ÄLANDSBANKEN

FINAL TERMS

ÅLANDSBANKEN ABP

Issue of 5 year SEK 2,500,000,000 Covered Bond under the EUR 2,000,000,000 Medium Term Note and Covered Bond Programme

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: Notes, from 1st January, 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (MiFID II); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended) (the Prospectus Directive). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 Base Prospectus dated 6 October 2017 and the supplements to it dated 26 October 2017 and 14 November 2017 which together constitute a base prospectus for the purposes of the Prospectus Directive (the Base Prospectus), including but not limited to, the General Terms and Conditions of the Notes (the Conditions) set forth in the Base Prospectus. 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 Base Prospectus. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions.

The Base Prospectus and the supplements to it dated 26 October 2017 and 14 November 2017 and the Final Terms are available at the website of the Issuer at https://www.alandsbanken.com/about-us/financialinformation/debt-programme and upon request from the Issuer or at the subscription places specified herein.

Ålandsbanken Abp Issuer:

Covered Bonds Type of Notes:

Category of Covered Bonds: Category SWE Covered Bonds

Series number: 1/2017

Tranche number: 1

Date on which the Notes will be consolidated and Not Applicable

form a single Series:

Dealer(s)

Nordea Bank AB (publ)

Smålandsgatan 17

SE-105 71 Stockholm, Sweden

and Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm, Sweden Subscription place(s) Nordea Bank AB (publ) Smålandsgatan 17 SE-105 71 Stockholm, Sweden and Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm, Sweden Issuer Agent Nordea Bank AB (publ) Smålandsgatan 17 SE-105 71 Stockholm, Sweden Paying Agent Not Applicable Calculation Agent Ålandsbanken Abp Currency: SEK Aggregate nominal amount: (a) Series: SEK 2,500,000,000 (b) Tranche: SEK 2,500,000,000 Denomination of each book-entry unit: SEK 1,000,000 Number of book-entry units: SEK 1,000,000 Form of the Notes: Book-entry securities registered in a register (Sw. avstämningsregister) of Euroclear Sweden SEK 1,000,000 Minimum subscription amount: Subscription fee: The Dealer(s) do not charge the costs relating to the issue and offering from the Noteholders Payment of subscription: Subscriptions shall be paid for as instructed in connection with the subscription Issue price: The issue price is fixed and is 101.119 per cent. of the aggregate nominal amount Issue Date: 22 November 2017 Commencement of first Interest Period: Issue Date

Rate of interest:

Floating interest rate 3 months STIBOR + margin of

0.75 per cent.

(further particulars specified below)

Change of rate of interest

Not Applicable

Redemption amount:

The Notes will be redeemed at 100 per cent. of their

aggregate nominal amount

Manner of redemption:

The Notes will be redeemed in one instalment.

Maturity Date:

22 November 2022

(a) Extended Maturity:

Applicable

(b) Extended Maturity Date:

22 November 2023

In accordance with Condition 5.5, if the Issuer fails to redeem the Covered Bonds in full on the Maturity Date or within two (2) Business Days thereafter, the maturity of the nominal amount outstanding of the Covered Bonds will be extended automatically to the Extended Maturity Date set out above without constituting an event of default or giving holders of the Covered Bonds any rights other than as expressly set out in the Conditions. In that event, the interest rate payable on, and the Interest Periods and Interest Payment Dates, in respect of the Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may redeem all or part of the nominal amount outstanding of those Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date, all in accordance with Condition 5.5.

Delivery of book-entry securities:

The time when the book-entry securities are recorded in the book-entry accounts specified by the subscribers is estimated to be 22 November 2017

ISIN code of the Series of Notes:

SE0010598474

Registrar:

Euroclear Sweden AB

PROVISIONS RELATING TO INTEREST

Fixed interest rate provisions:

Not Applicable

(a) Interest Payment Date(s):

Not Applicable

(b) Day Count Fraction:

Not Applicable

(c) Business Day Convention: Not Applicable

Floating interest rate provisions: Applicable

(a) Interest Payment Date(s): 22 February, 22 May, 22 August, 22 November in

(b) Minimum rate of interest: Not Applicable

(c) Maximum rate of interest: Not Applicable

(d) Day Count Fraction: Actual/360

(e) Business Day Convention: Modified Following Business Day Convention

Zero coupon provisions:

Day Count Fraction: Not Applicable

Extended Maturity interest provisions: Applicable from (but excluding) the Maturity Date

to (and including) the Extended Maturity Date

(a) Rate of interest: Floating interest rate 1 month STIBOR + margin of

0.75 per cent.

(b) Interest Payment Date(s) 22 January, 22 February, 22 March, 22 April, 22

> May, 22 June, 22 July, 22 August, 22 September, 22 October, 22 November, 22 December in arrears

(c) Minimum rate of interest: Not Applicable

(d) Maximum rate of interest: Not Applicable

(e) Day Count Fraction: Actual/360

(f) Business Day Convention: Modified Following Business Day Convention

PROVISIONS RELATING TO REDEMPTION

Redemption for tax reasons

Early Redemption Amount: Nominal amount of the Notes

Issuer Call Not Applicable

Early redemption amount: Not Applicable

OTHER INFORMATION

Decisions and authority pursuant to which the Notes Based on the authorisation dated 26 September are issued:

2017 of the Issuer's Board of Directors

Subscription period:

15 November 2017

Conditions for issue:

Not Applicable

Indication of yield (fixed interest rate Notes with

fixed issue price only):

Not Applicable

Credit rating:

AAA (S&P) Expected

Listing:

Shall be applied for listing on the Helsinki Stock

Exchange

Estimated time of listing:

November 2017

Estimate of total expenses related to listing:

EUR 3,000

Interests of natural and legal persons involved in the issue

Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Dealer(s) 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.

In Mariehamn, on 16 November 2017

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