

Aktia Savings Bank plc

Interim Report

1 January - 30 June 2005



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Interim Report 1 January - 30 June 2005

Improvement in profitability continues

The period in brief

- The Group's net operating profit increased by 22.2% to EUR 21.4 million (EUR 17.5 million January-June 2004)
- Total income increased by 5.8% to EUR 59.3 million
- Total costs fell by 0.7% to EUR 37.6 million
- Cost/income ratio improved and was 0.63 (0.68)
- Return on equity (ROE) rose to 14.9% (12.3%)
- Profit per share rose to EUR 0.45 (0.34)
- Saving by households (deposits + mutual fund capital) rose by 9.5% to EUR 2,372 million
- Assets under management by Aktia Asset Management rose by 55.2% to EUR 1,329 million
- Loans to households increased by 12.9% to EUR 2,485 million
- Mortgage loan stock increased by 79.3% to 599 million
- Aktia Real Estate Mortgage Bank implemented its second covered bond issue on the Euromarket
- Aktia's payment of dividends during the period amounted to a total of EUR 8.8 million, of which EUR 5.4 million (61.5%) went to the savings bank foundations and other non-profit institutions, which channel funds in various forms into the local community

Financial result

The Group's operating profit rose during the first six months of the year to EUR 21.4 million, an increase of EUR 3.9 million (+22.2%) from the corresponding period of the previous year. This improvement in financial performance is primarily attributable to increased net interest income while costs fell slightly.

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. No net loan losses were booked other than new branch-specific credit loss provision of EUR 1.0 million.

The share of profits from affiliates increased to EUR 0.7 million.

Profit for the reporting period rose to EUR 16.0 million, an increase of EUR 4.1 million (+34.1%). The Group's profitability improved, and the return on equity (ROE) rose to 14.9% (12.3%).

Income

The Group's total income increased by EUR 3.2 million (+5.8%) to EUR 59.3 million.

The customer margins continued to diminish for both lending and deposits. Despite this, the Group's net interest income rose by EUR 3.5 million (+9.8%) to EUR 38.7 million. Hedging operations improved the net interest income by EUR 4.0 (3.0) million during the period.

The reduction in income from equity investments of EUR 0.6 million is attributable to changed taxation of dividends on abolition of the corporate tax credit system.

Commission income increased by EUR 0.5 million (+2.7%) to EUR 19.0 million. Commission income from funds, asset management and brokering showed a clear increase, while commission income from payment services 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 0.7 (1.3) million due to non-recurring income in last year's result.

Other operating income amounted to EUR 0.9 (0.7) million, an increase of EUR 0.2 million compared with the corresponding period in 2004.

Expenses

The Group's total costs fell by EUR 0.3 million (-0.7%) to EUR 37.6 million compared with the previous year.

Personnel costs increased by 6.3% to EUR 19.4 (18.3) million. In addition to pay increases based on collective labour agreements, the increase in expenses reflects the investments made primarily within savings and wealth management activities. The total number of employees (converted into full-time employees) totalled 728 at the end of June, which was 1 more than at the corresponding point last year.

Other administrative expenses increased by 7.8% to EUR 11.5 (10.7) million. The largest increase in

expenses was the result of marketing and IT investments.

Planned depreciation continued to decrease, from EUR 3.5 million to EUR 2.1 million. This reduction is primarily due to previously performed complete renovations, which were finally written off in 2004.

Other operating expenses fell by EUR 0.8 million (-15.2%) from the corresponding period of 2004, amounting to EUR 4.6 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 30 June 2005, the Group's balance sheet total stood at EUR 4,415 (4,105) million. The increase in the balance sheet total is a direct result of corresponding growth in lending. Off-balance sheet commitments totalled EUR 321 (268) 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. Investment in mutual funds, for which the rate of growth clearly increased during the first six months, grew by 21.4% to EUR 876 million, while deposits by the public increased by 7.7% to EUR 2,264 million. Total saving (deposits + mutual fund capital) increased by 11.2% to EUR 3,140 million.

Saving by households (deposits + mutual funds) also showed a clear increase of 9.5% to EUR 2,372 million. Investments in mutual funds by households grew by 25% to EUR 573 million and deposits from households increased by 5.4% to EUR 1,798 million.

Sales of new bonds to retail clients and institutions during the first six months amounted to EUR 76.6 million during the first six months of the year. On a yearly basis, the new sales amount to EUR 112.1 million. Assets under management by Aktia Asset Management rose by 55.2% to EUR 1,329 million

The demand for housing loans remained high. The Group's total lending amounted to EUR 3,069 million at the end of June, representing an increase of EUR 323 million (+11.7%). The majority of this growth came from the household sector, whose loan stock increased by EUR 283 million (+12.9%) to EUR 2,485 million. The housing loan stock increased by 15.7% to EUR 2,075 million, of which mortgages constituted EUR 599 million, an increase of EUR 265 million (+79.3%). The local cooperative banks began distributing loans provided by Aktia Real Estate Mortgage Bank in 2004. This collaboration has developed favourably during the first six months of 2005.

Lending to companies increased by 8.9% to EUR 381 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 0.4 million. New loan losses also totalled EUR 0.4 million. During the period, sector-specific credit loss provisions increased by EUR 1.0 million, amounting to EUR 7.2 million by the end of the period. The Group's non-performing and non-interest-bearing loans fell from EUR 14.2 to 12.9 million. Their relative share of the entire credit stock, including off-balance-sheet commitments, thus fell to 0.4% (0.5%).

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

As shown in the table presenting derivative contracts, at the end of June the value of the underlying assets of the interest-related derivative instruments for hedging purposes totalled EUR 4,503 million, of which EUR 2,222 was in forward rate agreements and interest rate swaps and EUR 2,281 million was in interest rate options. The majority of the increase relating to forward rate agreements is connected to increased hedging for the period ranging from 3 to 12 months. The increase in interest rate options can be attributed to either hedging operations replacing future expiry of previous interest rate hedging or interest rate hedging related to increased volumes of structured products.

The value of the underlying assets hedged by currency-related and share-related derivative contracts totalled EUR 154 million, of which EUR 54 million was currency-related forward contracts and EUR 100 million was equity options.

Capital adequacy

On 30 June 2005, the Group's capital base totalled EUR 320 million, of which EUR 208 million was Tier 1 equity. The Tier 1 equity includes both the profit for the reporting period and deductions for calculated dividend for the reporting period corresponding to last year's dividend level. During the first six months, the Group issued subordinated debts for EUR 28 million. Funds obtained 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 113 million. The Group's risk-weighted commitments rose by 11.0% to EUR 2,212 million. The capital adequacy ratio was 14.5%, Tier 1 equity being 9.4%.

Personnel

The number of actual bank staff converted into full-time employees increased by 1 and stood at 728 (727) at the end of the accounting period. The average number of staff during the accounting period was 799 (810).

Rating

Aktia's credit ratings as assessed by Moody's Investors Service Ltd are A3 for long-term borrowing, P-2 for short-term borrowing, and C for financial strength, all with a stable outlook. Aktia, via its subsidiary Aktia Real Estate Mortgage Bank plc, has been able to issue long-term covered bonds with a credit rating of Aa2 from Moody's Investors Service Ltd the same rating as the best bank in Finland.

Other events

The savings bank foundations received around EUR 4.5 million in dividend return on their Aktia shares for 2004. The foundations have been able to pass on considerable sums to their local communities in the form of distribution of grants and contributions to associations and organisations during spring. This form of social commitment is unique in Finland.

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 hugely 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 and the interest from foreign institutional investors in Finnish covered bonds secured by mortgages granted by the bank. The maturity of the period is ten years.

A new service outlet was opened and commenced operations in Nummela, Vihti.

Work to increase and extend co-operation with the local co-operative banks and savings banks is continuing intensively. The issues mainly involve support for risk management and funding.

The spring's savings offer of a one-year deposit at an interest rate of 2.4% requiring an equal investment in mutual funds was well received by the market. During the first six months of the year, investments in mutual funds benefited from a positive market trend.

Aktia Fund Management Ltd has entered into a partnership agreement with the Estonian Hansapank for

brokering each other's mutual funds. At this stage, this involves in the first place Aktia Capital and Hansa Baltic.

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 stood at EUR 30.7 million on 30 June 2005.

Important events after the end of the financial year

On 7 July 2005 Livränteanstalten Hereditas increased its shareholding in Aktia by 1,800,000 shares and now owns 10.20% of the total number of shares and votes. On the same day the company Oy Hammarén & Co Ab became a new shareholder in Aktia through acquisition of 1,800,000 shares and now owns 5.10% of the total number of shares and votes.

FöreningsSparbanken AB (publ) reduced its ownership of Aktia to 3,400,000 shares on 7 July 2005, corresponding to 9.63% of the total number of shares and votes.

The fact that FöreningsSparbanken AB has decided to establish activities in Finland this coming autumn is viewed by Aktia as a chance to further increase co-operation between the banks. FöreningsSparbanken has signed an agreement to lease office space from Aktia at Mannerheimintie 14 and for a transition period will make use of Aktia's central bank and IT services.

As part of its efforts to broaden its income base, Aktia has decided to develop and strengthen its charge card activities. Peter Böckelman, previously marketing director at SEB Kort, Finland, has been employed from 1 September to be responsible for these activities.

M.Sc. (Econ.) Robert Charpentier resigned at his own request from Aktia Savings Bank plc's board of directors on 16 August 2005 after a transfer to new duties.

Prospects for 2005

The Group's net interest income is expected to be slightly better in 2005. The Group's financial performance for the entire year is expected to exceed the level of 2004.

Profit and loss account

(EUR millions)	Note	Group			Bank		
		1-6/2005	1-6/2004	1-12/2004	1-6/2005	1-6/2004	1-12/2004
Interest income		65.4	56.8	120.6	58.9	54.9	113.8
Interest expenses		26.7	21.6	48.0	22.2	21.0	43.7
Net interest income	1)	38.7	35.2	72.6	36.7	33.9	70.0
Income from equity investments		1.2	1.8	1.9	1.8	3.6	3.6
Commission income		19.0	18.5	35.7	15.6	16.1	30.8
Commission expenses		-2.8	-2.7	-5.4	-2.2	-2.0	-3.9
Net income from securities and currency trading	2)	0.7	1.3	3.7	0.7	1.2	3.5
Net income from financial assets for sale	3)	0.6	0.0	0.0	1.2	0.0	0.0
Net income from investment real estate	4)	1.1	1.2	2.2	0.5	0.5	1.2
Other operating income	5)	0.9	0.7	1.2	1.1	0.9	1.6
Total other income		20.6	20.8	39.3	18.7	20.4	36.8
Total income		59.3	56.1	111.8	55.4	54.4	106.9
Staff costs		19.4	18.3	36.4	18.2	17.2	34.3
Other administrative expenses		11.5	10.7	21.7	10.7	10.3	20.5
Depreciation and write-downs on tangible and intangible assets	6)	2.1	3.5	6.7	1.7	3.2	6.1
Other operating expenses	7)	4.6	5.4	9.5	5.0	5.8	10.3
Total costs		37.6	37.9	74.2	35.6	36.5	71.2
Profit before write-downs		21.7	18.2	37.7	19.8	17.9	35.7
Write-downs on loans and guarantees		-1.0	-0.6	-2.0	-1.0	-0.6	-2.0
Write-downs on financial assets		-	-	-	-	-	-
Share of profit in associated companies		0.7	-0.1	0.2	-	-	-
Net operating profit		21.4	17.5	35.8	18.8	17.3	33.7
Appropriations		-	-	-	-7.5	-6.6	-14.3
Taxes for the period and for previous reporting periods		-3.4	-3.4	-6.3	-2.9	-3.5	-6.1
Changes in deferred tax liabilities		-1.8	-2.0	-7.1	-	-	-
Minority interest		-0.1	-0.1	-0.2	-	-	-
Profit for the reporting period		16.0	11.9	22.2	8.4	7.2	13.3

Balance sheet

(EUR millions)	Note	Group			Bank		
		30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Assets							
Liquid assets		245.3	543.5	249.8	245.3	543.5	249.8
Debt securities eligible for refinancing with central banks	8)	819.1	479.6	628.8	799.7	465.5	614.9
Claims on credit institutions		31.8	27.6	16.9	120.4	132.4	179.8
Claims on the public and public sector entities		3,069.3	2,746.7	2,892.0	2,494.0	2,438.8	2,486.1
Debt securities	9)	53.5	93.4	86.7	55.4	96.2	89.4
Shares and participations	10)	23.5	21.3	22.8	21.5	19.9	21.7
Shares and participations in associated companies		2.8	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)	4.7	6.6	6.8	4.7	6.6	6.8
Intangible assets		3.2	2.4	3.6	2.0	2.3	2.3
Tangible assets		97.8	103.0	100.5	70.5	73.3	71.5
Other assets	12)	36.3	55.6	37.6	36.3	55.1	37.5
Accrued expenses		27.2	17.9	22.9	27.9	17.9	25.0
Deferred taxes recoverable		0.0	0.0	0.0	0.0	0.0	0.0
Total assets		4,414.5	4,105.0	4,076.2	3,907.2	3,879.4	3,811.6
Liabilities							
Foreign capital							
Liabilities to credit institutions and central banks		774.6	845.8	780.5	785.3	890.4	789.1
Deposits from the public		2,263.9	2,102.5	2,195.8	2,273.7	2,106.7	2,198.7
Other liabilities to the public and public sector entities		45.9	98.9	34.0	45.9	98.9	34.0
Debt securities issued to the public		799.5	562.2	575.6	301.0	312.7	326.1
Derivative instruments and other liabilities for trading purposes	13)	4.7	6.6	6.8	4.7	6.6	6.8
Other liabilities	14)	92.4	123.5	91.8	90.6	121.7	90.9
Compulsory provisions		0.9	0.9	1.1	0.9	0.9	1.1
Accrued expenses		25.8	23.7	21.2	22.6	22.3	19.1
Subordinated liabilities		155.6	126.1	138.8	143.9	111.4	124.2
Deferred tax liabilities	15)	27.4	17.6	22.7	2.6	-	-
Accumulated appropriations		-	-	-	74.4	59.3	66.9
		4,190.8	3,907.7	3,868.4	3,745.5	3,731.0	3,656.9
Equity							
Share capital		70.6	70.5	70.6	70.6	70.5	70.6
Minority interest		0.8	0.6	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)	8.6	-	-	7.5	-	-
Profit brought forward		117.8	104.4	104.4	65.3	60.8	60.8
Profit for the period		16.0	11.9	22.2	8.4	7.2	13.3
		223.7	197.3	207.8	161.8	148.4	154.7
Total liabilities		4,414.5	4,105.0	4,076.2	3,907.2	3,879.4	3,811.6

Off-balance-sheet commitments (EUR millions)	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Guarantees	44.8	43.3	43.6	44.8	43.3	43.6
Other commitments given to a third party on behalf of a customer	24.3	22.0	23.7	24.3	22.0	23.7
Unused credit arrangements	201.4	179.8	160.4	363.7	189.7	169.7
Other irrevocable commitments	50.1	23.0	32.1	63.4	28.9	40.5
Off-balance-sheet commitments	320.6	268.1	259.8	496.2	283.9	277.5

Derivative contracts (EUR millions)	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Interest rate-related	4,661.1	2,012.6	1,916.0	5,225.1	2,306.0	2,267.7
Forward rate agreements	1,770.0	200.0	50.0	1,770.0	180.0	80.0
Interest rate swaps	460.3	403.4	456.8	1,024.3	716.8	778.5
Interest rate option agreements	2,430.8	1,409.2	1,409.2	2,430.8	1,409.2	1,409.2
<i>Purchased</i>	1,215.4	704.6	704.6	1,215.4	704.6	704.6
<i>Written</i>	1,215.4	704.6	704.6	1,215.4	704.6	704.6
Currency-related	53.9	44.4	59.7	53.9	44.4	59.7
Forward rate agreements	53.9	44.4	59.7	53.9	44.4	59.7
Equity-related	201.0	152.2	170.6	201.0	152.2	170.6
Equity options	201.0	152.2	170.6	201.0	152.2	170.6
<i>Purchased</i>	100.5	76.1	85.3	100.5	76.1	85.3
<i>Written</i>	100.5	76.1	85.3	100.5	76.1	85.3
Equivalent credit exposures						
Interest rate-related	34.0	12.5	19.0	47.1	18.3	27.3
Currency-related	1.7	-0.2	-0.5	1.7	-0.2	-0.5
Equity-related	14.1	8.5	11.2	14.1	8.5	11.2
Total derivatives	49.8	20.8	29.7	62.9	26.6	38.0

All derivatives, with the exception of interest rate swaps of EUR 8.7 million and written interest rate option agreements of EUR 149.4 million and the written equity options, were made in order to hedge risks.

Result by quarter

	2/2005	1/2005	4/2004	3/2004	2/2004
Net interest income	19.9	18.8	18.8	18.6	17.7
Income from equity investments	0.2	1.0	0.0	0.0	0.4
Commission income	10.4	8.5	8.7	8.5	8.9
Commission expenses	-1.5	-1.3	-1.8	-1.2	-1.5
Net income from securities and currency trading	0.4	0.3	2.0	0.4	0.1
Net income from financial assets for sale	0.0	0.6	-	-	-
Net income from investment real estate	0.5	0.6	0.6	0.5	0.7
Other operating income	0.3	0.6	0.2	0.2	0.5
Total income	30.2	29.1	28.4	27.1	26.8
Staff costs	-9.9	-9.5	-10.4	-7.7	-9.2
Other administrative expenses	-5.7	-5.8	-5.9	-4.8	-5.1
Depreciation and write-downs on tangible and intangible assets	-1.0	-1.1	-1.6	-1.6	-1.8
Other operating expenses	-2.0	-2.5	-1.9	-2.3	-2.4
Total costs	-18.6	-18.9	-19.7	-16.4	-18.5
Write-downs on loans and guarantees	-1.2	0.2	-0.7	-0.7	-0.5
Share of profit in associated companies	0.3	0.3	0.1	0.2	-0.1
Net operating profit	10.7	10.7	8.1	10.2	7.7

Key figures for the Group

(EUR millions)	30.6.2005	30.6.2004	31.12.2004
Specification of outstanding credit			
Households	2,485	2,201	2,328
Corporations	381	350	362
Housing associations	150	144	151
Non-profit organisations	43	38	39
Public sector entities	10	13	12
Total	3,069	2,747	2,892
Risk commitments			
Non-performing loans	12.7	13.2	11.3
Non-interest-bearing loans	0.2	1.0	0.2
Non-performing/credit stock incl. commitments (%)	0.4	0.5	0.4
Key figures			
Earnings/share ¹⁾	0.45	0.34	0.63
- excluding non-recurring taxes ⁵⁾	0.45	0.34	0.72
Equity/share p.a. ²⁾	6.32	5.58	5.87
Return on equity ROE (%) ³⁾	14.9	12.3	11.2
- excluding non-recurring taxes ⁵⁾	14.9	12.3	12.6
Cost-to-income ratio ⁴⁾	0.63	0.68	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	799	810	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 excluding 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)	30.6.2005	30.6.2004	31.12.2004
Tier 1 capital	208	191	195
Tier 2 capital			
- fund at actual value	9	-	-
- subordinated liabilities	104	95	98
Capital base	302	286	293
Risk-weighted commitments	2,212	1,993	2,082
Capital adequacy (%)	14.5	14.4	14.1
Tier 1 capital ratio (%)	9.4	9.6	9.4

Amended accounting policies

According to the European Union decree, listed companies in member countries must apply International Financial Reporting Standards (IFRS) from 2005 onward. 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 fund at actual value 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.

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		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Other operating income	2.3	2.4	4.7	1.6	1.7	3.4
Other operating expenses	-0.9	-0.9	-1.9	-1.1	-1.1	-2.1
Depreciation	-0.3	-0.3	-0.6	0.0	0.0	0.0
Net income from investment real estate	1.1	1.2	2.2	0.5	0.5	1.2

5) Other operating income

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Other operating income	0.9	3.1	5.9	1.1	2.6	5.0
- transferred to net income from investment real estate	-	-2.4	-4.7	-	-1.7	-3.4
Total	0.9	0.7	1.2	1.1	0.9	1.6

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

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Depreciation and write-downs on tangible and intangible assets	2.1	3.8	7.3	1.7	3.2	6.1
- transferred to net income from investment real estate	-	-0.3	-0.6	-	0.0	0.0
Total	2.1	3.5	6.7	1.7	3.2	6.1

7) Other operating expenses

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Other operating expenses	4.6	6.3	11.4	5.0	6.9	12.4
- transferred to net income from investment real estate	-	-0.9	-1.9	-	-1.1	-2.1
Total	4.6	5.4	9.5	5.0	5.8	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		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Retained for trading	-	0.7	-	-	0.7	-
Retained for sale	808.2	478.9	628.8	789.4	464.8	614.9
- revalued against the fair value reserve and deferred tax	10.9	-	-	10.3	-	-
	819.1	479.6	628.8	799.7	465.5	614.9
Retained until maturity	-	-	-	-	-	-
Total	819.1	479.6	628.8	799.7	465.5	614.9

9) Debt securities

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Retained for trading	4.4	1.4	0.0	4.4	1.4	0.0
Retained for sale	20.6	61.7	61.6	19.1	60.5	60.5
- revalued against the fair value reserve and deferred tax	-	-	-	-	-	-
	25.0	63.1	61.6	23.5	61.9	60.5
Retained until maturity	28.5	30.3	25.1	31.9	34.3	28.9
Total	53.5	93.4	86.7	55.4	96.2	89.4

10) Shares and participations

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Retained for trading	-	-	-	-	-	-
Retained for sale	22.9	21.3	22.8	21.7	19.9	21.7
- revalued against the fair value reserve and deferred tax	0.6	-	-	-0.2	-	-
Total	23.5	21.3	22.8	21.5	19.9	21.7

11) Derivative instruments

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

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
	4.7	6.6	6.8	4.7	6.6	6.8

12) Other assets

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

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Other assets	41.0	62.2	44.4	41.0	61.7	44.3
Derivative instruments	-4.7	-6.6	-6.8	-4.7	-6.6	-6.8
Total	36.3	55.6	37.6	36.3	55.1	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		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Derivative instruments	4.7	6.6	6.8	4.7	6.6	6.8
Other liabilities for trading purposes	-	-	-	-	-	-
Total	4.7	6.6	6.8	4.7	6.6	6.8

14) Other liabilities

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

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Other liabilities	98.1	130.9	98.6	96.2	129.2	97.7
Derivative instruments	-4.7	-6.6	-6.8	-4.7	-6.6	-6.8
Total	93.4	124.3	91.8	91.5	122.6	90.9

15) Deferred tax liabilities

	Group			Bank		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Opening balance sheet total	22.7	15.6	15.6	-	-	-
Change via profit and loss account	1.8	2.0	7.1	-	-	-
Debt securities eligible for refinancing with central banks revalued against the fair value reserve	2.8	0.0	-	2.7	-	-
Debt securities revalued against the fair value reserve	0.0	0.0	-	0.0	-	-
Shares and participations revalued against the fair value reserve	0.1	0.0	-	-0.1	-	-
Closing balance sheet total	27.4	17.6	22.7	2.6	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		
	30.6.2005	30.6.2004	31.12.2004	30.6.2005	30.6.2004	31.12.2004
Opening balance sheet total	-	-	-	-	-	-
Revalued debt securities eligible for refinancing with central banks	8.1	-	-	7.6	-	-
Revalued debt securities	0.0	-	-	0.0	-	-
Revalued shares and participations	0.5	-	-	-0.1	-	-
Closing balance sheet total	8.6	-	-	7.5	-	-

Helsinki, 18 August 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 30.6.2005. The interim report has in our opinion been prepared in accordance with

applicable regulations. The group operating profit for the period 1.1. - 30.6.2005 is EUR 21,4 million.

Helsinki, 18 August 2005

OY JOE SUNDHOLM & CO AB
Authorised Public Accountants

Jan Holmberg
Authorised public accountant

