

# Bank of Åland Plc: Interim Report for the period January - March 2019

25.04.2019

Bank of Åland Plc  
Interim Report  
April 25, 2019 9.00 am

## Interim Report for the period January - March 2019

*"We began our 100th year in business with a stable quarter and satisfactory earnings performance."*

Peter Wiklöf, Managing Director and Chief Executive

## January - March 2019 compared to January - March 2018

*The full-year estimated stability fee of EUR 2.3 M (2.6) has been charged to the first quarters.*

- Net operating profit increased by 12 per cent to EUR 5.8 M (5.2).
- Profit for the period attributable to shareholders increased by 14 per cent to EUR 4.6 M (4.0).
- Net interest income decreased by 6 per cent to EUR 13.2 M (14.1).
- Net commission income decreased by 1 per cent to EUR 14.1 M (14.3).
- Total expenses decreased by 5 per cent to EUR 26.0 M (27.5).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.4 M (0.2), equivalent to a loan loss level of 0.05 (0.02) per cent.
- Return on equity after taxes (ROE) amounted to 7.6 (7.0) per cent.
- Earnings per share increased to EUR 0.30 (0.26).
- The common equity Tier 1 ratio amounted to 13.4 per cent (13.0 on December 31, 2018).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2019 to be at about the same level as in 2018.

## Financial summary

Group	Q1 2019	Q4 2018	%	Q1 2018	%
EUR M					
Income					
Net interest income	13.2	13.3	-1	14.1	-6

Net commission income	14.1	13.9	2	14.3	-1
Net income from financial items at fair value	0.4	0.2	83	0.4	0
Other income	4.6	4.9	-5	4.1	12
<b>Total income</b>	<b>32.3</b>	<b>32.3</b>	<b>0</b>	<b>32.9</b>	<b>-2</b>
Staff costs	-14.5	-14.3	1	-15.1	-4
Other expences	-8.7	-8.5	2	-10.6	-17
Depreciation/amortisation	-2.8	-1.8	57	-1.9	53
<b>Total expenses</b>	<b>-26.0</b>	<b>-24.6</b>	<b>6</b>	<b>-27.5</b>	<b>-5</b>
<b>Profit before impairment losses</b>	<b>6.2</b>	<b>7.7</b>	<b>-18</b>	<b>5.4</b>	<b>16</b>
Impairment losses on financial assets, net	-0.4	0.1		-0.2	
<b>Net operating profit</b>	<b>5.8</b>	<b>7.7</b>	<b>-25</b>	<b>5.2</b>	<b>12</b>
Income taxes	-1.2	-1.5	-20	-1.1	9
<b>Profit for the report period</b>	<b>4.6</b>	<b>6.2</b>	<b>-26</b>	<b>4.0</b>	<b>14</b>
Attributable to:					
<b>Shareholders in Bank of Åland Plc</b>	<b>4.6</b>	<b>6.2</b>	<b>-26</b>	<b>4.0</b>	<b>14</b>
Volume					
Receivables from the public and public sector	4.017	4.022	0	4.020	0
Deposits from the public and public sector	3.107	3.304	-6	3.098	0
Actively managed assets 1	5.476	5.177	6	5.575	-2
Equity capital	247	242	2	235	5
Balance sheet total	5.542	5.558	0	5.495	1
Risk exposure amount	1.548	1.578	-2	1.611	-4
Financial ratios					
Return on equity after taxes, % (ROE) 2	7.6	10.3		7.0	
Expence/income ratio 3	0.81	0.76		0.84	
Loan loss level, % 4	0.05	0.00		0.02	
Liquidity coverage ratio (LCR), % 5	171	120		148	
Loan/deposit ratio, % 6	129	122		130	
Core funding ratio, % 7	90	90		90	
Equity/assets ratio, % 8	4.5	4.4		4.3	
Common equity Tier 1 capital ratio, % 9	13.4	13.0		12.4	
Earnings per share, EUR 10	0.30	0.40	-26	0.26	13
Earnings per share after dilution, EUR	0.30	0.40	-26	0.26	14
Equity capital per share, EUR 11	15.91	15.67	2	15.22	5
Equity capital per share after dilution, EUR	15.86	15.58	2	15.11	5
Market price per Series A share, EUR	15.10	13.30	14	15.80	-4
Market price per Series B share, EUR	14.20	13.10	8	14.75	-4
Number of shares outstanding, 000s	15.525	15.472	0	15.447	1
Number of shares outstanding, after dilution, 000s	15.595	15.590	0	15.585	0
Working hours re-calculated to full-time equivalent positions	683	692	-1	671	2

1 Actively managed assets encompassed managed assets in the Group's own mutual funds, as well as discretionary and advisory securities volume

2 Profit for the report period attributable to shareholders / Average shareholders' portion of equity capital

3 Expenses / Income

4 Impairment losses on loan portfolio and other commitments / Lending to the public at the beginning of the period

5 Liquidity coverage ratio (LCR) = liquid assets, level 1 and 2 / 30-day net outflow

- 6 Receivables from the public and public sector / Deposits from the public and public sector
- 7 Receivables from the public and public sector / Deposits including certificates of deposit, index bonds and debentures issued to the public and public sector plus covered bonds issued
- 8 Equity capital / Balance sheet total
- 9 Common equity Tier 1 capital / Risk exposure amount
- 10 Shareholders' portion of earnings for the period / Average number of shares
- 11 Shareholders' portion of 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 - March 2019, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - March 2019 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-mar\\_19.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-mar_19.pdf)

Mariehamn, April 25, 2019

THE BOARD OF DIRECTORS

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#### **Attachment**

- [alandsbanken\\_en\\_resultat\\_jan-mar\\_19](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-mar_19.pdf)