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Bank of Aland PLC

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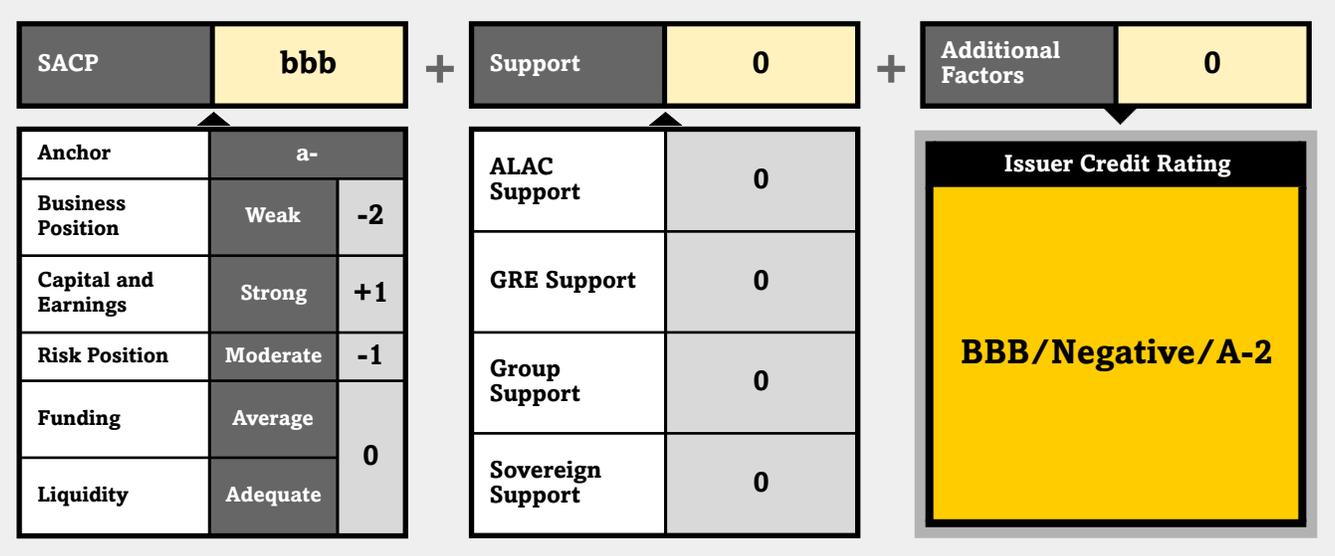
Outlook

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Related Criteria

Related Research

Bank of Aland PLC



Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> Business operations in economically robust regions in Finland and Sweden. Sound funding position, supported by stable customer deposits. Strong risk-adjusted capitalization and low credit losses. 	<ul style="list-style-type: none"> Modest market position in mainland Finland and Sweden could expose the bank to revenue volatility. Lower cost efficiency than peers', distorted by nonbanking activities. Sensitivity to Finnish and Swedish property markets.

Outlook: Negative

The negative outlook reflects our view of the negative impact that the COVID-19 pandemic could have on Finland's economy, and its potential impact on Bank of Åland's asset quality and profitability in its Finnish operations over the next two years.

Downside scenario

A weaker economic recovery in Finland could adversely affect the Finnish banking sector's performance. This could lead us to revise down our anchor for Finnish banks to 'bbb+' from 'a-'. Because about two-thirds of Bank of Åland's lending is to Finland, including the region of Åland, this could prompt us to lower our long-term rating on the bank.

If we were to revise our view of economic risk in Finland from the current low assessment, this would result in lower projected risk-adjusted capital (RAC) ratio for Bank of Åland because we would use higher risk weights on Finnish exposures in our calculation. However, we believe that this would lead to at most a one-notch downgrade of the bank, given the meaningful capital buffers with which it entered the pandemic.

Upside scenario

We could revise the outlook to stable if the Finnish economy proved more resilient relative to our expectation over the next 12-24 months.

Subsequently, we could raise the rating if Bank of Åland's capitalization improves, as indicated by a sustained increase of its RAC ratio beyond 15% over the next 24 months, including further earnings retention. An upgrade would depend on the bank's efforts to uphold sound profitability and an unchanged stance toward prudent underwriting standards and collateralization.

Rationale

Our ratings on Bank of Åland reflect its 'a-' anchor for its operations in Finland and Sweden, and our view of the bank's concentrated but successful retail premium and private banking franchise in Finland's Åland Islands, and certain areas in mainland Finland and Sweden, and its innovative cooperation with FinTech companies.

The ratings also incorporate Bank of Åland's strong capital and earnings profile, with our expectation that its resilient earnings will continue to provide a robust buffer to absorb potential losses from the COVID-19-induced downturn. We expect its RAC ratio will hover close to 15% through 2022 on the back of internal capital build-up after the establishment of Borgo, the mortgage platform it is jointly setting up with several Swedish partners. Despite concentrations in its loan book, we expect Bank of Åland's asset quality will remain overall resilient to the economic consequences of the COVID-19 pandemic, on the back of its prudent underwriting standards and a high level of collateralization. We expect the bank will benefit from stable deposit franchise, complemented by its access to the covered bond market, which contributes to the sound funding metrics and comfortable liquidity cushions. The bank's stand-alone credit profile (SACP) is 'bbb'.

We do not factor in any extraordinary support above the SACP, due to our assessment that Bank of Åland has low systemic importance in Finland and we believe that the response to nonviability of Bank of Åland would not be a

bail-in driven resolution.

Anchor:'a-' for Bank of Åland's operations in Finland and Sweden

To determine a bank's anchor, we use our Banking Industry Country Risk Assessment's (BICRA's) economic risk and industry risk scores. The anchor is the starting point in assigning an issuer credit rating under our criteria for banks. The 'a-' anchor for Bank of Åland considers the weighted-average economic risk in all countries the bank is exposed to, primarily Finland (69% of lending) and Sweden (31%), based on our estimate of the bank's loan growth and an industry risk score of '3' for domicile country Finland (on a scale from '1', the strongest score, to '10', the weakest). Under our BICRA methodology, Sweden has similar economic and industry risk scores to Finland. While we continue to see the trend for economic risks and the overall BICRA as stable in Sweden, we continue to see a negative trend in Finland. If we saw more pronounced economic distress stemming from the COVID-19 pandemic or weaker and delayed recovery of the Finnish economy, with cost of risk for the banking system exceeding our current expectations, we could negatively reassess economic risk in the Finnish banking sector.

We view Finland as an innovative, wealthy, and open economy, with mature political and institutional structures. However, the COVID-19 pandemic is an unprecedented challenge and will send Finland into severe contraction in 2020, in our opinion. After an anemic final quarter of 2019, Finland was already facing a muted growth outlook, with lower exports, weakening consumer confidence, and only moderate credit demand from households. Although we expect recovery in 2021, it will likely be less pronounced than in other Nordic countries. That said, the wide-ranging fiscal, monetary, and regulatory support measures will, in our view, mitigate this sharp shock to the Finnish economy, and so support the stability of the banking system.

We currently do not see major domestic economic imbalances in the Finnish economy since house prices have stabilized nationwide over the past years and, despite the decreased activity amid COVID-19, we do not project a correction in the real estate market. However, we see a risk of weaker private-sector debt-servicing capacity, especially from small and medium enterprises, which could lead to materially higher credit losses for banks. The historically high indebtedness of Finnish households could potentially also be a mounting credit risk for the banking sector if not curbed by macroprudential measures. Still, in our base case, we forecast moderate credit losses from households despite increasing unemployment, increasing use of amortization, and more muted credit demand, before returning to pre-crisis level in 2021-2022.

In our view, regulatory standards and bank supervision in Finland are in line with those of European peers. Despite the concentrated banking sector--dominated by the two major banking groups OP Financial Group and Nordea, and underpinned by intense competition and low lending margins--we believe the sector's overall profitability and capitalization will remain resilient and we expect banks will maintain their restrained risk appetite. We therefore expect the Finnish banking sector will be well prepared to weather the current shock although business prospects will weaken through 2021. We believe that the risk of tech disruption remains moderate, given the banks' digital customer offerings and ongoing investments in innovation.

In our view, the dependence on external funding makes Finnish banks vulnerable to changes in confidence sensitivity, but they continue to demonstrate good access to capital markets. Additionally, the Nordic banking system remains highly interconnected, which results in potential spillover risks on the Finnish economy from external events.

Table 1

Bank of Åland PLC--Key Figures					
--Year ended Dec. 31--					
(Mil. €)	2020*	2019	2018	2017	2016
Adjusted assets	5,702.0	5,582.2	5,536.2	5,335.1	5,121.2
Customer loans (gross)	4,233.0	4,122.5	4,033.0	3,989.0	3,820.8
Adjusted common equity	226.1	214.4	210.1	204.6	195.4
Operating revenues	110.0	133.9	127.6	128.0	120.4
Noninterest expenses	77.7	97.5	97.8	99.8	91.3
Core earnings	21.7	26.3	22.9	20.7	19.7

*Data as of Sept. 30.

Business position: Retail and premium banking franchise in selected regions of Finland and Sweden

We expect Bank of Åland will maintain its small but specialized retail premium and private banking franchise on Finland's Åland Islands, and in certain selected areas in mainland Finland and Sweden. We also expect the bank will continue exploring innovative cooperation with FinTechs, such as climate impact calculation "Åland Index" (a joint venture with Doconomy AB). However, despite some geographic diversification, the bank's small-scale retail and private banking franchise could be more vulnerable to further cyclical swings in the segments compared with larger and more diversified Nordic peers. We therefore see its business position as a rating constraint.

As of Sept. 30, 2020, Bank of Åland reported total assets of €5.7 billion (assets under management of €6.1 billion) and has about 250,000 customers and 773 employees. Bank of Åland focuses on providing retail private banking services, offering both basic and advanced private banking products and benefits from a loyal and more affluent customer base, in our opinion. The bank's expanding asset management operations complement this offering, enabling it to serve affluent customers in selected regions in Finland since the 1980s and in Sweden since 2009, following the acquisition of Kaupthing Bank Sweden.

The bank holds a leading position in its wealthy but very small home region, Finland's Åland Islands, with an estimated loan market share of 50% in its core business of private and premium banking. The business generated in Finland, including Åland Islands, represents about 74% of Bank of Åland's income, while the share of income in Sweden continues to increase primarily as a result of volume growth. We anticipate that, over time, Sweden is likely to represent a larger share of Bank of Åland's revenue, given that the bank remains committed to its selective growth strategy in the country. Overall, the bank's market shares in mainland Finland and Sweden remain small.

The bank has taken steps to broaden its distribution channels by initiating various innovative partnerships with financial technology companies, such as Dreams, Trustly, and Doconomy. We expect further investments in the bank's digital infrastructure will improve the customer experience and to make internal processes more efficient. In our view, management remains focused on a long-term prudent strategy, which is underpinned by a strong local shareholder collective.

Bank of Åland announced on Sept. 20, 2019, that it had signed an agreement to establish a new Swedish mortgage company together with four partners: ICA Bank (belonging to retailer ICA Group), IKANO Bank (IKANO Group belonging to the Kamprad family), Söderberg & Partners (advisor in wealth management, insurance, and pensions),

and Borgo (digital mortgage company). The purpose is to transform Borgo into a Swedish mortgage loan distribution platform and to refinance the loans in an efficient way through issuance of covered bonds.

We expect the joint venture will further diversify Bank of Åland's revenue base and give growth opportunities in Sweden. Bank of Åland will provide its knowhow in covered bond issuance, and together with its 100% information technology (IT) subsidiary CrossKey it will provide IT, treasury, and risk management systems and services to Borgo. While overall we consider the creation of this common platform to be positive for the rating, it also brings execution and potential operational risks for Bank of Åland (for more information, see Finland-Based Bank of Åland Affirmed At 'BBB/A-2' On Swedish Mortgage Loan Cooperation; Outlook Still Positive", published Sept. 23, on RatingsDirect).

In addition to banking and asset management, Bank of Åland owns IT company Crosskey, which provides banking technology consulting services to several domestic banks. This contributes to diversifying the bank's revenue base in addition to net interest income. We believe that Crosskey provides Bank of Åland an advantage in terms of speed and agility in ongoing IT development, but generally consider that Crosskey's higher expenses will weigh on the bank's overall cost-efficiency metrics (cost-to-income ratio was 70.6% for the first-three quarters of 2020). In 2019, Crosskey acquired Helsinki-based Model IT Oy, further expanding the subsidiary's offering for its broad range of customers including banks, asset managers, fund companies, and insurance companies.

Table 2

Bank of Åland PLC--Business Position					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Loan market share in country of domicile	N/A	1.08	1.10	1.10	N/A
Deposit market share in country of domicile	N/A	1.37	1.40	1.40	N/A
Total revenues from business line (currency in millions)	110	134	128	128	120
Retail banking/total revenues from business line	79.0	78.4	81.4	80.2	80.7
Other revenues/total revenues from business line	21.0	21.6	18.6	19.8	19.3
Return on average common equity	10.7	10.5	9.6	9.1	9.1

*Data as of Sept. 30. N/A--Not applicable.

Capital and earnings: Resilient risk-adjusted capitalization, underpinned by earnings growth

We expect Bank of Åland will hold strong capitalization and sound earnings over the next two years. This reflects our expectation that the bank's RAC ratio will be close to 15% by year-end 2022 on the back of internal capital buildup. Similar to other Nordic peers, the RAC ratio remains a key rating strength for Bank of Åland.

As of June 30, 2020, Bank of Åland's RAC ratio was 13.8%, up 10 basis points from year-end 2019. In our measure of capital, we continue to exclude the about €16 million dividend that was originally proposed by the bank's board of directors on 2019 profits, because we expect that Bank of Åland will distribute it early 2021, once this line with the recommendation of the Finnish FSA. This contrasts with the treatment of the bank's regulatory capital, where this dividend has been added back, contributing to the bank's CET1 ratio increase from 13.4% to 14.5% between year-end 2019 and end-June 2020.

In the first nine months of 2020, Bank of Åland's earnings remained resilient to the economic challenges created by the

COVID-19 pandemic compared with the similar period in 2019, largely thanks sustained loan growth--and commission and fee income (+15%) reinforced by steady inflows in the bank's asset management business. The bank recently revised its outlook for net operating profit upwards and expects "better or significantly better" earnings in 2020 than in 2019.

Our forecast through 2022 factors in moderate loan growth and improving net fee and commission income stemming from the asset management business. We expect bank loan loss provisions will peak in 2020, at 17 basis points of loans. The forecast also factors in the expected impact of the launch of the joint Swedish mortgage platform on the bank's risk-adjusted capitalization.

In order to support its growth strategy, Bank of Åland has issued Tier 2 instruments, which qualify as intermediate equity in our total adjusted capital (TAC) when having a minimal 15 years residual maturity. The TAC-eligible Tier 2 instruments (€28 million) now represents approximately 11% of adjusted common equity. In our forecast through 2022, we expect the bank will issue new T2 instruments in order to replace instruments with residual maturities falling within 15 years. We regard Bank of Åland as having a somewhat lower quality of capital than its Nordic midsize peers with no hybrid instruments included in TAC.

Our RAC forecast could be revised upwards and potentially trend above 15%, if we saw the capital strengthening through stronger earnings retention or issuances of additional hybrid capital in excess of our current expectations. In such a scenario, and if RAC remains close to 15%, we would also assess whether the bank's quality of capital was comparable with peers', on the back of a robust internal generation capacity, despite a higher share of hybrid in the bank's TAC.

On the downside, our RAC forecast remains sensitive to our assessment of economic risks in Finland (for more information see: Seven Finnish Banks Outlooks Revised To Negative On Deepening COVID-19 Downside Risks, May 19, 2020). We estimate that the bank's June 2020 RAC would be about 1% point lower in a situation where a weaker economic recovery translated into a higher level of economic risks.

Table 3

Bank of Åland PLC--Capital And Earnings					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Tier 1 capital ratio	13.4	13.4	13.0	12.9	11.8
S&P Global Ratings' RAC ratio before diversification	N/A	13.7	14.2	13.7	13.3
S&P Global Ratings' RAC ratio after diversification	N/A	11.1	11.9	11.3	10.4
Adjusted common equity/total adjusted capital	89.1	85.6	85.2	92.3	93.0
Net interest income/operating revenues	40.0	40.3	42.7	43.7	45.8
Fee income/operating revenues	43.5	43.3	39.6	38.8	37.3
Market-sensitive income/operating revenues	1.3	2.9	4.1	2.6	3.5
Cost to income ratio	70.6	72.8	76.6	78.0	75.8
Preprovision operating income/average assets	0.8	0.7	0.5	0.5	0.6
Core earnings/average managed assets	0.5	0.5	0.4	0.4	0.4

*Data as of Sept. 30. RAC--Risk adjusted capital. N/A--Not applicable.

Table 4

Bank of Åland PLC RACF [Risk-Adjusted Capital Framework] Data					
(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Credit risk					
Government & central banks	939	--	--	9	1
Of which regional governments and local authorities	662	--	--	23.832	36
Institutions and CCPs	664	83	12	84	13
Corporate	1.021	513	50	409	40
Retail	3.475	663	19	948	27
Of which mortgage	2.963	541	18	684	23
Other assets†	83	64	77	82	99
Total credit risk	6.183	1.321	21	1.530	25
Credit valuation adjustment					
Total credit valuation adjustment	--	--	--	--	--
Market Risk					
Equity in the banking book	10	13	123	90	882
Trading book market risk	--	--	--	--	--
Total market risk	--	13	--	90	--
Operational risk					
Total operational risk	--	211	--	219	--
(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings' RWA	% of S&P Global Ratings' RWA
Diversification adjustments					
RWA before diversification	--	1.645	--	1.839	100
Total Diversification/ Concentration Adjustments	--	--	--	429	23
RWA after diversification	--	1.645	--	2.268	123
(Mil. €)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings' RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		241	14,7	254	13,8
Capital ratio after adjustments‡		241	14,6	254	11,2

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of June 2020, S&P Global Ratings.

Risk position: Concentration risks in the loan portfolio due to focus on residential mortgages and some single-name exposures

In our view, Bank of Åland follows a prudent approach in its loan underwriting, demonstrated in its good asset quality, sound collateralization, and low cost of risks in peer comparison. This is countered by the concentration risks of its loan book due to the focus on mortgage lending in selected regions. We expect the bank will maintain moderate geographic diversity, but a narrow number of client segments, and some large single-name exposures. Generally, the

bank's product offering primarily comprises plain vanilla retail banking and related asset management products. Furthermore, its foreign currency exposure and interest rate risks in the banking book are not significant. The bank does not use complex financial instruments in its daily operations.

Bank of Åland's loan portfolio amounted to €4.2 billion as of Sept. 30, 2020 and remains retail-focused (73% of the gross loan book). The bulk of the loan portfolio consists of home loans to individuals in both Finland and Sweden. We expect its loan books will remain characterized by prudent underwriting standards and sound collateralization.

We view positively Bank of Åland's focus on wealthy individuals, entrepreneurs, and their related corporations, and its strategy of engaging mainly in collateralized lending. Much of this is a result of the bank's focus on long-term customer relationships. In our view, the bank's asset quality remains so far broadly resilient to the economic pressures from the COVID-19 pandemic, with a reported share of nonperforming loans to total client loans of 1.30% as of Sept. 30, 2020 (Stage 3 loans in accordance with International Financial Reporting Standards 9, compared with 0.81% as of September 2019). A large share of this increase has been linked to single-name exposure, while the asset quality in bank's mortgage books remains stable.

Table 5

Bank of Åland PLC--Risk Position					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Growth in customer loans	3.6	2.2	1.1	4.4	5.3
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	23.6	19.3	21.6	28.2
Total managed assets/adjusted common equity (x)	25.3	26.2	26.4	26.2	26.3
New loan loss provisions/average customer loans	0.2	0.1	0.0	0.1	0.1
Net charge-offs/average customer loans	0.2	0.1	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.3	0.8	0.5	0.8	1.3
Loan loss reserves/gross nonperforming assets	21.9	37.1	57.4	33.8	25.2

*Data as of Sept. 30. RWA--Risk weighted assets. N/A--Not applicable.

Funding and liquidity: Funding profile dominated by customer deposits and covered bond issuance

We assess Bank of Åland's funding profile as in line with that of domestic peers, owing to a stable core customer deposit base covering 65% of the bank's funding base. This is also reflected in the balanced S&P Global Ratings' stable funding ratio of about 111% as of Dec. 31, 2019. Customer deposits show only limited concentration, and we expect they will remain a stable source of funding.

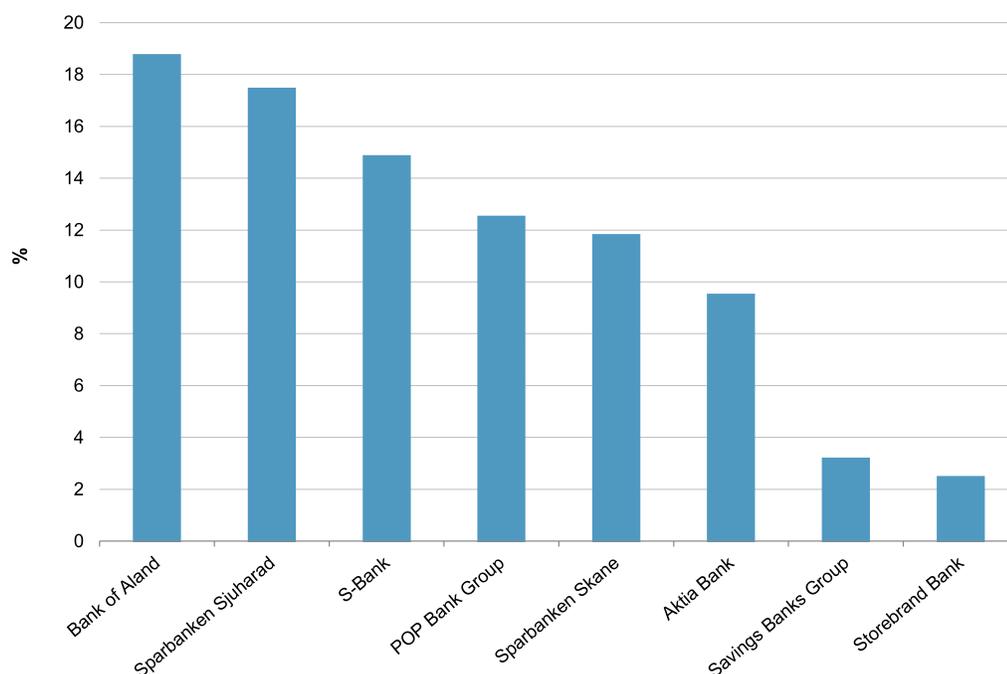
Over the past few years, Bank of Åland has diversified its funding sources and increased the use of wholesale funding to aid lending growth. The wholesale non-bank funding mainly through covered bond issuance represents approximately 32% of the funding base. Both Finnish and Swedish covered mortgage pools are used in the program, which has supported the growth in mortgage lending. The average maturity of Bank of Åland's funding profile is approximately three years, which the bank is likely to maintain given that it has established a solid investor base beyond Finland and Sweden. The bank took advantage of the funding program offered by the Swedish central bank to replace two covered bonds repaid in March and May 2020, for a total value of Swedish krona 3 billion.

We assess Bank of Åland's liquidity as adequate, reflecting a ratio of broad liquid assets to short-term wholesale funding (BLAST), which we expect will remain broadly stable at about the 2.15x registered as of year-end 2019. Given the maturing long-term funding and changes in assets held with other banks, the ratio is somewhat volatile. Bank of Åland's liquidity reserve amounted to approximately €1 billion or 18% of total assets as of Sept. 30, 2020, leading to a regulatory liquidity coverage ratio of 138%. This is in line with peers' and well above the regulatory minimum of 100%. This portfolio consists of cash and securities, which are all eligible for repurchase agreement transactions at the Finnish or Swedish central banks.

Furthermore, Bank of Åland's net broad liquid assets to short-term customer deposits equaled 19% as of year-end 2019, reflecting the share of customer deposits covered by the bank's broad liquid assets, after subtracting maturing short-term wholesale funding. We consider this to be a meaningful indicator of liquidity given that the bank is high share of deposit funding.

Chart 1

Net Broad Liquid Assets/Short-Term Customer Deposits



Source: S&P Global Ratings.

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We believe that under stressful conditions involving the closure of access to capital market funding and a significant deposit outflow, Bank of Åland could survive for more than six months, but dependence on the central bank through repurchase agreement activity could become significant thereafter. In our view, Bank of Åland's liquidity profile compares fairly well with the average bank in Finland and Sweden.

Table 6

Bank of Aland PLC--Funding And Liquidity					
	--Year ended Dec. 31--				
(%)	2020*	2019	2018	2017	2016
Core deposits/funding base	65.6	65.0	64.1	63.3	64.1
Customer loans (net)/customer deposits	122.0	122.0	121.7	126.4	125.8
Long-term funding ratio	89.4	89.9	90.3	91.4	90.7
Stable funding ratio	104.0	111.3	113.1	117.8	112.1
Short-term wholesale funding/funding base	11.2	10.6	10.2	9.1	9.7
Broad liquid assets/short-term wholesale funding (x)	1.6	2.1	2.3	2.9	2.4
Net broad liquid assets/short-term customer deposits	10.2	18.7	21.4	27.3	22.0
Short-term wholesale funding/total wholesale funding	32.0	29.7	27.7	24.5	26.9
Narrow liquid assets/3-month wholesale funding (x)	3.2	5.0	4.4	6.3	6.0

*Data as of Sept. 30.

External support: No notches of uplift to the SACP

We do not factor any external support into our assessment of Bank of Åland. We consider Finland to have had an effective resolution regime since January 2016. However, as we consider that Bank of Åland has low systemic importance in Finland (estimated market share about 1% in customer lending and deposits) we do not believe the response to nonviability of Bank of Åland would be a bail-in resolution. Therefore, we do not consider the additional loss-absorbing criteria to be applicable to the bank, nor do we think that Bank of Åland is eligible for our resolution counterparty rating (RCR). RCRs recognize the default risk of certain bank liabilities that rank senior to other liabilities in a resolution.

Environmental, Social and Governance (ESG)

ESG factors are neutral in our assessment of Bank of Åland's creditworthiness. Social and environmental credit factors are in line with those of peers in the banking industry, while the bank's governance standards are comparable with the practice in its home country.

The bank continues to strengthen its brand by committing to several environmental projects. It remains committed to the "Baltic Sea Project" promoting the health of the Baltic Sea. It has launched a fund that invest in small and mid-sized companies in Nordics by focusing on responsible investment rules and guidelines. Furthermore, the bank leverages on the first environmentally-friendly credit card, the Baltic Sea Card, which allows its customers to use the "Åland Index" to calculate the environmental impact of each credit card transaction and to offset the carbon footprint of their purchases. Furthermore, Bank of Åland collaborates with Swedish Fintech Doconomy to provide a digital banking solution to track and alter behavior to reduce carbon emissions by measuring consumption patterns.

These partnerships demonstrate Bank of Åland's unique innovative and environmental approach to its banking business.

Additional rating factors:None

No additional factors affect this rating.

Related Criteria

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- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
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- Banking Industry Country Risk Assessment: Sweden, Sept. 14, 2020
- Nordic Banks' Strong Capital Deflects COVID-19 Impact, Sept. 8, 2020
- COVID-19: Resilient Fundamentals And Assertive Policy Measures Will Buoy Nordic Banking Systems, June 16, 2020
- Seven Finnish Banks Outlooks Revised To Negative On Deepening COVID-19 Downside Risks, May 19, 2020
- Banking Industry Country Risk Assessment: Finland, Oct. 9, 2019
- Finland-Based Bank of Åland Affirmed At 'BBB/A-2' On Swedish Mortgage Loan Cooperation; Outlook Still Positive, Sept. 23, 2019

Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of December 15, 2020)*

Bank of Aland PLC

Issuer Credit Rating	BBB/Negative/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB

Issuer Credit Ratings History

19-May-2020	BBB/Negative/A-2
25-Jul-2018	BBB/Positive/A-2
17-Nov-2016	BBB/Stable/A-2

Sovereign Rating

Finland	AA+/Stable/A-1+
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