

Bank of Åland Plc: Year-end Report for the period January–December 2025

05.02.2025

Bank of Åland Plc
Financial Statement Release
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Year-end Report for the period January–December 2025

“We ended our best earnings year ever with a net operating profit of EUR 65.0 million (61.7) and a return on equity after taxes of 17.9 per cent (17.2).

“Late in 2024, we launched a new mutual fund, Ålandsbanken Norden Dividend. It was well received, with subscriptions of more than EUR 100 million. Falling market interest rates will have a negative impact on banks’ net interest income, but this should also contribute to higher activity in the markets and greater interest in financial investment products, which should benefit our net commission income over time.”

Peter Wiklöf, Managing Director and Chief Executive

January–December 2024 compared to January–December 2023

- Net operating profit increased by 5 per cent to EUR 65.0 M (61.7).
- Core income in the form of net interest income, net commission income and IT income increased by 5 per cent to EUR 215.6 M (205.2). The year did not include any performance-related income, which totalled EUR 4.0 M in 2023.
- Other income increased to EUR 0.7 M (–3.0).
- Total expenses increased by 6 per cent to EUR 147.3 M (138.4).
- Net impairment losses on financial assets (including recoveries) totalled EUR 4.0 M (2.2), equivalent to a loan loss level of 0.10 per cent (0.05).
- Return on equity after taxes (ROE) increased to 17.9 per cent (17.2).
- Earnings per share increased by 7 per cent to EUR 3.41 (3.18).
- The common equity Tier 1 capital ratio increased to 14.5 per cent (13.7).
- Dividend: The Board of Directors proposes that the Annual General Meeting approve payment of a total dividend of EUR 2.75 (2.65) per share for the 2024 financial year, of which a regular dividend of EUR 2.40 (2.40) per share plus an extra dividend of EUR 0.35 (0.25) per share.
- 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 2024 compared to fourth quarter of 2023

- Net operating profit decreased by 25 per cent to EUR 15.3 M (20.2).
- Core income in the form of net interest income, net commission income and IT income decreased by 7 per cent to EUR 54.5 M (58.9). The fourth quarter did not include any performance-related income, which totalled EUR 4.0 M in the corresponding quarter of 2023.
- Other income improved to EUR –0.4 M (–3.2).
- Total expenses increased by 6 per cent to EUR 37.3 M (35.3).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.5 M (0.1), equivalent to a loan loss level of 0.18 per cent (0.02).
- Return on equity after taxes (ROE) decreased to 16.4 per cent (21.5).
- Earnings per share decreased by 23 per cent to EUR 0.80 (1.05).

Financial summary

Group	Q4 2024	Q3 2024	%	Q4 2023	%	Jan-Dec 2024	Jan-Dec 2023	%
EUR M								
Income								
Net interest income	25.2	26.2	-4	27.8	-9	104.1	99.7	5
Net commission income	19.9	18.9	5	22.6	-12	76.4	77.0	-1
IT income	9.4	7.6	24	8.4	12	35.1	28.6	22
Other income	-0.4	0.4		-3.2	-88	0.7	-3.0	
Total income	54.1	53.1	2	55.7	-3	216.4	202.3	7
Staff costs	-22.1	-21.3	4	-20.9	6	-87.9	-81.3	8
Other expenses	-12.4	-10.8	15	-11.2	11	-47.1	-41.6	13
Statutory fees	0.0			0,0	-75	0,0	-3,2	-100
Depreciation/amortisation	-2.8	-3.0	-7	-3.2	-11	-12.3	-12.2	1
Total expenses	-37.3	-35.1	6	-35.3	6	-147.3	-138.4	6
Profit before impairment losses	16.8	18.0	-7	20.4	-18	69.0	63.9	8
Impairment losses on financial assets, net	-1.5	-0.8		-0.1		-4.0	-2.2	86
Net operating profit	15.3	17.3	-12	20.2	-25	65.0	61.7	5
Income taxes	-2.9	-3.5	-18	-4.2	-30	-12.8	-13.1	-2
Profit for the period	12.4	13.7	-10	16.1	-23	52.3	48.7	7
Attributable to:								
Shareholders in Bank of Åland Plc	12.4	13.7	-10	16.1	-23	52.3	48.7	7
Volume								
Lending to the public	3,576	3,514	2	3,859	-7			
Deposits from the public	3,521	3,396	4	3,595	-2			
Actively managed assets	10,616	10,654	0	9,776	9			
Managed mortgage loans	3,080	3,060	1	2,716	13			
Equity capital	336	325	3	335	0			
Balance sheet total	4,925	4,789	3	5,342	-8			
Risk exposure amount	1,643	1,693	-3	1,774	-7			

The Bank of Åland (Ålandsbanken) follows the disclosure procedure stipulated in "Disclosure obligation of the issuer (6/2016)", 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 2024 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_24.pdf

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Attachment

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