

# Bank of Åland Plc: Interim Report for the period January–March 2013

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Bank of Åland Interim report Bank of Åland Plc: Interim Report for the period January–March 2013  
 Mariehamn, 2013-04-29 14:00 CEST (GLOBE NEWSWIRE) -- Bank of Åland Plc Interim Report 29.4.2013  
 3.00 pm Interim Report for the period January–March 2013 "The first quarter of 2013 was our third  
 straight quarter of improved profit before impairment losses and nonrecurring items, but our earnings  
 performance going forward will be challenged by low market interest rates and cost increases due to  
 the new banking tax. "Yet several bright spots should be mentioned. Our operations in Sweden  
 continued to grow. Our new Bostadsfond – the first housing investment fund in the Finnish market –  
 was very well received, with subscriptions of no less than EUR 41 M during the fund's first quarter. In a  
 recently conducted customer survey, our customers again confirm that they are very pleased with the  
 personalised approach and the financial services we offer. A full 88 per cent of our Premium Banking  
 customers responded that they would recommend to others that they become Bank of Åland  
 customers." Peter Wiklöf, Managing Director January'March 2013 Compared to January'March 2012 •  
 Net operating profit improved to EUR 2.6 M (-1.2). • Profit for the period attributable to shareholders  
 was EUR 1.9 M (-0.9). • Net interest income decreased by 18 per cent to EUR 9.4 M (11.5). • Net  
 commission income in creased by 16 per cent to EUR 9.3 M (8.0). • Total expenses decreased by 2 per  
 cent to EUR 23.1 M (23.6). • Impairment losses on loans were EUR 1.4 M (0.9), equivalent to a loan  
 loss level of 0.19 (0.12) per cent. • Return on equity after taxes (ROE) amounted to 4.4 per cent  
 (-1.7). • Earnings per share amounted to EUR 0.13 (-0.05). • The core Tier 1 capital ratio amounted to  
 10.4 per cent (December 31, 2012: 10.9 per cent). • The Bank's earnings performance is determined  
 to a significant degree by external factors that are difficult to predict. Since new securities legislation  
 removes the explicit obligation in an interim report to provide an account of probable developments  
 during the current financial period, the Bank of Åland is choosing to refrain from providing earnings  
 forecasts in its interim reports. In accordance with legislative requirements, the future outlook is  
 presented in the Bank's Annual Report. • The Bank of Åland intends to seek a long-term strategic  
 business partner for the wholly owned subsidiary Crosskey Banking Solutions. Possible forms of  
 collaboration may also include a reduction in the Bank of Åland's ownership. New regulations make  
 banks less suitable as owners of IT companies. The growth of Crosskey has been rapid and has  
 occurred with good profitability since the Bank of Åland's IT operations were turned into a limited  
 liability company in 2004. Today Crosskey accounts for nearly one third of the number of employees in  
 the Bank of Åland Group. Financial summary -----  
 - - Bank of Åland Group Q1 Q4 % Q1 % 2013 2012 2012 -----  
 ----- EUR M ----- Income -----  
 ----- Net interest income 9.4 9.9 -5 11.5 -18 -----  
 ----- Net commission income 9.3 9.2 1 8.0 16 -----  
 ----- Net income from financial items at fair value 4.4 19.3 -77 0.0 ----  
 ----- Other income 4.0 4.3 -7 3.8 5 -----  
 ----- Total income 27.1 42.7 -37 23.3 16 -----  
 ----- Staff  
 costs -13.1 -13.7 -5 -13.3 -2 ----- Other  
 expenses -8.1 -8.9 -9 -8.6 -5 -----  
 Depreciation/amortisation -1.9 -2.6 -28 -1.7 10 -----  
 ---- Total expenses -23.1 -25.3 -9 -23.6 -2 -----  
 ----- Profit before impairment losses 4.1 17.4 -77

-0.3									
	Impairment losses on loans and other	-1.4	-3.1	-54	-0.9	65	commitments		
	Net operating profit	2.6	14.4	-82	-1.2				
	- Income taxes	-0.5	0.6	0.4				Profit for the	
	report period	2.2	15.0	-86	-0.8				
								Attributable to:	
	Non-controlling interests	-0.2	-0.2	-10	-0.1				
	Shareholders in Bank of Åland Plc	1.9	14.8	-87	-0.9				
								Volume	
	Lending to the public	2,977	2,906	2	2,762	8			
	Deposits from the public	2,446	2,447	0	2,552	-4			
	Managed assets	4,480	4,292	4	4,044	11			
	Equity capital	179	181	-1	177	1			
	Balance sheet total	3,743	3,631	3	3,549	5			
	Risk-weighted assets	1,472	1,402	5	1,374	7			

	Financial ratios							Return on equity after	
	taxes, % (ROE)	4.4	34.2	-1.7					
	Expenses/income ratio, %	85	59	101				Loan	
	loss level, %	0.19	0.42	0.12					
	Gross non-								
	performing loans, %	0.58	0.64	0.63				Level of	
	provisions for doubtful receivables, %	98	108	67					
	Core funding ratio, %	102	104	108					
	Equity/assets ratio, %	4.8	5.0	5.0				Tier 1	
	capital ratio, without transitional	10.4	10.9	10.3				rules, %	
	Earnings per share before dilution, %	0.13	1.04	-0.05					
	Equity capital per share, EUR	12.27	12.36	12.07					
	Market price per Series A share, EUR	12.50	10.04	14.25					
	Market price per Series B share, EUR	8.14	7.10	9.15					
	Number of shares outstanding (not own shares)								
	14,395 14,395 14,395 thousands							Working	
	hours re-calculated to full-time	604	626	679				equivalent positions	

Ålandsbanken follows the disclosure procedure enabled by Standard 5.2b published by the Finnish Financial Supervision Authority and hereby publishes its Interim Report for the period January - March 2013 enclosed to this stock exchange release. Ålandsbanken's Interim Report for the period January - March 2013 is attached to this release in pdf format and is also available on the company's web site at [www.alandsbanken.fi/info/opencms/pdf/result/en\\_resultat\\_jan-mar\\_13.pdf](http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-mar_13.pdf) Mariehamn, April 29, 2013  
THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf +358 204 2912 25