ÅLANDSBANKEN

Ålandsbanken Interim report Interim report for the period January - September 2009

26.10.2009

Bank of Åland Plc STOCK EXCHANGE RELEASE 26.10.2009 09.00 hrs Interim report for the period January - September 2009 The report period in brief - Consolidated net operating profit increased by 89 per cent to 30.9 million euros (January - September 2008: EUR 16.3 M) - Recognition of negative goodwill from the purchase of Ålandsbanken Sverige AB improved income by EUR 23.1 M, while operational earnings at Ålandsbanken Sverige AB pulled down consolidated income by EUR 4.7 M - Net interest income fell by 6 per cent to EUR 29.4 M (31.4) - Commission income increased by 61 per cent to EUR 22.5 M (14.0) - Net income from securities transactions and foreign exchange dealing rose to EUR 4.4 M (1.0) - Total income increased by 19 per cent to EUR 64.1 M (54.0) - Expenses rose by 45 per cent to EUR 54.2 M (37.5) - Impairment losses amounted to EUR 2.4 M (0.5) - Lending volume increased by 12 per cent to EUR 2,437 M (September 2008: 2,168) - Deposits increased by 15 per cent to EUR 2,375 M (September 2008: 2,074) - Mutual fund assets under management amounted to EUR 717 M (284) - Return on equity after taxes (ROE) was 36.5 per cent (11.8) - The expense/income ratio including negative goodwill was 6 5 (70) per cent - The total capital ratio in compliance with Basel 2 amounted to 12.9 (12.2) per cent - Earnings per share amounted to EUR 2.35 (0.99) EARNINGS AND PROFITABILITY This Interim Report has been prepared in compliance with the International Financial Reporting Standards (IFRSs) that have been adopted by the European Union, as well as with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. Earnings summary for the report period Ålandsbanken Sverige AB (encompassing Ålandsbanken Sverige AB, Ålandsbanken Fonder AB and Alpha Management Company S.A.) was consolidated in the Bank of Åland Group in such a way that its balance sheet on September 30, 2009 and its earnings during the period April 1 - September 30, 2009 have been included in the consolidated financial statements. This affects comparability with the corresponding period of last year. The allocation between the Group's Finnish and Swedish business areas can be found in the table entitled “Earnings, newly acquired operations” on page 9. During January-September 2009, the consolidated net operating profit of the Bank of Åland Group increased by 891 per cent to EUR 30.9 M (16.3 in the corresponding period of 2008). During the report period, the Group recognised EUR 23.1 M in negative goodwill as income, due to its purchase of Kaupthing Bank Sverige AB in Sweden. The Group's net interest income was lower than in the corresponding period last year because of falling interest rates. Consolidated commission income, net income from securities transactions and other operating income were higher than in the year-earlier period. Income (excluding negative goodwill) increased by 19 per cent to EUR 64.1 M (54.0), while expenses rose by 45 per cent to EUR 54.2 M (37.5). Return on equity after taxes (ROE) increased to 36.5 (11.8) per cent, and earnings per share to EUR 2.35 (0.99). Net interest income During the report period, consolidated net interest income fell by 6 per cent to EUR 29.4 M (31.4), due to lower interest rates. During the period, margins on lending showed a positive trend. Ålandsbanken Sverige AB had net interest income of EUR 2.3 M. Lending volume rose by 12 per cent to EUR 2,437 M (2,168), while deposit volume increased by 15 per cent to EUR 2,375 M (2,074). Other income Commission income rose by 61 per cent to EUR 22.5 M (14.0). Income from securities, mutual fund and asset management commissions rose during the report period. Commission income at Ålandsbanken Sverige AB amounted to EUR 7.5 M. Net income from securities trading for the Bank's own account was EUR 2.9 M (0.2). Valuation and realisation of value increases in interest rate hedging derivatives (the Bank of Åland does not apply hedge accounting) resulted in a positive nonrecurring effect of EUR 2.4 M during the first quarter. Net income from dealing in the foreign exchange market increased to EUR 1.5 M (0.7). Net income from financial assets available for sale was EUR 0.3 M (0.1), and net income from

investment properties was EUR 0.2 M (0.1). Other operating income increased to EUR 10.4 M (8.9) as a consequence of higher income from the sale and development of information technology (IT) systems. During the report period, the Bank of Åland Plc bought Kaupthing Bank Sverige AB in Sweden, now Ålandsbanken Sverige AB (encompassing Kaupthing Bank Sverige AB, Kaupthing Fonder AB and Alpha Management Company S.A.). The acquisition analysis showed that the net assets acquired after restructuring expenses amounted to EUR 57.2 M and the cost of the shares, including the purchase price and acquisition-related expenses, amounted to EUR 34.1 M. Negative goodwill of EUR 23.1 M was recognised as income in the Bank of Åland Group during the second quarter. For d etailed information about the acquisition analysis, see Note 4 under “Notes to the consolidated interim report” on page 12. The Group's total income (excluding negative goodwill) increased by 19 percent to EUR 64.1 M (54.0). Expenses Staff costs rose by 49 per cent to EUR 31.2 M (21.0) as a consequence of the acquisition of Ålandsbanken Sverige AB plus salary hikes as provided by collective agreements. Staff costs at Ålandsbanken Sverige AB amounted to EUR 8.5 M. Changes in the Bank's pension fund, Ålandsbanken Abp:s Pensionsstiftelse, according to the corridor approach affected staff costs in the amount of EUR 0.1 M (0.1). Other administrative expenses (office, marketing, communications and IT) increased to EUR 11.7 M (7.9). Production for own use totalled EUR -1.1 M (-0.3) and was related to expenses for computer software, which in accordance with IFRSs must be capitalised. Depreciation/amortisation increased to EUR 4.8 M (4.4). Other operating expenses amounted to EUR 7.6 M (4.5). The Group's total expenses rose by 45 per cent to EUR 54.2 M (37.5). Impairment losses on loans and other commitments Impairment losses amount ed to EUR 2.4 M (0.5). Of these, EUR 0.9 M was individually targeted impairment losses and EUR 1.5 M a group impairment loss targeted to the real estate industry. Third quarter of 2009 Compared to the third quarter of 2008, the Group's net operating profit decreased by 42 per cent to EUR 2.7 M (Q III 2008: 4.5). Income Total income (excluding negative goodwill) increased by 28 per cent to EUR 21.6 M (16.9). Lower interest rates led to a decrease in net interest income of 3 per cent to EUR 10.2 M (10.5), despite higher deposit and lending volume. During the quarter, Ålandsbanken Sverige AB had net interest income of EUR 1.2 M. Commission income improved, amounting to EUR 9.4 M (3.8). Commission income on securities and asset management improved during the period. Commission income at Ålandsbanken Sverige AB totalled EUR 4.2 M. Net income from securities trading and foreign exchange operations increased to EUR 0.4 M (-0.1). Other operating income fell to EUR 3.1 M (3.2) as a consequence of lower income from real estate operations. Expenses Total expenses increased by 55 per cent to EUR 18.9 M (12.2). During the quarter, staff costs amounted to EUR 11.3 M (6.8). The number of employees in the Group increased as a consequence of the purchase of Ålandsbanken Sverige AB, while salary hikes were implemented as provided by collective agreements. Staff costs at Ålandsbanken Sverige AB totalled EUR 1.6 M. Other administrative expenses increased to EUR 4.2 M (2.3) during the third quarter, primarily because of higher external computer expenses. Due to increased property expenses and rents, other operating expenses rose to EUR 2.5 M (1.5). Impairment losses during the quarter totalled EUR 0.2 M. Balance sheet total and off-balance sheet obligations At the end of the report period, the Group's balance sheet total was EUR 3,321 M (2,728). During the period, the Group issued debenture loans 1/2009 and 2/2009 totalling EUR 34 M. With the permission of the Finnish Financial Supervisory Authority and in compliance with the terms of the loan, the Group carried out an early redemption of debenture loan 2/2004, which it had issued on June 4, 2004. Off-balance sheet obligations rose to EUR 340 M (165). Personnel Hours worked in the Group, recalculated to full-time equivalent positions, totalled 617 (511) during January - September 2009. This repr esented an increase by 106 positions compared to the year-earlier period. The increase was due to the acquisition of Ålandsbanken Sverige AB. The number of employees at Ålandsbanken Sverige AB on September 30, 2009 was 166. ---------- | Bank of Åland Group | Sep 30 | Sep 30 | | | 2009 | 2008 | ---------- | Ålandsbanken Abp | 311 | 329 | ---------- | Ab Compass Card Oy Ltd | 5 | 6 | ---------- | Crosskey Banking Solutions Ab Ltd | 151 | 147 | --------

---------- | Ålandsbanken Asset Management Ab | 18 | 14 | ---------- | Ålandsbanken Fondbolag Ab | 6 | 6 | ---------- | Ålandsbanken Equities Ab | 5 | 0 | ------ ---------- | Ålandsbanken Equities Research Ab | 1 | 0 | ---------- | Ålandsbanken Sverige AB | 120 | 0 | ---------- | Ålandsbanken Veranta Ab | 0 | 9 | ---------- | Total number of full-time equivalent positions, | 617 | 511 | | recalculated from hours worked | | | ---------- Expense/income ratio Efficiency measured as expenses divided by income, including and excluding loan losses, respectively: ---------- | Bank of Åland Group | Sep 30 | Sep 30 | | | 2009 | 2008 | ---------- | Including negative goodwill | | | ---------- ---------- | Including loan losses | 0.65 | 0.70 | ---------- | Excluding loan losses | 0.62 | 0.69 | ---------- | Excluding negative goodwill | | | ---------- | Including loan losses | 0.88 | 0.70 | ---------- | Excluding loan losses | 0.84 | 0.69 | ---------- Capital adequacy The Group is reporting capital adequacy in accordance with Pillar 1 in the Basel 2 regulations. The Group's total capital ratio at the end of September 2009 was 12.9 per cent. The capital requirement for credit risks has been calculated according to the standardised approach, and the capital requirement for operational risks according to the basic indicator approach in the Basel 2 regulations. ---------- ---------- | Capital adequacy | ---------- | Bank of Åland Group | Sep 30 | Sep 30 | Dec 31 | | | 2009 | 2008 | 2008 | ---------- | Capital base, EUR M | | | | ---------- | Core capital1 | 127.2 | 104.1 | 112.4 | ---------- | Supplementary capital | 73.0 | 52.6 | 53.4 | ---------- | Total capital base | 200.2 | 156.7 | 165.7 | ---------- | Capital requirements for credit risks | 108.3 | 93.3 | 95.9 | ---------- | Capital requirements for operational | 14.9 | 9.3 | 9.3 | | risks | | | | ---------- | Capital requi rements for market risks | 0.9 | 0.0 | 0.0 | ---------- | Total capital requirement | 124.1 | 102.5 | 105.1 | ---------- | Total capital ratio, % | 12.9 | 12.2 | 12.6 | ---------- | Core capital ratio, % | 8.2 | 8.1 | 8.6 | ---------- 1 Profit for the period minus estimated dividends paid. Deposits Deposits from the public, including bonds and certificates of deposit issued, continued to increase during January-September 2009. On September 30, 2009, deposits totalled EUR 2,375 M (2,074), an increase of 15 per cent, of which EUR 274 M consisted of deposits at Ålandsbanken Sverige AB. Deposit accounts rose by 18 per cent to EUR 1,999 M (1,695). Bonds and certificates of deposit issued to the public decreased by 1 per cent to EUR 376 M (379). Lending During the 12 months to September 30, 2009, the volume of lending to the public increased by 12 per cent to EUR 2,43 7 M (2,168). The volume of lending at Ålandsbanken Sverige AB was EUR 133 M. Lending to households increased by 11 per cent to EUR 1,654 M (1,490). Households accounted for 68 (68) per cent of the Group's total lending volume. Lending to companies rose by 16 per cent to EUR 759 M (654). Ab Compass Card Oy Ltd Ab Compass Card Oy Ltd is a subsidiary of the Bank of Åland Plc. The mission of the company is to issue credit and debit cards to private and institutional customers. The company is in its start-up phase and did not have operating income during the report period. The company currently has 6 employees and offices in Mariehamn and Helsinki. Crosskey Banking Solutions Ab Ltd Crosskey Banking Solutions Ab Ltd is a wholly-owned subsidiary of the Bank of Åland Plc. The mission of the company is to develop, deliver and maintain banking computer systems to financial market players in Northern Europe, focusing on comprehensive

solutions and efficient banking solutions. Among Crosskey's current customers are DnB NOR, S-Bank, Tapiola Bank, the Bank of Åland and Ålands Penningautomatförening. The earnings trend was good in the first nine months of 2009. Crosskey currently has 178 e mployees and offices in Mariehamn, Turku, Helsinki and Stockholm. Ålandsbanken Asset Management Ab Ålandsbanken Asset Management Ab is a subsidiary of the Bank of Åland Plc. The company offers asset management services to institutions and private individuals. The company also manages all of the Bank of Åland's mutual funds registered in Finland. The company currently has about 500 customers and EUR 900 M in managed assets. The company's customer portfolios have been successful during the turbulence of the past year, and its earnings in the first nine months of 2009 were higher than in the same period of last year. Ålandsbanken Equities Ab Ålandsbanken Equities Ab is a subsidiary of the Bank of Åland Plc. The company offers equity analysis and stock brokerage services to institutional investors. The company has an office in Helsinki. In July, the subsidiary Ålandsbanken Equities Research Ab was established; it is in charge of equity analysis. Ålandsbanken Fondbolag Ab Ålandsbanken Fondbolag Ab is a wholly owned subsidiary of the Bank of Åland Plc. The company carries out mutual fund (unit trust) operations and at present manages 11 mutual funds, all registered in Finland. Managed assets i n the Bank of Åland's Finnish mutual funds rose by 35 per cent to EUR 319 M (from EUR 236 M on Dec. 31, 2008). During the period, the number of unit holders increased by 15 per cent to 16,194 (from 14,093 on Dec. 31, 2008). Ålandsbanken Sverige AB Ålandsbanken Sverige AB is a wholly owned subsidiary of the Bank of Åland Plc. The company has operations in private banking, asset management, stock brokerage and institutional equities trading. Ålandsbanken Sverige AB has EUR 274 M in deposits from the public, EUR 133 M in lending volume and EUR 398 M in managed mutual fund assets. Ålandsbanken Sverige AB currently has 166 employees and offices in Stockholm, Göteborg and Malmö, Sweden. Changes in Group structure Ålandsbanken Veranta Ab merged with the Bank of Åland Plc on September 30, 2009. Important events after the close of the report period No important events have occurred after the close of the report period. Outlook for 2009 The year two thousand nine has been very challenging for most financial market players. The Bank of Åland expects its operating results in Finland to fall as a consequence of further weakening of net interest income, due to very low interest rates. The acquisition of Kaupthing Bank Sverige AB will have a significant positive nonrecurring effect on the Group's earnings during 2009, but operational activities in Sweden will pull down the year's earnings. Overall, we expect consolidated earnings to be substantially better than in 2008. It should again be emphasised that great uncertainty prevails in the global financial system. Combined with the acquisition of Kaupthing Bank Sverige, this means that the outlook for the future is burdened with greater uncertainty than normal. The Group's assessment of the outlook for 2009 is based on its assumptions about future developments in the fixed income and financial markets. However, general interest rates, the demand for lending, the trend of the capital and financial markets and the competitive situation, as well as the general economic situation, are factors that the Group cannot influence. The Year-end Report for the period January 1 - December 31, 2009 will be published on Monday, February 22, 2010. Mariehamn, October 23, 2009 THE BOARD OF DIRECTORS ---------- | FINANCIAL RATIOS ETC. | ---------- | Bank of Åland Group | Jan-Sep | Jan-Sep | Full year | | | 2009 | 2008 | 2008 | ---------- | Earnings per share before dilution, | 2.35 | 0.99 | 1.22 | | EUR 1 | | | | ---------- | Earnings per share after dilution, | 2.35 | 0.99 | 1.22 | | EUR 2 | | | | ---------- | Market price per share, end of | | | | | period, EUR | | | | ---------- | Series A | 30.70 | 28.25 | 26.60 | ---------- | Series B | 24.50 | 21.75 | 17.24 | ---------- | Equity capital per share, EUR 3 | 14.08 | 11.53 | 11.87 | ---------- | Return on equity after taxes, % | 36.5 | 11.8 | 10.7 | | (ROE) 4 | | | | ---------- | Return on total assets, % (ROA) 5 | 1.8 | 0.7 | 0.5 | ---------- | Equity/assets ratio, % 6 | 4.9 | 4.9 | 5.0 | --------

---------- | Total lending volume, EUR M | 2,437 | 2,168 | 2,193 | ---------- | Total deposits from the public, EUR M | 2, 375 | 2,074 | 2,126 | ---------- | Equity capital, EUR M | 164 | 134 | 138 | ---------- | Balance sheet total, EUR M | 3,321 | 2,728 | 2,770 | ---------- | Expense/income ratio | | | | ---------- | Including negative goodwill | | | | ---------- | Including loan losses | 0.65 | 0.70 | | ---------- | Excluding loan losses | 0.62 | 0.69 | | ---------- | Excluding negative goodwill | | | | ---------- | Including loan losses | 0.88 | 0.70 | | ---------- | Excluding loan losses | 0.84 | 0.69 | | ---------- | 1 Profit for the period before dilution /Average number of shares | ---------- | 2 Profit for the period after dilution / (Average number of shares + shares | | outstanding) | ---------- | 3 Equit y capital - minority share of capital / Number of shares on balance | | sheet date | ---------- | 4 (Net operating profit - taxes) / Average equity capital | ---------- | 5 (Net operating profit - taxes) / Average balance sheet total | ---------- | 6 Equity capital / Balance sheet total | ---------- ---------- | SUMMARY STATEMENT OF FINANCIAL POSITION | ---------- | Bank of Åland Group | Sep 30 | Sep 30 | Dec 31 | | | 2009 | 2008 | 2008 | ---------- | EUR M | | | | ---------- | ASSETS | | | | ---------- ---------- | Cash | 46 | 84 | 79 | ---------- | Debt securities eligible for | 193 | 131 | 146 | | refinancing with central banks | | | | ---------- | Claims on credit institutions | 274 | 135 | 123 | ---------- | Claims on the public and public sector | 2,437 | 2,168 | 2,193 | | entities | | | | ---------- | Debt securities | 198 | 76 | 131 | ---------- | Shares and participations | 24 | 3 | 3 | ---------- | Shares and participations in | 1 | 2 | 1 | | associated companies | | | | ---------- | Derivative instruments | 18 | 15 | 15 | ---------- | Intangible assets | 6 | 5 | 5 | ---------- | Tangible assets | 38 | 31 | 36 | ---------- | Other assets | 65 | 52 | 11 | ---------- | Accrued income and prepayments | 20 | 24 | 25 | ---------- | Deferred tax assets | 2 | 1 | 1 | ---------- | TOTAL ASSETS | 3,321 | 2,728 | 2,770 | ---------- | LIABILITIES | | | | ---------- | Liabilities to credit institutions | 130 | 63 | 71 | ---------- | Liabilities to the public and public | 2,000 | 1,696 | 1,758 | | sector entities | | | | ---------- | Debt securities issued to the public | 785 | 671 | 665 | ---------- | Derivative instruments | 9 | 4 | 6 | ---------- | Other liabilities | 121 | 62 | 41 | ---------- | Accrued expenses and prepaid income | 34 | 28 | 18 | ---------- | Subordinated liabilities | 59 | 54 | 53 | ---------- | Deferred tax liabilities | 20 | 16 | 19 | ---------- | TOTAL LIABILITIES | 3,157 | 2,594 | 2,631 | ---------- | EQUITY CAPITAL AND MINORITY INTERESTS | | | | ---------- | Share capital | 23 | 23 | 23 | ----------

---------- | Share premium account | 33 | 33 | 33 | ---------- | Reserve fund | 25 | 25 | 25 | ---------- | Fair value reserve | 6 | 0 | 2 | ---------- | Retained earnings | 75 | 51 | 54 | ---------- | Equity capital attributable to the | 162 | 133 | 137 | | owners of the parent | | | | ---------- | Equity capital attributable to | 1 | 1 | 2 | | minority interests | | | | ---------- | TOTAL EQUITY CAPITAL | 164 | 134 | 138 | ---------- | TOTAL LIABILITIES AND EQUITY CAPITAL | 3,321 | 2,728 | 2,770 | ---------- ---------- ---------- | SUMMARY STATEMENT OF COMPREHENSIVE INCOME | ---------- | Bank of Åland Group | Jan-Sep | Jan-Sep | Full year | | | 2009 | 2008 | 2008 | ---------- | EUR M | | | | ---------- | Net interest income | 29.4 | 31.4 | 42.1 | ---------- | Income from equity investments | 0.0 | 0.0 | 0.0 | ---------- | Commission income | 22.5 | 14.0 | 18.6 | ---------- | Commission expenses | -3.1 | -1.6 | -2.2 | ---------- | Net income from securities transactions | 4.4 | 1.0 | 3.3 | | and foreign exchange dealing | | | | ---------- | Net income from financial assets | 0.3 | 0.1 | -0.1 | | available for sale | | | | ---------- | Net income from investment properties | 0.2 | 0.1 | 0.1 | ---------- | Other operating income | 10.4 | 8.9 | 12.4 | ---------- | Total income | 64.1 | 54.0 | 74.2 | ---------- | Staff costs | -31.2 | -21.0 | -28.3 | ---------- | Other administrative expenses | -11.7 | -7.9 | -11.0 | ---------- | Production for own use | 1.1 | 0.3 | 0.5 | ---------- | Depreciation/amortisation | -4.8 | -4.4 | -5.9 | ---------- | Other operating expenses | -7.6 | -4.5 | -7.4 | ---------- | Total expenses | -54.2 | -37.5 | -52.1 | ---------- | Impairment losses on loans and other | -2.4 | -0.5 | -2.3 | | commitments | | | | ---------- | Share of profit/loss in associated | 0.2 | 0.3 | 0.2 | | companies | | | | ---------- | Negative goodwill | 23.1 | 0.0 | 0.0 | ---------- | Net operating profit | 30.9 | 16.3 | 20.0 | ---------- | Income taxes | -3.4 | -4.4 | -5.4 | ---------- | Profit for the period | 27.5 | 11.9 | 14.6 | ---------- | Other comprehensive income | | | | ---------- | Assets available for sale | 0.4 | 0.1 | 1.8 | ---------- | Valuation differences | 3.9 | 0.0 | 2.8 | ---------- | Income tax on other comprehensive | -0.1 | 0.0 | -0.5 | | income | | | | ---------- | Total comprehensive income for the | 31.7 | 12.0 | 15.9 | | period | | | | ---------- | Profit for the period attributable to | 27.1 | 11.5 | 14.0 | | owners of the parent | | | | ---------- | Profit for the period attributable to | 0.5 | 0.5 | 0.6 | | minority interests | | | | ---------- | Total | 27.5 | 11.9 | 14.6 | --- ---------- | Total comprehensive income for the | 31.2 | 11.5 | 15.3 | | period attributable to owners of the | | | | | parent | | | | ---------- | Total comprehensive income for the | 0.5 | 0.5 | 0.6 | | period attributable to minority | | | | | interests | | | | ---------- | Total | 31.7 | 12.0 | 15.9 | ---------- | Earnings per share | ---------- | Earnings per share before dilution, | 2.35 | 0.99 | 1.22 | | EUR1 | | | | ----------

---------- | Earning per share after dilution, EUR2 | 2.35 | 0.99 | 1.22 | ---------- | 1 Profit for the period before dilutio n / Average number of shares | ---------- | 2 Profit for the period after dilution / (Average number of shares + shares | | outstanding) | ---------- ---------- ---------- | QUARTERLY DATA, EARNINGS | ---------- | Bank of Åland Group | Q III | Q II | Q I | Q IV | Q III | | | 2009 | 2009 | 2009 | 2008 | 2008 | ---------- | EUR M | | | | | | ---------- | Net interest income | 10.2 | 10.1 | 9.1 | 10.7 | 10.5 | ---------- | Income from equity investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | ---------- | Commission income | 9.4 | 8.1 | 5.0 | 4.6 | 3.8 | ---------- ------ | Commission expenses | -1.7 | -0.9 | -0.5 | -0.6 | -0.5 | ---------- | Net income from securities | 0.4 | 0.8 | 3.1 | 2.4 | -0.1 | | transactions and foreign | | | | | | | exchange dealing | | | | | | ---------- | Net income from financial assets | 0.2 | 0.1 | 0.0 | -0.3 | 0.0 | | available for sale | | | | | | ---------- | Net income from investment | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | | properties | | | | | | ---------- | Other operating income | 3.1 | 3.9 | 3.4 | 3.4 | 3.2 | ---------- | Total income | 21.6 | 22.1 | 20.4 | 20.3 | 16.9 | ---------- | Staff costs | -11.3 | -12.3 | -7.6 | -7.4 | -6.8 | ---------- | Other administrative expense s | -4.2 | -4.6 | -2.9 | -3.1 | -2.3 | ---------- | Production for own use | 0.8 | 0.2 | 0.2 | 0.2 | 0.1 | ---------- | Depreciation/amortisation | -1.6 | -1.7 | -1.4 | -1.5 | -1.6 | ---------- | Other operating expenses | -2.5 | -3.0 | -2.0 | -2.9 | -1.5 | ---------- | Total expenses | -18.9 | -21.5 | -13.8 | -14.6 | -12.2 | ---------- | Impairment losses on loans and | -0.2 | -1.8 | -0.4 | -1.9 | -0.2 | | other commitments | | | | | | ---------- | Share of profit/loss in | 0.1 | 0.1 | 0.1 | -0.1 | 0.0 | | associated companies | | | | | | ---------- | Negative goodwill | 0.0 | 23.1 | 0.0 | 0.0 | 0.0 | ---------- | Net operating profit | 2.7 | 22.0 | 6.3 | 3.7 | 4.5 | ---------- | EARNINGS, NEWLY ACQUIRED OPERATIONS | ---------- | Bank of Åland Group | Apr-Sep | Jan-Sep | Jan-Sep | Jan-Sep | | | 2009 | 2009 | 2009 | 2008 | ---------- | EUR M | Sweden | Finland | Total | Total | ---------- | Net interest income | 2.3 | 27.1 | 29.4 | 31.4 | | | | | | ---------- | Income from equity investments | 0.0 | 0.0 | 0.0 | 0.0 | ---------- | Commission income | 7.5 | 15.0 | 22.5 | 14.0 | | | | | | | ---------- | Commission expenses | -1.6 | -1.6 | -3.1 | -1.6 | ---------- ---------- | Net income from securities | 0.9 | 3.5 | 4.4 | 1.0 | | transactions and foreign currency | | | | | | dealing | | | | | ---------- | Net income from financial assets | -0.1 | 0.4 | 0.3 | 0.1 | | available for sale | | | | | ---------- | Net income from investment | 0.0 | 0.2 | 0.2 | 0.1 | | properties | | | | | ---------- | Other operating income | 0.8 | 9.5 | 10.4 | 8.9 | | | | | | | ---------- | Total income | 9.9 | 54.2 | 64.1 | 54.0 | ---------- | Staff costs | -8.5 | -22.7 | -31.2 | -21.0 | | | | | | | ---------- ---------- | Other administrative expenses | -3.4 | -8.3 | -11.7 | -7.9 | | | | | | | ---------- | Production for own use | 0.0 | 1.1 | 1.1 | 0.3 | ---------- | Depreciation/amortisation | -0.5 | -4.3 | -4.8 | -4.4 | | | | | | |

-- | Other operating expenses | -2.0 | -5.5 | -7.6 | -4.5 | | | | | | | -- | Total expenses | -14.4 | -39.7 | -54.2 | -37.5 | -- | Impairment losses on loans and | -0.2 | -2.2 | -2.4 | -0.5 | | other commitments | | | | | -- | Share of profit/loss in associated | 0.0 | 0.2 | 0.2 | 0.3 | | companies | | | | | --------------- --- | Negative goodwill | 0.0 | 23.11 | 23.1 | 0.0 | -- | Net operating profit | -4.7 | 35.6 | 30.9 | 16.3 | -- | 1 As a result of the situation surrounding the purchase of Kaupthing Bank | | Sverige AB, negative goodwill arose at the Bank of Åland. During the third | | quarter of 2009, a more exact acquisition analysis was completed, including | | the settlement of the purchase price and the expenses of implementing the | | transaction. Due to the adjustment of the purchase price, negative goodwill | | increased by EUR 0.7 M in the second quarter. | -- SUMMARY CASH FLOW STATEMENT -- | Bank of Åland Group | Jan-Sep | Jan-Sep | | | 2009 | 2008 | -- | EUR M | | | | | -- ---------------------------------- | Cash flow from operating activities | | | | | -- | Net operating profit | 30.9 | | 16.3 | | -- | Adjustment for net operating profit | 11.4 | | 7.3 | | | items not affecting cash flow | | | | | -- | Gains/losses from investing activities | -0.5 | | -0.3 | | -- | Income taxes paid | -3.9 | | -2.4 | | -- | Changes in assets and liabilities in | -218.4| -180.5 | 36.7 | 57.6 | | operating activities | | | | | -- | Cash flow from investing activities1 | | 32.6 | | -8.9 | -- | Cash flow from financing activities | | 76.9 | | -39.4 | -- | Exchange rate differences in cash and | | 4.4 | | 0.0 | | cash equivalents | | | | | -- | Change in cash and cash equivalents | | -66.7 | | 9.3 | -- | Cash and cash equivalents, January 1 | | 323.5 | | 255.0 | -- | Cash and cash equivalents, September 30 | | 256.8 | | 264.2 | -- 1 Disbursed for the purchase of Kaupthing Bank Sverige AB, EUR 34.1 M. Cash and cash equivalents in Kaupthing Bank Sverige AB amounted to EUR 63.5 M. -- | STATEMENT OF CHANGES IN EQUITY | -- | Bank of Åland Group | -- | EUR M | -- | | Shar | Shar | Rese | Fair | Tran | Retai | Total | Mino | Total | | | e | e | rve | valu | slat | ned | befor | rity | | | | capi | prem | fund | e | ion | earni | e | inte | | | | tal | ium | | rese | diff | ngs | minor | rest | | | | | acco | | rve | eren | | ity | s | | | | | unt | | | ce | | inter | | | | | | | | | | | | ests | | | -- | Equity | 23.3 | 33.3 | 25.1 | 0.4 | 0.0 | 51.1 | 133.1 | 1.8 | 135.0 | | capital, | | | | | | | | | | | Dec 31, | | | | | | | | | | | 2007 | | | | | | | | | | | -- | Comprehens | | | | 0.1 | | 11.5 | 11.5 | 0.5 | 12.0 | | ive income | | | | | | | | | | | for the | | | | | | | | | | | period | | | | | | | | | | | -- | Dividend | | | | | | -11.6 | -11.6 | -1 .0 | -12.6 | | paid | | | | | | | | | | | -- | Equity | 23.3 | 33.3 | 25.1 | 0.4 | 0.0 | 50.9 | 133.1 | 1.3 | 134.4 | | capital, | | | | | | | | | | | Sep 30, | | | | | | | | | | | 2008 | | | | | | | | | | | -- | Comprehens | | | | 1.2 | | 2.6 | 3.8 | 0.2 | 4.0 | | ive income | | | | | | | | | | | for the | | | | | | | | | | | period | | | | | | | | | | | -- | Dividend | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | | paid | | | | | | | | | | | -- | Other | | | | | | | 0.0 | 0.1 | 0.1 | | changes in | | | | | | | | | | | equity | | | | | | | | | | | capital | | | | | | | | | | | attributab | | | | | | | | | | | le to | | | | | | | | | | | minority | | | | | | | | | | | interests | | | | | | | | | | | -- | Equity | 23.3 | 33.3 | 25.1 | 1.7

| 0.0 | 53.6 | 137.0 | 1.6 | 138.6 | | capital, | | | | | | | | | | Dec 31, | | | | | | | | | | 2008 | | | | | | | | | | ---------- | Comprehens | | | | 0.3 | 3.9 | 27.1 | 31.2 | 0.5 | 31.7 | | ive income | | | | | | | | | | for the | | | | | | | | | | period | | | | | | | | | | ---------- | Dividend | | | | | | -5.8 | -5.8 | -0.9 | -6.7 | | paid | | | | | | | | | | ---------- ---------- | Equity | 23.3 | 33.3 | 25.1 | 2.0 | 3.9 | 74.9 | 162.4 | 1.2 | 163.6 | | capital, | | | | | | | | | | Sep 30, | | | | | | | | | | 2009 | | | | | | | | | | ---------- NOTES TO THE CONSOLIDATED INTERIM REPORT 1. 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 27 offices. 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 has the following address: Bank of Åland Plc Nygatan 2 AX-22100 Mariehamn, Åland, Finland The shares of the Bank of Åland Plc are traded on the Nasdaq OMX Helsinki Oy (Helsinki Stock Exchange). The Interim Report for the financial period January 1-September 30, 2009 was approved by the Board of Directors on October 23, 2009. 2. BASIS FOR PREPARATION AND ESSENTIAL ACCOUNTING PRINCIPLES Basis for preparation This Interim Report for the period January 1-September 30, 2009 has been prepared in compliance with the International Financial Reporting Standards (IFRSs) that have been adopted by the European Union, as well as with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. The Interim Report does not contain all information and notes required in annual financial statements and should be read together with the consolidated financial statements for the year ending December 31, 2008. Essential accounting principles The essential accounting principles used in preparing the Interim Report are the same as the essential accounting principles used in preparing the financial statements for the year ending December 31, 2008, except for the introduction of new standards and interpretations, which are described below. The introduction of new standards and interpretations has not materially affected the Group's results or financial position. Subsidiaries outside Finland In the consolidated financial statements, the income statements and cash flow statements of subsidiaries outside Finland have been 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 are recognised in the equity capital of the Group. New accounting norms and standards in effect starting in 2009: IAS 1, “Presentation of Financial Statements” The standard has been revised in order to provide better information for analysis and comparison of companies. The Group is presenting its financial statements in compliance with the revised IAS 1 for the financial period that begins on January 1, 2009. IFRS 8, “Operating Segments” The standard requires that a company provide financial and descriptive disclosures about its