OP Mortgage Bank: Financial Statements Bulletin for 1 January–31 December 2025

Contents

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OP Mortgage Bank is the covered bond issuing entity of OP Pohjola. Together with OP Corporate Bank plc, its role is to raise funding for OP Pohjola from money and capital markets.

Financial standing

Bonds issued by OP Mortgage Bank totalled EUR 14,800 million (14,800)* at the end of December. All funds received from the bonds have been intermediated in their entirety to 54 OP cooperative banks in the form of intermediary loans.

OP Mortgage Bank's covered bonds after 8 July 2022 are issued under the Euro Medium Term Covered Bond (Premium) programme (EMTCB), pursuant to the Finnish Act on Mortgage Credit Banks and Covered Bonds (151/2022). The collateral is added to the EMTCB cover pool from the member cooperative banks' balance sheets via the intermediary loan process on the issue date of a new covered bond.

In April, OP Mortgage Bank issued a covered bond in the international capital market. The fixed-rate covered bond of EUR 1 billion has a maturity of five years and three months. All proceeds of the bond were intermediated to 38 OP cooperative banks in the form of intermediary loans.

The terms of issue are available on the op.fi website, under Debt investors: https://www.op.fi/en/op-financial-group/debt-investors/issuers/op-mortgage-bank/emtcb-debt-programme-documentation

In September, a fixed-rate covered bond of EUR 1 billion issued by OP Mortgage Bank in June 2018 matured, together with OP cooperative banks' intermediary loans related to the bond, a total of EUR 1 billion.

Operating profit was EUR 4.8 million (4.4). The company's financial standing remained stable throughout the reporting period.

* The comparatives for 2024 are given in brackets. For income statement and other aggregated figures, January–December 2024 figures serve as comparatives. For balance-sheet and other cross-sectional figures, figures at the end of the previous financial year (31 December 2024) serve as comparatives.

Collateralisation of bonds issued to the public

The European covered bonds (premium) issued under the EMTCB programme of EUR 25 billion established on 11 October 2022, in accordance with the Act on Mortgage Credit Banks and Covered Bonds (151/2022), totalled EUR 7,250 million. The cover pool included a total of EUR 8,054 million in loans serving as collateral at the end of December. Overcollateralisation exceeded the minimum requirement under the Act (151/2022).

The covered bonds issued under the Euro Medium Term Covered Note programme (EMTCN) of EUR 20 billion, established on 12 November 2010 in accordance with the Act on Mortgage Credit Banks (Laki kiinnitysluottopankkitoiminnasta, 688/2010), totalled EUR 7,550 million. The cover pool included a total of EUR 8,243 million in loans serving as collateral at the end of December. Overcollateralisation exceeded the minimum requirement under the Act (688/2010).

Capital adequacy and capital base

OP Mortgage Bank's Common Equity Tier 1 (CET1) ratio stood at 378.0% (797.0) at the end of December. The ratio decreased due to an increase in total risk exposure amount based on a regulatory change. The changes in the EU Capital Requirements Regulation (CRR3), which entered into force on 1 January 2025, particularly affected the calculation of total risk exposure amount. The figures for the comparative period have been calculated based on the regulation in force in 2024. 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). OP Mortgage Bank fully covers its capital requirements with CET1 capital, which in practice means that it has a CET1 capital requirement of 10.5%. Estimated profit distribution has been subtracted from earnings for the reporting period.

The capital adequacy requirement for credit risk is measured using the Standardised Approach (SA).

As part of OP Pohjola, OP Mortgage Bank is supervised by the European Central Bank (ECB). OP Pohjola 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 Pohjola also publishes Pillar 3 disclosures.

Own funds and capital adequacy

TEUR	31 Dec 2025	31 Dec 2024
Equity capital	368,504	368,122
Common Equity Tier 1 (CET1) before deductions	**368,504**	**368,122**
Proposed profit distribution	-3,846	-3,466
CET1 capital	**364,657**	**364,656**
Tier 1 capital (T1)	**364,657**	**364,656**
Tier 2 capital (T2)		
Total own funds	**364,657**	**364,656**

Total risk exposure amount

TEUR	31 Dec 2025	31 Dec 2024
Credit and counterparty risk	1,590	18,581
Operational risk (Standardised Approach)	94,841	26,636
Other risks*	34	538
Total risk exposure amount	**96,465**	**45,755**

* Risks not otherwise covered.

Ratios

Ratios, %	31 Dec 2025	31 Dec 2024
CET1 capital ratio	378.0	797.0
Tier 1 capital ratio	378.0	797.0
Capital adequacy ratio	378.0	797.0

Capital requirement

Capital requirement, TEUR	31 Dec 2025	31 Dec 2024
Own funds	364,657	364,656
Capital requirement	10,129	4,804
Buffer for capital requirements	354,528	359,852

Liabilities under the Resolution Act

Under regulation applied to the resolution of credit institutions and investment firms, the resolution authority is authorised to intervene in the terms and conditions of investment products issued by a bank in a way that affects an investor's position. The EU's Single Resolution Board (SRB) based in Brussels is OP Pohjola's resolution authority. The SRB has confirmed a resolution strategy for OP Pohjola whereby the resolution measures would focus on the OP amalgamation and on the new OP Corporate Bank that would be formed in case of resolution. According to the resolution strategy, OP Mortgage Bank would continue its operations as the new OP Corporate Bank's subsidiary.

The SRB has set a Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Mortgage Bank. From March 2025, the MREL is 15.96% of the total risk exposure amount and 18.46% of the total risk exposure amount including a combined buffer requirement, and 5.99% of leverage ratio exposures. The requirement includes a Combined Buffer Requirement (CBR) of 2.5%.

OP Mortgage Bank's buffer for the MREL requirement was EUR 347 million. The buffer consists of own funds only. OP Mortgage Bank clearly exceeds the MREL requirement. OP Mortgage Bank's MREL ratio was 378% of the total risk exposure amount.

Joint and several liability of amalgamation

Under the Act on the Amalgamation of Deposit Banks (599/2010), 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 31 December 2025, OP Cooperative's member credit institutions comprised 54 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 Pohjola's insurance companies do not fall within the scope of joint and several liability.

The creditors of covered bonds issued prior to 8 July 2022 according to section 25 of the Act on Mortgage Credit Banks (688/2010), which was valid at that time, 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, without this being prevented by OP Mortgage Bank'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 said Act. For mortgage-backed loans included in the total amount of collateral of covered bonds issued prior to 8 July 2022, 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), which entered into force on 8 July 2022, the creditors of bonds 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 Mortgage Bank or the OP cooperative bank which is the debtor of an intermediary loan. A similar priority also applies to creditors of derivative contracts related to covered bonds, including the related management and clearing costs. Interest and yield accruing on the collateral, and any substitute assets, fall within the scope of said priority.

Section 44, subsection 3 of the Act on Mortgage Credit Banks and Covered Bonds includes provisions on the creditor's priority claim regarding cover pool liquidity support. According to said subsection, the creditor has the right to receive payment against the funds contained in the cover pool after claims based on the principal and interest of covered bonds secured by the cover assets included in the cover pool, obligations based on derivatives contracts associated with covered bonds, as well as administration and liquidation costs.

Sustainability and corporate responsibility

OP Pohjola reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD).

OP Pohjola's sustainability report is prepared on a consolidated basis for the entire OP Pohjola, on the same grounds and restrictions as OP Pohjola's Financial Statements. OP Pohjola consists of OP cooperative banks and the central cooperative (OP Cooperative), as well as a number of subsidiaries and affiliates. OP Mortgage Bank is a member credit institution, under the Act on the Amalgamation of Deposit Banks, which is permanently affiliated to a central cooperative as provided for in the Act. According to the Accounting Act's rules on the scope of application of sustainability reporting, a member credit institution can determine that the rules in section 7 of the Act do not apply in its case. OP Mortgage Bank has decided that sustainability information regarding the company will be included in OP Pohjola's sustainability report, and will not be reported separately.

Sustainability and corporate responsibility is embedded in OP Pohjola's business and strategy. OP Pohjola's sustainability and corporate responsibility work is guided by the sustainability programme, which was updated at the end of 2025 and took effect at the beginning of 2026. It is based on three main themes: Climate and nature, People and communities and Corporate governance. The update to the programme included new, more precise metrics under each key theme. More information about the sustainability programme and its calculation principles is available on OP Pohjola's website at https://www.op.fi/en/op-financial-group/corporate-social-responsibility/corporate-social-responsibility-programme.

OP Pohjola is committed to complying not only with all applicable laws and regulations, but also with a number of international initiatives that guide operations. OP Pohjola 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 Pohjola is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). Furthermore, OP Pohjola is committed to complying with the Principles for Responsible Investment supported by the UN and the UN Principles for Sustainable Insurance.

OP Pohjola's biodiversity roadmap includes measures to promote biodiversity. OP Pohjola aims to grow its nature positive impact by 2030. 'Nature positive' means that OP Pohjola's operations will have a net positive impact (NPI) on nature.

OP Pohjola has drawn up a Human Rights Statement and Human Rights Policy. OP Pohjola respects all recognised human rights. The Human Rights Statement includes the requirements and expectations that OP Pohjola has set for itself and actors in its value chains. OP Pohjola is committed to perform remediation actions if its operations have adverse human rights impacts.

OP Mortgage Bank issued Finland's first green covered bonds in March 2021 and in April 2022. Under OP Mortgage Bank's Green Covered Bond Framework, proceeds from the bonds have been allocated to mortgages with energy-efficient residential buildings as collateral.

The annual Green Covered Bond report on the allocation and impact of green covered bonds is available in the debt investors section at op.fi: https://www.op.fi/en/op-financial-group/debt-investors/green-bonds/green-covered-bonds. The environmental impacts allocated to the green covered bonds in 2024 were 58,000 MWh of energy use avoided per year and 5,500 tonnes of CO2-equivalent emissions avoided per year.

Personnel

At the end of the reporting period, OP Mortgage Bank had six employees. OP Mortgage Bank has been digitising its operations and purchases all key support services from OP Cooperative and its subsidiaries, reducing the need for its own personnel.

Governing body members

The Board composition is as follows:

Chair	Mikko Timonen	Chief Financial Officer, OP Cooperative
Members	Satu Nurmi	Head of SME Finance OP Retail Customers plc
	Mari Heikkilä	Head of Group Treasury & ALM, OP Corporate Bank plc

OP Mortgage Bank's Managing Director is Sanna Eriksson. The Deputy Managing Director is Tuomas Ruotsalainen, Senior Covered Bonds Manager at OP Mortgage Bank.

Risk profile

OP Mortgage Bank has a strong capital base, capital buffers and risk-bearing capacity.

OP Mortgage Bank'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 Mortgage Bank's credit risk exposure is stable. OP Mortgage Bank uses interest rate swaps to hedge against its interest rate risk. Interest rate swaps have been used to swap intermediary loan interest and interest on issued bonds onto the same basis rate. OP Mortgage Bank has concluded all derivative contracts for hedging purposes, applying fair value hedges which have OP Corporate Bank plc as their counterparty. OP Mortgage Bank's interest risk exposure is under control and has been within the set limit.

The liquidity buffer for OP Pohjola is centrally managed by OP Corporate Bank and therefore exploitable by OP Mortgage Bank. At the end of the reporting period, OP Pohjola's Liquidity Coverage Ratio (LCR) was 186% and the Net Stable Funding Ratio (NSFR) was 131%. OP Mortgage Bank monitors its cash flows on a daily basis to secure funding liquidity and its structural funding risk on a regular basis as part of the company's internal capital adequacy assessment process (ICAAP).

An analysis of OP Mortgage Bank's risk exposure should always take account of OP Pohjola'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 Pohjola analyses the business environment as part of its ongoing risk assessment activities and strategy process. Megatrends and worldviews behind OP Pohjola's strategy reflect driving forces that affect the daily activities, conditions and future of OP Pohjola, its customers and other stakeholders. At present, global factors identified as particularly shaping the business environment include geopolitics and trade policy, threats to corporate security, climate, biodiversity loss, and scientific and technological innovations. In addition to these, significant change drivers in Finland include the demographic and regional development and growing public debt. OP Pohjola provides customers with advice and tailored services that promote their sustainable financial success and security, while managing its own risk profile on a longer-term basis. The use of data plays an important role in OP Pohjola's operations because advice for customers, risk-based service sizing and pricing and contract lifecycle management are based on correct and comprehensive information about the customer. Reporting for management purposes is also based on accurate and comprehensive data.

Proposal by the Board of Directors for profit distribution

As shown in the financial statements of 31 December 2025, the company's distributable funds, which include EUR 3,847,087.35 in profit for the financial year, totalled EUR 63,503,621.89. The company's distributable funds totalled EUR 308,503,621.89.

The Board of Directors proposes that a dividend of EUR 50.22 per share be distributed, totalling EUR 3,846,450.24, and that following dividend distribution, the remaining amount of EUR 637.11 be recognised in retained earnings.

The company's financial position has not undergone any material changes since the end of the financial year. The company's liquidity is good and will not be jeopardised by the proposed profit distribution, in the Board of Directors' view.

Highlights of the reporting period

In April, OP Mortgage Bank issued a covered bond in the international capital market. The fixed-rate covered bond of EUR 1 billion has a maturity of five years and three months. All proceeds of the bond were intermediated to 38 OP cooperative banks in the form of intermediary loans.

The terms of issue are available on the op.fi website, under Debt investors: https://www.op.fi/en/op-financial-group/debt-investors/issuers/op-mortgage-bank/emtcb-debt-programme-documentation

In September, a fixed-rate covered bond of EUR 1 billion issued by OP Mortgage Bank in June 2018 matured, together with OP cooperative banks' intermediary loans related to the bond, a total of EUR 1 billion.

Outlook

Exceptional risks are still present in the business environment. Despite geopolitical tensions, the basic forecast for the global economy for the next few years is stable, and the Finnish economy is expected to recover gradually. However, escalation of geopolitical crises or an increase in trade barriers may weaken confidence in the economy in Finland and affect capital markets and the business environment of OP Pohjola and its customers.

A full-year earnings estimate for 2026 will only be provided for OP Pohjola, in OP Pohjola's financial statements bulletin and in its interim and half-year financial reports.

OP Mortgage Bank's capital adequacy is expected to remain strong and its risk exposure favourable. This enables issuance of new covered bonds.

Alternative performance measures

Key figures and ratios	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Return on equity (ROE), %	1.0	0.9	0.5	-0.3
Cost/income ratio, %	53	90	77	168

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.

Key figure or ratio	Formula	Description
Return on equity (ROE), %	$\dfrac{\text{Financial performance for the reporting period x (days of financial year/days of reporting period)}}{\text{Equity capital (average at beginning and end of period)}} \times 100$	The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period.
Cost/income ratio, %	$\dfrac{\text{Total expenses}}{\text{Total income}} \times 100$	The ratio describes the ratio of expenses to income. The lower that ratio, the better.

Tables

Income statement

TEUR	Note	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Interest income		406,468	679,781	88,576	153,513
Interest expenses		-396,242	-649,775	-86,178	-146,155
Net interest income	2	10,226	30,007	2,398	7,358
Impairment loss on receivables	3	6	2,500	3	2,390
Commission income			86		21
Commission expenses		-2	-11,204	-1	-1,013
Net commissions and fees	4	-2	-11,118	-1	-992
Other operating income		3	4		-1
Personnel costs		-692	-703	-188	-182
Other operating expenses		-4,733	-16,245	-1,667	-10,502
Operating profit (loss)		**4,808**	**4,445**	**545**	**-1,929**
Income tax		-961	-978	-109	380
Profit for the period		**3,847**	**3,466**	**436**	**-1,549**

Statement of comprehensive income

TEUR	Note	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Profit for the period		**3,847**	**3,466**	**436**	**-1,549**
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans			17		17
Income tax					
On gains/(losses) arising from remeasurement of defined benefit plans			-3		-3
Total comprehensive income for the financial year		**3,847**	**3,480**	**436**	**-1,536**

Balance sheet

TEUR	Note	31 Dec 2025	31 Dec 2024
Cash and cash equivalents		351,789	343,002
Receivables from member credit institutions	6	14,892,057	14,956,610
Derivative contracts	7	92,054	114,221
Other assets		41	41
Deferred tax assets		514	1,476
Total assets		**15,336,456**	**15,415,350**
Derivative contracts	7	466,569	589,194
Debt securities issued to the public		14,501,065	14,457,644
Provisions and other liabilities		318	390
Total liabilities		**14,967,952**	**15,047,227**
Equity capital			
Share capital		60,000	60,000
Reserve for invested unrestricted equity		245,000	245,000
Retained earnings		63,504	63,122
Total equity		**368,504**	**368,122**
Total liabilities and equity		**15,336,456**	**15,415,350**

Statement of changes in equity

TEUR	Share capital	Reserve for invested unrestricted equity	Retained earnings	Equity capital total
Equity capital 1 January 2025	60,000	245,000	63,122	368,122
Profit for the period			3,847	3,847
Dividends			-3,466	-3,466
Equity capital 31 December 2025	60,000	245,000	63,504	368,504

TEUR	Share capital	Reserve for invested unrestricted equity	Retained earnings	Equity capital total
Equity capital 1 January 2024	60,000	245,000	67,160	372,160
Profit for the period			3,466	3,466
Dividends			-7,490	-7,490
Equity capital 31 December 2024	60,000	245,000	63,122	368,122

Cash flow statement

TEUR	Q1–Q4/2025	Q1–Q4/2024
Cash flow from operating activities		
Profit for the financial year	3,847	3,466
Adjustments to profit for the financial year		
Expected credit losses		-2,493
Accruals of derivatives and hedge accounting	-7	-10,210
Valuation items related to derivatives		-12
Income tax	961	978
Amortisation of effective interest rate	8,452	7,831
Other	-2	1,824
Total adjustments	9,404	-2,082
Increase (-) or decrease (+) in operating assets	**116,667**	**2,309,991**
Receivables from member credit institutions, increases	-1,000,000	-2,000,000
Receivables from member credit institutions, decreases	1,044,427	1,841,819
Receivables from customers		2,346,366
Derivative contracts	72,240	120,765
Other assets	0	1,040
Increase (+) or decrease (-) in operating liabilities	**-112,917**	**-2,129,092**
Liabilities to member credit institutions		-2,012,380
Derivative contracts	-122,625	-156,289
Provisions and other liabilities	9,708	39,576
Income tax paid		-83
Dividends received	2	2
A. Net cash from operating activities	**17,004**	**182,201**
Cash flow from financing activities		
Increases in debt securities issued to the public	995,250	1,991,610
Decreases in debt securities issued to the public	-1,000,000	-2,115,000
Dividends paid	-3,466	-7,490
B. Net cash used in financing activities	**-8,216**	**-130,880**

TEUR	Q1–Q4/2025	Q1–Q4/2024
Net change in cash and cash equivalents (A+B)	8,788	51,321
Cash and cash equivalents at period start	343,002	291,681
Cash and cash equivalents at period end	351,789	343,002
Interest received	527,114	715,800
Interest paid	-509,371	-687,752
Cash and cash equivalents	351,789	343,002
Total cash and cash equivalents	351,789	343,002

Notes

Note 1. Accounting policies and highlights

The Financial Statements Bulletin for 1 January–31 December 2025 has been prepared in accordance with IAS 34 (Interim Financial Reporting). This Financial Statements Bulletin applies IAS 34 Interim Financial Reporting and the accounting policies presented in the 2024 financial statements. The Financial Statements Bulletin should be read with the audited 2024 financial statements.

This Financial Statements Bulletin 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 Financial Statements Bulletin is available in Finnish and English. The Finnish version is official and will be used if there is any discrepancy between the language versions.

Highlights of the reporting period

In April, OP Mortgage Bank issued a covered bond in the international capital market. The fixed-rate covered bond of EUR 1 billion has a maturity of five years and three months. All proceeds of the bond were intermediated to 38 OP cooperative banks in the form of intermediary loans.

The terms of issue are available on the op.fi website, under Debt investors: https://www.op.fi/en/op-financial-group/debt-investors/issuers/op-mortgage-bank/emtcb-debt-programme-documentation

In September, a fixed-rate covered bond of EUR 1 billion issued by OP Mortgage Bank in June 2018 matured, together with OP cooperative banks' intermediary loans related to the bond, a total of EUR 1 billion.

Note 2. Net interest income

TEUR	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Interest income calculated using the effective interest method				
From receivables from member credit institutions	406,468	594,539	88,576	141,051
From receivables from customers		72,104		4,240
Interest from derivatives hedging financial assets		2,842		284
Change in hedge accounting adjustment				
Change in the fair value of hedged risk	-20,126	-6,083	-6,677	810
Other adjustments		10,210		7,937
Change in the fair value of hedging derivatives	20,126	6,083	6,677	-810
Other interest income	1	87		1
Total	406,468	679,781	88,576	153,513
Interest expenses				
From liabilities to member credit institutions		-64,963		-10,356
From debt securities issued to the public				
Interest amounts	-249,946	-227,913	-63,458	-61,048
Change in the fair value of hedged risk	-29,940	-269,422	29,898	-39,069
From derivatives subject to hedge accounting				
Change in fair value	29,947	269,435	-29,896	39,070
Interest amounts	-146,302	-356,910	-22,722	-74,752
Other interest expenses	0	-1	0	
Total	-396,242	-649,775	-86,178	-146,155
Net interest income	10,226	30,007	2,398	7,358

Net interest income was EUR 10.2 million (30.0). Net interest income decreased following the sale of OP Mortgage Bank's loan portfolio in November 2024. OP Mortgage Bank uses interest rate swaps to hedge against its interest rate risk. Interest rate swaps have been used to swap intermediary loan interest and interest on issued bonds onto the same basis rate.

Note 3. Impairment loss on receivables

Impairment loss on receivables, TEUR	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Receivables written down as loan losses		-86		-19
Recoveries of receivables written down	6	7	3	2
Expected credit losses (ECL) on receivables from customers		2,579		2,407
Total impairment loss on receivables	**6**	**2,500**	**3**	**2,390**

Loss allowance related to the balance sheet item 'Receivables from customers' was removed when OP Mortgage Bank sold the related loan portfolio in autumn 2024. The ECL calculation was based on the PD/LGD method and on three different macroeconomic scenarios. This Note shows impairment gains and losses recognised through profit or loss for the derecognition of the sold loan portfolio, which adjusted the loss allowance balance. This Note also itemises receivables written down as final credit losses and the associated recoveries. Expected credit losses are not recognised on receivables from intermediary loans granted to member credit institutions.

A write-off constitutes a derecognition event which has been recognised by reducing the gross carrying amount when the loan receivable cannot reasonably be expected to be fully or partly recovered.

Expected credit losses on receivables from member credit institutions:

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 Pohjola's insurance companies do not fall within the scope of joint and several liability.

Expected credit losses are measured using modelled risk parameters with the formula 'probability of default (PD) x loss given default (LGD) x exposure at default (EAD)' for all portfolios per contract, and reflect expectations of future credit losses on the reporting period. PD describes the probability of default according to the definition of default. The definition of default is based on Article 178 of Regulation (EU) No 575/2013 (CRR) of the European Parliament and of the Council and on the European Banking Authority's (EBA) guidelines on the application of the definition of default (EBA/GL/2016/07 and EBA/RTS/2016/06).

Since OP Pohjola is assessed as a whole based on the principle of joint and several liability under the Act on the Amalgamation of Deposit Banks, expected credit loss cannot be separately calculated for an individual member credit institution, in accordance with the principle outlined above. The probability of default applied to OP Pohjola's internal loans, including intermediary loans, is zero due to the joint and several liability. LGD describes the share of an asset if a borrower defaults. It is affected, for example, by the quantity and type of collateral securities and various financial guarantees. The amalgamation's joint and several liability guarantees all expected losses of the member credit institution, so the LGD component too in OP Pohjola's internal loans is zero. This is affected by OP Pohjola's current strong financial standing, which is expected to remain so in the foreseeable future too. EAD describes the exposure amount at default, including exposure in the balance sheet (capital and accrued interest), and expected use of off-balance-sheet items at default.

Note 4. Net commissions and fees

Net commissions and fees, TEUR	Q1–Q4/2025	Q1–Q4/2024	Q4/2025	Q4/2024
Commission income				
Lending		86		21
Total		**86**		**21**
Commission expenses, TEUR				
Loan management fee to OP cooperative banks	-1	-11,191	0	-1,011
Others	-1	-13	-1	-2
Total	**-2**	**-11,204**	**-1**	**-1,013**
Net commissions and fees	-2	-11,118	-1	-992

In November 2024, OP Mortgage Bank sold its entire on-balance-sheet loan portfolio back to 85 OP cooperative banks. Prior to the sale of the loans, OP Mortgage Bank's balance sheet included receivables from customers; the customer relationships related to these are managed by OP cooperative banks. OP Mortgage Bank refunded OP cooperative banks the amount of the returns paid by customers on loans managed by the banks, as management fees agreed in the fee model. Management fees paid to OP cooperative banks were shown as commission expenses under net commissions and fees. Interest paid by customers was recognised in interest income using the effective interest method.

Note 5. Classification of financial assets and liabilities

Assets 31 December 2025, TEUR	Amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through other comprehensive income	Total carrying amount
Cash and cash equivalents	351,789			351,789
Receivables from member credit institutions	14,892,057			14,892,057
Derivative contracts		92,054		92,054
Other financial assets			40	40
Total financial assets	**15,243,847**	**92,054**	**40**	**15,335,941**

Liabilities 31 December 2025, TEUR	Amortised cost	Recognised at fair value through profit or loss	Carrying amount total
Derivative contracts		466,569	466,569
Debt securities issued to the public	14,501,065		14,501,065
Other financial liabilities	26		26
Total financial liabilities	**14,501,091**	**466,569**	**14,967,660**

Assets 31 December 2024, TEUR	Amortised cost	Recognised at fair value through profit or loss	Recognised at fair value through other comprehensive income	Carrying amount total
Cash and cash equivalents	343,002			343,002
Receivables from member credit institutions	14,956,610			14,956,610
Derivative contracts		114,221		114,221
Other financial assets			40	40
Total financial assets	**15,299,612**	**114,221**	**40**	**15,413,873**

Liabilities 31 December 2024, TEUR	Amortised cost	Recognised at fair value through profit or loss	Carrying amount total
Derivative contracts		589,194	589,194
Debt securities issued to the public	14,457,644		14,457,644
Other financial liabilities	50		50
Total financial liabilities	**14,457,694**	**589,194**	**15,046,888**

Debt securities issued to the public are carried at amortised cost, including a negative valuation of EUR 411,228 thousand (441,169 thousand) caused by risk to be hedged. The fair value of these debt instruments was assessed based on price quote information available in markets and by employing commonly used valuation techniques, amounting to EUR 14,393,879 thousand (14,259,981 thousand) at the end of December.

Receivables from member credit institutions are carried at amortised cost, including a negative valuation of EUR 21,697 thousand (1,570 thousand) caused by risk to be hedged.

The largest item carried at amortised cost is receivables from member credit institutions, which consists of intermediary loans granted to OP cooperative banks. These are mainly tied to a floating interest rate, and their credit risk is zero due to joint and several liability (for a description of the joint and several liability, see Note 'Impairment loss on receivables'). The carrying amount of these loans is reasonably close to their fair value at the end of December.

Note 6. Receivables from member credit institutions

TEUR	31 Dec 2025	31 Dec 2024
Receivables from intermediary loans	14,891,519	14,954,957
Others	538	1,654
Total	**14,892,057**	**14,956,610**

Receivables from intermediary loans

OP Mortgage Bank is responsible for secured wholesale funding for OP Pohjola. In its operations, OP Mortgage Bank applies an intermediary loan model complying with the Act on Mortgage Credit Banks and Covered Bonds (151/2022, chapter 7). OP Mortgage Bank issues covered bonds for which mortgage-backed loan receivables are tagged as collateral from the balance sheets of OP cooperative banks to the cover pool. The future cash flows related to said mortgage-backed loan receivables serve as collateral for the covered bonds. In the intermediary loan model, loan receivables, or risks related to them, are not transferred to OP Mortgage Bank. OP Mortgage Bank provides funding to OP cooperative banks by transmitting proceeds from bonds to OP cooperative banks as intermediary loans. Receivables from intermediary loans are presented in OP Mortgage Bank's balance sheet under item Receivables from member credit institutions, and they will mature at the same time as the issued bonds.

Expected credit losses are not recognised on receivables from member credit institutions. This is described in more detail in Note 3. Impairment loss on receivables.

Note 7. Derivative contracts

Derivative contracts 31 December 2025, TEUR	Fair values	
	Assets	Liabilities
Interest rate derivatives		
Hedging	92,054	466,569
Total	**92,054**	**466,569**

Derivative contracts 31 December 2024, TEUR	Fair values	
	Assets	Liabilities
Interest rate derivatives		
Hedging	114,221	589,194
Total	**114,221**	**589,194**

Note 8. Financial instruments classification, grouped by valuation technique

31 December 2025, TEUR	Balance sheet value	Level 1	Level 2	Level 3
Recurring fair value measurements of assets				
Derivative contracts	92,054		92,054	
Total	**92,054**		**92,054**	
Recurring fair value measurements of liabilities				
Derivative contracts	466,569		466,569	
Total	**466,569**		**466,569**	

31 December 2024, TEUR	Balance sheet value	Level 1	Level 2	Level 3
Recurring fair value measurements of assets				
Derivative contracts	114,221		114,221	
Total	**114,221**		**114,221**	
Recurring fair value measurements of liabilities				
Derivative contracts	589,194		589,194	
Total	**589,194**		**589,194**	

Fair value measurement

OP Mortgage Bank has no derivative contracts whose counterparty is a company outside the amalgamation (that is to say OP Pohjola). The contracting counterparty is always OP Corporate Bank plc. If OP Corporate Bank defaulted, other companies in the amalgamation of cooperative banks would guarantee OP Corporate Bank's liabilities. For this reason, no separate CVA/DVA component is calculated for OP Mortgage Bank's derivatives. Models and methods commonly used in markets and most suitable for valuing the specific financial instrument are used to value OTC derivatives. They are needed for creating yield curves, for example. The input data of these models can generally be derived from markets.

OP Corporate Bank's Middle Office is responsible for the fair value measurement of banking derivatives and the quality and reliability of market data, valuation curves and volatility surfaces used in them, as part of its daily fair value measurement process. Risk Management Control is responsible for approval of new fair value measurement models and techniques and supervision of the fair value measurement process. Verifying fair values is based, for example, on valuation using alternative sources for market prices and other input data.

Fair value hierarchy

Level 2: Valuation techniques using observable inputs

Valuation techniques based on observable input parameters. The fair value of the instruments included within Level 2 means value derived from the market price of a financial instrument's components or similar financial instruments; or value which can be determined using commonly used valuation models and techniques if the inputs significant to the fair value measurement are based on observable market data. Level 2 input data include, for example: quoted prices of similar items in active markets, quoted prices of similar items in inactive markets, market interest rates, implied volatilities and credit spreads. OP Mortgage Bank classifies OTC derivatives and its own debt issues and intermediary loans into this hierarchy level. Products subject to recurring fair value measurement during the reporting period only include derivatives.

Transfers between hierarchy levels of recurring fair value measurements

Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such transfer or when circumstances change. Transfers between the levels are mainly due to the number of available market quotes. No transfers between the levels took place during the reporting period.

Note 9. Related party transactions

OP Mortgage Bank's related parties comprise OP Cooperative (parent company) and companies consolidated into OP Cooperative Consolidated, associates, key management personnel and their close family members, and other related-party entities. The company's key management personnel comprises the Managing Director, Deputy Managing Director and members of the Board of Directors. Related parties also include companies over which a key management person or their close family member, either alone or together with another person, exercises control. Other entities regarded as related parties include OP-Eläkesäätiö pension foundation and OP Ryhmän Henkilöstörahasto personnel fund. Related parties have been defined in accordance with IAS 24.

Related party transactions consist of paid salaries and fees as well as ordinary business transactions.

No substantial changes have taken place in related-party transactions since 31 December 2024.

Related party transactions		31 Dec 2025	
TEUR	OP Cooperative	OP Corporate Bank	Others
Assets			
Cash and cash equivalents		351,789	
Derivative contracts		92,054	
Other assets	40	538	

		31 Dec 2025	
TEUR	OP Cooperative	OP Corporate Bank	Others
Liabilities			
Derivative contracts		466,569	
Debt securities issued to the public		305,200	
Provisions and other liabilities	0		13

TEUR	Q1–Q4/2025 OP Cooperative	 OP Corporate Bank	 Others
Interest income		7,145	
Interest expenses		-155,069	
Dividend income	2		
Operating expenses	-2,199	-29	-46

Related party transactions, TEUR	31 Dec 2024 OP Cooperative	 OP Corporate Bank	 Others
Assets			
Cash and cash equivalents		343,002	
Derivative contracts		114,221	
Other assets	40	1,654	

TEUR	31 Dec 2024 OP Cooperative	 OP Corporate Bank	 Others
Liabilities			
Derivative contracts		589,194	
Debt securities issued to the public		328,257	
Provisions and other liabilities	52		25

TEUR	OP Cooperative	Q1–Q4/2024 OP Corporate Bank	Others
Interest income*		15,803	
Interest expenses*		-435,127	-85
Dividend income	2		
Commission expenses		-13	
Operating expenses*	-2,435	-26	-2,684

*Comparative information has been adjusted accordingly.

OP Mortgage Bank paid EUR 3,466 thousand (7,490) in dividends to OP Cooperative on 14 March 2025.

Note 10. Transactions with OP cooperative banks

The accounts of OP Mortgage Bank and the member cooperative banks are consolidated into OP Pohjola's financial statements. Transactions between OP Mortgage Bank and member cooperative banks are mainly related to the intermediary loan model, which is explained in greater detail in Note 6. Receivables from member credit institutions.

OP cooperative banks paid EUR 399,323 thousand (583,045) in interest income to OP Mortgage Bank, and OP Mortgage Bank paid EUR 0 thousand (12,625) in commission expenses to OP cooperative banks. Intermediary loans in OP Mortgage Bank's balance sheet totalled EUR 14,913,216 thousand (14,956,527) at the end of the reporting period.

Financial reporting

Schedule for reports for 2025:

OP Mortgage Bank's Report by the Board of Directors and Financial Statements 2025	Week 11, 2026
OP Mortgage Bank's Corporate Governance Statement 2025	Week 11, 2026

Schedule for financial reports for 2026:

Interim Report 1 January–31 March 2026	6 May 2026
Half-year Financial Report 1 January–30 June 2026	23 July 2026
Interim Report 1 January–30 September 2026	27 October 2026

Helsinki, 11 February 2026

OP Mortgage Bank

Board of Directors

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