Aktia

AKTIA PLC'S INTERIM REPORT JANUARY - SEPTEMBER 2011

CEO JUSSI LAITINEN:

"Sales to private customers increased, but the disposal of our holdings in Bank of Åland had a negative effect on the result for this quarter. The interest rate level is still low in Europe, making improvement of profitability more challenging. Despite financial uncertainty, Aktia's capital adequacy and Tier 1 capital remain at a good level. They exceed the Tier 1 ratio of 9.0% now suggested by the Euro Banking Association (EBA). Aktia stands well prepared for the upcoming Basel III and Solvency II rules, and can therefore continue to focus on further improvements in customer service. The launch of Aktias new Inter-netbank by year-end will bring remarkable enhancement to our competitive image in the sales of financial and insurance services to private customers."

JAN.-SEP.: OPERATING PROFIT EUR 40.4 (64.4) MILLION

- Group operating profit fell to EUR 40.4 (64.4) million, and profit for the period to EUR 28.6 (47.9) million.
- Earnings per share stood at EUR 0.42 (0.69).
- Return on equity was 7.5% (12.8%).
- Operating income was EUR 169.6 (187.4) million and operating expenses EUR 122.2 (115.0) million.
- The balance sheet total amounted to EUR 10,746 (11,019) million.
- The capital adequacy ratio increased to 16.6 (15.9)% and Tier 1 capital ratio to 10.8 (10.1)%.
- Write-downs on credits and outstanding premiums stood at EUR 6.9 (9.8) million.
- Aktia Bank plc's credit rating remained unchanged at A1/C/P-1 (Moody's Investors Service).
- OUTLOOK: The full-year result for 2011 will be lower than in 2010 (unchanged, outlook in details on p.14).

JULY-SEP.: OPERATING PROFIT EUR 9.5 (23.4) MILLION

- Group operating profit fell to EUR 9.5 (23.4) million, and profit for the period to EUR 5.5 (17.9) million.
- The disposal of holdings in Bank of Åland reduced profit by EUR 6.3 million.
- Earnings per share stood at EUR 0.09 (0.26).
- Return on equity was 4.4 (13.9)%
- Operating income was EUR 49.3 (60.2) million and operating expenses EUR 38.6 (36.2) million.
- Write-downs on credits and outstanding premiums decreased to EUR 1.2 (1.4) million.

KEY FIGURES (EUR million)	1-9/2011	1-9/2010	Δ %	7-9/2011	7-9/2010	Δ %	4-6/2011	1-3/2011	2010
Net interest income	100.2	113.4	-12 %	31.9	36.6	-13 %	33.6	34.7	149.3
Total operating income	169.6	187.4	-10 %	49.3	60.2	-18 %	57.7	62.6	249.4
Total operating expenses	-122.2	-115.0	6 %	-38.6	-36.2	7 %	-43.4	-40.1	-159.0
Op profit before write-downs on credits	47.4	74.2	-36 %	10.7	24.7	-57 %	14.2	22.4	92.0
Write-downs on credits and outstanding premium receivables	-6.9	-9.8	-29 %	-1.2	-1.4	-11 %	-2.1	-3.6	-14.1
Operating profit	40.4	64.4	-37 %	9.5	23.4	-59 %	12.1	18.8	77.9
Cost-to-income ratio	0.72	0.56	29 %	0.79	0.58	36 %	0.74	0.63	0.59
Earnings per share (EPS), EUR	0.42	0.69	-40 %	0.09	0.26	-65 %	0.13	0.20	0.83
Equity per share (NAV)[1], EUR	6.90	7.30	-5 %	6.90	7.30	-5 %	6.43	6.14	6.81
Return on equity (ROE), %	7.5	12.8	-42 %	4.4	13.9	-68 %	7.6	11.9	12.0
Capital adequacy ratio[1], %	16.6	17.0	-2 %	16.6	17.0	-2 %	16.6	16.0	15.9
Tier 1 capital ratio[1], %	10.8	10.4	4 %	10.8	10.4	4 %	10.8	10.3	10.1
Write-downs on credits/total credit stock, %	0.09	0.14	-36 %	0.02	0.02	0 %	0.03	0.05	0.20

1) At the end of the period

"Interim report January - Sept 2011" is a translation of the original report in Swedish ("*Delårsrapport 1.1-30.9.2011*"). In case of discrepancies, the Swedish version prevails.

PROFIT
July - September 2011

Group operating profit in the third quarter weakened to EUR 9.5 million (EUR 23.4 million). Lower net interest income and higher costs resulted in a weaker operating profit compared to the same period last year.

Aktia Bank plc submitted its application for internal rating to the Financial Supervisory Authority (the IRBA = Internal Risk Based Approach). Upon approval of the application, the internal rating is expected to increase the Tier 1 capital ratio by 3-5% .

INCOME

During July - September total income fell by 18% to EUR 49.3 (60.2) million. Of this, net interest income fell by 13% to EUR 31.9 (36.6) million. Net income from life insurance improved to EUR 7.1 (3.8) million. Net income from non-life insurance also improved to EUR 8.1 (7.1) million. Net commission income was practically unchanged at EUR 13.0 (13.2) million.

EXPENSES

Expenses rose by 7% overall to EUR 38.6 (36.2) million.

In line with Aktia's strategy, investment in IT continued, increasing IT costs by 15% to EUR 7.5 (6.5) million. This increase could be attributed to higher development costs in Samlink, among other things.

Other operating expenses increased by 6% to EUR 11.0 (10.4) 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)	7 -9/2011	7-9/2010	Δ %
Banking Business	6.2	18.9	-67%
Asset Management	1.4	1.2	15%
Life Insurance	4.2	0.9	349%
Non-Life Insurance	2.7	1.8	53%
Miscellaneous	-6.3	0.0	-
Eliminations	1.4	0.6	117%
Total	**9.5**	**23.4**	**-59%**

Operating profit for the Banking Business decreased because of lower net interest income, falling by 67% to EUR 6.2 (18.9) million. Write-downs on credits and other commitments were EUR 1.1 (1.1) million.

The Asset Management segment improved its profitability. Operating profit rose to EUR 1.4 (1.2) million. The market share for the funds stood at 6.3 (6.8) %.

The contribution of the Life Insurance segment to Group operating profit improved to EUR 4.2 (0.9) million.

The contribution of the Non-Life Insurance segment to Group operating profit improved to EUR 2.7 (1.8) million.

Aktia plc, Aktia Bank plc and HSb-Finance Ltd sold their direct and indirect holdings in Bank of Åland plc. These transactions reduced profit for the quarter by EUR 6.3 million before tax. The valuation of Aktia's ownership in Bank of Åland Plc has continuously been made via the fund at fair value. Thus the transactions have no impact on the Group's shareholders' equity,

ACTIVITY IN January - September 2011

BUSINESS ENVIRONMENT

Interest rates rose sharply at the beginning of the year but levelled off over the summer, falling slightly in September. General interest rate levels are still exceptionally low, which has a negative impact on Aktia's net interest income.

According to Statistics Finland, inflation here rose to 3.7% in September. At the beginning of the year, inflation was running at 3.0%.

The global uncertainty has continued and especially the worries concerning southern Europe and the euro have had a negative impact on the value of Aktia's financial assets.

According to Statistics Finland, consumer confidence in the economy weakened further. The indicator fell in September to 2.3 (22.9) from 5.1 (21.9) in August and 11.3 (19.1) in July. The long-term average consumer confidence in the economy was 13.2.

The fall in real estate prices in Finland from the previous quarter was 0.8% in the whole country, whereas prices rose by 0.3% in the Helsinki region. Compared to the corresponding period last year, the price level in the whole country was 2.6% higher and 3.7% higher in the Helsinki region. (*Statistics Finland*).

Unemployment decreased somewhat during the period, amounting to 6.9% in September 2011, 0.1 percentage points 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 July - September 2011. The write-downs mainly derived from corporate loans.

During the first nine months of the year, the Nasdaq OMX Helsinki 25 index fell 31%.

Key figures Change from the previous year, %	2012E	2011E	2010
GDP growth			
World	3.5*	4.0*	5.0
Euro area	0.8*	1.6*	1.8
Finland	1.4*	2.8*	3.6
Consumer price index			
Euro area	2.2*	2.7*	1.6
Finland	2.7*	3.5*	1.1
Other key ratios			
Development of real value of housing in Finland	0.0	5.4	7.4
OMX Helsinki 25	-	26.3	29.3
Interest rates[1]			
ECB	1.75*	1.50*	1.00
10-y interest Ger (=benchmark)	3.00*	2.20*	2.96
Euribor 12 months	2.75*	2.10*	1.51
Euribor 3 months	2.00*	1.50*	1.01
Unemployment in Finland[2]	7.6*	7.8*	8.3

*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.

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

PROFIT JAN.-SEP. 2011

Group operating profit fell by 37% to EUR 40.4 (64.4) million. Group profit amounted to EUR 28.6 (47.9) million.

INCOME

Group total income fell by 10% to EUR 169.6 (187.4) million.

Net interest income amounted to EUR 100.2 (113.4) 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 27.9 (45.7) million.

Net commission income was up 2% to EUR 43.2 (42.1) million. Commission income increased by 5% to EUR 56.9 (54.3) million, with income from mutual funds increasing particularly to EUR 17.0 (15.1) million. Card and payment services commissions rose to EUR 11.8 (10.4) million.

Net income from life insurance amounted to EUR 18.8 (14.4) million, an improvement of 31%.

Net income from non-life insurance was EUR 18.3 (17.4) million. Net income from the insurance businesses includes insurance premium income, net income from investments, insurance claims paid and the change in technical provisions.

Other operating income was EUR 2.7 (6.2) million.

Net income from financial transactions was EUR -14.2 (-7.7) million.

Aktia plc, Aktia Bank plc and HSb-Finance Ltd sold their direct and indirect holdings in Bank of Åland plc. These transactions reduced profit for the quarter by EUR 6.3 million before tax. The valuation of Aktia's ownership in Bank of Åland Plc has continuously been made via the fund at fair value. Thus the transactions have no impact on the Group's shareholders' equity,

During the spring, 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 was EUR -0.5 (0.2) million.

EXPENSES

Group operating expenses rose by 6% to EUR 122.2 (115.0) million. Of this, staff costs amounted to EUR 61.6 (59.9) million.

Continued investment in Internet services increased IT expenses by 16% to EUR 20.5 (17.7) million. IT costs also rose because of high development costs within Samlink. Other operating expenses increased by 11% to EUR 35.3 (32.0) 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 fell to EUR 4.8 (5.4) million.

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

During January - September 2011, total write-downs on credits, other commitments and outstanding premium receivables stood at EUR 6.9 (9.8) million.

BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS

The Group 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 continued lower refinancing in the Bank Group's liquidity portfolio.

LIQUIDITY

The Bank Group's liquidity portfolio, which consists of interest-bearing securities, amounted to EUR 1,963 (2,599) million.

The liquidity portfolio is financed with repurchase agreements to a value of EUR 172 (783) million. The gross value and repurchase financing of the portfolio fell, as planned, during the period.

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

BORROWING

Deposits from the public and public sector entities totalled EUR 3,576 (3,397) million. Aktia's market share of deposits was 3.54 (3.61)%.

The Aktia Group issued bonds worth EUR 3,696 (3,382) million in total, an increase of EUR 314 million. Of these bonds EUR 3,275 (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 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 plc issued new subordinated debts and index-linked loans with a total value of EUR 56 million.

LENDING

Group total lending to the public amounted to EUR 6,938 (6,592) million at the end of the period, an increase of EUR 347 million. Excluding the mortgages brokered by savings banks and POP Banks that the local banks are committed to capitalise, Group lending increased by EUR 125 million (3%) on the beginning of the year.

Loans to private households (including mortgages brokered by local savings banks and POP Banks) accounted for EUR 5,832 (5,479) million or 84.1 (83.1)% of the total loan stock. The housing loan stock increased from the beginning of the year by 7% and totalled EUR 5,463 (5,121) million. Aktia's market share in housing loans to households stood at 4.24 (4.28)% at the end of September.

Corporate lending accounted for 10.9 (11.5)% of Aktia's credit stock. Total corporate lending amounted to EUR 757 (761) million.

Loans granted to housing associations amounted to EUR 287 (289) million and made up 4.1 (4.4)% of Aktia's total credit stock.

Credit stock by sector

(EUR million)	30.9.2011	2010	Δ	Share. %
Households	5,832	5,479	354	84.1%
Corporate	757	761	-4	10.9%
Housing associations	287	289	-3	4.1%
Non-profit organisations	57	56	1	0.8%
Public sector entities	6	7	-1	0.1%
Total	**6,938**	**6,592**	**347**	**100.0%**

FINANCIAL ASSETS

Aktia's financial assets consist of the Bank Group's liquidity portfolio and other interest-bearing investments amounting to EUR 1,989 (2,677) million, the life insurance company's investment portfolio amounting to EUR 703 (700) million, the non-life insurance company's investment portfolio amounting to EUR 168 (147) million and the real estate and share holdings of the parent company amounting to EUR 4 (30) million.

TECHNICAL PROVISIONS

Life insurance technical provisions amounted to EUR 845 (870) million, of which EUR 270 (282) million were unit-linked.

Non-life insurance technical provisions amounted to EUR 127 (120) million.

EQUITY

Aktia Group's equity amounted to EUR 517 (497) million at the end of September.

The generally higher requirements on returns have reduced the value of Aktia's financial assets. The revaluations are reported in the Group's fund at fair value, which amounted to EUR 21.5 (22.5) million, showing a deterioration of EUR 1.0 million since the beginning of the year.

COMMITMENTS

Off-balance sheet commitments decreased by EUR 35 million from the beginning of the year and amounted to EUR 635 (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 22.1% compared to 20.3% at the end of 2010. The Tier 1 capital ratio was 14.3 (12.8)%.

The life insurance company's solvency margin amounted to EUR 116.4 (98.8) million, where the minimum requirement is EUR 33.8 (34.3) million. The solvency ratio was 19.2 (16.1)%.

The non-life insurance company's solvency margin amounted to EUR 26.1 (18.9) million, where the minimum requirement is EUR 13.5 (13.5) million. The solvency capital was EUR 55.5 (46.6) million and a risk carrying capacity of 88.3 (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 162.6 (156.5)%. The statutory minimum stipulated in the Act on the Supervision of Financial and Insurance Conglomerates is 100%.

Capital adequacy

	30.9.2011	31.12.2010
Bank Group		
Capital adequacy	16.6%	15.9%
Tier 1 ratio	10.8%	10.1%
Aktia Bank		
Capital adequacy	22.1%	20.3%
Tier 1 ratio	14.3%	12.8%
Aktia Real Estate Mortage Bank		
Capital adequacy	10.7%	9.9%
Tier 1 ratio	9.0%	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)	1-9/2011	1-9/2010	Δ %
Banking Business	31.1	56.9	-45%
Asset Management	4.4	3.2	38%
Life Insurance	9.1	5.3	73%
Non-Life Insurance	2.3	1.9	22%
Miscellaneous	-4.9	-3.2	-54%
Eliminations	-1.6	0.4	-
Total	**40.4**	**64.4**	**-37%**

BANKING BUSINESS

The Banking Business' contribution to Group operating profit amounted to EUR 31.1 (56.9) million.

Operating income for the segment totalled EUR 125.7 (139.5) million. Net interest income decreased by EUR 13.8 million, or 12%, to EUR 97.0 (110.8) million. Net commission income, on the other hand, increased by EUR 1.1 million, or 4%, to EUR 32.3 (31.2) million. The increase in commission income comes mainly from card and payment commissions which increased to EUR 11.8 (10.4) million, with insurance commissions increasing to EUR 4.7 (3.3) million and mutual fund commissions to EUR 4.3 (4.0) million.

Operating expenses amounted to EUR 88.3 (73.6) million, of which staff costs accounted for EUR 31.1 (28.1) million. IT-related expenses increased by EUR 1.1 million to EUR 9.8 (8.7) million.

Other operating expenses rose by EUR 10.7 million on the previous year, amounting to EUR 45.8 (35.1) million.

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 January - September, the customer base increased by over 7,900 private customers and more than 36,200 Aktia Dialogues were carried out.

Total savings by households was slightly lower than at the year-end, amounting to EUR 3,517 (3,578) million. Of this, household deposits increased to EUR 2,759 (2,701) million while the market value of savings by households in mutual funds fell to EUR 757 (877) million.

Aktia Bank's lending to private households, including the mortgages brokered by Aktia Bank, increased by 3.4% on the year-end to EUR 4,058 (3,924) million. Mortgage loans brokered by Aktia Bank amounted to EUR 1,887 (1,642) million, an increase of 14.9% on the beginning of the year. The mortgages brokered by the savings banks and POP Banks amounted to EUR 1,820 (1,599) million.

Net interest income from corporate banking was EUR 6.9 (7.0) million, which is lower year-on-year. Net commission income from corporate banking increased slightly to EUR 2.2 (2.0) million.

Income from the real estate agency business was up 4% on the previous year, standing at EUR 6.0 (5.8) million.

ASSET MANAGEMENT

Asset Management contributed EUR 4.4 (3.2) million to Group operating profit.

Aktia provides a wide and competitive range of services in the asset management market, for both private individuals and institutional investors.

Operating income after reversals to the Group's other units and business partners was EUR 15.9 (15.1) million. Operating expenses decreased by 3% to EUR 11.5 (11.9) million, of which staff costs made up EUR 5.9 (6.4) million.

In an evaluation of larger fund companies in Finland Aktia received the second highest mark. The evaluation was carried out by the independent analyst company Morningstar. In September 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.

During the period, Aktia expanded its range of funds on both the fixed income and mutual fund market. Over the last few years, the demand for fixed income funds investing in growth markets has risen significantly, and Aktia manages three such funds with a total value of some EUR 539 million.

A new mutual fund was launched on 26 September 2011 – Aktia Nordic Small Cap. The fund invests in SMEs in the Nordic market. The fund will invest in companies with a market value of less than EUR 3,000 million at the time of investment.

The volume of funds managed and brokered by Aktia was EUR 3,379 (4,264) million. At the end of the period, Aktia's market share of the fund market, including brokered funds, stood at 6.3 (7.0)% (*Federation of Finnish Financial Services*).

The value of assets managed by Aktia Asset Management and Aktia Invest totalled EUR 6,205 (6,978) million. Assets managed by Aktia Invest amounted to EUR 1,769 (2,440) million. Private banking customer assets totalled EUR 1,117 (1,384) million.

LIFE INSURANCE

The life insurance contribution to Group operating profit amounted to EUR 9.1 (5.3) million.

Premium income increased by 10% year-on-year to EUR 77.7 (70.7) million. The growth derives mainly from unit-linked insurance. After a strong six months, sales of single premium policies decreased during the summer and autumn as a result of uncertainty on the financial markets. Of the premium volume for savings and investment-linked insurance and pension insurance, unit-linked insurance accounted for 82 (77)%.

Insurance claims paid increased to EUR 64.9 (58.6) million. Payments primarily rose as a result of increased policy surrenders. The loss ratio improved to 75 (85)%.

Operating costs amounted to EUR 10.2 (9.6) million. The increase in costs is primarily due to higher IT-related costs and the costs of migrating to Solvency II. The cost ratio was 95.5% compared with 95.0% for the year before.

Net income from investment activities was in line with the year before, amounting to EUR 22.0 (22.4) million. The return on the company's investments based on market value was 5.0 (6.6)%. The derivatives used by the life insurance company to limit its interest rate and currency risk improved operating profit by EUR 3.2 (4.2) million.

Technical provisions totalled EUR 845 (870) million, of which provisions for unit-linked insurance policies represented EUR 270 (282) million and interest-linked provisions EUR 575 (588) million. The average discount rate for the interest-linked technical provisions was 3.6%. The co-insurance agreement between Aktia Life Insurance and the insurance company Liv-Alandia has been terminated by mutual consent and Aktia Life Insurance's co-insurance stock of approximately EUR 36 million is being transferred to the insurance company Liv-Alandia. This transfer is scheduled for 31 December 2011.

The company's solvency ratio improved to 19.2%, compared to 16.1% at the year-end.

NON-LIFE INSURANCE

The non-life insurance contribution to Group operating profit was EUR 2.3 (1.9) million.

Premium income for Aktia Non-Life Insurance rose by 4% on the corresponding period the previous year. This growth comes from both private and corporate customers. Premium income before the reinsurers' share was EUR 58.6 (56.3) million. Premium income after the reinsurers' share and change in provisions for premium liabilities amounted to EUR 48.4 (46.2) million. Claims incurred amounted to EUR 34.1 (33.4) million.

Operating costs amounted to EUR 15.8 (14.7) million.

The total cost ratio fell during the period January - September to 103.7%, compared to 104.8% the year before, largely due to positive non-life trends in the third quarter.

Net income from investments amounted to EUR 2.3 (6.2) 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 corresponding period last year included major profit from the sale of real estate and government bonds. The return on the company's investments based on market value was 7.7 (7.9)%.

Of the non-life insurance business' total technical provisions of EUR 122 (112) million, provisions for outstanding claims stood at EUR 94 (91) million.

The company's risk carrying capacity was 88.3 %, compared with 76.8% at the year-end.

MISCELLANEOUS

Operating profit for the Miscellaneous segment was EUR -4.9 million (EUR -3.2 million) during the first nine months.

Aktia plc, Aktia Bank plc and HSb-Finance Ltd sold their direct and indirect holdings in Bank of Åland plc. These transactions reduced profit for the quarter by EUR 6.3 million before tax. The valuation of Aktia's ownership in Bank of Åland Plc has continuously been made via the fund at fair value. Thus the transactions have no impact on the Group's shareholders' equity.

COMMON COSTS

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

Common costs totalled EUR 33.6 (25.6) million and were distributed as follows: Banking business EUR 27.7 (19.9) million, asset management EUR 2.7 (2.8) million, life insurance EUR 1.4 (1.3) million and non-life insurance EUR 1.8 (1.6) 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 to EUR 209 (184) million from the corresponding period in 2010, equivalent to 2.99 (2.82)% of the credit stock. Loans with payments 31-89 days overdue increased to EUR 61 (51) million, or 0.88 (0.77)% 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 56 (44) million, corresponding to 0.80 (0.67)% of the credit stock.

The credit stock also includes off-balance sheet guarantee commitments. Non-performing loans to households more than 90 days overdue corresponded to 0.56 (0.31)% of the entire credit stock.

Undischarged debts by time overdue

EUR million Days	30.9.2011	% of credit stock	30.9.2010	% of credit stock	2010
1 - 30	209	2.99	184	2.82	171
of which households	144	2.07	126	1.93	118
31 - 89	61	0.88	51	0.77	56
of which households	47	0.67	41	0.62	45
90-[1]	56	0.80	44	0.67	36
of which households	39	0.56	20	0.31	20

[1] In Aktia Bank the marketvalue of collateral is in average 92% of the value of the credit

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

Total write-downs on credits, other commitments and outstanding premium receivables impacting the bottom line stood at EUR 6.9 (9.8) million after reversals of EUR 0.9 million. Of these write-downs, EUR 0.9 (0.5) million could be attributed to households and EUR 5.4 (8.6) to companies. Write-downs for the non-life insurance company's outstanding premiums were EUR 0.6 (0.7) million.

At the end of September, group write-downs at the portfolio level totalled EUR 15.6 (19.3) million, of which EUR 7.3 (7.3) million related to households and smaller enterprises and EUR 8.3 (12.0) million to larger individually examined corporate arrangements.

Total write-downs on credits impacting the bottom line amounted to 0.1 (0.1)% of total lending for the period. The corresponding impact from corporate loans amounted to 0.7 (1.1)% of total corporate lending.

DISTRIBUTION OF RISK ACROSS FINANCIAL ASSETS

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

GEOGRAPHICAL DISTRIBUTION BY INSTRUMENT TYPE

The Bank Group maintains a liquidity portfolio to act as buffer against short-term fluctuations in liquidity. Fixed-rate investments within the liquidity portfolio are also used to reduce the structural interest rate risks.

GROUP INVESTMENTS IN EU COUNTRIES WITH A CREDIT RATING BELOW AAA

All investments in EU countries with a credit rating below AAA are measured on an ongoing basis at current market value. For the Group, unrealised profit for its holdings amounted to EUR -4.4 (-3.4) million and the unrealised profit for holdings with a credit rating below AAA to EUR -33.4 (-26.6) million as at 30 September 2011 and is reported under equity in the fund at fair value. No write-downs have been carried out for these holdings over the income statement. During the period, early disposals were carried out for these holdings, which brought about a loss from the sale of EUR 8.1 million before tax.

THE BANK GROUP'S LIQUIDITY PORTFOLIO AND OTHER INTEREST-BEARING INVESTMENTS

Investments within the liquidity portfolio and the Bank Group's other interest-bearing investments fell from the year-end by EUR 688 million, largely due to lower repurchase refinancing and amounted to EUR 1,989 (2,677) million. During the period, investments in EU countries with a credit rating below AAA fell by EUR 193 million to amount to EUR 460 (653) million.

Allocation of holdings in the Bank Group's investment portfolio and other interest-bearing investments

Aktia Bank Group	Government and gov. guaranteed		Covered Bonds (CB)		Financial institutions exkl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	9/11	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**	**9/11**	**12/10**
EU AAA	170	238	877	991	311	589	-	13	-	-	-	-	-	-	1,358	1,831
Finland	*56*	*68*	*94*	*106*	*39*	*209*	-	*8*	-	-	-	-	-		*188*	*390*
Other AAA-countries	*115*	*170*	*784*	*886*	*272*	*380*	-	*5*	-	-	-	-	-	-	*1,170*	*1,441*
EU < AAA	58	92	354	449	46	110	2	3	-	-	-	-	-	-	460	653
Belgium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greece	-	*14*	*2*	*3*	-	-	-	-	-	-	-	-	-	-	*2*	*17*
Ireland	-	-	*27*	*26*	*3*	*17*	-	-	-	-	-	-	-	-	*30*	*43*
Italy	-	-	*62*	*73*	-	*21*	-	-	-	-	-	-	-	-	*62*	*94*
Portugal	*28*	*29*	*75*	*118*	*9*	*26*	*1*	*2*	-	-	-	-	-	-	*113*	*173*
Spain	*30*	*50*	*188*	*229*	*34*	*46*	*1*	*1*	-	-	-	-	-	-	*253*	*326*
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe excluding EU	-	-	60	62	35	56	-	-	-	-	-	-	-	-	95	118
North America	-	-	33	33	-	-	-	-	-	-	-	-	-	-	33	33
Other OECD-countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supra-nationals	-	-	-	-	43	42	-	-	-	-	-	-	-	-	43	42
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**228**	**330**	**1,325**	**1,535**	**435**	**796**	**2**	**16**	-	-	-	-	-	-	**1,989**	**2,677**

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

Aktia Life Insurance	Government and gov. guaranteed		Covered Bonds (CB)		Financial institutions exkl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10
EU AAA	200	212	186	136	108	64	83	124	42	39	11	10	-	-	630	584
Finland	*55*	*75*	*20*	*13*	*66*	*17*	*45*	*45*	*42*	*39*	*9*	*9*	-	-	*237*	*198*
Other AAA-countries	*145*	*136*	*166*	*123*	*42*	*47*	*38*	*79*	-	-	*2*	*2*	-	-	*393*	*386*
EU < AAA	8	44	14	14	-	-	7	9	-	-	-	-	-	-	29	67
Belgium	-	*16*	-	-	-	-	-	-	-	-	-	-	-	-	-	*16*
Greece	-	*12*	-	-	-	-	-	-	-	-	-	-	-	-	-	*12*
Ireland	-	-	*0*	*1*	-	-	*2*	*2*	-	-	-	-	-	-	*2*	*2*
Italy	-	-	*2*	*2*	-	-	*5*	*5*	-	-	-	-	-	-	*6*	*7*
Portugal	*3*	*4*	-	-	-	-	-	-	-	-	-	-	-	-	*3*	*4*
Spain	-	*6*	*12*	*11*	-	-	*1*	*2*	-	-	-	-	-	-	*13*	*20*
Other countries	*5*	*5*	-	-	-	-	-	-	-	-	-	-	-	-	*5*	*5*
Europe excluding EU	-	-	-	-	5	11	1	5	-	-	1	1	-	-	7	16
North America	-	-	-	-	-	-	4	5	-	-	2	5	-	-	6	10
Other OECD-countries	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Supranationals	-	-	-	-	4	3	-	-	-	-	-	-	-	-	4	3
Others	27	19	-	-	-	-	-	-	-	-	-	-	-	-	27	19
Total	**234**	**274**	**200**	**149**	**117**	**78**	**96**	**143**	**42**	**39**	**13**	**16**	-	-	**703**	**700**

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

Within the life insurance business, the investment portfolio covering total technical provisions is measured on an ongoing basis at market value.

In terms of its size, the investment portfolio of the life insurance company is largely unchanged on the year-end, amounting to EUR 701 (700) million. A reallocation has primarily taken place from corporate loans and government bonds to secured bonds. During the period, investments in EU countries with a credit rating below AAA fell by EUR 38 million to amount to EUR 29 (67) million.

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

During the period, the investment portfolio of the non-life insurance company increased by EUR 21 million, amounting to EUR 168 (147) million. The share of secured bonds in the investment allocation increased. During the period, investments in EU countries with a credit rating below AAA fell by EUR 11 million to amount to EUR 9 (20) million.

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

Aktia Non-life Insurance	Government and gov. guaranteed		Covered Bonds (CB)		Financial institutions exkl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10	9/11	12/10
EU AAA	50	47	36	20	23	15	13	11	27	26	1	1	-	-	150	120
Finland	*2*	*2*	*8*	*4*	*17*	*6*	*6*	*5*	*27*	*26*	*1*	*1*	-	-	*62*	*44*
Other AAA-countries	*47*	*44*	*27*	*16*	*6*	*10*	*7*	*6*	-	-	-	-	-	-	*88*	*76*
EU < AAA	6	18	2	2	-	-	-	-	-	-	-	-	-	-	9	20
Belgium	*2*	*2*	-	-	-	-	-	-	-	-	-	-	-	-	*2*	*2*
Greece	-	*8*	-	-	-	-	-	-	-	-	-	-	-	-	-	*8*
Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Italy	-	*3*	*1*	*1*	-	-	-	-	-	-	-		-	-	*1*	*4*
Portugal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spain	*4*	*4*	*1*	*1*	-	-	-	-	-	-	-	-	-	-	*6*	*6*
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe excluding EU	-	-	3	1	1	1	-	-	-	-	-	-	-	-	4	2
North America	-	-	-	-	-	-	1	2	-	-	-	-	-	-	1	2
Other OECD-countries	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Supranationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	5	3	-	-	-	-	-	-	-	-	-	-	-	-	5	3
Total	**61**	**67**	**41**	**23**	**24**	**16**	**14**	**13**	**27**	**26**	**1**	**1**	-	-	**168**	**147**

DISTRIBUTION BY CREDIT RATING

The Group is exposed to counterparty risks as a result of interest-rate investments. Direct interest-rate investments are rated by international credit rating agencies such as Standard & Poor's, Fitch or Moody's. This rating is primarily affected by the counterparty's financial position, but also by the type of instrument and its right of priority.

INVESTMENT ALLOCATION WITHIN THE BANKING BUSINESS

The market value of direct interest-rate investments within the liquidity portfolio of the banking business amounted to EUR 1,963 (2,599) million, EUR 580 (577) million in the life insurance business and EUR 127 (113) million in the non-life insurance business.

Rating distribution for banking business

	30.9.2011	31.12.2010
(EUR million)	1,963	2,599
Aaa	58.3%	53.0%
Aa1 - Aa3	23.9%	32.3%
A1 - A3	8.2%	10.8%
Baa1 - Baa3	5.3%	0.8%
Ba1 - Ba3	2.2%	0.7%
B1 - B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (no rating)	1.8%	1.8%
No rating	0.3%	0.6%
Total	**100.0%**	**100.0%**

The Group maintains its own instrument-specific requirements based on the type of instrument and its credit rating.

Of the financial assets 8.8 (1.5)% did not meet the internal instrument-specific requirements. Rated securities not eligible for refinancing with the central bank totalled EUR 9.0 (0.0) million and unrated securities not eligible for refinancing amounted to EUR 6.5 (15.0) million.

INVESTMENT ALLOCATION WITHIN THE THE LIFE INSURANCE BUSINESS

Rating distribution for direct interest investment in the life insurance business

	30.9.2011	31.12.2010
(EUR million)	580	577
Aaa	66.5%	58.9%
Aa1-Aa3	15.3%	13.1%
A1-A3	10.0%	14.3%
Baa1-Baa3	3.6%	6.2%
Ba1-Ba3	0.6%	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	3.9%	4.9%
Total	**100.0%**	**100.0%**

Of the direct interest rate investments 1.5 (2.6)% did not meet the internal instrument-specific requirements.

INVESTMENT ALLOCATION WITHIN THE THE NON-LIFE INSURANCE BUSINESS

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

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

	30.9.2011	31.12.2010
(EUR million)	127	113
Aaa	67.3%	57.9%
Aa1-Aa3	24.1%	24.4%
A1-A3	5.3%	7.0%
Baa1-Baa3	1.2%	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	2.2%	2.2%
Total	**100.0%**	**100.0%**

All the non-life insurance company's investments met the internal instrument-specific requirements, as they did at the year-end.

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 holdings amounted to EUR 1.9 (3.4) million and investments in shares necessary for the business amounted to EUR 2.0 (26.9) million.

VALUATION OF FINANCIAL ASSETS

VALUE CHANGES REPORTED VIA INCOME STATEMENT

The bottom-line effect of write-downs on financial assets for the period amounted to EUR -1.3 (2.8) 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	1-9/2011	1-9/2010
Interest-bearing securities		
Banking Business	-	-
Life Insurance Business	0.0	0.1
Non-Life Insurance Business	-	-
Shares and participations		
Banking Business	-	-
Life Insurance Business	-1.0	-2.9
Non-Life Insurance Business	-0.3	-
Total	**-1.3**	**-2.8**

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 21.5 (22.5) million after deferred tax.

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 25.8 (25.7) million.

Specification of the fund at fair value

EUR million	30.9.2011	31.12.2010	Δ
Shares and participations			
Banking Business	0.0	0.2	-0.2
Life Insurance Business	3.7	2.6	1.1
Non-life Insurance Business	0.6	0.3	0.3
Direct interest-bearing securities			
Banking Business	-31.5	-16.6	-14.9
Life Insurance Business	19.0	10.7	8.3
Non-life Insurance Business	3.8	-0.4	4.2
Cash flow hedging	25.8	25.7	0.1
Fund at fair value, total	**21.5**	**22.5**	**-1.1**

OPERATIONAL RISKS

No events regarded as operational risks causing significant financial losses occurred during the first nine months 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.

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.), was appointed Deputy Managing Director of Aktia plc. Magnus Weurlander, M.Sc.(Econ.), was appointed to the Executive Committee of Aktia plc with responsibility for risk management and credit processing.

Aktia Life Insurance and Pohjantähti Mutual Insurance Company have signed a cooperation agreement under which Pohjantähti offers its customers Aktia Life Insurance products.

Aktia Bank plc submitted its application for internal rating to the Financial Supervisory Authority (the IRBA = Internal Risk Based Approach). Upon approval of the application, the internal rating is expected to increase the Tier 1 capital ratio by 3-5%.

Aktia has revised the Group structure in order to meet the general challenges on the financial market and, in order to achieve the Group's growth and profitability targets for coming years, Aktia is further increasing the customer focus in its business model.

Katja Kerke, M.Sc. (Econ) was appointed Managing Director of Aktia Life Insurance Ltd.

Aktia Life Insurance has had a co-insurance agreement with the insurance company Liv-Alandia since the 1960's. To modernise the cooperation and develop the business the companies have, by mutual consent, agreed to terminate the agreement . Aktia Life Insurance's co-insurance stock of approximately EUR 36 million is being transferred to the insurance company Liv-Alandia. The companies have also signed a long-term agreement on insurance management. In the future, Aktia Life Insurance will continue to provide good customer service to Liv-Alandia's customers together with Liv-Alandia.

EVENTS AFTER THE REPORTING PERIOD

Aktia started co-determination negotiations 12 October 2011. The group is aiming for a substantial increase in revenues and a 10% reduced cost base during the coming three years. Aktia is now adjusting the group cost structure to enable profitable growth going forward.

The negotiations are estimated to result in the reduction of 40 employees. In addition, Aktia has already introduced and is introduing a number of other savings measures within the group's different functions.

One-off costs will probably result from the reorganisation during the last quarter of 2011. The size of these costs will materialize during the negotiations.

PERSONNEL

The average number of full-time employees during January–September 2011 was 1,190 (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 and Director Magnus Weurlander.

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.

Following Samlink's private placement to Itella Corporation, Aktia Bank Plc's ownership in Samlink decreased from 23.97% to 22.56%.

SHARE CAPITAL AND OWNERSHIP

At the end of September 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 September was 49,233.

Of the merger compensation related to the merger with Veritas Non-Life Insurance of 6,800,000 shares, a further 40,064 new series A shares were registered on book-entry accounts during July-September. The inspection and registration of outstanding shares continues. The number of unregistered shares was 813,172 or 1.2% of all shares.

Aktia's holding of treasury shares amounted to 467,436 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 September 2011, the closing price for an 'A' share was EUR 5.45 and for an 'R' share EUR 8.75, indicating a market value of EUR 430 million for Aktia plc. The highest quotation for the 'A' share in the period shares was EUR 8.14 and the lowest EUR 5.18. The highest for the 'R' share was EUR 9.15 and the lowest EUR 6.93.

The average daily turnover of 'A' shares was EUR 269,174, or 43,247 shares. The average daily turnover of 'R' shares was EUR 44,732, or 5,218 shares.

OUTLOOK AND RISKS FOR 2011 (UNCHANGED)

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.

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	1-9/2011	1-9/2010	Δ	7-9/2011	4-6/2011	1-3/2011	2010
Earnings per share (EPS), EUR	0.42	0.69	-40 %	0.09	0.13	0.20	0.83
Equity per share (NAV), EUR[1]	6.90	7.30	-5 %	6.90	6.43	6.14	6.81
Return on equity, (ROE) %	7.5	12.8	-42 %	4.4	7.6	11.9	12.0
Total earnings per share, EUR	0.40	1.01	-60 %	0.48	0.30	-0.37	0.52
Capital adequacy ratio, % (finance and insurance conglomerate)[1]	162.6	167.9	-3 %	162.6	156.5	152.6	156.5
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]	1,190	1,186	0 %	1,190	1,192	1,194	1,183
Banking Business (incl. Private Banking)							
Cost-to-income ratio	0.72	0.56	29 %	0.79	0.74	0.63	0.59
Borrowing from the public[1]	3,576.2	3,370.0	6 %	3,576.2	3,492.1	3,415.2	3,396.6
Lending to the public[1]	6,938.4	6,485.2	7 %	6,938.4	6,805.2	6,660.2	6,591.6
Capital adequacy ratio, % [1]	16.6	17.0	-2 %	16.6	16.6	16.0	15.9
Tier 1 capital ratio, % [1]	10.8	10.4	4 %	10.8	10.8	10.3	10.1
Risk-weighted commitments [1]	3,643.1	3,583.0	2 %	3,643.1	3,648.6	3,656.5	3,673.1
Asset Management							
Mutual fund volume[1]	3,379.2	4,027.5	-16 %	3,379.2	4,147.7	4,125.4	4,264.0
Managed and brokered assets[1]	6,204.6	6,658.4	-7 %	6,204.6	7,048.7	6,921.6	6,978.2
Life Insurance							
Premiums written before reinsurers' share	78.0	71.0	10 %	19.3	23.9	34.8	101.2
Expense ratio, %[2]	95.5	95.0	1 %	95.5	98.4	97.5	93.6
Solvency margin[1]	116.4	114.2	2 %	116.4	96.9	85.9	98.8
Solvency ratio, %[2]	19.2	18.6	3 %	19.2	15.9	14.1	16.1
Investments at fair value[1]	934.1	937.1	0 %	934.1	950.0	944.5	951.3
Technical provisions for interest-related insurances[1]	575.5	588.4	-2 %	575.5	581.1	586.8	587.7
Technical provisions for unit-linked insurances[1]	269.6	254.3	6 %	269.6	298.5	297.4	282.4
Non-Life Insurance							
Premiums written before reinsurers' share	58.6	56.3	4 %	12.4	15.0	31.2	67.2
Premiums earned	48.4	46.2	5 %	16.3	15.6	16.5	61.4
Expense ratio, % [2]	25.9	25.2	3 %	25.9	25.9	23.7	26.5
Loss ratio, % [2]	77.8	79.6	-2 %	77.8	82.6	87.9	80.0
Combined ratio, % [2]	103.7	104.8	-1 %	103.7	108.5	111.6	106.6
Technical provisions before reinsurers' share[1]	127.4	126.2	1 %	127.4	133.1	135.3	119.7
Solvency capital[1]	55.5	51.3	8 %	55.5	46.9	42.2	46.6
Solvency ratio of technical provisions, %[1]	48.0	45.2	6 %	48.0	38.7	34.6	43.6
Risk carrying capacity, %[1]	88.3	84.6	4 %	88.3	75.7	67.9	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)	1-9/2011	1-9/2010	Δ %	2010
Net interest income	100.2	113.4	-12 %	149.3
Dividends	0.1	1.1	-92 %	1.1
Commission income	56.9	54.3	5 %	73.8
Commission expenses	-13.7	-12.2	-13 %	-16.8
Net commission income	43.2	42.1	2 %	57.0
Net income from life-insurance	18.8	14.4	31 %	16.5
Net income from non-life insurance	18.3	17.4	5 %	22.6
Net income from financial transactions	-14.2	-7.7	-84 %	-5.6
Net income from investment properties	0.5	0.4	6 %	0.5
Other operating income	2.7	6.2	-56 %	7.9
Total operating income	**169.6**	**187.4**	**-10 %**	**249.4**
Staff costs	-61.6	-59.9	3 %	-82.8
IT-expenses	-20.5	-17.7	16 %	-23.8
Depreciation of tangible and intangible assets	-4.8	-5.4	-12 %	-7.2
Other operating expenses	-35.3	-32.0	11 %	-45.2
Total operating expenses	**-122.2**	**-115.0**	**6 %**	**-159.0**
Write-downs on credits, other commitments and outstanding premium receivables	-6.9	-9.8	-29 %	-14.1
Share of profit from associated companies	0.0	1.7	-	1.6
Operating profit	**40.4**	**64.4**	**-37 %**	**77.9**
Taxes	-11.8	-16.5	-28 %	-19.9
Profit for the period	**28.6**	**47.9**	**-40 %**	**58.0**
Attributable to:				
Shareholders in Aktia plc	27.7	46.0	-40 %	55.5
Non-controlling interest	0.9	1.9	-53 %	2.6
Total	**28.6**	**47.9**	**-40 %**	**58.0**
Earnings per share (EPS), EUR	0.42	0.69	-40 %	0.83
Earnings per share (EPS), EUR, after dilution	0.42	0.69	-40 %	0.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)	1-9/2011	1-9/2010	Δ %	2010
Profit for the period	28.6	47.9	-40 %	58.0
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	1.2	6.6	-81 %	-31.7
Change in valuation of fair value for cash flow hedging	0.1	10.8	-99 %	4.3
Transferred to the income statement for financial assets available for sale	-2.3	3.4	-	6.5
Total comprehensive income for the period	**27.6**	**68.7**	**-60 %**	**37.1**
Total comprehensive income attributable to:				
Shareholders in Aktia plc	26.7	67.1	-60 %	34.6
Non-controlling interest	0.9	1.6	-41 %	2.5
Total	**27.6**	**68.7**	**-60 %**	**37.1**
Total earnings per share, EUR	0.40	1.01	-60 %	0.52
Total earnings per share, EUR, after dilution	0.40	1.01	-60 %	0.52

CONSOLIDATED BALANCE SHEET

(EUR million)	30.9.2011	31.12.2010	Δ	30.9.2010
Assets				
Cash and balances with central banks	303.3	273.4	11 %	146.9
Financial assets reported at fair value via the income statement	7.3	20.9	-65 %	21.2
Interest-bearing securities	2,582.1	3,241.0	-20 %	3,072.3
Shares and participations	110.2	142.7	-23 %	142.2
Financial assets available for sale	2,692.3	3,383.7	-20 %	3,214.4
Financial assets held until maturity	20.0	21.5	-7 %	21.5
Derivative instruments	264.2	230.2	15 %	291.7
Lending to credit institutions	59.8	46.0	30 %	44.1
Lending to the public and public sector entities	6,938.4	6,591.6	5 %	6,485.2
Loans and other receivables	6,998.2	6,637.6	5 %	6,529.3
Investments for unit-linked provisions	271.0	280.0	-3 %	253.1
Investments in associated companies	3.5	5.2	-33 %	6.0
Intangible assets	17.7	13.3	33 %	11.7
Investment properties	22.4	24.3	-8 %	24.7
Other tangible assets	5.9	6.7	-13 %	6.8
Accrued income and advance payments	79.7	87.1	-8 %	81.1
Other assets	30.1	21.3	42 %	54.9
Total other assets	109.9	108.3	1 %	136.0
Income tax receivables	16.5	0.0	-	1.0
Deferred tax receivables	13.2	13.4	-2 %	6.2
Tax receivables	29.7	13.4	121 %	7.2
Assets classified as held for sale	0.7	0.7	0 %	0.8
Total assets	**10,746.0**	**11,019.2**	**-2 %**	**10,671.3**
Liabilities				
Liabilities to credit institutions	945.1	959.7	-2 %	1,024.7
Liabilities to the public and public sector entities	3,576.2	3,396.6	5 %	3,370.0
Deposits	4,521.3	4,356.3	4 %	4,394.7
Derivative instruments	147.8	149.5	-1 %	174.0
Debt securities issued	3,696.0	3,381.9	9 %	2,875.9
Subordinated liabilities	258.5	256.0	1 %	252.2
Other liabilities to credit institutions	395.7	1,012.5	-61 %	1,128.2
Other liabilities to the public and public sector entities	31.6	177.0	-82 %	81.9
Other financial liabilities	4,381.9	4,827.4	-9 %	4,338.3
Technical provisions for interest-related insurances	575.5	587.7	-2 %	588.4
Technical provisions for unit-linked insurances	269.6	282.4	-5 %	254.3
Technical provisions for non-life insurances	127.4	119.7	6 %	126.2
Technical provisions	972.4	989.8	-2 %	968.9
Accrued expenses and income received in advance	101.0	93.2	8 %	78.8
Other liabilities	45.6	44.0	4 %	118.8
Total other liabilities	146.6	137.2	7 %	197.6
Provisions	0.2	0.7	-74 %	0.2
Income tax liabilities	2.4	9.0	-73 %	5.0
Deferred tax liabilities	55.8	51.8	8 %	63.7
Tax liabilities	58.2	60.7	-4 %	68.7
Liabilities for assets classified as held for sale	0.2	0.2	0 %	0.2
Total liabilities	**10,228.5**	**10,521.9**	**-3 %**	**10,142.6**
Equity				
Restricted equity	125.7	127.4	-1 %	169.1
Unrestricted equity	333.5	325.6	2 %	316.1
Shareholders' share of equity	459.2	453.0	1 %	485.3
Non-controlling interest's share of equity	58.2	44.3	32 %	43.4
Equity	**517.5**	**497.3**	**4 %**	**528.7**
Total liabilities and equity	**10,746.0**	**11,019.2**	**-2 %**	**10,671.3**

CONSOLIDATED CASH FLOW STATEMENT

(EUR million)	1-9/2011	1-9/2010	Δ %	2010
Cash flow from operating activities				
Operating profit	40.4	64.4	-37 %	77.9
Adjustment items not included in cash flow for the period	15.7	18.1	-13 %	26.3
Paid income taxes	-30.3	-24.5	-23 %	-27.6
Cash flow from operating activities before change in operating receivables and liabilities	**25.9**	**58.0**	**-55 %**	**76.6**
Increase (-) or decrease (+) in receivables from operating activities	392.0	-219.1	-	-565.2
Increase (+) or decrease (-) in liabilities from operating activities	-364.6	-34.0	-971 %	417.8
Total cash flow from operating activities	**53.3**	**-195.1**	**-**	**-70.8**
Cash flow from investing activities				
Financial assets held until maturity	1.4	6.4	-78 %	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	1.9	-	-	0.3
Investment in tangible and intangible assets	-9.0	-4.1	-120 %	-7.4
Disposal of tangible and intangible assets	2.5	5.0	-51 %	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	**10.3**	**16.5**	**-37 %**	**13.2**
Cash flow from financing activities				
Subordinated liabilities	1.2	-1.7	-	2.1
Own shares divested	0.2	0.3	-39 %	0.3
Paid dividends	-19.9	-15.9	-25 %	-15.9
Total cash flow from financing activities	**-18.5**	**-17.3**	**-7 %**	**-13.6**
Change in cash and cash equivalents	**45.1**	**-196.0**	**-**	**-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	324.6	154.7	110 %	279.5
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	8.3	8.6	-3 %	9.6
Insurance operation's cash and bank	5.0	4.6	10 %	3.6
Bank of Finland current account	290.0	133.7	117 %	260.2
Repayable on demand claims on credit institutions	21.3	7.8	172 %	6.1
Total	**324.6**	**154.7**	**110 %**	**279.5**
Adjustment items not included in cash flow consist of:				
Impairment of financial assets available for sale	1.3	2.8	-54 %	3.9
Write-downs on credits. other commitments and outstanding premium receivables	6.9	9.8	-29 %	14.1
Change in fair values	2.9	4.0	-27 %	3.2
Depreciation and impairment of intangible and tangible assets	5.1	5.8	-12 %	8.1
Share of profit from associated companies	0.3	-1.4	-	-0.9
Sales gains and losses from intangible and tangible assets	0.3	-2.5	-	-2.4
Other adjustments	-1.2	-0.3	-246 %	0.5
Total	**15.7**	**18.1**	**-13 %**	**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**
Share issue						0.0		0.0
Divestment of own shares					0.3	0.3		0.3
Dividens to shareholders					-15.9	-15.9		-15.9
Profit for the period					*46.0*	*46.0*	*1.9*	*47.9*
Financial assets available for sale			*10.0*			*10.0*	*0.0*	*10.0*
Cash flow hedging			*11.1*			*11.1*	*-0.3*	*10.8*
Total comprehensive income for the period			21.1		46.0	67.1	1.6	68.7
Other change in equity		0.4				0.4	9.1	9.6
Equity as at 30 September 2010	**93.9**	**10.8**	**64.4**	**72.7**	**243.5**	**485.3**	**43.4**	**528.7**
Equity as at 1 January 2011	**93.9**	**11.0**	**22.5**	**72.7**	**253.0**	**453.0**	**44.3**	**497.3**
Share issue						0.0		0.0
Divestment of own shares					0.2	0.2		0.2
Dividens to shareholders					-19.9	-19.9		-19.9
Profit for the period					*27.7*	*27.7*	*0.9*	*28.6*
Financial assets available for sale			*-1.2*			*-1.2*	*0.1*	*-1.1*
Cash flow hedging			*0.2*			*0.2*	*0.0*	*0.1*
Total comprehensive income for the period			-1.0		27.7	26.7	0.9	27.6
Other change in equity		-0.7				-0.7	13.0	12.4
Equity as at 30 September 2011	**93.9**	**10.4**	**21.5**	**72.7**	**260.8**	**459.2**	**58.2**	**517.5**

QUARTERLY TRENDS IN THE GROUP

(EUR million)	7-9/2011	4-6/2011	1-3/2011	10-12/2010	7-9/2010
Net interest income	31.9	33.6	34.7	35.9	36.6
Dividends	0.0	0.0	0.0	0.0	0.0
Net commission income	13.0	15.5	14.7	14.9	13.2
Net income from life insurance	7.1	5.6	6.2	2.1	3.8
Net income from non-life insurance	8.1	5.5	4.6	5.2	7.1
Net income from financial transactions	-11.9	-3.3	1.0	2.2	-1.9
Net income from investment properties	0.2	0.1	0.2	0.1	0.1
Other operating income	0.8	0.7	1.2	1.7	1.2
Total operating income	**49.3**	**57.7**	**62.6**	**62.0**	**60.2**
Staff costs	-18.6	-22.2	-20.8	-22.9	-17.4
IT-expenses	-7.5	-7.0	-6.0	-6.1	-6.5
Depreciation of tangible and intangible assets	-1.6	-1.6	-1.6	-1.8	-1.8
Other operating expenses	-11.0	-12.6	-11.8	-13.2	-10.4
Total operating expenses	**-38.6**	**-43.4**	**-40.1**	**-44.1**	**-36.2**
Write-downs on credits, other commitments and outstanding premium receivables	-1.2	-2.1	-3.6	-4.3	-1.4
Share of profit from associated companies	0.1	-0.1	0.0	-0.1	0.7
Operating profit	**9.5**	**12.1**	**18.8**	**13.5**	**23.4**
Taxes	-4.0	-3.2	-4.6	-3.4	-5.5
Profit for the period	**5.5**	**8.9**	**14.2**	**10.1**	**17.9**
Attributable to:					
Shareholders in Aktia plc	5.7	8.5	13.4	9.5	17.3
Non-controlling interest	-0.2	0.4	0.7	0.6	0.6
Total	**5.5**	**8.9**	**14.2**	**10.1**	**17.9**
Earnings per share (EPS), EUR	0.09	0.13	0.20	0.14	0.26
Earnings per share (EPS), EUR, after dilution	0.09	0.13	0.20	0.14	0.26

QUARTERLY TRENDS OF COMPREHENSIVE INCOME

(EUR million)	7-9/2011	4-6/2011	1-3/2011	10-12/2010	7-9/2010
Profit for the period	5.5	8.9	14.2	10.1	17.9
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	18.1	8.5	-25.4	-38.3	8.4
Change in valuation of fair value for cash flow hedging	8.8	2.0	-10.7	-6.5	-1.3
Transferred to the income statement for financial assets available for sale	-1.1	0.5	-1.8	3.1	2.6
Total comprehensive income for the period	**31.4**	**20.0**	**-23.7**	**-31.6**	**27.7**
Total comprehensive income attributable to:					
Shareholders in Aktia plc	31.7	19.6	-24.7	-32.4	26.8
Non-controlling interest	-0.3	0.3	0.9	0.9	0.9
Total	**31.4**	**20.0**	**-23.7**	**-31.6**	**27.7**
Total earnings per share, EUR	0.48	0.30	-0.37	-0.49	0.40
Total earnings per share, EUR, after dilution	0.48	0.30	-0.37	-0.49	0.40

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 September 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 September 2011 was approved by the Board of Directors on 8 November 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 September 2011.

NOTE 2 GROUP SEGMENT REPORT

Income statement	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		Eliminations		Total Group	
(EUR million)	1-9/2011	1-9/2010	1-9/2011	1-9/2010	1-9/2011	1-9/2010	1-9/2011	1-9/2010	1-9/2011	1-9/2010	1-9/2011	1-9/2010	1-9/2011	1-9/2010
Net interest income	97.0	110.8	2.8	2.6	-	-	-	-	0.0	-0.3	0.4	0.3	100.2	113.4
Net commission income	32.3	31.2	12.7	12.3	-	-	-	-	5.5	5.7	-7.4	-7.0	43.2	42.1
Net income from life-insurance	-	-	-	-	19.3	15.9	-	-	-	-	-0.5	-1.5	18.8	14.4
Net income from non-life insurance	-	-	-	-	-	-	16.6	19.1	-	-	1.7	-1.7	18.3	17.4
Other income	-3.6	-2.5	0.4	0.2	-	-	0.3	0.4	-3.7	5.2	-4.4	-3.2	-10.9	0.1
Total operating income	**125.7**	**139.5**	**15.9**	**15.1**	**19.3**	**15.9**	**16.9**	**19.5**	**1.9**	**10.5**	**-10.2**	**-13.1**	**169.6**	**187.4**
Staff costs	-31.1	-28.1	-5.9	-6.4	-4.0	-4.0	-7.9	-8.2	-12.5	-13.0	-0.3	-0.3	-61.6	-59.9
IT-expenses	-9.8	-8.7	-0.6	-0.7	-0.8	-0.7	-1.0	-1.0	-8.2	-6.6	-	0.0	-20.5	-17.7
Depreciation of tangible and intangible assets	-1.7	-1.7	-0.4	-0.4	-0.5	-0.3	-0.4	-0.4	-1.8	-2.0	-	-0.5	-4.8	-5.4
Other expenses	-45.8	-35.1	-4.6	-4.5	-4.9	-4.6	-6.5	-5.1	15.8	8.0	10.7	9.3	-35.3	-32.0
Total operating expenses	**-88.3**	**-73.6**	**-11.5**	**-11.9**	**-10.2**	**-9.6**	**-15.8**	**-14.7**	**-6.7**	**-13.7**	**10.3**	**8.5**	**-122.2**	**-115.0**
Write-downs on credits, other commitments and outstanding premium receivables	-6.3	-9.1	-	-	-	-	-0.6	-0.7	-	-	-	-	-6.9	-9.8
Share of profit from associated companies	-	-	-	-	-	-	-	-	-	-	0.0	1.7	0.0	1.7
Operating profit	**31.1**	**56.9**	**4.4**	**3.2**	**9.1**	**6.2**	**0.6**	**4.1**	**-4.9**	**-3.2**	**0.1**	**-2.8**	**40.4**	**64.4**
Contribution of insurance businesses to the Groups' operating profit					9.1	5.3	2.3	1.9						

Balance sheet	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		Eliminations		Total Group	
(EUR million)	30.9.2011	31.12.2010	30.9.2011	31.12.2010	30.9.2011	31.12.2010	30.9.2011	31.12.2010	30.9.2011	31.12.2010	30.9.2011	31.12.2010	30.9.2011	31.12.2010
Cash and balances with central banks	298.2	269.7	0.1	0.1	16.6	6.9	8.5	3.5	-	-	-20.1	-6.9	303.3	273.4
Financial assets reported at fair value via the income statement	-	-	-	-	3.2	14.1	4.0	6.8	-	-	-	-	7.3	20.9
Financial assets available for sale	1,906.5	2,593.6	1.1	8.0	666.9	664.6	130.1	112.3	0.0	22.4	-12.4	-17.3	2,692.3	3,383.7
Loans and other receivables	6,988.6	6,652.1	69.9	53.8	-	-	-	-	2.7	0.1	-63.1	-68.3	6,998.2	6,637.6
Investments for unit-linked provisions	-	-	-	-	271.0	280.0	-	-	-	-	-	-	271.0	280.0
Other assets	455.0	389.6	6.2	7.0	21.1	19.7	37.7	34.4	359.0	357.3	-405.1	-384.3	474.0	423.8
Total assets	**9,648.3**	**9,905.0**	**77.4**	**68.9**	**978.9**	**985.3**	**180.3**	**156.9**	**361.8**	**379.7**	**-500.7**	**-476.7**	**10,746.0**	**11,019.2**
Deposits	4,349.0	4,189.8	203.5	179.8	-	-	-	-	-	1.9	-31.2	-15.2	4,521.3	4,356.3
Debt securities issued	3,708.4	3,397.8	-	-	-	-	-	-	-	-	-12.4	-15.9	3,696.0	3,381.9
Technical provision for insurance business	-	-	-	-	845.0	870.2	122.0	112.5	-	-	5.4	7.2	972.4	989.8
Other liabilities	1,088.7	1,845.4	8.9	9.3	19.9	17.3	24.6	17.6	67.3	79.7	-170.5	-175.6	1,038.8	1,793.8
Total liabilities	**9,146.1**	**9,433.1**	**212.4**	**189.1**	**864.9**	**887.5**	**146.6**	**130.1**	**67.3**	**81.6**	**-208.7**	**-199.5**	**10,228.5**	**10,521.9**

NOTE 3 DERIVATIVES AND OFF-BALANCE SHEET COMMITMENTS

Hedging derivative instruments (EUR million) 30.9.2011	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	3,940.5	127.0	32.5
Total	**3,940.5**	**127.0**	**32.5**
Cash flow hedging			
Interest rate-related	655.0	21.0	0.0
Total	**655.0**	**21.0**	**0.0**
Derivative instruments valued via the income statement			
Interest rate-related *)	7,289.2	112.2	111.4
Currency-related	87.0	0.6	0.5
Equity-related **)	119.3	2.6	2.6
Other derivative instruments **)	4.2	0.8	0.8
Total	**7,499.7**	**116.2**	**115.3**
Total derivative instruments			
Interest rate-related	11,884.7	260.2	143.9
Currency-related	87.0	0.6	0.5
Equity-related	119.3	2.6	2.6
Other derivative instruments	4.2	0.8	0.8
Total	**12,095.2**	**264.2**	**147.8**

Hedging derivative instruments (EUR million) 30.9.2010	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	3,197.5	101.3	38.5
Total	**3,197.5**	**101.3**	**38.5**
Cash flow hedging			
Interest rate-related	960.0	53.8	0.1
Total	**960.0**	**53.8**	**0.1**
Derivative instruments valued via the income statement			
Interest rate-related *)	7,085.8	128.2	126.5
Currency-related	165.8	4.4	4.8
Equity-related **)	98.3	3.4	3.4
Other derivative instruments **)	4.3	0.6	0.6
Total	**7,354.2**	**136.7**	**135.3**
Total derivative instruments			
Interest rate-related	11,243.3	283.3	165.1
Currency-related	165.8	4.4	4.8
Equity-related	98.3	3.4	3.4
Other derivative instruments	4.3	0.6	0.6
Total	**11,511.7**	**291.7**	**174.0**

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 6,947.0 (6,739.0) million.

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

Off-balance sheet commitments

(EUR million)	30.9.2011	31.12.2010	30.9.2010
Commitments provided to a third party on behalf of the customers			
Guarantees	45.7	48.4	48.4
Other commitments provided to a third party	3.7	5.5	5.1
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	580.3	607.6	606.1
Other commitments provided to a third party	5.5	8.8	10.3
Off-balance sheet commitments	**635.1**	**670.4**	**669.9**

NOTE 4 THE GROUP'S RISK EXPOSURE

The Bank Group's capital adequacy

					(EUR million)
Summary	9/2011	6/2011	3/2011	12/2010	9/2010
Tier 1 capital	393.4	393.1	378.3	371.5	371.7
Tier 2 capital	210.3	213.4	205.5	214.1	235.8
Capital base	**603.7**	**606.5**	**583.8**	**585.7**	**607.5**
Risk-weighted amount for credit and counterparty risks	3,294.4	3,300.0	3,307.8	3,324.4	3,270.3
Risk-weighted amount for market risks[1]	-	-	-	-	-
Risk-weighted amount for operational risks	348.6	348.6	348.6	348.6	312.7
Risk-weighted commitments	**3,643.1**	**3,648.6**	**3,656.5**	**3,673.1**	**3,583.0**
Capital adequacy ratio, %	**16.6**	**16.6**	**16.0**	**15.9**	**17.0**
Tier 1 Capital ratio, %	**10.8**	**10.8**	**10.3**	**10.1**	**10.4**
Minimum capital requirement	**291.4**	**291.9**	**292.5**	**293.8**	**286.6**
Capital buffer (difference between capital base and minimum requirement)	312.3	314.6	291.3	291.8	320.9

[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)
	9/2011	6/2011	3/2011	12/2010	9/2010
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	58.2	58.6	45.4	44.3	43.4
Retained earnings	95.9	95.9	95.4	65.8	65.8
Profit for the period	22.4	16.9	10.5	50.1	41.5
./. Provision for dividends to shareholders	-15.8	-10.5	-5.3	-20.8	-11.1
Capital loan	30.0	30.0	30.0	30.0	30.0
Total	398.3	398.4	383.6	376.9	377.1
./. Intangible assets	-4.9	-5.3	-5.2	-5.4	-5.4
Tier 1 capital	**393.4**	**393.1**	**378.3**	**371.5**	**371.7**
Fund at fair value	-31.5	-28.1	-28.7	-16.6	5.0
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	196.7	196.5	189.2	185.8	185.9
Tier 2 capital	**210.3**	**213.4**	**205.5**	**214.1**	**235.8**
Total capital base	**603.7**	**606.5**	**583.8**	**585.7**	**607.5**

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

Total exposure 9/2011			(EUR million)
Risk-weight	Balance assets	Off-balance sheet commitments	Total
0%	1,069.4	33.7	1,103.1
10%	1,038.0	-	1,038.0
20%	721.7	343.3	1,065.0
35%	5,386.1	104.8	5,490.9
50%	0.8	-	0.8
75%	576.5	76.3	652.9
100%	579.2	76.8	656.0
150%	19.7	0.8	20.5
Total	**9,391.4**	**635.8**	**10,027.1**
Derivatives *)	330.3	-	330.3
Total	**9,721.7**	**635.8**	**10,357.4**

Risk-weighted exposures					(EUR million)
Risk-weight	9/2011	6/2011	3/2011	12/2010	9/2010
0%	-	-	-	-	-
10%	103.8	103.2	110.4	121.2	118.7
20%	158.9	191.6	227.7	243.1	215.6
35%	1,898.3	1,857.3	1,811.6	1,780.8	1,731.2
50%	0.4	0.4	-	0.0	0.1
75%	458.0	465.7	470.3	478.2	488.1
100%	616.6	624.7	637.0	646.8	665.0
150%	30.1	31.3	21.2	20.4	24.2
Total	**3,266.0**	**3,274.3**	**3,278.2**	**3,290.5**	**3,242.9**
Derivatives *)	28.4	25.7	29.6	33.9	27.5
Total	**3,294.4**	**3,300.0**	**3,307.8**	**3,324.4**	**3,270.3**

*) 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	9/2011	6/2011	3/2011	12/2010	9/2010
Gross income	208.5	199.4	149.9					
- average 3 years	185.9							
Capital requirement for operational risk				27.9	27.9	27.9	27.9	25.0
Risk-weighted amount, Basel 2				348.6	348.6	348.6	348.6	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	9/2011	6/2011	3/2011	12/2010	9/2010
Tier 1 capital for the group	470.7	467.1	445.7	450.4	440.2
Sector-specific items	237.4	222.1	205.5	229.6	265.1
Intangible assets and other specific reductions	-155.8	-153.7	-127.7	-141.4	-140.6
Conglomerate's total capital base	**552.3**	**535.5**	**523.5**	**538.7**	**564.8**
Capital requirement for banking business	292.3	294.4	295.0	296.3	289.0
Capital requirement for insurance business	47.3	47.9	48.1	47.8	47.4
Minimum amount for capital base	**339.6**	**342.2**	**343.0**	**344.2**	**336.4**
Conglomerate's capital adequacy	**212.7**	**193.3**	**180.5**	**194.5**	**228.4**
Capital adequacy ratio, %	**162.6 %**	**156.5 %**	**152.6 %**	**156.5 %**	**167.9 %**

The conglomerate´s capital adequacy is based on consolidation method and is calculated according to the rules of the Finnish Act on the Supervision of Financial and Insurance Conglomerates and the standards of the Finnish Financial Supervisory 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)	1-9/2011	1-9/2010	Δ %	2010
Deposits and lending	47.1	40.9	15 %	54.8
Hedging, interest rate risk management	27.9	45.7	-39 %	58.3
Other	25.2	26.8	-6 %	36.3
Net Interest Income	100.2	113.4	-12 %	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)	1-9/2011	1-9/2010	Δ %	2010
Income from insurance premiums	77.7	70.7	10 %	100.7
Net income from investments	21.5	20.9	3 %	25.5
Insurance claims paid	-64.9	-58.6	-11 %	-79.2
Net change in technical provisions	-15.5	-18.6	17 %	-30.6
Net income from life insurance	18.8	14.4	31 %	16.5
Premium income earned	48.4	46.2	5 %	61.4
Net income from investments	2.2	2.8	-21 %	3.5
Insurance claims paid	-33.8	-32.2	-5 %	-41.9
Change in provisions for outstanding claims	1.5	0.6	134 %	-0.3
Net income from non-life insurance	18.3	17.4	5 %	22.6

Helsinki 8 November 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 NINE MONTHS PERIOD ENDING SEPTEMBER 30, 2011

INTRODUCTION

We have reviewed the balance sheet as of 30 September 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 nine-month period then ended, as well as a summary of significant accounting policies and other explanatory notes to the financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and other Finnish rules and regulations governing the preparation of interim reports. 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 September 2011 and the result of its operations and cash flows for the nine-month period then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki 8 November 2011
KPMG Oy Ab

Jari Härmälä
Authorized Public Accountant

ACCOUNTS ANNOUNCEMENT 2011
15 FEBRUARY 2012

ANNUAL GENERAL MEETING
16 APRIL 2012

INTERIM REPORT 1-3/2012
10 MAY 2012

INTERIM REPORT 1-6/2012
6 AUGUST 2012

INTERIM REPORT 1-9/2012
8 NOVEMBER 2012

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

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

Business ID 0108664-3
BIC/S.W.I.F.T. HELSFIHH

Investor Relations
PO Box 207
Mannerheimintie 14
FIN-00101 Helsinki
Fax +358 10 247 6249

Investor Relations Manager Anna Gabrán
tel. +358 10 247 6501
ir(at)aktia.fi

Website: www.aktia.fi
Contact address: aktia(at)aktia.fi
E-mail: firstname.surname(at)aktia.fi