

# OP Mortgage Bank: Interim Report for 1 January–30 September 2022

OP Mortgage Bank (OP MB) is part of OP Financial Group. Together with OP Corporate Bank plc, its role is to raise funding for OP from money and capital markets. OP MB is responsible for the Group's funding with regard to covered bond issuance.

## Financial standing

The intermediary loans and loan portfolio of OP MB totalled EUR 18,545 million (18,275)\* on 30 September 2022. Bonds issued by OP MB totalled EUR 16,915 million (16,415) at the end of September 2022.

In April, OP MB issued a green covered bond in the international capital market. The fixed-rate one-billion-euro covered bond had a maturity of five and a half year. The proceeds of the bonds were in full intermediated to 98 OP cooperative banks in the form of intermediary loans.

In June, OP MB issued a one-billion-euro retained covered bond with a maturity of one year and three months, which was implemented as OP Financial Group's internal issue.

On 30 September 2022, 113 OP cooperative banks had a total of EUR 15,581 million (14,691) in intermediate loans from OP MB.

Earnings before tax totalled EUR 6.0 million (4.7). The company's financial standing remained stable throughout the reporting period.

Impairment loss on receivables related to loans in OP MB's balance sheet totalled EUR 0.4 million (–0.6). Loss allowance was EUR 2.6 million (3.1).

\* The comparatives for 2021 are given in brackets. For income statement and other aggregated figures, January–September 2021 figures serve as comparatives. For balance-sheet and other cross-sectional figures, figures at the end of the previous financial year (31 December 2021) serve as comparatives.

## Collateralisation of bonds issued to the public

On 30 September 2022, loans as collateral in security of the covered bonds issued under the Euro Medium Term Covered Note programme worth EUR 20 billion established on 12 November 2010 under the Act on Mortgage Credit Banks (Laki kiinnitysluottopankkitoiminnasta 688/2010) totalled EUR 16,325 million. On the same date, loans as collateral in security of the covered bonds issued under the Euro Medium Term Retained Covered Note programme worth EUR 10 billion established on 15 June 2020 totalled EUR 3,492 million.

## Capital adequacy

OP MB's Common Equity Tier 1 (CET1) ratio stood at 31.3% (92.9) on 30 September 2022. The ratio was weakened by the adoption of the risk-weighted assets floor based on the Standardised Approach in OP Financial Group according to the decision made on 1 March 2022. The minimum CET1 capital requirement is 4.5% and the requirement for the capital conservation buffer is 2.5%. The minimum total capital requirement is 8% and 10.5% with increased capital conservation buffer. OP MB covers the capital requirements in their entirety with CET1 capital, so the CET1 capital requirement is 10.5%. Earnings for the reporting period were not included in CET1 capital.

OP MB uses the Internal Ratings Based Approach (IRBA) to measure its capital adequacy requirement for credit risk. OP MB uses the Standardised Approach to measure its capital adequacy for operational risks. The capital adequacy requirement is increased by the RWA floor based on the Standardised Approach.

OP MB belongs to OP Financial Group. As part of the Group, OP MB is supervised by the ECB. OP Financial Group presents capital adequacy information in its financial statements bulletins and interim and half-year financial reports in accordance with the Act on the Amalgamation of Deposit Banks. OP Financial Group also publishes Pillar III disclosures.

<b>Capital base and capital adequacy, TEUR</b>	<b>30 Sep 2022</b>	<b>31 Dec 2021</b>
Shareholders' equity	369,487	370,077
<b>Common Equity Tier 1 (CET1) before deductions</b>	<b>369,487</b>	<b>370,077</b>
Excess funding of pension liability	-57	-57
Share of unaudited profits	-4,773	-5,364
Impairment loss – shortfall of expected losses	-1,895	-2,856
<b>Common Equity Tier 2 (CET1)</b>	<b>362,762</b>	<b>361,800</b>
<b>Tier 1 capital (T1)</b>	<b>362,762</b>	<b>361,800</b>
<b>Total capital base</b>	<b>362,762</b>	<b>361,800</b>
<b>Total risk exposure amount</b>		
Credit and counterparty risk	257,094	359,126
Operational risk	26,908	30,130
Other risks	873,464	
<b>Total</b>	<b>1,157,465</b>	<b>389,256</b>
<b>Key ratios, %</b>		
CET1 capital ratio	31.3	92.9
Tier 1 capital ratio	31.3	92.9
Capital adequacy ratio	31.3	92.9
<b>Capital requirement</b>		
Capital base	362,762	361,800
Capital requirement	121,541	40,872
Buffer for capital requirements	241,220	320,928

\*Floor of risk-weighted assets based on the Standardised Approach.

## Joint and several liability of amalgamation

Under the Act on the Amalgamation of Deposit Banks, the amalgamation of cooperative banks comprises the organisation's central cooperative (OP Cooperative), the central cooperative's member credit institutions and the companies belonging to their consolidation groups as well as credit and financial institutions and service companies in which the above together hold more than half of the total votes. This amalgamation is supervised on a consolidated basis. On 30 September 2022, OP Cooperative's member credit institutions comprised 115 cooperative banks as well as OP Corporate Bank plc, OP Mortgage Bank and OP Retail Customers plc.

The central cooperative is responsible for issuing instructions to its member credit institutions concerning their internal control and risk management, their procedures for securing liquidity and capital adequacy as well as for compliance with harmonised accounting policies in the preparation of the amalgamation's consolidated financial statements.

As a support measure referred to in the Act on the Amalgamation of Deposit Banks, the central cooperative is liable to pay any of its member credit institutions an amount that is necessary to prevent the credit institution from being placed in liquidation. The central cooperative is also liable for the debts of a member credit institution which cannot be paid using the member credit institution's assets.

Each member bank is liable to pay a proportion of the amount which the central cooperative has paid to either another member bank as part of support action or to a creditor of such member bank in payment of an amount overdue which the creditor has not received from the member bank. Furthermore, in the case of the central cooperative's default, a member bank has unlimited refinancing liability for the central cooperative's debts as referred to in the Co-operatives Act.

Each member bank's liability for the amount the central cooperative has paid to the creditor on behalf of a member bank is divided between the member banks in proportion to their last adopted balance sheets. OP Financial Group's insurance companies do not fall within the scope of joint and several liability.

According to section 25 of the Act on Mortgage Credit Banks, the holder of a covered bond has the right to receive payment, before other claims, for the entire term of the bond in accordance with the contract terms, from the assets entered as collateral, without this being prevented by OP MB's liquidation or bankruptcy.

## Corporate responsibility

Corporate responsibility is an integral part of OP Financial Group's business and strategy and responsible business is one of OP Financial Group's strategic priorities. OP Financial Group published its new sustainability programme in August 2022. The new sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding the sustainability actions taken by the business units and OP cooperative banks. OP Financial Group's sustainability programme is built around three themes: Climate and the environment, People and communities and Corporate governance.

At OP Financial Group, sustainability and responsibility are guided by a number of principles and policies. In addition to complying with all applicable laws and regulations, we are committed to international initiatives and standards. OP Financial Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption. OP Financial Group is committed to complying with the UN Principles for Responsible Banking Investment and is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI).

Green bonds issued by OP MB are part of the responsible offerings of OP Financial Group. In March 2022, OP MB published a Green Covered Bond Report on Finland's first green covered bond issued in March 2021. According to OP MB's Green Covered Bond Framework, funds raised through the bond have been allocated to mortgages with energy-efficient residential buildings as collateral. In 2021, the environmental impacts allocated to the green covered bond include annual avoided energy use of 26,000 MWh and annual avoided CO<sub>2</sub>-equivalent emissions of 4,100 tonnes.

In April 2022, OP MB issued a one-billion-euro green covered bond with a maturity of 5,5 years. According to OP MB's Green Covered Bond Framework, funds raised through the bond have been allocated to mortgages recognised as energy efficient by OP Financial Group. The sector to be financed is energy-efficient residential buildings (green buildings).

## Personnel

On 30 September 2022, OP MB had seven employees. OP MB has been digitising its operations and purchases all the most important support services from OP Cooperative and its Group members, reducing the need for its own personnel.

## Management

The Board composition is as follows:

Chair	Mikko Timonen	Chief Financial Officer, OP Cooperative
Members	Satu Nurmi	Head of Retail Customer Financing and Housing-related Services, OP Retail Customers plc
	Mari Heikkilä	Head of Group Treasury and Asset and Liability Management, OP Corporate Bank plc

The Board was chaired by Vesa Aho until 28 February 2022 and Mikko Timonen has chaired the Board since 1 March 2022.

Lauri Iloniemi was a Board member until 8 May 2022 and Mari Heikkilä has been a Board member since 23 May 2022.

Kaisu Christie was a Board member until 23 May 2022 and Satu Nurmi has been a Board member since 23 May 2022.

OP MB's Managing Director is Sanna Eriksson. The deputy Managing Director is Tuomas Ruotsalainen, Senior Covered Bonds Manager at OP MB.

A new Act on Mortgage Credit Banks and Covered Bonds (Laki kiinnitysluottopankeista ja katetuista joukkolainoista 151/2022) entered into force on 8 July 2022. The new law implemented a directive concerning covered bonds and it revoked the Act on Mortgage Credit Banks (Laki kiinnitysluottopankkitoiminnasta 688/2010). On 30 June 2022, the Finnish Financial Supervisory Authority granted OP MB a licence to engage in mortgage credit bank operations in accordance with section 8 of the Act on Mortgage Credit Banks and Covered Bonds (Laki kiinnitysluottopankeista ja katetuista joukkolainoista). OP MB has updated its prospectus concerning bonds to be in line with the new law. This mainly involved changes pertaining to legislative methods and in terminology, in addition to which the size of the programme was increased to EUR 25 billion. The name of the updated programme is "Euro Medium Term Covered Bond (Premium) Programme". A new cover pool was established for issues to be made under the updated prospectus and the new law. The amended law has no effect on bonds issued before 8 July 2022, to which the former Act on Mortgage Credit Banks (Laki kiinnitysluottopankkitoiminnasta 688/2010) is applied, including the prospectuses and terms and conditions effective during the issue.

## Risk exposure

When entering 2022, OP MB had a strong capital base, capital buffers and risk-bearing capacity.

The Covid-19 pandemic, Russia's aggressive war in Ukraine and rise in raw material prices and consumer prices constitute a situation where their combined effects are very hard to predict. The risk factors may affect lending, liquidity maintenance and business processes. OP MB's capital base is sufficient to secure business continuity.

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 Risk Policy of Banking. The key credit risk indicators in use show that OP MB's credit risk exposure is stable. The liquidity buffer for OP Financial Group, managed by OP Corporate Bank, is exploitable by OP MB. OP MB has used interest rate swaps to hedge against its interest rate risk. Interest rate swaps have been used to swap home loan interest, intermediary loan interest and interest on issued bonds into the same basis rate. OP MB has concluded all derivative contracts for hedging purposes, with OP Corporate Bank plc being their counterparty. OP MB's interest risk exposure is under control, and it has been within the set limit.

OP Financial Group analyses the business environment as part of the continuous strategy process. Megatrends and future visions behind the strategy reflect driving forces that affect the daily activities, conditions and future of OP Financial Group and its customers. Such factors shaping the business environment include sustainable development and responsibility (ESG), demographic change in the population, geopolitical factors and fast technological progress.

For example, climate and environmental changes and other factors in the business environment are considered thoroughly so that their effects on the customers' future success are understood. Through advice and business decisions, OP Financial Group encourages its customers in developing their sustainable and successful business in the future. At the same time, OP Financial Group ensures that its operations are profitable and in compliance with its core values in the long term.

## Outlook towards the year end

The economic outlook dimmed during the third quarter. Nevertheless, the financial situation among households and companies still remained good.

Market interest rates have risen exceptionally fast in recent months, as central banks have raised their key interest rates. Central banks are expected to continue to tighten their monetary policy in the months to come. Uncertainty in the financial market has increased considerably, credit spreads have widened and stock prices fallen.

Exceptionally much uncertainty is still related to the economic outlook. Economic growth is anticipated to slow down, as demand in the home market and export demand go down.

It is expected that OP MB's capital adequacy will remain extremely strong and the overall quality of the loan portfolio good. This will make it possible to issue new covered bonds in the future as well.

## Alternative Performance Measures

Key ratios	Q1–3/2022	Q1–3/2021	Q3/2022	Q3/2021	Q1–4/2021
Return on equity (ROE), %	1.7	1.4	2.0	1.8	1.4
Cost/income ratio, %	54	56	53	53	56

The Alternative Performance Measures are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods.

The formulas for the used Alternative Performance Measures are presented below.

$$\text{Return on equity (ROE), \%} = \frac{\text{Financial performance for the reporting period} \times (\text{days of financial year} / \text{days of reporting period})}{\text{Equity capital (average at beginning and end of period)}} \times 100$$

$$\text{Cost/income ratio, \%} = \frac{\text{Total expenses}}{\text{Total income}} \times 100$$

## Interim Report 1 January–30 September 2022

### Primary statements

<b>Income statement, TEUR</b>	<b>Q1–3/2022</b>	<b>Q1–3/2021</b>	<b>Q3/2022</b>	<b>Q3/2021</b>	<b>Q1–4/2021</b>
Net interest income	28,648	32,026	9,734	10,593	42,075
Net commissions and fees	-16,343	-19,886	-5,344	-6,265	-25,804
Net investment income	1	1			1
Other operating income	0	0			1
<b>Total income</b>	<b>12,306</b>	<b>12,141</b>	<b>4,390</b>	<b>4,328</b>	<b>16,274</b>
Personnel costs	418	369	138	125	487
Other operating expenses	6,281	6,484	2,196	2,165	8,591
<b>Total expenses</b>	<b>6,699</b>	<b>6,853</b>	<b>2,334</b>	<b>2,290</b>	<b>9,079</b>
Impairment loss on receivables	358	-602	228	68	-491
<b>Earnings before tax</b>	<b>5,965</b>	<b>4,686</b>	<b>2,285</b>	<b>2,106</b>	<b>6,704</b>
Income tax	1,193	937	457	421	1,341
<b>Profit for the period</b>	<b>4,773</b>	<b>3,749</b>	<b>1,828</b>	<b>1,685</b>	<b>5,364</b>
<b>Statement of comprehensive income, TEUR</b>					
<b>Profit for the period</b>	<b>4,773</b>	<b>3,749</b>	<b>1,828</b>	<b>1,685</b>	<b>5,364</b>
Gains/(losses) arising from remeasurement of defined benefit plans					2
<b>Total comprehensive income</b>	<b>4,773</b>	<b>3,749</b>	<b>1,828</b>	<b>1,685</b>	<b>5,365</b>

<b>Balance sheet, TEUR</b>	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>	<b>31 Dec 2021</b>
Receivables from credit institutions	16,815,614	14,835,729	14,814,635
Derivative contracts	24,683	235,152	170,200
Receivables from customers	2,964,296	3,802,070	3,584,445
Investment assets	40	40	40
Other assets	51,588	33,141	31,241
Tax assets		126	
<b>Total assets</b>	<b>19,856,222</b>	<b>18,906,259</b>	<b>18,600,560</b>
Liabilities to credit institutions	2,500,000	1,800,000	1,570,000
Derivative contracts	1,167,509	27,194	52,966
Debt securities issued to the public	15,770,955	16,679,439	16,579,276
Provisions and other liabilities	48,196	31,097	27,893
Tax liabilities	74	68	349
<b>Total liabilities</b>	<b>19,486,735</b>	<b>18,537,797</b>	<b>18,230,483</b>
<b>Shareholders' equity</b>			
Share capital	60,000	60,000	60,000
Reserve for invested non-restricted equity	245,000	245,000	245,000
Retained earnings	64,487	63,461	65,077
<b>Total equity</b>	<b>369,487</b>	<b>368,461</b>	<b>370,077</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,856,222</b>	<b>18,906,259</b>	<b>18,600,560</b>

<b>Statement of changes in equity, TEUR</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Shareholders' equity 1 Jan 2022</b>	<b>60,000</b>	<b>245,000</b>	<b>65,077</b>	<b>370,077</b>
Profit for the period			4,773	4,773
Other changes			-5,363	-5,363
<b>Shareholders' equity 30 Sep 2022</b>	<b>60,000</b>	<b>245,000</b>	<b>64,487</b>	<b>369,487</b>
<b>Shareholders' equity 1 Jan 2021</b>	<b>60,000</b>	<b>245,000</b>	<b>66,093</b>	<b>371,093</b>
Profit for the period			3,749	3,749
Other changes			-6,381	-6,381
<b>Shareholders' equity 30 Sep 2021</b>	<b>60,000</b>	<b>245,000</b>	<b>63,461</b>	<b>368,461</b>

Cash flow statement, TEUR	Q1–3/2022	Q1–3/2021
<b>Cash flow from operating activities</b>		
Profit for the period	4,773	3,749
Adjustments to profit for the period	-22,422	-7,636
<b>Increase (-) or decrease (+) in operating assets</b>	<b>-1,327,192</b>	<b>-3,043,590</b>
Receivables from credit institutions	-1,894,207	-3,767,301
Receivables from customers	587,361	728,230
Other assets	-20,347	-4,519
<b>Increase (+) or decrease (-) in operating liabilities</b>	<b>950,303</b>	<b>305,828</b>
Liabilities to credit institutions	930,000	300,000
Derivative contracts	10,880	15,871
Provisions and other liabilities	9,424	-10,043
Income tax paid	-1,467	-260
Dividends received	1	1
<b>A. Net cash from operating activities</b>	<b>-396,004</b>	<b>-2,741,907</b>
<b>Cash flow from financing activities</b>		
Increases in debt securities issued to the public	2,008,140	3,807,890
Decreases in debt securities issued to the public	-1,500,000	-1,000,000
Dividends paid and interest on cooperative capital	-5,363	-6,381
<b>B. Net cash used in financing activities</b>	<b>502,777</b>	<b>2,801,509</b>
<b>Net change in cash and cash equivalents (A+B)</b>	<b>106,773</b>	<b>59,602</b>
<b>Cash and cash equivalents at period start</b>	<b>102,402</b>	<b>214,695</b>
<b>Cash and cash equivalents at period end</b>	<b>209,174</b>	<b>274,297</b>
<b>Interest received</b>	<b>-26,249</b>	<b>-20,839</b>
<b>Interest paid</b>	<b>54,477</b>	<b>54,953</b>
<b>Adjustments to profit for the period</b>		
<b>Non-cash items and other adjustments</b>		
Impairment loss on receivables	1,193	616
Income tax	-357	937
Price difference recognised	-23,193	-9,170
Other	-65	-19
<b>Total adjustments</b>	<b>-22,422</b>	<b>-7,636</b>
<b>Cash and cash equivalents</b>		
Receivables from credit institutions payable on demand	209,174	274,297
<b>Total</b>	<b>209,174</b>	<b>274,297</b>



## Accounting policies

The Interim Report 1 January–30 September 2022 has been prepared in accordance with IAS 34 (Interim Financial Reporting). IAS 34 Interim Financial Reporting has been applied in the interim report including the accounting policies presented in the 2021 financial statements. The Interim Report should be read with the audited 2021 financial statements.

This Interim Report is based on unaudited figures. Given that all figures have been rounded off, the sum total of individual figures may deviate from the presented sums.

The Interim Report is available in Finnish and English. The Finnish version is official and will be used if there is any discrepancy between the language versions.

## Notes

Net commissions and fees, TEUR	Q1–3/2022	Q1–3/2021	Q3/2022	Q3/2021	Q1–4/2021
<b>Commission income</b>					
Lending	2,151	2,662	687	802	3,435
<b>Total</b>	<b>2,151</b>	<b>2,662</b>	<b>687</b>	<b>802</b>	<b>3,435</b>
<b>Commission expenses</b>					
From lending to OP cooperative banks	2,067	2,542	657	767	3,283
Loan management fee to OP cooperative banks	16,378	19,937	5,360	6,287	25,860
Issue of bonds	43	62	11	11	87
Other	6	6	2	2	8
<b>Total</b>	<b>18,494</b>	<b>22,547</b>	<b>6,031</b>	<b>7,067</b>	<b>29,238</b>
<b>Net commissions and fees</b>	<b>-16,343</b>	<b>-19,886</b>	<b>-5,343</b>	<b>-6,265</b>	<b>-25,804</b>

OP MB refunded OP cooperative banks the amount of the returns of loans managed by them agreed in the fee model. As a result of this, net commissions and fees were negative.

Impairment loss on receivables, TEUR	Q1–3/2022	Q1–3/2021	Q3/2022	Q3/2021	Q1–4/2021
Receivables written down as loan and guarantee losses	143	77	87	29	143
Recoveries of receivables written down	-1	-14	-1	-11	-18
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	-500	538	-314	-86	366
<b>Total</b>	<b>-358</b>	<b>602</b>	<b>-228</b>	<b>-68</b>	<b>491</b>

Impairment loss on receivables related to loans in OP MB's balance sheet totalled EUR 0.4 million (-0.6). Loss allowance was EUR 2.6 million (3.1).

Classification of financial assets and liabilities 30 Sep 2022, TEUR

Assets	Amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through other comprehensive income	Total
Receivables from credit institutions *	16,815,614			16,815,614
Derivative contracts		24,683		24,683
Receivables from customers	2,964,296			2,964,296
Investment assets			40	40
Other financial assets	51,270			51,270
<b>Financial assets</b>	<b>19,831,180</b>	<b>24,683</b>	<b>40</b>	<b>19,855,903</b>
Other than financial assets				318
<b>Total</b>	<b>19,831,180</b>	<b>24,683</b>	<b>40</b>	<b>19,856,222</b>

Liabilities	Recognised at fair value through profit or loss	Amortised cost	Total
Liabilities to credit institutions		2,500,000	2,500,000
Derivative contracts	1,167,509		1,167,509
Debt securities issued to the public		15,770,955	15,770,955
Other liabilities		45,999	45,999
<b>Financial liabilities</b>	<b>1,167,509</b>	<b>18,316,954</b>	<b>19,484,463</b>
Other than financial liabilities			2,272
<b>Total</b>	<b>1,167,509</b>	<b>18,316,954</b>	<b>19,486,735</b>
Valuation difference of debt securities issued to the public (difference between fair value and carrying amount) 30 Sep 2022			
		-23,677	-23,677

\* Receivables from credit institutions include EUR 15,580,500 thousand in intermediary loans.

Debt securities issued to the public are carried at amortised cost. The fair value of these debt instruments has been measured using information available in markets and employing commonly used valuation techniques. The difference between the fair value and carrying amount is presented as valuation difference in the 'Classification of financial assets and liabilities' note.

Classification of financial assets and liabilities 31 Dec 2021, TEUR

Assets	Amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through other comprehensive income	Total
Receivables from credit institutions *	14,814,635			14,814,635
Derivative contracts		170,200		170,200
Receivables from customers	3,584,445			3,584,445
Investment assets			40	40
Other receivables	30,931			30,931
<b>Financial assets</b>	<b>18,430,010</b>	<b>170,200</b>	<b>40</b>	<b>18,600,250</b>
Other than financial assets				310
<b>Total</b>	<b>18,430,010</b>	<b>170,200</b>	<b>40</b>	<b>18,600,560</b>

  

Liabilities	Recognised at fair value through profit or loss	Amortised cost	Total
Liabilities to credit institutions		1,570,000	1,570,000
Derivative contracts	52,966		52,966
Debt securities issued to the public		16,579,276	16,579,276
Other liabilities		25,548	25,548
<b>Financial liabilities</b>	<b>52,966</b>	<b>18,174,824</b>	<b>18,227,789</b>
Other than financial liabilities			2,694
<b>Total</b>	<b>52,966</b>	<b>18,174,824</b>	<b>18,230,483</b>
Valuation difference of debt securities issued to the public (difference between fair value and carrying amount) 31 Dec 2021.			63,766
			<b>63,766</b>

\* Receivables from credit institutions include EUR 14 690 800 thousand in intermediary loans.

Derivative contracts 30 Sep 2022, TEUR	Nominal values/residual term to maturity			Total
	Less than 1 year	1–5 years	More than 5 years	
Interest rate derivatives				
Hedging	2,634,010	7,564,773	6,122,770	16,321,553
<b>Total</b>	<b>2,634,010</b>	<b>7,564,773</b>	<b>6,122,770</b>	<b>16,321,553</b>

	Fair values		Credit equivalent
	Assets	Liabilities	
Interest rate derivatives			
Hedging	24,683	1,167,509	162,583
<b>Total</b>	<b>24,683</b>	<b>1,167,509</b>	<b>162,583</b>

Derivative contracts 31 Dec 2021, TEUR	Nominal values/residual term to maturity			Total
	Less than 1 year	1–5 years	More than 5 years	
Interest rate derivatives				
Hedging	2,397,318	8,481,885	6,139,450	17,018,653
<b>Total</b>	<b>2,397,318</b>	<b>8,481,885</b>	<b>6,139,450</b>	<b>17,018,653</b>

	Fair values		Credit equivalent
	Assets	Liabilities	
Interest rate derivatives			
Hedging	170,200	52,966	339,563
<b>Total</b>	<b>170,200</b>	<b>52,966</b>	<b>339,563</b>

Financial instruments classification, grouped by valuation technique, TEUR

30 Sep 2022	Balance sheet value	Fair value measurement at period end		
		Level 1	Level 2	Level 3
<b>Recurring fair value measurements of assets</b>				
Derivative contracts	24,683		24,683	
<b>Total</b>	<b>24,683</b>		<b>24,683</b>	
<b>Recurring fair value measurements of liabilities</b>				
Derivative contracts	1,167,509		1,167,509	
<b>Total</b>	<b>1,167,509</b>		<b>1,167,509</b>	
<b>Financial liabilities not measured at fair value</b>				
Debt securities issued to the public	15,770,955	10,112,496		4,491,374
<b>Total</b>	<b>15,770,955</b>	<b>10,112,496</b>		<b>4,491,374</b>

31 Dec 2021	Balance sheet value	Fair value measurement at period end		
		Level 1	Level 2	Level 3
<b>Recurring fair value measurements of assets</b>				
Derivative contracts	170,200		170,200	
<b>Total</b>	<b>170,200</b>		<b>170,200</b>	
<b>Recurring fair value measurements of liabilities</b>				
Derivative contracts	52,966		52,966	
<b>Total</b>	<b>52,966</b>		<b>52,966</b>	
<b>Financial liabilities not measured at fair value</b>				
Debt securities issued to the public	16,579,276	11,498,066	1,272,815	4,036,388
<b>Total</b>	<b>16,579,276</b>	<b>11,498,066</b>	<b>1,272,815</b>	<b>4,036,388</b>

Valuation techniques whose input parameters involve uncertainty (Level 3)

<b>Opening balance 1 Jan 2022</b>	<b>4,036,388</b>
Transfers to level 3	
Transfers from level 3	
Other change	454,986
<b>Closing balance 30 Sep 2022</b>	<b>4,491,374</b>

The Other change row includes changes in bonds issued by OP MB at level 3.

## Schedule financial reports for 2022

Report by the Board of Directors and Financial Statements 2022	Week 10
Corporate Governance Statement 2022	Week 10

## Schedule for Financial Statements Bulletin 2022 and Interim Reports in 2023

Financial Statements Bulletin 1 January–31 December 2022	8 February 2023
Interim Report 1 January–31 March 2023	3 May 2023
Half-year Financial Report 1 January–30 June 2023	25 July 2023
Interim Report 1 January–30 September 2023	25 October 2023

Helsinki, 26 October 2022

OP Mortgage Bank  
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