Aktia Bank Plc
(subsidiary to the listed Aktia Plc)

Profit for 1–6/2012

Aktia Bank plc 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 Card Ltd, Aktia Invest Ltd and Aktia Corporate Finance Ltd.

The Bank Group's operating profit for the first six months of 2012 amounted to EUR 25.4 (24.4) million. Profit for the period was EUR 18.9 (18.0) million. Earnings per share stood at EUR 6.1 (5.6) million.

The banking business' operating profit decreased to EUR 23.6 (25.2) million. Asset management improved its profitability and reached an operating profit of EUR 4.3 (3.1) million.

Key figures

(EUR million)	4–6/2012	4-6/2011	Δ %	1–6/2012	1–6/2011	Δ %	1–3/2012	2011
Earnings per share (EPS)	3.2	2.1	52 %	6.1	5.6	9 %	2.9	8.2
Equity per share (NAV) [1]	127.5	103.1	24 %	127.5	103.1	24 %	130.9	106.4
Return on equity (ROE), %	8.8	7.5	17 %	9.2	9.7	-5 %	8.8	6.8
Total earnings per share	3.3	3.0	10 %	17.8	-1.1	-	14.5	2.0
Number of shares at the end of the period [1]	3	3	0 %	3	3	0 %	3	3
Cost-to-income ratio	0.69	0.74	-7 %	0.69	0.68	1 %	0.68	0.73
Capital adequacy ratio, % [1]	18.9	16.6	13 %	18.9	16.6	13 %	18.1	16.2
Tier 1 capital ratio, % [1]	11.7	10.8	9 %	11.7	10.8	9 %	11.3	10.6

[1] At the end of the period

"Interim Report 1 January - 30 June 2012" is a translation of the original report in Swedish ("Aktia Bank Delårsrapport 1.1-30.6.2012"). In case of discrepancies, the Swedish version prevails.

Profit for April – June 2012

Aktia Bank reported an operating profit of EUR 13.0 (9.5) million.

The Banking Business segment contributed EUR 12.3 (9.2) million to the Bank Group's operating profit, while the Asset Management segment contributed EUR 2.0 (1.6) million.

The segments' operating profit

(EUR million)	4-6/2012	4-6/2011	Δ %
Banking Business	12.3	9.2	33 %
Asset Management	2.0	1.6	26 %
Miscellaneous	-1.3	-0.2	-544 %
Eliminations	0.0	-1.1	-
Total	**13.0**	**9.5**	**37 %**

Profit for January – June 2012

Aktia Bank reported an operating profit of EUR 25.4 (24.4) million. Net interest income amounted to EUR 59.0 (67.0) million. Net commission income was up 6% to EUR 30.0 (28.2) million.

The Banking Business segment contributed EUR 23.6 (25.2) million to the Bank Group's operating profit, while the Asset Management segment contributed EUR 4.3 (3.1) million.

The segments' operating profit

(EUR million)	1-6/2012	1-6/2011	Δ %
Banking Business	23.6	25.2	-6 %
Asset Management	4.3	3.1	39 %
Miscellaneous	-1.8	-0.9	-94 %
Eliminations	-0.7	-2.9	75 %
Total	**25.4**	**24.4**	**4 %**

Income

The Bank Group's total income amounted to EUR 92.3 (95.2) million of which EUR 59.0 (67.0) million was net interest income.

The hedging measures used by Aktia Bank to limit its interest rate risk improved net interest income by EUR 14.4 (20.5) million.

The Bank Group's net commission income increased by 6% to EUR 30.0 (28.2) million. Commission income from brokerage of mutual funds and insurance decreased by 3% to EUR 14.6 (15.1) million. Commission income from card and payment services rose to EUR 8.9 (8.0) million.

Other operating income increased slightly to EUR 2.9 (2.3) million from the corresponding period last year.

Expenses

The Bank Group's total expenses fell by 3% to EUR 63.6 (65.5) million, of which staff costs made up EUR 26.7 (27.0) million.

Continued investment in customer-friendly Internet services and other IT increased IT expenses by 6% to EUR 10.2 (9.6) million.

Total write-downs on tangible and intangible assets amounted to EUR 1.6 (2.1) million.

Other operating expenses fell to EUR 25.1 (26.8) million.

Rating

Since 7 March 2012, the international rating agency Moody's Investors Service has Aktia Bank plc's credit rating for short-term borrowing at P-2. The credit rating for long-term borrowing is A3, and is C- for financial strength. All ratings have a stable outlook.

The covered bonds issued by the subsidiary Aktia Real Estate Mortgage Bank plc have a Moody's credit rating of Aa1 (under review since 25 November 2011).

On 9 May 2012, Fitch Ratings assigned a rating to Aktia Bank plc. Fitch has Aktia Bank plc's credit rating for short-term borrowing at F2. The credit rating for long-term borrowing is BBB+, and for both ratings the outlook is negative.

Capital adequacy

The Bank Group's capital adequacy ratio was to 18.9 (16.2)% and the Tier 1 capital ratio of 11.7 (10.6)%.

The Bank Group's Tier 1 capital ratio was strengthened by EUR 30 million during the period. Capital was freed up as a result of the disposal of 66% of shares in the non-life insurance company.

Balance sheet and off-balance sheet commitments

The Bank Group's balance sheet total amounted to EUR 10,285 (9,993) million.

Borrowing from the public and public sector entities increased by 2% to EUR 3,733 (3,662) million.

Outstanding bonds issued and certificates of deposit decreased slightly by 0.1% to EUR 3,806 (3,812) million. Of these bonds EUR 3,489 (3,346) million were covered bonds issued by Aktia Real Estate Mortgage Bank plc. During the period, Aktia Real Estate Mortgage Bank plc has issued long-term covered bonds amounting to EUR 247 million, of which EUR 22 million were long-term collateralised bonds ('Schuldscheindarlehen').

The Bank Group's total lending to the public increased during the period by 2% to EUR 7,270 (7,117) million. Excluding mortgages brokered by savings banks and POP Banks, which the local banks are committed to capitalise, the Bank Group's lending totalled EUR 5,289 (5,202) million.

At the end of June, loans to private households accounted for EUR 6,168 (5,966) million, or 84.8 (83.8)% of the total credit stock.

Loans granted to housing associations amounted to EUR 280 (289) million and made up 3.9 (4.1)% of the total credit stock.

Corporate lending accounted for 10.7 (11.4)% of the Bank Group's credit stock. Total corporate lending amounted to EUR 777 (812) million.

Credit stock by sector

(EUR million)	30.6.2012	31.12.2011	Δ	Share %
Households	6,168	5,966	202	84.8 %
Corporate	777	812	-34	10.7 %
Housing associations	280	289	-8	3.9 %
Non-profit organisations	39	45	-6	0.5 %
Public sector entities	5	6	-1	0.1 %
Total	**7,270**	**7,117**	**152**	**100 %**

Interest-bearing financial assets available for sale amounted to EUR 1,842 (1,874) million. These assets mainly consist of the banking business' liquidity reserve.

The Bank Group's equity amounted to EUR 446 (377) million at the end of the period. The fund at fair value amounted to EUR 26 (-9) million.

Off-balance sheet commitments totalled EUR 454 (465) million.

Valuation of financial assets

Value changes reported via income statement

No write-downs of financial assets were made during the period.

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 2011 in note G2 on pages 20–38.

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

Lending-related risks within banking

The number of loans with overdue payments decreased. Loans with payments 1–30 days overdue decreased during January to June to EUR 154 (160) million, equivalent to 2.10 (2.24)% of the credit stock. Loans with payments 31–89 days overdue also decreased to EUR 47 (53) million, or 0.64 (0.75)% of the credit stock.

Non-performing loans more than 90 days overdue, including claims on bankrupt companies and loans for collection was unchanged at EUR 61 (60) million, corresponding to 0.84 (0.84)% of the credit stock.

Non-performing loans to households more than 90 days overdue corresponded to 0.65 (0.51)% of the household credit stock and 0.55% (0.49%) of the entire credit stock. The credit stock also includes off-balance sheet guarantee commitments.

Undischarged debts by time overdue

(EUR million) Days	30.6.2012	% of stock	30.6.2011	% of stock	2011
1-30	154	2.10	241	3.48	160
of which households	127	1.74	162	2.34	115
31-89	47	0.64	59	0.85	53
of which households	40	0.54	49	0.71	46
90*-	61	0.84	58	0.84	60
of which households	40	0.55	34	0.49	36

* in Aktia Bank, fair value of collateral covers 96% of debts

Write-downs on credits and other commitments

In the first half of 2012, total write-downs on credits and other commitments decreased by 46 % to stand at EUR 2.8 (5.3) million. Of these write-downs, EUR 0.7 (0.6) million were attributable to households, and EUR 2.1 million (4.6) million to companies.

Total write-downs on credits amounted to 0.04 (0.08)% of total lending for the period. The corresponding impact on corporate loans amounted to 0.3 (0.6)% of the 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 25.6 (-9.4) 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 21.2 (25.5) million.

Specification of the fund at fair value

(EUR millon)	30.6.2012	31.12.2011	Δ
Shares and participations	-	-	-
Direct interest-bearing securities	4.4	-34.9	39.3
Cash flow hedging	21.2	25.5	-4.3
Fund at fair value, total	**25.6**	**-9.4**	**35.0**

Distribution of risk across financial assets

The Bank Group's liquidity portfolio offers a hedge against short-term fluctuations in liquidity. Fixed-rate investments within the liquidity portfolio are also used to reduce structural interest rate risks. The liquidity portfolio is financed with repurchase agreements to a value of EUR 110 (68) million.

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 decreased from the year-end by EUR 59 million, and amounted to EUR 1,909 (1,968) million. During the period, investments in EU countries with a credit rating below AAA were reduced by EUR 220 million to amount to EUR 222 (442) 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)		Financial institutions exkl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	6/12	2011	6/12	2011	6/12	2011	6/12	2011	6/12	2011	6/12	2011	6/12	2011	6/12	2011
EU AAA	**94**	**145**	**1,066**	**916**	**257**	**309**	**12**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,428**	**1,370**
Finland	90	61	125	111	36	37	-	-	-	-	-	-	-	-	**251**	**210**
Other AAA-countries	4	84	940	805	221	272	12	-	-	-	-	-	-	-	**1,177**	**1,161**
EU < AAA	**-**	**51**	**222**	**352**	**-**	**37**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**222**	**442**
Beigium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Greece	-	-	-	2	-	-	-	-	-	-	-	-	-	-	**-**	**2**
Ireland	-	-	30	27	-	-	-	-	-	-	-	-	-	-	**30**	**27**
Italy	-	-	64	60	-	-	-	-	-	-	-	-	-	-	**64**	**60**
Portugal	-	22	51	76	-	8	-	1	-	-	-	-	-	-	**51**	**107**
Spain	-	29	77	187	-	29	-	1	-	-	-	-	-	-	**77**	**246**
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Europe excluding EU	**-**	**-**	**182**	**50**	**12**	**30**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**194**	**80**
North America	**-**	**-**	**22**	**33**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22**	**33**
Other OECD-countries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Supranationals	**-**	**-**	**-**	**-**	**44**	**43**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**44**	**43**
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**94**	**197**	**1,491**	**1,350**	**313**	**419**	**12**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**1,909**	**1,968**

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 1,909 (1,968) million.

Rating distribution for banking business' liquidity portfolio and other interest-bearing investments

(EUR million)	30.6.2012	31.12.2011
	1,909	**1,968**
Aaa	55.6 %	55.6 %
Aa1-Aa3	22.8 %	21.9 %
A1-A3	13.8 %	11.9 %
Baa1-Baa3	5.1 %	6.3 %
Ba1-Ba3	0.5 %	1.9 %
B1-B3	0.0 %	0.0 %
Caa1 or lower	0.0 %	0.0 %
Finnish municipalities (unrated)	2.2 %	2.1 %
No rating	0.0 %	0.3 %
Total	**100.0 %**	**100.0 %**

As at 30 June 2012, all securities in the Bank Group's liquidity portfolio met eligibility requirements for refinancing at Central Bank, whereas assets not eligible for refinancing amounted to 0.6% at the end of 2011.

Operational risks

No events regarded as operational risks causing significant financial losses occurred during the first half of 2012.

Close relations

Close relations refers to Aktia Bank plc's key persons in management positions, close family members and companies that are under the dominating influence of a key person in a management position. Aktia Group's key persons refer to the members of the Board of Supervisors and the Board of Directors of Aktia plc, the Board of Directors of Aktia Bank plc, the Managing Director and Deputy Managing Director.

No significant changes concerning close relations occurred.

Personnel

The average number of full-time employees in the Bank Group during the first half of 2012 was 764 (31.12.2011; 774).

Changes in Group structure

On 31 January 2012, Aktia Card Ltd sold its business operations to its parent company Aktia Bank plc, which continues to run the card business unchanged.

Decisions of 2012 AGM

The Annual General Meeting of Aktia Bank plc held on 13 April 2012 discharged the members of the Board of Directors, the Managing Director and his deputy from liability for the financial period 1 January – 31 December 2011.

Aktia plc's Board of Directors comprises eight members, all of whom were re-elected.

Aktia Bank's Board of Directors for the period 1 January – 31 December 2012 is:

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

In accordance with the Board of Directors' proposal, the company pays out a dividend of EUR 6,666,667 per share, totalling EUR 20.0 million for the financial period 1 January – 31 December 2011.

Events after the reporting period

Aktia Bank lowered its prime rate by 0.25 percentage points to 1.50 per cent. The new prime rate entered into force on 31 July 2012.

Outlook and risks for the coming year 2012

Outlook (changed)

Aktia Bank is endeavouring to grow above the market in the sectors focusing on retail customers and small companies.

In 2012, Aktia Bank's focus is on increasing growth by strengthening customer relations, increasing sales per customer and cross-selling, and developing Internet services.

In order to strengthen profitability, costs will be cut , risks and capital will be managed effectively.

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 operating profit for 2012 is expected to be on the same level as in 2011. (Previously: The operating profit for 2012 is expected to be lower than in 2011.)

Risks

Aktia Bank'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 the interest rate level, yield curves and credit margins are hard to predict and can affect Aktia Bank's interest rate margins and therefore profitability. Aktia Bank is pursuing effective management of interest rate risks.

Any future write-downs of loans in Aktia Bank'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 Bank'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 new regulations are likely to be higher capital requirements, sharpened competition for deposits, higher demands on long-term financing and eventually higher credit margins.

Consolidated income statement for Bank Group

(EUR million)	1-6/2012	1-6/2011	Δ%	2011
Net interest income	59.0	67.0	-12 %	128.2
Dividends	0.1	0.1	-37 %	0.2
Commission income	38.3	37.4	2 %	71.4
Commission expenses	-8.4	-9.3	10 %	-17.5
Net commission income	30.0	28.2	6 %	54.0
Net income from financial transactions	0.5	-2.3	-	-9.3
Net income from investment properties	0.0	0.0	-174 %	-0.1
Other operating income	2.9	2.3	23 %	4.6
Total operating income	**92.3**	**95.2**	**-3 %**	**177.6**
Staff costs	-26.7	-27.0	-1 %	-52.9
IT-expenses	-10.2	-9.6	6 %	-19.9
Depreciation of tangible and intangible assets	-1.6	-2.1	-20 %	-4.0
Other operating expenses	-25.1	-26.8	-6 %	-53.0
Total operating expenses	**-63.6**	**-65.5**	**-3 %**	**-129.7**
Write-downs on credits and other commitments, net	-2.8	-5.3	-46 %	-10.5
Share of profit from associated companies	-0.5	-0.1	-481 %	0.0
Operating profit	**25.4**	**24.4**	**4 %**	**37.4**
Income and expenses from other activities	-	-	-	-3.9
Taxes	-6.5	-6.5	1 %	-7.8
Profit for the period	**18.9**	**18.0**	**5 %**	**25.7**
Attributable to:				
Shareholders in Aktia Bank Plc	18.4	16.9	9 %	24.7
Non-controlling interest	0.5	1.1	-56 %	1.0
Total	**18.9**	**18.0**	**5 %**	**25.7**
Earnings per share (EPS), EUR	6,140,379.76	5,620,145.22	9 %	8,239,314.30

There is no dilution effect to earnings per share.

Consolidated statement of comprehensive income for Bank Group

(EUR million)	1-6/2012	1-6/2011	Δ%	2011
Profit for the period	18.9	18.0	5 %	25.7
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	39.2	-11.3	-	-19.2
Change in valuation of fair value for cash flow hedging	-4.3	-8.7	51 %	-0.2
Transferred to the income statement for financial assets available for sale	-	-	-	0.4
Comprehensive income from items which can be transferred to the income statement	34.9	-20.0	-	-19.0
Defined benefit plan pensions	-	-	-	-0.3
Comprehensive income from items which can not be transferred to the income statement	-	-	-	-0.3
Total comprehensive income for the period	**53.8**	**-2.0**	**-**	**6.4**
Total comprehensive income attributable to:				
Shareholders in Aktia Bank plc	53.4	-3.3	-	6.0
Non-controlling interest	0.4	1.3	-71 %	0.4
Total	**53.8**	**-2.0**	**-**	**6.4**
Total earnings per share, EUR	17,803,045.46	-1,098,726.08	-	2,002,733.92

There is no dilution effect to total earnings per share.

Consolidated balance sheet for Bank Group

(EUR million)	30.6.2012	31.12.2011	Δ%	30.6.2011
Assets				
Cash and balances with central banks	70.2	466.3	-85 %	345.8
Financial assets reported at fair value via the income statement	0.6	-	-	-
Interest-bearing securities	1,841.8	1,874.4	-2 %	2,030.0
Shares and participations	1.7	1.8	-4 %	3.8
Financial assets available for sale	1,843.5	1,876.2	-2 %	2,033.8
Financial assets held until maturity	15.8	20.0	-21 %	20.7
Derivative instruments	350.2	300.7	16 %	145.2
Lending to central bank and credit institutions	551.5	88.8	521 %	109.8
Lending to the public and public sector entities	7,269.5	7,117.1	2 %	6,869.3
Loans and other receivables	7,821.0	7,205.8	9 %	6,979.1
Investments in associated companies	2.6	3.5	-24 %	2.4
Intangible assets	2.4	2.3	5 %	2.5
Investment properties	0.7	0.7	0 %	0.0
Other tangible assets	4.8	5.3	-9 %	6.3
Accrued income and advance payments	65.0	70.6	-8 %	67.3
Other assets	103.0	7.6	-	19.3
Total other assets	168.0	78.2	115 %	86.6
Income tax receivables	4.0	22.3	-82 %	10.9
Deferred tax receivables	0.7	11.9	-94 %	10.0
Tax receivables	4.7	34.2	-86 %	20.9
Total assets	**10,284.6**	**9,993.1**	**3 %**	**9,643.4**
Liabilities				
Liabilities to credit institutions	1,075.6	1,112.1	-3 %	804.8
Liabilities to the public and public sector entities	3,732.5	3,662.2	2 %	3,519.3
Deposits	4,808.1	4,774.3	1 %	4,324.1
Derivative instruments	181.7	160.6	13 %	107.3
Debt securities issued	3,806.4	3,811.5	0 %	3,675.7
Subordinated liabilities	293.6	288.7	2 %	285.3
Other liabilities to credit institutions	442.7	353.5	25 %	630.3
Other liabilities to the public and public sector entities	108.1	51.7	109 %	30.4
Other financial liabilities	4,650.8	4,505.4	3 %	4,621.7
Accrued expenses and income received in advance	94.0	102.6	-8 %	90.1
Other liabilities	71.7	44.4	61 %	104.4
Total other liabilities	165.7	147.0	13 %	194.5
Income tax liabilities	0.2	0.0	-	0.9
Deferred tax liabilities	31.6	28.9	9 %	27.0
Tax liabilities	31.8	29.0	10 %	27.9
Total liabilities	**9,838.2**	**9,616.3**	**2 %**	**9,275.5**
Equity				
Restricted equity	188.6	153.6	23 %	151.9
Unrestricted equity	193.9	165.5	17 %	157.3
Shareholders' share of equity	382.5	319.1	20 %	309.3
Non-controlling interest's share of equity	64.0	57.7	11 %	58.6
Equity	**446.5**	**376.8**	**18 %**	**367.9**
Total liabilities and equity	**10,284.6**	**9,993.1**	**3 %**	**9,643.4**

Consolidated statement of changes in equity for Bank Group

(EUR million)	Share capital	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 2011	**163.0**	**9.1**	**44.6**	**115.9**	**332.6**	**44.3**	**376.8**
Dividens to shareholders				-20.0	-20.0		-20.0
Profit for the period				16.9	16.9	1.1	18.0
Financial assets available for sale		-11.4			-11.4	0.1	-11.3
Cash flow hedging		-8.7			-8.7	0.1	-8.7
Total comprehensive income for the period		-20.2		16.9	-3.3	1.3	-2.0
Other change in equity					0.0	13.0	13.0
Equity as at 30 June 2011	**163.0**	**-11.1**	**44.6**	**112.8**	**309.3**	**58.6**	**367.9**
Equity as at 1 January 2012	**163.0**	**-9.4**	**44.6**	**120.9**	**319.1**	**57.7**	**376.8**
Dividens to shareholders				-20.0	-20.0		-20.0
Profit for the period				18.4	18.4	0.5	18.9
Financial assets available for sale		39.0			39.0	0.1	39.2
Cash flow hedging		-4.0			-4.0	-0.3	-4.3
Defined benefit plan pensions					0.0		0.0
Total comprehensive income for the period		35.0		18.4	53.4	0.4	53.8
Issue			30.0		30.0	5.9	35.9
Equity as at 30 June 2012	**163.0**	**25.6**	**74.6**	**119.3**	**382.5**	**64.0**	**446.5**

Consolidated cash flow statement for Bank Group

(EUR million)	1-6/2012	1-6/2011	Δ%	2011
Cash flow from operating activities				
Operating profit	25.4	24.4	4 %	37.4
Adjustment items not included in cash flow for the period	0.2	8.9	-98 %	20.1
Unwinded cash flow hedging	9.1	-	-	17.6
Paid income taxes	14.5	-21.8	-	-36.0
Cash flow from operating activities before change in operating receivables and liabilities	**49.2**	**11.6**	**326 %**	**39.0**
Increase (-) or decrease (+) in receivables from operating activities	-610.7	331.2	-	198.1
Increase (+) or decrease (-) in liabilities from operating activities	149.6	-189.4	-	-36.3
Total cash flow from operating activities	**-411.9**	**153.3**	**-**	**200.9**
Cash flow from investing activities				
Financial assets held until maturity	4.2	0.7	490 %	1.4
Investments in group companies and associated companies	0.0	-	-	-
Proceeds from sale of group companies and associated companies	-	0.3	-	0.3
Investment in tangible and intangible assets	-1.3	-2.1	38 %	-2.8
Disposal of tangible and intangible assets	0.0	0.1	-87 %	0.2
Total cash flow from investing activities	**2.9**	**-1.0**	**-**	**-1.0**
Cash flow from financing activities				
Subordinated liabilities	3.6	0.1	-	3.6
Increase in unrestricted equity reserve	30.0	-	-	-
Share issue / dividend of Aktia Real Estate Mortgage Bank Plc to the non-controlling interest	5.9	13.5	-57 %	13.5
Paid dividends	-20.0	-20.0	0 %	-20.0
Total cash flow from financing activities	**19.4**	**-6.4**	**-**	**-2.9**
Change in cash and cash equivalents	**-389.6**	**145.9**	**-**	**197.0**
Cash and cash equivalents at the beginning of the year	473.0	275.9	71 %	275.9
Cash and cash equivalents at the end of the period	83.3	421.8	-80 %	473.0
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	7.6	8.1	-5 %	9.5
Bank of Finland current account	62.5	337.7	-81 %	456.8
Repayable on demand claims on credit institutions	13.2	76.1	-83 %	6.6
Total	**83.3**	**421.8**	**-80 %**	**473.0**
Adjustment items not included in cash flow consist of:				
Write-downs on credits and other commitments, net	2.8	5.3	-46 %	10.5
Change in fair values	0.1	0.9	-85 %	7.2
Depreciation and impairment of intangible and tangible assets	1.6	2.1	-20 %	4.0
Share of profit from associated companies	0.9	0.4	123 %	0.3
Sales gains and losses from intangible and tangible assets	0.0	0.6	-	0.6
Unwinded cash flow hedging	-5.3	-	-	-2.5
Other adjustments	0.0	-0.3	-	0.0
Total	**0.2**	**8.9**	**-98 %**	**20.1**

Key figures

(EUR million)	1-6/2012	1-6/2011	Δ%	4-6/2012	1-3/2012	10-12/2011	7-9/2011	4-6/2011
Earnings per share (EPS)	6.1	5.6	9 %	3.2	2.9	0.8	1.8	2.1
Equity per share (NAV) [1]	127.5	103.1	24 %	127.5	130.9	106.4	106.7	103.1
Return on equity (ROE), %	9.2	9.7	-5 %	8.8	8.8	2.5	5.7	7.5
Total earnings per share	17.8	-1.1	-	3.3	14.5	-0.6	3.7	3.0
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]	764	772	-1 %	764	771	774	774	772
Banking Business (incl. Private Banking)								
Cost-to-income ratio	0.69	0.68	1 %	0.69	0.68	0.78	0.79	0.74
Borrowing from the public [1]	3,732.5	3,519.3	6 %	3,732.5	3,700.8	3,662.2	3,600.3	3,519.3
Lending to the public [1]	7,269.5	6,869.3	6 %	7,269.5	7,239.5	7,117.1	6,990.5	6,869.3
Capital adequacy ratio, % [1]	18,9	16.6	13 %	18,9	18.1	16.2	16.6	16.6
Tier 1 capital ratio, % [1]	11,7	10.8	9 %	11,7	11.3	10.6	10.8	10.8
Risk-weighted commitments [1]	3,742.0	3,648.6	3 %	3,742.0	3,767.3	3,694.0	3,643.1	3,648.6
Asset Management								
Mutual fund volume [1]	4,107.4	4,147.7	-1 %	4,107.4	4,140.0	3,613.4	3,379.2	4,147.7
Managed and brokered assets [1]	7,233.9	7,048.7	3 %	7,233.9	7,174.6	6,624.1	6,204.6	7,048.7

1) At the end of the period

Formulas for key figures are presented in Aktia Bank plc's annual report 2011 on page 6

Quarterly trends in Aktia Bank Group

(EUR million)	4-6/2012	1-3/2012	10-12/2011	7-9/2011	4-6/2011
Net interest income	29.5	29.5	30.2	31.0	32.9
Dividends	0.0	0.0	0.1	0.0	0.0
Net commission income	15.6	14.4	13.3	12.5	14.5
Net income from financial transactions	0.2	0.3	-0.6	-6.4	-3.3
Net income from investment properties	0.0	0.0	0.0	0.0	0.0
Other operating income	1.3	1.5	1.3	0.9	0.9
Total operating income	**46.6**	**45.7**	**44.3**	**38.0**	**45.1**
Staff costs	-13.5	-13.2	-14.3	-11.6	-13.7
IT-expenses	-5.3	-4.9	-5.1	-5.2	-5.2
Depreciation of tangible and intangible assets	-0.8	-0.8	-0.9	-1.0	-1.0
Other operating expenses	-12.7	-12.4	-14.1	-12.1	-13.8
Total operating expenses	**-32.3**	**-31.3**	**-34.4**	**-29.8**	**-33.7**
Write-downs on credits and other commitments, net	-1.0	-1.9	-4.1	-1.1	-1.9
Share of profit from associated companies	-0.4	-0.1	-0.1	0.1	0.0
Operating profit	**13.0**	**12.4**	**5.7**	**7.2**	**9.5**
Income and expenses from other activities	-	-	-3.9	-	-
Taxes	-3.1	-3.4	0.6	-1.9	-2.8
Profit for the period	**9.8**	**9.1**	**2.4**	**5.3**	**6.7**

Quarterly trends of comprehensive income in Bank Group

(EUR million)	4-6/2012	1-3/2012	10-12/2011	7-9/2011	4-6/2011
Profit for the period	9.8	9.1	2.4	5.3	6.7
Other comprehensive income after taxes:					
Change in valuation of fair value for financial assets available for sale	1.1	38.0	-4.4	-3.5	0.5
Change in valuation of fair value for cash flow hedging	-1.3	-3.0	-0.3	8.8	2.0
Transferred to the income statement for financial assets available for sale	-	-	0.4	-	-
Defined benefit plan pensions	-	-	-0.3	-	-
Total comprehensive income for the period	**9.6**	**44.1**	**-2.2**	**10.6**	**9.2**

NOTES TO THE INTERIM REPORT

Note 1 Basis for preparing the Interim Report and important accounting principles

Basis for preparing the Interim Report

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 period 1 January – 30 June 2012 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The Interim 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 2011.

The Interim Report for the period 1 January – 30 June 2012 was approved by the Board of Directors on 6 August 2012.

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

Key accounting principles

In preparing the interim report the Group has followed the accounting principles applicable to the annual report of 31 December 2011.

There were no new or revised IFRSs or interpretations from IFRIC (Internation Financial Reporting Interpretations Committee) that had any effect on the Group's result, financial position or explanatory notes in for the period 1 January – 30 June 2012.

Note 2. Segment report for Bank Group

Income statement	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
(EUR million)	**1-6/2012**	**1-6/2011**	**1-6/2012**	**1-6/2011**	**1-6/2012**	**1-6/2011**	**1-6/2012**	**1-6/2011**	**1-6/2012**	**1-6/2011**
Net interest income	57.5	65.3	2.4	1.7	-0.8	0.0	-	-	59.0	67.0
Dividends	0.0	2.1	-	-	0.0	-	-	-2.0	0.1	0.1
Net commission income	19.4	19.3	10.1	8.9	0.4	0.0	-0.1	0.0	30.0	28.2
Net income from financial transactions	0.5	-2.4	0.0	0.1	0.0	-	-	-	0.5	-2.3
Net income from investment properties	0.0	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0
Other income	1.8	2.3	0.1	0.2	1.8	1.3	-0.9	-1.5	2.9	2.3
Total operating income	**79.3**	**86.6**	**12.6**	**10.9**	**1.4**	**1.2**	**-1.0**	**-3.6**	**92.3**	**95.2**
Staff costs	-16.9	-19.3	-4.0	-4.1	-5.5	-3.4	-0.3	-0.2	-26.7	-27.0
IT-expenses	-6.8	-6.6	-1.2	-0.4	-2.2	-2.6	-	-	-10.2	-9.6
Depreciation of tangible and intangible assets	-1.0	-1.1	-0.2	-0.2	-0.4	-0.7	-	-	-1.6	-2.1
Other expenses	-28.0	-29.2	-3.0	-3.1	5.0	4.5	1.0	1.0	-25.1	-26.8
Total operating expenses	**-52.8**	**-56.2**	**-8.3**	**-7.8**	**-3.2**	**-2.2**	**0.7**	**0.7**	**-63.6**	**-65.5**
Write-downs on credits and other commitments	-2.8	-5.3	-	-	-	-	-	-	-2.8	-5.3
Share of profit from associated companies	-	-	-	-	-	-	-0.5	-0.1	-0.5	-0.1
Operating profit	**23.6**	**25.2**	**4.3**	**3.1**	**-1.8**	**-0.9**	**-0.7**	**-2.9**	**25.4**	**24.4**

Balance sheet	Banking Business		Asset Management		Miscellaneous		Eliminations		Total Group	
(EUR million)	**30.6.2012**	**31.12.2011**	**30.6.2012**	**31.12.2011**	**30.6.2012**	**31.12.2011**	**30.6.2012**	**31.12.2011**	**30.6.2012**	**31.12.2011**
Cash and balances with central banks	70.0	466.2	0.1	0.1	-	-	-	-	70.2	466.3
Financial assets reported via the income statement	0.6	-	-	-	-	-	-	-	0.6	-
Financial assets available for sale	1,843.1	1,876.1	0.9	1.4	0.5	-	-0.9	-1.3	1,843.5	1,876.2
Loans and other receivables	7,745.7	7,139.9	168.2	74.7	0.2	-	-93.0	-8.8	7,821.0	7,205.8
Other assets	522.9	585.1	6.8	7.3	97.8	7.9	-78.3	-155.4	549.3	444.8
Total assets	**10,182.4**	**10,067.3**	**176.0**	**83.6**	**98.4**	**7.9**	**-172.2**	**-165.5**	**10,284.6**	**9,993.1**
Deposits	4,369.4	4,597.3	530.4	185.8	-	-	-91.7	-8.8	4,808.1	4,774.3
Debt securities issued	3,807.3	3,812.8	-	-	-	-	-0.9	-1.3	3,806.4	3,811.5
Other liabilities to credit institutions	442.7	353.5	-	-	-	-	-	-	442.7	353.5
Other liabilities	660.0	818.6	8.8	14.0	202.3	12.7	-90.1	-168.4	781.0	677.0
Total liabilities	**9,279.5**	**9,582.3**	**539.2**	**199.8**	**202.3**	**12.7**	**-182.8**	**-178.5**	**9,838.2**	**9,616.3**

Note 3. Derivatives and off-balance sheet commitments

Derivative instruments at 30 June 2012 (EUR million)

Hedging derivative instruments	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	4,166.0	199.6	34.2
Total	**4,166.0**	**199.6**	**34.2**
Cash flow hedging			
Interest rate-related	430.0	9.1	0.0
Total	**430.0**	**9.1**	**0.0**
Derivative instruments valued via the income statement			
Interest rate-related *)	5,178.5	138.6	145.0
Currency-related	57.5	0.8	0.5
Equity-related **)	104.2	2.0	2.0
Other derivative instruments **)	21.0	0.1	0.1
Total	**5,361.1**	**141.5**	**147.5**
Total derivative instruments			
Interest rate-related	9,774.5	347.3	179.1
Currency-related	57.5	0.8	0.5
Equity-related	104.2	2.0	2.0
Other derivative instruments	21.0	0.1	0.1
Total	**9,957.1**	**350.2**	**181.7**

Derivative instruments at 30 June 2011 (EUR million)

Hedging derivative instruments	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	4,158.5	37.4	30.2
Total	**4,158.5**	**37.4**	**30.2**
Cash flow hedging			
Interest rate-related	960.0	31.8	0.0
Total	**960.0**	**31.8**	**0.0**
Derivative instruments valued via the income statement			
Interest rate-related *)	7,669.5	69.8	70.8
Currency-related	178.0	0.8	0.9
Equity-related **)	121.1	4.6	4.6
Other derivative instruments **)	4.2	0.9	0.9
Total	**7,972.8**	**76.0**	**77.1**
Total derivative instruments			
Interest rate-related	12,788.0	139.0	101.0
Currency-related	178.0	0.8	0.9
Equity-related	121.1	4.6	4.6
Other derivative instruments	4.2	0.9	0.9
Total	**13,091.3**	**145.2**	**107.3**

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 4,818.0 (7,277.0) million.

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

Off-balance sheet commitments

(EUR million)	30.6.2012	31.12.2011	31.3.2011
Commitments provided to a third party on behalf of the customers			
Guarantees	41.4	42.2	46.3
Other commitments provided to a third party	4.1	3.3	3.7
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	408.7	419.8	590.8
Off-balance sheet commitments	**454.2**	**465.4**	**640.8**

Note 4. Risk exposures for Bank Group

Consolidated capital adequacy for Bank Group

Summary (EUR million)	6/2012	3/2012	12/2011	9/2011	6/2011
Tier 1 capital	437.9	427.1	392.6	393.4	393.1
Tier 2 capital	268.0	254.5	206.4	210.3	213.4
Capital base	**705.9**	**681.6**	**599.1**	**603.7**	**606.5**
Risk-weighted amount for credit and counterpart risks	3,369.6	3,395.0	3,321.6	3,294.4	3,300.0
Risk-weighted amount for market risks [1)]	-	-	-	-	-
Risk-weighted amount for operational risks	372.3	372.3	372.3	348.6	348.6
Risk-weighted commitments	**3,742.0**	**3,767.3**	**3,694.0**	**3,643.1**	**3,648.6**
Capital adequacy ratio, %	**18.9**	**18.1**	**16.2**	**16.6**	**16.6**
Tier 1 Capital ratio, %	**11.7**	**11.3**	**10.6**	**10.8**	**10.8**
Minimum capital requirement	**299.4**	**301.4**	**295.5**	**291.4**	**291.9**
Capital buffer (difference between capital base and minimum requirement)	406.5	380.2	303.5	312.3	314.6

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

(EUR million)	6/2012	3/2012	12/2011	9/2011	6/2011
Share capital	163.0	163.0	163.0	163.0	163.0
Funds	74.6	74.5	44.6	44.6	44.6
Non-controlling interest	64.0	58.3	57.7	58.2	58.6
Retained earnings	100.9	100.0	96.2	95.9	95.9
Profit for the period	18.4	8.8	24.7	22.4	16.9
./. provision for dividends to shareholders	-10.6	-5.3	-21.3	-15.8	-10.5
Capital loan	30.0	30.0	30.0	30.0	30.0
Total	440.3	429.3	394.9	398.3	398.4
./. intangible assets	-2.4	-2.2	-2.3	-4.9	-5.3
Tier 1 capital	**437.9**	**427.1**	**392.6**	**393.4**	**393.1**
Fund at fair value	4.4	2.9	-34.9	-31.5	-28.1
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	218.6	206.6	196.3	196.7	196.5
Tier 2 capital	**268.0**	**254.5**	**206.4**	**210.3**	**213.4**
Total capital base	**705.9**	**681.6**	**599.1**	**603.7**	**606.5**

Risk-weighted commitments, credit and counterparty risks

Total exposures 6/2012 (EUR million)

Risk-weight	Balance assets	Off-balance sheet commitments	Total
0%	1,141.5	23.1	1,164.6
10%	1,207.8	-	1,207.8
20%	737.8	184.8	922.6
35%	5,712.3	67.3	5,779.6
50%	0.6	-	0.6
75%	557.4	104.1	661.6
100%	555.2	74.1	629.2
150%	18.6	0.8	19.4
Total	**9,931.3**	**454.2**	**10,385.5**
Derivatives *)	414.0	-	414.0
Total	**10,345.3**	**454.2**	**10,799.5**

*) derivative agreements credit conversion factor

Risk-weighted exposures (EUR million)

Risk-weight	6/2012	3/2012	12/2011	9/2011	6/2011
0%	-	-	-	-	-
10%	120.8	125.6	105.1	103.8	103.2
20%	155.5	163.9	146.6	158.9	191.6
35%	2,008.1	1,990.4	1,943.7	1,898.3	1,857.3
50%	0.3	0.3	0.3	0.4	0.4
75%	439.9	437.2	450.9	458.0	465.7
100%	590.0	614.5	601.8	616.6	624.7
150%	28.5	35.3	40.1	30.1	31.3
Total	**3,343.2**	**3,367.3**	**3,288.4**	**3,266.0**	**3,274.3**
Derivatives *)	26.5	27.7	33.2	28.4	25.7
Total	**3,369.6**	**3,395.0**	**3,321.6**	**3,294.4**	**3,300.0**

*) 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 bonds secured by real estate is determined by the credit rating of the country where the institution is located.

Risk-weighted amounts for operational risks

	2011	2010	2009	6/2012	3/2012	12/2011	9/2011	6/2011
Gross income	187.8	208.5	199.4					
- average 3 years	198.6							
Capital requirement for operational risk				**29.8**	**29.8**	**29.8**	**27.9**	**27.9**
Risk-weighted amount				**372.3**	**372.3**	**372.3**	**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)	1-6/2012	1-6/2011	Δ%	2011
Deposits and lending	30.3	30.7	-1 %	63.0
Hedging, interest rate risk management	14.4	20.5	-30 %	34.8
Other	14.2	15.8	-10 %	30.3
Net interest income	**59.0**	**67.0**	**-12 %**	**128.2**

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 included in "Hedging of Interest rate risk" whereas the credit risk component is booked as a part of "Other net interest income"

Not 6 Gross loans and write-downs

(EUR million)	30.6.2012	31.3.2012	31.12.2011
Gross loans	7,334.0	7,303.2	7,180.3
Individual write-downs	-50.2	-49.5	-49.2
Of which made to non-performing loans past due at least 90 days	-42.0	-42.7	-39.2
Of which made to other loans	-8.2	-6.9	-10.0
Write-downs by group	-14.2	-14.1	-14.0
Net loans, balance amount	**7,269.5**	**7,239.5**	**7,117.1**

Helsinki 6 August 2012

AKTIA BANK PLC

Board of Directors

TRANSLATION

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

Report on review of the interim report of Aktia Bank p.l.c. as of and for the six months period ending June 30, 2012

Introduction

We have reviewed the consolidated balance sheet as of 30 June 2012, the consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement of Aktia Bank p.l.c. for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes to the financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and other generally accepted auditing practices and consequently does not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report does not give a true and fair view of the consolidated financial position as at 30 June 2012 and the consolidated result of its operations and cash flows for the six-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 6 August 2012

KPMG Oy Ab

Jari Härmälä
Authorized Public Accountant

Aktia

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