

Interim Report

For the period January – March 2009

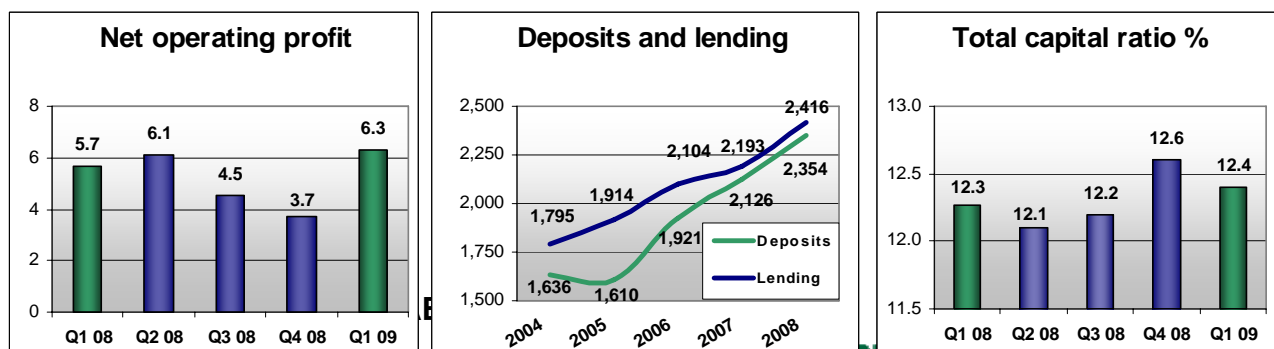
May 11, 2009

The report period in brief

- Consolidated net operating profit increased by 11 per cent to 6.3 million euros (January – March 2008: EUR 5.7 M)
- Ålandsbanken Sverige AB, the Bank's new subsidiary in Sweden, was consolidated for the first time on March 31, 2009, which means that the company is included in the statement of financial position, while consolidated earnings do not include effects generated by Ålandsbanken Sverige
- Net interest income decreased by 10 per cent to EUR 9.1 M (10.1)
- Commission income decreased by 2 per cent to EUR 5.0 M (5.1)
- Net income from securities transactions and foreign exchange dealing rose to EUR 3.1 M (0.7)
- Total income increased by 12 per cent to EUR 20.4 M (18.1)
- Expenses rose by 10 per cent to EUR 13.8 M (12.5)
- Loan losses amounted to EUR 0.4 M (0.0)
- Lending volume increased by 15 per cent to EUR 2,416 M (March 2008: 2,109)
- Deposits increased by 15 per cent to EUR 2,354 M (March 2008: 2,042)
- Mutual fund assets under management amounted to EUR 542 M (340)
- Return on equity after taxes (ROE) was 13.1 per cent (12.1)
- The expense/income ratio was 69 per cent (69)
- The total capital ratio in compliance with Basel 2 amounted to 12.4 (12.3) per cent
- Earnings per share after taxes amounted to EUR 0.37 (0.34)

"During the first quarter, we noted an increased interest in Bank of Åland from service-minded investors"

Peter Wiklöf,
Managing Director



The Bank of Åland Plc (Ålandsbanken Abp) is a successful, modern Finnish commercial bank that is participating actively in the development of future financial services. Aside from the autonomous Swedish-speaking Åland Islands, the Bank has offices in the Finnish mainland cities of Helsinki, Espoo, Turku, Parainen, Tampere and Vaasa. Ab Compass Card Oy Ltd, Crosskey Banking Solutions Ab Ltd, Ålandsbanken Asset Management Ab, Ålandsbanken Equities Ab, Ålandsbanken Fondbolag Ab and Ålandsbanken Sverige AB are part of the Bank of Åland Group.

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". Ålandsbanken Sverige AB, the Bank's new subsidiary in Sweden, was consolidated for the first time on March 31, 2009, which means that the company is included in the statement of financial position, while consolidated earnings do not include effects generated by Ålandsbanken Sverige.

Earnings summary for the report period

During January-March 2009, the consolidated net operating profit of the Bank of Åland Group increased by 11¹ per cent to EUR 6.3 M (5.7 in the corresponding period of 2008). Net interest income was lower than in the corresponding period last year as a consequence of sharply falling interest rates. Commission income and expenses for the period were at the same level, but net income from securities transactions and foreign exchange dealing as well as other operating income were higher than last year.

Income increased by 12 per cent to EUR 20.4 M (18.1), while expenses rose by 10 per cent to EUR 13.8 M (12.5). Return on equity after taxes (ROE) increased to 13.1 (12.1) per cent, and earnings per share to EUR 0.37 (0.34).

Net interest income

During the report period, consolidated net interest income decreased by 10 per cent to EUR 9.1 M (10.1) as a result of lower interest rates, despite a higher volume of both deposits and lending. During the period, margins on lending showed a positive trend. Lending volume rose by 15 per cent to EUR 2,416 M (2,109), while deposit volume increased by 15 per cent to EUR 2,354 M (2,042).

Other income

Commission income fell by 2 per cent to EUR 5.0 M (5.1). Securities commissions and lending commissions rose, while income from mutual fund and management commissions declined.

Net income from securities trading for the Bank's own account was EUR 2.7 M (0.4). 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. Net income from dealing in the foreign exchange market increased to EUR 0.5 M (0.3). Net income from financial assets available for sale was EUR 0.0 M (0.0), and net income from investment properties was EUR 0.2 M (0.1).

Other operating income increased to EUR 3.4 M (2.6) 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). A preliminary acquisition analysis showed that the net assets acquired after restructuring expenses amounted to EUR 56.2 M and the cost of the shares, including the purchase price and acquisition-related expenses, amounted to EUR 34.3 M. An adjusted acquisition analysis will be made later during 2009, and at that time negative goodwill of about EUR 20-25 M will be recognised as income. For detailed information about the acquisition analysis, see Note 4 under "Notes to the consolidated interim report" on page 12.

The Group's total income increased by 12 per cent to EUR 20.4 M (18.1).

Expenses

Staff costs rose by 7 per cent to EUR 7.6 M (7.1) as a consequence of employee recruitment and salary hikes as provided by collective agreements, as well as continued investments in human resource development in the Group. Changes in the Bank's pension fund, Ålandsbanken Abp:s Pensionsstiftelse, according to the corridor approach affected staff costs in the amount of EUR 0.0 M (-0.0).

¹ All percentages are calculated on the basis of exact values.

Other administrative expenses (office, marketing, communications and IT) increased to EUR 2.9 M (2.7). Production for own use totalled EUR -0.2 M (-0.2) and was related to expenses for computer software, which in accordance with IFRSs must be capitalised. Depreciation/amortisation decreased to EUR 1.4 M (1.5). Other operating expenses amounted to EUR 2.0 M (1.4).

The Group's total expenses rise by 10 per cent to EUR 13.8 M (12.5).

Impairment losses on loans and other commitments

Loan losses amounted to EUR 0.4 M (0.0).

Balance sheet total and off-balance sheet obligations

At the end of the report period, the Group's balance sheet total was EUR 3,104 M (2,732). Off-balance sheet obligations rose to EUR 257 M (170).

Personnel

Hours worked in the Group, recalculated to full-time equivalent positions, totalled 492 (493) during January-march 2009. This represented a decrease of one position compared to the year-earlier period. The number of employees at Ålandsbanken Sverige AB on March 31, 2009 was 174.

Bank of Åland Group	Mar 31 2009	Mar 31 2008
Ålandsbanken Abp	305	318
Ab Compass Card Oy Ltd	6	5
Crosskey Banking Solutions Ab Ltd	154	145
Ålandsbanken Asset Management Ab	16	13
Ålandsbanken Fondbolag Ab	6	7
Ålandsbanken Equities Ab	5	0
Ålandsbanken Veranta Ab	0	5
Total number of full-time equivalent positions, recalculated from hours worked	492	493

Expense/income ratio

Efficiency measured as expenses divided by income, including and excluding loan losses, respectively:

Bank of Åland Group	Mar 31 2009	Mar 31 2008
Including loan losses	0.69	0.69
Excluding loan losses	0.67	0.69

Capital adequacy

The Group is reporting capital adequacy in accordance with Pillar 1 in the Basel 2 regulations. According to Pillar 1 of Basel 2, the Group's total capital ratio at the end of March 2009 was 12.4 per cent. The capital requirement for credit risks has been calculated according to the standardised approach, and the capital requirement for operational risks has been calculated according to the basic indicator approach in the Basel 2 regulations.

Capital adequacy

Bank of Åland Group	Mar 31 2009	Mar 31 2008	Dec 31 2008
Capital base, EUR M			
Core capital ¹	127.0	103.5	112.4
Supplementary capital	70.2	49.6	53.4
Total capital base	197.2	153.1	165.7
Capital requirement for credit risks	109.7	90.6	95.9
Capital requirement for operational risks	16.7	9.3	9.3
Capital requirement for market risks	0.5	0.0	0.0
Total capital requirement	126.9	99.8	105.1
Total capital ratio, %	12.4	12.3	12.6
Core capital ratio, %	8.0	8.3	8.6

¹ Includes preliminary negative goodwill from the acquisition of Kaupthing Bank Sverige AB and 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-March 2009. On March 31, 2009, deposits totalled EUR 2,354 M (2,042), an increase of 15 per cent, of which EUR 200 M consisted of deposits in Ålandsbanken Sverige AB. Deposit accounts rose by 24 per cent to EUR 1,946 M (1,566). Bonds and certificates of deposit issued to the public decreased by 14 per cent to EUR 407 M (476). During the report period, debenture loans totalling EUR 16.9 M were issued.

Lending

During the 12 months to March 31, 2009, the volume of lending to the public increased by 15 per cent to EUR 2,416 M (2,109). The volume of lending at Ålandsbanken Sverige was EUR 209 M. Lending to households increased by 14 per cent to EUR 1,663 M (1,455). Households accounted for 69 (69) per cent of the Group's total lending volume. Lending to companies rose by 16 per cent to EUR 727 M.

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, sell and maintain banking computer systems – either as whole systems or as modules – to small and medium-sized banks in Europe, as well as sell operational services. Among Crosskey's current customers are DnB NOR, S-Bank, Tapiola Bank, the Bank of Åland, eQ Bank and Ålands Penningautomatförening. Crosskey currently has 165 employees 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. The company currently has about 450 customers and EUR 700 M in managed assets. Despite the market situation, the company's earnings were at a higher level than in the year-earlier period.

Ålandsbanken Equities Ab

Ålandsbanken Equities 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.

Ålandsbanken Fondbolag Ab

Ålandsbanken Fondbolag Ab is a wholly-owned subsidiary of the Bank of Åland Abp. At the end of the report period, mutual fund assets under management totalled EUR 211 M (EUR 340 M on March 31, 2008), down 38 per cent from one year earlier. The decrease was due to a downturn in valuations, especially in equity mutual funds, due to the very weak market situation during 2008, as well as customer redemption of mutual fund units. The number of unit holders totalled 14,441 (14,344 in March 31, 2008), an increase of 0.7 per cent.

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 200 M in deposits from the public, EUR 209 M in loan volume and EUR 331 M in managed mutual fund assets. Ålandsbanken Sverige AB currently has 174 employees and offices in Stockholm, Gothenburg and Malmö, Sweden.

Annual General Meeting

The Annual General Meeting of Shareholders (AGM) of the Bank of Åland on March 26, 2009 approved the Board of Directors' proposal for the distribution of a dividend of EUR 0.50 per share for 2008. The dividend was distributed on April 7, 2009.

The AGM unanimously re-elected Sven-Harry Boman, Kent Janér, Agneta Karlsson, Göran Lindholm, Leif Nordlund, Teppo Taberman and Anders Wiklöf as members of the Board of Directors.

Important events after the close of the report period

No important events have occurred after the close of the report period.

On May 4, 2009, the Bank of Åland published a stock exchange release containing a positive profit warning: the earnings forecast for 2009 was changed from "better" to "substantially better" than in 2008.

Outlook for 2009

Two thousand nine will be very challenging for all financial market players. The Bank of Åland expects its operating earnings to fall as a consequence of further weakening of net interest income, due to very low interest rates and continued low activity in capital markets.

The acquisition of Kaupthing Bank Sverige will have a significant positive nonrecurring effect on the Group's earnings during the year. Operational activities in Sweden will be included in earnings during 2009. 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, 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.

Financial information in 2009

Interim reports will be published as follows during 2009.

January-June 2009	Monday, August 24, 2009
January-September 2009	Monday, October 26, 2009

Mariehamn, May 11, 2009

THE BOARD OF DIRECTORS

FINANCIAL RATIOS ETC.

Bank of Åland Group	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Earnings per share before dilution, EUR ¹	0.37	0.34	1.22
Earnings per share after dilution, EUR ²	0.37	0.34	1.22
Market price per share, end of period, EUR			
Series A	25.00	31.80	26.60
Series B	19.00	26.06	17.24
Equity capital per share, EUR ³	11.78	11.91	11.87
Return on equity after taxes, % (ROE) ⁴	13.1	12.1	10.7
Return on total assets, % (ROA) ⁵	0.6	0.6	0.5
Equity/assets ratio, % ⁶	4.4	5.1	5.0
Total lending volume, EUR M	2,416	2,109	2,193
Total deposits from the public, EUR M	2,354	2,042	2,126
Equity capital, EUR M	137	138	138
Balance sheet total, EUR M	3,104	2,732	2,770
Expense/income ratio			
Including loan losses	0.69	0.69	0.73
Excluding loan losses	0.67	0.69	0.70

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 Equity 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 EUR M	Mar 31 2009	Mar 31 2008	Dec 31 2008
ASSETS			
Cash	44	38	79
Debt securities eligible for refinancing with central banks	132	177	146
Claims on credit institutions	246	214	123
Claims on the public and public sector entities	2,416	2,109	2,193
Debt securities	97	87	131
Shares and participations	27	3	3
Shares and participations in associated companies	1	1	1
Derivative instruments	17	21	15
Intangible assets	5	6	5
Tangible assets	36	28	36
Other assets	57	24	11
Accrued income and prepayments	24	23	25
Deferred tax assets	1	1	1
TOTAL ASSETS	3,104	2,732	2,770
LIABILITIES			
Liabilities to credit institutions	89	52	71
Liabilities to the public and public sector entities	1,947	1,567	1,758
Debt securities issued to the public	692	811	665
Derivative instruments	12	2	6
Other liabilities	81	66	41
Accrued expenses and prepaid income	68	26	18
Subordinated liabilities	60	52	53
Deferred tax liabilities	20	16	19
TOTAL LIABILITIES	2,967	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	2	1	2
Retained earnings	52	55	54
Equity capital attributable to owners of the parent	136	137	137
Equity capital attributable to minority interests	1	1	2
TOTAL EQUITY CAPITAL	137	138	138
TOTAL LIABILITIES AND EQUITY CAPITAL	3,104	2,732	2,770

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Bank of Åland Group EUR M	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Net interest income	9.1	10.1	42.1
Income from equity instruments	0.0	0.0	0.0
Commission income	5.0	5.1	18.6
Commission expenses	-0.5	-0.5	-2.2
Net income from securities transactions and foreign exchange dealing	3.1	0.7	3.3
Net income from financial assets available for sale	0.0	0.0	-0.1
Net income from investment properties	0.2	0.1	0.1
Other operating income	3.4	2.6	12.4
Total income	20.4	18.1	74.2
Staff costs	-7.6	-7.1	-28.3
Other administrative expenses	-2.9	-2.7	-11.0
Production for own use	0.2	0.2	0.5
Depreciation/amortisation	-1.4	-1.5	-5.9
Other operating expenses	-2.0	-1.4	-7.4
Total expenses	-13.8	-12.5	-52.1
Impairment losses on loans and other commitments	-0.4	0.0	-2.3
Share of profit/loss in associated companies	0.1	0.1	0.2
Net operating profit	6.3	5.7	20.0
Income taxes	-1.8	-1.5	-5.4
Profit for the period	4.5	4.2	14.6
Other comprehensive income			
Assets available for sale	0.6	0.5	1.8
Income tax on other comprehensive income	-0.2	-0.1	-0.5
Total comprehensive income for the period	5.0	4.5	15.9
Profit attributable to:			
Owners of the parent	4.3	3.9	14.0
Minority interests	0.2	0.2	0.6
Total	4.5	4.2	14.6
Total comprehensive income for the period attributable to:			
Owners of the parent	4.7	4.3	15.3
Minority interests	0.2	0.2	0.6
Total	5.0	4.5	15.9
Earnings per share			
Earnings per share before dilution, EUR ¹	0.37	0.34	1.22
Earnings per share after dilution, EUR ²	0.37	0.34	1.22

¹ Profit for the period before dilution / Average number of shares

² Profit for the period after dilution / (Average number of shares + shares outstanding)

QUARTERLY DATA, EARNINGS

Bank of Åland Group EUR M euro	Q I 2009	Q IV 2008	Q III 2008	Q II 2008	Q I 2008
Net interest income	9.1	10.7	10.5	10.7	10.1
Income from equity instruments	0.0	0.0	0.0	0.0	0.0
Commission income	5.0	4.6	3.8	5.1	5.1
Commission expenses	-0.5	-0.6	-0.5	-0.6	-0.5
Net income from securities transactions and foreign exchange dealing	3.1	2.4	-0.1	0.4	0.7
Net income from financial assets available for sale	0.0	-0.3	0.0	0.1	0.0
Net income from investment properties	0.2	0.0	0.0	0.1	0.1
Other operating income	3.4	3.4	3.2	3.1	2.6
Total income	20.4	20.3	16.9	19.0	18.1
Staff costs	-7.6	-7.4	-6.8	-7.1	-7.1
Other administrative expenses	-2.9	-3.1	-2.3	-2.9	-2.7
Production for own use	0.2	0.2	0.1	0.1	0.2
Depreciation/amortisation	-1.4	-1.5	-1.6	-1.3	-1.5
Other operating expenses	-2.0	-2.9	-1.5	-1.6	-1.4
Total expenses	-13.7	-14.6	-12.2	-12.8	-12.5
Impairment losses on loans and other commitments	-0.4	-1.9	-0.2	-0.2	0.0
Share of profit/loss in associated companies	0.1	-0.1	0.0	0.1	0.1
Net operating profit	6.3	3.7	4.5	6.1	5.7

CASH FLOW STATEMENT

Bank of Åland Group	Jan-Mar 2009	Jan-Mar 2008
Cash flow from operating activities		
Net operating profit	6.3	5.7
Adjustment for net operating profit items not affecting cash flow	3.7	1.9
Gains/losses from investing activities	-0.2	-0.1
Income taxes paid	-1.1	-0.1
Changes in assets and liabilities in operating activities	-8.7	134.8
	-0.1	142.3
Cash flow from investing activities	30.0	-3.1
Cash flow from financing activities	-17.3	-1.9
Change in cash and cash equivalents	12.6	137.3
Cash and cash equivalents, January 1	323.5	255.0
Cash and cash equivalents, March 31	336.1	392.2

STATEMENT OF CHANGES IN EQUITY

Bank of Åland Group						Total before minority interests	Minority interests	Total
EUR M	Share capital	Share premium account	Reserve fund	Fair value reserve	Retained earnings			
Equity capital, Dec 31, 2007	23.3	33.3	25.1	0.4	51.1	133.1	1.8	135.0
Comprehensive income for the period				0.3	3.9	4.3	0.2	4.5
Dividend paid					0.0	0.0	-1.0	-1.0
Equity capital, Mar 31, 2008	23.3	33.3	25.1	0.7	55.0	137.4	1.1	138.5
Comprehensive income for the period				1.0	10.1	11.1	0.4	11.4
Dividend paid					-11.5	-11.5	0.0	-11.5
Other changes in equity capital attributable to minority interests						0.0	0.1	0.1
Equity capital, Dec 31, 2008	23.3	33.3	25.1	1.7	53.6	136.9	1.6	138.5
Comprehensive income for the period				0.4	4.3	4.7	0.2	5.0
Dividend paid					-5.8	-5.8	-0.9	-6.6
Equity capital, Mar 31, 2009	23.3	33.3	25.1	2.1	52.1	135.9	1.0	136.8

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-March 31, 2009 was approved by the Board of Directors on May 8, 2009.

2. BASIS FOR PREPARATION AND ESSENTIAL ACCOUNTING PRINCIPLES**Basis for preparation**

This Year-end 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".

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.

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 operating segments. IFRS 8 replaces IAS 14, "Segment Reporting". The Group is presenting its financial statements in compliance with IFRS 8 for the financial period that begins on January 1, 2009.

3. ESTIMATES AND JUDGEMENTS

Preparation of financial statements in compliance with IFRSs requirements the company's Executive Team to make estimates and judgements that affect the recognised amounts of assets and liabilities, income and expenses as well as disclosures about commitments. Although these estimates are based on the best knowledge of the Executive Team on current events and measures, the actual outcome may diverge from these estimates.

4. BUSINESS COMBINATIONS

During the report period, the Bank of Åland Group made the following acquisitions of companies, which are reported in compliance with IFRS 3, "Business Combinations". This is a preliminary compilation based on a purchase price that has not been finally settled, preliminary fair values for identified assets and liabilities, and which lacks a valuation of customer relationships. An adjusted estimate will be made in conjunction with settlement of the purchase price.

Names of companies EUR M	Sector	Date of acquisition	Share of equity capital	Cost
Kaupthing Bank Sverige Ab	Asset manager	March 27, 2009	100%	
Kaupthing Fonder AB	Mutual fund manager	March 27, 2009	100%	
Alpha Management Company S.A.	Mutual fund manager	March 27, 2009	100%	
Kaupthing Bank Sverige				34.3

Allocation of cost

EUR M	Kaupthing Bank Sverige
Cash	35.2
Direct acquisition-related expenses	3.6
Estimated purchase price settlement ¹	-4.5
	34,3

¹ Settlement items known at the close of the report period; final settlement will occur during 2009.

Net assets acquired

EUR M	Kaupthing Bank Sverige	
	Fair value	Carrying amount
Claims on credit institutions	84.9	84.9
Claims on the public	208.4	208.9
Shares and participations	24.6	24.6
Other assets	42.2	42.2
Liabilities	303.9	303.0
Net assets acquired	56.2	
Preliminary negative goodwill	21.9	

The acquisition analysis will be completed during 2009. Preliminary negative goodwill has been recognised as an accrued expense.

Ålandsbanken Sverige has not had any effect on earnings, since the acquisition was completed on March 27.

Goodwill

EUR	2009	2008
Opening balance		
Gross	1,372,988	1,405,260
	1,372,988	1,405,260
Goodwill recognised during the report period	0	34,373
Impairment	0	-66,645
Closing balance	1,372,988	1,372,988

5. OPERATING SEGMENTS

The Bank of Åland Group reports operating segments in compliance with IFRS 8, which means that operating segments reflect the information that the Group's Executive Team receives. The Finland segment includes the Bank of Åland Plc, Ab Compass Card Oy Ltd, Ålandsbanken Asset Management Ab, Ålandsbanken Equities Ab, Ålandsbanken Fondbolag Ab and Ålandsbanken Veranta Ab. The Crosskey segment includes Crosskey Banking Solutions Ab and S-Crosskey Ab. The Sweden segment includes Ålandsbanken Sverige AB, Ålandsbanken Fonder AB and Alpha Management Company S.A. In each operating segment, "Other staff costs" are recognised as staff costs while in the external financial statements they are recognised as "Other administrative expenses" and IT depreciation/amortisation is recognised as "Other expenses" while in the external financial statements they are recognised as "Depreciation/amortisation".

Bank of Åland Group EUR M	Jan-Mar 2009				Total
	Finland	Sweden	Crosskey	Eliminations	
Deposits, lending and portfolio management	11.3	0.0	0.0	0.0	11.3
of which impairment losses, loans	-0.4	0.0	0.0	0.0	-0.4
Capital market products/services	4.2	0.0	0.0	0.0	4.2
Other income	1.0	0.0	6.6	-3.3	4.4
Staff costs	-5.2	0.0	-2.7	0.0	-7.9
Other expenses	-4.3	0.0	-2.7	2.3	-4.8
Depreciation/amortisation	-0.9	0.0	-0.2	0.2	-1.0
NET OPERATING PROFIT	6.1	0.0	1.0	-0.8	6.3
Assets	2,720.0	360.6	13.0	10.7	3,104.3
Liabilities	2,697.3	303.0	9.2	-42.0	2,967.4
Equity capital	41.8	57.6	3.8	33.6	136.8

6. INCOME TAXES

Bank of Åland Group EUR M	Mar 31 2009	Mar 31 2008
Taxes for the report period and earlier report periods	1.8	1.3
Change in deferred tax assets/liabilities	-0.0	0.2
Income taxes	1.8	1.5

7. DIVIDEND

Bank of Åland Group EUR	2008	2007
Final dividend for 2008: EUR 0.50 per share	5,768,061	
Final dividend for 2007: EUR 1.00 per share		11,536,122

The dividend for 2008 was adopted by the Annual General Meeting on March 26, 2009. The record date was March 31 and the distribution date was April 7.

**8. DEPOSITS FROM THE PUBLIC AND PUBLIC SECTOR,
including bonds and certificates of deposit issued**

Bank of Åland Group	Mar 31	Mar 31	Dec 31
EUR M	2009	2008	2008
Deposit accounts from the public and public sector			
Demand deposit accounts	294	197	127
Current accounts	251	216	233
Environmental and Savings Accounts	74	78	73
Prime Accounts	723	527	652
Time deposits	520	486	578
<i>Total deposit accounts in euros</i>	1,863	1,504	1,661
Deposit accounts in other currencies	84	62	95
Total deposit accounts	1,946	1,566	1,757
Bonds and subordinated debentures*	226	221	224
Certificates of deposit issued to the public*	181	255	145
Total bonds and certificates of deposit	407	476	369
Total deposits	2,354	2,042	2,126

* This item does not include debt securities subscribed by credit institutions.

9. LENDING TO THE PUBLIC AND PUBLIC SECTOR BY PURPOSE

Bank of Åland Group	Mar 31	Mar 31	Dec 31
EUR M euro	2009	2008	2008
COMPANIES			
Shipping	83	110	79
Wholesale and retail trade	61	55	59
Housing operations	65	57	64
Other real estate operations	138	108	113
Financial and insurance operations	214	167	190
Hotel and restaurant operations	15	13	14
Other service operations	85	64	79
Agriculture, forestry and fishing	7	6	7
Construction	29	20	23
Other industry and crafts	32	30	31
	727	629	661
PRIVATE INDIVIDUALS			
Home loans	1,089	1,049	1,083
Securities and other investments	296	241	249
Business operations	192	83	92
Other household purposes	86	82	84
	1,663	1,455	1,508
PUBLIC SECTOR AND NON-PROFIT ORGANISATIONS			
	25	25	25
TOTAL LENDING	2,416	2,109	2,193

10. OFF-BALANCE SHEET COMMITMENTS

Bank of Åland Group	Mar 31	Mar 31	Dec 31
EUR M	2009	2008	2008
Guarantees and pledges	32	21	16
Other commitments	225	149	149
	257	170	165

11. DERIVATIVE CONTRACTS

Bank of Åland Group	Mar 31, 2009		Mar 31, 2008	
EUR M	For hedging purposes	Other	For hedging purposes	Other
<i>Value of underlying property</i>				
Interest rate derivatives				
Forward contracts	3	0	0	0
Swap contracts	592	7	353	9
Option contracts				
Purchased	67	24	0	0
Exercised	24	67	0	0
Currency derivatives				
Forward contracts	93	12	22	20
Interest rate and currency swap contracts	0	4	0	0
Equity derivatives				
Option contracts				
Purchased	149	0	170	0
	928	114	545	29
Equivalent credit value of the contract				
Interest rate derivatives	11		5	
Currency derivatives	3		0	
Equity derivatives	19		35	
	33		40	

The equity derivatives that were purchased mainly hedge option structures that are embedded in bonds issued to the public.

12. MATURITY BREAKDOWN OF CLAIMS AND LIABILITIES

Bank of Åland Group		Mar 31, 2009				
EUR M	< 3 mo	3 - 12 mo	1 - 5 yrs	5 - yrs	Total	
Claims						
Debt securities eligible for refinancing in central banks	5.7	13.0	112.8	0.0	131.5	
Credit institutions and central banks	246.4	0.0	0.0	0.0	246.4	
The public and public sector entities	304.5	245.1	909.2	956.9	2,415.7	
Other debt securities	69.6	21.7	6.0	0.0	97.3	
	626.2	279.8	1,028.0	956.9	2,890.9	
Liabilities						
Credit institutions and central banks	57.8	21.0	10.0	0.0	88.8	
The public and public sector entities	1,789.2	156.2	1.2	0.0	1,946.6	
Debt securities issued to the public	91.3	264.8	335.6	0.0	691.7	
Subordinated liabilities	17.8	11.9	30.8	-0.8	59.6	
	1,956.2	453.9	377.5	-0.8	2,786.8	

No estimates of maturity dates have been made. Spot deposits, for example, are found in the category <3 months.

13. INTEREST RATE REFIXING PERIODS

Bank of Åland Group		Mar 31, 2009				
EUR M	< 3 mo	3-6 mo	6-12 mo	1-5 yrs	> 5 yrs	Total
Assets	2,497	214	334	528	50	3,623
Liabilities	2,536	273	292	361	51	2,513
Difference between assets and liabilities	-40	-58	42	167	-1	110

Shows the Bank's interest rate-related assets and liabilities, including derivatives, according to the interest rate refixing date as of December 31, 2009. Volume that fall due for new interest rate refixing in each respective time interval.

Bank of Åland Group		Mar 31, 2008				
EUR M	< 3 mo	3-6 mo	6-12 mo	1-5 yrs	> 5 yrs	Total
Assets	2,032	215	419	279	39	2,984
Liabilities	2,184	132	257	229	40	2,842
Difference between assets and liabilities	-152	84	162	50	-1	143

Shows the Bank's interest rate-related assets and liabilities, including derivatives, according to the interest rate refixing date as of December 31, 2008.

Review Report, Bank of Åland Plc Interim Report for January 1 – March 31, 2009**To the Board of Directors of the Bank of Åland Plc*****Introduction***

We have reviewed the consolidated summary statement of financial position of the Bank of Åland Plc on March 31, 2009, the consolidated summary statement of comprehensive income, the summary statement showing changes in consolidated equity capital and the consolidated summary cash flow statements for the three-month period ending on the above-mentioned date, as well as the summary of essential accounting principles and other disclosures in the notes. The Board of Directors and the Managing Director and Chief Executive are responsible for preparing the Interim Report and for providing accurate and sufficient information in compliance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) as well as in accordance with the other prevailing laws and regulations in Finland concerning the preparation of interim reports. On the basis of the review we have performed, at the request of the Board we are issuing our statement of opinion on the Interim Report in compliance with the Finnish Securities Markets Act, Chapter 2, Section 5a, Paragraph 7.

Scope of a review

This review was conducted in compliance with the standard on review engagements, Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review consists of making inquiries, primarily of persons chiefly responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially more limited in scope than an audit, which must be conducted in accordance with generally accepted auditing standards and recommendations. It is consequently not possible for us to gain confirmation that we are obtaining information about all those significant circumstances that might be identified in an audit. We are thus not issuing an audit report.

Statement of opinion

On the basis of our review, to our knowledge no circumstances have emerged that would give us reason to believe that the Interim Report does not provide accurate and sufficient disclosures about the financial position of the Bank of Åland Group on March 31, 2009 and its operating results and cash flows during the three-month period ending on that date, in compliance with IFRSs as adopted by the EU and in accordance with the other prevailing laws and regulations in Finland concerning the preparation of interim reports.

Mariehamn/Helsinki, May 11, 2009

Leif Hermans

Authorised Public Accountant

Terhi Mäkinen

Authorised Public Accountant

Bengt Nyholm

Authorised Public Accountant