

Aktia Savings Bank plc

Interim Report

1 January - 31 March 2005

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Interim Report 1 January - 31 March 2005

Growth with improved profitability

The period in brief

- The Group's net operating profit increased by 10.0% to EUR 10.7 million (EUR 9.7 million January-March 2004)
- Total income remained at the same level as last year, EUR 29.1 million
- Total costs fell by 2.2% to EUR 18.9 million
- Cost/income ratio improved and was 0.65 (0.66)
- Return on equity (ROE) rose to 15.2% (13.9%)
- Profit per share rose to EUR 0.23 (0.19)
- Saving by households (deposits + mutual fund capital) rose by 10.1% to EUR 2,283 million
- Assets under management by Aktia Asset Management rose by 47.5% to EUR 1,226 million
- Loans to households increased by 12.0% to EUR 2,378 million
- Mortgage loan stock increased from EUR 283 to 491 million (+73.5%)
- Aktia Real Estate Mortgage Bank plc implemented its second covered bond issue on the Euromarket

Amended accounting policies

According to the European Union directive, listed companies in member countries must apply International Financial Reporting Standards (IFRS) from the beginning of 2005. Preparations are in progress within Aktia for transition to IFRS from 2007 onward.

Amended regulations governing the banks' accounting practice, such as the Credit Institutions Act, came into force on 1 January 2005. These regulations give the banks an opportunity to balance their books in accordance with the IFRS standards. However, the change in the Credit Institutions Act requires the bank to enter the financial assets at actual value in a way that satisfies the IFRS standards, although the bank does not apply the IFRS standards in other respects. During the transition period up to 2007, Aktia will only apply the IFRS standards to the extent required by the Credit Institutions Act.

The principal change for Aktia from the 2005 financial year onward applies to the financial assets classified as available for sale, which must all be marked at market value. Unlike previously, unrealised profit should also be entered. Both unrealised profit and unrealised losses are entered not over the profit and loss account but directly against the fair value reserve under equity capital.

By virtue of applicable legislation and the IFRS 1 transition standard, the opportunity to present comparative figures for the financial assets and their valuation as per previously applied accounting policies has been utilised. If the new accounting policies had been applied in 2004, the operating profit for the entire year would have been EUR 0.6 million higher.

Financial result

The Group's operating profit rose during the first quarter to EUR 10.7 million, an increase of 1.0 million (+10.0%) from the corresponding period of the previous year. Most of this improvement in financial performance is attributable to a lower level of costs.

Growth in volume continued. Both total saving and total lending grew faster than during the corresponding period of the previous year.

Loan losses were again low. In net terms, a positive result of EUR 0.2 million was booked for the period.

The share of profits from affiliates increased to EUR 0.3 million.

Profit for the reporting period rose to EUR 8.1 million, an increase of EUR 1.3 million (+19.7%). The Group's profitability improved, and the return on equity (ROE) rose to 15.2% (13.9%).

Income

The Group's total income fell by 0.2 (-0.6%) to EUR 29.1 million

The low interest rates continued to have a considerable negative impact on the operating net interest income. The customer margins continued to diminish for both lending and deposits. Despite this, the Group's net interest income rose by EUR 1.2 million (+7.1%) to EUR 18.8 million. Hedging operations improved the net interest income by EUR 2.0 (1.4) million during the period.

The reduction in income from equity investments of EUR 0,4 million is due to changed taxation of dividends on abolition of the corporate tax credit system.

Commission income fell by EUR 1.0 million (-10.6%) to EUR 8.5 million. Commission income from funds and asset management showed a clear increase, while commission income from payment services and brokering fell. The decrease in payment services commission is largely connected with the transition to the Otto dispenser system. On the other hand, the change is also reflected as a cost reduction under other operating expenses.

Net income from securities and currency trading fell to EUR 0.3 (1.2) million due to non-recurring income in last year's result.

Other operating income totalled EUR 0.6 (0.2) million, an increase of EUR 0.4 million compared with the corresponding period of 2004. A large part of this improvement is related to real estate divestments.

Expenses

The Group's total costs fell by EUR 0.4 million (-2.2%) to EUR 18.9 million compared with the previous year.

Personnel costs increased by 5.2% to EUR 9.5 (9.0) million. The number of employees (converted into full-time employees) totalled 680 at the end of March, which was 5 fewer than at the corresponding point last year. However, since 31 December 2004 the number of full-time resources has increased by 3.

Other administrative expenses increased by 4.1% to EUR 5.8 (5.6) million.

Planned depreciation continued to decrease, from EUR 1.7 million to EUR 1.1 million. This reduction is primarily due to previously performed basic repairs, which were finally written off in 2004.

Other operating expenses fell by EUR 0.5 million (-15.3%) from the corresponding period of 2004, amounting to EUR 2.5 million. The largest portion of the cost reduction relates to lower rental expenses in connection with the transition to the Otto dispenser system.

Balance sheet and off-balance sheet commitments

On 31 March 2005, the Group's balance sheet total stood at EUR 4,215 (3,607) million. The increase is attributable to growth in lending and improved liquidity. Off-balance sheet commitments totalled EUR 280 (289) million.

Saving and lending

The volume of business continued to grow. Both deposits and total saving grew faster than during the corresponding period of the previous year. Deposits by the public increased by 10.4% to EUR 2,191 million. Total saving (deposits + mutual fund capital) grew even stronger, increasing by 11.2% to EUR 3,008 million.

Saving by households (deposits + mutual funds) also showed a clear increase of 10.1% to EUR 2,283 million. Deposits from households increased by 9.2% to EUR 1,770 million.

Sales of new bonds to retail clients and institutions during the first quarter amounted to EUR 17.1 million. On a yearly basis, the new sales amount to EUR 79.8 million.

Assets under management by Aktia Asset Management rose by 47.5% to EUR 1,226 million

The demand for housing loans remained high. The Group's total lending amounted to EUR 2,956 million at the end of the year, representing an increase of EUR 288 million (+10.8%). The majority of this growth came from the household sector, whose credit stock increased by EUR 255 million (+12.0%) to EUR 2,378 million. The housing loan stock increased by 14.6% to EUR 1,974 million, of which mortgages constituted EUR 491 million, an increase of EUR 208 million (+73.5%). The local cooperative banks began distributing loans from Aktia Real Estate Mortgage Bank in 2004. This collaboration has developed very favourably during the first quarter of 2005.

Lending to companies increased by 8.3% to EUR 377 million.

Loan losses and risks

The Group's loan losses were again low. During the period, reversals of loan losses booked during previous years were booked at a sum of EUR 0.3 million. New loan losses totalled just under EUR 0.1 million. No changes to the branch-specific credit loss provisions have been booked since December 2004, and these amounted to EUR 6.2 million at the end of the period. The Group's non-performing and non-interest-bearing loans fell from EUR 16.5 to 16.0 million. Their relative share of the entire credit stock, including off-balance-sheet guarantee commitments, consequently fell to 0.5%, which is, however, an increase from the start of this year when it was 0.4%.

Interest risks

The Group's net interest income is sensitive to changes in interest rates because lending is often tied to short-term market interest rates, whereas deposits are, for the most part, fixed-rate. The interest rate derivative contracts made are therefore intended to reduce the volatility

ty of the net interest income, which is dependent on the difference in duration for borrowing and lending.

At the end of March, the value of the underlying assets of the interest-related derivative instruments for hedging purposes totalled EUR 2,360 million, of which EUR 955 million was in forward rate agreements and interest rate swaps and EUR 1,405 million was in interest rate options. The value of the underlying assets hedged by currency-related and share-related derivative contracts totalled EUR 170 million, of which EUR 77 million was currency-related forward contracts and EUR 93 million was share options.

Capital adequacy

On 31 March 2005, the Group's capital base totalled EUR 306 million, of which EUR 202 million was Tier 1 equity. The Tier 1 equity includes both the profit for the reporting period and deductions for the 2004 dividend determined by the Annual General Meeting of Shareholders, as well as calculated dividends for the reporting period corresponding to last year's dividend level. During the period, the Group issued subordinated debts for EUR 10 million. They are taken into account in the Tier 2 equity that also includes the fair value reserve. All in all, this means that the Tier 2 equity rose to EUR 104 million. The Group's risk-weighted commitments rose by 9.0% to EUR 2,135 million. The capital adequacy ratio was 14.3%, the proportion of Tier 1 equity being 9.4%.

Personnel

When converted into full-time employees, the number of actual bank staff was reduced by 5 and stood at 680 (685) at the end of the financial year. The average number of staff during the accounting period was 788 (809).

Rating

Aktia's credit ratings as assessed by Moody's Investors Service Ltd were A3 for long-term borrowing, P-2 for short-term borrowing, and C for financial strength, all with a stable outlook.

Other events

On 1 January 2005, Aktia sold all shares in its subsidiary Aktia Life Assurance Ltd to Veritas Life Insurance Company. The Executive Management of the Aktia Group and the Veritas Group both presented their strategic vision regarding each party's role on the financial and insurance market, each concentrating on their core business and competence.

On 18 January 2005, a letter of intent was signed, according to which Föreningen Konstsamfundet and Veritas Pension Insurance Company intend to purchase 50% of the shares of real estate company Manner-

heimintie 14 from Aktia. The prerequisite being that town planning amendments and building permits applied for are granted. The intention is to incorporate part of the property into the Forum shopping centre. Aktia's banking activities in the property are continuing. Based on the letter of intent, the transaction, when implemented, will only have a marginally positive impact on the Group's key figures.

Aktia has entered into an agreement with the local cooperative banks for administrative support and management of the mutual funds POP Suomi and POP Eurooppa. Sales of mutual fund units in the stated funds have been introduced.

During March 2005, a staff fund was set up within the Aktia Group to administer and manage the profit premiums the bank will distribute to its staff for good financial performance according to the terms established annually by the Board of Directors.

Savings Banks' Security Fund

Aktia and all of the other savings banks belong to the voluntary security fund for savings banks. The purpose of this fund is to ensure that savings banks can operate in a stable manner. Under the rules of the fund, savings banks are not mutually responsible for each other's debts or liabilities. The fund is free of debt and its assets at the end of 2004 stood at EUR 30.4 million.

Important events after the end of the financial year

In cooperation with the bank's ownership foundations, the annual Aktia days were arranged on 7-8 April. During the Aktia days, festivities were arranged both inside and outside branch offices, e.g. in nearby shopping malls and squares, and both saving and investment products and financing arrangements were offered on special terms. A number of branches were open on Saturday 9 April. The target group was both current and potential customers, and the overall theme was saving in all its different forms. In connection with the festival seminar on 8 April in Porvoo, the project "Ett Slag för Östersjön" (A battle for the Baltic) was chosen as the Saver of the Year and received a savings bank foundation grant of EUR 10,000.

The parent company's financial statements and the consolidated financial statements were adopted at the Annual General Meeting of Shareholders of Aktia Savings Bank plc, which was held on 18 April. The Board of Supervisors, Board of Directors, the Managing Director and his alternate were discharged from liability. It was decided that a dividend of EUR 0.25 per share should be paid.

Kurt Forsman, Christina Gestrin, Patrik Lerche, Kristina Lyytikäinen, Håkan Mattlin, Jorma J Pitkämäki, Peter Simberg and Lorenz Uthardt, whose term expired at the 2005 annual general meeting, were re-elected as mem-

bers of the Board of Supervisors for a period of three years.

Johan Bardy, lawyer, and Marianne Österberg, administrative director and LL.M., were elected as new members of the Board of Supervisors for a term of three years up to the end of the Annual General Meeting in 2008.

Aktia Real Estate Mortgage Bank plc's second covered bond issue of EUR 250 million was as successful as the first issue. The issue was launched on 18 April and priced the following day. It was substantially oversubscribed and achieved good geographic distribution within Europe, around 90 percent outside Finland. The bond was subscribed on favourable terms for Aktia Real Estate Mortgage Bank due to the high credit rating of the issue (Moody's Investor Service Ltd gave it an Aa2 rating) and the interest from foreign institutional in-

vestors in Finnish covered bonds secured by mortgages granted by the bank. The loan period is ten years.

At the meeting of the Board of Supervisors on 3 May, the Managing Director re-elected Henry Wiklund, M.Sc. (Econ), chamber counsellor as chairman of the Board of Supervisors for 2005. A new vice chairman of the Board was appointed: Margareta Pietikäinen, M.A. Bo Forslund, first vice chairman of FöreningsSparbanken AB, Henrik Sundbäck, M.Sc. (Agriculture and Forestry), Lorenz Uthardt, Agrologist, Honorary Councillor, and Bo-Gustav Wilson, M.Sc. (Econ) will continue to serve as Vice Chairmen of the Board of Supervisors.

Prospects for 2005

The Group's net interest income is expected to be slightly better in 2005. Profitability is expected to remain at the same level as in 2004.

Profit and loss account

(EUR millions)	Note	Group			Bank		
		1-3/2005	1-3/2004	1-12/2004	1-3/2005	1-3/2004	1-12/2004
Interest income		31.9	27.8	120.6	29.2	27.2	113.8
Interest expenses		13.1	10.3	48.0	11.3	10.3	43.7
Net interest income	1)	18.8	17.6	72.6	17.9	16.9	70.0
Income from equity investments		1.0	1.4	1.9	1.7	3.3	3.6
Commission income		8.5	9.6	35.7	7.0	8.2	30.8
Commission expenses		-1.3	-1.2	-5.4	-0.9	-0.9	-3.9
Net income from securities and currency trading	2)	0.3	1.2	3.7	0.3	1.1	3.5
Net income from financial assets for sale	3)	0.6	0.0	0.0	1.1	0.0	0.0
Net income from investment real estate	4)	0.6	0.5	2.2	0.3	0.2	1.2
Other operating income	5)	0.6	0.2	1.2	0.7	0.3	1.6
Total other income		10.3	11.7	39.3	10.1	12.2	36.8
Total income		29.1	29.3	111.8	28.0	29.2	106.9
Staff costs		9.5	9.0	36.4	8.9	8.5	34.3
Other administrative expenses		5.8	5.6	21.7	5.4	5.3	20.5
Depreciation and write-downs on tangible and intangible assets	6)	1.1	1.7	6.7	0.9	1.6	6.1
Other operating expenses	7)	2.5	3.0	9.5	2.8	3.2	10.3
Total costs		18.9	19.4	74.2	18.0	18.5	71.2
Profit before write-downs		10.2	9.9	37.7	10.0	10.6	35.7
Write-downs on loans and guarantees		0.2	-0.1	-2.0	0.2	-0.1	-2.0
Write-downs on financial assets		-	-	-	-	-	-
Share of profit in associated companies		0.3	0.0	0.2	-	-	-
Net operating profit		10.7	9.7	35.8	10.3	10.5	33.7
Appropriations		-	-	-	-3.8	-3.3	-14.3
Taxes for the period and for previous reporting periods		-1.6	-1.9	-6.3	-1.4	-2.2	-6.1
Changes in deferred tax liabilities		-1.0	-1.0	-7.1	-	-	-
Minority interest		-0.1	0.0	-0.2	-	-	-
Profit for the reporting period		8.1	6.7	22.2	5.1	5.0	13.3

Balance sheet

(EUR millions)	Note	Group			Bank		
		31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Assets							
Liquid assets		309.2	239.4	249.8	309.2	239.4	249.8
Debt securities eligible for refinancing with central banks	8)	642.3	415.8	628.8	582.6	412.6	614.9
Claims on credit institutions		14.2	17.7	16.9	277.2	281.9	179.8
Claims on the public and public sector entities		2,956.4	2,668.4	2,892.0	2,489.4	2,411.8	2,486.1
Debt securities	9)	94.5	74.7	86.7	96.7	77.3	89.4
Shares and participations	10)	23.4	21.8	22.8	21.6	20.0	21.7
Shares and participations in associated companies		2.5	2.4	2.6	1.9	1.9	1.9
Shares and participations in group companies		0.0	5.2	5.2	27.6	26.1	24.9
Derivative instruments	11)	4.9	4.4	6.8	4.9	4.4	6.8
Intangible assets		3.5	2.5	3.6	2.2	2.5	2.3
Tangible assets		98.6	104.4	100.5	70.9	74.2	71.5
Other assets	12)	34.7	31.6	37.6	34.6	31.1	37.5
Accrued expenses		30.4	18.1	22.9	30.0	17.6	25.0
Deferred taxes recoverable		0.0	0.0	0.0	0.0	0.0	0.0
Total assets		4,214.5	3,606.5	4,076.2	3,948.9	3,600.9	3,811.6
Liabilities							
Foreign capital							
Liabilities to credit institutions and central banks		838.8	790.6	780.5	841.5	792.8	789.1
Deposits from the public		2,191.0	1,984.2	2,195.8	2,198.3	1,988.7	2,198.7
Other liabilities to the public and public sector entities		105.2	98.7	34.0	105.2	98.7	34.0
Debt securities issued to the public		563.4	288.1	575.6	313.8	288.1	326.1
Derivative instruments and other liabilities for trading purposes	13)	4.9	4.4	6.8	4.9	4.4	6.8
Other liabilities	14)	93.3	85.4	91.8	91.7	83.7	90.9
Compulsory provisions		1.0	1.0	1.1	1.0	1.0	1.1
Accrued expenses		25.7	22.2	21.2	23.6	21.1	19.1
Subordinated liabilities		146.5	116.2	138.8	134.7	113.0	124.2
Deferred tax liabilities	15)	24.9	16.6	22.7	1.0	-	-
Accumulated appropriations		-	-	-	70.7	56.0	66.9
		3,994.8	3,407.4	3,868.4	3,786.4	3,447.6	3,656.9
Equity							
Share capital		70.6	70.5	70.6	70.6	70.5	70.6
Minority interest		0.7	0.5	0.6	-	-	-
Share premium account		1.9	1.8	1.9	1.9	1.8	1.9
Ordinary reserve		8.1	8.1	8.1	8.1	8.1	8.1
Fair value reserve	16)	3.7	-	-	2.7	-	-
Profit brought forward		126.6	111.5	104.4	74.2	67.9	60.8
Profit for the period		8.1	6.7	22.2	5.1	5.0	13.3
		219.7	199.1	207.8	162.5	153.2	154.7
Total liabilities		4,214.5	3,606.5	4,076.2	3,948.9	3,600.9	3,811.6

Off-balance-sheet commitments (EUR millions)	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Guarantees	43.3	39.5	43.6	43.3	39.5	43.6
Other commitments given to a third party on behalf of a customer	23.7	21.8	23.7	23.7	21.8	23.7
Unused credit arrangements	181.5	201.2	160.4	184.1	210.3	169.7
Other irrevocable commitments	31.7	26.6	32.1	40.8	29.0	40.5
Off-balance-sheet commitments	280.2	289.0	259.8	292.0	300.6	277.5

Derivative contracts (EUR millions)	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Interest rate-related	2,366.0	1,913.9	1,916.0	2,764.5	2,139.5	2,267.7
Forward rate agreements	500.0	200.0	50.0	570.0	355.0	80.0
Interest rate swaps	456.8	304.7	456.8	785.3	375.3	778.5
Interest rate option agreements	1,409.2	1,409.2	1,409.2	1,409.2	1,409.2	1,409.2
<i>Purchased</i>	704.6	704.6	704.6	704.6	704.6	704.6
<i>Written</i>	704.6	704.6	704.6	704.6	704.6	704.6
Currency-related	77.2	51.5	59.7	77.2	51.5	59.7
Forward rate agreements	77.2	51.5	59.7	77.2	51.5	59.7
Share-related	185.4	120.7	170.6	185.4	120.7	170.6
Share options	185.4	120.7	170.6	185.4	120.7	170.6
<i>Purchased</i>	92.7	60.3	85.3	92.7	60.3	85.3
<i>Written</i>	92.7	60.3	85.3	92.7	60.3	85.3
Equivalent credit values						
Interest rate-related	17.3	17.9	19.0	26.4	20.3	27.3
Currency-related	0.5	-0.1	-0.5	0.5	-0.1	-0.5
Share-related	11.8	7.9	11.2	11.8	7.9	11.2
Total derivatives	29.6	25.7	29.7	38.7	28.1	38.0

All derivatives, with the exception of interest rate swaps of EUR 2.0 million and written interest rate option agreements of EUR 4.6 million and the written share options, were made in order to hedge risks.

Result by quarter

	1/2005	4/2004	3/2004	2/2004	1/2004
Net interest income	18.8	18.8	18.6	17.7	17.6
Income from equity investments	1.0	0.0	0.0	0.4	1.4
Commission income	8.5	8.7	8.5	8.9	9.6
Commission expenses	-1.3	-1.8	-1.2	-1.3	-1.2
Net income from securities and currency trading	0.3	2.0	0.4	0.1	1.2
Net income from financial assets for sale	0.6				
Net income from investment real estate	0.6	0.6	0.5	0.5	0.5
Other operating income	0.6	0.2	0.2	0.6	0.2
Total income	29.1	28.4	27.1	27.0	29.3
Staff costs	-9.5	-10.4	-7.7	-9.2	-9.0
Other administrative expenses	-5.8	-5.9	-4.8	-5.3	-5.6
Depreciation and write-downs on tangible and intangible assets	-1.1	-1.6	-1.6	-1.8	-1.7
Other operating expenses	-2.5	-1.9	-2.3	-2.3	-3.0
Total costs	-18.9	-19.7	-16.4	-18.7	-19.4
Write-downs on loans and guarantees	0.2	-0.7	-0.7	-0.5	-0.1
Share of profit in associated companies	0.3	0.1	0.2	-0.1	0.0
Net operating profit	10.7	8.1	10.2	7.7	9.7

Key figures for the Group

(EUR millions)	31.3.2005	31.3.2004	31.12.2004
Specification of outstanding credit			
Households	2 378	2 123	2 328
Corporations	377	348	362
Housing associations	149	145	151
Non-profit organisations	41	38	39
Public sector entities	12	14	12
Total	2 956	2 668	2 892
Risk commitments			
Non-performing loans	15.8	15.5	11.3
Non-interest-bearing loans	0.2	1.0	0.2
Non-performing/credit stock incl. commitments (%)	0.5	0.6	0.4
Key Figures			
Earnings/share ¹⁾	0.23	0.19	0.63
- excluding non-recurring taxes ⁵⁾	0.23	0.19	0.72
Equity/share p.a. ²⁾	6.20	5.63	5.87
Return on equity ROE (%) ³⁾	15.2	13.9	11.2
- excluding non-recurring taxes ⁵⁾	15.2	13.9	12.6
Cost-to-income ratio ⁴⁾	0.65	0.66	0.66
Number of shares	35,298,050	35,258,050	35,298,050
Average number of shares during the period	35,298,050	35,258,050	35,278,050
Average number of staff during the period	788	809	803

- 1) Net operating profit plus or minus the minority interest in the result for the reporting period, divided by the average number of shares for the year.
- 2) Equity excluding minority interest divided by the number of shares at the end of the year.
- 3) Net operating profit divided by average equity for the year including minority interest (average of opening and closing balance sheet total for the reporting period).
- 4) Total costs divided by total income.
- 5) 2004 includes a non-recurring item relating to change to deferred tax liability.

Capital adequacy

(EUR millions)	31.3.2005	31.3.2004	31.12.2004
Tier 1 capital	202	187	195
Tier 2 capital	104	94	98
Tier 3 capital	-	-	-
Capital base	306	281	293
Risk-weighted commitments	2,135	1,957	2,082
Capital adequacy (%)	14.3	14.4	14.1
Tier 1 capital ratio (%)	9.4	9.6	9.4

Notes to profit and loss account for 2005

1) Net interest income

Previous term - Net income from financial operations; no change in terms of content.

2) Net income from securities and currency trading

Net income from securities trading, from 1 January 2005, covers unrealised and realised sales gains and losses on debt securities and shares and participations intended for trading.

Previously also included realised sales gains and losses and unrealised losses on current assets (debt securities, shares and participations for sale).

3) Net income from financial assets for sale

From 1 January 2005, covers realised sales gains and losses on debt securities and shares and participations available for sale.

4) Net income from investment real estate

Covers income, costs and depreciation for real estate and shares and participations in real estate corporations not used by the Group. Items were previously booked partly under other operating income and partly under other operating expenses.

Depreciation is included in the total for depreciation and write-downs on tangible and intangible assets.

To enable comparability, the items for 2004 have been reclassified without operating profit/loss effect.

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Other operating income	1.2	1.2	4.7	0.8	0.8	3.4
Other operating expenses	-0.4	-0.5	-1.9	-0.5	-0.6	-2.1
Depreciation	-0.2	-0.1	-0.6	0.0	0.0	0.0
Net income from investment real estate	0.6	0.5	2.2	0.3	0.2	1.2

5) Other operating income

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Other operating income	0.6	1.4	5.9	0.7	1.1	5.0
- transferred to net income from investment real estate	-	-1.2	-4.7	-	-0.8	-3.4
Total	0.6	0.2	1.2	0.7	0.3	1.6

6) Depreciation and write-downs on tangible and intangible assets

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Depreciation and write-downs on tangible and intangible assets	1.1	1.9	7.3	0.9	1.6	6.1
- transferred to net income from investment real estate	-	-0.1	-0.6	-	0.0	0.0
Total	1.1	1.7	6.7	0.9	1.6	6.1

7) Other operating expenses

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Other operating expenses	2.5	3.5	11.4	2.8	3.8	12.4
- transferred to net income from investment real estate	-	-0.5	-1.9	-	-0.6	-2.1
Total	2.5	3.0	9.5	2.8	3.2	10.3

Notes to balance sheet for 2005

General

The following balance sheet items have been reclassified and valued at market value:

- debt securities eligible for refinancing with central banks
- debt securities
- shares and participations

8) Debt securities eligible for refinancing with central banks

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Retained for trading	2.0	-	-	2.0	-	-
Retained for sale	635.9	415.8	628.8	576.9	412.6	614.9
- revalued against the fair value reserve and deferred tax	4.4	-	-	3.7	-	-
	640.3	415.8	628.8	580.6	412.6	614.9
Retained until maturity	-	-	-	-	-	-
Total	642.3	415.8	628.8	582.6	412.6	614.9

9) Debt securities

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Retained for trading	5.9	13.3	0.0	5.9	13.3	0.0
Retained for sale	63.6	30.9	61.6	62.4	29.7	60.5
- revalued against the fair value reserve and deferred tax	0.0	-	-	0.0	-	-
	63.6	30.9	61.6	62.4	29.7	60.5
Retained until maturity	25.0	30.5	25.1	28.4	34.3	28.9
Total	94.5	74.7	86.7	96.7	77.3	89.4

10) Shares and participations

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Retained for trading	-	-	-	-	-	-
Retained for sale	22.9	21.8	22.8	21.6	20.0	21.7
- revalued against the fair value reserve and deferred tax	0.5	-	-	-0.1	-	-
	23.4	21.8	22.8	21.6	20.0	21.7
Total	23.4	21.8	22.8	21.6	20.0	21.7

11) Derivative instruments

Covers premiums paid on derivative instruments that were previously included under Other assets

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
	4.9	4.4	6.8	4.9	4.4	6.8

12) Other assets

Other assets minus derivative instruments, which are entered on a separate line.

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Other assets	34.7	36.0	44.4	34.6	35.5	44.3
Derivative instruments	-	-4.4	-6.8	-	-4.4	-6.8
Total	34.7	31.6	37.6	34.6	31.1	37.5

13) Derivative instruments and other liabilities for trading purposes

Covers premiums received on derivative instruments that were previously included under Other assets.

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Derivative instruments	4.9	4.4	6.8	4.9	4.4	6.8
Other liabilities for trading purposes	-	-	-	-	-	-
Total	4.9	4.4	6.8	4.9	4.4	6.8

14) Other liabilities

Other liabilities minus derivative instruments, which are entered on a separate line.

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Other liabilities	93.3	89.8	98.6	91.7	88.2	97.7
Derivative instruments	-	-4.4	-6.8	-	-4.4	-6.8
Total	93.3	85.4	91.8	91.7	83.7	90.9

15) Deferred tax liabilities

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Opening balance sheet total	22.7	15.6	15.6	0.0	-	-
Change via profit and loss account	1.0	1.0	7.1	0.0	-	-
Debt securities eligible for refinancing with central banks revalued against the fair value reserve	1.0	-	-	1.0	-	-
Debt securities revalued against the fair value reserve	0.0	-	-	0.0	-	-
Shares and participations revalued against the fair value reserve	0.1	-	-	0.0	-	-
Closing balance sheet total	24.9	16.6	22.7	1.0	0.0	0.0

16) Fair value reserve

A new item in equity. The unrealised changes in value in financial assets and shares and participations available for sale are booked to the fund.

	Group			Bank		
	31.3.2005	31.3.2004	31.12.2004	31.3.2005	31.3.2004	31.12.2004
Opening balance sheet total	-	-	-	-	-	-
Revalued debt securities eligible for refinancing with central banks	3.4	-	-	2.8	-	-
Revalued debt securities	0.0	-	-	0.0	-	-
Revalued shares and participations	0.4	-	-	-0.1	-	-
Closing balance sheet total	3.8	-	-	2,7	-	-

Helsinki, 16 March 2005

AKTIA SAVINGS BANK PLC

Board of Directors

Auditor's statement

We have reviewed the interim report of Aktia Savings Bank p.l.c. as of 31.3.2005. The interim report has in our opinion been prepared in accordance with

applicable regulations. The group operating profit for the period 1.1. - 31.3.2005 is million 10.7 euro.

Helsinki, 16 March 2005

OY JOE SUNDHOLM & CO AB
Authorised Public Accountants

Jan Holmberg
Authorised public accountant

