

A man with a beard and a young girl are outdoors. The man is kneeling and holding a large, colorful, multi-colored balloon. The girl is standing next to him, also holding the balloon. She is wearing a dark sweater with white polka dots and a brown skirt. The man is wearing a green jacket and blue jeans. In the background, there is a brick building and a white car. A white horizontal line is positioned above the text.

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
- EMTCN programme of €20 bn qualifies for the ECBC Covered Bond Label

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 Pool are ring-fenced, the noteholders 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

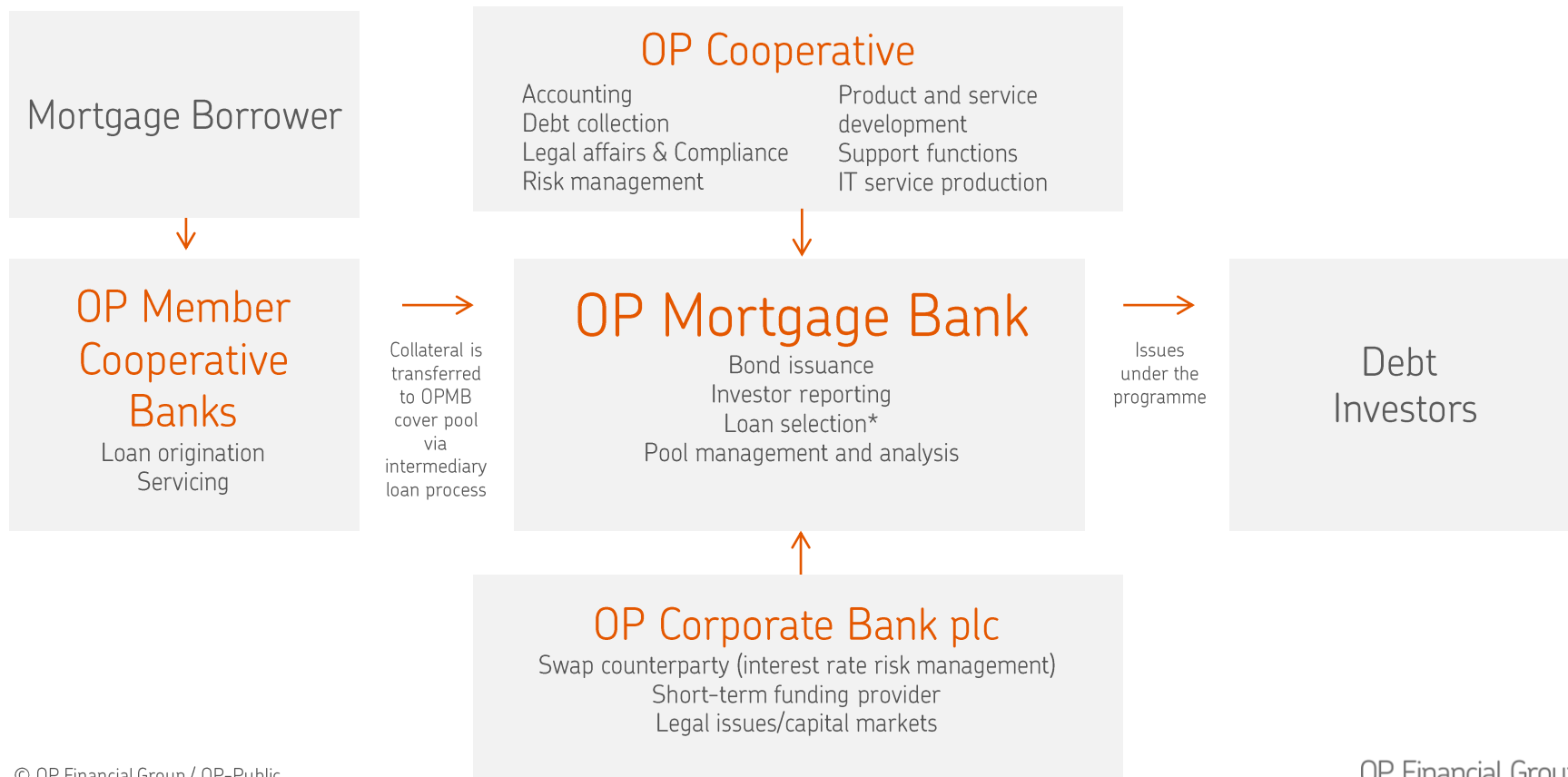


COVERED BOND
· LABEL ·

<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



Overview of OPMB cover asset pool

<p>€15.7 bn Current balance</p>	<p>€13 bn Total amount of covered bonds, out of which 0.75 billion is green</p>	<p>€57,000 Average loan size</p>
<p>>98% Tied to variable interest</p>	<p>47% Weighted Average indexed LTV</p>	<p>16% Over-collateralisation</p>

Geographical distribution

1	Southern Finland Helsinki	47% 19%*
2	Western Finland Tampere Turku Jyväskylä	34% 7% 5% 4%
3	Eastern Finland	8%
4	Oulu region Oulu	9% 6%
5	Lapland	2%

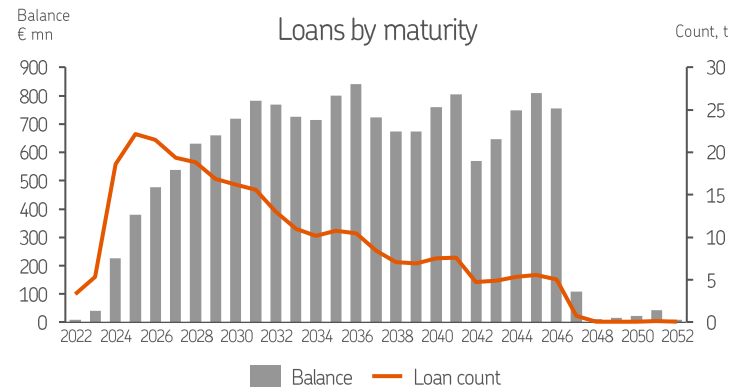
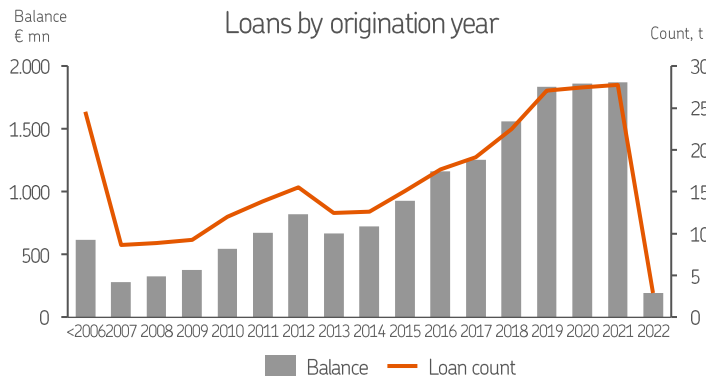
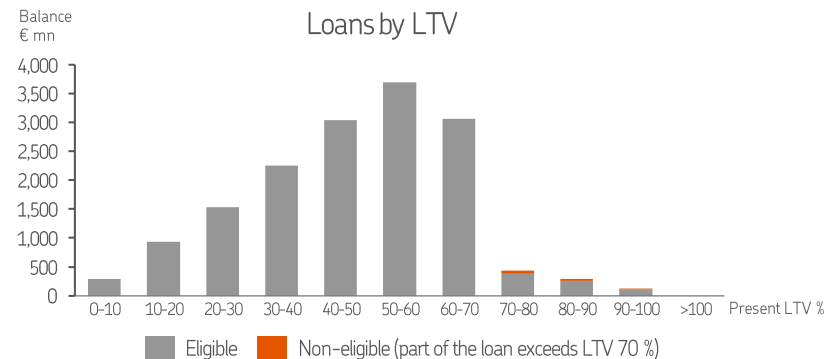


*City-specific figures are percentages of the whole of Finland

OPMB cover asset pool

 €2.5 bn

Eligible green mortgages
in the cover pool
in December 2021



Intermediary loan process

- The Finnish Covered Bond Act (2010) enables granting intermediary loans
 - The member cooperative banks are granted the opportunity to indirectly participate in the covered bond issuance process
- The intermediary loan contract is made between the member cooperative bank and OPMB
 - Intermediary loans are the way for the member cooperative banks to utilize OPMB
 - The amount of loan, interest margin/fixed interest rate and maturity of the loan are indicative during the contracting phase of the intermediary loan
 - The member cooperative bank commits to preserving adequate intermediary loan eligible loan portfolio for the maturity of the intermediary loans, and accepts that OPMB marks the mortgage loans as collateral in the cover pool
 - OPMB monitors the adequacy of the loans daily
- Once the mortgage loans are registered in the OPMB Covered Bond Register via intermediary loan process and they serve as collateral for the covered bonds for the benefit of the noteholders until the intermediary loan expires

Act on Mortgage Credit Bank Operations

- Segregation of assets in Covered Register
- Tight LTV restrictions on eligible assets (70% LTV on residential mortgages)
- Over-collateralisation requirement of 2%
- Continuity of Cover Pool and Covered Bonds in the event of liquidation and bankruptcy of the issuer
- Regulated by the Finnish FSA and ECB
- Assets that must be booked as non-performing (over 90 days in arrears), according to the FIN-FSA regulations, shall not be included in the Cover Pool
 - At OPMB, non-performing loans were €59 mn as at Q1/2022 (€62 mn at YE2021).
- New Act on Mortgage Credit Banks and Covered Bonds will come into force on 8th July 2022