

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

29.07.2013

Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January - June 2013  
 Mariehamn, 2013-07-29 14:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report 29.7.2013  
 3.00 pm Interim Report for the period January - June 2013 "Our net operating profit was nine million  
 euros better than in the corresponding period of 2012, showing that the Bank of Åland has made  
 significant progress during the year. We have raised the efficiency of our organisation. Business  
 volume has climbed, and especially in Sweden we are seeing steady growth. We have reviewed the  
 pricing of our services, and an increasingly large proportion of our lending portfolio has achieved  
 pricing that corresponds to the costs that result from the new regulations. I would like to express my  
 warm gratitude to all our employees, who are implementing a major reform effort while continuing to  
 deliver the best possible service to our customers. Yet much work remains before we have reached  
 the level of profitability that our shareholders have a right to expect. Our earnings performance  
 remains challenged by low market interest rates and cost increases due to recurring regulatory  
 requirements." Peter Wiklöf, Managing Director January/June 2013 compared to January/June 2012 •  
 Net operating profit improved by EUR 9.3 M to EUR 5.2 M (-4.1). • Profit for the period attributable to  
 shareholders improved by EUR 6.7 M to EUR 3.6 M (-3.1). • Net interest income decreased by 7 per  
 cent to EUR 19.5 M (21.0). • Net commission income increased by 22 per cent to EUR 19.2 M (15.7). •  
 Total expenses decreased by 2 per cent to EUR 46.3 M (47.3). • Impairment losses on loans (including  
 recoveries) amounted to EUR 1.0 M (2.4), equivalent to a loan loss level of 0.06 (0.17) per cent. •  
 Return on equity after taxes (ROE) amounted to 4.0 per cent (-3.6). • Earnings per share amounted to  
 EUR 0.25 (-0.22). • The core Tier 1 capital ratio calculated without transitional rules amounted to 10.8  
 per cent (December 31, 2012: 10.9 per cent). The second quarter of 2013 compared to the first  
 quarter of 2013 • Net operating profit amounted to EUR 2.5 M (2.6). • Profit for the period attributable  
 to shareholders amounted to EUR 1.6 M (1.9). • Net interest income increased by 8 per cent to EUR  
 10.2 M (9.4). • Net commission income increased by 6 per cent to EUR 9.9 M (9.3). • Total expenses  
 increased by 1 per cent to EUR 23.2 M (23.1). • Impairment losses on loans signified a net reversal of  
 EUR 0.5 M (1.4), equivalent to a loan loss level of -0.06 per cent (0.19). Bank of Åland Group Q2 Q1 %  
 Q2 % Jan-Ju Jan-Ju % 2013 2013 2012 n n 2013 2012 -----

EUR M	2013	2013	2012	2013	2012	%	%
Income							
Net interest income	10.2	9.4	8.9	6.1	19.5	21.0	-7
Net commission income	9.9	9.3	6.7	7.6	31.0	19.2	15.7
Net income from financial	1.4	4.4	-6.8	1.0	4.4	5.8	1.0
Other income	3.8	4.0	-5.4	2.2	7.9	7.9	0
Total income	25.3	27.1	-7.2	22.3	14.5	52.4	45.6
Staff costs	-13.2	-13.1	1.1	-3.1	1.1	-26.3	-26.3
Other expenses	-8.2	-8.1	1.1	-8.9	-8.1	-16.3	-17.4
Depreciation/amortisation	-1.9	-1.9	-2.1	-1.8	2.1	-3.8	-3.6
Total expenses	-23.2	-23.1	1.1	-23.8	-2.1	-46.3	-47.3
Profit before impairment	2.1	4.1	-4.9	-1.5	6.1	-1.8	losses
Impairment losses on loans	0.5	-1.4	-1.5	-1.0	-2.4	-6.0	and other commitments
Net operating profit	2.5	2.6	-4.4	-3.0	5.2	-4.1	

----- Income  
taxes -0.6 -0.5 21 0.9 -1.1 1.3 ----- Profit for the  
report 1.9 2.1 -5 -2.1 4.1 -2.8 period -----

----- Attributable to: -----  
----- Non-controlling interests 0.3 0.2 47 0.1 0.5 0.2 -----  
----- Shareholders in Bank of 1.6 1.9 -16 -2.3 3.6 -3.1 Åland Plc -----

----- Volume ----- Lending to the public 3,021 2,977 1  
2,861 6 ----- Deposits from the public 1 2,516  
2,446 3 2,591 -3 ----- Managed assets 4,255  
4,493 -5 3,889 9 ----- Equity capital 179 179 0  
174 3 ----- Balance sheet total 3,787 3,743 1  
3,575 6 ----- Risk-weighted assets 1,451 1,472  
-1 1,445 0 -----

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

Return on equity after 3.7 4.4 -5.4 4.0 -3.6 taxes, % (ROE)2 -----

----- Expenses/income ratio, % 3 92 85 107 88 104 -----

----- Loan loss level, % 4 -0.06 0.19 0.21 0.06 0.17 -----

----- Gross non-performing 0.51 0.58 0.87 receivables, % 5 -----

----- Level of provisions for 90 98 73 doubtful receivables, % 6 -----

----- Core funding ratio, % 7 102 102 110 -----

----- Equity/assets ratio, % 8 4.7 4.8 4.9 -----

----- Tier 1 capital ratio, 10.8 10.4 9.7 without transit ional rules, % 9 -----

----- Earnings per share before 0.11 0.13 -0.16 0.25

-0.22 dilution, % 10 ----- Equity capital per

share, 12.20 12.27 11.89 EUR 11 ----- Market

price per Series A 10.50 12.50 10.90 share, EUR -----

----- Market price per Series B 7.68 8.14 7.58 share, EUR -----

----- Number of shares 14,395 14,395 14,395 outstanding (not own shares) thousands -----

----- Working hours 609 604 651 607 664 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 - June 2013, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - June 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-jun\\_13.pdf](http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-jun_13.pdf) Mariehamn, July 29, 2013 THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf +358 204 2912 25