

Bank of Åland Plc: Interim Report for the period January - September 2024

24.10.2024

Bank of Åland Plc
Interim Report
October 24, 2024 9.00 EET

Interim Report for the period January - September 2024

"We are reporting our best nine-month operating profit ever, at EUR 49.8 million (41.5), which generated a return on equity after taxes of 18.4 per cent (15.7).

"It has been nearly a year since market interest rates reached their highest levels, and we can see that declining market interest rates are negatively impacting net interest income. However, because of rising activity levels within our financial investment operations and our IT operations, net commission income and IT income during the quarter together rose more than the decline in net interest income. Our core income in the form of net interest income, net commission income and IT income thus increased by EUR 0.6 M or 1 per cent compared to the same quarter of 2023, reaching EUR 52.7 M (52.1).

"Hopefully, falling market interest rates will lead to a continued surge in activity levels in our society."

Peter Wiklöf, Managing Director and Chief Executive

January-September 2024 compared to January-September 2023

- Net operating profit increased by 20 per cent to EUR 49.8 M (41.5).
- Core income in the form of net interest income, net commission income and IT income increased by 10 per cent to EUR 161.1 M (146.4).
- Other income increased to EUR 1.1 M (0.3). • Total expenses increased by 7 per cent to EUR 110.0 M (103.1).
- Net impairment losses on financial assets (including recoveries) totalled EUR 2.5 M (2.0), equivalent to a loan loss level of 0.08 per cent (0.06).
- Return on equity after taxes (ROE) increased to 18.4 per cent (15.7).
- Earnings per share increased by 22 per cent to EUR 2.60 (2.13).
- The common equity Tier 1 capital ratio increased to 14.0 per cent (13.7 on December 31, 2023).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2024 to be about the same as in 2023.

The third quarter of 2024 compared to third quarter of 2023

- Net operating profit decreased by 9 per cent to EUR 17.3 M (19.1).
- Core income in the form of net interest income, net commission income and IT income increased by 1 per cent to EUR 52.7 M (52.1).
- Other income increased to EUR 0.4 M (–0.9).
- Total expenses increased by 11 per cent to EUR 35.1 M (31.5).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.8 M (0.7), equivalent to a loan loss level of 0.08 per cent (0.06).
- Return on equity after taxes (ROE) decreased to 19.0 per cent (21.5).
- Earnings per share decreased by 9 per cent to EUR 0.89 (0.99).

Financial summary

Group	Q3 2024	Q2 2024	%	Q3 2023	%	Jan-Sep 2024	Jan-Sep 2023	%
EUR M								
Income								
Net interest income	26.2	26.4	-1	27.9	-6	78.9	71.8	10
Net commission income	18.9	19.4	-3	17.8	6	56.5	54.3	4
IT income	7.6	9,7	-22	6.4	18	25.6	202	27
Other income	0,4	-0,1		-0,9		1,1	0,3	
Total income	53.1	55.3	-4	51.2	4	162.2	146.6	11
Staff costs	-21.3	-22.8	-6	-19.4	10	-65.7	-60.4	9
Other expenses	-10.8	-12.5	-14	-8.9	20	-34.8	-30.4	14
Statutory fees							-3,2	-100
Depreciation/amortisation	-3.0	-3.3	-8	-3.1	-3	-9.5	-9.0	5
Total expenses	-35.1	-38.5	-9	-31.5	11	-110.0	-103.1	7
Profit before impairment losses	18.0	16.8	7	19.8	-9	52.2	43.5	20
Impairment losses on financial assets, net	-0.8	-1.2	-36	-0.7	8	-2.5	-2.0	23
Net operating profit	17.3	15.6	11	19.1	-9	49.8	41.5	20
Income taxes	-3.5	-3.1	16	-4.0	-10	-9.9	-8.9	11
Profit for the period	13.7	12.6	9	15.1	-9	39.9	32.6	22
Attributable to:								
Shareholders in Bank of Åland Plc	13.7	12.6	9	15.1	-9	39.9	32.6	22
Volume								
Lending to the public	3,514	3,530	0	3,777	-7			
Deposits from the public	3,396	3,475	-2	3,553	-4			
Actively managed assets	10,654	10,343	3	8,982	19			
Managed mortgage loans	3,060	2,952	4	2,600	18			
Equity capital	325	311	5	318	2			
Balance sheet total	4,789	4,782	0	5,197	-8			
Risk exposure amount	1,693	1,681	1	1,741	-3			

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 – September 2024, which is enclosed with this stock exchange release.

The Bank`s Interim Report for the period January – September 2024 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-sep_24.pdf

Mariehamn, October 24, 2024

THE BOARD OF DIRECTORS

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Attachment

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