
OP Mortgage Bank Cover Asset Pool Characteristics

OP Mortgage Bank (OPMB)

- 100% owned subsidiary of OP Cooperative
- Covered bond issuing entity of OP Financial Group
- Special-purpose bank and a funding vehicle for the OP member cooperative banks
- Issues under the EMTCB programme of €25 bn

Joint liability

OPMB fully benefits from the joint liability among OP Cooperative and the member credit institutions, based on the Act on the Amalgamation of Deposit Banks. However, since assets in OPMB's Cover Asset Pools are ring-fenced, the covered bondholders have the right to receive what is due to them before all other creditors

Covered bond ratings

Moody's
Aaa

S&P
AAA

Harmonised transparency template

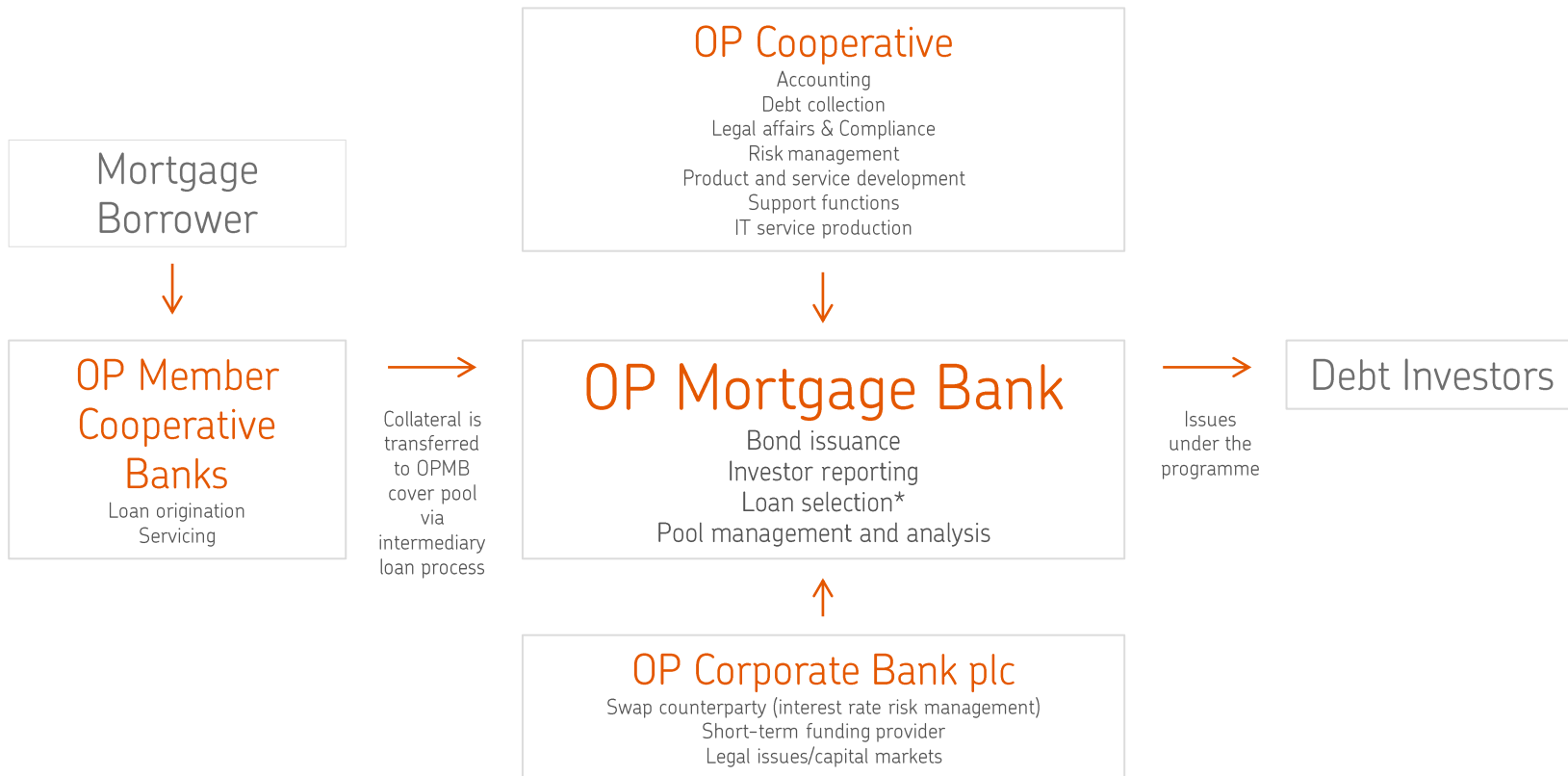


COVERED BOND
· LABEL ·

<https://www.op.fi/op-financial-group/debt-investors/issuers/op-mortgage-bank/cover-asset-pool>

<https://www.coveredbondlabel.com/issuer/6/>

Operating model and roles

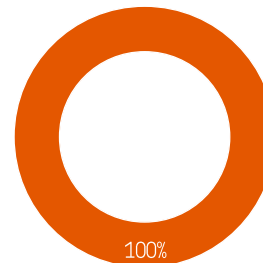


Covered Bonds under Finnish legislation

| | Act on Mortgage Credit Banks and Covered Bonds (151/2022) | Act on Mortgage Credit Bank Operations (688/2010) |
|--|--|---|
| Applicability | Bonds issued after 8 July 2022 | Bonds issued before 8 July 2022 |
| Programmes under the Act | Euro Medium Term Covered Bond Premium (EMTCB) | Euro Medium Term Covered Note (EMTCN), Euro Medium Term Retained Covered Note (EMTRCN) |
| Bond qualification | European Covered Bond (Premium) | EEA Grandfathered – CRR compliant |
| Regulation | Regulated by the Finnish Financial Supervisory Authority (FIN-FSA) and ECB | Regulated by the Finnish Financial Supervisory Authority (FIN-FSA) and ECB |
| Intermediary loans | Enables granting intermediary loans | Enabled granting intermediary loans |
| LTV restrictions on eligible assets | 80% LTV on residential mortgages | 70% LTV on residential mortgages |
| Legal over-collateralisation requirement | 2%. In case the requirements set by CRR Article 129 are not met, the OC must be 5%. | 2% |
| Programme documentation including information valuation, market risks, expiry and over-collateralisation | EMTCB Programme documentation | EMTCN Programme documentation EMTRCN Programme documentation |
| Cover asset pool information including bond IDs, ECBC Harmonized Transparency Templates and legal information disclosure | OPMB's cover asset pools and legal information disclosure | |

EMTCN programme

| | | |
|--|---|---|
| <p>€16.3 bn Current balance</p> | <p>€14 bn Total amount of covered bonds, out of which €1.75 bn is green</p> | <p>€59,000 Average loan size</p> |
| <p>>97% Tied to floating interest rate</p> | <p>52% Weighted Average indexed LTV</p> | <p>17% Over-collateralisation (OC)</p> |
| <p>2% Minimum legal OC</p> | <p>€0.3 bn Minimum legal OC</p> | <p>€2.1 bn OC – Min. legal OC</p> |



Loan type distribution

Residential loans



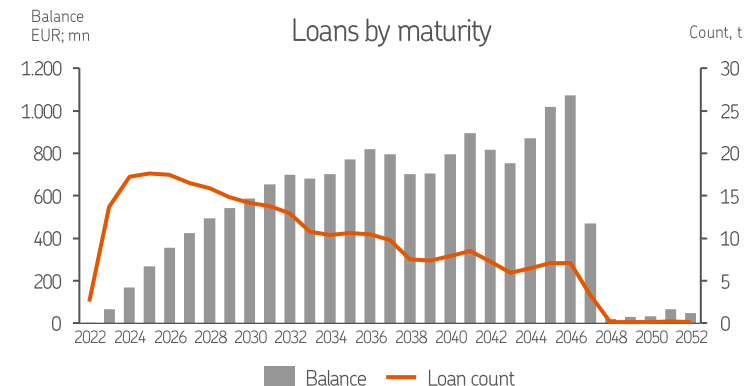
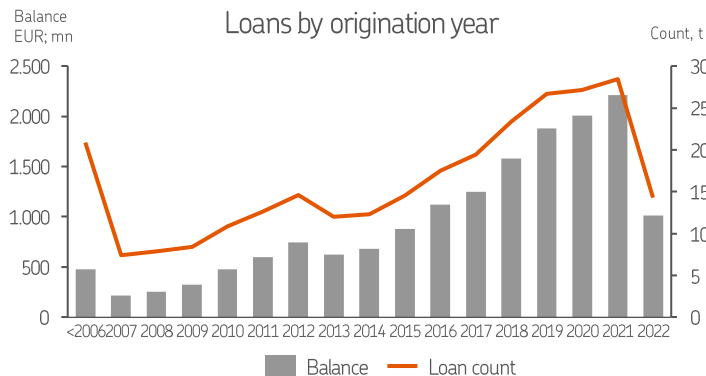
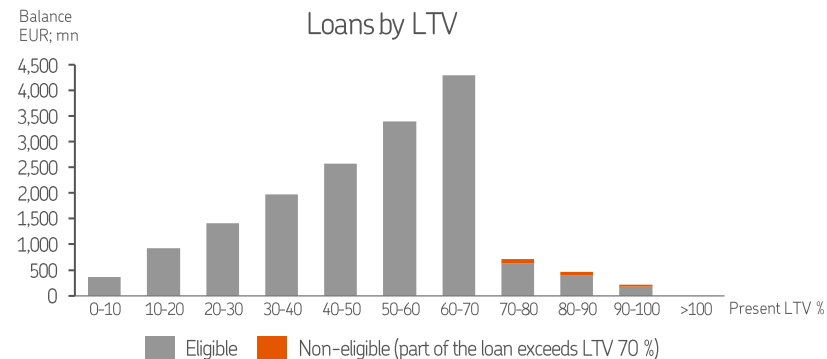
Geographical loan distribution

| | | |
|---|------------------|-----|
| 1 | Southern Finland | 46% |
| 2 | Western Finland | 35% |
| 3 | Eastern Finland | 8% |
| 4 | Oulu region | 9% |
| 5 | Lapland | 2% |

OPMB cover asset pool

 €2.5 bn

Eligible green mortgages
in the cover pool
in December 2021



Intermediary loan process

- Finnish legislation enables OP Mortgage Bank to grant intermediary loans to the member cooperative banks, who indirectly participate in the covered bond issuance process.
- In the intermediary loan process, an intermediary loan contract is made between the member cooperative bank and OPMB. The member cooperative banks allow OPMB to mark mortgages as intermediary loan collateral to the OPMB cover pool in return for funds from the emission.
- The loans eligible as collateral for a covered bond must meet the legal requirements as well as the criteria of OPMB's covered bond program and other specified criteria. The member cooperative bank commits to preserving adequate intermediary loan eligible loan portfolio for the maturity of the intermediary loans. OPMB monitors the adequacy of the collateral daily.
- Once the mortgage loans are registered in the OPMB cover pool via intermediary loan process, they serve as collateral for the covered bonds for the benefit of the noteholders until the intermediary loan expires.