

Bank of Åland Plc- Interim Report for the period January - March 2023

27.04.2023



Bank of Åland Plc
Interim Report
April 27, 2023 9.00 am

Interim Report for the period January - March 2023

“We are starting the year with strong earnings, and we doubled our net operating profit compared to the first quarter of last year if we exclude the proceeds from the divestment of our SEK 10.4 billion mortgage loan portfolio in Sweden to Borgo.

“We are still seeing an inflow of new managed assets to our financial investment services, and we have begun to prepare for an additional divestment of mortgage loans in Sweden to Borgo. According to plans, this divestment will occur after the summer and will involve a mortgage loan portfolio totalling SEK 5-6 billion.”

Peter Wiklöf, Managing Director and Chief Executive

January-March 2023 compared to January-March 2022

- Net operating profit decreased by 41 per cent to EUR 8.2 M (13.9). Excluding a divestment gain the previous year, net operating profit increased by 100 per cent to EUR 8.2 M (4.1).
- Core income in the form of net interest income, net commission income and IT income increased by 10 per cent to EUR 44.2 M (40.1).

- Other income, which included a divestment gain last year, decreased by 90 per cent to EUR 1.1 M (11.0).
- Total expenses increased by 3 per cent to EUR 36.7 M (35.5).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.3 M (1.7), equivalent to a loan loss level of 0.03 (0.16) per cent.
- Return on equity after taxes (ROE) decreased to 8.9 (15.0) per cent. Excluding a divestment gain the previous year, ROE amounted to 4.4 per cent during the comparative period.
- Earnings per share decreased by 42 per cent to EUR 0.41 (0.71).
- The common equity Tier 1 capital ratio increased to 12.4 per cent (12.0 December 31 2022).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2023 to be significantly better than in 2022.

Financial Summary

| Group | Q1 2023 | Q4 2022 | % | Q1 2022 | % |
|--|--------------|--------------|------------|--------------|------------|
| EUR M | | | | | |
| Income | | | | | |
| Net interest income | 19.8 | 19.7 | 0 | 14.3 | 38 |
| Net commission income | 18.3 | 18.4 | -1 | 20.2 | -10 |
| IT income | 6.1 | 6.2 | -2 | 5.5 | 11 |
| Other income | 1.1 | 2.7 | -59 | 11.0 | -90 |
| Total income | 45.3 | 47.0 | -4 | 51.1 | -11 |
| Staff costs | -20.5 | -19.6 | 5 | -18.9 | 9 |
| Other expenses | -10.0 | -11.3 | -11 | -9.7 | 3 |
| Statutory fees | -3.2 | 0.0 | | -3.6 | -9 |
| Depreciation/amortisation | -2.9 | -3.3 | -9 | -3.4 | -13 |
| Total expenses | -36.7 | -34.1 | 8 | -35.5 | 3 |
| Profit before impairment losses | 8.5 | 12.9 | -34 | 15.6 | -45 |
| Impairment losses on financial assets, net | -0.3 | -2.2 | -87 | -1.7 | -82 |
| Net operating profit | 8.2 | 10.6 | -23 | 13.9 | -41 |
| Income taxes | -2.0 | -2.1 | -5 | -2.9 | -30 |
| Profit for the period | 6.2 | 8.5 | -27 | 11.0 | -44 |
| Attributable to: | | | | | |
| Shareholders in Bank of Åland Plc | 6.2 | 8.5 | -27 | 11.0 | -44 |
| Financial ratios | | | | | |
| Return on equity after taxes, % (ROE) | 8.9 | 11.9 | | 15.0 | |
| Return on equity after taxes, % (ROE), moving 12-month average to end of report period | 11.3 | 12.8 | | 14.7 | |
| Earnings per share, EUR | 0.41 | 0.55 | -26 | 0.71 | -42 |
| Earnings per share, EUR, moving 12-month average to end of report period | 2.07 | 2.37 | -13 | 2.71 | -24 |
| Common equity Tier 1 capital ratio, % | 12.4 | 12.0 | | 13.9 | |

Loan loss level, % 5

0.03

0.20

0.16

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 - March 2023, which is enclosed with this stock exchange release. The Bank`s Interim Report for the period January - March 2023 is attached to this release in PDF format and is also available on the company`s web site at <https://www.alandsbanken.com/u...>

Mariehamn, April 27, 2023

THE BOARD OF DIRECTORS

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