Aktia's year 2009

Aktia Bank Plc

Interim report for
1 January – 31 March 2009

Aktia

Contents

Activity of the report period

Profit

The operating profit of the Bank Group for continuing operations during the first quarter was EUR 11.5 million. Profit for the period after tax was EUR 8.2 million.

Aktia Bank Plc agreed to sell its shares in Aktia Life Insurance Ltd to the group's parent company Aktia Plc under the condition that ownership, tenure and all other management rights attributable to the shareholders are transferred once it is clear that the Financial Supervisory Authority does not oppose the acquisition. The price reflects the life insurance company's book net worth as at 28 February 2009 of EUR 45.5 million and the transaction will have no effect on the Bank Group's profit. The Aktia Bank Group's capital adequacy ratio will, however, improve marginally. Aktia Life Insurance is reported as a business being discontinued in the Bank Group.

Aktia Bank Plc's new division of operating segments has been changed with effect from 1 January 2009, with the Retail Banking and Corporate Banking & Treasury segments being combined under the Banking Business segment. The other operating segments are Asset Management and Other. The Other segment encompasses certain administrative functions within Aktia Bank Plc and return on equity. Comparative figures for 2008 relating to the new segmentation were published on 8 April 2009.

The banking business returned a profit of EUR 12.0 million. Asset management suffered as a result of the situation in the investment market and returned an operating profit of EUR -0.4 million.

Income

The Bank Group's total income was EUR 40.7 million, of which net interest income accounted for EUR 32.4 million. The derivatives used by Aktia to limit its interest rate risk had a positive impact to the tune of EUR 2.0 million during the period.

Net commission income totalled EUR 8.0 million. Commission income from asset management and brokering amounted to EUR 2.5 million. Fund and insurance brokerage generated income totalling EUR 3.7 million, accounting for 31.9% of the commission income. Card and payment services commission was EUR 2.8 million. Total commission costs were EUR 3.5 million. Among the commission costs, the commission paid to savings and local co-operative banks for brokered mortgages amounted to EUR 0.9 million.

Other operating income totalled EUR 0.7 million.

Expenditure

The Bank Group's total expenses were EUR 27.7 million.

Staff costs totalled EUR 11.8 million. Other administration costs amounted to EUR 10.7 million. Among other administration costs, the largest cost items are primarily attributed to communication and IT, which accounted for 43.5% of other administration costs.

Depreciation and write-downs on tangible and intangible assets totalled EUR 1.2 million. Other operating expenses totalled EUR 4.0 million. The expenses of rented premises accounted for more than half of the other operating expenses overall.

Balance sheet and off-balance sheet commitments

The Bank Group's balance sheet total amounted to EUR 8,859 million (EUR 9,520 million at 31 December 2008) at the end of the period.

Total lending to the public by the Bank Group increased from the year-end by 3.1% to EUR 5,599 million (EUR 5,432 million at 31 December 2008). Households accounted for 80.4% of the total credit stock or EUR 4,499 million. Of the loans extended to households, 86.5% were secured against housing collateral (according to Basel 2). Excluding Aktia Real Estate Mortgage Bank's loans brokered and capitalised by savings and local co-operative banks, lending by the banking group amounted to EUR 4,514 million.

Interest-bearing securities available for sale were EUR 2,379 million (EUR 2,808 million at 31 December 2008). These assets mainly consist of the banking business' liquidity reserve and can be used as security for transactions involving binding repurchase terms, known as repo agreements.

Deposits from the public and public sector entities amounted to a total of EUR 3,105 million (EUR

3 ,099 million at 31 December 2008). These deposits are strengthening Aktia's liquidity in a volatile market.

Outstanding Aktia certificates of deposit amounted to EUR 350 million at the end of the period.

Off-balance sheet commitments totalled EUR 580 million (EUR 533 million at 31 December 2008). Credit equivalents for derivative instruments are not included in off-balance sheet commitments, as their market value is now incorporated into the balance sheet.

The Bank Group's equity amounted to EUR 299 million (EUR 300 million at 31 December 2008) at the end of the reporting period. The Group's fund at fair value amounted to EUR -10 million (EUR -35 million at 31 December 2008).

Capital adequacy

The Aktia Bank Group's capital adequacy amounted to 14.2%.

The Tier 1 capital ratio was 9.0%. Capital adequacy, calculated according to the Basel 2 rules, was improved by Aktia Bank selling Aktia Life Insurance to Aktia Plc in March, thus avoiding deductions for holdings in the insurance company in the capital adequacy calculation mentioned. The Bank Group's capital adequacy remains strong and meets the capital adequacy target, clearly exceeding the regulatory requirements.

Rating

Aktia Bank Plc's credit rating by the international credit rating agency Moody's Investors Service has been confirmed as the best classification, P-1, for short-term borrowing. The credit ratings for long-term borrowing and financial strength were A1 and C respectively, all with stable prospects.

The subsidiary Aktia Real Estate Mortgage Bank Plc has issued covered bonds with the highest credit rating of Aaa from Moody's Investors Service.

Valuation of financial assets

Value changes reported via the fund at fair value

Negative changes in the value of interest-bearing securities where the issuer has not noted an inability to pay and negative changes in the value of shares and participations which are not deemed to be long-term or significant are reported in the fund at fair value, which for the Group, taking cash flow hedging into consideration, amounted to EUR -11 million after deferred tax, compared with EUR -35 million at 31 December 2008.

In the fund at fair value as at 31 March 2009, EUR 22 million was attributed to negative valuation differences in interest-bearing securities which are mainly due to continued poor liquidity and investor's demands for high returns as a results of the general uncertainty in the money market. These negative changes in the value of interest-bearing securities are not realised provided that the issuer does not become unable to pay or the security is realised before its maturity.

Specification of the fund at fair value

EUR million	31.3.2009	31.12.2008	Change
Shares and participations			
Banking business	-	-0.2	0.2
Life insurance business	-	-2.9	2.9
Direct interest-bearing securities			
Banking business	-21.6	-26.2	4.6
Life insurance business	-	-18.2	18.2
Cash flow hedging	11.1	12.4	-1.3
Fund at fair value, total	**-10.5**	**-35.1**	**24.6**

Value changes reported via income statement

Write-downs as a result of significant or long-term negative changes in the value of shares and share funds and of interest-bearing securities where the issuer has noted an inability to pay stood at EUR 0.4 million. Of these write-downs, EUR 0.4 million related to interest-bearing securities.

Write-downs of financial assets

EUR million	1-3 2009	1–12 2008
Interest-bearing securities		
Banking business	0.4	3.6
Life insurance business	-	5.1
Shares and participations		
Banking business	-	1.0
Life insurance business	-	29.4
Total	**0.4**	**39.2**

Write-downs of loan and guarantee claims

Write-downs based on individual examination of loan and guarantee claims totalled EUR -1.7 million. Reversals of previously booked losses amounted to EUR 0.1 million so that the cost effect on the profit for the period was EUR -1.6 million. In addition to individual write-downs, group write-downs were made where there were objective reasons to believe there was uncertainty in relation to the repayment of claims in underlying credit portfolios. Group write-downs for households and small companies stood at EUR 7.4 million, unchanged from the year-end, and are based on anticipated losses in relation to the market situation.

The Bank Group's risk management

Risk exposure

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

Lending-related risks within banking

There were no significant changes to the composition of the credit portfolio during the first quarter. The share of household loans increased slightly to 80.4% (80.0%) of the total credit stock. The share of housing loans within the total loan stock also increased slightly to 76.6% (74.4%). Of the loans to households, 86.5% are secured against adequate collateral in accordance with Basel 2. Mortgage lending totalled EUR 2,123 (EUR 1,968 million at 31 December 2008), of which EUR 1,085 million was brokered by savings and local co-operative banks.

Corporate lending reduced as planned to 14.3% (14.4%) of the credit stock. 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 70.1 million (EUR 54.2 million at 31 December 2008), representing 1.2 % of total lending.

Credit stock by sector

EUR million	31.3.2009	31.12.2008	Change	Percentage
Corporate	803	804	-1	14.3%
Housing associations	237	220	17	4.2%
Public sector entities	10	12	-2	0.2%
Non-profit organisations	50	47	3	0.9%
Households	4,499	4,349	150	80.4%
Total	**5,599**	**5,432**	**167**	**100,0 %**

Loans with payments 1-30 days overdue reduced during the period from 3.5% to 3.4% of the credit stock, including off-balance sheet guarantee commitments. Loans with payments 31-90 days overdue rose from 0.90% to 1.01%, totalling approximately EUR 53 million. Non-performing loans more than 90 days overdue, including loans for collection, totalled approximately EUR 40 million, corresponding to 0.75% (0.49% at 31 December 2008) of the entire credit stock plus bank guarantees.

Undischarged debts by time overdue (EUR million)

Days	31.3.2009	% of the credit stock	31.12.2008	% of the credit stock
1–30	182.0	3.44	186.6	3.53
31–90	53.2	1.01	47.8	0.90
91–	40.3	0.75	26.2	0.49

The Bank Group's financing and liquidity risks

Within the banking business, financing and liquidity risks are defined as the availability of refinancing plus the differences in maturity between assets and liabilities. The financing and liquidity risks are dealt with at legal company level, and there is no financing connection between the Bank Group and the insurance companies. The objective in the Bank Group is to be able to cover one year's financing requirements using existing liquidity. Despite considerable uncertainty in the financial markets, the liquidity status was good and this aim was achieved.

Counterparty risks

Counterparty risks within Group Treasury liquidity management

At 31 March 2009, the banking business' liquidity portfolio – which is managed by Group Treasury – stood at EUR 2,327 million (EUR 2,290 million at 31 December 2008). Counterparty risks arising in relation to liquidity management operations and entry into derivative contracts are managed through the requirement for high-level external ratings (minimum A3 rating from Moody's or equivalent), conservative allocation and active selection of investment assets and rules concerning maximum exposure per counterparty and asset category.

Of the financial assets available for sale, 51% (49% at 31 December 2008) were investments in covered bonds, 36% (45% at 31 December 2008) were investments in banks, 9% (3% at 31 December 2008) were investments in state-guaranteed bonds and approximately 4% (3% at 31 December 2008) were investments in public sector entities and companies. Of the financial assets, 1.1% did not meet the internal rating requirements, while seven securities with a total market value of EUR 25 million were no longer eligible for refinancing with the central bank.

During the quarter, EUR -0.4 million in write-downs were carried out as a result of the issuer having noted an inability to pay.

Rating distribution for the banking business' liquidity management operations

	31.3.2009	31.12.2008
Aaa	54.4%	49.4%
Aa1-Aa3	34.5%	42.3%
A1-A3	6.9%	4.9%
Baa1-Baa3	0.9%	0.9%
Ba1-Ba3	0.2%	0.0%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
No rating	3.1%	2.5%
Total	**100.0%**	**100.0%**

Market risks

The financial assets within the banking business are invested in securities with access to market prices on an active market, and are valued in accordance with official quoted prices. A significant or long-term fall in acquisition price compared to market value is reported in the income statement while interest rate fluctuations are reported under the fund at fair value after deductions for deferred tax.

Market value and structural interest rate risk within the banking business

Market value interest rate risk refers to changes in value as a result of interest rate fluctuations in financial assets available for sale. The net change in the fund at fair value, including reserve for cash flow hedging, relating to market value interest rate risk posted during the period totalled EUR -5.3 million after the deductions for deferred tax. With an interest rate increase of one percentage point for financial assets available for sale, the net change of the fund at fair value at 31 March 2009 would be EUR -27.1 million (EUR -27.2 million at 31 December 2008) after the deduction of deferred tax.

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. To reduce the volatility in the net interest income, structural interest rate risk is primarily contained through the use of hedging derivative instruments.

A parallel upward shift in the interest rate curve of one percentage point would reduce the net interest income of the banking business for the next 12 months by -5.4% (-5.4% at 31 December 2008), while the target for structural interest rate risk management is a maximum of -6%. For the next 12-24 months, the net interest income of the banking business would reduce by -1.0% (-6.0% at 31 December 2008), where the target for structural interest rate risk management is a maximum of -8%.

A parallel downward shift in the interest rate curve of one percentage point would increase the net interest income of the banking business for the next 12 months by +5.3% (+6.3% at 31 December 2008), while the target for structural interest rate risk management is a maximum of -6%. For the next 12-24 months, the net interest income of the banking business would increase by +2.5% (+7.9% at 31 December 2008), where the target for structural interest rate risk management is a maximum of -8%.

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 market place suffers. No significant incidents were registered during the reporting period.

Personnel

Converted into full-time employees, the number of staff employed by the Bank Group fell by 135 to 746 people at the end of the reporting period. The average number of full-time employees during the first quarter was 848.

With effect from 1 January 2009, Aktia Non-Life Insurance's Managing Director Anders Nordman is responsible for Aktia Bank's Corporate Banking.

Events after end of the reporting period

Moody's Investors Service Ltd confirmed Aktia Bank Plc's credit rating as A1 for long-term borrowing, P-1 for short-term borrowing and C for financial strength, all with stable prospects.

B.Sc. (Econ.) Magnus Backström, 51, has been appointed as the Managing Director of Aktia Asset Management. He will assume his position on 1 June 2009.

The Financial Supervisory Authority announced on 28 April 2009 that it does not oppose Aktia Plc's acquisition of shares in Aktia Life Insurance Ltd by Aktia Bank Plc as published in a Stock Exchange Release on 8 April 2009.

The branch network in the Helsinki area, as well as in Turku and Tampere, has been modified so as to combine a number of smaller branches into larger branch centres.

Outlook and the risks that can affect it

The Bank Group's operating profitability during 2009 is expected to remain at a stable level, unless the loan losses and risks in connection with individual investments are increased.

A sustained good credit rating and the capital base are expected to enable moderate growth and refinancing even in the current market situation. Decisions will be made on any use of state refinancing guarantees on commercial grounds.

The importance of cost effectiveness will further increase in the current economic and competitive situation.

An escalation of the financial unrest could even lead to permanent falls in the value of individual investments that are currently deemed to be of good quality. This would have a negative effect on the Bank Group's result. In addition, a requirement for higher returns among investors may lead to a general price decrease in financial assets, which would have a negative effect on the Bank Group's capital adequacy.

Aktia Bank Plc – Consolidated financial statements

Aktia Bank Plc is the parent company in the Bank Group. It started its banking business on 30 September 2008. As Aktia Bank Plc was founded and started its operations during 2008 no comparative figures are given in the financial statements for the bank. The annual report of for January - December 2008 encompasses the result of Aktia Bank for the period 1 October – 31 December 2008 and the results of the subsidiaries for the period 1 January – 31 December 2008.

Consolidated income statement for Bank Group

(EUR million)	1-3 2009	1-3 2008	1-12 2008
Continuing operations			
Net interest income	32.4	-	35.5
Dividends	0.1	-	0.2
Commission income	11.5	-	26.0
Commission expenses	-3.5	-	-14.2
Net commission income	8.0	-	11.8
Net income from financial transactions	-0.4	-	-2.8
Net income from investment properties	0.0	-	2.9
Other operating income	0.7	-	8.3
Total operating income	**40.7**	**-**	**55.9**
Staff costs	-11.8	-	-13.9
Other administrative expenses	-10.7	-	-10.3
Depreciation of tangible and intangible assets	-1.2	-	-1.5
Other operating expenses	-4.0	-	-5.7
Total operating expenses	**-27.7**	**-**	**-31.4**
Impairment and reversal of impairment on tangible and intangible assets	0.0	-	0.4
Write-downs on credits and other commitments	-1.6	-	-0.5
Share of profit from associated companies	0.1	-	0.2
Operating profit from continuing operations	**11.5**	**-**	**24.6**
Taxes	-3.3	-	-5.5
Profit for the period from continuing operations	**8.2**	**-**	**19.1**
Discontinued operations			
Profit for the period from discontinued operations	-1.8	-	-34.9
Profit for the reporting period	**6.4**	**-**	**-15.7**
Attributable to:			
Shareholders in Aktia Bank Plc	6.7	-	-16.4
Minority interest	-0.3	-	0.6
Total	**6.4**	**-**	**-15.7**
Earnings per share attributable to shareholders in Aktia Bank Plc, EUR			
Continuing operations	2,825,958.16	-	6,164,833.41
Discontinued operations	-596,129.27	-	-11,625,755.27
Total	**2,229,828.89**	**-**	**-5,460,921.86**

There is no dilution effect for earnings per share.

Consolidated statement of comprehensive income for Bank Group

(EUR million)	1-3 2009	1-3 2008	1-12 2008
Continuing operations			
Profit for the period from continuing operations	8.2	-	19.1
Other comprehensive income after tax:			
Change in valuation of fair value for financial assets available for sale	-1.5	-	-29.1
Change in valuation of fair value for cash flow hedging	4.9	-	13.6
Transferred to income statement for financial assets available for sale	0.0	-	1.0
Transferred to income statement for cash flow hedging	0.0	-	-0.3
Total comprehensive income for the period for continuing operations	**11.6**	**-**	**4.3**
Discontinued operations			
Profit for the period from discontinued operations	-1.8	-	-34.9
Other comprehensive income after tax:			
Change in valuation of fair value for financial assets available for sale	-11.3	-	-40.1
Change in valuation of fair value for cash flow hedging	-	-	-
Transferred to income statement for financial assets available for sale	0.3	-	24.4
Transferred to income statement for cash flow hedging	-	-	-
Total comprehensive income for the period for discontinued operations	**-12.8**	**-**	**-50.5**
Total comprehensive income for the period	**-1.2**	**-**	**-46.2**
Total comprehensive income attributable to:			
Shareholders in Aktia Bank Plc	-0.8	-	-46.3
Minority interest	-0.4	-	0.1
Total	**-1.2**	**-**	**-46.2**

Consolidated balance sheet for Bank Group

(EUR million)	31.3.2009	31.12.2008	Change	31.3.2008
Assets				
Cash and balances with central banks	358,9	506,3	-29,1 %	-
Financial assets reported at fair value via the income statement	7,2	19,5	-62,9 %	-
Interest-bearing securities	2 378,8	2 808,4	-15,3 %	-
Shares and participations	20,6	211,5	-90,3 %	-
Financial assets available for sale	2 399,3	3 019,9	-20,6 %	-
Financial assets held until maturity	35,9	35,9	0,0 %	-
Derivative instruments	205,7	137,0	50,1 %	-
Lending to credit institutes	87,0	100,5	-13,5 %	-
Lending to the public and public sector entities	5 599,1	5 431,6	3,1 %	-
Loans and other receivables	5 686,1	5 532,2	2,8 %	-
Investments for unit-linked provisions	-	148,1	N/A	-
Investments in associated companies	2,5	2,8	-9,3 %	-
Intangible assets	8,4	10,3	-18,3 %	-
Tangible assets	4,9	6,0	-17,1 %	-
Accrued income and advanced payments	66,1	78,7	-16,1 %	-
Other assets	65,3	5,9	N/A	-
Total other assets	**131,4**	**84,7**	**55,2 %**	**-**
Income tax receivables	3,1	2,4	29,2 %	-
Deferred tax receivables	15,2	14,8	2,5 %	-
Tax receivables	18,3	17,2	6,2 %	-
Total assets	**8 858,7**	**9 519,9**	**-6,9 %**	**-**
Liabilities				
Liabilities to credit institutes	1 734,8	1 917,0	-9,5 %	-
Liabilities to the public and public sector entities	3 105,2	3 099,0	0,2 %	-
Deposits	4 839,9	5 016,0	-3,5 %	-
Financial liabilities reported at fair value via the income statement	2,8	4,6	-38,1 %	-
Derivative instruments	128,7	84,7	51,9 %	-
Debt securities issued	2 323,7	2 118,7	9,7 %	-
Subordinated liabilities	233,8	246,8	-5,3 %	-
Other liabilities to credit institutes	472,3	502,1	-5,9 %	-
Other liabilities to the public and public sector entities	358,6	262,8	36,5 %	-
Other financial liabilities	3 388,4	3 130,4	8,2 %	-
Technical provision for interest-linked insurances	-	627,6	N/A	-
Technical provision for unit-linked insurances	-	149,6	N/A	-
Accrued expenses and income received in advance	75,0	79,4	-5,5 %	-
Other liabilities	80,7	87,3	-7,5 %	-
Total other liabilities	**155,7**	**166,7**	**-6,6 %**	**-**
Provisions	0,2	0,0	621,3 %	-
Income tax liabilities	3,0	2,1	40,2 %	-
Deferred tax liabilities	41,4	38,0	9,1 %	-
Tax liabilities	44,4	40,1	10,8 %	-
Total liabilities	**8 560,2**	**9 219,7**	**-7,2 %**	**-**
Equity				
Restricted equity	152,5	127,9	19,2 %	-
Unrestricted equity	121,9	147,3	-17,2 %	-
Shareholders' share of equity	274,5	275,2	-0,3 %	-
Minority interest's share of equity	24,0	24,9	-3,7 %	-
Equity	**298,5**	**300,2**	**-0,6 %**	-
Total liabilities and equity	**8 858,7**	**9 519,9**	**-6,9 %**	**-**

Consolidated cash flow statement for Bank Group

(EUR million)	1-3 2009	1-3 2008	1-12 2008
Cash flow from operating activities			
Operating profit *)	11.2		-23.1
Adjustment items not included in cash flow for the period	5.8	-	37.6
Paid income taxes	-1.5	-	-9.4
Cash flow from operating activities before change in operating receivables and liabilities	**15.5**	**-**	**5.2**
Increase (-) or decrease (+) in receivables from operating activities	-256.8	-	-590.6
Increase (+) or decrease (-) in liabilities from operating activities	73.4	-	645.1
Total cash flow from operating activities	**-168.0**	**-**	**59.6**
Cash flow from investing activities			
Financial assets held until maturity	-	-	10.0
Acquisition and divestment of subsidiaries and associated companies **)	34.6	-	-27.4
Investment and disposal of tangible and intangible assets	-0.7	-	37.9
Real Estate Mortgage Bank's issue to minority	-	-	3.8
Total cash flow from investing activities	**33.9**	**-**	**24.2**
Cash flow from financing activities			
Subordinated liabilities	-11.3	-	55.3
Total cash flow from financing activities	**-11.3**	**-**	**55.3**
Change in cash and cash equivalents	**-145.4**	**-**	**139.1**
Cash and cash equivalents at the beginning of the year	512.3	-	20.3
Cash and cash equivalents transferred in connection with transfer of business	-	-	353.0
Cash and cash equivalents at the end of the year	367.0	-	512.3
Cash and cash equivalents in the cash flow statement consist of the following items:			
Cash in hand	9.4	-	10.0
Life insurance operation's cash and bank	-	-	3.7
Bank of Finland account	349.5	-	492.6
Repayable on demand claims on credit institutes	8.1	-	6.0
Total	**367.0**	**-**	**512.3**
Adjustment items not included in cash flow for the period consist of:			
Impairment of financial assets	0.4	-	39.2
Write-downs of credits and other commitments	1.6	-	0.5
Change in fair value	1.9	-	2.5
Depreciation and impairment of intangible and tangible assets	1.3	-	3.3
Share of profit from associated companies	0.2	-	-0.1
Sales gains and losses from tangible and intangible assets	0.0	-	-7.3
Other adjustments	0.4	-	-0.4
Total	**5.8**	**-**	**37.6**
Discontinuing operations' share of cash flow in the Bank Group, net:			
Cash flow from operating activities	-2.5	-	8.1
Cash flow from investing activities	0.0	-	-1.6
Cash flow from financing activities	-	-	-
Total	**-2.6**	**-**	**6.5**

*) Includes operating profit from both continuing and discontinued operations

**) Figure for 2008 incorporates additional purchase price for acquiring Aktia Life Assurance Ltd

Consolidated statement of changes in equity for Bank Group

(EUR million)	Share capital	Other restricted equity	Fund at fair value	Un-restricted equity reserve	Retained earnings	Share-holders' share of equity	Minority interest's share of equity	Total Equity
Equity as at 1 January 2009	**163.0**	**0.0**	**-35.1**	**44.6**	**102.8**	**275.2**	**24.9**	**300.2**
Share issue	0.0			0.0		0.0		0.0
Dividends to shareholders						0.0		0.0
Total earnings for the period			-7.6		6.8	-0.8	-0.4	-1.2
Other change in equity			32.1		-32.1	0.0	-0.5	-0.5
Equity as at 31 March 2009	**163.0**	**0.0**	**-10.6**	**44.6**	**77.5**	**274.5**	**24.0**	**298.5**

Key figures at the end of each reporting period

	1-3 2009	1-12 2008
Earnings per share, continuing operations, EUR million	2.8	6.2
Earnings per share, discontinued operations, EUR million	-0.6	-11.6
Earnings per share, total, EUR million	2.2	-5.5
Equity per share, EUR million	91.5	91.7
Return on equity (ROE), %	8.6	-5.2
Earnings per share excluding negative goodwill receorded as income and including the fund at fair value, EUR million	-1.4	-15.2
Average number of shares	3	3
Number of shares at end of period	3	3
Personnel (FTEs), average number	848	867
Banking business		
Cost to income ratio	0.68	0.56
Borrowing from the public, EUR million	3,105	3,099
Lending to the public, EUR million	5,599	5,432
Capital adequacy ratio, %	14.2	13.7
Tier 1 Capital ratio, %	9.0	9.3
Risk-weighted commitments, EUR million	3,335	3,313
Asset Management		
Mutual fund volume, EUR million	2,415	1,512
Assets under management, EUR million	4,515	4,538

Basis of calculation for key figures

Cost-to-income ratio, banking business

Total operating expenses
Total operating income

Earnings per share, EUR

Profit for the year after taxes attributable to the shareholders of Aktia Bank Plc
Average number of shares over the period (adjusted for share issue)

Equity per share, EUR

Equity attributable to the shareholders of Aktia Bank Plc
Number of shares at the end of the period

Return on equity (ROE), %

Profit for the period x 100
Average equity

Capital adequacy ratio, %

Capital base (Tier 1 capital + Tier 2 capital) x 100
Risk-weighted commitments

The capital base is calculated in accordance with regulation 4.3a issued by the Finnish Financial Supervisory Authority.

Tier 1 Capital ratio, %

Tier 1 capital x 100
Risk-weighted commitments

Risk-weighted commitments

Assets in the balance sheet plus off-balance sheet items including derivatives valued and risk-weighted in accordance with the standard method set out in regulation 4.3 issued by the Finnish Financial Supervisory Authority. The capital requirements for operative risks have been calculated and risk-weighted in accordance with regulation 4.3i issued by the Finnish Financial Supervisory Authority.

Note 1 Basis for preparing the interim report and important accounting principles

Basis for preparing the interim report

The Bank Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU.

The interim report for the period 1 January – 31 March 2009 has been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim financial report 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 2008.

Aktia Bank Plc's interim report can be downloaded from Aktia's website at www.aktia.com under the heading Financial information/interim reports.

The interim report for the period 1 January – 31 March 2009 was approved by the Board of Directors on 12 May 2009.

Important accounting principles

In preparing this interim report the Group has, for the most part, followed the accounting principles applicable to the annual report of 31 December 2008.

In February 2009, Aktia Life Assurance was sold to Aktia Plc. The life assurance business is a separate segment in the banking group. With effect from 2009, Aktia Life Insurance is thus to be reported as a discontinued operation in accordance with IFRS 5. The comparative figures have been corrected to reflect the reporting for 2009.

The subsidiaries Aktia Card & Finance Ab, Aktia Corporate Finance AB and Aktia Asset Management Oy Ab have certain redemption clauses and, in accordance with IAS 32.25(a) have been moved from the minority interest to liabilities as at 31 December 2008. During 2009, the change in this liability was reported under staff costs.

New accounting standards effective from 2009

IAS 1 Presentation of Financial Statements (revised)

This standard has been revised in order to provide better information for analysing and comparing companies. With effect from 1 January 2009 the group is to report an income statement and a statement of comprehensive income. The change in the group's equity contains transactions with the owners.

IFRIC 13 Customer Loyalty Programmes

This interpretation deals with reporting on customer loyalty programmes. The group has a bonus scheme, Aktia Kortbonus. This bonus scheme has already been dealt with in the accounts in accordance with IFRIC 13. As a result, the introduction of this standard does not affect the group's profit or financial position. The bonus liability for the comparison year 2008 has been moved from other liabilities to the accruals.

Note 2 Segment report for Bank Group

Income statement	Banking business		Asset Management		Life Insurance		Other		Eliminations		Total Group	
(EUR million)	**1-3 2009**	**1-3 2008**	**1-3 2009**	**1-3 2008**	**1-3 2009**	**1-3 2008**	**1-3 2009**	**1-3 2008**	**1-3 2009**	**1-3 2008**	**1-3 2009**	**1-3 2008**
Net interest income	30.8	-	0.4	-	-	-	1.1	-	0.0	-	32.4	-
Dividends	0.0	-	0.0	-	-	-	1.3	-	-1.3	-	0.1	-
Net commission income	5.3	-	2.7	-	-	-	0.1	-	-0.1	-	8.0	-
Net income from financial transactions	-0.2	-	-0.2	-	-	-	-	-	-	-	-0.4	-
Net income from investment properties	0.0	-	-	-	-	-	0.0	-	0.0	-	0.0	-
Other operating income	1.5	-	0.0	-	-	-	0.4	-	-1.3	-	0.7	-
Total operating income	**37.5**	**-**	**2.9**	**-**	**-**	**-**	**2.9**	**-**	**-2.6**	**-**	**40.7**	**-**
Staff costs	-8.0	-	-1.9	-	-	-	-1.9	-	0.0	-	-11.8	-
Other administrative expenses	-13.1	-	-1.0	-	-	-	2.3	-	1.0	-	-10.7	-
Depreciation	-0.6	-	-0.2	-	-	-	-0.4	-	-	-	-1.2	-
Other operating expenses	-2.3	-	-0.2	-	-	-	-1.5	-	0.0	-	-4.0	-
Total operating expenses	**-23.9**	**-**	**-3.3**	**-**	**-**	**-**	**-1.5**	**-**	**1.1**	**-**	**-27.7**	**-**
Write-downs on credits and other Commitments	-1.6	-	-	-	-	-	-	-	-	-	-1.6	-
Share of profit from associated companies	-	-	-	-	-	-	-	-	0.1	-	0.1	-
Operating profit from continuing operations	**12.0**	**-**	**-0.4**	**-**	**-**	**-**	**1.4**	**-**	**-1.5**	**-**	**11.5**	**-**
Operating profit from discontinued operations	-	-	-	-	0.1	-	-	-	-0.4	-	-0.3	-
Operating profit	**12.0**	**-**	**-0.4**	**-**	**0.1**	**-**	**1.4**	**-**	**-1.9**	**-**	**11.2**	**-**

Balance sheet	Banking business		Asset Management		Life Insurance		Other		Eliminations		Total Group	
(EUR million)	**31.3.2009**	**31.3.2008**	**31.3.2009**	**31.3.2008**	**31.3.2009**	**31.3.2008**	**31.3.2009**	**31.3.2008**	**31.3.2009**	**31.3.2008**	**31.3.2009**	**31.3.2008**
Cash and balances with central banks	358.8	-	0.1	-	-	-	-	-	-	-	358.9	-
Financial assets reported at fair value via the income statement	7.2	-	-	-	-	-	-	-	-	-	7.2	-
Financial assets available for sale	2,379.5	-	5.3	-	-	-	18.0	-	-3.5	-	2,399.3	-
Loans and other receivables	5,669.3	-	20.0	-	-	-	-	-	-3.2	-	5,686.1	-
Investments for unit-linked provisions	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	534.1	-	8.4	-	-	-	-103.2	-	-32.1	-	407.2	-
Total assets	**8,948.9**	**-**	**33.8**	**-**	**-**	**-**	**-85.2**	**-**	**-38.8**	**-**	**8,858.7**	**-**
Deposits	4,691.1	-	151.9	-	-	-	-	-	-3.0	-	4,839.9	-
Debt securities issued	2,327.2	-	-	-	-	-	-	-	-3.5	-	2,323.7	-
Technical provision for life insurance business	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	1,275.3	-	7.2	-	-	-	213.5	-	-99.4	-	1,396.6	-
Total liabilities	**8,293.5**	**-**	**159.1**	**-**	**-**	**-**	**213.5**	**-**	**-105.9**	**-**	**8,560.2**	**-**

Note 3 Derivatives and off-balance sheet commitments

Derivative instruments at 31 March 2009 (EUR million)

Securing derivative instruments	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	1,340.0	58.5	–
Total	**1,340.0**	**58.5**	**0.0**
Cash flow hedging			
Interest rate-related	1,232.0	37.6	19.9
Total	1,232.0	37.6	19.9
Derivative instruments valued through income statement for other reasons			
Interest rate-related *)	6993.0	104.9	103.6
Currency-related	171.2	2.3	2.8
Equity-related **)	114.0	1.8	1.8
Other derivative instruments **)	8.6	0.6	0.6
Total	**7,286.8**	**109.6**	**108.8**
All derivative instruments			
Interest rate-related	9,565.0	201.0	123.5
Currency-related	171.2	2.3	2.8
Equity-related	114.0	1.8	1.8
Other derivative instruments	8.6	0.6	0.6
Total	**9,858.8**	**205.7**	**128.7**

*) Interest-linked derivatives include interest rate hedging provided for local banks, which after back-to-back hedging with third parties amounted to EUR 6 674.7 million.

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

Off-balance sheet commitments

(EUR million)	31.3.2009	31.12.2008	31.3.2008
Commitments provided to a third party on behalf of customers			
Guarantees	53.6	54.8	-
Other commitments provided a third party	6.9	7.5	-
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	519.1	459.1	-
Other irrevocable commitments *)	-	12.1	-
Off-balance sheet commitments	**579.5**	**533.5**	**0.0**

*) Credit equivalents for derivatives are not included in off-balance sheet commitments.

Note 4 Risk exposure for Bank Group

Consolidated capital adequacy for Bank Group

Summary (EUR million)	31.3.2009	31.12.2008	31.3.2008
Tier 1 capital	300,5	309,0	-
Tier 2 capital	173,6	143,4	-
Capital base	**474,1**	**452,4**	**-**
Risk-weighted amount for credit and counterparty risks	3 062,8	3 040,5	-
Risk-weighted amount for market risks 1)	-	-	-
Risk-weighted amount for operative risks 2)	272,7	272,7	-
Total risk-weighted commitments	**3 335,5**	**3 313,2**	**-**
Capital adequacy ratio, %	**14,2**	**13,7**	**-**
Tier 1 Capital ratio, %	**9,0**	**9,3**	**-**
Minimum capital requirement	**266,8**	**265,1**	**-**
Capital buffer (difference between capital base and minimum requirement)	207,3	187,3	-

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

2) The capital requirement of 15% is calculated using the definition of average gross income during the last three years (EUR 145.4 million) x risk-weighted factor of 12.5.

Capital base (EUR million)	31.3.2009	31.12.2008	31.3.2008
Share capital	163.0	163.0	-
Funds	44.6	44.6	-
Minority share	24.0	24.9	-
Retained earnings	70.7	93.5	-
Profit for the reporting period	6.7	9.2	-
./. provision for dividends to shareholders	0.0	-0.6	-
Total	309.0	334.7	-
./. intangible assets	-8.4	-8.6	-
./. shares in insurance companies	0.0	-17.1	-
Tier 1 capital	**300.5**	**309.0**	**-**
Fund at fair value	-21.6	-47.5	-
Other Tier 2 capital	45.0	45.0	-
Risk debentures	150.3	163.0	-
./. shares in insurance companies	0.0	-17.1	-
Tier 2 capital	**173.6**	**143.4**	**-**
Total capital base	**474.1**	**452.4**	**-**

Risk-weighted commitments, credit and counterparty risks

(EUR million)

Risk weighting	Balance assets	Off-balance sheet commit-ments	Total	Risk-weighted commitments, Basel 2 31.3.2009	31.12.2008	31.3.2008
0 %	945.3	25.9	971.2	-	-	-
10 %	896.9	-	896.9	89.7	80.3	-
20 %	1,398.9	264.2	1,663.1	290.8	335.3	-
35 %	4,160.1	112.4	4,272.6	1,470.1	1,421.4	-
50 %	6.0	0.2	6.1	3.0	2.5	-
75 %	555.5	66.2	621.7	439.1	426.7	-
100 %	668.3	109.4	777.7	720.9	720.8	-
150 %	15.4	1.2	16.6	24.0	11.3	-
Total	**8,646.3**	**579.5**	**9,225.8**	**3,037.6**	**2,998.4**	**-**
Derivatives *)	-	261.3	261.3	25.2	42.1	-
Total	**8,646.3**	**840.8**	**9,487.1**	**3,062.8**	**3,040.5**	**-**

*) derivative agreements credit conversion factor

Risk-weighted amounts for operative risks

Year	2006	2007	2008	Risk-weighted amount, Basel 2 31.3.2009	31.12.2008	31.3.2008
Gross income	140,6	145,2	150,5			
- average 3 years			145,4			
Indicator 15 %			21,8			
Capital requirement for operative risk			**21,8**	**272,7**	**272,7**	**-**

Helsinki 12 May 2009

Aktia Bank Plc
Board of Directors

Review report on the interim report of Aktia Bank P.l.c. as of 31.3.2009

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

Introduction

We have reviewed the balance sheet as of 31.3.2009, the income statement, the statement of changes in equity and the cash flow statement of Aktia Bank p.l.c. for the three-month period then ended, as well as a summary of significant accounting policies and other explanatory notes to the financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and other Finnish rules and regulations governing the preparation of interim reports. At the request of the Board of Directors we issue our opinion on the interim report.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and other generally accepted auditing practices, and therefore the procedures performed in a review do not enable to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report does not give a true and fair view of the entity's financial position as of 31 March 2009 and the result of its operations and cash flows for the three-month period then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki, 12 May 2009
PricewaterhouseCoopers Oy
Authorised Public Accountants

Jan Holmberg
Authorised Public Accountant