

Aktia Bank plc
Stock Exchange Release
8 November 2012

Aktia Bank plc's financial position and profit for the period January - 30 September 2012

Aktia Bank plc publishes information on the bank's financial performance and financial position as the parent company of the bank, Aktia plc, publishes its Interim Report for the period 1 January - 30 September 2012. The information published is not an Interim Report as stipulated in the Securities Markets Act.

In 2013, a merger of the holding company Aktia plc with Aktia Bank plc is planned, as well as listing of the new parent company Aktia Bank plc on the stock exchange.

All information concerns Aktia Bank Group unless specified otherwise.

Key figures

(EUR million)	7-9/2012	7-9/2011	Δ %	1-9/2012	1-9/2011	Δ %	4-6/2012	1-3/2012	2011
Earnings per share (EPS)	2.3	1.8	24%	8.4	7.5	13%	3.2	2.9	8.2
Equity per share (NAV) ¹⁾	139.9	106.7	31%	139.9	106.7	31%	127.5	130.9	106.4
Return on equity (ROE), %	6.1	5.7	6%	8.0	8.2	-2%	8.8	8.8	6.8
Total earnings per share	12.4	3.7	239%	30.2	2.6	-	3.3	14.5	2.0
Number of shares at the end of the period ¹⁾	3	3	0%	3	3	0%	3	3	3
Personnel (FTEs), average number of employees from the beginning of the financial year ¹⁾	753	774	-3%	753	774	-3%	764	771	774
Banking Business (incl. Private Banking)									
Cost-to-income ratio	0.69	0.79	-13%	0.69	0.72	-4%	0.69	0.68	0.73
Borrowing from the public ¹⁾	3,666.1	3,600.3	2%	3,666.1	3,600.3	2%	3,732.5	3,700.8	3,662.2
Lending to the public ¹⁾	7,301.0	6,990.5	4%	7,301.0	6,990.5	4%	7,269.5	7,239.5	7,117.1
Capital adequacy ratio, % ¹⁾	19.9	16.6	20%	19.9	16.6	20%	18.9	18.1	16.2
Tier 1 capital ratio, % ¹⁾	11.8	10.8	9%	11.8	10.8	9%	11.7	11.3	10.6
Risk-weighted commitments ¹⁾	3,727.9	3,643.1	2%	3,727.9	3,643.1	2%	3,742.0	3,767.3	3,694.0
Asset Management									
Mutual fund volume ¹⁾	4,246.7	3,379.2	26%	4,246.7	3,379.2	26%	4,107.4	4,140.0	3,613.4
Managed and brokered assets ¹⁾	7,413.3	6,204.6	19%	7,413.3	6,204.6	19%	7,233.9	7,174.6	6,624.1

¹⁾ At the end of the period

Formulas for key figures are presented in Aktia Bank plc's Annual Report 2011 on page 6.

Consolidated income statement for Bank Group

(EUR million)	1-9/2012	1-9/2011	Δ %	2011
Net interest income	87.4	98.0	-11%	128.2
Dividends	0.1	0.1	-40%	0.2
Commission income	57.3	54.0	6%	71.4
Commission expenses	-12.5	-13.4	7%	-17.5
Net commission income	44.9	40.6	10%	54.0
Net income from financial transactions	-0.2	-8.7	98%	-9.3
Net income from investment properties	-0.1	0.0	-106%	-0.1
Other operating income	3.6	3.3	10%	4.6
Total operating income	135.7	133.3	2%	177.6
Staff costs	-38.6	-38.6	0%	-52.9
IT-expenses	-15.1	-14.8	3%	-19.9
Depreciation of tangible and intangible assets	-2.4	-3.0	-22%	-4.0
Other operating expenses	-37.5	-38.9	-4%	-53.0
Total operating expenses	-93.6	-95.3	-2%	-129.7
Write-down on other financial assets	-1.8	-	-	-
Write-down on credits and other commitments	-4.6	-6.3	-27%	-10.5
Share of profit from associated companies	-0.5	0.0	-	0.0
Operating profit	35.2	31.6	11%	37.4
Income and expenses from other activities	-	-	-	-3.9
Taxes	-9.2	-8.3	11%	-7.8
Profit for the period	26.0	23.3	11%	25.7
Attributable to:				
Shareholders in Aktia Bank plc	25.3	22.4	13%	24.7
Non-controlling interest	0.6	0.9	-29%	1.0
Total	26.0	23.3	11%	25.7
Earnings per share (EPS), EUR	8,442,627.57	7,470,051.90	13%	8,239,314.30
There is no dilution effect to earnings per share				

Consolidated statement of comprehensive income for Bank Group

(EUR million)	1-9/2012	1-9/2011	Δ %	2011
Profit for the period	26.0	23.3	11%	25.7
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	72.3	-14.8	-	-19.2
Change in valuation of fair value for cash flow hedging	-6.5	0.1	-	-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	65.9	-14.7	-	-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	91.8	8.6	967%	6.4
Total comprehensive income attributable to:				
Shareholders in Aktia Bank plc	90.6	7.7	-	6.0
Non-controlling interest	1.2	0.9	32%	0.4
Total	91.8	8.6	967%	6.4
Total earnings per share, EUR	30,203,043.59	2,560,447.72	-	2,002,733.92
There is no dilution effect to the total earnings per share				

Consolidated balance sheet for Bank Group

(EUR million)	30.9.2012	31.12.2011	Δ %	30.9.2011
Assets				
Cash and balances with central banks	236.1	466.3	-49%	298.3
Interest-bearing securities	2,025.2	1,874.4	8%	1,904.7
Shares and participations	8.0	1.8	344%	2.0
Financial assets available for sale	2,033.2	1,876.2	8%	1,906.6
Financial assets held until maturity	10.1	20.0	-50%	20.0
Derivative instruments	395.7	300.7	32%	264.2
Lending to Bank of Finland and credit institutions	167.8	88.8	89%	59.8
Lending to the public and public sector entities	7,301.0	7,117.1	3%	6,990.5
Loans and other receivables	7,468.8	7,205.8	4%	7,050.3
Investments in associated companies	0.8	3.5	-76%	3.5
Intangible assets	2.3	2.3	2%	2.3
Investment properties	0.7	0.7	0%	0.0
Other tangible assets	4.5	5.3	-15%	5.8
Accrued income and advance payments	71.6	70.6	1%	68.8
Other assets	6.9	7.6	-9%	8.2
Total other assets	78.5	78.2	0%	77.0
Income tax receivables	3.8	22.3	-83%	16.5
Deferred tax receivables	0.3	11.9	-97%	11.1
Tax receivables	4.1	34.2	-88%	27.6
Total assets	10,234.8	9,993.1	2%	9,655.7
Liabilities				
Liabilities to credit institutions	1,097.3	1,112.1	-1%	945.2
Liabilities to the public and public sector entities	3,666.1	3,662.2	0%	3,600.3
Deposits	4,763.4	4,774.3	0%	4,545.5
Derivative instruments	196.6	160.6	22%	153.1
Debt securities issued	3,743.7	3,811.5	-2%	3,707.4
Subordinated liabilities	295.4	288.7	2%	288.5
Other liabilities to credit institutions	395.1	353.5	12%	395.7
Other liabilities to the public and public sector entities	162.8	51.7	215%	31.6
Other financial liabilities	4,596.9	4,505.4	2%	4,423.2
Accrued expenses and income received in advance	96.4	102.6	-6%	95.7
Other liabilities	53.9	44.4	21%	28.5
Total other liabilities	150.3	147.0	2%	124.2
Income tax liabilities	0.9	0.0	-	0.6
Deferred tax liabilities	42.2	28.9	46%	30.6
Tax liabilities	43.0	29.0	49%	31.2
Total liabilities	9,750.3	9,616.3	1%	9,277.2
Equity				
Restricted equity	218.9	153.6	42%	157.4
Unrestricted equity	200.8	165.5	21%	162.9
Shareholders' share of equity	419.7	319.1	32%	320.2
Non-controlling interest's share of equity	64.8	57.7	12%	58.2
Equity	484.5	376.8	29%	378.5
Total liabilities and equity	10,234.8	9,993.1	2%	9,655.7

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
Dividends to shareholders				-20.0	-20.0		-20.0
<i>Profit for the period</i>				22.4	22.4	0.9	23.3
<i>Financial assets available for sale</i>		-14.9			-14.9	0.1	-14.8
<i>Cash flow hedging</i>		0.2			0.2	0.0	0.1
Total comprehensive income for the period		-14.7		22.4	7.7	0.9	8.6
Other change in equity					0.0	13.0	13.0
Equity as at 30 September 2011	163.0	-5.6	44.6	118.3	320.2	58.2	378.5
Equity as at 1 January 2012	163.0	-9.4	44.6	120.9	319.1	57.7	376.8
Dividends to shareholders				-20.0	-20.0		-20.0
<i>Profit for the period</i>				25.3	25.3	0.6	26.0
<i>Financial assets available for sale</i>		72.2			72.2	0.2	72.3
<i>Cash flow hedging</i>		-6.9			-6.9	0.4	-6.5
Total comprehensive income for the period		65.3		25.3	90.6	1.2	91.8
Issue			30.0		30.0	5.9	35.9
Equity as at 30 September 2012	163.0	55.9	74.6	126.2	419.7	64.8	484.5

Consolidated cash flow statement for Bank Group

(EUR million)	1-9/2012	1-9/2011	Δ %	2011
Cash flow from operating activities				
Operating profit	35.2	31.6	11%	37.4
Adjustment items not included in cash flow for the period	4.0	16.4	-75%	20.1
Unwinded cash flow hedging	9.1	-	-	17.6
Paid income taxes	13.6	-29.0	-	-36.0
Cash flow from operating activities before change in operating receivables and liabilities	62.0	19.1	225%	39.0
Increase (-) or decrease (+) in receivables from operating activities	-312.4	368.5	-	198.1
Increase (+) or decrease (-) in liabilities from operating activities	4.6	-340.3	-	-36.3
Total cash flow from operating activities	-245.9	47.3	-	200.9
Cash flow from investing activities				
Financial assets held until maturity	9.9	1.4	595%	1.4
Proceeds from sale of group companies and associated companies	0.0	0.3	-	0.3
Investment in tangible and intangible assets	-1.9	-2.4	23%	-2.8
Disposal of tangible and intangible assets	0.0	0.2	-79%	0.2
Total cash flow from investing activities	8.1	-0.5	-	-1.0
Cash flow from financing activities				
Subordinated liabilities	5.4	3.3	60%	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	21.2	-3.1	-	-2.9
Change in cash and cash equivalents	-216.6	43.6	-	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	256.3	319.5	-20%	473.0
Cash and cash equivalents in the cash flow statement consist of the following items:				
Cash in hand	8.2	8.3	-1%	9.5
Bank of Finland current account	228.0	290.0	-21%	456.8
Repayable on demand claims on credit institutions	20.2	21.3	-5%	6.6
Total	256.3	319.5	-20%	473.0
Adjustment items not included in cash flow consist of:				
Write-downs on other financial assets	1.8	-	-	-
Write-downs on credits and other commitments	4.6	6.3	-27%	10.5
Change in fair values	2.4	6.5	-63%	7.2
Depreciation and impairment of intangible and tangible assets	2.4	3.0	-22%	4.0
Share of profit from associated companies	0.9	0.3	196%	0.3
Sales gains and losses from intangible and tangible assets	0.2	0.6	-74%	0.6
Unwinded cash flow hedging	-8.2	-	-	-2.5
Other adjustments	-	-0.4	-	0.0
Total	4.0	16.4	-75%	20.1

The segments operating profit

The Bank Group has three segments; Banking Business, Asset Management and Miscellaneous.

Banking Business comprises Aktia Bank plc's branch office and corporate functions as well as Treasury and the subsidiaries Aktia Real Estate Mortgage Bank plc, Aktia Kort Ab and Aktia Corporate Finance Ltd.

Asset Management comprises Aktia Bank plc's Private Banking and the subsidiaries Aktia Asset Management Ltd, Aktia Fund Management Company Ltd and Aktia Invest Ltd.

Miscellaneous comprises administration of Aktia Bank plc and return on equity.

Operating profit (EUR million)	7-9/2012	7-9/2011	Δ %
Banking Business	9.9	6.2	59%
Asset Management	2.9	1.4	117%
Miscellaneous	-2.7	-0.4	-588%
Eliminations	-0.3	0.0	-
Total	9.8	7.2	36%

Operating profit (EUR million)	1-9/2012	1-9/2011	Δ %
Banking Business	33.5	31.4	7%
Asset Management	7.2	4.4	63%
Miscellaneous	-4.5	-1.3	-241%
Eliminations	-1.1	-2.9	63%
Total	35.2	31.6	11%

Net interest income

(EUR million)	1-9/2012	1-9/2011	Δ %	2011
Deposits and lending	43.6	47.1	-7%	63.0
Hedging, interest rate risk management	21.8	27.9	-22%	34.8
Other	21.9	23.0	-5%	30.3
Net interests income	87.4	98.0	-11%	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".

Credit stock

Chart 1. Credit stock by sector

(EUR million)	30.9.2012	31.12.2011	Δ	Share, %
Households	6,224.6	5,965.6	259.0	85.3%
Corporate	754.3	811.6	-57.3	10.3%
Housing associations	278.3	288.7	-10.4	3.8%
Non-profit organisations	39.0	45.2	-6.2	0.5%
Public sector entities	4.8	6.0	-1.2	0.1%
Total	7,301.0	7,117.1	184.0	100.0%

Chart 2. Gross loans and write-downs

(EUR million)	30.9.2012	30.6.2012	31.3.2012	31.12.2011
Gross loans	7,364.7	7,334.0	7,303.2	7,180.3
Individual write-downs	-47.8	-50.2	-49.5	-49.2
Of which made to non-performing loans past due at least 90 days	-39.4	-42.0	-42.7	-39.2
Of which made to other loans	-8.4	-8.2	-6.9	-10.0
Write-downs by group	-15.9	-14.2	-14.1	-14.0
Net loans, balance amount	7,301.0	7,269.5	7,239.5	7,117.1

Total write-downs on credits amounted to 0.06 (0.09)% of total lending for the period. The corresponding impact on corporate loans amounted to 0.5 (0.7)% of the total corporate lending.

Chart 3. Undischarged debts by time overdue

(EUR million) Days	30.9.2012	% of stock	30.9.2011	% of stock	2011
1-30	138	1.88	209	2.97	160
of which households	118	1.61	144	2.05	115
31-89	54	0.74	61	0.87	53
of which households	36	0.49	47	0.66	46
90- *	53	0.72	56	0.80	60
of which households	38	0.52	39	0.56	36

* in Aktia Bank, fair value of collateral covers 95% of debts

Specification of the fund at fair value

(EUR million)	30.9.2012	31.12.2011	Δ
Shares and participations	5.0	-	5.0
Direct interest-bearing securities	31.9	-34.9	66.7
Cash flow hedging	19.0	25.5	-6.5
Fund at fair value, total	55.9	-9.4	65.3

The Bank Group's liquidity portfolio

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

Aktia Bank Group	Government and Govt. guaranteed		Covered Bonds (CB)		Financial institutions excl. CB		Corporate bonds		Real estate		Alternative investments		Listed Equity		Total	
	9/12	2011	9/12	2011	9/12	2011	9/12	2011	9/12	2011	9/12	2011	9/12	2011	9/12	2011
EU AAA	136	145	1,269	916	286	309	12	-	-	-	-	-	-	-	1,703	1,370
Finland	132	61	233	111	43	37	-	-	-	-	-	-	-	-	407	210
Other AAA-countries	4	84	1,037	805	243	272	12	-	-	-	-	-	-	-	1,296	1,161
EU < AAA	-	51	183	352	-	37	-	2	-	-	-	-	-	-	183	442
Belgium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greece	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Ireland	-	-	30	27	-	-	-	-	-	-	-	-	-	-	30	27
Italy	-	-	46	60	-	-	-	-	-	-	-	-	-	-	46	60
Portugal	-	22	54	76	-	8	-	1	-	-	-	-	-	-	54	107
Spain	-	29	52	187	-	29	-	1	-	-	-	-	-	-	52	246
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe excluding EU	-	-	232	50	12	30	-	-	-	-	-	-	-	-	244	80
North America	-	-	23	33	-	-	-	-	-	-	-	-	-	-	23	33
Other OECD-countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supernationals	-	-	-	-	45	43	-	-	-	-	-	-	-	-	45	43
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	136	197	1,706	1,350	343	419	12	2	-	-	-	-	-	-	2,197	1,968

Rating distribution for banking business' liquidity portfolio

	30.9.2012	31.12.2011
(EUR million)	2,197	1,968
Aaa	55.9%	55.6%
Aa1-Aa3	26.3%	21.9%
A1-A3	9.0%	11.9%
Baa1-Baa3	4.5%	6.3%
Ba1-Ba3	0.4%	1.9%
B1-B3	0.0%	0.0%
Caa1 or lower	0.0%	0.0%
Finnish municipalities (unrated)	3.9%	2.1%
No rating	0.0%	0.3%
Total	100.0%	100.0%

Capital adequacy

Capital adequacy	30.9.2012	31.12.2011	30.9.2011
Bank Group			
Capital adequacy	19.9%	16.2%	16.6%
Tier 1 ratio	11.8%	10.6%	10.8%
Aktia Bank			
Capital adequacy	27.6%	22.3%	22.1%
Tier 1 ratio	16.2%	14.6%	14.3%
Aktia Real Estate Mortgage Bank			
Capital adequacy	10.9%	10.2%	10.7%
Tier 1 ratio	9.4%	8.5%	9.0%

Risk exposures for Bank Group

Consolidated capital adequacy for Bank Group

Summary (EUR million)	9/2012	6/2012	3/2012	12/2011	9/2011
Tier 1 capital	440.4	437.9	427.1	392.6	393.4
Tier 2 capital	302.1	268.0	254.5	206.4	210.3
Capital base	742.5	705.9	681.6	599.1	603.7
Risk-weighted amount for credit and counterpart risks	3,355.6	3,369.6	3,395.0	3,321.6	3,294.4
Risk-weighted amount for market risks ¹⁾	-	-	-	-	-
Risk-weighted amount for operational risks	372.3	372.3	372.3	372.3	348.6
Risk-weighted commitments	3,727.9	3,742.0	3,767.3	3,694.0	3,643.1
Capital adequacy ratio, %	19.9	18.9	18.1	16.2	16.6
Tier 1 Capital ratio, %	11.8	11.7	11.3	10.6	10.8
Minimum capital requirement	298.2	299.4	301.4	295.5	291.4
Capital buffer (difference between capital base and minimum requirement)	444.3	406.5	380.2	303.5	312.3

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)	9/2012	6/2012	3/2012	12/2011	9/2011
Share capital	163.0	163.0	163.0	163.0	163.0
Funds	74.6	74.6	74.5	44.6	44.6
Non-controlling interest	64.8	64.0	58.3	57.7	58.2
Retained earnings	100.9	100.9	100.0	96.2	95.9
Profit for the period	25.3	18.4	8.8	24.7	22.4
./. provision for dividends to shareholders	-15.9	-10.6	-5.3	-21.3	-15.8
Capital loan	30.0	30.0	30.0	30.0	30.0
Total	442.8	440.3	429.3	394.9	398.3
./. intangible assets	-2.3	-2.4	-2.2	-2.3	-4.9
Tier 1 capital	440.4	437.9	427.1	392.6	393.4
Fund at fair value	36.9	4.4	2.9	-34.9	-31.5
Upper Tier 2 loans	45.0	45.0	45.0	45.0	45.0
Lower Tier 2 loans	220.2	218.6	206.6	196.3	196.7
Tier 2 capital	302.1	268.0	254.5	206.4	210.3
Total capital base	742.5	705.9	681.6	599.1	603.7

Risk-weighted commitments, credit and counterparty risks

Total exposures 9/2012

(EUR million)

Risk-weight	Balance assets	Off-balance sheet commitments	Total
0 %	944.4	19.1	963.5
10 %	1,335.8	-	1,335.8
20 %	688.7	185.0	873.7
35 %	5,756.6	64.6	5,821.2
50 %	0.5	-	0.5
75 %	555.9	97.2	653.2
100 %	538.6	61.0	599.5
150 %	13.2	0.8	14.0
Total	9,833.6	427.7	10,261.4
Derivatives *)	456.9	-	456.9
Total	10,290.5	427.7	10,718.3

*) derivative agreements credit conversion factor

Risk-weighted exposures

(EUR million)

Risk-weight	9/2012	6/2012	3/2012	12/2011	9/2011
0 %	-	-	-	-	-
10 %	133.6	120.8	125.6	105.1	103.8
20 %	145.6	155.5	163.9	146.6	158.9
35 %	2 023.4	2,008.1	1,990.4	1,943.7	1,898.3
50 %	0.3	0.3	0.3	0.3	0.4
75 %	437.9	439.9	437.2	450.9	458.0
100 %	567.8	590.0	614.5	601.8	616.6
150 %	20.3	28.5	35.3	40.1	30.1
Total	3 328.8	3,343.2	3,367.3	3,288.4	3,266.0
Derivatives *)	26.8	26.5	27.7	33.2	28.4
Total	3 355.6	3,369.6	3,395.0	3,321.6	3,294.4

*) derivative agreements credit conversion factor

In capital adequacy measurement to determine the exposure's risk weight, Aktia applies credit rating by Moody's Investors Service or Standard & Poor's to receivables from central governments and central banks, credit institutions, investment firms, corporates and covered bonds. The risk weight for bank exposures and 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	9/2012	6/2012	3/2012	12/2011	9/2011
Gross income	187.8	208.5	199.4					
- average 3 years	198.6							
Capital requirement for operational risk				29.8	29.8	29.8	29.8	27.9
Risk-weighted amount				372.3	372.3	372.3	372.3	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%.

Derivatives and off-balance sheet commitments

Derivative instruments at 30 September 2012 (EUR million)			
Hedging derivative instruments	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	3,757.0	234.4	37.6
Total	3,757.0	234.4	37.6
Cash flow hedging			
Interest rate-related	430.0	9.9	0.0
Total	430.0	9.9	0.0
Derivative instruments valued via the income statement			
Interest rate-related *)	4,838.2	149.1	156.7
Currency-related	77.5	0.1	0.1
Equity-related **)	104.1	2.0	2.0
Other derivative instruments **)	21.0	0.1	0.1
Total	5,040.8	151.3	158.9
Total derivative instruments			
Interest rate-related	9,025.2	393.5	194.4
Currency-related	77.5	0.1	0.1
Equity-related	104.1	2.0	2.0
Other derivative instruments	21.0	0.1	0.1
Total	9,227.8	395.7	196.6

Derivative instruments at 30 September 2011 (EUR million)

Hedging derivative instruments	Total nominal amount	Assets, fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	3,940.5	127.0	32.5
Total	3,940.5	127.0	32.5
Cash flow hedging			
Interest rate-related	655.0	21.0	0.0
Total	655.0	21.0	0.0
Derivative instruments valued via the income statement			
Interest rate-related *)	7,339.2	112.2	116.7
Currency-related	90.7	0.6	0.5
Equity-related **)	119.3	2.6	2.6
Other derivative instruments **)	4.2	0.8	0.8
Total	7,553.4	116.2	120.6
Total derivative instruments			
Interest rate-related	11,934.7	260.2	149.2
Currency-related	90.7	0.6	0.5
Equity-related	119.3	2.6	2.6
Other derivative instruments	4.2	0.8	0.8
Total	12,148.9	264.2	153.1

*) Interest-linked derivatives include interest rate hedging provided for local banks which after back-to-back hedging with third parties amounted to EUR 4,478.0 (6,947.0) million.

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

Off-balance sheet commitments
(EUR million)

	30.9.2012	31.12.2011	30.9.2011
Commitments provided to a third party on behalf of the customers			
Guarantees	40.0	42.2	45.7
Other commitments provided to a third party	2.7	3.3	3.7
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	385.0	419.8	586.4
Off-balance sheet commitments	427.7	465.4	635.8

Outlook (changed 15 October 2012)

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

In 2012, Aktia's focus is on increasing growth by strengthening customer relations, increasing sales per customer and cross-selling, and developing Internet services. This and the successful operation of the segment Asset Management has increased commission income for the period, contributing to the improved outlook for the full-year 2012.

Profitability has also been improved through cost savings as well as through effective risk management and capital optimisation.

The interest rate derivatives that lifted the net interest income (NII) to an exceptional level have matured. The high NII level from 2009–2011 is therefore not possible to maintain in a low interest rate environment.

Write-downs on credits are expected to decrease in 2012 as a whole.

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

Risks

Aktia's financial results are affected by many factors, of which the most important are the general economic situation, fluctuations in share prices, interest rates and exchange rates, and the competitive situation. Changes in these factors can have an impact on demand for banking, insurance, asset management and real estate agency services.

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

Any future write-downs of loans in Aktia's loan portfolio could be due to many factors, the most important of which are the general economic situation, the interest rate level, the level of unemployment and changes in house prices.

The availability of liquidity on the money markets is important for Aktia's refinancing activities. Like other banks Aktia relies on deposits from households in order to service some of its liquidity needs.

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

The financial crisis has resulted in many new initiatives for regulating banking and insurance businesses, which has brought uncertainty concerning future equity and liquidity requirements. 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.

In preparing this report the Bank 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 (International Financial Reporting Interpretations Committee) that had any effect on the Group's financial position or explanatory notes in for the period 1 January - 30 September 2012.

The figures presented in this stock exchange release are unrevised.

Helsinki 8 November 2012

AKTIA BANK PLC

Board of Directors