

Press release 16 February 2009

Ålandsbanken acquires Kaupthing Bank Sverige

Ålandsbanken Abp and Kaupthing Sverige AB have signed an agreement for Ålandsbanken to acquire Kaupthing Bank Sverige. Ålandsbanken will acquire Kaupthing Bank Sverige, with a balance sheet of SEK 5bn. The purchase price amounts to SEK 414m and is paid in cash.

Peter Wiklöf, Managing Director, comments:

- For a long time, our ambition has been to disembark on the Swedish market. Through this acquisition we reach 20.000 customers straight away, and increase our business volume by 20 percent. We have thoroughly analyzed Kaupthing Bank Sweden and found a high-quality operation with skilled employees and great customer relations which makes an attractive base for our launch in the Swedish market.

As part of the agreement, Ålandsbanken's acquisition includes Kaupthing Bank Sverige's Private Banking, Asset Management and Capital Markets operations. The main part of the corporate loan book and certain other assets, including the indirect Lehman Brothers exposure, will be transferred to the Icelandic parent company, Kaupthing Hf in connection with the closing of the transaction. Ongoing litigations will not have any financial impact on Ålandsbanken. The rescue loan provided by the Swedish Central Bank will be re-paid in full.

As a consequence of the above, Kaupthing Bank Sverige's balance sheet is estimated to decrease from SEK 9bn per 31.12.2008 to SEK 5bn. Equity is estimated to be SEK 840m following the completion of the acquisition.

The acquisition is expected to have a positive contribution to Ålandsbanken's result for 2009, including restructuring costs. Effects on liquidity and tier 1 ratios are expected to be minor.

Peter Wiklöf comments:

- All prerequisites are there to make this a very interesting acquisition, and we are looking forward to developing Ålandsbanken's operations in Sweden. With the basis in the current operations in private banking, asset management and capital markets, our vision is to continue to develop as a niche bank for the premium segment, focusing on simple, secure and long-term relationships, as the bank has built its operations in Finland.

The acquisition is subject to regulatory approval and customary closing terms and conditions (including final year-end closing and other balance sheet relating measures, and the transfer of the above mentioned liabilities). The ambition is to finalize the acquisition within a couple of weeks.

Advisor to Ålandsbanken has been Lage Jonason AB

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About Ålandsbanken

Ålandsbanken, established in 1919, was listed on the Helsinki stock exchange in 1942. Ålandsbanken has circa 500 employees and is, with 19 offices the leading bank on Åland, and is represented with 8 offices at the Finnish mainland. During the bank crisis in the beginning of the 1990's, thanks to its strong solvency, Ålandsbanken were able to expand its business to the Finnish mainland, where the bank today is leading in Private Banking. Since 1982, Ålandsbanken has offered customer-oriented Private Banking services and has had a growth and profitability based on a combination of innovation and traditional cautiousness. For further information, visit www.alandsbanken.fi