

Interim Report for the period January - September 2011

31.10.2011

Bank of Åland Interim report Interim Report for the period January - September 2011 Mariehamn, 2011-10-31 08:00 CET (GLOBE NEWSWIRE) -- Bank of Åland Plc STOCK EXCHANGE RELEASE 31.10.2011 09.00 hrs Interim Report for the period January - September 2011 "Despite the worst conceivable external conditions, with a global financial crisis, the Bank of Åland's EUR 30 M new share issue was oversubscribed. Next year, when we are expected to be able to measure our capital requirement for credit risks according to the Internal Ratings Based (IRB) approach, our Tier 1 capital ratio will be close to our long-term target of 12 per cent. Along with permission to issue covered bonds, this will give us the financial prerequisites to continue expanding our operations in Finland and Sweden in keeping with our strategy. We foresee increased demand for a relationship bank of the Bank of Åland's type, with both investment know-how and financing know-how in the turbulent times now prevailing. Meanwhile tough external conditions will impose increased demands on us to carry out our banking operations with a lower cost level." Peter Wiklöf, Managing Director January/September 2011 compared to January/September 2010 -- Net operating profit, excluding restructuring expenses and adjusted for exchange rate effects, increased by EUR 5.1 M to EUR 4.3 M. The improvement was mainly due to lower loan losses, while profit before loan losses increased by 11 per cent -- Net operating profit for the period improved to EUR 1.4 M (0.2) -- Profit for the period attributable to shareholders improved to EUR -1.7 M (-2.5) -- Net interest income increased by 12 per cent to EUR 31.0 M (27.8) -- Net commission income increased by 22 per cent to EUR 30.4 M (24.9) -- Net loan losses amounted to EUR 0.9 M (5.5), equivalent to a loan loss level of 0.05 (0.29) per cent -- Renewed global financial market turmoil - with falling share prices, lower interest rates and poorer economic prospects - will adversely affect the Bank of Åland's income. We have therefore revised our future outlook downward. Based on our assessment of external factors and taking into consideration that operations in Sweden will have a smaller negative impact on earnings than last year and that the Group's loan losses will be lower than last year, we expect the Group's after-tax profit attributable to shareholders in 2011 to be better than in 2010. At present, uncertainty factors in assessing external conditions are unusually large. The third quarter of 2011 compared to the second quarter of 2011 -- Net operating profit improved to EUR 0.1 M (-0.8) -- Net interest income increased by 13 per cent to EUR 11.4 M (10.1) -- Net commission income decreased by 9 per cent to EUR 9.7 M (10.7) -- Net financial items declined to EUR -0.9 M (0.9) -- The Tier 1 capital ratio was 7.3 (December 31, 2011: 7.3) per cent. Pro forma, including the new share issue that was completed on October 14, the Tier 1 capital ratio was 9.0 per cent

Financial summary											
----- Bank of Åland Group Q3 2011 Q2 2011 % Q2 2010 % Jan-											
Jan-Sep 2011	Jan-Sep 2010	%	Jan-Sep 2011	Jan-Sep 2010	%	Jan-Sep 2011	Jan-Sep 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
----- EUR M -----											
----- Income -----											
----- Net interest income 11.4 10.1 13 9.4 22 31.0 27.8 12 -----											
----- Net commission income 9.7 10.7 -9 7.6 28 30.4 24.9 22 -----											
----- Other income 2.3 5.9 -62 6.2 -64 14.7 19.5 -24 -----											
----- Total income 23.4 26.7 -12 23.1 1 76.2 72.1 6 -----											
----- Staff costs -12.8 -16.5 -23 -12.3 4 -43.3 -38.8 12 -----											
----- Other expenses -9.8 -10.6 -8 -9.5 3 -30.6 -27.7 -----											

10.50 15.37 17.96 10.50 17.96 -----
----- Working hours re-calculated to full-time equivalent positions 678 699 666
677 680 -----

----- Ålandsbanken follows the disclosure procedure enabled by Standard 5.2b published by the Finnish Financial Supervision Authority and hereby publishes its Interim Report for January-September 2011 enclosed to this stock exchange release. Ålandsbanken's Interim Report for January-September 2011 is attached to this release in pdf format and is also available on the company's web site at www.alandsbanken.fi. Mariehamn, October 28, 2011 THE BOARD OF DIRECTORS For more information please contact: Managing Director, Peter Wiklöf +358 204 291255 Communications and Marketing Director, Tom Westerén +358 40 519 0885