

INTERIM REPORT for the period January -

26.04.2002

Bank of Åland Plc STOCK EXCHANGE RELEASE 26.04.2002 09.00 hrs INTERIM REPORT for the period January - March 2002 Earnings During the report period, consolidated income from financial operations amounted to EUR 7.8 million. The main reason for the decline in earnings was that the margin between interest rates on deposits and lending narrowed, due to the low interest rate situation. Tough competition also further squeezed customer margins. Dividend income amounted to EUR 0.3 M. Commission income rose by EUR 0.3 M or 15.0 per cent to EUR 2.6 M. Net income from the Bank's own securities trading amounted to EUR 1.0 M, while net income on foreign exchange dealing totalled EUR 0.2 M. Other operating income amounted to EUR 0.4 M. Total income - net income from financial operations and other income - rose by 2.2 per cent or EUR 0.2 M to EUR 12.3 M. New staff recruitments and salary adjustments in compliance with collective agreements raised staff costs by 7.8 per cent or EUR 0.3 M to EUR 4.1 M. Other administrative expenses (office costs, marketing, telecommunications and computer costs) rose by EUR 0.1 M to EUR 2.0 M. Depreciation of EUR 0.7 M and other operating expenses of EUR 1.0 M were equivalent to year-earlier levels. Total expenses including planned depreciation rose by EUR 0.2 M or 2.6 per cent to EUR 8.0 M. Net loan losses amounted to EUR 0.04 M during the report period. Taken together, this caused net operating profit to increase by EUR 0.1 M to EUR 4.4 M. Return on equity for the report period was 19.3 per cent. The Bank of Åland thus yielded a return on its shareholders' equity at a level about 15 percentage points higher than five-year bond yields. Deposits Deposits from the public, including bonds issued and certificates of deposit, increased during the 12 months to March 31, 2002 by 0.5 per cent to EUR 1,328 M. Deposit accounts rose by 5.1 per cent to EUR 1,180 M. During the report period, deposit accounts declined by EUR 16.2 or 1.5 per cent. During the year, the Bank floated two bond issues (Bank of Åland 1-year Nokia/UPM-Kymmene reverse bond and Global 2007 5-year share index loan) with a nominal value of EUR 12.5 M. Lending During the 12 months to March 31, 2002, the Bank's volume of lending to the public increased by 9.6 per cent to EUR 1,132 M. Most of the increase went towards residential financing. During the report period, total lending volume rose by EUR 22.5 M or 2.0 per cent. Private households accounted for 65.7 (63.4) per cent of the Bank's total loans outstanding. Personnel At the end of March 2002 the number of employees, recalculated as full-time equivalents, was 361, compared to 345 on the same date in 2001, that is, an increase of 16 positions. Insider rules The Bank's Board of Directors has accepted the Helsinki Stock Exchange's insider regulations and has meanwhile established trading restrictions concerning the Bank's securities, 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. Capital adequacy The Group's capital adequacy according to the Credit Institutions Act: Mar 31, 2002 Mar 31, 2001 Dec 31, 2001 Capital base, EUR M Core capital 73.2 70.2 72.4 Supplementary capital 27.7 31.2 28.2 Total capital base 100.9 101.4 100.5 Risk-weighted volume, EUR M 835.3 772.3 804.2 Total capital ratio, % 12.1 13.1 12.5 Core capital ratio as % of risk-weighted volume 8.8 9.1 9.0 Profit for the report period is not included in core capital. Nonperforming loans, EUR M Mar 31, 2002 Mar 31, 2001 Dec 31, 2001 2.7 2.6 2.6 Nonperforming loans amounted to 0.2 per cent of total loans and contingent liabilities. Financial ratios etc Mar 31, 2002 Mar 31, 2001 Net operating profit per share, EUR 1) 0.31 0.30 Equity capital per share, EUR 2) 8.04 7.81 Income/expense ratio - before loan losses 1.55 1.55 - after loan losses 1.55 1.55 1 Net operating profit minus imputed taxes / Average number of shares, adjusted for new issue 2 Equity capital and reserves minus imputed taxes on reserves and accumulated profit for the year / Number of shares on balance sheet date, adjusted for new issue Forecast for the year Income from financial operations and other income are expected to reach an acceptable level despite tough

competition. Staff costs and other expenses will increase, mainly due to new recruitments and investments in new technology. Loan losses are projected to remain at a low level. Taken together, this should lead to satisfactory earnings in 2002. Mariehamn, Åland, Finland, April 26, 2002

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 - March 31, 2002. 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, April 26, 2002

Leif Hermans Authorised Public Accountant Per-Olof Johansson Authorised Public Accountant Marja Tikka Authorised Public Accountant

INCOME STATEMENT (EUR M) The Group 1-3/02 1-3/01 1-12/01

| | | | |
|---|-------------|-------------|--------------|
| Net income from financial operations | 7.8 | 8.5 | 33.4 |
| Income from investment in form of equity capital | 0.3 | 0.2 | 0.6 |
| Commission income | 2.6 | 2.3 | 8.9 |
| Net income from securities transactions and foreign exchange dealing | 1.2 | 0.5 | 2.0 |
| Other operating income | 0.4 | 0.6 | 2.8 |
| TOTAL INCOME | 12.3 | 12.1 | 47.8 |
| Commission expenses | -0.3 | -0.3 | -1.2 |
| Staff costs | -4.1 | -3.8 | -15.5 |
| Other administrative expenses | -2.0 | -1.9 | -8.2 |
| Depreciation | -0.7 | -0.7 | -2.8 |
| Other operating expenses | -1.0 | -1.0 | -3.5 |
| TOTAL EXPENSES | -8.0 | -7.8 | -31.2 |
| Loan and guarantee losses | 0.0 | 0.0 | -0.1 |
| Share in operating results of company consolidated according to equity method | 0.1 | 0.0 | 0.8 |
| NET OPERATING PROFIT | 4.4 | 4.3 | 17.4 |

BALANCE SHEET (EUR M) The group 3/01 3/00 12/01

| | | | |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Cash | 59 | 62 | 40 |
| Claims usable as collateral at central bank | 169 | 218 | 216 |
| Claims on credit institutions | 243 | 195 | 235 |
| Claims on the public and public sector entities | 1,132 | 1,032 | 1,109 |
| Leasing assets | 1 | 1 | 1 |
| Debt securities | 31 | 25 | 26 |
| Shares and participations | 16 | 15 | 15 |
| Shares and participations in associated companies and subsidiaries | 2 | 1 | 2 |
| Intangible assets | 5 | 4 | 5 |
| Tangible assets | 15 | 16 | 15 |
| Other assets | 24 | 20 | 9 |
| Accrued income and prepayments | 12 | 17 | 12 |
| Other | 0 | 2 | 0 |
| TOTAL ASSETS | 1,708 | 1,607 | 1,686 |
| LIABILITIES AND EQUITY CAPITAL | | | |
| Liabilities to credit institutions and central banks | 86 | 102 | 96 |
| Liabilities to the public and public sector entities | 1,086 | 1,035 | 1,103 |
| Debt securities issued to the public | 364 | 294 | 319 |
| Other liabilities | 34 | 43 | 29 |
| Accrued expenses and deferred income | 16 | 15 | 12 |
| Subordinated liabilities | 22 | 22 | 22 |
| Imputed taxes due | 7 | 6 | 7 |
| Equity capital | | | |
| Share capital | 20 | 20 | 20 |
| Share premium reserve | 14 | 13 | 13 |
| Revaluation reserve | 0 | 1 | 0 |
| Reserve fund | 25 | 25 | 25 |
| Capital loan | 10 | 10 | 10 |
| Profit brought forward | 18 | 16 | 16 |
| Other equity capital | 4 | 4 | 13 |
| TOTAL LIABILITIES AND EQUITY CAPITAL | 1,708 | 1,607 | 1,686 |

OFF-BALANCE SHEET COMMITMENTS 87 88 87

INCOME STATEMENT (EUR M) KV I KV IV KV III KV II KV I

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| The Group 2002 2001 2001 2001 2001 | | | | | |
| Net income from financial operations | 7.8 | 8.2 | 8.3 | 8.4 | 8.5 |
| Income from investment in form of equity capital | 0.3 | 0.0 | 0.0 | 0.4 | 0.2 |
| Commission income | 2.6 | 2.7 | 1.9 | 2.1 | 2.3 |
| Net income from securities transactions and foreign exchange dealing | 1.2 | 1.2 | 0.0 | 0.3 | 0.5 |
| Other operating income | 0.4 | 1.3 | 0.5 | 0.5 | 0.6 |
| TOTAL INCOME | 12.3 | 13.5 | 10.6 | 11.7 | 12.1 |
| Commission expenses | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 |
| Staff costs | -4.1 | -3.9 | -3.9 | -3.9 | -3.8 |
| Other administrative expenses | -2.0 | -2.5 | -1.7 | -2.1 | -1.9 |
| Depreciation | -0.7 | -0.7 | -0.7 | -0.7 | -0.7 |
| Other operating expenses | -1.0 | -1.1 | -0.8 | -0.5 | -1.0 |
| TOTAL EXPENSES | -8.0 | -8.6 | -7.4 | -7.4 | -7.8 |
| Loan and guarantee losses | 0.0 | -0.7 | 0.0 | 0.6 | 0.0 |
| 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 | 0.0 | 0.8 | 0.0 | 0.0 |
| NET OPERATING PROFIT | 4.4 | 4.2 | 4.0 | 4.9 | 4.3 |