

# Ålandsbanken Abp: Interim Report for the period January–March 2014

29.04.2014

Bank of Åland Interim report Ålandsbanken Abp: Interim Report for the period January–March 2014 Mariehamn, 2014-04-29 13:00 CEST (GLOBE NEWSWIRE) -- Ålandsbanken Abp Interim Report 29.04.2014 14.00 hrs Interim Report for the period January–March 2014 “During the first quarter of 2014, we attracted new customers and increased our volume in all business areas. This growth remains strongest in Sweden. “As for earnings, it is especially pleasing to see the improvement in our net interest income, which grew by 27 per cent year-on-year. The quarter was a further step in the right direction towards achieving acceptable profitability.” Peter Wiklöf, Managing Director January–March 2014 compared to January–March 2013 -- Net operating profit improved by 25 per cent to EUR 3.2 M (2.5). -- Profit for the period attributable to shareholders improved by 22 per cent to EUR 2.1 M (1.7). -- Net interest income increased by 27 per cent to EUR 11.9 M (9.4). -- Net commission income increased by 14 per cent to EUR 10.7 M (9.3). -- Total expenses increased by 7 per cent to EUR 24.6 M (23.1). -- Net impairment losses on loans (including recoveries) decreased by 39 per cent to EUR 0.9 M (1.4), equivalent to a loan loss level of 0.11 (0.19) per cent. -- Return on equity after taxes (ROE) amounted to 4.7 per cent (4.0). -- Earnings per share amounted to EUR 0.15 (0.12). -- The core Tier 1 capital ratio calculated without transitional rules amounted to 10.6 per cent (December 31, 2013: 10.8 per cent). Financial summary Bank of Åland Group Q1 Q4 % Restat % 2014 2013 ed Q1 2013 ----- EUR M ----- Income -----

	2014	2013	ed	Q1	2013
Income					
Net interest income	11.9	11.6	2	9.4	27
Net commission income	10.7	12.8	-17	9.3	14
Net income from financial items at fair value	2.0	1.0	93	4.3	-53
Other income	4.0	4.2	-4	4.0	0
Total income	28.6	29.7	-4	27.0	6
Staff costs	-13.3	-13.6	-2	-13.1	2
Other expenses	-9.1	-8.8	3	-8.1	12
Depreciation/amortisation	-2.2	-2.2	3	-1.9	18
Total expenses	-24.6	-23.1	7		
Profit before impairment losses on loans and other	4.1	5.1	-20	4.0	2
Impairment losses on loans and other	-0.9	-1.5	-41	-1.4	-39
commitments					
Net operating profit	3.2	3.6	-12		
Income taxes	-0.6	-0.4	77	-0.6	6
Profit for the report period	2.5	3.3	-22	1.8	38
Attributable to:					
Non-controlling interests	0.4	0.2	0.2		
Shareholders in					
Bank of Åland Plc	2.1	3.1	-31	1.7	22
Volume					
- Lending to the public	3,161	3,104	2	2,975	6
-- Deposits from the public	1,254	2,466	3	2,446	4
Managed assets	4,560	4,407	3	4,493	1
Equity capital	185	184	0	177	4
Balance sheet total	4,069	3,887	5	3,745	9
Risk-weighted assets	1,534	1,475	4	1,470	4
Financial ratios					

Return on equity after taxes, % (ROE)	2	4.7	6.9	4.0
Expense/income ratio	3	0.86	0.83	0.85
Loan loss level, %	4	0.11	0.19	0.20
Gross non-performing receivables, %	5	0.45	0.50	0.58
Level of provisions for doubtful receivables, %	6	47	50	73
Core funding ratio, %	7	102	103	102
Equity/assets ratio, %	8	4.5	4.7	4.7
Tier 1 capital ratio. without transitional rules, %	9	10.6	10.8	10.4
Earnings per share, %	10	0.15	0.21	-31
Equity capital per share, EUR	11	12.63	12.54	1
Market price per Series A share, EUR	12	12.27	4	10.24
Market price per Series B share, EUR	13	10.88	-6	12.50
Number of shares outstanding (not own shares), thousands	14	14,398	14,395	0

Working hours 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 - March 2014, which is enclosed with this stock exchange release. The Bank's Interim Report for the period January - March 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-mar\\_14.pdf](http://www.alandsbanken.fi/info/opencms/pdf/result/en_resultat_jan-mar_14.pdf)

Mariehamn, April 14, 2014 THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf, tel. +358 4 0 512 7505