

# Bank of Åland Plc: Interim Report for the period January–June 2015

24.07.2015

Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January–June 2015  
 Mariehamn, 2015-07-24 08:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report July 24,  
 2015, 9.00 a.m. Interim Report for the period January–June 2015 “During the first half of 2015, we saw  
 stable and very satisfactory volume growth in our Private Banking and Premium Banking operations.  
 This growth enables us to maintain strong net commission income and rising net interest income,  
 despite falling market interest rates. “The market turbulence in Europe caused by the Greek debt  
 crisis seems to have calmed down temporarily, but financial markets are very likely to be  
 characterised by high volatility and underlying worries during the foreseeable future.” Peter Wiklöf,  
 Managing Director January–June 2015 compared to January–June 2014 -- Net operating profit  
 improved by EUR 9.4 M to EUR 17.3 M (7.9). -- Profit for the period attributable to shareholders  
 improved by EUR 8.6 M to EUR 14.0 M (5.4). -- Net interest income increased by 7 per cent to EUR  
 25.6 M (23.9). -- Net commission income increased by 17 per cent to EUR 24.7 M (21.2). -- Total  
 expenses decreased by 7 per cent to EUR 45.3 M (48.7). -- Net impairment losses on loans (including  
 recoveries) decreased by 49 per cent to EUR 0.5 M (1.0), equivalent to a loan loss level of 0.03 (0.06)  
 per cent. -- Return on equity after taxes (ROE) increased to 14.2 per cent (6.0). -- Earnings per share  
 amounted to EUR 0.92 (0.38). -- The core Tier 1 capital ratio amounted to 11.1 per cent (December  
 31, 2014: 10.9 per cent). The second quarter of 2015 compared to the second quarter of 2014 -- Net  
 operating profit improved by 41 per cent to EUR 7.8 M (5.5). -- Profit for the period attributable to  
 shareholders improved by 56 per cent to EUR 6.2 M (4.0). -- Net interest income increased by 7 per  
 cent to EUR 12.9 M (12.1). -- Net commission income increased by 13 per cent to EUR 11.9 M (10.5). --  
 Total expenses decreased by 7 per cent to EUR 22.5 M (24.1). -- Net impairment losses on loans  
 (including recoveries) increased to EUR 0.3 M (0.1), equivalent to a loan loss level of 0.04 (0.01) per  
 cent. -- Return on equity after taxes (ROE) increased to 12.5 per cent (8.8). -- Earnings per share  
 amounted to EUR 0.41 (0.28). Financial summary -----

Bank of Åland Group		Q2	Q1	%	Q2	%	Jan-Ju	Jan-Ju	%	2015	2015	2014	n	n	2015	2014								
		EUR M																						
Income		Net interest income																						
12.9	12.7	2	12.1	7	25.6	23.9	7	Net																
commission income		11.9	12.9	-7	10.5	13	24.7	21.2	17	Net														
Net income from financial		1.6	2.4	-33	1.5	9	4.1	2.6	54	items at fair value														
Other income		4.1	4.5	-8	5.7	-28	8.6	9.8	-12															
Total income		30.6	32.4	-6	29.8	3	63.0	57.5	10															
Staff costs		-14.1	-13.7	3	-13.3	6	-27.8	-26.6	4															
Other expenses		-6.7	-7.2	-8	-8.8	-24	-13.9	-17.8	-22															
Depreciation/amortisation		-1.7	-1.9	-10	-2.0	-17	-3.6	-4.3	-16															
Total expenses		-22.5	-22.8	-2	-24.1	-7	-45.3	-48.7	-7															
Profit before impairment		8.1	9.6	-16	5.6	44	17.8	8.8	losses															
Impairment losses on		-0.3	-0.2	65																				
-0.1		-0.5	-1.0	-49	loans and other commitments																			
Net operating profit		7.8	9.4	-17	5.5	41	17.3	7.9																
Income taxes		-1.6	-1.7	-5	-1.3	28																		

-3.3	-1.7	93	----- Profit for the report		6.2	7.7	-20
4.3	45	14.0	6.1	period	-----		
----- Attributable to: -----							
----- Non-controlling interests							
0.0	0.0	0.3	0.0	0.7	-----		
----- Shareholders in Bank of Åland Plc -----							
----- Volume -----							
----- Lending to the public							
3,515	3,416	3	3,159	11	----		
----- Deposits from the public							
2,755	2,507	10	2,492	11	-----		
11	1	----- Investment volume					
2	6,696	6,973	-4	6,047	11	-----	
----- Equity capital							
200	203	-1	187	7	---		
----- Balance sheet total							
4,851	4,418	10	4,041	20	-		
----- Risk exposure amount							
1,619	1,599	1	1,469	10	-----		
----- Financial ratios -----							
----- Return on equity after taxes, % (ROE)							
12.5	15.9	8.8	14.2	6.0	3 -----		
----- Expense/income ratio							
4	0.73	0.70	0.81	0.72	0.85	-----	
----- Loan loss level, %							
5	0.04	0.02	0.01	0.03	0.06	-----	
----- Gross non-performing receivables, %							
0.65	0.61	1.07	-----				
----- Level of provisions for doubtful receivables, %							
43	68	47	-----				
----- Core funding ratio, %							
8	93	103	100	-----			
----- Equity/assets ratio, %							
9	4.1	4.6	4.6	-----			
----- Tier 1 capital ratio, %							
11.1	11.2	11.3	10	-----			
----- Earnings per share, EUR							
0.41	0.54	-24	0.28	48	0.92	0.38	11
----- Earnings per share after dilution, EUR							
0.41	0.54	-24	0.28	48	0.92	0.38	13.18
----- Equity capital per share, EUR							
13.15	14.01	-6	12.63	4	12		
----- Equity capital per share after dilution, EUR							
13.15	14.01	-6	12.63	4	-----		
----- Market price per Series A share, EUR							
15.50	15.10	3	10.27	51	-----		
----- Market price per Series B share, EUR							
15.75	14.15	11	8.45	86	-----		
----- Number of shares outstanding (not own shares), 000s							
15,178	14,415	5	14,398	5	-----		
----- Number of shares outstanding (not own shares), after dilution, 000s							
15,278	14,515	5	14,398	6	-----		
----- Working hours							
672	645	4	642	5	658	639	3
----- recalculated to fulltime equivalent positions ----- 1							

Deposits from the public and public sector entities, including certificates of deposit, index bonds and debentures issued to the public 2 Investment volume encompasses actively managed assets (the Group's own mutual funds, discretionary and advisory managed assets) plus other securities volume in brokerage accounts 3 Profit for the report period attributable to shareholders / Average shareholders' portion of equity capital 4 Expenses / Income 5 Impairment losses on loan portfolio and other commitments / Lending to the public at the beginning of the period 6 Non-performing receivables more than 90 days / Lending to the public before provisions for impairment losses 7 Provisions for individual impairment losses / Doubtful receivables 8 Lending to the public / Deposits including certificates of deposit, index bonds and debentures issued to the public plus covered bonds issued 9 Equity capital / Balance sheet total 10 (Core Tier 1 capital / Capital requirement) x 8 % 11 Shareholders' portion of earnings for the period/ Number of shares adjusted for share issue 12 Equity capital/Number of shares on closing day 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 Interim Report for the period January - June 2015, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - June 2015 is attached to this release in PDF format and is also available on the company's

web site at Mariehamn, July 24, 2015 THE BOARD OF DIRECTORS For more information please contact:  
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