

# Aktia

## AKTIA BANK PLC'S INTERIM REPORT January - March 2010

### ACTIVITY DURING JANUARY-MARCH 2010

Aktia Bank plc operates as the parent company in the Bank Group. The subsidiaries in the Bank Group are: Aktia Real Estate Mortgage Bank plc, Aktia Asset Management Oy Ab, Aktia Fund Management Company Ltd, Aktia Corporate Finance Ltd, Aktia Kortti & Rahoitus Oy (Card & Finance) and Aktia's real estate agencies.

### PROFIT

The Bank Group's operating profit for continuing operations during January-March 2010 was EUR 16.6 (9.3) million. Profit for the period after write-downs and tax was EUR 12.3 (4.8) million.

The Banking Business segment posted a profit of EUR 17.4 (9.8) million. The Asset Management segment was able to report a marginal improvement during the last quarter, showing an operating profit of EUR 0.9 (-0.4) million. Earnings per share was EUR 3.9 (1.7) million.

EUR million	1-3/2010	1-3/2009	Change	1-12/2009
Earnings per share (EPS), continuing operations	3.9	2.3	68.2 %	13.3
Earnings per share (EPS), discontinued operations	-	-0.6	-	-0.6
Earnings per share (EPS), total	3.9	1.7	127.2 %	12.7
Equity per share (NAV)	122.4	91.5	33.8 %	117.0
Return on equity (ROE), %	12.5	6.4	94.9 %	11.0
Total earnings per share	9.7	-0.3	-	35.9
Number of shares at the end of the period	3	3	0.0 %	3
Cost-to-income ratio	0.57	0.72	-20.8 %	0.57
Capital adequacy ratio, %	16.2	14.1	14.8 %	15.9
Tier 1 capital ratio, %	9.6	9.0	6.8 %	9.5

## PROFIT FOR JANUARY-MARCH 2010

Aktia Bank plc reported an operating profit from continuing operations of EUR 16.6 (9.3) million and profit after tax was 12.3 (4.8) million. Earnings per share was EUR 3.9 (1.7) million.

### The segments' operating profit before common costs

EUR million	1-3/2010	1-3/2009	Change
Banking Business	24.3	17.3	40.8 %
Asset Management	1.8	0.1	-
Miscellaneous	-0.2	1.4	-
Common costs	-7.8	-7.9	0.6 %
Eliminations	-1.5	-1.5	3.0 %
<b>Total</b>	<b>16.6</b>	<b>9.3</b>	<b>78.2 %</b>

### The segments' operating profit

EUR million	1-3/2010	1-3/2009	Change
Banking Business	17.4	9.8	76.7 %
Asset management	0.9	-0.4	-
Miscellaneous	-0.2	1.4	-
Eliminations	-1.5	-1.5	3.0 %
<b>Total</b>	<b>16.6</b>	<b>9.3</b>	<b>78.2 %</b>

## INCOME

The Bank Group's total income amounted to EUR 48.8 (38.5) million, EUR 38.8 (32.4) million of which was net interest income.

The derivatives used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 13.7 (2.0) million.

Net commission income totalled EUR 12.2 (8.0) million. Commission income from asset management and brokering amounted to EUR 4.4 (2.5) million. The brokering of funds and insurance generated total income of EUR 5.4 (3.7) million. Card and payment services commission was EUR 2.9 (2.8) million.

## EXPENSES

The Bank Group's total costs amounted to EUR 27.8 (27.7) million.

Staff costs were EUR 12.4 (11.8) million. Other administration costs totalled EUR 10.3 (10.7) million. Total commission costs amounted to EUR 4.0 (3.5) million.

Total depreciation and write-downs on tangible and intangible assets amounted to EUR 1.2 (1.2) million. Other operating costs totalled EUR 3.8 (4.0) million, of which the costs of renting premises accounted for the largest share.

## RATING

Aktia Bank plc's credit rating from the international credit rating agency Moody's Investors Service updated on 6 January 2010 as the best classification, P-1, for short-term borrowing. The credit quality for long-term borrowing and financial strength were the same, A1 and C respectively, all with a stable outlook.

See [http://www.aktia.fi/aktia\\_bank/rating](http://www.aktia.fi/aktia_bank/rating)

The covered bonds issued by the subsidiary Aktia Real Estate Mortgage Bank plc have a Moody's credit rating of Aa1.

## BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS

The Bank Group's balance sheet total increased from the end of the year by 6.0% and amounted to EUR 10,108 (31.12.2009; 9,540) at the end of March 2010. This increase in the balance sheet total is largely due to the growth in mortgage stock and financial assets within the banking business.

Deposits from the public and public sector entities totalled EUR 3,199 (3,036) million.

Outstanding bonds issued and certificates of deposit increased by 10.2% to EUR 3,037 (2,754) million at the end of March 2010.

The Bank Group's total lending to the public increased during January-March by 1.9% to EUR 6,237 (6,124) million. Loans to private households accounted for EUR 5,024 (4,924) million, or 80.5 (80.4) % of total credit 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 4,895 million.

Off-balance sheet commitments totalled EUR 594 million (EUR 568 million).

Interest-bearing financial assets available for sale amounted to EUR 2,825 million (EUR 2,657 million). These assets mainly consist of the banking business' liquidity reserve.

The Bank Group's equity increased to EUR 400 (384) million from year-end. The fund at fair value amounted to EUR 52 (35) million.

## CAPITAL ADEQUACY

The Bank Group's capital adequacy amounted to 16.2% compared to 15.9% at 31 December 2009. The Tier 1 capital ratio increased to 9.6% compared to 9.5% at the end of the year. Capital adequacy was strengthened by the profit for the period and by higher valuations of financial assets.

The Bank Group's capital adequacy is at a good level, exceeding both the targets set internally and the regulatory minimum requirements for capital adequacy.

## 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.

No write-downs were made during January-March 2010, whereas these totalled EUR 0.4 million during the same period in 2009.

### Write-downs on financial assets

EUR million	1-3/2010	1-3/2009
Interest-bearing securities	-	0.4
Shares and participations	-	-
<b>Total</b>	<b>-</b>	<b>0.4</b>

## 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 52.2 million after deferred tax compared to EUR 34.7 million as at 31 December 2009. 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 30.6 (21.4) million.

### Specification of the fund at fair value

EUR million	31.3.2010	31.12.2009	Change
Shares and participations	0.0	0.0	0.0
Direct interest-bearing securities	21.6	13.3	8.3
Cash flow hedging	30.6	21.4	9.2
<b>Fund at fair value, total</b>	<b>52.2</b>	<b>34.7</b>	<b>17.5</b>

## WRITE-DOWNS OF LOAN AND GUARANTEE CLAIMS

Write-downs based on individual examination of loan and guarantee claims during January - March 2010 totalled EUR -4.8 (-1.7) million. Recoveries and reversals of write-downs from previous years came to EUR 0.4 (0.1) million so that the cost effect on the profit for the period was EUR -4.4 (-1.6) million. Most of the write-downs during the period are related to commitments whose credit rating had already decreased in 2009 and where restructuring efforts now are confirmed as without result.

Of write-downs, EUR -4.5 million was accounted for by corporate loans, which corresponds to 0.5% (0.2%) of the total corporate lending. Write-downs of household loans amounted to EUR -0.3 million, EUR -0.1 million of which was accounted for by unsecured consumer

loans. The year's write-downs of household loans were marginal of total lending to households. Total write-downs for the period amounted to 0.08 (0.03)% of total lending.

## 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

Loan stock increased during January-March 2010 by EUR 113 million, totalling EUR 6,237 (6,124) million at the end of March. As planned, this increase mainly occurred within household financing, and households' share of the total credit stock amounted to EUR 5,024 million or 80.5%, or 85.4% when combined with housing associations at the end of March. Of these loans to households, 86.3 (86.2)% are secured against adequate real estate collateral in accordance with Basel 2. The housing loan stock totalled EUR 4,697 (4,598) million. In all, housing loans increased by 2.1% over the period under review.

New lending to companies remained moderate and corporate loans increased by 0.4% from the beginning of the year, totalling EUR 848 (845) million. The proportion of the total credit stock accounted for by corporate loans fell as planned to 13.6 (13.8)%.

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 91.1 (84.8) million, representing 1.5% of total lending.

### Credit stock by sector

EUR million	31.3.2010	31.12.2009	Change	Percentage
Corporate	848	845	3	13.6
Housing associations	301	289	11	4.8
Public sector entities	10	10	0	0.2
Non-profit organisations	55	55	-1	0.9
Households	5,024	4,924	100	80.5
<b>Total</b>	<b>6,237</b>	<b>6,124</b>	<b>113</b>	<b>100.0</b>

Loans with payments 1–30 days overdue decreased during the period from 2.97% to 2.41% of credit stock, including off-balance sheet guarantee commitments. Loans with payments 31–89 days overdue increased from 0.76% to 0.98%, totalling approximately EUR 62 million. Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, totalled approximately EUR 35 million, corresponding to 0.56% (0.56%) of the entire credit stock plus bank guarantees.

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

Days	31.3.2010	% of the credit stock	31.12.2009	% of the credit stock
1–30	152	2.41	181	2.97
of which households	108	1.71	114	1.86
31–89	62	0.98	46	0.76
of which households	44	0.69	37	0.61
90–	35	0.56	34	0.56
of which households	19	0.30	18	0.30

## THE BANK GROUP'S FINANCING AND LIQUIDITY RISKS

Financing and liquidity risks are handled at a corporate legal level and there are no financial commitments between the Bank group (Aktia Bank plc and its subsidiaries) and the insurance companies.

In the banking business, financial 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

of the Bank Group has been stable despite continued financial uncertainty. Following the Aktia Real Estate Mortgage Bank's issue in March 2010, the liquidity buffer is at a level that meets refinancing requirements for more than two years refinancing needs.

## COUNTERPARTY RISKS

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

The banking business' liquidity portfolio – which comprises interest-bearing securities and is managed by Group Treasury – stood at EUR 2,683 (2,615) million at 31 March 2010.

Individual investment decisions are made in accordance with an investment plan in place and are based on careful assessment of the counterparty. Counterparty risks are limited by the requirement for high-level external ratings (a minimum rating of A3 rating from Moody's Investors Service or equivalent). In addition, maximum exposure limits have been established for each counterparty and asset category.

Of the financial assets available for sale, 58 (51)% were investments in covered bonds, 25 (36)% were investments in banks, 10 (9)% were investments in state-guaranteed bonds and approximately 7 (4)% were investments in public sector entities and companies.

Counterparty risks in derivatives trading are managed through demands on collateral (CSA) limiting the open positions.

### Rating distribution for banking business

EUR million	31.3.2010	31.12.2009
	2,683	2,615
Aaa	58.3 %	55.1 %
Aa1-Aa3	27.9 %	29.6 %
A1-A3	7.4 %	11.6 %
Baa1-Baa3	3.0 %	0.6 %
Ba1-Ba3	0.2 %	0.2 %
B1-B3	0.0 %	0.0 %
Caa1 or lower	0.0 %	0.0 %
No rating	3.2 %*	2.9 %
Total	100.0 %	100.0 %

\*) Of which 2.3% were municipalities as at 31 March 2010

Of these financial assets, 3.2 (1.1)% did not meet the internal rating requirements. As a result of a reduced credit rating, three security assets with a total market value of EUR 15 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 89 million.

During the period, no write-downs were realised as a result of the issuer announcing its inability to pay, whereas the write-downs during the same period last year amounted to EUR -0.4 million.

## MARKET VALUATION OF FINANCIAL ASSETS

The financial assets within the banking business are invested in securities with access to market prices in 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. Hedging derivative instruments and investments within the liquidity portfolio are exploited to reduce the volatility in net interest income.

According to the strategy for interest rate risk management, a parallel upward or downward shift in the interest rate curve of one percentage point shall not influence the estimated net interest income of the banking business for the next 12 months by more than 7%, and 8% for the following year. At the end of the first quarter of 2010 the set targets were met. The growth in the deposit stock diminishes net interest income's sensitivity to an upward shift in the interest rate curve.

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 21.6 (13.3) million after the deduction of deferred tax. At the end of March 2010, the valuation difference in interest-bearing securities was positive at EUR 8.3 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 market-place suffers.

No events regarded as operational risk causing significant financial losses occurred in January-March 2010.

## PERSONNEL

When converted into full-time employees, the number of staff employed by the Bank Group decreased by 11 to 743 (754) persons during January-March 2010. The average number of full-time employees during the period under review was 753 (845). In the first quarter of 2009, Aktia Bank Plc sold its holding in Aktia Life Insurance to the Group parent company Aktia Plc, whereby the number of full-time employees fell by 135.

## IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On 23 April 2010, an Extraordinary General Meeting of Aktia Bank plc decided on distribution of an extra dividend of EUR 30.0 million to the parent company Aktia plc. In order to neutralise the effect of this on the Bank's capital adequacy it was also decided to take a corresponding subordinated loan with conversion right from the parent company. This transaction has no impact on the Group's or the Bank's equity or capital adequacy.

The worries especially concerning South European economies have lead to higher spreads and lower valuations for financial assets after the end of the period. Consequently, the fund at fair value that developed very positively during the first quarter showing an increase of EUR 17.5 million, has declined with about EUR 11 million after the reporting period.

## OUTLOOK FOR THE COMING YEAR (UNCHANGED)

Aktia Bank expects the Group's operating profit for 2010 to be at the same level as in 2009.

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

Aktia Bank's financial results are affected by many factors, of which the most important 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.

Change in interest rate level, yield curves and credit margins are hard to predict and can affect Aktia Bank's interest rate margins and therefore profitability. Aktia pursuing effective management of 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 level, the level of unemployment and changes in house prices. Aktia Bank expects write-downs on credit to be lower in 2010 than in 2009.

The availability of liquidity on the money markets is important 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 financial 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 uncertainty concerning future capital requirements. A change in capital requirements could actualise both capitalisation needs and need for changes in Aktia Group's structure.

# AKTIA BANK PLC

## January - March 2010

### CONSOLIDATED INCOME STATEMENT FOR BANK GROUP

#### Continuing operations

(EUR million)	1-3/2010	1-3/2009	Change	1-12/2009
Net interest income	38.8	32.4	19.8 %	152.4
Dividends	0.0	0.1	-76.6 %	0.1
Commission income	16.2	11.5	40.5 %	56.1
Commission expenses	-4.0	-3.5	-13.3 %	-15.4
Net commission income	12.2	8.0	52.6 %	40.7
Net income from financial transactions	-3.1	-2.6	-20.2 %	0.6
Net income from investment properties	0.0	0.0	-71.6 %	0.1
Other operating income	0.9	0.7	35.6 %	2.8
<b>Total operating income</b>	<b>48.8</b>	<b>38.5</b>	<b>26.7 %</b>	<b>196.7</b>
Staff costs	-12.4	-11.8	5.3 %	-46.6
Other administrative expenses	-10.3	-10.7	-3.5 %	-41.8
Depreciation of tangible and intangible assets	-1.2	-1.2	-0.3 %	-4.8
Other operating expenses	-3.8	-4.0	-3.1 %	-18.6
<b>Total operating expenses</b>	<b>-27.8</b>	<b>-27.7</b>	<b>0.4 %</b>	<b>-111.8</b>
Impairment and reversal of impairment on tangible and intangible assets	-	0.0	-	0.0
Write-downs on credits and other commitments	-4.4	-1.6	171.9 %	-31.1
Share of profit from associated companies	-0.1	0.1	-	0.3
<b>Operating profit from continuing operations</b>	<b>16.6</b>	<b>9.3</b>	<b>78.2 %</b>	<b>54.2</b>
Taxes	-4.3	-2.7	59.0 %	-14.7
<b>Profit for the period from continuing operations</b>	<b>12.3</b>	<b>6.6</b>	<b>86.0 %</b>	<b>39.4</b>
<b>Discontinued operations</b>				
Profit for the period from discontinued operations	-	-1.8	-	-1.8
<b>Profit for the period</b>	<b>12.3</b>	<b>4.8</b>	<b>155.1 %</b>	<b>37.6</b>
<b>Attributable to:</b>				
Shareholders in Aktia Bank Plc	11.6	5.1	127.2 %	38.0
Minority interest	0.7	-0.3	-	-0.4
<b>Total</b>	<b>12.3</b>	<b>4.8</b>	<b>155.1 %</b>	<b>37.6</b>
<b>Earnings per share (EPS) attributable to shareholders in Aktia Bank Plc, EUR</b>				
Continuing operations	3,860,809.25	2,295,702.28	68.2 %	13,269,009.48
Discontinued operations	-	-596,129.27	-	-596,129.27
<b>Total</b>	<b>3,860,809.25</b>	<b>1,699,573.01</b>	<b>127.2 %</b>	<b>12,672,880.20</b>

There is no dilution effect to earnings per share

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR BANK GROUP

(EUR million)	1-3/2010	1-3/2009	Change	1-12/2009
<b>Continuing operations</b>				
Profit for the period	12.3	6.6	86.0 %	39.4
<b>Other comprehensive income after taxes:</b>				
Change in valuation of fair value for financial assets available for sale	8.3	-1.5	-	37.7
Change in valuation of fair value for cash flow hedging	9.2	6.5	40.7 %	9.0
Transferred to the income statement for financial assets available for sale	-	-	-	2.4
<b>Total comprehensive income for the period for continuing operations</b>	<b>29.8</b>	<b>11.6</b>	<b>155.9 %</b>	<b>88.7</b>
<b>Discontinued operations</b>				
Profit for the period	-	-1.8	-	-1.8
<b>Other comprehensive income after taxes:</b>				
Change in valuation of fair value for financial assets available for sale	-	-11.3	-	-11.3
Transferred to the income statement for financial assets available for sale	-	0.3	-	0.3
<b>Total comprehensive income for the period for discontinued operations</b>	<b>0.0</b>	<b>-12.8</b>	<b>-</b>	<b>-12.8</b>
<b>Total comprehensive income for the period</b>	<b>29.8</b>	<b>-1.2</b>	<b>-</b>	<b>75.8</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders in Aktia Bank plc	29.1	-0.8	-	75.8
Minority interest	0.7	-0.4	-	0.1
<b>Total</b>	<b>29.8</b>	<b>-1.2</b>	<b>-</b>	<b>75.8</b>
<b>Total earnings per share, EUR</b>				
Continuing operations	9,691,397.95	4,018,808.62	141.2 %	29,526,412.51
Discontinued operations	-	-4,273,521.18	-	-4,273,521.18
<b>Total</b>	<b>9,691,397.95</b>	<b>-254,712.57</b>	<b>-</b>	<b>25,252,891.33</b>

There is no dilution effect to total earnings per share.



## CONSOLIDATED BALANCE SHEET FOR BANK GROUP

(EUR million)	31.3.2010	31.12.2009	Change	31.3.2009
<b>Assets</b>				
Cash and balances with central banks	318.5	336.5	-5.3 %	358.9
Financial assets reported at fair value via the income statement	3.7	3.6	1.7 %	7.2
Interest-bearing securities	2,824.8	2,657.5	6.3 %	2,378.8
Shares and participations	4.9	4.9	0.6 %	20.6
Financial assets available for sale	2,829.8	2,662.4	6.3 %	2,399.3
Financial assets held until maturity	22.2	27.9	-20.5 %	35.9
Derivative instruments	257.6	209.6	22.9 %	205.7
Lending to credit institutions	318.7	80.7	294.9 %	87.0
Lending to the public and public sector entities	6,237.1	6,123.7	1.9 %	5,599.1
Loans and other receivables	6,555.9	6,204.4	5.7 %	5,686.1
Investments in associated companies	2.5	2.8	-11.1 %	2.5
Intangible assets	6.4	7.0	-8.8 %	8.4
Investment properties	0.0	0.0	0.0 %	0.0
Other tangible assets	4.2	4.6	-8.4 %	4.9
Accrued income and advance payments	74.9	71.9	4.1 %	66.1
Other assets	28.0	4.9	472.0 %	65.3
Total other assets	102.9	76.8	34.0 %	131.4
Income tax receivables	0.5	0.4	34.9 %	3.1
Deferred tax receivables	3.6	3.5	4.8 %	15.2
Tax receivables	4.2	3.9	7.9 %	18.3
<b>Total assets</b>	<b>10,107.9</b>	<b>9,539.5</b>	<b>6.0 %</b>	<b>8,858.7</b>
<b>Liabilities</b>				
Liabilities to credit institutions	1,526.8	1,724.4	-11.5 %	1,734.8
Liabilities to the public and public sector entities	3,199.0	3,035.8	5.4 %	3,105.2
Deposits	4,725.9	4,760.2	-0.7 %	4,839.9
Financial liabilities reported at fair value via the income statement	-	-	-	2.8
Derivative instruments	156.6	131.7	19.0 %	128.7
Debt securities issued	3,036.8	2,754.5	10.2 %	2,323.7
Subordinated liabilities	251.7	250.4	0.5 %	233.8
Other liabilities to credit institutions	1,228.0	968.2	26.8 %	472.3
Other liabilities to the public and public sector entities	82.8	91.8	-9.8 %	358.6
Other financial liabilities	4,599.3	4,064.9	13.1 %	3,388.4
Accrued expenses and income received in advance	77.7	66.5	16.8 %	75.0
Other liabilities	87.3	81.3	7.3 %	80.7
Total other liabilities	165.0	147.8	11.6 %	155.7
Provisions	0.0	0.2	-92.2 %	0.2
Income tax liability	19.3	18.9	2.1 %	3.0
Deferred tax liabilities	42.0	32.2	30.5 %	41.4
Tax liabilities	61.2	51.0	20.0 %	44.4
<b>Total liabilities</b>	<b>9,708.0</b>	<b>9,155.8</b>	<b>6.0 %</b>	<b>8,560.2</b>
<b>Equity</b>				
Restricted equity	215.2	197.7	8.8 %	154.1
Unrestricted equity	152.0	153.3	-0.9 %	120.3
Shareholders' share of equity	367.2	351.0	4.6 %	274.5
Minority interest's share of equity	32.7	32.7	0.0 %	24.0
Equity	399.9	383.7	4.2 %	298.5
<b>Total liabilities and equity</b>	<b>10,107.9</b>	<b>9,539.5</b>	<b>6.0 %</b>	<b>8,858.7</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR BANK GROUP

(EUR million)	1-3/2010	1-3/2009	Change	1-12/2009
<b>Cash flow from operating activities</b>				
Operating profit *)	16.6	9.0	84.2 %	53.9
Adjustment items not included in cash flow for the period	5.9	5.8	2.2 %	17.3
Paid income taxes	-0.5	-1.5	-67.9 %	-7.9
<b>Cash flow from operating activities before change in operating receivables and liabilities</b>	<b>22.0</b>	<b>13.3</b>	<b>65.6 %</b>	<b>63.3</b>
Increase (-) or decrease (+) in receivables from operating activities	-530.0	-254.7	108.1 %	-936.0
Increase (+) or decrease (-) in liabilities from operating activities	491.7	73.4	570.0 %	651.2
<b>Total cash flow from operating activities</b>	<b>-16.3</b>	<b>-168.0</b>	<b>-90.3 %</b>	<b>-221.5</b>
<b>Cash flow from investing activities</b>				
Financial assets held until maturity	5.7	-	-	8.0
Investments in group companies and associated companies	-0.1	-	-	-0.1
Proceeds from sale of group companies and associated companies	-	34.6	-	34.6
Investment in tangible and intangible assets	-0.2	-0.9	-77.5 %	-2.9
Disposal of tangible and intangible assets	0.0	0.2	-91.0 %	0.3
Share issue of Aktia Real Estate Mortgage Bank Plc to the minority	-	-	-	8.9
<b>Total cash flow from investing activities</b>	<b>5.5</b>	<b>33.9</b>	<b>-83.9 %</b>	<b>48.9</b>
<b>Cash flow from financing activities</b>				
Subordinated liabilities	1.3	-11.3	-	6.4
<b>Total cash flow from financing activities</b>	<b>-11.6</b>	<b>-11.3</b>	<b>2.9 %</b>	<b>6.4</b>
<b>Change in cash and cash equivalents</b>	<b>-22.5</b>	<b>-145.4</b>	<b>-84.6 %</b>	<b>-166.1</b>
Cash and cash equivalents at the beginning of the year	346.2	512.3	-32.4 %	512.3
Cash and cash equivalents at the end of the year	323.8	367.0	-11.8 %	346.2
<b>Cash and cash equivalents in the cash flow statement consist of the following items:</b>				
Cash in hand	8.5	9.4	-9.8 %	10.0
Bank of Finland current account	310.1	349.5	-11.3 %	326.5
Repayable on demand claims on credit institutions	5.2	8.1	-35.4 %	9.7
<b>Total</b>	<b>323.8</b>	<b>367.0</b>	<b>-11.8 %</b>	<b>346.2</b>
<b>Adjustment items not included in cash flow for the period consist of:</b>				
Impairment of financial assets available for sale	-	0.4	-	0.4
Write-downs on credits and other commitments	4.4	1.6	171.9 %	31.1
Change in fair values	0.2	1.9	-91.1 %	-19.3
Depreciation and impairment of intangible and tangible assets	1.2	1.3	-8.8 %	4.9
Share of profit from associated companies	0.4	0.2	66.8 %	0.0
Sales gains and losses from intangible and tangible assets	0.0	0.0	-	-0.1
Other adjustments	-0.2	0.4	-	0.3
<b>Total</b>	<b>5.9</b>	<b>5.8</b>	<b>2.2 %</b>	<b>17.3</b>
*) Includes operating profit from both continuing and discontinued operations for year 2009				
<b>Discontinuing operations' share of cash flow in the Bank Group, net:</b>				
Cash flow from operating activities	-	-2.5		-2.5
Cash flow from investing activities	-	0.0		0.0
Cash flow from financing activities	-	-		-
<b>Total</b>	<b>0.0</b>	<b>-2.6</b>		<b>-2.6</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR BANK GROUP

(EUR million)	Share capital	Other restricted equity	Fund at fair value	Unrestricted equity reserve	Retained earnings	Shareholders' share of equity	Minority interest's share of equity	Total equity
<b>Equity as at 1 January 2009</b>	<b>163.0</b>	<b>0.0</b>	<b>-35.1</b>	<b>44.6</b>	<b>102.8</b>	<b>275.2</b>	<b>24.9</b>	<b>300.2</b>
Share issue						0.0		0.0
Treasury shares acquired in connection with the merger						0.0		0.0
Dividends to shareholders						0.0		0.0
<i>Profit for the period</i>					5.1	5.1	-0.3	4.8
<i>Financial assets available for sale</i>			-12.4			-12.4	-0.1	-12.5
<i>Cash flow hedging</i>			6.5			6.5		6.5
Total comprehensive income for the period			-5.9		5.1	-0.8	-0.4	-1.2
Other change in equity			32.1		-32.1	0.0	-0.5	-0.5
<b>Equity as at 31 March 2009</b>	<b>163.0</b>	<b>0.0</b>	<b>-8.9</b>	<b>44.6</b>	<b>75.8</b>	<b>274.5</b>	<b>24.0</b>	<b>298.5</b>
<b>Equity as at 1 January 2010</b>	<b>163.0</b>	<b>0.0</b>	<b>34.7</b>	<b>44.6</b>	<b>108.7</b>	<b>351.0</b>	<b>32.7</b>	<b>383.7</b>
Share issue						0.0		0.0
Treasury shares acquired in connection with the merger						0.0		0.0
Dividends to shareholders					-12.9	-12.9		-12.9
<i>Profit for the period</i>					11.6	11.6	0.7	12.3
<i>Financial assets available for sale</i>			8.3			8.3	0.0	8.3
<i>Cash flow hedging</i>			9.2			9.2		9.2
Total comprehensive income for the period			17.5		11.6	29.1	0.7	29.8
Other change in equity			0.0		0.0	0.0	-0.7	-0.7
<b>Equity as at 31 March 2010</b>	<b>163.0</b>	<b>0.0</b>	<b>52.2</b>	<b>44.6</b>	<b>107.4</b>	<b>367.2</b>	<b>32.7</b>	<b>399.9</b>

## KEY FIGURES

(EUR million)	1-3/2010	1-3/2009	Change	10-12 2009	7-9 2009	4-6 2009
Earnings per share (EPS), continuing operations	3.9	2.3	68.2%	4.0	4.0	2.9
Earnings per share (EPS), discontinued operations	-	-0.6	-	-	-	-
Earnings per share (EPS), total	3.9	1.7	127.2%	4.0	4.0	2.9
Equity per share (NAV) <sup>1</sup>	122.4	91.5	33.8%	117.0	115.1	99.2
Return on equity (ROE), %	12.5	6.4	94.9%	13.0	14.0	10.5
Total earnings per share (EPS), EUR	9.7	-0.3	-	1.9	15.9	7.7
Number of shares at the end of the period <sup>1</sup>	3	3	0.0%	3	3	3
Personnel (FTEs), average number of employees from the beginning of the financial year <sup>1</sup>	753	845	-10.9%	766	771	794
<b>Banking Business (incl. Private Banking)</b>						
Cost-to-income ratio	0.57	0.72	-20.8%	0.57	0.51	0.52
Borrowing from the public <sup>1</sup>	3,199.0	3,105.2	3.0%	3,035.8	3,095.1	3,091.0
Lending to the public <sup>1</sup>	6,237.1	5,599.1	11.4%	6,123.7	6,005.9	5,826.4
Capital adequacy ratio, % <sup>1</sup>	16.2	14.1	14.8%	15.9	15.4	14.5
Tier 1 capital ratio, % <sup>1</sup>	9.6	9.0	6.8%	9.5	9.1	9.1
Risk-weighted commitments <sup>1</sup>	3,527.2	3,335.5	5.7%	3,460.2	3,493.4	3,394.8
<b>Asset Management</b>						
Mutual fund volume <sup>1</sup>	4,096.1	2,415.2	69.6%	3,786.2	3,488.0	2,927.4
Managed and brokered assets <sup>1</sup>	6,382.3	4,515.0	41.4%	5,995.6	5,680.5	5,082.9

<sup>1</sup>) at the end of the period

## QUARTERLY TRENDS IN THE BANK GROUP

(EUR million)	1-3/2010	10-12 2009	7-9 2009	4-6 2009	1-3/2009
Net interest income	38.8	40.1	40.6	39.4	32.4
Dividends	0.0	0.0	0.0	0.1	0.1
Net commission income	12.2	13.0	10.0	9.7	8.0
Net income from financial transactions	-3.1	-0.7	0.3	3.7	-2.6
Net income from investment properties	0.0	0.0	0.0	0.0	0.0
Other operating income	0.9	0.5	0.7	0.9	0.7
<b>Total operating income</b>	<b>48.8</b>	<b>52.9</b>	<b>51.6</b>	<b>53.7</b>	<b>38.5</b>
Staff costs	-12.4	-12.7	-10.5	-11.6	-11.8
Other administrative expenses	-10.3	-10.1	-10.2	-10.8	-10.7
Depreciation of tangible and intangible assets	-1.2	-1.3	-1.2	-1.2	-1.2
Other operating expenses	-3.8	-6.2	-4.2	-4.1	-4.0
<b>Total operating expenses</b>	<b>-27.8</b>	<b>-30.2</b>	<b>-26.1</b>	<b>-27.7</b>	<b>-27.7</b>
Impairment and reversal of impairment on tangible and intangible assets	-	-	-	-	0.0
Write-downs on credits and other commitments	-4.4	-5.2	-8.4	-15.9	-1.6
Share of profit from associated companies	-0.1	-0.3	0.1	0.5	0.1
<b>Operating profit from continuing operations</b>	<b>16.6</b>	<b>17.1</b>	<b>17.2</b>	<b>10.5</b>	<b>9.3</b>

## BASIS FOR THE CALCULATION OF KEY FIGURES 2010

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### Earnings per share (EPS), EUR

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

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

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### Equity per share (NAV), EUR

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Equity attributable to the shareholders of Aktia Bank plc

Number of shares at the end of the period.

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### Return on equity (ROE), %

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Profit for the period (on annual basis) x 100

Average equity

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### Cost-to-income ratio (banking business)

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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.

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### Capital adequacy ratio, % (banking business)

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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.*

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### Tier 1 capital ratio, % (banking business)

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Tier 1 capital \_\_\_\_\_ x 100

Risk-weighted commitments

# NOTES TO THE ACCOUNTS ANNOUNCEMENT

## NOTE 1 BASIS FOR PREPARING THE INTERIM REPORT

Aktia Bank plc's consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU.

The interim report for the period 1 January - 31 March 2010 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 2009.

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 2009 unless specified otherwise.

The interim report for the period 1 January - 31 March 2010 was approved by the Board of Directors on 7 May 2010.

Balance sheet items in the Report by the Board of Directors are mainly given in EUR million without decimals.

Aktia Bank plc's financial statements and interim reports are available on Aktia's website [www.aktia.fi](http://www.aktia.fi)

### IMPORTANT ACCOUNTING PRINCIPLES

In preparing this interim report the Group has followed the accounting principles applicable to the annual report of 31 December 2009.

In February 2009, Aktia Life Insurance was sold to Aktia plc. The life insurance business was 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.

## ACCOUNTING STANDARDS VALID FROM 2010

### IFRS 3 Business Combinations (revised)

With effect from 1 January 2010, business combinations are reported in accordance with the revised standard IFRS 3. From 1 January 2010 onwards, company acquisitions will involve greater volatility in the consolidated income statement and in the Group's equity. The Group has not had any company acquisitions during the first quarter 2010.

### IAS 27 Consolidated and Separate Financial Statements (revised)

This revised standard deals with accounting principles relating to minority interests. The application of this standard has not had any impact on the Group's result or financial position during the first quarter 2010.

## NOTE 2 THE BANK GROUP'S SEGMENT REPORT

As of 2009 Aktia Bank plc reports three segments, Banking Business, Asset Management and Miscellaneous.

### ALLOCATION PRINCIPLES

Net interest income in the segments, in Banking Business and Asset Management includes the margins on volumes of borrowing and lending. Reference interest rates for borrowing and lending and the interest rate risk that arises because of new pricing being out of step are transferred to Treasury in accordance with the Group's internal pricing. Treasury assumes responsibility for the Group's interest rate risk, liquidity and balance protection measures for which management has issued authority. The costs of central support functions are allocated to the segments in accordance with various allocation rules.

Until further notice, Aktia plc and Aktia Bank plc are not allocating equity to the various segments. Miscellaneous consists of any items in the income statement and balance sheet that are not allocated to the various segments.

Internal Group transactions between legal entities are eliminated and reported within each segment if the legal entities are in the same segment. Internal Group transactions between legal entities in different segments are included in the eliminations.

The share of profits in associated undertakings, eliminations related to acquisitions and the minority interest's share as well as other Group adjustments are included in the eliminations. The pricing between segments is based on market value.

Income statement (EUR million)	Banking Business		Asset Management		Life Insurance		Miscellaneous		Eliminations		Total Group	
	1-3/2010	1-3/2009	1-3/2010	1-3/2009	1-3/2010	1-3/2009	1-3/2010	1-3/2009	1-3/2010	1-3/2009	1-3/2010	1-3/2009
Net interest income	38.1	30.8	0.7	0.4	-	-	0.0	1.1	-	0.0	38.8	32.4
Dividends	1.4	0.0	-	0.0	-	-	-	1.3	-1.4	-1.3	0.0	0.1
Net commission income	8.1	5.3	4.2	2.7	-	-	-0.1	0.1	0.0	-0.1	12.2	8.0
Net income from financial transactions	-3.1	-2.3	0.0	-0.2	-	-	-	-	-	-	-3.1	-2.6
Net income from investment properties	0.0	0.0	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.8	0.6	0.1	0.0	-	-	3.7	0.4	-3.7	-0.4	0.9	0.7
<b>Total operating income</b>	<b>45.2</b>	<b>34.4</b>	<b>5.0</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>3.6</b>	<b>2.9</b>	<b>-5.0</b>	<b>-1.7</b>	<b>48.8</b>	<b>38.5</b>
Staff costs	-8.8	-8.0	-2.3	-1.9	-	-	-1.3	-1.9	-0.1	0.0	-12.4	-11.8
Other administrative expenses	-11.8	-12.2	-1.5	-1.0	-	-	-0.7	2.3	3.7	0.1	-10.3	-10.7
Depreciation of tangible and intangible assets	-0.6	-0.6	-0.1	-0.6	-	-	-0.5	-0.4	-	-	-1.2	-1.2
Other operating expenses	-2.3	-2.3	-0.2	-0.2	-	-	-1.3	-1.5	0.0	0.0	-3.8	-4.0
<b>Total operating expenses</b>	<b>-23.4</b>	<b>-23.0</b>	<b>-4.1</b>	<b>-3.3</b>	<b>-</b>	<b>-</b>	<b>-3.9</b>	<b>-1.5</b>	<b>3.6</b>	<b>0.2</b>	<b>-27.8</b>	<b>-27.7</b>
Impairment and reversing items of tangible and intangible assets	-	-	-	-	-	-	-	-	-	0.0	-	0.0
Write-downs on credits and other commitments	-4.4	-1.6	-	-	-	-	-	-	-	-	-4.4	-1.6
Share of profit from associated companies	-	-	-	-	-	-	-	-	-0.1	0.1	-0.1	0.1
<b>Operating profit from continuing operations</b>	<b>17.4</b>	<b>9.8</b>	<b>0.9</b>	<b>-0.4</b>	<b>-</b>	<b>-</b>	<b>-0.2</b>	<b>1.4</b>	<b>-1.5</b>	<b>-1.5</b>	<b>16.6</b>	<b>9.3</b>
Operating profit from discontinuing operations	-	-	-	-	0.1	0.1	-	-	-	-0.4	-	-0.3
<b>Operating profit</b>	<b>17.4</b>	<b>9.8</b>	<b>0.9</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.2</b>	<b>1.4</b>	<b>-1.5</b>	<b>-1.9</b>	<b>16.6</b>	<b>9.0</b>
Contribution of insurance business to the Groups' operating profit	-	-	-	-	-	-0.3	-	-	-	-	-	-

  

Balance sheet (EUR million)	Banking Business		Asset Management		Life Insurance		Miscellaneous		Eliminations		Total Group	
	31.3.2010	31.12.2009	31.3.2010	31.12.2009	31.3.2010	31.12.2009	31.3.2010	31.12.2009	31.3.2010	31.12.2009	31.3.2010	31.12.2009
Cash and balances with central banks	318.4	336.4	0.1	0.1	-	-	-	-	-	-	318.5	336.5
Financial assets reported at fair value through profit and loss	3.7	3.6	-	-	-	-	-	-	-	-	3.7	3.6
Financial assets available for sale	2,826.0	2,655.8	7.6	7.3	-	-	-	2.9	-3.8	-3.6	2,829.8	2,662.4
Loans and other receivables	6,520.5	6,173.7	38.4	34.4	-	-	-	-	-3.0	-3.7	6,555.9	6,204.4
Other assets	427.8	662.4	4.9	5.0	-	-	8.8	-293.6	-41.4	-41.1	400.0	332.7
<b>Total assets</b>	<b>10,096.4</b>	<b>9,831.9</b>	<b>51.0</b>	<b>46.8</b>	<b>-</b>	<b>-</b>	<b>8.8</b>	<b>-290.7</b>	<b>-48.3</b>	<b>-48.5</b>	<b>10,107.9</b>	<b>9,539.5</b>
Deposits	4,574.8	4,609.2	154.0	154.7	-	-	-	-	-3.0	-3.7	4,725.9	4,760.2
Debt securities issued	3,040.7	2,758.1	-	-	-	-	-	-	-3.8	-3.6	3,036.8	2,754.5
Other liabilities	1,994.6	1,506.9	5.3	6.7	-	-	15.9	194.4	-70.5	-66.8	1,945.3	1,641.2
<b>Total liabilities</b>	<b>9,610.1</b>	<b>8,874.2</b>	<b>159.4</b>	<b>161.4</b>	<b>-</b>	<b>-</b>	<b>15.9</b>	<b>194.4</b>	<b>-77.3</b>	<b>-74.2</b>	<b>9,708.0</b>	<b>9,155.8</b>



## NOTE 3 DERIVATIVES AND OFF-BALANCE SHEET COMMITMENTS

### Derivative instruments at 31 March 2010

Hedging derivative instruments (EUR million)			
31.3.2010	Total nominal amount	Assets, fair value	Liabilities, fair value
<b>Fair value hedging</b>			
Interest rate-related	2,927.5	81.6	32.1
<b>Total</b>	<b>2,927.5</b>	<b>81.6</b>	<b>32.1</b>
<b>Cash flow hedging</b>			
Interest rate-related	960.0	51.3	0.4
<b>Total</b>	<b>960.0</b>	<b>51.3</b>	<b>0.4</b>
<b>Derivative instruments valued through profit and loss</b>			
Interest rate-related *)	7,081.0	121.7	121.4
Currency-related	203.9	1.7	1.5
Equity-related **)	112.8	1.0	1.0
Other derivative instruments **)	8.4	0.4	0.4
<b>Total</b>	<b>7,406.2</b>	<b>124.8</b>	<b>124.2</b>
<b>Total derivative instruments</b>			
Interest rate-related	10,968.5	254.5	153.8
Currency-related	203.9	1.7	1.5
Equity-related	112.8	1.0	1.0
Other derivative instruments	8.4	0.4	0.4
<b>Total</b>	<b>11,293.7</b>	<b>257.6</b>	<b>156.6</b>

### Derivative instruments at 31 March 2009

Hedging derivative instruments (EUR million)			
31.3.2009	Total nominal amount	Assets, fair value	Liabilities, fair value
<b>Fair value hedging</b>			
Interest rate-related	1,340.0	58.5	-
<b>Total</b>	<b>1,340.0</b>	<b>58.5</b>	<b>-</b>
<b>Cash flow hedging</b>			
Interest rate-related	1,232.0	37.6	19.9
<b>Total</b>	<b>1,232.0</b>	<b>37.6</b>	<b>19.9</b>
<b>Derivative instruments valued through profit and loss</b>			
Interest rate-related *)	6,993.0	104.9	103.6
Currency-related	171.2	2.3	2.8
Equity-related **)	114.0	1.8	1.8
Other derivative instruments **)	8.6	0.6	0.6
<b>Total</b>	<b>7,286.8</b>	<b>109.6</b>	<b>108.8</b>
<b>Total derivative instruments</b>			
Interest rate-related	9,565.0	201.0	123.5
Currency-related	171.2	2.3	2.8
Equity-related	114.0	1.8	1.8
Other derivative instruments	8.6	0.6	0.6
<b>Total</b>	<b>9,858.8</b>	<b>205.7</b>	<b>128.7</b>

\*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 6,689.0 (6,674.7) million.

\*\*) All equity-related and other derivative instruments relate to the hedging of structured debt products.

## Off-balance sheet commitments

(EUR million)	31.3.2010	31.12.2009	31.3.2009
<b>Commitments provided to a third party on behalf of the customers</b>			
Guarantees	49.3	49.9	53.6
Other commitments provided to a third party	6.3	7.3	6.9
<b>Irrevocable commitments provided on behalf of customers</b>			
Unused credit arrangements	538.0	510.9	519.1
Other commitments provided to a third party	-	-	-
<b>Off-balance sheet commitments</b>	<b>593.5</b>	<b>568.1</b>	<b>579.5</b>

## NOTE 4 THE BANK GROUP'S RISK EXPOSURE

### Consolidated capital adequacy for Bank Group

Summary (EUR million)	3/2010	12/2009	9/2009	6/2009	3/2009
Tier 1 capital	337.5	329.0	319.2	309.4	298.9
Tier 2 capital	235.4	222.8	219.5	183.4	172.8
<b>Capital base</b>	<b>572.9</b>	<b>551.8</b>	<b>538.7</b>	<b>492.8</b>	<b>471.8</b>
Risk-weighted amount for credit and counterpart risks	3,214.5	3,147.5	3,220.7	3,122.2	3,062.8
Risk-weighted amount for market risks 1)	-	-	-	-	-
Risk-weighted amount for operative risks	312.7	312.7	272.7	272.7	272.7
<b>Risk-weighted commitments</b>	<b>3,527.2</b>	<b>3,460.2</b>	<b>3,493.4</b>	<b>3,394.8</b>	<b>3,335.5</b>
<b>Capital adequacy ratio, %</b>	<b>16.2</b>	<b>15.9</b>	<b>15.4</b>	<b>14.5</b>	<b>14.1</b>
<b>Tier 1 Capital ratio, %</b>	<b>9.6</b>	<b>9.5</b>	<b>9.1</b>	<b>9.1</b>	<b>9.0</b>
<b>Minimum capital requirement</b>	<b>282.2</b>	<b>276.8</b>	<b>279.5</b>	<b>271.6</b>	<b>266.8</b>
Capital buffer (difference between capital base and minimum requirement)	290.7	275.0	259.2	221.2	204.9

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

	3/2010	12/2009	9/2009	6/2009	3/2009
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	32.7	30.0	30.2	24.0
Retained earnings	95.8	70.7	70.7	70.7	70.7
Profit for the period	11.6	38.0	26.0	13.9	5.1
./. Provision for dividends to shareholders	-3.7	-12.9	-7.5	-5.0	-
Total	343.9	336.0	326.7	317.4	307.4
./. Intangible assets	-6.4	-7.0	-7.5	-8.0	-8.4
./. Shares in insurance companies	-	-	-	-	-
<b>Tier 1 capital</b>	<b>337.5</b>	<b>329.0</b>	<b>319.2</b>	<b>309.4</b>	<b>298.9</b>
Fund at fair value	21.6	13.3	14.9	-16.3	-21.6
Upper Tier 2 capital	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 capital	168.8	164.5	159.6	154.7	149.5
<b>Tier 2 capital</b>	<b>235.4</b>	<b>222.8</b>	<b>219.5</b>	<b>183.4</b>	<b>172.8</b>
<b>Total capital base</b>	<b>572.9</b>	<b>551.8</b>	<b>538.7</b>	<b>492.8</b>	<b>471.8</b>

## Risk-weighted commitments, credit and counterparty risks

Total exposures 3/2010			(EUR million)
Risk-weight	Balance assets	Off-balance sheet commitments	Total
0%	1,499.5	38.5	1,538.0
10%	1,289.6	0.0	1,289.6
20%	1,235.4	278.3	1,513.7
35%	4,631.1	99.7	4,730.8
50%	-	0.2	0.2
75%	585.2	86.6	671.8
100%	628.1	89.7	717.7
150%	14.6	0.6	15.3
<b>Total</b>	<b>9,883.6</b>	<b>593.5</b>	<b>10,477.2</b>
Derivatives *)	316.5	-	316.5
<b>Total</b>	<b>10,200.2</b>	<b>593.5</b>	<b>10,793.7</b>

Risk-weighted exposures, Basel 2					(EUR million)
Risk-weight	3/2010	12/2009	9/2009	6/2009	3/2009
0%	-	-	-	-	-
10%	129.0	115.9	111.3	101.6	89.7
20%	258.6	252.5	341.9	291.8	290.8
35%	1,633.5	1,596.8	1,567.2	1,516.6	1,470.1
50%	0.1	0.1	4.8	3.5	3.0
75%	466.9	466.1	457.8	447.2	439.1
100%	673.4	673.3	694.0	702.5	720.9
150%	22.5	19.1	22.4	32.7	24.0
<b>Total</b>	<b>3,183.9</b>	<b>3,123.7</b>	<b>3,199.6</b>	<b>3,096.0</b>	<b>3,037.6</b>
Derivatives *)	30.6	23.8	21.1	26.2	25.2
<b>Total</b>	<b>3,214.5</b>	<b>3,147.5</b>	<b>3,220.7</b>	<b>3,122.2</b>	<b>3,062.8</b>

\*) derivative agreements credit conversion factor

In its capital adequacy measurement to determine the exposure's risk weight, Aktia applies credit ratings by Moody's Investors Service or Standard & Poor's to receivables from central governments and central banks, credit institutions, investment firms and covered bonds. The risk weight for bank exposures and bonds secured by real estate is determined by the credit rating of the country where the institution is located.

## Risk-weighted amounts for operational risks

Year	2009	2008	2007	2006	3/2010	12/2009	9/2009	6/2009	3/2009
Gross income	204.7	150.5	145.2	140.6					
- average 3 years	166.8	145.4							
<b>Capital requirement for operational risk</b>					<b>25.0</b>	<b>25.0</b>	<b>21.8</b>	<b>21.8</b>	<b>21.8</b>
<b>Risk-weighted amount. Basel 2</b>					<b>312.7</b>	<b>312.7</b>	<b>272.7</b>	<b>272.7</b>	<b>272.7</b>

The capital requirement for operational risk is 15 % of average gross income during the last three years. The risk-weighted amount is calculated by dividing the capital requirement by 8 %.

To the Board of Directors of Aktia Bank p.l.c.

## REVIEW REPORT ON THE INTERIM REPORT OF AKTIA BANK P.L.C. AS OF 31.3.2010

### INTRODUCTION

We have reviewed the balance sheet as of 31.3.2010, the income statement, the statement of changes in equity and the cash flow statement of Aktia Bank p.l.c. for the three-month period then ended, as well as a summary of significant accounting policies and other explanatory notes to the financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and other Finnish rules and regulations governing the preparation of interim reports. At the request of the Board of Directors we issue our opinion on the interim report.

### SCOPE OF REVIEW

We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and other generally accepted auditing practices, and therefore the procedures performed in a review do not enable to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### OPINION

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report does not give a true and fair view of the entity's financial position as of 31 March 2010 and the result of its operations and cash flows for the three-month period then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki, 7 May 2010

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Jan Holmberg  
Authorised Public Accountant

Helsinki 7 May 2010

Aktia Bank plc

Board of Directors

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**Aktia Bank plc**

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