

# Aktia Bank Plc

*(subsidiary to the listed Aktia plc)*

## Profit for the first nine months 2010

Aktia Bank plc is a subsidiary to the listed Aktia plc and operates as parent company in the Bank Group. 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 Invest Ltd.

The Bank Group's operating profit for continuing operations during January - September 2010 was EUR 57.8 (37.0) million. Profit for the period after write-downs and tax was EUR 43.4 (27.1) million. Earnings per share was EUR 13.8 (8.7) million.

The Banking Business segment operating profit during January - September 2010 rose by 60% to EUR 56.3 (35.1) million. The Asset Management segment improved profitability and reached an operating profit of EUR 3.2 (0.5) million.

## Key figures

(EUR million)	1-9/2010	1-9/2009	Δ	7-9 /2010	7-9/ 2009	Δ	4-6/2010	1-3/2010	2009
Earnings per share (EPS), continuing operations	13.8	9.3	49%	4.8	4.0	19%	5.2	3.9	13.3
Earnings per share (EPS), discontinued operations	-	-0.6	-	-	-	-	-	-	-0.6
Earnings per share (EPS), total	13.8	8.7	60%	4.8	4.0	19%	5.2	3.9	12.7
Equity per share (NAV) <sup>1</sup>	117.3	115.1	2%	117.3	115.1	2%	112.3	122.4	117.0
Return on equity (ROE), %	14.8	10.0	49%	15.3	14.0	10%	16.7	12.5	11.0
Total earnings per share	14.6	23.4	-37%	5.1	15.9	-68%	-0.1	9.7	25.3
Number of shares <sup>1</sup>	3	3	0%	3	3	0%	3	3	3
Cost-to-income ratio, continuing operations	0.56	0.57	-2%	0.58	0.51	14%	0.54	0.57	0.57
Capital adequacy ratio <sup>1</sup> , %	17.0	15.4	10%	17.0	15.4	10%	16.5	16.2	15.9
Tier 1 capital ratio <sup>1</sup> , %	10.4	9.1	14%	10.4	9.1	14%	10.1	9.6	9.5

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

"Interim report January - September 2010" is a translation of the original report in Swedish ("Aktia Bank Delårsrapport 1.1-30.9.2010"). In case of discrepancies, the Swedish version shall prevail.

## Profit for July – Sept 2010

Aktia Bank Group reported an operating profit from continuing operations of EUR 19.4 (17.2) million and profit after tax was 14.9 (12.3) million. Earnings per share was EUR 4.8 (4.0) million.

The Banking Business segment contributed EUR 18.5 (16.6) million during July - September to the Bank Group's operating profit and the Asset Management segment contributed EUR 1.2 (0.5) million.

### The segments' operating profit

(EUR million)	7-9/2010	7-9/2009	Δ
Banking Business	18.5	16.6	12%
Asset Management	1.2	0.5	147%
Miscellaneous	-0.9	0.1	-
Eliminations	0.7	0.1	473%
Total	19.4	17.2	13%

## Income July–Sept 2010

The Bank Group's total income during the third quarter amounted to EUR 47.4 (51.6) million. Of this EUR 36.4 (40.6) million was net interest income. Net commission income for the quarter totalled EUR 11.6 million being EUR 1.6 million higher than last year. The improvement derives partially from mutual fund- and insurance commissions and partially from card and payment services commission.

Net profit from financial transactions totalled EUR -1.9 (0.3) million.

## Expenses July – Sept 2010

The Bank Group's total costs amounted to EUR 27.7 (26.1) million. Staff costs were EUR 10.9 (11.6) million. In comparison to the same time last year, the personnel costs include larger result related reservations.

Other administration costs were somewhat higher than last year at EUR 11.7 (10.2) million. Total depreciation and write-downs on tangible and intangible assets were unchanged at EUR 1.1 (1.2) million.

Other operating costs totalled EUR 4.0 (4.2) million, of which the costs of renting premises accounted for the largest share of EUR 2.5 (2.2) million.

## Profit for Jan – Sept 2010

Aktia Bank plc reported an operating profit improved by 56% to EUR 57.8 (37.0) million. The strengthening derives from a sustained high net interest income, remarkably increased net commission income but also from clearly stronger profitability in asset management.

The net interest income remained strong at EUR 113.4 (112.3) million. Net commission income was up 36% to EUR 37.6 (27.7) million, and income from asset management and brokerage rose by 42% to EUR 12.8 (8.9) million.

The segment Banking Business contributed EUR 56.3 (35.1) million to the Bank Group's operating profit whereas the segment Asset Management contributed EUR 3.2 (0.5) million.

### The segments' operating profit

(EUR million)	1-9/2010	1-9/2009	Δ
Banking Business	56.3	35.1	60%
Asset Management	3.2	0.5	508%
Miscellaneous	-1.9	2.4	-
Eliminations	0.2	-1.0	-
Total	57.8	37.0	56%

## Income

The Bank Group's total income increased by 4% to EUR 149.4 (143.8) million, of which EUR 113.4 (112.3) million was net interest income. Despite the low interest rate level, the net interest income was retained at a high level. Aktia Bank utilises both derivatives and fixed interest rate instruments to limit its interest rate risks. The derivatives and fixed rate instruments used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 45.7 (30.1) million.

Net commission totalled EUR 37.6 (27.7) million. Commission income from mutual funds, asset management and brokering increased to EUR 27.5 (19.6) million. Card and payment services commission rose to EUR 10.5 (8.5) million.

Other operating income rose from last year by EUR 3.6 million to EUR 5.9 million.

## Expenses

The Bank Group's total costs rose 3% to EUR 84.2 (81.5) million. Staff costs were EUR 36.2 (33.9) million. Other administration costs totalled EUR 32.8 (31.7) million, of which IT and marketing accounted for EUR 14.6 (13.2) million.

Total depreciation and write-downs on tangible and intangible assets amounted to EUR 3.5 (3.6) million.

Other operating costs totalled EUR 11.7 (12.3) million, of which the costs of renting premises accounted for the largest single part or EUR 6.7 (6.6) million.

## Rating

Aktia Bank plc's credit rating from the international credit rating agency Moody's Investors Service was 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.

## Capital adequacy

The Bank Group's capital adequacy amounted to 17.0% compared to 15.9% at the end of 2009. The Tier 1 capital ratio was 10.4 (9.5)%. The operating result and the liquidity portfolio's lower use of capital strengthened the capital adequacy.

Aktia Bank plc's capital adequacy stood at 21.7% compared to 19.9% at the end of 2009. The Tier 1 ratio was 13.1 (11.7)%.

## Balance sheet and off-balance sheet commitments

The Bank Group's balance sheet total amounted to EUR 9,583 (31.12.2009; 9,539) at the end of September 2010.

Borrowing from the public and public sector entities increased 11% to EUR 3,382 (3,036) million.

Outstanding bonds issued and certificates of deposit increased by 5% to EUR 2,888 (2,754) million at the end of September 2010.

The Bank Group's total lending to the public increased by 7% to EUR 6,550 (6,124) million during January - September. This increase in the balance sheet total is largely due to the growth in the Real Estate mortgage 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 5,034 (4,834) million.

Loans to private households accounted for EUR 5,337 (4,924) million, or 81.5 (80.4) % of total credit stock.

Interest-bearing financial assets available for sale amounted to EUR 2,403 (2,657) million. These assets mainly consist of the banking business' liquidity reserve.

The Bank Group's equity amounted to EUR 395 (384) million at the end of the period. The fund at fair value amounted to EUR 37 (35) million.

Off-balance sheet commitments totalled EUR 661 (568) million.

## Valuation of financial assets

### Value changes reported via income statement

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

#### Write-downs on financial assets

EUR million	1-9/2010	1-9/2010
Interest-bearing securities	-	-0.4
Shares and participations	-	-
<b>Total</b>	<b>0.0</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 37.2 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 32.2 (21.4) million.

#### Specification of the fund at fair value

EUR million	30.9.2010	31.12.2009	Change
Shares and participations	-0.1	0.0	-0.1
Direct interestbearing securities	5.1	13.3	-8.2
Cash flow hedging	32.2	21.4	10.8
<b>Fund at fair value, total</b>	<b>37.2</b>	<b>34.7</b>	<b>2.5</b>

### Write-downs of loan and guarantee claims

Write-downs based on individual examination of loan and guarantee claims during January - September 2010 totalled EUR -9.7 (30.9.2009;-26.3) million. Recoveries and reversals of write-downs from previous years came to EUR 0.7 (0.3) million so that the cost effect on the profit for the period was EUR -9.1 (-25.9) million.

Of write-downs, EUR -9.0 (-23.5) million was accounted for by corporate loans, which corresponds to 1.0 (2.8) % of the total corporate lending. Write-downs of corporate loans amounted to EUR -1.0 (-8.2) during the third quarter.

Write-downs of household loans amounted to EUR -0.7 (-2.1) million, EUR -0.3 (-0.5) 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 0.1 (0.4) % 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 (-7.4) million at the end of the period.

## 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 - September 2010 by EUR 426 million, totalling EUR 6,550 (6,124) million at the end of September. As planned, this increase mainly occurred within household financing, and households' share of the total credit stock amounted to EUR 5,337 million or 81.5% at the end of September, or 85.9% when combined with housing associations. Of the 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 4,987 (4,598) million. In all, housing loans increased by 8% over the period under review.

The proportion of the total credit stock accounted for by corporate loans fell as planned to 13.1 (13.8) % and totalled EUR 861 (845) million.

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 103.7 (84.8) million,

representing 1.6% of total lending. The increase derived mainly through Aktia Corporate Finance.

#### Credit stock by sector

EUR million	30.9.2010	31.12.2009	Change	Share, %
Corporate	861	845	17	13.1
Housing associations	288	289	-1	4.4
Public sector entities	7	10	-3	0.1
Non-profit organisations	57	55	1	0.9
Households	5,337	4,924	413	81.5
<b>Total</b>	<b>6,550</b>	<b>6,124</b>	<b>426</b>	<b>100.0</b>

Loans with payments 1–30 days overdue decreased during the period to 2.79 (2.94)% of credit stock, including off-balance sheet guarantee commitments. Loans with payments 31–89 days overdue increased to 0.77 (0.75) %, totalling approximately EUR 51 million. Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, totalled approximately EUR 44 million, corresponding to 0.67 (0.55)% of the entire credit stock plus bank guarantees.

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

Days	30.9.2010	% of the credit stock	31.12.2009	% of the credit stock
1–30	184	2.79	181	2.94
of which households	126	1.91	114	1.84
31–89	51	0.77	46	0.75
of which households	41	0.62	38	0.61
90–	44	0.67	34	0.55
of which households	20	0.31	18	0.29

## 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.

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 Bank Group's liquidity level was good at the end of the period and target levels were clearly exceeded.

## Counterparty risks

### Counterparty risks within Group Treasury's liquidity management operations

The banking business' liquidity portfolio which comprises interest-bearing securities stood at EUR 2,347 (2,615) million at 30 September 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, 63 (51) % were investments in covered bonds, 22 (36) % were investments in banks, 10 (9) % were investments in state-guaranteed bonds and approximately 5 (4) % were investments in public sector entities and companies. Counterparty risks in derivatives trading are managed through demands on collateral (CSA = Credit Support Annex) limiting the open positions.

#### Rating distribution for banking business

EUR million	30.9.2010	31.12.2009
<b>2,347</b>	<b>2,615</b>	
Aaa	60.4 %	55.1%
Aa1-Aa3	26.8 %	29.6%
A1-A3	9.2 %	11.6%
Baa1-Baa3	0.5 %	0.6%
Ba1-Ba3	0.6 %	0.2%
B1-B3	0.0 %	0.0%
Caa1 or lower	0.0 %	0.0%
No rating	2.5 %	2.9%*
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\*) Of which 1.9% Finnish municipalities at 30 September 2010 and 1.9 % at 31 December 2009

Of these financial assets, 1.1 (0.8) % did not meet the internal rating requirements. As a result of a reduced credit rating, two security assets with a total market value of EUR 7 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 58 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 utilised 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 second 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 negative and totalled EUR -8.2 million after the deduction of deferred tax. At the end of September 2010, the valuation difference in interest-bearing securities was at EUR 5.1 (13.3) 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 - September 2010.

## Personnel

The average number of full-time employees during the period under review was 738 (30 December 2009; 766).

## Other events during the reporting period

No events to report.

## Important events after the reporting period

No events to report.

## Outlook for the coming year (unchanged)

### Outlook

Aktia Bank expects operating profit for 2010 to exceed the level in 2009 and write-downs on credit to remain clearly lower than last year.

### Risks

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, asset management and real estate agency 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 clearly 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.

## Consolidated income statement for Bank Group

(EUR million)	1-9/2010	1-9/2009	Δ	2009
Net interest income	113.4	112.3	1%	152.4
Dividends	0.3	0.1	205%	0.1
Commission income	50.9	38.9	31%	56.1
Commission expenses	-13.2	-11.2	-18%	-15.4
Net commission income	37.6	27.7	36%	40.7
Net income from financial transactions	-7.7	1.3	-	0.6
Net income from investment properties	-0.1	0.1	-	0.1
Other operating income	5.9	2.3	158%	2.8
<b>Total operating income</b>	<b>149.4</b>	<b>143.8</b>	<b>4%</b>	<b>196.7</b>
Staff costs	-36.2	-33.9	7%	-46.6
Other administrative expenses	-32.8	-31.7	4%	-41.8
Depreciation of tangible and intangible assets	-3.5	-3.6	-2%	-4.8
Other operating expenses	-11.7	-12.3	-5%	-18.6
<b>Total operating expenses</b>	<b>-84.2</b>	<b>-81.5</b>	<b>3%</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	-9.1	-25.9	-65%	-31.1
Share of profit from associated companies	1.7	0.7	147%	0.3
<b>Operating profit from continuing operations</b>	<b>57.8</b>	<b>37.0</b>	<b>56%</b>	<b>54.2</b>
Taxes	-14.4	-9.9	45%	-14.7
<b>Profit for the period from continuing operations</b>	<b>43.4</b>	<b>27.1</b>	<b>60%</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>43.4</b>	<b>25.3</b>	<b>71%</b>	<b>37.6</b>
<b>Attributable to:</b>				
Shareholders in Aktia Bank Plc	41.5	26.0	60%	38.0
Minority interest	1.9	-0.7	-	-0.4
<b>Total</b>	<b>43.4</b>	<b>25.3</b>	<b>71%</b>	<b>37.6</b>
<b>Earnings per share (EPS), EUR</b>				
Continuing operations	13,819,688.26	9,257,219.29	49%	13,269,009.48
Discontinued operations	-	-596,129.27	-	-596,129.27
<b>Total</b>	<b>13,819,688.26</b>	<b>8,661,090.02</b>	<b>60%</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)	1-9/2010	1-9/2009	Δ	2009
<b>Continuing operations</b>				
Profit for the reporting period	43.4	27.1	60%	39.4
<b>Other comprehensive income after taxes:</b>				
Change in valuation of fair value for financial assets available for sale	-8.7	41.7	-	37.7
Change in valuation of fair value for cash flow hedging	10.8	13.8	-22%	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>45.5</b>	<b>82.6</b>	<b>-45%</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>-</b>	<b>-12.8</b>	<b>-</b>	<b>-12.8</b>
<b>Total comprehensive income for the period</b>	<b>45.5</b>	<b>69.8</b>	<b>-35%</b>	<b>75.8</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders in Aktia Bank plc	43.9	70.1	-37%	75.8
Minority interest	1.6	-0.3	-	0.1
<b>Total</b>	<b>45.5</b>	<b>69.8</b>	<b>-35%</b>	<b>75.8</b>
<b>Total earnings per share (EPS), EUR</b>				
Continuing operations	14,646,708.18	27,632,185.42	-47%	29,526,412.51
Discontinued operations	-	-4,273,521.18	-	-4,273,521.18
<b>Total</b>	<b>14,646,708.18</b>	<b>23,358,664.23</b>	<b>-37%</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)	30.9.2010	31.12.2009	Δ	30.9.2009
<b>Assets</b>				
Cash and balances with central banks	142.3	336.5	-58%	268.8
Financial assets reported at fair value via the income statement	-	3.6	-	3.6
Interest-bearing securities	2,402.8	2,657.5	-10%	2,689.0
Shares and participations	5.9	4.9	20%	26.4
Financial assets available for sale	2,408.7	2,662.4	-10%	2,715.4
Financial assets held until maturity	21.5	27.9	-23%	30.9
Derivative instruments	291.7	209.6	39%	218.9
Lending to credit institutions	44.1	80.7	-45%	122.8
Lending to the public and public sector entities	6,550.0	6,123.7	7%	6,005.9
Loans and other receivables	6,594.0	6,204.4	6%	6,128.6
Investments in associated companies	4.3	2.8	50%	3.2
Intangible assets	5.4	7.0	-23%	7.5
Investment properties	0.0	0.0	-	0.0
Other tangible assets	3.7	4.6	-20%	5.2
Accrued income and advance payments	75.0	71.9	4%	66.8
Other assets	31.5	4.9	542%	258.9
Total other assets	106.5	76.8	39%	325.7
Income tax receivables	0.6	0.4	53%	3.0
Deferred tax receivables	4.1	3.5	18%	4.4
Tax receivables	4.7	3.9	22%	7.4
<b>Total assets</b>	<b>9,582.9</b>	<b>9,539.5</b>	<b>0%</b>	<b>9,715.1</b>
<b>Liabilities</b>				
Liabilities to credit institutions	1,024.8	1,724.4	-41%	1,706.7
Liabilities to the public and public sector entities	3,382.5	3,035.8	11%	3,095.1
Deposits	4,407.3	4,760.2	-7%	4,801.8
Derivative instruments	179.9	131.7	37%	141.6
Debt securities issued	2,887.6	2,754.5	5%	2,638.5
Subordinated liabilities	280.1	250.4	12%	246.0
Other liabilities to credit institutions	1,128.2	968.2	17%	1,047.0
Other liabilities to the public and public sector entities	81.9	91.8	-11%	189.8
Other financial liabilities	4,377.8	4,064.9	8%	4,121.3
Accrued expenses and income received in advance	74.5	66.5	12%	57.9
Other liabilities	104.4	81.3	28%	164.7
Total other liabilities	178.9	147.8	21%	222.6
Provisions	0.2	0.2	-11%	0.2
Income tax liability	4.4	18.9	-77%	6.3
Deferred tax liabilities	39.0	32.2	21%	46.2
Tax liabilities	43.5	51.0	-15%	52.5
<b>Total liabilities</b>	<b>9,187.4</b>	<b>9,155.8</b>	<b>0%</b>	<b>9,339.9</b>
<b>Equity</b>				
Restricted equity	200.2	197.7	1%	204.1
Unrestricted equity	151.8	153.3	-1%	141.2
Shareholders' share of equity	352.0	351.0	0%	345.3
Minority interest's share of equity	43.4	32.7	33%	30.0
<b>Equity</b>	<b>395.4</b>	<b>383.7</b>	<b>3%</b>	<b>375.3</b>
<b>Total liabilities and equity</b>	<b>9,582.9</b>	<b>9,539.5</b>	<b>0%</b>	<b>9,715.1</b>

# Consolidated cash flow statement for Bank Group

(EUR million)	1-9/2010	1-9/2009	Δ	2009
<b>Cash flow from operating activities</b>				
Operating profit *)	57.8	36.7	57 %	53.9
Adjustment items not included in cash flow for the period	19.0	26.9	-29 %	17.3
Paid income taxes	-23.8	-7.0	-238 %	-7.9
<b>Cash flow from operating activities before change in operating receivables and liabilities</b>	<b>53.0</b>	<b>56.6</b>	<b>-6 %</b>	<b>63.3</b>
Increase (-) or decrease (+) in receivables from operating activities	-166.5	-1,120.5	85 %	-936.0
Increase (+) or decrease (-) in liabilities from operating activities	-82.6	820.7	-	651.2
<b>Total cash flow from operating activities</b>	<b>-196.0</b>	<b>-243.3</b>	<b>19 %</b>	<b>-221.5</b>
<b>Cash flow from investing activities</b>				
Financial assets held until maturity	6.4	5.0	29 %	8.0
Investments in group companies and associated companies	-0.1	-0.1	0 %	-0.1
Proceeds from sale of group companies and associated companies	-	34.6	-	34.6
Investment in tangible and intangible assets	-2.1	-3.4	37 %	-2.9
Disposal of tangible and intangible assets	1.0	1.0	3 %	0.3
Share issue of Aktia Real Estate Mortgage Bank Plc. to the minority	9.2	6.6	39 %	8.9
<b>Total cash flow from investing activities</b>	<b>14.5</b>	<b>43.8</b>	<b>-67 %</b>	<b>48.9</b>
<b>Cash flow from financing activities</b>				
Subordinated liabilities	28.3	1.9	-	6.4
Paid dividends	-42.9	-	-	-
<b>Total cash flow from financing activities</b>	<b>-14.6</b>	<b>1.9</b>	<b>-</b>	<b>6.4</b>
<b>Change in cash and cash equivalents</b>	<b>-196.1</b>	<b>-197.6</b>	<b>1 %</b>	<b>-166.1</b>
Cash and cash equivalents at the beginning of the year	346.2	512.3	-32 %	512.3
Cash and cash equivalents at the end of the period / year	150.1	314.8	-52 %	346.2
<b>Cash and cash equivalents in the cash flow statement consist of the following items:</b>				
Cash in hand	8.6	8.6	0 %	10.0
Bank of Finland current account	133.7	260.2	-49 %	326.5
Repayable on demand claims on credit institutions	7.8	46.0	-83 %	9.7
<b>Total</b>	<b>150.1</b>	<b>314.8</b>	<b>-52 %</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	9.1	25.9	-65 %	31.1
Change in fair values	7.7	-2.7	-	-19.3
Depreciation and impairment of intangible and tangible assets	3.5	3.7	-5 %	4.9
Share of profit from associated companies	-1.4	-0.4	-260 %	0.0
Sales gains and losses from intangible and tangible assets	0.1	-0.1	-	-0.1
Other adjustments	0.0	0.0	-	0.3
<b>Total</b>	<b>19.0</b>	<b>26.9</b>	<b>-29 %</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>-</b>	<b>-2.6</b>	<b>-</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
Dividends to shareholders						0.0		0.0
<i>Profit for the period</i>					26.0	26.0	-0.7	25.3
<i>Financial assets available for sale</i>			30.3			30.3	0.4	30.7
<i>Cash flow hedging</i>			13.8			13.8		13.8
Total comprehensive income for the period			44.1		26.0	70.1	-0.3	69.8
Other change in equity		0.0	32.1		-32.1	0.0	5.3	5.3
<b>Equity as at 30 September 2009</b>	<b>163.0</b>	<b>0.0</b>	<b>41.1</b>	<b>44.6</b>	<b>96.7</b>	<b>345.3</b>	<b>30.0</b>	<b>375.3</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
Dividends to shareholders					-42.9	-42.9		-42.9
<i>Profit for the period</i>					41.5	41.5	1.9	43.4
<i>Financial assets available for sale</i>			-8.6			-8.6	0.0	-8.7
<i>Cash flow hedging</i>			11.1			11.1	-0.3	10.8
Total comprehensive income for the period			2.5		41.5	43.9	1.6	45.5
Other change in equity						0.0	9.2	9.2
<b>Equity as at 30 September 2010</b>	<b>163.0</b>	<b>0.0</b>	<b>37.2</b>	<b>44.6</b>	<b>107.3</b>	<b>352.0</b>	<b>43.4</b>	<b>395.4</b>

## Key figures

(EUR million)		1-9/2010	1-9/2009	Δ	7-9/ 2010	4-6/2010	1-3/2010	10-12/ 2009	7-9/ 2009
Earnings per share (EPS), continuing operations	con-	13.8	9.3	49%	4.8	5.2	3.9	4.0	4.0
Earnings per share (EPS), discontinued operations	dis-	-	-0.6	-	-	-	-	-	-
Earnings per share (EPS), total		13.8	8.7	60%	4.8	5.2	3.9	4.0	4.0
Equity per share (NAV) <sup>1</sup>		117.3	115.1	2%	117.3	112.3	122.4	117.0	115.1
Return on equity (ROE), %		14.8	10.0	49%	15.3	16.7	12.5	13.0	14.0
Total earnings per share		14.6	23.4	-37%	5.1	-0.1	9.7	1.9	15.9
Number of shares at the end of the period <sup>1</sup>		3	3	0%	3	3	3	3	3
Personnel (FTEs), average number of employees from the beginning of the financial year <sup>1</sup>	av-	738	771	-4 %	738	746	753	766	771
<b>Banking Business (incl. Private Banking)</b>									
Cost-to-income ratio, continuing operations	con-	0.56	0.57	-2%	0.58	0.54	0.57	0.57	0.51
Borrowing from the public <sup>1</sup>		3,382.5	3,095.1	9%	3,382.5	3,364.7	3,199.0	3,035.8	3,095.1
Lending to the public <sup>1</sup>		6,550.0	6,005.9	9%	6,550.0	6,410.3	6,237.1	6,123.7	6,005.9
Capital adequacy ratio <sup>1</sup> , %		17.0	15.4	10 %	17.0	16.5	16.2	15.9	15.4
Tier 1 capital ratio <sup>1</sup> , %		10.4	9.1	14 %	10.4	10.1	9.6	9.5	9.1
Risk-weighted commitments <sup>1</sup>		3,583.0	3,493.4	3 %	3,583.0	3,555.3	3,527.2	3,460.2	3,493.4
<b>Asset Management</b>									
Mutual fund volume <sup>1</sup>		4,027.5	3,488.0	15%	4,027.5	3,770.9	4,096.1	3,786.2	3,488.0
Managed and brokered assets <sup>1</sup>		6,658.4	5,680.5	17%	6,658.4	6,300.8	6,382.3	5,995.6	5,680.5

1) At the end of the period  
Formulas for key figures are presented in Aktia Bank plc's annual report 2009, page 6

## Change in Quarterly trends in Aktia Bank Group

(EUR million)	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009
Net interest income	36.4	38.2	38.8	40.1	40.6
Dividends	0.0	0.3	0.0	0.0	0.0
Net commission income	11.6	13.9	12.2	13.0	10.0
Net income from financial transactions	-1.9	-2.8	-3.1	-0.7	0.3
Net income from investment properties	0.0	-0.1	0.0	0.0	0.0
Other operating income	1.3	3.6	0.9	0.5	0.7
<b>Total operating income</b>	<b>47.4</b>	<b>53.2</b>	<b>48.8</b>	<b>52.9</b>	<b>51.6</b>
Staff costs	-10.9	-12.9	-12.4	-12.7	-10.5
Other administrative expenses	-11.7	-10.9	-10.3	-10.1	-10.2
Depreciation of tangible and intangible assets	-1.1	-1.2	-1.2	-1.3	-1.2
Other operating expenses	-4.0	-3.9	-3.8	-6.2	-4.2
<b>Total operating expenses</b>	<b>-27.7</b>	<b>-28.8</b>	<b>-27.8</b>	<b>-30.2</b>	<b>-26.1</b>
Impairment and reversal of impairment on tangible and intangible assets	-	-	-	-	-
Write-downs on credits and other commitments	-1.1	-3.6	-4.4	-5.2	-8.4
Share of profit from associated companies	0.7	1.0	-0.1	-0.3	0.1
<b>Operating profit</b>	<b>19.4</b>	<b>21.8</b>	<b>16.6</b>	<b>17.1</b>	<b>17.2</b>
Taxes	-4.6	-5.5	-4.3	-4.8	-4.9
<b>Profit for the period</b>	<b>14.9</b>	<b>16.2</b>	<b>12.3</b>	<b>12.3</b>	<b>12.3</b>

## Consolidated statement of comprehensive income for Bank Group

(EUR million)	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009
Profit for the reporting period	14.9	16.2	12.3	12.3	12.3
<b>Other comprehensive income after taxes:</b>					
Change in valuation of fair value for financial assets available for sale	2.6	-19.5	8.3	-4.0	31.5
Change in valuation of fair value for cash flow hedging	-1.3	2.9	9.2	-4.7	4.5
Transferred to the income statement for financial assets available for sale	-	-	-	2.4	-
<b>Total comprehensive income for the period</b>	<b>16.1</b>	<b>-0.4</b>	<b>29.8</b>	<b>6.0</b>	<b>48.3</b>

## Note 1. Basis for preparing interim reports and important accounting principles

### 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 - 30 September 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 Aktia Bank'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. Balance sheet items in the Report by the Board of Directors are mainly given in EUR million without decimals.

The interim report for the period 1 January - 30 September 2010 was approved by the Board of Directors on 4 November 2010.

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.

### New accounting standards apply 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 nine months of 2010.

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

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

## 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 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 Bank plc is 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.

## Note 2. Segment report for Bank Group

Income statement (EUR million)	Banking Business		Asset Management		Life Insurance		Miscellaneous		Eliminations		Total Group	
	1-9/2010	1-9/2009	1-9/2010	1-9/2009	1-9/2010	1-9/2009	1-9/2010	1-9/2009	1-9/2010	1-9/2009	1-9/2010	1-9/2009
Net interest income	110.8	108.1	2.6	1.7	-	-	0.0	2.4	-	0.0	113.4	112.3
Net commission income	25.4	17.9	12.3	9.0	-	-	0.0	1.2	0.0	-0.4	37.6	27.7
Other income	-2.5	3.8	0.2	-0.2	-	-	3.7	3.1	-3.0	-3.0	-1.6	3.8
<b>Total operating income</b>	<b>133.7</b>	<b>129.8</b>	<b>15.1</b>	<b>10.6</b>	-	-	<b>3.6</b>	<b>6.8</b>	<b>-3.0</b>	<b>-3.4</b>	<b>149.4</b>	<b>143.8</b>
Staff costs	-24.9	-23.8	-6.4	-5.6	-	-	-4.6	-4.6	-0.3	0.1	-36.2	-33.9
Other administrative expenses	-35.0	-35.8	-4.4	-3.3	-	-	5.4	6.1	1.2	1.2	-32.8	-31.7
Depreciation of tangible and intangible assets	-1.7	-1.7	-0.4	-0.6	-	-	-1.4	-1.3	-	-	-3.5	-3.6
Other expenses	-6.7	-7.5	-0.7	-0.6	-	-	-4.9	-4.6	0.6	0.4	-11.7	-12.3
<b>Total operating expenses</b>	<b>-68.3</b>	<b>-68.8</b>	<b>-11.9</b>	<b>-10.1</b>	-	-	<b>-5.6</b>	<b>-4.4</b>	<b>1.5</b>	<b>1.7</b>	<b>-84.2</b>	<b>-81.5</b>
Impairment and reversing items of tangible and intangible assets	-	-	-	-	-	-	-	-	-	0.0	-	0.0
Write-downs on credits and other commitments	-9.1	-25.9	-	-	-	-	-	-	-	-	-9.1	-25.9
Share of profit from associated companies	-	-	-	-	-	-	-	-	1.7	0.7	1.7	0.7
<b>Operating profit from continuing operations</b>	<b>56.3</b>	<b>35.1</b>	<b>3.2</b>	<b>0.5</b>	-	-	<b>-1.9</b>	<b>2.4</b>	<b>0.2</b>	<b>-1.0</b>	<b>57.8</b>	<b>37.0</b>
Operating profit from discontinuing operations	-	-	-	-	-	0.1	-	-	-	-0.4	-	-0.3
<b>Operating profit</b>	<b>56.3</b>	<b>35.1</b>	<b>3.2</b>	<b>0.5</b>	-	<b>0.1</b>	<b>-1.9</b>	<b>2.4</b>	<b>0.2</b>	<b>-1.4</b>	<b>57.8</b>	<b>36.7</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	
	30.9.2010	31.12.2009	30.9.2010	31.12.2009	30.9.2010	31.12.2009	30.9.2010	31.12.2009	30.9.2010	31.12.2009	30.9.2010	31.12.2009
Cash and balances with central banks	142.2	336.4	0.1	0.1	-	-	-	-	-	-	142.3	336.5
Financial assets reported at fair value through profit and loss	-	3.6	-	-	-	-	-	-	-	-	-	3.6
Financial assets available for sale	2,405.5	2,655.8	7.6	7.3	-	-	-	2.9	-4.4	-3.6	2,408.7	2,662.4
Loans and other receivables	6,545.4	6,173.7	44.3	34.4	-	-	9.6	-	-5.3	-3.7	6,594.0	6,204.4
Other assets	470.9	662.4	6.7	5.0	-	-	7.9	-293.6	-47.6	-41.1	437.8	332.7
<b>Total assets</b>	<b>9,564.0</b>	<b>9,831.9</b>	<b>58.7</b>	<b>46.8</b>	-	-	<b>17.5</b>	<b>-290.7</b>	<b>-57.3</b>	<b>-48.5</b>	<b>9,582.9</b>	<b>9,539.5</b>
Deposits	4,219.6	4,609.2	192.9	154.7	-	-	-	-	-5.3	-3.7	4,407.3	4,760.2
Debt securities issued	2,891.9	2,758.1	-	-	-	-	-	-	-4.4	-3.6	2,887.6	2,754.5
Other liabilities	1,953.6	1,506.9	8.9	6.7	-	-	7.4	194.4	-77.3	-66.8	1,892.6	1,641.2
<b>Total liabilities</b>	<b>9,065.2</b>	<b>8,874.2</b>	<b>201.8</b>	<b>161.4</b>	-	-	<b>7.4</b>	<b>194.4</b>	<b>-86.9</b>	<b>-74.2</b>	<b>9,187.4</b>	<b>9,155.8</b>



## Note 3. Derivatives and off-balance sheet commitments

### Derivative instruments at 30 September 2010 (EUR million)

Hedging derivative instruments (EUR million)	Total nominal amount	Assets, fair value	Liabilities, fair value
<b>Fair value hedging</b>			
Interest rate-related	3,197.5	101.3	38.5
<b>Total</b>	<b>3,197.5</b>	<b>101.3</b>	<b>38.5</b>
<b>Cash flow hedging</b>			
Interest rate-related	960.0	53.8	0.1
<b>Total</b>	<b>960.0</b>	<b>53.8</b>	<b>0.1</b>
<b>Derivative instruments valued through profit and loss</b>			
Interest rate-related *)	7,135.8	128.2	131.9
Currency-related	173.4	4.4	5.3
Equity-related **)	98.3	3.4	3.4
Other derivative instruments **)	4.3	0.6	0.6
<b>Total</b>	<b>7,411.8</b>	<b>136.7</b>	<b>141.2</b>
<b>Total derivative instruments</b>			
Interest rate-related	11,293.3	283.3	170.6
Currency-related	173.4	4.4	5.3
Equity-related	98.3	3.4	3.4
Other derivative instruments	4.3	0.6	0.6
<b>Total</b>	<b>11,569.3</b>	<b>291.7</b>	<b>179.9</b>

### Derivative instruments at 30 September 2009 (EUR million)

Hedging derivative instruments (EUR million)	Total nominal amount	Assets, fair value	Liabilities, fair value
<b>Fair value hedging</b>			
Interest rate-related	2,079.5	55.7	21.7
<b>Total</b>	<b>2,079.5</b>	<b>55.7</b>	<b>21.7</b>
<b>Cash flow hedging</b>			
Interest rate-related	960.0	42.8	0.9
<b>Total</b>	<b>960.0</b>	<b>42.8</b>	<b>0.9</b>
<b>Derivative instruments valued through profit and loss</b>			
Interest rate-related *)	7,059.1	117.8	116.5
Currency-related	182.3	0.5	0.4
Equity-related **)	106.4	1.8	1.8
Other derivative instruments **)	6.4	0.3	0.3
<b>Total</b>	<b>7,354.2</b>	<b>120.4</b>	<b>119.0</b>
<b>Total derivative instruments</b>			
Interest rate-related	10,098.6	216.3	139.1
Currency-related	182.3	0.5	0.4
Equity-related	106.4	1.8	1.8
Other derivative instruments	6.4	0.3	0.3
<b>Total</b>	<b>10,393.7</b>	<b>218.9</b>	<b>141.6</b>

\*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 6,739.0 (6,752.6) million.

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

Off-balance sheet commitments (EUR million)	30.9.2010	31.12.2009	30.9.2009
<b>Commitments provided to a third party on behalf of the customers</b>			
Guarantees	48.4	49.9	51.6
Other commitments provided to a third party	5.1	7.3	7.4
<b>Irrevocable commitments provided on behalf of customers</b>			
Unused credit arrangements	607.9	510.9	550.8
Other commitments provided to a third party	-	-	-
<b>Off-balance sheet commitments</b>	<b>661.4</b>	<b>568.1</b>	<b>609.8</b>

## Note 4. Risk exposures for Bank Group

### Consolidated capital adequacy for Bank Group

Summary (EUR million)	9/2010	6/2010	3/2010	12/2009	9/2009
Tier 1 capital	371.7	359.8	337.5	329.0	319.2
Tier 2 capital	235.8	227.6	235.4	222.8	219.5
<b>Capital base</b>	<b>607.5</b>	<b>587.3</b>	<b>572.9</b>	<b>551.8</b>	<b>538.7</b>
Risk-weighted amount for credit and counterpart risks	3,270.3	3,242.6	3,214.5	3,147.5	3,220.7
Risk-weighted amount for market risks <sup>1)</sup>	-	-	-	-	-
Risk-weighted amount for operational risks	312.7	312.7	312.7	312.7	272.7
<b>Risk-weighted commitments</b>	<b>3,583.0</b>	<b>3,555.3</b>	<b>3,527.2</b>	<b>3,460.2</b>	<b>3,493.4</b>
<b>Capital adequacy ratio, %</b>	<b>17.0</b>	<b>16.5</b>	<b>16.2</b>	<b>15.9</b>	<b>15.4</b>
<b>Tier 1 Capital ratio, %</b>	<b>10.4</b>	<b>10.1</b>	<b>9.6</b>	<b>9.5</b>	<b>9.1</b>
<b>Minimum capital requirement</b>	<b>286.6</b>	<b>284.4</b>	<b>282.2</b>	<b>276.8</b>	<b>279.5</b>
Capital buffer (difference between capital base and minimum requirement)	320.9	302.9	290.7	275.0	259.2

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

	9/2010	6/2010	3/2010	12/2009	9/2009
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	43.4	42.6	32.7	32.7	30.0
Retained earnings	65.8	65.8	95.8	70.7	70.7
Profit for the period	41.5	27.2	11.6	38.0	26.0
Provision for dividends to shareholders	-11.1	-7.4	-3.7	-12.9	-7.5
Capital loan	30.0	30.0	-	-	-
Total	377.1	365.8	343.9	336.0	326.7
Intangible assets	-5.4	-6.0	-6.4	-7.0	-7.5
<b>Tier 1 capital</b>	<b>371.7</b>	<b>359.8</b>	<b>337.5</b>	<b>329.0</b>	<b>319.2</b>
Fund at fair value	5.0	2.7	21.6	13.3	14.9
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	185.9	179.9	168.8	164.5	159.6
<b>Tier 2 capital</b>	<b>235.8</b>	<b>227.6</b>	<b>235.4</b>	<b>222.8</b>	<b>219.5</b>
<b>Total capital base</b>	<b>607.5</b>	<b>587.3</b>	<b>572.9</b>	<b>551.8</b>	<b>538.7</b>

## Risk-weighted commitments, credit and counterparty risks

Total exposures 6/2010			(EUR million)
Risk-weight	Balance assets	Off-balance sheet commitments	Total
0 %	969.3	31.4	1,000.7
10 %	1,187.0	-	1,187.0
20 %	1,008.7	337.0	1,345.6
35 %	4,911.6	96.3	5,007.9
50 %	0.1	-	0.1
75 %	611.5	88.7	700.2
100 %	611.6	107.3	718.9
150 %	15.7	0.9	16.6
<b>Total</b>	<b>9,315.5</b>	<b>661.4</b>	<b>9,976.9</b>
Derivatives *)	350.4	-	350.4
<b>Total</b>	<b>9,665.9</b>	<b>661.4</b>	<b>10,327.3</b>

\*) derivative agreements credit conversion factor

Risk-weighted exposures, Basel 2					(EUR million)
Risk-weight	9/2010	6/2010	3/2010	12/2009	9/2009
0 %	-	-	-	-	-
10 %	118.7	119.6	129.0	115.9	111.3
20 %	215.6	235.8	258.6	252.5	341.9
35 %	1,731.2	1,686.8	1,633.5	1,596.8	1,567.2
50 %	0.1	0.1	0.1	0.1	4.8
75 %	488.1	483.6	466.9	466.1	457.8
100 %	665.0	660.7	673.4	673.3	694.0
150 %	24.2	24.9	22.5	19.1	22.4
<b>Total</b>	<b>3,242.9</b>	<b>3,211.5</b>	<b>3,183.9</b>	<b>3,123.7</b>	<b>3,199.6</b>
Derivatives *)	27.5	31.1	30.6	23.8	21.1
<b>Total</b>	<b>3,270.3</b>	<b>3,242.6</b>	<b>3,214.5</b>	<b>3,147.5</b>	<b>3,220.7</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

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

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 %.

## Not 5 Net interest income

EUR million	1-9/2010	1-9/2009	Δ	2009
Deposits- and lending	40.9	47.6	-14%	61.3
Hedging, interest rate risk management	45.7	30.1	52%	44.9
Other	26.8	34.7	-23%	46.3
Net interest income	113.4	112.3	1%	152.4

The impact of fixed rate investments is divided into two components consisting of interest rate risk and credit risk. The interest rate risk component is included in "Hedging of Interest rate risk" whereas the credit risk component is booked as a part of "Other".

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 30.9.2010

### Introduction

We have reviewed the balance sheet as of 30.9.2010, the income statement, the statement of changes in equity and the cash flow statement of Aktia Bank p.l.c. for the nine-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.

### 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 30 September 2010 and the result of its operations and cash flows for the nine-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, 4 November 2010

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Jan Holmberg  
Authorised Public Accountant

**Aktia plc**

PO Box 207  
Mannerheimintie 14  
FIN-00101 Helsinki  
Tel. +358 10 247 5000  
Fax +358 0 247 6356

CEO Jussi Laitinen, tel. +358 10 247 5000  
Deputy Managing Director, CFO Stefan Björkman,  
tel. +358 10 247 5000

Business ID 0108664-3

BIC/S.W.I.F.T. HELSFIHH

**Investor Relations**

PO Box 207  
Mannerheimintie 14  
FIN-00101 Helsinki

Investor Relations Manager Anna Gabrán  
tel. +358 10 247 6501  
Fax +358 10 247 6249

e-mail: [ir\(at\)aktia.fi](mailto:ir(at)aktia.fi)

Website: [www.aktia.fi](http://www.aktia.fi)

Contact address: [aktia\(at\)aktia.fi](mailto:aktia(at)aktia.fi)

E-mail logic: first name.surname(at)aktia.fi