

Bank of Åland Plc: Interim Report for the period January - September 2013

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Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January - September 2013 Mariehamn, 2013-10-28 12:45 CET (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report 28.10.2013 01.45 p.m Interim Report for the period January - September 2013 "During the third quarter we passed a milestone in building up our Swedish operations. For the first time, we are reporting a positive net operating profit for the Sweden business area. In our other business areas, too, we can see the positive impact of our work with measures to improve earnings. Looking ahead, these measures will lead to an acceptable profitability level, despite the challenges posed by low interest rates." Peter Wiklöf, Managing Director January/September 2013 compared to January/September 2012 • Net operating profit improved by EUR 12.1 M to EUR 7.4 M (-4.7). • Profit for the period attributable to shareholders improved by EUR 7.9 M to EUR 4.5 M (-3.4). • Net interest income decreased by 2 per cent to EUR 30.8 M (31.3). • Net commission income increased by 26 per cent to EUR 29.6 M (23.5). • Total expenses decreased by 2 per cent to EUR 67.5 M (68.9). • Impairment losses on loans (including recoveries) amounted to EUR 2.6 M (3.4), equivalent to a loan loss level of 0.11 (0.16) per cent. • Return on equity after taxes (ROE) amounted to 3.4 per cent (-2.6). • Earnings per share amounted to EUR 0.31 (-0.24). • The core Tier 1 capital ratio calculated without transitional rules amounted to 10.5 per cent (December 31, 2012: 10.9 per cent). The third quarter of 2013 compared to the second quarter of 2013 • Net operating profit amounted to EUR 2.2 M (2.5). • Profit for the period attributable to shareholders amounted to EUR 0.9 M (1.6). • Net interest income increased by 10 per cent to EUR 11.2 M (10.2). • Net commission income increased by 5 per cent to EUR 10.4 M (9.9). • Total expenses decreased by 9 per cent to EUR 21.1 M (23.2). • Impairment losses on loans (including recoveries) amounted to EUR 1.6 M (net reversal of 0.5), equivalent to a loan loss level of 0.21 per cent (-0.06). Financial summary -----

	Bank of Åland Group	Q3 2013	Q2 2013	% Q3 2013	% Q2 2013	Jan-Se 2013	Jan-Se 2012	% 2013	% 2012	2013	2012	2013	2012
										EUR M	EUR M	EUR M	EUR M
----- Income -----													
Net interest income	11.2	10.2	10	10.2	10	30.8	31.3	-2					
Net commission income	10.4	9.9	5	7.7	35	29.6	23.5	26					
Net income from financial	-0.3	1.4	0.6	5.5	1.5	items	at fair value						
Other income	3.7	3.8	-3	3.6	3	11.6	11.4	2					
Total income	25.0	25.3	-1	22.0	13	77.4	67.6	14					
----- Expenses -----													
Staff costs	-11.7	-13.2	-11	-12.4	-6	-38.0	-38.7	-2					
Other expenses	-7.4	-8.2	-10	-7.2	2	-23.7	-24.7	-4					
Depreciation/amortisation	-2.1	-1.9	12	-2.0	7	-5.8	-5.5	6					
Total expenses	-21.1	-23.2	-9	-21.6	-2	-67.5	-68.9	-2					
----- Profit -----													
Profit before impairment	3.8	2.1	86	0.4	10.0	-1.3	losses						
Impairment losses on loans	-1.6	0.5											
and other commitments	-1.0	68	-2.6	-3.4	-23								
Net operating profit	2.2	2.5	-13	-0.5	7.4	-4.7							
Income taxes	-1.0	-0.6	69	0.3	-2.1	1.6							
Profit for the report	1.2	1.9	-38	-0.3	5.3	-3.0							

period -----

----- Attributable to: ----- Non-

controlling interests 0.3 0.3 -8 0.2 89 0.8 0.4 -----

-- Shareholders in Bank of 0.9 1.6 -44 -0.4 4.5 -3.4 Åland Plc -----

----- Volume -----

----- Lending to the public 3,073 3,021 2 2 ,895 6 -----

----- Deposits from the public 2,487 2,516 -1 2,557 -3 -----

----- Managed assets 4,271 4,255 0 4,174 2 -----

----- Equity capital 182 179 2 173 5 -----

----- Balance sheet total 3,867 3,787 2 3,615 7 -----

----- Risk-weighted assets 1,479 1,451 2 1,420 4 -----

----- Financial ratios -----

----- Return on equity after 2.1 3.7 -0.9

3.4 -2.6 taxes, % (ROE) ----- Expenses/income

ratio 0.85 0.92 0.98 0.87 1.02 ----- Loan loss

level, % 0.21 -0.06 0.14 0.11 0.16 ----- Gross

non-performing 0.60 0.51 0.86 receivables, % -----

--- Level of provisions for 86 90 67 doubtful receivables, % -----

----- Core funding ratio, % 105 102 106 -----

----- Equity/assets ratio, % 4.7 4.7 4.8 -----

Tier 1 capital ratio, 10.5 10.8 9.7 without transitional rules, % -----

----- Earnings per share before 0.06 0.11 -44 -0.03 0.31 -0.24 dilution, % -----

----- Equity capital per share, 12.40 12.20 2 11.83 5 EUR -----

----- Market price per Series A 12.50 10.50 19 10.04

25 share, EUR ----- Market price per Series B

8.50 7.68 11 7.77 9 share, EUR ----- Number of

shares 14,395 14,395 0 14,395 0 outstanding (not own shares) thousands -----

----- Working hours 622 609 2 633 -2 612 653 -6 re-calculated to full-time

equivalent positions -----

----- 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 2013, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - September 2013 is attached to this release in PDF format and is also available on the company's web site at http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-sep_13.pdf Mariehamn, October 28, 2013 THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf, tel +358 40 512 7505