

Aktia Bank Plc

(subsidiary to the listed Aktia Plc)

Profit for 1-6/2011

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 Ltd, Aktia Fund Management Company Ltd, Aktia Invest Ltd, Aktia Card Ltd and Aktia Corporate Finance Ltd.

The Bank Group's operating profit during the first half year of 2011 was EUR 24.4 (38.4) million. Profit for the period was EUR 18.0 (28.5) million. Earnings per share was EUR 5.6 (9.1) million.

The Banking Business' operating profit decreased to EUR 25.2 (37.9) million. Asset Management improved its profitability and reached an operating profit of EUR 3.1 (2.0) million.

Key figures

(EUR million)	1-6/2011	1-6/2010	Δ%	4-6/2011	4-6/2010	Δ%	2010
Earnings per share (EPS)	5.6	9.1	-38%	2.1	5.2	-59%	16.7
Equity per share (NAV) ¹	103.1	112.3	-8%	103.1	112.3	-8%	110.9
Return on equity (ROE), %	9.7	14.9	-35%	7.5	16.7	-55%	13.8
Total earnings per share	-1.1	9.6	-	3.0	-0.1	-	8.2
Cost-to-income ratio	0.68	0.55	24%	0.74	0.54	37%	0.59
Number of shares at the end of the period ¹	3	3	0%	3	3	0%	3
Capital adequacy ratio, % ¹	16.6	16.5	1%	16.6	16.5	1%	15.9
Tier 1 capital ratio, % ¹	10.8	10.1	6%	10.8	10.1	6%	10.1

¹ At the end of the period

"Interim Report 1 January - 30 June 2011" is a translation of the original report in Swedish ("Aktia Bank Delårsrapport 1.1-31.6.2011"). In case of discrepancies, the Swedish version prevails.

Profit for April – June 2011

Aktia Bank plc reported an operating profit of EUR 9.5 (21.8) million.

The net interest income amounted to EUR 33.5 (38.2) million. Net commission income was EUR 14.0 (13.9) million, and income from mutual funds, asset management and brokerage rose by 7% to EUR 10.3 (9.6) million.

The segment Banking Business contributed EUR 9.2 (20.5) million to the Bank Group's operating profit whereas the segment Asset Management contributed EUR 1.6 (1.1) million.

The segments' operating profit

(EUR million)	4-6/2011	4-6/2010	Δ%
Banking Business	9.2	20.5	-55%
Asset Management	1.6	1.1	43%
Miscellaneous	-0.2	-0.8	76%
Eliminations	-1.1	1.0	-
Total	9.5	21.8	-56%

Profit for January – June 2011

Aktia Bank plc reported an operating profit of EUR 24.4 (38.4) million. The net interest income amounted to EUR 68.0 (77.0) million. Net commission income was up 4% to EUR 27.2 (26.0) million.

The segment Banking Business contributed EUR 25.2 (37.9) million to the Bank Group's operating profit whereas the segment Asset Management contributed EUR 3.1 (2.0) million.

The segments' operating profit

(EUR million)	30.6.2011	30.6.2010	Δ%
Banking Business	25.2	37.9	-33%
Asset Management	3.1	2.0	52%
Miscellaneous	-0.9	-1.0	12%
Eliminations	-2.9	-0.5	-488%
Total	24.4	38.4	-36%

Income

The Bank Group's total income was EUR 95.2 (102.2) million, of which EUR 68.0 (77.0) million was net interest income.

The derivatives and fixed rate instruments (excl. credit risk exposure) used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 20.5 (31.1) million.

Commission income from brokering of mutual funds and insurance increased by 29% to EUR 15.1 (11.7) million. Card and payment services commission rose to EUR 8.0 (6.9) million. The improvement in net commission income derives mainly from higher commissions from cards and fund brokerage.

Other operating income decreased to EUR 2.3 (4.5) million from the corresponding period last year.

Expenses

The Bank Group's total costs rose 16% to EUR 65.5 (56.6) million of which staff costs were EUR 27.0 (25.3) million.

Developments of Internet services increased IT costs by 17% to EUR 9.6 (8.2) million.

Total depreciation and write-downs on tangible and intangible assets amounted to EUR 2.1 (2.4) million.

Other operating costs totalled EUR 26.8 (20.7) million. Higher rental and office expenses account for a part of the change.

Higher fee to the Deposit Guarantee Fund contributed to increased costs.

Rating

The international credit rating agency Moody's Investors Service kept its credit opinion of Aktia Bank plc's credit rating unchanged for short-term borrowing at the best classification, P-1. The credit quality for long-term borrowing and financial strength were the same, A1 and C respectively. All ratings have a stable outlook.

See 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 ratio amounted to 16.6 (15.9)%. The Tier 1 capital ratio was 10.8 (10.1)%.

Aktia Bank plc's capital adequacy ratio stood at 21.5 (20.3)% . The Tier 1 capital ratio was 13.9 (12.8)%.

Balance sheet and off-balance sheet commitments

The Bank Group's balance sheet total amounted to EUR 9,643 (9,924) million.

Borrowing from the public and public sector entities increased 3% to EUR 3,519 (3,406) million.

Outstanding bonds issued and certificates of deposit increased by 8% to EUR 3,676 (3,393) million. Of these bonds EUR 3,217 (2,898) million were covered bonds issued by the Aktia Real Estate Mortgage Bank plc. In June Aktia Real Estate Mortgage Bank plc issued a fixed interest rate covered bond with five year maturity worth EUR 600 million.

The Bank Group's total lending to the public increased by 3% to EUR 6,869 (6,654) million during the first quarter of 2011. This increase is due to the growth in the Real Estate mortgage stock. Excluding the mortgages brokered by savings banks and POP Banks, which the local banks are committed to capitalise, the Bank Group's lending totalled EUR 5,142 (5,055) million.

At the end of June, loans to private households accounted for EUR 5,706 (5,479) million, or 83.1 (82.3)% of the total credit stock.

Loans granted to housing associations amounted to EUR 290 (289) million and stood for 4.2 (4.3)% of the total stock.

Corporate lending accounted for 11.8 (12.4)% of the credit stock. Total corporate lending amounted to EUR 813 (823) million.

Credit stock by sector

EUR million	30.6.2011	31.12.2010	Δ	Share%
Households	5,706	5,479	227	83.1%
Corporate	813	823	-10	11.8%
Housing associations	290	289	1	4.2%
Non-profit organisations	54	56	-2	0.8%
Public sector entities	7	7	0	0.1%
Total	6 869	6 654	216	100.0%

Interest-bearing financial assets available for sale amounted to EUR 2,030 (2,591) million. These assets mainly consist of the banking business' liquidity reserve.

The Bank Group's equity amounted to EUR 368 (377) million at the end of the period. The fund at fair value amounted to EUR -11 (9) million.

Off-balance sheet commitments totalled EUR 641 (666) million.

Valuation of financial assets

Value changes reported via income statement

No write-downs were made during January-June 2011.

The Bank Group's risk exposure

Definitions and general principles for asset and risk management can be read in Aktia Bank plc's annual report 2010 on pages 22-36.

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

Lending-related risks within banking

Loans with payments 1-30 days overdue increased during the period to 3.48 (3.02)% of the credit stock. Loans with payments 31-89 days overdue increased marginally to EUR 59 (57) million and amounted to 0.85 (0.88)% of the credit stock. Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, also increased totalling EUR 58 (42) million, corresponding to 0.84 (0.65)% of the entire credit stock plus bank guarantees. The credit stock also includes off-balance sheet guarantee commitments.

Undischarged debts by time overdue (EUR million)

Days	30.6. 2011	% of the credit stock	30.06. 2010	% of the credit stock	31.12. 2010
1-30	241	3.48	195	3.02	171
of which households	162	2.34	131	2.02	118
31-89	59	0.85	57	0.88	56
of which households	49	0.71	40	0.62	45
90-	58	0.84	42	0.65	36
of which households	34	0.49	22	0.33	20

* in Aktia Bank fair value of the collateral covers 89% of debts

Write-downs on credits and other commitments

During January-June 2011, the total of write-downs on credits and other commitments stood at EUR -5.3 (-8.0) million.

At the end of June, write-downs by group on portfolio level amounted to a total of EUR 16.0 (19.3) million, of which EUR 7.3 (7.3) million related to households and small companies and EUR 8.7 (12.0) million to larger corporate arrangements.

In write-downs by group on individual examination, a credit loss of EUR 6.8 million was realised during the period of which EUR 3.3 million during the second quarter. After a revaluation, the group write-downs were increased by EUR 3.5 million of which EUR 1.5 million during the second quarter

Total write-downs on credit with impact on result amounted to 0.08 (0.13%) of total lending. Corresponding impact on result from corporate loans amounted to 0.6 (0.9)% of total corporate lending.

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 Bank Group into consideration, the fund at fair value amounted to EUR -11.1 (9.1) million after deferred tax.

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 17.0 (25.7) million.

Specification of the fund at fair value

EUR million	30.6.2011	31.12.2010	Δ
Shares and participations	-0.4	0.0	-0.4
Direct interest-bearing securities	-27.7	-16.6	-11.1
Cash flow hedging	17.0	25.7	-8.7
Fund at fair value, total	-11.1	9.1	-20.2

Allocation of financial assets

The Bank Group's liquidity portfolio offers a hedge against short-term fluctuations in liquidity. Fixed rate investments within the liquidity portfolio also diminish the structural risks. The liquidity portfolio is financed with repurchase agreements to a value of EUR 417 (783) million.

Allocation of holdings in the Bank Group's investment portfolio

EUR million	30.6.2011		31.12.2010	
Governments and gov. guaranteed	255.0	12.4%	329.9	12.7%
Covered bonds	1,290.2	62.8%	1,524.4	58.6%
Financial secur, other than CB	501.5	24.4%	732.0	28.2%
Corporate loans	5.0	0.2%	11.4	0.4%
Other	1.3	0.1%	1.6	0.1%
Total	2,053.0	100.0%	2,599.3	100.0%

Counterparty risks

Counterparty risks within Group Treasury's liquidity management operations

The banking business' liquidity portfolio which comprises interest-bearing securities stood at EUR 2,053 (2,599) million.

Rating distribution for banking business

EUR million	30.6.2011 2053 Meur	31.12.2010 2 599 Meur
Aaa	55.5%	53.0%
Aa1-Aa3	26.3%	32.3%
A1-A3	10.4%	10.8%
Baa1-Baa3	5.0%	0.8%
Ba1-Ba3	0.6%	0.7%
B1-B3	0.0%	0.0%
Caa1 or lower	0.2%	0.0%
Domestic municipalities (unrated)	1.7%	1.8%
No rating	0.3%	0.6%
Totalt	100.0%	100.0%

Of the financial assets, 8.5 (1.5)% did not meet the internal rating requirements. As a result of reduced credit rating, assets for a total value of EUR 14.0 (0.0) million were no longer eligible for refinancing with the central bank. Unrated securities not eligible for refinancing amounted to EUR 6.5 (15.0) million. At the end of June, the Bank Group's Greek exposures stood at EUR 2.5 million in Greek covered bonds.

Operational risks

No events regarded as operational risk causing significant financial losses occurred during January - June 2011.

Personnel

The average number of full-time employees during the period under review was 772 (31 December 2010; 740). The increase of personnel is mainly related to the integration of Aktia Non-Life Insurance's distribution channels in the branch office network of Aktia Bank. As a result personnel was transferred from Aktia Non-Life Insurance to Aktia Bank.

Changes in Group structure

Aktia Bank's holding in Aktia Asset management has diminished from 93% to 86% during the period under review. This has no significant impact on the Group result or financial position.

Events during the reporting period

Key persons within the asset and liability management team of Aktia Bank's Treasury started a new partner-driven company, ALM Partners Ltd, specialised in

consulting and reporting within asset and liability management. Aktia Bank, savings banks and local co-operative banks hold non-controlling interest and buy services from the company.

Aktia Bank, MTV Oy and Finnish real estate agencies have founded Jokakoti Oy, an Internet marketplace for apartments and residentials. Aktia Bank owns 16.7% of the company and the operation. The operation started 1 April 2011.

Aktia has redefined the traditional concept of branch offices and opened a brand new office in the center of Espoo, called Aktia Store. Aktia Store is a part of our new service concept which provides our customers to run their banking-, insurance- and real estate errands easy by the service channel that suits them best.

Aktia has redefined the traditional concept of branch offices and opened a new Aktia Store branch in Espoo. Aktia Store is a part of our new service concept, providing our customers with easily accessible services in banking, insurance and real estate agency services through the channels that suit the customers best.

In June Aktia Real Estate Mortgage Bank issued a fixed interest rate covered bond worth EUR 600 million. The loan has a five year maturity.

Events after the reporting period

There are no significant events after the reporting period.

Outlook and risks for the coming year 2011 (amended)

Outlook

In 2011, Aktia Bank's focus will be on strengthening customer relations, increasing sales per customer and cross-selling, 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.

The interest-rate derivatives that temporarily lifted the net interest income (NII) to an exceptional level are gradually maturing from 2011 onwards. The high NII level from 2009-2010 is therefore difficult to replicate in a low interest rate environment. The write-downs on credits are expected to remain at a low level. **The full-year result for 2011 will be lower than in 2010.** (Earlier: The full-year result for 2011 will probably be lower than in 2010).

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 in the coming years. The results of new regulations are likely to be higher capital requirements, sharpened competition for deposits, higher demands on long-term financing and eventually higher credit margins.

Risks

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 Bank is 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, the interest rate level, the level of unemployment and changes in house prices.

The availability of liquidity on the money markets is

Consolidated income statement for Bank Group

(EUR million)	1-6/2011	1-6/2010	Δ%	2010
Net interest income	68.0	77.0	-12%	149.2
Dividends	0.1	0.3	-74%	0.3
Commission income	37.4	34.6	8%	69.5
Commission expenses	-10.3	-8.6	-20%	-18.2
Net commission income	27.2	26.0	4%	51.2
Net income from financial transactions	-2.3	-5.9	60%	-5.6
Net income from investment properties	0.0	-0.1	72%	-0.1
Other operating income	2.3	4.5	-48%	7.2
Total operating income	95.2	102.0	-7 %	202.3
Staff costs	-27.0	-25.3	7%	-50.5
IT-expenses	-9.6	-8.2	17%	-18.0
Depreciation of tangible and intangible assets	-2.1	-2.4	-13%	-4.6
Other operating expenses	-26.8	-20.7	29%	-46.9
Total operating expenses	-65.5	-56.6	16%	-120.0
Write-downs on credits and other commitments, net	-5.3	-8.0	-34%	-12.9
Share of profit from associated companies	-0.1	0.9	-	1.5
Operating profit	24.4	38.4	-36%	70.9
Taxes	-6.5	-9.8	-34%	-18.2
Profit for the period	18.0	28.5	-37%	52.6
Attributable to:				
Shareholders in Aktia Bank Plc	16.9	27.2	-38%	50.1
Non-controlling interest	1.1	1.3	-15%	2.5
Total	18.0	28.5	-37%	52.6
Earnings per share (EPS), EUR	5,620,145.22	9,061,914.03	-38%	16,693,313.89

There is no dilution effect to earnings per share.

Consolidated statement of comprehensive income for Bank Group

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Profit for the period	18.0	28.5	-37%	52.6
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	-11.3	-11.2	-1%	-33.8
Change in valuation of fair value for cash flow hedging	-8.7	12.1	-	4.3
Transferred to the income statement for financial assets available for sale	-	-	-	3.8
Total comprehensive income for the period	-2.0	29.4	-	26.9
Total comprehensive income attributable to:				
Shareholders in Aktia Bank plc	-3.3	28.7	-	24.5
Non-controlling interest	1.3	0.7	86%	2.5
Total	-2.0	29.4	-	26.9
 Total earnings per share, EUR		9,556,541.80	-	8,151,559.21

There is no dilution effect to total earnings per share.

Consolidated balance sheet for Bank Group

(EUR million)	30.6.2011	2010	Δ%	30.6.2010
Assets				
Cash and balances with central banks	345.8	269.8	28%	278.4
Financial assets reported at fair value via the income statement	-	-	-	3.7
Interest-bearing securities	2,030.0	2,591.4	-22%	2,630.3
Shares and participations	3.8	6.0	-36%	6.3
Financial assets available for sale	2,033.8	2,597.4	-22%	2,636.6
Financial assets held until maturity	20.7	21.5	-3%	22.2
Derivative instruments	145.2	230.3	-37%	288.2
Lending to credit institutions	109.8	46.0	139%	75.1
Lending to the public and public sector entities	6,869.3	6,653.7	3%	6,410.3
Loans and other receivables	6,979.1	6,699.7	4%	6,485.4
Investments in associated companies	2.4	3.5	-30%	3.5
Intangible assets	5.3	5.4	-2%	6.0
Investment properties	0.0	0.0	-	0.0
Other tangible assets	3.5	3.7	-4%	4.0
Accrued income and advance payments	67.3	79.6	-15%	76.0
Other assets	19.3	2.3	728%	5.7
Total other assets	86.6	81.9	6%	81.7
Income tax receivables	10.9	0.0	-	0.6
Deferred tax receivables	10.0	11.2	-11%	4.0
Tax receivables	20.9	11.3	86%	4.6
Total assets	9,643.4	9,924.3	-3%	9,814.3
Liabilities				
Liabilities to credit institutions	804.8	959.8	-16%	1,516.9
Liabilities to the public and public sector entities	3,519.3	3,405.5	3%	3,364.7
Deposits	4,324.1	4,365.3	-1%	4,881.7
Derivative instruments	107.3	151.3	-29%	174.1
Debt securities issued	3,675.7	3,393.5	8%	2,981.9
Subordinated liabilities	285.3	283.9	1%	281.8
Other liabilities to credit institutions	630.3	1,012.5	-38%	818.2
Other liabilities to the public and public sector entities	30.4	177.0	-83%	109.6
Other financial liabilities	4,621.7	4,866.9	-5%	4,191.5
Accrued expenses and income received in advance	89.9	88.0	2%	83.1
Other liabilities	104.4	34.8	200%	62.7
Total other liabilities	194.2	122.8	58%	145.8
Provisions	0.2	0.6	-57%	0.2
Income tax liabilities	0.9	8.2	-89%	4.1
Deferred tax liabilities	27.0	32.4	-17%	37.6
Tax liabilities	27.9	40.6	-31%	41.7
Total liabilities	9,275.5	9,547.5	-3%	9,434.9
Equity				
Restricted equity	151.9	172.1	-12%	199.2
Unrestricted equity	157.3	160.5	-2%	137.6
Shareholders' share of equity	309.3	332.6	-7%	336.8
Non-controlling interest's share of equity	58.6	44.3	32%	42.6
Equity	367.9	376.8	-2%	379.4
Total liabilities and equity	9,643.4	9,924.3	-3%	9,814.3

Consolidated cash flow statement for Bank Group

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Cash flow from operating activities				
Operating profit	24.4	38.4	-36 %	70.9
Adjustment items not included in cash flow for the period	8.9	12.2	-27 %	21.4
Paid income taxes	-21.8	-20.3	-7 %	-27.2
Cash flow from operating activities before change in operating receivables and liabilities	11.6	30.2	-62 %	65.1
Increase (-) or decrease (+) in receivables from operating activities	331.2	-259.4	-	-485.5
Increase (+) or decrease (-) in liabilities from operating activities	-189.4	172.1	-	346.9
Total cash flow from operating activities	153.3	-57.2	-	-73.5
Cash flow from investing activities				
Financial assets held until maturity	0.7	5.7	-88 %	6.4
Investments in group companies and associated companies	-	-0.1	-	-0.1
Proceeds from sale of group companies and associated companies	0.3	-	-	0.3
Investment in tangible and intangible assets	-2.1	-0.8	-177 %	-2.2
Disposal of tangible and intangible assets	0.1	0.0	-	0.5
Share issue of Aktia Real Estate Mortgage Bank Plc to the non-controlling interest	13.5	9.2	47 %	9.2
Total cash flow from investing activities	12.5	14.1	-11 %	14.1
Cash flow from financing activities				
Subordinated liabilities	0.1	30.0	-100 %	32.1
Paid dividends	-20.0	-42.9	53 %	-42.9
Total cash flow from financing activities	-19.9	-12.9	-54 %	-10.8
Change in cash and cash equivalents	145.9	-56.0	-	-70.3
Cash and cash equivalents at the beginning of the year	275.9	346.2	-20 %	346.2
Cash and cash equivalents at the end of the period	421.8	290.2	45 %	275.9
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	8.1	8.9	-9 %	9.6
Bank of Finland current account	337.7	269.6	25 %	260.2
Repayable on demand claims on credit institutions	76.1	11.8	544 %	6.1
Total	421.8	290.2	45 %	275.9
Adjustment items not included in cash flow consist of:				
Write-downs on credits and other commitments, net	5.3	8.0	-34 %	12.9
Change in fair values	0.9	2.3	-61 %	4.6
Depreciation and impairment of intangible and tangible assets	2.1	2.4	-13 %	4.6
Share of profit from associated companies	0.4	-0.6	-	-0.8
Sales gains and losses from intangible and tangible assets	0.6	0.1	829 %	-0.3
Other adjustments	-0.3	0.0	-	0.3
Total	8.9	12.2	-27 %	21.4

Consolidated statement of changes in equity for Bank Group

(EUR million)	Share capital	Fund at fair value	Unrestricted equity reserve	Retained earnings	Shareholders' share of equity	Non-controlling interest's share of equity	Total equity
Equity as at 1 January 2010	163.0	34.7	44.6	108.7	351.0	32.7	383.7
Share issue					0.0		0.0
Dividends to shareholders				-42.9	-42.9		-42.9
<i>Profit for the period</i>				27.2	27.2	1.3	28.5
<i>Financial assets available for sale</i>		-11.2			-11.2	0.0	-11.2
<i>Cash flow hedging</i>		12.7			12.7	-0.6	12.1
Total comprehensive income for the period		1.5		27.2	28.7	0.7	29.4
Other change in equity					0.0	9.2	9.2
Equity as at 30 June 2010	163.0	36.2	44.6	93.0	336.8	42.6	379.4
Equity as at 1 January 2011	163.0	9.1	44.6	115.9	332.6	44.3	376.8
Share issue					0.0		0.0
Dividends to shareholders				-20.0	-20.0		-20.0
<i>Profit for the period</i>				16.9	16.9	1.1	18.0
<i>Financial assets available for sale</i>		-11.4			-11.4	0.1	-11.3
<i>Cash flow hedging</i>		-8.7			-8.7	0.1	-8.7
Total comprehensive income for the period		-20.2		16.9	-3.3	1.3	-2.0
Other change in equity					0.0	13.0	13.0
Equity as at 30 June 2011	163.0	-11.1	44.6	112.8	309.3	58.6	367.9

Key figures

(EUR million)	1-6/2011	1-6/2010	Δ %	4-6/2011	1-3/2011	10-12 2010	7-9 2010	4-6 2010
Earnings per share (EPS), EUR	5.6	9.1	-38%	2.1	3.5	2.9	4.8	5.2
Equity per share (NAV) ¹	103.1	112.3	-8%	103.1	100,1	110.9	117.3	112.3
Return on equity (ROE) %	9.7	14.9	-35%	7.5	12.5	9.6	15.3	16.7
Total earnings per share	-1,1	9.6	-	3.0	-4.1	-6.5	5.1	-0.1
Number of shares at the end of the period ¹	3	3	0%	3	3	3	3	3
Personnel (FTEs), average number of employees from the beginning of the financial year ¹	772	746	3%	772	772	740	738	746
Banking Business (incl. Private Banking)								
Cost-to-income ratio	0.68	0.55	24%	0.74	0.63	0.68	0.58	0.54
Borrowing from the public ¹	3,519.3	3,364.7	5%	3,519.3	3,463.6	3,405.5	3,382.5	3,364.7
Lending to the public ¹	6,869.3	6,410.3	7%	6,869.3	6,720.3	6,653.7	6,550.0	6,410.3
Capital adequacy ratio ¹ , %	16.6	16.5	1%	16.6	16.0	15.9	17.0	16.5
Tier 1 capital ratio ¹ , %	10.8	10.1	6%	10.8	10.3	10.1	10.4	10.1
Risk-weighted commitments ¹	3,648.6	3,555.3	3%	3,648.5	3,656.5	3,673.1	3,583.0	3,555.3
Asset Management								
Mutual fund volume ¹	4,147.7	3,770.9	10%	4,147.7	4,125.4	4,264.0	4,027.5	3,770.9
Managed and brokered assets ¹	7,048.7	6,300.8	12%	7,048.7	6,921.6	6,978.2	6,658.4	6,300.8

¹ At the end of the period

At the end of the period Formulas for key figures are presented in Aktia Bank plc's annual report 2010 page 6

Quarterly trends in Aktia Bank Group

(EUR million)	4-6/2011	1-3/2011	10-12/ 2010	7-9/ 2010	4-6/2010
Net interest income	33.5	34.5	35.7	36.4	38.2
Dividends	0.0	0.0	0.0	0.0	0.3
Net commission income	14.0	13.2	13.6	11.6	13.9
Net income from financial transactions	-3.3	1.0	2.2	-1.9	-2.8
Net income from investment properties	0.0	0.0	0.0	0.0	-0.1
Other operating income	0.9	1.4	1.4	1.3	3.6
Total operating income	45.1	50.1	52.8	47.4	53.2
Staff costs	-13.7	-13.3	-14.3	-10.9	-12.9
IT-expenses	-5.2	-4.4	-4.8	-4.9	-4.3
Depreciation of tangible and intangible assets	-1.0	-1.1	-1.1	-1.1	-1.2
Other operating expenses	-13.8	-13.0	-15.5	-10.7	-10.4
Total operating expenses	-33.7	-31.8	-35.8	-27.7	-28.8
Write-downs on credits and other commitments,net	-1.9	-3.3	-3.9	-1.1	-3.6
Share of profit from associated companies	0.0	0.0	-0.1	0.7	1.0
Operating profit	9.5	14.9	13.1	19.4	21.8
Taxes	-2.8	-3.7	-3.8	-4.6	-5.5
Profit for the period	6.7	11.3	9.3	14.9	16.2

Quarterly trends in comprehensive income for Aktia Bank Group

(EUR million)	4-6/2011	1-3/2011	10-12/ 2010	7-9/ 2010	4-6/2010
Profit for the period	6.7	11.3	9.3	14.9	16.2
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	0.5	-11.8	-25.1	2.6	-19.5
Change in valuation of fair value for cash flow hedging	2.0	-10.7	-6.5	-1.3	2.9
Transferred to the income statement for financial assets available for sale	-	-	3.8	-	-
Total comprehensive income for the period	9.2	-11.2	-18.6	16.1	-0.4

Note 1 Basis for preparing the Interim Report and important accounting principles

Basis for preparing the Interim Report

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

The Interim Report for the period 1 January – 30 June 2011 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Interim Report does not contain all the information and notes required for an annual report and should therefore be read together with the Bank Group's annual report of 31 December 2010.

The Interim Report for the period 1 January – 30 June 2011 was approved by the Board of Directors on 3 August 2011.

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

Important accounting principles

In preparing the Interim Report the Group has followed the accounting principles applicable to the annual report of 31 December 2010.

No new or revised IFRSs or interpretations from IFRIC have had have an impact on the Group's future results, financial position or explanatory notes for the period January -June 2011.

Note 2. Segment report for Bank Group

Income statement (EUR million)	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
	1-6/2011	1-6/2010	1-6/2011	1-6/2010	1-6/2011	1-6/2010	1-6/2011	1-6/2010	1-6/2011	1-6/2010
Net interest income	66.3	75.5	1.7	1.6	0.0	0.0	-	-	68.0	77.0
Dividends	2.1	2.0	-	-	-	-	-2.0	-1.7	0.1	0.3
Net commission income	18.3	17.8	8.9	8.3	0.0	0.0	0.0	0.0	27.2	26.0
Net income from financial transactions	-2.4	-5.9	0.1	0.0	-	-	-	-	-2.3	-5.9
Net income from investment properties	0.0	0.0	-	-	0.0	0.0	0.0	0.0	0.0	-0.1
Other income	2.3	1.8	0.2	0.2	1.3	3.3	-1.5	-0.9	2.3	4.5
Total operating income	86.6	91.2	10.9	10.1	1.2	3.3	-3.6	-2.6	95.2	102.0
Staff costs	-19.3	-17.6	-4.1	-4.4	-3.4	-3.1	-0.2	-0.2	-27.0	-25.3
IT-expenses	-6.6	-5.6	-0.4	-0.4	-2.6	-2.1	-	-	-9.6	-8.2
Depreciation of tangible and intangible assets	-1.1	-1.1	-0.2	-0.3	-0.7	-1.0	-	-	-2.1	-2.4
Other expenses	-29.2	-20.9	-3.1	-3.0	4.5	1.9	1.0	1.3	-26.8	-20.7
Total operating expenses	-56.2	-45.3	-7.8	-8.1	-2.2	-4.3	0.7	1.2	-65.5	-56.6
Write-downs on credits and other commitments	-5.3	-8.0	-	-	-	-	-	-	-5.3	-8.0
Share of profit from associated companies	-	-	-	-	-	-	-0.1	0.9	-0.1	0.9
Operating profit	25.2	37.9	3.1	2.0	-0.9	-1.0	-2.9	-0.5	24.4	38.4

Balance sheet (EUR million)	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
	30.6.2011	31.12.2010	30.6.2011	31.12.2010	30.6.2011	31.12.2010	30.6.2011	31.12.2010	30.6.2011	31.12.2010
Cash and balances with central banks	345.7	269.7	0.1	0.1	-	-	-	-	345.8	269.8
Financial assets available for sale	2,033.7	2,593.6	0.1	8.0	-	-	-	-4.3	2,033.8	2,597.4
Loans and other receivables	6,923.6	6,652.1	63.2	53.8	-	-	-7.7	-6.2	6,979.1	6,699.7
Other assets	338.2	389.2	7.5	7.0	7.7	7.0	-68.7	-45.7	284.7	357.5
Total assets	9,641.2	9,904.6	70.9	68.9	7.7	7.0	-76.4	-56.2	9,643.4	9,924.3
Deposits	4,130.4	4,191.7	201.4	179.8	-	-	-7.7	-6.2	4,324.1	4,365.3
Debt securities issued	3,675.7	3,397.8	-	-	-	-	-	-4.3	3,675.7	3,393.5
Other liabilities to credit institutions	630.3	1,012.5	-	-	-	-	-	-	630.3	1,012.5
Other liabilities	704.5	831.0	9.3	9.3	9.8	9.0	-78.3	-73.1	645.4	776.1
Total liabilities	9,140.9	9,433.0	210.7	189.1	9.8	9.0	-86.0	-83.6	9,275.5	9,547.5

Note 3. Derivatives and off-balance sheet commitments

Derivative instruments at 30 June 2011

(EUR million)	Total nominal amount	Assets, fair value	Liabilities, fair value
Hedging derivative instruments			
Fair value hedging			
Interest rate-related	4,158.5	37.4	30.2
Total	4,158.5	37.4	30.2
Cash flow hedging			
Interest rate-related	960.0	31.8	0.0
Total	960.0	31.8	0.0
Derivative instruments valued via the income statement			
Interest rate-related *)	7,669.5	69.8	70.8
Currency-related	178.0	0.8	0.9
Equity-related **)	121.1	4.6	4.6
Other derivative instruments **)	4.2	0.9	0.9
Total	7,972.8	76.0	77.1
Total derivative instruments			
Interest rate-related	12,788.0	139.0	101.0
Currency-related	178.0	0.8	0.9
Equity-related	121.1	4.6	4.6
Other derivative instruments	4.2	0.9	0.9
Total	13,091.3	145.2	107.3

Derivative instruments at 30 June 2010

(EUR million)	Total nominal amount	Assets, fair value	Liabilities, fair value
Hedging derivative instruments			
Fair value hedging			
Interest rate-related	3,092.5	94.5	34.6
Total	3,092.5	94.5	34.6
Cash flow hedging			
Interest rate-related	960.0	56.7	0.2
Total	960.0	56.7	0.2
Derivative instruments valued via the income statement			
Interest rate-related *)	7,200.9	132.6	134.6
Currency-related	197.6	0.8	1.2
Equity-related **)	98.3	3.1	3.1
Other derivative instruments **)	4.3	0.4	0.4
Total	7,501.1	136.9	139.3
Total derivative instruments			
Interest rate-related	11,253.4	283.8	169.3
Currency-related	197.6	0.8	1.2
Equity-related	98.3	3.1	3.1
Other derivative instruments	4.3	0.4	0.4
Total	11,553.6	288.2	174.1

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 7,277.0 (6,809.0) million.

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

Off-balance sheet commitments (EUR million)	30.6.2011	31.12.2010	30.6.2010
Commitments provided to a third party on behalf of the customers			
Guarantees	46.3	48.4	51.0
Other commitments provided to a third party	3.7	5.5	6.1
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	590.8	611.8	553.3
Other commitments provided to a third party	-	-	-
Off-balance sheet commitments	640.8	665.8	610.5

Note 4. Risk exposures for Bank Group

Consolidated capital adequacy for Bank Group

Summary (EUR million)	6/2011	3/2011	12/2010	9/2010	6/2010
Tier 1 capital	393.1	378.3	371.5	371.7	359.8
Tier 2 capital	213.4	205.5	214.1	235.8	227.6
Capital base	606.5	583.8	585.7	607.5	587.3
Risk-weighted amount for credit and counterpart risks	3,300.0	3,307.8	3,324.4	3,270.3	3,242.6
Risk-weighted amount for market risks 1)	-	-	-	-	-
Risk-weighted amount for operational risks	348.6	348.6	348.6	312.7	312.7
Risk-weighted commitments	3,648.6	3,656.5	3,673.1	3,583.0	3,555.3
Capital adequacy ratio, %	16.6	16.0	15.9	17.0	16.5
Tier 1 Capital ratio, %	10.8	10.3	10.1	10.4	10.1
Minimum capital requirement	291.9	292.5	293.8	286.6	284.4
Capital buffer (difference between capital base and minimum requirement)	314.6	291.3	291.8	320.9	302.9

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

	6/2011	3/2011	12/2010	9/2010	6/2010
Share capital	163.0	163.0	163.0	163.0	163.0
Funds	44.6	44.6	44.6	44.6	44.6
Non-controlling interest	58.6	45.4	44.3	43.4	42.6
Retained earnings	95.9	95.4	65.8	65.8	65.8
Profit for the period	16.9	10.5	50.1	41.5	27.2
./. provision for dividends to shareholders	-10.5	-5.3	-20.8	-11.1	-7.4
Capital loan	30.0	30.0	30.0	30.0	30.0
Total	398.4	383.6	376.9	377.1	365.8
./. intangible assets	-5.3	-5.2	-5.4	-5.4	-6.0
Tier 1 capital	393.1	378.3	371.5	371.7	359.8
Fund at fair value	-28.1	-28.7	-16.6	5.0	2.7
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	196.5	189.2	185.8	185.9	179.9
Tier 2 capital	213.4	205.5	214.1	235.8	227.6
Total capital base	606.5	583.8	585.7	607.5	587.3

Risk-weighted commitments, credit and counterparty risks

Total exposures 6/2011			
Risk-weight	Balance assets	Off-balance sheet commitments	(EUR million) Total
0%	1,123.5	34.5	1,158.1
10%	1,032.4	-	1,032.4
20%	888.7	335.1	1,223.8
35%	5,268.3	109.2	5,377.5
50%	0.8	-	0.8
75%	585.8	80.3	666.1
100%	583.8	80.8	664.7
150%	20.5	0.8	21.3
Total	9,503.9	640.8	10,144.7
Derivatives *)	217.8	-	217.8
Total	9,721.7	640.8	10,362.6

*) derivative agreements credit conversion factor

Risk-weighted exposures					(EUR million)
Risk-weight	6/2011	3/2011	12/2010	9/2010	6/2010
0%	-	-	-	-	-
10%	103.2	110.4	121.2	118.7	119.6
20%	191.6	227.7	243.1	215.6	235.8
35%	1,857.3	1,811.6	1,780.8	1,731.2	1,686.8
50%	0.4	-	0.0	0.1	0.1
75%	465.7	470.3	478.2	488.1	483.6
100%	624.7	637.0	646.8	665.0	660.7
150%	31.3	21.2	20.4	24.2	24.9
Total	3,274.3	3,278.2	3,290.5	3,242.9	3,211.5
Derivatives *)	25.7	29.6	33.9	27.5	31.1
Total	3,300.0	3,307.8	3,324.4	3,270.3	3,242.6

*) 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

	2010	2009	2008	6/2011	3/2011	12/2010	9/2010	6/2010
Gross income	208.5	199.4	149.9					
- average 3 years	185.9							
Capital requirement for operational risk				27.9	27.9	27.9	25.0	25.0
Risk-weighted amount, Basel 2				348.6	348.6	348.6	312.7	312.7

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 %. Standard 4.3i entered into force in December 2010. Operational risks per 31 December 2010 have been calculated according to the amended definition of gross income in the Finnish Financial Supervisory Authority's standard 4.3i entered into force in December 2010.

Not 5 Net interest income

EUR million	1-6/2011	1-6/2010	Δ %	2010
Deposits- and lending	30.7	27.6	11%	54.8
Hedging, interest rate risk management	20.5	31.1	-34%	58.3
Other	16.8	18.4	-9%	36.1
Net interest income	68.0	77.0	-12%	149.2

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".

Helsinki 3 August 2011

AKTIA BANK PLC
Board of Directors

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

Report on review of the interim report of Aktia Bank p.l.c. as of and for the six months period ending June 30, 2011

Introduction

We have reviewed the balance sheet as of 31 March 2011, the income statement, the statement of comprehensive income, 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. We will express our conclusion on the interim report based on our review.

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 and 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 consequently does not enable us 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.

Conclusion

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 at 31 March 2011 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 3 August 2011

KPMG Oy Ab

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