

Bank of Åland Plc: Interim Report for the period January-June 2014

25.07.2014

Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January-June 2014 Mariehamn, 2014-07-25 08:00 CEST (GLOBE NEWSWIRE) -- Ålandsbanken Abp Interim Report 25.07.2014 9.00 hrs Interim Report for the period January-June 2014 "During the first half of 2014, all our business units clearly improved their earnings. Net interest income rose by 22 per cent and net commission income by 10 per cent, while we were able to control our operating expenses. "Our asset management is continuing to grow. In one year, managed assets increased by 16 per cent, excluding exchange rate effects. Our mutual funds surpassed EUR 1 billion, and total managed assets in the Group are approaching EUR 5 billion. "Taken together, this led us to raise our earnings forecast for 2014 on July 10 and state that we expect substantially better full-year earnings than in 2013." Peter Wiklöf, Managing Director January'June 2014 compared to January'June 2013 -- Net operating profit improved by 79 per cent to EUR 8.7 M (4.9). -- Profit for the period attributable to shareholders improved by 98 per cent to EUR 6.1 M (3.1). -- Net interest income increased by 22 per cent to EUR 23.9 M (19.5). -- Net commission income increased by 10 per cent to EUR 21.2 M (19.2). -- Total expenses increased by 5 per cent to EUR 48.7 M (46.3). -- Net impairment losses on loans (including recoveries) was an unchanged EUR 1.0 M (1.0), equivalent to a loan loss level of 0.06 (0.07) per cent. -- Return on equity after taxes (ROE) amounted to 6.8 per cent (3.6). -- Earnings per share amounted to EUR 0.42 (0.21). -- The core Tier 1 capital ratio, excluding the Basel I floor effect, amounted to 11.3 per cent (December 31, 2013: 10.8 per cent). Financial summary Bank of Åland Group Q2 Q1 % Q2 % Jan-Ju Jan-Ju % 2014 2014 2013 n 2014 n 2013 EUR M -----

	2014	2014	2013	2014	2013	EUR M
	Jan-Ju	Jan-Ju	%	Jan-Ju	%	
Income	11.9	10.2	19	23.9	19.5	22
Net interest income	12.1					
Net commission income	10.5	10.7	-2	9.9	6	21.2
Net income from financial	1.5	2.0	-25	1.2	22	3.5
Other income	5.7	4.0	42	3.8	49	9.8
Staff costs	-13.3	-13.3	0	-13.2	1	-26.6
Other expenses	-8.8	-9.1	-4	-8.2	7	-17.8
Depreciation/amortisation	-2.0	-2.2	-9	-1.9	10	-4.3
Total expenses	-24.1	-24.6	-2	-23.2	4	-48.7
Profit before impairment	5.6	4.1	39	1.9	9.7	5.8
Impairment losses on loans	-0.1	-0.9	-88	0.5	-1.0	-1.0
Net operating profit	5.5	3.2	74	2.3	8.7	4.9
Income taxes	-1.3	-0.6	99	-0.7	86	-1.9
Profit for the report	4.3	2.5	68	1.7	6.8	3.6
Attributable to:						
Non-controlling interests	0.3	0.4	-32	0.3	-5	0.7
Shareholders in Bank of Åland Plc	4.0	2.1	89	1.4	6.1	3.1
Lending to the public	3,159	3,161	0	3,020	5	
Deposits from the public	1,249	2,549	-2	2,512	-1	
Managed assets	4,810	4,560	5	4,255	13	
Equity						

capital	187	185	1	176	6	----- Balance sheet total				
	4,041	4,069	-1	3,789	7	----- Risk-weighted				
assets	1,469	1,534	-4	1,449	1	-----				
----- Financial ratios -----										
-----	Return on equity after	8.8	4.7	3.1	6.8	3.6	taxes, % (ROE) 2 -----			
-----	Expense/income ratio	3	0.81	0.86	0.93	0.83	0.89 -----			
-----	Loan loss level, %	4	0.01	0.11	-0.06	0.06	0.07 -----			
-----	Gross non-performing	0.38	0.45	0.51	receivables, % 5 -----					
-----	Level of provisions for	47	47	63	doubtful					
receivables, % 6	-----	Core funding ratio, % 7	-----							
100	102	102	----- Equity/assets ratio, % 8 4.6							
4.5	4.6	----- Tier 1 capital ratio, 11.3 10.6 10.8								
excluding Basel 1 floor effect, % 9	----- Earnings									
per share, % 10	0.28	0.15	89	0.09	0.42	0.21	98 -----			
-----	Equity capital per share,	12.77	12.63	1	12.03	6	EUR 11 -----			
-----	Market price per Series A	10.27	10.24	0	10.50	-2	share, EUR -----			
-----	Market price per Series B	8.45	8.25	2	7.68	10	share, EUR -----			
-----	Number of shares	14,398	14,398	0	14,395	0	-----			
outstanding (not own shares), 000s	-----									
-----	Working hours	642	636	1	609	5	639	607	5 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 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 5 Non-performing receivables more than 90 days / Lending to the public before provisions for impairment losses 6 Provisions for individual impairment losses / Doubtful receivables 7 Lending to the public / Deposits including certificates of deposit, index bonds and debentures issued to the public and covered bonds issued 8 Equity capital / Balance sheet total 9 (Core Tier 1 capital / Capital requirement) x 8 % 10 Shareholders' portion of earnings for the period/ Number of shares adjusted for share issue 11 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 2014, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - June 2014 is attached to this release in PDF format and is also available on the company's web site at http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-jun_14.pdf

Mariehamn, July 25, 2014 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