MOODY'S
INVESTORS SERVICE

CREDIT OPINION
14 September 2020

Update

Rate this Research

RATINGS

Aktia Bank p.l.c.

Domicile	Helsinki, Finland
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Dom Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Niclas Boheman +46.8.5179.6561
VP-Senior Analyst
niclas.boheman@moodys.com

Malika Takhtayeva +44.20.7772.8662
Associate Analyst
malika.takhtayeva@moodys.com

Simon James Robin Ainsworth +44 207 772 5347
Associate Managing Director
simon.ainsworth@moodys.com

Sean Marion +44.20.7772.1056
MD-Financial Institutions
sean.marion@moodys.com

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Americas 1-212-553-1653

Aktia Bank p.l.c.

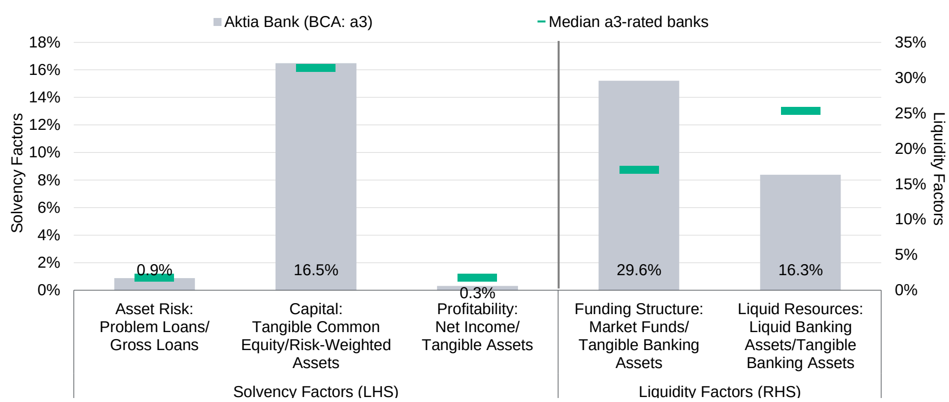
Semi-annual update

Summary

Aktia Bank p.l.c's (Aktia) A1/Prime-1 deposit and senior unsecured ratings reflect (1) the bank's baseline credit assessment (BCA) of a3; (2) the large volumes of loss absorbing liabilities protecting creditors in case of failure, resulting in two notches of uplift as indicated by Moody's advanced loss given failure (LGF) analysis. The assigned (P)Baa1 subordinated MTN ratings incorporate the adjusted BCA of a3 and one negative notch due to high losses given failure as indicated by LGF analysis. The counterparty risk rating of Aa3/P-1 and the counterparty risk (CR) assessment of Aa3(cr)/P-1(cr) reflect the BCA of a3, and three notches as indicated by LGF.

Aktia Bank's BCA of a3 reflects the bank's prudent risk approach and good financial fundamentals, particularly for asset quality and capital adequacy. Key elements constraining the BCA include the low interest rate environment and low efficiency, which translates into modest profitability, and some reliance on wholesale funding, the latter a common feature of Nordic banks.

Exhibit 1
Rating Scorecard - Key Financial Ratios as of June 2020



These represent our Banks methodology scorecard ratios, whereby asset risk and profitability reflect the weaker of either the three year average and the latest annual figure. Capital ratio is the latest reported figure. Funding structure and liquid resource ratios reflect the latest fiscal year-end figures
Source: Moody's Financial Metrics

THIS REPORT WAS REPUBLISHED ON 15 SEPTEMBER 2020 WITH A REVISED WORDING OF GOVERNANCE PARAGRAPH IN THE ESG SECTION.

Credit strengths

» Very strong and stable asset quality

» High capitalisation

Credit challenges

» Reliance on market funding

» Coronavirus outbreak will drive moderate asset quality deterioration and challenge already modest profitability.

Outlook

The stable outlook on Aktia Bank's long-term senior unsecured debt and deposit ratings reflects Moody's expectation that the bank's financial performance will be sustained and that its liability structure will remain broadly stable, with LGF notchings remaining unchanged.

Factors that could lead to an upgrade

The ratings could be upgraded due to: 1) improvements in the fundamentals of the bank, such as lower levels of impaired loans, higher capitalization and a sustained improvement in profitability; and/or 2) a significantly higher cushion of loss absorbing obligations, providing protection to creditors and depositors in case of failure.

Factors that could lead to a downgrade

The ratings could be downgraded if the bank were to experience: (1) an unexpected worsening in the bank's asset quality indicators; (2) a weakening of the bank's risk-absorption capacity through earnings-generation capacity or lower capital levels; or (3) a deterioration in its ability to fund itself on capital markets; or (3) a lower amount of loss absorbing obligations providing protection to depositors and senior creditors in case of failure.

Key indicators

Exhibit 2

Aktia Bank p.l.c. (Consolidated Financials) [1]

	06-20[2]	12-19[2]	12-18[2]	12-17[2]	12-16[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	10,247.9	9,625.1	9,197.0	9,544.2	9,477.2	2.3[4]
Total Assets (USD Million)	11,510.0	10,804.2	10,513.5	11,460.6	9,996.1	4.1[4]
Tangible Common Equity (EUR Million)	468.8	443.0	426.4	475.4	480.2	(0.7)[4]
Tangible Common Equity (USD Million)	526.5	497.3	487.4	570.8	506.5	1.1[4]
Problem Loans / Gross Loans (%)	0.7	0.8	0.8	1.3	1.5	1.0[5]
Tangible Common Equity / Risk Weighted Assets (%)	16.5	16.8	19.4	22.9	24.0	19.9[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	10.0	10.8	9.9	14.6	16.4	12.3[5]
Net Interest Margin (%)	0.8	0.8	0.9	1.0	1.0	0.9[5]
PPI / Average RWA (%)	1.7	3.2	3.0	2.3	2.7	2.6[6]
Net Income / Tangible Assets (%)	0.3	0.7	0.6	0.4	0.5	0.5[5]
Cost / Income Ratio (%)	75.9	65.0	68.2	76.8	73.0	71.8[5]
Market Funds / Tangible Banking Assets (%)	29.6	29.6	28.6	29.3	27.7	28.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	13.5	16.3	17.9	21.7	21.4	18.1[5]
Gross Loans / Due to Customers (%)	149.5	159.1	155.1	142.9	138.5	149.0[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

Aktia Bank Plc is a Helsinki-based bank operating in Finland. Along with its subsidiaries, it provides banking and other financial services, including insurance, asset management and real estate finance, mainly to individuals, small companies and entrepreneurs. The bank had 834 employees as of end-June 2020 and operates through the current 18 branch offices, however, Aktia will continue reducing the number of branches and focus on flagship branches in the growth areas: Helsinki region, Turku, Tampere, Vaasa and Oulu, where the bank will support the sales in "flagship stores" and branches will not offer cash services. These will be complemented by increased mobility of their sales force and the bank will offer meetings to clients at their own premisses.

As of December 2019, Aktia was the seventh-largest bank in Finland in terms of loans granted to non-MFIs in Finland according to the Bank of Finland. As of June 2020, the bank reported market shares of 4.0% in housing loans and 3.2% of deposits as of end-June 2020.

Aktia's shares are listed on the Nasdaq Helsinki Ltd stock exchange. As of 1 December 2015, Aktia was included in the OMX Helsinki Benchmark, which consists of the largest and most traded shares on Nasdaq Helsinki. As of year-end 2019, the bank's largest shareholder was Stiftelsen Tre Smeder Sr, which owned 9.3% of its total share capital.

Recent developments

We expect advanced economies collectively to contract in 2020. We expect a gradual recovery beginning in the second half of the year, but that outcome will depend on whether governments can reopen their economies while also safeguarding public health. A rebound in demand will determine the ability of businesses and labour markets to recover from the shock. Even with a gradual recovery, we expect 2021 real GDP in most advanced economies to be below pre-coronavirus levels.

We have also changed our outlook for the Finnish banking system to negative from stable. This reflects our expectation that business closures designed to contain the coronavirus outbreak will weigh on Finland's economy, leading to an uptick in problem loans, and increased pressure on banking sector profitability. The Finnish government's policy response has been comprehensive, encompassing financial support for the self-employed, as well as businesses and their employees. However, it will not be sufficient to entirely offset the coronavirus' induced drop in growth, which will become more severe the longer the outbreak lasts.

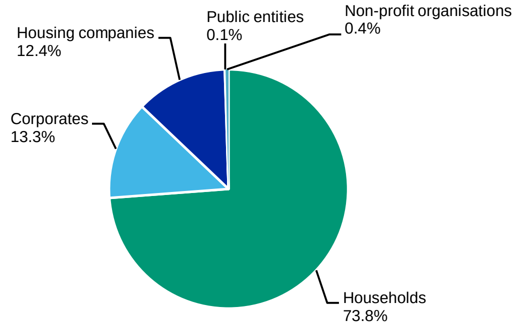
Detailed credit considerations

Aktia's credit profile supported by continued strong capitalisation in the challenging operating environment

Due to coronavirus related economic downturn we expect operating environment to deteriorate in Finland, with real GDP contracting in 2020. This will lead to a moderate deterioration in asset risk, with increased provisioning costs, leading to dampened profitability, but with continued strong capitalisation. Furthermore, the bank's new core banking platform has allowed more agile development of new products and its fixed income funds attract institutional monies. In October 2019 Aktia Bank concluded the co-operation negotiations, which lead to a reduction of 92 jobs and a merger of 18 branch offices.

Aktia Bank's loan book is predominantly exposed to households loans (mainly in the Helsinki area) representing 74% and 26% of corporate lending – consisting of SMEs at 13% and housing associations at 12% as of 30 June 2020 (see exhibit 3). Total corporate lending amounted to €893 million (as of year-end 2019: €771 million) and loans to housing companies increased by 12.6% compared to year-end 2019, totaling €831 million. Aktia's new lending to private households amounted to €570 million (as of year-end 2019: €1,057 million). In June 2020 the Finnish Financial Supervisory Authority (FFSA) restored the maximum loan-to-collateral (LTC) ratio for residential mortgages, other than loans to first time buyers, to 90% from 85%. This decision increases the risk of borrowers having negative equity if house prices decline. (see Finland's measures support housing market amid coronavirus, but weaken lending standards, published on 02 July 2020).

Exhibit 3
Aktia's loan book breakdown as of June 2020



Source: Moody's Investor Service, company reports

The asset management segment has gradually grown its share of revenues in the low interest rate environment, and contributed to 52% of pre-tax earnings in 2019, effectively mitigating lower income from the retail mortgage book due to lower interest rates. However, contribution has decreased to 33% as of June 2020. The asset management segment has grown to become an important revenue stream, improving the diversification of the bank.

Strong and stable asset quality

Aktia's has a history of strong and stable asset quality reflecting its portfolio of loans dominated by Finnish mortgages, which was supported by the problem loans ratio improvement to 0.7% as of end-June 2020 from 0.8% as of year-end 2019 despite the disruptions due to the coronavirus' outbreak. The bank's loan loss provisions as share of pre-provision income has increased, but remained low at 14.0% during the first six months of 2020, compared to 5.7% for 2019, primarily due to an increased provisioning of loans transferred from stage 1 to stage 2 as model-based credit evaluation reflects the deteriorating operating environment. Borrowers who have been given installment-free periods do not automatically lead to a transfer to stage 2, as per EU guidance. While Aktia has showed limited impact on its loan portfolio in the first half year 2020, uncertainties remain regarding how fast the recovery will be, or whether there will be further difficulties in the second half of 2020. We assign Aktia Bank's asset risk position an a1 score, consistent with the bank's historic low problem loan ratio of 0.9% and incorporates the heightened uncertainty due to the coronavirus.

Aktia Bank will remain highly capitalised, but trend lower in accordance with capital targets

Aktia Bank reports a strong regulatory capitalisation, with a reported Common Equity Tier 1 (CET1) ratio of 15.7% and a total capital ratio of 18.9% as of 30 June 2020. The CET1 ratio increased from 14.7% in year-end 2019 mainly because the CET1 increased by €58.9 million, due to postponing the decision on dividend payment for 2019 to a later date. However, the increase in capital was partly offset by an €207.8 million increase in risk-weighted assets, mostly in corporate exposures. The bank has a very high capital surplus of 590 bps against the regulatory requirements of CET1, and above the bank's target of 1.5%-3%. The Tier 1 leverage ratio increased to 4.9% as of 30 June 2020, compared to 4.6% at year-end 2019. On 13 December 2019 the FFSA determined a new Pillar 2 requirement of 1.25% for Aktia, which is valid from 30 June 2020 and replaces the current requirement of 1.75%.

On 17 March 2020, the FIN-FSA) board lowered Finnish banks' capital requirements by removing their systemic risk buffer and adjusting bank-specific requirements so that all banks' capital buffer requirements will fall by 1% and reduced to zero for Aktia Bank (see Finnish regulators implement measures to mitigate coronavirus' negative effects on banks, published 23 March 2020).

Aktia Bank solid capital position is also reflected by its Tangible Common Equity (TCE) to risk weighted assets ratio of 16.48% as of end-June 2020. The bank's tangible common equity to tangible assets marginally increased to 5.38% as of June 2020 compared to 5.33% in December 2019. To reflect the bank's capital targets and expected trend we adjust Aktia Bank's Capital score down by one notch to aa3.

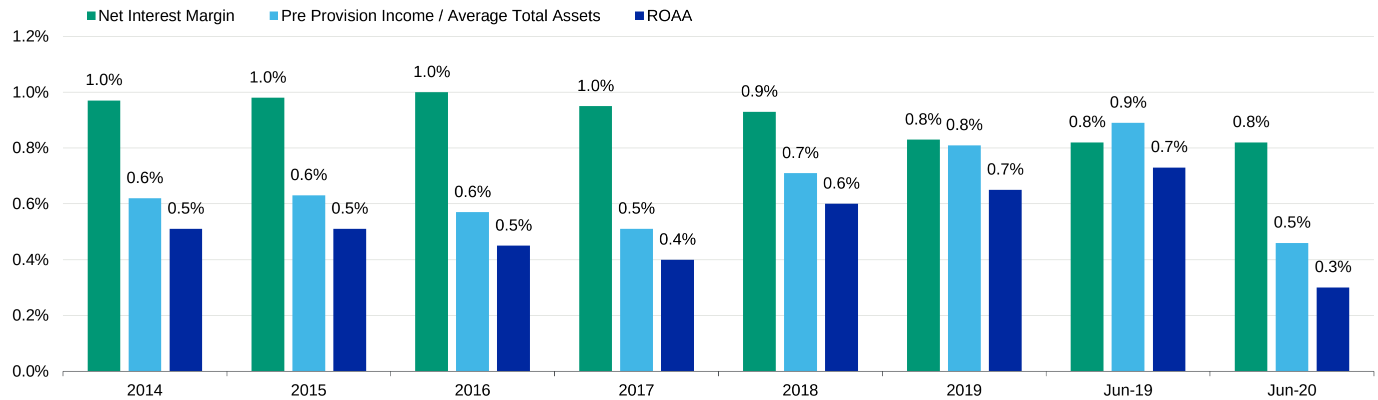
Deteriorating profitability challenged by lower revenues due to coronavirus

Finnish household lending space is competitive, and Aktia has a limited ability to influence lending rates and consequently its net interest income. However, its focus on asset management has diversified the bank's income sources, and has partly mitigated lower net interest income in the retail business, contributing increasingly to both income and earnings.

While we expect some benefits of the new core banking platform to materialise in the coming years, the bank's low efficiency is a weakness. In June 2020, the bank's net income over tangible assets was 0.3%, a decrease from the 0.7% in the same period of last year (see Exhibit 4), which was mainly due to the coronavirus' pandemic impact on the unrealised value changes in the Life insurance company's investment portfolio, which has decreased by 67% compared to the same period in 2019.

Exhibit 4

Aktia Bank's profitability metrics



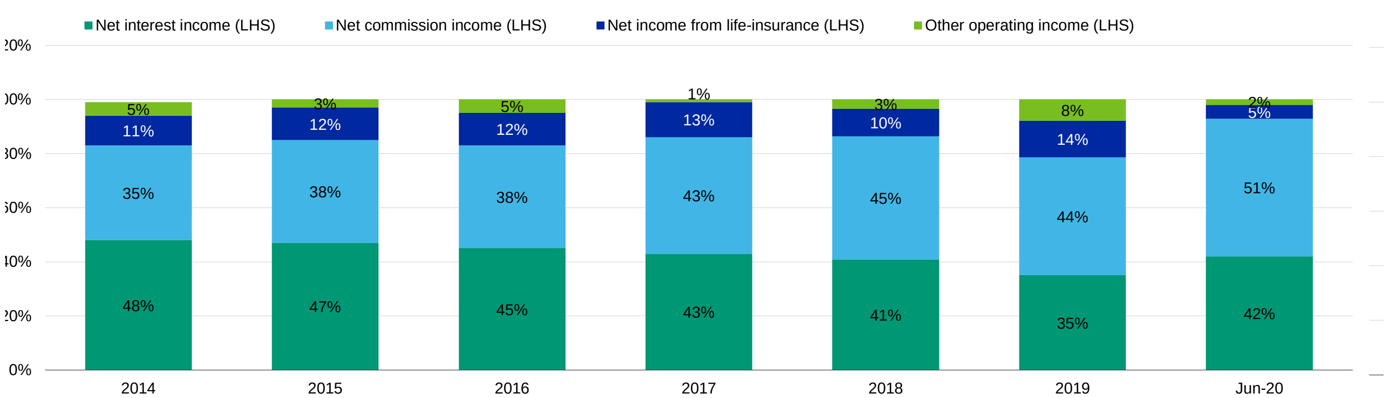
Source: Moody's Investors Service

Overall net interest income from lending activities increased by 3% to €39.8 million during first six months of 2020 compared to the same period a year earlier, even though interest income from hedging measures through interest rate derivatives decreased by €0.6 million to €0.6 million (see exhibit 5). Net commission income remained stable at €48 million due to strong results in asset management and brokerage, while bank and insurance related fees declined to €31.7 million from €33.1 million during the first half of 2019. Net income from life insurance decreased by 67% to €4.9 million as of 30 June 2020, primarily due to unrealised value changes in the investment portfolio of €6.7 million.

Although the diversification into asset management, and more specifically running a successful fixed income portfolio management team, has been good for business diversification, it leaves the bank vulnerable to the risk if key personnel leaving.

Exhibit 5

Breakdown of Aktia's operating income



June 2020 numbers are extrapolated

Source: Company reports

Aktia Bank's overall profitability is constrained by the bank's rigid cost structure, translating into low efficiency metrics. As of 30 June 2020, the bank's cost to income ratio stood at 76% compared with a cost-to-income ratio of 63% for the same period 2019. To improve the performance of the bank, in September 2019, the board of directors renewed its strategies and set an objective to reduce the cost to income ratio below 60% by the end of 2023. One major undertaking the bank has successfully concluded is the implementation of the new core banking system and IT platform. This will allow the bank to spend less on maintenance and focus more on agile development benefitting new customer solutions.

Although Aktia's profitability will benefit from the bank's focus on diversifying income, we expect that the low interest environment and significant downside risks posed by the coronavirus pandemic to Finland's growth outlook and fiscal and debt metrics in 2020 will continue to be a challenge, and that the cost savings will take time to materialise visibly, which is reflected in our assigned Profitability score of ba2. Loan loss provisions are expected to remain at a moderate level during the second half of 2020.

Reliance on market funding and solid liquidity buffer

Aktia is reliant on market funding, which we view negatively because it increases susceptibility to sudden changes in investor sentiment. However, a majority of market funding is in the form of covered bonds, which we consider subject to lower refinancing risk compared to unsecured bonds. The banks' Moody's-calculated market funds to tangible banking assets ratio was stable as of June 2020 compared to year-end 2019 and stood at 29.6%, slight increase from 28.6% at year-end 2018, but Moody's expects that the share of market funding will remain stable during the next 12 to 18 months.

The share of Aktia Bank's balance sheet funded through customer deposits increased slightly during the first six months with the bank's gross loans to total deposits from the public and public sector level lowering to 149% as of 30 June 2020 from 159% as of year-end 2019, however, remaining on a similar level compared to year-end 2017 at 143%.

Aktia Bank's liquidity portfolio accounts for approximately 14% of the balance sheet and is of good quality. Its liquid assets mainly include covered bonds and highly rated sovereign debt. The bank's liquidity coverage ratio (LCR) is above the minimum requirements, it has increased to 137% as of end-June 2020, compared to 118% as of year-end 2019.

Source of facts and figures cited in this report

Unless noted otherwise, the bank specific figures originate from bank's reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

ESG considerations

We consider Aktia Bank to have a low exposure to Environmental risks in line with how we view the banking sector. See our Environmental risks Environmental heatmap for further information.

The most relevant Social risks for banks arise when they interact with their customers. Social risks are particularly high in the area of data security and customer privacy which is partly mitigated by sizeable technology investments. Fines and reputational damage due to product mis-selling or other types of misconduct is a further social risk. Societal trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services, increasing information technology cost, aging population concerns, which is relevant to Finland, impacting demand for financial services or socially driven policy agendas that may translate into regulation that affects banks' revenue base.

We regard the coronavirus outbreak as a social risk under our ESG framework, given substantial implications for public health and safety. The rapid spread of the coronavirus outbreak, deteriorating global economic outlook, low oil prices, and high asset price volatility have created an unprecedented credit shock across a range of sectors and regions, affecting Finnish bank's asset risk and profitability. Overall, we consider banks, including Aktia Bank, to face moderate social risks. See our Social risks Social heatmap for further information.

Governance is highly relevant to Aktia Bank's creditworthiness. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for Aktia Bank, we do not highlight any particular governance issue. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

Support and structural considerations

Loss given failure

We apply our advanced LGF analysis to Aktia Bank as the bank is subject to the EU Bank Recovery and Resolution Directive, which we consider to be an Operational Resolution Regime. For this analysis we assume that equity and losses stand at 3% and 8%, respectively, of tangible banking assets in a failure scenario. We also assume a 25% run-off of "junior" wholesale deposits and a 5% run-off in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. We also assign a 10% proportion of junior deposits over total deposits (compared to our standard assumption of 26%), reflecting the bank's predominantly retail oriented deposit franchise.

Moody's considers that Aktia Bank's junior depositors and senior unsecured investors are likely to face very low loss-given-failure, owing to the substantial cushion of loss absorbing obligations protecting depositors and senior creditors.

The minimum requirements of own funds and eligible liabilities (MREL) do not have any impact on Aktia's LGF analysis, with the requirements being fulfilled already.

The deposit and senior ratings of A1 continue to incorporate two notches of uplift, from the adjusted BCA of a3, due to the large cushion of loss absorbing obligations protecting depositors and creditors in case of failure, as indicated by Moody's Advanced Loss Given Failure (LGF) analysis.

Aktia Bank's long-term deposit and senior unsecured ratings of A1 reflect the adjusted BCA and two notches of uplift as indicated by LGF, with investors facing very low loss-given-failure. This is due to the substantial cushion of loss absorbing obligations protecting depositors and senior creditors.

The (P)Baa1 subordinated MTN ratings reflect the adjusted BCA of a3 and one negative notch due to the high expected losses in case of failure, as indicated by Moody's advanced loss given failure (LGF) analysis. Tier 2 debt notes are subordinated to all senior obligations, and in the case of Aktia Bank, only ordinary capital ranks below.

Government support

Due to the limited size of Aktia, with market shares of 4.0% in housing loans and 3.2% of deposits as of June 2020, and Finland being part of the EU, which is an operational resolution regime, we asses the probability of government support to be low, resultin in no additional uplift in the ratings.

Counterparty Risk Ratings (CRR)

CRRs are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralised portion of payable arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements.

The CRR's of Aktia are positioned at Aa3/Prime-1

The counterparty risk rating of Aa3 reflects the adjusted BCA of a3, and three notches of uplift reflecting the extremely low loss-given-failure from the high volume of instruments that are subordinated to CRR liabilities. The short-term CRR is P-1.

Counterparty Risk (CR) Assessment

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than the likelihood of default and the expected financial loss suffered in the event of default and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

The CR Assessment of Aktia are positioned at Aa3(cr)/Prime-1(cr)

The CR Assesment of Aktia Bank is positioned at Aa3(cr), three notches above the Adjusted BCA of a3, based on the cushion against default provided to the senior obligations. In addition, the low probability of government support does not result in any uplift. The short-term CR assessment is P-1(cr).

About Moody's bank scorecard

Our Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our Scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The Scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 6

Aktia Bank p.l.c.

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	0.9%	aa2	←→	a1	Quality of assets	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	16.5%	aa2	←→	aa3	Nominal leverage	Expected trend
Profitability						
Net Income / Tangible Assets	0.3%	ba2	←→	ba2	Earnings quality	
Combined Solvency Score		a1		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	29.6%	baa2	←→	baa2	Extent of market funding reliance	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	16.3%	baa2	←→	baa2	Stock of liquid assets	
Combined Liquidity Score		baa2		baa2		
Financial Profile				a3		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa1		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	2,573	29.5%	2,895	33.2%
Deposits	4,597	52.7%	4,275	49.0%
Preferred deposits	4,137	47.4%	3,930	45.1%
Junior deposits	460	5.3%	345	4.0%
Senior unsecured bank debt	1,101	12.6%	1,101	12.6%
Dated subordinated bank debt	188	2.2%	188	2.2%
Equity	262	3.0%	262	3.0%
Total Tangible Banking Assets	8,720	100.0%	8,720	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	21.7%	21.7%	21.7%	21.7%	3	3	3	3	0	aa3
Counterparty Risk Assessment	21.7%	21.7%	21.7%	21.7%	3	3	3	3	0	aa3 (cr)
Deposits	21.7%	5.2%	21.7%	17.8%	2	3	2	2	0	a1
Senior unsecured bank debt	21.7%	5.2%	17.8%	5.2%	2	2	2	2	0	a1
Dated subordinated bank debt	5.2%	3.0%	5.2%	3.0%	-1	-1	-1	-1	0	baa1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	2	0	a1	0	A1	A1
Senior unsecured bank debt	2	0	a1	0	A1	
Dated subordinated bank debt	-1	0	baa1	0	Baa1	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 7

Category	Moody's Rating
AKTIA BANK P.L.C.	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Senior Unsecured -Dom Curr	A1
Subordinate -Dom Curr	Baa1
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Investors Service

REPORT NUMBER 1222931

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Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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