

# The Board of the Bank of Åland Plc proposes that the decision on the dividend be postponed

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## **The Board of the Bank of Åland Plc proposes that the decision on the dividend be postponed**

In light of the COVID-19 coronavirus pandemic and the consequent recommendation issued by the European Central Bank (ECB) on March 27, 2020 and supplemented by the Finnish Financial Supervisory Authority (FIN-FSA) on March 28 for small-sized banks in Finland, the Board of Directors of the Bank of Åland Plc (Ålandsbanken Abp) proposes that the decision on the Bank's dividend for the financial year 2019 be postponed. The Board is thus changing its dividend proposal to the Annual General Meeting (AGM), which will be held on April 2, 2020.

The ECB and the Financial Supervisory Authority consider it important that banks preserve capital in order to ensure their ability to support the economy in a situation of heightened uncertainty due to COVID-19. The ECB and the FIN-FSA thus recommend that credit institutions – at least until October 1, 2020 – refrain from dividend distributions and do not make any irrevocable commitments to pay dividends for the financial years 2019 and 2020.

The Bank of Åland is well capitalised and has intended to contribute to the need for liquidity in society by distributing EUR 15.6 million in dividends, most of which would accrue to the Bank's 5,300+ shareholders in the Åland Islands. However, the Board understands the uncertainty caused by COVID-19 and agrees that it is an expression of strength for all banks to act in a similar way in the current global crisis.

In keeping with the recommendation of the ECB and the FIN-FSA, the Board of Directors thus proposes the postponement of the Bank's dividend decision for the financial year 2019. The Board proposes that the AGM, which will be held on April 2, 2020, should authorise the Board to decide on a maximum dividend of EUR 1.00 per share for the financial year 2019, to be distributed on one or more dates. This authorisation would be valid until the 2021 AGM. The Board intends to comply with the recommendation issued by the ECB and the FIN-FSA and to refrain from deciding any dividend on the basis of the authorisation before October 1, 2020. The Bank of Åland will publish any dividend decisions separately and simultaneously confirm the record date and the distribution date for the dividend.

The 2021 AGM will decide on the allocation of profit for the financial year 2020, based on a proposal by the Board of Directors that is expected to be published during the first quarter of 2021.

For further information, please contact:

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