

Aktia

AKTIA PLC'S INTERIM REPORT JANUARY - JUNE 2011

CEO JUSSI LAITINEN:

"Net interest income (NII) weakened as expected, as the effects of interest rate hedging activities gradually tailed off, adversely affecting operating profit for the period. Net commission and life insurance income increased, partly compensating for the weaker NII. Investments in IT have temporarily pushed up operating expenses, but they are expected to increase earnings in the longer term and support a more efficient way of working. In my view, we need to reduce costs by 10% and this has to be done during the coming three years. The turbulence in the European financial markets has continued, which had a negative effect on the interim result. Aktia's liquidity and capital adequacy provide a stable base for the business."

JANUARY-JUNE: OPERATING PROFIT EUR 30.9 (41.0) MILLION

- Group operating profit fell back to EUR 30.9 (41.0) million, and profit for the period to EUR 23.1 (30.0) million.
- Earnings per share stood at EUR 0.33 (0.43).
- Operating income was EUR 120.3 (127.2) million and operating expenses EUR 83.5 (78.8) million.
- Balance sheet total amounted to EUR 10,746 (11,019) million.
- Capital adequacy ratio increased to 16.6 (15.9)% and Tier 1 capital ratio to 10.8 (10.1)%.
- Return on equity was 9.4 (12.4)%.
- Write-downs on credits and outstanding premiums stood at EUR 5.7 (8.4) million.
- Aktia Bank plc's credit rating remained unchanged A1/C/P-1 (Moody's Investors Service).
- The full-year result for 2011 will be lower than in 2010 (amended, outlook in details on p. 14)

APRIL-JUNE: OPERATING PROFIT EUR 12.1 (23.5) MILLION

- Group operating profit amounted to EUR 12.1 (23.5) million, and profit for the period stood at EUR 8.9 (17.5) million.
- Earnings per share stood at EUR 0.13 (0.25).
- Operating income was EUR 57.7 (66.2) million and operating expenses EUR 43.4 (40.0) million
- Return on equity was 7.6 (14.2)%
- Write-downs on credits and outstanding premiums decreased to EUR 2.1 (3.8) million.

KEY FIGURES (EUR million)	1-6/2011	1-6/2010	Δ%	4-6/2011	4-6/2010	Δ%	1-3/2011	Δ%	2010
Net interest income	68.3	76.8	-11%	33.6	38.2	-12%	34.7	-3%	149.3
Total operating income	120.3	127.2	-5%	57.7	66.2	-13%	62.6	-8%	249.4
Total operating expenses	-83.5	-78.8	6%	-43.4	-40.0	9%	-40.1	8%	-159.0
Operating profit before write-downs on credits	36.6	49.4	-26%	14.2	27.4	-48%	22.4	-37%	92.0
Write-downs on credits and outstanding premium receivables	-5.7	-8.4	-32%	-2.1	-3.8	-45%	-3.6	-41%	-14.1
Operating profit	30.9	41.0	-25%	12.1	23.5	-49%	18.8	-36%	77.9
Cost-to-income ratio	0.68	0.55	24%	0.74	0.54	37%	0.63	18%	0.59
Earnings per share (EPS), EUR	0.33	0.43	-24%	0.13	0.25	-48%	0.20	-36%	0.83
Equity per share (NAV) ¹ , EUR	6.43	6.89	-7%	6.43	6.89	-7%	6.14	5%	6.81
Return on equity (ROE), %	9.4	12.4	-24%	7.6	14.2	-47%	11.9	-37%	12.0
Capital adequacy ratio ¹ , %	16.6	16.5	1 %	16.6	16.5	1 %	16.0	4%	15.9
Tier 1 capital ratio ¹ , %	10.8	10.1	6 %	10.8	10.1	6 %	10.3	5%	10.1
Write-downs on credits/total credit stock, %	0.08	0.13	-38 %	0.03	0.05	-40 %	0.05	-40%	0.20

1) At the end of the period

"Interim report January - June 2011" is a translation of the original report in Swedish ("Delårsrapport 1.1-30.6.2011"). In case of discrepancies, the Swedish version prevails.

PROFIT

April - June 2011

Group operating profit in the second quarter weakened as expected, to EUR 12.1 million (EUR 23.5 million).

Lower net interest income and higher costs resulted in a weaker operating profit compared to the same period last year.

INCOME

In April - June, total income decreased by 13% to EUR 57.7 (66.2) million. Net interest income decreased by 12% to EUR 33.6 (38.2) million. Net income from life insurance improved to EUR 5.6 (4.5) million. Net income from Non-Life Insurance fell to EUR 5.5 (5.9) million. Net commission income was unchanged at EUR 15.5 (15.5) million.

During the quarter, Aktia sold some of its holdings of southern European bonds. This affected earnings and hit net income from financial transactions and net income from life and non-life insurance for the period by EUR 5.1 million in total.

COSTS

Expenses rose by 9% overall to EUR 43.4 (40.0) million.

In line with Aktia's strategy, investment in IT continued, increasing IT costs by 23% to EUR 7.0 (5.7) million. IT costs also rose because of unexpectedly high development costs within Samlink, the provider of IT services for the Group.

Other operating expenses increased by 18% to EUR 12.6 (10.7) million. Investments in raising Aktia's media profile, together with sales activities and a higher fee to the Deposit Guarantee Fund, other costs related to supervision and preparation for the implementation of internal rating (the 'IRBA' method) and forthcoming regulatory changes, all contributed to the increase in expenses.

SEGMENT OVERVIEW

The segments' contribution to the Group's operating profit

(mn euro)	4 -6/2011	4-6/2010	Δ %
Banking Business	8.9	20.6	-57%
Asset Management	1.6	1.1	43%
Life Insurance	2.0	1.4	47%
Non-Life Insurance	0.0	0.6	-
Miscellaneous	0.8	-1.2	-
Eliminations	-1.1	1.1	-
Total	12.1	23.5	-49%

Operating profit for the Banking Business decreased because of lower net interest income, falling by 57% to EUR 8.9 (20.6) million. Write-downs on credits and other commitments were EUR 1.9 (3.6) million.

The Asset Management segment improved its profitability. Operating profit rose to EUR 1.6 (1.1) million. The market share for the funds stood at 6.9 (7.0)%.

The contribution of the Life Insurance segment to the Group's operating profit improved to EUR 2.0 (1.4) million.

The contribution of the Non-Life Insurance segment to the Group's operating profit fell to EUR 0.0 (0.6) million.

ACTIVITY IN January - June 2011

BUSINESS ENVIRONMENT

Interest rates continued to rise sharply at the beginning of the second quarter before tailing off slightly. As expected, the European Central Bank raised its discount rate to 1.50% in June.

According to Statistics Finland, inflation in this country rose to 3.5% in June. At the beginning of the year, inflation was running at 3.0%.

The continued global uncertainty and especially the worries about Southern Europe have had a negative impact on the value of Aktia's financial assets and fund at fair value, and hence also on equity.

According to Statistics Finland, consumer confidence in the economy weakened further. The indicator stood at 11.4 (18.7) in June, against 15.4 (15.8) in May and 17.8 (17.9) in April. The long-term average consumer confidence in the economy was 13.3.

The increase in real estate prices in Finland, from the previous quarter, was 1.1% in the whole country and 1.7% in the Helsinki region. Compared to the corresponding period last year, the price level in the whole country was 3.2% higher whereas in the Helsinki region 3.7% (*Statistics Finland*).

Unemployment decreased somewhat during the period to reach 8.4% in June 2011, 0.4% less than a year ago (*Statistics Finland*).

The general economic climate in Finland and stable house prices, contributed to a sustained low level of write-downs on credits in January - June 2011. The write-downs on credits mainly derived from corporate loans.

During the first half of the year, the Nasdaq OMX Helsinki 25 index went down by 10.7%.

Key figures Change from the previous year, %	2011 E	2010	2009
GDP growth			
World	4.4*	5.0	-1.3
Euro area	2.0*	1.8	-4.0
Finland	3.5*	3.6	-8.2
Consumer price index			
Euro area	2.7	1.6	0.3
Finland	3.3	1.1	0.0
Other key ratios			
Development of real value of housing in Finland	0.0	7.4	-0.3
OMX Helsinki 25	-	29.3	28.3
Interest rates¹			
ECB	1.75*	1.00	1.00
10-y interest Ger (=benchmark)	3.80*	3.14	3.40
Euribor 12 months	3.00*	1.53	1.30
Euribor 3 months	2.00*	1.01	0.70
Unemployment in Finland²	7.7*	8.3	8.2

* Aktia's chief economist's prognosis

¹ At the end of the year

² Annual average

RATING

The international rating agency Moody's Investor Service kept its credit opinion of Aktia Bank plc's credit rating unchanged. Aktia Bank plc's credit quality remained at the best classification, P-1, for short-term borrowing. The credit rating for long-term borrowing is A1 and that for financial strength is C. 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.

PROFIT JANUARY-JUNE 2011

The Group's operating profit declined by 25% to EUR 30.9 (41.0) million. The Group profit amounted to EUR 23.1 (30.0) million.

INCOME

The Group's total income fell by 5% to EUR 120.3 million (127.2).

Net interest income amounted to EUR 68.3 (76.8) million.

Both derivatives and fixed rate instruments are utilised to manage interest rate risks. The hedging measures used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 20.5 (31.1) million.

Net commission income increased by 4% to EUR 30.2 (28.9) million. The improvement in net commission income derives mainly from higher commissions from cards and fund brokerage. Commission income from mutual funds, asset management and brokerage increased by 10% to EUR 20.4 (18.5) million. Card and payment services commissions rose to EUR 7.4 (6.3) million.

Net income from life insurance amounted to EUR 11.8 (10.6) million, an increase of 11%.

Net income from Aktia Non-Life Insurance was EUR 10.1 (10.3) million. Net income from the insurance businesses includes insurance premiums written, net income from investments, insurance claims paid and the change in technical provisions.

Other operating income was EUR 1.9 (5.0) million.

Net income from financial transactions was EUR -2.3 (-5.9) million.

During the period, Aktia sold some of its holdings of southern European bonds. This affected earnings and hit net income from financial transactions and net income from life and non-life insurance for the period to the tune of EUR 5.1 million in total.

Net income from hedge accounting improved by EUR 2.7 million and was EUR 0.2 (-2.5) million.

EXPENSES

The Group's operating expenses rose by 6% to EUR 83.5 (78.8) million. Of this, staff costs amounted to EUR 43.0 (42.5) million.

Continued investment in Internet services raised IT expenses by 16% to EUR 13.0 (11.2) million. IT costs also rose because of unexpectedly high development costs within Samlink. Other operating expenses increased by 13% to EUR 24.3 (21.6) million. The increase is partly attributable to higher costs for security and supervision, also including a higher fee to the Deposit Guarantee Fund, and partly to costs for a raised media profile and sales activities.

Total depreciation and write-downs on tangible and intangible assets decreased somewhat to EUR 3.2 (3.5) million.

WRITE-DOWNS ON CREDITS, OTHER COMMITMENTS AND OUTSTANDING PREMIUM RECEIVABLES

During January-June 2011, the total of write-downs on credits, other commitments and outstanding premium receivables stood at EUR 5.7 (8.4) million.

BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS

The Group's balance sheet total decreased by 2% from the year-end and amounted to EUR 10,746 (11,019) million. The decrease in the balance-sheet total is largely due to changes in liquidity management in the Bank Group.

LIQUIDITY

The Bank Group's liquidity portfolio, which consists of interest-bearing securities, amounted to EUR 2,053 (2,599) million.

The liquidity portfolio has been financed with repurchase agreements to a value of EUR 417 (783) million. The gross value and repurchase financing of the portfolio were, as planned, reduced during the period.

At the end of June, the Bank Group's liquidity position was good, representing nearly two years outgoing cash flow excluding new market lending.

BORROWING

Deposits from the public and public sector entities totalled EUR 3,492 (3,397) million. Aktia's market share of deposits was 3.60 (3.61)%.

The Aktia Group issued bonds worth EUR 3,665 (3,382) million in total, an increase of EUR 283 million. Of the corporate bonds issued, EUR 3,217 (2,898) million represented covered bonds issued by Aktia Real Estate Mortgage Bank plc. In June, Aktia Real Estate Mortgage Bank plc issued a covered bond with a nominal value of EUR 600 million, a fixed interest rate and a five-year maturity.

Outstanding Aktia Bank plc certificates of deposit amounted to EUR 390 million at the end of the period. During the period, Aktia Bank issued new subordinated debts and index-linked loans with a total value of EUR 39 million.

LENDING

The Group's total lending to the public amounted to EUR 6,805 (6,592) million at the end of the period, an increase of EUR 214 million. Excluding the mortgages brokered by savings banks and POP Banks that the local banks are committed to capitalise, the Group's lending increased by EUR 85 million (2%) from the beginning of the year.

Loans to private households (including mortgages brokered by local savings banks and POP Banks) accounted for EUR 5,706 (5,479) million or 83.8 (83.1)% of the total loan stock. The housing loan stock increased from the beginning of the year by 4% and totalled EUR 5,338 (5,121) million. Aktia's market share in housing loans to households stood at 4.26 (4.28)% at the end of June.

Corporate lending accounted for 11.0 (11.5)% of Aktia's credit stock. Total corporate lending amounted to EUR 749 (761) million.

Loans granted to housing associations amounted to EUR 290 (289) million and made up 4.3 (4.4)% of Aktia's total credit stock.

Credit stock by sector

(EUR million)	30.6.2011	2010	Δ	Share.%
Households	5,706	5,479	227	83.8
Corporate	749	761	-12	11.0
Housing associations	290	289	1	4.3
Non-profit organisations	54	56	-2	0.8
Public sector entities	7	7	0	0.1
Total	6,805	6,592	214	100.0

FINANCIAL ASSETS

Aktia's financial assets comprise the Bank Group's liquidity portfolio worth EUR 2,053 (2,599) million, the Life Insurance company's investment portfolio worth EUR 687 (700) million, and the Non-Life Insurance company's investment portfolio of EUR 155 (147) million, plus the parent company's real estate assets of EUR 2 (3) million and investments in shares to EUR 23 (27) million.

TECHNICAL PROVISIONS

Life insurance technical provisions amounted to EUR 880 (870) million, of which EUR 298 (282) million were unit-linked.

Non-life insurance provisions amounted to EUR 133 million (EUR 120 million).

EQUITY

The Aktia Group's equity amounted to EUR 487 (497) million at the end of June.

Increasing interest rates have reduced the value of Aktia's financial assets. The revaluations are shown in the Group's fund at fair value, which amounted to EUR -4.5 (22.5) million and showed a deterioration of EUR 27.0 million since the beginning of the year.

COMMITMENTS

Off-balance sheet commitments decreased by EUR 25 million from the beginning of the year and amounted to EUR 645 (670) million.

CAPITAL ADEQUACY AND SOLVENCY

The Bank Group's capital adequacy ratio was 16.6 (15.9)% and the Tier 1 capital ratio was 10.8 (10.1)%. The Bank Group includes Aktia Bank plc and Aktia Real Estate Mortgage Bank plc.

Aktia Bank plc's capital adequacy ratio stood at 21.5% compared to 20.3% at the end of 2010. The Tier 1 capital ratio was 13.9 (12.8)%.

On 15 July 2011, the European Banking Authority (EBA) published the results of the spring stress test covering 90 European investment banks which together represent some 65% of the balance-sheet value in the EU banking sector.

The stress test included two scenarios for the period 2011-2012 and was based on the situation at the end of 2010. According to the EBA, eight banks failed to meet the minimum requirement of at least 5% primary capital adequacy. Aktia was not included in the stress test, but internal analyses suggest that the effects on primary capital adequacy would be small and would leave Aktia a buffer of the order of 4-5% above the specified minimum requirement.

The life insurance company's solvency margin amounted to EUR 96.9 (98.8) million, where the minimum requirement is EUR 34.3 (34.3) million. The solvency ratio was 15.9 (16.1)%.

The non-life insurance company's solvency margin amounted to EUR 19.7 (18.9) million, where the minimum requirement is EUR 13.5 (13.5) million. The solvency capital was EUR 46.9 (46.6) million and a risk carrying capacity of 75.7 (76.8)% was reported. To strengthen the non-life insurance company's solvency, the parent company Aktia plc paid EUR 2.0 million to the fund at fair value of Aktia Non-life Insurance in April.

The capital adequacy ratio for the conglomerate amounted to 156.5 (156.5)%. The statutory minimum stipulated in the Act on the Supervision of Financial and Insurance Conglomerates is 100%.

Capital adequacy

	30.6.2011	31.12.2010
Bank Group		
Capital adequacy	16.6%	15.9%
Tier 1 ratio	10.8%	10.1%
Aktia Bank		
Capital adequacy	21.5%	20.3%
Tier 1 ratio	13.9%	12.8%
Aktia Real Estate Mortgage Bank		
Capital adequacy	11.4%	9.9%
Tier 1 ratio	9.5%	7.7%

SEGMENT OVERVIEW

Aktia plc has five business segments; Banking Business, Asset Management, Life Insurance, Non-Life Insurance and Miscellaneous.

The segments' contribution to the Group's operating profit

(EUR million)	1-6/2011	1-6/2010	Δ %
Banking Business	24.9	38.0	-35%
Asset Management	3.1	2.0	52%
Life Insurance	4.9	4.3	14%
Non-Life Insurance	-0.5	0.1	-
Miscellaneous	1.5	-3.1	-
Eliminations	-3.0	-0.3	-
Total	30.9	41.0	-25%

BANKING BUSINESS

The Banking Business' contribution to the Group's operating profit amounted to EUR 24.9 (38.0) million.

Operating income for the segment totalled EUR 90.7 (95.1) million. Net interest income decreased by EUR 9.2 million, or 12%, to EUR 66.3 (75.4) million. Net commission income, on the other hand, increased by EUR 0.8 million, or 4%, to EUR 22.5 (21.7) million. Most of the increase comes from card and payment commissions which increased to 7.9 (6.8) million, with insurance commissions increasing to 3.5 (2.4) million and mutual fund commissions to 2.9 (2.7) million.

Operating expenses amounted to EUR 60.6 (49.1) million, of which staff costs accounted for EUR 21.8 (20.0) million. IT-related expenses increased by EUR 1.0 million to EUR 6.6 (5.6) million.

Other operating expenses rose by EUR 8.7 million from the previous year, amounting to EUR 31.0 (22.3) million. At the end of June 2010, Aktia Bank completed its programme of consolidation benefits to customers. The end of the programme brought a total reduction in costs for the reference year 2010 of EUR 2.5 million, which is a one-off effect. In contrast to last year, the investments in a raised media profile and sales activities fell within the first half-year and affected the net result for the period just as much as the cessation of the programme mentioned above. The remaining rise is due mainly to higher leasing and office costs.

A higher fee to the Deposit Guarantee Fund, and other costs related to supervision and preparation for the implementation of internal rating (the 'IRBA' method) and forthcoming regulatory changes, also contributed to the increase in expenses.

During the period, the customer base increased by over 5,100 private customers, and more than 24,900 Aktia Dialogues were carried out at the bank offices.

Total savings by households were EUR 3,611 (3,578) million, of which household deposits were EUR 2,743 (2,701) million and savings by households in mutual funds were EUR 868 (877) million.

Aktia's lending to private households, including the mortgages brokered by Aktia Bank, increased from the year-end to EUR 4,022 (3,924) million. Mortgage loans brokered by Aktia's branch offices amounted to EUR 1,796 (1,642) million, an increase of 9% from the beginning of the year. The mortgages brokered by the savings banks and POP Banks amounted to EUR 1,727 (1,599) million.

Small and medium-sized enterprises' (SME) banking's net interest income was EUR 4.5 (4.7) million which is 5% lower year-on-year. Net commission income from SME banking, on the other hand, increased slightly to EUR 1.5 (1.4) million.

The income of the real estate agency business was up 7% on the previous year's level, standing at EUR 4.2 (3.9) million.

ASSET MANAGEMENT

Asset Management contributed EUR 3.1 (2.0) million to the Group's operating profit.

Aktia provides a wide and competitive range of services in the market for asset management services, for both private individuals and institutional investors. In 2011, the Asset Management segment has continued to focus on private banking operations and institutional investors.

Operating income after reversals to the Group's other units and business partners was EUR 10.9 (10.1) million. Operating expenses decreased by 4% to EUR 7.8 (8.1) million, of which staff costs made up EUR 4.1 (4.4) million.

In an evaluation of larger fund companies in Finland Aktia received the third highest mark. The evaluation was made by the independent analyst company Morningstar. In June 2011, the average number of stars received by the bank's 24 evaluated mutual funds was 3.9, when the maximum is 5 Morningstar stars. 11 of Aktia's 24 funds have 4 or more stars.

On 6 June 2011, Aktia launched a new fund, the Aktia Emerging Market Local Currency T-Bill+, further expanding its range of funds investing in interest-bearing securities in growth markets. Over the last few years, the demand for interest-rate funds investing in growth markets has risen significantly, and Aktia manages three such funds with a total value of some EUR 590 million.

The volume of funds managed and brokered by Aktia was EUR 4,148 (4,264) million. At the end of the period, Aktia's market share of mutual funds, including brokered funds, stood at 6.9 (7.0)% (*Federation of Finnish Financial Services*).

The value of assets managed by Aktia Asset Management and Aktia Invest totalled EUR 7,049 (6,978) million. Assets managed by Aktia Invest amounted to EUR 2,325 (2,440) million. Private banking customer assets totalled EUR 1,275 (1,384) million.

LIFE INSURANCE

The Life Insurance contribution to the Group's operating profit amounted to EUR 4.9 (4.3) million.

Premium income increased by 16% year-on-year to EUR 58.5 (50.3) million. The growth derives mainly from unit-linked insurance. Of the premium volume for savings and investment-linked insurance and pension insurance, unit-linked insurance accounted for 83 (78)%.

Insurance claims paid increased slightly to EUR 43.5 (42.1) million. The loss ratio improved to 82 (93)%.

Operating costs amounted to EUR 7.1 (6.5) million. The increase in costs is primarily due to higher IT-related costs and the costs of preparing for the migration to Solvency 2. The expense ratio stood at 98.4% compared to 96.7% for the year before.

Net income from investment activities decreased slightly to EUR 14.2 (15.4) million. The return on the company's investments based on market value was 1.2 (4.1)%. The derivatives used by the life insurance company to limit its interest rate and currency risk improved operating profit by EUR 0.5 (2.2) million.

Technical provisions totalled EUR 880 (870) million, of which provisions for unit-linked insurance policies represented EUR 298 (282) million and interest-linked provisions EUR 581 (588) million. The average discount rate for the interest-linked technical provisions was 3.6%.

The company's solvency ratio was 15.9% compared to 16.1% at the year-end.

NON-LIFE INSURANCE

The Non-Life Insurance contribution to the Group's operating profit was EUR -0.5 (0.1) million.

Premium income for Aktia Non-Life Insurance rose by 4% on the corresponding period the previous year. The growth comes from both private and corporate customers. Premiums written before the reinsurers' share were EUR 46.2 (44.3) million. Premiums earned after the reinsurers' share and change in provisions for unearned premiums amounted to EUR 32.1 (30.6) million. Claims incurred amounted to EUR 24.3 (22.9) million.

Operating costs amounted to EUR 10.4 (9.8) million.

The combined ratio during January–June was 108.5% compared to 107.2% the previous year, and was affected by both slightly higher claims costs and increased operating expenses.

Net income from investments amounted to EUR 1.2 (3.6) million, impacted by a loss of EUR -0.8 million on the disposal of Greek government-backed interest-bearing securities in the second quarter. The equivalent period last year also included a larger sales gain on real estate. The return on the company's investments based on market value was 1.7 (4.6)%.

Of the non-life insurance business' total technical provisions of EUR 127 (112) million, provisions for outstanding claims stood at EUR 94 (91) million.

The company's risk carrying capacity was 75.7%, compared with 76.8% at the year-end.

OTHER

For January–June, the operating profit of the Miscellaneous segment was EUR 1.5 (-3.1) million.

The Aktia Group's direct holding in Ålandsbanken plc totalled 183,800 ÅAB 'A' shares and 994,363 ÅAB 'B' shares. Their total market value as of 30 June 2011 was EUR 20.6 million. The Aktia Group's of ÅAB shares via its associated companies (33% holding) was worth EUR 3.8 million.

COMMON COSTS

In accordance with the "One Aktia" strategy the Group support functions have been unified and integrated. The largest expenses consist of marketing and IT costs. The integration process is continuing throughout 2011.

Common costs totalled EUR 22.8 (15.6) million and were distributed as follows: Banking business EUR 18.8 (12.0) million, asset management EUR 1.8 (1.8) million, life insurance EUR 0.9 (0.8) million and non-life insurance EUR 1.2 (1.0) million.

THE GROUP'S RISK POSITIONS

Definitions and general principles for asset and risk management can be read in Aktia plc's annual report 2010 in note G2 on pages 44-67.

LENDING RELATED RISKS WITHIN BANKING BUSINESS

Loans with payments 1–30 days overdue increased from year-end to EUR 241 (195) million from the equivalent period in 2010, equivalent to 3.52 (3.05)% of the credit stock. Loans with payments 31-89 days overdue increased marginally to EUR 59 (57) million, or 0.86 (0.89)% 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 0.85 (0.66)% of the credit stock.

The credit stock also includes off-balancesheet guarantee commitments. Households' non-performing loans more than 90 days overdue corresponded to 0.49 (0.34)% of the credit stock.

Undischarged debts by time overdue

EUR million					
Days	30.6.2011	% of credit stock	30.6.2010	% of credit stock	2010
1 - 30	241	3.52	195	3.05	171
of which households	162	2.36	131	2.04	118
31 - 89	59	0.86	57	0.89	56
of which households	49	0.71	40	0.63	45
90- ¹	58	0.85	42	0.66	36
of which households	34	0.49	22	0.34	20

¹ In Aktia Bank the value of collateral is in average 89% of the value of the credit

WRITE-DOWNS OF CREDITS, OTHER COMMITMENTS AND OUTSTANDING PREMIUM RECEIVABLES

During January–June 2011, the total of write-downs on credits, other commitments and outstanding premium receivables stood at EUR 5.7 (8.4) million after reversals of EUR 0.4 million. Of this, the non-life insurance company's write-downs on outstanding premium receivables totalled EUR 0.5 (0.4) million.

At the end of June, group write-downs at the portfolio level amounted to EUR 16.0 (19.3) million, of which EUR 7.3 (7.3) million related to households and smaller enterprises and EUR 8.7 (12.0) million to larger individually examined corporate arrangements.

Within the group write-downs on individual examination, a total credit loss of EUR 6.8 million was realised during the period, of which EUR 3.3 million fell within the second quarter. After revaluation of outstanding risk exposures, write-downs by group increased by a total of EUR 3.5 million, of which EUR 1.5 million were posted in the second quarter.

Total write-downs on credits impacting the bottom line amounted to 0.1 (0.1%) of total lending for the period. Corresponding impact on result from SME loans amounted to 0.6 (1.0)% of total SME lending.

VALUATION OF FINANCIAL ASSETS

All financial assets are valued at market prices via the income statement or the fund at fair value.

VALUE CHANGES REPORTED VIA INCOME STATEMENT

The bottom-line effect of write-downs on financial assets for the period amounted to EUR -0.5 (0.0) million. The write-downs were mainly related to permanent reductions in the value of smaller private equity investments.

Write-downs on financial assets

EUR million	1-6/2011	1-6/2010
Interest-bearing securities		
Banking Business	-	-
Life Insurance Business	0.0	0.6
Non-Life Insurance Business	-	-
Shares and participations		
Banking Business	-	-
Life Insurance Business	-0.2	-0.6
Non-Life Insurance Business	-0.3	-
Total	-0.5	0.0

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 -4.5 (22.5) million after deferred tax. After the exceptionally turbulent month of July, the fund at fair value amounted to EUR 5.5 million.

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			
Banking Business	-2.6	0.2	-2.8
Life Insurance Business	3.9	2.6	1.3
Non-life Insurance Business	0.7	0.3	0.3
Direct interest-bearing securities			
Banking Business	-27.7	-16.6	-11.1
Life Insurance Business	5.7	10.7	-5.0
Non-life Insurance Business	-1.4	-0.4	-1.0
Cash flow hedging	17.0	25.7	-8.7
Fund at fair value, total	-4.5	22.5	-27.0

ALLOCATION OF FINANCIAL ASSETS

ALLOCATION OF HOLDINGS IN THE BANK GROUP'S INVESTMENT PORTFOLIO

The Bank Group's liquidity portfolio offers a hedge against short-term fluctuations in liquidity.

Fixed-rate investments within the liquidity portfolio are also used to reduce the structural risks. The liquidity portfolio has been 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 sector, 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%

ALLOCATION OF HOLDINGS IN THE LIFE INSURANCE COMPANY'S INVESTMENT PORTFOLIO

The investment portfolio covering total technical provisions is measured on an ongoing basis at market value.

Allocation of holdings in the life insurance company's investment portfolio

EUR million	30.6.2011		31.12.2010	
Governments and gov. guaranteed	231.7	33.8%	250.8	35.8%
Covered bonds	190.9	27.8%	149.4	21.3%
Corporate loans	97.8	14.2%	149.2	21.3%
Financial sector, other than CB	53.6	7.8%	47.7	6.8%
Other	38.5	5.6%	41.4	5.9%
Fixed income total	612.5	89.2%	638.5	91.2%
Real estate	41.8	6.1%	38.6	5.5%
Money market	17.6	2.6%	6.9	1.0%
Alternative	14.6	2.1%	16.1	2.3%
Equities	0.0	0.0%	0.0	0.0%
Total	686.5	100.0%	700.0	100.0%

ALLOCATION OF HOLDINGS IN THE NON-LIFE INSURANCE COMPANY'S INVESTMENT PORTFOLIO

The investment portfolio covering total technical provisions is measured on an ongoing basis at market value.

Allocation of holdings in the non-life insurance company's investment portfolio

EUR million	30.6.2011		31.12.2010	
Governments and gov. guaranteed	50.4	32.4%	64.1	43.6%
Covered bonds	36.9	23.7%	23.2	15.8%
Corporate loans	9.8	6.3%	7.0	4.8%
Financial sector, other than CB	8.6	5.5%	12.0	8.2%
Other	11.2	7.2%	9.9	6.7%
Fixed income total	116.8	75.2%	116.2	79.1%
Real estate	26.7	17.2%	25.9	17.6%
Money market	10.9	7.0%	3.6	2.5%
Alternative	1.0	0.6%	1.2	0.8%
Equities	0.0	0.0%	0.0	0.0%
Total	155.4	100.0%	146.9	100.0%

OTHER MARKET RISKS IN THE BANKING BUSINESS AND PARENT COMPANY

No equity trading or investments in real estate are carried out by the banking business or in the parent company.

At the end of the period, real estate assets totalled EUR 2.1 (3.4) million. The investments in shares which are necessary or strategic to the business totalled EUR 22.5 million (EUR 26.9 million).

COUNTERPARTY RISKS

The Group is exposed to counterparty risks in the form of direct interest-rate investments totalling EUR 2,053 (2,599) million in the banking business, EUR 565 (577) million in the life insurance business and EUR 113 (113) million in the non-life insurance business.

Rating distribution for banking business

	30.6.2011	31.12.2010
(EUR million)	2,053	2,599
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%
Finnish municipalities (no rating)	1.7%	1.8%
No rating	0.3%	0.6%
Total	100.0%	100.0%

Of these 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.

Rating distribution for direct interest investment in the life insurance business

	30.6.2011	31.12.2010
(EUR million)	565	577
Aaa	67.9%	58.9%
Aa1-Aa3	13.1%	13.1%
A1-A3	10.4%	14.3%
Baa1-Baa3	4.2%	6.2%
Ba1-Ba3	0.2%	2.3%
B1-B3	0.1%	0.1%
Caa1 or lower	0.0%	0.2%
Finnish municipalities (no rating)	0.0%	0.0%
No rating	4.2%	4.9%
Total	100.0%	100.0%

Of these direct interest-rate investments, 2.3 (2.6)% did not meet the internal counterparty- and instrument-specific rating requirements. There were no Greek exposures in the portfolio.

Rating distribution for direct interest rate investments in the non-life insurance business

	30.6.2011	31.12.2010
(EUR million)	113	113
Aaa	67.8%	57.9%
Aa1-Aa3	22.5%	24.4%
A1-A3	6.3%	7.0%
Baa1-Baa3	0.9%	1.4%
Ba1-Ba3	0.0%	7.1%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (no rating)	0.0%	0.0%
No rating	2.5%	2.2%
Total	100.0%	100.0%

Of these direct interest-rate investments, 0.9 (0.0)% did not meet the internal counterparty- and instrument-specific rating requirements. There were no Greek exposures in the portfolio.

OPERATIONAL RISKS

No events regarded as operational risks causing significant financial losses occurred during the first half of 2011.

EVENTS CONCERNING CLOSE RELATIONS

Close relations refers to Aktia plc's key persons in management positions, close family members and companies that are under dominating influence of a key person in management position. The group's key persons refer to Aktia plc's Members of the Board of Supervisors and the Board of Directors, Managing Director and Deputy Managing Director.

No significant changes concerning close relations occurred.

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. Aktia Bank, savings banks and local cooperative banks hold a 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 houses and apartments. Aktia Bank owns 16.7% of the shares in Jokakoti Oy, whose operations started on 1 April 2011.

A member of the Board of Supervisors, Dr. Christoffer Grönholm, D.Soc. Sc., Chief Secretary, passed away during the period. His term on the Board would have ended in 2012.

A member of the Executive Committee, Taru Narvanmaa, M.Sc.(Econ.), has as of 1 August 2011 been appointed Deputy Managing Director of Aktia plc. Narvanmaa's responsibilities on the Board of the Aktia Group cover life insurance, cards and payments, along with corporate communications and IR.

Magnus Weurlander, M.Sc.(Econ.), has as of 1 August 2011 been appointed to the Executive Committee of Aktia plc with responsibility for risk management and credit processing. Weurlander has been with Aktia since 1990; he previously worked in business development, and has taken various roles within risk control since 2005.

EVENTS AFTER THE REPORTING PERIOD

On 1 July 2011, Aktia Life Insurance and Pohjantähti Mutual Insurance Company signed a cooperation agreement under which Pohjantähti offers its customers Aktia Life Insurance products.

Based on a decision by the Board of the company, Aktia plc will divest 27,918 own shares to implement the share-based incentive scheme of 2010 for Executives. The shares will be traded on 3 August 2011 on the stock exchange to members of the company's Executive management. According to the terms of the management incentive scheme for 2010, Executive Committee members receive a bonus to subscribe for the shares.

PERSONNEL

The average number of full-time employees during January–June 2011 was 1,192 (31.12.2010; 1,183).

PERSONNEL FUND

Aktia plc's Board of Directors has confirmed the following calculation method for the profit sharing provision to the personnel fund as of 2010. The profit sharing provision is based on 10% of the Group operating profit exceeding EUR 35 million. The profit sharing provision cannot exceed EUR 3 million. The CEO and other members of the Group's Executive Committee are also members of the Group's personnel fund.

INCENTIVE PROGRAMME FOR 2011

The Board of Directors of Aktia plc has decided on a new share-based incentive scheme for key personnel in Aktia Group, including the Managing Director and Executive Committee members.

The reward will be paid partly as 'A' shares in Aktia plc and partly in cash. The proportion to be paid in cash is intended for taxes and tax-related costs arising from the reward to a key person. The incentive scheme is divided in two parts.

The first part of the scheme is based on earnings criteria and includes three earning periods; the calendar years 2011–2012, 2012–2013 and 2013–2014. The earnings criteria for the earning period 2011–2012 are based on the development of the Aktia Group's

cumulated adjusted equity during the period 1 January 2011 – 31 December 2012 (NAV) (50% weighting) and of the Group's total net provision and insurance income in the period 1 January 2011 – 31 December 2012 (50% weighting).

The potential reward for each earning period will be paid in four instalments over a time of approximately three years after each earning period. The Board of Directors has stipulated a maximum level for the reward per key person. In general, the reward is not paid to a key person who is no longer employed by the Aktia Group at the time of payment of rewards.

The second part of the scheme enables key personnel to receive also a conditional reward on the basis of acquisition of 'A' shares in Aktia plc when the incentive scheme is implemented. This conditional reward is payable to key personnel by the end of April 2016 at the latest, and it consists of both shares and cash providing that the key person is employed by the Aktia Group, and that the shares required for payment of the conditional reward have not been transferred at the time of payment of rewards.

Key persons are obliged to hold half of all shares received through the incentive scheme until the total value of the shares amounts to the value of their gross annual salary. They must retain the shares throughout their employment in the Group.

The maximum reward paid on the basis of the scheme may amount to 401,200 'A' shares in Aktia plc and a sum in cash corresponding the value of the shares. The new incentive scheme has been prepared in accordance with new regulations concerning remuneration schemes in the financial sector.

The Aktia Group's report on the remuneration paid to the Executive Committee and other administrative bodies is published on the Aktia plc website (www.aktia.fi).

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Aktia's Board of Directors for the period
1 January - 31 December 2011:

Chair Dag Wallgren, M.Sc. (Econ)

Vice Chair Nina Wilkman, LL.M.

Marcus H. Borgström, Honorary Counsellor (Agriculture)

Hans Frantz, Lic.Soc.Sc.

Lars-Erik Kvist, M.Sc. (Econ)

Nils Lampi, B.Sc. (Econ)

Kjell Sundström, M.Sc. (Econ)

Marina Vahtola, M.Sc. (Econ)

Aktia's Executive Committee comprises CEO Jussi Laitinen, Deputy Managing Director Jarl Sved, Deputy Managing Director Stefan Björkman, Deputy Managing Director Taru Narvanmaa, Deputy Managing Director Robert Sergelius, Director Barbro Karhulahti, Director Anders Nordman, Director Gösta Råholm and Director Olav Uppgård and Director Magnus Weurlander, with Marit Leinonen as staff representative.

CHANGES IN GROUP STRUCTURE

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

DECISIONS AT THE ANNUAL GENERAL MEETING 2011

The Annual General Meeting of Aktia plc held on 29 March 2011 adopted the financial statements of the parent company and the consolidated financial statements and discharged the members of the Board of Supervisors, the members of the Board of Directors, the Managing Director and his deputy from liability.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to distribute a dividend of EUR 0.30 per share totalling EUR 19.9 million for the financial period 1 January – 31 December 2010. The record date for the dividends was 1 April 2011 and the dividends were paid out on 8 April 2011.

The Annual General Meeting established the number of members on the Board of Supervisors as thirty-five.

The members of the Board of Supervisors Håkan Fagerström, Christina Gestrin, Patrik Lerche, Kristina Lyytikäinen, Håkan Mattlin, Jorma J. Pitkämäki, Peter Simberg, Bengt Sohlberg, Lorenz Uthardt and Marianne Österberg, who were all due to step down, were elected members of the Board of Supervisors and Sven-Erik Granholm. B.Sc. (Econ), and Mikael Westerback, Chamber Counsellor, were elected as new members of the Board of Supervisors, all for a term of three years.

The Annual General Meeting established the number of auditors as one.

KPMG Oy Ab was appointed auditor for the financial year starting on 1 January 2011, with Jari Härmälä, APA, as the auditor in charge.

The Annual General Meeting approved the proposal by the Board of Directors concerning authorisation to issue shares as well as authorisation to divest shares.

The proposal of the Finnish Shareholders Association to discontinue the Board of Supervisors was dropped after voting as the proposal did not receive the required support.

All proposals mentioned above are included in the invitation to the AGM published on Aktia plc's website at www.aktia.fi.

SHARE CAPITAL AND OWNERSHIP

At the end of June 2011, the paid-up share capital of Aktia plc as entered in the Finnish Trade Register was EUR 93,873,816, divided into 46,936,908 'A' shares and 20,050,850 'R' shares. The total number of shares is 66,987,758. The number of registered shareholders at the end of June was 48,996.

Of the merger compensation related to the merger with Veritas Non-Life Insurance of 6,800,000 shares, a further 23,557 new series A shares were registered on book-entry accounts during the period. The inspection and registration of outstanding shares continues. The number of unregistered shares was 853,236 or 1.3% of all shares.

In May, Aktiastiftelsen i Esbo-Grankulla reduced its shareholding in Aktia plc from 5.00% to 4.88%.

In connection with a major transaction in June, Stiftelsen Tre Smeder reduced its shareholding in Aktia plc from 15.7% to 10.5%. The shares were sold to a number of Finnish institutional investors, and Varma Mutual Pension insurance Company, with a 4.0% holding, is now listed as the fifth largest shareholder in Aktia plc.

Aktia's holding of treasury shares amounted to 495,354 shares, corresponding to 0.7% of all shares.

SHARES

Aktia's trading codes are AKTAV for 'A' shares and AKTRV for 'R' shares. Each 'A' share carries one vote and each 'R' share carries 20. Otherwise, the shares confer the same rights.

As at 30 June 2011, the closing price for an 'A' share was EUR 6.13 and for an 'R' share EUR 8.78, indicating a market value of approx. EUR 463 million for Aktia plc. The highest quotation for the 'A' share in the period shares was EUR 8.14 and the lowest EUR 5.96. The highest for the 'R' share was EUR 9.15 and the lowest EUR 8.65.

The average daily turnover of 'A' shares was EUR 375,270, or 59,766 shares. The average daily turnover of 'R' shares was EUR 46,510, or 5,418 shares.

OUTLOOK AND RISKS FOR 2011 (AMENDED)

OUTLOOK

In 2011, Aktia'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 is endeavouring to grow above the market, particularly in the sectors of retail customers and small companies.

The interest-rate derivatives that temporarily lifted 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 credit are expected to remain at a low level. **The full-year result for 2011 will be lower than in 2010.** (Previously: The full-year result for 2011 will probably be lower than in 2010).

RISKS

Aktia'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's interest rate margins and therefore profitability. Aktia is pursuing effective management of interest rate risks.

Any future write-downs of loans in Aktia'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 important for Aktia's refinancing activities. Like other banks, Aktia relies on deposits from households in order to service some of its liquidity needs.

The market value of Aktia'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.

KEY FIGURES

EUR million	1-6/2011	1-6/2010	Δ	4-6/2011	1-3/2011	10-12/2010	2010
Earnings per share (EPS), EUR	0.33	0.43	-24%	0.13	0.20	0.14	0.83
Equity per share (NAV), EUR ¹	6.43	6.89	-7%	6.43	6.14	6.81	6.81
Return on equity, (ROE) %	9.4	12.4	-24%	7.6	11.9	7.9	12.0
Total earnings per share, EUR	-0.08	0.61	-	0.30	-0.37	-0.49	0.52
Capital adequacy ratio, % (finance and insurance conglomerate) ¹	156.5	161.5	-3%	156.5	152.6	159.4	159.4
Average number of shares, million ²	66.5	66.5	0%	66.5	66.5	66.5	66.5
Number of shares at the end of the period ¹ , million	66.5	66.5	0%	66.5	66.5	66.5	66.5
Personnel (FTEs), average number of employees from the beginning of the financial year ¹	1,192	1,195	0%	1,192	1,194	1,183	1,183
Banking Business (incl. Private Banking)							
Cost-to-income ratio	0.68	0.55	24%	0.74	0.63	0.68	0.59
Borrowing from the public ¹	3,492.1	3,351.4	4%	3,492.1	3,415.2	3,396.6	3,396.6
Lending to the public ¹	6,805.2	6,346.4	7%	6,805.2	6,660.2	6,591.6	6,591.6
Capital adequacy ratio, % ¹	16.6	16.5	1%	16.6	16.0	15.9	15.9
Tier 1 capital ratio, % ¹	10.8	10.1	6%	10.8	10.3	10.1	10.1
Risk-weighted commitments ¹	3,648.6	3,555.3	3%	3,648.6	3,656.5	3,673.1	3,673.1
Asset Management							
Mutual fund volume ¹	4,147.7	3,770.9	10%	4,147.7	4,125.4	4,264.0	4,264.0
Managed and brokered assets ¹	7,048.7	6,300.8	12%	7,048.7	6,921.6	6,978.2	6,978.2
Life Insurance							
Premiums written before reinsurers' share	58.7	50.5	16%	23.9	34.8	30.2	101.2
Expense ratio, % ²	98.4	96.7	2%	98.4	97.5	93.6	93.6
Solvency margin ¹	96.9	100.7	-4%	96.9	85.9	98.8	98.8
Solvency ratio, % ²	15.9	16.6	-4%	15.9	14.1	16.1	16.1
Investments at fair value ¹	950.0	909.2	4%	950.0	944.5	951.3	951.3
Technical provisions for interest-related insurances ¹	581.1	589.6	-1%	581.1	586.8	587.7	587.7
Technical provisions for unit-linked insurances ¹	298.5	236.1	26%	298.5	297.4	282.4	282.4
Non-Life Insurance							
Premiums written before reinsurers' share	46.2	44.3	4%	15.0	31.2	10.9	67.2
Premiums earned	32.1	30.6	5%	15.6	16.5	15.2	61.4
Expense ratio, % ²	25.9	25.0	4%	25.9	23.7	26.5	26.5
Loss ratio, % ²	82.6	82.2	0%	82.6	87.9	80.0	80.0
Combined ratio, % ²	108.5	107.2	1%	108.5	111.6	106.6	106.6
Technical provisions before reinsurers' share ¹	133.1	131.6	1%	133.1	135.3	119.7	119.7
Solvency capital ¹	46.9	47.1	0%	46.9	42.2	46.6	46.6
Solvency ratio of technical provisions, % ¹	38.7	39.6	-2%	38.7	34.6	43.6	43.6
Risk carrying capacity, % ¹	75.7	76.6	-1%	75.7	67.9	76.8	76.8

1) At the end of the period. 2) Cumulative from the beginning of the financial year, 3) The quarterly data has been retroactively adjusted and deviates therefore from earlier published information. The conglomerate's scope of application and the handling of the non-controlling interest have been amended in accordance with the Finnish Financial Supervisory Authority's interpretation.

BASIS OF CALCULATION FOR KEY FIGURES CAN BE FOUND IN AKTIA PLC'S ANNUAL REPORT, PAGE 26

CONSOLIDATED INCOME STATEMENT

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Net interest income	68.3	76.8	-11%	149.3
Dividends	0.1	1.1	-92%	1.1
Commission income	39.5	36.8	7%	73.8
Commission expenses	-9.3	-7.9	-18%	-16.8
Net commission income	30.2	28.9	4%	57.0
Net income from life-insurance	11.8	10.6	11%	16.5
Net income from non-life insurance	10.1	10.3	-2%	22.6
Net income from financial transactions	-2.3	-5.9	60%	-5.6
Net income from investment properties	0.3	0.3	-26%	0.5
Other operating income	1.9	5.0	-61%	7.9
Total operating income	120.3	127.2	-5%	249.4
Staff costs	-43.0	-42.5	1%	-82.8
IT-expenses	-13.0	-11.2	16%	-23.8
Depreciation of tangible and intangible assets	-3.2	-3.5	-10%	-7.2
Other operating expenses	-24.3	-21.6	13%	-45.2
Total operating expenses	-83.5	-78.8	6%	-159.0
Write-downs on credits, other commitments and outstanding premium receivables	-5.7	-8.4	-32%	-14.1
Share of profit from associated companies	-0.1	1.0	-	1.6
Operating profit	30.9	41.0	-25%	77.9
Taxes	-7.8	-11.0	-29%	-19.9
Profit for the period	23.1	30.0	-23%	58.0
Attributable to:				
Shareholders in Aktia plc	21.9	28.7	-23%	55.5
Non-controlling interest	1.1	1.3	-16%	2.6
Total	23.1	30.0	-23%	58.0
Earnings per share (EPS), EUR	0.33	0.43	-24%	0.83
Earnings per share (EPS), EUR, after dilution	0.33	0.43	-24%	0.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Profit for the period	23.1	30.0	-23%	58.0
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	-16.9	-1.9	-812%	-31.7
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	-1.3	0.8	-	6.5
Total comprehensive income for the period	-3.8	41.0	-	37.1
Total comprehensive income attributable to:				
Shareholders in Aktia plc	-5.0	40.3	-	34.6
Non-controlling interest	1.3	0.7	83 %	2.5
Total	-3.8	41.0	-	37.1
Total earnings per share, EUR	-0.08	0.61	-	0.52
Total earnings per share, EUR, after dilution	-0.08	0.61	-	0.52

CONSOLIDATED BALANCE SHEET

(EUR million)	30.6.2011	31.12.2010	Δ%	30.6.2010
Assets				
Cash and balances with central banks	349.6	273.4	28%	283.1
Financial assets reported at fair value via the income statement	10.1	20.9	-52%	19.9
Interest-bearing securities	2,676.6	3,241.0	-17%	3,280.7
Shares and participations	131.9	142.7	-8%	151.2
Financial assets available for sale	2,808.5	3,383.7	-17%	3,431.9
Financial assets held until maturity	20.7	21.5	-3%	22.2
Derivative instruments	145.2	230.2	-37%	288.2
Lending to credit institutions	109.8	46.0	139%	75.1
Lending to the public and public sector entities	6,805.2	6,591.6	3%	6,346.4
Loans and other receivables	6,915.0	6,637.6	4%	6,421.5
Investments for unit-linked provisions	300.2	280.0	7%	236.8
Investments in associated companies	2.6	5.2	-50%	5.3
Intangible assets	16.8	13.3	26%	12.1
Investment properties	22.8	24.3	-6%	25.1
Other tangible assets	6.3	6.7	-7%	7.0
Accrued income and advance payments	74.8	87.1	-14%	71.6
Other assets	47.8	21.3	125%	33.7
Total other assets	122.6	108.3	13%	105.3
Income tax receivables	10.9	0.0	-	1.8
Deferred tax receivables	13.7	13.4	2%	6.3
Tax receivables	24.6	13.4	83%	8.1
Assets classified as held for sale	0.7	0.7	0%	0.8
Total assets	10,745.8	11,019.2	-2%	10,867.2
Liabilities				
Liabilities to credit institutions	804.8	959.7	-16%	1,516.9
Liabilities to the public and public sector entities	3,492.1	3,396.6	3%	3,351.4
Deposits	4,296.9	4,356.3	-1%	4,868.3
Derivative instruments	105.2	149.5	-30%	169.9
Debt securities issued	3,664.6	3,381.9	8%	2,970.3
Subordinated liabilities	257.4	256.0	1%	253.9
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	4,582.6	4,827.4	-5%	4,151.9
Technical provisions for interest-related insurances	581.1	587.7	-1%	589.6
Technical provisions for unit-linked insurances	298.5	282.4	6%	236.1
Technical provisions for non-life insurances	133.1	119.7	11%	131.6
Technical provisions	1,012.7	989.8	2%	957.3
Accrued expenses and income received in advance	95.2	93.2	2%	82.6
Other liabilities	119.9	44.0	172%	72.0
Total other liabilities	215.1	137.2	57%	154.6
Provisions	0.2	0.7	-65%	0.6
Income tax liability	2.1	9.0	-76%	4.1
Deferred tax liabilities	44.6	51.8	-14%	59.6
Tax liabilities	46.7	60.7	-23%	63.7
Liabilities for assets classified as held for sale	0.2	0.2	0%	0.2
Total liabilities	10,259.5	10,521.9	-2%	10,366.6
Equity				
Restricted equity	100.1	127.4	-21%	159.2
Unrestricted equity	327.6	325.6	1%	298.8
Shareholders' share of equity	427.7	453.0	-6%	458.0
Non-controlling interest's share of equity	58.6	44.3	32%	42.6
Equity	486.3	497.3	-2%	500.6
Total liabilities and equity	10,745.8	11,019.2	-2%	10,867.2

CONSOLIDATED CASH FLOW STATEMENT

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Cash flow from operating activities				
Operating profit	30.9	41.0	-25%	77.9
Adjustment items not included in cash flow for the period	10.2	8.6	19%	26.3
Paid income taxes	-23.1	-21.7	-6%	-27.6
Cash flow from operating activities before change in operating receivables and liabilities	18.0	27.9	-36%	76.6
Increase (-) or decrease (+) in receivables from operating activities	316.5	-283.9	-	-565.2
Increase (+) or decrease (-) in liabilities from operating activities	-178.0	199.4	-	417.8
Total cash flow from operating activities	156.5	-56.5	-	-70.8
Cash flow from investing activities				
Financial assets held until maturity	0.7	5.7	-88%	6.4
Investments in group companies and associated companies	0.0	-0.1	68%	-0.1
Proceeds from sale of group companies and associated companies	0.3	-	-	0.3
Investment in tangible and intangible assets	-6.9	-2.8	-148%	-7.4
Disposal of tangible and intangible assets	1.9	4.4	-57%	4.7
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	9.5	16.5	-42%	13.2
Cash flow from financing activities				
Subordinated liabilities	0.1	0.0	-	2.1
Own shares divested	-	0.2	-	0.3
Paid dividends	-19.9	-15.9	-25%	-15.9
Total cash flow from financing activities	-19.8	-15.7	-26%	-13.6
Change in cash and cash equivalents	146.1	-55.8	-	-71.2
Cash and cash equivalents at the beginning of the year	279.5	350.7	-20%	350.7
Cash and cash equivalents at the end of the period	425.6	294.9	44%	279.5
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	8.1	8.9	-9%	9.6
Insurance operation's cash and bank	3.8	4.7	-19%	3.6
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	425.6	294.9	44%	279.5
Adjustment items not included in cash flow consist of:				
Impairment of financial assets available for sale	0.4	0.0	-	3.9
Write-downs on credits, other commitments and outstanding premium receivables	5.7	8.4	-32%	14.1
Change in fair values	0.5	-0.5	-	3.2
Depreciation and impairment of intangible and tangible assets	3.5	4.0	-13%	8.1
Share of profit from associated companies	0.4	-0.7	-	-0.9
Sales gains and losses from intangible and tangible assets	0.4	-2.3	-	-2.4
Other adjustments	-0.8	-0.3	-154%	0.5
Total	10.2	8.6	19%	26.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR million)	Share capital	Other restricted equity	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	93.9	10.4	43.3	72.7	213.2	433.4	32.7	466.2
Divestment of own shares					0.2	0.2		0.2
Dividends to shareholders					-15.9	-15.9		-15.9
<i>Profit for the period</i>					28.7	28.7	1.3	30.0
<i>Financial assets available for sale</i>			-1.1			-1.1	0.0	-1.1
<i>Cash flow hedging</i>			12.7			12.7	-0.6	12.1
Total comprehensive income for the period			11.6		28.7	40.3	0.7	41.0
Other change in equity						0.0	9.2	9.2
Equity as at 30 June 2010	93.9	10.4	54.9	72.7	226.1	458.0	42.6	500.6
Equity as at 1 January 2011	93.9	11.0	22.5	72.7	253.0	453.0	44.3	497.3
Divestment of own shares					0.0	0.0		0.0
Dividends to shareholders					-19.9	-19.9		-19.9
<i>Profit for the period</i>					21.9	21.9	1.1	23.1
<i>Financial assets available for sale</i>			-18.2			-18.2	0.1	-18.1
<i>Cash flow hedging</i>			-8.7			-8.7	0.1	-8.7
Total comprehensive income for the period			-27.0		21.9	-5.0	1.3	-3.8
Other change in equity		-0.3				-0.3	13.0	12.7
Equity as at 30 June 2011	93.9	10.7	-4.5	72.7	254.9	427.7	58.6	486.3

QUARTERLY TRENDS IN THE GROUP

(EUR million)	4-6/2011	1-3/2011	10-12/2010	7-9/2010	4-6/2010
Net interest income	33.6	34.7	35.9	36.6	38.2
Dividends	0.0	0.0	0.0	0.0	1.1
Net commission income	15.5	14.7	14.9	13.2	15.5
Net income from life insurance	5.6	6.2	2.1	3.8	4.5
Net income from non-life insurance	5.5	4.6	5.2	7.1	5.9
Net income from financial transactions	-3.3	1.0	2.2	-1.9	-2.8
Net income from investment properties	0.1	0.2	0.1	0.1	0.0
Other operating income	0.7	1.2	1.7	1.2	3.7
Total operating income	57.7	62.6	62.0	60.2	66.2
Staff costs	-22.2	-20.8	-22.9	-17.4	-21.8
IT-expenses	-7.0	-6.0	-6.1	-6.5	-5.7
Depreciation of tangible and intangible assets	-1.6	-1.6	-1.8	-1.8	-1.8
Other operating expenses	-12.6	-11.8	-13.2	-10.4	-10.7
Total operating expenses	-43.4	-40.1	-44.1	-36.2	-40.0
Write-downs on credits, other commitments and outstanding premium receivables	-2.1	-3.6	-4.3	-1.4	-3.8
Share of profit from associated companies	-0.1	0.0	-0.1	0.7	1.1
Operating profit	12.1	18.8	13.5	23.4	23.5
Taxes	-3.2	-4.6	-3.4	-5.5	-6.0
Profit for the period	8.9	14.2	10.1	17.9	17.5

QUARTERLY TRENDS OF COMPREHENSIVE INCOME

(EUR million)	4-6/2011	1-3/2011	10-12/2010	7-9/2010	4-6/2010
Profit for the period	8.9	14.2	10.1	17.9	17.5
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	8.5	-25.4	-38.3	8.4	-19.0
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	0.5	-1.8	3.1	2.6	0.2
Total comprehensive income for the period	20.0	-23.7	-31.6	27.7	1.6

NOTES TO THE INTERIM REPORT

NOTE 1 BASIS FOR PREPARING INTERIM REPORTS AND IMPORTANT ACCOUNTING PRINCIPLES

BASIS FOR PREPARING THE INTERIM REPORT

Aktia 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 accounts announcement 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 2010.

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

Aktia 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 1 January - 30 June 2011.

NOTE 2 GROUP SEGMENT REPORT

Income statement (EUR million)	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		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	1-6/2011	1-6/2010	1-6/2011	1-6/2010
Net interest income	66.3	75.4	1.7	1.6	-	-	-	-	0.0	-0.4	0.2	0.1	68.3	76.8
Net commission income	22.5	21.7	8.9	8.3	-	-	-	-	3.8	3.7	-5.0	-4.7	30.2	28.9
Net income from life-insurance	-	-	-	-	12.0	11.0	-	-	-	-	-0.3	-0.4	11.8	10.6
Net income from non-life insurance	-	-	-	-	-	-	9.0	11.3	-	-	1.1	-1.0	10.1	10.3
Other income	1.9	-2.0	0.3	0.2	-	-	0.2	0.3	2.2	4.7	-4.6	-2.6	-0.1	0.5
Total operating income	90.7	95.1	10.9	10.1	12.0	11.0	9.2	11.6	6.0	8.0	-8.6	-8.6	120.3	127.2
Staff costs	-21.8	-20.0	-4.1	-4.4	-2.8	-2.8	-5.3	-5.5	-8.8	-9.7	-0.2	-0.2	-43.0	-42.5
IT-expenses	-6.6	-5.6	-0.4	-0.4	-0.6	-0.4	-0.6	-0.7	-4.8	-4.0	-	0.0	-13.0	-11.2
Depreciation of tangible and intangible assets	-1.2	-1.1	-0.2	-0.3	-0.3	-0.2	-0.3	-0.3	-1.2	-1.4	-	-0.4	-3.2	-3.5
Other expenses	-31.0	-22.3	-3.1	-3.0	-3.4	-3.1	-4.2	-3.2	10.2	3.8	7.1	6.2	-24.3	-21.6
Total operating expenses	-60.6	-49.1	-7.8	-8.1	-7.1	-6.5	-10.4	-9.8	-4.5	-11.1	6.9	5.7	-83.5	-78.8
Write-downs on credits, other commitments and outstanding premium receivables	-	-	-	-	-	-	-	-0.4	-	-	-	-	-5.7	-8.4
Share of profit from associated companies	-	-	-	-	-	-	-	-	-	-	-0.1	1.0	-0.1	1.0
Operating profit	24.9	38.0	3.1	2.0	4.9	4.6	-1.6	1.4	1.5	-3.1	-1.9	-1.9	30.9	41.0
Contribution of insurance businesses to the Groups' operating profit	-	-	-	-	4.9	4.3	-0.5	0.1	-	-	-	-	-	-

Balance sheet (EUR million)	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		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	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	21.5	6.9	6.3	3.5	-	-	-24.1	-6.9	349.6	273.4
Financial assets reported at fair value via the income statement	-	-	-	-	4.2	14.1	5.9	6.8	-	-	-	-	10.1	20.9
Financial assets available for sale	2,033.7	2,593.6	0.1	8.0	652.6	664.6	114.5	112.3	18.7	22.4	-11.1	-17.3	2,808.5	3,383.7
Loans and other receivables	6,923.6	6,652.1	63.2	53.8	-	-	-	-	1.2	0.1	-72.9	-68.3	6,915.0	6,637.6
Investments for unit-linked provisions	-	-	-	-	300.2	280.0	-	-	-	-	-	-	300.2	280.0
Other assets	339.0	389.6	7.5	7.0	18.6	19.7	44.5	34.4	362.1	357.3	-409.3	-384.3	362.4	423.8
Total assets	9,642.0	9,905.0	70.9	68.9	997.2	985.3	171.2	156.9	381.9	379.7	-517.5	-476.7	10,745.8	11,019.2
Deposits	4,128.6	4,189.8	201.4	179.8	-	-	-	-	4.0	1.9	-37.2	-15.2	4,296.9	4,356.3
Debt securities issued	3,675.7	3,397.8	-	-	-	-	-	-	-	-	-11.1	-15.9	3,664.6	3,381.9
Technical provision for insurance business	-	-	-	-	879.6	870.2	127.1	112.5	-	-	6.0	7.2	1,012.7	989.8
Other liabilities	1,337.4	1,845.4	9.3	9.3	19.9	17.3	17.2	17.6	80.7	79.7	-179.1	-175.6	1,285.5	1,793.8
Total liabilities	9,141.7	9,433.1	210.7	189.1	899.5	887.5	144.2	130.1	84.8	81.6	-221.4	-199.5	10,259.5	10,521.9

NOTE 3 DERIVATIVES AND OFF-BALANCE SHEET COMMITMENTS

Hedging derivative instruments (EUR million)			
30.6.2011	Total nominal amount	Assets, fair value	Liabilities, fair value
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	0.2
Total	960.0	31.8	0.2
Derivative instruments valued via the income statement			
Interest rate-related *)	7,619.5	69.8	68.6
Currency-related	173.5	0.8	0.8
Equity-related **)	121.1	4.6	4.6
Other derivative instruments **)	4.2	0.9	0.9
Total	7,918.3	76.0	74.9
Total derivative instruments			
Interest rate-related	12,738.0	139.0	98.9
Currency-related	173.5	0.8	0.8
Equity-related	121.1	4.6	4.6
Other derivative instruments	4.2	0.9	0.9
Total	13,036.8	145.2	105.2

Hedging derivative instruments (EUR million)			
30.6.2010	Total nominal amount	Assets, fair value	Liabilities, fair value
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 *)	7,150.9	132.6	130.5
Currency-related	190.2	0.8	1.1
Equity-related **)	98.3	3.1	3.1
Other derivative instruments **)	4.3	0.4	0.4
Total	7,443.7	136.9	135.1
Total derivative instruments			
Interest rate-related	11,203.4	283.8	165.3
Currency-related	190.2	0.8	1.1
Equity-related	98.3	3.1	3.1
Other derivative instruments	4.3	0.4	0.4
Total	11,496.2	288.2	169.9

*) 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	588.7	607.6	550.6
Other commitments provided to a third party	6.2	8.8	10.5
Off-balance sheet commitments	645.0	670.4	618.3

NOTE 4 THE GROUP'S RISK EXPOSURE

The Bank Group's capital adequacy

(EUR million)					
Summary	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 counterparty 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.

(EUR million)					
	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

The Bank Group's risk-weighted exposures, credit and counterparty risks

(EUR million)			
Total exposure 6/2011			
Risk-weight	Balance assets	Off-balance sheet commitments	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

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.

The Bank Group's risk-weighted amount for operational risks

Year	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 %.

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.

The finance and insurance conglomerate's capital adequacy

Summary	6/2011	3/2011	12/2010	9/2010	6/2010
Tier 1 capital for the group	467.1	445.7	450.4	440.2	423.0
Sector-specific items	222.1	205.5	229.6	265.1	248.4
Intangible assets and other specific reductions	-153.7	-127.7	-141.4	-140.6	-131.9
Conglomerate's total capital base	535.5	523.5	538.7	564.8	539.5
Capital requirement for banking business	294.4	295.0	296.3	289.0	286.9
Capital requirement for insurance business	47.9	48.1	47.8	47.4	47.3
Minimum amount for capital base	342.2	343.0	344.2	336.4	334.2
Conglomerate's capital adequacy	193.3	180.5	194.5	228.4	205.4
Capital adequacy ratio, %	156.5 %	152.6 %	156.5 %	167.9 %	161.5 %

The conglomerate's capital adequacy is based on consolidation method and is calculated according to FICO rules and the standards of Financial Supervision Authority.

The quarterly data has been retroactively adjusted and deviates therefore from earlier published information. The conglomerate's scope of application and the handling of the non-controlling interest have been amended in accordance with the Finnish Financial Supervisory Authority's interpretation.

NOTE 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	17.1	18.1	-6%	36.3
Net Interest Income	68.3	76.8	-11%	149.3

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 net interest income".

NOTE 6 NET INCOME FROM INSURANCE BUSINESS

(EUR million)	1-6/2011	1-6/2010	Δ %	2010
Income from insurance premiums	58.5	50.3	16%	100.7
Net income from investments	13.9	15.1	-7%	25.5
Insurance claims paid	-43.5	-42.1	-3%	-79.2
Net change in technical provisions	-17.2	-12.6	-37%	-30.6
Net income from life insurance	11.8	10.6	11%	16.5
Premium income earned	32.1	30.6	5%	61.4
Net income from investments	1.1	1.4	-22%	3.5
Insurance claims paid	-23.1	-20.7	-12%	-41.9
Change in provisions for outstanding claims	0.0	-1.0	-	-0.3
Net income from non-life insurance	10.1	10.3	-2%	22.6

Helsinki 3 August 2011

AKTIA PLC
Board of Directors

TRANSLATION

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

REPORT ON REVIEW OF THE INTERIM REPORT OF AKTIA P.L.C. AS OF AND FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2011

INTRODUCTION

We have reviewed the balance sheet as of 30 June 2011, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement of Aktia p.l.c. for the six-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 30 June 2011 and the result of its operations and cash flows for the six-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

Jari Härmälä
Authorized Public Accountant

INTERIM REPORT JAN-SEPT/2011

8 NOVEMBER 2011

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