

# Ålandsbanken taking over Allra's funds in the Swedish premium pension system

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Bank of Åland Plc

News for investors

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**Ålandsbanken Funds Ltd (Ålandsbanken Fondbolag Ab) , the fund management subsidiary of the Finland-based Bank of Åland Plc (Ålandsbanken Abp), has reached an agreement with the pension company Allra to take over the holdings of its mutual funds in the Swedish premium pension system. Initially, the Bank of Åland will take over management of the assets in Allra's funds. Later a controlled exchange of Allra's fund assets to the Ålandsbanken Funds' corresponding mutual funds will occur.**

The Bank of Åland is immediately taking over day-to-day management of Allra's funds. The controlled exchange to Ålandsbanken Funds' mutual funds is expected to take place after the authorities in Luxembourg (where Allra's existing funds are registered) have granted their approval. The overall transfers of fund assets are expected to occur about 8 weeks from now.

In conjunction with the controlled fund exchange , the volume of Ålandsbanken Funds' mutual funds will increase by about SEK 13 billion (EUR 1.35 billion). However, this will not have any material effect on the earnings of the Bank of Åland Group.

The transfer of fund assets will lower the costs to all pension savers, with an average reduction of 15 per cent.

On March 16 this year, the Swedish Pensions Agency decided to de-register Allra's funds from the premium pension system. The intention was to redeem the holdings and move them to the National Pension Fund (AP-fonden), but Sweden's Administrative Court of Appeal has suspended this decision pending legal review.

"We have had an exchange of information with the Swedish Pensions Agency, while negotiating with Allra to take over their mutual funds in exchange for compensation. However, we will not be initiating any other cooperation with Allra," says Peter Wiklöf, President and Chief Executive of the Bank of Åland.

"With this agreement, we are creating order and stability. Of course we hope that the flight of customers from these funds will be over now. Our hope is that we will earn the trust of customers. Just as when we made a commitment and took over portions of the Icelandic-owned Kaupthing Bank in Sweden in 2009, we view taking over Allra's funds and pension savers as a long-term commitment that will be good for these customers and our Bank," says Mr Wiklöf.

The Bank of Åland has operated in Sweden since 2009 and has offices in Stockholm, Gothenburg and Malmö.

For further information, please contact:

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