

# Bank of Åland Plc: Interim Report for the period January–March 2013

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Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January–March 2013 Mariehamn, 2013-04-29 14:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report 29.4.2013 3.00 pm Interim Report for the period January–March 2013 "The first quarter of 2013 was our third straight quarter of improved profit before impairment losses and nonrecurring items, but our earnings performance going forward will be challenged by low market interest rates and cost increases due to the new banking tax. "Yet several bright spots should be mentioned. Our operations in Sweden continued to grow. Our new Bostadsfond – the first housing investment fund in the Finnish market – was very well received, with subscriptions of no less than EUR 41 M during the fund's first quarter. In a recently conducted customer survey, our customers again confirm that they are very pleased with the personalised approach and the financial services we offer. A full 88 per cent of our Premium Banking customers responded that they would recommend to others that they become Bank of Åland customers." Peter Wiklöf, Managing Director January'March 2013 Compared to January'March 2012 • Net operating profit improved to EUR 2.6 M (-1.2). • Profit for the period attributable to shareholders was EUR 1.9 M (-0.9). • Net interest income decreased by 18 per cent to EUR 9.4 M (11.5). • Net commission income increased by 16 per cent to EUR 9.3 M (8.0). • Total expenses decreased by 2 per cent to EUR 23.1 M (23.6). • Impairment losses on loans were EUR 1.4 M (0.9), equivalent to a loan loss level of 0.19 (0.12) per cent. • Return on equity after taxes (ROE) amounted to 4.4 per cent (-1.7). • Earnings per share amounted to EUR 0.13 (-0.05). • The core Tier 1 capital ratio amounted to 10.4 per cent (December 31, 2012: 10.9 per cent). • The Bank's earnings performance is determined to a significant degree by external factors that are difficult to predict. Since new securities legislation removes the explicit obligation in an interim report to provide an account of probable developments during the current financial period, the Bank of Åland is choosing to refrain from providing earnings forecasts in its interim reports. In accordance with legislative requirements, the future outlook is presented in the Bank's Annual Report. • The Bank of Åland intends to seek a long-term strategic business partner for the wholly owned subsidiary Crosskey Banking Solutions. Possible forms of collaboration may also include a reduction in the Bank of Åland's ownership. New regulations make banks less suitable as owners of IT companies. The growth of Crosskey has been rapid and has occurred with good profitability since the Bank of Åland's IT operations were turned into a limited liability company in 2004. Today Crosskey accounts for nearly one third of the number of employees in the Bank of Åland Group. Financial summary -----

- - Bank of Åland Group		Q1	Q4	%	Q1	%	2013	2012	2012	-----
- - EUR M		----- Income -----								
-----		----- Net interest income								
		9.4	9.9	-5	11.5	-18				-----
-----		----- Net commission income								
		9.3	9.2	1	8.0	16				-----
-----		----- Net income from financial items at fair value								
		4.4	19.3	-77	0.0	----				-----
-----		----- Other income								
		4.0	4.3	-7	3.8	5				-----
-----		----- Total income								
		27.1	42.7	-37	23.3	16				-----
-----		----- Staff costs								
		-13.1	-13.7	-5	-13.3	-2				-----
-----		----- Other expenses								
		-8.1	-8.9	-9	-8.6	-5				-----
-----		----- Depreciation/amortisation								
		-1.9	-2.6	-28	-1.7	10				-----
-----		----- Total expenses								
		-23.1	-25.3	-9	-23.6	-2				-----
-----		----- Profit before impairment losses								
		4.1	17.4	-77						-----

-0.3					
	Impairment losses on loans and other	-1.4	-3.1	-54	-0.9 65 commitments
					Net operating profit
		2.6	14.4	-82	-1.2
	- Income taxes	-0.5	0.6	0.4	
	report period	2.2	15.0	-86	-0.8
					Profit for the
					Attributable to:
	Non-controlling interests	-0.2	-0.2	-10	-0.1
	Shareholders in Bank of Åland Plc	1.9	14.8	-87	-0.9
					Volume
	Lending to the public	2,977	2,906	2	2,762 8
	Deposits from the public	2,446	2,447	0	2,552 -4
	Managed assets	4,480	4,292	4	4,044 11
	Equity capital	179	181	-1	177 1
	Balance sheet total	3,743	3,631	3	3,549 5
	Risk-weighted assets	1,472	1,402	5	1,374 7

	Financial ratios				
					Return on equity after
					taxes, % (ROE)
		4.4	34.2	-1.7	
	Expenses/income ratio, %	85	59	101	
	Loan loss level, %	0.19	0.42	0.12	
	Gross non-performing loans, %	0.58	0.64	0.63	
	Level of provisions for doubtful receivables, %	98	108	67	
	Core funding ratio, %	102	104	108	
	Equity/assets ratio, %	4.8	5.0	5.0	
	Tier 1 capital ratio, without transitional rules, %	10.4	10.9	10.3	
	Earnings per share before dilution, %	0.13	1.04	-0.05	
	Equity capital per share, EUR	12.27	12.36	12.07	
	Market price per Series A share, EUR	12.50	10.04	14.25	
	Market price per Series B share, EUR	8.14	7.10	9.15	
	Number of shares outstanding (not own shares)	14,395	14,395	14,395	
	Working hours re-calculated to full-time equivalent positions	604	626	679	

Ålandsbanken follows the disclosure procedure enabled by Standard 5.2b published by the Finnish Financial Supervision Authority and hereby publishes its Interim Report for the period January - March 2013 enclosed to this stock exchange release. Ålandsbanken's Interim Report for the period January - March 2013 is attached to this release in pdf format and is also available on the company's web site at [www.alandsbanken.fi/info/opencms/pdf/result/en\\_resultat\\_jan-mar\\_13.pdf](http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-mar_13.pdf) Mariehamn, April 29, 2013  
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