

The Bank of Åland's new operating segments in interim reports

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Bank of Åland
Company Announcement

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Starting with the January-June 2015 Interim Report, which will be published on July 24, 2015, the Bank of Åland Plc (Ålandsbanken Abp) is changing its reporting of operating segments. This change is occurring against the backdrop of changes in the organisation.

The new segments being reported are:

- Private Banking, encompassing Private Banking operations in Åland, on the Finnish mainland and in Sweden.
- Premium Banking, encompassing operations in all customer segments excluding Private Banking in Åland, on the Finnish mainland and in Sweden.
- Asset Management, encompassing the Bank of Åland Group's new asset management organisation in Finland and Sweden including Ålandsbanken Fondbolag Ab. Asset Management is responsible for management and sales support of the Bank of Åland's own mutual funds, discretionary asset management mandates and advisory asset management mandates. Asset Management is a support organisation for Private Banking and Premium Banking, which have direct customer responsibility, but Asset Management itself has customer responsibility for certain large institutional customers, mutual fund platforms and insurance agents.
- IT, encompassing the subsidiary Crosskey Banking Solution Ab Ltd including S-Crosskey Ab, which develop and offer information technology (IT) solutions for banking services, card services, securities-related services and digital customer contacts.
- Corporate and Other, encompassing all central corporate units in the Group, including Treasury and the subsidiary Ab Compass Card Oy Ltd, which develops and offers debit and credit card services.

The table below presents figures related to the full year 2014 for the new

Bank of Åland Jan 1-Dec 31, 2014
Group

Total -33.4 -33.5 -9.1 -27.8 -7.5 14.8 -96.4

expenses

Profit before impairment losses 14.5 1.2 2.1 2.7 1.9 1.7 24.2

Impairment losses on loans and other commitments -0.4 -1.2 0.0 0.0 -0.3 0.0 -1.8

Net operating profit 14.1 0.1 2.1 2.7 1.7 1.7 22.4

Income taxes -2.9 0.0 -0.4 -0.5 -0.9 0.0 -4.8

Non-controlling interests 0.0 0.0 -1.3 0.0 -0.2 0.0 -1.5

Profit for the period attributable to shareholders 11.2 0.1 0.4 2.2 0.6 1.7 16.1

Business volume, Dec 31

Lending to the public 1,475 1,840 0 0 44 -16 3,343

Deposits from the public 1,220 1,081 7 0 89 -6 2,391

Investment volume1 4,733 738 3,262 0 6 -2,427 6,312

Risk exposure amount 661 603 12 36 243 0 1,554

Allocated 82 83 1 9 19 0 194

equity
capital

Financial
ratios etc.

Return on 15.0 0.1 23.8 15.7 8.7
equity after
taxes, %
(ROE)

Expense/incom 0.70 0.96 0.81 0.91 0.80 0.80
e ratio

Gross 0.12 1.45 2.28 0.88
non-performi
ng loans >
90 days, %

Loan loss 0.03 0.06 0.52 0.06
level, %

Lending/depos 121 170 49 140
its, %

Average 109 118 20 197 195 639
full-time
equivalent
positions2

1 Investment volume encompasses actively managed assets (consisting of the Group's own mutual funds, discretionary managed assets and advisory managed assets) plus other securities volume without asset management agreements including intermediated insurance assets.

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2 Number of full-time equivalent positions defined as employment level excluding employees on parental and long-term sick leave.

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