

# OP Mortgage Bank Half-year Financial Report

## 1 January–30 June 2023

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 16,259 million (19,639)\* on 30 June 2023. Bonds issued by OP MB totalled EUR 14,915 million (18,165) at the end of June.

In January, OP MB issued a covered bond under the Act on Mortgage Credit Banks and Covered Bonds (Laki kiinnitysluottopankeista ja katetuista joukkolainoista) 151/2022 in the international capital market. The bond forms part of the new Euro Medium Term Covered Bond (Premium) Programme. The fixed-rate covered bond is worth EUR 1 billion and has a maturity of seven years. All proceeds of the bond were intermediated to 55 OP cooperative banks in the form of intermediary loans.

In April, OP MB issued a covered bond under the Act on Mortgage Credit Banks and Covered Bonds (Laki kiinnitysluottopankeista ja katetuista joukkolainoista) 151/2022 in the international capital market. The bond forms part of the new Euro Medium Term Covered Bond (Premium) Programme. The fixed-rate covered bond is worth EUR 1 billion and has a maturity of five years and six months. All proceeds of the bond were intermediated to 65 OP cooperative banks in the form of intermediary loans.

The terms of issues are available on the op.fi website, under Debt investors: [www.op.fi/op-ryhma/velkasijoittajat/issuers/op-mortgage-bank/emtcb-debt-programme-documentation](http://www.op.fi/op-ryhma/velkasijoittajat/issuers/op-mortgage-bank/emtcb-debt-programme-documentation).

On 30 June 2023, 103 OP cooperative banks had a total of EUR 13,800 million (16,833) in intermediary loans from OP MB.

Impairment loss on receivables related to loans on OP MB's balance sheet totalled EUR 0.0 million (-0.1). Loss allowance was EUR 2.3 million (2.4).

Operating profit amounted to EUR 6.1 million (3.7). The company's financial standing remained stable throughout the reporting period.

\*) The comparatives for 2022 are given in brackets. For income statement and other aggregated figures, January–June 2022 figures serve as comparatives. For balance-sheet and other cross-sectional figures, figures at the end of the previous financial year (31 December 2022) serve as comparatives.

### Collateralisation of bonds issued to the public

On 30 June 2023, loans as collateral in security of the covered bonds (3,250 million euros) issued under the Euro Medium Term Covered Bond (Premium) Programme worth EUR 25 billion established on 11 October 2022 (in accordance with the Act on Mortgage Credit Banks and Covered Bonds (Laki kiinnitysluottopankeista ja katetuista joukkolainoista) 151/2022)) totalled EUR 3,580 million.

On 30 June 2023, loans as collateral in security of the covered bonds (11,665 million euros) issued under the Euro Medium Term Covered Note programme worth EUR 20 billion established on 12 November 2010 in accordance with the Act on Mortgage Credit Banks (Laki kiinnitysluottopankkitoiminnasta) 688/2010 totalled EUR 13,729 million. On the same date, loans as collateral in security of the covered bonds (0 euros) issued under the Euro Medium Term Retained Covered Note programme worth EUR 10 billion and established on 15 June 2020 totalled EUR 0 million.

## Capital adequacy

OP MB's Common Equity Tier 1 (CET1) ratio stood at 37.6% (32.5) on 30 June 2023. The ratio was improved by the decrease in home loans on OP MB's balance sheet and the resulting reduction in capital requirement for credit risk. 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% (or 10.5% with the increased capital conservation buffer). Because OP MB covers capital requirements in their entirety with CET1 capital, the CET1 capital requirement is 10.5%. Profit for the period was not included in CET1 capital.

OP MB uses the Standardised Approach (SA) to measure its capital adequacy requirement for credit risk. A year ago, OP MB used the Internal Ratings Based Approach (IRBA) to obtain its capital adequacy requirement and increased it by the risk-weighted assets (RWA) floor based on the Standardised Approach. The Standardised Approach is used to measure the capital requirement for operational risks.

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.

Capital base and capital adequacy, TEUR	30 Jun 2023	31 Dec 2022
Equity capital	369,496	371,311
Excess funding of pension liability	-24	-24
Share of unaudited profits	-4,815	-6,631
Impairment loss – shortfall of expected losses		-1,822
CET1 capital	364,657	362,835
Tier 1 capital (T1)	364,657	362,835
Total own funds	364,657	362,835
Total risk exposure amount		
Credit and counterparty risk	911,623	241,732
Operational risk	25,140	26,908
Other risks *	32,333	848,865
Total	969,097	1,117,505
Ratios, %		
CET1 ratio	37.6	32.5
Tier 1 capital ratio	37.6	32.5
Capital adequacy ratio	37.6	32.5
Capital requirement		
Capital base	364,657	362,835
Capital requirement	101,795	117,364
Buffer for capital requirements	262,862	245,471

\* Risks not otherwise covered. A year ago, the risk-weighted assets (RWA) floor 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 June 2023, OP Cooperative's member credit institutions comprised 104 OP cooperative banks, 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, and 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 the amount necessary to preventing 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 a support measure or to a creditor of such a member bank in payment of an overdue amount which the creditor has not received from the member bank. Furthermore, if the central cooperative defaults, 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 (688/2010), the creditors of covered bonds issued prior to 8 July 2022 have the right to receive payment, before other claims, for the entire term of the bond, in accordance with the terms and conditions of the bond, out of the funds entered as collateral for the bond, without this being prevented by OP MB's liquidation or bankruptcy. A similar and equal priority also applies to derivative contracts entered in the register of bonds, and to marginal lending facilities referred to in section 26, subsection 4 of the said Act. For mortgage-backed loans included in the total amount of collateral of covered bonds, the priority of the covered bond holders' payment right is limited to the amount of loan that, with respect to home loans, corresponds to 70% of the value of shares or property serving as security for the loan and entered in the bond register at the time of the issuer's liquidation or bankruptcy declaration.

Under section 20 of the Act on Mortgage Credit Banks and Covered Bonds (151/2022), the creditors of bonds and derivative contracts issued after 8 July 2022, including the related management and clearing costs, have the right to receive payment from the collateral included in the cover pool, before other creditors of OP MB or the OP cooperative bank which is the debtor of an intermediary loan. Interest and yield accruing on the collateral, and any substitute assets, fall within the scope of the said priority. Section 44, subsection 3 of the said Act includes provisions on the creditor's priority related to marginal lending facility of the cover pool.

## Sustainability and corporate responsibility

Sustainability and corporate responsibility form 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 programme and its policy priorities implement OP Financial Group's strategy, and guide its sustainability and corporate responsibility actions. 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 corporate responsibility are guided by a number of principles and policies. OP Financial Group is committed to complying not only with all applicable laws and regulations, but also with a number of international initiatives and standards guiding our operations. It is also 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. Furthermore, OP Financial Group is committed to complying with the UN Principles for Responsible Investment and is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI).

In March 2023, OP MB published a Green Covered Bond Report on the allocation and impacts of Finland's first green covered bonds issued in March 2021 and April 2022. Under OP MB's Green Covered Bond Framework, the proceeds from the bonds have been allocated to mortgages with energy-efficient residential buildings as collateral.

The environmental impacts allocated to the green covered bonds in 2022 were 62,000 MWh of energy use avoided per year and 9,300 tonnes of CO<sub>2</sub>-equivalent emissions avoided per year.

## Personnel

On 30 June 2023, OP MB had seven employees. OP MB has been digitising its operations and purchases all key 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

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

## Risk profile

OP MB began 2023 with a strong capital base, capital buffers and risk-bearing capacity.

A downturn is expected in both the Finnish and the euro area economy during 2023. The recessionary outlook 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 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. The liquidity buffer for OP Financial Group is managed by OP Corporate Bank and therefore 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 onto the same basis rate. OP MB has concluded all derivative contracts for hedging purposes, applying fair value hedges which have OP Corporate Bank plc as their counterparty. OP MB's interest risk exposure is under control and has been within the set limit.

An analysis of OP MB's risk exposure should always take account of OP Financial Group's risk exposure, which is based on the joint and several liability of all its member credit institutions. The member credit institutions are jointly liable for each other's debts. All member banks must participate in support measures, as referred to in the Act on the Amalgamation of Deposit Banks, to support each other's capital adequacy.

OP Financial Group analyses the business environment as part of the ongoing 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 customers' future success are understood. By means of advice and business decisions, OP Financial Group encourages its customers to develop the sustainable and successful businesses of the future. At the same time, OP Financial Group ensures that its operations are sustainably profitable and in compliance with its values in the long term.

## Outlook

The economy is expected to enter a mild recession and inflation to fall back slowly. An exceptional degree of uncertainty still characterises the business environment. Rising interest rates are weakening the real estate market and construction sector in particular. Combined with the geopolitical situation, developments in global capital markets may abruptly affect the business environment.

OP MB's capital adequacy is expected to remain strong, risk exposure favourable and the overall quality of the loan portfolio good. This will enable the issuance of new covered bonds in 2023.

## Alternative Performance Measures

Key ratios	1-6/2023	1-6/2022	4-6/2023	4-6/2022	1-12/2022
Return on equity (ROE), %	2.6	1.6	2.5	1.6	1.8
Cost/income ratio, %	42	55	43	56	56

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

Formulas for the Alternative Performance Measures used are presented below.

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

$$\text{Cost/income ratio, \%} = \frac{\text{Personnel costs + Other operating expenses}}{\text{Net interest income + Net commissions and fees + Other operating income}} \times 100$$

## Half-year Financial Report 1 January–30 June 2023

### Primary statements

Income statement, TEUR	1–6/2023	1–6/2022	4–6/2023	4–6/2022	1–12/2022
Net interest income	19,224	18,914	9,356	9,332	38,526
Interest income	266,665	-13,776	150,654	-5,050	57,097
Interest expenses	-247,441	32,690	-141,298	14,383	-18,571
Impairment loss on receivables	22	130	67	99	548
Net commissions and fees	-8,685	-11,000	-4,249	-5,464	-21,041
Commission income	1,298	1,463	602	708	2,812
Commission expenses	-9,983	-12,463	-4,852	-6,172	-23,853
Other operating income	2	1	2	1	2
Personnel costs	-352	-280	-184	-152	-583
Other operating expenses	-4,081	-4,085	-1,994	-2,020	-9,164
Operating profit	6,130	3,681	2,997	1,797	8,289
Income tax	-1,315	-736	-689	-359	-1,657
Profit for the financial period	4,815	2,945	2,309	1,438	6,631
Statement of comprehensive income, TEUR	1–6/2023	1–6/2022	4–6/2023	4–6/2022	1–12/2022
Profit for the financial period	4,815	2,945	2,309	1,438	6,631
Gains/(losses) arising from re-measurement of defined benefit plans					-43
Income tax on gains/(losses) arising from remeasurement of defined benefit plans					9
Total comprehensive income	4,815	2,945	2,309	1,438	6,597

OP MB changed its official income statement and balance sheet format as of 1 January 2023. It has made changes retrospectively for 2022 as well. The changes are described in more detail under 'Accounting policies'.

Balance sheet, TEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Receivables from credit institutions	14,994,478	16,704,940	17,996,364
Receivables from customers	2,441,259	3,166,991	2,787,526
Derivative contracts	4,989	16,593	7,482
Other assets	173,474	39,927	88,065
Tax assets	2,736	59	98
<b>Total assets</b>	<b>17,616,935</b>	<b>19,928,510</b>	<b>20,879,535</b>
Liabilities to credit institutions	2,170,000	1,570,000	2,250,000
Derivative contracts	1,179,504	755,855	1,201,138
Debt securities issued to the public	13,721,456	17,198,073	16,970,557
Provisions and other liabilities	176,151	36,849	86,295
Tax liabilities	329	74	234
<b>Total liabilities</b>	<b>17,247,439</b>	<b>19,560,851</b>	<b>20,508,224</b>
Equity capital			
Share capital	60,000	60,000	60,000
Reserve for invested non-restricted equity	245,000	245,000	245,000
Retained earnings	64,496	62,659	66,311
<b>Total equity</b>	<b>369,496</b>	<b>367,659</b>	<b>371,311</b>
<b>Total liabilities and equity</b>	<b>17,616,935</b>	<b>19,928,510</b>	<b>20,879,535</b>

Statement of changes in equity, TEUR	Share capital	Other reserves	Retained earnings	Equity capital total
Equity capital 1 Jan 2023	60,000	245,000	66,311	371,311
Profit for the financial period			4,815	4,815
Dividends			-6,631	-6,631
<b>Equity capital 30 Jun 2023</b>	<b>60,000</b>	<b>245,000</b>	<b>64,496</b>	<b>369,496</b>
Equity capital 1 Jan 2022	60,000	245,000	65,077	370,077
Profit for the financial period			2,945	2,945
Dividends			-5,363	-5,363
<b>Equity capital 30 Jun 2022</b>	<b>60,000</b>	<b>245,000</b>	<b>62,659</b>	<b>367,659</b>

Cash flow statement, TEUR	1–6/2023	1–6/2022
Cash flow from operating activities		
Profit for the period	4,815	2,945
Adjustments to profit for the period	-15,272	-13,571
Increase (-) or decrease (+) in operating assets	3,301,010	-1,505,387
Receivables from credit institutions	3,032,929	-1,895,654
Receivables from customers	353,490	398,912
Other assets	-85,409	-8,646
Increase (+) or decrease (-) in operating liabilities	9,857	8,956
Liabilities to credit institutions	-80,000	
Derivative contracts	71,627	4,888
Provisions and other liabilities	18,230	4,068
Income tax paid	-3,859	-1,070
Dividends received	2	1
<b>A. Net cash from operating activities</b>	<b>3,296,553</b>	<b>-1,508,126</b>
Cash flow from financing activities		
Increases in debt securities issued to the public	1,991,120	2,008,140
Decreases in debt securities issued to the public	-5,250,000	-500,000
Dividends paid and interest on cooperative capital	-6,631	-5,363
<b>B. Net cash used in financing activities</b>	<b>-3,265,511</b>	<b>1,502,777</b>
Net change in cash and cash equivalents (A+B)	31,043	-5,349
Cash and cash equivalents at period start	137,989	102,402
Cash and cash equivalents at period end	169,032	97,053
Interest received	179,085	-22,510
Interest paid	-157,765	41,918
Adjustments to profit for the period		
Non-cash items and other adjustments		
Impairment loss on receivables	-18	-130
Changes in value of financial instruments	-1,956	
Income tax	1,315	736
Price difference recognised	-14,658	-14,137
Other	45	-40
<b>Total adjustments</b>	<b>-15,272</b>	<b>-13,571</b>
Cash and cash equivalents		
Receivables from credit institutions payable on demand	169,032	97,053
<b>Total</b>	<b>169,032</b>	<b>97,053</b>



## Accounting policies

The Half-year Financial Report 1 January–30 June 2023 has been prepared in accordance with IAS 34 (Interim Financial Reporting). This Half-year Financial Report applies IAS 34 Interim Financial Reporting and the accounting policies presented in the 2022 financial statements. The Half-year Financial Report should be read with the audited 2022 financial statements.

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

The Half-year Financial 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.

### Changes in the 2023 income statement and balance sheet format:

OP MB changed its official income statement and balance sheet format as of 1 January 2023. It has also made changes retrospectively for 2022. The key changes in income statement and balance sheet format are as follows:

- Income statement income is presented without a sign and expenses with minus signs.
- 'Interest income' and 'Interest expenses' have their own rows under 'Net interest income' in the income statement.
- 'Impairment loss on receivables' is now presented after 'Net interest income' in the income statement. Previously, it was presented before 'Earnings before tax'.
- The contents of the previously used income statement row 'Net investment income', or interest paid by OP Cooperative, have been moved to 'Other operating income'. The row 'Net investment income' is no longer shown in the income statement.
- The rows 'Total income' and 'Total expenses' are no longer shown in the income statement.
- A new row, 'Operating profit', was added to the income statement. It replaces the previously used row 'Earnings before tax'.
- In the balance sheet, the contents of the row 'Investment assets', or 40,000 euros in supplementary cooperative shares of OP Cooperative, are included in 'Other assets'. The row 'Investment assets' is no longer shown in the balance sheet.

## Notes

Impairment loss on receivables, TEUR	1–6/2023	1–6/2022	4–6/2023	4–6/2022	1–12/2022
Receivables written down as loan and guarantee losses	-134	-56	-46	0	-144
Recoveries of receivables written down	4	1	2	1	7
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	152	186	111	99	686
<b>Total</b>	<b>22</b>	<b>130</b>	<b>67</b>	<b>99</b>	<b>548</b>

Impairment loss on receivables related to loans in OP MB's balance sheet totalled EUR 0.0 million (-0.1). Loss allowance was EUR 2.3 million (2.4).

Net commissions and fees, TEUR	1–6/2023	1–6/2022	4–6/2023	4–6/2022	1–12/2022
Commission income					
Lending	1,298	1,463	602	708	2,812
<b>Total</b>	<b>1,298</b>	<b>1,463</b>	<b>602</b>	<b>708</b>	<b>2,812</b>
Commission expenses					
From lending to OP cooperative banks	-1,245	-1,410	-576	-682	-2,705
Loan management fee to OP cooperative banks	-8,723	-11,018	-4,266	-5,474	-21,089
Issue of bonds	-9	-32	-7	-14	-49
Other	-6	-4	-4	-2	-9
<b>Total</b>	<b>-9,983</b>	<b>-12,463</b>	<b>-4,852</b>	<b>-6,172</b>	<b>-23,853</b>
<b>Net commissions and fees</b>	<b>-8,685</b>	<b>-11,000</b>	<b>-4,250</b>	<b>-5,464</b>	<b>-21,041</b>

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

**Classification of financial assets and liabilities 30 Jun 2023, 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 *	14,994,478			14,994,478
Receivables from customers	2,441,259			2,441,259
Derivative contracts		4,989		4,989
Other financial assets	173,405		40	173,445
Financial assets	17,609,141	4,989	40	17,614,170
Other than financial assets				2,765
Total	17,609,141	4,989	40	17,616,935
Liabilities		Recognised at fair value through profit or loss	Amortised cost	Total
Liabilities to credit institutions			2,170,000	2,170,000
Derivative contracts		1,179,504		1,179,504
Debt securities issued to the public			13,721,456	13,721,456
Other liabilities			174,318	174,318
Financial liabilities		1,179,504	16,065,774	17,245,278
Other than financial liabilities				2,162
Total		1,179,504	16,065,774	17,247,439
Fair value of debt securities issued to the public 30 Jun 2023				13,682,804

Debt securities issued to the public are carried at amortised cost, including a negative valuation of EUR 1,179,715 thousand (EUR 1,204,152 thousand). The fair value of these debt securities has been measured using information available in markets and employing commonly used valuation techniques.

In terms of their carrying amount, intermediary loans granted to OP cooperative banks and receivables from customers are reasonably close to their fair value on the reporting date.

\* Receivables from credit institutions include EUR 13,800,000 thousand in intermediary loans granted to OP cooperative banks.

**Classification of financial assets and liabilities 31 Dec 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 *	17,996,364			17,996,364
Receivables from customers	2,787,526			2,787,526
Derivative contracts		7,482		7,482
Other financial assets	87,770		40	87,810
Financial assets	20,871,660	7,482	40	20,879,181
Other than financial assets				354
<b>Total</b>	<b>20,871,660</b>	<b>7,482</b>	<b>40</b>	<b>20,879,535</b>

Liabilities	Recognised at fair value through profit or loss	Amortised cost	Total
Liabilities to credit institutions		2,250,000	2,250,000
Derivative contracts	1,201,138		1,201,138
Debt securities issued to the public		16,970,557	16,970,557
Other liabilities		84,216	84,216
Financial liabilities	1,201,138	19,304,772	20,505,910
Other than financial liabilities			2,313
<b>Total</b>	<b>1,201,138</b>	<b>19,304,773</b>	<b>20,508,224</b>

Fair value of debt securities issued to the public 31 Dec 2022 16,909,207

\* Receivables from credit institutions include EUR 16,832,800 thousand in intermediary loans granted to OP cooperative banks.

Derivative contracts 30 Jun 2023, TEUR	Nominal values/residual term to maturity			Total
	Less than 1 year	1–5 years	More than 5 years	
Interest rate derivatives				
Hedging	751,300	10,246,169	5,661,420	16,658,889
Total	751,300	10,246,169	5,661,420	16,658,889

Interest rate derivatives	Fair values		Credit equivalent
	Assets	Liabilities	
Hedging	4,989	1,179,504	144,488
Total	4,989	1,179,504	144,488

Derivative contracts 31 Dec 2022, TEUR	Nominal values/residual term to maturity			Total
	Less than 1 year	1–5 years	More than 5 years	
Interest rate derivatives				
Hedging	2,267,550	9,609,357	5,240,450	17,117,357
Total	2,267,550	9,609,357	5,240,450	17,117,357

Interest rate derivatives	Fair values		Credit equivalent
	Assets	Liabilities	
Hedging	7,482	1,201,138	145,147
Total	7,482	1,201,138	145,147

### Financial instruments classification, grouped by valuation technique, TEUR

30 Jun 2023	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	4,989		4,989	
Total	4,989		4,989	
<b>Recurring fair value measurements of liabilities</b>				
Derivative contracts	1,179,504		1,179,504	
Total	1,179,504		1,179,504	

31 Dec 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	7,482		7,482	
Total	7,482		7,482	
<b>Recurring fair value measurements of liabilities</b>				
Derivative contracts	1,201,138		1,201,138	
Total	1,201,138		1,201,138	

## Schedule for Interim Reports in 2023

Interim Report 1 January–30 September 2023

25 October 2023

Helsinki, 25 July 2023

OP Mortgage Bank  
Board of Directors

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