Aktia

AKTIA PLC'S ACCOUNTS ANNOUNCMENT

1 January - 31 December 2010

A STRONG 2010: OPERATING PROFIT EUR 77.9 (47.0) MILLION

- Group operating profit for 2010 improved 66% to EUR 77.9 (47.0) million and the profit for the period to EUR 58.0 (34.0) million.
- Earnings per share was up 62% to EUR 0.83 (0.52).
- Aktia's Board of Directors proposes a raised dividend to EUR 0.30 (0.24) per share.
- Net interest income remained strong at EUR 149.3 (152.2) million.
- Net commission income advanced 23% to EUR 57.0 (46.3) million.
- Net income from life insurance was EUR 16.5 (14.0) million.
- Net income from non-life insurance improved 49% to EUR 22.6 (15.2) million.
- Write-downs on credits and outstanding premium receivables were clearly lower than last year and stood at EUR -14.1 (-31.7) million.
- Aktia Bank plc's credit rating remained unchanged A1/C/P-1 (Moody's Investors Service) on 19 November 2010.
- The full-year profit for 2011 will probably be lower than in 2010.

OCTOBER-DECEMBER: OPERATING PROFIT EUR 13.5 (9.8) MILLION

- Despite increasing write-downs by group and the insurance companies' provisions, group operating profit for October-December 2010 improved 37% to EUR 13.5 (9.8) million and the profit for the period to EUR 10.1 (6.8) million. Earnings per share was up 43% to EUR 0.14 (0.10).
- Net interest income decreased but remained at a good level of EUR 34.9 (39.8) million.
- Net commission income improved to EUR 14.9 (14.5) million.
- Net income from life insurance doubled to EUR 6.8 (3.2) million.
- Net income from non-life insurance rose notably to EUR 5.2 (1.5) million.
- Write-downs on credits and outstanding premiums stood at EUR 4.3 (5.5) million.

CEO JUSSI LAITINEN:

"Aktia had a good year. All our business areas achieved as good results as in the previous year, or better. We strengthened our market position in the most important customer segments, and I'm especially pleased about the fact that our customers give us top marks in customer satisfaction surveys. This year is more challenging with a continuing financial crisis in the euro area and increased regulation of financing which will undoubtedly result in higher costs. Aktia strives to manage this structural challenge with the current capital base and a continued focus on growth. "

(EUR million)	2010	2009	Δ	10-12/ 2010	10-12/ 2009	Δ	7-9/ 2010	4-6/ 2010	1-3/ 2010
Net interest income	149.3	152.2	-2 %	34.9	39.8	-12 %	37.0	38.6	38.9
Total operating income	249.4	233.1	7 %	62.0	58.7	6 %	60.2	66.2	61.0
Operating profit before write-downs on credits	92.0	78.7	17 %	17.8	15.3	16 %	24.7	27.4	22.1
Write-downs on credit and outstanding premiums	-14.1	-31.7	-56 %	-4.3	-5.5	-22 %	-1.4	-3.8	-4.6
Operating profit	77.9	47.0	66 %	13.5	9.8	37 %	23.4	23.5	17.5
Cost-to-income ratio	0.59	0.57	4 %	0.68	0.57	19 %	0.58	0.54	0.57
Earnings per share (EPS), EUR	0.83	0.52	62 %	0.14	0.10	43 %	0.26	0.25	0.18
Equity per share (NAV)[1], EUR	6.81	6.52	4 %	6.81	6.52	4 %	7.30	6.89	6.86
Return on equity (ROE),%	12.0	8.7	39 %	7.9	5.9	35 %	13.9	14.2	10.5
Capital adequacy ratio[1],%	15.9	15.9	0 %	15.9	15.9	0 %	17.0	16.5	16.2
Tier 1 capital ratio[1],%	10.1	9.5	6 %	10.1	9.5	6 %	10.4	10.1	9.6
Write-downs on credits/total credit stock, %	0.20	0.51	-61 %	0.06	0.09	-33 %	0.02	0.05	0.08

1) At the end of the period . "Accounts annoncement 1 January - 31 December 2010" is a translation of the original report in Swedish ("*Bokslutskommuniké 1.1-31.12.2010*"). In case of discrepancies, the Swedish version prevails.

PROFIT
October - December 2010

The Group's operating profit in the fourth quarter was sound and amounted to EUR 13.5 (9.8) million. Higher provisions and a lower net interest income resulted in a weaker operating profit than during the year's previous quarters.

INCOME

During October - December the Group's total income increased 6% to EUR 62.0 (58.7) million. Net interest income remained strong but decreased to EUR 34.9 (39.8) million. Net income from life insurance doubled to EUR 6.8 (3.2) million. Net income from non-life insurance improved to EUR 5.2 (1.5) million. Net commission income amounted to EUR 14.9 (14.5) million.

COSTS

The costs in total increased 3% to EUR 44.1 (42.7) million. Following Aktia's strategy, investments into IT and media visibility were increased which lifted other administrative expenses by 11% to EUR 14.3 (12.9) million. Higher provisions to the personnel fund, other result related compensations and costs for restructuring of personnel raised staff costs by 5% to EUR 22.9 (21.8) million. Other operating expenses decreased by 22% to EUR 4.9 (6.4) million.

PROVISIONS DURING THE FOURTH QUARTER

Following adjusted accounting principles, an additional write-down by group worth EUR 12.0 million was made. This related to larger corporate engagements. Individual write-downs worth EUR 10.8 million were reversed. These were related to two larger restructured corporate engagements.

The insurance companies made additional provisions worth EUR 3.7 million as a preparation for the forthcoming new mortality assumptions with longer life expectancy. The new assumptions will be developed by the insurance sector during spring 2011.This increased technical provisions for the life insurance business by EUR 2.5 million and for the non-life insurance business by EUR 1.2 million.

SEGMENT OVERVIEW

The segments' contribution to the Group's operating profit

(mn euro)	10-12/ 2010	10-12/ 2009	Δ
Banking Business	12.8	19.1	-33 %
Asset Management	1.2	0.4	242 %
Life Insurance	-1.3	-0.3	-292 %
Non-Life Insurance	-0.2	-5.1	96 %
Miscellaneous	1.5	-4.7	-
Eliminations	-0.5	0.5	-
Total	**13.5**	**9.8**	**37 %**

The lower net interest income decreased the operating profit for the banking business by 33% to EUR 12.8 (19.1) million. Loans and other commitments totalling EUR 3.9 (5.1) million were written down. Write-downs on loans were lower than during the corresponding period last year.

Asset management improved profitability and its operating profit strengthened to EUR 1.2 (0.4) million. The market share of mutual funds was 7.0 (7.0)%.

The life insurance business contribution to the Group's operating profit weakened to EUR -1.3 (-0.3) million. The non-life insurance contribution to the Group's operating profit rose to EUR -0.2 (-5.1) million.

PRESS AND ANALYSTS' CONFERENCE 17 FEBRUARY 2011 AT 12.30 – 1.30 P.M.

Aktia's CEO Jussi Laitinen and Deputy Managing Director, CFO Stefan Björkman will present the report and answer questions.

The presentation will be available at www.aktia.fi.

The conference will be held at Aktia's Head Office, Mannerheimintie 14, 7th floor.

ACTIVITY
January - December 2010

BUSINESS ENVIRONMENT

Short interest rates climbed gradually, but remained at a low level throughout 2010, whereas long interest rates went up especially towards the end of the year. The long interest rates and risk premiums climbed particularly after the escalating euro crises in December. This had a negative impact on Aktia's financial assets reported at fair value.

The general revival of the Finnish economy as well as the low level of interest rates resulted in clearly lower write-downs on credits compared to 2009. During 2010 the OMX Helsinki 25 index rose by 29.3%.

According to Statistics Finland, Finnish consumers confidence in the economy normalised in December from the exceptionally high levels in September–November (>20). In December 2010, consumer confidence was 13.5 compared to 14.4 the year before.

The acceleration of Finnish real estate prices slowed down towards the end of 2010, and were generally up by 5.4% and in the Helsinki region by 6.4%. (*Statistics Finland*).

In December inflation accelerated to 2.9 from an average level of 1.2% during the year. Unemployment increased to 8.4 (2009; 8.2)% (*Statistics Finland*).

Key figures	2011E	2010	2009
GDP growth			
World	4.5*	4.8*	-1.3
EU	1.8*	1.8*	-4.0
Finland	2.9*	3.1*	-7.8
Consumer price index			
EU	2.0*	2.2	0.3
Finland	2.2*	2.2	0.1
Other key ratios			
Development of real value of housing in Finland	2.0*	5.4	-0.3
OMX Helsinki 25	-	29.3	28.3
Interest rates			
ECB	1.25*	1.00	1.00
10-y interest Ger (=benchmark)	3.50*	2.95	3.40
Euribor 12 months	1.75*	1.51	1.30
Euribor 3 months	1.50*	1.01	0.70
Unemployment in Finland	7.5*	8.4	8.2

* At the end of the year (Aktia's chief economist's prognosis)

RATING

The international rating agency Moody's Investor Service kept its credit opinion of Aktia Bank plc's credit rating unchanged in an update on 19 November 2010. 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 2010

The Group's operating profit improved by 66% to EUR 77.9 (47.0) million. The Group profit amounted to EUR 58.0 (34.0) million.

INCOME

The Group's total income increased by 7% during 2010 to EUR 249.4 (233.1) million.

Net interest income amounted to EUR 149.3 (152.2) million. In the low interest rate environment the managing of interest rate risk made a significant positive contribution to the net interest income's persistence.

Both derivatives and fixed rate instruments are utilised by Aktia Bank to manage interest rate risks. The derivatives and fixed rate instruments used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 57.5 (33.6) million.

Net commission income increased by 23% to EUR 57.0 (46.3) million. Commission income from mutual funds, asset management and brokering increased by 34% to EUR 37.6 (28.1) million. Card and payment services commissions rose to EUR 14.3 (11.5) million.

Net income from life insurance amounted to EUR 16.5 (14.0) million.

A lower number of claims, improved net income from investments and last year's cost reductions measures improved Aktia Non-Life Insurance's net income to EUR 22.6 (15.2) million. Net income from the insurance businesses includes insurance premiums written, net income from investments, insurance claims paid and the change in technical provisions.

The insurance companies made additional provisions worth EUR 3.7 million as a preparation for the forthcoming new mortality assumption with longer life expectancy. The new assumption will be developed by the insurance sector during spring 2011.

Other operating income was EUR 7.9 (3.6) million. This includes a sales gain of divestment of Aktia Bank plc's non-controlling holding in Esperi Care Oy. Aktia Bank Plc's associated company Unicus Oy handled the transaction and divested also its holding in Esperi Care. The transaction added a total of EUR 1.7 million to the operating profit.

Net income from financial transactions was EUR -5.6 (0.8) million. This consisted mainly of interest rate derivatives negative time value and of remaining realised losses from divesting liquid assets.

EXPENSES

The Group's operating expenses in 2010 rose by 3% to EUR 159.0 (154.2) million.

Higher provisions for the personnel fund and other result related payments increased staff costs by 5% to EUR 82.8 (79.2) million.

Other administration expenses increased by 12% to EUR 50.2 (44.8) million of which the most part of the increase consisted of costs for IT development and media visibility.

Aktia Group donated a total of EUR 300,000 to various universities.

Total depreciation and write-downs on tangible and intangible assets were up somewhat to EUR 7.2 (6.9) million.

Other operating expenses fell 20% to EUR 18.7 (23.4) million. Last year other operating expenses included advisory fees and other expenses in relation to the listing of Aktia plc.

BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS

The Group's balance sheet total increased by 4% from year-end and amounted to EUR 11,019 (10,556) million. The increase in the balance sheet total is largely due to growth in both deposit and mortgage stocks.

BORROWING

Aktia's liquidity was partly supported by a larger deposit stock from the public and partly by Aktia Bank's and Aktia Real Estate Mortgage Bank's issues.

Total deposits from the public and public sector entities rose by 12% from year-end to EUR 3,397 (3,029) million. A more active marketing boosted Aktia's market share in deposits to 3.61 (3.33)%. Simultaneously lending from the central bank was reduced.

During 2010, Aktia Group issued in total bonds worth EUR 3,382 million, thereby increasing by EUR 634 million.

Aktia Real Estate Mortgage Bank plc issued covered bonds in March and November 2010 for a total value of EUR 1,000 million. The bonds were issued at a fixed rate with a five respectively three-year maturity.

Outstanding Aktia Bank certificates of deposit amounted to EUR 446 million at the end of the year. During 2010, Aktia Bank issued new subordinated debts and index-linked loans with a total value of EUR 80 million.

Aktia Bank also issued other long-term funding, (Schuldscheindarlehen) worth EUR 101 million as a part of preparations for new regulations concerning banks and insurance companies (Basel III) during the year.

LENDING

The Group's total lending to the public amounted to EUR 6,592 (6,061) million, representing an increase of EUR 531 million. Excluding the mortgages brokered by savings and local cooperative banks that the local banks are committed to capitalise, the Group's lending increased by EUR 222 million (5%) from the beginning of the year.

Loans to private households (including mortgages brokered by local savings and cooperative banks) accounted for EUR 5,478 (4,924) million or 83.1 (83.1) % of the total loan stock. The housing loan stock increased from the beginning of the year by 11% and totalled EUR 5,121 (4,598) million. Aktia's market share in housing loans stood at 4.28 (4.23)% at the end of December.

Corporate lending accounted for 11.5 (12.9)% of Aktia's loan stock. Total corporate lending amounted to EUR 761 (782) million.

During 2010, loans granted to housing associations amounted to EUR 289 (289) million and stood for 4.4 (4.8)% of Aktia's total loan stock.

Interest-bearing financial assets available for sale were EUR 3,241 (3,277) million. Of interest-bearing financial assets, EUR 650 (620) million relates to the insurance companies' investment portfolios and EUR 2,591 (2,657) million mainly to the banking business' liquidity portfolio.

TECHNICAL PROVISIONS

Life insurance technical provisions amounted to EUR 870 (805) million, of which EUR 282 (210) million were unit-linked.

At the end of December, total technical provisions of non-life insurance stood at EUR 120 (119) million.

EQUITY AND COMMITMENTS

Aktia Group's equity amounted to EUR 497 (466) million at the end of 2010.

The Group's fund at fair value amounted to EUR 22 (43) million and showed a detoriation of EUR 21 million since the beginning of the year.

Off-balance sheet commitments increased by EUR 95 million from the beginning of the year and amounted to EUR 670 (575) million. This increase was largely due to unused credit facilities (loan promises and limits).

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)	2010	2009	Change
Banking Business	69.7	55.4	26%
Asset Management	4.4	0.9	402%
Life Insurance	3.9	2.7	47%
Non-Life Insurance	1.7	-7.7	-
Miscellaneous	-1.6	-2.0	20%
Eliminations	-0.2	-2.3	93%
Total	**77.9**	**47.0**	**66%**

BANKING BUSINESS

The banking business' contribution to the Group's operating profit amounted to EUR 69.7 (55.4) million.

Operating income totalled EUR 188.5 (186.3) million. Net interest income was EUR 145.5 (146.9) million and net commission income increased by 24% totalling EUR 41.7 (33.7) million. Card and payment provisions increased by 25% which lifted net commission income. Net commission income from mutual funds and insurance increased 28%.

Operating expenses amounted to EUR 105.9 (99.9) million, of which staff costs accounted for EUR 38.4 (36.0) million.

The banking business' customer base increased by 11,919 private customers (+4%) during 2010. Sales activities are supported by the Aktia Dialogue concept whereby customers' needs are mapped out and Aktia's whole service portfolio is presented. During 2010, more than 41,000 Dialogues were carried out, which increased sales volume.

The number of Internet agreements was up 9% from the beginning of the year and amounted to approximately 127,000.

Total savings by households increased by 15% from the beginning of the year to EUR 3,578 (3,113) million. Of these, household deposits were EUR 2,701 (2,372) million and household savings in mutual funds stood at EUR 877 (741) million.

Aktia's lending to private households, including the mortgages brokered by Aktia Bank, increased by 7% from the year-end to EUR 3,924 (3,658) million. Mortgage loans brokered by Aktia's branch offices amounted to EUR 1,642 (1,346) million. In addition, the savings and local cooperative banks brokered mortgages amounting to EUR 1,599 (1,290) million.

The average lending margin for new housing loans was 0.90 (1.03) in December.

Corporate banking's net interest income was EUR 9.3 (8.3) million which is 12% higher year-on-year. Net commission income from corporate banking was up 11% to EUR 2.7 (2.4) million year-on-year.

The income of the real estate agency business was inline with the previous year's level, standing at EUR 7.7 (7.8) million.

ASSET MANAGEMENT

The Asset management's contribution to the Group's operating profit amounted to EUR 4.4 (0.9) million.

Managed assets continued to develop favourably during 2010. Aktia provides a wide and competitive range of services in the capital market for both private individuals and institutions. The Asset Management segment carries on to focus on private banking operations and institutional investors.

Operating income, i.e. income after reversals to the Group's other units and business partners, was EUR 21.1 (15.6) million. Operating expenses increased by 13% to EUR 16.7 (14.7) million, of which staff costs made up EUR 9.1 (8.1) million.

A survey carried out by Scandinavian Financial Research (SFR) in 2010 showed that Aktia's asset management services for institutional customers were top of the range in Finland. The survey was carried out among about 90 institutional investors who found Aktia's services to be the best in Finland as a whole.

The volume of funds managed and brokered by Aktia, including the share of brokered funds, was EUR 4,264 (3,786) million. At the end of the year Aktia's market share of mutual funds stood at 7.0 (7.0)%. The total market is based on information from the Finnish Association of Mutual Funds.

The assets managed by Aktia Asset Management and Aktia Invest increased, partly thanks to an upswing in the market, and totalled EUR 6,978 (5,996) million. Assets managed by Aktia Invest amounted to EUR 2,440

(2,140) million. The customer assets of Private Banking totalled EUR 1,301 (926) million, increasing 14%.

LIFE INSURANCE

The life insurance's contribution to the Group's operating profit amounted to EUR 3.9 (2.7) million.

Premiums written during 2010 increased by 25% and were EUR 100.7 (80.5) million. The growth derives mainly from unit-linked savings and investment-linked insurance that have increased by 93%. Of the premium volume for savings and investment-linked insurance and pension insurance, unit-linked insurance accounted for 76 (62)%.

Claims paid amounted to EUR 79.2 (79.8) million. The loss ratio for risk insurance remained at a good level of 79 (79)%.

Operating costs totalled EUR 13.1 (13.3) million. The expense ratio stood at 93.6% compared to 100.7% for the year before. The improved cost efficiency derives from a reorganised distribution within the Aktia Group. A new production system for the management of savings and pension insurances was implemented during 2010.

The return on the company's investments based on market value was 5.2 (5.6)%. The derivatives used by the life insurance company to limit its interest rate and currency risk improved operating profit by EUR 2.1 (-0.6) million.

Technical provisions totalled EUR 870 (805) million, of which provisions for unit-linked insurance policies represented EUR 282 (210) million and interest-linked provisions EUR 588 (595) million. The interest-linked provisions include an additional EUR 2.5 million to adapt to a longer life-expectancy. The average required rate for interest-linked provisions was 3.6%. Customers with interest rate-linked insurance and who are entitled to additional benefits receive for 2010 a total yield of 2.5-4.5%, deriving from interest rate and a possible customer compensation.

The company's solvency ratio improved to 16.1% compared to 14.4% at year-end 2009.

NON-LIFE INSURANCE

The contribution of the non-life insurance business to the Group's operating profit was EUR 1.7 (-7.7) million.

Premiums written for Aktia Non-Life Insurance rose by approximately 1% on the corresponding period the previous year. This increase is mainly attributable to private customers. Premiums written before the reinsurers' share were EUR 67.2 (66.3) million. Premiums earned after the reinsurers' share and change in provisions for unearned premiums amounted to EUR 61.4 (60.6) million.

Claims incurred fell to EUR 42.2 (47.0) million. Cost of claims include an additional EUR 1.2 million in provisions to adapt for the new mortality assumptions with a longer life expectancy. The guarantee premium system for statutory non-life insurances, which was abolished through amended legislation 31 December 2010, generated additional income of EUR 0.5 million.

Operating costs decreased to EUR 20.0 (21.7) million.

The combined ratio in 2010 was 106.6% compared to 119.0% the previous year. The lower combined ratio is largely explained by lower frequency of loss and lower staff costs.

Net income from investments amounted to EUR 7.5 (3.8) million. The restructuring of the investment portfolio generated losses in 2009. The return on the company's investments based on market value was 5.0 (1.5)%.

Of the non-life insurance business' total technical provisions of EUR 112 (110) million, provisions for outstanding claims stood at EUR 91 (89) million. The company's risk carrying capacity was 76.8 (72.4)% .

MISCELLANEOUS

In 2010 the operating profit of the Miscellaneous segment was EUR -1.6 (-2.0) 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 were in total EUR 38.8 (35.1) million and were distributed as follows: banking business EUR 31.5 (29.3) million, asset management EUR 3.7 (2.7) million, life insurance EUR 1.5 (1.4) million and non-life insurance EUR 2.2 (1.7) million.

CAPITAL ADEQUACY AND SOLVENCY

The Bank Group's capital adequacy ratio amounted to 15.9 (15.9) % and the Tier 1 capital ratio was 10.1 (9.5)%. The Bank Group includes Aktia Bank and Aktia Real Estate Mortgage Bank.

Aktia Bank plc's capital adequacy ratio stood at 20.3% compared to 19.9% at the end of 2009. The Tier 1 capital ratio was 12.8 (11.7)%.

The life insurance company's solvency margin amounted to EUR 98.8 (86.3) million, where the minimum requirement is EUR 34.3 (34.0) million. The solvency ratio amounted to 16.1 (14.4)%.

The non-life insurance company's solvency margin amounted to EUR 18.9 (18.4) million, where the minimum requirement is EUR 13.5 (13.1) million. The solvency capital was EUR 46.6 (43.6) million and a risk carrying capacity of 76.8 (72.4)% was reported.

Capital adequacy ratio for the conglomerate amounted to 159.4 (157.4)%. The statutory minimum stipulated in the Act on the Supervision of Financial and Insurance Conglomerates is 100%.

WRITE-DOWNS OF LOANS, GUARANTEE CLAIMS AND OUTSTANDING PREMIUM RECEIVABLES

In 2010, the total of write-downs on credit, guarantee and outstanding premium receivables stood at EUR -14.1 (-31.7) million.

The write-downs on credit and guarantee claims based on individual examination were significantly lower than last year, amounting to EUR -12.7 (-33.1) million. Private households accounted for EUR -0.7 (-1.1) million of these. Accumulated assets and reversals of previous write-downs amounted to EUR 0.9 (2.1) million.

Previous individual write-downs worth EUR 10.8 million were reversed. In the fourth quarter, a write-down by group of EUR 12 million was made in accordance with revised accounting principles for individually valuated larger corporate arrangements. The impact of this on the result for the quarter is EUR -1.2 million.

Total write-downs on credits with impact on result amounted to 0.2 (0.5%) of total lending. Corresponding impact on result from corporate loans amounted to 1.6 (3.8)% of total corporate lending.

At year-end, write-downs by group on portfolio level amounted to a total of EUR 19.3 (7.4) million, of which EUR 7.3 (7.4) million related to households and small companies and EUR 12.0 (0.0) million to larger corporate arrangements.

During the year, the non-life insurance company made write-downs on outstanding premium receivables totalling EUR -1.1 (-0.7) million.

VALUATION OF FINANCIAL ASSETS

VALUE CHANGES REPORTED VIA INCOME STATEMENT

Write-downs on financial assets during 2010 with impact on profit was EUR -3.9 million, whereas these totalled EUR -24.0 million in 2009. The write-downs were mainly related to permanently diminished value in indirect real-estate assets within the life insurance company's investment portfolio.

Write-downs on financial assets

EUR million	2010	2009
Interest-bearing securities		
Banking Business	-	-0.4
Life Insurance Business	-0.1	-14.0
Non-Life Insurance Business	-	-
Shares and participations		
Banking Business	-	-
Life Insurance Business	-3.8	-9.6
Non-Life Insurance Business	-	-
Total	**-3.9**	**-24.0**

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 22.5 (43.3) 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 25.7 (21.4) million.

Specification of the fund at fair value

EUR million	2010	2009	Change
Shares and participations			
Banking Business	0.2	3.7	-3.5
Life Insurance Business	2.6	0.2	2.3
Non-Life Insurance business	0.3	-0.2	0.5
Direct interest-bearing securities			
Banking Business	-16.6	13.3	-29.9
Life Insurance Business	10.7	5.6	5.0
Non-Life Insurance business	-0.4	-0.8	0.4
Cash flow hedging	25.7	21.4	4.3
Fund at fair value, total	**22.5**	**43.3**	**-20.8**

THE GROUP'S RISK MANAGEMENT

RISK EXPOSURE

The banking business includes Retail Banking and the financing companies, Corporate Banking, Treasury and Asset Management. Life insurance business is carried out by Aktia Life Insurance, and non-life insurance business by Aktia Non-Life Insurance.

LENDING-RELATED RISKS WITHIN BANKING

Credit stock had a good quality.

Credit stock increased in 2010 by 9 (12)% or EUR 531 million, totalling EUR 6,592 (6,061) million at the end of December. As planned, this increase mainly occurred within household financing through Aktia Real Estate Mortgage Bank plc and households' share of the total credit stock amounted to EUR 5,479 (4,924) million or 83.1 (81.3)% at the end of December, or 87.5 (86.0)% when combined with housing associations. Of the loans to households, 86.7 (86.2)% are secured against adequate real estate collateral in accordance with Basel 2.

Credit stock by sector

EUR million	31.12.2010	31.12.2009	Change	Share, %
Corporate	761	782	-21	11.5
Housing associations	289	289	0	4.4
Public sector entities	7	10	-3	0.1
Non-profit organisations	56	55	1	0.8
Households	5,479	4,924	554	83.1
Total	**6,592**	**6,061**	**531**	**100.0**

Housing credit stock totalled EUR 5,121 (4,598) million, of which mortgages granted by Aktia Real Estate Mortgage Bank plc made up EUR 3,050 (2,498) million. In all, housing loans increased by 11 (14)% against year-end 2009. The average balance in relation to collateral market value improved to 56.2 (56.5)% in Aktia Real Estate Mortgage Bank's lending.

The proportion of the total credit stock accounted for by corporate loans fell as planned to 11.5 (12.9)% and totalled EUR 761 (782) million.

Lending to the public secured by collateral objects or unsecured within the framework of the financing companies Aktia Corporate Finance and Aktia Card & Finance totalled EUR 103 (85) million, representing 1.6 (1.4)% of total lending. The increase derived mainly from Aktia Corporate Finance.

Loans with payments 1-30 days overdue decreased from year-end to 2.58 (2.97)% of credit stock, including off-balance sheet guarantee commitments. Loans with payments 31-89 days overdue increased somewhat to 0.84 (0.76)%, totalling EUR 56 million. Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, totalled EUR 36 million, corresponding to 0.55 (0.56)% of the entire credit stock plus bank guarantees.

Undischarged debts by time overdue

EUR million Days	31.12.2010	% of the credit stock	31.12.2009	% of the credit stock
1-30	171	2.58	181	2.97
of which households	118	1.77	114	1.86
31-89	56	0.84	46	0.76
of which households	45	0.67	38	0.61
90-	36	0.55	34	0.56
of which households	20	0.30	18	0.30

THE GROUP'S FINANCING AND LIQUIDITY RISKS

The financing and liquidity risks are dealt with at corporate legal level, and there are no financing commitments from the Bank Group (Aktia Bank plc and its subsidiaries) to the insurance companies.

In the banking business, financing and liquidity risks are defined as the availability of refinancing plus the differences in maturity between assets and liabilities. The objective is to be able to cover one year's refinancing requirements using existing liquidity. At the end of the year, the Bank Group's liquidity buffer was good and corresponding to two years refinancing requirements.

Within the life insurance business, liquidity risks are defined as the availability of financing for paying out claims, savings sums and surrenders, and pensions. The need for liquidity is satisfied mainly through the inward flow of cash and a portfolio of investment certificates which has been adapted in line with varying needs. Any unforeseen significant need for liquidity is taken care of through the investment portfolio (primarily bonds).

Within the non-life insurance business, liquidity risks are defined as the availability of financing for paying out claims and depend on the number of claims and their scale. Liquidity risks are managed through the inward flow of cash plus an portfolio of bank deposits, investment certificates and government bonds.

COUNTERPARTY RISKS

COUNTERPARTY RISKS WITHIN BANKING BUSINESS

The banking business' liquidity portfolio, which comprises interest-bearing securities stood at EUR 2,556 (2,615) million. Individual investment decisions are made in accordance with an investment plan in place and are based on careful assessment of the counterparty. Counter-party risks are limited by the requirement for a high external rating (a minimum rating of A3 by Moody's Investor Service or equivalent), and limits are set for maximum exposure per counterparty and asset category.

Of the financial assets available for sale, 59 (55)% were investments in covered bonds, 28 (29)% were investments in banks, 9 (10)% were investments in state-guaranteed financial senior bonds and approximately 4 (6)% were investments in public sector entities and companies.

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

Rating distribution for banking business

EUR million	31.12.2010 2,556	31.12.2009 2,615
Aaa	53.0%	55.1%
Aa1-Aa3	32.3%	29.6%
A1-A3	10.8%	11.6%
Baa1-Baa3	0.8%	0.6%
Ba1-Ba3	0.7%	0.2%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (no rating)	1.8%	1.9%
No rating	0.6%	1.0%
Total	**100.0%**	**100.0%**

Of these financial assets, 1.5 (0.8)% did not meet the internal rating requirements. As a result of a reduced credit rating, two security assets with a total market value of EUR 15 (27) million.

No write-downs were realised as a result of the issuer announcing its inability to pay whereas the write-downs during 2009 amounted to EUR -0.4 million.

COUNTERPARTY RISKS IN THE LIFE INSURANCE BUSINESS

Fixed income assets amounted to EUR 577 (570) million which corresponds to 82 (82)% of investments. Counterparty risks arising in connection with the life insurance company's investments are managed by the requirement for a high-class external rating of at least rating class A3 from Moody's Investors Service for banks and states, and "investment grade" external rating (at least Baa3) for companies, and by rules concerning the maximal exposure for each counterparty and asset category.

At the end of December 2010, 39 (47)% of direct interest rate investments were receivables from public sector entities, 22 (23)% were corporate bonds and 39 (30)% were receivables from banks and covered bonds.

The net change in value amongst interest-rate instruments earlier written down and booked was EUR -0.1 million, whereas EUR -14.0 million was written down the previous year.

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

EUR million	31.12.2010 577	31.12.2009 570
Aaa	58.9%	52.5%
Aa1-Aa3	13.1%	12.2%
A1-A3	14.3%	18.3%
Baa1-Baa3	6.2%	11.4%
Ba1-Ba3	2.3%	1.4%
B1-B3	0.1%	0.0%
Caa1 or lower	0.2%	0.3%
No rating	4.9%	3.9%
Total	**100.0%**	**100.0%**

1.0 (2.6)% of direct interest rate investments did not meet Aktia's internal rating requirements

COUNTERPARTY RISKS IN THE NON-LIFE INSURANCE BUSINESS

The direct interest rate investments totalled EUR 113 (104) million at the end of December 2010 corresponding to 77 (73)% of investments. Counterparty risks arising in connection with the non-life insurance company's investments are managed by the requirement for a high-class external rating of at least rating class A3 from Moody's Investors Service for banks and states, and "investment grade" external rating (at least Baa3) for companies, and by rules concerning the maximal exposure for each counterparty and asset category.

At the end of December, 57 (64)% of the direct interest rate investments were receivables from public sector entities, 10 (10)% were corporate bonds and 33 (26)% were receivables from banks and covered bonds. No write-downs were realised during 2010.

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

	31.12.2010	31.12.2009
EUR million	**113**	**104**
Aaa	57.9%	58.4%
Aa1-Aa3	24.4%	16.7%
A1-A3	7.0%	12.5%
Baa1-Baa3	1.4%	11.4%
Ba1-Ba3	7.1%	0.5%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
No rating	2.2%	0.4%
Total	**100.0%**	**100.0%**

All direct interest rate investments met Aktia's internal rating requirements (31.12.2009; 1.0)%

MARKET VALUATION OF FINANCIAL ASSETS

Aktia pursues no trading activities. Both the financial assets within the banking business and the investment assets within the life and non-life insurance businesses are invested in securities with access to market prices in an active market, and are valued in accordance with official quoted prices. Any significant or long-term impairment of market value compared to the acquisition price is shown in the income statement, while interest-rate fluctuations are reported under the fund at fair value after the deduction of deferred tax.

STRUCTURAL INTEREST RATE RISK IN THE BANKING BUSINESS

Structural interest rate risk arises as a result of an imbalance between interest rate ties and the re-pricing of assets and liabilities, and affects net interest income. Managing business operations, hedging derivative instruments and fixed-rate investments within the liquidity portfolio are utilised to secure sustainability in net interest income, also in a scenario with low market rates on a longer term.

MARKET VALUE INTEREST RATE RISK IN THE BANKING BUSINESS

Market value interest rate risk refers to changes in value of financial assets available for sale as a result of interest rate fluctuations or changes in credit, interest rate or spread risks. The size och maturity is restricted and risk level of the liquidity portfolio is managed as a result of capital allocation limits.

The net change in the fund at fair value, relating to market value interest rate risk and credit and spread risk, was negative and totalled EUR -29.9 million after the deduction of deferred tax. At the end of December 2010, the valuation difference in interest-bearing securities was EUR -16.6 (13.3) million.

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 by Aktia Bank plc.

At the end of 2010 real estate assets totalled EUR 3.4 (3.4) million. Investments in shares which are necessary or strategic to the business totalled EUR 26.9 (30.6) million. The fund at fair value related to the above strategic share investments amounted to EUR 0.2 (3.7) million after the deduction of deferred tax.

INVESTMENT RISKS IN THE LIFE INSURANCE BUSINESS

The policyholder bears the investment risk of investments that provide cover for unit-linked insurance policies. These investments are valuated on an ongoing basis at fair value and any changes in value are posted to technical provisions for unit-linked insurance policies.

The investment portfolio covering technical provisions is measured on an ongoing basis at market value. During 2010, write-downs with impact on profit were posted which were attributable to shares and participations and indirect real estate holdings totalling EUR -3.8 (-9.6) million. The fund at fair value attributable to shares posted totalled EUR 2.6 (0.2) million after the deduction of deferred tax.

The net change in value of the fund at fair value with regard to interest-bearing securities was EUR 5.0 million after the deduction of deferred tax. At the end of December, the valuation difference of interest-bearing securities stood at EUR 10.7 (5.6) million.

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

EUR million	31.12.2010		31.12.2009	
Shares	0.0	0.0%	0.3	0.0%
Bonds	638.5	91.2%	609.7	88.0%
Money market	6.9	1.0%	24.0	3.5%
Real estate	38.6	5.5%	38.0	5.5%
Other	16.1	2.3%	20.7	3.0%
Total	**700.0**	**100.0%**	**692.6**	**100.0%**

UNDERWRITING RISKS IN THE LIFE INSURANCE BUSINESS

Underwriting risks occur where future claim payments become higher than expected. Taking into account the provision of reinsurance cover, the insurance business has been relatively stable. The provision of reinsurance cover for different insurance portfolios reduces the volatility of financial results and eliminates risks that could affect the company's future business opportunities.

INVESTMENT RISKS IN THE NON-LIFE INSURANCE BUSINESS

The investment portfolio covering total technical provisions is measured on an ongoing basis at market value. The investment plan is to synchronise investments and cash flow of technical provisions. The investment plan does not include equity investments.

The net change posted in value of the fund at fair value with regard to interest-bearing securities was EUR 0.4 million after the deduction of deferred tax. At the end of December, the valuation difference of interest-bearing securities stood at EUR -0.4 (-0.8) million.

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

EUR million	31.12.2010		31.12.2009	
Shares	0.0	0.0%	0.0	0.0 %
Bonds	116.2	79.1%	105.9	74.4 %
Money market	3.6	2.5%	6.3	4.4 %
Real estate	25.9	17.6%	28.2	19.8 %
Other	1.2	0.8%	2.0	1.4 %
Total	**146.9**	**100.0%**	**142.4**	**100.0 %**

UNDERWRITING RISKS IN THE NON-LIFE INSURANCE BUSINESS

Underwriting risks occur where future claim payments become higher than expected. Taking into account the provision of reinsurance cover, the insurance business has been relatively stable. The provision of reinsurance cover for different insurance portfolios reduces the volatility of financial results and eliminates risks that could affect the company's future business opportunities.

OPERATIONAL RISKS

Operational risks refer to loss risks arising as a result of unclear or incomplete instructions, activities carried out contrary to instructions, unreliable information, deficient systems or actions taken by staff members. If an operational risk is realised, this can result in direct or indirect financial losses or tarnish the corporate image to the extent that the bank's credibility in the marketplace suffers.

No events regarded as operational risks causing significant financial losses occurred in 2010.

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.

During the second quarter Aktia plc received an extraordinary dividend of EUR 30.0 million from Aktia Bank plc. The funds were reinvested to Aktia Bank plc through a capital loan.

No significant changes concerning close relations occurred.

EVENTS DURING THE REPORTING PERIOD

The three largest shareholders of Aktia plc have 20 December 2010 appointed the following persons as members of Aktia's nomination committee.

Stiftelsen Tre Smeder (earlier Savings Banks Foundation Helsinki) - Chamber Counsellor Håkan Mattlin

Life Annuity Institution Hereditas - Chamber Counsellor Mikael Westerback

Pension Insurance Company Veritas - LL.M. Jan-Erik Stenman

The chairman of Aktia's Board of Supervisors, Chamber Counsellor Henry Wiklund, is expert member of the nomination committee.

EVENTS AFTER THE END OF THE REPORTING PERIOD

At Aktia plc's Board meeting on 28 January, 2011, the Board of Directors decided on the composition of the Board's Audit Committee, Risk Committee, as well as the Remuneration and Corporate Governance Committee.

The Board elected Nina Wilkman as chair of the Audit Committee. Hans Frantz and Nils Lampi were elected as members.

To the Risk Committee, Kjell Sundström was elected chairman and Marcus H. Borgström, Lars-Erik Kvist and Dag Wallgren as members.

The Board elected Dag Wallgren chairman and Marcus H. Borgström, Hans Frantz, Marina Vahtola and Nina Wilkman as members of the Remuneration and Corporate Governance Committee.

Key persons within the asset and liability management team of Aktia Bank's Treasury started a new partner-driven company specialised in consulting and reporting within asset and liability management. Aktia, savings banks and local cooperative banks hold non-controlling interest and intend to buy services from the company.

PERSONNEL

The average number of full-time employees during 2010 was 1,183 (31.12.2009; 1,213).

PERSONNEL FUND AND MANAGEMENT'S INCENTIVE PROGRAMME FOR 2010

Aktia Abp'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 30 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.

A bonus system has been set up for the CEO and the other members of the Group's Executive Committee which is based on the Group's financial results and annually defined targets at company and individual level. The individual bonus to the Executive Committee members cannot exceed the equivalent of three months' salary each year.

For 2010, the Executive Committee is also included in a share-based incentive scheme that offers the members of the Executive Committee the opportunity to acquire a maximum of 55,833 shares. The outcome is dependent on separate targets of which the performance conditions have been decided on by the Board of Directors.

Aktia Group's renumeration statement has been published on Aktia plc's website. (http://www.aktia.fi/management_and_governance/remuneration)

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

At its meeting on 9 December 2010, Aktia's Board of Supervisors re-elected all members of the present Board of Directors.

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 Robert Sergelius, Director Barbro Karhulahti, Director Taru Narvanmaa, Director Anders Nordman, Director Gösta Råholm and Director Olav Uppgård and Marit Leinonen, as staff representative.

CHANGES IN GROUP STRUCTURE

The merger of Aktia's real estate companies were completed during the year and Aktia's real estate agency business now operates as Aktia Fastighetsförmedling Ab.

Aktia Invest was incorporated. Personnel now holds 30% and Aktia Bank plc the remaining 70%.

Aktia Corporate Finance Ltd has become a fully owned subsidiary.

PROPOSALS TO THE ANNUAL GENERAL MEETING

The Board of Directors will propose to the Annual General Meeting on 29 March 2011 a dividend of EUR 0.30 per share for the period 1 January - 31 December 2010. This corresponds to a dividend ratio of 36% on the year's profit. The proposed dividend amounts to a total of EUR 19.9 (16.1) million.

The proposed record date for the dividend will be 1 April 2011 and the dividend will be paid out on 8 April 2011.

The report by the Board of Directors, financial statements, corporate governance report and annual report will be published on 8 March 2011 and the printed annual report during week 12.

Aktia plc's Nomination Committee proposes that members of the Supervisory Board Håkan Fagerström, Christina Gestrin, Patrik Lerche, Kristina Lyytikäinen, Håkan Mattlin, Jorma J. Pitkämäki, Peter Simberg, Bengt Sohlberg, Lorenz Uthardt and Marianne Österberg, who are all due to step down at the Annual General Meeting 2011, be re-elected, and that Mikael Westerback, Chamber Counsellor, and Sven-Erik Granholm, B.Sc. (Econ.), be elected as members at Aktia plc's Annual General Meeting on 29 March 2011. All candidates are proposed a 3 years term of office. Thus, the number of members of the Supervisory Board is proposed to be 35.

The Nomination Committee proposes remuneration for members of the Supervisory Board to remain unchanged from the previous year. Remuneration proposed

- Annual remuneration, Chair, EUR 21,500
- Annual remuneration, Deputy Chair, EUR 9,500
- Annual remuneration, Member, EUR 4,200
- Remuneration per meeting EUR 450

Further, the members are proposed to be entitled to compensation for costs for travel and lodging and a daily allowance in accordance with government travel rules.

The Nomination Committee proposes to the Annual General Meeting that the APA firm KPMG Oy Ab be elected as auditor. Remuneration to the auditor is proposed to be paid as invoiced.

Following the decision taken by Aktia plc's Annual General Meeting 25 March 2011, the Nomination Committee prepares proposals for decisions to be taken by the Annual General Meeting concerning individuals to become members of the Board of Supervisors, auditor/s as well as the remuneration of these. The Nomination Committee comprises representatives of the three largest shareholders on 1 November the year before the Annual General Meeting plus the chairman of the Board of Supervisors.

SHARE CAPITAL AND OWNERSHIP

At the end of December 2010, 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 series A shares and 20,050,850 series R shares. The number of shareholders at the end of the year was 49,034.

Of the merger compensation related to the merger with Veritas Non-Life Insurance of 6,800,000 shares, a further 111,733 new series A shares were registered on book-entry accounts during 2010. The inspection and registration of outstanding shares continues. The number of unregistered shares at the end of 2010 was 898,964 or 1.3% of all shares.

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

Largest 20 owners Ownership per 31 December 2010	A shares	R shares	Shares	Of shares %	Votes	Of votes %	Change in number of shares 2010
Stiftelsen Tre Smeder[1]*	7,276,028	3,873,938	11,149,966	16.64	84,754,788	18.92	-256,193
Life Annuity Institution Hereditas*	4,648,114	2,066,106	6,714,220	10.02	45,970,234	10.26	209,000
Pension Insurance Company Veritas	4,027,469	2,134,397	6,161,866	9.20	46,715,409	10.43	-270,000
Aktia Foundation in Espoo-Kauniainen*	2,146,585	1,193,458	3,340,043	4.99	26,15,745	5.81	-189,834
Oy Hammarén & Co Ab	1,890,000	950,000	2,840,000	4.24	20,890,000	4.66	5,000
Svenska litteratursällskapet i Finland rf*	1,681,786	789,229	2,471,015	3.69	17,466,366	3.90	
Åbo Academy Foundation*	1,495,640	751,000	2,246,640	3.35	16,515,640	3.69	
Aktia Foundation in Vantaa	1,168,900	927,209	2,096,109	3.13	19,713,080	4.40	-251,803
Aktia Foundation in Porvoo*	1,303,370	651,525	1,954,895	2.92	14,333,870	3.20	320
Aktia Foundation in Vaasa*	978,525	547,262	1,525,787	2.28	11,923,765	2.66	
Kirkkonummi Savings Bank Foundation*	876,529	438,264	1,314,793	1.96	9,641,809	2.15	
Karjaa-Pohja Savings Bank Foundation*	787,350	393,675	1,181,025	1.76	8,660,850	1.93	
Föreningen Konstsamfundet rf*	670,040	377,951	1,047,991	1.56	8,229,060	1.84	
Inkoo Savings Bank Foundation*	646,236	323,118	969,354	1.45	7,108,596	1.59	
Ab Kelonia Oy*	549,417	308,662	858,079	1.28	6,722,657	1.50	
Sipoo Savings Bank Foundation*	462,002	232,001	694,003	1.04	5,102,022	1.14	
Siuntio Savings Bank Foundation*	404,377	227,188	631,565	0.94	4,948,137	1.10	-50,000
Aktia Foundation in Malax*	347,138	177,600	524,738	0.78	3,899,138	0.87	8,638
Tenhola Savings Bank Foundation*	340,021	171,510	511,531	0.76	3,770,221	0.84	1,500
Aktia Foundation in Korsholm*	323,376	175,888	499,264	0.75	3,841,136	0.86	
20 largest owners in total	**32,022,903**	**16,709,981**	**48,732,884**	**72.75**	**366,222,523**	**81.75**	**-793,372**
Others	14,914,005	3,340,869	18,254,874	27.25	81,731,385	18.25	793,372
Total	**46,936,908**	**20,050,850**	**66,987,758**	**100.00**	**447,953,908**	**100.00**	

[1] Stiftelsen Tre Smeder is the former Helsinki Savings Bank foundation

*) Part in shareholders' agreement concerning the parties' mutual pre-emptive right to R shares. This agreement covers 85% of R shares and 25% of the total number of shares.

SHARES

Aktia's trading codes are AKTAV for A series shares and AKTRV for R series shares. Each A series shares carrie one vote and R series shares 20. Otherwise, the shares carry the same rights.

As at 31 December 2010, the last day of trading, the closing price for an A series share was EUR 7.60 and for a R series share EUR 8.50, indicating a market value of EUR 527 million for Aktia. Since the beginning of 2010, the total yield on Aktia A series shares has been 0.2% and -3.4% on R shares. The OMX Nordic Banks and OMX Nordic Financials indices have performed 20.0% respectively 22.7% during the same period.

Share price development 1 Jan - 31 December 2010	Yield
Aktia A	0.2 %
Aktia R	-3.4%
OMX Nordic Banks	22.0%
OMX Nordic Financials	22.7%

Share information	A share	R share
Votes /share	1	20
Market	NASDAQ OMX Helsinki	NASDAQ OMX Helsinki
Listed	29.9.2009	29.9.2009
ISIN	FI0009004733	FI0009015911
Code	AKTAV (OMX)	AKTRV (OMX)
List	OMXH Mid Caps	OMXH Mid Caps
Sector	Regional Banks	Regional Banks
Sector ID	40101015	40101015
Number of shares	46,936,908	20,050,850

In 2010, the average daily turnover of A shares was EUR 122,822 or 16,889 shares. The average daily turnover of R shares was EUR 9,529 or 2,115 shares.

Aktia has entered into a market-making or LP (Liquidity Providing) agreement with Handelsbanken in order to improve liquidity in A shares, which should encourage transactions by small shareholders.

OUTLOOK AND RISKS FOR 2011

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 the net interest income (NII) to an exceptional level are gradually maturing from 2011 onwards. The high NII level from 2009-2010 is therefore difficult to replicate in a low interest rate environment. The write-downs on credit are expected to remain at a low level. 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	2010	2009	Δ	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010	10-12/ 2009
Earnings per share (EPS), EUR	0.83	0.52	62 %	0.14	0.26	0.25	0.18	0.10
Equity per share (NAV), EUR[1]	6.81	6.52	4 %	6.81	7.30	6.89	6.86	6.52
Return on equity (ROE), %	12.0	8.7	39 %	7.9	13.9	14.2	10.5	5.9
Total earnings per share, EUR	0.52	1.72	-70 %	-0.49	0.40	0.02	0.58	0.01
Capital adequacy ratio, % (finance and insurance conglomerate)[1]	159.4	157.4	1 %	159.4	171.0	164.5	162.4	157.4
Average number of shares, million[2]	66.5	66.4	0 %	66.5	66.5	66.5	66.5	66.4
Number of shares at the end of the period[1], million	66.5	66.5	0 %	66.5	66.5	66.5	66.5	66.5
Personnel (FTEs), average number of employees from the beginning of the financial year[1]	1,183	1,213	-2 %	1,183	1,186	1,195	1,202	1,213
Banking Business (incl. Private Banking)								
Cost-to-income ratio	0.59	0.57	4 %	0.68	0.58	0.54	0.57	0.57
Borrowing from the public[1]	3,396.6	3,029.2	12 %	3,396.6	3,370.0	3,351.4	3,180.2	3,029.2
Lending to the public[1]	6,591.6	6,060.8	9 %	6,591.6	6,485.2	6,346.4	6,176.5	6,060.8
Capital adequacy ratio, % [1]	15.9	15.9	0 %	15.9	17.0	16.5	16.2	15.9
Tier 1 capital ratio, % [1]	10.1	9.5	6 %	10.1	10.4	10.1	9.6	9.5
Risk-weighted commitments [1]	3,673.1	3,460.2	6 %	3,673.1	3,583.0	3,555.3	3,527.2	3,460.2
Asset Management								
Mutual fund volume[1]	4,264.0	3,786.2	13 %	4,264.0	4,027.5	3,770.9	4,096.1	3,786.2
Managed and brokered assets[1]	6,978.2	5,995.6	16 %	6,978.2	6,658.4	6,300.8	6,382.3	5,995.6
Life Insurance								
Premiums written before reinsurers' share	101.2	80.9	25 %	30.2	20.5	24.4	26.1	27.2
Expense ratio, %[2]	93.6	100.7	-7 %	93.6	95.0	96.7	104.4	100.7
Solvency margin[1]	98.8	86.3	15 %	98.8	114.2	100.7	97.0	86.3
Solvency ratio, %[2]	16.1	14.4	12 %	16.1	18.6	16.6	16.0	14.4
Investments at fair value[1]	951.3	867.7	10 %	951.3	937.1	909.2	908.4	867.7
Technical provisions for interest-related insurances[1]	587.7	595.0	-1 %	587.7	588.4	589.6	593.4	595.0
Technical provisions for unit-linked insurances[1]	282.4	210.1	34 %	282.4	254.3	236.1	233.4	210.1
Non-Life Insurance								
Premiums written before reinsurers' share	67.2	66.3	1 %	10.9	12.0	14.7	29.6	12.0
Premiums earned	61.4	60.6	1 %	15.2	15.5	15.9	14.8	15.0
Expense ratio, % [2]	26.5	27.9	-5 %	26.5	25.2	25.0	24.5	27.9
Loss ratio, % [2]	80.0	91.1	-12 %	80.0	79.6	82.2	87.1	91.1
Combined ratio, % [2]	106.6	119.0	-10 %	106.6	104.8	107.2	111.5	119.0
Technical provisions before reinsurers' share[1]	119.7	119.3	0 %	119.7	126.2	131.6	134.0	119.3
Solvency capital[1]	46.6	43.6	7 %	46.6	51.3	47.1	45.2	43.6
Solvency ratio of technical provisions, %[1]	43.6	41.8	4 %	43.6	45.2	39.6	38.1	41.8
Risk carrying capacity, %[1]	76.8	72.4	6 %	76.8	84.6	76.6	74.0	72.4

1) At the end of the period, 2) Cumulative from the beginning of the financial year

BASIS OF CALCULATION FOR KEY FIGURES CAN BE FOUND IN AKTIA PLC:S ANNUAL REPORT, PAGE 28

CONSOLIDATED INCOME STATEMENT

(EUR million)	2010	2009	Δ
Net interest income	149.3	152.2	-2 %
Dividends	1.1	0.6	82 %
Commission income	73.8	60.7	22 %
Commission expenses	-16.8	-14.3	-17 %
Net commission income	57.0	46.3	23 %
Net income from life-insurance	16.5	14.0	18 %
Net income from non-life insurance	22.6	15.2	49 %
Net income from financial transactions	-5.6	0.8	-
Net income from investment properties	0.5	0.4	28 %
Other operating income	7.9	3.6	122 %
Total operating income	**249.4**	**233.1**	**7 %**
Staff costs	-82.8	-79.2	5 %
Other administrative expenses	-50.2	-44.8	12 %
Negative goodwill recorded as income	-	0.1	-
Depreciation of tangible and intangible assets	-7.2	-6.9	5 %
Other operating expenses	-18.7	-23.4	-20 %
Total operating expenses	**-159.0**	**-154.2**	**3 %**
Impairment and reversal of impairment on tangible and intangible assets	-	-0.6	-
Write-downs on credits, other commitments and outstanding premium receivables	-14.1	-31.7	-56 %
Share of profit from associated companies	1.6	0.3	400 %
Operating profit	**77.9**	**47.0**	**66 %**
Taxes	-19.9	-13.0	53 %
Profit for the reporting period	**58.0**	**34.0**	**71 %**
Attributable to:			
Shareholders in Aktia plc	55.5	34.3	62 %
Non-controlling interest	2.6	-0.3	-
Total	**58.0**	**34.0**	**71 %**
Earnings per share (EPS), EUR	0.83	0.52	62 %
Earnings per share (EPS), EUR, after dilution	0.83	0.52	62 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)	2010	2009	Δ
Profit for the reporting period	58.0	34.0	71 %
Other comprehensive income after taxes:			
Change in valuation of fair value for financial assets available for sale	-31.7	51.8	-
Change in valuation of fair value for cash flow hedging	4.3	9.0	-53 %
Transferred to the income statement for financial assets available for sale	6.5	19.2	-66 %
Total comprehensive income for the period	**37.1**	**114.1**	**-67 %**
Total comprehensive income attributable to:			
Shareholders in Aktia plc	34.6	114.0	-70 %
Non-controlling interest	2.5	0.2	-
Total	**37.1**	**114.1**	**-67 %**
Total earnings per share, EUR	0.52	1.72	-70 %
Total earnings per share, EUR, after dilution	0.52	1.72	-70 %

CONSOLIDATED BALANCE SHEET

(EUR million)	31.12.2010	31.12.2009	Δ
Assets			
Cash and balances with central banks	273.4	341.0	-20 %
Financial assets reported at fair value via the income statement	20.9	22.5	-7 %
Interest-bearing securities	3,241.0	3,277.3	-1 %
Shares and participations	142.7	155.6	-8 %
Financial assets available for sale	3,383.7	3,433.0	-1 %
Financial assets held until maturity	21.5	27.9	-23 %
Derivative instruments	230.2	210.0	10 %
Lending to credit institutions	46.0	80.7	-43 %
Lending to the public and public sector entities	6,591.6	6,060.8	9 %
Loans and other receivables	6,637.6	6,141.6	8 %
Investments for unit-linked provisions	280.0	208.9	34 %
Investments in associated companies	5.2	4.5	15 %
Intangible assets	13.3	12.4	7 %
Investment properties	24.3	26.9	-10 %
Other tangible assets	6.7	8.1	-17 %
Accrued income and advance payments	87.1	80.3	8 %
Other assets	21.3	31.4	-32 %
Total other assets	108.3	111.6	-3 %
Income tax receivables	0.0	0.8	-97 %
Deferred tax receivables	13.4	6.0	122 %
Tax receivables	13.4	6.8	96 %
Assets classified as held for sale	0.7	0.8	-2 %
Total assets	**11,019.2**	**10,555.8**	**4 %**
Liabilities			
Liabilities to credit institutions	959.7	1,724.4	-44 %
Liabilities to the public and public sector entities	3,396.6	3,029.2	12 %
Deposits	4,356.3	4,753.6	-8 %
Derivative instruments	149.5	132.2	13 %
Debt securities issued	3,381.9	2,747.9	23 %
Subordinated liabilities	256.0	252.5	1 %
Other liabilities to credit institutions	1,012.5	968.2	5 %
Other liabilities to the public and public sector entities	177.0	77.3	129 %
Other financial liabilities	4,827.4	4,045.9	19 %
Technical provisions for interest-related insurances	587.7	595.0	-1 %
Technical provisions for unit-linked insurances	282.4	210.1	34 %
Technical provisions for non-life insurances	119.7	119.3	0 %
Technical provisions	989.8	924.4	7 %
Accrued expenses and income received in advance	93.2	71.9	30 %
Other liabilities	44.0	91.5	-52 %
Total other liabilities	137.2	163.4	-16 %
Provisions	0.7	0.8	-16 %
Income tax liability	9.0	19.2	-53 %
Deferred tax liabilities	51.8	49.9	4 %
Tax liabilities	60.7	69.1	-12 %
Liabilities for assets classified as held for sale	0.2	0.2	-14 %
Total liabilities	**10,521.9**	**10,089.7**	**4 %**
Equity			
Restricted equity	127.4	147.6	-14 %
Unrestricted equity	325.6	285.8	14 %
Shareholders' share of equity	453.0	433.4	5 %
Non-controlling interest's share of equity	44.3	32.7	35 %
Equity	**497.3**	**466.2**	**7 %**
Total liabilities and equity	**11,019.2**	**10,555.8**	**4 %**

CONSOLIDATED CASH FLOW STATEMENT

(EUR million)	2010	2009	Δ
Cash flow from operating activities			
Operating profit	77.9	47.0	66 %
Adjustment items not included in cash flow for the period	26.3	43.8	-40 %
Paid income taxes	-27.6	-12.4	-123 %
Cash flow from operating activities before change in operating receivables and liabilities	**76.6**	**78.4**	**-2 %**
Increase (-) or decrease (+) in receivables from operating activities	-565.2	-919.1	39 %
Increase (+) or decrease (-) in liabilities from operating activities	417.8	654.0	-36 %
Total cash flow from operating activities	**-70.8**	**-186.7**	**62 %**
Cash flow from investing activities			
Financial assets held until maturity	6.4	8.0	-20 %
Investments in group companies and associated companies	-0.1	16.3	-
Proceeds from sale of group companies and associated companies	0.3	0.0	-
Investment in tangible and intangible assets	-7.4	-6.7	-11 %
Disposal of tangible and intangible assets	4.7	2.0	133 %
Share issue of Aktia Real Estate Mortgage Bank Plc to the non-controlling interest	9.2	8.9	3 %
Total cash flow from investing activities	**13.2**	**28.6**	**-54 %**
Cash flow from financing activities			
Subordinated liabilities	2.1	6.4	-67 %
Increase in share capital	-	0.0	-
Own shares divested	0.3	-	-
Increase in unrestricted equity reserve	-	0.0	-
Paid dividends	-15.9	-10.0	-59 %
Total cash flow from financing activities	**-13.6**	**-3.6**	**-279 %**
Change in cash and cash equivalents	**-71.2**	**-161.7**	**56 %**
Cash and cash equivalents at the beginning of the year	350.7	512.4	-32 %
Cash and cash equivalents at the end of the year	279.5	350.7	-20 %
Cash and cash equivalents in the cash flow statement consist of the following items:			
Cash in hand	9.6	10.0	-4 %
Insurance operation's cash and bank	3.6	4.5	-20 %
Bank of Finland current account	260.2	326.5	-20 %
Repayable on demand claims on credit institutions	6.1	9.7	-37 %
Total	**279.5**	**350.7**	**-20 %**
Adjustment items not included in cash flow consist of:			
Impairment of financial assets available for sale	3.9	24.0	-84 %
Write-downs on credits, other commitments and outstanding premium receivables	14.1	31.7	-56 %
Change in fair values	3.2	-19.2	-
Depreciation and impairment of intangible and tangible assets	8.1	7.7	4 %
Share of profit from associated companies	-0.9	0.0	-
Sales gains and losses from intangible and tangible assets	-2.4	-0.5	-432 %
Negative goodwill recorded as income	-	-0.1	-
Other adjustments	0.5	0.2	144 %
Total	**26.3**	**43.8**	**-40 %**

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 2009	**80.2**	**10.4**	**-36.4**	**45.4**	**192.1**	**291.8**	**25.0**	**316.8**
Share issue	13.6			27.2		40.9		40.9
Treasury shares acquired in connection with the merger					-3.2	-3.2		-3.2
Dividends to shareholders					-10.0	-10.0		-10.0
Profit for the reporting period					*34.3*	*34.3*	*-0.3*	*34.0*
Financial assets available for sale			*70.6*			*70.6*	*0.4*	*71.1*
Cash flow hedging			*9.0*			*9.0*		*9.0*
Total comprehensive income for the reporting period			79.7		34.3	114.0	0.2	114.1
Other change in equity		0.0			0.0	0.1	7.6	7.6
Equity as at 31 December 2009	**93.9**	**10.4**	**43.3**	**72.7**	**213.2**	**433.4**	**32.7**	**466.2**
Equity as at 1January 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
Dividends to shareholders					-15.9	-15.9		-15.9
Profit for the reporting period					*55.5*	*55.5*	*2.6*	*58.0*
Financial assets available for sale			*-25.2*			*-25.2*	*0.0*	*-25.2*
Cash flow hedging			*4.4*			*4.4*	*-0.1*	*4.3*
Total comprehensive income for the reporting period			-20.8		55.5	34.6	2.5	37.1
Other change in equity		0.6				0.6	9.1	9.7
Equity as at 31 December 2010	**93.9**	**11.0**	**22.5**	**72.7**	**253.0**	**453.0**	**44.3**	**497.3**

In connection with the acquisition of Veritas Mutual Non-Life Insurance on 1 January 2009, merger compensation of 6,800,000 A shares was paid at a nominal value of EUR 2.00 per share and a subscription price of EUR 6.00 per share. Of this compensation, EUR 13.6 million was attributed to share capital and EUR 27.2 million to the unrestricted equity reserve. The company has continued its operations in the Aktia Group under the name Aktia Non-Life Insurance Ltd.

QUARTERLY TRENDS IN THE GROUP

(EUR million)	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010	10-12 /2009
Net interest income	34.9	37.0	38.6	38.9	39.8
Dividends	0.0	0.0	1.1	0.0	0.0
Net commission income	14.9	13.2	15.5	13.4	14.5
Net income from life insurance	6.8	2.5	2.6	4.5	3.2
Net income from non-life insurance	5.2	7.1	5.9	4.4	1.5
Net income from financial transactions	-1.6	-0.9	-1.2	-1.8	-1.0
Net income from investment properties	0.1	0.1	0.0	0.3	0.1
Other operating income	1.7	1.2	3.7	1.3	0.5
Total operating income	**62.0**	**60.2**	**66.2**	**61.0**	**58.7**
Staff costs	-22.9	-17.4	-21.8	-20.7	-21.8
Other administrative expenses	-14.3	-12.5	-12.0	-11.4	-12.9
Negative goodwill recorded as income	-	-	-	-	-
Depreciation of tangible and intangible assets	-1.8	-1.8	-1.8	-1.8	-1.6
Other operating expenses	-4.9	-4.4	-4.4	-5.0	-6.4
Total operating expenses	**-44.1**	**-36.2**	**-40.0**	**-38.9**	**-42.7**
Impairment and reversal of impairment on tangible and intangible assets	-	-	-	-	-0.3
Write-downs on credits, other commitments and outstanding premium receivables	-4.3	-1.4	-3.8	-4.6	-5.5
Share of profit from associated companies	-0.1	0.7	1.1	-0.1	-0.4
Operating profit	**13.5**	**23.4**	**23.5**	**17.5**	**9.8**
Taxes	-3.4	-5.5	-6.0	-5.0	-3.0
Profit for the period	**10.1**	**17.9**	**17.5**	**12.5**	**6.8**

Consolidated statement of comprehensive income

(EUR million)	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010	10-12/ 2009
Profit for the period	10.1	17.9	17.5	12.5	6.8
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	-38.3	8.4	-19.0	17.1	-15.4
Change in valuation of fair value for cash flow hedging	-6.5	-1.3	2.9	9.2	-4.7
Transferred to the income statement for financial assets available for sale	3.1	2.6	0.2	0.5	14.7
Total comprehensive income for the period	**-31.6**	**27.7**	**1.6**	**39.3**	**1.4**

NOTES TO THE ACCOUNTS ANNOUNCEMENT

NOTE 1 BASIS FOR PREPARING THE ACCOUNTS ANNOUNCEMENT AND IMPORTANT ACCOUNTING PRINCIPLES

BASIS FOR PREPARING THE ACCOUNTS ANNOUNCEMENT

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 accounts announcement for the period 1 January – 31 December 2010 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 2009.

Figures in the accounts announcement are presented in millions of euros, unless indicated otherwise.

The accounts announcement for the period 1 January – 31 December 2010 was approved by the Board of Directors on 17 February 2011.

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

IMPORTANT ACCOUNTING PRINCIPLES

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

NEW OR AMENDED STANDARDS IN 2010 THAT HAD NO IMPACT ON THE GROUP'S RESULT OR FINANCIAL POSITION

The following IFRSs and interpretations may affect the reporting of future transactions and business, but had no impact on the Group's results or financial position in 2010:

IFRS 3 Business Combinations (Revised) changes how acquisitions are reported in terms of transaction expenses, any contingent purchase consideration and successive acquisitions. The standard applies from 1 January 2010 and the Group will be applying this standard to any new acquisitions.

IAS 27 Consolidated and separate financial statements (Revised) stipulates that the effects of any transactions with holdings where a non-controlling interest exists must be reported in shareholders' equity as long as the controlling interest persists. Transactions with holdings where a non-controlling interest exists no longer prompt goodwill or profits and losses. From the date on which the parent company no longer holds a controlling interest, any remaining share is to be revalued at fair value and a profit or loss is to be reported in the income statement.

IFRIC 9 and IAS 39 (Amended) state that companies must assess whether an embedded derivative is to be separated from the host contract when the company reclassifies a hybrid financial asset from the fair value category through the income statement. This assessment is carried out on the basis of the circumstances that existed on the later of the date when the entity first became party to the contract and the date of a change in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract. If such an assessment cannot be carried out, the hybrid instrument must remain valued at fair value through the income statement.

NEW AND AMENDED STANDARDS IN 2011 THAT MAY HAVE AN IMPACT ON THE GROUP'S RESULT AND FINANCIAL POSITION

IFRS 9 Financial Instruments (published in November 2009) is the first stage in the process to replace IAS 39 Financial Instruments: Recognition and measurement. IFRS 9 introduces new requirements for recognising and measuring financial assets and will affect the way in which the Group reports financial assets. Financial assets will be divided into two categories: measured at fair value or measured at accrued acquisition value. The standard will become mandatory for the reporting period commencing 1 January 2013, but can be applied earlier. The standard has yet to be approved by the EU. The Group will nevertheless evaluate the full impact of IFRS 9 on its financial reporting. The standard will have an impact on the Group's interest-bearing securities in the category Financial assets available for sale. IFRS 9 only allows the reporting of fair-value profits or losses in comprehensive income if they are attributable to shareholdings that are not held for trading. Fair-value profit or losses attributable to interest-bearing securities in the category Financial assets available for sale will be reported directly in the income statement. For the current reporting period, the Group reported such losses in comprehensive income of EUR 24.3 million.

The Group does not expect other new or revised IFRSs or interpretations from IFRIC to have an impact on the Group's future results, financial position or explanatory notes.

NOTE 2 SEGMENT REPORTING

SEGMENTS

Segment reporting corresponds internal reporting to the highest executive body. The highest executive body is the function responsible for appropriation of resources and evaluation of the business segments' results. In the Group this function is identified as the Executive Committee, taking strategic decisions. Each of the segments has a head with responsibility for business opreations and results. The reported segments are Banking Business, Asset Management, Life Insurance, Non-Life Insurance and Miscellaneous.

The reported segments are Banking Business, Asset Management, Life Insurance, Non-Life Insurance and Miscellaneous.

The Banking Business segment includes Aktia Bank plc's branch office operations, corporate banking and treasury as well as the subsidiaries Aktia Real Estate Mortgage Bank plc, Aktia Card & Finance Ltd, Aktia Corporate Finance Ltd and Aktia Real Estate Agency Ltd.

The Asset Management segment encompasses Aktia Bank plc's private bank in Helsinki, other private banking operations and the subsidiaries Aktia Invest Ltd, Aktia Fund Management Ltd and Aktia Asset Management Oy Ab.

The Life Insurance segment encompasses Aktia Life Insurance Ltd.

The Non-Life Insurance segment encompasses Aktia Non-Life Insurance Ltd.

The Miscellaneous segment encompasses the Group administration of Aktia plc, certain administrative functions for Aktia Bank plc as well as the subsidiary Vasp-Invest Ab.

In the note on consolidated segment-based reporting, operating profit (profit before tax) is presented for each segment. The contribution to the Group's operating profit made by the insurance businesses is also presented. The contribution to the Group's operating profit includes the insurance businesses' acquisition eliminations due to realisations or value changes for the balance sheet items included at the time of acquisition.

ALLOCATION PRINCIPLES AND GROUP ELIMINATIONS

Net interest income from those units included in the Banking Business and Asset Management segments contains the margins on volumes of borrowing and lending. Reference interest rates for borrowing and lending and the interest rate risk that arises because of new pricing being out of step are transferred to Treasury in accordance with the Group's internal pricing. Treasury assumes responsibility for the Group's interest rate risk, liquidity as well as asset and liability hedging for which management has issued authority. The costs of central support functions are allocated to the segments in accordance with resource use, defined projects and according to different allocation rules.

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

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

The share of profits in associated companies, acquisition eliminations, non-controlling interest and other Group adjustments are included in eliminations.

Pricing between the segments is based on market prices.

GROUP SEGMENT REPORT

Income statement	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		Eliminations		Total Group	
(EUR million)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest income	145.5	146.9	3.6	2.6	-	-	-	-	-0.3	2.0	0.5	0.8	149.3	152.2
Net commission income	41.7	33.7	17.2	13.2	-	-	-	-	6.7	8.4	-8.7	-8.9	57.0	46.3
Net income from life-insurance	-	-	-	-	18.1	22.2	-	-	-	-	-1.6	-8.2	16.5	14.0
Net income from non-life insurance	-	-	-	-	-	-	24.2	14.3	-	-	-1.6	0.8	22.6	15.2
Other income	1.2	5.8	0.3	-0.1	-	-	0.9	0.4	7.3	1.8	-5.7	-2.4	4.0	5.4
Total operating income	**188.5**	**186.3**	**21.1**	**15.6**	**18.1**	**22.2**	**25.1**	**14.7**	**13.7**	**12.2**	**-17.1**	**-17.8**	**249.4**	**233.1**
Staff costs	-38.4	-36.0	-9.1	-8.1	-5.5	-5.5	-10.9	-13.7	-18.5	-16.0	-0.4	-0.1	-82.8	-79.2
Other administrative expenses	-55.1	-50.0	-5.9	-4.9	-7.2	-7.4	-7.8	-7.0	13.6	14.1	12.1	10.4	-50.2	-44.8
Depreciation of tangible and intangible assets	-2.3	-2.3	-0.5	-0.8	-0.5	-0.4	-0.6	-0.6	-2.7	-2.1	-0.7	-0.7	-7.2	-6.9
Other expenses	-10.1	-11.6	-1.2	-1.0	-	-	-0.7	-0.5	-7.7	-10.1	1.0	-0.1	-18.7	-23.3
Total operating expenses	**-105.9**	**-99.9**	**-16.7**	**-14.7**	**-13.1**	**-13.3**	**-20.0**	**-21.7**	**-15.3**	**-14.1**	**12.0**	**9.6**	**-159.0**	**-154.2**
Impairment and reversing items of tangible and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-0.6	-	-0.6
Write-downs on credits, other commitments and outstanding premium receivables	-12.9	-31.0	-	-	-	-	-1.1	-0.7	-	-0.1	-	-	-14.1	-31.7
Share of profit from associated companies	-	-	-	-	-	-	-	-	-	-	1.6	0.3	1.6	0.3
Operating profit	**69.7**	**55.4**	**4.4**	**0.9**	**4.9**	**8.9**	**4.0**	**-7.7**	**-1.6**	**-2.0**	**-3.5**	**-8.5**	**77.9**	**47.0**
Contribution of insurance businesses to the Groups' operating profit					3.9	2.7	1.7	-7.7						

Balance sheet	Banking Business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		Eliminations		Total Group	
(EUR million)	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Cash and balances with central banks	269.7	336.4	0.1	0.1	6.9	3.1	3.5	5.6	-	-	-6.9	-4.3	273.4	341.0
Financial assets reported at fair value via the income statement	-	3.6	-	-	14.1	10.4	6.8	8.4	-	-	-	-	20.9	22.5
Financial assets available for sale	2,593.6	2,655.8	8.0	7.3	664.6	664.9	112.3	101.1	22.4	30.0	-17.3	-26.1	3,383.7	3,433.0
Loans and other receivables	6,652.1	6,173.7	53.8	34.4	-	-	-	-	0.1	0.1	-68.3	-66.6	6,637.6	6,141.6
Investments for unit-linked provisions	-	-	-	-	280.0	208.9	-	-	-	-	-	-	280.0	208.9
Other assets	389.6	662.9	7.0	5.0	19.7	19.4	34.4	38.5	357.3	20.7	-384.3	-337.3	423.8	409.0
Total assets	**9,905.0**	**9,832.4**	**68.9**	**46.8**	**985.3**	**906.6**	**156.9**	**153.6**	**379.7**	**50.7**	**-476.7**	**-434.2**	**11,019.2**	**10,555.8**
Deposits	4,189.8	4,607.1	179.8	154.7	-	-	-	-	1.9	2.2	-15.2	-10.4	4,356.3	4,753.6
Debt securities issued	3,397.8	2,758.1	-	-	-	-	-	-	-	-	-15.9	-10.2	3,381.9	2,747.9
Technical provision for insurance business	-	-	-	-	870.2	805.1	112.5	109.7	-	-	7.2	9.6	989.8	924.4
Other liabilities	1,845.4	1,508.7	9.3	6.7	17.3	14.1	17.6	19.6	79.7	258.8	-175.6	-144.3	1,793.8	1,663.7
Total liabilities	**9,433.1**	**8,874.0**	**189.1**	**161.4**	**887.5**	**819.2**	**130.1**	**129.4**	**81.6**	**261.0**	**-199.5**	**-155.3**	**10,521.9**	**10,089.7**

NOTE 3 DERIVATIVES AND OFF-BALANCE SHEET COMMITMENTS

Hedging derivative instruments (EUR million) 31.12.2010	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	4,368.5	74.1	40.6
Total	**4,368.5**	**74.1**	**40.6**
Cash flow hedging			
Interest rate-related	960.0	45.5	0.3
Total	**960.0**	**45.5**	**0.3**
Derivative instruments valued via the income statement			
Interest rate-related *)	7,565.8	103.0	101.2
Currency-related	168.4	1.8	1.6
Equity-related **)	107.2	4.9	4.9
Other derivative instruments **)	4.3	0.9	0.9
Total	**7,845.7**	**110.6**	**108.6**
Total derivative instruments			
Interest rate-related	12,894.3	222.6	142.1
Currency-related	168.4	1.8	1.6
Equity-related	107.2	4.9	4.9
Other derivative instruments	4.3	0.9	0.9
Total	**13,174.2**	**230.2**	**149.5**

Hedging derivative instruments (EUR million) 31.12.2009	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	2,627.5	56.8	21.5
Total	**2,627.5**	**56.8**	**21.5**
Cash flow hedging			
Interest rate-related	960.0	41.8	0.8
Total	**960.0**	**41.8**	**0.8**
Derivative instruments valued via the income statement			
Interest rate-related *)	7,051.0	107.7	106.2
Currency-related	179.6	3.1	3.0
Equity-related **)	112.7	0.1	0.1
Other derivative instruments **)	8.4	0.5	0.5
Total	**7,351.8**	**111.4**	**109.9**
Total derivative instruments			
Interest rate-related	10,638.5	206.3	128.5
Currency-related	179.6	3.1	3.0
Equity-related	112.7	0.1	0.1
Other derivative instruments	8.4	0.5	0.5
Total	**10,939.3**	**210.0**	**132.2**

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 7,219.0 (6,744.5) million.

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

Off-balance sheet commitments

(EUR million)	31.12.2010	31.12.2009
Commitments provided to a third party on behalf of the customers		
Guarantees	48.4	49.9
Other commitments provided to a third party	5.5	7.3
Irrevocable commitments provided on behalf of customers		
Unused credit arrangements	607.6	506.6
Other commitments provided to a third party	8.8	11.7
Off-balance sheet commitments	**670.4**	**575.5**

NOTE 4 THE GROUP'S RISK EXPOSURE

The Bank Group's capital adequacy

					(EUR million)
Summary	**12/2010**	**9/2010**	**6/2010**	**3/2010**	**12/2009**
Tier 1 capital	371.5	371.7	359.8	337.5	329.0
Tier 2 capital	214.1	235.8	227.6	235.4	222.8
Capital base	**585.7**	**607.5**	**587.3**	**572.9**	**551.8**
Risk-weighted amount for credit and counterparty risks	3,324.4	3,270.3	3,242.6	3,214.5	3,147.5
Risk-weighted amount for market risks 1)	-	-	-	-	-
Risk-weighted amount for operational risks	348.6	312.7	312.7	312.7	312.7
Risk-weighted commitments	**3,673.1**	**3,583.0**	**3,555.3**	**3,527.2**	**3,460.2**
Capital adequacy ratio, %	**15.9**	**17.0**	**16.5**	**16.2**	**15.9**
Tier 1 Capital ratio, %	**10.1**	**10.4**	**10.1**	**9.6**	**9.5**
Minimum capital requirement	**293.8**	**286.6**	**284.4**	**282.2**	**276.8**
Capital buffer (difference between capital base and minimum requirement)	291.8	320.9	302.9	290.7	275.0

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)
	12/2010	**9/2010**	**6/2010**	**3/2010**	**12/2009**
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	44.3	43.4	42.6	32.7	32.7
Retained earnings	65.8	65.8	65.8	95.8	70.7
Profit for the period	50.1	41.5	27.2	11.6	38.0
./. Provision for dividends to shareholders	-20.8	-11.1	-7.4	-3.7	-12.9
Capital loan	30.0	30.0	30.0	-	-
Total	376.9	377.1	365.8	343.9	336.0
./. Intangible assets	-5.4	-5.4	-6.0	-6.4	-7.0
Tier 1 capital	**371.5**	**371.7**	**359.8**	**337.5**	**329.0**
Fund at fair value	-16.6	5.0	2.7	21.6	13.3
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	185.8	185.9	179.9	168.8	164.5
Tier 2 capital	**214.1**	**235.8**	**227.6**	**235.4**	**222.8**
Total capital base	**585.7**	**607.5**	**587.3**	**572.9**	**551.8**

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

Total exposure 12/2010			(EUR million)
Risk-weight	**Balance assets**	**Off-balance sheet commitments**	**Total**
0%	1,091.6	39.1	1,130.7
10%	1,211.7	-	1,211.7
20%	1,143.8	346.5	1,490.2
35%	5,057.2	77.9	5,135.0
50%	0.1	-	0.1
75%	599.2	82.5	681.7
100%	591.7	119.0	710.7
150%	13.2	0.9	14.1
Total	**9,708.4**	**665.8**	**10,374.2**
Derivatives *)	303.2	-	303.2
Total	**10,011.6**	**665.8**	**10,677.3**

Risk-weighted exposures, Basel 2					(EUR million)
Risk-weight	**12/2010**	**9/2010**	**6/2010**	**3/2010**	**12/2009**
0%	-	-	-	-	-
10%	121.2	118.7	119.6	129.0	115.9
20%	243.1	215.6	235.8	258.6	252.5
35%	1,780.8	1,731.2	1,686.8	1,633.5	1,596.8
50%	0.0	0.1	0.1	0.1	0.1
75%	478.2	488.1	483.6	466.9	466.1
100%	646.8	665.0	660.7	673.4	673.3
150%	20.4	24.2	24.9	22.5	19.1
Total	**3,290.5**	**3,242.9**	**3,211.5**	**3,183.9**	**3,123.7**
Derivatives *)	33.9	27.5	31.1	30.6	23.8
Total	**3,324.4**	**3,270.3**	**3,242.6**	**3,214.5**	**3,147.5**

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

The finance and insurance conglomerate's capital adequacy

Summary	12/2010	9/2010	6/2010	3/2010	12/2009
Tier 1 capital for the group	450.1	439.9	422.7	396.7	400.7
Sector-specific items	229.4	265.0	248.3	261.5	233.2
Intangible assets and other specific reductions	-131.3	-129.7	-120.4	-118.9	-120.0
Other sector-specific not transferrable items	-	0.0	-1.1	-	-
Conglomerate's total capital base	**548.2**	**575.2**	**549.6**	**539.3**	**513.9**
Capital requirement for banking business	296.1	288.9	286.8	284.9	279.4
Capital requirement for insurance business	47.8	47.4	47.3	47.3	47.1
Minimum amount for capital base	**343.9**	**336.3**	**334.0**	**332.1**	**326.5**
Conglomerate's capital adequacy	**204.3**	**238.9**	**215.6**	**207.2**	**187.4**
Capital adequacy ratio, %	**159.4 %**	**171.0 %**	**164.5 %**	**162.4 %**	**157.4 %**

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

NOTE 5 NET INTEREST INCOME

(EUR million)	2010	2009	Δ
Deposits and lending	54.8	61.3	-11 %
Hedging, interest rate risk management	58.3	44.9	30 %
Other	36.3	46.1	-21 %
Net Interest Income	149.3	152.2	-2 %

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

NOTE 6 NET INCOME FROM INSURANCE BUSINESS

(EUR million)	2010	2009	Δ
Income from insurance premiums	100.7	80.5	25 %
Net income from investments	25.5	0.4	-
Insurance claims paid	-79.2	-79.8	1 %
Net change in technical provisions	-30.6	12.8	-
Net income from life insurance	16.5	14.0	18 %
Premium income earned	61.4	60.6	1 %
Net income from investments	3.5	1.6	123 %
Insurance claims paid	-41.9	-42.2	1 %
Change in provisions for outstanding claims	-0.3	-4.7	94 %
Net income from non-life insurance	22.6	15.2	49 %

NOTE 7 BUSINESSES ACQUIRED

Aktia Plc has not acquired any new entities during the period 2010 under review.

The merger with Veritas Non-Life Insurance was concluded on 1 January 2009, where after the non-life insurance business has been operated by Aktia Non-Life Insurance, a 100%-owned subsidiary of Aktia plc. As merger compensation, Aktia plc issued 6,800,000 new shares. The non-life insurance business' acquisition balance sheet was presented in Note 4 in the financial statements 31.12.2009.

This report has not been subject to external auditing.

Helsinki 17 February 2011

AKTIA PLC
Board of Directors

ANNUAL GENERAL MEETING
29.3.2011

INTERIM REPORT JAN-MAR/2011
9.5.2011

INTERIM REPORT JAN-JUNE/2011
3.8.2011

INTERIM REPORT JAN-SEPT/2011
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