

Interim Report

For the period January – September 2011 • October 31, 2011, 9.00 am

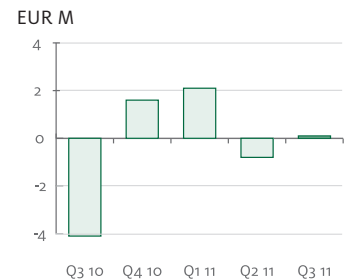


January–September 2011

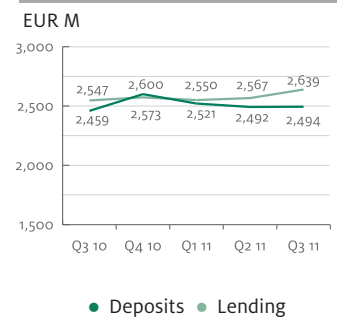
Compared to January–September 2010

- Net operating profit, excluding restructuring expenses and adjusted for exchange rate effects, increased by EUR 5.1 M to EUR 4.3 M. The improvement was mainly due to lower loan losses, while profit before loan losses increased by 11 per cent
- Net operating profit for the period improved to EUR 1.4 M (0.2)
- Profit for the period attributable to shareholders improved to EUR -1.7 M (-2.5)
- Net interest income increased by 12 per cent to EUR 31.0 M (27.8)
- Net commission income increased by 22 percent to EUR 30.4 M (24.9)
- Net loan losses amounted to EUR 0.9 M (5.5), equivalent to a loan loss level of 0.05 (0.29) per cent
- Renewed global financial market turmoil – with falling share prices, lower interest rates and poorer economic prospects – will adversely affect the Bank of Åland's income. We have therefore revised our future outlook downward. Based on our assessment of external factors and taking into consideration that operations in Sweden will have a smaller negative impact on earnings than last year and that the Group's loan losses will be lower than last year, we expect the Group's after-tax profit attributable to shareholders in 2011 to be better than in 2010. At present, uncertainty factors in assessing external conditions are unusually large.

Net operating profit



Deposits and lending

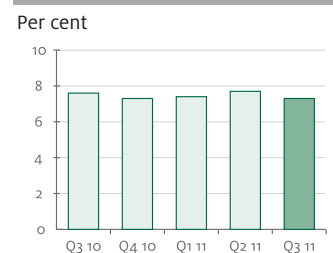


The third quarter of 2011

Compared to the second quarter of 2011

- Net operating profit improved to EUR 0.1 M (-0.8)
- Net interest income increased by 13 per cent to EUR 11.4 M (10.1)
- Net commission income decreased by 9 percent to EUR 9.7 M (10.7)
- Net financial items declined to EUR -0.9 M (0.9)
- The Tier 1 capital ratio was 7.3 (December 31, 2011: 7.3) per cent. Pro forma, including the new share issue that was completed on October 14, the Tier 1 capital ratio was 9.0 per cent

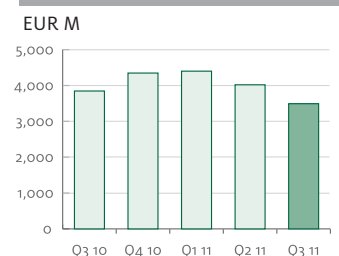
Tier 1 capital ratio



“Despite the worst conceivable external conditions, with a global financial crisis, the Bank of Åland's EUR 30 M new share issue was oversubscribed. Next year, when we are expected to be able to measure our capital requirement for credit risks according to the Internal Ratings Based (IRB) approach, our Tier 1 capital ratio will be close to our long-term target of 12 per cent. Along with permission to issue covered bonds, this will give us the financial prerequisites to continue expanding our operations in Finland and Sweden in keeping with our strategy. We foresee increased demand for a relationship bank of the Bank of Åland's type, with both investment know-how and financing know-how in the turbulent times now prevailing. Meanwhile tough external conditions will impose increased demands on us to carry out our banking operations with a lower cost level.”

Peter Wiklöf, Managing Director

Managed assets



The Bank of Åland is a bank with strong customer relationships and personal service. The Bank has extensive financial investment expertise and at the same time can offer good financing services. The commercial bank was founded in 1919 and has been listed on the Nasdaq OMX Helsinki Oy (Helsinki Stock Exchange) since 1942. The Bank of Åland's Head Office is in Mariehamn. The Bank has 17 offices in the Åland Islands and eight offices elsewhere in Finland. Its subsidiary Ålandsbanken Sverige AB has three offices in Sweden. A total of 9 subsidiaries, whose operations are connected in various ways to banking, belong to the Bank of Åland Group.

Earnings and profitability

MARKET OVERVIEW

The third quarter represented a painful resumption of the global financial crisis that began in 2007–2008. The world economy is facing very big challenges, with the euro zone debt crisis and the weak recovery of the American economy among the most serious problems. The European banking system has sizeable holdings of sovereign bonds whose values are uncertain. This has caused large portions of the banking system to seem undercapitalised, which in turn has raised the risk premiums on banks and caused the world's money and capital markets to adopt a cautious attitude.

The renewed financial crisis means that earlier expectations of a continued rise in market interest rates have been replaced by expectations of falling market rates. Long-term yields fell dramatically during the quarter. Finnish ten-year government bond yields, which stood at around 3.5 per cent at the beginning of the year, fell from 3.3 per cent at the end of the first half to 2.3 per cent. Swedish ten-year government bond yields, which stood at around 3.5 per cent at the beginning of the year, fell from 2.9 per cent at the end of the first half to 1.75 per cent at the end of the third quarter. Changes in the most important benchmark interest rates in the Finnish and Swedish money markets can be seen below.

BENCHMARK INTEREST RATES, QUARTERLY AVERAGES, PER CENT

	Q3 2011	Q2 2011	Q2 2010
Euribor 3 mo	1.56	1.41	0.88
Euribor 12 mo	2.11	2.13	1.40
Stibor 3 mo	2.55	2.44	1.00
Stibor 12 mo	2.92	3.00	1.47

The OMXHPI share index on the Nasdaq OMX Helsinki Oy (Helsinki Stock Exchange) fell by 22 per cent during the third quarter and was 31 per cent lower than at the end of 2010. The OMXSPI index on the Nasdaq OMX Stockholm (Stockholm Stock Exchange) fell by 20 per cent during the quarter and was 23 per cent lower than at the end of 2010.

On September 30, 2011, the euro was worth 3 per cent more in relation to the Swedish krona than at year-end 2010, but 10 per cent less than at the end of 2009. In the past three years, exchange rate movements have been significant. The peak exchange rate for the euro against the krona occurred on April 21, 2009, when one euro was worth SEK 11.18. The euro's lowest exchange rate was recorded on March 1, 2011 at SEK 8.71. When translating the income statement of the Bank of Åland's Swedish subsidiary to euros, average exchange rates for the period are used, while the balance sheet is translated at the existing exchange rate on the closing day. Because of the exchange rate effect, the income statement of the Swedish subsidiary for the period January–September decreased by 1 per cent expressed in euros from the preceding quarter and increased by 7 per cent from one year earlier. The exchange rate effect meant that the balance sheet for the Swedish subsidiary decreased by 1 per cent expressed in euros, compared to one year earlier.

IMPORTANT EVENTS

During the period September 22 to October 14, the Bank of Åland carried out a new share issue of about EUR 30 M with preferential rights for existing shareholders, in order to meet stricter capital requirements and to finance continued growth in Finland and Sweden. The new share issue was oversubscribed.

On July 29, the Finnish Financial Supervisory Authority granted the Bank of Åland permission to issue covered bonds. This will provide the Bank of Åland with access to significantly more favourable long-term funding terms. In light of the new share issue, no covered bonds have been issued yet.

Crosskey Banking Solutions has signed a new multi-year agreement with Tapiola Bank, which has been one of Crosskey's major customers for some years. The new agreement means that during the next five years, Tapiola Bank will continue to use Crosskey's complete product portfolio, which covers everything from basic banking, payments and capital market systems to card systems and an Internet bank.

EARNINGS FOR THE THIRD QUARTER OF 2011

During the third quarter, net operating profit was EUR 0.1 M, compared to EUR -0.8 M in the preceding quarter. The quarter was dominated by the resumption of the financial crisis, with plunging share prices and a seasonally somewhat lower activity level due to the summer holiday period. Profit before loan losses and restructuring expenses totalled EUR 0.8 M, compared to EUR 2.4 M in the preceding quarter.

The net operating profit of the Group's operations in Finland amounted to EUR 2.6 M, compared to EUR 5.5 M in the preceding quarter. The decrease in earnings was partly seasonal and partly a consequence of deteriorating market conditions in the asset management field.

Ålandsbanken Sverige reported a net operating profit of EUR -2.6 M, compared to EUR -6.1 M in the preceding quarter, when EUR 2.9 M was charged to the financial statements for restructuring expenses in connection with the closure of the institutional equities trading unit as well as management changes. The Bank of Åland is now focusing its operations in Sweden on serving business owners and wealthy private individuals, as well as providing asset management for institutions and companies. The inflow of Private Banking customers remains good. The Bank of Åland is still convinced that the Bank's position as the "banking firm offering strong customer relationships, combined with the financing expertise of a major bank" is clearly in demand in Sweden as well. During the third quarter, Ålandsbanken Sverige began marketing its Premium Banking segment, featuring a customer-friendly savings account (the Åland Account) with an attractive interest rate and no withdrawal limitations plus a home mortgage loan offering. Ålandsbanken Sverige carried out a large-scale brand advertising campaign in Swedish daily newspapers that attracted considerable attention.

Income fell by 12 per cent from the preceding quarter to EUR 23.4 M (26.7), mainly due to EUR 1.9 M lower valuation income from financial management and financial assets available for sale, as well as a EUR 1.0 M decline in IT income.

Net interest income continued to increase, amounting to EUR 11.4 M (10.1), which was 13 per cent higher than in the preceding quarter. Net interest income was favourably affected by higher market interest rates as well as increased lending volume in the Swedish market.

Net commission income fell by 9 per cent to EUR 9.7 M (10.7). The decline was mainly related to financial investment-related income, due to the negative market trend and the resulting lower managed assets.

Expenses totalled EUR 22.6 M, compared to EUR 27.2 M in the preceding quarter. Expenses are always seasonally lowest during the third quarter. EUR 2.9 M in restructuring expenses for Swedish operations were also included in the financial statements during the preceding quarter.

Net loan losses totalled EUR 0.7 M (0.3) and were primarily related to operations on the Finnish mainland. The loan loss level was 0.10 per cent, compared to 0.04 per cent in the preceding quarter.

Tax expense amounted to EUR 0.6 M (0.6). The reason for the high tax expense is that profits in the Finnish portion of the Group are taxed, while no deferred tax asset is recognised for Swedish losses, since it is uncertain whether further losses may be subtracted from future profits in Sweden.

EARNINGS FOR JANUARY–SEPTEMBER 2011

During the first nine months of the year, net operating profit totalled EUR 1.4 M, compared to EUR 0.2 M in the same period of 2010. Net operating profit increased by EUR 5.1 M to EUR 4.3 M, excluding restructuring expenses of EUR 2.9 M and adjusted for exchange rate effects. The main explanation was substantially lower loan losses, while profit before loan losses rose by 11 per cent.

Net operating profit excluding operations in Sweden fell by 5 per cent to EUR 12.0 M (12.6). A decrease of EUR 1.4 M in net income from investment properties and a decrease of EUR 3.6 M in valuation income from financial management were major reasons for the somewhat lower earnings, even though loan losses decreased by EUR 4.6 M. The underlying core business performed well.

Expressed in local currency, Ålandsbanken Sverige reported an improvement of SEK 51 M or 42 per cent in net operating profit, excluding restructuring expenses. Income rose by 30 per cent, while expenses decreased by 5 per cent. In banking operations aimed mainly at business owners needing asset management, financial planning and financing services, income increased by 61 per cent. In asset management aimed at institutions, income rose by 9 per cent. Institutional equities trading operations were closed in June after several years of significant operating losses. Accumulated income from institutional equities trading operations was SEK 5 M lower than in the year-earlier period. The restructuring expense for institutional equities trading operations will have an estimated repayment time of about 12 months. On November 30, the Bank of Åland's will transform its operations in Sweden into a branch of the parent Bank. Aside from more efficient capital utilisation, this will also result in a more efficient tax situation as well as more cost-effective corporate governance.

Income rose by 6 per cent to EUR 76.2 M (72.1). In the Sweden business area, income increased by 30 per cent in local currency, while income in the rest of the Group declined by 4 per cent. The decrease in the Finnish portion of the Group was related to net income from property management as well as valuation income from financial management. Income in the Finnish core business rose by 3 per cent.

Net interest income rose by 12 per cent to EUR 31.9 M (27.8) and was favourably affected by higher market interest rates as well as the increase in lending in the Swedish market.

Net commission income increased by 22 per cent to EUR 30.4 M (24.9), mainly driven by higher investment income.

Expenses, excluding restructuring expenses of EUR 2.9 M in Sweden, rose by 7 per cent to EUR 70.9 M (66.5). Excluding exchange rate effects, the rate of increase was 4 per cent. Expenses in Swedish operations fell by 5 per cent in local currency, while expenses in the rest of the Group increased by EUR 4 M or 10 per cent. In addition to contractual pay increases, the expansion of Private Banking operations in Finland and Crosskey's operations as well as the build-up of Compass Card operations were important reasons, along with project expenses associated with making covered bonds possible, a transition to the IRB approach for calculating capital requirements for credit risk and the branch solution for Swedish operations. Production for own use also decreased by EUR 1.5 M.

In April the Annual General Meeting approved a share-based compensation programme for senior executives. No provision has been made in the financial statements for the cost of this programme. The Board of Directors has been authorised to purchase a maximum of 25,000 Series B shares, to be issued later to employees who qualify for the programme. No purchases of the Bank's own shares had occurred as of September 30, 2011.

The number of full-time equivalent positions, recalculated from hours worked during the first nine months of 2011, decreased to 677 compared to 680 in the year-earlier period. The changes were mainly attributable to a reduction in the number of employees at Ålandsbanken Sverige, while the number of employees at Crosskey Banking Solutions increased.

Net loan losses totalled EUR 0.9 M (5.5). Loss provisions were primarily related to the Finnish Mainland business area. The loan loss level was 0.05 per cent, compared to 0.29 per cent in the year-earlier period, when a single corporate commitment on the Finnish mainland resulted in a loss provision of EUR 5 M.

Tax expense amounted to EUR 2.2 M (2.2), equivalent to an effective tax rate of 154 per cent. The year-earlier period included a refunded tax expense of EUR 1.3 M in Sweden. When Swedish operations transition to branch status, the Group's effective tax rate will approach 26 per cent.

BUSINESS VOLUME

Managed assets shrank by EUR 855 M or 20 per cent during the January–September period, mainly due to a sharp decrease in the market value of equity-related investments, and amounted to EUR 3,492 M (4,347). Managed assets in the Group's own mutual funds shrank by EUR 179 M or 20 per cent to EUR 724 M (903). Assets under discretionary management fell by EUR 186 M or 10 per cent to EUR 1,686 M (1,873). Assets under advisory management shrank by EUR 490 M or 31 per cent to EUR 1,082 M (1,572). Of total managed assets, the Sweden business area accounted for EUR 1,878 M or 54 per cent.

Deposits from the public, including certificates of deposit, index bonds and debentures issued to retail customers, amounted to EUR 2,494 M (2,600). This represented a decrease of EUR 106 M or 4 per cent from year-end 2010. In Sweden, deposits fell by EUR 93 M or 20 per cent to EUR 365 M (458), mainly due to reduced special deposits from municipalities and county councils. During a one-month period, the new Åland Account attracted EUR 12 M in deposits in Sweden. In Åland and on the Finnish mainland, demand deposit accounts increased.

Lending to the public totalled EUR 2,639 M (2,573). This represented an increase of EUR 67 M or 3 per cent since the end of 2010. Lending volume in the Finnish Mainland business area fell by 4 per cent during the first nine months of 2011. One important explanation is the Bank of Åland's strategic focus, which prioritises full-service customer relationships in the Private Banking and Premium Banking segments over market shares in the low-margin home mortgage lending market. The strategic decision to reduce the Bank's exposure to property improvement also contributed to the decrease. In the Åland business area, lending volume increased by 7 per cent, mainly at the Corporate Services unit. In Sweden, lending volume rose by 50 per cent in local currency, thanks to good credit demand from Private Banking customers.

CREDIT QUALITY

Lending to private individuals comprises about two thirds of the loan portfolio. Home mortgage loans account for about two thirds of lending to private individuals. Loans for the purchase of securities, with market-listed securities as collateral, comprise the second-largest type of lending to private individuals. Loan-to-value figures are conservative. Historically, the Bank of Åland has never had any substantial loan losses on this type of lending.

The corporate portfolio has a close affinity with the household portfolio since many of the companies are owned by customers who, as individuals, are also Private Banking customers. The percentage of total lending for shipping and property improvement has gradually decreased, as one element in further reducing the Bank of Åland's risk profile and utilising its equity capital more efficiently.

During the January–September period, gross non-performing loans (more than 90 days) rose by EUR 1.1 M or 4 per cent to EUR 28.8 M (27.7). The increase was mainly related to corporate customers, while nonperforming loans among household customers decreased. As a share of lending to the public, non-performing loans increased from 1.07 per cent at year-end 2010 to 1.09 per cent.

The level of provisions for doubtful receivables, i.e. individual impairment losses as a proportion of all doubtful receivables, was 71 per cent compared to 55 per cent at year-end 2010. Including group impairment losses, the level of provisions amounted to 82 per cent, compared to 85 per cent at year-end. The Group had EUR 8.1 M in impairment loss provisions, including individual impairment losses of EUR 7.0 M and group impairment losses of EUR 1.1 M.

LIQUIDITY AND BORROWING

The Bank of Åland's liquidity reserve, in the form of cash, account balances and investments with other banks plus liquid interest-bearing securities amounted to EUR 443 M on September 30, 2011. This was equivalent to 13 per cent of total assets (16 per cent at year-end) and 17 per cent of lending to the public (21 per cent). Of the total liquidity reserve, the actively managed liquidity portfolio totalled EUR 308 M on June 30, 2011 (EUR 271 M).

Of deposits from the public, EUR 286 M consisted of time deposits, index bonds and debentures with a maturity of more than 1 year (EUR 273 M). Although the remainder consists of sight deposits or has contractually shorter maturities than 1 year, this funding can largely be regarded as stable, based on historical customer behaviour.

EQUITY AND CAPITAL ADEQUACY

Equity capital changed in the amount of total profit for the period, EUR -2.0 M, paid-up share capital of EUR 2.6 M due to the share issue and as a result of the minority owner's capital contribution of EUR 2 M at Compass Card and was EUR 158 M. The equity/assets ratio increased to 4.7 per cent from 4.5 per cent at year-end 2010.

Tier 1 capital as defined in capital adequacy regulations increased by EUR 1.8 M to EUR 123.9 M (122.1).

Risk-weighted assets increased by EUR 25 M or 2 per cent from year-end 2010 and amounted to EUR 1,689 M (1,664). Operational risks recalculated to risk-weighted assets decreased by EUR 35 M or 17 per cent, which was attributable to Swedish operations. Operational risks are calculated on the basis of operating income over the preceding three years. Risk-weighted assets for credit risks increased by EUR 70 M or 5 per cent, mainly because of increased lending in the Swedish subsidiary.

The Tier 1 capital ratio was unchanged at 7.3 (7.3) per cent. Since the Bank of Åland has no hybrid capital, its core Tier 1 capital ratio is the same as its Tier 1 capital ratio. The total capital ratio was 11.6 (12.0) per cent.

In June, with the permission of the Finnish Financial Supervisory Authority the Bank of Åland redeemed debenture loan 2/2006, which the Bank of Åland Plc had issued on June 1, 2006. The debenture loan totalled EUR 8 M.

According to the new international capital adequacy rules, capital adequacy requirements for all banks are being tightened substantially. The core Tier 1 capital ratio – equity capital excluding various forms of hybrid capital that may be classified as Tier 1 capital – is the focus of attention. The minimum level of the core Tier 1 capital ratio, including the capital conservation buffer, will be 7.0 per cent. The minimum level for Tier 1 capital will be 8.5 per cent. The minimum level for the total capital ratio will be 10.5 per cent, including a capital conservation buffer of 2.5 per cent. The new minimum levels will formally enter into force in 2019, preceded by several years of gradual adjustment.

The Swedish Financial Supervisory Authority expects major Swedish banks to phase in the new regulations faster than the transitional rules proposed by the Basel Committee. Within a few years, the requirements for major Swedish banks are expected to be a total capital ratio of 15–16 per cent, of which at least 10–12 per cent must consist of core Tier 1 capital.

Today the Bank of Åland calculates its capital requirement for credit risks according to the standardised approach and the capital requirement for operational risks according to the basic indicator approach. A transition to the Internal Ratings Based (IRB) approach for credit risks and the standardised approach for operational risks would substantially improve the Bank of Åland's capital adequacy. An application for approval to apply the IRB approach for credit risk has been submitted to the Finnish Financial Supervisory Authority.

IMPORTANT EVENTS AFTER THE CLOSE OF THE REPORT PERIOD

The Bank of Åland completed its new share issue on October 14. The new share issue was oversubscribed. The issue represents a net capital increase of EUR 30.3 M after issue expenses. On a pro forma basis, the new share issue strengthened the core capital ratio by 1.6 percentage points to 9.0 per cent on September 30.

RISKS AND UNCERTAINTIES

The Bank of Åland's earnings are affected by external changes that the Company itself cannot control. Among other things, the Group's trend of earnings is affected by macroeconomic changes and changes in general interest rates, as well as share prices, exchange rates and the competitive situation. During 2011, among other things the world has been shaken by the earthquake disaster in Japan, political unrest in North Africa and the Middle East and continued worries about the euro zone debt crisis.

The Bank of Åland has no exposure to the "GIIPS" countries (Greece, Italy, Ireland, Portugal and Spain).

The Group aims at achieving operations with reasonable and carefully considered risks. Its profitability is dependent on the ability of the organisation to identify, manage and price risks. The Group is exposed to credit risk, liquidity risk, market risk, operational risk and business risk.

Based on the positive trend and positive future expectations at Compass Card, a deferred tax asset of EUR 1.0 M was recognised. If the conditions affecting the company should change dramatically from those now prevailing, the value of this asset may need to be re-assessed.

FUTURE OUTLOOK

Renewed global financial market turmoil – with falling share prices, lower interest rates and poorer economic prospects – will adversely affect the Bank of Åland's income. We have therefore revised our future outlook downward. Based on our assessment of external factors and taking into consideration that operations in Sweden will have a smaller negative impact on earnings than last year and that the Group's loan losses will be lower than last year, we expect the Group's after-tax profit attributable to shareholders in 2011 to be better than in 2010. At present, uncertainty factors in assessing external conditions are unusually large.

FINANCIAL INFORMATION

The Bank of Åland will publish the Year-end Report for the period January 1–December 31, 2011 on Thursday February 16, 2012.

Mariehamn, October 28, 2011
THE BOARD OF DIRECTORS

Financial summary

Bank of Åland Group	Q3 2011	Q2 2011	%	Q2 2010	%	Jan–Sep 2011	Jan–Sep 2010	%
EUR M								
INCOME								
Net interest income	11.4	10.1	13	9.4	22	31.0	27.8	12
Net commission income	9.7	10.7	-9	7.6	28	30.4	24.9	22
Other income	2.3	5.9	-62	6.2	-64	14.7	19.5	-24
Total income	23.4	26.7	-12	23.1	1	76.2	72.1	6
Staff costs	-12.8	-16.5	-23	-12.3	4	-43.3	-38.8	12
Other expenses	-9.8	-10.6	-8	-9.5	3	-30.6	-27.7	10
Total expenses	-22.6	-27.2	-17	-21.8	4	-73.8	-66.5	11
Profit before loan losses etc.	0.8	-0.5		1.3	-42	2.4	5.7	-58
Impairment losses on loans and other commitments	-0.7	-0.3	161	-5.4	-87	-0.9	-5.5	-83
Operating income	0.1	-0.8	111	-4.1	102	1.4	0.2	
Income taxes	-0.6	-0.6	3	-0.3	69	-2.2	-2.2	3
Profit for the report period	-0.5	-1.3	-41	-4.4	-82	-0.8	-2.0	-61
Attributable to:								
Non-controlling interests	0.1	0.9	-90	0.1	37	1.0	0.5	86
Shareholders in Bank of Åland Plc	-0.6	-2.2	-61	-4.5	-81	-1.7	-2.5	-31
VOLUME								
Lending to the public	2,639	2,567	3	2,547	4			
Deposits from the public ¹	2,494	2,492	0	2,459	1			
Managed assets	3,492	4,019	-13	3,846	-9			
Equity capital	158	155	2	156	1			
Balance sheet total	3,338	3,403	-2	3,492	-4			
Risk-weighted assets	1,689	1,591	6	1,627	4			
FINANCIAL RATIOS								
Return on equity after taxes, % (ROE) ²	-1.5	-5.7		-11.0		-1.5	-2.1	
Expenses/income ratio, % ³	97	103		94		97	92	
Loan loss level, % ⁴	0.10	0.04		0.85		0.05	0.29	
Gross non-performing assets, % ⁵	1.09	1.04		1.13		1.09	1.13	
Level of provisions for doubtful receivables, % ⁶	82	75		85		82	85	
Core funding ratio (Lending/deposits), % ⁷	106	103		104		106	104	
Equity/assets ratio, % ⁸	4.7	4.6		4.5		4.7	4.5	
Tier 1 capital ratio, % ⁹	7.3	7.7		7.6		7.3	7.6	
Earnings per share before dilution, % ¹⁰	-0.05	-0.19		-0.39		-0.15	-0.22	
Equity capital per share, EUR ¹¹	13.27	13.15		13.35		13.27	13.35	
Market price per Series A share, EUR	16.00	25.98		28.50		16.00	28.50	
Market price per Series B share, EUR	10.50	16.50		19.29		10.50	19.29	
Price per A share, adjusted for share issue, EUR	16.00	24.20		26.54		16.00	26.54	
Price per B share, adjusted for share issue, EUR	10.50	15.37		17.96		10.50	17.96	
Working hours re-calculated to full-time equivalent positions	678	699		666		677	680	

¹ Deposits from the public and public sector entities, including bond loans and certificates of deposit

² (Profit for the report period attributable to shareholders / Average shareholders' portion of equity capital) x 100

³ Expenses / Income

⁴ Impairment losses on loan portfolio / loan portfolio

⁵ (Non-performing loans more than 90 days) / loan portfolio) x 100

⁶ Impairment loss provisions / doubtful receivables

⁷ Lending volume / Deposits including certificates of deposit, index bonds and debentures issued to the public

⁸ (Equity capital / Balance sheet total) x 100

⁹ (Core capital / Capital requirement) x 8 % x 100

¹⁰ Shareholders' portion of earnings for the period/Registered shares on closing day

¹¹ Equity capital incl. new share issue/Registered shares on closing day

Summary statement of financial position

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
ASSETS					
Cash	34	61	-45	42	-19
Debt securities eligible for refinancing with central banks	125	168	-26	178	-30
Claims on credit institutions	127	127	0	274	-54
Claims on the public and public sector entities	2,639	2,677	-1	2,547	4
Debt securities	243	266	-9	271	-10
Shares and participations	4	5	-12	4	8
Shares and participations in associated companies	1	1	-8	1	-8
Derivative instruments	19	35	-48	35	-47
Intangible assets	11	10	6	10	11
Tangible assets	34	36	-6	36	-5
Other assets	76	58	30	68	11
Accrued income and prepayments	22	27	-18	24	-8
Deferred tax assets	3	2	41	3	24
Total assets	3,338	3,475	-4	3,492	-4
LIABILITIES AND EQUITY CAPITAL					
Liabilities to credit institutions	208	191	9	316	-34
Liabilities to the public and public sector entities	2,117	2,141	-1	2,031	4
Debt securities issued	669	790	-15	763	-12
Derivative instruments	13	10	31	15	-13
Other liabilities	60	67	-8	85	-28
Accrued expenses and prepaid income	33	27	24	30	11
Subordinated liabilities	57	73	-22	73	-22
Deferred tax liabilities	22	22	1	22	0
Total liabilities	3,181	3,320	-4	3,336	-5
Equity capital and minority interest					
Share capital	23	23	0	23	0
New share issue	3	0		0	
Share premium account	33	33	0	33	0
Reserve fund	25	25	0	25	0
Fair value reserve	8	9	-13	9	-11
Retained earnings	62	63	-3	63	-2
Shareholders' interest in equity capital	154	154	-2	154	0
Minority interest in capital	4	1	491	2	133
Total equity capital	158	155	1	156	1
Total liabilities and equity capital	3,338	3,475	-4	3,492	-4

Summary income statement

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
EUR M								
Net interest income	11.4	10.1	13	9.4	22	31.0	27.8	12
Net commission income	9.7	10.7	-9	7.6	28	30.4	24.9	22
Net income from securities transactions and foreign exchange dealing	-0.8	0.8		0.5		1.2	3.2	-63
Net income from financial assets available for sale	-0.1	0.1		0.4	-135	0.7	1.3	-49
Net income from investment properties	0.0	0.1	-93	1.0	-99	0.1	1.6	-91
IT income	3.2	4.1	-22	3.7	-15	11.3	11.3	0
Other operating income	0.1	0.8	-93	0.6	-90	1.5	2.2	-31
Total income	23.4	26.7	-12	23.1	1	76.2	72.1	6
Staff costs	-12.8	-16.5	-23	-12.3	4	-43.3	-38.8	12
Other administrative expenses	-4.4	-5.4	-18	-4.8	-8	-15.2	-13.5	12
Production for own use	0.4	0.4	-18	0.7	-51	1.4	2.9	-52
Depreciation/amortisation	-1.7	-1.6	2	-1.6	4	-4.9	-5.2	-4
Other operating expenses	-4.0	-4.0	0	-3.8	6	-11.8	-11.9	0
Total expenses	-22.6	-27.2	-17	-21.8	4	-73.8	-66.5	11
Profit before loan losses etc.	0.8	-0.5		1.3	-42	2.4	5.7	-58
Impairment losses on loans and other commitments	-0.7	-0.3	161	-5.4	-87	-0.9	-5.5	-83
Net operating profit	0.1	-0.8	111	-4.1	102	1.4	0.2	
Income taxes	-0.6	-0.6	3	-0.3	69	-2.2	-2.2	3
Profit for the period	-0.5	-1.3	-62	-4.4	-89	-0.8	-2.0	-61
Attributable to:								
Non-controlling interests	0.1	0.9	-90	0.1	37	1.0	0.5	86
Shareholders in Bank of Åland Plc	-0.6	-2.2	-73	-4.5	-87	-1.7	-2.5	-31
Earnings per share								
Earnings per share before dilution, EUR ¹	-0.05	-0.19		-0.39		-0.15	-0.22	
Earnings per share after dilution, EUR ²	-0.05	-0.19		-0.39		-0.15	-0.22	

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

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

Summary statement of other comprehensive income

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
EUR M								
Assets available for sale	1.1	0.2		-0.4		0.1	0.2	-69
Valuation differences	-0.3	-1.1	-68	0.7	-148	-1.2	3.9	-132
Income tax on other comprehensive income	-0.3	-0.1		-0.2	20	0.0	-0.1	-69
Other comprehensive income	0.4	-0.9	149	0.1		-1.2	4.0	-130
Total comprehensive income for the period	-0.1	-2.2	-97	-4.3	-98	-2.0	2.0	-197
Attributable to:								
Non-controlling interests	0.1	0.9	-90	0.1	37	1.0	0.5	86
Shareholders in Bank of Åland Plc	-0.1	-3.1	-95	-4.4	-97	-2.9	1.5	

Income statement by quarter

Bank of Åland Group	Q3 2011	Q2 2011	Q4 2010	Q3 2010	Q3 2010
EUR M					
Net interest income	11.4	10.1	9.5	9.0	9.4
Net commission income	9.7	10.7	10.1	12.0	7.6
Net income from securities transactions and foreign exchange dealing	-0.8	0.8	1.2	1.6	0.5
Net income from financial assets available for sale	-0.1	0.1	0.7	0.2	0.4
Net income from investment properties	0.0	0.1	0.0	0.0	1.0
IT income	3.2	4.1	4.1	4.7	3.7
Other operating income	0.1	0.8	0.6	0.3	0.6
Total income	23.4	26.7	26.1	27.8	23.1
Staff costs	-12.8	-16.5	-13.9	-14.9	-12.3
Other administrative expenses	-4.4	-5.4	-5.3	-4.5	-4.8
Production for own use	0.4	0.4	0.6	0.8	0.7
Depreciation/amortisation	-1.7	-1.6	-1.6	-3.1	-1.6
Other operating expenses	-4.0	-4.0	-3.8	-4.1	-3.8
Total expenses	-22.6	-27.2	-24.0	-25.7	-21.8
Profit before loan losses etc.	0.8	-0.5	2.1	2.0	1.3
Impairment losses on loans and other commitments	-0.7	-0.3	0.0	-0.4	-5.4
Operating income	0.1	-0.8	2.1	1.6	-4.1
Income taxes	-0.6	-0.6	-1.1	-1.3	-0.3
Profit for the period	-0.5	-1.3	1.0	0.4	-4.4
Attributable to:					
Non-controlling interests	0.1	0.9	0.0	0.1	0.1
Shareholders in Bank of Åland Plc	-0.6	-2.2	1.0	0.3	-4.5

Statement of changes in equity capital

Bank of Åland Group

EUR M	Share capital	New share issue	Share premium account	Reserve fund	Fair value reserve	Translation difference	Retained earnings	Shareholders' portion of equity capital	Non-controlling interests' portion of equity capital	Total
Equity capital, Dec 31, 2009	23.3	0.0	33.3	25.1	1.8	3.7	74.0	161.2	1.0	162.2
Comprehensive income for the period					-0.3	3.9	-2.5	1.0	0.5	1.6
Dividend paid							-8.1	-8.1	0.0	-8.1
Purchases of minority interests' portion							-0.2	-0.2		-0.2
Other changes in equity capital attributable to minority interests								0.0	0.1	0.1
Equity capital, Sep 30, 2010	23.3	0.0	33.3	25.1	1.6	7.5	63.2	154.0	1.5	155.5
Comprehensive income for the period					-0.3	0.5	0.3	0.5	0.1	0.6
Dividend paid								0.0	-1.1	-1.1
Other changes in equity capital attributable to minority interests								0.0	0.1	0.1
Equity capital, Dec 31, 2010	23.3	0.0	33.3	25.1	1.3	8.0	63.4	154.4	0.6	155.0
Comprehensive income for the period					0.0	-1.2	-1.7	-2.9	1.0	-2.0
Dividend paid								0.0	0.0	0.0
Other changes in equity capital attributable to minority interests								0.0	2.0	2.0
New share issue		2.6						2.6		2.6
Equity capital, Sep 30, 2011	23.3	2.6	33.3	25.1	1.3	6.8	61.7	154.1	3.6	157.7

Only shares subscribed and paid up by September 30, 2011 have been included in "New share issue".

Summary cash flow statement

Bank of Åland Group	Jan–Sep 2011		Jan–June 2011		Jan–Sep 2010	
EUR M						
Cash flow from operating activities						
Net operating profit	1.4		1.4		0.2	
Adjustment for net operating profit items not affecting cash flow	8.7		5.9		15.6	
Gains/losses from investing activities	-0.1		-0.1		-0.9	
Income taxes paid	-0.9		-0.1		-2.8	
Changes in assets and liabilities in operating activities	-22.6	-13.5	13.1	20.2	-29.8	-17.7
Cash flow from investing activities	-2.3		-1.1		-3.6	
Cash flow from financing activities	-64.8		-16.6		22.5	
Exchange rate differences in cash and cash equivalents	-3.8		-2.7		16.4	
Change in cash and cash equivalents	-84.5		-0.3		17.6	
Cash and cash equivalents, January 1	306.2		306.2		331.1	
Cash and cash equivalents, September 30	221.8		306.0		348.7	

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 28 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 of the Parent Company 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, 2011 was approved by the Board of Directors on October 28, 2011.

2. Basis for preparation and essential accounting principles

BASIS FOR PREPARATION

The Interim Report for the period January 1–September 30, 2011 has been prepared in compliance with the International Financial Reporting Standards (IFRSs) and IAS 34, "Interim Financial Reporting," that have been adopted by the European Union.

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, 2010.

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, 2010, 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 that apply starting in 2011:
Improvements to International Financial Reporting Standards (2010)
The standard was published as part of the International Accounting Standards Board's (IASB's) yearly process whose purpose is to deal with minor amendments to existing standards, known as the Annual Improvements Project. The amendments do not have any material impact on the consolidated financial statements.

IAS 24, "Related Party Disclosures"

The purpose of the amendments is to simplify the disclosure requirements for companies significantly influenced by central government and to clarify the definition of related parties. The Group is presenting its financial statement in compliance with the standard for the financial period that began on January 1, 2011.

The Group is currently not affected by the following amendments:

IAS 32, "Financial Instruments: Presentation", "Classification of Warrants" (amendment)
IFRIC 14, "Prepayments of a Minimum Funding Requirement"
IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"

3. Estimates and judgements

Preparation of financial statements in compliance with IFRSs requires 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 the estimates.

4. Capital adequacy

Bank of Åland Group	Sep 30, 2011	Dec 31, 2011	Sep 30, 2010
EUR M			
Core capital ¹	123.8	122.1	123.8
Supplementary capital	73.0	78.4	79.1
Total capital base	196.7	200.5	202.9
Capital requirement for credit risks	120.0	114.4	111.6
Capital requirement for operational risks	14.0	16.8	16.7
Capital requirement for market risks	1.2	1.9	1.9
Total capital requirement	135.2	133.1	130.1
Total capital ratio, %	11.6	12.0	12.5
Core capital ratio, %	7.3	7.3	7.6

¹ Including profit for the period.

5. Segment report

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. In order to match the Bank of Åland's internal reporting to the Group's Executive Team, segment reporting in the Interim Report for the period January - September 2011 has been changed. The comparative period has been correspondingly restated.

The "Åland" business area includes office operations in Åland and equities trading operations in Mariehamn. "Finland" includes office operations on the Finnish mainland, Ålandsbanken Asset Management Ab and equities trading operations on the Finnish mainland, including Ålandsbanken Equities Research Ab. The "Sweden" business area includes the operating units Ålandsbanken Sverige AB plus Ålandsbanken Fonder AB and Alpha Management Company S.A. The "Crosskey" business area includes Crosskey Banking Solutions Ab and S-Crosskey Ab. "Corporate and eliminations" include all central corporate units in the Group, intra-Group eliminations and the subsidiaries Ålandsbanken Fondbolag Ab and Ab Compass Card Oy Ltd.

Bank of Åland Group		Jan-Sep 2011				
EUR M	Åland	Finland	Sweden	Crosskey	Corporate and eliminations	Total
Net interest income	10.5	14.7	5.3	0.0	0.5	31.0
Commission income	5.3	12.8	11.7	0.0	0.6	30.4
Other income	0.2	0.1	0.6	28.5	-14.6	14.7
Total income	16.0	27.6	17.6	28.5	-13.5	76.2
Staff costs	-3.2	-7.2	-9.6	-9.9	-10.5	-40.4
Restructuring costs			-2.9			-2.9
Other expenses	-2.2	-5.4	-5.4	-12.8	-4.8	-30.6
Internal allocation of expenses	-6.5	-10.3	-10.3	0.0	27.1	0.0
Total expenses	-11.9	-22.9	-28.2	-22.6	11.9	-73.8
Profit before loan losses etc.	4.1	4.7	-10.7	5.9	-1.6	2.4
Impairment losses on loans and other commitments	0.4	-1.3	0.1	0.0	-0.1	-0.9
Net operating income	4.5	3.3	-10.6	5.9	-1.7	1.4

Bank of Åland Group		Jan-Sep 2010				
EUR M	Åland	Finland	Sweden	Crosskey	Corporate and eliminations	Total
Net interest income	10.7	15.3	3.8	0.0	-2.1	27.8
Commission income	5.0	11.3	8.5	0.0	0.1	24.9
Other income	0.3	0.2	3.5	27.0	-11.4	19.5
Total income	16.0	26.8	15.9	27.0	-13.5	72.1
Staff costs	-3.0	-6.8	-9.5	-9.3	-10.2	-38.8
Other expenses	-2.0	-5.1	-4.3	-12.3	-3.9	-27.7
Internal allocation of expenses	-6.2	-9.6	-14.6	0.0	30.5	0.0
Total expenses	-11.3	-21.6	-28.4	-21.6	16.4	-66.5
Profit before loan losses etc.	4.7	5.2	-12.5	5.4	2.9	5.7
Impairment losses on loans and other commitments	0.3	-5.9	0.1	0.0	0.0	-5.5
Net operating income	5.0	-0.7	-12.4	5.4	2.9	0.2

6. Managed assets

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
Fund unit management	724	903	-20	824	-12
Discretionary asset management	1,686	1,873	-10	1,629	4
Other asset management	1,082	1,572	-31	1,393	-22
Total managed assets	3,492	4,347	-20	3,846	-9
Of which own funds in discretionary and other asset management	310	340	-9	299	4

7. Deposits from the public and public sector, including bonds and certificates of deposit issued

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
Deposit accounts from the public and public sector					
Sight deposits	1,612	1,599	1	1,554	4
Time deposits	504	540	-7	476	6
Total deposit accounts	2,116	2,140	0	2,030	4
Bonds and subordinated debentures ¹	181	235	-23	262	-31
Certificates of deposit issued to the public ¹	197	225	-13	167	18
Total bonds and certificates of deposit	378	460	-18	429	-12
Total deposits	2,494	2,600	-4	2,459	1

¹This item does not include debt securities subscribed by credit institutions.

The item "Liabilities to the public and public sector entities" also includes intermediated loans.

8. Lending to the public and public sector by purpose

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
COMPANIES					
Shipping	60	62	-2	63	-4
Wholesale and retail trade	58	57	1	60	-3
Housing operations	92	65	43	68	37
Other real estate operations	279	161	74	159	76
Financial and insurance operations	196	199	-2	192	2
Hotel and restaurant operations	19	17	13	17	15
Other service operations	108	156	-31	138	-22
Agriculture, forestry and fishing	12	14	-16	14	-17
Construction	37	29	25	31	18
Other industry and crafts	36	36	0	37	-3
Total, companies	897	796	13	778	15
PRIVATE INDIVIDUALS					
Home loans	1,137	1,160	-2	1,161	-2
Securities and other investments	297	350	-15	351	-15
Business operations	115	102	13	99	16
Other household purposes	169	140	21	131	29
Total, households	1,717	1,752	-2	1,742	-1
PUBLIC SECTOR AND NON-PROFIT ORGANISATIONS					
Total, public sector and non-profit organisations	25	25	-1	28	-11
Total lending	2,639	2,573	3	2,547	4

The item "Claims on the public and public sector entities" also includes claims on the Swedish National Debt Office.

9. Impairment losses and doubtful receivables

Bank of Åland Group	Q3 2011	Q2 2010	%	Q3 2010	%
EUR M					
Individual impairment losses	1.7	0.8	118	5.6	-56
Group impairment losses	-1.0	-0.4	150	0.0	
Reversals	0.0	-0.1	-97	-0.1	-9
Recognised in income statement	0.7	0.3	168	5.5	-83
Gross doubtful receivables	9.8	9.9	-1	13.9	-29
Individual impairment losses	7.0	5.3	31	9.2	-25
Group impairment losses	1.1	2.1	-48	2.5	-56
Net doubtful receivables	1.8	2.5	-29	2.1	-16
Level of provisions for doubtful receivables, %	82	75		85	
Doubtful receivables as % of total	0.4	0.4		0.5	
Of which > 90 days past due	28.8	26.8	7	28.7	0
Non-performing receivables as % of total	1.09	1.04		1.13	

10. Off-balance sheet commitments

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
Guarantees and pledges	16	21	-21	23	-30
Other commitments	283	280	1	319	-11
Total	299	301	-1	342	-13

11. Restructuring reserve

Bank of Åland Group	Sep 30, 2011	New reserve	Utilised	Withdrawn	Sep 30, 2010
EUR M					
Staff costs	2.2	2.9	-1.2	-0.2	0.8
Rent	0.0	0.0	0.3	-0.5	0.2
IT	0.0	0.0	-0.2	0.0	0.2
Total	2.3	2.9	-1.2	-0.7	1.3

12. Goodwill

Bank of Åland Group	Sep 30, 2011	Dec 31, 2010	%	Sep 30, 2010	%
EUR M					
Opening balance	1.4	1.4	0	1.4	0
Closing balance	1.4	1.4	0	1.4	0

13. Net interest income

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%
EUR M					
Interest income					
Credit institutions and central banks	0.8	0.7	1	0.5	65
The public and public sector entities	19.6	16.8	16	13.8	43
Debt securities	2.1	2.2	-1	2.1	3
Other interest income	0.4	0.4	-5	0.4	-8
Total	22.9	20.1	14	16.7	37
Interest expenses					
Credit institutions and central banks	-0.5	-0.4	30	-0.8	-43
The public and public sector entities	-6.3	-5.4	16	-3.8	63
Debt securities	-3.8	-3.5	9	-1.8	112
Subordinated liabilities	-0.5	-0.4	4	-0.4	7
Other interest expenses	-0.4	-0.4	22	-0.4	0
Total	-11.4	-10.1	14	-7.3	56
Net interest income	11.4	10.1	13	9.4	22

14. Commission income

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%
EUR M					
Deposits	0.2	0.2	11	0.2	1
Lending	1.7	0.7	135	0.7	132
Payment intermediation	1.6	0.9	79	0.9	80
Mutual fund unit commissions	2.6	3.2	-18	2.3	14
Management commissions	2.0	2.0	2	1.5	34
Securities commissions	3.1	5.5	-43	2.8	12
Other commissions	0.6	0.6	2	0.7	-19
Total	11.8	13.0	-9	9.1	30
Commission expenses	-2.2	-2.4	-9	-1.6	38
Net commission income	9.7	10.7	-9	7.6	28

15. Income taxes

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%
EUR M					
Taxes for the period and prior periods	-0.8	-1.4	-42	0.4	128
Change in deferred tax assets/liabilities	0.2	0.8	-72	0.0	
Income taxes	-0.6	-0.6	3	0.3	69

Starting on June 30, 2011 Bank of Åland has chosen to recognise deferred tax assets on reported losses in the subsidiary Compass Card, as a consequence of the company's positive income trend and future forecasts.

16. Dividend

Bank of Åland Group	2010	2009
euro		
Final dividend for 2010: EUR 0.00 per share	0	
Final dividend for 2009: EUR 0.70 per share		8,075,285

The decision not to distribute a dividend for 2010 was adopted by the Annual General Meeting on April 14, 2011.

17. Derivative contracts

Bank of Åland Group EUR M	Sep 30, 2011		Sep 30, 2010	
	For hedging purposes	Other	For hedging purposes	Other
Value of underlying property				
Interest rate derivatives				
<i>Forward contracts</i>	648	216		
<i>Swap contracts</i>	445	28	523	13
<i>Option contracts</i>				
<i>Purchased</i>	15	9	962	6
<i>Exercised</i>	9	15	906	62
Currency derivatives				
<i>Forward contracts</i>	195	8	335	11
<i>Interest rate and currency swap contracts</i>	59	4	1	1
<i>Option contracts</i>				
<i>Purchased</i>	0	0	50	0
<i>Exercised</i>	0	0	50	0
Equity derivatives				
<i>Option contracts</i>				
<i>Purchased</i>	148	0	189	7
	1,521	280	3,017	102

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

18. Maturity breakdown of claims and liabilities

Bank of Åland Group		Sep 30, 2011					
EUR M	< 3 months	3 –12 months	1– 5 years	> 5 years	Not classified by maturity	Total	
Claims							
Cash	34					34	
Debt securities eligible for refinancing with central banks	1	52	54	18		125	
Claims on credit institutions	127					127	
Claims on the public and public sector entities	588	330	900	821		2,639	
Debt securities	112	88	37	6		243	
Shares and participations					6	6	
Derivative instruments					19	19	
Intangible assets					11	11	
Tangible assets					34	34	
Other assets					76	76	
Accrued income and prepayments					22	22	
Deferred tax assets					3	3	
Total claims	863	470	990	845	170	3,338	
Liabilities							
Liabilities to credit institutions	178			30		208	
Liabilities to the public and public sector entities	1,832	260	26	0		2,117	
Debt securities issued	127	156	387			669	
Derivative instruments					13	13	
Other liabilities					60	60	
Accrued expenses and prepaid income					33	33	
Subordinated liabilities		11	29	17		57	
Deferred tax liabilities					22	22	
Equity capital					158	158	
Total liabilities	2,137	426	441	47	286	3,338	

Bank of Åland Group		Sep 30, 2010					
EUR M	< 3 months	3 –12 months	1– 5 years	> 5 years	Not classified by maturity	Total	
Claims							
Cash	42					42	
Debt securities eligible for refinancing with central banks	17	65	96			178	
Claims on credit institutions	274					274	
Claims on the public and public sector entities	348	402	965	832		2,547	
Debt securities	163	89	19			271	
Shares and participations					6	6	
Derivative instruments					35	35	
Intangible assets					10	10	
Tangible assets					36	36	
Other assets					68	68	
Accrued income and prepayments					24	24	
Deferred tax assets					3	3	
Total claims	844	556	1,080	832	180	3,492	
Liabilities							
Liabilities to credit institutions	154	132	30			316	
Liabilities to the public and public sector entities	1,846	161	25			2,032	
Debt securities issued	179	161	422			763	
Derivative instruments					15	15	
Other liabilities					86	86	
Accrued expenses and prepaid income					30	30	
Subordinated liabilities		11	36	27		74	
Deferred tax liabilities					22	22	
Equity capital					156	156	
Total liabilities	2,179	465	513	27	307	3,492	

19. Interest rate refixing periods

Bank of Åland Group		Sep 30, 2011					
EUR M	< 3 months	3–6 months	6–12 months	1–5 years	> 5 years	Total	
Assets	2,614	535	449	414	58	4,071	
Liabilities	2,657	341	569	357	51	3,975	
Difference between assets and liabilities	-43	195	-120	58	7	96	

Bank of Åland Group		Sep 30, 2010					
EUR M	< 3 months	3–6 months	6–12 months	1–5 years	> 5 years	Total	
Assets	2,637	456	333	377	34	3,836	
Liabilities	2,889	401	141	267	37	3,735	
Difference between assets and liabilities	-252	55	192	110	-3	102	

Shows the Bank's interest rate-related assets and liabilities, including derivatives at underlying value, according to the interest rate refixing date.

20. Hours worked, recalculated to full-time equivalent positions

Bank of Åland Group	Q3 2011	Q2 2011	%	Q3 2010	%
Bank of Åland Plc	314	312	1	301	4
Crosskey Banking Solutions Ab Ltd	207	207	0	192	8
Ålandsbanken Sverige AB	109	135	-20	127	-14
Ålandsbanken Asset Management Ab	25	24	4	25	2
Ab Compass Card Oy Ltd	12	11	9	5	129
Ålandsbanken Fondbolag Ab	6	5	20	7	-18
Ålandsbanken Equities Research Ab	5	5	0	6	-13
Ålandsbanken Equities Ab	0	0	0	3	-100
Total number of positions, recalculated from hours worked	678	699	-3	666	2

21. Related parties

A contract for consulting services during the period May 1, 2011–April 30, 2012 was entered into with Per Axman, Board member, with a value of about EUR 280,000. No other essential changes in related parties have occurred compared to December 31, 2010.

Review Report, Bank of Åland Plc Interim Report for January 1–September 30, 2011

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 September 30, 2011, the consolidated summary income statement, the summary statement showing changes in consolidated equity capital and the consolidated summary cash flow statements for the nine-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 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 September 30, 2011 and its operating results and cash flows during the nine-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, October 28, 2011

Bengt Nyholm
Authorised Public Accountant

Terhi Mäkinen
Authorised Public Accountant

Leif Hermans
Authorised Public Accountant