



# Disclosure of information on covered bonds Q4/2024

OP Mortgage Bank

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# Purpose of the document and contents

- This document discloses the information required by the (Finnish) Act on Mortgage Credit Banks and Covered Bonds (151/2022) Section 36
- Euro Medium Term Covered Bond (Premium) Programme (EMTCB) – slides 3-14
- Euro Medium Term Covered Note Programme (EMTCN) – slides 15-26
- Please note possible supplements to the Base Prospectus

# Euro Medium Term Covered Bond (Premium) Programme (EMTCB)

Bonds issued after 8 July 2022



# Chapter 8, section 36, subsection 1: The total value of the collateral assets and issued covered bonds (EMTCB)

- Total value of the collateral assets: €6,882 mn
- Total value of issued covered bonds: €6,250 mn

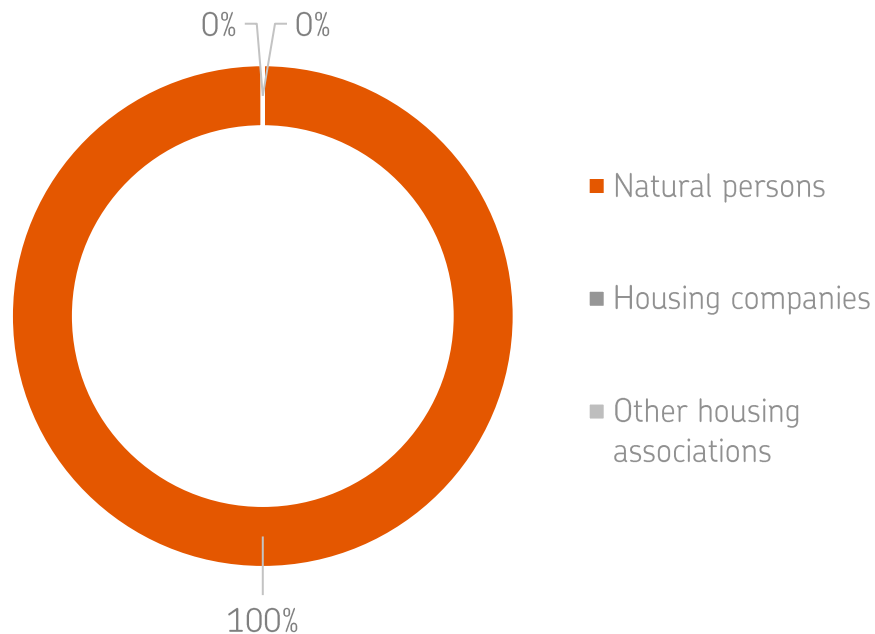
# Chapter 8, section 36, subsection 2: ISINs of the covered bonds

(EMTCB)

- XS2558247677 (issue date 22 November 2022)
- XS2580224082 (issue date 25 January 2023)
- XS2613838296 (issue date 20 April 2023)
- XS2717292788 (issue date 15 November 2023)
- XS2749486556 (issue date 17 January 2024)
- XS2909760063 (issue date 3 October 2024)

# Chapter 8, section 36, subsection 3: Distribution of collateral assets by type (EMTCB)

All collateral assets are mortgage loans.



# Chapter 8, section 36, subsection 4: Geographical distribution of collateral for loan receivables (EMTCB)

Region	Percentage
Uusimaa	42.1%
Pirkanmaa	11.0%
Southwest Finland	9.8%
North Ostrobothnia	8.6%
Satakunta	3.5%
North Savo	3.0%
Kanta-Häme	2.9%
Pohjanmaa	2.8%
Lapland	2.6%
Päijät-Häme	2.4%
Central Finland	2.4%
South Ostrobothnia	1.7%
Kymenlaakso	1.5%
Central Ostrobothnia	1.2%
South Karelia	1.2%
South Savo	1.1%
Åland	0.9%
North Karelia	0.7%
Kainuu	0.6%

# Chapter 8, section 36, subsection 4: Description of the assessment methods

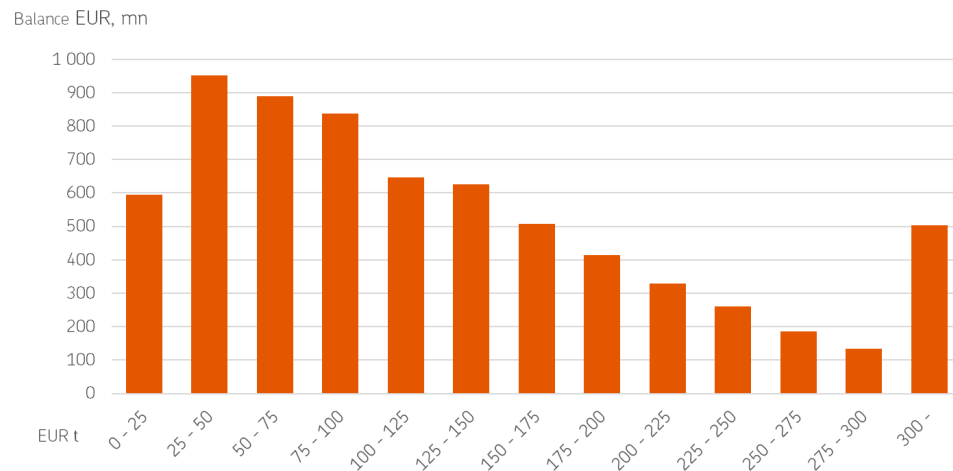
(EMTCB)

- Loan origination of mortgages and loan servicing: Valuation of collateral is conducted by independent and competent internal appraisers and is based on latest international valuation standards.
- Quarterly indexing of collateral portfolio: postal code and housing type related index based on housing transaction price data received from Federation of Real Estate Agency (Kiinteistönvälitysalan Keskusliitto).



# Chapter 8, section 36, subsection 4: Information on the credit amounts of loan receivables (EMTCB)

Loan Size (EUR t)	Balance EUR	Pcs
0 - 25	595,153,336	51,589
25 - 50	951,553,253	26,258
50 - 75	888,935,202	14,465
75 - 100	838,095,573	9,665
100 - 125	646,900,320	5,800
125 - 150	626,027,723	4,583
150 - 175	507,766,811	3,139
175 - 200	414,464,186	2,218
200 - 225	328,252,774	1,553
225 - 250	260,805,773	1,102
250 - 275	185,470,218	709
275 - 300	134,494,128	468
300 -	504,368,797	1,285



# Chapter 8, section 36, subsection 5: Information on the market risks associated with the covered bonds, including interest rate risk and currency risk (EMTCB)

- OP MB's most significant risks are related to the quality of collateral and to the structural liquidity and interest rate risks on the balance sheet for which limits have been set in the Banking Risk Policy. The key credit risk indicators in use show that OP MB's credit risk exposure is stable.
- Information on the market risks associated with covered bonds:
  - Interest rate risks
    - Interest rate risks arise when interest rate fixing periods or interest rate bases for assets and liabilities are mismatched. Although the Issuer enters into customised interest rate Derivative Contracts with the aim of reducing interest rate risks, the Issuer's exposure to interest rate risks is not expected to be zero. A failure to manage this risk effectively could adversely affect the Issuer's business, results of operations and financial condition.
  - Currency risks
    - The Issuer will pay principal and interest on the Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

# Chapter 8, section 36, subsection 5: Information on the credit risks and liquidity risks (EMTCB)

- Credit risks
  - The Issuer's credit risk mainly relates to receivables from member credit institutions, which consists of intermediary loans granted to Member Cooperative Banks. These are mainly tied to the floating interest rate, and their credit risk is low due to joint and several liability of Affiliated Credit Institutions. As the Issuer's financial performance is affected by the credit quality of debtors and counterparties in Derivative Contracts, credit risk arises from the credit quality of the abovementioned parties. The recoverability of the loans granted by the Issuer or the Originators (as defined in "Intermediary Loan Agreements, Loan Acquisition and Limited Recourse to the Originators") is an inherent part of the Issuer's business and therefore the control of credit risk is significant within the business of the Issuer as well as in OP Financial Group. Uncertainties related to pricing of credit risk and realization value and timing of the collateral could realize impairment (expected credit losses and final credit losses according to IFRS9 calculation) in the credit portfolio and weaken the profitability and financial position of the Issuer or OP Financial Group. In addition, expected credit losses do not necessarily correspond to the amount of realized credit losses. If the estimates made turn out to be inaccurate or insufficient, it could have a material adverse effect on the Issuer's or OP Financial Group's business, results of operations or financial condition. The credit risk management system of the Issuer is steered, examined, audited, and evaluated as a part of credit risk management of OP Financial Group. The credit risk management system applies both to the Issuer and to the Originators which grant the Mortgage Loans within the rules and regulations of OP Financial Group.
- Liquidity risks
  - Liquidity risk means the risk of the Issuer being unable to meet its payment obligations and to refinance its loans when they fall due, and to meet its obligations as a debtor. The risk could materialise, for example, because of a decline in the liquidity of markets or downgrading of the Issuer's credit rating or the Issuer being unable to maintain adequate liquidity. A decline in the Issuer's liquidity or a substantial downgrading of the Issuer's credit rating may adversely affect the availability and price of the Issuer's funding and, as a consequence, weaken the Issuer's results of operations and financial condition.
  - The wholesale funding markets (including the international debt capital markets) have experienced disruptions from time to time which have continued to a varying degree. Such disruptions have increased the funding costs and reduced the availability of the wholesale market funding across the financial services sector. The business of the Issuer and its respective ability to access sources of liquidity has been constrained as a result. If the wholesale funding markets deteriorate, it may have a material adverse effect on the liquidity and funding of all Finnish financial services institutions including the Issuer.
- For further information please see "Risk factors" starting from page 16 of [EMTCB Base Prospectus, 2 September 2024](#)

Chapter 8, section 36, subsection 6: Information on the maturity of covered bonds, including any requirements for extending the maturity of a bond as well as the legal and any other effects of extending maturity  
(EMTCB)

- For maturities of covered bonds please see final terms of the covered bonds: [EMTCB Programme Documentation and Issues](#)
- Requirements for extending the maturity of covered bonds and legal and other effects are as defined in section 5.2 (starting from page 75) of [EMTCB Base Prospectus, 2 September 2024](#)

Chapter 8, section 36, subsection 7: The available collateral and minimum collateral level, including the minimum level laid down in legislation for overcollateralisation, overcollateralisation required under the terms of a bond or bond programme as well as the total value of the cover pool in excess of these (EMTCB)

Over-collateralisation (OC)	Legal / Programme	Actual OC	Actual OC - Legal OC
OC (%)	2.0%	10.12%	8.12%
OC (€ mn)	125.0	632.3	507.3

Chapter 8, section 36, subsection 8: The share in the cover pool of loan receivables that either fulfil the requirements laid down in Article 178 of the EU's Capital Requirements Regulation or the matured capital or interest of which has otherwise remained unpaid for at minimum 90 days (EMTCB)

- OPMB does not have loan receivables in the cover pool that would be in default as set out in Capital Requirements Regulation Article 178 or the matured capital or interest of which has otherwise remained unpaid for at minimum 90 days.

# Euro Medium Term Covered Note Programme (EMTCN)

Bonds issued before 8 July 2022



# Chapter 8, section 36, subsection 1: The total value of the collateral assets and issued covered bonds (EMTCN)

- Total value of the collateral assets: €9,451 mn
- Total value of issued covered bonds: €8,550 mn out of which €1,750 mn is green



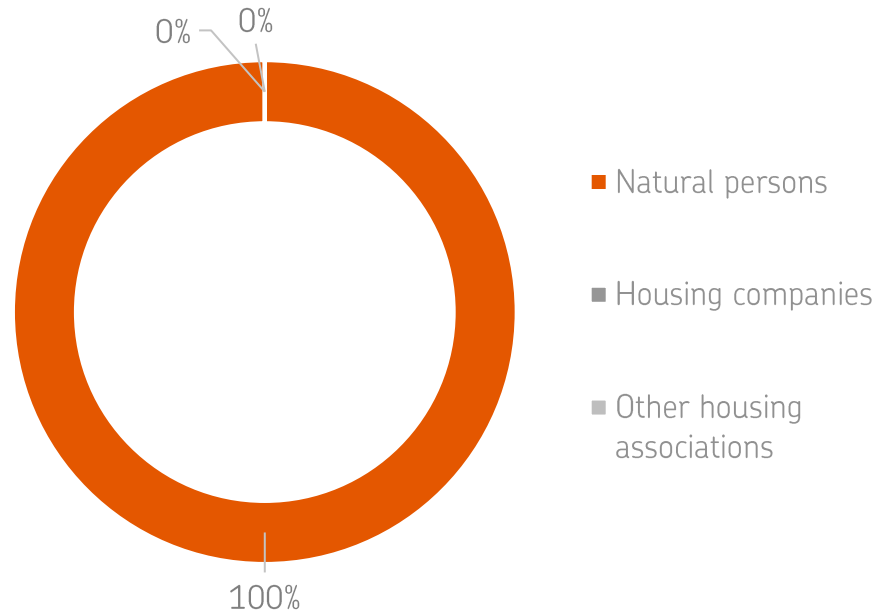
# Chapter 8, section 36, subsection 2: ISINs of the covered bonds

(EMTCN)

- XS1626141698 (issue date 7 June 2017)
- XS1829345427 (issue date 1 June 2018)
- XS1951927158 (issue date 15 February 2019)
- XS2081168358 (issue date 19 November 2019)
- XS2105779719 (issue date 21 January 2020)
- XS2158878715 (issue date 21 April 2020)
- XS2260183285 (issue date 19 November 2020)
- XS2324321368 (issue date 25 March 2021)
- XS2465142755 (issue date 5 April 2022)

# Chapter 8, section 36, subsection 3: Distribution of collateral assets by type (EMTCN)

All collateral assets are mortgage loans.



# Chapter 8, section 36, subsection 4: Geographical distribution of collateral for loan receivables (EMTCN)

Region	Percentage
Uusimaa	34.4%
Pirkanmaa	13.3%
Southwest Finland	10.9%
North Ostrobothnia	8.2%
North Savo	4.2%
Central Finland	3.9%
Satakunta	3.5%
Kanta-Häme	3.1%
Lapland	2.7%
Päijät-Häme	2.6%
Kymenlaakso	2.3%
South Karelia	2.1%
South Ostrobothnia	1.7%
Pohjanmaa	1.6%
South Savo	1.6%
North Karelia	1.6%
Central Ostrobothnia	1.0%
Kainuu	0.8%
Åland	0.2%

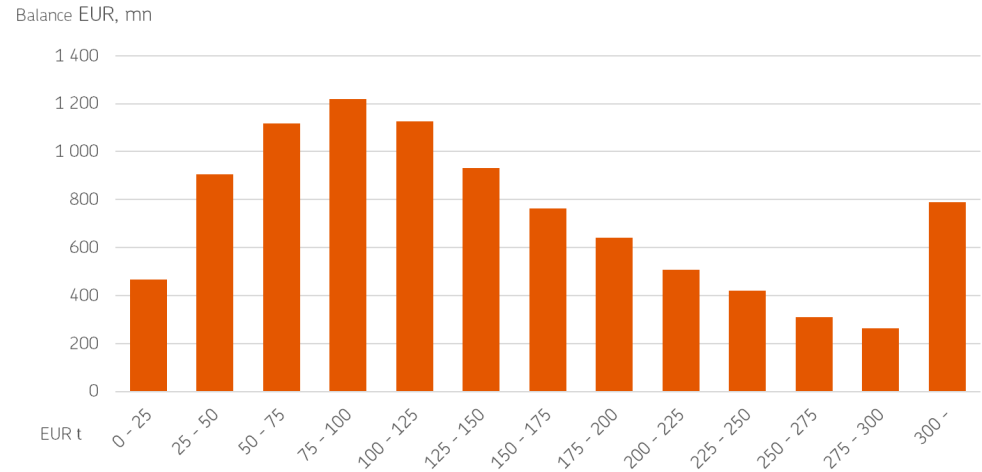
# Chapter 8, section 36, subsection 4: Description of the assessment methods

(EMTCN)

- Loan origination of mortgages and loan servicing: Valuation of collateral is conducted by independent and competent internal appraisers and is based on latest international valuation standards.
- Quarterly indexing of collateral portfolio: postal code and housing type related index based on housing transaction price data received from Federation of Real Estate Agency (Kiinteistönvälitysalan Keskusliitto).

# Chapter 8, section 36, subsection 4: Information on the credit amounts of loan receivables (EMTCN)

Loan Size (EUR t)	Balance EUR	Pcs
0 - 25	465,773,368	39,234
25 - 50	905,276,605	24,654
50 - 75	1,116,649,045	18,038
75 - 100	1,217,997,025	14,027
100 - 125	1,125,699,471	10,061
125 - 150	931,320,956	6,802
150 - 175	761,591,162	4,707
175 - 200	640,760,322	3,429
200 - 225	507,436,005	2,394
225 - 250	420,296,917	1,775
250 - 275	308,319,452	1,177
275 - 300	262,113,903	914
300 -	787,700,560	2,090



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- OP MB's most significant risks are related to the quality of collateral and to the structural liquidity and interest rate risks on the balance sheet for which limits have been set in the Banking Risk Policy. The key credit risk indicators in use show that OP MB's credit risk exposure is stable.
- Information on the market risks associated with covered bonds:
  - Interest rate risks
    - Interest rate risks arise when interest rate fixing periods or interest rate bases for assets and liabilities are mismatched. Although the Issuer enters into customised interest rate Derivative Transactions with the aim of reducing interest rate risks, the Issuer's exposure to interest rate risks are not expected to be zero. A failure to manage this risk effectively could adversely affect the Issuer's business, results of operations and financial condition.
  - Currency risks
    - The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

# Chapter 8, section 36, subsection 5: Information on the credit risks and liquidity risks (EMTCN)

- Credit risks
  - As the Issuer's financial performance is affected by the credit quality of debtors and counterparties in Derivative Transactions, credit risk arises from the credit quality of the abovementioned parties. The recoverability of the loans granted by the Issuer or the Originators is an inherent part of the Issuer's business and therefore the control of credit risk is significant within the business of the Issuer as well as in OP Financial Group.
  - The credit risk management system of the Issuer is steered, examined, audited, and evaluated as a part of credit risk management of OP Financial Group. The credit risk management system applies both to the Issuer and to the Originators which grant the Mortgage Loans within the rules and regulations of OP Financial Group.
- Liquidity risks
  - Liquidity risk means the risk of the Issuer being unable to meet its payment obligations and to refinance its loans when they fall due, and to meet its obligations as a debtor. The risk could materialise, for example, because of a decline in the liquidity of markets or downgrading of the Issuer's credit rating or the Issuer being unable to maintain adequate liquidity. A decline in the Issuer's liquidity or a substantial downgrading of the Issuer's credit rating may adversely affect the availability and price of the Issuer's funding and, as a consequence, weaken the Issuer's results of operations and financial condition.
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- For further information please see "Risk factors" starting from page 14 of [EMTCN Programme Base Prospectus, 4 November 2021](#)

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- Requirements for extending the maturity of covered bonds and legal and other effects are as defined in section 5.2 (starting from page 72) of [EMTCN Programme Base Prospectus, 4 November 2021](#)



Chapter 8, section 36, subsection 7: The available collateral and minimum collateral level, including the minimum level laid down in legislation for overcollateralisation, overcollateralisation required under the terms of a bond or bond programme as well as the total value of the cover pool in excess of these (EMTCN)

Over-collateralisation (OC)	Legal / Programme	Actual OC	Actual OC - Legal OC
OC (%)	2.0%	10.54%	8.54%
OC (€ mn)	171.0	900.9	729.9

Chapter 8, section 36, subsection 8: The share in the cover pool of loan receivables that either fulfil the requirements laid down in Article 178 of the EU's Capital Requirements Regulation or the matured capital or interest of which has otherwise remained unpaid for at minimum 90 days (EMTCN)

- OPMB does not have loan receivables in the cover pool that would be in default as set out in Capital Requirements Regulation Article 178 or the matured capital or interest of which has otherwise remained unpaid for at minimum 90 days.