

Annual Report 2025



Going our own way

ÄLANDSBANKEN



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Financial calendar

The Bank of Åland will publish the following Interim Reports during the 2026 financial year:

• January–March Interim Report	April 28, 2026
• January–June Half-Year Financial Report	July 17, 2026
• January–September Interim Report	October 23, 2026

The Annual Report and all Interim Reports will be published on the Bank's website: www.alandsbanken.com

The Head Office of the Bank of Åland is in Mariehamn, capital of the autonomous Finnish province of Åland. Located in the Baltic Sea midway between Sweden and Finland, the 6,700-island Åland archipelago has more than 30,000 inhabitants. Its official language is Swedish. This translation of the Swedish-language Annual Report uses the international currency codes for the European Central Bank euro (EUR) and the Swedish krona (SEK). At year-end 2025, the middle rate for EUR 1 was USD 1.0485 and SEK 11.1850.

“The Bank” refers to the Bank of Åland Plc (Ålandsbanken Abp), Parent Company of the Bank of Åland Group. Amounts have generally been rounded off to millions or thousands, but percentage figures, totals, ratios etc. are calculated on the exact amounts. The abbreviation M refers to million(s), and K means thousand(s).

Cover: Bernhard Forstén



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The Bank of Åland

- The Bank of Åland (Ålandsbanken) was founded in 1919 as Ålands Aktiebank and has been listed on the Helsinki Stock Exchange (now the Nasdaq Helsinki Oy) since 1942.
- The Head Office is located in Mariehamn, Åland. The Bank has a total of two offices in Åland and six elsewhere in Finland: Helsinki, Tampere, Vaasa, Oulu, Turku and Parainen. In Sweden, the Bank has offices in Stockholm, Gothenburg and Malmö.
- The Group includes two subsidiaries: the fund management company Ålandsbanken Fondbolag Ab and the information technology (IT) company Crosskey Banking Solutions Ab Ltd.
- On the Åland islands, the Bank of Åland is a bank for all residents: both in a position and with a desire to help develop the Åland of the future.
- On the Finnish mainland and in Sweden, the Bank has a niche strategy targeted to entrepreneurs, wealthy families and individual customers with sound finances. We offer two concepts: Private Banking and Premium Banking.
- Over the years, the Bank of Åland has established itself as an innovative pioneer in the financial services sector. Our Premium Banking concept was launched in 2004 and has developed into a model followed by our competitors in the Nordic countries. In 2016, with the Åland Index, we created an international standard for measuring the climate impact of private consumption.
- The Bank of Åland has business partnerships with various financial technology (fintech) companies. We also supply services to companies in the financial services sector. The Bank is a shareholder in several of our partner companies.
- The Bank of Åland offers its customers financial products that benefit them economically, but at the same time contribute to sustainable development. The Baltic Sea Account is a good example. Including the 2025 total, the Baltic Sea Account has contributed nearly EUR 5.5 million over the years to projects that improve and protect the environment.





Five-year Group summary

Group	2025	2024	2023	2022	2021
EUR M					
Income					
Net interest income	95,2	104,1	99,7	68,2	62,2
Net commission income	85,7	76,4	77,0	78,4	79,0
IT income	33,8	35,1	28,6	23,5	24,4
Net income from financial items carried at fair value	-0,6	-0,6	-3,0	12,8	-0,4
Other income	6,2	1,3	-0,0	1,2	10,8
Total income	220,3	216,4	202,3	184,1	176,0
Staff costs	-95,7	-87,9	-81,3	-75,5	-71,1
Other expenses	-43,9	-47,1	-41,6	-39,7	-33,8
Statutory fees	-0,1	-0,0	-3,2	-3,4	-2,8
Depreciation/amortisation and impairment losses on tangible and intangible assets	-12,0	-12,3	-12,2	-13,2	-14,3
Total expenses	-151,7	-147,3	-138,4	-131,8	-121,9
Profit before impairment losses	68,6	69,0	63,9	52,3	54,1
Impairment losses on loans and other commitments	-1,4	-4,0	-2,2	-6,2	-4,9
Net operating profit	67,2	65,0	61,7	46,1	49,2
Income taxes	-12,6	-12,8	-13,1	-9,3	-9,3
Profit for the report period	54,6	52,3	48,7	36,8	39,9
Attributable to:					
Non-controlling interests	0,0	-0,0	-0,0	0,0	0,0
Shareholders in Bank of Åland Plc	54,6	52,3	48,7	36,8	39,9



Five-year Group summary

Group	2025	2024	2023	2022	2021
EUR M					
Volume					
Lending to the public	3,762	3,576	3,859	4,303	4,788
Deposits from the public	3,760	3,521	3,595	4,182	4,070
Actively managed assets	12,119	10,616	9 776	8 637	9 826
Managed mortgage loans	3,593	3,080	2,716	1,304	2
Equity capital	386	336	335	317	332
Balance sheet total	5,173	4,925	5,342	5,898	6,635
Risk exposure amount	1,888	1,643	1,774	1,938	1,976
Financial ratios					
Return on equity after taxes (ROE) %	17.8	17.9	17.2	12.8	14.0
Expense/income ratio	0.69	0.68	0.68	0.72	0.69
Loan loss level, %	0.04	0.10	0.05	0.14	0.12
Gross share of loans in stage 3, %	1.58	1.63	1.61	1.61	1.23
Liquidity coverage ratio (LCR), %	153	169	156	138	139
Net stable funding ratio (NSFR), %	114	118	109	108	109
Loan/deposit ratio, %	100	102	107	103	118
Common equity Tier 1 capital ratio, %	12.7	14.5	13.7	12.1	12.1
Tier 1 capital ratio, %	15.9	16.3	15.3	13.6	13.6
Total capital ratio, %	17.6	18.1	17.1	15.2	15.4
Leverage ratio, %	5.7	5.3	5.0	4.3	4.3
Working hours re-calculated to full-time equivalent positions	1,013	977	906	854	815
Earnings per share, EUR	3.55	3.41	3.18	2.37	2.55
Equity capital per share, EUR	21.16	19.95	19.98	18.85	19.39
Dividend per share, EUR	2.75 ¹	2.75	2.65	2.05	2.00

¹ Proposed by the Board of Directors for approval by the Annual General Meeting.



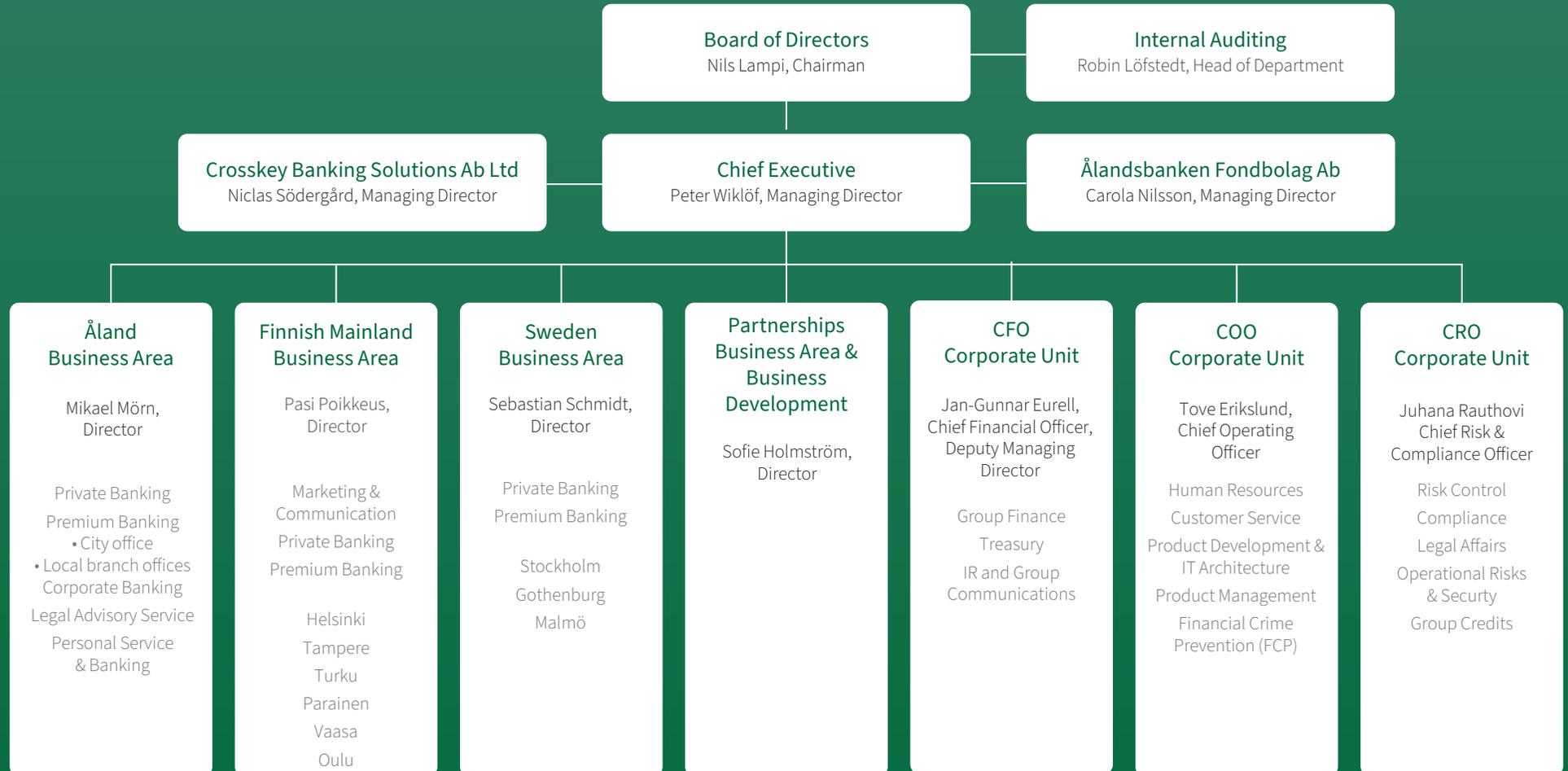
Legal group structure



For further details on group structure, see Note G39.



Organisational chart

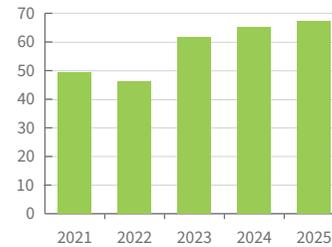


The year 2025 in brief

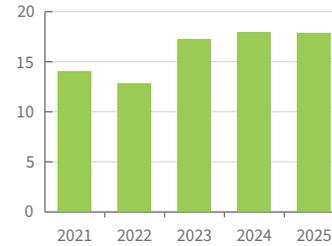
Financial summary of 2025

- Net operating profit increased by 3 per cent and amounted to EUR 67.2 M (65.0).
- Earnings per share increased by 4 per cent to EUR 3.55 (3.41).
- Return on equity after taxes (ROE) decreased to 17.8 per cent (17.9).
- Core income in the form of net interest income, net commission income and IT income remained at an unchanged level of EUR 214.7 M (215.6).
- Total expenses increased by 3 per cent to EUR 151.7 M (147.3).
- Net impairment losses on financial assets (net, including recoveries) decreased to EUR 1.4 M (4.0), equivalent to a loan loss level of 0.04 per cent (0.10).
- Actively managed assets increased by 14 per cent to EUR 12,119 M (10,616).
- Deposits increased by 7 per cent to EUR 3,760 M (3,521).
- Lending increased by 5 per cent to EUR 3,762 M (3,576).
- Home mortgage loans under management increased by 17 per cent to EUR 3,593 M (3,080).
- The common equity Tier 1 capital ratio decreased to 12.7 per cent (14.5).
- The Board of Directors proposed a dividend of EUR 2.75 per share (2.75). Furthermore, the Board has proposed the introduction of a half-year dividend as from the financial year 2026, corresponding to a maximum of 50 per cent of the profit for the first six months of the financial year.

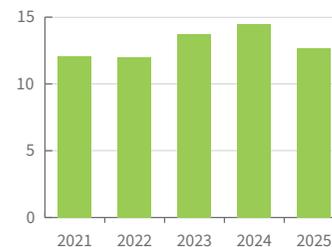
Net operating profit
EUR M



Return on equity after taxes (ROE)
Per cent



Common equity Tier 1
capital ratio
Per cent





Milestones during 2025

Q1

First quarter

- Ålandsbanken Fondbolag was one of four asset managers that, through the mutual fund Ålandsbanken Nordic Equity, was awarded a prestigious fund mandate on Sweden's Premium Pension Fund Platform for Nordic equity funds. The award decision resulted in SEK 8.8 billion of premium pension savers' assets being allocated to these funds.
- The Bank of Åland issued 10,522 Series B shares to fulfil its commitments as part of its employee incentive programme.
- The Annual General Meeting (AGM) on March 25, 2025 approved the distribution of a dividend of EUR 2.75 per share for the financial year 2024 (a regular dividend of EUR 2.40 plus an extra dividend of EUR 0.35). This was equivalent to an amount of EUR 42.3 M.
- The AGM re-elected Board members Anders Å Karlsson, Nils Lampi, Mirel Leino-Haltia, Malin Lombardi, Christoffer Taxell, Ulrika Valassi and Anders Wiklöf. 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.

Q2

Second quarter

- In June, Ålandsbanken Fondbolag launched a new fund, Ålandsbanken USA Aktie. The fund is an actively managed fund investing in high-quality companies in the US market. Portfolio management has been outsourced to RBC Global Asset Management (UK) Ltd, whose resources enable scalable and cost-efficient asset management. The fund is classified as an Article 8 fund, promoting environmental characteristics.
- Together with our customers, we continued our commitment to a cleaner Baltic Sea. The Baltic Sea Project contributed EUR 550,000 to various projects that promote the health of the Baltic Sea. Bank of Åland has distributed more than EUR 5.5 million to a wide range of environmental projects. Interest in the project continues to grow steadily, and in the current year a record number of applications was received.

Q3

Third quarter

- For the sixth time in the past seven years, the Bank of Åland reported a new record net operating profit after nine months.

Q4

Fourth quarter

- In October, Ålandsbanken Fondbolag launched a new fund, Ålandsbanken Företagsobligationer Sverige. The fund invests in various types of corporate bonds, encompassing both higher- and lower-risk credit exposures.
- Ålandsbanken issued a new Additional Tier 1 (AT1) instrument of SEK 350 million in November. The instrument was priced at Stibor 3-month plus 3.35 per cent. Demand was exceptionally strong, resulting in the issue being oversubscribed.

Statement by the Bank of Åland's Managing Director:

Record results confirm the strength of our business model

The year 2025 was the best year in terms of results in the history of the Bank of Åland. We delivered operating profit of EUR 67.2 million, while we continued to grow both in volume of business as well as customer relations. Return on equity amounted to 17.8 per cent, well above our long-term target.

It is a result that we are proud of, yet it also comes with responsibility. For us, it is important not just to think in terms of numbers, but also to understand what is behind them. The year was marked by geopolitical turbulence, falling market interest rates and continued uncertainty around global economic development. Despite this, we could combine profitability, growth and financial stability, which shows that our business model works even under rapidly changing conditions.

Growth in customer volumes and managed capital

During the year, an increasing number of customers chose the Bank of Åland. Our actively managed customer investments increased by 14 per cent and passed the EUR 12 billion mark for the first time, landing at EUR 12.1 billion at the end of the year. The net inflow of new customer investments amounted to EUR 708 million, which clearly reflects the trust our customers

have in us – not least in a time of powerfully shifting markets.

Even the balance sheet grew. Deposits increased by 7 per cent and lending by 5 per cent. After a period of more cautious credit demand, during the year we saw a gradual increase in activity as interest rates stabilised. For us, this is a sign that customers are daring again to plan for the long term, both privately as well as for their companies.

A business that thrives even as interest rates change

The falling market interest rates had a negative effect on the net interest income, entirely in line with our expectations. Net interest income decreased by 9 per cent to EUR 95.2 million. At the same time, we succeeded in increasing net commissions by 12 per cent, to EUR 85.7 million, primarily due to significant activity in stock markets and rising management volumes.



Peter Wiklöf, Managing Director.



This is a clear example of the strength within our business. When one source of income is under pressure, others can take up the slack. Our aim is not to optimise for a particular market situation, but rather to build a bank that is robust over time. Our IT income through Crosskey decreased somewhat due to lower project income, but Crosskey continues to be a strategically important part of the Group and a central component in our long-term growth.

Cost increases were in line with our planning. Costs increased by 3 per cent, primarily due to higher personnel costs. This reflects deliberate investments in skills, quality and capacity – investments that we judge to be necessary to continue to grow in a controlled fashion.

Strong financial position and low credit risk

Credit quality continues to be good. Credit loss levels were low, and impairment losses amounted to 0.04 per cent of lending, which corresponds to EUR 1.4 million.

Our liquidity and capital position is strong. Our long-term financial goal is to have a common equity Tier 1 capital ratio between 1.75 and 3.00 percentage points higher than what governments require of us. At the end of the year, this extra capital buffer amounted to 3.6 percentage points above governmental requirements. During the year, we also issued an AT1 instrument of SEK 350 million, which was met with very high interest and was oversubscribed. That Moody's raised our outlook to positive was additional proof of the stability and persistence that characterise the Bank of Åland.

Sustainability as a part of the relationship with our customers

Our sustainability work is part of our business. During the year, we continued to develop responsible lending, where an increasing number of customers are joining our common climate ambitions and establishing company-specific sustainability plans. Together, we aim to reduce our carbon footprint by half by 2030.

Employees and the long term

Our employees are the Bank of Åland's most important asset. With strong skills, great commitment and a powerful team spirit, they create value for customers on a daily basis. We continue to build a culture that combines professionalism, thoughtfulness and long-term thinking – which in practice makes us a relationship bank. Our purposeful work was rewarded even by our customers, where in particular our investment expertise, personal approach and high level of service awareness received high customer ratings.

We look to the future with confidence

When we summarise 2025, we do so with both pride and humility. We have shown that it works to run a relationship bank with good profitability, even in an uncertain and rapidly changing world. The Bank of Åland is well-equipped for continued responsible growth. We have never had as many competent employees who can serve existing and new customers as we have today. We have never had a better product and service offering than what we offer now, and the Bank can make its own way forward with good

key performance indicators and first-class profitability. The profitability target is clear: even in the future to deliver a return on equity of over 15 per cent.

I would like to warmly thank our employees for your commitment and your professionalism, and to our customers for your continued trust.

Peter Wiklöf
Managing Director and Chief Executive



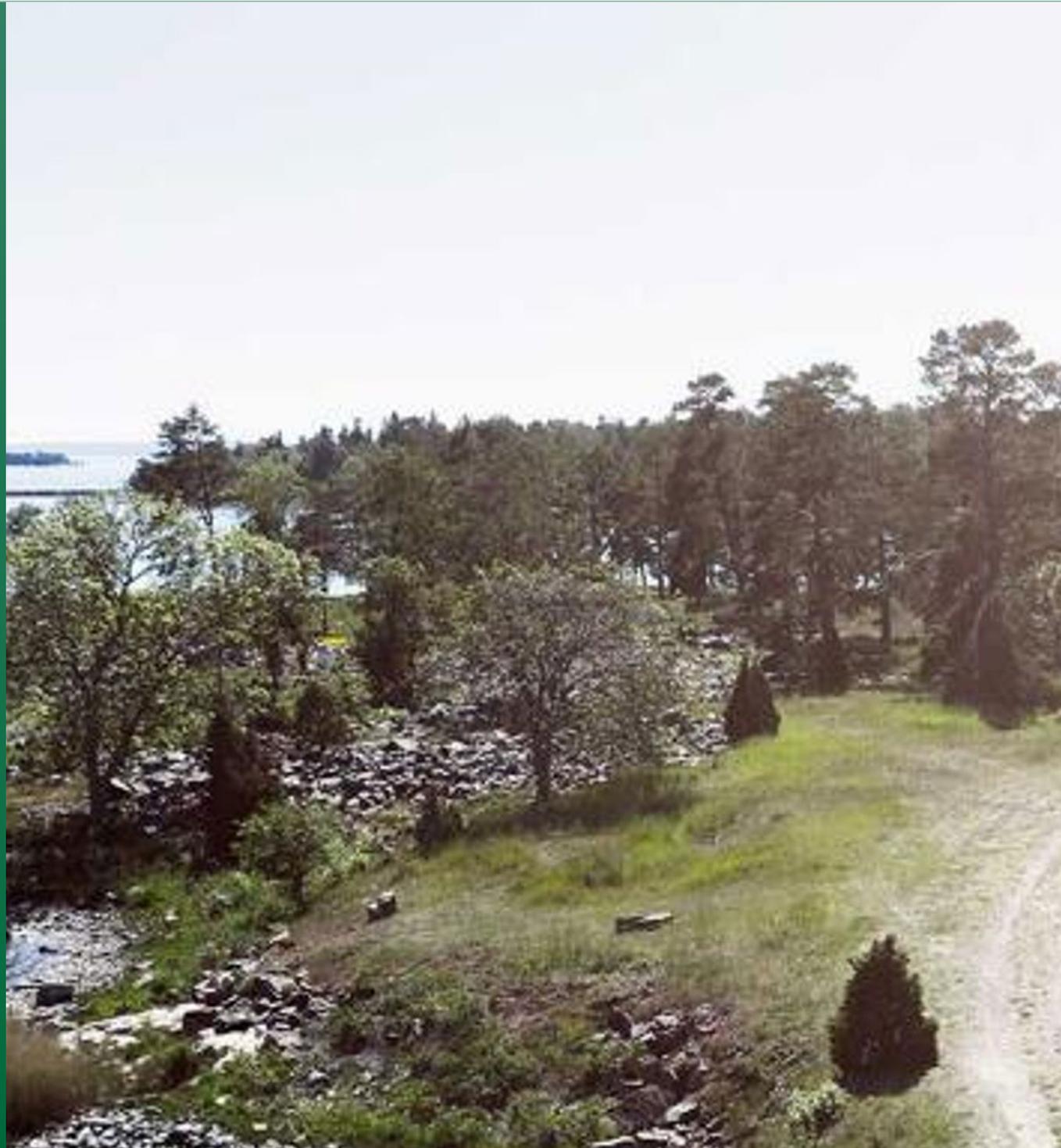
We deliver a large bank's range of services with a smaller bank's thoughtfulness and good sense.



Strategy and value creation

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Daring to go our own way

In an era when large banks are increasing their investments in digitisation and AI, in order to provide mass service to more customers with fewer physical contacts, a new need arises – the need for a bank where every customer feels seen, heard and appreciated. The Bank of Åland has a century behind it as an independent, innovative and customer-oriented bank. We believe that in-person meetings are crucial for building solid long-term relationships. This is why it is self-evident that we will continue along a path where the needs of our customers are the guiding principle for our development.

- We offer a wide range of banking and asset management services. Under our own brand, we focus on private individuals and companies in selected geographical areas in Åland, on the Finnish mainland and in Sweden.
- We offer Banking as a Service (BaaS). Our target group is companies that want to offer their customers banking services under their own brand.
- We offer IT as a Service (ITaaS). Our target group is financial service companies that need IT services to enable them to deal with their own customers.

Our vision

Our aim is to be the self-evident bank for people with ambitions and companies that value relationships.

Our position

The Bank of Åland is a bank for investors, with financing know-how.





We generate value for individuals and companies by delivering a large bank's range of services with a smaller bank's thoughtfulness and sense of dedication. At the Bank of Åland, we focus on what problems we solve, what opportunities we create and how we deliver different types of value to our customers. We always go our own way, and that is how we persuade more and more friends to join us on this path.

Our choice of position is ambitious, but it is a position where we are seeing a clear desire by customers to meet their personal contact at the Bank and preserve physical meetings. The Bank of Åland is growing within its selected target groups, putting special emphasis on financial investment operations at the same time as we deliver financing solutions and other banking services in an outstanding way.

Customer relationships and trust

All long-term, sustainable banking business is based on trust. This is especially evident in the way customers handle their financial investments. We know that it requires time and dedication to build trust among new customers. The Bank of Åland offers a bank as it should be – a bank that wants individuals, companies and the community to have fertile ground for development. We are convinced that strong, long-term relationships are built through good performance by ambitious people.

Growth

The Bank of Åland has a growth strategy, with the ambition to grow our asset management operations and banking operations as well as our IT operations.

Good service via all channels

Our Internet Bank has thus been a forerunner in the industry since its inception. In our development work, we draw no distinctions between personal and digital encounters. Regardless of the channel, our customers shall always feel that they are receiving good, personalised service. Our relationships shall be equally strong in

every channel. But we also take advantage of the special strengths of the various channels. Personal meetings are the most suitable channel for advisory services, while our Internet office and our mobile banking app give customers a clear overview and enable them to seamlessly manage their everyday finances.

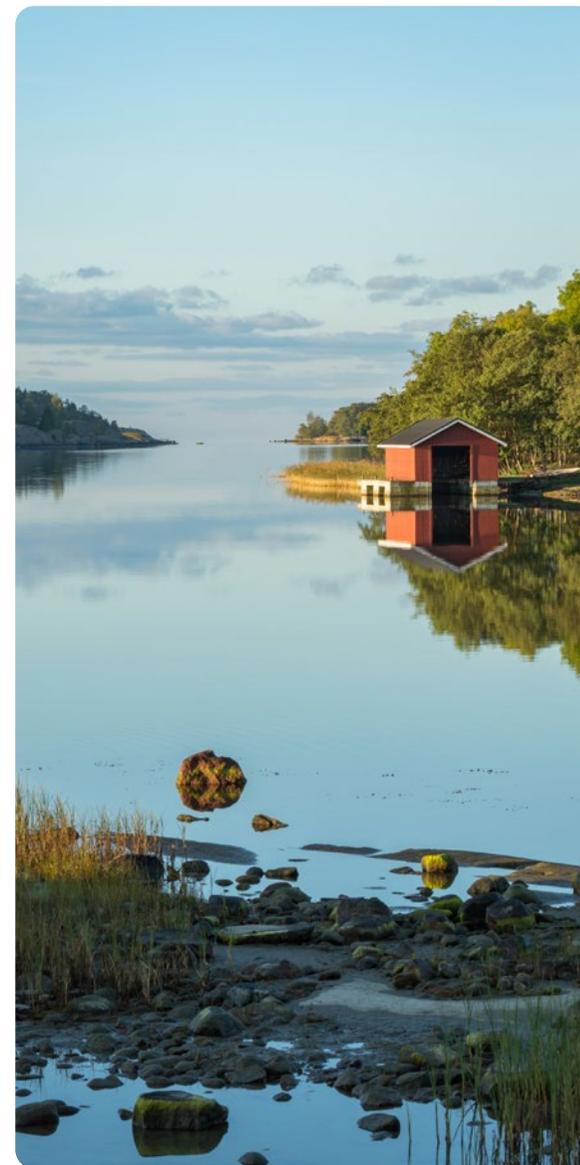
An ever-broadening range of partnerships

For a long time, we have collaborated with other market players within the IT field via our subsidiary Crosskey Banking Solutions. Over the years, our offering has expanded. Today we have the ability and the potential to offer products and services to other market players within a substantially broader field than IT services alone. In fintech, today the Bank of Åland is already a versatile and capable partner with the capacity to deliver solutions to companies in most financial service areas.

Sustainability is a central element of our identity

Given our close connection to the small community of Åland, located among thousands of islands in the middle of the Baltic Sea, sustainability work has been a natural element of our core values for a long time. Together with our customers, we have created products and services that both increase awareness and support concrete sustainability projects. Sustainability issues are an integral part of our operational management, where the Board of Directors, the Executive Team and all our employees have an important role.

Our long-term target is to become a climate-neutral group and to achieve net-zero emissions of greenhouse gases no later than 2050, in line with the Paris Agreement. In the social sustainability area, we work actively with targets and metrics to ensure the commitment and well-being of our employees. In a broader societal context, we work to safeguard a healthy culture related to risks and ethics, while using all available means to thwart every kind of financial crime.





Overall targets and outcomes

Our operational governance is based on a balanced perspective – where our customers, employees, shareholders and other stakeholders are given the opportunity to generate long-term value over time. Our financial governance model was supplemented with sustainability targets and key performance indicators that guide us towards our target of becoming a climate-neutral bank, with continued good profitability. We have embarked on a long journey, where access to data is one of the biggest challenges. Our operational governance will thus evolve as more data become available. Our management by objectives begins with the Board of Directors, together with the Managing Director and the rest of the

Executive Team, formulating strategic goals and priorities. These are concretised and supplemented with statistics in our three-year plan, which is updated every autumn. During 2025, we worked towards the following targets:

Customer satisfaction

The Bank of Åland's objective is to be the best market player in the Nordic region, with the most satisfied customers in the Private Banking and Premium Banking segments. To track how well we are succeeding, every year the Bank of Åland conducts a survey among our Private Banking customers in which we use a Customer Satisfaction Index (CSI), as well as measuring

customer loyalty among our Premium Banking customers using a Net Promoter Score (NPS).

In 2025, the Bank of Åland came in second place after four years of being named Finland's best Private Banking operator. At the same time, our customers' willingness to recommend the Bank of Åland remained high.

The Bank's result according to the customer satisfaction index (CSI) among our Private Banking customers¹ in Finland: Our target was 1, and the outcome was 2.

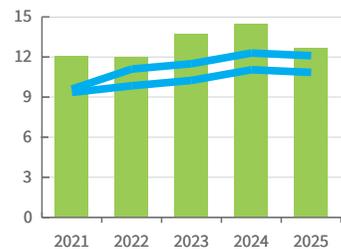
The Bank's result according to the Net Promoter Score (NPS) among our Premium Banking customers²: Our target was more than 50, and the outcome was 55.

Financial targets

The Bank of Åland's overall and long-term financial targets are:

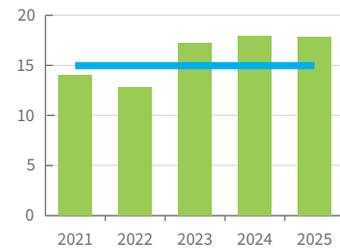
- Return on equity after taxes (ROE) shall exceed 15 per cent over time. The outcome was 17.8 per cent.
- The common equity Tier 1 capital ratio shall exceed the FIN-FSA's minimum requirement by 1.75–3.0 percentage points. The outcome was 3.6 percentage points above this requirement.
- The dividend payout ratio shall be 60 per cent of profit for the year, or higher, provided that capital adequacy does not fall below target. The Board's proposal is to distribute 77 per cent of profit for the year as a regular dividend.

Common equity Tier 1 capital ratio
Per cent



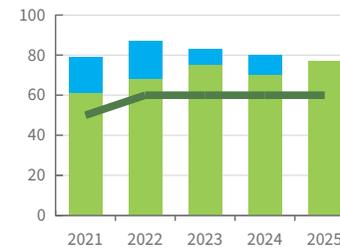
- Common equity Tier 1 capital ratio
- Target range, should exceed the minimum requirements of the FIN-FSA by 1.75 to 3.0 percentages.

Return on equity after taxes (ROE)
Per cent



- Return on equity after taxes (ROE)
- Target: Shall exceed 15 per cent over time

Dividend payout ratio
Per cent



- Payout ratio, regular dividend
- Payout ratio, extra dividend
- Target: 60 per cent of profit for the year, or higher, provided that capital adequacy does not fall below target

¹ Official results are not available for the Bank's Swedish operations.

² In order to calculate the total result, the outcome for each geographic business segment is weighted against the total business volume (actively managed assets plus loans and deposits from the public).



Environmental and climate-related targets

Climate change remains a high priority area for our operations, where the major impacts are in the value chain, mainly downstream.

The Bank of Åland's long-term climate targets for greenhouse gas emissions are:

- Reducing emissions by 50 per cent no later than 2030, compared to 2021 levels.
- Climate neutrality by 2035.
- Net-zero emissions by 2050.

For more information about the targets, see *the Sustainability Report*.

Social responsibility

The Bank of Åland's objective as an employer is to have motivated, committed and healthy employees who are constantly developing.

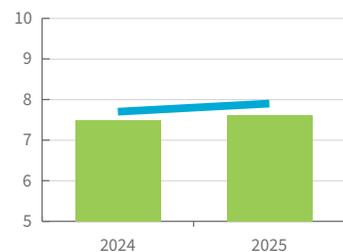
For the Bank of Åland as a societal stakeholder and employer, social responsibility is important.

By continuously measuring and monitoring our employees' motivation and working conditions, we can ensure a healthy and efficient organisation.

- Employee commitment metric: Target 7.9, outcome 7.6.
- eNPS (employee willingness to recommend the Bank as an employer): Target 26, outcome 23.
- Leadership index: Target 8.2, outcome 8.0

Employee commitment

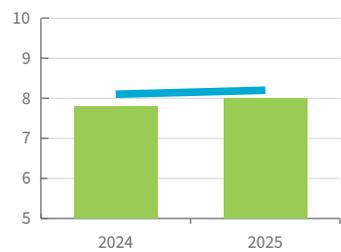
7.6 compared to target 7.9



● Employee commitment ● Target

Leadership index

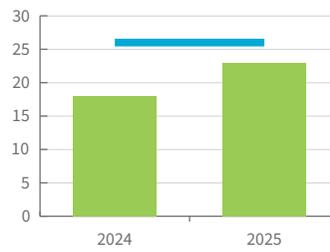
8.0 compared to 8.2



● Leadership index ● Target

eNPS

23 compared with the target of 26





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Strong growth and exceptional customer loyalty

The Bank of Åland's Private Banking and asset management continued to grow in 2025, with strong net inflows of capital and exceptional customer loyalty. Through personal advice, a focus on sustainability and active management, the Bank has strengthened its position in all its geographic markets.

Ålandsbanken Private Banking includes Private Banking operations in the Åland islands, on the Finnish mainland and in Sweden, as well as asset management (Ålandsbanken Fondbolag Ab and its subsidiaries). In order to deliver Private Banking service, we provide a team of employees specialising in wealth management, advisory services, financing solutions, law, personalised service and banking services. Our ambition is to help our customers at all stages of life.

Our Private Banking offering is one of the cornerstones of the Bank of Åland's business operations. Private Banking is where the Bank has its largest business operations on the Finnish mainland and in Sweden.

During the year, Private Banking continued to attract new customers in our three geographic markets. The fastest growing customer segment is very wealthy customers.

The year 2025 was strong for the stock market, despite significant turbulence during the year. Our portfolios saw a robust relative return and surpassed the market, which reflected the increased commission income and provided good opportunities for active portfolio

management. At the same time, lower market interest rates put pressure on net interest income. Net inflows of actively managed capital remained high.

The Bank of Åland's own customer surveys show that customers continue to appreciate us for our personalised service and ethical standards. Our investment performance and sustainability work consistently are highly rated. Due to the media visibility of our asset management experts, awareness of the Bank of Åland as a wealth manager increased significantly.

The Bank of Åland retains its position as one of Finland's best Private Banking operators according to Kantar Prospera's Private Banking 2025 Finland survey. The results show that customers appreciate the Bank's long-term work with customer relationships, wealth planning and sustainability. The high customer satisfaction and strong customer willingness to recommend the Bank of Åland confirm a high level of trust and loyalty. The Bank of Åland was ranked second in 2025, after four years previously of being named Finland's best Private Banking operator.



From left: Pasi Poikkeus, Director of the Finnish Mainland Business Area, Sebastian Schmidt, Director of the Sweden Business Area, Carola Nilsson, Managing Director at Ålandsbanken Fondbolag, Mikael Mörn, Director of the Åland Business Area.



Asset management

The Bank of Åland came in first place in the category asset management competence in Kantar Prosperas survey Private Banking 2025 Finland.

Management results in our actively managed asset management products, both mutual funds and strategic model portfolios, continued with strong growth during the year. The strategic and tactical allocation contributed positively to returns, strengthened by favourable market conditions.

At the end of 2025, assets under management totalled EUR 12.1 billion, of which EUR 5.5 billion in so-called Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). The majority of the assets belong to the Bank of Åland's Private Banking and Premium Banking customers, but mutual funds are available as well for other customers through external platforms, where the largest volumes are found within the Swedish premium pension system.

Ålandsbanken Fondbolag was one of four fund managers that together with mutual fund Ålandsbanken Norden Aktie were awarded a prestigious fund agreement from the Premium Pension Fund Platform in Sweden for Nordic equity funds geared toward investments in large and medium-sized companies. The decision affected some 80,000 savers with collective assets of nearly SEK 8.8 billion as of 31 December 2024.

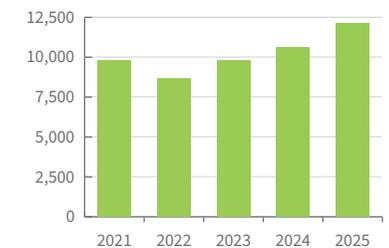
The fund offering was expanded during the year with two new mutual funds. One of these was Ålandsbanken USA, an actively managed equity fund launched to fill an identified gap in

the investment offering and which functions as a central building block within discretionary asset management. To ensure trustworthy and effective management, the portfolio management of the fund was outsourced to RBC Global Asset Management UK Ltd (RBC).

The fixed income fund offering was expanded to meet the strategic need of a fund for the fixed income management strategy applied in Sweden. In conjunction with this, Ålandsbanken Företagsobligationer Sverige was launched, a fund managed by the Bank of Åland's own portfolio managers, with their documented strong history. The fund is the first SEK-denominated fund in the Bank of Åland's offering and began operations in October. Two special mutual funds had a challenging year. The continued weak housing market in Finland had a negative effect on prices and liquidity resulting in the redemption request for Ålandsbanken Bostadsfond needing to be postponed. Ålandsbanken Vindkraft as well was faced with liquidity challenges, which resulted in delayed redemptions for the fund's investors. The asset management offering became more focused and efficient during the year. The number of strategic model portfolios decreased, and optimisation efforts continued.

Looking ahead to 2026, an investment environment of declining inflation, normalised interest rates and gradually improving economic conditions is expected. Our investment philosophy of active ownership of high-quality companies with reasonable corporate values remains firm and is expected to create added value even in the future.

Actively managed assets
EUR M





Increased customer satisfaction and a strong growth in Premium Banking

In the Premium Banking business segment, we report all individual and corporate customers who are not Private Banking customers. Put a bit simply, the business segment consists of three customer categories: Premium Banking customers; corporate customers; and miscellaneous customers, who often have a relationship with other Premium Banking customers.

Collaboration between Private Banking and Premium Banking continued to expand in all three home markets. As Private Banking has gained an increasing share of very wealthy customers, some customers previously have moved to Premium Banking to ensure a high level of service with a more customised offering.

The asset management business has grown in importance within Premium Banking in recent years, where the offering has been characterised by personal service and customer-oriented advice.

The number of Premium Banking customers grew during 2024. Changes in other banks' operational models create opportunities to attract customers to the Bank of Åland's flexible service model. In addition, recommendations from existing customers contribute ongoing potential for new customers.

Customer surveys continue to confirm that our customers appreciate the personalised service we offer. Customer satisfaction increased from 2023, when it was already at a high level. Our customers are highly willing to recommend us to their friends.

During 2024, the Baltic Sea Account

maintained its strong position as an attractive and sustainable deposit alternative.

We continuously invest in skills enhancement, with our employees participating in both internal and external training during the year.

Corporate Banking is the market leader in Åland and offers a wide range of services and products that are adapted to Åland-based companies. The unit handles large corporate groups with an international focus that are domiciled in the Åland islands, which enables comprehensive solutions for both local and global business needs.

In addition, Corporate Banking offers advanced financing services to existing and potential Private Banking customers through Private Banking on the Finnish mainland and in Sweden. During 2025, operations grew significantly outside Åland. Especially positive were the financing packages that were devised together with entrepreneurs who also selected the Bank of Åland for their financial investment activities.





Focus on growth through strengthened business development and partnerships

Through strategic partnerships with fintech companies and financial players with their own licences, the Bank of Åland creates economies of scale and broadens the use of the Bank's existing resources. During the year, partnerships have grown, despite the challenging investment climate, contributing to both growth and innovation within sustainability, mortgages and payments.

Greater focus on business development

The Bank of Åland's business development during 2025 contributed further resources to work even more strongly to see that our customers' experience of meeting with our staff and the use of our products and services are high quality. This means that our Private Banking customers are met with the highest level of personal service as well as interesting and high-quality funding and financial investment services. This also means that our Premium Banking customers should be treated personally and with a broad range of solutions that promote their finances. Even our business customers within Corporate Banking and our partners within Partner Banking should have in the Bank of Åland a banking partner that understands customer needs and can offer sound products and solutions.

Introducing AI for banking services

In 2025, the existing product offering within the investing, financing and daily banking areas has

been analyzed in a structured manner so that products no longer in demand can be discontinued and the development of new products lacking so far can be developed instead. In 2025, our fund management products have been developed, our standard portfolio for all lending products has been clarified, and we have launched a more efficient tool for our staff that helps discussions with customers sound less administrative. Upgrades need to continue in order to actually meet our customers with the time needed, strong competence and value-creating products, despite stricter regulatory requirements. We are currently testing the use of AI to a greater extent, not to replace personal meetings with the Bank of Åland, but as administrative support to free up more time for our customers as well as to raise the quality even more of discussions with our clients.

Sustainable solutions for private individuals

We prioritise sustainability significantly in our

operations, in our customer relations and in our work with business development.

Together with our partner Doconomy, which is increasingly establishing the Åland Index as the global standard for carbon dioxide measurement, we help financial players show their customers how lifestyle and consumption affect emissions. Looking forward, with the help of the Åland Index and product development from Doconomy, the Bank of Åland will review how we can offer customers additional functionality for measuring private individuals' emissions. This is the focus issue for 2026.

At the same time, we know that the amount of paper generated by our operations can continue to decrease.

In 2025, we have given customers the possibility to sign new contracts digitally to avoid paper printouts and documents can be handled where customers are: at our offices, at their



Sofie Holmström, Director of Partnerships Business Area & Business Development.



workplaces, at home or maybe on a trip. Our digital services will continue to develop so that our customers, even for banking services in the future, can efficiently manage daily banking themselves while having a good overview of their finances where funding and financial investments are also central parts.

Business concept and strategy for partnerships

The Bank of Åland's partnerships are built on creating economies of scale through smart use of resources. The partnerships include:

- Fintech partnerships and service deliveries to financial companies with their own licences
- Ownership stakes in Dreams, Doconomy, Borgo and Plusius

The business concept for the Bank of Åland's partnerships can be summarised as achieving economies of scale by using existing resources to a greater extent. The same IT, process and knowledge resources can be used by more people, thereby broadening their benefits outside the Bank of Åland's own target audience.

Growth within managed home mortgage loans

The Bank of Åland's lending service to Borgo managed around SEK 39 million in managed mortgages at the end of the year, which means that the managed home mortgage loans in 2025 increased by SEK 4 billion, corresponding to 10 per cent. Growth was high and can be compared with the slow home mortgage loan market in Sweden, which in 2025 grew by just over 2 per cent. In addition, accounts and payment

brokerage as well as Treasury, financial functions and government reporting with data storage are all also managed for Borgo's operations. During the year, another home mortgage loan broker was activated for Borgo, complementing the existing brokerage group of ICA Banken, Ikano Bank, Söderberg & Partners, Sparbanken Syd and the Bank of Åland.

The home mortgage loan market is changing in Sweden. The large banks are being challenged, and profit margins are increasingly under pressure in the new interest rate environment that was stabilised in 2025, something the Bank of Åland through the Borgo partnership has contributed to. During the year, several lenders have dissolved their operations as consumer credit institutions as a result of stricter regulations, and home mortgage challengers have been consolidated into large banks. Even Borgo's business model is changing, where its acquisition of Hypoteket's operations and accompanying home loan mortgage volumes will add more to the volume.

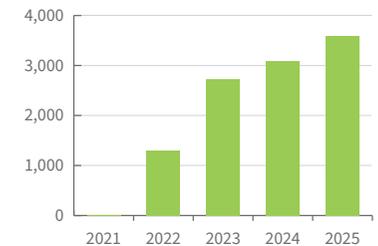
Payment services and infrastructure

Service deliveries are also available in the area of payments. Licensed operators that offer flexible payment solutions to the market can be offered the use of the Bank of Åland's existing payments infrastructure both in Sweden (in Swedish kronor) and elsewhere in Europe (in euros). In 2025, the number of intermediated payments totalled around 10 million. Commission income from our established partnerships is therefore significant.

Ownership stakes in partner companies

In some of the companies that the Bank of Åland collaborates with, we have chosen to take on an ownership role parallel with our supplier role. At the end of 2025, we had ownership stakes in four partner companies: Dreams, Doconomy, Borgo and Plusius.

Mortgage loans under management
EUR M





We make people’s everyday lives and dreams possible

At Crosskey, we are proud that our solutions are used by one-sixth of Finland’s population and by a growing proportion in Sweden. For us, it is not just about technology and transactions, but also about the people behind every transaction. Together with our customers and through our banking, card and asset management platforms and solutions, Crosskey makes everyday lives and dreams possible in society.

Focus on stability and security

Crosskey’s customers have many end customers who trust us to deliver stable and secure systems every day. Cyber threats are becoming increasingly numerous, and in 2025 we continued to invest in security solutions and processes to ensure the security of our customers. For us, it is about more than just technology – it is about building trust.

Safety and security are fields in which we are determined to continue investing in the years to come, because the safety of our customers is our top priority. We are also seeing how legal requirements are increasing, including the EU’s Digital Operational Resilience Act (DORA) and Network and Information System 2 (NIS2), which are driving our entire industry towards a stronger focus on security.

Crosskey successfully completed its Payment Card Industry Data Security Standard (PCI-DSS) certification for the 13th year in a row.

Milestones in 2025

During the year, we continued the intensive work with the implementation project for the POP Banks, and we expect to go into full production in 2026.

During the year, we also welcomed Aktia, chosen to implement our PSD2 platform, which further strengthens our position as a leading supplier of modern payment service solutions.

Within the payment area, we delivered SEPA Instant and Verification of Payee, which contribute to faster and more secure payments for our customers.

Our employees – the key to success

We continue to build a corporate culture characterised by knowledge, cooperation and strong relations – both internally and together with our customers. During the year, we have welcomed new employees who, with their skills and commitment, strengthen our ability to deliver modern and reliable solutions.

The focus on long-term and trustworthy relationships is a central part of our business. Many of our customer relationships go back a long way and testify to the importance of stability and partnership for success in the context of our business. Through this way of working, we continue to create value over time.

A long-term perspective characterises the development of our technical solutions as well.

We design and build our platforms to be sustainable over time. They are scalable, future-proof and adaptable to new regulations and technical possibilities. In this way, we ensure that our customers can continue to grow and develop together with us, even as the world changes.

Sustainability

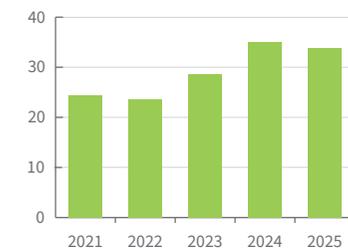
Our sustainability efforts are a natural and integrated part of our work. Our long-term perspective has an impact not just in how we collaborate and build our technical platforms, but also how we take responsibility for our environment and our community. We have as well broadened our sustainability work through intensifying the recycling of hardware, which further reduces our climate impact and contributes to a more resource-efficient way of running our operations.

Within social sustainability, we continue to develop a working environment where people can thrive over time. The balance between work and private life is central to our way of working, and our flexible hybrid solutions help employees find a sustainable rhythm to their daily lives.



Niclas Södergård, Managing Director at Crosskey Banking Solutions Ab Ltd.

Non-Group IT revenues, Crosskey EUR M





Corporate units – strategic hub for governance and development

The Bank of Åland's corporate units serve as a strategic hub for the Bank's governance, development and regulatory compliance. Employees in Mariehamn, Helsinki and Stockholm deliver business support services both internally and externally, drive efficiencies and ensure that the Bank meets regulatory requirements and customer expectations.

Organisation and responsibilities

The CFO Corporate Unit is headed by Chief Financial Officer Jan-Gunnar Eurell and consists of the Treasury, Group Finance and IR & Group Communications departments.

The COO Corporate Unit is headed by Chief Operating Officer Tove Erikslund and consists of the Human Resources, Customer Service, Product Development & IT Architecture, Product Management and Financial Crime Prevention (FCP) departments.

The CRO Corporate Unit is headed by Chief Risk & Compliance Officer Juhana Rauthovi and consists of the Risk Control, Compliance, Operational Risks & Security, Legal and Group Credits departments.

In 2025, the Bank carried out a comprehensive organisational restructuring to create better conditions for establishing a standardised way of working and become more data-driven in the governance of operations.

Strategic services

The Bank of Åland's corporate units play a central role in supporting the Group's Executive

Team and the Board of Directors in strategic decision-making and operational governance. They also fulfil an important function by communicating with supervisory authorities, rating agencies, debt investors and shareholders.

Business support services

The Bank's corporate units deliver business support services internally within the Bank of Åland, but also externally to customers in the Nordic markets. These business support services include daily banking services, funding and financial investment services. The corporate units also offer customer service, human resources (HR) expertise and legal advisory services, as well as financial and operational governance. The corporate units are also responsible for the Bank of Åland's purchasing work, IT development and IT purchaser responsibility towards Crosskey. They ensure that the Group's operations comply with applicable regulations and supervisory requirements.

Liquidity and funding

The Treasury department is directly responsible



Tove Erikslund, Chief Operating Officer; Jan-Gunnar Eurell, Chief Financial Officer; and Juhana Rauthovi, Chief Risk & Compliance Officer.

for approximately one quarter of the Bank of Åland's balance sheet and indirectly for the entire balance sheet in terms of interest rate risk and foreign exchange risk. Treasury plays a major role in the Bank's profitability. In the task of liquidity management and interest rate risk management, first rapidly rising and then falling market interest rates have required new solutions in order to achieve high returns in the Treasury portfolio and at the same time manage market risks. The internal rate of return model has also been updated.

In 2025, a new AT1 instrument was successfully issued. In 2026, a EUR 250 million covered bond loan matures.

Since the Bank of Åland's Swedish home mortgage loans were transferred to Borgo, the

Bank no longer has its own Swedish mortgage banking operations, but only its Finnish mortgage business.

Partnership with Borgo

Borgo is the single largest external collaboration partner. The Bank of Åland's corporate units, together with Crosskey, provide Borgo with turn-key service and related systems – among other things connected to mortgage servicing, certain payment services, deposit services, Treasury services, accounting services and regulatory reporting services.

Product management and product development



In many areas, the Bank of Åland has well-functioning processes that stand up well in a banking sector comparison. Employee satisfaction and motivation are measured continuously and remain high in most corporate units. Nevertheless, our ambition is to continue evolving and to become even better and more efficient.

In order to further increase standardisation and efficiency as well as create conditions for increased scalability, during the year corporate units have redefined the service promise and standard offering.

During the year, development projects have been focused on improving system support and processes both for customer managers and back office as well as adjusting operations to meet new government requirements.

During 2026, development work by the Bank's corporate units will continue to be dominated by regulatory adjustments to operations, in particular within the payment and funding areas. At the same time, significant development initiatives are planned with the goal of creating concrete improvements in the form of increased user-friendliness and strong operations support. In the field of capital markets, we will take the next step towards further harmonising systems and processes, so that we will eventually have the same system in Sweden and Finland. Initiatives to strengthen the customer experience are conducted side-by-side with our ongoing improvement efforts. To strengthen our ability to deliver and further raise quality, the work continues with harmonising and standardising our methods.

Security

Fraud continues to be a problem in society, and

fraud against our customers is a challenge that we see in our operations as well. We work continuously to improve our systems and processes to mitigate the risk of fraudsters exploiting our customers and our systems. Through improved security measures both in our digital systems and at the product level, plus enhanced monitoring and education efforts for our customers, we aim to create conditions where we can more quickly identify and counteract fraud. There is still a lot of pressure from the authorities related to payments and the fields of Anti-Money Laundering – Combating the Financing of Terrorism (AML–CFT) and fraud. This is evident in the form of several regulatory and market requirements that will go into effect during 2025–2027.

Customer experience and self-service

To improve and enhance the customer experience, during 2025 the Bank of Åland continued to digitise customer mailings, with the main focus on capital market-related mailings.

Customer Service volume increased from 11,800 cases per month in 2024 to an average of 12,900 cases per month in 2025. Customers can contact the Bank's Customer Service by phone and via the Internet Office and the Mobile Bank, as well as by email and online chat. During the year, an AI chatbot was launched on the web pages. The customer survey that we conducted showed that Customer Service maintains high quality in its customer encounters. Customers rated their overall satisfaction at 89 compared to last year's 88 on a scale of 0–100. Our target is to achieve a rating of 90.

Second line

The second line comprises the Risk Control,

Operational Risks & Security and Compliance departments. These conduct independent oversight and continuously monitor and evaluate the Bank's compliance and risk exposures. These departments also provide advice and support and supply the Executive Team and the Board of Directors with independent reporting. Insights from operative risks are integrated into the Bank's risk reporting to provide a comprehensive picture of risk to the Executive Team. The Bank shall maintain a healthy risk culture that corresponds to its risk appetite and risk-bearing ability.

For Risk Control, financial year 2025 was marked by regulation-driven change efforts as well as adjustments for transitioning to new database tools. The department has participated in implementation of the new updated Capital Requirements Regulation (CRR3). The update includes changing the method for calculating capital requirements according to the standardised approach and the implementation of a so-called output floor. The Bank of Åland has received continued permission from the Financial Supervisory Authority to calculate credit risk models according to the internal ratings-based (IRB) approach.

The focus of the Operational Risks & Security department during 2025 was on project work to further develop the Bank's records of processing activities under the EU's General Data Protection Regulation (GDPR), studying what the EU's Digital Operational Resilience Act (DORA) regulations entail, and development of the operational risk analysis work as well as the risk taxonomy. During the year, the department has also worked to establish a threat analysis that will form the basis for developing the Bank's contingency planning.

Cybersecurity efforts remain relevant and require sufficient focus. The department's mission is to monitor operational risk exposure and assist operations with its expertise within operational risk and security. During 2025, the Compliance department has focused through its controls on customer security issues and control of regulation compliance with investment services, as well as control of actions to combat money laundering and financing of terrorism. Within the area of compliance with financial sanctions, Compliance has worked with updating the internal framework in order to better meet external requirements and support operations regarding compliance with sanctions regulations. Within the sustainability area, Compliance has further developed the Bank's Code of Conduct, as well as established the Bank's first framework for use of AI.

Third line

The third line consists of the Internal Auditing department. The task of this department is to provide the Board of Directors and the Executive Team with objective and independent assessments of operational activities. The aim of its work is to create improvements in operations and help the organisation achieve its objectives through evaluation and assessment of internal controls, risk management and governance processes. Internal Auditing is also responsible for the entire Group's whistle-blower system.

Internal Auditing reports directly to the Bank's Board of Directors, and all companies in the Bank of Åland Group are included in the department's work.



Our Sustainability work

The Bank of Åland’s sustainability work follows a clear strategic direction, where the sustainability strategy and the business strategy are aligned and based on operating the business in a sustainable and long-term manner – financially, environmentally and socially, and in compliance with regulatory requirements. The sustainability strategy comprises four focus areas: responsible investments; responsible lending and liquidity management; environmental responsibility; and social responsibility.

The double materiality assessment constitutes a central cornerstone of our sustainability work, through which we identify our positive and negative impact areas, key stakeholders and our own resilience in relation to external impact factors. Based on this assessment, we establish both short-term and long-term targets with the aim of creating shareholder value while contributing to a more sustainable future. Further information on our materiality assessment is provided in the Sustainability Report and in *ESRS 2 General Disclosures*.

As additional guidance in integrating the most material sustainability areas and contributing to the global goals, the Bank of Åland has committed to the following four international initiatives:

- United Nations Principles for Responsible Investment (UNPRI)
- UN Principles for Responsible Banking (UNEP FI)
- Climate Action 100 +
- Science Based Target initiative (SBTi)

Further details on the initiatives, our sustainability strategy and our climate strategy are provided in section E1-2 of the Sustainability Report.

In 2025, the Bank of Åland has continued to integrate sustainability into its business strategy. Within the second line of defence, Risk Control expanded its monitoring of acute, chronic and transition risks related to climate change. During the year, the Bank also continued its work to develop activities within our lending and investment operations in order to achieve our long-term climate target of net zero emissions by 2050.

In 2025, the European Union initiated a comprehensive review of the sustainable finance regulatory framework, primarily with the aim of enhancing the competitiveness of European companies by reducing the administrative burden.

Changes have also taken place with regard to voluntary initiatives, in particular the Net-Zero Banking Alliance (NZBA), of which the Bank of

Åland was one of the early members. Following significant changes in the global financial sector during 2025, the former membership-based NZBA was dissolved through a formal membership decision in October 2025. After ceasing operations, NZBA has transitioned into a guiding framework, focusing on the development and provision of guidelines and methodologies for climate targets within the banking sector. The Bank of Åland continues to engage in this work.

The Bank of Åland closely monitors developments in this area. Despite changes in the international structure, our ambition remains unchanged: to work in a long-term and transparent manner to conduct our operations in a sustainable and responsible way.

Responsible investments

The Bank of Åland’s investment philosophy is based on the four fundamental principles that portfolio management should be active, long-term, analysis-driven and responsible. We work proactively to decide what we choose, and what

Signatory of:





we avoid, when we invest our own and our customers' money.

As early as 2010, Ålandsbanken Fondbolag signed the UN Principles for Responsible Investment (UNPRI). All fund management companies whose funds we recommend have signed the UNPRI. Our goal is to ensure that as savers, our customers should be able to invest their assets in a safe, long-term manner, focusing on customer goals and values.

The Bank of Åland invests in well-managed companies that are well positioned to meet future challenges. We offer a wide range of products and investment services where environmental, social and governance (ESG) considerations are fully embedded in our investment processes. Prior to making an investment, an active selection process is applied. This includes the initial exclusion of sectors deemed inherently unsustainable, followed by an analysis of risks and opportunities. Where appropriate, the Bank of Åland also exercises active ownership to influence companies in a responsible direction.

Our climate strategy also forms the basis for deciding which companies the Bank of Åland either chooses or excludes from its investments.

During 2025, we continued to develop tools and processes to identify and measure the extent to which the operations of our portfolio companies are aligned with the Paris Agreement. In order to achieve our established targets, we work to ensure that companies have, or develop, science-based climate targets in line with the Science Based Targets initiative (SBTi).

During the year, we measured the number of companies that had submitted or validated such

targets. At year-end, the share of companies with science-based climate targets had increased by 6 percentage points compared with the corresponding period of the previous year.

Further information on responsible investments is provided in section E1-2 of the Sustainability Report, which presents the sustainability risk policy. Information on climate targets and climate impact is included in sections E1-3 and E1-4, while disclosures on gross greenhouse gas emissions are provided in section E1-6.

Responsible lending and liquidity management

Responsible lending

We have a strong ambition to contribute to the green transition. We encourage our corporate customers to comply with international policies and guidelines for sustainable development

The Bank of Åland has a sound attitude towards risk, which means that in our lending we always monitor the customer's repayment capacity and changed behaviour as well as new regulatory requirements. By continuously measuring and reporting greenhouse gas emissions from our loan portfolio, we increase our knowledge and understanding of how we and our customers affect our surroundings as well as the risks and opportunities that arise. These will form the basis for the creation of a green asset register, which in turn will enable us to offer green debt financing in the future.

During 2025, we took further steps towards our objective of reducing greenhouse gas emissions arising from our lending activities. In

addition to the launch of green mortgages in the Åland and Finnish markets, the Bank also developed new approaches aimed at engaging and inspiring corporate customers to influence and accelerate their own transition towards a more sustainable society (ESG).

During the year, we also focused on further analysing greenhouse gas emissions within the loan portfolio and identifying the measures most effective in reducing our footprint. The reduction in greenhouse gas emissions is expected to be driven primarily by companies operating in so-called climate-intensive sectors. The Bank's ambition is to work together with customers to support their green transition.

Further information on responsible lending, climate targets and climate impact is provided in sections E1-3 and E1-4 of the Sustainability Report. Information on gross greenhouse gas emissions is included in section E1-6.

Responsible liquidity management

In keeping with the Bank's climate strategy, climate criteria are applied to all new financial investment decisions, with the criteria indicating whether the issuer has taken steps or intends to take steps to reduce its emissions. Using such climate criteria, Treasury can ensure that its portfolio's emissions are reduced at the rate required to achieve our established targets. In 2025, Treasury was also able to divest some emission-intensive holdings from the portfolio.

The Bank of Åland has an outstanding green T2 (supplementary capital) instrument of SEK 150 million, for which the Treasury department maintains a green asset register.

Treasury publishes a yearly environmental impact report, which describes what projects the green instrument has funded as well as the amount of avoided greenhouse gas emissions that this funding contributed to.

Environmental responsibility

Given its vulnerable location in the middle of the Baltic Sea, the Bank of Åland has a long history of protecting the environment and our immediate area. Understanding our environmental impact and how we can possibly contribute to the green transition is a guiding principle for us.

Initiatives such as the Baltic Sea Project, the Baltic Sea Card and Åland Index Solutions have helped us to spread environmental awareness to our customers. Through the Baltic Sea Account, we also see that the contributions we make to the Baltic Sea have a tangible and positive environmental impact.

During 2025, we continued to improve our materiality analysis to increase our understanding of the impact our own business operations on biodiversity and ecosystems and circular economy, among other things. Read more about our materiality analysis in chapter of the Sustainability Report entitled *ESRS 2 General disclosures*.

Further information on climate impact in our own operations is provided in sections E1-3, E1-4 and E1-6.

Social responsibility

Social responsibility is an important area of sustainability and is also one of the four focus areas in the Bank of Åland's sustainability strategy.



Social responsibility is broad and extends from our employees to our local community involvement.

For the Bank of Åland, it is self-evident to work with gender equality and diversity. We want to create an inclusive culture and a working environment where differences are a strength. In the recruitment process, we work with competency-based recruitment, which means that candidate assessment must be carried out objectively on the basis of an established requirement profile. The recruitment process also reflects our values and corporate culture, and we strive to attract candidates whose values are in line with ours. Our recruitment practices help us to ensure good quality and equal treatment, which also helps create a good experience for job candidates.

As part of its efforts to be an attractive and sustainable employer, Ålandsbanken regards continuous learning and competence development as essential to long-term competitiveness and the ability to adapt to change. During 2025, the Group continued its work to establish a learning culture, including through the further development of the Bank's learning platform.

Further information on how we work with inclusion, diversity and equality, learning and engagement, as well as leadership, is provided in section S1 of the Sustainability Report.

Community involvement

The Bank of Åland is an active player in the business sector and we are broadly involved in the community, especially on the Åland islands. As part of our long-term commitment to

sustainable development, we take great responsibility for contributing to an inclusive and prosperous community. Through financial education in schools, grants for scholarships and our support for local sports and cultural associations, we not only promote physical and mental health, but also contribute to social cohesion, equality and development. We focus on the well-being of children and young people and on ensuring a vibrant, sustainable community. We are making an investment for the future.

As part of our recruitment efforts, we work to attract talent to the Åland islands, which we believe will benefit the community of the Åland islands. We also collaborate with schools and educational organisations. Crosskey's trainee programme attracted significant interest during 2025, receiving more than 100 applications. The Group also cooperates with educational institutions such as Grit:Lab, Åland University of Applied Sciences and universities in the surrounding region, which has resulted in several recruitments within both the banking and technology areas.

Further information on our community engagement is provided in the section on local community involvement on the Åland islands, in the Sustainability Report.



The Baltic Sea Project

EUR 5.5 million for the well-being of the Baltic Sea

Ålandsbanken's Baltic Sea Project works to promote a healthier Baltic Sea by financing research, innovation and practical measures that strengthen the sea's ecological status and biodiversity. Since its inception, approximately EUR 5.5 million has been distributed to projects across the Baltic Sea region.

In 2025, distributions amounted to EUR 550,000 and were allocated to a broad range of initiatives, with a

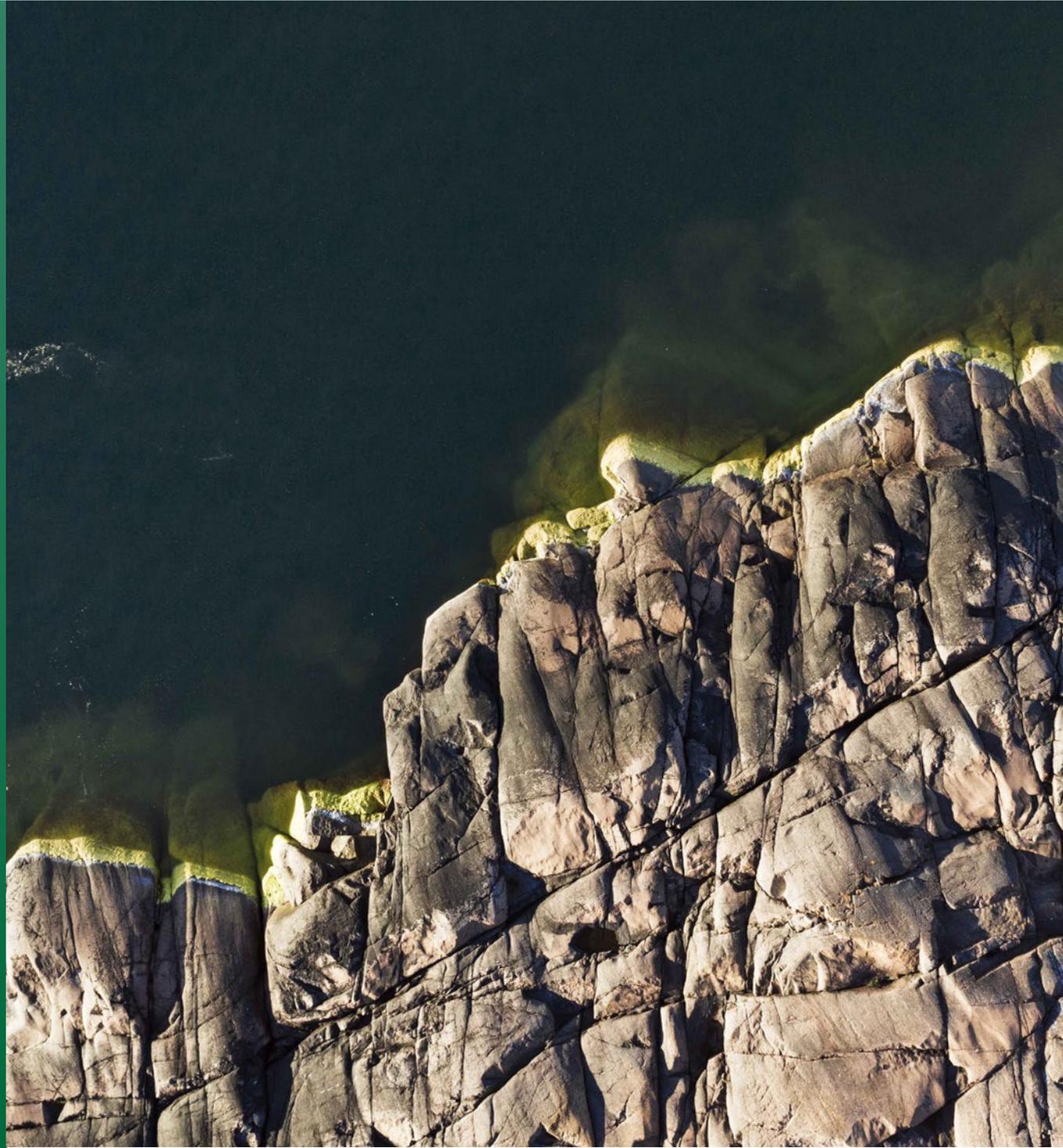
particular focus on water treatment, sustainable agriculture, biodiversity, climate action and preparedness for environmental risks such as oil spills. The support covered scientific research and technological innovation, as well as education, collaboration and long-term partnerships with established stakeholders.

A more detailed account of the funded projects and their impacts is provided in the Sustainability Report, in the chapter on the Baltic Sea Project.



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Report of the Directors

Macro situation

The year 2025 was characterised by continued heightened geopolitical tension and uncertainty.

Key interest rate cuts announced during the year were 1.00 percentage points by the European Central Bank and 1.50 percentage points by Sweden's Riksbank.

Benchmark interest rates, per cent	2025	2024
Euribor 3 mo	2.18	3.57
Euribor 12 mo	2.22	3.27
Stibor 3 mo	3.52	3.52

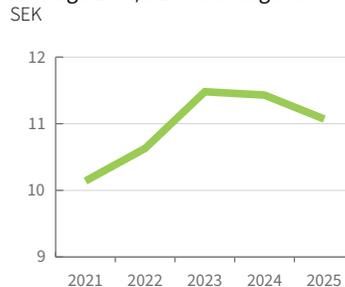
During the year, share prices according to the Nasdaq Helsinki stock exchange's OMXHPI index rose by 30 per cent, while the Nasdaq Stockholm stock exchange's OMXSPI index gained 10 per cent.

The average value of the Swedish krona (SEK) in relation to the euro (EUR) was on average 3 per cent higher during the year compared with the previous year. At the year-end, the exchange rate was 6 per cent higher than at the previous year-end. 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 issued a new Additional Tier 1 (AT1) instrument of SEK 350 million in November. The instrument was priced at Stibor 3-month plus 3.35 per cent. Demand was exceptionally strong,

Average EUR/SEK exchange rate



Euribor/Stibor, 3-month averages



Helsinki and Stockholm stock exchanges





resulting in the issue being oversubscribed. Ålandsbanken Fondbolag launched two new UCITS funds during the year. In October, Ålandsbanken Företagsobligationer Sverige fund was launched. The fund invests in various types of corporate bonds, encompassing both higher- and lower-risk credit exposures. In June, Ålandsbanken USA Aktie was launched. The fund is an actively managed fund that invests in high-quality 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 first quarter, 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

Net operating profit increased by EUR 2.2 M or 3 per cent to EUR 67.2 M (65.0). This was the Bank of Åland's highest-ever net operating profit for the first nine months of the year.

Profit for the period attributable to shareholders increased by EUR 2.3 M or 4 per cent to EUR 54.6 M (52.3).

Return on equity after taxes (ROE) decreased to 17.8 (17.9) per cent.

Core income in the form of net interest income, net commission income and IT income decreased by EUR 0.9 M to EUR 214.7 M (215.6).

Net interest income fell by EUR 9.0 M or 9 per cent to EUR 95.2 M (104.1). 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 9.3 M or 12 per cent and amounted to EUR 85.7 M (76.4). Higher volume of securities brokerage commissions were the main reason. Higher management fees also contributed to the increase.

Information Technology (IT) income fell by EUR 1.3 M or 4 per cent to EUR 33.8 M (35.1), due to lower project income.

Other income, including net income on financial items, increased by EUR 4.9 M to EUR 5.6 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 4.3 M or 3 per cent and amounted to EUR 151.7 M (147.3). The main reason was higher staff costs. Costs due to operating losses decreased.

Net impairment losses on financial assets amounted to EUR 1.4 M (4.0), equivalent to a loan loss level of 0.04 (0.10) per cent.

Tax expenses amounted to EUR 12.6 M (12.8), equivalent to an effective tax rate of 18.8 (19.6) per cent.

Operating segments

The Group's increase of EUR 2.2 M in full-year net operating profit to EUR 67.2 M was allocated as follows:

- **Private Banking +3.3 M**
(higher income, lower impairment losses)
- **Premium Banking -8.8 M**
(lower income, higher expenses)
- **IT -2.4 M**
(higher expenses)
- **Corporate Units & Eliminations +10.0 M**
(higher income)

Business volume

Actively managed assets on behalf of customers increased by EUR 1,503 M or 14 per cent compared to year-end 2024 and amounted to EUR

12,119 M (10,616). Positive net flows and positive market effects were the reasons for the new record levels.

Deposits from the public increased by EUR 239 M or 7 per cent compared to year-end 2024 and amounted to EUR 3,760 M (3,521).

Lending to the public increased by EUR 186 M or 5 per cent compared to year-end 2024 and totalled EUR 3,762 M (3,576).

Managed mortgage loans increased by EUR 513 M or 17 per cent compared to year-end 2024 and totalled EUR 3,593 M (3,080).

Balance sheet total and off-balance sheet items

During 2025 the Group's balance sheet increased by EUR 249 M or 5 per cent to EUR 5,173 M (4,925). The increase was mainly attributable to higher lending to the public. Off-balance-sheet commitments increased by EUR 40 M, or 5 per cent, to EUR 562 M (522), primarily due to credit commitments.

Credit quality

Lending to private individuals comprised 72 per cent of the loan portfolio. Home mortgage loans accounted for 73 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 8.9 M in impairment loss provisions on December 31, 2025 (12.5), of which EUR 1.0 M (0.5) in Stage 1, EUR 0.9 M (1.4) in Stage 2 and EUR 7.0 M (10.6) in Stage 3. Stage 3 loans as a share of gross lending to the



public totalled 1.58 per cent (1.63). The level of provisions for Stage 3 loans amounted to 12 (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 1,114 M on December 31, 2025 (1,077). This was equivalent to 22 (22) per cent of total assets and 30 (30) per cent of lending to the public. In addition to the liquidity reserve, there was EUR 200 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 82 (80) per cent and covered bonds issued accounted for 12 (13) per cent.

The liquidity coverage ratio (LCR) amounted to 153 (169) per cent, and the net stable funding ratio (NSFR) amounted to 114 (118) per cent, which exceeded regulatory requirements by a solid margin.

On December 31, 2025, the average remaining maturity of the Bank of Åland's bonds outstanding was about 0.9 (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 ratingsbased (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.

On December 31, 2025, equity capital

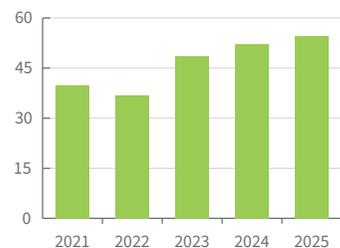
amounted to EUR 386.4 M (336.0). Changes in equity capital during the reporting period:

- Profit for the period, EUR +54.6 M
- Other comprehensive income, EUR +7.3 M
- Issuance of additional Tier 1 (AT1) capital, EUR +31.6 M
- Issuance of new shares, incentive programme, EUR +0.4 M
- Share savings programme, EUR +0.5 M
- Dividend of EUR -42.3 M distributed to shareholders
- Dividends of EUR -1.7 M distributed to holders of additional Tier 1 capital instruments.

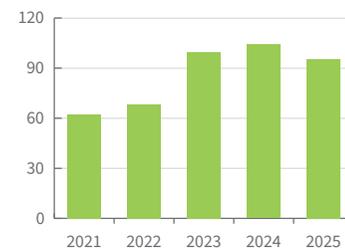
Other comprehensive income was affected by a strong Swedish krona and lowered interest rates and amounted to EUR 7.3 M (-11.4) after taxes.

Common equity Tier 1 capital increased by EUR 1.5 M, despite the fact that equity attributable to shareholders increased by EUR 18.7 M.

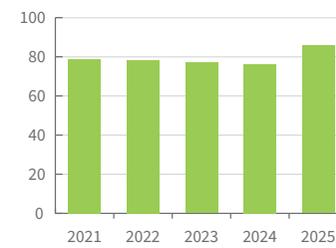
Profit attributable to shareholders
EUR M



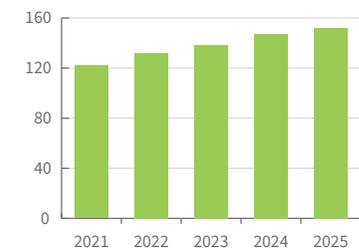
Net interest income
EUR M



Net commission income
EUR M



Total expenses
EUR M





Other deductions increased by EUR 17.2 M, of which 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 14.6 M.

The risk exposure amount increased by EUR 245 M or 15 per cent during the second quarter and totalled EUR 1,888 M (1,643). The credit risk exposure amount rose by EUR 224 M or 17 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 2 M.

The common equity Tier 1 (CET1) capital ratio decreased to 12.7 (14.5) per cent. The Tier 1 (T1) capital ratio decreased to 15.9(16.3) per cent. The total capital ratio decreased to 17.6 (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 according to the Financial Supervisory Authority currently applicable to the Bank of Åland as of December 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 +5.1 percentage points
- Total capital ratio +4.6 percentage points

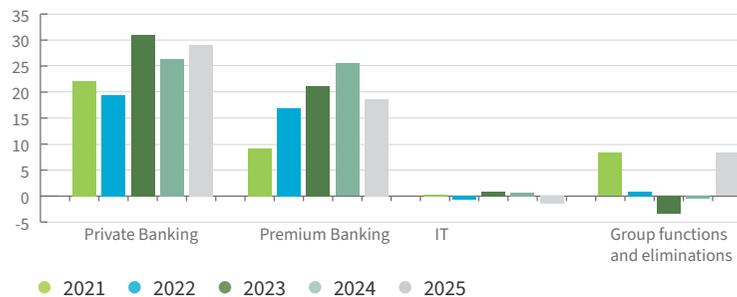
The Bank of Åland is subject to an indicative additional capital requirement (Pillar 2 guidance, P2G) of 0.75 per cent. This indicative additional capital requirement is not included in minimum levels but is instead included as a subset in the Bank of Åland's capital surplus, where the Bank's long-term 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 information

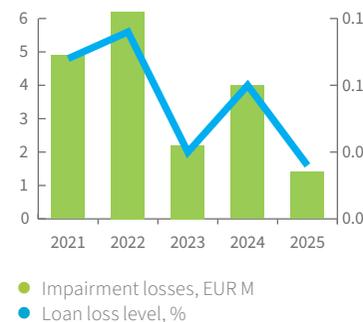
Aside from paying national income taxes and value-added taxes, the Bank of Åland is a sizeable employer, especially in its Åland home market. The Bank's involvement in the Åland community included sponsorships to support culture, sports and studies.

During the fourth quarter, the Bank of Åland continued to strengthen awareness of responsible lending. An increasing number of customers in Åland chose to acknowledge climate ambitions and establish company-specific sustainability plans. These documents ensure a shared climate ambition, whereby the Bank of Åland and its customers aim to reduce their carbon footprints by at least 50 per cent by 2030. Within responsible investments, efforts continued to develop and refine tools and processes to identify and measure the extent to which the

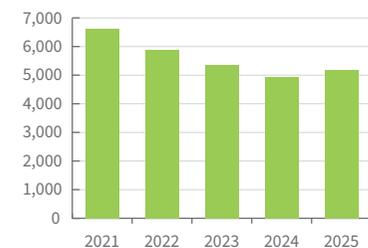
Profit attributable to shareholders, by segment
EUR M



Impairment losses and loan loss level
EUR M / %



Balance sheet total
EUR M





activities of our portfolio companies are aligned with the Paris Agreement.

The total greenhouse gas emissions for business operations in 2025 amounted to 5,712 tonnes CO₂e, which was a decrease of 46 per cent compared to previous year. The decrease is 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 December 31, 2025,

emissions totalled 4,113,475 tonnes of carbon dioxide equivalent (CO₂e), which was an increase of 36 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.

Employees

The Bank of Åland's employees are its most valuable asset and its most important competitive advantage. Measured as full-time equivalents based on hours worked, the average number of employees during the year amounted to 1,013, representing an increase of 36 full-time equivalents, or 4 per cent, compared with the previous year. After several years of steady growth in staff numbers, the development is now beginning to level off. In the fourth quarter of 2025, the

number of full-time equivalents based on hours worked was unchanged compared with the corresponding quarter of the previous year.

By continuously measuring and monitoring employee motivation and working conditions, the Bank of Åland can ensure a healthy and efficient organisation. Employee commitment has increased for several consecutive years, and this positive trend continued in 2025.

Customers

The Bank of Åland continues to retain existing customers and attract new ones in all its various geographic markets and through business partnerships. Within partner collaborations, just over 100,000 small retail customers were lost during the year, as the collaboration with Dreams was concluded after ten years. Customer satisfaction continues to be at a very

high level across all geographical markets in both Private and Premium Banking.

Community involvement

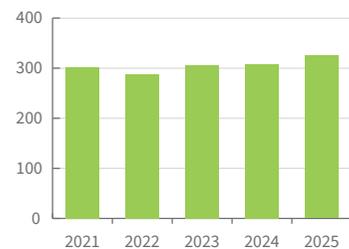
Aside from paying income and value added taxes to the Finnish government, the Bank of Åland is a sizeable employer, especially in its Åland home market. The Bank is deeply involved in the Åland community and contributes to it mainly by supporting culture, sports and studies

Together with its customers, the Bank of Åland is continuing its commitment to a cleaner Baltic Sea. Since 1997 the Bank of Åland has awarded nearly EUR 5.5 M to various environmentally related projects.

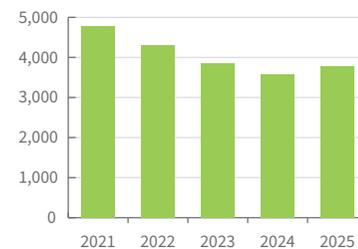
Dividend

The Board of Directors will propose that the Annual General Meeting (AGM) pay a dividend of

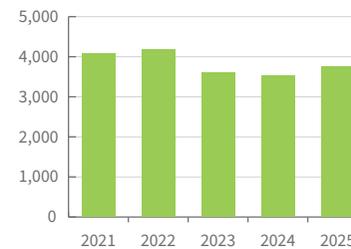
Equity capital attributable to shareholders
EUR M



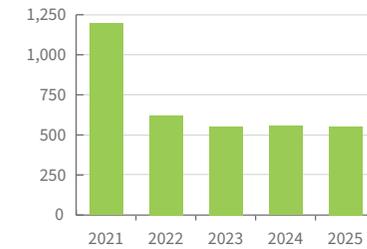
Lending
EUR M



Deposits
EUR M



Covered bonds
EUR M





EUR 2.75 per share for the 2025 financial year, for a total amount of EUR 42.3 M. The dividend is equivalent to a payout ratio of 77 per cent. Furthermore, the Board of Directors proposes from financial year 2026 onwards a semi-annual dividend payment. The semiannual payment should be based on a maximum of 50 per cent of the income for the first six months of the financial year and be paid after the half-year financial report has been published. The remaining dividend should be paid after the General Annual Meeting.

Important events after close of report period

Within the framework of the share savings programme, 18,393 Series B shares were issued in January 2026.

Risks and uncertainties

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

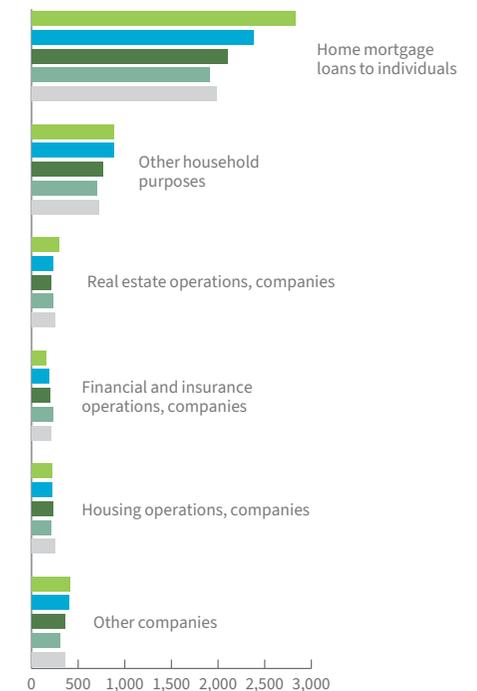
Future outlook

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 2026.

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.

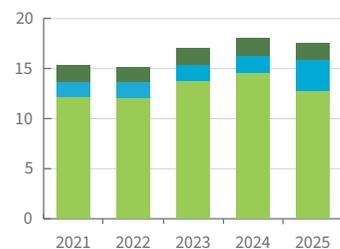
Lending by economic sector

EUR M



Capital ratios

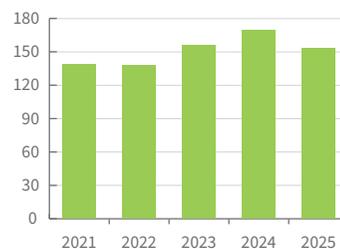
Per cent



- Common equity Tier 1 capital ratio
- Tier 1 capital ratio
- Supplementary capital ratio

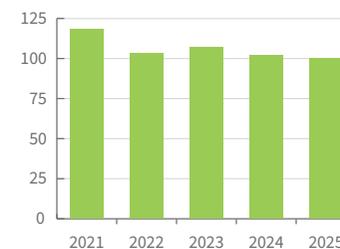
Liquidity coverage ratio

Per cent



Loan/deposit ratio

Per cent



- 2021
- 2022
- 2023
- 2024
- 2025



Corporate Governance Statement for the Bank of Åland Plc, 2025 financial year

CG Statement

The Corporate Governance Statement (the CG Statement) is presented as part of the Report of the Directors for 2025 and was prepared by the Audit Committee of the Board of Directors.

Legislation and recommendations on corporate governance

The Finnish Corporate Governance Code 2025 (“the Code”), which is available on the website www.cgfinland.fi, is intended to be followed by companies listed on the Nasdaq OMX Helsinki (“Helsinki Stock Exchange”), among others. The Code is applied according to the “comply or explain” principle, which means that departures from its recommendations must be disclosed and explained. A company is regarded as complying with the Code even if it departs from an individual recommendation, provided that it discloses and explains the departure.

The Bank of Åland Plc, which is listed on the Helsinki Stock Exchange, is a public company domiciled in Mariehamn, Finland. The Bank is subject to legislation including the Finnish Companies Act, the Credit Institutions Act and the Securities Markets Act, as well as the Bank’s Articles of Association and the Code. The CG Statement has been prepared in compliance with the Code’s reporting instructions and according to the Finnish Securities Market Act, Chapter 7, Section 7. The need for outside expertise is assessed as no longer existing.

On April 16, 2015, the Annual General Meeting of the Bank of Åland that as departures from Recommendation 18, “Nomination Committee” and Recommendation 19, “Shareholders’ Nomination Board”, the Nomination Committee shall consist of the Chairman of the Board plus representatives of the three shareholders with the largest voting power in the Bank on November 1 of the respective year. If a shareholder abstains from participating in the Nomination Committee, the right of membership is transferred to the next largest shareholder.

Board of Directors

Composition of the Board

The members of the Board of Directors are elected by the shareholders at the Annual General Meeting (AGM). The Board’s term of office ends at the closing of the next AGM after the election. According to the Articles of Association, the Board shall consist of at least five and at most eight members. During 2025, the Board consisted of seven members. The Managing Director may not be a member of the Board.

The Board’s assessment of the independence of its members in relation to the Bank and major shareholders

In the assessment of the Board of Directors, the

Chairman of the Board and all other Board members are independent of the Bank. Christoffer Taxell, Mirel Leino-Haltia and Ulrika Valassi are also independent in relation to major shareholders. Nils Lampi, Chairman of the Board, is deemed to be dependent in relation to a major shareholder since he is CEO of Wiklöf Holding, which is a major shareholder in the Bank. Anders Wiklöf is regarded as dependent in relation to a major shareholder due to his direct and indirect shareholdings in the Bank. Anders Å Karlsson is deemed to be dependent in relation to a major shareholder in the Bank since he is a Board member of Alandia Försäkring Abp, which has a major shareholding in the Bank.

The work of the Board

The Board of Directors oversees the administration of the Bank’s affairs and is responsible for ensuring that its operations are appropriately organised. The Board is also responsible for overall policy and strategy issues and for ensuring that risk oversight is sufficient and that management systems are working. The duties of the Board also include appointing and, if necessary, dismissing the Managing Director, his deputy and other members of the Executive Team, as well as deciding their salary benefits and other employment conditions. The Board shall constitute a quorum when more than half its members are present.

The Board has established Group-wide internal Rules of Procedure for its work. These Rules of Procedure, which are evaluated annually and revised as needed, mainly regulate the division of labour between the Board, the Managing Director and other members of the Executive Team. The Rules of Procedure also regulates meeting procedures, minutes of meetings and reporting procedures. The Board of Directors, which meets after being convened by the Chairman of the Board, regularly discusses the economic situation in the financial markets.

Supported by the Managing Director’s recurrent reports on operational activities, the Board monitors the strategy, financial outcomes and overall long-term objectives of the Bank’s operations. Beyond this, the Board deals with other matters raised in compliance with the Annual Accounts Act, the Articles of Association and other regulations that affect the Bank’s operations and administration, as well as matters referred by individual Board members and by the Executive Team.

Evaluation of the work of the Board

The Board of Directors conducts a yearly internal evaluation of its performance and its work. The evaluation includes a questionnaire in which each Board member assesses the work of the Board during the year. The Chairman of the Board can also have individual conversations



with each Board member. Led by the Chairman of the Board, the evaluation is also discussed and dealt with at a subsequent Board meeting, and decisions are made on actions to be taken as a result of the evaluation.

Board meetings

During 2025, the Board held 17 (16) meetings. The Board members' average attendance was 94 (100) per cent. During 2025, each Board member attended Board and committee meetings as shown in the table on the following page.

Diversity principles

According to the Credit Institutions Act and the Code, the Board shall establish principles for promoting diversity in the composition of the Board and have as a goal of the credit institution that both genders shall be equally represented on the Board. The Bank of Åland seeks a good balance in the composition of the Board, with the aim that the Board as a whole shall possess the expertise and experience required to monitor and develop the Company. Achieving this goal requires that as a group, the Board possesses a breadth in terms of education, personal qualities, experience, gender and age. Allocation between genders shall be equal, and both genders shall thus be represented in the proposal that is presented on the occasion of each nomination as a new Board member. During the financial year, the members of the Board have collectively achieved the variation in education, experience and talents required for the task. Both genders are represented on the Board, with the allocation between the genders being 43 per cent women and 57 per

cent men. Up to and including the AGM on March 25, 2025, the allocation was 33 per cent women and 67 per cent men.

The committees of the Board

Nomination Committee

The main duty of the Nomination Committee is to prepare proposals before the AGM regarding the election of Board members as well as proposals concerning fees to the Chairman, Vice Chairman and other Board members.

Rules on how the Nomination Committee is appointed were established by the 2015 AGM. The Nomination Committee consists of four members: the Chairman of the Board and representatives of the three largest shareholders in the Bank in terms of voting power on November 1 of each year. If the Chairman of the Board represents any of the above shareholders, or in case a shareholder abstains from participating in the Nomination Committee, the right of membership is transferred to the next largest shareholder. The representative of the largest shareholder in terms of voting power is Chairman of the Nomination Committee.

The Nomination Committee consists of Nils Lampi, Chairman of the Board; Board member Anders Wiklöf, by virtue of direct and indirect personal shareholdings; Stefan Björkman, representing the insurance company Alandia Försäkring Abp; and Georg Ehrnrooth, representing Fennogens Investments S.A. Anders Wiklöf is Chairman of the Nomination Committee.

During 2025 the Nomination Committee met 2 (2) times. The average attendance of Committee members was 100 (100) per cent.

Audit Committee

The Board of Directors, which appoints the members of the Audit Committee, has established its duties in Rules of Procedure. The Audit Committee assists the Board, among other things, in fulfilling its duties in overseeing the internal control and risk management systems, reporting, the audit process and observance of laws and regulations. In addition, before the AGM the Audit Committee prepares proposals for the election of auditors and their fees. The Chairman of the Audit Committee reports regularly to the Board about the work and observations of the Committee.

The Audit Committee consists of Nils Lampi, Chairman of the Board; and Board members, Mirel Leino-Haltia and Ulrika Valassi, Chairman of the Audit Committee. Anders Å. Karlsson was a member of the Audit Committee until the Annual General Meeting on 25 March 2025. During 2025 the Audit Committee met 10 (9) times.

The average attendance of Committee members was 90 (100) per cent.

Compensation Committee

The duties of the Compensation Committee are to prepare key compensation-related decisions and evaluate the Bank's compensation policy and the principles for variable compensation. The Compensation Committee decides on measures for monitoring the application of the principles for the compensation system and assesses its suitability and effect on the Group's risks and risk management.

Attendance at Board meetings, 2025

Board member	Board meetings Total number: 16
Nils Lampi	16/17
Christoffer Taxell	17/17
Malin Lombardi	17/17
Anders Å Karlsson	12/17
Mirel Leino-Haltia	17/17
Ulrika Valassi	17/17
Anders Wiklöf	16/17

Attendance at Nomination Committee meetings, 2025

Member	Nomination Committee meetings Total number: 2
Anders Wiklöf, Chairman of the Committee	2/2
Nils Lampi	2/2
Stefan Björkman	2/2
Georg Ehrnrooth	2/2

Attendance at Audit Committee meetings, 2025

Member	Audit Committee meetings Total number: 9
Ulrika Valassi, Chairman of the Committee	10/10
Anders Å Karlsson ¹	0/3
Mirel Leino-Haltia	10/10
Nils Lampi	10/10

¹ Member of the Audit committee until the Annual General Meeting on 25 March 2025.



The Compensation Committee consists of Nils Lampi, Chairman of the Board; Board members Christoffer Taxell, Chairman of the Committee and Malin Lombardi.

During 2024 the Compensation Committee met 3 (3) times. The average attendance of Committee members was 100 (100) per cent.

Managing Director

The Managing Director of the Bank is Peter Wiklöf, Master of Laws (born 1966). The Managing Director's shareholdings in the Bank can be seen in the table on page 45.

Among other things, the Managing Director is responsible for the day-to-day administration of the Bank and for ensuring that this is managed in compliance with law, the Articles of Association, other regulations and the instructions and directions of the Board. In addition, the Managing Director is responsible for ensuring that the decisions of the Board are implemented.

The Managing Director reports regularly to the Board. The Managing Director is appointed and dismissed by the Board of Directors. His employment conditions are established in a written contract that is approved by the Board.

The Group's Executive Team – other members

The Board appoints the other members of the Group-wide Executive Team. The other members of the Executive Team advise the Managing Director, and the Executive Team deals with all major Bank-wide issues. The Executive Team consists of the heads of the Bank's business areas and corporate units.

Their shareholdings in the Bank can be seen in the table below.

During 2025 the Executive Team met on 11 (11) occasions.

Evaluation of the work of the Managing Director and the Executive Team

The Board of Directors, led by the Chairman of the Board, evaluates the work of the Managing Director and the rest of the Executive Team yearly. The Managing Director and other members of the Executive Team do not attend this evaluation.

Internal controls and risk management systems related to the financial reporting process

General

Internal controls and risk management in the financial reporting process are an integral element of operational systems and daily routines. To achieve this integration, the Group employs clear and easily accessible internal instructions. In developing new systems, products, services and/or routines, internal controls are taken into account. The organisation has clearly defined responsibilities and powers as well as clear reporting mechanisms.

Financial reporting process

The fundamental principles of internal controls in the financial reporting process are a clear allocation of roles as well as instructions and an understanding of how financial results are achieved.

The Group's reporting is compiled centrally by Group Finance. This department is responsible for the consolidated accounts and the

consolidated financial statements including sustainability reporting, accounting principles, policy documents and instructions, financial control systems, tax analysis, reporting to regulatory authorities and publication of financial information. The respective subsidiaries are responsible for ensuring that their accounts meet the Group's standards, and they report monthly to their company's management and Group Finance.

The Internal Auditing Department assists the external auditors with the examination of financial information in accordance with an audit plan drawn up in advance. Internal Auditing is an independent unit and works on behalf of the Board of Directors.

External auditors examine the Group's interim reports, half-year financial report, Annual Report and CG Statement and submit an auditors' report to the Audit Committee and to the Group's Board of Directors.

The Group's Executive Team deals with the Group's internal financial reporting every month and with the interim reports, half-year financial report or the Annual Report every quarter.

The Audit Committee assists the Board in its continuous monitoring work by examining the quarterly financial reports, the half-year financial report and the annual financial statements, as well as dealing with the observations of the external and internal auditors.

The Board of Directors deals with interim reports, the half-year financial report or the Annual Report every quarter and receives the Group's internal financial reporting every month. The Board also examines the auditors' reports,

Attendance at Compensation Committee meetings, 2025

Member	Compensation Committee meetings Total number: 3
Christoffer Taxell Chairman of the Committee	3/3
Nils Lampi	3/3
Malin Lombardi	3/3



audit plans and conclusions of the external auditors concerning interim reports, the half-year financial report and the Annual Report. The Board meets with the external auditors at least quarterly.

Risk management

The Group's ambition is to pursue its operations with reasonable and carefully considered risks. Its profitability directly depends on the ability of the organisation to identify, manage and price risks. The purpose of risk management is to reduce the probability of unforeseen losses and/or threats, with the primary objective of increasing profitability in a prudent manner and thereby ensuring increased shareholder value over the long term.

The Group is exposed to credit risk, counterparty risk, market risk, liquidity risk, operational risk and business risk. The latter is a consequence of the Group's strategy, competitiveness, ability to adapt to customer expectations, unfavourable business decisions and the environment and market the Group works in. Business risk is managed in conjunction with strategic planning. Credit risk, which is the Group's most significant risk, encompasses receivables from private individuals, companies, institutions and the public sector. These receivables mainly consist of loans, overdraft facilities and guarantees issued by the Bank.

The Board of Directors has overall responsibility for governance and monitoring, that is, for ensuring that risk management is sufficient and for establishing systems and regulations for monitoring and limiting the Bank's risk exposure. The Audit Committee assists the Board in handling

these oversight tasks in internal control systems, risk management and reporting. The Managing Director oversees and supervises business operations in accordance with the Board's instructions, is responsible for day-to-day administration and for ensuring that the members of the Board receive sufficient information regularly about the Group's risk positions and the regulations that affect its operations.

The Bank works according to an allocation of responsibility between three different lines of defence, in which each part of its business operations within the first line of defence bears responsibility for its business and for managing its risks.

The Risk Office Corporate Unit comprises the independent control functions Risk Control, responsible for financial risks, and Compliance, which together with Operational Risk is responsible for non financial risks. The Risk Office Corporate Unit monitors that risks and risk management are in line with the Bank's risk appetite and risk tolerance, and that the Bank's management receives regular reports and analyses of the current risk position. The Risk Office Corporate Unit also reviews risks and regulatory compliance in respect of credit matters submitted to the Management Credit Committee. The Risk Office Corporate Unit is also responsible for data protection, information and corporate security, as well as Group Legal. The Risk Office is audited by the Internal Auditing Department, which evaluates risk management both in terms of sufficiency and compliance.

In addition to the regulations and instructions of the Finnish Financial Supervisory Authority and national legislation, the main

foundations of the Group's risk management are numerous directives and regulations at the European Union level. For more detailed information on the Group's risk management, capital management, evaluation of capital requirements and capital adequacy information, see the Capital and Risk Management Report for 2025. The report is posted on the Bank's website, www.alandsbanken.fi.

Lending structure

At the Bank, the Private Banking and Premium Banking units in Åland, on the Finnish mainland and in Sweden always bear responsibility for lending via mandates. Those employees in these units who work with lending have personal loan granting limits for the customers that they are responsible for. In Åland there is also a corporate lending unit. Responsibility for lending rests with the management of each respective unit along with those responsible for customers according to the above-mentioned structure. If decisions regarding larger loans are needed, there is a Credit Committee that is independent of business units for operations in Finland and one for operations in Sweden. In addition, there is a Credit Committee of the Executive Team for credit matters that cannot be decided by the country-specific units due to their size. The largest commitments are decided by the Bank's Board of Directors.

During 2023 and 2024 the Bank transferred to the mortgage company Borgo AB the majority of the mortgage portfolio that was built up via partnerships. The majority of the Bank's own mortgage loans were also transferred to Borgo AB.

Compliance

The Group's independent Compliance department is responsible for the monitoring and assessment of regulatory compliance. Compliance shall actively promote compliance with a focus on customer protection in the provision of services, behaviour in the market, anti-money laundering and terrorist financing and compliance with sanctions regulations, as well as licensing and regulatory matters. The Compliance department regularly reports its observations to the Bank's Executive Team and Board of Directors.

Internal Auditing

The Internal Auditing department is an independent department that reports directly to the Board of Directors.

The purpose of the Internal Auditing department is to strengthen the Bank of Åland Group's ability to generate, protect and maintain value by providing the Board and Executive Team with independent, risk-based and objective assurances, advice, insights and proactivity. The department provides the Board and Executive Team with objective and independent assessments of operational activities, operational and management processes, the Group's risk management, governance and controls. Internal Auditing reports regularly to the Board, the Audit Committee and the Executive Team.

The Board of Directors adopts a yearly plan for internal auditing. Internal Auditing conducts its work in compliance with the Global Internal Audit Standards, which were developed by the Institute of Internal Auditors. The work of



the Internal Auditing department is subject to a quality evaluation at least every five years, which is carried out by an independent party.

Special decision-making procedure concerning related party transactions

Decisions on loans to related parties are made by the Bank's Board of Directors.

Regulations for related party transactions

The Bank has established internal regulations for identification and decision-making concerning transactions with related parties. The internal regulations govern such matters as identification, reporting and oversight of related party transactions as well as the decision-making process and management of conflicts of interest.

Insider administration

In their capacities as an investment firm and a fund management company, respectively, the Bank of Åland and its subsidiary Ålandsbanken Fondbolag maintain insider registers in compliance with the Act on Investment Services or the Act on Mutual Funds.

In its capacity as a listed company, the Bank only maintains project-specific insider lists. These project-specific insider lists are established immediately when information that the Bank, in compliance with applicable regulations, deems to be insider information arises. Persons included on project-specific insider lists are prohibited from trading in the Bank's financial instruments as long as they are included on such a list.

The Bank does not maintain any permanent insider list. Persons discharging managerial responsibilities at the Bank and persons closely associated with them are obligated to immediately report their transactions in the Bank's financial instruments. The Bank publishes stock exchange releases on these transactions.

In accordance with the EU's Market Abuse Regulation and the insider regulations of the Nasdaq Helsinki Oy (the Helsinki Stock Exchange), the Bank of Åland Group has introduced a trading restriction, under which persons in management positions, among others, may not trade in the Bank's financial instruments during a 30-day period before and including the publication date of the Bank's financial reports. The trading restriction also includes minors for whom persons in management positions are guardians, as well as organisations in which people in management positions have a controlling influence.

The Bank observes a silent period of three weeks prior to the publication of an interim report, half-year financial report or year-end report.

For employees who participate in providing investment services, the Bank also applies Group-wide trading restrictions that are based on the trading rules established by such professional organisations as Finance Finland, the Swedish Securities Dealers Association and the Swedish Investment Fund Association.

The Bank's Legal Affairs department regularly monitors information reported to the insider register and insider lists, as well as information about people in management positions and their related parties. The Bank's Compliance

department regularly monitors employee compliance with the trade restrictions in force.

Auditors

According to its Articles of Association, the Bank shall have at least one auditor and the necessary number of deputies for them. Auditors are appointed yearly at the AGM for the period up to the end of the next Annual General Meeting.

The 2025 AGM elected the authorised accounting firm KPMG Oy Ab as auditor, with Henry Maarala as auditor in charge.

During 2025, Group companies paid a total of EUR 500,632 (507,591) including value-added tax for auditing fees. In addition, they paid EUR 435 923 (430 041) including VAT for consulting assignments performed by KPMG Oy Ab.

Compensation to the Board, Managing Director and other Executive Team members

The Bank's compensation statement, including its compensation report for 2025, has been published on the Bank's website, www.alandsbanken.fi.



Board of Directors



Nils Lampi

Chairman

CEO Wiklöf Holding Ab
Bachelor of Economic Sciences
Male, born 1948
Chairman of the Board since 2013
Board member since 2013
Mariehamn, Åland
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 567
Series B shares: 5 867



Christoffer Taxell

Deputy Chairman

Master of Laws
Male, born 1948
Deputy Chairman of the Board since 2013
Board member since 2013
Turku, Finland
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 1 833



Anders Å Karlsson

Business owner
Bachelor of Commerce
Male, born 1959
Board member since 2012
Lemland, Åland
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 3 000
Series B shares: 1 500

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



Malin Lombardi

Governance Director
Master of Laws
Female, born 1980
Board member since 2024
Mariehamn, Åland
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 250



Mirel Leino-Haltia

PhD (Econ.), CFA
Female, born 1971
Board member since 2022
Helsingfors, Finland
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 40



Ulrika Valassi

Business owner
Master of Business Administration
Female, born 1967
Board member since 2015
Stockholm, Sweden
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 0

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



Anders Wiklöf

Business owner

Doctor of Economics (honorary)

Commercial Counsellor (honorary)

Male, born 1946

Board member since 2006

Mariehamn, Åland

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 1 993 534

Series B shares: 1 332 961

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



Executive Team



Peter Wiklöf

Managing Director, Chief Executive

Master of Laws

Male, born 1966

Chairman and member of the Executive Team since 2008

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 500

Series B shares: 43 930



Jan-Gunnar Eurell

Chief Financial Officer.

Deputy Managing Director

Master of Business Administration, Bachelor of Science (Economics)

Male, born 1959

Member of the Executive Team since 2011

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 0

Series B shares: 41 400



Tove Erikslund

Chief Operating Officer

Master of Business Administration

Female, born 1967

Member of the Executive Team since 2006

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 0

Series B shares: 10 347

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



Sofie Holmström

Director, Partnerships Business Area & Business Development

Master of Science, IT Management
Bachelor of Commerce, Business Administration
Member of the Executive Team since 2021
Shareholding in the Bank as at 31 December 2025¹:
Series B shares: 0
Series B shares: 1 333



Mikael Mörn

Director, Åland Business Area

Associate of Arts in Commerce
Male, born 1965
Member of the Executive Team since 2017
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 8 723



Pasi Poikkeus

Director, Finnish Mainland Business Area

MSSc, EMBA
Male, born 1976
Member of the Executive Team since 2025
Shareholding in the Bank as at 31 December 2025¹:
Series A shares: 0
Series B shares: 604

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



Juhana Rauthovi

Chief Risk & Compliance Officer

Licentiate in Laws, MSc (Econ), MSc (Tech,

Master in International Management

Male, born 1975

Member of the Executive Team since 2012

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 0

Series B shares: 16 382



Sebastian Schmidt

Director, Sweden Business Area

Master of Science in Business and Economics

Male, born 1976

Member of the Executive Team since 2025

Shareholding in the Bank as at 31 December 2025¹:

Series A shares: 0

Series B shares: 651

Additional information regarding the members of the Board of Directors can be found on the Bank's website at www.alandsbanken.fi.

¹Direct holdings or holdings through companies over which the Board member exercises controlling influence.



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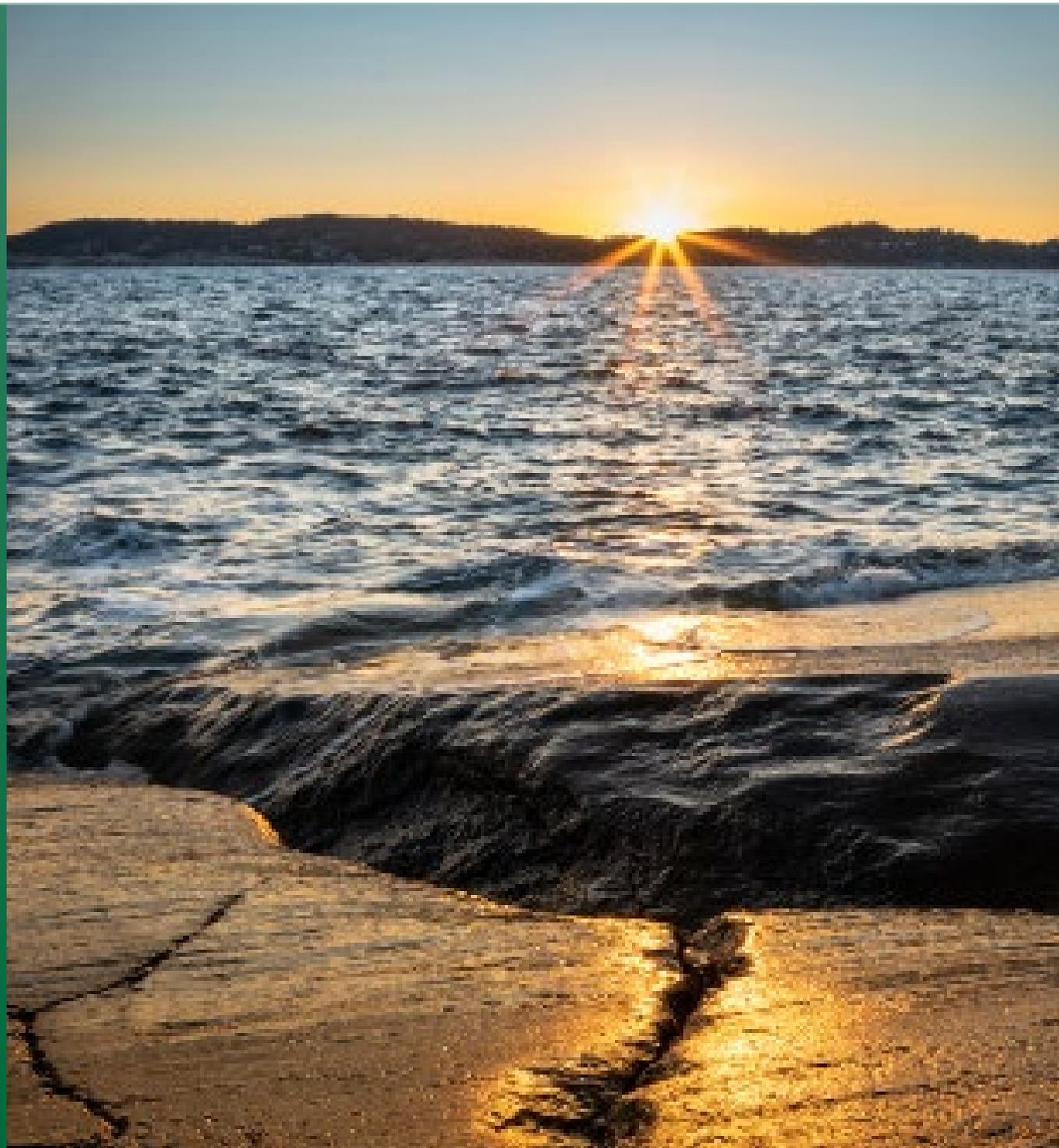
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Sustainability report prepared in compliance with the CSRD and ESRS

The Bank of Åland is preparing a sustainability report for 2025 in compliance with the Corporate Sustainability Reporting Directive (CSRD, (EU) 2022/2464) and the European Sustainability Reporting Standards (ESRS, delegated regulation (EU) 2023/2772).

The EU directive CSRD regulates sustainability reporting by companies and involves increased transparency with regard to sustainability in their annual reports. This reporting is intended to provide stakeholders with information by showing both the company's impact on sustainability areas and informing stakeholders about how sustainability issues affect the company's development and future operations. The details of designing the report are specified in the reporting standard ESRS.

At the heart of both the CSRD and the ESRS is the double materiality analysis, which includes both an impact analysis and a financial risk analysis. The results of the double materiality analysis then form the basis for the reporting, which highlights the areas that are most material.

The ESRS reporting standards consist of two overarching standards with general disclosures, as well as ten thematic standards

in the main areas of environment, social sustainability and business conduct. The general disclosure section shows the Bank of Åland's basis for preparing the sustainability report, together with a description of governance, strategy and the management of impacts, risks and opportunities. Reporting in accordance with the thematic standards is carried out in accordance with the disclosure requirements described in the sections that are relevant based on the matters identified as material impact topics, material risks or material opportunities in the Bank of Åland's double materiality analysis.

Sustainability reporting in accordance with CSRD also includes reporting in accordance with the EU Taxonomy Regulation (EU) 2020/852.

The report for 2025 is the second reporting year in compliance with CSRD for the Bank of Åland.



ESRS 2 General disclosures

BP-1 – General basis for preparation of the sustainability statement

The Bank of Åland's Sustainability Report has been prepared on a consolidated basis common to the entire Group. The data are consolidated according to the same principles as the financial statements and include the parent company Bank of Åland Plc (Ålandsbanken Abp) and subsidiaries controlled by the Bank of Åland Plc. Associates and joint ventures are not included in the consolidated ESG data points. The sustainability statement covers the Bank's own operations but also the impacts that are visible in the next step in the value chain. These include the Bank's individual customers, corporate customers and the activities covered by it within the framework of the Treasury portfolio as well as customers' financial investments. In a few cases, the Bank of Åland omits specific information in the Sustainability Report because it is deemed to be classified or of a sensitive nature. The Bank has not utilised the option of exemptions for matters that are under negotiation pursuant to Chapter 7, Section 19, sub-section 5 of the Finnish Accounting Act.

BP-2 – Disclosures in relation to specific circumstances Time horizons

The Bank of Åland has followed the medium- and long-term time horizons defined in ESRS 1, section 6.4 when the double materiality analysis has been completed. However, the climate-related risk assessments have been implemented on the basis of other time horizons, where short-term corresponds to less than three years, medium-term three to five years, and long-term five to thirty years. The reason for this is the specific risk analysis that has been carried out according to a previously established method that was in place before the implementation of ESRS.

This is described in more detail in the IRO-1 disclosure requirement.

Value chain estimation

Most of the metrics include data in the value chain rather than the Bank's own operations, especially in the climate change area. This is because much of the identified impacts occur either upstream or downstream in the value chain.

Calculations of greenhouse gas emissions for the Bank's own Scope 1 and Scope 3 upstream are done through the spend method, since there is no access to concrete information about emissions from the suppliers. Emissions from the Bank's own operating activities are calculated using emission factors and the Åland Index, and are based on expensed activities in the income statement. The method of calculation is described under disclosure requirements E1-6.

Calculations of Scope 3 greenhouse gas emissions downstream in the value chain, in Category 15 through lending in the loan portfolio, Treasury and customers' financial investments, are estimated in cases where there is no information from the companies concerned. Since the majority of lending goes to private individuals and small businesses, the percentage of companies that publicly report greenhouse gas emissions is limited, so the value chain's greenhouse gas emissions are estimated in cases where information is lacking. For Treasury and customers' financial investments, which are exposed to a greater extent to larger companies with publicly disclosed accounts, available data is used to a greater extent, but estimates are made when information is lacking. However, the quality of public Scope 3 data is generally low. There is also a large variation in the extent of reported emission data between different companies. The method for cal-

culaton and estimation is described under disclosure requirement E1-6.

Sources of estimation and outcome uncertainty

One quantitative measure with a high degree of uncertainty is the greenhouse gas emissions reported under *E1 Climate Change*. For the Bank's own operational activities, estimates are made according to the spend method related to Scope 1 and Scope 3 upstream. In Scope 3 downstream Category 15 Investments, there is a high dependency on information from companies downstream in the value chain. Access to such data is extremely limited, and the quality varies, since it can be assumed that a large proportion consists of estimates. When data from other companies is lacking, we make our own estimates to varying degrees based on the loan portfolio's lending, Treasury and customers' financial investments. The method for calculating and estimating greenhouse gas emissions is described under disclosure requirement E1-6.

A lot of information about the greenhouse gas calculations for Scope 3 downstream Category 15 Investments is based on other companies' calculations in their public reports. Since these, in turn, are dependent on the companies' own estimates and access to information, one consequence is that the information compiled by the Bank of Åland regarding these companies is also largely based on estimates. The information is also changeable by its very nature. As more data become available and the quality of existing data increases, both current and historical data continuously change over time.



Changes in preparation or presentation of sustainability information

To provide a true and fair picture of developments, comparative figures for historical periods are restated using the latest available data. For adjustments to financial figures, the Bank of Åland follows the financial statements. For adjustments to ESG data, an assessment is made of whether adjustments should be made. Comparative figures and previously published sustainability information are not certified by the sustainability auditor.

The information that has been restated for the 2025 Annual Report compared to the 2024 Annual Report is primarily found in the greenhouse gas emission report, which is described under disclosure requirement E1-6.

With the introduction of sustainability reporting in accordance with CSRD in public reports for 2024, access to data downstream in the value chain has increased. As access to data from other companies expands, comparative figures for historical periods are recalculated using the latest available data. Regarding the greenhouse gas calculations for Scope 3 downstream Category 15 Investments, the historical comparative figures have been updated when other companies have published updated calculations in their public reports. The comparative figures for the base year 2021 are also recalculated to create the opportunity for continuous follow-up. The updated historical comparative figures are described under disclosure requirement E1-6 next to each respective table.

GOV-1 – The role of the administrative, management and supervisory bodies

The administrative, management and supervisory bodies correspond to the Board of Directors and the Managing Director of the Bank of Åland. The members of the Board of Directors are appointed by the shareholders at the Annual General Meeting (AGM). The term of office of the Board ends at the close of the next AGM following the election. According to the Articles of Association, the Board shall consist of a minimum of five and a maximum of eight regular members. In 2025, the Board consisted of seven regular members, of which the number of executive members is zero,

and the number of Non-Executive Members is seven.

The Managing Director may not be a member of the Board.

The Board of Directors of the Bank of Åland does not include any representation of employees or other Bank workers.

Experience of the Board and Managing Director relevant to the company's sectors, products and geographic locations

The Board members have the following experience:

Nils Lampi, Chairman, Bachelor of Economic Sciences

Background: Wiklöf Holding, CEO (1992–); Wiklöf Holding Ab, Managing Director (1990–1991); AW Line Ab, Deputy Managing Director (1988–1989); Föreningsbanken i Finland, Head of Åland Corporate Department (1986–1987); Helsingfors Aktiebank, Director (1980–1985).

Other assignments: Aktia Bank Abp, Aktia Abp, member of the Board of Directors (2010–2013); Åland Post Ab, Chairman of the Board of Directors (2011–2020); Nordea, Member of the Delegation (2005–2009); Best-Hall Oy, Chairman of the Board of Directors (1997–); Ab ME Group Oy Ltd, Chairman of the Board of Directors (1990–); Ab Mathias Eriksson / Ab Mariehamns Parti, Chairman of the Board of Directors (1990–2019), member of the Board of Directors (2019–); Skärgårdshavets Helikoptertjänst Ab, Chairman of the Board of Directors (1990–2019); Hotell Arkipelag Ab, Chairman of the Board of Directors (1989–2015); Ålandsdelegationen, Member (1983–2005); Scandinavian Air Ambulance Ab, Member of the Board of Directors (2008–2010).

Christoffer Taxell, Vice Chairman of the Board of Directors, Master of Laws

Background: Partek Oyj Abp, President and Chief Executive Officer (1990–2002); Swedish People's Party of Finland, Leader (1985–1990); Minister of Education (1987–1990); Minister of Justice (1979–1987); Member of Parliament (1975–1991).

Other assignments: Partek Oyj Abp, Member of the Board of Directors (1984–2002); Åbolands Skärgårdsstiftelse sr, Member of the Board of Directors (2017–); Rettig Group Ab, Member of the Board of Directors (2012–2017); Luvata Oy, Member of the Board of

Directors (2005–2014); Föreningen Konstsamfundet, Chairman of the Board of Directors, (2004–2017), Member of the Board of Directors (1996–2003); Svenska litteratursällskapet, member of the Financial Affairs Council (1982–2016); Åbo Akademi University Foundation, Chairman of the Delegation (2013–2018), Chairman of the Board of Directors (2003–2012); Member of the Foundation's Board of Directors (1988–2012); Sampo Abp, Member of the Board of Directors (1998–2013); Finnair Abp, Member of the Board of Directors (2003–2011); Stockmann Oyj Abp, Chairman of the Board of Directors (2007–2014), Member of the Board of Directors (1985–2014).

Anders Å Karlsson, Bachelor of Commerce

Background: Chips Abp, CFO and Deputy Managing Director (1987–2009); Plasto Ab, Financial Manager (1983–1987).

Other assignments: Alandia Försäkring Abp, Member of the Board of Directors (2021–2025); Ålands Skogsindustrier Ab, Member of the Board of Directors (2015–); Ålands Skogsägare Andelslag, Member of the Board of Directors (2010–2017); Ålands Ömsesidiga Försäkringsbolag, Member of the Board of Directors (2011–2017); Ålands Penningautomatförening (PAF), Member of the Board of Directors (2010–2018); Ålands Bygg Ab, Member of the Board of Directors (2010–2021); Ålands Bygg Fastighets Ab, Member of the Board of Directors (2010–2021); Fastighets Ab Norragatan 17, Member of the Board of Directors (2010–); Ålands Centralandelslag, Member of the Board of Directors (2010–2016); Ålands Skogsägarförbund Andelslag, Member of the Board of Directors (2010–2017); Ab Skogen, Member of the Board of Directors (2010–2016); Chips Abp, Member of the Board of Directors (2005–2009); Ålands Tidnings-Tryckeri Ab, Member of the Board of Directors (1990–2003); Authorised Public Accountant for various companies (1987–2003).

Mirel Leino-Haltia, PhD (Econ.), CFA

Background: Professor of Practice (Accounting), Aalto University (2019–); Partner PwC Finland (2009–2018); PwC Finland (2000–2009).



Other assignments: Sitowise Plc, Member of the Board of Directors (2021–), Chair of the Audit Committee (2022–); Teleste Plc, Member of the Board of Directors and Chair of the Audit Committee (2020–); LocalTapiola Mutual Life Insurance, Member of the Board of Directors (2019–); Euroclear Finland Ltd, Chair of the Risk Committee (2023–), Chair of the Audit Committee (2018–2023); Nixu Certification Ltd, Member of the Board of Directors (2022–2023); Indufor Ltd, Chair of the Board of Directors (2019–); Finnish Association of Authorised Public Accountants, Member of the Board of Directors (2021–2025), Boardman Oy, Member of the Board of Directors (2022–2023), Chair of the Board of Directors (2023–2026).

Ulrika Valassi, Master of Business Administration

Background: Au Management AB, Founder (2013–); DBT Capital AB, Credit & Risk Function (2017–2022); Transcendent Group AB, Risk (2015–2017); Landshypotek Bank, Stockholm, Credit Manager (2011–2013); SEB, Stockholm & New York – Credits, Risk Control (1994–2011); Öhrling Revisionsbyrå, Assistant Auditor (1993–1994). *Other assignments:* Fastighetsbolaget Emilshus AB, Member of the Board of Directors and Member of the Audit Committee (2024–); Pamica Group AB, Member of the Board of Directors (2023–); Insatt AB, Member of the Board of Directors (2023–); Wellstreet, Advisory board member (2023–); Niam Credits, Advisory board member (2023–); Swedencare AB, Member of the Board of Directors and Member of the Audit Committee (2022–); Sparbanken Sjuhärad, Member of the Board of Directors and Member of the Audit Committee (2022–); DBT Capital AB, Member of the Board of Directors (2022–2023); Hemfosa Fastigheter AB, Member of the Board of Directors (2014–2019); Hypoteket Bolån Sverige AB, Member of the Board of Directors (2017–2019); Intrum Justitia AB, Member of the Board of Directors (2016–2017); Qliro AB, Member of the Board of Directors (2015–2016); Dreams Securities AB, Member of the Board of Directors (2019–2021).

Anders Wiklöf, Doctor of Economics (Honorary), Commercial Counsellor

Background: Business owner
Other assignments: Bank of Åland, Chairman of the Board of Governors (2001–2003), Member of the Board of Governors (1983–2003); Ålands Ömsesidiga Försäkringsbolag, Board of Governors (1991–2011); Wiklöf Holding Ab, Chairman of the Board of Directors (1987–); Åland Foundation for the Future of the Baltic Sea, Member of the Delegation (1989–).

Malin Lombardi, Master of Laws

Background: BoardClic, Stockholm, Co-founder and Governance Director (2018–); Lagercrantz Associates, Stockholm, Partner and Board Adviser (2015–2022); Roschier Attorneys Ltd, Stockholm, Senior Associate (2006–2015).
Other assignments: Quoted Companies Alliance, Member of the Corporate Governance Expert Group (2023).

The Managing Director has the following experience relevant to the Bank's sectors, products and geographic locations

Peter Wiklöf, Master of Laws, Managing Director and Chief Executive

Background: Crosskey Banking Solutions Ab Ltd, Managing Director (2004–2008); Bank of Åland Plc, General Manager, Business Development (2000–2004); Regular Management Assistant, Branch Office Division (1996–1999), Management Assistant (1995–1996); Head of Customer Advisory Service Division (1995–1995), Acting Head of Customer Advisory Services Division (1994–1994), Acting Counsel (1992–1994); Åland Police Authority, Superintendent of the Criminal Investigation Division (1991–1992).

Other assignments: Försäkringsaktiebolaget Alandia, Member of the Board of Directors (2017–); Viking Line Abp, Member of the Board of Directors (2017–2025); Crosskey Banking Solutions Ab Ltd, Chairman of the Board (2008–); Ålandsbanken Fondbolag Ab, Chairman of the Board (2025–), Member of the Board of Director

(2008–2015); Åland Chamber of Commerce, Chairman of the Board (2011–); Groupement Européen de Banques (GEB), Member of the Board of Directors (2008–); Östersjöfonden, Chairman of the Board (2023–).

Diversity of the Board of Directors

In accordance with the Credit Institutions Act and the Finnish Corporate Governance Code 2025, the Board of Directors of the Bank of Åland establishes principles to promote diversity in the composition of the Board and aims for the credit institution to have equal gender representation on the Board of Directors. The Bank strives to promote diversity in promoting the composition, with the goal that the Board as a whole possesses the competence and experience that the monitoring and development of the company require. To achieve this goal requires that the Board as a whole possesses a wide range of education, personal qualities, experience, gender and age. Distribution of genders should be equal, and therefore both genders should be represented in the recommendations made with each nomination of a new Board member. For the financial year, the members of the Board have collectively achieved the variety in education, experience and abilities required for their assignment, and both genders are represented on the Board so that the gender distribution was 43 per cent women and 57 per cent men. The age distribution in the Board is 14 per cent in age group 30–50 and 86 per cent in the age group older than 50.

Percentage of independent Board members

According to the assessment of the independence of the Board members in the Report of the Directors, 100 per cent of Board members are independent of the Bank of Åland and 71 per cent of Board members are independent of significant shareholders. The Board of Directors' assessment is that the Chair and other Board members are independent of the Bank. Christoffer Taxell, Mirel Leino-Haltia, Ulrika Valassi, Anders Å Karlsson and Malin Lombardi are independent as well of major shareholders. Chair of the Board



Nils Lampi is judged to be dependent on major shareholders as he is the Managing Director for Wiklöf Holding AB, which has major shareholdings in the Bank. Anders Wiklöf is considered dependent on major shareholders due to his direct and indirect ownership in the Bank.

Roles and responsibilities of the Board and the Managing Director regarding sustainability

Defining administrative, management and supervisory bodies as corresponding to the Board of Directors and the Managing Director of the Bank of Åland, these bodies exercise partial supervision of impacts, risks and opportunities by being informed about sustainability work. The Board has the ultimate responsibility for the management of sustainability work and establishes the Group's sustainability strategy and climate strategy. Follow-up of the sustainability strategy takes place through the adoption of annual and quarterly sustainability reports. In 2025, the Board through the Audit Committee was informed of and approved the identified material impact topics, risks and opportunities. The Audit Committee monitors the progress of sustainability reporting work and supervises the progress of the work in this respect. Overall sustainability work is administered by the Executive Team's Sustainability Committee, whose assessments are the basis for the strategic positions that are forwarded to the Executive Team, where the Fondbolaget's Managing Director also participates in managing sustainability issues.

According to the Bank of Åland's sustainability strategy, the Board of Directors has ultimate responsibility for driving the sustainability work while the Managing Director together with the Executive Team have responsibility for carrying out the Board of Directors' strategic decisions.

Management's role in monitoring, managing and overseeing impacts, risks and opportunities

The Board of Directors has the ultimate responsibility for governance of the Bank's sustainability work and is actively engaged in

sustainability issues. The Board adopts the Group's sustainability strategy and climate strategy. The Bank's Managing Director, together with the Executive Team, is responsible for implementing the decisions on strategic direction made by the Board of Directors. Supervision of this is exercised by the Board by informing them about sustainability work at the twice-yearly review.

In April 2025, the Executive Team decided to change the composition of members in the Bank of Åland's Sustainability Committee, with the purpose of enabling more tactical discussions within the committee. Members of the committee include the Sustainability Manager, the Head of Group Sustainability, the Credit Manager, the Managing Director for Fondbolaget, the Director of Business Area Partnerships and Business Development as well as the Chief Operating Officer. The Sustainability Committee directs the Bank's overall sustainability work and creates the conditions and structure for development, implementation and progress. The committee highlights as needed strategic actions for the Executive Team to decide on. The sustainability plans are created and integrated into every business area in the Group's business plan.

The ESG Committee handles external monitoring, initiates and oversees developments in sustainable financial investments and ensures that the Bank's investment operations follow the strategy and guidelines for sustainable investments.

The Credit Manager is responsible for ensuring that the Bank's lending complies with the established sustainability targets and regulations. The Risk Control department is responsible for monitoring the Bank's climate risks.

If necessary, information from the Sustainability Committee is reported via the Executive Team to the Board of Directors regarding matters that are currently relevant. Sustainability issues are included regularly in the Board's schedule twice a year for both decision making and information purposes.

No dedicated controls and procedures are applied to the management of impacts, risks and opportunities.

The Board of Directors has approved the Bank of Åland's

climate targets. The targets established for material impacts, risks and opportunities are developed by each area of responsibility and presented to the Sustainability Committee, which in turn turns the matter over to the Executive Team for approval as needed. Progress towards the climate targets is monitored quarterly in conjunction with the publication of interim reports that contain updated climate calculations.

The Board's sustainability-related skills

Regarding skills and expertise on sustainability matters, there is no member of the Board of Directors with such deep targeted expertise. The Board or the Managing Director ensures that appropriate skills and expertise are available by making certain that there are individuals employed by the Bank with relevant expertise who work with sustainability-related issues. The Board has not participated in any external training regarding sustainability but has continuously received information and has been involved by approving the Bank's double materiality analysis in the Audit Committee. At the Bank of Åland, there are a number of people who are employed to work with sustainability-related issues, both overall and in specific areas of activity. If necessary, outside experts on these issues are also consulted. A training course on the material impact topic climate was provided to the Executive Team and the Sustainability Committee. The course was held in two parts in April 2025 in collaboration with the West Sweden Chamber of Commerce and the consulting company 2050.

Responsibilities of the Board of Directors and Managing Director regarding business conduct

The Bank of Åland's Board of Directors, Managing Director and Executive Team shall jointly establish and promote a healthy corporate and risk culture. The Board is responsible for establishing ethical standards, principles and approaches that shall apply to all operations, in order to ensure responsible business conduct, thereby maintaining a high level of trust in the Bank and its employees. The Board establishes these principles primarily



through the Bank's ethical conduct policy, which is applicable to the Board and all employees. Furthermore, the Board adopts the Bank's policy for internal governance and control, with overall principles for organisation and responsibility, aimed at ensuring a good corporate and risk culture, while preventing, detecting and remedying undesired incidents.

The Board also adopts the Bank's principles for prevention of financial and economic crime through policy documents on the prevention of and measures against market abuse and on the prevention of money laundering and terrorist financing.

The Bank applies these policy documents along with supplementary internal guidelines and regulations, the most relevant of which are its Code of Conduct, its policy for identification and combating bribery and corruption and its guidelines for whistleblowing.

The Bank maintains internal controls for regulatory compliance in accordance with the established policy for internal governance and control. According to this document, internal control is maintained through an organisation with three lines of defence, where the first includes operational activities, the second includes the Risk Control, Compliance and the Operational Risk & Security departments and the third includes the Internal Auditing department. Controls are carried out in all these lines of defence, such as ongoing reviews of employees' outside activities and trade registers for private transactions, complemented by risk-based controls. The Board is also ultimately responsible for training in the field of ethical conduct and money laundering, which is carried out by departments within the first and second lines of defence.

Expertise of the Board of Directors and Managing Director regarding business conduct

All members of the Bank of Åland's Board of Directors and senior executives undergo a suitability assessment in connection with new appointments, in the event of significant events that warrant verification of continued suitability, and a reassessment at least

every three years. The assessment was established by the Board through the Bank's suitability policy and includes a review of knowledge, skills, experience, reputation, honesty and integrity. A basic requirement is that the person has sufficient knowledge, skills and experience in the Bank's area of activity to be able to exercise sound and responsible business management. The suitability of the Board is evaluated both individually and as a group.

To meet the suitability requirements, Board members and senior executives must have qualifications, experience and knowledge in the following areas: financial markets, business strategy and business models, the corporate governance system, risk management and compliance processes, Finnish/Swedish and European regulations and regulatory requirements affecting the financial market, as well as accounting and auditing. In addition, the Bank's internal regulations regarding responsible business conduct and ethical principles also apply to Board members as appropriate.

GOV-2 – Information provided to and sustainability matters addressed by the Board of Directors and Managing Director of the Bank of Åland

The Board of Directors is informed about the Bank of Åland's sustainability work and commitments regarding both legal and voluntary arrangements at least twice yearly, since the Sustainability Manager presents this work according to the yearly calendar. The Board's Audit Committee has been informed of the material impacts, risks and opportunities identified in the double materiality analysis and has adopted the results. The Audit Committee and the Board were also informed on external monitoring including the development of regulations, as well as the development of the Bank's strategies and underlying activities within sustainability. The Managing Director has the opportunity to convey relevant information from the Executive Team to the Board as needed.

The Sustainability Committee, which consists of the Sustainability Manager, the Head of Group Sustainability, the

Credit Manager, the Managing Director for Fondbolaget, the Director of Business Area Partnerships and Business Development as well as the Chief Operating Officer, meets quarterly or as needed. The Sustainability Committee is informed by relevant employees as needed. The Sustainability Committee approves the double materiality analysis when it is completed, before it is forwarded to the Executive Team and the Board of Directors for adoption.

A due diligence analysis is part of the Bank's project model. Due diligence regarding sustainability must be included in the overall risk analysis that is carried out at the start of projects. Prioritised projects are discussed by the Group's Executive Team for approval, where the overall risk analysis is also taken into account. The Board of Directors is informed regarding projects of a critical nature.

Information is provided to the Board and the Chief Executive on the results of the effectiveness of policies, measures, metrics and targets as necessary. They receive information through presentations of this material by relevant employees.

The Board of Directors and Managing Director oversee the Bank's strategy through the business plan and associated follow-up meetings that take place during the year. The business plan is expanded every year with activities and metrics that integrate the sustainability strategy with the financial strategy.

Material impacts, risks and opportunities addressed by the Board and Managing Director or their relevant committees during 2025

All the material impacts, risks and opportunities have been managed and approved by both the Sustainability Committee and the Executive Team during the year. In addition, they also specifically discussed the climate strategy and targets, the circular economy and biodiversity as well as the transition plan related to climate change. The Board of Directors has through its Audit Committee made decisions on the material impacts, risks and opportunities identified in the double materiality analysis.



At the Bank of Åland, the Board and the Group's Executive Team together focus on overall strategic goals, while the Group's Executive Team is solely responsible for operational implementation and more detailed targets. The Bank's Sustainability Committee is responsible for overall sustainability work. The Board is informed of sustainability issues twice a year and as needed through contact with the Managing Director.

GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration paid to the Board of Directors and the Managing Director of the Bank of Åland is not linked to sustainability-related results or targets, either with regard to variable or fixed remuneration. The Board of Directors has a fixed fee and no variable remuneration.

The target parameters of the Group's Executive Team, excluding the Managing Director, include a link to indices related to internal metrics: the commitment index, the leadership index, eNPS and temperature, which reflect employees' opinions about their employer. The Executive Team also includes customer satisfaction metrics in its target parameters. The indices are weighted and included in the overall assessment without making up a specific percentage. The Bank's incentive schemes are approved by the Board.

Climate-related considerations are not factored into the remuneration of members of the Board of Directors, the Managing Director or the Group's Executive Team, and their performance has not been assessed against greenhouse gas emission reduction targets. Therefore, 0 per cent of the remuneration to them is linked to climate-related considerations. One reason for this is the lack of quality-assured data and quality-assured measurement methods.



GOV-4 – Statement on due diligence

A chart indicating where the due diligence process is provided in the sustainability statement

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies SRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of due diligence	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies ESRS 2 SBM-2 – Interests and views of stakeholders ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities ESRS 2 MDR-P – Minimum disclosure requirements – Policies MDR-P – Policies adopted to manage material sustainability matters, which are found in the following chapters: E1-2 – Policies related to climate change mitigation and adaptation, S1-1 – Policies related to own workforce, S4-1 – Policies related to consumers and end-users, G1-1 – Business conduct policies and corporate culture Thematic ESRS: S1-2 – Processes for engaging with own workers and workers’ representatives about impacts S4-2 – Processes for engaging with consumers and end-users about impacts
c) Identifying and assessing negative impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities SRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those negative impacts	ESRS 2 MDR-A – Minimum disclosure requirements – Actions MDR-A – Actions and resources in relation to material sustainability matters, which are found in the following chapters: E1-3 – Actions and resources in relation to climate change policies E4-3 – Actions and resources related to biodiversity and ecosystems S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions G1-3 – Prevention and detection of corruption and bribery



Core elements of due diligence

e) Tracking the effectiveness of these efforts and communicating

Paragraphs in the Sustainability Statement

ESRS 2 MDR-M – Minimum disclosure requirements – Metrics MDR-M – Metrics in relation to material sustainability matters, which are found in the following chapters:

- E1-5 – Energy consumption and mix
- E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
- E4-5 – Impact metrics related to biodiversity and ecosystems change
- S1-6 – Characteristics of the undertaking's employees
- S1-9 – Diversity metrics
- S1-11 – Social protection
- S1-13 – Training and skills development metrics
- S1-14 – Health and safety metrics
- S1-16 – Remuneration metrics (pay gap and total remuneration)
- G1-4 – Incidents of corruption or bribery

ESRS 2 MDR-T – Minimum disclosure requirements – Targets MDR-T – Tracking effectiveness of policies and actions through targets, which are found in the following chapters:

- E1-4 – Targets related to climate change mitigation and adaptation
- E4-4 – Targets related to biodiversity and ecosystems
- S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
- S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities



GOV-5 – Risk management and internal controls over sustainability reporting

The Sustainability Report is prepared as an integrated part of the Bank of Åland Group's Annual Report. During the 2025 financial year, the Bank continued to develop the initial process for sustainability reporting within the framework of the CSRD, which started the previous year. The Bank's sustainability reporting process can be divided into three main parts that together constitute one process, consisting of the double materiality analysis presented in ESRS 2 IRO-1, a gap analysis where the Bank identifies current challenges regarding accounting data according to ESRS and the compilation of the formal sustainability statement, which includes data collection and third-party review of the sustainability statement.

A gap analysis regarding ESRS's reporting requirements has been conducted in connection with the initiation of the process for sustainability reporting the previous year, in which the difference between reporting requirements for the sustainability report and existing processes within the Bank's operations has been commented upon and ranked by magnitude. The risks related to sustainability reporting have been highlighted by presenting the gap analysis to the Group's Executive Team and the Audit Committee.

The main risks identified regarding the process for compiling the Sustainability Report, including the associated analyses and materials, consist of the general lack of access to qualitative data for reporting, especially regarding actors downstream in the value chain, as well as a lack of systems support since this has not yet been developed, as well as knowledge and resources challenges for employees, given new updates of the extensive new sustainability regulations. A large number of differences between the material impacts, risks and opportunities identified in the double materiality analysis and their related reporting points have also been identified. Since these risks have relatively recently been identified in connection with the development of the sustainability reporting process, the Bank has not yet established its strategy for mitigating the identified risks.

The Sustainability Report is compiled by Group Finance, but the underlying groundwork is integrated into the rest of the Bank's operations. The identified gaps between existing activity and reporting requirements should thus be addressed by each respective business area of the Bank. Data gathering for the Sustainability Report is done through interviews with business areas combined with collection of underlying internal documentation. As a lot of information regarding impacts relates to activities downstream in the value chain through lending and investments, data is gathered via each company's public sustainability information, to the extent that this is available.

The Board of Directors is informed annually about the progress of the Sustainability Report through its Audit Committee.

SBM-1 – Strategy, business model and value chain

The Bank of Åland offers a wide range of banking and asset management services as well as IT services. The Bank's own brand targets private individuals and businesses in selected geographic areas on the Åland Islands, on the Finnish mainland and in Sweden.

The Bank of Åland's significant product areas

Daily banking services including deposits

The Bank of Åland offers daily banking services in the form of bank accounts, credit and debit cards, payments, digital services and insurance, as well as savings. Customers are offered two concepts: Private Banking or Premium Banking. Savings are offered through both share savings accounts and custody accounts as well as savings accounts, including the Baltic Sea Account. For bank customers, there are both debit cards and credit cards, which are also called Baltic Sea cards.

Financing services

The Bank of Åland offers lending to private individuals and companies. Loans to private individuals consists largely of mortgages, but loans are also provided for other purposes, such as securities

lending, and on the Åland Islands and in Finland also student loans. Lending to companies consists of operating finance on the Åland Islands, whereas the focus in Finland and Sweden is on investment loans. During financial year 2025, green mortgages were introduced for borrowers who invest in energy-efficient properties in the markets of Finland and the Åland Islands. The Treasury department of the Bank is responsible for liquidity management and capital market financing, including the issuance of green bonds.

Financial investment services

The Bank provides discretionary asset management, non-independent financial investment advisory services, execution and forwarding of orders in financial instruments, as well as ancillary services referred to in the Investment Services Act, such as custody of financial instruments. The Bank has a wide range of investment products and services, with environmental, social and governance (ESG) aspects fully integrated into the investment processes.

The Bank measures and reports the SBTi status of all Bank of Åland mutual funds and has a minimum percentage of sustainable investments for all model portfolios and Bank of Åland mutual funds. The Bank offers two Article 9 product funds, the Wind Power Fund and Green Bond ESG.

IT services

The IT services consist of Crosskey Banking Solutions Ab Ltd's operations. Crosskey, on its own or together with the Bank of Åland, offers financial IT service. IT as a Service (ITaaS) is offered, where the target group is financial companies that need IT services to be able to manage their customers. Banking as a Service (BaaS) is also offered, where the target group is companies that want to offer their customers bank services under their own brands.

The Bank of Åland's operational area

The Bank of Åland's own brand targets private individuals and



businesses in selected geographic areas in the Åland Islands, on the Finnish mainland and in Sweden. On the Åland Islands, the Bank of Åland is a bank for all residents and is both in a position and with a desire to help develop the Åland Islands of the future. On the Finnish mainland and in Sweden, the Bank has a niche strategy targeted to entrepreneurs, wealthy families and individual customers with sound finances.

The Bank of Åland's primary segments are Private Banking, Premium Banking and IT.

During the 2025 financial year, no changes have been made to significant product areas.

The Bank of Åland's employees

On December 31, 2025, the Bank of Åland had 1 138 employees, divided into three regions. On the Åland Islands there were 584 employees, on the Finnish mainland 324 employees and in Sweden 230 employees.

The Bank of Åland's exposure to specific industries

The fossil fuel sector

The Bank is not active in the fossil fuel sector on the basis of its own operations.

Downstream in the value chain, the Bank of Åland has exposures through its credit portfolio and lending to companies operating in this sector. The revenues linked to these exposures amounts to 148,000 euros. Through its Treasury operations, the Bank has no holdings that are active in fossil fuels.

Through its customers' financial investments, the Bank has exposure to companies operating in fossil fuels. This is described in more detail in the 2024 SFDR report, *Statement on principal adverse impacts of investment decisions on sustainability factors* (PAI statement), where PAI indicator 4 table 1 in Annex I describes the metric. The Bank does not invest in operations that extract thermal coal. Since the financial investments relate to customers' financial investments and not the Bank's own money, the Bank has no revenue of its own that can be traced to this exposure.

Chemicals production

The Bank of Åland is not active in chemicals production based on its own operations. Downstream in the value chain, the Bank of Åland has no exposure to chemical production either in its credit portfolio or in its Treasury operations. An exposure occurs downstream through customers' investments, but since this exposure does not relate to the Bank's own funds, the bank has no revenue that can be attributed to this exposure.

Controversial weapons

The Bank of Åland is not active in controversial weapons within its own operations, nor does it have any exposure to controversial weapons through its credit portfolio lending or Treasury operations.

Downstream, the Bank of Åland has indirect exposure to companies operating in the controversial weapons sector. Through its customers' investments, the Bank of Åland has a minor exposure to companies that themselves have exposure to controversial weapons. In the 2024 SFDR report, *Statement on principal adverse impacts of investment decisions on sustainability factors* (PAI statement), PAI indicator 14 Table 1 of Annex I presents the relevant metric. Since the exposure relates to customers' financial investments and not to the Bank of Åland's own financial investments, the Bank does not have any revenue that can be attributed to this exposure.

Cultivation and production of tobacco

The Bank of Åland is not active in the cultivation and production of tobacco within its own operational activities, nor does it have any exposure to the sector through its credit portfolio, its Treasury operations or its customers' financial investments.

Sustainability-related products and services – goals and assessments

The Bank of Åland has established a number of sustainability-related goals, some of which are specifically linked to significant groups of products, services, customer categories, geographical

areas or relationships with stakeholders. The Bank has an overall climate target and a number of sectoral targets that are presented in their respective sections. The Bank's overall climate target of reducing greenhouse gas emissions, which is described in more detail under E1-4, apply to its operations as a whole, without being related to specific products or services.

The Bank of Åland's operations mainly have an indirect effect in many areas. One of the most material impact topics within sustainability is seen through indirect climate impacts downstream in the value chain through lending and customers' financial investments. Although these areas are important for achieving the climate target and require data for progress monitoring, they are also areas with limited data access. For the Bank's loan customers, who for most part are private individuals and entrepreneurial businesses, in many cases published information is lacking on greenhouse gas emissions or other sustainability work.

Financing services

The following targets have been established related to the loan portfolio's products or customer categories:

The Bank of Åland aims to have a shared documented climate ambition with its customers. For financing companies and business activities, this means that 100 per cent of customers classified as emission-intensive would acknowledge a climate ambition agreement with the Bank of Åland, in which they would undertake to establish a sustainability plan with activities that support the bank's goal of reducing its greenhouse gas emissions by at least 50 per cent by 2030. In total, at least 90 per cent of corporate lending volume must have agreed to a climate ambition with the Bank. In 2025, the Bank introduced a climate ambition to encourage corporate customers within the Åland Business Area to reduce their emissions.

For home mortgages, the target is to reduce the bank financed emission intensity (kg CO₂e/m²) by 26 per cent by 2030 compared to the base year 2021. An initial transition plan with a focus on home mortgages was developed during 2024, and implementation began in 2025 through the introduction of green mortgages



for borrowers who invest in energy effective properties in the markets of Finland and the Åland Islands, as described in E1-3.

The Bank of Åland has committed to setting SBTi-validated targets for 37 per cent of its long-term corporate loan portfolio, based on loan value, by 2028 compared with the base year 2021. The target applies to long-term loan customers that are CSRD companies, which is a very limited number, and it is currently difficult to assess the possibilities of achieving the set target, but the Bank will work towards ensuring that customers in the CSRD company category apply to have their climate targets validated by SBTi.

The Bank has committed to continuing to offer financing of electricity generation only for renewable energy until 2030.

Further details about the target and outcomes are found under E1-4.

Green debt financing

The Bank of Åland's Treasury department contributes to promoting long-term sustainability development by issuing green bonds in compliance with the Bank's green framework. The green framework's qualification criteria contribute significantly to the EU Taxonomy's environmental objectives. Taxonomy alignment cannot be established at this stage, since data on criteria for not causing significant harm to the other environmental objectives and compliance with minimum safeguards are limited. In the green framework, there are three green asset categories: sustainable transport, renewable energy and green buildings. The framework has been established in compliance with the green bond principles of the International Capital Market Association (ICMA). The green framework has been independently reviewed by Moody's Investors Service, which has made the assessment that the framework is consistent with ICMA's green bond principles and that the framework contributes significantly to sustainability. The framework has received a rating of "Very Good." For the time being, the Bank of Åland has an outstanding green T2 (supplementary capital) instrument totalling SEK 150 million, for which the Treasury maintains a green asset register.

The Bank of Åland has committed itself to ensuring that 38 per cent of its corporate bond portfolio will have set SBTi-validated targets by 2028. The target as well as the outcome are presented in more detail in E1-4.

Financial investment services

The Asset Management's investments of customer funds shall follow a trajectory aligned with the goals of the Paris Agreement, with 2021 as a base year.

The Bank of Åland invests in well-managed companies that are well positioned to meet the challenges of the future. There is a wide range of products and financial investment services, where the environmental, social and governance (ESG) aspects are fully integrated into the investment processes.

The Bank of Åland measures and reports the percentage of the Bank's mutual fund holdings and model portfolios that have SBTi status and has a minimum percentage of sustainable investments for all model portfolios and mutual funds. The target related to SBTi status and the outcome are presented in more detail under E1-4. The Bank has two Article 9 products, the Wind Power Fund and the Green Bond. In addition to measuring the percentage of fund holdings that have signed the SBTi, the Bank also measures the percentage of funds evaluated according to the Principles for Responsible Investment (PRI). Ålandsbanken Fondbolag also screens fund assets based on ESG criteria and monitors the number of companies that violate international agreements.

The proportion of sustainable investments referred to in Articles 9, 8 and 6

Percentage of total investments, %	2025	2024
Sustainable investments, Article 9	6	8
Investments, Article 8	89	86
Investments, Article 6	5	6

The Bank of Åland's customers' financial investments account for the largest proportion of the Bank of Åland's emissions, with

emissions in Scope 3 Category 15 increasing as companies' own reporting expands in scope. The comparability between different years for these emissions is still difficult to assess, as the quality of Scope 3 data is generally low. There is also major variation in the scale of reported emissions data between different companies, which means that data on exposures are not accurate enough to be used for comparisons. To some extent, reporting from the companies the Bank invests in has progressed, and a larger proportion of companies are reporting on their Scope 3 emissions. This trend is positive, although the increased amount of data means that emission figures are rising.

Relationships with stakeholders

With regard to relationships with stakeholders, the Bank measures customer satisfaction (Customer Satisfaction Index, CSI) and customers' propensity to recommend the Bank (Net Promoter Score, NPS). The Bank's goal is to be the best market player in the Nordic region, with the most satisfied customers in the Private Banking and Premium Banking segments. The Bank of Åland conducts customer satisfaction surveys every year in the Private Banking and Premium Banking segments. The Bank has been named Finland's best Private Banking player four years in a row. In the most recent survey for 2025, the Bank of Åland came in second place.

Daily banking services including deposits

The services that the Bank of Åland offers its customers that are related to sustainability issues are:

The Baltic Sea Account: The Bank's savings account, the Baltic Sea Account, donates up to 0.2 per cent of deposits annually to nature conservation and environmental projects around the Baltic Sea through the Baltic Sea Project.

The Baltic Sea Card: The Baltic Sea Card is the world's first bank card made of environmentally friendly material that is linked to an index for environmental impact, the Åland Index. With the Åland Index, we help our customers estimate the carbon footprint of their card purchases.



Sustainability issues in the Bank's strategy and the main challenges ahead

The Bank of Åland strives for a balanced business strategy that combines profitable growth, driven by new customers and increased business volumes, with a clear and long-term focus on sustainability. This is a challenge for the entire financial services industry, if not the whole world, and not just for the Bank of Åland. To achieve the Bank's sustainability goals, the share of sustainable alternatives in the range of products, services and investments should increase while remaining competitive.

As mentioned earlier, the limited access to information and data as a basis for target-setting is a major challenge in all areas, especially when it comes to lending and investments. The loan portfolio consists primarily of private individuals and micro, small or medium-sized companies with limited reporting obligations regarding sustainability-related data. Even among larger companies, the production of published sustainability information is also still undergoing development, which means that qualitative data is in very short supply.

During the year, the Bank of Åland has continued to integrate sustainability into its business management model with the goal of defining and following up on relevant key figures to ensure that financial growth and profitability targets are met in parallel with sustainability targets.

The Bank of Åland's business model

The Bank of Åland is a banking group with the vision to deliver a large bank's range of services with a smaller bank's thoughtfulness and good sense. The Bank values personal meetings with customers and views this as one of the Bank's main competitive advantages. On the Åland Islands, it is a bank for all residents; both in a position and with a desire to help develop the Åland Islands of the future. On the Finnish mainland and in Sweden, the Bank of Åland has a niche strategy targeted to entrepreneurs, wealthy families and individual customers with sound finances. It offers two concepts: Private Banking and Premium Banking.

The focus areas for its banking operations are responsible financial investments and responsible lending.

The Group's subsidiaries include the fund management company Ålandsbanken Fondbolag Ab and the IT company Crosskey Banking Solutions Ab Ltd. The Bank of Åland cooperates with several fintech enterprises and also delivers services to various companies in the financial industry. The Bank is also a part-owner of a number of companies with which it collaborates.

Ålandsbanken Fondbolag Ab develops and manages the Bank of Åland's mutual funds. In addition to operating ordinary mutual funds (UCITS), the company is also authorised as a manager of alternative investment funds (AIFs).

Crosskey's business strategy is based on four focus areas: growing step by step, building strong personal relationships, offering stable and secure systems and services, and advocating sustainable development. Crosskey develops, delivers and manages system and service solutions for companies operating in the Finnish and Swedish financial and capital markets. Crosskey's area of operations is in banking, payment and card solutions and capital market operations.

The Bank of Åland's value chain

As a bank with a fund management company and an IT company, rather than a manufacturing company, the Bank of Åland's value chain looks as follows. Despite the Bank having a potential impact on its surroundings and being exposed to global risks and opportunities, it is still a relatively small market player. The regulations and risks associated with the Bank's operations are factors that affect the entire value chain.

Upstream in the value chain

Purchase of services dominate the operations upstream in the value chain, but even small purchases of materials occur. The climate impact from purchasing is calculated with help of the spend method, since access to information from suppliers is limited.

The Bank's own operations

The Bank of Åland Group's operations are based on three main areas: the Bank of Åland's banking activities, Crosskey's IT services and Ålandsbanken Fondbolag's asset management services. These three make up the core of the Group's own operational activities. The Bank operations consist of the Bank of Åland's full range of services including deposits, loans, debit and credit cards, transactions, Treasury operations, insurance, legal services, marketing and with support from Ålandsbanken Fondbolag, a wide range of asset management services. Through Crosskey, IT services are sold to companies. The Bank also has a responsibility as a major employer, which is reflected in its broader materiality analysis. The Bank aims to offer financial products that provide financial benefits to customers, investors and other stakeholders – while at the same time not counteract sustainable development.

Downstream in the value chain

The operations include downstream activities, such as the relationship with the customers, where both businesses and individuals get access to financial and legal services and, through Crosskey, IT services for companies.

The main indirect impacts are downstream in the value chain, through lending, Treasury and customers' financial investments. Information about the companies the Bank of Åland invests in is available for the larger companies in their published information. This applies specifically to the customers' financial investments and the Treasury department's investments.

Information about smaller businesses is more difficult to access. Since a majority of the Bank's customers as well as most of its associated companies are small and medium-sized enterprises, often there is no published sustainability information. No direct information is available locally from these companies, since the gathering of sustainability data is new and still under development. Access to data is one of the bigger fundamental problems and is something the Bank is aware of and will work on in the long term.



The Bank is also involved in various partnerships including Borgo, Doconomy, Dreams, Alandia Holding including Alandia Insurance, Plusius, Mäklarhuset Åland and holdings in wind power companies.

In addition to this, the Bank is involved in the community through the role of large employer in a small community and by supporting culture, sports and studies, especially on the Åland Islands. The Baltic Sea Project also contributes to community involvement by funding projects that strengthen the Baltic Sea while raising awareness of the state of the Baltic Sea.

SBM-2 – Interests and views of stakeholders

In conjunction with increased demands for transparency and external communication around companies' sustainability work, the Bank of Åland's stakeholders have also taken on a bigger role in the Bank's sustainability work. A close dialogue with stakeholders – both internal and external – is an important part of the development work, enabling a better understanding of the Bank's impact from different perspectives. To understand the needs and driving forces that are important to stakeholders, ongoing qualitative and quantitative dialogues are conducted through various channels. Examples include customer and brand surveys as well as industry forums where current issues and trends are addressed. These dialogues are initiated both by the Bank and by stakeholders.

The Bank of Åland's stakeholders are:

- Customers
- Shareholders
- Debt investors
- Employees
- Authorities (regulations)
- Rating agencies
- Resellers
- Suppliers
- Partner organisations
- Special interest organisations

- Media
- The environment, including the local environment in the Baltic Sea

However, dialogue takes place primarily with our key stakeholders, that is the Bank's customers, shareholders and employees, whose overall views have been taken into account in the materiality assessment process. In many cases, stakeholder interests coincide with the Bank's interests and therefore have been implemented as part of the Bank's general business strategy for many years, for example interest in the environment and social impact on the Åland Islands community. The Board of Directors is given relevant information as needed.

Customers

All sound banking operations are based on trust, and the Bank of Åland wishes to have long-term relationships with its customers. The Bank has a business model that focuses on personalised advisory services. As part of this, the Bank is keen on maintaining personal contact and considers it important that customers should have the opportunity to receive personalised service. For this reason, the Bank still has various local branches that customers can visit. Dialogue thus takes place mainly through face-to-face meetings at local Bank branches, but also via digital channels, at customer events and through information on the Bank's website. The Bank also conducts annual surveys to gather information about customers' opinions on various issues, of which sustainability is one of many. The Customer Satisfaction Index (CSI) is measured and specified under disclosure requirement S4-5 as a customer-related target.

Shareholders

Dialogue with shareholders largely takes place at the Annual General Meeting, but the Bank of Åland has also conducted a specific stakeholder dialogue with selected major shareholders to discuss sustainability. The Bank's major shareholders understand

that the Bank has an obvious responsibility for the green transition, a key role in preventing economic crime and money laundering, and an important role in the Åland Islands community. Shareholders also emphasise the importance of ensuring that the Bank safeguards the needs and best interests of its customers.

Employees

The Bank of Åland's employees are its most valuable asset and most important competitive advantage. Dialogue with employees is continuous, both on a daily basis and through recurring employee surveys. By continuously measuring and following up on employees' motivation and working conditions, the Bank can ensure a healthy and efficient organisation. The results of the 2025 employee commitment survey are described in greater detail under disclosure requirement S1-5. Employee representatives also participate in an ongoing dialogue with the Bank to ensure that employees' perspectives are taken into account, in accordance with Finland's Cooperation Act (1333/2021). The connection to the Bank's strategy and business models is through the social sustainability area in its sustainability strategy.

Community involvement

The Bank of Åland has a strong commitment to the Åland Islands community and contributes primarily by supporting culture, sports and studies. This interest in local involvement has also led to the Bank's work with the Baltic Sea Project, through which the Bank – together with its customers – donates money to various environmentally related projects.



SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The Bank of Åland’s material impacts, risks and opportunities

The Bank of Åland’s material impacts, risks and opportunities that have been identified within the year’s double materiality analysis are presented according to the respective ESRS sections in the Sustainability Report.

E1 Climate change

Climate change is an important impact topic for the Bank of Åland and has been identified as material for a number of years. Through our own operations, the Bank has a certain impact, but the major impact is seen downstream in the value chain (Scope 3 Category 15 investments) through lending to companies and individuals, the Treasury portfolio and customers’ financial investments. In the area of climate, various risks have been identified through the

risk assessment process since the most significant risk driver in the short, medium and long term is deemed to be climate risks. Climate risks affect the Bank of Åland in all the areas where there are existing risk management processes. The Bank’s strategy is thus to integrate climate risks as a natural element of the risk areas that the Bank is already working with.

E1 Climate change				
Material impacts, risks and opportunities		Description	Value chain	Time horizon
Climate change adaptation	Negative impact	An indirect impact on climate change and adaption to it are identified downstream in the value chain through lending and investments and the impact their activities have.	Downstream in the value chain through the loan portfolio, Treasury and customer’s financial investments.	Actual impact
	Risk	Climate-related physical risk: Flooding. Due to climate change impact, there is a risk for flooding in the communities where our mortgage customers live, so assets pledged as collateral could be damaged or decrease in value, or the customer’s ability to repay could be weakened due to increased costs.	Downstream in the value chain through the loan portfolio.	Long term
Climate change mitigation	Negative impact	The Bank of Åland measures its greenhouse gas emissions which show that its own operations have some direct impact. However, the greatest impact is downstream in the value chain through lending to customers and customers’ financial investments whose operations in turn produce greenhouse gas emissions.	Downstream in the value chain through the loan portfolio, Treasury and customer’s financial investments as well as to a small extent in own operations.	Actual impact
	Risk	Climate-related transition risk due to stricter requirements on energy efficiency for homes. A credit risk could result from potential regulations and requirements on energy efficiency which affects properties that serve as collateral for lending.	Downstream in the value chain through the loan portfolio.	Medium term
	Opportunity	An opportunity exists for lending to customers for climate transition and making homes energy efficient.	Downstream in the value chain through the loan portfolio.	Long term
	Opportunity	The opportunity exists for financing of corporate transitions. An opportunity exists for financing climate transitions of companies through lending to them as well as investing in companies that contribute to mitigating climate change.	Downstream in the value chain	Medium and long term
Energy	Negative impact	The greatest impact is indirectly downstream in the value chain. The resource consumption through energy use that we see from homes that are collateral for mortgages as well as business operations that are categorised within the target area circular economy are now focused on in this section since energy is an important part of climate change. The Bank of Åland’s own operations have a smaller impact due to the use of carbon dioxide free energy in its offices.	Downstream in the value chain through the loan portfolio, Treasury and customer’s financial investments as well as to a lesser extent in own operations.	Actual impact



E4 Biodiversity and ecosystems

Biodiversity and ecosystems are an area where the Bank of Åland, with its mainly office-based operations, only sees indirect material impacts downstream in the value chain from corporate lending and customers' financial investments. Biodiversity is thus not something that the Bank has a direct impact on through its own office operations, but instead it is a matter of how companies that fund their operations with the help of the Bank affect the environment and people in their vicinity through their business activities, such as where they operate and what they do.

Since these impacts are indirect downstream in the value chain, their effects on the Bank's strategy and business model are

mainly through investment decisions and corporate lending criteria. As for investments, their principal adverse sustainability impacts are taken into account as part of the investment process. Via the Bank's financial investment operations, this is also monitored through PAI indicator 7, where the Bank of Åland screens the proportion of investments in entities with locations and/or projects located in or near biodiversity sensitive areas where the activities of investment entities have an adverse impact on these areas. Since there is currently low data availability for such information, the precautionary principle is used when reviewing environmental risks, in keeping with the UN Global Compact's Principle No. 7. The Bank monitors improvements in data

availability, and existing data is used when assessing investment-related opportunities and risks.

Since the impacts are not seen from the perspective of the Bank's own operations but are instead seen downstream in the value chain through other companies – from which concrete sustainability data on biodiversity are limited – the Bank has not detected any material negative impacts in terms of land degradation, desertification or soil sealing. The Bank of Åland itself does not carry out any operations affecting threatened species.

E4 Biodiversity and ecosystems				
Material impacts, risks and opportunities		Description	Value chain	Time horizon
Direct impact drivers of biodiversity loss – Climate change	Negative impact	The Bank of Åland's corporate lending has an indirect impact through companies' activities and production. The negative impact identified within climate change that impacts the companies' activities has a knock-on effect on biodiversity.	Downstream in the value chain through the loan portfolio's corporate lending	Actual impact
Direct impact drivers of biodiversity loss – Pollution	Negative impact	The Bank of Åland has an indirect impact through activities financed through our corporate lending and customers' financial investments. Potential pollution due to the companies' activities as well as the presence of waste are considered to have an indirect impact on biodiversity.	Downstream in the value chain through the loan portfolio's corporate lending and customer's financial investments	Actual impact

The Baltic Sea Project

Given its location in the middle of the Baltic Sea, the Åland Islands

are closely associated with water and through the Baltic Sea Project, the Bank of Åland and its customers donate money to

various projects. This is seen as a positive material impact for the Bank and is discussed more in its own company-specific section.

The Baltic Sea Project				
Material impacts, risks and opportunities		Description	Value chain	Time horizon
The Baltic Sea Project	Positive impact	The Baltic Sea Project and the financial products closely connected to it, such as the Baltic Sea Account, can contribute to a positive impact on the water and sea through donations to projects in the area.	Downstream in the value chain	Potentially positive in the long term



S1 Own workforce

As a large employer, especially on the Åland Islands, the Bank of Åland has an obvious impact on its own workforce, both in terms of its own employees and the consultants it hires. For this reason, the entire workforce, both employees and consultants, is included in the section S1 Own workforce. In the following table, the impacts, risks and opportunities that have been assessed as material in terms of the own workforce are listed.

Because the Bank of Åland operates in the Nordic region with its own workforce on the Åland Islands, on the Finnish mainland

and in Sweden, this area is largely regulated by laws that ensure certain minimum standards. This means that the focus is on preventive work that is done based on an awareness of employees' working environment. Since a majority of the employees work in offices, the impact, risks and opportunities that the Bank has identified are classically associated with office work and are considered relevant to everyone.

All these areas were identified many years ago and are part of existing work within the Bank's sustainability strategy, in which social responsibility is one of four focus areas, which are

described in the Sustainability Strategy in E1-2. The Bank wishes to be an attractive employer and remain competitive in the market. It thus takes steps to ensure a good physical and mental working environment, a high level of commitment among all employees and giving all employees the same opportunities for a successful career within the Group. Given the Bank's previously established focus area of social responsibility to employees, there is a connection to the Bank's sustainability strategy.

S1 Own workforce

Material impacts, risks and opportunities	Description	Value chain	Time horizon
Health and safety	Negative impact	The Bank of Åland has an impact on employees' health and safety, mainly where illness can arise due to stress.	Own operational activities Actual impact
	Risk	A risk that staff can be affected by illness due to, among other things, stress, which can have financial consequences for the Bank due to, for example, sick leave as well as higher staff turnover.	Own operational activities Short term
Gender equality and equal pay for work of equal value	Negative impact	The Bank works with gender equality but despite this, finds inequality among women and men in different roles in the different branches within the Group. It is a continuous challenge to increase gender equality.	Own operational activities Potential impact in the medium term
	Positive impact	The principle of equal pay for equal work applies, and the work with gender equality is therefore seen as a positive impact. There is an awareness of the inequality between the positions held by women and men in different branches, and efforts are being made to address this.	Own operational activities Potential impact in the medium term
Training and skills development	Positive impact	The Bank works with skills development of personnel as this is seen as a long-term investment in maintaining the level of competence and to be considered an attractive employer for employees.	Own operational activities Actual impact
	Risk	The Bank has identified a risk over the long term for staff lacking the right skills if it should fail to invest in skills development.	Own operational activities Medium term
	Opportunity	The Bank sees the opportunity to work with skills development of staff as a long-term investment in order to attract new staff, retain existing staff and continue to be competitive.	Own operational activities Short term

**S4 Consumers and end-users**

The Bank of Åland and Ålandsbanken Fondbolag provide financial services to private individuals. Crosskey, as an IT company, sells IT services to financial companies that in turn have customers.

For this reason, the Bank's impact on consumers and end-users is

overall material. These impact topics are important to all private individuals who are customers, but certain customer categories need clearer information.

S4 Konsumenter och slutanvändare

Material impacts, risks and opportunities	Description	Value chain	Time horizon	
Privacy	Negative impact	The Bank has through its banking and IT operations potentially negative impact on customers' privacy through access to information about the customers. This requires great responsibility in regard to both banking secrecy and data protection as it is important that we ensure the security of our customers' personal banking information, which in the case of possible deficiencies could affect customer safety.	Downstream in the value chain towards customers	Potential in the short term
	Risk	Data protection is extremely important for the Bank, and potential data protection incidents could affect the reputation and credibility of the company as well as have financial consequences.	Own operational activities	Short term
Access to quality information	Negative impact	A bank has responsibility to provide customers with accurate information, above all in financial services, and there are numerous regulatory requirements in this area. It is a challenge to meet the requirements for customer information that regulations require while at the same time providing information that anyone can understand. If a customer does not receive accurate and understandable information, it could lead to financial losses for the customer. Access to quality information is important for customers in the long term, for example for investment and lending services, to ensure that a customer gets the proper advice for their own financial situation, particularly since the Bank of Åland has a business model that is focused on personal advice.	Downstream in the value chain towards customers	Potential in the long term
Access to products and services	Positive impact	The Bank has a positive impact through the opportunity to provide customers access to financial services. Since access to banking services is important for a person to be able to partake in society, access to banking services such as bank accounts, credit and debit cards, loans and investment services is an area where the Bank of Åland sees a material impact for all its customers.	Downstream in the value chain towards customers	Actual impact
Fraud against customers (company-specific category)	Negative impact	Unfortunately, it is common that fraud targets bank customers, especially older customers. The affected customers are impacted negatively both personally and financially.	Downstream in the value chain towards customers	Actual impact
	Risk	Due to external crime aimed at the finance industry's customers, there is a risk that the Bank's customers are exploited by criminals, which can also affect the Bank financially.	Own operational activities	Short, medium and long term
	Opportunity	The Bank sees the opportunity to work preventively against fraud, both through internal processes and through information to customers to protect both our operations and our customers.	Own operational activities	Short term



Local community involvement on the Åland Islands

The Bank of Åland is an important actor on the Åland Islands and feels a great local social responsibility and therefore presents the positive impact as a separate company-specific section of the local community involvement on Åland.

Samhällsengagemanget lokalt på Åland

Material impacts, risks and opportunities	Description	Value chain	Time horizon
Local community involvement on the Åland Islands	Positive impact	Downstream in the value chain	Actual impact

**G1 Business conduct**

As a corporate group consisting of a bank, a fund management company and an IT company, responsible business conduct is the very foundation on which the Bank of Åland's operations should rest in order to conduct safe and successful business activities

that ensure good service delivery to customers. All these areas listed here are important to the Bank, and conscious efforts to deal with such matters have been part of the Bank's general strategy for many years.

G1 Ansvarsfullt företagande

Material impacts, risks and opportunities	Description	Value chain	Time horizon
Corporate culture	Negative impact	Own operational activities	Potential in the long term
	Positive impact	Own operational activities	Potential in the long term
Corruption and bribery Prevention and detection including training and incidents	Negative impact	Own operational activities	Potential in the long term
Financial crime (company-specific category)	Negative impact	Own operational activities	Potential in the long term
	Risk	Own operational activities	Short, medium and long term
Cybersecurity (company-specific category)	Negative impact	Own operational activities	Potential in the short term
	Risk	Own operational activities	Medium term



Effects of material impacts, risks and opportunities on business model and strategy

Identified material impacts, risks and opportunities regarding sustainability were addressed in the business plan in 2025 on an overall level, pending more concrete long-term actions.

Climate change has an impact on the world at large and so do the Bank of Åland's activities. To try to counteract its effects, the Bank has created a sustainability strategy and a climate strategy and has established targets for reducing greenhouse gas emissions. At the same time as the Bank wishes to reduce greenhouse gas emissions from our operations, the Bank also needs growth to be able to continue operating in the long term. Since the greatest impacts occur indirectly at other companies, the ability to influence them directly is limited and mostly consists of incentives. One possibility is to stop providing financing to various economic sectors, but instead the Bank wishes to be part of the transition by financing the transition of companies. Rather than ceasing lending to or investments in other companies, the Bank would like to be better at monitoring how the money is used, since investments in sustainable projects may lead to improvements in the long run. By increasing its efforts to follow up on intended use of funds, the Bank can steer money towards more concrete activities. There are data quality challenges. It is currently difficult to measure or follow up on concrete activities at other companies, which limits the Bank's potential for monitoring climate-related impacts.

The impact seen through lending and customers' financial investments, which thus occurs indirectly downstream in the value chain, affects the Bank's strategy and business model primarily through investment decisions and criteria regarding corporate lending. The main negative sustainability impacts are considered as part of the investment process. Read more about these briefly under each impact topic mentioned earlier and in their associated sections.

The Baltic Sea Project and the financial products closely associated with it, such as the Baltic Sea Account and the Baltic Sea

Card, are an established part of the Bank of Åland's existing business model.

All impact topics related to the Bank's own workforce were identified many years ago and are part of existing work within the Bank's sustainability strategy, in which social responsibility is one of four focus areas. The Bank wishes to be an attractive employer and remain competitive in the market. It thus takes steps to ensure a good physical and mental working environment, a high level of commitment among all employees and giving all employees the same opportunities for a successful career within the Group.

Since it is part of the Bank's business model to create long-term relationships with its customers, it has worked for many years in impact topics related to consumers and end-customers, as described under section S4.

Responsible business conduct has been part of the Bank's general strategy for many years. In addition, Crosskey's sustainability strategy focuses on ensuring that its activities are managed sustainably, with a focus on operational stability and cybersecurity.

Current financial effects of the identified material risks and opportunities

At present, no current material financial effects of the identified material risks and opportunities have been identified. Nor has any significant risk of a material adjustment of the carrying amounts of assets and liabilities within next year's reporting period been identified at present. During 2026, the Bank will continue its efforts to integrate material financial risks from its double materiality analysis with business plan processes and its internal capital adequacy and liquidity assessment. As for customer fraud, it cannot be ruled out that the Bank may suffer significant costs next year as well.

Resilience of the undertaking's strategy and business model regarding material impacts, risks and opportunities

The Bank of Åland has not conducted a resilience analysis

regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities.

The Bank has not conducted any resilience analysis regarding climate change. However, the Bank conducts a separate capital adequacy assessment of ESG risks at least every two years, and more often when necessary. Its outcome provides the basis for which ESG risks are to be included in the internal capital adequacy and liquidity evaluation. Climate risks are viewed as the most material risk driver in the short, medium and long term, which led to a strong focus on climate- and environment-related risk drivers in the year's capital adequacy assessment. For details on time horizons, see disclosure requirements BP-2 and IRO-1. Climate risks affect the Bank in all the areas where there are existing risk management processes. The Bank's strategy is therefore to integrate climate risks as a natural part of the risk areas that it is already working with. The Bank's lending shall be made on a sustainable basis, and an assessment of climate-related physical risks and transition risks shall be regarded as part of credit risk and included in the monitoring of risk appetite.

Since biodiversity is a complex area where the Bank of Åland cannot yet see the Bank's impact in detail, in that it is found primarily downstream in the value chain through the various operations of other companies, it has not yet been possible to carry out any deep resilience analysis regarding dependencies on biodiversity, transition risks, physical risks or systemic risks. Due to low data availability, the potential for investigations is currently limited, but published information from other companies is monitored to create better awareness and thereby enable the Bank to make more concrete strategic decisions in the long term.

The impacts, risks and opportunities that the Bank has identified relatively recently at this stage will need to form the basis for future strategic planning. As for its perceived impact on climate change, as well as most other areas, the Bank faces the same challenge as many other financial service companies, namely that its impact is visible mainly downstream in the value chain – that is



through other companies and their activities. The Bank's own short-term ability to exercise a major influence and make a difference is thus limited, while at the same time it bears a major responsibility in its role as a financier of the so-called green transition. The resilience of its strategy and business model is also closely connected to the fact that a certain amount of growth is required to ensure its own long-term viability. In practical terms, the current focus is on creating knowledge and gathering information about what is happening downstream in the value chain, to enable the Bank to make well-founded business decisions in the long term.

Changes in material impacts, risks and opportunities compared to the previous reporting period

Deeper knowledge during 2025 has led to new views on this subject, which has resulted in an adjustment to the results regarding which material impact topics, risks and opportunities are identified. A general reassessment of several impacts, risks and opportunities has been done based on updated analysis and adjusted definitions, which has resulted in fewer impact topics being considered material. A new assessment has been done interpreting the results of the impact analysis of the loan portfolio, Treasury and customer financial investments which has resulted in adjustments in which section certain subjects are addressed. This stems from a difference in the interpretation of impact categories according to UNEP FI versus ESRS. The review has also resulted in the number of impacts, risks and opportunities that were considered material to be fewer than in the previous year's analysis. The knock-on effect is that the number of sections in the Sustainability Report are fewer in 2025 than there were in 2024.

As part of this this year's reviewed assessments, the positive impact seen in 2024 on secure employment in section S2 Workers in the value chain is no longer considered material in 2025. The Bank notes a general impact downstream through customers' financial investments within employment terms at other companies but no longer considers them material. As a result, section S2 Workers in the value chain is no longer material in 2025.

The Bank has for several years now identified circular economy as a target area related to the work done through engagement in UNEP FI. For this reason, the section *E5 Resource use and circular economy* was considered a material topic in 2024. After a more in-depth analysis of the concrete content of the impact, it has been found that the impact seen in the circular economy in UNEP FI actually consists mainly of resource intensity in the form of energy consumption, primarily in real estate and corporate activities downstream through the loan portfolio and customers' financial investments. Since ESRS puts energy use as a subject in section *E1 Climate change*, this impact has been relocated there in the double materiality analysis in 2025. A similar restructuring has also led to the impact which in 2024 was seen due to waste produced in holdings in investment activities being relocated to *E4 Biodiversity and ecosystems* under the sub-topic pollution, since the consequences of the waste on biodiversity through potential pollution is prioritised over the general occurrence of waste downstream in the value chain. With these relocations of the impact, the topic *E5 Resource use and circular economy* will no longer be material in 2025.

A similar restructuring of in which section an impact is seen has affected section *E2 Pollution*. The subject was considered material in 2024, but the impact reported in 2025 is reported instead under *E4 Biodiversity and ecosystems* in the sub-topic pollution, since the general impact is seen downstream and the knock-on effects on biodiversity are more relevant. As a result, section *E2 Pollution* is no longer considered material in 2025.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

To identify the sustainability impacts, risks and opportunities that are material for the Bank of Åland to focus on, a double materiality analysis was conducted. While a classic materiality analysis shows how a company's operations affect the outside world, a double materiality analysis also enables us to see how the outside world affects the company's operations from a financial perspective.

A double materiality analysis therefore considers two perspectives: material impact and financial impact. Material impact means that the Bank of Åland has identified, based on the Group's value chain, in which areas the Bank has the greatest impact on the community, people, the environment and climate. The Bank has also identified financial materiality, meaning which sustainability-related risks and opportunities are judged to be relevant within these areas and how they can financially affect the Bank's operations.

The double materiality analysis has since 2023 been an annual recurring process that has been developed each succeeding year and is expected to be further developed in upcoming years. The materiality assessment for 2025 was done using primarily the same methods as in previous years, with certain areas of development. The process has changed in that the double materiality analysis has been carried out by a new and broader working group with access to more underlying analyses. More in-depth knowledge within the area has led in 2025 to new perspectives on different topics, which has resulted in adjusted results regarding which material impact topics, risks and opportunities are considered. The approval process for the double materiality analysis is updated to reflect a reorganization that was carried out at the Bank in 2025, wherein the analysis is approved by the Sustainability Committee, followed by the Executive Team, and finally the Board of Directors is informed through its Audit Committee.

The double materiality analysis was based on discussions with experts in the Bank's various fields of activity in order to create as comprehensive and accurate a picture of its operations as possible. These discussions were based on the different topics covered by the ESRS and span the environmental and social areas as well as business conduct.

The double materiality analysis is based on the Bank's operations on the Åland Islands, in Finland and Sweden, and the closest steps in the value chain. The Group's operations centre on banking operations, Crosskey's IT services and Ålandsbanken Fondbolag's asset management services. These entities form the



core of our own operational activities and are supplemented downstream, among other things by relationships with the customers who use the Bank's services, the investments made by the Bank and customers, the partnerships in which the Bank is engaged and community involvement. The Bank also has a responsibility in its role as a large employer, which is reflected in the broader materiality analysis.

Input through an impact analysis based on lending and financial investments

Grasping the extent of the impacts made by a corporate group with a broad area of activity is an extensive process. As a banking group with an IT subsidiary and office-based own operations, the Bank of Åland can see that its impacts largely take place downstream in the value chain, indirectly through the other businesses it finances in various ways, rather than from its own direct operations. To create a picture of the potential impacts that may occur downstream in the value chain due to financing of other companies, the Bank has used UNEP FI's impact analysis tool. UNEP FI is the United Nations Principles for Responsible Banking. Having adopted the UN Principles for Responsible Banking (PRB), the Bank is committed to its six principles. UNEP FI also provides tools for impact analysis, and to support its analytical efforts the Bank has used these tools to conduct a comprehensive impact analysis. These include a tool for lending to individuals (the Consumer Banking module) and one for lending to businesses (the Institutional Banking module). The Bank has made use of both of these in recent years to analyse the loan portfolio.

As for lending to private individuals, lending to consumers as well as their savings has been analysed on the Åland Islands, on the Finnish mainland and in Sweden by loan type, based on the balance at the time. Since the categories in the UNEP FI tool do not fully correspond to the Bank of Åland's financing services, not all lending is necessarily included. Corporate lending has also been analysed on the Åland Islands, in Sweden and on the Finnish mainland based on lending to the largest sectors in each

geographic area. UNEP FI's impact analysis shows a result in the form of potential positive or negative impacts based on the UN's global goals, after which the Bank has been able to draw conclusions and choose to focus on priority areas based on this material.

Since UNEP FI's impact analysis itself is based on a different perspective than the ESRS impact topics that have been the focus of the Bank's double materiality analysis, UNEP FI's translation tool to ESRS has been partially applied to the results of the impact analysis. Manual adjustments have been made in the translation between the different tools' categories when consolidating the activity areas' topics in the double materiality analysis.

The UNEP FI's tool for analysing the impact on the basis of asset management (Investment Portfolio Impact Analysis Tool) has been used for the Treasury portfolio's holdings. In regard to customer financial investments, a separate impact analysis was conducted in an analysis document especially created by the Bank, which uses UNEP FI's mapping of the industry's impact as a basis. The analysis is based on the holdings and which impact areas their industries are connected to. These impact areas are then adapted to the ESRS topics by reasoning. The impact analysis focuses on negative impacts from customer financial investments, while positive impacts are assessed separately through reported taxonomy alignment.

These are the fundamental impact analyses that form the basis of further work in the double materiality analysis with assessing impacts downstream in the value chain in lending, Treasury and customers' financial investments. The material has been complemented with information from other relevant areas. For a more detailed description of the assessment within the areas of climate change and biodiversity and ecosystems, read more in the subsections *Assessment of material impacts on climate change and Assessment of material impacts on biodiversity and ecosystems*.

Impact assessment in the double materiality analysis

The Bank of Åland's value chain has been mapped out, with related activities matched against ESRS's list of sustainability topics,

which has formed the basis for continued analysis. Starting with these operations, relevant impact topics have then been identified and evaluated – depending on whether the impact is positive or negative, actual or potential, and within what time span the impact may occur. An assessment has then been made according to the degree of scale, scope, the irremediable character of the impact and the likelihood that the event will occur. An estimate of probability has only been made when the impact is potential. The Bank grades these factors according to a scale of 1–6. Negative impacts have been summarised based on an average of estimated scale, scope, degree of irremediability and likelihood in cases where they are not deemed to have already occurred. Positive impacts have been summarised based on an average of scale, scope and likelihood in cases where they are not deemed to have already occurred. If an impact has been deemed material to the Bank's stakeholders, it has been classified as material. The threshold for what is considered a material impact has been drawn at values that are 3.5 and higher. Based on these factors, data generated and the impact analyses, the sustainability team has conducted a qualitative rationale to develop a proposal of the material impact topics for the decision-making bodies. The proposal has been reviewed by the Sustainability Committee, Executive Team and the Board of Directors Audit Committee, which have each approved the proposal.

Assessment of risks and opportunities in the double materiality analysis

Sustainability-related risks and opportunities that could potentially have an impact on the Bank of Åland's operations have also been identified. Information on potential risks has been collected internally, based on a combination of climate risk assessment, ordinary risk assessment as well as self-assessment in relevant parts of the operations to pick up as wide a spectrum of ESG risks as possible. Risks related to social sustainability and corporate governance have been listed and assessed based on the self-assessment method. Many impact topics are connected to risks



that have been included in the assessment. At the same time, in some cases potential opportunities are also identified in a reflection of these risks. The Bank has internally listed the potential risks and opportunities identified based on the value chain regarding the relevant ESRS areas and other potential sustainability-related areas. These have then been evaluated based on whether they are likely to occur in the short, medium or long term, and what financial impact they are likely to have. In compiling the double materiality analysis, the Bank has not diverged from the medium or long-term time horizons defined in ESRS 1, section 6.4. The Bank grades the probability and the financial impact according to a scale of 1–6, and a summary is made with an average. For risks and opportunities, the materiality threshold is assessed as 4.5. The Bank integrates ESG-related aspects into its overall business model and strategy, and ESG-related risks are integrated into financial risks.

As for climate-related risks, the Risk Control department has carried out a special risk analysis of ESG risks whose results have been included in the double materiality analysis. For a more detailed description of this, see the section *Climate-related sustainability risks*. Risks and opportunities have been evaluated according to the probability of their occurrence and the financial impact they could have on the business. This valuation has been used to identify the most material risks and opportunities. Minor adjustments have been made to the results of the analysis to align the climate risk analysis with the double materiality analysis. The climate-related risk assessments that have been included in the double materiality analysis have been carried out based on different time horizons than those defined in ESRS 1 section 6.4. In these assessments, short-term corresponds to less than three years, medium-term three to five years, and long-term five to thirty years. The reason for this is that this specific risk analysis was carried out according to a previously established method that was in place before the implementation of ESRS.

Read more about the results of the double materiality analysis under *SBM-3 Material impacts, risks and opportunities and their*

interaction with strategy and business model, which presents material impact topics, risks and opportunities.

E1 IRO-1 – Assessment of climate-related material impacts, risks and opportunities

Identification of climate-related material impacts

Since 2021, the Bank of Åland has measured its greenhouse gas footprint and sees a general material impact from all its activities. A small percentage of its greenhouse gas footprint is due to its own operational activities including company cars in Scope 1, energy consumption in Scope 2 and indirect emissions via suppliers through purchases upstream in Scope 3. Above all, the material impact is seen downstream in Scope 3 Category 15 regarding indirect emissions via lending, Treasury and customers' financial investments. The greenhouse gas emissions presented under E1-6 form the basis for the decision that climate change is a material impact topic for the Bank. Since the Bank's operations are mainly office-based, the examination of activities to identify actual sources of greenhouse gas emissions mainly consists of an inventory of financial amounts that have then been used to calculate greenhouse gas emissions together with emission coefficients. It has not been possible to carry out any other screening of operations, since the impacts are seen out in the value chain, partly upstream but mainly downstream. Potential future sources of greenhouse gas emissions are believed to be similar in nature to those seen today.

Identification of climate-related material risks and opportunities

To identify climate-related material risks, the Bank of Åland conducts a climate risk analysis described in the following text. Material opportunities are identified in a reflection of the transition risks within the framework of the double materiality analysis.

Climate-related sustainability risks

The Bank of Åland conducts a special risk assessment of ESG risks

at least every two years, and more often when necessary. The purpose is to identify potential risk drivers originating in climate change or society's transition to a sustainable economy, so-called physical and transition risks. The results of this analysis form the basis for which ESG risks should be included in the internal capital adequacy assessment and internal liquidity adequacy assessment. The results are also used for the double materiality analysis. No specific climate-related scenario analysis has been carried out.

The risk assessment is conducted in three steps:

1. Identification of relevant climate- and environment-related risk drivers for the Bank's operations and geographic vicinity based on external sources,
2. Materiality assessment of identified risk drivers relating to the Bank's established financial and non-financial risk areas,
3. Risk analysis assessing the impact of identified material risks on the respective financial and non-financial risks.

The mapping is based on a selection of risk drivers identified in ECB's study *Good practices for climate-related and environmental risk management* (2022) as well as ECB's *Guide on climate-related and environmental risks* (2021) plus additional risk drivers identified as potentially relevant from other studies and benchmarking against other players in the market.

The time horizons are based on proposals in the EBA's consultation paper with draft *Guidelines on the management of ESG risks* (2024). A short time horizon refers to occurrences within a maximum three years, medium time horizon refers to occurrences within three – five years and long-term horizon refers to occurrences within five – thirty years.

Each identified risk is assessed on the basis of its probability as well as the impact when it occurs, based on the climate risk driver in question, the transmission channel, the time horizon, the Bank's risk exposure and existing risk management.

Viewed as the most significant risk driver in the short, medium and long term is climate risk, which has led to a strong focus on climate- and environment-related risk drivers in the assessment.



Climate risks affect the Bank of Åland in all the areas where there are existing risk management processes. The Bank's strategy is thus to integrate climate risks as a natural element of the risk areas that the Bank is already working with.

ESG risks integrated into credit risk

At present, the Bank of Åland believes that the ESG risks that have been integrated into credit risk have the greatest impact on the Bank's operations. In the credit risk area, the primary transmission channels are households and small and medium-sized enterprises, as these are the customer categories in the Bank's loan portfolio.

The Bank's lending shall be provided on a sustainable basis, and an assessment of climate-related physical risks and transition risks are factored into credit risk and the monitoring of risk appetite. Identified material climate-related risks consist of physical risk in the form of flood risk as well as transition risk in the form of regulation of energy performance for properties where there are locked-in greenhouse gas emissions. When granting loans, climate-related risks must be taken into account as part of the risk classification process and the process of assessing collateral. These aspects are included in the determination of whether the credit risk level is low, reasonable or high and are included in the assessment of the risk appetites that have been established for credit risk.

Physical risks in the form of flood risk are mainly driven by the geographic location of the assets that have been pledged as collateral for loans. A mapping of geographic location is thus carried out in connection with lending to assess and manage flood risk connected to the collateral. Flood risk can affect the value of the collateral and is thus evaluated on an ongoing basis during the life of the loan.

ESG risks integrated into other types of risk

The capital adequacy assessment has also taken into account the transmission channels that affect other risks, which include

counterparty credit risk, market risk, liquidity risk, IT risk, employee risk and external risk factors, compliance risk, and money laundering and terrorist financing risk.

Of these risks, it is primarily liquidity risk that has an elevated identified climate risk. These primarily include risks related to the Bank's funding potential. The risk drivers of climate-related liquidity risks are extreme weather events, disease outbreaks, forest fires, floods, energy security and biodiversity loss, all of which are considered important. However, the liquidity risk level is not considered as high as credit risk in the short, medium or long term. Governance and management of ESG risks have thus focused on climate risks included in credit risk during the year.

No identified integrated ESG risks for the other types of risk are considered material. If circumstances change and integrated ESG risks increase in materiality, an updated capital adequacy assessment for ESG risks will be carried out immediately to ensure an up-to-date risk picture for the Bank at any given time.

Climate-related risks related to customers' financial investments

The climate-related financial risks related to customers' financial investments originate in the underlying holdings. The sustainability risks for potential investments are considered prior to investing by the portfolio management team and are assessed for risks and documented regularly. A quantitative analysis of the potential negative financial effects on the asset management portfolio has been conducted based on the actual holdings and the data available on the sustainability risks for the companies. The financial risks for the Bank regarding customers' financial investments are a loss of income in the form of lost commissions if the companies should be affected by climate-related incidents. Climate-related risks have been analysed based on the climate scenario of the physical risks tied to coastal and riverine flooding as well as wildfire. Transition-related risks have been analysed based on an NGFS scenario (Network for Greening the Financial System), which assumes lost income in companies in connection with the

transition of operations based on ambitious transition strategies and/or policies where the goal is to reduce the total climate warming to 1.5°C by 2050. The analysis has provided a basis for assessing the potential negative financial impacts on the Bank's revenues from portfolio commissions as a result of damages to facilities due to flooding and wildfires (physical risks) as well as transition-related factors (transition risks). The analysis found, however, that the negative financial effects were marginal and not material due to a broad diversification of the asset management portfolio.

E2 IRO-1 – Assessment of material impacts on pollution

The results of the double materiality analysis show that the Bank finds no material impacts, risks or opportunities within *E2 Pollution*. The Bank no longer finds in 2025 the indirect impact in pollution downstream in the value change that was identified in 2024 as material. Since the analysed but non-material impact is identified downstream in the value chain, the Bank has not screened its site locations and its business activities in order to identify actual and potential pollution-related impacts, risks and opportunities in its own operations. Since the analysed but non-material impact is identified downstream in the value chain, the Bank has not conducted consultations with affected communities.

E3 IRO-1 – Assessment of material impacts on water and marine resources

The results of the double materiality analysis show that the Bank finds no material impacts, risks or opportunities within *E3 Water and marine resources*. Since the analysed but non-material impact is identified downstream in the value chain, the Bank has not screened its site locations and its business activities to identify actual and potential impacts, risks and opportunities related to water and marine resources in its own operations. Since the analysed but non-material impact is identified downstream in the value chain, the Bank has not conducted consultations with affected communities.



E4 IRO-1 – Assessment of material impacts on biodiversity and ecosystems

Since the Bank of Åland's own operational activities are office-based, with premises in predominantly urban environments, its assessment is that the Bank does not have any material impact on biodiversity, but that the area which it is relevant to analyse is downstream in the value chain, based on the Bank's lending and customers' financial investments.

The impact analysis in UNEP FI's tool, including supplementary ESRS conversion tools, shows an indirect impact on biodiversity and ecosystems downstream in the value chain through the operations of the Bank's corporate loan customers. Since this area has been highlighted as material in this analysis, it has been referred onward to the double materiality analysis for further examination based on the accompanying assessment criteria. In this valuation, the Bank of Åland has established that there is an impact due to corporate lending.

To assess impact materiality downstream in the value chain related to financial investments, an analysis of the negative impact has been conducted based on holdings and the impact topics their industries are connected to. Positive impact is assessed separately through reported taxonomy alignment. The analyses are conducted in accordance with the process described in the impact analysis as well as the double materiality analysis.

Biodiversity is a complex area where the Bank cannot yet see the impact in detail with certainty, although it is seen downstream in the value chain and due to various activities. For this reason, it has not been possible to carry out a deeper analysis of dependencies, transition risks, physical risks or systemic risks. The information that is available is public information provided by companies in which the Bank of Åland invests. As data availability potentially expands in the future, it will be possible to carry out a more concrete analysis. Based on the Bank's own operational activities, it has not been found necessary to implement biodiversity

mitigation measures. Instead, the actions that will be relevant are related to future decisions regarding guidelines for lending and financial investments.

Because the impacts have been identified as downstream in the value chain, the Bank has not conducted consultations with affected communities on sustainability assessment of shared biological resources and ecosystems.

Since the Bank's own operational activities are office-based with premises in primarily urban environments, the Bank does not have sites in or near biodiversity-sensitive areas. Furthermore, because the impacts have been identified as downstream in the value chain, it has not been found necessary to implement biodiversity mitigation measures.

E5 IRO-1 – Material impact assessment on resource use and circular economy

The results of the double materiality analysis show that the Bank of Åland sees no material impacts, risks or opportunities within *E5 Resource use and circular economy*. The Bank no longer finds in 2025 the indirect impact in resource use and circular economy downstream in the value chain that was identified in 2024 as material.

Since the Bank of Åland's own operational activities are office-based, the assessment is that the Bank does not have any material impact on resource use and circular economy, but that the area which it is relevant to analyse is downstream in the value chain, based on the Bank's lending and customers' financial investments. Since the material impact is identified downstream in the value chain, it has not been relevant for the Bank to screen its site locations and its business activities to identify actual and potential impacts, risks and opportunities in its own operations. Since the impact is identified downstream in the value chain, the Bank has not conducted consultations with affected communities.

G1 IRO-1 – Assessment of material impacts, risks and opportunities related to business conduct

As a banking group with an IT subsidiary, the Bank of Åland has carried out an assessment of material impacts, risks and opportunities related to responsible business conduct through reasoning based on the fundamental statutory requirements that exist for the financial service industry and the expectations of customers and other stakeholders regarding the Bank. Based on the provisions of ESRS regarding corporate culture, and efforts to prevent bribery and corruption, the Bank has then supplemented them with industry-specific relevant areas such as financial crime in the form of money laundering and cybersecurity. These are central areas in the banking and IT sectors and are therefore considered material from the start.

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

List of disclosure requirements the Bank of Åland follows when preparing its sustainability statement

The Bank of Åland has determined what material information shall be provided in relation to the impacts, risks and opportunities that have been assessed as material through a relevance analysis. The relevance analysis was carried out in EFRAG's data point list, where the disclosure requirements with their associated data points were reviewed point by point, and a discussion was undertaken regarding the relevance of these points to the material impact, risk or opportunity that was identified.

The disclosure requirements are presented in the following table.



Disclosure requirements in the sustainability statement of the Bank of Åland

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List of datapoints in the Sustainability Report derived from other EU legislation

The following table lists all data points in the Sustainability Report that are derived from other EU legislation, with information about where they are located in the Sustainability Report, or with information that the data point is not material for the Bank of Åland.

Table of datapoints in the Sustainability Report derived from other EU legislation

Disclosure Requirement and related data point (ESRS)	Reference in the Sustainable Finance Disclosure Regulation ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴	Page number/ Non-material
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		52
ESRS 2 GOV-1 Percentage of Board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		52-53
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				56-57
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risks	Delegated Regulation (EU) 2020/1816, Annex II		59
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		59
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		59
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		59
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	103-105
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		104



Disclosure Requirement and related data point (ESRS)	Reference in the Sustainable Finance Disclosure Regulation ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴	Page number/ Non-material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		109
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Non-material
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				113
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				Non-material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		114
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		122
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	122-123
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		N/A 2025
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			N/A 2025



Disclosure Requirement and related data point (ESRS)	Reference in the Sustainable Finance Disclosure Regulation ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴	Page number/ Non-material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			N/A 2025
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A 2025
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Non-material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				Non-material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				Non-material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				Non-material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				Non-material
ESRS 2 – SBM 3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				64
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				64
ESRS 2 – SBM 3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				64
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				124
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				124
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				124
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				Non-material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				Non-material



Disclosure Requirement and related data point (ESRS)	Reference in the Sustainable Finance Disclosure Regulation ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴	Page number/ Non-material
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Non-material
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Non-material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				130
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		130
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				130
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				131-132
ESRS S1-3 Grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				132-133
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		140
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				N/A 2025
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		141
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				141
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Non-material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Non-material
ESRS 2 – SBM3 – S2 – Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				Non-material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Non-material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator numbers 11 and 4 Table #3 of Annex I				Non-material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material



Disclosure Requirement and related data point (ESRS)	Reference in the Sustainable Finance Disclosure Regulation ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴	Page number/ Non-material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Non-material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Non-material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Non-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				142
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		142
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¹ Sustainability Disclosure Regulation: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainability Disclosure Regulation) (OJ L 317, 9.12.2019, p. 1).

² Reference in the third pillar: Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, CRR) (Text with EEA relevance) (OJ L 176, 27.6.2013, p. 1).

³ Reference in the Benchmarks Regulation: Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

⁴ Reference in the EU Climate Law: Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 9.7.2021, p. 1).



Environment and climate

EU Taxonomy reporting

The EU Taxonomy Regulation, (EU) 2020/852, is a tool for classifying what economic activities are environmentally sustainable, thus helping investors identify, compare and direct capital towards sustainable investments.

So far, the focus of the regulation has been on primarily classifying the economic activities that have the greatest potential to affect climate change by means of transition. This means that many economic activities are not yet included in the classification. The aim is for the taxonomy to be expanded in the future to include social objectives and additional economic activities. Until the taxonomy is expanded, taxonomy reporting will not represent all sectors and activities.

The Taxonomy Regulation so far consists of six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The EU Taxonomy: Principles and implementation

The following report describes the green asset ratio (taxonomy-aligned assets) in the Bank of Åland's assets according to the EU Taxonomy's criteria. According to the changed reporting requirements, the simplified standardised table templates for credit institutions under Delegated Regulation (EU) 2026/73 are being

applied to this reporting. The proportion of green assets is presented through the key figure GAR (Green Asset Ratio) derived from these standardised tables. Historical comparative figures for 2024 are presented in the previously standardised table format in accordance with Delegated Regulation (EU) 2021/2178.

The EU Taxonomy is a regulatory framework that aims to categorise how green a company's assets are and to enable investors to compare environmentally sustainable investments through screening criteria for different activities. The reporting is organised according to the structural principles of taxonomy eligibility and taxonomy alignment. If an exposure is considered to be eligible for the taxonomy, this means that there are criteria for assessing whether it is environmentally sustainable. In a first step, the assets are assessed to identify whether they are eligible for the EU Taxonomy and its six environmental objectives, after which these are analysed to see to what extent they are aligned with the environmental objectives.

In order for the assets to be taxonomy-aligned, it is required that:

1. Their underlying activities contribute substantially to one or more environmental objectives according to the Taxonomy's technical screening criteria.
2. They do no significant harm (DNSH) to any of the other environmental objectives.
3. And that the operations comply with minimum safeguards to ensure good governance and protection of human rights.

For 2025, both eligibility and alignment regarding all six environmental objectives are reported for the first time.

Taxonomy-eligible and non-eligible assets

In general, the Green Asset Ratio (GAR) is calculated as a ratio of a numerator and a denominator, which are specified in detail in the standardised taxonomy tables.

The focus is on the assets found on the balance sheet, which are included in Tables 1, 2, 3 and 4. The assets eligible for the EU Taxonomy and included in the numerator for the Bank of Åland are lending, debt securities and equity instruments relating to large public-interest entities (also known as CSRD companies) as well as lending to private individuals, mainly consisting of home mortgage loans. The Bank's assets eligible for the EU Taxonomy are mainly loans to private individuals, primarily mortgage loans, loans to a few large companies and investments made in the Bank's Treasury operations. As an addition to this, certain exposures that are off-balance-sheet are also included and can be found at the bottom of Table 1 and in Table 5. These consist of customers' assets under management and financial guarantees that are off-balance-sheet.

The fact that an asset is not eligible for the EU Taxonomy or included in the numerator does not mean it cannot possibly be sustainable, but only that for various reasons it falls outside the established criteria for classification, and it thus cannot be assessed according to the Taxonomy framework. Since the Bank of Åland's corporate lending is mainly in the small and medium-sized enterprise segment or even smaller so-called microenterprises, it is not eligible according to the Taxonomy's assessment criteria. Since the update of the Taxonomy regulation, these are no longer



included in the calculation of the green asset ratio. Since these were included in the denominator of the GAR calculation in previous years, this update has led to a slight increase in the Bank of Åland's green asset ratio.

With the implementation of the updated standardised Taxonomy tables, an adjustment has been made to what is included in the denominator for the GAR calculation. The scope of the denominator is now limited to including those asset classes that are eligible for the Taxonomy's assessment criteria and therefore potentially could be included in the numerator.

The asset classes that are completely excluded from both the numerator and denominator, and therefore not part of the GAR calculation are, as in previous years, exposures to central governments, supranational issuers and central banks, but now also exposures to smaller companies that are not classified as CSRD companies, non-EU counterparties that do not have a taxonomy-reporting obligation, plus derivatives, cash and other assets.

As the denominator in the GAR calculation has been reduced, since the number of asset classes, and therefore also the amount, have been reduced, it has resulted in a higher GAR. Therefore, the Bank notes a higher green asset ratio since the implementation of the updated taxonomy tables. The potential impact opportunities through the remaining assets in the GAR calculation have also increased relatively.

According to the Delegated Regulation (EU) 2026/73, there is the possibility to exclude certain selected assets from the calculation of green assets, as well as to add certain voluntarily included exposures. The Bank has chosen not to make any such exclusions or inclusions for the 2025 report.

Adjusted calculations limit comparability with the previous year

Historical comparison numbers for 2024 are presented in the previous standardised table format in accordance with Delegated Regulation (EU) 2021/2178. As in previous years, comparative figures for Table 1 regarding assets for calculation of GAR in the stock

regarding turnover-based and capital expenditure-based data. Likewise, comparative figures are presented for Table 3 regarding GAR KPI stock for turnover-based as well as capital expenditure-based data. Since the structure of the previous and the new table formats includes extensive changes, both in table layout and in calculation methodology, the comparability is limited.

In conjunction with the taxonomy tables being updated from the previous format to the new format, the formulas for the calculations between the tables have also been adjusted, which also leads to a limited possibility to compare the tables between the two time periods. In Tables 3, 4 and 5, which present KPIs for green assets in per cent based on the listed assets in Table 1, the per cent formulas have changed. From previously having had a fixed denominator in Table 1, they are now calculated row by row, with the denominator consistently taken from the same row in Table 1 as the numerator.

Households

Lending to households in the form of mortgages to private individuals accounts for a significant proportion of the Bank of Åland's assets eligible for the EU Taxonomy. As for lending to private individuals, mortgage loans and loans for renovations and automobile financing are relevant for the EU Taxonomy. The portion of the Bank's lending activities relating to households, which is covered by the EU Taxonomy's environmental objectives 1 and 2 is described in category 7. *Construction and real estate activities* and the economic activities associated therewith: 7.7 *Acquisition and ownership of buildings* and 7.1 *Construction of new buildings* (residential lending) and 7.2 *Renovation of existing buildings* (renovation loans) and 6.3 *Urban and suburban transport, road passenger transport* (car financing). These categories are set out in Delegated Regulation (EU) 2021/2139, which includes technical screening criteria for the taxonomy's environmental objectives 1. *Climate Change Mitigation* and 2. *Climate Change Adaptation*.

Regarding the valuation of the taxonomy-alignment of the Bank's mortgage loan portfolio, an evaluation of the energy

efficiency of the properties that serve as collateral for the mortgages has been initiated as a first step. In order for a property to live up to the requirement to make a significant contribution to the objective to mitigate climate change, an A-rated energy performance certificate is required. In addition to this, an assessment must also be made of whether the activity does any significant harm to other environmental objectives (DNSH). For example, the criteria for the climate change adaptation objective include that the property is adapted to withstand the kinds of events that may be associated with climate change in the area in question. The properties that form the basis for the residential loan portfolio are all located in the Nordic region, where such climate related events can be expected to occur to varying degrees depending on the local area. As for the Bank's mortgage loan portfolio, there are properties with an A-rated energy certificate, but the analysis regarding adaptation to local climate change is still in an early stage, since it involves extensive information-gathering from private individuals. Data is also missing for the DNSH assessment regarding other environmental objectives. For this reason, the Bank makes the assessment that even if the entire mortgage loan portfolio is taxonomy-eligible, and exposures corresponding to EUR 56.6 million are covered by A-rated energy certificates, no part of the mortgages can be said to be taxonomy-aligned with the EU Taxonomy's requirements for green assets.

As for renovation and auto loans, they are also considered not to be aligned with the EU Taxonomy's requirements for green assets, even though they are taxonomy-eligible. There is also potential for improved information gathering in this area.

The part of the Bank of Åland's lending activities to households that is covered by the EU taxonomy's environmental objectives for the transition to a circular economy relates to categories 3.1 *Construction of new buildings* and 3.2 *Renovation of existing buildings* in accordance with Delegated Regulation (EU) 2023/2486. The regulation contains technical screening criteria for environmental objectives 3–6. Since this is the first year that the criteria have been applied, data is lacking for circular economy in the



mortgage portfolio, and no part of the lending to households was deemed to be aligned with the objective.

Corporate lending

For the Bank of Åland, whose lending operations are aimed primarily at private individuals and small and medium-sized enterprises, including microenterprises, the portion of corporate lending covered by the EU Taxonomy is limited. The corporate lending covered by the taxonomy consists primarily of loans extended to large companies of public interest, so-called CSRD companies. Since the numbers of such corporate customers at the Bank are few, only a very small amount of the total corporate lending is analysed. The vast majority of corporate customers are small enterprises not covered by the EU Taxonomy. Therefore, their potential sustainability efforts are currently not captured within the taxonomy's standardised format.

Exposures to other companies – limited access to information

For a financial undertaking such as the Bank of Åland, most taxonomy reporting consists of gathering information from other companies' taxonomy reporting. This is because a large proportion of the Bank's financial assets is connected with exposures to other companies. The same also applies to customers' assets under management and financial guarantees, which are both off-balance sheet. The Bank's taxonomy reporting is thus largely based on each respective company's published taxonomy reporting. During the implementation phase of expanded taxonomy reporting, this results in a lack of available information.

The data that the Bank of Åland is reporting for both non-financial undertakings and financial undertakings refer to 2024, as this is the latest available taxonomy reporting. Eligibility of and alignment with the taxonomy are only reported for exposures where the company has reported eligibility and alignment as a percentage of turnover or capital expenditure. The amount stated for taxonomy eligibility and taxonomy alignment is calculated as

holdings or exposures multiplied by the percentage reported in each company's report, with percentages for turnover-based and capital expenditure-based data. Financial undertakings reported under the enhanced requirements for the first time during the 2023 financial year and will report on alignment regarding all environmental objectives for the first time for the 2025 financial year. Access to data is currently, as in previous years, limited for most financial undertakings. Since it is the taxonomy reporting for 2024 that is being read, seeing as the taxonomy reporting for 2025 has not yet been published, there is not always available data. The shortage of data that was apparent when compiling the Bank's 2023 Annual Report is also reflected in 2025 with the newly added targets, since it will take time for the flow of information to catch up at all levels. Even if companies produced taxonomy reports for the 2023 and 2024 financial years, in certain cases there is a lack of information at the detailed level required by the taxonomy tables. In cases where data points were missing from the respective company's taxonomy reporting, zero is reported.

Reporting is limited to first-hand data and thus does not contain any estimates or derivations. When the lack of first-hand data has meant that the taxonomy-eligible exposure could be neither defined nor quantified, zero is reported.

Exposures to Norwegian companies that have reporting responsibilities in accordance with CSRD in EEA countries are included in the reporting, according to the usual division of rows in the tables. Regarding managed assets off-balance-sheet included in the reporting, only Norwegian companies that are required to report under CSRD in EEA countries and where data is available are included in the reporting, while others are excluded as non-CSRD companies.

For the practical management of the reported data, the following classification choices have been made in the taxonomy tables. The central governments category includes exposures to both central governments and municipalities. Supranational issuers are defined as exposures to international organisations, but not exposures to multilateral development banks, which are

classified as exposures to credit institutions. To determine if these are within or outside the EU, their geographical location is decided based on where their headquarters are located.

Developments over time

Reporting in accordance with the EU Taxonomy has developed over several steps in recent years, with continual increases in reporting requirements in different stages for financial as well as non-financial companies. During the implementation phase, there is limited access to reported data with low alignment as a consequence. Considering the changes that have been instituted in Omnibus I, significantly fewer companies will be eligible for the taxonomy reporting requirements, which will have the knock-on effect that access to information over time may decrease. In coming years, the Bank of Åland will follow up development of activities regarding alignment with the taxonomy requirements.

Regarding the taxonomy eligibility and alignment of targets 3–6, the results are deduced from each company's taxonomy reporting. Since reporting requirements for financial companies for 2024, which are the latest available reports, only refer to taxonomy eligibility, not taxonomy alignment, 0 is reported in the table when information is not available. The expectation is that as companies gradually update their taxonomy reporting, there should be more information for future reporting years.

Product design and contact with customers

Loan portfolio

The Bank of Åland is evaluating the potential for developing financing products that take sustainability aspects into account, in order to improve the collection of data necessary to assess the taxonomy alignment of its operations. The development of mortgage products that take into account energy certificates for the property that is the collateral behind the loan, is one element of the initial climate transition plan that the Bank is presenting under disclosure requirement E1-1.



Asset management

The Bank of Åland has a strategy of offering responsible investment products and thus taking into account sustainability factors, such as taxonomy alignment, in its asset management-related investment decisions. For 2025, Ålandsbanken Fondbolag established a binding commitment that the Bank's own mutual funds, excluding Global Aktie, shall contain a minimum share of taxonomy alignment of 1.5 per cent or higher. In the Wind Power Fund, the minimum share of taxonomy alignment is 70 per cent and in Green Bond ESG 10 per cent. During 2025, the Bank also established a minimum share of taxonomy alignment, 0.5–1.5 per cent, for its model portfolios that contain only direct shareholdings. The Bank will evaluate the minimum share of taxonomy alignment for its products yearly, and until now the expectation has been that the proportion of taxonomy alignment should increase as taxonomy data become more complete and the taxonomy expands into more sectors and activities, as well as an expansion of the taxonomy for social objectives. There is however a risk that access to taxonomy data decreases over time, since significantly fewer companies will be eligible for the taxonomy reporting requirements in accordance with the changes instituted through Omnibus I.

Investment advisory services

The Bank of Åland gathers information on customers' sustainability preferences as part of investment advisory services and portfolio management. This provides the opportunity to express any preferences regarding taxonomy alignment.

The importance of financing taxonomy-aligned economic activities

Loan portfolio

Most Bank of Åland customers are not CSRD companies, but are in the small enterprise category, which means that the proportion of corporate lending covered under the taxonomy is limited. The majority of these companies are included in neither the numerator nor the denominator in the GAR calculations.

The portion of the operations that is taxonomy-eligible is loans to households, where information about the energy classification of properties can be relevant, as well as financing of renovations for the purpose of improving energy efficiency in properties. The Bank has a goal of gradually gathering energy classifications for new customers over time.

Asset management

Taxonomy reporting will be one of several tools used for sustainability analysis in asset management. For example, through the EU's new Green Bond Standard, taxonomy alignment in activities will become increasingly important in investment decisions and in calculating the proportion of sustainable investments. However, there are continued challenges to the establishment of strategies, primarily due to low data access, the taxonomy's current scope of activities, as well as the fact that private equity and companies in markets outside the EU are not eligible. At this stage, there is also uncertainty concerning the effect of fewer companies being eligible for the requirement of taxonomy reporting following the changes instituted through Omnibus I.

Investment advisory services

The Bank of Åland is continuously evaluating the need to increase the proportion of taxonomy alignment in its investment products in order to meet the sustainability preferences expressed by customers in connection with the Bank's investment advisory services and portfolio management.

Treasury

The Treasury department's holdings include asset classes that fall outside the scope of taxonomy reporting, such as government bonds and supranational issuers, central bank exposures as well as non-CSRD companies and non-EU holdings, but also holdings in debt instruments issued by companies and financial institutions that are eligible for the taxonomy regulation.

Nuclear and fossil gas related activities

The Bank of Åland has in previous years presented tables for taxonomy reporting of nuclear and fossil gas related activities in accordance with Article 8 of (EU) 2021/2178, Annex XII. In accordance with the changed reporting requirements, the simplified standardised templates set out in Delegated Regulation (EU) 2026/73 shall be applied henceforth for reporting purposes, whereby the previous tables for nuclear and fossil gas related activities are no longer applicable. Information on the nuclear and fossil gas related activities can now be presented in Table 2, **GAR sector information**. Since the Bank's exposure within these sectors is only off-balance-sheet, and the Bank interprets Table 2 to refer only to exposure within the balance sheet, this means that the previously reported information is not applicable for presentation in the table.

The Bank has no fossil gas or nuclear related exposures on its own balance sheet. For the Bank, there are only fossil gas or nuclear related exposures off the balance sheet in the form of assets under management. For turnover-based data, nuclear related exposures represent a total gross carrying amount of EUR 30.5 million, of which EUR 21.9 million is taxonomy-eligible and EUR 21.9 million is taxonomy-aligned. Fossil gas related exposures represent a total gross carrying amount of EUR 12.6 million, of which EUR 0 million is taxonomy-eligible and EUR 0 is taxonomy-aligned. For capital expenditure-based data, nuclear related exposures represent a total gross carrying amount of EUR 30.5 million, of which EUR 20.7 million is taxonomy-eligible and EUR 20.7 million is taxonomy-aligned. Fossil gas related exposures represent a total gross carrying amount of EUR 12.6 million, of which EUR 0.1 million is taxonomy-eligible and EUR 0 is taxonomy-aligned. This information refers only to assets under management outside the Bank of Åland's balance sheet and its exposures within CSRD companies with direct activities in fossil gas and nuclear power, not passive ownership. The reported information is derived from the respective companies' own reporting.



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Taxonomy reporting, tables

0. Summary of KPIs regarding the green asset ratio (GAR) ¹

		Total exposure to Taxonomy-aligned activities (EUR M)		KPI, % ²		% coverage (over total assets) (%)	Non assessed exposures (% of covered assets) (%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
		21.8	22.7	0.7	0.7	64	0	0
Additional KPIs		Total exposure to Taxonomy-aligned activities (EUR M)		KPI, %		% coverage (over total assets)	non assessed exposures (% of covered assets)(%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
		11.5	12.1	1.4	1.4	59	0	0
	<i>Trading book</i> ⁵	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<i>Financial guarantees</i> ⁶	0	0	0	0	41	0	0
	<i>Assets under management</i> ⁷	262.7	347.7	7.3	9.7	57	0	0
	<i>Fees and commissions income</i> ⁸	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ GAR = Green Asset Ratio

² GAR is calculated on the basis of the counterparty's turnover indicator. GAR stock is calculated as the sum of taxonomy-aligned exposures divided by the sum of total covered assets.

³ GAR is calculated on the basis of the counterparty's capital expenditure (CapEx) indicator. GAR stock is calculated as the sum of taxonomy-aligned exposures divided by the sum of total covered assets.

⁴ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. The assumption is made that the GAR (flow) is calculated as the sum of taxonomy-aligned exposures within the flow for 2025, for turnover and capital expenditure, respectively, divided by the sum of total covered assets within the flow for 2025. The assumption is made that the % coverage (over total assets) is calculated as the sum of total covered assets for the 2025 flow, divided by the total relevant assets for the flow. Due to a lack of quality and coverage in the available data, zero is reported for underlying data points regarding the taxonomy-defined flow of cash and cash-related assets, central banks exposure as well as certain categories of other assets. This affects the sum of total flow-related assets, resulting in the percentage of coverage over total assets, being higher than had otherwise been the case. It has no impact on GAR flow because only the sum of total covered assets within the flow is used as a denominator in that calculation.

⁵ The KPI GAR Trading Book is not applicable to the Bank of Åland's operations.

⁶ The assumption is made that the KPI GAR Financial guarantees is calculated as the sum of taxonomy-aligned exposures, for turnover and capital expenditure, respectively, divided by the total amount of covered financial guarantees. The assumption is made that % coverage (over total assets), is calculated as the sum of total covered financial guarantees divided by the sum of total financial guarantees, including those made to non-CSR companies.

⁷ The assumption is made that the KPI GAR Assets under management is calculated as the sum of taxonomy-aligned exposures in direct holdings, for turnover and capital expenditure, respectively, divided by the sum of total covered assets under management. The assumption is made that % coverage (over total assets) is calculated as the sum of total covered direct holdings, divided by the sum of total assets under management (AuM) in respect of direct holdings, including both CSR companies and non-CSR companies, excluding indirect holdings such as external funds and stock index futures.

⁸ KPI GAR for fees and commissions income shall only apply from 2028 onwards. No reporting is required for 2025.



1. Assets for the calculation of GAR – Stock, Turnover-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Stock EUR M	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)								
1	GAR - Covered assets in both numerator and denominator	3,336	2,581	22	21	0	0	1	0	0	16	1	1	0	0	0	0
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	3,336	2,581	22	21	0	0	1	0	0	16	1	1	0	0	0	0
3	Financial undertakings	574	231	21	21	0	0	0	0	0	16	1	1	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	574	231	21	21	0	0	0	0	0	16	1	1	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Non-financial undertakings	21	10	1	0	0	0	1	0	0	0	0	0	0	0	0	0
8	Loans and advances	20	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Households	2,742	2,341	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which loans collateralised by residential immovable property ¹	2,243	2,243	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	of which management companies	87	87	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	of which motor vehicle loans	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Total GAR assets	3,336												0	0	0	0
21	Assets not covered for GAR calculation	1,837															
22	Central governments and Supranational issuers	108															
23	Central banks exposure	207															
24	Trading book	0															
25	Undertakings and entities not subject to CSRD	1,346															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	1,176															
27	Loans and advances	1,015															
28	of which loans collateralised by commercial immovable property	245															
29	of which building renovation loans	6															
30	Debt securities	93															
31	Equity instruments	68															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	170															
33	Loans and advances	47															
34	Debt securities	123															
35	Equity instruments	0															
36	Derivatives	26															
37	On demand interbank loans	0															
38	Cash and cash-related assets	40															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	110															
40	Total assets	5,173															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	10	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management ²	3,603	1,360	263	231	6	0	25	1	0	22	49	120	0	0	0	0
43	of which debt securities	1,233	468	140	133	2	0	4	1	0	5	38	55	0	0	0	0
44	of which equity instruments	2,370	892	123	98	4	0	21	0	0	16	11	65	0	0	0	0

The greyed-out cells should not be filled in.

¹ The entire mortgage loan portfolio is EU Taxonomy eligible. Of this, exposures corresponding to EUR 56.6 million are attributable to properties covered by A-rated energy performance certificates and are thus relevant for potential alignment with Target 1 (CCM). DNSH and MSS could not be evaluated and therefore 0 is reported for taxonomy alignment.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



1. Assets for the calculation of GAR – Stock, CapEx-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Stock EUR M	Total [gross] carrying amount	Of which Taxonomy- eligible	Of which Taxonomy- aligned ¹	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)								
1	GAR - Covered assets in both numerator and denominator	3,336	2,586	23	22	0	0	1	0	0	16	1	1	0	0	0	0
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	3,336	2,586	23	22	0	0	1	0	0	16	1	1	0	0	0	0
3	Financial undertakings	574	231	22	22	0	0	0	0	0	16	1	1	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	574	231	22	22	0	0	0	0	0	16	1	1	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Non-financial undertakings	21	14	1	0	0	0	1	0	0	0	0	0	0	0	0	0
8	Loans and advances	20	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Households	2,742	2,341	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which loans collateralised by residential immovable property ¹	2,243	2,243	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	of which management companies	87	87	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	of which motor vehicle loans	10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Total GAR assets	3,336												0	0	0	0
21	Assets not covered for GAR calculation	1,837															
22	Central governments and Supranational issuers	108															
23	Central banks exposure	207															
24	Trading book	0															
25	Undertakings and entities not subject to CSRD	1,346															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	1,176															
27	Loans and advances	1,015															
28	of which loans collateralised by commercial immovable property	245															
29	of which building renovation loans	6															
30	Debt securities	93															
31	Equity instruments	68															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	170															
33	Loans and advances	47															
34	Debt securities	123															
35	Equity instruments	0															
36	Derivatives	26															
37	On demand interbank loans	0															
38	Cash and cash-related assets	40															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	110															
40	Total assets	5,173															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	10	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management ²	3,603	1,515	348	335	3	0	9	1	0	22	51	140	0	0	0	0
43	of which debt securities	1,233	532	167	161	2	0	3	1	0	6	38	71	0	0	0	0
44	of which equity instruments	2,370	983	181	174	1	0	5	0	0	16	13	69	0	0	0	0

The greyed-out cells should not be filled in.

¹ The entire mortgage loan portfolio is EU Taxonomy eligible. Of this, exposures corresponding to EUR 56.6 million are attributable to properties covered by A-rated energy performance certificates and are thus relevant for potential alignment with Target 1 (CCM). DNSH and MSS could not be evaluated and therefore 0 is reported for taxonomy alignment.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



1. Assets for the calculation of GAR – Flow, Turnover-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Flow ¹ EUR M	Total [gross] carrying amount	Of which Taxonomy- eligible	Of which Taxonomy- aligned ²	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)								
1	GAR - Covered assets in both numerator and denominator	843	540	11	11	0	0	0	0	0	8	1	0	0	0	0	0
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	843	540	11	11	0	0	0	0	0	8	1	0	0	0	0	0
3	Financial undertakings	342	128	11	11	0	0	0	0	0	8	1	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	342	128	11	11	0	0	0	0	0	8	1	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Non-financial undertakings	20	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Loans and advances	20	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Households	481	403	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which loans collateralised by residential immovable property	386	386	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	of which management companies	14	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	of which motor vehicle loans	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Total GAR assets	843	540	11	11	0	0	0	0	0	8	1	0	0	0	0	0
21	Assets not covered for GAR calculation	592															
22	Central governments and Supranational issuers	66															
23	Central banks exposure	0															
24	Trading book	0															
25	Undertakings and entities not subject to CSRD	484															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	412															
27	Loans and advances	301															
28	of which loans collateralised by commercial immovable property	102															
29	of which building renovation loans	5															
30	Debt securities	93															
31	Equity instruments	18															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	73															
33	Loans and advances	8															
34	Debt securities	65															
35	Equity instruments	0															
36	Derivatives	8															
37	On demand interbank loans	0															
38	Cash and cash-related assets	0															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	34															
40	Total assets	1,435															
Off-balance sheet exposures (flow) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management ²	1,458	486	110	100	4	0	6	0	0	5	15	56	0	0	0	0
43	of which debt securities	479	180	59	57	0	0	1	0	0	2	11	27	0	0	0	0
44	of which equity instruments	979	306	52	43	4	0	5	0	0	3	3	29	0	0	0	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. Due to a lack of quality and coverage in the available data, zero is reported for underlying data points regarding the taxonomy-defined flow of cash and cash-related assets, central banks exposure as well as certain categories of other assets. This results in the sum of total flow-related assets, being lower than had otherwise been the case.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



1. Assets for the calculation of GAR – Flow, CapEx-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Flow ¹ EUR M	Total [gross] carrying amount	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)								
1	GAR - Covered assets in both numerator and denominator	843	544	12	12	0	0	0	0	0	8	1	0	0	0	0	0
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	843	544	12	12	0	0	0	0	0	8	1	0	0	0	0	0
3	Financial undertakings	342	128	12	12	0	0	0	0	0	8	1	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	342	128	12	12	0	0	0	0	0	8	1	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Non-financial undertakings	20	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Loans and advances	20	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Households	481	403	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which loans collateralised by residential immovable property	386	386	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	of which management companies	14	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	of which motor vehicle loans	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Total GAR assets	843	544	12	12	0	0	0	0	0	8	1	0	0	0	0	0
21	Assets not covered for GAR calculation	592															
22	Central governments and Supranational issuers	66															
23	Central banks exposure	0															
24	Trading book	0															
25	Undertakings and entities not subject to CSRD	484															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	412															
27	Loans and advances	301															
28	of which loans collateralised by commercial immovable property	102															
29	of which building renovation loans	5															
30	Debt securities	93															
31	Equity instruments	18															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	73															
33	Loans and advances	8															
34	Debt securities	65															
35	Equity instruments	0															
36	Derivatives	8															
37	On demand interbank loans	0															
38	Cash and cash-related assets	0															
39	Other categories of assets (e.g. Goodwill, commodities etc.)	34															
40	Total assets	1,435															
Off-balance sheet exposures (flow) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management ²	1,458	533	131	125	1	0	4	0	0	5	17	70	0	0	0	0
43	of which debt securities	479	191	65	64	0	0	1	0	0	2	12	31	0	0	0	0
44	of which equity instruments	979	343	65	62	1	0	3	0	0	3	5	39	0	0	0	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. Due to a lack of quality and coverage in the available data, zero is reported for underlying data points regarding the taxonomy-defined flow of cash and cash-related assets, central banks exposure as well as certain categories of other assets. This results in the sum of total flow-related assets, being lower than had otherwise been the case.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



2. GAR sector information – Turnover-based, 2025

2025										
	A	B	C	D	E	F	G	H	I	J
	Breakdown by sector – by NACE code (EUR M) ¹	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	H 50.10 Sea and coastal passenger water transport	20	9	0	0	0	0	0	0	0
2	K 64.19 Other monetary intermediation	465	192	16	16	0	0	0	0	0
3	K 64.92 Other credit granting	90	39	5	5	0	0	0	0	0
4	N 82.91 Activities of collection agencies and credit bureaus	1	0	0	0	0	0	0	0	0
5	N 82.99 Other business support activities n.e.c.	1	1	1	0	0	0	1	0	0
6	O 84.11 General public administration activities	17	1	0	0	0	0	0	0	0
7										
8										
9										
10										
11	Nuclear activities ²	0	0	0						
12	Fossil gas activities ²	0	0	0						
13	Of which non-assessed exposures ²	0								

The greyed-out cells should not be filled in.

¹ Table 2 discloses the top ten exposures towards the top ten sectors covered by the taxonomy, distributed by NACE code on the basis of the principal activity of the issuer/borrower. The assumption has been made that table 2 only refers to exposures on the balance sheet relating to CSRD companies, reflecting rows 1-20 in Table 1 for the stock. Since the Bank of Åland only has exposures on the balance sheet towards CSRD companies in six sectors, all ten rows in the table are not filled. Rows 7-10 are therefore left blank.

² The Bank of Åland does not have any exposures towards nuclear or fossil gas related activities on its own balance sheet. The Bank of Åland only has off balance exposures towards nuclear or fossil gas related activities, in the form of assets under management. Since the assumption has been made that table 2 only refers to exposures on the balance sheet, this makes the information regarding off balance exposures not applicable to be presented in table 2. Therefore, rows 11-13 are populated by zeros. For more information on the off balance exposures regarding assets under management, see the section on *Nuclear and fossil gas related activities* in the chapter on the *EU Taxonomy Reporting*.

2. GAR sector information – CapEx-based, 2025

2025										
	A	B	C	D	E	F	G	H	I	J
	Breakdown by sector – by NACE code (EUR M) ¹	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	H 50.10 Sea and coastal passenger water transport	20	13	0	0	0	0	0	0	0
2	K 64.19 Other monetary intermediation	465	191	17	16	0	0	0	0	0
3	K 64.92 Other credit granting	90	39	5	5	0	0	0	0	0
4	N 82.91 Activities of collection agencies and credit bureaus	1	0	0	0	0	0	0	0	0
5	N 82.99 Other business support activities n.e.c.	1	1	1	0	0	0	1	0	0
6	O 84.11 General public administration activities	17	1	0	0	0	0	0	0	0
7										
8										
9										
10										
11	Nuclear activities ²	0	0	0						
12	Fossil gas activities ²	0	0	0						
13	Of which non-assessed exposures ²	0								

The greyed-out cells should not be filled in.

¹ Table 2 discloses the top ten exposures towards the top ten sectors covered by the taxonomy, distributed by NACE code on the basis of the principal activity of the issuer/borrower. The assumption has been made that table 2 only refers to exposures on the balance sheet relating to CSRD companies, reflecting rows 1-20 in table 1 for the stock. Since the Bank of Åland only has exposures on the balance sheet towards CSRD companies in six sectors, all ten rows in the table are not filled. Rows 7-10 are therefore left blank.

² The Bank of Åland does not have any exposures towards nuclear or fossil gas related activities on its own balance sheet. The Bank of Åland only has off balance exposures towards nuclear or fossil gas related activities, in the form of assets under management. Since the assumption has been made that table 2 only refers to exposures on the balance sheet, this makes the information regarding off balance exposures not applicable to be presented in table 2. Therefore, rows 11-13 are populated by zeros. For more information on the off balance exposures regarding assets under management, see the section on *Nuclear and fossil gas related activities* in the chapter on the *EU Taxonomy Reporting*.



3. GAR KPI stock – Turnover-based, 2025														
2025														
% (compared to corresponding total covered assets in the denominator) ¹	A	B	C	D	E	F	G	H	I	J	K	L	M	
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	77	1	1	0	0	0	0	0	0	0	1	0	
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	77	1	1	0	0	0	0	0	0	0	1	0	
3	Financial undertakings	40	4	4	0	0	0	0	0	3	0	9	0	
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	
5	Debt securities, including UoP	40	4	4	0	0	0	0	0	3	0	9	0	
6	Equity instruments	0	0	0	0	0	0	0		0	0	0	0	
7	Non-financial undertakings	46	3	0	0	0	3	0	0	0	0	7	0	
8	Loans and advances	45	0	0	0	0	0	0	0	0	0	0	0	
9	Debt securities, including UoP	84	69	0	0	0	69	0	0	0	0	82	0	
10	Equity instruments	0	0	0	0	0	0	0		0	0	0	0	
11	Households	85	0	0	0		0		0	0	0	0	0	
12	of which loans collateralised by residential immovable property	100	0	0	0		0		0	0	0	0	0	
13	of which building renovation loans	100	0	0	0		0		0	0	0	0	0	
14	of which motor vehicle loans	100	0	0					0	0	0	0	0	
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	
16	Housing financing	0	0	0	0		0		0	0	0	0	0	
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0		0		0	0	0	0	0	
19	Exposures included on a voluntary basis	0	0	0	0		0		0	0	0	0	0	
20	GAR - Total GAR assets	77	1	1	0	0	0	0	0	0	0	1	0	

The greyed-out cells should not be filled in.

¹ The assumption is made that % (compared to corresponding total covered assets in the denominator) is calculated as the corresponding amount in Table 1 for the stock turnover-based data, for taxonomy eligibility and taxonomy alignment, respectively, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the stock turnover-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.



3. GAR KPI stock – CapEx-based, 2025														
2025														
% (compared to corresponding total covered assets in the denominator) ¹	A	B	C	D	E	F	G	H	I	J	K	L	M	
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	78	1	1	0	0	0	0	0	0	0	1	0	
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	78	1	1	0	0	0	0	0	0	0	1	0	
3	Financial undertakings	40	4	4	0	0	0	0	3	0	0	10	0	
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	
5	Debt securities, including UoP	40	4	4	0	0	0	0	3	0	0	10	0	
6	Equity instruments	0	0	0	0	0	0	0		0	0	0	0	
7	Non-financial undertakings	70	4	0	0	0	4	0	0	0	0	5	0	
8	Loans and advances	69	0	0	0	0	0	0	0	0	0	0	0	
9	Debt securities, including UoP	92	77	3	0	0	74	0	0	0	3	84	0	
10	Equity instruments	0	0	0	0	0	0	0		0	0	0	0	
11	Households	85	0	0	0		0		0	0	0	0	0	
12	of which loans collateralised by residential immovable property	100	0	0	0		0		0	0	0	0	0	
13	of which building renovation loans	100	0	0	0		0		0	0	0	0	0	
14	of which motor vehicle loans	100	0	0					0	0	0	0	0	
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	
16	Housing financing	0	0	0	0		0		0	0	0	0	0	
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0		0		0	0	0	0	0	
19	Exposures included on a voluntary basis	0	0	0	0		0		0	0	0	0	0	
20	GAR - Total GAR assets	78	1	1	0	0	0	0	0	0	0	1	0	

The greyed-out cells should not be filled in.

¹ The assumption is made that % (compared to corresponding total covered assets in the denominator) is calculated as the corresponding amount in Table 1 for the stock capital expenditure-based data, for taxonomy eligibility and taxonomy alignment, respectively, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the stock capital expenditure-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.



3. GAR KPI stock – CapEx, 2024

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Z	AA	AB	AC	AD	AE	AF				
		2024																																		
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
% (compared to total covered assets in the denominator) ¹		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) ²				
		Of which Use of Proceeds					Of which Use of Proceeds					Of which Use of Proceeds					Of which Use of Proceeds					Of which Use of Proceeds					Of which Use of Proceeds					Of which Use of Proceeds				
		Of which transitional					Of which transitional					Of which transitional					Of which transitional					Of which transitional					Of which transitional					Of which transitional				
		Of which enabling					Of which enabling					Of which enabling					Of which enabling					Of which enabling					Of which enabling					Of which enabling				
GAR - Covered assets in both numerator and denominator																																				
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	53.5	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.7	0.3	0.1	0.0	0.0	68.7			
2	Financial undertakings	4.1	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.3	0.1	0.0	0.0	10.1				
3	Credit institutions	4.1	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.3	0.1	0.0	0.0	10.1				
4	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
5	Debt securities, including UoP	4.1	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.3	0.1	0.0	0.0	10.1				
6	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
7	Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
11	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
15	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
19	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
20	Non-financial undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1				
21	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
22	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1				
23	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
24	Households	49.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0									49.4	0.0	0.0	0.0	0.0	58.5				
25	of which loans collateralised by residential immovable property ³	47.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0									47.3	0.0	0.0	0.0	0.0	47.3				
26	of which building renovation loans	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0						0.0	0.0	0.0	0.0									1.9	0.0	0.0	0.0	0.0	1.9				
27	of which motor vehicle loans	0.2	0.0	0.0	0.0	0.0																														
28	Local governments financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
32	Total GAR assets	53.5	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.7	0.3	0.1	0.0	0.0	100				

The greyed-out cells should not be filled in.

¹ Assuming that % (compared to total covered assets in the denominator) is calculated as the corresponding amount in Table 1 for CapEx-based data, for taxonomy eligibility and taxonomy alignment, divided by the total covered assets (a48 in Table 1). The underlying amounts on which the percentages are based are the amounts shown in Table 1. In the case of corporate exposures, the amounts derive from holdings or exposures multiplied by the reported percentage in each respective company's report, with the percentage for CapEx-based data. Taxonomy data based on companies' respective 2023 taxonomy reporting.

² Since taxonomy alignment reporting requirements for environmental objectives 3, 4, 5 and 6 have not yet entered into force for credit institutions, zero is reported.

³ The entire mortgage loan portfolio is EU Taxonomy eligible. Of this, exposures corresponding to EUR 13.6 M are attributable to properties covered by A-rated energy performance certificates and are thus relevant for potential alignment with Target 1 (CCM). DNSH and MSS could not be evaluated and therefore 0 is reported for taxonomy alignment.



4. GAR KPI flow – Turnover-based, 2025														
2025														
% (compared to corresponding total covered assets in the denominator) ¹	A	B	C	D	E	F	G	H	I	J	K	L	M	
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	64	1	1	0	0	0	0	0	1	0	0	2	0
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64	1	1	0	0	0	0	0	1	0	0	2	0
3	Financial undertakings	37	3	3	0	0	0	0	0	2	0	0	9	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	37	3	3	0	0	0	0	0	2	0	0	9	0
6	Equity instruments	0	0	0	0	0	0	0	0		0	0	0	0
7	Non-financial undertakings	45	0	0	0	0	0	0	0	0	0	0	0	0
8	Loans and advances	45	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0		0	0	0	0
11	Households	84	0	0	0					0	0	0	0	0
12	of which loans collateralised by residential immovable property	100	0	0	0					0	0	0	0	0
13	of which building renovation loans	100	0	0	0					0	0	0	0	0
14	of which motor vehicle loans	100	0	0						0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0					0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0					0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0					0	0	0	0	
20	GAR - Total GAR assets	64	1	1	0	0	0	0	0	1	0	0	2	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. The assumption is made that % (compared to corresponding total covered assets in the denominator) is calculated as the corresponding amount in Table 1 within the 2025 flow turnover-based data, in terms of taxonomy eligibility and taxonomy alignment, divided by the total gross carrying amount in Column A for corresponding row in Table 1 for the flow turnover-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.



4. GAR KPI flow – CapEx-based, 2025														
2025														
% (compared to corresponding total covered assets in the denominator) ¹	A	B	C	D	E	F	G	H	I	J	K	L	M	
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)						
1	GAR - Covered assets in both numerator and denominator	65	1	1	0	0	0	0	0	1	0	0	2	0
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	65	1	1	0	0	0	0	0	1	0	0	2	0
3	Financial undertakings	37	4	4	0	0	0	0	0	2	0	0	9	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	37	4	4	0	0	0	0	0	2	0	0	9	0
6	Equity instruments	0	0	0	0	0	0	0	0		0	0	0	0
7	Non-financial undertakings	69	0	0	0	0	0	0	0	0	0	0	0	0
8	Loans and advances	69	0	0	0	0	0	0	0	0	0	0	0	0
9	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Equity instruments	0	0	0	0	0	0	0	0		0	0	0	0
11	Households	84	0	0	0					0	0	0	0	0
12	of which loans collateralised by residential immovable property	100	0	0	0					0	0	0	0	0
13	of which building renovation loans	100	0	0	0					0	0	0	0	0
14	of which motor vehicle loans	100	0	0						0	0	0	0	0
15	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Housing financing	0	0	0	0					0	0	0	0	0
17	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0					0	0	0	0	0
19	Exposures included on a voluntary basis	0	0	0	0					0	0	0	0	
20	GAR - Total GAR assets	65	1	1	0	0	0	0	0	1	0	0	2	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. The assumption is made that % (compared to corresponding total covered assets in the denominator) is calculated as the corresponding amount in Table 1 within the 2025 flow capital expenditure-based data, in terms of taxonomy eligibility and taxonomy alignment, divided by the total gross carrying amount in Column A for corresponding row in Table 1 for the flow capital expenditure-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.

**5. KPI off-balance sheet exposures – Stock, Turnover-based, 2025**

2025		A	B	C	D	E	F	G	H	I	J	K	L
% (compared to corresponding total off-balance sheet assets) ¹	Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	Financial guarantees (FinGuar KPI)	22	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI) ²	38	7	6	0	0	1	0	0	1	1	3	0

The greyed-out cells should not be filled in.

¹ The assumption is made that % (compared to corresponding total off-balance sheet assets) is calculated as the corresponding amount in Table 1 for stock turnover-based data, for taxonomy eligibility and taxonomy alignment, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the stock turnover-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.

5. KPI off-balance sheet exposures – Stock, CapEx-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L
% (compared to corresponding total off-balance sheet assets) ¹	Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	Financial guarantees (FinGuar KPI)	44	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI) ²	42	10	9	0	0	0	0	0	1	1	4	0

The greyed-out cells should not be filled in.

¹ The assumption is made that % (compared to corresponding total off-balance sheet assets) is calculated as the corresponding amount in Table 1 for stock capital expenditure-based data, for taxonomy eligibility and taxonomy alignment, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the stock capital expenditure-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



5. KPI off-balance sheet exposures – Flow, Turnover-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L
% (compared to corresponding total off-balance sheet assets) ¹		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI) ²	33	8	7	0	0	0	0	0	0	1	4	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. The assumption is made that % (compared to corresponding total off-balance sheet assets) is calculated as the corresponding amount in Table 1 for flow turnover-based data 2025, for taxonomy eligibility and taxonomy alignment, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the flow turnover-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.

5. KPI off-balance sheet exposures – Flow, CapEx-based, 2025

2025		A	B	C	D	E	F	G	H	I	J	K	L
% (compared to corresponding total off-balance sheet assets) ¹		Taxonomy eligible	Taxonomy aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI) ²	37	9	9	0	0	0	0	0	0	1	5	0

The greyed-out cells should not be filled in.

¹ The flow is defined as new additions in the reporting year 2025 and having a book value on December 31, 2025. The assumption is made that % (compared to corresponding total off-balance sheet assets) is calculated as the corresponding amount in Table 1 for flow capital expenditure-based data 2025, for taxonomy eligibility and taxonomy alignment, divided by total gross carrying amount in Column A for each corresponding row in Table 1 for the flow capital expenditure-based data, row by row. This assumption, which has been made when updating the table templates, differs from that used in previous years. As a result, comparability between the 2024 and 2025 tables is limited.

² Reported assets under management are based on direct holdings of funds and discretionary portfolios. Other funds, ETFs, derivatives and commercial papers without ISIN are excluded. Amounts only include exposures to CSRD companies, which have been selected as companies that at some stage would have become eligible for reporting in accordance with previous NFRD classification.



E1 Climate change

Väsentlig inverkan, risker och möjligheter			
Material impact areas	Positive impact/ Negative impact/ Risk/Opportunity	Identified place in the value chain	Policy
Climate change adaptation	Negative impact	Financing- and investment-related greenhouse gas emissions downstream in the value chain	Sustainability strategy Climate strategy Sustainability risk policy
	Risk	Climate-related physical risk: Flooding downstream in the value chain through credit portfolio lending	Financial risk policy Risk appetite framework Guidelines for credit risk management and monitoring Guidelines for internal capital adequacy and internal liquidity adequacy assessment
Climate change mitigation	Negative impact	Financing- and investment-related greenhouse gas emissions downstream in the value chain as well as own operational activities	Sustainability strategy Climate strategy Guidelines for business travel Sustainability risk policy
	Risk Opportunity	Climate-related transition regarding stricter energy efficiency requirements for housing. Risk and opportunity downstream in the value chain through the loan portfolio's corporate lending	Financial risk policy Risk appetite framework Guidelines for credit risk management and monitoring Guidelines for internal capital adequacy and internal liquidity adequacy assessment
	Opportunity	Opportunity of financing transition of businesses downstream in the value chain through credit portfolio lending	
Energy	Negative impact	Own operational activities and downstream in the value chain through the loan portfolio, treasury, customers' financial investments	Sustainability strategy Climate strategy

value chain, based on the Bank's lending and customers' financial investments. The development of transition plans should therefore be focused primarily in these areas.

The Bank of Åland has developed an initial climate transition plan based on the sector target for mortgages within the loan portfolio and its indirect impact downstream in the value chain. For mortgages, the target is to reduce the financed emission intensity (kg CO₂e/m²) by 26 per cent no later than 2030, compared to the base year 2021. The target for financed emission intensity is not compatible with limiting global warming to 1.5°C. More information about the targets can be found under E1-4. The initial climate transition plan was prepared in 2024, in compliance with the Bank of Åland's commitment as a member of the Net-Zero Banking Alliance (NZBA).

Since the greatest impacts on climate change in the form of greenhouse gas emissions occur downstream in the value chain rather than within the Bank of Åland's own office operations, climate change mitigation actions largely concern managing its relationships with customers and other companies, and in doing so working with various types of requirements and criteria in each relevant area. One example is that the Bank can require the companies it invests in or finances, to have an established climate target. The focus of the transformation in financial investment activities is an integration of ESG perspectives into investment decisions, combined with active choices and expansion of the Bank's range of sustainable investment products. Such actions are presented under disclosure requirement E1-3.

Based on the established target related to mortgages, the decarbonisation lever identified by the Bank is improving the energy efficiency of the properties that serve as collateral for its loans. Depending on the age and condition of buildings, these challenges generally vary. Older residential buildings often belong

E1-1 – Transition plan for climate change mitigation

The Bank of Åland has established climate targets for the reduction of greenhouse gas emissions in line with the Paris Agreement's goal of limiting global warming to 1.5°C and the decisions made by Finland and Sweden. More information about the Bank of Åland's climate targets can be found under E1-4. The Bank of Åland's three climate targets are:

- The Bank of Åland shall reduce its CO₂e emissions by 50 per cent no later than 2030, compared to 2021.
 - The Bank of Åland shall be a climate-neutral organisation no later than 2035.
 - The Bank of Åland shall achieve net-zero emissions by 2050.
- Although we see some impact based on the Bank of Åland's own operations, the main impacts take place downstream in the



to a poorer energy class, with a lower energy class; that is a lower energy efficiency. Appropriate renovation measures play an important role in this regard to increase energy efficiency and thus reduce climate impact. In new homes, energy efficiency is usually better. On the other hand, the greatest climate impact from buildings often occurs during the construction phase, when new materials need to be produced, shipped and then used. It is thus important to consider not only energy efficiency, but also the extent to which new materials are used in residential buildings.

The actions that have been implemented continuously during 2025, that are described under E1-3, are focused on improving data quality for the calculation of greenhouse gas emissions by collecting energy certificates for the properties. One element of the transition plan is that in 2025, the Bank implemented green mortgages in its lending for borrowers who invest in energy-efficient properties in the markets of Finland and the Åland Islands. In addition to diversifying the mortgage portfolio from a risk perspective, this will also help promote sustainable investments while improving the Bank's ESG profile. The Bank's objective over the long term is also for green mortgages to be offered to borrowers who invest in energy-efficient properties or new construction, or who carry out energy-efficient renovations that reduce the property's climate impact and operating costs. The criteria for green mortgages shall be based on international standards.

As described under disclosure requirement E1-3 regarding climate change mitigation measures, the Bank has to date not allocated any actual operating or capital expenditures specifically to work with key measures for the implementation of the transition plan.

Locked-in greenhouse gas emissions related to mortgages, and thus the energy consumption of buildings, refer to future emissions tied to energy use in an existing building and the lifetime of the building, if no major improvements are made. A specific analysis regarding potentially locked-in greenhouse gases has not been conducted, but since the lifespan of mortgages is often long, the corresponding transition period is likewise

extended. Since green mortgages are targeted to properties that meet specific environmental criteria, such as an energy class A or B according to national energy certification schemes, the potential target group is limited. The share of properties with energy class A is still limited on the Åland Islands and the Finnish mainland markets, where the Bank issues most of its mortgages. In the event of a future potential long-term expansion of the transition plan to also include financing of green renovations of residential properties, which are then renovated or improved and thus achieve energy class A or B, the scope of customers who are eligible for this loan product would increase. Because there is a lack of data in the form of energy certificates for properties, since many properties still have no energy certificates, improved data access is also a factor in the ability to measure progress.

The EU Taxonomy – objectives and plans to align activities with the criteria

As described in the section on the EU Taxonomy, most taxonomy reporting for a financial undertaking such as the Bank of Åland, consists of extracting information from other companies' taxonomy reporting. The reason for this is that a large proportion of the Bank's financial assets relate to exposures to other companies. The same also applies to our customers' assets under management and off-balance-sheet financial guarantees. The Bank's taxonomy reporting is thus largely based on each respective company's published taxonomy reporting and, to a limited extent, on its own operational activities. Within the Bank's loan portfolio, corporate lending is mainly focused on non-CSR companies that are not subject to the EU Taxonomy Regulation.

Regarding lending to private individuals, it is primarily mortgages to individuals that is relevant to the EU taxonomy. These loans make up a significant proportion of the Bank's assets covered by the EU taxonomy, with a focus on energy certificates for the properties that serve as collateral for the mortgages. When it comes to estimating the taxonomy alignment of the Bank of Åland's mortgage portfolio, the Bank has initiated an evaluation of

the energy efficiency of the properties that serve as collateral for mortgages as a first step. As for the loan portfolio, the Bank is evaluating the potential for developing financing products that take sustainability aspects into account, in order to develop the data gathering necessary to assess the taxonomy alignment of its operations. The development of mortgage products that take into account the energy performance certificate of the property that serves as the collateral behind the loan is part of the Bank's initial transition plan.

With regard to its asset management operations, the Bank has a strategy of offering responsible financial investment products and thus to take sustainability factors, such as taxonomy alignment, into account in the investment decisions of its asset management operations. In 2025, Ålandsbanken Fondbolag, the Bank's fund management company, made a binding commitment to ensure that its own funds, with the exception of Global Aktie, will include a minimum taxonomy alignment of 1.5 per cent or higher. In the Wind Power Fund, the minimum share of taxonomy compatibility is 70 per cent and in Green Bond ESG 10 per cent. In 2025, the Bank also established a 0.5-1.5 per cent minimum proportion of taxonomy alignment for the model portfolios that include only direct shareholdings. The Bank will evaluate the minimum taxonomy alignment rate for these products annually, and the expectation has so far been that the rate of taxonomy alignment should increase as taxonomy data become more complete. Read more in the section on the EU Taxonomy.

The Bank made no significant capital expenditures in coal, oil and gas-related economic activities during 2025.

The Bank is not excluded from the EU Paris-aligned Benchmarks.

The Bank's transition plan has been adapted to its overall business strategy, since the Bank has an identified action enabling it to offer its customers green products aimed at supporting environmentally friendly housing investments, or environmentally friendly improvement measures in existing homes. These products will promote sustainable choices by giving mortgage customers access to financing that benefits properties with energy-saving and climate-adapted solutions.



The initial climate transition plan has not yet been approved by the Board of Directors, but it has been approved by the Executive Team.

The main progress made by the Bank in implementing its transition plan for mortgages has been that during 2025, it established green mortgages on the Åland Islands and in Finland, which are described in more detail in E1-3.

The Bank of Åland does not currently have a transition plan that takes us all the way to its targets of climate neutrality by 2035 or net zero by 2050. In 2024, the initial transition plan on mortgages was completed. The work with expanding the transition plan to a more comprehensive climate transition plan continued during 2025 and will continue during 2026.

E1-2 – Policies related to climate change mitigation and adaptation

The Bank of Åland has policies that regulate work with material impacts, risks and opportunities that have been identified related to climate change mitigation and adaptation, which are described in the following text. The Bank has no policy that specifically deals with energy efficiency, but since 2023 the Group purchases 100 per cent of its energy from carbon dioxide-free sources. The energy efficiency when it comes to mortgages are covered under the Bank's transition plan.

The sustainability strategy

The Bank of Åland's sustainability strategy deals with climate change mitigation by setting climate targets. The purpose of the sustainability strategy is to describe the Bank's role and ambition in the transition to a sustainable society, by establishing climate targets. Based on this, the Bank has made global commitments related to principles and initiatives. Together with current regulations and a survey of operations, these create the framework for its sustainability work. The strategy has four focus areas: Responsible Investments, Responsible Lending and Liquidity Management, Environmental Responsibility and Social

Responsibility. These four focus areas form the basis for the Bank's long-term work to ensure sustainable financial growth. The monitoring process is part of the ESG Committee's mandate to ensure that the strategy is followed for investments and may also be part of the Sustainability Committee's overall sustainability work.

The sustainability strategy covers the Bank of Åland and Ålandsbanken Fondbolag in their entirety. Crosskey Banking Solutions is covered to the extent that it exercises social and environmental responsibility. The strategy document covers what the Bank should do on the basis of its own operational activities and how this relates to the downstream value chain, but does not include the value chain itself.

The Board of Directors has the ultimate responsibility for the governance of sustainability work and establishes the Group's sustainability strategy and climate strategy, while the Executive Team implements overall sustainability work.

The sustainability strategy sets out the following adopted principles and initiatives:

- The United Nations Principles for Responsible Investment (UNPRI): The UNPRI promotes sustainable investment by incorporating environmental, social and governance (ESG) considerations into the assessment of the companies in which the Bank of Åland and its customers invest.
- The UN Principles for Responsible Banking (UNEP FI): As a member of the UN Principles for Responsible Banking (PRB), the Bank of Åland is committed to following the framework's six principles for responsible banking:
 1. Alignment
 2. Impact and target setting
 3. Clients and customers
 4. Stakeholders
 5. Governance and culture
 6. Transparency and accountability
- The Net-Zero Banking Alliance (NZBA): The Bank of Åland was one of the first members of the NZBA Association, whose goal

since 2021 is to accelerate the transition of the global economy to net-zero emissions. Each member committed itself to aim for net-zero greenhouse gas emissions by 2050. The previously member-based NZBA was dissolved through a formal decision by its members in October 2025. The remaining banks decided to dissolve the alliance as an organisation and instead turn it into an open and non-binding framework for climate target setting. The NZBA guidelines and methodology are still publicly available, but there is no membership, follow-up or requirements. After the dissolution, the NZBA has transitioned into functioning as a guiding framework focusing on developing and providing guidelines and methodology for the climate targets of the banking sector. The Bank of Åland stays involved.

- The Science Based Targets initiative (SBTi) is a scientific framework for how different businesses can reduce their emissions in order to be in line with the Paris Agreement. This means that the Bank of Åland is committing itself to setting science-based climate targets to reduce greenhouse gas emissions in its operations in compliance with the Paris Agreement, where one explicit goal is to limit climate change to 1.5°C by 2030.
- Climate Action 100+, an initiative to support and ensure that companies with the highest global greenhouse gas emissions take the necessary action against climate change.

The Bank of Åland's stakeholders and their input are important. Gaining and retaining stakeholder trust is a cornerstone of the Bank's business. The sustainability strategy is published on the Bank of Åland's website and is thus accessible to all stakeholders. The strategy document is also internally available to all employees via the intranet.

Climate strategy

The Bank's sustainability strategy is supplemented by its climate strategy, which includes the commitments that each focus area has made to mitigate climate change, where impacts are primarily visible downstream in the value chain. This climate strategy rests on three parts that form the basis for the focus areas'



commitments: Data and calculation models, application of a criteria structure, and target setting and follow-up.

The commitments made in this document are:

Responsible investments: Indirect impacts are visible through customers' investments downstream in the value chain. The Bank requires new companies to have established or be in the process of applying for an SBTi target, if they are in sectors where SBTi is available. Existing companies that do not have SBTi are encouraged through dialogue to work towards setting a target within three years. The Bank also excludes companies involved in the production of controversial weapons, pornography, gambling, tobacco and thermal coal and is selective about its holdings in companies producing alcoholic beverages.

Responsible lending: Indirect impacts are visible downstream in the value chain through the loan portfolio. The Bank does not finance activities that produce non-renewable energy.

Treasury: Indirect impacts are visible downstream in the value chain through the Bank's asset management and financial investments. The Bank evaluates new limits, investments and existing holdings based on criteria indicating whether the issuer has taken steps to reduce emissions. In order for Treasury to invest in a new issuer or set a new limit, the issuer should fulfil at least one of the following criteria. These criteria shall be based on scientific objectives (for example SBTi) or ensure that the issuer has committed to following global guidelines for reducing emissions. In addition to these criteria, the issuer may also be evaluated on the basis of its greenhouse gas intensity. For pre-existing holdings, one of these criteria must be met within three years.

Own operational activities: New suppliers are assessed as part of due diligence. During a procurement process, suppliers are assessed with regard to several factors, including sustainability aspects such as environmental impact and sustainable development.

The climate targets for each area are followed up by the Sustainability Committee on a quarterly basis. The strategy covers the Bank of Åland and Ålandsbanken Fondbolag in their entirety, that is responsible investment, responsible lending and Treasury operations and how they relate to the downstream value

chain. Crosskey Banking Solutions is covered to the extent that it accounts for the Group's own operational emissions.

Strategic responsibility for implementation lies with the Executive Team and the Sustainability Committee, while operational responsibility for implementation lies with the respective departments.

Since the climate strategy is a complement to the sustainability strategy, the interests and input of stakeholders are also important to the Bank in the adoption of its climate strategy. Gaining and maintaining the trust of stakeholders is a cornerstone of the Bank's operations. The climate strategy is internally public and is available to employees on the intranet.

Guideline for business travel

For the work with climate change mitigation in operational activities, there are guidelines for business travel. These guidelines, which are internally available to all employees and apply to the entire Bank of Åland, describe the factors to be considered in order to reduce greenhouse gas emissions from business travel. Responsibility for implementation rests with everyone who travels, and the person's immediate supervisor must check that the guidelines are being followed.

Policy for the integration of sustainability risks in investment decisions and in investment and insurance advisory services

There is a Group-wide policy for the integration of sustainability risks in investment decisions and in investment and insurance advisory services (the sustainability risk policy). This policy includes impact areas for climate change mitigation and adaptation relevant to Chapter E1 *Climate change*, as well as significant impact areas identified in section E4 *Biodiversity and ecosystems*. The policy is aimed at regulating the integration of sustainability risks into investment decision-making processes and investment and insurance advisory services at the Bank of Åland. It is also aimed at regulating principles for responsible financial and other investments at the Bank.

The Bank chooses to invest in quality companies that are audited from a sustainability perspective according to the responsible investment process described in this policy. Initially, activities that are not considered sustainable and/or have significantly adverse sustainability impacts will be excluded. In addition to exclusions, the Bank integrates sustainability factors into investment decisions regarding the financial instruments selected for managed model portfolios and funds. For direct financial investments, the Bank identifies which sustainability risks are material and then assesses the likelihood of a sustainability risk occurring as part of the investment process. In the area of sustainability risks, physical risks caused by extreme weather conditions, such as floods and/or extreme heat, have been identified. In addition, transition risks are considered, that is the increased likelihood of risks that may occur in businesses due to changes in legislation or technology during the transition to a low-carbon economy.

The Bank also takes into account social risks, risks linked to violations of human rights, labour rights and risks linked to non-compliance with good corporate governance, including corruption, abuse or lack of processes within the business. As a rule, the Bank of Åland considers the Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors as part of its investment process. For sustainable investments, this means ensuring that financial investments do not harm any environmental or social objective.

The Bank of Åland does not invest in companies whose turnover derives from extraction of thermal coal, the production of controversial weapons, pornography, gambling, or the production of tobacco (including cannabis), to an extent of more than five per cent. Additional exclusions are applied for specific products, with alcoholic beverages excluded selectively.

The Bank only invests in companies that, through screening, have not violated international frameworks such as the UN Global Compact, the UN Guiding Principles on Business & Human Rights, the ILO Core Labour Standards and the OECD Guidelines for Multinational Enterprises. In addition, the Bank of Åland has signed the United Nations Principles for Responsible Investment



(UNPRI). To ensure that it achieves its climate targets, the Bank reviews which companies have signed the SBTi.

The highest level within the organisation responsible for implementing the policy is the Managing Director of each company. The Managing Director of Ålandsbanken Fondbolag is responsible for that company's mutual funds and the Managing Director of the Bank of Åland is responsible for discretionary mandates and investment advisory services. This policy is available in its entirety to the public through being published on the Bank of Åland's website, as it is aimed at customers who have an interest in following how the Bank's asset management operations take sustainability risks into account.

The Bank's sustainability risk policy ensures that violations of international norms and guidelines will not be found in the Bank's financial investment portfolios. The Bank of Åland's goal is to ensure that the adverse impacts identified through screening are eliminated from investment products. Targets are followed up internally on a quarterly basis and reported to the Bank's ESG Committee. They are followed up per product in SFDR periodic reports, where a sustainability indicator states the proportion of companies in the product that have committed violations during the reporting year.

The governing documents that exist within the ESG risk area are:

The financial risk policy

The financial risk policy sets out the Bank of Åland's principles for managing financial risks throughout its banking operations. This policy includes all financial risks, including ESG risks, that do not constitute a separate risk area but act as drivers within various financial risk areas where existing risks can be amplified or where the risk area can be expanded in scope as a result of new drivers. The Bank may be affected by ESG risks both directly and indirectly through its transmission channels, such as customers and partners, as well as through the Bank's internal operations. The ESG risks are identified and assessed by area in the risk identification

process and are integrated into the Bank's internal capital and liquidity assessment process.

The Board of Directors establishes the Bank's financial risk policy, and the more operational work is detailed in guidelines established by the Managing Director. The Risk Control department then ensures compliance with policies and guidelines through various types of monitoring and follow-up.

The risk appetite framework

The risk appetite framework describes the levels of risk that the Bank of Åland is willing to accept in order to achieve its strategic targets. The framework covers the material financial and non-financial risks identified by the Bank. The framework is established by the Bank's Board of Directors and is used to oversee and monitor risk management at the Bank. ESG risks are included as risk drivers among financial and non-financial risks, which means that ESG risks may amplify or expand existing risk areas. The ESG risks identified as material risk drivers are primarily the Bank's credit exposures.

Guideline for credit risk management and monitoring

The guidelines for credit risk management and monitoring describe detailed principles for credit risk management and monitoring at the Bank of Åland. The guidelines describe the management of ESG risks, which are identified as a material risk driver for the Bank of Åland's credit exposures. The guidelines are adopted by the Managing Director.

Guidelines for internal capital adequacy and liquidity adequacy assessment processes

The guidelines for internal capital adequacy and liquidity adequacy assessment describe detailed principles for the implementation of ICAAP and ILAAP. The guidelines address, among other things, how ESG risks are to be assessed within the framework of these processes. The guidelines are adopted by the Managing Director.

E1-3 – Actions and resources in relation to climate change policies

The measures that the Bank has taken with regard to climate change are the development of a sustainability strategy and a climate strategy, which in turn describe how responsibility is allocated among the various areas, which themselves create a structure for their actions. The main action taken so far has been an effort to gather data and develop emission calculations in order to facilitate further efforts. Most actions are described in the climate strategy, and current actions are listed here, divided into four main areas.

The Bank of Åland's own operational activities

Since 2023, the Bank of Åland has purchased 100 per cent of the electricity for the entire Group from carbon dioxide-free sources in order to mitigate climate change due to energy consumption. The measure was instituted successively in order to reach 100 per cent in 2023 and continues until further notice, which means that the Bank's Scope 2 emissions related to electricity consumption according to a market-based method have been 0 CO₂e since then.

In recent years, the Bank of Åland has been renovating and rebuilding the headquarters in Mariehamn, which was completed in 2025. In conjunction with the renovation, a number of investments were made that even if they account for resource consumption in the short run, over time they will lead to decreased energy consumption due to improved ventilation and lighting as well as more solar panels. The earlier solar panel installation of just over 22 kWp has been expanded by an additional 15 kWp, bringing the updated installation to a total of just over 37 kWp. The heating needs for the property should also be reduced through a more well-insulated and airtight building than previously.

A key action during 2025 is the updating of the vehicle fleet with more electric vehicles, as the older vehicles needed to be replaced due to age. The replacement is a step in the right direction for working towards the commitments to limit climate impact made in the sustainability strategy and the climate strategy as well as a part of reducing Scope 1 emissions.



Since these actions are made as a part of the development of operations and are ongoing rather than one-time, such as in the case of energy efficiency measures, the Bank of Åland has not allocated significant operational or capital expenditures to implement the actions related to these targets.

Loan portfolio

Work is ongoing in the credit area to develop appropriate measures to manage indirect impacts on climate change that the Bank of Åland sees downstream in the value chain, based on lending activities. Since most of the Bank's customers consist of private individuals and very small companies, at present the main opportunity for influencing these customers is to encourage them to make a transition in the future. However, exactly how this will be implemented is a challenge. The Bank aims to be an active player in financing the green transition and therefore cannot cease lending to small entrepreneurs who may require financing to be able to transition and further develop their operations. In 2025, the Bank introduced a climate ambition with an accompanying sustainability plan within the Åland Business Area to encourage corporate customers to reduce their emissions.

The climate ambition is not a legally binding contract but rather an offer to companies to, together with the Bank of Åland, work with sustainability issues that impact both the customer businesses and their surrounding communities. Within the framework of the climate ambition, corporate customers undertake to establish a sustainability plan with activities that support the Bank's goal of reducing its greenhouse gas emissions by at least 50 per cent by 2030. The objective behind the ongoing activities that corporate customers should acknowledge the climate ambition, is described in more detail in section E1-4.

In addition, the Bank has also developed certain climate strategy criteria about which sectors it will finance within the corporate lending portfolio, taking the position that the Bank does not finance activities that produce non-renewable energy. An evaluation is underway regarding an appropriate level of financing for carbon-intensive sectors.

As for lending to private individuals, mortgages account for a large proportion of identified climate impact, based on the energy consumption required to heat homes. Energy consumption in homes makes up a large part of the impact visible in the target area circular economy that the Bank of Åland has committed to through its involvement in UNEPFI. The area is also highlighted by the EU Taxonomy, where energy consumption for heating buildings is the main assessment criterion for working towards the target of mitigating climate change. For this reason, the Bank is working to collect energy certificates for customers' mortgages. This is mainly done for new mortgages, but checks have been made of existing mortgages, although it is relatively unusual for properties underlying older mortgages to have energy certificates. This information is needed both for calculating greenhouse gas emissions, but also as an initial test to assess alignment with the EU Taxonomy's environmental objectives. Work is underway to increase the coverage to better assess the existing transitional risks in the granting of loans where real estate serves as collateral. Since the Bank foresees potential regulation of energy efficiency improvements in real estate, more information is also necessary to assess the situation for the mortgage portfolio as a whole. Read more about this under the EU Taxonomy.

In 2025, the Bank of Åland introduced green mortgages for borrowers who invest in energy efficient properties in the markets of Finland and the Åland Islands. The criteria for a green mortgage are a class A energy certificate for the property that is collateral for the mortgage. This applies to both existing properties and new builds. This is a part of the Bank's initial transition plan. In addition to diversifying the mortgage portfolio from a risk perspective, this will also help promote sustainable investments while improving the Bank's ESG profile. One element of this is also to work on providing advice and information to customers and training customer service staff. The objective is for borrowers who carry out energy efficiency-improving renovations that reduce a property's climate impact and operating costs, should be able to benefit from similar offers in the future.

The purpose of these actions is to help achieve the Bank's main climate targets. They are expected to continue in the coming years. Significant financial resources have not been specifically allocated for these actions.

Financial investments

An action plan to take sustainability into account when making financial investments, is part of the sustainability risk policy. Sustainability risks and opportunities are part of the investment strategy, and this includes climate and transition risks. For each holding, the Bank of Åland makes an assessment of the existing sustainability risks. Sustainability risks and opportunities are documented and updated annually for all holdings through a third-party data provider. The proportion of SBTi-validated companies and carbon intensity are reported at the product level to customers.

Companies with more than 5 per cent of total revenues involved in activities related to thermal coal are excluded from financial investments. Two of the Bank's UCITS funds exclude all fossil fuels.

To ensure that the Bank reviews which companies that have established targets in compliance with the SBTi. The Bank encourages companies that have not established SBTi targets to join the initiative. This is done through in-person meetings at companies and at general meetings and other forums.

In order to monitor reduction of greenhouse gas emissions related to financial investments, the Bank carries out emission calculations for all equities, bonds and real estate investments included in its own funds and model portfolios and where the Bank has access to data. Medium- and long-term climate strategies are collected to estimate emission trajectories and assess what actions are needed to take in order to achieve the Bank's emission reduction targets. Extra focus is put on emission-intensive sectors, and developments in these sectors are monitored, since their impact on the Bank's emissions might be significant.



Treasury portfolio

The Bank's Treasury department has implemented climate criteria in its financial investment decisions. This means that new limits and investments are evaluated using climate criteria that indicate whether the issuer has taken or intends to take steps to reduce its emissions. The criteria are based either on scientific objectives such as SBTi or commitment to initiatives such as net-zero targets or other greenhouse gas reduction targets. In addition to these criteria, the carbon intensity of issuers is also taken into account in the decision-making process. For holdings issued by sovereigns or local authorities, the above criteria are not applicable, but the government in question needs to have signed the Paris Agreement in order to be considered a suitable investment issuer. The issuer should meet at least one of these criteria before an investment is made or a new limit set. For pre-existing holdings, one of these criteria must be met within three years.

Treasury also conducts an overall risk analysis of its portfolio holdings by tracking the ESG ratings of individual holdings on a quarterly basis in order to identify any ESG risks. To produce this rating, a risk analysis is carried out based on a company's exposure and management of significant ESG issues. The final score consists of the aggregate unmanaged ESG risks of the company and provides an indication of how well the company is adapting to and managing climate change.

Reducing emissions also implies divesting emission-intensive holdings. As the scope of reported emissions data, primarily in Scope 3, still varies drastically between issuers, Treasury has not yet decided whether to exclude issuers with higher emissions. This is because a high reported emission level can reflect more comprehensive and transparent reporting, rather than higher emissions compared to other similar companies. Exceptions are emission-intensive sectors, where a decision has already been made to divest these sectors entirely within the specified maximum loss limits or wait until they mature no later than 2028.

Climate change also gives rise to financing risks, where investors' preferences for green bonds may make it more difficult to borrow money with non-green bonds or make it necessary to do

so at a high cost. The Bank of Åland currently has an outstanding green capital instrument amounting to SEK 150 million. To be able to issue green instruments in larger volumes and numbers, a larger green asset registry will be required, but also systems development. The risk has been identified as potential in the longer term and is managed by taking into account future developments at the Bank, but concrete actions have not yet been decided.

Since measures taken during the 2025 financial year are part of daily operations, the Bank of Åland did not allocate significant operating or capital expenditures specifically to work on special key actions to combat climate change.

Since the Bank reports the EU Taxonomy according to the tables established for credit institutions, mainly focusing on mortgages and data from other companies in which the Bank has financial investments, any operating or capital expenditure relating to the actions mentioned earlier will not be relevant to the Bank's taxonomy reporting, and no synchronisation between the two is currently applicable.

E1-4 – Targets related to climate change mitigation and adaptation

The Bank of Åland's climate targets are:

- The Bank of Åland shall reduce its CO₂e emissions by 50 per cent no later than 2030 compared to 2021.
- The Bank of Åland shall be a climate-neutral organisation no later than 2035 in line with Finland's climate policy decision.
- The Bank of Åland shall achieve net-zero emissions by 2050.

These targets are designed to address the significant impact that the Bank sees through the impact areas of climate change mitigation within its own operational activities and indirectly downstream in the value chain. They apply to the entire Bank regarding Scope 1, 2 and 3 including Scope 3 Category 15 regarding investments. Since the climate target is a large overall target, it is not divided into the respective scopes but is viewed as a whole based on the information presented in E1-6. The base year for the climate target is 2021, and nothing in the following years has

shown that 2021 itself would not be normative. However, due to changes in methodology and increased access to data from other actors downstream in the value chain, the baseline value has been updated on several occasions over the years to be comparable to the current year and to provide a true and fair picture of developments. The baseline value for 2021 is 2,314,712 tonnes CO₂e. The recalculations of the baseline value that have been made are presented together with an account of the Bank's greenhouse gas emissions under disclosure requirements E1-6. The target was not developed according to a specific method. The target was set to be in line with the Paris Agreement's goal of limiting global warming to 1.5°C, as well as to be in line with both Finland's and Sweden's climate policy decisions, making it science-based. The net-zero target was also set as part of the principles of NZBA, the purpose of which is to speed up the transition to net-zero greenhouse gas emissions by 2050. This target is not externally assured or derived from any specific sector development. The Bank's stakeholders have not actively participated in setting the targets.

The Bank of Åland's climate targets

tonnes CO ₂ e	2025	2024	%	2021	%
Greenhouse gas emissions	4,119,188	3,036,638	36	2,314,712	78

The majority of the Bank of Åland's greenhouse gas emissions occur indirectly downstream in the value chain and not within its own office operations, which account for a small proportion of total emissions. As for impacts downstream in the value chain, greenhouse gas emissions depend on the activities of other companies and are not something that the Bank can directly control, other than through choices made through purchasing, lending and financial investing. The phase-out of fossil fuels is something that needs to be done by other companies. The existing drivers for phasing out fossil fuels are the work that is under way on choosing



guidelines for the loan portfolio and for financial investments. For the Bank's operations, it is thus not relevant to adopt new technology to achieve its greenhouse gas emission reduction target.

The target is monitored and reviewed through an estimation and reporting of the Bank's greenhouse gas emissions, which are presented under disclosure requirement E1-6. In 2025, greenhouse gas emissions were 78 per cent higher than during the base year 2021. The overall increase was driven by customers' financial investments, which are seen in Scope 3 downstream in Category 15. The increase is largely due to improved data availability as other companies expand their reporting. We believe that comparability between different years for these greenhouse gas emissions is hard to assess, since there is a significant variation between different companies in the extent of their reported emissions data. The increase compared to the previous year is primarily due to now seeing companies reporting more comprehensive greenhouse gas emissions because of expanded reporting requirements. This development is positive, even though the increased amount of data means that our emission figures are rising. An issue regarding comparability in the portfolio companies' reported scope 3 emissions is that figures for previous years are not consistently revised.

Own operational activities

The Bank of Åland shall reduce absolute Scope 1 and 2 emissions of CO₂e by 51 per cent no later than 2030, compared to the base year 2021.

Targets for scope 1 och 2					
tonnes CO ₂ e	2025	2024	%	2021	%
Reduction of greenhouse gas and biogenic emissions, Scope 1 and 2	298	329	-10	511	-42

This target is designed to address the material impact that the Bank of Åland sees in its own operational activities through the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 1 and 2 and is not allocated among the respective scopes but views them as a whole. The target also includes biogenic emissions. The base year for the target is 2021, and nothing in subsequent years has shown that 2021 itself would not be normative. The baseline value for 2021 is 511 tonnes of CO₂e. The minor recalculations of Scope 2 that have been made are presented together with an account of the Bank's greenhouse gas emissions under disclosure requirement E1-6. The target was developed according to the Absolute Contraction Approach (ACA), which aims to reduce absolute greenhouse gas emissions. The target was set to be scientifically based and consistent with the limitation of global warming to 1.5°C and has been externally assured by a validation from SBTi. The Bank's stakeholders have not actively participated in setting the target.

The target is monitored and reviewed through an estimation and reporting of the Bank's greenhouse gas emissions, which are presented under disclosure requirement E1-6. In 2025, Scope 1 and 2 greenhouse gas emissions were 42 per cent lower than during 2021. The reduction since the baseline year, is due to the fact that, in order to limit climate change through energy-related emissions, the Bank has purchased 100 per cent of its electricity from carbon dioxide-free sources for the entire Group since 2023. The transition can be seen in Scope 2 where emissions related to electricity consumption according to a market-based method decreased to 0 CO₂e.

Loan portfolio

Climate targets related to home mortgage loans

For mortgages, the target is to reduce the Bank-financed emission intensity (kg CO₂e/m²) by 26 per cent no later than 2030 compared to the base year 2021.

Emission intensity, mortgage loans

kg CO ₂ e/m ²	2025	2024	%	2021	%
Financed emission intensity	6	6	1	6	2

The outcome of the target is in line with previous years' results. This target is designed to address the material impact that the loan portfolio sees indirectly downstream in the value chain through customers' mortgages, via the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 3, Category 15 and relates to mortgage customers' properties downstream in the value chain. The target is part of the transition plan presented under disclosure requirement E1-1. The target of reducing energy consumption in the properties used as collateral for mortgages is also part of managing the transition risk that is seen through private customers' properties.

The base year for the measurement is 2021. The target has been developed on the basis of energy consumption in the mortgage loan portfolio at that time, as well as a vision on upgrading the energy class level. It was not derived from the trajectory of any specific sector, was not science-based, nor was it compatible with the limitation of global warming to 1.5°C or externally assured. The Bank's stakeholders have not actively participated in setting the targets.

The mortgage calculations are based on those mortgage loans where at least one residential property has been pledged as collateral. In cases where several housing collateral properties are connected to one loan, the primary residence is estimated based on the allocation of collateral distribution in the capital coverage. This property is selected for the calculations. Loans where no collateral or only other types of collateral have been provided are excluded from the calculations. Calculated emissions are based on an estimate of the home's energy consumption, which is estimated as the size of the home in square metres multiplied by estimated energy consumption based on the home's energy



certificate, to the extent that data is available. Where information on square metre size or energy certificates is missing, average square metres are used for the part of the portfolio where data is known, and an average value for energy consumption for all energy classifications. The unit for emissions intensity for mortgages was reported in 2024 as g CO₂e/m², whereas the correct unit is kg CO₂e/m². The unit has now been corrected in the presentation of the climate target for mortgages.

The Bank of Åland has no specific targets regarding the physical climate-related risks that have been identified. The Bank of Åland has not yet set specific targets regarding the flood risk inherent in loans where real estate serves as collateral. However, the identified flood risk is taken into account as part of the risk assessment, and the total risk assessment may not exceed the permitted risk appetite. For the present, the Bank works with data collection of flood risks and evaluates external data providers. In conjunction with access to and quality of data increasing, the Bank aims to set targets and sub-targets as well for physical risks in order to ensure that the Bank's climate targets can be reached.

Targets related to climate ambition

The Bank of Åland aims to have a documented climate ambition that it shares with its customers. For the financing of companies and businesses, this means that 100 per cent of customers classified as emission-intensive¹ must sign off on a climate ambition in which they commit to establishing a sustainability plan with activities that support the Bank's target of reducing its greenhouse gas emissions by at least 50 per cent no later than 2030. In total, at least 90 per cent of the corporate lending volume must have signed off on a climate ambition from the Bank.

In 2025, the Bank of Åland, as described under activities in E1-3, introduced a climate ambition to encourage corporate customers on the Åland Islands to reduce their emissions. At year-end, 1 per cent of the total corporate portfolio had acknowledged climate ambitions together with accompanying sustainability plans. This share is based on companies within the Åland Business

Area, while the comparative figure – the total corporate portfolio – refers to the Group. The companies that have acknowledged climate ambitions corresponds to 2 per cent of the emission-intensive corporate customers. Over time, the ambition is to gradually introduce this in the other business areas as well.

The target is designed to address the material impact that the loan portfolio sees indirectly downstream in the value chain through corporate lending, via the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 3, Category 15, and refers to the loan portfolio's downstream customers. Its base year is 2021. It was not derived from the trajectory of any specific sector. It is not of such a nature that it can be assessed as compatible with limiting global warming to 1.5°C, but the methodology used to develop the target was a discussion about relevant opportunities to create incentives for customers. It is not science-based, nor is it externally assured. The Bank's stakeholders have not actively participated in setting the target.

Climate targets related to corporate lending

The Bank of Åland has committed itself to ensuring that 37 per cent of its long-term corporate loan portfolio, based on loan value, will have set SBTi-validated targets by 2028, compared to the base year 2021.

This target is designed to address the material impact that the credit portfolio sees indirectly downstream in the value chain through its corporate lending, via the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 3, Category 15, and refers to CSRD companies downstream in the value chain and includes the corporate loan portfolio's CSRD corporate customers, based on loan value. The baseline value as of the base year 2021 was that 0 per cent of the corporate loan portfolio at that time had signed the SBTi. The target has been developed using the Portfolio Coverage Approach (PCA). Portfolio coverage means that, on a specified date, the Bank checks what percentage (measured in loan value in

the corporate loan portfolio) of companies have set SBTi-validated targets relative to the total market value of the portfolio. The lending covered by the target spans multiple sectors, and the target was thus not derived from any specific sector's trajectory. The target is meant to be science-based and consistent with limiting global warming to 1.5°C and is externally assured through validation by SBTi. The Bank's stakeholders have not actively participated in setting the targets.

The outcome for 2025 was that 0 per cent of the CSRD customers of the corporate loan portfolio has signed an SBTi agreement. The reason for this is that during a large part of the year, there have been no corporate customers in this category, and at the end of the year a very limited number. Due to the few customers in the category, it is difficult to judge the opportunities to reach the goal set for 2028, but the Bank will work towards customers within the CSRD-company category having their climate targets validated by SBTi.

Electricity generation financing

The Bank of Åland undertakes to continue providing electricity generation project financing only for renewable energy through 2030.

During 2025, the outcome of the target was that the Bank had no financing of electricity generation projects of any kind other than renewable energy.

The target is designed to address the material impact that the credit portfolio sees indirectly downstream in the value chain through lending to corporates, via the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 3, Category 15, refers to companies downstream in the value chain and includes the corporate loan portfolio. The base year for the target is 2021, and the baseline value was 0 as defined by the SBTi. The methodology used to set the target is the Sector Decarbonisation Approach (SDA), a methodology within the SBTi that helps the Bank set climate targets in line with sector-specific emission reduction trajectories and the targets of the Paris Agreement. The Bank has started by identifying the sector (electricity generation)

¹ Emission-intensive sectors are defined as NACE sectors A-H and L.



and analysed financed baseline emissions as well as relevant key indicators. The target is designed to be science-based and consistent with the limitation of global warming to 1.5°C. It is externally ensured through validation from SBTi. The Bank's stakeholders have not actively participated in setting the target.

Financial investments

The Bank of Åland commits to ensuring that 58 per cent of the portfolio companies whose listed equities and corporate bonds which are included in the funds and discretionary mandates that follow the model set SBTi-validated targets by 2028, and 100 per cent by 2040. This target covers 90 per cent of listed equities and 53 per cent of corporate bonds in these funds, as well as all the discretionary mandates.

SBTi targets, financial investments

	2025	2024	2021
Percentage of shares and corporate bonds under management that have signed the SBTi	62	56	23

This target has been set to address the material impact that asset managers see indirectly downstream in the value chain through customers' financial investments, via the impact areas of climate change mitigation and adaptation and the related area of energy. The target is within Scope 3, Category 15, and refers to companies downstream in the value chain and includes UCITS funds and the discretionary mandates that follow our theoretical model portfolios.

The base year for measurement is 2021. The target has been developed using the Portfolio Coverage Approach (PCA) method. Portfolio coverage means that on a given date, the Bank checks how large a percentage (measured in market value of the holding) of the companies have set SBTi-validated targets relative to the total market value of the portfolio. The holdings to which the

target relates are in different economic sectors, and the target is thus not derived from the trajectory of any specific sector. It is intended to be science-based and consistent with limiting global warming to 1.5°C and is externally assured through validation from SBTi. The target for 2040 is not directly dependent on the trend of future sales volume or fluctuations in customer preferences and demands. These factors may nevertheless affect the Bank's potential for achieving the target, but the target will remain in effect in any event. The Bank's stakeholders have not actively participated in setting the target.

Ålandsbanken achieved the set target in 2025, with an outcome of 62 percent SBTi-validated targets within its investments. The result exceeds the minimum level of 58 percent that, according to the target, must be reached by 2028. However, since the share is based on market values, variations may occur, and the development will therefore be monitored continuously. The target is considered fully achieved only once the level is maintained in 2028.

A related follow-up is carried out by Ålandsbanken Fondbolag who measures and takes into account the climate transition status of its investment holdings through indicator 4 in table 2 (Investments in companies without carbon reduction initiatives) related to Principal Adverse Impacts on sustainability factors. The datapoint was included in the Bank's *Statement on principal adverse impacts of investment decisions on sustainability factors* for the reporting year 2024, and as the number of reference periods increases, more data becomes available for analysing the development. At the investment product level, 2024 SFDR periodic reports included a sustainability indicator for the percentage of portfolio companies that are in the process of signing or have validated targets in compliance with the SBTi.

Treasury portfolio

The Bank of Åland has committed itself to ensuring that 38 per cent of its corporate bond portfolio will have set SBTi-validated targets.

SBTi targets, Treasury

Per cent	2025	2024	2021
Percentage of the corporate bond portfolio that has signed a SBTi agreement	2	19	1

The outcome for 2025 amounts to 2 percent, representing a decline from 19 percent in 2024 and indicating that the current development is not aligned with the target's desired trajectory. The decrease is primarily due to maturities and divestments in holdings with established SBTi targets, but also because approximately 25 percent of the portfolio has had its commitments withdrawn. The potential to increase the share is limited under the current portfolio composition.

This target has been designed to address the material impacts that are visible indirectly downstream in the value chain through the financial investments of the Treasury portfolio, via the impact areas of climate change mitigation and adaptation and the related area of energy. It is within Scope 3, Category 15 and refers to companies downstream in the value chain. The target has been limited to asset categories that are mandatory according to the SBTi, which means in the case of Treasury only non-covered and corporate bonds. Bonds issued by sovereigns, municipalities and other public entities, covered bonds and liquid assets are thus not included, since these asset classes are voluntary or not applicable according to SBTi.

The base year for the measurement is 2021. The target has been designed in such a way that reduction of greenhouse gas emissions is in line with the level that science indicates is necessary to limit global warming to well below 2°C, aiming for 1.5°C, compared to global temperatures in pre-industrial times. It is externally assured through validation by SBTi. The target has been developed using the Portfolio Coverage Approach (PCA) method. Portfolio coverage means that on a specified date, the Bank checks how large a percentage (measured in market value of the holding) of the companies have set SBTi-validated targets relative



to the total market value of the portfolio. The holdings to which the target relates are in different economic sectors, and the target is thus not derived from the trajectory of any specific sector. Although the portfolio coverage target does not indicate the reduction in greenhouse gas emissions among holdings in absolute terms, it does ensure that these holdings set sufficient reduction targets to be in line with the level that science indicates is necessary to limit global warming. To enable the Bank to reduce indirect emissions in its Treasury portfolio, reduction of greenhouse gas emissions by its holdings is crucial. We thus need to see an increase in the percentage of holdings that set emission targets, and especially science-based targets. For those holdings that are not affected by the SBTi target, climate criteria including SBTi-validated targets are applied to ensure that the holdings have taken emission-reduction actions. In case emission-reduction actions by holdings are not sufficient, reallocation will need to be made to other holdings. Stakeholders have not been involved in setting the target.

E1-5 – Energy consumption and mix

Energy consumption and mix				
	2025		2024	
	MWh	%	MWh	%
Total fossil energy consumption	0	0	0	0
Consumption from nuclear sources¹	0	0	0	0
Fuel consumption for renewable sources, including biomass	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	1,997	99	1,876	99
The consumption of self-generated non-fuel renewable energy ²	19	1	12	1
Total renewable energy consumption¹	2,016	100	1,888	100
Total energy consumption	2,016		1,888	

¹ The Bank of Åland's Finnish offices use carbon-free energy, meaning a combination of nuclear power and hydropower. The exact distribution is not known. For this reason, the entire energy consumption of the Finnish offices is allocated to the line for total renewable energy consumption.

² The Bank of Åland's production of renewable energy consists of solar panels for its own use.

Production of renewable and non-renewable energy			
MWh	2025		2024
Renewable energy ¹		19	12
Non-renewable energy		0	0

¹ The Bank of Åland is not a commercial energy producer. The Bank's renewable energy production consists of solar panels for its own use.

Electricity consumption is based on actual consumption at the offices where the Bank of Åland is responsible for the electricity contract and is thus familiar with the consumption. An estimate is only made in cases where information for individual periods is missing. The metrics relating to the Bank's total energy consumption have not been validated by any external body other than its assurance provider.



E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Total greenhouse gas emissions							
Tonnes CO ₂ e	Retrospective				Milestones and target years ¹		
	2021	2024	2025	% 2025 vs 2024	2030	2035	2050
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	5	6	6	-6			21
Percentage of Scope 1 GHG emissions from regulated emission trading schemes, % ²	0	0	0				
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	213	179	137	-24			-36
Gross market-based Scope 2 GHG emissions	166	49	44	-10			-74
Significant Scope 3 GHG emissions							
Total Gross indirect Scope 3 emissions	2,314,541	3,036,583	4,119,138	36			78
1 Purchased goods and services	1,617	9,321	4,459	-52			
2 Capital goods	70	36	46	29			-34
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	12	10	9	-10			-27
4 Upstream transport and distribution	221	300	248	-17			12
5 Waste generated in operations	2	4	3	-16			65
6 Business travel	148	722	797	10			
7 Employee commuting ⁴							
8 Upstream leased assets	118	119	101	-15			-14
9 Downstream transportation ⁴							
10 Processing of sold products ⁴							
11 Use of sold products ⁴							
12 End-of-life treatment of sold products ⁴							
13 Downstream leased assets ⁴							
14 Franchises ⁴							
15 Investments ³	2,312,353	3,026,072	4,113,475	36			78
Total GHG emissions							
Total GHG emissions (location-based)	2,314,759	3,036,768	4,119,280	36			78
Total GHG emissions (market-based) ³	2,314,712	3,036,638	4,119,188	36	1,157,356		78

¹ The Bank of Åland has established an overall climate target for emission reduction, which is described in disclosure requirement E1-4. The Bank of Åland shall reduce CO₂e emissions by 50 per cent no later than 2030 compared to 2021. The Bank shall be carbon neutral by 2035 at the latest, in line with Finland's climate policy decision. The Bank shall achieve net-zero emissions by 2050. Since the climate target is a larger overall target, it is not distributed per scope but seen as a whole. For this reason, the target is not specified per scope in the table. Regarding the target of achieving carbon neutrality by 2035, this target is based on the Finnish climate policy framework, as well as Finnish climate legislation. There are currently no established data on the level of emissions for the Bank that is the recommended level to reach climate neutrality. The Bank's climate strategy is currently focusing primarily on the target for 2030, but as the strategy evolves to include the target for 2035 to a more detailed extent, the Bank will also be able to deliver more detailed data. The same also applies to the net-zero target for 2050.

² The EU Emissions Trading System (ETS) covers emissions from specific installations and activities in the energy and manufacturing industries, as well as aviation and maritime transport. The Bank of Åland does not conduct any such activities and is therefore not covered by the EU ETS.

³ The calculation method was updated, with improved methods and improved capture of data, after which comparative figures were recalculated. To be able to compare years, base year 2021 emissions were recalculated retroactively according to the updated method, which means that estimated Scope 3 category 15 downstream emissions in 2021 were recalculated from the original 2,315,404 tonnes of CO₂e to 2,312,353 tonnes of CO₂e. Scope 3 category 15 downstream emissions in 2024 were recalculated from 2,797,186 tonnes of CO₂e to 3,026,072 tonnes of CO₂e. The conversion also affects the total amount of greenhouse gases, which was recalculated from 2,317,762 tonnes of CO₂e to 2,314,712 tonnes of CO₂e in 2021 and from 2,807,752 tonnes of CO₂e to 3,036,638 tonnes of CO₂e in 2024.

⁴ The Bank of Åland does not report on GHG categories 7, 9, 10, 11, 12, 13, or 14. See the explanation in the table *List of significant categories of greenhouse gas emissions in Scope 3* in section E1-6.

Greenhouse gas emissions per FTE ¹

Tonnes CO ₂ e	2025	2024	% 2025 vs 2024	2021	% 2025 vs 2021
Total CO ₂ e emission per FTE	4,004	3,069	30	2,853	40

¹ Historical comparative figures were recalculated due to the recalculation of underlying greenhouse gas emissions. Total CO₂e emissions per FTE were revised from 2,857 tonnes CO₂e/FTE to 2,853 tonnes CO₂e/FTE in 2021 and from 2,837 tonnes CO₂e/FTE to 3,069 tonnes CO₂e/FTE in 2024.

The Bank of Åland calculates GHG emissions for the consolidated group. The Bank does not include indirect greenhouse gas emissions by associated companies, joint ventures, non-consolidated subsidiaries or joint arrangements. The reason is that an assessment has been made that the Bank has no operational control over any of its associated companies and that most of these companies are very small and not yet obliged to report, which makes information scarce. Their greenhouse gas emissions should be relatively small compared to the Group's existing figures, and it is thus not relevant to make an estimate.



Scope 3 downstream, greenhouse gas emissions

Loan portfolio					
Tonnes CO ₂ e	2025	2024	% 2025 vs 2024	2021	% 2025 vs 2021
Scope 1 and 2	244,520	196,907	24	310,261	-21
Scope 3 ¹	0	0		0	
Total, loan portfolio	244,520	196,907	24	310,261	-21
Total, allocated by sectors					
Private individuals					
Home loans	11,078	11,022	1	16,183	-32
Investment loans	31,186	31,562	-1	65,405	-52
Other purposes	13,698	12,771	7	14,388	-5
Total, private individuals	55,962	55,355	1	95,976	-42
Companies					
Other service activities	881	867	2	1,505	-41
Construction	50,788	31,094	63	69,429	-27
Real estate activities	15,214	14,809	3	14,219	7
Financial and insurance activities	8,118	6,793	19	7,416	9
Electricity, gas, steam and air conditioning supply	2,547	1,279	99	3,769	-32
Wholesale and retail trade; repair of motor vehicles and motorcycles	8,165	8,093	1	8,379	-3
Hotel and restaurant activities	17,220	16,553	4	17,207	0
Information and communication	235	198	18	303	-22
Agriculture, forestry and fishing	16,537	16,682	-1	22,367	-26
Arts, entertainment and recreation	1,179	1,180	0	1,591	-26
Business activities, private individuals	7,207	9,793	-26	12,746	-43
Public administration and defence; compulsory social security	2,094	2,158	-3	1,687	24
Manufacturing	9,878	9,840	0	6,499	52
Transport and storage	23,549	14,338	64	38,780	-39
Education	16	15	8	18	-7
Rentals, real estate services, travel services and other supportive services	3,787	3,955	-4	3,226	17
Water supply, sewerage, waste management and remedial activities	18,329	989		1,339	
Legal, financial, scientific and technical activities	1,937	1,902	2	2,387	-19
Human health and social work activities	875	1,013	-14	1,419	-38
Total, companies	188,557	141,552	33	214,285	-12
Total, loan portfolio exposures²	244,520	196,907	24	310,261	-21

¹ Scope 3 data unavailable, thus 0 is reported

² Historical comparative figures have been recalculated. The original 196,937 tonnes of CO₂e for 2024 have been adjusted to 196,907 tonnes of CO₂e.

Loan portfolio, intensity metrics					
Tonnes CO ₂ e/MEUR	Intensity 2025	Intensity 2024	Difference, intensity 2025 vs 2024	Intensity tCO ₂ e/MEUR 2021	Difference, intensity 2025 vs 2021
Scope 1 and 2	66	55	10	66	-1
Scope 3 ¹	0	0	0	0	0
Total, loan portfolio intensity	66	55	10	66	-1

¹ Scope 3 data unavailable, thus 0 is reported.



Financial investments

Tonnes CO ₂ e	2025	2024	% 2025 vs 2024	2021	% 2025 vs 2021
Scope 1	133,460	124,367	7	184,363	-28
Scope 2	50,651	42,177	20	41,176	23
Scope 3	3,613,665	2,619,967	38	1,745,834	
Total, financial investments¹	3,797,776	2,786,511	36	1,971,373	93
Total, allocated by sectors					
Corporate exposures					
<i>Other service activities</i>	8	16	-52	455	-98
<i>Construction</i>	21,575	18,816	15	30,678	-30
<i>Real estate activities</i>	13,213	8,565	54	3,400	
<i>Financial and insurance activities</i>	228,208	37,636		4,090	
<i>Electricity, gas, steam and air conditioning supply</i>	36,819	79,490	-54	227,350	-84
<i>Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	40,992	95,473	-57	76,525	-46
<i>Hotel and restaurant activities</i>	1,205	2,182	-45	6,563	-82
<i>Information and communication</i>	11,215	9,601	17	6,320	77
<i>Agriculture, forestry and fishing</i>	1,300	847	54	16	
<i>Arts, entertainment and recreation</i>	31	48	-36	33	-5
<i>Public administration and defence; compulsory social security</i>	1	0		0	
<i>Manufacturing</i>	2,273,965	2,087,362	9	1,398,581	63
<i>Transport and storage</i>	54,849	50,337	9	16,632	
<i>Education</i>	2	1		3	-19
<i>Rentals, real estate services, travel services and other supportive services</i>	7,260	14,047	-48	0	
<i>Extraction of minerals</i>	52,356	46,242	13	72,375	-28
<i>Water supply, sewerage, waste management and remedial activities</i>	12,557	15,116	-17	334	
<i>Legal, financial, scientific and technical activities</i>	405	1,356	-70	1,985	-80
<i>Operations at international organizations, foreign embassies etc.</i>	0	0		0	
<i>Human health and social work activities</i>	149	1,601	-91	312	-52
<i>Other assets</i>	1,041,666	317,774		125,720	
Total, financial investments	3,797,776	2,786,511	36	1,971,373	93

¹ During 2025, the emission calculations for the Bank of Åland's Housing Fund were refined, and for the Bank of Åland's Wind Power Fund, emission calculations were included. Due to these changes, historical comparative figures have been recalculated. The historical comparative figures are based on the sum of the owned share of each portfolio company's reported greenhouse gas emissions as of 31 December 2024 where available, otherwise based on estimates. If third-party estimates do not meet the Bank of Åland's established requirements, reported data from previous years may be used instead. The originally reported 2,586,529 tonnes of CO₂e for 2024 have been adjusted to 2,786,511 tonnes of CO₂e. The baseline year 2021 emissions have been recalculated from 1,976,261 tonnes of CO₂e to 1,971,373 tonnes of CO₂e.

Financial investments, intensity metrics²

tonnes CO ₂ e	Intensity 2025	Intensity 2024	Difference, intensity 2025 vs 2024	Intensity tCO ₂ e/MEUR 2021	Difference, intensity 2025 vs 2021
Scope 1	21	22	-1	45	-24
Scope 2	8	8	0	10	-2
Scope 3	565	468	97	422	143
Total, financial investments intensity	594	497	96	477	117

² Due to changes in scope and data availability, the comparative periods have been recalculated. The emissions intensity in tonnes CO₂e/EUR M for investments has been adjusted from 461 tonnes CO₂e/EUR M to 497 tonnes CO₂e/EUR M for 2024. The emissions intensity in tonnes CO₂e/EUR M for investments has been adjusted from 467 tonnes CO₂e/EUR M to 477 tonnes CO₂e/EUR M for 2021.

**Treasury portfolio ¹**

tonnes CO ₂ e	2025	2024	% 2025 vs 2024	2021	% 2025 vs 2021
Scope 1	3,565	1,982	80	4,243	-16
Scope 2	310	247	26	520	-40
Scope 3	67,305	40,425	66	25,956	
Total, Treasury portfolio	71,179	42,654	67	30,720	
Total, allocated by sectors					
Construction	0	0		20	-100
Real estate activities	0	550	-100	644	-100
Financial and insurance activities	58,438	28,645		6,351	
Electricity, gas, steam and air conditioning supply	0	0		6,136	-100
Public administration and defence; compulsory social security	10,658	8,654	23	6,691	59
Manufacturing	0	2,526	-100	8,057	-100
Transport and storage	0	282	-100	403	-100
Rentals, real estate services, travel services and other supportive services	230	238	-3	2,419	-90
Operations at international organisations, foreign embassies etc.	1,853	1,759	5	1	
Total, Treasury portfolio	71,179	42,654	67	30,720	

¹Historical comparative figures have been updated due to increased availability of primary data. Emission calculations have also been recalculated for the comparative periods in accordance with retroactive updates made by issuers to their own emissions data. Emissions for 2024 have been adjusted from 13,720 tonnes of CO₂e to 42,654 tonnes of CO₂e. Emissions for 2021 (the baseline year) have been adjusted from 28,882 tonnes of CO₂e to 30,720 tonnes of CO₂e.

Treasury portfolio, intensity metrics ²

Tonnes CO ₂ e/EUR M	Intensity 2025	Intensity 2024	Difference, intensity 2025 vs 2024	Intensity tCO ₂ e/MEUR 2021	Difference, intensity 2025 vs 2021
Scope 1	3	2	1	3	1
Scope 2	0	0	0	0	0
Scope 3	62	37	25	16	45
Total, Treasury portfolio intensity	65	39	26	19	46

²Historical comparative figures have been updated due to increased availability of primary data. Emission calculations have also been recalculated for the comparative periods in accordance with retroactive updates made by issuers to their own emissions data. The emissions intensity in tonnes CO₂e/EUR M for Treasury operations has been adjusted from 18 tonnes CO₂e/EUR M to 19 tonnes CO₂e/EUR M for 2021 (the baseline year). The emissions intensity in tonnes CO₂e/EUR M for Treasury operations has been adjusted from 13 tonnes CO₂e/EUR M to 39 tonnes CO₂e/EUR M for 2024.



Reporting principles for metrics

Significant changes during 2025

During 2025, there were no significant changes to the definition of what constitutes the reporting company and its upstream or downstream value chain in relation to its own operations, financial investments, loan portfolio or Treasury operations.

Calculation methods, significant assumptions and emission factors

The Bank of Åland's climate calculation of emissions in the form of carbon dioxide equivalents (CO₂e) is compiled in compliance with the Greenhouse Gas Protocol (GHG) and includes Scope 1, 2 and 3. Scope 1 includes fuel for company cars. Scope 2 includes energy use at the Bank's own premises. Scope 3 upstream includes indirect supplier-related emissions caused by the purchase of goods and services. Emissions from the Bank's own operating activities are calculated by the spend method using emission factors and the Åland Index and are based on expensed activities in the income statement. Exceptions to the spend method can be found in the calculation of Scope 2, where purchased electricity is offset to zero CO₂e emissions for carbon-free electricity according to the market-based method, and district heating, where CO₂e emissions are calculated on the basis of actual district heating use. Electricity consumption is based on the actual consumption of the offices where the Bank is responsible for the electricity contract or receives information from the landlord, and is thus aware of the consumption. An estimate is only made in cases where information for the previous time periods are missing. For district heating, greenhouse gas emissions are calculated based on actual district heating consumption for the Bank's offices in its own properties, information from the energy supplier and emission coefficients from the Heating Market Committee (VMK). These are also supplemented by related emissions in Scope 3 in the category Fuel and energy-related activities, which are also calculated based on actual district heating consumption.

Information on emissions from our own operating activities is supplemented with information on indirect emissions in Scope 3 Category 15 downstream related to investments, which include emissions from the loan portfolio, Treasury operations and our customers' financial investments in our asset management solutions. To improve the opportunity for comparisons between different areas, we specify Scope 3 Category 15 in separate tables, which are also shown divided into their respective Scopes 1, 2 and 3 viewed from their perspective. What is presented is an up-to-date picture of the situation based on the value of holdings and loans at year-end. However, available data for all impact areas of the loan portfolio (Scope 3 downstream from the perspective of the loan portfolio) are still missing.

As part of emission calculations, biogenic emissions are calculated for Scope 1 and 2. Scope 1 biogenic emissions are calculated using a standard based on the type of vehicle and the average bioshare of the fuel (distribution obligation) in Finland, where data are obtained from the Finnish Energy Authority. Scope 2 biogenic emissions are calculated using a standard based on the greenhouse gas emissions calculation for district heating consumption, where biogenic emissions are based on the share of biomass according to the energy supplier. The Bank has not considered it essential to identify indirect biogenic emissions in Scope 3.

The calculation of the Bank's greenhouse gas emissions has not been validated by any external body other than its assurance provider.

Delay in access to data from underlying companies' publicly reported emission figures

To calculate Scope 3 downstream GHG emissions in Category 15, information on emission data is collected from the published information of relevant companies to the extent possible. For the loan portfolio, no such information is available, since corporate lending is mainly made to companies that have not yet published emission data. With regard to the Treasury portfolio and customers' financial investments, emission data for the Bank's

greenhouse gas calculations are obtained from published information. This information usually covers the previous financial year, since companies only tend to publish emission data annually. The underlying companies in the portfolios have not had time to publish their emissions for the current year to any great extent, which means that there is a delay in reported figures. Since the Bank is calculating its greenhouse gas emissions in connection with the publication of its annual report for 2025, this means that emission data for financial investments and Treasury are largely based on the underlying companies' emissions in 2024.

Our own and our customers' financial investments account for the largest share of the Bank's emissions, with Scope 3 emissions increasing as companies' own reporting expands. We believe that comparability between years for these emissions is still difficult to achieve, since the quality of Scope 3 data is generally low. There is also a large variation between companies in the range of reported emissions data, which means that data on exposures are not accurate enough to be used for comparisons. Due to new reporting requirements more companies are now reporting emissions, especially in their own scope 3, to a larger extent than before. This development is positive, although the increased amount of data means that our emission figures are rising, but since historical data in many cases has not been restated according to the same principles, the emission levels between the years are not fully comparable. As the availability of data continuously improves, so do the methods for calculating emissions. To provide a true picture of developments, comparative figures for historical periods are recalculated using the latest available data and methodology. The recalculations that have been implemented are described in footnotes to each table.

**Biogenic emissions¹**

Tonnes CO ₂ e	2025	2024	% 2025 vs 2024	2021	% 2025 vs 2021
Biogenic emissions, scope 1	1	1	-19	1	-7
Biogenic emissions, scope 2	248	274	-10	339	-27
Biogenic emissions, scope 3					

¹ As part of Scope 1 and 2 emission calculations, biogenic emissions are calculated. Scope 1 biogenic emissions derive from the operating costs of the Bank's own company cars and Scope 2 derives from purchased district heating, limited to the Bank's offices in its own properties. The Bank has not considered it material to identify indirect biogenic emissions in Scope 3.

Percentage and type of contractual instruments for buying and selling electricity

The Bank of Åland purchases 100 percent of its energy from carbon-free sources. 0 percent of the energy originates from fossil fuels, and 0 percent from nuclear power. The Bank's Finnish offices use carbon-free energy, meaning a combination of nuclear power and hydropower, but the exact distribution is not known.

Access to primary data related to Scope 3

The Bank of Åland's share of primary data in Scope 3 upstream is 0 per cent, since access to data from suppliers is limited. In Scope 3 category 15, an average of 80 per cent of greenhouse gas emissions data for the loan portfolio, Treasury operations and financial investments consists of primary data from companies downstream in the value chain. For Treasury and financial investments, there is greater access to published data than there is for the loan portfolio. For Treasury, the share of primary data is 95 per cent and for financial investments, the share of primary data is 85 per cent. From the perspective of the loan portfolio, there is no access to data because the majority of our corporate customers are too small to have any publicly published information.

List of significant categories of greenhouse gas emissions in Scope 3

	Included	Excluded	Reason for exclusion
1 Purchased goods and services	X		
2 Capital goods	X		
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	X		
4 Upstream transport and distribution	X		
5 Waste generated in operations	X		
6 Business travel	X		
7 Employee commuting		X	The Bank of Åland is evaluating options for data collection and does not yet have appropriate practices in place for reliable measurement.
8 Upstream leased assets	X		
9 Downstream transportation		X	Since the sale of physical products is not part of the Bank of Åland's operations, this category is not relevant to the Bank.
10 Processing of sold products		X	Since the sale of physical products is not part of the Bank of Åland's operations, this category is not relevant to the Bank.
11 Use of sold products		X	Since the sale of physical products is not part of the Bank of Åland's operations, this category is not relevant to the Bank.
12 End-of-life treatment of sold products		X	Since the sale of physical products is not part of the Bank of Åland's operations, this category is not relevant to the Bank.
13 Downstream leased assets		X	The Bank is not a lessor, and this category is thus not relevant.
14 Franchises		X	The Bank has no franchising operations, and the category is thus not relevant.
15 Investments	X		



Calculation methods and reporting limits for Scope 3 Scope 3 for own operating activities, upstream

The Bank of Åland has chosen to focus on a number of significant categories in scope 3 downstream, in accordance with the assessment in the table List of significant categories of greenhouse gas emissions in Scope 3. The spend method is used to calculate the emissions in the relevant Scope 3 upstream categories, since access to input data from suppliers is extremely limited. The calculation of greenhouse gas emissions for the renovation of the head office in Mariehamn is based on a proxy estimate derived from the estimated volume of purchased materials.

For Scope 3 Category 15, various calculation methods are used to estimate greenhouse gas emissions for different areas within the loan portfolio, Treasury operations and financial investments. It is still difficult to compare Scope 3 emissions between different years, since the quality of Scope 3 data is generally low and reporting in this area does not include all emissions. There is wide variation between companies in the range of reported emissions data, which means that data on exposures are not accurate enough to be used for comparison with other banks.

Calculation methods for greenhouse gas emissions from the loan portfolio

The Bank of Åland's ambition is to calculate emissions from its lending in compliance with the GHG Protocol, which is applied to the extent that the data quality of the loan portfolio allows. This model includes its own estimates and the task of improving the data quality in these calculations is constantly ongoing. In the event of a change in the calculation method, greenhouse gas emissions during earlier periods are recalculated retroactively using the updated method to the extent that data are available for the earlier period. Where updated data have only become available during later reporting periods, these are also used in recalculating prior years. Since data are not available for all impact areas in the loan portfolio, greenhouse gas emissions are calculated for the loan portfolio's Scope 1 and 2 downstream from its own

perspective, but not Scope 3 downstream from the loan portfolio's perspective. Intensity measures are calculated as tonnes of carbon dioxide equivalents divided by the volume of the loan portfolio used for the calculation, in millions of euros.

The mortgage portfolio

Calculations for home mortgage loans are based on those loans where at least one residential property has been pledged as collateral. In cases where more than one collateral property is connected to a loan, the primary residence is estimated. Loans where no collateral or only other types of collateral have been provided are excluded from the calculations. In 2025, mortgage loans worth EUR 25 M have been excluded from the calculations. Calculated emissions are based on an estimate of the home's energy consumption based on its size in square metres and its energy certificates, to the extent that data are available. Where data is missing, an average is applied. The Bank of Åland estimates that 22 per cent of its mortgage loan portfolio's emission calculations are equivalent to a PCAF data quality rating at level 3, while the other 78 per cent are equivalent to level 4. To calculate emissions for estimated energy consumption in the homes, an average emission factor is applied to this energy consumption. The emission factor is calculated separately for Finland and Sweden, respectively, as well as for detached houses and blocks of flats. The average emission factor is a weighted average of emission factors for different heating methods weighted by each heating period's share of heating methods for each type of home and country. Statistics on heating methods for detached houses and blocks of flats come from Statistics Finland and the Swedish Energy Authority. The emission factors used are obtained from the Association of Issuing Bodies, Motiva Oy and Swedenergy. To calculate the Bank's financed emissions, a loan-to-value ratio (LTV) is applied to total estimated emissions. As a result of improvements in calculation methodology, the actual LTV of the loan is mainly used. Where LTV is missing, the volume weighted average LTV of the mortgage portfolio is used as an estimate.

Corporate loans

Greenhouse gas emissions for corporate loans are based on sector-specific estimates using loan volume, since actual emissions data for the Bank's corporate customers is generally not available. These estimates are based on sector-specific published average emission factors from the Åland Index and Statistics Sweden, as well as the outstanding loan volume. Loan volume refers to the loan amount in the balance sheet as of December 31 of each year. Because overall sector-specific emission factors are applied to all customers and there is some uncertainty about the information on customers' sectoral affiliation, estimated emissions from the corporate loan portfolio should be regarded as indicative.

Loans for financial investments and private consumption

Emissions from loans for financial investments and other private consumption employ estimates based on loan volume and emission factors. In the case of loans for financial investments, average issuance factors from the Bank's mutual funds are used, and for private consumption, the Åland Index emission factor is used.

Calculation method for greenhouse gas emissions from financial investments

Emission calculations for financial investments include equities, bonds, mutual funds, physical properties and wind turbines. In these calculations, cash, derivative contracts, commercial paper, residential real estate that do not have energy certification and plots of land have been excluded. The emissions of the invested issuers are share-weighted per holding as of December 31, the relevant year. Emissions in 2025 are calculated as an ownership share of each portfolio company's latest reported greenhouse gas emissions. Reported emission data have been used first, and secondly estimated emission data. Intensity metrics are calculated as tonnes of carbon dioxide equivalents divided by the volume of investments used for the calculation in millions of euros.



Equities and bonds

First, each company's reported emissions data are used, through data from third party. Estimated data are used secondarily. The unit is tonnes of CO₂e, and the formula for calculating exposure to companies' total emissions is as follows:

Scope (1, 2 or 3) per EVIC x the market value of our position. Third party estimates that are in line with PCAF are used. Third party's model for Scope 1, 2 and 3 emissions employs estimates created using a machine learning method.

In our equity and fixed income investments, our ambition is to use company-reported emission data as much as possible. However, the data that the companies have officially reported may in turn be based on estimated emission calculations.

The Housing Fund (Bostadsfonden)

The method for calculating emissions from the Housing Fund is based on the energy certificates that have been collected. To calculate the fund's carbon dioxide emissions, the e-number and square metres on each energy certificate are multiplied by a coefficient based on carbon dioxide emissions from electricity and district heating. The energy consumption of homes by energy class is based on the E number on energy certificates. To calculate emissions for the estimated energy consumption in homes, an average emission factor is applied to energy consumption. For the Bank's Housing Fund, emissions have only been calculated within the framework of their own Scope 2. During 2025, the emission calculations for the Bank of Åland's Housing Fund were refined, and the emission factors per energy source were updated to better represent historical years. This has resulted in recalculated historical comparative figures, as described in connection with the table.

The Wind Power Fund (Vindkraftsfonden)

The method for calculating emissions from the Wind Power Fund is based on estimated emissions arising from the construction of wind farms, the period when the wind farms are operational and when they are decommissioned. This is based on their total

emissions over their entire estimated lifetime, which are distributed based on allocation quotas for the specific phases of their life cycle. For the Bank's Wind Power Fund, emissions have only been calculated within its own Scope 3. Historical comparative figures have been adjusted because the calculations have been refined and the emission factor for wind farms has been updated.

Calculation method for greenhouse gas emissions from the Treasury portfolio

Emission calculations for the Treasury portfolio include cash positions in central banks and bonds. Emissions in the invested issuers are ownership-weighted per holdings in the Bank's Treasury portfolio on the reporting date. Emissions data are obtained from the issuers' annual and sustainability reports and cover their Scope 1, 2 and 3. In cases where data are not available from the issuer, estimates have been used. The majority of the collected emission data is expressed in tonnes of carbon dioxide equivalents, but in some cases only information on carbon dioxide emissions is available. This applies to holdings of government securities and estimates using economic activity-based emission factors. In these cases, there is uncertainty regarding the total greenhouse gas emissions to which the issuer contributes. For issuers for which emission figures are only available at group level, the group's emission figures have been adjusted to the share of the issuing entity according to the comparison principle. Intensity measures are calculated as tonnes of carbon dioxide equivalents divided by the volume of holdings used for the calculation, in millions of euros.

If an issuer revises its emission figures for previous years, a corresponding revision is made in the Treasury's emission calculation basis to ensure that emission figures are comparable between different reporting dates.

For Treasury's holdings, there is greater access to publicly published data and only those parts where information is missing are estimated. The calculation methodology is based on the PCAF framework. The calculation procedure is somewhat different

depending on asset category. For corporate bonds, covered bonds and bonds issued by financial institutions and public sector entities, the Bank's financed emissions are calculated by dividing the outstanding amount of the holding by either enterprise value including cash (EVIC) in the case of a public company or by total equity plus debt in the case of a privately held company. This employs an allocation factor that is multiplied by the company's emissions to calculate the Bank's share of the issuer's emissions.

For government-issued holdings, the Bank's financed emissions are calculated by dividing the outstanding amount of the holding by GDP, adjusted for purchasing power parities. This results in an allocation factor that is multiplied by the government's emissions to calculate the Bank's share of the issuer's emissions.

PCAF does not provide any calculation method for holdings issued by municipalities, so here the calculation method for central government-issued holdings has been adapted to be applied to municipalities. This custom calculation procedure is used by MuniFin (Kuntarahoitus). For municipalities, the Bank's financed emissions are calculated by dividing the amount outstanding by estimates of GDP adjusted for purchasing power parities at the municipal level. This allocation factor is then multiplied by the municipality's emissions to calculate the Bank of Åland's share of these emissions.

Green bonds are, for the time being, treated in the same way as traditional bonds in the emission calculations. This represents a deviation from the PCAF methodology, which PCAF accepts in cases where sufficient and reliable data are not available to apply their calculation approach. The deviation is due to the fact that issuers of green bonds typically do not report the actual emissions of the financed projects, but instead disclose avoided emissions.

Treasury's emission reporting is mainly based on emission data obtained from the issuers' annual and sustainability reports, which are ownership-weighted according to the holdings in the Treasury portfolio on the reporting date. Emission data gathered



from annual and sustainability reports is thus considered reliable. However, there is some uncertainty in the emissions data reported by the companies, since we can see large differences in emissions between companies of the same size and with operations in the same sector. This could mean that the companies currently reporting very low emissions are not reporting all their emissions.

For some issuers in which Treasury has invested, emission data is only available at the group level, and emission figures have thus had to be adjusted to the issuing entity's share according to the comparability principle. This means that group figures have been multiplied by the issuing entity's share of the group's balance sheet. This adjustment may give an incorrect picture of the issuing entity's share of total emissions.

In cases where emission data cannot be obtained from public sources, Treasury has produced estimates according to PCAF's proposed method, where estimates are made on the basis of economic activity data. This means that an emission factor for the sector is obtained per unit of revenue and multiplied by the issuer's revenue for which the estimate is made. The Bank's share of the issuer's emissions is calculated by dividing the amount outstanding by the issuer's total equity plus debt. Sectoral emission factors per unit of revenue have mainly been obtained from the IMF Climate Data Dashboard, published in 2018. These estimates include an uncertainty factor, since the emission factors are seven years old and are based on a kind of sector average that does not necessarily correspond to the actual emissions of the issuer for which the estimate is made. In one case, a separate emission factor has been created based on emission data from companies operating in the same sector, since it was obvious that the estimate produced using the IMF emission factor significantly underestimated emissions.

Greenhouse gas intensity based on net revenue

Greenhouse gas intensity per net revenue ¹

Tonnes CO ₂ e/EUR M	2025	2024	% 2025 vs 2024
Location-based total greenhouse gas emissions per net revenue	18,699	14,036	33
Market-based total greenhouse gas emissions per net revenue	18,698	14,036	33

¹ Historical comparative figures have been recalculated. The originally reported 12,978 tonnes CO₂e/EUR M for 2024 have been adjusted to 14,036 tonnes CO₂e/EUR M.

Net revenue used to calculate greenhouse gas intensity per net revenue in million euros can be found in the Group's income statement under the item *Total income*, and is presented in the following table.

Net revenue

EUR M	2025	2024	% 2025 vs 2024
Net revenue used to calculate greenhouse gas intensity	220	216	2
Net revenue (other)	0	0	
Total net revenue (in financial statements)	220	216	2

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

Greenhouse gas mitigation projects financed by carbon credits are interpreted in the Bank of Åland's operations as carbon off-sets, or climate finance as the Bank has called it since a change of method in 2023. The Bank of Åland provides climate financing by purchasing carbon credits outside its own value chain. In 2024, the Bank of Åland's climate financing was incorrectly described as not engaging in greenhouse gas absorption in any form, but what was meant at the time was that the Bank of Åland does not engage in greenhouse gas absorption within its own value chain. The decision on purchases for 2024 was made in early 2025, resulting in the Bank of Åland purchasing climate financing in the form of carbon credits, some of which are greenhouse gas absorption. In 2024, a decision was made to move away from the tonne-for-tonne method and instead focus on the total climate benefit of climate financing. For 2024, the Bank of Åland purchased carbon credits in the following projects at the beginning of 2025:

- Clean water in Kenya through the Solvatten project via project developer Solvatten Sverige
- Management of forest ecosystems in the project *Boreal Mix i Norrlands skogar* through project developer FightCOtwo Sverige
- Carbon dioxide absorption and permanent carbon dioxide capture through Stockholm Exergis' project *Bio Energy with Carbon Capture & Storage (BECCS)*

Solvatten

The project aims to improve access to clean water in areas with inadequate infrastructure through the use of solar heat-based water treatment solutions. These reduce the need of woodfires for heating water, which leads to lower emissions of greenhouse gases and decreased deforestation. Along with the climate benefits, the project contributes to improved health, increased gender equality and lower poverty through minimising risks of disease and freeing up time for women and girls. The project is verified according to the Gold Standard.



Boreal Mix i Norrlands skogar

The project manages the boreal forest system in Sweden with a focus on short-term carbon storage and increased biodiversity. Through long-term agreements and sustainable forestry, the project contributes to maintaining living forest environments and minimising climate impact. Aside from the climate benefit, the project promotes nature conservation, enhances ecosystem services and includes collaboration with Sami villages to create better conditions for reindeer husbandry. The project is verified by Intertek Certification AB.

Bio Energy with Carbon Capture & Storage (BECCS)

The project combines bioenergy with carbon dioxide capture and permanent storage underground. By using biomasses as a renewable resource and capturing carbon dioxide from combustion, emissions are reduced and create negative emission effects. Along with the climate benefit, the project contributes through the generation of heat and electricity while promoting circular solutions through the use of waste products from biomasses. The project follows specific developed processes for monitoring, reporting and verifying (MRV processes) for BECCS.

Carbon Credit Information

1,406 tonnes CO₂e of carbon credits outside the company's value chain are verified against recognised quality standards and cancelled in 2024.

60 tonnes CO₂ carbon credits outside the company's value chain, based on the contractual arrangement with BECCS, are planned to be cancelled in 2029.

The qualitative criteria that the Bank of Åland uses for purchase of carbon dioxide credits are that the project should fulfil several of the global sustainable development goals (SDG) including benefits that combat poverty and promote gender equality, preferably with a focus on energy and water, as well as at least 20 per cent of the budget supporting innovative technology. The Bank of Åland also requires that projects for climate financing

should be subject to approved verification. The qualitative criteria for the chosen projects for 2024 were that they fulfilled these requirements and were verified according to recognised standards Gold Standard, Intertek Certification AB or specially developed MRV processes for BECCS. The calculations of emission reductions and other benefits follow the established and third-party-verified methodologies of the respective project providers, such as the BECCS methodology for the Stockholm Exergi project, the Intertek-validated methodology for the FightCOtwo project, and the Gold Standard methodology Emission Reductions from Safe Drinking Water Supply v1.0 for the Solvatten project.

Of the climate financing projects for 2024, Solvatten was an emissions-reducing project and Boreal Mix and BECCS were absorption projects. Which means 33 per cent of the projects were emission projects and 67 per cent were absorption projects.

Of the absorption projects, Boreal Mix focuses on biogenic carbon sinks, while the BECCS project focuses on a combination of biogenic and technological carbon sinks.

Of the qualitative standards used for the climate-financed projects, 33 per cent of the projects belong to Gold Standard, 33 per cent to Intertek Certification AB and 33 per cent relate specifically to MRV developed for BECCS.

The project Boreal Mix and BECCS are conducted within the EU, which means that 66 per cent of the projects were issued within the EU.

Adjustments in accordance with Article 6 of the Paris Agreement, which are relevant for trade with emission reductions between two countries to avoid double counting, have not been done regarding the carbon credits the Bank of Åland has purchased, and so the adjustment is zero per cent. Such adjustments are not relevant for carbon credits occurring solely within Sweden and would have been relevant only for the Solvatten project in Kenya.

The carbon credits that the Bank of Åland has purchased in the Solvatten project and Boreal mix are cancelled in connection with

the purchase, whereas the BECCS project is planned for the future, as the technology is still under development. The cancellation of BECCS' 60 tonnes CO₂ are planned for 2029.

The Bank of Åland has a goal of achieving zero emissions by 2050 and works with developing strategies that reduce greenhouse gas emissions. The remaining greenhouse gas emissions are not intended to be neutralised by greenhouse gas emissions in the company's own operations and value chain in earlier and later stages. The degree to which climate financing can be used remains unclear, but the Bank devotes itself currently to climate financing solely outside its own value chain.

The Bank of Åland plans to continue with climate financing during 2025 as well, since it is an important part of the strategy and method for target-setting, but it is not yet clear what format the climate financing will take. The focus for 2025 will continue to be to get the most climate benefit from the money invested. Decisions regarding 2025 are expected to be made in 2026.



E4 Biodiversity and ecosystems

Material impacts, risks and opportunities

Material impact areas	Positive impact/ Negative impact/ Risk/Opportunity	Identified place in the value chain	Policy
Direct impact drivers of biodiversity loss – Climate change	Negative impact	Downstream in the value chain through the loan portfolio's corporate lending	
Direct impact drivers of biodiversity loss – Pollution	Negative impact	Downstream in the value chain through customers' financial investments as well as the loan portfolio's corporate lending	Sustainability risk policy

E4-2 – Policies related to biodiversity and ecosystems Financial investments

The Bank of Åland does not yet have a specific policy for biodiversity and ecosystems in its asset management operations. For financial investments, the policy for integration of sustainability risks within investment decisions, investment and insurance advisory services (sustainability risk policy) applies as described under disclosure requirement E1-2. The purpose of the sustainability risk policy is to regulate the Bank's working methods for responsible financial investments and the integration of sustainability risks into investment decision-making processes as well as into financial investment and insurance advisory services at the Bank.

The Bank's sustainability risk policy includes identifying sustainability risks, considering indicators of principal adverse impacts on sustainability factors and ensuring that portfolio companies comply with the norms and guidelines of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions on Labour Standards and the OECD Guidelines for Multinational Enterprises. The Bank reduces its negative impacts on biodiversity and ecosystems through its customers' investments by factoring in sustainability risks and indicator number 7 (operations that negatively affect areas with

sensitive biodiversity) for main negative impacts on sustainability factors, as well as by reviewing and following up compliance with the international principles. The negative impact that can be seen indirectly through pollution within customer's investments, is addressed in the policy through its coverage of negative consequences for sustainability factors. Since this impact is considered indirect downstream in the value chain, the policy covers information on an aggregated basis from reporting companies in the value chain and therefore does not support traceability of products, components or raw materials, nor does it identify production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity. Specific social consequences of biodiversity and ecosystems-related impacts are not covered by the policy, but violation of norms and guidelines are monitored and societal impacts downstream in the value chain are covered indirectly by the policy.

Loan portfolio

Biodiversity is a development area in which the Bank of Åland is at an early stage and sees a need of acquiring knowledge and ensuring data quality. The Bank has identified impacts downstream in the value chain through lending to corporate customers and the

impact seen through climate change and pollution, and since this development work is at a very early stage, there is no policy regarding how biodiversity and ecosystems should be managed in the lending process.

Since the impacts are not seen in its own operational activities but are seen downstream in the value chain through corporate lending and financial investments, the Bank does not have a specific policy to address deforestation, sustainable oceans or sustainable land and agricultural practices, or for the protection of biodiversity and ecosystems that includes operational sites owned, leased or managed in or near a biodiversity sensitive area.

E4-3 – Actions and resources related to biodiversity and ecosystems

Financial investments

The Bank of Åland's investment strategy is to invest in quality companies that are well positioned to meet the challenges of the future in sustainability-related impact areas. In connection with the financial analysis of investment objects such as equities, bonds or mutual funds, the Bank analyses the sustainability-related opportunities and risks that a given investment may entail. The Bank of Åland's method for ongoing review during 2025 is to monitor whether portfolio companies maintain a base level of biodiversity protection, sufficient to avoid serious adverse impacts, by identifying violations of the OECD Guidelines for Multinational Enterprises and the UN Global Compact. As a part of our investment strategy, all the portfolio companies' sustainability risks are analysed and documented, and we thereby strive to support the precautionary approach toward environmental risks from Principle 7 of the UN Global Compact. The Bank of Åland screens compliance with these principles on a quarterly basis via



the third-party supplier (model portfolios, UCITS funds and external mutual funds which the Bank of Åland recommends). The screening covers, among other things, impacts on biodiversity and endangered species, as well as marine biodiversity.

If any existing company holdings are red listed for violating these norms and guidelines and do not show a willingness to change, the holding will be divested within a period of two years after the event was noted. These form the basis for advocacy dialogues and possible exclusions in case of serious violations of these principles and guidelines. The process when violations are discovered is to report them to the ESG committee, which deals with the matter and takes a position on whether the company's actions to rectify the matter are sufficient, whether an advocacy dialogue should be initiated or whether the holding should be divested. During 2025, the review was carried out quarterly, and no red listings were identified and no divestments made.

The Bank's employees work with financial investments as part of day-to-day business operations. Since such actions relate to preventive work that is part of day-to-day operations, significant operating or capital expenditure to implement a specific key action plan has not been allocated to counteract negative impacts on biodiversity and ecosystems caused by our portfolio companies.

The Bank of Åland produces documentation for indicators of principal adverse impacts to sustainability factors and uses it as a foundation to be able to carry out targeted advocacy work in the future. The plan is to focus environmental advocacy work on those companies that have a material negative impact according to indicators 7, 8 and 9 in an effort to reduce this negative impact. Indicator 7 measures operations that negatively impact areas with sensitive biodiversity and thus have a direct connection to the Bank's material impact, but the indicator had low data availability during the year. Indicator 8, which measures emissions to water, and Indicator 9, which measures hazardous waste, are also related to biodiversity through the effect they have on the surrounding environment. The expectation is that data availability will increase in the coming years, but a general time frame for further advocacy

work is difficult to define, since this is an ongoing effort related to different companies that face different conditions.

Key actions planned for the future include developing an analysis to identify negative impacts within biodiversity downstream in the value chain through investments, as well as establishing a biodiversity policy. The Bank of Åland identified the development of a biodiversity strategy for investments as a priority activity during the 2025 financial year, but due to a lack of data availability, the topic is still under development and remains a prioritised activity for the upcoming year.

Loan portfolio

Since the impact on biodiversity and ecosystems through corporate lending has been relatively recently identified, the Bank of Åland did not take any key actions or allocated significant operating or capital expenditures to be able to implement actions relating direct impact drivers of biodiversity loss.

The Bank of Åland has identified a connection to biodiversity through its significant impact area circular economy, which was chosen based on engagement in UNEPFI and the categories listed there. We categorize the impact seen in the circular economy focus area according to ESRS *E1 Climate Change* for energy consumption in buildings and *E4 Biodiversity and ecosystems* regarding companies' waste based on the consequences of the potential pollution. The Bank has a work plan including an ongoing project to expand knowledge in this area and eventually be able to take relevant actions. This circular economy work plan focuses on lending and is designed based on both what is recommended and what is needed through the commitment and adoption of the Principles of Responsible Banking (PRB). According to the circular economy work plan, the Bank of Åland's ambition is to establish relevant measurable goals within the circular economy specifically in regard to lending operations in the future. To do this, it is required that we take a first step to increase the knowledge level and develop good internal expertise and awareness of what a circular economy means and how it can be connected specifically to

the Bank's lending operations. A part of this has been linking the area to climate change and biodiversity. The next step is to develop a baseline, where step three is to identify risks and opportunities in order to then formulate goals. The work of increasing the knowledge level within the area and how it relates to the other impact areas has continued during 2025 and is expected to continue within the relevant areas during the upcoming year.

E4-4 – Targets related to biodiversity and ecosystems Financial investments

The Bank of Åland has no specific target for biodiversity in its asset management operations. One reason why a specific target has not yet been established is that the data quality and coverage for the mandatory indicator 7 (activities that adversely impact biodiversity sensitive areas), within the disclosure on the principal adverse impacts of investment decisions on sustainability factors, is still too low to make it possible to set specific targets. The Bank of Åland's related target is to ensure that violations of international norms and guidelines are not found in our investment products. This target is followed up internally on a quarterly basis by the group's ESG Committee. The target is also monitored per product in SFDR periodic reports, where a sustainability indicator specifies the proportion of companies within the product which have had violations during the financial year. In this way, we aim to ensure that the negative impact we identify through our screening is eliminated as much as possible within in our investment products within the area.

Loan portfolio

Since the biodiversity-related work within the loan portfolio's corporate lending is at a very early stage, the Bank of Åland has set no goals or metrics in the area. The Bank believes that it is important to develop knowledge and then work with concrete targets to be able to follow up on impacts in this area in the future.



E4-5 – Impact metrics related to biodiversity and ecosystems change

Financial investments

The Bank of Åland measures and considers the impact of investments on biodiversity via the mandatory indicator for principal adverse impacts on sustainability factor number 7 (activities that adversely impact biodiversity sensitive areas). The indicator shows the proportion of investments in investment projects located in or near areas with sensitive biodiversity where the investment project's operations have a negative impact on the area. The indicator in 2024 showed that the impact was 100 per cent, which means all the companies reporting have identified such an impact. However, the coverage was only 2 per cent. Since only companies that have identified a negative impact on biodiversity report on this indicator, while companies without such an impact do not report, this leads to a high impact value. Currently, this indicator has low data availability, and the low coverage combined with which companies that report means the indicator is difficult to interpret. We continue to monitor developments in data availability and use the existing data when analysing investment-related opportunities and risks. The indicator is not validated by an external body.

The loan portfolio

The Bank of Åland has identified impacts downstream in the value chain through lending operations and its corporate loan portfolio. For the loan portfolio, there are no metrics at present.



Baltic Sea Project, company-specific topic

Introduction

The Bank of Åland has identified a positive impact through its work with the Baltic Sea Project and the donations made as a part of its social impact activities with the help of customer deposits in the Baltic Sea Account. The Baltic Sea Project is the Bank's initiative, which through funding of different actors, encourages people to develop ideas to improve the condition of the Baltic Sea. The project started in 2014 and since then has contributed financially to improving the well-being of the Baltic Sea. The project has financed both scientific research and practical initiatives that maintain biodiversity.

The Bank of Åland's connection to the Baltic Sea is a natural basis for the sustainability work that is a part of the Bank's core values. The purpose of the Baltic Sea Project is to work for a healthier sea by funding development ideas and raising awareness of the condition of the Baltic Sea. The Bank strives to increase environmental awareness via the Baltic Sea Project, the Baltic Sea Account and the Baltic Sea Card. Through the Baltic Sea Account, we also see that the contributions provided to the Baltic Sea have a positive effect on the environment. The Bank provides an annual sum via the Baltic Sea Project, which corresponds to up to 0.2 percent of the deposits in the Baltic Sea Account. This makes up the basis of our initiative to promote the state of the Baltic Sea and is an important part of the business strategy.

With the Baltic Sea Project, the Bank of Åland contributes to the UN Sustainable Development Goals 6 – *Clean water and sanitation*, 14 – *Life below water*, and 15 – *Life on land*. Through the Baltic Sea Account and the Baltic Sea Project, the Bank and its customers contribute to decreasing pollution in the Baltic Sea by supporting companies and associations, offering them the opportunity to receive funding in order to turn their ideas into reality for a healthier sea.

Guidelines for the Baltic Sea Project

The Baltic Sea Project is the Bank of Åland's initiative that through grants to different actors, encourages people to develop ideas that can improve the condition of the Baltic Sea. The principles that the Bank uses for the work with the project, the distribution of funds as well as the project structure and monitoring, are described in the guidelines for the Baltic Sea Project. The Director of the Baltic Sea Project is responsible for the project. The different applications for funding are assessed by a professional jury that makes its decisions on the individual applications through discussion. The jury decides who will receive funding and how much. The grants are paid out after the project is completed and a final report is submitted.

Financing of different projects contributing to improving the condition of the Baltic Sea are given out in three categories. Private citizens, companies, foundations and research projects that aim to achieve concrete results may apply. The categories are listed below. The Baltic Sea Project finances both scientific research and practical initiatives with development projects connected to the Baltic Sea. Applicants do not need to be established actors within the industry.

Future

The category *Future* funds startup companies and innovation where fresh ideas and the courage to find new ways to improve the condition of the Baltic Sea are the main focus. The category also includes projects that focus on the green transition, on environmental education and raising awareness about the Baltic Sea.

Diversity

The category *Diversity* funds projects that promote biodiversity in the Baltic Sea and counteract the loss of natural values. This

category includes restoration and conservation projects that focus on environmentally friendly agriculture as well as technology that supports biodiversity.

Cleanliness

The category *Cleanliness* funds projects that improve the water quality and the ecosystem's vitality in the Baltic Sea through solutions for removing toxic and harmful substances that don't belong in the Baltic Sea.

Actions and resources relating to the Baltic Sea Project

The Bank of Åland distributes annual donations through the Baltic Sea Project to initiatives that promote the well-being of the Baltic Sea. These donations are the actions taken by the Baltic Sea Project. The development projects that the Bank finances within the Baltic Sea Project are nature conservancy and environmental projects connected to improving the condition of the Baltic Sea. The Bank contributes annually to the Baltic Sea Project with an amount corresponding to maximum 0.2 per cent of customer deposits in the Baltic Sea Account. The geographic scope of the project is the Baltic region, and the year's actors awarded financing were located on the Åland Islands, in Finland and in Sweden.

In 2025, the application period was between 1 January and 28 February, and the companies, associations or private people that were awarded future financing and presented in April are listed in the table under *Forward-looking approved financing*. The tense geopolitical situation in the Baltic Sea region has increased worry over oil disasters in the Baltic Sea, which was apparent as well in the year's applicants, several of which concerned oil spill response. The projects that received financing have two years to turn their ideas into reality following their applications. The actors should then submit a final report after which they will receive the



funding once the project is completed. With the grants paid after project completion and final reports submitted, a number of grant funds were disbursed in 2025, listed in the table under *Results – Projects completed in 2025*. There are also several long-term collaborators who receive support every year, and these are listed under *Long-term partners*. Support to established Baltic Sea actors contributes to long-term impact for the Baltic Sea Project.

Summary of the Baltic Sea Project 2025

Long-term partners receiving funding in 2025

There are a number of long-term partners who receive support annually. In 2025, EUR 130,000 was awarded to the following projects.

Baltic Sea Action Group (BSAG) (EUR 50,000)

The Living Baltic Sea project focuses on protecting the Baltic Sea's biodiversity by creating marine protected areas. The Baltic Sea Project has been a supporter since its start in 2019. The project focuses on identifying and protecting sensitive underwater environments, often in shallow coastal waters with private landowners, to preserve the marine biological biodiversity of the Baltic Sea. An important pilot project within the framework is the protection of 4,800 hectares around the island of Gullkrona in the Archipelago Sea, which is home to several key species such as bladder wrack and blue mussels. The project continues to expand with the protection work for the water area around the island of Jurmo, which started in 2024, through engaging the area's landowners in protective measures in 2025, initiating protective processes and promoting protection of the coastal municipalities' water areas from spring 2025 onward. Key individuals and opinion leaders in the archipelago have been identified and encouraged to participate in the marine protection work.

John Nurminen Foundation (EUR 40,000)

The Bank of Åland supports the work of the John Nurminen Foundation as a main partner. In 2025, this has intensified and

actions increased, to reduce eutrophication from agriculture and food production. In addition, work has continued to reduce eutrophication from forestry and peat harvesting, as well as increased and strengthened actions that promote the natural marine biodiversity.

Race For The Baltic (R4TB) (EUR 40,000)

The overall goal of their various projects is to contribute to a reduction in phosphorus inflows into the Baltic Sea by 500 tonnes of phosphorus per year until 2030. For 2025, the goal was to contribute to a reduction of phosphorus inflows of 10–15 tonnes. By reducing the inflows of excess nutrients into the Baltic Sea, eutrophication and toxic algal blooms will decrease. This will in turn affect the biodiversity in a positive way.

Forward-looking approved financing 2025

During 2025, funding was awarded to 11 projects, which will in total receive funds of EUR 420,000 once the projects are completed.

Concentrations of nanoplastics in the Baltic Sea (EUR 42,000)

The project, in cooperation with the Finnish Environment Institute (SYKE), maps the scope of nanoplastics in the Baltic Sea for the first time. The goal is to improve the condition of the Baltic Sea through researching the extent of nanoplastic pollution and find solutions to stop the pollution.

The Baltic Sea's Young Heroes (EUR 30,000)

The project focuses on increasing the knowledge and awareness of the Baltic Sea among young people, by offering innovative educational materials for free. The goal is to educate 100,000 young people around the Baltic region, creating future sea ambassadors.

A cleaner archipelago (EUR 10,000)

The project's aim is to clean up beaches in the Åland archipelago and teach young people to appreciate and protect the

archipelago. The goal is to decrease the spread of garbage and microplastics in the Baltic Sea and promote environmental awareness among upcoming generations.

Satellite tagging of eiders (EUR 4,000)

The purpose of the project is to collect information on the movement patterns and diving depths of eiders with the help of satellite transmitters to protect them from predators. The goal is to increase the survival of eider ducklings and promote biodiversity. The project is completed with funds distributed in 2025.

KOBRUE (EUR 25,000)

The project focuses on returning Kosköbrunnen lake to its original landlocked state by filling in the canal. The goal is to strengthen the fish stock and increase biodiversity.

Radar to reduce impact on birds from offshore wind power (EUR 65,000)

The project is studying the use of a bird radar system to assess the impact of offshore wind power on birds and prevent bird collisions. The goal is the conservation of bird life and biodiversity by promoting the use of bird radar systems.

Fisheries for the future (EUR 24,000)

The goal of the project is to achieve a common view on the problems and challenges of herring fishing along the coasts of Finland and Sweden. The project aims to create a common position to present to decisionmakers in order to influence the annual fishing quotas.

Improving self-sufficiency, arable land structure and water retention capacity (EUR 50,000)

The project uses the bokashi-method and organic soil improvement products to reduce the nutrient runoff into the Baltic Sea and improve soil structure. The goal is to increase the self-sufficiency of the Åland Islands and create carbon sinks.

**Vertical farming: A new profitable and low-emission activity for farms (EUR 30,000)**

The project develops a technical and commercial solution that makes farms more profitable as food - producing units by cultivating forests on large tracts of farmland. The goal is to reduce phosphorus inflows into the Baltic Sea and support the fight against climate change. Vertical farming is at the heart of the solution and opens new business opportunities for farms.

Development of plant oil-based biogel to combat oil spills (EUR 70,000)

The project develops plant oil-based biogel to combat oil spills, which absorbs the oil and can be collected mechanically. The goal is to create a more effective and environmentally friendly method for combatting oil spills to reduce the environmental impact.

Project Björkskär (EUR 70,000)

The project focuses on promoting marine biodiversity and the green transition by testing innovative methods within offshore wind power infrastructure. The goal is to develop scalable solutions and promote the blue bioeconomy.

Projects completed in 2025 with funds disbursed

	Amount (EUR)
Project Björkskär	70,000
Satellite tagging of eiders	4,000
Sansox	30,000
Stormwater pond in the Museiparken	75,000
Siisti Biitsi	30,000
Lykkan	67,097
Skansen Foundation, Baltic Sea Science Center, Marine Education Center	15,000
Release of cod larvae in Gävle Bay	35,201
Total funds disbursed for projects completed in 2025	326,298

The above list of payments and accruals in 2025 are the main expenses that the Bank of Åland incurred in connection with the Baltic Sea Project. They are not of such a nature that they can be defined as significant operational or capital expenditures.

The target of the Baltic Sea Project

The Bank of Åland's purpose with the Baltic Sea Project is to raise awareness and create incentives for activities by supporting projects that contribute to the well-being of the Baltic Sea. The Bank has no specific measurable time-limited target for the Baltic Sea Project.

Since the Baltic Sea Project by its nature consists of donations to other actors, the Bank does not consider it appropriate to set measurable targets itself regarding the project, but instead assessments are made case by case based on the individual applications. The target itself is to help others achieve their goals. These targets, in regard to the Baltic Sea Project, have been set up as a part of the Bank's voluntary initiative to run the Baltic Sea Project.

The purpose of the initiatives applying for funding of development projects under the Baltic Sea Project must be within the framework of the three different application categories, which are linked to improvement efforts for the Baltic Sea. As described previously, the projects that have their funding approved, have two years to turn their projects into reality after being accepted. Actors must then submit a final report after which their granted funds will be disbursed following completion of the project. Monitoring of projects consists of the submitted final reports with the following disbursement of funds.

These are also used as metrics for assessing the results and suitability of the project. The assessment is not validated by an external body. Funds disbursed in 2025 are listed in the following table and are presented in more detail in the *Summary of the Baltic Sea Project 2025*.

Total payment

EUR	2025	2024
Long-term partners	130,000	270,000
Forward-looking approved financing	420,000	304,000
Disbursements to projects completed	326,298	222,000

The awareness of the Baltic Sea Project is monitored as part of the Bank of Åland's customer survey. Monitoring of awareness of the Baltic Sea Project among the Bank's customers shows that premium customers have a good awareness of the Baltic Sea Project.

Awareness of the Baltic Sea Project among Premium customers ¹

%	2025	2024
Finnish Mainland Business Area (AOF)	96	94
Åland Business Area (AOÅ)	95	89
Sweden Business Area (AOS)	92	87

¹ The percentage corresponds to the proportion of those who responded to the customer survey. For 2025, the response rate was 17 (18) per cent in Finland, 17 (14) per cent on the Åland Islands and 10 (13) per cent in Sweden. The metric is not validated by any external body.



Social sustainability

S1 Own workforce

Material impacts, risks and opportunities

Material impact areas	Positive impact/ Negative impact/ Risk/Opportunity	Identified place in the value chain	Policy
Gender equality and equal pay for work of equal value	Positive impact Negative impact	Own operational activities	Gender Equality and Diversity Policy Ethical Conduct Policy Code of Conduct Compensation Policy
Training and skills development	Positive impact Risk Opportunity	Own operational activities	Guidelines for Knowledge and Skills Guidelines on Learning and Skills
Health and safety with a focus on stress	Negative impact Risk	Own operational activities	Occupational safety and health guidelines

S1-1 – Policies related to own workforce

The Bank of Åland includes its entire workforce, that is both its employees and co-workers in the form of consultants, in chapter S1 Own workforce. In cases where different terms and conditions exist, this is specified in the text.

The Bank of Åland operates on the Åland Islands, on the Finnish mainland and in Sweden and complies with local legislation. Since Sweden and Finland have incorporated the UN Universal Declaration of Human Rights as well as other protections for workers into their legislation, the Bank complies with these through compliance with the law. The Bank has also established several guidance documents relating to its own workforce and is examining the extent to which these are compatible with the UN Guiding Principles on Business and Human Rights. There is no policy that specifies respect for human rights in regard to worker

rights, collaboration with its own workforce on these or other actions to compensate for impacts on human rights, but these are considered to be complied with through compliance with the law, collective agreements as well as collaboration with employees through employee representatives. In the event of a potential violation, the incident is handled through internal procedures for reporting, investigating and rehabilitation. Trafficking in human beings, forced labour and child labour are not explicitly addressed in any policies for its own workforce but are regarded as being avoided through compliance with the law. Within the Bank of Åland, employment security, work hours and freedom of association are regulated according to Finnish and Swedish law. The Bank applies collective agreements for all employees, including part-time and fixed-term employees but excluding consultants, to ensure healthy working conditions regarding all terms of employment.

Ethical conduct policy

The aim of the Bank of Åland's ethical conduct policy is to establish ethical standards and approaches that shall apply to all activities conducted by the Bank of Åland and shall help maintain a high level of trust in the Bank. By establishing basic guidelines for ethical conduct, the Bank wishes to ensure that its actions maintain a high ethical level in compliance with external laws and regulations as well as sound financial market practices. The policy is described in more detail under disclosure requirement G1-1. Since the policy document has been drawn up in line with legal requirements in Finland and Sweden, which have incorporated the UN Universal Declaration of Human Rights in their legislation, it is deemed consistent with internationally recognised human rights principles.

Code of Conduct

The Group's Code of Conduct describes how the Bank of Åland embraces human rights in compliance with the UN Guiding Principles on Business and Human Rights to ensure equal value and freedom for all. Read more about the Bank of Åland's Code of Conduct in chapter G1-1.

Gender equality and equal treatment policy

The Bank of Åland has a Group-wide gender equality and equal treatment policy that covers all employees, including part-time and fixed-term employees and temporary agency workers whose tasks are similar to those of employees. The purpose of this policy is to regulate how gender equality and diversity are to be



conducted at the Bank in order to create an inclusive work culture where differences are viewed as an asset and to ensure that the Bank is an attractive employer. The policy is aimed at removing all obstacles that contribute to preventing employees from utilising their full potential and at ensuring that all employees have equal opportunities for a successful career at the Bank regardless of gender, age, ethnic origin, language, sexual orientation, religion or faith, opinions, political views, trade union activity, family circumstances, state of health or disability. However, the Bank does not make any specific commitments in its policies regarding groups in its own workforce that are particularly vulnerable.

The policy emphasises respect and dignity for all employees, equal treatment in recruitment, and equal pay for equal work. The policy is based on legal requirements for cooperation in Sweden and Finland, and includes guidelines for dealing with discrimination and harassment.

The Managing Director, together with the heads of business areas and corporate units, is responsible for how operations are planned, managed and followed up, as well as for ensuring compliance with legal requirements in each geographic area and ensuring that goals are met. In Finland and Sweden, every employer has a general obligation to promote equality in a targeted and systematic manner. The employer must have an action plan and strategies for measures needed to promote equal treatment. Promotion measures and their impact are to be reviewed in consultation with staff or their representatives. Employees are encouraged to report any irregularities, which are then investigated and rectified according to established procedures. Follow-up also takes place through performance appraisals and employee dialogue to pick up on any risks or opportunities at an early stage. Discrimination is also prevented through tools for working environment reporting, job evaluation, salary surveys and salary reviews. The policy is available internally on the Bank's intranet, so that all employees will have access to it, which is central because all employees have a shared responsibility to comply with the policy.

Compensation policy

The Bank of Åland has a Group-wide compensation policy that applies to compensation for all employees, including members of the Bank's Board of Directors. The policy does not apply to commission payments that are not connected to future risk commitments which may affect the Bank's income statement or balance sheet. The purpose of the compensation policy is to establish the principles that shall apply to compensation for employees of the Bank. The compensation policy constitutes a minimum requirement for everyone in Group companies. The Board of Directors reviews and adopts this policy annually.

Guideline for knowledge and skills

The Bank of Åland, excluding Crosskey, ensures that its own workforce has the right knowledge and skills to be able to properly perform their tasks and assignments in accordance with current external regulations. This is clarified in the Bank's guideline for knowledge and skills. This applies to all employees, including part-time and fixed-term employees and temporary agency workers whose tasks are similar to those of employees. The aim of the guideline is to ensure that the entire workforce will be properly equipped to meet the requirements of their position.

The heads of the Bank's business areas and corporate units have the overall responsibility for ensuring that the employees have sufficient knowledge and skills to fulfil their obligations. The Bank's Swedish branch is affiliated with Swedsec Licensiering AB and thereby undertakes to comply with the regulations established by Swedsec, whose purpose is to ensure an appropriate level of knowledge, regulatory compliance and good ethics among employees in the Swedish financial market. Regarding banking operations on the Åland Islands and in Finland, employees working in tasks related to investment services are required to pass a relevant APV examination for financial advisors and specialists, which is provided through Finance Finland. The Bank has published the guideline internally on its intranet.

Guideline on learning and skills

The Bank of Åland has Group-wide guideline on learning and skills that clarify how the Bank works with and ensures its own workforce's opportunities for learning and professional development aimed at creating good conditions for improving its operations. The purpose of the guideline is to ensure that the entire workforce has the right qualifications to meet the requirements of their position and that all employees have the opportunity for professional development and on-the-job learning. The guideline on learning and skills is applicable to all employees, including part-time and fixed-term employees and temporary agency workers whose tasks are similar to those of employees. The Group's Executive Team and the heads of business areas are responsible for strategies related to learning and skills. The guideline sets out the Bank's strategies to promote professional development and learning among its employees. Promotion measures and their impact are to be reviewed in consultation with the staff or their representatives. The Bank has published the guidelines internally on its intranet to make it available to employees.

Guidelines for working environment

The Bank of Åland has guidelines for the working environment aimed at regulating and clarifying how working environment management is to be conducted at the Bank. Working environment encompasses all factors and conditions in a workplace that affect occupational health and safety. The guidelines thus include workplace accident prevention and guidelines for reporting accidents. The overall goal of working environment management is to systematically promote health factors and prevent risks at work. This includes the physical, the social and the organisational working environment, including harassment. The guideline covers all employees, including part-time and fixed-term employees, but not consultants. It is also supplemented by guidelines for remote work that regulate how employees, not consultants, can exert a greater influence on their working environment. The purpose is to promote better work-life balance. All employees are expected to



actively contribute positively to the working climate, follow established routines, and to be aware of shortcomings in the working environment or colleagues who do not seem to be feeling well, and each manager is responsible for being aware of routines and processes and for being proactive. Human Resources is responsible for ensuring that the guideline is followed and implemented correctly. Within the guideline, the employer has strategies in place to promote employee health and the working environment. These strategies are drawn up in consultation with employees or their representatives. The Bank has published the guidelines internally on the intranet to make them accessible to employees.

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

The Bank of Åland applies collective agreements and collective agreement negotiation occurs between the respective employer and employee organisations. Negotiations that in accordance with collective agreements can be negotiated locally are held between the employer and appointed employee representatives. This ensures that employee interests are safeguarded and considered during negotiation. Collective agreements consist of all negotiations that regulate employment terms for employees within the Group in all the geographic regions. The statutory cooperation ensures that employees' perspectives are taken into account in various cooperation bodies, through employee representatives in the Collaboration Council, the Salary Committee and the Working Environment Committee. Employees appoint representatives to represent them in these bodies, which is the primary point of contact between employers and employees. However, consultants are not represented by the appointed employee representatives.

Contact with representatives takes place as early as possible in matters related to working environment, employment and organisation. The cooperation takes place at the organisational level within each subsidiary, as they are subject to different collective agreements and cooperation bodies. Information from these

cooperation bodies is, where relevant, forwarded to the Group level. Human Resources is responsible for contacts with employee representatives, while the Group's Executive Team is responsible for ensuring that decisions are implemented with different perspectives in mind.

This cooperation complies with Finland's Cooperation Act and also includes policies and action plans on diversity, gender equality, harassment and bullying as well as the Group's Code of Conduct, which covers human rights in accordance with the UN Guiding Principles on Business and Human Rights. Global framework agreements with employee representatives regarding the Bank's own workforce are not relevant for the Bank, since its operations are limited to the Åland Islands, the Finnish mainland and Sweden. The Bank has an ongoing dialogue with employee representatives about the composition of the various cooperation bodies and how their processes will ensure that employees' perspectives are taken into account. In compliance with the Cooperation Act, the two sides establish how their cooperation is to take place and what issues are to be covered. In addition, the Bank conducts ongoing individual performance appraisals and employee surveys where employees can give their views on different areas and situations. Through this dialogue, the Bank expects to gather the views and perspectives of its employees, including those who could be at risk of impacts. Human Resources is responsible for pursuing specific issues, and the Group's Executive Team is responsible for the decisions that are implemented and for ensuring that they take different perspectives into account.

As the work on transition plans is still at an early stage, procedures have not yet been established for engaging with employees regarding potential future impacts on the workforce that may arise from efforts to reduce greenhouse gas emissions and transition to a climate-neutral business. Employees are continuously informed about the plans for transition that are developed.

Training and skills development

Annual performance and development discussions between

employees and their respective immediate supervisor record and document each employee's goals and skills development. Individual meetings between employees and their immediate managers are held at least monthly to, among other things, ensure adequate competence and development. The Bank provides information to newly hired employees on processes for learning and professional development. During the employment information is available on the intranet. In addition, the Bank conducts ongoing surveys in which employees can present their views on their own skills development and anonymously engage in a dialogue with the Bank. Contacts with representatives via the Collaboration Council regarding issues related to training and skills development take place at least annually. Human Resources is responsible for the Bank's contacts with employee representatives, while the Group's Executive Team is responsible for ensuring that decisions are implemented with different perspectives in mind. Managers are responsible for ensuring that performance reviews, development dialogues and individual discussions are held and for assessing the need for individual professional development. The management of processes related to skills development is covered by established policies and guidelines that ensure equal opportunities for skills development and career development for all employees. Through annual statistics, the Bank monitors the implementation of skills-enhancement initiatives with respect to gender, with the aim of minimising the risk of inequality in this area.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

The Bank of Åland has no specifically established remediation procedures but works in compliance with law. The Bank has implemented various systems and tools to ensure a safe and inclusive working climate. This includes statutory cooperation bodies in areas such as occupational safety, a Salary Committee and a Working Environment Committee, which serve as channels for drawing attention to any problems. The Bank also has



guidelines for the working environment, which is described in more detail under S1-1. The overall goal of work environment management is to systematically promote health factors and prevent risks at work. This task includes the physical, the social and the organisational working environment. The Bank's occupational health service, which is operated by a third party, serves as an independent channel for employees to report situations that require action. Managers carry out recurrent performance appraisals with employees, not including consultants. Questions are forwarded to the appropriate forum for further action in order to prevent similar problems from arising and to improve procedures. The employee survey, which does not include consultants, continuously identifies issues related to the work situation around stress, bullying and harassment, as well as issues relating to the physical working environment. These are discussed at employee level and then reported and followed up by various cooperation and decision-making bodies in order to prevent similar problems from arising, thereby improving the Bank's procedures. Cooperation bodies and employee representatives act as channels for employees to call attention to needs. The Bank of Åland does not carry out a systematic evaluation of the adequacy remediation but works on continuous improvements in procedures based on situations that have arisen.

The work with impacts related to gender equality and equal pay for equal or similar work is carried out within the framework of laws and collective agreements. The Bank of Åland works systematically to conduct salary surveys, draw up action plans and carry out salary reviews to ensure that the Bank is a gender-equal and attractive employer. Employees have the opportunity to report dissatisfaction in their own cases of salary reviews to the Bank's Salary Committee. The Salary Committee, which is a forum for the objective handling of salary surveys and salary reviews, investigates cases that arise and takes actions as needed.

The Bank has a work environment reporting system, which is available internally for all employees where they can report environment issues. There is also a whistleblower system available to

the entire workforce within the Group, which is managed by an external party to ensure impartiality. The protection of employee representatives and whistleblowers is regulated by company guidelines, the Cooperation Act and collective agreements. The whistleblowing system is outlined under G1-1, where the Bank's whistleblowing guideline is described. Human Resources is responsible for ensuring that employees are informed about these channels and for following up on issues that arise through employee surveys and other systems. Information on these processes is available on the Bank's intranet, and HR works closely with the occupational health service and employee representatives to identify and address any issues. To ensure that the channels function and that actions taken are effective, the Bank follows up on information from the employee survey, risk assessments, performance appraisals and review meetings. With identified need for improvement, relevant adjustments are made and monitored. For example, information on anonymity is provided in the employee survey to ensure that employees feel comfortable responding.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

During 2025, the Bank of Åland took the following actions to manage significant impacts, risks and opportunities that were identified in relation to its own workforce. In this area, such actions are often of an ongoing and preventive nature in order to maintain a baseline level and ensure that adverse incidents are avoided. Due to the nature of these actions, it is not always possible to see a particularly concrete result from actions undertaken.

During the year, the Bank carried out a major organisational change. The purpose of the change was to create better conditions for meeting future needs by creating a more effective and sustainable organisation, where centralisation and coordination of procedures were the focus. By consolidating decision-making

and creating clearer decision-making processes, the Bank can work in a more unified fashion, so employees have a more structured way of working with increased clarity for roles and responsibilities, as well as greater cross-functional learning opportunities. A more coordinated way of working across organisational boundaries creates better understanding of the whole, which strengthens skills development, cooperation, engagement and well-being.

Gender equality and equal pay for work of equal value

The Bank of Åland works with gender equality issues but also sees a challenge in increasing gender equality. The work with impacts regarding gender equality and equal pay for equal work is carried out within the framework of laws and collective agreements. The Bank applies individual salary setting in accordance with collective agreements, taking into account the difficulty of the work, the skills of the employee and work performance as well as the principle of equal pay for equal work. In 2025, Crosskey implemented the same job evaluation system as the Bank of Åland, so that the entire Group now uses the same system to ensure fair and equal salaries. Job evaluation work helps ensure equal treatment of employees within the framework of job requirements. The Bank has also instituted different training packages for managers to strengthen their skills in fair and balanced salary setting. The job evaluation system covers Bank employees but does not include consultants.

The Group works in accordance with collective agreements systematically to conduct salary surveys, draw up action plans and carry out salary reviews to ensure that the Bank is a gender-equal and attractive employer. Salary surveys and reviews are a statutory systematic tool for potential actions and cover all employees of the Group. The results of systematic management of salary surveys and reviews provide a picture of any unreasonable differences related to pay and gender equality. On this basis, the Bank draws up action plans that enable it to correct any such differences. Feedback on the outcomes of salary surveys and reviews is processed on an ongoing basis in compliance with law



and collective agreements in various cooperation bodies and in the respective management teams. Every year, the Bank's Internal Auditing department carries out a review to ensure that variable compensation takes gender equality into account. The Salary Committee serves as a forum for objectively managing the salary surveys and reviews. Employees can contact this committee regarding perceived inappropriate salaries. The Salary Committee investigates these cases and takes action if necessary. The Bank manages any rectification of unfair pay gaps should they occur, but specific resources are not allocated for this purpose.

Training and skills development

During 2025, the Bank of Åland worked continuously with the learning platform to ensure continuous learning and professional development as well as efficient management of these processes. The system is available to both Group employees and consultants. The work with the learning platform will generally help ensure that employees have equal opportunities for internal skills development. The Bank is dependent on competent personnel and the work with internal skills development is therefore an important preventive measure, while at the same time providing opportunities. External events are not considered to be material in this context. The Bank works systematically with processes, such as performance and development reviews and central training initiatives, to ensure sufficient job skills and professional development. During the year, the Group worked continuously with the introduction process to ensure that new employees were introduced to their jobs in an inclusive way and given good working conditions from the start of their employment. The task of improving the Group's learning platform by adding appropriate content and functionality will remain a priority area over the next few years.

How employees perceive their own opportunities for learning and professional development is regularly measured by the Group's employee survey. To ensure correct and relevant skills and to keep employees committed and motivated, performance

reviews and development discussions are also held during the year for Group employees. Training sessions take place continuously during the year, especially for new employees, in addition to the annual plan for training initiatives. Information and knowledge are systematically provided to managers and employees through training sessions and via the intranet.

Skills development within the Group is monitored at least annually as a key performance indicator. Participation in mandatory internal training aimed at maintaining strong skill sets in each work speciality as well as regulations and safety is followed up annually, and deviations are noted. Statistics produced annually in the skills development field are followed up and reported to the respective management teams. Completion of skills development connected to regulatory compliance is monitored regularly. Ongoing reviews of employees' knowledge and competencies in line with role-specific requirements are conducted by HR, and any action plans are followed up with the manager. Information based on this data is analysed at Group level, and steps can be taken if necessary to ensure well-functioning training and skills development processes.

Health and safety as well as stress

To support the promotion of health factors and prevent risks in the workplace, the Bank of Åland works systematically with processes. These consist of, among other things, regular health examinations and workplace visits in accordance with the occupational health care plan, regular Working Environment Committee meetings, active leadership efforts in the Group and measurement of perceived working environment and stress in the employee survey. The occupational health service and the employee survey are available to all employees, but not to consultants. Consultants are not represented in the Working Environment Committee.

Since 2019, the Bank of Åland has worked with a focus on work culture with the purpose of ensuring a good working environment where employees can contribute and develop. The leadership programme covers all managers employed at the Bank. The

leadership programme is revised yearly and consists of various activities taking place continuously throughout the year, for example through common training opportunities and development in daily work. The work culture is a natural part of leadership and is carried out together by managers and employees at the Bank. During the year, the Bank of Åland worked on leadership and improvements in management support on matters including information and competence around the process for early support in the event of short-term absences. The Bank has also initiated volunteer networking groups, so-called Buddy Groups, for managers with teams and connected to the results of the employee survey. Ongoing work with employee surveys and workplace visits enables the Bank to continuously take action based on the results shown. During the next few years, in addition to the annual processes in this area, the Bank will, among other things, continue to expand its proactive occupational health efforts.

The actions in the area of work environment, health and safety are regulated to a great degree by laws and collective agreements that ensure that processes are followed. Within the Bank of Åland, the health of employees has been identified as a priority area and can be a material financial risk that the Group pays attention to and is therefore incorporated into risk management. Risks in terms of health and safety with a focus on stress do not have the same external connection as, for example, a pandemic, but the focus is on preventive internal activities. The Bank works continuously with evaluating the range of services in the area to ensure a resource-effective way of working that provides results in line with the Group's targets. An activity that the Bank added during the year is the testing and evaluation of a health concept that focuses on mental and physical health. By combining digital and smart tools with expertise from nurses and doctors, a range of complex health data is generated that they use to find the right health initiatives at the right time to prevent illness and health problems.

Where applicable, in the event of any negative impact for an employee, the Group provides support including contact with the occupational health care service, accident insurance, sick pay and



adjustments upon the employee's return to work in compliance with laws and collective agreements. No actual material impacts have occurred during the year, hence no key actions have been taken to provide or enable remedy.

The Group continuously monitors changes in key figures in its employee surveys, including questions related to commitment and leadership, as well as illness statistics. Annual statistics on these areas are monitored and reported to the respective Executive Team, employee representatives and managers. Employee dialogue and any action plans are followed up by HR and managers. The Group's ambition in monitoring wellness factors and health in the ongoing employee survey as well as through work environment management and the structured dialogue between employees and managers is to continuously pick up on improvement needs, ensure well-functioning processes and develop measures to reduce sick leave, accidents and the perception of poor health.

The Bank of Åland also ensures that its business practice do not cause negative impacts on the workforce through dialogue with employee representatives and by monitoring the work environment and employee satisfaction when changes occur. When deciding to terminate business relationships, the consequences for the workforce are taken into account and actions such as reorganising resources or skills development are taken to counteract negative effects. This way of working makes it possible to balance business needs with employees' well-being.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets related to employees' working conditions

Employees' working conditions are reflected in their assessment of the Bank of Åland as an employer. In order to follow up on employees' motivation and working conditions, the Bank of Åland monitors the following key figures:

- The leadership index must be on a par with industry indices. The outcome in 2025 was 8.0 (7.8) compared to our target of 8.2 (8.1) to be equivalent to the survey tool's index for the financial service industry.
- Employee commitment must be on par with industry indices. The outcome in 2025 was 7.6 (7.5) compared to our target of 7.9 (7.7) which is equivalent to the survey tool's index for the financial service industry.
- Employees' willingness to recommend the Bank of Åland as an employer (eNPS) is to exceed industry indices. The outcome in 2025 was 23 (18) compared to our target of 26 (26) which is equivalent to the survey tool's index for the financial service industry.

Through the recurrent employee survey, the work with working-environment and structured dialogue between employees and management, the Bank of Åland can capture the need for development. The key indicators for employees' motivation and working conditions has a connection to the guideline for working environment, the purpose of which is to ensure a safe, inclusive and supportive workplace through systematic work with the working environment and risk-preventive measures. Measuring motivation and working conditions ensures that the policy's goals of health, well-being and other conditions are put into practice. Employees have not been involved in the setting of the targets. The targets are determined annually based on the survey tool's index for the financial industry, and the previously mentioned targets for 2025 were decided at the end of 2024. The conditions affecting these targets are variable, and it is thus not appropriate to set a time for them, but they are updated annually. For this reason, no baseline value, base year or target date has been set. Trends are monitored quarterly through the results of the recurrent employee survey, with findings reported on an ongoing basis to the Executive Management Team. The trend is positive across all three target areas, but levels remain slightly below industry indices.

Gender equality and equal pay for work of equal value

To promote gender equality, the Bank aims for a gender balance of at least 40/60 per cent between employees in the long term, with at least 40 per cent women at Group level. In 2025, 46 per cent of the Bank's employees were women (45) and 54 per cent were men (55). Gender balance is measured annually to monitor progress towards the target, and the outcome for 2025 is in line with the target at Group level.

The Bank of Åland has no Group-wide target for equal pay, but follow-up takes place within each company. The area of equal pay for equal work is regulated by law and collective agreements, which provide the basis for the Bank's level of ambition. A systematic pay survey ensures that the Bank can spot any inappropriate pay differences and take steps through action plans to approach the level of ambition for gender equality. Using a Group-wide method for job evaluation creates greater potential for relevant comparison.

The targets apply to Group employees, not consultants. Equal pay for equal work is an area regulated by laws and collective agreements, which form the basis for the Bank's ambition level. There is no deadline for achieving these objectives, since conditions are variable and it is not appropriate to set a time limit. For this reason, no baseline value, base year or target date have been established. However, the Bank's target is important in order to pursue its long-term ambition. This objective was established years ago, based on the provisions of laws and collective agreements rather than on direct dialogue with employees. Systematic pay surveys (in accordance with collective agreements) ensure that we can identify any unjustifiable salary gaps and take steps to move closer to the target of gender equality through action plans. Monitoring of salary survey and salary review outcomes occurs on an ongoing basis, in compliance with laws and collective agreements, and is handled by various cooperation bodies and the respective management teams. In connection with this, discussions are held on possible introduction of various actions based on the results. At the same time, the Bank is reviewing whether targets need to be adjusted.



Training and skills development

The target of training and skills development at the Bank of Åland is 100 per cent participation in the internal training that is provided to employees on an ongoing basis during the year.

Targets and ambitions in this area refer to Group employees. The target is measured annually, since conditions are variable, and the base year is consequently the current year while a base-line value is missing. It is not considered appropriate to set a more exact date for achieving the target. Instead, the main thing is to pursue the Bank's long-term ambition. To reduce any negative impacts, strengthen positive impacts and manage risks and opportunities in training and skills development, the Group has targets and ambitions for, among other things, participation in mandatory training and performance appraisals, employees' perception of opportunities for personal development and a good job introduction, as well as gender-equal opportunities for career development. The employees have not been involved in setting the targets, but reporting on these targets and ambitions is communicated annually to the employee representatives in the Collaboration Council and to the respective management teams. In this context, discussions are held on the introduction of various measures based on the results. Meanwhile, the Bank is reviewing whether its targets need to be adjusted. Human Resources is responsible for following up on target-setting and thus making suggestions for any adjustments to target formulation.

The result for 2025 was an average participation level of 95 per cent (96) in the internal training courses that were provided to employees during the year, connected to regulations and regulatory requirements. The result deviates from the target of 100 per cent completion, which is partly due to circumstances that are not taken into account, such as long-term absences from work that prevent employees from completing their training. The Bank is working to improve the follow-up process for such circumstances. Participation in compulsory training is followed up on an ongoing basis and in cases of uncompleted compulsory training for reasons other than the earlier mentioned, the Bank will continue with

follow-up and support for the organisation, with the ambition of achieving a higher completion rate in the long term.

In addition to the mentioned target, the Bank of Åland also has the following ambitions regarding training and skills development:

- Ensure that all employees have the competencies and skills required to perform their tasks efficiently and appropriately and in compliance with current regulations
- Promote a learning culture that stimulates innovation, collaboration and continuous learning
- Support each individual's personal and professional development
- Support the organisation in being able to meet changing conditions in the outside world.

The Bank of Åland's ambition in its work with training and skills development is to ensure that all employees have the knowledge and skills required to perform their tasks effectively and in compliance with current regulations, to promote a learning culture that stimulates innovation, collaboration and continuous learning, to support each individual's personal and professional development, and to adapt the Group's skills development strategy to meet its targets and respond to changing conditions in the outside world. By means of continuous measurements using its employee survey tool, the Group monitors whether it is achieving its aim of supporting the personal and professional development of its employees and providing a culture of learning. The Group regularly monitors whether employees possess sufficient knowledge and skills, and takes action accordingly. Through general annual training plans, the Group ensures the appropriateness of the actions taken to adapt its skills development strategy.

The Bank's ambitions in this area are followed up through recurrent employee surveys, a structured process for performance appraisals and ongoing follow-ups and monitoring of the training provided.

The Bank of Åland's targets related to personnel issues as well as employees' working conditions, gender equality and equal pay

for equal work as well as training and skills development are not related to environmental issues.

S1-6 – Characteristics of the undertaking's employees

Number of employees, gender distribution ¹

	2025	2024
	Number of employees (head count)	Number of employees (head count)
Gender		
Male	614	618
Female	524	513
Other	N/A	N/A
Not reported	0	0
Total employees	1,138	1,131

¹ The gender of employees is reported as male, female and not reported. The category "Other" is not applicable according to existing statistics, since in the jurisdictions where the Bank of Åland operates it is not possible to register as belonging to a third gender.

Number of employees by country

	2025	2024
	Number of employees (head count)	Number of employees (head count)
Country		
Finland (included Åland Islands)	908	901
Sweden	230	230
Total	1,138	1,131

Number of employees by region

	2025	2024
	Number of employees (head count)	Number of employees (head count)
Region		
Åland Islands	584	582
Finland	324	319
Sweden	230	230
Total	1,138	1,131

**Contract type by gender**

	2025					2024				
	Female	Male	Other ¹	Not disclosed	Total	Female	Male	Other ¹	Not disclosed	Total
Number of employees	524	614	N/A	0	1,138	513	618	N/A	0	1,131
Number of permanent employees	477	567	N/A	0	1,044	468	558	N/A	0	1,026
Number of temporary employees	19	20	N/A	0	39	15	18	N/A	0	33
Number of non-guaranteed hours employees	28	27	N/A	0	55	30	42	N/A	0	72
Number of full-time employees	482	583	N/A	0	1,065	472	569	N/A	0	1,041
Number of part-time employees	42	31	N/A	0	73	41	49	N/A	0	90

¹ Gender as reported by employees themselves. The gender of employees is reported as male, female and not disclosed. The category "Other" is not applicable according to existing statistics, since in the jurisdictions where the Bank of Åland operates it is not possible to register as belonging to a third gender.

Contract type by region

	2025				2024			
	Åland Islands	Finland	Sweden	Total	Åland Islands	Finland	Sweden	Total
Number of employees	584	324	230	1,138	582	319	230	1,131
Number of permanent employees	541	292	211	1,044	538	276	212	1,026
Number of temporary employees	25	9	5	39	18	10	5	33
Number of non-guaranteed hours employees	18	23	14	55	26	33	13	72
Number of full-time employees	559	296	210	1,065	547	280	214	1,041
Number of part-time employees	25	28	20	73	35	39	16	90

Total number of employees who left the Bank and employee turnover

	2025	2024
Number of employees who left the Bank during the reporting period	78	93
Employee turnover during the reporting period, per cent	7	9

During the year, 78 employees ended their regular employment within the Group. Among the ones who left, 12 retired. In relation to the average number of employees during the year (1,132), this corresponded to an employee turnover rate of 7 percent in 2025 (9).

The rate of employee turnover is calculated as the number of employees who, during the period, have ended their employment (voluntarily or through termination, retirement, or because they passed away) divided by the average number of employees during the year.

Historical comparative figures have been restated due to a revised calculation method for employee turnover, where the denominator has been changed from average FTE to average number of employees.

The reported figures refer to the number of people as of December 31.

The information on the number of employees is also reported in note G11 in the notes to the consolidated financial statements.

**S1-9 – Diversity metrics**

Gender distribution at the highest management level				
	2025		2024	
	Number of employees	%	Number of employees	%
Senior executives				
Women	4	33	5	42
Men	8	67	7	58
Total	12		12	

The highest management level is defined at the Bank of Åland as senior executives, which refers to the Group's Executive Team as well as the Managing Director and Deputy Managing Director of subsidiaries. The figure that is stated refers to the composition of senior executives as of December 31 of each year.

Historical comparative figures have been adjusted in all tables in S1–S9 due to a revised interpretation of the definition.

Gender distribution at the Bank of Åland and Boards of Directors				
	2025		2024	
	Number of people	%	Number of people	%
Managers and supervisors (excluding senior executives)				
Women	63	45	63	45
Men	78	55	77	55
Total	141		140	
Employees excluding managers, supervisors and senior executives				
Women	457	46	445	45
Men	528	54	534	55
Total	985		979	
Total workforce excluding Board of Directors				
Women	524	46	513	45
Men	614	54	618	55
Total	1,138		1,131	
Board of Directors				
Women	3	25	4	31
Men	9	75	9	69
Total	12		13	

The Board of Directors refers to all members of the Board of each company in the Group. The figure that is stated refers to the composition of these Boards as of December 31 of each year. At the Board level within the Group's companies, the gender distribution is 25 percent women and 75 percent men. In ESRS 2 GOV-1, the Board of Directors of the Bank of Åland at the Group level is presented, where the gender distribution is 43 percent women and 57 percent men. For the Group's Board of Directors, the Bank aims for a balanced gender distribution (at least 40/60), but no corresponding target has been established for the subsidiaries.

**Age distribution, entire workforce**

	2025		2024	
	Number of employees	%	Number of employees	%
<30	177	16	197	17
30–50	666	59	623	55
>50	295	26	311	27
Total	1,138		1,131	

Age distribution at Bank of Åland and Boards of Directors

	2025		2024	
	Number of employees	%	Number of employees	%
Managers/supervisors (excluding senior executives)				
<30	5	4	6	4
30–50	94	67	91	65
>50	42	30	43	31
Total	141		140	
Senior executives				
<30	0	0	0	0
30–50	6	50	4	33
>50	6	50	8	67
Total	12		12	
Employees excluding managers/supervisors and senior executives				
<30	172	17	191	20
30–50	566	57	528	54
>50	247	25	260	27
Total	985		979	
Board of Directors				
<30	0	0	0	0
30–50	1	8	2	15
>50	11	92	11	85
Total	12		13	

S1-11 – Social protection

In both Finland and Sweden, employees are covered by social protection against loss of income due to sickness, unemployment, employment injuries, parental leave, and retirement through legislation, collective agreements, and insurance schemes.

S1-13 – Training and skills development metrics**Percentage of employees who participated in regular performance and career development reviews**

%	2025	2024
Employees	78	57
<i>of which women</i>	79	63
<i>of which men</i>	77	53

Statistics on performance and career development reviews are produced from internal systems and consolidated at Group level. The performance and career development review process takes place around the turn of the year (November 2025-February 2026), so conversations may take place during either year. Statistics are based on documented conversations during 2025. The result of the number of performance and career development review conversations in 2025 was affected by the following factors, among others:

- For hourly employees, no reviews take place, but they are included in the number of employees.
- For employees who are on lengthy leaves of absence, no reviews generally take place, but they are included in the number of employees.
- For employees at Crosskey, no formal reviews take place with those who have been with the company for less than 6 months.

Historical comparative figures have been restated due to a changed calculation method for the proportion of women and men.



Training hours per employee

	2025			2024		
	Total training hours ¹	Number of employees	Average per individual	Total training hours ¹	Number of employees	Average per individual
Managers/supervisors and senior executives						
<i>of which women</i>	904	67	13	705	67	11
<i>of which men</i>	771	86	9	1 252	85	15
Total	1,674	153	11	1,957	152	13
Employees excluding managers/supervisors and senior executives						
<i>of which women</i>	3,181	457	7	4,964	446	11
<i>of which men</i>	4,521	528	9	8,931	533	17
Total	7,702	985	8	13,896	979	14
Employees						
<i>of which women</i>	4,085	524	8	5,669	513	11
<i>of which men</i>	5,292	614	9	10,183	618	16
Total	9,376	1,138	8	15,852	1,131	14

¹ Including introductory training for new employees.

Training hours consist of hours reported in our internal learning platforms as well as manual reporting of internal and external training programmes. On average, an employee at the Bank of Åland participated in 8 hours of training in 2025. 63 per cent of all training hours were in the areas of regulatory requirements and security. Calculations related to training and skills development have not been validated by any external body other than the Bank's assurance provider.

S1-14 – Health and safety metrics

Percentage of own workforce covered by the Bank's occupational health and safety management system due to legal requirements and/or recognised standards or guidelines

100 percent of the 1,138 employees of the Bank of Åland were covered by the company's occupational health and safety management system in 2025, as was also the case in 2024.

Number of fatalities caused by work-related injuries and work-related ill health

In 2025, as in 2024, 0 fatalities among the employees of the Bank of Åland were caused by work-related injuries or work-related ill health.

Work-related accidents

During 2025, 19 (19) work-related accidents that had to be recorded occurred at the Bank of Åland. The accident rate for 2025 is 10 per cent (10), seen as the number of cases per million hours worked. Work-related accidents include both accidents at work and while travelling to and from the workplace, since both are included by law in the employer's liability in the jurisdictions where the Bank operates.



S1-16 – Remuneration metrics

Gender pay gap		
%	2025	2024
Unadjusted gender pay gap	15.9	13.3

The gender pay gap is calculated as the gross average hourly pay for male employees minus the gross average hourly pay for female employees, divided by the gross average hourly pay for male employees. The total gender pay gap is unadjusted and does not account for differences in positions held by women and men. Comparable data is available only for the previous year and not for earlier years.

Annual total remuneration ratio		
Ratio	2025	2024
Difference between the highest-paid employee and the median salary	11.7	12.8

The annual total remuneration ratio is calculated as the total annual salary of the company's highest-paid employee divided by the total median annual salary of employees (excluding the highest-paid employee). The calculation of annual salaries includes total direct remuneration to employees, excluding tax-free benefits such as wellness allowances and meal benefits in Finland.

The median annual salary is calculated at the Group level based on the annual salaries of all employees for the respective year, excluding the highest-paid employee. The calculation includes, in addition to full-time employees for the entire year, hourly employees, part-time employees, and seasonal employees. Employees who joined or left during the year, as well as those who were absent for part of the year, are also included. Exchange rates may affect the outcome, as part of the Group's salaries are paid in Swedish kronor rather than euros.

In the previous year, the annual total remuneration ratio was presented as a percentage, whereas it is now presented as a ratio. The calculation method and content remain the same, but the comparative figure from the previous year is now also presented as a ratio to ensure comparability.

Calculations relating to the gender pay gap and the annual total remuneration ratio have not been validated by any external body other than the Bank's assurance provider.



S4 Consumers and end-users

Material impacts, risks and opportunities			
Material impact areas	Positive impact/ Negative impact/ Risk/Opportunity	Identified place in the value chain	Policy
Access to quality information	Negative impact	Downstream in the value chain towards customers based on own operational activities	Ethical conduct policy Code of Conduct Guideline for development of marketing Policy for investment services and products as well as insurance distribution Sustainability risk policy
Access to products and services	Positive impact	Downstream in the value chain towards customers based on own operational activities	Code of Conduct Policy for handling claims and complaints Policy for investment services and products as well as insurance distribution Sustainability risk policy Credit policy
Privacy and risk of data protection incident	Negative impact Risk	Downstream in the value chain towards customers based on own operational activities	External privacy policy Policy for processing personal data Ethical conduct policy Code of Conduct
Fraud against customers and prevention efforts	Negative impact Risk Opportunity	Downstream in the value chain towards customers based on own operational activities	Operational risk policy

S4-1 – Policies related to consumers and end-users

The Bank of Åland sees as one of its most important positive impact areas the offering to its customers of a wide range of financial services that enable them to manage their everyday financial lives and participate in society. There are regulatory requirements, with all private individuals who are legal residents of the European Economic Area being entitled to basic banking services such as cards, accounts and digital services, but in addition, the Bank offers a wide range of other financial services to its customers. However, the Bank of Åland is a niche bank, which is selective in its choice of customers when lending, to ensure the customer's repayment ability. The Bank wants to create a customer relationship that is sustainable in the long term, and there is no specific policy that regulates access to financial services. Instead, the

Bank carries out individual assessments of its customers' needs and situations as part of its personalised advisory services. One important element of this is ensuring that customers receive accurate and qualitative information about financial services, whether it concerns a home mortgage or a financial investment service. In addition to complying with legal regulations, it is important that the Bank devotes itself to responsible lending and financial investments as well as ensures that customers receive the advice they need to meet their own needs.

The Bank of Åland has several policy documents that cover topics relevant to impacts, risks and opportunities for consumers and end-users. Since Sweden and Finland have incorporated the UN Universal Declaration of Human Rights into their legislation, the Bank of Åland respects internationally recognised norms by

complying with Finnish and Swedish regulatory requirements. The Bank is examining the extent to which these policies are compatible with the UN Guiding Principles on Business and Human Rights. During 2025, the Bank did not become aware of any reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving the Bank's consumers and/or end-users downstream in the value chain.

Ethical conduct policy

The Bank of Åland's core values include pursuing long-term relationships with its customers and treating them fairly and correctly, which are included in the ethical conduct policy described under G1-1. This policy is consistent with internationally recognised human rights standards. Through its core values, which include customer service, the policy contributes to ensuring that customers receive correct and transparent information. The policy also helps protect customer's privacy since confidentiality and personal data protection are among the topics covered by the policy.

Code of Conduct

The Bank of Åland values its customer relationships and respects the rights of its customers. The Code of Conduct describes how the Bank embraces human rights in compliance with the UN Guiding Principles on Business and Human Rights to ensure equal value and freedom for all. The Bank's Code of Conduct is described under G1-1, and is also published on the Bank's website so that it is available to customers. The Code of Conduct clarifies how the Bank of Åland runs its business and relationships in a responsible fashion and states, among other things, that customer relations are based on openness, honesty, long-term thinking and respect, which makes possible customers' access to



qualitative information as well as products and services. Furthermore, the Code of Conduct clarifies rules about data protection and confidentiality to protect customers' privacy.

Management of customer fraud

The Bank of Åland has no specific policy regarding the management of customer fraud. Fraud is managed as an external risk within the framework of the policy for operational risks, which is described in section G1-1.

Privacy

The Bank of Åland processes personal data in order to provide its services. The Bank also processes information about its customers' banking transactions, which must be protected under banking secrecy. Ensuring the appropriate processing of this is important in day-to-day operations as well as in the prevention of money laundering, terrorist financing and financial crime, but also to ensure the privacy of customers. The Bank has a policy for handling personal data that is presented in section G1-1. The Bank has an external privacy policy, aimed at registered users including customers, which is published on the website. There, the Bank explains how it handles personal data and how customers' data is protected in accordance with GDPR.

Crosskey, as supplier of IT services, focuses on corporate customers, and its customer base therefore does not consist of consumers. Crosskey does not own end-customer data, and personal data is handled through agreements between Crosskey and its customers, according to the GDPR.

Guidelines for development of marketing

The Bank of Åland has guidelines for the development of marketing, which is relevant for customers' access to qualitative information. Its purpose is to regulate the marketing development process at the Bank and to ensure that all marketing is designed in compliance with sound marketing practices. The message to the recipient must be correct, clear and concise, as well as well-justified and not providing false associations. The end-product of

marketing must be approved by each respective marketing and communications manager to ensure sound marketing practices. Available marketing material on financial products and services should be produced in accordance with the marketing guidelines.

Policy for handling claims and complaints

A central aspect of customers' access to financial services that the Bank of Åland offers is correct procedures in the event of a possible complaint. The Bank of Åland has a policy for handling claims and complaints, which is described under G1-1.

Guideline for whistleblowing

The Bank of Åland has a whistleblowing system through which employees and customers as well as other external parties can draw attention to irregularities. The Bank's whistleblowing system and its associated guidelines for whistleblower protection are presented under disclosure requirement G1-1.

Investment services

There are special rules for information and marketing related to the provision of financial investment services and products. Investor protection is largely regulated by law to ensure customers' rights, including through the Markets in Financial Instruments Directive (MiFID), which aims to strengthen investor protection and competition in the European securities market, and the Sustainable Finance Disclosure Regulation (SFDR), which is intended to create transparency for customers regarding the sustainability of financial investment products. The Bank of Åland also has a fiduciary responsibility towards its customers and must guarantee their best interests. The Bank's website contains the information about investment products required by law. There, customers have access to the documents on information about the Bank of Åland and its securities services and on information about customer classification. Available marketing material on investment products should be produced in accordance with the marketing guidelines.

These special regulations regarding information and marketing are relevant for the material impact area *customers' access to qualitative information* as well as *products and services*. This applies also to the policy for investment services and products as well as insurance distribution and for the sustainability risk policy.

Policy for investment services and products as well as insurance distribution

The Bank of Åland has a policy for investment services and products, the main purpose of which is to regulate the provision of financial investment and asset management services and products. The Managing Director is responsible for ensuring compliance with this policy.

Sustainability risk policy

The Bank of Åland has a Group-wide policy for the integration of sustainability risks into investment decisions and into financial investment and insurance advisory services, which is described under E1-2. The Bank's method for reviewing and ensuring that its portfolio companies meet a minimum level of commitments and any exclusions are presented under E1.

Credit policy

One of the Bank of Åland's focus areas within its sustainability strategy is responsible lending, which is also a central part of the material impact on access to products and services. Lending shall be conducted in accordance with the Bank's credit policy and subsequent guidelines. The Bank's credit strategy includes the sustainability strategy and responsible lending, which takes into account the community's development and growth needs related to sound entrepreneurship. There is a focus on assessing a customer's repayment ability, and the Bank puts particular emphasis on safeguarding consumer protection aspects. The Bank's lending shall be conducted in compliance with generally accepted lending practices. Its credit policy is supplemented by guidelines that deal with more concrete impacts and actions. The Managing Director is responsible for ensuring compliance with the policy.



S4-2 – Processes for engaging with consumers and end-users about impacts

All sound banking is based on trust. It takes time and dedication to build trust with new customers and to retain it with existing customers. The Bank of Åland strives for long-term customer relationships and for customers to always feel that they are receiving good service, regardless of the communication channel. The Bank is committed to personal contact with its customers and considers it important that customers have the opportunity to receive personalised service throughout their time as customers of the Bank. Dialogue with customers takes place primarily through physical meetings at our offices, but also via our digital channels, at various customer events and through the Bank's website. The Bank of Åland's digital services are widely used for many day-to-day banking services, but the Bank also has a wide range of local branches that customers are welcome to visit. The Customer Service department is dedicated to handling incoming contacts with customers through the Bank's various communication channels. Regardless of channel, customers should always feel that they are receiving good service. Relationships should be equally strong in each channel, while at the same time taking into account the special strengths that different channels possess. For advisory services, personal meetings are best, while the Internet Office and the Mobile Bank application give customers a clear overview and the opportunity to manage their day-to-day finances smoothly.

The Bank ensures that customers receive correct documentation when signing agreements by providing them with copies of the agreements, related terms and conditions as well as other relevant documents.

There are extensive legal requirements for information to customers regarding investments. The Bank of Åland ensures that customers can access this information on the website, both statutory documents and more marketing-oriented product descriptions. When signing an agreement, the customer receives a copy of the agreements, related terms and conditions as well as other relevant documents.

The Bank conducts customer surveys to monitor the functional suitability of its contacts with customers. Among other things, these surveys measure customer satisfaction. Read more about this under disclosure requirement S4-5.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Bank of Åland has established and implemented procedures to manage and, if necessary, remedy negative impacts on consumers and end-users that may arise as a result of its operations. Processes for handling comments and complaints are established in accordance with Finnish law and the regulations of the Finnish Financial Supervisory Authority. Cases are initially handled at the operational level through contact with the responsible administrator or the relevant Bank office. For situations that cannot be resolved at this stage, there is a formal escalation process that includes the opportunity to submit written complaints to the Bank's Complaints Office, of which the customer is then informed.

Complaints are processed according to established procedures with the aim of providing a response within two weeks. In case of continued dissatisfaction, the Bank offers external channels to provide help. For example, consumers can turn to the Insurance and Finnish Financial Ombudsman Bureau (FINE) or to the Consumer Disputes Board for advice or recommended solution. The case can be adjudicated in court as a last resort.

Information on the handling of feedback and complaints as well as the fundamental rights of customers is available on the Bank's website as well as in product terms and conditions. The Bank has a policy for handling claims and complaints, as described under G1-1. To ensure that customers are aware of their rights and complaint opportunities, they are informed of their rights. Statistics on cases received are followed up on and monitored internally and the Bank's internal audit department objectively monitors the complaints system to ensure compliance with all laws and regulations.

The same process as above is used in cases when customers are victims of fraud.

The Bank of Åland has a whistleblowing system through which customers and employees as well as other external parties can draw attention to irregularities. The functioning of the system is secured through the Bank's internal audit department, which is responsible for follow up, and activity-based notifications ensure that cases are followed up on. The Bank's whistleblowing system and associated guidelines for whistleblower protection are presented under G1-1.

The Bank of Åland has an appointed Data Protection Officer. Data subjects, including consumers and end-users, may contact the Data Protection Officer on any matter related to the processing of their personal data and the exercise of their rights under the GDPR. The Bank's privacy policy is available on its website.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Access to quality information, products and services

The Bank of Åland's strategy includes long-term sustainable customer relationships and ensures that customers receive accurate and qualitative information about financial services. In addition to complying with regulations specified by law, the Bank also wishes to ensure that customers receive the advisory services required to meet their needs. The actions taken during 2025 to ensure that customers received accurate and qualitative information and access to appropriate financial services were of a preventive nature and involved providing concrete and clear information to customers as part of day-to-day operations.

The Bank's activities include offering its customers various banking and financial services. Information about financial services is available on the Bank's website and customers receive written information when an agreement is signed, in compliance with current regulations.



As a part of the long-term sustainable customer relationship, the Bank engages in responsible lending in accordance with the credit policy described under disclosure requirement S4-1. Such responsible lending is a matter of continuous prevention and maintenance rather than specific targeted actions. The key actions taken during the financial year are the same as previous years and planned for the coming year. These actions refer to how responsible lending to customers is responsible banking in accordance with standard practice. The area is to a great extent regulated by law when it comes to risk assessments and controls as well as standard practice within the banking sector. To ensure responsible lending, the Bank's lending shall be conducted according to good lending practices. Before a loan is approved to a private person, an assessment is made of their ability to repay. The overall picture of the customer's financial situation that is drawn up is a preventive measure to reduce the risk of the customer becoming over-indebted. A credit check is carried out in all business areas to ensure the customer can make repayment and is creditworthy. To do this, credit check functions available to the Bank's business areas are used. To assess the customer's repayment ability, a credit check using an individual budget and stress test of the customer's ability to handle a higher interest rate than the actual loan is done as a preventive measure.

The Bank of Åland's website provides the information about investment products required by law. Customers have access to the documents on Information about the Bank of Åland and its securities services and on Information about customer classification. In compliance with the MiFID framework, investment customers are classified under the categories non-professional, professional or eligible counterparty in order to adapt investor protection and the Bank's obligations to customers according to the individual customer's circumstances. When the Bank provides investment advisory services, the customer receives documentation of the advice provided and on why it is appropriate for the customer, as well as detailed information on the costs associated with the relevant investment services. In addition, customers are informed about how sustainability risks are integrated into

investment decisions in accordance with the SFDR and are asked to provide information on their sustainability preferences. During 2025, the Bank did not take any other specific key actions connected to any specific action plan. The actions taken by the Bank were of an ongoing nature and the same as during previous financial years.

The Bank of Åland's marketing of financial services shall be conducted in accordance with the guideline described under S4-1, follow sound practices and not provide false associations. The Bank did not take any other additional actions whose main objective would be to contribute to better social impacts for consumers and end-users.

The Bank has established and implemented procedures to manage and, if necessary, remedy negative impacts to consumers and end-users that may arise as a result of its operations. This is described under disclosure requirement S4-3 and is done in compliance with the policy for handling claims and complaints described under disclosure requirement G1-1.

Customer satisfaction and propensity to recommend the Bank of Åland is measured by a customer survey and is regarded as a yardstick for how well the Bank lives up to customers' expectations in general and how well the Bank handles the impact topics that have been identified.

In order to ensure that the Bank of Åland's business practices do not cause or contribute to negative impacts on customers, the Bank shall carry out its marketing in compliance with the guideline described under S4-1, follow sound practices and not provide false associations.

In its preparations for this sustainability disclosure, the Bank of Åland has not identified any reports regarding serious human rights issues and incidents related to consumers or end-users.

The Bank's employees work to ensure access to financial products and services and ensure that customers receive accurate information as part of day-to-day operations, and the Bank's Customer Service department is dedicated to working with incoming contacts with customers. Since these actions relate to preventive work that is part of day-to-day operations, no

significant operational expenditure or capital expenditure for the implementation of a specific action plan has been specified.

Privacy

The Bank of Åland primarily protects the privacy of its customers through preventive measures, which are largely regulated by legislation regarding personal data. As a preventive measure, during 2025 employees at the Bank and its fund management subsidiary Ålandsbanken Fondbolag received annual mandatory training on data protection. This digital training focused on the basic principles of personal data processing, the rights of the data subject and data protection work. The purpose of such training is to provide an overview of how personal data is processed within the Bank to meet the requirements of GDPR and other data protection regulations.

When implementing new projects in which personal data processing may occur, procedures are in place to prevent negative impacts. When a new processing of personal data is likely to result in high risk to data subjects, the Bank conducts a data protection impact assessment to measure the impacts on data subjects, the proportionality of the processing and to ensure protection and security processes are in place.

The Bank regulates personal data processing in compliance with the personal data processing policy described under G1-1. In the event of a personal data breach, a notification should be prepared and delivered to the Data Protection Officer. The Data Protection Officer plays a key role in preparing for incident management by advising the responsible employees at the Bank and by monitoring compliance with the General Data Protection Regulation (GDPR). Complaints from customers are dealt with according to established procedures, which are described under disclosure requirement S4-3. These actions not only reduce risks but also contribute to strengthening customers' trust in the Bank of Åland.

Since these actions are a part of the continuous preventive work and are part of day-to-day operations, no significant operational expenditures or capital expenditure for a specific action plan has been specified.



Fraud against customers and fraud prevention efforts

In recent years, there has unfortunately been a risk that customers may be exposed to attempted fraud. This is detrimental to the individual customers who are affected both on a personal and financial level, and it poses a risk as well to the Bank of Åland and society at large. Since fraud schemes often use digital services and customer interaction, the Bank has identified that standard practices within payment and digital channels may contribute to this risk. There are ongoing efforts to try to prevent and stop attempted fraud. Fraud is often used to finance other criminal activities. The Bank of Åland works to combat money laundering and terrorist financing through previously established monitoring, detection and prevention processes.

Since fraud affects a customer's trust in the Bank of Åland, preventive work is necessary. It may also offer an opportunity to avoid costly expenses. The main focus of the Bank's action plan regarding fraud is on reducing its negative impact by limiting damage and, if possible, preventing it completely. During 2025, as in previous years, the Bank's fraud prevention efforts focused on continuous development of detection solutions. The Bank always tries to make customers more aware of fraud scenarios by means of communication through various channels and employee training on fraud-related issues. Communication related to prevention efforts is an important part of combating fraud. Our customers are broadly informed about how best to protect themselves to avoid fraud. The Bank provides information on its website and on the log-in page of its Internet Office. It also organises informational sessions and participates in mailings to the public in cooperation with the police. These key actions carried out in 2025 are targeted to customers, and the Bank intends to continue these efforts going forward. Statistics are monitored to evaluate the effectiveness of the measures taken. The organisation has designated staff to work with this area. Since these actions relate to preventive work that is part of day-to-day operations, no significant operational expenditure or capital expenditure for the implementation of a specific action plan has been specified.

The Bank of Åland has established and implemented procedures to manage and, if necessary, remediate negative impacts on consumers and end-users that may arise as a result of its operations. These procedures are similar for all cases. See the process described under disclosure requirement S4-3.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Customer Satisfaction

The Bank of Åland measures customer satisfaction and has established the following targets.

Customer satisfaction index, CSI: The target is 1 and the outcome for 2025 was 2 (1).

The Bank of Åland's CSI reports the Bank's actual ranking in the Kantar Prospera survey. This customer survey includes various questions that summarise how satisfied customers are with the Bank's overall service offering. The results show the overall ranking in the survey, with a low number corresponding to higher customer satisfaction. The index represents the Finnish operations. Official results are not available for the Swedish operations.

Since the CSI reflects the Bank's ranking position, the outcome for 2025 is that the Bank of Åland came in second place and is therefore Finland's second-best Private Banking provider according to Kantar Prospera's survey. Although the target of achieving first place was not reached, the result demonstrates continued high customer satisfaction within the Bank's core segment.

Net Promoter Score, NPS: The target is an NPS higher than 50. The outcome for 2025 was 55 (53).

In order to calculate the total result, the outcome for each geographic business segment is weighted against total business volume (actively managed assets, lending and deposits from the public). The positive outcome confirms that customers' willingness to recommend the Bank of Åland remains at a consistently high level.

The goal of high customer satisfaction and loyalty is directly connected to the policy's purpose to ensure that the Bank of Åland acts in a professional and fair manner with a focus on the

customer's interest. Through measuring CSI and the willingness of customers to recommend the Bank of Åland (NPS), the Bank monitors how well these principles are complied with and how effective handling of complaints and advice work. The CSI and NPS indexes are regarded as a yardstick for how well the Bank lives up to customers' expectations in general and how well the Bank handles the impact areas that have been identified.

The Bank's target is to be the best market player in the Nordic region, with the most satisfied customers in the Private Banking and Premium Banking segments. The conditions affecting the targets are variable, and it is thus not appropriate to set fixed timeframes for them. The targets are established with customers in mind. The Bank conducts annual customer satisfaction surveys in these segments and reviews and analyses the results with the aim of developing the business.

Privacy

At present, the Bank of Åland lacks a measurable target related to privacy, but the Bank continuously strives to prevent negative impacts on individuals. As part of the Bank of Åland's continuous work, an annual obligatory training on data protection is carried out, aimed at all employees of the Bank. In 2025, 92 per cent of employees completed the training. The training aims to ensure that all processing of personal data done within the Bank of Åland is lawful and fair, and carried out in a manner that is beneficial to people, in accordance with the Bank's policy for personal data processing. By raising the level of knowledge within the organisation, the training contributes to maintaining a high level of security and strengthening trust in the Bank of Åland.

Fraud prevention efforts

The Bank of Åland works continuously to reduce the number of fraud cases. Due to the sensitive nature of the information, we do not publish a specific target related to fraud, but we analyse and monitor various types of statistics internally. The Bank has a zero vision regarding fraud, and its preventive efforts are focused on ensuring that this goal is achieved.



Local community involvement on the Åland Islands, company-specific topic

Introduction

Since 1919, the Bank of Åland has been a part of the community on the Åland Islands– not just as a bank, but as an active member of the community. The Bank of Åland has therefore identified a significant positive impact within local community involvement on the Åland Islands. With its strong local presence, the Bank of Åland can be a positive influence through its operations, collaborations and choice of contractors. The Bank of Åland is one of the largest employers of the Åland Islands and works with many local players. This provides the Bank the opportunity to contribute to employment, strengthen the local economy and support the local associations. This influence is important for our customers, employees and owners – and is therefore a significant part of our sustainability work.

With its local community involvement, the Bank of Åland focuses particularly on supporting initiatives that create meaningful leisure activities for children and young people, strengthen a spirit of community and contribute to a living and attractive Åland Islands. The support is characterised by openness and long-term thinking – where everyone applying for grants has faith in how the process is handled.

Along with local involvement, the Bank of Åland runs the Baltic Sea Project, a separate initiative that works for a healthier Baltic Sea and more sustainable community in the entire region. More about this can be found in the section on the Baltic Sea Project.

Policies for community involvement

Instructions for community involvement and local support

A large part of the Bank of Åland's local community involvement is done through support to associations and organisations on the

Åland Islands. The Åland Business Area has therefore created a document that describes the framework for this work. The support is aimed at umbrella organisations and associations that run locally based leisure activities on the Åland Islands. The Bank of Åland likes to see that the recipient is actively involved in activities for children and young people. The ambition is also to contribute to community and cultural events, since culture promotes health, quality of life and accessibility for everyone. The events and activities that receive support should contribute over the long term to strengthening the attractiveness and offer a positive image of the Åland Islands. The document also contains clear criteria for exclusion. The Bank of Åland does not support activities that are contrary to our core values, for example discriminatory activities, political or religious activities or activities with a high risk of danger for participants or the public. The Director for Åland Business Area is responsible for the area. The instruction document was created to be accessible for external parties seeking support. It is published on the Bank of Åland's website and describes the applicable criteria, how to apply and which types of activities are prioritised.

Purchasing guideline

An important part of the local community involvement on the Åland Islands consists of the Bank of Åland's use of local companies. This is included in the purchasing guideline that aim to clarify the process for purchasing within the Bank of Åland, which occur upstream in the value chain. The guidelines are established by the Managing Director. The basic rule in all procurement is competition on equal terms. Procurement shall be carried out in an appropriate manner from a financial and sustainability perspective. Deviations from this basic rule can be made if the purpose is to

protect the Åland economy and/or if deliveries from another area have a greater environmental impact because of the Åland Islands' geographic location.

Community involvement actions

The Bank of Åland is deeply involved in the Åland Islands community and contributes by supporting culture, sports and studies, among other things. The actions in place are grants made throughout the year to umbrella organisations and associations that are locally based and that run inclusive and high-quality activities. The actions aim to contribute to the local community and voluntary associations, as well as to create meaningful leisure activities, primarily for children and young people. The Bank of Åland likes to see that recipient associations are actively involved in activities for children and youth and work to create equal terms for girls and boys, for example, in training, resources and representation. Along with sports, the Bank supports cultural events that promote health, quality of living and accessibility for all, as well as educational opportunities within schools for young people and digital security training for adults.

Community support also covers stipends to students who are highly engaged, support to social initiatives that promote health and integration, as well as local environmental projects that complement the Baltic Sea Project. All efforts aim to strengthen the attractiveness and contribute to a vibrant, inclusive and sustainable community on the Åland Islands.

The Bank of Åland is a significant employer, particularly in its home market of the Åland Islands. The Bank of Åland contributes to employment with over 500 jobs on the Åland Islands, which makes the Bank of Åland the second largest employer on the Åland Islands. The Bank has during financial year 2025 provided



internships to primary school students and trainee positions to university students who have shown great interest in the Bank of Åland as an employer.

Having the Head Office of the Bank of Åland located on the Åland Islands provides the opportunity to make a positive impact on the community. One ongoing action is the Purchasing Committee's decision on the choice of contractors, as the Bank has a strategy to use local Åland-based suppliers whenever possible and in accordance with policies.

The Bank of Åland's actions connected to the community of the Åland Islands are important for a vibrant community, and the actions described in this section are connected to the Bank's vision that people should want to move to, remain in and return to the Åland Islands.

Since the described actions are ongoing rather than specific key actions, the Bank has not during financial year 2025 allocated significant operating or capital expenditures specifically related to community involvement on the Åland Islands.

Monitoring related to community involvement

The Bank of Åland has not formulated measurable time-related goals for community involvement on the Åland Islands. The Bank's vision is to contribute to a vibrant community so that people remain in, move to and return to the Åland Islands. The Bank of Åland does not have standardised metrics in the form of key ratios but rather reports internally and informally on how funds have been distributed during the year. During 2025, EUR 271,000 was distributed through support and grants to local initiatives. Of these, grants were awarded to 19 sports clubs with youth initiatives, 13 associations without youth initiatives, 15 cultural associations as well as a number of other types of associations. According to the associations' own information, there are 4,046 young people actively involved in their initiatives.

The Bank of Åland also records how many students that attend the Bank's economics lectures; and 135 students in year nine attended these lectures during the year. In addition, of the Åland

Islands' approximately 30 schools, 22 schools have applied for and received stipends for their students. Along with this, the number of cultural and community events that receive support is documented, as well as how funds are disbursed among different community areas such as sports, culture, education, social initiatives and the environment. These indicators are used to ensure that initiatives are relevant, inclusive and in line with the Bank of Åland's vision that people will remain in, return to and engage with the local community on the Åland Islands.



Corporate governance

G1 Business conduct

Väsentlig inverkan, risker och möjligheter			
Material impact areas	Positive impact/ Negative impact/ Risk/Opportunity	Identified place in the value chain	Policy
Corporate culture	Positive impact Negative impact	Own operational activities	Ethical conduct policy Code of Conduct Policy for internal governance and control Market abuse prevention and response policy Policy for the processing of personal data Policy for complaints and complaint handling Crosskey's sustainability strategy and corporate culture
Bribery and corruption, including incidents	Negative impact	Own operational activities	Policy for the identification and combating of bribery and corruption Guidelines for whistleblowing Code of Conduct
Cybersecurity	Negative impact Risk	Own operational activities	Policy for the management of ICT risks Policy for operational risks and guidelines for information security
Financial crime, for example money laundering, terrorist financing	Negative impact Risk	Own operational activities	Policy for anti-money laundering and countering the financing of terrorism Code of Conduct

G1-1 – Business conduct policies and corporate culture

Consolidated sustainability information includes the parent company Bank of Åland Plc (Ålandsbanken Plc) and subsidiaries controlled by the Bank of Åland Plc. The Bank of Åland Group consists mainly of the Bank of Åland, Crosskey and Ålandsbanken Fondbolag. The corporate culture of the Group is described in a consolidated manner, but in some cases separately when differences in operations or governance make it relevant.

Ålandsbanken Fondbolag is a separate limited liability company with its own licences and its own Board of Directors that makes decisions regarding the Group policies that are adopted. Crosskey also has its own Board of Directors that makes decisions regarding the Group policies that are adopted.

The Bank of Åland's corporate culture

The Bank of Åland's three watchwords are ambitious, personal

and responsible. Employees should perform their duties with the requisite skill, care and diligence. An employee's work shall be characterised by professionalism and high ethical standards, and the Group shall actively advocate a high level of ethical conduct for all employees through information and training. Every employee shall keep in mind that their conduct, both at work and privately, can affect the public's view of the Bank. Employees of the Bank shall behave in such a way as to maintain public trust in the Bank and the financial market. The Bank's values and ethical rules of conduct are an expression of a shared approach and shall permeate its operations and provide the basis for its day-to-day work. Its operations must be conducted sustainably in a long-term manner – financially, socially and environmentally.

The Bank of Åland has a corporate culture training course for managers, where they are informed about the Bank's values and leadership, supplemented by a corporate culture guide. To evaluate and promote corporate culture, the Bank has a leadership programme focused on strengthening leadership through training, workshops and other ongoing management information forums. The leadership programme focused on the interaction between corporate culture and the Bank's values connected to behaviour. At our annual leadership forums, issues such as corporate culture and values have been on the agenda, and these are themes we will continue to work on in the coming years. To follow up on our corporate culture and employee well-being, employee surveys are conducted on an ongoing basis.



The Bank measures and analyses the well-being and commitment of its employees over time. In annual performance and development discussions between employees and their respective immediate supervisor, each employee's goals and skills development are discussed. For more information on how the Bank promotes its corporate culture in relation to its staff, see under disclosure requirements S1-1, S1-2 and S1-3.

The Bank of Åland's internal controls, which are carried out via three lines of defence, aim to identify deviations and actions that violate external or internal regulations. Internal controls include systemic controls and manual controls. There are no other established plans for how to detect actions that violate the law, the Bank's Code of Conduct or similar internal rules. If an employee notices a deviation, in compliance with the above-mentioned policies he or she must report it to their immediate supervisor or via the Bank's deviation reporting system or file a whistleblower report. External parties may also file a whistleblower report.

Training in business ethics areas takes place upon new employment and thereafter with different themes from year to year. Training in business ethics is not regulated in a separate policy, there is only a general guideline for training and skills development and it is mentioned in the ethics policy.

The Bank has carried out a risk analysis to assess where in its operations the risk of bribery and corruption is greatest. This analysis assesses the risk of bribery and corruption in different situations. For example, a higher risk has been identified in outsourcing, purchasing, among counterparty managers, in recruitment, in contacts with the public sector and in tasks related to sponsorship or charity.

Crosskey's sustainability strategy and corporate culture

Crosskey Banking Solutions is covered by the Bank of Åland's sustainability strategy to the extent that it deals with social and environmental responsibility, but since Crosskey is active in the information technology (IT) industry rather than its parent company's

banking operations, it has its own sustainability strategy regarding how to deal with responsible business conduct. The purpose of this policy is to ensure that the company is managed in a sustainable manner, where Crosskey's focus areas are operational stability and cybersecurity. As a systems supplier to financial institutions, Crosskey bears a fundamental responsibility to deliver stable and secure systems and services and to ensure the sustainable management of the life cycle of technical equipment. Delivering stable services is critical to maintaining customer trust, which is why there is a clear focus on cybersecurity and data security. The highest level at Crosskey responsible for implementing this policy is the Managing Director.

Crosskey's four watchwords are knowledgeable, positive, helpful and thorough. Crosskey values extensive knowledge and deep specialist expertise in the financial industry combined with IT know-how, with a focus on delivering secure and stable solutions that support long-term sustainable customer relationships. This solution-focused and positive working environment, which prioritises results and well-being, strengthens employees' commitment and their ability to deliver high quality. A flat organisation encourages collaboration and collegial support, creating an inclusive and sustainable corporate culture where everyone can make their voice heard. Integrity is the key to Crosskey's activities. To deliver the safe and reliable services that the financial service industry demands, information and training are important to enable employees to deliver correct solutions down to the smallest details. Crosskey's values and the Group's ethical conduct rules are an expression of a common approach that should permeate the company's operations and provide a basis for its day-to-day work.

Ethical conduct policy

The Bank of Åland's ethical conduct policy aims to establish ethical standards and approaches that shall apply to all its activities and help maintain a high level of trust in the Bank. By establishing basic guidelines for ethical conduct, the Bank wishes to ensure that its actions maintain a high ethical level in compliance with

external laws and regulations as well as sound financial market practices. This policy addresses the material impact areas of corporate culture, bribery and corruption, whistleblowing as well as personal data protection and is relevant as well for customer access to qualitative information. Fundamental values also include customer service, where the Bank strives for long-term relationships with customers and must treat them fairly and correctly. The ethical conduct policy shall be applied by all employees of the Bank and, where appropriate, by members of the Board of Directors. The Board adopts the ethical conduct policy, but responsibility for ensuring that day-to-day operations are conducted in accordance with regulations rests with the respective department and unit heads and the managing directors of subsidiaries.

Code of Conduct

The Bank of Åland has a Code of Conduct, which is published internally and posted on its website. The Code of Conduct is based on applicable external and internal rules, regulations, guidelines and international standards for responsible business, such as the UN Guiding Principles on Business and Human Rights, UN Global Compact and the Finnish Corporate Governance Code. The purpose of the Code of Conduct is to clarify the Bank's way of working and how business and relationships are managed to ensure responsible conduct. Every employee is expected to be familiar with the Code of Conduct and to follow its provisions. The Code of Conduct applies to the entire workforce at the Bank of Åland, from employees to the Executive Team and the Board of Directors. The Code of Conduct applies to the Bank's actions as an employer and as employees, and to relationships with customers, shareholders, investors, suppliers and partners. The Code includes internal rules and principles on responsibility, compliance and obligations, including with regard to the material impact areas of corruption, bribery, financial crime and whistleblowing, but also with regard to customer-related areas such as data protection, confidentiality and customer complaints. The Code also



includes the Bank's watchwords, which are strongly associated with its corporate culture and describes the Bank's sustainability work in the respective sustainability areas. The Bank's values and ethical guidelines are an expression of a shared approach. The Bank's conduct as a responsible market player is based on values, applicable regulations and commitment to various global initiatives such as:

- The United Nations Principles for Responsible Investment (UNPRI)
- The UN Principles for Responsible Banking (UNEP FI)
- The Net-Zero Banking Alliance (NZBA)
- Climate Action 100+
- Science Based Targets initiative (SBTi)

The Managing Director of the Bank of Åland is responsible for producing instructions in specific areas and sectors, as necessary, and for ensuring sufficient structure within the organisation to enable the Bank's Code of Conduct to be implemented in practice.

Internal governance and control policy

The Bank of Åland's internal governance and control policy describes overall principles for organisation, responsibility and reporting structure aimed at promoting a sound corporate and risk culture, while preventing, detecting and remedying undesirable incidents. Through this policy, the Board of Directors shall ensure that employees have the requisite skills, are suitable for their tasks, are committed and understand the importance of internal controls. The Bank shall maintain a risk management framework that covers all material risks, including operational risks; IT and reputational risks; legal risks; conduct risks; compliance risks related to money laundering, terrorist financing and other financial crime; as well as environmental, social and governance risks. The policy regulates how risks in the Bank's operations are to be monitored and clarifies the division of responsibilities and roles in this work to ensure that these are managed and that applicable regulations are complied with. The Bank must have clear and easily accessible internal policies, guidelines and

work instructions to support its operations and provide reporting channels. The Group must ensure that employees are provided with training and information regarding internal regulations. Employees are required to know, understand, and comply with policies and procedures related to their duties and responsibilities. Internal regulations are an important part of the framework for internal governance and control. The Bank shall also be organised based on the principle of three lines of defence, which is the starting point for how responsibility linked to internal governance and control is distributed in the organisation. This means that appropriate and independent control functions are maintained that review, ensure and report whether the internal management and control is well-functioning and effective, and that laws and regulations are followed. This policy covers the Bank of Åland and the Ålandsbanken Fondbolag and is established by the Board of Directors. The Managing Director is responsible for implementation.

Market abuse prevention and response policy

This policy document sets out how the Bank of Åland promotes public trust in the market and prevents market abuse by regulating how insider registers for investment firms and fund management companies are to be administered at the Bank. The document further sets out how Bank employees, certain contractors, financial investment officers, individuals discharging managerial responsibilities, insiders and related parties can trade in financial instruments. Furthermore, the policy includes information on how the Bank stores information on private transactions carried out by the aforementioned persons; and how the Bank detects and reports suspected market abuse through monitoring of trade orders and transactions. The policy covers the entire Group and is established by the Board of Directors. The Managing Director is responsible for implementation.

Policy for anti-money laundering and combating the financing of terrorism

This policy sets out a strategy and overall operating principles for

preventing the Bank of Åland from being used for money laundering and terrorist financing, as well as ensuring compliance with national and international sanctions decisions. The Bank's strategy and objective for such risk management is to identify and assess risks, then take risk-based action aimed at counteracting, preventing and reducing the risk of being exploited for financial crime, money laundering or terrorist financing. With the support of an internal regulatory framework and several model methods, the risk of the Bank being used for money laundering and terrorist financing can be counteracted, prevented and reduced. To assess and manage the risk of money laundering and terrorist financing, the Bank identifies its customers, counterparties and representatives in order to ensure that customer due diligence is achieved and that relevant know-your-customer (KYC) risk factors are identified. The Bank complies with international and national sanction decisions and ensures funds are not transferred or made available to persons or organisations that are on a sanctions list. This policy covers the Bank of Åland and Ålandsbanken Fondbolag and is established by the Board of Directors. The Managing Director is responsible for implementation. Crosskey has adopted the policy and applied relevant parts of it to its operations.

Policy on the identification and combating of bribery and corruption

The Bank of Åland's policy for combating bribery and corruption sets out the task of identifying, counteracting and combating bribery and corruption. It includes practical rules of conduct that apply to Bank employees. The Bank respects the UN Convention against Corruption and Bribery by complying with regulatory requirements in Finland and Sweden. Employees and contractors may not give or receive gifts or benefits that exceed established thresholds. Acceptable gifts and benefits are characterised by being handed over and received openly and without any related obligations or expectations. The policy sets thresholds for acceptable and unacceptable gifts and benefits. It also advises employees on how to assess various situations and provides information



on how to report any suspicions of violations. The policy, which covers the entire Bank of Åland, is established by the Board of Directors and the Bank's Compliance department is responsible for implementing it. Any irregularities are reported in accordance with the guidelines for whistleblowing and are handled according to the same procedures.

Guidelines for whistleblowing

The Bank of Åland works proactively to detect and prevent serious breaches of internal and external regulations or serious misconduct in its operations in order to promote good corporate governance principles and maintain a high standard of business ethics. Preventive work is viewed as a fundamental issue of trust in the Bank. As part of its proactive work, and in compliance with legal requirements, the Bank maintains a reporting channel to draw attention to irregularities, so-called whistleblowing. The purpose of the whistleblowing guidelines, where they are explained, is to describe the procedure for reporting irregularities through the Group's whistleblowing channel. Employees and others working for the Bank can report any suspicions of regulatory violations or serious misconduct in the Group company's operations. In order for employees to feel confidence in the whistleblowing system, the process ensures privacy and freedom from liability, as well as providing protection against retaliation. The guidelines for whistleblowing shall be established and updated regularly by the Managing Director, but responsibility for implementation of the guideline rests with the Bank's Internal Auditing department. Reports of irregularities received through the external system are handled by an internal investigation team. The composition of this team is intended to ensure independence and objectivity. Internal Auditing may, if necessary and while respecting confidentiality, turn to other individuals whose expertise and information are deemed necessary for the investigation of a case.

Policy for handling claims and complaints

The Bank of Åland's policy for handling claims and complaints

regulates how claims and complaints from customers, prospective customers or former customers are to be dealt with in compliance with applicable legislation. In addition to the Bank's obligation to register and report expressions of dissatisfaction from customers, we believe that a good and fair response helps to maintain customers' trust in the Bank. This policy is applied at the Bank of Åland, excluding Crosskey and Ålandsbanken Fondbolag. With regard to claims, units appointed by the Managing Director are responsible for ensuring that the processes and procedures for handling claims are followed.

Ålandsbanken Fondbolag has established its own policy for handling claims and complaints. The purpose of the policy is to regulate how claims and complaints from customers, prospective customers or former customers are to be dealt with at the fund management company. A good and fair response to claims and complaints from customers helps to promote and maintain customers' trust in Ålandsbanken Fondbolag. The company shall thus have effective procedures in place to be able to process complaints about fund operations correctly and as quickly as possible. The Board of Directors of Ålandsbanken Fondbolag establishes the policy on a regular basis and the company's Managing Director is responsible for its implementation and for compliance with the policy.

Cybersecurity

The Bank of Åland's ability to protect itself against cyberthreats is based on a cyber security strategy that consists of identifying, protecting, detecting, reacting and restoring. As a part of this work, the Bank has established a risk assessment framework for information and communication technology (ICT), which includes a policy for the management of ICT risks, as well as guidelines, strategies and areas of responsibility across the Bank of Åland. The purpose of the policy for handling ICT risks is to ensure how the handling of information- and communications-related risks are managed by the Bank in order to maintain digital operational resilience. The policy applies to all of the Bank of Åland and the Managing Director is responsible for

implementation. In addition to our own regulations, we comply with the rules of the Finnish Financial Supervisory Authorities.

The Bank of Åland also has an operational risk policy that establishes principles for the management of operational risks at the Bank of Åland and Ålandsbanken Fondbolag. The policy includes, among other things, information security, continuity and preparedness, as well as security and management of risks based on external factors such as fraud. The Managing Director is responsible for establishing more detailed guidelines and responsibilities and ensuring that these companies have sufficient authority and resources to manage operational risks. The policy is supplemented by guidelines that set out procedures.

The Bank of Åland's information security guidelines establish procedures for ensuring information security at the Bank. Responsibility for information security lies with the Managing Director of each respective company within the Group. Crosskey has a separate guideline, whose purpose is to create direction and support for compliance with information security in keeping with both business and statutory requirements. The guidelines cover all employees at Crosskey as well as external parties.

Processing of personal data

The Bank of Åland processes personal data in order to provide its services. The Bank also processes information about its customers' banking transactions, which must be protected under banking secrecy. Customer knowledge and the ability to ensure this processing are important in day-to-day operations as well as in the prevention of money laundering, terrorist financing and financial crime, but also to respect the personal privacy of customers. The purpose of this policy is to regulate the processing of personal data at the Bank of Åland and to ensure that the General Data Protection Regulation (GDPR) is complied with throughout the Bank's operations. All processing of personal data should be lawful and fair and be carried out in a way that benefits people. The underlying purpose of protecting individuals when processing their personal data is specified in the so-called fundamental



principles set out in the GDPR. By actively ensuring fair treatment and a high level of protection for personal data processing, the risk of violating individual privacy is reduced. This will also strengthen trust in the Bank. The principles must be complied with in all processing of personal data, and the Bank must also be able to show that the principles are followed in its operations. The Data Protection Officer (DPO) monitors compliance and reports to management. The DPO conducts internal controls and holds regular training to ensure that the processing of personal data complies with GDPR and internal regulations. The Managing Director of each respective Bank of Åland company is responsible for compliance with the policy.

The Bank also has an external privacy policy specifically aimed at its customers and published on its website, where the Bank describes its handling of personal data and how customer data is to be protected in compliance with the GDPR.

G1-3 – Prevention and detection of corruption and bribery

The work to identify, combat and counteract bribery and corruption at the Bank of Åland is laid down in an internal set of rules that covers business entertainment, sponsorship and gifts, among other things. The Bank also follows industry-wide recommendations. Bribery and corruption are criminal acts, but the preventive work is in many cases also a matter of trust. As a player in the banking and financial service industry, the Bank is responsible for maintaining a special trust from the public. The Bank's system for preventing and detecting corruption and bribery is based on its three lines of defence, supplemented by training and a whistleblowing system.

The first line of defence includes everyone at the Bank who is responsible for carrying out its day-to-day operational work, while the second line of defence is responsible for supporting the first line of defence in risk and regulatory compliance work, monitoring and challenging the outcome of the organisation's work, continuously following up and evaluating regulatory compliance and risk

exposure. The third line of defence includes the Internal Auditing department, which provides the Board of Directors and the Executive Team with objective, independent assessments of the Bank's activities, operational and management processes, and the Group's risk management, governance and controls.

The main preventive tool is training, and a new training course for employees is planned for 2026. A mandatory digital training course on bribery and corruption was held for all employees in all departments of the Bank of Åland and Ålandsbanken Fondbolag most recently in 2023. Crosskey was not covered by this training, and at present there is no equivalent training at that company. The Group's Executive Team also underwent bribery and corruption training in 2023. Since all Bank employees were covered by this bribery and corruption training, everyone has been covered regardless of the risk level in their operations. The digital training course covered, among other things, the topics of bribery and corruption in the Bank's operating environment, delimitation issues, preventive work, impacts and whistleblowing.

To detect potential incidents, monitoring takes place according to established internal rules, but there is no specific monitoring of gifts. There is an internal system for deviation reporting and a whistleblowing channel through which incidents detected by anyone can be reported. To deal with detected incidents, a process is in place for receiving reports, which are then handled by an independent Internal Auditing investigation team, supported by additional relevant individuals.

Procedures for escalation of cases are documented in the Bank's internal auditing policy and guidelines for internal investigations. Investigation findings that identify significant incidents must be reported without delay to the appropriate decision-maker by the head of the Internal Auditing department or the General Counsel.

The Bank of Åland publishes internal policies on the intranet, where employees have access to them. In the event of changes, employees are informed by a notification on the intranet that updates are available. In conjunction with the update of the policy

during the year, reminders have been sent out to all employees of the Bank of Åland and Ålandsbanken Fondbolag regarding the applicable rules. There are also links to policy documents in the digital training course that is carried out.

Preventive work related to crime-fighting and information security

The Bank of Åland prevents and takes measures to proactively keep the Bank from being used for money laundering, terrorist financing, fraud or corruption. This work is a central part of the Bank's social responsibility and contributes to a long-term sustainable society. Measures to protect information about customers and the Bank are important in combating all forms of financial crime.

The Bank of Åland's ability to protect itself against cyberthreats is based on a risk assessment framework for information and communication technology. The Bank works proactively to combat cyberthreats and raise awareness among employees. The Bank's Information Security Officer and Digital Resilience Officer provide employees and systems owners with support and advice on security issues. In addition to internal regulations, the Bank follows the requirements of the Finnish Financial Supervisory Authorities. An IT audit of selected parts of the Bank's systems is conducted annually and covers the IT controls that are relevant for the external financial reporting. Internal regulations ensure personal data is processed with a good level of security, and processes are in place to prevent access and unauthorised use of both personal data and the equipment used for data processing. During 2025, as in previous years, the focus was on digital operational resilience. The Bank continuously trains its employees in information security.

Crosskey works on a regular basis with cybersecurity on many levels – everything from training its employees and development of ways of working that integrate security, to implementing various technical solutions. The Bank of Åland runs regular security tests in accordance with the Bank's risk assessment framework to ensure that all processes and controls function effectively.



The Bank of Åland aims for a security level at the forefront of the industry to ensure functioning operations. Cyberattacks can lead to serious consequences, which is why the goal is to minimise the risk of financial losses and reputational damage while maintaining strong customer protection.

G1-4 – Incidents of corruption or bribery

Due to the absence of officially reported incidents concerning the Bank of Åland’s employees, information on measures, metrics and targets focuses on prevention and mitigation. With regard to corruption and bribery, employee training is the primary preventive measure. The Bank’s Compliance department has a plan specifying what training should be provided, which includes the area of ethics, including bribery and corruption. Training on corruption and bribery is provided regularly but not according to fixed intervals, and all employees of the Bank of Åland and Ålandsbanken Fondbolag are covered. In 2023, a 30-minute digital training with information on how corruption and bribery are defined and identified within the business was held, as well as information on internal regulations, preventive work and how violations should be reported. The training finished with a final exam. In 2025, no special training in the prevention of corruption and bribery was held, and therefore no statistics are reported. However, a Group-wide training on the Bank of Åland’s Code of Conduct including the subject areas of corruption and bribery is planned for 2026.

Since measures regarding preventive work are part of daily operations, the Bank of Åland has not set significant operational or capital expenditures to carry out a specific action plan for work to combat corruption and bribery.

Measures and targets relating to crime prevention and information security

Due to the sensitive nature of the information, we do not publish specific targets or metrics related to preventive work in regard to cybersecurity as well as financial crime, but various types of statistics are analysed and monitored internally.

Number of incidents, corruption and bribery

2025

The number of convictions for violation of anti-corruption and anti-bribery laws	0
The amount in EUR of fines for violation of anti-corruption and anti-bribery laws	0



Facts on Bank of Åland shares

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Facts on Bank of Åland shares

Share capital

The share capital of the Bank of Åland is EUR 42,029,289.89. The shares are divided into 6,476,138 Series A shares and 8,901,303 Series B shares. Each Series A share represents twenty (20) votes and each Series B share one (1) vote at shareholders' meetings. The Articles of Association stipulate that no representative at a General Meeting may vote for more than one fortieth of the number of votes represented at the Meeting.

In March 2024, the Annual General Meeting decided to authorise the Board of Directors to decide on the issuance of shares, option rights and other special rights entitling their holders to shares, as provided by the Finnish Companies Act, Chapter 10, Section 1. The authorisation concerns Series B shares. The total number of shares that may be issued with the support of the authorisation may not exceed 3,000,000 Series B shares. The authorisation covers one or more issues in exchange for payment or without payment and may also cover divestment of the Company's own shares. The authorisation replaces all of the Annual Meeting's earlier unused authorisations of shares, option rights and other special rights entitling their holders to shares. The Board's mandate is in force until March 26, 2029. So far, 33,434 shares (as of December 31, 2025) have been issued as authorised, and consequently an additional 2,966,566 Series B shares may be issued or divested on the basis of the authorisation.

Shares as part of variable compensation programmes

Newly issued or purchased Series B shares in the Bank are paid as part of the Bank of Åland's incentive programmes. In the spring of 2025, the Bank disbursed 10,522 newly issued Series B shares. In March 2026, about 8,000 Class B shares will be disbursed. Another approximately 12,000 Series B shares will be disbursed as a deferred portion of incentive programmes during the years 2027–2030, provided that the criteria for disbursement are fulfilled. The number of shares will depend on the share price on the disbursement date.

Share savings programme

The Board of Directors of the Bank of Åland approved two share savings programmes for all Group employees, the 2022/2023 and 2023/2024 share savings programmes. The share savings programmes gave employees the opportunity to save part of their monthly salary to invest in the Bank of Åland's Series B shares. Participation in the share savings programme was voluntary. Employees could save a maximum of five per cent of their monthly salary in order to subscribe for twice-yearly targeted issues of Series B shares. The employees were offered the opportunity to subscribe for Series B share at a price that is 10 per cent lower than the average price during the calendar month prior to each respective share issue. The programmes ran for one

year. Three years after each issue, the Bank of Åland will distribute one matching share for each share acquired in the directed issues to those who have participated in the issues and who are still employed by the Group and who have the issued shares in their possession.

Under the 2022/2023 programme, the Bank of Åland issued 18,393 Class B shares in January 2026. Following this issuance, the total number of shares amounts to 15,395,834. The number of matching shares expected to be issued during 2026 and 2027 is estimated at approximately 63,000.

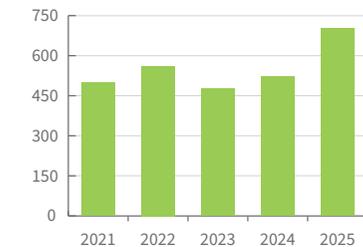
Trading in the Bank's shares

During 2025, the volume of trading in the Bank's Series A on the Nasdaq Helsinki Oy (Helsinki Stock Exchange) was EUR 6.1 M. Their average price was EUR 41.18. The highest quotation was EUR 50.40, and the lowest EUR 34.40. Trading in Series B shares totalled EUR 23.6 million at an average price of EUR 39.34. The highest quotation was EUR 45.70, the lowest EUR 33.20.

On December 31, 2025, the number of registered shareholders was 16,492, and they owned 14,026,683 shares. There was also a total of 1,350,758 shares registered in the names of nominees. The number of directly registered shareholders increased by 10 per cent during 2025.

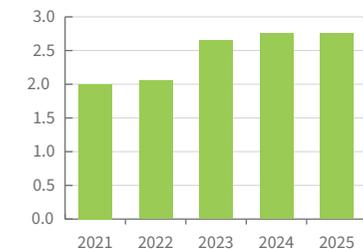
Market capitalisation

EUR M



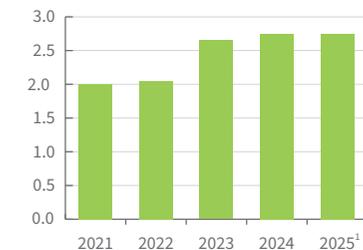
Earnings per share

EUR



Dividend per share

EUR



¹ Proposed by the Board of Directors for approval by the Annual General Meeting.



Changes in share capital

	Share capital, EUR	Number of Series A shares	Number of Series B shares
2025	42,029,289.89	6,476,138	8,901,303
2024	42,029,289.89	6,476,138	8,890,781
2023	42,029,289.89	6,476,138	8,831,649
2022	42,029,289.89	6,476,138	8,777,709
2021	42,029,289.89	6,476,138	9,126,165

The ten largest shareholders

	Series A shares	Series B shares	Total	% of shares	% of votes
1 Wiklöf Anders and companies	1,993,534	1,332,961	3,326,495	21.63	29.77
2 Nordea Bank Abp (nominee registered shares)	2,055	924,129	926,184	6.02	0.70
3 Alandia Försäkrings Abp (insurance company)	754,908	52,632	807,540	5.25	10.95
4 Fennogens Investments S.A.	616,764	165,467	782,231	5.09	9.03
5 Pensionsförsäkringsbolaget Veritas (pension insurance company)	123,668	265,754	389,422	2.53	1.98
6 Chilla Capital	277,500	0	277,500	1.80	4.01
7 Lundqvist Ben	271,295	0	271,295	1.76	3.92
8 Oy Etra Invest Ab (investment company)	0	225,000	225,000	1.46	0.16
9 Svenska Litteratursällskapet i Finland rf (literary society)	208,963	0	208,963	1.36	3.02
10 Nordea Henkivakuutus Suomi Oy	0	176,150	176,150	1.15	0.13

The list also includes group companies of shareholders and owner-controlled companies.

Shareholders by size of holding

Number of shares	Number of shareholders	Total number of shares held	Average holding	Voting power, %
1–100	9,281	345,545	37	1.8
101–1,000	5,957	1,979,413	332	8.0
1,001–10,000	1,144	2,824,107	2,469	11.4
10,001–	110	10,228,376	92,985	78.8
<i>of which nominee-registered</i>		<i>1,350,758</i>		<i>1.5</i>



Shareholders by category

	Number of shares	% of shares
Private individuals	6,112,425	39.7
Companies	4,127,437	26.8
Financial institutions and insurance companies	1,780,361	11.6
Non-profit organisations	619,725	4.0
Government organisations	24,031	0.2
Foreign investors	1,362,704	8.9
Nominee-registered shares	1,350,758	8.8
Total	15,377,441	100.0

Bank of Åland shares traded, Helsinki Stock Exchange

		Thousands of shares	Volume as % of shares	Price paid, EUR: highest/lowest	Average price, EUR
2025	A	149	2.3	50.40–34.40	41.18
2025	B	599	6.7	45.70–33.20	39.34
2024	A	129	2.0	39.60–30.60	34.52
2024	B	495	5.6	38.20–30.90	34.17
2023	A	166	2.6	41.70–30.30	34.17
2023	B	416	4.7	41.60–30.40	34.44
2022	A	283	4.4	40.40–27.30	33.21
2022	B	1,154	13.1	39.60–27.90	33.19
2021	A	321	5.0	33.20–22.40	28.42
2021	B	1,094	12.0	32.20–20.80	26.25



Bank of Åland share data	2025	2024	2023	2022	2021
Number of shares, thousands ¹	15,377	15,367	15,308	15,254	15,602
Number of shares after dilution, thousands	15,480	15,492	15,415	15,321	15,636
Average number of shares, thousands	15,375	15,341	15,292	15,526	15,559
Earnings per share, EUR ²	3.55	3.41	3.18	2.37	2.55
Earnings per share after dilution, EUR	3.53	3.39	3.17	2.37	2.55
Regular dividend per share, EUR	2.75 ³	2.40	2.40	1.60	1.55
Extra dividend per share, EUR	0.00 ³	0.35	0.25	0.45	0.45
Regular dividend as % of profit ⁴	77.5	70.5	75.5	66.4	60.7
Extra dividend as % of profit ⁴		10.3	7.9	18.7	17.6
Equity capital per share, EUR ⁵	21.16	19.95	19.98	18.85	19.39
Equity capital per share after dilution, EUR	21.08	19.87	19.97	18.92	19.41
Market price per share, closing day, EUR					
Series A	46.20	35.00	31.20	37.60	32.60
Series B	45.10	33.10	31.00	36.20	31.50
Price/earnings ratio ⁶					
Series A	13.0	10.3	9.8	15.9	12.8
Series B	12.7	9.7	9.7	15.3	12.3
Effective dividend yield, % ⁷					
Series A	6.0	7.9	8.5	5.5	6.1
Series B	6.1	8.3	8.5	5.7	6.3
Market capitalisation, EUR M	700.6	520.9	475.8	561.3	498.6

1	Number of registered shares minus own shares on closing day	4	Dividend per share Earnings per share	× 100	6	Share price on closing day Earnings per share
2	Shareholders' interest in profit for the accounting period Average number of shares	5	Shareholders' portion of equity capital Number of shares on closing day	× 100	7	Dividend Share price on closing day
3	Proposed by the Board of Directors for approval by the Annual General Meeting					



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Consolidated income statement

Bank of Åland Group		2025	2024
EUR K	Note		
Interest income		155,929	204,091
Interest expenses		-60,778	-99,941
Net interest income	G7	95,151	104,150
Commission income		102,335	91,643
Commission expenses		-16,601	-15,256
Net commission income	G8	85,734	76,386
IT income		33,794	35,076
Net income from financial items carried at fair value	G9	-574	-585
Share of income in associated companies		1,544	745
Other operating income	G10	4,651	581
Total income		220,299	216,353
Staff costs	G11	-95,722	-87,872
Other costs	G12	-43,910	-47,142
Depreciation/amortisation and impairment losses on tangible and intangible assets	G25, G26	-12,020	-12,306
Total expenses		-151,652	-147,319
Profit before impairment losses		68,648	69,033
Net impairment loss on financial assets	G13	-1,445	-4,010
Net operating profit		67,203	65,023
Income taxes	G14	-12,623	-12,767
Net profit for the period		54,580	52,255
Attributable to:			
Non-controlling interests		0	-2
Shareholders in Bank of Åland Plc		54,580	52,257
Earnings per share, EUR	G15	3.55	3.41
Earnings per share after dilution, EUR	G15	3.53	3.39

Consolidated statement of comprehensive income

Bank of Åland Group		2025	2024
EUR K	Note		
Profit for the accounting period		54,580	52,255
Cash flow hedges			
Changes in valuation at fair value		-1,084	1,008
Assets measured via other comprehensive income			
Realised changes in value		2,089	2,819
Transferred to the income statement		-1,631	-1,123
Translation differences			
Gains/losses arising during the period		3,647	-3,655
Taxes on items that have been or may be reclassified to the income statement	G14	125	-541
Items that have been or may be reclassified to the income statement		3,146	-1,491
Changes in value of equity instruments		757	-12,787
Translation differences		2,564	-1,071
Re-measurements of defined benefit pension plans	G43	1,455	963
Taxes on items that may not be reclassified to the income statement	G14	-585	2,981
Items that may not be reclassified to the income statement		4,192	-9,914
Other comprehensive income		7,338	-11,405
Total comprehensive income for the period		61,918	40,850
Attributable to:			
Non-controlling interests		0	-2
Shareholders in Bank of Åland Plc		61,917	40,853



Consolidated balance sheet

Bank of Åland Group		2025	2024
EUR K	Note		
Assets			
Cash and deposits with central banks		214,588	289,877
Debt securities	G19	881,686	804,441
Lending to credit institutions	G20	66,661	30,326
Lending to the public	G21	3,761,765	3,575,645
Shares and participations	G22	39,441	36,646
Shares in associated companies	G23	28,919	7,477
Derivative instruments	G24	25,712	21,614
Intangible assets	G25	23,588	21,227
Tangible assets	G26	47,769	45,337
Investment properties	G26	279	287
Current tax assets		5,188	1,391
Deferred tax assets	G27	7,386	6,828
Other assets	G28	31,336	32,522
Accrued income and prepayments	G29	39,174	51,210
Total assets		5,173,492	4,924,829
Liabilities			
Liabilities to credit institutions	G30	154,333	78,298
Deposits from the public	G31	3,760,459	3,521,392
Debt securities issued	G32	691,455	811,881
Derivative instruments	G24	6,983	4,430
Current tax liabilities		41	2,222
Deferred tax liabilities	G27	33,417	32,695
Other liabilities	G33	53,353	52,468
Provisions	G34	787	2,849
Accrued expenses and prepaid income	G35	53,989	52,119
Subordinated liabilities	G36	32,254	30,514
Total liabilities		4,787,071	4,588,869

Bank of Åland Group		2025	2024
EUR K	Note		
Equity capital and non-controlling interests			
Share capital	G37	42,029	42,029
Share premium account		32,736	32,736
Reserve fund		25,129	25,129
Hedge reserve		-61	807
Fair value reserve		-8,430	-9,402
Translation differences		-7,792	-13,491
Unrestricted equity capital fund		32,515	32,121
Retained earnings		209,250	196,592
Shareholders' portion of equity capital		325,376	306,522
Non-controlling interests' portion of equity capital		15	14
Holders of additional Tier 1 capital		61,029	29,424
Total equity capital		386,420	335,960
Total liabilities and equity capital		5,173,492	4,924,829



Statement of changes in equity capital

Bank of Åland Group												
EUR K	Share capital	Share premium account	Reserve fund	Hedge reserve	Fair value reserve	Translation difference	Unrestricted equity capital fund	Retained earnings	Shareholders' portion of equity capital	Noncontrolling interests' portion of equity capital	Holders of additional Tier 1 capital	Total
Equity capital, Dec 31, 2023	42,029	32,736	25,129	0	-529	-8,979	30,184	185,314	305,885	16	29,424	335,325
Profit for the period								52,257	52,257	-2		52,255
Other comprehensive income				807	-8,873	-4,511		1,172	-11,405			-11,405
Transactions with owners												
Tier 1 capital instrument dividends								-2,008	-2,008			-2,008
Dividends paid to shareholders								-40,662	-40,662			-40,662
Incentive programme							522		522			522
Share savings programme							1,416	517	1,933			1,933
Equity capital, Dec 31, 2024	42,029	32,736	25,129	807	-9,402	-13,491	32,121	196,592	306,522	14	29,424	335,960
Profit for the period								54,580	54,580	0		54,580
Other comprehensive income				-867	972	5,699		1,535	7,338			7,338
Transactions with owners												
Issuance of Additional Tier 1 capital											31,605	31,605
Tier 1 capital instrument dividends								-1,686	-1,686			-1,686
Dividends paid to shareholders								-42,288	-42,288			-42,288
Incentive programme							393		393			393
Share savings programme								517	517			517
Equity capital, Dec 31, 2025	42,029	32,736	25,129	-61	-8,430	-7,792	32,515	209,250	325,376	15	61,029	386,420

For further information about changes in equity capital, see Note G37.



Consolidated cash flow statement

Bank of Åland Group	2025	2024
EUR K		
Cash flow from operating activities		
Net operating profit	67,203	65,023
Adjustment for net operating profit items not affecting cash flow		
<i>Depreciation/amortisation and impairment losses on intangible and tangible assets</i>	12,020	12,306
<i>Net impairment losses on financial assets</i>	1,678	4,243
<i>Unrealised changes in value</i>	3,890	1,733
<i>Accrued surpluses/deficits on debt securities and bonds issued</i>	410	2,481
<i>Defined benefit pension plans</i>	172	206
Income taxes paid	-14,854	-13,264
Increase (-) or decrease (+) in receivables from operating activities		
<i>Debt securities</i>	-72,864	31,316
<i>Lending to credit institutions</i>	2,320	5,105
<i>Lending to the public</i>	-137,424	247,839
<i>Other assets</i>	3,782	45,518
Increase (+) or decrease (-) in liabilities from operating activities		
<i>Liabilities to credit institutions</i>	72,467	-317,361
<i>Deposits from the public</i>	185,402	-42,072
<i>Debt securities issued</i>	-121,130	-20,903
<i>Other liabilities</i>	-6,329	-13,503
Cash flow from operating activities	-3,257	8,667
Cash flow from investing activities		
Investment in shares and participations	-2,041	-3,071
Investment in shares in associates and subsidiaries	-15,640	-
Investment in tangible assets	-4,329	-11,677
Divestment of tangible assets	115	69
Investment in intangible assets	-5,319	-4,214
Cash flow from investing activities	-27,215	-18,893

Bank of Åland Group	2025	2024
EUR K		
Cash flow from funding activities		
Share issue	393	1,937
Issuance of Additional Tier 1 capital	31,605	-
Payment of principal on lease liability	-5,421	-5,412
Dividend paid	-42,288	-40,662
Interest paid on Tier 1 capital instruments	-1,686	-2,008
Total cash flow from financing activities	-17,396	-46,145
Exchange rate differences in cash and cash equivalents	6,520	-1,390
Change in cash and cash equivalents	-41,348	-57,760
Cash and cash equivalents at beginning of year	285,672	343,432
Cash flow from operating activities	-3,257	8,667
Cash flow from investing activities	-27,215	-18,893
Cash flow from funding activities	-17,396	-46,145
Exchange rate differences in cash and cash equivalents	6,520	-1,390
Cash and cash equivalents at end of year	244,324	285,672
Cash and cash equivalents consisted of the following items:		
Cash and deposits with central banks	180,755	259,926
Lending to credit institutions that is repayable on demand	63,569	25,746
Total cash and cash equivalents	244,324	285,672

"Cash and cash equivalents" refers to cash, cheque account with the Bank of Finland, lending to credit institutions that is repayable on demand as well as other lending to credit institutions and debt securities with an original remaining maturity of less than three months as well as claims on public sector entities that are not lending. "Investing activities" refers to payments related to tangible and intangible assets as well as holdings of shares and participations aside from shares intended for trading. "Funding activities" refers to items among equity capital and liabilities that fund operating activities. The analysis was prepared according to the indirect method.

For further information regarding the consolidated cash flow statement, see Note G38.



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Notes to the consolidated financial statements

(EUR K)

G1. Corporate information

The Bank of Åland Plc (Ålandsbanken Abp) is a Finnish public company, organised in compliance with Finnish legislation and with its Head Office in Mariehamn. The Bank of Åland Plc is a commercial bank with a total of 11 offices in Finland and Sweden. Through its subsidiary Crosskey Banking Solutions Ab Ltd, the Bank of Åland Group is also a supplier of modern banking computer systems for small and medium-sized banks.

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

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

A copy of the consolidated financial statements can be obtained from the Head Office or from the Bank's website www.alandsbanken.fi

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

The consolidated financial statements for the financial year ending on December 31, 2025 were approved by the Board of Directors on February 25, 2026 and will be submitted to the 2026 Annual General Meeting for adoption. The Annual General Meeting has the opportunity to adopt or abstain from adopting the financial statements.

G2. Accounting principles

1. Basis for the report

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) that have been adopted by the European Union, as well as interpretations of these. IFRS and interpretations become compulsory for the Bank of Åland's consolidated financial reporting as the European Union approves them. In addition, when preparing the notes to the consolidated financial statements, Finnish company and accounting legislation has also been applied. The consolidated financial statements are presented in thousands of euros (EUR K) unless otherwise stated. The consolidated financial statements have been prepared according to original cost, if not otherwise stated in the accounting principles.

Tables show rounded-off figures on all individual lines, but this means that the rounded-off figures do not always add up to the correct total.

2. Changes in accounting principles

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

Other changes in accounting rules adopted during 2025 have had no major effect on the Group's financial position, earnings, cash flow or disclosures.

2.1. Accounting standards that have been issued but not yet applied

The International Accounting Standards Board (IASB) has published IFRS 18, "Presentation and disclosure in financial

statement"s, which is not yet applied by the Bank of Åland. The standard, which replaces IAS 1, will apply from January 1, 2027 and mainly introduces new requirements for the structure of the income statement and disclosures on certain performance measures. The impact on the presentation of the Group's financial statements is currently being evaluated.

The IASB has published amendments related to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. The amendments primarily provide guidance in the assessment of contractual cash flows in financial assets which include terms and conditions that are dependent on future events and related disclosure requirements. These amendments will apply from January 1, 2026. It has been assessed that the implementation will have no impact on the Group's financial reports.

2.2 Upcoming changes in regulations

A number of new standards and interpretations will enter into force for financial years beginning after January 1, 2026. These upcoming changes in regulations are not expected to have any material effect on the Group's financial position, earnings or disclosures.

3. Significant accounting principles

3.1 Presentation of financial reports

Financial statements consist of a balance sheet, an income statement, a statement of comprehensive income, a statement of changes in equity capital, a cash flow statement and notes. Their purpose is to provide information about the position, financial performance and cash flows of a company that is useful in making economic



decisions. Financial statements also present the results of the management team's administration of the resources entrusted to them.

The Group publishes an interim report for each quarter as well as a complete annual report.

3.2 Principles of consolidation

The consolidated financial statements are prepared in compliance with IFRS 10, "Consolidated financial statements" and encompass the Parent Company, the Bank of Åland Plc – including its Swedish branch, Ålandsbanken Abp (Finland), svensk filial – and all subsidiaries that the Parent Company controls. When assessing whether a controlling interest exists, potential voting rights are considered as well as whether de facto control exists. All intra-Group receivables, liabilities, income and expenses, including dividends and unrealised internal earnings, have been eliminated in the consolidated financial statements.

The proportion of equity capital and profit for the financial year in subsidiaries that is attributable to non-controlling interests are removed and shown as separate items in the Group's income statement and balance sheet. Losses attributable to non-controlling interests are also allocated in cases where non-controlling interests will be negative.

The consolidated financial statements include those associated companies in which the Group owns 20–50 per cent of the voting power or otherwise has significant influence. When consolidating associated companies, the equity method of accounting has been used. When the Group's proportion of an associated company's losses equals or exceeds its holding in the associated company, including any receivables without collateral, the Group recognises no further losses, unless the Group has assumed legal or informal obligations or made payments on behalf of the associated company.

Joint operations and joint ventures are collaborative arrangements in which the Bank of Åland and one or more business partners are entitled to all economic benefits related to an operation's

assets and obligations for its liabilities. Mutual property and housing companies have been classified as joint operations. The Group recognises assets, liabilities, income and expenses based on its proportion of these. All intra-Group receivables, liabilities, income and expenses – including dividends and unrealised intra-Group profits – have been eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associated companies are eliminated to an extent equivalent to the Group's proportion of ownership in the company, but only to the extent that there is no impairment.

3.3 Items in foreign currencies

The consolidated financial statements are prepared in euros (EUR), which is the reporting and functional currency of the Parent Company, Bank of Åland Plc. The functional currency of the Group's operations outside Finland may diverge from the Group's reporting and functional currency. Monetary assets and liabilities in foreign currencies are translated at the exchange rate prevailing on the closing day. Translation differences from equity instruments and debt instruments measured at fair value via other comprehensive income are recognised in "Other comprehensive income". Non-monetary items that are recognised at fair value are translated according to the exchange rate when fair value was established. Other non-monetary items have been translated at the exchange rate on the transaction date.

In the consolidated financial statements, the income statements, other comprehensive income items and cash flow statements of operations outside Finland are translated to euros according to the average exchange rates for the report period. The translation of balance sheet items to euros is performed using the exchange rates on the balance sheet date. The translation differences that arise when translating operations outside Finland are recognised separately in "Other comprehensive income" and are accumulated in a separate component in equity capital known as the translation reserve. When controlling interest ceases, the accumulated translation differences attributable to these

operations are realised, at which time they are reclassified from the translation reserve in equity capital to the income statement.

3.4 Recognition of assets and liabilities in the balance sheet

The purchase and sale of shares, money and capital market instruments and derivatives in the spot market are recognised on the transaction date. Other financial assets and liabilities are normally recognised on the settlement date.

In case of a business acquisition, the acquired business is recognised in the consolidated accounts from the acquisition date. The acquisition date is the date when control over the acquired unit begins. The acquisition date may differ from the date when the transaction is legally confirmed.

Financial assets and liabilities are offset and recognised as a net amount in the balance sheet if the Bank has a contractual or legal right and intention to settle the items with a net amount or to simultaneously sell the asset and settle the liability. Further disclosures about offsetting of financial assets and liabilities are provided in Note G47.

The principles for recognition of assets and liabilities in the balance sheet are of special importance, for example, in the recognition of repurchase transactions, loans for the purchase of securities and leases. See the separate sections on these items below.

3.5 Classification of financial assets and liabilities

3.5.1 General financial assets

Financial instruments are classified in the balance sheet on different lines depending on who the counterparty is, for example the public or a credit institution. If the financial instrument has no specific counterparty, or when it is quoted in a market, these financial instruments are classified in the balance sheet as various types of securities. Financial liabilities where the creditor has a lower priority than others are classified in the balance sheet as "Subordinated liabilities".



3.5.2 Classification and measurement

Financial assets are classified on the basis of the business model that is used by the Bank of Åland to manage the assets and on the basis of their contractual cash flow qualities and are grouped into one of the following categories: measured at amortised cost or measured at fair value through the income statement.

Financial assets are measured at amortised cost when they are held within a business model for the purpose of collecting contractual cash flows and these cash flows are only principal payments and interest on the outstanding amount, such as lending that is part of the Bank of Åland's operational activities. Financial assets are measured at fair value through the income statement if they are kept within a business model for the purpose of both collecting contractual cash flows and sales. A breakdown of the classes of financial assets and liabilities reported in the balance sheet with respect to measurement category is presented in Note G16.

Derivatives are reported on separate lines in the balance sheet together with contractual accrued interest, either as an asset or as a liability depending on whether the contract has a positive or negative fair value. All derivatives are recognised at fair value in the balance sheet. Realised and unrealised gains or losses are recognised in the income statement on the line "Net gains and losses on financial items at fair value". Accounting principles for hedge accounting are applied where derivatives are identified as a hedging instrument. See section 3.8.

Financial assets are recognised in the balance sheet on the transaction date when the purchase contract is signed, aside from contracts in the "loan receivables" measurement category, which are recognised on the payment date. The derecognition of financial assets occurs when the right to receive cash flows has expired or has essentially been transferred to another party. Financial liabilities are derecognised from the balance sheet when the liability ends because the contract has been fulfilled or cancelled.

On the first recognition date, all financial assets and liabilities are recognised at fair value. For assets and liabilities at fair value

via the income statement, transaction costs are directly recognised in the income statement on the acquisition date.

For other financial instruments, transaction expenses according to the effective interest method are included in cost.

Financial liabilities are classified as measured at amortised cost or measured at fair value via the income statement.

3.5.3 Financial assets recognised at amortised cost

Recognised in the category "Financial assets and liabilities recognised at amortised cost" are interest-bearing financial assets that the Group holds as part of a business model whose aim is to hold financial assets for the purpose of receiving contractual cash flows. On predetermined dates, the contractual terms for the financial asset give rise to cash flows that are only payments of capital amounts and interest on the capital amount outstanding. On the first recognition date, these assets are recognised at fair value, including transaction costs directly attributable to the acquisition of the financial asset. Fair value normally consists of the amount paid, including fees and commissions. The accrued cost is the amount at which the financial asset is recognised on the first recognition date minus repayments, plus accrued interest, plus or minus accumulated accruals using the effective interest method on any difference between the original amount and the amount at maturity adjusted for any loss reserve. See also section 3.7 Impairment losses on loans and accounts receivable.

3.5.4 Financial assets and liabilities recognised at fair value via other comprehensive income

Financial assets are measured at fair value through other comprehensive income if they are held under a business model whose objectives can be achieved both by obtaining contractual cash flows and by selling financial assets, and their contractual terms give rise at specified times to cash flows that are only principal payments and interest on the outstanding principal. This measurement category includes debt securities that are initially reported at cost in the balance sheet and are then measured at

fair value. The change in value is reported in other comprehensive income less deferred tax. In the event of divestment or write-down, the share of the accumulated profit that was previously reported in other comprehensive income is transferred to the income statement. Impairment testing of financial assets in this valuation category is carried out according to the model based on expected credit losses. See section 3.7. At the time of divestment, accumulated income previously recognised under other comprehensive income is reclassified to the income statement under "Net gains and losses on financial items at fair value".

The Bank of Åland has made an irrevocable choice to recognise equity holdings in the measurement category "Financial assets recognised at fair value via other comprehensive income". This choice is made investment by investment. Equities are initially recognised at cost and are then measured at fair value. The change in value is recognised under other comprehensive income, minus deferred tax. Upon divestment or de-recognition from the balance sheet, the portion of accumulated income previously recognised under other comprehensive income – the fair value reserve – is transferred to retained earnings. Dividends are recognised in the income statement.

3.5.5 Financial assets recognised at fair value via the income statement

All financial assets that are not classified as measured at amortised cost or fair value via other comprehensive income are measured at fair value via the income statement.

3.5.6 Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include those that are not measured at fair value through the income statement. Such financial liabilities are recognised at fair value on the transaction date, including transaction costs directly attributable to the liabilities, and are thereafter measured at amortised cost calculated according to the effective interest method.



3.5.7 Reclassification of financial instruments

A financial liability is classified at fair value through the income statement if it is classified as a holding for trading purposes or as a derivative, or if it has been identified as such on the first date of recognition. In this category, the Bank of Åland reports derivatives that are not hedged. Financial liabilities measured at fair value through the income statement are recognised on the first accounting date, on the transaction date and in subsequent measurements at fair value and net gains and losses, including interest expenses, are recognised in the income statement. Interest expenses and foreign exchange gains and losses are recognised in the income statement. Gains or losses on removal from accounting are also recognised in the income statement.

3.5.8 Reclassification of financial instruments

Financial assets are generally not reclassified after the first date of recognition. The provisions of IFRS 9 only allow reclassification for certain financial assets and only in rare cases if the Bank of Åland should change its business model for the management of a portfolio of financial assets. No reclassification of financial assets took place during the 2024 financial year. Reclassification of financial liabilities is not permitted after the first date of recognition.

3.6 Principles for recognising financial assets and liabilities at fair value

Fair value is defined as the price at which an asset could be sold or a liability transferred in a normal transaction between independent market players.

The fair value of financial instruments that are traded in an active market is equal to the current market price. Such a market is regarded as active when listed prices are easily and regularly available in a regulated market, trading location, reliable news service or the equivalent, and where the price information received can easily be verified through regularly occurring transactions. As a rule, the current market price is equivalent to the current purchase price of financial assets or the current sale price of

financial liabilities. 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. The measurement models that are used are based on incoming data that in all essential respects can be verified through market observations, for example market interest rates and share prices. As needed, an adjustment is made for other variables that a market player is expected to take into account in pricing. Financial instruments measured with the help of models based on incoming data that cannot be verified using external market figures essentially consist of unlisted shares related to strategic shareholdings. To estimate a non-observable price, the Bank of Åland uses different methods depending on the type of available data. The primary method is based on the Bank's proportion of the net asset value of the company in question or is based on transactions that have been implemented, such as new share issues or prices of similar unlisted shares. If liquid price quotations are not available for shares, their value is determined largely using the Bank's own internal assumptions.

The measurement techniques used are analysis of discounted cash flows, measurement with reference to financial instruments that are essentially similar and measurement with reference to recently completed transactions in the same financial instruments. When using measurement techniques, market quotations are used to the greatest possible extent, but in case this is not possible, estimates are required in order to obtain fair value. See section 4.3. Significant judgements and estimation uncertainty as well as note G17.

Day 1 gains or losses, that is, differences between transaction price and value according to a measurement model that arise on the first recognition date, are recognised in the income statement only in cases where the measurement model is based only on observable market data. Otherwise the difference is accrued over

the lifetime of the financial instrument. There were no Day 1 gains or losses during the accounting year.

3.6.1 Debt securities

Debt securities issued by sovereigns (national governments), as well as covered bonds and corporate bonds, are valued with the help of current market prices. In exceptional cases, corporate bonds may be measured using valuation techniques based on market yields for equivalent maturities, adjusting for credit and liquidity risk.

3.6.2 Equity instruments

Shares listed in an active market are valued at market price. When measuring unlisted shares and participations, the choice of valuation model is determined by what is deemed suitable for that particular instrument. Holdings in unlisted shares mainly consist of shares with a connection to the Bank's business, such as strategic partnerships and holdings in land companies. As a rule, such holdings are valued at the Bank's proportion of net asset value in the company, which is regarded as constituting a reasonable estimate of fair value. In companies that have recently carried out a new share issue without preferential rights based on previous holdings, each share is valued at this issue price, with a deduction for share illiquidity.

3.6.3 Derivatives

Derivatives that are traded in an active market are valued at market price. Most of the Groups derivative contracts, among them interest rate swaps and various types of linear currency derivatives, are measured using valuation models based on market interest rates and other market prices. Valuation of non-linear derivative contracts that are not actively traded is also based on a reasonable estimate of market-based incoming data, for example volatility.

3.7 Impairment losses on loans and accounts receivable

Impairment losses on loans and accounts receivable are



determined according to a model based on “expected credit loss” (ECL). This is based on changes in the credit risk of financial assets and consists of a three-stage model. Stage 1 consists of exposures that are performing without significantly higher credit risk being regarded as having occurred, and where the Bank recognises an impairment corresponding to expected credit losses arising from defaults expected to occur within twelve months. Those exposures that under-perform and are regarded as having a significant change in credit risk are placed in Stage 2. In addition, exposures that have been granted forbearance measures are always placed at least in Stage 2. Loans and accounts receivable that are defined as belonging to Stage 3 undergo impairment testing continuously and individually for each claim. Exposures in Stage 3 fulfil the Group’s default definition, in which an exposure is regarded as in default when a payment related to a significant amount is more than 90 days late. Other situations where the Group regards a credit exposure as in default is when the Bank honours a bank guarantee, the counterparty files for bankruptcy or it applies for debt restructuring. In addition, the Group assesses whether a counterparty should be regarded for other reasons as incapable of paying, which always includes cases where the Bank expands its forbearance measures on behalf of the customer.

By definition, a loan loss provision for Stage 2 or Stage 3 is based on lifetime loan losses, but they differ since Stage 3 exposures always include objective evidence that the receivable has been identified as uncertain. For backward transitions to better stages, the Bank applies cooling off periods. For exposures in Stage 2, due to 30 days of delay, it applies a six-month period and for loans in Stage 3 the Bank applies no cooling off period since there is already a cooling off period in the definition of default. For exposures with forbearance, the Bank applies a cooling off period of 24 months before the exposure can revert to Stage 1, assuming that forbearance measures are no longer in place. The impairment loss model requires reporting of one year’s expected loss from the initial date of recognition, and in case of a significant increase in credit risk, the impairment loss amount must be equivalent to the credit losses

that are expected to arise during the remaining lifetime. A significant increase in credit risk is defined as a significant increase in the probability of a suspension of payment since the first reporting date. The Group assesses a significantly increased credit risk on the basis of a calculation of a relative change in probability of default (PD) for the remaining maturity of three times and an absolute change of at least 10 percentage points.

Provisions for loan losses on financial assets that are measured at amortised cost are made in the balance sheet as a reduction in the recognised gross carrying amount of the asset. Provisions for guarantees issued and unutilised credit lines are recognised as liabilities. Impairment losses on loans and accounts receivable as well as realised loan losses are recognised in the income statement under “Net impairment loss on financial assets”. Financial assets are removed from the balance sheet when the right to receive cash flows from the asset has expired or has been transferred and the Group has transferred virtually all risks and rewards associated with ownership to another party. An actual loss thus means that a loan or trade receivables is finally recorded as an impairment loss when bankruptcy has been confirmed or indigence has been determined as probable. Repayments of previously realised loan losses and recoveries of probable loan losses are recognised as income under “Net impairment loss on financial assets”.

3.7.1 Measurement of expected loan losses

For all exposures, the Group applies a credit rating model for calculating expected loan losses. These calculations are based on internally developed models (probability of default = PD, loss given default = LGD and expected exposure at default = EAD), which take into account both historical data and probability-weighted forward-looking scenarios. The Bank of Åland uses a macro model with three forecast scenarios – a base scenario that has a 50 per cent weighting, a negative scenario that has a 25 per cent weighting and a positive scenario that has a 25 per cent weighting. The forecast period in the scenario is three years. These forecasts are revised at least yearly. A 12-month probability

of default (PD) indicates the probability that a given commitment will default within 12 months, while a lifetime PD (for the remaining maturity) is equivalent to the probability that a given commitment will default during the entire remaining maturity of the financial asset. The PD model is based on historical data, the conditions that exist on the reporting date and future economic conditions that affect credit risk. Loss given default (LGD) is stated per commitment and is an estimate of the expected loss that the Group will incur assuming that the commitment defaults. The Group’s LGD model is based on historical data. Exposure at default ((EAD) refers to an estimated credit exposure at a future default date, taking into account expected changes in the credit exposure on the balance sheet date. The Group’s EAD model takes into account such factors as current contractual terms, assumptions about the honouring of guarantees, expected utilisation of credit limits and irrevocable off-balance sheet obligations.

The level of provisions is based on a broad range of relevant information from incoming data, assumptions and assessments by the Executive Team. The following points may have an especially large influence on the level of provisions: establishment of a significant increase in credit risk, forecasts of future macroeconomic scenarios and calculation methodology for both the expected loan loss within the coming 12 months and expected lifetime loan losses. Expected credit losses for receivables in Stage 2 and Stage 3 are determined by the Credit Committee of the Executive Team, based on data from the Group’s model of expected credit losses. When making this determination, this Credit Committee may approve divergent treatment if their assessment is that there are special circumstances that the model does not take into account.

3.7.2 Receivables with forbearance measures

“Receivables with forbearance measures” refers to loan receivables for which the Bank has granted the borrower concessions because of his/her obviously worsened financial situation, in order to avoid problems with the borrower’s repayment capacity



and thereby maximise the repayment of the outstanding receivable. Concessions may include adjusted loan conditions, such as postponed principal repayments, a reduced interest margin or an extended repayment period, or refinancing, which may mean that a loan has been fully repaid close to its original due date and in connection with this has been replaced with a new loan. When granting a concession on agreed loan conditions, the responsible decision maker shall assess the customer's financial situation. In case a concession is granted to the customer due to his/her deteriorating financial situation, the receivable shall always be transferred to Stage 2 (as long as there is no basis for divergent treatment due to statutory payment moratorium rules). When granting a concession, if it is deemed that full repayment of the receivables is unlikely unless the Group resorts to measures such as selling collateral or redeeming guarantees, the receivable is regarded as in default and is transferred to Stage 3. As long as it is only a matter of forbearance measures, i.e. the customer is not regarded as unlikely to make payments, the measure is individual for each loan. "Carrying amount" refers to gross exposures and includes not only restructured loans but also other loans in a customer entity.

The Group analyses the effects of forbearance measures as part of its reporting of modification results. The original present value of the loan based on discounted future cash flows is compared with the adjusted present value after any changes in cash flows. When a loan is modified but not removed from the balance sheet, significant increases in credit risk compared to the original credit risk are still assessed for impairment purposes. Modification results are recorded in the income statement and refer to the difference in the present value of the original and the new contractual cash flows discounted at the original effective interest rate and are accrued on a straight-line basis over the remaining life of the loan.

3.7.3 Judgements and estimates

The impairment model in compliance with IFRS 9 requires the Executive Team to make judgements and estimates and make

assumptions that affect the application of accounting principles. See also section 4. Significant assessments and uncertainty in estimates. The Bank of Åland uses expert adjustments to identify circumstances that are not fully covered by the risk models, and these can be done at both exposure and portfolio level. The expert adjustments to the credit loss provisions are still considered necessary and amounted to EUR 500 K (EUR 784 K as of December 31, 2023). The process for impairment testing for loans in stage 3 has not changed but instead follows the individual assessment procedure.

The Bank of Åland does not foresee a significant short- or medium-term elevation of credit risk in its lending operations due to developments in Ukraine. The Bank has no direct exposures to companies in Russia, Belarus or Ukraine. Nor does the Bank finance customers that import from or export to these countries to any significant extent. Like other banks, however, the Bank of Åland is exposed to events at the macroeconomic level and their impact on the real economy. Rising oil and other energy prices, inflation pressures, rising interest rates and falling share prices may affect the repayment capacity of customers and the value of pledged assets.

3.8 Hedge accounting

The Bank of Åland applies hedge accounting in compliance with IFRS 9 and applies different hedging models depending on the purpose of the hedge.

3.8.1 Hedge accounting at fair value

Hedge accounting at fair value can be applied to individual assets and liabilities as well as to portfolios of financial instruments in order to protect the Group from undesirable effects on income due to changes in the market prices of recognised assets or liabilities. When hedging fair value, both the hedging instrument – the derivative – and the hedged risk in the hedged instrument at fair value are recognised in the income statement under "Net gains and losses on financial items at fair value". One requirement to

apply hedge accounting is that the hedge has been formally identified and documented. The hedge's effectiveness must be measurable in a reliable way and is expected to remain and prove to have been very effective in offsetting changes in value during the reported periods.

3.8.2 Cash flow hedging

Cash flow hedging can be applied to individual assets and liabilities for the purpose of protecting the Group against undesirable effects on earnings due to changes in interest and exchange rates. Derivatives that comprise hedging instruments in cash flow hedging are recognised at fair value in the balance sheet. To the extent that the change in the value of the hedging instrument is effective, it is recognised in the hedge reserve under "Other comprehensive income". Any ineffective portion is recognised in the income statement under "Net gains and losses on financial items at fair value". The amount recognised in "Other comprehensive income" is transferred to the income statement upon the maturity of the issued debt security issued that has been hedged by cash flow hedging. One prerequisite for applying hedge accounting is that the hedge is formally identified and documented. Its effectiveness must be measurable in a reliable way and is expected to remain and prove to have been very effective in offsetting changes in value during the reported periods.

3.9 Intangible assets and goodwill

Intangible assets consist of IT systems produced for the Group's own use, externally procured systems, and intangible assets from acquisitions of companies.

3.9.1 Capitalisation of production for own use

If the computer system that is produced will probably generate future income or reduce expenses to an extent that exceeds its investment costs, the development expenses for the computer system are capitalised. Computer systems developed in-house are capitalised at actual cost. Development expenses that are not



expected to yield a significant economic benefit are recognised as an expense in the income statement. Expenses for preliminary studies and research are recognised as an expense in the income statement.

3.9.2 Amortisation

Capitalised development expenses are normally amortised on a straight-line basis during 5–7 years. Amortisation begins when the computer system is ready for use.

Computer systems developed in-house	5–7 years
External computer systems	5–10 years
Acquired contracts	10 years
Other intangible assets	3–5 years

3.9.3 Impairment losses

Assets are reviewed yearly to determine if there is any indication of impairment. If such an indication arises, the recoverable amount is determined as the asset's sale price or value in use, whichever is higher. Not yet completed development work is tested yearly for impairment, regardless of whether indications of loss of value have occurred. An impairment loss is recognised in the income statement if the carrying amount exceeds net realisable value. A previously recognised impairment loss is reversed only if a significant change has occurred in the valuation basis for impairment testing. The carrying amount after reversal may not exceed the carrying amount before the impairment loss.

3.9.4 Goodwill

Goodwill corresponds to the share of cost that exceeds the fair value of assets purchased and liabilities taken over. Goodwill is not amortised but is tested yearly – or more often if a need exists – for impairment by discounting expected future cash flows in cash-generating units. Impairment losses are recognised in the income statement. See Note G26 for Group goodwill amounts.

3.10 Tangible assets

3.10.1 For the Group's own use

Tangible assets such as investment properties, business premises and equipment are initially recognised at cost and thereafter at cost less accumulated depreciation and impairment.

3.10.2 Depreciation

Depreciation or amortisation is based on the expected economic service life of the assets. All depreciation/amortisation is on a straight-line basis.

Buildings	40 years
Technical equipment in buildings	12 years
Renovation in rented customer premises	5 years
Renovation in other rented premises	10 years
Machinery and equipment	4–10 years
Other tangible assets	3–5 years
Right-of-use assets	1–9 years
Land is not depreciated.	

3.11 Provisions

A provision is recognised when the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount can be made. The provision is calculated at the present value of estimated outflow. Provisions are tested on each closing day and adjusted as needed, so that they correspond to the current estimate of the value of obligations.

Provisions are recognised for restructurings. Restructuring refers to extensive organisational changes, for example where employees receive severance pay for early termination or offices are closed. For a provision to be recognised, a restructuring plan must have been adopted and announced, so that it has created a well-grounded expectation among those affected that the company will implement the restructuring.

Provisions to the restructuring reserve related to other expenses are recognised in the balance sheet when the Group has

adopted a detailed formal restructuring plan and the restructuring has either begun or been publicly announced.

Provisions related to litigation costs are recognised when the Group has identified the existing obligation and determined the probable out-flow of resources that will be required in the event of a settlement.

Onerous contracts are recognised when the expected economic benefits received from a contract are lower than the unavoidable costs of meeting the obligations of the contract.

3.12 Leases

IFRS 16 removes the lessor's requirement that lessees must distinguish between finance and operating leases and requires lessees to report a "right-of-use" asset and a lease liability for most leases in the balance sheet. A single discount rate has been applied to a portfolio of leases with essentially similar characteristics. The Bank of Åland applies the exemptions that the standard allows regarding leases running for 12 months or less (short-term leases) and leases where the underlying asset is of low value. These leases are recognised as expenses in the income statement.



3.12.1 Leases where the Bank of Åland is the lessee

When entering into a contract, the Bank determines whether the contract is, or includes, a lease – which is defined as an agreement that, during a certain period, transfers to right to control the use of an identified asset, in exchange for compensation. Assets and liabilities that arise from leases are initially recognised at the present value of future lease payments, discounted by the incremental borrowing rate. The Bank reassesses whether a contract is, or includes, a lease only if the terms of the contract change. The Bank is exposed to possible future increases in variable lease payments based on an index or interest rate, which are not included in lease liability before they go into effect. When an adjustment in lease payments based on an index or an interest rate goes into effect, the lease liability is re-evaluated and adjusted in relation to right-of-use. Gains or losses attributable to changes in leases are recognised in the income statement.

When a contract goes into effect, right-of-use assets are recognised among tangible assets and the corresponding financial lease liability among other liabilities. Assets are recognised at the beginning of a lease at the amount corresponding to the fair value of the asset or the lower present value of minimum lease charges. The lease period is determined on the basis of the irrevocable lease period together with an assessment of both periods including the option of a lease extension (and the appropriateness of doing so) and an assessment of periods that include an option to terminate the lease if there is certainty that this option will not be used. Depreciation/ amortisation is carried out on the basis of service life or the shorter lease period. Interest on for lease liabilities is recognised as an interest expense according to the effective interest method.

Impairment losses are recognised on the basis of individual judgements of the need.

3.13 Revenue

3.13.1 Net interest income

Interest income and expenses on financial instruments are calculated according to the effective interest method. This method

recognises the income and expenses of the instruments evenly in relation to amounts outstanding during the period until the maturity date.

This calculation includes fees paid or received by the contractual parties that are part of effective interest, transaction costs and all other surpluses and deficits.

3.13.2 Net commission income

Income and expenses for various types of services are recognised in the income statement as “Commission income” and “Commission expenses”, respectively. Commission income is recognised when the service is performed, which occurs when control of the service is transferred to the customer and the Group fulfils its performance obligation. Reported as “Commission income” are brokerage commissions, various forms of asset management fees, payment intermediation commissions and debit card fees. Foreign exchange commissions connected to customers’ payments and securities trading are reported as payment intermediation commissions and securities commissions. Individual origination fees for loans and credit line commissions totalling substantial amounts are accrued over the life of the loan and are included in net interest income. No information is provided about remaining performance obligations that have an original expected maturity of no more than one year, or if the Bank of Åland is entitled to compensation from a customer in an amount directly equivalent to the value for the customer of the Bank’s performance that has been achieved to date, which is permitted according to IFRS 15. Commission expenses are transaction-dependent and are directly related to commission income. Income is invoiced regularly.

Commission income and expenses are recognised when the service is performed. For commissions that concern more than one year, only the portion related to the accounting period is recognised.

3.13.3 Net income from financial items at fair value

Under “Net income from financial items at fair value”, realised and

unrealised gains and losses from financial instruments carried at fair value via the income statement (“profit and loss”) are recognised via the income statement, along with the ineffective portion in hedge accounting.

Recognised under “Net income from foreign exchange dealing” are gains and losses on exchange rate differences that arise from translation of assets and liabilities to euros.

Realised changes in the value of assets that are measured under other comprehensive income are recognised as “Net income from financial assets carried at fair value”. Unrealised changes in value from assets measured under other comprehensive income include expected credit losses and modification results.

3.13.4 IT income and other income

The subsidiary Crosskey offers IT services that include design, implementation and support. Income is measured on the basis of the compensation specified in the contract with the customer. Systems sales with significant adaptations are administered as long-term projects. Contracts may include several different performance obligations, for example systems development and licences. If contracts include several performance obligations, the transaction price is allocated to each separate performance obligation based on their stand-alone sales prices. In cases where the sales price is not directly observable, the price is estimated based on expected cost plus a profit margin. Systems licence income from long-term projects is recognised as revenue based on degree of completion, when this can be reliably determined. The degree of completion is determined separately for each project as the share of work completed on the balance sheet date, compared to estimated total working hours for the project. Estimates concerning project income, expenses or degree of completion are revised if circumstances change. Increases and decreases in estimated income or expenses based on a changed assessment are recognised in the income statement during the period when the circumstances that led to the revision became known. If total expenditures will probably exceed total income for the project, the expected loss is immediately recognised as an expense.



If the contract is cost-plus and based on price per hour, the income is recognised to the extent Crosskey is entitled to invoice the customer.

Dividends on shares and participations as well as dividends on assets measured at fair value via the income statement are among the items recognised as “Other operating income”. Also recognised here are capital gains from the divestment of non-current assets and rental revenue from investment properties. Rental revenue is recognised on a straight-line basis in the income statement in accordance with the terms of the lease.

3.14 Employee benefits

3.14.1 Pension liabilities

Post-retirement employee benefits consist of defined contribution and defined benefit plans. The plans recognised as defined contribution are those benefit plans under which the Group pays agreed fees to an external legal entity and then has no legal or informal obligation to pay additional fees if the legal entity lacks the assets to fulfil its obligation to the employee. Premiums paid to defined contribution plans are recognised continuously in the income statement as a staff cost. Other plans for post-employment benefits are recognised as defined benefit plans.

Pension coverage for employees in Finland has been arranged through the Finnish national pension system (a defined contribution plan). There is also an older system via a pension fund (Ålandsbanken Abps Pensionsstiftelse r.s., a so-called supplementary pension fund and a defined benefit plan), which has been closed since 1991. Pension coverage for employees in Sweden follows the so-called BTP1 plan, which is defined contribution. A few previously agreed defined benefit BTP2 plans still exist.

A defined benefit pension solution pays a pension based on salary and length of employment, which means that the employer bears essentially all risks in fulfilling the pension obligation. For a majority of its defined benefit pension plans, the Group has set aside managed assets in pension funds or various kinds. Plan assets minus plan obligations in defined benefit pension

plans are recognised in the balance sheet as a net asset. Actuarial gains and losses on pension obligations as well as returns that exceed the estimated returns on plan assets are recognised in “Other comprehensive income”.

Changes or curtailments in a defined benefit plan are recognised at the earlier of the following dates: when the change or curtailment in the plan occurs or when the company recognises related restructuring expenses and severance pay. Changes/curtailments are recognised directly in profit for the year.

3.15 Equity capital

3.15.1 Holders of additional Tier 1 capital

The Bank of Åland has issued additional Tier 1 (AT1) capital. These instruments are classified as equity capital, since the instruments do not include any requirement that the Bank of Åland must pay the principal amount or interest to the holders. If the instrument includes an interest payment requirement, depending on whether a future uncertain event beyond the control of both the issuer and the holder occurs or does not occur, the instrument shall be classified as a financial liability. The Bank of Åland treats payments on financial instruments classified as equity capital (i.e. AT1 capital) as distributions of profits, and such payments are thus reported as dividends. Payment is made on a quarterly basis and the interest rate is the 3-month Stibor plus 3.75 per cent.

3.16 Income tax

Income tax in the income statement includes current taxes for the Group based on taxable income for the year, together with tax adjustments for prior years plus changes in deferred (imputed) taxes. Tax expense is recognised in the income statement as an expense, except for items recognised in other comprehensive income, in which case the tax effect is also recognised as part of other comprehensive income. A deferred tax asset or liability has been established for temporary differences between the value of assets and liabilities for tax purposes and their carrying amount, by using tax rates applicable to future periods. Deferred tax

liabilities and tax assets are calculated according to the tax rates expected to apply when the tax materialises (a law has been adopted but has not yet gone into effect). A deferred tax asset is recognised to the extent it is probable that future taxable income will arise against which the temporary difference can be utilised.

3.17 Operating segments

The Group reports operating segments in compliance with IFRS 8, which means that the segment report reflects the information that the Group’s Executive Team receives. The Managing Director of the Group has been identified as the chief operating decision maker. The Group reports its various business areas as operating segments. A business area is a group of departments and companies that provide products or services that have risks and rewards that diverge from other business areas. Intra-Group transactions take place at market prices.

3.18 Cash and cash equivalents

“Cash and cash equivalents” refers to cash and deposits in the Finnish and Swedish central banks that may be used freely. “Deposits” refers to funds that are available at any time. This means that all cash and cash equivalents are immediately usable. Cash and cash equivalents in the cash flow statement are defined in compliance with IAS 7 and do not coincide with what the Group regards as cash and cash equivalents.

4. Significant judgements and estimation uncertainty

Preparation of financial statements in compliance with IFRSs requires the Executive Team to make judgements and estimates 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 judgements and estimates are based on the best knowledge of the Executive Team about current events and measures at the time of the judgement, the actual outcome may diverge from these judgements and estimates. Significant accounting judgements that were



made when applying the Group's accounting principles were primarily related to impairment losses on loans and receivables. The sources of uncertainty which may lead to substantial adjustments in the following year's financial reports are described below.

4.1 Measurement of loans and accounts receivable

Loans and accounts receivable that are defined as belonging in Stage 3 undergo impairment testing regularly and individually for each receivable. Exposures that are subject to individual testing are identified on the basis of background data covering customers with defaulting commitments or commitments that will probably default during a given quarter. If necessary, the receivable is written down to its estimated recoverable value. This estimated recoverable value is based on an assessment of the counterparty's financial repayment ability and assumptions about the sale value of any collateral.

For those concentrations that do not need an impairment loss, according to an individual assessment, impairment losses are recognised using a model based on expected credit loss (ECL). The model, which consists of three stages, focuses on changes in the credit risk of financial assets. An assessment by the Executive Team may be required, especially concerning information that affects the calculation of expected loan losses such as earlier events, current circumstances and reasonable, verifiable forecasts of future economic conditions that may affect future expected cash flows. For further information, see Note G13.

4.2 Actuarial calculations of pension obligations

Future pension liability is calculated using actuarial models. As a basis for the calculation, there are estimates of the discount rate (swap rate with maturity equivalent to the expected life of the pension liability), pay increase (expected future increase for pensions), inflation, employee turnover and expected return on assets. For further information, see Note G43.

4.3 Financial instruments carried at fair value

To determine the fair value of financial instruments, judgements are made that may have a significant impact on the recognised amounts. The judgements referred to include the choice of measurement techniques, judgements on whether markets are active and on what market parameters can be observed. When employing measurement techniques, market quotations are used to the greatest possible extent, but in case this is not possible the Executive Team is required to make estimates in order to determine fair value.

If the fair value of financial instruments cannot be obtained from quotations in an active market, they are calculated with the aid of various measurement techniques, including mathematical models. The Executive Team assesses what market quotations are most suitable and what mathematical models shall be applied in the Group. For further information, see Note G17.

4.4 Measurement of goodwill

Goodwill is tested yearly for impairment losses by calculating whether the carrying amount exceeds the recoverable amount. Impairment testing is done by discounting expected future cash flows in cash-generating units. Expected future cash flows are based on cash flows estimated by the Executive Team. A change in the estimate of future cash flows, as a consequence of an economic downturn, new competitors or price pressures, may lead to an impairment loss on goodwill.

4.5 Appraisal of investment properties and properties for own use

The Executive Team carries out a yearly review of the values of investment properties and properties for the Group's own use to determine whether there is any indication of impairment. If such an indication occurs, the recoverable amount is determined as the higher of the sales price and the value in use of the asset. An impairment loss is then recognised in the income statement if the carrying amount exceeds the recoverable amount. Estimates of the values of

the assets are made by independent outside appraisers. For further information, see Note G26.

4.6 Leases

In assessing the present value of right-to-use assets and the related lease liability, estimates are made about determining the lease period and choice of discount rate. When the length of the lease is determined, the Executive Team takes into account all available information that provides an economic incentive to take advantage of an extension option or not to take advantage of an option to terminate the lease.

4.7 Measurement of deferred tax

A deferred tax asset is recognised for identified taxable losses to the extent that it is probable that future taxable income will arise. The Executive Team regularly assesses when deferred tax should be recognised in the consolidated financial statements, based on expected future earnings performance. On every closing day, an assessment is made as to whether recognising a deferred tax is justified, based on the size of expected future taxable income. For further information, see Note G27.

4.8 Share-based payment

When calculating the recognised expense of share-based payment in accordance with the Group's compensation policy, the Executive Team estimates how many shares will be allocated to employees. The expense is based on the fair value of the shares at the moment they are distributed. For further information, see Note G11.



G3. The Group's risk management

1. Risks in the Bank's operations

1.1 Risk profile and risk appetite

Exposure to risk is a natural part of a bank's operations. The Bank's objective is that all risk should derive from normal business operations. It follows that the risks mainly consist of business risk, credit risk, liquidity risk, market risk and operational risk. The risks must comply with the Bank's risk capacity, i.e. the Bank shall be able to cover losses related to these risks with its own funds and earnings.

It is the responsibility of the bank's board and management to determine the risk appetite for all significant risks based on the bank's overall business strategy. Risk appetite refers to the level of risk that can be accepted in order to achieve the bank's strategic objectives. The bank's scale for risk appetite is low, medium and high.

1.1.1 Profitability and capital risk

Profitability or business risk refers to the risk that the Bank's earning capacity deteriorates or that costs increase more than planned due to, for example, narrower margins or failed strategic decisions. Capital risk refers to the risk of not holding sufficient capital to meet regulatory capital requirements, due to lower profit levels than expected in the financial planning or immediate losses as a result of incidents.

Profit and capital risk arises naturally in all business operations and cannot be avoided. A good level of profitability and profit can be considered to act as a dampener in the event of these risks materializing.

The Bank's appetite for profit risk is moderate. The bank must focus its operations on markets and products where it is already active and has good knowledge of. New markets and products can be entered into to a limited extent and, if desired, gradually expanded.

The Bank's risk appetite for capital risk is low. The Bank must hold sufficient equity capital to cover the risks that it may be exposed to and the losses that may occur if these materialize.

1.1.2 Credit risk

Credit risk arises within the framework of lending operations and is a risk that the Bank chooses to take. Credit risk means the risk of losses because customers are unable to fulfil their commitments to the Bank and the collateral pledged for the exposure does not cover the Bank's claim.

In general, the Bank's appetite for credit risk is low, with an ambition that its credit loss level over time should be one of the lowest among Nordic banks.

The Bank's strategic direction, where the goal is to be a bank for all Åland residents and to actively contribute to the Åland community, means that the Bank accepts a higher risk profile in the Åland Business Area.

Concentration risks in lending operations

Lending-related concentration risks arise from groups of exposures whose default risk exhibits a significant degree of covariation. The concentration risks relevant to the Bank are concentration in relation to individual counterparties (name concentration), concentration in relation to economic sectors or sectors (industry concentration) and concentration within countries (geographic concentration).

The Bank's risk appetite within industry concentration risk is medium. Mortgages are the primary driver of concentration risk, which can be reflected both in lending to private individuals and to companies in the real estate industry.

The Bank's position and limited size means that the geographic concentration risk is heightened as a natural result of its choice to focus on the Finnish and Swedish markets.

Counterparty credit risk

Counterparty credit risk arises within the Bank's liquidity management. The Bank's appetite for counterparty credit risk is low. Business must be transacted only with well-known counterparties and/or with investment grade credit ratings in the Nordics and in economically stable countries. Part of the liquidity portfolio can be invested in instruments with higher risk, but with a limited volume and risk level.

1.1.3 Liquidity and funding risk

Liquidity risk refers to the risk of lacking access to liquid assets and therefore not being able to meet payment obligations. The Bank's appetite for liquidity risk is low. To ensure access to liquidity even during periods when external borrowing is not possible, the Bank must have a liquidity reserve that exceeds the requirements of the legislation by an ample margin, as well as a well-diversified structure of instruments and maturities in its borrowing.

Funding risk refers to the risk of not being able to borrow money or being able to do so but only at a high cost. The Bank's appetite for funding risk is low. The Bank must endeavour not to be dependent on funding sources for its lending other than customer deposits and covered bonds. Unsecured capital market funding can be utilised when market prices make this appropriate.



Table 1.1.1.1

Risk profile by risk category

Risk type	Risk profile	Risk management
Profitability and capital risk	<p>The Banks business is well-established and stable. New markets and products are introduced in a limited fashion and expanded over time. Costs due to changes in regulations and shifts in technology may affect the profitability of the Bank of Åland to a greater extent than that of other banks, since the Bank is a small market player.</p> <p>The Banks appetite for capital risk is low with an goal to keep sufficient buffers to cover potential realized risks.</p>	The Board of Directors and Executive Management, as well as their respective committees, work continuously to identify and find suitable measures to manage profitability and capital risk. Among other things, the Bank has entered various partnerships to diversify its sources of income and achieve cost allocation.
Credit risk	<p>Credit risk, including integrated ESG-risk, arises within the lending business. Credit risk entails the risk for losses due to a customers inability to fulfill its commitments towards the bank, and when a collateral does not cover the banks receivables. The lending business includes lending to both both retail and wholesale customers. Wholesale lending generally entails a higher risk than retail lending. The Banks lending is based on sustainability. An assessment regarding the climate related physical risks and transition risks is taken into account as part of the credit risk and within the monitoring against the Banks risk appetite. The Banks strategic orientation is to strive to be the bank for the people of the Åland Islands and to actively support the society of the Åland Islands. This means that the Bank accepts a slightly higher risk profile within the Åland business.</p> <p>The Banks risk appetite for credit risk is generally low. "</p>	The Board establishes the framework for lending and credit risk management. The size and risk level determines the lending decision level, where the Board is the highest level. Credit risk in day-to-day operations is managed based on good knowledge of customers as well as analysis of their repayment capacity and the collateral they provide. For corporate loan portfolio exposures, the Bank also carries out a yearly presentation analysing the customer. Credit risk is also managed using limits established by the Board. For example, maximum exposure to certain economic sectors and counterparties is limited. Counterparties (primarily financial institutions) are managed through an evaluation process that primarily focuses on the institution's credit rating and other relevant key figures, plus risk limits.
Liquidity and funding risk	<p>Liquidity risk is a dynamic risk that may change rapidly. Since the Bank of Åland is a small market player, these changes may greatly affect its access to liquidity.</p> <p>The Bank strives to not be dependent on other funding sources for its lending operations than customer deposits and covered bonds. Unsecured capital market funding can be utilised when market prices make this appropriate.</p>	The Board establishes the framework of liquidity and funding risk management. Day-to-day liquidity management occurs in the Treasury unit. Liquidity and funding risk is managed primarily by means of a well-diversified borrowing structure and a liquidity reserve containing high-quality assets. The risk profile is also governed using limits established by the Board.
Market risk	Interest rate risk in the banking book is structural in nature and is regarded as a significant but manageable risk. Foreign exchange risk is primarily of a structural nature and mainly occurs in Swedish kronor via the Bank's Swedish branch.	The Board establishes the framework of market risk management. Day-to-day market risk management occurs in the Treasury unit. Interest rate risks are managed by using limits for interest rate risk and economic value of equity and using derivatives. Foreign exchange risks are limited primarily by matching and through limits.
Non-financial risk	The Bank of Åland's risk profile for non-financial risks is designed to identify and manage these risks at a level aligned with the nature of the business, risk appetite and capacity, with the goal of minimizing the likelihood of significant losses or reputational damage. The Bank of Åland maintains a low risk appetite for compliance, information security, and business-critical processes and systems. No non-financial risk should pose a threat to the licensed operations or threaten consumer protection for Bank of Åland customers.	The Bank of Åland should strive for a high level of risk awareness and a healthy risk culture. The first line of defense has the primary responsibility for risk management, while the second line of defense, consisting of Operational Risks & Security and Compliance, supports through regulations and staff training. Continuity plans ensure the functionality of business operations during disruptions, while the NPAP-process is applied in product development to prevent unintended risk-taking. The Bank of Åland's insurance coverage protects against realized risks and data protection and information security measures are adjusted to current threat scenarios. Executive team and the Board of Directors receive regular updates to ensure informed decision-making and maintain customer trust.
ESG risk	ESG risk is identified as a significant risk but does not constitute a separate risk area and should be integrated as part of all risk management.	Work on developing ESG risk management is ongoing, and ESG risk management should be integrated within relevant risk areas. The bank has also set climate goals and has a board-approved climate strategy.



1.1.4 Market risk

Structural risks pertaining to interest rate risks (net interest income risk and economic value of equity, foreign exchange risks and equity risks arise within the Bank's operations.

Interest rate risk refers to the risk of reduced net interest and the risk of unfavourable value changes in the Bank's assets and liabilities (including interest-related contracts off the balance sheet). The Bank's appetite for interest rate risk is medium. The Bank is willing to take advantage of the positive earning opportunities that exist, while its ambition is to greatly limit the downside risk.

Foreign exchange risk refers to the risk of unfavourable value changes in assets and liabilities because of movements in the exchange rates of currencies to which the Bank is exposed. The Bank's appetite for foreign exchange risk is low. The Bank holds a structural currency position in Swedish krona, subject to official permission, which aims to protect the Bank's common equity Tier 1 capital ratio against exchange rate changes. This structural currency position, which originates from the operations of the Bank's Swedish branch, is long-term. Active decisions are taken to manage the risk.

Equity risk refers to the risk of a decrease in the value of the Bank's shareholdings due to changes in market prices of shares or changes in the valuation of unlisted holdings. The Bank's equity risk relates, above all, to unlisted holdings in strategic partners where the Bank can be considered to have an active ownership role. These financial investments include fintech companies with new business models and investment companies. The Bank's appetite for equity risk is high.

1.1.5 Non-financial risk

For *non-financial or operational risks*, the Bank's risk appetite at the aggregate level is medium. Risks must be prevented; however, a risk can be taken when it is financially justified and under the condition that risk-taking is related to business operations in a way that strategic goals can be met. No operational risk shall pose a threat to licensed operations or threaten consumer protection for the Bank's customers.

1.1.6 ESG-risk

Climate risk refers to a risk that arises from the inability to identify and manage the risk drivers that arise because of climate change or society's transition to a sustainable economy in a suitable manner. Climate risks are considered significant but should be integrated as part of all risk management.

1.2 Risk organisation



1.2.1 The Board of Directors

The Board of Directors has overall responsibility for risk management and control. The Board defines the risk appetite of the Bank's operations and adopts yearly policy documents that specify the overall principles for risk management as well as restrictions in the form of limits that operations shall stay within. The Bank's compliance with risk management principles and its risk positions are monitored regularly. Limit positions and risk indicators are reported to the Board at least quarterly. The Board also approves essential methods and models that are used to measure the Bank's risks. The Board approves the largest loan commitments that the business units endorse and own.

The Audit Committee of the Board of Directors assists the Board in handling its tasks related to oversight of risk management,

methods and models for risk measurement, risk reporting and internal controls.

1.2.2 The Managing Director and Executive Team

The Managing Director is appointed by the Board. The Managing Director must ensure that risk management complies with the principles and risk tolerances decided on by the Board. This is done by establishing guidelines, which are based on the policy documents established by the Board. The Managing Director must also ensure that the Bank's skills and resources are suitable for its business operations and that there are sufficient resources and systems for control and follow-up.

The Board of Directors appoints the members of the Group-wide Executive Team. These members consist of the heads of the Bank's business areas and corporate units; they serve as advisors to the Managing Director. The Managing Director and the other members of the Executive Team regularly receive reports on the Bank's limit positions and risk indicators.

Matters related to certain types of financial risks are handled by committees consisting of Executive Team members and other individuals appointed by the Managing Director. The Bank's Asset and Liability Committee (ALCO) is an advisory body reporting to the Managing Director that deals with issues concerning financial risks, liquidity, funding and capital allocation. The Credit Committee of the Executive Team approves larger loan commitments above a certain size that the business units endorse and own.

1.2.3 The three lines of defence

The Bank is organised according to the principle of three lines of defence, which is the starting point for how responsibility linked to internal governance and controls is distributed in the organisation. This means that the Bank maintains appropriate and independent control units that review, ensure and report whether internal governance and controls are well-functioning and effective, and that laws and regulations are being followed.



The first line of defence

The first line of defence includes everyone in the Bank's operations who is responsible for carrying out day-to-day operational work, i.e. risk owners in the Bank's business areas, Treasury and associated support units in the Bank and in its respective subsidiaries. They are all responsible for the risk that arises in their own day-to-day operations, which means that risk-taking must comply with given frameworks and that there are processes for measurement and control.

The second line of defence

The second line of defence includes internal control functions comprising the risk control functions and a compliance function. The second line of defence is responsible for supporting the first line of defence in the risk and regulatory compliance work, monitoring and challenging the outcome of the business's work, and continuously following up and evaluating regulatory compliance and risk exposure. The second line of defence functions must continuously report the overall risk situation and identified deficiencies to Management and the Board.

The risk control function consists of Risk Control and Operational risk, which monitor the operations' risks and are responsible for ensuring that reports on material risks relating to the operations are regularly produced. The functions shall be independent in relation to the operations being controlled and participate in the management of the risks being controlled. Risk Control is responsible for monitoring and reporting on as well as maintaining the risk management framework for financial risks. Operational Risks is responsible for monitoring and reporting on as well as maintaining the risk management framework for the group's operational risks including information security, data protection and security risks.

The Compliance function must control and actively work to ensure regulatory compliance within the function's areas of

responsibility. Compliance must further identify and report the risks that exist because the bank does not fulfil its obligations according to applicable laws, rules, standards and regulations.

The third line of defence

The third line of defence consists of Internal Auditing, which is a central and Group-wide department directly subordinate to the Board of Directors. The purpose of internal auditing shall be to objectively provide the Board and Executive Team with independent assessments of the Bank's activities, operational and management processes, the Group's risk management, governance and controls. The Internal Audit department must be independent of both the first and second line of defence's activities, units and departments.

1.3 Risk management model

The Bank must have well-functioning risk management and control, which is on a par with the focus, scope and complexity of the business and the Bank's Risk Capability Framework. Risk management and control must also be compatible with laws and regulations.

The Bank's risk management system must be based on appropriate internal regulations, clearly documented processes and routines, tools for identification, measurement, control and follow-up of risks as well as reporting and escalation procedures. The risk management system requires that sufficient competence and experience, both in quantitative and qualitative terms, is available.

The Financial Supervisory Authority is informed regularly about the Bank's risk position.

2. Capital management

2.1 Capital and capital requirements

The Bank's capital requirement is stipulated in the Capital

Requirements Regulation (CRR) and in the Capital Requirements Directive (CRD), which state how much capital a bank needs to maintain in relation to the risks found in its operations.

Capital

The Bank's capital consists of own funds, divided into Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1) and Tier 2 supplementary capital (T2). CET1 capital comprises the most permanent form of capital and, in practice, is equivalent to equity capital according to the balance sheet after certain statutory adjustments.

More specifically, CET1 capital consists of share capital in the form of capital instruments as well as related share premium reserves that meet the conditions in Articles 28 and 29 of the CRR. The financial instruments included in the Bank of Åland's year-end CET1 were the Bank's Series A and Series B shares. According to Article 26, point 2 of the CRR, the year's retained earnings may only be included with prior permission from FIN-FSA, unless an Annual General Meeting has approved the year's earnings report.

Deductions from CET1 are made for items that have poorer capacity to absorb losses. Examples of such deductions are the unamortised cost of intangible assets, any positive net pension assets, deferred tax assets that are dependent on future profitability and deficits in the form of expected losses exceeding specific credit risk adjustments in the IRB-approved portfolio.

Capital needs

The Bank's capital needs for credit risks from lending to the public are calculated according to the internal ratings-based (IRB) approach. For all other exposure categories, including equity exposures, the Bank uses the standardised approach to calculate the capital requirement. In the Bank's Swedish operations, the entire capital requirement is calculated according to the standardised approach.



The Bank has only a small trading book, which mostly consists of equity-related instruments. These positions arise from trading on behalf of customers. The Bank carries out no trading for its own account. The Bank applies the small trading book exemption, since its trading book is below threshold values according to Article 94 of the CRR. It thus estimates no capital requirement for position risks according to the market risk regulations. Instead, it applies credit risk rules to these items.

To calculate the exposure value of counterparty risks on derivatives, the Bank applies the original exposure method in compliance with Article 282 of CCR. The capital requirement for credit value adjustment risk is calculated according to the standardised approach and applies to all derivatives exposures to institutions that are not cleared by a central counterparty.

The Bank applies the standardised approach in calculating the capital requirement for operational risk.

Capital requirements

Capital requirements are divided into Pillar 1 requirements, Pillar 2 requirements and combined buffer requirements.

According to the Pillar 1 requirements in Article 92 of the CRR, banks must have sufficient own funds to always fulfil the following requirements in relation to the risk exposure amount:

- A CET1 capital ratio of at least 4.5 per cent
- A Tier 1 capital ratio of at least 6 per cent
- A total capital ratio of at least 8 per cent

Aside from the Pillar 1 capital requirement, the Bank must hold additional capital to cover other risks that are not covered under Pillar 1. This constitutes the Bank's Pillar 2 capital requirement. The capital requirement according to Pillar 2 is assessed annually by the Bank through the Internal Capital Adequacy Assessment Process (ICAAP), the results of which are then determined or adjusted by the Financial Supervisory Authority through the Supervisory Review and Evaluation Process (SREP). In the SREP

evaluation, national authorities can impose additional capital requirements on banks for these other risks. Three quarters of the Pillar 2 requirement must be covered by primary capital, of which three quarters by common equity Tier 1 (CET1) capital.

2.2 Combined buffer requirements

For the Bank to be able to freely dispose of its retained earnings and make payments on CET1 capital instruments, it is required that the Bank also holds capital to cover combined buffer requirements. For the Bank of Åland, these consist of a capital conservation buffer of 2.5 percent, a countercyclical capital buffer that can vary between 0 and 2.5 percent and a systemic risk buffer of 1.0 percent.

The combined buffer requirement must be met in its entirety by CET1 capital. Violation of the combined buffer requirement results in limited opportunities for paying dividends from equity capital in accordance with the distribution restrictions in Article 141 of the CRD. Unlike larger institutions, the Bank is not subject to any buffer requirements for systemically important institutions.

2.3 Capital position

Considering the capital requirements according to Pillar 1, the most recently assessed capital requirements for Pillar 2 and the combined buffer requirement, the Bank of Åland's CET1 capital level as of 31 December 2025 must at least amount to 9.1 percent for dividend restrictions not to occur. Corresponding minimum ratios regarding Tier 1 and total capital level were 10.8 and 13.0 percent, respectively.

At year-end, the Bank's CET1 capital ratio amounted to 12.7 percent (14.5), which means that the bank had a CET1 capital buffer of 3.6 percent, or EUR 84.5 M.

The total capital ratio decreased from 18.1 to 17.6 percent.

Own funds

Compared to the previous year, the Bank's CET1 capital increased, adding up to EUR 239.2 M (237.7). During the year, equity changed with the period's result of EUR 54.6 M, other comprehensive income of EUR 7.3 M, issuance of new shares within the framework of incentive programs of EUR 0.4 M and share savings program of EUR 0.5 M, dividend paid of EUR 42.3 M and a dividend paid on Tier 1 capital instruments of EUR 1.7 M and amounted to EUR 386.4 M as of 31 December 2025 (336,0).

Unlike CET1 capital, T2 capital is not equally available for covering losses according to the regulations. The Group's T2 capital mainly consists of issued T2 instruments, which amounted to EUR 32.3 M by year-end 2025. Tier 2 capital may also, where applicable, include expected losses that exceed reported impairment losses for the IRB-approved portfolio, however a maximum of 0.6 percent of the risk exposure amount calculated according to the IRB method.

Capital requirements

By the year-end, the Bank's total risk exposure amount totaled EUR 1,888 M compared to EUR 1,643 M at the previous year-end.

Table 2.3.2 shows the Group's capital adequacy position according to Pillar 1.

Table 2.3.3 provides an overview of exposure amounts distributed according to exposure classes.



Table 2.3.1

Calculation of own funds	2025	2024
EUR K		
Equity capital	325,248	306,518
Proposed/actual dividend	-42,288	-42,259
Common Equity Tier 1 capital before regulatory adjustments	282,960	264,259
Intangible assets	-18,533	-15,602
Deduction for surplus in pension assets	-426	
Minority interests	-15	-14
Cash flow hedges	61	-807
Other items, net	-32	-48
Additional value adjustments	-657	-575
Holdings of CET 1 instruments of financial sector entities	0	
IRB provisions shortfall (-)	-24,127	-9,519
Common equity Tier 1 capital	239,230	237,694
Additional Tier 1 capital	61,029	29,424
Tier 1 capital	300,259	267,118
Tier 2 capital instruments	32,254	30,514
Tier 2 capital	32,254	30,514
Own funds, net	332,513	297,632

Detailed information on the Group's own funds is provided in the Bank's Capital and Risk Management Report (Pillar 3), which is published on the Bank of Åland's website.

Table 2.3.2

Capital adequacy	2025	2024
EUR K		
Common equity Tier 1 capital	239,230	237,694
Additional Tier 1 capital	61,029	29,424
Tier 2 capital	32,254	30,514
Total own funds	332,513	297,632
Capital requirements		
Credit risks according to IRB approach	59,667	37,657
Additional requirements to IRB approach		13,648
Credit risks according to standardised approach	65,914	56,377
Market risk	0	0
Credit value adjustment risk	197	51
Operational risk	25,245	23,703
Total capital requirement	151,023	131,437
Risk exposure amount	1,887,786	1,642,956
Capital ratios, %		
Common equity Tier 1 capital ratio	12.7	14.5
Tier 1 capital ratio	15.9	16.3
Total capital ratio	17.6	18.1
Requirements related to capital buffers, %		
Total common Equity Tier 1 capital requirement including buffer requirement	9.1	9.3
<i>of which common equity Tier 1 capital requirement under Pillar 1</i>	<i>4.5</i>	<i>4.5</i>
<i>of which common equity Tier 1 capital requirement under Pillar 2</i>	<i>0.6</i>	<i>0.6</i>
<i>of which capital conservation buffer requirement</i>	<i>2.5</i>	<i>2.5</i>
<i>of which countercyclical capital buffer requirement</i>	<i>0.5</i>	<i>0.8</i>
<i>of which systemic risk buffer requirement</i>	<i>1.0</i>	<i>1.0</i>
Common equity Tier 1 capital available to be used as a buffer	12.7	14.5

Table 2.3.3

Breakdown by exposure classes

EUR K	Original exposure	Exposure at default	Risk weight, %	Risk exposure amount	Capital requirement
Credit risk, IRB approach					
Without own estimates of LGD					
Corporate – other large companies	278,479	224,835	49	109,933	8,795
Corporate – SMEs	255,026	190,988	50	96,411	7,713
With own estimates of LGD					
Retail – secured by real estate property (non-SMEs)	1,790,421	1,781,214	18	326,213	26,097
Retail – secured by real estate property (SMEs)	131,234	129,743	54	69,607	5,569
Retail – other, not SMEs	247,621	245,277	47	114,971	9,198
Retail – other, SMEs	71,244	69,835	41	28,703	2,296
Total exposures, IRB approach	2,774,025	2,641,891	28	745,839	59,667
Credit risk, standardised approach					
Central governments or central banks	289,698	370,491	0	0	0
Regional governments or local authorities	29,873	82,673	0	0	0
Public sector entities	75,969	75,964	0	0	0
Multilateral development banks	78,606	86,151	0	1,409	113
International organisations	15,370	15,370	0	0	0
Institutions	227,365	179,800	0	43,090	3,447
Covered bonds	646,002	645,968	0	67,320	5,386
Corporate exposures	247,646	52,888	1	52,348	4,188
Retail exposures	427,283	197,486	1	189,902	15,192
Secured by mortgages on immovable property	694,967	692,972	0	204,921	16,394
Exposures in default	9,744	8,922	1	9,960	797
Subordinated debts	25	25	2	37	3
Collective investments undertakings (CIU)	843	843	1	1,152	92
Equity exposures	67,517	67,517	3	168,792	13,503
Other items	97,577	97,577	1	84,997	6,800
Total exposures, standardised approach	2,908,485	2,574,649	32	823,928	65,914
Total exposures	5,682,510	5,216,540	30	1,569,767	125,581



Leverage ratio

Leverage is a measure of bank solvency aimed at avoiding excessive debt. The leverage ratio is calculated as the ratio of T1 capital to a specially defined exposure metric according to CRR. Unlike capital adequacy calculation, the exposures are not risk-weighted when calculating the ratio.

By year-end, the Bank's Leverage Ratio amounted to 5.7 per cent. The minimum requirement for the Leverage Ratio is 3 per cent. The Leverage Ratio is calculated according to the situation at year-end. T1 capital included profit for the period.

2.4 Profit risk

The Bank's income is largely determined by volumes and customer margins for lending, deposits and managed capital. The greater the business volumes and the higher the margins, the higher the income. The size of assets under management and related provision income is not determined solely by the net inflow of customers. Market value changes in customers' portfolios are also of great importance. Of the Bank's costs, personnel costs make up just over half of the overall costs.

The Bank has a significant structural net interest position, where fixed-rate lending and fixed-rate bonds are financed with floating rate deposits and borrowing. The fixed-rate lending is partly hedged using interest rate derivatives. The bank's objective is not to achieve a perfect interest rate risk hedge.

Table 2.3.4

Leverage ratio	2025	2024
EUR K		
Tier 1 capital	300,259	267,118
Total exposure metric	5,285,817	5,050,120
<i>of which balance sheet items</i>	<i>5,151,133</i>	<i>4,969,714</i>
<i>of which off-balance sheet items</i>	<i>134,685</i>	<i>80,406</i>
Leverage ratio, %	5.7	5.3

2.5 Internal capital adequacy assessment

The Internal Capital Adequacy Assessment Process (ICAAP) aims to analyze all risks in the Group's operations and based on the results assess the capital requirement to ensure that the Group is sufficiently capitalized to cover all its risks to be able to conduct and develop the business, both under normal and severely deteriorated business conditions. The process assesses on one hand whether the capital requirements under Pillar 1 are sufficient, and on the other the level of the capital requirement for risks that are not covered under Pillar 1.

In the capital assessment that was based on the situation by year-end 2024, the Bank assessed the internally calculated capital requirement at EUR 24.5 M, corresponding to approximately 1.4 percent of the risk exposure amount at the end of the year, compared to the P2R requirement which amounts to EUR 16.4 M.

In its latest review of the bank's situation from the end of 2020, the Financial Supervisory Authority decided on additional capital requirements of a total of 1.0 percent. The reason why the Bank's internally assessed capital requirement is higher can largely be attributed to the significantly changed economic macro situation since the Financial Supervisory Authority made its assessment. Until further notice, the bank applies the internally assessed capital requirement as total minimum capital requirement.

As part of ICAAP, the capital requirement is tried further through stress tests to ensure that capital relations are maintained at a satisfactory level even in the event of a possible economic downturn.

3. Credit risk

Credit risk refers to the risk of losses because a customer is incapable of fulfilling its obligations to the Bank and collateral pledged for the exposure does not cover the Bank's claim. The risk mainly stems from claims on private individuals and non-financial companies, largely from granting of credits, credit limits and guarantees.

Credit risk also includes credit concentration risks such as name, industry and geographic risk.

Credit risks also arise through the Bank's collateral requirements for customers who borrow securities from the Bank and trade in derivatives on Nasdaq.

3.1 Risk management

Credit decisions must be made in a responsible manner and based on the customer's ability to repay their debt in accordance with the agreed repayment plan. High interest rates or high-quality collateral must not compensate for a weak repayment capacity.

In the credit granting process, a financial assessment must be carried out in order to assess a person's or a company's financial position and ability or willingness to fulfill their payment obligations. When assessing repayment capacity, the Bank must consider relevant factors that may affect the customer's current and future repayment capacity and avoid causing undue hardship and over-indebtedness.

Credit decisions are made by individual decision-makers or bodies authorized to grant credit within a framework of established limits. The decision-making process is mainly governed by the total commitment of the customer or customer group and any security deficit. The Credit Committee of the Executive Team makes decisions on credit matters where the total commitment of the customer group is in the size class of 2 to 10 M euros. The Credit Committee includes, among others, the Managing Director, Director of Åland Business Area and credit managers. The Bank's Board makes decisions on credit matters where the total



commitment of the customer or group of customers exceeds the equivalent of EUR 10 M.

The department Group Credits make sure that cases to be handled in a credit committee contain a comprehensive and accurate view of the customer's financial situation, future repayment ability and value of collateral provided.

To ensure sound risk management and an accurate risk classification, a qualitative assessment must be made annually for larger corporate customers that are part of the corporate exposure class. The annual presentation includes a qualitative assessment that constitutes an important supplement to the statistical scoring of the business customer.

Credit risk control and reporting must be carried out independently of the business operations. These activities are performed on an ongoing basis by the Bank's Risk Control function. Credit risk reporting in the Bank includes both reporting to the Bank's management, business units and authorities.

3.1.1 Collateral management

To limit the Bank's credit risk exposure, credits granted to the public must be secured as a rule. Collateral received eliminates or reduces the Bank's loss if borrowers cannot fulfil their payment obligations.

Unsecured loans can be granted in the case of minor loans to private individuals and only in exceptional cases to companies. In the latter case, as a rule, special conditions or covenants are established, which give the Bank extended rights to renegotiate or terminate the credit or covenants. The covenants can be of financial or non-financial nature. Financial covenants are generally based on various key financial figures, while the non-financial ones can limit the customer's freedom of action.

Collateral can be provided through pledge or guarantee, but primarily liens on real estate and financial collateral must be used. Most of all credits granted to private individuals and companies have a home or other property as collateral.

Lending also takes place using financial securities as collateral.

Market values of most of these securities are quoted daily. Financial collateral mainly consists of equities listed on the Helsinki and Stockholm stock exchanges, as well as fixed income securities issued or provided mainly by Nordic credit institutions.

By using LTV ratios for collateral, the Bank creates a buffer in case of any negative price performance by various kinds of collateral, for example changes in home prices and market prices of financial collateral. Generally, maximum lending against residential property collateral is 70–85 per cent of market value. For financial collateral, maximum lending is mainly determined by the liquidity and credit quality of the financial instrument.

3.1.2 Risk mitigation

Credit risk mitigation techniques in capital requirement calculation refer to the consideration of certain acceptable collateral that lowers the capital requirement for credit risk. As acceptable collateral in the capital requirement calculation, the bank considers residential properties, guarantees issued by sovereigns, local authorities and institutions, deposits in own or other banks as well as financial collateral.

Housing collateral used for credit risk mitigation must meet requirements set by the capital adequacy regulations in order to be accepted. Among other things, the requirements include requirements for regular independent valuation of the collateral and that the collateral value exceeds the claim by a substantial amount.

For financial collateral, the Bank uses the comprehensive method. Eligible financial collateral is volatility adjusted according to capital adequacy regulations.

By using guarantees issued by governments and others, the Bank may transfer all or part of an exposure to a counterparty with better credit quality when calculating capital requirements. The foremost providers of these forms of credit protection are the Finnish government and the Åland provincial government. In the Bank's Swedish operations, guarantees by the National Board of Housing, Building and Planning serve as collateral in some

financing solutions in the form of building loans. The Bank was also granted permission to use guarantees issued by the European Investment Fund for a limited portfolio.

3.1.3 Credit concentration risk

Concentration risk includes risk resulting from large aggregate exposure to individual counterparties, industries or geographic regions.

The bank manages name and industry concentration risk in the credit portfolio by limiting individual counterparties and certain industries. For banks, statutory limits apply to concentrations towards individual customers or groups of customers.

3.2 Risk measurement

Credit risk monitoring and analysis of exposures to individuals and companies is mainly done using the Bank's internal risk classification systems. The bank has two internal risk classification systems for credit risk in the lending business, a system used for calculating unexpected losses (capital requirements) and expected losses (EL) in accordance with IRB, and a system for calculating provisions for expected future credit losses (ECL) in accordance with IFRS 9. Both risk classification systems are developed based on the Bank's own credit statistics to estimate the probability of default (PD) and the proportion of loss in the event of default (LGD) of the Bank's credit customers. The estimation of the risk parameters in the two systems is therefore largely consistent.

3.2.1 Use of the internal approach for credit risk

The Bank applies the internal risk classification method for calculating regulatory capital requirements. This poses high demands on the Bank's management of credit risks and regulatory compliance, through the Capital Requirements Regulation (CRR) among others. The renewed capital requirement regulation CRR3 came into force on 1 January 2025, which has affected capital requirements for credit risk according to both the internal method and the standardised method. The bank's internal method has been



updated with significant changes in 2025. The models have been subject to conditions and surcharges by the Financial Supervisory Authority, which temporarily increases the capital requirement. The Bank takes ongoing measures to correct identified deficiencies in the internal models, in accordance with the respective conditions and specified deadlines.

Internal risk classification models for IRB are applied for exposures to private individuals, small businesses that can be classified as retail exposures and large corporates. The risk classification system estimates the probability that a customer will default within 12 months as well as how much the Bank will lose if the customer defaults.

For companies in the retail portfolio, the official PD-classification, comprising class number and class PD value, is determined based on a statistical regression model. For companies in the corporate portfolio, the official PD classification is determined through an annual qualitative assessment. It is based, among other things, on the PD classification proposed by the models. For retail class exposures, the Bank makes its own LGD estimates (A-IRB), while for corporate class exposures it uses LGD values stated by regulators (F-IRB). The Bank's models for estimating LGD for the exposures are based on statistical analysis data on customers' repayment history.

When calculating regulatory capital requirements, exposures are categorized according to the Bank's seven-point PD scale for non-defaulted exposures, where a determined class value for PD is used in the calculation of capital requirements. In addition, there is a class for credits in default. In credit risk modeling for corporate customers, external scoring data is also used, which is based, among other things, on the companies' financial key figures.

The Bank's model for calculating capital requirements and expected loss has elements of point-in-time (LGD) and through-the-cycle approach (PD) and is overall based on an entire economic cycle including a recession. Since EL is assumed to be known, it must also be deducted from the Bank's own funds to the

extent that this is not covered by impairment losses accounted for.

The internal risk classification system is used, among other things, for pricing credit risk when granting new credits. The Bank also relies on the internal system for monthly risk monitoring and internal reporting, internal capital allocation and calculation of risk-adjusted returns.

Risk Control includes separate model development and validation units. The model development unit is responsible for development, documentation and implementation of internal models. The unit also does quarterly and annual reviews, a complete review every three years, as well as any subsequent calibration of the metrics and models used for risk classification. The validation unit is responsible for conducting independent evaluations of the risk classification system on a regular basis. The results of these evaluations are reported to the Board.

Internal Audit performs independent inspections of the risk classification system and its use in business. All significant parts of the Bank's risk classification system and risk estimates must be approved by the Board or a committee appointed by them. The Bank may not make significant changes to its internal models without the approval of the Financial Supervisory Authority.

3.2.2 Use of the standardised approach for credit risk

The Bank applies the standardized approach for credit risk when managing exposures to, for example, sovereign and central banks, institutions and equities. Exposures in the Bank's Swedish branch is handled in their entirety according to the standardized approach.

Exposures managed through to the standardized approach are divided into exposure classes based on counterparty, collateral or type of claim. Next, the risk weights established in the regulations are applied for each exposure class. Risk weights for institutions, covered bonds and companies in the Treasury portfolio are determined based on external ratings. For exposures that do not have an external rating, the risk weight is derived based on the home country's rating.

3.2.3 Credit risk according to IFRS 9

IFRS 9 includes a three-stage model for impairment losses based on expected credit losses, which derives from changes in the credit risk of financial assets.

Stage 1 consists of performing exposures for which no significantly increased credit risk is considered to exist. For assets in Stage 1, the Bank must calculate and report a reserve that corresponds to expected credit losses within the next twelve months.

Stage 2 consists of financial assets for which the credit risk has increased significantly since initial recognition. A significant increase in credit risk is considered to have occurred if the lifetime PD of the exposure has increased at least 3 times compared to the initial lifetime PD and the absolute change is at least 10 percentage points. The Bank applies the 30-day delay criterion as a backstop. Exposures with amounts overdue by more than 90 days or which in other respects meet the Bank's default definition are moved to Stage 3.

Loan loss provisions for Stage 2 and Stage 3 shall correspond to expected credit losses throughout the remaining lifetime.

For backward transitions to lower stages, the Bank applies waiting periods. For exposures in Stage 2 with at least 30 days in arrears, a waiting period of six months is applied and for credits in Stage 3, a waiting period of two months is applied.

Generally, the Bank only uses specific and not general impairments.

Default

Default occurs when an exposure or counterparty has either a confirmed unlikelihood to pay or a material past due claim for more than 90 days. Unlikelihood to pay refers to a situation where it is unlikely that the debtor can fulfill his obligations towards the bank, without the bank needing to resort to measures such as realizing collateral or guarantees.

The accounting definition of impaired receivables consists of the receivables reported in Stage 3, which is essentially consistent with the regulatory definition of default.



A receivable is finally recognized as an impairment loss if bankruptcy has been confirmed or indigence is regarded as probable.

Forbearance

Forbearance is considered to occur when a change of terms is made, which is a concession on the part of the bank to a customer whose financial situation means that the customer has or is likely to have difficulties in fulfilling their financial obligations. The forbearance measure formally constitutes a concession that the bank would not have made if the customer had not had or was close to having financial problems. This may consist of reduced margin, amortization postponement and/or a significantly extended repayment period among others.

An exposure covered by forbearance measures is transferred to Stage 2 as the credit risk is then deemed to have increased significantly. Recurring forbearance measures imply that the exposure has become non-performing and is thus recognized as being in Stage 3.

3.3 Credit risk exposure

Table 3.3.1 shows lending to the public distributed according to the industry and geographic affiliation of the counterparty

Table 3.3.2 shows the credit quality for the Group's credit risk exposures to the public as well as off-balance sheet items. Reported values before provisions or nominal amounts are distributed according to days past due and stage.

Forbearance measures are part of the Bank's credit risk management and may be applied when customers are experiencing or expected to experience payment difficulties. By offering temporary relief in loan terms, the Bank aims to support customers through financial challenges while managing credit risk in a controlled manner. Table 3.3.3 shows loans under forbearance.

The Bank considers all legally binding collateral in its assessment of expected credit losses under IFRS 9. This includes collateral that does not meet the recognition requirements under the

Capital Requirements Regulation but is expected to be realizable in the event of a credit loss. The differences between accounting and regulatory collateral may result in collateral values presented in table 3.3.4 deviating from the collateral value used in the capital adequacy calculations.

4. Counterparty credit risk

Counterparty credit risk arises within the Bank's liquidity management and refers to the risk that the counterparty in a financial transaction cannot fulfill its commitment in the transaction. Counterparty credit risk arises, for example, when placing overnight deposits with another bank, buying bonds, acquiring derivative instruments, or making deposits in another bank.

Counterparty credit risk in Treasury operations mainly stems from the holding of mass promissory notes in the Bank's liquidity portfolio, which are largely covered bonds and government bonds as well as securities issued by multilateral development banks. The Bank also holds a limited High Yield portfolio consisting of securities issued by counterparties with lower or no credit ratings.

4.1 Risk management

The Bank's limit framework includes investment guidelines which, among other things, specify how the investments should be distributed between different sectors, for example central banks, sovereigns, public sector entities and institutes.

The counterparties in the High Yield portfolio have undergone an evaluation process with high quality requirements and for all counterparties an estimate of the creditworthiness is made based on an analysis of the counterparty and its key figures. The instruments mainly consist of debentures issued by companies on the European market. The High Yield portfolio is subject to investment guidelines established by the Board.

Counterparty credit risk arising from entering derivative contracts is managed through netting agreements drawn up according to ISDA standards, which allow receivables and liabilities that

run under the same agreement with one and the same counterparty to be set off. In addition, CSA agreements are applied which regulate the exchange of collateral. To reduce credit risk exposure, central clearing is used for derivative instruments.

4.2 Risk exposure

Table 4.2.1 presents the Group's holdings of debt securities distributed according to stage.

Write-downs and reversed write-downs of debentures that are reported at fair value via other comprehensive income are reported in the income statement under net financial income.

The Group's holdings of debt securities at the end of the year are also reported in note G19.

The Group's derivative exposures at the end of the year are reported in note G24.



Table 3.3.1

Credit risk exposure in lending to the public

Gross exposure value	2025			2024		
		of which counterparties in Finland	of which counterparties in Sweden		of which counterparties in Finland	of which counterparties in Sweden
EUR K						
Households						
Housing	1,982,904	1,508,547	387,766	1,909,705	1,379,798	329,007
Securities and other investments	312,535	259,650	30,882	316,197	256,318	32,822
Other purposes	350,474	157,390	144,837	61,511	52,319	667
Business activities	58,979	46,919	11,727	331,054	140,893	146,758
Total	2,704,892	1,972,505	575,212	2,618,467	1,829,329	509,254
Corporates						
Housing Associations	173,220	56,370	116,849	144,005	44,321	99,684
Agriculture, Forestry and Fishing	10,908	10,908	0	10,999	10,999	
Manufacturing	38,284	37,467	816	38,570	37,008	1,158
Electricity, Gas, Steam and Air Conditioning Supply	3,599	3,599	0	1,807	1,807	
Water Supply; Sewerage, Waste Management and Remediation Activities	22,080	22,080	0	1,191	1,191	
Construction	37,846	24,159	13,686	23,197	19,278	3,919
Wholesale and Retail Trade	40,003	37,694	2,309	39,649	37,838	1,811
Transportation and Storage	36,896	26,905	9,991	22,467	8,974	13,493
Accommodation and Food Service Activities	33,498	31,601	1,897	32,204	30,385	1,819
Information Service Activities	7,322	5,992	1,330	6,182	4,852	1,330
Financial and Insurance Activities	253,028	229,419	18,083	211,621	183,795	15,878
Real Estate Activities	283,204	165,050	116,589	307,419	133,931	171,999
Professional, Scientific and Technical Activities	60,385	27,732	32,653	59,292	33,107	26,185
Administrative and support service activities	12,308	5,276	7,032	12,887	5,989	6,897
Education	389	389	0	359	359	
Human Health and Social Work Activities	7,256	7,131	125	8,573	8,472	101
Arts, Sports and Recreation	10,768	10,604	163	10,560	10,560	
Other Service Activities	11,234	7,401	3,833	10,432	7,519	2,913
Total	1,042,225	709,777	325,355	941,413	580,385	347,186
Public sector and non-profit organisations	26,707	26,707	0	28,270	28,270	0
Lending to the public	3,773,825	2,708,989	900,568	3,588,149	2,437,983	856,440
Off-balance sheet commitments						
Unutilised lines of credit	534,619	196,179	338,440	499,544	216,869	252,110
Other commitments	27,418	24,000	3,417	22,582	17,378	5,203
Total off-balance sheet commitments	562,036	220,179	341,857	522,125	234,248	257,313



Table 3.3.2

Credit quality	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
EUR K					
Lending to the public					
Receivables without past-due amounts	3,466,150	219,193	28,263	3,713,607	3,441,313
Receivables with past-due amounts, 1–30 days	12,795	3,557	1,134	17,487	63,134
Receivables with past-due amounts, 31–60 days	1,164	1,261	921	3,346	7,402
Receivables with past-due amounts, 61–90 days	484	1,051	670	2,205	3,131
Receivables with past-due amounts, 90 days	863	4,590	28,607	34,060	73,169
Gross amount	3,481,457	229,653	59,595	3,770,705	3,588,149
Allowances	-1,006	-921	-7,013	-8,940	-12,504
Carrying amount	3,480,452	228,732	52,581	3,761,765	3,575,645
Off balance-sheet items					
Unutilised lines of credit	532,096	2,219	303	534,619	500,067
Guarantees	24,224	175	268	24,667	17,802
Other commitments	2,750	0	0	2,750	4,780
Gross nominal value	559,070	2,395	571	562,036	522,649
Provision for expected loss	-121	-76	-245	-443	-276
Carrying amount (provision)	-121	-76	-245	-443	-276

Table 3.3.3

Credits with forbearance measures	2025	2024
EUR K		
Lending to the public		
Receivables without past-due amounts and receivables with past-due amounts <= 30 days	35,139	38,955
Receivables with past-due amounts > 30 days	0	0
Defaulted receivables	24,546	22,361
Gross amount	59,685	61,316



Table 3.3.4

Collateral received in lending to the public by collateral type		2025			
EUR K	Stage 1	Stage 2	Stage 3	Total	
Real estate	2,556,311	164,662	41,294	2,762,266	
Financial assets	804,427	26,375	349	831,151	
Central and local government guarantees	88,283	12,408	869	101,560	
Machinery and equipment	36,057	8,749	0	44,805	
Corporate mortgage	14,021	1,231	909	16,161	
Other collateral	152,911	10,404	1,139	164,454	
Total	3,652,009	223,829	44,560	3,920,398	

Collateral received in lending to the public		2025			
EUR K	Stage 1	Stage 2	Stage 3	Total	
Gross exposure (nominal amount)	3,807,695	231,558	59,978	4,099,231	
Collateral value	3,652,009	223,829	44,560	3,920,398	
Net exposure after collateral	155,686	7,730	15,418	178,833	
Coverage, %	95.9	96.7	74.3	95.6	

Table 4.2.1

Debt securities		2025				2024
EUR K	Stage 1	Stage 2	Stage 3	Total	Total	
Debt securities recognised at amortised cost						
Gross amount	300,788	910	0	301,698	293,121	
Allowances	-23	-4	0	-28	-125	
Carrying amount	300,764	906	0	301,670	292,995	
Debt securities measured via other comprehensive income						
Gross amount	480,459	0	0	480,459	505,852	
<i>of which: allowances</i>	<i>-44</i>	<i>0</i>	<i>0</i>	<i>-44</i>	<i>-58</i>	
Debt securities measured at fair value through profit or loss						
Gross amount	99,556	0	0	99,556	5,593	
<i>of which: allowances</i>	<i>-14</i>	<i>0</i>	<i>0</i>	<i>-14</i>	<i>-3</i>	



5. Market risk

5.1 Risk management

The Board of Directors decides on the Bank's risk appetite and establishes limits on interest rate risk, foreign exchange risk and equity risk. The Bank's market risks are primarily of a structural nature and managed by Treasury. Positions are hedged when they enter the balance sheet and continuously in compliance with the principles established by the Bank's Board of Directors and the processes established by the Treasury unit. Decisions concerning equity and foreign exchange risk are handled by the Board or by the Managing Director.

5.2 Risk measurement

5.2.1 Interest rate risk

Interest rate risks arise mainly due to differences in the interest rate repricing dates between interest-bearing assets and liabilities. The Bank measures the interest rate risk through sensitivity analyses of the net interest income (NII) and the economic value of equity (EVE) of interest-bearing assets and liabilities in scenarios where the yield curve is stressed in different ways.

Table 5.2.1.1 shows interest-bearing assets and liabilities that reprice in the respective time buckets with the assumption that demand deposits reprice on day one.

Net interest income (NII)

The Bank measures interest rate risk by means of sensitivity analyses of NII and EVE of interest-bearing assets and liabilities in scenarios where the yield curve is stressed in various ways. NII is measured as the sensitivity of net interest income during the next twelve months, assuming a constant balance sheet. Positions in the balance sheet undergo repricing on their contractual or assumed interest rate adjustment dates. Demand deposits are modeled according to guidelines given by the European Bank Authority (EBA). The repricing periods modelled according to the EBA guidelines are applied in the EBA supervisory outlier test, where the outcomes of stress scenarios are controlled in relation

to the regulatory limit that is relative to the Bank's Tier 1 capital. NII is measured by material currency in compliance with EBA regulations, and positive outcomes are weighted at 50 per cent.

Economic value of equity (EVE)

EVE is measured as the sensitivity of the present value of all existing interest-bearing items. When calculating EVE, the Bank applies the same assumptions for the repricing period of demand deposits as for the NII model, according to EBA guidelines.

The repricing periods modelled according to the EBA guidelines are applied in the EBA supervisory outlier test, where the outcomes of its six stress scenarios are controlled in relation to the regulatory limit that is relative to the Bank's Tier 1 capital. EVE is measured by material currency in compliance with EBA regulations, and positive outcomes are weighted at 50 per cent. The Bank also calculates and limits an internal EVE model against comprehensive income at a +100 basis point shift.

Table 5.2.1.2 shows the sensitivity of NII and the sensitivity of EVE of interest-bearing assets and liabilities in case of a parallel shift in the yield curve upward and downward by 200 basis points per material currency. The measurements are stated according to the above-described models, where demand deposits are modeled according to EBA and Basel guidelines. Totals include EUR and SEK.

5.2.2 Foreign exchange risk

The bank's operations are primarily conducted in its two base currencies, Euro and Swedish kronor. A limited portion of lending and borrowing also occurs in other currencies. Foreign exchange risk is primarily managed through matching, and any residual currency risk at the end of the day is adjusted through currency balance adjustments.

At year-end 2025, the bank's currency exposure amounted to 1.1 million euros (0.8 million euros in 2024). The bank also uses a statistical measure of risk in the Group's currency balance. Based on a VaR analysis with a 95 percent confidence interval and a

quarterly forecast horizon, the sensitivity as of year-end was approximately 23 thousand euros, compared to 1.1 million euros of total currency risk exposure.

The Bank maintains a structural foreign exchange position in Swedish kronor, subject to regulatory permission, which originates from its Swedish branch operations.

The risk management strategy for the structural foreign exchange position is based on treating this position as Common Equity Tier 1 (CET1) capital, with the aim of maintaining the branch's CET1 ratio (total underlying position / risk exposure amount in SEK) at a level consistent with the bank's overall CET1 ratio. As a result, the size of the structural foreign exchange position (equity) is continuously adjusted to the level justified by the branch's risk exposure amount in Swedish kronor.

When the SEK/EUR exchange rate changes, a translation difference related to the structural foreign exchange position is recognized in the bank's Other Comprehensive Income. However, under this risk management strategy, the bank's CET1 ratio remains unaffected by exchange rate movements.

The bank has been granted permission by the Finnish Financial Supervisory Authority (Finanssivalvonta) to exclude the structural foreign exchange position from the capital requirements calculation up to a specified maximum open net position.

5.2.3 Equity risk

The Bank is exposed to equity risk through strategic and other holdings. The Bank's strategic and other shareholdings are managed, in light of its purpose and nature, through separate decisions by the Board for strategic holdings and by the Managing Director for other shareholdings.



Table 5.2.1.1

Repricing		December 31, 2025					
EUR K	<3 mo	3-6 mo	6-12 mo	1-5 yrs	>5 yrs	Other	Total
Assets							
Cash and balances with central banks	214,633	0	0	0	0	-45	214,588
Debt securities	189,421	77,849	111,368	464,981	43,400	-5,333	881,686
Lending to credit institutions	66,444	0	0	0	0	217	66,661
Lending to the public	2,378,027	471,184	755,515	150,460	18,640	-12,060	3,761,767
Total interest-bearing assets	2,848,525	549,034	866,882	615,442	62,040	-17,222	4,924,701
Liabilities							
Liabilities to credit institutions	123,025	30,508	0	0	0	800	154,333
Deposits from the public	3,515,573	75,328	167,997	1,472	0	-1	3,760,369
Debt securities issued	306,723	60,723	23,000	300,000	0	1,010	691,455
Subordinated liabilities	32,343	0	0	0	0	-89	32,254
Total interest-bearing liabilities	3,977,663	166,558	190,997	301,472	0	1,720	4,638,411
Difference between assets and liabilities	-1,129,138	382,475	675,885	313,969	62,040	-18,942	286,290
Derivative instruments	-491,772	130,682	263,451	130,022	-32,500		-118

Table 5.2.1.2

Parallel shift in the yield curve		December 31, 2025	
EUR K		Basis points +200	Basis points -200
NII		-147	-8,552
EUR		2,106	-8,074
SEK		-1,200	-477
EVE		-16,017	1,949
EUR		-11,524	3,105
SEK		-4,493	793



6. Liquidity and funding risk

6.1 Risk management

Considering the Bank's risk tolerance, the Board has established limits for, among other things, the Bank's Liquidity Coverage Ratio, Net Stable Funding Ratio, survival horizon and issued covered bonds in relation to available collateral.

The liquidity risk is managed by Treasury, which is responsible for identifying and managing risk factors, in the Bank's operations and in the markets, that affect the Bank's need for funding, access to and costs of financing. Treasury must ensure that the risks respect the limits set by the Board.

6.1.1 Liquidity reserve

To ensure access to liquidity even during periods with no possibility of external borrowing, the Bank shall maintain a liquidity reserve that shall serve as an alternative source of liquidity at times of limited or non-existent opportunities to borrow money in the external capital market. The reserve must consist of short-term investments and investments in high-quality assets. The size of the reserve must be such that the Bank can withstand a serious liquidity stress without having to change its business model and that the regulated Liquidity Coverage Ratio is complied with. See Table 6.1.1.1.

6.1.2 Financing

The Bank's financing structure must be well diversified from both an instrument and a maturity perspective. The Bank must strive not to be dependent on other funding sources for its lending than customer deposits and covered bonds. Non-secured capital market financing can be used when market price makes it appropriate.

A long-term goal is that deposits from the public account for more than 50 percent of the financing excluding equity. At the end of the year, deposits from the public made up roughly 80 percent of the financing structure.

To manage concentration risks in the Bank's maturity structure, the Board has determined a limit that limits the maturity of long-term capital market borrowing within a six-month period.

6.2 Risk measurement

The balance sheet of the Bank and its maturity structure are an important parameter when calculating and analyzing the Bank's liquidity risk. Based on the balance sheet, future cash flows are forecast. These are an important tool in managing and planning liquidity risks and borrowing requirements.

6.2.1 Liquidity coverage ratio and net stable funding ratio

Regulators have implemented rules for liquidity risk that cover both short-term and structural liquidity under stressed conditions. The purpose of the Liquidity Coverage Ratio (LCR) is to ensure that banks have enough liquid assets to deal with short-term liquidity stress. This means that banks must have liquid assets of very high quality that are equivalent to at least the net cash outflow for 30 days under stressed conditions, that is, at least 100 per cent.

The Net Stable Funding Ratio (NSFR), a structural liquidity metric, requires that banks have enough stable funding to cover their funding needs in a one-year perspective, both under normal and stressed conditions. The minimum NSFR requirement is 100 per cent.

6.2.2 Encumbered assets

Encumbered assets predominantly consist of home mortgage loans that are used as collateral for the Bank of Åland's covered bond issues outstanding. The size of encumbered assets for covered bonds is based on the level of over-collateralization that the credit rating agency Moody's requires of the Bank of Åland to ensure that the bonds are assigned a credit rating of AAA.

In addition to home mortgage loans, the Bank of Åland has provided collateral for its own liabilities, payment systems,

brokerage operations and clearing in the form of government securities and bonds, mainly to central banks and credit institutions.

6.3 Internal liquidity assessment

The bank annually conducts an internal liquidity assessment to ensure that the liquidity buffers that exist are sufficient to ensure uninterrupted operations even during periods of stress. This is done through stress tests that are based on different scenarios to assess the effects these have on the Bank's liquidity assets and need of financing.

The stress tests are based on factors that the Bank has identified, and which are deemed to have a major impact on the Bank's liquidity risk. Examples of such factors are deposits, the collateral for covered bonds and liquid assets.

The internal liquidity assessment, which was carried out based on the situation in 2024, shows that the bank has an optimized liquidity management, but in the event of disturbances in the market, the Bank may have to use new financing.



Table 6.2.1

Maturity breakdown of financial assets and liabilities

December 31, 2025

EUR K	Undiscounted contractual cash flows						Total
	Repayable on demand	<3 mo	3–6 mo	6–12 mo	1–5 yrs	5–10 yrs	
Assets							
Cash and deposits with central banks	214,588						214,588
Debt securities eligible for refinancing with central banks		102,721	85,242	126,892	521,522	43,400	879,778
Other debt securities		0	0	0	1,908	0	1,908
Lending to credit institutions	66,661	0	0	0	0	0	66,661
Lending to the public	647	288,631	128,821	223,598	1,299,954	1,820,113	3,761,764
Derivative instruments		15,450	2,211	1,133	4,989	1,961	25,745
Total assets	281,896	406,802	216,274	351,623	1,828,373	1,865,474	4,950,443
Liabilities							
Liabilities to credit institutions	50,252	72,854	30,540	60	627	0	154,333
Deposits from the public	3,318,281	197,380	75,328	167,997	1,472		3,760,459
Debt securities in issued		306,434	60,379	22,723	301,919	0	691,455
Subordinated liabilities		0	0	0	0	32,254	32,254
Derivative instruments		3,073	2,278	193	996	475	7,015
Total liabilities	3,368,533	579,741	168,525	190,973	305,014	32,729	4,645,516



Table 6.1.1.1

Liquidity reserve	2025	2024
EUR K		
Cash and balances with central banks	211,333	289,877
Debt securities issued by sovereigns and public authorities	181,847	178,873
Covered bonds (minimum rating AA-)	615,699	535,649
Lending to credit institutions	61,917	22,068
Debt securities issued by financial companies	43,604	50,946
Total	1,114,400	1,077,413
<i>of which LCR-qualified</i>	926,609	930,809

Since March 31, 2024, holdings of own covered bonds have no longer been part of the Bank's liquidity reserve.

Table 6.2.1.1

Liquidity coverage ratio (LCR)	2025	2024
EUR K		
Liquid assets, level 1	839,314	859,934
Liquid assets, level 2	87,295	70,875
Total high-quality liquid assets (HQLA)	926,609	930,809
Deposits from the public	169,641	150,406
Capital market funding	479,550	389,787
Other cash flows	166,020	267,926
Cash outflows	815,211	808,119
Inflows from fully performing exposures	87,054	45,165
Other cash inflows	123,528	213,706
Total cash inflows	210,582	258,870
Net cash outflow	604,629	549,249
Liquidity coverage ratio (LCR), %	153	169



Table 6.2.1.2

Net stable net financing ratio (NSFR)	2025	2024
EUR K		
Required stable funding (RSF) items		
High-quality liquid assets (HQLA)	94,240	78,288
Other liquid assets	2,326	0
Other securities	28,702	43,885
Performing loans and other receivables	2,698,113	2,651,161
Derivative instruments	26,334	19,848
Other assets	263,168	249,079
Off-balance sheet items	23,450	21,326
Total required stable funding	3,136,334	3,063,586
Available stable funding (ASF) items		
Capital items and instruments	376,243	324,197
Deposits from the public	2,282,978	2,166,619
<i>of which stable deposits</i>	<i>1,342,406</i>	<i>1,361,135</i>
<i>of which less stable deposits</i>	<i>940,572</i>	<i>805,484</i>
Deposits from other counterparties	624,845	574,322
Capital market funding	300,000	550,000
Other liabilities	0	0
Total available stable funding	3,584,065	3,615,138
Net stable funding ratio, %	114	118

Table 6.2.2.1

Encumbered assets	Emcumbered assets	Unencumbered assets	Total assets
EUR K			
Debt securities	41,323	840,362	881,686
Loan receivables consulting collateral (cover pool) for covered bonds	1,000,187	2,761,578	3,761,765
Other assets pledged	629	374,692	375,321
Assets not eligible for encumbering		154,294	154,294
Total	1,042,139	4,131,352	5,173,492
Per cent of total assets	20	80	100

7. ESG risks

ESG risks refer to risks linked to environmental, social and governance factors. They act as risk drivers within existing financial risk areas by amplifying or broadening these risks. Climate risks are considered the most material risk driver in the short, medium and long term. ESG risk is therefore not treated as a separate risk type but is integrated into the overall risk management framework, which is continuously developed to address emerging risks.

Climate-related risks are primarily divided into physical risks and transition risks. Physical risks refer to the direct effects of climate events. These may be acute, such as floods, storms or wildfires, or chronic through long-term changes in temperature, precipitation patterns or sea levels. Such events may affect borrowers through damage to assets or loss of income.

Transition risks arise from society's shift towards a sustainable economy and are driven by changes in regulation, technology and market conditions. Businesses with high climate impact are generally more exposed, while those that adapt quickly may benefit from the transition.

Climate change may also give rise to liability risks, for example through legal claims from parties suffering climate related losses. The timing of when climate related risks may materialize varies. Transition risks may materialize relatively quickly, particularly if climate targets are tightened, whereas physical risks become more significant if the transition is not sufficiently robust.

7.1 Credit risk

Climate change may affect credit risk by causing financial losses for borrowers, for example through property damage, loss of income or a decline in the value of collateral. Climate related events may also lead to credit concentration risks if specific regions or sectors are particularly exposed.

More than half of the Bank's lending consists of residential mortgage loans to private individuals, where risks are primarily linked to the properties serving as collateral. These properties may be affected by extreme weather events, flood risk, rising sea levels or energy performance. Property values may be influenced



by both physical climate risks and increasing requirements for energy efficiency, which in turn affects the value of the collateral.

The Bank's corporate lending is distributed across various sectors and mainly concentrated among borrowers in Åland, Finland and Sweden. However, the Bank of Åland does not conduct significant corporate banking activities targeting companies on the Finnish or Swedish mainland. Corporate risk profiles may be affected by physical climate impacts as well as regulatory changes and adaptation requirements. In some sectors, the climate transition may lead to higher costs or reduced demand, while others may benefit.

In financial and insurance related activities, climate related risks materializing among customers may lead to credit losses or impairments, particularly in businesses with climate intensive operating models.

7.2 Market risk

Climate change and expectations of climate policy measures may affect market risk through changes in pricing and valuations. Stricter regulation or taxation of emissions may influence the share prices of exposed companies, and rating agencies may incorporate additional climate related factors into their assessments.

Since the Bank does not engage in equity trading for its own account, its equity risk is very limited. The exposure mainly consists of strategic holdings in financial services companies with low assessed climate related risk.

Climate change and the measures taken to mitigate it may also pose risks to economic development, price stability and financial stability. Extreme weather events can impair production capacity and affect overall welfare. From a monetary policy perspective, this may increase volatility in prices and output. The impact on inflation depends, among other factors, on monetary policy considerations.

7.3 Liquidity risk

Climate related risk rarely gives rise to liquidity risk without first generating market, credit or operational risk. This is because climate change typically does not make an asset less liquid unless the asset has already lost value, a borrower has defaulted, or financial markets have experienced disruptions.

Liquidity risk may, however, arise from changing investor preferences. For example, a sharp increase in demand for green bonds could make the market for non green bonds less liquid and reduce their value. Securities issued by regions exposed to recurrent climate related events may also decline in liquidity.

The Bank limits liquidity risk in its liquidity portfolio through Board approved investment guidelines, including requirements related to credit ratings, countries, currencies and counterparty sectors. The Bank also strives to improve methods for identifying sustainable financial instruments among its own assets, develop new processes for gathering sustainability data in the credit granting process, and create conditions for issuing green bonds.

7.4 Business risk

As consumers become more aware of climate change issues and actively choose sustainable products and services, this may increase business risk for companies that did not have enough time to adapt their product range in line with consumer preferences.

Sustainability work has already been among the Bank of Åland's core values for many years. Sustainability issues are an integral element of the Bank's operational management and aim at constantly improve the Bank's performance from a sustainability perspective.

7.5 Operational risk

Climate change may have an impact on the level of operational risk, for example if extreme weather may force office closures or damage key resources such as data centers. Extreme weather may also make it difficult for individual employees to travel to their workplace. Operational risks are identified by the Bank's

operational units through yearly self-assessments. The highest risks must be managed and mitigated if they are not deemed to be within the Bank's risk appetite.

The Bank has continuity plans for all business-critical processes in order to manage the situation arising from any disruption in IT systems. In addition to its own continuity plans, the Bank requires critical systems suppliers to maintain plans that include strategies to minimize the impact of extreme weather events, for example, and to quickly resume operations.

8 Non-financial risk

8.1 Risk management

The management of non-financial risks must ensure that all significant non-financial risks are identified and managed at a sufficient level in relation to the Bank's ability to bear risk and capacity. The likelihood of unforeseen significant losses or threats to reputation must be minimized. Risk management mainly takes place in the first line of defense. The second line of defense supports operations through, among other things, internal training and internal regulations relating to the management of operational risks and regulatory compliance. The Operational Risks & Security and Compliance departments constitute the Bank's second line of defense regarding non-financial risk.

The Group has continuity plans for all main processes and central business units that must function to ensure that the Group and its customers do not suffer serious consequences. The purpose of these plans is to maintain operations and to limit interruptions, losses or damage in the event of disruptions.

During project work, the Bank uses its new products approval process (NPAP). Risk mapping is an important part of this process. The purpose of a comprehensive analysis that highlights a variety of risks is to avoid inadvertent risk-taking. Products and services that are new or have undergone significant changes must be secure and functional when they are put into use.

At group level, insurances have been taken out to reduce the consequences of realized risks. There are insurances for board



and management liability (Directors & Officers), operational liability (Professional Liability) and against criminal acts (Crime). In addition to these insurances, the companies in the group have taken out company-specific insurances. Adequate procedures for data protection and information security must be in place and must be further developed, based on the threat situation at hand. Management and the Board are regularly informed about non-financial risks in the business so that this can be taken into account when making decisions. Adequate management of non-financial risks is important to secure trust in the Bank's operations, not least from the customer's point of view.

8.2 Risk mapping

The first line of defense annually maps the ICT, process, and personnel risks of its own operations, as well as risks arising from external factors (operational risks), through self-assessment. During the self-assessment, the likelihood and consequences of operational risks materializing are evaluated.

Operational risks that are assessed as high or very high, also by the second line of defense, are presented to the Group Management Team to ensure that adequate measures are taken to stay within the bank's risk appetite. Action plans from the operations are monitored. At least annually, risk analyses are conducted within the areas of anti-money laundering and combating the financing of terrorism (AML-CFT). The results are reported to management and the board of directors.

The second line of defense regularly conducts its own risk assessments, including evaluations of information security risks, compliance risks and mappings of the Bank's operational risks.

8.3 Non-financial risks

In the Bank's risk appetite framework, the risk taxonomy for financial and non-financial risks is described. The non-financial risks are divided into ICT risk, process risk, personnel risk, risks from external factors, compliance risks, and the risk of money laundering and financing of terrorism.

8.3.1 ICT risk

By ICT risk (information and communication technology risk) is meant risks related to the functionality, performance, availability, resilience (including cyber), testing, release, data storage, vulnerabilities, and technology-related planning of both the Bank's and third-party systems.

Information security risk refers to risks related to the confidentiality, integrity, and availability of information. The bank has implemented the DORA framework, which came into force on January 17, 2025, and has thus developed processes and routines to strengthen digital resilience.

8.3.2 Personnel risk

Personnel risk refers to the application of employment contract regulations, inefficient employment relationships, and insufficient workplace safety. The bank is a small player with a broad range of services, which means that dependence on key personnel easily arises. Due to the many manual processes, the consequences of key personnel dependence increase. Structured recruitment processes and succession planning ensure continuity and minimize operational disruptions.

8.3.3 Process risk

Process risk refers to risks related to errors in process design, process implementation, process control, and inadequate project management. Process risk includes model risk, which refers to design errors, implementation errors, and errors in the use of the model. By ensuring well-executed implementation, control, and documentation of new and changed processes, process risk is reduced.

8.3.4 Risks based on external factors

In the category of risks from external factors, risks that the Bank is exposed to from outside are included. Risks from external factors include, among other things, fraud, natural disasters, and geopolitical instability. The Bank undertakes efforts in continuity,

information security, monitoring, and collaboration with reliable partners. By integrating these efforts, the bank can manage external risks such as fraud, technological threats, and geopolitical changes.

The risk of fraud and suspicious transactions stems from the external threat of financial crime that the financial industry is exposed to. Crimes committed via the internet are becoming increasingly common and often affect the bank's customers first. However, banks have a broad liability for compensation in cases of fraud, which can result in significant costs even if the fraud is not directed at the bank. Fraud can be carried out through, for example, investment or romance scams, phishing, or telephone fraud.

8.3.5 Risks stemming from third parties

Third party risks are risks that a company may be exposed to as a result of a contract with another party. Responsibility for services and risks connected to the Bank's own operations can never be assigned to another party. To limit third party risks, it is important to apply a thorough approval process in connection with the signing of new contracts. New and existing suppliers are adequately vetted and followed up on in an appropriate manner and they commit to complying with the Bank's security requirements. The Bank has established a special committee for managing third party contracting matters.

8.3.6 Compliance risks

The Bank is subject to numerous regulations that make far-reaching demands on its operations. Compliance shortcomings create a risk that the Bank will not live up to external laws and regulations. Failure to manage compliance risks may lead to increased operational and legal risks, reputational risks and the risk of intervention by regulatory authorities.

At least once a year, the Compliance department carries out an analysis of compliance risks, consisting of identifying and evaluating risks and proposing actions to limit and manage risks that are



deemed high or unacceptable.

Internal risk-mapping must always include compliance risks.

9. Upcoming changes in risk management regulations

CRD6 (Capital Requirements Directive) is the EU's latest capital requirements directive, adopted in 2024 to implement the Basel III final package and strengthen the resilience of banks. The directive contains updated rules for capital adequacy, risk management and internal governance, as well as stricter supervisory and reporting requirements for banks and investment firms. CRD6 also introduces requirements for managing ESG risks, in particular climate-related risks, and applies a proportionality approach where smaller and simpler institutions receive relief from the requirements. For the Bank of Åland, this primarily means strengthened requirements for risk management, internal governance and reporting, as well as increased consideration of sustainability and climate risks. The implementation will be gradual until 2030 to give institutions time to adapt to the new rules.

The European Banking Authority's guidelines on the management of ESG risks (EBA/GL/2025/01) enter into force in January 2026 and clarify how credit institutions should integrate environmental, social and governance risks into their risk management, business strategy and governance. The guidelines require banks to identify, assess and manage ESG risks as part of their existing risk frameworks, including credit, market, operational and liquidity risks. For the Bank of Åland, this means that ESG factors must be systematically integrated into risk assessment processes, stress tests and capital assessment (ICAAP/ILAAP), and that the board and management must actively monitor and report on ESG-related risks. The bank has during 2025 commenced implementation of the guidelines to ensure compliance and strengthen its long-term resilience against sustainability-related risks.

The Fundamental Review of the Trading Book (FRTB) is a market risk framework introduced by Basel III that incorporates more sophisticated risk assessment techniques to better match banks'

capital requirements with the real risks of their market activities. The rules are estimated to enter into force on 1 January 2027.

The FRTB is a comprehensive set of rules specifying minimum capital requirements for market risk on banks' trading books. The FRTB's immediate objective is to address weaknesses in the market risk framework that became apparent during the financial crises, such as insufficient capitalisation for stressed market scenarios, lack of consistency and sufficient transparency in capital calculations across all financial institutions.

10. Further information

In the Bank of Åland's Pillar 3 report, the Bank reports on the disclosure requirements laid down in Part Eight of the Capital Requirements Regulation (EU) No 575/2013 and subsequent amendments. The report provided further information on the Group's financial risks and is available on the Bank's website.



G4. Segment report		2025				
	Private Banking	Premium Banking	IT	Corporate and other	Eliminations	Total
Net interest income	36,901	50,674	-149	7,759	-34	95,151
Net commission income	61,845	17,107	-74	6,476	380	85,734
IT income			54,904	2,162	-23,272	33,794
Net income from financial items carried at fair value	48	-6	-203	-330	-82	-574
Other income	60	26	558	6,972	-1,422	6,195
Total income	98,854	67,801	55,035	23,039	-24,430	220,299
Staff costs	-22,885	-8,371	-32,480	-31,998	12	-95,722
Other expenses	-11,152	-4,606	-20,285	-26,484	18,617	-43,910
Depreciation/amortisation	-463	-150	-4,034	-9,532	2,160	-12,020
Internal allocation of expenses	-27,802	-29,219		57,021		0
Total expenses	-62,303	-42,346	-56,799	-10,993	20,790	-151,652
Profit before impairment losses	36,553	25,455	-1,764	12,047	-3,642	68,648
Net impairment losses on financial assets	53	-2,121		624		-1,445
Net operating profit	36,605	23,333	-1,764	12,671	-3,642	67,203
Income taxes	-7,528	-4,783	397	-709	0	-12,623
Non-controlling interests			-0			-0
Profit for the period attributable to shareholders in Bank of Åland Plc	29,077	18,550	-1,368	11,962	-3,642	54,580

		2025				
	Private Banking	Premium Banking	IT	Corporate and other	Eliminations	Total
Net commission income						
Deposits	169	950		179	-0	1,298
Lending	362	1,375		-136	-1	1,600
Payment intermediation	2,196	7,853		2,901	-8	12,942
Mutual fund commissions	39,153	5,626		10	-5,482	39,308
Asset management commissions	19,132	1,748		-16	-402	20,463
Securities brokerage	17,487	1,064		1,004	0	19,555
Other commissions	173	2,523		4,505	-31	7,169
Total commission income	78,671	21,140	0	8,446	-5,923	102,335
Commission expenses	-16,826	-4,033	-74	-1,970	6,302	-16,601
Total net commission income	61,845	17,107	-74	6,476	380	85,734
Business volume, December 31						
Lending to the public	1,620,735	2,147,054		-2,054	-3,971	3,761,765
Deposits from the public	1,702,685	2,058,096		19,678	-20,001	3,760,459
Actively managed assets	11,237,294	882,115				12,119,409
Managed mortgage loans				3,592,956		3,592,956
Risk exposure amount	773,565	652,737	75,000	386,484		1,887,786
Equity capital	118,347	116,480	33,231	118,362		386,420
Financial ratios etc.						
Return on equity (ROE), %	31.3	20.3	-5.2	12.5		17.8
Expense/income ratio	0.63	0.62	1.03	0.48		0.69



G4. Segment report

2024

	Private Banking	Premium Banking	IT	Corporate and other	Eliminations	Total
Net interest income	42,684	57,206	-170	4,463	-34	104,150
Net commission income	53,369	16,675	-72	5,740	674	76,386
IT income			53,357	1,225	-19,506	35,076
Net income from financial items carried at fair value	172	139	-56	-843	2	-585
Other income	26	13	1,272	1,597	-1,582	1,326
Total income	96,251	74,033	54,332	12,182	-20,446	216,353
Staff costs	-21,739	-7,559	-30,085	-28,488		-87,872
Other expenses	-13,032	-4,887	-19,583	-26,751	17,111	-47,142
Depreciation/amortisation	-361	-147	-4,004	-10,513	2,719	-12,306
Internal allocation of expenses	-26,585	-26,714		53,299		-0
Total expenses	-61,716	-39,307	-53,677	-12,449	19,830	-147,319
Profit before impairment losses	34,535	34,726	655	-267	-617	69,033
Net impairment losses on financial assets	-1,256	-2,635		-119		-4,010
Net operating profit	33,279	32,091	655	-386	-617	65,023
Income taxes	-6,840	-6,579	37	614		-12,767
Non-controlling interests			2			2
Profit for the period attributable to shareholders in Bank of Åland Plc	26,439	25,512	694	228	-617	52,257

2024

	Private Banking	Premium Banking	IT	Corporate and other	Eliminations	Total
Net commission income						
Deposits	199	937		177	-0	1,313
Lending	521			19	-0	2,243
Payment intermediation	1,673	7,040		3,466	-7	12,171
Mutual fund commissions	37,446	5,545		257	-5,654	37,595
Asset management commissions	17,568	1,447		-3	-188	18,825
Securities brokerage	11,424	922		1,065	0	13,411
Other commissions	192	2,493		3,429	-31	6,084
Total commission income	69,024	20,087	0	8,412	-5,880	91,643
Commission expenses	-15,655	-3,412	-72	-2,672	6,554	-15,256
Total net commission income	53,369	16,675	-72	5,740	674	76,386
Business volume, December 31						
Lending to the public	1,625,243	1,956,287		-2,501	-3,383	3,575,645
Deposits from the public	1,540,208	1,937,358		55,921	-12,094	3,521,392
Actively managed assets	9,755,009	848,974		12,111		10,616,094
Managed mortgage loans				3,080,348		3,080,348
Risk exposure amount	675,322	541,624	75,000	351,010		1,642,956
Equity capital	108,091	92,517	31,209	104,143		335,960
Financial ratios etc.						
Return on equity (ROE), %	26.9	31.3	2.5	0.3		17.9
Expense/income ratio	0.64	0.53	0.99	1.02		0.68



G5. Product areas		2025				
	Daily banking services incl. deposits	Financing services	Investment services	IT services	Other	Total
Net interest income	50,425	36,121		-333	8,940	95,151
Net commission income	11,170	5,922	68,535	-74	182	85,734
IT income				33,794	0	33,794
Net income from financial items carried at fair value		-32		-203	-339	-574
Other income					6,195	6,195
Total income	61,594	42,010	68,535	33,183	14,977	220,299

		2024				
	Daily banking services incl. deposits	Financing services	Investment services	IT services	Other	Total
Net interest income	65,229	36,364		-318	2,875	104,150
Net commission income	10,907	5,439	60,073	-72	39	76,386
IT income				35,076	0	35,076
Net income from financial items carried at fair value		-660		-56	131	-585
Other income				0	1,326	1,326
Total income	76,136	41,143	60,073	34,630	4,371	216,353

Daily banking services included net interest income from all deposit accounts, i.e. also savings accounts, time deposits and cash accounts connected to securities accounts, net commission income from deposits, cashier and payment intermediate services, cards, the Premium concept, bank safety deposit boxes etc. plus income from exchanging currencies.

Financing services consisted of net interest income from all lending products, i.e. also securities account loans, as well as lending commissions and guarantee commissions.

Investment services included income from discretionary asset management, advisory asset management, mutual fund management and securities brokerage. Income from deposit accounts and loans that may be part of a customer's asset management were reported under daily banking services and financing services, respectively.

IT services included the operations of Crosskey Banking Solutions Ab Ltd.

G6. Geographic distribution		2025			2024		
	Finland	Sverige	Totalt	Finland	Sverige	Totalt	
Net interest income	67,525	27,626	95,151	69,151	34,999	104,150	
Net commission income	61,292	24,442	85,734	57,680	18,707	76,386	
IT income	24,101	9,692	33,794	25,586	9,490	35,076	
Net income from financial items carried at fair value	-478	-96	-574	-308	-277	-585	
Other income	6,088	106	6,195	1,215	111	1,326	
Total income	158,529	61,771	220,299	153,324	63,028	216,353	
Staff costs	-72,363	-23,359	-95,722	-67,081	-20,791	-87,872	
Other expenses	-25,347	-18,563	-43,910	-26,743	-20,398	-47,142	
Depreciation/amortisation	-10,905	-1,114	-12,020	-11,583	-722	-12,306	
Total expenses	-108,615	-43,037	-151,652	-105,408	-41,912	-147,319	
Profit before impairment losses	49,914	18,734	68,648	47,916	21,117	69,033	
Net impairment losses on financial assets	-915	-529	-1,445	-2,935	-1,075	-4,010	
Net operating profit	48,999	18,205	67,203	44,981	20,042	65,023	
Income taxes	-9,204	-3,420	-12,623	-8,832	-3,935	-12,767	
Non-controlling interests	-0		-0	2		2	
Profit for the period attributable to shareholders in Bank of Åland Plc	39,795	14,785	54,580	36,151	16,106	52,257	
Business volume, December 31							
Lending to the public	2,836,703	925,062	3,761,765	2,729,763	845,882	3,575,645	
Deposits from the public	2,727,897	1,032,562	3,760,459	2,610,442	910,950	3,521,392	
Actively managed assets	6,781,127	5,338,283	12,119,409	5,822,947	4,793,146	10,616,094	
Risk exposure amount	1,449,382	438,403	1,887,786	1,258,948	384,009	1,642,956	
Allocated equity capital	335,970	50,450	386,420	282,752	53,209	335,960	
Financial ratios etc.							
Return on equity (ROE), %	15.4	31.0	17.8	15.5	27.2	17.9	
Expense/income ratio	0.69	0.70	0.69	0.69	0.66	0.68	



G7. Net interest income		2025		2024		
	Average balance	Interest	Average interest rate, %	Average balance	Interest	Average interest rate, %
Lending to credit institutions and central banks	305,940	7,141	2.33	352,934	11,346	3.21
Lending to the public	3,611,183	128,046	3.55	3,643,581	172,142	4.72
Debt securities	812,992	18,740	2.31	786,792	18,991	2.41
Interest-bearing assets	4,730,115	153,928	3.25	4,783,306	202,479	4.23
Derivative instruments	27,902	1,397		18,700	536	
Other assets	226,271	604		225,517	1,067	
Total assets	4,984,288	155,929		5,027,523	204,083	
<i>of which interest according to the effective interest method</i>		155,235			203,542	
Liabilities to credit institutions	94,997	1,577	1.66	193,610	6,869	3.55
Deposits from the public	3,623,409	35,430	0.98	3,446,329	53,898	1.56
Debt securities issued	738,077	21,169	2.87	848,079	35,107	4.14
Subordinated liabilities	31,578	1,740	5.51	30,613	2,093	6.84
Interest-bearing liabilities	4,488,061	59,916	1.34	4,518,630	97,966	2.17
Derivative instruments	6,445	660		8,833	1,160	
Other liabilities	149,301	201		178,195	807	
Total liabilities	4,643,808	60,778		4,705,658	99,933	
Total equity capital	340,480			321,865		
Total liabilities and equity capital	4,984,288			5,027,523		
<i>of which interest according to the effective interest method</i>		60,453			99,597	
Net interest income		95,151			104,150	
Interest margin			1.92			2.06
Investment margin			1.91			2.07

Interest from derivative instruments is recognised together with the item that they hedge within the framework of hedge accounting (fair value hedging and cash flow hedging).

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 13 end-of-month figures.

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

G8. Net commission income		2025		2024	
Deposits		1,298		1,313	
Lending		1,600		2,243	
Payment intermediation		12,942		12,171	
Mutual fund commissions		39,308		37,595	
Asset management commissions		20,463		18,825	
Securities brokerage		19,555		13,411	
Other commissions		7,169		6,084	
Total commission income		102,335		91,643	
Payment commission expenses		-4,771		-4,446	
Mutual fund commission expenses		-7,100		-6,325	
Asset management commission expenses		-1,233		-1,386	
Securities brokerage commission expenses		-2,435		-2,133	
Other commission expenses		-1,061		-966	
Total commission expenses		-16,601		-15,256	
Net commission income		85,734		76,386	



G9. Net income from financial items carried at fair value

	2025			2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Measurement category fair value via the income statement ("profit and loss")						
Derivative instruments		-2	-2		17	17
Other financial items	1,674	-3,889	-2,214	-184	-1,135	-1,320
Measurement category fair value via the income statement ("profit and loss")	1,674	-3,890	-2,216	-184	-1,118	-1,302
Fair value via other comprehensive income						
Realised changes in value	1,631		1,631	1,123		1,123
Expected loan losses		3	3		24	24
Total, measurement category fair value via other comprehensive income	1,631	3	1,634	1,123	24	1,147
Hedge accounting						
of which hedging instruments	174	-3,664	-3,490	905	785	1,690
of which hedged item		4,227	4,227		-1,090	-1,090
Hedge accounting	174	563	737	905	-305	600
Measurement category accrued cost						
Loans	-51	19	-32	-653	-21	-674
Debt securities	-112		-112	-42		-42
Total, measurement category amortised cost	-163	19	-144	-695	-21	-716
Foreign currency revaluation		-585	-585		-313	-313
Total	3,316	-3,890	-574	1,148	-1,733	-585

G10. Other income

	2025	2024
Income from equity capital investments	45	12
Income related to transfer of assets	4,255	
Net income from investment properties	-26	1
Rental income on properties	84	114
Miscellaneous income	292	454
Total	4,651	581
Specification of net income from investment properties		
Rental income	38	37
Other income	5	
Other expenses	-69	-37
Total	-26	1



G11. Staff costs	2025	2024
Salaries and fees	74,198	68,862
Compensation in the form of shares	938	437
in Bank of Åland Plc	12,642	11,721
Pension expenses	7,944	6,853
Other social security expenses	95,722	87,872
<i>of which variable staff costs</i>	<i>4,765</i>	<i>3,379</i>
<i>of which staff outplacement expenses</i>	<i>555</i>	<i>137</i>

Variable staff costs and staff outplacement expenses are reported including social insurance fees.

Salaries and fees		
Boards of Directors	406	415
Senior executives	4,461	3,688
Others	70,269	65,196
Total	75,135	69,299

“Boards of Directors” refers to all Board members of Group companies. “Senior executives” refers to the Group’s Executive Team and to the Managing Director and Deputy Managing Directors of subsidiaries.

Salaries and fees to senior executives		
Salaries and fees	3,523	3,251
Share-based payment	938	437
Total	4,461	3,688
Pension expenses		
Managing Director	134	109
Senior executives	634	574
Others	11,874	11,038
Total	12,642	11,721
Pension expenses		
Defined benefit plan	522	560
Defined contribution plan	12,121	11,161
Total	12,642	11,721

	2025			2024		
Number of employees	Men	Women	Total	Men	Women	Total
Åland	304	280	584	306	276	582
Finnish Mainland	166	158	324	164	155	319
Sweden	144	86	230	148	82	230
Total	614	524	1,138	618	513	1,131
Hours worked, recalculated to full-time equivalent positions						
Bank of Åland Plc			587			563
Crosskey Banking Solutions Ab Ltd			379			368
Ålandsbanken Fondbolag Ab			48			46
Total number of positions, recalculated from hours worked			1,013			977
Gender breakdown, %	Men	Women		Men	Women	
Board of Directors	75	25		69	31	
Senior executives	67	33		58	42	
	Managing Director	Senior executives	Others	Managing Director	Senior executives	Others
Total compensation						
Fixed compensation earned	435	2,151	68,451	431	2,337	63,695
Provisions for pensions	134	634	11,874	109	574	11,038
Variable compensation earned	358	1,504	2,235	191	728	1,916
Total	927	4,290	82,561	731	3,640	76,648
<i>of which postponed variable compensation</i>	<i>215</i>	<i>873</i>	<i>216</i>	<i>76</i>	<i>273</i>	<i>178</i>
<i>of which variable compensation paid</i>	<i>143</i>	<i>632</i>	<i>2,019</i>	<i>114</i>	<i>455</i>	<i>1,738</i>
Number of persons who received only fixed compensation	0	2	1,080	0	4	1,125
Number of persons who received both fixed and variable compensation	1	9	129	1	9	129
Total	1	11	1,209	1	13	1,254
Postponed variable compensation, January 1	412	1,592	696	396	1,521	564
Variable compensation postponed during the year	215	873	216	76	273	178
Disbursed during the year	-47	-198	-74	-61	-194	-93
Adjusted during the year		-102	-187		-8	46
Postponed variable compensation, December 31	580	2,165	651	412	1,592	696

Further information on key employees in senior positions and risk takers (Capital Requirements Regulation, Article 450) is provided in the Bank’s Capital and Risk Management Report (Pillar 3), which is published on the Bank of Åland’s website.



Share savings programmes	2025	2024
2023 programme		
Recognised expense related to payment in the form of shares in the Bank of Åland Abp	278	278
Recognised expense for social security fees related to share-based portion	32	13
2024 programme		
Recognised expense related to payment in the form of shares in the Bank of Åland Abp	239	239
Recognised expense for social security fees related to share-based portion	17	7
Total recognised expense	567	537

Conditions and compensation

General

The Bank's compensation system shall be compatible with the Group's corporate strategy, goals and values, as well as being compatible with and promoting good, effective risk management. The compensation system shall be structured in such a way that it does not counteract the long-term interests of the Group. An analysis is carried out to determine how the compensation system affects the financial risks that the Bank is subjected to and the management of these risks. There shall be a suitable balance between fixed and variable compensation. The Group's total compensation for a single earning period shall not build up and reward risks that may jeopardise the long-term interests of the Group.

The Bank has an earnings-based compensation system including the Managing Director and other senior executives. There are also separate earnings-based compensation systems for employees in the Group's business areas. Earnings-based compensation for a single individual may not exceed an amount equivalent to 12 monthly salaries per financial year.

Board of Directors

The fees of the Board members are established by the General Meeting. During the period from the 2025 Annual General Meeting to the end of the 2026 Annual General Meeting, the members of the Board receive an annual fee as well as a fee for each Board and Committee meeting attended. The Chairman of the Board receives an annual fee of EUR 37,000 and the Deputy Chairman receives an annual fee of EUR 31,500. Other Board members each receive an annual fee of EUR 29,000. In addition, Board members are paid a meeting fee for each Board meeting they attend. The meeting fee amounts to EUR 1,000 for the Chairman and EUR 750 for other members per meeting attended. Each member of a Board committee is paid EUR 750 per committee meeting attended. The chairman of each respective committee receives a meeting fee of EUR 1,000 per committee meeting attended. The members of the Bank's Board of Directors are not included in share-based compensation systems.

Managing Director

The Managing Director receives a monthly salary of EUR 34,585. He also receives free automobile benefits and is entitled to the employee benefits that are generally applicable at the Bank. During 2025, the Managing Director was paid compensation totalling EUR 608,960 including fringe benefits and variable compensation. Of the variable compensation paid in 2025, EUR 80,667 was paid in cash and EUR 80,667 in Bank shares, in compliance with external regulations.

The Managing Director's minimum retirement age is 65 and his maximum retirement age is 70. He will receive a pension in accordance with the Finnish national pension system. He is not entitled to a supplementary pension in addition to the statutory public pension. The notice period in case of resignation initiated by the Managing Director is nine (9) months. During this notice period, he will receive a regular monthly salary. According to his employment contract, the Managing Director is entitled to severance pay totalling nine (9) months' salary in case of dismissal by the Bank. Upon resignation, the Managing Director is not entitled to any other compensation.

Other senior executives

Compensation to other senior executives is paid as a fixed



individual monthly salary plus generally applicable employment benefits at the Bank. Other senior executives are not covered by any supplementary pension arrangement. Due to a divergent pension system in Sweden, the Bank has obtained defined contribution-based supplementary pension insurance for members of the Executive Team residing in Sweden, with a retirement age of 70.

Payment of variable compensation to non-risk-takers

Variable compensation related to a service period of one calendar year shall be paid immediately in full, if the compensation does not exceed EUR 50,000.

If the variable compensation exceeds EUR 50,000 but does not exceed EUR 100,000, at least 40 per cent of this variable compensation shall be deferred by at least four years (vesting period).

Deferred variable compensation may be paid either at the end of the deferral period or on several occasions during the deferral period. The first deferred portion may be disbursed no earlier than 12 months after the start of the deferral period. In the case of a deferral period of, for example, four years, the variable compensation may be paid at a rate of one-fourth at the end of years n+1, n+2, n+3 and n+4 respectively, where n is the date of payment of the portion of the allocated variable compensation that is paid directly. If the variable compensation exceeds EUR 100,000, the rules for risk-takers apply to the entire remuneration.

Payment of variable compensation to risk-takers¹

Variable compensation related to a service period of one calendar year shall be paid immediately in full, if the compensation does not exceed EUR 50,000.

If the variable compensation exceeds EUR 50,000, at least 40 per cent of the variable compensation shall be deferred by at least four years (vesting period). If the variable compensation

constitutes an especially large percentage of the total amount of fixed and variable compensation, at least 60 per cent of the variable compensation shall be deferred in a similar way. The level at which variable compensation is considered to constitute an especially large percentage is when it exceeds six months' salary.

Deferred variable remuneration may be paid either at the end of the deferral period or on several occasions during the deferral period. The first deferred portion can be paid no earlier than 12 months after the start of the deferral period. In the case of a deferral period of, for example, four years, the variable compensation may be disbursed at the rate of one quarter at the end of years N+1, N+2, N+3 and N+4 respectively, where N is the date of payment of the portion of the allocated variable compensation that is paid directly.

Since the Bank of Åland Plc is a listed company, at least 50 per cent of the earnings-based compensation is paid in the Bank's shares. Because Ålandsbanken Fondbolag Ab is a fund management company, at least 50 per cent of variable compensation to risk-takers employed by Ålandsbanken Fondbolag Ab shall be paid in fund units. The allocated shares/fund units must be held for at least 12 months (deferral period) before the recipient of the compensation may have access to them. The disbursement may be further postponed in light of a comprehensive assessment based on the Group's economic cycle, the nature of its business operations and risks and the job duties and responsibilities of the individual. The Bank is entitled to abstain from disbursing postponed earning-based compensation if the Group's financial position has substantially deteriorated.

For information about the number of shares connected to the variable compensation programmes, see the section entitled "Facts on Bank of Åland shares".

Share savings programme

Bank of Åland has, since 2022, operated two ongoing share savings programmes for permanent employees of the Group. During 2023 and 2024, savings shares (Series B shares) were subscribed for through new share issues. From the date of issuance of the savings shares, a three year qualification period commences. At the end of the qualification period, matching shares are allocated to participants who remain employed by the Group and continue to hold their subscribed savings shares in a designated custody account. The programmes will end once the final matching shares have been distributed in 2026 and 2027, respectively. The objective of the programmes is to further strengthen employee motivation, engagement and long term commitment with the Group by offering employees the opportunity to obtain shares in the Bank on favourable terms.

¹ "Risk-takers" in the Bank's compensation policy documents refers to employees who are regarded as having a significant impact on the Bank's risk profile. On December 31, 2025, the number of risk-takers totalled 51, while the corresponding figure on December 31, 2024 was 51. The Bank has established qualitative and quantitative criteria for the purpose of identifying those employees who have a significant impact on the Bank's risk profile.



G12. Other expenses	2025	2024
IT expenses (excluding market data)	20,624	20,513
Rents	844	661
Other costs of premises and property	1,808	1,704
Marketing expenses	3,804	3,649
Information services	3,997	3,827
Staff-related expenses	3,370	3,505
Telecoms, postage	1,870	2,227
Travel expenses	1,188	1,141
Purchased services	3,796	4,833
Guarantee fee ¹	3	5
Statutory fees	53	
Other expenses	6,918	9,247
Production for own use	-4,365	-4,169
Total	43,910	47,142

¹ The guarantee fee includes the deposit guarantee fee and the fee for the Investors' Compensation Fund.

Fees to the Finnish Financial Stability Authority		
Deposit guarantee fee	245	2,031
Paid by the old Deposit Guarantee Fund	-245	-2,031
Administration fee	53	44
Total	53	44

Based on the 2025 fee level, the Bank has prepaid deposit guarantee fees covering approximately 25 years.

Fees paid to auditors		
Auditing fees paid	501	508
Fees according to the Auditing Act, Chapter 1, Section 1, Point 2	212	260
Consulting fees paid		
<i>Tax matters</i>	15	1
<i>Other</i>	231	209
Total	959	978

These amounts include value-added tax (VAT).

Fees paid to KPMG OY Ab for expenses other than auditing totalled EUR 221 K (170).



G13. Expected credit (loan) losses

2025

	New and increased individual impairment losses	Recovered from earlier provisions	Utnyttjat för konstaterade förluster	Utilised for actual losses	Recovery of actual losses	Total
Expected losses from financial assets recognised at amortised cost and from off-balance sheet obligations						
Lending to the public	5,370	-4,027	-4,952	5,220	-233	1,378
Off-balance sheet obligations	195	-30				165
Debt securities	15	-113				-98
Total expected loan losses	5,580	-4,169	-4,952	5,220	-233	1,445
Expected loss from financial assets recognised at fair value via other comprehensive income						
Debt securities	47	-50				-3
Total expected loan losses via other comprehensive income	47	-50	0	0	0	-3

2024

	New and increased individual impairment losses	Recovered from earlier provisions	Utnyttjat för konstaterade förluster	Utilised for actual losses	Recovery of actual losses	Total
Expected losses from financial assets recognised at amortised cost and from off-balance sheet obligations						
Lending to the public	11,548	-12,990	-6,067	11,568	-233	3,826
Off-balance sheet obligations	387	-253				134
Debt securities	193	-142				51
Total expected loan losses	12,128	-13,385	-6,067	11,568	-233	4,010
Expected loss from financial assets recognised at fair value via other comprehensive income						
Debt securities	334	-358				-24
Total expected loan losses via other comprehensive income	334	-358	0	0	0	-24

Expected loan losses via other comprehensive income are recognised in the income statement under "Net income from financial items at fair value".



	2025				2024			
	Reserve for expected lending losses	Provision for expected losses on off-balance sheet obligations	Reserve for expected losses on debt securities recognised at amortised cost	Total	Reserve for expected lending losses	Provision for expected losses on off-balance sheet obligations	Reserve for expected losses on debt securities recognised at amortised cost	Total
Change in impairment loss reserve								
Reserve on January 1	12,504	276	125	12,906	20,174	142	75	20,391
New and increased individual impairment losses	7,125	537	15	7,676	11,548	387	193	12,128
Net changes due to revisions in estimation method	-1,755	-342		-2,096				0
Recovered from earlier provisions	-4,027	-30	-113	-4,169	-12,990	-253	-142	-13,385
Utilised for actual losses	-4,952			-4,952	-6,067			-6,067
Exchange rate differences and other adjustments	45	2		46	-160			-161
Reserve on December 31	8,940	443	28	9,410	12,504	276	125	12,906

For information on receivables with forbearance measures, see Note G3. "Receivables with forbearance measures" refers to loan receivables for which the Bank has granted the borrower concessions because of his/her obviously worsened financial situation, in order to avoid problems with the borrower's repayment capacity and thereby maximise the repayment of the outstanding receivable. Concessions may include adjusted loan conditions, such as postponed principal repayments, a reduced interest margin or an extended repayment period, or refinancing, which may mean that a loan has been fully repaid close to its original due date and in connection with this has been replaced with a new loan



G14. Taxes	2025	2024
Income statement		
Taxes related to prior years	996	-272
Current taxes	11,737	15,792
Changes in deferred taxes	-110	-2,753
Total	12,623	12,767
Nominal tax rate in Finland, %	20.0	20.0
Non-taxable income/deductible expenses, %	-1.6	-0.2
Swedish tax rate, %	0.2	0.2
Taxes related to prior years, %	-0.0	-0.4
Other, %	0.2	-0.0
Effective tax rate, %	18.8	19.6
Other comprehensive income		
Current taxes	-370	-402
Changes in deferred taxes	830	-2,038
Total	460	-2,440

Deferred tax assets and liabilities were calculated using a tax rate of 20.0 per cent.

The tax rate in Sweden was 20.6%.

G15. Earnings per share	2025	2024
Profit for the period attributable to shareholders	54,580	52,257
Average number of shares before dilution	15,375,423	15,341,102
Average number of shares after dilution	15,457,406	15,428,638
Earnings per share, EUR	3.55	3.41
Earnings per share after dilution, EUR	3.53	3.39

When calculating earnings per share, the average number of shares is calculated as a weighted average of shares outstanding during the period.



Notes to the consolidated balance sheet

(EUR K)

G16. Classification of financial assets and liabilities									
2025									
	Measured at fair value via income statement			Measurement via other comprehensive income		Measurement at amortised cost		Total carrying amount	Fair value
	Held for trading	Hedge accounting	Other	Hedge accounting ¹	Other	Hedge accounting ¹	Other		
Cash and balances with central banks							214,588	214,588	214,588
Debt securities				99,556	480,459		301,670	881,686	877,903
Lending to credit institutions							66,661	66,661	66,661
Lending to the public						148,081	3,613,684	3,761,765	3,820,581
Shares and participations					39,441			39,441	39,441
Shares in associated companies							28,919	28,919	28,919
Derivative instruments	5,296	20,416						25,712	25,712
Subordinated liabilities							17,446	17,446	17,446
Accrued interest income							11,174	11,174	11,174
Assets from mutual fund							2,489	2,489	2,489
Total financial assets	5,296	20,416	0	99,556	519,901	148,081	4,256,630	5,049,880	5,104,915
Non-financial assets								123,612	
Total assets								5,173,492	
Liabilities to credit institutions							154,333	154,333	154,380
Deposits from the public							3,760,459	3,760,459	3,745,175
Debt securities issued						551,919	139,536	691,455	692,350
Derivative instruments	5,523	1,460						6,983	6,983
Subordinated liabilities							32,254	32,254	33,071
Accrued interest expenses							15,222	15,222	15,222
Liabilities on mutual fund							6,020	6,020	6,020
Other liabilities							20,788	20,788	20,788
Total financial liabilities	5,523	1,460				551,919	4,128,612	4,687,514	4,673,990
Non-financial liabilities								99,557	
Total liabilities								4,787,071	

¹ The interest component in the contract is subject to hedge accounting.



2024

	Measured at fair value via income statement			Measurement via other comprehensive income		Measurement at amortised cost		Total carrying amount	Fair value
	Held for trading	Hedge accounting	Other	Hedge accounting ¹	Other	Hedge accounting ¹	Other		
Cash and balances with central banks							289,877	289,877	289,878
Debt securities				5,593	505,852		292,995	804,441	797,593
Lending to credit institutions							30,326	30,326	30,326
Lending to the public						168,087	3,407,558	3,575,645	3,617,375
Shares and participations					36,646			36,646	36,646
Shares in associated companies							7,477	7,477	7,477
Derivative instruments	2,927	18,687						21,614	21,614
Accrued interest income							18,479	18,479	18,479
Accrued interest income							9,282	9,282	9,282
Other assets			3,771				1,025	4,796	4,796
Total financial assets	2,927	18,687	3,771	5,593	542,499	168,087	4,057,021	4,798,585	4,833,468
Non-financial assets								126,244	
Total assets								4,924,829	
Liabilities to credit institutions							78,298	78,298	78,318
Deposits from the public							3,521,392	3,521,392	3,509,160
Debt securities issued						556,152	255,728	811,881	812,336
Derivative instruments	2,461	1,969						4,430	4,430
Subordinated liabilities							30,514	30,514	31,284
Accrued interest expenses							16,345	16,345	16,345
Liabilities on mutual fund							8,639	8,639	8,639
Other liabilities							17,962	17,962	17,962
Total financial liabilities	2,461	1,969				556,152	3,928,878	4,489,461	4,478,474
Non-financial liabilities								99,408	
Total liabilities								4,588,869	

¹ The interest component in the contract is subject to hedge accounting.



G17. Measurement of financial assets and liabilities carried at fair value

	2025				Total
	Level 1	Level 2	Level 3		
Debt securities	580,015				580,015
Lending to the public		148,081			148,081
Shares and participations	866		38,576		39,441
Derivative instruments		25,712			25,712
Other assets			2,489		2,489
Total financial assets carried at fair value	580,881	173,793	41,064		795,738
Debt securities issued		551,919			551,919
Derivative instruments		6,983			6,983
Total financial liabilities carried at fair value	0	558,902	0		558,902
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets and liabilities recognised at amortised cost					
Assets					
<i>Cash and deposits with central banks</i>	214,588		214,588		214,588
<i>Debt securities</i>	301,670	297,888			297,888
<i>Lending to credit institutions</i>	66,661		66,661		66,661
<i>Shares in associated companies</i>	28,919			28,919	28,919
<i>Lending to the public</i>	3,613,684		3,672,500		3,672,500
Total financial assets at amortised cost	4,225,522	297,888	3,953,749	28,919	4,280,556
Liabilities					
<i>Liabilities to credit institutions</i>	154,333		154,380		154,380
<i>Deposits from the public</i>	3,760,459		3,745,175		3,745,175
<i>Debt securities issued</i>	139,536		140,431		140,431
<i>Subordinated liabilities</i>	32,254		33,071		33,071
Total financial liabilities at amortised cost	4,086,581	0	4,073,057	0	4,073,057

	2024				Total
	Level 1	Level 2	Level 3		
Debt securities	501,596	9,850			511,446
Lending to the public		168,087			168,087
Shares and participations	1,240		35,406		36,646
Derivative instruments		21,614			21,614
Other assets			4,796		4,796
Total financial assets carried at fair value	502,836	199,551	40,203		742,590
Debt securities issued		556,450			556,450
Derivative instruments		4,430			4,430
Total financial liabilities carried at fair value	0	560,881	0		560,881
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets and liabilities recognised at amortised cost					
Assets					
<i>Cash and deposits with central banks</i>	289,877		289,878		289,878
<i>Debt securities</i>	292,995	286,148			286,148
<i>Lending to credit institutions</i>	30,326		30,326		30,326
<i>Shares in associated companies</i>	7,477			7,477	7,477
<i>Lending to the public</i>	3,407,558		3,449,288		3,449,288
Total financial assets at amortised cost	4,028,234	286,148	3,769,492	7,477	4,063,117
Liabilities					
<i>Liabilities to credit institutions</i>	78,298		78,318		78,318
<i>Deposits from the public</i>	3,521,392		3,509,160		3,509,160
<i>Debt securities issued</i>	255,430		255,886		255,886
<i>Subordinated liabilities</i>	30,514		31,284		31,284
Total financial liabilities at amortised cost	3,885,634	0	3,874,648	0	3,874,648
Level 1	Instruments with quoted market prices				
Level 2	Measurement techniques based on observable market data				
Level 3	Measurement techniques based on non-observable market data				



	2025	2024
	Shares and participations	Shares and participations
Change in Level 3 holdings		
Carrying amount on January 1	35,406	38,855
New purchases/reclassification	2,040	9,284
Change in value recognised in other comprehensive income	1,129	-12,732
in other comprehensive income	38,576	35,406

No transfer between Level 1 and 2 has occurred.

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 assets essentially consist of unlisted shares. Such equity capital holdings for which the Bank of Åland, on the initial recognition date or upon transition to IFRS 9, has made an irrevocable choice to recognise subsequent changes in fair value under 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. No instruments were moved between Levels 1 and 2. Changes in Level 3 are presented in a separate table.



G19. Assets and liabilities by currency		2025				
		EUR	SEK	USD	Others	Total
Cash and cash equivalents	98,525	115,704	96	263	214,588	
Debt securities	590,045	208,289	83,352		881,686	
Lending to credit institutions	14,460	2,116	39,470	10,615	66,661	
Lending to the public	2,827,970	925,062	8,733		3,761,765	
Shares and participations	1,502	37,934	3	2	39,441	
Derivative instruments	20,665	5,047			25,712	
Other items not allocated by currency	183,639				183,639	
Total assets	3,736,807	1,294,152	131,653	10,880	5,173,492	
Liabilities to credit institutions	43,784	110,549	1	0	154,333	
Deposits from the public	2,606,388	970,937	162,292	20,842	3,760,459	
Debt securities issued	636,281	55,174			691,455	
Derivative instruments	1,090	5,841	28	24	6,983	
Subordinated liabilities		32,254			32,254	
AT1-instrument within equity		59,837			59,837	
Other items not allocated by currency, including equity capital	468,171				468,171	
Total liabilities and equity capital	3,755,715	1,234,591	162,320	20,866	5,173,492	
Other assets and liabilities allocated by currency as well as off-balance sheet items		3,262	30,730	10,671		
Net position in currencies (EUR)		62,823	62	686	63,571	

The net position in Swedish kronor is mainly the structural position that arises because the consolidated accounts are prepared in euros and the Swedish branch's accounts are in Swedish kronor.

		2024				
		EUR	SEK	USD	Others	Total
Cash and cash equivalents	190,998	98,613	48	218	289,877	
Debt securities	600,076	134,707	69,658		804,441	
Lending to credit institutions	12,641	6,145	2,397	9,144	30,326	
Lending to the public	2,717,461	845,882	12,302		3,575,645	
Shares and participations	1,880	34,758	3	6	36,646	
Derivative instruments	19,340	2,163	111		21,614	
Other items not allocated by currency	166,281				166,281	
Total assets	3,708,676	1,122,269	84,517	9,367	4,924,829	
Liabilities to credit institutions	18,262	58,268	502	1,267	78,298	
Deposits from the public	2,509,332	864,794	129,105	18,160	3,521,392	
Debt securities issued	660,090	151,791			811,881	
Derivative instruments	2,090	2,341			4,430	
Subordinated liabilities		30,514			30,514	
AT1-instrument within equity		26,157			26,157	
Other items not allocated by currency, including equity capital	452,157				452,157	
Total liabilities and equity capital	3,641,930	1,133,866	129,606	19,427	4,924,829	
Other assets and liabilities allocated by currency as well as off-balance sheet items		43,051	45,151	10,746		
Net position in currencies (EUR)		57,612	62	686	58,359	



G19. Holdings of debt securities	2025			2024		
	Nominal amount	Carrying amount	Loss reserve	Nominal amount	Carrying amount	Loss reserve
Debt securities eligible for refinancing with central banks						
Holdings at fair value through other comprehensive income						
<i>Treasury bills</i>				10,000	9,850	1
<i>Government bonds</i>	188,742	186,942	29	125,540	122,770	23
<i>Covered mortgage bonds</i>	380,875	379,310	29	340,743	339,530	36
<i>Debt securities issued by credit institutions</i>	13,795	13,763	0	39,421	39,194	2
Holdings at amortised cost						
<i>Government bonds</i>	34,932	34,811	8	43,680	43,691	8
<i>Covered mortgage bonds</i>	233,640	231,844	15	207,074	203,755	15
<i>Debt securities issued by credit institutions</i>	33,125	33,107	0	40,125	40,100	1
Total debt securities eligible for refinancing with central banks	885,109	879,778	81	806,583	798,891	85
Other debt securities						
Holdings at accrued cost						
<i>Corporate bonds</i>	1,910	1,908	4	5,543	5,550	101
Total other debt securities	1,910	1,908	4	5,543	5,550	101
Total debt securities	887,019	881,686	86	812,126	804,441	186

The entire holding consists of publicly listed debt securities.



G20. Lending to credit institutions	2025				2024			
	Repayable on demand	Other	Provision for expected loss	Total	Repayable on demand	Other	Provision for expected loss	Total
Finnish credit institutions	1,196	34,043		35,239	903			903
Foreign banks and credit institutions	31,422			31,422	29,423			29,423
Total	32,618	34,043	0	66,661	30,326	0	0	30,326

G21. Lending to the public	2025			2024		
	Gross carrying amount	Provision for expected loss	Net carrying amount	Gross carrying amount	Provision for expected loss	Net carrying amount
Companies	698,337	-2,708	695,629	525,243	-2,004	523,239
Public sector entities	10,250	-16	10,235	10,532	-77	10,455
Households	1,980,829	-4,802	1,976,027	1,838,387	-8,716	1,829,671
Household interest organisations	16,232	-5	16,227	15,621	-1	15,620
Outside Finland	1,065,057	-1,409	1,063,648	1,198,366	-1,706	1,196,661
Total	3,770,705	-8,940	3,761,765	3,588,149	-12,504	3,575,645
<i>of which subordinated receivables</i>			80			92



	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross lending to the public	3,480,948	230,048	59,709	3,770,705	3,265,284	264,422	58,443	3,588,149
Provisions for expected losses								
Balance on January 1	545	1,372	10,587	12,504	634	1,878	17,662	20,174
Increases due to issuance and acquisitions	218	196	132	546	282	4	162	448
Reduction due to impairment losses	-64	-125	-5,357	-5,545	-149	-382	-6,430	-6,962
Transfer to Stage 1	314	-301	-13	-0	573	-572	-2	0
Transfer to Stage 2	-67	209	-143		-723	1,806	-1,083	0
Transfer to Stage 3	-35	-91	126		-61	-473	534	0
Net changes due to change in credit risk	552	217	2,877	3,645	-7	-880	-109	-996
Net changes due to changes in estimation method	-466	-569	-1,219	-2,255				0
Exchange rate differences and other adjustments	9	13	22	45	-4	-10	-146	-160
Balance on December 31	1,006	921	7,013	8,940	545	1,372	10,587	12,504
Net lending to the public	3,479,942	229,127	52,695	3,761,765	3,264,739	263,050	47,856	3,575,645

Financial ratios	2025	2024
Total coverage ratio, lending to the public, %	0.24	0.35
Coverage ratio, Stage 1, lending to the public, %	0.03	0.02
Coverage ratio, Stage 2, lending to the public, %	0.40	0.52
Coverage ratio, Stage 3, lending to the public, %	11.75	18.11
Share of lending to the public in Stage 3, %	1.58	1.63



G22. Shares and participations	2025	2024
Listed	866	1,240
Unlisted	38,576	35,406
Total shares and participations	39,441	36,646

The entire holding is classified as financial assets at fair value via other comprehensive income

G23. Shares in associated companies	2025	2024
Carrying amount on January 1	7,477	6,761
Share of profit for the year	1,544	745
Acquisitions/shareholder contributions	15,643	6
Negative goodwill	4,255	
Dividends		-35
Carrying amount on December 31	28,919	7,477

The following associated companies and joint ventures were consolidated according to the equity method of accounting on December 31, 2025:

	Registered office	Ownership, %
Mäklarhuset Åland Ab	Mariehamn	32
Alandia Holding Ab	Mariehamn	28
Alandia Försäkring Abp	Mariehamn	12
Helen ÅB Tuulipuistohallinnointiyhtiö Oy	Helsinki	40
Noatun Vindpark Norra Ab	Mariehamn	40
Noatun Vindpark Södra Ab	Mariehamn	40
Noatun Norra Distribution Ab	Mariehamn	40

Combined financial information about these associated companies:

Assets	353,472	41,894
Liabilities	168,525	14,735
Sales	107,309	1,275
Profit for the year	13,489	6,405



G24. Derivative instruments	2025						2024		
	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									
<i>Interest rate swaps</i>			6,060	6,060	290	271	6,060	455	433
Currency-related contracts									
<i>Currency forward contracts</i>	609,633			609,633	5,007	5,117	618,350	2,472	2,028
Total	609,633	0	6,060	615,693	5,296	5,388	624,410	2,927	2,461
Derivatives for fair value hedges									
Interest-related contracts									
<i>Interest rate swaps</i>	287,164	469,978	32,500	789,641	13,367	1,582	705,014	15,678	1,878
Total	287,164	469,978	32,500	789,641	13,367	1,582	705,014	15,678	1,878
Derivatives for cash flow hedges									
Interest-related contracts									
<i>Interest rate and currency swaps</i>	642,409			642,409	7,049	13	770,000	3,009	91
Total	642,409	0	0	642,409	7,049	13	770,000	3,009	91
Total derivative instruments	1,539,205	469,978	38,560	2,047,743	25,712	6,983	2,099,424	21,614	4,430
<i>of which cleared OTC</i>									
<i>of which cleared</i>	929,572	469,978	35,530	1,435,080	20,416	1,870	1,478,044	18,687	2,414

Derivatives are recognised together with their associated accrued interest



G25. Intangible assets		2025				
	Software developed in-house	Other software	Goodwill	Other intangible assets	Total	
Cost on January 1	48,355	22,049	2,901	7,478	80,814	
New acquisitions	4,367	1,299			5,665	
Disposals	-85	-83			-168	
Exchange rate effect	243	101			343	
Cost on December 31	52,880	23,366	2,901	7,478	86,625	
Accumulated amortisation and impairment losses on January 1	-31,206	-20,873		-7,478	-59,588	
Disposals	85	83			168	
Depreciations	-2,899	-452			-3,351	
Exchange rate effect	-196	-101			-297	
Accumulated amortisation and impairment losses on December 31	-34,216	-21,343	0	-7,478	-63,037	
Residual value on December 31	18,664	2,023	2,901	0	23,588	

Other intangible assets* include acquired contracts.

Goodwill in acquired businesses was allocated to the lowest possible cash-generating unit. The recovery amount for this was established on the basis of value in use. This means that the present value of the estimated future cash flows of the assets were calculated using a discount factor. Impairment testing for cash-generating operations was carried out.

A sensitivity analysis was performed, in which the variables included in the value in used model were changed and the effect was analysed. For the projected cash flow, important factors are growth, profit margin and investments. The discount factor is another important parameter for valuation. The profit margin assumed in the model is also at the level of the final 2025 outcome. A negative 1 per cent change in growth, the profitability trend and the discount factor did not result in any impairment losses.

		2024				
	Software developed in-house	Other software	Goodwill	Other intangible assets	Total	
Cost on January 1	44,314	21,769	2,901	7,478	76,493	
New acquisitions	4,168	336			4,504	
Impairments	-1				-1	
Exchange rate effect	-126	-56			-182	
Cost on December 31	48,355	22,049	2,901	7,478	80,814	
Accumulated amortisation and impairment losses on January 1	-27,902	-20,230	0	-7,399	-55,562	
Depreciations	-3,397	-697		-79	-4,172	
Exchange rate effect	93	53			147	
Accumulated amortisation and impairment losses on December 31	-31,206	-20,873	0	-7,478	-59,588	
Residual value on December 31	17,149	1,176	2,901	0	21,227	



G26. Tangible assets	2025			2024		
Investment properties			279			287
Properties for own use			20,971			20,531
Other tangible assets			7,119			7,975
Right-of-use assets			19,679			16,831
Total			48,048			45,625
	Investment properties	Properties for own use	Other tangible assets	Investment properties	Properties for own use	Other tangible assets
Cost on January 1	457	42,967	33,548	464	35,465	35,322
New acquisitions	12	1,675	1,789		7,801	4,124
Impairments		-57				
Divestments and disposals		-206	-263	-7	-91	-5,817
Transfer between items		191	-191		-195	195
Exchange rate effects		24	168		-14	-275
Cost on December 31	469	44,594	35,051	457	42,967	33,548
Accumulated depreciation on January 1	-169	-22,436	-25,573	-169	-21,414	-29,299
Depreciation for the year		-1,386	-2,454		-1,042	-2,269
Impairments	-20					
Divestments and disposals		219	237		11	5,750
Exchange rate effects		-20	-142		9	244
Accumulated depreciation on December 31	-189	-23,623	-27,932	-169	-22,436	-25,573
Carrying amount	279	20,971	7,119	287	20,531	7,975
<i>of which buildings</i>		18,768			18,334	
<i>of which land and water</i>		2,066			2,066	
<i>of which shares in real estate companies</i>	279	137		287	131	

The carrying amount of investment properties was the same as their market value.

	2025		2024	
	Properties for own use	Other tangible assets	Properties for own use	Other tangible assets
Right-of-use assets				
Cost on January 1	30,711	1,927	26,550	1,788
New acquisitions	7,230	500	2,360	155
Divestments and disposals	-252	-1,571	-621	-26
Assessments and modifications	-234	-18	2,843	14
Exchange rate effects	799	10	-420	-4
Cost on December 31	38,254	848	30,711	1,927
Accumulated depreciation on January 1	-14,518	-1,289	-10,762	-948
Depreciations	-4,379	-394	-4,456	-367
Divestments and disposals	252	1,456	481	26
Exchange rate effects	-549	-3	219	1
Accumulated depreciation on December 31	-19,194	-229	-14,518	-1,289
Carrying amount	19,060	619	16,193	638

The table concerning right-of-use assets provides information about the leases where the Group is the lessee. The Group recognises right-of-use for properties for the Group's own use, primarily consisting of bank and office premises, and for other tangible assets primarily consisting of IT equipment and vehicles. The average lease period is 5 years. In some cases, especially for IT equipment, the Group has options to buy the leased assets at the end of the lease period. Some of the leases related to bank and office premises include both options to extend the leases and index clauses.

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A maturity analysis of lease liabilities is presented in Note G33.

	2025	2024
Amounts recognised in the income statement		
Depreciation of right-to-use assets	-4,773	-4,824
Interest expenses for lease liabilities	-636	-720
Expenses attributable to short-term leases	-793	-596
Expenses attributable to low-value leases	-33	-76
Income from subleasing right-of-use assets	122	152

Total cash flow related to leases during 2025 was EUR 5,421 K (5,412).



G27. Deferred tax assets and liabilities

	2025	2024
Deferred tax assets		
Provisions	241	576
Intangible assets	3,498	2,745
Pension liabilities	70	217
Income received in advance	153	136
Write-offs	413	
Cash flow hedge	15	
Other	797	787
Financial assets measured via other comprehensive income		
<i>Debt securities</i>	256	275
<i>Shares and participations</i>	1,941	2,093
Total deferred tax assets	7,386	6,828
Deferred tax liabilities		
Taxable temporary differences		
<i>Untaxed reserves</i>	30,178	29,690
<i>Intangible assets</i>	1,736	1,424
<i>Tangible assets</i>	1,325	1,380
<i>Pension assets</i>	107	
Cash flow hedge		202
Financial assets measured via other comprehensive income		
<i>Shares and participations</i>	73	
Total deferred tax liabilities	33,417	32,695
Net deferred taxes	-26,031	-25,867

2025

	Recognised in income statement	Recognised in other comprehensive income	Exchange rate effects	Dec 31, 2025
Changes in deferred taxes				
Provisions	576	-335		241
Intangible assets	1,321	412	30	1,762
Pension liabilities	217	34	-291	4
Income received in advance	136	17		154
Impairment loss, financial liability		413		413
Untaxed reserves	-29,690	-488		-30,178
Tangible assets	-1,211	50	8	-1,153
Debt securities measured via other comprehensive income	275		-92	183
Shares and participations measured via other comprehensive income	2,093		-151	1,941
Cash flow hedge	-202		217	15
Other	619	5		2
Total	-25,867	110	-318	43

2024

	Dec 31, 2023	Recognised in income statement	Recognised in other comprehensive income	Exchange rate effects	Dec 31, 2024
Changes in deferred taxes					
Provisions	349	227			576
Intangible assets	1,131	195		-5	1,321
Pension liabilities	373	44	-193	-8	217
Income received in advance	85	51			136
Untaxed reserves	-31,789	2,099			-29,690
Tangible assets	-1,259	50		-2	-1,211
Debt securities measured via other comprehensive income	614		-339		275
Shares and participations measured via other comprehensive income	-465		2,557		2,093
Cash flow hedge	0		-202		-202
Other	537	87		-5	619
Total	-30,424	2,753	1,824	-20	-25,867



G28. Other assets	2025	2024
Payment intermediation receivables	5,518	4,940
Receivables on mutual fund settlement proceeds	11,174	9,282
Accounts receivable	8,791	9,606
Receivable in conjunction with transfer of assets		3,771
Other	5,853	4,922
Total	31,336	32,522

G29. Accrued income and prepayments	2025	2024
Accrued interest income	17,446	18,479
Commissions receivable	4,800	18,713
Other accrued income	9,945	9,216
Other prepaid expenses	6,984	4,801
Total	39,174	51,210

G30. Liabilities to credit institutions	2025			2024		
	Repayable on demand	Other	Total	Repayable on demand	Other	Total
Finnish credit institutions	4,268	752	5,019	553		553
Foreign credit institutions	50,620	98,694	149,314	39,347	38,398	77,745
Total	54,888	99,445	154,333	39,900	38,398	78,298

G31. Deposits from the public	2025	2024
Companies	1,054,054	945,343
Public sector entities	125,640	174,280
Households	1,352,789	1,339,686
Household interest organisations	50,270	49,239
Outside Finland	1,177,706	1,012,844
Total	3,760,459	3,521,392

G32. Debt securities issued	2025		2024	
	Nominal amount	Carrying amount	Nominal amount	Carrying amount
Certificates of deposit	140,445	139,536	257,718	255,728
<i>of which at amortised cost</i>	<i>140,445</i>	<i>139,536</i>	<i>257,718</i>	<i>255,728</i>
Covered bonds	550,000	551,919	550,000	556,152
<i>of which fair value hedge</i>	<i>550,000</i>	<i>551,919</i>	<i>550,000</i>	<i>556,152</i>
Total	690,445	691,455	807,718	811,881

“Fair value hedge” refers to hedge accounting of the interest component in the debt security.

G33. Other liabilities	2025	2024
Payment intermediation liabilities	5,626	2,007
Liabilities on mutual fund settlement proceeds	6,020	8,639
Trade payables	3,770	5,075
Lease liabilities	20,788	17,962
Other	17,148	18,785
Total	53,353	52,468
Lease liabilities		
Short-term	4,736	4,695
Long-term	16,052	13,267
Total	20,788	17,962



G34. Provisions	2025			2024		
	Provision for off-balance sheet obligations	Other provisions	Total	Provision for off-balance sheet obligations	Other provisions	Total
Provisions on December 31 of the previous year	276	2,573	2,849	142	1,633	1,775
Provisions made during the year	195	61	256	387	1,092	1,478
Amounts utilised		-1,558	-1,558		-98	-98
Unutilised amounts recovered	-30	-813	-843	-253		-253
Exchange rate changes	2	82	84	-0	-53	-54
Provisions on December 31	442	345	787	276	2,573	2,849

“Provision for off-balance sheet obligations” refers to expected loan losses related to guarantees issued and unutilised credit lines. “Other provisions” consist of severance pay and operational losses.

G35. Accrued expenses and prepaid income	2025		2024	
	Accrued interest expenses		15,222	
Other accrued expenses		26,209		25,124
Commission liabilities		9,724		7,272
Pension liabilities		1,711		2,336
Prepaid income		1,123		1,041
Total		53,989		52,119

G36. Subordinated liabilities	2025			2024		
	Nominal amount	Carrying amount	Amount in own funds	Nominal amount	Carrying amount	Amount in own funds
Green Floating Rate Tier 2 Note 2021	13,861	13,824	13,824	13,090	13,077	13,090
Floating Rate Callable Tier 2 2023	18,482	18,430	18,430	17,454	17,437	17,454
Total	32,343	32,254	32,254	30,544	30,514	30,544
			Interest rate:			Repayment:
Green Floating Rate Tier 2 Note 2021			3-month Stibor +2.15%			16.12.2041
Floating Rate Callable Tier 2 2023			3-month Stibor +3.65%			02.03.2043

The loans may be repurchased in advance, but this is possible only with the permission of the Finnish Financial Supervisory Authority. In case the Bank is dissolved, the loans are subordinate to the Bank's other obligations.



G37. Specification of changes in equity capital	2025	2024
Change in hedge reserve		
Hedge reserve on January 1	807	
Unrealised changes in value during the year	-867	807
Hedge reserve on December 31	-61	807
Change in fair value reserve		
Fair value reserve on January 1	-9,402	-529
Divested or reached maturity during the year	-620	2,054
Unrealised change in market value	1,592	-10,927
Fair value reserve on December 31	-8,430	-9,402
Change in translation differences		
Translation differences on January 1	-13,491	-8,979
Change in translation differences attributable to branches	3,728	-3,697
Change in translation differences due to subsidiaries	8	-5
Change in translation differences attributable to additional Tier 1 capital	2,051	-856
Other changes	-88	46
Translation differences on December 31	-7,792	-13,491
Change in paid-up unrestricted equity capital fund		
Unrestricted equity capital fund on January 1	32,121	30,184
Shares issued, share savings programme		1,416
Shares issued, incentive programme	393	522
Paid-up unrestricted equity fund on December 31	32,515	32,121

	2025	2024
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Retained earnings		
Retained earnings on January 1	196,592	185,314
Shareholders' portion of profit for the accounting period	54,580	52,257
Dividend paid	-42,288	-40,662
Re-measurement of defined benefit pension plans	1,164	770
Share savings programmes	517	517
Dividend on additional Tier 1 capital incl. tax effect	-1,315	-1,606
Retained earnings on December 31	209,250	196,592
Other Tier 1 capital		
Other Tier 1 capital on January 1	29,424	29,424
Issuance of additional Tier 1 capital instruments	31,605	
Other Tier 1 capital on December 31	61,029	29,424

Items under "Equity capital"

"Share premium account" includes amounts that were paid at the time of new share issues for shares in addition to their nominal value before September 1, 2006.

"Reserve fund" includes components transferred from equity capital in compliance with the Articles of Association or a decision of a General Meeting.

"Hedge reserve" comprises the effective portion of the accumulated net change in the fair value of a cash flow hedging instrument attributable to hedging transactions that have not yet occurred.

"Fair value reserve" includes accumulated net change in fair value of debt instruments and equity instruments carried at fair value via other comprehensive income, until the asset is derecognised from the balance sheet.

For debt instruments, the realised gain from a divestment is shown in the income statement. When equity instruments are sold, the revaluation amount of the instrument is transferred to retained earnings without affecting either income or other comprehensive income.

"Translation differences" comprises all exchange rate differences that arise when translating financial reports from foreign operations that have drawn up their financial reports in a currency other than the currency in which the Group's financial reports are presented.

"Unrestricted equity capital fund" comprises amounts that were paid at the time of new share issues for shares in addition to their nominal value starting on September 1, 2006.

Other Tier 1 capital consists of so-called AT1 instruments (Additional Tier 1 capital) amounting to SEK 650 million. The instruments are perpetual, with an option for early redemption five years after issuance.

Changes in number of shares	2025		2024	
	Series A shares	Series B shares	Series A shares	Series B shares
Number of shares on January 1	6,476,138	8,890,781	6,476,138	8,831,649
Shares issued, share savings programme				44,721
Shares issued, incentive programme		10,522		14,411
Number of shares on December 31	6,476,138	8,901,303	6,476,138	8,890,781

See the "Facts on Bank of Åland shares" section for more detailed information.



Other notes

(EUR K)

G38. Cash flow statement, specifications

“Operating activities” included interest received of EUR 148,588 K (207,911), interest paid of EUR 53,412 K (100,979) and dividend income received of EUR 45 K (12).

Reconciliation of liabilities attributable to funding activities:

	Dec 31, 2024	Cash flow from funding activities	Non-cash changes		Dec 31, 2025
			Effect of exchange rate changes	Acquisitions	
Subordinated debenture loans	30,514		1,740		32,254
Lease liabilities	17,962	-5,421	307	7,941	20,788
Total liabilities attributable to funding activities	48,476	-5,421	2,047	7,941	53,042



G39. Group structure

The Bank of Åland has two subsidiaries whose operations are connected in various ways to banking. The Bank holds a majority of the voting power in all subsidiaries.

Subsidiaries	Registered office	Field of operations	Ownership, %
Ålandsbanken Fondbolag Ab	Finland/Mariehamn	Mutual fund management	100
Ålandsbanken Asuntorahasto II GP Oy	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Asuntorahasto II LP Oy	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Fonder Ab	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Fonder II Ab	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Fonder III Ab	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Fonder IV Ab	Finland/Mariehamn	Mutual fund management	100
Ålandsbanken Fonder V Ab	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Fonder VI Ab	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Kiinteistökehitys I GP Oy	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Kiinteistökehitys I Syöttörahasto GP Oy	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Kiinteistökehitys I Syöttörahasto LP Oy	Finland/Helsinki	Mutual fund management	100
Ålandsbanken Havsvind 1 Matarfond GP Ab	Finland/Mariehamn	Mutual fund management	100
Ålandsbanken Havsvind 1 Matarfond LP Ab	Finland/Mariehamn	Mutual fund management	100
Ålandsbanken Havsvind I GP Ab	Finland/Helsinki	Mutual fund management	100
Leilisuo GP Oy	Finland/Simo	Wind power	100
Riitamaa-Nurmesneva GP Oy	Finland/Helsinki	Wind power	100
Crosskey Banking Solutions Ab Ltd	Finland/Mariehamn	IT	100
S-Crosskey Ab	Finland/Mariehamn	IT	60

The Bank of Åland has no holdings of structured entities. Ålandsbanken Fondbolag Ab manages mutual funds and alternative investment funds with a total value of EUR 5.0 billion.

	Registered office	Field of operations	Ownership, %
Shares in associated companies and joint ventures			
Mäklarhuset Åland Ab	Finland/Mariehamn	Estate agents	32
Alandia Holding Ab	Finland/Mariehamn	Holding company	28
Alandia Försäkring Abp	Finland/Mariehamn	Insurance business	12
Financial support operations			
Helen ÅB Tuulipuistohallinnointiyhtiö Oy	Finland/Helsinki	Financial support operations	40
Noatun Norra Distribution Ab	Finland/Mariehamn	Wind power	40
Noatun Vindpark Norra Ab	Finland/Mariehamn	Wind power	40
Noatun Vindpark Södra Ab	Finland/Mariehamn	Wind power	40

Holdings in real estate companies

The Group holds participations in one property for its own use and ten investment properties, of which some are consolidated as follows.

	Registered office	Field of operations	Ownership, %
Properties for own use			
Fastighets Ab Godbycenter	Finland/Finström	Joint operation	11
Investment properties			
Fastighets Ab Nymars	Finland/Sottunga	Joint operation	30
Fastighets Ab Västernäs City	Finland/Mariehamn	Joint operation	50
Fastighets Ab Horsklint	Finland/Kökar	Equity method	20

Fastighets Ab Godbycenter, Fastighets Ab Nymars and Fastighets Ab Västernäs City are mutual associations and, in compliance with IFRS 11, have thus been reported as "joint operations".



G40. Actively managed assets	2025	2024
Mutual fund management	5,530,652	4,962,774
Discretionary asset management	3,406,503	2,936,963
Advisory asset management	3,063,120	2,591,561
External mutual funds	119,134	124,796
Total	12,119,409	10,616,094
<i>of which own mutual funds in discretionary and advisory asset management</i>	<i>1,136,577</i>	<i>920,675</i>

G41. Assets pledged	2025	2024
Collateral pledged for own liabilities		
Lending to credit institutions	2,338	2,001
Lending to the public	1,000,187	1,000,220
Other	4,548	3,960
Total assets pledged for own liabilities	1,007,072	1,006,181

Loans to the public pledged as collateral comprise the registered cover pool for the benefit of holders of covered bonds. Other pledged collateral mainly consists of capital insurance policies.

Other assets pledged		
Debt securities	41,323	31,316
Other	622	592
Total other assets pledged	41,946	31,909

Assets pledged were mainly provided as collateral to central banks and credit institutions for payment systems, securities trading and clearing.

Assets were not pledged for the liabilities or commitments of others.

Except for loan receivables comprising the collateral pool for covered bonds, where legislation regulates minimum requirements for over-collateralisation, collateral that exceeds the nominal value of the liability is at the free disposal of the Bank.

G42. Off-balance sheet obligations	2025	2024
Guarantees	24,667	17,802
Unutilised overdraft limits	327,036	345,620
Unutilised credit card limits	88,730	85,466
Unutilised credit facilities	118,853	68,458
Other commitments	2,750	4,780
Total	562,036	522,125
<i>Provision for expected loss</i>	<i>443</i>	<i>322</i>



G43. Pension liabilities

Pension coverage for employees in Finland has been arranged partly through the Finnish national pension system (a defined contribution plan) and partly via the pension fund known as Ålandsbanken Abps Pensionsstiftelse (a defined benefit plan). Ålandsbanken Abps Pensionsstiftelse has been closed to new participants since June 30, 1991. Persons covered by this fund are entitled to retire at age 63–65 depending on their year of birth. The full retirement pension comprises 60 per cent of pensionable salary, which is calculated according to the same principles as in the national pension system. A family pension comprises 30–60 per cent depending on whether the surviving spouse is alone or has one or more children.

According to the Finnish collective bargaining agreement in the financial service sector, employees are partially entitled to pensions at a lower age than stipulated today by general legislation. The employer is required to provide vested pension benefits in the collective agreement for the financial services sector, which was confirmed during 2017 by a Labour Court ruling.

Pension coverage for employees in Sweden follows the so-called BTP multi-employer plan for banking employees and historically is largely defined benefit. Starting on May 1, 2013, new employees are covered by a new defined contribution supplementary pension plan known as BTP1. The BTP plan is secured through the insurance company SPP. In Sweden, the retirement pension is payable from age 65 and the guaranteed amount consists of 10 per cent of pensionable salary below 7.5 annually indexed “income base amounts” and 65 per cent of the portion of salary between 20 and 30 income base amounts. The guaranteed amount of a family pension is 32.5 per cent of the portion of salary between 7.5 and 20 income base amounts and 16.25 per cent of the portion of salary between 20 and 30 income base amounts.

The duration of defined benefit plans in Finland is 9 (10) years and in Sweden 13 (13) years.

	2025	2024
Carrying amount in the income statement		
Current service costs	200	161
Interest expenses	36	58
Administrative expenses	80	150
Expenses (+)/revenue (-) recognised in the income statement	316	369
Restatement of defined benefit pension plans in “Other comprehensive income”		
Actuarial gain (+)/loss (-), financial assumptions	436	534
Actuarial gain (+)/loss (-), experience-based	-38	106
Actuarial gain (+)/loss (-) on plan assets	1,057	323
Other comprehensive income	1,455	963
Total	1,140	594

	2025	2024
Carrying amount in the balance sheet		
Pension obligations	22,199	22,714
Fair value of plan assets	22,379	21,631
Net pension assets (+)/pension liabilities (-)	181	-1,083
Net pension assets (+)/pension liabilities (-) in Finland	533	-753
Net pension assets (+)/pension liabilities (-) in Sweden	-352	-330
Total pension assets (+)/pension liabilities (-)	181	-1,083
Net change in pension assets		
January 1	-1,083	-1,867
Income	-316	-369
Other comprehensive income	1,455	963
Premium payments	144	163
Exchange rate effects	-19	27
On December 31	181	-1,083
Pension obligations		
January 1	22,714	23,791
Current service costs	200	161
Interest expenses	746	756
Benefits paid	-1,275	-1,231
Exchange rate effect	212	-122
Actuarial gains (+)/losses (-)	-398	-640
On December 31	22,199	22,714
Plan assets		
January 1	21,631	21,924
Interest income	710	697
Premium payments	144	163
Benefits paid	-1,275	-1,231
Actuarial gains (+)/losses (-)	1,057	323
Exchange rate effects	192	-95
Administrative expenses	-80	-150
On December 31	22,379	21,631



Breakdown of plan assets			
Listed shares and participations		6,778	5,248
Listed mutual fund units		3,946	4,247
Listed interest-bearing securities		6,658	2,619
Properties		2,280	6,141
Other plan assets		2,717	3,376
Total plan assets		22,379	21,631

Plan assets included shares in the Bank of Åland Plc with a market value of EUR 59 K (44) and bank accounts worth EUR 2,574 K (3,185).

Future cash flows		
	Outcome 2025	Forecast 2024
Benefits paid	144	147

	2025		2024	
	Finland, %	Sweden, %	Finland, %	Sweden, %
Assumptions				
Discount rate	3.50	3.40	3.25	3.35
Increase in salary expenses	2.05	2.10	2.00	2.10
Pension index increase	2.25	2.10	2.20	2.10

Sensitivity of defined benefit obligations to changes in significant assumptions

	Change in assumptions, %	Increase in assumption	Decrease in assumption
Discount rate			
Expected increase in salaries	0.5	-1,301	1,417
Expected increase in pensions	0.5	165	-157
Förväntad pensionsökning	0.5	852	-810

The sensitivity analysis is based on a change in one assumption, while all other assumptions remain constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method is used as when calculating the pension liabilities recognised in the balance sheet.

The Bank is exposed to a number of risks because of its defined benefit plans. The most significant risks are described below.

Asset volatility

Pension liabilities are calculated with the help of a discount rate based on corporate bonds with good credit ratings. If plan assets generate returns worse than the discount rate, this will cause a deficit. Plan assets include a sizeable percentage of equities, which in the long term are expected to provide a higher return than the discount rate, while providing higher volatility and risk in the short term. Because of the long-term nature of pension liabilities, the Bank believes that a continued high percentage of equities is suitable for managing the plans in an effective way.

Changes in bond yields

In case the yields on corporate bonds fall, this leads to an increase in pension obligations. Partly offsetting this is the fact that the value of the bonds that are included in plan assets will increase

Inflation risk

Pension obligations are connected to inflation. Higher inflation will lead to increased pension obligations. Plan assets are not affected by inflation to any great extent, which means that if inflation increases, this will lead to an increased deficit in pension plans.

Life expectancy

Pension plans generate pensions that extend through the lifetimes of employees. This means that if life expectancy increases, pension obligations will increase.



G44. Lease liabilities		2025			2024		
Financial lease liabilities will be paid as follows:	Minimum rents	Interest	Present value	Minimum rents	Interest	Present value	
Under 1 year	5,199	464	4,736	5,324	629	4,695	
1–5 years	17,699	1,710	15,989	13,594	1,116	12,478	
Over 5 years	65	1	64	804	15	789	
Total	22,963	2,175	20,788	19,722	1,760	17,962	

G45. Disclosures about related parties		2025			2024		
	Board and Executive Team	Related companies	Associated companies	Board and Executive Team	Related companies	Associated companies	
Assets							
Lending to the public	2,902	12,118		13,020	12,904		
Accrued income and prepayments		62			59		
Total	2,902	12,180	0	13,020	12,962	0	
Liabilities							
Deposits from the public	9,573	7,264	10,044	7,781	18,414	268	
Total	9,573	7,264	10,044	7,781	18,414	268	
Income and expenses							
Interest income	91	639		189	834		
Interest expenses	-5	-12	-193	-7	-1,834		
Commission income	63	441	28	6	213	1	
Other income		33			59		
Total	149	1,102	-166	188	-729	1	

The Bank of Åland Group consists of the Parent Company, the Bank of Åland Plc (Ålandsbanken Abp), the subsidiaries that are consolidated in the Group, associated companies, the Executive Team and other related companies.

“Board and Executive Team” includes the Managing Director of the Bank of Åland Plc, individuals on the Board of Directors and other members of the Executive Team, as well as their close family members. “Related parties” includes companies or persons with significant influence. “Related companies” also refers to companies in which an individual belonging to the Executive Team or a close family member of such an individual has significant influence. “Related parties” include the pension fund Ålandsbanken Abp:s Pensionsstiftelse r.s.

Loans to employees are granted on commercial terms. “On commercial terms” means that loans, guarantees, collateral or financing occur on the same terms and according to the same assessments applied to the Bank of Åland’s customers in general. The employee interest rate is used for loans to employees in Finnish operations. The employee interest rate is set by the Executive Team and amounted to 2.25 (2.50) per cent on December 31, 2025.

All transactions with related parties have occurred on commercial terms, aside from loans to the Executive Team, which in Finland have been granted at the employee interest rate.

For disclosures on salaries and fees paid to the Board of Directors and the Executive Team, see Note P33.

For disclosures on Group structure, see Note P39.

G46. Compensation to senior executives		2025		2024	
Salaries and other short-term compensation ¹		2,331		2,600	
Share-based compensation		303		394	
Total		2,633		2,994	

“Senior executives” refers to the Executive Team including the Managing Director.

¹ Includes salary, benefits and variable compensation paid in cash.

G46. Offsetting of financial assets and liabilities		2025		2024	
	Assets	Liabilities	Assets	Liabilities	
Financial assets and liabilities that are subject to offsetting, netting agreements or similar agreements					
Gross amount	25,712	37,357	21,614	28,196	
Offset amounts					
Total	25,712	37,357	21,614	28,196	
Related amounts not offset					
Financial instruments, netting agreements	-2,004	-2,004	-3,189	-3,189	
Financial instruments, collateral		-29,832		-23,258	
Cash, collateral	-4,100	-542		-690	
Total amounts not offset	-6,104	-32,378	-3,189	-27,137	
Net amount	19,608	4,979	18,426	1,059	

The tables report financial instruments that were offset in the balance sheet in compliance with IAS 32 and those that were covered by legally binding master netting agreements or similar agreements not qualified for netting. The financial instruments consisted of derivatives, repurchase agreements (repos) and reverse repos, securities deposits and securities loans. Collateral consisted of financial instruments or cash received or paid for transactions covered by legally binding netting agreements or similar agreements, which allow netting of obligations to counterparties in case of default. The value of the collateral was limited to the related amount recognised in the balance sheet, so the excess value of collateral is not included. Amounts not offset in the balance sheet are presented as a reduction in the carrying amount of financial assets or liabilities in order to recognise the net exposure of the asset and liability.

G47. Important events after the close of the accounting period

Within the scope of the share savings programme, 18,393 Class B shares were issued in January 2026.



Parent Company income statement

Parent Company		2025	2024
EUR K	Note		
Interest income		156,073	204,286
Interest expenses		-61,982	-101,234
Net interest income	P2	94,091	103,051
Commission income		59,415	51,529
Commission expenses		-9,878	-9,639
Net commission income	P3	49,537	41,889
Net income from financial items carried at fair value	P4	-363	-589
Income from equity capital investments	P5	14,045	9,947
Other income	P6	18,331	15,724
Total income		175,641	170,022
Staff costs	P7	-56,082	-51,428
Other expenses	P8	-48,859	-49,859
Depreciation/amortisation and impairment losses	P18, P19	-3,789	-4,229
Total expenses		-108,731	-105,515
Profit before loan losses		66,910	64,507
Final and expected loan losses	P9	-1,426	-4,012
Net operating profit		65,484	60,495
Appropriations		-2,380	10,230
Income taxes	P10	-10,194	-12,537
Net profit for the accounting period		52,910	58,188



Parent Company balance sheet

Parent Company		2025	2024
EUR K	Note		
Assets			
Cash and deposits with central banks		214,588	289,877
Debt securities eligible for refinancing with central bank	P13	879,778	798,891
Lending to credit institutions	P14	65,444	30,085
Lending to the public	P15	3,765,732	3,579,007
Debt securities	P13	1,908	5,550
Shares and participations	P16	39,431	36,636
Shares and participations in associated companies	P16	18,694	3,054
Shares and participations in Group companies	P16	3,346	3,346
Derivative instruments	P17	25,712	21,614
Intangible assets	P18	17,913	13,837
Tangible assets	P19	23,442	22,805
Other assets	P20	23,386	24,798
Accrued income and prepayments	P21	50,132	47,850
Deferred tax assets	P22	2,911	3,350
Total assets		5,132,415	4,880,701
Liabilities			
Liabilities to credit institutions and central banks	P23	153,533	78,254
Deposits from the public	P24	3,780,328	3,533,602
Debt securities issued	P25	691,455	811,881
Derivative instruments	P17	6,983	4,430
Other liabilities	P26	30,099	32,842
Provisions	P27	702	2,765
Accrued expenses and prepaid income	P28	38,881	38,974
Subordinated liabilities	P29	92,090	56,671
Deferred tax liabilities	P22	73	202
Total liabilities		4,794,145	4,559,621

Parent Company		2025	2024
EUR K	Note		
Appropriations			
General loan loss reserve ¹		149,488	147,488
Difference between recorded and planned depreciation		1,150	770
Total appropriations		150,638	148,258
Equity capital			
Share capital		42,029	42,029
Share premium account		32,736	32,736
Reserve fund		25,129	25,129
Hedge reserve		-61	807
Fair value reserve		-8,430	-9,402
Translation reserve		-7,285	-10,975
Unrestricted equity capital fund		32,711	32,318
Retained earnings		70,802	60,181
Total equity capital		187,632	172,822
Total liabilities and equity capital		5,132,415	4,880,701
Off-balance sheet obligations			
Obligations to a third party on behalf of customers	P37		
<i>Guarantees</i>		25,906	19,040
Irrevocable commitments given on behalf of customers		537,348	502,861

¹ Loan loss provisions in compliance with Finland's Business Income Tax Act, Section 46.



Parent Company statement of changes in equity capital

Moderbolaget									
EUR K	Share capital	Share premium account	Reserve fund	Hedge reserve	Fair value reserve	Translation difference	Unrestricted equity capital fund	Retained earnings	Total
Equity capital, Dec 31, 2023	42,029	32,736	25,129	0	-529	-7,321	30,380	42,654	165,079
Profit for the period								58,188	58,188
Change in fair value				807	-8,873				-8,066
Translation difference						-3,654			-3,654
Dividends paid								-40,662	-40,662
Incentive programme							522		522
Share savings programme							1,416		1,416
Equity capital, Dec 31, 2024	42,029	32,736	25,129	807	-9,402	-10,975	32,318	60,181	172,822
Profit for the period								52,910	52,910
Change in fair value				-867	972				105
Translation difference						3,691			3,691
Dividends paid								-42,288	-42,288
Incentive programme							393		393
Equity capital, Dec 31, 2025	42,029	32,736	25,129	-61	-8,430	-7,285	32,711	70,802	187,632

For further disclosures, see Note P40 and the section entitled "Facts on Bank of Åland shares".



Parent Company cash flow statement

Parent Company	2025	2024
EUR K		
Cash flow from operating activities		
Net operating profit	65,484	60,495
Adjustment for items not affecting cash flow		
<i>Depreciation/amortisation and impairment losses on intangible and tangible assets</i>	3,789	4,229
<i>Impairment losses on loans and other commitments</i>	3,666	1,737
<i>Unrealised changes in value</i>	433	2,499
Accrued surpluses/deficits on debt securities and bonds issued	-5,000	-12,935
Defined benefit pension plans	-12,779	-9,792
Income from investing activities		
<i>Income taxes paid</i>	-72,864	31,316
<i>Increase (-) or decrease (+) in receivables from operating activities</i>	2,320	5,105
<i>Debt securities</i>	-138,012	246,550
<i>Lending to credit institutions</i>	-12,591	49,373
Lending to the public		
<i>Other assets</i>	71,711	-317,356
<i>Increase (+) or decrease (-) in liabilities from operating activities</i>	193,062	-40,946
<i>Liabilities to credit institutions</i>	-121,130	-20,903
<i>Deposits from the public</i>	4,175	-16,586
Total cash flow from operating activities	-16,077	-12,970
Cash flow from investing activities		
Investment in shares and participations	-2,041	-3,071
Investment in shares in associates and subsidiaries	-15,640	
Dividends received from associated companies and subsidiaries	5,000	12,935
Investment in tangible assets	-2,344	-9,091
Divestment of tangible assets	109	70
Investment in intangible assets	-5,863	-3,142
Investment in intangible assets	-20,780	-2,298

Parent Company	2025	2024
EUR K		
Cash flow from funding activities		
Share issue	393	1,937
Increase in subordinated debentures	31,521	
Dividend paid	-42,288	-40,662
Total cash flow from funding activities	-10,374	-38,724
Exchange rate differences in cash and cash equivalents	6,520	-1,390
Change in cash and cash equivalents	-40,710	-55,382
Cash and cash equivalents at beginning of year	283,817	340,813
Cash flow from operating activities	-16,077	-12,970
Cash flow from investing activities	-20,780	-2,298
Cash flow from funding activities	-10,374	-38,724
Exchange rate differences in cash and cash equivalents	6,520	-1,390
Cash and cash equivalents at end of year	243,107	285,431
Cash and cash equivalents consisted of the following items:		
Cash and deposits with central banks	180,755	259,926
Lending to credit institutions that is repayable on demand	62,352	25,505
Total cash and cash equivalents	243,107	285,431

“Cash and cash equivalents” refers to cash, cheque account with the Bank of Finland, lending to credit institutions that is repayable on demand, other lending to credit institutions and debt securities with an original remaining maturity of less than three months as well as claims on public sector entities that are not lending. “Investing activities” refers to payments related to tangible and intangible assets as well as holdings of shares and participations aside from shares intended for trading. “Funding activities” refers to items among equity capital and liabilities that fund operating activities. The analysis was prepared according to the indirect method.

“Operating activities” included interest received of EUR 141.732 K (210.097), interest paid of EUR 54.564 K (102,519) and dividend income received of EUR 45 K (12).



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Notes to the Parent Company financial statements

P1. Parent Company accounting principles

The financial statements of the Bank of Åland Plc have been drawn up in accordance with the Finnish Credit Institutions Act, the Ministry of Finance ordinance on annual accounts and consolidated annual accounts of financial institutions and securities companies and the regulations of the Financial Supervisory Authority. The financial statements of the Bank of Åland Plc have been prepared in compliance with Finnish accounting standards (FAS). The Parent Company's financial statements are presented in thousands of euros (EUR K), unless otherwise stated.

Goodwill

Goodwill is amortised over 10 years.

Appropriations

Voluntary provisions that the Bank of Åland has made based on Section 46 of the Finnish Business Income Tax Act are recognised under "Appropriations". Reported here is the accumulated difference between depreciation/amortisation for tax purposes and depreciation/amortisation according to plan.

Otherwise, please see the consolidated accounting principles.

Notes to the income statement

(EUR K)

P2. Net interest income	2025	2024
Lending to credit institutions	7,139	11,348
Lending to the public	128,214	172,351
Debt securities	18,740	18,991
Derivative instruments	1,397	536
Other interest income	582	1,059
Total interest income	156,073	204,286
<i>of which interest according to the effective interest method</i>	<i>155,379</i>	<i>203,745</i>
Liabilities to credit institutions	1,560	6,877
Deposits from the public	35,435	53,902
Debt securities	20,717	35,107
Subordinated liabilities	3,592	4,101
Derivative instruments	660	1,160
Other interest expenses	17	87
Total interest expenses	61,982	101,234
<i>of which interest according to the effective interest method</i>	<i>61,842</i>	<i>101,046</i>
Net interest income	94,091	103,051

Interest income received from Group companies was EUR 167K (209).

Interest expenses paid to Group companies were EUR 5 K (4).

Interest from derivative instruments is recognised together with the item that they hedge within the framework of hedge accounting (fair value hedge and cash flow hedge).



P3. Net commission income	2025	2024
Deposits	1,298	1,313
Lending	1,601	2,243
Payment intermediation	12,950	12,179
Mutual fund commissions	366	311
Asset management commissions	20,463	18,825
Securities brokerage	19,555	13,411
Other commissions	3,183	3,246
Total commission income	59,415	51,529
Payment intermediation commission expenses	-5,128	-5,097
Asset management commission expenses	-1,233	-1,386
Securities brokerage commission expenses	-2,435	-2,133
Other commission expenses	-1,081	-1,023
Total commission expenses	-9,878	-9,639
Net commission income	49,537	41,889

P4. Net income from financial items carried at fair value	2025			2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Measurement category fair value via the income statement ("profit and loss")						
Derivative instruments		-2	-2		17	17
Other financial items	1,674	-3,889	-2,214	-184	-1,135	-1,320
Total, measurement category fair value via income statement ("profit and loss")	1,674	-3,890	-2,216	-184	-1,118	-1,302
Fair value via other comprehensive income						
Realised changes in value	1,631		1,631	1,123		1,123
Expected loan losses		3	3		24	24
Total, measurement category fair value via other comprehensive income	1,631	3	1,634	1,123	24	1,147
Hedge accounting						
<i>of which hedging instruments</i>	174	-3,664	-3,490	905	785	1,690
<i>of which hedged item</i>		4,227	4,227		-1,090	-1,090
Hedge accounting	174	563	737	905	-305	600
Measurement category accrued cost						
Loans	-51	19	-32	-653	-21	-674
Debt securities	-112		-112	-42		-42
Total, measurement category accrued cost	-163	19	-144	-695	-21	-716
Foreign currency revaluation		-374	-374		-317	-317
Total	3,316	-3,679	-363	1,148	-1,737	-589



P5. Income from equity instruments	2025	2024
Holdings recognised at fair value via other comprehensive income	45	12
Associated companies		35
Group companies, dividend paid	14,000	9,900
Total	14,045	9,947

P6. Other income	2025	2024
Rental income on properties	84	114
Intra-Group services	11,197	10,617
Miscellaneous income	7,049	4,992
Total	18,331	15,724

Net income from investment properties		
Rental income	38	37
Other income	5	
Other expenses	-69	-37
Total	-26	1

P7. Staff costs	2025	2024
Salaries and fees	42,607	39,728
Compensation in the form of shares in Bank of Åland Plc	938	437
Pension expenses	7,475	6,813
Other social security expenses	5,063	4,450
Total	56,082	51,428

Number of employees		
Permanent full-time employees	584	574
Permanent part-time employees	11	12
Temporary employees	75	78
Total	670	664

P8. Other expenses	2025	2024
IT expenses (excluding market data)	21,715	19,683
Rents	4,262	4,176
Other costs of premises and property	1,452	1,379
Marketing expenses	3,611	3,391
Market data	2,730	2,417
Staff-related expenses	2,284	2,240
Telecoms, postage	1,591	1,874
Travel expenses	622	566
Purchased services	2,997	4,229
Guarantee fee ¹	3	5
Statutory fees	53	
Other expenses	7,540	9,900
Total	48,859	49,859

¹The guarantee fee includes the deposit guarantee fee and the fee for the Investors' Compensation Fund

Fees to the Finnish Financial Stability Authority		
Deposit guarantee fee	245	2,031
Paid by the old Deposit Guarantee Fund	-245	-2,031
Administration fee	53	44
Total	53	44

Fees paid to auditors		
Auditing fees paid	331	355
In compliance with Finnish Auditing Act, Ch. 1, Sec. 1, Par. 2	173	221
Consulting fees paid		
<i>Tax matters</i>	12	1
<i>Other</i>	202	182
Total	719	759

These amounts include value-added tax (VAT).

Fees paid to KPMG OY Ab for expenses other than auditing totalled EUR 192 K (143).



P9. Final and expected credit (loan) losses

2025

	New and increased individual impairment losses	Recovered from earlier provisions	Utilised for actual losses	Actual losses	Recovery of actual losses	Total
Expected losses from financial assets recognised at amortised cost and from off-balance sheet obligations						
Lending to the public	5,370	-4,044	-4,952	5,220	-233	1,360
Off-balance sheet obligations	195	-30				164
Debt securities	15	-113				-98
Total expected loan losses	5,580	-4,188	-4,952	5,220	-233	1,426
Expected losses from financial assets recognised at fair value via other comprehensive income						
Debt securities	47	-50				-3
Total	47	-50	0	0	0	-3

2024

	New and increased individual impairment losses	Recovered from earlier provisions	Utilised for actual losses	Actual losses	Recovery of actual losses	Total
Expected losses from financial assets recognised at amortised cost and from off-balance sheet obligations						
Lending to the public	11,575	-13,015	-6,067	11,568	-233	3,828
Off-balance sheet obligations	409	-275				134
Debt securities	193	-142				51
Total expected loan losses	12,176	-13,432	-6,067	11,568	-233	4,012
Expected losses from financial assets recognised at fair value via other comprehensive income						
Debt securities	334	-358				-24
Total	334	-358	0	0	0	-24

Expected loan losses via other comprehensive income are recognised in the income statement under "Net income from financial items at fair value".



	2025				2024			
	Reserve for expected losses on lending to the public	Provision for expected losses on off-balance sheet obligations	Reserve for expected losses on debt securities recognised at amortised cost	Total	Reserve for expected losses on lending to the public	Provision for expected losses on off-balance sheet obligations	Reserve for expected losses on debt securities recognised at amortised cost	Total
Change in impairment loss reserve								
Reserve on January 1	12,525	276	125	12,927	20,193	143	75	20,411
New and increased individual impairment losses	7,125	537	15	7,676	11,575	409	193	12,176
Net changes due to revisions in estimation method	-1,755	-342		-2,096				0
Recovered from earlier provisions	-4,044	-30	-113	-4,188	-13,015	-275	-142	-13,432
Utilised for actual losses	-4,952			-4,952	-6,067			-6,067
Exchange rate differences	45	2		46	-160	-0		-161
Reserve on December 31	8,943	443	27	9,413	12,525	276	125	12,927

P10. Income taxes	2025	2024
Income statement		
Taxes related to prior years		1,005
Current taxes		8,904
Changes in deferred taxes		285
Total		10,194
Nominal tax rate in Finland, %	20.0	20.0
Non-taxable income/deductible expenses, %	-4.2	-2.5
Swedish tax rate, %	0.2	0.2
Other, %	0.1	0.0
Effective tax rate, %	16.2	17.7

Deferred tax assets and liabilities were calculated according to a 20.0 per cent tax rate.

The tax rate in Sweden was 20.6 per cent.



Notes to the balance sheet

(EUR K)

P11. Fair values and carrying amounts of financial assets, liabilities and fair value levels								
	2025			2024				
		Total carrying amount	Fair value		Total carrying amount	Fair value		
Cash and accounts with central banks		214,588	214,588		289,877	289,877		
Debt securities eligible for refinancing with central banks		879,778	876,130		798,891	792,463		
Lending to credit institutions		65,444	65,444		30,085	30,085		
Lending to the public		3,765,732	3,824,549		3,579,007	3,620,737		
Debt securities		1,908	1,773		5,550	5,131		
Shares and participations		39,431	39,431		36,636	36,636		
Shares in associated companies		18,694	18,694		3,054	3,054		
Shares in subsidiaries		3,346	3,346		3,346	3,346		
Derivative instruments		25,712	25,712		21,614	21,614		
Total financial assets		5,014,633	5,069,667		4,768,060	4,802,942		
Liabilities to credit institutions		153,533	153,579		78,254	78,274		
Deposits from the public		3,780,328	3,765,045		3,533,602	3,521,371		
Debt securities issued		691,455	692,350		811,881	812,336		
Derivative instruments		6,983	6,983		4,430	4,430		
Subordinated liabilities		92,090	59,780		56,671	57,992		
Total financial liabilities		4,724,389	4,677,737		4,484,838	4,474,403		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total



P11. Fair values and carrying amounts of financial assets, liabilities and fair value levels

	2025				2024				
Financial instruments carried at fair value in the balance sheet									
Assets									
<i>Debt securities eligible for refinancing with central banks</i>	580,015			580,015	501,596	9,850		511,446	
<i>Lending to the public</i>		148,081		148,081		168,087		168,087	
<i>Shares and participations</i>	866		38,576	39,441	1,240		35,406	36,646	
<i>Derivative instruments</i>		25,712		25,712		21,614		21,614	
Total	580,881	173,793	38,576	793,250	502,836	189,701	35,406	737,793	
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Liabilities									
<i>Debt securities issued</i>		551,919		551,919		556,450		556,450	
<i>Derivative instruments</i>		6,983		6,983		4,430		4,430	
Total	0	558,902	0	558,902	0	560,881	0	560,881	
Level 1	Instruments with quoted market prices								
Level 2	Measurement techniques based on observable market data								
Level 3	Measurement techniques based on non-observable market data								
				Shares and participations				Shares and participations	
Change in Level 3 holdings									
Carrying amount on January 1					35,406				38,855
New purchases/Reclassifications					2,040				9,284
Change in value recognised in other comprehensive income					1,129				-12,732
Carrying amount on December 31					38,576				35,406

No transfer occurred between Level 1 and Level 2.



P12. Assets and liabilities by currency

	2025				
	EUR	SEK	USD	Others	Total
Cash and accounts with central banks	98,525	115,704	96	263	214,588
Debt securities eligible for refinancing with central banks	588,137	208,289	83,352		879,778
Lending to credit institutions	13,704	1,655	39,470	10,615	65,444
Lending to the public	2,831,938	925,062	8,733		3,765,732
Debt securities	1,908				1,908
Shares and participations	1,492	37,934	3	2	39,431
Derivative instruments	20,665	5,047			25,712
Other items not allocated by currency	139,822				139,822
Total assets	3,696,192	1,293,690	131,653	10,880	5,132,415
Liabilities to credit institutions	42,983	110,549	1	0	153,533
Deposits from the public	2,623,341	973,854	162,292	20,842	3,780,328
Debt securities issued	636,281	55,174			691,455
Derivative instruments	1,090	5,841	28	24	6,983
Subordinated liabilities		92,090			92,090
Other items not allocated by currency, including equity capital	408,026				408,026
Total liabilities and equity capital	3,711,721	1,237,508	162,320	20,866	5,132,415
Other assets and liabilities allocated by currency as well as off-balance sheet items		9,075	31,168	10,544	
Net position in currencies (EUR)		65,257	500	559	66,316

The net position in Swedish kronor is mainly the structural position that arises because the Bank's financial accounts are prepared in euros and the Swedish branch's financial accounts are in Swedish kronor.

	2024				
	EUR	SEK	USD	Others	Total
Cash and accounts with central banks	190,998	98,613	48	218	289,877
Debt securities eligible for refinancing with central banks	594,526	134,707	69,658		798,891
Lending to credit institutions	12,439	6,106	2,397	9,144	30,085
Lending to the public	2,720,823	845,882	12,302		3,579,007
Debt securities	5,550				5,550
Shares and participations	1,870	34,758	3	6	36,636
Derivative instruments	19,339	2,163	111	2	21,614
Other items not allocated by currency	119,041				119,041
Total assets	3,664,586	1,122,230	84,517	9,368	4,880,701
Liabilities to credit institutions	18,217	58,268	502	1,267	78,254
Deposits from the public	2,514,493	871,844	129,105	18,160	3,533,602
Debt securities issued	660,090	151,791			811,881
Derivative instruments	2,090	2,341			4,430
Subordinated liabilities		56,671			56,671
Other items not allocated by currency, including equity capital	395,863				395,863
Total liabilities and equity capital	3,590,752	1,140,916	129,606	19,427	4,880,701
Other assets and liabilities allocated by currency as well as off-balance sheet items		78,005	45,151	10,744	
Net position in currencies (EUR)		59,319	62	686	60,067



P13. Holdings of debt securities	2025			2024		
	Nominal amount	Carrying amount	Loss reserve	Nominal amount	Carrying amount	Loss reserve
Debt securities eligible for refinancing with central banks						
Holdings at fair value via other comprehensive income						
<i>Treasury bills</i>				10,000	9,850	1
<i>Government bonds</i>	188,742	186,942	29	125,540	122,770	23
<i>Covered mortgage bonds</i>	380,875	379,310	29	340,743	339,530	36
<i>Debt securities issued by credit institutions</i>	13,795	13,763	0	39,421	39,194	2
Holdings at amortised cost						
<i>Government bonds</i>	34,932	34,811	8	43,680	43,691	8
<i>Covered mortgage bonds</i>	233,640	231,844	15	207,074	203,755	15
<i>Debt securities issued by credit institutions</i>	33,125	33,107	0	40,125	40,100	1
Total debt securities eligible for refinancing with central banks	885,109	879,778	81	806,583	798,891	85
Other debt securities						
Holdings at accrued cost						
<i>Corporate bonds</i>	1,910	1,908	4	5,543	5,550	101
Total other debt securities	1,910	1,908	4	5,543	5,550	101
Total debt securities	887,019	881,686	86	812,126	804,441	186

The entire holding consists of publicly listed debt securities.

P14. Lending to credit institutions	2025				2024			
	Repayable on demand	Other	Provision for expected loss	Total	Repayable on demand	Other	Provision for expected loss	Total
Finnish credit institutions	1,196	34,043		35,239	903			903
Foreign banks and credit institutions	30,205			30,205	29,181			29,181
Total	31,401	34,043	0	65,444	30,085	0	0	30,085



P15. Lending to the public	2025			2024		
	Gross carrying amount	Provision for expected loss	Net carrying amount	Gross carrying amount	Provision for expected loss	Net carrying amount
Companies	702,307	-2,711	699,597	528,625	-2,025	526,600
Public sector entities	10,250	-16	10,235	10,532	-77	10,455
Households	1,980,829	-4,802	1,976,027	1,838,387	-8,716	1,829,671
Household interest organisations	16,232	-5	16,227	15,621	-1	15,620
Lending outside Finland	1,065,057	-1,409	1,063,648	1,198,366	-1,706	1,196,661
Total	3,774,675	-8,943	3,765,732	3,591,532	-12,525	3,579,007
<i>of which subordinated receivables</i>			80			92

P16. Shares and participations	2025	2024
Holdings recognised at fair value via other comprehensive income		
Listed		1,240
Unlisted		35,396
Total shares and participations	39,431	36,636
Shares and participations in associated companies	18,694	3,054
Shares and participations in Group companies	3,346	3,346
Total shares and participations	61,471	43,036



P17. Derivative instruments	2025						2024		
	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									
<i>Interest rate swaps</i>			6,060	6,060	290	271	6,060	455	433
Currency-related contracts									
<i>Currency forward contracts</i>	609,633			609,633	5,007	5,117	618,350	2,472	2,028
Total	609,633	0	6,060	615,693	5,296	5,388	624,410	2,927	2,461
Derivatives for fair value hedges									
Interest-related contracts									
<i>Interest rate swaps</i>	287,164	469,978	32,500	789,641	13,367	1,582	705,014	15,678	1,878
Total	287,164	469,978	32,500	789,641	13,367	1,582	705,014	15,678	1,878
Derivatives for cash flow hedges									
Interest-related contracts									
<i>Interest and currency swaps</i>	642,409			642,409	7,049	13	770,000	3,009	91
Total	642,409	0	0	642,409	7,049	13	770,000	3,009	91
Total derivative instruments	1,539,205	469,978	38,560	2,047,743	25,712	6,983	2,099,424	21,614	4,430
<i>of which cleared OTC</i>									
<i>of which cleared</i>	929,572	469,978	35,530	1,435,080	20,416	1,870	1,478,044	18,687	2,414

Derivatives are recognised together with their associated accrued interest.



P18. Intangible assets		2025			
	Software developed in-house	Other software	Goodwill	Other intangible assets	Total
Cost on January 1	1,412	48,655	29,336	7,278	86,682
Cost of intangible assets added		6,150			6,150
Divestments and disposals		-160			-160
Exchange rate effects	18	385	933		1,336
Cost on December 31	1,430	55,030	30,269	7,278	94,007
Accumulated amortisation and impairment losses on January 1	-1,412	-34,818	-29,336	-7,278	-72,844
Divestments and disposals		160			160
Amortisations		-2,181			-2,181
Exchange rate effects	-18	-279	-933		-1,230
Accumulated amortisation and impairment losses on December 31	-1,430	-37,118	-30,269	-7,278	-76,095
Residual value on December 31	0	17,913	0	0	17,913
		2024			
	Software developed in-house	Other software	Goodwill	Other intangible assets	Total
Cost on January 1	1,422	45,410	29,854	7,278	83,964
Cost of intangible assets added		3,424			3,424
Impairment losses for the year		-3			-3
Exchange rate effects	-10	-175	-518		-703
Cost on December 31	1,412	48,655	29,336	7,278	86,682
Accumulated amortisation and impairment losses on January 1	-1,320	-31,991	-29,854	-7,232	-70,398
Amortisations	-101	-2,976		-46	-3,122
Exchange rate effects	9	149	518		676
Accumulated amortisation and impairment losses on December 31	-1,412	-34,818	-29,336	-7,278	-72,844
Residual value on December 31	0	13,837	0	0	13,837



P19. Tangible assets	2025			2024		
	Investment properties	Properties for own use	Other tangible assets	Investment properties	Properties for own use	Other tangible assets
Investment properties			382			402
Properties for own use			14,214			18,715
Other tangible assets			3,557			3,687
Total			18,152			22,805
Cost on January 1	571	27,819	9,986	571	20,308	14,374
New acquisitions		1,663	601		7,801	1,383
Divestments and disposals			-207		-88	-5,769
Transfer between items		191	-191		-195	195
Exchange rate effects		13	27		-7	-197
Cost on December 31	571	29,687	10,215	571	27,819	9,986
Accumulated depreciation on January 1	-169	-14,393	-6,298	-169	-13,668	-11 812
Depreciations		-1,071	-538		-727	-376
Impairments	-20					
Divestments and disposals			195			5,707
Exchange rate effects		-9	-18		3	183
Accumulated depreciation on December 31	-189	-15,473	-6,658	-169	-14,393	-6,298
Revaluations on January 1		5,289			5,289	
Accumulated revaluations on December 31	0	5,289	0	0	5,289	0
Carrying amount	382	14,214	3,557	402	18,715	3,687
<i>of which buildings</i>		13,734			18,235	
<i>of which land and water</i>		380			380	
<i>of which shares in property companies</i>	382	100	0	402	100	0

The carrying amount for investment properties is the same as market value.



P20. Other assets	2025	2024
Payment intermediation receivables	5,518	4,940
Receivables on mutual fund settlement proceeds	11,174	9,282
Accounts receivable	873	1,924
Receivables in conjunction with transfer of assets		3,771
Other	5,820	4,881
Total	23,386	24,798

P21. Accrued income and prepayments	2025	2024
Accrued interest income	17,446	18,479
Other accrued income	10,611	21,817
Prepaid taxes	4,579	
Anticipated dividend	14,000	5,000
Other prepaid expenses	3,496	2,554
Total	50,132	47,850



P22. Deferred tax assets and liabilities	2025	2024
Deferred tax assets		
Provisions	226	559
Unused tax depreciation	318	268
Income received in advance	153	136
Cash flow hedges	89	
Other	6	25
Financial assets measured via other comprehensive income		
<i>Debt securities</i>	178	270
<i>Shares and participations</i>	1,941	2,093
Total deferred tax assets	2,911	3,350
Deferred tax liabilities		
Cash flow hedge		202
Financial assets measured via other comprehensive income		
<i>Debt securities</i>	73	
Total deferred tax liabilities	73	202
Net deferred taxes	2,837	3,149

Accumulated appropriations included a deferred tax liability of EUR 29,898 K (29,498).

	Dec 31, 2024	Recognised in income statemnt	Recognised in other comprehensive income	Dec 31, 2025	Dec 31, 2023	Recognised in income statemnt	Recognised in other comprehensive income	Dec 31, 2024
Changes in deferred taxes								
Provisions	559	-333		226	349	210		559
Unused tax depreciation	268	50		318	221	47		268
Income received in advance	136	17		153	85	51		136
Debt securities measured via other comprehensive income	270		-92	178	614		-344	270
Shares and participations measured via other comprehensive income	2,093		-151	1,941	-465		2,557	2,093
Cash flow hedge	-202		217	15			-202	-202
Other	25	-20		6	15	10		25
Total	3,149	-285	-27	2,837	819	318	2,012	3,149



P23. Liabilities to credit institutions	2025			2024		
	Repayable on demand	Other	Total	Repayable on demand	Other	Total
Central banks			0			0
Finnish credit institutions	4,219		4,219	509		509
Foreign banks and credit institutions	50,620	98,694	149,314	39,347	38,398	77,745
Total	54,839	98,694	153,533	39,856	38,398	78,254

P24. Deposits from the public	2025		2024	
Companies		1,073,923		957,554
Public sector entities		125,640		174,280
Households		1,352,789		1,339,686
Household interest organisations		50,270		49,239
Deposits outside Finland		1,177,706		1,012,844
Total		3,780,328		3,533,602

P25. Debt securities issued	2025		2024	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Certificates of deposit	140,445	139,536	257,718	255,728
<i>of which at amortised cost</i>	<i>140,445</i>	<i>139,536</i>	<i>257,718</i>	<i>255,728</i>
Covered bonds	550,000	551,919	550,000	556,152
<i>of which fair value hedge</i>	<i>550,000</i>	<i>551,919</i>	<i>550,000</i>	<i>556,152</i>
Total	690,445	691,455	807,718	811,881

"Fair value hedge" refers to hedge accounting of the interest component in the debt security.

P26. Other liabilities	2025		2024	
Payment intermediation liabilities		5,626		2,007
Fund settlement liabilities		6,020		8,639
Trade payables		3,270		4,045
Miscellaneous		15,183		18,151
Total		30,099		32,842



P27. Provisions	2025			2024		
	Provisions for restructuring reserves	Provision for off-balance sheet obligations	Total	Provisions for restructuring reserves	Provision for off-balance sheet obligations	Total
Provisions on December 31 of the previous year	276	2,488	2,764	143	1,624	1,767
Provisions during the year	195	61	256	409	1,007	1,416
Amounts utilised		-1,558	-1,558		-90	-90
Unutilised amounts recovered	-30	-813	-844	-275		-275
Exchange rate changes	2	82	84	-0	-53	-54
Provisions on December 31	442	260	702	276	2,488	2,765

“Provision for off-balance sheet obligations” refers to expected loan losses related to guarantees issued and unutilised credit lines. “Other provisions” consist of severance pay and operational losses. Other provisions consist of severance pay and operating losses.

P28. Accrued expenses and prepaid income	2025	2024
Accrued interest expenses	15,297	16,368
Other accrued expenses	22,486	19,345
Accrued taxes		2,214
Prepaid income	1,098	1,046
Total	38,881	38,974

P29. Subordinated liabilities	2025			2024		
	Nominal amount	Carrying amount	Amount in own funds	Nominal amount	Carrying amount	Amount in own funds
Green Floating Rate Tier 2 Note	13,861	13,824	13,824	13,090	13,077	13,090
Floating Rate Callable Tier 2 2023	18,482	18,430	18,430	17,454	17,437	17,454
Additional Tier 1 capital						
Floating Rate Perpetual AT1 Note 2021	27,723	27,718	27,723	26,180	26,157	26,180
Floating Rate Perpetual AT1 Note 2025	32,343	32,118	32,343			
Total	92,409	92,090	92,319	56,724	56,671	56,724

	Interest rate:	Repayment:
Green Floating Rate Tier 2 Note	3-month Stibor +2.15 %	December 16, 2041
Floating Rate Callable Tier 2 2023	3-month Stibor +3.65 %	March 2, 2043
Floating Rate Perpetual AT1 Note 2021	3-month Stibor +3.75 %	Perpetual
Floating Rate Perpetual AT1 Note 2025	3-month Stibor +3.35 %	Perpetual

The loans may be repurchased in advance, but this is possible only with the permission of the Finnish Financial Supervisory Authority.

Subordinated liabilities were issued with a write-down clause. In the event that the Bank of Åland's or the Group's common equity Tier 1 (CET1) capital ratio falls below 7.125 per cent for Tier 2 instruments, and 5.125 per cent for the AT1 instrument.



P30. Maturity breakdown of assets and liabilities

2025

	Undiscounted contractual cash flows						Total
	Repayable on demand	<3 months	3–6 months	6–12 months	1–5 years	>5 years	
Assets							
Cash and accounts with central banks	214,588						214,588
Debt securities eligible for refinancing with central banks		102,721	85,242	126,892	521,522	43,400	879,778
Lending to credit institutions	65,444						65,444
Lending to the public	647	292,601	128,821	223,598	1,299,954	1,820,111	3,765,732
Other debt securities					1,908		1,908
Derivative instruments		15,417	2,211	1,133	4,989	1,961	25,712
Total	280,679	410,740	216,274	351,623	1,828,373	1,865,472	4,953,161
Liabilities							
Liabilities to credit institutions and central banks	50,252	72,773	30,508				153,533
Deposits from the public	3,338,151	197,380	75,328	167,997	1,472		3,780,328
Debt securities issued		306,434	60,379	22,723	301,919		691,455
Derivative instruments		3,041	2,278	193	996	475	6,983
Subordinated liabilities						92,090	92,090
Total	3,388,403	579,628	168,493	190,913	304,387	92,566	4,724,390



2024

	Undiscounted contractual cash flows						Total
	Repayable on demand	<3 months	3–6 months	6–12 months	1–5 years	>5 years	
Assets							
Cash and accounts with central banks	289,877						289,877
Debt securities eligible for refinancing with central banks		50,524	177,224	182,657	356,813	31,673	798,891
Lending to credit institutions	30,085						30,085
Lending to the public	47,498	277,594	121,064	180,299	1,266,416	1,686,137	3,579,007
Other debt securities					5,550		5,550
Derivative instruments		978	1,456	3,517	12,528	3,136	21,614
Total	367,459	329,095	299,744	366,472	1,641,306	1,720,947	4,725,023
Liabilities							
Liabilities to credit institutions and central banks	39,856	38,398					78,254
Deposits from the public	2,991,096	278,705	129,831	131,745	2,225		3,533,602
Debt securities issued		146,520	93,361	22,000	550,000		811,881
Derivative instruments		532	1,582	134	1,403	779	4,430
Subordinated liabilities						56,671	56,671
Total	3,030,953	464,154	224,774	153,878	553,628	57,451	4,484,838



P31. Claims on Group companies	2025	2024
Lending to the public	3,971	3,383
Other assets	14,106	5,116
Accrued income and prepayments	1,793	13,816
Total	19,870	22,315

P32. Liabilities to Group companies	2025	2024
Deposits from the public	19,870	12,184
Other liabilities	3,592	3,142
Accrued expenses and prepaid income	2,931	1,988
Total	26,393	17,314

Notes concerning staff, Board of Directors and Executive Team

(EUR K)

P33. Salaries/fees paid to the Board of Directors and Executive Team	2025	2024
Lampi, Nils	63	61
Taxell, Christoffer	48	46
Lombardi, Malin	44	32
Karlsson, Anders Å	40	47
Valassi, Ulrika	52	49
Wiklöf, Anders	41	41
Leino-Haltia, Mirel	49	47
Board members	336	321
Managing Director	609	628
Other members of the Executive Team	2,025	2,365

The amount includes the value of fringe benefits. There are no pension obligations to the members of the Board of Directors. The pension benefits of the Managing Director are based on customary terms of employment.

P34. Private shareholdings of the Board of Directors and the Executive Team in Bank of Åland Plc

See the Board of Directors and Executive Team sections.

P35. Financial transactions with related parties

See Note G45 in the notes to the consolidated financial statements.



Notes concerning assets pledged and contingent liabilities

(EUR K)

P36. Assets pledged	2025	2024
Assets pledged for own liabilities		
Lending to credit institutions	2,338	2,001
Lending to the public	1,000,187	1,000,220
Other assets pledged for own liabilities	4,548	3,960
Total assets pledged for own liabilities	1,007,072	1,006,181

Assets pledged in the form of debt securities were mainly provided as collateral to central banks. "Lending to the public" that was provided as collateral consisted of the registered collateral pool on behalf of holders of covered bonds. "Other assets pledged for own liabilities" refers mainly to endowment insurance.

Other assets pledged		
Debt securities	41,323	31,316
Other	622	592
Total other assets pledged	41,946	31,909

Assets pledged were mainly provided as collateral to central banks and credit institutions for payment systems, securities trading and clearing.

Assets were not pledged for the liabilities or commitments of others.

Except for loan receivables comprising the collateral pool for covered bonds, where legislation regulates minimum requirements for over-collateralisation, collateral that exceeds the nominal value of the liability are at the free disposal of the Bank.

P37. Off-balance sheet obligations	2025	2024
Guarantees	25,906	19,040
Unutilised overdraft limits	329,765	348,937
Unutilised credit card limits	88,730	85,466
Unutilised credit lines	118,853	68,458
Other commitments	2,750	4,780
Total	566,004	526,681
<i>Provision for expected loss</i>	443	322
Guarantees for subsidiaries	1,238	1,238
Unutilised overdraft limits for subsidiaries	2,729	3,317



P38. Rental obligations	2025	2024
Rental payments due		
Under 1 year	4,530	4,463
More than 1 and less than 5 years	9,770	7,128
More than 5 years	1,773	252
Total	16,072	11,842

Rental obligations were equivalent to the rental expenses that would arise upon termination of all rental agreements.



Other notes

P39. Subsidiaries and associated companies

	Registered office	Ownership, %	Carrying amount
Subsidiaries			
Crosskey Banking Solutions Ab Ltd	Mariehamn	100	2,505
<i>S-Crosskey Ab</i>	<i>Mariehamn</i>	60	
Ålandsbanken Fondbolag Ab	Mariehamn	100	841
<i>Ålandsbanken Fonder Ab</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Fonder II Ab</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Fonder III Ab</i>	<i>Mariehamn</i>	100	
<i>Ålandsbanken Fonder IV Ab</i>	<i>Mariehamn</i>	100	
<i>Ålandsbanken Fonder V Ab</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Fonder VI Ab</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Asuntorahasto II GP Oy</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Asuntorahasto II LP Oy</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Kiinteistökehitys I GP Oy</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Kiinteistökehitys I Syöttörahasto GP Oy</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Kiinteistökehitys I Syöttörahasto LP Oy</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Havsvind I GP Ab</i>	<i>Helsinki</i>	100	
<i>Ålandsbanken Havsvind I Matarfond GP Ab</i>	<i>Mariehamn</i>	100	
<i>Ålandsbanken Havsvind I Matarfond LP Ab</i>	<i>Mariehamn</i>	100	
<i>Riitamaa-Nurmesneva GP Oy</i>	<i>Helsinki</i>	100	
<i>Leilisuo GP Oy</i>	<i>Simo</i>	100	
Total			3,346
Associated companies and joint ventures			
Mäklarhuset Åland Ab	Mariehamn	32	20
Alandia Holding Ab	Mariehamn	28	3,034
Alandia Försäkring Ab	Mariehamn	12	15,640
Helen ÅB Tuulipuistohallinnointiyhtiö Oy	Helsinki	40	
Noatun Vindpark Norra Ab	Mariehamn	40	
Noatun Vindpark Södra Ab	Mariehamn	40	
Noatun Vindpark Södra Ab	Mariehamn	40	
Total			18,694

**P39. Subsidiaries and associated companies**

	Registered office	Ownership, %	Carrying amount
Housing and real estate companies			
Properties for the Group's own use			
<i>FAB Godby Center</i>	Finström	11	100
Total			100
Investment properties			
FAB Horsklint	Kökar	20	12
FAB Nymars	Sottunga	30	30
FAB Västernäs City	Mariehamn	50	300
Total			342

P40. Distributable profit

	2025	2024
Retained earnings	70,802	60,181
Unrestricted equity capital fund	32,711	32,318
Total	103,513	92,498



Affirmation by the Board of Directors and the Managing Director plus proposed allocation of profit

Mariehamn, February 25, 2026

The Board of Directors and the Managing Director affirm that:

- the consolidated financial statements, which have been prepared in compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the Parent Company's financial statements – prepared in compliance with the regulations in force in Finland on the preparation of financial statements – provide a true and fair view of the assets, liabilities, financial position, profits and losses of both the Company itself and the entities covered by the Company's consolidated financial statements
- the report of the Board of Directors includes an account that provides a truthful view of the development and performance of the Company's business operations, on the one hand, and the entirety of the companies covered by the consolidated financial statements, on the other hand, as well as a description of the most relevant risks and uncertainties and the Company's position in other respects
- the sustainability report included in the report of the Board of Directors has been prepared in accordance with the reporting standards referred to in Chapter 7 and in compliance with Article 8 of the Taxonomy Regulation.

According to the financial statements, distributable profit – after subtracting capitalised development expenses – including the unrestricted equity capital fund is EUR 103,513,023.51, of which the profit for the financial year is EUR 52,909,652.56. No significant changes in the financial position of the Company have occurred since the end of the financial year.

The Board of Directors proposes to the Annual General Meeting that the distributable profit of the Bank of Åland Plc, EUR 103,513,023.51. be allocated as follows:

For Series A and Series B shares outstanding, a dividend of EUR 2.75 per share plus an extra dividend of EUR 0.35 per share from retained earnings,

totalling	42,338,543.50
To be carried forward as retained earnings	61,174,480.01

The total amounts proposed for distribution and for transfer to retained earnings will be finally determined by the Annual General Meeting. The amounts may be subject to change as a result of any share issuance.

Nils Lampi
Chairman

Christoffer Taxell
Deputy Chairman

Mirel Leino-Haltia

Malin Lombardi

Anders Å Karlsson

Ulrika Valassi

Anders Wiklöf

Peter Wiklöf
Managing Director

Auditors' note

A report on the audit performed has been issued today.

Helsinki, February 25, 2026

KPMG Oy Ab
Audit Firm

Henry Maarala
Authorised Public Accountant, KHT



To the Annual General Meeting of Ålandsbanken Abp

Auditor's Report

This document is an English translation of the auditors' report in the Swedish language. Only the auditors' report in the Swedish language is legally binding.

Audit of the financial statements

Opinion

We have audited the financial statements of Bank of Åland Plc (business identity code 0145019-3) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity capital, cash flow statement and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of changes in equity capital, cash flow statement and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note K12 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our

application of materiality. The materiality is determined based on our professional judgment and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of

management bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters	How these matters were addressed in the audit
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Measurement of lending to the public and public sector entities (Accounting Principles and Notes G3, G13, G21, P10, P16)	
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- Lending to the public and public sector entities amounted to 3,8 billion euros as at December 31, 2025. This comprises approximately 73 percent of the Bank of Åland's total assets.
- IFRS 9 Financial Instruments standard is applied in the calculation of expected credit losses. Calculation of expected credit losses involves assumptions, estimates and management judgment. For example, in respect of the probability and amount of the expected credit losses as well as determining the significant increases in credit risk.
- Due to the significance of the carrying amount involved, complexity of the accounting methods used for measurement purposes and management judgment involved, lending to the public and public sector entities is addressed as a key audit matter.
- We have reviewed and assessed the principles and controls applied for lending regarding approval, recognition and monitoring of loans



and receivables. In addition, we have assessed the credit risk monitoring and impairment recognition principles applied. We utilised data analysis in our audit focusing on the lending process and loans.

- We assessed the models and the key assumptions for calculating expected credit losses as well as tested the controls related to the calculation process for expected credit losses. Our audit procedures included an analysis of the most significant individual impairments recognised during the financial period.
- Our IFRS and financial instruments specialists were involved in the audit.
- Furthermore, we considered the appropriateness of the notes provided by the Bank of Åland in respect of loans and other receivables and expected credit losses.

Key audit matters

Key audit matters

How these matters were addressed in the audit

Net commission income and IT income (Accounting Principles and Notes G8 and P3)

- The assets managed by the Bank of Åland entitles to fee and commission income on the grounds of the agreements entered into with customers and the cooperation parties. The Group also derives IT income based on customer agreements. Commissions and IT income are a significant item in the Group's income statement.
- The calculation of commissions and IT income comprises manual phases and the determination of the commission amount and revenue

recognition may involve management judgement.

- Due to the significance of the income amount and the judgement involved, net commission and IT income are considered a key audit matter.
- We assessed the methods used by the Bank of Åland for calculation of mutual fund and asset management commissions and IT income.
- Our review regarding the accounting of mutual fund and asset management commissions and IT income focused on controls in the billing and fee calculation processes. Our audit procedures involved an assessment of the functionality and effectiveness of these controls.
- Our audit procedures included testing of commission calculations on a sample basis, as well as an assessment of the underlying related agreements and fund statutes where fees have been defined. We utilised data analysis in our analysis of the charged fees.

In the Parent Company's financial statements, we have not identified other key audit matters.

Responsibilities of the Board of Directors and the Managing Director for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and

the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good

auditing practice, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures



are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other reporting requirements

Information on our audit engagement

We were appointed as auditors by the Annual General Meeting in 2013, and our appointment represents a total period of uninterrupted engagement of 13 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, February 25, 2026
KPMG Oy Ab

Henry Maarala
Authorised Public Accountant, KHT

KPMG Oy Ab
Töölönlahdenkatu 3 A
00100 Helsinki



To the Annual General Meeting of Bank of Åland Plc

Assurance Report on the Sustainability Report

This document is an English translation of the Swedish-language Assurance Report on the Sustainability Report. Only the Swedish-language version of the report is legally binding.

We have performed a limited assurance engagement on the group sustainability report of Bank of Åland Plc (business identity code 0145019-3) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and;
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Bank of Åland Plc has identified the information for reporting in accordance with the

sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the Responsibilities of the *Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised Group sustainability auditor's independence and quality management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Bank of Åland Plc are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,

- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent limitations in the preparation of the sustainability report

Preparing a group sustainability report requires a company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases. When reporting forward-looking information in accordance with ESRS standards, a company's



management is required to make assumptions about possible future events, and to disclose the company's possible future actions in relation to those events, as well as to prepare the forward-looking information based on these assumptions. Actual results are likely to differ because forecasted events often do not occur as expected.

Responsibilities of the authorised Group sustainability auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the Group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the decisions of users taken on the basis of the Group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional

judgement and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement in the Group sustainability report, whether due to fraud or error, and obtain an understanding of internal controls relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's or the Group's internal controls.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

Description of the procedures that have been performed

The procedures performed in a limited assurance engagement vary in nature and timing

from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, among others, the following:

- We interviewed the company's representatives and persons responsible for collecting and preparing the information contained in the group sustainability report.
- For the double materiality assessment we got acquainted with the implementation of the process carried out by the company and the information disclosed on the process in relation to the requirements of the ESRS standards.
- Through interviews we gained understanding of the group's key processes related to

collecting and consolidating the sustainability information.

- We got acquainted with the group's internal guidelines and operating principles relevant to the sustainability information disclosed in the group sustainability report.
- We got acquainted with the background documentation and documents prepared by the company, as applicable, and assessed whether they support the information included in the group sustainability report.
- We assessed the information disclosed on material sustainability matters in the group sustainability report in relation to the requirements of the ESRS standards.
- In relation to the EU taxonomy information, we gained understanding about the process by which the company has defined taxonomy eligible and taxonomy aligned activities, and assessed the regulatory compliance of the information provided.

Helsinki February 25, 2026

KPMG Oy Ab

Authorized Sustainability Audit Firm

Henry Maarala

Authorized Sustainability Auditor, KRT

KPMG Oy Ab

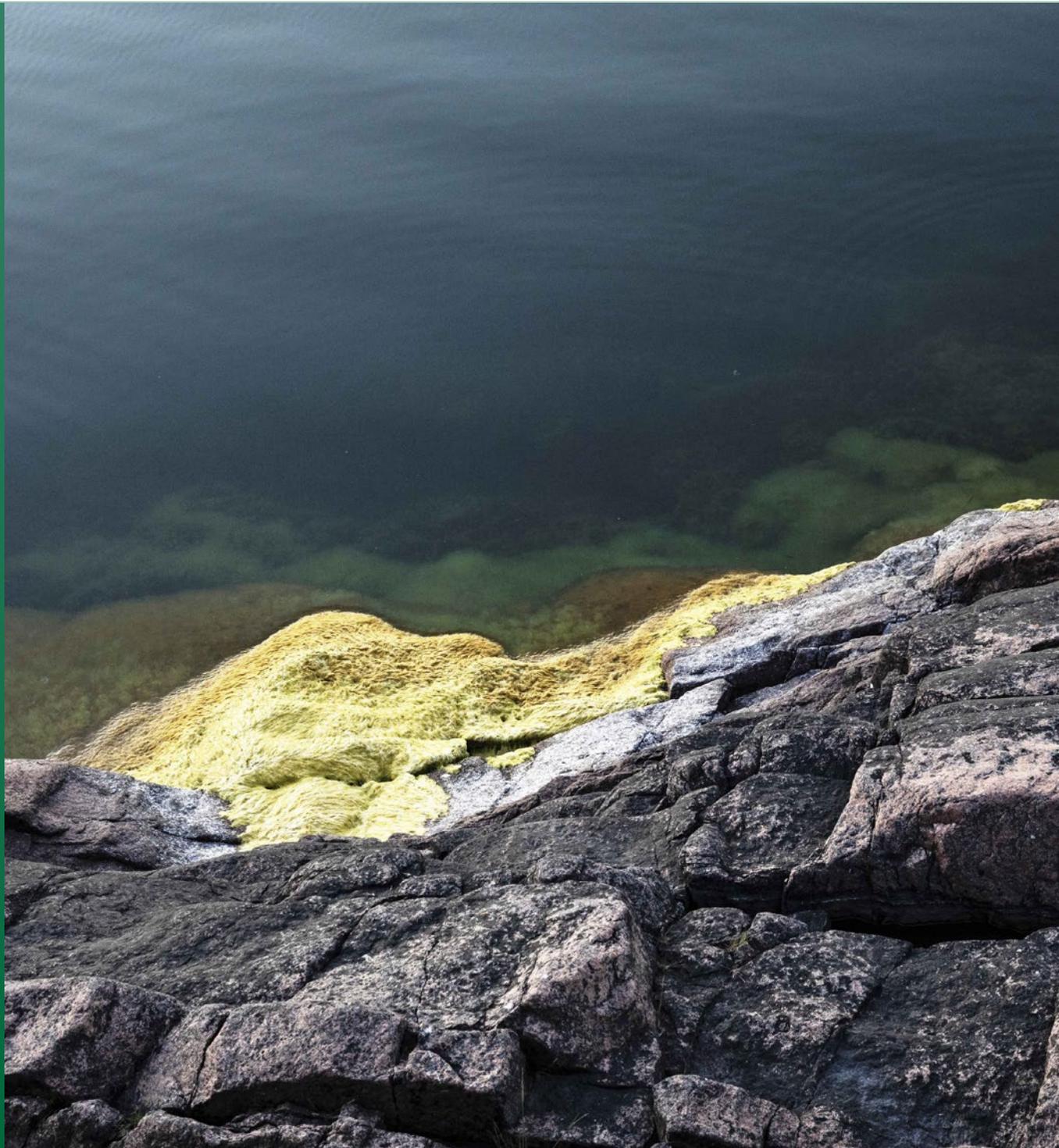
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Other

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Definitions

Actively managed assets

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

Alternative performance measures

Alternative performance measures are financial metrics of historical or future earnings developments, financial position or cash flow that have not been defined in applicable accounting regulations (IFRSs) or capital requirements regulations (CRD/CRR).

The Bank of Åland uses alternative performance measures when they are relevant in order to monitor and describe the Bank's financial situation, to facilitate comparability between periods and to provide additional usable information to the readers of its financial reports. These measures are not necessarily comparable to similar financial metrics that are presented by other companies.

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 (CET1) capital ratio

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

CSRD

The Corporate Sustainability Reporting Directive ((EU) 2022/2464) is a European Union directive that regulates sustainability reporting for companies. Sustainability reporting must be produced in compliance with the ESRS reporting standard.

Customer satisfaction index (CSI)

The Bank of Åland index CSI reflects actual ranking position in the Kantar Prospera survey. The customer survey includes various questions that summarise how satisfied customers are with the Bank's overall service offering. The results show the overall ranking in the survey, with a low number corresponding to higher customer satisfaction. The index represents the Finnish operations.

Double materiality analysis

A double materiality analysis shows both how a company's operations impact the outside world and how the outside world impacts the company's operations from a financial perspective. A double materiality analysis is an analysis that is done in sustainability reporting to identify impact areas in compliance with CSRD and ESRS as well as financial risks and opportunities. The areas that are deemed material form the basis for the scope of the sustainability report in compliance with ESRS.

Earnings per share

Shareholders' portion of earnings for the period divided by

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.

Employee net promoter score (eNPS)

Employees' propensity to recommend the Bank of Åland. Calculated on a scale of 0–10, where the percentage of negative responses (0–6) is subtracted from the percentage of positive responses (9–10). The outcome is presented on a scale of -100 to +100.

ESRS

The European Sustainability Reporting Standards (Delegated Regulation (EU) 2023/2772) are the standards in accordance with which the CSRD sustainability report is prepared. ESRS is based on two overarching standards and ten thematic standards in the main areas of environment, social sustainability and business conduct. Reporting is done on the disclosure requirements described in the chapters that are relevant based on topics identified as areas of material impacts, risks or opportunities in a company's double materiality analysis. The disclosure requirements include minimum reporting requirements and specify data points to be reported.

Equity capital per share

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.

GAR

GAR stands for Green Asset Ratio and means the proportion of green assets according to the European Union's Taxonomy criteria. (EU Taxonomy Regulation (EU) 2020/852).

GHG Protocol

The Greenhouse Gas Protocol is a standard that companies can use for quantifying and reporting greenhouse gas emissions. Greenhouse gas emissions are divided into three different scopes, depending on their source.

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.

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.

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 loan portfolio and other commitments 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 capital

Market value at the end of the report period divided by shareholders' portion of equity capital on closing day.

Net promoter score (NPS)

Propensity to recommend the Bank of Åland. Customer loyalty is measured among our Premium Banking customers. In order to calculate the total result, the outcome for each geographic business segment is weighted against the total business volume (actively managed assets plus loans and deposits from the public).

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.

PCAF

PCAF is an abbreviation for the GHG Accounting and Reporting Standard for the Financial Industry from the Partnership for

Carbon Accounting Financial. It is a standard for calculating greenhouse gas emissions that companies in the financial service industry can use and is based on the GHG Protocol.

Return on equity after taxes (ROE)

Profit for the report period attributable to shareholders divided by average shareholders' portion of equity capital.¹

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 1 capital ratio

Tier 1 capital divided by the risk exposure amount.

Tier 2 (supplementary) capital

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

Total capital ratio

Own funds divided by the risk exposure amount.

¹ Average of 13 end-of-month figures.



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