

# Bank of Åland Plc: Year-end report for the period January - December 2012

15.02.2013

Bank of Åland Financial Statement Release Bank of Åland Plc: Year-end report for the period January - December 2012 Mariehamn, 2013-02-15 13:00 CET (GLOBE NEWSWIRE) -- Bank of Åland Plc Year-end report 15.02.2013 14.00 hrs Year-end report for the period January - December 2012 "The fourth quarter was strong in terms of earnings, mainly due to income from the divestment of the Swedish subsidiary, which had been emptied of operations. At the quarterly level, however, we can also see that our measures to improve profitability are beginning to have an impact. Yet the conditions for conducting banking operations in the euro zone remain challenging, although there are signs of increased optimism both in the stock market and the fixed income market. The significant cost increases affecting banks because of new legislation and expanded regulatory requirements will be passed on to customers. This will lead to a continued rise in margins, especially on lending." Peter Wiklöf, Managing Director January'December 2012 compared to January'December 2011 • Net operating profit amounted to EUR 10.0 M (-5.7). • Profit for the period attributable to shareholders was EUR 11.6 M (-6.5). • Net interest income decreased by 4 per cent to EUR 41.2 M (43.1). • Net commission income decreased by 16 per cent to EUR 32.7 M (38.7). • Total expenses decreased by 9 per cent to EUR 94.0 M (103.1). • Net loan losses were EUR 6.4 M (1.8), equivalent to a loan loss level of 0.22 (0.07) per cent. • Return on equity after taxes (ROE) amounted to 6.4 per cent (-3.9). • Earnings per share amounted to EUR 0.80 (-0.54). • The Tier 1 capital ratio increased to 10.9 per cent (8.4). • The Board of Directors proposes a dividend of EUR 0.15 (0.00) per share. • The Bank's earnings performance is determined to a significant degree by external factors that are difficult to predict. Since new securities legislation removes the explicit obligation in an interim report to provide an account of probable developments during the current financial period, the Bank of Åland is henceforth choosing to refrain from providing earnings forecasts in interim reports. The fourth quarter of 2012 compared to the third quarter of 2012 • Net operating profit amounted to EUR 14.5 M (-0,5). Of this, EUR 13.8 M was proceeds from the divestment of the Bank's Swedish subsidiary, which had been emptied of operations. • Profit for the period attributable to shareholders was EUR 14.9 M (-0.3). • Net interest income decreased by 3 per cent to EUR 9.9 M (10.2). • Net commission income increased by 20 per cent to EUR 9.2 M (7.7). • Total expenses increased by 17 per cent to EUR 25.2 M (21.5). • Net loan losses were EUR 3.1 M (1.0), including EUR 2.0 M in group impairment losses for the shipping industry. • Earnings per share amounted to EUR 1.03 (-0.02). Financial summary -----

	2012	2012	2011	- Bank of Åland Group Q4 Q3 % Q4 % 2012 2011 %	
	2012	2012	2011	EUR M	EUR M
----- Income -----					
Net interest income	9.9	10.2	-3	12.1	-18
Net commission income	9.2	7.7	20	8.3	11
Other income	23.6	4.1	2.6	36.5	17.4
Total income	42.7	22.0	94	23.0	86
Staff costs	-13.7	-12.3	11	-16.7	-18
Other expenses	-11.5	-9.2	26	-12.6	-8
Total expenses	-25.2	-21.5	17	-29.3	-14
Profit before loan losses	17.5	0.5	-6.3	16.4	-3.9
Impairment losses on loans	-3.1	-1.0	-0.8	-6.4	-1.8
Net operating profit	14.5	-0.5	-7.1	10.0	-5.7

-----  
Income taxes 0.6 0.3 2.6 -75 2.2 0.4 -----  
--- Profit for the report 15.1 -0.2 -4.5 12.2 -5.3 period -----  
----- Attributable to: -----  
----- Non-controlling interests 0.2 0.2 56 0.2 32 0.6 1.2 -47 -----  
----- Shareholders in Bank of 14.9 -0.3 -4.7 11.6 -6.5 -----  
Åland Plc -----  
----- VOLUME ----- Lending  
to the public 2,906 2,895 0 2,737 6 -----  
Deposits from the public 2,447 2,557 -4 2,544 -4 -----  
----- Managed assets 4,292 4,230 1 3,814 13 -----  
--- Equity capital 186 178 5 181 3 ----- Balance  
sheet total 3,637 3,620 0 3,400 7 ----- Risk-  
weighted assets 1,402 1,420 -1 1,729 -19 -----  
----- FINANCIAL RATIOS -----  
----- Return on equity after 33.3 -0.4 -11.4 6.4 -3.9 taxes, % (ROE) -----  
----- Expenses/income ratio, % 59 98 127 85 104 -----  
----- Loan loss level, % 0.42 0.14 0.12 0.22 0.07 -----  
----- Gross non-performing 0.64 0.86 0.70 0.64 0.70  
assets, % ----- Level of provisions for 108 67 71  
108 71 doubtful receivables, % ----- Core  
funding ratio, % 104 106 108 104 108 -----  
Equity/assets ratio, % 5.1 4.9 5.3 5.1 5.3 -----  
Core Tier 1 capital ratio, 10.9 9.7 8.4 10.9 8.4 % -----  
----- Earnings per share before 1.03 -0.02 -0.34 0.80 -0.54 dilution, % -----  
----- Equity capital per share, 12.70 12.12 12.34 12.70 12.34 EUR -----  
----- Market price per Series A 10.04 10.04 14.15 10.04 14.15  
share, EUR ----- Market price per Series B 7.10  
7.77 8.68 7.10 8.68 share, EUR ----- Number of  
shares 14,395 14,395 14,441 14,395 14,441 outstanding (not own shares) thousands -----  
----- Working hours 626 633 697 640 690 re-calculated to full-  
time equivalent positions ----- Ålandsbanken  
follows the disclosure procedure enabled by Standard 5.2b published by the Finnish Financial  
Supervision Authority and hereby publishes its Year-end report for the period January - December  
2012 enclosed to this stock exchange release. Ålandsbanken's Year-end report for the period January  
- December 2012 is attached to this release in pdf format and is also available on the company's web  
site at [www.alandsbanken.fi](http://www.alandsbanken.fi). Mariehamn, February 15, 2013 THE BOARD OF DIRECTORS For more  
information please contact: Managing Director, Peter Wiklöf +358 204 291255