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BASE PROSPECTUS



OP MORTGAGE BANK

(incorporated with limited liability in the Republic of Finland)

€10,000,000,000

Euro Medium Term Covered Note Programme

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

Under this €10,000,000,000 Euro Medium Term Covered Note Programme (the **Programme**), OP-Asuntoluottopankki Oyj (the English translation of which is OP Mortgage Bank) (the **Issuer**) may from time to time issue covered notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms supplement (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notes issued under the Programme are expected on issue to be assigned a rating of Aaa by Moody's Investors Service Limited (**Moody's**) and a rating of AAA by Standard & Poor's Rating Services (**S&P**). The rating of the Notes will be specified in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger
Deutsche Bank

Dealers

Barclays Capital
DZ BANK AG

Deutsche Bank
Pohjola Bank plc

The Royal Bank of Scotland

The date of this Base Prospectus is 12 November 2010

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**).

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this

Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and Finland) and Japan, see "Subscription and Sale".

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

All references in this document to U.S. dollars, U.S.\$ and \$ refer to United States dollars and to euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

STRUCTURE OVERVIEW

Structure Overview

- Programme: Under the terms of the Programme, the Issuer will issue Notes to Noteholders on each Issue Date. The Notes will be direct, unconditional and unsubordinated obligations of the Issuer and, pursuant to the Finnish Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010, as amended) (the **CBA**), rank pari passu among themselves and with all other Series of Notes issued by the Issuer under the Programme and with Derivatives Transactions (as defined below) and Bankruptcy Liquidity Loans (as defined below).
- Note Proceeds: The net proceeds from each issue of Notes will be applied by the Issuer towards funding its lending activities in accordance with the CBA, and the Issuer's general business principles as outlined in the "Description of the Issuer" section of this Prospectus.
- Cash Flows: The Issuer will apply the issue proceeds of Notes issued from time to time under the Programme in the manner set out under "Note Proceeds" above. The Issuer will service its payment obligations under the Notes by applying monies received by or on behalf of the Issuer from time to time in respect of the Mortgage Loans, Public-Sector Loans, Intermediary Loans, cash, Supplementary Collateral and other assets of the Issuer (including amounts received by the Issuer from time to time under any interest rate swaps entered into by the Issuer).
- Statutory Security: The Notes will be covered in accordance with the CBA and will therefore benefit from and rank pari passu among themselves and with Derivative Transactions and Banking Liquidity Loans with respect to statutory security over a certain portion of the assets of the Issuer conferred by the CBA (the **Cover Asset Pool**) (see "Covered Bond Act" section of this Prospectus). Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the properties or the shares in the property owning companies which stand as collateral for such loans. To the extent that claims of Noteholders in relation to Notes are not met out of the Cover Asset Pool, the residual claims of the Noteholders will rank pari passu with the unsecured and unsubordinated obligations of the Issuer.

Up to 20 per cent. of the aggregate amount of all assets constituting the statutory security for the Notes conferred by the CBA may temporarily consist of Supplementary Collateral, provided that receivables from credit institutions shall not exceed 15 per cent. (or such larger amount as may be approved by the Finnish Financial Supervisory Authority (Finanssivalvonta) (the **FIN-FSA**) on the application of the Issuer for a specific reason and a specified period of time) of the total amount of collateral. Supplementary Collateral may include: (i) bonds and other debt obligations issued by a central government, a municipality or another public-sector entity or a credit institution (other than one belonging to the same consolidated group as the Issuer); (ii) guarantees granted by a public-sector entity or a credit institution referred to in (i) above; (iii) credit insurance given by an insurance company other than one belonging to the same "group", as defined in the Finnish Act on Supervision of Finance and Insurance Groups (Laki rahoitus- ja vakuutusryhmittymien valvonnasta 699/2004, as amended), as the Issuer; or (iv) assets of the Issuer deposited in the Bank of Finland (Suomen Pankki) or a deposit bank; if the Issuer is a deposit bank the deposit may not be in a deposit bank belonging to the same consolidated group as the Issuer. Supplementary Collateral may temporarily be used in situations where (i) Mortgage Loans or Public-Sector Loans have not yet been granted or registered as collateral for the Notes; or (ii) the total amount of collateral does not fulfil the provisions provided for in Sections 16 and 17 of the CBA (see "Matching Cover and Overcollateralisation" below).

- Matching Cover and Overcollateralisation: The CBA seeks to protect Noteholders by requiring the outstanding principal amount and net present value of the Notes to be covered at all times by a matching Cover Asset Pool. This is achieved by Section 16 of the CBA which provides that (a) the total value of the Cover Asset Pool must always exceed the aggregate outstanding principal amount of the Notes and (b) the net present value of the Cover Asset Pool must always be at least 2 per cent above the net present value of the liabilities under the Notes. See the "Covered Bond Act- Quality of cover pool assets" section in this Prospectus.

- Derivative Transactions: The Issuer may from time to time enter into one or more derivative transactions in order to hedge against risks relating to the Notes, Intermediary Loans, Mortgage Loans, Public-Sector Loans or other Eligible Assets placed as collateral for the Notes (each a **Derivative Transaction**). These Derivative Transactions shall be entered into the register of Notes and their collateral, which the Issuer is required to maintain pursuant to Chapter 5 of the CBA (the **Register**). The Issuer may also enter into one or more derivative transactions to hedge against risks relating to other assets of the Issuer, but such derivative transactions will not be entered into the Register. Derivative Transactions rank pari passu with the Notes and with Bankruptcy Liquidity Loans (as defined below) with respect to the statutory security over the Cover Asset Pool conferred by the CBA (as described in “Statutory Security” above).
- Bankruptcy Liquidity Loans: A bankruptcy trustee of the Issuer may, upon the demand or with the consent of an attorney appointed by the FIN-FSA upon the insolvency of the Issuer, conclude contractual arrangements to secure liquidity or take out liquidity credit (each a **Bankruptcy Liquidity Loan**) in accordance with Section 26 of the CBA. These circumstances are described in greater detail in the “Covered Bond Act- Management of cover pool assets during insolvency of the issuer” section of this Prospectus. Bankruptcy Liquidity Loans rank pari passu with the Notes and the Derivative Transactions with respect to the statutory security over the Cover Asset Pool conferred by the CBA (as described in “Statutory Security” above).
- Old Covered Note Programme: Prior to the introduction of the CBA and the establishment of this Programme, the Issuer established a €10,000,000,000 euro medium term covered note programme (the **Old Programme**) pursuant to the old statutory regime for covered notes in Finland, the Finnish Act on Mortgage Credit Banks (Kiinnitysluottopankkilaki 1240/1999, as amended) (the **MBA**). The Issuer has outstanding covered notes under the Old Programme, which along with the cover pool assets underpinning and the derivatives transactions supporting such assets have been registered in a separate sub-register of the Register as the collateral for and under the Old Programme (such sub-register being the **Old Register**). The MBA was repealed pursuant to the introduction of the CBA and as a result, there will be no further issuance under the Old Programme. Through the savings provisions in the CBA, certain aspects of the MBA will continue to apply to the outstanding issuances under the Old Programme and the covered notes, mortgage loans and derivative transactions entered into the Old Register. Holders of Notes under this Programme will not have prioritised recourse to the cover pool assets entered into the Old Register – such assets will be reserved for holders of covered notes under the Old Programme. Similarly, the holders of covered notes under the Old Programme will not have prioritised recourse to the Cover Asset Pool entered into the Register in respect of this Programme.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only, if appropriate, a supplemental Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuer:	OP Mortgage Bank
Description:	Euro Medium Term Covered Note Programme
Arranger:	Deutsche Bank AG, London Branch
Dealers:	Barclays Bank PLC, Deutsche Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Pohjola Bank plc and The Royal Bank of Scotland plc and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale".
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Programme Size:	Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 3.
Maturities:	The Notes will have such maturities as may be agreed between

	<p>the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. See also "Extended Maturity Date" below.</p>
Issue Price:	<p>Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p>
Form of Notes:	<p>The Notes will be issued in bearer form as described in "Form of the Notes".</p>
Interest:	<p>Unless otherwise specified in the applicable Final Terms:</p> <ul style="list-style-type: none"> (a) the Notes will bear interest from and including the Interest Commencement Date to but excluding the Maturity Date; and (b) if the maturity of the outstanding principal amount of a Series of Notes is extended in accordance with Condition 6.2, each such Note will bear interest on its outstanding principal amount from and including the Maturity Date to but excluding the earlier of the Monthly Extended Maturity Date on which such Note is redeemed in full and the Final Extended Maturity Date (each as defined in Condition 6.2) and such interest will be payable monthly in arrear on each Extended Interest Payment Date (as defined in Condition 4.3) up to and including the Note Maturity Date at the rate specified in the applicable Final Terms. <p>For the purposes of the Programme, Notes will be:</p> <p>in respect of the period from the Issue Date to (and including) the Maturity Date, Fixed Rate Notes, Floating Rate Notes, Index Linked Interest Notes, Dual Currency Interest Notes or Zero Coupon Notes; and</p> <p>in respect of the period from (but excluding) the Maturity Date to (and including) the Monthly Extended Maturity Date on which such Note is redeemed in full or the Final Extended Maturity Date, as the case may be, Fixed Rate Notes or Floating Rate Notes,</p> <p>as set out in the applicable Final Terms.</p> <p>In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Notes on the Maturity Date.</p>
Fixed Rate Notes:	<p>Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.</p> <p>Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International

Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "Certain Restrictions – Notes having a maturity of less than one year" above.

See also "Extended Maturity Date" below.

Extended Maturity Date:

If the Issuer fails to redeem a Series of Notes in full on the Maturity Date or within two Payment Days thereafter, the maturity of the outstanding principal amount of such Notes on the Maturity Date will be automatically extended to the earlier of the Monthly Extended Maturity Date on which such Note is redeemed in full and the Final Extended Maturity Date in

accordance with Condition 6.2. Such Notes will not thereafter represent a new series of security.

In the event of such extension, the Issuer may redeem all or part of the outstanding principal amount of such Notes at their Final Redemption Amount on any Extended Interest Payment Date up to and including the Final Extended Maturity Date.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "Certain Restrictions – Notes having a maturity of less than one year" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue of such Notes).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will not contain a negative pledge provision.

Status of the Notes:

The Notes will be issued as covered notes (katetut joukkolainat) and will constitute direct, unconditional and unsubordinated obligations of the Issuer. The Notes will be covered in accordance with the CBA and will rank pari passu among themselves and with Derivative Transactions and Bankruptcy Liquidity Loans with respect to the statutory security over the Cover Asset Pool in accordance with the CBA. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the properties or the shares in the property owning companies which stand as collateral for such loans. To the extent that claims of the Noteholders in relation to the Notes are not met out of the assets of the Issuer that are covered in accordance with the CBA, the residual claims of the Noteholders will rank pari passu with the unsecured and unsubordinated obligations of the Issuer.

The statutory security conferred on holders of the Notes by the CBA extends to Mortgage Loans and Public-Sector Loans owned by the Issuer and certain other types of assets which qualify for this purpose under the CBA and are included in the Cover Asset Pool. No security will be taken over assets of the Issuer which do not qualify for this purpose or which are not included in the Cover Asset Pool, nor will any security be taken over the Issuer's rights under any agreements entered into by the Issuer in relation to the Programme or Notes issued thereunder.

Rating:	Notes issued under the Programme are expected on issue to be assigned a rating of Aaa by Moody's and a rating of AAA from S&P and/or a corresponding rating by another Rating Agency. The rating of the Notes will be specified in the applicable Final Terms.
Listing and admission to trading:	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law, except for the provisions relating to coverage of the Notes pursuant to the CBA, which will be governed by, and construed in accordance with, Finnish law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and Finland) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "Subscription and Sale".
United States Selling Restrictions:	Regulation S, Category 2, TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Business Conditions And General Economy

The profitability of the Issuer's operations is affected by several factors, the most important being the general economic conditions in Finland or globally, volatility of interest rates, equity prices and exchange rates, and the Issuer's competitive situation. Factors such as the development of public finances and general prices, income and employment levels may affect the volume and performance of the Issuer's business as well as its financial condition. An economic downturn in Finland or globally could adversely affect the Issuer's business, results of operations and financial condition.

A downward trend in the general economy would be likely to lead to growing credit losses as the Issuer's debtors may be unable to meet their payment obligations. The common consumer confidence and consumer spending would also be influenced by the downward trend. As a result, there would be a decline in the demand for loans and an economic downturn could therefore adversely affect the Issuer's interest margins.

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk, created increasingly difficult conditions in the financial markets. These conditions have resulted in historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets. Most recently, these conditions have resulted in the failures of a number of financial institutions in the United States and unprecedented action by governmental authorities and central banks around the world.

It is difficult to predict how long these conditions will exist and whether the Issuer's business, results of operations and financial condition will be adversely affected. These conditions may lead to growing credit losses as the Issuer's customers may be unable to meet their payment obligations. It is not known for how long these market conditions will continue or whether they will worsen.

Factors such as the liquidity of the global financial markets, the level and volatility of equity prices and interest rates, inflation, and availability and cost of credit could materially affect the activity level of the Issuer. Significantly higher interest rates could adversely affect the values of balance sheet and off-balance sheet assets of the Issuer by increasing the risk that a greater number of its debtors would be unable to meet their obligations.

Credit Risk

As the Issuer's financial performance is affected by the credit quality of debtors and counterparties in Derivative Transactions, credit risk arises from the credit quality of the abovementioned parties. The recoverability of the loans granted by the Issuer is an inherent part of the Issuer's business and therefore the control of credit risk is significant within the business of the Issuer as well as in the OP-Pohjola Group.

The credit risk management system of the Issuer is steered, examined, audited and evaluated as a part of credit risk management of the OP-Pohjola Group. The credit risk management system, with its rules and regulations, applies both to the Issuer and to the Originators which grant the Mortgage Loans within the rules and regulations of the OP-Pohjola Group.

Financial Risk

The Issuer's funding is influenced by various factors, such as the liquidity of global financial markets, interest rates, investor sentiment, inflation and the availability and cost of credit, which all are closely related to the general economic conditions. Any negative development affecting any of these factors could therefore have an adverse effect on the Issuer's business, results or operations and financial condition.

Interest Rate Risk

Interest rate risks arise when interest rate fixing periods or interest rate bases for assets and liabilities are mismatched. The Issuer aims to protect itself from interest rate risk by entering into customised interest rate Derivative Transactions, efficiently reducing the Issuer's exposure to interest rate risk. However, despite the Issuer's hedging activities, risk associated with fluctuations in interest rates are not expected to be zero.

Liquidity Risk And Availability Of Funding

Liquidity risk means the risk of the Issuer being unable to meet its payment obligations and to refinance its loans when they fall due, and to meet its obligations as a creditor. The risk could materialise, for example, because of a decline in the liquidity of markets or downgrading of the Issuer's credit rating or the Issuer being unable to maintain adequate liquidity. A decline in the Issuer's liquidity or a substantial downgrading of the Issuer's credit rating may adversely affect the availability and price of the Issuer's funding and, as a consequence, weaken the Issuer's results of operations and financial condition.

The Secondary Markets Generally

In addition, potential investors in the Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a severe lack of liquidity in the secondary market for instruments similar to the Notes. As a result of this liquidity crisis, there exist significant additional risks to the Issuer and the investors which may affect the returns on the Notes to investors.

During the second half of 2007, during 2008 and during the first half of 2009, the wholesale funding markets (including the international debt capital markets) experienced disruptions which recently have continued to a varying degree. Such disruptions have resulted in an increase in the cost and a reduction in the availability of wholesale market funding across the financial services sector. The business of the Issuer and its respective ability to access sources of liquidity has been constrained as a result. If the wholesale funding markets deteriorate further, it may have a material adverse effect on the liquidity and funding of all Finnish financial services institutions including OP Mortgage Bank. There can be no assurance that the wholesale funding markets will not further deteriorate.

Risks Relating To Operational Activities

The Issuer's business operations require the ability to process a large number of transactions efficiently and accurately. Operational risks and related losses may result from inadequate internal processes, fraud, errors by employees, failure to properly document transactions, failure to comply with regulatory requirements and conduct of business rules, equipment failures or malfunctions of the Issuer's own systems or the systems of the Issuer's suppliers or cooperation partners or other external systems. Although the Issuer has implemented the risk controls and loss mitigation actions of the OP-Pohjola Group, and substantial resources are devoted to developing efficient procedures and to staff training, it is not absolutely certain that such procedures will be effective in controlling each of the operational risks faced by the Issuer. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a Company with securities admitted to the Official List.

External Risks

External risks relate, inter alia, to the Issuer's reputation, to regulatory issues, to unsteady political conditions and to environmental disasters.

The Issuer's business is subject to regulation and regulatory surveillance. Despite the Issuer's current compliance with Finnish regulation as well as the compliance with the OP-Pohjola Group's risk management rules and regulations, it is always possible that the Issuer may fail to comply with current legislation and best practice or may in some other way fail to meet its obligations, although the Issuer seeks to minimise this risk through its internal controls.

The Issuer is exposed to environmental risks such as, inter alia, natural catastrophes and disasters. Any such incident could adversely affect the value of collateral and/or the debtors' ability to fulfil their obligations.

Though Finland currently has extremely steady political conditions, it is always possible (though the Issuer sees it as unlikely) that the political conditions could suddenly change, which might have a weakening impact on the legislation concerning the Issuer and in that way affect the Issuer's ability to fulfil its obligations.

Risk Relating To Joint Liability Of The Member Credit Institutions

Under the Finnish Act on Amalgamations of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010, as amended) (**the Amalgamations Act**), the OP-Pohjola Group Central Cooperative (**the Central Cooperative**), and Pohjola Bank plc, Helsinki OP Bank Plc, OP-Kotipankki Oyj, the Issuer and the Member Cooperative Banks (together the **Member Credit Institutions**) are, upon the insolvency of the Central Cooperative or any Member Credit Institution, jointly responsible for any liabilities that cannot be met from the funds of the Central Cooperative or such Member Credit Institution.

The Central Cooperative must pay to each Member Credit Institution such amount as is necessary in order to prevent such Member Credit Institution's liquidation. The Central Cooperative is responsible for the payment of any debts of a Member Credit Institution that cannot be paid using such Member Credit Institution's own funds.

A Member Credit Institution must pay to the Central Cooperative a proportionate share of the amount which the Central Cooperative has paid either to another Member Credit Institution as part of the support action described above, or to a creditor of such Member Credit Institution as payment of a due debt for which the creditor has not received payment from his debtor. Furthermore, upon the liquidation of the Central Cooperative, a Member Credit Institution has unlimited liability to pay the debts of the Central Cooperative as set out in Chapter 15 of the Finnish Act on Cooperatives (Osuuskuntalaki 1488/2001, as amended).

Each Member Credit Institution's liability for the amount which the Central Cooperative has paid on behalf of one Member Credit Institution to its creditors is divided between the Member Credit Institutions in proportion to their last confirmed balance sheet totals.

However, the Notes issued under the Programme (along with Derivative Transactions and Bankruptcy Liquidity Loans) have a statutory priority over a certain portion of the assets of the Issuer which have been entered into the Register as collateral for the Notes. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Mortgage Loans and 60 per cent. in respect of Commercial Loans of the current value of the Property which stands as collateral for such Mortgage Loans. In the case of the liquidation of any Member Credit Institution other than the Issuer, the assets of the Issuer entered on the Register will not be available to cover such other Member Credit Institution's obligations until the Issuer's obligations under the Notes have been satisfied in accordance with the percentages described above. See "Joint Responsibility of the OP-Pohjola Group" on pages 71 and 72 in respect of the Amalgamations Act.

Capital Adequacy

The Issuer's banking licence is dependent upon the fulfilment of capital adequacy requirements in accordance with the applicable regulations. The Issuer's capital structure and capital adequacy ratio may have an effect on the Issuer's future credit ratings and the availability and costs of funding operations. Moreover, the absence of a sufficiently strong capital base may constrain the Issuer's growth and strategic options. Significant unforeseen losses may create a situation under which the Issuer is unable to maintain its desired capital structure.

The Issuer is seen as a funding vehicle of the OP-Pohjola Group, and it will be sufficiently capitalised by the Central Cooperative to meet capital adequacy requirements. Due to the joint and several liability of the Member Credit Institutions, the OP-Pohjola Group's own funds may also be seen as a capital buffer for the Issuer.

The new Basel II framework, when fully implemented, is expected to lower the Basel II capital requirements of a bank operating in the mortgage loan business.

Tax Risks

Tax risk refers to the risk associated with changes in, or errors in the interpretation of, taxation rates or law. This could result in increased charges or financial loss to the Issuer. Although the Issuer devotes considerable resources to managing tax risk, a failure to manage this risk effectively could adversely affect the Issuer's business, results of operations and financial condition.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes May Not Be A Suitable Investment For All Investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks Related To The Structure Of A Particular Issue Of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes Subject To Optional Redemption By The Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;

- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes With A Multiplier Or Other Leverage Factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR or LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Note Issued At A Substantial Discount Or Premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Extended Maturity Of The Notes

If the Issuer notifies the Agent in accordance with the Conditions that it will not redeem a Series of Notes in full on the Maturity Date at their Final Redemption Amount, the maturity of the outstanding principal amount of such Notes on the Maturity Date will be automatically extended to the earlier of the Monthly Extended Maturity Date on which such Note is redeemed in full and the Final Extended Maturity Date in accordance with Condition 6.2. In the event of such extension, the Issuer may redeem all or part of the outstanding principal amount of such Notes at their Final Redemption Amount on any Extended Interest Payment Date up to and including the Final Extended Maturity Date. The extension of the maturity of the outstanding principal amount of the Notes to a date falling after the Maturity Date will not result in any right of the Noteholders to accelerate payments on such Notes and no payment will be payable to the Noteholders in that event other than as set out in the Conditions (see "Terms and Conditions of the Notes" below).

Sharing Of The Cover Asset Pool

Under the CBA, Noteholders (along with counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans) are given a statutory priority in the liquidation or bankruptcy of the Issuer in relation to a certain portion of the assets entered into the Register as collateral in respect of the Notes. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the Property which stands as collateral for such Mortgage Loans. Accordingly, notwithstanding that the Issuer has entered into liquidation or bankruptcy proceedings, Noteholders (along with counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans) have the right to receive payment before all other claims against the Issuer out of the proceeds of the prioritised portion of the Cover Asset Pool. To the extent that claims of the Noteholders in respect of the Notes are not met out of the Cover Asset Pool, the residual claims of the Noteholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer. Noteholders will not have any preferential right to the Issuer's assets (including assets entered into the Old Register) other than those entered into the Register as collateral in respect of the Notes. Given the *pari passu* ranking of the Notes, Derivative Transactions and Bankruptcy Liquidity Loans under the CBA, in the event of the Issuer's liquidation or bankruptcy, the amount available to be paid to Noteholders out of the Cover Asset Pool on a prioritised basis may be affected by the amounts payable at the relevant time to counterparties of Derivative Transactions and the providers of Bankruptcy Liquidity Loans.

The funds accruing from the prioritised portion of assets entered in the Cover Asset Pool of the Notes after the commencement of liquidation or bankruptcy proceedings are, under the CBA, entered into the Register as collateral until the Noteholders, counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans are repaid in accordance with the terms and conditions of the Notes, Derivative Transactions and Bankruptcy Liquidity Loans, as applicable. Such provision of the CBA shall also be applied to the funds accrued to the Issuer after the commencement of the liquidation or bankruptcy proceedings on the basis of Derivative Transactions entered into the Register in respect of the Notes or assets entered into the Register as collateral in respect of the Notes.

Default of Issuer's Assets

Default of the Issuer's assets (in particular assets in the Cover Asset Pool) could jeopardise the Issuer's ability to make payments on the Notes in full or on a timely basis.

Liquidity risk post Issuer's bankruptcy

It is believed that neither an insolvent issuer nor its bankruptcy estate would have the ability to issue covered notes. Under the CBA, the bankruptcy administrator (upon the demand or with the consent of a supervisor appointed by the FIN-FSA) may, however, raise liquidity through the sale of mortgage loans and other assets in the Cover Asset Pool to fulfil the obligations relating to the Notes. Further, the bankruptcy administrator (upon the demand or with the consent of a supervisor appointed by the FIN-FSA) may take out liquidity loans and enter into other agreements to secure liquidity. Counterparties in such liquidity credit transactions will rank *pari passu* to holders of Notes and existing derivative counterparties with respect to assets in the Cover Asset Pool. However, there can be no assurance as to the actual ability of the bankruptcy estate to raise post-bankruptcy liquidity, which may result in a failure by the Issuer to make full and timely payments to holders of Notes and existing derivative counterparties.

Ability of Supervisor to declare Notes due and payable

If the Issuer is placed in liquidation or declared bankrupt, and the requirements for the total amount of collateral of the Notes in sections 16 and 17 of the CBA cannot be fulfilled, a supervisor appointed by the FIN-FSA may demand that the Issuer's bankruptcy administrator declare the Notes due and payable and sell the assets placed as collateral for the Notes. Holders of Notes should be aware therefore that their Notes may be declared forthwith due and payable prior to their Maturity Date.

Collection Of Mortgage Loans And Default By Borrowers

The Mortgage Loans which secure the Notes will comprise loans secured on Property. A borrower may default on its obligation under such Mortgage Loan. Defaults may occur for a variety of reasons. Defaults under Mortgage Loans are subject to credit, liquidity and interest rate risks and rental yield reduction (in the case of investment Properties). Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in borrowers' individual, personal or financial circumstances may affect the ability of the borrowers to repay the Mortgage Loans. Loss of earnings, illness, divorce, weakening of financial conditions or results of business operations and other similar factors may lead to an increase in delinquencies by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Loans. In addition, the ability of a borrower to sell a Property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the availability of buyers for that Property, the value of that Property and property values in general at the time.

Value Of Security Over Property

The security for a Mortgage Loan included in the Cover Asset Pool consists of, amongst other things, the Issuer's interest in security over a Property. The value of such security and, accordingly, the level of recoveries on an enforcement of such security, may be affected by, among other things, a decline in the value of Property and priority of such security. No assurance can be given that the values of relevant Properties will not decline or have not declined since the Mortgage Loan was originated. Where the Issuer enforces security over a Property, realisation of that security is likely to involve obtaining of a court decision confirming the payment obligation of the borrower and approving the sale of that Property through public auction. The ability of the Issuer to dispose of a Property without the consent of the borrower will depend on (i) the above decision by a court and the public auction (in the case of a mortgageable property but not in the case of shares in a housing or real estate company), (ii) the relevant housing market or commercial property market conditions at the relevant time and (iii) the availability of buyers for the relevant Property.

Concentration Of Location Of Properties

According to the Origination Criteria for the Mortgage Loans, all Mortgage Loans contained in the Cover Asset Pool will be secured on Property located or incorporated in Finland. The value of the Cover Asset Pool may decline sharply and rapidly in the event of a general downturn in the value of Property in Finland.

No Due Diligence

The Dealers have not undertaken and will not undertake any investigations, searches or other actions in respect of any Mortgage Loans, Public-Sector Loans or Supplementary Collateral contained or to be contained in the Cover Asset Pool but will instead rely on representations and warranties provided by the Issuer in the Programme Agreement (see "Subscription and Sale" below).

No Events Of Default

The terms and conditions of the Notes do not include any events of default relating to the Issuer, and therefore the terms and conditions of the Notes do not entitle Noteholders to accelerate the Notes. As such, it is envisaged that Noteholders will only be paid the scheduled interest payments under the Notes as and when they fall due under the terms and conditions of the Notes.

Loan Acquisition, Intermediary Loans And Limited Recourse To The Originators

The members of the OP-Pohjola Group who originated the Mortgage Loans, and from whom the Issuer has either purchased such Mortgage Loans, or who have provided such Mortgage Loans as security in relation to

Intermediary Loans (the **Originators**) have warranted to the Issuer in the Transfer Agreements and/or Intermediary Loan Agreements made between the Issuer and the relevant Originators (as the case may be) (see "Description of the Transfer, Intermediary Loan and Servicing Documents" below for a fuller description of the warranties to be given by the Originators to the Issuer on the assignment of the Mortgage Loans and the security therefore and the entry into the Intermediary Loans), inter alia, that each Mortgage Loan and its related security and the nature and circumstances of borrower satisfies the requirements of the CBA and the regulations made thereunder prior to the entering of the Mortgage Loans into the Register. None of the Issuer, the Arranger or the Dealers has made or caused to be made (or will make or cause to be made) on its behalf any enquiry, search or investigation in relation to compliance by the relevant Originator or any other person with the lending criteria or origination procedures or the adequacy thereof or with any applicable laws or in relation to the execution, legality, validity, perfection, adequacy of enforceability of any Mortgage Loan or the related security. The Issuer will instead rely solely on the warranties given by the relevant Originator in the relevant Transfer Agreement or Intermediary Loan Agreement, as the case may be. The sole remedy of the Issuer against an Originator in respect of any breach of any warranty relating to the transfer of the Mortgage Loans and the related security (if the breach is not remedied) shall in respect of any Transfer Agreement be to require such Originator to re-acquire the relevant Mortgage Loan and its related security, provided that this shall not limit any other remedies available to the Issuer if the relevant Originator fails to re-acquire the Mortgage Loan and its related security when obliged to do so. In the case of a breach of warranty relating to a Mortgage Loan in an Intermediary Loan Agreement, the Issuer will be entitled to require the relevant Originator to replace such Mortgage Loan with another eligible Mortgage Loan.

Limited Description Of The Cover Asset Pool

Noteholders will not receive detailed statistics or information in relation to the Mortgage Loans and other Eligible Assets covering the Notes, as it is expected that the composition of the portfolio of such Mortgage Loans and other Eligible Assets may change from time to time due to, for example, the purchase of further Mortgage Loans (either directly or indirectly) from time to time and the repurchase by a Originator of Mortgage Loans pursuant to its obligations under the relevant Transfer Agreement.

Reliance On Swap Providers

The Issuer may from time to time enter into one or more Derivative Transactions in order to hedge against risks relating to the Notes or Mortgage Loans or other Eligible Assets placed as collateral for such Notes.

To provide a hedge against possible variances in the rates of interest receivable on the Mortgage Loans and other Eligible Assets from time to time held by the Issuer as collateral for the Notes (which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate) and the interest rate(s) under the Notes, the Issuer may from time to time enter into one or more interest rate swap transactions, and to provide a hedge against possible variances in the currency in which payments will be made to the Issuer in respect of the Mortgage Loans and other assets from time to time held by the Issuer as collateral for the Notes and the currencies in which the Issuer will be required to make payments in respect of the Notes, the Issuer may from time to time enter into currency swap transactions (see "Derivative Transactions" below).

If any swap counterparty defaults on its obligations to make payments in the relevant currency and/or at the relevant rate of interest under the relevant Derivative Transaction, the Issuer will be exposed to changes in the relevant rates of interest and/or the relevant currency exchange rates. Unless one or more replacement Derivative Transactions are entered into, the Issuer may not have sufficient funds to make payments under the Notes.

Meetings Of Noteholders And Modification

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a

transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries)..

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change Of Law

The conditions of the Notes are based on English law and Finnish law, in each case in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Finnish law or administrative practice after the date of this Base Prospectus.

Notes Where Denominations Involve Integral Multiples: Definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase such a principal amount of Notes that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Implementation Of The Basel II Framework

Basel II replaced the 1988 Basel Capital Accord and places enhanced emphasis on risk-sensitivity and market discipline. The various approaches under Basel II were implemented in stages; some from year-end 2006, the most advanced at year-end 2007. Amendments to the Finnish Act on Credit Institutions (Laki luottolaitostoinnasta 121/2007, as amended) pertaining to the capital adequacy reform (Basel II), as adopted in February 2007 include transitional provisions permitting the calculation of capital adequacy in 2007 as set forth under the previously valid regulations. Op-Pohjola Group has made use of the transitional provisions and has published its first capital adequacy calculation in compliance with the new regulations for March 2008. Consequently, investors should consult their own advisors as to the consequences to and effect on them of the national implementation of Basel II.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The Secondary Market Generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Finnish Covered Bond Act Untested/Absence Of A Market For The Notes

The CBA came into effect on 1 August 2010. The initial issues of Notes under the Programme are among the first issues of covered notes in accordance with the CBA. Accordingly, there is likely to be only a limited existing secondary or other market for covered notes issued under the CBA, and there is limited existing liquidity in Finnish covered notes (including those issued by the Issuer under the Old Programme). No assurance can be given as to the continuation or effectiveness of any market-making activity. The protection afforded to the holders of the Notes by means of a preference on the Cover Asset Pool is based only on the CBA. Although the CBA regulates the operations of mortgage credit banks in detail, there is currently no practical experience in relation to the operation of the CBA.

Exchange Rate Risks And Exchange Controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit Ratings May Not Reflect All Risks

One or more independent credit rating agencies may assign credit ratings to the Notes. There are no guarantees that such ratings will be assigned or maintained. Furthermore, the ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Base Prospectus:

1. the auditors report and audited non-consolidated annual financial statements for the financial year ended 31 December 2009 including the information set out at the following pages in particular:

Balance Sheet.....	Page 11
Profit and Loss Account	Page 11
Accounting Policies and Notes.....	Page 14 to 48
Auditors' Report	Page 50

Any other information not listed above but contained in such document is incorporated by reference for information purposes only;

2. the auditors report and audited non-consolidated annual financial statements for the financial year ended 31 December 2008 including the information set out at the following pages in particular:

Balance Sheet.....	Page 12
Profit and Loss Account	Page 12
Accounting Policies and Notes.....	Page 15 to 43
Auditors' Report	Page 45

Any other information not listed above but contained in such document is incorporated by reference for information purposes only; and

3. the interim non-consolidated financial statements for the nine months ended 30 September 2010 of the Issuer excluding the section entitled "Prospects for the rest of the year" on page 4; including the information set out at the following pages in particular:

Balance Sheet.....	Page 6
Profit and Loss Account	Page 5

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

SUPPLEMENTS AND NEW BASE PROSPECTUSES

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (Euroclear) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the Exchange Date) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 12 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Where any Note is represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 12 November 2010 and executed by the Issuer.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

OP Mortgage Bank

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €10,000,000,000
Euro Medium Term Covered Note Programme
(under the Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010))

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 November 2010 which[, as supplemented by a supplement to the Base Prospectus dated [date of supplement] (the **Supplement**),] constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71 /EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus[, as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as so supplemented]. The Base Prospectus [is/and the Supplement are] available for viewing at and copies may be obtained during normal business hours from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London and Luxembourg. In addition, copies of the Base Prospectus [and the Supplement] will be available on the website of the Regulatory News Service operated by the London Stock Exchange plc, at www.londonstockexchange.com/rns.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71 /EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [current date][, as supplemented by a supplement to the Base Prospectus dated [date of supplement] (the **Supplement**),] which [(as so supplemented)] constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms [./and] the Base Prospectuses dated [current date] and [original date][and the Supplement]. Copies of such Base Prospectuses [and the Supplement] are available for viewing at and copies may be obtained from the registered office of the Issuer and the specified offices of the Paying Agents for the time being in London and Luxembourg. In addition, copies of the Base Prospectuses [and the Supplement] will be available on the website of the Regulatory News Service operated by the London Stock Exchange plc, at www.londonstockexchange.com/rns.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be €100,000 or its equivalent in any other currency.]

1 Issuer: OP Mortgage Bank

- 2 (a) Series Number: [•]
 (b) Tranche Number: [•]
 (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
- 3 Specified Currency or Currencies: [•]
- 4 Aggregate Nominal Amount:
 (a) Series: [•]
 (b) Tranche Number: [•]
- 5 Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
- 6 (a) Specified Denominations: [•]
 [•]
 (Note – where multiple denominations above €50, 000 or equivalent are being used the following sample wording should be followed:
 “[€]100,000 and integral multiples of [-]1,000 in excess thereof up to and including [-]199,000. No Notes in definitive form will be issued with a denomination above [€]199,000.”)
 (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)
- (b) Calculation Amount: (If only one Specified Denomination, insert the Specified Denomination.
 If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
- 7 Issue Date: [•]
- 8 Interest Commencement Date:
 (a) Period to (and including) Maturity Date [•]
 (b) Period from (but excluding) Maturity Date to (and including) Final Extended Maturity Date: [Maturity Date]
 (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
- 9 Maturity Date: [Fixed rate – specify date/
 Floating rate – Interest Payment Date falling in or nearest to [specify month]]

- 10 Final Extended Maturity Date: [insert date. The date should be that falling one year after the Maturity Date.]
- 11 Interest Basis:
- (a) Period to (and including) Maturity Date: [[•] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)
- (b) Period from (but excluding) Maturity Date to (and including) Final Extended Maturity Date: [[•] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate] (further particulars specified below)
- 12 Redemption/Payment Basis: [Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [specify other]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- 13 Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
- 14 Put/Call Options: [Investor Put] [Issuer Call] [(further particulars specified below)]
- 15 Date [Board] approval for issuance of Notes obtained: [•] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
- 16 Method of distribution: [Syndicated/Non-syndicated]
- Provisions relating to Interest (if any) payable**
- 17 Fixed Rate Note Provisions
- (a) Period to (and including) Maturity Date: [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph 17(a))
- (i) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi annually/quarterly other (specify)] in arrear] (If payable other than annually, consider amending Condition

- 4)
- (ii) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
 - (iii) Fixed Coupon Amount(s): [•] per Calculation Amount
 - (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
 - (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
 - (vi) Determination Date(s): [•] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]
 - (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

18 Floating Rate Note Provisions

- (a) Period to (and including) Maturity Date: [Applicable/Not Applicable]
[If not applicable, delete the remaining subparagraphs of this paragraph 18(a)]
 - (i) Specified Period(s)/Specified Interest Payment Dates: [•]
 - (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
 - (iii) Additional Business Centre(s): [•]
 - (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [•]
 - (vi) Screen Rate Determination:

- Reference Rate: [•]
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): [•]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [•]
(In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (viii) Margin(s): [+/-] [•] per cent. per annum
- (ix) Minimum Rate of Interest: [•] per cent. per annum
- (x) Maximum Rate of Interest: [•] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 4 for alternatives)
- (xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
- (b) Period from (but excluding) Maturity Date to (and including) Final Extended Maturity Date: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph 18(b))
- (i) Specified Period(s)/Specified Interest [•]

- Payment Dates:
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): [•]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [•]
- (vi) Screen Rate Determination:
- Reference Rate: [•]
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): [•]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [•]
(In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (viii) Margin(s): [+/-] [•] per cent. per annum
- (ix) Minimum Rate of Interest: [•] per cent. per annum
- (x) Maximum Rate of Interest: [•] per cent. per annum
- (xi) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360]

30E/360
 Other]
 (See Condition 4 for alternatives)

(xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

19 Zero Coupon Note Provisions [Applicable/Not Applicable] A12.4.1.13
 (If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Accrual Yield: [•] per cent. per annum

(b) Reference Price: [•]

(c) Any other formula/basis of determining amount payable: [•]

(d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6.6(c) and 6.11 apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)

20 Index Linked Interest Note Provisions [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
 (N.B. if the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply).

(a) Index/Formula: [give or annex details]

(b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]

(c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [•]

(d) Provisions for determining Coupon where calculation by reference to Index [need to include a description of market disruption or settlement disruption events and adjustment provisions]

and/or Formula is
impossible or
impracticable:

- (e) Specified Period(s)/Specified Interest Payment Dates: [•]
 - (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
 - (g) Additional Business Centre(s): [•]
 - (h) Minimum Rate of Interest: [•] per cent. per annum
 - (i) Maximum Rate of Interest: [•] per cent. per annum
 - (j) Day Count Fraction: [•]
- 21 Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
 - (b) Calculation Agent, if any, responsible for calculating the interest payable: [•]
 - (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
 - (d) Person at whose option Specified Currency(ies) is/are payable: [•]

Provisions relating to Redemption

- 22 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
 - (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount/specify/other/see Appendix
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: [•]
 - (ii) Maximum Redemption: [•]

Amount:

- (d) Notice period (if other than as set out in the Conditions): [•]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 23 Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount/specify other/see Appendix
- (c) Notice period (if other than as set out in the Conditions): [•]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 24 Final Redemption Amount of each Note: [[•] per Calculation Amount/specify other/see Appendix]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- 25 Early Redemption Amount of each Note payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in Condition 6.6): [[•] per Calculation Amount/specify other/see Appendix]

General Provisions applicable to the Notes

- 26 Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]

(Ensure that this is consistent with the wording in the “Form of Notes” section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “ [€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.]

- | | | |
|----|--|--|
| | (b) New Global Note: | [Yes] [No] |
| 27 | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 18(c) and 20(g) relate) |
| 28 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| 29 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues] |
| 30 | Details relating to Instalment Notes: | |
| | (a) Instalment Amount(s): | [Not Applicable/give details] |
| | (b) Instalment Date(s): | [Not Applicable/give details] |
| 31 | Redenomination applicable: | Redenomination [not] applicable
[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))] |
| 32 | Other final terms: | [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement |

to the Base Prospectus under Article 16 of the Prospectus Directive.)

(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)

Distribution

- 33 (a) If syndicated, names of Managers: [Not Applicable/give names [and addresses]]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (b) Date of Subscription Agreement: [•]
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 34 If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- 35 U.S. Selling Restrictions: [Reg. S Compliance Category: TEFRA D/TEFRA C/TEFRA not applicable]
- 36 Additional selling restrictions: [Not Applicable/give details]

[Purpose of Final Terms

These Final Terms comprise the final terms required for issue and admission to trading on [the London Stock Exchange’s regulated market and listing on the Official List of the UK Listing Authority] of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Covered Note Programme of OP Mortgage Bank.]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:.....

Duly authorised

By:.....

Duly authorised

PART B – OTHER INFORMATION

1 Listing and Admission to Trading

- (a) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from [•].] [Not Applicable]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)
- (b) Estimate of total expenses related to admission to trading: [•]

2 Ratings

- Ratings: The Notes to be issued are expected to be rated:
- [Moody's: [•]]
- [S&P: [•]]
- [[Other]: [•]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue will be specifically rated, that rating.)

3 Interests of Natural and Legal Persons involved in the Issue

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4 Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- [(a)] Reasons for the offer [•]
- [(b)] Estimated net proceeds: [•]
- [(c)] Estimated total expenses: [•]

(N.B. unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total

expenses at (ii) and (iii) above are also required.)

5 Yield (Fixed Rate Notes only)

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 Performance of Index/Formula, Explanation of effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying (Index- Linked Notes only)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.1.2 and 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7 Performance of Rate[s] of Exchange (Dual Currency Notes only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8 Operational Information

(a) ISIN Code: [•]

(b) Common Code: [•]

(c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(d) Delivery: Delivery [against/free of] payment

- (e) Names and addresses of additional Paying Agent(s) (if any): [•]
- (f) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

THE NOTES (AS DEFINED IN THESE TERMS AND CONDITIONS) ARE ISSUED AS COVERED NOTES (katetut joukkolainat), COVERED IN ACCORDANCE WITH THE FINNISH COVERED BOND ACT (Laki kiinnitysluottopankkitoiminnasta 688/2010), AS AMENDED (THE CBA). THE ISSUER (AS DEFINED IN THESE TERMS AND CONDITIONS) HAS BEEN REGISTERED BY THE FINNISH FINANCIAL SUPERVISORY AUTHORITY (Finanssivalvonta) AS A DESIGNATED MORTGAGE CREDIT BANK PURSUANT TO THE CBA. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE NOTES ARE COVERED BY THE ASSETS THAT COMPRISE A QUALIFYING COVER ASSET POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE CBA.

This Note is one of a Series (as defined below) of Notes issued by OP-Asuntoluottopankki Oyj (the English translation of which is OP Mortgage Bank) (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 12 November 2010 and made between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agent named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 12 November 2010 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 **Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Where the maturity of this Note is extended in accordance with Condition 6.2, this Note may be a Fixed Rate Note or a Floating Rate Note, in respect of the period from the Maturity Date up to and including the Final Extended Maturity Date, as specified in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the

case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2 Status of the Notes

The Notes and any related Receipts and Coupons are direct, unconditional and unsubordinated obligations of the Issuer issued in accordance with the CBA. The Notes will be covered in accordance with the CBA and will rank *pari passu* among themselves and with all other Series of Notes issued by the Issuer under the Programme and with Derivative Transactions and Bankruptcy Liquidity Loans in respect of the statutory security in accordance with the CBA. To the extent that claims of the Noteholders in relation to the Notes are not met out of the assets of the Issuer that are covered in accordance with the CBA, the residual claims of the Noteholders will rank *pari passu* with the unsecured and unsubordinated obligations of the Issuer.

3 Redenomination

3.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 12, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (c) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Agent may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 5; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which

the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of Notes represented by a global Note, by applying the Rate of Interest to the full nominal amount Outstanding of the Notes represented by such global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention; and
 - (ii) in the case of Definitive Notes, by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then multiplying such rounded figure by the number of times the relevant Definitive Note can be divided by the Calculation Amount; and
- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

3.2 Definitions

In the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

Euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 3.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

Relevant Notes means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

Treaty means the Treaty on the functioning of the European Union, as amended.

4 Interest

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount Outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its Outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount Outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the full amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes and Index Linked Interest Notes

- (a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes or Index Linked Interest Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount Outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note or Index Linked Interest Note, interest will be calculated on its Outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(i) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The **Rate of Interest** payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (A) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount Outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the

Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (e) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 12. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

- (f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest Rate and Payments from the Maturity Date in the event of extension of maturity of a Series of Notes

- (a) If the maturity of the Outstanding principal amount of a Series of Notes is extended in accordance with Condition 6.2, each such Note shall bear interest in accordance with this Condition 4.3 from and including the Maturity Date to but excluding the earlier of the Monthly Extended Maturity Date on which such Note is redeemed in full and the Final Extended Maturity Date (each as defined in Condition 6.2), subject to Condition 4.6. In that event and subject to Condition 5.5, interest shall be payable in arrear on the Outstanding principal amount of such Notes at the rate determined in accordance with Condition 4.3(b) on each Monthly Extended Maturity Date (as defined in Condition 6.2) (each, an **Extended Interest Payment Date**) up to and including the earlier of the Monthly Extended Maturity Date on which such Note is redeemed in full and the Final Extended Maturity Date in respect of the Extended Interest Period (as defined below) ending immediately prior to such Monthly Extended Maturity Date, subject as otherwise provided in the applicable Final Terms. In this Condition 4.3, the period from and including an Extended Interest Payment Date (or, in respect of the first such period, the Maturity Date) to but excluding the next following Extended Interest Payment Date is referred to as an **Extended Interest Period**.
- (b) The rate of interest payable from time to time in respect of the Outstanding principal amount of the Notes on each Extended Interest Payment Date (the **Extended Rate of Interest**) will be as specified in the applicable Final Terms and, where applicable, determined by the Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent in accordance with Condition 4.2(d), two Payment Days (as defined in Condition 5.5) after the Maturity Date in respect of the first Extended Interest Period and thereafter as specified in the applicable Final Terms.
- (c) In the case of Notes which are Zero Coupon Notes up to (and including) the Maturity Date, for the purposes of this Condition 4.3, the Outstanding principal amount shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (d) The Calculation Agent will cause the Extended Rate of Interest for and the amount of interest payable on the Notes for each Extended Interest Period and the relevant Extended Interest Payment Date to be forthwith notified to the Issuer and the Principal Paying Agent, and for so long as the relevant Series of Notes is listed on a stock exchange, will cause the same to be published in accordance with Condition 12 on or (in particular, in the case of the first Extended Interest Period) as soon as possible after the date of commencement of the relevant Extended Interest Period.
- (e) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them) or the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Noteholders shall attach to the Issuer, the Reference Banks or the Calculation Agent in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions.
- (f) This Condition 4.3 shall only apply to a Series of Notes if the Issuer fails to redeem such Series of Notes (in full) at their Final Redemption Amount (as specified in the applicable Final Terms) on the Maturity Date and the maturity of such Notes is automatically extended to the Extended Maturity Date in accordance with Condition 6.2.

4.4 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

4.5 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

4.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5 Payments

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

5.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured

Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation;
 - (ii) London;
 - (iii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6 Redemption and Purchase

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

6.2 Extension of Maturity to Extended Maturity Date

- (a) If the Issuer notifies the Agent in accordance with Condition 6.2(g) below that it will not redeem a Series of Notes at their Final Redemption Amount in full on the Maturity Date, the maturity of the Outstanding principal amount of such Notes not redeemed in full on the Maturity Date will be automatically extended to the first Monthly Extended Maturity Date (as defined below).

If the Issuer notifies the Agent in accordance with Condition 6.2(g) below that it will not redeem such Notes at their Final Redemption Amount in full on one Monthly Extended Maturity Date, the

Outstanding principal amount of such Notes not redeemed in full on such Monthly Extended Maturity Date will be automatically extended to the immediately following Monthly Extended Maturity Date, provided that the maturity of any Note may not be extended beyond the date falling 365 calendar days after the Maturity Date specified in the applicable Final Terms, on which date the Issuer shall redeem the Outstanding principal amount of such Notes in full at their Final Redemption Amount together with accrued but unpaid interest (the **Final Extended Maturity Date**).

- (b) Any extension of the maturity of a Series of Notes under this Condition 6.2 shall be irrevocable and shall not give any Noteholder any right to receive any payment of interest, principal or otherwise on the Notes other than as expressly set out in these Conditions.
- (c) In the event of the extension of the maturity of a Series of Notes under this Condition 6.2, interest rates, interest periods and interest payment dates on the Notes from and including the Maturity Date to but excluding the Final Extended Maturity Date shall be determined and made in accordance with Condition 4.3.
- (d) If the Issuer redeems part and not all of the Outstanding principal amount of a Series of Notes, the redemption proceeds shall be applied rateably across such Notes and the Outstanding principal amount of such Notes shall be reduced by the amount of such redemption.
- (e) If the maturity of a Series of Notes is extended to the Final Extended Maturity Date in accordance with this Condition 6.2, for so long as any of such Notes remain in issue, the Issuer shall not issue any further covered notes, unless the proceeds of issue of such covered notes are applied by the Issuer on issue in redeeming in whole or in part such Notes in accordance with the terms hereof.
- (f) For the purposes of this Condition 6.2, **Monthly Extended Maturity Date** means each Interest Payment Date specified in the applicable Final Terms in respect of the period from (but excluding) the Maturity Date to (and including) the Final Extended Maturity Date.
- (g) The Issuer shall give Noteholders (in accordance with Condition 12), the Agent and any Calculation Agent notice of whether or not it intends to redeem at their Final Redemption Amount all or part only of the Outstanding principal amount of a Series of Notes at least five Payment Days prior to the Maturity Date, the relevant Monthly Extended Maturity Date or, as applicable, the Final Extended Maturity Date. If a Note is redeemed after the Maturity Date pursuant to this Condition 6.2, the date on which such Note is redeemed in full is referred to in the Conditions as the **Note Maturity Date**.

6.3 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to

the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.3 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.4 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then Outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes Outstanding bears to the aggregate nominal amount of the Notes Outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least five days prior to the Selection Date.

6.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 12 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a Put Notice) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream,

Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.5 shall be irrevocable.

6.6 Early Redemption Amounts

For the purpose of Condition 6.3 above, each Note will be redeemed at its **Early Redemption Amount** calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

6.7 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.6.

6.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

6.9 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent for cancellation.

6.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.3, 6.4 or 6.5 above is improperly withheld or refused, the amount due and

repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

7 Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in Finland; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means Finland or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12.

8 Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9 Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

10 Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Any variation, termination, appointment or change shall only take effect (other than in the case of liquidation or bankruptcy, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 12.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

11 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

12 Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

13 Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining Outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being Outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being Outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being Outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

14 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the Outstanding Notes.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16 Governing Law and Submission to Jurisdiction

16.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes (except for the provisions relating to coverage of the Notes pursuant to the CBA), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes (except for the provisions relating to coverage of the Notes pursuant to the CBA), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. The provisions of the Notes relating to coverage of the Notes pursuant to the CBA are governed by, and shall be construed in accordance with, Finnish law.

16.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as Proceedings) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons), against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

16.3 Appointment of Process Agent

The Issuer appoints SH Process Agents Limited at its registered office at One, St. Paul's Churchyard, London, EC4M 8SH as its agent for service of process, and undertakes that, in the event of SH Process Agents Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

16.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer towards funding its lending activities in accordance with the CBA, and the Issuer's general business principles as outlined below in "Description of the Issuer" including, without limitation, the origination of Mortgage Loans and/or Public-Sector Loans, the financing or refinancing of the acquisition of Mortgage Loans and/or Public-Sector Loans from and the funding of Intermediary Loans to other members of the OP-Pohjola Group as well as the refinancing of previous issues of Notes under the Programme.

DESCRIPTION OF THE ISSUER

General

The Issuer was established as a mortgage credit bank under the Finnish Act on Mortgage Credit Banks (Kiinnitysluottopankkilaki 1240/1999, as amended) (the **MBA**). The Memorandum of Association of the Issuer was subscribed and the constituent meeting was held on 14 April 2000. The MBA was revoked and the Finnish Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010, as amended) (the **CBA**) entered into force on 1 August 2010. The Issuer operates as a mortgage credit bank (kiinnitysluottopankki) under the CBA.

The legal name of the Issuer is OP-Asuntoluottopankki Oyj, the English translation of which is OP Mortgage Bank. The Issuer is incorporated as a public limited company in the Republic of Finland and the business identity code of the Issuer is 1614329-2. The Issuer's domicile is Helsinki and it has its registered office located at Teollisuuskatu 1 b, FI-00510 Helsinki, Finland (telephone + 358 10 252 010).

The Issuer operates pursuant to the CBA, the Finnish Act on Amalgamations of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010, as amended) (the **Amalgamations Act**), the Finnish Act on Credit Institutions (Laki luottolaitostoinnasta 121/2007, as amended) and the Finnish Companies Act (Osakeyhtiölaki 624/2006, as amended).

The Issuer's share capital is sixty million euro (€60,000,000) and it comprises 76,592 shares. The Issuer is wholly owned by the Central Cooperative.

The Issuer has an existing €10,000,000,000 euro medium term covered note programme, listed on the London Stock Exchange's regulated market, which was established under the MBA (the **Old Programme**) and is covered by a separate covered asset pool regulated by the MBA. The Issuer's loan portfolio under the Old Programme (the **Old Loan Portfolio**) continued its strong growth track in 2009. The Old Loan Portfolio increased to €4,360 million as at 31 December 2009 (compared to €2,980 million as at 31 December 2008). The Old Loan Portfolio increased through the purchase of housing loans from the Member Cooperative Banks of the OP-Pohjola Group to the Issuer's balance sheet. New lending totalled €188 million, showing an increase of 26 per cent. on the previous year (€149 million as at 31 December 2008).

The Issuer's net interest income rose to €14.0 million in 2009 (€13.5 million as at 31 December 2008) due to the growth of the loan portfolio. Earnings before tax decreased to €3.9 million (€4.9 million as at 31 December 2008). The decline in market rates decreased net interest income and earnings before tax to the extent that the loan portfolio is financed with the shareholder's equity.

As at 30 September 2010, the Issuer had five employees. The Issuer purchases all essential support services from the Central Cooperative and other OP-Pohjola Group companies, which reduces the need for own staff.

The Issuer continued to develop its operating model as part of the OP-Pohjola Group's housing service. The Issuer's goal is to finance a substantial share of the OP-Pohjola Group's Mortgage Loan portfolio by issuing covered notes.

Funding

The Issuer's funding is based on covered notes with mortgage loans, public-sector loans and, if needed, with supplementary collateral as collateral. Until 2006, the Issuer issued OP-Asunto-obligaatio notes, which are domestic covered notes directed at the retail market. The Issuer executed both private placements and public issues. Both in 2007 and in 2008 the Issuer launched a covered bond issue under the Old Programme at a nominal value of €1,000 million and in 2009 the Issuer launched a covered bond issue under the Old Programme at a nominal value of €1,250 million. In June 2010, the Issuer launched a fourth covered bond under the Old Programme at a nominal value of €1,000 million. The covered bond issued in 2008 matured and was redeemed in full in June 2010. As at 30 September 2010, the total outstanding amount of notes issued under the Old Programme was €3,330 million (€3,311 million at the end of 2009). Pohjola Bank plc (**Pohjola Bank**) acted as the lead manager in these issues.

The Issuer also has a credit agreement with Pohjola Bank. As at 30 September 2010, the Issuer's balance sheet included financing loans drawn under this credit agreement in the amount of €840 million (€1,000 million at the end of 2009).

Change in main balance sheet and commitment items¹

	30 September 2010	31 December 2009
	€ million	
Balance sheet	4,418	4,555
Receivables from customers	4,213	4,360
Debt securities issued to the public	3,330	3,311
Liabilities to financial institutions	840	1,000
Shareholders' equity	143	140

The Issuer's Old Loan Portfolio decreased to €4,213 million in the nine month period from January to September 2010 (€4,360 million as at 31 December 2009). During this period, the Issuer purchased housing loans from the Member Cooperative Banks for €398 million.

Households accounted for 99 per cent. of the credit portfolio under the Old Programme at the end of September 2010 (99 per cent. as at 31 December 2009) and corporate customers for 1 per cent. (1 per cent. as at 31 December 2009).

The carrying amount of debt securities issued to the public under the Old Programme was €3,330 million at the end of the nine month period ended 30 September 2010 (€3,311 million as at 31 December 2009). In addition to bonds and notes, OP Mortgage Bank financed its operations with financing loans drawn down from Pohjola Bank. At the end of September 2010, financing loans amounted to €840 million (€1,000 million as at 31 December 2009).

Shareholders' equity increased to €143 million (€140 million as at 31 December 2009). Retained earnings at the close of the nine month period ended 30 September 2010 were €12.6 million (€10.2 million as at 31 December 2009).

The Register

All Mortgage Loans and other Eligible Assets serving as collateral for the Notes are entered into the Register that the Issuer is required to maintain in relation to the Notes, pursuant to Chapter 5 of the CBA. The Register must list, amongst other things, the Notes and the Mortgage Loans, Public-Sector Loans and other Eligible Assets in the Cover Asset Pool, and any Derivative Transactions relating thereto. According to Section 20 of the CBA, if certain collateral secures specific covered notes, the Register shall indicate that such collateral is collateral for such covered notes only. In accordance with the CBA, the Issuer will register each Mortgage Loan acquired directly or indirectly pursuant to the Intermediary Loan Agreements as securing the Notes issued under the Programme only. Any additional or substitute Mortgage Loan or Supplementary Collateral with respect to the Notes shall also be registered as security for the Notes issued under the Programme only.

Operational Model

The Issuer's Cover Asset Pool under this Programme may consist of Mortgage Loans and Public-Sector Loans transferred from the Member Cooperative Banks pursuant to the Transfer Agreements and/or registered pursuant to the Intermediary Loan Agreements and/or originated on the Issuer's behalf by the Member Credit Institutions. The Issuer's Operational Model controls the make-up of the Issuer's Cover Asset Pool. The conditions of the agreements specified in this section may change from time to time.

1 Summary of the Transfer Agreements

Under a Transfer Agreement, a relevant Member Credit Institution shall sell and assign to the Issuer, and the Issuer shall purchase, loans for which the relevant Member Credit Institution is the original grantor and

¹ Figures in this section are taken from the Issuer's unaudited interim report for the nine month period ended 30 September 2010.

creditor. The Transfer Agreements also stipulate the criteria that loans must meet before they are eligible to be transferred, and the procedures associated with the transfer of loans, as well as other rights, obligations and responsibilities of the parties to the transfer. Each Member Credit Institution shall sign the relevant Transfer Agreement on its own behalf. In a Transfer Agreement all rights, obligations and risks associated with a loan are transferred from the relevant Member Credit Institution to the Issuer, including the collateral given for the transferred Mortgage Loan and all rights to the receivables associated with the loan. The Transfer Agreements require that the collateral granted for a transferred Mortgage Loan must cover the principal amount of the loan transferred to the Issuer. Therefore, the Member Credit Institution that originally granted the Mortgage Loan is entitled to grant new loans against the same collateral only to the extent that the Issuer's right to the collateral has a higher ranking priority, and the rights to such collateral associated with the new loans are subordinated to the rights of the Issuer.

2 Summary of the Intermediary Loan Agreements

In accordance with the CBA, the Issuer may grant an Intermediary Loan to a Member Credit Institution on the following terms and conditions:

- (a) the Intermediary Loan must be entered into the Register and the underlying Mortgage Loans or Public-Sector Loans of the relevant Member Credit Institution must also be entered in the Register as collateral for the Notes;
- (b) after the Notes have become due or after the Issuer has entered into liquidation or bankruptcy proceedings, the Issuer, or its estate in bankruptcy, must have a right to receive payment under a Mortgage Loan or a Public-Sector Loan entered into the Register pursuant to an Intermediary Loan in the manner described above, either through an assignment of the relevant Mortgage Loan or Public-Sector Loan (as the case may be) or by collecting payments made under the Mortgage Loan in accordance with its terms and conditions;
- (c) the Mortgage Loans or Public-Sector Loans of the relevant Member Credit Institution entered into the Register as collateral pursuant to the Intermediary Loan are subject to the provisions regarding third-party collateral in Sections 28-30 and Section 40 of the Finnish Act on Guarantee and Third-Party Collateral (Laki takauksesta ja vierasvelkapanttauksesta 361/1999, as amended);
- (d) the Issuer has the obligation to apply payments from Intermediary Loans exclusively towards payment of its obligations under the Notes or against a right of recourse of the Relevant Member Credit Institution caused by payment or assignment of a Mortgage Loan or Public-Sector Loan registered as collateral; and
- (e) a Mortgage Loan or a Public-Sector Loan that has been entered into the Register as collateral pursuant to an Intermediary Loan can only be removed from the Register or released to the extent that the Intermediary Loan has been repaid.

3 Summary of the Servicing Agreements

Each Member Credit Institution that has entered into a Servicing Agreement with the Issuer (a **Servicing Agreement**) may act as an agent of the Issuer, to negotiate and grant loans directly from the balance sheet of the Issuer.

Furthermore, each Servicing Agreement addresses, among other things, the duties of the relevant Member Credit Institution in the loan approval process and customer service during the term of the loan, as well as the processes related to customers' payment delays. Agent fees and provisions relating to inspections and inquiries in respect of the loans are also set out in the Servicing Agreements.

4 Summary of the Outsourcing Agreements

The Issuer has entered into certain outsourcing agreements (the **Outsourcing Agreements**) in order to ensure that certain duties, which require expertise, are outsourced to the professionals in the OP-Pohjola Group.

The Issuer and Pohjola Bank have entered into an agreement whereby the Issuer's market risk and short-term liquidity management are outsourced to Pohjola Bank. The purpose of this agreement is to ensure that the market rate risk connected with the Issuer's loan portfolio and its impact on earnings will be transferred to

Pohjola Bank. The transfer of risk to Pohjola Bank will be done by means of an interest rate swap which is marked to market on a daily basis. Pohjola Bank also manages the Issuer's liquidity position, providing the necessary cover on the Issuer's current account within the frames of the financing credit which the Issuer has with Pohjola Bank.

The other significant outsourced service is the collection of amounts payable in respect of the Issuer's loans, which is described in detail under paragraph 9 ("The Ability To Enforce And Collect") below.

5 Loan Approval Process

Contact with customers in respect of the loans granted by the Member Credit Institutions will be dealt with by the Member Credit Institutions. The Member Credit Institution sells, negotiates, and makes the decision on granting the relevant loans. The Member Credit Institution observes all currently valid rules and regulations of the applicable authorities (such as The Finnish Financial Supervisory Authority), the Central Cooperative and the Issuer in granting the loans.

The Member Credit Institutions also produce the loan and collateral documentation and deposit the documents in accordance with the rules and regulations mentioned above. The Member Credit Institutions are responsible for the documentation being correctly produced and legally binding. The Member Credit Institutions are entitled to sign the customary agreements and notices in respect of the customer's loan management, such as signing the secondary pledge commitments to third parties and receiving pledge notices, on behalf of the Issuer.

The relevant Member Credit Institution may agree changes to the terms and conditions of the loan in accordance with specific instructions given by the Issuer or the Member Credit Institution itself. The Member Credit Institutions manage the customer relations with the debtors and they are responsible for maintaining the customer register. In accordance with the Finnish Promissory Notes Act (Velkakirjalaki, 1947, as amended) the promissory notes of the loans remain in the custody of the relevant Member Credit Institution, but they are held on behalf of the Issuer. This custody arrangement is binding and effective with respect of each Member Credit Institution's creditors.

6 Risk Management

The objective of the Issuer's risk management is to ensure that the Issuer is not exposed to excessive risk that might endanger its profitability, solvency or continuity of operations. Credit risk is managed through customer selection and by only granting Mortgage Loans that are backed by collateral.

The risk management of the Issuer will be developed as part of the OP-Pohjola Group's risk management. Within the OP-Pohjola Group, risk management methods and information systems will be purposefully developed on the basis of the OP-Pohjola Group's business needs, observing any changes in the operating environment and requirements imposed by official regulations.

The Issuer has a policy of risk management principles and rules which are conducted from the OP-Pohjola Group's corresponding principles. The Board of Directors of the Issuer has confirmed the internal risk guidelines, procedures and limits for different types of risks of the Issuer. Risk reports are provided to management of the Issuer on a monthly basis. The Issuer uses derivative contracts to hedge against interest rate risk. The counterparty to all derivative contracts is Pohjola Bank. The Issuer has set measurement methods and maximum risk levels in order to control and evaluate these risks periodically.

The centralised risk management of the Central Cooperative is responsible for conducting internal supervision and risk management of the Issuer. The Internal Audit of the Central Cooperative is responsible for auditing the Issuer in accordance with the applicable standards of internal auditing. They also assess whether the risk management system is adequate and up-to-date. The Central Cooperative provides the OP-Pohjola Group's entities with guidelines for risk management and ensures, through supervision, that the entities operate in accordance with official regulations, their own rules, guidelines issued by the Central Cooperative and procedures appropriate for customer relationships. Operational decisions and the related risk management fall within the responsibility of the relevant company. The managing director and the Board of Directors of the relevant company are responsible for the risk management.

For further information on the risks, see “Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme”.

7 Valuation of Collateral

For so long as any of the Notes are outstanding, the Issuer shall ensure that in accordance with the requirements of the CBA, the value of a Mortgage Loan acquired by the Issuer either directly or through an Intermediary Loan does not exceed the current value of the relevant property or the shares of the property owning company, as applicable.

The current value of Residential Property or Commercial Property shall be evaluated in accordance with good real estate practice applicable to credit institutions in accordance with provisions on the management of capital adequacy and credit risk of credit institutions issued by the FIN-FSA.

In addition to the current value principle of the CBA, the collateral for a mortgage loan is also valued according to the principles of securing collateral used within the OP-Pohjola Group, pursuant to which collateral is considered “securing collateral” when its value has been assessed with care and caution in accordance with good banking practice, and in compliance with the regulations and guidelines provided by the authorities and the Executive Board of the Central Cooperative.

Collateral valuation must be based on a justified and cautious estimate of the value of the collateral at the time of evaluation. Any speculative expectation of the increase in value of the asset provided as collateral must not be taken into account when assessing the value of the collateral.

The Issuer uses experts when evaluating the current value of the collateral, because the evaluation of the collateral requires knowledge of both the collateral asset as well as the local market factors.

Consequential to the implementation in Finland of the Capital Requirements Directive and the envisaged implementation of Basel II, the credit institutions within the OP-Pohjola Group, including the Issuer, have as of 1 January 2008 started to apply the standardised approach to calculate their level of own funds. According to the standardised approach (as implemented in Finland), the valuation of real estate collateral must meet with certain conditions for the relevant exposure to qualify as exposure secured by real estate property.

Within the OP-Pohjola Group, the property market is monitored on a frequent basis and at least once every year for commercial real estate and once every three years for residential real estate. More frequent monitoring is carried out where the market is subject to significant changes in conditions. Statistical methods may be used to monitor the value of the property and to identify property that needs revaluation.

The property valuation is reviewed by an independent valuer when information indicates that the value of a certain property may have declined materially relative to general market prices. For loans exceeding €3 million or 5 per cent. of the funds of the Member Credit Institution, the property valuation is reviewed by an independent valuer at least every three years.

Any revised value in respect of a Property based on such revaluation will be entered into the Register.

8 Origination Criteria

The **Origination Criteria** are the criteria for the content of the Cover Asset Pool, setting out the general minimum requirements for individual loans and outlining what type of loans may and may not be transferred (directly or indirectly through Intermediary Loans) in the Cover Asset Pool. The Origination Criteria are described in more detail in the section below entitled “Characteristics of the Qualifying Cover Asset Pool”.

9 Risk Classification of the Borrowers

Before granting a Mortgage Loan, the relevant Member Credit Institution is obliged to analyse the borrower’s creditworthiness pursuant to the OP-Pohjola Group’s currently valid instructions. The borrower’s solvency must be sufficient in relation to the Mortgage Loan to be granted, and the borrower shall not have any payment defaults registered by Suomen Asiakastieto Oy, the leading business and credit information company in Finland. In respect of the Commercial Loans the borrower’s creditworthiness is reflected by an internal or external credit rating, as the case may be.

The assessment of the creditworthiness of a borrower is based on the existing customer relationship, in the case of an existing customer, as well as an analysis of the borrower's ability and willingness to repay the debt. The borrower's regular cash flows are compared to the aggregate amount of the Mortgage Loan and the conclusive classification is based on the ratio of the cash flow and the aggregate amount of the Mortgage Loan.

10 The Ability To Enforce And Collect

The relevant Member Credit Institution is obliged to monitor the borrower's creditworthiness and solvency and notify the Issuer immediately of any material negative changes in the creditworthiness and solvency of the borrower.

If there has not been any amortisation of a Mortgage Loan for three months, and the borrower has not made the relevant payment(s) despite the moratoria granted by the relevant Member Credit Institution, the Member Credit Institution is entitled to initiate enforcement procedures.

The receivables relating to the Housing Loans will usually be collected by the centralised collection unit of the OP-Pohjola Group on behalf of the Issuer. The claim and collateral documents, as well as the provision calculation, will be delivered to the collection unit. This collection unit administers the collection proceedings according to its standard procedures (which are notice of termination of the loan, application for an order to pay, execution and liquidation of the collateral). However, the receivables relating to the Commercial Loans originated by Pohjola Bank will be collected by the Legal Services department of Pohjola Bank on behalf of the Issuer.

The successfully collected amount will be credited as a deduction of the loan.

The Issuer as Part of the OP-Pohjola Group

The Issuer is part of the OP-Pohjola Group, which is composed of the Central Cooperative, which serves as the central institution of the OP-Pohjola Group, and its subsidiaries and Member Cooperative Banks. For further information on the OP-Pohjola Group, see "Description of the OP-Pohjola Group and the Loan Originators" below.

The Issuer serves as the mortgage credit bank of the OP-Pohjola Group and its purpose is to grant housing and commercial loans, against securing collateral, and public-sector loans through the Member Credit Institutions.

The Issuer does not have an independent lending role in the OP-Pohjola Group's customer business. Instead, the credits granted from its total assets are forwarded to customers via the Member Credit Institutions.

The Member Cooperative Banks manage customer relationships and loans locally. The Member Cooperative Banks that have signed the loan brokerage agreement may, within certain limits, decide on housing loans to be granted to households on behalf of the Issuer.

At the end of October 2010 the number of Member Cooperative Banks that had signed a renewed agreement on loan brokerage with the Issuer stood at 147.

Board of Directors

The Board of Directors of the Issuer is comprised of the following members:

Chairman:	Mr Harri Luhtala	Executive Vice President, OP-Pohjola Group Central Cooperative
Members:	Mr Mikko Hyttinen	Senior Vice President, OP-Pohjola Group Central Cooperative
	Mr Heikki Kananen	Managing Director, Mäntsälän Osuuspankki
	Mr Matti Nykänen	Senior Vice President, OP-Pohjola Group

	Central Cooperative
Mr Sakari Haapakoski	Bank Manager, Oulun Osuuspankki
Mr Jari Himanen	Managing Director, Etelä – Karjalan Osuuspankki
Mr Mikko Rosenlund	Executive Vice President, Tampereen Seudun Osuuspankki
Mr Hanno Hirvinen	Executive Vice President, Pohjola Bank plc

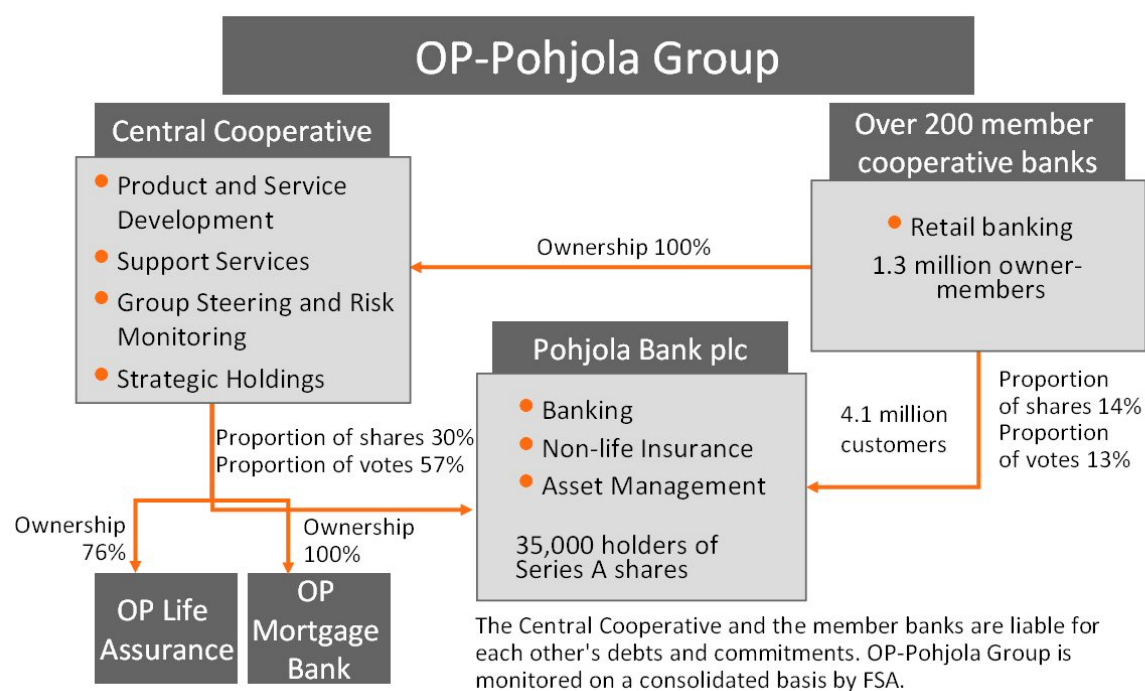
Mr Lauri Iloniemi has served as Managing Director of the Issuer since 4 May 2007.

The business address for each member of the Issuer's Board of Directors is Teollisuuskatu 1 b, FI-00510 Helsinki, Finland.

In respect of the members of the Issuer's Board of Directors, there are no potential conflicts between their duties to the Issuer and their other duties or private interests.

DESCRIPTION OF THE OP-POHJOLA GROUP AND THE LOAN ORIGINATORS

Structure of the OP-Pohjola Group, as of 30 September 2010



The OP-Pohjola Group and the Central Cooperative

The OP-Pohjola Group is a statutory amalgamation of Finnish cooperative banks and related entities forming a financial consortium as regulated by the Amalgamations Act. The Finnish Cooperative Bank Act (Laki osuuspankeista ja muista osuuskuntamuotoisista luottolaitoksista 1504/2001, as amended), the Amalgamations Act, the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended) and the Finnish Act on Cooperatives (Osuuskuntalaki 1488/2001, as amended) establish the main legal framework for cooperative banking applicable to the OP-Pohjola Group.

In accordance with applicable law, the OP-Pohjola Group comprises (a) the OP-Pohjola Group Central Cooperative, (the **Central Cooperative**) (OP-Keskus osk²) as the OP-Pohjola Group's central institution, (b) 217 member cooperative banks (the **Member Cooperative Banks**), (c) Pohjola Bank plc as central bank of the OP-Pohjola Group, (d) the companies belonging to the consolidation groups of the Central Cooperative and (e) the Member Credit Institutions described below.

In accordance with Chapter 1, Section 2 of the Amalgamations Act, the Member Credit Institutions consist of the Issuer, Pohjola Bank plc, Helsinki OP Bank plc, OP-Kotipankki Oyj and the Member Cooperative Banks. These Member Credit Institutions and the Central Cooperative are responsible for each other's liabilities and commitments in accordance with the Amalgamations Act.

According to the Amalgamations Act, the OP-Pohjola Group is monitored on a consolidated basis, and the Central Cooperative and the Member Credit Institutions are responsible for each other's liabilities and commitments. The OP-Pohjola Group does not, however, form a corporate group as defined in the Finnish Accounting Act (Kirjanpitolaki 1336/1997, as amended) or a consolidation group as defined in the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended).

² Change of name to "OP-Pohjola osk" pending.

The Issuer is a wholly owned subsidiary of the Central Cooperative and a Member Credit Institution. Pohjola Bank plc is the largest subsidiary of the Central Cooperative and also a Member Credit Institution. As at 30 September 2010, the Central Cooperative held 57.05 per cent. of the votes and 29.98 per cent. of the shares in Pohjola Bank plc. The A-shares of Pohjola Bank plc are quoted on the NASDAQ OMX Helsinki.

Business of the OP-Pohjola Group

The companies belonging to the OP-Pohjola Group offer banking, investment and insurance services in accordance with the internal division of responsibilities within the OP-Pohjola Group, mainly in the domestic market. The Member Cooperative Banks concentrate on customer-centred business whereas the Central Cooperative, which acts as a development and service centre, promotes and supports their operations, and is also responsible for group guidance as well as general supervision of the OP-Pohjola Group.

The purpose of the Central Cooperative as the OP-Pohjola Group's central unit is, according to section 2 of the Central Cooperative's statutes, to contribute and support impartially the Member Cooperative Banks' and the OP-Pohjola Group's development and cooperation. With this purpose in mind, the Central Cooperative develops and takes care of members' and the OP-Pohjola Group's centralised services, develops the OP-Pohjola Group's business activities, issues strategic guidance and exercises interest supervision for the OP-Pohjola Group, and acts as the strategic owner of OP-Pohjola Group.

On 14 June 2010, the Supervisory Board of the Central Cooperative took a decision in principle on the reorganisation of the Central Cooperative acting as the OP-Pohjola Group's central institution. This reorganisation involves establishing a new service company separate from the central institution, which will be responsible for the development and provision of centralised services for the OP-Pohjola Group and its member cooperative banks as of 1 January 2011. The majority of the around 1,650 Central Cooperative's staff will transfer to the new service company. Later in 2010, actual decisions will be made on the transfer of staff and balance sheet items and on other organisational measures.

According to the Financial Market Statistics of the Bank of Finland, the OP-Pohjola Group had market shares of nearly 33.2 per cent. in deposits at the end of year 2009. According to the same statistics the OP-Pohjola Group's loan portfolio stood at €53 billion at the end of year 2009, equating to a market share of over 32.7 per cent. in loans. According to the Report on Funds of Finnish Association of Mutual Funds, the OP-Pohjola Group's market share of the mutual funds market was 23.4 per cent. at the end of year 2009. According to the Life Insurance payment statistics of the Federation of Finnish Financial Services, the OP-Pohjola Group's share of life insurance premium income was 23 per cent. at the end of year 2009. The OP-Pohjola Group's share of the Finnish non-life insurance market was 28.1 per cent. according to the Insurance Companies in Finland 2009 publication by the Federation of Finnish Financial Services.

At the end of 2009, the OP-Pohjola Group operated in approximately 583 locations (604 at the end of 2008). The customer base of 4.1 million OP-Pohjola Group's customers are served through the most extensive distribution network in Finland.

At the end of 2009, the OP-Pohjola Group had a payroll of 12,504 employees.

OP-Pohjola Group Key Indicators

	2009	2008	Change*
Earnings before tax, EUR million	464	372	24.6
Banking and Investment Services	471	532	-11.6
Non-life insurance	102	55	86.7
Life insurance	-159	-162	-1.9
Bonuses paid to customers, EUR million	142	132	7.7
Return on equity (ROE), %	5.9	4.1	1.8
Return on equity at fair value, %	14.7	-6.0	20.7
Cost/income, % (Banking and Investment Services)	53	54	-1

	2009	2008	Change*
Average personnel	12,632	12,615	0.1
	31 Dec 2009	31 Dec 2008	Change*
Total assets, EUR billion	80.4	75.7	6.2
Capital adequacy, %**	12.6	12.6	0.0
Tier 1 ratio, %**	12.6	12.6	0.0
Ratio of capital base to minimum amount of capital base***	1.58	1.40	0.17
Non-performing loan losses within loan and guarantee portfolio, %	0.4	0.4	0.0
Market share, %			
Total loans	32.7	32.0	0.7
Total deposits	33.2	33.8	-0.6
Capital invested in mutual funds	23.4	22.5	0.9
Of insurance savings through life and pension insurance	20.0	19.4	0.6
	2009	2008	Change*
Of premiums written in life and pension insurance, %	25.0	29.3	-4.3

* Percentage point change, except for earnings before tax, customer bonuses, total assets and average number of personnel, for which the change is stated in percentages, as well as the ratio of capital resources to the minimum amount of capital resources, for which the change is stated as a change in the ratio.

** Pursuant to the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended).

*** Pursuant to the Finnish Act on the Supervision of Financial and Insurance Conglomerates (Laki rahoitus- ja vakuutusryhmittymien valvonnasta 699/2004, as amended).

Member Cooperative Banks

The Member Cooperative Banks are independent, local deposit banks that are engaged in retail banking. In their area of operations they offer modern and competitive banking services to household customers, small and medium-sized business customers, agricultural and forestry customers and to the public sector. Corresponding retail banking operations in the Greater Helsinki area are carried out by the Central Cooperative's wholly-owned subsidiary Helsinki OP Bank plc.

Joint Responsibility of the OP-Pohjola Group

Under the Amalgamations Act, the Central Cooperative is responsible for issuing guidelines on risk management, reliable administration, internal surveillance and guidelines for the application of coherent accounting principles in compiling the consolidated financial statements of the OP-Pohjola Group to the Member Credit Institutions, with the aim of ensuring their liquidity and capital adequacy. The Central Cooperative also supervises the Member Credit Institutions' compliance with the applicable rules and regulations in respect of their financial position, any provisions issued by the relevant supervising authorities, their statutes and articles of associations.

The obligation to issue guidelines and exercise supervision does not however give the Central Cooperative the power to determine the business operations of the Member Credit Institutions or the Member Cooperative

Banks. Each Member Credit Institution and Member Cooperative Bank carries on its business independently within the scope of its own resources.

In summary, the Amalgamations Act prescribes the following with respect to the joint liability of the OP-Pohjola Group:

- (a) The Central Cooperative must pay to each Member Credit Institution an amount that is necessary in order to prevent such Member Credit Institution's liquidation. The Central Cooperative is responsible for the payments of any debts of a Member Credit Institution that cannot be paid using such Member Credit Institution's own funds.
- (b) A Member Credit Institution must pay to the Central Cooperative a proportionate share of the amount which the Central Cooperative has paid either to another Member Credit Institution as part of the support action described above, or to a creditor of such Member Credit Institution as payment of a due debt for which the creditor has not received payment from his debtor. Furthermore, upon the liquidation of the Central Cooperative a Member Credit Institution has an unlimited liability to pay the debts of the Central Cooperative as set out in Chapter 15 of the Act on Cooperatives.
- (c) Each Member Credit Institution's liability for the amount which the Central Cooperative has paid on behalf of one Member Credit Institution to its creditors is divided between the Member Credit Institutions in proportion to their last confirmed balance sheet totals.
- (d) If the funds of any Member Credit Institution fall below the minimum set out in the Act on Credit Institutions or the Amalgamations Act, as the case may be, the Central Cooperative is entitled to receive credit from the other Member Credit Institutions to by collecting from such other Member Credit Institutions additional repayable payments to be used to support actions to prevent liquidation of the Member Credit Institution. The annual aggregate amount of the payments collected from the Member Credit Institutions on this basis may in each accounting period be a maximum amount of five thousandths of the last confirmed balance sheet total of each Member Credit Institution.
- (e) A creditor who has not received payment from a Member Credit Institution on a due receivable (principal debt) may demand payment from the Central Cooperative, when the principal debt falls due.
- (f) The statutory priority of the Noteholders to the assets in the ring-fenced Cover Asset Pool is not affected by the joint liability of the Central Cooperative. However, if the assets in the Cover Asset Pool would not be sufficient to cover the payments to the Noteholders, the Noteholders would be treated as normal senior creditors. In such case the Noteholders could demand payment from the Central Cooperative.

Government Supervision and Regulation

The Central Cooperative, the Member Credit Institutions and the Member Cooperative Banks are subject to inspection and supervision by the FIN-FSA, which supervises financial markets and parties operating in Finnish markets. The FIN-FSA, in connection with the Bank of Finland, requires the Central Cooperative, and the Member Credit Institutions to submit their annual financial statements and interim financial statements for review. The FIN-FSA conducts surveillance based on inspections, regular reporting and general market surveillance to ensure that the operations of the Central Cooperative, the Member Credit Institutions and the Member Cooperative Banks comply with the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended), the Finnish Cooperative Bank Act (Laki osuuspankeista ja muista osuuskuntamuotoisista luottolaitoksista 1504/2001, as amended), the Finnish Securities Markets Act (Arvopaperimarkkinalaki 495/1989, as amended), and guidelines and standards issued by the FIN-FSA and other applicable laws and regulations.

Principal Subsidiaries

Pohjola Bank plc

Pohjola Bank plc (**Pohjola Bank**) is the Central Cooperative's largest subsidiary. Pohjola Bank, with its subsidiaries, is a financial services group that offers banking, asset management and non-life insurance services. For Finnish and global corporate customers, the group provides comprehensive finance, investment, cash management and non-life insurance services. For private customers, it offers non-life insurance and asset management services. Pohjola Bank acts as OP-Pohjola Group's central bank and is responsible for the Group's

liquidity and international operations. The company's series A shares are listed on Nasdaq OMX Helsinki, and the number of shareholders is approximately 35,000.

OP Mortgage Bank

OP Mortgage Bank acting via the Member Credit Institutions grants long-term mortgage loans against full collateral. The bank finances its operations by issuing covered notes. For further information, see "Description of the Issuer" above.

OP Life Assurance Company Ltd

OP Life Assurance Company Ltd runs the OP-Pohjola Group's life and pension insurance operations in a centralised manner and sees to their development. The company's portfolio includes life, pension, investment and term insurance services.

OP Fund Management Company Ltd

OP Fund Management Company Ltd manages the OP-Pohjola Group's mutual funds. OP Fund Management Company Ltd manages the OP-Pohjola Group's mutual funds. It makes use of the service network of the Member Cooperative Banks and Helsinki OP Bank Plc as well as the OP-Pohjola Group's online services in selling fund units.

OP-Kotipankki Oyj

OP-Kotipankki Oyj provides unsecured consumer loans to the Member Cooperative Banks' private customers.

OP Bank Group Mutual Insurance Company

OP Bank Group Mutual Insurance Company is the OP-Pohjola Group's internal insurance company. It is a part of the OP-Pohjola Group's internal risk management system.

Management

Management of the OP-Pohjola Group Central Cooperative

In the Central Cooperative, the central institution of the OP-Pohjola Group, the highest decision-making authority rests with the Cooperative Meeting and the Supervisory Board elected by it. Operational decision-making authority rests with the Executive Board, which is elected by the Supervisory Board and is composed mainly of professional directors.

Supervisory Board of the OP-Pohjola Group Central Cooperative

The Central Cooperative's Supervisory Board is required under its statutes to have a minimum of 32 and a maximum of 36 members, and has 32 members as at the date of this Base Prospectus. As at the date of this Base Prospectus, Mr Paavo Haapakoski acts as its chairman and Mr Jukka Hulkkonen and Mr Jaakko Pehkonen as deputy chairmen. The task of the Supervisory Board is to oversee the corporate governance of the Central Cooperative as managed by the Executive Board and the President, and to ensure that the Central Cooperative's operations are managed in a professional and prudent manner in accordance with the Finnish Cooperatives Act (Osuuskuntalaki 1488/2001, as amended) and in the best interests of the Central Cooperative and the OP-Pohjola Group. The audit duty falling within the competence of the Supervisory Board is exercised by the inspection committee appointed by the Supervisory Board.

The Supervisory Board must also confirm the OP-Pohjola Group's core values, strategy, joint objectives and operational policies and principles; confirm the general principles for the supervision of the OP-Pohjola Group's capital adequacy; elect and dismiss the Executive Chairman, the President and the other members and deputy members of the Executive Board and the head of the Audit function; decide on the division of responsibilities between the Executive Board Chairman, the President and the other members of the Executive Board; confirm the Cooperative's operational and financial targets; and decide on calling the Cooperative Meeting.

Executive Board

The Executive Board's task as the board of directors of the Central Cooperative is to manage the Central Cooperative's operations in accordance with relevant Finnish legislation and the Central Cooperative's statutes. The Executive Board is composed of a chairman who is called the Executive Chairman, the President,

who acts as the Executive Board's Vice Chairman; and, in accordance with the Statutes, a minimum of two and a maximum of four members and a maximum of four deputy members.

The Executive Board is collectively responsible for the matters upon which it decides jointly in its meetings. In addition, the members and deputy members of the Executive Board have an operational responsibility for the functional areas and organisational entities that are designated as their individual responsibility.

As at the date of this Base Prospectus, the Executive Board is made up of the following members:

Ordinary Members:

Mr Reijo Karhinen – Executive Chairman of the OP-Pohjola Group, Chairman of the Board of Directors of Pohjola Bank plc

Mr Tony Vepsäläinen – President of OP-Pohjola Group Central Cooperative, Vice Chairman of the Board of Directors of Pohjola Bank plc

Ms Carina Geber-Teir – Chief Communications Officer of the OP-Pohjola Group

Mr Harri Luhtala – Chief Financial Officer of OP-Pohjola Group Central Cooperative

Mr Harri Nummela – Head of Banking Products and Channels of OP-Pohjola Group Central Cooperative

Mr Heikki Vitie – Chief Administrative Officer of OP-Pohjola Group Central Cooperative

Deputy Members:

Mr Tom Dahlström – Chief Strategy Officer of the OP-Pohjola Group

Mr Markku Koponen – Chief Legal Officer of OP-Pohjola Group Central Cooperative

Mr Erik Palmén – Chief Risk Officer of the OP-Pohjola Group

President

The Central Cooperative has a president appointed by the Supervisory Board. The duty of the president is to administer the Central Cooperative's day-to-day administration in accordance with the guidelines and regulations set by the Executive Board. The President of Central Cooperative is Mr Tony Vepsäläinen.

The business address for each member of the Executive Board and President is Teollisuuskatu 1 b, FI-00510 Helsinki, Finland.

DESCRIPTION OF THE TRANSFER, INTERMEDIARY LOAN AND SERVICING DOCUMENTS

Transfer Agreements

Pursuant to the terms and conditions of Mortgage Loan sale and purchase agreements (the **Transfer Agreements**), certain Member Credit Institutions (the Originators) sell and assign to the Issuer and the Issuer purchases and acquires the loan portfolio comprising Mortgage Loans (the **Acquired Mortgage Loans**) with pertaining loan security (the **Loan Security**) included in the pool of Eligible Assets covering the Notes.

Legal title to, and all rights and benefits in, each Acquired Mortgage Loan (including but not limited to the benefit of the Loan Security and any guarantee and any payments in respect of the Acquired Mortgage Loan) and all liabilities, risks and obligations, including the credit risk relating to each such Acquired Mortgage Loan, are assigned to the Issuer.

The Issuer may acquire Substitute Loans as described in "Substitution" below.

The purchase price payable by the Issuer for each Acquired Mortgage Loan shall be their market value at the time of purchase, in accordance with the requirements of the FIN-FSA.

In the case of an acquisition of Acquired Mortgage Loans or Substitute Loans, on the date of acquisition, each Originator will, to ensure due transfer of legal title and any related rights and benefits under applicable Finnish law, execute an endorsement on each promissory note (all such promissory notes sold by the Originators together the **Promissory Notes**) evidencing each Acquired Mortgage Loan or, as the case may be, a Substitute, it has sold to the Issuer to the effect that it is assigned to the Issuer (unless such Promissory Notes are issued in bearer form). In addition, each borrower shall be given a written notice of the assignment of such Acquired Mortgage Loans or, as the case may be, the Substitute Loans or Further Acquired Mortgage Loans. Each Promissory Note is a negotiable promissory note governed by Chapter 2 of the Finnish Promissory Notes Act (Velkakirjalaki 622/1947, as amended). Under this Act, a bona fide assignee of a negotiable promissory note upon delivery (and with respect to nominee notes, endorsement) of such note (with certain exceptions) takes free from defects in the title of prior parties, a borrower's defences and/or claims of the assignor's creditors. As further described below (see "Servicing Agreements" below), each Promissory Note remains in the custody of the relevant Originator but is held on behalf of the Issuer. As each Originator is a bank, the assignment of the Acquired Mortgage Loans and the Loan Security in accordance with the Transfer Agreements will, nonetheless, pursuant to Section 22, Subsection 2 of the Finnish Promissory Notes Act (Velkakirjalaki 622/1947, as amended), be binding and effective with respect to each Originator's creditors.

The Issuer has not made or caused to be made (and will not make or cause to be made) on its behalf any enquiries, searches or investigations in relation to any Acquired Mortgage Loans or Loan Security acquired from any Originator. The Issuer has not made and will not make any enquiry, search or investigation at any time in relation to compliance by the Originators or any other person with the Origination Criteria or origination procedures or the adequacy thereof or with any applicable laws or in relation to the execution, legality, validity, perfection, adequacy or enforceability of any Acquired Mortgage Loan or the Loan Security acquired from any Originator. In relation to all aforesaid matters concerning the Acquired Mortgage Loans and the Loan Security and the circumstances in which advances were made to borrowers under the Acquired Mortgage Loans prior to the acquisition by the Issuer of the relevant Acquired Mortgage Loans and the Loan Security, the Issuer will rely entirely on the representations and warranties to be given by each Originator to the Issuer contained in the relevant Transfer Agreement.

The Origination Criteria may be amended from time to time. The Origination Criteria for the Mortgage Loans applicable as at the date of this Base Prospectus include, without limitation, the following:

- (a) each borrower has to be identifiable by a Finnish social security or business identity number;
- (b) the Acquired Mortgage Loan must be fully drawn down;
- (c) the Acquired Mortgage Loan can be neither subject to collection nor subject to any debt reorganisation;
- (d) the Loan Security related to the Acquired Mortgage Loan must be valid; and
- (e) there may be no payment defaults in respect of the Acquired Mortgage Loan on the date of transfer.

If there is an unremedied breach of any representation and/or warranty in relation to any Acquired Mortgage Loan or the Loan Security, the relevant Originator will be obliged to re-acquire such Acquired Mortgage Loan and the Loan Security from the Issuer for an aggregate amount equal to (i) the principal amount outstanding under the Acquired Mortgage Loan on the date of payment of the repurchase price and (ii) the interest accrued thereon but unpaid to (but excluding) such date. With respect to any repurchased Acquired Mortgage Loans, the parties may agree that a Substitute Loan is sold to the Issuer on the terms and conditions of the Transfer Agreement.

The representations and warranties referred to will include, without limitation, statements to the following effect:

- (a) the Originator is entitled to transfer all of its rights associated with each Acquired Mortgage Loan and the related Promissory Notes and each such Acquired Mortgage Loan is free of any mortgage, charges, liens and encumbrances;
- (b) the Loan Security relating to an Acquired Mortgage Loan was granted on terms that allow for the Loan Security to be transferred with the related Acquired Mortgage Loan;
- (c) the Originator has complied with all statutory requirements relating to the transfer of the Acquired Mortgage Loans;
- (d) in granting the Acquired Mortgage Loans the Originator has complied with all laws, decrees, guidelines and regulations associated with lending, and the Originator undertakes to comply with all laws, decrees, guidelines and regulations applicable to transferred Mortgage Loans (including in particular the FIN-FSA's Guideline 103.11 on asset transfer and securitisation);
- (e) each Acquired Mortgage Loan to be sold by the Originator to the Issuer and its Loan Security and the nature and circumstances of each Borrower satisfies the requirements of the CBA; and
- (f) each Acquired Mortgage Loan to be sold by the Originator to the Issuer fulfils the Origination Criteria.

In addition to the Transfer Agreements relating to the Mortgage Loans, the Issuer and the Member Credit Institutions may enter into sale and purchase agreements pursuant to which a Member Credit Institution sells and assigns to the Issuer Public-Sector Loans from time to time.

Substitution

In respect of any Acquired Mortgage Loan and Loan Security or a Public-Sector Loan that is re-acquired by a Originator as described above, the Originator and the Issuer may agree that a substitute Mortgage Loan or a Public-Sector Loan (a **Substitute Loan**) be sold by the Originator to the Issuer on the terms and conditions of the relevant Transfer Agreement. Any Substitute Loan to be sold by the Originator to the Issuer shall fulfil the Origination Criteria and the representations and warranties of the Originator set out in the relevant Transfer Agreement shall be deemed to have been given by the Originator also with respect to any Substitute Loan. The purchase price for a Substitute Loan shall be the aggregate of the outstanding principal amount of the Substitute Loan and any accrued interest thereon but unpaid to (but excluding) the date of transfer of the Substitute Loan and is payable by the Issuer on the banking day following the day of transfer of the Substitute Loan by the Originator to the Issuer.

Further Issues

Pursuant to each Transfer Agreement, following the Issuer's request the Originator and the Issuer may from time to time agree on further sales of Mortgage Loans under the Transfer Agreement.

Intermediary Loan Agreements

Pursuant to the terms and conditions of each agreement in respect of Intermediary Loans (each an "**Intermediary Loan Agreement**") and in accordance with the CBA, the Issuer (as lender) will grant Intermediary Loans to other Member Credit Institutions (as borrowers). The key features of the Intermediary Loans are summarised above in "Description of the Issuer - Summary of Intermediary Loan Agreements".

The Issuer has not made or caused to be made (and will not make or cause to be made) on its behalf any enquiries, searches or investigations in relation to any Mortgage Loan connected to an Intermediary Loan which is entered in the Register as collateral for the Notes. The Issuer has not made and will not make any enquiry, search or investigation at any time in relation to compliance by the relevant Member Credit Institution or any other person with the Origination Criteria or origination procedures or the adequacy thereof or with any applicable laws or in relation to the execution, legality, validity, perfection, adequacy or enforceability of any such Mortgage Loan or its related Loan Security. In relation to all aforesaid matters concerning any such Mortgage Loan and its related Loan Security and the circumstances in which advances were made to borrowers, the Issuer will rely entirely on the representations and warranties to be given by the relevant Member Credit Institution contained in the relevant Intermediary Loan Agreement.

The representations and warranties will include, without limitation, statements to the following effect:

- (a) the relevant Member Credit Institution is entitled to collateralise the relevant Mortgage Loan or Public-Sector Loan in the Register;
- (b) in granting the relevant Mortgage Loan or Public-Sector Loan, the relevant Member Credit Institution has complied with all laws, decrees, guidelines and regulations associated with lending;
- (c) each Mortgage Loan and its related Loan Security or each Public-Sector Loan to be entered in the Register pursuant to the related Intermediary Loan and the nature and circumstances of each borrower satisfies the requirements of the CBA; and
- (d) each Mortgage Loan and its related Loan Security or each Public-Sector Loan pursuant to an Intermediary Loan fulfils the Origination Criteria.

In the event of a breach of warranty in an Intermediary Loan Agreement, the Issuer will be entitled to require the relevant Member Credit Institution to replace such Mortgage Loan or Public-Sector Loan with another eligible Mortgage Loan or Public-Sector Loan as collateral for the Notes.

Servicing Agreements

Pursuant to the terms of the servicing agreements entered into between each Originator (as a **Servicer**) and the Issuer (as varied and supplemented by the Transfer Agreements, the **Servicing Agreements**) (and certain other related service agreements between the Servicers and the Issuer), each Servicer has agreed as servicer to keep the Promissory Notes and any other documents and instruments relating to the Acquired Mortgage Loans and the Loan Security sold by it to the Issuer in custody and to receive and collect payments on behalf of the Issuer. With respect to the Mortgage Loans entered into the Register as collateral for the Notes pursuant to Intermediary Loans, there will not be any Servicing Agreements since such Mortgage Loans will continue to be serviced by the relevant Member Credit Institution in accordance with its usual servicing procedures.

Each Servicer has agreed to manage, service, administer and make collection on the Acquired Mortgage Loans sold by it and to keep all accounts and records as provided for under the Servicing Agreement, all with reasonable care and diligence and in accordance with such procedures and to the same standard as it would apply to any comparable Housing Loans administered or owned by it. The loan files, including the Promissory Notes and Loan Security documents, remain in the custody of each Servicer to be held on behalf of the Issuer as provided for under Section 22 of the Finnish Promissory Notes Act (Velkikirjalaki 622/1947, as amended).

Further, each Servicer has agreed to collect all amounts due under the Acquired Mortgage Loans sold by it when they become due, and take responsibility for the calculating, invoicing, collection and posting of all payments under the Acquired Mortgage Loans. Any payments made in respect of the Acquired Mortgage Loans sold by a Servicer shall be credited directly from the relevant borrower to the Issuer's bank account with Pohjola Bank, meaning that the payment is not credited via the Servicer's account. Each Servicer has further undertaken to make any payments that the Issuer is required to make pursuant to the Programme Agreement as well as to take any action that the Issuer is required to take pursuant to the Programme Agreement so that the Issuer at all times complies with its obligations thereunder.

Finally, each Servicer has agreed to prepare any reports that the Issuer is required to prepare pursuant to any applicable laws and regulations. The Servicing Agreements also imposes certain reporting obligations on the Servicers and includes certain provisions with respect to the Issuer's access to records and accounts.

In consideration of its services under a Servicing Agreement, a Servicer is entitled to servicing fees as separately agreed between the Issuer and the Servicer.

Each Servicer has agreed to indemnify the Issuer and hold it harmless with respect to any loss, claim, damage, liability, cost or expense which it may suffer or incur as a result of its wilful default or gross negligence, or as a result of any failure or breach on its part to fulfil its contractual obligations under the Servicing Agreement, save (in each case) to the extent as resulted from the wilful default or gross negligence of the Issuer or the breach by the Issuer of any of its obligations under the Servicing Agreement, the Transfer Agreement or any other service agreements between the Servicer and the Issuer.

In the event of a material breach by a Servicer of its obligations under the relevant Servicing Agreement, the Issuer may terminate the Servicing Agreement by notice in writing with effect from a date specified in the notice. Furthermore, the Issuer may, at any time and in its discretion, terminate the Servicing Agreement by notice in writing to a Servicer upon the expiry of not less than a 2 month notice period.

Each Servicing Agreement may be terminated upon the expiry of not less than 2 months' notice given by the Servicer to the Issuer provided that (i) the Issuer consents in writing to such termination; (ii) a substitute servicer shall be appointed by the Issuer or by the Servicer (subject to any such appointment being approved in writing by the Issuer), either (a) at the cost of the substitute servicer, where such substitute is a member of the OP-Pohjola Group, or (b) at the cost of the Issuer in all other instances, such appointment to be effective not later than the date of termination of the Servicing Agreement and such substitute servicer enters into an agreement providing for servicing of the Acquired Mortgage Loans sold by it on substantially the same terms as those of the Servicing Agreement, and the Servicer shall not be released from its obligations under the Servicing Agreement until such substitute servicer has entered into such new agreement; and (iii) the then current ratings of any covered notes issued by the Issuer are not adversely affected as a result of such termination.

If not terminated in accordance with the above, any Servicing Agreement will terminate on the later of (i) such time as the Issuer has no further interest in any of the Acquired Mortgage Loans, or (ii) such time as all liabilities under and in respect of the Acquired Mortgage Loans have been discharged in full.

In addition to the Servicing Agreements relating to the Acquired Mortgage Loans, the Issuer and the Member Credit Institutions may enter into similar servicing agreements to those described above in connection with the Public-Sector Loans transferred to the Issuer.

CHARACTERISTICS OF THE QUALIFYING COVER ASSET POOL

The purpose of the statutory requirements of the CBA are to ensure that the Issuer has sufficient Eligible Assets to produce funds to service any payments of interest and principal due and payable on the Notes of each Series outstanding under the Programme. The CBA requires the Issuer to continuously ensure that (a) the average term to maturity of Notes outstanding under the Programme does not exceed the average term to maturity of the collateral assets entered into the Register and (b) the total amount of interest receivable in any given 12-month period on the collateral assets entered into the Register is sufficient to cover the total amount of interest payable on the Notes outstanding under the Programme (see "Covered Bond Act" below).

For the purposes of the asset coverage tests contained in the CBA, the Issuer must ensure that the qualifying Cover Asset Pool may only be comprised of (a) Mortgage Loans and Public-Sector Loans that have been entered into the Register as collateral for the Notes and (b) Supplementary Collateral.

The Issuer will substitute assets that are, for any reason, no longer eligible for collateral with Eligible Assets in accordance with the CBA.

In addition to the Origination Criteria described below, the Issuer may apply further Origination Criteria for any particular Series of Notes, in which case such further Origination Criteria will be set out in paragraph 32 ("Other final terms") of the Final Terms applicable to the Tranches of such Series of Notes.

Origination Criteria for the Mortgage Loans

All Mortgage Loans are originated by a Member Credit Institution in accordance with its standard lending criteria at the time of origination. The principal lending criteria of each Member Credit Institution and the general characteristics of the borrowers include, but are not limited to, the following:

- (a) each borrower is identified by a Finnish social security number or a Finnish business identity number;
- (b) the borrower has legal capacity and, in case of a natural person, is of age;
- (c) the borrower is not an employee of the OP-Pohjola Group;
- (d) the borrower is creditworthy and the borrower is able to pay its debts as they fall due;
- (e) the borrower can be neither subject to debt collection procedures nor subject to any debt reorganisation;
- (f) on the date of inclusion in the Cover Asset Pool, the borrower had no public payment defaults (verified in Suomen Asiakastieto Oy's register);
- (g) the borrower's payment defaults within the OP-Pohjola Group are verified in the bank's internal payment default register; and
- (h) on the date of inclusion in the Cover Asset Pool, the borrower was not in arrears.

In addition to the principal lending criteria described above, all Mortgage Loans to be included in the Cover Asset Pool must fulfil the following Origination Criteria:

- (a) the loan will be secured with Property located or incorporated in Finland;
- (b) there are no rights or obligations to make further advances in any of the Mortgage Loans included in the Cover Asset Pool;
- (c) the terms and conditions of the pledges relating to the Property contain a provision according to which the pledgor undertakes to maintain the fire insurance of the Property; and
- (d) in the case of a construction, the loan must be completely drawn down and the building has to be completely finished on the date of inclusion in the Cover Asset Pool.

The principal lending criteria and the other Origination Criteria may change from time to time.

Origination Criteria for the Public-Sector Loans

All Public-Sector Loans to be included in the Cover Asset Pool will be either

- (a) granted to the Republic of Finland, a Finnish municipality or to other Finnish public-sector entity which may, when applying the procedure set out in Section 58 of the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended) (i.e. standardised approach on credit risk), be considered equivalent to the Republic of Finland or Finnish municipality; or
- (b) fully collateralised by a guarantee granted by a Finnish public-sector entity referred to in subsection (a) above or by a claim on such Finnish public-sector entity.

COVERED BOND ACT

The following is a brief summary of certain features of the Finnish Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010) as of the date of this Base Prospectus. The summary does not purport to be, and is not, a complete description of all aspects of the Finnish legislative and regulatory framework for covered notes. Please also refer to the Risk Factors section on pages 12 to 21 above.

General

The CBA entered into force on 1 August 2010. It enables the issue of covered notes (katetut joukkolainat) are debt instruments secured by a cover pool of qualifying assets (the **cover pool**). The CBA regulates which assets can be used as collateral for the covered notes and the quality of such assets. They are issued by credit institutions (such as the Issuer) which are authorised to engage in mortgage credit business (kiinnitysluottopankkitoiminta) (each an **issuer**).

Supervision

The FIN-FSA is responsible for supervising each issuer's compliance with the CBA and may issue regulations for risk management and internal control in respect of mortgage credit business operations. If an issuer does not comply with the provisions of the CBA or the conditions of the license granted by the FIN-FSA, the FIN-FSA shall lay down a period in which the issuer must fulfil any requirements set by the FIN-FSA. If such requirements are not fulfilled within the set period, the FIN-FSA may cancel the issuer's authorisation to engage in mortgage credit business.

Authorisation

Mortgage credit business is a line of banking business which involves the issuing of covered notes on the basis of loans secured by residential or commercial real estate or shares in Finnish housing companies or real estate companies as well as the acquisition of claims against public-sector bodies. A credit institution must fulfil certain requirements prescribed in the CBA in order to obtain authorisation from the FIN-FSA to engage in mortgage credit business. The credit institution must, among other things, have in place suitable procedures and instruments for managing the risk entailed in holding the cover pool assets and in issuing covered notes and also prove that it intends to engage in mortgage credit business on a regular and sustained basis. The issuer must have put the appropriate organizational structure and resources into place. Mortgage credit banks whose activities are exclusively restricted to carrying out mortgage credit business may also be authorised to issue covered notes.

Register of covered notes

The CBA requires the issuer to maintain a register (the **register**) for the covered notes and the collateral which forms the cover pool assets for the covered notes. Any intermediary loan (see Intermediary Loans below) shall also be entered in the register. The actual entry of the covered notes and relevant derivative contracts in the register is necessary to confer the preferential right in the cover pool. Further, only assets entered into the register form part of the cover pool.

The register must list, amongst other things, the covered notes issued by the issuer and the assets in the cover pool and derivative transactions relating thereto along with any bankruptcy liquidity loans entered into on behalf of the issuer. All assets entered in the register shall rank equally as collateral for the covered notes, unless the collateral has been entered in the register as collateral for specified covered notes. If a mortgage loan, a public-sector loan or any supplementary collateral is placed on the register as collateral for a particular covered note, the register must specify the covered note which this collateral covers. Section 22 of the CBA requires that the information shall be entered in the register no later than on the first business day following the issue of the covered note and information on the granting or acquisition of a mortgage loan or public-sector loan or a supplementary collateral (see Supplementary Collateral below) which is placed as collateral for the covered notes shall be entered in the register no later than one day after granting or acquiring such collateral. Any changes in such information shall be entered in the register without delay (although no specific timeframe is provided for in the CBA). A mortgage loan or a public-sector loan shall be removed from the register when it has been fully repaid by the relevant borrower. A loan shall also be removed from the register if it can no longer be deemed to be an eligible asset. A mortgage loan, a public-sector loan or any supplementary collateral may also be removed from the register, if, after its removal, the remaining mortgage loans, public-sector loans and supplementary collateral entered in the register are sufficient to meet the requirements prescribed in the CBA. Accordingly, the cover pool is dynamic in the sense that an issuer may supplement or substitute assets in the cover pool.

The FIN-FSA monitors the management of the register, including the due and proper recording of assets. The information in the register must be submitted to the FIN-FSA regularly.

Eligible cover pool assets

The covered notes shall be covered at all times by a specific pool of qualifying assets. Eligible assets which are permitted as collateral for covered notes consist of mortgage loans, public-sector loans and supplementary collateral, each as defined in the CBA as follows:

Mortgage loans are housing loans or commercial property loans.

Housing loans are loans secured by (i) mortgageable property for primarily residential purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Finnish Land Code (Maakaari 540/1995, as amended); or (ii) shares in a housing company referred to in Chapter 1, Section 2 of the Finnish Act on Housing Companies (Asunto-osakeyhtiölaki 1599/2009, as amended) or shares comparable thereto, participations and rights of occupancy; or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area.

Commercial property loans are loans secured by (i) mortgageable property for commercial or office purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Finnish Land Code (Maakaari 540/1995, as amended); or (ii) shares of a housing company or a real estate company entitling the holder to occupancy of the commercial or office premises; or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area.

Public-sector loans are loans which have been granted to the Republic of Finland, a Finnish municipality or other public-sector entity which may, when applying the procedure set out in Section 58 of the Finnish Act on Credit Institutions (Laki luottolaitostoinnasta 121/2007, as amended), be considered equivalent to the Finnish State or Finnish municipality or a credit which is fully collateralised by a guarantee granted by a public-sector entity or a claim on such entity.

At least 90 per cent of the total amount of collateral shall be housing loans or public-sector loans or supplementary collateral unless otherwise provided for in the terms and conditions of a covered note.

Supplementary collateral may only be used as collateral for covered notes on a temporary basis and in the circumstances set out in the CBA (see "Supplementary Collateral" below).

Derivative transactions concluded for hedging against risks related to covered notes must be registered in the register and therefore constitute part of the cover pool assets.

Quality of the cover pool assets

Mortgage lending limit and valuation

A mortgage loan entered on the register as collateral for a covered note may not exceed the current value of the shares or real estate standing as collateral. The **current value** shall be calculated using good real estate evaluation practice applicable to credit institutions in accordance with provisions on the management of capital adequacy and credit risk of credit institutions issued by the FIN-FSA. The issuer shall regularly monitor the value of the shares or real estate entered as collateral for the covered notes and revise the value of the collateral in accordance with provisions on the management of capital adequacy of credit institutions issued by the FIN-FSA.

Requirements for matching cover

The CBA seeks to protect covered noteholders by requiring that the outstanding principal amount and net present value of the covered notes must be covered at all times by matching cover pool assets. This is achieved by Section 16 of the CBA which provides that (a) the total value of cover pool assets must always exceed the aggregate outstanding principal amount of the covered notes and (b) the net present value of cover pool assets must always be at least 2 per cent above the net present value of the liabilities under the covered notes.

According to the preparatory works of the CBA (HE 42/2010), the **net present value** means, in respect of (a) covered notes and (b) mortgage loans, public-sector loans and supplementary collateral, the total value of the future discounted cashflows applying the market rate of interest, prevailing from time to time.

Requirements relating to liquidity

Under Section 17 of the CBA, the issuer shall ensure that the average maturity date of the covered notes does not exceed the average maturity date of the loans entered in the register. Further, the issuer shall ensure that the total amount of interest accrued from the cover pool assets, during any 12-month period, is sufficient to cover the total amount payable to the holders of covered notes as interest and to the counterparties of derivative transactions as payments under such derivative transactions. Before the commencement of liquidation or bankruptcy proceedings against the issuer or a debtor of an intermediary loan, a mortgage credit bank may, in respect of collateral granted by a debtor of an intermediary loan, treat the interest payments on the intermediary loans as being the interest accrued from such collateral.

Determination of requirements under Sections 16 and 17 of the CBA

To determine the **value** of the cover pool assets in order to provide the matching cover required by Sections 16 and 17 of the CBA, the issuer shall only take into account:

- 1) an amount not exceeding 70 per cent. of the current value of the shares or real estate placed as collateral for any housing loan;
- 2) an amount not exceeding 60 per cent. of the current value of the shares or real estate placed as collateral for any commercial property loan; and
- 3) the book value of any public-sector loans and supplementary collateral.

Loans that have been entered in the register and which must be booked as non-performing loans at the time of review of such loans in accordance with the regulations issued by the FIN-FSA, shall no longer be included as cover pool assets in calculating the matching cover.

Derivative transactions concluded in order to hedge the covered notes and any assets provided as collateral for the derivative transaction shall be taken into account for the purposes of Sections 16 and 17 of the CBA.

Supplementary Collateral

Up to 20 per cent. of the aggregate amount of all assets constituting the statutory security for the covered notes conferred by the CBA may temporarily consist of supplementary collateral, provided that receivables from credit institutions shall not exceed 15 per cent (or such larger amount as may be approved by the FIN-FSA) on the application of the issuer for a specific reason and for a specified period of time), of the total amount of collateral. Supplementary collateral may include: (i) bonds and other debt obligations issued by a central government, a municipality or another public-sector entity or a credit institution (other than one belonging to the same consolidated group as the Issuer); (ii) guarantees granted by a public-sector entity or a credit institution referred to in (i) above; (iii) credit insurance given by an insurance company other than one belonging to the same "group", as defined in the Finnish Act on Supervision of Finance and Insurance Groups (Laki rahoitus- ja vakuutusryhmittymien valvonnasta 699/2004, as amended), as the issuer; or (iv) assets of the issuer deposited in the Bank of Finland or a deposit bank; if the issuer is a deposit bank the deposit may not be in a deposit bank belonging to the same consolidated group as the issuer. Supplementary collateral may temporarily be used in situations where (i) mortgage loans or public-sector loans have not yet been granted or registered as collateral for the covered notes; or (ii) the total amount of collateral does not fulfil the provisions provided for in Sections 16 and 17 of the CBA

Intermediary loans

The CBA allows deposit banks and credit societies to participate indirectly in the issue of covered notes by means of intermediary loans granted by a mortgage credit bank to such institutions. The intermediary loan shall be entered in the register but shall not form part of the cover pool assets of the covered notes. In addition the borrower of the intermediary loan shall provide collateral in the form of mortgage loans and public-sector loans to be registered in the register as security for the covered notes of the mortgage credit bank. The total priority value of such loans in the cover pool shall always exceed the principal amount of the intermediary loan. Upon the liquidation or bankruptcy of the issuer, the estate of the issuer will be entitled to collect any proceeds from such loans and enter such proceeds in the register as security for the covered notes. Moreover, the issuer's estate may demand a transfer of title of the loans to the estate or a named third party.

Derivatives

The issuer may enter into derivative transactions to hedge against the risks relating to covered notes or their underlying collateral. Details of any such derivatives must be entered in the register.

Set-off

A creditor of the issuer may not set-off its claim against a mortgage loan or a public-sector loan entered in the register if it is within the scope of the priority of payment of the holders of covered notes as provided for in Section 25 of the CBA nor against an intermediary loan.

Prohibition on transfers, pledges, execution and precautionary measures

The issuer or the debtor under an intermediary loan may not, without the permission of the FIN-FSA, assign or pledge mortgage loans or public-sector loans which are included in the cover pool assets. A mortgage credit bank may not assign or pledge any intermediary loan without the permission of the FIN-FSA. An assignment or pledge violating such prohibition shall be void.

A mortgage loan, a public-sector loan or any supplementary collateral entered in the register as collateral for a covered note or an intermediary loan may not be taken in execution for a debt of an issuer, a deposit bank or a credit society nor may precautionary measures be directed at it.

Preferential right in the event of liquidation or bankruptcy

Under Finnish law, "selvitystila" (or **liquidation** in English) means either a voluntary winding up of a company or a winding up pursuant to specific provisions of Finnish law and "konkurssi" (or **bankruptcy** in English) means the mandatory winding up of a company in the event of its insolvency.

Under Section 25 of the CBA, notwithstanding the liquidation or bankruptcy of the issuer, a covered note shall be paid until its maturity in accordance with the terms and conditions of the covered note from the funds accruing on the cover pool assets of the covered note before other claims. The funds accruing from collateral for covered notes after the commencement of liquidation or bankruptcy proceedings against the issuer shall be entered in the register as collateral for such covered notes. In bankruptcy proceedings the bankruptcy administrator must ensure due maintenance of the register.

Collateral entered in the register in accordance with the CBA may not be recovered pursuant to Section 14 of the Finnish Act on Recovery of Assets to a Bankruptcy Estate (Laki takaisinsaannista konkurssipesään 758/1991, as amended).

In respect of each mortgage loan included in the cover asset pool for a covered note, the priority of payment right in accordance with Section 25 is limited to a maximum amount which corresponds to 70 per cent. in respect of housing loans and to 60 per cent. in respect of commercial property loans of the current value of shares or real estate which stand as collateral for the loan as entered in the register at the time of commencement of liquidation or bankruptcy proceedings against the issuer. The bankruptcy administrator shall assign the share of payments out of any mortgage loan exceeding the preferential right to the general bankruptcy estate. According to the preparatory works of the CBA, payments deriving from loans to be booked as non-performing and proceeds from disposal of loans or enforcement of collateral shall nonetheless, firstly be used for payment of covered notes up to their preferential portion.

What is set out above in respect of Section 25 of the CBA applies mutatis mutandis to the counterparties of the derivative transactions entered in the register and to the providers of any loan securing liquidity for the issuer in liquidation or bankruptcy (each such loan being a "**bankruptcy liquidity loan**"). These parties have an equal right with the holders of the covered notes to payment from the funds, entered in the register as collateral for the covered notes, and from the payments relating to them, and accordingly, such derivative transactions and bankruptcy liquidity loans rank pari passu with the covered notes with respect to such cover pool assets.

The bankruptcy administrator may, upon the demand or with the consent of the supervisor appointed by the FIN-FSA (see Management of cover pool assets during the liquidation or bankruptcy of the issuer), transfer collateral entered in the register of covered notes to the issuer's general bankruptcy estate, if the value and the net present value of the cover asset pool, as provided for in Section 16 of the CBA, considerably exceed the total amount of the covered notes and it is apparent that the collateral to be transferred shall not be necessary to fulfil the obligations in respect of the covered notes, derivative transactions and bankruptcy liquidity loans.

Management of cover pool assets during the liquidation or bankruptcy of the issuer

When the issuer has entered into liquidation or bankruptcy proceedings, the FIN-FSA shall, without delay, appoint a supervisor in accordance with Section 29 of the Finnish Act on the Financial Supervisory Authority (Laki finanssivalvonnasta 878/2008, as amended) to protect the interests of creditors of covered notes and creditor entities comparable to such and to enforce their right to be heard (a **supervisor**). The supervisor shall, in particular, supervise the management of the collateral for the covered notes and their conversion into cash as well as the contractual payments to be made to the holders of the covered notes. The person to be appointed as a supervisor shall have sufficient knowledge of financing and legal issues with regard to the nature and scope of the duties.

In bankruptcy proceedings the courts will by operation of law appoint a bankruptcy administrator to administer the bankruptcy estate. The cover pool will be run by the bankruptcy administrator, but the supervisor will supervise the bankruptcy administrator, acting in the interest of the noteholders. Under Section 26 of the CBA, a bankruptcy administrator shall, upon the demand or with the consent of the supervisor, conclude derivative transactions necessary for hedging against risks relating to covered notes and the relevant collateral as well as, where necessary, sell a sufficient amount of collateral for the covered note in order to fulfil the obligations relating to the covered note. In addition, a bankruptcy administrator shall, upon the demand or with the consent of the supervisor, have a right to conclude contractual arrangements to secure liquidity or take out bankruptcy liquidity loans.

Funds which accrue on the collateral of covered notes after the commencement of liquidation or bankruptcy of the issuer and the bank accounts related to the collateral and its income shall be entered in the register. Correspondingly, a bankruptcy liquidity loan taken under Section 26 of the CBA and each bank account into which any such funds are deposited shall be entered in the register.

The bankruptcy administrator may, with the permission of the FIN-FSA, transfer the liability for a covered note and the corresponding collateral to another mortgage credit bank, deposit bank or credit entity that has acquired a licence to issue covered notes or to a foreign mortgage credit bank which is subject to supervision corresponding to that of the CBA unless the terms of the covered note provide otherwise.

A bankruptcy administrator has the right to terminate or transfer a derivative transaction to a third party on the demand or with the consent of the supervisor, provided that the collateral is transferred or converted into cash, or a right to transfer collateral to the counterparty in the derivative transaction when the interests of the holder of the covered notes demands such and it is reasonable from the perspective of risk management.

If the requirements for the cover pool of the covered notes, as provided for in Sections 16 and 17 of the CBA, cannot be fulfilled, the bankruptcy administrator must, upon the request or approval of the supervisor, accelerate the covered notes and sell the cover pool assets in order to pay the covered notes.

Management of cover pool assets upon the liquidation or bankruptcy of the debtor of an intermediary loan

When the debtor of an intermediary loan has entered into liquidation or bankruptcy proceedings, the FIN-FSA shall without delay appoint a supervisor to protect the interests of the holders of covered notes issued by the issuer standing as the creditor of the intermediary loan and will have a right to enforce the holders' right to be heard. The supervisor must, in particular, supervise the management of the collateral for covered notes and its conversion into cash as well as oversee the contractual payments to be made to the holders of covered notes and other parties comparable to such holders. Notwithstanding the liquidation or bankruptcy of the debtor of the intermediary loan, the issuer's obligations under the covered note must be paid for the full term of the covered note, in accordance with its contractual terms, from the collateral entered in the register before other claims can be met, and following, where applicable, what is provided for in Section 25 of the CBA in respect of payment priority.

When the debtor of the intermediary loan is in liquidation or bankruptcy, the bankruptcy administrator shall upon the supervisor's demand or with his consent:

- 1) sell to the issuer the mortgage loans or public-sector loans, included in the collateral of its covered note, in such a manner that the substitute claim is set-off partially or wholly against the claim under the intermediary loan of the issuer; or
- 2) if necessary, sell to a third party a sufficient amount of collateral for a covered note to comply with its obligations under the covered note.

DERIVATIVE TRANSACTIONS

Permitted Derivative Transactions

The Issuer may from time to time enter into one or more Derivative Transactions in order to hedge against risks relating to the Notes or Mortgage Loans or other Eligible Assets placed as a collateral for such Notes. These Derivative Transactions shall be entered into the Register. The Issuer may enter into one or more derivative transactions to hedge against risks relating to other assets of the Issuer but such derivative transactions are not entered into the Register.

The Issuer may enter into one or more interest rate swap transactions to hedge the interest rate exposure arising as a result of Mortgage Loans carrying floating rates of interest and the Fixed Rate Notes creating a fixed rate payment obligation for the Issuer and may also enter into one or more interest rate swap transactions for general risk management purposes to hedge interest payments received in relation to Mortgage Loans carrying a fixed rate of interest. The Issuer may also enter into one or more currency swap transactions in order to hedge against foreign exchange exposure arising as a result of payments in respect of the Mortgage Loans being received by the Issuer in one currency (**Currency A**) and the Notes creating a payment obligation in another currency (**Currency B**).

Documentation

The Issuer currently anticipates that each Derivative Transaction entered into between the Issuer and a swap counterparty will be evidenced by a confirmation and such confirmation will supplement, form part of and is subject to an agreement between the Issuer and such swap counterparty in the form of a 1992 ISDA Master Agreement (Multicurrency – Cross Border) or an ISDA 2002 Master Agreement, as amended and supplemented from time to time, each as published by the International Swaps and Derivatives Association Inc. (**ISDA**) (each such agreement a **Swap Agreement**) and that the terms of each such Swap Agreement will contain among other things terms to the effect set out in this section, but there can be no assurance that all swap counterparties will agree to such terms and they may require certain amendments to be made. All outstanding Derivative Transactions will be terminable by a party if an Event of Default (as defined in the relevant Swap Agreement) occurs in respect of the other party or all or a group of Derivative Transactions will be terminable by one or both of the parties if a Termination Event occurs (as defined in the relevant Swap Agreement).

Upon the early termination of one or more Derivative Transactions, the Issuer or the relevant swap counterparty may be liable to make a payment to the other party reflecting the value of the terminated Derivative Transaction(s).

Ratings Requirements

Moody's Downgrade Requirements

It shall be an additional termination event under any Swap Agreement if:

- (A) the relevant swap counterparty has failed to comply with or perform any obligation to be complied with or performed by that swap counterparty in accordance with the credit support annex entered into between the Issuer and that swap counterparty in relation to the Swap Agreement between them and either (A) the First Rating Trigger Requirements apply but the Second Rating Trigger Requirements do not apply or (B) less than 30 local business days have elapsed since the last time the Second Rating Trigger Requirements did not apply; and/or
- (B) (i) The Second Rating Trigger Requirements apply and 30 or more local business days have elapsed since the last time the Second Rating Trigger Requirements did not apply and (B) at least one Eligible Replacement has made a firm offer that would, assuming the occurrence of an early termination date, remain capable of becoming legally binding upon acceptance.

So long as the Second Rating Trigger Requirements apply, the relevant swap counterparty will at its own cost use commercially reasonable efforts to, as soon as reasonably practicable, procure either (A) a guarantee which meets the requirements of Moody's swap criteria in respect of all of its present and future obligations

under the relevant Swap Agreement by a guarantor with the First Trigger Required Ratings and/or the Second Trigger Required Ratings or (B) a transfer to an Eligible Replacement.

An event of default will occur under the relevant Swap Agreement with respect to the relevant swap counterparty if on any valuation date in accordance with associated credit support annex, the Second Rating Trigger Requirements apply and at least 30 local business days have elapsed since the last time the Second Rating Trigger Requirements did not apply, and the relevant swap counterparty fails to post sufficient collateral to satisfy its obligations under the associated credit support annex and such failure is not remedied on or before the third local business day after notice of such failure is given to the relevant swap counterparty.

For the purpose of the Moody's downgrade requirements:

"Eligible Replacement" means an entity that could lawfully perform the obligations owing to the Issuer under the relevant Swap Agreement or its replacement (as applicable) (A) with at least the Second Trigger Required Ratings or (B) whose present and future obligations owing to the Issuer under the relevant Swap Agreement are guaranteed pursuant to an guarantee which is eligible under Moody's swap criteria provided by a guarantor with at least the Second Trigger Required Ratings.

The **"First Rating Trigger Requirements"** shall apply so long as no Relevant Entity has the First Trigger Required Ratings. An entity shall have the **"First Trigger Required Ratings"** (A) where such entity is the subject of a Moody's short-term rating, if such rating is "Prime-1" and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A2" or above by Moody's and (B) where such entity is not the subject of a Moody's short-term rating, if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A1" or above by Moody's.

"Relevant Entities" means the relevant swap counterparty and any guarantor under an guarantee which is eligible under Moody's swap criteria in respect of all of the relevant swap counterparty's present and future obligations under the relevant Swap Agreement.

The **"Second Rating Trigger Requirements"** shall apply if no Relevant Entity has the Second Trigger Required Ratings. An entity shall have the **"Second Trigger Required Ratings"** (A) where such entity is the subject of a Moody's short-term rating, if such rating is "Prime-2" or above and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or above by Moody's and (B) where such entity is not the subject of a Moody's short-term rating, if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or above by Moody's.

S&P Downgrade Requirements

If the short-term, unsecured and unsubordinated debt obligations of the relevant swap counterparty (or its guarantor if applicable) cease to be rated at least as high as "A-1" (or, if the relevant entity has no short-term, unsecured and unsubordinated debt obligations which are rated by S&P, its long-term, unsecured and unsubordinated debt obligations cease to be rated at least as high as "A+") (the **"S&P Required Rating"**) by S&P (an **"S&P Rating Event"**), then:

- (A) within 10 local business days of the occurrence of such S&P Rating Event, the relevant swap counterparty will, at its own cost, provide collateral in the form of cash or securities or both in support of its obligations under the relevant Swap Agreement in accordance with the provisions of the credit support annex entered into between the Issuer and that swap counterparty in relation to the Swap Agreement between them; and
- (B) the relevant swap counterparty shall use commercially reasonable efforts to take, within 60 calendar days following the occurrence of such S&P Rating Event, at its own cost, one of the following actions:
 - I. transfer all of its rights and obligations with respect to the relevant Swap Agreement to a replacement third party whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as "A-1" by S&P, provided that S&P confirms that such transfer would maintain the rating of the Covered Notes at, or restore the rating of the Covered Notes to, the level it was at immediately prior to such S&P Rating Event;
 - II. obtain a co-obligation or guarantee of its rights and obligations with respect to the relevant Swap Agreement from a guarantor who meets S&P's criteria and whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as "A-1" by S&P,

provided that S&P confirms that such guarantee or co-obligation would maintain the rating of the Covered Notes at, or restore the rating of the Covered Notes to, the level it was at immediately prior to such S&P Rating Event); or

- III. take such other action that S&P has confirmed will result in the rating of the Covered Notes following the taking of such action being maintained at, or restored to, the level it would have been at immediately prior to such S&P Rating Event, provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any tax.

If, at the time a S&P Rating Event occurs, the relevant swap counterparty does not post collateral in the manner described in (A) above pending taking any of the measures described in (B) above, such failure shall constitute an additional termination event with respect to the relevant swap counterparty which shall be deemed to have occurred on the local business day after the tenth business day following the S&P Rating Event. Further, it shall constitute an additional termination event if, even if the relevant swap counterparty continues to post collateral as required by (A) above, but does not take any of the measures described in (B) above. Such additional termination event will be deemed to have occurred on the local business day after the sixtieth calendar day following the S&P Rating Event.

Bankruptcy or Liquidation of the Issuer

Under Section 30 of the CBA the obligations resulting from a Derivative Transaction entered into the Register shall be fulfilled towards the Issuer in accordance with the contract terms notwithstanding a bankruptcy or liquidation or bankruptcy of the Issuer, unless otherwise provided by the terms of the Derivative Transaction.

Under Section 25 of the CBA, Noteholders, swap counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans are given a statutory priority in the liquidation or bankruptcy of the Issuer. Accordingly, notwithstanding that the Issuer has been placed into liquidation or declared bankrupt, the Noteholders, swap counterparties to Derivative Transactions and providers of Bankruptcy Liquidity Loans have the statutory right to receive payment *pari passu*, before all other claims, for the entire loan period of the Covered Notes in accordance with the terms of the Notes from a certain portion of the Cover Asset Pool placed as their collateral. Under Section 25 of the CBA, this priority is limited to 70 per cent. in respect of Housing Loans and 60 per cent. in respect of Commercial Loans of the current value of the Properties which stand as collateral for such Mortgage Loan.

The funds accruing from the Notes' Cover Asset Pool after the commencement of the liquidation or bankruptcy proceedings are, under the CBA, entered into the Register as collateral until the holders of Notes are repaid in accordance with the terms and conditions of the Notes. Such provision of the CBA shall also be applied to the funds accrued to the Issuer after the commencement of the liquidation or bankruptcy proceedings on the basis of Derivative Transactions entered into the Register.

TAXATION

Finnish Taxation

The comments below are of a general nature based on the Issuer's understanding of current law and practice in Finland. They relate only to the position of person who are the absolute beneficial owners of the Notes, Receipts and Coupons. They may not apply to certain classes of person such as dealers. Prospective holders of the Notes who are not resident in Finland for tax purposes and are in any doubt as to their personal tax position or who may be subject to tax in any other jurisdiction should consult their professional advisers. It should be noted that the tax laws of Finland may be amended with retroactive effect.

Taxation of Finnish residents

Holders of Notes, Receipts and Coupons who are resident in Finland for tax purposes and will be subject to Finnish tax on interest payments (including deemed interest for tax purposes through a discounted issue price) under the Notes, Receipts and Coupons and on gains realised on the sale or redemption of the Notes, Receipts and Coupons.

Taxation of Non-Finnish residents

Holders of Notes, Receipts and Coupons who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment in Finland will not be subject to Finnish taxes on payments in respect of the Notes, the Receipts and the Coupons or gains realised on the sale or redemption of the Notes, Receipts and Coupons.

Reporting Requirements

Under Finnish law, the Issuer is obliged to report any interest payments under the Notes, Receipts and Coupons to the Finnish tax authorities.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (and other similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 12 November 2010, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has

been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or applicable Final Terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;
- (e) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Finland

This Base Prospectus does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell in Finland any Notes under circumstances which would constitute a public offer of securities under Finnish law, including

the Finnish Securities Market Act (26.5.1989/495, as amended) and any regulation issued thereunder, as supplemented and amended from time to time. Any offer or sale of the Notes in Finland shall be made pursuant to a private placement exemption as defined under Article 3(2) of the Prospectus Directive, and the Finnish Securities Markets Act (26.5.1989/495, as amended) and any regulation made thereunder, as supplemented and amended from time to time. This Base Prospectus has not been approved by or notified to the Finnish Financial Supervisory Authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended) and which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Italy

The offering of the Notes has not been and will not be registered with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) pursuant to Italian securities legislation. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes, nor distribute copies of the Base Prospectus or of any other document relating to the Notes in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**) and Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (ii) in any other circumstances which are exempted from compliance with the restrictions on offers to the public pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph, of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB, the Bank of Italy or any other Italian authority.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer,

sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 6 May 2010.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 18 November 2010.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be 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:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the non-consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2008 and 31 December 2009 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith, and the non-consolidated interim financial statements of the Issuer for the nine months ended 30 September 2010 (with an English translation thereof);
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (in each case with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith;
- (d) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Base Prospectus;
- (f) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the London Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

In addition, copies of this Base Prospectus, any supplement to this Base 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.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the OP-Pohjola Group since 30 September 2010 and there has been no material adverse change in the financial position or prospects of the Issuer or the OP-Pohjola Group since 31 December 2009.

Litigation

Neither the Issuer nor any other member of the OP-Pohjola Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer or the OP-Pohjola Group.

Auditors

The auditors of the Issuer are KPMG Oy Ab, authorised public accountants and a member of the Finnish Institute of Authorised Public Accountants (KHT), who have audited the Issuer's accounts, without qualification, in accordance with Finnish standards on auditing for each of the two financial years ended on 31 December 2008 and 31 December 2009. The auditors of the Issuer have no material interest in the Issuer.

Post-issuance Information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

Dealers Transacting With The Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Third Party Information

The Issuer confirms that where information in this Base Prospectus has been sourced from a third party, that information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

GLOSSARY OF DEFINED TERMS

Accrual Period	The period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date;
Agency Agreement	The Agency Agreement dated 12 November 2010 and made between the Issuer, the Agent and the other Paying Agents (as amended and/or supplemented and/or restated from time to time);
Agent	Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank, which expression shall include any successor agent;
Amalgamations Act	The Finnish Act on Amalgamations of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010, as amended);
Amortised Face Amount	Has the meaning given to such term in Condition 6.6;
Applicable Final Terms	In relation to any particular Tranche of Notes, the Final Terms applicable to that Tranche;
Bankruptcy Liquidity Loan	A contractual arrangement made by the bankruptcy administrator of the Issuer to secure liquidity or take out liquidity credit in accordance with Section 25 of the CBA;
Basel II	The text of a new capital accord published by the Basel Committee on Banking Supervision on 26 June 2004, under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework", a revised version of which was published on 15 November 2005;
Business Day	A day which is both: (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open;
Capital Requirements Directive	The EU Capital Requirements Directive, comprising Directive 2006/48/EC and Directive 2006/49/EC;

CBA	The Finnish Covered Bond Act (Laki kiinnitysluottopankkitoiminnasta 688/2010, as amended);
Central Cooperative	OP-Pohjola Group Central Cooperative;
Clearstream, Luxembourg	Clearstream Banking, société anonyme;
Commercial Loan	A loan which is secured by Commercial Property;
Commercial Property	In relation to a Mortgage Loan, (i) mortgageable property for commercial or office purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Finnish Land Code (Maakaari 540/1995, as amended); or (ii) shares of a housing company or a real estate company entitling to occupancy of the commercial or office premises; or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area;
Common Depository	A common depository for Euroclear and Clearstream, Luxembourg;
Common Safekeeper	A common safekeeper for Euroclear and Clearstream, Luxembourg;
Conditions	The terms and conditions of the Notes;
Cooperative Bank Act	The Finnish Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative (Laki osuuspankeista ja muista osuuskuntamuotoisista luottolaitoksista 1504/2001, as amended);
Couponholders	The holders of the Coupons and, unless the context otherwise requires, the holders of the Talons;
Coupons	Interest coupons attached on issue to interest bearing definitive Notes;
Cover Asset Pool	The Mortgage Loans, Public-Sector Loans and Supplementary Collateral entered into the Register as statutory security for the Notes under the CBA;
Currency Swap Agreements	Swap Agreements relating to Currency Swap Transactions;
Currency Swap Transactions	The currency swap transactions which the Issuer may enter into in order to hedge against foreign exchange exposure;
Day Count Fraction	Has the meaning given to such term in Condition 4.1 or Condition 4.2, as applicable;
Dealers	The Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer;
Deed of Covenant	The deed of covenant dated 12 November 2010 and executed by the Issuer;
Derivative Transactions	Derivative transactions entered into by the Issuer in order to hedge against risks relating to the Notes, Intermediary Loans or Mortgage Loans or other Eligible Assets placed as collateral for

	the Notes;
Determination Period	Each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);
Early Redemption Amount	Has the meaning given to such term in Condition 6.6;
Eligible Assets	Mortgage Loans, Public-Sector Loans or Supplementary Collateral;
EURIBOR	The Euro-zone interbank offered rate;
Euroclear	Euroclear Bank SA/NV;
Exchange Date	The date which is 40 days after a Temporary Global Note is issued;
Exchange Event	The Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available;
Exchange Notice	A notice given by the Issuer to the effect that replacement euro-denominated Notes, Receipts and Coupons are available for exchange;
Extended Interest Payment Date	Has the meaning given to such term in Condition 4.3;
Extended Interest Period	The period from and including an Extended Interest Payment Date (or, in respect of the first such period, the Maturity Date) to but excluding the next following Extended Interest Payment Date;
Extended Rate of Interest	The rate of interest payable from time to time in respect of the outstanding principal amount of the Notes on each Extended Interest Payment Date;
FIEA	Financial Instruments and Exchange Act of Japan;
FIN-FSA	The Finnish Financial Supervisory Authority (Finanssivalvonta);
Final Extended Maturity Date	Has the meaning given to such term in Condition 6.2;
Final Terms	A final terms supplement containing, inter alia, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes;
Fixed Interest Period	The period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

Global Note	A Temporary Global Note or a Permanent Global Note;
Holders	Noteholders;
Housing Loan	A loan which is secured by Residential Property;
Interest Amount	The amount of interest payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period;
Interest Payment Date	(i) Each date which is specified as a Specified Interest Payment Date in the applicable Final Terms or (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
Interest Rate Swap Agreements	Swap Agreements relating to Interest Rate Swap Transactions;
Interest Rate Swap Transaction	The interest rate swap transactions which the Issuer may enter into in order to hedge against interest rate exposure;
Intermediary Loan	A loan granted by the Issuer to a Member Credit Institution pursuant to the requirements set out in Section 8 of the CBA;
Investment Services Directive	Directive 93/22/EEC;
ISDA	The International Swaps and Derivatives Association, Inc.;
ISDA Definitions	The 2006 ISDA Definitions, as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Notes;
Issuer	OP-Asuntoluottopankki Oyj (the English translation of which is OP Mortgage Bank);
LIBOR	The London interbank offered rate;
London Stock Exchange	The London Stock Exchange plc;
Long Maturity Note	A Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note;
LTV	Loan-to-value ratio;
Maturity	The legal maturity of any Outstanding Notes, Mortgage Loans or Supplementary Collateral, as applicable;
MBA	The Finnish Act on Mortgage Credit Banks (Kiinnitysluottopankkilaki 1240/1999, as amended);
Member Cooperative Banks	The cooperative banks being members of the OP-Pohjola Group;
Member Credit Institutions	Pohjola Bank, Helsinki OP Bank Plc, OP-Kotipankki Oyj, the Issuer

	and the Member Cooperative Banks;
Monthly Extended Maturity Date	Has the meaning given to such term in Condition 6.2;
Moody's	Moody's Investors Service Limited;
Mortgage Loans	Housing Loans and Commercial Loans;
NGN	New global note;
Note Maturity Date	If a Note is redeemed after the Maturity Date pursuant to Condition 6.2, the date on which such Note is redeemed in full;
Noteholders	In relation to any Notes shall mean the holders of the Notes;
Notes	Covered notes issued under the Programme;
Official List	The official list of the UK Listing Authority;
Old Programme	The Issuer's existing €10,000,000,000 Euro Medium Term Note Programme established under the MBA;
OP-Pohjola Group	The statutory consortium (yhteenliittymä) as referred to in Section 2 of the Finnish Act on Amalgamations of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010, as amended) comprising (a) the Central Cooperative, (b) the member cooperative banks and other credit institutions being members of the Central Cooperative and (c) the companies belonging to the consolidation groups of the Central Cooperative and such member credit institutions;
Origination Criteria	The criteria for the content of the Cover Asset Pool, as set out in the Transfer Agreements and Intermediary Loan Agreements, outlining what type of loans may and may not be included in the Cover Asset Pool;
Originators	The members of the OP-Pohjola Group who originated the Mortgage Loans, and from whom the Issuer has either purchased the Mortgage Loans or who have provided such Mortgage Loans as security in relation to Intermediary Loans;
Outstanding	Has the meaning given to such term in the Agency Agreement;
Outstanding Notes	Each outstanding series of Notes issued by the Issuer and entered into the Register in accordance with the CBA;
Paying Agents	The Agent and Deutsche Bank Luxembourg S.A. as paying agents under the Agency Agreement, which expression shall include any successor paying agents;
Payment Day	Has the meaning given to such term in Condition 5.5;
Permanent Global Note	A permanent global note by which a Tranche of Notes may be represented;
Pohjola	Pohjola Non-Life Insurance Company Ltd., a subsidiary of Pohjola Bank and formerly part of Pohjola Group plc;
Pohjola Bank	Pohjola Bank plc;
Proceedings	Any suit, action or proceedings;

Programme	The €10,000,000,000 Euro Medium Term Covered Note Programme established by the Issuer and as described in this Prospectus;
Programme Agreement	The Programme Agreement dated 12 November 2010 and made between the Issuer and the Dealers (as amended and/or supplemented and/or restated from time to time);
Programme Notes	All Notes of all series from time to time issued under the Programme;
Property	Residential Property and/or Commercial Property;
Prospectus Directive	Directive 2003/71 /EC;
Public-Sector Loan	A loan which has been granted to the Republic of Finland, a Finnish municipality or other public-sector entities which may, when applying the procedure set out in Section 58 of the Finnish Act on Credit Institutions (Laki luottolaitostoiminnasta 121/2007, as amended), be considered equivalent to the Republic of Finland or Finnish municipality or a credit which is fully collateralised by a guarantee of a public-sector entity or a claim on such entity;
Put Notice	Has the meaning given to such term in Condition 6.5;
Rate of Interest	The rate of interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes, determined in the manner specified in the applicable Final Terms;
Rating Agency	Moody's and/or S&P, including in each case their respective successors and/or any other rating agency, as the case may be;
Receiptholders	The holders of the Receipts;
Receipts	Receipts attached on issue to definitive Notes repayable in instalments;
Redeemed Notes	Has the meaning given to such term in Condition 6.4;
Register	The register of Notes which the Issuer is required to maintain pursuant to Chapter 5 of the CBA;
Relevant Date	The date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12;
Relevant Dealer	In the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes;
Relevant Implementation Date	The date on which the Prospectus Directive is implemented in a Relevant Member State;
Relevant Member State	Each Member State of the European Economic Area which has implemented the Prospectus Directive;

Residential Property	In relation to a Mortgage Loan, (i) mortgageable property for primarily residential purposes referred to in Chapter 16, Section 1 or Chapter 19, Section 1 of the Finnish Land Code (Maakaari 540/1995, as amended); or (ii) shares in a housing company referred to in Chapter 1, Section 2 of the Finnish Act on Housing Companies (Asunto-osakeyhtiölaki 1599/2009, as amended) or shares comparable thereto, participations and rights of occupancy; or (iii) collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area;
S&P	Standard & Poor's Rating Services;
Securities Act	The United States Securities Act of 1933, as amended;
Selection Date	Has the meaning given to such term in Condition 6.4;
Series	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
Servicer	Each Originator, in its capacity as servicer under the Servicing Agreements;
Servicing Agreements	The servicing agreements entered into between each Originator and the Issuer;
Sub-unit	With respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent;
Supplementary Collateral	<ul style="list-style-type: none"> (a) Bonds and other debt obligations issued by a central government, a municipality or another public-sector entity or a credit institution (other than one belonging to the same consolidated group as the Issuer); (b) guarantees granted by a public-sector entity or a credit institution referred to in paragraph (a); (c) credit insurance given by an insurance company other than one belonging to the same group, as defined in the Finnish Act on Supervision of Finance and Insurance Groups (Laki rahoitus- ja vakuutusryhmittymien valvonnasta 699/2004, as amended), as the Issuer; (d) assets of the Issuer deposited in the Bank of Finland or a deposit bank; if the Issuer is a deposit bank the deposit may not be in a deposit bank belonging to the same consolidated group as the Issuer;

Swap Agreement	A 1992 ISDA Master Agreement (Multicurrency – Cross Border) or a 2002 ISDA Master Agreement (Multicurrency – Cross Border), each as published by ISDA;
Swap Transactions	The Currency Swap Transactions and the Interest Rate Swap Transactions;
Talons	Talons for further Coupons;
TARGET2 System	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System;
Tax Jurisdiction	Finland or any political subdivision or any authority thereof or therein having power to tax;
Temporary Global Note	A temporary global note by which a Tranche of Notes may initially be represented;
Tranche	Notes which are identical in all respects (including as to listing and admission to trading);
Transfer Agreements	The transfer agreements made between the Issuer and the relevant Originators relating to the purchase of the Mortgage Loans and/or the Public-Sector Loans by the Issuer; and
UK Listing Authority	The Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000.

ISSUER

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