## **ÀLANDSBANKEN**

## Bank of Åland Plc: Interim Report for the period January-September 2015

27.10.2015

Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January-September 2015 Mariehamn, 2015-10-27 08:00 CET (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report October 27, 2015, 9.00 a.m. Interim Report for the period January-September 2015 "During the first nine months of 2015, net operating profit improved by 60 per cent to EUR 23.6 per cent. "During the third guarter, we saw continued negative market interest rates and a relatively large downward correction in the stock market. In spite of this, the Bank of Åland Group had a stable income trend, with net interest income showing especially strong performance. Net impairment provisions of EUR 1.4 million, related to a very limited number of customers, were charged to third quarter earnings. "We are seeing a continued good influx of customers in all our business areas." Peter Wiklöf, Managing Director January—September 2015 compared to January—September 2014 • Net operating profit improved by 60 per cent to EUR 23.6 M (14.8). • Profit for the period attributable to shareholders improved by 81 per cent to EUR 19.0 M (10.5). • Net interest income increased by 7 per cent to EUR 39.2 M (36.7). • Net commission income increased by 11 per cent to EUR 35.3 M (31.7). • Total expenses decreased by 5 per cent to EUR 66.9 M (70.6). • Net impairment losses on loans (including recoveries) increased by 53 per cent to EUR 1.9 M (1.2), equivalent to a loan loss level of 0.08 (0.05) per cent. • Return on equity after taxes (ROE) increased to 12.7 per cent (7.6). • Earnings per share increased to EUR 1.25 (0.73). • The core Tier 1 capital ratio amounted to 11.9 per cent (December 31, 2014: 10.9 per cent). The third quarter of 2015 compared to the third quarter of 2014 Compared to the third quarter of 2014 • Net operating profit fell by 8 per cent to EUR 6.4 M (6.9). • Profit for the period attributable to shareholders fell by 1 per cent to EUR 5.1 M (5.1). • Net interest income increased by 7 per cent to EUR 13.6 M (12.7). • Net commission income increased by 1 per cent to EUR 10.5 M (10.5). • Total expenses decreased by 1 per cent to EUR 21.6 M (21.9). • Net impairment losses on loans (including recoveries) increased to EUR 1.4 M (0.3), equivalent to a loan loss level of 0.16 (0.03) per cent. • Return on equity after taxes (ROE) decreased to 9.9 per cent (10.9). • Earnings per share decreased to EUR 0.33 (0.35). Financial summary -------Bank of Åland Group Q3 Q2 % Q3 % Jan-Se Jan- % 2015 2014 p Sep 2015 2014 ------------- EUR M ----------- Income ------ Net interest income 13.6 12.9 5 12.7 7 39.2 36.7 7 ------ Net commission income 10.5 11.9 -11 10.5 1 35.3 31.7 11 -------Net income from financial 1.5 1.6 -11 1.9 -23 5.5 4.5 22 items at fair value -- Other income 3.8 4.1 -9 4.0 -5 12.4 13.7 -10 ------------ Total income 29.4 30.6 -4 29.1 1 92.4 86.6 7 ------------- Staff costs -13.2 -14.1 -6 -12.0 10 -40.9 -38.6 6 ------Other expenses -6.7 -6.7 0 -7.8 -14 -20.6 -25.6 -19 ------------ Depreciation/amortisation -1.7 -1.7 -2 -2.1 -19 -5.3 -6.4 -17 ----------------- Total expenses -21.6 -22.5 -4 -21.9 -1 -66.9 -70.6 -5 -------------Profit before impairment 7.8 8.1 -4 7.2 8 25.6 16.0 60 losses ----------- Impairment losses on -1.4 -0.3 -0.3 -1.9 -1.2 53 loans and other commitments ---------- Net operating profit 6.4 7.8 -18 6.9 -8 23.6 14.8 60 ------

	Income taxes -1.3 -1.6 -19 -1.5
-12 -4.6 -3.2 44	Profit for the report 5.1 6.2
-18 5.4 -6 19.0 11.6 64 period	
Attributable t	to:
Non-controlling interests 0.0 0.0 0.3 -99	0.0 1.1 -100
Shareholders in Bank of 5.1 6.2	
Volume	Lending to the public 3,531
3,515 0 3,258 8	
2,611 2,755 -5 2,482 5 1	Investment
volume 2 6,502 6,696 -3 6,040 8	
capital 208 200 4 193 8	• • • • • • • • • • • • • • • • • • • •
4,499 4,851 -7 4,183 8	
amount 1,558 1,619 -4 1,532 2	
Financial ra	
Return on equity after 9.9 12.5 10.9 12	
Expense/income rat	
Loan loss leve	
Gross non-p	
receivables, % 7	-
93 107	5
Eal	·
1.25 0.73 72 11	
0.33 0.41 -18 0.35 -6 1.25 0.72 72 dilution, EUR	
Equity capital per share, 13.66 13.18 4 13.14 4 EUR 1	
Equity capital per share 13.60 13.15 3 13	
Market price per Se	
9.63 70 share, EUR	·
15,208 15,178 0 14,398 6 outstanding (not own shares), 00	
Number of shares 15,338 15,278 0 14,4	
dilution, 000s	_
656 2 661 645 3 re-calculated to full-time equivalent positi	5
deposit, index bonds and debentures issued to the public 2	5
managed assets (the Group's own mutual funds, discretion	
other securities volume in brokerage accounts 3 Profit for t	
shareholders / Average shareholders' portion of equity cap	
losses on loan portfolio and other commitments / Lending t	·
•	
6 Non-performing receivables more than 90 days / Lending	
impairment losses 7 Provisions for individual impairment lo	_
the public / Deposits including certificates of deposit, index	•
plus covered bonds issued 9 Equity capital / Balance sheet	• •
requirement) x 8 % 11 Shareholders' portion of earnings for	
share issue 12 Equity capital/Number of shares on closing	
follows the disclosure procedure stipulated in "Disclosure of	-
by the Finnish Financial Supervisory Authority and hereby	•
January - September 2015, which is enclosed with this stoo	ck exchange release. The Bank`s Interim

Report for the period January – September 2015 is attached to this release in PDF format and is also available on the company's web site at Mariehamn, October 27, 2015 THE BOARD OF DIRECTORS For more information please contact: Peter Wiklöf, Managing Director and Chief Executive, Bank of Åland, tel. + 358 (0)40 512 7505