Interim Report January – March 2012

Aktia

A strong first quarter 2012

Operating profit from continuing operations amounted to EUR 14.5 (19.2) million.

Profit for the period amounted to EUR 19.7 (14.2) million.

Earnings per share (EPS) was EUR 0.29 (0.20).

The sale of Aktia Non-Life Insurance Company Ltd generated a non-recurrent income of EUR 10.4 million.

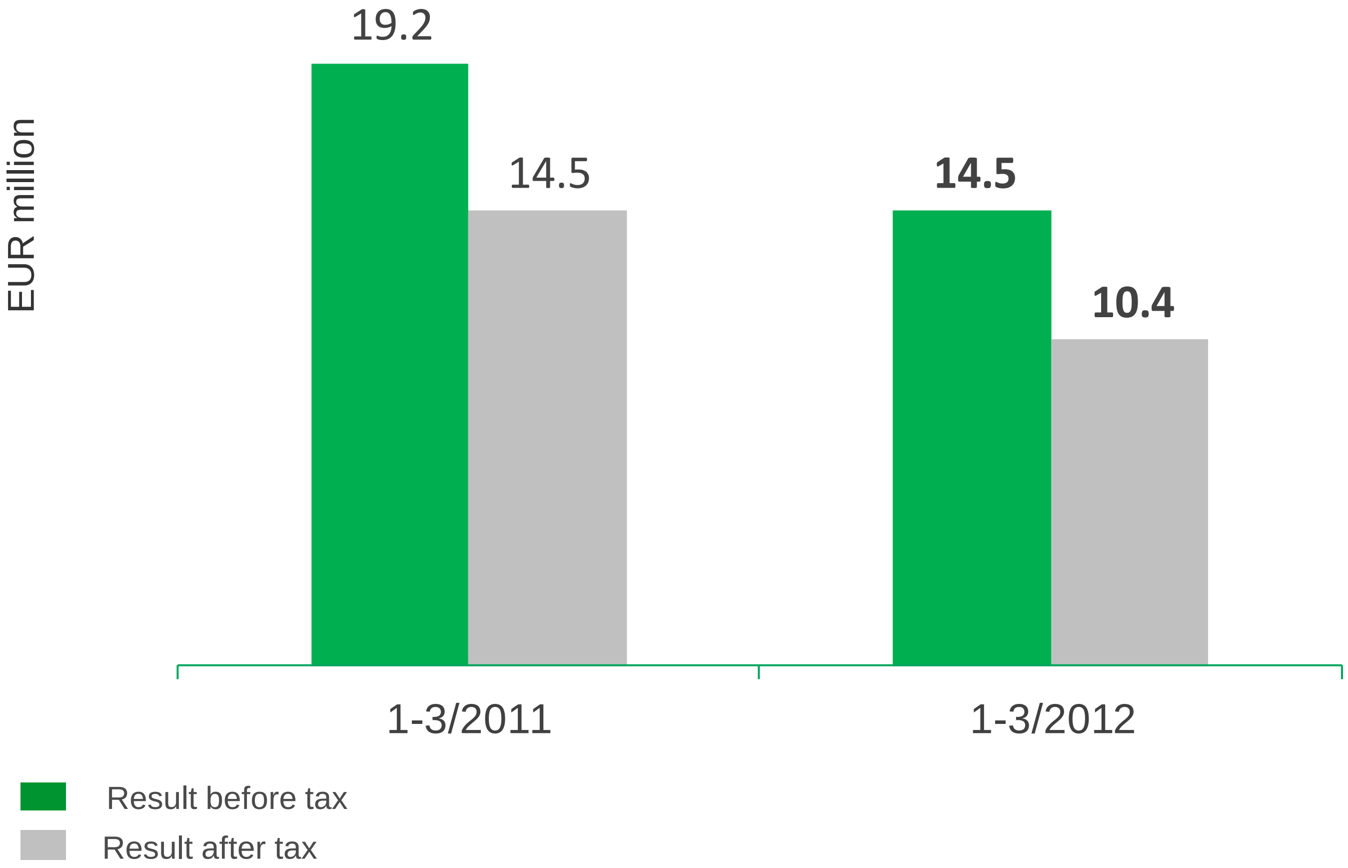
Write-downs on credit and guarantee claims decreased to EUR 1.9 (3.3) million.

Outlook remains unchanged; the operating profit from continuing operations for 2012 is expected to be lower than in 2011.

Interim report 1 January – 31 March 2012

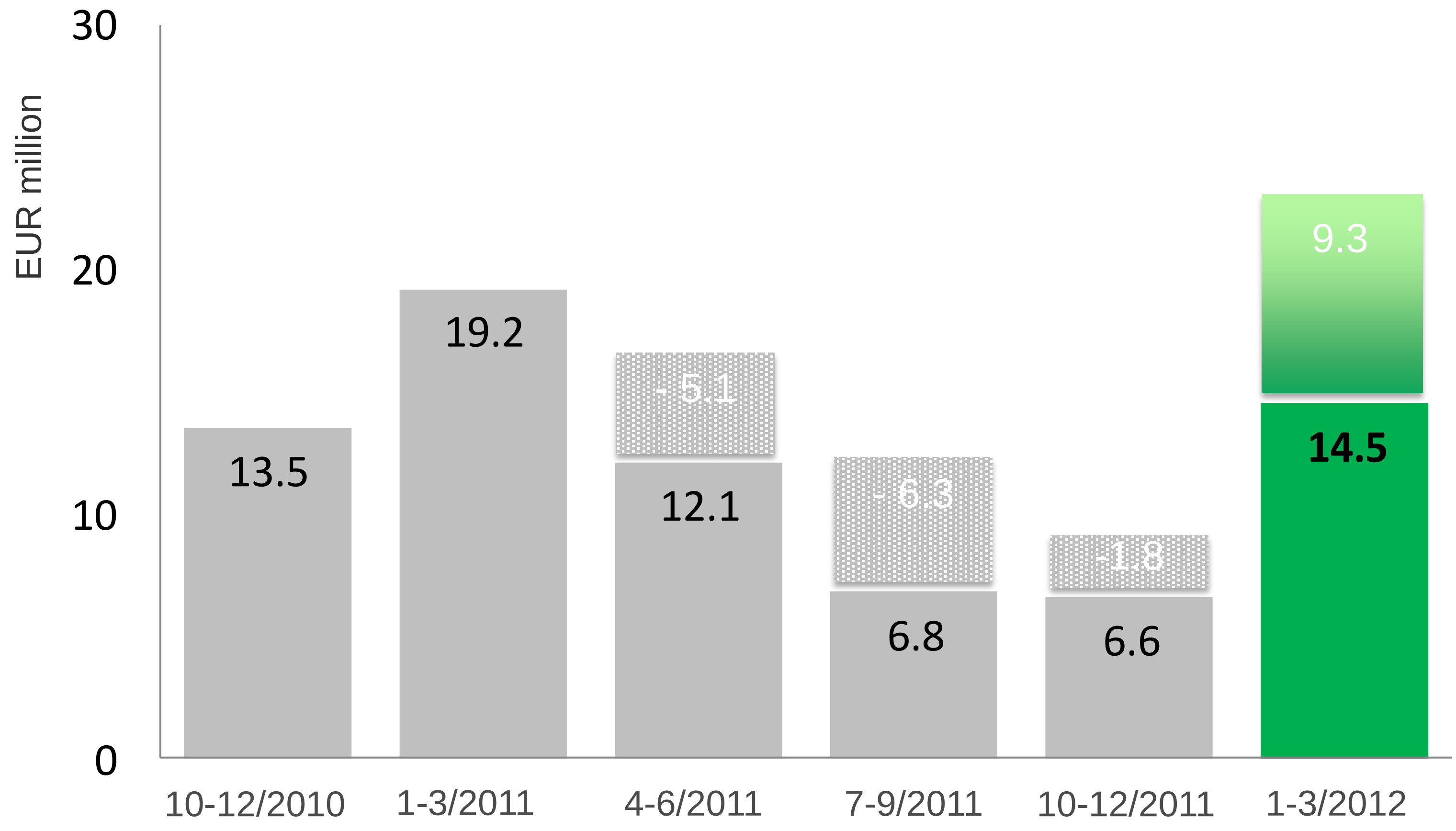
1	Financial performance
2	Capital adequacy
3	Balance sheet and owners
4	Outlook and targets

Result before and after tax
Continuing operations

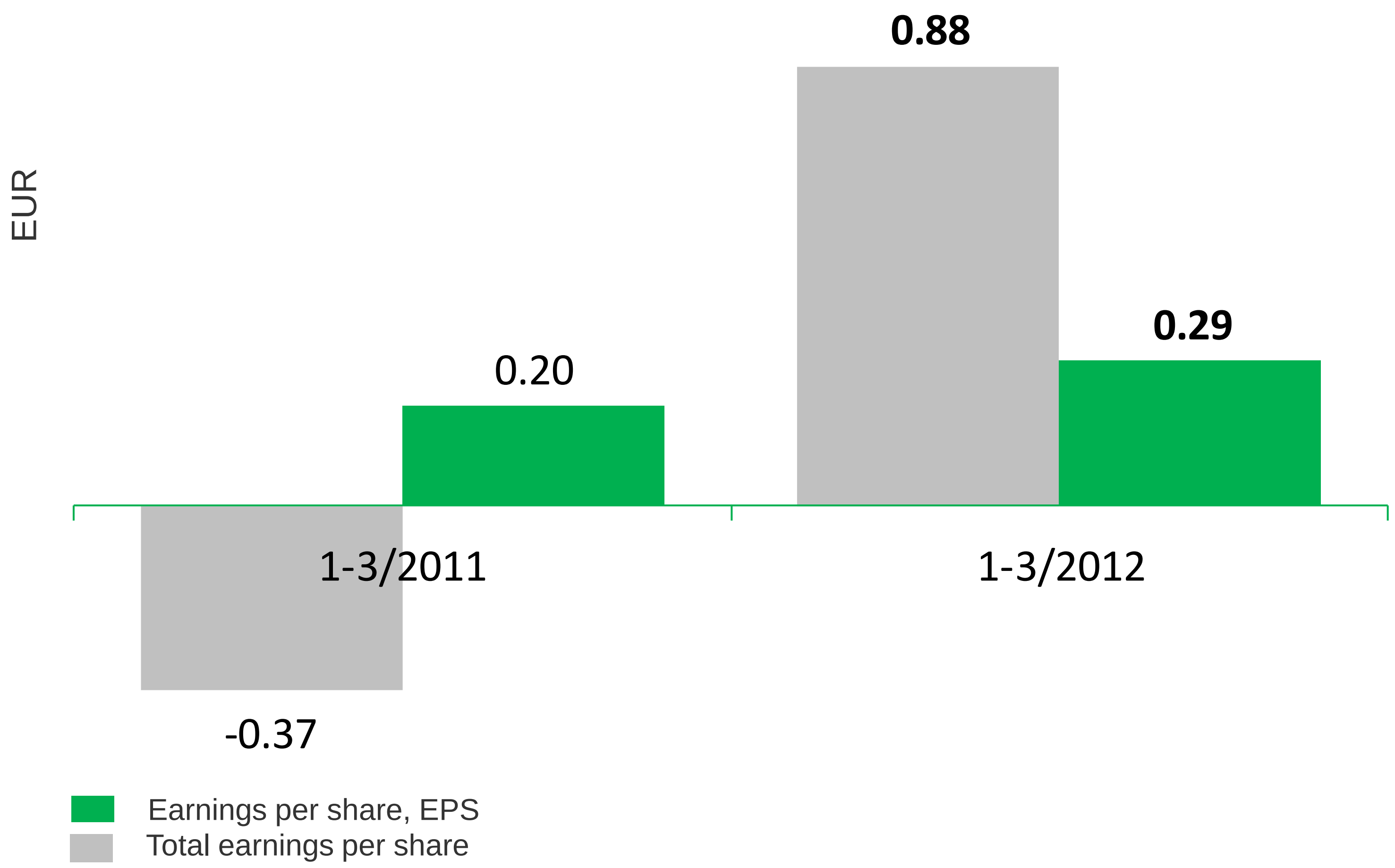


Improved operating profit for the quarter
Continuing operations

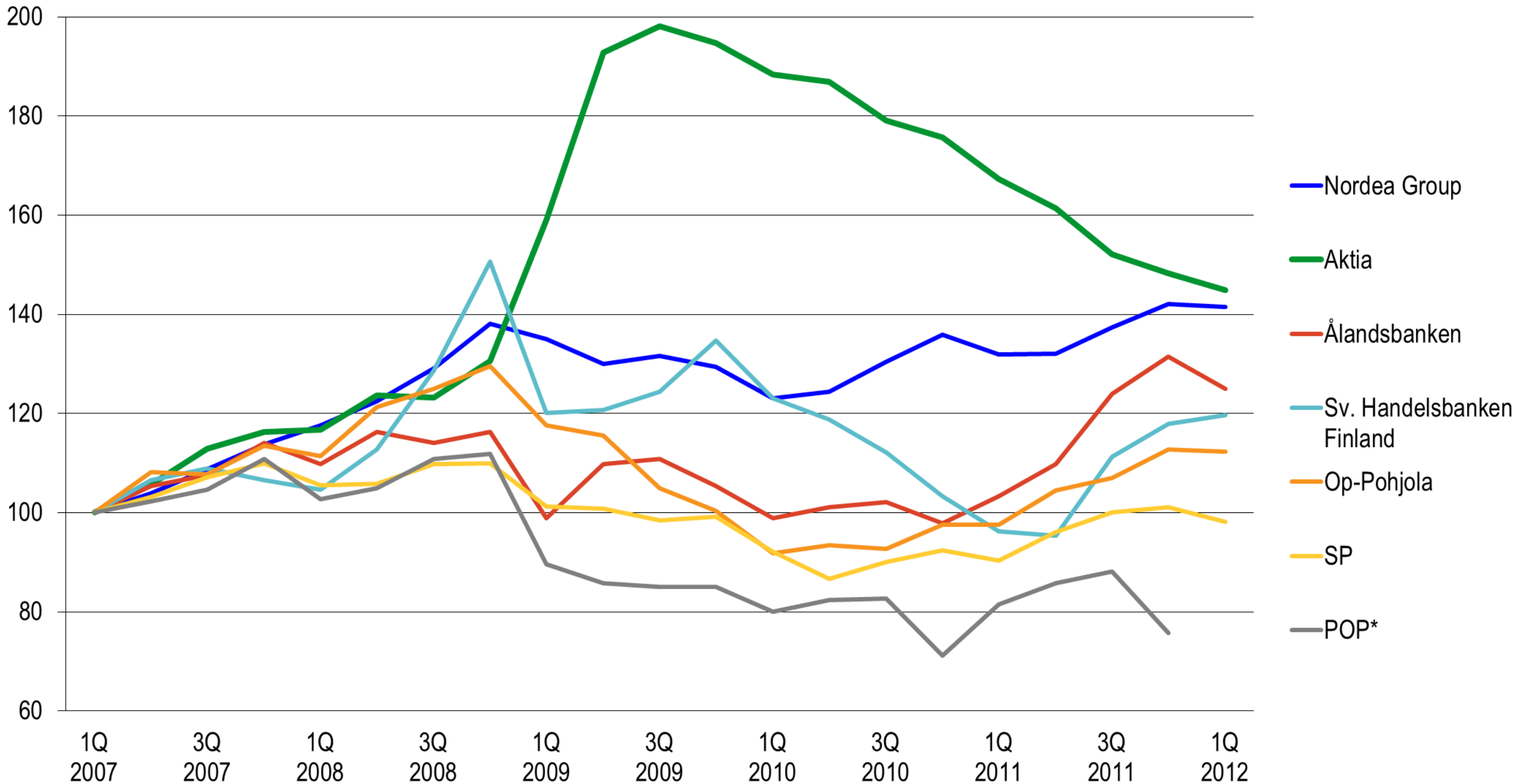
Aktia



Higher earnings per share 1–3/2012



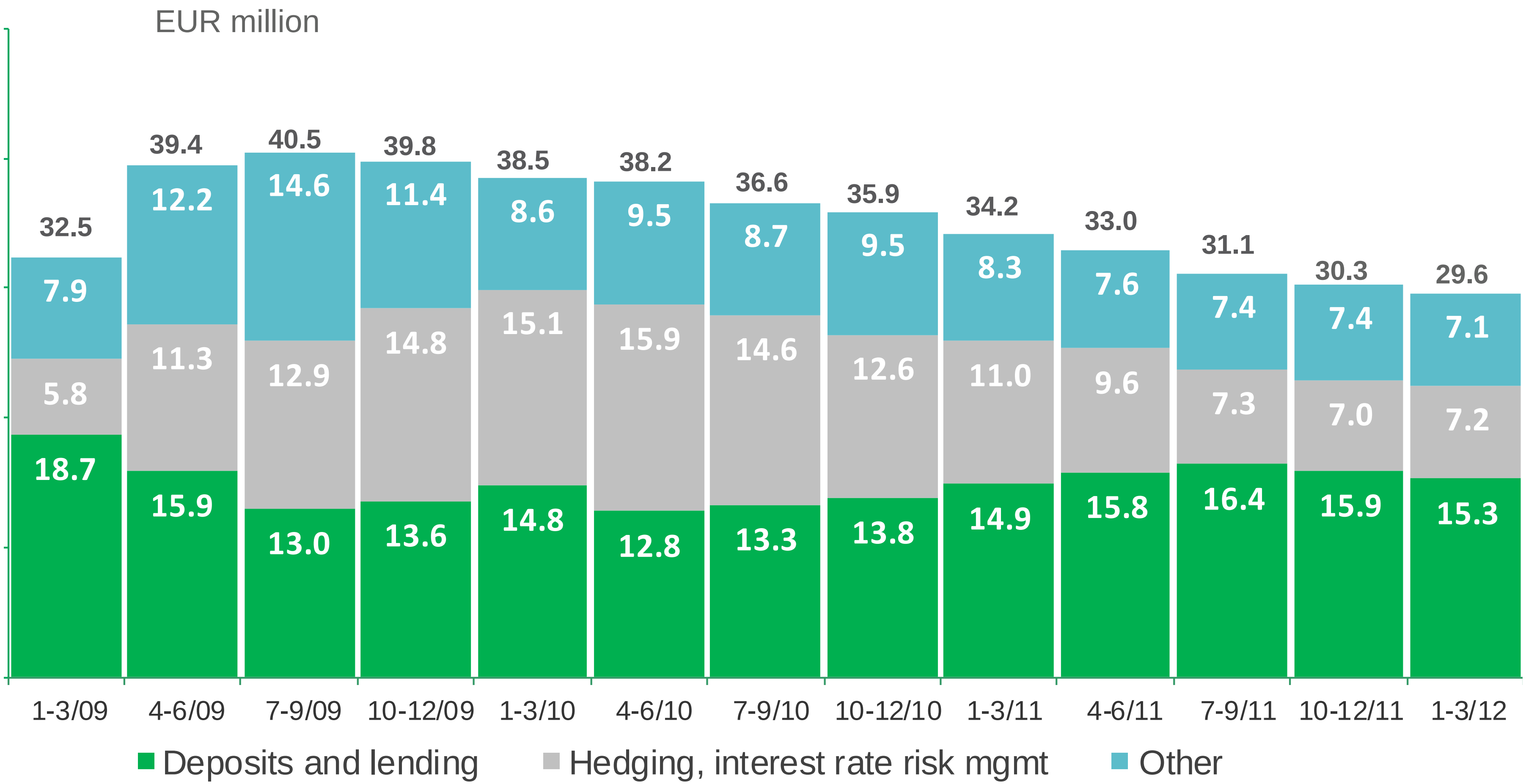
Net interest income (1/2007 = 100)
Banks in Finland



*Q1/2012 not published

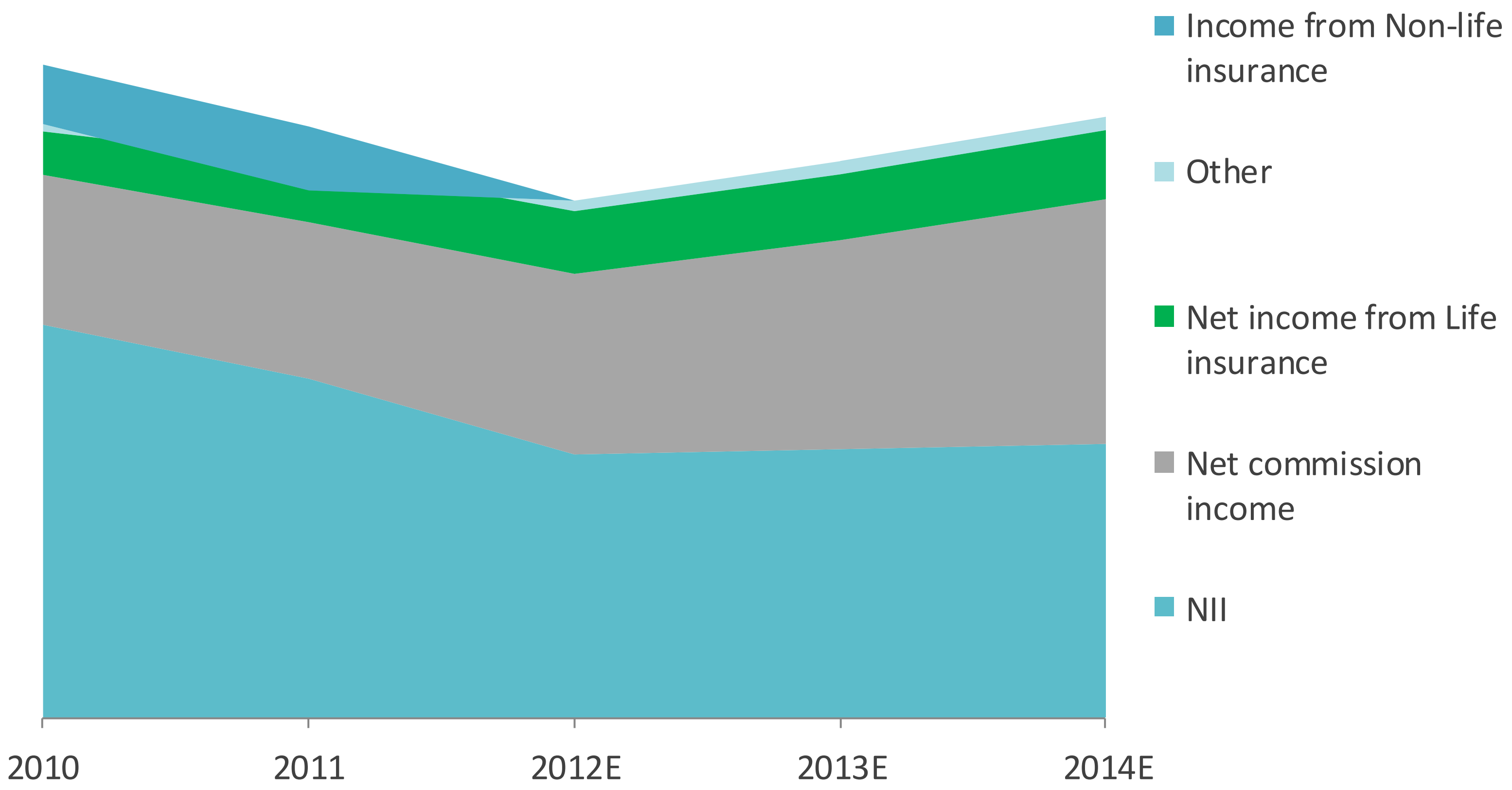
Net interest income

Net interest income from borrowing and lending improved by 9%

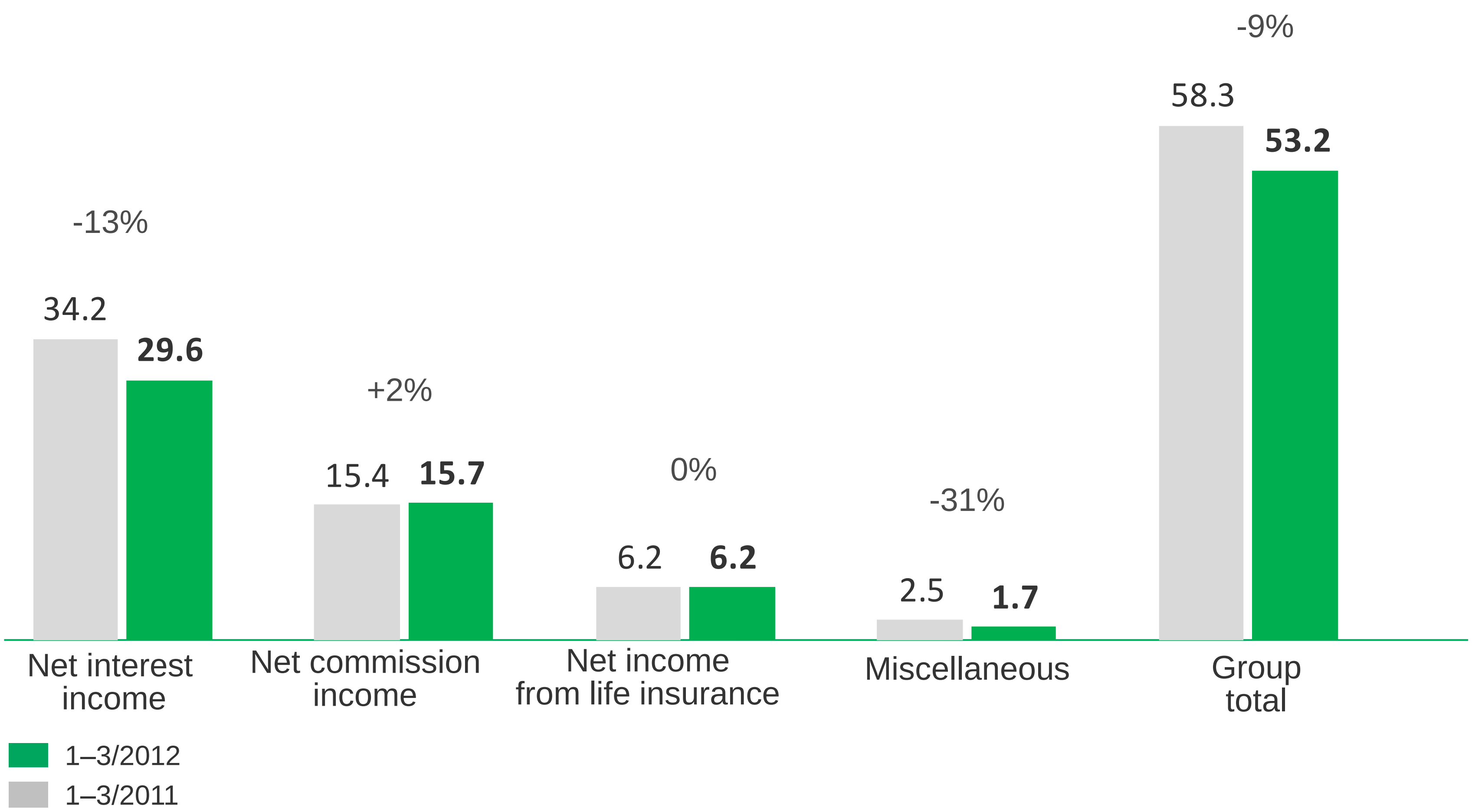


Aktia

Growth in low interest rate situation



Income (EUR million)
Commission income improved



Aktia Asset Management
Assets under management on exceptionally high level

Aktia

Top ranked asset management

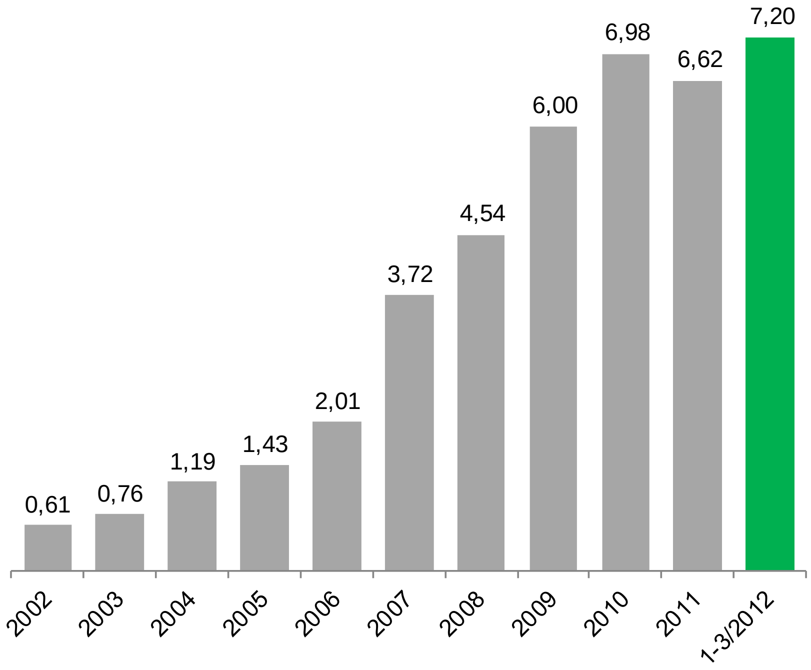
Aktia has established a position as one of the leading asset management companies in Finland

SFR
SCANDINAVIAN FINANCIAL RESEARCH LTD.

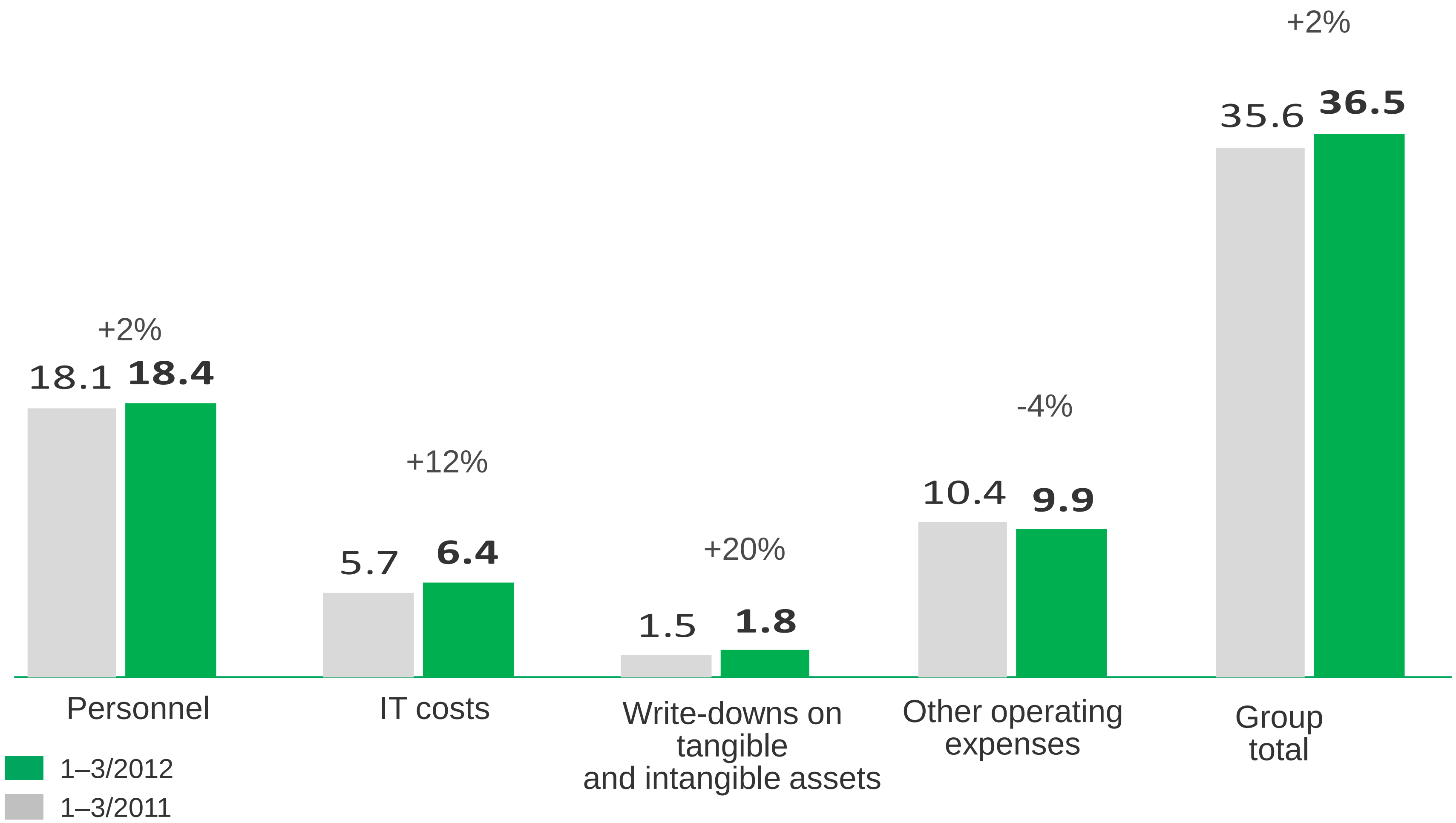
Best Asset Managers Finland 2011

Institutional Investors **Gold Award**

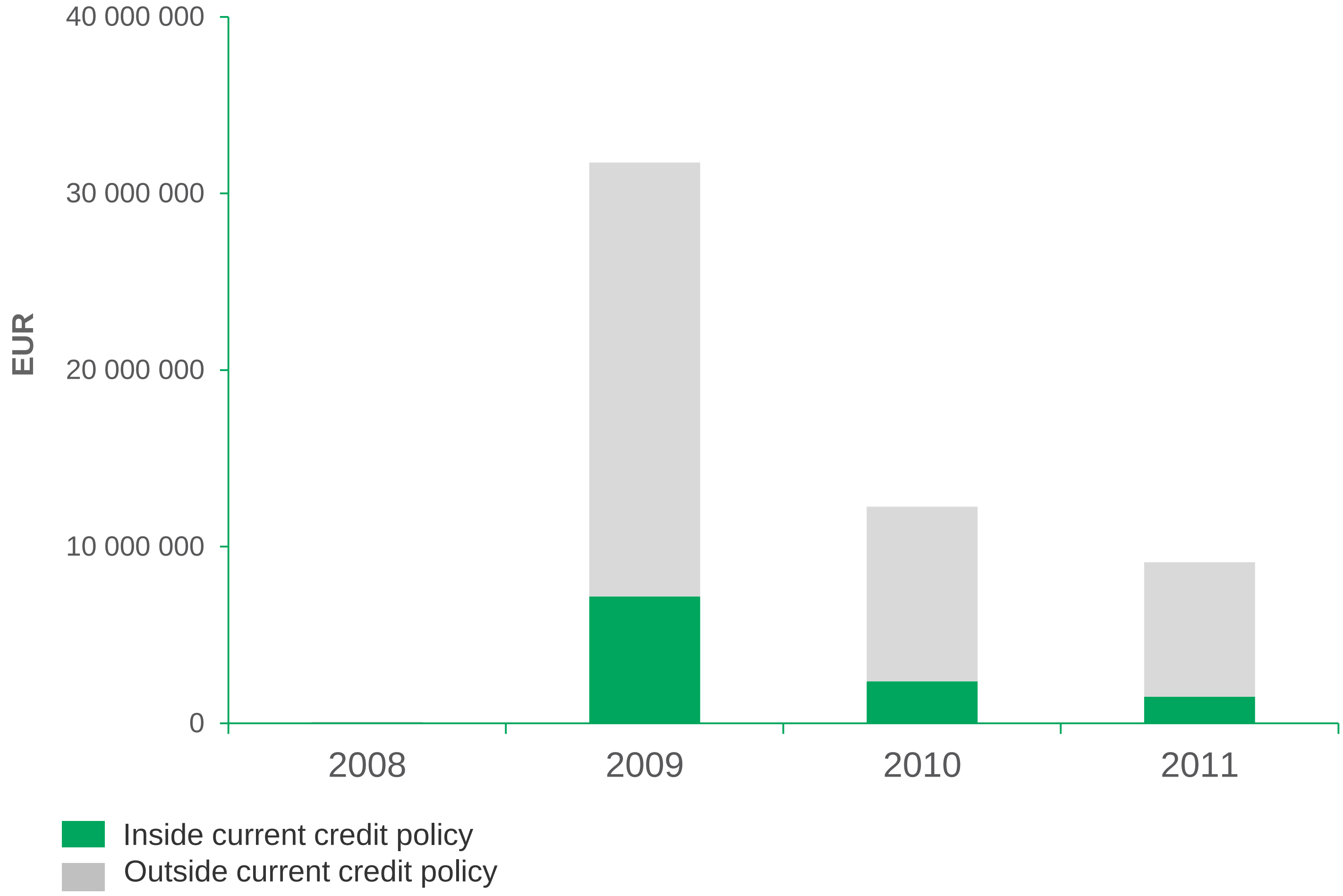
Assets under management, EUR 1,000 million



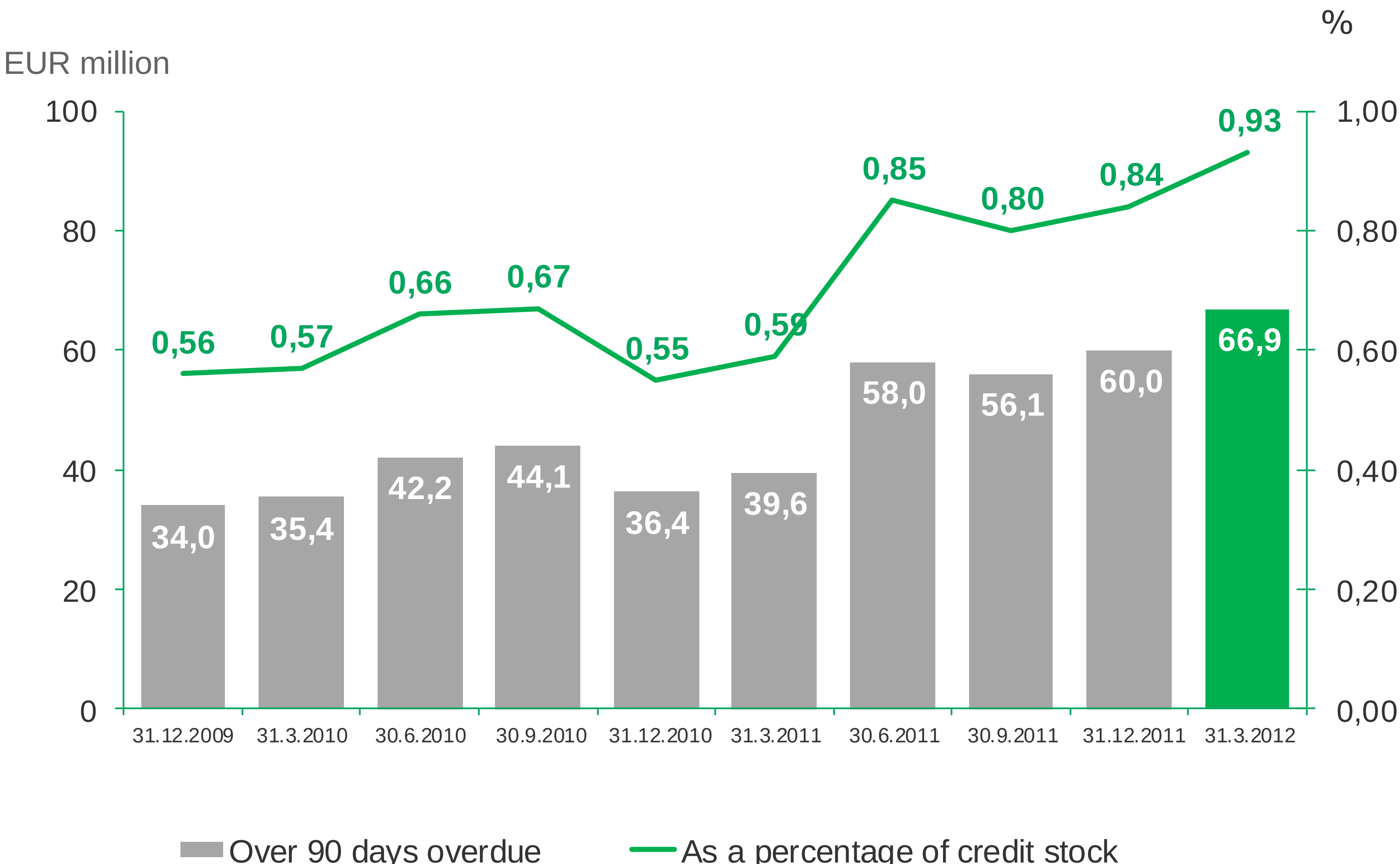
Increase of expenses slowed down (EUR million)



Net credit losses 2008-2011
Sharpened credit policy reduces risk



More than 90 days overdue



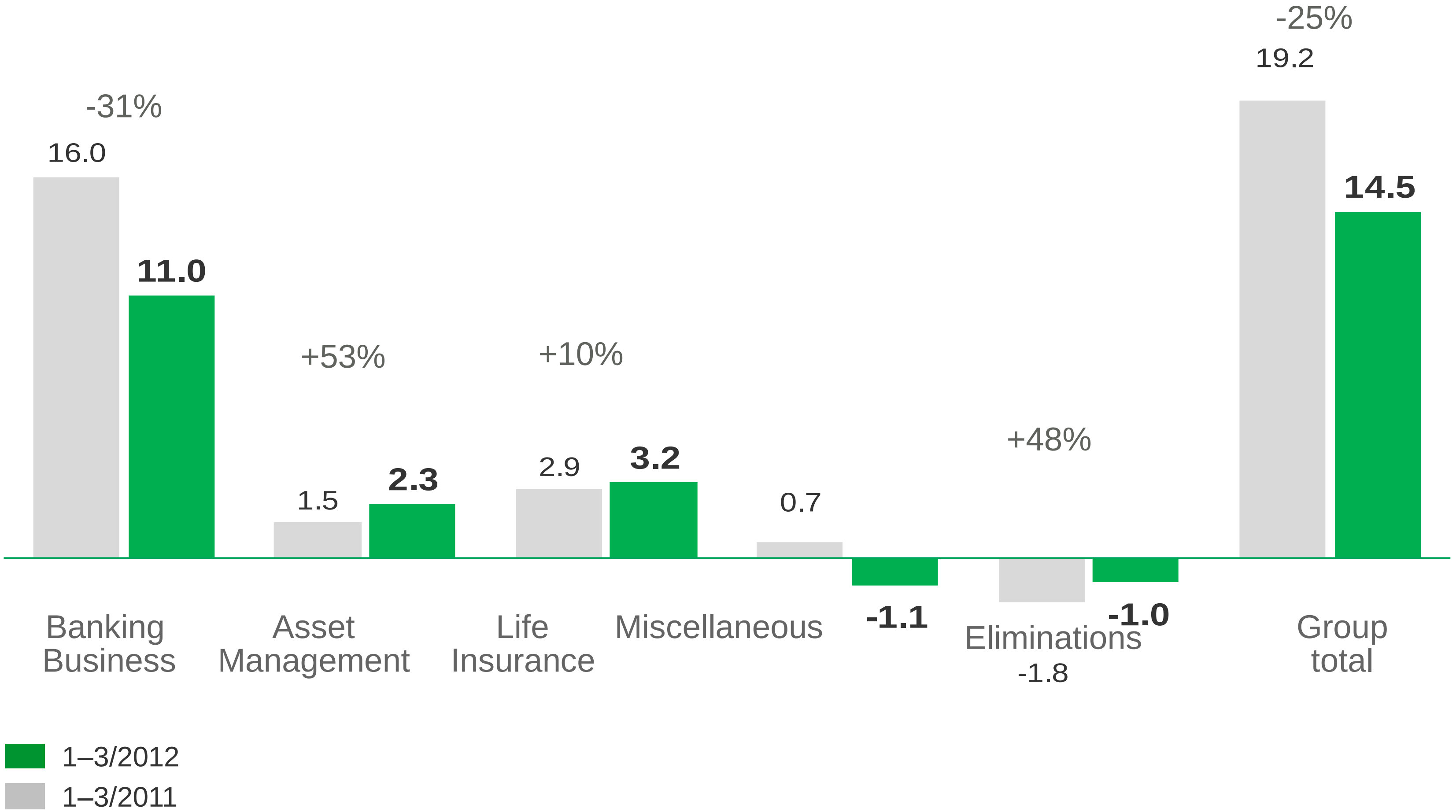
Write downs of loan and guarantee claims -43%

Total write-downs on credits and guarantee claims stood at EUR 1.9 (3.3) million.

Of these write-downs, EUR 0.3 (0.3) million could be attributed to households and EUR 1.6 (3.0) to companies.

At the end of the period, group write-downs amounted to EUR 14.1 (14.0) million at portfolio level.

The segments' contribution to the Group's operating profit
Asset Management and Life Insurance stronger



Summary:
Operating profit January-March 2012

Profit

Aktia's operating profit from continuing operations amounted to EUR 14.5 (19.2) million.

The operating profit for the period was EUR 19.7 (14.2) million.

Income

Income decreased to EUR 53.2 (58.3) million.

Net interest income amounted to EUR 29.6 (34.2) million.

Expenses

The Group's operating expenses incresed by 2% to EUR 36.5 (35.6) million.

Write-downs

Group write-downs fell by 43% to EUR 1.9 (3.3) million.

Aktia

Interim report 1 January – 31 March 2012

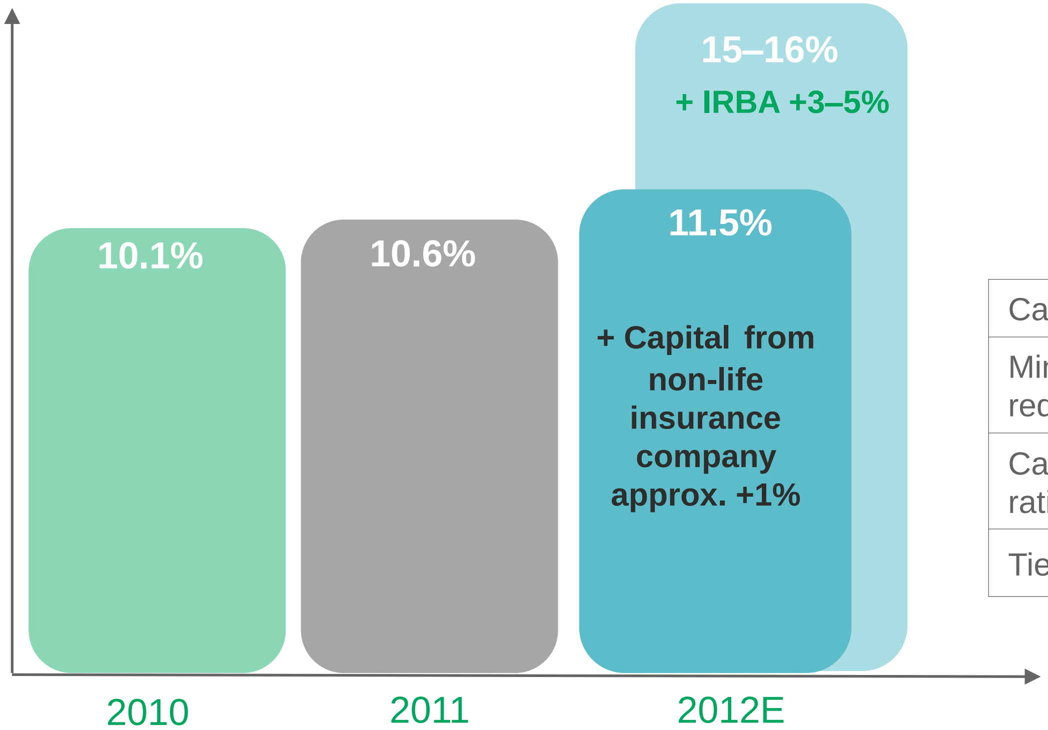
1	Financial performance
2	Capital adequacy
3	Balance sheet and owners
4	Outlook and targets

The Bank's capital adequacy

IRBA is expected to strengthen Tier 1 capital ratio by 3-5%

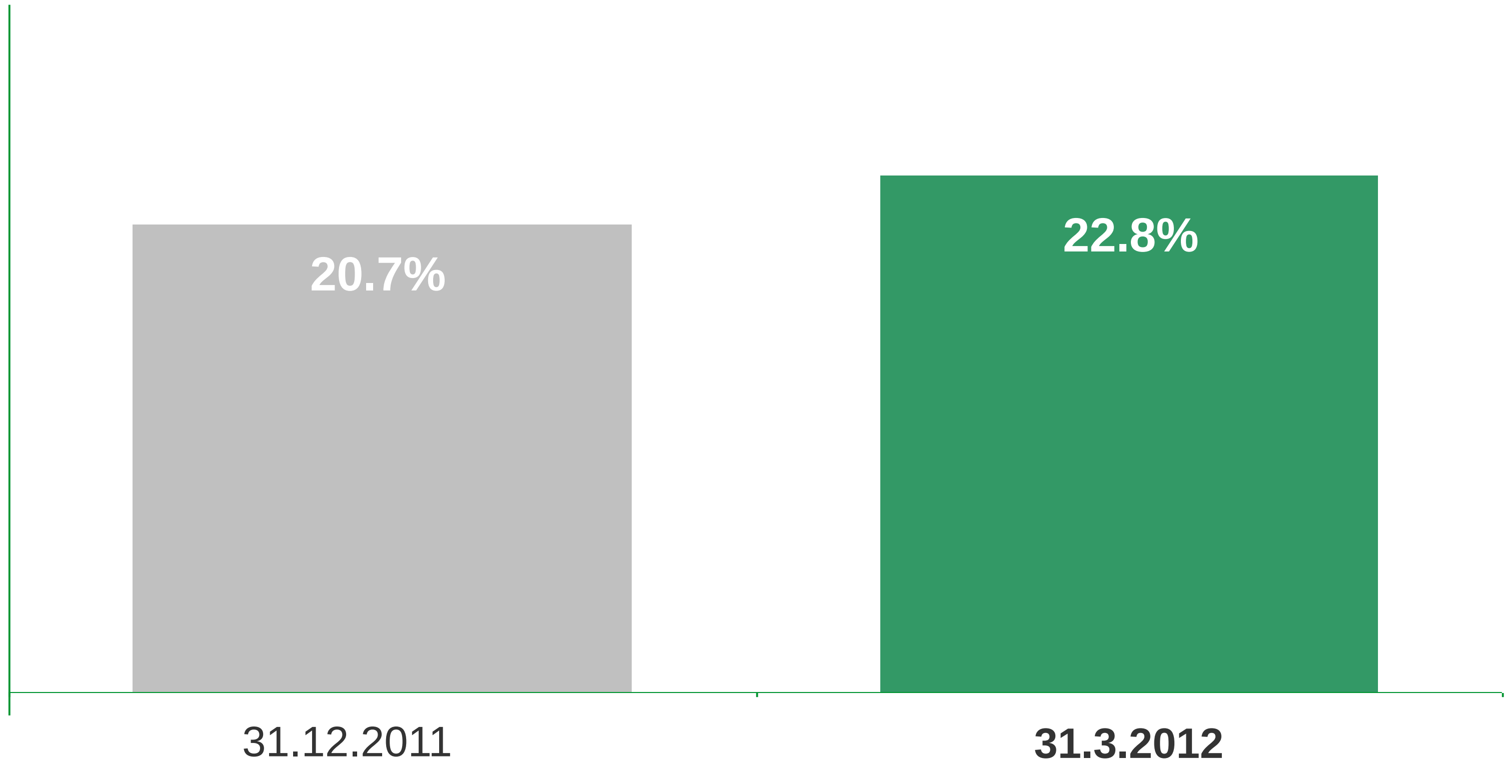
Capital released from sale of the non-life insurance strengthens the Tier 1 by approx. 1%

IRBA expected to be approved during 2012



	31.3.2012	31.12.2011
Capital buffer	380.2	303.5
Minimum capital requirements	301.4	295.5
Capital adequacy ratio, %	18.1	16.2
Tier 1 capital ratio, %	11.3	10.6

Life insurance
Stronger solvency

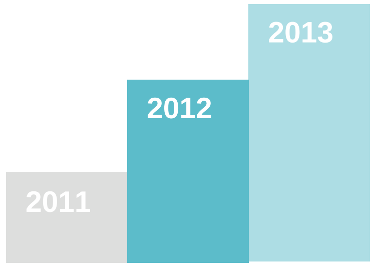


Liquidity

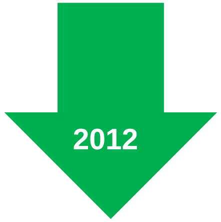
Aktia

Aktia Real Estate Mortgage Bank

- Binding agreement with savings banks and POP Banks on senior funding
- Higher Tier 1 ambition
- Credits to housing associations in run-off phase



EUR 320 million



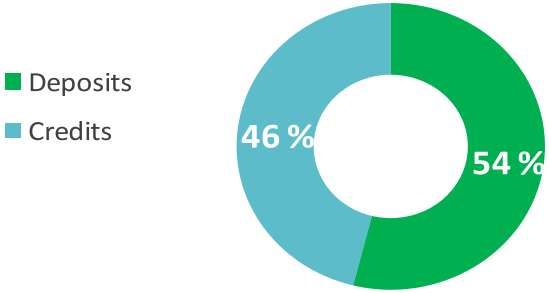
EUR 180 million

Liquidity limit to local banks

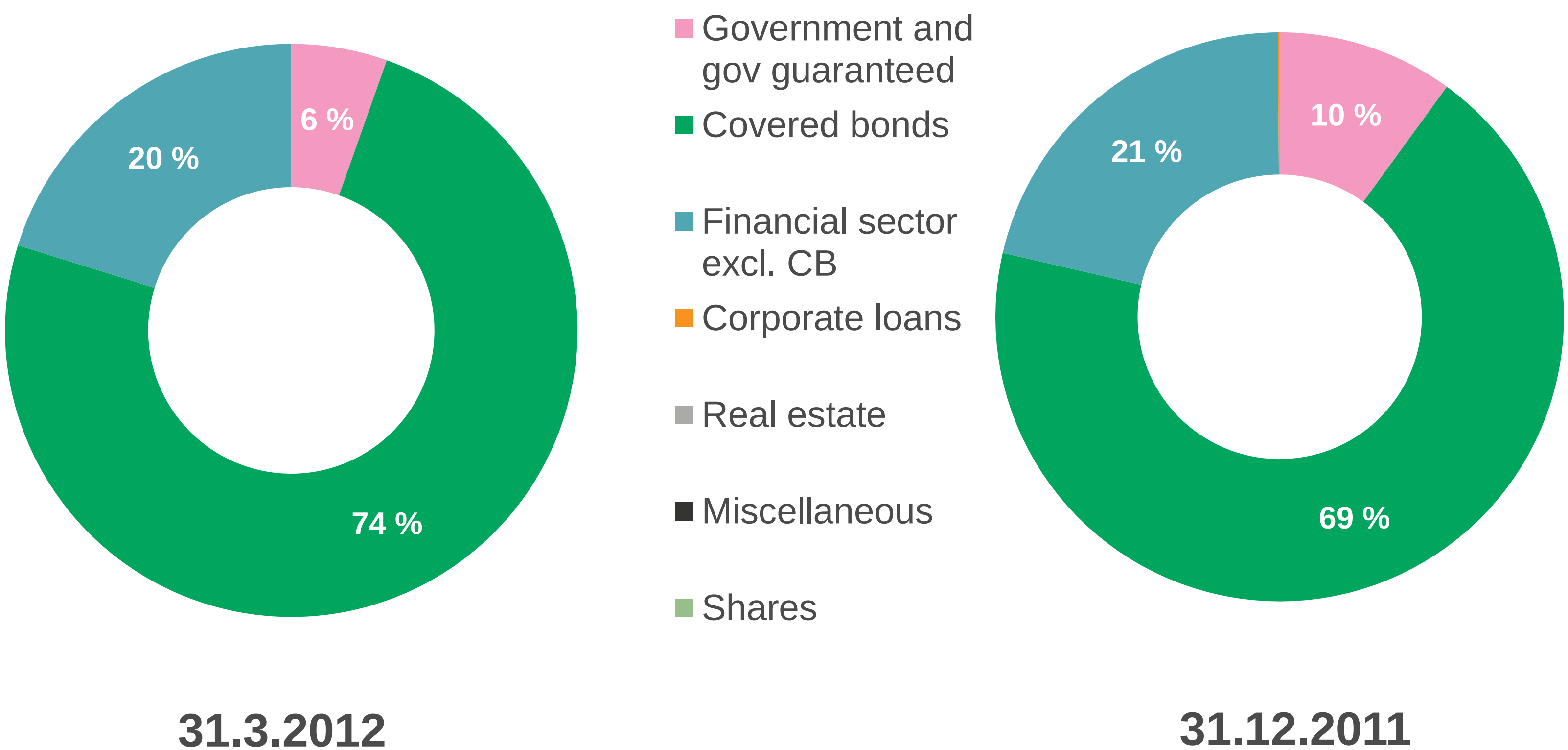
- Volumes nearly halved

Reviewed corporate (SME) policy

- Credits outside new policy in run-off unit
- SME deposits now exceed credits



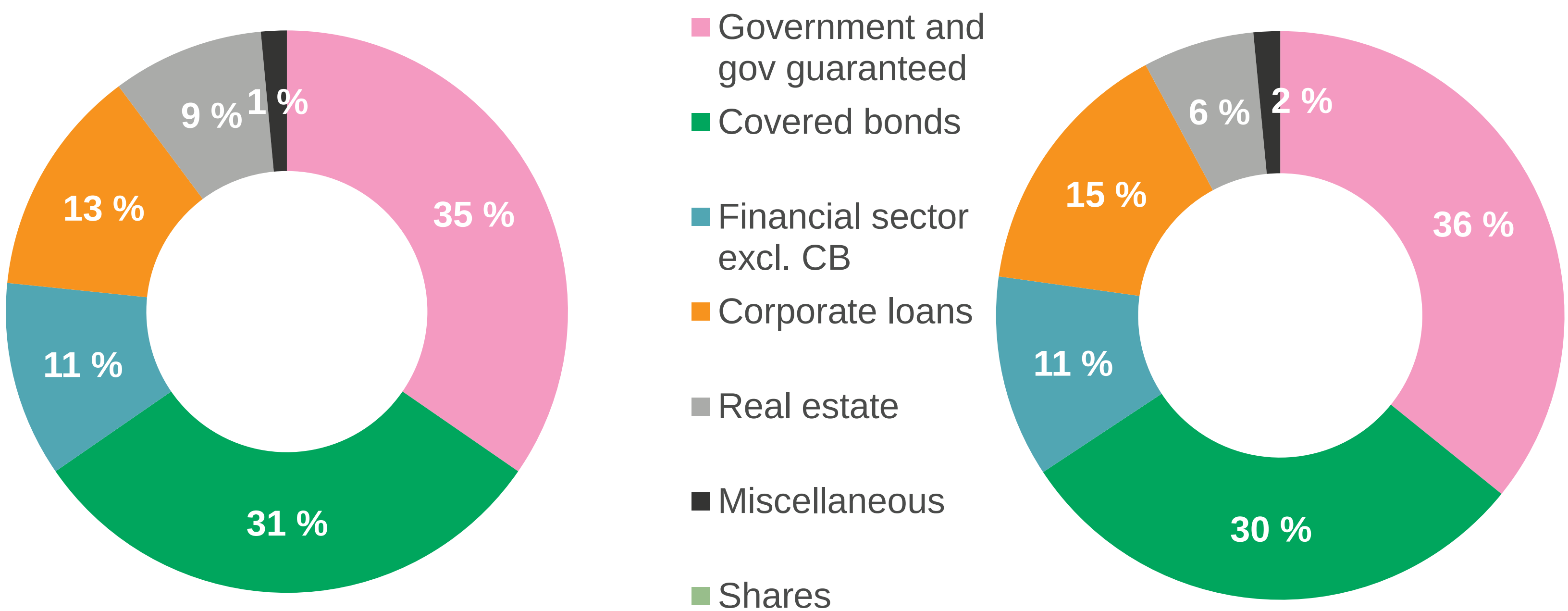
Bank Group's liquidity portfolio
and other interest-bearing investments



Rating distribution for the liquidity portfolio of the Bank Group

(EUR million)	31.3.2012 2,123	31.12.2011 1,968
Aaa	54.3%	55.6%
Aa1–Aa3	24.4%	21.9%
A1–A3	11.7%	11.9%
Baa1–Baa3	6.0%	6.3%
Ba1–Ba3	1.0%	1.9%
B1–B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (no rating)	2.6%	2.1%
No rating	0.0%	0.3%
Total	**100.0%**	**100.0%**

Continued convergence towards Solvency II in Life Insurance Company



31.3.2012

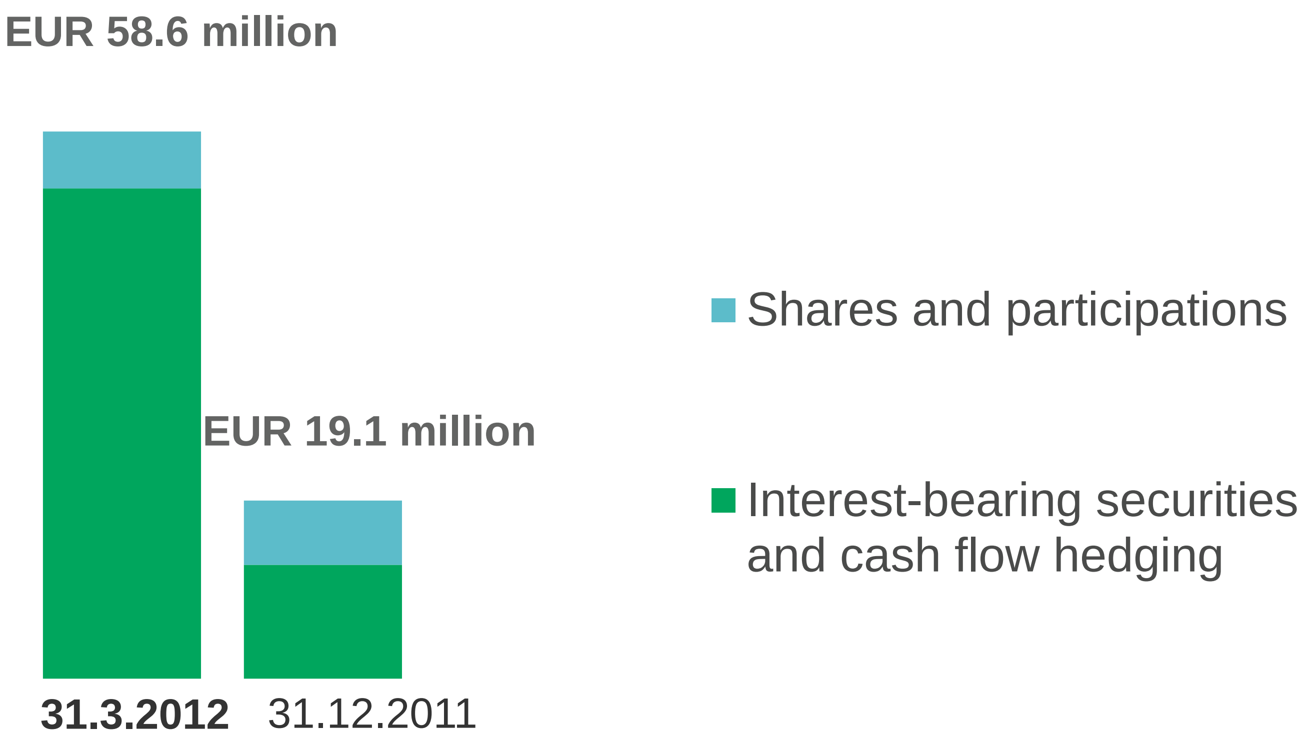
31.12.2011

Rating distribution for life insurance business

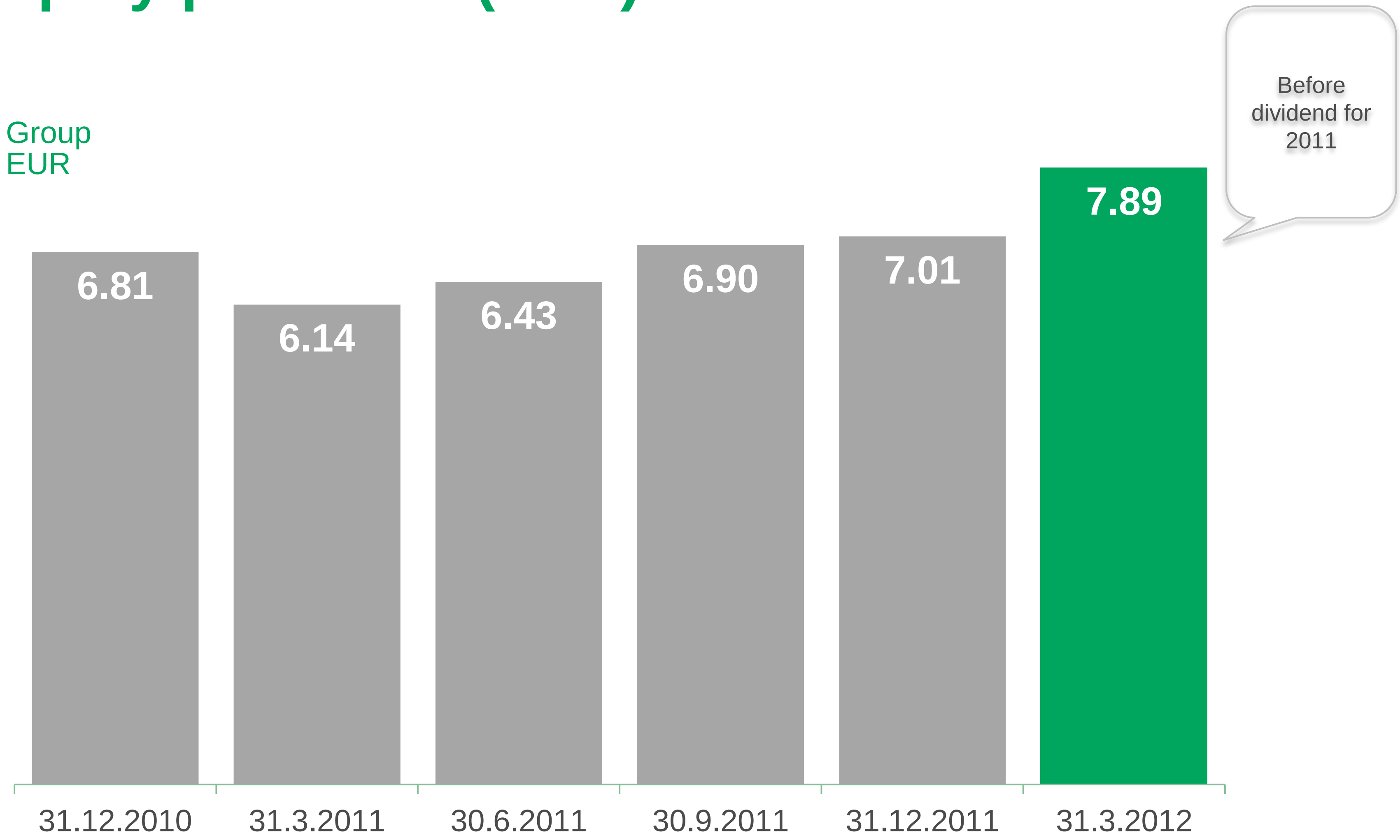
Aktia

Life Insurance (EUR million)	31.3.2012 555	31.12.2011 546
Aaa	70.6%	70.5%
Aa1–Aa3	9.3%	8.7%
A1–A3	10.5%	11.5%
Baa1-Baa3	3.8%	4.1%
Ba1–Ba3	1.0%	0.8%
B1–B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (no rating)	0.0%	0.0%
No rating	4.7%	4.4%
Total	**100.0%**	**100.0%**

Fund at fair value



Equity per share (NAV)



Summary:
Capital adequacy January-March 2012

Aktia

Capital adequacy

The Bank Group's capital adequacy amounted to 18.1 (16.2)%.

The Tier 1 capital ratio was 11.3 (10.6)%.

The life insurance company's solvency margin

The solvency margin was EUR 131.6 (117.2) million.

Solvency ratio 22.8 (20.7)%.

Aktia Bank plc's rating Moody's: A3/C-/P-2 (7.3.2012)

Aktia Bank plc's rating Fitch: BBB+/F2 (9.5.2012)

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

Aktia

Interim report 1 January – 31 March 2012

1	Financial performance
2	Capital adequacy
3	**Balance sheet and owners**
4	Outlook and targets

Balance sheet 31.3.2012

The Group's balance sheet total was almost unchanged
and amounted to EUR 11,058 (10,056) million.

Borrowing amounted to EUR 3,689 (3,645) million.

Lending to the public amounted to EUR 7,184 (7,063) million.
Loans to private households amounted to EUR 6,111 million
or 85.1% of the credit stock.

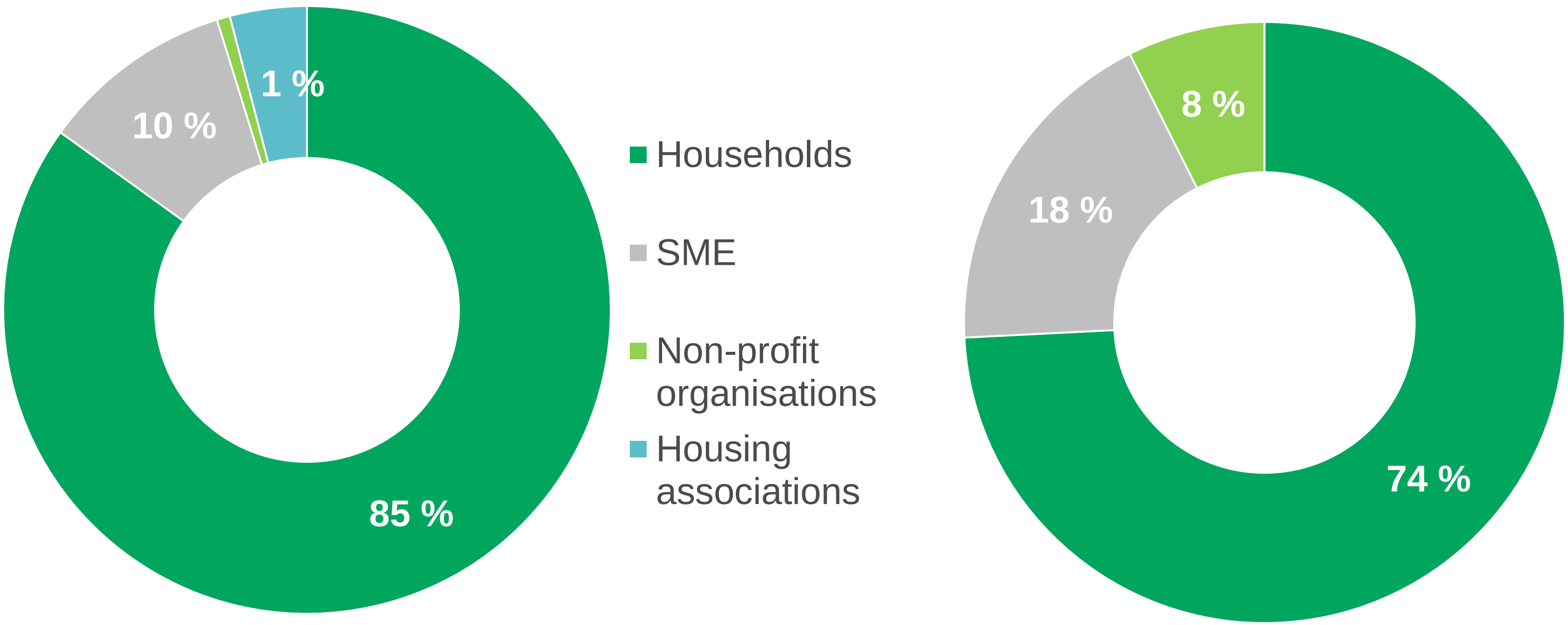
The housing loan stock amounted to EUR 5,737 (5,607) million
showing an increase of 2%.

Corporate lending continued to be moderate
The credit stock amounted to EUR 742 (758) million,
corresponding to 10.3%

Credit and deposit stocks 31.3.2012

Credits
EUR 7,184 (7,063) million

Deposits
EUR 3,689 (3,645) million



Share capital and ownership 31.3.2012

Aktia

The 20 largest shareholders	Series A shares	Series R shares	Shares total	Shares %	Votes	Votes, %
Stiftelsen Tre Smeder	3,009,837	3,997,265	7,007,102	10.46	82,955,137	18.52
Life Annuity Institution Hereditas	4,648,114	2,066,106	6,714,220	10.02	45,970,234	10.26
Pension Insurance Company Veritas	4,027,469	2,134,397	6,161,866	9.20	46,715,409	10.43
Oy Hammarén & Co Ab	1,905,000	950,000	2,855,000	4.26	20,905,000	4.67
Varma Mutual Pension Insurance Company	2,675,000		2,675,000	3.99	2,675,000	0.60
The Society of Swedish Literature in Finland	1,681,786	789,229	2,471,015	3.69	17,466,366	3.90
Aktiastiftelsen i Esbo-Grankulla	1,146,585	1,243,358	2,389,943	3.57	26,013,745	5.81
Stiftelsen för Åbo Akademi	1,595,640	751,000	2,346,640	3.50	16,615,640	3.71
Aktiastiftelsen i Borgå	1,303,370	651,525	1,954,895	2.92	14,333,870	3.20
Aktiastiftelsen i Vanda	883,020	1,055,985	1,939,005	2.89	22,002,720	4.91
Aktiastiftelsen i Vasa	978,525	547,262	1,525,787	2.28	11,923,765	2.66
Sparbanksstiftelsen i Kyrkslätt	876,529	438,264	1,314,793	1.96	9,641,809	2.15
Sparbanksstiftelsen i Karis-Pojo	787,350	393,675	1,181,025	1.76	8,660,850	1.93
Föreningen Konstsamfundet rf	1,059,542		1,059,542	1.58	1,059,542	0.24
Alfred Berg Finland mutual funds	670,040	370,951	1,040,991	1.55	8,089,060	1.81
Sparbanksstiftelsen i Ingå	646,236	324,318	970,554	1.45	7,132,596	1.59
Ab Kelonia Oy	549,417	308,662	858,079	1.28	6,722,657	1.50
Sparbanksstiftelsen i Sibbo	462,002	232,001	694,003	1.04	5,102,022	1.14
Sparbanksstiftelsen i Sjundeå	374,377	227,188	601,565	0.90	4,918,137	1.10
Palkkiyhtymä Oy	354,138	177,600	531,738	0.79	3,906,138	0.87
The 20 largest owners	**29,633,977**	**16,658,786**	**46,292,763**	**69.11**	**362,809,697**	**80.99**
Other	17,302,931	3,392,064	20,694,995	30.89	85,144,211	19.01
Total	**46,936,908**	**20 050 850**	**66,987,758**	**100.00**	**447,953,908**	**100.00**

Aktia

Interim report 1 January – 31 March 2012

1	Financial performance
2	Capital adequacy
3	Balance sheet and owners
4	Outlook and targets

Outlook for 2012

Aktia

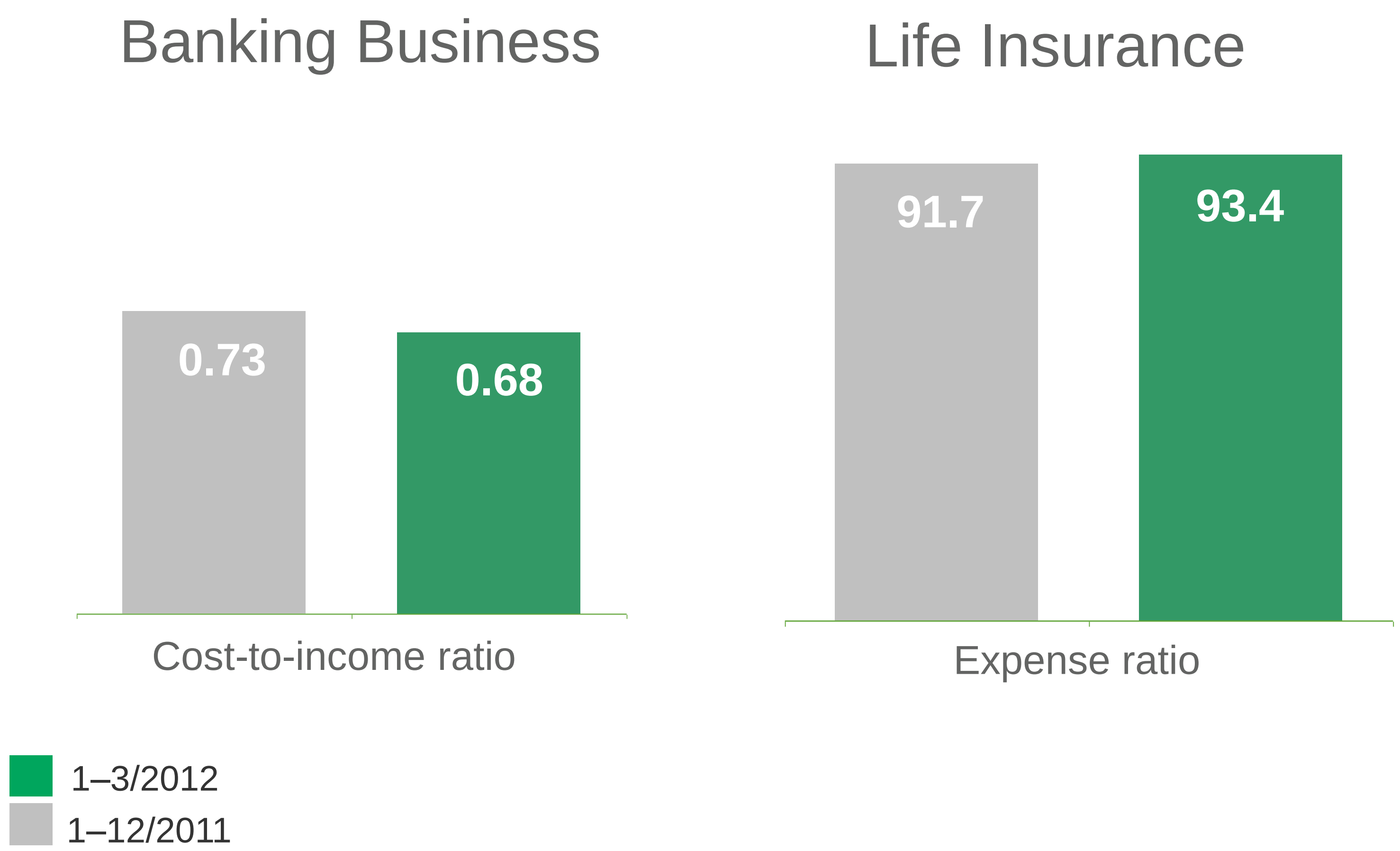
To strengthen profitability costs will be cut and risks and capital managed.

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 is therefore not possible to replicate in a low interest rate environment. Write-downs are expected to decrease in 2012. **The operating profit from continuing operations for 2012 is expected to be lower than in 2011.**

Market value may change. The market value of Aktia Bank's financial and other assets assets may change as a result of, among other things, a requirement for higher returns among investors.

New regulation. 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 the Aktia Group's structure.

Cost efficiency



A stronger Aktia

Aktia sold direct and indirect holdings in Bank of Åland

- Loss of EUR 6.3 million.
- The transaction released EUR 20 million risk capital

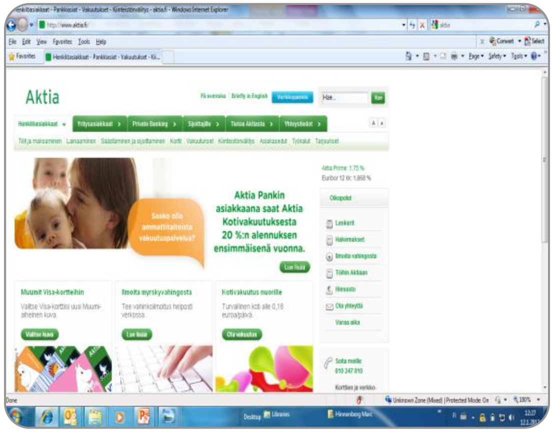
Aktia sold 66% of Aktia Non-Life Insurance for EUR 30 million

- Aktia continues to sell Aktia non-life insurance products
- Folksam takes over insurance production
- Aktia can offer more competitive insurance

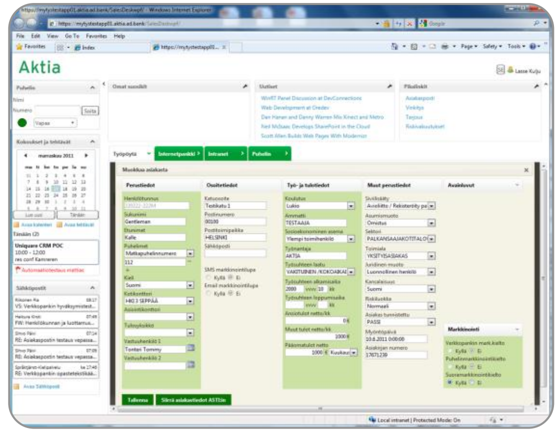
Aktia filed application for internal rating (IRBA)

- Expected to increase Tier 1 capital ratio by 3–5%

Development projects 2013



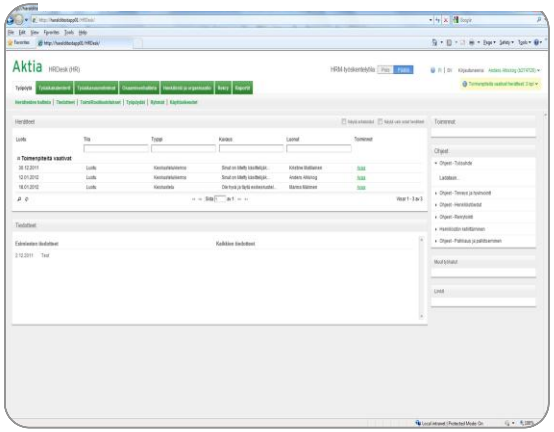
Web services



Salesman's desktop

Intranet

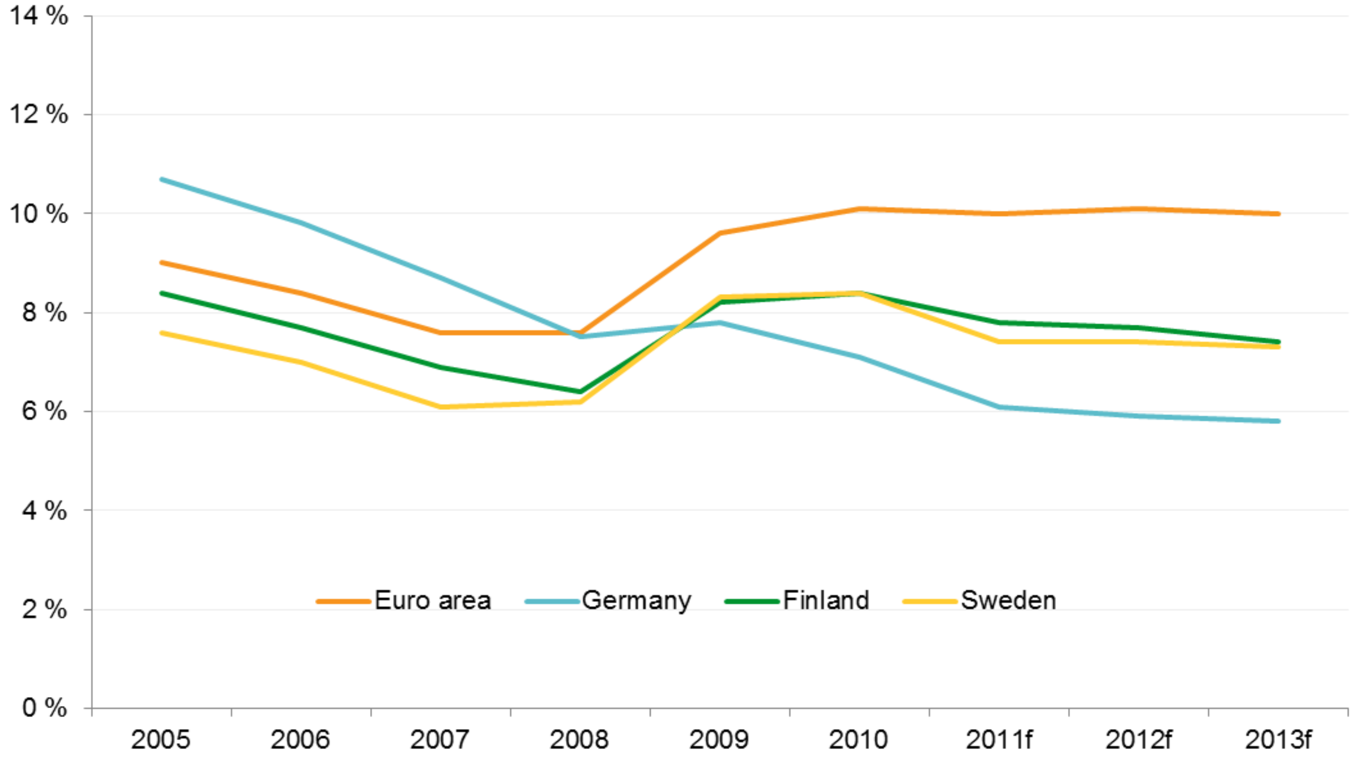
Aktia Store



HR project

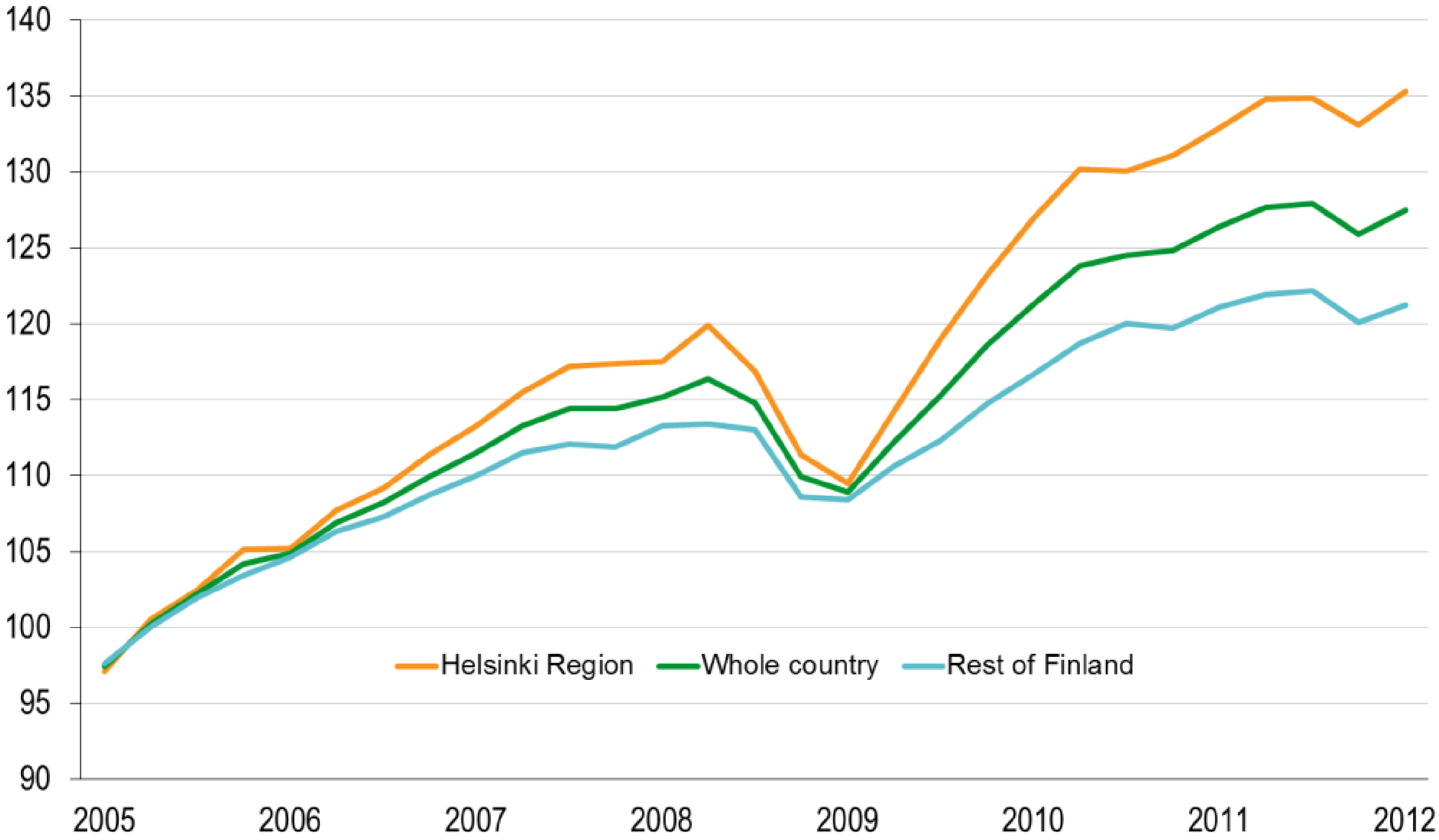
Regional Back Offices

Unemployment



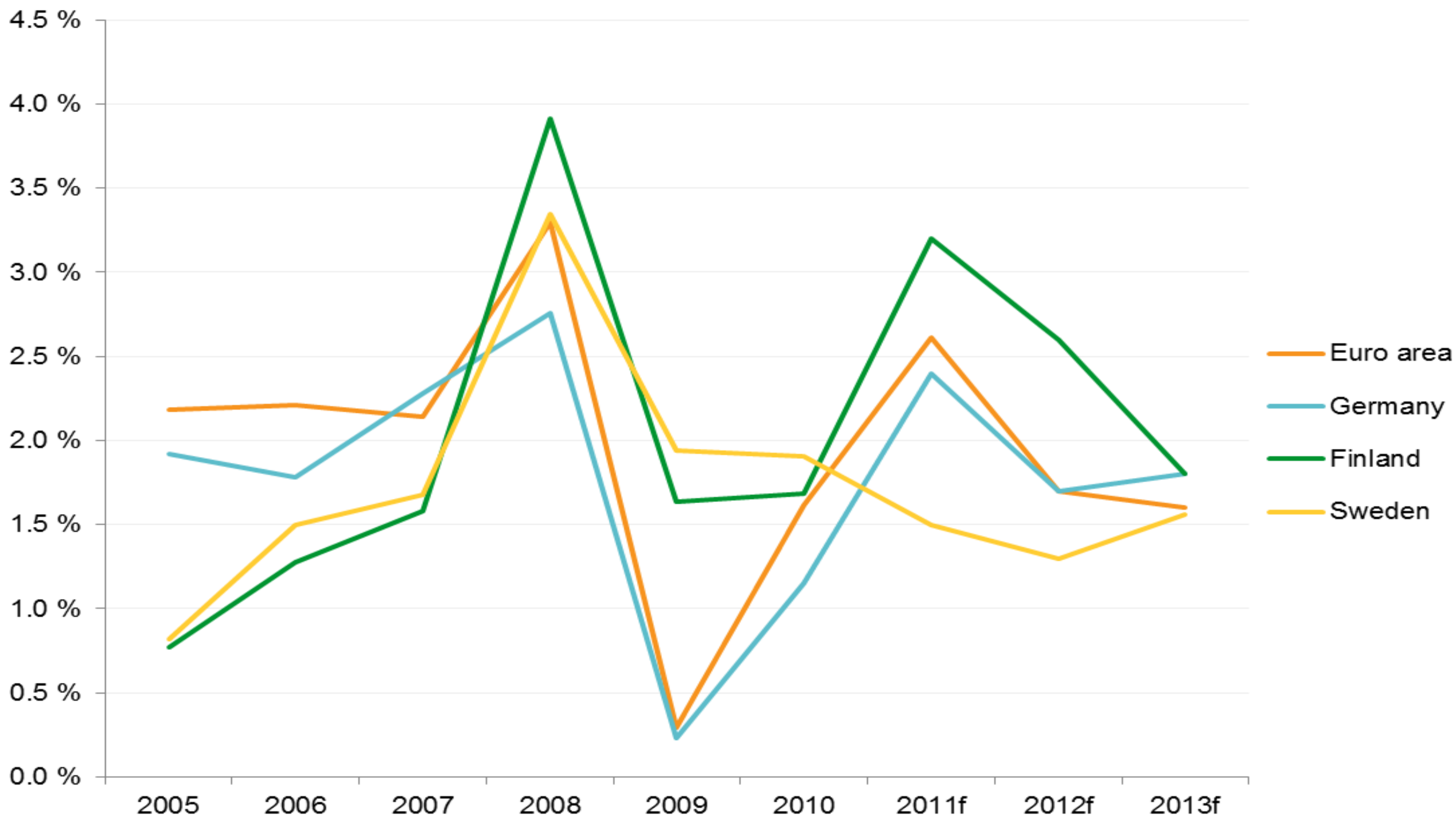
Source: EU Economic Forecast, 2011

Housing prices in Finland
(index 2005=100)



Source : Statistics Finland 27.4.2012

Consumer price index
(index 2005=100)



Aktia

GDP growth