

ÅLANDSBANKEN ABP

(incorporated with limited liability in the Republic of Finland)

EUR 1,000,000,000

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 29 December 2011, as supplemented on 7 March 2012 (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-22100 Mariehamn, Finland) and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has 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 specified pages of the Annual Report (as defined below) into the Offering Circular; (ii) incorporate by reference specified pages of the Q2 Report (as defined below) into the Offering Circular; (iii) confirm that there has been no significant change in the financial position of the Group since 30 June 2012 and no material adverse change in the prospects of the Group since 31 December 2011; (iv) update the description of the Board of Directors contained in the Offering Circular to reflect changes to the composition of the Board of Directors; and (v) update the Offering Circular to reflect the credit rating which has been obtained by the Issuer.

On 12 March 2012, the Issuer published its Annual Report for the year ended 31 December 2011 (the **Annual Report**), which includes its consolidated audited financial statements (including the auditor's report thereon) as at and for the year ended 31 December 2011. A copy of the Annual Report has been filed with the Financial Services Authority. Accordingly, the consolidated audited financial statements of the Issuer as at and for the year ended 31 December 2011 set out on pages 34 to 102 (inclusive) of the Annual Report shall be deemed to be incorporated in, and form part of, the Offering Circular. The non-incorporated parts of the Annual Report are either not relevant for the investor or covered elsewhere in the Offering Circular.

On 30 July 2012, the Issuer published its interim report for the six months ended 30 June 2012 (the **Q2 Report**) which includes its consolidated unaudited financial statements as at and for the six month period ended 30 June 2012. A copy of the Q2 Report has been filed with the Financial Services Authority. Accordingly, the consolidated unaudited financial statements of the Issuer as at and for the six month period ended 30 June 2012 set out on pages 5 to 22 (inclusive) of the Q2 Report shall be deemed to be incorporated in, and form part of, the Offering Circular. The non-incorporated parts of the Q2 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 30 June 2012 and there has been no material adverse change in the prospects of the Group since 31 December 2011.

On 19 April 2012, the composition of the Board of Directors of the Issuer was changed at the Issuer's annual general meeting. These changes included the appointment of Folke Husell, Anders Å. Karlsson and Annika Wijkström to the Board of Directors. In addition, Kaj-Gustaf Bergh was appointed as Chairman of the Board of Directors and Folke Husell was appointed as Deputy Chairman. Göran Lindholm, Leif Nordlund, Sven-Harry Boman and Per Axman did not stand for re-election.

The Board of Directors now consists of six directors, namely Kaj-Gustaf Bergh (Chairman), Folke Husell (Deputy Chairman), Agneta Karlsson, Anders Wiklöf, Anders Å. Karlsson and Annika Wijkström. Information regarding Folke Husell, Anders Å. Karlsson and Annika Wijkström is set out below:

FOLKE HUSELL	Born 1945
Master of Laws	Board member since 2012
Master of Arts	Deputy Chairman
ANDERS Å. KARLSSON	Born 1959
Bachelor of Commerce	Board member since 2012
ANNIKA WIJKSTRÖM	Born 1951
Master of Arts	Board member since 2012

On 10 August 2012, the Issuer obtained a long-term credit rating of BBB (with stable outlook) from Standard & Poor's Credit Market Services Europe Limited (**S&P**). S&P is established in the European Union and is registered under Regulation (EC) No.1060/2009 (as amended). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

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/or from the London office of the Paying Agent.

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.