ÀLANDSBANKEN

Year-end Report for the period January-December 2015

12.02.2016

Bank of Åland Plc Stock Exchange Release February 12, 2016, 9.00 a.m. Year-end Report for the period January-December 2015 "We delivered our strongest net operating profit ever, EUR 30.3 M, and we improved our profit attributable to shareholders by 51 per cent. "Growing customer volume in all business areas created strong net interest income (+ 9 per cent) and higher net commission income from financial investment operations on behalf of our customers (+ 10 per cent). The positive volume and income trend, combined with falling total expenses (- 5 per cent), made 2015 a successful year. "Late in 2015, we received further confirmation that our high level of service is appreciated when Prospera's customer survey named the Bank of Åland the best bank among Private Banking customers in Finland. " Peter Wiklöf, Managing Director January–December 2015 compared to January-December 2014 -- Net operating profit improved by 35 per cent to EUR 30.3 M (22.4). -- Profit for the period attributable to shareholders improved by 51 per cent to EUR 24.3 M (16.1). -- Net interest income increased by 9 per cent to EUR 54.0 M (49.3). -- Net commission income increased by 1 per cent to EUR 46.5 M (46.2). -- Total expenses decreased by 5 per cent to EUR 91.6 M (96.4). --Net impairment losses on loans (including recoveries) increased by 73 per cent to EUR 3.0 M (1.8), equivalent to a loan loss level of 0.09 (0.06) per cent. -- Return on equity after taxes (ROE) increased to 12.0 (8.7) per cent. -- The core Tier 1 capital ratio amounted to 11.9 per cent (10.9). -- Earnings per share increased by 43 per cent to EUR 1.60 (1.12). -- The Board of Directors proposes a dividend of EUR 0.60 (0.40) per share. The fourth guarter of 2015 compared to the fourth guarter of 2014 -- Net operating profit fell by 13 per cent to EUR 6.6 M (7.6). -- Profit for the period attributable to shareholders fell by 6 per cent to EUR 5.3 M (5.6). -- Net interest income increased by 17 per cent to EUR 14.8 M (12.6). -- Net commission income decreased by 23 per cent to EUR 11.2 M (14.5). -- Total expenses decreased by 5 per cent to EUR 24.7 M (25.8). -- Net impairment losses on loans (including recoveries) increased to EUR 1.1 M (0.5), equivalent to a loan loss level of 0.13 (0.06) per cent. --Return on equity after taxes (ROE) decreased to 9.9 (11.7) per cent. -- Earnings per share decreased Bank of Åland Group Q4 Q3 % Q4 % Jan-De Jan-De % 2015 2015 2014 c c 2015 2014 ------------ EUR M ------------ Income ------ Net interest income 14.8 13.6 9 12.6 17 54.0 49.3 9 ------ Net commission income 11.2 10.5 6 14.5 -23 46.5 46.2 1 ------Net income from 2.5 1.5 69 2.2 12 8.0 6.8 19 financial items at fair value ------------ Other income 4.0 3.8 6 4.6 -13 16.4 18.3 -10 ------------ Staff costs -15.1 -13.2 14 -14.5 4 -56.0 -53.1 6 ------Other expenses -8.0 -6.7 19 -9.3 -14 -28.7 -34.9 -18 ------------ Depreciation/amortisatio -1.6 -1.7 -6 -2.0 -22 -6.9 -8.4 -18 n ------------ Total expenses -24.7 -21.6 14 -25.8 -5 -91.6 -96.4 -5 ------------- Profit before impairment 7.8 7.8 -1 8.1 -5 33.3 24.2 38 losses ------------ Impairment losses on -1.1 -1.4 -19 -0.5 -3.0 -1.8 73 loans and other commitments ------------ Net operating profit 6.6 6.4 3 7.6 -13 30.3 22.4 35 ------

-1.6 -15 -6.0 -4.8 25	
5.1 4 6.1 -13 24.3 17.6 38 period	
Attributable to:	
Non-controlling 0.0 0.0 0.4 0.0 1.5 -100 interests	
Shareholders in Bank of 5.3 5.1 4 5.6 -6 24	
Volume	
3,531 2 3,343 8	Deposits from the public
2,675 2,611 2 2,391 12 1	Investment
volume 2 7,076 6,502 9 6,312 12	
capital 213 208 2 196 9	Balance sheet total
4,602 4,499 2 4,292 7	•
amount 1,581 1,558 1 1,554 2	
Financial ratios Financial ratios Financial ratios	
Expense/income ratio 4 0.76 0.73	
Expense/income ratio 4 0.70 0.73	
Loan loss level, % 9 0.19 0.	
Gross non-performing 0.0	
receivables, % 7	
100 99 105	5
4.6 Tier 1 ca	
Earnings pe	
-11 1.60 1.12 43 11	
after 0.34 0.33 3 0.39 -12 1.59 1.12 42 dilution, EUR	- .
Equity capital per 14.00 13.66 2 13.49 4 share, EUR 12	
Equity capital per share 13.94 13.60 2 13.46 4 a	
Market price per Series 16	
EUR Market	
10.87 44 B share, EUR	
15,208 15,208 0 14,398 6 outstanding (not own shares), 000s	
Number of shares 15,411 15,338 0 14,498 6 outstal	
dilution, 000s	-
4 663 644 3 re-calculated to full-time equivalent positions	
1. Deposits from the public and public sector entities, in	ncluding certificates of deposit,
index bonds and debentures issued to the public 2.Investment volume	encompasses actively managed
assets (the Group's own mutual funds, discretionary and advisory man	aged assets) plus other
securities volume in brokerage accounts 3. Profit for the report period	attributable to shareholders /
Average shareholders' portion of equity capital 4. Expenses / Income 5	5. Impairment losses on loan
portfolio and other commitments / Lending to the public at the beginning	ing of the period 6. Gross
doubtful receivables / Lending to the public before provisions for impa	irment losses 7. Provisions for
individual impairment losses / Gross doubtful receivables 8. Lending to	the public / Deposits including
certificates of deposit, index bonds and debentures issued to the publi	c plus covered bonds issued 9.
Equity capital / Balance sheet total 10. (Core Tier 1 capital / Capital re	quirement) x 8% 11.
Shareholders' portion of earnings for the period / Average number of s	hares 12. Equity capital /
Number of shares less own shares on closing day The Bank of Åland's	long-term financial targets A
clarification related to the Bank of Åland's long-term financial targets i	s that the payout ratio shall
eventually amount to 50 per cent. This payout ratio target is subject to	o the condition that the capital
adequacy target continues to be achieved. At present, the Bank of Åla	nd is prioritising growth. 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 Year-end Report for the period January – December 2015, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January – December 2015 is attached to this release in PDF format and is also available on the company's web site at

https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-dec_15.pdf Mariehamn, February 12, 2016 THE BOARD OF DIRECTORS For more information please contact: Peter Wiklöf, Managing Director and Chief Executive, Bank of Åland, tel. + 358 (0)40 512 7505