



THE MORTGAGE SOCIETY OF FINLAND

SUPPLEMENT NO. 1 / 20.9.2017

FOR THE PROGRAMME FOR THE ISSUANCE OF SENIOR UNSECURED NOTES, SUBORDINATED  
DEBENTURES AND COVERED BONDS  
1,500,000,000 euros

This supplement (the **Supplement**) comprises a supplement for the Mortgage Society of Finland's (**Hypo** or the **Issuer**) 1,500,000,000 euros Programme for the Issuance of Senior Unsecured Notes, Subordinated Debentures and Covered Bonds (the **Programme**) dated 23.5.2017. The Supplement should be read in conjunction with the Programme.

The main purpose of this Supplement is to (a) incorporate by reference the reviewed and unaudited consolidated Financial Statements included in the Issuer's Interim report for the six months ended 30 June into the Programme, and (b) confirm that there has been no significant change in the financial position of the Group since 30 June 2017.

## 1. Future Outlook

The text on page 50 under the title "Future Outlook" is replaced by the following:

"The reviewed and unaudited interim report as at and for six month period ended June 30, 2017 states that: 'Finnish economy is showing strong growth in 2017, which has positive repercussions on housing market and loan demand. The urbanization in Finland continues and supports the housing and mortgage markets in the biggest growth centers yet, at the same time, the decline of regions experiencing net population outflows continues. Uncertainties in the European and world economies may continue to weaken the outlook

Following the increase in loan portfolio and net interest income, Hypo's core business' share of the profit for the financial period keeps growing but due to the tight competition in land trustee services, January-September results are expected to remain below of their comparison period. The operating profit for 2017 is expected at most to reach the 2016 level or to remain slightly lower. Hypo concentrates on its core business operations, whereupon risk level of lending is expected to become more moderate and capital adequacy to remain almost unchanged."

## **2. General Meeting, Supervisory Board and Board of Directors of Mortgage Society**

On page 51 , the list title ‘Members of Board of Directors since 31 Marc 2017’ is deleted and replaced with the following list title:

“ ‘Members of board of Directors since 1 July 2017:’

On page 52, the following text is deleted:

|                                       |                         |
|---------------------------------------|-------------------------|
| ‘Elli Reunanen                        | Chief Operating Officer |
| Master of Laws (trained on the bench) |                         |
| Member of the Board since 2013’       |                         |

and replaced with the following text:

|                                   |                    |
|-----------------------------------|--------------------|
| ‘Mikko Huopio                     | Chief Risk Officer |
| Master of Laws (trained on bench) |                    |
| Member of the Board since 2017’   |                    |

On page 52, the following paragraph is deleted in its entirety::

‘The Chief Executive Officer of Hypo is Mr Ari Pauna. The substitute of the CEO is Chief Operating Officer Ms Elli Reunanen. Ms Elli Reunanen has been appointed as the CEO of FINE (the Finnish Financial Ombudsman Service). Prior to termination of her employment on 3 October 2017 at the latest, she will continue her duties as Hypo’s COO and a member of the Board.’

and replaced with the following paragraph:

‘The Chief Executive Officer of Hypo is Mr Ari Pauna. The Deputy to the CEO is Chief Risk Officer Mr Mikko Huopio.’”

## **3. No significant changes or litigations**

On page 52, the paragraphs under title “No significant changes or litigations” are replaced by the following:

“The most recent audited annual report of Hypo concerns the financial year that ended 31 December 2016, and the most recent reviewed and unaudited interim report concerns the financial period as at and for the six month period ended June 30, 2017. Since the latter date the financial position of Hypo or Hypo Group has not changed significantly and there has not been any significant negative change regarding the future developments.

During the last 12 months prior to the date the Supplement of the Base Prospectus, there have not been any administrative or legal proceedings or arbitration that has had or that may have a significant effect on the financial position or profitability of Hypo or Hypo Group. Furthermore,

Hypo or the companies of Hypo Group are not aware of any such pending or otherwise threatened proceedings.”

#### **4. Information Incorporated by Reference**

The following information is added into the beginning of the list of documents on page 55, under the titles “Document” and “Referred information” respectively:

“Interim Report 1 January – 30 June 2017

Unaudited consolidated interim report as at and for the six month period ended 30 June 2017.”