

Bank of Åland Plc: Half-Year Financial Report for the period January - June 2024

19.07.2024

Bank of Åland Plc
Half-Year Financial Report
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Half-Year Financial Report for the period January - June 2024

“We had a strong first half in terms of earnings, with a net operating profit of EUR 32.5 million (22.5) and with a return on equity after taxes of 18.2 per cent (12.8).

“The investment money we manage for our customers reached a new record level of more than EUR 10.3 billion.

“During the quarter, we completed the third and final migration (SEK 3 billion) of Swedish mortgages from our balance sheet to our partly owned mortgage company Borgo. We thus have a very strong capital and liquidity situation, which means that we are ready for future growth as the demand for loans now hopefully starts to pick up.”

Peter Wiklöf, Managing Director and Chief Executive

January - June 2024 compared to January - June 2023

- Net operating profit increased by 45 per cent to EUR 32.5 M (22.5).
- Core income in the form of net interest income, net commission income and IT income increased by 15 per cent to EUR 108.4 M (94.3).
- Other income decreased by 33 per cent to EUR 0.7 M (1.1).
- Total expenses increased by 5 per cent to EUR 74.9 M (71.6).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.7 M (1.3), equivalent to a loan loss level of 0.08 per cent (0.06).
- Return on equity after taxes (ROE) increased to 18.2 per cent (12.8).
- Earnings per share increased by 49 per cent to EUR 1.71 (1.15).
- 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 second quarter of 2024 compared to the second quarter of 2023

- Net operating profit increased by 10 per cent to EUR 15.6 M (14.2).
- Core income in the form of net interest income, net commission income and IT income increased by 11 per cent to EUR 55.4 M (50.1).
- Other income decreased to EUR –0.1 M (0.0).
- Total expenses increased by 10 per cent to EUR 38.5 M (34.9).
- Net impairment losses on financial assets (including recoveries) totalled EUR 1.2 M (1.0), equivalent to a loan loss level of 0.11 per cent (0.09).
- Return on equity after taxes (ROE) increased to 18.3 per cent (17.0).
- Earnings per share increased by 11 per cent to EUR 0.82 (0.74).

Financial summary

| Group | Q2 2024 | Q1 2024 | % | Q2 2023 | % | Jan-Jun 2024 | Jan-Jun 2023 | % |
|--|--------------|--------------|-----------|--------------|-----------|-----------------|-----------------|-----------|
| EUR M | | | | | | | | |
| Income | | | | | | | | |
| Net interest income | 26.4 | 26.3 | 0 | 24.2 | 9 | 52.7 | 44.0 | 20 |
| Net commission income | 19.4 | 18.3 | 6 | 18.2 | 6 | 37.7 | 36.6 | 3 |
| IT income | 9.7 | 8.4 | 16 | 7.7 | 26 | 18.1 | 13.8 | 31 |
| Other income | -0.1 | 0.8 | | 0.0 | | 0.7 | 1.1 | -33 |
| Total income | 55.3 | 53.8 | 3 | 50.1 | 10 | 109.1 | 95.4 | 14 |
| Staff costs | -22.8 | -21.6 | 5 | -20.4 | 12 | -44.4 | -41.0 | 8 |
| Other expenses | -12.5 | -11.5 | 9 | -11.5 | 9 | -24.0 | -21.5 | 12 |
| Statutory fees | | | | | | | -3.2 | -100 |
| Depreciation/amortisation | -3.3 | -3.2 | 1 | -3.0 | 10 | -6.5 | -5.9 | 10 |
| Total expenses | -38.5 | -36.4 | 6 | -34.9 | 10 | -74.9 | -71.6 | 5 |
| Profit before impairment losses | 16.8 | 17.4 | -4 | 15.2 | 10 | 34.2 | 23.8 | 44 |
| Impairment losses on financial assets, net | -1.2 | -0.5 | | -1.0 | 15 | -1.7 | -1.3 | 31 |
| Net operating profit | 15.6 | 16.9 | -7 | 14.2 | 10 | 32.5 | 22.5 | 45 |
| Income taxes | -3.1 | -3.3 | -6 | -2.9 | 4 | -6.3 | -5.0 | 27 |
| Profit for the period | 12.6 | 13.6 | -8 | 11.3 | 12 | 26.2 | 17.5 | 50 |
| Attributable to: | | | | | | | | |
| Shareholders in Bank of Åland Plc | 12.6 | 13.6 | -8 | 11.3 | 12 | 26.2 | 17.5 | 50 |
| Volume | | | | | | | | |
| Lending to the public | 3,530 | 3,762 | -6 | 4,274 | -17 | | | |
| Deposits from the public | 3,475 | 3,399 | 2 | 3,700 | -6 | | | |
| Actively managed assets | 10,343 | 10,100 | 2 | 9,010 | 15 | | | |
| Managed mortgage loans | 2,952 | 2,584 | 14 | 2,050 | 44 | | | |
| Equity capital | 311 | 302 | 3 | 297 | 5 | | | |
| Balance sheet total | 4,782 | 5,111 | -6 | 5,701 | -16 | | | |
| Risk exposure amount | 1,681 | 1,761 | -5 | 1,882 | -11 | | | |

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 Half-Year Financial Report for the period January - June 2024, which is enclosed with this stock

exchange release.

The Bank`s Half-Year Financial Report for the period January - June 2024 is attached to this release in PDF format and is also available on the company`s web site at <https://www.alandsbanken.com/financial-information/financial-reports>

Mariehamn, July 19, 2024

THE BOARD OF DIRECTORS

For more information please contact:

Peter Wiklöf, Managing Director and Chief Executive, Bank of Åland Plc, tel. + 358 (0)40 512 7505

Attachment

- [alandsbanken_en_resultat_jan-jun_24](#)