

ÅLANDSBANKEN

ÅLANDSBANKEN ABP

(incorporated with limited liability in the Republic of Finland)

EUR 2,000,000,000

Senior Preferred Note and Covered Bond Programme

This supplement (the “**Supplement**”) is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 26 September 2024 (the “**Base Prospectus**”) prepared by Ålandsbanken Abp (“**Ålandsbanken**” or the “**Issuer**”) in connection with its EUR 2,000,000,000 senior preferred note and covered bond programme. Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of this Supplement is to (i) incorporate by reference into the Base Prospectus the Issuer’s audited annual financial statements for the financial year ended 31 December 2024 as well as the Capital and Risk Management Report 2024, as specified below; (ii) update the risk factor entitled “*The Issuer is exposed to foreign exchange risk*” contained in the Base Prospectus; (iv) update the sections entitled “*Significant or material change*”, “*Recent Events*” and “*Litigation*” contained in the Base Prospectus; and to (v) confirm that there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2024.

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

Save as disclosed in this Supplement or in any other Supplement to the Base Prospectus previously issued, Ålandsbanken confirms that no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted since the publication of the Base Prospectus.

1. Information Incorporated by Reference

1.1. The following new subclauses (m) and (n) are added into the list of documents incorporated by reference beginning on page 71:

- (m) the auditor's report and audited consolidated and non-consolidated annual financial statements for the financial year ended 31 December 2024 of the Issuer set out on pages 170 to 278 (inclusive) of the Issuer’s Annual Report for the year ended 31 December 2024;

<https://www.alandsbanken.fi/uploads/pdf/result/arsredovisn2024en.pdf>

- (n) the unaudited Capital and Risk Management Report 2024 of the Issuer;
https://www.alandsbanken.fi/uploads/pdf/result/capital-and-risk-management-report_2024en.xlsx

2. Other amendments to the Base Prospectus

2.1. To the chapter “**RISK FACTORS**” the following amendments are made:

2.1.1. Section “***B. Risks related to the Issuer’s business activities and industry***”

The second sentence of the second paragraph of the subsection “*The Issuer is exposed to foreign exchange risk*” on page 11 is amended and replaced by the following:

“The Issuer also has a structural foreign exchange risk in Swedish kronor since the Issuer’s financial accounts are prepared in euros while the reporting currency of its Swedish branch is Swedish kronor. The structural foreign exchange risk exposures arise mainly due to accrued profits/losses in the branch. The Issuer is therefore exposed to adverse exchange rate movements between SEK and EUR.”

2.2. To the chapter “**IMPORTANT NOTICES TO PROSPECTIVE INVESTORS**” the following amendments are made:

2.2.1. Section “***Presentation of financial and certain other information***”

The paragraph on page 22 is amended and replaced with the following wording:

“Unless otherwise indicated, the financial information in the Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023, the unaudited half-year financial report for the accounting period 1 January – 30 June 2024, the unaudited interim financial report for the accounting period 1 January – 30 September 2024, as well as the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2024.”

The Issuer’s financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.”

2.3. To the chapter “**DESCRIPTION OF ÅLANDSBANKEN**” the following amendments are made:

2.3.1. Section “***Significant or material change***”

The paragraph on page 50 is amended and replaced with the following wording:

“There has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2024, and there has been no material adverse change in the prospects of the Issuer since 31 December 2024.”

2.3.2. Section “***Recent events***”

A second paragraph is added to the subsection “*Decrease of prime rate*” (as added by virtue of Supplement 1 dated 21 November 2024) on page 51 with the following wording:

“On 12 December 2024, Ålandsbanken decided to further decrease its prime rate by 0.40 percentage points, from 2.90 per cent to 2.50 per cent. The basis for this decision was decreasing market interest rates. The change went into effect on 26 December 2024.”

A second paragraph is added to the subsection “*Dividend*” on page 51 the following wording:

“The Board of Directors of the Issuer has proposed to the Annual General Meeting that the total dividend of the Issuer for the financial year ended 31 December 2024 amounts to EUR 42.3 million in aggregate or EUR 2.75 per share.”

A new subsection is added to the section “**Recent events**” on page 51 with the following title and wording:

“Directed share issue for implementation of the variable compensation system for members of the Executive Team and key individuals

On 11 March 2025, the Board of Directors decided on a directed issue of 10,522 new Series B shares in order to fulfil Ålandsbanken’s obligations within the framework of its variable compensation system targeted to members of the Executive Team and key individuals.

After the share issue, Ålandsbanken’s share capital will remain unchanged at EUR 42,029,289.89, with the number of Series A shares totaling 6,476,138 (representing 129,522,760 votes) and the number of Series B shares totaling 8,901,303 (representing 8,901,303 votes).”

A new subsection is added to the section “**Recent events**” on page 51 with the following title and wording:

“Moody’s raises outlook of Ålandsbanken

On 14 March 2025, Moody’s Ratings revised its outlook on Ålandsbanken from stable to positive. The change in outlook on the long-term deposit ratings from stable to positive reflects the strengthening solvency of Ålandsbanken, with stronger capitalization and improving recurring profitability. Moody’s also affirmed Ålandsbanken’s long-term deposit ratings at A3 and its short-term deposit ratings at P-2. Furthermore, the long- and short-term Counterparty Risk Ratings (CRRs) of A2/P-1, long- and short-term Counterparty Risk (CR) Assessments of A2(cr)/P-1(cr), the Baseline Credit Assessment (BCA) of baa2 and the Adjusted BCA of baa2 were affirmed.”

2.3.3. Section “**Litigation**”

The last sentence of the first paragraph of the section “**Litigation**” on page 51 is amended and replaced with the following wording:

“Of Ålandsbanken’s Stage 3 impairment loss provisions, EUR 6.0 million was related to a case in Sweden caused by credit fraud, where the customers were sentenced to prison terms for this crime. Ålandsbanken has the requisite insurance against crime, but after its investigation in 2023, the insurance company did not share Ålandsbanken’s opinion that the insurance policy should cover this damage. The case concerning the validity of the crime insurance policy was adjudicated through a lawsuit in 2024 and will be tried in the Turku Court of Appeal in 2026.”

A new second paragraph is added after the first paragraph of the section “*Litigation*” on page 51 with the following wording:

“As of 31 December 2024, Ålandsbanken has no remaining Stage 3 impairment loss provisions related to the Swedish credit fraud cases. Of the original SEK 88 million credit amount related to these cases, SEK 76.2 million has been written off as credit loss.”