

FINAL TERMS

Terms and Conditions

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

The Base Prospectus regarding programme for the Issuance of Notes by The Mortgage Society of Finland has been dated 26 June 2018 and should be read together with the supplements to it dated 22 August 2018, 2 November 2018 and 5 November 2018 (the “**Base Prospectus**”).

These Final Terms (the “**2017 Final Terms**”) have been drawn in accordance with Article 5, paragraph 4 of the Prospectus Directive of the EU (2003/71/EC, as amended) and they are to be read together with the General Terms and Conditions of the Programme included in the Base Prospectus dated 23 May 2017, as supplemented 20 September 2017, 3 November 2017 and 4 April 2018, incorporated by reference into the Base Prospectus (the “**2017 Programme**”). Unless otherwise stated in these Final Terms, the General Terms and Conditions of the 2017 Programme shall apply.

The complete information regarding the Issuer and the Notes can be found in the Base Prospectus, including documents incorporated into it by reference, and in the 2017 Final Terms.

The Base Prospectus, the supplements dated 22 August 2018, 2 November 2018 and 5 November 2018 and the 2017 Final Terms are available at the web page of The Mortgage Society of Finland at <http://www.hypo.fi/en/investor-relations/> and at request from The Mortgage Society of Finland or at the subscription places mentioned in the 2017 Final Terms.

Name and number of the Series of Notes:	The Mortgage Society of Finland’s Covered Bonds 1/2018
Notes and their form:	Covered Bonds
Tranche number:	2
Date on which the Notes become fungible:	The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with The Mortgage Society of Finland’s Covered Bonds 1/2018, Tranche 1 on the Issue date.
Lead Manager(s):	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Platz der Republik,

	60325 Frankfurt am Main, Germany
	Nordea Bank Abp Satamaradankatu 5, FI-00020 Nordea, Finland
	OP Corporate Bank plc Gebhardinaukio 1, FI-00013 OP, Finland
Subscription place(s) of this Series of Notes:	Not applicable
Issuer Agent and Paying Agent:	Nordea Bank Abp
Calculation Agent	Not applicable
Interests of the Arranger/Lead Manager(s)/other subscription place/other parties taking part in the issue:	The customary sector connected commercial interest
Principal and currency of the Notes:	EUR 50,000,000
Number of book-entry units:	500
Priority of the Notes:	Same as with all other obligations of the Issuer in respect of mortgage-backed notes covered in accordance with the MCBA (including pursuant to Sections 25 and 26 of the MCBA) as well as all Derivative Transactions and Bankruptcy Liquidity Loans.
Form of the Notes:	Book-entry securities of Euroclear Finland's Infinity book-entry security system
Denomination of book-entry unit:	EUR 100,000
The minimum amount of Notes to be offered for subscription:	EUR 100,000
Subscription fee:	The Lead Managers do not charge the costs related to issuing the Notes from the Noteholders
Payment of subscription:	Subscriptions shall be paid for as instructed in connection with the subscription
Issue date:	14 November 2018
Issue price:	The issue price is fixed: 100 per cent
Amount and manner of redemption:	The nominal amount of principal of the Note The Notes will be repaid in one instalment.
Maturity Date:	24 April 2023
Extended Final Maturity:	Applicable
Extended Final Maturity Date:	24 April 2024

In accordance with Condition 4, if the Issuer notifies the Issuer Agent that it will fail to redeem the Notes in full on the Maturity Date or within two Business Days thereafter, the maturity of the nominal amount outstanding of the Covered Bonds will be extended automatically to the Extended Final Maturity Date. In that event, the interest rate

payable on, and the Interest Periods and Interest Payment Dates, in respect of the Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may redeem all or part of the nominal amount outstanding of those Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Final Maturity Date, all in accordance with Condition 4.

Interest:	Condition 8.1 (Fixed interest rate): Interest rate 0.375 per cent p.a. The date when the first interest period starts, if not the same as the Issue date Interest payment date(s): on 24 April each year commencing on 24 April 2019 until the Maturity Date
Day Count Fraction	Actual/Actual ICMA
Minimum/maximum amount of interest:	Not applicable
Business Day convention:	Following, unadjusted
Delivery of book-entry securities:	The time when the book-entry securities are recorded in the book-entry security accounts specified by the subscribers is estimated to be 14 November 2018
Prohibition of Sales to EEA Retail Investors:	Applicable
ISIN code of the Series of the Notes:	FI4000315841
Extended Final Maturity Interest Provisions:	Applicable (from and including) the Maturity Date to (but excluding) the Extended Final Maturity Date
a) Fixed Rate Provisions	Not Applicable
b) Floating Rate Provisions	Applicable
i) Rate of interest	EURIBOR of 1 month Margin 0.06 per cent p.a.
ii) Interest Payment Dates	24th day of each month, commencing on 24 May 2023
iii) Day Count Fraction	Actual/360
iv) Minimum/maximum amount of interest	Not applicable
v) Business Day Convention	Modified Following, adjusted

Other Information

This information of the Series of the Notes is presented in connection with the issue of each Series of Notes.

Decisions and authority based on which Notes are issued:	Based on the resolution of the Issuer's Board of Directors dated 31 October 2018
Subscription period:	7 November 2018

Condition for executing the issue:	Not applicable
Yield:	The effective interest yield to the investor on the issue date, when the issue price is 100 per cent, is 0.375 per cent p.a.
An estimate of the principal accruing to the Issuer under the Notes and the planned use:	100 per cent of the principal of the Notes, at maximum. The Notes are a part of the funding of the Issuer.
Credit rating of the Notes:	The Notes are expected to be rated AAA by S&P Global Ratings
Listing:	Shall be applied for listing on the Helsinki Stock Exchange
Estimated time of listing:	November 2018

In Helsinki, on 8 November 2018

THE MORTGAGE SOCIETY OF FINLAND



Petteri Bollmann



Outi Wasenius