

Bank of Åland Plc: Targeted issue of Series B shares and divestment of Series B shares for implementation of incentive programme

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Bank of Åland Plc
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The Board of Directors of the Bank of Åland has decided on a new issue of Series B shares and on the divestment of 5,394 Series B shares that are in the Bank's possession in order to fulfil its obligations within the framework of its variable compensation system targeted to the Executive Team and risk-takers. This decision was made by the Board of Directors as authorised by the Annual General Meeting on April 10, 2014.

The Board decided on a targeted issue totalling 20,291 Series B shares. The shares will be issued on March 23, 2016, after which the Bank will apply for a listing of these Series B shares on the Nasdaq Helsinki Oy. The share issue represents a divergence from the shareholders' preferential subscription right. This divergence is justified by the fact that since the Bank of Åland is a listed company, 50 per cent of earnings-based compensation shall be paid in the form of shares in the Bank. A distribution of shares to the compensation recipients constitutes an incentive and ties them to the Bank. From the Bank's standpoint, there are thus weighty financial reasons for a targeted share issue and distribution of Series B shares to the compensation recipients. The subscription price per share amounts to EUR 14.97, which is equivalent to the arithmetic average of the closing prices for a Series B share during February 2016.

After the share issue has been recorded in the Finnish Trade Register, the share capital of the Bank of Åland will total EUR 41,609,574.15, allocated between 6,476,138 Series A shares and 8,790,974 Series B shares.

After divestment of the 5,394 Series B shares, the Bank of Åland has no shares of its own in its possession.

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