

# OP Mortgage Bank (OPMB)

- › 100% owned subsidiary of OP Cooperative
- › Covered bond issuing entity of OP Pohjola
- › New issues under the Euro Medium Term Covered Bond (Premium) Programme (EMTCB) of €25bn rated by Moody's

## Joint and several liability

OPMB fully benefits from the joint and several 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**

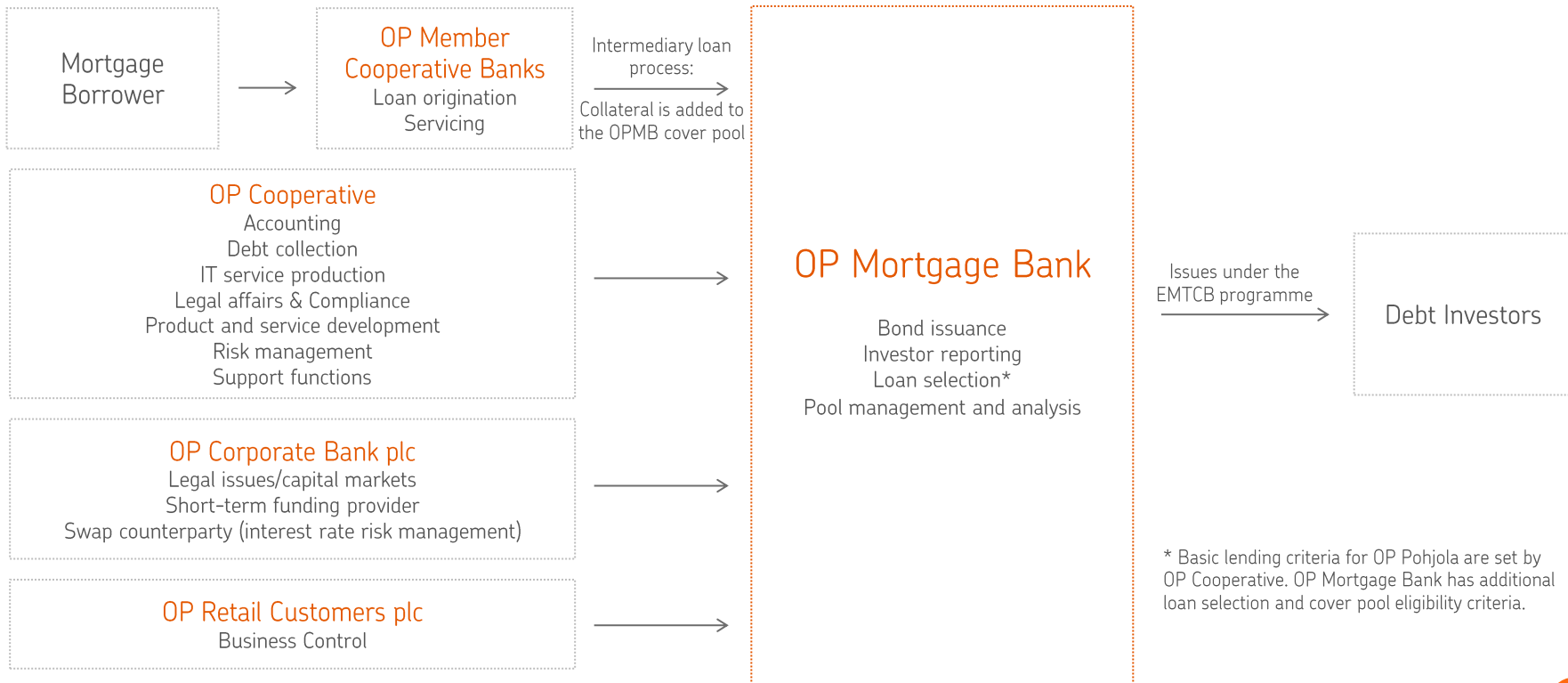
## Harmonised transparency template



<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	Issuance after 8 July 2022	Issuance before 8 July 2022
Programmes under the Act	Euro Medium Term Covered Bond Premium (EMTCB)	Euro Medium Term Covered Note (EMTCN)
Bond qualification	European Covered Bond (Premium)	EEA Grandfathered – CRR compliant
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%
Regulation	Regulated by the Finnish Financial Supervisory Authority and the European Central Bank	
Intermediary loans	Enables granting intermediary loans	
Programme documentation including information on valuation, market risks, expiry and over-collateralisation	<a href="#">EMTCB Programme documentation</a>	<a href="#">EMTCN Programme documentation</a>
Cover asset pool information including bond IDs, ECBC Harmonized Transparency Templates and legal information disclosure	<a href="#">OPMB's cover asset pools and legal information disclosure</a>	

# Euro Medium Term Covered Bond (Premium), EMTCB

Bonds issued after 8 July 2022, outstanding amount €7.3bn

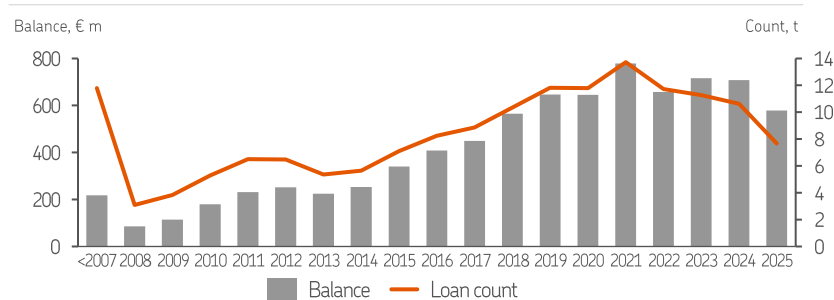
Current balance	€8.1bn
Average loan size	€50,000
Tied to floating interest rate	>99%
Weighted Average indexed LTV	48%
Over-collateralisation (OC)	11%



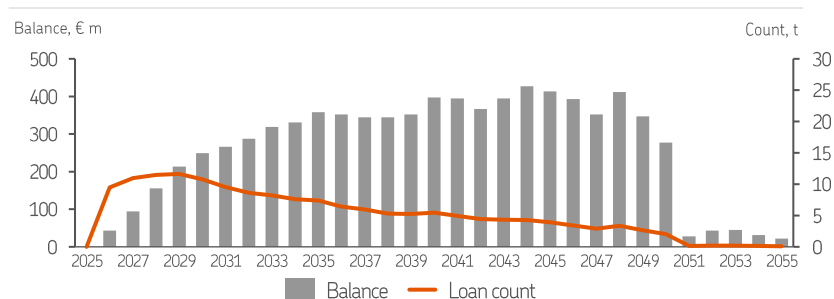
## Geographical loan distribution

1	Southern Finland	51%
2	Western Finland	32%
3	Eastern Finland	5%
4	Oulu region	9%
5	Lapland	3%

## Loans by origination year in cover asset pool



## Loans by maturity in cover asset pool



# Euro Medium Term Covered Note, EMTCN

Bonds issued before 8 July 2022, outstanding amount €7.6bn

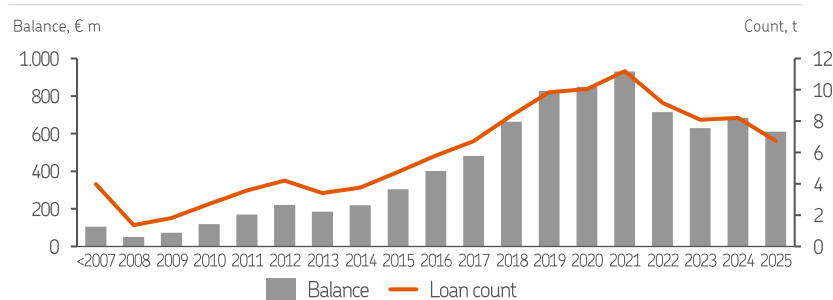
Current balance	€8.2bn
Average loan size	€72,000
Tied to floating interest rate	>99%
Weighted Average indexed LTV	54%
Over-collateralisation (OC)	9.2%



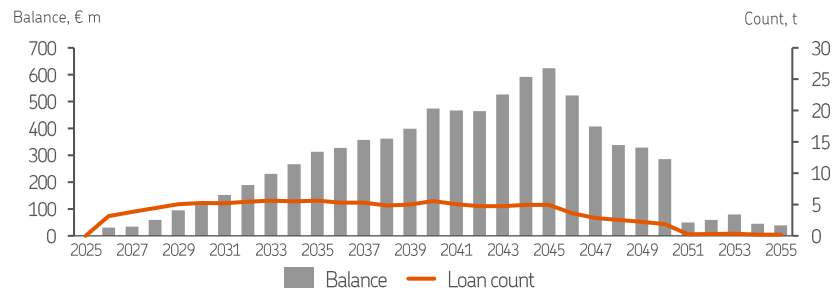
## Geographical loan distribution

1	Southern Finland	43%
2	Western Finland	37%
3	Eastern Finland	8%
4	Oulu region	9%
5	Lapland	3%

## Loans by origination year in cover asset pool



## Loans by maturity in 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 collateral to the OPMB cover pool in return for funds from the issuance.
- › 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.

