



THE MORTGAGE SOCIETY OF FINLAND

SUPPLEMENT NO. 3 / 4.4.2018

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 as supplemented by Supplement 1 on 20.9.2017 and by Supplement 2 on 3.11.2017. The Supplement 3 should be read in conjunction with the Programme and the Supplements 1 (20.9.2017) and 2 (3.11.2017).

The main purpose of this Supplement is to (a) incorporate by reference the audited consolidated Financial Statements for the financial year ended 31 December 2017 into the Programme, (b) confirm that there has been no significant change in the financial position of the Group since 31 December 2017, and (c) incorporate changes related to the MiFID Product Governance rules under EU Delegated Directive 2017/593 into the Programme.

1. Future Outlook

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

"Finnish economy develops positively in 2018, 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 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. The operating profit for 2018 is expected to reach at least the 2017 level. 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. 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:

“Annual Report 2017	Board of Directors’ Report and Audited Financial Statements 1 January - 31 December 2017, pages 18-66 of the Annual Report 2017.”
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3. MiFID II Product Governance

The following information is added to page (ii), under the title “Important Information” after the first paragraph:

“**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.”

The following information is added to page 30, under the titles “FORM OF FINAL TERMS” and “Terms and Conditions” after the first paragraph:

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/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")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "distributor" should take into consideration the manufacturer[’s/s’] 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 manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

4. General Meeting, Supervisory Board and Board of Directors of Mortgage Society

On page 50, the list title “Members of Supervisory Board since 31 March 2017” is deleted and replaced with the following title “Members of Supervisory Board since 23 March 2018”.

On page 51, the following texts are deleted:

“Kari Joutsa
Master of Laws (trained on bench)”

Master of Laws

“Markku Koskinen
Construction Engineer”

Consultant

and the following text is added:

“Julianna Borsos
Doctor of Science (Econ.)”

CEO

Hanna Kaleva
Master of Science (Econ.)”

CEO