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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 (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 (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.

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference the Issuer’s non-consolidated annual financial statements bulletin titled “OP Mortgage Bank: Financial Statements Bulletin for 1 January–31 December 2019” for the year ended 31 December 2019 (the “**Financial Statements Bulletin**”);
- (b) amend the Recent Events section to the Base Prospectus;
- (c) following publication of the Financial Statements Bulletin, update the statement of no significant change in respect of the Issuer; and
- (d) confirm that there has been no material adverse change in the financial position or prospects of the Issuer.

A copy of the published Financial Statements Bulletin has been filed with the CBI and by virtue of this Supplement, the Financial Statements Bulletin (excluding the section entitled “Outlook” on page 3 thereof) is incorporated in, and forms part of, the Base Prospectus. Copies of all documents incorporated by reference in the Base Prospectus are available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg and will be

available for viewing on the website of the Issuer at <https://www.op.fi/op-financial-group/publications/op-mortgage-bank-publications> and <https://www.op.fi/op-financial-group/debt-investors/issuers/op-mortgage-bank/debt-programme-documentation>

Amendments to the Recent Events section of the Base Prospectus

By virtue of this Supplement, the Recent Events section on page 91 of the Base Prospectus shall be amended as follows:

The heading “OP Cooperative continues to review options for selling the Vallila property” and the subsequent paragraph shall be deleted and replaced with the following:

OP Cooperative to sell and lease back the Vallila property

On 31 January 2020, OP Cooperative sold the Vallila property to a South Korean-Finnish consortium which includes Varma Mutual Pension Insurance Company, NH Investment & Securities (NHIS) and Shinhan Investment Corp. The value of the transaction is €480 million. OP Financial Group will continue operating in the property under a long-term lease agreement. The sale of the property will improve OP Financial Group’s CET1 ratio by approximately 0.2 percentage points. A capital gain of approximately €97 million will be recognised on the sale in OP Financial Group’s first quarter results 2020.

The following paragraph and heading shall be added at the end of the Recent Events section, directly after the above paragraph:

The Issuer will adopt a new definition of default

As part of OP Financial Group, the Issuer will adopt a new definition of default. The process based on the new definition of default recognises defaulted customers earlier, for example, based on information in external credit registers, or in retail customers by extending the default to cover all exposures of an individual obligor. This new definition is expected to mean a larger number of default observations and to weaken credit risk parameters. When adopting the new definition, a two-step approach will be applied. The first step involves the change of the definition of default, which is planned to take place in March 2020. The second step to be taken at a later date involves the calibration of credit risk parameters. The supervisory obligation related to the adoption of the new definition of default is expected to weaken the Issuer’s CET1 ratio by 16 percentage points in the first stage. Growth in the expected credit losses caused by the change in the definition of default has been taken into account in the effect on capital adequacy. The growth is estimated to be less than 5% of the earnings for 2019.

Incorporation of Information by Reference into the Base Prospectus

By virtue of this Supplement, the Financial Statements Bulletin, excluding the section entitled “Outlook” on page 3, shall form part of the Base Prospectus.

In addition, where any sections of the above document which are incorporated by reference into the Base Prospectus by virtue of this Supplement cross-reference other sections of the same document, such cross-referenced information shall not form part of the Base Prospectus, unless otherwise incorporated by reference into the Base Prospectus by virtue of this Supplement. Those parts of the above documents which are not incorporated by reference into the Base Prospectus by virtue of this Supplement are either not relevant for prospective investors or the information is included elsewhere in the Base Prospectus.

Statement of No Significant Change or Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 September 2019 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018.

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.