

FINAL TERMS

ÅLANDSBANKEN ABP

Issue of Medium Term Notes
in the aggregate amount of EUR 250 million
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.

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.

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 supplement to it dated 24 July 2018 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 24 July 2018, 4 June 2018, 12 March 2018, 14 November 2017 and 26 October 2017 and the Final Terms are available at the website of the Issuer at <https://www.alandsbanken.com/about-us/financial-information/debt-programme> and upon request from the Issuer or at the subscription places specified herein.

Issuer: Ålandsbanken Abp

Type of Notes: MTNs

Category of Covered Bonds: Not Applicable

Series number: 1/2018

Tranche number: 1

Date on which the Notes will be consolidated and form a single Series: Not Applicable

Dealer(s) DZ BANK AG Deutsche Zentral-
Genossenschaftsbank, Frankfurt am Main
Platz der Republik
60325 Frankfurt am Main
Germany

Swedbank AB (publ)
c/o Swedbank AB (publ), Finnish Branch
Mannerheimintie 14 B
00100 Helsinki
Finland

UniCredit Bank AG
Arabellastrasse 12
D-81925 Munich
Germany

Subscription place(s) Not Applicable

Issuer Agent Swedbank AB (publ)
c/o Swedbank AB (publ), Finnish Branch
Mannerheimintie 14 B
00100 Helsinki
Finland

Paying Agent Swedbank AB (publ)
c/o Swedbank AB (publ), Finnish Branch
Mannerheimintie 14 B
00100 Helsinki
Finland

Calculation Agent Not Applicable

Currency: EUR

Aggregate nominal amount:

(a) Series:	250,000,000
(b) Tranche:	250,000,000
Denomination of each book-entry unit:	EUR 100,000
Number of book-entry units:	2,500
Form of the Notes:	Book-entry securities of Euroclear Finland's Infinity book-entry system
Minimum subscription amount:	EUR 100,000
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 99.881 per cent. of the aggregate nominal amount
Issue Date:	13 September 2018
Commencement of first Interest Period:	Issue Date
Rate of interest:	Fixed interest rate 0.50 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:	13 September 2021
(a) Extended Maturity:	Not Applicable
(b) Extended Maturity Date:	Not Applicable
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 13 September 2018
ISIN code of the Series of Notes:	FI4000348966
Registrar:	Euroclear Finland Ltd

PROVISIONS RELATING TO INTEREST

Fixed-interest rate provisions:	Applicable
(a) Interest Payment Date(s):	Annually in arrears, payable 13 September each year, commencing on 13 September 2019 up to and including the Maturity Date
(b) Day Count Fraction:	Actual/Actual (ICMA)
(c) Business Day Convention:	Following Business Day Convention
Floating interest rate provisions:	Not Applicable
Zero coupon provisions:	
Day Count Fraction:	Not Applicable
Extended Maturity interest provisions:	Not Applicable

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 are issued:	Based on the authorisation dated 26 September 2017 of the Issuer's Board of Directors
Subscription period:	4 September 2018
Conditions for issue:	Not Applicable
Indication of yield (fixed interest rate Notes with fixed issue price only):	0.540 per cent The yield is calculated on the Issue Date based on the issue price. It is not an indication of future yield.
Credit rating:	Expected, BBB, positive outlook by S&P
Listing:	Shall be applied for listing on the Helsinki Stock Exchange
Estimated time of listing:	September 2018

Estimate of total expenses related to listing:

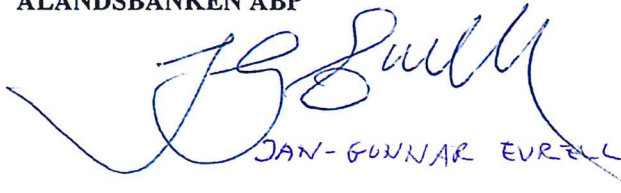
EUR 3,000

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 Helsinki, on 5 September 2018

ÅLANDSBANKEN ABP



JAN-GUNNAR ERELL