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OP MORTGAGE BANK

(incorporated with limited liability in the Republic of Finland)

€20,000,000,000

Euro Medium Term Covered Note Programme

(under the Finnish Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010))

This Supplement (the “**Supplement**”) to the base prospectus dated 11 December 2019 as supplemented on 6 February 2020, 28 February 2020, 1 April 2020 and 30 April 2020 (the “**Base Prospectus**”) constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This Supplement is prepared in connection with the Euro Medium Term Covered Note Programme (the “**Programme**”) established by OP-Asuntoluottopankki Oyj (the English translation of which is OP Mortgage Bank) (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland (the “**CBI**”), as competent authority under the Prospectus Regulation. The CBI only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer 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.

Purpose of this Supplement

The purpose of this Supplement is:

- (a) following the establishment of the Issuer’s €10,000,000,000 Euro Medium Term Retained Covered Note Programme (the “**Retained Note Programme**”), to update relevant sections of the Base Prospectus to refer to the Retained Note Programme;
- (b) to update certain information in the section entitled “Description of OP Financial Group and the Loan Originators”;
- (c) to amend certain information in the “Documents Incorporated by Reference” section; and
- (d) to confirm that there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer.

Amendments required following the establishment of the Retained Note Programme

Structure Overview (page 6) – a new fourth bullet point to be added as follows:

- “• Two Covered Note Programmes: In addition to the Programme, the Issuer also has a €10,000,000,000 Euro Medium Term Retained Covered Note Programme (the **Retained Note Programme**) which has, or will have, outstanding notes thereunder (the **Retained Programme Notes**). In accordance with the CBA, the Issuer maintains a register (the **Register**) for all of its covered notes and the collateral which forms the cover pool assets for the covered notes. The cover pool assets and derivative transactions exclusively supporting the Retained Programme Notes are entered onto and separately identified in the Register, with such entries being known as the **Retained Note Cover Asset Pool**. In relation to this Programme, the cover pool assets and Derivative Transactions exclusively supporting the Notes are entered onto and separately identified in the Register, such entries being known as the **Public Note Cover Asset Pool**, and referred to as the **Cover Asset Pool** in this Prospectus. Holders of Notes under this Programme will not have prioritised recourse to the items entered onto the Retained Note Cover Asset Pool. Similarly, holders of the Retained Programme Notes will not have prioritised recourse to the items entered onto the Public Note Cover Asset Pool.” Further, notes issued under the this Programme are expected to be rated Aaa by Moody’s and AAA by S&P, while the Retained Programme Notes Programme are expected to be rated at least Aa3 by Moody’s and AA- by S&P.

Structure Overview (page 7) – replace the current bullet point entitled “Derivative Transactions” with the following:

- “• Derivative Transactions: The Issuer may from time to time enter into one or more derivative transactions in order to hedge against risks relating to the Notes, Intermediary Loans, Mortgage Loans, Public-Sector Loans or other Eligible Assets placed as collateral for the Notes (each a **Derivative Transaction**). These Derivative Transactions shall be entered into the Register and their collateral, which the Issuer is required to maintain pursuant to Chapter 5 of the CBA and also marked for the Cover Asset Pool. The Issuer may also enter into one or more derivative transactions to hedge against risks relating to other assets of the Issuer, but such derivative transactions will not be entered into the Register as supporting the Cover Asset Pool. Derivative Transactions rank *pari passu* with the Notes and with Bankruptcy Liquidity Loans (as defined below) with respect to the statutory security over the Cover Asset Pool conferred by the CBA (as described in “Statutory Security” above).”

Risk Factors (page 16) – replace the final paragraph under the heading “External Risk” with the following:

“However, the Notes issued under the Programme (along with Derivative Transactions and Bankruptcy Liquidity Loans) have a statutory priority over the Cover Asset Pool. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Mortgage Loans and 60 per cent. in respect of Commercial Loans of the current value of the Property which stands as collateral for such Mortgage Loans. In the case of the liquidation of any Member Credit Institution other than the Issuer, the assets of the Issuer entered on the Register as supporting the Cover Asset Pool will not be available to cover such other Member Credit Institution’s obligations until the Issuer’s obligations under the Notes have been satisfied in accordance with the percentages described above.”

Risk Factors (page 18) – replace the risk factor “Sharing of the Cover Asset Pool” with the following:

“Sharing Of The Cover Asset Pool

Under the CBA, Noteholders (along with counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans) are given a statutory priority in the liquidation or bankruptcy of the Issuer in relation to the Cover Asset Pool. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the Property which

stands as collateral for such Mortgage Loans. Accordingly, notwithstanding that the Issuer has entered into liquidation or bankruptcy proceedings, Noteholders (along with counterparties to Derivative Transactions, providers of Bankruptcy Liquidity Loans and holders of N-Bonds) have the right to receive payment before all other claims against the Issuer out of the proceeds of the the Cover Asset Pool. To the extent that claims of the Noteholders in respect of the Notes are not met out of the Cover Asset Pool, the residual claims of the Noteholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer. Noteholders will not have any preferential right to the Issuer's assets other than those marked for the Cover Asset Pool (and will not have any preferential right to those assets marked for the Retained Note Cover Asset Pool). Given the *pari passu* ranking of the Notes, Derivative Transactions, Bankruptcy Liquidity Loans and N-Bonds under the CBA, in the event of the Issuer's liquidation or bankruptcy, the amount available to be paid to Noteholders out of the Cover Asset Pool on a prioritised basis may be affected by the amounts payable at the relevant time to counterparties of Derivative Transactions and the providers of Bankruptcy Liquidity Loans.

The funds accruing from the Cover Asset Pool after the commencement of liquidation or bankruptcy proceedings are, under the CBA, entered into the Register as collateral until the Noteholders, counterparties to Derivative Transactions, providers of Bankruptcy Liquidity Loans and holders of any N-Bonds issued are repaid in accordance with the terms and conditions of the Notes, Derivative Transactions and Bankruptcy Liquidity Loans, as applicable. Such provision of the CBA shall also be applied to the funds accrued to the Issuer after the commencement of the liquidation or bankruptcy proceedings on the basis of Derivative Transactions marked for the Cover Asset Pool.”

Description of OP Mortgage Bank (page 75) – delete paragraphs 5 -8 under the heading “General” and replace with the following:

“The Issuer established a €10,000,000,000 euro medium term covered note programme (the **Programme**) pursuant to the CBA on 12 November 2010. The programme amount was increased to €20,000,000,000 on 12th December 2018. The Issuer also has a separate €10,000,000,000 euro medium term retained covered note programme (the “**Retained Note Programme**”). OP Mortgage Bank may from time to time issue Notes under this Programme or notes under the Retained Note Programme.

The Issuer's intermediate loans and loan portfolio in total (the “**Loan Portfolio**”) decreased to €14,217 million as at 31 March 2020 (compared to €14,335 million as at 31 December 2019). The Issuer has not granted new lending under the Retained Note Programme as at the date of this Supplement.

Mortgages collateralising covered notes are entered onto the Register under the CBA, and can be marked for the Retained Note Cover Asset Pool or the Cover Asset Pool. The balance of Public Note Cover Asset Pool was €14,475 million as at 31 March 2020 (compared to €14,551 million as at 31 December 2019).

Since 2015 Member Credit Institutions have been able to participate indirectly in the issue of covered notes by means of Intermediary Loans granted by the Issuer to such Member Credit Institutions. Mortgage Loans provided by the Member Credit Institutions as security for the covered notes may be entered onto the Register and marked for either the Retained Note Cover Asset Pool or the Cover Asset Pool. Thus, the Cover Asset Pool consists of mortgages in the balance sheet of both the respective Member Credit Institutions and the Issuer. An agreement-specific over-collateralisation can also be covered from the balance sheet of the Member Credit Institution.”

Description of OP Mortgage Bank (page 77) – delete limb (a) under the heading “Summary of the Intermediary Loan Agreements” and replace with the following:

- “(a) the Intermediary Loan must be entered in the Register and the underlying Mortgage Loans or Public-Sector Loans of the relevant Member Credit Institution must also be entered in the Register and marked for the Cover Asset Pool;”

Description of the Transfer, Intermediary Loan and Servicing Documents (page 93) – delete the first paragraph under the sub-heading “Servicing of Acquired Mortgage Loans” and replace with the following:

“Pursuant to the terms of the Transfer and Servicing Agreements entered into between each Originator (as a **Servicer**) and the Issuer, each Servicer has agreed as servicer to keep the Promissory Notes and any other documents and instruments relating to the Acquired Mortgage Loans and the Loan Security sold by it to the Issuer in custody and to receive and collect payments on behalf of the Issuer. With respect to the Mortgage Loans entered into the Register and marked for the Cover Asset Pool pursuant to Intermediary Loans, there will not be any Transfer or Servicing Agreements since such Mortgage Loans will continue to be serviced by the relevant Member Credit Institution in accordance with its usual servicing procedures.”

Description of the Transfer, Intermediary Loan and Servicing Documents (page 95) – delete the second paragraph under the heading “Intermediary Loan Agreements” and replace with the following:

“The Issuer has not made or caused to be made (and will not make or cause to be made) on its behalf any enquiries, searches or investigations in relation to any Mortgage Loan connected to an Intermediary Loan which is entered in the Register and marked for the Cover Asset Pool. The Issuer has not made and will not make any enquiry, search or investigation at any time in relation to compliance by the relevant Member Credit Institution or any other person with the Origination Criteria or origination procedures or the adequacy thereof or with any applicable laws or in relation to the execution, legality, validity, perfection, adequacy or enforceability of any such Mortgage Loan or its related Loan Security. In relation to all aforesaid matters concerning any such Mortgage Loan and its related Loan Security and the circumstances in which advances were made to borrowers, the Issuer will rely entirely on the representations and warranties to be given by the relevant Member Credit Institution contained in the relevant Intermediary Loan Agreement.”

Characteristics of the Qualifying Cover Asset Pool (page 96) – delete the first paragraph and replace with the following:

“The purpose of the statutory requirements of the CBA are to ensure that the Issuer has sufficient Eligible Assets to produce funds to service any payments of interest and principal due and payable on the Notes of each Series outstanding under the Programme. The CBA requires the Issuer to continuously ensure that (a) the average term to maturity of Notes outstanding under the Programme does not exceed the average term to maturity of the collateral assets entered into the Register and marked for Cover Asset Pool and (b) the total amount of interest receivable in any given 12-month period on the collateral assets entered into the Register and marked for the Cover Asset Pool is sufficient to cover the total amount of interest payable on the Notes outstanding under the Programme (see “Covered Bond Act” below).”

Derivative Transactions (page 107) – delete the first paragraph under the heading “Permitted Derivative Transactions” and replace with the following:

“The Issuer may from time to time enter into one or more Derivative Transactions in order to hedge against risks relating to the Notes or Mortgage Loans or other Eligible Assets placed as a collateral for such Notes. These Derivative Transactions shall be entered into the Register and marked for the Cover Asset Pool. The Issuer may enter into one or more derivative transactions to hedge against risks relating to other assets of the Issuer but such derivative transactions are not entered into the Register and marked for the Cover Asset Pool.”

Derivative Transactions (page 109) – delete the last two paragraphs under the heading “Bankruptcy or Liquidation of the Issuer” and replace with the following:

“Under Section 25 of the CBA, Noteholders, swap counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans are given a statutory priority in the liquidation or bankruptcy of the Issuer. Accordingly, notwithstanding that the Issuer has been placed into liquidation or declared bankrupt, the Noteholders, swap counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans have the statutory right to receive payment *pari passu*, before all other claims, for the entire loan period of the Covered Notes in accordance with the terms of the Notes from the Cover Asset Pool. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the Properties which stand as collateral for such Mortgage Loan.

The funds accruing from the Cover Asset Pool after the commencement of the liquidation or bankruptcy proceedings are, under the CBA, entered into the Register and marked for the Cover Asset Pool as collateral until the holders of Notes are repaid in accordance with the terms and conditions of the Notes. Such provision of the CBA shall also be applied to the funds accrued to the Issuer after the commencement of the liquidation or bankruptcy proceedings on the basis of Derivative Transactions entered into the Register and marked for the Cover Asset Pool.”

Glossary of defined terms – In the Glossary of defined terms which appears on page 119 and following of the Base Prospectus, each of the following defined terms are inserted in the appropriate place in alphabetical order

Public Note Cover Asset Pool	The Mortgage Loans, Public-Sector Loans and Supplementary Collateral entered into the Register as statutory security for the Notes;
Retained Note Cover Asset Pool	The Mortgage Loans, Public-Sector Loans and Supplementary Collateral entered into the Register as statutory security for the Retained Programme Notes;
Retained Note Programme	The €10,000,000,000 Euro Medium Term Retained Covered Note Programme established by the Issuer;
Retained Programme Notes	The notes issued under the Retained Note Programme;

Amendments required to the section entitled “Documents Incorporated by Reference”

On page 25, amend the wording in the paragraph numbered “1.” as follows:

1. “the auditor’s report and audited non-consolidated annual financial statements for the financial year ended 31 December 2018 of the Issuer (excluding the section entitled “Future outlook” on page 8) including the information set out at the following pages in particular:

Balance Sheet	Page 10
Income Statement	Page 9
Cash Flow Statement.....	Page 11
Statement of Changes in Equity.....	Page 12
Accounting Policies and Notes.....	Pages 13 to 52
Auditor’s Report	Pages 54 to 57”

On page 25, amend the wording in the paragraph numbered “2.” as follows:

2. “the auditor’s report and audited non-consolidated annual financial statements for the financial year ended 31 December 2017 of the Issuer (excluding the section entitled “Future outlook” on page 8) including the information set out at the following pages in particular:”

Balance Sheet	Page 10
Income Statement	Page 9
Cash Flow Statement.....	Page 11
Statement of Changes in Equity.....	Page 12
Accounting Policies and Notes.....	Pages 13 to 44
Auditor’s Report	Pages 46 to 49”

Amendments required to the section entitled “Description of OP Financial Group and the Loan Originators”

On page 87, delete the final two paragraphs under the heading “OP Corporate Bank plc” and replace with the following:

“Eurooppalainen Insurance Company Ltd merged into Pohjola Insurance Ltd. The date for registration of the merger was on 31 October 2019. A-Insurance Ltd merged into Pohjola Insurance Ltd on 31 March 2020.

OP Corporate Bank’s custody, clearing and depository business was transferred to its subsidiary, OP Custody Ltd, on 1 November 2019.”

On page 91, include a new section called “New Definition of Default” as follows:

“New definition of default

In the first quarter of 2020, OP Financial Group adopted the European Banking Authority’s (EBA) Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. The Guidelines harmonise the definition of default applied by European banks on their customers. The new process in accordance with the Guidelines recognises potential defaulting customers earlier, for example, based on information in external credit registers. As regards retail customers, the new process may extend the default to cover all exposures of an individual obligor in cases where payment behaviour and the financial situation of the obligor suggest an unlikelihood to pay. This change increased the number of observations of default and weakened the parameters of credit risk.

OP Financial Group will apply a two-step approach. The first step involved the change of the definition of default during the first quarter of 2020. The second step to be taken later involves the calibration of credit risk parameters. The supervisory obligation related to the adoption of the new definition of default increased the average risk weights of OP Financial Group’s loan portfolio at the first step. Growth in the expected credit losses (ECL) in the income statement caused by the change in the definition of default has been taken into account in the effect on capital adequacy. OP Financial Group applied the new definition of default to expected credit losses as a change in the accounting estimate. Consequently, impairment loss on receivables in the income statement increased by EUR 44 million.”

Statement of No Significant Change or Material Change

There has been no significant change in the financial position or financial performance of the Issuer or OP Financial Group since 31 March 2020 and there has been no material adverse change in the financial position or prospects of the Issuer or OP Financial Group since 31 December 2019.

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 in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

If documents which are incorporated by reference in this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement except where such information or other documents are specifically incorporated by reference or attached to the Supplement.