

# Bank of Åland Plc: Year-end Report for the period January-December 2023

02.02.2024

Bank of Åland Plc  
Financial Statement Release  
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## **Year-end Report for the period January-December 2023**

“We completed our best year ever in terms of net operating profit, EUR 61.7 million (+34 per cent), with our best quarter ever in terms of net operating profit, EUR 20.2 M (+90 per cent).

“Due to good inflow and a positive market effect, the assets we manage for our clients, EUR 9,776 M (+13 per cent), are at about the same level as our previous record. Combined with the fact that we were named Finland’s best Private Banking operator in Kantar Prospera’s customer survey for the third year in a row, this means that we look forward to 2024 with solid confidence.”

*Peter Wiklöf, Managing Director and Chief Executive*

## **January–December 2023 compared to January–December 2022**

- Net operating profit increased by 34 per cent to EUR 61.7 M (46.1).
- Core income in the form of net interest income, net commission income and IT income increased by 21 per cent to EUR 205.2 M (170.1).
- Other income, which included a divestment gain in 2022, decreased to EUR -0.3 M (14.0).
- Total expenses increased by 5 per cent to EUR 138.4 M (131.8).
- Net impairment losses on financial assets (including recoveries) totalled EUR 2.2 M (6.2), equivalent to a loan loss level of 0.05 per cent (0.14).
- Return on equity after taxes (ROE) increased to 17.2 per cent (12.8).
- Earnings per share increased by 34 per cent to EUR 3.18 (2.37).
- The common equity Tier 1 capital ratio increased to 13.7 per cent (12.1 on December 31, 2022).
- Dividend: The Board of Directors proposes that the Annual General Meeting approve payment of a regular dividend of EUR 2.40 (1.60) per share for the 2023 financial year, equivalent to a 75 (66) per cent payout ratio, plus an extra dividend of EUR 0.25 (0.45) per share.
- Future outlook: The Bank of Åland expects its net operating profit in 2024 to be about the same as in 2023.

## **The fourth quarter of 2023 compared to the fourth quarter of 2022**

- Net operating profit increased by 90 per cent to EUR 20.1 M (10.6).

- Core income in the form of net interest income, net commission income and IT income increased by 33 per cent to EUR 58.9 M (44.3).
- Other income amounted to EUR -3.2 M (2.7).
- Total expenses increased by 3 per cent to EUR 35.3 M (34.1).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.1 M (2.2), equivalent to a loan loss level of 0.02 per cent (0.20).
- Return on equity after taxes (ROE) increased to 21.5 per cent (11.9).
- Earnings per share increased by 90 per cent to EUR 1.05 (0.55).

## Financial summary

Group	Q4 2023	Q3 2023	%	Q4 2022	%	Jan-Dec 2023	Jan-Dec 2022	%
EUR M								
Income								
Net interest income	27.8	27.9	0	19.7	41	99.7	68.2	46
Net commission income	22.6	17.8	27	18.4	23	77.0	78.4	-2
IT income	8.4	6.4	32	6.2	37	28.6	23.5	22
Other income	-3.2	-0.9		2.7		-3.0	14.0	
<b>Total income</b>	<b>55.7</b>	<b>51.2</b>	<b>9</b>	<b>47.0</b>	<b>18</b>	<b>202.3</b>	<b>184.1</b>	<b>10</b>
Staff costs	-20.9	-19.4	8	-19.6	7	-81.3	-75.5	8
Other expenses	-11.2	-8.9	25	-11.3	-1	-41.6	-39.7	5
Statutory fees	0.0	0.0		0.0		-3.2	-3.4	-6
Depreciation/amortisation	-3.2	-3.1	2	-3.3	-3	-12.2	-13.2	-8
<b>Total expenses</b>	<b>-35.3</b>	<b>-31.5</b>	<b>12</b>	<b>-34.1</b>	<b>3</b>	<b>-138.4</b>	<b>-131.8</b>	<b>5</b>
<b>Profit before impairment losses</b>	<b>20.4</b>	<b>19.8</b>	<b>3</b>	<b>12.8</b>	<b>59</b>	<b>63.9</b>	<b>52.3</b>	<b>22</b>
Impairment losses on financial assets, net	-0.1	-0.7	-79	-2.2	-93	-2.2	-6.2	-65
<b>Net operating profit</b>	<b>20.2</b>	<b>19.1</b>	<b>6</b>	<b>10.6</b>	<b>90</b>	<b>61.7</b>	<b>46.1</b>	<b>34</b>
Income taxes	-4.2	-4.0	5	-2.1	97	-13.1	-9.3	40
<b>Profit for the period</b>	<b>16.1</b>	<b>15.1</b>	<b>6</b>	<b>8.5</b>	<b>89</b>	<b>48.7</b>	<b>36.8</b>	<b>32</b>
<b>Attributable to:</b>								
Shareholders in Bank of Åland Plc	16.1	15.1	6	8.5	89	48.7	36.8	32
Volume								
Lending to the public	3,859	3,777	2	4,303	-10			
Deposits from the public	3,595	3,553	1	4,182	-14			
Actively managed assets	9,776	8,982	9	8,637	13			
Managed mortgage loans	2,716	2,600	4	1,304				
Equity capital	335	318	5	317	6			
Balance sheet total	5,342	5,197	3	5,898	-9			
Risk exposure amount	1,774	1,741	2	1,938	-8			

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 Year-end Report for the period January – december 2023, which is enclosed with this stock exchange release. The Bank`s Year-end Report for the period January – december 2023 is attached to this release in PDF format and is also available on the company`s web site at [https://www.alandsbanken.com/uploads/pdf/result/en\\_resultat\\_jan-dec\\_23.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-dec_23.pdf)

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## **Attachment**

- [alandsbanken\\_en\\_resultat\\_jan-dec\\_23](#)