

# Release on items of business dealt with at the Annual General Meeting of the Bank of Åland Plc (Ålandsbanken Abp) on April 16, 2015

28.04.2015

Bank of Åland Plc

Interim Report

April 28, 2015, 9.00 am

## Interim Report for the period January–March 2015

"The Bank of Åland reported its best-ever net operating profit, excluding nonrecurring income, for a single quarter: EUR 9.4 million. All business areas continued to strengthen their earnings, and consolidated return on equity after taxes amounted to 15.9 per cent.

"Our operations in Sweden showed continued good volume and earnings growth, and profitability in this business area is approaching the levels we already have in the Finnish Mainland and Åland business areas.

"Despite the Bank's positive earnings trend, it is essential to understand that today's volatile capital markets and the many sources of concern that exist in our surroundings can rapidly change the operating conditions of banks and the capital markets for the worse."

Peter Wiklöf, Managing Director

## January–March 2015 compared to January–March 2014

- Net operating profit improved by EUR 7.1 M to EUR 9.4 M (2.3).
- Profit for the period attributable to shareholders improved by EUR 6.3 M to EUR 7.7 M (1.4).
- Net interest income increased by 7 per cent to EUR 12.7 M (11.9).
- Net commission income increased by 20 per cent to EUR 12.9 M (10.7).
- Total expenses decreased by 7 per cent to EUR 22.8 M (24.6).
- Net impairment losses on loans (including recoveries) decreased by 78 per cent to EUR 0.2 M (0.9), equivalent to a loan loss level of 0.02 (0.11) per cent.
- Return on equity after taxes (ROE) increased to 15.9 per cent (3.2).
- Earnings per share amounted to EUR 0.54 (0.10).
- The core Tier 1 capital ratio amounted to 11.3 per cent (December 31, 2014: 10.9 per cent).

## Financial summary

Bank of Åland Group	Q1 2015	Q4 2014	%	Q1 2014	%
EUR M					
Income					
Net interest income	12.7	12.6	0	11.9	7
Net commission income	12.9	14.5	-12	10.7	20
Net income from financial items at fair value	2.4	2.2	10	1.1	
Other income	4.5	4.6	-2	4.0	11
Total income	32.4	34.0	-5	27.7	17

Staff costs	-13.7	-14.5	-6	-13.3	3
Other expenses	-7.2	-9.3	-22	-9.0	-20
Depreciation/amortisation	-1.9	-2.0	-6	-2.2	-15
Total expenses	-22.8	-25.8	-12	-24.6	-7
Profit before impairment losses	9.6	8.1	18	3.2	
Impairment losses on loans and other commitments	-0.2	-0.5	-64	-0.9	-78
Net operating profit	9.4	7.6	24	2.3	
Income taxes	-1.7	-1.6	8	-0.5	
Profit for the report period	7.7	6.1	28	1.8	
Attributable to:					
Non-controlling interests	0.0	0.4	-100	0.4	-100
Shareholders in Bank of Åland Plc	7.7	5.6	37	1.4	
Volume					
Lending to the public	3,416	3,343	2	3,161	8
Deposits from the public 1	2,507	2,391	5	2,549	-2
Managed assets	5,589	5,042	11	4,560	23
Equity capital	203	196	4	185	10
Balance sheet total	4,418	4,292	3	4,069	9
Risk exposure amount	1,599	1,554	3	1,534	4
Financial ratios					
Return on equity after taxes, % (ROE) 2	15.9	11.7		3.2	
Expense/income ratio 3	0.70	0.76		0.89	
Loan loss level, % 4	0.02	0.06		0.11	
Gross non-performing receivables, % 5	0.61	0.65		1.07	
Level of provisions for doubtful receivables, % 6	68	66		47	
Core funding ratio, % 7	103	105		102	
Equity/assets ratio, % 8	4.6	4.6		4.5	
Tier 1 capital ratio, % 9	11.2	10.9	3	10.6	6
Earnings per share, EUR 10	0.54	0.39	37	0.10	
Earnings per share after dilution, EUR	0.54	0.39	38	0.10	
Equity capital per share, EUR 11	14.04	13.49	4	12.63	11
Equity capital per share after dilution, EUR	14.01	13.46	4	12.63	11
Market price per Series A share, EUR	15.10	11.27	34	10.24	47
Market price per Series B share, EUR	14.15	10.87	30	8.25	72
Number of shares outstanding (not own shares), 000s	14,415	14,398	0	14,398	0

Number of shares outstanding (not own shares), after dilution, 000s	14,515	14,498	0	14,398	1
Working hours re-calculated to fulltime positions	645	643	0	636	1

<sup>1</sup> Deposits from the public and public sector entities, including certificates of deposit, index bonds and debentures issued to the public

<sup>2</sup> Profit for the report period attributable to shareholders / Average shareholders' portion of equity capital

<sup>3</sup> Expenses / Income

<sup>4</sup> Impairment losses on loan portfolio and other commitments / Lending to the public at the beginning of the period

<sup>5</sup> Non-performing receivables more than 90 days / Lending to the public before provisions for impairment losses

<sup>6</sup> Provisions for individual impairment losses / Doubtful receivables

<sup>7</sup> Lending to the public / Deposits including certificates of deposit, index bonds and debentures issued to the public plus covered bonds issued

<sup>8</sup> Equity capital / Balance sheet total

<sup>9</sup> (Core Tier 1 capital / Capital requirement) x 8 %

<sup>10</sup> Shareholders' portion of earnings for the period/ Number of shares adjusted for share issue

<sup>11</sup> Equity capital/Number of shares on closing day

The Bank of Åland (Ålandsbanken) follows the disclosure procedure stipulated in "Disclosure obligation of the issuer (7/2013)", published by the Finnish Financial Supervisory Authority and hereby publishes its Interim Report for the period January - March 2015, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - March 2015 is attached to this release in PDF format and is also available on the company's web site at

[http://www.alandsbanken.fi/uploads/pdf/result/en\\_resultat\\_jan-mar\\_15.pdf](http://www.alandsbanken.fi/uploads/pdf/result/en_resultat_jan-mar_15.pdf)

Mariehamn, April 28, 2015

THE BOARD OF DIRECTORS

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