

# Bank of Åland Plc: Interim Report for the period January - September 2017

24.10.2017

Bank of Åland Interim report (Q1 and Q3) Bank of Åland Plc: Interim Report for the period January - September 2017 Mariehamn, 2017-10-24 08:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim report October 24, 2017, 9.00 p.m. Interim Report for the period January - September 2017 "We created solid quarterly earnings, where our continued stable growth is now having a positive impact on our net interest and commission income. Managed assets in our own mutual funds rose past EUR 3 billion during the quarter. "The launch of our new capital market platform in the Bank's Swedish operations resulted in heightened project expenses." Peter Wiklöf, Managing Director

January–September 2017 compared to January–September 2016 -- Net operating profit increased by 4 per cent to EUR 19.5 M (18.8). -- Profit for the period attributable to shareholders increased by 5 per cent to EUR 15.5 M (14.8). -- Net interest income increased by 2 per cent to EUR 41.8 M (41.1). -- Net commission income rose by 13 per cent to EUR 37.1 M (32.7). -- Total expenses increased by 11 per cent to EUR 74.6 M (67.4). -- Net impairment losses on loans (including recoveries) totalled EUR 1.5 M (3.0), equivalent to a loan loss level of 0.05 (0.11) per cent. -- Return on equity after taxes (ROE) amounted to 9.2 (9.2) per cent. -- Earnings per share amounted to EUR 1.01 (0.97). -- The common equity Tier 1 capital ratio, not taking into account transitional rules, amounted to 12.6 per cent (11.8 on December 31, 2016). The third quarter of 2017 compared to the third quarter of 2016 -- Net operating profit increased by 16 per cent to EUR 7.2 M (6.2). -- Profit for the period attributable to shareholders increased by 16 per cent to EUR 5.8 M (5.0). -- Net interest income rose by 4 per cent to EUR 14.3 M (13.7). -- Net commission income rose by 15 per cent to EUR 12.2 M (10.6). -- Total expenses increased by 14 per cent to EUR 24.4 M (21.5). -- Net impairment losses on loans (including recoveries) totalled EUR 0.6 M (0.9), equivalent to a loan loss level of 0.06 (0.10) per cent. -- Return on equity after taxes (ROE) increased to 10.1 (9.2) per cent. -- Earnings per share amounted to EUR 0.38 (0.33). Group Q3 Q2 % Q3 % Jan-Se Jan-Se % 2017 2017 2016 p p 2016 2017 EUR M Income Net

	2017	2017	2016	2016	2017	2017	2016	2016
Net interest income	14.3	13.6	5	13.7	4	41.8	41.1	2
Net commission income	12.2	12.8	-5	10.6	15	37.1	32.7	13
Net income from financial	1.8	-0.6	0.5	2.1	3.9	-46	items at fair value	Other income
	3.9	4.6	-16	3.8	3	14.6	11.5	28
Total income	32.2	30.5	5	28.5	13	95.6	89.2	7
Staff costs	-14.1	-14.9	-6	-13.3	6	-45.0	-42.2	7
Other expences	-8.3	-8.4	-2	-6.7	23	-24.4	-20.8	17
Depreciation/amortisation	-2.0	-1.7	17	-1.5	37	-5.3	-4.5	17
Total expenses	-24.4	-25.1	-3	-21.5	14	-74.6	-67.4	11
Profit before impairment	7.8	5.5	42	7.1	10	21.1	21.8	-3
losses Impairment losses on	-0.6	-0.5	11	-0.9	-36	-1.5	-3.0	-49
loans and other commitments	Net operating profit	7.2	5.0	46	6.2	16	19.5	18.8
	4	Income taxes	-1.5	-1.0	40	-1.2	19	-4.0
	-4.0	0	Profit for the report	5.8	3.9	47	5.0	16
	15.5	14.8	5	period	Attributable to: Shareholders in Bank of	5.8	3.9	47
	5.0	16	15.5	14.8	5	Åland Plc	Volume Lending to the public	3,967
	3,915	1	3,692	7	Deposits from the public	3,286	3,190	3
	2,897	13	1	Actively managed assets	2	5,690	5,475	4
	3,837	48	Equity capital	230	224	3	217	6
	Balance sheet total	5,356	5,263	2	4,909	9	Risk exposure amount	1,553
	1,537	1	1,538	1	Financial ratios	Return on equity after	10.1	7.0
	9.2	9.2	9.2	9.2	taxes, % (ROE)	3	Expences/income ratio	4
	0.76	0.82	0.75	0.78	0.76	Loan loss level, %	5	0.06
	0.05	0.10	0.05	0.11	Gross non-performing	0.66	0.68	0.90
	receivables, %	6	Level of provisions for	41	42	39	doubtful receivables,	%7
	Core funding ratio, %	8	91	92	90	Equity/assets ratio, %	9	4.3
	4.3	4.4	Tier 1 capital ratio, %	12.6	12.5	12.1	10	Earnings per share, EUR
	0.38	0.26	47	0.33	15	1.01	0.97	5
	11	Earnings per share after	0.37	0.25	47	0.32	16	1.00
	0.96	5	dilution, EUR	Equity capital per share,	14.98	14.60	3	14.20
	5	EUR	12	Equity capital per share	14.82	14.45	3	14.07
	5	after dilution, EUR	Market price per Series A	14.86	14.40	3	14.10	5
	share, EUR	Market price per Series B	14.90	14.20	5	13.58	10	share, EUR
	Number of shares	15,335	15,335	0	15,299	0	outstanding (not own shares),	000s
	Number of shares	15,588	15,590					

0 15,540 0 outstanding (not own shares), after dilution, 000s Working hours 702 680 3 690 2 691 682  
1 re-calculated to full-time equivalent positions 1. Deposits from the public and public sector entities, including certificates of deposit, index bonds and debentures issued to the public. 2. Actively managed assets encompassed managed assets in the Group's own mutual funds, as well as discretionary and advisory securities volume. 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. Gross doubtful receivables / Lending to the public before provisions for impairment losses. 7. Provisions for individual impairment losses / Gross 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 / Average number of shares. 12. Shareholders' portion of equity capital / Number of shares less own 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 - September 2017, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - September 2017 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-sep\\_17.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-sep_17.pdf) Mariehamn, October 24, 2017 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 <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=806248&messageId=101235>