

Bank of Åland Plc: Interim Report for the period January–March 2015

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Bank of Åland
Interim report

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Bank of Åland Plc
Interim Report
April 28, 2015, 9.00 a.m.

Interim Report for the period January–March 2015

"The Bank of Åland reported its best-ever net operating profit, excluding nonrecurring income, for a single quarter: EUR 9.4 million. All business areas continued to strengthen their earnings, and consolidated return on equity after taxes amounted to 15.9 per cent.

"Our operations in Sweden showed continued good volume and earnings growth, and profitability in this business area is approaching the levels we already have in the Finnish Mainland and Åland business areas.

"Despite the Bank's positive earnings trend, it is essential to understand that today's volatile capital markets and the many sources of concern that exist in our surroundings can rapidly change the operating conditions of banks and the capital markets for the worse."

Peter Wiklöf, Managing Director

January–March 2015 compared to January–March 2014

- Net operating profit improved by EUR 7.1 M to EUR 9.4 M (2.3).
- Profit for the period attributable to shareholders improved by EUR 6.3 M to EUR 7.7 M (1.4).
- Net interest income increased by 7 per cent to EUR 12.7 M (11.9).
- Net commission income increased by 20 per cent to EUR 12.9 M (10.7).
- Total expenses decreased by 7 per cent to EUR 22.8 M (24.6).
- Net impairment losses on loans (including recoveries) decreased by 78 per cent to EUR 0.2 M (0.9), equivalent to a loan loss level of 0.02 (0.11)

- Return on equity after taxes (ROE) increased to 15.9 per cent (3.2).
- Earnings per share amounted to EUR 0.54 (0.10).
- The core Tier 1 capital ratio amounted to 11.3 per cent (December 31, 2014: 10.9 per cent).

Bank of Åland Group Q1 Q4 % Q1 %
2015 2014 2014

Income taxes -1.7 -1.6 8 -0.5

Profit for the report period 7.7 6.1 28 1.8

Attributable to:

Non-controlling interests 0.0 0.4 -100 0.4 -100

Shareholders in Bank of Åland Plc 7.7 5.6 37 1.4

Volume

Lending to the public 3,416 3,343 2 3,161 8

Deposits from the public 1 2,507 2,391 5 2,549 -2

Managed assets 5,589 5,042 11 4,560 23

Equity capital 203 196 4 185 10

Balance sheet total 4,418 4,292 3 4,069 9

Risk exposure amount 1,599 1,554 3 1,534 4

Financial ratios

Return on equity after taxes, % (ROE) 2 15.9 11.7 3.2

Expense/income ratio 3 0.70 0.76 0.89

Loan loss level, % 4 0.02 0.06 0.11

Gross non-performing receivables, % 5 0.61 0.65 1.07

Level of provisions for doubtful
receivables, % 6

Core funding ratio, % 7 103 105 102

Equity/assets ratio, % 8 4.6 4.6 4.5

Tier 1 capital ratio, % 9 11.2 10.9 3 10.6 6

Earnings per share, EUR 10 0.54 0.39 37 0.10

Earnings per share after dilution, EUR 0.54 0.39 38 0.10

Equity capital per share, EUR 11 14.04 13.49 4 12.63 11

Equity capital per share after dilution, EUR 14.01 13.46 4 12.63 11

Market price per Series A share, EUR 15.10 11.27 34 10.24 47

Market price per Series B share, EUR 14.15 10.87 30 8.25 72

Number of shares outstanding (not own 14,415 14,398 0 14,398 0
shares), 000s

Number of shares outstanding (not own 14,515 14,498 0 14,398 1
shares), after dilution, 000s

Working hours re-calculated to fulltime 645 643 0 636 1
positions

1 Deposits from the public and public sector entities, including certificates
of deposit, index bonds and debentures issued to the public

2 Profit for the report period attributable to shareholders / Average
shareholders' portion of equity capital

3 Expenses / Income

4 Impairment losses on loan portfolio and other commitments / Lending to the
public at the beginning of the period

5 Non-performing receivables more than 90 days / Lending to the public before
provisions for impairment losses

6 Provisions for individual impairment losses / Doubtful receivables

7 Lending to the public / Deposits including certificates of deposit, index
bonds and debentures issued to the public plus covered bonds issued

8 Equity capital / Balance sheet total

9 (Core Tier 1 capital / Capital requirement) x 8 %

10 Shareholders' portion of earnings for the period/ Number of shares adjusted
for share issue

11 Equity capital/Number of shares on closing day

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 2015, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - March 2015 is attached to this release in PDF format and is also available on the company's web site at

Mariehamn, April 28, 2015

THE BOARD OF DIRECTORS

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