Aktia's year
2009

Interim report for
1 January – 31 March 2009

Aktia

Contents

The CEO's comments:

"The banking business started the year well but the economic situation makes the investment markets extremely difficult to assess. The long-term work for putting the strategy of One Aktia into practice has began with all employees and customers through AktiaDialog. While seeking to show that we now are more than just a bank, we are also working systematically to improve our cost efficiency. We at Aktia are looking forward to becoming a listed company in September," says CEO **Jussi Laitinen**.

The period in brief

- Results of the banking business were stable, but increase in insurance business volumes declined
- Operating profit was EUR 10.3 (14.2) million.
- Net interest income increased by 36.3% to EUR 32.5 (23.9) million.
- The rating remains unchanged.
- Listing on the Stock Exchange in September
- The economic situation continues to be weak
- Profitability of the banking business to remain stable in 2009
- Unchanged outlook (for complete outlook, see page 12)

Key figures at the end of each reporting period

	1-3 2009	1-3 2008	1-12 2008
Earnings per share, EUR	0.11	0.17	0.09
Equity per share, EUR	4.79	5.26	4.85
Return on equity (ROE), %	8.7	12.7	1.8
Earnings per share excluding negative goodwill recorded as income and including Fund at fair value, EUR	0.02	-0.14	-0.22
Capital adequacy ratio, % (conglomerate)	133.1	129.3	135.2
Average number of shares, million	67.0	60.2	60.2
Number of shares at end of period, million	67.0	60.2	60.2
Personnel (FTEs), average number	1,070	956	1,009
Banking business			
Cost-to-income ratio	0.70	0.70	0.65
Borrowing from the public, EUR million	3,088	2,908	3,098
Lending to the public, EUR million	5,592	4,797	5,426
Capital adequacy ratio, %	14.2	14.2	13.7
Tier 1 Capital ratio, %	9.0	10.5	9.3
Risk-weighted commitments, EUR million	3,335	3,052	3,313
Asset Management			
Mutual fund volume, EUR million	2,415	1,884	1,512
Assets under management	4,515	3,688	4,538
Life Insurance			
Premium income before reinsurers' share, EUR million	20.6	25.1	91.4
Expense ratio, %	115.4	97.7	99.0
Working capital, EUR million	40.0	97.1	50.4
Solvency ratio, %	7.1	14.6	8.5
Investments at fair value, EUR million	774.8	941.3	804.6
Technical provisions for interest-linked policies, EUR million	614.5	653.2	627.6
Technical provisions for unit-linked policies, EUR million	146.5	189.2	149.6
Non-Life Insurance			
Premium income before reinsurers' share, EUR million	28.8		
Premium income, EUR million	13.9		
Operating cost percentage, %	28.9		
Loss ratio, %	93.5		
Total cost percentage, %	122.4		
Technical provisions before reinsurers' share, EUR million	114.7		
Solvency capital, EUR million	48.0		
Solvency ratio of technical provisions, %	43.7		
Solvency percentage (risk carrying capacity), %	80.8		

Activity of the report period

Profit

The operating profit of the Group during the first quarter was EUR 10.3 (14.2) million. The operating profit for 2008 includes capital gains of EUR 0.9 million from real estate business.

The banking business reported a profit of EUR 12.2 (8.6) million as a result of increased net interest income. Asset management suffered as a result of the situation in the investment market and returned an operating loss of EUR -0.4 (1.0) million. The contribution of insurance business to the Group's operating profit for the first quarter was EUR 2.0 (2.7) million for life insurance, while that of non-life insurance was EUR -3.4 (-) million.

The operating profit from associated companies was EUR 0.0 (-0.2) million.

Profit for the reporting period was EUR 7.2 (10.6) million.

Income

The Group's total income increased by 11.5% to EUR 50.0 (44.8) million.

Net interest income increased to EUR 32.5 (23.9) million. The derivatives used by Aktia to limit its interest rate risk contributed EUR 2.0 (-1.5) million to the improved net interest income during the period.

Net commission decreased by 10.2% to EUR 9.5 (10.6) million. Commission income from funds, asset management and securities brokerage was, in spite of the challenging market environment, at approximately the same level as the year before, thanks to the income from the acquired Aktia Invest, and totalled EUR 5.4 (5.6) million. Aktia Invest is an asset management unit that Aktia acquired from Kaupthing in December 2008. The card and payment services commissions amounted to EUR 2.8 (2.6) million. Income from real estate agency commissions decreased to EUR 1.7 (1.9) million. Commission expenses increased by EUR 1.4 million to EUR 3.2 (1.8) million. Of the total commissions, EUR 0.9 million is due to local banks for mortgages sold on behalf of Aktia Real Estate Mortgage Bank.

Net income from life insurance amounted to EUR 5.4 (6.0) million. Aktia Non-Life Insurance Company, consolidated since 1 January 2009, reports a net income of EUR 2.0 million. Net income from the insurance business includes insurance premium income, net income from investment activities, insurance claims paid and the change in provisions.

Other operating income totalled EUR 0.8 (1.8) million. Most of the decrease of EUR -1.0 million is attributable to the fact that the divestment of real estate holdings of the banking business accrued capital gains during the corresponding period in the previous year.

Expenditure

The Group's total expenditure rose by 25.4% to EUR 38.0 (30.3) million. Most of the change was due to costs related to the new businesses, Aktia Non-Life Insurance Company and Aktia Invest.

Staff costs increased by EUR 4.3 million to EUR 20.3 (16.0) million. Other administration costs amounted to EUR 10.7 (9.3) million. Most of the cost increase of EUR 1.4 million is related to investments in IT and cost for customer communications.

Total depreciation and write-downs on tangible and intangible assets amounted to EUR 1.8 (1.3) million. Other operating expenses increased by EUR 1.7 million to EUR 5.4 (3.7) million. The biggest change in other operating expenses was attributable to increased rental costs that rose to EUR 1.3 million. During 2008, most of Aktia's real estate holdings were sold off in line with the earlier divestment strategy because investments in real estate property are not part of Aktia's core business.

Balance sheet and off-balance sheet commitments

The Group's balance sheet total increased by 2.8% during the period and amounted to EUR 9,808 million (9,540 million at 31 December 2008) at the end of the period. The increase in the balance sheet total is primarily due to a growth in the mortgage stock and an increase in those assets that are available for sale and act as the bank's liquidity reserve. Borrowing both from the public and from savings banks and local cooperative banks decreased by 3.8% to EUR 4,823 (5,015 million at 31 December 2008) million, while borrowing using other financial instruments increased by 7.8% to EUR 3,375 million (3,130 million at 31 December 2008) .

The Group's total lending to the public amounted to EUR 5,592 million (5,426 million at 31 December 2008), representing an increase of EUR 167 million (+3.1%). The loans to private households accounted for EUR 4,499 million, or 80.4%, of the total loan stock. Of these loans to private households, 86.5% are secured by housing collateral (in accordance with Basel 2). Excluding the mortgages sold and capitalised by savings and local cooperative banks, the Group's lending increased by 1.9% from year-end.

The housing loan stock totalled EUR 4,282 million (4,036 million at 31 December 2008), of which mortgages made up EUR 2,123 million (1,968 million at 31 December 2008). In all, housing loans increased by 6.1%. Of the EUR 163 million total increase in mortgage loans, EUR 83 million came from loans sold by savings banks and local co-operative banks on behalf of Aktia Real Estate Mortgage Bank. Lending to corporate customers decreased, as planned, to EUR 796 million (804 million at 31 December 2008) during the first quarter.

Interest-bearing financial assets available for sale increased by 3.7% to EUR 2,912 million (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 decreased marginally (-0.3%) from year-end to EUR 3,088 million (3,098 million at 31 December 2008).

Outstanding Aktia certificates of deposit amounted to EUR 339 million at the end of the period, which represents an increase of EUR 76 million during the period. Aktia also issued new debentures and index-linked loans with a total value of EUR 18 million.

Life insurance provisions amounted to EUR 761 million (777 million at 31 December 2008).

Non-Life insurance provisions stood at EUR 115 million (99 million at 1 January 2009) at the end of the period (excluding acquisition eliminations of EUR 11 million).

Off-balance sheet commitments increased by EUR 59 million from the year-end and amounted to EUR 588 million (529 million at 31 December 2008). The increase was largely due to unused credit facilities (loan promises).

The Group's equity amounted to EUR 345 million (317 million at 31 December 2008) at the end of the period. The Group's fund at fair value amounted to EUR -43 million compared to EUR -36 million at 31 December 2008.

Capital adequacy and solvency

The Bank Group's capital adequacy amounted to 14.2% compared to 13.7% at year-end. The Tier 1 capital ratio was 9.0% (9.3% at 31 December 2008). Capital adequacy calculated according to Basel 2 rules improved as Aktia Bank sold off Aktia Life Insurance from the Bank Group to the parent company Aktia Plc and thus avoids the deductions related to holdings in insurance companies in the said capital adequacy calculation. The capital adequacy of the Bank Group remains at a good level, achieving the capital adequacy target and clearly exceeding the regulatory requirements.

The working capital of Life Insurance amounted to EUR 40 million and the solvency was 7.1% (8.5%). The share risk in the investment portfolio has continued to decrease, and Aktia Plc is prepared to increase the equity of Aktia Life Insurance by up to EUR 20 million if necessary.

The Non-Life Insurance company, consolidated in the Group at year-end, reports a solvency (risk carrying capacity) of 80.8%.

Capital adequacy for the financial and insurance conglomerate amounted to 133.1% (135.2% at 31 December 2008). The statutory minimum stipulated in the Act on the Supervision of Financial and Insurance Conglomerates is 100%.

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 the same, at A1 and C respectively, all with a stable outlook.

The subsidiary Aktia Real Estate Mortgage Bank Plc has issued long-term 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

Impairments in interest-bearing securities where the issuer has not noted an inability to pay and value impairments in shares and participations which are not deemed to be long-term or significant are reported in the fund at fair value, which, taking cash flow hedging for the Group into consideration, amounted to EUR -43 million after deferred tax, compared to EUR -36 million at 31 December 2008.

Of the fund at fair value as per 31 March 2009, EUR 47 million was attributable to the negative valuation difference of interest-bearing securities, including fund units in interest-bearing funds, which are mainly due to continued poor liquidity and investors' demands for high returns as a result of the general uncertainty in the financial markets. The negative value changes in interest-bearing securities will not materialise provided that the issuer does not become unable to pay or the security is cashed in before its maturity.

Specification of the fund at fair value

EUR million	31.3.2009	31.12.2008	Change
Shares and participations			
Banking business	-0.7	-1.5	0.8
Life insurance business	-5.8	-2.9	-2.9
Non-life insurance business	-0.2	-	-0.2
Direct interest-bearing securities			
Banking business	-21.6	-26.2	4.6
Life insurance business	-24.4	-18.2	-6.2
Non-life insurance business	-1.0	-	-1.0
Cash flow hedging	11,1	12.4	-1.3
Fund at fair value, total	**-42.6**	**-36.4**	**-6.2**

Value changes reported via income statement

Write-downs for the period amounted to EUR 9.7 million (39.2 million at 31 December 2008) as a result of significant or long-term impairment of shares and share funds as well as interest-bearing securities where the issuer has noted an inability to pay. Of the write-downs, EUR 4.9 million was attributable to shares and participations in the investment portfolio of the Life Insurance Company and EUR 4.7 million to interest-bearing securities, of which EUR 4.3 million was related to the investment portfolio of the Life Insurance Company.

Write-downs on financial assets

EUR million	1-3 2009	1–12 2008
Interest-bearing securities		
Banking business	0.4	3.6
Life insurance business	4.3	5.1
Non-life insurance business	-	-
Shares and participations		
Banking business	-	1.0
Life insurance business	4.9	29.4
Non-life insurance business	-	-
Total	**9.7**	**39.2**

Write-downs of loan and guarantee claims

Write-downs based on individual examination of loan and guarantee claims totalled EUR -1.7 (-0.1) million. Reversals of losses from previous years came to EUR 0.1 (0.1) million so that the cost effect on the profit for the period was EUR -1.6 (-0.0) 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, unchanged from the year-end, million and are based on anticipated losses in relation to the market situation.

Segment overview

Aktia Plc's new division into business segments was from 1 January 2009 changed so that segments Retail Banking and Corporate Banking & Treasury are combined into a segment entitled Banking Business. The other segments are Asset Management, Life Insurance, Non-Life Insurance and Miscellaneous. The Miscellaneous segment includes the Group administration of Aktia Plc, certain administrative functions for Aktia Bank Plc and return on equity.

Comparative figures for 2008 relating to the new segmentation were published on 8 April 2009.

Banking business

The operating profit of banking business increased to EUR 12.2 (8.6) million.

Operating income totalled EUR 39.2 (31.8) million. The improvement is mainly attributable to net interest income that increased to EUR 30.8 (22.3) million. Net commission income decreased to EUR 7.0 (7.6) million, mainly as a result of reduced fund commissions. Operating expenses rose to EUR 25.3 (23.1) million. The increase in costs includes an increased payment to the Deposit Guarantee Fund as well as increased rents as a result of selling off office premises during 2008.

The financial result was affected by one major case of corporate credit loss.

The customer base of Banking Business increased by 3,000 private customers during the first quarter. The number of Internet banking agreements is 109,361.

Aktia's lending to private households, including the mortgages sold by Aktia, increased by 1.7% to EUR 3,411 million (3,353 million at 31 December 2008). Mortgage loans sold by Aktia on behalf of Aktia Real Estate Mortgage Bank amounted to EUR 1,149 million (1,069 million at 31 December 2008). Aktia's market share in housing loans increased to 4.2%. Aktia's total lending to private households made up 80.4% of the credit stock.

Total savings by households were EUR 2,930 million (2,097 million at 31 December 2008), of which household deposits were EUR 2,374 million (2 359 million at 31 December 2008) and savings by households in mutual funds were EUR 556 (548) million. The flow of funds out from the funds has turned, and an increase of 1.4% in savings by households took place during the first quarter.

The decrease in short market rates of interest has had a positive effect on net interest income through lower re-financing costs, hedging derivative instruments and fixed-rate investments in the liquidity portfolio.

Increased risk premiums, the so-called spread, have allowed better returns from new investments in the liquidity portfolio, which has had a positive effect on net interest income. At the same time, the increased risk premiums have reduced the market value of the liquidity portfolio which burdens capital adequacy through the fund at fair value.

Aktia Real Estate Mortgage Bank Plc showed continued growth. The total credit stock grew by 7.9% to EUR 2,234 million. Of the growth in credit stock, 49.5% was sold by Aktia's branch offices and 50.5% by savings banks and local co-operative banks. In February, Aktia Real Estate Mortgage Bank Plc issued a covered bond worth EUR 125 million. The loan has a floating rate and a three-year maturity.

The net interest income of Corporate Banking developed favourably. Commission income fell somewhat due to fewer new loans being granted. The general economic situation has brought with it an increased risk of credit losses.

The operating profit of real estate agency business developed positively, mainly as a result of cost adjustment measures, and amounted to EUR 0.2 (-0.1) million.

Asset Management

Operating profit for Aktia's asset management business fell to EUR -0.4 (1.0) million. The market situation continued to be very challenging throughout the period. However, Aktia did relatively well in the difficult market situation. The operating profit for the period includes non-recurring items, mainly materialised capital losses.

The Asset Management segment has continued to focus its operations more extensively in private banking and institutional investors. In December 2008, Aktia acquired Kaupthing's Finnish asset management business. This acquisition strengthened Aktia's service portfolio, representing expertise which has been very much appreciated by institutional investors in Finland. A more extensive investment of resources in private banking business has been initiated in Aktia's branch offices. During the period, Aktia issued an index-linked loan entitled Aktia Recovery Basket.

Operating income, i.e. income after reversals to the Group's other units and business partners, was EUR 2.9 (3.5) million. The business environment was very challenging for the whole of the period. Operating expenses increased by EUR 0.8 million to EUR 3.3 million, of which staff costs constituted EUR 1.9 million. The total increase of 0.8 million in costs is in its entirety attributable to increased investments in private banking and institutional investment businesses.

The volume of funds managed and brokered by Aktia (excluding Aktia Invest) amounted to EUR 2,415 million (1,512 million at 31 December 2008). Aktia's market share was 6.0% (3.7%) at the end of the period. The total market is based on information from The Finnish Association of Mutual Funds.The assets managed by Aktia, including Asset Management and Aktia Invest (the asset management business acquired in December 2008) remained at the same level and totalled EUR 4,515 million (4,538 million at 31 December

2008). The customer assets of Private Banking totalled EUR 672 million (738 million at 31 December 2008). The number of customers in Private Banking increased by approximately 2% over the course of the period.

Life Insurance

The contribution of the life insurance business to the Group's operating profit was EUR 2.0 (2.7) million. The operating environment was challenging and had a negative impact on both premium income and the results of investment business. The segment's operating profit for both the previous year and the reported period include non-recurring items that make comparison difficult. Such items include write-downs of the investment portfolio, changes in the discount rate for the interest-based provisions and capital gains from real estate holding divestments last year.

Premium income was EUR 20.5 (25.5) million. The decrease in premium income is mainly due to the fact that the sales of large investment policies paid for in one payment have decreased. The sales organisation of the Life Insurance segment was transferred to Aktia Non-Life Insurance on 1 March 2009, and sales through that channel have started well.

Insurance benefits totalled EUR 25.0 (21.2) million. Increased payment of insurance benefits resulted primarily from surrender of savings policies and investment policies as well as increased pension and health insurance payments.

The operating expenses totalled EUR 3.7 (3.2) million. The cost ratio worsened to 115.4% compared to 99.0% in 2008. The primary reason behind the poorer cost efficiency is the change in principles of allocating the Group's management costs in the segment. Coordination of sales distribution within the Group is expected to bring cost savings in the future.

The investment markets continued to be challenging during the first quarter of the year, albeit that a certain degree of recovery could be seen. The return on the company's investments based on fair value was -2.3% (-2.4%). During the period, the share risk has continued to decrease through selling off holdings in the share portfolio.

Technical provisions totalled EUR 761 million (777 million at 31 December 2008), of which unit-linked insurance policies represented EUR 147 million (150 million at 31 December 2008). Interest-based provisions totalled EUR 614 (627) million. The discount rate for certain elements of these provisions was increased, resulting in an average discount rate for all interest-bearing provisions of 3.4%. The increase reduced provisions by EUR 10.1 million.

The company's solvency amounted to 7.1% compared to 8.5% at year-end.

Non-Life Insurance

Aktia Non-Life Insurance was merged with Aktia Plc on 1 January 2009. In 2008 and in previous years, the company has applied Finnish accounting standard (FAS). In conjunction with the merger, the company has for consolidation reasons started applying the reporting principles of IFRS. An opening balance according to IFRS was prepared for 1 January 2009. The company's opening balance according to IFRS includes equity amounting to EUR 31.9 million, technical provisions amounting to EUR 99.1 million, while the balance sheet total stood at EUR 155.3 million.

The contribution of the non-life insurance business to the Group's operating profit for the period was EUR -3.4 million. Premium income before reinsurers' share was EUR 28.8 million. Premium income for the period after reinsurers' share and change of premium liabilities amounted to EUR 13.9 million. Claim expenditure amounted to a total of EUR 11.7 million. Net income from investment business amounted to EUR -0.4 million, primarily as a result of a consciously low level of risk in the investment portfolio and selling off all the company's equity investments that resulted in net capital losses of EUR -1.2 million. Operating expenses amounted to EUR 5.3 million. The total cost ratio was 122%.

Of the total technical provisions of the company at EUR 114.7 million (99.1 million at 1 January 2009), the actual provisions for compensation claims were EUR 80.9 million (79.4 million at 1 January 2009). The fair value of the company's investment portfolio was EUR 137.3 million (130.7 million at 1 January 2009), and the company's risk carrying capacity was 80.8%.

Miscellaneous

The operating profit of the Miscellaneous segment was EUR 2.2 (2.8) million.

Aktia Plc and Aktia Bank Plc have on 20 March 2009 agreed that Aktia Bank Plc will sell its shares in Aktia Life Insurance to the Group parent company Aktia Plc. The right to title, possession and all other rights associated with the shares are transferred once it has been established that Financial Supervision has no objections regarding the transaction. The transaction will not affect the operative business of Aktia Life Insurance. The price corresponds to the reported net asset value of the Life Insurance Company which on 28 February 2009 stood at EUR 45.5 million. The effect of the transaction is eliminated at Group level.

The Group's risk management

Risk exposure

The banking business includes Retail Banking (including financing company operations), Corporate Banking, Treasury and Asset Management. Life insurance business is carried out by Aktia Life Insurance, and non-life insurance business by Aktia Non-Life Insurance.

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 of the total credit stock also increased slightly and amounted to 76.6% (74.4%). 86.5% of household loans are secured against adequate in line with Basel 2. Mortgage lending totalled EUR 2,123 million (1,968 million at 31 December 2008), of which EUR 1,085 million was brokered by savings banks and local cooperative banks.

Lending to corporate customers decreased, as planned, to 14.2% (14.4%) of the total credit stock. Lending to the general 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 (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	796	804	-8	14.2%
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	4,343	156	80.4%
Total	**5,592**	**5,426**	**167**	**100.0%**

Loans with payments 1–30 days overdue decreased 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 increased 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 Group's financing and liquidity risks and the actuarial risks in non-life insurance business

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.

Within the life insurance business, liquidity risks are defined as the availability of financing for paying out claims, savings sums and surrenders, and pensions. The need for liquidity is satisfied mainly through the inward flow of cash and a portfolio of investment certificates which has been adapted in line with varying needs, while any unforeseen significant need for liquidity is taken care of through the liquid portfolio of bonds and shares.

The actuarial risk in non-life insurance business is related to the sufficiency of premium volumes in relation to claims expenditure. Since claims expenditure depends on the number of accidents and their scale, this may cause major fluctuations in the liquidity and financial performance of non-life insurance business. In order to reduce the actuarial volatility, Aktia Non-Life Insurance has underwritten a re-insurance cover for both major individual damages and an unexpected abundance of damages of moderate scale.

The re-insurance cover also reduces the company's liquidity risk as the liquidity needs are catered for by cash flow and an adapted portfolio of bank deposits, investment certificates and government bonds.

Counterparty risks

Counterparty risks within Group Treasury's liquidity management operations

At the end of the year, the banking business' liquidity portfolio – which is managed by Group Treasury – stood at EUR 2,327 million (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) and the conservative allocation and active selection of investment assets as well as the rules regarding maximum exposure for each 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 December 2008) were investments in banks, 9% (3% at December 2008) were investments in state-guaranteed bonds and approximately 4% (3% at 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 market value of EUR 25 million were no longer eligible for refinancing with the central bank.

During the quarter, write-offs totalling EUR -0.4 materialised as a result of the issuer having noted an inability to pay.

Rating distribution for banking business

	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%**

Counterparty risks in the life insurance business

The direct interest investments in the life insurance company's investment business increased as a result of continued reallocation, primarily from share investments, totalling EUR 465 (449) million at the end of the quarter. Counterparty risks arising in connection with the life insurance company's investments are managed by the requirement for at least "Investment grade" external rating (rating class Baa3 from Moody's or equivalent) and by rules concerning maximum exposure for each counterparty and asset category.

At the end of the period, 45% (48% at 31 December 2008) of these direct interest rate investments were receivables from public sector entities, 21% (20% at December 2008) were receivables from companies and 34% (32% at December 2008) were receivables from banks and covered bonds.

1.3% of the direct interest rate investments did not meet the internal rating requirements at the end of the period. During the quarter, write-offs totalling EUR -4.3 materialised as a result of the counterparty announcing its inability to pay.

Distribution of ratings for life insurance business

	31.3.2009	31.12.2008
Aaa	50.4%	53.7%
Aa1-Aa3	19.2%	17.3%
A1-A3	16.6%	14.8%
Baa1-Baa3	6.2%	5.7%
Ba1-Ba3	0.8%	0.8%
B1-B3	0.3%	0.2%
Caa1 or lower	0.2%	0.0%
No rating	6.3%	7.6%
Total	**100.0%**	**100.0%**

Counterparty risks in the non-life insurance business

A conservative investment policy is observed in the non-life insurance business, and at the end of the period, 58% (80% at 31 December 2008) of these direct interest rate investments were receivables from public sector entities, 3% (4% at 31 December 2008) were receivables from companies and 39% (16% at 31 December 2008) were receivables from banks and covered bonds.

Rating distribution for non-life insurance business

	31.3.2009	31.12.2008
Aaa	48%	65%
Aa1-Aa3	32%	23%
A1-A3	13%	10%
Baa1-Baa3	0%	0%
Ba1-Ba3	0%	0%
B1-B3	0%	0%
Caa1 or lower	0%	0%
No rating	7%	1%
Total	**100%**	**100%**

The Group has a counterpart whose total exposure exceeds 10% of the financial conglomerate's equity calculated in compliance with the official directives.

Market risks

Both the financial assets within the banking business and the investment assets within the life and non-life insurance businesses are invested in securities with access to market prices on an active market, and are valued in accordance with official quoted prices. Any significant or long-term negative differences between acquisition value and market value is reported in the income statement, while interest-rate fluctuations are reported under the fund at fair value after the deduction of 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 the provision for cash flow hedging, relating to market value interest rate risk posted during the period totalled EUR -5.3 million after the deduction of 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 -27.1 million (-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), while 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) while the target for structural interest rate risk management is a maximum of -8%.

Other market risks within the banking business and the parent company

No equity trading or investments in, or ownership of, real estate property is carried out in the banking business, including the parent company. At the end of the year, real estate assets totalled EUR 3.6 million (4.6 million at 31 December 2008). The investments in shares which are necessary or strategic to the business totalled EUR 20.6 million (21.9 million at 31 December 2008). At the end of the period, the fund at fair value related to the above strategic share investments amounted to EUR -0.5 million after the deduction of deferred tax.

Investment risks in the life insurance business

The policyholder bears the investment risk of the investments that provide cover for unit-linked insurance policies. These investments are evaluated on an ongoing basis at fair value and any changes in value are posted to provisions for unit-linked insurance policies.

The investment portfolio covering the technical provisions is measured on an ongoing basis at fair value. During the reporting period, write-downs affecting profit attributable to shares and participations totalling EUR -4.9 million were posted, while the net change in the fund at fair value after acquisition eliminations posted during the period totalled EUR -9.1 million after the deduction of deferred tax.

The risks of the investment portfolio, such as credit risks, interest rate risks, exchange rate risks, share risks and real estate risks, are measured and contained using a VaR (Value at Risk) model, assuming a maximum loss for 12 months and applying a probability level of 97.5%.

Allocation of holdings in the life insurance company's investment portfolio

EUR million	31.3.2009	31.3.2009	31.12.2008
Shares	21	3%	6%
Bonds	476	7%	69%
Money market	89	13%	12%
Real estate	40	6%	6%
Other	41	6%	7%

Investment risks in the non-life insurance business

The investment portfolio covering the technical provisions is measured on an ongoing basis at fair value. In order to further reduce the level of risk in the investment portfolio, all listed share holdings were sold off during the reporting period.

The reported net change in the fund at fair value during the period totalled EUR 1.2 million after the deductions for deferred tax.

Allocation of holdings in the non-life insurance company's investment portfolio

EUR million	31.3.2009	31.3.2009	31.12.2008
Shares	0	0%	18%
Bonds	76	52%	51%
Money market	40	27%	9%
Real estate	29	20%	20%
Other	3	2%	2%

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 marketplace suffers. No significant incidents were registered during the reporting period.

Personnel

When converted into full-time employees, the number of staff employed by the Group increased by 187 from year-end to 1,240 at the end of the reporting period. The average number of full-time employees was 1,204 during the first quarter while on an annual basis, it was 1,070 (956 at 31 December 2008). At the end of March, Aktia Non-Life Insurance Company, consolidated in the Aktia Group from 1 January 2009, had 229 full-time employees.

Aktia Non-Life Insurance's Managing Director Anders Nordman was appointed as a member of Aktia Plc's Executive Committee on 1 January 2009 with responsibility for Aktia Bank's Corporate Banking and Aktia Non-Life Insurance.

Group structure

The merger of Veritas Mutual Non-Life Insurance Company with Aktia Plc was implemented in accordance with the merger plan approved by both companies' Annual General Meetings and registered in the Trade Register on 1 January 2009. The non-life company continues its business in the Aktia Group under the name Aktia Non-Life Insurance Company Ltd.

Aktia Bank Plc has on 20 March 2009 agreed to sell its shares in Aktia Life Insurance Company Ltd to the Group parent company Aktia Plc on the condition that the right to title, possession and all other rights associated with the shares are transferred once it has been established that Financial Supervision has no objections regarding the transaction. The transaction will not affect the operative business of the companies.

The price will be paid in cash. The contract price corresponds to the reported net asset value of the Life Insurance Company which on 28 February 2009 stood at EUR 45.5 million, and the transaction will not affect the financial results of the Aktia Bank Group. However, the capital adequacy ratio of the Aktia Bank Group will marginally improve.

The new Group structure will enhance efficiency regarding capitalisation and rating.

Share capital and ownership

At the end of the reporting period, the paid-up share capital of Aktia Plc as entered in the Finnish Trade Register was EUR 93,848,836, divided into 46,924,418 series A shares and 20,050,850 series R shares. During the first quarter of 2009, of the merger compensation of 6,800,000 shares, 5,612,341 new series A shares have been registered on the book-entry account. The number of shareholders at the end of the reporting period was 49,676. The inspection and registration of outstanding shares continues. Aktia estimates that the total number of shareholders will amount to approximately 70,000.

Aktia's holding of treasury shares increased to 536,288, corresponding to 0.8% of all shares.

At an Extraordinary General Meeting of 21 December 2006, the Board of Directors was authorised to issue a maximum of 1,000,000 shares in order to create a share-based incentive scheme for key personnel in the Group. Of the authorisation, a total of 22,482 shares were used in 2008. With the support of the issue authorisation, the Board of Directors of Aktia Plc has on 30 March 2009 decided on a directed share issue to designated persons in the operative top management of the company. In the issue, a maximum of 12,490 new series A shares are issued at a subscription price of EUR 6,00 per share.

Resolutions by the AGM

The Annual General Meeting of Aktia Plc held on 30 March 2009 adopted the financial statements of the parent company and the consolidated financial statements and discharged the Board of Supervisors, the Board of Directors, the Managing Director and his deputy from liability.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to distribute a dividend of EUR 0.15 per share totalling EUR10,046,290.20 for the financial period 1 January - 31 December 2008.

The Annual General Meeting established the number of members on the Board of Supervisors to be thirty-five. The following nine members of the Board of Supervisors, whose term expired at the Annual General Meeting, were re-elected for a three-year period:

- Harriet Ahlnäs, Principal, M.Sc.(Eng.), Porvoo
- Roger Broo, Administrative Director, M.Sc. (Pol.), Turku
- Christoffer Grönholm, Chief Secretary, D.Sc. (Pol.), Helsinki
- Kari Kyttälä, LL.M., Nummi-Pusula
- Per Lindgård, Teacher, Bromarv
- Henrik Rehnberg, Farmer, Engineer, Siuntio
- Henrik Sundbäck, Consultant, M.Sc.(Agriculture and Forestry), Porvoo
- Sture Söderholm, Lic. Odont., Hanko
- Henry Wiklund, Chamber Counsellor, M.Sc. (Econ.), Helsinki

The following new members of the Board of Supervisors were elected for a three-year term ending at the close of the AGM in 2012:

- Anna Bertills, Political Adviser, M.Sc. (Pol.), Vöyri/ Helsingfors
- Gun Kapténs, Municipal Manager, M.Sc. (Pol.), Luoto
- Bo Linde, Ombudsman, M.Sc.(Econ.), Vaasa

The following new members of the Board of Supervisors were elected for a two-year term ending at the close of the AGM in 2011:

- Bengt Sohlberg, Agricultural Entrepreneur, Agrologist, Siuntio

The following new members of the Board of Supervisors were elected for a one-year term ending at the close of the AGM in 2010:

- Jan-Erik Stenman, Managing Director, Turku

The Annual General Meeting established the number of auditors as one. PricewaterhouseCoopers Ab was re-appointed auditor for the financial year starting on 1 January 2009, with Jan Holmberg, APA, as the auditor in charge.

The AGM adopted the proposal of the Board of Directors regarding resolutions for share issue authorisations. The proposal has been published at www.aktia.com on pages entitled Financial information, Annual general meeting, Summons and advance material.

Listing on the Stock Exchange

On 30 March 2009, Aktia Plc's Board of Directors decided to seek for a listing of Aktia Plc's series A and R shares on the list of NASDAQ OMX Helsinki Ltd. The listing should take place in September 2009. The purpose of the flotation is to increase the possibilities of shareholders to trade in Aktia's shares and enable effective price establishment.

Events after end of the reporting period

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

M.Sc.(Econ.) Magnus Backström, 51, has been appointed 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 Group's operating profitability during 2009 is expected to remain at a stable level, unless the risk of 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 drops of value in individual investments that are currently deemed to be of good quality. This would have a negative effect on the 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 Aktia's capital adequacy.

Key figures at the end of each reporting period

	1-3 2009	1-12 2008	1-9 2008	1-6 2008	1-3 2008
Earnings per share, EUR	0.11	0.09	0.47	0.37	0.17
Equity per share, EUR	4.79	4.85	4.28	4.55	5.26
Return on equity (ROE), %	8.7	1.8	12.5	14.6	12.7
Earnings per share excluding negative goodwill recorded as income and including the fund at fair value, EUR	0.02	-0.22	-0.79	-0.54	-0.14
Capital adequacy ratio, % (conglomerate)	133.1	135.2	113.8	115.1	129.3
Average number of shares, million	67.0	60.2	60.2	60.2	60.2
Number of shares at end of period, million	67.0	60.2	60.2	60.2	60.2
Personnel (FTEs), average number	1,070	1,009	993	972	956
Banking business					
Cost-to-income ratio	0.70	0.65	0.66	0.69	0.70
Borrowing from the public, EUR million	3,088	3,098	3,072	3,069	2,908
Lending to the public, EUR million	5,592	5,426	5,287	5,082	4,797
Capital adequacy ratio, %	14.2	13.7	12.0	12.8	14.2
Tier 1 Capital ratio, %	9.0	9.3	9.9	10.1	10.5
Risk-weighted commitments, EUR million	3,335	3,313	3,247	3,229	3,052
Asset Management					
Mutual fund volume, EUR million	2,415	1,512	1,709	1,858	1,884
Managed assets	4,515	4,538	3,586	3,722	3,688
Life Insurance					
Premium income before reinsurers' share, EUR million	20.6	91.4	65.1	48.2	25.1
Expense ratio, %	115.4	99.0	99.1	104.1	97.7
Working capital, EUR million	40.0	50.4	52.9	82.6	97.1
Solvency ratio, %	7.1	8.5	8.4	12.5	14.6
Investments at fair value, EUR million	774.8	804.6	879.0	921.8	941.3
Technical provisions for interest-linked policies, EUR million	614.5	627.6	654.9	655.8	653.2
Technical provisions for unit-linked policies, EUR million	146.5	149.6	171.9	191.7	189.2
Non-Life Insurance					
Premium income before reinsurers' share, EUR million	28.8				
Premium income, EUR million	13.9				
Operating cost percentage, %	28.9				
Loss ratio, %	93.5				
Total cost percentage, %	122.4				
Technical provisions before reinsurers' share, EUR million	114.7				
Solvency capital, EUR million	48.0				
Solvency ratio of technical provisions, %	43.7				
Solvency percentage (risk carrying capacity), %	80.8				

Basis of calculation for key figures

Earnings per share, EUR

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

Equity per share, EUR

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

Return on equity (ROE), %

Profit for the period (on annual basis) x 100
Average equity

Capital adequacy ratio, % - Financial and Insurance Conglomerate

The total capital base of the conglomerate (equity including sector-specific assets and deductions)) x 100
Minimum requirement for the conglomerate's own assets (credit institution + insurance business)

The capital adequacy of the conglomerate is regulated by section 3 of the act governing financial and insurance conglomerates and its related decree.

Banking business:
Cost/income ratio, figure

Total operating expenses
Total operating income

Risk-weighted commitments

Total assets in the balance sheet and off-balance sheet items, including derivatives valued and risk-weighted in accordance with regulation 4.3 issued by the Finnish Financial Supervision. The capital requirements for operative risks have been calculated in accordance with regulation 4.3i issued by the Finnish Financial Supervision.

Capital adequacy ratio, %

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

The capital base is calculated in accordance with standard 4.3a issued by the Finnish Financial Supervision.

Tier 1 Capital ratio, %

Tier 1 capital x 100
Risk-weighted commitments

Life Insurance:
Life insurance group's expense ratio, %

(Operating costs before the change in capitalised insurance acquisition costs
+ cost of claims paid) x 100
Total expense loadings

Total expense loadings are a position which, according to actuarial calculations, should cover the costs.
The operating costs do not include the re-insurers' provisions. The total expense loadings include all payment positions.

Solvency ratio, %

Solvency capital x 100
Technical provision – equalisation provision - 75% of provisions for unit-linked insurance

The technical provision is calculated after deduction of the re-insurers' share.

Non-Life Insurance:
Loss ratio (excluding discounting of pension liabilities), %

Claims paid and claim processing costs x 100
Premium income

Operating cost percentage, %

Operating costs excl. claim processing costs x 100
Premium income

Total cost percentage %

Risk percentage + Expense ratio
Loss ratio + operating cost percentage

The non-life insurance key indicators for loss ratio and operating cost percentage have been calculated on the basis of function-specific costs and cannot therefore be calculated directly from the consolidated or segment's profit and loss statement

Solvency ratio of provisions, %

Solvency capital
Technical provisions after reinsurers' share - equalisation provisions

Solvency percentage (risk coverage capacity), %

Solvency capital
Premium income for the last 12 months

Consolidated financial statements for the Aktia Group

Consolidated income sheet

(EUR million)	1-3 2009	1-3 2008	Change	1-12 2008
Net interest income	32.5	23.9	36.3%	101.0
Dividends	0.1	0.1	-3.7%	1.4
Commission income	12.8	12.4	2.6%	48.7
Commission expenses	-3.2	-1.8	76.6%	-7.7
Net commission income	9.5	10.6	-10.2%	41.0
Net income for life insurance	5.4	6.0	-10.6%	-33.8
Net income for non-life insurance	2.0	-	N/A	-
Net income from financial transactions	-0.4	1.2	-136.5%	-3.4
Net income from investment properties	0.1	1.3	-89.1%	6.0
Other operating income	0.8	1.8	-55.4%	15.0
Total operating income	**50.0**	**44.8**	**11.5%**	**127.2**
Staff costs	-20.3	-16.0	26.9%	-60.6
Other administrative expenses	-10.7	-9.3	15.6%	-38.4
Negative goodwill recorded as income	0.1	-	N/A	-
Depreciation of tangible and intangible assets	-1.8	-1.3	32.8%	-5.7
Other operating expenses	-5.4	-3.7	44.3%	-16.2
Total operating expenses	**-38.0**	**-30.3**	**25.4%**	**-120.9**
Write-downs and reversing items of tangible and intangible assets	0.0	-	N/A	0.7
Write-downs of credits and other commitments	-1.6	0.0	N/A	-0.7
Share of profit from associated companies	0.0	-0.2	-109.8%	0.2
Operating profit	**10.3**	**14.2**	**-27.4%**	**6.6**
Taxes	-3.1	-3.6	-14.1%	-0.8
Profit for the reporting period	**7.2**	**10.6**	**-32.0%**	**5.8**
Attributable to:				
Shareholders in Aktia Plc	7.5	10.4	-28.0%	5.2
Minority interest	-0.3	0.2	-215.4%	0.6
Total	**7.2**	**10.6**	**-32.0%**	**5.8**
Earnings per share, EUR	0.11	0.17		0.09

There are no diluting effects regarding earnings per share.

Consolidated comprehensive income

(EUR million)	1-3 2009	1-3 2008	Change	1-12 2008
Profit for the reporting period	7.2	10.6	-32.0 %	5.8
Other comprehensive income after taxes:				
Change in valuation of fair value for financial assets available for sale	-15.9	-18.7	-14.9 %	-57.7
Change in valuation of fair value for cash flow hedging	4.9	0.5	802.1 %	13.6
Transferred under statement of income from financial assets that can be sold	4.6	-0.5	-1,070.5 %	25.4
Transferred to the statement of income for cash flow hedging	-	-	N/A	-0.3
Comprehensive income for the period	**0.8**	**-8.0**	**-110.5 %**	**-13.1**
Comprehensive income attributable to:				
Shareholders of Aktia Plc	1.2	-8.2	-115.1 %	-13.2
Minority interest	-0.4	0.2	-316.9 %	0.1
Total	**0.8**	**-8.0**	-110.5 %	**-13.1**

Consolidated balance sheet

(EUR million)	31.3.2009	31.12.2008	Change	31.3.2008
Assets				
Cash and balances with central banks	364.1	506.3	-28.1 %	284.2
Financial assets reported at fair value through profit and loss	31.3	19.5	60.7 %	8.0
Interest-bearing securities	2,912.5	2,808.5	3.7 %	2,329.9
Shares and participations	217.9	228.9	-4.8 %	388.2
Financial assets available for sale	3,130.4	3,037.3	3.1 %	2,718.1
Financial assets held until maturity	35.9	35.9	0.0 %	45.8
Derivative instruments	205.7	137.0	50.1 %	48.9
Lending to credit institutions	87.0	100.5	-13.5 %	165.0
Lending to the public and public sector entities	5,592.5	5,425.7	3.1 %	4,797.0
Loans and other receivables	5,679.4	5,526.2	2.8 %	4,962.0
Investments for unit-linked provisions	145.8	148.1	-1.5 %	189.8
Investments in associated companies	4.2	4.5	-7.0 %	3.3
Intangible assets	13.1	10.4	25.6 %	7.7
Tangible assets	36.7	9.8	275.4 %	44.4
Accrued income and advance payments	79.6	79.1	0.6 %	68.7
Other assets	54.3	7.2	655.2 %	10.7
Total other receivables	133.9	86.3	55.1 %	79.4
Income tax receivables	4.5	2.4	86.3 %	4.2
Deferred tax receivables	22.4	15.6	43.4 %	6.6
Tax receivables	26.8	18.0	49.1 %	10.7
Assets classified as held for sale	0.8	0.8	0.0 %	-
Total assets	**9,808.1**	**9,540.1**	**2.8 %**	**8,402.3**
Liabilities				
Liabilities to credit institutes	1,734.7	1,916.9	-9.5 %	921.1
Liabilities to the public and public sector entities	3,087.9	3,098.3	-0.3 %	2,907.9
Deposits	4,822.6	5,015.3	-3.8 %	3,829.0
Financial liabilities reported at fair value through profit and loss	2.8	4.6	-38.1 %	-
Derivative instruments	128.7	84.7	51.9 %	37.5
Debt securities issued	2,308.4	2,118.7	9.0 %	2,026.1
Subordinated liabilities	235.9	246.9	-4.4 %	192.9
Other liabilities to credit institutions	472.3	502.1	-5.9 %	687.2
Other liabilities to the public and public sector entities	358.6	262.8	36.5 %	216.1
Other financial liabilities	3,375.2	3,130.5	7.8 %	3,122.2
Provisions for life insurance business	740.5	627.6	18.0 %	653.2
Provision for unit-linked policies	146.5	149.6	-2.1 %	189.2
Accrued expenses and income received in advance	78.6	81.2	-3.1 %	84.1
Other liabilities	108.8	87.8	23.9 %	106.4
Total other liabilities	187.4	169.0	10.9 %	190.5
Provisions	1.0	0.9	7.4 %	1.1
Income tax liabilites	5.9	3.0	99.9 %	13.1
Deferred tax liabilities	52.6	38.0	38.5 %	35.5
Tax liabilities	58.5	40.9	43.0 %	48.6
Liabilities for assets classified as held for sale	0.2	0.2	0.0 %	-
Total liabilities	**9,463.5**	**9,223.3**	**2.6 %**	**8,071.4**
Equity				
Restricted equity	61.6	54.3	13.6 %	53.6
Unrestricted equity	259.0	237.5	9.0 %	262.7
Shareholders' share of equity	320.6	291.8	9.9 %	316.3
Minority interest's share of equity	24.0	25.0	-3.7 %	14.6
Equity	**344.6**	**316.8**	**8.8 %**	**330.9**
Total liabilities and equity	**9,808.1**	**9,540.1**	**2.8 %**	**8,402.3**

Cash flow statement

(EUR million)	1-3 2009	1-3 2008	1-12 2008
Cash flow from operating activities			
Operating profit	10.3	14.2	6.6
Adjustment for items not affecting in cash flow	15.7	-0.8	34.2
Paid income taxes	-2.9	-4.0	-16.1
Cash flow from ordinary operations before changes in receivables and liabilities from operating activities	**23.1**	**9.5**	**24.7**
Increase (-) or decrease (+) in receivables from operating activities	-206.6	-411.9	-1,331.0
Increase (+) or decrease (-) in liabilities from operating activities	39.8	474.8	1,515.0
Total cash flow from operating activities	**-143.6**	**72.4**	**208.6**
Cash flow from investing activities			
Financial assets held until maturity	-	-	10.0
Investments in and proceeds from sale of group companies and associated companies *)	-24.4	-27.4	-28.2
Investments in and sales of tangible and intangible assets	-1.5	2.6	41.9
Share issue of Aktia Real Estate Mortgage Bank Plc to the minority	-	-	3.8
Total cash flow from investing activities	**-25.9**	**-24.9**	**27.5**
Cash flow from financing activities			
Subordinated liabilities	-11.3	2.1	55.3
Increase of share capital	13.6	-	0.0
Increase of unrestricted equity reserve	27.2	-	0.1
Paid dividends	-	-	-20.1
Total cash flow from financing activities	**29.5**	**2.1**	**35.4**
Change in cash and cash equivalents	**-140.1**	**49.6**	**271.6**
Cash and cash equivalents at the beginning of the year	512.4	240.8	240.8
Liquid assets at period-end	372.3	290.4	512.4
Cash and cash equivalents in the cash flow statement consist of the following items:			
Cash	9.4	9.8	10.0
Insurance operation's cash and cash equivalents	5.3	1.9	3.7
Bank of Finland account	349.5	272.5	492.6
Loans to credit institutions repayable on demand	8.1	6.2	6.0
Total	**372.3**	**290.4**	**512.4**
Adjustment for items not affecting in cash flow consists of:			
Write-downs on financial assets	9.7	-	39.2
Write-downs of credits and other commitments	1.6	0.0	0.7
Change of fair value	1.9	-0.6	2.0
Depreciation, amortisation and write-downs of intangible and tangible assets	1.8	1.3	6.0
Share of profit from associated companies	0.3	0.3	-0.2
Capital gains and losses from the sale of tangible and intangible assets	0.1	-1.8	-12.5
Negative goodwill recorded as income	-0.1	-	-
Other adjustments	0.5	-0.1	-1.0
Total	**15.7**	**-0.8**	**34.2**

*) The amount for 2008 includes the additional contract price for the acquisition of Aktia Life Insurance Ab.

Change in Aktia Group's equity

(EUR million)	Share capital	Other restricted equity	Fund at fair value	Unrestricted equity	Retained earnings	Shareholders' share of equity	Minority interest share of equity	Total equity
Equity as of 1 January 2009	**80.2**	**10.4**	**-36.4**	**45.4**	**192.1**	**291.8**	**25.0**	**316.8**
Share issue	13.6			27.2		40.8		40.8
Acquisition of own shares					-3.2	-3.2		-3.2
Dividends to shareholders					-10.0	-10.0		-10.0
Comprehensive income for the period			-6.4		7.6	1.2	-0.4	0.8
Other change in equity						0.0	-0.5	-0.5
Equity as of 31 March 2009	93.8	10.4	-42.7	72.6	186.5	320.6	24.0	344.6
Equity as of 1 January 2008	**80.2**	**10.0**	**-18.0**	**45.3**	**207.0**	**324.5**	**14.5**	**339.0**
Share issue						0.0		0.0
Acquisition of own shares						0.0		0.0
Dividends to shareholders						0.0		0.0
Comprehensive income for the period			-18.7		10.4	-8.2	0.2	-8.0
Other change in equity						0.0	-0.1	-0.1
Equity as of 31 March 2008	**80.2**	**10.0**	**-36.6**	**45.3**	**217.5**	**316.3**	**14.6**	**330.9**

Quarterly trends in Aktia Group

(EUR million)	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net interest income	32.5	26.7	25.2	25.3	23.9
Dividends	0.1	0.1	0.0	1.3	0.1
Net commission income	9.5	9.3	9.4	11.8	10.6
Net income for life insurance	5.4	-42.9	-2.0	5.1	6.0
Net income for non-life insurance	2.0	-	-	-	-
Net income from financial transactions	-0.4	-3.2	-3.0	1.7	1.2
Net income from investment properties	0.1	3.1	1.3	0.4	1.3
Other operating income	0.8	8.0	3.0	2.1	1.8
Total operating income	**50.0**	**1.0**	**33.9**	**47.6**	**44.8**
Staff costs	-20.3	-15.2	-12.7	-16.7	-16.0
Other administrative expenses	-10.7	-10.1	-8.8	-10.2	-9.3
Negative goodwill recorded as income	0.1	-	-	-	-
Depreciation of tangible and intangible assets	-1.8	-1.3	-1.6	-1.5	-1.3
Other operating expenses	-5.4	-4.4	-3.6	-4.4	-3.7
Total operating expenses	**-38.0**	**-31.0**	**-26.7**	**-32.9**	**-30.3**
Write-downs and reversing items of tangible and intangible assets	0.0	-0.3	0.3	0.8	-
Write-downs of credits and other commitments	-1.6	-0.4	-0.3	0.0	0.0
Share of profit from associated companies	0.0	0.0	0.3	0.1	-0.2
Operating profit	**10.3**	**-30.7**	**7.4**	**15.7**	**14.2**

NOTE 1 Basis for preparing interim reports and important accounting principles

Basis for preparing the interim report

Aktia Plc's consolidated financial statement is 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 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 has been approved by the Board of Directors on 12 May 2009.

Substantial accounting policies

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.

The presentation of profit and loss account has changed so that the net income from insurance business including insurance premium income, net income from investment activities, claims paid out and change in provisions is reported as net income under operating income. This net amount is shown separately for the life insurance business (Net income for life insurance) and for the non-life insurance business (Net income for non-life insurance).

The subsidiaries Aktia Card & Finance, Aktia Corporate Finance Ab and Aktia Asset Management Oy Ab have certain redemption clauses, and they have been transferred from minority interests to liabilities in accordance with IAS 32.25(a) as at 31 December 2008. This change in liabilities is reported in the income statement as personnel costs in 2009.

New accounting standards valid 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. From 1 January 2009, the Group publishes a profit and loss statement and a statement of comprehensive income. Change in the Group's equity includes transactions with owners.

IFRIC 13 Customer Loyalty Programmes

This interpretation deals with reporting on customer loyalty programmes. The Group operates one bonus scheme, Aktia Kortbonus. This bonus scheme has already been treated in bookkeeping in accordance with IFRIC 13 which is why the introduction of this standard will not affect the Group's financial results or standing. The bonus liabilities for the reference year 2008 have been transferred from other liabilities to accruals.

Note 2 Segment reporting

Business areas

From 1 January 2009, the reported segments are Banking Business, Asset Management, Life Insurance, Non-Life Insurance and Miscellaneous. Comparative figures for 2008 relating to the new segmentation were published on 8 April 2009.

The Banking Business segment includes Aktia Bank Plc's branch office operation, corporate banking and treasury as well as subsidiaries Aktia Real Estate Mortgage Bank Plc, Aktia Card & Finance, Aktia Corporate Finance Ab and the real estate agencies. Asset Management includes Aktia Bank Plc's private bank in Helsinki and the subsidiaries Aktia Fund Management Ltd and Aktia Asset Management Oy Ab. Life Insurance includes Aktia Life Insurance Ltd. Non-Life Insurance includes Aktia Non-Life Insurance Company Ltd. Miscellaneous includes Group management in Aktia Plc and certain administrative functions that are not allocated to the various business areas. This business area also includes Vasp-Invest Ab.

Allocation principles

Net interest income in the various segments, especially in retail banking, includes the margins on volumes of borrowing and lending. Reference interest rates for borrowing and lending and the interest rate risk that arises because of new pricing being out of step are transferred to Treasury in accordance with the Group's internal pricing. Treasury assumes responsibility for the Group's interest rate risk, liquidity and balance protection measures for which management has issued authority. The various business areas receive, or are charged with, internal interest based on the average surplus or deficit in liquidity during the period. The costs of central support functions are allocated to the business areas in accordance with various allocation rules. Until further notice, Aktia is not allocating equity to the various business areas. Miscellaneous consists of any items in the income statement and balance sheet that are not allocated to the various business areas. Internal Group transactions between legal entities are eliminated and reported within each business area if the legal entities are in the same business area. Internal Group transactions between legal entities in different segments are included in the eliminations. The share of profits in associated undertakings and the minority interest's share are included in the eliminations.

Group's segment reporting

Income statement	Banking business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		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**	**1-3 2009**	**1-3 2008**
Net interest income	30.8	22.3	0.4	0.4					1.1	1.2	0.2	-0.1	32.5	23.9
Dividends	0.0	0.0	0.0	0.0					1.3	0.5	-1.3	-0.5	0.1	0.1
Net commission income	7.0	7.6	2.7	2.8					1.1	0.7	-1.3	-0.5	9.5	10.6
Net income from life insurance					8.3	26.6					-2.9	-20.5	5.4	6.0
Net income from non-life insurance							1.8				0.2		2.0	
Net income from financial transactions	-0.2	0.9	-0.2	0.2						0.0			-0.4	1.2
Net income from investment properties	0.0	0.0							0.2	1.3	0.0	0.0	0.1	1.3
Other operating income	1.5	0.9	0.0	0.1			0.1		0.4	2.1	-1.3	-1.3	0.8	1.8
Total operating income	**39.2**	**31.8**	**2.9**	**3.5**	**8.3**	**26.6**	**1.9**	**-**	**4.1**	**5.8**	**-6.4**	**-22.8**	**50.0**	**44.8**
Staff costs	-8.8	-9.2	-1.9	-1.3	-1.7	-1.5	-3.7		-4.0	-4.0	0.0		-20.3	-16.0
Other administrative expenses	-13.5	-11.8	-1.0	-0.9	-1.8	-1.6	-1.4		4.7	3.2	2.4	1.9	-10.7	-9.3
Negative goodwill recorded as income											0.1		0.1	
Depreciation of tangible and intangible assets	-0.6	-0.4	-0.2	-0.1	-0.1	-0.1	-0.1		-0.4	-0.4	-0.3	-0.3	-1.8	-1.3
Other operating expenses	-2.5	-1.7	-0.2	-0.2	-	-	0.0		-2.1	-1.9	-0.7	0.0	-5.4	-3.7
Total operating expenses	**-25.3**	**-23.1**	**-3.3**	**-2.5**	**-3.7**	**-3.2**	**-5.3**	**-**	**-1.9**	**-3.0**	**1.5**	**1.6**	**-38.0**	**-30.3**
Write-downs and reversing items of tangible and intangible assets											0.0		0.0	
Write-downs of credits and other commitments	-1.6	0.0											-1.6	0.0
Share of profit from associated companies											0.0	-0.2	0.0	-0.2
Operating profit	**12.2**	**8.6**	**-0.4**	**1.0**	**4.6**	**23.4**	**-3.4**	**-**	**2.2**	**2.8**	**-4.9**	**-21.5**	**10.3**	**14.2**
Contribution of insurance business to the Group's operating profit					2,0	2,7	-3,4							

Balance sheet	Banking business		Asset Management		Life Insurance		Non-Life Insurance		Miscellaneous		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**	**31.3.2009**	**31.3.2008**
Cash and balances with central banks	358.8	282.3	0.1	0.1	11.1	7.0	10.6			0.0	-16.4	-5.1	364.1	284.2
Financial assets reported at fair value through profit and loss	7.2	8.0			12.8		11.3						31.3	8.0
Financial assets available for sale	2,379.5	1,904.2	5.3	14.7	628.6	758.0	100.2		36.3	48.4	-19.4	-7.3	3,130.4	2,718.1
Loans and other receivables	5,669.3	4,953.6	20.0	17.0					0.1	0.3	-9.9	-8.9	5,679.4	4,962.0
Investments for unit-linked provisions					145.8	189.8							145.8	189.8
Other assets	534.8	302.7	8.4	3.4	24.9	13.2	45.5		167.9	49.6	-324.5	-128.7	457.0	240.2
Total assets	**8,949.7**	**7,450.7**	**33.8**	**35.2**	**823.2**	**968.1**	**167.6**	**-**	**204.2**	**98.4**	**-370.3**	**-150.0**	**9,808.1**	**8,402.3**
Deposits	4,690.2	3,718.4	151.9	121.3					2.3		-21.8	-10.7	4,822.6	3,829.0
Debt securities issued	2,327.2	2,031.9									-18.8	-5.8	2,308.4	2,026.1
Provisions for life insurance business					761.0	842.4	114.7				11.4		887.0	842.4
Other liabilities	1,276.8	1,282.8	7.2	8.1	11.6	32.1	25.5		228.7	137.0	-104.2	-86.1	1,445.5	1,373.9
Total liabilities	**8,294.2**	**7,033.0**	**159.1**	**129.5**	**772.5**	**874.5**	**140.1**	**-**	**230.9**	**137.0**	**-133.4**	**-102.6**	**9,463.5**	**8,071.4**

Note 3 Derivatives and off-balance sheet commitments

Derivative instruments at 31 March 2009 (EUR million)

Hedging 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**	**-**
Cash flow hedging			
Interest rate-related	1,232.0	37.6	19.9
Total	**1,232.0**	**37.6**	**19.9**
Derivative contracts valued through profit and loss for other reasons			
Interest rate-related *)	6,993.0	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 derivative contracts included interest rate hedging provided for local banks which after back-to-back protective measures with third parties amounted to EUR 6,674.7 million.

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

Derivative instruments at 31 March 2008 (EUR million)

Hedging derivative instruments	Total nominal amount	Assets fair value	Liabilities, fair value
Fair value hedging			
Interest rate-related	1,320.0	16.2	4.2
Total	**1,320.0**	**16.2**	**4.2**
Cash flow hedging			
Interest rate-related	614.0	1.8	3.4
Total	**614.0**	**1.8**	**3.4**
Derivative contracts valued through profit and loss for other reasons			
Interest rate-related *)	6,342.5	22.7	21.5
Currency-related	163.3	1.7	1.9
Equity-related **)	150.4	5.2	5.2
Other derivative instruments **)	8.6	1.3	1.3
Total	**6,664.8**	**30.9**	**29.9**
All derivative instruments			
Interest rate-related	8,276.5	40.7	29.1
Currency-related	163.3	1.7	1.9
Equity-related	150.4	5.2	5.2
Other derivative instruments	8.6	1.3	1.3
Total	**8,598.8**	**48.9**	**37.5**

*) Interest-linked derivative contracts included interest rate hedging provided for local banks which after back-to-back protective measures with third parties amounted to EUR 6,014.9 million.

**) All share-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	57.0
Other commitments provided a third party	6.9	7.5	26.6
Irrevocable commitments provided on behalf of customers			
Unused credit arrangements	514.6	454.5	486.8
Other irrevocable commitments *)	12.8	12.1	128.3
Off-balance sheet commitments	**587.9**	**528.8**	**698.8**

*) The credit equivalents of derivatives are not entered under off-balance sheet items as their market values are included in the balance sheet.

Note 4 Risk exposure

Consolidated capital adequacy for banking business

Summary (EUR million)	31.3.2009	31.12.2008
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 counterpart 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 positions 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 (145.4 EUR millions) x risk-weighted factor of 12.5.

Capital base (EUR million)	31.3.2009	31.12.2008
Share capital	163.0	163.0
Funds and reserves	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	-	-0.6
Total	309.0	334.7
./. intangible assets	-8.4	-8.6
./. shares in insurance companies	-	-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	-	-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)	Balance sheet assets	Off- balance sheet	In total	Risk-weighted commitments, Basel 2	
Risk-weight				**31.3.2009**	**31.12.2008**
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	6.2	3.0	2.5
75%	555.5	66.2	621.7	439.1	426.7
100%	668.2	109.4	777.6	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 amount for operative risks

				Risk-weighted amount, Basel 2	
Year	**2006**	**2007**	**2008**	**31.3.2009**	**31.12.2008**
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**

Conglomerate's capital adequacy

	31.3.2009	**31.12.2008**
Tier 1 capital for the group	372,2	359,7
Sector-specific assets	143,8	161,4
Intangible assets and other specific deductions	-94,6	-101,9
Other sector-specific not transferrable assets	-	-
Conglomerate's total capital base	**421,4**	**419,2**
Capital requirement for banking business	268,7	266,6
Capital requirement for insurance business	47,9	43,5
Minimum amount for capital base	**316,5**	**310,1**
Conglomerate's capital adequacy	**104,8**	**109,1**
Capital adequacy ratio, %	**133,1**	**135,2**

Helsinki, 12 May 2009

AKTIA PLC
Board of Directors

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

To the Board of Directors of Aktia 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 p.l.c. for the three-month period then ended, as well as a sum-mary 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

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