

# Half-Year Financial Report January-June 2025

July 18, 2025

We go our own way

**ÅLANDSBANKEN**



# In brief

## January-June 2025

Compared to January-June 2024

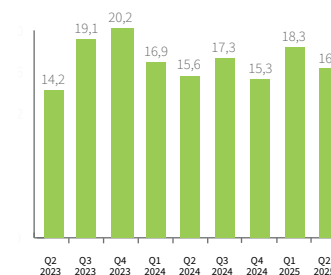
- Net operating profit increased by 7 per cent and amounted to EUR 34.7 M (32.5).
- Core income in the form of net interest income, net commission income and IT income levels remained unchanged at EUR 107.9 M (108.4).
- Other income increased to EUR 4.0 M (0.7).
- Total expenses increased by 2 per cent to EUR 76.5 M (74.9).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.7 M (1.7), equivalent to a loan loss level of 0.04 per cent (0.08).
- Return on equity after taxes (ROE) increased to 19.2 per cent (18.2).
- Earnings per share increased by 9 per cent to EUR 1.86 (1.71).
- The common equity Tier 1 capital ratio decreased to 12.8 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.

## The second quarter of 2025

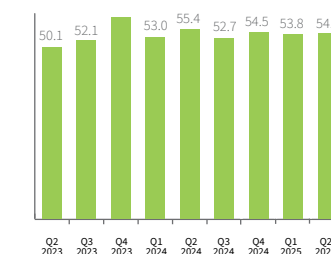
Compared to the second quarter 2024

- Net operating profit increased by 4 per cent and amounted to EUR 16.3 M (15.6).
- Core income in the form of net interest income, net commission income and IT income decreased by 2 per cent to EUR 54.1 M (55.4).
- Other income increased to EUR 1.8 M (–0.1).
- Total expenses increased by 1 per cent to EUR 38.8 M (38.5).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.8 (1.2), equivalent to a loan loss level of 0.08 per cent (0.11).
- Return on equity after taxes (ROE) increased to 19.1 per cent (18.3).
- Earnings per share increased by 10 per cent to EUR 0.90 (0.82).

Net operating profit by quarter  
EUR M



Core income by quarter  
EUR M





# Strong results and record inflows of assets under management

"We are delivering a strong second quarter in terms of earnings, with a net operating profit of EUR 16.3 million (15.6) that resulted in a return on equity of 19.1 per cent (18.3). With that, we can summarize the first half of the year with excellent results, with net operating profit of EUR 34.7 million and a return on equity of 19.2 per cent (18.2). This is the highest result we have ever reported for a first half-year.

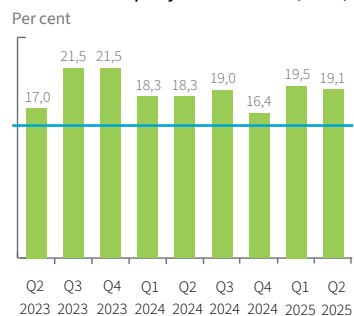
"The second quarter was one of our all-time best, with net inflow of new client investments of EUR 328 million. The high net inflow means that for the first time, we can report a volume of actively managed assets on behalf of customers of over EUR 11 billion.

"Lowered market interest rates are putting pressure on net interest income for us as well as for other banks. Net interest income was down 9 per cent for the half year. Despite this, from the start of the year we were able to compensate for the decline with increased commission income, which rose by 13 per cent, primarily from our customers financial investment business.

"The world around us continues to present an array of uncertainties, and we see that our customers continue to be cautious about borrowing money. Despite this, our lending began to increase again during the quarter, albeit at cautious levels. Market interest rates have now halved since peaking just over a year and a half ago. We believe this development will contribute to increased lending activity in the second half of the year."

Peter Wiklöf  
Managing Director and Chief Executive

## Return on equity after taxes (ROE)



Peter Wiklöf, Managing Director and Chief Executive.



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## Financial calendar

The Bank of Åland's upcoming interim reports 2025:

• January–September Interim Report October 24, 2025

Interim Reports and the Annual Report are published on the Bank's website: [www.alandsbanken.fi](http://www.alandsbanken.fi)  
Interim Reports and the Annual Report can be ordered from: [info@alandsbanken.fi](mailto:info@alandsbanken.fi)  
or  
Bank of Åland Plc, Secretariat, P.O. Box 3,  
AX-22101 Mariehamn, Åland, Finland.

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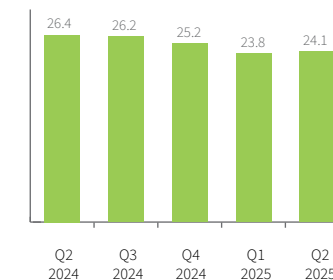


# Financial overview

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
Income								
Net interest income	24.1	23.8	1	26.4	-9	47.9	52.7	-9
Net commission income	21.2	21.4	-1	19.4	10	42.6	37.7	13
IT income	8.9	8.6	3	9.7	-9	17.4	18.1	-3
Other income	1.8	2.2	-18	-0.1		4.0	0.7	
<b>Total income</b>	<b>55.9</b>	<b>56.0</b>	<b>-0</b>	<b>55.3</b>	<b>1</b>	<b>111.9</b>	<b>109.1</b>	<b>3</b>
Staff costs	-24.8	-23.4	6	-22.8	9	-48.1	-44.4	8
Other expenses	-11.1	-11.3	-2	-12.5	-11	-22.4	-24.0	-7
Depreciation/amortisation	-3.0	-3.0	1	-3.3	-8	-6.0	-6.5	-8
<b>Total expenses</b>	<b>-38.8</b>	<b>-37.7</b>	<b>3</b>	<b>-38.5</b>	<b>1</b>	<b>-76.5</b>	<b>-74.9</b>	<b>2</b>
<b>Profit before impairment losses</b>	<b>17.1</b>	<b>18.3</b>	<b>-7</b>	<b>16.8</b>	<b>2</b>	<b>35.4</b>	<b>34.2</b>	<b>3</b>
Impairment losses on financial assets, net	-0.8	0.1		-1.2	-34	-0.7	-1.7	-58
<b>Net operating profit</b>	<b>16.3</b>	<b>18.3</b>	<b>-11</b>	<b>15.6</b>	<b>4</b>	<b>34.7</b>	<b>32.5</b>	<b>7</b>
Income taxes	-2.4	-3.7	-35	-3.1	-22	-6.1	-6.3	-3
<b>Profit for the period</b>	<b>13.9</b>	<b>14.6</b>	<b>-5</b>	<b>12.6</b>	<b>11</b>	<b>28.6</b>	<b>26.2</b>	<b>9</b>
Volume								
Lending to the public	3,594	3,552	1	3,530	2			
Deposits from the public	3,578	3,573	0	3,475	3			
Actively managed assets	11,057	10,662	4	10,343	7			
Managed mortgage loans	3,335	3,335	-0	2,952	13			
Equity capital	326	315	4	311	5			
Balance sheet total	4,903	5,011	-2	4,782	3			
Risk exposure amount	1,799	1,803	-0	1,681	7			

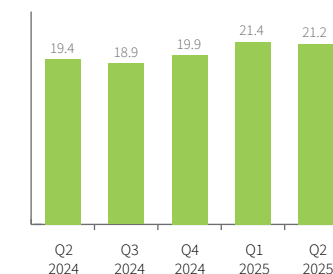
## Net interest income

EUR M



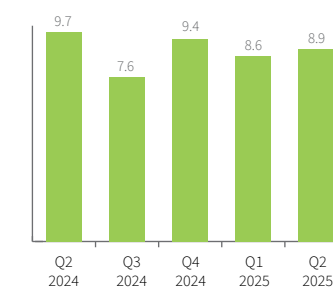
## Net commission income

EUR M



## IT income

EUR M



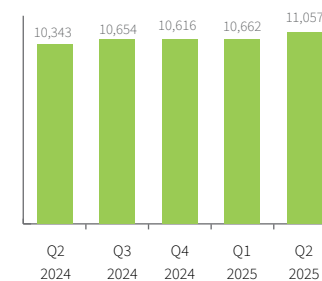


Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
<b>Profitability</b>								
Return on equity after taxes, % (ROE)	19.1	19.5		18.3		19.2	18.2	
<b>Capital strength</b>								
Common equity Tier 1 capital ratio, %	12.8	13.0		14.0				
Common equity Tier 1 capital ratio, surplus compared to minimum requirement, %	3.7	3.9		4.7				
Leverage ratio, %	5.1	5.0		5.4				
<b>Liquidity and funding</b>								
Liquidity coverage ratio (LCR), %	145	181		157				
Net stable funding ratio (NSFR), %	116	119		122				
Lending/deposit ratio, %	100	99		102				
<b>Credit quality</b>								
Loan loss level, %	0.08	-0.01		0.11		0.04	0.08	
Gross share of loans in Stage 3, %	1.71	1.88		1.89				
<b>Employees</b>								
Working hours re-calculated to full-time equivalent positions	1,024	1,001	2	972	5	1,014	951	7
Employee commitment index	7.6	7.6		7.5		7.6	7.5	
Leadership index	8.0	8.0		8.0		8.0	8.0	
<b>Customers</b>								
Customer Satisfaction Index (CSI), Finland	1	1		1		1	1	
Net Promoter Score (NPS)	53	53		56		53	56	
<b>Data on Bank of Åland shares</b>								
Earnings per share, EUR	0.90	0.95	-5	0.82	10	1.86	1.71	9
Earnings per share, EUR, moving 12-month average to end of report period	3.56	3.47	2	3.75	-5			
Equity capital per share, EUR	19.30	18.56	4	18.36	5			

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

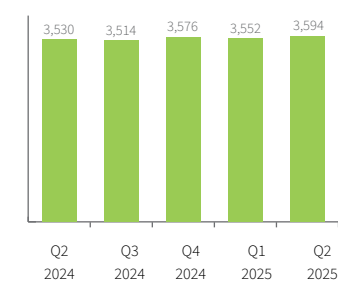
### Actively managed assets

EUR M



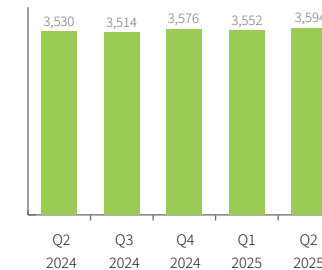
### Deposits from the public

EUR M



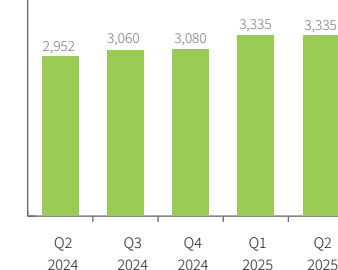
### Lending to the public

EUR M



### Managed mortgage loans

EUR M





# Comments

## Macro situation

The year 2025 has been marked by geopolitical unrest and uncertainty.

The European Central Bank (ECB) so far has lowered its key interest rate by 1.0 percentage points, and Sweden's Riksbank lowered its policy rate by 0.50 points.

### Benchmark interest rates, quarterly averages, per cent

	Q2 2025	Q1 2025	Q2 2024
Euribor 3 mo	2.11	2.56	3.81
Euribor 12 mo	2.10	2.44	3.68
Stibor 3 mo	2.28	2.36	3.83

During the first half of 2025, share prices according to the Nasdaq Helsinki Stock Exchange's OMXHPI index rose by 11 per cent, while the Nasdaq Stockholm Stock Exchange's OMXSPI essentially remained unchanged. Volatility in stock markets has been high.

The average value of the Swedish krona (SEK) in relation to the euro (EUR) in the first half of the year was 3 per cent higher compared to the corresponding quarter of 2024. At the end of the first half of 2025, the exchange rate was 3 per cent higher 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 reporting period.

## Important events

Ålandsbanken Fondbolag launched a new fund, Ålandsbanken USA Aktie. The fund is an actively managed fund that invests in high-performing companies in the American market. The fund's

portfolio management is outsourced to RBC Global Asset Management (UK) Ltd, which has the resources for scalable and cost-effective management. The fund is an article 8 fund, which promotes environmental objectives.

Through its mutual fund Ålandsbanken Norden Aktie, the Bank's subsidiary Ålandsbanken Fondbolag was one of four fund managers awarded a prestigious fund agreement by the Swedish premium pension fund platform for Nordic equity funds. The award means that SEK 8.8 billion of premium pension savers' funds will be allocated to the fund.

Together with our customers, we continue our engagement in working toward a cleaner Baltic Sea. The Baltic Sea Project contributed EUR 550,000 this year to different projects that promote the well-being of the Baltic Sea. Since 1997, the Bank of Åland has provided EUR 5.5 million for various environmental projects. Interest in the project is growing steadily. This year, there were a record number of applicants to the Project.

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–June 2025

Net operating profit increased by EUR 2.2 M or 7 per cent to EUR 34.7 M (32.5). This was the Bank of Åland's highest-ever net operating profit for a first half-year.

Profit for the period attributable to shareholders increased by EUR 2.4 M or 9 per cent to EUR 28.5 M (26.2).

Return on equity after taxes (ROE) increased to 19.2 (18.2) per cent.

Core income in the form of net interest income, net commission income and IT income decreased by EUR 0.5 M to EUR 107.9 M (108.4).

Net interest income fell by EUR 4.8 M or 9 per cent to EUR 47.9 M (52.7). The main reasons were lower volume, chiefly due to the transfer of Swedish mortgage loans to Borgo in June 2024, as well as lower market interest rates.

Net commission income rose by EUR 5.0 M or 13 per cent and amounted to EUR 42.6 M (37.7). Higher volume of securities brokerage commissions were the main reason.

Information Technology (IT) income fell by EUR 0.6 M or 3 per cent to EUR 17.4 M (18.1), due to lower project income.

Other income, including net income on financial items, increased by EUR 3.2 M to EUR 4.0 M (0.7). Revaluation of financial assets as well as one-time gains connected to associated companies were the main reasons.

Total expenses increased by EUR 1.6 M or 2 per cent and amounted to EUR 76.5 M (74.9). The main reason was higher staff costs. Costs due to operating losses decreased.

Net impairment losses on financial assets amounted to EUR 0.7 M (1.7), equivalent to a loan loss level of 0.04 (0.08) per cent.

Tax expenses amounted to EUR 6.1 M (6.3), equivalent to an effective tax rate of 17.6 (19.4) per cent.



## Earnings for the second quarter of 2025

Net operating profit increased by EUR 0.7 M or 4 per cent to EUR 16.3 M (15.6).

Profit for the period attributable to shareholders increased by EUR 1.3 M or 11 per cent to EUR 13.9 M (12.6).

Return on equity after taxes (ROE) increased to 19.1 (18.3) per cent.

Core income in the form of net interest income, net commission income and IT income decreased by EUR 1.3 M or 2 per cent to EUR 54.1 M (55.4).

Net interest income fell by EUR 2.3 M or 9 per cent to EUR 24.1 M (26.4). Lower volume and lower market interest rates were the explanation.

Net commission income rose by EUR 1.8 M or 10 per cent, amounting to EUR 21.2 M (19.4). Higher volume of securities brokerage commissions were the main reason.

IT income fell by EUR 0.8 M or 9 per cent to EUR 8.9 M (9.7), due to lower project income.

Other income, including net income on financial items, increased by EUR 1.9 M to EUR 1.8 M (–0.1). Revaluation of financial assets as well as one-time gains connected to associated companies were the main reasons.

Total expenses increased by EUR 0.3 M or 1 per cent, primarily due to higher staff costs, and amounted to EUR 38.8 M (38.5). Costs due to operating losses decreased.

Net impairment losses on financial assets amounted to EUR 0.8 M (1.2), equivalent to a loan loss level of 0.08 (0.11) per cent.

Tax expenses amounted to EUR 2.4 M (3.1), equivalent to an effective tax rate of 14.7 (19.6) per cent.

## Operating segments

The Group's increase of EUR 2.2 M in net operating profit to EUR 34.7 M was allocated as follows:

- **Private Banking +2.1**  
(higher income)

- **Premium Banking –3.8**  
(higher expenses)
- **IT –2.4**  
(higher expenses)
- **Corporate Units & Eliminations +6.3**  
(higher expenses)

## Business volume

Actively managed assets on behalf of customers increased by EUR 441 M or 4 per cent compared to year-end 2024 and amounted to EUR 11,057 M (10,616). Positive net flows were the main reason.

Deposits from the public increased by EUR 56 M or 2 per cent compared to year-end 2024 and amounted to EUR 3,578 M (3,521).

Lending to the public increased by EUR 19 M or 1 per cent compared to year-end 2024 and totalled EUR 3,594 M (3,576).

Managed mortgage loans increased by EUR 254 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 73 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 8.5 M in impairment loss provisions on June 30, 2025 (12.5 on December 31, 2024), of which EUR 0.9 M (0.5) in Stage 1, EUR 1.1 M (1.4) in Stage 2 and EUR 6.5 M (10.6) in Stage 3. The decrease in impairment loss provisions was due to utilisation of actual loan losses.

Stage 3 loans as a share of gross lending to the public totalled 1.71 per cent (1.63). The level of provisions for Stage 3 loans amounted to 11 (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 1,032 M on June 30, 2025 (1,077 on December 31, 2024). This was equivalent to 21 (22) per cent of total assets and 29 (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 100 (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 145 (169) per cent and the net stable funding ratio (NSFR) amounted to 116 (118) per cent, which exceeded regulatory requirements by a solid margin.

On June 30 2025, the average remaining maturity of the Bank of Åland's bonds outstanding was about 1.4 (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 28.6 M; other comprehensive income, EUR 4.2 M; issuance of new shares as part of the incentive programme, EUR 0.4 M, and the share savings programme, EUR 0.3 M; a dividend of EUR 42.3 M distributed to shareholders; and dividends of EUR 0.8 M distributed to holders of additional Tier 1 (AT1) capital instruments. On June 30, 2025, equity capital amounted to EUR 326.2 M (336.0).

Other comprehensive income was affected by a strong Swedish krona and lowered interest rates and amounted to EUR 4.2 M after taxes.

Common equity Tier 1 capital decreased by EUR 8.3 M during the second 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 16.1 M.

The risk exposure amount increased by EUR 156 M or 10 per cent during the second quarter and totalled EUR 1,799 M (1,643). The credit risk exposure amount rose by EUR 136 M or 10 per cent. The operational risk exposure amount rose by EUR 19 M or 7 per cent. The creditworthiness adjustment risk exposure amount rose by EUR 1 M.

The common equity Tier 1 (CET1) capital ratio decreased to 12.8 (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 June 30, 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	+3.7 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

An important milestone in the area of responsible lending was achieved during the first quarter, when the Bank of Åland's first corporate customers signed climate ambitions with the Bank. During the second quarter, the Bank of Åland continued its work in increasing awareness, and more customers on Åland have

signed the climate ambitions. The documents ensure a shared climate ambition in which the Bank together with 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 total sum of funds granted amounted to EUR 550,000.

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 half of the year, the Bank's involvement in the Åland community included sponsorships to support culture, sports and studies.

During the first half of the year, emissions from the Bank's own business operations totalled 3,899 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), which was a decrease of 28 per cent compared to the same period of 2024. Most of the 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. As this has now been completed, emissions in these categories have subsequently been lowered.

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 June 30, 2025, emissions totalled 3,085,145 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), which was an increase of 12 per cent compared to the same period of last year. The increase over the previous year is primarily due to companies reporting more comprehensive carbon emissions on account of increased reporting requirements.

### 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, July 18, 2025

THE BOARD OF DIRECTORS



# Summary income statement

Group	Note	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M									
Net interest income	4	24.1	23.8	1	26.4	-9	47.9	52.7	-9
Net commission income	5	21.2	21.4	-1	19.4	10	42.6	37.7	13
IT income		8.9	8.6	3	9.7	-9	17.4	18.1	-3
Net income from financial items at fair value	6	-3.1	1.9		-0.6		-1.2	-0.1	
Other operating income		4.9	0.3		0.5		5.2	0.8	
<b>Total income</b>		<b>55.9</b>	<b>56.0</b>	<b>-0</b>	<b>55.3</b>	<b>1</b>	<b>111.9</b>	<b>109.1</b>	<b>3</b>
Staff costs		-24.8	-23.4	6	-22.8	9	-48.1	-44.4	8
Other expenses		-11.1	-11.3	-2	-12.5	-11	-22.4	-24.0	-7
Depreciation/amortisation		-3.0	-3.0	1	-3.3	-8	-6.0	-6.5	-8
<b>Total expenses</b>		<b>-38.8</b>	<b>-37.7</b>	<b>3</b>	<b>-38.5</b>	<b>1</b>	<b>-76.5</b>	<b>-74.9</b>	<b>2</b>
<b>Profit before impairment losses</b>		<b>17.1</b>	<b>18.3</b>	<b>-7</b>	<b>16.8</b>	<b>2</b>	<b>35.4</b>	<b>34.2</b>	<b>3</b>
Impairment losses on financial assets, net	7	-0.8	0.1		-1.2	-34	-0.7	-1.7	-58
<b>Net operating profit</b>		<b>16.3</b>	<b>18.3</b>	<b>-11</b>	<b>15.6</b>	<b>4</b>	<b>34.7</b>	<b>32.5</b>	<b>7</b>
Income taxes		-2.4	-3.7	-35	-3.1	-22	-6.1	-6.3	-3
<b>Profit for the period</b>		<b>13.9</b>	<b>14.6</b>	<b>-5</b>	<b>12.6</b>	<b>11</b>	<b>28.6</b>	<b>26.2</b>	<b>9</b>
Attributable to:									
Non-controlling interests		0.0	-0.0		0.0		0.0	-0.0	
Shareholders in Bank of Åland Plc		<b>13.9</b>	<b>14.6</b>	<b>-5</b>	<b>12.6</b>	<b>11</b>	<b>28.5</b>	<b>26.2</b>	<b>9</b>
Earnings per share, EUR		0.90	0.95	-5	0.82	10	1.86	1.71	9
Earnings per share, EUR, moving 12-month average to end of report period		3.56	3.47	2	3.75	-5			



# Summary statement of other comprehensive income

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
<b>Profit for the period</b>	<b>13.9</b>	<b>14.6</b>	<b>-5</b>	<b>12.6</b>	<b>11</b>	<b>28.6</b>	<b>26.2</b>	<b>9</b>
Cash flow hedges								
Changes in valuation at fair value	0.4	-0.1				0.2		
Assets available for sale								
Changes in valuation at fair value	1.6	0.5		0.8		2.2	0.3	
Transferred to the income statement	-0.8	-0.3		-0.6	24	-1.0	-0.6	67
Translation differences								
Gains/losses arising during the period	-1.4	3.4		1.9		1.9	-2.7	
Taxes on items that have been or may be reclassified to the income statement	-0.2	-0.0		-0.0		-0.3	0.1	
of which cash flow hedges	-0.1	0.0				-0.0		
of which assets measured via other comprehensive income	-0.2	-0.1		-0.0		-0.2	0.1	
<b>Items that have been or may be reclassified to the income statement</b>	<b>-0.5</b>	<b>3.5</b>		<b>2.0</b>		<b>3.0</b>	<b>-3.0</b>	
Changes in value of equity instruments	-1.0	1.2		-7.8	-87	0.2	-9.7	
Translation differences	-0.9	1.8		0.5		0.9	-0.8	
Re-measurements of defined benefit pension plans	-0.4	0.6		0.6		0.2	1.1	-84
Taxes on items that may not be reclassified to the income statement	0.6	-0.7		1.4	-61	-0.1	2.1	
of which changes in value of equity instruments	0.2	-0.2		1.6	-87	-0.0	1.9	
of which translation differences	0.2	-0.4		-0.1		-0.2	0.2	
of which re-measurements of defined-benefit pension plans	0.1	-0.1		-0.1		-0.0	-0.2	-84
of which taxes on dividends to holders of T1 capital instruments	0.1	0.1	-0	0.1	-18	0.2	0.2	-19
<b>Items that may not be reclassified to the income statement</b>	<b>-1.8</b>	<b>3.0</b>		<b>-5.3</b>	<b>-65</b>	<b>1.2</b>	<b>-7.2</b>	
<b>Other comprehensive income for the period</b>	<b>-2.3</b>	<b>6.5</b>		<b>-3.3</b>	<b>-30</b>	<b>4.2</b>	<b>-10.2</b>	
<b>Total comprehensive income for the period</b>	<b>11.6</b>	<b>21.1</b>	<b>-45</b>	<b>9.3</b>	<b>25</b>	<b>32.7</b>	<b>16.0</b>	
Attributable to:								
Non-controlling interests	0.0	-0.0		0.0		0.0	-0.0	
Shareholders in Bank of Åland Plc	11.6	21.1	-45	9.3	25	32.7	16.0	

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# Income statement by quarter

Group	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
EUR M					
Net interest income	24.1	23.8	25.2	26.2	26.4
Net commission income	21.2	21.4	19.9	18.9	19.4
IT income	8.9	8.6	9.4	7.6	9.7
Net income from financial items at fair value	-3.1	1.9	-0.9	0.4	-0.6
Other operating income	4.9	0.3	0.5	-0.0	0.5
<b>Total income</b>	<b>55.9</b>	<b>56.0</b>	<b>54.1</b>	<b>53.1</b>	<b>55.3</b>
Staff costs	-24.8	-23.4	-22.1	-21.3	-22.8
Other expenses	-11.1	-11.3	-12.4	-10.8	-12.5
Depreciation/amortisation	-3.0	-3.0	-2.8	-3.0	-3.3
<b>Total expenses</b>	<b>-38.8</b>	<b>-37.7</b>	<b>-37.3</b>	<b>-35.1</b>	<b>-38.5</b>
<b>Profit before impairment losses</b>	<b>17.1</b>	<b>18.3</b>	<b>16.8</b>	<b>18.0</b>	<b>16.8</b>
Impairment losses on financial assets, net	-0.8	0.1	-1.5	-0.8	-1.2
<b>Net operating profit</b>	<b>16.3</b>	<b>18.3</b>	<b>15.3</b>	<b>17.3</b>	<b>15.6</b>
Income taxes	-2.4	-3.7	-2.9	-3.5	-3.1
<b>Profit for the period</b>	<b>13.9</b>	<b>14.6</b>	<b>12.4</b>	<b>13.7</b>	<b>12.6</b>
Attributable to:					
Non-controlling interests	0.0	-0.0	-0.0	0.0	0.0
Shareholders in Bank of Åland Plc	<b>13.9</b>	<b>14.6</b>	<b>12.4</b>	<b>13.7</b>	<b>12.6</b>



# Summary balance sheet

Group	Note	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M						
Assets						
Cash and balances with central banks		240	290	-17	297	-19
Debt securities		799	804	-1	691	16
Lending to credit institutions		30	30	-1	39	-23
Lending to the public	8, 9	3,594	3,576	1	3,530	2
Shares and participations		39	37	6	37	4
Participations in associated companies		28	7		7	
Derivative instruments	11	31	21	42	13	
Intangible assets		22	21	1	21	2
Tangible assets		44	45	-4	43	2
Investment properties		0	0		0	-2
Current tax assets		3	1	81	4	-34
Deferred tax assets		8	7	12	6	19
Other assets		33	33	3	41	-18
Accrued income and prepayments		34	51	-34	52	-36
<b>Total assets</b>		<b>4,903</b>	<b>4,925</b>	<b>-0</b>	<b>4,782</b>	<b>3</b>

	Note	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
Liabilities						
Liabilities to credit institutions and central banks		75	78	-4	42	78
Deposits from the public		3,578	3,521	2	3,475	3
Debt securities issued	10	741	812	-9	757	-2
Derivative instruments	11	7	4	47	9	-25
Current tax liabilities			2	-100	2	-100
Deferred tax liabilities		31	33	-5	35	-11
Other liabilities		58	52	10	61	-5
Provisions		2	3	-25	3	-21
Accrued expenses and prepaid income		55	52	5	58	-6
Subordinated liabilities		31	31	3	31	2
<b>Total liabilities</b>		<b>4,577</b>	<b>4,589</b>	<b>-0</b>	<b>4,471</b>	<b>2</b>
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		-18	-22	-18	-21	-13
Unrestricted equity capital fund		33	32	1	31	3
Retained earnings		183	197	-7	171	7
<b>Shareholders' portion of equity capital</b>		<b>297</b>	<b>307</b>	<b>-3</b>	<b>282</b>	<b>5</b>
Non-controlling interests' portion of equity capital		0	0	7	0	1
Additional Tier 1 capital holders		29	29		29	
<b>Total equity capital</b>		<b>326</b>	<b>336</b>	<b>-3</b>	<b>311</b>	<b>5</b>
<b>Total liabilities and equity capital</b>		<b>4,903</b>	<b>4,925</b>	<b>-0</b>	<b>4,782</b>	<b>3</b>



# 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
<b>Equity capital, Dec 31, 2023</b>	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								26.2	26.2	-0.0		26.2
Other comprehensive income					-8.0	-3.3		1.1	-10.2			-10.2
Transactions with owners												
Tier 1 capital instrument dividends								-1.0	-1.0			-1.0
Dividends paid to shareholders								-40.7	-40.7			-40.7
Incentive programme							0.5		0.5			0.5
Share savings programme							0.7	0.3	1.0			1.0
<b>Equity capital, Jun 30, 2024</b>	42.0	32.7	25.1	0.0	-8.6	-12.3	31.4	171.2	281.7	0.0	29.4	311.1
Profit for the period								26.1	26.1	-0.0		26.1
Other comprehensive income				0.8	-0.8	-1.2		0.0	-1.2			-1.2
Transactions with owners												
Tier 1 capital instrument dividends								-1.0	-1.0			-1.0
Share savings programme							0.7	0.3	1.0			1.0
<b>Equity capital, Dec 31, 2024</b>	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								28.5	28.5	0.0		28.6
Other comprehensive income				0.2	1.0	2.6		0.3	4.2			4.2
Transactions with owners												
Tier 1 capital instrument dividends								-0.8	-0.8			-0.8
Dividends paid to shareholders								-42.3	-42.3			-42.3
Incentive programme							0.4		0.4			0.4
Share savings programme								0.3	0.3			0.3
<b>Equity capital, Jun 30, 2025</b>	42.0	32.7	25.1	1.0	-8.4	-10.8	32.5	182.6	296.8	0.0	29.4	326.2



# Summary cash flow statement

Group	Jan-Jun 2025	Jan-Dec 2024	Jan-Jun 2024
EUR M			
Operating activities			
Net operating profit	34.7	65.0	32.5
Adjustment for net operating profit items not affecting cash flow	11.5	21.0	10.3
Income taxes paid	-6.6	-13.3	-6.5
Changes in assets and liabilities from operating activities	-21.1	-64.1	-28.0
<b>Cash flow from operating activities</b>	<b>18.5</b>	<b>8.7</b>	<b>8.2</b>
Investing activities			
Changes in shares	-17.7	-3.1	-2.2
Changes in tangible assets	-2.2	-11.6	-6.4
Changes in intangible assets	-1.7	-4.2	-2.3
<b>Cash flow from investing activities</b>	<b>-21.6</b>	<b>-18.9</b>	<b>-10.8</b>
Funding activities			
Share issue	0.4	1.9	1.2
Payment of principal on lease liability	-2.7	-5.4	-2.8
Tier 1 capital instrument dividends	-0.8	-2.0	-1.0
Dividends paid to shareholders	-42.3	-40.7	-40.7
<b>Cash flow from financing activities</b>	<b>-45.4</b>	<b>-46.1</b>	<b>-43.2</b>
Cash and cash equivalents at beginning of period	285.7	343.4	343.4
Cash flow during the period	-48.5	-56.4	-45.8
Exchange rate differences in cash and cash equivalents	3.1	-1.4	-1.0
<b>Cash and cash equivalents at end of period</b>	<b>240.3</b>	<b>285.7</b>	<b>296.6</b>
Cash and cash equivalents consisted of the following items:			
Cash and deposits with central banks	209.0	259.9	268.7
Lending to credit institutions that is repayable on demand	31.3	25.7	27.9
<b>Total cash and cash equivalents</b>	<b>240.3</b>	<b>285.7</b>	<b>296.6</b>



# Notes to the consolidated Half-Year Financial 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 Half-Year Financial Report for the accounting period January 1–June 30, 2025 was approved by the Board of Directors on July 17, 2025.

## 2. Basis for preparation of the Half-Year Financial Report and essential accounting principles

### Basis for preparation Half-Year Financial Report

This Half-Year Financial Report for the period January 1–June 30, 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 Half-Year Financial 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 Half-Year Financial 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 posi-

tion, 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 Half-Year Financial 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.

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-Jun 2025					
EUR M	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
<b>Earnings</b>						
Net interest income	19.0	25.8	-0.0	3.1	-0.0	47.9
Net commission income	30.2	8.5	-0.0	3.7	0.2	42.6
IT income			27.4	1.1	-11.0	17.4
Net income from financial items at fair value	0.0	-0.0	-0.1	-1.0	-0.0	-1.2
Other income	0.0	0.0	0.3	5.6	-0.7	5.2
<b>Total income</b>	<b>49.2</b>	<b>34.3</b>	<b>27.5</b>	<b>12.4</b>	<b>-11.6</b>	<b>111.9</b>
<b>Expenses</b>						
Staff costs	-11.3	-4.2	-16.9	-15.7	-0.0	-48.1
Other expenses	-5.4	-2.2	-10.6	-13.5	9.3	-22.4
Depreciation/amortisation	-0.2	-0.1	-2.0	-4.8	1.1	-6.0
Internal allocation of expenses	-14.0	-14.5		28.5		0.0
<b>Total expenses</b>	<b>-30.9</b>	<b>-21.0</b>	<b>-29.5</b>	<b>-5.6</b>	<b>10.4</b>	<b>-76.5</b>
<b>Profit before impairment losses</b>	<b>18.3</b>	<b>13.4</b>	<b>-2.1</b>	<b>6.9</b>	<b>-1.1</b>	<b>35.4</b>
Impairment losses on financial assets, net	0.2	-1.3		0.4	0.0	-0.7
<b>Net operating profit</b>	<b>18.5</b>	<b>12.1</b>	<b>-2.1</b>	<b>7.3</b>	<b>-1.1</b>	<b>34.7</b>
Income taxes	-3.8	-2.5	0.4	-0.2		-6.1
<b>Profit for the period attributable to shareholders in Bank of Åland Plc</b>	<b>14.7</b>	<b>9.6</b>	<b>-1.7</b>	<b>7.1</b>	<b>-1.1</b>	<b>28.5</b>

	Jan-Jun 2025					
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
<b>Business volume</b>						
Lending to the public	1,587	2,012		-1	-3	3,594
Deposits from the public	1,556	2,018		18	-15	3,578
Actively managed assets	10,264	793				11,057
Managed mortgage loans				3,335		3,335
Risk exposure amount	724	631	75	370		1,799
Equity capital	101	102	29	94		326
<b>Financial ratios</b>						
Return on equity after taxes, % (ROE)	31.0	21.8	-12.6	15.9		19.2
Expense/income ratio	0.63	0.61	1.07	0.45		0.68



Group	Jan-Jun 2024					
EUR M	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Earnings						
Net interest income	21.4	28.4	-0.1	2.9	-0.0	52.7
Net commission income	26.3	8.4	0.0	2.8	0.3	37.7
IT income			27.2	0.6	-9.7	18.1
Net income from financial items at fair value	0.2	0.1	-0.0	-0.4	-0.0	-0.1
Other income	0.0	0.0	0.7	1.0	-0.8	0.8
<b>Total income</b>	<b>47.9</b>	<b>36.9</b>	<b>27.7</b>	<b>6.8</b>	<b>-10.2</b>	<b>109.1</b>
Expenses						
Staff costs	-10.9	-3.7	-15.6	-14.3	-0.0	-44.4
Other expenses	-7.1	-2.7	-9.8	-12.9	8.5	-24.0
Depreciation/amortisation	-0.2	-0.1	-2.0	-5.7	1.5	-6.5
Internal allocation of expenses	-13.2	-13.1		26.3		0.0
<b>Total expenses</b>	<b>-31.4</b>	<b>-19.5</b>	<b>-27.3</b>	<b>-6.7</b>	<b>10.0</b>	<b>-74.9</b>
<b>Profit before impairment losses</b>	<b>16.5</b>	<b>17.4</b>	<b>0.4</b>	<b>0.1</b>	<b>-0.2</b>	<b>34.2</b>
Impairment losses on financial assets, net	-0.1	-1.5		-0.1		-1.7
<b>Net operating profit</b>	<b>16.4</b>	<b>15.9</b>	<b>0.4</b>	<b>0.0</b>	<b>-0.2</b>	<b>32.5</b>
Income taxes	-3.4	-3.3	-0.0	0.3		-6.3
<b>Profit for the period attributable to shareholders in Bank of Åland Plc</b>	<b>13.0</b>	<b>12.6</b>	<b>0.4</b>	<b>0.4</b>	<b>-0.1</b>	<b>26.2</b>

	Jan-Jun 2024					
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Business volume						
Lending to the public	1,604	1,935		-7	-2	3,530
Deposits from the public	1,498	1,947		49	-20	3,475
Actively managed assets	9,497	833		12		10,343
Managed mortgage loans				2,952		2,952
Risk exposure amount	689	538	75	378		1,681
Equity capital	109	93	31	78		311
Financial ratios						
Return on equity after taxes, % (ROE)	26.3	30.9	2.6	0.9		18.2
Expense/income ratio	0.66	0.53	0.99	0.98		0.69



## 4. Net interest income

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
<b>Total interest income</b>	<b>39.6</b>	<b>41.1</b>	<b>-4</b>	<b>52.7</b>	<b>-25</b>	<b>80.7</b>	<b>108.6</b>	<b>-26</b>
<i>of which interest income according to the effective interest method</i>	<i>39.5</i>	<i>40.9</i>	<i>-4</i>	<i>52.5</i>	<i>-25</i>	<i>80.4</i>	<i>108.3</i>	<i>-26</i>
<b>Total interest expenses</b>	<b>15.5</b>	<b>17.3</b>	<b>-10</b>	<b>26.4</b>	<b>-41</b>	<b>32.8</b>	<b>55.9</b>	<b>-41</b>
<i>of which interest expenses according to the effective interest method</i>	<i>15.4</i>	<i>17.2</i>	<i>-10</i>	<i>26.3</i>	<i>-41</i>	<i>32.7</i>	<i>55.8</i>	<i>-41</i>
<b>Net interest income</b>	<b>24.1</b>	<b>23.8</b>	<b>1</b>	<b>26.4</b>	<b>-9</b>	<b>47.9</b>	<b>52.7</b>	<b>-9</b>
Interest margin, %	1.95	2.03		2.08		1.99	2.00	
Investment margin, %	1.93	1.97		2.11		1.95	2.05	

## 5. Net commission income

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
Banking commissions	2.9	3.1	-5	2.9	1	6.0	5.7	6
Asset management commissions	16.8	17.0	-1	15.3	10	33.8	29.8	14
Other commissions	1.5	1.4	4	1.1	30	2.9	2.2	28
<b>Net commission income</b>	<b>21.2</b>	<b>21.4</b>	<b>-1</b>	<b>19.4</b>	<b>10</b>	<b>42.6</b>	<b>37.7</b>	<b>13</b>

## 6. Net income from financial items at fair value

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
Measurement category fair value via the income statement ("profit and loss")								
Shares	-0.0	-0.0	-99	0.0		-0.0	0.0	
Derivatives	0.0	-0.0		-0.0		-0.0	0.0	
Other financial items	-3.9	1.7		-0.3		-2.2	-0.2	
<b>Total, measurement category fair value via the income statement ("profit and loss")</b>	<b>-3.8</b>	<b>1.6</b>		<b>-0.3</b>		<b>-2.2</b>	<b>-0.2</b>	
Valuation category fair value via other comprehensive income								
Realised changes in value	0.8	0.3		0.6	24	1.0	0.6	67
Expected loan losses	0.0	0.0	-46	0.0	-45	0.0	0.0	-6
<b>Total, measurement category fair value via other comprehensive income</b>	<b>0.8</b>	<b>0.3</b>		<b>0.6</b>	<b>22</b>	<b>1.1</b>	<b>0.7</b>	<b>64</b>
Hedge accounting								
<i>of which hedging instruments</i>	<i>-0.4</i>	<i>-1.0</i>	<i>-63</i>	<i>-2.0</i>	<i>-82</i>	<i>-1.3</i>	<i>-3.4</i>	<i>-61</i>
<i>of which hedged item</i>	<i>0.5</i>	<i>1.2</i>	<i>-54</i>	<i>2.0</i>	<i>-72</i>	<i>1.7</i>	<i>3.7</i>	<i>-53</i>
<b>Hedge accounting</b>	<b>0.2</b>	<b>0.2</b>	<b>-17</b>	<b>-0.1</b>		<b>0.4</b>	<b>0.3</b>	<b>30</b>
Measurement category accrued cost								
Loans	0.0	-0.0		-0.7		-0.0	-0.7	-97
Debt securities	-0.0	-0.0	20	-0.0	-69	-0.0	-0.0	-28
<b>Total, measurement category accrued cost</b>	<b>0.0</b>	<b>-0.0</b>		<b>-0.7</b>		<b>-0.0</b>	<b>-0.7</b>	<b>-95</b>
Foreign currency revaluation	-0.2	-0.2	-2	-0.2	8	-0.5	-0.2	
<b>Total</b>	<b>-3.1</b>	<b>1.9</b>		<b>-0.6</b>		<b>-1.2</b>	<b>-0.1</b>	



## 7. Net impairment losses on financial assets

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
EUR M								
Impairment losses, Stage 1	0.2	0.2	-10	-0.1		0.4	-0.1	
Impairment losses, Stage 2	-0.1	-0.2	-43	-0.2	-57	-0.3	-0.6	-51
<b>Net impairment losses, Stages 1-2</b>	<b>0.1</b>	<b>0.0</b>		<b>-0.3</b>		<b>0.1</b>	<b>-0.6</b>	
Impairment losses, Stage 3								
New and increased individual provisions	3.2	1.2		2.7	17	4.4	4.2	4
Recovered from previous provisions	-2.5	-1.3	93	-1.2		-3.8	-1.9	96
Utilised for actual loan losses	-4.6	-0.1		-0.1		-4.6	-0.3	
Actual loan losses	4.7	0.1		0.2		4.8	0.5	
Recoveries of actual loan losses	-0.1	-0.0	30	-0.1	-39	-0.1	-0.1	-27
<b>Net impairment losses, Stage 3</b>	<b>0.7</b>	<b>-0.1</b>		<b>1.5</b>	<b>-52</b>	<b>0.6</b>	<b>2.3</b>	<b>-73</b>
<b>Total impairment losses</b>	<b>0.8</b>	<b>-0.1</b>		<b>1.2</b>	<b>-34</b>	<b>0.7</b>	<b>1.7</b>	<b>-58</b>
<i>of which lending to the public</i>	<i>0.7</i>	<i>-0.1</i>		<i>1.0</i>	<i>-25</i>	<i>0.7</i>	<i>1.5</i>	<i>-55</i>
<i>of which off-balance sheet commitments</i>	<i>0.0</i>	<i>0.0</i>	<i>43</i>	<i>0.2</i>	<i>-85</i>	<i>0.1</i>	<i>0.2</i>	<i>-77</i>
<i>of which debt securities at amortised cost</i>	<i>0.0</i>	<i>-0.0</i>		<i>-0.0</i>		<i>-0.0</i>	<i>-0.0</i>	<i>37</i>
Loan loss level, %	0.08	-0.01		0.11		0.04	0.08	

## 8. Lending to the public by purpose

Group	Jun 30, 2025		Dec 31, 2024		%	Jun 30, 2024		%
	Lending before provisions	Provisions	Lending after provisions	Lending after provisions		Lending after provisions		
EUR M								
Private individuals								
Home loans	1,946	-2	1,944	1,907	2	1,864	4	
Securities and other investments	311	-0	311	316	-2	319	-2	
Business operations	52	-1	51	60	-15	72	-29	
Other household purposes	330	-3	327	326	0	308	6	
<b>Total, private individuals</b>	<b>2,640</b>	<b>-6</b>	<b>2,634</b>	<b>2,609</b>	<b>1</b>	<b>2,563</b>	<b>3</b>	
Companies								
Shipping	11	-0	11	16	-34	19	-42	
Wholesale and retail trade	34	-0	34	38	-9	36	-5	
Housing operations	234	-0	234	227	3	202	16	
Other real estate operations	194	-0	194	225	-14	216	-10	
Financial and insurance operations	232	-0	232	211	10	221	5	
Hotel and restaurant operations	30	-0	30	29	4	30	0	
Agriculture, forestry and fishing	11	-1	10	11	-4	15	-32	
Construction	29	-0	29	23	25	39	-26	
Other industry and crafts	46	-0	46	46	1	43	8	
Other service operations	103	-1	102	107	-5	115	-11	
<b>Total, companies</b>	<b>926</b>	<b>-3</b>	<b>923</b>	<b>932</b>	<b>-1</b>	<b>935</b>	<b>-1</b>	
Public sector and non-profit organisations	38	-0	38	35	9	32	17	
<b>Total, public sector and non-profit organisations</b>	<b>38</b>	<b>-0</b>	<b>38</b>	<b>35</b>	<b>9</b>	<b>32</b>	<b>17</b>	
<b>Total</b>	<b>3,603</b>	<b>-9</b>	<b>3,594</b>	<b>3,576</b>	<b>1</b>	<b>3,530</b>	<b>2</b>	



## 9. Lending to the public by stage

Group	Jan 1, 2025 - Jun 30, 2025				Jan 1, 2024 - Jun 30, 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	
EUR M						
Carrying amount, gross						
Opening balance, January 1	3,265.3	264.4	58.4	3,588.1	3,879.2	
Closing balance, June 30	3,327.2	214.1	61.7	3,603.0	3,551.0	
Provisions for expected losses						
Opening balance, January 1	0.5	1.4	10.6	12.5	20.2	
Increases due to issuances and acquisitions	0.4	0.0	0.5	1.0	0.2	
Decrease due to write-offs	-0.1	-0.1	-4.6	-4.8	-1.0	
Transfer to Stage 1	1.0	-1.0	-0.0	-0.0	0.0	
Transfer to Stage 2	-0.6	0.7	-0.1	0.0	0.0	
Transfer to Stage 3	-0.0	-0.2	0.2	0.0	0.0	
Net changes due to changed credit risk	-0.2	0.5	0.4	0.6	1.9	
Net changes due to changed estimation method	-0.2	-0.2	-0.4	-0.8	0.0	
Exchange rate differences and other adjustments	0.0	0.0	0.0	0.0	-0.1	
Closing balance, June 30	0.9	1.1	6.5	8.5	21.1	
Carrying amount, net						
Opening balance, January 1	3,264.7	263.0	47.9	3,575.6	3,859.1	
Closing balance, June 30	3,326.3	213.0	55.2	3,594.4	3,529.9	

Financial ratios	Jun 30, 2025	Dec 31, 2024	Jun 30, 2024
Total provision ratio, lending to the public, %	0.24	0.35	0.59
Provision ratio, Stage 1, lending to the public, %	0.03	0.02	0.02
Provision ratio, Stage 2, lending to the public, %	0.51	0.52	0.62
Provision ratio, Stage 3, lending to the public, %	10.61	18.11	28.68
Share of lending to the public in Stage 3, %	1.71	1.63	1.89



## 10. Debt securities issued

Group	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M					
Certificates of deposit	185	256	-28	210	-12
Covered bonds	556	556	-0	547	2
<b>Total</b>	<b>741</b>	<b>812</b>	<b>-9</b>	<b>757</b>	<b>-2</b>

## 11. Derivative instruments

Group	Jun 30, 2025						Dec 31, 2024		
EUR M	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values	Nominal amount	Positive market values	Negative market values
	Under 1 yr	1-5 yrs	over 5 yrs						
Derivatives for trading									
Interest-related contracts									
Interest rate swaps			6	6	0	0	6	0	1
Currency-related contracts									
Currency forward contracts	668			668	3	4	618	2	2
<b>Total</b>	<b>668</b>	<b>0</b>	<b>6</b>	<b>674</b>	<b>3</b>	<b>5</b>	<b>624</b>	<b>3</b>	<b>2</b>
Derivatives for fair value hedge									
Interest-related contracts									
Interest rate swaps	278	480	40	798	15	2	705	16	2
<b>Total</b>	<b>278</b>	<b>480</b>	<b>40</b>	<b>798</b>	<b>15</b>	<b>2</b>	<b>705</b>	<b>16</b>	<b>2</b>
Derivatives for cash flow hedge									
Interest-related contracts									
Interest rate swaps	840			840	12		770	3	-0
<b>Total</b>	<b>840</b>	<b>0</b>	<b>0</b>	<b>840</b>	<b>12</b>	<b>0</b>	<b>770</b>	<b>3</b>	<b>-0</b>
<b>Total derivative instruments</b>	<b>1,786</b>	<b>480</b>	<b>46</b>	<b>2,312</b>	<b>31</b>	<b>7</b>	<b>2,099</b>	<b>21</b>	<b>4</b>
<i>of which cleared</i>	<i>1,118</i>	<i>480</i>	<i>43</i>	<i>1,641</i>	<i>27</i>	<i>2</i>	<i>1,478</i>	<i>19</i>	<i>2</i>



## 12. Financial instruments measured at fair value

Group	Jun 30, 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	511	10		521
Lending to the public		167		167
Shares and participations	1		38	39
Derivative instruments		31		31
Other assets			1	1
<b>Total financial assets</b>	<b>512</b>	<b>208</b>	<b>39</b>	<b>759</b>
Debt securities issued		556		556
Derivative instruments		7		7
<b>Total financial liabilities</b>	<b>0</b>	<b>562</b>	<b>0</b>	<b>562</b>

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
<b>Total financial assets</b>	<b>503</b>	<b>199</b>	<b>40</b>	<b>742</b>
Debt securities issued		556		556
Derivative instruments		4		4
<b>Total financial liabilities</b>	<b>0</b>	<b>561</b>	<b>0</b>	<b>561</b>

Changes in Level 3 holdings	Jan-Jun 2025	Jan-Dec 2024
EUR M	Shares and participations	Shares and participations
Carrying amount on January 1	35.4	38.9
New purchases/reclassifications	2.0	9.3
Change in value recognised in "Other comprehensive income"	0.3	-12.7
<b>Carrying amount at end of period</b>	<b>37.7</b>	<b>35.4</b>

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.



### 13. Off-balance sheet commitments

Group	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M					
Guarantees	17	18	-5	19	-12
Unutilised overdraft limits	348	346	1	351	-1
Unutilised credit card limits	89	85	4	82	8
Lines of credit	93	68	36	94	-1
Other commitments	2	5	-50	11	-78
<b>Total</b>	<b>549</b>	<b>522</b>	<b>5</b>	<b>557</b>	<b>-1</b>
Provision for off-balance sheet commitments	0	0	3	0	-13

### 14. Assets pledged

Group	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M					
Lending to credit institutions	5	3		2	
Debt securities	32	31	3	49	-34
Loan receivables constituting collateral (cover pool) for covered bonds	1,000	1,000	-0	1,190	-16
Other assets pledged	4	4	3	4	9
<b>Total</b>	<b>1,042</b>	<b>1,038</b>	<b>0</b>	<b>1,246</b>	<b>-16</b>

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.



## 15. Capital adequacy

Group	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M					
Equity capital according to the balance sheet	296.8	306.5	-3	281.6	5
Foreseeable dividend	-23.1	-42.3	-45	-21.9	6
<b>Common equity Tier 1 capital before deductions</b>	<b>273.7</b>	<b>264.3</b>	<b>4</b>	<b>259.8</b>	<b>5</b>
Intangible assets	-17.0	-15.6	9	-14.4	18
Non-controlling interests	-0.0	-0.0	7	-0.0	1
Cash flow hedge	-1.0	-0.8	22	-0.0	
Net other items	-0.0	-0.0	-13	-0.0	-10
Further adjustments in value	-0.6	-0.6	4	-0.5	30
Expected losses according to IRB approach beyond recognised losses (deficit)	-25.6	-9.5		-9.4	
<b>Common equity Tier 1 capital</b>	<b>229.4</b>	<b>237.7</b>	<b>-3</b>	<b>235.5</b>	<b>-3</b>
Tier 1 capital instruments	29.4	29.4		29.4	0
<b>Additional Tier 1 capital</b>	<b>29.4</b>	<b>29.4</b>		<b>29.4</b>	<b>0</b>
<b>Tier 1 capital</b>	<b>258.9</b>	<b>267.1</b>	<b>-3</b>	<b>264.9</b>	<b>-2</b>
Supplementary capital instruments	31.5	30.5	3	30.8	2
<b>Supplementary capital</b>	<b>31.5</b>	<b>30.5</b>	<b>3</b>	<b>30.8</b>	<b>2</b>
<b>Total capital base (own funds)</b>	<b>290.3</b>	<b>297.6</b>	<b>-2</b>	<b>295.8</b>	<b>-2</b>
Capital requirement for credit risk according to the IRB approach	58.2	37.7	55	38.4	51
Additional capital requirement, IRB approach		13.6	-100	14.0	-100
Capital requirement for credit risk according to standardised approach	60.4	56.4	7	54.7	10
Capital requirement for market risk				3.6	-100
Capital requirement for credit-worthiness adjustment risk	0.1	0.1		0.1	
Capital requirement for operational risk	25.2	23.7	7	23.7	7
<b>Capital requirement</b>	<b>144.0</b>	<b>131.4</b>	<b>10</b>	<b>134.5</b>	<b>7</b>

	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
Capital ratios					
Common equity Tier 1 capital ratio, %	12.8	14.5		14.0	
Tier 1 capital ratio, %	14.4	16.3		15.8	
Total capital ratio, %	16.1	18.1		17.6	
Risk exposure amount	1,799	1,643	10	1,681	7
of which % comprising credit risk	82	82		80	
of which % comprising market risk				3	
of which % comprising creditworthiness adjustment risk	0	0		0	
of which % comprising operational risk	18	18		18	

Requirements related to capital buffers, %	Jun 30, 2025	Dec 31, 2024	Jun 30, 2024
Total common equity Tier 1 capital requirements including buffer requirements	9.1	9.3	9.3
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	0.8
of which systemic risk buffer requirement	1.0	1.0	1.0
Common equity Tier 1 capital available to be used as a buffer	12.8	14.5	14.0



Exposure class	Jun 30, 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	217.5	161.6	54	86.8	6.9
Corporate, small and medium sized companies	237.7	182.6	45	82.1	6.6
Using own LGD estimates					
Retail with property as collateral (not small- and medium-sized companies)	1,791.7	1,781.8	19	335.1	26.8
Retail with property as collateral (small and medium-sized companies)	128.8	126.7	57	72.8	5.8
Retail, other (not small- and medium-sized companies)	252.2	250.1	50	125.8	10.1
Retail, other (small and medium-sized companies)	69.0	66.6	38	25.1	2.0
<b>Total exposures according to IRB approach</b>	<b>2,696.9</b>	<b>2,569.4</b>	<b>28</b>	<b>727.8</b>	<b>58.2</b>

	Jun 30, 2025				
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to standardised approach					
Central government and central banks	357.3	438.9	0	0.0	0.0
Regional governments or local authorities	30.3	83.2	0	0.0	0.0
Public sector entities	24.8	24.8	0	0.0	0.0
Multilateral development banks	82.6	91.0	1	1.0	0.1
Institutions	197.3	150.6	25	37.6	3.0
Covered bonds	606.8	606.8	11	63.9	5.1
Corporates	218.4	49.8	100	49.8	4.0
Retail	396.5	173.8	93	161.3	12.9
Secured by mortgages on immovable property	653.6	639.8	29	186.7	14.9
Exposures in default	11.9	10.9	106	11.6	0.9
Collective investment undertakings	1.1	1.1	139	1.5	0.1
Equity exposures	65.3	65.3	250	163.2	13.1
Other exposures	93.6	93.6	83	77.8	6.2
<b>Total exposures according to standardised approach</b>	<b>2,739.6</b>	<b>2,429.7</b>	<b>31</b>	<b>754.4</b>	<b>60.4</b>
<b>Total risk exposure amount, credit risk</b>	<b>5,436.5</b>	<b>4,999.1</b>	<b>30</b>	<b>1,482.2</b>	<b>118.6</b>



Exposure class	Dec 31, 2024				
EUR M	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
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
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)	330.6	268.9	13	34.1	2.7
Retail, other (not small- and medium-sized companies)	32.6	32.0	19	6.2	0.5
<b>Total exposures according to IRB approach</b>	<b>2,786.9</b>	<b>2,655.4</b>	<b>18</b>	<b>470.7</b>	<b>37.7</b>

	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
Covered bonds	546.5	546.5	10	56.7	4.5
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
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
<b>Total exposures according to standardised approach</b>	<b>2,718.5</b>	<b>2,285.4</b>	<b>31</b>	<b>704.7</b>	<b>56.4</b>
<b>Total risk exposure amount, credit risk</b>	<b>5,505.4</b>	<b>4,940.8</b>	<b>24</b>	<b>1,175.4</b>	<b>94.0</b>

Leverage ratio	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 2024	%
EUR M					
Tier 1 capital	258.9	267.1	-3	264.9	-2
Total exposure measure	5,053.1	5,032.8	0	4,867.5	4
of which balance sheet items	4,922.0	4,952.5	-1	4,775.8	3
of which off-balance sheet items	131.1	80.4	63	91.7	43
Leverage ratio, %	5.1	5.3		5.4	

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



## 16. Share-related information

Group	Jun 30, 2025	Dec 31, 2024	%	Jun 30, 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
<b>Total shares outstanding at beginning of period</b>	<b>15,367</b>	<b>15,308</b>	<b>0</b>	<b>15,308</b>	<b>0</b>
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
<b>Total shares outstanding at end of period</b>	<b>15,377</b>	<b>15,367</b>	<b>0</b>	<b>15,344</b>	<b>0</b>
<b>Total shares outstanding at end of period after dilution</b>	<b>15,487</b>	<b>15,492</b>	<b>0</b>	<b>15,454</b>	<b>0</b>
Equity capital per share, EUR	19.30	19.95	-3	18.36	5
Closing price per Series A share, EUR	39.00	35.00	11	33.60	16
Closing price per Series B share, EUR	37.00	33.10	12	33.10	12
Market capitalisation, EUR M	582	521	12	511	14
Market capitalisation/shareholders' portion of equity capital, %	196	170		181	

Group	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
thousands								
Average number of shares outstanding	15,377	15,369	0	15,329	0	15,373	15,329	0
Average number of shares outstanding after dilution	15,459	15,458	0	15,398	0	15,459	15,398	0
Earnings per share, EUR	0.90	0.95	-5	0.82	10	1.86	1.71	9
Earnings per share after dilution, EUR	0.90	0.95	-5	0.82	10	1.85	1.70	9
Earnings per share, rolling 12 months, EUR	3.56	3.47	2	3.75	-5			



# Sustainability

The Bank of Åland's climate impact estimate of emissions in the form of carbon dioxide equivalents (CO<sub>2</sub>e) 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	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
Greenhouse gases, tonnes of CO <sub>2</sub> e								
Scope 1								
Emissions from owned or controlled resources	1	1	-26	1	-9	2	3	-29
<b>Total Scope 1</b>	<b>1</b>	<b>1</b>	<b>-26</b>	<b>1</b>	<b>-9</b>	<b>2</b>	<b>3</b>	<b>-29</b>
Scope 2 <sup>1</sup>								
Energy-related emissions	9	18	-53	7	20	27	32	-15
<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	36	35	3	31	15	71	65	9
<b>Total Scope 2 (market-based)</b>	<b>9</b>	<b>18</b>	<b>-53</b>	<b>7</b>	<b>20</b>	<b>27</b>	<b>32</b>	<b>-15</b>
Scope 3 upstream								
Purchased goods and services <sup>2</sup>	636	2,641	-76	2,161	-71	3,277	4,789	-32
Capital goods	13	7	80	10	28	21	19	12
Fuel and energy-related activities	2	4	-53	1	20	6	7	-15
Transport and distribution	72	57	26	76	-6	129	164	-21
Waste generated by own operations	1	1	19	1	20	2	2	22
Business travel	203	177	15	188	8	381	362	5
Leased assets	29	26	11	41	-28	55	70	-21
<b>Total Scope 3 upstream</b>	<b>956</b>	<b>2,913</b>	<b>-67</b>	<b>2,478</b>	<b>-61</b>	<b>3,869</b>	<b>5,411</b>	<b>-28</b>
<b>Total greenhouse gases, own business operations</b>	<b>966</b>	<b>2,933</b>	<b>-67</b>	<b>2,486</b>	<b>-61</b>	<b>3,899</b>	<b>5,446</b>	<b>-28</b>

<sup>1</sup> Since the Bank of Åland buys 100 per cent green electricity, the electricity purchased is offset to zero CO<sub>2</sub>e 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.

<sup>2</sup> Calculation of CO<sub>2</sub>e emissions for the renovation of the Head Office in Mariehamn is based on a standard estimate of the quantity of material purchases.

Group	Jun 30, 2025	Mar 31, 2025	%	Jun 30, 2024	%
Scope 3, downstream, Category 15, current situation on annual basis (tonnes of CO <sub>2</sub> e)					
Loan portfolio Scope 1 and 2 <sup>1</sup>	197,970	195,069	1	230,770	-14
Financial investments Scope 1, 2 and 3 <sup>2</sup>	2,815,825	2,824,462	-0	2,484,749	13
Treasury Scope 1, 2 and 3 <sup>3</sup>	71,350	72,579	-2	40,274	77
<b>Total, Scope 3, downstream</b>	<b>3,085,145</b>	<b>3,092,110</b>	<b>-0</b>	<b>2,755,793</b>	<b>12</b>

<sup>1</sup> The Bank of Åland's model provides a rough estimate of the loan portfolio's CO<sub>2</sub>e 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.

<sup>2</sup> The emission calculations for financial investments include shares, bonds, funds, 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 the final banking day of the quarter. In addition, portfolio companies' most recent reported carbon emissions data are used to calculate the share of owned emissions. 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.

<sup>3</sup> 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 June 30, 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	Q2 2025	Q1 2025	%	Q2 2024	%	Jan-Jun 2025	Jan-Jun 2024	%
Energy consumption, MWh <sup>4</sup>	517	502	3	452	15	1,019	934	9
<i>of which renewable, %</i>	<i>100</i>	<i>100</i>		<i>100</i>		<i>100</i>	<i>100</i>	

<sup>4</sup> 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.

## CO<sub>2</sub>

Chemical designation for carbon dioxide.

## CO<sub>2</sub>e

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.

## Engagement 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. Bank of Åland's target is a score above 7.0.

## Equity capital per share, EUR

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

## Expense/income ratio

Total expenses divided by total income.

## Gross share of lending to the public in Stage 3

Gross lending to the public in Stage 3, divided by lending to the public before provisions for impairment losses.

## Interest margin

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

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

## 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 Q2 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

The ratio of Tier 1 capital to the balance sheet total plus certain off-balance sheet items recalculated using conversion factors defined in the standardised approach.

## 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 Half-Year Financial Report of Bank of Åland Plc for the accounting period January 1 – June 30, 2025

To the Board of Directors of Bank of Åland Plc

## Introduction

We have reviewed the summary balance sheet as of June 30, 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 six-month period then ended, as well as other explanatory notes to the consolidated financial statements. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this Half-Year Financial Report in accordance with IAS 34 Interim Financial Reporting and other Finnish rules and regulations governing the preparation of interim reports. We will express our conclusion on the Half-Year Financial Report based on our review.

## Scope of review

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

## Conclusion

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

Helsinki, July 18, 2025

KPMG OY AB

Henry Maarala

*Authorised Public Accountant, KHT*