Aktia Bank Plc

(subsidiary to the listed Aktia Plc)

Profit for 1-12/2011

Aktia Bank is a subsidiary to the listed Aktia plc and operates as parent company in the Bank Group. Subsidiaries in the Bank Group are: Aktia Real Estate Mortgage Bank plc, Aktia Asset Management Ltd, Aktia Fund Management Company Ltd, Aktia Invest Ltd, Aktia Card Ltd and Aktia Corporate Finance Ltd.

The Bank Group's operating profit for 2011 was EUR 37.4 (70.9) million. Profit for the period was EUR 25,7 (52.6) million. Earnings per share stood at EUR 8.2 (16.7) million.

The Banking Business' operating profit decreased to EUR 36.4 (69.8) million. Asset Management improved its profitability and reached an operating profit of EUR 5.6 (4.4) million.

Key figures

(EUR million)	1-12/2011	1-12/2010	Δ %	10-12/2011	10-12/2010	Δ %	7-9 /2011	4-6/2011	1-3/2011
Earnings per share (EPS)	8.2	16.7	-51 %	0.8	2.9	-73 %	1.8	2.1	3.5
Equity per share (NAV) [1)]	106.4	110.9	-4 %	106.4	110.9	-4 %	106.7	103.1	100.1
Return on equity (ROE), %	6.8	13.8	-51 %	2.5	9.6	-74 %	5.7	7.5	12.5
Total earnings per share	2.0	8.2	-75 %	-0.6	-6.5	91 %	3.7	3.0	-4.1
Number of shares at the end of the period [1)]	3	3	0 %	3	3	0 %	3	3	3
Cost-to-income ratio	0.73	0.59	24 %	0.78	0.68	15 %	0.79	0.74	0.63
Capital adequacy ratio, % [1)]	16.2	15.9	2 %	16.2	15.9	2 %	16.6	16.6	16.0
Tier 1 capital ratio, % [1)]	10.6	10.1	5 %	10.6	10.1	5 %	10.8	10.8	10.3

[1)] At the end of the period

"Accounts Announcement 1 January - 30 December 2011" is a translation of the original report in Swedish ("Bokslutskommuniké Aktia Bank Abp 1.1-31.12.2011"). In case of discrepancies, the Swedish version prevails.

Profit for Oct. – Dec. 2011

Operating profit for the period amounted to EUR 5.7 (13.1) million.

Net interest income amounted to EUR 28.4 (35.7) million of which the bank's borrowing and lending improved by 15% to EUR15.9 (13.8) million. Net commission income was EUR 15.1 (13.6) million. Income from mutual funds, asset management and brokerage decreased by -17%, amounting to a total of EUR 8.6 (10.3) million.

The Banking Business segment contributed EUR 4.9 (13.5) million to the Bank Group's operating profit, whereas the segment Asset Management contributed EUR 1.2 (1.2) million.

The segments' operating profit

(EUR million)	10-12/2011	10-12/2010	Δ%
Banking Business	4.9	13.5	-64 %
Asset Management	1.2	1.2	0 %
Miscellaneous	-0.3	-1.0	72 %
Eliminations	-0.1	-0.7	81 %
Total	**5.7**	**13.1**	**-56 %**

Profit for Jan. – Dec. 2011

Operating profit for the year amounted to EUR 37.4 (70.9) million.

The Banking Business segment contributed EUR 36.4 (69.8) million to the Bank Group's operating profit, while the Asset Management segment contributed EUR 5.6 (4.4) million.

The segments' operating profit

(EUR million)	1-12/2011	1-12/2010	Δ %
Banking Business	36.4	69.8	-48 %
Asset Management	5.6	4.4	28 %
Miscellaneous	-1.6	-2.9	45 %
Eliminations	-3.0	-0.5	-502 %
Total	**37.4**	**70.9**	**-47 %**

Income

The Bank Group's total income amounted to EUR 177.6 (202.3) million of which EUR 128.2 (149.2) million was net interest income.

Net interest income from the bank's borrowing and lending improved by 15% to EUR 63.0 (54.8) million but the total net interest income weakened due to the maturing interest rate hedges to EUR 128.8 (149.3) million.

The hedging measures used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 34.8 (58.3) million.

The Bank Group's net commission income increased by 5% to EUR 54.0 (51.2) million. Commission income from brokerage of mutual funds and insurance increased by 13% to EUR 27.9 (24.7) million. Commission from card and payment services rose to EUR 16.1 (14.4) million. The improvement in net commission income derives mainly from higher commissions from cards and mutual fund brokerage.

Other operating income decreased to EUR 4.6 (7.2) million compared to last year.

Expenses

The Bank Group's total expenses rose 8% to EUR 129.7 (120.0) million, of which staff costs made up EUR 52.9 (50.5) million.

Continued investment in customer-friendly Internet services and other IT increased IT expenses by 10% to EUR 19.9 (18.0) million. IT costs also rose because of high development costs within Samlink.

Total depreciation and write-downs on tangible and intangible assets fell to EUR 4.0 (4.6) million.

Other operating expenses increased to EUR 53.0 (46.9) million. Higher rental and office expenses account for a part of the change. A higher fee to the Deposit Guarantee Fund also contributed to increased expenses.

Income and expenses arising from other business amounted to EUR -3,9 (0,0) million and is attributable to contributions from the Bank Group´s subsidiaries to Aktia plc.

Rating

The international rating agency Moody's Investor Service has Aktia Bank plc's credit rating for short-term borrowing under review since 25 November 2011. Aktia's credit rating for short-term borrowing is P-1. The credit rating for long-term borrowing is A1 and the rating for financial strength is C.

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

Capital adequacy

The Bank Group's capital adequacy ratio was 16.2 (15.9)% and the Tier 1 capital ratio was 10.6 (10.1)%.

Aktia Bank plc's capital adequacy ratio stood at 22.3 (20.3)% . The Tier 1 capital ratio was 14.6 (12.8)%.

Balance sheet and off-balance sheet commitments

The Bank Group's balance sheet total amounted to EUR 9,993 (9,924) million.

Borrowing from the public and public sector entities increased by 8% to EUR 3,662 (3,406) million.

Bonds and certificates of deposit issued increased by 12% to EUR 3,812 (3,393) million. Of these bonds EUR 3,346 (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. In November, Aktia Real Estate Mortgage Bank plc issued long-term secured bonds ('Schuldscheindarlehen') for a total of EUR 61 million.

In October, Aktia Bank issued EUR 20 million in long-term bonds under the bank's EMTN programme, as part of the preparations for further regulation of the banking industry (Basel III).

The Bank Group's total lending to the public increased by 7% to EUR 7,117 (6,654) million. This increase is due to the growth in the Real Estate mortgage stock. Excluding mortgages brokered by savings banks and POP Banks, which the local banks are committed to capitalise, the Bank Group's lending totalled EUR 5,202 (5,055) million.

At the end of December, loans to private households accounted for EUR 5,966 (5,479), or 83.8 (82.3)% of the total credit stock.

Loans granted to housing associations amounted to EUR 289 (289) million and made up 4.1 (4.3)% of the total credit stock.

Corporate lending accounted for 11.4 (12.4)% of the Bank Group's credit stock. Total corporate lending amounted to EUR 812 (823) million.

Credit stock by sector

(EUR million)	31.12.2011	31.12.2010	Δ %	Percentage
Households	5,966	5,479	487	83.8%
Corporate	812	823	-11	11.4%
Housing associations	289	289	-1	4.1%
Non-profit organisations	45	56	-11	0.6%
Public sector entities	6	7	-1	0.1%
Total	**7,117**	**6,654**	**463**	**100%**

Interest-bearing financial assets available for sale amounted to EUR 1,874 (2,591) million. These assets mainly consist of the banking business' liquidity reserve.

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

Off-balance sheet commitments totalled EUR 465 (666) million.

Valuation of financial assets

Value changes reported via income statement

No write-downs of financial assets were made during 2011.

The Bank Group's risk exposure

Definitions and general principles for asset and risk management can be found in Aktia Bank plc's annual report in note 2 on pages 22–36.

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

Lending-related risks within the banking business

Loans with payments 1–30 days overdue decreased in 2011 to EUR 160 (171) million, equivalent to 2.24 (2.56)% of the credit stock. Loans with payments 31–89 days overdue also decreased to EUR 53 (56) million, or 0.75 (0.83)% of the credit stock. On the other hand, non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection, increased, totalling EUR 60 (36) million, corresponding to 0.84 (0.54)% of the credit stock. Of the increase of EUR 24 million, 16 million relates to household loans and 8 million to corporate loans. The increase in household loans is partly accounted for by some individual investment and construction financing programmes.

Similarly, the increase in corporate loans is down to individual items under reconstruction or awaiting collection. Loss risks from these items are covered within either individual or group write-downs. In the last quarter, a special financing unit was formed to focus on handling high-risk customer relationships.

The increase in non-performing loans attributable to normal household lending came to EUR 10 million, mainly made up of loans granted before more restrictive rules were introduced for things like high financing of the market value of the securities. 92% of the receivables are fully secured, and any loss risks have been taken into account in the individual write-downs.

Non-performing loans to households more than 90 days overdue corresponded to 0.51 (0.30)% of the entire credit stock. The credit stock also includes off-balance sheet guarantee commitments.

Undischarged debts by time overdue

(EUR million) Days	31.12.2011	% of the credit stock	31.12.2010	% of the credit stock
1-30	160	2.24	171	2.56
of which households	115	1.61	118	1.75
31-89	53	0.75	56	0.83
of which households	46	0.64	45	0.67
90-	60	0.84	36	0.54
of which households	36	0.51	20	0,30

* in Aktia Bank, fair value of collateral covers 92% of debts

Write-downs on credits and other commitments

Write-downs on credits and guarantee claims decreased by EUR 2.5 million from the previous year to stand at EUR 10.5 (13.0) million. Of these write-downs, EUR 1.4 (0.7) million could be attributed to households and EUR 9.1 (12.3) to companies.

At the end of the period, group write-downs at the portfolio level totalled EUR 14.0 (19.3) million, of which EUR 7.3 (7.3) million related to households and smaller enterprises and EUR 6.7 (12.0) million to larger individually examined corporate arrangements.

Total write-downs on credits amounted to 0.1 (0.2%) of total lending for the period. Corresponding impact on result from corporate loans amounted to 1.1 (1.5)% of total corporate lending.

Value changes reported via the fund at fair value

A value impairment that is not reported in the income statement or an increase in the value of financial assets that has not been realised is reported via the fund at fair value. Taking cash flow hedging for the Bank Group into consideration, the fund at fair value amounted to EUR -9.4 (9.1) million after deferred tax.

Cash flow hedging, which comprises the market value for interest rate derivative contracts that have been acquired for the purposes of hedging the banking business' net interest income, amounted to EUR 25.5 (25.7) million.

Specification of the fund at fair value

(EUR millon)	31.12.2011	31.12.2010	Δ
Shares and participations	0.0	0.0	0.0
Direct interest-bearing securities	-34.9	-16.6	-18.3
Cash flow hedging	25.5	25.7	-0.2
Fund at fair value, total	**-9.4**	**9.1**	**-18.5**

Distribution of risk across financial assets

The Bank Group maintains a liquidity portfolio as a buffer for situations where borrowing from the capital markets is not possible under normal conditions for some reason. Fixed-rate investments within the liquidity portfolio are also used to reduce the structural interest rate risks. The liquidity portfolio is financed with repurchase agreements to a value of EUR 68 (783) million.

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

Aktia Bank Group	Government and Govt. guaranteed		Covered Bonds (CB)		Finacial institutions exkl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
EU AAA	145	238	916	991	309	589	-	13	-	-	-	-	-	-	1,370	1,831
Finland	*61*	*68*	*111*	*106*	*37*	*209*	-	*8*	-	-	-	-	-		*210*	*390*
Other AAA-countries	*84*	*170*	*805*	*886*	*272*	*380*	-	*5*	-	-	-	-	-	-	*1,161*	*1,441*
EU < AAA	51	92	352	449	39	110	-	3	-	-	-	-	-	-	442	653
Beigium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greece	-	*14*	*2*	*3*	-	-	-		-	-	-	-	-	-	*2*	*17*
Ireland	-	-	*27*	*26*	-	*17*	-	-	-	-	-	-	-	-	*27*	*43*
Italy	-	-	*60*	*73*	-	*21*	-	-	-	-	-	-	-	-	*60*	*94*
Portugal	*22*	*29*	*76*	*118*	*9*	*26*	-	*2*	-	-	-	-	-	-	*107*	*173*
Spain	*29*	*50*	*187*	*229*	*30*	*46*	-	*1*	-	-	-	-	-	-	*246*	*326*
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe excluding EU	-	-	50	62	30	56	-	-	-	-	-	-	-	-	80	118
North America	-	-	33	33	-	-	-	-	-	-	-	-	-	-	33	33
Other OECD-countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supranationals	-	-	-	-	43	42	-	-	-	-	-	-	-	-	43	42
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**197**	**330**	**1,350**	**1,535**	**421**	**796**	**-**	**16**	**-**	**-**	**-**	**-**	**-**	**-**	**1,968**	**2,677**

Counterparty risks

Counterparty risks within Group Treasury's liquidity management operations

The banking business' liquidity portfolio, which consists of interest-bearing securities, amounted to EUR 1,947 (2,599) million.

Rating distribution for banking business

(EUR million)	31.12.2011	31.12.2010
	1,968	2,677
Aaa	55.6%	53.0%
Aa1-Aa3	21.9%	32.3%
A1-A3	11.9%	10.8%
Baa1-Baa3	6,3%	0.8%
Ba1-Ba3	1.9%	0.7%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (unrated)	2.1%	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, 10.7 (3.0)% did not meet the internal instrument-specific requirements. Secured bonds made up 8.3 (1.9)% of these. The change is mainly due to investments in secured bonds in Portugal and Spain, whose credit ratings were downgraded during the year. Rated securities not eligible for refinancing with the central bank totalled EUR 0.3 (0.0)% and unrated securities not eligible for refinancing amounted to EUR 0.3 (0.6)%.

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 before by EUR 709 million, largely due to lower repurchase refinancing and amounted to EUR 1,968 (2,677) million. During the year, investments in EU countries with a credit rating below AAA fell by EUR 211 million to EUR 442 (653) million.

Operational risks

No events regarded as operational risks causing significant financial losses occurred in 2011.

Personnel

The average number of full-time employees in 2011 was 774 (2010: 740).

The outcome of the codetermination negotiations within Aktia entailed a one-off cost to the Bank Group of EUR 1.3 million.

Changes in Group structure

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

Aktia Bank plc's holding in Samlink has reduced from 23.97 % to 22.56%, following an issue targeted to Itella Corporation.

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 the POP 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, The operation started on 1 April 2011.

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

Aktia Real Estate Mortgage Bank issued a covered bond valued at EUR 600 million. The maturity in this issue is five years.

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 Bank plc sold its direct holding in Bank of Åland plc.

Events after the reporting period

Aktia's new online bank was launched on 25 January 2012.

As of 31 January 2012, Aktia Card Ltd sold its business operations to its parent company Aktia Bank plc, which will continue to run the card business unchanged.

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.)

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Vice Chair Nina Wilkman, LL.M.
Jannica Fagerholm, M.Sc. (Econ.)
Hans Frantz, Lic.Soc.Sc.
Kjell Hedman, M.Sc. (Econ.)
Nils Lampi, B.Sc. (Econ)
Catharina von Stackelberg-Hammarén, M.Sc. (Econ.)
Kjell Sundström, M.Sc. (Econ)

On 8 December 2011, the Board of Supervisors decided that 10% of the annual remuneration (gross amount) shall be paid to the members of the Board of Directors in the form of Aktia plc A shares. The shares shall be acquired for the board members from the Stock Exchange at market price the day Aktia plc's Accounts Announcement for the period 1 January – 31 December 2011 is published, or within two weeks thereafter at the latest.

Aktia's Executive Committee comprises Managing Director 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.

Outlook and risks for 2012

Outlook

Aktia is endeavouring to grow above the market, particularly in the customer segments retail customers and small companies.

In 2012, Aktia's focus is on increasing growth by strengthening customer relations, increasing sales per customer and cross-selling and developing Internet services. In order to strenghten profitability, costs will be cut, risks and capital will be managed

The interest rate derivatives that temporarily lifted the net interest income (NII) to an exceptional level have matured. The high NII level from 2009–2011 can therefore not be replicated in a low interest rate environment. Write-downs are expected to decrease in 2012. The result for 2012 is expected to be lower than in 2011.

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 a requirement for higher returns among investors, among other things.

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 affect both capitalisation needs and the need for changes in Aktia Group's structure in the coming years. The results of these new regulations are likely to be higher capital requirements, sharper competition for deposits, higher demands on long-term financing and eventually higher credit margins.

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Consolidated income statement for Bank Group

(EUR million)	1-12/2011	1-12/2010	Δ
Net interest income	128.2	149.2	-14%
Dividends	0.2	0.3	-48%
Commission income	71.4	69.5	3%
Commission expenses	-17.5	-18.2	4%
Net commission income	54.0	51.2	5%
Net income from financial transactions	-9.3	-5.6	-66%
Net income from investment properties	-0.1	-0.1	30%
Other operating income	4.6	7.2	-37%
Total operating income	**177.6**	**202.3**	**-12%**
Staff costs	-52.9	-50.5	5%
IT-expenses	-19.9	-18.0	10%
Depreciation of tangible and intangible assets	-4.0	-4.6	-14%
Other operating expenses	-53.0	-46.9	13%
Total operating expenses	**-129.7**	**-120.0**	**8%**
Write-downs on credits and other commitments, net	-10.5	-12.9	-19%
Share of profit from associated companies	0.0	1.5	-
Operating profit	**37.4**	**70.9**	**-47%**
Income and expenses from other business	-3.9	-	-
Taxes	-7.8	-18.2	-57%
Profit for the reporting period	**25.7**	**52.6**	**-51%**
Attributable to:			
Shareholders in Aktia Bank Plc	24.7	50.1	-51%
Non-controlling interest	1.0	2.5	-61%
Total	**25.7**	**52.6**	**-51%**
Earnings per share (EPS), EUR	8,239,314.30	16,693,313.89	-51%

There is no dilution effect to earnings per share.

Consolidated statement of comprehensive income

(EUR million)	1-2/2011	1-2/2010	Δ
Profit for the reporting period	25.7	52.6	-51%
Other comprehensive income after taxes:			
Change in valuation of fair value for financial assets available for sale	-19.2	-33.8	43%
Change in valuation of fair value for cash flow hedging	-0.2	4.3	-
Transferred to the income statement for financial assets available for sale	0.4	3.8	-89%
Defined benefit plan pensions	-0.3	-	-
Total comprehensive income for the reporting period	**6.4**	**26.9**	**-76%**
Total comprehensive income attributable to:			
Shareholders in Aktia Bank plc	6.0	24.5	-75%
Non-controlling interest	0.4	2.5	-83%
Total	**6.4**	**26.9**	**-76%**
Total earnings per share, EUR	2,002,733.92	8,151,559.21	-75%

There is no dilution effect to total earnings per share.

Consolidated balance sheet for Bank Group

(EUR million)	31.12.2011	31.12.2010	Δ
Assets			
Cash and balances with central banks	466.3	269.8	73%
Interest-bearing securities	1,874.4	2,591.4	-28%
Shares and participations	1.8	6.0	-70%
Financial assets available for sale	1,876.2	2,597.4	-28%
Financial assets held until maturity	20.0	21.5	-7%
Derivative instruments	300.7	230.3	31%
Lending to credit institutions	88.8	46.0	93%
Lending to the public and public sector entities	7,117.1	6,653.7	7%
Loans and other receivables	7,205.8	6,699.7	8%
Investments in associated companies	3.5	3.5	0%
Intangible assets	2.3	3.1	-25%
Investment properties	0.7	0.0	-
Other tangible assets	5.3	6.0	-13%
Accrued income and advance payments	70.6	79.6	-11%
Other assets	7.6	2.3	227%
Total other assets	78.2	81.9	-5%
Income tax receivables	22.3	0.0	-
Deferred tax receivables	11.9	11.2	6%
Tax receivables	34.2	11.3	203%
Total assets	**9,993.1**	**9,924.3**	**1%**
Liabilities			
Liabilities to credit institutions	1,112.1	959.8	16%
Liabilities to the public and public sector entities	3,662.2	3,405.5	8%
Deposits	4,774.3	4,365.3	9%
Derivative instruments	160.6	151.3	6%
Debt securities issued	3,811.5	3,393.5	12%
Subordinated liabilities	288.7	283.9	2%
Other liabilities to credit institutions	353.5	1,012.5	-65%
Other liabilities to the public and public sector entities	51.7	177.0	-7 %
Other financial liabilities	4,505.4	4,866.9	-7%
Accrued expenses and income received in advance	102.6	88.6	16%
Other liabilities	44.4	34.8	28%
Total other liabilities	147.0	123.4	19%
Income tax liabilities	0.0	8.2	-100%
Deferred tax liabilities	28.9	32.4	-11%
Tax liabilities	29.0	40.6	-29%
Total liabilities	**9,616.3**	**9,547.5**	**1%**
Equity			
Restricted equity	153.6	172.1	-11 %
Unrestricted equity	165.5	160.5	3 %
Shareholders' share of equity	319.1	332.6	-4 %
Non-controlling interest's share of equity	57.7	44.3	30 %
Equity	**376.8**	**376.8**	**0 %**
Total liabilities and equity	**9,993.1**	**9,924.3**	**1 %**

Consolidated cash flow statement for Bank Group

(EUR million)	1-12/2011	1-12/2010	Δ
Cash flow from operating activities			
Operating profit	37.4	70.9	-47%
Adjustment items not included in cash flow for the period	20.1	21.4	-6%
Unwinded cash flow hedging	17.6	-	-
Paid income taxes	-36.0	-27.2	-33%
Cash flow from operating activities before change in operating receivables and liabilities	**39.0**	**65.1**	**-40%**
Increase (-) or decrease (+) in receivables from operating activities	198.1	-485.5	-
Increase (+) or decrease (-) in liabilities from operating activities	-36.3	346.9	-
Total cash flow from operating activities	**200.9**	**-73.5**	**-**
Cash flow from investing activities			
Financial assets held until maturity	1.4	6.4	-78%
Investments in group companies and associated companies	-	-0.1	-
Proceeds from sale of group companies and associated companies	0.3	0.3	-4%
Investment in tangible and intangible assets	-2.8	-2.2	-28%
Disposal of tangible and intangible assets	0.2	0.5	-56%
Share issue of Aktia Real Estate Mortgage Bank Plc to the non-controlling interest	13.5	9.2	47%
Total cash flow from investing activities	**12.5**	**14.1**	**-11%**
Cash flow from financing activities			
Subordinated liabilities	3.6	32.1	-89%
Paid dividends	-20.0	-42.9	53%
Total cash flow from financing activities	**-16.4**	**-10.8**	**-52%**
Change in cash and cash equivalents	**197.0**	**-70.3**	**-**
Cash and cash equivalents at the beginning of the year	275.9	346.2	-20%
Cash and cash equivalents at the end of the year	473.0	275.9	71%
Cash and cash equivalents in the cash flow statement consist of the following items:			
Cash in hand	9.5	9.6	-1%
Bank of Finland current account	456.8	260.2	76%
Repayable on demand claims on credit institutions	6.6	6.1	8%
Total	**473.0**	**275.9**	**71%**
Adjustment items not included in cash flow consist of:			
Write-downs on credits and other commitments, net	10.5	12.9	-19%
Change in fair values	7.2	4.6	56%
Depreciation and impairment of intangible and tangible assets	4.0	4.6	-14%
Share of profit from associated companies	0.3	-0.8	-
Sales gains and losses from intangible and tangible assets	0.6	-0.3	-
Unwinded cash flow hedging	-2.5	0.0	-
Other adjustments	0.0	0.3	-
Total	**20.1**	**21.4**	**-6%**

Consolidated statement of changes in equity for Bank Group

(EUR million)	Share capital	Other restricted equity	Fund at fair value	Unrestricted equity reserve	Retained earnings	Shareholders' share of equity	Non-controlling interest's share of equity	Total equity
Equity as at 1 January 2010	**163.0**	**0.0**	**34.7**	**44.6**	**108.7**	**351.0**	**32.7**	**383.7**
Share issue						0.0		0.0
Dividens to shareholders					-42.9	-42.9		-42.9
Profit for the reporting period					*50.1*	*50.1*	*2.5*	*52.6*
Financial assets available for sale			*-30.0*			*-30.0*	*0.0*	*-30.0*
Cash flow hedging			*4.4*			*4.4*	*-0.1*	*4.3*
Total comprehensive income for the reporting period			-25.6		50.1	24.5	2.5	26.9
Other change in equity						0.0	9.2	9.2
Equity as at 31 December 2010	**163.0**	**0.0**	**9.1**	**44.6**	**115.9**	**332.6**	**44.3**	**376.8**
Equity as at 1 January 2011	**163.0**	**0.0**	**9.1**	**44.6**	**115.9**	**332.6**	**44.3**	**376.8**
Share issue						0.0		0.0
Dividens to shareholders					-20.0	-20.0		-20.0
Profit for the reporting period					*24.7*	*24.7*	*1.0*	*25.7*
Financial assets available for sale			*-18.8*			*-18.8*	*0.0*	*-18.8*
Cash flow hedging			*0.3*		*0.0*	*0.3*	*-0.5*	*-0.2*
Defined benefit plan pensions					*-0.3*	*-0.3*		*-0.3*
Total comprehensive income for the reporting period			-18.5		24.5	6.0	0.4	6.4
Other change in equity					0.5	0.5	13.0	13.6
Equity as at 31 December 2011	**163.0**	**0.0**	**-9.4**	**44.6**	**120.9**	**319.1**	**57.7**	**376.8**

Key figures

(EUR million)	1-12/2011	1-12/2010	Δ	10-12/2011	7-9 2011	4-6/2011	1-3/2011	10-12 2010
Earnings per share (EPS)	8,2	16,7	-51 %	0,8	1,8	2,1	3,5	2,9
Equity per share (NAV) [1)]	106,4	110,9	-4 %	106,4	106,7	103,1	100,1	110,9
Return on equity (ROE), %	6,8	13,8	-51 %	2,5	5,7	7,5	12,5	9,6
Total earnings per share	2,0	8,2	-75 %	-0,6	3,7	3,0	-4,1	-6,5
Number of shares at the end of the period [1)]	3	3	0 %	3	3	3	3	3
Personnel (FTEs), average number of employees from the beginning of the financial year [1)]	774	740	5 %	774	774	772	772	740
Banking Business (incl. Private Banking)								
Cost-to-income ratio	0,73	0,59	24 %	0,78	0,79	0,74	0,63	0,68
Borrowing from the public [1)]	3 662,2	3 405,5	8 %	3 662,2	3 600,3	3 519,3	3 463,6	3 405,5
Lending to the public [1)]	7 117,1	6 653,7	7 %	7 117,1	6 990,5	6 869,3	6 720,3	6 653,7
Capital adequacy ratio, % [1)]	16,2	15,9	2 %	16,2	16,6	16,6	16,0	15,9
Tier 1 capital ratio, % [1)]	10,6	10,1	5 %	10,6	10,8	10,8	10,3	10,1
Risk-weighted commitments [1)]	3 694,0	3 673,1	1 %	3 694,0	3 643,1	3 648,6	3 656,5	3 673,1
Asset Management								
Mutual fund volume [1)]	3 613,4	4 264,0	-15 %	3 613,4	3 379,2	4 147,7	4 125,4	4 264,0
Managed and brokered assets [1)]	6 624,1	6 978,2	-5 %	6 624,1	6 204,6	7 048,7	6 921,6	6 978,2

1) At the end of the period

Formulas for key figures are presented in Aktia Bank plc's annual report 2010 page 6

Quarterly trends in Aktia Bank Group

(EUR million)	10-12 2011	7-9 2011	4-6/2011	1-3 2011	10-12 2010
Net interest income	28.4	31.8	33.5	34.5	35.7
Dividends	0.1	0.0	0.0	0.0	0.0
Net commission income	15.1	11.7	14.0	13.2	13.6
Net income from financial transactions	-0.6	-6.4	-3.3	1.0	2.2
Net income from investment properties	0.0	0.0	0.0	0.0	0.0
Other operating income	1.3	0.9	0.9	1.4	1.4
Total operating income	**44.3**	**38.0**	**45.1**	**50.1**	**52.8**
Staff costs	-14.3	-11.6	-13.7	-13.3	-14.3
IT-expenses	-5.1	-5.2	-5.2	-4.4	-4.8
Depreciation of tangible and intangible assets	-0.9	-1.0	-1.0	-1.1	-1.1
Other operating expenses	-14.1	-12.1	-13.8	-13.0	-15.5
Total operating expenses	**-34.4**	**-29.8**	**-33.7**	**-31.8**	**-35.8**
Write-downs on credits and other commitments, net	-4.1	-1.1	-1.9	-3.3	-3.9
Share of profit from associated companies	-0.1	0.1	0.0	0.0	-0.1
Operating profit	**5.7**	**7.2**	**9.5**	**14.9**	**13.1**
Income and expenses from other business	-3.9	-	-	-	-
Taxes	0.6	-1.9	-2.8	-3.7	-3.8
Profit for the period	**2.4**	**5.3**	**6.7**	**11.3**	**9.3**

Quartely trends of comprehensive income in Bank Group

(EUR million)	10-12/ 2011	7-9 /2011	4-6/2011	1-3/2011	10-12 2010
Profit for the period	2.4	5.3	6.7	11.3	9.3
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	-4.4	-3.5	0.5	-11.8	-25.1
Change in valuation of fair value for cash flow hedging	-0.3	8.8	2.0	-10.7	-6.5
Transferred to the income statement for financial assets available for sale	-	-	-	-	3.8
Defined benefit plan pensions	-0.3	-	-	-	-
Total comprehensive income for the period	**-2.6**	**10.6**	**9.2**	**-11.2**	**-18.6**

NOTES TO THE ACCOUNTS ANNOUNCEMENT

Note 1 Basis for preparing the Accounts Annoncement and important accounting principles

Basis for preparing the Accounts Announcement

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

The Accounts Announcement for the fiscal period 1 January -31 December 2011 has been prepared in accordance with IAS 34 "Accounts Announcement". 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 Accounts Announcement for the period 1 January – 31 December 2011 was approved by the Board of Directors on 15 February 2012.

Aktia Bank 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, with the exception for following additions, followed the accounting principles applicable to the annual report 31 December 2010.

IAS 40 Investment properties
As of 31 December 2011 the Group's investment properties are reported in the balance sheet at fair value (earlier valued at original acquisition value). The valuation is based on statements from independent valuers. Future changes in the value of investment properties will influence operating profit. The change of valuation principle for investment properties increased the Group's equity by EUR 2.7 million after tax.

No new or revised IFRSs or interpretations from IFRIC have had an impact on the Group:s future results, financial position or explanatory notes for the period 1 January-31 December 2011.

Note 2. Segment report for Bank Group

Income statement	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
(EUR million)	1-12/2011	1-12/2010	1-12/2011	1-12/2010	1-12/2011	1-12/2010	1-12/2011	1-12/2010	1-12/2011	1-12/2010
Net interest income	123.9	145.6	4.3	3.6	0.0	0.0	-	-	128.2	149.2
Dividends	2.2	2.4	-	-	-	-	-2.0	-2.1	0.2	0.3
Net commission income	37.5	34.0	16.6	17.2	-0.1	0.1	0.0	0.0	54.0	51.2
Net income from financial transactions	-9.4	-5.6	0.1	0.0	0.0	-	-	-	-9.3	-5.6
Net income from investment properties	0.0	0.0	-	-	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Other income	4.3	4.4	0.6	0.3	2.4	4.8	-2.8	-2.3	4.6	7.2
Total operating income	**158.6**	**180.8**	**21.6**	**21.1**	**2.3**	**4.9**	**-4.9**	**-4.5**	**177.6**	**202.3**
Staff costs	-37.3	-34.2	-8.0	-9.1	-7.2	-6.8	-0.4	-0.4	-52.9	-50.5
IT-expenses	-13.7	-12.1	-0.9	-0.9	-5.3	-5.0	-	-	-19.9	-18.0
Depreciation of tangible and intangible assets	-2.2	-2.2	-0.5	-0.5	-1.3	-1.9	-	-	-4.0	-4.6
Other expenses	-58.6	-49.5	-6.5	-6.2	9.9	6.0	2.3	2.9	-53.0	-46.9
Total operating expenses	**-111.8**	**-98.0**	**-15.9**	**-16.7**	**-3.9**	**-7.7**	**1.9**	**2.5**	**-129.7**	**-120.0**
Write-downs on credits and other commitments	-10.5	-12.9	-	-	-	-	-	-	-10.5	-12.9
Share of profit from associated companies	-	-	-	-	-	-	0.0	1.5	0.0	1.5
Operating profit	**36.4**	**69.8**	**5.6**	**4.4**	**-1.6**	**-2.9**	**-3.0**	**-0.5**	**37.4**	**70.9**

Balance sheet	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
(EUR million)	31.12.2011	31.12.2010	31.122011	31.12..2010	31.12.2011	31.12.2010	31.12.2011	31.12..2010	31.12.2011	31.12.2010
Cash and balances with central banks	466.2	269.7	0.1	0.1	-	-	-	-	466.3	269.8
Financial assets available for sale	1,876.1	2,593.6	1.4	8.0	-	-	-1.3	-4.3	1,876.2	2,597.4
Loans and other receivables	7,139.9	6,652.1	74.7	53.8	-	-	-8.8	-6.2	7,205.8	6,699.7
Other assets	498.8	389.2	7.3	7.0	7.9	7.0	-69.2	-45.7	444.8	357.5
Total assets	**9,981.0**	**9,904.6**	**83.6**	**68.9**	**7.9**	**7.0**	**-79.3**	**-56.2**	**9,993.1**	**9 ,924.3**
Deposits	4,597.3	4,191.7	185.8	179.8	-	-	-8.8	-6.2	4,774.3	4,365.3
Debt securities issued	3,812.8	3,397.8	-	-	-	-	-1.3	-4.3	3,811.5	3,393.5
Other liabilities to credit institutions	353.5	1,012.5	-	-	-	-	-	-	353.5	1,012.5
Other liabilities	732.4	831.0	14.0	9.3	12.7	9.0	-82.1	-73.1	677.0	776.1
Total liabilities	**9,496.0**	**9,433.0**	**199.8**	**189.1**	**12.7**	**9.0**	**-92.2**	**-83.6**	**9,616.3**	**9,547.5**

Note 3. Derivatives and off-balance sheet commitments

Derivative instruments at 31 December 2011 (EUR million)

31.12.2011 Hedging derivative instruments (EUR million)	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	4,085.0	157.2	35.5
Total	**4,085.0**	**157.2**	**35.5**
Cash flow hedging			
Interest rate-related	655.0	21.1	0.0
Total	**655.0**	**21.1**	**0.0**
Derivative instruments valued via the income statement			
Interest rate-related *)	6,372.1	118.2	121.5
Currency-related	85.6	2.0	1.3
Equity-related **)	107.2	1.3	1.3
Other derivative instruments **)	22.7	1.1	1.1
Total	**6,587.5**	**122.5**	**125.2**
Total derivative instruments			
Interest rate-related	11,112.1	296.4	157.0
Currency-related	85.6	2.0	1.3
Equity-related	107.2	1.3	1.3
Other derivative instruments	22.7	1.1	1.1
Total	**11,327.5**	**300.7**	**160.6**

Derivative instruments at 31 December 2010 (EUR million)

31.12.2010 Hedging derivative instruments (EUR million)	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 *)	7,615.8	103.0	103.0
Currency-related	175.6	1.9	1.6
Equity-related **)	107.2	4.9	4.9
Other derivative instruments **)	4.3	0.9	0.9
Total	**7,902.9**	**110.7**	**110.4**
Total derivative instruments			
Interest rate-related	12,944.3	222.6	143.9
Currency-related	175.6	1.9	1.6
Equity-related	107.2	4.9	4.9
Other derivative instruments	4.3	0.9	0.9
Total	**13,231.4**	**230.3**	**151.3**

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 5,986.0 (7,219.0) million.

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

Off-balance sheet commitments (EUR million)	31.12.2011	31.12.2010
Commitments provided to a third party on behalf of the customers		
Guarantees	42.2	48.4
Other commitments provided to a third party	3.3	5.5
Irrevocable commitments provided on behalf of customers		
Unused credit arrangements	419.8	611.8
Other commitments provided to a third party	-	-
Off-balance sheet commitments	**465.4**	**665.8**

Note 4. Risk exposures for Bank Group

Consolidated capital adequacy for Bank Group

Summary (EUR million)	12/2011	9/2011	6/2011	3/2011	12/2010
Tier 1 capital	392.6	393.4	393.1	378.3	371.5
Tier 2 capital	206.4	210.3	213.4	205.5	214.1
Capital base	**599.1**	**603.7**	**606.5**	**583.8**	**585.7**
Risk-weighted amount for credit and counterpart risks	3,321.6	3,294.4	3,300.0	3,307.8	3,324.4
Risk-weighted amount for market risks [1]	-	-	-	-	-
Risk-weighted amount for operational risks	372.3	348.6	348.6	348.6	348.6
Risk-weighted commitments	**3,694.0**	**3,643.1**	**3,648.6**	**3,656.5**	**3,673.1**
Capital adequacy ratio, %	**16.2**	**16.6**	**16.6**	**16.0**	**15.9**
Tier 1 Capital ratio, %	**10.6**	**10.8**	**10.8**	**10.3**	**10.1**
Minimum capital requirement	**295.5**	**291.4**	**291.9**	**292.5**	**293.8**
Capital buffer (difference between capital base and minimum requirement)	303.5	312.3	314.6	291.3	291.8

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

	12/2011	9/2011	6/2011	3/2011	12/2010
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	57.7	58.2	58.6	45.4	44.3
Retained earnings	96.2	95.9	95.9	95.4	65.8
Profit for the period	24.7	22.4	16.9	10.5	50.1
./. provision for dividends to shareholders	-21.3	-15.8	-10.5	-5.3	-20.8
Capital loan	30.0	30.0	30.0	30.0	30.0
Total	394.9	398.3	398.4	383.6	376.9
./. intangible assets	-2.3	-4.9	-5.3	-5.2	-5.4
Tier 1 capital	**392.6**	**393.4**	**393.1**	**378.3**	**371.5**
Fund at fair value	-34.9	-31.5	-28.1	-28.7	-16.6
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	196.3	196.7	196.5	189.2	185.8
Tier 2 capital	**206.4**	**210.3**	**213.4**	**205.5**	**214.1**
Total capital base	**599.1**	**603.7**	**606.5**	**583.8**	**585.7**

Risk-weighted commitments, credit and counterparty risks

Total exposures 12/2011			(EUR million)
Risk-weight	Balance assets	Off-balance sheet commitments	Total
0 %	1,252.0	29.0	1,281.0
10 %	1,050.5	-	1,050.5
20 %	693.5	186.7	880.2
35 %	5,529.1	67.7	5,596.8
50 %	0.7	-	0.7
75 %	573.6	93.0	666.7
100 %	563.3	88.3	651.6
150 %	26.3	0.8	27.1
Total	**9,689.1**	**465.4**	**10,154.6**
Derivatives *)	370.9	-	370.9
Total	**10,060.0**	**465.4**	**10,525.4**

*) derivative agreements credit conversion factor

Risk-weighted exposures					(EUR million)
Risk-weight	12/2011	9/2011	6/2011	3/2011	12/2010
0 %	-	-	-	-	-
10 %	105.1	103.8	103.2	110.4	121.2
20 %	146.6	158.9	191.6	227.7	243.1
35 %	1,943.7	1,898.3	1,857.3	1,811.6	1,780.8
50 %	0.3	0.4	0.4	-	0.0
75 %	450.9	458.0	465.7	470.3	478.2
100 %	601.8	616.6	624.7	637.0	646.8
150 %	40.1	30.1	31.3	21.2	20.4
Total	**3,288.4**	**3,266.0**	**3,274.3**	**3,278.2**	**3,290.5**
Derivatives *)	33.2	28.4	25.7	29.6	33.9
Total	**3,321.6**	**3,294.4**	**3,300.0**	**3,307.8**	**3,324.4**

*) derivative agreements credit conversion factor

In capital adequacy measurement to determine the exposure's risk weight, Aktia applies credit rating by Moody's Investors Service or Standard & Poor's to receivables from central governments and central banks, credit institutions, investment firms, corporates and covered bonds. The risk weight for bank exposures and covered bonds is determined by the credit rating of the country where the institution is located.

Risk-weighted amounts for operational risks

	2011	2010	2009	12/2011	9/2011	6/2011	3/2011	12/2010
Gross income	187,8	208,5	199,4					
- average 3 years	198,6							
Capital requirement for operational risk				29,8	27.9	27.9	27.9	27.9
Risk-weighted amount, Basel 2				372,3	348.6	348.6	348.6	348.6

The capital requirement for operational risk is 15 % of average gross income during the last three years.

The risk-weighted amount is calculated by dividing the capital requirement by 8 %.

Not 5 Net interest income

(EUR million)	1-12/2011	1-12/2010	Δ
Deposits and lending	63.0	54.8	15%
Hedging, interest rate risk management	34.8	58.3	-40%
Other	30.3	36.1	-16%
Net interest income	**128.2**	**149.2**	**-14%**

The impact of fixed rate investment is divided into two components consisting of interest rate risk and credit risk. The interest rate risk component is taken into account as result of heading measures. The impact of the credit risk component is included in "Other".

This report has not been subject to external auditing.

Helsinki 15 December 2012

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