

Bank of Åland Plc

Investor presentation

May 2025

Table of Contents

1. Bank of Åland Plc in Brief	3
2. Strategy and Market Position	7
3. Sustainability	13
4. Performance and Capital	21
5. Asset Quality	27
6. Liquidity and Funding	29
7. CBA Cover Asset Pool	32
8. Finnish Economy and Housing Market	36
9. Appendix	39

1. Bank of Åland Plc in Brief

Bank of Åland Plc in Brief

Bank of Åland Plc

- Established in 1919 on the Åland Islands, listed since 1942 on NASDAQ OMX Helsinki
- A Finnish bank targeting high net worth and affluent individuals
- Operations on the Åland Islands, Finnish mainland and Sweden
- Top-ranked in customer loyalty
- A long-standing tradition of stability and low credit losses
- A3 deposit rating with positive outlook from Moody's
- For the fourth year in a row, the Bank of Åland has been named Finland's best Private Banking actor in Kantar Prospera's Private Banking 2024 Finland survey

The Vision

- Create value for ambitious individuals and companies that appreciate relations:
 - Private Banking since 1982
 - IT services by Crosskey Banking Solutions since 2004
 - Premium Banking since 2004
 - Partnership Banking since 2016
- Delivering a large bank's range of services with a small bank's thoughtfulness and good sense
- Bank's customer surveys show that customers continue to appreciate Bank's expertise, personalized service, high ethical standards and sustainability work

Covered Bonds

- The Bank of Åland has been active in the covered bond market since 2012 and aims to be in the euro covered bond market on a regular basis
- One Cover Pool from April 22, 2024 onwards. All new issuances are secured by the CBA Cover Asset Pool, which consists of 100 % Finnish and the Åland Island's residential mortgages
- Clear concentration to the growth centres and the wealthiest parts of Finland
- Aaa rating from Moody's on CBA Covered Bond Program

Financial Scorecard

March 31, 2025

Capital

CET1
Capital Ratio
12.7 %

- Very strong capital position
- IRB approach used in Finland, standardised approach used in Sweden
- The AGM approved the distribution of a dividend of EUR 2.75 per share (a regular dividend of EUR 2.40 per share plus an extra dividend of EUR 0.35 per share)
- Capital requirements applicable are CET1 capital ratio 9.1 %, Tier 1 capital ratio 10.8 % and Total capital ratio 13.0 %
- Bank of Åland has an ample capital surplus: CET1 capital ratio +3.6 pp, Tier 1 capital ratio +3.6 pp and Total capital ratio +3.1 pp

Liquidity and Funding

- Loan/deposit ratio of 99 %
- Liquidity reserve at 23 % of total assets
- LCR at 181 %
- NSFR at 119 %
- A3 deposit ratings with positive outlook from Moody's
- Aaa rating from Moody's on Covered Bonds

Aaa
Rating on
Covered
Bonds from
Moody's

Risk Management

Loan Loss
Level
-0.01 %

- Long history of low loan loss levels. Loan loss level of -0.01 % in Q1 2025 (0.05 % in Q1 2024)
- No trading positions or complex financial instruments
- Strict limits on exposures to financial institutions. Bulk of the exposure is to highly rated Nordic entities

Profitability

- Net operating profit EUR 18.3 M in Q1 2025 (EUR 16.9 M in Q1 2024)
- ROE 19.5 % in Q1 2025 (18.3 % in Q1 2024)
- Future Outlook: The Bank of Åland expects its return on equity after taxes (ROE) to continue to exceed its long-term financial target of 15 per cent during 2025

Return on
Equity
19.5 %

A3 Long-Term Deposit Ratings by Moody's

Category	Moody's Rating
Outlook	Positive
Counterparty Risk Rating	A2/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)

Credit Strengths

- Strong asset quality underpinned by high level of mortgages
- Higher capitalisation due to transfer of mortgages to Borgo AB (publ)
- Diversified and improving earnings from banking, investment and wealth management services
- Ample liquidity to meet potential funding volatility

On March 15, 2024, Moody's Ratings assigned first time long- and short-term deposit ratings to Bank of Åland

On March 20, 2025, Moody's Ratings affirmed the Bank's ratings and raised the outlook to positive from stable

- "The positive outlook on the long-term deposit ratings reflects our view that during the coming 12 to 18 months, Ålandsbanken will sustain its strong financial fundamentals with a very strong TCE/RWA ratio relative to peers, resilient recurring profitability and low levels of problem loans."
- "The A3 deposit ratings reflect Ålandsbanken's strong franchise focusing on private banking customers in Finland and Sweden, reflected in the baa2 BCA, and two notches of uplift due to the large volumes of junior depositors sharing losses in the case of a failure, as indicated by Moody's Advanced Loss Given Failure (LGF) analysis."
- "The baa2 BCA reflects the bank's franchise as a universal bank on the Åland islands, and its private banking focus in Finland and Sweden, with robust capitalisation, strong asset quality underpinned by high share of mortgage lending, and diversified earnings, balanced against concentration risks in its loan and depositor base."

Source: [Moody's Credit Opinion](#) March 20, 2025, [Moody's Rating Action](#) March 14, 2025

2. Strategy and Market Position

Three Markets – Two Strategies

The Åland Islands

- 2 offices, market share > 50 %
- Full product range offered
- **The Bank for everyone**

Finland

- 6 offices in affluent parts of Finland, market share > 1 %
- Full product range offered but “bread and butter” services only as a complement to Private Banking and Premium Banking service offerings
- **Targeted segment: High Net Worth/ Affluent Individuals and their companies**

Sweden

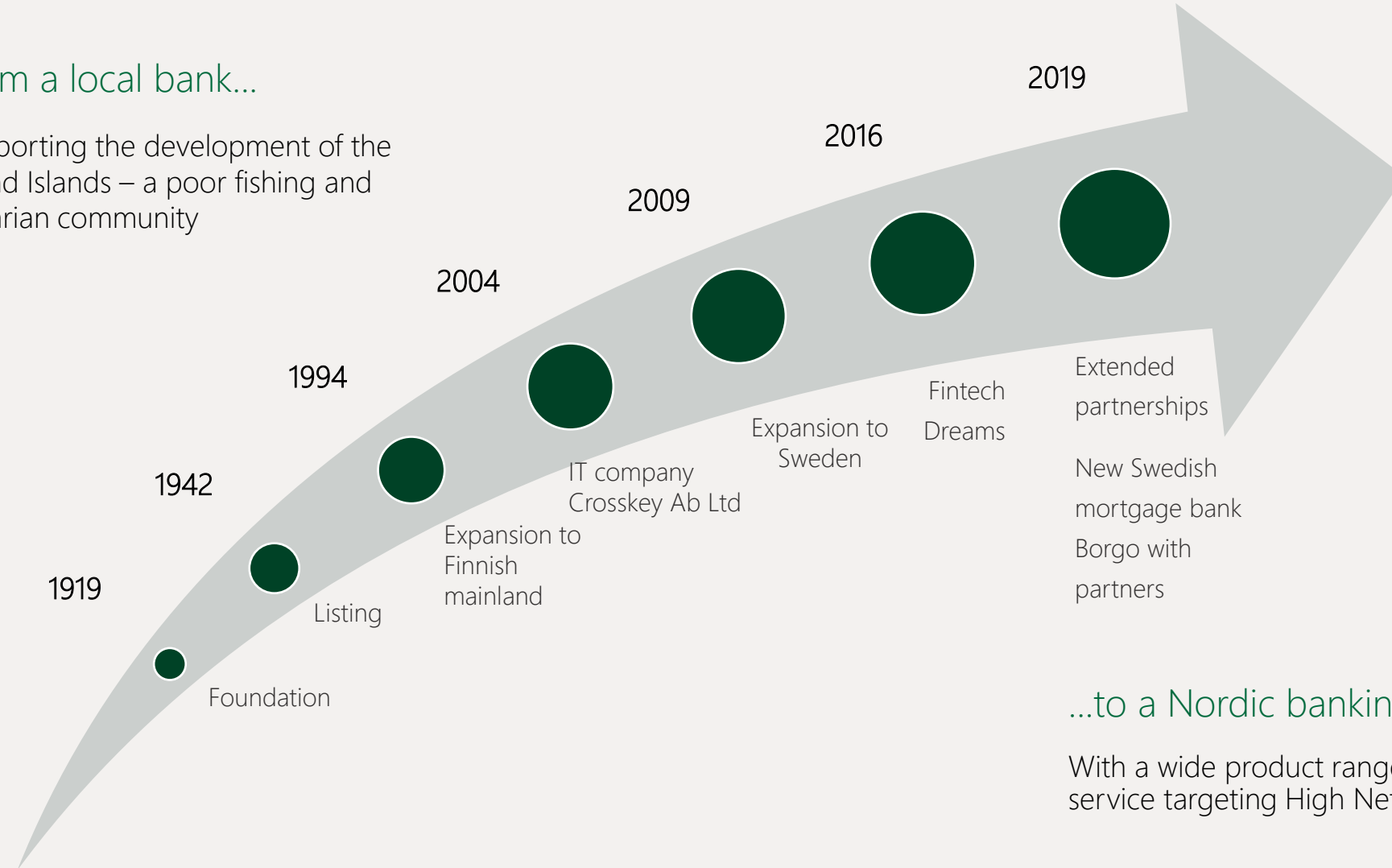
- 3 offices in Sweden’s largest cities, market share < 1 %
- Full product range offered but “bread and butter” services only as a complement to Private Banking and Premium Banking service offerings
- **Targeted segment: High Net Worth/ Affluent Individuals and their companies**



Bank of Åland History of Strategic Decisions

From a local bank...

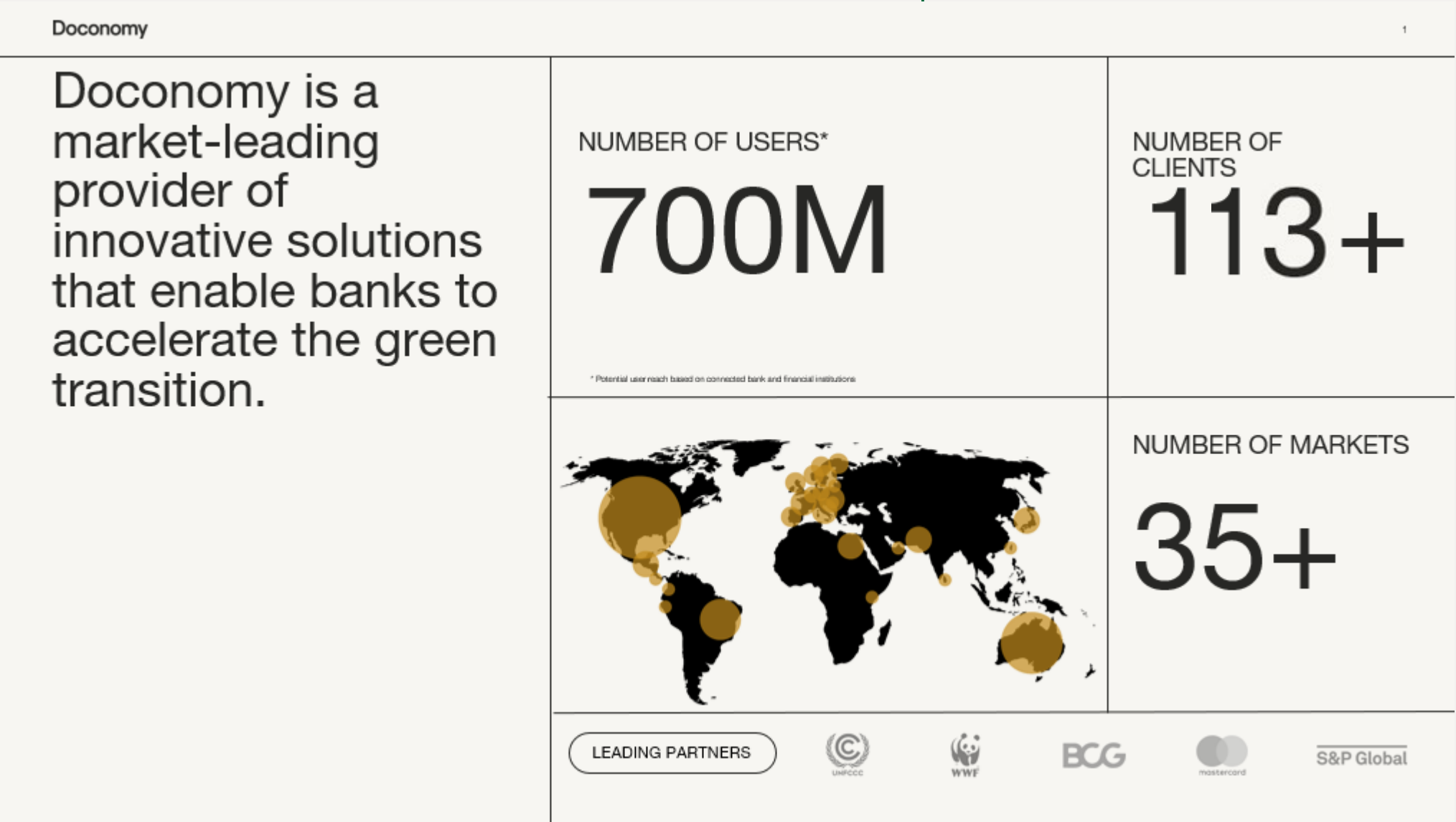
Supporting the development of the Åland Islands – a poor fishing and agrarian community



...to a Nordic banking group

With a wide product range and personal service targeting High Net Worth Individuals

Åland Index – Global Market Leader in Spend Based Calculations



Other Strategic Fintech Partners

BORGIO IN BRIEF THE BORGIO ECO-SYSTEM

Distribution with track-record



SBAB historical mortgage provider and discontinued given capital constraints at the state-owned bank



Short term both Skandia and Bluestep Bank act as mortgage providers, but not perceived as sustainable long term

ÅLANDSBANKEN

Has been offering own mortgages in the Swedish market since 2009, expected to benefit from the ability scale up in the partnership, funding wise and operationally

Sparbanken Syd

Full-service bank, established in 1827, with existing distribution through SBAB and own balance sheet

Lån & SparBank

Digital bank with loans, savings and credit card offerings. Established in Denmark 1880

Proven historical distribution capacity

Fully operational company

Seasoned management team and organisation

With a vision to transform the mortgage market by creating a new financial institution, combining modern technology with responsible lending principles – managing cost of funding, efficient capital structure, credit and liquidity risk

Financially strong partners, investors and experienced board of directors

Supporting the company financially and through industrial experience with a long-term perspective

Pure-play mortgage company with distribution, access to capital market funding and organisation in place

Scalable platform

Modern platform with high degree of automation

Allowing Borgio to build economies of scale and distributors to focus on sales, customer relationships and service

Partnerships with distributors and service providers

Proven IT-systems, payment services, credit administration processes and treasury support – at variable cost based on mortgage volume

Legacy-free and scalable platform with benefits from outsourced back- and front-end

Borgio



Products

Solutions

Expertise

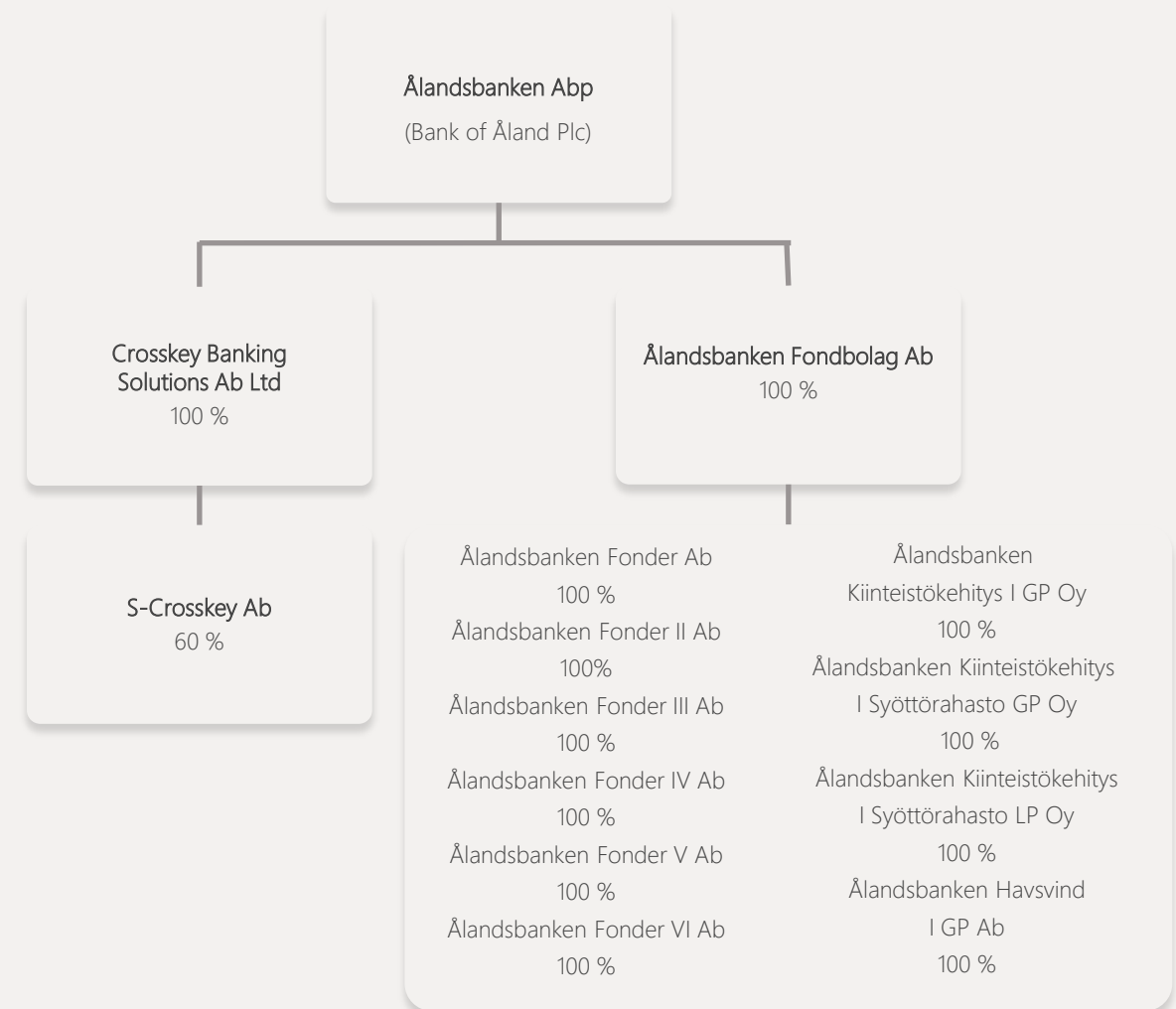
Engagement banking powered by behavioural science

Make banking emotional to drive engagement and revenue in your digital applications

Bank of Åland Group Legal and Ownership Structures

10 Largest Shareholders as of March 31, 2025	Share of capital	Share of votes
Wiklöf Anders with companies	21.63 %	29.77 %
The Family Kamprad Foundation	6.01 %	0.68 %
Alandia Försäkring Abp	5.25 %	10.95 %
Fennogens Investments S.A. (Family Ehrnrooth)	5.09 %	9.03 %
Pensionsförsäkringsaktiebolaget Veritas	2.53 %	1.98 %
Chilla Capital	1.80 %	4.01 %
Lundqvist Ben Hugo	1.76 %	3.92 %
Oy Etra Invest Oy	1.46 %	0.16 %
Svenska Litteratursällskapet i Finland r.f.	1.36 %	3.02 %
Nordea Henkivakuutus Suomi Oy	1.15 %	0.13 %

Approximately 15,400 shareholders in total, half of them from the Åland Islands



3. Sustainability

Bank of Åland's Sustainability Journey

1919

ÅLANDSBANKEN

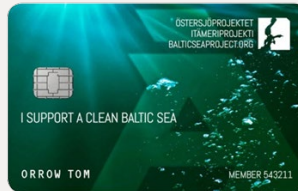
The Bank established on strong values as a responsible actor.

1997

The Bank unveils the world's first Environmental Account.

The Bank of Åland launches the Baltic Sea Project.

2016



The Baltic Sea Card, Baltic Sea Account and the Åland Index are launched. Every year, the Bank donates an amount equivalent to up to 0.2 per cent of deposits in Baltic Sea Accounts for environmental work.

The Bank of Åland conducts materiality analysis based on UNSDGs.



2017

Åland Index Solutions joint venture started with Doconomy.



2018

2019



The Bank of Åland signs the UN Principles for Responsible Banking and the Principles for Responsible Investment.

Ålandsbanken Green Bond ESG fund* is the first Finnish bond fund to be granted the Nordic Swan Ecolabel. (The fund is no longer Nordic Swan Ecolabelled).



2019



The Bank of Åland launches the Nordic Region's first investment fund specializing exclusively in wind power.

2020

2021



The Bank of Åland joins the UN Net-Zero Banking Alliance as a founding signatory.

The Bank of Åland establishes its first climate targets according to the Paris Agreement and decides to become climate-neutral in keeping with Finland's climate policy decision.

2021

The Bank of Åland have formulated climate targets that are officially validated by the SBTi.



2024

Sustainability Strategy

Our Four Areas of Sustainability



Responsible Investments

Our ambition is to obtain a basic knowledge of the operations of the companies we invest in and, above all, to thoroughly examine the sustainability of these business operations



Responsible Lending

Our main task shall be to finance housing for private individuals and to support our customers' savings and investment activities



Social Responsibility

We work actively with social sustainability, which is about inclusion, equal worth, sound values and a deep involvement in the community as a company



Environmental Responsibility

Our ambition is to raise awareness of our carbon dioxide emissions and to continuously reduce them

Climate Targets

In 2021 we established the Group's climate targets, which support the Paris Agreement



Reducing CO₂e-emissions

Reducing CO₂e emissions by 50 per cent no later than 2030, compared to 2021



Climate-neutral by 2035

The Bank of Åland shall be a climate-neutral organisation no later than 2035



Net-zero emissions by 2050

The Bank of Åland shall achieve net-zero emissions by 2050

Our Global Commitments

- ✓ UNPRI
(The UN Principles for Responsible Investment) 2010
- ✓ UNEP FI
(The UN Principles for Responsible Banking) 2019
- ✓ NZBA
(Net Zero Banking Alliance) 2021
(Founding signatory, 1 out of 42 banks, UN initiative)
- ✓ Climate Action 100+ 2018
- ✓ Science Based Targets initiative (SBTi) 2023



Our Focus on the 17 UN Global Sustainable Development Goals

In 2023 we decided to focus on 8 of the UN's 17 Global Sustainable Development Goals:

- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 8: Decent work and economic growth
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land



To date we have supported environmental work with approximately 5 500 000 €

ÖSTERSJÖPROJEKTET
BALTICSEAPROJECT
ITÄMERIPROJEKTI

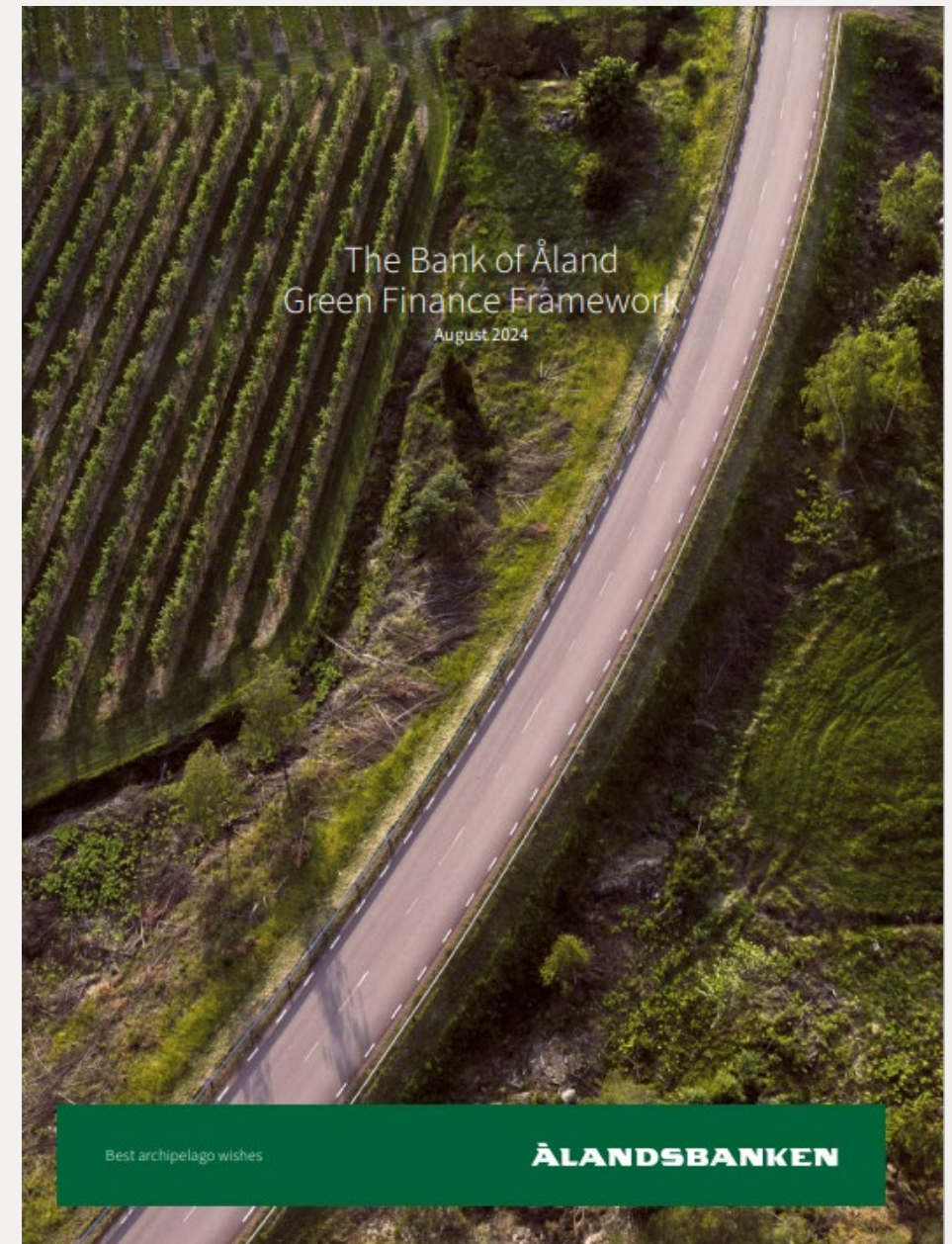


Some of the funding recipients through the Baltic Sea Project:



Green Finance Framework

- The Bank of Åland Green Finance Framework was initially published in September 2021 and updated in August 2024
- The Framework is based on the Green Bond Principles (GBP), published by ICMA
- The Bank of Åland has received a Second Opinion from Moody's Investors Service on the Bank's August 2024 Green Finance Framework. The Green Finance Framework was assigned the Sustainability Quality Score SQS2 (Very Good)
- Eligible green project types are Renewable Energy, Green Buildings and Clean Transportation
- An impact report is published annually and on a timely basis in case of material changes
- The Bank of Åland has one outstanding green bond in the form of a Green SEK Tier 2 instrument amounting to SEK 150 M



4. Performance and Capital

Long-Term Financial Targets

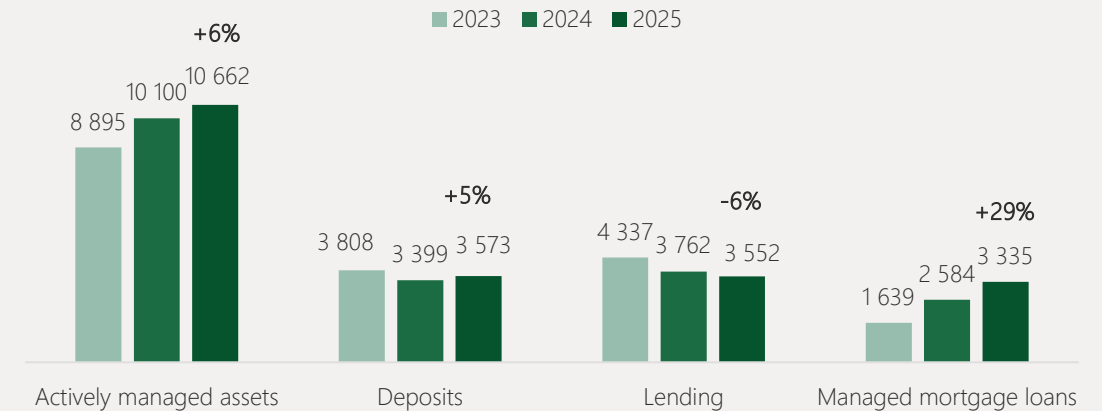
The current long-term targets were updated by the Board of Directors in September 2021 to better reflect the strategy and business model as well as the experienced growth. The previous targets had been in effect since 2013

Profitability	Return on equity after taxes (ROE) shall exceed 15 per cent over time
Capitalization	The Common Equity Tier 1 capital ratio shall exceed the FIN-FSA's minimum requirement by 1.75-3.0 percentage points
Payout ratio	The payout ratio shall be 60 per cent of shareholders' interest in profit or higher, provided that capital adequacy does not fall below the target

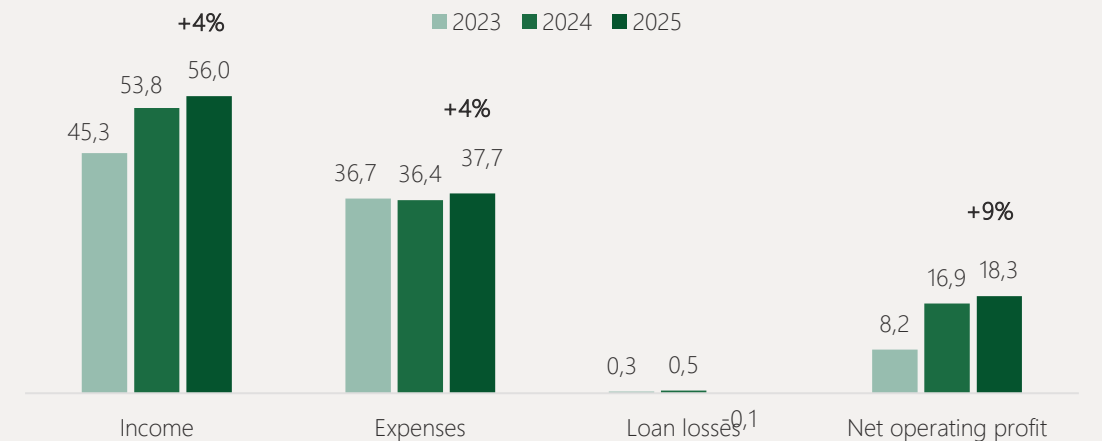
2025 in Summary

- The geopolitical situation worsened during early 2025. Uncertainty about the future thus increased further at the same time. The European Central Bank (ECB) lowered its key interest rate by 0.50 percentage points during the first quarter, and Sweden's Riksbank lowered its policy rate by 0.25 points
- We started 2025 with a strong net operating profit of EUR 18.3 million (16.9) and a return on equity of 19.5 (18.3) per cent
- We are currently seeing a great deal of uncertainty in the world's capital markets, and we expect this uncertainty to persist for some time to come. The Bank of Åland is also well equipped for more turbulent times. As proof of this, in March Moody's Ratings raised its outlook for the Bank of Åland to positive from stable and affirmed the Bank's long-term deposit rating at A3
- Through its mutual fund Ålandsbanken Norden Aktie, the Bank's subsidiary Ålandsbanken Fondbolag was one of four fund managers to be awarded a prestigious fund agreement by the Swedish premium pension fund platform for Nordic equity funds
- The AGM elected Malin Lombardi as a new member of the Board of Directors. It re-elected Anders Å Karlsson, Nils Lampi, Mirel Leino-Haltia, Christoffer Taxell, Ulrika Valassi and Anders Wiklöf as Board members

Volumes, EUR M



Net operating profit, EUR M



2025 Results

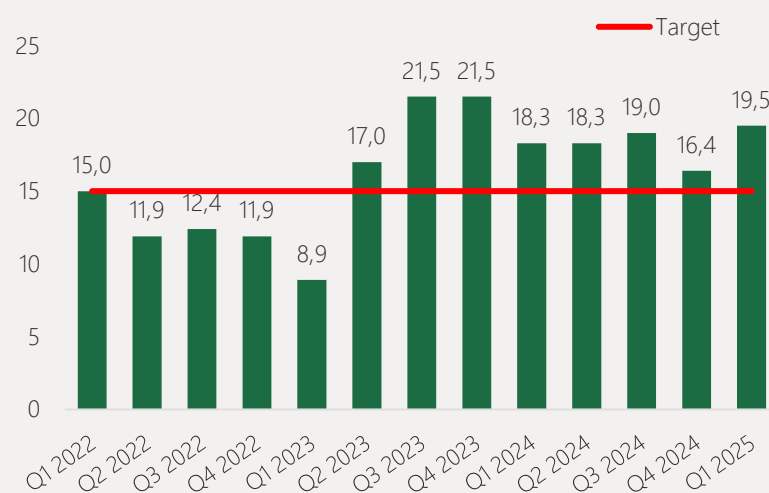
Results

- Net operating profit EUR 18.3 M in Q1 2025 (EUR 16.9 M in Q1 2024), +9 %
- ROE 19.5 % in Q1 2025 (18.3 % in Q1 2024)
- Earnings per share, EUR 0.95 in Q1 2025 (EUR 0.89 in Q1 2024), +7 %

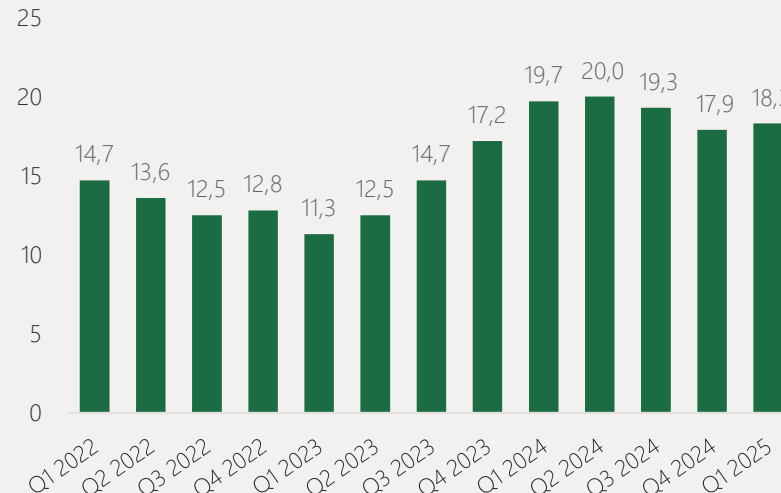
Future Outlook

- The Bank of Åland expects its return on equity after taxes (ROE) to continue to exceed its long-term financial target of 15 per cent during 2025
 - Dependent on the performance of the fixed income and stock markets
 - Some uncertainty about the Bank's current forecast due to concerns about economic development in a number of important markets

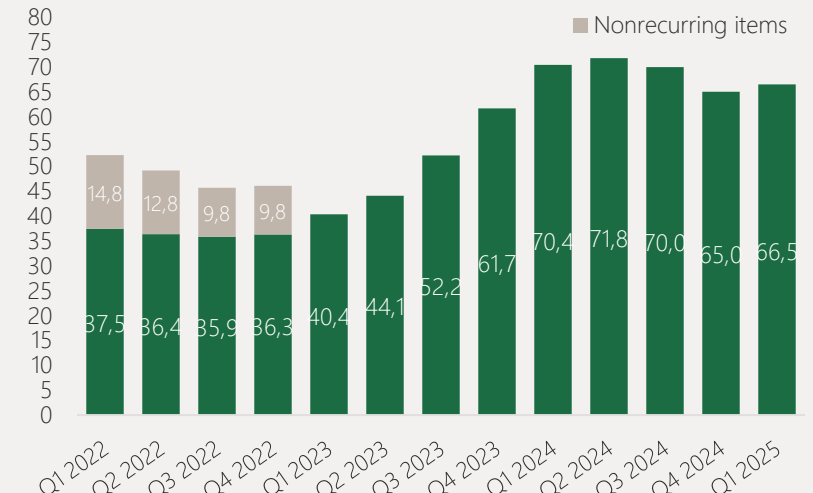
ROE %, 2022-2025



ROE, Rolling 12 Months, %



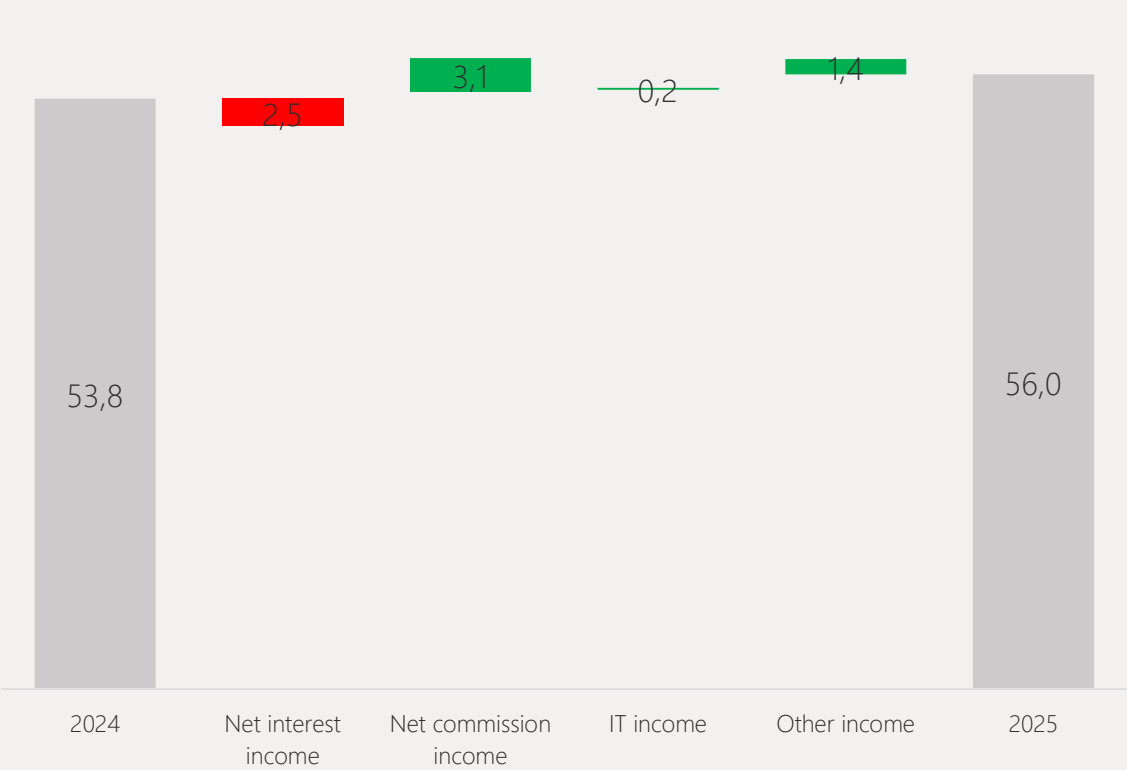
Net Operating Profit, Rolling 12 Months, EUR M



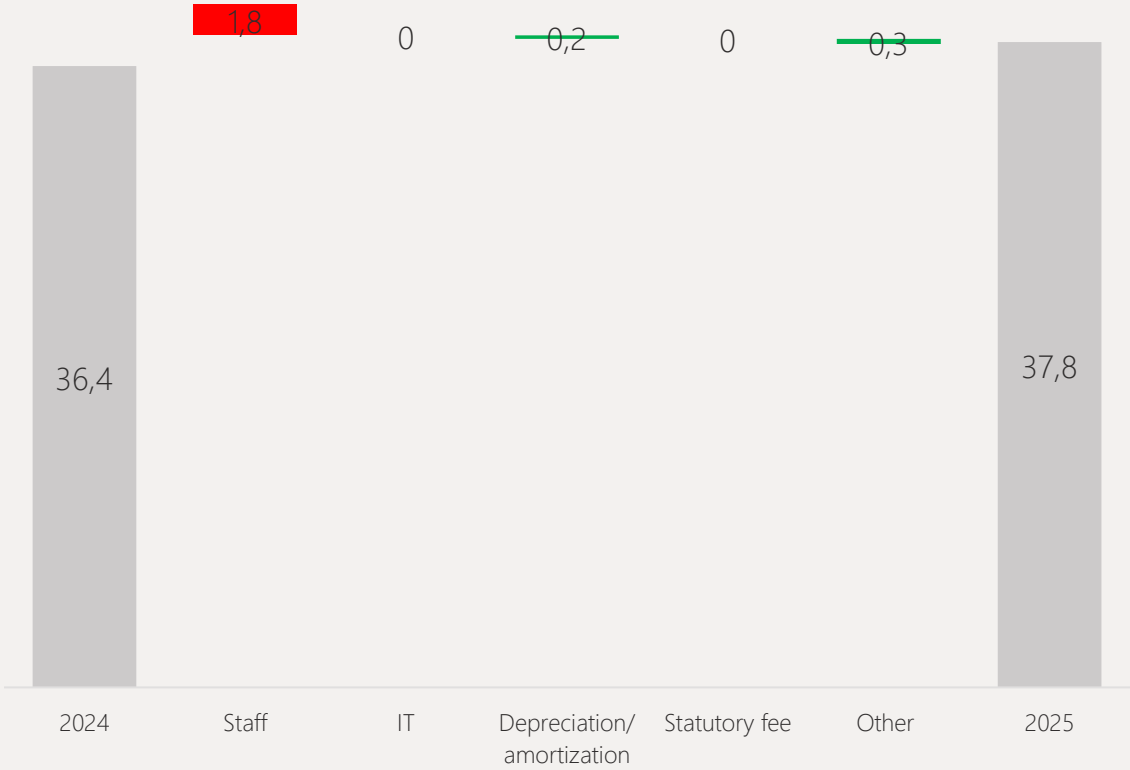
Statutory fees: EUR 3.6 M (Q1 2022) and EUR -0.1 M (Q2 2022), EUR 3.2 M (Q1 2023)

Income and Expenses 2024-2025

Income, EUR M



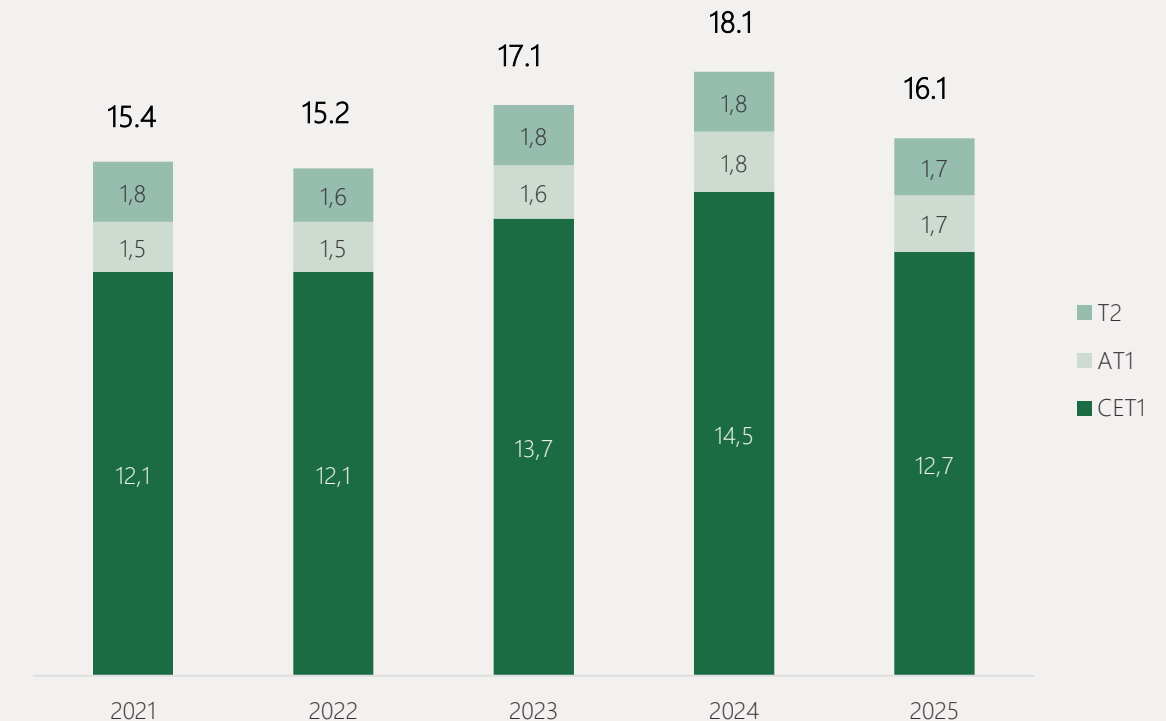
Expenses, EUR M



Committed to Maintaining a Strong Capital Ratio

- The Bank of Åland is committed to a strong capital ratio. The Common Equity Tier 1 capital ratio shall exceed the FIN-FSA's minimum requirement by 1.75-3.0 percentage points
- The Bank will continue to build up its capital base, improve and diversify earnings, and uphold a sound approach to risk
- The new Capital Requirements Regulation (CRR3) entered into force on January 1, 2025, which affects capital requirements calculation for credit risk according to both the IRB and standardised approach. The Bank's IRB approach has been updated, including significant changes, effective from 2025. In addition, the FIN-FSA has imposed conditions and mark-ups that increase the capital requirement
- Various buffer requirements apply. The capital conservation buffer requirement, 2.5 per cent of CET1 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 requirement is 2.0 per cent. In Finland, a systemic risk buffer of 1.0 per cent applies to the Bank of Åland. The Bank of Åland's Pillar 2-related buffer requirement amounts to 1.0 per cent
- The Bank of Åland is also 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
- CET1 capital ratio for a small bank like the Bank of Åland is not comparable to larger banks with IRB methods

Capital position, %



5. Asset Quality

- 28

The chart displays the labor force composition by gender from 2015 to 2025. The total labor force grows from approximately 3,600 in 2015 to a peak of about 4,800 in 2021, before declining to around 3,500 in 2024 and 2025. Males consistently make up the larger portion of the labor force, with their numbers peaking at nearly 3,700 in 2021. The female labor force also peaks in 2021 at approximately 1,100 and shows a similar trend of decline followed by a slight recovery.

Year	Male Labor Force	Female Labor Force	Total Labor Force
2015	2,400	1,200	3,600
2016	2,600	1,300	3,900
2017	2,800	1,400	4,200
2018	2,900	1,500	4,400
2019	2,900	1,600	4,500
2020	3,200	1,800	5,000
2021	3,700	1,100	4,800
2022	3,200	1,000	4,200
2023	2,800	900	3,700
2024	2,600	900	3,500
2025	2,600	900	3,500

The chart displays the contribution of various economic sectors to the total value added in the economy from 2015 to 2025. The sectors are stacked from bottom to top: Shipping (dark green), Wholesale and retail trade (green), Housing operations (teal), Other real estate operations (light green), Financial and insurance operations (grey), Hotel and restaurant operations (brown), Agriculture, forestry and fishing (black), Construction (dark green), Other industry and crafts (light green), and Other service operations (very light green). The total value added starts at approximately 1150 in 2015 and declines to about 900 by 2025.

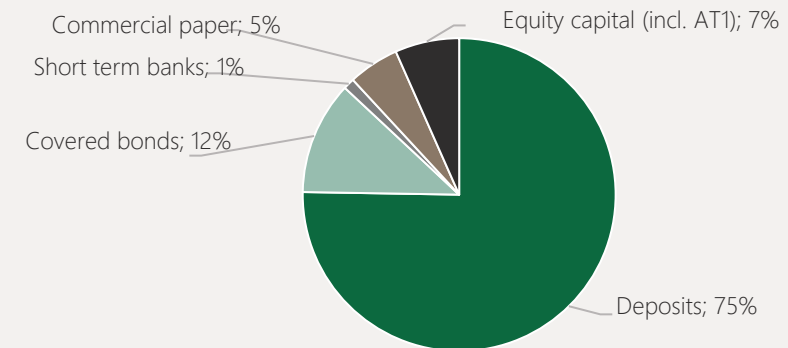
Year	Shipping	Wholesale and retail trade	Housing operations	Other real estate operations	Financial and insurance operations	Hotel and restaurant operations	Agriculture, forestry and fishing	Construction	Other industry and crafts	Other service operations
2015	20	30	350	320	180	20	10	50	100	100
2016	20	30	400	280	180	20	10	50	100	100
2017	20	30	380	250	180	20	10	50	100	100
2018	20	30	380	200	180	20	10	50	100	100
2019	20	30	380	200	180	20	10	50	100	100
2020	20	30	350	180	180	20	10	50	100	100
2021	20	30	380	150	180	20	10	50	100	100
2022	20	30	300	150	180	20	10	50	100	100
2023	20	30	250	150	180	20	10	50	100	100
2024	20	30	280	180	180	20	10	50	100	100
2025	20	30	280	180	180	20	10	50	100	100

6. Liquidity and Funding

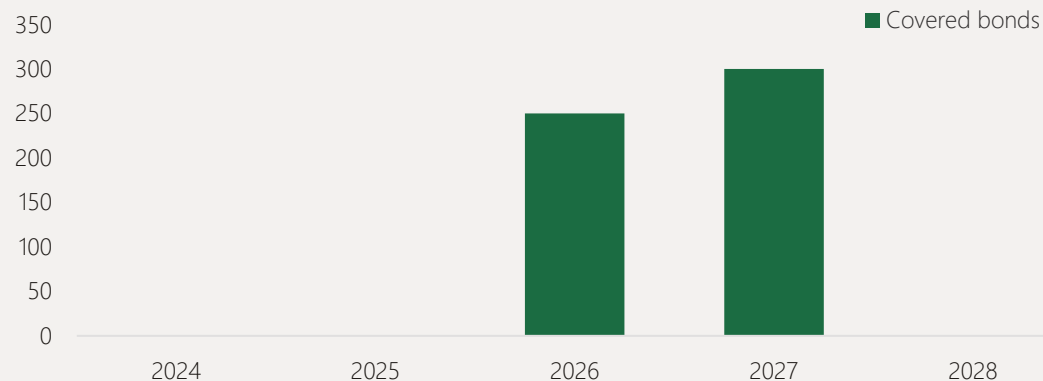
Group Funding and Liquidity Management

- Demand deposits and time deposits from core private customers and their companies are the main funding sources
- Covered Bonds, the main long-term wholesale funding source today, were introduced in early 2012 in order to diversify the funding mix and to form a reliable and cost-efficient funding channel
- A balanced funding mix is maintained with a diversity of funding sources
- Well-diversified maturity profile with limited exposure to short-term wholesale funding

Group Funding Profile March 31, 2025



Maturing Long-Term Funding* March 31, 2025, EUR M



* Excluding retained covered bonds

Themes 2025

- After the third and final transfer of SEK mortgages to Borgo in 2024, the share of customer deposits is high, over 70 per cent of the funding profile
- Demand conditions and the market situation favour issuance in Covered Bonds
- The balanced funding mix is maintained

Liquidity Reserve

- Very high quality in liquidity reserves
 - The most liquid and tradable assets
 - LCR and NSFR targets reached
- Coordinated cash pools between Finland and Sweden
- Conservative approach to market risk within liquidity reserves
 - Assets with short duration
 - Well diversified counterparty risk profile

Key metrics

Liquidity reserve

23 %
of total assets

Liquidity portfolio

EUR 1,161 M

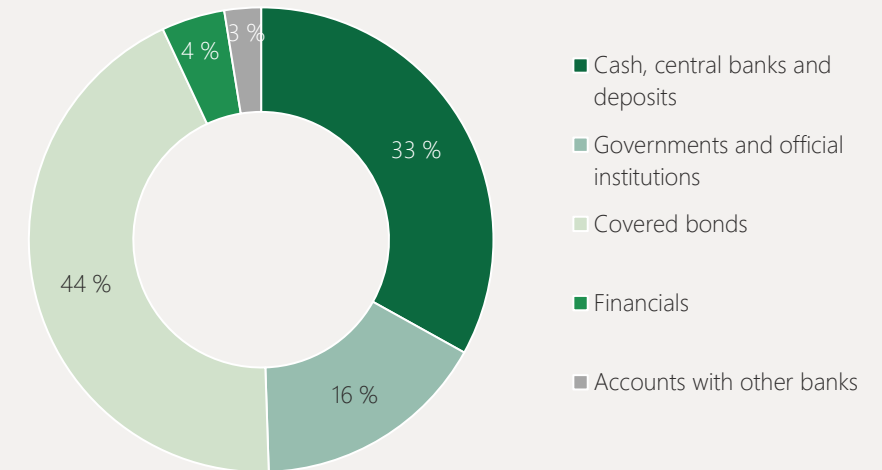
LCR

181 %

NSFR

119 %

Composition of the Liquidity Reserve March 31, 2025



7. CBA Cover Asset Pool

CBA Cover Asset Pool Characteristics

Key Characteristics of the CBA Cover Asset Pool March 31, 2025

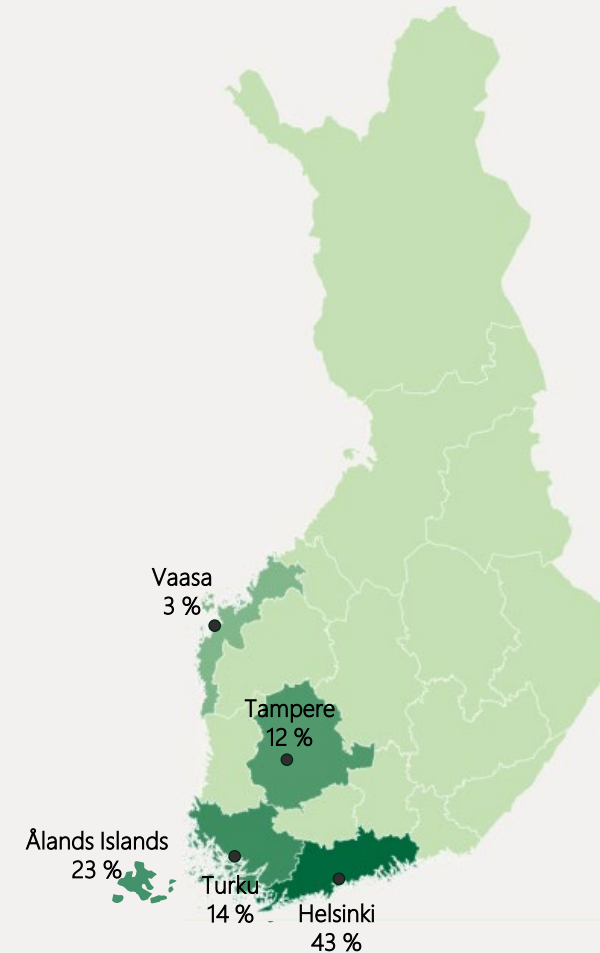
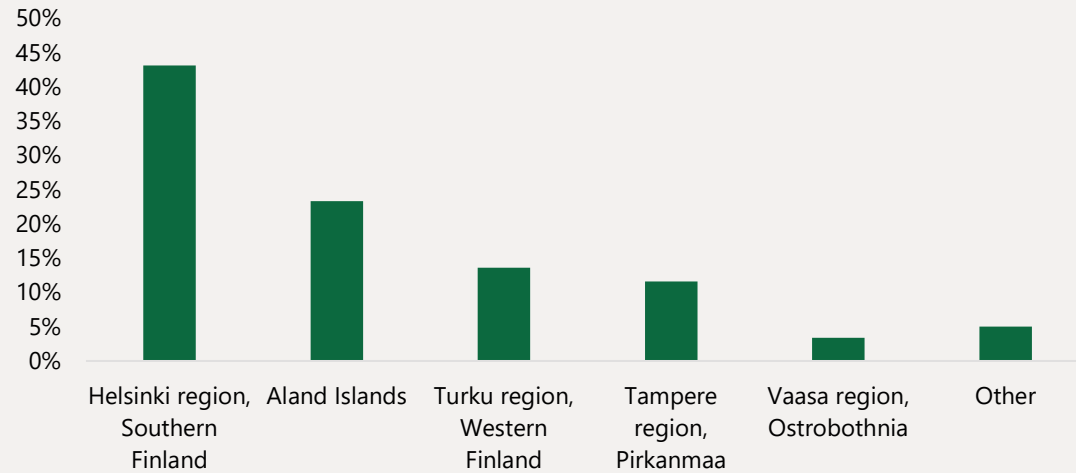
Prime Finnish residential mortgages, %	100.0
Total nominal amount, EUR M	1,016.1
Weighted arithmetic average LTV, unindexed, %	53.1
Weighted average life, years	8.5
Weighted average loan seasoning, years	6.4
Number of unique loans	10,488
Number of borrowers	9,161
Average loan size, EUR k	95.9
Interest rate base, %	96.6 floating / 3.4 fixed
Impaired loans, %	0.0
Repayment type, %	15.0 interest only / 85.0 amortizing
Over-collateralization, %	actual 27.0/ minimum committed 6.5

- One Cover Pool as of April 22, 2024. All new issuances are secured by the CBA Cover Asset Pool, which consists of 100 % Finnish and the Åland Island's residential mortgages
- On April 26, 2024, Moody's assigned Aaa ratings to the CBA Covered Bonds of the Bank of Åland
- The Bank of Åland is committed to keeping the CBA Covered Bond over-collateralization clearly over the legislative minimum of 2 %. In excess of 2 %, the excess collateral must also cover the estimated write-down costs related to the Covered Bonds
- Under the CBA, the Bank of Åland is required to ensure that the CBA Cover Asset Pool continuously contains certain types of liquid funds in an amount which covers the maximum net outflow relating to CBA Covered Bonds over the coming 180 days' period

Geographical Distribution of the CBA Cover Asset Pool

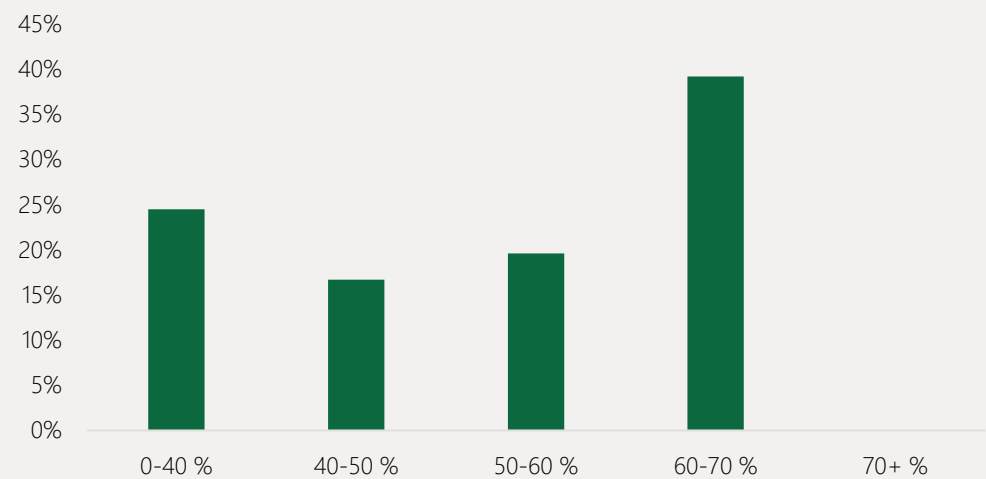
- Clear concentration to the growth centres, the wealthiest parts of Finland

Regional Distribution

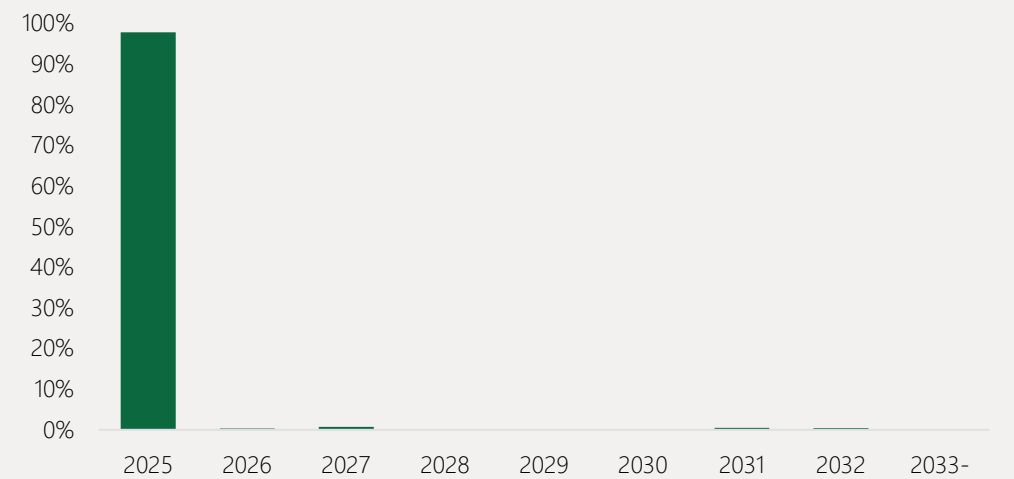


CBA Cover Asset Pool Details

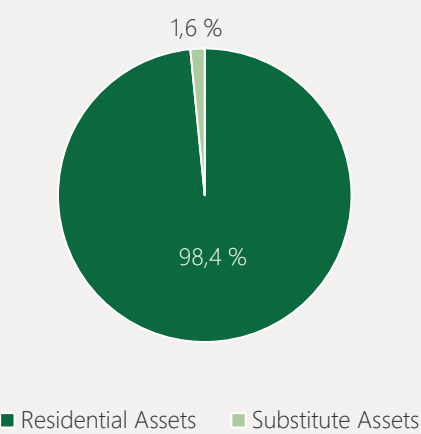
LTV, Unindexed



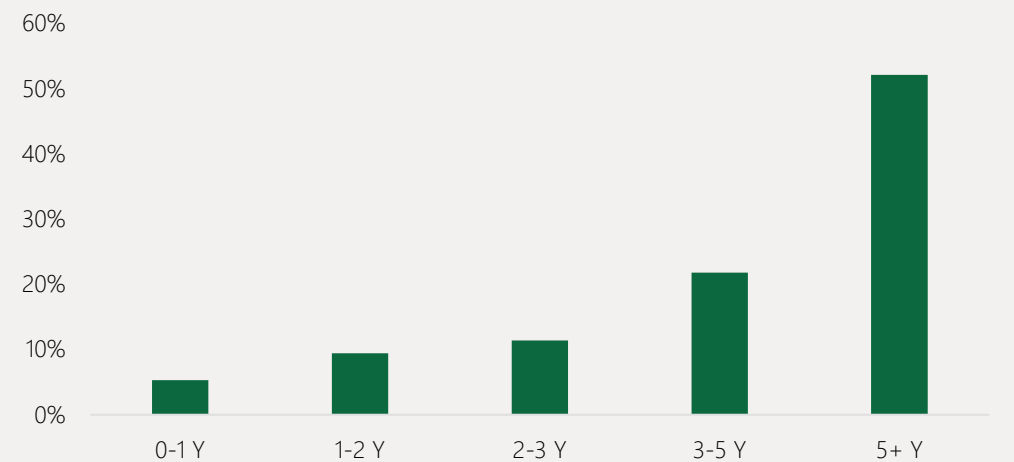
Interest Rate Reset



Cover Pool Composition



Seasoning



8. Finnish Economy and Housing Market

Finnish Economy

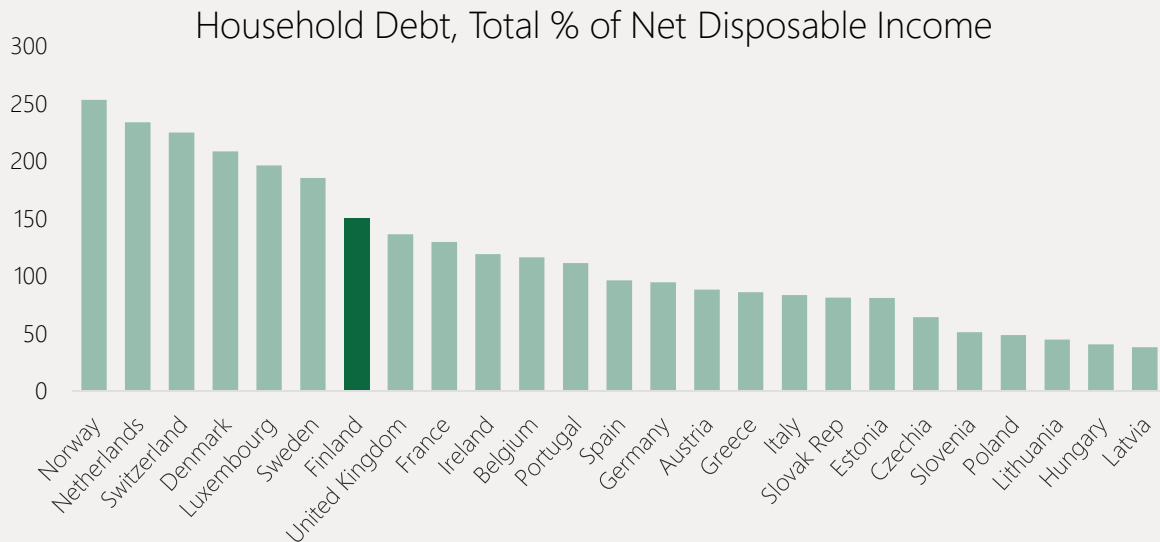
- The Finnish economy is recovering from a recession. The recovery is slow, however, and the uncertainty surrounding both the global situation and Finland's economic environment has increased
- Bank of Finland expects the economy to grow by 0.8% in 2025 and by 1.8% in 2026
- Inflation slowed to 1% in 2024, encouraging a rise in consumers' purchasing power. As the economy picks up, inflation will also increase slightly. Consumer prices are expected to rise by 1.9% in 2025, partly owing to changes in indirect taxes. In 2026, inflation will slow to 1.6% and in 2027 increase slightly to 1.7%
- When the economy picks up, the demand for labour will also start growing again
- Consumers' confidence in their own finances and in Finland's economy has remained low, despite there being solid income growth. Weak consumer confidence has hindered growth in private consumption. Elevated geopolitical risks may slow the return of consumer confidence
- A strong boost to the economy is not foreseeable from investment either. Investment continues to be hindered especially by the stagnation in new-build housing construction
- There is greater uncertainty about the global situation with the weakening security situation in Europe, which is keeping consumers and companies cautious. Furthermore, the US is set to impose new tariffs on imports from Europe. The extent to which they may or may not be eventually implemented is still difficult to assess

Interim forecast	2024	2025 (f)	2026 (f)	2027 (f)
Annual GDP growth (%)	-0.2	0.8	1.8	1.3
Unemployment rate (%)	8.4	8.9	8.4	8.0
Inflation, HICP (%)	1.0	1.9	1.6	1.7
Core inflation, HICP excl food and energy (%)	2.2	2.4	1.6	1.7

Consumption	2024	2025 (f)	2026 (f)	2027 (f)
Private consumption (change in vol, %)	-0.1	1.2	1.8	1.7
Public consumption (change in vol, %)	0.7	-0.3	-0.4	-0.1
Households' disposable income (change, %)	3.0	2.7	3.2	3.3
Households' real disposable income (change, %)	0.9	0.9	1.3	1.4
Household savings ratio (%)	2.5	2.2	1.7	1.4

Finnish Housing Market

- Household debt is 150 % of disposable income, mostly for housing loans, making households vulnerable to higher housing loan interest rates
- To curb rising household indebtedness, the FIN-FSA lowered the maximum loan-to-value by five percentage points¹ in summer 2021 and later issued a recommendation on a debt servicing-to-income limit² for mortgage lending. As the household indebtedness lately has declined, the loan-to-value restriction has been restored to pre-pandemic levels³

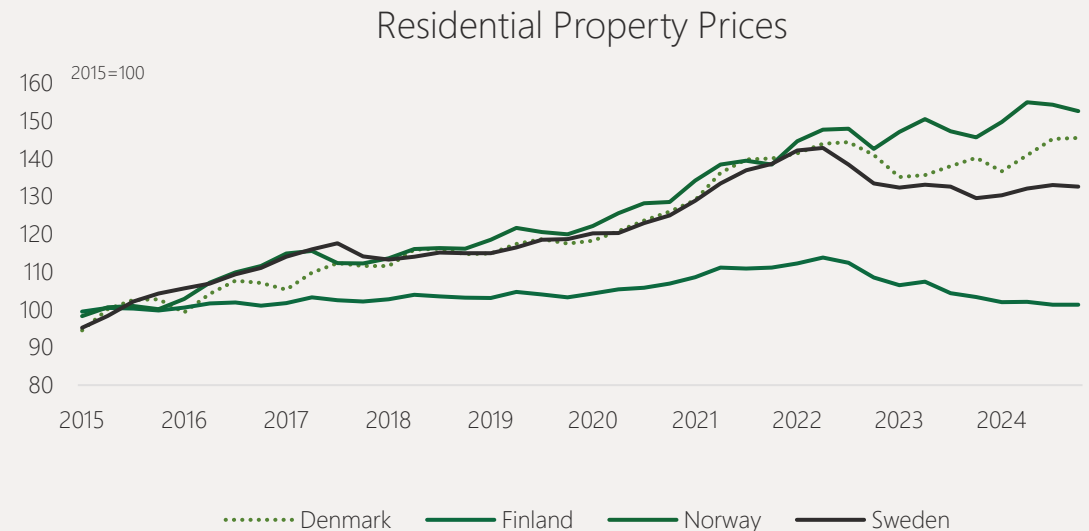


¹ Maximum LTV 85 % for others than first time home buyers. 95 % for first-home loans

² Total loan-servicing costs below 60 % of loan applicants net income under stress conditions

³ Maximum LTV 90 % for others than first time home buyers. 95 % for first-home loans

- Growth in residential property prices has been moderate in Finland compared to its Nordic peers
- Despite the economic downturn, the Finnish housing market showed signs of recovery in the latter half of 2024, and the trend appears to have continued in early 2025. The increase in housing prices is expected to be moderate, around 1.5-3 per cent in 2025
- The Finnish Government recently decided to extend the maximum duration of housing loans from 30 to 35 years and enable the mortgage loan ceiling to be raised from 90 per cent to 95 per cent. The changes aim to increase households' financial flexibility, make it easier to purchase a first home, and revive the housing market in a challenging economic situation. When these changes will take effect is still unsure



9. Appendix

Contact Details

Peter Wiklöf, CEO

✉ peter.wiklof@alandsbanken.fi

☎ +358 40 512 7505

Jan-Gunnar Eurell, CFO

✉ jan-gunnar.eurell@alandsbanken.se

☎ +46 70 589 1209

Ulf Bäckström, Head of Group Treasury

✉ ulf.backstrom@alandsbanken.fi

☎ +358 40 729 7134

Key Figures

	Q1 2025	Q1 2024	2024	2023	2022	2021	2020
ROE, %	19.5	18.3	17.9	17.2	12.8	14.0	11.6
Expense/ income ratio, %	67	68	68	68	72	69	70
Loan loss level, %	-0.01	0.05	0.10	0.05	0.14	0.12	0.11
CET1 capital ratio, %	12.7	13.5	14.5	13.7	12.1	12.1	14.3
Total capital ratio, %	16.1	16.9	18.1	17.1	15.2	15.4	16.5
Earnings per share, EUR	0.95	0.89	3.41	3.18	2.37	2.55	2.02
Equity capital per share, EUR	18.56	17.78	19.95	19.98	18.85	19.39	18.76
Lending to the public, EUR M	3,552	3,762	3,576	3,859	4,303	4,788	4,378
Deposits from public, EUR M	3,573	3,399	3,521	3,595	4,182	4,070	3,605
Equity capital, EUR M	315	302	336	335	317	332	292
Risk exposure amount, EUR M	1,803	1,761	1,643	1,774	1,938	1,976	1,671
FTE	1,001	927	977	906	854	815	751

Income Statement

EUR M	Q1 2025	Q1 2024	2024	2023	2022	2021	2020
Net interest income	23.8	26.3	104.1	99.7	68.2	62.2	58.9
Net commission income	21.4	18.3	76.4	77.0	78.4	79.0	66.3
IT income	8.6	8.4	35.1	28.6	23.5	24.4	21.9
Other income	2.2	0.8	0.7	-3.0	14.0	10.4	3.0
Total income	56.0	53.8	216.4	202.3	184.1	176.0	150.1
Staff costs	-23.4	-21.6	-87.9	-81.3	-75.5	-71.1	-62.9
Other expenses	-14.3	-14.8	-59.4	-57.0	-56.3	-50.8	-42.6
Total expenses	-37.7	-36.4	-147.3	-138.4	-131.8	-121.9	-105.6
Profit before impairment losses	18.3	17.4	69.0	63.9	52.3	54.1	44.6
Net impairment loss on financial assets	0.1	-0.5	-4.0	-2.2	-6.2	-4.9	-4.9
Net operating profit	18.3	16.9	65.0	61.7	46.1	49.2	39.7
Income taxes	-3.7	-3.3	-12.8	-13.1	-9.3	-9.3	-8.2
Net profit for the period	14.6	13.6	52.3	48.7	36.8	39.9	31.5
Attributable to:							
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders in Bank of Åland Plc	14.6	13.6	52.3	48.7	36.8	39.8	31.5

Balance Sheet

Bank of Åland Group	Mar 31, 2025	Dec 31, 2024		Mar 31, 2025	Dec 31, 2024
<i>Assets</i>			<i>Liabilities</i>		
Cash and balances with central banks	384	290	Liabilities to credit institutions and central banks	55	78
Debt securities	785	804	Deposits from the public	3,573	3,521
Lending to credit institutions	32	30	Debt securities issued	804	812
Lending to the public	3,552	3,576	Derivative instruments	12	4
Shares and participations	38	37	Current tax liabilities	-1	2
Participations in associated companies	8	7	Deferred tax liabilities	33	33
Derivative instruments	33	21	Other liabilities	134	52
Intangible assets	21	21	Provisions	3	3
Tangible assets	45	45	Accrued expenses and prepaid income	50	52
Investment properties	0	0	Subordinated liabilities	32	31
Current tax assets	2	1	Total liabilities	4,696	4,589
Deferred tax assets	7	7			
Other assets	54	33	<i>Equity capital and non-controlling interests</i>		
Accrued income and prepayments	50	51	Share capital	42	42
Total assets	5,011	4,925	Share premium account	33	33
			Reserve fund	25	25
			Fair value reserve	-16	-22
			Unrestricted equity capital fund	33	32
			Retained earnings	169	197
			Shareholders' portion of equity capital	285	307
			Non-controlling interests' portion of equity capital	0	0
			Additional Tier 1 capital holders	29	29
			Total equity capital	315	336
			Total liabilities and equity capital	5,011	4,925

Outstanding Long-Term Funding* March 31, 2025

CBA Cover Asset Pool

ISIN	Nominal Amt	Settlement date	Maturity date	Coupon	Currency	EUR eq amt	Time to maturity
FI4000549548	250 000 000	16.03.2023	16.03.2026	3.875	EUR	250 000 000	0.96
FI4000566351	300 000 000	22.01.2024	22.07.2027	3.000	EUR	300 000 000	2.31
						550 000 000	1.70

* Excluding retained covered bonds

Sustainability Information

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

Sustainability Information

Group	Q1 2025	Q4 2024	%	Q1 2024	%
Scope 3, downstream, current situation on annual basis (tonnes of CO ₂ e)					
Loan portfolio Scope 1 and 2	195,069	196,907	-1	227,290	-14
Investments Scope 1, 2 and 3	2,465,650	2,597,631	-5	2,197,297	12
Treasury Scope 1, 2 and 3	63,662	36,535	74	54,177	18
Total, Scope 3, downstream	2,724,381	2,831,073	-4	2,478,764	10

Disclaimer

The presentation was prepared by Bank of Åland Plc for use in investor relations. This presentation is not intended for retail customers

This presentation has been prepared on the basis of publicly available information which the Bank of Åland considers to be reliable

This presentation may contain forward-looking statements, which are subject to risks, uncertainties, and assumptions. This presentation is being presented solely for your information and is subject to change without notice. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, actuality, fairness, or completeness of the information presented

This presentation does not constitute an offer or invitation to purchase or subscribe for any shares or debt instruments of the Company, and no part of this presentation shall form the basis of or be relied upon in connection with any contract or commitment

The contents of this presentation may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose