

Transaction Update:

# OP Mortgage Bank

May 6, 2026

Reference rating level	aa+	Jurisdiction-supported rating level	aaa	Maximum achievable CB rating	aaa	<b>Covered bond rating</b>	
Resolution regime uplift	+2	Assigned jurisdictional support uplift	+1	Assigned collateral support uplift	0	<b>AAA/Stable</b>	
Systemic importance	Very Strong	Jurisdictional support assessment	Very Strong	Over-collateralization adjustment	0	Rating constraints	aaa
Resolution counterparty rating	AA-			Liquidity adjustment	0	Sovereign risk	aaa
ICR Or parent bank rating or guarantor rating	AA-*			Potential collateral-based uplift	+4	Counterparty risk	aaa

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\*As a starting point of the analysis, we may use the issuer credit rating on the relevant parent or guarantor when the issuer is not rated but belongs to a group with a rated parent or payments under the covered bonds are guaranteed by another rated entity.

## Credit Highlights

### Overview

#### Key strengths

High reference rating level (RRL) on OP Mortgage Bank (OPMB) allows the program to achieve 'AAA' ratings at a jurisdiction-supported rating level (JRL).

The bonds' soft-bullet repayment profile mitigates short-term liquidity risk.

The covered bond ratings benefit from two unused notches of jurisdictional support and four unused notches of collateral-based uplift, which will protect the ratings on the covered bonds if we were to downgrade the issuer by up to six notches, all else remaining equal.

**The application of our updated covered bonds criteria allows the program to achieve 'AAA' ratings based on our jurisdictional support analysis and the coverage of the legal minimum overcollateralization (2%).** In our previous analysis, the program required the coverage of 'AAA' credit risk (4.12%) to achieve 'AAA' ratings (see "[Methodology For Rating Covered Bonds](#)," July 25, 2025).

**The target credit enhancement (TCE) decreased, and 'AAA' credit risk remained stable under our updated criteria.** The TCE determines the overcollateralization commensurate with the

maximum collateral-based uplift of four notches above the JRL and considers the program's asset-liability maturity mismatch (ALMM) risk. The lower TCE is driven predominantly by our lower refinancing asset spread assumptions when modeling refinancing risk under our updated criteria. Accordingly, in our cash flow modeling, we applied a target asset spread of 205 basis points (bps) for the first three years and a base-case asset spread of 55 bps thereafter (compared to 440 bps until the covered bonds' final maturity previously). In addition, we no longer apply spread compression and basis risk stresses under our updated criteria, given their limited materiality on 'AAA' credit risk and the TCE results.

**We have updated our counterparty risk assessment.** Accordingly, we apply a forward-looking assessment of the issuer's maintenance of credit support to address commingling risk. This did not affect our analysis as we did not size commingling risk previously because it is structurally addressed in this program. Additionally, our updated counterparty risk assessment does not limit the number of unused notches.

**The program benefits from six unused notches of uplift.** As the program achieves a 'aaa' JRL, we no longer deduct one notch for uncommitted overcollateralization as we consider the issuer's maintenance of the legal minimum overcollateralization as a legally binding commitment to maintain overcollateralization commensurate with the current ratings. Additionally, our counterparty risk assessment no longer limits the number of unused notches. These two factors increased the number of unused notches of uplift to six from four in our last review. This means that we could lower the ICR on OPMB by up to six notches without lowering the ratings on the covered bonds, all else being equal.

**The banking sector shows resilience to economic risk.** Finland's economic recovery from a two-year recession has been fragile. After the economy expanded 0.4% in 2024, real GDP growth stagnated in first-half 2025. Nevertheless, we expect economic recovery to gather pace in 2026. The Finnish banking sector remains resilient amid the muted economic conditions, and gradual economic recovery should support the sector's growth prospects. In our view, the correction in house prices after the rapid increase in interest rates and muted consumer confidence is virtually over. By mid-2025, prices began to rise again, supported by falling interest rates, easing inflation, and improving household incomes. Although credit losses will likely exceed the cyclical lows of 2024-2025, they will remain manageable and small, compared with other European banks. This is because of Finnish banks' prudent underwriting standards, their focus on collateralized lending, the private sector's sound financial buffers, and Finland's strong social security system (see "[Banking Industry Country Risk Assessment: Finland](#)," Nov. 7, 2024 and "[Finland](#)," Oct. 27, 2025).

**Banking industry risk is stable.** We expect the banking sector to demonstrate sound operating efficiency and profitability, even if the latter declines modestly due to lower interest rates. In our view, the banking sector has sound buffers to absorb credit losses, even beyond our base-case scenario, given its solid operating profitability and capitalization. Issues from weak economic growth and distress in specific sectors have led to some asset quality weakening and higher credit impairments but are unlikely to disrupt the banks' resilience.

## Outlook

The stable outlook on the ratings on OPMB's mortgage covered bonds reflects that the covered bond ratings benefit from six unused notches of support under our updated covered

bonds criteria. This means the ratings would not be affected if we were to lower our long-term ICR on the issuer by up to six notches, all else being equal.

## Program Description

Table 1

### Program overview\*

Jurisdiction	Finland
Legal framework	Finnish Covered Bond Act
Redemption profile	Soft bullet
Underlying assets	Finnish residential mortgage loans
Outstanding covered bonds (bil. €)	7.55
Available credit enhancement (%)	9
Credit enhancement commensurate with rating (%)	2
Legal overcollateralization (%)	2
Total unused notches	6

\*Based on cash flows as of Dec. 31, 2025.

The issuer is a part of OP Pohjola, a statutory amalgamation of Finnish cooperative banks and a financial consortium under the Act on Amalgamations of Deposit Banks, with a strong retail and corporate banking franchise in Finland. OP Pohjola established OPMB to refinance its prime mortgage assets by issuing covered bonds. Its funding plans are an integral part of the cooperative's funding strategy.

The Finnish covered bond laws allow deposit banks and credit societies to grant intermediary loans to member banks, who participate indirectly in the issuance of covered bonds. An intermediary loan contract is made between member banks and the issuer (OPMB). OPMB may mark mortgages as collateral for the cover pool in return for funds from the issuer. The mortgage loans eligible as collateral for a covered bond must meet the legal requirements as well as the criteria for OPMB covered bond program. OPMB monitors the adequacy of the collateral daily. Once the mortgages are registered in the cover pool, they serve as collateral for the covered bonds until the intermediary loans expire. The covered bonds issued under this program are collateralized by mortgage loans that serve as guarantee for intermediary loans.

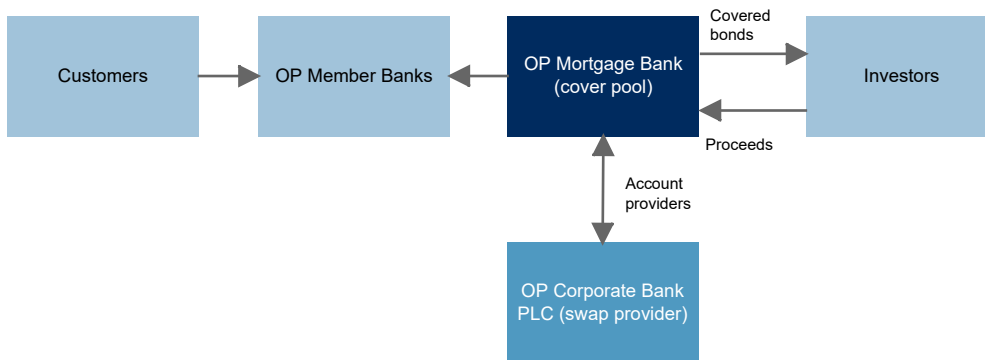
OPMB established the currently analyzed €20 billion mortgage covered bond program to issue covered bonds following the enactment of the Finnish Act on Mortgage Credit Bank Activities (MCBA) in 2010. The first issuance from the program occurred in 2011. The cover pool assets and outstanding liabilities are euro-denominated.

OPMB established a new covered bond program to issue covered bonds under Finland's CBA (151/2022, as amended) in 2022, effective July 8, 2022. OPMB's covered bonds issued before July 2022 (under this program) continue to be governed by the Finnish Act on MCBA while those issued after this date (under the new program) are governed by the CBA.

The covered bonds issued under each program rank pari passu among themselves. Covered bondholders and derivative counterparties have a priority claim only toward the loans registered in each separate program's cover pool, which is segregated from cover pool assets backing other programs.

## OP Mortgage Bank

### OP Mortgage Bank Covered Bond Program Structure



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Table 2

### Program participants

Role	Name	Rating	Rating dependency
Issuer	OP Mortgage Bank	AA-/Stable/A-1+*	Yes
Originator	OP Mortgage Bank	AA-/Stable/A-1+§	No
Bank account provider	OP Corporate Bank PLC	AA-/Stable/A-1+	No
Interest rate hedge provider	OP Corporate Bank PLC	AA-/Stable/A-1+	Yes

\*As a starting point of the analysis, we may use the issuer credit rating on the parent or guarantor when the issuer is not rated, but it belongs to a group with a rated parent or payments under the covered bonds are guaranteed by another rated entity. §Mortgage loan origination by member banks of the wider OP Pohjola.

## Rating Analysis

### Legal and regulatory risks

We base our legal analysis on our criteria "[Asset Isolation And Special-Purpose Entity Methodology](#)," May 29, 2025

OPMB's covered bonds are issued under the Finnish Act on MCBA. On July 2022, the MCBA was replaced by the Finnish CBA. We understand that covered bonds issued under the MCBA can continue to be governed by the provisions effective on their issue date (grandfathered).

In our opinion, both laws satisfy the relevant legal aspects we assess under our covered bonds criteria, specifically the cover pool assets' isolation from the issuer's bankruptcy or insolvency risk, so that the covered bond payments continue on their scheduled dates (see "[Methodology For Rating Covered Bonds](#)," July 25, 2025). This allows us to rate the covered bond program above the ICR on the issuer.

The issuers of covered bonds are required to have a license from the Finnish Financial Supervisory Authority (FIN-FSA). Further, they must maintain a register for the covered bonds and the collateral forming the cover pool. The FIN-FSA monitors the register's management, including asset recording, and the issuer must regularly report the information in the register to the FIN-FSA.

## OP Mortgage Bank

The cover pool can comprise residential mortgage loans, commercial mortgage loans, public-sector loans, and substitute assets to facilitate liquidity management. Under the MCBA, covered bondholders and derivative counterparties have recourse toward 70% of the residential and 60% of the commercial estate properties' market value. Derivatives are allowed for risk hedging purposes and must be registered in the cover pool register. Derivative counterparties benefit from the same statutory priority right as covered bondholders.

Both laws allow deposit banks and credit societies to participate indirectly in the issuance of covered bonds via intermediary loans granted by a mortgage credit bank. OPMB's cover pool comprises residential mortgages that guarantee these intermediary loans. We consider the collateral backing intermediary loans' security to be comparable to direct transferred mortgage loans. We therefore perform our analysis relying directly on the inflows from the mortgage loans that guarantee these intermediary loans.

If the issuer became insolvent, the FIN-FSA would appoint a supervisor for the cover pool's management, including securing cash collections and payments due to covered bondholders and derivative counterparties. While a bankruptcy administrator (appointed by a court) manages both the issuer's insolvency estate and the cover pool, the supervisor's role is to protect the covered bondholders' interests. Upon issuer insolvency, covered bondholders and derivative counterparties (including termination fees) have a preferential claim to the cover pool assets, which would be isolated from the issuer's other assets.

Under the MCBA, bondholders and derivative counterparties have a priority of payment right to 80% of the market value of residential properties and 60% of the market value of commercial estate properties included in the determination of overcollateralization.

For more details on our legal framework analysis see "[A Closer Look At Finland's Covered Bond Framework](#)," Sept. 27, 2023.

## Resolution regime analysis

OPMB is domiciled in Finland, which is part of the EU's Bank Recovery and Resolution Directive (BRRD). We assess the Finnish mortgage covered bonds' systemic importance as very strong. Under our covered bonds criteria, this means the reference rating level (RRL) will be the greater of: (i) the 'AA-' ICR on the issuing bank, plus two notches; and (ii) the resolution counterparty rating (RCR) on the issuing bank i.e 'AA-'. As a result, the RRL is 'aa+', two notches above the ICR.

This uplift recognizes that resolution regimes like the BRRD increase the probability that an issuer could service its covered bonds even following a default on its senior unsecured obligations. We consider this as an internal form of support because the bail-in of certain creditors of the issuer does not require direct government support.

## Jurisdictional support analysis

Our jurisdictional support analysis assesses the likelihood that a covered bond program facing stress would receive support from a government-sponsored initiative instead of from the collateral assets' liquidation in the open market.

Our assessment of the expected jurisdictional support for Finnish mortgage programs is very strong. Under our updated covered bonds criteria, this means that the program can receive up to three notches of jurisdictional uplift above the RRL. However, we have not assigned any notches in this program because the RRL ('aa+') is already at the level of the long-term sovereign rating on Finland. As a result, the program has three unused notches of jurisdictional support

## Operational and administrative risks

Our analysis of operational and administrative risks follows the guidelines in our covered bonds criteria. In our opinion, operational risk does not constrain the rating on the covered bonds to the same level as our rating on OPMB.

We believe that a replacement cover pool manager would be available to manage the cover pool if the issuer were to become insolvent. In our view, Finland is an established covered bond market, and the mortgage assets in OPMB's cover pool do not comprise product features that would materially limit the range of available replacement cover pool managers or servicers.

OP Pohjola, with assets of €164.8 billion as of Dec. 31, 2025, has a leading retail and corporate banking franchise in Finland, complemented by insurance and asset management operations. In our view, the integrated bancassurance model--with domestic markets shares of 34% in loans and 41% of deposits alongside 33% in non-life insurance and 21% in life insurance--provides a strong foundation for revenue diversification and cross-selling opportunities within its substantial customer base of 2.1 million owner-customers.

OPMB is a member of the cooperative, which operates within a cooperative banking model, with OP Corporate Bank PLC and member banks having joint liability. OPMB handles OP Pohjola's steering and supervision in accordance with the Act on Amalgamations of Deposit Banks. It issues binding instructions on risk and capital adequacy management, corporate governance and internal control and sets business risk limits for the member banks.

The typical loan granted to borrowers by OP Pohjola's member banks is a EURIBOR-linked (12 month) floating rate mortgage, with a loan-to-value (LTV) ratio of about 70% and a repayment period of less than 25 years. Member banks originate the mortgage loans directly using online applications and branch channels. The mortgages are granted following the OP Pohjola's lending instructions, which are set by the OPMB risk control department. Customers' income is verified through pay slips and/or taxation information. Affordability calculations are made for all customers, including stress testing at 6% interest and a maximum maturity of 25 years.

The FIN-FSA currently applies a 90% (to be increased to 95%) cap on loan-to-collateral ratios on residential mortgage loans other than first-home loans, and a 95% cap for first-time buyers. Loans with LTV above 80% are not eligible for covered bond funding.

Overall, we believe sufficient prudent underwriting and servicing procedures are in place to support our ratings on the covered bonds. We therefore did not apply any analytical adjustments to account for operational and administrative risks.

## Collateral

While our 'AAA' ratings reflect our jurisdictional support analysis and the coverage of the legal minimum overcollateralization (2%), we performed a collateral support analysis as of Dec. 31, 2025, to determine the number of unused notches of uplift in this program. The cover pool comprises highly seasoned Finnish residential mortgage loans.

In line with our previous review, we performed our residential mortgage loans analysis based on the specific adjustments defined for Finland under the European supplement of our global residential loans criteria (see "[Global Methodology And Assumptions: Assessing Pools Of Residential Loans--Europe Supplement](#)," April 4, 2024, and "[Global Methodology And Assumptions: Assessing Pools Of Residential Loans](#)," Jan. 25, 2019).

Table 3

**Cover pool composition**

Asset type	As of Dec. 31, 2025		As of Dec. 31, 2024	
	Value (mil. €)	% of cover pool	Value (mil. €)	% of cover pool
Finnish residential mortgage loans	8.243	100	9.45	100
Substitute assets	0	0	0	0
Other asset type	0	0	0	0
Total	8.243	100	9.45	100

We assessed a typical mortgage cover pool's credit quality by estimating the credit risk associated with each loan in the pool, and by applying stresses commensurate with a 'AAA' rating scenario. We then calculated the aggregate risk to assess the cover pool's overall credit quality. To quantify the potential losses associated with the entire pool, we weigh each loan's foreclosure frequency and loss severity by its percentage of the total pool balance. The product of the weighted-average foreclosure frequency (WAFF) and the weighted-average loss severity (WALS) estimate the required loss protection (credit coverage), assuming all other factors remain unchanged.

The cover pool includes loans granted to borrowers with multiple loan parts and, sometimes, backed by different properties. House prices have underperformed income levels, suggesting that the housing market is undervalued. We have not received information on the mortgage borrowers' loan-to-income ratios, but we have considered this risk in our foreclosure frequency analysis.

The cover pool includes 23.3% of equal installment mortgage loans. However, the maturity on most of these loans can extend up to 60 years (from origination) if the interest rate is high enough to compensate the entire installment. We believe this maturity extension to be sufficiently long to hedge for an immediate payment shock on the borrowers and hence only apply the adjustment on those loans that could not extend in the same circumstances (i.e., on about 0.22% of loans in the cover pool).

Since our previous review, the WAFF has decreased to 11.43% from 12.57% due to higher seasoning and a lower level of buy to let properties whereas the WALS has increased

to 12.70% from 11.71%, driven by higher current LTV ratios, and a higher percentage of loans with jumbo valuations.

Table 4

**Key credit metrics**

	Dec. 31, 2025	Dec. 31, 2024
Average loan size (€)*	97,692	84,088
Weighted-average effective LTV ratio (%)**	67.76	65.69
Weighted-average CLTV ratio (%)	52.22	49.45
Weighted-average loan seasoning (months)§	83.5	72.85
Balance of loans in arrears (%)	0	0
Self-employed borrowers (%)	3.03	3.19
Fixed maturity equal installment mortgages (%)	0.22	0.33

## Key credit metrics

	Dec. 31, 2025	Dec. 31, 2024
Equal installment mortgages (%)	23.29	23.64
<b>Credit analysis results:</b>		
Weighted-average foreclosure frequency (%)	11.43	12.57
Weighted-average loss severity (%)	12.7	11.71
'AAA' credit risk (%)	2.5	4.12

\* Average aggregated borrower loan size \*\*The effective LTV is the result of the application of our global RMBS criteria that weight the original LTV and current indexed LTV in an 80% and 20% ratio for the WAFF calculation. §Seasoning refers to the elapsed loan term. LTV--Loan-to-value. CLTV--Current loan-to-value.

Table 5

## LTV ratios

(%)	Effective LTV (%)		Current LTV (%)	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
0-40	7.51	12.43	20.18	28.92
40-50	9.22	10.92	19.13	17.66
50-60	15.31	14.15	28.53	20.25
60-70	24.22	18.3	25.19	30.34
70-80	17.92	16.77	5.08	2.1
80-90	12.38	13.62	0.92	0.33
90-100	9.58	10.3	0.32	0.13
Above 100	3.86	3.51	0.64	0.27
Total above 80	25.82	27.43	1.88	0.73
Weighted-average LTV ratios	67.76	65.69	52.22	49.45

LTV--Loan-to-value.

Table 6

## Loan seasoning distribution\*

Year	Dec. 31, 2025	Dec. 31, 2024
	% of portfolio	
0-2	13.13	16.26
2-4	14.41	22.15
4-5	10.37	10.28
5-6	10.02	9.83
6-7	10.04	8.42
7-8	8.41	6.07
8-9	6.23	5.16
9-10	5.3	4.14
More than 10	22.08	17.69
Weighted-average loan seasoning (years)	83.5	72.85

\*Seasoning refers to the elapsed loan term.

Table 7

**Geographic distribution of loan assets**

	Dec. 31, 2025	Dec. 31, 2024
	% of cover pool	
Southern Finland	45.72	45.32
Eastern Finland	7.25	7.23
Western Finland	35.56	35.65
Oulu	8.38	8.92
Lapland	2.52	2.62
Aland	0.57	0.27
Total	100	100

. Our analysis of the covered bonds' payment structure shows that the adjusted available credit enhancement of 9% exceeds the TCE of 3.95% required for the maximum collateral-based uplift of four notches.

The covered bonds are exposed to refinancing risk because structural features, such as soft-bullet covered bonds, do not completely address ALMM risk. To assess market value risk, we applied target asset spreads and a base asset spread in our cash flow analysis as outlined in our updated covered bonds criteria. The program has swaps to mitigate the interest-rate risk for the cover pool up to the mortgages' interest reset date (applicable if mortgages reset in more than three months).

According to our updated criteria, the maximum potential collateral-based uplift on a covered bond program above the JRL is four notches. We adjust the maximum collateral-based uplift in the absence of six months' liquidity coverage and overcollateralization commitment. Liquidity is covered by law, and as 'AAA' ratings are reached based on the 'aaa' JRL, we consider the issuer's maintenance of the legal minimum overcollateralization as a legally binding commitment to maintain overcollateralization commensurate with the current ratings. Therefore, the maximum collateral-based uplift is four notches.

By applying credit and cash flow stresses, we calculated a TCE of 3.95% (down from 13.38% previously) as of Dec. 31, 2025. The lower TCE is mainly due to the lower target asset spread assumption and the application of our base-case asset spread to model refinancing costs under our updated covered bonds criteria, partially offset by higher ALMM risk.

The overcollateralization required to cover 'AAA' credit risk is 2%, lower than 4.12% previously, due to the additional JRL notch assigned under our updated covered bonds criteria. The overcollateralization commensurate with 'AAA' ratings is the 2% legal minimum required by law. As the program is not required to make use of any notches of collateral-based uplift to achieve 'AAA' ratings, there are four unused notches of collateral-based uplift. These, added to the two unused notches of jurisdictional support uplift, result in a total of six unused notches of uplift.

Table 8

**Collateral uplift metrics**

	As of Dec. 31, 2025	As of Dec. 31, 2024
Asset WAM (years)	9.06	8.96

**Collateral uplift metrics**

	As of Dec. 31, 2025	As of Dec. 31, 2024
Liability WAM (years)	3.91	4.54
Available credit enhancement	9	8.8
Required credit enhancement for first notch of collateral uplift (%)	2.5	4.12
Required credit enhancement for second notch of collateral uplift (%)	2.5	4.12
Required credit enhancement for third notch of collateral uplift (%)	2.5	11.07
Target credit enhancement for maximum uplift (%)	3.95	13.38
Potential collateral-based uplift (notches)	4	4
Adjustment for liquidity (Y/N)	N	N
Adjustment for committed overcollateralization (Y/N)	N	Y
Collateral support uplift (notches)	4	3

WAM--Weighted-average maturity.

Table 9

**OP Mortgage CB program vs other Finnish covered bond programs**

Program name	OP Mortgage Bank	The Mortgage Society of Finland CBA	The Mortgage Society of Finland	POP Mortgage Bank	SP Mortgage Bank CBA	SP Mortgage Bank MCBA	S-Bank
<b>Overview</b>							
Jurisdiction	Finland	Finland	Finland	Finland	Finland	Finland	Finland
Covered bond type	LCB	LCB	LCB	LCB	LCB	LCB	LCB
Outstanding assets (mil. EUR)	8243.4	1159.1	955.06	679.7	2833.6	1318.9	3125
Outstanding covered bonds (mil. EUR)	7550	1200	750	500	1750	1000	1000
Cover pool composition	Residential: 100%	Residential: 10%	Residential: 28.2%	Residential: 100%	Residential: 100%	Residential: 100%	Residential: 100%
<b>Rating details</b>							
Issuer credit rating*	AA-	BBB	BBB	BBB	A-	A-	A-
Reference rating level	aa+	a-	a-	a-	a+	a+	a+
Jurisdictional-supported rating level	aaa	aa-	aa-	aa-	aa+	aa+	aa+
Covered bonds rating	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
Total unused notches	6	1	1	1	3	3	3
<b>Credit analysis</b>							
Mortgage WAFF (%)	11.43	16.45	13.01	18.37	15.37	8.85	17.43
Mortgage WALs (%)	12.7	8.17	8.28	28.7	22.55	14.78	23.59
<b>Overcollateralization (OC)</b>							
Available OC (%)	9	17.91	27.34	35.94	61.92	27.44	212.5
Asset default risk (%)	2.5	3.71	3.6	7.15	6.42	2.5	6.85
Target credit enhancement (%)	3.95	9.44	5.53	12.49	10.05	8.65	13.63
OC consistent with current rating (%)	2	6.58	3.6	9.82	6.42	2.5	6.85
Cash-flow analysis as of	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	Sept. 30, 2025	Sept. 30, 2025	March 31, 2025	Sept. 30, 2025

## OP Mortgage CB program vs other Finnish covered bond programs

Program name	OP Mortgage Bank	The Mortgage Society of Finland CBA	The Mortgage Society of Finland	POP Mortgage Bank	SP Mortgage Bank CBA	SP Mortgage Bank MCBA	S-Bank
Overview							

\*As a starting point of the analysis, we may use the issuer credit rating on the relevant parent or guarantor when the issuer is not rated but belongs to a group with a rated parent or payments under the covered bonds are guaranteed by another rated entity. LCB--Legislation-enabled covered bonds. WAFF--Weighted-average foreclosure frequency. WALs--Weighted-average loss severity. OC--Overcollateralization. LCB--Legislation-enabled covered bonds.

### Counterparty risk

We analyze counterparty risk under our updated covered bonds criteria. It does not constrain the ratings on the program and related issuances.

### Account provider

OP Corporate Bank is the cover pool's bank account provider. Its commitment to replace itself, if its short-term rating falls below 'A-1', mitigates bank account risk.

The borrowers make payments to the bank account of the member banks that originated the loans. These funds are credited to the cover pool account daily. OPMB has a claim against OP Corporate Bank for any amount credited to this account, and OP Corporate Bank waives all deposit setoff rights against these funds. If the short-term rating on OP Corporate Bank falls below 'A-1', it will open and maintain an issuer collection account with a bank rated at least 'A-1'. All borrower payments following a downgrade of OP Corporate Bank would be transferred to the issuer's collection account daily. If the long-term ICR on OP Corporate Bank falls below 'BBB', within 30 days, the issuer will notify all borrowers to pay directly to the issuer's collection account.

As part of our analysis of operational and administrative risks, we apply a forward-looking assessment of the issuer's maintenance of credit support. Since rating inception, OPMB has maintained overcollateralization levels well above the level required for 'AAA' ratings. We expect OPMB to maintain credit support for its covered bonds and therefore currently do not stress commingling risk in our cash flow analysis.

### Swaps

OPMB entered hedging agreements with OP Corporate Bank to address interest rate mismatches between the assets and liabilities. While these swaps partially mitigate the mismatches, we do not consider such risk entirely hedged, because the liabilities' swaps reference the interest rate indexes paid on the covered bonds to the indexes paid by the intermediary loans and not the underlying mortgages. In our analysis, we directly consider the payments made by the underlying mortgages, not the intermediary loans' payments. As the overall portfolio profile doesn't suggest that basis risk would be material, we have not applied a further stress. The program has no currency mismatches, as all assets and liabilities are euro-denominated.

OP Corporate Bank is a related counterparty to the issuer, and termination payments rank pari passu with payments on the covered bonds. According to the swap documentation, OP Corporate Bank is committed to replace itself if its rating falls below 'BBB+'. If it fails to meet this commitment, an additional termination event would allow the issuer to terminate the derivative agreement. Furthermore, if it is downgraded below 'A', the swap counterparty is committed to post collateral sufficient to cover the issuer's exposure to the counterparty plus certain volatility

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risk in the swap value. We believe an effective replacement framework is in place for this program.

Under our updated covered bonds criteria, if there is an effective replacement framework and counterparties are rated at least 'BBB-', which is the case for this covered bond program, and the RCR on OP Corporate Bank PLC is 'AA-', we do not limit the covered bond ratings to reflect counterparty risk (the maximum supported rating is 'AAA'). As a result, counterparty risk does not constrain the number of unused notches of uplift.

## Sovereign default risk

We analyze sovereign risk under our updated criteria "[Methodology For Rating Structured Finance Securities Above The Sovereign](#)," April 10, 2026. Under these criteria, covered bonds backed by residential mortgages--issued in a jurisdiction within a monetary union that include structural coverage of refinancing needs over a 12-month period (provided by the 12-month extendible maturity profile of the soft-bullet bonds in this instance) --exhibit low sensitivity to country risk. As a result, we can rate the covered bonds up to six notches above the sovereign rating. Given our 'AA+' long-term rating on Finland, sovereign risk does not constrain our ratings on the covered bonds.

## Environmental, social, and governance

Environmental and social considerations in OPMB's covered bond program are aligned with those of its Finnish peers. OPMB forms part of the wider OP Pohjola, which comprises 54-member cooperative banks and is owned by over 2.1 million customers. Also, it issues soft-bullet covered bonds mitigating liquidity risk and we do not adjust for an overcollateralization commitment when achieving 'AAA' ratings at the JRL level (the legal requirement of 2%).

## Related Criteria

- [Methodology For Rating Structured Finance Securities Above The Sovereign](#), April 10, 2026
- [Methodology For Rating Covered Bonds](#), July 25, 2025
- [Asset Isolation And Special-Purpose Entity Methodology](#), May 29, 2025
- [Global Methodology And Assumptions: Assessing Pools Of Residential Loans--Europe Supplement](#), April 4, 2024
- [Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities](#), Dec. 22, 2020
- [Global Methodology And Assumptions: Assessing Pools Of Residential Loans](#), Jan. 25, 2019
- [Global Derivative Agreement Criteria](#), June 24, 2013
- [Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

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