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OP MORTGAGE BANK

(incorporated with limited liability in the Republic of Finland)

€15,000,000,000

Euro Medium Term Covered Note Programme

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

This Supplement (the “**Supplement**”), to the Prospectus (the “**Prospectus**”) dated 9 November 2015 which comprises a base prospectus as supplemented by a Supplementary Prospectus dated 4 February 2016, Supplementary Prospectus dated 24 February 2016, and a Supplementary Prospectus dated 27 April 2016, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”) and 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 Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

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 update certain information in relation to OP Financial Group in the Prospectus.

Copies of the Prospectus, this Supplement and any other supplement to the Prospectus and each Final Terms relating to Notes which are either listed on the London Stock Exchange or offered to the public in the United Kingdom will be available on the website of the Regulatory News Service operated by the London Stock Exchange plc, at www.londonstockexchange.com/rns.

Update of information in relation to OP Financial Group in the Prospectus

OP Financial Group’s New Strategy

On 10 June 2016, OP Financial Group announced that the Supervisory Board of OP Cooperative has confirmed OP Financial Group's strategy and Group-level strategic goals.

According to the new strategy, OP Financial Group aims to gradually change from a plain financial services provider to a diversified services company of the digital era with strong financial services expertise. The

strategy highlights customer experience enhancement by digitising services and processes. At the first stage, business diversification involves expanding, for example, the health and wellbeing business.

The underlying reason behind the updated strategy is the dramatic and fast digital transformation underway in the financial sector, which will constantly attract new market entrants. At the same time, digitisation provides an opportunity to improve customer experience, create new business and streamline the current processes.

In the years to come, OP Financial Group intends to make health and wellbeing services its fourth business line alongside Banking, Non-life Insurance and Wealth Management.

Heavy investments in customer experience and service digitisation

OP Financial Group will initiate a large-scale development programme aimed at speeding up the digitisation of Banking, Non-life and Wealth Management services. Annual development expenditure will increase to 300-400 million euros in the next few years, i.e. the amount for the next five years will total up to 2 billion euros.

New customer experience indicator alongside financial targets

OP Financial Group has increased its capital adequacy and profitability targets (CET1 target 22% and economic capital return target 22%) and seeks to achieve a new level in business efficiency by, for example, digitising and automating processes (expenses in 2019 lower than in 2015).

The development investments required by upgrading and streamlining business will add to OP Financial Group's expenses and weaken Group profitability before the benefits from such investments are realised in terms of better financial indicators.

Alongside its financial targets, OP Financial Group has set a higher target for the number of owner-customers (2.1 million) and a target based on customer experience that it will specify later in the autumn.

The financial targets and customer-related targets together form OP Financial Group's strategic targets at Group level.

The Issuer is part of OP Financial Group and serves as the mortgage credit bank of OP Financial Group.