

SUPPLEMENT DATED 10 MARCH 2017

ÅLANDSBANKEN ABP

(incorporated with limited liability in the Republic of Finland)

EUR 2,000,000,000 Euro Medium Term Note and Covered Bond Programme

This supplement (the **Supplement**) comprises a supplement for Ålandsbanken Abp (the **Issuer**) to the Offering Circular dated 30 September 2016, as supplemented on 27 October 2016 (as so supplemented, the **Offering Circular**). The Offering Circular is a base prospectus prepared in connection with the Euro Medium Term Note and Covered Bond Programme (the **Programme**) established by the Issuer. This Supplement constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**).

Terms defined in the Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer. A copy of this Supplement will be made available for inspection at the registered office of the Issuer (currently Nygatan 2, AX-22 100 Mariehamn, Finland) and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence. This Supplement and the 2016 Annual Report (as defined below) will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to (i) incorporate by reference the 2016 Financial Statements (as defined below) into the Offering Circular; (ii) incorporate by reference certain financial information from the 2016 Annual Report; and (iii) confirm that there has been no significant change in the financial position of the Group since 31 December 2016 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

On 9 March 2017, the Issuer published its annual report for 2016 (the **2016 Annual Report**) which includes its audited consolidated and non-consolidated financial statements (including the auditors' report thereon) for the financial year ended 31 December 2016 (the **2016 Financial Statements**). A copy of the 2016 Annual Report has been filed with the Financial Conduct Authority. Accordingly, the financial summary set out in the table headed "Bank of Åland Group" (including the accompanying footnotes thereto) on page 2 of the 2016 Annual Report and the 2016 Financial Statements set out on pages 42 to 154 (inclusive) of the 2016 Annual Report shall be incorporated in, and form part of, the Offering Circular. The non-incorporated parts of the 2016 Annual Report are either not relevant for the investor or covered elsewhere in the Offering Circular.

There has been no significant change in the financial position of the Group since 31 December 2016 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference. Copies of all documents incorporated by reference in the Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London and can be viewed

electronically free of charge at <http://www.alandsbanken.fi>.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement and any supplement to the Offering Circular previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.