as last year and amounted to EUR 2.2 (2.2) million.

Net income from life insurance decreased to EUR 1.8 (9.9) million compared to the corresponding quarter last year. The actuarially calculated result increased to EUR 4.3 (3.5) million owing to positive new sales. Net investments decreased to EUR -2.5 (6.4) million, which is mainly due to unrealised value changes in the life insurance company's investment portfolio of EUR -6.2 (1.9) million. The negative unrealised value changes are mainly attributable to the rising interest rates and to the war in Ukraine, which had a negative impact on market values, while value changes in property investments have increased in relation to last year.

Net income from financial transactions amounted to EUR 0.7 (1.3) million. The quarter includes an additional income of EUR 0.2 million relating to the sale of Visa Europe to Visa Inc, which is not included in the comparable result. Sales gains from the bank's liquidity portfolio decreased to EUR 0.3 (0.8) million, which was the main reason to the lower income compared to last year.

Expenses

Operating expenses increased by 19% to EUR 45.9 (38.7) million. The total operating expenses excluding the estimated cost for the stability fee and integration costs were at the same level as in the third quarter last year and considerably lower than in the fourth quarter of 2021.

Staff costs increased by 21% to EUR 21.3 (17.6) million. The increase in expenses is mainly attributable to an increase in the number of employees (FTE), and the average number of employees of the quarter have increased by 48 FTE compared to last year. Total staff costs were EUR 0.6 million lower than in both the third and the fourth quarter last year.

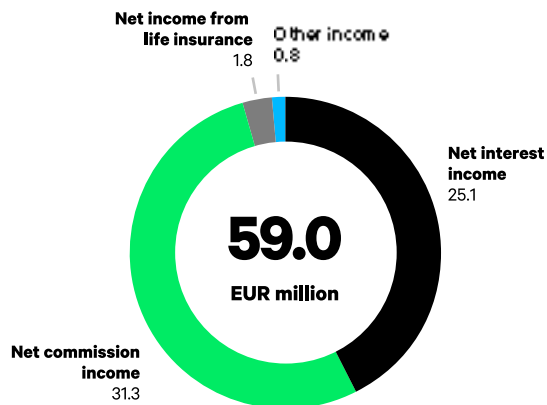
IT expenses increased by 19% to EUR 7.6 (6.4) million. The increase mainly relates to higher expenses for licenses and consultants. IT expenses were on the same level as in the third quarter last year, and EUR 1.5 million lower than in the fourth quarter 2021.

The depreciation of tangible and intangible assets increased to EUR 5.9 (4.4) million. The increase is attributable to depreciations related to the acquired wealth management operations from Taaleri.

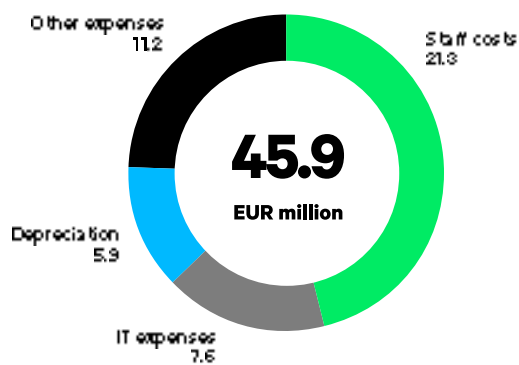
Other operating expenses increased by 9% to EUR 11.2 (10.3) million and include the estimated cost for the stability fee, amounting to EUR 4.6 (2.8) million. The reference period includes transaction-related one-off costs of EUR 1.2 million.

Impairments on credits and other commitments amounted to EUR 0.3 (-2.2) million, of which the change in the allowance for model-based credit losses (ECL) amounted to EUR 0.5 (-1.1) million.

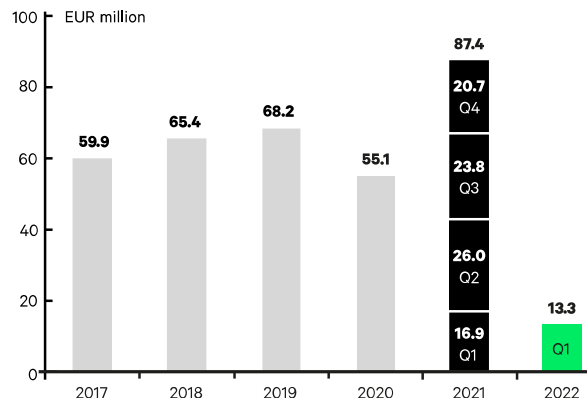
Operating income Q1/2022



Operating expenses Q1/2022



Comparable operating profit 2017–Q1/2022



Balance sheet and off-balance sheet commitments

The Group's balance sheet total increased to EUR 11,731 (11,653) million. Off-balance sheet commitments, consisting of credit limits, other loan promises, and bank guarantees increased to EUR 748 (738) million.

Borrowing

Borrowing from the public and public-sector entities increased to EUR 4,699 (4,503) million. Aktia's market share of deposits was 3.0 (3.0) % at the end of March.

The value of long-term bonds issued by Aktia Bank totalled EUR 2,836 (2,917) million. After an issued retained covered bond was set off, EUR 1,452 (1,534) million consisted of Covered Bonds issued by Aktia Bank.

In January, Aktia Bank issued a new covered bond to a value of EUR 500 million and with a maturity of approximately 6.8 years, replacing a corresponding bond that was due in March. The issue was carried out to very favourable terms and it was oversubscribed more than twofold.

During the period, Aktia Bank has also issued new long-term unsecured bonds to the value of EUR 175 million within the scope of its EMTN programme.

Lending

Group lending to the public and public-sector entities increased by 2% to EUR 7,607 (7,486) million. Loans to households accounted for EUR 5,310 (5,292) million, or 69.8 (70.7) % of the total loan book.

The housing loan book totalled EUR 5,439 (5,389) million, of which the share for households was EUR 4,326 (4,326) million. Aktia's new lending amounted to EUR 262 (316) million. At the end of March, Aktia's market share in housing loans to households was 4.0 (4.0) %.

Corporate lending accounted for 15.2 (15.3) % of Aktia Group's loan book. Total total corporate lending increased by 1% to EUR 1,156 (1,143) million. Loans to housing

companies increased by 9% to EUR 1,082 (996) million, which was 14.2 (13.3) % of Aktia's total loan book.

Loan book by sector

(EUR million)	31 Mar 2022	31 Dec 2021	Δ	Share, %
Households	5,310	5,292	18	69.8%
Corporates	1,156	1,143	13	15.2%
Housing companies	1,082	996	86	14.2%
Non-profit organisations	53	52	0	0.7%
Public sector entities	6	3	4	0.1%
Total	7,607	7,486	121	100.0%

Financial assets

The Aktia Group's financial assets consist of the Bank Group's liquidity portfolio (net after the issued retained covered bond was set-off) amounting to EUR 1,330 (1,306) million, the life insurance company's investment portfolio of EUR 581 (642) million, and the Bank Group's equity holdings of EUR 8 (5) million.

Technical provisions

Because of the market drop during the first quarter, the life insurance company's technical provisions decreased to EUR 1,489 (1,568) million. The unit-linked technical provisions decreased to EUR 1,086 (1,154) million and the interest-related technical provisions decreased to EUR 402 (414) million.

Equity

Aktia Group's equity amounted to EUR 723 (738) million. The fund at fair value decreased to EUR -21 (6) million and the profit for the period amounted to EUR 11 million.

Fund at fair value

(EUR million)	31 Mar 2022	31 Dec 2021	Δ
Interest-bearing securities, Aktia Bank	-18.1	4.0	-22.1
Interest-bearing securities, Aktia Life Insurance	-3.4	2.0	-5.4
Cash flow hedging	0.2	0.2	0.0
Total	-21.3	6.2	-27.5

Assets under Management

The Group's total assets under management amounted to EUR 16,981 (17,997) million.

Assets under management comprise managed and brokered mutual funds as well as managed capital. Assets under management presented in the table reflect net volumes, so that assets under management included in multiple companies or funds have been eliminated.

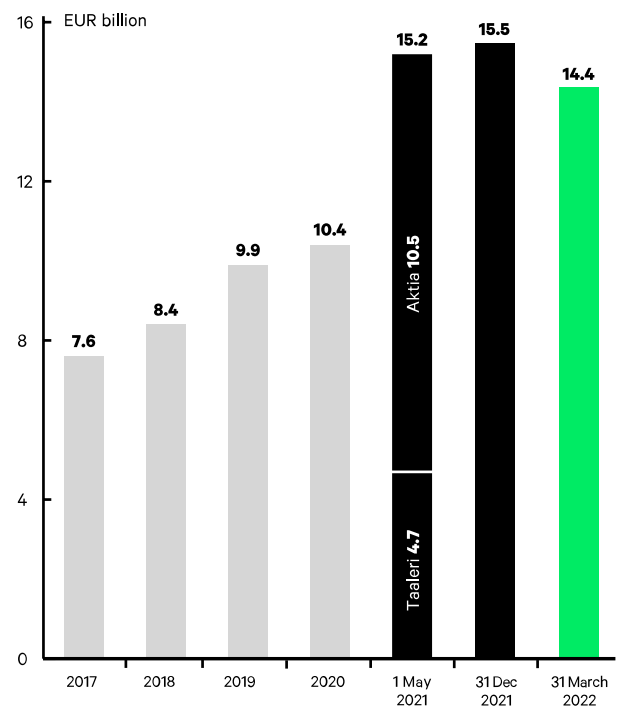
Group financial assets include the Bank Group's liquidity portfolio managed by the treasury function and the life insurance company's investment portfolio.

Assets under management

(EUR million)	31 Mar 2022	31 Dec 2021	Δ%
Customer assets under management*	14,401	15,451	-7%
Group financial assets	2,580	2,546	1%
Total	16,981	17,997	-6%

* Excluding fund in funds

Customer assets under management (AuM) excluding custody assets 2017-Q1/2022



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 household and corporate customers of the banking business not including Private Banking. Aktia's private customers are provided a wide range of financing, insurance, savings as well as investment products and services through various channels. Aktia's corporate business provides services to companies and organisations, from micro sized companies and associations to listed companies, as well as to institutional customers with other banking services than asset management.

Private customers

The war in Ukraine has had a clear impact on consumer confidence, which, in the first quarter, was reflected in the reduced demand for credits and the nervousness of small investors on the investment market. The development of Aktia's wealth plan continued, and new product characteristics will be launched in the first half of the year. The aim of the development work is to further improve the customer experience and to provide customers with more comprehensive solutions.

The risk level of the loan book of Aktia's private customers remained stable and healthy. The sales of interest rate hedges and life insurance products increased. The funding of portfolio investments and the allocation of funding to wealth management customers continued in accordance with the strategy and effort was made in developing the supply of consumer financing. The positive development in the pricing of loans continued, which is particularly important in this market and interest rate situation. The interest in structured investment products continued at a high level.

Corporate customers

In the corporate customer business, the positive development also continued in the first quarter of the year, and the market situation remains favourable to the corporate customer business, especially among small and medium-sized customers. Russia's war of aggression has so far had no significant economic effects on Aktia's corporate customer business. However, Aktia closely monitors how changes caused by the war, especially in relation to prices and the availability of energy and raw materials, affect the business of our customer companies.

The efforts of the corporate customer business in relation to target customers continued strong, and is supported by, for example, the European Investment Fund's EGF guarantee programme, which has become part of Aktia's selection, investments in the leasing product area and a closer cooperation with Aktia's asset management, particularly regarding investment funding. Aktia's corporate customers, and entrepreneurs in particular, have welcomed the closer cooperation. The corporate customer strategy is also supported by the co-ownership in Aktia Alexander Corporate Finance (AACF), which was acquired in the beginning of February. The cooperation with AACF will further complement the corporate customer business's supply of products and services.

Results for Banking Business segment

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ%
Operating income	34.6	32.0	8%
Operating expenses	-26.5	-24.7	7%
Operating profit	8.4	5.0	67%
Comparable operating profit	8.4	5.0	67%

The operating income for the period increased to EUR 34.6 (32.0) million.

The net interest income was 11% higher than during the corresponding period last year and amounted to EUR 19.5 (17.6) million. The increase is mainly related to the growth in the corporate customers' loan book. The customer margins for corporate customers increased from the corresponding period last year.

The loan book increased by 15% to EUR 7,422 (7,313) million from year-end. The corporate customers' loan book increased to EUR 2,289 (2,178) million, while the private customers' loan book was approximately on the same level and amounted to EUR 5,133 (5,135) million.

The net commission income increased by 6% in relation to the corresponding period last year and amounted to EUR 15.1 (14.2) million.

In the challenging investment market, the net commission income from the investment activities increased by 4% to EUR 4.0 (3.9) million. The commission income from cards, payment services and borrowing increased by 8% to EUR 6.8 (6.3) million. The commission income from lending follows the development of the loan book, and the commission income has increased mainly within the corporate customers.

The comparable operating expenses for the period increased to EUR 26.5 (24.7) million. The increase is mainly attributable to the estimated stability fee for the year as well as the higher group governance costs.

Impairments on credits and other commitments amounted to EUR 0.3 (-2.2) million, of which the change in the

allowance for model-based credit losses (ECL) amounted to EUR 0.5 (-1.1) million, whereas other impairments on credits amounted to EUR -0.2 (-1.1) million.

Asset Management

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

Customer assets under management

(EUR million)	31 Mar 2022	31 Dec 2021	Δ%
Customer assets under management*	14,401	15,451	-7%
of which institutional assets	7,451	7,916	-6%

* Excluding fund in funds

Asset management

Aktia started the year with a clear governance model, as Aktia's two fund management companies were merged on 1 January 2022. The new governance model was facilitated by the merging of equity and fixed income funds carried out in 2021. In other respects, too, the integration progressed as planned, and all customer service processes will be harmonised by the end of the year. The distribution cooperation regarding Taaleri's private equity funds is progressing well, and, during the quarter, the private equity fund Bioindustry I was launched for sale to Aktia's customers.

After the first quarter, Aktia won first place in Morningstar's fund comparison again – the average rating of funds managed by Aktia's asset management was 3.87. The comparison focuses on the 14 largest Finnish fund management companies, calculated by the number of funds managed by the companies. Aktia also continued the strategy of expanding our international fund sales.

In the beginning of the year, the tightening monetary policies of central banks and the war in Ukraine, which began later in February, kept the market volatility high, and share prices fell extensively during the first quarter. The difficult market situation has required special customer activity from the bankers, which has helped maintain our customer satisfaction. During the early year, the sales of Private Banking business was at a good level, but, in particular, the reallocation of investments by foreign institutional investors led to redemptions from Aktia's EM fixed income (EMD) funds. However, the continued excellent relative performance of Aktia's EMD funds creates good conditions for the assets to return to Aktia's EMD funds as the market's risk sentiment changes.

Life insurance

The development of the life insurance business continued as planned during the first quarter of the year. In March, two new investment baskets in alternative investments were launched and we made certain wealth management solutions previously only offered to Aktia's customers available in insurance shells to those who became our customers in connection with the acquisition of Taaleri's wealth management business. In risk life insurances, in order to ensure competitiveness, we made changes to the terms and conditions and to the processes related to granting insurances. In March, we launched the first fully digitalised and automated insurance granting process when the cover for critical illness was offered for sale, regardless of the bank relationship, through the aktia.fi website. The product launches and changes in the sales processes were well received by both the sales personnel and our customers. During the early year, we reached good results in sales.

Aktia's distribution channel cooperation has developed according to the plans. The new sales of risk life insurances has continued strong during the beginning of the year. In particular, the business of Finland's Företagarskydd has expanded and developed well, strengthening the position of Aktia, especially among SMEs. The sales of investment-linked insurances also continued at a good level during the quarter, even though the war between Russia and Ukraine has increased market uncertainty. The life insurance segment has some customers whose insurance savings are linked to funds investing in Russia. Aktia has excluded funds investing in Russia from the Aktia investment object selection.

Results for Asset Management segment

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ%
Operating income	19.4	21.8	-11%
Operating expenses	-17.6	-12.0	46%
Operating profit	1.7	9.7	-82%
Comparable operating profit	1.7	9.7	-82%

The operating income for the period decreased by EUR 2.4 million to EUR 19.4 million, which is explained by Aktia Life Insurance's weak net investment income.

The net income from life insurance decreased heavily due to a very weak net investment income and amounted to EUR 0.9 (8.9) million. The net investment income decreased to EUR -3.4 (5.4) million, and includes unrealised value changes in the life insurance business's investment portfolio amounting to EUR -6.2 (1.8) million. The premium income from the life insurance business increased by 18% from the corresponding period the previous year and the sales of investment-linked savings insurances were strong.

Positive new sales were the main reason for the increase in the actuarially calculated result to EUR 4.3 (3.5) million.

Due to the expansion of the asset management, the net commission income has increased by 44% to EUR 17.8 million. However, the net commission income was slightly more than EUR 2 million lower than in the third and fourth quarters last year, reflecting both lower customer assets under management (AUM) and lower performance-based remuneration than in the second half of last year. The assets under management decreased by EUR 1,051 million from year-end and amounted to EUR 14,402 (15,451) million at the end of the period. The net subscriptions for the period amounted to EUR -212 million, and the market value change to EUR -837 million.

The operating expenses of the segment increased by EUR 5.6 million to EUR 17.6 million. The increase in the segment's expenses is attributable to the increasing expenses of the broader organisation since the acquisition of Taaleri's wealth management business which became part of the segment on 1 May 2021. Additionally, the costs for the period are affected by the following items: higher write-downs due to the acquisition of Taaleri's wealth management business, one-off expense items and higher group governance costs. Staff expenses constitute 40% (38%) of the total expenses of the segment.

Group Functions

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

Results for Group Functions segment

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ%
Operating income	7.3	6.2	19%
Operating expenses	-4.1	-4.0	1%
Operating profit	3.2	2.1	53%
Comparable operating profit	3.1	2.1	45%

Operating income for the segment increased to EUR 7.1 (6.2) million.

The net interest income increased by EUR 1.8 million to EUR 5.1 million mainly owing to the negative interest expense from the TLTRO III financing of EUR 2.0 (0.0) million.

Since March 2015, Aktia Bank participates in the European Central Bank's refinancing operations (TLTRO), which has enabled Aktia to offer the market favourable and competitive loans.

Comparable net income from financial transactions increased to EUR 0.5 (1.3) million. The decrease from the comparable period last year mainly pertains to lower sales gains from interest-bearing securities in the bank's liquidity portfolio.

The total operating expenses of the segment increased by EUR 4.5 million in relation to last year, mainly due to the higher estimated cost for the stability fee of EUR 4.6 (2.8) million. The IT expenses were also higher than in the first quarter of last year, mainly due to higher expenses for licences and IT consultants. Most of the segment's operating expenses are allocated to the other segments.

Group's segment reporting

(EUR million)	Banking Business		Asset Management		Group Functions		Other & eliminations		Total Group	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Income statement										
Net interest income	19.5	17.6	0.5	0,4	5.1	3.3	-	0.0	25.1	21.3
Net commission income	15.1	14.2	17.8	12,4	1.5	1.4	-3.1	-2.9	31.3	25.0
Net income from life insurance	-	-	0.9	8,9	-	-	0.9	1.0	1.8	9.9
Other operating income	0.0	0.2	0.1	0,1	0.7	1.4	-0.1	-0.1	0.8	1.6
Total operating income	34.6	32.0	19.4	21,8	7.3	6.2	-2.2	-2.0	59.0	57.9
Staff costs	-3.4	-3.9	-7.0	-4,5	-10.8	-9.2	-	-	-21.3	-17.6
Other operating expenses ¹	-23.0	-20.8	-10.6	-7,6	6.8	5.2	2.2	2.1	-24.7	-21.1
Total operating expenses	-26.5	-24.7	-17.6	-12,0	-4.1	-4.0	2.2	2.1	-45.9	-38.7
Impairment of credits and other commitments	0.3	-2.2	-	-	-	-	-	-	0.3	-2.2
Share of profit from associated companies	-	-	-	-	-	-	0.1	0.0	0.1	0.0
Operating profit	8.4	5.0	1.7	9,7	3.2	2.1	0.1	0.0	13.5	16.9
Comparable operating profit	8.4	5.0	1.7	9,7	3.1	2.1	0.1	0.0	13.3	16.9
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Balance sheet										
Financial assets measured at fair value	-	-	1,554.1	1,649.3	917.2	949.5	-40.0	-40.0	2,431.3	2,558.8
Cash and balances with central banks	354.0	289.0	0.0	0.0	427.9	443.8	-	-	781.9	732.8
Interest-bearing securities measured at amortised cost	-	-	37.4	37.4	421.0	349.0	-	-	458.4	386.5
Loans and other receivables	7,454.5	7,327.3	241.1	252.6	44.1	29.1	-39.3	-57.3	7,700.5	7,551.7
Other assets	-5.6	57.0	-179.0	193.0	595.8	351.5	-52.7	-177.9	358.4	423.6
Total assets	7,803.0	7,673.3	1,653.6	2,132.3	2,406.0	2,122.9	-132.0	-275.2	11,730.5	11,653.3
Deposits	4,158.0	4,064.3	653.3	580.7	815.7	838.1	-39.3	-57.3	5,587.7	5,425.8
Debt securities issued	-	-	-	-	3,066.8	3,100.3	-40.0	-40.0	3,026.8	3,060.3
Technical provisions	-	-	1,488.8	1,568.2	-	-	-	-	1,488.8	1,568.2
Other liabilities	12.5	-5.1	-967.5	100.4	1,865.7	770.4	-6.2	-5.1	904.4	860.6
Total liabilities	4,170.5	4,059.2	1,174.6	2,249.3	5,748.2	4,708.8	-85.5	-102.4	11,007.8	10,914.9

1) The net costs for central 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.

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

Capital adequacy and solvency

At the end of the period, Common Equity Tier 1 capital ratio of Aktia Bank Group (Aktia Bank Plc and all its subsidiaries except Aktia Life Insurance) was 10.6 (11.2) %. Aktia Life Insurance Ltd paid a dividend of EUR 20 million to Aktia Bank on 29 March 2022, which in its entirety strengthens the bank's CET1 capital. The decrease in the fund at fair value caused by the rate increase in the first quarter, in turn, weakened the bank's CET1 capital by approx. EUR 21 million. As a result, the bank's CET1 capital decreased slightly. From the beginning of the year, the risk-weighted assets increased by EUR 132 million in total.

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

Capital adequacy, %	31 Mar 2022	31 Dec 2021
Bank Group		
CET1 capital ratio	10.6	11.2
Total capital ratio	14.8	15.6

Total capital requirement

31 March 2022 (%)	Pillar 1 minimum requirement	Pillar 2 requirement	Buffer requirements				Total capital requirement
			Capital Conservation	Counter-cyclical	O-SII	Systemic risk	
CET1 capital	4.50	0.70	2.50	0.01	0.00	0.00	7.71
AT1 capital	1.50	0.23					1.73
Tier 2 capital	2.00	0.31					2.31
Total	8.00	1.25	2.50	0.01	0.00	0.00	11.76

The total capital requirement for banks consists of a minimum requirement (so-called Pillar 1), buffer requirement based on assessment (so-called Pillar 2) and other buffer requirements. The table below describes the different components of Aktia's capital requirements. Taking all capital requirements into account, the minimum total capital ratio for the Bank Group was 11.76%, and 9.45% for Tier 1 capital ratio at the end of the period.

Leverage ratio	31 Mar 2022	31 Dec 2021
Tier 1 capital	386.3	389.1
Total exposures	10,259.3	10,083.3
Leverage ratio, %	3.8	3.9

The Financial Stability Authority has set the minimum requirement in accordance with the bank resolution act for own funds and eligible liabilities that can be written down (MREL requirement) for Aktia Bank Plc. The MREL requirement amounts to 19.86% of total risk-weighted assets (TREA) or 5.91% of the leverage ratio exposures (LRE). The MREL requirement does not include a so-called subordination requirement.

On 6 April 2022, the Financial Stability Authority has renewed the MREL requirement for Aktia. The new requirement is 19.95% of the total risk-weighted items (TREA) or 7.7% of the leverage ratio exposures (LRE). The MREL requirement does not include a so-called subordination requirement. The requirement replaces the previous MREL decision as of 1 January 2024.

MREL requirement (EUR million)	31 Mar 2022	31 Dec 2021
MREL requirement	610.1	595.9
Own funds and eligible liabilities		
CET1	326.3	329.1
AT 1-instruments	60.0	60.0
Tier 2-instruments	69.6	70.6
Other liabilities	1,098.4	903.7
Total	1,554.3	1,363.5

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 (EUR million)	With transitional rules		Whitout transitional rules	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
MCR	25.5	27.5	26.9	29.7
SCR	98.9	108.9	107.8	118.7
Eligible capital	219.4	244.7	187.6	206.8
Solvency ratio, %	221.9	224.7	174.1	174.3

The Group's risk exposures

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

Definitions and general principles for asset and risk management can be found in note G2 on page 59–74 in Aktia Bank Plc's Financial Review 2021 and in Aktia Bank Plc's Pillar III Report 2021 (the former Capital and Risk Management Report), published 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 at an adequate level and a low risk level provides a good quality of credits in Aktia's loan book. At the end of the first quarter of 2022, the LTV level amounted to, on average, 42% for the entire loan book.

The impact of the war in Ukraine as well as the economic sanctions imposed on Russia, have not affected the credit risk position of the bank so far. The Bank has put in place an increased follow-up and reporting of identified sectors that may have an increased risk due to the crisis.

Gross loans past due by time overdue and ECL stages

(EUR million)	31 March 2022			Total
Days	Stage 1	Stage 2	Stage 3	
≤ 30	19.6	16.9	6.4	42.9
of which households	17.0	16.1	5.8	38.9
> 30 ≤ 90	0.0	19.9	13.1	33.0
of which households	0.0	15.1	12.0	27.2
> 90	0.0	0.0	51.2	51.2
of which households	0.0	0.0	41.4	41.4

(EUR million)	31 December 2021			Total
Days	Stage 1	Stage 2	Stage 3	
≤ 30	22.2	18.8	5.5	46.5
of which households	20.8	17.5	4.9	43.1
> 30 ≤ 90	0.0	22.0	10.8	32.8
of which households	0.0	17.2	9.9	27.0
> 90	0.0	0.0	52.0	52.0
of which households	0.0	0.0	41.3	41.3

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

(EUR million)	31 Mar 2022	31 Dec 2021
Corporate		
PD grades A	260.2	244.4
PD grades B	951.8	942.2
PD grades C	996.6	923.7
Default	21.9	23.6
	2,230.5	2,133.9
Loss allowance (ECL)	-13.7	-14.4
Carrying amount	2,216.8	2,119.5
Households		
PD grades A	3,438.1	3,395.6
PD grades B	1,204.3	1,211.6
PD grades C	804.5	805.6
Default	98.3	95.7
	5,545.2	5,508.5
Loss allowance (ECL)	-17.3	-17.4
Carrying amount	5,527.9	5,491.1
Other		
PD grades A	31.6	28.6
PD grades B	476.1	436.7
PD grades C	72.3	83.7
Default	0.8	0.6
	580.8	549.6
Loss allowance (ECL)	-0.6	-0.6
Carrying amount	580.2	549.0

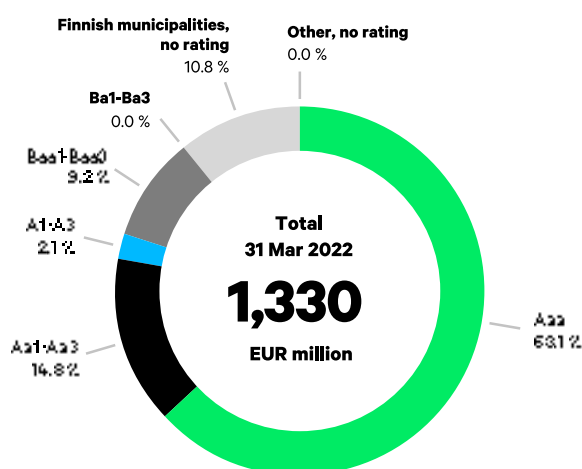
The PD grades are divided according to PD-TTC, where grade A has a PD of less than 0.2%, grade B has a PD of less than 1%, grade C has a PD of less than 100% and grade Default has a PD-TTC of 100%. In Q3/2021, Aktia adjusted the default reporting.

Market risks

Market risks arise 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 is the largest market risk. A structural interest rate risk occurs as a result of differences interest determination periods and repricing of interest-bearing assets and liabilities. In the banking business, structural interest rate risks are actively managed through various trading arrangements considering the current market situation, either through hedging derivatives or investments in the liquidity portfolio or a combination of both, depending on the prevailing market conditions.

Rating distribution for the Bank Group's liquidity portfolio



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 by using different interest rate shock scenarios according to EBA's guidelines as well as with the bank's own internally defined interest rate shock scenarios. The bank group's interest rate risk, present value risk (financial value), increased somewhat during the first quarter due to the increasing market interest rates.

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 8 (5) million. The Bank Group had no real estate holdings at the end of the period.

The Bank Group's total currency exposure is marginal and amounted to EUR 8 (5) 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 1,641 (1,571) million at the end of the period.

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

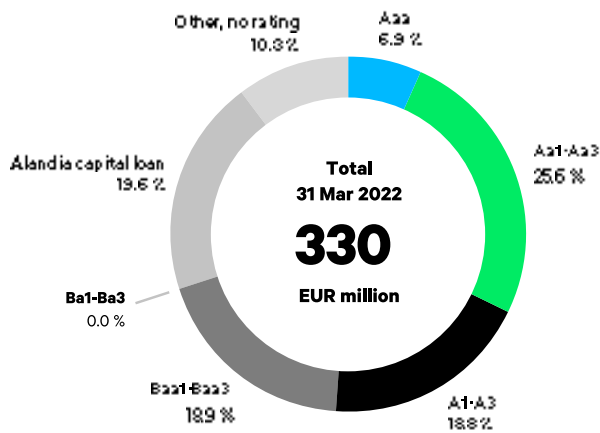
Liquidity reserve, market value (EUR million)	31 Mar 2022	31 Dec 2021
Cash and balances with central banks	732	681
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	221	222
Securities issued or guaranteed by municipalities or the public sector	143	155
Covered Bonds	545	514
Securities issued by credit institutions	-	-
Securities issued by corporates (commercial papers)	-	-
Total	1,641	1,571
of which LCR-qualified	1,641	1,571

The liquidity risk is, among other things, 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 enough to meet short-term net outflows in stressed situations over the coming 30 days. LCR fluctuates over time, partly depending on the maturity structure of the bank's issued bonds. The LCR amounted to 136 (140) %.

Liquidity coverage ratio (LCR)	31 Mar 2022	31 Dec 2021
LCR %	136%	140%

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

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



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 581 (642) million. The life insurance company's direct real estate investments amounted to EUR 47 (47) million. The properties are 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 2022		31 Dec 2021	
Equities	17.1	2.9%	8.0	1.3%
Europe	11.0	1.9%	4.9	0.8%
USA	6.2	1.1%	3.2	0.5%
Fixed income investments	357.4	61.5%	384.9	60.0%
Government bonds	108.6	18.7%	116.9	18.2%
Financial bonds	41.6	7.2%	37.3	5.8%
Other corporate bonds ¹⁾	138.0	23.7%	157.5	24.5%
Emerging Markets (mtl. funds)	42.4	7.3%	45.6	7.1%
High yield (mtl. funds)	23.3	4.0%	24.4	3.8%
Other funds	3.5	0.6%	3.6	0.6%
Alternative investments	26.0	4.5%	24.8	3.9%
Private Equity etc.	20.2	3.5%	18.9	2.9%
Infrastructure funds	5.9	1.0%	5.9	0.9%
Real estates	91.1	15.7%	88.1	13.7%
Directly owned	47.5	8.2%	47.2	7.3%
Real estate funds	43.6	7.5%	41.0	6.4%
Money Market	72.8	12.5%	90.3	14.1%
Derivatives	-7.0	-1.2%	-0.9	-0.1%
Cash and bank	23.8	4.1%	46.7	7.3%
Total	581.3	100.0%	642.0	100.0%

1) Includes capital loan to Aalandia

Life insurance company's market risk

Technical provisions include an interest reserve of EUR 25 (25) million, which can be used to cover the future interest rate requirements. The average discount rate for the interest-bearing technical provisions after dissolutions from the interest reserve is 2.2% for 2022, 2.3% for 2023–2031 and 2.9% after that. Aktia Life Insurance makes an annual assessment of the adequacy of the interest reserve and adjusts it if necessary. The interest rate risk is the most significant market risk in conjunction with the technical provisions in the life insurance company as the other market risks have a marginal significance. Interest rate risk of the company's interest-bearing balance sheet items in the investment portfolio and in the interest-linked and unit-linked technical provisions is calculated through an interest rate stress test (decrease in interest rate) representing a historical 99.5 percentile of the market interest rate. The calculated effect in the stress scenario is mainly due to the change in the market value of the long-termed technical provisions and amounted to EUR -21 (-25) million.

Main events

Aktia became partner in Alexander Corporate Finance

On 30 November, Aktia Bank Plc and Alexander Corporate Finance Oy ("ACF") announced an arrangement, which results in Aktia owning 20% of ACF's shares. The completion of the arrangement took place on 2 February 2022 after receiving the approval from the Finnish Financial Supervisory Authority. With the arrangement, the name of Alexander Corporate Finance was changed to Aktia Alexander Corporate Finance Oy.

Aktia once again the best fund house in Morningstar's comparison

In the Morningstar Awards 2022 comparison, published on 28 February 2022, Aktia was selected as Finland's best fund house for fixed-income funds as well as for the overall selection. Morningstar is an independent party carrying out fund comparisons and selecting the best fund houses annually based on the five-year risk-adjusted return.

Aktia issued a EUR 500 million covered bond

On 18 January 2022, Aktia Bank Plc issued a new EUR 500 million covered bond, due in October 2028. The bond was priced at a negative margin compared to swap rates (MS -1). This was the first Finnish covered bond in 2022.

Aktia simplified its group structure with mergers of subsidiaries

As planned, Aktia Bank Plc executed the merger of its wholly owned subsidiary Aktia Wealth Management Ltd with Aktia Bank Plc on 1 January 2022. At the same time, Aktia merged its two subsidiaries, where Aktia Fund Management Company Ltd merged with AV Fund Management Ltd. As from 1 January 2022, the name of the Fund Management Company is Aktia Fund Management Company Ltd. Both mergers are a part of simplifying Aktia's asset management operations, where an essential part is the simplification of the group structure.

Other information

Rating

Standard & Poor's (S&P) outlook for the creditworthiness of Aktia Bank Plc has been stable since the latest update on 22 January 2021. The rating is A- for long-term borrowing and A2 for short-term borrowing. The rating was affirmed on 16 December 2021 related to the S&P revised rating methodology update.

On 9 September 2021, Moody's Investors Service confirmed the long-term and short-term senior funding credit ratings of Aktia Bank and changed the outlook of the ratings to negative. The rating for senior preferred bonds is A1 and for short-term debt instruments P-1. Moody's Investors Service confirmed the rating Aaa for Aktia Bank's long-term Covered Bonds.

On 17 May 2021, Moody's Investors Service awarded Aktia Bank the rating Baa3 (hyb) for the Additional Tier 1 capital issued by Aktia Bank.

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

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 G43 and P43 in the Financial Review 2021.

Staff

The number of full-time employees at the end of March amounted to 895 (31 December 2021; 854). The average number of full-time employees amounted to 875 (1 January–31 March 2021; 827).

The incentive scheme

In 2018, Aktia Bank Plc launched a long-term share savings plan for Aktia Group's employees in order to support the implementation of Aktia's strategy. The incentive scheme in its entirety includes two parts. The share savings plan AktiaUna is aimed at the whole personnel, about 950 persons, and the performance-based share savings plan AktiaUna PSP is aimed at certain key persons.

The share savings plan AktiaUna gives every employee the possibility to become a shareholder in Aktia on favourable terms. Within the plan, part of the salary is deducted and invested in Aktia's shares at a reduced price (-10%). The participants are motivated by granting them free matching shares against shares acquired in the share savings plan after approximately two years. The Board of Directors decides annually on the establishment of a new savings period in the plan as well as the performance criteria.

The performance criteria for the performance-based share savings plan AktiaUna PSP consist of Aktia Group's comparable operating profit and the net commission income over a period of two years. The possible reward from the performance period is determined on the basis of the programme's conditions.

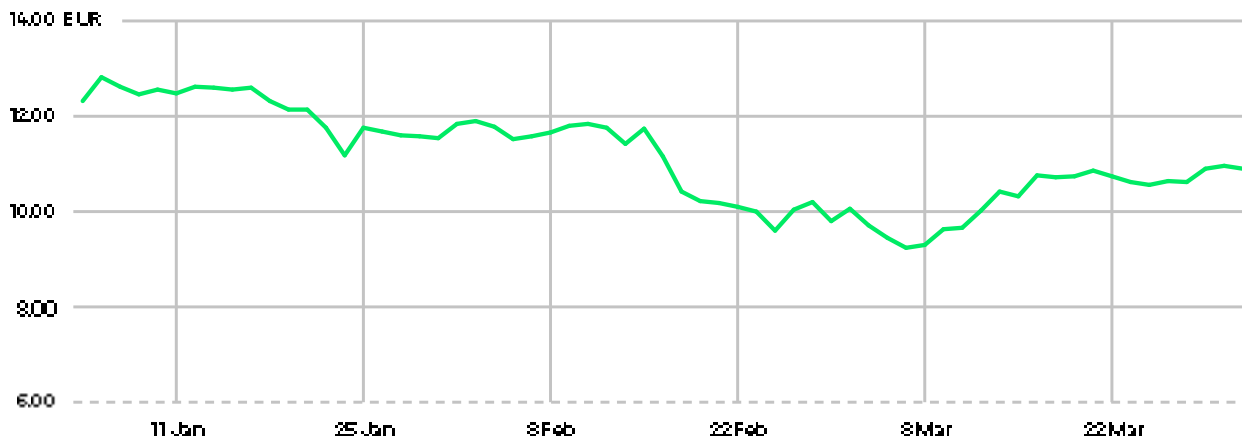
In the first quarter of 2022, matching shares for the 2020–2021 share savings plan AktiaUna, including AktiaUna PSP, were paid out.

In the first quarter, Aktia Bank Plc's Board of Directors decided to set up a new savings period for AktiaUna 2022–2023 and AktiaUna PSP 2022–2023 as well as a new performance-based incentive scheme for the period 2022–2023 for key persons in the company's business areas. The new scheme (Business Area LTI) is intended to support the company's strategy and encourage key persons to achieve the financial and strategic objectives of their own business areas. The new scheme has a one-year performance period, the calendar year 2022. The performance period is followed by a restriction period of approximately 14 months. The reward for the Business Area LTI scheme is based on the operating profit and strategic criteria of the business areas. Participation in the scheme requires participation in the share savings plan AktiaUna.

AktiaUna PSP 2022–2023 concerns around 30 key persons (including the CEO and members of the Executive Committee) and the new Business Area LTI scheme concerns around 50 key persons. The same persons cannot belong to both AktiaUna PSP and the Business Area LTI scheme.

More information on the incentive schemes is presented at www.aktia.com > Investors > Corporate Governance > Remuneration.

Development of Aktia's share 3 January–31 March 2022



Decisions of Aktia Bank Plc's Annual General Meeting 2022

The Annual General Meeting of Aktia Bank Plc on 6 April 2022 adopted the financial statements of the parent company and the consolidated financial statements and discharged the members of the Board of Directors, the CEO and his deputy from liability.

In accordance with the proposal by the Board of Directors, the Annual General Meeting decided on the payment of a dividend of 0.56 euro per share for the accounting period 1 January – 31 December 2021.

The Annual General Meeting confirmed the number of board members as eight. Johan Hammarén, Maria Jerhamre Engström, Harri Lauslahti, Olli-Petteri Lehtinen, Johannes Schulman, Lasse Svens and Timo Vättö were re-elected as Board members. Sari Pohjonen was elected as a new member of the Board of Directors. The Board of Directors, which convened after the General Meeting, elected Lasse Svens as chair and Timo Vättö as vice chair.

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

The Annual General Meeting determined that the number of auditors shall be one, and confirmed the remuneration to the auditor, and re-elected APA firm KPMG Oy Ab as auditor with Marcus Tötterman, M.Sc. (Econ.), APA, as auditor-in-charge.

The Annual General Meeting adopted the proposal of the Board of Directors regarding resolution for share issue authorisation for up to 7,221,000 shares or securities entitling to shares, authorisation to acquire up to 500,000 company's own shares for use in the company's share based scheme and/or the remuneration of members of the company's Board of Directors and authorisation to divest up to 500,000 company's own shares.

All proposals mentioned above are included in the Summons to the Annual General Meeting published on the website www.aktia.com under Investors > Corporate governance > Annual General Meeting > Annual General Meeting 2022.

Share capital and ownership

Aktia Bank Plc's share capital amounts to EUR 170 million. At the end of March 2022, the number of Aktia shares was 72,219,081. The total number of registered holders amounted to 40,354 (31 March 2021; 39,100). 11.15% of the shares were in foreign ownership. There were no unregistered shares at the end of March. On 31 March 2022, the Group held 240,263 (31 March 2021; 179,026) Aktia shares. Aktia Bank Plc's market value on 31 March 2022, the last trading day of the period, was approximately EUR 787 million. The closing price for the Aktia share on 31 March 2022 was EUR 10.90. The highest price for the Aktia share during the period was EUR 12.88 and the lowest EUR 8.80.

The average daily turnover of the Aktia share during January–March 2022 was EUR 226,335 or 83,011 shares.

(EUR million)	Number of shares	Share capital	Unrestricted equity reserve
1 Jan 2021	69,574,173	169.7	112.7
Share issue 9 Feb 2021	100,000	-	1.0
Share issue 6 May 2021	974,563	-	9.6
Share issue 20 May 2021	66,770	-	0.7
Share issue 30 Sep 2021	1,371,500	-	13.9
Share issue 18 Nov 2021	57,075	-	0.6
Other changes	-	-	0.1
31 Dec 2021	72,144,081	169.7	138.6
Share issue 14 Feb 2022	75,000	-	0.9
Other changes	-	-	0.4
31 Mar 2022	72,219,081	169.7	139.9

Financial targets up until 2025

The financial targets stipulated by the Board of Directors in September 2021 are:

- a comparable operating profit of above EUR 120 million,
- a comparable return on equity (ROE) of above 12 per cent,
- a comparable cost-to-income ratio of under 0.60 and
- a Common Equity Tier 1 capital ratio (CET1) above 1.5 percentage points over the regulatory requirements.

Risks and outlook

Risks (updated)

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 asset 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 credit portfolio 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, because of investors' demands for higher returns or because of the increasing interest rates.

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 demands on long-term financing and higher fixed expenses.

The development of the commission income is dependent on the volume and value development of assets under management, which as a result of market fluctuations has increased the risks pertaining to the Group's income and profitability.

The war started by Russia against Ukraine has had repercussions on the European and Finnish economies. This may have an impact on the financial position of Aktia's customers. At present, in comparison with previous observations, no concrete anomalies in customer behaviour can be observed in relation to the services provided by Aktia. Aktia is operating in Finland and has no operations in Russia, Belarus or Ukraine, but is following the situation closely.

The coronavirus pandemic that broke out during 2020 and the measures taken for limiting its development has influenced both the real economy and the financial markets. The negative consequences of the coronavirus pandemic as well as the sufficiency of the measures taken to curb the consequences are monitored and assessed continuously.

According to the latest data, the recovery from the consequences of the coronavirus pandemic will continue and this will also be reflected in the statistical indicators concerning Finland's economic development. The quality of Aktia's loan book and new lending has been stable despite the growth in lending. This applies to the lending volume of both companies and private customers.

The acquisition of Taaleri's wealth management operations was carried out on 30 April 2021. The transaction is being handled actively through thorough integration coordination. Future risks concern the implementation of the integration in accordance with the set targets, including the synergy and cross-selling targets. Aktia simplified its group structure by merging two fund management companies as well as Aktia Wealth Management Ltd and Aktia Bank Plc on 1 January 2022.

Aktia's operational risks have been in line with the risk appetite during the first quarter of 2022. The crisis in Ukraine has been expected to increase cybersecurity threats. Aktia has followed the instructions of the authorities to raise levels of protection against cyberattacks. In Q1/2022 there were no attacks against Aktia and phishing cases targeting Aktia's customers has decreased compared to last year.

The coronavirus pandemic has not had a significant impact on Aktia's operational risks. Aktia is starting to switch to the hybrid work model again, considering the instructions of regional authorities.

The expansion of the asset management business at the time of the acquisition of Taaleri's wealth management

business has caused Aktia's regulative capital situation to decrease in relation to the risk-weighted commitments during 2021. In the first quarter, the Bank Group's equity was strengthened by the dividends paid out to Aktia Bank by Aktia Life Insurance. The regulative capital situation could limit the utilisation of market potential for growth in terms of risk positions in the future.

Outlook 2022 (unchanged)

The comparable operating profit in 2022 is expected to be somewhat higher than in 2021 provided that the market development is favourable and the circumstances in society remain stable. Aktia Group's result for 2022 depends on the impact of the uncertainty caused by Russia's war of aggression on the market.

- The net interest income growth is expected to remain strong, especially in the corporate customer segment, due to the active pricing and expected volume growth. The financing expenses are expected to increase slightly as interest rates increase.
- The growth in commission income is expected to continue. The growth is supported by the completion of the integration of Taaleri's wealth management business.
- The development of the net income from life insurance is dependent on changes in the market values. As a result of increasing interest rates and market uncertainty, negative unrealised value changes were recorded during the first quarter of the year, but positive value changes from the real estate portfolio are expected for the remainder of the year. The actuarially calculated result is expected to improve compared to last year.
- Considering the impact of inflation, the expenses are expected to be approximately at the level of comparable operating expenses in 2021.
- Potential credit loss provisions are expected to remain at a moderate level while the liquidity and capital adequacy of Aktia remain stable.

Tables and notes to the interim report

Key figures

(EUR million)	1Q/2022	1Q/2021	Δ%	2021	4Q2021	3Q2021	2Q2021
Earnings per share (EPS), EUR	0.15	0.20	-26%	0.95	0.23	0.28	0.24
Total earnings per share, EUR	-0.23	0.12	-	0.73	0.16	0.26	0.19
Equity per share (NAV), EUR ⁻¹	9.21	9.19	0%	9.45	9.45	9.69	10.26
Average number of shares (excl. treasury shares), million ²	71.9	69.5	3%	71.9	70.5	70.0	69.8
Numer of share at the end of the period (excl. treasury shares), million ¹	72.0	69.5	4%	72.0	71.8	71.8	70.5
Return on equity (ROE), % ⁻³	6.5	8.6	-24%	10.0	9.5	11.4	10.5
Return on assets (ROA), % ⁻	0.38	0.53	-29%	0.61	0.57	0.69	0.63
Cost-to-income ratio ⁻	0.78	0.67	16%	0.66	0.69	0.62	0.67
Common Equity Tier 1 capital ratio. CET1 (Bank Group), % ¹	10.6	13.8	-23%	11.2	11.2	10.4	10.8
Tier 1 capital ratio (Bank Group), % ¹	12.6	13.8	-9%	13.2	13.2	12.4	12.9
Capital adequacy ratio (Bank Group), % ¹	14.8	16.3	-9%	15.6	15.6	14.8	15.5
Risk-weighted exposures (Bank Group) ¹	3,072.1	3,035.8	1%	2,940.6	2,940.6	2,969.2	2,885.7
Capital adequacy ratio (finance and insurance conglomerate), % ¹	140.5	126.9	11%	145.0	145.0	125.7	121.6
Equity ratio, % ¹	6.2	6.3	-1 %	6.6	6.6	6.9	6.6
Group financial assets ¹	2,580.2	2,221.8	16 %	2,546.1	2,546.1	2,417.0	2,374.0
Assets under management ¹	14,400.6	10,378.5	39 %	15,451.0	15,451.0	15,581.0	15,581.7
Borrowing from the public ¹	4,698.9	4,370.6	8 %	4,503.3	4,503.3	4,606.5	4,559.6
Lending to the public ¹	7,607.3	7,139.0	7 %	7,486.4	7,486.4	7,412.7	7,299.2
Premiums written before reinsurers' share ⁻	45.7	38.9	292 %	152.7	39.8	41.8	41.8
Expense ratio, % (life insurance company) ²	102.3	97.3	5 %	98.9	98.9	94.9	95.6
Solvency ratio (life insurance company), %	221.9	154.7	43 %	224.7	224.7	164.3	156.6
Eligible capital (life insurance company)	219.4	171.3	28 %	244.7	244.7	184.6	177.1
Investments at fair value (life insurance company) ¹	1,693.4	1,555.1	9 %	1,693.4	1,693.4	1,616.2	1,608.7
Technical provisions for risk insurances and interest-related insurances ¹	402.4	435.9	-8 %	414.5	414.5	421.9	426.5
Technical provisions for unit-linked insurances ¹	1,086.4	1,020.2	6 %	1,153.8	1,153.8	1,096.6	1,087.9
Group's personnel (FTEs), average number of employees	875	827	6 %	862	859	901	867
Group's personnel (FTEs), at the end of the period ¹	895	824	9 %	854	854	865	926
Alternative performance measures excluding items affecting comparability:							
Comparable cost-to-income ratio ⁻	0.78	0.67	16 %	0.65	0.69	0.63	0.63
Comparable earnings per share (EPS), EUR ⁻	0.15	0.20	-25 %	0.98	0.23	0.27	0.28
Comparable return on equity (ROE), % ⁻³	6.5	8.6	-25 %	10.3	9.6	11.2	12.3

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

1) At the end of the period

2) Cumulative from the beginning of the year

3) Return on equity exclude the additional Tier 1 capital loan recognised as equity

Formulas for the key figures are available in Aktia Bank Plc's Annual Review 2021 on page 49.

Consolidated income statement

(EUR million)	Note	Jan-Mar 2022	Jan-Mar 2021	Δ %	2021
Net interest income	3	25.1	21.3	18 %	96.2
Dividends		0.0	0.0	25 %	0.4
Commission income		34.7	27.6	26 %	136.0
Commission expenses		-3.4	-2.5	-33 %	-12.0
Net commission income		31.3	25.0	25 %	124.0
Net income from life insurance	4	1.8	9.9	-82 %	37.7
Net income from financial transactions	5	0.7	1.3	-46 %	4.7
Other operating income		0.1	0.3	-73 %	0.8
Total operating income		59.0	57.9	2 %	263.8
Staff costs		-21.3	-17.6	21 %	-83.7
IT expenses		-7.6	-6.4	19 %	-30.7
Depreciation of tangible and intangible assets		-5.9	-4.4	32 %	-21.5
Other operating expenses		-11.2	-10.3	9 %	-38.5
Total operating expenses		-45.9	-38.7	19 %	-174.4
Impairment of credits and other commitments	7	0.3	-2.2	-	-4.5
Share of profit from associated companies		0.1	0.0	-	-0.3
Operating profit		13.5	16.9	-20 %	84.6
Taxes		-2.5	-2.9	-13 %	-17.3
Profit for the period		11.0	14.0	-22 %	67.4
Attributable to:					
Shareholders in Aktia Bank Plc		11.0	14.0	-22 %	66.8
Holders of Additional Tier 1 capital		0.0	-	-	0.5
Total		11.0	14.0	-22 %	67.4
Earnings per share (EPS), EUR		0.15	0.20	-24 %	0.95
Earnings per share (EPS) after dilution, EUR		0.15	0.20	-24 %	0.95
Operating profit excluding items affecting comparability:					
Operating profit		13.5	16.9	-20 %	84.6
Operating income:					
Additional income from divestment of Visa Europe to Visa Inc		-0.2	-	-	-0.5
Operating expenses:					
Costs for restructuring		-	-	-	3.3
Comparable operating profit		13.3	16.9	-21 %	87.4

Consolidated statement of comprehensive income

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ%	2021
Profit for the period	11.0	14.0	-22 %	67.4
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets	-27.8	-4.6	-504 %	-11.4
Change in valuation of fair value for cash flow hedging	0.0	0.0	34 %	-0.1
Transferred to the income statement for financial assets	0.3	-0.8	-	-3.5
Comprehensive income from items which can be transferred to the income statement	-27.5	-5.5	-403 %	-15.1
Defined benefit plan pensions	-	-	-	-0.1
Comprehensive income from items which can not be transferred to the income statement	-	-	-	-0.1
Total comprehensive income for the period	-16.5	8.5	-	52.2
Total comprehensive income attributable to:				
Shareholders in Aktia Bank Plc	-16.5	8.5	-	51.6
Holders of Additional Tier 1 capital	-	-	-	0.5
Total	-16.5	8.5	-	52.2
Total earnings per share, EUR	-0.23	0.12	-	0.73
Total earnings per share after dilution, EUR	-0.23	0.12	-	0.73
Total comprehensive income excluding items affecting comparability:				
Total comprehensive income	-16.5	8.5	-	52.2
Operating income:				
Additional income from divestment of Visa Europe to Visa Inc	-0.1	-	-	-0.4
Operating expenses:				
Costs for restructuring	-	-	-	2.6
Comparable total comprehensive income	-16.7	8.5	-	54.4

Items affecting consolidated income statement and comprehensive income

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ%	2021
Net income from financial transactions	0.2	-	-	0.5
Total operating income	0.2	-	-	0.5
Staff costs	-	-	-	-1.6
Other operating expenses	-	-	-	-1.7
Total operating expenses	-	-	-	-3.3
Operating profit	0.2	-	-	-2.8
Taxes	0.0	-	-	0.6
Total comprehensive income for the period	0.1	-	-	-2.2

Consolidated balance sheet

(EUR million)	Note	31 Mar 2022	31 Dec 2021	Δ%	31 Mar 2021
Interest-bearing securities		86.8	94.6	-8%	99.1
Shares and participations		186.0	203.2	-8%	160.7
Investments for unit-linked investments		1,086.7	1,154.0	-6%	1,021.5
Financial assets measured at fair value through income statement	8	1,359.5	1,451.8	-6%	1,281.3
Interest-bearing securities		1,071.8	1,107.0	-3%	1,161.3
Financial assets measured at fair value through other comprehensive income	8	1,071.8	1,107.0	-3%	1,161.3
Interest-bearing securities	7,8	458.4	386.5	19%	433.8
Lending to Bank of Finland and credit institutions	7,8	93.2	65.3	43%	27.1
Lending to the public and public sector entities	7,8	7,607.3	7,486.4	2%	7,139.0
Cash and balances with central banks	8	781.9	732.8	7%	339.3
Financial assets measured at amortised cost		8,940.8	8,671.0	3%	7,939.1
Derivative instruments	6,8	26.0	39.6	-34%	59.9
Investments in associated companies and joint ventures		2.3	0.2	-	0.2
Intangible assets and goodwill		170.7	174.0	-2%	56.7
Right-of-use assets		22.6	22.3	1%	24.5
Investment properties		45.5	45.5	0%	41.3
Other tangible assets		8.5	8.1	5%	6.4
Tangible and intangible assets		247.3	249.8	-1%	128.9
Other assets		78.9	131.7	-40%	100.3
Income tax receivables		0.6	0.2	210%	0.6
Deferred tax receivables		3.3	2.1	56%	2.5
Tax receivables		3.9	2.3	68%	3.1
Total assets		11,730.5	11,653.3	1%	10,674.2
Liabilities to central banks (TLTRO loan)		800.0	800.0	0%	650.0
Liabilities to credit institutions		88.8	122.5	-28%	144.3
Liabilities to the public and public sector entities		4,698.9	4,503.3	4%	4,370.6
Deposits	8	5,587.7	5,425.8	3%	5,164.9
Derivative instruments	6,8	87.5	20.5	327%	17.4
Debt securities issued		3,026.8	3,060.3	-1%	3,005.0
Subordinated liabilities		134.4	150.0	-10%	127.3
Other liabilities to credit institutions		12.7	14.0	-10%	23.2
Other liabilities to the public and public sector entities		522.0	506.0	3%	100.0
Other financial liabilities	8	3,695.9	3,730.4	-1%	3,255.5
Technical provisions for risk insurances and interest-related insurances		402.4	414.5	-3%	435.9
Technical provisions for unit-linked insurances		1,086.4	1,153.8	-6%	1,020.2
Technical provisions		1,488.8	1,568.2	-5%	1,456.1
Other liabilities		93.6	104.2	-10%	89.3
Provisions		1.1	1.0	16%	1.6
Income tax liabilities		1.1	6.7	-83%	0.5
Deferred tax liabilities		52.0	58.1	-11%	50.5
Tax liabilities		53.1	64.8	-18%	51.0
Total liabilities		11,007.8	10,914.9	1%	10,035.7
Restricted equity		148.4	175.9	-16%	185.5
Unrestricted equity		514.8	503.0	2%	452.9
Shareholders' share of equity		663.3	678.9	-2%	638.5
Holders of Additional Tier 1 capital		59.5	59.5	0%	-
Total equity		722.7	738.4	-2%	638.5
Total liabilities and equity		11,730.5	11,653.3	1%	10,674.2

Consolidated off-balance-sheet commitments

(EUR million)	31 Mar 2022	31 Dec 2021	Δ%	31 Mar 2021
Guarantees	19.8	20.7	-5 %	22.0
Other commitments provided to a third party	7.3	6.8	8 %	5.6
Commitments provided to a third party on behalf of the customers	27.1	27.5	-2 %	27.7
Unused credit arrangements	696.6	685.3	2 %	687.6
Other commitments provided to a third party	23.9	24.8	-4 %	8.2
Irrevocable commitments provided on behalf of customers	720.5	710.1	1 %	695.8
Total	747.6	737.6	1 %	723.5

Consolidated statement of changes in equity

(EUR million)	Share capital	Fund at fair value	Fund for share-based payments	Un-restricted equity reserve	Retained earnings	Shareholders' share of equity	Additional Tier 1 capital holders	Total equity
Equity as at 1 January 2021	169.7	21.3	3.0	112.7	360.2	666.8	-	666.8
Share issue	-			25.8	-	25.8		25.8
Acquisition of treasury shares					-1.0	-1.0		-1.0
Divestment of treasury shares				0.1	1.0	1.0		1.0
Dividend to shareholders					-67.7	-67.7		-67.7
<i>Profit for the year</i>					67.4	67.4		67.4
<i>Financial assets</i>		-14.9				-14.9		-14.9
<i>Cash flow hedging</i>		-0.1				-0.1		-0.1
<i>Defined benefit plan pensions</i>					-0.1	-0.1		-0.1
Total comprehensive income for the year		-15.1			67.2	52.2		52.2
Additional Tier 1 (AT1) capital issue						-	60.0	60.0
Issue cost						-	-0.5	-0.5
Change in share-based payments (IFRS 2)			1.0		0.7	1.7		1.7
Equity as at 31 December 2021	169.7	6.2	3.9	138.6	360.5	678.9	59.5	738.4
Equity as at 1 January 2022	169.7	6.2	3.9	138.6	360.5	678.9	59.5	738.4
Share issue				0.9	-	0.9		0.9
Acquisition of treasury shares					-0.9	-0.9		-0.9
Divestment of treasury shares				0.4	1.2	1.6		1.6
<i>Profit for the period</i>					11.0	11.0		11.0
<i>Financial assets</i>		-27.5			-	-27.5		-27.5
<i>Cash flow hedging</i>		0.0			-	0.0		0.0
Total comprehensive income for the period		-27.5			11.0	-16.5		-16.5
Change in share-based payments (IFRS 2)			-0.9		0.2	-0.7		-0.7
Equity as at 31 March 2022	169.7	-21.3	3.0	139.9	371.9	663.3	59.5	722.7
Equity as at 1 January 2021	169.7	21.3	3.0	112.7	360.2	666.8	-	666.8
Share issue				1.0	-	1.0		1.0
Acquisition of treasury shares					-1.0	-1.0		-1.0
Divestment of treasury shares				0.1	1.0	1.0		1.0
Dividend to shareholders					-36.8	-36.8		-36.8
<i>Profit for the period</i>					14.0	14.0		14.0
<i>Financial assets</i>		-5.4				-5.4		-5.4
<i>Cash flow hedging</i>		0.0				0.0		0.0
Total comprehensive income for the period		-5.5			14.0	8.5		8.5
Change in share-based payments (IFRS 2)			-1.4		0.3	-1.1		-1.1
Equity as at 31 March 2021	169.7	15.8	1.5	113.7	337.6	638.5	-	638.5

Consolidated cash flow statement

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ %	2021
Cash flow from operating activities				
Operating profit	13.5	16.9	-20%	84.6
Adjustment items not included in cash flow	4.8	4.3	12%	14.2
Paid income taxes	-9.0	-6.4	-39%	-12.8
Cash flow from operating activities before change in receivables and liabilities	9.4	14.8	-36%	86.0
Increase (-) or decrease (+) in receivables from operating activities	-74.7	-80.6	7%	-542.7
Increase (+) or decrease (-) in liabilities from operating activities	139.5	169.9	-18%	1,033.0
Total cash flow from operating activities	74.2	104.0	-29%	576.2
Cash flow from investing activities				
Acquisition of the Taaleri Wealth Management Ltd	-	-	-	-113.7
Investment in investment properties	-	0.0	-	-3.8
Proceeds from sale of investment properties	-	-	-	0.9
Investment in tangible and intangible assets	-2.0	-3.0	35%	-9.7
Proceeds from sale of tangible and intangible assets	0.1	0.0	-	0.1
Acquisition of and capital loan to associated companies	-2.0	-0.2	-	-0.3
Total cash flow from investing activities	-3.9	-3.2	-21%	-126.4
Cash flow from financing activities				
Subordinated liabilities	-13.3	-30.9	57%	-7.8
Share issue	-	-	-	13.9
Additional Tier 1 (AT1) capital issue	-	-	-	59.5
Divestment of treasury shares	1.6	1.0	50%	1.0
Paid dividends	-	-36.8	-	-67.7
Total cash flow from financing activities	-11.7	-66.6	82%	-1.0
Change in cash and cash equivalents	58.6	34.2	71%	448.8
Cash and cash equivalents at the beginning of the year	734.9	276.6	166 %	276.6
Cash and cash equivalents at the end of the period	793.5	310.8	155 %	734.9
Cash and cash equivalents from the acquisition of Taaleri Wealth Management Ltd	-	-	-	9.5
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	0.9	0.7	33 %	0.9
Bank of Finland current account excl. the minimum reserve deposit in Bank of Finland	730.8	290.0	152 %	680.3
Repayable on demand claims on credit institutions	61.8	20.2	207 %	53.7
Total	793.5	310.8	155 %	734.9
Adjustment items not included in cash flow consist of:				
Impairment of interest-bearing securities	0.1	-0.2	-	-0.4
Unrealised change in value for financial assets measured at fair value through income statement	6.2	-0.5	-	-7.9
Impairment of credits and other commitments	-0.3	2.2	-	4.5
Change in fair values	-4.6	2.7	-	4.6
Depreciation and impairment of tangible and intangible assets	4.7	3.2	47 %	16.6
Sales gains and losses from tangible and intangible assets	-	-	-	-0.3
Unwound fair value hedging	-0.5	-0.5	0 %	-2.0
Change in fair values of investment properties	-0.1	-1.4	95 %	-2.4
Change in share-based payments	-0.9	-1.5	42 %	0.8
Other adjustments	0.2	0.3	-52 %	0.7
Total	4.8	4.3	12 %	14.2

Quarterly trends in the Group

(EUR million)						
Income statement	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Net interest income	25.1	24.1	23.1	27.7	21.3	96.2
Dividends	0.0	0.0	0.0	0.3	0.0	0.4
Net commission income	31.3	33.7	33.5	31.7	25.0	124.0
Net income from life insurance	1.8	7.6	9.7	10.5	9.9	37.7
Net income from financial transactions	0.7	0.0	0.4	2.9	1.3	4.7
Other operating income	0.1	0.1	0.2	0.2	0.3	0.8
Total operating income	59.0	65.5	67.1	73.3	57.9	263.8
Staff costs	-21.3	-22.2	-21.9	-22.0	-17.6	-83.7
IT expenses	-7.6	-9.1	-7.5	-7.6	-6.4	-30.7
Depreciation of tangible and intangible assets	-5.9	-6.0	-5.7	-5.3	-4.4	-21.5
Other operating expenses	-11.2	-7.9	-6.5	-13.9	-10.3	-38.6
Total operating expenses	-45.9	-45.2	-41.6	-48.8	-38.7	-174.4
Impairment of credits and other commitments	0.3	0.1	-1.0	-1.4	-2.2	-4.5
Share of profit from associated companies	0.1	-0.1	-0.1	-0.1	0.0	-0.3
Operating profit	13.5	20.3	24.4	23.0	16.9	84.6
Taxes	-2.5	-4.0	-5.0	-5.4	-2.9	-17.3
Profit for the period	11.0	16.3	19.4	17.7	14.0	67.4
Attributable to:						
Shareholders in Aktia Bank Plc	11.0	16.3	19.4	17.1	14.0	66.8
Holders of Additional Tier 1 capital	-	-	-	0.5	-	0.5
Total	11.0	16.3	19.4	17.7	14.0	67.4
Earnings per share (EPS), EUR	0.15	0.23	0.28	0.24	0.20	0.95
Earnings per share (EPS) after dilution, EUR	0.15	0.23	0.28	0.24	0.20	0.95
Operating profit excluding items affecting comparability:	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Operating profit	13.5	20.3	24.4	23.0	16.9	84.6
Operating income:						
Additional income from divestment of Visa Europe to Visa Inc	-0.2	-	-0.5	-	-	-0.5
Operating expenses:						
Costs for restructuring	-	0.4	-	3.0	-	3.3
Comparable operating profit	13.3	20.7	23.8	26.0	16.9	87.4

(EUR million)						
Comprehensive income	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Profit for the period	11.0	16.3	19.4	17.7	14.0	67.4
Other comprehensive income after taxes:						
Change in fair value for financial assets	-27.8	-4.1	-0.5	-2.3	-4.6	-11.4
Change in fair value for cash flow hedging	0.0	-0.1	0.0	0.0	0.0	-0.1
Transferred to the income statement for financial assets	0.3	-0.2	-0.7	-1.8	-0.8	-3.5
Comprehensive income from items which can be transferred to the income statement	-27.5	-4.3	-1.2	-4.1	-5.5	-15.1
Defined benefit plan pensions	-	-0.1	-	-	-	-0.1
Comprehensive income from items which can not be transferred to the income statement	-	-0.1	-	-	-	-0.1
Total comprehensive income for the period	-16.5	11.8	18.2	13.6	8.5	52.2
Total comprehensive income attributable to:						
Shareholders in Aktia Bank Plc	-16.5	11.8	18.2	13.1	8.5	51.6
Holders of Additional Tier 1 capital	-	-	-	0.5	-	0.5
Total	-16.5	11.8	18.2	13.6	8.5	52.2
Total earnings per share, EUR	-0.23	0.16	0.26	0.19	0.12	0.73
Total earnings per share after dilution, EUR	-0.23	0.16	0.26	0.19	0.12	0.73
Total comprehensive income excluding items affecting comparability:	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Total comprehensive income	-16.5	11.8	18.2	13.6	8.5	52.2
Operating income:						
Additional income from divestment of Visa Europe to Visa Inc	-0.1	-	-0.4	-	-	-0.4
Operating expenses:						
Costs for restructuring	-	0.3	-	2.4	-	2.6
Comparable total comprehensive income	-16.7	12.1	17.7	16.0	8.5	54.4

Quarterly trends in the segments

Banking Business	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Net interest income	19.5	18.9	18.2	18.7	17.6	73.4
Net commission income	15.1	15.4	15.1	15.1	14.2	59.8
Other operating income	0.0	0.0	0.0	0.1	0.2	0.3
Total operating income	34.6	34.3	33.3	33.9	32.0	133.5
Staff costs	-3.4	-6.9	-4.0	-5.0	-3.9	-19.9
Other operating expenses ¹	-23.0	-17.6	-18.8	-21.2	-20.8	-78.5
Total operating expenses	-26.5	-24.5	-22.8	-26.2	-24.7	-98.3
Impairment of credits and other commitments	0.3	0.1	-1.0	-1.4	-2.2	-4.5
Operating profit	8.4	9.9	9.5	6.3	5.0	30.7
Comparable operating profit	8.4	10.0	9.5	7.5	5.0	32.0
Asset Management	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Net interest income	0.5	0.4	0.4	0.4	0.4	1.6
Net commission income	17.8	20.0	20.2	18.5	12.4	70.9
Net income from life insurance	0.9	6.5	8.7	9.5	8.9	33.6
Other operating income	0.1	0.1	0.3	0.3	0.1	0.8
Total operating income	19.4	27.0	29.5	28.6	21.8	106.9
Staff costs	-7.0	-7.1	-7.3	-6.2	-4.5	-25.0
Other operating expenses ¹	-10.6	-11.4	-9.7	-12.4	-7.6	-41.2
Total operating expenses	-17.6	-18.5	-17.0	-18.6	-12.0	-66.2
Operating profit	1.7	8.4	12.6	10.0	9.7	40.7
Comparable operating profit	1.7	8.6	12.6	11.7	9.7	42.7
Group Functions	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	2021
Net interest income	5.1	4.8	4.5	8.5	3.3	21.3
Net commission income	1.5	1.3	1.4	1.2	1.4	5.3
Other operating income	0.7	0.1	0.4	3.2	1.4	5.1
Total operating income	7.3	6.2	6.4	12.9	6.2	31.6
Staff costs	-10.8	-8.2	-10.7	-10.8	-9.2	-38.9
Other operating expenses ¹	6.8	4.1	6.6	4.7	5.2	20.6
Total operating expenses	-4.1	-4.1	-4.0	-6.1	-4.0	-18.2
Impairment of credits and other commitments	-	-	0.0	-	-	0.0
Operating profit	3.2	2.1	2.4	6.8	2.1	13.4
Comparable operating profit	3.1	2.2	1.9	6.8	2.1	13.0

1) The net expenses for central functions are allocated from the Group Functions to the business segment's Banking Business and Asset Management. This cost allocation is included in the segments' other operating 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 2022 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 Aktia Group's Financial Statements 2021 and other supplementary reports (mainly the Financial Review 2021 and the Pillar III Report 2021). 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 2022 was approved by the Board of Directors on 11 May 2022.

Key accounting principles

In preparing the interim report the Group has followed the accounting principles applicable to the Annual report of 31 December 2021.

No new or adjusted IFRS standards have been implemented this year.

The following new and amended IFRSs will affect the reporting of future transactions and business:

The reporting of insurance contracts is regulated in IFRS 4 and will in the future be replaced by the new standard IFRS 17. IFRS 17 means new starting points for reporting and measurement of insurance contracts as well as rules on how insurance contracts are presented in the notes. The aim of the new standard is to increase transparency, give a more accurate picture of the results of the insurance contracts and to reduce the differences in accounting between different insurance contracts. The new standard introduces uniform valuation principles based on three measurement approaches: the building block approach, the premium allocation approach, and the variable fee approach. IFRS 17 prescribes the building block approach for the valuation of insurance contracts, whereby the insurance commitment is measured based on expected present values of future cash flows, with consideration given to risk and a profit margin. The two other valuation approaches can be applied under certain conditions. The choice of valuation approach depends on the terms of the contract (long-term, shortterm or profit-yielding). A project for the implementation of IFRS 17 is ongoing and currently the financial impact of the new standard is being evaluated. The impact of the new standard on the Group's result and financial position, and the transitional method chosen by Aktia will be described in the interim report Q3/2022, at the latest. The IFRS 17 standard was approved by the EU on 23 November 2021 and will be compulsory in the EU on 1 January 2023. The Aktia Group will implement IFRS 17 when the standard becomes compulsory within the EU.

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

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 Ltd, and forms a consolidated group in accordance with the capital adequacy regulations.

(EUR million)	31 March 2022		31 December 2021		31 March 2021	
	Group	Bank Group	Group	Bank Group	Group	Bank Group
Calculation of the Bank Group's capital base						
Total assets	11,730.5	10,155.2	11,653.3	9,993.9	10,674.2	9,154.6
of which intangible assets	170.7	169.5	174.0	172.8	56.5	55.7
Total liabilities	11,007.8	9,511.1	10,914.9	9,361.7	10,035.7	8,611.1
of which subordinated liabilities	134.4	81.2	150.0	94.5	127.3	127.3
Share capital	169.7	169.7	169.7	169.7	169.7	169.7
Fund at fair value	-21.3	-17.9	6.2	4.2	15.8	12.4
Restricted equity	148.4	151.8	175.9	173.9	185.5	182.1
Unrestricted equity reserve and other funds	142.9	142.9	142.5	142.4	115.3	115.2
Retained earnings	361.0	256.9	352.6	266.1	323.6	237.2
Profit for the period	11.0	33.0	67.4	49.8	14.0	9.0
Unrestricted equity	514.8	432.8	562.5	458.3	452.9	361.4
Shareholders' share of equity	663.3	584.6	678.9	572.7	638.5	543.5
Holders of other Tier 1 capital	59.5	59.5	59.5	59.5	-	-
Equity	722.7	644.1	738.4	632.2	638.5	543.5
Total liabilities and equity	11,730.5	10,155.2	11,653.3	9,993.9	10,674.2	9,154.6
Off-balance sheet commitments	747.6	723.7	737.6	712.8	695.0	686.4
The Bank Group's equity		644.1		632.2		543.5
Provision for dividends to shareholders		-8.8		-40.2		-
Profit for the period, for which no application was filed with the Financial Supervisory Authority		-		-		-9.0
Intangible assets		-158.8		-162.3		-55.7
Debentures		69.7		70.6		76.9
Additional expected losses according to IRB		-24.1		-24.4		-27.7
Deduction for significant holdings in financial sector entities		-14.1		-12.1		-4.0
Other incl. unpaid dividend		-51.9		-4.1		-29.3
Total capital base (CET1 + AT1 + T2)		456.0		459.7		494.8

1) Based on the CRR regulation

The calculation of own funds doesn't include the treatment of article 468 of EU regulation 2020/873 (so called CRR quick fix). The article introduces a temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income in view of the COVID-19 pandemic.

(EUR million)	30 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
The Bank Group's capital adequacy					
Common Equity Tier 1 Capital before regulatory adjustments	523.4	520.2	507.9	512.4	505.2
Common Equity Tier 1 Capital regulatory adjustments	-197.1	-191.1	-199.4	-200.8	-87.4
Total Common Equity Tier 1 Capital (CET1)	326.3	329.1	308.5	311.6	417.9
Additional Tier 1 capital before regulatory adjustments	60.0	60.0	60.0	60.0	-
Additional Tier 1 capital regulatory adjustments	-	-	-	-	-
Additional Tier 1 capital after regulatory adjustments (AT1)	60.0	60.0	60.0	60.0	-
Total Tier 1 capital (T1 = CET1 + AT1)	386.3	389.1	368.5	371.6	417.9
Tier 2 capital before regulatory adjustments	69.7	70.6	72.1	74.3	76.9
Tier 2 capital regulatory adjustments	-	-	-	-	-
Total Tier 2 capital (T2)	69.7	70.6	72.1	74.3	76.9
Total own funds (TC = T1 + T2)	456.0	459.7	440.7	445.9	494.8
Risk weighted exposures	3,072.1	2,940.6	2,969.2	2,885.7	3,035.8
of which credit risk, the standardised model	662.2	560.4	606.4	589.1	654.7
of which credit risk, the IRB model	1,989.1	1,959.3	1,954.0	1,887.9	2,021.7
of which 15% risk-weight floor for residential mortgages	-	-	-	-	-
of which market risk	-	-	-	-	-
of which operational risk	420.9	420.9	408.8	408.8	359.5
Own funds requirement (8%)	245.8	235.2	237.5	230.9	242.9
Own funds buffer	210.2	224.5	203.1	215.0	251.9
CET1 Capital ratio	10.6 %	11.2 %	10.4 %	10.8 %	13.8 %
T1 Capital ratio	12.6 %	13.2 %	12.4 %	12.9 %	13.8 %
Total capital ratio	14.8 %	15.6 %	14.8 %	15.5 %	16.3 %
Own funds floor (CRR article 500)					
Own funds	456.0	459.7	440.7	445.9	494.8
Own funds floor ¹	239.8	235.3	244.5	236.7	232.3
Own funds buffer	216.2	224.4	196.2	209.2	262.5

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)	2019	2020	2021	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Risk-weighted amount for operational risks								
Gross income	219.0	213.8	240.5					
- average 3 years			224.5					
Capital requirement for operational risk				33.7	33.7	32.7	32.7	28.8
Risk-weighted amount				420.9	420.9	408.8	408.8	359.5

The capital requirement for operational risk is 15% of average gross income for the last three years.

The risk-weighted amount for operational risk is calculated by dividing the capital requirement by 8%.

31 March 2021

(EUR million)	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital requirement 8%
The Bank Group's total risk exposures					
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,020.7	934.5	64 %	594.2	47.5
Corporates - Other	664.8	610.0	73 %	444.2	35.5
Retail - Secured by immovable property non-SME	4,952.9	4,946.6	13 %	653.9	52.3
Retail - Secured by immovable property SME	135.8	135.2	48 %	65.3	5.2
Retail - Other non-SME	247.6	238.1	34 %	81.8	6.5
Retail - Other SME	57.5	55.8	75 %	42.0	3.4
Risk-weight floor for residential mortgages, 15%	-	-	-	-	-
Equity exposures	39.5	39.5	273 %	107.7	8.6
Total exposures, IRB approach	7,118.7	6,959.6	29 %	1,989.1	159.1
Credit risk, standardised approach					
States and central banks	981.0	1,046.6	0 %	-	-
Regional governments and local authorities	155.1	152.3	0 %	0.3	0.0
Multilateral development banks	-	23.2	0 %	-	-
International organisations	25.6	25.6	0 %	-	-
Credit institutions	241.4	238.2	21 %	49.5	4.0
Corporates	171.9	78.9	93 %	73.5	5.9
Retail exposures	272.2	118.3	70 %	82.8	6.6
Secured by immovable property	835.4	816.6	30 %	247.5	19.8
Past due items	4.7	3.5	112 %	4.0	0.3
Covered Bonds	855.5	855.5	11 %	98.1	7.8
Other items	131.1	131.1	65 %	85.5	6.8
Total exposures, standardised approach	3,673.9	3,489.7	18 %	641.3	51.3
Total risk exposures	10,792.6	10,449.3	25 %	2,630.4	210.4

31 December 2021

(EUR million)	Contractual exposure	Exposure at default	Risk weight, %	Risk-weighted amount	Capital requirement 8%
The Bank Group's total risk exposures					
Exposure class					
Credit risk, IRB approach					
Corporates - SME	1,007.1	921.1	63 %	579.5	46.4
Corporates - Other	667.6	616.3	70 %	432.5	34.6
Retail - Secured by immovable property non-SME	4,952.6	4,946.1	13 %	665.3	53.2
Retail - Secured by immovable property SME	139.5	138.7	49 %	68.6	5.5
Retail - Other non-SME	232.3	223.0	32 %	71.3	5.7
Retail - Other SME	49.0	47.0	79 %	37.0	3.0
Risk-weight floor for residential mortgages, 15%	-	-	-	-	-
Equity exposures	39.5	39.5	266 %	105.1	8.4
Total exposures, IRB approach	7,087.4	6,931.7	28 %	1,959.3	156.7
Credit risk, standardised approach					
States and central banks	942.1	1,007.0	0 %	-	-
Regional governments and local authorities	227.2	212.6	0 %	0.3	0.0
Multilateral development banks	-	22.6	0 %	-	-
International organisations	20.1	20.1	0 %	-	-
Credit institutions	203.6	200.5	21 %	43.1	3.4
Corporates	100.0	20.3	81 %	16.5	1.3
Retail exposures	268.2	110.8	71 %	78.8	6.3
Secured by immovable property	786.6	767.2	30 %	231.8	18.5
Past due items	5.7	4.4	108 %	4.7	0.4
Covered Bonds	814.8	814.8	11 %	86.3	6.9
Other items	131.5	131.5	60 %	79.2	6.3
Total exposures, standardised approach	3,499.9	3,311.8	16 %	540.7	43.3
Total risk exposures	10,587.3	10,243.4	28 %	2,499.9	200.0

The finance and insurance conglomerates capital adequacy

(EUR million)	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Summary					
The Group's equity	722.7	738.4	756.0	722.8	638.5
Sector-specific assets	125.7	126.6	75.3	77.7	80.5
Intangible assets and other reduction items	-214.4	-220.1	-262.1	-262.1	-141.1
Conglomerate's total capital base	634.0	644.9	569.1	538.4	577.8
Capital requirement for banking business	352.0	335.8	339.7	329.8	344.6
Capital requirement for insurance business	98.9	108.9	112.3	113.1	110.7
Minimum amount for capital base	450.8	444.7	452.0	442.9	455.3
Conglomerate's capital adequacy	183.2	200.2	117.1	95.5	122.5
Capital adequacy ratio, %	140.6 %	145.0 %	125.9 %	121.6 %	126.9 %

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

Note 3. Net interest income

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ %	2021
Borrowing and lending	23.4	20.7	13 %	86.3
Liquidity portfolio	1.0	1.4	-28 %	5.1
Hedging measures through interest rate derivatives	0.4	0.5	-33 %	1.8
Other, incl. funding from wholesale market	0.3	-1.3	-	3.1
Total	25.1	21.3	18 %	96.2

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 2022	Jan-Mar 2021	Δ %	2021
Premiums written	45.5	38.7	18 %	151.9
Net income from investments	-2.5	6.4	-	21.3
<i>of which change in ECL impairment</i>	-0.1	0.1	-	0.1
<i>of which unrealised value changes for shares and participations</i>	-6.2	0.5	-	7.7
<i>of which unrealised value changes for investment properties</i>	0.1	1.4	-95 %	3.1
Insurance claims paid	-27.3	-25.3	-8 %	-98.0
Net change in technical provisions	-13.9	-9.9	-40 %	-37.5
Total	1.8	9.9	-82 %	37.7

Note 5. Net income from financial transactions

(EUR million)	Jan-Mar 2022	Jan-Mar 2021	Δ %	2021
Net income from financial assets measured at fair value through income statement	0.0	0.2	-88 %	0.2
Net income from securities and currency operations	0.3	0.1	99 %	0.8
<i>of which unrealised value changes in shares and participations</i>	-	0.1	-	0.2
Net income from financial assets measured at fair value through other comprehensive income	0.5	0.9	-48 %	4.0
<i>of which change in ECL impairment</i>	-0.1	0.1	-	0.3
Net income from interest-bearing securities measured at amortised cost	0.0	0.0	48 %	0.1
<i>of which change in ECL impairment</i>	0.0	0.0	48 %	0.1
Net income from hedge accounting	-0.1	0.1	-	-0.4
Total	0.7	1.3	-46 %	4.7

Note 6. Derivative instruments

Hedging derivative instruments (EUR million)	31 March 2022		
	Total nominal amount	Assets, fair value	Hedging derivative instruments (EUR million)
Fair value hedging			
Interest rate-related	3,403.8	18.9	86.0
Total	3,403.8	18.9	86.0
Cash Flow hedging			
Interest rate-related	259.2	5.5	0.0
Total	259.2	5.5	0.0
Derivative instruments valued through the income statement			
Interest rate-related ¹	60.0	1.5	1.5
Currency-related	23.5	0.1	0.0
Total	83.5	1.5	1.5
Total derivative instruments			
Interest rate-related	3,723.0	25.9	87.5
Currency-related	23.5	0.1	0.0
Total	3,746.6	26.0	87.5

Hedging derivative instruments (EUR million)	31 December 2021		
	Total nominal amount	Assets, fair value	Hedging derivative instruments (EUR million)
Fair value hedging			
Interest rate-related	3,303.3	31.1	17.4
Total	3,303.3	31.1	17.4
Cash Flow hedging			
Interest rate-related	240.2	5.3	-
Total	240.2	5.3	-
Derivative instruments valued through the income statement			
Interest rate-related ¹	70.0	3.1	3.1
Currency-related	1.9	0.0	0.0
Total	71.9	3.1	3.1
Total derivative instruments			
Interest rate-related	3,613.5	39.6	20.5
Currency-related	1.9	0.0	0.0
Total	3,615.4	39.6	20.5

¹) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 60.0 (70.0) 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 2022				
Interest-bearing securities	1,529.3	0.9	-	1,530.2
Lending	7,310.6	293.8	96.1	7,700.5
Off-balance sheet commitments	745.1	1.9	0.5	747.6
Total	9,585.1	296.6	96.6	9,978.3

Book value of financial assets 31 December 2021				
Interest-bearing securities	1,493.4	-	-	1,493.4
Lending	7,157.6	300.4	93.6	7,551.7
Off-balance sheet commitments	721.4	14.3	1.9	737.6
Total	9,372.5	314.7	95.5	9,782.7

Impairment of credits and other commitments

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of credits and the other commitments 1 January 2022	3.9	3.7	24.8	32.4
Transferred from stage 1 to stage 2	-0.1	0.6	-	0.5
Transferred from stage 1 to stage 3	0.0	-	0.3	0.3
Transferred from stage 2 to stage 1	0.0	-0.3	-	-0.3
Transferred from stage 2 to stage 3	-	-0.3	0.7	0.3
Transferred from stage 3 to stage 1	0.0	-	-0.2	-0.2
Transferred from stage 3 to stage 2	-	0.1	-0.1	-0.1
Increases due to origination and acquisition	0.3	0.0	0.0	0.3
Decrease due to recognition	-0.2	-0.1	-0.8	-1.2
Changes due to updated calculation method	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-0.5	-0.5
Other changes	0.1	-0.1	0.0	-0.1
Impairment of credits and the other commitments 31 March 2022	4.0	3.6	24.0	31.6
<i>of which provisions</i>	<i>1.0</i>	<i>0.0</i>	<i>0.1</i>	<i>1.1</i>

Impairment of interest-bearing securities

(EUR million)	Stage 1	Stage 2	Stage 3	Total
Impairment of interest-bearing securities 1 January 2022	0.4	-	0.3	0.7
Transferred from stage 1 to stage 2	0.0	0.0	-	0.0
Decrease due to recognition	-0.4	-	-	-0.4
Decrease in allowance account due to write-offs	0.0	0.0	-0.3	-0.3
Other changes	0.4	0.0	0.0	0.4
Impairment of interest-bearing securities 31 March 2022	0.5	0.0	0.0	0.5

The model-based reservations regarding healthy credits in stage 1 and stage 2 were at the same level as on 31 December 2021.

Note 8. Financial assets and liabilities

Fair value of financial assets and liabilities

(EUR million)	31 March 2022		31 December 2021	
	Book value	Fair value	Book value	Fair value
Financial assets				
Financial assets measured at fair value through income statement	1,359.5	1,359.5	1,451.8	1,451.8
Financial assets measured at fair value through other comprehensive income	1,071.8	1,071.8	1,107.0	1,107.0
Interest-bearing securities measured at amortised cost	458.4	465.3	386.5	408.8
Loans and other receivables	7,700.5	7,709.1	7,551.7	7,558.6
Cash and balances with central banks	781.9	781.9	732.8	732.8
Derivative instruments	26.0	26.0	39.6	39.6
Total	11,398.1	11,413.6	11,269.3	11,298.5
Financial liabilities				
Deposits	5,587.7	5,567.1	5,425.8	5,416.9
Derivative instruments	87.5	87.5	20.5	20.5
Debt securities issued	3,026.8	3,068.4	3,060.3	3,095.5
Subordinated liabilities	134.4	132.5	150.0	150.4
Other liabilities to credit institutions	12.7	12.7	14.0	14.1
Other liabilities to the public and public sector entities	522.0	522.1	506.0	506.6
Liabilities for right-of-use assets	24.9	24.9	24.5	24.5
Total	9,396.0	9,415.3	9,201.2	9,228.6

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

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

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

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

Measurement of financial assets at fair value

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

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

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

(EUR million)	31 March 2022				31 December 2021			
	Market value classified into				Market value classified into			
Financial instruments measured at fair value	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through income statement								
Investments for unit-linked investments	1,086.7	-	-	1,086.7	1,154.0	-	-	1,154.0
Interest-bearing securities	20.9	65.7	0.1	86.8	21.9	72.6	0.1	94.6
Shares and participations	119.0	0.0	67.1	186.0	140.4	-	62.8	203.2
Total	1,226.6	65.7	67.1	1,359.5	1,316.3	72.6	62.9	1,451.8
Financial assets measured at fair value through other comprehensive income								
Interest-bearing securities	939.5	57.6	74.7	1,071.8	967.2	64.7	75.1	1,107.0
Shares and participations	-	-	-	-	-	-	-	-
Total	939.5	57.6	74.7	1,071.8	967.2	64.7	75.1	1,107.0
Derivative instruments, net	0.0	-61.6	-	-61.5	0.0	19.1	-	19.1
Total	0.0	-61.6	-	-61.5	0.0	19.1	-	19.1
Total	2,166.2	61.7	141.9	2,369.8	2,283.4	156.4	138.0	2,577.9

Transfers between level 1 and level 2

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

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

Changes within level 3

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

Reconciliation of changes for financial instruments belonging to level 3 (EUR million)	Financial assets measured at fair value through income statement			Financial assets measured at fair value through other comprehensive income			Total		
	Interest-bearing securities	Shares and participations	Total	Interest-bearing securities	Shares and participations	Total	Interest-bearing securities	Shares and participations	Total
Carrying amount 1 January 2022	0.1	62.8	62.9	75.1	-	75.1	75.2	62.8	138.0
New purchases	0.1	13.0	13.1	-	-	-	-	13.0	13.0
Sales	-	-0.3	-0.3	-	-	-	-	-0.3	-0.3
Unrealised value change in the income statement	-	3.2	3.2	-	-	-	-	3.2	3.2
Value change recognised in total comprehensive income	-	-	-	-0.1	-	-0.1	-0.1	-	-0.1
Transfer from level 1 and 2	-	-	-	-	-	-	-	-	-
Transfer to level 1 and 2	-	-	-	-	-	-	-	-	-
Carrying amount									
Carrying amount 31 March 2022	0.2	78.7	78.9	75.0	-	75.0	75.1	78.7	153.8

Set off of financial assets and liabilities

(EUR million)	31 March 2022		31 December 2021	
	Derivatives	Reverse repurchase agreements	Derivatives	Reverse repurchase agreements
Assets				
Financial assets included in general agreements on set off or similar agreements	26.0	-	39.6	-
Carrying amount in the balance sheet	26.0	-	39.6	-
Amount not set off but included in general agreements on set off or similar	15.9	-	5.1	-
Collateral assets	12.1	-	34.3	-
Amount not set off in the balance sheet	28.1	-	39.5	-
Net amount	-2.1	-	0.1	-
Liabilities				
Financial liabilities included in general agreements on set off or similar agreements	87.5	-	20.5	-
Carrying amount in the balance sheet	87.5	-	20.5	-
Amount not set off but included in general agreements on set off or similar	15.9	-	5.1	-
Collateral liabilities	38.6	-	12.0	-
Amount not set off in the balance sheet	54.5	-	17.2	-
Net amount	33.0	-	3.3	-

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 March 2022	31 December 2021	31 March 2021
Deposits from the public and public sector entities	4,698.9	4,503.3	4,370.6
Short-term liabilities, unsecured debts¹			
Banks	76.7	88.2	89.9
Certificates of deposits issued and money market deposits	712.5	649.1	234.3
Total	789.2	737.3	324.2
Short-term liabilities, secured debts (collateralised)¹			
Banks - received cash in accordance with collateral agreements	12.1	34.3	54.4
Repurchase agreements - banks	0.0	0.0	-
Total	12.1	34.3	54.4
Total short-term liabilities	801.3	771.6	378.6
Long-term liabilities, unsecured debts²			
Issued debts, senior financing	1,384.7	1,383.8	1,257.3
Other credit institutions	9.7	11.0	15.2
Subordinated debts	81.2	94.5	127.3
AT1 loan (Additional Tier 1 capital) ³	60.0	60.0	-
Total	1,535.5	1,549.3	1,399.8
Long-term liabilities, secured debts (collateralised)²			
Central bank and other credit institutions	803.0	803.0	658.0
Issued Covered Bonds	1,451.7	1,533.5	1,613.4
Total	2,254.7	2,336.5	2,271.4
Total long-term liabilities	3,790.2	3,885.7	3,671.2
Interest-bearing liabilities in the banking business	9,290.4	9,160.6	8,420.4
Technical provisions in the life insurance business	1,488.8	1,568.2	1,456.1
Subordinated debts in the life insurance business	53.2	55.6	-
Total other non interest-bearing liabilities	235.4	190.5	159.6
Total liabilities	11,067.8	10,974.9	10,036.1

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

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

3) AT1 loan (Additional Tier 1 capital), issued during the second quarter 2021 is recognised within equity

Note 10. Collateral assets and liabilities

Collateral assets (EUR million)	31 March 2022	31 December 2021	31 March 2021
Collateral for own liabilities			
Securities	426.2	425.8	424.5
Outstanding loans constituting security for Covered Bonds	2,740.2	2,774.2	2,364.0
Total	3,166.5	3,200.0	2,788.4
Other collateral assets			
Pledged securities ¹	1.3	1.4	1.4
Cash included in pledging agreements and repurchase agreements	38.6	12.0	7.0
Total	40.0	13.4	8.3
Total collateral assets	3,206.4	3,213.3	2,796.7
Collaterals above refers to the following liabilities			
Liabilities to credit institutions ²	803.0	803.0	658.0
Issued Covered Bonds ³	1,451.7	1,533.5	1,613.4
Derivatives	38.6	12.0	6.9
Total	2,293.3	2,348.5	2,278.3

1) Refers to securities pledged for the intra day limit. As at 31 March 2022, a surplus of pledged securities amounted to EUR 6.4 (11.7) million.

2) Refers to liabilities to the central bank, the European Investment Bank and to repurchase agreements with standardised GMRA (Global Master Repurchase Agreement) terms and conditions.

3) Own repurchases deducted.

Collateral liabilities (EUR million)	31 Mars 2022	31 December 2021	31 Mars 2021
Cash included in pledging agreements ¹	12.1	34.3	54.4
Total	12.1	34.3	54.4

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

Helsinki 11 May 2022

Aktia Bank Plc
The Board of Directors

Report on review of the interim report of Aktia Bank plc as of and for the three months period ending March 31, 2022

To the Board of Directors of Aktia Bank plc

Introduction

We have reviewed the balance sheet as of March 31, 2022 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 11 May 2022

KPMG OY AB
Marcus Tötterman
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Webcast from the results event

A live webcast from the results event will take place on 11 May 2022 at 10.30 a.m. CEO Mikko Ayub and CFO Outi Henriksson will present the results. The event is held in English and can be seen live at <https://aktia.videosync.fi/2022-q1-results>. A recording of the webcast will be available at www.aktia.com after the event.

Financial calendar

Half-year Report January–June 2022.....5 August 2022
Interim Report January–September 2022.....4 November 2022