

# Year-end Report for the period January–December 2015

12.02.2016

Bank of Åland Plc Stock Exchange Release February 12, 2016, 9.00 a.m. Year-end Report for the period January–December 2015 “We delivered our strongest net operating profit ever, EUR 30.3 M, and we improved our profit attributable to shareholders by 51 per cent. “Growing customer volume in all business areas created strong net interest income (+ 9 per cent) and higher net commission income from financial investment operations on behalf of our customers (+ 10 per cent). The positive volume and income trend, combined with falling total expenses (- 5 per cent), made 2015 a successful year. “Late in 2015, we received further confirmation that our high level of service is appreciated when Prospera's customer survey named the Bank of Åland the best bank among Private Banking customers in Finland. ” Peter Wiklöf, Managing Director January–December 2015 compared to January–December 2014 -- Net operating profit improved by 35 per cent to EUR 30.3 M (22.4). -- Profit for the period attributable to shareholders improved by 51 per cent to EUR 24.3 M (16.1). -- Net interest income increased by 9 per cent to EUR 54.0 M (49.3). -- Net commission income increased by 1 per cent to EUR 46.5 M (46.2). -- Total expenses decreased by 5 per cent to EUR 91.6 M (96.4). -- Net impairment losses on loans (including recoveries) increased by 73 per cent to EUR 3.0 M (1.8), equivalent to a loan loss level of 0.09 (0.06) per cent. -- Return on equity after taxes (ROE) increased to 12.0 (8.7) per cent. -- The core Tier 1 capital ratio amounted to 11.9 per cent (10.9). -- Earnings per share increased by 43 per cent to EUR 1.60 (1.12). -- The Board of Directors proposes a dividend of EUR 0.60 (0.40) per share. The fourth quarter of 2015 compared to the fourth quarter of 2014 -- Net operating profit fell by 13 per cent to EUR 6.6 M (7.6). -- Profit for the period attributable to shareholders fell by 6 per cent to EUR 5.3 M (5.6). -- Net interest income increased by 17 per cent to EUR 14.8 M (12.6). -- Net commission income decreased by 23 per cent to EUR 11.2 M (14.5). -- Total expenses decreased by 5 per cent to EUR 24.7 M (25.8). -- Net impairment losses on loans (including recoveries) increased to EUR 1.1 M (0.5), equivalent to a loan loss level of 0.13 (0.06) per cent. -- Return on equity after taxes (ROE) decreased to 9.9 (11.7) per cent. -- Earnings per share decreased to EUR 0.35 (0.39). Financial summary -----

| Bank of Åland Group                              | Q4    | Q3    | % Q4 | % Q3  | Jan-De | Jan-De | % 2015 | % 2014 | c | c | 2015 | 2014 |
|--|-------|-------|------|-------|--------|--------|--------|--------|---|---|------|------|
|  |       |       |      |       |        |        |        |        |   |   |      |      |
|  | EUR M |       |      |       |        |        |        |        |   |   |      |      |
| Income   | 14.8  | 13.6  | 9    | 12.6  | 17     | 54.0   | 49.3   | 9      |   |   |      |      |
| Net interest income                              | 14.8  | 13.6  |      |       |        |        |        |        |   |   |      |      |
| Net commission income                            | 11.2  | 10.5  | 6    | 14.5  | -23    | 46.5   | 46.2   | 1      |   |   |      |      |
| Net income from financial items at fair value    | 2.5   | 1.5   | 69   | 2.2   | 12     | 8.0    | 6.8    | 19     |   |   |      |      |
| Other income                                     | 4.0   | 3.8   | 6    | 4.6   | -13    | 16.4   | 18.3   | -10    |   |   |      |      |
| Total income                                     | 32.4  | 29.4  | 10   | 34.0  | -5     | 124.9  | 120.6  | 4      |   |   |      |      |
| Staff costs                                      | -15.1 | -13.2 | 14   | -14.5 | 4      | -56.0  | -53.1  | 6      |   |   |      |      |
| Other expenses                                   | -8.0  | -6.7  | 19   | -9.3  | -14    | -28.7  | -34.9  | -18    |   |   |      |      |
| Depreciation/amortisation                        | -1.6  | -1.7  | -6   | -2.0  | -22    | -6.9   | -8.4   | -18    | n |   |      |      |
| Total expenses                                   | -24.7 | -21.6 | 14   | -25.8 | -5     | -91.6  | -96.4  | -5     |   |   |      |      |
| Profit before impairment losses                  | 7.8   | 7.8   | -1   | 8.1   | -5     | 33.3   | 24.2   | 38     |   |   |      |      |
| Impairment losses on loans and other commitments | -1.1  | -1.4  |      | -1.9  | -0.5   | -3.0   | -1.8   | 73     |   |   |      |      |
| Net operating profit                             | 6.6   | 6.4   | 3    | 7.6   | -13    | 30.3   | 22.4   | 35     |   |   |      |      |



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 Year-end Report for the period January - December 2015, which is enclosed with this stock exchange release. The Bank`s Interim Report for the period January - December 2015 is attached to this release in PDF format and is also available on the company`s web site at

[https://www.alandsbanken.com/uploads/pdf/result/en\\_resultat\\_jan-dec\\_15.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-dec_15.pdf) Mariehamn, February 12, 2016 THE BOARD OF DIRECTORS For more information please contact: Peter Wiklöf, Managing Director and Chief Executive, Bank of Åland, tel. + 358 (0)40 512 7505