

# Year-end Report

For the period January–December 2014 • February 13, 2015



## January–December 2014

### Compared to January–December 2013

- Net operating profit improved by EUR 12.0 M or 116 per cent to EUR 22.4 M (10.4).
- Profit for the period attributable to shareholders improved by EUR 9.4 M or 141 per cent to EUR 16.1 M (6.7).
- Net interest income increased by 16 per cent to EUR 49.3 M (42.4).
- Net commission income increased by 9 per cent to EUR 46.2 M (42.4).
- Total expenses increased by 3 per cent to EUR 96.4 M (93.5).
- Net impairment losses on loans (including recoveries) decreased by 57 per cent to EUR 1.8 M (4.1), equivalent to a loan loss level of 0.06 (0.14) per cent.
- Return on equity after taxes (ROE) increased to 8.7 per cent (3.8).
- Earnings per share increased to EUR 1.12 (0.46).
- The core Tier 1 capital ratio, excluding the Basel I floor effect, amounted to 10.9 per cent (December 31, 2013: 10.8 per cent).
- The Board of Directors proposes a dividend of EUR 0.40 per share (0.15).

## The fourth quarter of 2014

### Compared to the fourth quarter of 2013

- Net operating profit improved by EUR 4.0 M or 110 per cent to EUR 7.6 M (3.6).
- Profit for the period attributable to shareholders improved by EUR 2.5 M or 84 per cent to EUR 5.6 M (3.1).
- Net interest income increased by 9 per cent to EUR 12.6 M (11.6).
- Net commission income increased by 13 per cent to EUR 14.5 M (12.8).
- Total expenses increased by 5 per cent to EUR 25.8 M (24.6).
- Net impairment losses on loans (including recoveries) amounted to EUR 0.5 M (1.5), equivalent to a loan loss level of 0.06 (0.19) per cent.
- Return on equity after taxes (ROE) increased to 11.7 per cent (6.9).
- Earnings per share increased to EUR 0.39 (0.21).

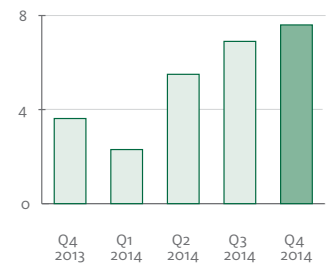
“We closed the year strongly with another improved quarter. Altogether during the year, we more than doubled our net operating profit, which totalled EUR 22.4 M. It is especially satisfying to see the earnings improvements on the Finnish mainland and in Sweden, with Sweden now having clearly begun to contribute positive earnings. We are continuing to strengthen our offering in the financial investment field, and during 2014 the investment volume that we manage on behalf of our customers grew by 14 per cent to a new record level of EUR 5,042 M.

“Growth remains weak in our vicinity, and central banks are competing to see which can stimulate the economy most. This will lead to continued great market uncertainty and to extremely low market interest rates, which among other things will squeeze our net interest income and that of other banks during 2015.”

Peter Wiklöf, Managing Director

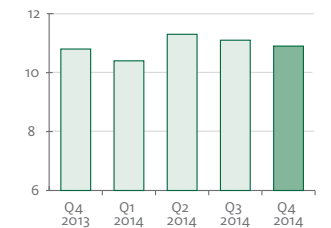
### Net operating profit

EUR M



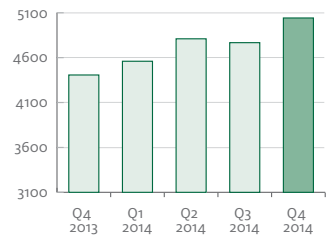
### Core Tier 1 ratio

Per cent



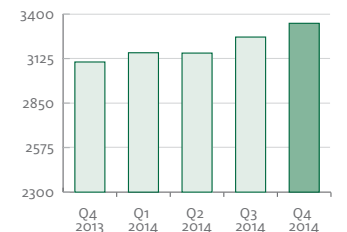
### Managed assets

EUR M



### Lending

EUR M



The Bank of Åland is a bank with strong customer relationships and personal service. The Bank has extensive financial investment expertise and at the same time can offer good financing services. The commercial bank was founded in 1919 and has been listed on the Nasdaq OMX Helsinki Oy (Helsinki Stock Exchange) since 1942. The Bank of Åland's Head Office is in Mariehamn. The Bank has six offices in the Åland Islands, five offices elsewhere in Finland and three offices in Sweden. A total of four subsidiaries, whose operations are connected in various ways to banking, belong to the Bank of Åland Group.

# Financial summary

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Income								
Net interest income	12.6	12.7	-1	11.6	9	49.3	42.4	16
Net commission income	14.5	10.5	39	12.8	13	46.2	42.4	9
Net income from financial items at fair value	2.2	1.9	17	1.0		6.8	7.4	-8
Other income	4.6	4.0	16	4.2	9	18.3	15.8	16
<b>Total income</b>	<b>34.0</b>	<b>29.1</b>	<b>17</b>	<b>29.7</b>	<b>14</b>	<b>120.6</b>	<b>108.0</b>	<b>12</b>
Expenses								
Staff costs	-14.5	-12.0	21	-13.6	7	-53.1	-51.5	3
Other expenses	-9.3	-7.8	19	-8.8	6	-34.9	-34.0	3
Depreciation/amortisation	-2.0	-2.1	-2	-2.2	-7	-8.4	-8.0	5
<b>Total expenses</b>	<b>-25.8</b>	<b>-21.9</b>	<b>18</b>	<b>-24.6</b>	<b>5</b>	<b>-96.4</b>	<b>-93.5</b>	<b>3</b>
<b>Profit before impairment losses</b>	<b>8.1</b>	<b>7.2</b>	<b>13</b>	<b>5.1</b>	<b>60</b>	<b>24.2</b>	<b>14.5</b>	<b>67</b>
Impairment losses on loans and other commitments	-0.5	-0.3	88	-1.5	-65	-1.8	-4.1	-57
<b>Net operating profit</b>	<b>7.6</b>	<b>6.9</b>	<b>10</b>	<b>3.6</b>	<b>110</b>	<b>22.4</b>	<b>10.4</b>	<b>116</b>
Income taxes	-1.6	-1.5	6	-0.4		-4.8	-2.7	78
<b>Profit for the report period</b>	<b>6.1</b>	<b>5.4</b>	<b>11</b>	<b>3.3</b>	<b>85</b>	<b>17.6</b>	<b>7.7</b>	<b>129</b>
Attributable to:								
Non-controlling interests	0.4	0.3	28	0.2		1.5	1.0	47
<b>Shareholders in Bank of Åland Plc</b>	<b>5.6</b>	<b>5.1</b>	<b>10</b>	<b>3.1</b>	<b>84</b>	<b>16.1</b>	<b>6.7</b>	<b>141</b>
Volume								
Lending to the public	3,343	3,258	3	3,104	8			
Deposits from the public <sup>1</sup>	2,391	2,482	-4	2,460	-3			
Managed assets	5,042	4,770	6	4,407	14			
Equity capital	196	193	2	184	7			
Balance sheet total	4,292	4,183	3	3,887	10			
Risk exposure amount	1,554	1,532	1	1,475	5			
Financial ratios								
Return on equity after taxes, % (ROE) <sup>2</sup>	11.7	10.9		6.9		8.7	3.8	
Expense/income ratio <sup>3</sup>	0.76	0.75		0.83		0.80	0.87	
Loan loss level, % <sup>4</sup>	0.06	0.03		0.19		0.06	0.14	
Gross non-performing receivables, % <sup>5</sup>	0.65	1.04		1.02				
Level of provisions for doubtful receivables, % <sup>6</sup>	66	47		48				
Core funding ratio, % <sup>7</sup>	105	107		103				
Equity/assets ratio, % <sup>8</sup>	4.6	4.6		4.7				
Tier 1 capital ratio, excluding Basel 1 floor effect, % <sup>9</sup>	10.9	11.1		10.8				
Earnings per share, EUR <sup>10</sup>	0.39	0.35	10	0.21	83	1.12	0.46	
Earnings per share after dilution, EUR	0.39	0.35	10	0.21	83	1.11	0.46	
Equity capital per share, EUR <sup>11</sup>	13.49	13.14	3	12.54	8			
Equity capital per share after dilution, EUR	13.46	13.11	3	12.54				
Market price per Series A share, EUR	11.27	11.32	0	10.88	4			
Market price per Series B share, EUR	10.87	9.63	13	7.94	37			
Number of shares outstanding (not own shares), 000s	14,398	14,398	0	14,395	0			
Number of shares outstanding (not own shares), after dilution, 000s	14,498	14,498	0	14,395	0			
Working hours re-calculated to full-time equivalent positions	643	656	-2	631	2	644	617	4

<sup>1</sup> Deposits from the public and public sector entities, including certificates of deposit, index bonds and debentures issued to the public

<sup>2</sup> Profit for the report period attributable to shareholders / Average shareholders' portion of equity capital

<sup>3</sup> Expenses / Income

<sup>4</sup> Impairment losses on loan portfolio and other commitments / Lending to the public at the beginning of the period

<sup>5</sup> Non-performing receivables more than 90 days / Lending to the public before provisions for impairment losses

<sup>6</sup> Provisions for individual impairment losses / Doubtful receivables

<sup>7</sup> Lending to the public / Deposits including certificates of deposit, index bonds and debentures issued to the public plus covered bonds issued

<sup>8</sup> Equity capital / Balance sheet total

<sup>9</sup> (Core Tier 1 capital / Capital requirement) x 8 %

<sup>10</sup> Shareholders' portion of earnings for the period / Number of shares adjusted for share issue

<sup>11</sup> Equity capital / Number of shares on closing day

# Comments

## MACRO SITUATION AND REGULATORY REQUIREMENTS

Low interest rates are expected to remain in place for an extended period in Europe. This will continue to squeeze the net interest income of banks and increase the risks of macroeconomic asset bubbles. In September, the European Central Bank (ECB) lowered its already record-low key interest rate to 0.05 per cent. In October, Sweden's Riksbank lowered its key to 0.00 per cent. Long-term market yields also fell sharply during the year.

## BENCHMARK INTEREST RATES, AVERAGES, PER CENT

	Q4 2014	Q3 2014	Q4 2013
Euribor 3 mo	0.08	0.16	0.24
Euribor 12 mo	0.33	0.44	0.53
Stibor 3 mo	0.32	0.51	1.13

	2014	2013
Euribor 3 mo	0.21	0.22
Euribor 12 mo	0.48	0.54
Stibor 3 mo	0.66	1.19

During 2014 share prices on the Nasdaq OMX Helsinki (OMXHPI) rose by about 6 per cent and prices on the Nasdaq OMX Stockholm (OMXSPI) by about 12 per cent.

The average value of the Swedish krona in relation to the euro was 5 per cent lower during 2014 than in the previous year. On December 31, 2014, the krona was 6 per cent weaker than at the end of 2013. When translating the income statement of the Bank of Åland's Swedish operations into euros, the average exchange rate for the period has been used, while the balance sheet has been translated at the exchange rate prevailing on the closing day.

New calculation methods and disclosure requirements for capital adequacy went into effect on January 1, 2014 in compliance with the European Union's Capital Requirements Regulation (CRR).

## IMPORTANT EVENTS IN 2014

On December 18, 2014, the Bank of Åland signed an agreement with S-Bank (S-Pankki) to acquire its 34 per cent holding in Ab Compass Card Oy Ltd. After the acquisition, Compass Card is a wholly owned subsidiary of the Bank of Åland. The Bank of Åland (66 per cent) and Tapiola Bank (34 per cent) founded Compass Card in 2006 for the issuance of credit and debit cards in the Finnish market. Compass Card offers tailor-made card solutions and today has about 160,000 debit cards and 55,000 credit cards in circulation. Compass Card will continue to offer S-Bank's existing card customers their current service at least during 2015. The acquisition is not expected to have any substantial impact on the earnings or equity capital of the Bank of Åland Group.

S-Bank and Crosskey Banking Solutions Ab Ltd have renewed their cooperation by means of an agreement that extends until the end of 2020. This cooperation agreement is a continuation of the existing agreement that was signed in 2005 and that includes Crosskey's core bank and internet bank systems. In connection with the extension of the existing cooperation agreement, S-Bank and Crosskey also entered into a completely new cooperation agreement which includes Crosskey's card issuing platform. Today S-Bank is one of Finland's largest banks, with more than 2.7 million customers, and is also one of Finland's largest card issuers.

Managed assets in the Bank of Åland have surpassed EUR 5,000 and amounted to a new record level of EUR 5,042 M at year-end. Managed assets in the Bank of Åland's own mutual funds have surpassed EUR 1,000 M, totalling EUR 1,048 M on December 31.

In 2014 about EUR 105,000 from the Bank of Åland's Environmental Account was distributed to selected environmental projects.

The Bank of Åland's Board of Directors has decided to launch a share savings programme for all Group employees. This programme enables employees to save a portion of their monthly salary to invest in the Bank of Åland's Series B shares. Participation in the programme is voluntary. A full 69 per cent of employees have decided to participate in the programme.

Employees can save a maximum of five per cent of their monthly salary in order to subscribe for twice-yearly targeted issues of Series B shares. The savings period began on January 1, 2015 and the first share issue is planned for August 2015. The programme runs for one year. Three years after each respective share issue, the Bank of Åland will distribute one free matching share for each share that has been acquired in the targeted share issues to those who have participated in the share issues and who are still employed by the Group and own the shares that were issued.

Employees will be offered the opportunity to subscribe for Series B shares at a price that is 10 per cent below the average price during the calendar month before each respective share issue. The maximum savings amount for Group employees who have signed up for the programme is about EUR 0.9 million, which would be equivalent to about 88,000 Series B shares based on the average price in January 2015, including a 10 per cent discount. The maximum number of matching shares to be distributed will thus be 88,000. The maximum number of shares that employees may receive as part of the share savings programme will be 176,000.

Based on the above-mentioned conditions, shares acquired as part of the share savings programme may give rise to a maximum ownership stake of 1.1 per cent and 0.1 per cent of voting power.

On September 30, 2014, the Bank of Åland's Board of Directors decided – on the basis of the authorisation by the Annual General Meeting on April 10, 2014 – to carry out a targeted issue of 100,000 option rights to key individuals as one step in fulfilling the Bank's incentive programme. Each option right entitles the holder to subscribe for one Series B share. The redemption date for the option rights is December 29, 2017.

As part of efforts to further strengthen its asset management offering, the Bank of Åland has hired an experienced four-person management team. These individuals began their employment in mid-September.

In June, the Bank of Åland issued covered bonds with Swedish mortgage loans as collateral for the first time. The issue amount was SEK 1 000 million. The issue was oversubscribed. The Bank of Åland's Swedish collateral pool currently totals about SEK 4 million.

The Bank of Åland (Ålandsbanken) Euro Bond Fund was named the best Nordic fund in its category for management periods of 3.5 and 10 years and received the prestigious Lipper Fund Award Nordic for 2014.

The Bank of Åland has decided to improve the efficiency of its IT support and back office processes for asset management and securities processing. This change effort is expected to take about three years. The Bank of Åland has chosen Crosskey Banking Solution Ab Oy's new capital market concept, "Capital Markets from the Tap", after evaluating several alternative IT suppliers. The new Capital Markets system is a holistic solution that integrates several existing systems into a single platform.

The Bank of Åland and the mutual insurance company Ålands Ömsesidiga Försäkringsbolag (Ömsen) have intensified their partnership in Åland related to insurance and financing solutions, aimed at raising the level of service and financial security when buying a home. This collaboration is based on offering a financial security package for customers taking out home mortgage loans. The offer includes Ömsen's insurance protection and damage prevention programme and products as well as a range of services from the Bank of Åland, among them legal advisory services, construction advisory services, financing and the Åland Premium Banking service. Together with Ömsen, the Bank of Åland has become a part-owner of the newly established Mäklarhuset Åland Ab estate agency.

The Bank of Åland restructured and streamlined its operations in the Helsinki region. This included closing the office in the suburb of Tapiola, Espoo. These measures will lower costs by about EUR 0.5 M on an annual basis. Restructuring expenses totalled about EUR 0.4 M and were charged to first quarter earnings.

The Bank of Åland is continuing to augment its product range in the Swedish market in such a way that customers in Sweden will not need any other bank. E-invoicing, BankID, credit cards and mortgage loan protection have been launched.

Crosskey developed Marginalen Bank's new Internet banking service, which has been launched in the Swedish market.

The Annual General Meeting on April 10, 2014 re-elected the Board of Directors consisting of Nils Lampi, Christoffer Taxell, Agneta Karlsson, Anders Å. Karlsson, Annika Wijkström, Anders Wiklöf and Dan-Erik Woivalin. The Annual General Meeting also approved the removal of the stipulation in the Bank's Articles of Association that a person who has reached the age of 67 is not eligible for election to the Board.

#### **EARNINGS FOR THE FOURTH QUARTER OF 2014**

Profit for the period attributable to shareholders amounted to EUR 5.6 M (3.1). This was an improvement of EUR 2.5 M or 84 percent compared to the fourth quarter of 2013. Net operating profit improved by EUR 4.0 M or 110 per cent to EUR 7.6 M (3.6). Fourth quarter earnings were the best for a single quarter since 2007, excluding nonrecurring items.

Return on equity after taxes improved to 11.7 (6.9) per cent.

Total income increased by EUR 4.3 M or 14 per cent to EUR 34.0 M. All types of income except "Other operating income" rose.

Due to re-pricing in the loan portfolio, lower funding costs and volume growth, net interest income increased by EUR 1.0 M or 9 per cent to EUR 12.6 M.

Net commission income rose by EUR 1.7 M or 13 per cent to EUR

14.5 M, among other things due to commission income of EUR 2.8 M from a lending transaction in the Sweden business area. Performance-related asset management fees were lower than in the year-earlier period.

Net income on financial items at fair value rose by EUR 1.2 M to EUR 2.2 M, mainly due to realised increases in value in the liquidity portfolio.

Information technology (IT) income increased by EUR 0.8 M or 20 per cent to EUR 4.7 M, among other things due to income from new Crosskey customers.

Other operating income was negative, mainly due to impairment losses of EUR 0.2 M on the value of Åland real property holdings.

Total expenses increased by EUR 1.2 M or 5 per cent to EUR 25.9 M. Nonrecurring expenses for restructuring of operations, mainly asset management operations, amounted to EUR 0.6 M, which was an increase of EUR 0.1 M. Expenses at Crosskey increased by EUR 1.1 M. The fourth quarterly seasonally has the highest expenses of the four quarters in the consolidated accounts.

Impairment losses on loans amounted to EUR 0.5 M, equivalent to a loan loss level of 0.06 per cent. In the corresponding quarter of 2013, the Bank reported impairment losses of EUR 1.5 M, equivalent to a loan loss level of 0.19 per cent.

#### **EARNINGS FOR JANUARY-DECEMBER 2014**

PProfit for the period attributable to shareholders amounted to EUR 16.1 M (6.7). This was an improvement of EUR 9.4 M compared to 2013. Net operating profit improved by EUR 12.0 M to EUR 22.4 M (10.4).

Return on equity after taxes improved to 8.7 (3.8) per cent.

Total income increased by EUR 12.6 M or 12 per cent to EUR 120.6 M.

Net interest income rose by EUR 6.9 M or 16 per cent to EUR 49.3 M. The Finnish Mainland business area accounted for EUR 3.7 M of the improvement, the Sweden business area for EUR 3.3 M, the Åland business area for EUR 0.7 M and other segments for EUR -0.8 M. Improved net interest income was due to higher lending volume as well as wider interest margins in the loan portfolio and lower funding costs.

Net commission income rose by EUR 3.8 M or 9 per cent to EUR 46.2 M, mainly due to commission income of EUR 2.8 M from a lending transaction in the Sweden business area and higher mutual fund commissions. The Finnish Mainland business area accounted for EUR 2.2 M of this improvement, the Åland business area for EUR 0.5 M, the Sweden business area for EUR 0.3 M and other segments for EUR 0.8 M.

Net income on financial items at fair value fell by EUR 0.6 M or 8 per cent to EUR 6.8 M, mainly due to lower net income from foreign exchange dealing.

IT income increased by EUR 2.6 M or 17 per cent to EUR 17.3 M, among other things due to income from new Crosskey customers.

Total expenses increased by EUR 2.9 M or 3 per cent to EUR 96.4 M, mainly due to an increase of EUR 2.7 M of expenses at Crosskey,

corporate strategic expenses of about EUR 1.0 M and increases expenses for restructuring of operations, mainly in the asset management area, totalling about EUR 0.5 M. In 2013, however, total expenses also included nonrecurring expenses of EUR 1.5 M related to a possible reduction in purchase price due to a re-examination by the Swedish tax authority of older tax returns for the Swedish subsidiary that was sold in October 2012.

Impairment losses on loans amounted to EUR 1.8 M, equivalent to a loan loss level of 0.06 per cent. This was substantially lower than the previous year, when impairment losses on loans totalled EUR 4.1 M, equivalent to a loan loss level of 0.14 per cent.

Tax expense amounted to EUR 4.8 M, equivalent to an effective tax rate of 21.3 (25.8) per cent. The high effective tax rate in 2013 is explained primarily by the reduction in purchase price, which was not tax-deductible.

#### BUSINESS AREAS

The Group's net operating income improved by EUR 12.0 M to EUR 22.4 M, allocated as follows:

• Finnish Mainland	+6.2	(higher income, both net interest and net commission income)
• Sweden	+4.7	(business volume growth and higher income, especially net interest income)
• Åland	+2.3	(higher income and lower loan losses)
• Crosskey	-0.2	(higher expenses)
• Corporate units	-2.0	(lower Treasury income and higher strategic expenses)
• Nonrecurring items	+1.0	(restructuring expenses, reduction in purchase price)

#### BUSINESS VOLUME

Managed assets increased by EUR 635 M or 14 per cent during the year and amounted to EUR 5,042 M (4,407). Excluding the exchange rate effect when translating managed assets in Sweden, the increase was 18 per cent. Managed assets in the Bank of Åland Group's own mutual funds rose by EUR 128 or 13 per cent to EUR 1,088 M (960) during 2014. There was continued heavy interest in Bostadsfonden, a housing mutual fund. Net inflow into Bostadsfonden was EUR 73 M during the year, of which EUR 30 M during the fourth quarter. The net assets of Bostadsfonden amounted to EUR 174 M at year-end. The new LCR Income Fund received EUR 41 M during its first year. Assets under discretionary management rose by EUR 22 M to EUR 1,707 M (1,685), in spite of a decrease of about EUR 140 M in a large institutional mandate in Sweden during the third quarter. Assets under advisory management rose by EUR 485 M or 28 per cent to EUR 2,247 M (1,762). Of total managed assets, the Sweden business area accounted for EUR 2,891 M or 57 (54) per cent.

Deposits from the public – including certificates of deposit, index bonds and debentures issued to the public – decreased by EUR 69 M or 3 per cent during the year and amounted to EUR 2,391 M (2,461), but deposit accounts increased by EUR 24 M or 1 per cent to EUR 2,201 M (2,177). Excluding the exchange rate effect when translating deposits in Sweden, the decrease was 2 per cent. The decrease was primarily related to the Finnish Mainland business area.

Lending to the public totalled EUR 3,343 M (3,104). This represented an increase of EUR 239 M or 8 per cent during the year.

Excluding the exchange rate effect when translating lending in Sweden, the increase was 10 per cent.

#### CREDIT QUALITY

Lending to private individuals comprises nearly two thirds of the loan portfolio. Home mortgage loans account for about 70 per cent of lending to private individuals. Loans for the purchase of securities, with market-listed securities as collateral, comprise the second-largest type of lending to private individuals. Loan-to-value ratios are conservative. Historically, the Bank of Åland has never had any substantial loan losses on this type of lending. The corporate portfolio has a close affinity with the household portfolio, since many of the companies are owned by customers who, as individuals, are also Private Banking customers.

Gross doubtful receivables decreased by EUR 10.0 M to EUR 21.7 M (31.7). As a share of lending to the public, doubtful receivables decreased from 1.02 per cent to 0.65 per cent. The level of provisions for doubtful receivables, i.e. individual impairment losses as a proportion of all doubtful receivables, was 66 per cent compared to 48 per cent at year-end 2013.

The Bank of Åland Group had EUR 15.8 M (16.5) in impairment loss provisions, comprising individual impairments of EUR 14.3 M (15.2) and group impairments of EUR 1.5 M (1.2).

#### LIQUIDITY AND BORROWING

The Bank of Åland's liquidity reserve in the form of cash, account balances and investments with other banks, liquid interest-bearing securities plus holdings of unencumbered covered bonds issued by the Bank amounted to EUR 646 M on December 31, 2014 (December 31, 2013: 569). This was equivalent to 15 (15) per cent of total assets and 19 (18) per cent of lending to the public. Given the Bank's ability to issue further covered bonds, there is an additional unutilised liquidity reserve.

During the first quarter, the Bank of Åland issued SEK 750 M in non-covered bonds with a 2-year maturity. During the second quarter, the Bank issued SEK 1,000 M in covered bonds with a 5-year maturity. During the third quarter, the Bank issued EUR 150 M in covered bonds with a 4-year maturity. During the fourth quarter, the Bank issued SEK 750 M in covered bonds with a 5-year maturity. About EUR 180 M in long-term funding will mature during the second half of 2015.

The average remaining maturity on outstanding bonds was about 3.3 (3.1) years at the end of the period.

During the third quarter, the Bank of Åland issued certificates of deposit in Swedish kronor for the first time. A total of EUR 208 M in Swedish certificates of deposit were outstanding at year-end.

The Bank of Åland's core funding ratio, defined as lending to the public divided by deposits from the public including certificates of deposit, index bonds and subordinated debentures issued to the public, plus covered bonds issued, amounted to 105 per cent at the end of the period (December 31, 2013: 103).

The liquidity coverage ratio (LCR) amounted to 97 per cent (December 31, 2013: 61).

#### RATING

The Standard & Poor's rating agency downgraded the sovereign credit rating for Finland from AAA to AA+ in October, but has confirmed that the Bank of Åland's credit rating for long- and short-

term borrowing is not affected by this and is unchanged at BBB/A-3 with a negative outlook. The Bank's covered bonds received a Standard & Poor's credit rating of AA.

#### EQUITY AND CAPITAL ADEQUACY

Equity capital including non-controlling interests changed in the amount of total income for the year, EUR 17.0 M; option premiums of EUR 0.1 M for newly issued subscription options; and the dividends paid to shareholders in the Bank of Åland, EUR 2.2 M and to non-controlling interests in subsidiaries, EUR 1.0 M. On December 31, 2014, equity capital totalled EUR 194.2 M (December 31, 2013: 184.1). Other comprehensive income included re-measurements of defined-benefit pension plans by EUR -1.7 M after taxes, in compliance with IAS 19.

Because the European Union's Capital Requirements Regulation (EU 575/2013, CRR) has gone into effect and has begun to be applied, for the sake of comparability the figures as at December 31, 2013 have been restated and presented both in compliance with the regulations that applied on December 31, 2013 and in compliance with the EU's Capital Requirements Regulation, which began to be applied on January 1, 2014 (see Note 22). The most significant changes for the Bank of Åland regarding the capital base are that 100 per cent instead of 50 per cent of expected losses according to the internal ratings based (IRB) approach in excess of recognised losses are subtracted directly from core Tier 1 capital and that the portion of excess capital that belongs to non-controlling interests in subsidiaries may not be counted as part of core Tier 1 capital, with a gradual phase-out over the next few years.

According to the Finnish Financial Supervisory Authority's interpretation, subordinated debentures that are repaid before the end of the first five years of their maturity as provided by Article 63 of the EU's Capital Requirements Regulation (EU 575/2013) are not included in the capital base to the extent that the institution has not had permanent access to this capital during the first five years. This interpretation significantly reduces the Bank of Åland's supplementary capital, since earlier Finnish practice has interpreted the Act on Credit Institutions in such a way that subordinated debentures with a maturity of five years that are counted as supplementary capital may include a repayment plan. The interpretation does not apply to subordinated debentures issued on December 31, 2011 or earlier, according to the transitional rules in Article 484 of the Capital Requirements Regulation.

The calculation of the capital requirement is affected, above all, by the reduction in the capital requirement for the small and medium-sized enterprise (SME) supporting factor (December 31, 2014: EUR -3.3 M), higher capital requirements due to the transition to external credit rating for institutions (EUR +3.0 M) and the capital requirement for credit and debit valuation (CVA/DVA) adjustment risk in OTC contracts (EUR +1.3 M).

Core Tier 1 capital according to the definition in the new capital adequacy regulations increased by EUR 10.1 M during 2014 to EUR 170.1 M (159.9).

The risk exposure amount increased by EUR 79 M or 5 per cent to EUR 1,554 M (December 31, 2013: 1,475 using a comparable definition). Of this, the operational risk exposure amount, calculated using a three-year rolling average of the Group's income, increased by EUR 4 M. The credit risk exposure amount rose by EUR 82 M, of which EUR 16 M consisted of a credit-worthiness adjustment for

counterparty risk in derivative instruments. The risk profile in both the internal ratings based (IRB) Finnish household portfolio and in the loan portfolio for which the capital requirement is still based on the standardised approach has improved. Meanwhile the exchange rate effect has reduced the risk exposure amount in the Swedish loan portfolio.

The core Tier 1 capital ratio increased to 10.9 per cent (December 31, 2013: 10.8 using a comparable definition), excluding the Basel 1 floor effect. Since the Bank of Åland has no hybrid capital, its core Tier 1 capital ratio is the same as its Tier 1 capital ratio.

The total capital ratio decreased to 12.1 (13.5) per cent.

#### DIVIDEND

The Board of Directors proposes that the Annual General Meeting approve the payment of a dividend of EUR 0.40 per share (0.15), equivalent to a total amount of EUR 5.7 M (2.2). The proposed dividend is equivalent to a 36 (32) per cent payout ratio.

#### CORRECTIONS

In its Interim Report for the period January-March 2014, the Bank of Åland reported "Net income from financial assets available for sale" totalling EUR 1.9 M, among other things after surplus values in the Bank's liquidity portfolio had been realised. According to IFRS regulations, income with a total effect on income of EUR 0.9 M should not have been moved from "Other comprehensive income" to "Net operating profit". According to the correct IFRS interpretation, the Bank of Åland's net operating profit and core Tier 1 capital for the periods January-March 2014 and January-June 2014 were thus reported as too high in the Bank's interim reports, but equity capital was correctly reported during the entire period. The Bank of Åland has corrected these historical periods, which means that net operating profit for the first quarter has been lowered by EUR 0.9 M and core Tier 1 capital has been reduced by EUR 0.7 M. Two financial ratios for the periods January-March 2014 and January-June 2014 – "return on equity after taxes (ROE)" and "earnings per share" – have been affected by this correction, along with the financial ratio "Core Tier 1 capital ratio" as of March 31, 2014 and June 30, 2014.

The securities that generated the changes in market value and that – according to IFRS regulations – the Bank of Åland incorrectly reported as part of "Net operating profit" instead of under "Other comprehensive income" have been sold. As a result, the increase in value of EUR 0.9 M that was originally reported as part of net operating profit during the first quarter is being reported as part of net operating profit during the fourth quarter.

#### IMPORTANT EVENTS AFTER CLOSE OF REPORT PERIOD

The Bank of Åland and Ålandsbanken Asset Management have reached an agreement to merge during the first half of 2015. The boards of both companies approved the merger plan on January 7, 2015.

Ålandsbanken Asset Management, with operations in Finland, is a subsidiary of the Bank of Åland in which 30 per cent of ownership is held by employees of the company. Ålandsbanken Asset Management was founded in 2000 and reported a net operating profit of EUR 5.4 M in 2014. The company has 28 employees and manages about EUR 1.6 billion of the Group's total managed assets of approximately EUR 5.0 billion.

Last autumn, the Bank of Åland started a project aimed at coordinating the Bank's asset management units in Finland and Sweden. A well-implemented coordination will unify and strengthen the Bank's range of services in all business areas. Certain overlapping units can also be phased out. Stefan Gothenby has been appointed Chief Investment Officer (CIO) of the Bank of Åland. Jonny Sundström, Ålandsbanken Asset Management's current CIO and Head of Fixed Income, has been appointed as Head of Fixed Income at the Bank. Albert Haeggström has been appointed as the Bank's Head of Equities.

In the Finnish Mainland business area, the customer side of Ålandsbanken Asset Management is being coordinated with Private Banking in Helsinki. Christian Wetterstrand, currently Managing Director of Ålandsbanken Asset Management, is being appointed as Head of the newly coordinated Private Banking unit. Maria Bernas-Hilli, General Manager, is being appointed as Assistant Head of the unit.

As consideration for the merger, the minority shareholders of Ålandsbanken Asset Management will receive 762,912 newly issued Series B shares in the Bank of Åland plus a cash portion equivalent to 10 per cent of the value of the newly issued shares. These shares will entitle their holders to 5 per cent ownership in the Bank of Åland and 0.55 per cent of voting power. The new share issue will occur on the basis of the authorisation provided by the Annual General Meeting in April 2014.

If the merger had been implemented during 2014 the Group's pro forma earnings – calculated on the basis of 2014 earnings and the Group's financial position on December 31, 2014 and without taking into account any synergies – would have climbed from EUR 1.12 to EUR 1.15 per share despite dilution, and return on equity after taxes (ROE) would have improved by about 0.7 percentage points from 8.7 to 9.4 per cent. Equity capital per share would have decreased from EUR 13.49 to EUR 12.77. The core Tier 1 capital ratio would have been adversely affected only marginally, remaining at an unchanged 10.9 per cent

#### RISKS AND UNCERTAINTIES

The Bank of Åland's earnings are affected by external changes that the Company itself cannot control. Among other things, the Group's trend of earnings is affected by macroeconomic changes and changes in general interest rates, share prices and exchange rates, along with higher expenses due to regulatory decisions and directives as well as the competitive situation.

The Group aims at achieving operations with reasonable and carefully considered risks. The Group is exposed to credit risk, liquidity risk, market risk, operational risk and business risk.

The Bank does not engage in trading for its own account.

The Bank of Åland has no direct exposure to the "GIIPS" countries (Greece, Italy, Ireland, Portugal and Spain) or to Cyprus, Russia or Ukraine.

#### FUTURE OUTLOOK

A statement on the Bank's future outlook will be presented in the Annual Report, which will be published on March 16, 2015.

#### GENERAL MEETING

The Annual General Meeting will be held on Thursday, April 16, 2015.

#### FINANCIAL INFORMATION

The Annual Report for 2014 will be published on March 16, 2015. The corporate governance statement and the risk report (Pillar 3) are included in the Annual Report.

The Interim Report for January–March 2015 will be published on Tuesday, April 28, 2015.

The Interim Report for January–June 2015 will be published on Friday, July 24, 2015.

The Interim Report for January–September 2015 will be published on Tuesday, October 27, 2015.

This Year-end Report is unaudited.

Mariehamn, February 13, 2015

#### THE BOARD OF DIRECTORS

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# Summary income statement

Bank of Åland Group	Note	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
<b>EUR M</b>									
Net interest income	5	12.6	12.7	-1	11.6	9	49.3	42.4	16
Net commission income	6	14.5	10.5	39	12.8	13	46.2	42.4	9
Net income from financial items at fair value <sup>1</sup>	7	2.2	1.9	17	1.0		6.8	7.4	-8
IT income		4.7	3.8	23	3.9	20	17.3	14.8	17
Other operating income		-0.1	0.1		0.3		1.0	1.0	-4
<b>Total income</b>		<b>34.0</b>	<b>29.1</b>	<b>17</b>	<b>29.7</b>	<b>14</b>	<b>120.6</b>	<b>108.0</b>	<b>12</b>
Staff costs		-14.5	-12.0	21	-13.6	7	-53.1	-51.5	3
Other expenses <sup>1</sup>	8	-9.3	-7.8	19	-8.8	6	-34.9	-34.0	3
Depreciation/amortisation		-2.0	-2.1	-2	-2.2	-7	-8.4	-8.0	5
<b>Total expenses</b>		<b>-25.8</b>	<b>-21.9</b>	<b>18</b>	<b>-24.6</b>	<b>5</b>	<b>-96.4</b>	<b>-93.5</b>	<b>3</b>
<b>Profit before impairment losses</b>		<b>8.1</b>	<b>7.2</b>	<b>13</b>	<b>5.1</b>	<b>60</b>	<b>24.2</b>	<b>14.5</b>	<b>67</b>
Impairment losses on loans and other commitments	9	-0.5	-0.3	88	-1.5	-65	-1.8	-4.1	-57
<b>Net operating profit</b>		<b>7.6</b>	<b>6.9</b>	<b>10</b>	<b>3.6</b>	<b>110</b>	<b>22.4</b>	<b>10.4</b>	<b>116</b>
Income taxes	10	-1.6	-1.5	6	-0.4		-4.8	-2.7	78
<b>Profit for the period</b>		<b>6.1</b>	<b>5.4</b>	<b>11</b>	<b>3.3</b>	<b>85</b>	<b>17.6</b>	<b>7.7</b>	
Attributable to:									
Non-controlling interests		0.4	0.3	28	0.2		1.5	1.0	47
<b>Shareholders in Bank of Åland Plc</b>		<b>5.6</b>	<b>5.1</b>	<b>10</b>	<b>3.1</b>	<b>84</b>	<b>16.1</b>	<b>6.7</b>	<b>141</b>
Earnings per share, EUR		0.39	0.35	10	0.21	84	1.12	0.46	

<sup>1</sup>Net income from financial assets available for sale related to the divestment of the Swedish subsidiary has been reclassified from "Net income from financial items at fair value" to "Other expenses" in the Q3 2013 accounts.

# Summary statement of other comprehensive income

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
<b>Profit for the period</b>	<b>6.1</b>	<b>5.4</b>	<b>11</b>	<b>3.3</b>	<b>0</b>	<b>17.6</b>	<b>7.7</b>	
Cash flow hedge	-0.1	-0.1	-2	0.5		-0.1	1.1	
Assets available for sale	-0.5	0.6		0.1		2.0	-4.6	
Translation differences	-0.1	0.0		0.9		0.1	0.9	-92
<i>of which hedging of net investment in foreign operations</i>	0.6	0.0		1.6	-65	1.5	2.1	-29
Taxes on items that have been or may be reclassified to the income statement	-0.2	-0.1		-0.4	-48	-0.9	0.7	
<i>of which cash flow hedges</i>	0.0	0.0	-2	-0.1		0.0	-0.2	
<i>of which assets available for sale</i>	0.1	-0.1		0.0		-0.4	0.9	
<i>of which hedging of net investment in foreign operations</i>	-0.3	0.0		-0.3	7	-0.5	-0.4	28
<b>Items that have been or may be reclassified to the income statement</b>	<b>-1.0</b>	<b>0.4</b>		<b>1.0</b>		<b>1.1</b>	<b>-1.9</b>	
Re-measurements of defined benefit pension plans	0.3	-0.3		0.4	-37	-2.1	2.7	
Taxes on items that may not be reclassified to the income statement	-0.1	0.1		-0.1	-37	0.4	-0.5	
<b>Items that may not be reclassified to the income statement</b>	<b>0.2</b>	<b>-0.2</b>		<b>0.3</b>	<b>-37</b>	<b>-1.7</b>	<b>2.1</b>	
<b>Other comprehensive income</b>	<b>-0.8</b>	<b>0.1</b>		<b>1.3</b>		<b>-0.6</b>	<b>0.2</b>	
<b>Total comprehensive income for the period</b>	<b>5.3</b>	<b>5.6</b>	<b>-5</b>	<b>4.6</b>	<b>15</b>	<b>17.0</b>	<b>7.9</b>	
Attributable to:								
Non-controlling interests	0.4	0.3	28	0.2		1.5	1.0	47
<b>Shareholders in Bank of Åland Plc</b>	<b>4.9</b>	<b>5.2</b>	<b>-7</b>	<b>4.4</b>	<b>0</b>	<b>15.5</b>	<b>6.9</b>	

# Income statement by quarter

Bank of Åland Group	Q4 2014	Q3 2014	Q2 2014	Q1 2013	Q4 2013
EUR M					
Net interest income	12.6	12.7	12.1	11.9	11.6
Net commission income	14.5	10.5	10.5	10.7	12.8
Net income from financial items at fair value <sup>1</sup>	2.2	1.9	1.5	1.1	1.0
IT income	4.7	3.8	4.9	3.9	3.9
Other operating income	-0.1	0.1	0.8	0.1	0.3
<b>Total income</b>	<b>34.0</b>	<b>29.1</b>	<b>29.8</b>	<b>27.7</b>	<b>29.7</b>
Staff costs	-14.5	-12.0	-13.3	-13.3	-13.6
Other expenses	-9.3	-7.8	-8.8	-9.0	-8.8
Depreciation/amortisation	-2.0	-2.1	-2.0	-2.2	-2.2
<b>Total expenses</b>	<b>-25.8</b>	<b>-21.9</b>	<b>-24.1</b>	<b>-24.6</b>	<b>-24.6</b>
<b>Profit before impairment losses</b>	<b>8.1</b>	<b>7.2</b>	<b>5.6</b>	<b>3.2</b>	<b>5.1</b>
Impairment losses on loans and other commitments	-0.5	-0.3	-0.1	-0.9	-1.5
<b>Net operating profit</b>	<b>7.6</b>	<b>6.9</b>	<b>5.5</b>	<b>2.3</b>	<b>3.6</b>
Income taxes <sup>1</sup>	-1.6	-1.5	-1.3	-0.5	-0.4
<b>Profit for the period</b>	<b>6.1</b>	<b>5.4</b>	<b>4.3</b>	<b>1.8</b>	<b>3.3</b>
Attributable to:					
Non-controlling interests	0.4	0.3	0.3	0.4	0.2
<b>Shareholders in Bank of Åland Plc</b>	<b>5.6</b>	<b>5.1</b>	<b>4.0</b>	<b>1.4</b>	<b>3.1</b>

<sup>1</sup> Under Q1 2014, a correction has been made concerning surplus values in the Bank's liquidity portfolio. This correction also affects the estimated income tax for that quarter. For more about the correction, see page 6.

# Summary balance sheet

Bank of Åland Group	Note	Dec 31, 2014	Dec 31, 2013	%
<b>EUR M</b>				
<b>Assets</b>				
Cash and balances with central banks		86	50	72
Debt securities eligible for refinancing with central banks		625	428	46
Lending to credit institutions		129	131	-1
Lending to the public and public sector entities	11, 12	3,343	3,104	8
Debt securities		0	64	-100
Shares and participations		3	2	20
Participations in associated companies		1	1	-17
Derivative instruments	15	24	15	62
Intangible assets		8	9	-15
Tangible assets		27	30	-11
Investment properties		0	1	-37
Current tax assets		0	0	58
Deferred tax assets		5	6	-17
Other assets		16	19	-14
Accrued income and prepayments		25	28	-8
<b>Total assets</b>		<b>4,292</b>	<b>3,887</b>	<b>10</b>
<b>Liabilities</b>				
Liabilities to credit institutions		422	347	22
Liabilities to the public and public sector entities	13	2,201	2,177	1
Debt securities issued	13, 14	1,312	1,012	30
Derivative instruments	15	34	27	27
Current tax liabilities		1	0	
Deferred tax liabilities		14	11	21
Other liabilities		35	36	-4
Provisions		1	1	11
Accrued expenses and prepaid income		29	29	1
Subordinated liabilities	13	50	64	-22
<b>Total liabilities</b>		<b>4,096</b>	<b>3,703</b>	<b>11</b>
<b>Equity capital and non-controlling interests</b>				
Share capital		29	29	0
Share premium account		33	33	0
Reserve fund		25	25	0
Fair value reserve		2	1	87
Own shares		0	0	-12
Unrestricted equity capital fund		25	24	0
Retained earnings		81	68	18
<b>Shareholders' portion of equity capital</b>		<b>194</b>	<b>181</b>	<b>8</b>
Non-controlling interests' portion of equity capital		2	4	-53
<b>Total equity capital</b>		<b>196</b>	<b>184</b>	<b>6</b>
<b>Total liabilities and equity capital</b>		<b>4,292</b>	<b>3,887</b>	<b>10</b>

# Statement of changes in equity capital

Bank of Åland Group

EUR M	Share capital	Share premium account	Reserve fund	Hedging reserve	Fair value reserve	Translation difference	Own shares	Unrestricted equity capital fund	Retained earnings	Shareholders' portion of equity capital	Non-controlling interests' portion of equity capital	Total
<b>Equity capital, Dec 31, 2012</b>	<b>29.1</b>	<b>32.7</b>	<b>25.1</b>	<b>-1.2</b>	<b>4.5</b>	<b>-0.2</b>	<b>-0.2</b>	<b>24.5</b>	<b>61.4</b>	<b>175.8</b>	<b>3.2</b>	<b>179.0</b>
Comprehensive income for the period				0.8	-3.4	0.7			8.8	6.9	1.0	7.9
<i>Transactions with Group shareholders</i>												
Dividend paid									-2.2	-2.2	-0.7	-2.9
<b>Equity capital, Dec 31, 2013</b>	<b>29.1</b>	<b>32.7</b>	<b>25.1</b>	<b>-0.4</b>	<b>1.1</b>	<b>0.5</b>	<b>-0.2</b>	<b>24.5</b>	<b>68.1</b>	<b>180.5</b>	<b>3.5</b>	<b>184.1</b>
Comprehensive income for the period				-0.1	1.6	-0.5			14.4	15.5	1.5	17.0
Transfer of own shares							0.0			0.0		0.0
Subscription options								0.1		0.1		0.1
<i>Transactions with Group shareholders</i>												
Dividend paid									-2.2	-2.2	-1.0	-3.1
Acquisitions from non-controlling interests									0.2	0.2	-2.4	-2.2
<b>Equity capital, Dec 31, 2014</b>	<b>29.1</b>	<b>32.7</b>	<b>25.1</b>	<b>-0.5</b>	<b>2.7</b>	<b>0.0</b>	<b>-0.2</b>	<b>24.6</b>	<b>80.6</b>	<b>194.2</b>	<b>1.7</b>	<b>195.9</b>

# Summary cash flow statement

Bank of Åland Group	Jan–Dec 2014		Jan–Dec 2013	
EUR M				
Cash flow from operating activities				
Net operating profit	22.4		10.4	
Adjustment for net operating profit items not affecting cash flow	14.1		16.5	
Gains/losses from investing activities	-0.2		0.7	
Income taxes paid	-1.6		-0.9	
Changes in assets and liabilities in operating activities	-149.2	-114.5	-407.4	-380.5
Cash flow from investing activities		-5.9		-5.2
Cash flow from financing activities		140.9		335.0
Exchange rate differences in cash and cash equivalents		-2.3		-1.3
<b>Change in cash and cash equivalents</b>		<b>18.2</b>		<b>-52.0</b>
Cash and cash equivalents at beginning of period		193.6		245.6
Cash and cash equivalents at end of period		211.8		193.6
<b>Change in cash and cash equivalents</b>		<b>18.2</b>		<b>-52.0</b>

# Notes to the consolidated interim report

## 1. Corporate information

The Bank of Åland Plc (Ålandsbanken Abp) is a Finnish public limited company with its Head Office in Mariehamn. It is a commercial bank with a total of 14 offices. Through its subsidiary Crosskey Banking Solutions Ab Ltd, the Bank of Åland Group is also a supplier of modern banking computer systems for small and medium-sized banks.

The Head Office of the Parent Company has the following address:  
Bank of Åland Plc  
Nygatan 2  
AX-22100 Mariehamn, Åland, Finland

The shares of the Bank of Åland Plc are traded on the Nasdaq OMX Helsinki Oy (Helsinki Stock Exchange).

The Year-end Report for the financial period January 1–December 31, 2014 was approved by the Board of Directors on February 12, 2015.

## 2. Basis for preparation of the year-end report and essential accounting principles

### BASIS FOR PREPARATION OF THE YEAR-END REPORT

This Year-end Report for the period January 1–December 31, 2014 has been prepared in compliance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards, IAS 34, Interim Financial Reporting, which have been adopted by the European Union.

The Year-end Report does not contain all information and notes required in annual financial statements and should be read together with the consolidated financial statements for the year ending December 31, 2013.

Tables show correct rounded-off figures on each line, but this does not mean that rounded-off figures add up to the correct total.

The impact on earnings of the divestment of businesses and strategic shareholdings, as well as restructuring expenses in connection with major organisational changes and discontinuation of business operations, are defined as nonrecurring items.

Clarifications have been made in the income statement, statement of other comprehensive income and balance sheet which affect their presentation and comparative figures, as well as those in the accompanying notes.

The figures for the period January–March 2014 have also been restated due to a correction in recognition of income from assets available for sale. The effect of this correction is described on page 6 of this Year-end Report.

### ESSENTIAL ACCOUNTING PRINCIPLES

The essential accounting principles used in preparing the Year-end Report are the same as those used in preparing the financial statements for the year ending December 31, 2013.

Starting with the financial year 2014, IFRS 10, *Consolidated financial statements*; IFRS 11, *Joint arrangements*; and IFRS 12, *Disclosure of interests* in other entities went into effect for application in the European Union. Under the new rules, the current regulations about when a company shall be consolidated in the Group's financial statements in IAS 27 and SIC 12 are being replaced by a number of criteria for assessing when a controlling interest in another company exists. The application of the new rules does not affect the balance sheet, the income statement and the capital adequacy of the Group.

IFRS 10, *Consolidated financial statements* and amendments that have been made to it include a model to be used in assessing whether or not a controlling interest exists for all investments that a company has, including what are today called special-purpose entities (SPEs) and are regulated in SIC 12. The standard does not affect the Group significantly.

IFRS 11, *Joint arrangements* and amendments that have been made to it will mainly result in two changes compared to IAS 31, *Interests in joint ventures*. An investment is deemed to be a joint operation or a joint venture depending on what type of investment it is, and there are different reporting rules for these. A joint venture must be reported according to the equity method, and the proportional consolidation method will not be allowed. The standard will not affect the Group significantly.

IFRS 12, *Disclosure of interests in other entities* for disclosures on investments in subsidiaries, *joint arrangements*, associated companies and unconsolidated structured entities. The standard will result in new disclosures on the Group's holdings in other companies or investments.

Amended IAS 28, *Investments in associates and joint ventures*. The amendment deals with what reporting method to use when holdings change and significant influence or joint control ceases or not. The amendment does not affect the Group significantly.

IFRIC 21, *Levies*. The interpretation includes rules about various forms of levies that public authorities impose on companies and on what date an obligating event occurs that leads to the recognition of a liability. The interpretation will not affect the Group significantly.

Starting with the financial year 2014, clarifications in IAS 32, *Financial instruments: Presentation* also apply when offsetting of financial assets and liabilities is allowed. Due to an amendment to IAS 39, *Financial instruments: Recognition and measurement*, under certain conditions it will be possible to continue applying hedge accounting when the counterparty in a derivatives contract has changed due to legislation. The disclosure requirements in IAS 36, *Impairment of assets* have been amended with regard to recoverable amounts of impaired non-financial assets. The application of these amendments has not affected the balance sheet, income statement or capital adequacy of the Group.

## COMING CHANGES

On July 24, 2014, the International Accounting Standards Board (IASB) published the final standard IFRS 9, Financial instruments, which will replace IAS 39, *Financial instruments: Recognition and measurement*. IFRS 9, *Financial instruments* includes a model for classification and measurement of financial instruments, a forward-looking “expected loss” impairment model and a substantially reformed approach to hedge accounting. The classifications of financial assets contained in IAS 39 are being replaced by two classifications, with measurement taking place at fair value or amortised cost. It will still be possible to apply the fair value option specified in IAS 39. Changes in fair value must be recognised in the income statement (“through profit and loss”), except for changes in value of equity instruments not held for trading and for which an initial choice is made to recognise changes in value under “Other comprehensive income”. Most of the portions of IFRS 9 concerning financial liabilities coincide with the earlier rules in IAS 39. The new impairment model will require more timely accounting for expected credit losses, from the date when the asset is first recognised. Among other things, the new hedge accounting rules simplify effectiveness testing and increase the scope of eligible hedging instruments and hedged items. According to the IASB, the standard will become compulsory starting on January 1, 2018, but it has not yet been adopted by the EU. Earlier application is allowed. The Bank of Åland is evaluating its impact on financial reporting, the consolidated balance sheet, the income statement and capital adequacy.

IFRS 15, *Revenue from contracts with customers* has not yet been approved by the EU. The purpose of a new revenue standard is to have a single principle-based standard for all industries, which can replace existing standards and statements on revenue. The revenue standard also includes expanded disclosure requirements. IFRS 15 will go into effect in 2017, and earlier application is allowed, provided that the EU has adopted the standard. The Bank of Åland is still evaluating its impact on the Group’s financial reports.

Other new and amended IFRSs are not expected to have any significant effect on the Bank of Åland’s financial reports.

- Amended IAS 1, *Presentation of financial statements: Disclosure initiative* \*
- Amended IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture* \*
- Amended IFRS 11, *Joint arrangements: Accounting for acquisitions of interests in joint operations* \*
- IFRS 14, *Regulatory deferral accounts* \*
- Amended IAS 16 and IAS 41, *Bearer plants* \*
- Amended IAS 16 and IAS 38, *Clarification of acceptable methods of depreciation and amortisation* \*
- Amended IAS 19, *Employee benefits: Defined benefit plans – Employee contributions*
- IAS 1 and IAS 27, *Consolidated and separate financial statements: Equity method in separate financial statements* \*
- Annual improvements to IFRSs (2010-2012), (2011-2013), (2012-2014) \*

(\* Has not yet been approved by the EU)

## ESTIMATES AND JUDGEMENTS

Preparation of this interim report in compliance with IFRSs requires

the Company’s Executive Team to make assessments, estimates and assumptions that affect the application of accounting principles and the recognised amounts of assets and liabilities, income and expenses as well as disclosures about commitments. Although these estimates are based on the best knowledge of the Executive Team on current events and measures, the actual outcome may diverge from the estimates.



### 3. Segment report

The Bank of Åland Group reports operating segments in compliance with IFRS 8, which means that operating segments reflect the information that the Group's Executive Team receives.

The "Åland" business area includes office operations in Åland. "Finnish Mainland" includes office operations on the Finnish mainland and Ålandsbanken Asset Management Ab. The "Sweden" business area includes the operating units Ålandsbanken Abp (Finland) svensk filial (the Swedish branch of the Bank of Åland Plc) plus Ålandsbanken Fonder AB (until its liquidation in May 2014) and Alpha Management Company S.A. (until its liquidation in November 2013). The "Crosskey" business area includes Crosskey Banking Solutions Ab Ltd and S-Crosskey Ab. "Corporate" includes all central corporate units in the Group, encompassing Treasury and the subsidiaries Ålandsbanken Fondbolag Ab and Ab Compass Card Oy Ltd.

Bank of Åland Group		Jan-Dec 2014					
EUR M	Åland	Finnish Mainland	Sweden	Crosskey	Corporate	Eliminations	Total
Net interest income	11.9	19.2	16.7	-0.1	1.4	0.3	49.3
Net commission income	8.3	19.0	16.0	-0.1	2.9	0.1	46.2
Net income from financial items	0.8	0.1	0.8	0.0	5.2	-0.1	6.8
Other income	-0.1	0.1	0.2	30.7	1.3	-14.0	18.3
<b>Total income</b>	<b>20.8</b>	<b>38.5</b>	<b>33.6</b>	<b>30.5</b>	<b>10.8</b>	<b>-13.8</b>	<b>120.6</b>
Staff costs	-4.1	-9.5	-10.9	-14.0	-14.0	0.0	-52.5
Other expenses	-3.7	-6.5	-6.4	-10.1	-21.7	13.7	-34.7
Depreciation/amortisation	-0.3	-0.8	0.0	-3.8	-3.9	0.5	-8.2
Internal allocation of expenses	-7.9	-11.8	-12.4	0.0	32.1	0.0	0.0
Nonrecurring items	-0.1	-0.6	-0.2	0.0	0.0	-0.1	-1.0
<b>Total expenses</b>	<b>-16.2</b>	<b>-29.1</b>	<b>-29.9</b>	<b>-27.8</b>	<b>-7.5</b>	<b>14.0</b>	<b>-96.4</b>
<b>Profit before impairment losses</b>	<b>4.6</b>	<b>9.5</b>	<b>3.8</b>	<b>2.7</b>	<b>3.3</b>	<b>0.2</b>	<b>24.2</b>
Impairment losses on loans and other commitments	-0.3	-1.2	0.0	0.0	-0.3	0.0	-1.8
<b>Net operating profit</b>	<b>4.3</b>	<b>8.2</b>	<b>3.8</b>	<b>2.7</b>	<b>3.1</b>	<b>0.2</b>	<b>22.4</b>
Income taxes	-0.9	-1.6	-0.7	-0.5	-1.0	0.0	-4.8
Non-controlling interests	0.0	-1.3	0.0	0.0	-0.2	0.0	-1.5
<b>Profit for the period attributable to shareholders</b>	<b>3.5</b>	<b>5.3</b>	<b>3.0</b>	<b>2.2</b>	<b>2.0</b>	<b>0.2</b>	<b>16.1</b>
Business volume							
Lending to the public	672	1,706	938	0	43	-16	3,343
Deposits from the public	802	965	540	0	88	-4	2,391
Managed assets	349	1,839	2,891	0	797	-834	5,042
Risk exposure amount	330	382	562	36	244	0	1,554
Allocated equity capital	40	53	65	6	30	0	194
Financial ratios etc.							
Return on equity after taxes, % (ROE)	8.8	10.3	5.0	36.7	0.0		8.7
Expense/income ratio	0.78	0.75	0.89	0.91	0.69		0.80
Gross non-performing receivables, %	1.19	1.19	0.00		2.31		0.88
Loan loss level, %	0.04	0.07	0.00		0.60		0.06
Lending/deposits, %	84	177	174		49		140
Full-time equivalent positions <sup>1</sup>	65	112	74	197	192		639

Bank of Åland Group		Jan-Dec 2013					
EUR M	Åland	Finnish Mainland	Sweden	Crosskey	Corporate	Eliminations	Total
Net interest income	11.2	15.5	13.4	-0.2	2.1	0.4	42.4
Net commission income	7.8	16.8	15.7	-0.1	2.2	0.0	42.4
Net income from financial items	0.7	0.1	0.2	0.0	6.7	-0.3	7.4
Other income	0.0	0.2	0.0	28.3	1.5	-14.3	15.8
<b>Total income</b>	<b>19.7</b>	<b>32.7</b>	<b>29.2</b>	<b>28.1</b>	<b>12.5</b>	<b>-14.2</b>	<b>108.0</b>
Staff costs	-4.0	-9.3	-11.2	-13.4	-13.1	-0.1	-51.1
Other expenses	-3.8	-7.5	-6.6	-8.2	-20.0	13.7	-32.4
Depreciation/amortisation	-0.3	-0.9	0.0	-3.5	-3.9	0.6	-8.0
Internal allocation of expenses	-6.8	-11.6	-12.1	0.0	30.5	-0.1	0.0
Nonrecurring items	0.0	0.0	-2.0	0.0	0.0	0.0	-2.0
<b>Total expenses</b>	<b>-14.8</b>	<b>-29.3</b>	<b>-31.9</b>	<b>-25.1</b>	<b>-6.6</b>	<b>14.1</b>	<b>-93.5</b>
<b>Profit before impairment losses</b>	<b>4.9</b>	<b>3.4</b>	<b>-2.7</b>	<b>3.0</b>	<b>5.9</b>	<b>-0.1</b>	<b>14.5</b>
Impairment losses on loans and other commitments	-2.8	-0.9	0.0	0.0	-0.4	0.0	-4.1
<b>Net operating profit</b>	<b>2.1</b>	<b>2.5</b>	<b>-2.7</b>	<b>3.0</b>	<b>5.5</b>	<b>-0.1</b>	<b>10.4</b>
Income taxes	-0.5	-0.6	0.8	-0.7	-1.6	0.0	-2.7
Non-controlling interests	0.0	-1.0	0.0	0.0	0.0	0.0	-1.0
<b>Profit for the period attributable to shareholders</b>	<b>1.6</b>	<b>0.9</b>	<b>-1.9</b>	<b>2.3</b>	<b>3.9</b>	<b>-0.1</b>	<b>6.7</b>
Business volume							
Lending to the public	651	1,630	797	0	41	-15	3,104
Deposits from the public	745	1,009	550	0	156	-1	2,460
Managed assets	271	1,688	2,489	0	658	-700	4,407
Risk exposure amount	342	426	511	41	154	0	1,475
Allocated equity capital	41	54	61	6	18	0	181
Financial ratios etc.							
Return on equity after taxes, % (ROE)	4.0	1.7	-3.2	41.7	0.0		3.8
Expense/income ratio	0.75	0.89	1.09	0.89	0.53		0.87
Gross non-performing receivables, %	0.78	1.12	0.15		2.31		0.82
Loan loss level, %	0.43	0.06	0.00		0.88		0.14
Lending/deposits, %	87	162	145		26		126
Full-time equivalent positions <sup>1</sup>	66	114	74	191	178		622

<sup>1</sup> Number of full-time-equivalent positions, defined as employment level excluding employees on parental and long-term sick leave.

#### 4. Changes in Group structure

In 2014 the Bank of Åland Plc acquired 25 per cent of the shares in Mäklarhuset Åland Ab, an estate agency. The total investment amounted to about EUR 0.1 M. The holding is reported according to the equity method. During 2014, the Bank of Åland Plc sold its holding in the associated company Ålands Fastighetskonsult Ab. On May 19, 2014 the liquidation of the Swedish-based mutual fund company Ålandsbanken Fonder AB was completed and final distribution of assets and liabilities occurred. On December 31, 2014, the Bank of Åland Plc acquired the 34 per cent minority share in Ab Compass Card Oy Ltd.

#### 5. Net interest income

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Interest income								
Credit institutions and central banks	0.1	0.2	-42	0.3	-63	0.7	1.0	-26
The public and public sector entities	18.1	18.6	-2	18.3	-1	73.2	70.0	4
Debt securities	0.8	0.9	-7	1.1	-25	3.6	3.7	-3
Other interest income	0.2	0.2	-19	0.3	-35	1.0	0.6	65
<b>Total interest income</b>	<b>19.3</b>	<b>19.8</b>	<b>-3</b>	<b>20.0</b>	<b>-4</b>	<b>78.5</b>	<b>75.3</b>	<b>4</b>
Interest expenses								
Credit institutions and central banks	-0.6	-0.7	-14	-1.0	-37	-3.2	-4.5	-30
The public and public sector entities	-2.5	-2.8	-11	-3.6	-31	-11.9	-15.2	-22
Debt securities issued	-3.1	-3.2	-3	-3.1	-2	-12.3	-11.0	11
Subordinated liabilities	-0.3	-0.3	3	-0.3	-10	-1.1	-1.3	-15
Other interest expenses	-0.2	-0.1	21	-0.3	-39	-0.8	-1.0	-20
<b>Total interest expenses</b>	<b>-6.6</b>	<b>-7.1</b>	<b>-7</b>	<b>-8.3</b>	<b>-21</b>	<b>-29.2</b>	<b>-32.9</b>	<b>-11</b>
<b>Net interest income</b>	<b>12.6</b>	<b>12.7</b>	<b>-1</b>	<b>11.6</b>	<b>9</b>	<b>49.3</b>	<b>42.4</b>	<b>16</b>
Investment margin, per cent <sup>1</sup>	1.23	1.24		1.21		1.20	1.12	

<sup>1</sup>Investment margin is defined as net interest income expressed as a percentage of the average balance sheet total.

#### 6. Net commission income

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Deposits	0.2	0.2	-14	0.2	-6	0.8	0.8	4
Lending	3.9	1.0		1.0		7.3	3.9	89
Payment intermediation	2.2	2.2	2	2.1	4	8.7	8.2	6
Mutual fund commissions	4.3	4.2	1	4.4	-2	15.3	13.7	11
Management commissions	3.1	2.1	50	4.0	-24	9.3	10.0	-7
Securities commissions	2.5	2.2	15	2.6	-3	10.6	11.6	-9
Other commission income	0.6	0.6	8	0.5	36	2.4	2.2	12
<b>Total commission income</b>	<b>16.8</b>	<b>12.5</b>	<b>35</b>	<b>14.8</b>	<b>14</b>	<b>54.3</b>	<b>50.3</b>	<b>8</b>
Payment commission expenses	-1.1	-1.0	6	-1.0	11	-4.1	-3.7	10
Mutual fund commission expenses	-0.2	-0.2	-23	-0.3	-40	-0.8	-1.3	-41
Management commission expenses	-0.3	-0.2	51	-0.1	88	-0.8	-0.6	26
Securities commission expenses	-0.4	-0.2	64	-0.3	62	-1.1	-1.0	10
Other commission expenses	-0.3	-0.3	8	-0.3	7	-1.3	-1.2	16
<b>Total commission expenses</b>	<b>-2.3</b>	<b>-2.0</b>	<b>14</b>	<b>-2.0</b>	<b>15</b>	<b>-8.1</b>	<b>-7.8</b>	<b>4</b>
<b>Net commission income</b>	<b>14.5</b>	<b>10.5</b>	<b>39</b>	<b>12.8</b>	<b>13</b>	<b>46.2</b>	<b>42.4</b>	<b>9</b>

## 7. Net income from financial items at fair value

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Valuation category fair value via the income statement ("profit and loss")								
Debt securities	0.0	0.1	-83	0.0		0.5	0.0	
Shares and participations	0.0	0.0		0.6	-94	0.1	0.9	-88
Derivative instruments	0.4	0.0		0.1		0.5	2.8	-82
Loan receivables	-0.5	-0.4	30	-0.7	-21	-1.5	-3.8	
<b>Valuation category fair value via the income statement ("profit and loss")</b>	<b>0.0</b>	<b>-0.3</b>	<b>-85</b>	<b>0.0</b>		<b>-0.3</b>	<b>-0.2</b>	
Hedge accounting								
<i>of which hedging instruments</i>	2.1	3.4	-38	-3.1		14.6	-5.8	
<i>of which hedged item</i>	-1.9	-3.4	-44	3.4		-14.7	5.9	
<b>Hedge accounting</b>	<b>0.2</b>	<b>0.0</b>		<b>0.3</b>	<b>-49</b>	<b>-0.2</b>	<b>0.1</b>	
<b>Net income from foreign exchange dealing</b>	<b>0.4</b>	<b>0.9</b>	<b>-55</b>	<b>1.1</b>	<b>-64</b>	<b>3.0</b>	<b>3.9</b>	<b>-22</b>
<b>Net income from financial assets available for sale</b>	<b>1.7</b>	<b>1.3</b>	<b>29</b>	<b>-0.4</b>		<b>4.2</b>	<b>3.5</b>	<b>19</b>
<b>Total</b>	<b>2.2</b>	<b>1.9</b>	<b>17</b>	<b>1.0</b>		<b>6.8</b>	<b>7.4</b>	<b>-8</b>

## 8. Other expenses

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
IT expenses (excluding information services)	2.9	2.2	34	2.1	38	9.5	8.4	13
Premises and property expenses	1.5	1.3	10	1.5	-3	5.5	6.2	-11
Marketing expenses	0.6	0.5	18	0.8	-26	2.3	2.5	-9
Information services	0.5	0.5	1	0.5	1	2.2	2.2	0
Staff-related expenses	0.6	0.5	24	0.5	14	2.2	2.0	14
Travel expenses	0.5	0.2		0.4	28	1.4	1.2	17
Purchased services	0.8	0.7	11	0.8	3	4.1	3.0	38
Deposit guarantee fee	0.2	0.2	-8	0.3	-36	1.0	1.3	-19
Banking tax	0.4	0.4	0	0.4	4	1.7	1.7	4
Other expenses	1.7	1.4	23	2.0	-16	6.5	7.9	-18
Production for own use	-0.5	-0.3	81	-0.7	-25	-1.5	-2.2	-32
<b>Total</b>	<b>9.3</b>	<b>7.8</b>	<b>19</b>	<b>8.8</b>	<b>6</b>	<b>34.9</b>	<b>34.0</b>	<b>3</b>

## 9. Impairment losses on loans and other commitments

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Impairment losses								
Actual losses for the period	2.1	0.1		0.5		2.5	4.0	-39
Recoveries of actual losses	0.0	0.0	46	0.0	-32	-0.1	-2.2	-97
<b>Total</b>	<b>2.1</b>	<b>0.1</b>		<b>0.5</b>		<b>2.4</b>	<b>1.8</b>	<b>35</b>
Specific provisions for individually valued receivables								
New and increased provisions	1.4	1.6	-11	5.1	-72	4.4	8.7	-50
Reversals of earlier provisions	-1.2	-1.4	-18	2.9		-3.2	-0.6	
Utilised for actual losses	-2.1	0.0		-3.3	-38	-2.1	-3.3	-36
<b>Total</b>	<b>-1.8</b>	<b>0.1</b>		<b>4.7</b>		<b>-1.0</b>	<b>4.7</b>	
<b>Net provisions for the period, receivables valued by group</b>	<b>0.2</b>	<b>0.0</b>		<b>-3.7</b>		<b>0.3</b>	<b>-2.4</b>	
<b>Net loan losses</b>	<b>0.5</b>	<b>0.3</b>	<b>88</b>	<b>1.5</b>	<b>-65</b>	<b>1.8</b>	<b>4.1</b>	<b>-57</b>

## 10. Income taxes

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
EUR M								
Taxes for the period and prior periods	0.4	0.5	-21	0.2	57	1.8	1.5	22
Change in tax rate				-1.6	-100	0.0	-1.6	-100
Taxes on realised translation difference in other comprehensive income	-0.2					-0.2		
Change in deferred tax assets/liabilities	1.4	1.0	42	1.7	-15	3.2	2.7	16
<b>Income taxes</b>	<b>1.6</b>	<b>1.5</b>	<b>6</b>	<b>0.4</b>		<b>4.8</b>	<b>2.7</b>	<b>78</b>

## 11. Lending to the public and public sector by purpose

Bank of Åland Group	Dec 31, 2014			Dec 31, 2013			%
EUR M	Lending before provisions	Provisions	Lending after provisions	Lending before provisions	Provisions	Lending after provisions	
<b>Companies</b>							
Shipping	70	-4	66	72	-6	66	-1
Wholesale and retail trade	49	-1	48	50	-1	50	-3
Housing operations	271	-1	271	180	-2	178	32
Other real estate operations	362	-2	360	391	0	390	-8
Financial and insurance operations	191	0	191	189	0	189	1
Hotel and restaurant operations	24	0	24	24	0	24	-1
Other service operations	107	-2	105	114	-1	113	-7
Agriculture, forestry and fishing	13	0	13	14	0	14	-9
Construction	33	0	33	27	-2	25	32
Other industry and crafts	38	0	38	35	0	35	8
<b>Total, companies</b>	<b>1,159</b>	<b>-10</b>	<b>1,149</b>	<b>1,096</b>	<b>-12</b>	<b>1,084</b>	<b>6</b>
<b>Private individuals</b>							
Home loans	1,542	-3	1,539	1,385	-2	1,383	11
Securities and other investments	320	0	320	305	0	305	5
Business operations	126	-1	125	127	0	126	-1
Other household purposes	195	-1	194	187	-2	185	5
<b>Total, private individuals</b>	<b>2,183</b>	<b>-5</b>	<b>2,178</b>	<b>2,003</b>	<b>-4</b>	<b>1,999</b>	<b>9</b>
Public sector and non-profit organisations	17	0	17	21	0	21	-22
<b>Total, public sector and non-profit organisations</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>21</b>	<b>0</b>	<b>21</b>	<b>-22</b>
<b>Total lending</b>	<b>3,359</b>	<b>-16</b>	<b>3,343</b>	<b>3,121</b>	<b>-16</b>	<b>3,104</b>	<b>8</b>

## 12. Doubtful receivables and impairment losses

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Gross doubtful receivables	21.7	31.7	-32
of which private individuals	8.2	5.7	43
of which companies	13.5	26.0	-48
Doubtful receivables as % of total	0.65	1.02	-37
Provisions for individually measured receivables	14.3	15.2	-6
Net doubtful receivables	7.4	16.5	-55
Level of provisions for doubtful receivables, %	66	48	37
Provisions for receivables measured by group	1.5	1.2	27
of which private individuals	1.1	0.9	25
of which companies	0.4	0.3	32
Total level of provisions for doubtful receivables, %	73	52	41
Non-performing receivables > 90 days past due	29.4	25.7	15
of which private individuals	14.0	12.8	9
of which companies	15.5	12.9	20
Provisions for individually measured receivables	-10.2	-10.1	1
Carrying amount after taking individual provisions into account	19.2	15.6	23
Gross non-performing receivables > 90 days as % of total	0.88	0.82	6

## 13. Deposits from the public and public sector, including bonds and certificates of deposit issued

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Deposit accounts from the public and public sector			
Sight deposits	1,817	1,757	3
Time deposits	384	420	-9
<b>Total deposit accounts</b>	<b>2,201</b>	<b>2,177</b>	<b>1</b>
Certificates of deposit issued to the public <sup>1</sup>	75	122	-38
Index bonds (structured products)	65	97	-33
Subordinated debentures	50	64	-22
<b>Total bonds and certificates of deposit</b>	<b>190</b>	<b>283</b>	<b>-33</b>
<b>Total deposits</b>	<b>2,391</b>	<b>2,460</b>	<b>-3</b>

<sup>1</sup>This item does not include debt securities subscribed by credit institutions.

## 14. Debt securities issued

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Certificates of deposit	292	134	
Covered bonds	795	540	47
Senior non-covered bonds	160	241	-34
Index bonds (structured products)	65	97	-33
<b>Total</b>	<b>1,312</b>	<b>1,012</b>	<b>30</b>

## 15. Derivative instruments

Bank of Åland Group	Dec 31, 2014						Dec 31, 2013		
EUR M	Nominal amount/maturity			Nominal amount	Positive market values	Negative market values	Nominal amount	Positive market values	Negative market values
	Under 1 yr	1-5 yrs	over 5 yrs						
Derivatives for trading									
Interest-related contracts									
<i>Interest rate swaps</i>	116	117	14	247	4	6	262	2	7
<i>Interest rate and currency swaps</i>	5	27	0	32	0	19	11	0	0
<i>Interest rate futures</i>	10	0	0	10	0	0	10	0	0
<i>Interest rate options – purchased</i>	2	9	0	12	0	0	15	0	0
<i>Interest rate options – sold</i>	2	15	2	19	0	0	19	0	0
Currency-related contracts									
<i>Currency forward contracts</i>	82	7	0	89	1	1	98	1	1
Equity-related contracts									
<i>Equity options – purchased</i>	17	35	0	52	4	0	96	9	0
<i>Equity options – written</i>	14	29	0	43	0	4	94	0	8
Equity forward contracts	1	0	0	1	0	0	0	0	0
Other derivative contracts	0	22	0	22	1	1	25	1	1
<b>Total</b>	<b>250</b>	<b>260</b>	<b>16</b>	<b>527</b>	<b>11</b>	<b>31</b>	<b>630</b>	<b>13</b>	<b>18</b>
Derivatives for market value hedge									
Interest-related contracts									
<i>Interest rate swaps</i>	0	152	100	252	14	1	322	2	2
<b>Total</b>	<b>0</b>	<b>152</b>	<b>100</b>	<b>252</b>	<b>14</b>	<b>1</b>	<b>322</b>	<b>2</b>	<b>2</b>
Derivatives for cash flow hedge									
Interest-related contracts									
<i>Interest rate and currency swaps</i>	80	133	0	213	0	2	254	0	6
<b>Total</b>	<b>80</b>	<b>133</b>	<b>0</b>	<b>213</b>	<b>0</b>	<b>2</b>	<b>254</b>	<b>0</b>	<b>6</b>
Derivatives for hedging of net investment in foreign operations									
Currency-related contracts									
<i>Currency swaps</i>	14	0	0	14	0	0	33	0	1
<b>Total</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>0</b>	<b>1</b>
<b>Total derivative instruments</b>	<b>344</b>	<b>546</b>	<b>116</b>	<b>1,006</b>	<b>24</b>	<b>34</b>	<b>1,239</b>	<b>15</b>	<b>27</b>
<i>of which cleared OTC</i>									
<i>of which cleared by other means</i>	10	0	0	10	0	0	10	0	0



## 16. Financial instruments at fair value

Bank of Åland Group		Dec 31, 2014		
EUR M	Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total
Debt securities eligible for refinancing with central banks	625			625
Lending to the public and public sector entities		93		93
Debt securities	0	0	0	0
Shares and participations	2	0	1	3
Derivative instruments	0	24		24
<b>Total financial assets</b>	<b>627</b>	<b>118</b>	<b>1</b>	<b>745</b>
Liabilities to the public and public sector entities		0		0
Debt securities issued		266		266
Derivative instruments	0	34		34
Subordinated liabilities		25		25
<b>Total financial liabilities</b>	<b>0</b>	<b>325</b>	<b>0</b>	<b>325</b>

Bank of Åland Group		Dec 31, 2013		
EUR M	Instruments with quoted prices (Level 1)	Measurement techniques based on observable market data (Level 2)	Measurement techniques based on non-observable market data (Level 3)	Total
Debt securities eligible for refinancing with central banks	428			428
Lending to the public and public sector entities		127		127
Debt securities	13	51		64
Shares and participations	1	0	1	2
Derivative instruments	0	15		15
<b>Total financial assets</b>	<b>442</b>	<b>193</b>	<b>1</b>	<b>636</b>
Liabilities to the public and public sector entities		0		0
Debt securities issued		272		272
Derivative instruments		27		27
Subordinated liabilities		17		17
<b>Total financial liabilities</b>	<b>0</b>	<b>316</b>	<b>0</b>	<b>316</b>

Financial instruments for which there is price information that is easily available and that represent actual and frequently occurring transactions are measured at current market price. For financial assets, the current purchase price is used. For financial liabilities, the current sale price is used. The current market price of groups of financial instruments that are managed on the basis of the Bank's net exposure to market risk equals the current market price that would be received or paid if the net position were divested.

In the case of financial assets for which reliable market price information is not available, fair value is determined with the help of measurement models. Such models may, for example, be based on price comparisons, present value estimates or option valuation theory, depending on the nature of the instrument. The models use incoming data in the form of market prices and other variables that are deemed to influence pricing. The models and incoming data on which the measurements are based are validated regularly to ensure that they are consistent with market practices and generally accepted financial theory.

### The measurement hierarchy

Financial instruments that are measured according to quoted prices in an active market for identical assets/liabilities are categorised as Level 1. Financial instruments that are measured using measurement models that are, in all essential respects, based on market data are categorised as Level 2. Financial instruments that are measured with the help of models based on incoming data that cannot be verified with external market information are categorised in Level 3. These assets essentially consist of unlisted shares. Such holdings are generally measured as the Bank's portion of the net asset value of the company. Unlisted shares are essentially classified as available for sale. The changes in the value of these holdings are reported in "Other comprehensive income".

In the above tables, financial instruments measured at fair value have been classified with regard to how they have been measured and the degree of market data used in this measurement on closing day. If the classification on closing day has changed, compared to the classification at the end of the previous year, the instrument has been moved between the levels in the table. During the period January-December 2014, no instruments were moved between Levels 1 and 2. Changes in Level 3 are presented in a separate table.

Change in Level 3 holdings	Jan-Dec 2014
EUR M	Shares and participations
Carrying amount on January 1	0.9
New purchases	0.0
Divested/reached maturity during the year	0.0
Realised change of value in the income statement	0.0
Unrealised change of value in the income statement	0.0
Change in value recognised in "Other comprehensive income"	-0.3
<b>Total</b>	<b>0.5</b>

## 17. Off-balance sheet commitments

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Guarantees	22	24	-9
Unutilised overdraft limits	82	76	8
Unutilised credit card limits	120	105	14
Lines of credit	186	176	6
<b>Total</b>	<b>410</b>	<b>381</b>	<b>8</b>

## 18. Offsetting of financial assets and liabilities

Bank of Åland Group	Dec 31, 2014		Dec 31, 2013	
EUR M	Derivatives	Repurchasing agreements plus lending and borrowing of securities	Derivatives	Repurchasing agreements plus lending and borrowing of securities
Financial assets that are offset or covered by offsetting agreements				
Gross amount of financial assets	24		15	
Gross amount of financial liabilities offset in the balance sheet				
<b>Net amount of financial assets recognised in the balance sheet</b>	<b>24</b>		<b>15</b>	
Related amounts not offset in the balance sheet				
Financial instruments that do not meet offsetting criteria	-19		-5	
Financial collateral received	-5			
<b>Net amount</b>	<b>0</b>		<b>10</b>	
Financial liabilities that are offset or covered by offsetting agreements				
Gross amount of financial liabilities	34	1	27	13
Gross amount of financial assets offset in the balance sheet				
<b>Net amount of financial liabilities recognised in the balance sheet</b>	<b>34</b>	<b>1</b>	<b>27</b>	<b>13</b>
Related amounts not offset in the balance sheet				
Financial instruments that do not meet offsetting criteria	-19		-14	
Financial collateral pledged	-2	-1	-2	-13
<b>Net amount</b>	<b>12</b>	<b>0</b>	<b>10</b>	<b>0</b>

The tables report financial instruments that were offset in the balance sheet in compliance with IAS 32 and those that were covered by legally binding master netting agreements or similar agreements not qualified for netting. The financial instruments consisted of derivatives, repurchase agreements (repos) and reverse repos, securities deposits and securities loans. Collateral consisted of financial instruments or cash received or paid for transactions covered by legally binding netting agreements or similar agreements. The value of the collateral was limited to the related amount recognised in the balance sheet, so the excess value of collateral is not included. Amounts not offset in the balance sheet are presented as a reduction in the carrying amount of financial assets or liabilities in order to recognise the net exposure of the asset and liability.

## 19. Assets pledged for own liabilities

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Bonds as assets pledged	306	212	44
Loan receivables constituting collateral (cover pool) for covered bonds	1,312	893	47
<b>Total</b>	<b>1,618</b>	<b>1,104</b>	<b>46</b>

## 20. Maturity breakdown of assets and liabilities

Bank of Åland Group	Dec 31, 2014										
EUR M	Payable on demand	< 1 month	1–3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	> 5 years	Total cash flow	Carrying amount
<b>Financial assets</b>											
Cash and balances with central banks	86									86	86
Debt securities eligible for refinancing with central banks		1	2	8	11	17	155	325	113	633	625
Lending to credit institutions	70	60	0							130	129
Lending to the public	172	62	115	191	206	203	487	985	1,451	3,873	3,343
Debt securities		0									0
<b>Total financial assets</b>	<b>329</b>	<b>123</b>	<b>117</b>	<b>199</b>	<b>218</b>	<b>219</b>	<b>643</b>	<b>1,311</b>	<b>1,564</b>	<b>4,723</b>	<b>4,183</b>
<b>Financial liabilities</b>											
Liabilities to credit institutions	88	126	108	10	10	4	6	73		425	422
Liabilities to the public	1,817	50	155	80	48	50	2	1	1	2,204	2,201
Debt securities issued		47	108	97	226	12	129	640	108	1,367	1,312
Subordinated liabilities		2	2	8	4		10	26		53	50
<b>Total financial liabilities</b>	<b>1,905</b>	<b>225</b>	<b>374</b>	<b>195</b>	<b>287</b>	<b>66</b>	<b>148</b>	<b>741</b>	<b>109</b>	<b>4,049</b>	<b>3,984</b>
<b>Derivative contracts</b>											
Incoming cash flow		3	2	4	2	1	8	16	12	48	
Outgoing cash flow		-1	-2	-2	-3	-2	-5	-11	-9	-36	
		<b>2</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>12</b>	
<b>GAP</b>	<b>-1,576</b>	<b>-100</b>	<b>-256</b>	<b>5</b>	<b>-71</b>	<b>152</b>	<b>498</b>	<b>575</b>	<b>1,458</b>	<b>686</b>	

Bank of Åland Group		Dec 31, 2013									
EUR M	Payable on demand	< 1 month	1-3 months	3-6 months	6-9 months	9-12 months	1-2 years	2-5 years	> 5 years	Total cash flow	Carrying amount
<b>Financial assets</b>											
Cash and balances with central banks	50									50	50
Debt securities eligible for refinancing with central banks		16	10	18	5	22	48	279	48	446	428
Lending to credit institutions	51	76	4			0				132	131
Lending to the public	205	97	118	126	139	176	533	975	1,317	3,686	3,104
Debt securities		21	18	0	15	0	0	10		65	64
<b>Total financial assets</b>	<b>306</b>	<b>211</b>	<b>150</b>	<b>143</b>	<b>159</b>	<b>199</b>	<b>581</b>	<b>1,265</b>	<b>1,365</b>	<b>4,379</b>	<b>3,776</b>
<b>Financial liabilities</b>											
Liabilities to credit institutions	74	41	47	26	3	8	137	12		349	347
Liabilities to the public	1,764	129	103	93	48	43	2	1		2,181	2,177
Debt securities issued		67	119	59	125	73	224	456	215	1,339	1,012
Subordinated liabilities		20		12	4		14	17		68	64
<b>Total financial liabilities</b>	<b>1,838</b>	<b>257</b>	<b>269</b>	<b>189</b>	<b>181</b>	<b>124</b>	<b>377</b>	<b>486</b>	<b>215</b>	<b>3,937</b>	<b>3,600</b>
<b>Derivative contracts</b>											
Incoming cash flow		4	2	5	2	3	15	29	20	80	
Outgoing cash flow		-1	-2	-3	-4	-3	-12	-28	-23	-77	
		<b>3</b>	<b>0</b>	<b>2</b>	<b>-1</b>	<b>-1</b>	<b>3</b>	<b>1</b>	<b>-4</b>	<b>3</b>	
<b>GAP</b>	<b>-1,531</b>	<b>-44</b>	<b>-120</b>	<b>-44</b>	<b>-24</b>	<b>73</b>	<b>207</b>	<b>780</b>	<b>1,147</b>	<b>445</b>	

Sight deposits from the public, which are a significant source of funding, are contractually repayable on demand and are thus reported as having a maturity of <3 months. In practice they are a source of financing that, based on historical behaviour, has largely proved to have a long maturity.

## 21. Interest rate refixing periods

Bank of Åland Group		Dec 31, 2014					
EUR M	< 3 months	3–6 months	6–12 months	1–5 years	> 5 years	Total	
<b>Assets</b>							
Lending to credit institutions	210					210	
Debt securities eligible for refinancing with central banks	330	3	9	218	66	625	
Lending to the public and public sector entities	2,261	288	599	164	31	3,343	
Debt securities	0					0	
<b>Total interest-bearing assets</b>	<b>2,800</b>	<b>291</b>	<b>607</b>	<b>383</b>	<b>97</b>	<b>4,178</b>	
<b>Liabilities</b>							
Liabilities to credit institutions and central banks	319	25	11	67		422	
Liabilities to the public and public sector entities	2,023	80	97	1		2,201	
Debt securities issued	661	94	160	300	97	1,312	
Subordinated liabilities	4	9	3	33		50	
<b>Total interest-bearing liabilities</b>	<b>3,008</b>	<b>208</b>	<b>272</b>	<b>401</b>	<b>97</b>	<b>3,984</b>	
<b>Off-balance sheet items</b>	<b>-81</b>	<b>-116</b>	<b>-29</b>	<b>114</b>	<b>92</b>		
<b>Difference between assets and liabilities</b>	<b>-288</b>	<b>-33</b>	<b>306</b>	<b>96</b>	<b>92</b>		

Bank of Åland Group		Dec 31, 2013					
EUR M	< 3 months	3–6 months	6–12 months	1–5 years	> 5 years	Total	
<b>Assets</b>							
Lending to credit institutions	175					175	
Debt securities eligible for refinancing with central banks	194	20	16	163	36	428	
Lending to the public and public sector entities	2,169	213	434	266	22	3,104	
Debt securities	39		15	10		64	
<b>Total interest-bearing assets</b>	<b>2,576</b>	<b>233</b>	<b>464</b>	<b>440</b>	<b>58</b>	<b>3,771</b>	
<b>Liabilities</b>							
Liabilities to credit institutions and central banks	158	46	13	130		347	
Liabilities to the public and public sector entities	1,993	92	91	1		2,177	
Debt securities issued	584	55	24	149	200	1,012	
Subordinated liabilities		19	29	16		64	
<b>Total interest-bearing liabilities</b>	<b>2,734</b>	<b>213</b>	<b>157</b>	<b>295</b>	<b>200</b>	<b>3,600</b>	
<b>Off-balance sheet items</b>	<b>-43</b>	<b>-28</b>	<b>-7</b>	<b>-4</b>	<b>76</b>		
<b>Difference between assets and liabilities</b>	<b>-201</b>	<b>-8</b>	<b>301</b>	<b>141</b>	<b>-66</b>		

In the table, the interest rate refixing period for lending and sight deposits with the ÅAB Prime or ÅAB O/N benchmark interest rate, or with no benchmark interest rate, has been stated as < 3 months. The volume of deposits with such interest rate terms is sizeable. In the current low interest rate environment, the interest rate refixing period for these accounts is significantly longer in practice than the contractual period.

## 22. Capital adequacy

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%	Dec 31, 2013
EUR M		New rules <sup>1</sup>		Recognised
Equity capital according to balance sheet	195.9	184.1	6	184.1
Anticipated/proposed dividend including non-controlling interests	-5.8	-2.2		-3.1
<b>Core Tier 1 capital before deductions</b>	<b>190.1</b>	<b>181.9</b>	<b>5</b>	<b>181.0</b>
Intangible assets	-7.2	-9.1	-20	-9.1
Property revaluation	-2.1	-2.4	-9	-2.4
Tax assets due to future profitability offset against tax liabilities within same tax category	-0.5	-0.5	-4	-4.1
Surplus value in pension assets	0.0	-0.8	-100	-0.8
Non-controlling interests	-1.3	-1.7	-20	
Unrealised accumulated positive change in value	-4.5	-2.1		
Fair value reserve				-1.1
Translation difference				-0.9
Cash flow hedge	0.5	0.4	19	0.4
Expected losses according to IRB approach beyond recognised losses	-4.9	-6.0	-18	-3.1
<b>Core Tier 1 capital</b>	<b>170.0</b>	<b>159.9</b>	<b>6</b>	<b>160.0</b>
<b>Additional Tier 1 capital</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>Tier 1 capital</b>	<b>170.0</b>	<b>159.9</b>	<b>6</b>	<b>160.0</b>
Supplementary capital instruments	11.0	35.7	-69	63.8
Unrealised accumulated positive change in value	4.5	2.1		
Fair value reserve				1.1
Translation difference				0.9
Property revaluation	2.1	2.4	-11	2.4
<b>Supplementary capital before deductions</b>	<b>17.7</b>	<b>40.2</b>	<b>-56</b>	<b>68.2</b>
Expected losses according to IRB approach in addition to recognised losses				-3.1
<b>Supplementary capital</b>	<b>17.7</b>	<b>40.2</b>	<b>-56</b>	<b>65.1</b>
<b>Total capital base</b>	<b>187.6</b>	<b>200.1</b>	<b>-6</b>	<b>225.1</b>
Capital requirement for credit risk according to the IRB approach	24.2	25.0	-3	26.0
Capital requirement for credit risk according to standardised approach	85.7	80.4	7	79.9
Capital requirement for credit-worthiness adjustment	1.3			
Capital requirement for operational risk	13.0	12.6	3	12.6
<b>Capital requirement</b>	<b>124.3</b>	<b>118.0</b>	<b>5</b>	<b>118.5</b>
Addition according to transitional rules for IRB approach	17.0	14.0	21	12.7
<b>Capital requirement including transitional rule for IRB approach</b>	<b>141.3</b>	<b>132.0</b>	<b>7</b>	<b>131.2</b>
Capital ratios excluding Basel I floor effect				
Core Tier 1 capital ratio, %	10.9	10.8	2	10.8
Tier 1 capital ratio, %	10.9	10.8	2	10.8
Total capital ratio, %	12.1	13.5	-11	15.2

Capital ratios including Basel I floor effect				
Core Tier 1 capital ratio, %	9.6	9.7	-1	9.8
Tier 1 capital ratio, %	9.6	9.7	-1	9.8
Total capital ratio, %	10.6	12.1	-12	13.7
Risk exposure amount	1,553.6	1,475.1	5	1,481.5
of which % comprising credit risk	89	89	-1	89
of which % comprising credit-worthiness adjustment risk	1			
of which % comprising operational risk	11	11	-2	11

<sup>1</sup> For definition of new rules, see page 6.

Exposure category	Dec 31, 2014					
	EUR M	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to the IRB approach						
Households with property as collateral (small and medium-sized companies)		122.2	121.1	36	43.4	3.5
Households with property as collateral (not small and medium-sized companies)		1,583.4	1,577.1	13	210.0	16.8
Households, other (small and medium-sized companies)		35.6	34.8	35	12.3	1.0
Households, other (not small and medium-sized companies)		225.8	206.9	18	36.9	3.0
<b>Total exposures according to the IRB approach</b>		<b>1,966.9</b>	<b>1,939.9</b>	<b>16</b>	<b>302.6</b>	<b>24.2</b>
Credit risk according to the standardised approach						
Exposure to sovereigns or central banks		319.8	359.8	0	0.0	0.0
Exposures to institutions		341.8	336.1	31	105.1	8.4
Corporate exposures		935.4	662.1	94	621.8	49.7
Household exposures		137.4	66.5	74	49.1	3.9
Exposures with real property mortgages as collateral		620.8	617.7	35	213.3	17.1
Past due exposures		18.3	8.7	134	11.7	0.9
Items associated with especially high risk		0.3	0.3	150	0.4	0.0
Covered bonds		214.8	214.8	10	22.4	1.8
Collective investment companies (funds)		2.1	2.1	100	2.1	0.2
Equity exposures		1.2	1.2	102	1.2	0.1
Other items		52.8	52.8	85	44.7	3.6
<b>Total exposures according to the standardised approach</b>		<b>2,644.7</b>	<b>2,322.1</b>	<b>46</b>	<b>1,071.8</b>	<b>85.7</b>
<b>Total risk exposure amount</b>		<b>4,611.7</b>	<b>4,261.9</b>	<b>32</b>	<b>1,374.5</b>	<b>110.0</b>

Exposure category	Dec 31, 2013					
	EUR M	Gross exposure	Exposure at default	Risk weight %	Risk exposure amount	Capital requirement
Credit risk according to the IRB approach						
Households with property as collateral (small and medium-sized companies)		115.8	115.2	43	50.0	4.0
Households with property as collateral (not small and medium-sized companies)		1,495.3	1,490.5	14	209.8	16.8
Households, other (small and medium-sized companies)		37.3	36.7	45	16.5	1.3
Households, other (not small and medium-sized companies)		221.5	205.4	17	35.7	2.9
<b>Total exposures according to the IRB approach</b>		<b>1,869.9</b>	<b>1,847.8</b>	<b>17</b>	<b>312.0</b>	<b>25.0</b>
Credit risk according to the standardised approach						
Exposure to sovereigns or central banks <sup>1</sup>		150.4	186.8	0	0.0	0.0
Institutional exposures		377.5	377.5	24	109.4	8.8
Corporate exposures		744.3	715.7	80	576.0	46.1
Household exposures		306.5	121.2	64	77.6	6.1
Exposures with real property mortgages as collateral		459.8	458.4	35	160.4	12.9
Past due exposures		33.1	21.3	145	31.0	2.5
Items associated with especially high risk		0.7	0.7	150	1.1	0.1
Covered bonds		131.1	131.1	10	13.1	1.0
Collective investment companies (funds)		0.0	0.0	0	0.0	0.0
Equity exposures		3.1	3.1	101	3.1	0.3
Other items		68.0	68.0	49	33.4	2.7
<b>Total exposures according to the standardised approach</b>		<b>2,274.5</b>	<b>2,083.8</b>	<b>48</b>	<b>1,005.0</b>	<b>80.4</b>
<b>Total risk exposure amount</b>		<b>4,144.4</b>	<b>3,931.6</b>	<b>33</b>	<b>1,317.0</b>	<b>105.4</b>

<sup>1</sup> This exposure category also includes regional self-government bodies, public sector entities, international organisations and multilateral development banks.

## 23. Managed assets

Bank of Åland Group	Dec 31, 2014	Dec 31, 2013	%
EUR M			
Fund unit management	1,088	960	13
Discretionary asset management	1,707	1,685	1
Other asset management	2,247	1,762	28
<b>Total managed assets</b>	<b>5,042</b>	<b>4,407</b>	<b>14</b>
Of which own funds in discretionary and other asset management	511	456	12

## 24. Hours worked, recalculated to full-time equivalent positions

Bank of Åland Group	Q4 2014	Q3 2014	%	Q4 2013	%	Jan-Dec 2014	Jan-Dec 2013	%
Bank of Åland Plc	404	411	-2	397	2	404	385	5
Crosskey Banking Solutions Ab Ltd	197	199	-1	191	3	196	186	5
Ålandsbanken Asset Management Ab	28	29	-3	27	4	28	27	3
Ab Compass Card Oy Ltd	9	11	-15	11	-16	11	12	-11
Ålandsbanken Fondbolag Ab	5	6	-16	5	-3	6	5	11
Ålandsbanken Fonder AB				0		0	2	
<b>Total number of positions, recalculated from hours worked</b>	<b>643</b>	<b>656</b>	<b>-2</b>	<b>631</b>	<b>2</b>	<b>644</b>	<b>617</b>	<b>4</b>