

# ÅLANDSBANKEN

## ÅLANDSBANKEN ABP

*(incorporated with limited liability in the Republic of Finland)*

**EUR 2,000,000,000**

### **Medium Term Note and Covered Bond Programme**

This supplement (the **Supplement**) comprises a supplement for Ålandsbanken Abp (the **Issuer**) to the Base Prospectus to the Medium Term Note and Covered Bond Programme (the **Programme**) dated 6 October 2017 as supplemented by a supplement dated 26 October 2017, a supplement dated 14 November 2017, a supplement dated 12 March 2017 and a supplement dated 4 June 2018. This Supplement should be read in conjunction with the Programme.

The purpose of this Supplement is to (i) incorporate by reference the unaudited consolidated financial statements for the six months ended 30 June 2018 of the Issuer into the Base Prospectus and (ii) incorporate information based on regulatory changes and to (iii) confirm that there has been no significant change in the financial position of the Group since 31 March 2018.

#### **1. MiFID II**

Directive 2014/65/EU (as amended, (“**MiFID II**”)) was implemented on 3 January 2018 and, by virtue of this supplement, the following amendments shall be made to the Base Prospectus.

The Following wording shall be added immediately below the existing paragraph entitled “**IMPORTANT-EEA RETAIL INVESTORS**” set out on page 2 of the Base Prospectus under the heading “**IMPORTANT INFORMATION**”.

(i)

“MiFID II product governance/target market – The Final Terms in respect of any Notes or Covered Bonds may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes or Covered Bonds and which channels for distribution of the Notes or Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Notes or Covered Bonds (a “**Distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes or Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Manager subscribing for any Notes or Covered Bonds is a manufacturer in respect of such Notes or Covered Bonds, but otherwise neither the Arranger nor the Managers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

(ii)

The following wording shall be inserted immediately below the existing paragraph entitled “**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” set out under the heading “**FORM OF FINAL TERMS**” on page 26 of the Base Prospectus:

“**MiFID II product governance / Professional investors and eligible counterparties (ECPs) only target market** – solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.”

## 2. Use of Benchmark

The following wording shall be added as a new last section at the end of the existing paragraph entitled “**IMPORTANT-EEA RETAIL INVESTORS**” set out on page 2 of the Base Prospectus under the heading “**IMPORTANT INFORMATION**”.

“Amounts payable under the Notes are calculated by reference to EURIBOR or STIBOR. As at the date of this Supplement, the administrators of EURIBOR and STIBOR are not included in European Securities and Market Authority’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulations apply, such that the administrators are not currently required to obtain authorisation or registration.”

## 3. Information Incorporated by Reference

The following information is added into the list of documents on page 69 as a new subclause (h)

“h) the auditors’ review report and unaudited consolidated for the six months ended 30 June 2018 of the Issuer as set out on pages 7 to 31 (inclusive) of the Issuer’s interim report for the six months ended 30 June 2018 and the financial summary set out on page 2 of the Issuer’s interim report for the six months ended 30 June 2018.”

## 4. No significant change

There has been no significant change in the financial position of the Group since 31 December 2017.

A subscriber, who has made a subscription before the publication of the supplement or the updated Base Prospectus, is entitled to cancel the subscription pursuant to Chapter 4, Section 14 of the Finnish Securities Markets Act (*Arvopaperimarkkinalaki* 746/2012; as amended) within two (2) Business Days from the publication of the supplement or updated Base Prospectus.