

Interim Report January-March 2025

April 29, 2025

We go our own way

ÄLANDSBANKEN



In brief

January-March 2025

Compared to January–March 2024

- Net operating profit increased by 9 per cent and amounted to EUR 18.3 M (16.9).
- Core income in the form of net interest income, net commission income and IT income increased by 2 per cent to EUR 53.8 M (53.0).
- Other income improved to EUR 2.2 M (0.8).
- Total expenses increased by 4 per cent to EUR 37.7 M (36.4).
- Net impairment losses on financial assets (including recoveries) amounted to a recovery of EUR 0.1 M (loss of 0.5), equivalent to a loan loss level of –0.01 per cent (0.05).
- Return on equity after taxes (ROE) increased to 19.5 per cent (18.3).
- Earnings per share increased by 7 per cent to EUR 0.95 (0.89).
- The common equity Tier 1 capital ratio decreased to 12.7 per cent (14.5 on December 31, 2024).
- Unchanged future outlook: The Bank of Åland expects its return on equity after taxes (ROE) to continue to exceed its long-term financial target of 15 per cent during 2025.

Net operating profit by quarter
EUR M



Core income by quarter
EUR M





A strong start to the year in terms of earnings

“We started 2025 with a strong net operating profit of EUR 18.3 million (16.9) and a return on equity of 19.5 (18.3) per cent.

“Our income is increasing, and it is primarily net commission income that is climbing due to large transaction volume in our financial investment business. Expenses rose in a controlled manner, and impairment losses (including recoveries) totalled a recovery of EUR 0.1 million during the first quarter.

“We are currently seeing a great deal of uncertainty in the world’s capital markets, and we expect this uncertainty to persist for some time to come. The Bank of Åland is also well equipped for more turbulent times. As proof of this, in March Moody’s Ratings raised its outlook for the Bank of Åland to positive from stable and affirmed the Bank’s long-term deposit rating at A3.”

Peter Wiklöf
Managing Director and Chief Executive

Return on equity after taxes (ROE)

Per cent



— Target: To exceed 15 per cent over time



Peter Wiklöf, Managing Director and Chief Executive.



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Financial calendar

The Bank of Åland's upcoming interim reports 2025:

- January–June Half-Year Financial Report July 18, 2025
- January–September Interim Report October 24, 2025

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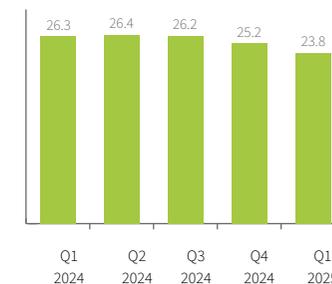


Financial overview

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Income					
Net interest income	23.8	25.2	-6	26.3	-10
Net commission income	21.4	19.9	8	18.3	17
IT income	8.6	9.4	-9	8.4	3
Other income	2.2	-0.4		0.8	
Total income	56.0	54.1	3	53.8	4
Expenses					
Staff costs	-23.4	-22.1	6	-21.6	8
Other expenses	-11.3	-12.4	-8	-11.5	-2
Depreciation/amortisation	-3.0	-2.8	6	-3.2	-8
Total expenses	-37.7	-37.3	1	-36.4	4
Profit before impairment losses	18.3	16.8	9	17.4	5
Impairment losses on financial assets, net	0.1	-1.5		-0.5	
Net operating profit	18.3	15.3	20	16.9	9
Income taxes	-3.7	-2.9	27	-3.3	14
Profit for the period	14.6	12.4	19	13.6	7
Volume					
Lending to the public	3,552	3,576	-1	3,762	-6
Deposits from the public	3,573	3,521	1	3,399	5
Actively managed assets	10,662	10,616	0	10,100	6
Managed mortgage loans	3,335	3,080	8	2,584	29
Equity capital	315	336	-6	302	4
Balance sheet total	5,011	4,925	2	5,111	-2
Risk exposure amount	1,803	1,643	10	1,761	2

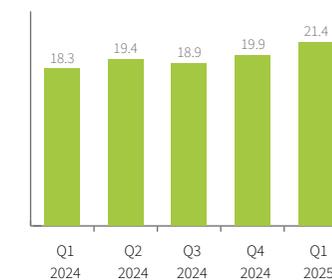
Net interest income

EUR M



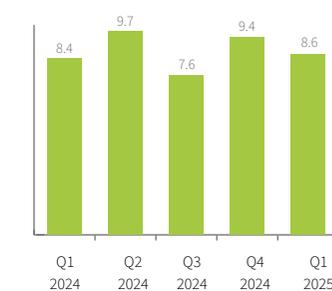
Net commission income

EUR M



IT income

EUR M





Group	Q1 2025	Q4 2024	%	Q1 2024	%
Profitability					
Return on equity after taxes, % (ROE)	19.5	16.4		18.3	
Capital strength					
Common equity Tier 1 capital ratio, %	12.7	14.5		13.5	
Common equity Tier 1 capital ratio, surplus compared to minimum requirement, %	3.6	5.1		5.1	
Leverage ratio, %	5.0	5.3		5.1	
Liquidity and funding					
Liquidity coverage ratio (LCR), %	181	169		180	
Net stable funding ratio (NSFR), %	119	118		114	
Lending/deposit ratio, %	99	102		111	
Credit quality					
Loan loss level, %	-0.01	0.18		0.05	
Gross share of loans in Stage 3, %	1.88	1.63		1.77	

	Q1 2025	Q4 2024	%	Q1 2024	%
Employees					
Working hours re-calculated to full-time equivalent positions	1,001	1,000	0	927	8
Employee commitment index	7.6	7.6		7.4	
Leadership index	8.0	7.9		8.0	
Customers					
Customer Satisfaction Index (CSI), Finland	1	1		1	
Net Promoter Score (NPS)	53	53		56	
Data on Bank of Åland shares					
Earnings per share, EUR	0.95	0.80	18	0.89	7
Earnings per share, EUR, moving 12-month average to end of report period	3.47	3.41	2	3.66	-5
Equity capital per share, EUR	18.56	19.95	-7	17.78	4

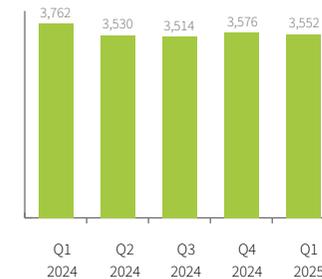
Actively managed assets
EUR M



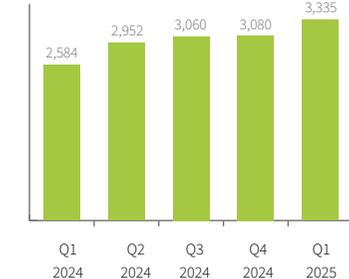
Deposits from the public
EUR M



Lending to the public
EUR M



Managed mortgage loans
EUR M



For definitions of financial ratios, see page 30, "Definitions".



Comments

Macro situation

The geopolitical situation worsened during early 2025. Uncertainty about the future thus increased further at the same time.

The European Central Bank (ECB) lowered its key interest rate by 0.50 percentage points during the first quarter, and Sweden's Riksbank lowered its policy rate by 0.25 points.

In April, the ECB lowered its key rate by another 0.25 points.

Benchmark interest rates, quarterly averages, per cent

	Q1 2025	Q4 2024	Q1 2024
Euribor 3 mo	2.56	3.00	3.92
Euribor 12 mo	2.44	2.54	3.67
Stibor 3 mo	2.36	2.74	4.06

During the first quarter of 2025, share prices according to the Nasdaq Helsinki stock exchange's OMXHPI index rose by 3 per cent, while the Nasdaq Stockholm stock exchange's OMXSPI index fell by 1 per cent.

During the first quarter, the average value of the Swedish krona (SEK) in relation to the euro (EUR) was at about the same level as in the corresponding quarter of 2024. On March 31, 2025, however, the SEK exchange rate was 5 per cent stronger than at year-end 2024. When converting the income statement of the Bank's Swedish operations into euros, the average exchange rate for the period has been used, while the balance sheet has been converted at the exchange rate prevailing on the closing day of the report period.

Important events

Through its mutual fund Ålandsbanken Norden Aktie, the Bank's subsidiary Ålandsbanken Fondbolag was one of four fund

managers to be awarded a prestigious fund agreement by the Swedish premium pension fund platform for Nordic equity funds.

During the report period, the Bank of Åland issued 10,522 Series B shares to fulfil its commitments as part of its employee incentive programme.

On March 25, the Annual General Meeting (AGM) approved the distribution of a dividend of EUR 2.75 per share (a regular dividend of EUR 2.40 plus an extra dividend of EUR 0.35). This represented an amount of EUR 42.3 M.

The AGM re-elected Anders Å Karlsson, Nils Lampi, Mirel Leino-Haltia, Malin Lombardi, Christoffer Taxell, Ulrika Valassi and Anders Wiklöf as members of the Board of Directors. At the statutory meeting of the Board on the same day, Nils Lampi was elected as Chairman and Christoffer Taxell as Deputy Chairman of the Board.

Earnings for January–March 2025

Net operating profit increased by EUR 1.5 M or 9 per cent to EUR 18.3 M (16.9). This was the Bank of Åland's highest-ever net operating profit for the first quarter of the year.

Profit for the period attributable to shareholders increased by EUR 1.0 M or 7 per cent to EUR 14.6 M (13.6).

Return on equity after taxes (ROE) increased to 19.5 (18.3) per cent.

Core income in the form of net interest income, net commission income and IT income increased by EUR 0.8 M or 2 per cent to EUR 53.8 M (53.0).

Net interest income fell by EUR 2.5 M or 10 per cent to EUR 23.8 M (26.3). The main reasons were lower volume, chiefly due to the transfer of Swedish mortgage loans to Borgo during 2024, as well as lower market interest rates.

Net commission income rose by EUR 3.1 M or 17 per cent and

amounted to EUR 21.4 M (18.3). Higher securities brokerage commissions were the main reason.

Information Technology (IT) income rose by EUR 0.2 M or 3 per cent to EUR 8.6 M (8.4).

Other income, including net income on financial items, improved by EUR 1.4 M to EUR 2.2 M (0.8). Re-measurement of a cooperation agreement for financial services was the main reason.

Total expenses increased by EUR 1.3 M or 4 per cent and amounted to EUR 37.7 M (36.4). The main reason was higher staff costs.

Net impairment losses on financial assets amounted to EUR 0.1 M (0.5), equivalent to a loan loss level of -0.01 (0.05) per cent.

Tax expenses amounted to EUR 3.7 M (3.3), equivalent to an effective tax rate of 20.2 (19.3) per cent.

Operating segments

The Group's increase of EUR 1.5 M in net operating profit for the quarter to EUR 18.3 M was allocated as follows:

- **Private Banking +0.8**
(higher income)
- **Premium Banking -1.1**
(higher expenses)
- **IT -0.6**
- **Corporate Units & Eliminations 2.4**
(higher income, lower impairment losses)

Business volume

Actively managed assets on behalf of customers increased by EUR 46 M compared to year-end 2024 and amounted to EUR 10,662 M (10,616).

Deposits from the public increased by EUR 52 M or 1 per cent compared to year-end 2024 and amounted to EUR 3,573 M



(3,521).

Lending to the public decreased by EUR 24 M or 1 per cent compared to year-end 2024 and totalled EUR 3,552 M (3,576).

Managed mortgage loans increased by EUR 255 M or 8 per cent compared to year-end 2024 and totalled EUR 3,335 M (3,080).

Credit quality

Lending to private individuals comprised 74 per cent of the loan portfolio. Home mortgage loans accounted for 74 per cent of this. The corporate portfolio has a close affinity with the retail portfolio, since many of the companies are owned by customers who, as individuals, are also Private Banking customers.

The Bank of Åland had EUR 12.4 M in impairment loss provisions on March 31, 2025 (12.5 on December 31, 2024), of which EUR 0.7 M (0.5) in Stage 1, EUR 1.2 M (1.4) in Stage 2 and EUR 10.5 M (10.6) in Stage 3. Stage 3 loans as a share of gross lending to the public totalled 1.88 per cent (1.63). The level of provisions for Stage 3 loans amounted to 16 (18) per cent. Most of these loans have good collateral.

Liquidity and borrowing

The Bank of Åland's liquidity reserve in the form of cash and deposits with central banks, account balances and investments with other banks and liquid interest-bearing securities amounted to EUR 1,161 M on March 31, 2025 (1,077 on December 31, 2024). This was equivalent to 23 (22) per cent of total assets and 33 (30) per cent of lending to the public. In addition to the liquidity reserve, there was EUR 250 M (250) consisting of holdings of unencumbered covered bonds issued by the Bank.

The loan/deposit ratio amounted to 99 (102) per cent.

Of the Bank of Åland's external funding sources aside from equity capital, deposits from the public accounted for 81 (80) per cent and covered bonds issued accounted for 13 (13) per cent.

The liquidity coverage ratio (LCR) amounted to 181 (169) per cent and the net stable funding ratio (NSFR) amounted to 119 (118) per cent, which exceeded regulatory requirements by an

solid margin.

On March 31 2025, the average remaining maturity of the Bank of Åland's bonds outstanding was about 1.7 (1.9) years.

Rating

In March 2025, the Moody's Ratings agency raised the outlook of the Bank of Åland to positive from stable. The change in outlook reflects the strengthening solvency of the Bank, stronger capitalisation and improved recurring profitability. Moody's affirmed the Bank's long-term deposit ratings at A3 and its short-term deposit ratings at P-2.

The Bank of Åland's covered bonds have a credit rating of Aaa.

Equity and capital adequacy

The new Capital Requirements Regulation (CRR3) entered into force on January 1, 2025, which affects the capital requirements calculation for credit risk according to both the internal ratings-based (IRB) and the standardised approach. The Bank's IRB approach has been updated, including significant changes, effective from 2025. In addition, the Financial Supervisory Authority has imposed conditions and mark-ups that increase the capital requirement. The standardised approach is applied to the calculation of credit risk in the Bank's Swedish branch as a whole, as well as for exposures to sovereigns (national governments) and central banks, plus exposures to institutions and equities.

During the report period, equity capital changed in the amount of profit for the period, EUR 14.6 M; other comprehensive income, EUR 6.5 M; issuance of new shares as part of the incentive programme, EUR 0.4 M, and the share savings programme, EUR 0.1 M; a dividend of EUR 42.3 M distributed to shareholders; and dividends of EUR 0.4 M distributed to holders of additional Tier 1 (AT1) capital instruments. On March 31, 2025, equity capital amounted to EUR 314.9 M (336.0).

Other comprehensive income was primarily affected by changes in exchange rates and totalled EUR 6.5 M after taxes.

Common equity Tier 1 capital decreased by EUR 8.3 M during the first quarter of 2025 to EUR 229.4 M (237.7). The main reason was that the deduction for expected credit (loan) losses according to the new IRB approach for capital adequacy compared to expected credit losses according to the financial statements (IFRS 9) increased by EUR 15.9 M.

The risk exposure amount increased by EUR 161 M or 10 per cent during the first quarter and totalled EUR 1,803 M (1,643). The credit risk exposure amount rose by EUR 102 M or 8 per cent. The operational risk exposure amount rose by EUR 57 M or 19 per cent. The creditworthiness adjustment risk exposure amount increased negligibly.

The common equity Tier 1 (CET1) capital ratio decreased to 12.7 (14.5) per cent. The Tier 1 (T1) capital ratio decreased to 14.4 (16.3) per cent. The total capital ratio decreased to 16.1 (18.1) per cent.

In addition to the basic capital requirement, various buffer requirements apply. These are mainly imposed by national regulatory authorities. The capital conservation buffer requirement, 2.5 per cent of common equity Tier 1 capital, applies in all European Union countries. The countercyclical capital buffer requirement may vary between 0-2.5 per cent. For Finnish exposures, the requirement remains 0.0 per cent. For Swedish exposures, the amount of the countercyclical buffer is 2.0 per cent. In Finland, a systemic risk buffer of 1.0 per cent applies to the Bank of Åland. The Bank's Pillar 2-related buffer requirement amounts to 1.0 per cent.

The minimum levels currently applicable to the Bank of Åland as of March 31, 2025 were:

•Common equity Tier 1 capital ratio	9.1 per cent
•Tier 1 capital ratio	10.8 per cent
•Total capital ratio	13.0 per cent

In relation to the above buffer requirements, the Bank of Åland has an ample capital surplus:



- Common equity Tier 1 capital ratio +3.6 percentage points
- Tier 1 capital ratio +3.6 percentage points
- Total capital ratio +3.1 percentage points

The Bank of Åland is subject to an indicative additional capital requirement (Pillar 2 guidance, P2G) of 0.75 per cent. This indicative additional capital requirement is not included in minimum levels but is instead included as a subset in the Bank of Åland's capital surplus, where the Bank's long-term financial target is that its common equity Tier 1 capital ratio shall exceed FIN-FSA's minimum requirement by 1.75-3.0 percentage points.

Sustainability

In the area of responsible investments, during the first quarter of 2025 the Bank completed the task of annual reporting in compliance with the European Union's Sustainable Finance Disclosure Regulation (SFDR).

An important milestone in the area of responsible lending was achieved during the same quarter, when the Bank of Åland's first corporate customers signed climate ambition agreements with the Bank. The agreements ensure a shared climate ambition in which the Bank and its customers strive to reduce their carbon footprints by at least 50 per cent no later than 2030.

In the environmental area, the Bank continued its commitment to a cleaner Baltic Sea. The application period for funding under the Baltic Sea Project expired during the first quarter of 2025. The Bank received a record number of applications – more than 200 – from all three geographic markets in which it operates.

Aside from paying national income taxes and value-added taxes, the Bank of Åland is a sizeable employer, especially in its Åland home market. During the first quarter of 2025, the Bank's involvement in the Åland community included sponsorships to

support culture, sports and studies.

During the first quarter, emissions from the Bank's own business operations totalled 2,933 tonnes of carbon dioxide equivalent (CO₂e), which was a decrease of 1 per cent compared to the same period of 2024. Most of the Bank's own emissions are found in the category of purchased goods and services, with purchases over a lengthy period largely being attributable to the renovation and expansion of the Head Office, which has now been completed.

Aside from information on emissions from its own business operations, the Bank is also providing information about indirect downstream Scope 3 Category 15 emissions, which means carbon dioxide emissions from our customers' financial investments, our lending and our Treasury operations. On March 31, 2025, emissions totalled 2,724,381 tonnes of carbon dioxide equivalent (CO₂e), which was an increase of 245,617 tonnes of CO₂e or 10 per cent compared to the same period of last year.

Important events after close of report period

No important events have occurred since the close of the report period.

Risks and uncertainties

The outlook is very uncertain due to geopolitical risks and the trade conflict between the world's leading economies.

The Bank of Åland's earnings are affected by external changes that the Company itself cannot control. Among other things, the Group's trend of earnings is affected by macroeconomic changes and by movements in general interest rates and bond yields, share prices and exchange rates, along with higher expenses due to regulatory decisions and directives as well as by the competitive situation.

The Group aims at achieving operations with reasonable and

carefully considered risks. The Group is exposed to credit risk, liquidity risk, market risk, operational risk and business risk. The Bank does not engage in trading for its own account.

Unchanged future outlook

The Bank of Åland expects its return on equity after taxes (ROE) to continue to exceed its long-term financial target of 15 per cent during 2025.

The Bank is especially dependent on the performance of the fixed income and stock markets. There are concerns about economic developments in a number of important markets. For this reason, there is some uncertainty about the Bank's current forecast.

Mariehamn, April 29, 2025

THE BOARD OF DIRECTORS



Summary income statement

Group	Note	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M						
Net interest income	5	23.8	25.2	-6	26.3	-10
Net commission income	6	21.4	19.9	8	18.3	17
IT income		8.6	9.4	-9	8.4	3
Net income from financial items at fair value	7	1.9	-0.9		0.6	
Other operating income		0.3	0.5	-39	0.3	14
Total income		56.0	54.1	3	53.8	4
Staff costs		-23.4	-22.1	6	-21.6	8
Other expenses		-11.3	-12.4	-8	-11.5	-2
Depreciation/amortisation		-3.0	-2.8	6	-3.2	-8
Total expenses		-37.7	-37.3	1	-36.4	4
Profit before impairment losses		18.3	16.8	9	17.4	5
Impairment losses on financial assets, net	8	0.1	-1.5		-0.5	
Net operating profit		18.3	15.3	20	16.9	9
Income taxes		-3.7	-2.9	27	-3.3	14
Profit for the period		14.6	12.4	19	13.6	7
Attributable to:						
Non-controlling interests		0.0	0.0	-2	0.0	31
Shareholders in Bank of Åland Plc		14.6	12.4	19	13.6	7
Earnings per share, EUR		0.95	0.80	18	0.89	7
Earnings per share, EUR, moving 12-month average to end of report period		3.47	3.41	2	3.66	-5



Summary statement of other comprehensive income

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Profit for the period	14.6	12.4	19	13.6	7
Cash flow hedges					
Changes in valuation at fair value	-0.1	0.4			
Assets available for sale					
Changes in valuation at fair value	0.5	-0.6		-0.5	
Transferred to the income statement	-0.3	0.0		0.0	
Translation differences					
Gains/losses arising during the period	3.4	-1.6		-4.5	
Taxes on items that have been or may be reclassified to the income statement	0.0	0.0		0.1	
<i>of which cash flow hedges</i>	<i>0.0</i>	<i>-0.1</i>		<i>0.0</i>	
<i>of which assets measured via other comprehensive income</i>	<i>-0.1</i>	<i>0.1</i>		<i>0.1</i>	
Items that have been or may be reclassified to the income statement	3.5	-1.8		-4.9	
Changes in value of equity instruments	1.2	-0.4		-1.9	
Translation differences	1.8	-0.5		-1.3	
Re-measurements of defined benefit pension plans	0.6	0.2		0.5	23
Taxes on items that may not be reclassified to the income statement	-0.7	0.2		0.6	
<i>of which changes in value of equity instruments</i>	<i>-0.2</i>	<i>0.1</i>		<i>0.4</i>	
<i>of which translation differences</i>	<i>-0.4</i>	<i>0.1</i>		<i>0.3</i>	
<i>of which re-measurements of defined-benefit pension plans</i>	<i>-0.1</i>	<i>0.0</i>		<i>-0.1</i>	<i>23</i>
<i>of which taxes on dividends to holders of T1 capital instruments</i>	<i>0.1</i>	<i>0.1</i>	<i>-8</i>	<i>0.1</i>	<i>-19</i>
Items that may not be reclassified to the income statement	3.0	-0.5		-2.0	
Other comprehensive income for the period	6.5	-2.2		-6.9	
Total comprehensive income for the period	21.1	10.1		6.7	
Attributable to:					
Non-controlling interests	0.0	0.0	-2	0.0	31
Shareholders in Bank of Åland Plc	21.1	10.1		6.7	



Income statement by quarter

Group	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
EUR M					
Net interest income	23.8	25.2	26.2	26.4	26.3
Net commission income	21.4	19.9	18.9	19.4	18.3
IT income	8.6	9.4	7.6	9.7	8.4
Net income from financial items at fair value	1.9	-0.9	0.4	-0.6	0.6
Other operating income	0.3	0.5	0.0	0.5	0.3
Total income	56.0	54.1	53.1	55.3	53.8
Staff costs	-23.4	-22.1	-21.3	-22.8	-21.6
Other expenses	-11.3	-12.4	-10.8	-12.5	-11.5
Depreciation/amortisation	-3.0	-2.8	-3.0	-3.3	-3.2
Total expenses	-37.7	-37.3	-35.1	-38.5	-36.4
Profit before impairment losses	18.3	16.8	18.0	16.8	17.4
Impairment losses on financial assets, net	0.1	-1.5	-0.8	-1.2	-0.5
Net operating profit	18.3	15.3	17.3	15.6	16.9
Income taxes	-3.7	-2.9	-3.5	-3.1	-3.3
Profit for the period	14.6	12.4	13.7	12.6	13.6
Attributable to:					
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Shareholders in Bank of Åland Plc	14.6	12.4	13.7	12.6	13.6



Summary balance sheet

Group	Note	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
EUR M						
Assets						
Cash and balances with central banks		384	290	32	273	40
Debt securities		785	804	-2	815	-4
Lending to credit institutions		32	30	6	33	-4
Lending to the public	9, 10	3,552	3,576	-1	3,762	-6
Shares and participations		38	37	4	38	-1
Participations in associated companies		8	7	4	7	13
Derivative instruments	12	33	21	51	16	
Intangible assets		21	21	1	21	2
Tangible assets		45	45	0	42	8
Investment properties		0	0		0	-2
Current tax assets		2	1	20	3	-47
Deferred tax assets		7	7	-4	5	36
Other assets		54	33	66	37	46
Accrued income and prepayments		50	51	-1	58	-13
Total assets		5,011	4,925	2	5,111	-2

	Note	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
Liabilities						
Liabilities to credit institutions and central banks		55	78	-30	345	-84
Deposits from the public		3,573	3,521	1	3,399	5
Debt securities issued	11	804	812	-1	841	-4
Derivative instruments	12	12	4		7	87
Current tax liabilities		-1	2		2	
Deferred tax liabilities		33	33	0	35	-6
Other liabilities		134	52		98	36
Provisions		3	3	5	2	75
Accrued expenses and prepaid income		50	52	-3	51	-2
Subordinated liabilities		32	31	6	30	6
Total liabilities		4,696	4,589	2	4,809	-2
Equity capital and non-controlling interests						
Share capital		42	42		42	
Share premium account		33	33		33	
Reserve fund		25	25		25	
Fair value reserve		-16	-22	-27	-17	-5
Unrestricted equity capital fund		33	32	1	31	3
Retained earnings		169	197	-14	158	7
Shareholders' portion of equity capital		285	307	-7	273	5
Non-controlling interests' portion of equity capital		0	0	-13	0	-17
Additional Tier 1 capital holders		29	29		29	
Total equity capital		315	336	-6	302	4
Total liabilities and equity capital		5,011	4,925	2	5,111	-2



Statement of changes in equity capital

Group												
EUR M	Share capital	Share premium account	Reserve fund	Hedge accounting	Fair value reserve	Translation difference	Unrestricted equity capital fund	Retained earnings	Shareholders' portion of equity capital	Non-controlling interests' portion of equity capital	Additional Tier 1 capital holders	Total
Equity capital, Dec 31, 2023	42.0	32.7	25.1	0.0	-0.5	-9.0	30.2	185.3	305.9	0.0	29.4	335.3
Profit for the period								13.6	13.6	0.0		13.6
Other comprehensive income					-1.9	-5.5		0.5	-6.9			-6.9
<i>Transactions with owners</i>												
Tier 1 capital instrument dividends								-0.5	-0.5			-0.5
Dividends paid to shareholders								-40.7	-40.7			-40.7
Incentive programme							0.5		0.5			0.5
Share savings programme							0.7	0.1	0.8			0.8
Equity capital, Mar 31, 2024	42.0	32.7	25.1	0.0	-2.4	-14.5	31.4	158.4	272.8	0.0	29.4	302.2
Profit for the period								38.6	38.6	0.0		38.6
Other comprehensive income				0.8	-7.0	1.0		0.7	-4.5			-4.5
<i>Transactions with owners</i>												
Tier 1 capital instrument dividends								-1.5	-1.5			-1.5
Share savings programme							0.7	0.4	1.1			1.1
Equity capital, Dec 31, 2024	42.0	32.7	25.1	0.8	-9.4	-13.5	32.1	196.6	306.5	0.0	29.4	336.0
Profit for the period								14.6	14.6	0.0		14.6
Other comprehensive income				-0.1	1.2	4.8		0.6	6.5			6.5
<i>Transactions with owners</i>												
Tier 1 capital instrument dividends								-0.4	-0.4			-0.4
Dividends paid to shareholders								-42.3	-42.3			-42.3
Incentive programme							0.4		0.4			0.4
Share savings programme								0.1	0.1			0.1
Equity capital, Mar 31, 2025	42.0	32.7	25.1	0.7	-8.2	-8.7	32.5	169.2	285.5	0.0	29.4	314.9



Summary cash flow statement

Group	Jan-Mar 2025	Jan-Dec 2024	Jan-Mar 2024
EUR M			
Operating activities			
Net operating profit	18.3	65.0	16.9
Adjustment for net operating profit items not affecting cash flow	3.5	21.0	4.9
Income taxes paid	-1.8	-13.3	-3.6
Changes in assets and liabilities from operating activities	78.5	-64.1	-85.3
Cash flow from operating activities	98.5	8.7	-67.2
Investing activities			
Changes in shares	-0.2	-3.1	0.0
Changes in tangible assets	-1.6	-11.6	-4.3
Changes in intangible assets	-0.6	-4.2	-1.1
Cash flow from investing activities	-2.5	-18.9	-5.4
Funding activities			
Share issue	0.4	1.9	1.2
Payment of principal on lease liability	-1.3	-5.4	-1.4
Tier 1 capital instrument dividends	-0.4	-2.0	-0.5
Dividends paid to shareholders	0.0	-40.7	0.0
Cash flow from financing activities	-1.3	-46.1	-0.7
Cash and cash equivalents at beginning of period	285.7	343.4	343.4
Cash flow during the period	94.7	-56.4	-73.2
Exchange rate differences in cash and cash equivalents	6.2	-1.4	-1.6
Cash and cash equivalents at end of period	386.6	285.7	268.6
Cash and cash equivalents consisted of the following items:			
Cash and deposits with central banks	354.7	259.9	245.6
Lending to credit institutions that is repayable on demand	31.9	25.7	23.0
Total cash and cash equivalents	386.6	285.7	268.6



Notes to the consolidated Interim Report

1. Corporate information

The Bank of Åland is a Finnish public limited liability company with its Head Office in Mariehamn. It is a commercial bank with strong customer relationships and personalised service.

The Bank has extensive financial investment expertise and at the same time can offer good financing services. The commercial bank was founded in 1919 and has been listed on the Nasdaq Helsinki Oy (Helsinki Stock Exchange) since 1942.

The Bank has a total of 11 offices: two offices in the Åland Islands, six offices elsewhere in Finland and three offices in Sweden.

Through its subsidiary Crosskey Banking Solutions Ab Ltd, the Bank of Åland Group is a supplier of modern banking computer systems for small and medium-sized banks.

The Group also includes the asset management company Ålandsbanken Fondbolag Ab and its wholly owned subsidiaries.

The Head Office of the Parent Company has the following registered address:

Bank of Åland Plc
Nygatan 2
AX-22100 Mariehamn, Åland, Finland

The shares of the Bank of Åland Plc are traded on the Nasdaq Helsinki Oy (Helsinki Stock Exchange).

This Interim Report for the accounting period January 1–March 31, 2025 was approved by the Board of Directors on April 28, 2025.

2. Basis for preparation of the Interim Report and essential accounting principles

Basis for preparation Interim Report

This Interim Report for the period January 1–March 31, 2025 has been prepared in compliance with the International Financial Reporting Standards (IFRSs) and International Accounting Standard IAS 34, “Interim financial reporting”, which have been adopted by the European Union. The Interim Report does not contain all information and all notes required in annual financial statements and should be read together with the consolidated financial statements for the year ending December 31, 2024.

Tables and comparative numbers show correct rounded-off figures on each line, but this does not mean that rounded-off figures add up to the correct total. In cases where rounded-off figures add up to zero, they are shown as “0” in the tables, while a lack of figures is shown as an empty space.

Essential accounting principles

The essential accounting principles used in preparing the Interim Report are the same as those used in preparing the financial statements for the year ending December 31, 2024.

Changes in accounting principles

Changes in accounting principles that came into effect on January 1, 2025 have not had a significant impact on the Group’s financial position, earnings, cash flows or disclosures.

Published accounting standards not yet applied

The International Accounting Standards Board (IASB) has published IFRS 18, “Presentation and disclosures in financial reports”, which has not yet been applied by the Bank of Åland. The standard, which replaces IAS 1, will be applied starting on January 1, 2027 and primarily introduces new requirements for the structure of the income statement as well as disclosures concerning certain performance measures. The impact on the Group’s financial reports is currently being evaluated.

The IASB has published amendments regarding the classification and measurement of financial instruments in IFRS 9 and IFRS 7. These amendments mainly provide guidance on assessing contractual cash flows in financial assets that include terms dependent on future events, as well as related disclosure requirements. The amendments will be applied starting on January 1, 2026. Their impact on the Group’s financial reports is currently being evaluated.

Estimates and judgements

Preparation of this Interim Report in compliance with IFRSs requires the Company’s Executive Team to make assessments, estimates and assumptions that affect the application of accounting principles and the recognised amounts of assets and liabilities, income and expenses as well as disclosures about commitments. Although these estimates are based on the best knowledge of the Executive Team

on current events and measures, the actual outcome may diverge from the estimates.

The substantial accounting assessments that have been made when applying the Group’s accounting principles are primarily related to the application of the impairment model in compliance with IFRS 9 and accounting of financial instruments. The Bank of Åland employs expert adjustments to account for circumstances that are not fully captured by the risk models, and these can be made at both the exposure and portfolio levels.

In the first quarter of 2025, expert adjustments decreased due to implemented model changes and amounted to EUR 0.0 M (EUR 0.5 million on December 31, 2024). The process for estimating Stage 3 loan impairments has not changed and continues to follow the usual individual assessment procedure.

As for the recognition of leases in compliance with IFRS 16, estimates have been made in establishing the leasing period and the choice of discount rate.



3. Segment report

The Bank of Åland Group reports operating segments in compliance with IFRS 8, which means that operating segments reflect the information that the Group's Executive Team receives.

“Private Banking” encompasses Private Banking operations in Åland, on the Finnish mainland and in Sweden as well as Asset Management (Ålandsbanken Fondbolag Ab and its wholly owned subsidiaries).

“Premium Banking” encompasses operations in all customer segments excluding private banking in Åland, on the Finnish mainland, in Sweden and Asset Management. “IT” encompasses the subsidiary Crosskey Banking Solutions Ab Ltd and S-Crosskey Ab. “Corporate and Other” encompasses all central corporate units in the Group including Treasury and external partner collaboration.

Group		Jan-Mar 2025				
EUR M	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Earnings						
Net interest income	9.5	13.4	0.0	0.9	0.0	23.8
Net commission income	15.2	4.3	0.0	1.9	0.1	21.4
IT income	0.0	0.0	13.1	0.6	-5.1	8.6
Net income from financial items at fair value	0.0	0.0	-0.1	2.0	0.0	1.9
Other income	0.0	0.0	0.2	0.5	-0.4	0.3
Total income	24.7	17.7	13.1	6.0	-5.4	56.0
Expenses						
Staff costs	-5.6	-2.0	-8.1	-7.7	0.0	-23.4
Other expenses	-2.8	-1.1	-5.1	-6.8	4.5	-11.3
Depreciation/amortisation	-0.1	0.0	-1.0	-2.4	0.6	-3.0
Internal allocation of expenses	-6.8	-7.0	0.0	13.9	0.0	0.0
Total expenses	-15.3	-10.2	-14.2	-3.1	5.1	-37.7
Profit before impairment losses	9.4	7.5	-1.2	2.9	-0.3	18.3
Impairment losses on financial assets, net	-0.1	-0.3	0.0	0.5	0.0	0.1
Net operating profit	9.2	7.2	-1.2	3.4	-0.3	18.3
Income taxes	-1.9	-1.5	0.2	-0.6	0.0	-3.7
Profit for the year attributable to shareholders in Bank of Åland Plc	7.3	5.7	-0.9	2.8	-0.3	14.6

Jan-Mar 2025						
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Business volume						
Lending to the public	1,584	1,971		-2	-1	3,552
Deposits from the public	1,557	1,968		66	-18	3,573
Actively managed assets	9,728	923		11		10,662
Managed mortgage loans				3,335		3,335
Risk exposure amount	772	628	75	328		1,803
Equity capital	108	100	29	77		315
Financial ratios etc.						
Return on equity after taxes, % (ROE)	30.7	27.2	-13.8	11.9		19.5
Expense/income ratio	0.62	0.57	1.09	0.52		0.67



Group	Jan-Mar 2024					
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
EUR M						
Earnings						
Net interest income	10.5	14.0	0.0	1.8	0.0	26.3
Net commission income	12.8	4.0	0.0	1.3	0.2	18.3
IT income	0.0	0.0	12.5	0.3	-4.4	8.4
Net income from financial items at fair value	0.1	0.0	0.0	0.4	0.0	0.6
Other income	0.0	0.0	0.3	0.4	-0.4	0.3
Total income	23.5	18.0	12.8	4.2	-4.7	53.8
Staff costs	-5.3	-1.8	-7.6	-7.0	0.0	-21.6
Other expenses	-3.3	-1.4	-4.8	-6.0	4.0	-11.5
Depreciation/amortisation	-0.1	0.0	-1.0	-2.9	0.7	-3.2
Internal allocation of expenses	-6.3	-6.1	0.0	12.4	0.0	0.0
Total expenses	-15.0	-9.3	-13.3	-3.5	4.7	-36.4
Profit before impairment losses	8.5	8.7	-0.5	0.7	0.1	17.4
Impairment losses on financial assets, net	0.0	-0.3	0.0	-0.2	0.0	-0.5
Net operating profit	8.5	8.3	-0.5	0.5	0.1	16.9
Income taxes	-1.7	-1.7	0.1	0.1	0.0	-3.3
Profit for the year attributable to shareholders in Bank of Åland Plc	6.7	6.6	-0.4	0.6	0.1	13.6

	Jan-Mar 2024					
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Business volume						
Lending to the public	1,648	1,972		142	0	3,762
Deposits from the public	1,488	1,884		49	-22	3,399
Actively managed assets	9,305	783		12		10,100
Managed mortgage loans				2,584		2,584
Risk exposure amount	696	551	75	439		1,761
Equity capital	110	93	31	68		302
Financial ratios etc.						
Return on equity after taxes, % (ROE)	26.9	32.6	-6.2	2.8		18.3
Expense/income ratio	0.64	0.52	1.04	0.83		0.68



4. Changes in Group structure

There were no changes during January-March 2025 to report.

5. Net interest income

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Total interest income	41.1	45.9	-10	55.9	-26
<i>of which interest income according to the effective interest method</i>	40.9	45.8	-11	55.8	-27
Total interest expenses	17.3	20.7	-16	29.5	-41
<i>of which interest expenses according to the effective interest method</i>	17.2	20.5	-16	29.5	-41
Net interest income	23.8	25.2	-6	26.3	-10
Interest margin, per cent	2.03	2.08		1.94	
Investment margin, per cent	1.97	2.05		1.99	

Interest margin is interest on interest-bearing assets divided by the average balance of assets minus interest on interest-bearing liabilities divided by the average balance of liabilities. Average balance is calculated as the average of end-of-month figures for the period in question plus the opening balance for the period.

Investment margin is net interest income divided by the average balance sheet total.

6. Net commission income

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Banking commissions	3.1	3.1	-1	2.8	10
Asset management commissions	17.0	15.4	10	14.4	18
Other commissions	1.4	1.3	6	1.1	26
Net commission income	21.4	19.9	8	18.3	17

7. Net income from financial items at fair value

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Measurement category fair value via the income statement ("profit and loss")					
Shares	0.0	0.0	-59	0.0	33
Derivatives	0.0	0.0		0.0	
Other financial items	1.7	-1.1		0.1	-65
Total, measurement category fair value via the income statement ("profit and loss")	1.6	-1.1		0.1	-66
Valuation category fair value via other comprehensive income					
Realised changes in value	0.3	0.0			
Expected loan losses	0.0	0.0	27	0.0	52
Total, measurement category fair value via other comprehensive income	0.3	0.1		0.0	
Hedge accounting					
<i>of which hedging instruments</i>	-1.0	-0.3		-1.4	-29
<i>of which hedged item</i>	1.2	0.4		1.7	-31
Hedge accounting	0.2	0.1	65	0.4	-39
Measurement category accrued cost					
Loans	0.0	0.0		0.0	
Debt securities	0.0	0.0	-61	0.0	
Total, measurement category accrued cost	0.0	0.0	84	0.0	
Foreign currency revaluation	-0.2	0.0		0.0	
Total	1.9	-0.9		0.6	



8. Net impairment losses on financial assets

Group	Q1 2025	Q4 2024	%	Q1 2024	%
EUR M					
Impairment losses, Stage 1	0.2	0.0		0.0	
Impairment losses, Stage 2	-0.2	0.3		-0.3	-47
Net impairment losses, Stages 1-2	0.0	0.2	-90	-0.3	
Impairment losses, Stage 3					
New and increased individual provisions	1.2	1.9	-37	1.5	-20
Recovered from previous provisions	-1.3	-0.8	57	-0.7	78
Utilised for actual loan losses	-0.1	-5.7	-99	-0.2	-74
Actual loan losses	0.1	5.9	-98	0.4	-69
Recoveries of actual loan losses	0.0	-0.1	-22	0.0	1
Net impairment losses, Stage 3	-0.1	1.3		0.9	
Total impairment losses	-0.1	1.5		0.5	
<i>of which lending to the public</i>	<i>-0.1</i>	<i>1.6</i>		<i>0.5</i>	
<i>of which off-balance sheet commitments</i>	<i>0.0</i>	<i>0.0</i>		<i>0.0</i>	<i>-17</i>
<i>of which debt securities at amortised cost</i>	<i>0.0</i>	<i>0.0</i>	<i>-60</i>	<i>0.0</i>	
Loan loss level, %	-0.01	0.18		0.05	

9. Lending to the public by purpose

Group	Mar 31, 2025		Dec 31, 2024		%	Mar 31, 2024		%
	Lending before provisions	Provisions	Lending after provisions	Lending after provisions		Lending before provisions	Lending after provisions	
EUR M								
Private individuals								
Home loans	1,935	-2	1,933	1,907	1	2,095	-8	
Securities and other investments	310	0	310	316	-2	321	-3	
Business operations	56	-1	55	60	-9	73	-25	
Other household purposes	324	-5	319	326	-2	323	-1	
Total, private individuals	2,625	-8	2,616	2,609	0	2,812	-7	
Companies								
Shipping	15	0	15	16	-9	19	-23	
Wholesale and retail trade	38	0	38	38	1	37	3	
Housing operations	227	0	227	227	0	201	13	
Other real estate operations	193	0	192	225	-15	204	-6	
Financial and insurance operations	213	0	213	211	1	220	-3	
Hotel and restaurant operations	29	0	29	29	-1	31	-8	
Agriculture, forestry and fishing	11	0	11	11	0	15	-27	
Construction	23	0	23	23	0	36	-36	
Other industry and crafts	47	-1	46	46	2	44	7	
Other service operations	105	-1	104	107	-3	114	-9	
Total, companies	901	-4	898	932	-4	920	-2	
Public sector and non-profit organisations	38	0	38	35	10	30	28	
Total, public sector and non-profit organisations	38	0	38	35	10	30	28	
Total	3,564	-12	3,552	3,576	-1	3,762	-6	



10. Lending to the public by stage

Group	Jan 1, 2025 - Mar 31, 2025				Jan 1, 2024 - Mar 31, 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	
EURM						
Carrying amount, gross						
Opening balance, January 1	3,265.3	264.4	58.4	3,588.1	3,879.2	
Closing balance, March 31	3,210.9	286.2	67.1	3,564.1	3,782.0	
Provisions for expected losses						
Opening balance, January 1	0.5	1.4	10.6	12.5	20.2	
Increases due to issuances and acquisitions	0.3	0.0	0.3	0.6	0.1	
Decrease due to write-offs	-0.1	-0.1	-0.4	-0.5	-0.4	
Transfer to Stage 1	0.4	-0.4	0.0	0.0	0.0	
Transfer to Stage 2	-0.4	0.5	-0.1	0.0	0.0	
Transfer to Stage 3	0.0	-0.1	0.1	0.0	0.0	
Net changes due to changed credit risk	0.1	-0.1	-0.1	-0.1	0.4	
Net changes due to changed estimation method	-0.1	0.1	0.0	-0.1	0.0	
Exchange rate differences and other adjustments	0.0	0.0	0.0	0.0	-0.2	
Closing balance, March 31	0.7	1.2	10.5	12.4	20.1	
Carrying amount, net						
Opening balance, January 1	3,264.7	263.0	47.9	3,575.6	3,859.1	
Closing balance, March 31	3,210.2	285.0	56.6	3,551.7	3,761.9	
Financial ratios						
			Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	
Total provision ratio, lending to the public, %			0.35	0.35	0.53	
Provision ratio, Stage 1, lending to the public, %			0.02	0.02	0.02	
Provision ratio, Stage 2, lending to the public, %			0.42	0.52	0.63	
Provision ratio, Stage 3, lending to the public, %			15.63	18.11	26.94	
Share of lending to the public in Stage 3, %			1.88	1.63	1.77	



11. Debt securities issued

Group	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
EUR M					
Certificates of deposit	249	256	-2	292	-15
Covered bonds	555	556	0	548	1
Total	804	812	-1	841	-4

12. Derivative instruments

Group	Mar 31, 2025						Dec 31, 2024		
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values	Nominal amount	Positive market values	Negative market values
EUR M	Under 1 yr	1-5 yrs	over 5 yrs						
Derivatives for trading									
Interest-related contracts									
Interest rate swaps	0	0	6	6	0	0	6	0	1
Currency-related contracts									
Currency forward contracts	583	0	0	583	11	10	618	2	2
Total	583	0	6	589	11	11	624	3	2
Derivatives for fair value hedge									
Interest-related contracts									
Interest rate swaps	279	399	26	703	15	2	705	16	2
Total	279	399	26	703	15	2	705	16	2
Derivatives for cash flow hedge									
Interest-related contracts									
Interest rate swaps	840	0	0	840	6	0	770	3	0
Total	840	0	0	840	6	0	770	3	0
Total derivative instruments	1,702	399	32	2,133	33	12	2,099	21	4
<i>of which cleared</i>	<i>1,119</i>	<i>399</i>	<i>29</i>	<i>1,546</i>	<i>21</i>	<i>2</i>	<i>1,478</i>	<i>19</i>	<i>2</i>



13. Financial instruments measured at fair value

Group		Mar 31, 2025		
EUR M	Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total
Debt securities	494	10		503
Lending to the public		163		163
Shares and participations	1		37	38
Derivative instruments		32		32
Other assets			5	5
Total financial assets	495	205	42	742
Debt securities issued		555		555
Derivative instruments		12		12
Total financial liabilities	0	568	0	568

Group		Dec 31, 2024		
EUR M	Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total
Debt securities	502	10		511
Lending to the public		168		168
Shares and participations	1		35	37
Derivative instruments		21		21
Other assets			5	5
Total financial assets	503	199	40	742
Debt securities issued		556		556
Derivative instruments		4		4
Total financial liabilities	0	561	0	561

Changes in Level 3 holdings	Jan-Mar 2025	Jan-Dec 2024
EUR M	Shares and participations	Shares and participations
Carrying amount on January 1	35.4	38.9
New purchases/reclassifications	0.2	9.3
Change in value recognised in "Other comprehensive income"	1.2	-12.7
Carrying amount at end of period	36.8	35.4

Financial instruments for which there is price information that is easily available and that represent actual and frequently occurring transactions are measured at current market price. For financial assets, the current purchase price is used. For financial liabilities, the current sale price is used. The current market price of groups of financial instruments that are managed on the basis of the Bank's net exposure to market risk equals the current market price that would be received or paid if the net position were divested.

In the case of financial assets for which reliable market price information is not available, fair value is determined with the help of measurement models. Such models may, for example, be based on price comparisons, present value estimates or option valuation theory, depending on the nature of the instrument. The models use incoming data in the form of market prices and other variables that are deemed to influence pricing. The models and incoming data on which the measurements are based are validated regularly to ensure that they are consistent with market practices and generally accepted financial theory.

The measurement hierarchy

Financial instruments that are measured according to quoted prices in an active market for identical assets/liabilities are categorised as Level 1. Financial instruments that are measured using measurement models that are, in all essential respects, based on market data are categorised as Level 2. Financial instruments that are measured with the help of models based on incoming data that cannot be verified with external market information are categorised in Level 3. These holdings essentially consist of unlisted shares related to strategic shareholdings. In order to estimate the non-observable price, different methods are used depending on the type of data available. The primary method is based on the Bank's portion of the net asset value of the company, or based on completed transactions, for example in the form of new share issues, or prices of similar listed shares. If liquid price quotations are not available for shares at this level, the valuation is determined using significant input from the Bank of Åland's own internal assumptions. Unlisted shares are valued at fair value in "Other comprehensive income".

In the above tables, financial instruments measured at fair value have been classified with regard to how they have been measured and the degree of market data used in this measurement on closing day. If the classification on closing day has changed, compared to the classification at the end of the previous year, the instrument has been moved between the levels in the table. During the period, no instruments were moved between Levels 1 and 2. Changes in Level 3 are presented in a separate table above.



14. Off-balance sheet commitments

Group	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
EUR M					
Guarantees	17	18	-5	20	-14
Unutilised overdraft limits	363	346	5	353	3
Unutilised credit card limits	89	85	4	86	3
Lines of credit	87	68	28	84	3
Other commitments	3	5	-46	12	-79
Total	558	522	7	556	0
Provision for off-balance sheet commitments	0	0	-7	0	77

15. Assets pledged

Group	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
EUR M					
Lending to credit institutions	2	3	-17	10	-80
Debt securities	33	31	5	102	-68
Loan receivables constituting collateral (cover pool) for covered bonds	1,000	1,000	0	1,190	-16
Other assets pledged	4	4	5	4	12
Total	1,039	1,038	0	1,306	-20

During the report period, no major changes took place regarding the quantity of financial assets and liabilities that were subject to offsetting, netting agreements or the like. Information about this type of agreements is included in the Annual Report of the Bank of Åland, Note G47.



16. Capital adequacy

Group	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
EUR M					
Equity capital according to the balance sheet	285.5	306.5	-7	272.8	5
Foreseeable dividend	-11.8	-42.3	-72	-11.4	4
Common equity Tier 1 capital before deductions	273.6	264.3	4	261.4	5
Intangible assets	-17.4	-15.6	12	-14.0	25
Non-controlling interests	0.0	0.0	-13	0.0	-17
Cash flow hedge	-0.7	-0.8	-13	0.0	
Net other items	-0.1	0.0	8	-0.1	-6
Further adjustments in value	-0.6	-0.6	2	-0.6	3
Expected losses according to IRB approach beyond recognised losses (deficit)	-25.4	-9.5		-9.8	
Common equity Tier 1 capital	229.4	237.7	-3	236.9	-3
Tier 1 capital instruments	29.4	29.4	0	29.4	0
Additional Tier 1 capital	29.4	29.4	0	29.4	0
Tier 1 capital	258.8	267.1	-3	266.4	-3
Supplementary capital instruments	32.2	30.5	6	30.4	6
Supplementary capital	32.2	30.5	6	30.4	6
Total capital base (own funds)	291.1	297.6	-2	296.7	-2
Capital requirement for credit risk according to the IRB approach	59.3	37.7	58	37.6	58
Additional capital requirement, IRB approach		13.6	-100	13.7	-100
Capital requirement for credit risk according to standardised approach	56.5	56.4	0	62.5	-10
Capital requirement for market risk	0.0	0.0		3.3	-100
Capital requirement for credit-worthiness adjustment risk	0.2	0.1		0.0	
Capital requirement for operational risk	28.2	23.7	19	23.7	19
Capital requirement	144.3	131.4	10	140.9	2

	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
Capital ratios					
Common equity Tier 1 capital ratio, %	12.7	14.5		13.5	
Tier 1 capital ratio, %	14.4	16.3		15.1	
Total capital ratio, %	16.1	18.1		16.9	
Risk exposure amount					
of which % comprising credit risk	80	82		81	
of which % comprising market risk	0	0		2	
of which % comprising creditworthiness adjustment risk	0	0		0	
of which % comprising operational risk	20	18		17	

Requirements related to capital buffers, %	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
Total common equity Tier 1 capital requirements including buffer requirements	9.1	9.3	8.4
of which common equity Pillar 1 capital requirement	4.5	4.5	4.5
of which common equity Pillar 2 capital requirement	0.6	0.6	0.6
of which capital conservation buffer requirement	2.5	2.5	2.5
of which countercyclical capital buffer requirement	0.5	0.8	0.9
of which systemic risk buffer requirement	1.0	1.0	0.0
Common equity Tier 1 capital available to be used as a buffer	12.7	14.5	13.5



Exposure class	Mar 31, 2025				
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
EUR M					
Credit risk according to the IRB approach					
Without own LGD estimates					
Corporate, other large companies	196.2	142.2	51	73.0	5.8
Corporate, small and medium sized companies	240.1	182.2	48	87.0	7.0
Corporate, special lending	0.0	0.0	0	0.0	0.0
Using own LGD estimates					
Retail with property as collateral (not small- and medium-sized companies)	1,829.4	1,784.3	19	343.7	27.5
Retail with property as collateral (small and medium-sized companies)	132.0	127.1	59	75.3	6.0
Retail, other (small and medium-sized companies)	69.0	65.4	41	27.0	2.2
Retail, other (not small- and medium-sized companies)	320.2	255.8	53	135.9	10.9
Total exposures according to IRB approach	2,786.9	2,557.0	29	741.8	59.3

	Mar 31, 2025				
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to standardised approach					
Central government and central banks	404.1	428.6	0	0.0	0.0
Regional governments or local authorities	31.1	28.8	0	0.0	0.0
Public sector entities	68.5	68.5	3	1.9	0.1
Multilateral development banks	109.5	111.5	1	1.0	0.1
International organisations	4.0	4.0	0	0.0	0.0
Institutions	218.8	173.8	23	40.8	3.3
Corporates	253.1	65.2	99	64.9	5.2
Retail	400.3	210.5	91	191.9	15.4
Secured by mortgages on immovable property	628.6	562.5	24	132.3	10.6
Exposures in default	13.6	13.0	113	14.6	1.2
Covered bonds	516.4	516.4	11	54.9	4.4
Collective investment undertakings	1.2	1.2	139	1.7	0.1
Equity exposures	44.0	44.0	250	110.0	8.8
Other exposures	106.7	106.7	86	92.2	7.4
Total exposures according to standardised approach	2,800.0	2,334.8	30	706.2	56.5
Total risk exposure amount, credit risk	5,586.9	4,891.8	30	1,448.0	115.8



Exposure class	Dec 31, 2024				
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
EUR M					
Credit risk according to the IRB approach					
Without own LGD estimates					
Corporate, other large companies	198.5	172.0	57	97.9	7.8
Corporate, small and medium sized companies	285.0	258.1	51	131.1	10.5
Corporate, special lending	0.0	0.0	0	0.0	0.0
Using own LGD estimates					
Retail with property as collateral (not small- and medium-sized companies)	1,817.3	1,805.2	10	174.5	14.0
Retail with property as collateral (small and medium-sized companies)	122.8	119.2	23	26.9	2.2
Retail, other (small and medium-sized companies)	32.6	32.0	19	6.2	0.5
Retail, other (not small- and medium-sized companies)	330.6	268.9	13	34.1	2.7
Total exposures according to IRB approach	2,786.9	2,655.4	18	470.7	37.7

	Dec 31, 2024				
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to standardised approach					
Central government and central banks	310.1	387.3	0	0.0	0.0
Regional governments or local authorities	60.4	100.9	0	0.0	0.0
Public sector entities	28.2	28.2	0	0.0	0.0
Multilateral development banks	81.6	87.7	1	1.0	0.1
International organisations	4.0	4.0	0	0.0	0.0
Institutions	183.3	148.2	26	37.8	3.0
Corporates	580.9	230.7	90	207.2	16.6
Retail	247.5	77.2	73	56.2	4.5
Secured by mortgages on immovable property	518.1	518.0	32	165.9	13.3
Exposures in default	6.3	5.3	122	6.5	0.5
Covered bonds	546.5	546.5	10	56.7	4.5
Collective investment undertakings	1.2	1.2	139	1.7	0.1
Equity exposures	42.3	42.3	174	73.5	5.9
Other exposures	107.9	107.9	91	98.1	7.8
Total exposures according to standardised approach	2,718.5	2,285.4	31	704.7	56.4
Total risk exposure amount, credit risk	5,505.4	4,940.8	24	1,175.4	94.0

Leverage ratio	Mar 31,	Dec 31,	%	Mar 31,	%
	2025	2024		2024	
EUR M					
Tier 1 capital	258.8	267.1	-3	266.4	-3
Total exposure measure	5,162.9	5,032.8	3	5,189.0	-1
<i>of which balance sheet items</i>	5,033.6	4,952.5	2	5,099.2	-1
<i>of which off-balance sheet items</i>	129.2	80.4	61	89.8	44
Leverage ratio, %	5.0	5.3		5.1	

The leverage ratio was calculated according to the situation at the end of the period. Tier 1 capital included profit for the period.

**17. Share-related information**

Group	Mar 31, 2025	Dec 31, 2024	%	Mar 31, 2024	%
thousands					
Number of Series A shares outstanding at beginning of period	6,476	6,476		6,476	
Number of Series B shares outstanding at beginning of period	8,891	8,832	1	8,832	1
Total shares outstanding at beginning of period	15,367	15,308	0	15,308	0
Number of Series B shares issued	11	59	-82	36	-71
Number of Series A shares outstanding at end of period	6,476	6,476		6,476	
Number of Series B shares outstanding at end of period	8,901	8,891	0	8,868	0
Total shares outstanding at end of period	15,377	15,367	0	15,344	0
Total shares outstanding at end of period after dilution	15,490	15,492	0	15,440	0
Equity capital per share, EUR	18.56	19.95	-7	17.78	4
Closing price per Series A share, EUR	35.70	35.00	2	36.20	-1
Closing price per Series B share, EUR	34.40	33.10	4	35.20	-2
Market capitalisation, EUR M	537	521	3	547	-2
Market capitalisation/shareholders' portion of equity capital, %	188	170		200	
Group	Q1 2025	Q4 2024	%	Q1 2024	%
thousands					
Average number of shares outstanding	15,369	15,361	0	15,315	0
Average number of shares outstanding after dilution	15,458	15,429	0	15,382	0
Earnings per share, EUR	0.95	0.80	18	0.89	7
Earnings per share after dilution, EUR	0.95	0.80	19	0.89	7
Earnings per share, rolling 12 months, EUR	3.47	3.41	2	3.66	-5



Sustainability

The Bank of Åland's climate impact estimate of emissions in the form of carbon dioxide equivalents (CO₂e) is compiled in accordance with the Greenhouse Gas Protocol (GHG) and encompasses Scope 1, 2 and 3

See the CSRD- and ESRS-compliant Sustainability Report in the 2024 Annual Report for descriptions of the methodology used in calculations of emissions and carbon dioxide equivalents and for further information.

Group	Q1 2025	Q4 2024	%	Q1 2024	%
Greenhouse gases, tonnes of CO₂e					
Scope 1					
Emissions from owned or controlled resources	1	1	8	2	-39
Total Scope 1	1	1	8	2	-39
Scope 2¹					
Energy-related emissions	18	15	21	24	-25
<i>of which from electricity according to the market-based method</i>					
Alternatively, emissions from electricity according to location-based method subtracted from Nordic Average Mix	35	33	6	34	4
Total Scope 2 (market-based)	18	15	21	24	-25
Scope 3 upstream					
Purchased goods and services ²	2,641	2,623	1	2,628	0
Capital goods	7	8	-2	8	-8
Fuel and energy-related activities	4	3	21	5	-25
Transport and distribution	57	71	-20	87	-35
Waste generated by own operations	1	1	-15	1	24
Business travel	177	216	-18	174	2
Leased assets	26	23	12	30	-12
Total Scope 3 upstream	2,913	2,945	-1	2,933	-1
Total greenhouse gases, own business operations	2,933	2,961	-1	2,960	-1

¹ Since the Bank of Åland buys 100 per cent green electricity, the electricity purchased is offset to zero CO₂e according to the market-based method. Electricity according to the location-based method is specified on a separate line and is not included in the summary. Historical comparative figures have been recalculated, because new information regarding electricity consumption has been added.

² Calculation of CO₂e emissions for the renovation and expansion of the Head Office in Mariehamn is based on a standard estimate of the quantity of material purchases.

Group	Mar 31, 2025	Dec 31, 2025	%	Mar 31, 2024	%
Scope 3, downstream, current situation on annual basis (tonnes of CO₂e)					
Loan portfolio Scope 1 and 2 ¹	195,069	196,907	-1	227,290	-14
Financial investments Scope 1, 2 and 3 ²	2,465,650	2,597,631	-5	2,197,297	12
Treasury Scope 1, 2 and 3 ³	63,662	36,535	74	54,177	18
Total, Scope 3, downstream	2,724,381	2,831,073	-4	2,478,764	10

¹ The Bank of Åland's model provides a rough estimate of the loan portfolio's CO₂e emissions. The model is not exact enough to be used for comparisons with other banks. Data for all impact areas for the loan portfolio (Scope 3 downstream from the perspective of the loan portfolio) are still not available, and zero is thus reported. A correction has been made, whereupon the historical comparative figures for the fourth quarter have been changed.

² The emission calculations for financial investments include shares, bonds, physical properties and wind farms. Cash and cash equivalents, derivative contracts, commercial paper, residential properties lacking energy certificates and plots of land are excluded from the emission calculations. Emissions by the issuers of investments are ownership-weighted per holding on March 31, 2025 (on December 31, 2024 for the Bank's Wind Power Fund, since the fund is measured every six months). Reported emission data have primarily been used, and estimated emission data secondarily. Historical comparative figures have been recalculated. A description of the methodology and historical comparative figures can be found in the Sustainability Report in the 2024 Annual Report.

³ The emission calculations for the Treasury portfolio include cash positions in central banks as well as bonds. The emissions by the issuers of investments are ownership-weighted based on the Bank of Åland's holdings on March 31, 2025. Emission data have been obtained from the issuers' annual and sustainability reports as of December 31, 2024. In cases where emissions data are not available from published sources, estimates have been used according to PCAF's suggested method, where the estimate is based on economic activity data. Figures for comparative periods have been recalculated in cases where the issuers have revised their emission figures. The methodology and historical comparative figures can be found in the Sustainability Report in the 2024 Annual Report.

Group	Q1 2025	Q4 2024	%	Q1 2024	%
Energy consumption, GWh ⁴	502	473	0	482	4
<i>of which renewable, in per cent</i>	<i>100</i>	<i>100</i>		<i>100</i>	

⁴ Historical comparative figures have been recalculated when new information has been added.



Definitions

Actively managed assets

Managed assets in the Bank's own mutual funds plus securities custodial accounts with discretionary and advisory asset management agreements and external funds with contractual earnings.

Capital Cover Ratio

Own funds divided by risk exposure amount.

CO₂

Chemical designation for carbon dioxide.

CO₂e

Carbon dioxide equivalents, collective term for the environmental impact of the most common greenhouse gases recalculated into carbon dioxide.

Common equity Tier 1 (CET1) capital

Equity capital excluding proposed dividend, deferred tax and intangible assets and certain other adjustments according to the European Union's Capital Requirements Regulation No. 575/2013 (CRR).

Common equity Tier 1 capital ratio, %

Common Equity Tier 1 (CET1) capital divided by risk exposure amount.

Customer satisfaction index (CSI)

The customer survey includes various questions that summarise how satisfied customers are with the Bank of Åland's overall service offering. The score shows the overall ranking in the survey, with a low figure corresponding to higher customer satisfaction. Official scores are not available for the Bank's Swedish operations.

Earnings per share, EUR

Shareholders' portion of earnings for the period divided by the average number of shares.

Employee commitment index

A measure of employee motivation and loyalty at the Bank of Åland. Calculated on the basis of nine standard categories from our measurement tool that describe what employees need in order to remain committed and motivated.

Equity capital per share, EUR

A measure of employee motivation and loyalty at the Bank of Åland. Calculated on the basis of nine standard categories from our measurement tool that describe what employees need in order to remain committed and motivated. The Bank of Åland's target is >7.

Expense/income ratio

Total expenses divided by total income.

Gross share of loans in Stage 3

Shareholders' portion of equity capital divided by the number of shares less own shares on closing day.

Leadership index

A measure of employees' perception of leadership at the Bank of Åland. Calculated on the basis of questions about trust, cooperation, communication, feedback and support. The Bank's target is to achieve a score above the industry level. The industry level in Q1 2025 is 8.3.

Level of provisions for lending to the public in Stage 3

Provisions for impairment losses in Stage 3 as a percentage of gross lending to the public in Stage 3.

Leverage ratio

Profit for the report period attributable to shareholders' portion of average equity capital, calculated as the average figure at the end of the latest four months.

Liquidity coverage ratio (LCR), %

High-quality liquid assets as a percentage of estimated net liquidity outflow during a 30-day period.

Loan/deposit ratio

Lending to the public divided by deposits from the public.

Loan loss level

Net impairment losses on net financial assets in lending to the public divided by lending to the public at the beginning of the period.

Managed mortgage loans

Total mortgage loan volume in Borgo AB (publ) that the Bank of Åland manages through various services.

Market capitalisation/shareholders' portion of equity, %

Share price at the end of the reporting period as a percentage of shareholders' portion of equity capital on closing day.

Net promoter score (NPS)

The propensity to recommend the Bank of Åland. Calculated on a scale from 0-10 where the proportion of negative responses (0-6) is subtracted from the proportion of positive responses (9-10). Our target is more than 50.

Net stable funding ratio (NSFR)

Available stable funding as a percentage of necessary stable funding.

Own funds (replaces capital base concept)

Total of Tier 1 capital and Tier 2 (supplementary) capital.

Return on equity after taxes (ROE), %

Profit for the report period attributable to shareholders divided by average shareholder's portion of equity capital.

Risk exposure amount

Assets and off-balance sheet commitments, risk-weighted according to capital adequacy regulations for credit risk and market risk. Operational risks are calculated and expressed as risk exposure.

Tier 1 capital

Common equity Tier 1 (CET1) capital including certain loss-absorbing subordinated debentures ("additional Tier 1 capital").

Tier 2 (supplementary) capital

Mainly subordinated debentures that do not meet requirements to be included as additional Tier 1 capital.



Report on review of the interim report of Bank of Åland Plc for the accounting period January 1 – March 31, 2025

To the Board of Directors of Bank of Åland Plc

INTRODUCTION

We have reviewed the summary balance sheet as of March 31, 2025 and the related summary income statement, summary statement of other comprehensive income, statement of changes in equity capital and summary cash flow statement of Bank of Åland Plc group for the three-month period then ended, as well as certain explanatory notes. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the Interim Report in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of half-year financial reports. We will express our conclusion on the Interim Report based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report, in all material respects, is not prepared in accordance with IAS 34 Interim Financial Reporting and other applicable rules and regulations governing interim financial reporting preparation in Finland.

Helsinki, April 29, 2025

KPMG OY AB

Henry Maarala
Authorised Public Accountant, KHT