



OP Debt Investor Presentation 2022

OP Financial Group and issuing entities
OP Corporate Bank plc and OP Mortgage Bank

www.op.fi/debtinvestors

Disclaimer

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Past performance is no guide to future performance. Persons needing advice should consult an independent financial, legal or tax adviser.

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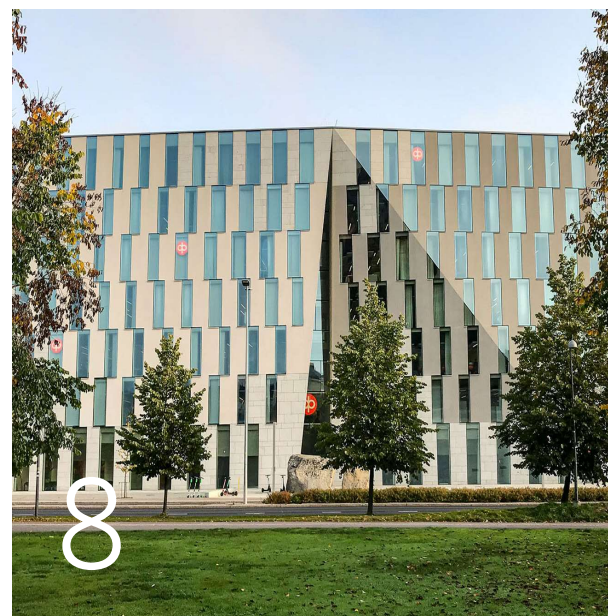
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This presentation is targeted for debt investors interested in OP Financial Group. The aim of this presentation is to provide insights into the Finnish economy as well as OP Financial Group's financial performance and corporate responsibility actions.

For more information:
[OP Financial Group's reports](#)
[CFO's Results Overview](#)

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a large reusable mesh bag filled with produce. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various goods, including jars and boxes. The overall atmosphere is warm and community-oriented.

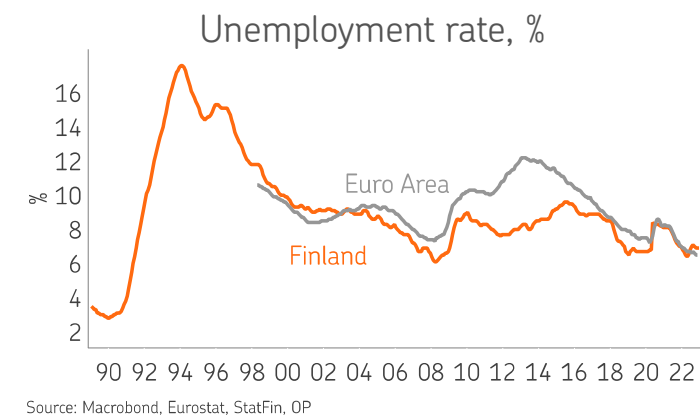
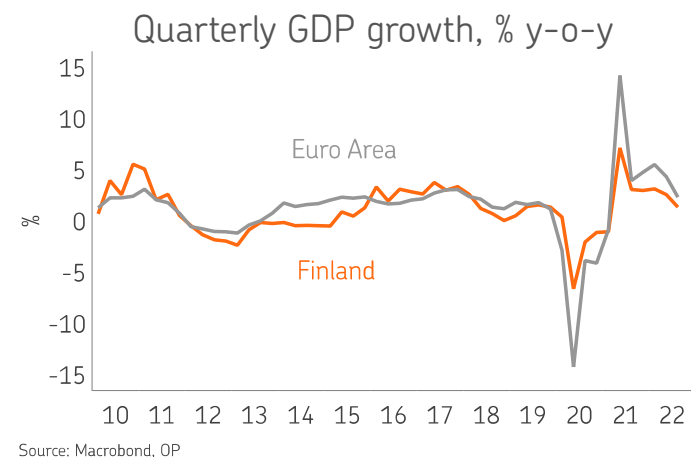
Outlook for the Finnish Economy

OP Group's forecasts for the Finnish economy

Published on 31 January, 2023

	2021	2022f	2023f	2024f
GDP volume, annual growth %				
Finland	3,0	2,0	-0,5	0,5
Euro area	5,3	3,4	0,5	1,0
Unemployment rate, %				
Finland	7,7	6,8	7,2	7,4
Euro area	7,7	6,7	7,3	7,0
Current account balance, % of GDP				
Finland	0,4	-3,3	-2,7	-2,5
Euro area	2,4	-1,0	-1,0	-1,0
General government net lending, % of GDP				
Finland	-2,7	-1,5	-3,0	-3,0
Euro area	-4,7	-3,5	-3,0	-2,5
General government debt, % of GDP				
Finland	72,5	72,3	73,3	75,3
Euro area	97,2	97,5	100,0	101,5
Inflation, %				
Finland	2,2	7,1	5,1	2,5
Euro area	2,6	8,3	5,0	2,8

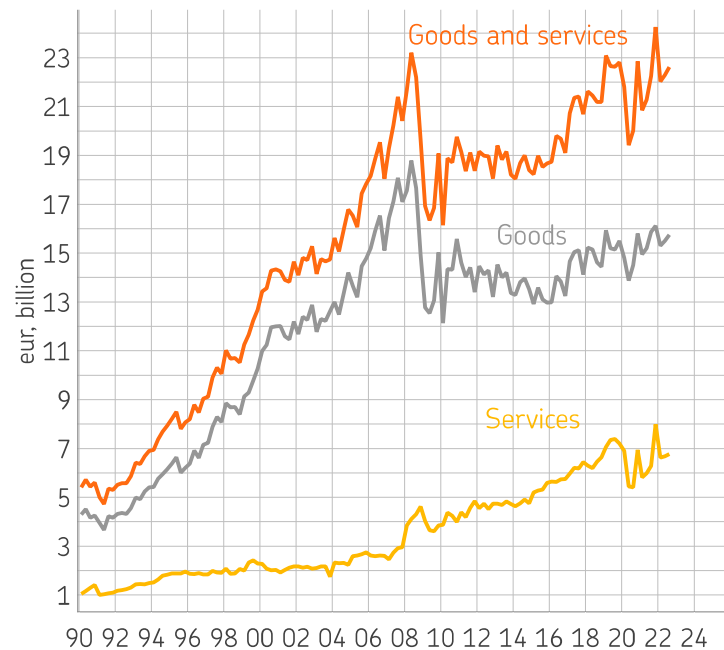
Sources: Statistics Finland, Eurostat, OP



Foreign trade structure rather stable

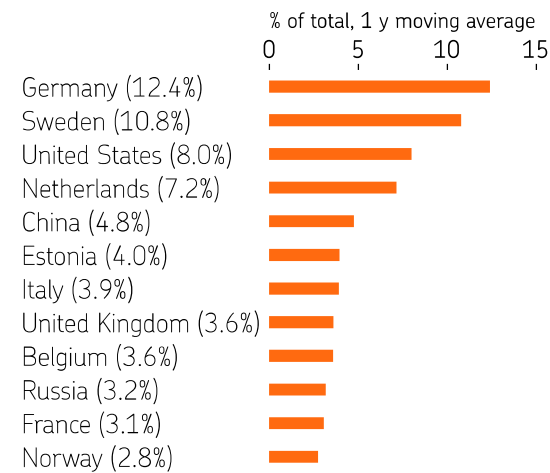
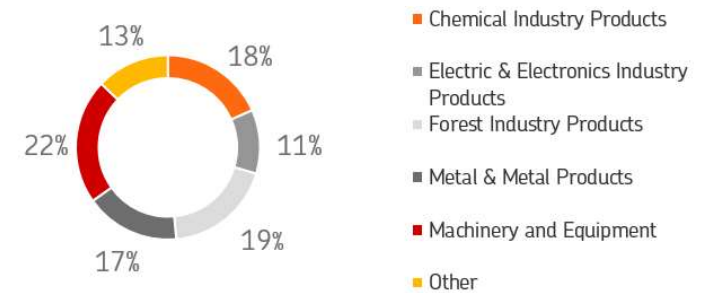
Finland is an exports-driven economy with around 40% of GDP deriving from exports

Exports of goods and services, SA



Source: Macrobond, OP

Exports by commodity group



Source: Macrobond, OP

Finnish housing market is stable

Characteristics

- Fully-amortizing housing market
- Average maturity of a new home loan 22 years
- 97% of home loans tied to variable interest rates
- Home loan cap (LTC) 85% and for first-home-buyers 90%

38%
OP's
market share
in mortgages

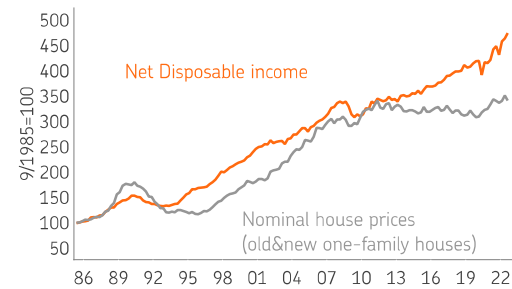
OP's stress-test
6%
interest rate in
25 years' maturity

33%
OP's private
customers'
mortgages protected
by interest rate cap

82,000
OP customers
currently benefitting
from interest rate cap

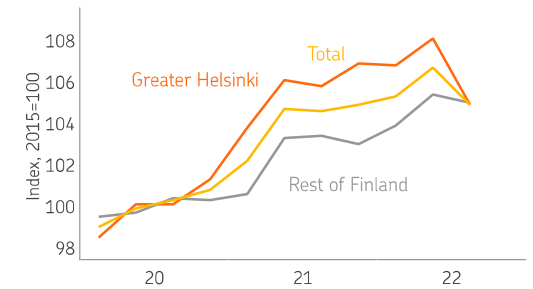
Finnish economy

Change in house prices and net income



Source: Macrobond, StatFin, OP

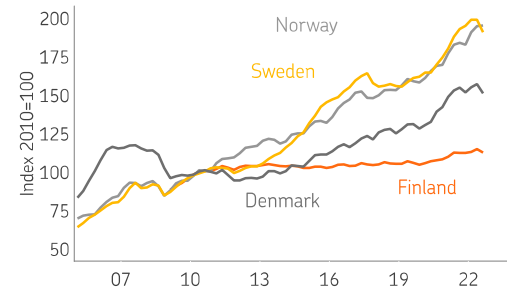
Real estate prices, old dwellings



Source: Macrobond, StatFin, OP

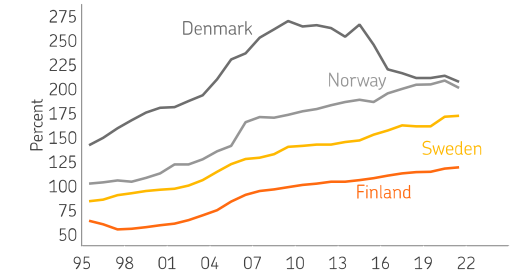
Nordics

House prices



Source: Macrobond, Eurostat, OP

Gross Debt-to-Income Ratio

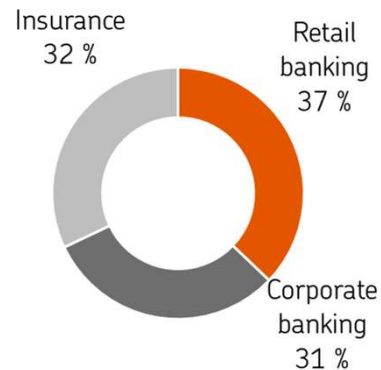


Source: Macrobond, Eurostat, OP

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and two reusable mesh bags (one pink, one teal) filled with produce. The man on the right is wearing a tan jacket and black pants. The background shows wooden shelves stocked with various goods.

OP Financial Group

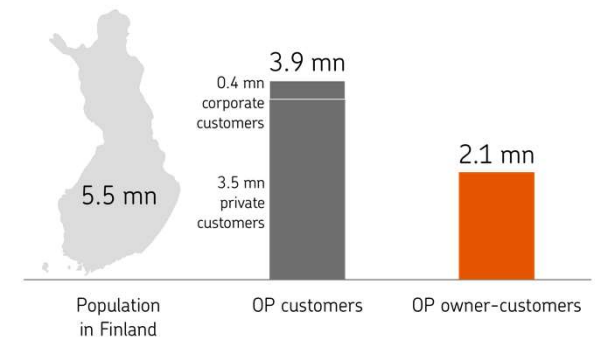
OP Financial Group in brief



€1,265
mn
Group EBT in
2022

17.4%
CET1 ratio

€176 bn
Total assets



Leading market shares

Loans	Deposits	Non-life Insurance	Life Insurance
34%	39%	32%	21%

Joint liability

Central institution, OP Cooperative, and the member credit institutions (incl. both issuing entities) of the amalgamation are jointly liable for each others' debts and commitments, by virtue of the Finnish law.

Strong credit ratings

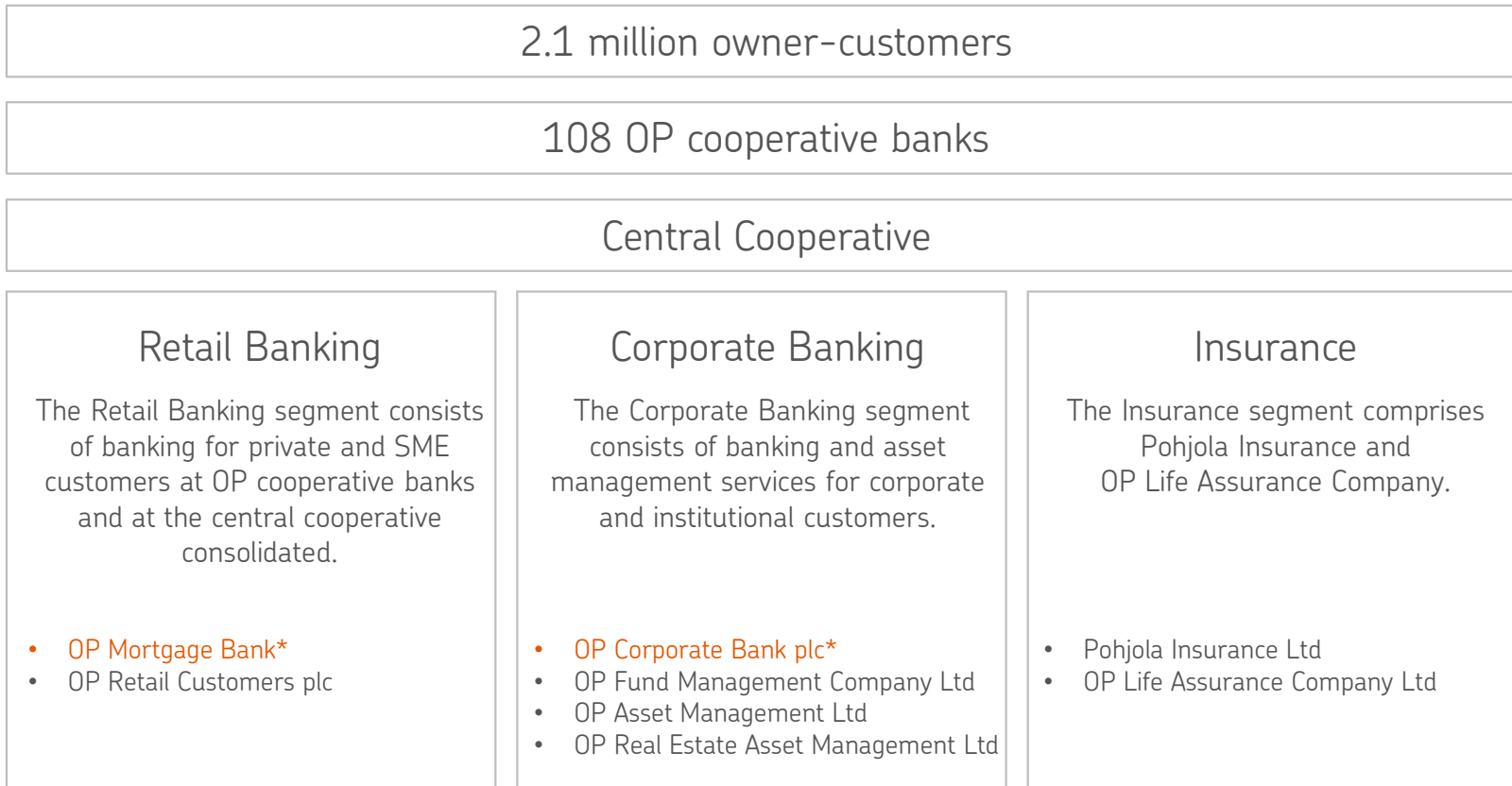
Moody's Aa3
S&P AA-

OP Corporate
Bank plc

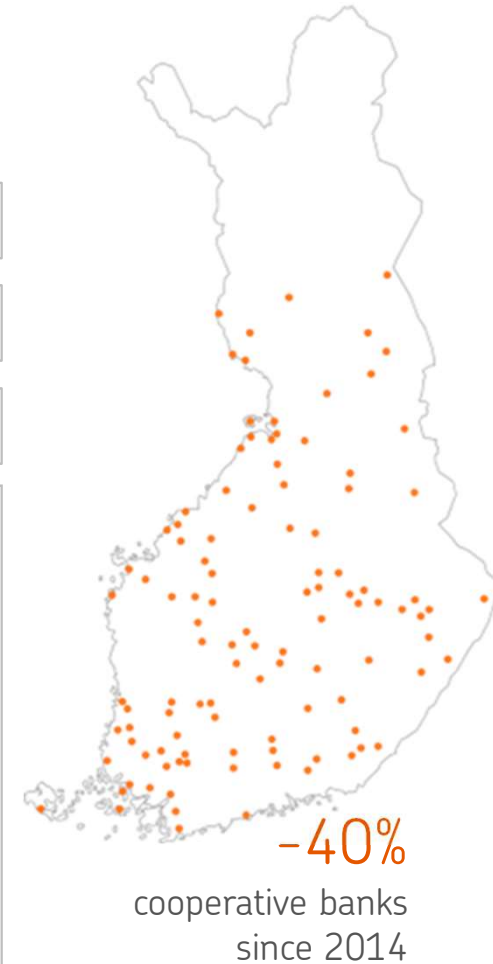
Moody's Aaa
S&P AAA

OP Mortgage
Bank's covered
bonds

OP Financial Group's business structure



Major subsidiaries

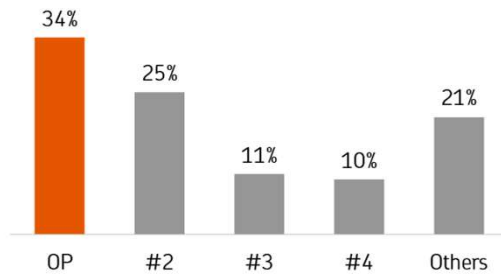


*Issuing entity

© OP Financial Group / OP Public

OP is the leading financial group in Finland

Loans



OP's market share in

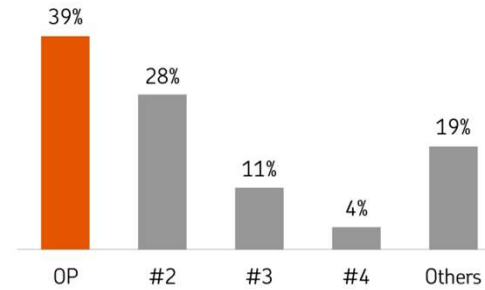
38%

Mortgages

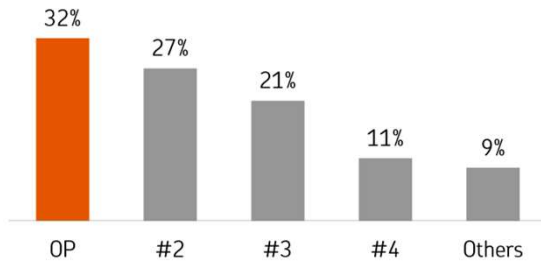
38%

Corporate loans

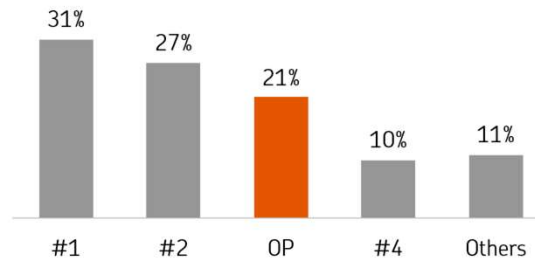
Deposits



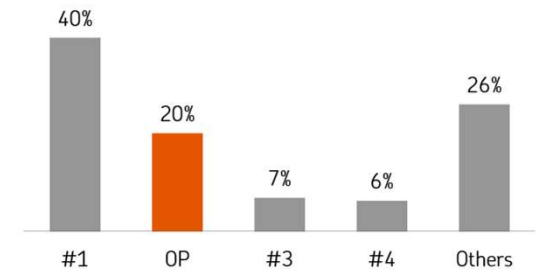
Non-life insurance



Life insurance



Mutual funds



OP's strategic priorities and long-term targets



Strong risk management and compliance culture

”

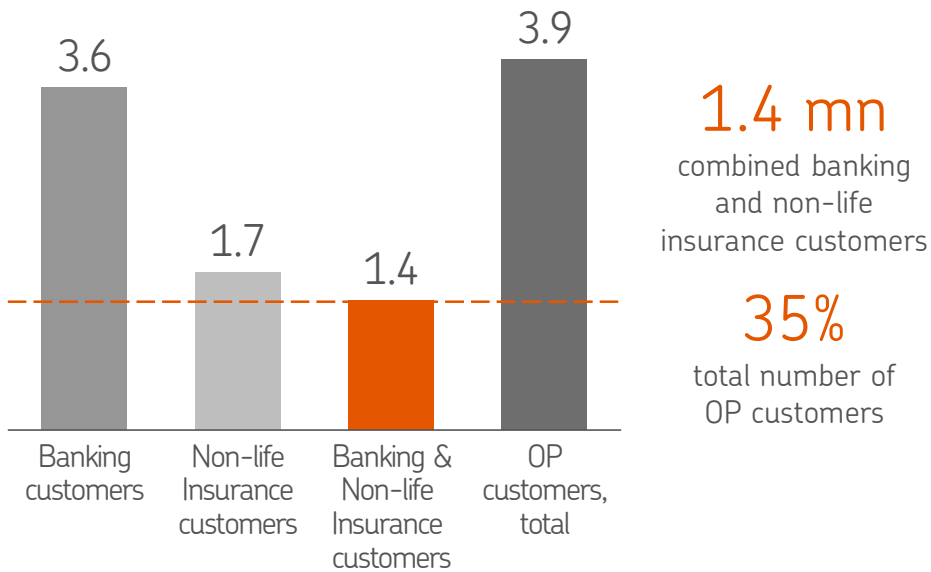
We aspire to be the leading and most appealing financial services group in Finland.

OP Financial Group's strategic long-term targets

	31 Dec 2022	Target 2025
Return on equity (ROE) excluding OP bonuses, %	8.3	8.0
CET1 ratio, %	17.4	At least CET1 ratio requirement + 4 pps
Brand recommendations (NPS)	Banking: 27 Insurance: 17	Banking: 30 Insurance: 20
Credit rating	AA-/Aa3	At least at the level of AA-/Aa3

Attractive loyalty benefits support cross-selling

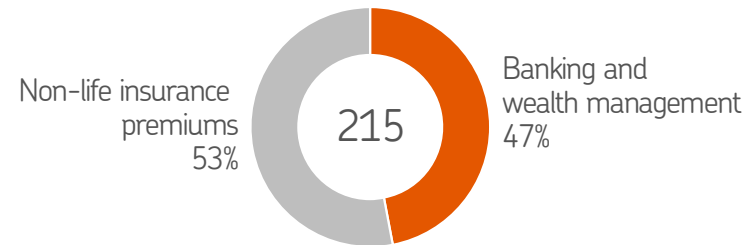
Number of customers, mn



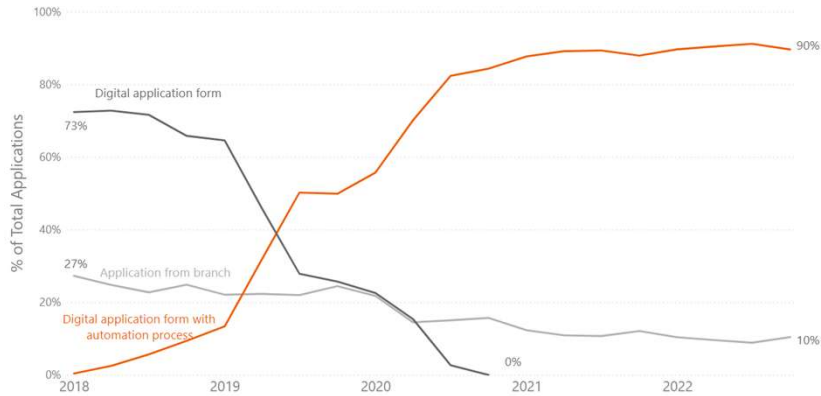
Owner-customer benefits



OP bonus usage during 2022, mn



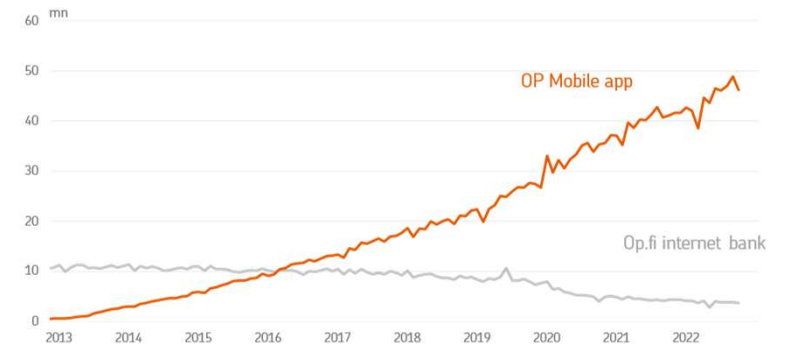
Digital customer experience



>99%
of OP's private customer service encounters occur in digital channels

>70%
of customers classified as active users who login daily

Logins by month



Key functionality areas:

Daily banking

- Transactions and money transfers
- Account management, financial balance tools and salary data
- Multi-Bank service
- Card management, Apple Pay, and Google Pay

Loans & homes

- Loan and mortgage applications
- Information on existing loans and upcoming instalments
- Security for loans with interest rate cap and payment protection insurance

Savings & investments

- Tools for trading shares and mutual funds
- Watchlist, notifications for exchange rate alarms
- OP Investment Partner



Insurance

- Buy and manage
- View existing claims
- Report a loss and get help in case of an emergency

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a large reusable mesh bag filled with produce. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various goods. A white horizontal line is positioned above the text.

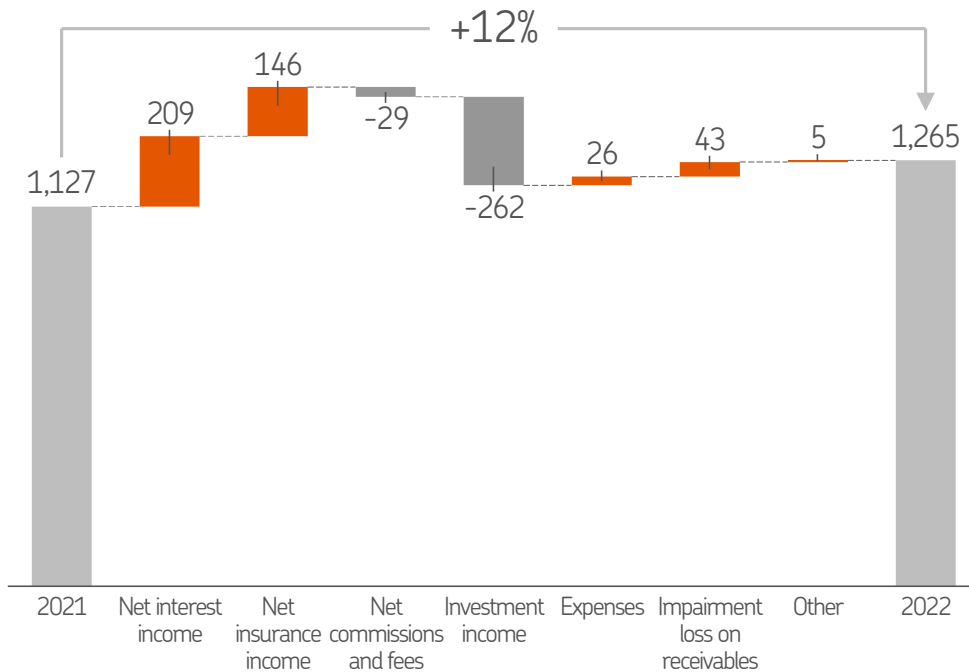
Financial Performance

Key financial figures 2022

Group EBT	Total income	Total expenses	Total loans	Total deposits	Assets under management
€1,265 mn +12%	€3,426 mn -5%	€1,981 mn -1%	€99 bn +2%	€77 bn +2%	€98 bn -12%
Retail banking EBT €502 mn (+65%)	Net interest income €1,618 mn (+15%)	Personnel costs €894 mn (-2%)	Home loans €42 bn (+2%)		 In responsible investment funds €13 bn (2022)
Corporate banking EBT €416 mn (-12%)	Net insurance income €889 mn (+20%)	Development cost impact €216 mn (+11%)	Corporate loans €23 bn (0%)		
Insurance EBT €433 mn (-14%)	Net commissions and fees €1,005 mn (-3%)		 Issued sustainability-linked loans, green loans and credit limits €5.2 bn (2022)		
Other operations EBT €-91 mn	Investment income €-5 mn (-103%)				

Financial performance

EBT year on year change, € million



€ million

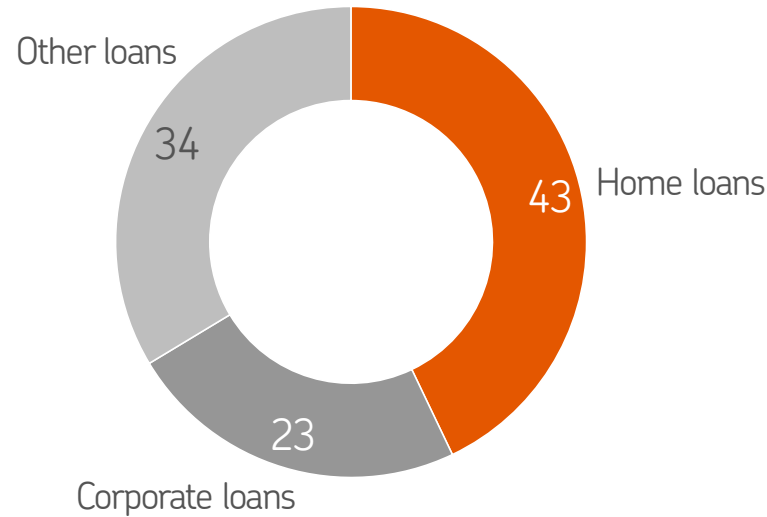
	2022	2021	Change %
Net interest income	1,618	1,409	15%
Net insurance income	889	743	20%
Net commissions and fees	1,005	1,034	-3%
Net investment income	-149	376	-140%
Other operating income	63	54	17%
Total income	3,426	3,616	-5%
Expenses			
Personnel costs	894	914	-2%
Depreciation and impairment loss	214	283	-24%
Other operating expenses	874	810	8%
Total expenses	1,981	2,007	-1%
Impairment loss on receivables	-115	-158	-
Overlay approach	143	-118	-
OP bonuses to owner-customers	-215	-210	-
Earnings before tax	1,265	1,127	12%

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and several mesh produce bags filled with oranges and nuts. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various grocery items.

Loan Book Overview and Asset Quality

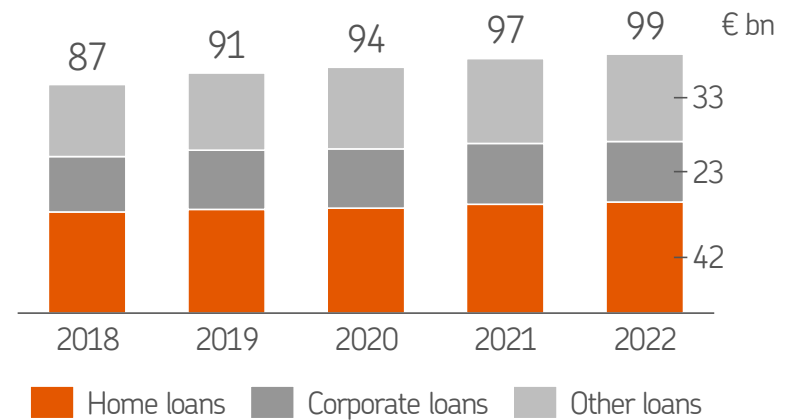
Loan portfolio well diversified

Loan portfolio breakdown, %

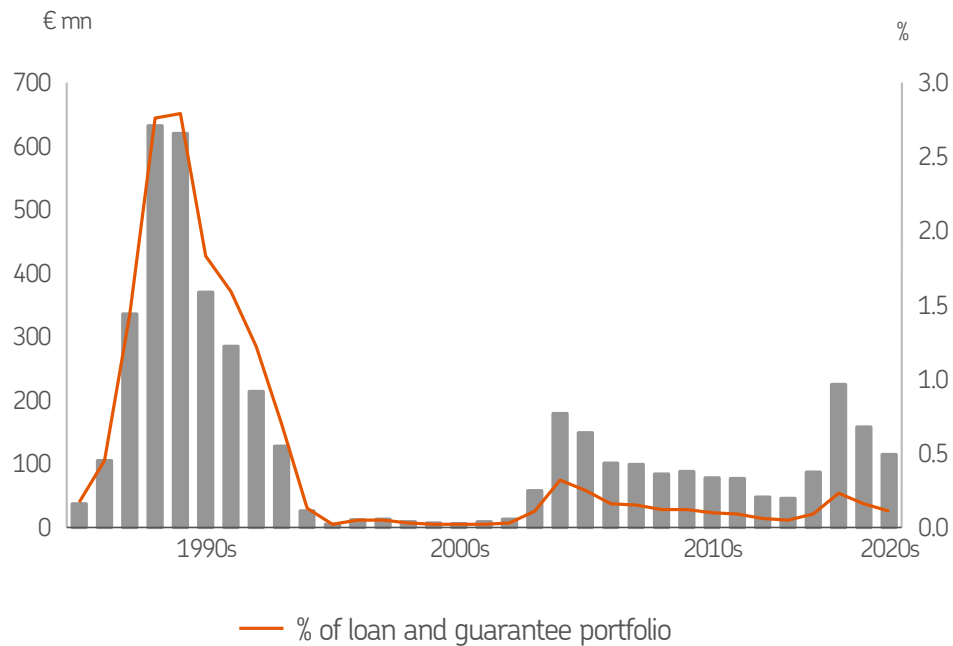


Other loans include housing company loans, and loans for holiday homes, consumer loans, student loans, financial institutions, public sector, non-profit organisations and customers abroad

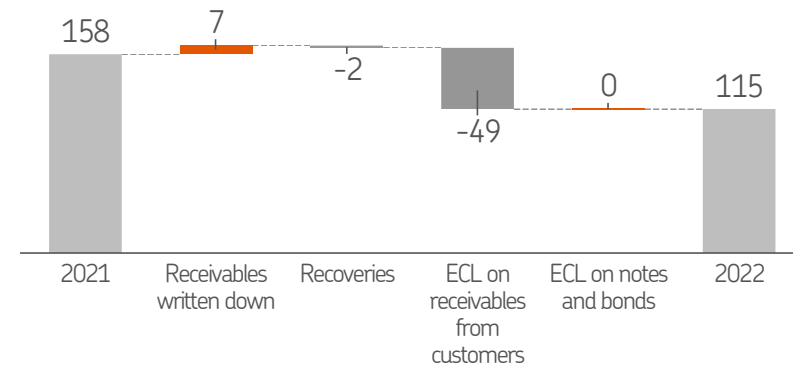
Loan portfolio by product group



Impairment loss on receivables



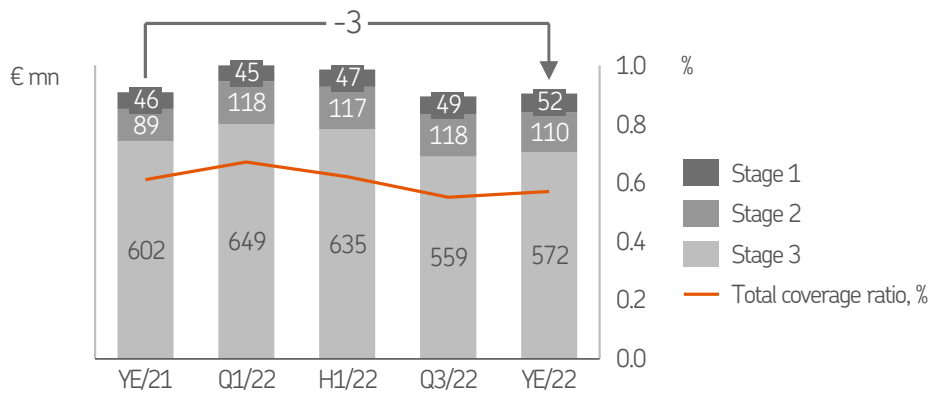
Breakdown of total impairment losses, € mn



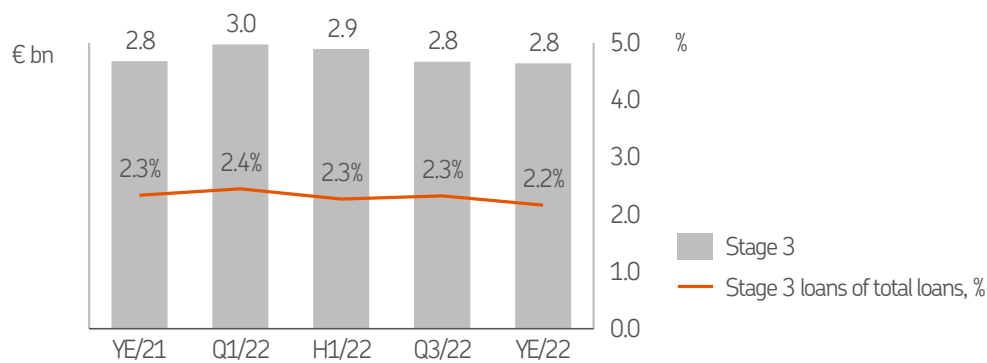
€ mn	2022	2021
Receivables written down	133	126
Recoveries of receivables written down	-15	-13
ECL on receivables from customers	-3	46
ECL on notes and bonds	0	0
Total impairment losses on receivables	115	158
% of loan and guarantee portfolio	0.11%	0.16%

Credit quality and ECL

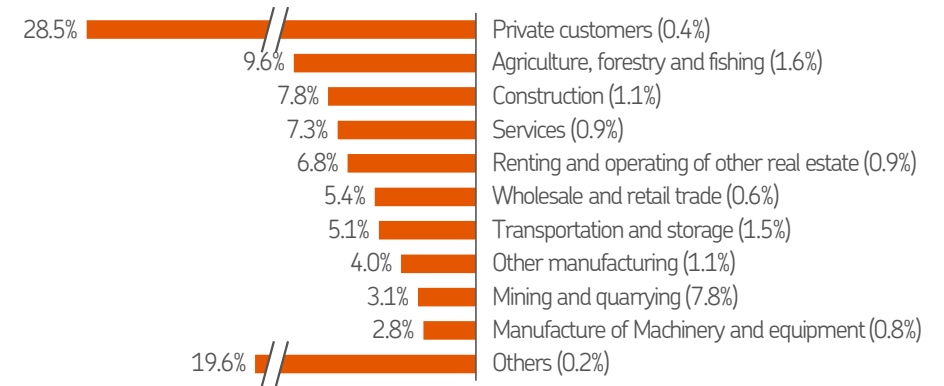
ECL allowance on receivables from customers by stage



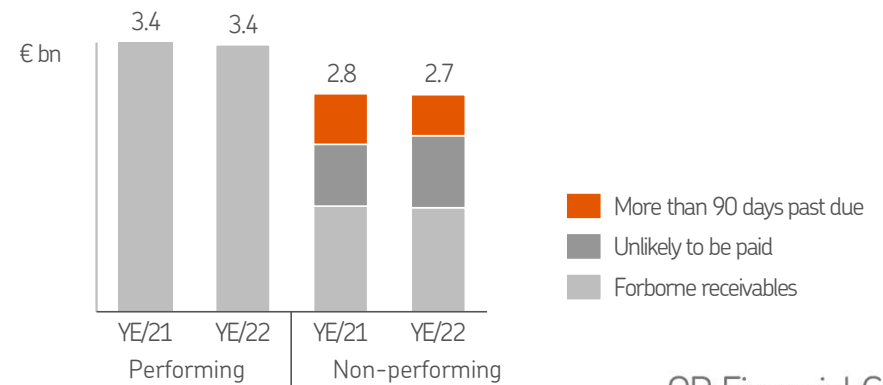
Stage 3 loans



ECL allowance by sector (% of gross exposure)



Doubtful receivables 2% of exposures

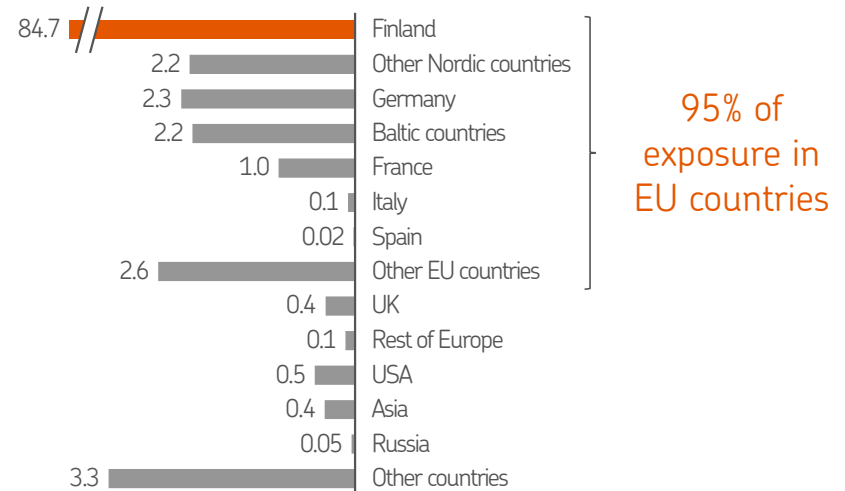


Lending characteristics

Loan portfolio breakdown, %



Exposure split by geographic region, %

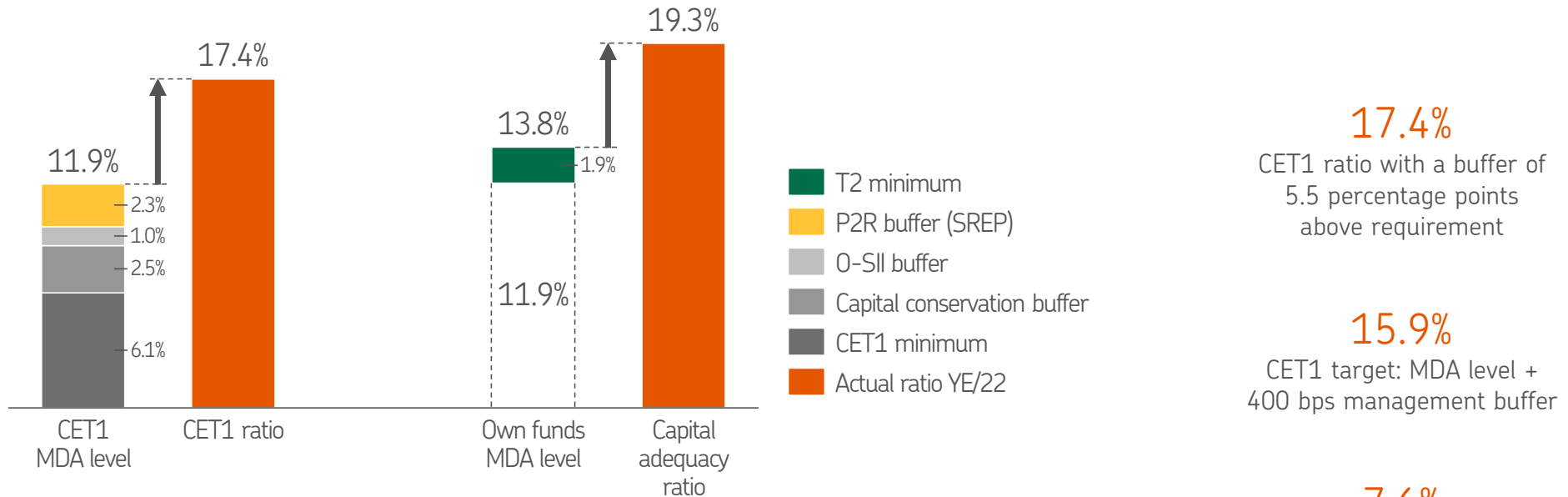


The exposures cover all balance-sheet and off-balance-sheet items and are based on values used in capital adequacy.

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a large reusable mesh bag filled with produce. The man on the right is wearing a tan jacket and black pants. The background shows wooden shelves stocked with various goods. A white horizontal line is positioned above the text.

Capital Position

Capital position well above requirement



The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%; the AT1 and T2 minimum requirement of 1.6% increases the minimum CET1 ratio to 6,1%.

CET1 ratio including buffers is 11.9% and the minimum capital adequacy ratio is 13.8%. The buffers include the O-SII buffer of 1% (1.5% as of 1.1.2023) and the ECB's P2R requirement of 2.25% in addition to regulatory minimums and capital conservation buffer of 2.5%.

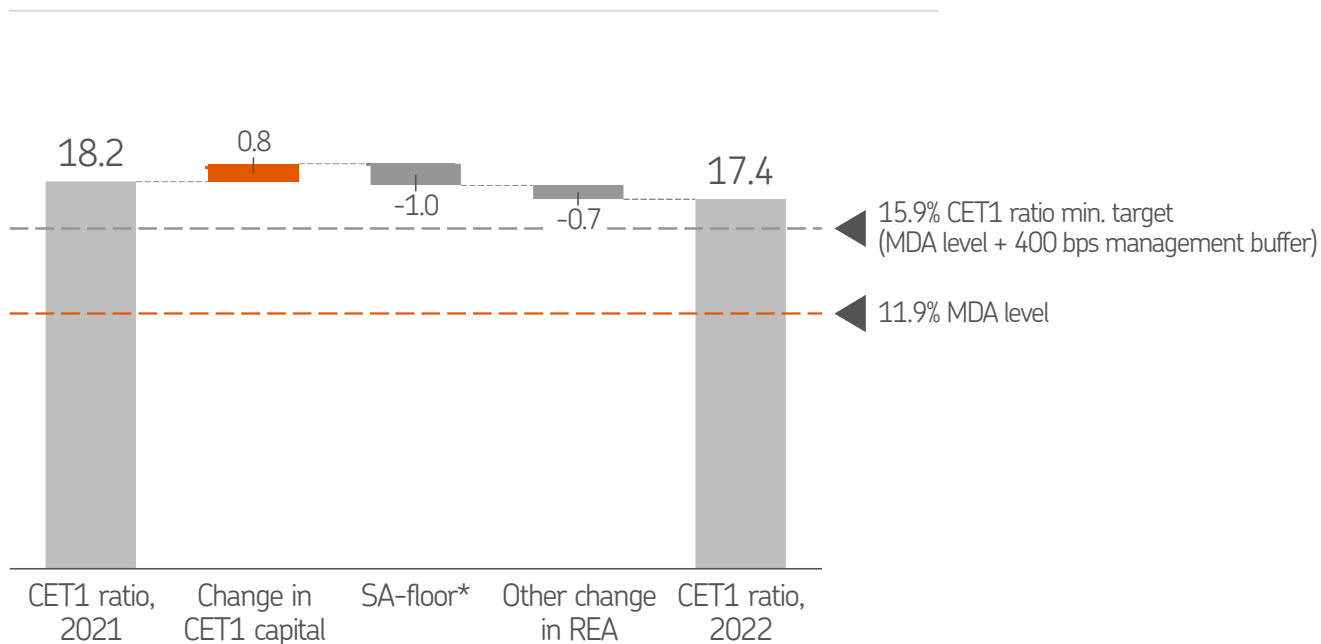
17.4%
CET1 ratio with a buffer of 5.5 percentage points above requirement

15.9%
CET1 target: MDA level + 400 bps management buffer

7.6%
Leverage ratio and regulatory minimum requirement of 3%

Strong capital position

CET1 ratio development, %



€12.6 bn

CET1 capital (€12.0 bn)

€3.2 bn

Profit Shares in CET1 capital (€3.1 bn)

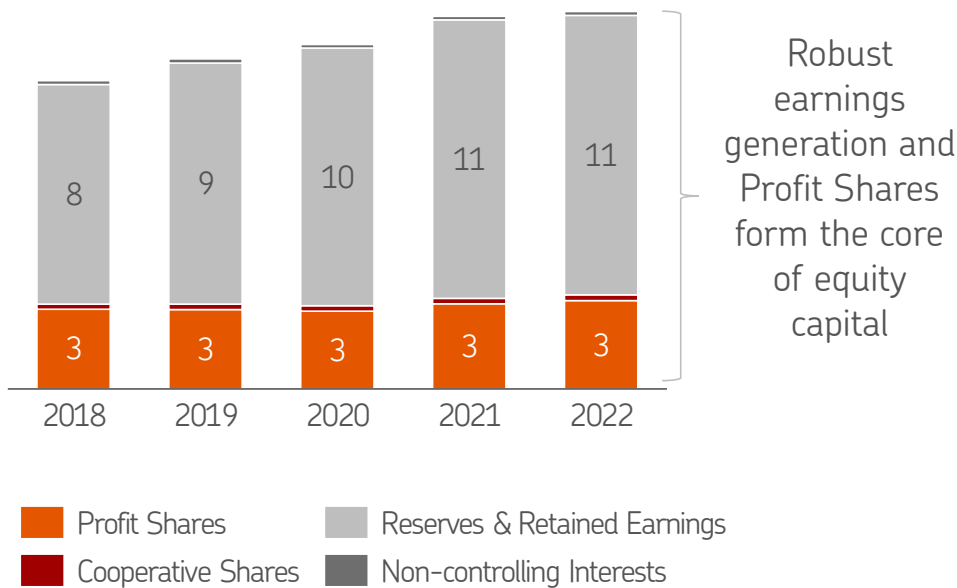
€72.3 bn

REA (€65.7 bn)

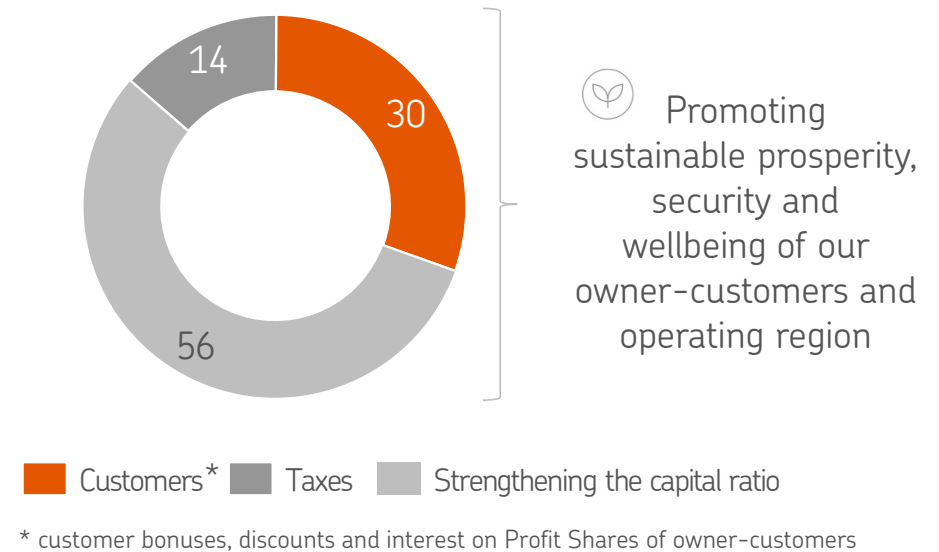
*OP Financial Group adopted a risk-weighted assets (RWA) floor, based on the Standardised Approach, in the second quarter. This decreased the CET1 ratio by 1.0 percentage point.

Strength of the cooperative model

Equity capital, € bn



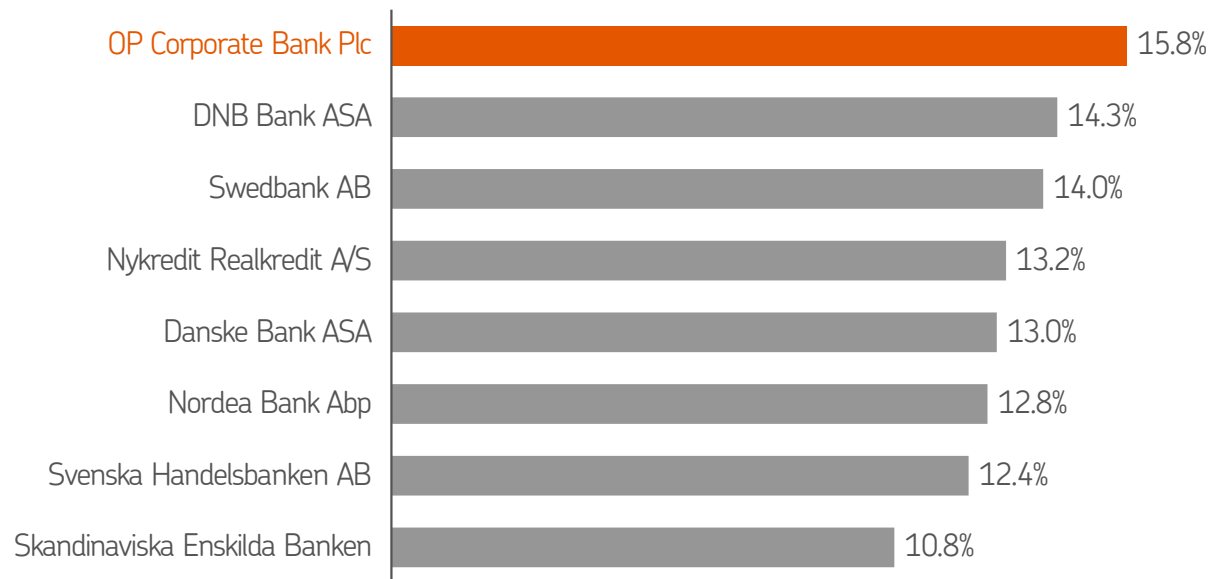
Estimated allocation of earnings, %



” OP is the most value-adding company in Finland. (ETLA, 2021)

S&P RAC ratio comparison

Northern European banks' S&P RAC ratios, before diversification (YE2021)

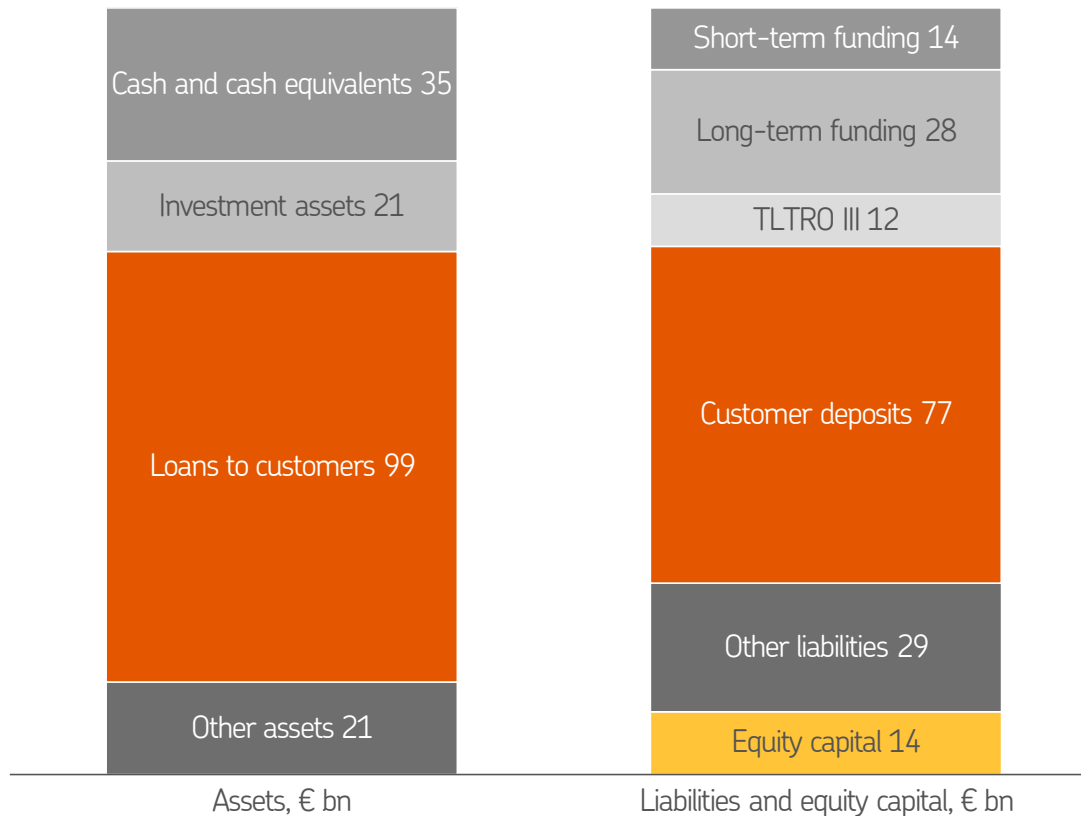


In comparison to large Nordic banks, OP has the strongest RAC ratio

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and two reusable mesh bags (one pink, one teal) filled with produce. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various goods.

Liquidity and Funding

Balance sheet totaled at €176 bn



Loans to customers **56%**
 Customer deposits **44%**
 Market-based funding **24%** } of balance sheet

Deposits within the scope of deposit guarantee **€44 bn.**
 The Deposit Guarantee Fund compensates a maximum of €100,000 for each OP Financial Group customer.

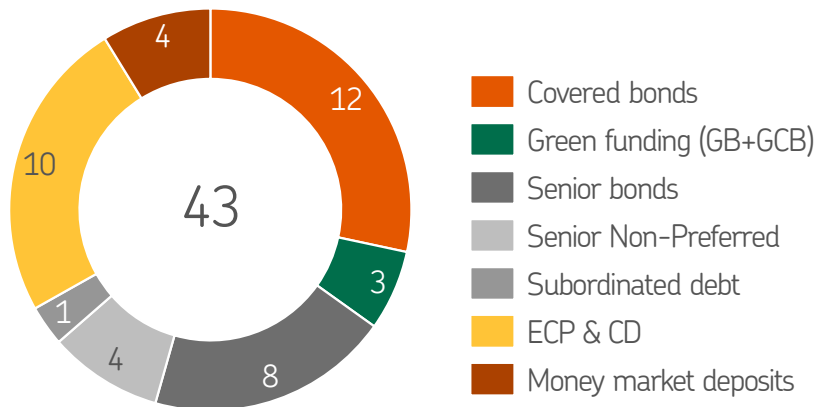
Asset encumbrance **22%** at YE2021.

Other assets include: Assets covering unit-linked contracts, derivative contracts, intangible assets, PPE, tax assets, receivables from credit institutions and other assets.

Other liabilities include: Insurance liabilities, liabilities from unit-linked insurance and investment contracts, derivative contracts, provisions and other liabilities, liabilities to credit institutions (excl. TLTRO III) and tax liabilities.

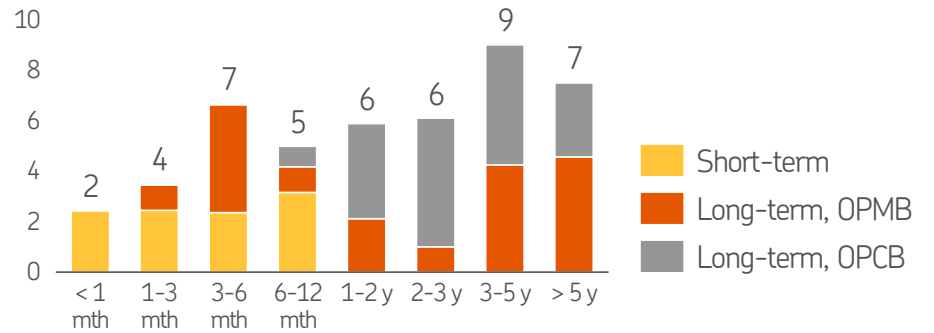
Well-balanced funding position

Long and short-term funding, € bn

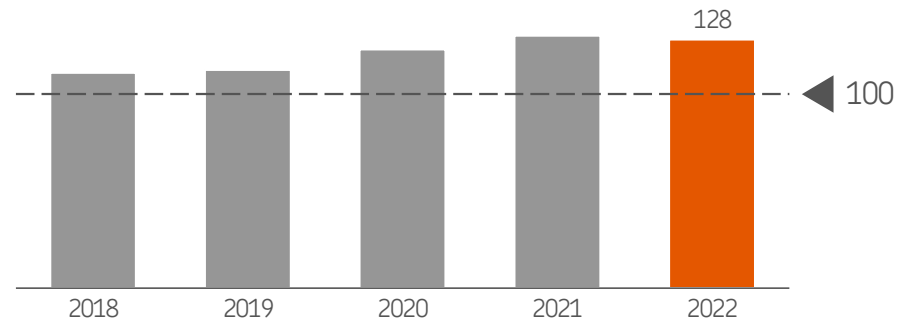


- In October, OP Corporate Bank issued a senior preferred bond of €0.5 billion. In November, OP Mortgage Bank issued a covered bond of €1.25 billion.

Maturity profile, € bn

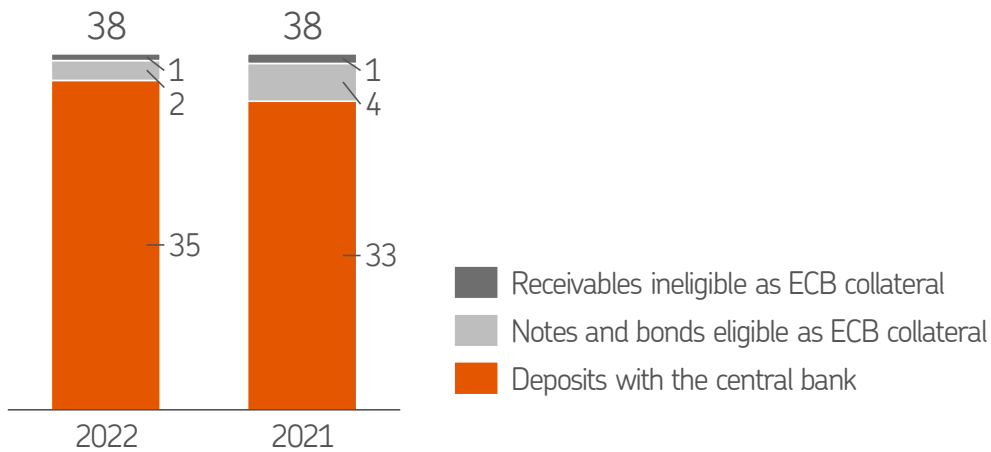


Net Stable Funding Ratio (NSFR), %



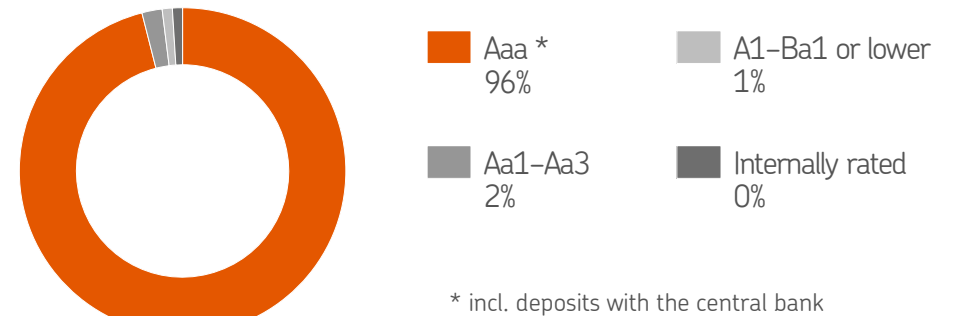
Strong liquidity position

Liquidity buffer breakdown, € bn

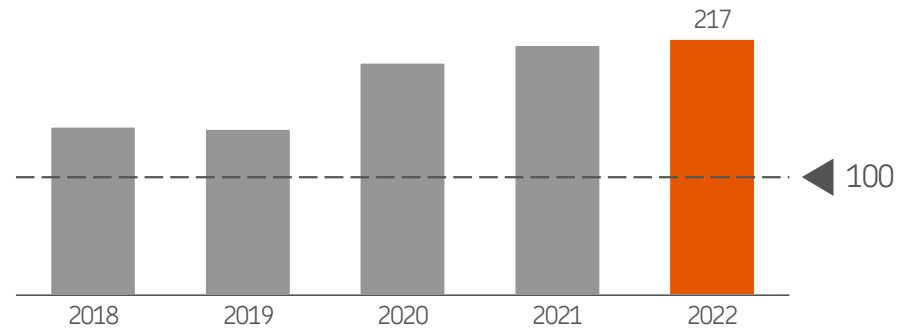


The liquidity buffer is sufficient to cover the need for short-term funding for known and predictable payment flows and in a liquidity stress scenario.

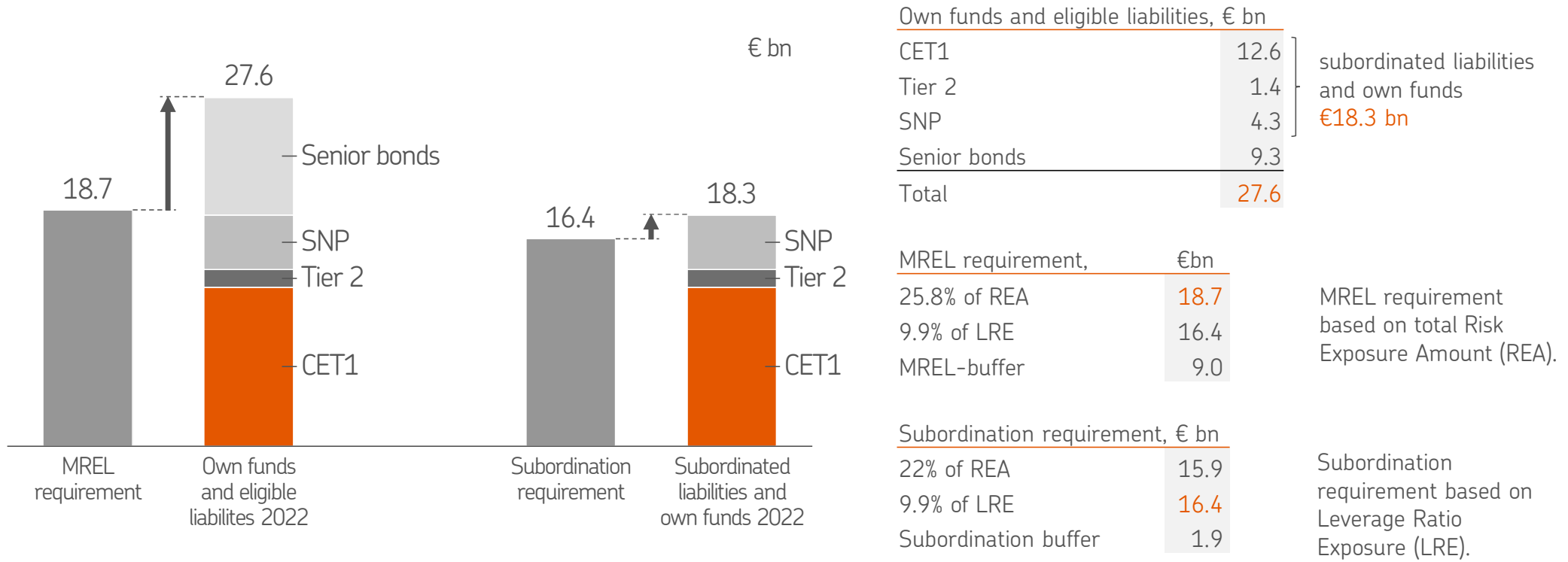
Liquidity buffer by credit rating, %



Liquidity Coverage Ratio (LCR), %



MREL and subordination requirements



Recent benchmark issues

Issuer	Year	Month	Type	Amount	Maturity
OP Mortgage Bank	2023	January	Covered Bond	€1 bn	7 yrs
OP Mortgage Bank	2022	November	Covered Bond	€1.25 bn	3.5 yrs
OP Corporate Bank	2022	October	Senior Preferred	€500 mn	4.5 yrs
OP Corporate Bank	2022	September	Senior Preferred	€1.25 bn	3.25 yrs
OP Corporate Bank	2022	June	Senior Preferred	€350 mn	3.5 yrs
OP Mortgage Bank	2022	April	Green Covered Bond	€1 bn	5.5 yrs
OP Corporate Bank	2022	January	Green Senior Non-Preferred	€500 mn	5.5 yrs
OP Corporate Bank	2021	October	Senior Non-Preferred	€400 mn	5 yrs
OP Corporate Bank	2021	September	Senior Non-Preferred	€500 mn	7.25 yrs
OP Corporate Bank	2021	June	Senior Non-Preferred	€500 mn	7 yrs
OP Mortgage Bank	2021	March	Green Covered Bond	€750 mn	10 yrs
OP Corporate Bank	2021	March	Senior Non-Preferred	€500 mn €300 mn	5 yrs 10 yrs

Funding based on strong credit ratings

	S&P	Moody's
Outlook	Stable	Stable
Covered bonds	AAA	Aaa
Senior Preferred	AA-	Aa3
Senior Non-Preferred	A	A3
Tier2	A-	Baa1
Short-term issuer rating	A-1+	P-1

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a large reusable mesh bag filled with produce. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various goods, including jars and boxes. A white horizontal line is positioned above the text.

OP as a Responsible Actor in the Finnish Society

OP's sustainability journey

Earlier steps

Sustainable finance actions

- 2002 Sustainability- themed fund
OP-Sustainable
Development
- 2009 Signing of the UN Principles
for Responsible
Investment
- 2015 Carbon footprints
measured for mutual funds
- 2016 Exclusion of carbon
investments
- 2018 Ethical principles of AI
- 2019 Founding signatory of
UNEP FI Principles for
Responsible Banking
- 2022 OP Financial Group's
sustainability programme
- 2022 The Partnership for Carbon
Accounting Financials (PCAF)



Climate targets aligned with the Paris Agreement

OP aims for
carbon neutrality



Zero emissions from the energy and fuels that OP uses (Scope 1 and 2).

Halving the
emission intensity of funds



OP Asset Management will halve the greenhouse gas emission intensity of OP's mutual funds by 2030 compared to the 2019 level.

By the end of 2030, direct and active investments exclude business related to coal mining or coal power generation.

Carbon neutral funds &
corporate loan portfolios



OP Corporate Bank is committed to achieving carbon neutral corporate loan portfolios by 2050. The same commitment is made by the Cooperative banks.

OP Asset Management & OP Fund Management Company have made the same commitment regarding the funds they manage together.

OP Asset Management & OP Real Estate Asset Management have signed the Net Zero Asset Managers Commitment.

OP Corporate Bank's ESG actions

Reaching carbon neutrality

Actions to guide companies towards low-carbon operations are being expanded and to reach the bank's long-term climate target of reaching carbon neutral loan portfolios by 2050, and to reduce emissions by 25% by 2030 compared to 2022 in line with OP Financial Group's new sustainability programme.

Supporting customers through the change

OP Corporate Bank's sustainable loan portfolio including both green and sustainability-linked loans exceeded EUR 5.2 billion in the end of 2022.

Improving visibility to climate impacts

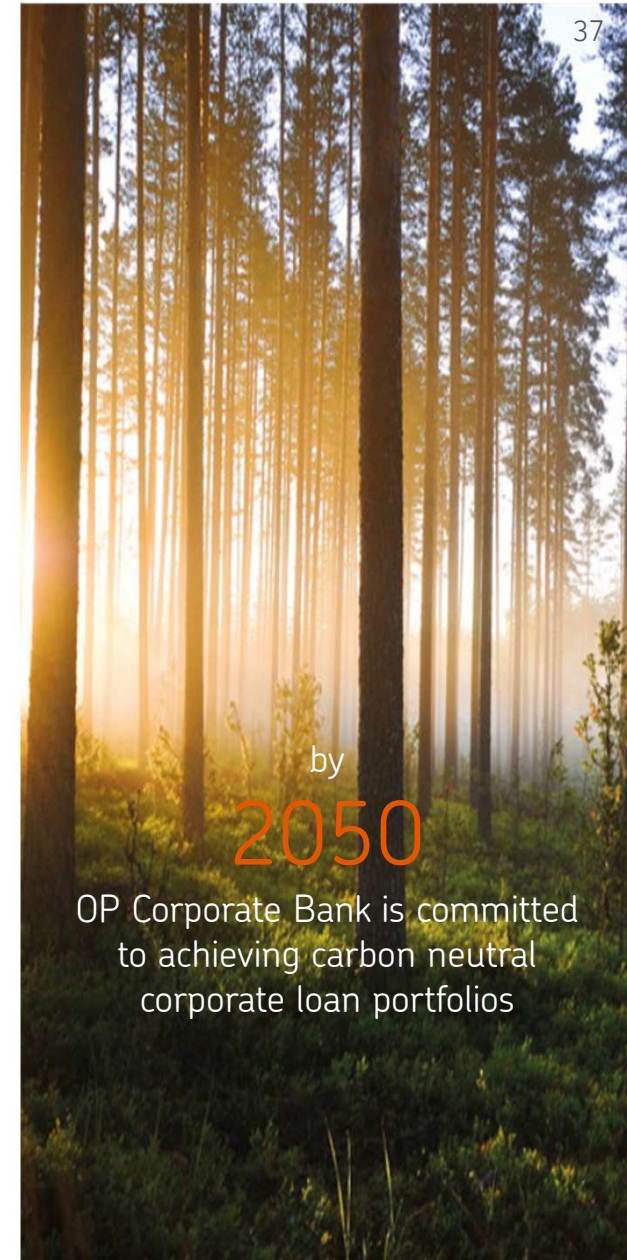
OP Corporate Bank is actively improving its understanding of its loan portfolio's climate risks. In June 2022, OP Financial Group joined the Partnership for Carbon Accounting Financials (PCAF) which gives improved guidance on implementing the GHG Protocol in the financial sector.

ESG integration into lending processes

The bank assesses corporate customers' exposure to ESG factors as well as their readiness to mitigate risks arising from ESG factors in all significant loan decisions. OP Corporate Bank will not provide finance for new coal power plants or coal mines, including companies that plan to build them.

” OP Financial Group is among the first banks in Europe to have published a sector-specific emission calculation of its portfolio of exposures.

© OP Financial Group / OP Public



by
2050

OP Corporate Bank is committed to achieving carbon neutral corporate loan portfolios

OP is highly committed to Corporate Responsibility



UNEP FI, Principles for Responsible Banking & Collective Commitment to Climate Action

Following the Paris Agreement, portfolios and lending procedures reflect low-carbon, climate-resilient economy



UN Global Compact initiative
10 principles on human rights, labour standards, environment and anti-corruption



Principles for Responsible Investment (PRI)

Commitment by OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd

ESG participation & cooperation

- Finland's Sustainable Investment Forum (FINSIF)
- Global Compact Nordic Network
- International Capital Markets Association's (ICMA) Green and Social Bond Principles
- Partnership agreement with Climate Bonds Initiative (CBI)
- CR network of the Finnish Business & Society association (FIBS)
- OP Asset Management Ltd: official supporter of The Task Force on Climate-related Financial Disclosures (TCFD)
- Equator Principles
- WWF's Green Office
- Partnership for Carbon Accounting Financials (PCAF)



Principles for Sustainable Insurance (PSI)

Commitment by Pohjola Insurance



OECD Guidelines for Multinational Enterprises

Incl. voluntary CR principles and standards



CDP

Measuring the carbon footprint of funds and complying with CDP's climate change, water and deforestation initiatives



OP Financial Group's sustainability programme

We will build a sustainable tomorrow together



Climate and the environment

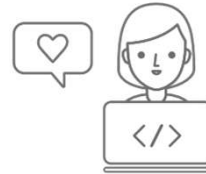
We will offer sustainable financing and investment products to our customers

We will decrease emissions across our loan and investment portfolios

We will promote the circular economy in our business and that of our customers

We will become carbon neutral by 2025

We will promote biodiversity and the wellbeing of nature



People and communities

We will foster a diverse, inclusive and non-discriminatory culture

We will promote the wellbeing of our local communities

We will support the management of personal finances and improve financial literacy

We will help customers with special needs to manage their finances

We will identify the impact of our operations on human rights



Corporate governance

We will integrate sustainability with all our business operations and risk-taking

We will use data and artificial intelligence responsibly


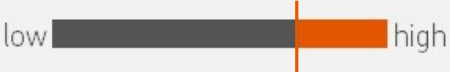



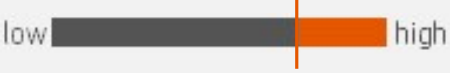



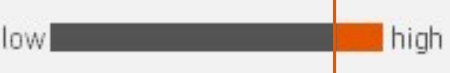
We will require our partners to commit to our Supplier Code of Conduct

We will increase diversity in our governing bodies

We will further improve the sustainability competencies of our personnel

ESG Ratings

OP is among the top performers

Rating agency	Rating	Rating scale	OP's performance relative to the industry
 MSCI	AA	CCC to AAA	low  high
 SUSTAINALYTICS	15.5 (low risk)	100 to 0 (severe to negligible risk)	low  high
 ISS ESG	C-	D- to A+	low  high
 CDP <small>DISCLOSURE INSIGHT ACTION</small>	B	D- to A	low  high
 vigeo eiris	58	0 to 100	low  high

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and two reusable mesh bags filled with produce. The man on the right is wearing a tan jacket and black pants. The background shows wooden shelves stocked with various goods.

Green Bonds

Green bonds support OP's mission and values

” Our mission is to promote the sustainable prosperity, security and wellbeing of our owner-customers and operating region.

OP's values



People First



Responsibility



Succeeding Together

Promoting the green transition

- Strengthening OP's responsible role in the Finnish society
- Promoting one of the three key themes and commitments of OP's Sustainability Programme – Climate and Environment
- Providing customers and investors with services and products that enable sustainable choices
- Conducting business in a responsible manner: understanding customers' ESG risks better, while integrating sustainable policies into lending
- Enabling the continuity and growth of Finnish companies' sustainable business

OPCB's Renewed Green Bond Framework 2022

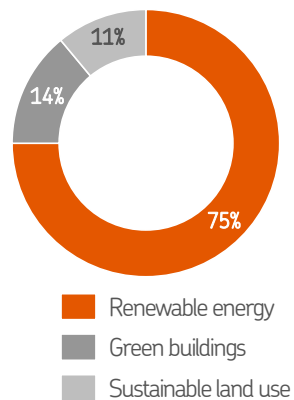
Use of proceeds	<ol style="list-style-type: none"> 1. Renewable Energy 2. Transmission of Energy 3. Energy Efficiency 4. Green Buildings 5. Pollution Prevention and Control 6. Environmentally Sustainable Management of Living Natural Resources and Land Use 7. Clean Transportation
Project evaluation and selection	Conventional credit process and green bond process in accordance with the eligibility criteria. Proceeds may be used for financing of general corporate purposes to dedicated businesses ("pure players") meeting specific eligibility criteria
Management of proceeds	Green Bond Register is monitored on a monthly basis. Internal reporting to Green Bond Committee quarterly.
Reporting	Annual Green Bond Report published on OP's website
External review and verification	Sustainalytics' Second Party Opinion and Limited Assurance Report by an external auditor



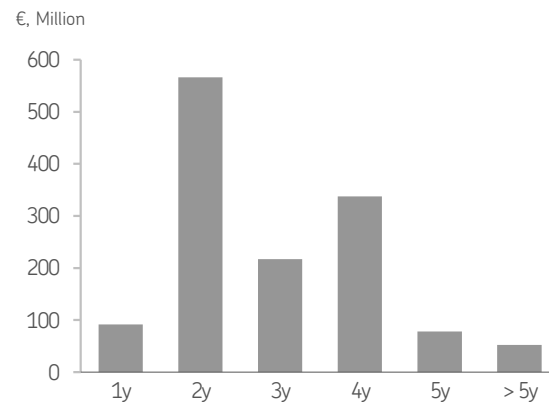
OP Corporate Bank's Green Bond Report

Assets included in the green bond register, YE2021

By eligible sector



By remaining maturity



- Eligible assets worth €1,342.4 million & reserve of unallocated green assets €842.4 million

OP Green bond impacts, YE2021



Renewable Energy

- 391,400 tCO₂e avoided
- 1,302.5 GWh of energy generated
- 320.1 MW of energy capacity installed



Green Buildings

- 17,892 m² of green certified building area and 6,645 m² currently under construction
- 2,069 tCO₂e avoided due to reduced energy consumption



Sustainable Land Use

- 34,722 ha of certified forests
- 36,807 tCO₂e in carbon sinks

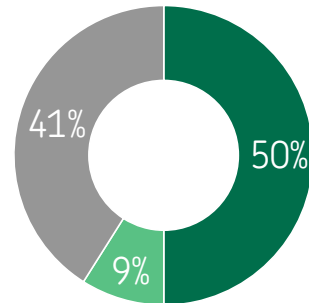
More information at: [OP Corporate Bank's Green Bond Report](#)

OP's green issuances

OP Corporate Bank plc

Green SNP 2022, €500 mn

- Over-subscribed by more than 3 times
- > 130 investor accounts involved



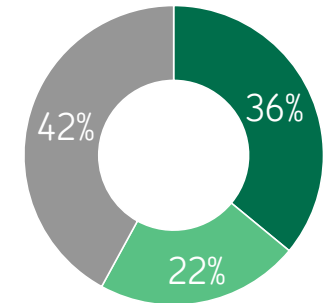
Green Bond 2019, €500 mn

- Over-subscribed by 4 times
- ~ 100 investor accounts involved

OP Mortgage Bank

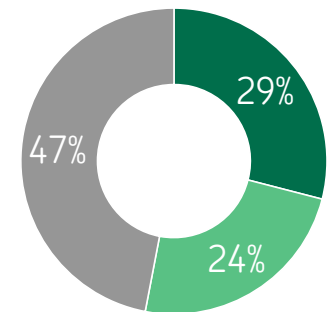
Green Covered Bond 2022, €1 bn

- Over-subscribed by more than twice
- > 50 investor accounts involved



Green Covered Bond 2021, €750 mn

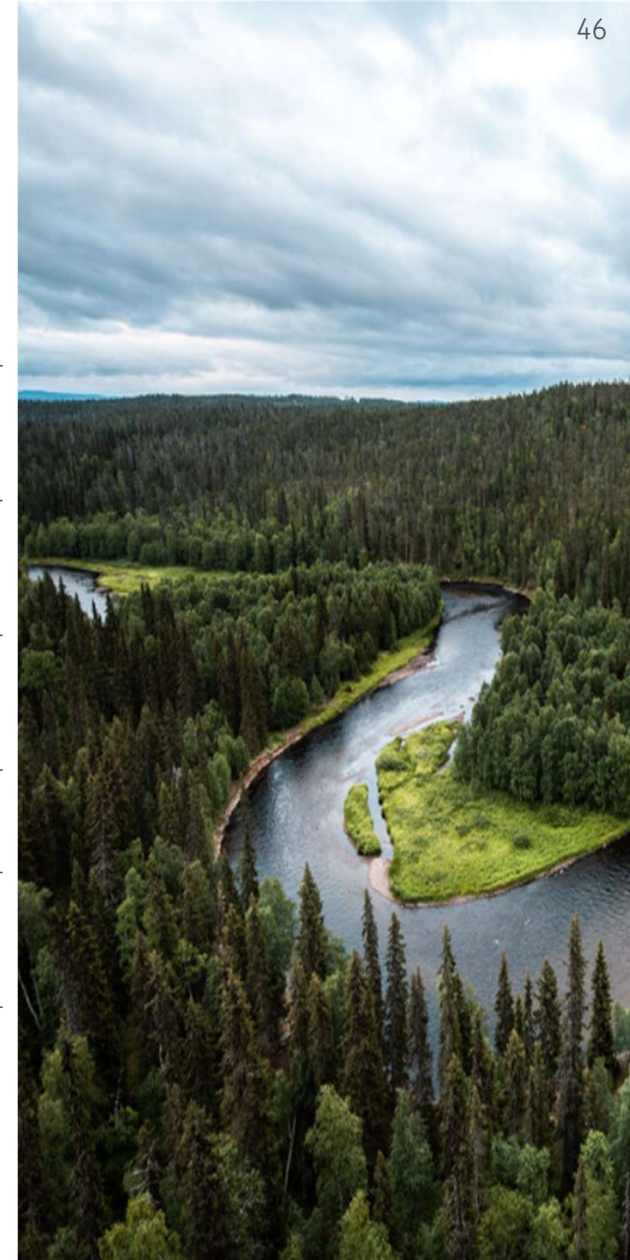
- Over-subscribed by more than twice
- > 50 investor accounts involved



Dark green
 Light green
 Conventional

OPMB's Green Covered Bond Framework 2020

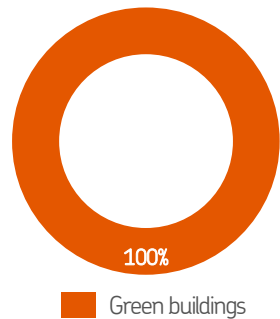
Use of proceeds	1. Green buildings Criteria: EU Taxonomy's construction and real estate activities criteria and CBI residential buildings criteria
Project evaluation and selection	To identify eligible mortgages, data from various sources is utilized (e.g. ARA) The energy performance certificates (EPCs) are used to assess eligibility If EPCs are not available, the secondary approach is energy efficiency statistical modelling
Management of proceeds	Cover pool is reviewed as a part of the pooling process on a regular basis Quarterly internal reporting to Green Bond Committee
Reporting	Annual Green Covered Bond Report published on OP's website
External review and report verification	Sustainalytics' Second Party Opinion Limited assurance report by an external auditor



OP Mortgage Bank's Green Covered Bond Report

Assets included in the Green Covered Bond, YE2021

By eligible sector



Average time from origination	3.8 years
Average time until maturity	18.0 years

- Eligible assets worth €2,566.7 million of which €750 million allocated to the Green Covered Bond

More information at: [OP Mortgage Bank's Green Covered Bond Report](#)

OPMB Green Covered Bond impacts, YE2021



Green Buildings (in the cover pool)

- **22,435 mortgages**
- **2.4 million m²** of green buildings tagged as green
- **90,000 MWh** avoided energy use
- **14,000 tCO₂e** avoided emissions



Green Buildings (allocated to €750 million bond)

- **26,000 MWh** avoided energy use
- **4,100 tCO₂e** avoided emissions

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and a pink mesh produce bag filled with oranges. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various grocery items.

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
- New 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

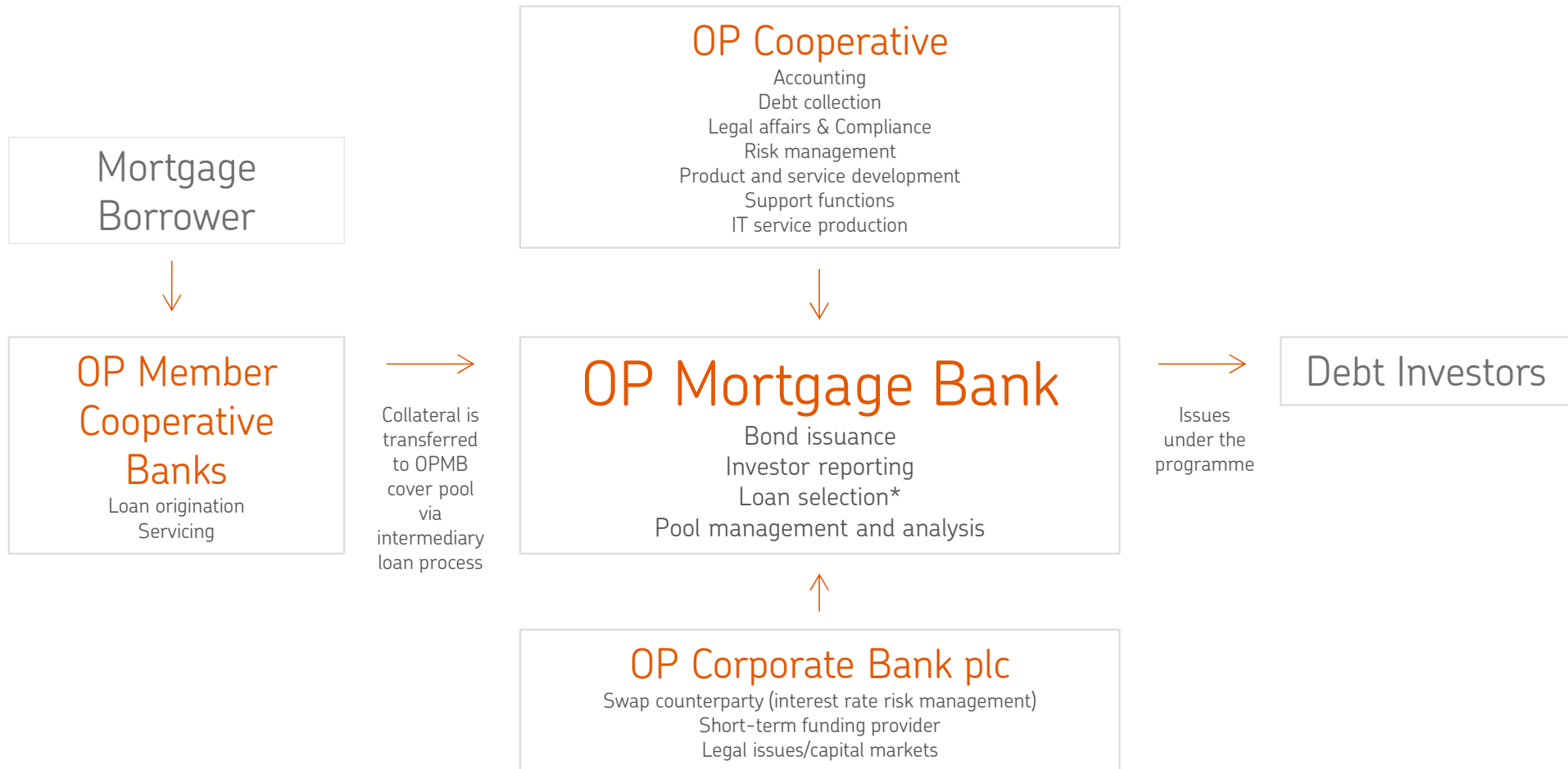
Harmonised transparency template



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

<https://www.coveredbondlabel.com/issuer/5-op-mortgage-bank>

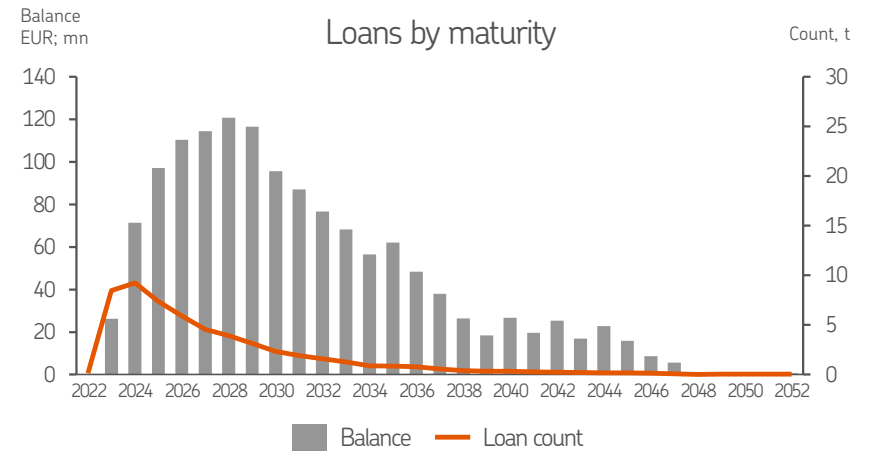
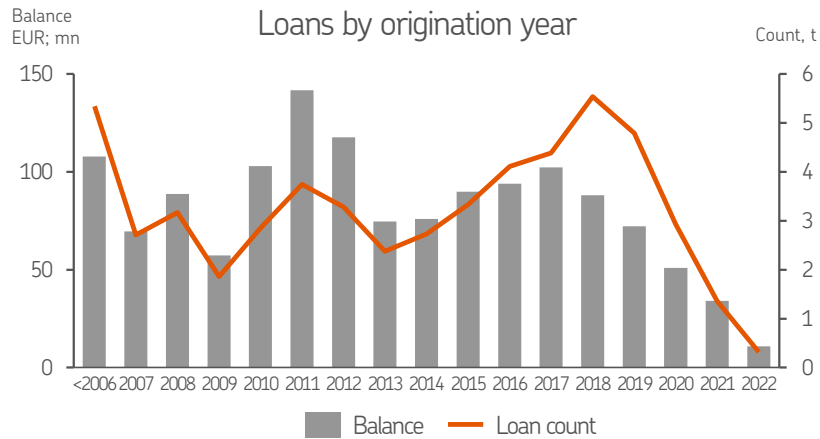
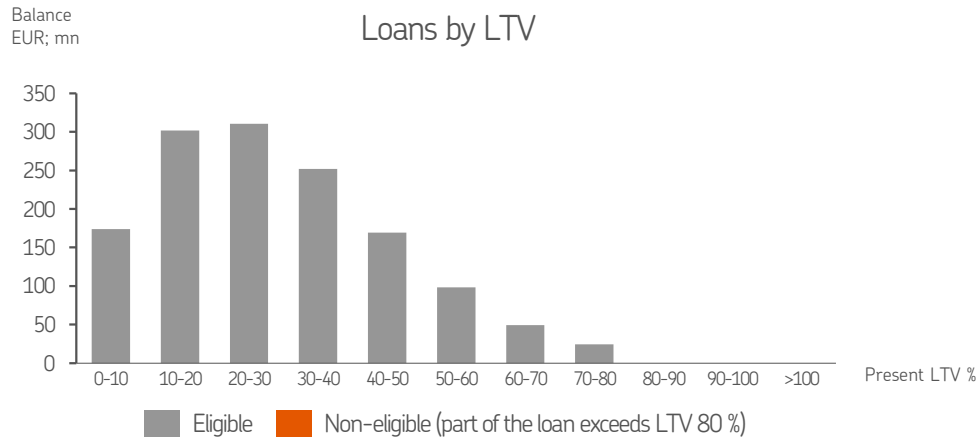
Operating model and roles



Covered Bonds under Finnish legislation

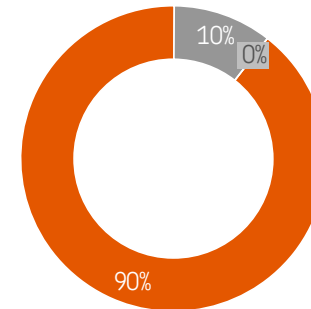
	Act on Mortgage Credit Banks and Covered Bonds (151/2022)	Act on Mortgage Credit Bank Operations (688/2010)
Applicability	Bonds issued after 8 July 2022	Bonds issued before 8 July 2022
Programmes under the Act	Euro Medium Term Covered Bond Premium (EMTCB)	Euro Medium Term Covered Note (EMTCN), Euro Medium 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	

OPMB EMTCB cover asset pool



EMTCB programme

<p>€1.38 bn Current balance</p>	<p>€1.25 bn Total amount of covered bonds.</p>	<p>€25,000 Average loan size</p>
<p>>99% Tied to floating interest rate</p>	<p>29% Weighted Average indexed LTV</p>	<p>10% Over-collateralisation (OC)</p>



Loan type distribution

- Residential loans
- Housing company loans
- Other



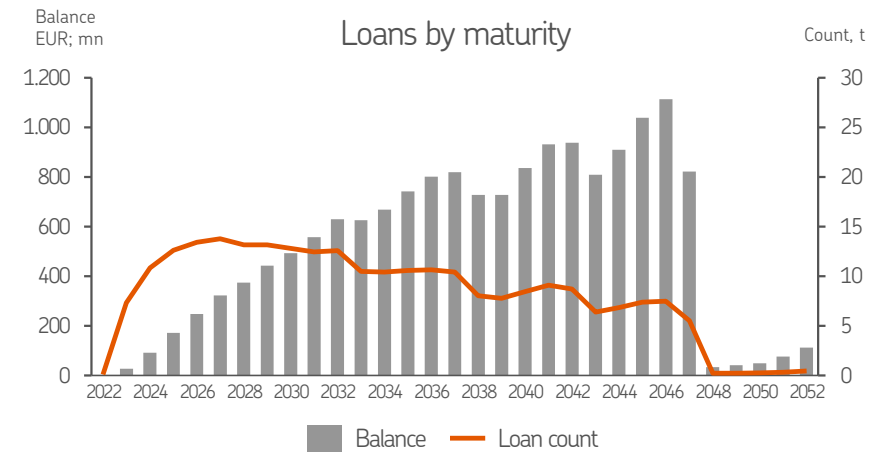
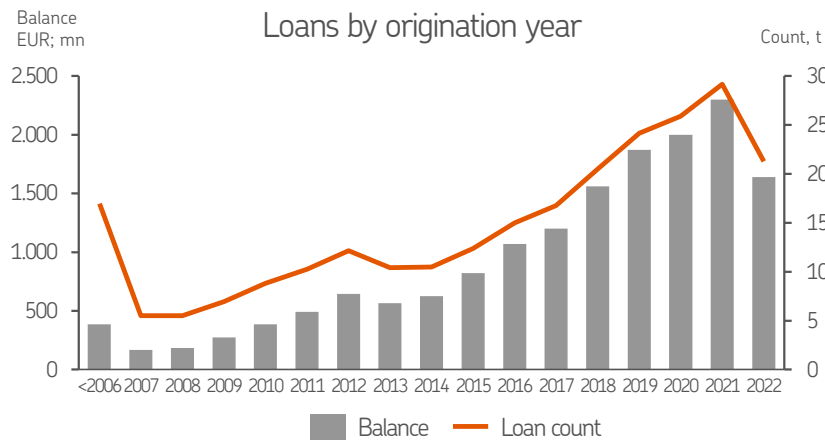
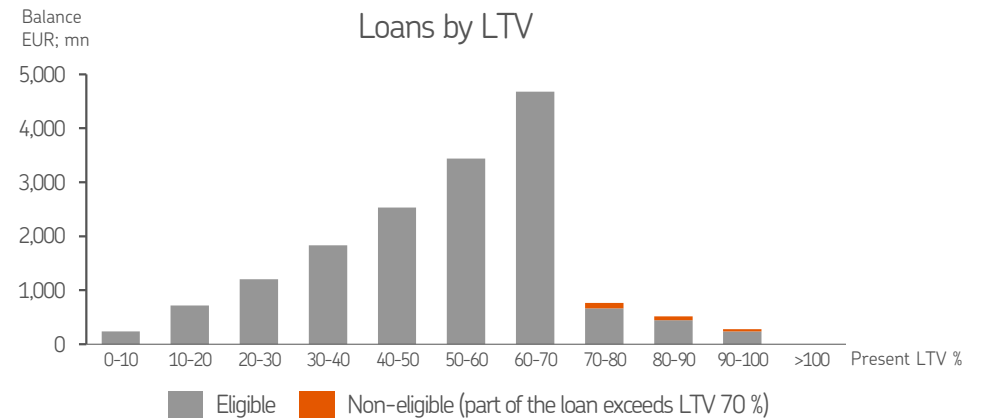
Geographical loan distribution

- | | | |
|---|------------------|-----|
| 1 | Southern Finland | 45% |
| 2 | Western Finland | 31% |
| 3 | Eastern Finland | 9% |
| 4 | Oulu region | 13% |
| 5 | Lapland | 2% |

OPMB EMTCN cover asset pool

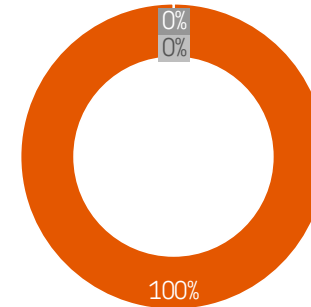
 €2.5 bn

Eligible green mortgages
in the cover pool
in December 2021



EMTCN programme

<p>€16.2 bn Current balance</p>	<p>€14 bn Total amount of covered bonds, out of which €1.75 bn is green</p>	<p>€64,000 Average loan size</p>
<p>>98% Tied to floating interest rate</p>	<p>52% Weighted Average indexed LTV</p>	<p>16% Over-collateralisation (OC)</p>



Loan type distribution

- Residential loans
- Housing company loans
- Other



Geographical loan distribution

- | | | |
|---|------------------|-----|
| 1 | Southern Finland | 47% |
| 2 | Western Finland | 34% |
| 3 | Eastern Finland | 8% |
| 4 | Oulu region | 9% |
| 5 | Lapland | 2% |

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.

A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a woven basket and two reusable mesh bags (one pink, one teal) filled with produce. The man on the right is wearing a tan jacket and black pants. The background shows wooden shelves stocked with various goods.

Appendix

Joint liability

Under the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010), OP Cooperative and the member credit institutions are jointly liable for each others' debts.

The member credit institutions include OP Corporate Bank plc, OP Mortgage Bank, OP Retail Customers plc and the member cooperative banks. Insurance companies or other group entities do not fall within the scope of joint liability.

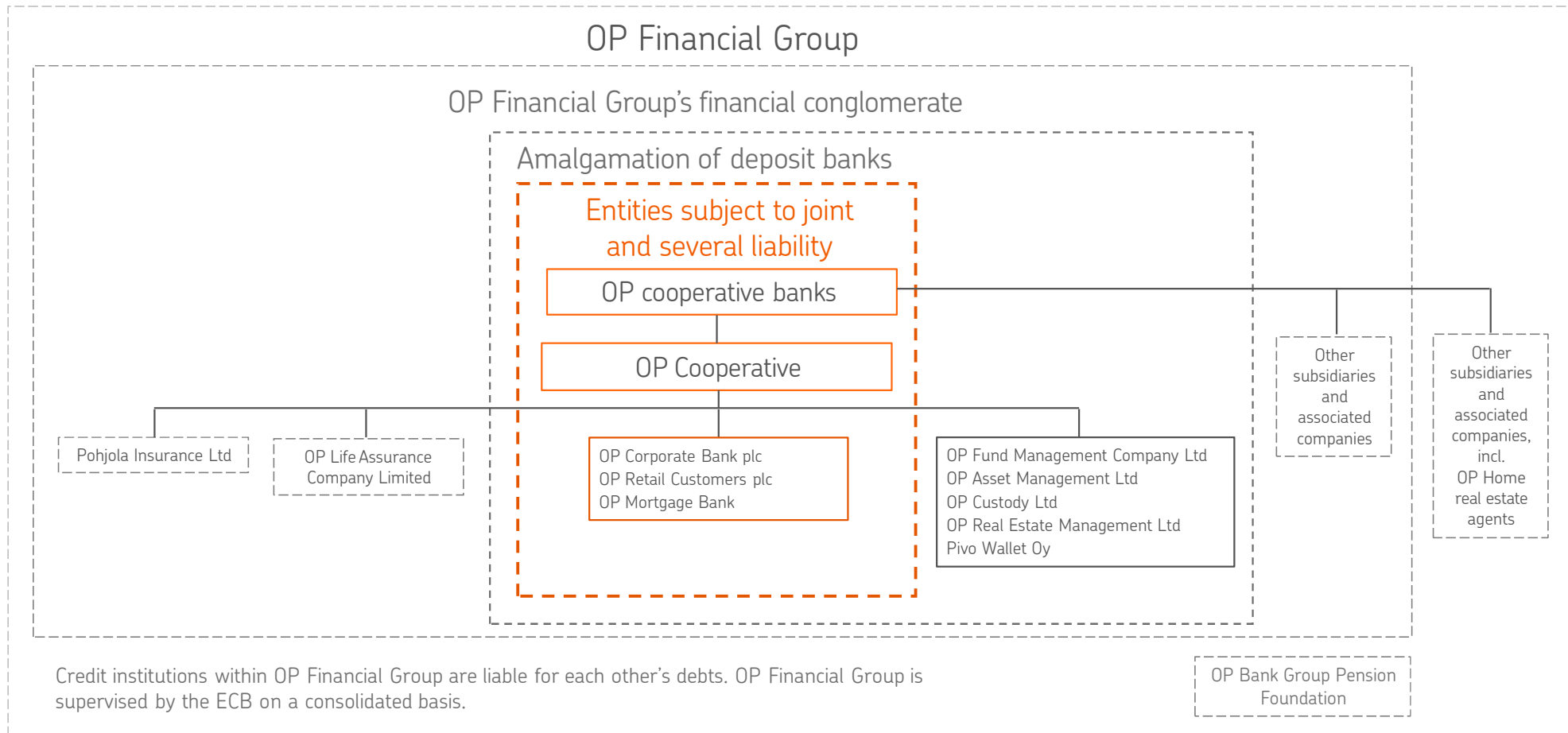
If a creditor has not received payment from a member credit institution on a due debt, the creditor may demand payment from OP Cooperative.

The member credit institutions must pay proportionate shares of the amount OP Cooperative has paid, and upon insolvency of OP Cooperative they have an unlimited liability to pay the debts of OP Cooperative.

OP Cooperative and the member credit institutions are under an obligation to take capital support actions to prevent a member credit institution's liquidation.

Further information on the joint liability available in the Base Prospectuses of OP Corporate Bank plc and OP Mortgage Bank.

OP Financial Group's amalgamation structure



A photograph of a couple holding hands in a grocery store. The woman on the left is wearing a green sweater and black pants, carrying a large reusable mesh bag filled with produce like oranges and nuts. The man on the right is wearing a tan sweater and black pants. The background shows wooden shelves stocked with various goods.

Contacts

Contacts and financial calendar

Investor Relations & Funding



Head of Investor Relations
CEO of OP Mortgage Bank
Sanna Eriksson



Head of Long-term Funding
Treasury
Tom Alanen



Senior IR Officer
Rating Agency Relations
Eerikki Holst



IR ESG Officer
Investor Relations
Sanna Auvinen



IR ESG Specialist
Investor Relations
Venla Koljonen



Financial calendar 2023

Interim Report for Q1/2023	3 May 2023
Half-year Financial Report for H1/2023	25 July 2023
Interim Report for Q3/2023	25 October 2023

For more information

www.op.fi/debtinvestors
[ESG for Debt Investors](#)
[CFO Results Overview](#)
[OP Financial Group's reports](#)