

Year-end Report

January-December 2025

February 4, 2026



We go our own way

ÅLANDSBANKEN

In brief

January-December 2025

Compared to January-December 2024

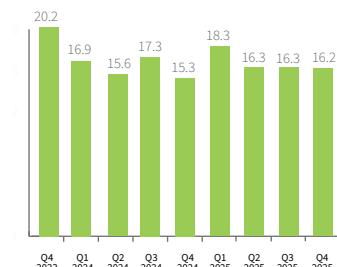
- Net operating profit increased by 3 per cent and amounted to EUR 67.2 M (65.0).
- Core income consisting of net interest income, net commission income and IT income remained at an unchanged level EUR 214.7 M (215.6).
- Other income increased to EUR 5.6 M (0.7).
- Total expenses increased by 3 per cent to EUR 151.7 M (147.3).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.4 M (4.0), equivalent to a loan loss level of 0.04 per cent (0.10).
- Return on equity after taxes (ROE) decreased to 17.8 per cent (17.9).
- Earnings per share increased by 4 per cent to EUR 3.55 (3.41).
- The common equity Tier 1 capital ratio decreased to 12.7 per cent (14.5 on December 31, 2024).
- Dividend: The Board of Directors will propose a dividend of EUR 2.75 (2.75) per share for the 2025 financial year. Furthermore, the Board of Directors intends to propose a semi-annual dividend from financial year 2026 onwards, corresponding to a maximum of 50 per cent of the profit for the first six months of the financial year.
- Unchanged 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.

The fourth quarter of 2025

Compared to the fourth quarter 2024

- Net operating profit increased by 6 per cent and amounted to EUR 16.2 M (15.3).
- Core income in the form of net interest income, net commission income and IT income increased by 2 per cent to EUR 55.6 M (54.5).
- Other income increased to EUR 0.8 M (−0.4).
- Total expenses increased by 5 per cent to EUR 39.4 M (37.3).
- Net impairment losses on financial assets (including recoveries) decreased to EUR 0.8 M (1.5), equivalent to a loan loss level of 0.08 per cent (0.18).
- Return on equity after taxes (ROE) decreased to 16.2 per cent (16.4).
- Earnings per share increased by 5 per cent to EUR 0.84 (0.80).

Net operating profit by quarter
EUR M



Core income by quarter
EUR M



Return on equity after taxes (ROE)



Record results and solid growth

“The year 2025 was the most successful year financially in the history of the Bank of Åland. Income amounted to EUR 67.2 million (65.0), while we also maintained solid growth.

“During the year, our deposits grew by 7 per cent to EUR 3,760 million and our lending by 5 per cent to EUR 3,762 million. Our actively managed customer assets rose by 14 per cent, for the first time exceeding the EUR 12 billion mark and at the end of the year amounted to EUR 12,119 billion. During the year, we had a strong net flow of new customer assets, EUR 708 million.

“In terms of income, our net interest income decreased to EUR 95.2 million (104.1) as was expected due to falling market interest rates. What was surprising on the positive side was that we succeeded in raising our net commission income by 12 percent to EUR 85.7 million (76.4), which compensated for the decreasing net interest income. The net commission income benefited from increased activity in the stock markets. Expenses developed in line with our planning.

“The Bank of Åland has a strong liquidity and capital position, and we also continue to see very good numbers in our customer satisfaction surveys. Altogether, these create strong conditions for our motivated employees to create continued growth.

“For 2025, we generated a return on equity of 17.8 per cent. Our ambition for 2026 as well is to create a return on equity that exceeds our long-term financial goals of 15 per cent.”

Peter Wiklöf
Managing Director and Chief Executive



Peter Wiklöf, Managing Director and Chief Executive.



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Financial calendar

Year-end Report and Annual Report for 2025:

- Annual Report

February 25, 2026

Interim reports 2026:

- Interim Report for January–March
- Half-Year Financial Report for January–June
- Interim Report for January–September

April 28, 2026

July 17, 2026

October 23, 2026

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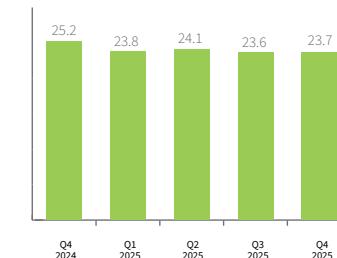
Cover photo: Anton Sucksdorff

Financial overview

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M								
Income								
Net interest income	23.7	23.6	0	25.2	-6	95.2	104.1	-9
Net commission income	23.0	20.1	14	19.9	16	85.7	76.4	12
IT income	8.9	7.4	20	9.4	-5	33.8	35.1	-4
Other income	0.8	0.8	-5	-0.4		5.6	0.7	
Total income	56.4	52.0	9	54.1	4	220.3	216.4	2
Staff costs	-25.1	-22.5	12	-22.1	13	-95.7	-87.9	9
Other expenses	-11.2	-10.3	8	-12.4	-10	-43.9	-47.1	-7
Depreciation/amortisation	-3.1	-3.0	3	-2.8	9	-12.0	-12.3	-2
Total expenses	-39.4	-35.8	10	-37.3	5	-151.7	-147.3	3
Profit before impairment losses	17.0	16.2	5	16.8	1	68.6	69.0	-1
Impairment losses on financial assets, net	-0.8	0.1		-1.5	-46	-1.4	-4.0	-64
Net operating profit	16.2	16.3	-1	15.3	6	67.2	65.0	3
Income taxes	-3.3	-3.3	0	-2.9	12	-12.6	-12.8	-1
Profit for the period	12.9	13.1	-1	12.4	5	54.6	52.3	4
Volumes								
Lending to the public	3,762	3,637	3	3,576	5			
Deposits from the public	3,760	3,681	2	3,521	7			
Actively managed assets	12,119	11,448	6	10,616	14			
Managed mortgage loans	3,593	3,448	4	3,080	17			
Equity capital	386	339	14	336	15			
Balance sheet total	5,173	5,003	3	4,925	5			
Risk exposure amount	1,888	1,835	3	1,643	15			

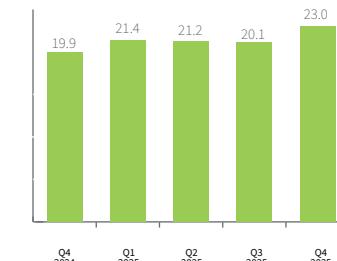
Net interest income

EUR M



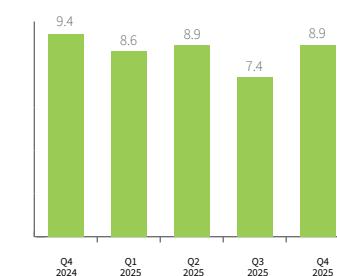
Net commission income

EUR M



IT income

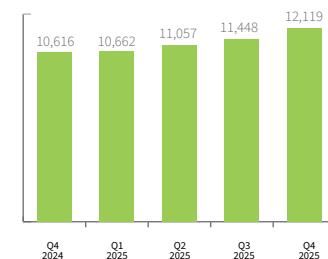
EUR M



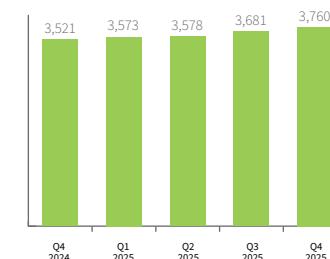
Group	Q4 2025	Q3 2025	% 2024	Q4 2024	% 2024	Jan-Dec 2025	Jan-Dec 2024	% 2024
Profitability								
Return on equity after taxes, % (ROE)	16.2	17.1		16.4		17.8	17.9	
Capital strength								
Common equity Tier 1 capital ratio, %	12.7	12.7		14.5				
Common equity Tier 1 capital ratio, surplus compared to minimum requirement, %	3.6	3.6		5.1				
Leverage ratio, %	5.7	5.1		5.3				
Liquidity and funding								
Liquidity coverage ratio (LCR), %	153	164		169				
Net stable funding ratio (NSFR), %	114	114		118				
Lending/deposit ratio, %	100	99		102				
Credit quality								
Loan loss level, %	0.08	-0.00		0.18		0.04	0.10	
Gross share of loans in Stage 3, %	1.58	1.71		1.63				
Employees								
Working hours re-calculated to full-time equivalent positions	1,000	1,031	-3	1,000	-0	1,013	977	4
Employee commitment index	7.7	7.7		7.6		7.6	7.5	
Leadership index	8.1	8.1		7.9		8.0	7.8	
Customers								
Customer Satisfaction Index (CSI), Finland	2	1		1		2	1	
Net Promoter Score (NPS)	55	53		53		55	53	
Data on Bank of Åland shares								
Earnings per share, EUR	0.84	0.85	-1	0.80	5	3.55	3.41	4
Earnings per share, EUR, moving 12-month average to end of report period	3.55	3.51	1	3.41	4			
Equity capital per share, EUR	21.16	20.13	5	19.95	6			

Actively managed assets

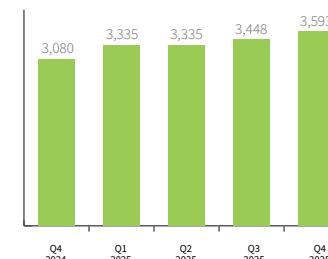
EUR M

**Deposits from the public**

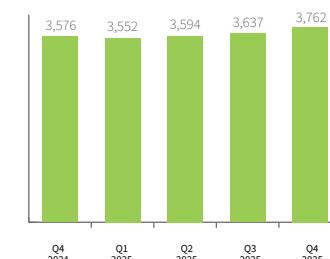
EUR M

**Managed mortgage loans**

EUR M

**Lending to the public**

EUR M



For definitions of financial ratios, see page 31, "Definitions".



Comments

Macro situation

The year 2025 has been marked by geopolitical unrest and uncertainty.

The European Central Bank (ECB) so far has lowered its key interest rate by 1.0 percentage points to 2.0 per cent, and Sweden's Riksbank announced the lowering of its policy rate by 0.75 points to 1.75 per cent.

Benchmark interest rates, quarterly averages, per cent

	Q4 2025	Q3 2025	Q4 2024
Euribor 3 mo	2.04	2.01	3.00
Euribor 12 mo	2.22	2.12	2.54
Stibor 3 mo	1.91	2.11	2.74

Benchmark interest rates, annual averages, per cent

	2025	2024
Euribor 3 mo	2.18	3.57
Euribor 12 mo	2.22	3.27
Stibor 3 mo	2.17	3.52

The average value of the Swedish krona (SEK) in relation to the euro (EUR) was on average 3 per cent higher during the year compared with the previous year. At the year-end, the exchange rate was 6 per cent higher than at the previous year-end. When converting the income statement of the Bank's Swedish operations into euros, the average exchange rate for the period has been used, while the balance sheet has been converted at the exchange rate prevailing on the closing day of the reporting period.

Important events

Ålandsbanken issued a new Additional Tier 1 (AT1) instrument of SEK 350 million in November. The instrument was priced at Stibor 3-month plus 3.35 per cent. Demand was exceptionally strong, resulting in the issue being oversubscribed. Ålandsbanken Fondbolag launched two new UCITS funds during the year. In October, Ålandsbanken Företagsobligationer Sverige fund was launched. The fund invests in various types of corporate bonds, encompassing both higher- and lower-risk credit exposures.

In June, Ålandsbanken USA Aktie was launched. The fund is an actively managed fund that invests in high-quality companies in the American market. The fund's portfolio management is outsourced to RBC Global Asset Management (UK) Ltd, which has the resources for scalable and cost-effective management. The fund is an article 8 fund, which promotes environmental objectives.

Through its mutual fund Ålandsbanken Norden Aktie, the Bank's subsidiary Ålandsbanken Fondbolag was one of four fund managers awarded a prestigious fund agreement by the Swedish premium pension fund platform for Nordic equity funds. The award means that SEK 8.8 billion of premium pension savers' funds will be allocated to the fund.

Together with our customers, we continue our engagement in working toward a cleaner Baltic Sea. The Baltic Sea Project contributed EUR 550,000 this year to different projects that promote the well-being of the Baltic Sea. Since 1997, the Bank of Åland has provided EUR 5.5 million for various environmental projects. Interest in the project is growing steadily. This year, there were a record number of applicants to the project.

During the report period, the Bank of Åland issued 10,522 Series B shares to fulfil its commitments as part of its employee incentive programme.

On March 25, the Annual General Meeting (AGM) approved the distribution of a dividend of EUR 2.75 per share (a regular dividend of EUR 2.40 plus an extra dividend of EUR 0.35). This represented an amount of EUR 42.3 M.

The AGM re-elected Anders Å Karlsson, Nils Lampi, Mirel Leino-Haltia, Malin Lombardi, Christoffer Taxell, Ulrika Valassi and Anders Wiklöf as members of the Board of Directors. At the statutory meeting of the Board on the same day, Nils Lampi was elected as Chairman and Christoffer Taxell as Deputy Chairman of the Board.

Earnings for January–December 2025

Net operating profit increased by EUR 2.2 M or 3 per cent to EUR 67.2 M (65.0). This was the Bank of Åland's highest-ever net operating profit for the first nine months of the year.

Profit for the period attributable to shareholders increased by EUR 2.3 M or 4 per cent to EUR 54.6 M (52.3).

Return on equity after taxes (ROE) decreased to 17.8 (17.9) per cent.

Core income in the form of net interest income, net commission income and IT income decreased by EUR 0.9 M to EUR 214.7 M (215.6).

Net interest income fell by EUR 9.0 M or 9 per cent to EUR 95.2 M (104.1). The main reasons were lower volume, chiefly due to the transfer of Swedish mortgage loans to Borgo in June 2024, as well as lower market interest rates.

Net commission income rose by EUR 9.3 M or 12 per cent and amounted to EUR 85.7 M (76.4). Higher volume of securities



brokerage commissions were the main reason. Higher management fees also contributed to the increase.

Information Technology (IT) income fell by EUR 1.3 M or 4 per cent to EUR 33.8 M (35.1), due to lower project income.

Other income, including net income on financial items, increased by EUR 4.9 M to EUR 5.6 M (0.7). Revaluation of financial assets as well as one-time gains connected to associated companies were the main reasons.

Total expenses increased by EUR 4.3 M or 3 per cent and amounted to EUR 151.7 M (147.3). The main reason was higher staff costs. Costs due to operating losses decreased.

Net impairment losses on financial assets amounted to EUR 1.4 M (4.0), equivalent to a loan loss level of 0.04 (0.10) per cent.

Tax expenses amounted to EUR 12.6 M (12.8), equivalent to an effective tax rate of 18.8 (19.6) per cent.

Earnings for the fourth quarter of 2025

Net operating profit increased by EUR 0.9 M or 6 per cent to EUR 16.2 M (15.3).

Profit for the period attributable to shareholders increased by EUR 0.6 M or 5 per cent to EUR 12.9 M (12.4).

Return on equity after taxes (ROE) decreased to 16.2 (16.4) per cent.

Core income in the form of net interest income, net commission income and IT income increased by EUR 1.1 M or 2 per cent to EUR 55.6 M (54.5).

Net interest income fell by EUR 1.6 M or 6 per cent to EUR 23.7 M (25.2). Lower market interest rates were the explanation.

Net commission income rose by EUR 3.1 M or 16 per cent, amounting to EUR 23.0 M (19.9). Higher volume of securities brokerage commissions were the main reason. Higher management fees also contributed to the increase.

IT income fell by EUR 0.5 M or 5 per cent to EUR 8.9 M (9.4), due to lower project income.

Other income, including net income on financial items, increased by EUR 1.2 M to EUR 0.8 M (-0.4).

Total expenses increased by EUR 2.0 M or 5 per cent, primarily due to higher staff costs, and amounted to EUR 39.4 M (37.3).

Net impairment losses on financial assets (net, including recoveries) decreased to EUR 0.8 M (1.5), equivalent to a loan loss level of 0.08 (0.18) per cent.

Tax expenses amounted to EUR 3.3 M (2.9), equivalent to an effective tax rate of 20.2 (19.1) per cent.

Operating segments

The Group's increase of EUR 2.2 M in net operating profit to EUR 67.2 M was allocated as follows:

- **Private Banking EUR +3.3M**
(higher income, lower impairment losses)
- **Premium Banking EUR -8.8 M**
(lower income, higher expenses)
- **IT EUR -2.4 M**
(higher expenses)
- **Corporate Units & Eliminations EUR +10.0 M**
(higher income)

Business volumes

Actively managed assets on behalf of customers increased by EUR 1,503 M or 14 per cent compared to year-end 2024 and amounted to EUR 12,119 M (10,616). Positive net flows and positive market effects were the reasons for the new record levels.

Deposits from the public increased by EUR 239 M or 7 per cent compared to year-end 2024 and amounted to EUR 3,760 M (3,521).

Lending to the public increased by EUR 186 M or 5 per cent compared to year-end 2024 and totalled EUR 3,762 M (3,576).

Managed mortgage loans increased by EUR 513 M or 17 per cent compared to year-end 2024 and totalled EUR 3,593 M (3,080).

Credit quality

Lending to private individuals comprised 72 per cent of the loan

portfolio. Home mortgage loans accounted for 73 per cent of this. The corporate portfolio has a close affinity with the retail portfolio, since many of the companies are owned by customers who, as individuals, are also Private Banking customers.

The Bank of Åland had EUR 8.9 M in impairment loss provisions on December 31, 2025 (12.5 on December 31, 2024), of which EUR 1.0 M (0.5) in Stage 1, EUR 0.9 M (1.4) in Stage 2 and EUR 7.0 M (10.6) in Stage 3. The decrease in impairment loss provisions was due to removal of old provisions.

Stage 3 loans as a share of gross lending to the public totalled 1.58 per cent (1.63). The level of provisions for Stage 3 loans amounted to 12 (18) per cent. Most of these loans have good collateral.

Liquidity and borrowing

The Bank of Åland's liquidity reserve in the form of cash and deposits with central banks, account balances and investments with other banks and liquid interest-bearing securities amounted to EUR 1,114 M on December 31, 2025 (1,077 on December 31, 2024). This was equivalent to 22 (22) per cent of total assets and 30 (30) per cent of lending to the public. In addition to the liquidity reserve, there was EUR 200 M (250) consisting of holdings of unencumbered covered bonds issued by the Bank.

The loan/deposit ratio amounted to 100 (102) per cent.

Of the Bank of Åland's external funding sources aside from equity capital, deposits from the public accounted for 82 (80) per cent and covered bonds issued accounted for 12 (13) per cent.

The liquidity coverage ratio (LCR) amounted to 153 (169) per cent and the net stable funding ratio (NSFR) amounted to 114 (118) per cent, which exceeded regulatory requirements by a solid margin.

On December 31 2025, the average remaining maturity of the Bank of Åland's bonds outstanding was about 0.9 (1.9) years.

Rating

In March 2025, the Moody's Ratings agency raised the outlook of the Bank of Åland to positive from stable. The change in outlook reflects the strengthening solvency of the Bank, stronger capitalisation and improved recurring profitability. Moody's affirmed the Bank's long-term deposit ratings at A3 and its short-term deposit ratings at P-2.

The Bank of Åland's covered bonds have a credit rating of Aaa.

Equity and capital adequacy

The new Capital Requirements Regulation (CRR3) entered into force on January 1, 2025, which affects the capital requirements calculation for credit risk according to both the internal ratings-based (IRB) and the standardised approach. The Bank's IRB approach has been updated, including significant changes, effective from 2025. In addition, the Financial Supervisory Authority has imposed conditions and mark-ups that increase the capital requirement. The standardised approach is applied to the calculation of credit risk in the Bank's Swedish branch as a whole, as well as for exposures to sovereigns (national governments) and central banks, plus exposures to institutions and equities.

On December 31, 2025, equity capital amounted to EUR 386.4 M (336.0). Changes in equity capital during the reporting period:

- Profit for the period, EUR +54.6 M
- Other comprehensive income, EUR +7.3 M
- Issuance of additional Tier 1 (AT1) capital, EUR +31.6 M
- Issuance of new shares, incentive programme, EUR +0.4 M
- Share savings programme, EUR +0.5 M
- Dividend of EUR -42.3 M distributed to shareholders
- Dividends of EUR -1.7 M distributed to holders of additional Tier 1 capital instruments.

Other comprehensive income was affected by a strong Swedish krona and lowered interest rates and amounted to EUR 7.3 M (-11.4) after taxes.

Common equity Tier 1 capital increased by EUR 1.5 M, despite the fact that equity attributable to shareholders increased by EUR 18.7 M. Other deductions increased by EUR 17.2 M, of which expected credit (loan) losses according to the new IRB approach for capital adequacy compared to expected credit losses according to the financial statements (IFRS 9) increased by EUR 14.6 M.

The risk exposure amount increased by EUR 245 M or 15 per cent during the second quarter and totalled EUR 1,888 M (1,643). The credit risk exposure amount rose by EUR 224 M or 17 per cent. The operational risk exposure amount rose by EUR 19 M or 7 per cent. The creditworthiness adjustment risk exposure amount rose by EUR 2 M.

The common equity Tier 1 (CET1) capital ratio decreased to 12.7 (14.5) per cent. The Tier 1 (T1) capital ratio decreased to 15.9 (16.3) per cent. The total capital ratio decreased to 17.6 (18.1) per cent.

In addition to the basic capital requirement, various buffer requirements apply. These are mainly imposed by national regulatory authorities. The capital conservation buffer requirement, 2.5 per cent of common equity Tier 1 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 amount of the countercyclical buffer is 2.0 per cent. In Finland, a systemic risk buffer of 1.0 per cent applies to the Bank of Åland. The Bank's Pillar 2-related buffer requirement amounts to 1.0 per cent.

The minimum levels according to the Financial Supervisory Authority currently applicable to the Bank of Åland as of December 31, 2025 were:

• Common equity Tier 1 capital ratio	9.1 per cent
• Tier 1 capital ratio	10.8 per cent
• Total capital ratio	13.0 per cent

In relation to the above buffer requirements, the Bank of Åland has an ample capital surplus:

• Common equity Tier 1 capital ratio	+3.6 percentage points
• Tier 1 capital ratio	+5.1 percentage points

Total capital ratio

+4.5 percentage points

The Bank of Åland is 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, where the Bank's long-term financial target is that its common equity Tier 1 capital ratio shall exceed FIN-FSA's minimum requirement by 1.75-3.0 percentage points.

Sustainability

Aside from paying national income taxes and value-added taxes, the Bank of Åland is a sizeable employer, especially in its Åland home market. The Bank's involvement in the Åland community included sponsorships to support culture, sports and studies.

During the fourth quarter, the Bank of Åland continued to strengthen awareness of responsible lending. An increasing number of customers in Åland chose to acknowledge climate ambitions and establish company-specific sustainability plans. These documents ensure a shared climate ambition, whereby the Bank of Åland and its customers aim to reduce their carbon footprints by at least 50 per cent by 2030. Within responsible investments, efforts continued to develop and refine tools and processes to identify and measure the extent to which the activities of our portfolio companies are aligned with the Paris Agreement.

The total greenhouse gas emissions for business operations in 2025 amounted to 5,712 tonnes CO₂ e, which was a decrease of 46 per cent compared to previous year. The decrease is found in the category of purchased goods and services, with purchases over a lengthy period largely being attributable to the renovation and expansion of the Head Office. As this has now been completed, emissions in these categories have subsequently been lowered.

Aside from information on emissions from its own business operations, the Bank is also providing information about indirect downstream Scope 3 Category 15 emissions, which means

carbon dioxide emissions from our customers' financial investments, our lending and our Treasury operations. On December 31, 2025, emissions totalled 4,113,475 tonnes of carbon dioxide equivalent (CO₂e), which was an increase of 36 per cent compared to the same period of last year. The increase over the previous year is primarily due to companies reporting more comprehensive carbon emissions on account of increased reporting requirements.

Dividend

The Board of Directors will propose that the Annual General Meeting (AGM) pay a dividend of EUR 2.75 per share for the 2025 financial year, for a total amount of EUR 42.3 M. The dividend is equivalent to a payout ratio of 77 per cent.

Furthermore, the Board of Directors proposes from financial year 2026 onwards a semi-annual dividend payment. The semi-annual payment should be based on a maximum of 50 per cent of the income for the first six months of the financial year and be paid after the half-year financial report has been published. The remaining dividend should be paid after the General Annual Meeting.

Important events after close of report period

Within the framework of the share savings programme, 18,393 Series B shares were issued in January 2026.

Risks and uncertainties

The outlook is very uncertain due to geopolitical risks and the trade conflict between the world's economies.

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 by movements in general interest rates and bond yields, share prices and exchange rates, along with higher expenses due to regulatory decisions and directives as well as by the competitive situation.

The Group aims at achieving operations with reasonable and carefully considered risks. The Group is exposed to credit risk, liquidity risk, market risk, operational risk and business risk. The Bank does not engage in trading for its own account.

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 2026.

The Bank is especially dependent on the performance of the fixed income and stock markets. There are concerns about economic developments in a number of important markets. For this reason, there is some uncertainty about the Bank's current forecast.

Mariehamn, February 4, 2026

THE BOARD OF DIRECTORS

This Year-end Report is unaudited.



Summary income statement

Group	Note	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M									
Net interest income	4	23.7	23.6	0	25.2	-6	95.2	104.1	-9
Net commission income	5	23.0	20.1	14	19.9	16	85.7	76.4	12
IT income		8.9	7.4	20	9.4	-5	33.8	35.1	-4
Net income from financial items at fair value	6	0.3	0.4	-31	-0.9		-0.6	-0.6	-2
Other operating income		0.5	0.5	15	0.5	2	6.2	1.3	
Total income		56.4	52.0	9	54.1	4	220.3	216.4	2
Staff costs		-25.1	-22.5	12	-22.1	13	-95.7	-87.9	9
Other expenses		-11.2	-10.3	8	-12.4	-10	-43.9	-47.1	-7
Depreciation/amortisation		-3.1	-3.0	3	-2.8	9	-12.0	-12.3	-2
Total expenses		-39.4	-35.8	10	-37.3	5	-151.7	-147.3	3
Profit before impairment losses		17.0	16.2	5	16.8	1	68.6	69.0	-1
Impairment losses on financial assets, net	7	-0.8	0.1		-1.5	-46	-1.4	-4.0	-64
Net operating profit		16.2	16.3	-1	15.3	6	67.2	65.0	3
Income taxes		-3.3	-3.3	0	-2.9	12	-12.6	-12.8	-1
Profit for the period		12.9	13.1	-1	12.4	5	54.6	52.3	4
Attributable to:									
Non-controlling interests		-0.0	0.0		-0.0		0.0	-0.0	
Shareholders in Bank of Åland Plc		12.9	13.1	-1	12.4	5	54.6	52.3	4
Earnings per share, EUR		0.84	0.85	-1	0.80	5	3.55	3.41	4
Earnings per share, EUR, moving 12-month average to end of report period		3.55	3.51	1	3.41	4			



Summary statement of other comprehensive income

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M								
Profit for the period	12.9	13.1	-1	12.4	5	54.6	52.3	4
Cash flow hedges								
Changes in valuation at fair value	-0.3	-1.0	-74	0.4		-1.1	1.0	
Assets available for sale								
Changes in valuation at fair value	0.1	-0.2		-0.6		2.1	2.8	-26
Transferred to the income statement	-0.3	-0.3	31	-0.0		-1.6	-1.1	45
Translation differences								
Gains/losses arising during the period	1.4	0.4		-1.6		3.6	-3.7	
Taxes on items that have been or may be reclassified to the income statement	0.1	0.3	-65	0.0		0.1	-0.5	
of which cash flow hedges	0.1	0.2	-74	-0.1		0.2	-0.2	
of which assets measured via other comprehensive income	0.0	0.1	-41	0.1	-62	0.1	-0.3	-73
Items that have been or may be reclassified to the income statement	1.0	-0.8		-1.8		3.1	-1.5	
Changes in value of equity instruments	0.3	0.2	48	-0.4		0.8	-12.8	
Translation differences	1.4	0.3		-0.5		2.6	-1.1	
Re-measurements of defined benefit pension plans	0.8	0.4	86	0.2		1.5	1.0	51
Taxes on items that may not be reclassified to the income statement	-0.4	-0.1		0.2		-0.6	3.0	
of which changes in value of equity instruments	-0.1	-0.0	48	0.1		-0.2	2.6	
of which translation differences	-0.3	-0.1		0.1		-0.5	0.2	
of which re-measurements of defined-benefit pension plans	-0.2	-0.1	86	-0.0		-0.3	-0.2	51
of which taxes on dividends to holders of T1 capital instruments	0.1	0.1	43	0.1	27	0.4	0.4	-8
Items that may not be reclassified to the income statement	2.2	0.8		-0.5		4.2	-9.9	
Other comprehensive income for the period	3.1	0.0		-2.2		7.3	-11.4	
Total comprehensive income for the period	16.1	13.1	22	10.1	59	61.9	40.9	52
Attributable to:								
Non-controlling interests	-0.0	0.0		-0.0		0.0	-0.0	
Shareholders in Bank of Åland Plc	16.1	13.1	22	10.1	59	61.9	40.9	52



Income statement by quarter

Group	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
EUR M					
Net interest income	23.7	23.6	24.1	23.8	25.2
Net commission income	23.0	20.1	21.2	21.4	19.9
IT income	8.9	7.4	8.9	8.6	9.4
Net income from financial items at fair value	0.3	0.4	-3.1	1.9	-0.9
Other operating income	0.5	0.5	4.9	0.3	0.5
Total income	56.4	52.0	55.9	56.0	54.1
Staff costs	-25.1	-22.5	-24.8	-23.4	-22.1
Other expenses	-11.2	-10.3	-11.1	-11.3	-12.4
Depreciation/amortisation	-3.1	-3.0	-3.0	-3.0	-2.8
Total expenses	-39.4	-35.8	-38.8	-37.7	-37.3
Profit before impairment losses	17.0	16.2	17.1	18.3	16.8
Impairment losses on financial assets, net	-0.8	0.1	-0.8	0.1	-1.5
Net operating profit	16.2	16.3	16.3	18.3	15.3
Income taxes	-3.3	-3.3	-2.4	-3.7	-2.9
Profit for the period	12.9	13.1	13.9	14.6	12.4
Attributable to:					
Non-controlling interests	-0.0	0.0	0.0	-0.0	-0.0
Shareholders in Bank of Åland Plc	12.9	13.1	13.9	14.6	12.4



Summary balance sheet

Group	Note	Dec 31, 2025	Dec 31, 2024	% 2024
EUR M				
Assets				
Cash and balances with central banks		215	290	-26
Debt securities		882	804	10
Lending to credit institutions		67	30	
Lending to the public	8, 9	3,762	3,576	5
Shares and participations		39	37	8
Participations in associated companies		29	7	
Derivative instruments	11	26	22	19
Intangible assets		24	21	11
Tangible assets		48	45	5
Investment properties		0	0	-3
Current tax assets		5	1	
Deferred tax assets		7	7	8
Other assets		31	33	-4
Accrued income and prepayments		39	51	-25
Total assets		5,173	4,925	5

	Note	Dec 31, 2025	Dec 31, 2024	% 2024
Liabilities				
Liabilities to credit institutions		154	78	97
Deposits from the public		3,760	3,521	7
Debt securities issued	10	691	812	-15
Derivative instruments	11	7	4	58
Current tax liabilities		0	2	-98
Deferred tax liabilities		33	33	2
Other liabilities		53	52	2
Provisions		1	3	-72
Accrued expenses and prepaid income		54	52	4
Subordinated liabilities		32	31	6
Total liabilities		4,787	4,589	4
Equity capital and non-controlling interests				
Share capital		42	42	
Share premium account		33	33	
Reserve fund		25	25	
Fair value reserve		-16	-22	-26
Unrestricted equity capital fund		33	32	1
Retained earnings		209	197	6
Shareholders' portion of equity capital		325	307	6
Non-controlling interests' portion of equity capital		0	0	2
Additional Tier 1 capital holders		61	29	
Total equity capital		386	336	15
Total liabilities and equity capital		5,173	4,925	5



Statement of changes in equity capital

Group	Share capital	Share premium account	Reserve fund	Hedge accounting	Fair value reserve	Translation difference	Unrestricted equity capital fund	Retained earnings	Shareholders' portion of equity capital	Non-controlling interests' portion of equity capital	Tier 1 capital holders	Total
EUR M												
Equity capital, Dec 31, 2023	42.0	32.7	25.1	0.0	-0.5	-9.0	30.2	185.3	305.9	0.0	29.4	335.3
Profit for the period									52.3	52.3	-0.0	52.3
Other comprehensive income				0.8	-8.9	-4.5		1.2	-11.4			-11.4
Transactions with owners												
Tier 1 capital instrument dividends								-2.0	-2.0			-2.0
Dividends paid to shareholders								-40.7	-40.7			-40.7
Incentive programme							0.5		0.5			0.5
Share savings programme							1.4	0.5	1.9			1.9
Equity capital, Dec 31, 2024	42.0	32.7	25.1	0.8	-9.4	-13.5	32.1	196.6	306.5	0.0	29.4	336.0
Profit for the period								54.6	54.6	0.0		54.6
Other comprehensive income				-0.9	1.0	5.7		1.5	7.3			7.3
Transactions with owners												
Issuance of additional Tier 1 capital										31.6		31.6
Tier 1 capital instrument dividends								-1.7	-1.7			-1.7
Dividends paid to shareholders								-42.3	-42.3			-42.3
Incentive programme							0.4		0.4			0.4
Share savings programme								0.5	0.5			0.5
Equity capital, Dec 31, 2025	42.0	32.7	25.1	-0.1	-8.4	-7.8	32.5	209.2	325.4	0.0	61.0	386.4



Summary cash flow statement

Group	Jan-Dec 2025	Jan-Dec 2024
EUR M		
Operating activities		
Net operating profit	67.2	65.0
Adjustment for net operating profit items not affecting cash flow	18.2	21.0
Income taxes paid	-14.9	-13.3
Changes in assets and liabilities from operating activities	-73.8	-64.1
Cash flow from operating activities	-3.3	8.7
Investing activities		
Changes in shares	-17.7	-3.1
Changes in tangible assets	-4.2	-11.6
Changes in intangible assets	-5.3	-4.2
Cash flow from investing activities	-27.2	-18.9
Funding activities		
Share issue	0.4	1.9
Issuance of additional Tier 1 capital	31.6	
Payment of principal on lease liability	-5.4	-5.4
Tier 1 capital instrument dividends	-1.7	-2.0
Dividends paid to shareholders	-42.3	-40.7
Cash flow from financing activities	-17.4	-46.1
Cash and cash equivalents at beginning of period	285.7	343.4
Cash flow during the period	-47.9	-56.4
Exchange rate differences in cash and cash equivalents	6.5	-1.4
Cash and cash equivalents at end of period	244.3	285.7
Cash and cash equivalents consisted of the following items:		
Cash and deposits with central banks	180.8	259.9
Lending to credit institutions that is repayable on demand	63.6	25.7
Total cash and cash equivalents	244.3	285.7



Notes to the consolidated Year-end Report

1. Corporate information

The Bank of Åland is a Finnish public limited liability company with its Head Office in Mariehamn. The commercial bank was founded in 1919 and has been listed on the Nasdaq Helsinki Oy (Helsinki Stock Exchange) since 1942. The shares of the Bank of Åland Plc are traded on the Nasdaq Helsinki Oy (Helsinki Stock Exchange).

The Bank of Åland is a commercial bank with strong customer relationships and personalised service.

The Bank has extensive financial investment expertise and at the same time can offer good financing services. The Bank has a total of 11 offices: two offices in the Åland Islands, six offices elsewhere in Finland and three offices in Sweden.

Through its subsidiary Crosskey Banking Solutions Ab Ltd, the Bank of Åland Group is a supplier of modern banking computer systems for small and medium-sized banks.

The Group also includes the asset management company Ålandsbanken Fondbolag Ab and its wholly owned subsidiaries.

The Head Office of the Parent Company has the following registered address:
Bank of Åland Plc, Nygatan 2, AX-22100
Mariehamn, Åland, Finland

This Year-end Report for the accounting period January 1–December 31, 2025 was approved by the Board of Directors on February 3, 2026.

2. Basis for preparation of the Year-end Report and essential accounting principles

Basis for preparation Year-end Report

This Year-end Report for the period January 1–December 31, 2025 has been prepared in compliance with the International Financial Reporting Standards (IFRSs) and International Accounting Standard 23 (IAS 34), “Interim financial reporting”, which have been adopted by the European Union. The Year-end Report does not contain all information and all notes required in annual financial statements and should be read together with the consolidated financial statements for the year ending December 31, 2024.

Tables and comparative numbers show correct rounded-off figures on each line, but this does not mean that rounded-off figures add up to the correct total. In cases where rounded-off figures add up to zero, they are shown as “0” in the tables, while a lack of figures is shown as an empty space.

Essential accounting principles

The essential accounting principles used in preparing the Year-end Report are the same as those used in preparing the financial statements for the year ending December 31, 2024.

Changes in accounting principles

Changes in accounting principles that came into effect on January 1, 2025 have not had a significant impact on the Group’s financial position, earnings, cash flows or disclosures.

Published accounting standards not yet applied

The International Accounting Standards Board (IASB) has published IFRS 18, “Presentation and disclosures in financial reports”, which has not yet been applied by the Bank of Åland. The standard, which replaces IAS 1, will be applied starting on January 1, 2027 and primarily introduces new requirements for the structure of the income statement as well as disclosures concerning certain performance measures. The impact on the Group’s financial reports is currently being evaluated. The new requirements on presentations and reporting are not expected to have any significant impact on the Bank.

The IASB has published amendments regarding the classification and measurement of financial instruments in IFRS 9 and IFRS 7. These amendments mainly provide guidance on assessing contractual cash flows in financial assets that include terms dependent on future events, as well as related disclosure requirements. The amendments will be applied starting on January 1, 2026. It has been determined that the changes will not have a significant impact on the Bank’s financial reports.

Estimates and judgements

Preparation of this Interim Financial Report in compliance with IFRSs requires the Company’s Executive Team to make assessments, estimates and assumptions that affect the application of accounting principles and 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.

The substantial accounting assessments that have been made when applying the Group’s accounting principles are primarily related to the application of the impairment model in compliance with IFRS 9 and accounting of financial instruments. The Bank of Åland employs expert adjustments to account for circumstances that are not fully captured by the risk models, and these can be made at both the exposure and portfolio levels.

As for the recognition of leases in compliance with IFRS 16, estimates have been made in establishing the leasing period and the choice of discount rate.



3. 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.

“Private Banking” encompasses Private Banking operations in Åland, on the Finnish mainland and in Sweden as well as Asset Management (Ålandsbanken Fondbolag Ab and its wholly owned subsidiaries).

“Premium Banking” encompasses operations in all customer segments excluding private banking in Åland, on the Finnish mainland, in Sweden and Asset Management. “IT” encompasses the subsidiary Crosskey Banking Solutions Ab Ltd and S-Crosskey Ab. “Corporate and Other” encompasses all central corporate units in the Group including Treasury and external partner collaboration.

Group	Jan-Dec 2025					
EUR M	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Earnings						
Net interest income	36.9	50.7	-0.1	7.8	-0.0	95.2
Net commission income	61.8	17.1	-0.1	6.5	0.4	85.7
IT income			54.9	2.2	-23.3	33.8
Net income from financial items at fair value	0.0	-0.0	-0.2	-0.3	-0.1	-0.6
Other income	0.1	0.0	0.6	7.0	-1.4	6.2
Total income	98.9	67.8	55.0	23.0	-24.4	220.3
Staff costs	-22.9	-8.4	-32.5	-32.0		-95.7
Other expenses	-11.2	-4.6	-20.3	-26.5	18.6	-43.9
Depreciation/amortisation	-0.5	-0.2	-4.0	-9.5	2.2	-12.0
Internal allocation of expenses	-27.8	-29.2		57.0		0.0
Total expenses	-62.3	-42.3	-56.8	-11.0	20.8	-151.7
Profit before impairment losses	36.6	25.5	-1.8	12.0	-3.6	68.6
Impairment losses on financial assets, net	0.1	-2.1		0.6	-0.0	-1.4
Net operating profit	36.6	23.3	-1.8	12.7	-3.6	67.2
Income taxes	-7.5	-4.8	0.4	-0.7		-12.6
Profit for the period attributable to shareholders in Bank of Åland Plc	29.1	18.6	-1.4	12.0	-3.6	54.6

	Jan-Dec 2025					
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Business volumes						
Lending to the public	1,621	2,147		-2	-4	3,762
Deposits from the public	1,703	2,058		20	-20	3,760
Actively managed assets	11,237	882				12,119
Managed mortgage loans				3,593		3,593
Risk exposure amount	774	653	75	386		1,888
Equity capital	118	116	33	118		386
Financial ratios						
Return on equity after taxes, % (ROE)	31.3	20.3	-5.2	12.6		17.8
Expense/income ratio	0.63	0.62	1.03	0.48		0.69



Group		Jan-Dec 2024					
EUR M		Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Earnings							
Net interest income	42.7	57.2	-0.2	4.5	-0.0	104.1	
Net commission income	53.4	16.7	-0.1	5.7	0.7	76.4	
IT income			53.4	1.2	-19.5	35.1	
Net income from financial items at fair value	0.2	0.1	-0.1	-0.8	0.0	-0.6	
Other income	0.0	0.0	1.3	1.5	-1.6	1.3	
Total income	96.3	74.0	54.3	12.2	-20.4	216.4	
Staff costs	-21.7	-7.6	-30.1	-28.5		-87.9	
Other expenses	-13.0	-4.9	-19.6	-26.7	17.1	-47.1	
Depreciation/amortisation	-0.4	-0.1	-4.0	-10.5	2.7	-12.3	
Internal allocation of expenses	-26.6	-26.7		53.3	-0.0	-0.0	
Total expenses	-61.7	-39.3	-53.7	-12.4	19.8	-147.3	
Profit before impairment losses	34.5	34.7	0.7	-0.3	-0.6	69.0	
Impairment losses on financial assets, net	-1.3	-2.6		-0.1		-4.0	
Net operating profit	33.3	32.1	0.7	-0.4	-0.6	65.0	
Income taxes	-6.8	-6.6	0.0	0.6		-12.8	
Profit for the period attributable to shareholders in Bank of Åland Plc	26.4	25.5	0.7	0.2	-0.6	52.3	

Jan-Dec 2024						
	Private Banking	Premium Banking	IT	Corporate and Other	Eliminations	Total
Business volumes						
Lending to the public	1,625	1,956		-3	-3	3,576
Deposits from the public	1,540	1,937		56	-12	3,521
Actively managed assets	9,755	849		12		10,616
Managed mortgage loans					3,080	3,080
Risk exposure amount	675	542	75	351		1,643
Equity capital	108	93	31	104		336
Financial ratios						
Return on equity after taxes, % (ROE)	26.9	31.3	2.5	0.3		17.9
Expense/income ratio	0.64	0.53	0.99	1.02		0.68



4. Net interest income

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M								
Total interest income	38.2	37.8	1	45.9	-17	156.7	203.5	-23
of which interest income according to the effective interest method	37.9	37.7	1	45.8	-17	156.0	203.0	-23
Total interest expenses	14.5	14.2	2	20.7	-30	61.5	99.4	-38
of which interest expenses according to the effective interest method	14.4	14.1	2	20.5	-30	61.2	99.1	-38
Net interest income	23.7	23.6	0	25.2	-6	95.2	104.1	-9
Interest margin, %	1.85	1.86		2.08		1.92	2.06	
Investment margin, %	1.85	1.90		2.05		1.91	2.07	

5. Net commission income

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M								
Banking commissions	2.9	2.5	12	3.1	-8	11.4	11.6	-2
Asset management commissions	18.7	16.1	16	15.4	21	68.6	60.0	14
Other commissions	1.5	1.5	2	1.3	13	5.8	4.8	21
Net commission income	23.0	20.1	14	19.9	16	85.7	76.4	12

6. Net income from financial items at fair value

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
EUR M								
Measurement category fair value via the income statement ("profit and loss")								
Shares	0.0	0.0	-80	-0.0		0.0	0.0	
Derivatives	-0.0	-0.0	12	0.0		-0.0	0.0	
Other financial items	-0.0	-100	-1.1	-100		-2.2	-1.3	68
Total, measurement category fair value via the income statement ("profit and loss")	-0.0	-0.0	-91	-1.1	-100	-2.2	-1.3	70
Valuation category fair value via other comprehensive income								
Realised changes in value	0.3	0.3	31	0.0		1.6	1.1	45
Expected loan losses	-0.0	-0.0	-15	0.0		0.0	0.0	-87
Total, measurement category fair value via other comprehensive income	0.3	0.2	33	0.1		1.6	1.1	43
Hedge accounting								
of which hedging instruments	-0.7	-1.5	-53	-0.3		-3.5	1.7	
of which hedged item	0.7	1.8	-64	0.4	49	4.2	-1.1	
Hedge accounting	-0.0	0.4	0.1			0.7	0.6	23
Measurement category accrued cost								
Loans	-0.0	-0.0		-0.0	66	-0.0	-0.7	-95
Debt securities	-0.0	-0.1	-73	-0.0	3	-0.1	-0.0	
Total, measurement category accrued cost	-0.0	-0.1	-61	-0.0	18	-0.1	-0.7	-80
Foreign currency revaluation	0.0	-0.1		0.0	-34	-0.6	-0.3	87
Total	0.3	0.4	-31	-0.9		-0.6	-0.6	-2



7. Net impairment losses on financial assets

Group	Q4 2025	Q3 2025	% 2024	Q4 2024	% 2024	Jan-Dec 2025	Jan-Dec 2024	% 2024
EUR M								
Impairment losses, Stage 1	0.2	-0.1		-0.0		0.4	-0.0	
Impairment losses, Stage 2	0.3	-0.4		0.3	24	-0.4	-0.5	-26
Net impairment losses, Stages 1-2	0.5	-0.5		0.2		0.1	-0.5	
Impairment losses, Stage 3								
New and increased individual provisions	1.0	1.4	-28	1.9	-50	6.7	8.5	-21
Recovered from previous provisions	-0.6	-0.9	-34	-0.8	-24	-5.4	-4.2	28
Utilised for actual loan losses	-0.1	-0.2	-68	-5.7	-99	-5.0	-11.1	-55
Actual loan losses	0.2	0.3	-33	5.9	-97	5.2	11.6	-55
Recoveries of actual loan losses	-0.1	-0.1	66	-0.1	58	-0.2	-0.2	0
Net impairment losses, Stage 3	0.4	0.4	-7	1.3	-72	1.4	4.6	-70
Total impairment losses	0.8	-0.1		1.5	-46	1.4	4.0	-64
<i>of which lending to the public</i>	0.7	-0.0		1.6	-55	1.4	3.8	-64
<i>of which off-balance sheet commitments</i>	0.1	-0.0		-0.0		0.2	0.1	23
<i>of which debt securities at amortised cost</i>	-0.0	-0.1	-97	-0.0	-80	-0.1	0.1	
Loan loss level, %	0.08	-0.00		0.18		0.04	0.10	

8. Lending to the public by purpose

Group	Dec 31, 2025		Dec 31, 2024		%
	Lending before provisions	Provisions	Lending after provisions	Lending after provisions	
EUR M					
Private individuals					
Home loans	1,980	-1	1,979	1,907	4
Securities and other investments	313	-0	312	316	-1
Other household purposes	350	-2	348	326	7
Business operations	59	-1	58	60	-4
Total, private individuals	2,702	-5	2,697	2,609	3
Companies					
Housing operations	289	-1	288	308	-6
Financial and insurance operations	253	-0	253	211	20
Housing association	173	-0	173	144	20
Activities in the area of law, economics, science and technology	60	-0	60	59	3
Manufacturing	38	-0	38	42	-9
Construction	38	-0	38	23	64
Transport	37	-0	36	22	64
Trade	35	-0	35	38	-8
Accommodation and food service activities	33	-0	33	29	16
Other service activities	86	-2	84	57	46
Total, companies	1,042	-4	1,038	932	11
Public sector and non-profit organisations					
Total, public sector and non-profit organisations	27	-0	27	35	-23
Total	3,771	-9	3,762	3,576	5

The comparative period has been recalculated in accordance with the new industry classification standard.



9. Lending to the public by stage

Group	Jan 1, 2025 - Dec 31, 2025				Jan 1, 2024 - Dec 31, 2024
	Stage 1	Stage 2	Stage 3	Total	
EUR M					
Carrying amount, gross					
Opening balance, January 1	3,265.3	264.4	58.4	3,588.1	3,879.2
Closing balance, December 31	3,480.9	230.0	59.7	3,770.7	3,588.1
Provisions for expected losses					
Opening balance, January 1	0.5	1.4	10.6	12.5	20.2
Increases due to issuances and acquisitions	0.2	0.2	0.1	0.5	0.4
Decrease due to write-offs	-0.1	-0.1	-5.4	-5.5	-7.0
Transfer to Stage 1	0.3	-0.3	-0.0	0.0	0.0
Transfer to Stage 2	-0.1	0.2	-0.1	0.0	0.0
Transfer to Stage 3	-0.0	-0.1	0.1	0.0	0.0
Net changes due to changed credit risk	0.6	0.2	2.9	3.6	-1.0
Net changes due to changed estimation method	-0.5	-0.6	-1.2	-2.3	0.0
Exchange rate differences and other adjustments	0.0	0.0	0.0	0.0	-0.2
Closing balance, December 31	1.0	0.9	7.0	8.9	12.5
Carrying amount, net					
Opening balance, January 1	3,264.7	263.0	47.9	3,575.6	3,859.1
Closing balance, December 31	3,479.9	229.1	52.7	3,761.8	3,575.6
Financial ratios					
			Dec 31, 2025		Dec 31, 2024
Total provision ratio, lending to the public, %			0.24		0.35
Provision ratio, Stage 1, lending to the public, %			0.03		0.02
Provision ratio, Stage 2, lending to the public, %			0.40		0.52
Provision ratio, Stage 3, lending to the public, %			11.75		18.11
Share of lending to the public in Stage 3, %			1.58		1.63



10. Debt securities issued

Group	Dec 31, 2025	Dec 31, 2024	%
EUR M			
Certificates of deposit	140	256	-45
Covered bonds	552	556	-1
Total	691	812	-15

11. Derivative instruments

Group	Dec 31, 2025					Dec 31, 2024			
	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values	Nominal amount	Positive market values	Negative market values
	Under 1 yr	1-5 yrs	over 5 yrs						
Derivatives for trading									
Interest-related contracts									
Interest rate swaps	6	6	0	0	0	0	6	0	1
Currency-related contracts									
Currency forward contracts	610			610	5	5	618	2	2
Total	610	0	6	616	5	5	624	3	2
Derivatives for fair value hedge									
Interest-related contracts									
Interest rate swaps	287	470	33	790	13	2	705	16	2
Total	287	470	33	790	13	2	705	16	2
Derivatives for cash flow hedge									
Interest-related contracts									
Interest rate swaps	642			642	7	0	770	3	0
Total	642	0	0	642	7	0	770	3	0
Total derivative instruments	1,539	470	39	2,048	26	7	2,099	22	4
<i>of which cleared</i>	<i>930</i>	<i>470</i>	<i>36</i>	<i>1,435</i>	<i>20</i>	<i>2</i>	<i>1,478</i>	<i>19</i>	<i>2</i>



12. Financial instruments measured at fair value

Group		Dec 31, 2025			Changes in Level 3 holdings		Jan-Dec 2025	Jan-Dec 2024
EUR M		Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total		Shares and participations	Shares and participations
Debt securities		580			580			
Lending to the public			148		148			
Shares and participations		1		39	39			
Derivative instruments			26		26			
Other assets				2	2			
Total financial assets		581	174	41	796	Carrying amount at end of period	38.6	35.4
Debt securities issued			552		552			
Derivative instruments			7		7			
Total financial liabilities		0	559	0	559			

Group		Dec 31, 2024			The measurement hierarchy		Financial instruments for which there is price information that is easily available and that represent actual and frequently occurring transactions are measured at current market price. For financial assets, the current purchase price is used. For financial liabilities, the current sale price is used. The current market price of groups of financial instruments that are managed on the basis of the Bank's net exposure to market risk equals the current market price that would be received or paid if the net position were divested.	
EUR M		Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total			
Debt securities		502	10		511			
Lending to the public			168		168			
Shares and participations		1		35	37			
Derivative instruments			22		22			
Other assets				5	5			
Total financial assets		503	200	40	743			
Debt securities issued			556		556			
Derivative instruments			4		4			
Total financial liabilities		0	561	0	561			



13. Off-balance sheet commitments

Group	Dec 31, 2025	Dec 31, 2024	%
EUR M			
Guarantees	25	18	39
Unutilised overdraft limits	327	346	-5
Unutilised credit card limits	89	85	4
Lines of credit	119	68	74
Other commitments	3	5	-42
Total	562	522	8
Provision for off-balance sheet commitments	0	0	60

14. Assets pledged

Group	Dec 31, 2025	Dec 31, 2024	%
EUR M			
Lending to credit institutions	3	3	15
Debt securities	41	31	32
Loan receivables constituting collateral (cover pool) for covered bonds	1,000	1,000	-0
Other assets pledged	5	4	14
Total	1,049	1,038	1

15. Offsetting of financial assets and liabilities

Group	Assets			Liabilities		
	Dec 31, 2025	Dec 31, 2024	%	Dec 31, 2025	Dec 31, 2024	%
EUR M						
Financial assets and liabilities covered by offsetting, netting or similar agreements						
Gross amount	26	22	19	37	28	32
Offset amount						
Total	26	22	19	37	28	32
Related amounts not offset						
Financial instruments, netting agreements	-2	-3	-37	-2	-3	-37
Financial instruments, collateral				-30	-23	28
Cash, collateral	-4			-1	-1	-21
Total amounts not offset	-6	-3	91	-32	-27	19
Net amount	20	18	6	5	1	

The table above report financial instruments that were offset in the balance sheet in compliance with IAS 32 and those that were covered by legally binding master netting agreements or similar agreements not qualified for netting. The financial instruments consisted of derivatives, repurchase agreements (repos) and reverse repos, securities deposits and securities loans. Collateral consisted of financial instruments or cash received or paid for transactions covered by legally binding netting agreements or similar agreements that allow netting of obligations to counterparties in case of default. The value of the collateral was limited to the related amount recognised in the balance sheet, so the excess value of collateral is not included. Amounts not offset in the balance sheet are presented as a reduction in the carrying amount of financial assets or liabilities in order to recognise the net exposure of the asset and liability.



16. Capital adequacy

Group	Dec 31, 2025	Dec 31, 2024	%
EUR M			
Equity capital	325.2	306.5	6
Foreseeable dividend	-42.3	-42.3	0
Common equity Tier 1 capital before deductions	283.0	264.3	7
Intangible assets	-18.5	-15.6	19
Deduction for excess value of pension assets	-0.4		
Non-controlling interests	-0.0	-0.0	2
Cash flow hedge	0.1	-0.8	
Net other items	-0.0	-0.0	-33
Further adjustments in value	-0.7	-0.6	14
Expected losses according to IRB approach beyond recognised losses (deficit)	-24.1	-9.5	
Common equity Tier 1 capital	239.2	237.7	1
Tier 1 capital instruments	61.0	29.4	
Additional Tier 1 capital	61.0	29.4	
Tier 1 capital	300.3	267.1	12
Supplementary capital instruments	32.3	30.5	6
Supplementary capital	32.3	30.5	6
Total capital base (own funds)	332.5	297.6	12
Capital requirement for credit risk according to the IRB approach	59.7	37.7	58
Additional capital requirement, IRB approach		13.6	-100
Capital requirement for credit risk according to standardised approach	65.9	56.4	17
Capital requirement for market risk	0.0		
Capital requirement for credit-worthiness adjustment risk	0.2	0.1	
Capital requirement for operational risk	25.2	23.7	7
Capital requirement	151.0	131.4	15

	Dec 31, 2025	Dec 31, 2024	%
Capital ratios			
Common equity Tier 1 capital ratio, %	12.7	14.5	
Tier 1 capital ratio, %	15.9	16.3	
Total capital ratio, %	17.6	18.1	
Risk exposure amount	1,888	1,643	15
<i>of which % comprising credit risk</i>	<i>83</i>	<i>82</i>	
<i>of which % comprising market risk</i>	<i>0</i>		
<i>of which % comprising creditworthiness adjustment risk</i>	<i>0</i>	<i>0</i>	
<i>of which % comprising operational risk</i>	<i>17</i>	<i>18</i>	
Requirements related to capital buffers, %	Dec 31, 2025	Dec 31, 2024	
Total common equity Tier 1 capital requirements including buffer requirements	9.1	9.3	
<i>of which common equity Pillar 1 capital requirement</i>	<i>4.5</i>	<i>4.5</i>	
<i>of which common equity Pillar 2 capital requirement</i>	<i>0.6</i>	<i>0.6</i>	
<i>of which capital conservation buffer requirement</i>	<i>2.5</i>	<i>2.5</i>	
<i>of which countercyclical capital buffer requirement</i>	<i>0.5</i>	<i>0.8</i>	
<i>of which systemic risk buffer requirement</i>	<i>1.0</i>	<i>1.0</i>	
Common equity Tier 1 capital available to be used as a buffer	12.7	14.5	



Exposure class		Dec 31, 2025			
EUR M		Gross exposure	Exposure at default	Risk weight %	Risk exposure amount
Credit risk according to the IRB approach					Capital requirement
Without own LGD estimates					
Corporate, other large companies	278.5	224.8	49	109.9	8.8
Corporate, small and medium sized companies	255.0	191.0	50	96.4	7.7
Using own LGD estimates					
Retail with property as collateral (not small- and medium-sized companies)	1,790.4	1,781.2	18	326.2	26.1
Retail with property as collateral (small and medium-sized companies)	131.2	129.7	54	69.6	5.6
Retail, other (not small- and medium-sized companies)	247.6	245.3	47	115.0	9.2
Retail, other (small and medium-sized companies)	71.2	69.8	41	28.7	2.3
Total exposures according to IRB approach	2,774.0	2,641.9	28	745.8	59.7

	Dec 31, 2025			
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount
	Capital requirement			
Credit risk according to standardised approach				
Central government and central banks	289.7	370.5	0	0,0
Regional governments or local authorities	29.9	82.7	0	0,0
Public sector entities	76.0	76.0	0	0,0
Multilateral development banks	78.6	86.2	2	1.4
International organisations	15.4	15.4	0	0,0
Institutions	227.4	179.8	24	43.1
Covered bonds	646.0	646.0	10	67.3
Corporates	247.6	52.9	99	52.3
Retail	427.3	197.5	96	189.9
Secured by mortgages on immovable property	695.0	693.0	30	204.9
Exposures in default	9.7	8.9	112	10.0
Collective investment undertakings	0.8	0.8	137	1.2
Equity exposures	67.5	67.5	250	168.8
Other exposures	97.6	97.6	87	85.0
Total exposures according to standardised approach	2,908.5	2,574.6	32	823.9
Total risk exposure amount, credit risk	5,682.5	5,216.5	30	1,569.8
				125.6



Exposure class		Dec 31, 2024				
EUR M		Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to the IRB approach						
Without own LGD estimates						
Corporate, other large companies	198.5	172.0	57	97.9	7.8	
Corporate, small and medium sized companies	285.0	258.1	51	131.1	10.5	
Using own LGD estimates						
Retail with property as collateral (not small- and medium-sized companies)	1,817.3	1,805.2	10	174.5	14.0	
Retail with property as collateral (small and medium-sized companies)	122.8	119.2	23	26.9	2.2	
Retail, other (small and medium-sized companies)	330.6	268.9	13	34.1	2.7	
Retail, other (not small- and medium-sized companies)	32.6	32.0	19	6.2	0.5	
Total exposures according to IRB approach	2,786.9	2,655.4	18	470.7	37.7	

Dec 31, 2024					
	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to standardised approach					
Central government and central banks	310.1	387.3	0	0,0	0,0
Regional governments or local authorities	60.4	100.9	0	0,0	0,0
Public sector entities	28.2	28.2	0	0,0	0,0
Multilateral development banks	81.6	87.7	1	1.0	0.1
International organisations	4.0	4.0	0	0,0	0,0
Institutions	183.3	148.2	26	37.8	3.0
Covered bonds	546.5	546.5	10	56.7	4.5
Corporates	580.9	230.7	90	207.2	16.6
Retail	247.5	77.2	73	56.2	4.5
Secured by mortgages on immovable property	518.1	518.0	32	165.9	13.3
Exposures in default	6.3	5.3	122	6.5	0.5
Collective investment undertakings	1.2	1.2	139	1.7	0.1
Equity exposures	42.3	42.3	174	73.5	5.9
Other exposures	107.9	107.9	91	98.1	7.8
Total exposures according to standardised approach	2,718.5	2,285.4	31	704.7	56.4
Total risk exposure amount, credit risk	5,505.4	4,940.8	24	1,175.4	94.0

Leverage ratio	Dec 31, 2025	Dec 31, 2024	%
EUR M			
Tier 1 capital	300.3	267.1	12
Total exposure measure	5,285.8	5,032.8	5
<i>of which balance sheet items</i>	5,151.1	4,952.5	4
<i>of which off-balance sheet items</i>	134.7	80.4	68
Leverage ratio, %	5.7	5.3	

The leverage ratio was calculated according to the situation at the end of the period. Tier 1 capital included profit for the period.

**17. Share-related information**

Group	Dec 31, 2025			Dec 31, 2024		
	A shares	B shares	Total	A shares	B shares	Total
thousands						
Number of shares outstanding at beginning of period	6,476	8,891	15,367	6,476	8,832	15,308
Number of shares issued		11	11		59	59
Total shares outstanding at end of period	6,476	8,901	15,377	6,476	8,891	15,367
Total shares outstanding at end of period after dilution	6,476	9,003	15,480	6,476	9,016	15,492

Group	Dec 31,	Dec 31,	%
	2025	2024	
Equity capital per share, EUR	21.16	19.95	6
Closing price per Series A share, EUR	46.20	35.00	32
Closing price per Series B share, EUR	45.10	33.10	36
Market capitalisation, EUR M	701	521	34
Market capitalisation/shareholders' portion of equity capital, %	215	170	

Group	Q4	Q3	%	Q4	%	Jan-Dec	Jan-Dec	%
	2025	2025		2024		2025	2024	
thousands								
Average number of shares outstanding	15,377	15,377		15,361	0	15,375	15,341	0
Average number of shares outstanding after dilution	15,457	15,460	-0	15,429	0	15,457	15,429	0
Earnings per share, EUR	0.84	0.85	-1	0.80	5	3.55	3.41	4
Earnings per share after dilution, EUR	0.84	0.85	-1	0.80	5	3.53	3.39	4
Earnings per share, rolling 12 months, EUR	3.55	3.51	1	3.41	4			



Sustainability

The Bank of Åland's estimate of greenhouse gas emissions in the form of carbon dioxide equivalents (CO₂e) is compiled in accordance with the Greenhouse Gas Protocol (GHG) and encompasses Scope 1, 2 and 3.

See the CSRD- and ESRS-compliant Sustainability Report in the 2024 Annual Report for descriptions of the methodology used in calculations of greenhouse gas emissions for further information.

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
Greenhouse gases, tonnes of CO₂e								
Scope 1								
Emissions from owned or controlled resources	2	2	-7	1	31	6	6	-6
Total Scope 1	2	2	-7	1	31	6	6	-6
Scope 2¹								
Energy-related emissions	14	3		15	-9	44	49	-10
<i>of which from electricity according to the market-based method</i>								
Alternatively, emissions from electricity according to location-based method subtracted from Nordic Average Mix	25	24	2	33	-25	93	131	-29
Total Scope 2 (market-based)	14	3		15	-9	44	49	-10
Scope 3 upstream								
Purchased goods and services ²	682	500	36	2,623	-74	4,459	9,321	-52
Capital goods	16	10	66	8		46	36	29
Fuel and energy-related activities	3	1		3	-9	9	10	-10
Transport and distribution	60	59	3	71	-15	248	300	-17
Waste generated by own operations	0	1	-65	1	-72	3	4	-16
Business travel	286	130		216	32	797	722	10
Leased assets	30	16	81	23	26	101	119	-15
Total Scope 3 upstream	1,077	716	50	2,945	-63	5,663	10,511	-46
Total greenhouse gases, own business operations								
	1,093	721	51	2,961	-63	5,712	10,566	-46

¹ Since the Bank of Åland buys 100 per cent carbon dioxide-free electricity, the electricity purchased is offset to zero CO₂e according to the market-based method. Electricity according to the location-based method is specified on a separate line and is not included in the summary. Historical comparative figures have been recalculated, because new information regarding electricity consumption has been added.

² Calculation of CO₂e emissions for the renovation and expansion of the Head Office in Mariehamn is based on a standard estimate of the quantity of material purchases.

Group	Dec 31, 2025	Sep 30, 2025	%	Dec 31, 2024	%
Scope 3, downstream, current situation on annual basis (tonnes of CO₂e)					
Loan portfolio Scope 1 and 2 ¹	244,520	213,232	15	196,907	24
Financial investments Scope 1, 2 and 3 ²	3,797,776	3,313,619	15	2,786,511	36
Treasury Scope 1, 2 and 3 ³	71,179	66,948	6	42,654	67
Total, Scope 3, downstream	4,113,475	3,593,800	14	3,026,072	36

¹ The Bank of Åland's model provides a rough estimate of the loan portfolio's CO₂e emissions. The model is not exact enough to be used for comparisons with other banks. Data for all impact areas for the loan portfolio (Scope 3 downstream from the perspective of the loan portfolio) are still not available, and zero is thus reported.

² The emission calculations for financial investments include shares, bonds, funds, physical properties and wind farms. Cash and cash equivalents, derivative contracts, commercial paper, residential properties lacking energy certificates and plots of land are excluded from the emission calculations. Emissions in the investments are ownership-weighted per holding on the final banking day of the quarter. In addition, portfolio companies' most recent reported carbon emissions data are used to calculate the share of owned emissions. Reported emission data have primarily been used, and estimated emission data secondarily. Historical comparative figures have been recalculated. A description of the methodology and historical comparative figures can be found in the Sustainability Report in the 2024 Annual Report.

³ The emission calculations for the Treasury portfolio include cash positions in central banks as well as bonds. The emissions by the issuers of investments are ownership-weighted based on the Bank of Åland's holdings on December 31, 2025. Emission data have been obtained from the issuers' annual and sustainability reports as of December 31, 2024. In cases where emissions data are not available from published sources, Treasury has produced estimates according to PCAF's suggested method, where the estimate is based on economic activity data. Figures for comparative periods have been recalculated in cases where the issuers have revised their emission figures. The methodology and historical comparative figures can be found in the Sustainability Report in the 2024 Annual Report.

Group	Q4 2025	Q3 2025	%	Q4 2024	%	Jan-Dec 2025	Jan-Dec 2024	%
Energy consumption, MWh⁴								
<i>of which renewable, %</i>	525	522	0	473	11	2,007	1,876	7
	100	100		100		100	100	

⁴ Historical comparative figures have been recalculated whenever new information has been added.

Definitions

Actively managed assets

Managed assets in the Bank's own mutual funds plus securities custodial accounts with discretionary and advisory asset management agreements and external funds with contractual earnings.

Capital Cover Ratio

Own funds divided by risk exposure amount.

CO₂

Chemical designation for carbon dioxide.

CO₂e

Carbon dioxide equivalents, collective term for the environmental impact of the most common greenhouse gases recalculated into carbon dioxide.

Common equity Tier 1 (CET1) capital

Equity capital excluding proposed dividend, deferred tax and intangible assets and certain other adjustments according to the European Union's Capital Requirements Regulation No. 575/2013 (CRR).

Common equity Tier 1 capital ratio

Common Equity Tier 1 (CET1) capital divided by risk exposure amount.

Customer satisfaction index (CSI)

The customer survey includes various questions that summarise how satisfied customers are with the Bank of Åland's overall service offering. The score shows the overall ranking in the survey, with a low figure corresponding to higher customer satisfaction. Official scores are not available for the Bank's Swedish operations.

Earnings per share, EUR

Shareholders' portion of earnings for the period divided by the average number of shares.

Engagement Index

A measure of employee motivation and loyalty at the Bank of Åland. Calculated on the basis of nine standard categories from our measurement tool that describe what employees need in order to remain committed and motivated. Bank of Åland's target is a score above 7.0.

Equity capital per share, EUR

Shareholders' portion of equity capital divided by number of shares less own shares on closing day.

Expense/income ratio

Total expenses divided by total income.

Gross share of lending to the public in Stage 3

Gross lending to the public in Stage 3, divided by lending to the public before provisions for impairment losses.

Interest margin

Interest margin is interest on interest-bearing assets divided by the average balance of assets minus interest on interest-bearing liabilities divided by the average balance of liabilities. Average balance is calculated as the average of end-of-month figures for the period in question plus the opening balance for the period.

Investment margin

Investment margin is net interest income divided by the average balance sheet total.

Leadership index

A measure of employees' perception of leadership at the Bank of Åland. Calculated on the basis of questions about trust, cooperation, communication, feedback and support. The Bank's target is to achieve a score above the industry level. The industry level in Q2 2025 is 8.3.

Level of provisions for lending to the public in Stage 3

Provisions for impairment losses in Stage 3 as a percentage of gross lending to the public in Stage 3.

Leverage ratio

The ratio of Tier 1 capital to the balance sheet total plus certain off-balance sheet items recalculated using conversion factors defined in the standardised approach.

Liquidity coverage ratio (LCR)

High-quality liquid assets as a percentage of estimated net liquidity outflow during a 30-day period.

Loan/deposit ratio

Lending to the public divided by deposits from the public.

Loan loss level

Net impairment losses on net financial assets in lending to the public divided by lending to the public at the beginning of the period.

Managed mortgage loans

Total mortgage loan volume in Borgo AB (publ) that the Bank of Åland manages through various services.

Market capitalisation/shareholders' portion of equity

Share price at the end of the reporting period as a percentage of shareholders' portion of equity capital on closing day.

Net promoter score (NPS)

The propensity to recommend the Bank of Åland. Calculated on a scale from 0-10 where the proportion of negative responses (0-6) is subtracted from the proportion of positive responses (9-10). Our target is more than 50.

Net stable funding ratio (NSFR)

Available stable funding as a percentage of necessary stable funding.

Own funds (replaces capital base concept)

Total of Tier 1 capital and Tier 2 (supplementary) capital.

Return on equity after taxes (ROE)

Profit for the report period attributable to shareholders divided by average shareholder's portion of equity capital.

Risk exposure amount

Assets and off-balance sheet commitments, risk-weighted according to capital adequacy regulations for credit risk and market risk. Operational risks are calculated and expressed as risk exposure.

Tier 1 capital

Common equity Tier 1 (CET1) capital including certain loss-absorbing subordinated debentures ("additional Tier 1 capital").

Tier 2 (supplementary) capital

Mainly subordinated debentures that do not meet requirements to be included as additional Tier 1 capital.