Aktia

# AKTIA BANK PLC'S ACCOUNTS ANNOUNCEMENT 1 January - 31 December 2009

## ACTIVITY DURING THE YEAR

The bank in its current form, Aktia Bank plc, started operating on 30 September 2008, when Aktia Savings Bank plc transferred its banking operations to Aktia Bank Ltd. Aktia Bank Ltd. was converted into a plc at the same time.

Aktia Bank plc operates as the parent company in the Bank Group. The annual report for January – December 2008 encompasses the results for the period 1 October – 31 December 2008.

The Financial Supervisory Authority announced on 28 April 2009 that it had approved Aktia Bank plc's sale of its shares in Aktia Life Insurance to the Group's parent company Aktia plc. The transaction did not affect the operational business of Aktia Life Insurance. The contract price corresponded to the reported net asset value of the life insurance company which stood at EUR 45.5 million on 28 February 2009. Aktia Life Insurance is reported as a discontinued operation in the Bank Group.

Aktia Bank plc's new division into business segments was changed from 1 January 2009 so that the segments Retail Banking and Corporate Banking & Treasury are now combined into a segment entitled Banking Business. The other segments are Asset Management and Miscellaneous. Comparative figures for 2008 relating to the new segmentation were published on 8 April 2009.

## PROFIT

The Bank Group's operating profit for continuing operations during the year was EUR 54.2 million (EUR 24,6 million for 10-12/2008). Profit for the period after write-downs and tax was EUR 39.4 million (EUR 19.1 million).

The segment banking business posted a profit of EUR 54.6 million (EUR 9.0 million) for the year as a whole. The segment asset management was able to report a marginal improvement during the last quarter, showing an operating profit of EUR 0.9 million (EUR 2.9 million). Earnings per share was EUR 13.3 million (EUR 6.2 million).

| | 1-12/2009 | 1-12/2008 | Change |
|---|---|---|---|
| Earnings per share (EPS), continuing operations, EUR million | 13.3 | 6.2 | 115.2 % |
| Earnings per share (EPS), discontinued operations, EUR million | -0.6 | -11.6 | -94.9 % |
| Earnings per share (EPS), EUR million total | 12.7 | -5.5 | - |
| Equity per share (NAV), EUR ,million | 117.0 | 91.7 | 27.5 % |
| Return on equity (ROE), % | 11.0 | -5.2 | - |
| Earnings per share excluding negative goodwill recorded as income and including the fund at fair value, EUR million | 35.9 | -15.4 | - |
| Number of shares at the end of the period | 3 | 3 | 0.0 % |
| Cost-to-income ratio | 0.57 | 0.65 | -12.3 % |
| Capital adequacy ratio, % | 15.9 | 13.7 | 16.4 % |
| Tier 1 capital ratio, % | 9.5 | 9.3 | 2.2 % |

## INCOME

The Bank Group's total income amounted to 196.7 million (EUR 55.9 million for 10-12/2008), EUR 152.4 million (EUR 35.5 million) of which was net interest income. Operating profit is adversely affected by a cost of EUR 9.2 million due to a calculation error in the division of fair values of options that are partly reported via income statement and partly via the fund at fair value. The fund at fair value will increase correspondingly.

Net commission income totalled EUR 40.7 million (EUR 11.8 million). Commission income from asset management and brokering amounted to EUR 13.4 million (EUR 3.5 million). The brokering of funds and insurance generated total income of EUR 19.0 million (EUR 15.0 million) and accounted for 33.9% of commission income. Card and payment services commission was EUR 11.5 million (EUR 4.4 million). Total commission costs amounted to EUR 15.4 million (EUR 14.2 million). Among the commission costs, commissions to savings and local cooperative banks for brokered mortgages amounted to EUR 2.1 million (EUR 5.9 million).



## EXPENDITURE

The Bank Group's total costs were EUR 111.8 million (EUR 31.4 million).

Staff costs amounted to EUR 46.6 million (EUR 13.9 million). Other administration costs totalled EUR 41.8 million (EUR 10.3 million). Among other administration costs, the largest cost items were primarily attributed to IT which accounted for 36.4% of other administration costs.

Total depreciation and write-downs on tangible and intangible assets amounted to EUR 4.8 million (EUR 1.5 million). Other operating costs totalled EUR 18.6 million (5.7), of which the costs of renting premises accounted for the larger share.

## BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS

The Bank Group's balance sheet total increased over the year by 0.2 % and amounted to EUR 9,539 million (EUR 9,520 million) at the end of 2009.

The Bank Group's total lending to the public increased in 2009 by 12.7 % to EUR 6,124 million (EUR 5,432 million). Loans to private households accounted for EUR 4,924 million (EUR 4,343 million) or 80.4% (80.0%) of the total loan stock.

Excluding the mortgages brokered by savings and local cooperative banks which the local banks are committed to capitalise, the Bank Group's lending totalled EUR 4,834 million.

Interest-bearing financial assets available for sale amounted to EUR 2,657 million (EUR 2,808 million). These assets mainly consist of the banking business' liquidity reserve.

Deposits from the public and public sector entities totalled EUR 3,036 million (EUR 3,099 million).

Outstanding bonds issued and certificates of deposit increased by 30.0% to EUR 2,754 million (EUR 2,119 million) at the end of the year.

Off-balance sheet commitments totalled EUR 568 million (EUR 533 million).

The Bank Group's equity increased to EUR 384 million (EUR 300 million) at the end of the year. The fund at fair value amounted to EUR 34.7 million (EUR -35.1 million).

## CAPITAL ADEQUACY

The Bank Group's capital adequacy amounted to 15.9 % compared to 13.7% at the end of the previous year. The Tier 1 capital ratio increased to 9.5% compared to 9.3% the previous year. Capital adequacy was strengthened by the profit for the year and by the positive development in the fund at fair value, brought about by higher valuations of financial assets. Capital adequacy remained at a good level, exceeding both the capital adequacy targets set internally and the regulatory requirements.

## RATING

Aktia Bank plc's credit rating by the international credit rating agency Moody's Investors Service was confirmed on 6 January 2010 as the classification, P-1 (unchanged), for short-term borrowing. The credit ratings for long-term borrowing and financial strength were the same, at A1 and C respectively, all with a stable outlook.

The subsidiary Aktia Real Estate Mortgage Bank plc which issues mortgage covered bonds has a Moody's credit rating of Aa1 for all bonds.

# VALUATION OF FINANCIAL ASSETS

## VALUE CHANGES REPORTED VIA INCOME STATEMENT

For shares and participations, a value impairment is reported in the income statement where the value change has been announced as significant or long-term and, in the case of interest-bearing securities, where the issuer has announced an inability to pay. For interest-bearing securities, previous write-downs are reversed in the income statement and for shares and participations in the fund at fair value.

Write-downs amounted to EUR 0.4 million (EUR 4.6 million) and are attributable to one security asset.

### Write-downs on financial assets

| EUR million | 1-12/2009 | 1-12/2008 |
|---|---|---|
| Interest bearing securities | 0.4 | 3.6 |
| Shares and participations | - | 1.0 |
| **Total** | **0.4** | **4.6** |

## VALUE CHANGES REPORTED VIA THE FUND AT FAIR VALUE

A value impairment that is not reported in the income statement or an increase in the value of financial assets that has not been realised is reported via the fund at fair value. Taking cash flow hedging for the Group into consideration, the fund at fair value amounted to EUR 34.7 million after deferred tax compared to EUR -35.1 million as at 31 December 2008. The cash flow hedging which comprises the market value for interest rate derivative contracts which have been acquired for the purposes of hedging the banking business' net interest income amounted to EUR 21.4 million (EUR 12.4 million).

### Specification of the fund at fair value

| EUR million | 31.12.2009 | 31.12.2008 | Change |
|---|---|---|---|
| Shares and participations | | | |
| Banking business | 0.0 | -0.2 | 0.2 |
| Life insurance business | - | -2.9 | 2.9 |
| Direct interest-bearing securities | | | |
| Banking business | 13.3 | -26.3 | 39.5 |
| Life insurance business | - | -18.2 | 18.2 |
| Cash flow hedging | 21.4 | 12.4 | 9.0 |
| **Fund at fair value, total** | **34.7** | **-35.1** | **69.8** |

# WRITE-DOWNS OF LOAN AND GUARANTEE CLAIMS

Write-downs based on individual examination of loan and guarantee claims totalled EUR -33.1 million (EUR -1.0 million). Reversals of write-downs from previous years came to EUR 2.1 million (EUR 0.5 million) so that the cost effect on the profit for the year was EUR -31.1 million (EUR -0.5 million).

Of the write-downs with impact on costs, EUR -29.9 million was accounted for by corporate loans, which corresponds to approx. 3.8% of the total corporate lending. Write-downs with impact on costs of household loans amounted to EUR -1.1 million, EUR -0.7 million of which was accounted for by unsecured consumer loans. The year's write-downs with impact on costs of household loans was equivalent to 0.03% of total lending to households. Total write-downs with cost impact for the year amounted to 0.51% (0.01%) of total lending.

In addition to individual write-downs, group write-downs were made for households and small companies, where there were objective reasons to believe there was uncertainty in relation to the repayment of claims in underlying credit portfolios. Group write-downs for households and small companies remained unchanged and amounted to EUR -7.4 million at the end of the 2009.

# THE BANK GROUP'S RISK MANAGEMENT

## RISK EXPOSURE

The banking business includes Retail Banking (including financing company operations), Corporate Banking, Treasury and Asset Management.

## LENDING-RELATED RISKS WITHIN BANKING

The loan stock increased over the year by EUR 692 million, totalling EUR 6,124 million (EUR 5,432 million) at the year-end. As planned, this increase mainly occurred within household financing and households' share of the total loan stock amounted to EUR 4,924 million or 80.4% or 85.1% when combined with housing associations at the end of year. Of these loans to households, 86.2% (86.2%) are secured against adequate real estate collateral in accordance with Basel 2. The housing loan stock totalled EUR 4,598 million (EUR 4,036 million), of which mortgages granted by Aktia Real Estate Mortgage Bank plc made up EUR 2,498 million (EUR 1,968 million). In all, housing loans increased by 13.9% over the year.



New lending to companies remained moderate and corporate loans increased by 4.3% from the beginning of the year, totalling EUR 845 million (EUR 810 million). The proportion of the total credit stock accounted for by corporate loans fell as planned to 13.8% (14.9%).

Lending to the general public secured by collateral objects or unsecured within the framework of the financing companies Aktia Corporate Finance and Aktia Card & Finance totalled EUR 84.8 million (EUR 63.0 million), representing 1.4% of total lending.

### Credit stock by sector

| EUR million | 31.12.2009 | 31.12.2008 | Change | Percentage |
|---|---|---|---|---|
| Corporate | 845 | 810 | 35 | 13.8 |
| Housing associations | 289 | 220 | 69 | 4.7 |
| Public sector entities | 10 | 12 | -2 | 0.2 |
| Non-profit organisations | 55 | 47 | 9 | 0.9 |
| Households | 4.924 | 4.343 | 581 | 80.4 |
| **Total** | **6.124** | **5.432** | **692** | **100.0** |

Loans with payments 1–30 days overdue decreased during the period from 3.40% to 2.97% of the credit stock, including off-balance sheet guarantee commitments. Loans with payments 31-90 days overdue fell from 0.87% to 0.76 %, totalling approximately EUR 46 million. Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, totalled approximately EUR 34 million, corresponding to 0.56% (0.48%) of the entire credit stock plus bank guarantees.

### Undischarged debts by time overdue (EUR million)

| Days | 31.12.2009 | % of the credit stock | 31.12.2008 | % of the credit stock |
|---|---|---|---|---|
| 1-30 | 181 | 2.97 | 187 | 3.40 |
| of which households | 114 | 1.86 | 110 | 2.01 |
| 31-89 | 46 | 0.76 | 48 | 0.87 |
| of which households | 37 | 0.61 | 34 | 0.63 |
| 90- | 34 | 0.56 | 26 | 0.48 |
| of which households | 18 | 0.30 | 16 | 0.29 |

## THE BANK GROUP'S FINANCING AND LIQUIDITY RISKS

Financing and liquidity risks are defined as the availability of refinancing plus the differences in maturity between assets and liabilities. The objective is to be able to cover one year's financing requirements using existing liquidity. The liquidity status has been stable despite continued financial uncertainty and at the year-end financial assets were at a level that meets refinancing requirements for approximately 16 months.

## COUNTERPARTY RISKS

### COUNTERPARTY RISKS WITHIN GROUP TREASURY'S LIQUIDITY MANAGEMENT OPERATIONS

The banking business' liquidity portfolio – which is managed by Group Treasury – stood at EUR 2,615 million at 31 December 2009 (EUR 2,290 million).

Counterparty risks arising in relation to liquidity management and entry into derivative contracts are managed through conservative allocation and the requirement for high-level external ratings (minimum A3 rating from Moody's or equivalent). In addition, maximum exposure limits have been established for each counterparty and asset type. Individual investment decisions are made in accordance with an investment plan in place and are based on careful assessment of the counterparty.

Of the financial assets available for sale, 55% (49%) were investments in covered bonds, 30% (45%) were investments in banks, 11% (3%) were investments in state-guaranteed bonds and approximately 4% (3%) were investments in public sector entities and companies. Of these financial assets, 1.7% (0.9%) did not meet the internal rating requirements. As a result of a reduced credit rating, four security assets with a total market value of EUR 18 million were no longer eligible for refinancing with the central bank. Other securities that are not eligible for refinancing due to the absence of a rating, totalled EUR 27 million.

During the period, write-downs totalling EUR -0.4 million were realised as a result of the issuer announcing its inability to pay.

### Rating distribution for banking business

| EUR million | 31.12.2009 | 31.12.2008 |
|---|---|---|
| | **2,615** | **2,290** |
| Aaa | 55.1 % | 49.4 % |
| Aa1-Aa3 | 29.6 % | 42.3 % |
| A1-A3 | 11.6 % | 4.9 % |
| Baa1-Baa3 | 0.6 % | 0.9 % |
| Ba1-Ba3 | 0.2 % | 0.0 % |
| B1-B3 | 0.0 % | 0.0 % |
| Caa1 or lower | 0.0 % | 0.0 % |
| No rating | 2.9 % | 2.5 %* |
| Total | 100.0 % | 100.0 % |

*) Of which 1.9% municipalities at 31 December 2009 and 0.2% at 31 December 2008.

## MARKET VALUATION OF FINANCIAL ASSETS

The financial assets within the banking business are invested in securities with access to market prices on an active market, and are valued in accordance with official quoted prices. Any significant or long-term impairment of market value compared to the acquisition price is shown in the income statement, while interest-rate fluctuations are reported under the fund at fair value after the deduction of deferred tax.

### MARKET VALUE AND STRUCTURAL INTEREST RATE RISK WITHIN THE BANKING BUSINESS

Structural interest rate risk arises as a result of an imbalance between interest rate ties and the re-pricing of assets and liabilities, and affects net interest income. Investments within the liquidity portfolio and hedging derivative instruments are exploited to reduce the volatility in net interest income.

A parallel upward shift in the interest rate curve of one percentage point would reduce the net interest income of the banking business for the next 12 months by -4.3% (-5.4%) while the target for structural interest rate risk management is a maximum of -7%. For the period 12–24 months, the net interest income of the banking business would reduce by -5.3% (-6.0%) while the target for structural interest rate risk management is a maximum of -8%.

A parallel downward shift in the interest rate curve of one percentage point would increase the net interest income of the banking business for the next 12 months by +3.0% (+6.3%), while the target for structural interest rate risk management is a maximum of -7%. For the next 12–24 months, the net interest income of the banking business would increase by +6.0% (+7.9%), while the target for structural interest rate risk management is a maximum of -8%.



Market value interest rate risk refers to changes in value of financial assets available for sale as a result of interest rate fluctuations or changes in credit, interest rate or spread risks. The size, maturity and risk level of the liquidity portfolio is restricted as a result of capital allocation limits and limits for entering into repurchase agreements.

The net change in the fund at fair value relating to market value interest rate risk posted during the period and credit and spread risk was positive and totalled EUR 39.5 million after the deduction of deferred tax. At the year-end, the valuation difference in interest-bearing securities was positive at EUR 13.3 million (EUR -26.3 million).

## OPERATIONAL RISKS

Operational risks refer to loss risks arising as a result of unclear or incomplete instructions, activities carried out contrary to instructions, unreliable information, deficient systems or actions taken by staff members. If an operational risk is realised, this can result in direct or indirect financial losses or tarnish the corporate image to the extent that the bank's credibility in the marketplace suffers.

## PERSONNEL

When converted into full-time employees, the number of staff employed by the Bank Group fell by 122 to 756 (878) people during 2009. The average number of full-time employees during the year was 766.

## IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events to be reported after the end of the reporting period.

## OUTLOOK FOR THE COMING YEAR

Aktia Bank expects operating profit for 2010 to be on the same level than in 2009.

In 2010, Aktia Bank's focus will be on strengthening customer relations, increasing selling, developing Internet services, managing costs, risks and capital in order to strengthen profitability. Aktia Bank is endeavouring to grow above and beyond the market volume, particularly in the areas of retail customers and small companies.

Aktia Bank's financial results are affected by many factors, the most important of which are the general economic situation, fluctuations in share prices, interest rates and exchange rates and the competitive situation. Changes in these factors can have an impact on demand for banking, insurance, real estate agency and asset management services.

Changes in interest rates, yield curves and credit margins are hard to predict and can affect Aktia Bank's interest rate margins and therefore profitability. Aktia pursues an active policy of managing interest rate risks.

Any future write-downs of loans in Aktia Bank's loan portfolio could be due to many factors, the most important of which are the general economic situation, interest rate levels, the level of unemployment and changes in house prices. Aktia Bank expects write-downs on credits to be lower than in 2009.

The availability of liquidity on the money markets is of central importance for Aktia Bank's refinancing activities. Like other banks, Aktia Bank relies on deposits from households in order to service some of its liquidity needs.

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

The financial crisis has resulted in many new initiatives for regulating banking and insurance businesses, which has brought about uncertainty concerning future capital requirements. A change in capital requirements could actualise both capitalisation needs and need for changes in the Aktia Group's structure.

# AKTIA BANK PLC – THE BANK GROUP'S PERFORMANCE 2009

Aktia Bank plc is the parent company in the Bank Group and started its banking business on 30 September 2008. As Aktia Bank plc was established and started its operations in 2008 there are no comparison figures in the financial statements for the bank. The annual report for January – December encompasses the results for the period 1 October – 31 December 2008.

## THE BANK GROUP'S INCOME STATEMENT JANUARY – DECEMBER 2009

**Continuing operations**

| (EUR million) | 1-12/2009 | 1-12/2008 | Change |
|---|---|---|---|
| Net interest income | 152.4 | 35.5 | 329.4 % |
| Dividends | 0.1 | 0.2 | -32.4 % |
| Commission income | 56.1 | 26.0 | 115.7 % |
| Commission expenses | -15.4 | -14.2 | 8.5 % |
| Net commission income | 40.7 | 11.8 | 244.3 % |
| Net income from financial transactions | 0.6 | -2.8 | - |
| Net income from investment properties | 0.1 | 2.9 | -97.0 % |
| Other operating income | 2.8 | 8.3 | -66.3 % |
| **Total operating income** | **196.7** | **55.9** | **251.9 %** |
| Staff costs | -46.6 | -13.9 | 235.1 % |
| Other administrative expenses | -41.8 | -10.3 | 304.7 % |
| Depreciation of tangible and intangible assets | -4.8 | -1.5 | 224.8 % |
| Other operating expenses | -18.6 | -5.7 | 226.3 % |
| **Total operating expenses** | **-111.8** | **-31.4** | **255.9 %** |
| Impairment and reversal of impairment on tangible and intangible assets | 0.0 | 0.4 | - |
| Write-downs on credits and other commitments | -31.1 | -0.5 | - |
| Share of profit from associated companies | 0.3 | 0.2 | 45.1 % |
| **Operating profit from continuing operations** | **54.2** | **24.6** | **120.3 %** |
| Taxes | -14.7 | -5.5 | 170.1 % |
| **Profit for the period from continuing operations** | **39.4** | **19.1** | **106.1 %** |
| **Discontinued operations** | | | |
| Profit for the period from discontinued operations | -1.8 | -34.9 | -94.9 % |
| **Profit for the period** | **37.6** | **-15.7** | **-** |
| **Attributable to:** | | | |
| Shareholders in Aktia Bank Plc | 38.0 | -16.4 | - |
| Minority interest | -0.4 | 0.6 | - |
| **Total** | **37.6** | **-15.7** | **-** |
| **Earnings per share attributable to shareholders in Aktia Bank Plc, EUR** | | | |
| Continuing operations | 13,269,009.48 | 6,164,833.41 | 115.2 % |
| Discontinued operations | -596,129.27 | -11,625,755.27 | -94.9 % |
| **Total** | **12,672,880.20** | **-5,460,921.86** | **-** |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR BANK GROUP

| (EUR million) | 1-12/2009 | 1-12/2008 | Change |
|---|---|---|---|
| **Continuing operations** | | | |
| Profit for the reporting period | 39.4 | 19.1 | 106.1% |
| **Other comprehensive income after taxes:** | | | |
| Change in valuation of fair value for financial assets available for sale | 37.7 | -29.1 | - |
| Change in valuation of fair value for cash flow hedging | 9.0 | 13.6 | -33.4% |
| Transferred to the income statement for financial assets available for sale | 2.4 | 1.0 | 139.3% |
| Transferred to the income statement for cash flow hedging | - | -0.3 | - |
| **Total comprehensive income for the period for continuing operations** | **88.7** | **4.3** | **-** |
| | | | |
| **Discontinued operations** | | | |
| Profit for the period | -1.8 | -34.9 | -94.9% |
| **Other comprehensive income after taxes:** | | | |
| Change in valuation of fair value for financial assets available for sale | -11.3 | -40.1 | 71.8% |
| Transferred to the income statement for financial assets available for sale | 0.3 | 24.4 | -98.9% |
| **Total comprehensive income for the period for discontinued operations** | **-12.8** | **-50.5** | **-74.6%** |
| | | | |
| **Total comprehensive income for the period** | **75.8** | **-46.2** | **-** |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Shareholders in Aktia Bank plc | 75.8 | -46.3 | - |
| Minority interest | 0.1 | 0.1 | -26.3% |
| **Total** | **75.8** | **-46.2** | **-** |

## THE BANK GROUP'S BALANCE SHEET

| (EUR million) | 31.12.2009 | 31.12.2008 | Change |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances with central banks | 336.5 | 506.3 | -33.5 % |
| Financial assets reported at fair value via the income statement | 3.6 | 19.5 | -81.5 % |
| Interest-bearing securities | 2,657.5 | 2,808.4 | -5.4 % |
| Shares and participations | 4.9 | 211.5 | -97.7 % |
| Financial assets available for sale | 2,662.4 | 3,019.9 | -11.8 % |
| Financial assets held until maturity | 27.9 | 35.9 | -22.3 % |
| Derivative instruments | 209.6 | 137.0 | 53.0 % |
| Lending to credit institutions | 80.7 | 100.5 | -19.7 % |
| Lending to the public and public sector entities | 6,123.7 | 5,431.6 | 12.7 % |
| Loans and other receivables | 6,204.4 | 5,532.2 | 12.2 % |
| Investments for unit-linked provisions | - | 148.1 | - |
| Investments in associated companies | 2.8 | 2.8 | 1.7 % |
| Intangible assets | 7.0 | 10.3 | -32.0 % |
| Investment properties | 0.0 | 0.0 | 0.0 % |
| Other tangible assets | 4.6 | 5.9 | -22.0 % |
| Accrued income and advance payments | 71.9 | 78.7 | -8.6 % |
| Other assets | 4.9 | 5.9 | -17.4 % |
| Total other assets | 76.8 | 84.7 | -9.3 % |
| Income tax receivables | 0.4 | 2.4 | -83.2 % |
| Deferred tax receivables | 3.5 | 14.8 | -76.6 % |
| Tax receivables | 3.9 | 17.2 | -77.5 % |
| **Total assets** | **9,539.5** | **9,519.9** | **0.2 %** |
| | | | |
| **Liabilities** | | | |
| Liabilities to credit institutions | 1,724.4 | 1,917.0 | -10.0 % |
| Liabilities to the public and public sector entities | 3,035.8 | 3,099.0 | -2.0 % |
| Deposits | 4,760.2 | 5,016.0 | -5.1 % |
| Financial liabilities reported at fair value via the income statement | - | 4.6 | - |
| Derivative instruments | 131.7 | 84.7 | 55.4 % |
| Debt securities issued | 2,754.5 | 2,118.7 | 30.0 % |
| Subordinated liabilities | 250.4 | 246.8 | 1.5 % |
| Other liabilities to credit institutions | 968.2 | 502.1 | 92.8 % |
| Other liabilities to the public and public sector entities | 91.8 | 262.8 | -65.1 % |
| Other financial liabilities | 4,064.9 | 3,130.4 | 29.9 % |
| Provisions for interest-related insurances | - | 627.6 | - |
| Technical provisions for unit-linked insurances | - | 149.6 | - |
| Accrued expenses and income received in advance | 66.5 | 79.4 | -16.2 % |
| Other liabilities | 81.3 | 87.3 | -6.9 % |
| Total other liabilities | 147.8 | 166.7 | -11.3 % |
| Provisions | 0.2 | 0.0 | 803.3 % |
| Income tax liability | 18.9 | 2.1 | 780.7 % |
| Deferred tax liabilities | 32.2 | 38.0 | -15.3 % |
| Tax liabilities | 51.0 | 40.1 | 27.3 % |
| **Total liabilities** | **9,155.8** | **9,219.7** | **-0.7 %** |
| | | | |
| **Equity** | | | |
| Restricted equity | 197.7 | 127.9 | 54.6 % |
| Unrestricted equity | 153.3 | 147.3 | 4.0 % |
| Shareholders' share of equity | 351.0 | 275.2 | 27.5 % |
| Minority interest's share of equity | 32.7 | 24.9 | 31.1 % |
| Equity | 383.7 | 300.2 | 27.8 % |
| **Total liabilities and equity** | **9,539.5** | **9,519.9** | **0.2 %** |

# CONSOLIDATED CASH FLOW STATEMENT FOR BANK GROUP

| (EUR million) | 1-12/2009 | 1-12/2008 | Change |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Operating profit *) | 53.9 | -23.1 | - |
| Adjustment items not included in cash flow for the period | 17.3 | 37.6 | -54.1 % |
| Paid income taxes | -7.9 | -9.4 | -16.2 % |
| **Cash flow from operating activities before change in operating receivables and liabilities** | 63.3 | 5.2 | - |
| | | | |
| Increase (-) or decrease (+) in receivables from operating activities | -936.0 | -590.6 | 58.5 % |
| Increase (+) or decrease (-) in liabilities from operating activities | 651.2 | 645.1 | 1.0 % |
| **Total cash flow from operating activities** | **-221.5** | **59.6** | **-** |
| | | | |
| **Cash flow from investing activities** | | | |
| Financial assets held until maturity | 8.0 | 10.0 | -20.0 % |
| Investments in group companies and associated companies **) | -0.1 | -27.4 | -99.8 % |
| Proceeds from sale of group companies and associated companies | 34.6 | - | - |
| Investment in tangible and intangible assets | -2.9 | -5.0 | -42.8 % |
| Disposal of tangible and intangible assets | 0.3 | 42.9 | -99.3 % |
| Share issue of Aktia Real Estate Mortgage Bank Plc to the minority | 8.9 | 3.8 | 134.5 % |
| **Total cash flow from investing activities** | **48.9** | **24.2** | **101.9 %** |
| | | | |
| **Cash flow from financing activities** | | | |
| Subordinated liabilities | 6.4 | 55.3 | -88.4 % |
| **Total cash flow from financing activities** | **6.4** | **55.3** | **-88.4 %** |
| | | | |
| **Change in cash and cash equivalents** | **-166.1** | **139.1** | **-** |
| | | | |
| Cash and cash equivalents at the beginning of the year | 512.3 | 20.3 | - |
| Cash and cash equivalents transferred in connection with transfer of business operations | - | 353.0 | - |
| Cash and cash equivalents at the end of the year | 346.2 | 512.3 | -32.4 % |
| | | | |
| **Cash and cash equivalents in the cash flow statement consist of the following items:** | | | |
| Cash in hand | 10.0 | 10.0 | -0.1 % |
| Insurance operation's cash and bank | - | 3.7 | - |
| Bank of Finland current account | 326.5 | 492.6 | -33.7 % |
| Repayable on demand claims on credit institutions | 9.7 | 6.0 | 60.9 % |
| **Total** | **346.2** | **512.3** | **-32.4 %** |
| | | | |
| Impairment of financial assets available for sale | 0.4 | 39.2 | -99.0 % |
| Write-downs on credits and other commitments | 31.1 | 0.5 | - |
| Change in fair values | -19.3 | 2.5 | - |
| Depreciation and impairment of intangible and tangible assets | 4.9 | 3.3 | 51.3 % |
| Share of profit from associated companies | 0.0 | -0.1 | -71.6 % |
| Sales gains and losses from intangible and tangible assets | -0.1 | -7.3 | -98.6 % |
| Other adjustments | 0.3 | -0.4 | - |
| **Total** | **17.3** | **37.6** | **-54.1 %** |

*) Includes operating profit from both continuing and discontinued operations
**) The figures for 2008 include additional purchase price for the acquisition of Aktia Life Insurance

# CHANGE IN THE BANK GROUP'S EQUITY

| (EUR million) | Share capital | Other restricted equity | Fund at fair value | Unrestricted equity reserve | Retained ear-nings | Shareholders' share of equity | Minority interest's share of equity | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Equity as at 1 January 2008** | **0.0** | **0.0** | **-4.3** | **0.0** | **34.2** | **30.0** | **14.2** | **44.1** |
| Share issue | 163.0 | | | 44.6 | | 207.6 | | 207.6 |
| Acquisition of own shares | | | | | -0.1 | -0.1 | | -0.1 |
| Dividends to shareholders | | | | | | 0.0 | | 0.0 |
| Total comprehensive income for the period | | | -30.5 | | 275.8 | 245.3 | 0.1 | 245.4 |
| Other change in equity | | | -0.4 | | -207.1 | -207.5 | 10.7 | -196.8 |
| **Equity as at 30 December 2008** | **163.0** | **0.0** | **-35.1** | **44.6** | **102.8** | **275,2** | **24.9** | **300.2** |
| | | | | | | | | |
| **Equity as at 1 January 2009** | **163.0** | **0.0** | **-35.1** | **44.6** | **102.8** | **275.2** | **24.9** | **300.2** |
| Share issue | | | | 0.0 | | 0.0 | | 0.0 |
| Acquisition of own shares | | | | | | 0.0 | | 0.0 |
| Dividends to shareholders | | | | | | 0.0 | | 0.0 |
| Total comprehensive income for the period | | | 38.2 | | 350.6 | 388.7 | 0.1 | 388.8 |
| Other change in equity | | 0.0 | 31.6 | | -344.6 | -313.0 | 7.7 | -305.3 |
| **Equity as at 30 December 2009** | **163.0** | **0.0** | **34.7** | **44.6** | **108.7** | **351.0** | **32.7** | **383.7** |

# KEY FIGURES

| (EUR million) | 1-12/2009 | 1-12/2008 | 1-9/2009 | 1-6/2009 | 1-3/2009 |
|---|---|---|---|---|---|
| Earnings per share (EPS), continuing operations, EUR million | 13.3 | 6.2 | 11.0 | 6.4 | 2.8 |
| Earnings per share (EPS), discontinued operations, EUR million | -0.6 | -11.6 | -0.6 | -0.6 | -0.6 |
| Earnings per share (EPS), EUR million total | 12.7 | -5.5 | 10.5 | 5.8 | 2.2 |
| Equity per share (NAV), EUR ,million | 117.0 | 91.7 | 115.1 | 99.2 | 91.5 |
| Return on equity (ROE), % | 11.0 | -5.2 | 12.1 | 10.5 | 8.6 |
| Earnings per share excluding negative goodwill recorded as income and including the fund at fair value, EUR million | 35.9 | -15.4 | 34.1 | 18.1 | -0.3 |
| | | | | | |
| Number of shares at the end of the period | 3 | 3 | 3 | 3 | 3 |
| Personnel (FTEs), average number of employees from the beginning of the financial year | 766 | 879 | 771 | 794 | 845 |
| | | | | | |
| **Banking Business (incl. Private Banking)** | | | | | |
| Cost-to-income ratio | 0.57 | 0.65 | 0.54 | 0.57 | 0.70 |
| | | | | | |
| Borrowing from the public, EUR million | 3,035.8 | 3,099.0 | 3,095.1 | 3,091.0 | 3,105.2 |
| Lending to the public, EUR million | 6,123.7 | 5,431.6 | 6,005.9 | 5,826.4 | 5,599.1 |
| | | | | | |
| Capital adequacy ratio, % | 15.9 | 13.7 | 15.7 | 14.7 | 14.2 |
| Tier 1 capital ratio, % | 9.5 | 9.3 | 9.3 | 9.2 | 9.0 |
| Risk-weighted commitments, EUR million | 3,460.2 | 3,313.2 | 3,493.4 | 3,394.8 | 3,335.5 |
| | | | | | |
| **Asset Management** | | | | | |
| Mutual fund volume, EUR million *) | 3,786.2 | 2,489.8 | 3,488.0 | 2,927.4 | 2,415.2 |
| Managed and brokered assets, EUR million | 5,995.6 | 4,539.3 | 5,680.5 | 5,082.9 | 4,515.0 |

*) Including fund volume of Aktia Invest from December 2008.

# BASIS FOR THE CALCULATION OF KEY FIGURES

**Earnings/share, EUR**

Profit for the year after taxes attributable to the shareholders of Aktia Bank plc

Average number of shares over the reporting period (adjusted for new issue)

**Equity per share, EUR**

Equity attributable to the shareholders of Aktia Bank plc

Number of shares at the en of the period.

**Return on equity (ROE), %**

Profit for the period (on annual basis) x 100

Average equity

**Banking business cost/income ratio**

Total operating expenses

Total operating income

*Banking business risk-weighted commitments*

Total assets in the balance sheet and off-balance sheet items, including derivatives valued and risk-weighted in accordance with regulation 4.3 issued by the Finnish Financial Supervision Authority.
The capital requirements for operational risks have been calculated and risk-weighted in accordance with regulation 4.3i issued by the Finnish Financial Supervision Authority.



Banking business capital adequacy ratio, %

Capital base (TIER 1 capital + Tier 2 capital) x 100

Risk-weighted commitments

*The capital base is calculated in accordance with regulation 4.3a issued by the Finnish Financial Supervision Authority.*

**Banking business capital adequacy ratio, %**

Tier 1 capital x 100

Risk-weighted commitments

# NOTES TO THE ACCOUNTS ANNOUNCEMENT

## NOTE 1 BASIS FOR PREPARING THE INTERIM REPORT

The Bank Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU.

The 2009 Accounts Announcement has been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim financial report does not contain all the information and notes required for an annual report and should therefore be read together with the Group's annual report of 31 December 2008.

The figures in this report are presented so that income statement items are compared with the corresponding period of the previous year, while the comparison of balance sheet items relates to 31 December 2008 unless specified otherwise. Figures are mainly given in EUR million.



Aktia Bank plc's financial statement and interim reports are available on Aktia's website www.aktia.fi.

### IMPORTANT ACCOUNTING PRINCIPLES

In preparing this interim report the Group has, for the most part, followed the accounting principles applicable to the annual report of 31 December 2008.

In February 2009 Aktia Life Insurance was sold to Aktia plc. The life insurance business is a separate segment in the Bank Group, which is why Aktia Life Insurance is to be reported as a discontinued operation in accordance with IFRS 5 as of 2009. Figures provided as a basis for comparison have been adjusted to correspond with 2009 reporting.

The subsidiaries Aktia Card & Finance Ab. Aktia Corporate Finance Ab and Aktia Asset Management Oy Ab have certain redemption clauses, and they have been transferred from minority interests to liabilities in accordance with IAS 32.25(a) as of 31 December 2008. This change in liabilities is reported in the income statement as personnel costs in 2009.

The accounting principles have also been defined more precisely with regard to interest-bearing securities. In addition to default, interest-bearing securities are reviewed individually to assess the need for write-downs in the event that the price of the security has fallen by more than 50% and the instrument rating has fallen below investment grade (BB+, Ba1 or lower).

### NEW ACCOUNTING STANDARDS APPLY FROM 2009:

#### IAS 1 Presentation of Financial Statements (revised)

This standard has been revised in order to provide better information for analysing and comparing companies. From 1 January 2009, the Group publishes a profit and loss statement and a statement of comprehensive income. The change in the Group's equity includes transactions with owners.

#### IFRIC 13 Customer Loyalty Programmes

This interpretation deals with reporting on customer loyalty programmes. The Group had a bonus programme that is now closed. Aktia Kortbonus. This bonus scheme has already been dealt with in the accounts in accordance with IFRIC 13 which is why the introduction of this standard will not affect the Group's financial results or standing. Bonus liabilities for the comparison year 2008 have been moved from other liabilities to accruals.

## NOTE 2 THE BANK GROUP'S SEGMENT REPORT

| Income statement | Banking Business | | Asset Management | | Life Insurance | | Miscellaneous | | Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(EUR million)** | **1-12/2009** | **1-12/2008** | **1-12/2009** | **1-12/2008** | **1-12/2009** | **1-12/2008** | **1-12/2009** | **1-12/2008** | **1-12/2009** | **1-12/2008** | **1-12/2009** | **1-12/2008** |
| Net interest income | 146.9 | 30.1 | 2.6 | 0.9 | - | - | 2.9 | 1.8 | 0.0 | 2.7 | 152.4 | 35.5 |
| Dividends | 0.1 | 0.0 | 0.0 | 0.1 | - | - | 1.3 | 0.0 | -1.3 | - | 0.1 | 0.2 |
| Net commission income | 25.7 | 5.2 | 13.2 | 9.2 | - | - | 2.2 | 0.5 | -0.4 | -3.1 | 40.7 | 11.8 |
| Net income from financial transactions | 3.1 | -2.2 | -0.2 | -0.6 | - | - | -3.5 | 0.0 | 1.3 | - | 0.6 | -2.8 |
| Net income from investment properties | 0.0 | 0.0 | - | - | - | - | 0.1 | 2.7 | -0.1 | 0.1 | 0.1 | 2.9 |
| Other operating income | 10.0 | 0.9 | 0.1 | 0.1 | - | - | 2.2 | 5.6 | -9.6 | 1.7 | 2.8 | 8.3 |
| **Total operating income** | **185.8** | **34.1** | **15.6** | **9.7** | **-** | **-** | **5.3** | **10.7** | **-10.0** | **1.4** | **196.7** | **55.9** |
| Staff costs | -32.1 | -8.6 | -8.1 | -3.5 | - | - | -6.4 | -0.6 | -0.1 | -1.2 | -46.6 | -13.9 |
| Other administrative expenses | -55.0 | -12.0 | -4.9 | -2.4 | - | - | 9.0 | 3.1 | 9.1 | 0.9 | -41.8 | -10.3 |
| Depreciation of tangible and intangible assets | -2.3 | -0.7 | -0.8 | -0.4 | - | - | -1.8 | -0.4 | - | - | -4.8 | -1.5 |
| Other operating expenses | -10.9 | -3.2 | -1.0 | -0.6 | - | - | -7.0 | -1.9 | 0.4 | 0.0 | -18.6 | -5.7 |
| **Total operating expenses** | **-100.3** | **-24.5** | **-14.7** | **-6.8** | **-** | **-** | **-6.2** | **0.2** | **9.4** | **-0.3** | **-111.8** | **-31.4** |
| Impairment and reversing items of tangible and intangible assets | - | - | - | - | - | - | - | 0.4 | 0.0 | 0.0 | 0.0 | 0.4 |
| Write-downs on credits and other commitments | -31.0 | -0.5 | - | - | - | - | -0.1 | - | - | - | -31.1 | -0.5 |
| Share of profit from associated companies | - | - | - | - | - | - | - | - | 0.3 | 0.2 | 0.3 | 0.2 |
| **Operating profit from continuing operations** | **54.6** | **9.0** | **0.9** | **2.9** | **-** | **0.0** | **-1.0** | **11.3** | **-0.3** | **1.4** | **54.2** | **24.6** |
| Operating profit from discontinuing operations | - | - | - | - | -0.3 | 14.4 | - | - | - | -62.1 | -0.3 | -47.7 |
| **Operating profit** | **54.6** | **9.0** | **0.9** | **2.9** | **-0.3** | **14.4** | **-1.0** | **11.3** | **-0.3** | **-60.7** | **53.9** | **-23.1** |
| Contribution of insurance business to the Groups' operating profit | | | | | - | -47.7 | | | | | | |

| Balance sheet | Banking Business | | Asset Management | | Life Insurance | | Miscellaneous | | Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(EUR million)** | **31.12.2009** | **31.12.2008** | **31.12.2009** | **31.12.2008** | **31.12.2009** | **31.12.2008** | **31.12.2009** | **31.12.2008** | **31.12.2009** | **31.12.2008** | **31.12.2009** | **31.12.2008** |
| Cash and balances with central banks | 336.4 | 502.5 | 0.1 | 0.1 | - | 13.4 | - | - | - | -9.7 | 336.5 | 506.3 |
| Financial assets reported at fair value through profit and loss | 3.6 | 4.5 | - | - | - | 14.9 | - | - | - | - | 3.6 | 19.5 |
| Financial assets available for sale | 2,655.8 | 2,354.9 | 7.3 | 13.2 | - | 648.6 | 2.9 | 19.0 | -3.6 | -15.8 | 2,662.4 | 3,019.9 |
| Loans and other receivables | 6,173.7 | 5,520.3 | 34.4 | 17.6 | - | - | - | - | -3.7 | -5.7 | 6,204.4 | 5,532.2 |
| Investments for unit-linked provisions | - | - | - | - | - | 148.1 | - | - | - | - | - | 148.1 |
| Other assets | 662.4 | 465.3 | 5.0 | 7.2 | - | 21.5 | -293.6 | -99.3 | -41.1 | -100.8 | 332.7 | 293.9 |
| **Total assets** | **9,831.9** | **8,847.5** | **46.8** | **38.1** | **-** | **846.6** | **-290.7** | **-80.3** | **-48.5** | **-132.1** | **9,539.5** | **9,519.9** |
| Deposits | 4,609.2 | 4,899.4 | 154.7 | 130.1 | - | - | - | - | -3.7 | -13.6 | 4,760.2 | 5,016.0 |
| Debt securities issued | 2,758.1 | 2,134.1 | - | - | - | - | - | - | -3.6 | -15.3 | 2,754.5 | 2,118.7 |
| Technical provision for insurance business | - | - | - | - | - | 777.2 | - | - | - | - | - | 777.2 |
| Other liabilities | 1,506.9 | 1,173.2 | 6.7 | 15.9 | - | 11.1 | 194.4 | 219.8 | -66.8 | -112.3 | 1,641.2 | 1,307.8 |
| **Total liabilities** | **8,874.2** | **8,206.7** | **161.4** | **146.1** | **-** | **788.3** | **194.4** | **219.8** | **-74.2** | **-141.2** | **9,155.8** | **9,219.7** |

# NOTE 3 DERIVATIVES AND OFF-BALANCE SHEET COMMITMENTS

## Derivative instruments at 31 December 2009

**Hedging derivative instruments (EUR million)**

| 31.12.2009 | Total nominal amount | Assets. fair value | Liabilities. fair value |
|---|---|---|---|
| **Fair value hedging** | | | |
| Interest rate-related | 2,627.5 | 56.8 | 21.5 |
| **Total** | **2,627.5** | **56.8** | **21.5** |
| **Cash flow hedging** | | | |
| Interest rate-related | 960.0 | 41.8 | 0.8 |
| **Total** | **960.0** | **41.8** | **0.8** |
| **Derivative instruments valued through profit and loss** | | | |
| Interest rate-related *) | 7,101.0 | 107.3 | 106.2 |
| Currency-related | 191.1 | 3.1 | 2.5 |
| Equity-related **) | 112.7 | 0.1 | 0.1 |
| Other derivative instruments **) | 8.4 | 0.5 | 0.5 |
| **Total** | **7,413.3** | **111.0** | **109.3** |
| **Total derivative instruments** | | | |
| Interest rate-related | 10,688.5 | 205.9 | 128.5 |
| Currency-related | 191.1 | 3.1 | 2.5 |
| Equity-related | 112.7 | 0.1 | 0.1 |
| Other derivative instruments | 8.4 | 0.5 | 0.5 |
| **Total** | **11,000.8** | **209.6** | **131.7** |



## Derivative instruments at 31 December 2008

**Hedging derivative instruments (EUR million)**

| 31.12.2008 | Total nominal amount | Assets. fair value | Liabilities. fair value |
|---|---|---|---|
| **Fair value hedging** | | | |
| Interest rate-related | 1,588.5 | 38.1 | 11.8 |
| **Total** | **1,588.5** | **38.1** | **11.8** |
| **Cash flow hedging** | | | |
| Interest rate-related | 960.0 | 25.4 | 1.2 |
| **Total** | **960.0** | **25.4** | **1.2** |
| **Derivative instruments valued through profit and loss** | | | |
| Interest rate-related *) | 6,662.2 | 67.0 | 65.6 |
| Currency-related | 255.9 | 4.1 | 4.6 |
| Equity-related **) | 192.8 | 1.8 | 0.9 |
| Other derivative instruments **) | 8.6 | 0.6 | 0.6 |
| **Total** | **7,119.6** | **73.5** | **71.8** |
| **Total derivative instruments** | | | |
| Interest rate-related | 9,210.7 | 130.5 | 78.5 |
| Currency-related | 255.9 | 4.1 | 4.6 |
| Equity-related | 192.8 | 1.8 | 0.9 |
| Other derivative instruments | 8.6 | 0.6 | 0.6 |
| **Total** | **9,668.1** | **137.0** | **84.7** |

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 6 744.5 (6 244.8) million.
**) All equity-related and other derivative instruments relate to the hedging of structured debt products.

## Off-balance sheet commitments

| (EUR million) | 31.12.2009 | 31.12.2008 |
|---|---|---|
| **Commitments provided to a third party on behalf of the customers** | | |
| Guarantees | 49.9 | 54.8 |
| Other commitments provided to a third party | 7.3 | 7.5 |
| **Irrevocable commitments provided on behalf of customers** | | |
| Unused credit arrangements | 510.9 | 459.1 |
| Other commitments provided to a third party | - | 12.1 |
| **Off-balance sheet commitments** | **568.1** | **533.5** |

# NOTE 4 THE BANK GROUP'S RISK EXPOSURE

## Consolidated capital adequacy for Bank Group

| Summary (EUR million) | 12/2009 | 9/2009 | 6/2009 | 3/2009 | 12/2008 |
|---|---|---|---|---|---|
| Tier 1 capital | 329.0 | 324.5 | 312.9 | 300.5 | 309.0 |
| Tier 2 capital | 222.8 | 222.2 | 185.1 | 173.6 | 143.4 |
| **Capital base** | **551.8** | **546.7** | **498.0** | **474.1** | **452.4** |
| Risk-weighted amount for credit and counterpart risks | 3,147.5 | 3,220.7 | 3,122.2 | 3,062.8 | 3,040.5 |
| Risk-weighted amount for market risks 1) | - | - | - | - | - |
| Risk-weighted amount for operative risks | 312.7 | 272.7 | 272.7 | 272.7 | 272.7 |
| **Risk-weighted commitments** | **3,460.2** | **3,493.4** | **3,394.8** | **3,335.5** | **3,313.2** |
| **Capital adequacy ratio, %** | **15.9** | **15.7** | **14.7** | **14.2** | **13.7** |
| **Tier 1 Capital ratio, %** | **9.5** | **9.3** | **9.2** | **9.0** | **9.3** |
| **Minimum capital requirement** | **276.8** | **279.5** | **271.6** | **266.8** | **265.1** |
| Capital buffer (difference between capital base and minimum requirement) | 275.0 | 267.3 | 226.4 | 207.3 | 187.3 |

1) No capital requirement due to minor trading book and when total of net currency positions are less than 2% of capital base.

| Capital base (EUR million) | 12/2009 | 9/2009 | 6/2009 | 3/2009 | 12/2008 |
|---|---|---|---|---|---|
| Share capital | 163.0 | 163.0 | 163.0 | 163.0 | 163.0 |
| Funds | 44.6 | 44.6 | 44.6 | 44.6 | 44.6 |
| Minority share | 32.7 | 30.0 | 30.2 | 24.0 | 24.9 |
| Retained earnings | 70.7 | 70.7 | 70.7 | 70.7 | 93.5 |
| Profit for the period | 38.0 | 31.4 | 17.4 | 6.7 | 9.2 |
| Provision for dividends to shareholders | -12.9 | -7.5 | -5.0 | - | -0.6 |
| Total | 336.0 | 332.1 | 320.8 | 309.0 | 334.7 |
| Intangible assets | -7.0 | -7.5 | -8.0 | -8.4 | -8.6 |
| Shares in insurance companies | - | - | - | - | -17.1 |
| **Tier 1 capital** | **329.0** | **324.5** | **312.9** | **300.5** | **309.0** |
| Fund at fair value | 13.3 | 14.9 | -16.3 | -21.6 | -47.5 |
| Other Tier 2 capital | 45.0 | 45.0 | 45.0 | 45.0 | 45.0 |
| Risk debentures | 164.5 | 162.3 | 156.4 | 150.3 | 163.0 |
| Shares in insurance companies | - | - | - | - | -17.1 |
| **Tier 2 capital** | **222.8** | **222.2** | **185.1** | **173.6** | **143.4** |
| **Total capital base** | **551.8** | **546.7** | **498.0** | **474.1** | **452.4** |

## Risk-weighted commitments, credit and counterparty risks

| Total exposures 12/2009 | | | (EUR million) |
|---|---|---|---|
| **Risk-weight** | **Balance assets** | **Off-balance sheet commitments** | **Total** |
| 0% | 1,237.9 | 33.5 | 1,271.5 |
| 10% | 1,158.8 | - | 1,158.8 |
| 20% | 1,205.9 | 271.0 | 1,477.0 |
| 35% | 4,528.9 | 88.0 | 4,616.9 |
| 50% | - | 0.6 | 0.6 |
| 75% | 586.4 | 76.7 | 663.1 |
| 100% | 621.9 | 97.5 | 719.4 |
| 150% | 12.4 | 0.7 | 13.1 |
| **Total** | **9,352.3** | **568.1** | **9,920.4** |
| Derivatives *) | 268.4 | - | 268.4 |
| **Total** | **9,620.7** | **568.1** | **10,188.8** |

| Risk-weighted commitments, Basel 2 | | | | | (EUR million) |
|---|---|---|---|---|---|
| **Risk-weight** | **12/2009** | **9/2009** | **6/2009** | **3/2009** | **12/2008** |
| 0% | - | - | - | - | - |
| 10% | 115.9 | 111.3 | 101.6 | 89.7 | 80.3 |
| 20% | 252.5 | 341.9 | 291.8 | 290.8 | 335.3 |
| 35% | 1 596.8 | 1,567.2 | 1,516.6 | 1,470.1 | 1,421.4 |
| 50% | 0.1 | 4.8 | 3.5 | 3.0 | 2.5 |
| 75% | 466.1 | 457.8 | 447.2 | 439.1 | 426.7 |
| 100% | 673.3 | 694.0 | 702.5 | 720.9 | 720.8 |
| 150% | 19.1 | 22.4 | 32.7 | 24.0 | 11.3 |
| **Total** | **3 123.7** | **3,199.6** | **3,096.0** | **3,037.6** | **2,998.4** |
| Derivatives *) | 23.8 | 21.1 | 26.2 | 25.2 | 42.1 |
| **Total** | **3 147.5** | **3,220.7** | **3,122.2** | **3,062.8** | **3,040.5** |

*) derivative agreements credit conversion factor



## Risk-weighted amounts for operational risks

| **Year** | **2006** | **2007** | **2008** | **2009** | **12/2009** | **9/2009** | **6/2009** | **3/2009** | **12/2008** |
|---|---|---|---|---|---|---|---|---|---|
| Gross income | 140.6 | 145.2 | 150.5 | 204.7 | | | | | |
| - average 3 years | | | 145.4 | 166.8 | | | | | |
| **Capital requirement for operative risk** | | | | | **25.0** | **21.8** | **21.8** | **21.8** | **21.8** |
| **Risk-weighted amount. Basel 2** | | | | | **312.7** | **272.7** | **272.7** | **272.7** | **272.7** |

Capital requirement of 15% is calculated according to definition of average gross income during the last three years x risk-weighted factor 8%.

This report has not been subject to external auditing.

Helsinki 15 February 2010

Aktia Bank plc

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