ÀLANDSBANKEN

Bank of Åland Plc: Interim Report for the period January – June 2013

29.07.2013

Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January - June 2013 Mariehamn, 2013-07-29 14:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report 29.7.2013 3.00 pm Interim Report for the period January - June 2013 "Our net operating profit was nine million euros better than in the corresponding period of 2012, showing that the Bank of Åland has made significant progress during the year. We have raised the efficiency of our organisation. Business volume has climbed, and especially in Sweden we are seeing steady growth. We have reviewed the pricing of our services, and an increasingly large proportion of our lending portfolio has achieved pricing that corresponds to the costs that result from the new regulations. I would like to express my warm gratitude to all our employees, who are implementing a major reform effort while continuing to deliver the best possible service to our customers. Yet much work remains before we have reached the level of profitability that our shareholders have a right to expect. Our earnings performance remains challenged by low market interest rates and cost increases due to recurring regulatory requirements." Peter Wiklöf, Managing Director January'June 2013 compared to January'June 2012 • Net operating profit improved by EUR 9.3 M to EUR 5.2 M (-4.1). • Profit for the period attributable to shareholders improved by EUR 6.7 M to EUR 3.6 M (-3.1). • Net interest income decreased by 7 per cent to EUR 19.5 M (21.0). • Net commission income increased by 22 per cent to EUR 19.2 M (15.7). • Total expenses decreased by 2 per cent to EUR 46.3 M (47.3). • Impairment losses on loans (including recoveries) amounted to EUR 1.0 M (2.4), equivalent to a loan loss level of 0.06 (0.17) per cent. • Return on equity after taxes (ROE) amounted to 4.0 per cent (-3.6). • Earnings per share amounted to EUR 0.25 (-0.22). • The core Tier 1 capital ratio calculated without transitional rules amounted to 10.8 per cent (December 31, 2012: 10.9 per cent). The second quarter of 2013 compared to the first quarter of 2013 • Net operating profit amounted to EUR 2.5 M (2.6). • Profit for the period attributable to shareholders amounted to EUR 1.6 M (1.9). • Net interest income increased by 8 per cent to EUR 10.2 M (9.4). • Net commission income increased by 6 per cent to EUR 9.9 M (9.3). • Total expenses increased by 1 per cent to EUR 23.2 M (23.1). • Impairment losses on loans signified a net reversal of EUR 0.5 M (1.4), equivalent to a loan loss level of -0.06 per cent (0.19). Bank of Åland Group Q2 Q1 % Q2 % Jan-Ju Jan-Ju % 2013 2012 n n 2013 2012 ----------- EUR M ------ Income ------------- Net interest income 10.2 9.4 8 9.6 6 19.5 21.0 -7 ------------- Net commission income 9.9 9.3 6 7.6 31 19.2 15.7 22 -------- Net income from financial 1.4 4.4 -68 1.0 44 5.8 1.0 items at fair value ------ Other income 3.8 4.0 -5 4.2 -8 7.9 7.9 0 ------ Total income 25.3 27.1 -7 22.3 14 52.4 45.6 15 ------------ Staff costs -13.2 -13.1 1 -1 3.1 1 -26.3 -26.3 0 ------------ Other expenses -8.2 -8.1 1 -8.9 -8 -16.3 -17.4 -7 ------------ Depreciation/amortisation -1.9 -1.9 -2 -1.8 2 -3.8 -3.6 6 ------ Total expenses -23.2 -23.1 1 -23.8 -2 -46.3 -47.3 -2 ------------ Profit before impairment 2.1 4.1 -49 -1.5 6.1 -1.8 losses -------Impairment losses on loans 0.5 -1.4 -1.5 -1.0 -2.4 -60 and other commitments ----------- Net operating profit 2.5 2.6 -4 -3.0 5.2 -4.1 ----- ---------------------

	Income
taxes -0.6 -0.5 21 0.9 -1.1 1.3	
report 1.9 2.1 -5 -2.1 4.1 -2.8 period	
Attrib	
Shareholders in Bonk of 1.6.1	
Shareholders in Bank of 1.6 1	
Volume	
2,861 6	Deposits from the public 1 2,516
2,446 3 2,591 -3	Managed assets 4,255
4,493 -5 3,889 9	Equity capital 179 179 0
174 3	Balance sheet total 3,787 3,743 1
3,575 6	Risk-weighted assets 1,451 1,472
-1 1,445 0	
Financial ratios	
Return on equity after 3.7 4.4 -5.4 4.0 -3.6 taxes, % (ROE	
Expenses/income ratio, % 3 92 85 107 88	3 104
Loan loss level, % 4 -0.06 0.19 0.21 0.	.06 0.17
Gross non-performing 0.51 0.58 0.8	37 receivables, % 5
Level of provisions for 90	
Core fund	_
Equity/assets rat	tio, % 8 4.7 4.8 4.9
Tier 1 capital ratio, 10.8	
Ear	
-0.22 dilution, % 10	
share, 12.20 12.27 11.89 EUR 11	
price per Series A 10.50 12.50 10.90 share, EUR	
Market price per Series B 7.68 8.14 7.58 share, EUR	
Number of shares 14,395 14,395 14,395 out	_
Work	_
calculated to full-time equivalent positions	
The Bank of Åland (Ålandsbanken) follows the disclosure p	•
of the issuer (7/2013)", published by the Finnish Financial	
its Interim Report for the period January – June 2013, which	_
release. The Bank's Interim Report for the period January	
format and is also available on the company's web site at	
http://www.alandsbanken.fi/info/opencms/pdf/result/en_re	
2013 THE BOARD OF DIRECTORS For more information ple	ease contact: Managing Director, Peter Wiklöf
+358 204 2912 25	