

INTERIM REPORT for the period January -

15.08.2003

1472Bank of Åland Plc STOCK EXCHANGE RELEASE 15.08.2003 09.00 hrs INTERIM REPORT for the period January - June 2003 Earnings During the report period, consolidated income from financial operations amounted to EUR 14.8 million. This was EUR 1.0 M or 6.7 per cent lower than during the same period of 2002. The lower income from financial operations was attributable to narrowing customer margins due to increasingly tough competition as well as to poorer return on the Bank's core capital as a consequence of the low prevailing interest rates. Dividend income amounted to EUR 0.7 M, which was equivalent to the year-earlier level. Commission income decreased by EUR 0.8 M to EUR 4.9 M. Net income from the Bank's own securities trading rose by EUR 0.4 M to EUR 0.5 M. Net income on foreign exchange dealing, EUR 0.4 M, amounted to the year-earlier level. Other operating income rose by EUR 1.8 M to EUR 2.5 M. This included income from the sale of banking computer systems. Total income net income from financial operations and other income rose by EUR 0.3 M to EUR 23.8 M. New staff recruitments and salary adjustments in compliance with collective agreements raised staff costs by EUR 0.5 M to EUR 8.7 M. Other administrative expenses (office costs, marketing, telecommunications and computer costs) fell by EUR 0.6 M to EUR 3.9 M, mainly due to lower marketing costs. Depreciation fell by EUR 0.3 M to EUR 1.2 M and other operating expenses declined by EUR 0.2 M to EUR 1.8 M. Total expenses including planned depreciation fell by EUR 0.3 M to EUR 16.4 M. Net loan losses amounted to EUR 0.02 M (recovery) during the report period, compared to EUR 0.15 M (loss) in the same period last year. Taken together, this caused net operating profit to rise by EUR 0.9 M to EUR 7.7 M. Return on equity for the report period was 15.6 per cent. The Bank thus yielded a return on its shareholders' equity at a level about 12.5 percentage points higher than five-year bond yields. Deposits Deposits from the public, including bonds issued and certificates of deposit, rose during the 12 months to June 30, 2003 by 2.5 per cent to EUR 1,355 M (1,322). Deposit accounts rose by 1.2 per cent to EUR 1,085 M (1,072). During the year, the Bank floated bond issues with a nominal value of EUR 27.8 M. Lending During the 12 months to June 30, 2003, the Bank's volume of lending to the public increased by 9.0 per cent to EUR 1,275 M (1,169). Most of the increase went towards residential financing. During the report period, total lending volume rose by EUR 14.9 M or 1.2 per cent. Private households accounted for 68.2 (66.9) per cent of the Bank's total loans outstanding. Personnel At the end of June 2003, the number of employees recalculated as full-time equivalents was 372, compared to 363 on the same date in 2002, that is, an increase of 9 positions. Insider rules The Bank has accepted the Helsinki Stock Exchange's insider regulations and has established trading restrictions by which a Bank insider is not entitled to trade in the Bank's securities during a period of 14 days before publication of the Bank's annual accounts or Interim Report. Increase in share capital On June 27, 2003 (recorded in the Finnish Trade Register on August 13, 2002), the share capital of the Bank increased by EUR 1,563,966.07, equivalent to 775,132 new Series B shares, which increased the equity capital of the Bank by EUR 11,486,621.22. Of the new Series B shares, 772,100 were subscribed by Aktia Savings Bank (Aktia Sparbank Abp), which exercised the warrants it had previously purchased. After the increase in share capital, Aktia Savings Bank's holding amounted to 8.97 per cent of share capital and 2.72 per cent of voting power in the Bank of Åland Plc (Ålandsbanken Abp). Capital adequacy The Group's capital adequacy according to the Credit Institutions Act: Jun 30, 2003 Jun 30, 2002 Dec 31, 2002 Capital base, EUR M Core capital 86.7 73.5 73.3 Supplementary capital 20.3 23.2 23.2 Total capital base 107.0 96.8 96.5 Risk-weighted volume, EUR M 886.4 838.7 879.4 Total capital ratio, % 12.1 11.5 11.0 Core capital as % of risk-weighted volume 9.8 8.8 8.3 Profit for the report period is not included in core capital. Nonperforming loans, EUR M Jun 30, 2003 Jun 30, 2002 Dec 31, 2002 2.4 2.3 2.0 Nonperforming loans amounted to 0.2 per

cent of total loans and contingent liabilities. Financial ratios Jun 30, 2003 Jun 30, 2002 Dec 31, 2002
Net operating profit per share, EUR 1 0.51 0.48 1.00 Equity capital per share, EUR 8.75 8.18 8.69
Income/expense ratio before loan losses 1.47 1.42 1.45 after loan losses 1.47 1.41 1.42 1 Net
operating profit minus imputed taxes/Average number of shares, adjusted for new issue 2 Equity
capital and reserves minus imputed taxes/Number of shares on balance sheet date, adjusted for new
issue Bank of Åland and Aktia to initiate partnership On May 26, 2003, Finland's Aktia Savings Bank
and the Bank of Åland signed a letter of intent regarding the establishment of a joint resources
company, to which the banks intend to outsource part of their administrative functions and capital
market operations. At the same time, Aktia intends to change its systems supplier by purchasing a
licence for the Bank of Åland banking computer system. The Bank of Åland is selling a licence that
entitles Aktia to use the banking computer system of the Bank of Åland, including the Internet banking
facility. The joint objective of the banks is to conclude a final agreement this year and that Aktia will
place the system in operation during the second quarter of 2006. The value of the contract for
delivery of the banking computer system is expected to exceed EUR 30 M. Forecast for the year Due
to tough competition and falling interest rates, net income from financial operations will not reach the
level of recent years. Other income from banking operations and other expenses are not expected to
undergo significant changes. Loan losses are projected to remain at a low level. Any new licensing
income, or the licensing income from the above-mentioned sale of banking computer systems, has not
been taken into account. Mariehamn, Åland, August 15, 2003 THE BOARD OF DIRECTORS Statement of
opinion We have conducted a review of the Interim Report of the Bank of Åland Plc (Ålandsbanken
Abp) for the period January 1 June 30, 2003. This review included an analytical examination of the
balance sheet and income statement items in the Interim Report. Such a review is significantly more
limited in scope than a statutory audit. Nothing has emerged that indicates that the Interim Report
does not fulfil the regulations in force. Mariehamn, August 15, 2003 Leif Hermans Authorised Public
Accountant Per-Olof Johansson Authorised Public Accountant Marja Tikka Authorised Public Accountant
INCOME STATEMENT (EUR M) The Group 1-6/03 1-6/02 1-12/02 Net income from financial operations
14.8 15.8 31.5 Income from investment in form of equity capital 0.7 0.7 0.8 Commission income 4.9
5.7 10.5 Net income from securities trans- actions and foreign exchange dealing 0.9 0.5 1.2 Other
operating income 2.5 0.7 3.9 TOTAL INCOME 23.8 23.5 47.9 Commission expenses -0.8 -0.6 -1.2 Staff
costs -8.7 -8.2 -16.4 Other administrative expenses -3.9 -4.5 -8.9 Depreciation -1.2 -1.5 -2.9 Other
operating expenses -1.8 -2.0 -3.9 TOTAL EXPENSES -16.4 -16.7 -33. 2 Loan and guarantee losses 0.0
-0.2 -0.7 Write-downs in securities held as financial fixed assets 0.0 0.0 0.0 Share in operating results
of company consolidated according to equity method 0.2 0.2 0.3 NET OPERATING PROFIT 7.7 6.8 14.2
PROFIT BEFORE APPRO- PRIATIONS AND TAXES 7.7 6.8 14.2 Income taxes -2.2 -2.0 -4.2 Share of profit
for the financial year attributable to minority interests -0.1 -0.2 -0.3 Profit for the year 5.4 4.6 9.7
BALANCE SHEET (EUR M) The group 06/03 06/02 12/02 ASSETS Cash 62 61 89 Claims usable as
collateral at central bank 205 168 176 Claims on credit institutions 220 207 202 Claims on the public
and public sector entities 1,275 1,169 1,260 Leasing assets 1 1 1 Debt securities 11 32 26 Shares and
participations 17 16 16 Shares and participations in associ- ated companies and subsidiaries 2 2 2
Intangible assets 4 5 4 Tangible assets 14 15 15 Other assets 28 14 11 Accrued income and
prepayments 7 10 11 TOTAL ASSETS 1,846 1,700 1,813 LIABILITIES AND EQUITY CAPITAL Liabilities
Liabilities to credit institutions and central banks 131 110 112 Lia bilities to the public and public
sector entities 1,091 1,078 1,101 Debt securities issued to the public 447 348 433 Other liabilities 22
22 24 Accrued expenses and deferred income 18 20 16 Subordinated liabilities 25 22 22 Imputed
taxes due 7 7 7 Minority share of capital 0 1 0 Equity capital Share capital 21 20 20 New share issue
11 Share premium reserve 15 14 14 Reserve fund 25 25 25 Capital loan 10 10 10 Profit brought
forward 18 18 18 Other equity capital 5 5 10 TOTAL LIABILITIES AND EQUITY CAPITAL 1,846 1,700
1,813 OFF-BALANCE SHEET COMMITMENTS 102 87 93 INCOME STATEMENT (EUR M) Bank of Åland Plc
1-6/03 1-6/02 1-12/02 Net income from financial operations 14.6 15.7 31.3 Income from investment in
form of equity capital 2.0 1.0 1.0 Commission income 4.0 4.3 8.2 Net income from securities trans-

actions and foreign exchange dealing 0.9 0.5 1.1 Other operating income 2.5 0.7 3.9 TOTAL INCOME
 24.1 22.2 45.6 Commission expenses -0.5 -0.6 -1.0 Staff costs -8.4 -7.9 -15.8 Other administrative
 expenses -3.8 -4.3 -8.7 Depreciation -1.2 -1.4 -2.8 Other operating expenses -1.8 -1.9 -3.8 TOTAL
 EXPENSES -15.7 -16.2 -32.1 Loan and guarantee losses 0.0 0.1 -0.5 Write-downs in securities held as
 financial fixed assets 0.0 0.0 0.4 NET OPERATING PROFIT 8.4 6.1 13.3 PROFIT BEFORE APPROPRIATIONS AND TAXES 8.4 6.1 13.3 Provisions 0.0 0.0 0.7 Income taxes -2.4 -1.8 -4.0 Profit for the
 year 6.0 1.3 10.0 BALANCE SHEET (EUR M) 06/03 06/02 12/02 Bank of Åland Plc ASSETS Cash 62 61 89
 Claims usable as collateral at central bank 205 168 176 Claims on credit institutions 220 207 202
 Claims on the public and public sector entities 1,275 1,169 1,260 Leasing assets 1 1 1 Debt securities
 11 31 26 Shares and participations 16 15 16 Shares and participations in associated companies and
 subsidiaries 3 2 3 4 4 Intangible assets 14 15 4 Tangible assets 27 14 15 Other assets 11 Accrued
 income and prepayments 7 10 10 TOTAL ASSETS 1,845 1,698 1,812 LIABILITIES AND EQUITY CAPITAL
 Liabilities Liabilities to credit institutions and central banks 131 110 111 Liabilities to the public and
 public sector entities 1,091 1,079 1,102 Debt securities issued to the public 448 348 434 Other
 liabilities 22 22 24 Accrued expenses and deferred income 18 19 16 Subordinated liabilities 25 22 22
 Imputed taxes due Accumulated appropriations Provisions 23 23 23 Equity capital Share capital 21 20
 20 New share issue 11 Share premium reserve 15 14 14 Reserve fund 25 25 25 Capital loan 10 10 10
 Profit brought forward 0 Other equity capital 6 4 10 TOTAL LIABILITIES AND EQUITY CAPITAL 1,845
 1,698 1,812 OFF-BALANCE SHEET COMMITMENTS 107 92 93 INCOME STATEMENT (EUR M) Q2 Q1 Q4
 Q3 Q2 The Group 2003 2003 2002 2002 2002 Net income from financial operations 7.4 7.4 7.6 8.1 8.0
 Income from investment in form of equity capital 0.4 0.3 0.0 0.0 0.4 Commission income 2.6 2.3 2.4
 2.3 3.1 Net income from securities transactions and foreign exchange dealing 0.4 0.5 0.6 0.1 -0.8
 Other operating income 1.8 0.7 2.0 1.3 0.3 TOTAL INCOME 12.6 11.2 12.6 11.8 11.1 Commission
 expenses -0.4 -0.4 -0.3 -0.3 -0.3 Staff costs -4.5 -4.2 -4.1 -4.1 -4.1 Other administrative expenses -2.1
 -1.8 -2.5 -1.9 -2.5 Depreciation -0.6 -0.7 -0.7 -0.7 -0.7 Other operating expenses -0.9 -1.0 -1.0 -0.9 -1.0
 TOTAL EXPENSES -8.4 -7.9 -8.6 -7.9 -8.7 Loan and guarantee losses 0.0 0.1 -0.6 0.0 -0.1 Write-downs
 in securities held as financial fixed assets 0.0 0.0 0.0 0.0 0.0 Share in operating results of company
 consolidated according to equity method 0.1 0.2 0.1 0.1 0.1 NET OPERATING PROFIT 4.2 3.5 3.6 4.0
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