

# Bank of Åland Plc: Half-Year Financial Report for the period January - June 2024

19.07.2024

Bank of Åland Plc  
Half-Year Financial Report  
July 19, 2024 9:00 EET

## **Half-Year Financial Report for the period January - June 2024**

“We had a strong first half in terms of earnings, with a net operating profit of EUR 32.5 million (22.5) and with a return on equity after taxes of 18.2 per cent (12.8).

“The investment money we manage for our customers reached a new record level of more than EUR 10.3 billion.

“During the quarter, we completed the third and final migration (SEK 3 billion) of Swedish mortgages from our balance sheet to our partly owned mortgage company Borgo. We thus have a very strong capital and liquidity situation, which means that we are ready for future growth as the demand for loans now hopefully starts to pick up.”

*Peter Wiklöf, Managing Director and Chief Executive*

## **January - June 2024 compared to January - June 2023**

- Net operating profit increased by 45 per cent to EUR 32.5 M (22.5).
- Core income in the form of net interest income, net commission income and IT income increased by 15 per cent to EUR 108.4 M (94.3).
- Other income decreased by 33 per cent to EUR 0.7 M (1.1).
- Total expenses increased by 5 per cent to EUR 74.9 M (71.6).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.7 M (1.3), equivalent to a loan loss level of 0.08 per cent (0.06).
- Return on equity after taxes (ROE) increased to 18.2 per cent (12.8).
- Earnings per share increased by 49 per cent to EUR 1.71 (1.15).
- The common equity Tier 1 capital ratio increased to 14.0 per cent (13.7 on December 31, 2023).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2024 to be about the same as in 2023.

## **The second quarter of 2024 compared to the second quarter of 2023**

- Net operating profit increased by 10 per cent to EUR 15.6 M (14.2).
- Core income in the form of net interest income, net commission income and IT income increased by 11 per cent to EUR 55.4 M (50.1).
- Other income decreased to EUR –0.1 M (0.0).
- Total expenses increased by 10 per cent to EUR 38.5 M (34.9).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.2 M (1.0), equivalent to a loan loss level of 0.11 per cent (0.09).
- Return on equity after taxes (ROE) increased to 18.3 per cent (17.0).
- Earnings per share increased by 11 per cent to EUR 0.82 (0.74).

## Financial summary

Group	Q2 2024	Q1 2024	%	Q2 2023	%	Jan-Jun 2024	Jan-Jun 2023	%
EUR M								
Income								
Net interest income	26.4	26.3	0	24.2	9	52.7	44.0	20
Net commission income	19.4	18.3	6	18.2	6	37.7	36.6	3
IT income	9.7	8.4	16	7.7	26	18.1	13.8	31
Other income	-0.1	0.8		0.0		0.7	1.1	-33
<b>Total income</b>	<b>55.3</b>	<b>53.8</b>	<b>3</b>	<b>50.1</b>	<b>10</b>	<b>109.1</b>	<b>95.4</b>	<b>14</b>
Staff costs	-22.8	-21.6	5	-20.4	12	-44.4	-41.0	8
Other expenses	-12.5	-11.5	9	-11.5	9	-24.0	-21.5	12
Statutory fees							-3.2	-100
Depreciation/amortisation	-3.3	-3.2	1	-3.0	10	-6.5	-5.9	10
<b>Total expenses</b>	<b>-38.5</b>	<b>-36.4</b>	<b>6</b>	<b>-34.9</b>	<b>10</b>	<b>-74.9</b>	<b>-71.6</b>	<b>5</b>
<b>Profit before impairment losses</b>	<b>16.8</b>	<b>17.4</b>	<b>-4</b>	<b>15.2</b>	<b>10</b>	<b>34.2</b>	<b>23.8</b>	<b>44</b>
Impairment losses on financial assets, net	-1.2	-0.5		-1.0	15	-1.7	-1.3	31
<b>Net operating profit</b>	<b>15.6</b>	<b>16.9</b>	<b>-7</b>	<b>14.2</b>	<b>10</b>	<b>32.5</b>	<b>22.5</b>	<b>45</b>
Income taxes	-3.1	-3.3	-6	-2.9	4	-6.3	-5.0	27
<b>Profit for the period</b>	<b>12.6</b>	<b>13.6</b>	<b>-8</b>	<b>11.3</b>	<b>12</b>	<b>26.2</b>	<b>17.5</b>	<b>50</b>
<b>Attributable to:</b>								
Shareholders in Bank of Åland Plc	12.6	13.6	-8	11.3	12	26.2	17.5	50
Volume								
Lending to the public	3,530	3,762	-6	4,274	-17			
Deposits from the public	3,475	3,399	2	3,700	-6			
Actively managed assets	10,343	10,100	2	9,010	15			
Managed mortgage loans	2,952	2,584	14	2,050	44			
Equity capital	311	302	3	297	5			
Balance sheet total	4,782	5,111	-6	5,701	-16			
Risk exposure amount	1,681	1,761	-5	1,882	-11			

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 Half-Year Financial Report for the period January - June 2024, which is enclosed with this stock

exchange release.

The Bank`s Half-Year Financial Report for the period January - June 2024 is attached to this release in PDF format and is also available on the company`s web site at <https://www.alandsbanken.com/financial-information/financial-reports>

Mariehamn, July 19, 2024

THE BOARD OF DIRECTORS

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**Attachment**

- [alandsbanken\\_en\\_resultat\\_jan-jun\\_24](#)