

22 March 2017

ÅLANDSBANKEN ABP

**Issue of EUR 100,000,000 Floating Rate Notes due 2020
under the EUR 2,000,000,000
Euro Medium Term Note and Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated 30 September 2016 and the supplements to it dated 27 October 2016 and 10 March 2017 which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. The Offering Circular is also available for viewing during normal business hours at the registered office of the Issuer at Nygatan 2, AX 22100 Mariehamn, Finland and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

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| 1. | Issuer: | Ålandsbanken Abp |
| 2. | Securities: | MTNs |
| 3. | Category of Covered Bonds: | Not Applicable |
| 4. | (a) Series Number: | 17 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 5. | Specified Currency or Currencies: | Euro (EUR) |
| 6. | Aggregate Nominal Amount: | |
| | (a) Series: | EUR 100,000,000 |
| | (b) Tranche: | EUR 100,000,000 |
| 7. | Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 8. | (a) Specified Denominations: | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000 |
| | (b) Calculation Amount (in relation to | EUR 1,000 |

calculation of interest in respect of Notes in global form see Conditions):

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| 9. | (a) Issue Date: | 24 March 2017 |
| | (b) Interest Commencement Date: | Issue Date |
| 10. | Maturity Date: | Interest Payment Date falling in or nearest to March 2020 |
| 11. | Extended Final Maturity Date: | Not Applicable |
| 12. | Interest Basis: | 3 month EURIBOR + 0.63 per cent. Floating Rate (see paragraph 17 below) |
| 13. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount. |
| 14. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable |
| 15. | Put/Call Options: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions | Not Applicable |
| 17. | Floating Rate Note Provisions | Applicable |
| | (a) Specified Period(s)/Specified Interest Payment Dates: | 24 March, 24 June, 24 September and 24 December in each year up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (b) below. |
| | (b) Business Day Convention: | Modified Following Business Day Convention |
| | (c) Additional Business Centre(s): | Not Applicable |
| | (d) Manner in which the Rate of Interest and Interest Amount is to be determined: | Screen Rate Determination |
| | (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | Not Applicable |
| | (f) Screen Rate Determination: | |
| | • Reference Rate: | 3 month EURIBOR |
| | • Interest Determination Date(s): | The second Business Day immediately preceding the first day of each Interest Period |

	• Relevant Screen Page:	Reuters Page “EURIBOR01”
(g)	ISDA Determination:	Not Applicable
(h)	Linear Interpolation:	Not Applicable
(i)	Margin(s):	+ 0.63 per cent. per annum
(j)	Minimum Rate of Interest:	0.00 per cent. per annum
(k)	Maximum Rate of Interest:	Not Applicable
(l)	Day Count Fraction:	Actual/360
18.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Notice periods for Condition 6.2:	Minimum period: 30 days Maximum period: 60 days
20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	EUR 1,000 per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	EUR 1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(a) Form:	Bearer Notes Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes in bearer form only upon an Exchange Event
	(b) New Global Note:	Yes
25.	Additional Financial Centre(s):	Not Applicable
26.	Talons for future Coupons to be attached to definitive Notes in bearer form:	No

Signed on behalf ÅLANDSBANKEN ABP:

By: 
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from 24 March 2017.
- (ii) Estimate of total expenses £2,700
related to admission to trading:

2. RATINGS

Ratings: The Notes to be issued are not expected to be rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD (FIXED RATE NOTES ONLY)

Indication of yield: Not Applicable

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1585198879
- (ii) Common Code: 158519887
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

6. THIRD PARTY INFORMATION

Not Applicable