

# Year-end report for the period January - December 2010

21.02.2011

Ålandsbanken Financial Statement Release Year-end report for the period January - December 2010  
 Mariehamn, 2011-02-21 08:00 CET (GLOBE NEWSWIRE) -- Bank of Åland Plc STOCK EXCHANGE  
 RELEASE 21.2.2011 09.00 hrs Year-end report for the period January - December 2010 The report  
 period in brief "In terms of earnings, it was a weak year. The reasons were the build-up of our Swedish  
 operations, a single loan impairment loss and very low interest rates that squeezed our net interest  
 income. Despite these circumstances, our Finnish business showed better operational income in 2010  
 than in 2009. "During 2010, the Bank of Åland was very successful in attracting new and existing  
 customers to our financial investment services, which is clearly visible in our volume growth.  
 Customer loyalty is the highest in Finland and, combined with good results in our investment advisory  
 services, strongly contributed to this growth. "In Sweden, since last autumn we have seen clearly  
 higher customer activity and expect a clearly lower loss level in 2011. Overall this means that we  
 expect significantly better earnings in 2011." Peter Wiklöf, Managing Director -- Consolidated net  
 operating profit decreased to 1.8 million euros (January-December 2009: EUR 7.4 M, excluding  
 negative goodwill) -- The income of the Group's operations in Finland totalled EUR 16.4 M, which was  
 6 per cent better than the previous year (15.4, excluding negative goodwill) -- Net interest income fell  
 by 6 per cent to EUR 36.8 M (39.1) -- Commission income increased by 35 per cent to EUR 43.7 M  
 (32.5) -- Total income increased by 14 per cent to EUR 99.7 M (87.2) -- Expenses rose by 19 per cent  
 to EUR 92.2 M (77.2) -- Impairment losses on loans amounted to EUR 5.9 M (2.9) -- Lending volume  
 increased by 1 per cent to EUR 2,573 M (December 2009: 2,546) -- Deposits increased by 8 per cent to  
 EUR 2,600 M (December 2009: 2,411) -- Assets under management increased by 38 per cent to EUR  
 4,276 M (December 2009: 3,101) -- Fund assets under management increased by 25 per cent to EUR  
 998 M (801) -- The expense/income ratio amounted to 98 (72) per cent -- The total capital ratio in  
 compliance with Basel 2 amounted to 12.0 per cent (12.3) -- The Board of Directors proposes a  
 dividend of EUR 0.00 (0.70) per share -- Taking into consideration that we expect operations in  
 Sweden to have a clearly lower loss level during 2011 and that the Group's earnings in 2010 were  
 pulled down by a sizeable impairment loss on a loan, the Group's earnings in 2011 are expected to be  
 significantly better than in 2010 Bank of Åland Group Full Full Q4 Q3 Q2 Q1 Q4 year year EUR M 2010  
 2009 2010 2010 2010 2010 2009 Income statement in brief Net interest income 36.8 39.1 9.0 9.4 9.3  
 9.1 9.7 Other income 62.9 48.1 18.7 13.7 16.1 14.3 13.4 Total income 99.7 87.2 27.7 23.1 25.4 23.5  
 23.2 Total expenses -92.2 -77.2 -25.7 -21.8 -23.4 -21.3 -23.0 Net operating profit before 7.7 33.4 2.0  
 1.3 2.1 2.2 0.2 impairment losses Impairment losses -5.9 -2.9 -0.4 -5.4 0.0 -0.1 -0.6 Net operating  
 profit/loss 1.8 30.5 1.6 -4.1 2.1 2.2 -0.4 Selected balance sheet items Total lending volume 2,573  
 2,546 2,573 2,547 2,549 2,549 2,546 Total deposits from the 2,600 2,411 2,600 2,459 2,492 2,408  
 2,411 public Equity capital 155 162 155 156 160 166 162 Balance sheet total 3,475 3,379 3,475 3,492  
 3,617 3,572 3,379 Financial ratios Earnings per share before -0.20 2.27 0.02 -0.39 0.11 0.06 -0.08  
 dilution, EUR Earnings per share after -0.20 2.27 0.02 -0.39 0.11 0.06 -0.08 dilution, EUR Equity  
 capital per share, EUR 13.39 13.97 13.39 13.35 13.72 14.32 13.97 Return on equity after taxes, -1.0  
 17.8 1.0 -11.2 4.0 1.9 -1.7 % Return on total assets, % 0.0 12.3 12.0 12.5 12.4 12.6 12.3 (ROA)  
 Equity/assets ratio, % 4.5 4.8 4.5 4.5 4.4 4.7 4.8 Expense/income ratio Including negative goodwill  
 Including loan losses 0.92 0.70 0.92 0.94 0.92 0.91 0.99 Excluding loan losses 0.98 0.72 0.94 1.18  
 0.92 0.91 1.02 Total capital ratio, % 12.0 12.3 12.0 12.5 12.4 12.6 12.3 Core capital ratio, % 7.3 7.9  
 7.3 7.6 7.6 7.6 7.9 Mariehamn, February 18, 2011 THE BOARD OF DIRECTORS For more information  
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