

# Bank of Åland Plc: Interim Report for the period January - March 2021

27.04.2021

Bank of Åland Plc  
Interim Report  
April 27, 2021 9.00 am

## **Interim Report for the period January - March 2021**

*“We are starting 2021 with continued good growth, where the inflow of new customers and volume in our asset management operations has been especially strong. The quarterly net operating profit of EUR 10.8 M (6.9) was the best-ever start of a year for us. This was also true of our return on equity after taxes, which ended up at 12.5 (8.4) per cent.*

*“We are continuing to invest in additional employees and IT, which raises our total expenses, but this will also make us prepared for further growth. Our credit quality remains good, and we are not yet seeing any rising volumes of non-performing loans due to the pandemic.”*

Peter Wiklöf, Managing Director and Chief Executive

- Net operating profit increased by 56 per cent to EUR 10.8 M (6.9).
- Net interest income increased by 5 per cent to EUR 15.2 M (14.5).
- Net commission income increased by 16 per cent to EUR 19.6 M (16.9).
- Total expenses increased by 12 per cent to EUR 30.5 M (27.2).
- Net impairment losses on financial assets (including recoveries) totalled EUR 0.1 M (3.8), equivalent to a loan loss level of 0.02 (0.37) per cent.
- Return on equity after taxes (ROE) increased to 12.5 (8.4) per cent.
- Earnings per share increased by 58 per cent to EUR 0.55 (0.35).
- The common equity Tier 1 ratio capital decreased to 14.2 per cent (14.3 per cent on December 31, 2020).
- Unchanged future outlook: The Bank of Åland expects its net operating profit in 2021 to be at about the same level as in 2020.

## **Financial summary**

Group	Q1 2021	Q4 2020	%	Q1 2020	%
EUR M					

Income					
Net interest income	15.2	14.9	2	14.5	5
Net commission income	19.6	18.5	6	16.9	16
Net income from financial items at fair value	0.4	0.4	-13	0.7	-51
Other income	6.2	6.3	-2	5.8	7
<b>Total income</b>	<b>41.4</b>	<b>40.1</b>	<b>3</b>	<b>37.9</b>	<b>9</b>
Staff costs	-17.4	-16.9	3	-15.2	15
Other expences	-10.2	-7.9	29	-9.0	13
Depreciation/amortisation	-2.9	-3.1	-5	-3.1	-5
<b>Total expenses</b>	<b>-30.5</b>	<b>-27.8</b>	<b>10</b>	<b>-27.2</b>	<b>12</b>
<b>Profit before impairment losses</b>	<b>10.9</b>	<b>12.3</b>	<b>-12</b>	<b>10.7</b>	<b>1</b>
Impairment losses on financial assets, net	-0.1	0.0		-3.8	-98
<b>Net operating profit</b>	<b>10.8</b>	<b>12.3</b>	<b>-12</b>	<b>6.9</b>	<b>56</b>
Income taxes	-2.2	-2.5	-14	-1.5	45
<b>Profit for the report period</b>	<b>8.6</b>	<b>9.8</b>	<b>-12</b>	<b>5.4</b>	<b>58</b>
<b>Attributable to:</b>					
Shareholders in Bank of Åland Plc	<b>8.6</b>	<b>9.8</b>	<b>-12</b>	<b>5.4</b>	<b>58</b>
Volume					
Lending to the public	4,419	4,378	1	4,076	8
Deposits from the public	3,529	3,605	-2	3,409	4
Actively managed assets 1	7,808	7,436	5	5,431	44
Equity capital	298	292	2	258	15
Balance sheet total	6,089	6,035	1	5,599	9
Risk exposure amount	1,688	1,670	1	1,589	6
Financial ratios					
Return on equity after taxes, % (ROE) 2	12.5	13.6		8.4	
Return on equity after taxes, % (ROE), moving 12-month average to end of report period	12.6	11.6		10.9	
Expense/income ratio 3	0.74	0.69		0.72	
Loan loss level, % 4	0.02	-0.04		0.37	
Gross share of loans in Stage 3, % 5	0.92	0.89		0.85	
Liquidity coverage ratio (LCR), % 6	165	159		146	
Net stable funding ratio (NSFR), % 7	106	106		119	
Loan/deposit ratio, % 8	125	121		120	
Common equity Tier 1 capital ratio, % 9	14.2	14.3		14.4	
Tier 1 capital ratio, % 10	15.9	14.3		14.4	
Total capital ratio, % 11	18.1	16.5		16.6	
Leverage ratio, % 12	4.7	4.2		4.0	
Earnings per share, EUR 13	0.55	0.63	-12	0.35	58
Earnings per share, EUR, moving 12-month average to end of report period	2.22	2.02	10	1.75	27
Equity capital per share, EUR 14	17.19	18.76	-8	16.54	4
Working hours re-calculated to full-time equivalent positions	790	770	3	720	10

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 Share of loans in Stage 3 / Gross lending to the public

6 LCR, assets at levels 1 and 2 / 30-day net cash outflow

7 Available stable funding / Stable funding requirement

8 Lending to the public / Deposits from the public

9 Common equity Tier 1 capital / Risk exposure amount

10 Tier 1 capital / Risk exposure amount

11 Own funds / Risk exposure amount

12 Tier 1 capital / Total exposure metric

13 Shareholders' portion of profit for the period / Average number of share

14 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 2021, which is enclosed with this stock exchange release. The Bank`s Interim Report for the period January - March 2021 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\\_21.pdf](https://www.alandsbanken.com/uploads/pdf/result/en_resultat_jan-mar_21.pdf)

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## **Attachment**

- [alandsbanken\\_en\\_resultat\\_jan-mar\\_21](#)