

# Bank of Åland Plc: Interim Report for the period January - September 2023

24.10.2023

Bank of Åland Plc  
Interim Report  
October 24, 2023 9.00 EET

## **Interim Report for the period January - September 2023**

“We delivered a very strong third quarter, where net operating profit climbed by 72 per cent to EUR 19.1 M from the corresponding quarter of last year. The improvement in earnings was driven primarily by rising net interest income.

“We expect that the upturn in interest rates that has benefited our net interest income in recent quarters will now fade and that we will see a stabilisation in interest rates. Despite rising interest rates, we are not yet seeing any deterioration in the quality of our loan portfolio.”

*Peter Wiklöf, Managing Director*

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

- Net operating profit increased by 17 per cent to EUR 41.5 M (35.5). Excluding a divestment gain in the year-earlier period, net operating profit increased by 62 per cent to EUR 41.5 M (25.7).
- Core income in the form of net interest income, net commission income and IT income increased by 16 per cent to EUR 146.4 M (125.8).
- Other income, which included a divestment gain in the year-earlier period, decreased by 98 per cent to EUR 0.3 M (11.3).
- Total expenses increased by 6 per cent to EUR 103.1 M (97.7).
- Net impairment losses on financial assets (including recoveries) totalled EUR 2.0 M (4.0), equivalent to a loan loss level of 0.06 per cent (0.12).
- Return on equity after taxes (ROE) increased to 15.7 per cent (13.1, but 9.8 excluding a divestment gain).
- Earnings per share decreased by 17 per cent to EUR 2.13 (1.82).
- The common equity Tier 1 capital ratio increased to 14.0 per cent (12.0 on December 31, 2022).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2023 to be significantly better than in 2022.

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

- Net operating profit increased by 72 per cent to EUR 19.1 M (11.1).

- Core income in the form of net interest income, net commission income and IT income increased by 23 per cent to EUR 52.1 M (42.5).
- Other income, including negative net income on financial items, amounted to EUR -0.9 M (0.2).
- Total expenses increased by 3 per cent to EUR 31.5 M (30.5).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.7 M (1.1), equivalent to a loan loss level of 0.06 per cent (0.11).
- Return on equity after taxes (ROE) increased to 21.6 per cent (12.4).
- Earnings per share increased by 73 per cent to EUR 0.99 (0.57).

## Financial summary

Group	Q3 2023	Q2 2023	%	Q3 2022	%	Jan-Sep 2023	Jan-Sep 2022	%
EUR M								
Income								
Net interest income	27.9	24.2	15	18.9	47	71.8	48.5	48
Net commission income	17.8	18.2	-3	18.6	-4	54.3	60.0	-9
IT income	6.4	7.7	-16	5.0	28	20.2	17.3	17
Other income	-0.9	0.0		0.2		0.3	11.3	-98
<b>Total income</b>	<b>51.2</b>	<b>50.1</b>	<b>2</b>	<b>42.7</b>	<b>20</b>	<b>146.6</b>	<b>137.1</b>	<b>7</b>
Staff costs	-19.4	-20.4	-5	-17.9	8	-60.4	-55.8	8
Other expenses	-8.9	-11.5	-22	-9.3	-3	-30.4	-28.4	7
Statutory fees	0.0	0.0		0.0		-3.2	-3.4	-6
Depreciation/amortisation	-3.1	-3.0	5	-3.3	-6	-9.0	-10.0	-9
<b>Total expenses</b>	<b>-31.5</b>	<b>-34.9</b>	<b>-10</b>	<b>-30.5</b>	<b>3</b>	<b>-103.1</b>	<b>-97.7</b>	<b>6</b>
<b>Profit before impairment losses</b>	<b>19.8</b>	<b>15.2</b>	<b>30</b>	<b>12.2</b>	<b>61</b>	<b>43.5</b>	<b>39.4</b>	<b>10</b>
Impairment losses on financial assets, net	-0.7	-1.0	-31	-1.1	-39	-2.0	-4.0	-49
<b>Net operating profit</b>	<b>19.1</b>	<b>14.2</b>	<b>34</b>	<b>11.1</b>	<b>72</b>	<b>41.5</b>	<b>35.5</b>	<b>17</b>
Income taxes	-4.0	-2.9	34	-2.2	76	-8.9	-7.2	24
<b>Profit for the period</b>	<b>15.1</b>	<b>11.3</b>	<b>34</b>	<b>8.9</b>	<b>71</b>	<b>32.6</b>	<b>28.3</b>	<b>15</b>
<b>Attributable to:</b>								
Shareholders in Bank of Åland Plc	15.1	11.3	34	8.9	71	32.6	28.2	15
Volume								
Lending to the public	3,777	4,274	-12	4,241	-11			
Deposits from the public	3,553	3,700	-4	4,207	-16			
Actively managed assets	8,982	9,010	0	8,212	9			
Managed mortgage loans	2,600	2,050	27	1,195				
Equity capital	318	296	7	312	2			
Balance sheet total	5,196	5,701	-9	6,145	-15			
Risk exposure amount	1,741	1,882	-7	1,967	-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 Interim Report for the period January - September 2023, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - September 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-sep\\_23.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-sep_23.pdf)

Mariehamn, October 24, 2023

THE BOARD OF DIRECTORS

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**Attachment**

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