

# Bank of Åland Plc: Interim Report for the period January - March 2012

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Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January - March 2012  
 Mariehamn, 2012-04-30 08:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc STOCK EXCHANGE  
 RELEASE 30.04.2012 09.00 hrs Interim Report for the period January - March 2012 • April 30, 2012,  
 9.00 am "The earnings that were reported for the first quarter do not reflect the Bank of Åland's long-  
 term earnings potential. During the quarter, we carried out the most extensive efficiency-raising  
 programme in the Bank of Åland's history. The influx of new customers remained high, including 800  
 new customers in Sweden. The effects of this will be visible in future earnings reports. Meanwhile our  
 profitability is being squeezed by the lingering effects of the financial crisis, especially in the form of  
 low and falling market interest rates." Peter Wiklöf, Managing Director January'March 2012 compared  
 to January'March 2011 -- Net operating profit amounted to EUR -1.1 M (2.1). -- Profit for the period  
 attributable to shareholders was EUR -0.8 M (1.0). -- Net interest income increased by 21 per cent to  
 EUR 11.5 M (9.5). -- Net commission income decreased by 21 per cent to EUR 8.0 M (10.1). -- Total  
 expenses decreased by 2 per cent to EUR 23.5 M (24.0). -- Net loan losses were EUR 0.9 M (0.0),  
 equivalent to a loan loss level of 0.12 (0.00) per cent. -- The Tier 1 capital ratio increased to 10.3 per  
 cent (8.4 per cent on December 31, 2011), due to the fact that the capital requirement for credit risks  
 is now calculated according to the Internal Ratings Based (IRB) approach for the Finnish household  
 portfolio. -- The efficiency-raising measures that have been implemented are expected to lower the  
 Group's expense level by EUR 8 M per year when they achieve their full effect, which is expected to  
 occur by the end of 2012. The effect in 2012 is estimated at about EUR 7 M. The Group's expenses in  
 2012 are expected to be lower than in 2011. The Bank also expects income from divestments of  
 certain assets during during 2012. If loan losses remain within forecasted limits, these circumstances  
 and assumptions will together lead the Group to report a positive net operating profit in 2012.

Financial summary		-----		Bank of Åland Group		-----		EUR M		-----	
Q1	Q4	%	Q1	%	2012	2011	2011	-----	-----	-----	-----
----- Income -----											
----- Net interest income 11.5 12.1 -5 9.5 21 -----											
----- Net commission income 8.0 8.3 -3 10.1 -20 -----											
----- Other income 3.8 2.6 43 6.6 -42 -----											
----- Total income 23.3 23.0 1 26.1 -11 -----											
----- Staff costs -13.2 -16.7 -21 -13.9 -5 -----											
----- Other expenses -10.3 -12.6 -18 -10.1 2 -----											
----- Total expenses -23.5 -29.3 -20 -24.0 -2 -----											
----- Profit before loan losses etc. -0.2 -6.3 -97 2.1 -110 ---											
----- Impairment losses on loans and other -0.9											
----- -0.8 2 0.0 commitments -----											
----- Net operating profit -1.1 -7.1 -85 2.1 -150 -----											
----- Income taxes 0.4 2.6 -86 -1.1 -133 -----											
----- Profit for the report period -0.7 -4.5 -84 1.0 -168 -----											
-----											
Attributable to: -----											
----- Non-controlling interests 0.1 0.2 -52 0.0 483 -----											
----- Shareholders in Bank of Åland Plc -0.8 -4.7 -83 1.0 -177 -----											
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----- VOLUME -----											

Lending to the public	2,762	2,737	1	2,550	8
Deposits from the public	2,551	2,544	0	2,521	1
Managed assets	4,044	3,814	6	4,400	-8
Equity capital	180	181	-1	155	16
Balance sheet total	3,553	3,400	4	3,398	5
Risk-weighted assets	1,374	1,729	-21	1,645	-16

FINANCIAL RATIOS

Return on equity after taxes, % (ROE)	-1.6	-11.4	2.7
Expenses/income ratio, %	105	127	92
Loan loss level, %	0.12	0.12	0.00
Gross non-performing loans, %	0.63	0.70	0.86
Level of provisions for doubtful receivables, %	67	71	72
Core funding ratio (Lending/deposits), %	108	108	101
Equity/assets ratio, %	5.1	5.3	4.6
Tier 1 capital ratio, %	10.3	8.4	7.4
Earnings per share before dilution, %	-0.06	-0.34	0.09
Equity capital per share, EUR	12.26	12.34	13.41
Market price per Series A share, EUR	14.25	14.15	25.50
Market price per Series B share, EUR	9.15	8.68	17.00
Price per A share, adjusted for share issue, EUR	14.25	14.15	23.75
Price per B share, adjusted for share issue, EUR	9.15	8.68	15.83

Working hours re-calculated to full-time 679 697 687 equivalent positions

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 2012 enclosed to this stock exchange release. Ålandsbanken's Interim Report for the period January - March 2012 is attached to this release in pdf format and is also available on the company's web site at [www.alandsbanken.fi](http://www.alandsbanken.fi). Mariehamn, April 27, 2012 THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf +358 204 291255