



OP Debt Investor Presentation 2023

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

www.op.fi/debtinvestors

Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. All forward-looking statements in this presentation expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future development in the operating environment and the future financial performance of OP Financial Group and its various functions. No assurance can be given that such expectations will prove to have been correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of various factors. OP Financial Group has used sources of information which it considers to be reliable, and the accuracy and reliability of which it has sought to establish to the best of its ability, but it can nevertheless not guarantee their accuracy or reliability.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in the presentations. Our financial reports also describe risks and factors that could affect our future performance and the industry in which we operate. Should one or more of these risks or uncertainties materialize or should any underlying assumptions prove to be incorrect, our actual financial position or results of operations could materially differ from that presented as anticipated, believed, estimated or expected. The views and other information provided are current as at the date of when such information was provided and may be subject to change without notice. OP Financial Group does not undertake and is not under any obligation to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law or applicable stock exchange regulations.

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

OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023.

The 2022 figures in the income statement and balance sheet have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted. Note 1 Accounting policies to this Interim Report provides more information on the adoption of IFRS 17 and the changes in the format of the income statement and balance sheet.

Contents

Finnish economy

Outlook for the Finnish economy	5
---------------------------------	---

OP Financial Group

OP Financial Group	9
Financial performance	16
Loan book overview and asset quality	20
Capital position	25
Liquidity and funding	29

OP's Sustainability Actions and Green Bonds

Sustainability and green bonds	35
--------------------------------	----

OP Mortgage Bank cover pool characteristics

OP Mortgage Bank	44
------------------	----

Appendix	53
----------	----

Contacts	56
----------	----

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.



A young girl with long brown hair, wearing a yellow knit hat, a white scarf, and a dark winter jacket with a fur-lined hood, is smiling and looking towards the camera. She is standing in a snowy field with trees in the background. The text "Outlook for the Finnish Economy" is overlaid on the lower part of the image.

Outlook for the Finnish Economy



OP Group's forecasts for the Finnish economy

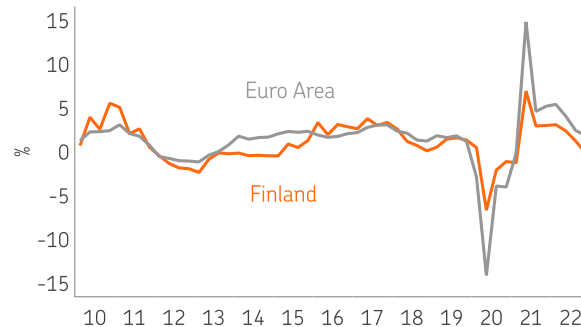
Published on 30 January, 2024

	2022	2023e	2024f	2025f
GDP volume, annual growth %				
Finland	1,6	-0,4	0,0	1,4
Euro area	3,4	0,4	0,3	1,6
Unemployment rate, %				
Finland	6,8	7,2	7,7	7,7
Euro area	6,7	6,5	6,5	6,4
Current account balance, % of GDP				
Finland	-2,5	-0,5	-0,9	-1,4
Euro area	-1,1	1,0	0,5	1,0
General government net lending, % of GDP				
Finland	-0,8	-2,6	-2,9	-2,8
Euro area	-3,6	-3,2	-2,5	-2,5
General government debt, % of GDP				
Finland	73,3	75,3	78,8	80,1
Euro area	93,2	91,1	90,8	90,1
Inflation, %*				
Finland	7,2	4,4	1,2	2,1
Euro area	8,4	5,5	1,9	2,1

* Harmonised Index of Consumer Prices (HICP). The HICP figures differ from national inflation figures (CPI)

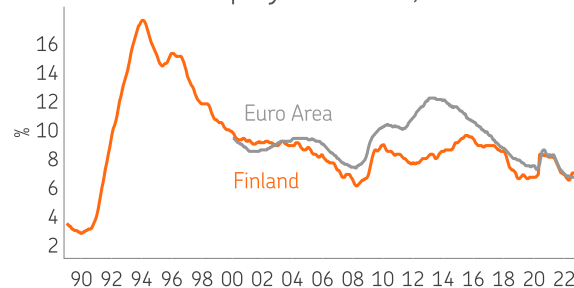
Sources: Statistics Finland, Eurostat, OP

Quarterly GDP growth, % y-o-y



Source: Macrobond, OP

Unemployment rate, %

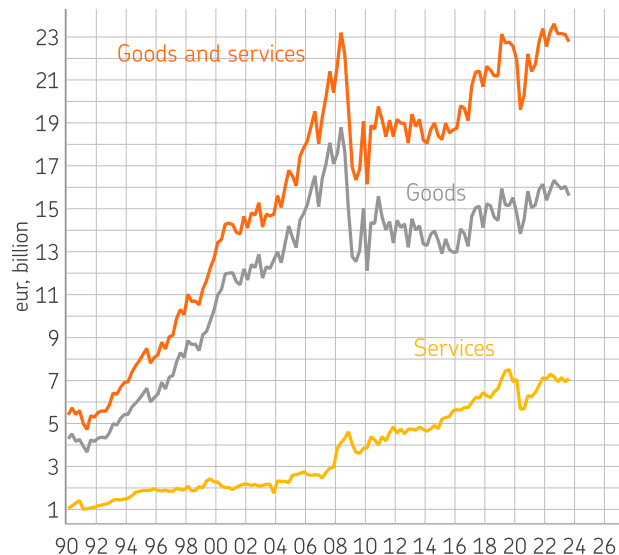


Source: Macrobond, StatFin, Eurostat, OP

Foreign trade structure rather stable

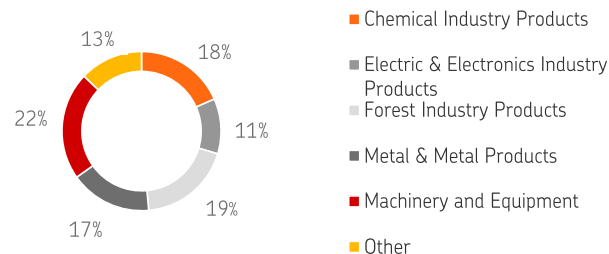
Finland is an exports-driven economy with around 40% of GDP deriving from exports

Exports of goods and services, SA

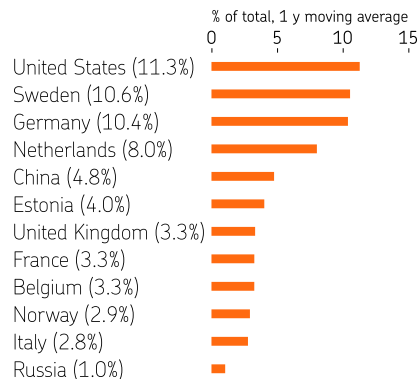


Source: Macrobond, OP

Exports by commodity group



Goods exports by country



Source: Macrobond, OP

Finnish housing market is stable

Characteristics

- Fully-amortizing housing market
- Average maturity of a new home loan 23 years
- 94% of home loans tied to variable interest rates
- Home loan cap (LTC) 90% and for first-home-buyers 95%

39%

OP's
market share
in mortgages

6%

OP's stress-test
in 25 years
maturity

34%

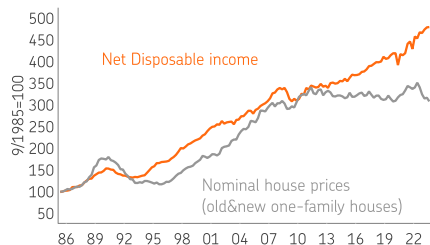
OP's private
customers'
mortgages covered
by interest rate cap

€168 mn

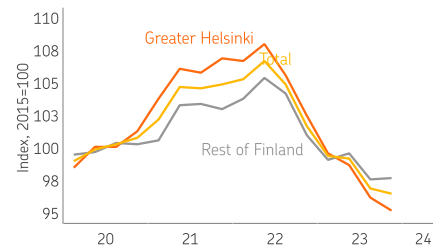
The net benefit
gained by customers
from interest rate
caps in 2023

Finnish economy

Change in house prices and net income

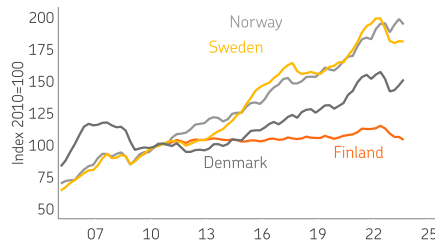


Real estate prices, old dwellings

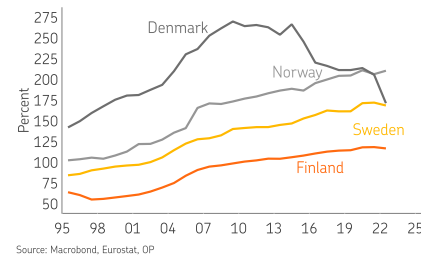


Nordics

House prices



Gross Debt-to-Income Ratio

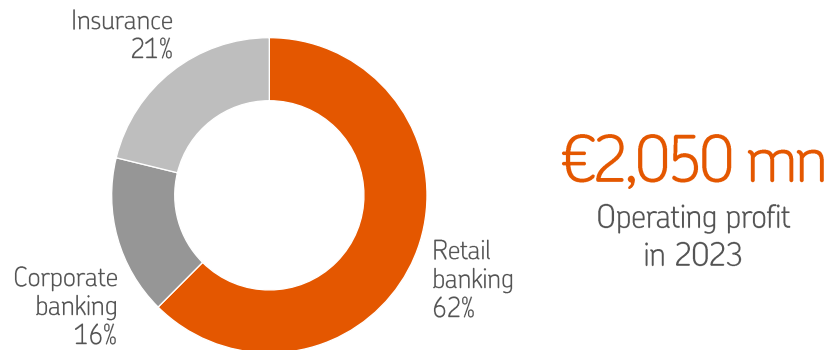


A young girl with long brown hair, wearing a yellow knit beanie, a white scarf, and a dark winter jacket with a fur-lined hood, is smiling and lying in a deep snowdrift. The background shows a snowy forest with bare trees under bright, warm sunlight.

OP Financial Group

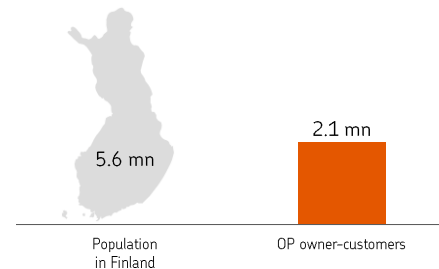


OP Financial Group in brief



19.2%
CET1 ratio

€160 bn
Total assets



Leading market shares

Loans	Deposits	Non-life Insurance	Life Insurance
34%	38%	33%	20%

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

* EMTCN programme

Source: Bank of Finland (Loans and Deposits 6/2023), Finance Finland (Non-life & Life Insurance 12/2022)

OP Financial Group's business structure

2.1 million owner-customers

102 OP cooperative banks

Central Cooperative

Retail Banking

The Retail Banking segment consists of banking for private and SME customers at OP cooperative banks and at the central cooperative consolidated.

OP Mortgage Bank*
OP Retail Customers plc
Pivo Wallet Oy

Corporate Banking

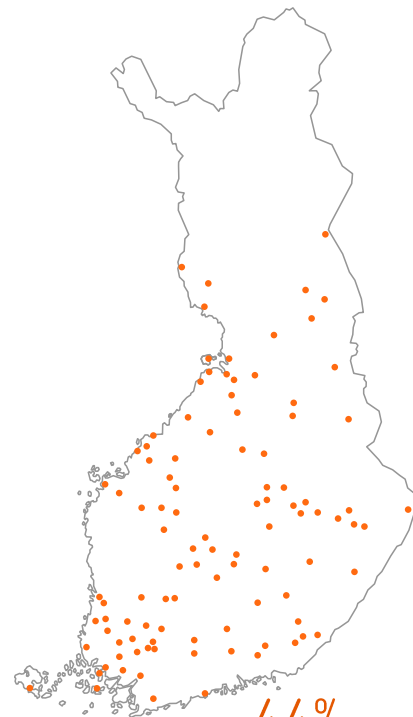
The Corporate Banking segment consists of banking and asset management services for corporate and institutional customers.

OP Corporate Bank plc*
OP Asset Management Ltd
OP Fund Management Company Ltd
OP Real Estate Asset Management Ltd
OP Custody Ltd

Insurance

The Insurance segment comprises Pohjola Insurance and OP Life Assurance Company.

Pohjola Insurance Ltd
OP Life Assurance Company Ltd



-44%

cooperative banks
since 2014

*Issuing entity

© OP Financial Group / OP-Public

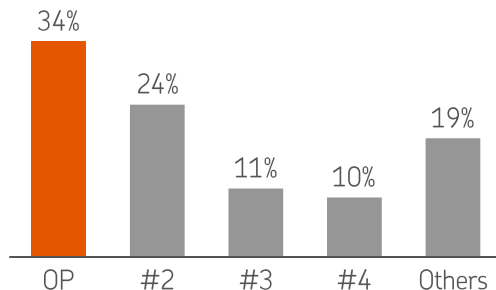


OP is a diverse actor with strong market shares

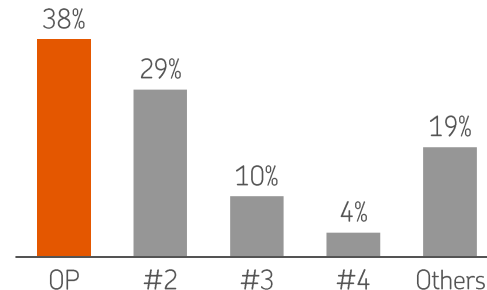
OP's market shares



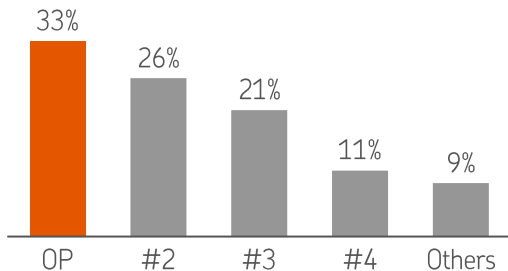
Loans



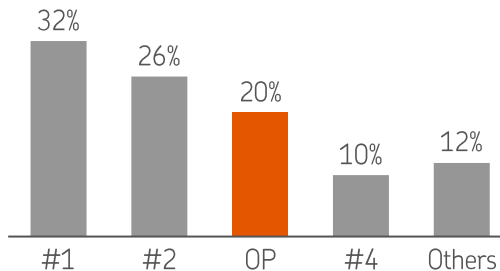
Deposits



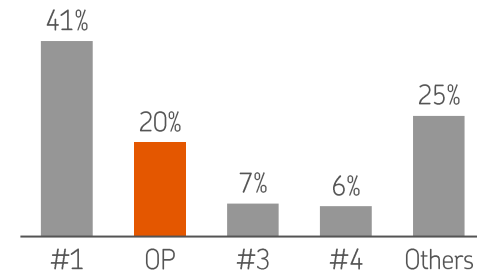
Non-life insurance



Life insurance



Mutual funds



OP's strategic priorities and long-term targets



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

OP Financial Group's strategic long-term targets

	2023	Target 2027
Return on equity (ROE) excluding OP bonuses, %	12.0	9.0
CET1 ratio, %	19.2	At least CET1 ratio requirement + 4 pps
Brand recommendations (bNPS) *	Banking: 1 st Insurance: 3 rd	Banking: 1 st Insurance: 1 st
Credit rating	AA-/Aa3	At least at the level of AA-/Aa3

* Ranking in the survey on switching bank and insurer by Kantar Finland Oy and in a nationwide survey on SMEs by Red Note Oy

Attractive loyalty benefits support cross-selling

Owner-customer benefits

€275 mn

accrued OP bonuses
in 2023

€167 mn

discounts on
daily banking, non-life
insurance policies and
mutual funds in 2023

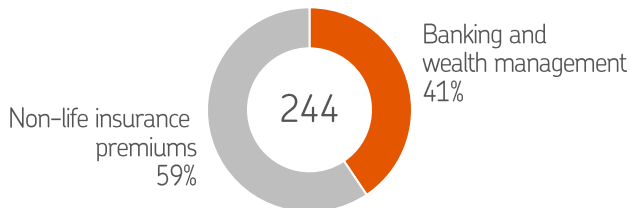
€148 mn

accrued estimated
returns on
Profit Shares
in 2023

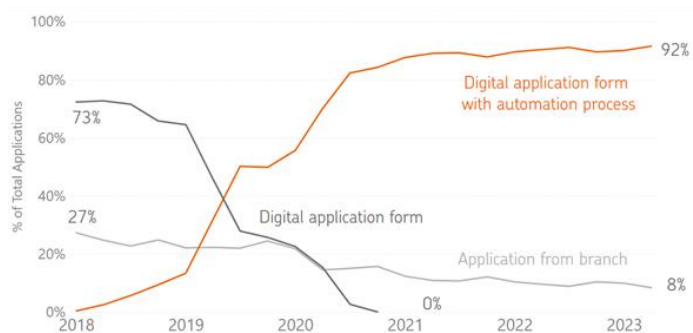
”

We will pay 40% extra on OP bonuses earned in 2024 and will not charge our owner-customers any monthly fees for daily services throughout the year. The total value of higher benefits on OP bonuses and daily services will rise to around EUR 400 million.

OP bonus usage during 2023, € million

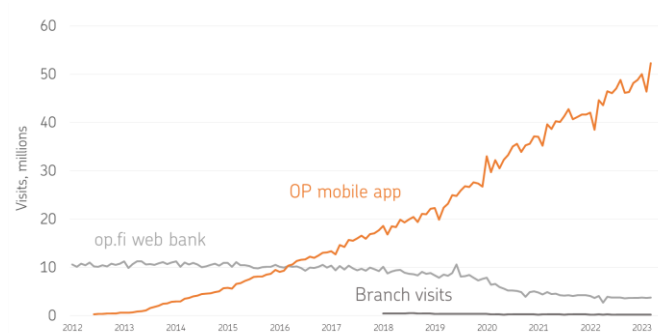


Digital customer experience



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

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



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 young girl with long brown hair, wearing a yellow knit beanie, a white scarf, and a dark winter jacket with a fur-lined hood, is smiling and lying in the snow. The background shows a snowy field with bare trees under a bright sky.

Financial Performance

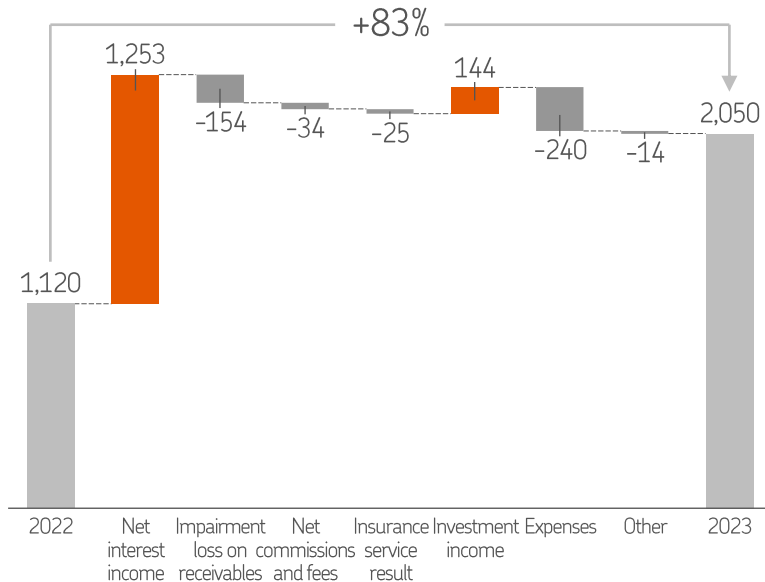


Key financial figures 2023

Operating profit	Total income	Total expenses	Total loans	Total deposits	Assets under management
€2,050 mn +83%	€4,775 mn +41%	€-2,201 mn +12%	€99 bn -1%	€74 bn -5%	€103 bn +5%
Retail banking €1,223 mn (+143%)	Net interest income €2,871 mn (+77%)	Personnel costs €-964 mn (+13%)	Home loans €42 bn (-1%)	 In the end of 2023 responsible investment funds 88% of all investment funds	
Corporate banking €408 mn (-2%)	Insurance service result €81 mn (-23%)	Development cost impact €-294 mn (+36%)	Corporate loans €28 bn (+2%)		
Insurance €414 mn (+41%)	Net commissions and fees €908 mn (-4%)				
Group Functions €-26 mn	Investment income €389 mn (+59%)				

Financial performance

Operating profit year on year change, € million



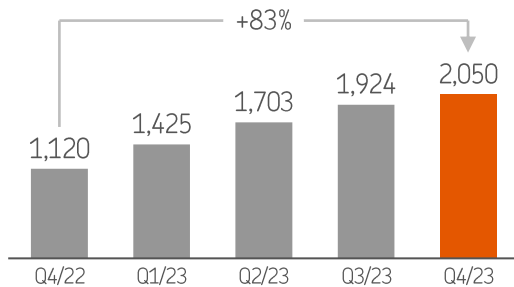
€ million

	2023	2022	Change %
Net interest income	2,871	1,618	77%
Impairment loss on receivables	-269	-115	134%
Net commissions and fees	908	942	-4%
Insurance service result	81	106	-23%
Insurance premium revenue	2,000	1,898	5%
Insurance service expenses	-1,824	-1,898	-4%
Net income from reinsurance contracts	-95	106	-
Investment income	389	245	59%
Other operating income	40	67	-40%
Personnel costs	-964	-856	13%
Depreciation and impairment loss	-226	-214	6%
Other operating expenses	-1,011	-892	13%
Transfers to insurance service result	485	416	17%
OP bonuses to owner-customers	-255	-198	29%
Total income	4,775	3,394	41%
Total expenses	-2,201	-1,961	12%
Cost/income ratio, %	46,1	57,8	-12%*
Operating profit	2,050	1,120	83%

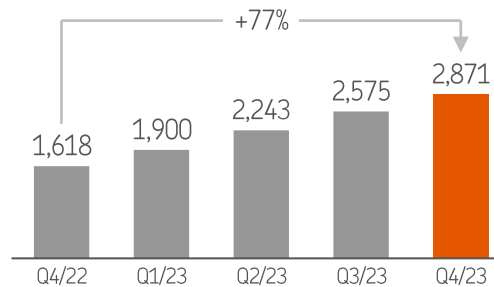
*Change in ratio

Rolling 12 months of selected P&L items

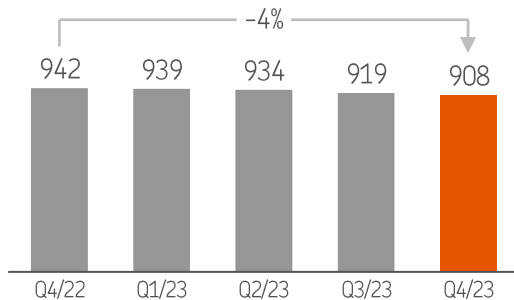
Operating profit, € million



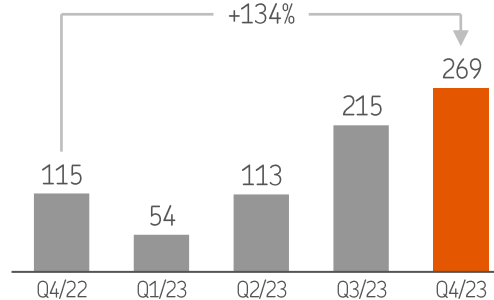
Net interest income, € million

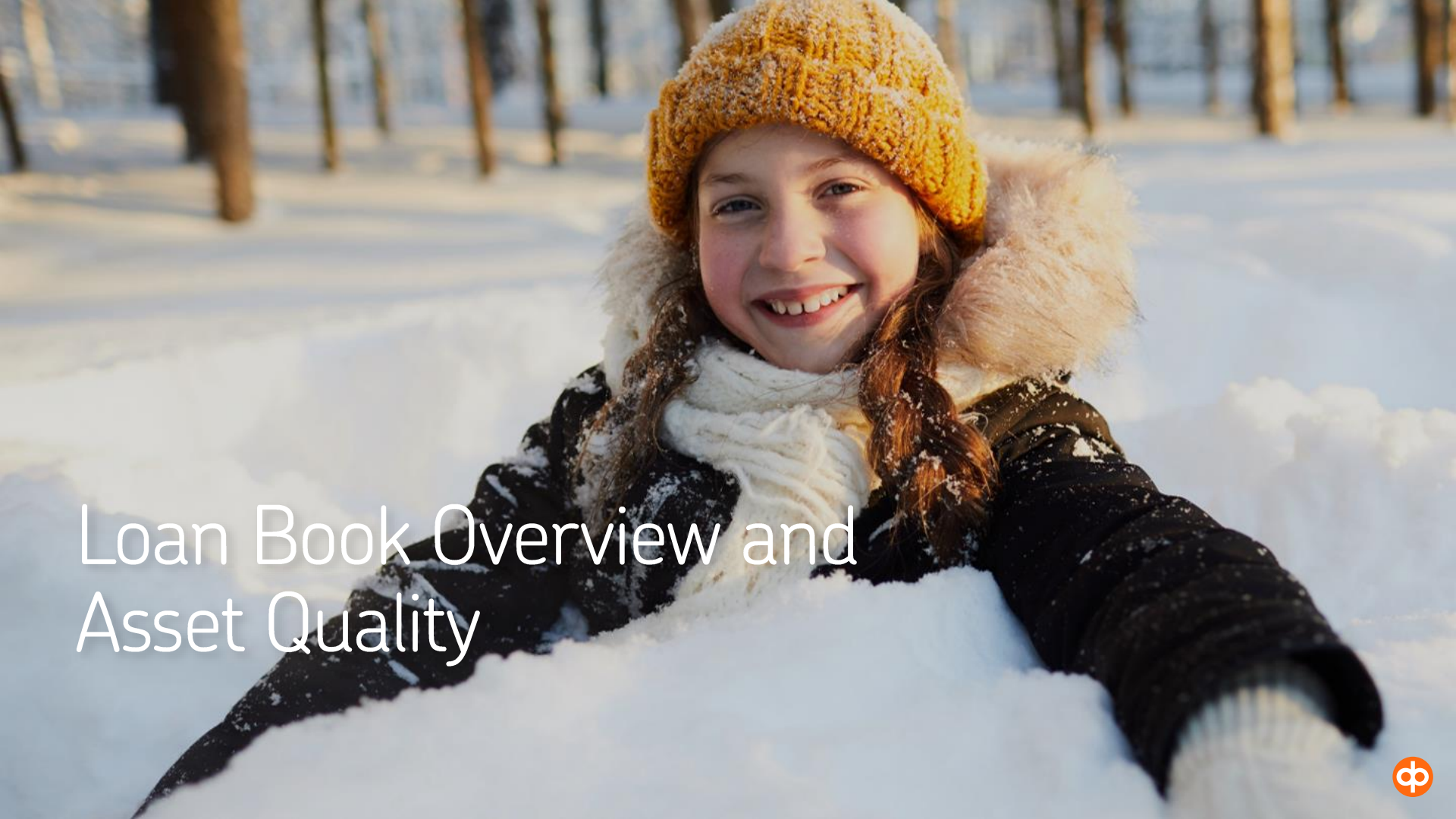


Net commissions and fees, € million



Impairment loss on receivables, € million



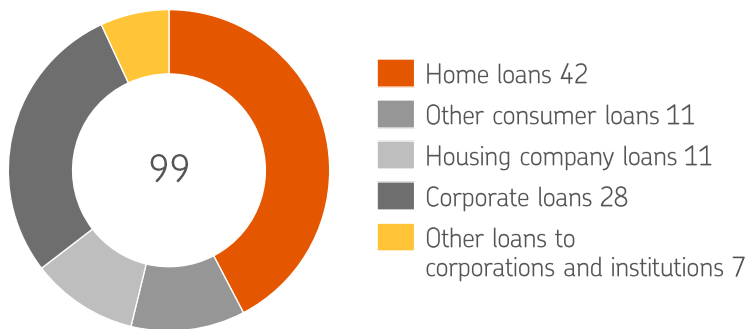


Loan Book Overview and Asset Quality



Loan portfolio well diversified

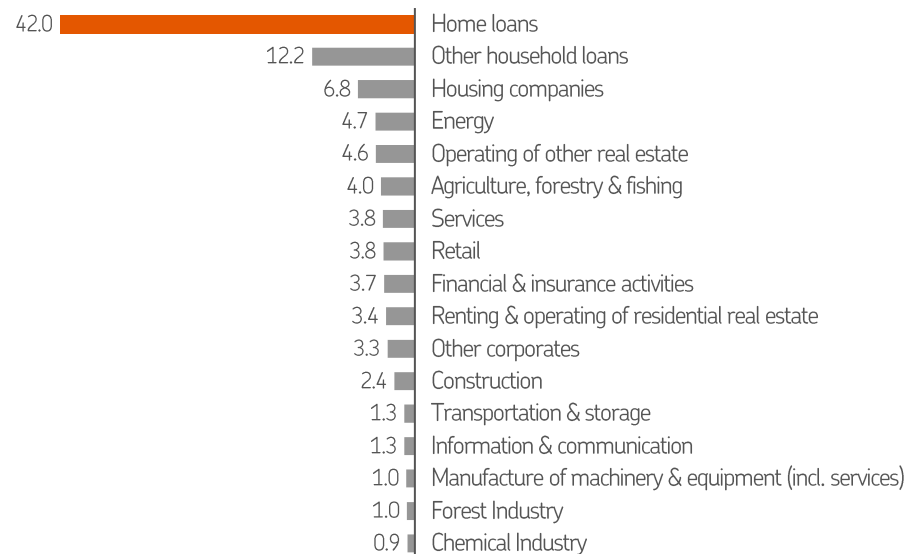
Loan portfolio breakdown, € billion



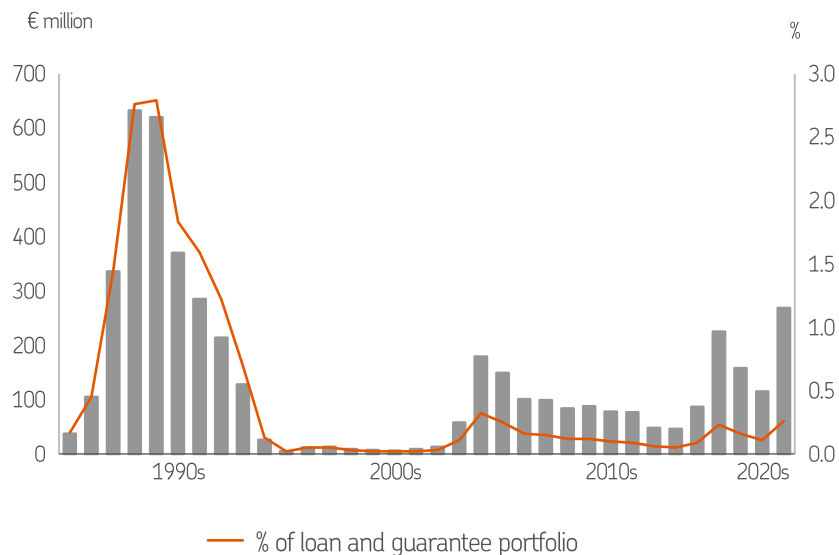
Other consumer loans include for example loans for holiday homes, student loans and consumer credits.

Other loans to corporations and institutions include for example loans for financial institutions, public sector and non-profit organisations.

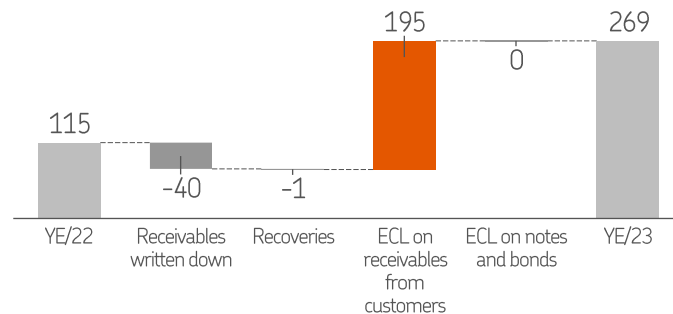
Loan portfolio breakdown, %



Impairment loss on receivables



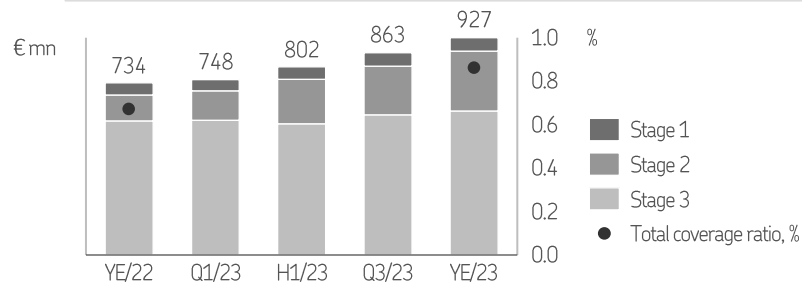
Breakdown of total impairment losses, € million



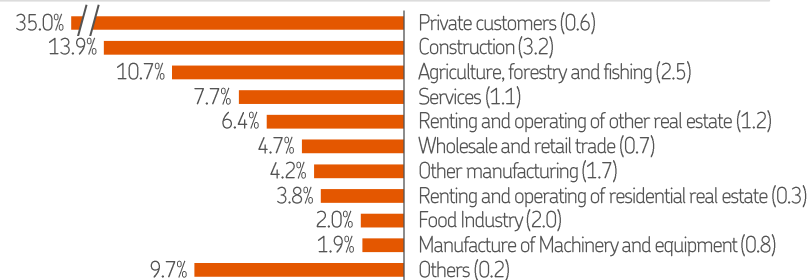
€ million	YE/23	YE/22
Receivables written down	93	133
Recoveries of receivables written down	-16	-15
ECL on receivables from customers	192	-3
ECL on notes and bonds	0	0
Total impairment losses on receivables	269	115
% of loan and guarantee portfolio	0.26%	0.11%

Credit quality and expected credit loss

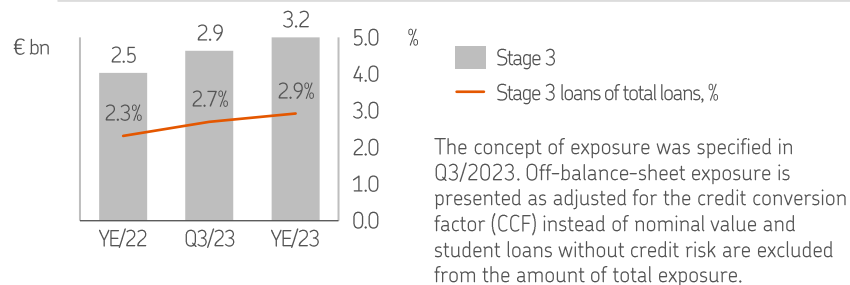
ECL allowance on receivables from customers by stage



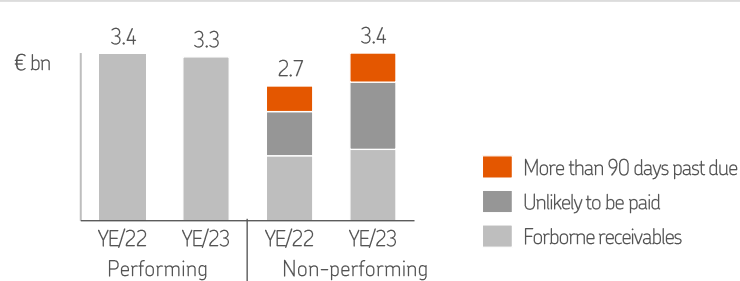
ECL allowance by sector (% of gross exposure)



Stage 3 loans

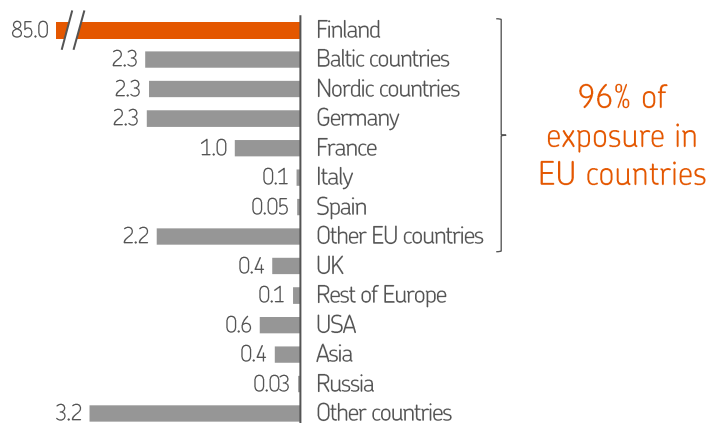


Doubtful receivables 5.8% of exposures



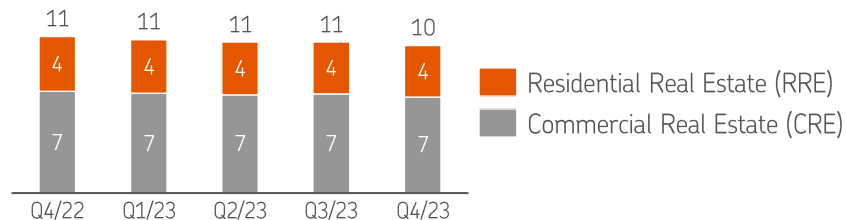
Exposures

Exposure split by geographic region, %

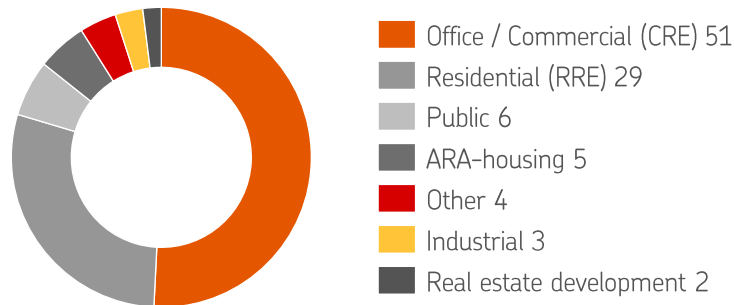


The exposures cover all balance-sheet and off-balance-sheet items and are based on values used in capital adequacy in the end of 2022.

Commercial real-estate exposure, € billion



Portfolio split between real estate types, %

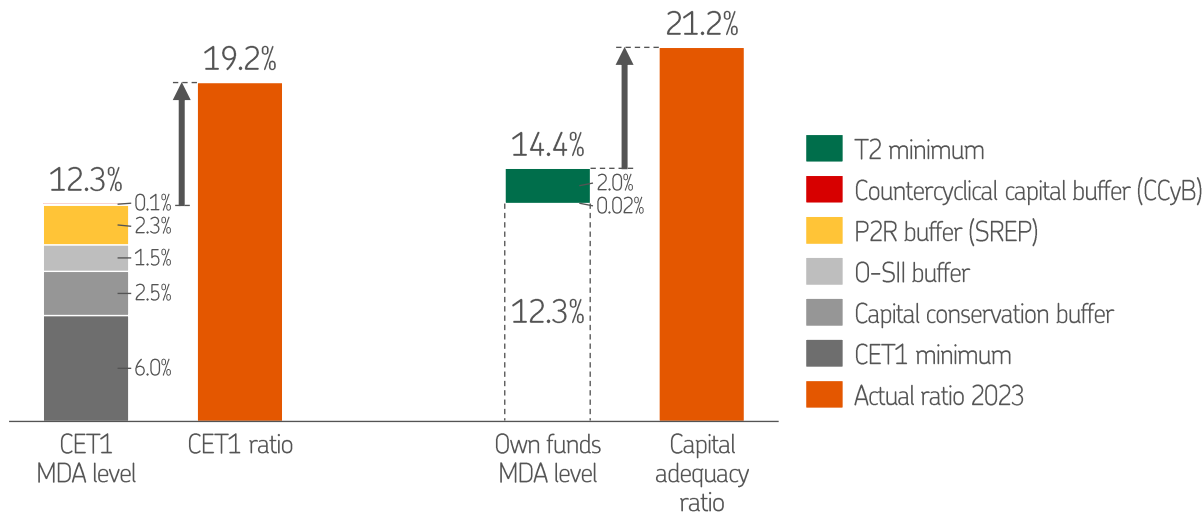


A young girl with long brown hair is smiling and looking towards the camera. She is wearing a yellow knit beanie, a white knit scarf, and a dark jacket with a fur-lined hood. She is sitting in a snowy field with trees in the background. The text "Capital Position" is overlaid on the left side of the image.

Capital Position



Capital position well above requirement



CET1 ratio 19.2%
with a buffer of

6.9

percentage points
above requirement

9.5%

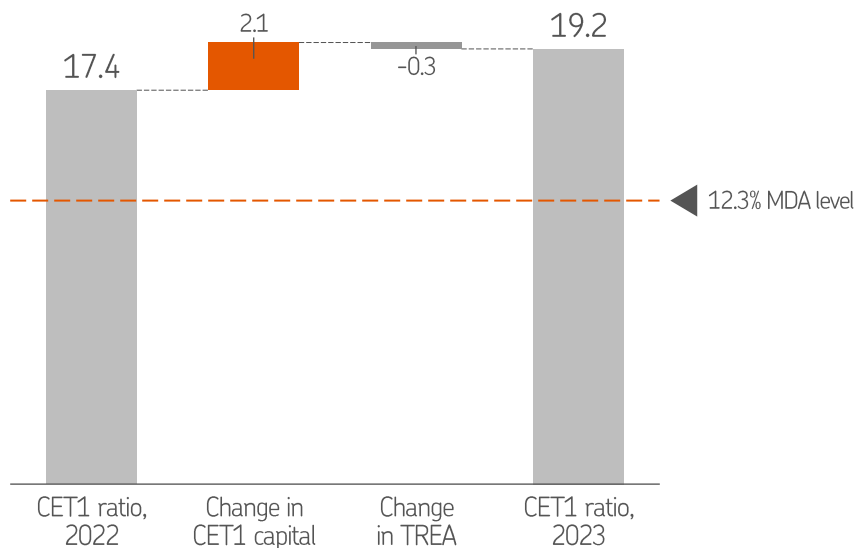
Leverage ratio and
regulatory minimum
requirement of 3%

The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%; the AT1 and T2 minimum requirement of 1.5% increases the minimum CET1 ratio to 6%.

The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions, the O-SII buffer of 1.5% the change in the countercyclical capital buffer for foreign exposures, and the ECB's P2R requirement increase the minimum total capital ratio to 14.4% and the minimum CET1 ratio to 12.3%, including the shortfalls of Additional Tier 1 (AT1) and Tier 2 (T2) capital.

Strong capital position

CET1 ratio development, %



€14.1 bn

CET1 capital (€12.6 bn)

€3.1 bn

Profit Shares in CET1 capital (€3.2 bn)

€73.5 bn

TREA (€72.3 bn)

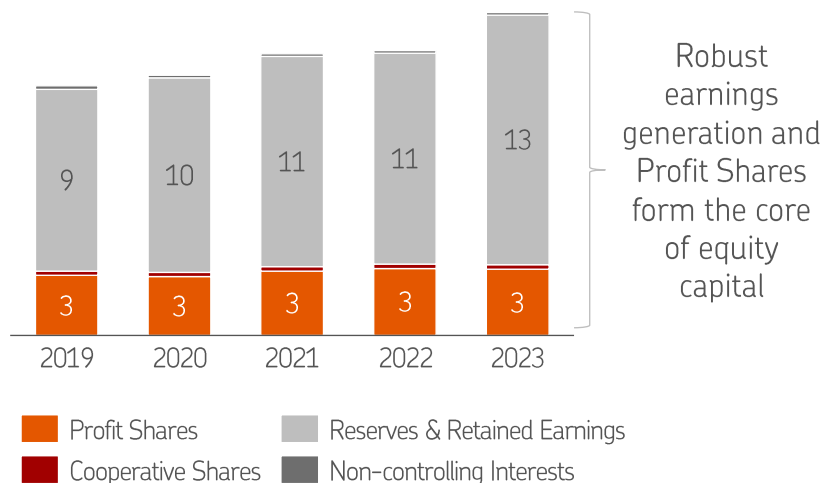
16.3%

CET1 strategic target: MDA level +
400 bps management buffer

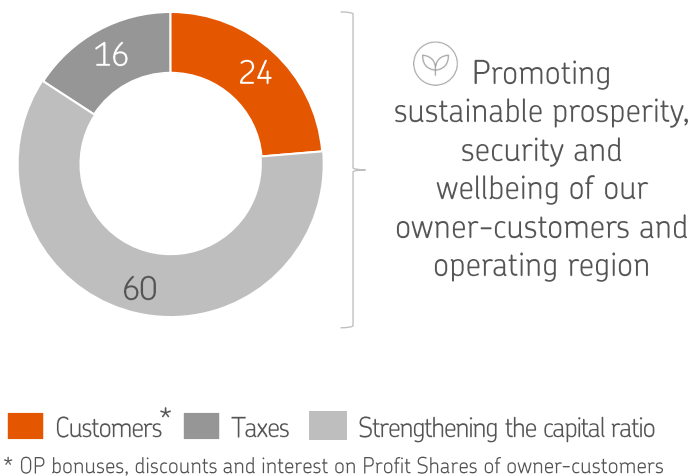
” OP has one of the strongest S&P RAC ratios
of the world’s top 200 banks*

Strength of the cooperative model

Equity capital, € billion



Estimated allocation of earnings, %

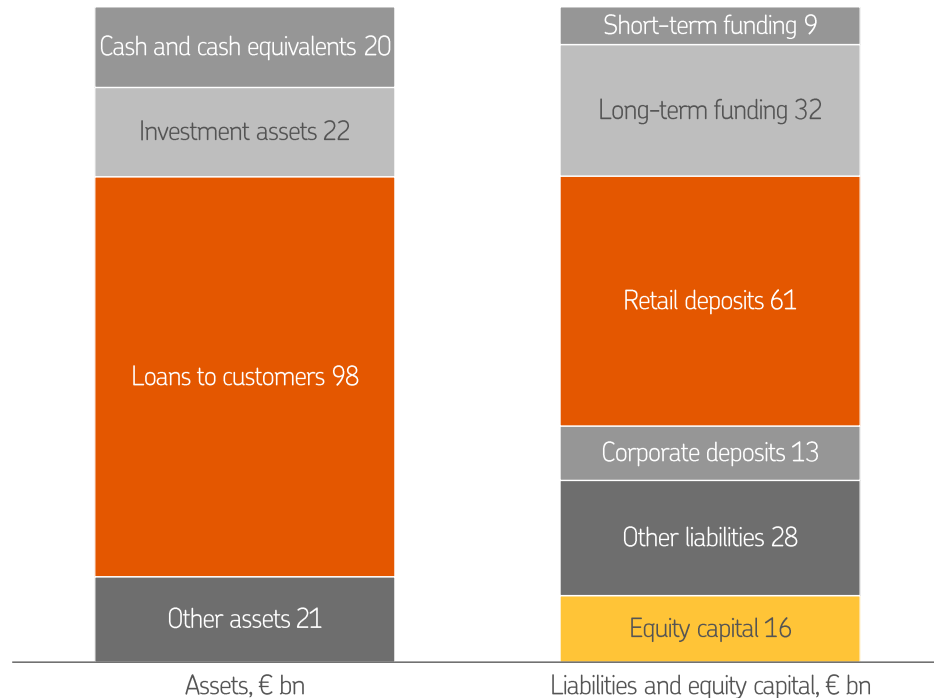


A young girl with long brown hair, wearing a yellow knit beanie, a white scarf, and a dark winter jacket with a fur-lined hood, is smiling and lying in a deep snowdrift. The background shows a snowy field with several bare trees under a bright sky.

Liquidity and Funding



Balance sheet totaled at €160 billion



Loans to customers **61%**
 Customer deposits **46%**
 Market-based funding **26%**

} 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 **21%** at YE2022.

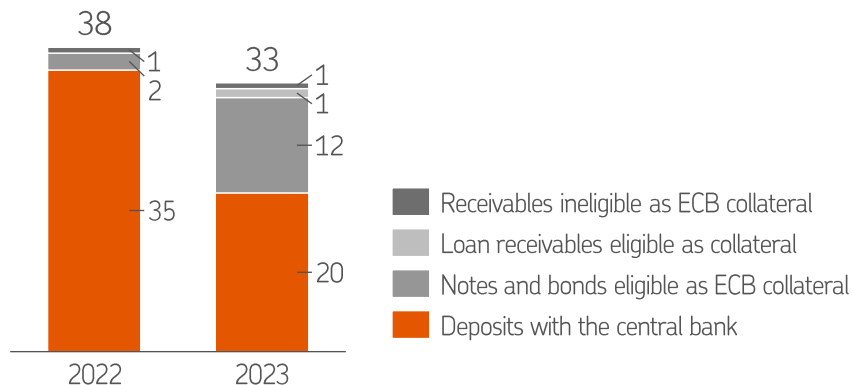
Other assets include: Assets covering unit-linked contracts, derivative contracts, intangible assets, PPE, tax assets, receivables from credit institutions and other assets.

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

Retail deposits include all the deposits of the retail banking segment, and corporate deposits include the deposits of the corporate banking segment.

Strong liquidity position

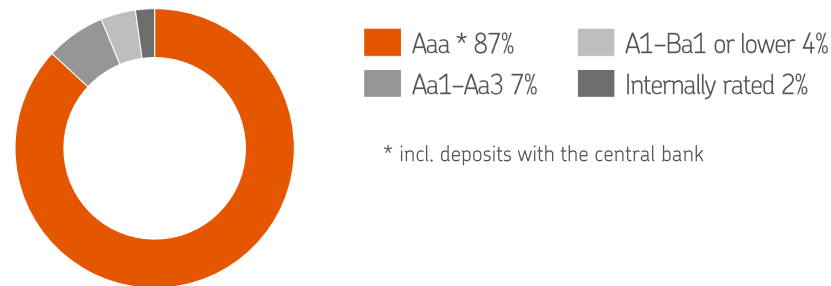
Liquidity buffer breakdown, € bn



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.

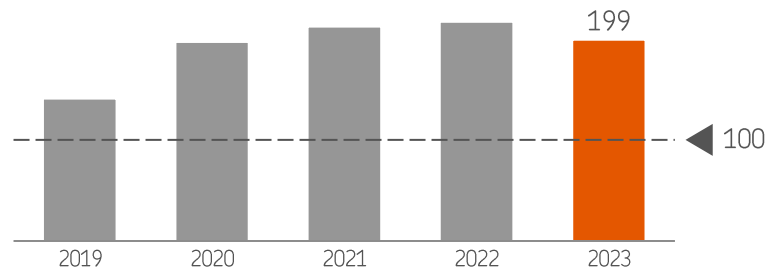
The liquidity buffer included worth EUR 622 million (0), classified at amortised cost and issued by non-OP Financial Group issuers. The fair value of these bonds amounted to EUR 640 million (0) at the end of the reporting period.

Liquidity buffer by credit rating, %



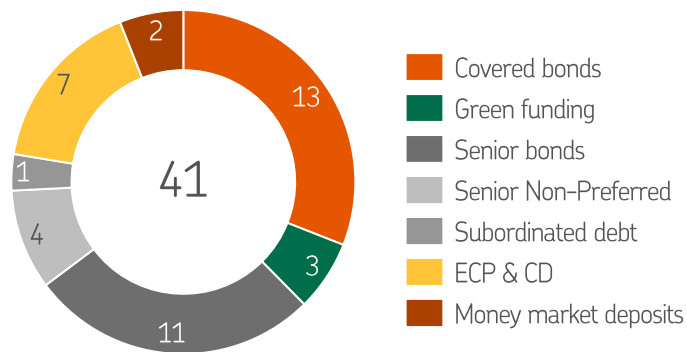
* incl. deposits with the central bank

Liquidity Coverage Ratio (LCR), %



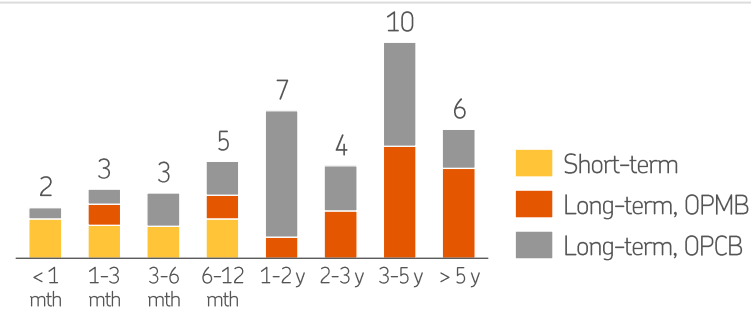
Well-balanced funding position

Long and short-term funding, € billion

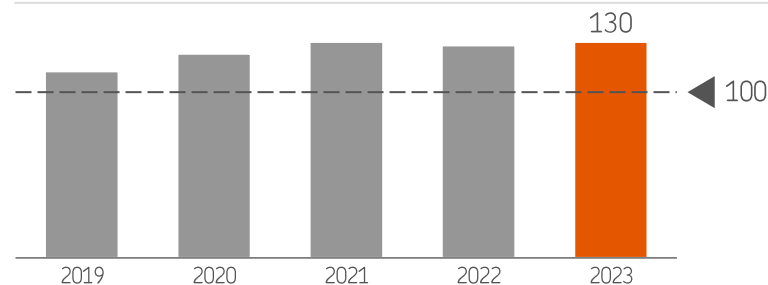


- OP Mortgage Bank issued a covered bond of €1 billion in November.
- OP Corporate Bank issued a senior preferred bond of €500 million in November.

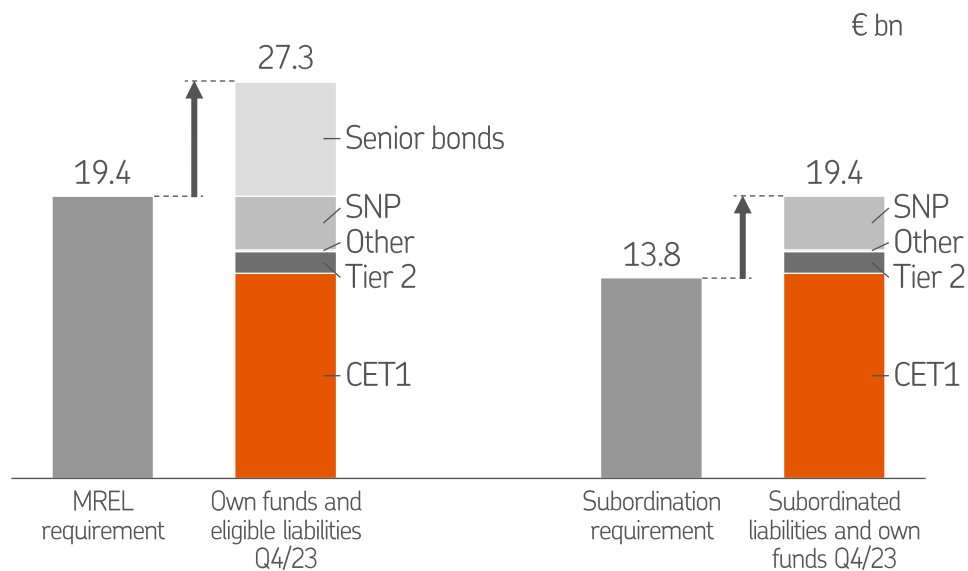
Maturity profile, € billion



Net Stable Funding Ratio (NSFR), %



MREL and subordination requirements



Own funds & eligible liabilities, € bn

CET1	14.1	Subordinated liabilities and own funds €19.4 bn
Tier 2	1.5	
Other*	0.1	
SNP	3.7	
Senior bonds	7.9	
Total	27.3	

MREL requirement, € bn

26.41% of TREA	19.4
7.4% of LRE	11.0
MREL-buffer	7.9

Both MREL and subordination requirements are based on Total Risk Exposure Amount (TREA), including a combined buffer requirement (CBR) of 4.11%. The CBR includes the updated O-SII buffer requirement of 1.5%.

Subordination requirement, € bn

18.77% of TREA	13.8
7.4% of LRE	11.0
Subordination buffer	5.6

*Tier 2 instruments not included in own funds.

Recent benchmark issues

Issuer	Year	Month	Type	Amount	Maturity
OP Mortgage Bank	2024	January	Covered Bond	€1 bn	7.5 yrs
OP Corporate Bank	2023	November	Senior Preferred	€500 mn	2 yrs
OP Mortgage Bank	2023	November	Covered Bond	€1 bn	3.25 yrs
OP Corporate Bank	2023	June	Senior Preferred	€650 mn	5 yrs
OP Mortgage Bank	2023	April	Covered Bond	€1 bn	5.5 yrs
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

Issuer	Year	Month	Type	Amount	Maturity
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 Mortgage Bank	2021	March	Green Covered Bond	€750 mn	10 yrs
OP Corporate Bank	2019	February	Green Senior Preferred	€500 mn	5 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



OP's Sustainability Actions and Green Bonds



Sustainability highlights 2023

OP published **sector-specific emissions reduction targets** that cover 91% of its credit portfolio

OP has identified and assessed its human rights impact, including the value chain, and published a **Human Rights Policy** and **Human Rights Statement**

OP published its **Biodiversity Roadmap**. OP's operations will have a net positive impact (NPI) on nature by 2030.

OP joined the **Partnership for Biodiversity Accounting Financials** to seek impact measurement support for itself and its customers



Climate targets aligned with the Paris Agreement



- › OP will become carbon neutral in its operational emissions (Scope 1 & 2)



- › In corporate loan portfolio 25% reduction of emissions compared to 2022
- › OP's funds will halve their greenhouse gas emissions compared to 2019

Sector-specific targets from 2022 levels

- › In energy production: 50% reduction of emissions intensity
- › In agriculture: 30% reduction of absolute emissions
- › In home loans: 45% reduction of emissions intensity



- › Carbon neutral corporate loan portfolios
- › Carbon neutral funds managed by OP Asset Management Ltd and OP Fund Management Company Ltd

OP Financial Group's sustainability programme

We build a sustainable tomorrow together



Climate and the environment

Offering sustainable financing and investment products to our customers

Decreasing emissions across our loan and investment portfolios

Promoting the circular economy in our business and that of our customers

Becoming carbon neutral by 2025

Promoting biodiversity and the wellbeing of nature



People and communities

Fostering a diverse, inclusive and non-discriminatory culture

Promoting the wellbeing of our local communities

Supporting the management of personal finances and improve financial literacy

Helping customers with special needs to manage their finances

Identifying the impact of our operations on human rights



Corporate governance

Integrating sustainability with all our business operations and risk-taking

Using data and artificial intelligence responsibly

Requiring our partners to commit to our Supplier Code of Conduct

Increasing diversity in our governing bodies

Further improving the sustainability competencies of our personnel

OP is highly committed to sustainability



PRINCIPLES FOR
RESPONSIBLE
BANKING



Principles for
Sustainable Insurance



An investor initiative in partnership
with UNEP Finance Initiative and
the UN Global Compact

WE SUPPORT



DRIVING SUSTAINABLE ECONOMIES



BETTER POLICIES FOR BETTER LIVES



Partnership for
Carbon Accounting
Financials



Partnership for
Biodiversity Accounting
Financials



> Commitments

Carbon Disclosure Project (CDP)
ILO Declaration on Fundamental Principles and Rights at Work
Net Zero Asset Managers
Paris Agreement
Partnership for Biodiversity Accounting Financials (PBAF)
Partnership for Carbon Accounting Financials (PCAF)
Task Force on Climate-related Financial Disclosures (TCFD)
The Montreal Pledge
UN Principles of Responsible Banking
UN Principles of Sustainable Insurance
UN Principles of Responsible Investment
UN Global Compact
WWF Green Office

> Collaborative networks

European Association of Co-operative banks
FIBS
Finance Finland
Finland's Sustainable Investment Forum
The International Capital Market Association

> More [Commitments and policies](#)

ESG Ratings 2023

Rating agency	Rating	Rating scale
MSCI 	AA	CCC to AAA
 SUSTAINALYTICS	13.1 (low risk)	100 to 0 (severe to negligible risk)
ISS ESG 	C	D- to A+
 CDP DISCLOSURE INSIGHT ACTION	B	D- to A
 vigeo eiris	58	0 to 100

OP is among the top
performers in the
financial sector

OP's Green Issuances

› OP Corporate Bank's Green Bonds

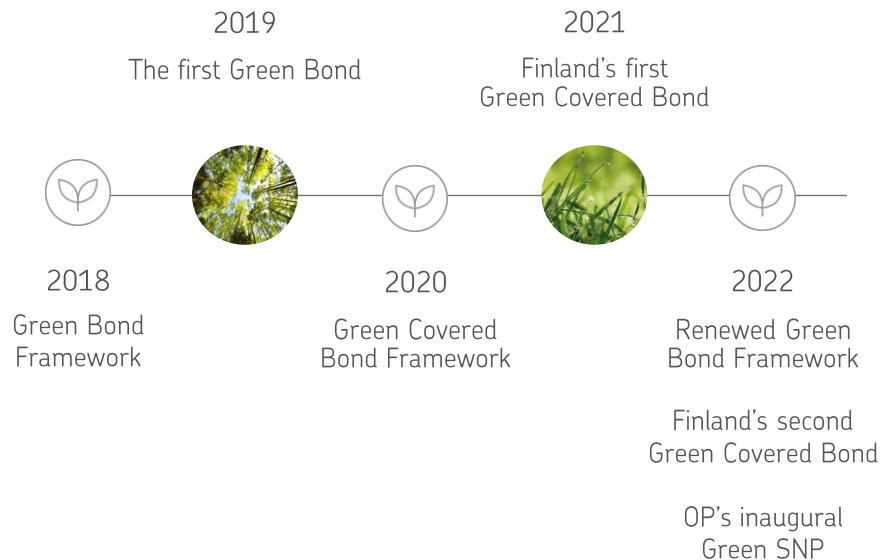
Green SNP 2022, €500 million

Green SP 2019, €500 million

› OP Mortgage Bank's Green Covered Bonds

Green Covered Bond 2022, €1 billion

Green Covered Bond 2021, €750 million

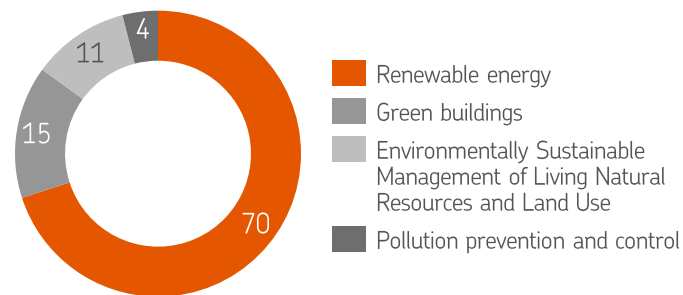


OP Corporate Bank's Green Bonds

Green Bond Framework (2022)

Use of proceeds	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 Limited assurance report by an external auditor

OP Green Bond Impacts, YE2022 *



”

Eligible assets included in the Green Bond register (YE2022) totaled at €1,630 mn including reserve of unallocated green assets €630 mn

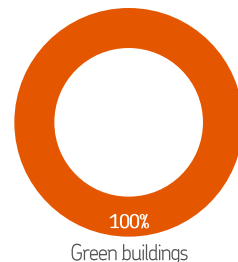


OP Mortgage Bank's Green Covered Bonds

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. Internal reporting to Green Bond Committee quarterly.
Reporting	Annual Green Covered Bond Report published on OP's website
External review and verification	Sustainalytics' Second Party Opinion Limited assurance report by an external auditor

Assets included in the Green Covered Bonds, YE2022



Average time from origination	3.9 years
Average time until maturity	18.9 years

” Eligible assets in the cover pool worth €2,968.6 mn of which €1,750 mn allocated to the Green Covered Bonds

OPMB Green Covered Bond impacts, YE2022

Green Buildings (in the cover pool)

- 25,467 mortgages
- 2.0 million m² of green buildings tagged as green
- 104,000 MWh avoided energy use
- 16,000 tCO₂e avoided emissions

Green Buildings (allocated to €1,750 million bonds)

- 62,000 MWh avoided energy use
- 9,300 tCO₂e avoided emissions



A young girl with long brown hair, wearing a yellow knit beanie, a white scarf, and a dark winter jacket with a fur-lined hood, is smiling and lying in a deep snowdrift. The background shows a snowy field with several bare trees under a bright sky.

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 Euro Medium Term Covered Bond (Premium) Programme (EMTCB) of €25 bn rated by Moody's

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

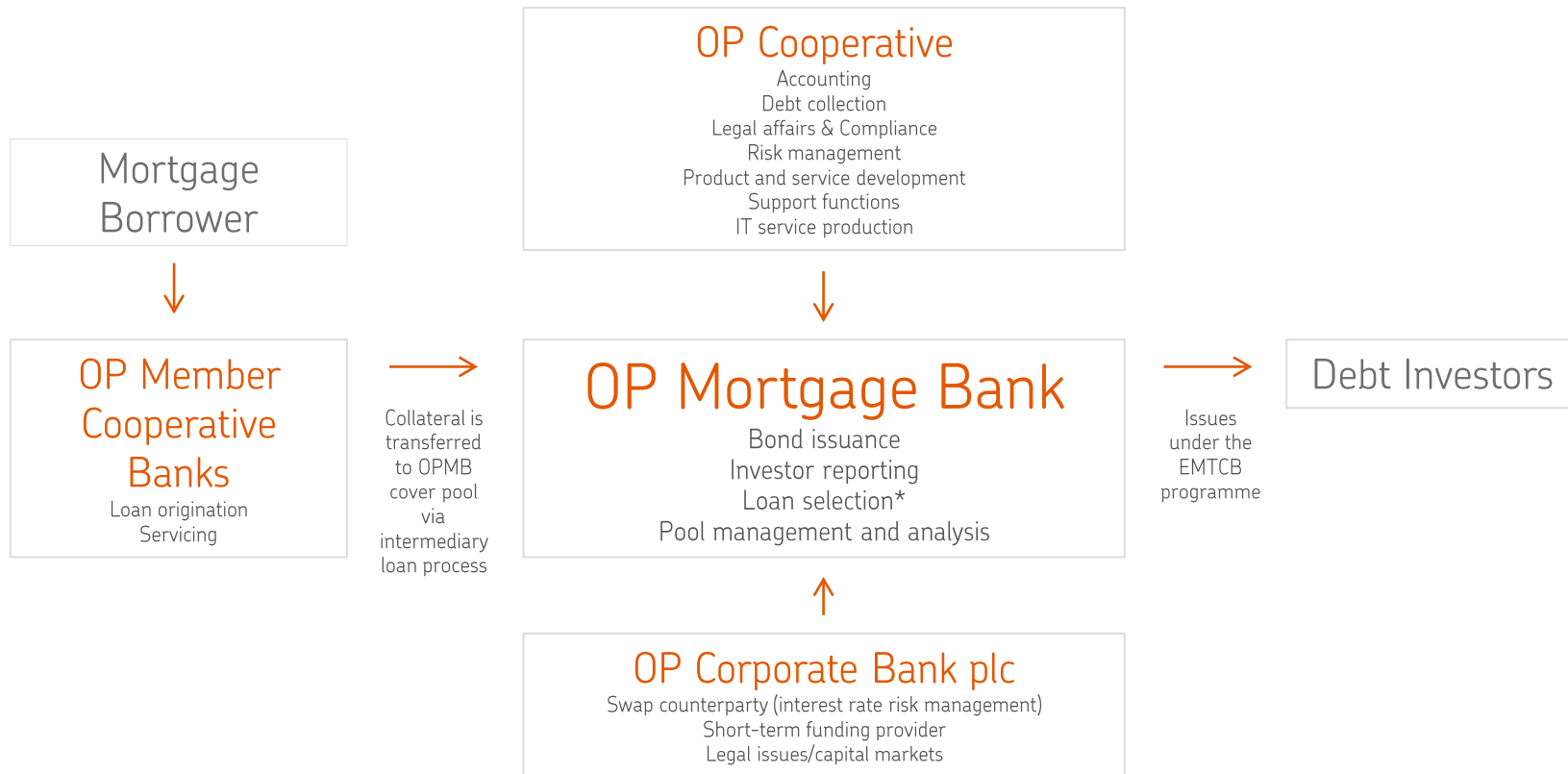
Harmonised transparency template



<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	

EMTCB programme

Bonds issued after 8 July 2022

€4.7 bn

Current balance

€4.3 bn

Total amount of covered bonds

€46,500

Average loan size

>99%

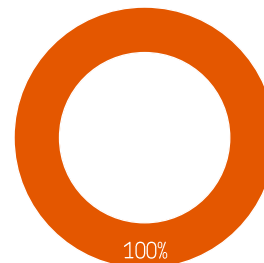
Tied to floating interest rate

47%

Weighted Average indexed LTV

10%

Over-collateralisation (OC)



Loan type distribution

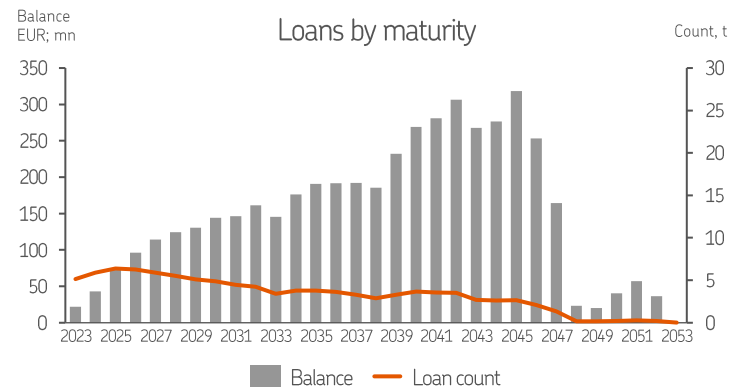
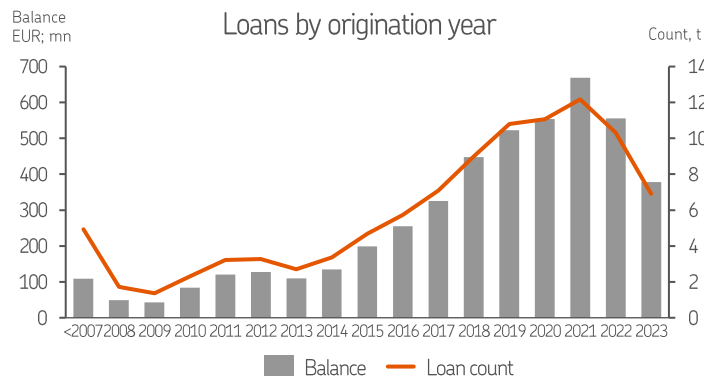
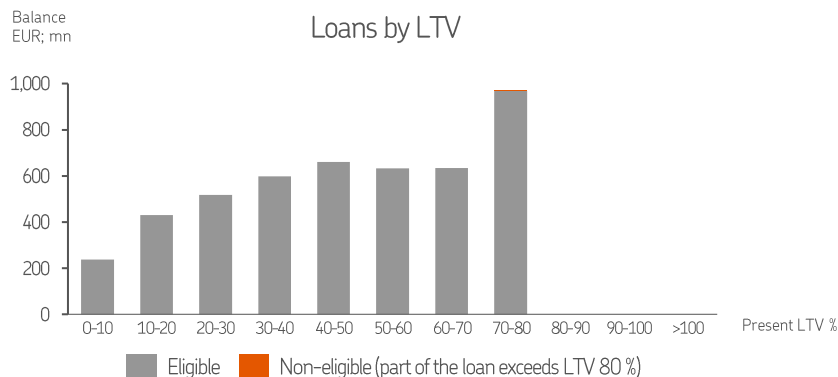
Residential loans



Geographical loan distribution

1	Southern Finland	50%
2	Western Finland	31%
3	Eastern Finland	6%
4	Oulu region	9%
5	Lapland	3%

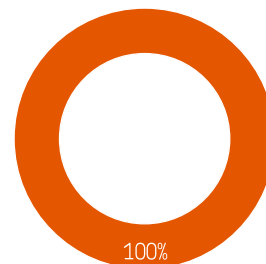
OPMB EMTCB cover asset pool



EMTCN programme

Bonds issued before 8 July 2022

€13.5 bn Current balance	€10.6 bn Total amount of covered bonds, out of which €1.75 bn is green	€65,800 Average loan size
>99% Tied to floating interest rate	53% Weighted Average indexed LTV	26% Over-collateralisation (OC)



Loan type distribution

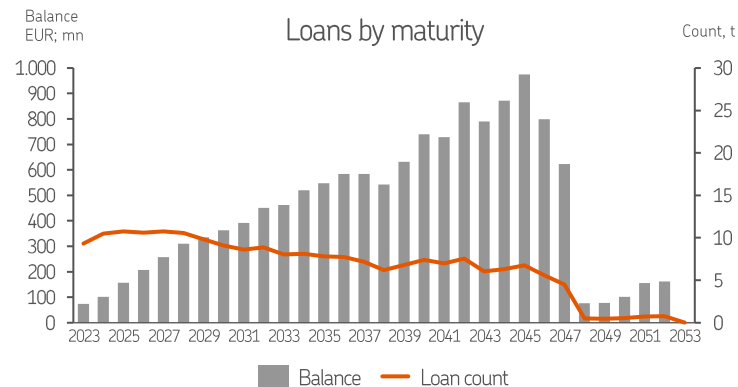
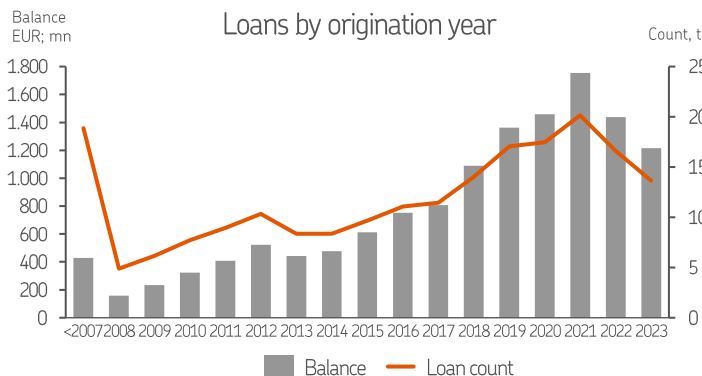
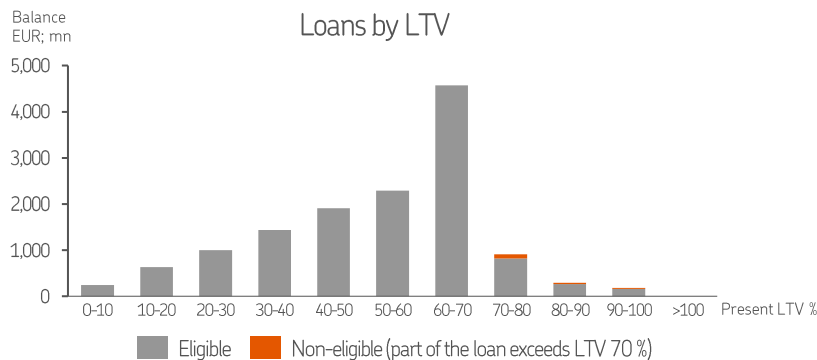
Residential loans



Geographical loan distribution

1	Southern Finland	47%
2	Western Finland	33%
3	Eastern Finland	8%
4	Oulu region	9%
5	Lapland	2%

OPMB EMTCN cover asset pool



Intermediary loan process

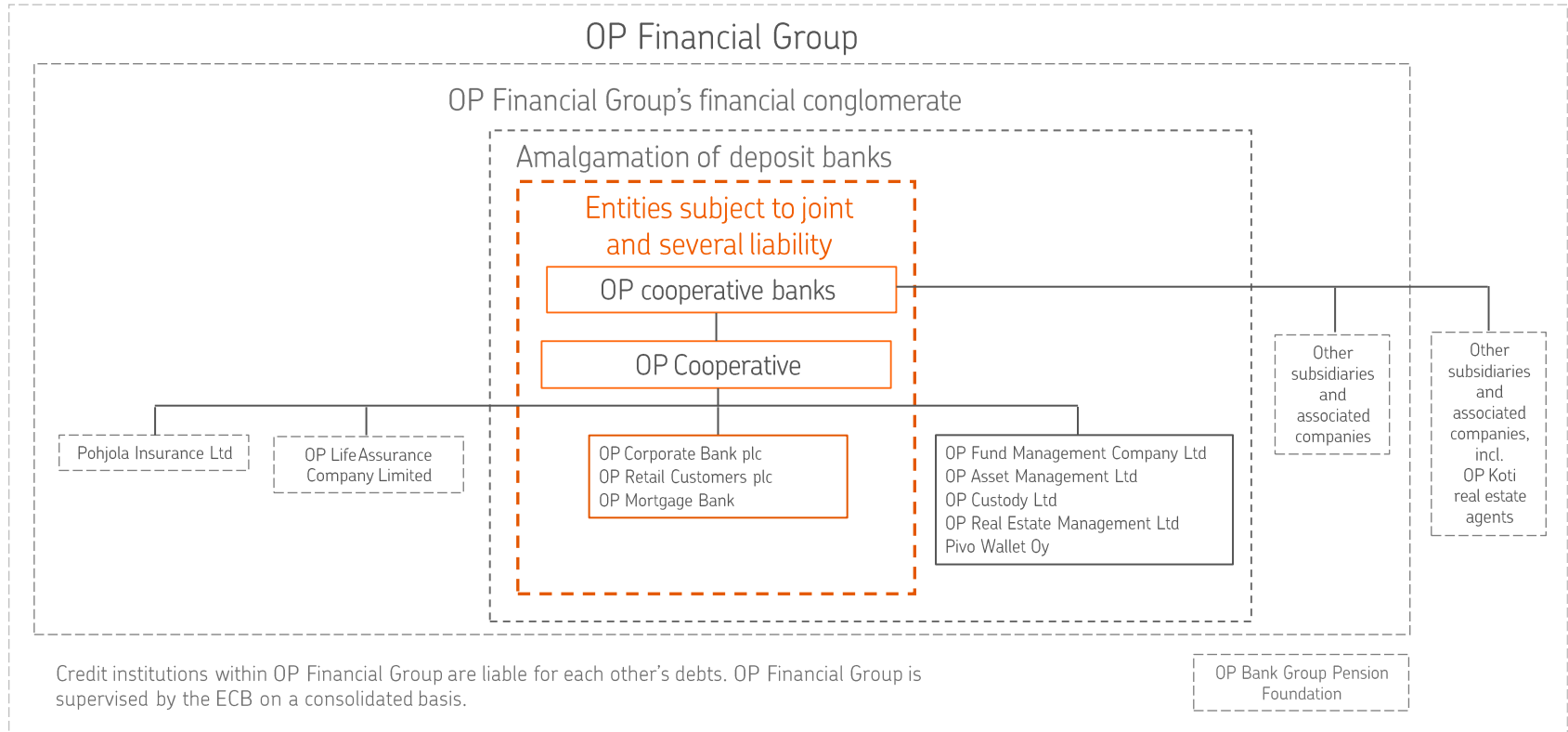
- Finnish legislation enables OP Mortgage Bank to grant intermediary loans to the member cooperative banks, who indirectly participate in the covered bond issuance process.
- In the intermediary loan process, an intermediary loan contract is made between the member cooperative bank and OPMB. The member 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.



Appendix



OP Financial Group's amalgamation structure



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.

A young girl with long brown hair is smiling and looking towards the camera. She is wearing a yellow knit beanie, a white knit scarf, and a dark jacket with a fur-lined hood. She is sitting in a snowy field with trees in the background. The word "Contacts" is written in white text on the left side of the image.

Contacts



Contacts and financial calendar

Investor Relations & Funding



Sanna Eriksson
Head of Investor Relations
CEO of OP Mortgage Bank



Tom Alanen
Head of Long-term Funding
Treasury



Venla Koljonen
IR ESG Manager
Investor Relations



Sonja Kvist
IR Lead
Investor Relations



Jasmin Yletyinen
IR ESG Analyst
Investor Relations



Eerikki Holst
Senior IR Officer
Rating Agency Relations



Financial calendar 2024

Interim Report for Q1/2024

8 May 2024

Half-year Financial Report for H1/2024

24 July 2024

Interim Report for Q3/2024

31 October 2024

For more information

www.op.fi/debtinvestors

[ESG for Debt Investors](#)

[CFO Results Overview](#)

[OP Financial Group's reports](#)

[Credit ratings](#)