

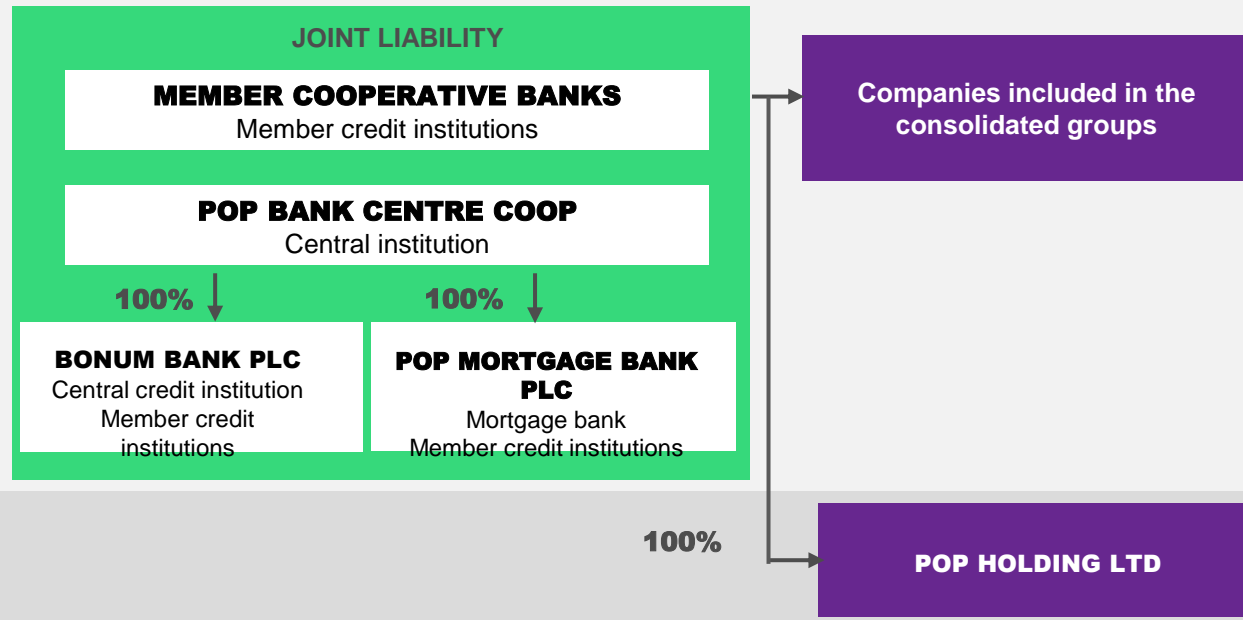
# POP Mortgage Bank Cover Pool Report

Q3/2024

# POP Bank Group and POP Mortgage Bank Plc



## THE AMALGAMATION OF POP BANKS



- The POP Bank Group consists of the member cooperative banks (POP Banks) of the POPC (POP Bank Centre coop), the POPC and organizations under their control. POPC, the central institution, is responsible for the group steering and supervision in accordance with the Act on the Amalgamation of Deposit Banks
- POPMB (POP Mortgage Bank Plc) acts as the mortgage bank and a member cooperative bank of the POP Bank Group
- The POP Bank Centre coop has a 100% ownership of POPMB. POPMB falls within the joint liability of the POP Bank Group
- POP Mortgage Bank Plc is committed to continuously maintain an overcollateralization at a level commensurate with the S&P rating level of 'AAA'
- The minimum overcollateralization required by law is 2% (Covered Bond Act)
- POP Mortgage Bank rating report can be found on the banks' website <https://www.poppankki.fi/en/investors/information-for-investors/investor-relations/credit-rating>

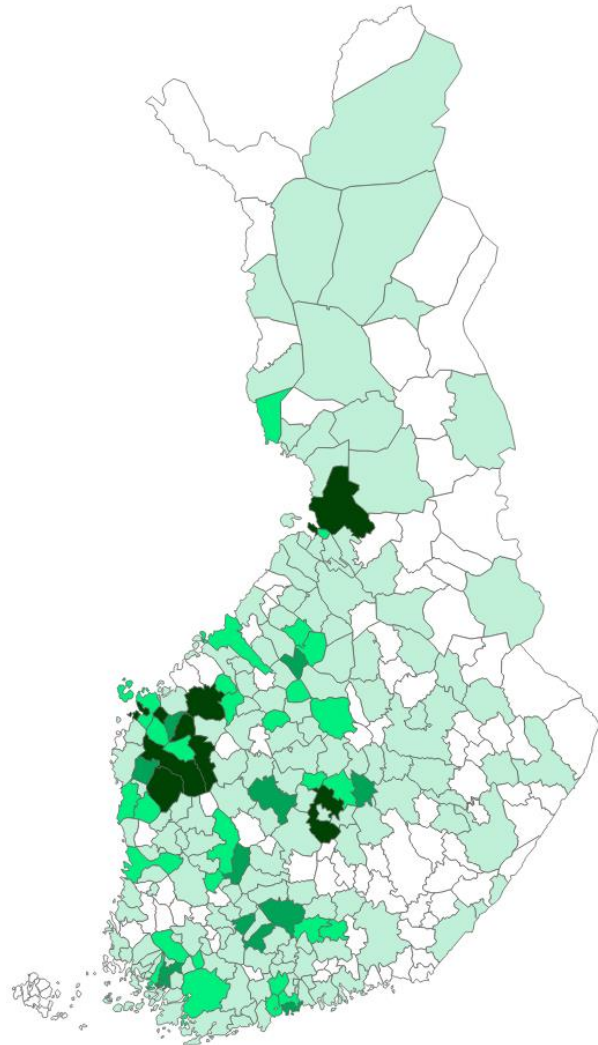
# Cover pool characteristics

Key characteristics of the cover pool	
Size of the pool	EUR 677.2 million (nominal)
Collateral type	100% Finnish residential mortgages
Number of loans	11,459
Average loan size	EUR 59,100
WALTV	68.1%
WA loan seasoning	59.5 months
Non-performing loans	0.0 %
Loans in arrears (> 30 days past due)	0.0 %
Interest rate base	92.1% floating / 7.9% fixed
Over-collateralisation	35.4%

Customers	<ul style="list-style-type: none"> <li>100% retail customers</li> </ul>
Currency	<ul style="list-style-type: none"> <li>Only EUR</li> </ul>
Max loan size	<ul style="list-style-type: none"> <li>EUR 3.0 million</li> </ul>
Max maturity	<ul style="list-style-type: none"> <li>30 years</li> </ul>
Customer rating	<ul style="list-style-type: none"> <li>AAA-A</li> </ul>
Max LTV	<ul style="list-style-type: none"> <li>100% (of which 70% is accounted for in the pool)</li> </ul>
Interest rate	<ul style="list-style-type: none"> <li>Euribor, POP Prime, Fixed</li> </ul>

Outstanding issues				
ISIN	Issue Date	Maturity Date	Nominal	Coupon
FI4000526876	22.9.2022	22.9.2025	250 000 000	2.625 %
FI4000550371	26.4.2023	26.4.2028	250 000 000	3.625 %

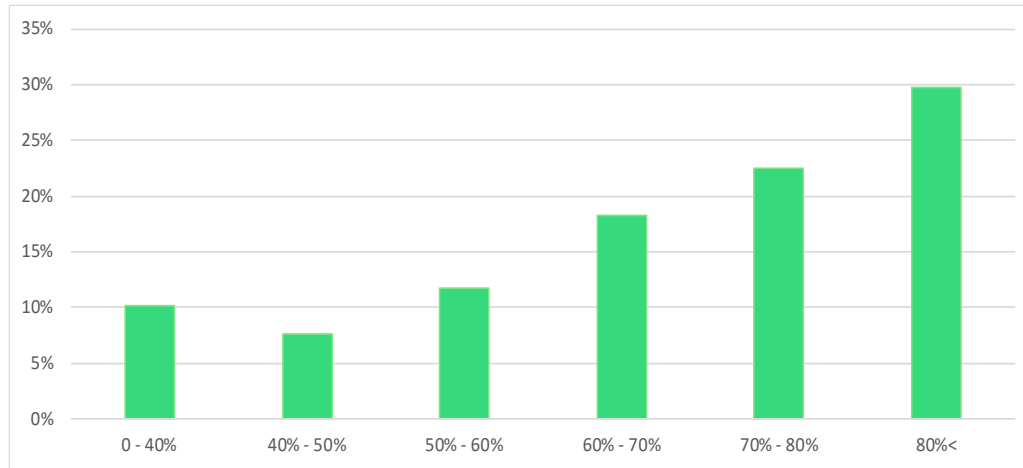
# Geographical distribution



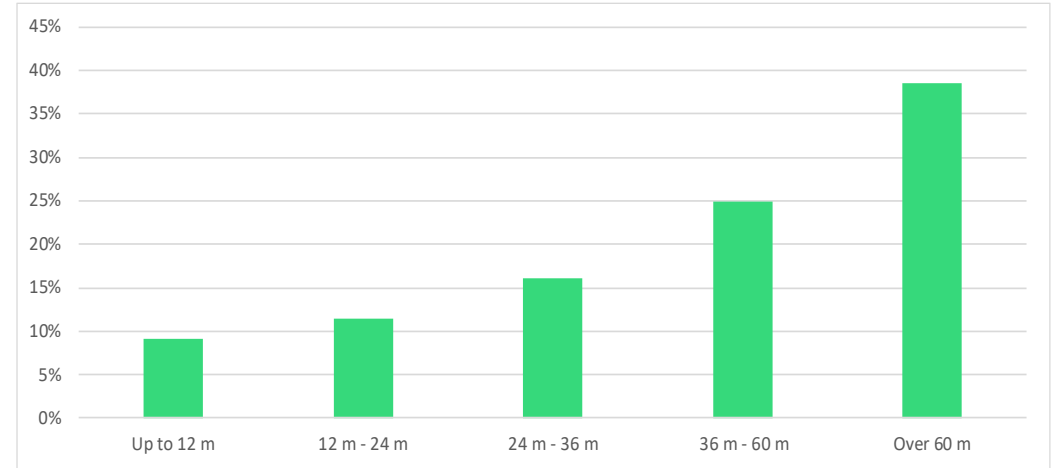
Region	Major City	mEUR	Share
North Ostrobothnia	Oulu	123,6	18,3 %
South Ostrobothnia	Seinäjoki	113,7	16,8 %
Central Finland	Jyväskylä	88,4	13,0 %
Varsinais-Suomi	Turku	65,9	9,7 %
Ostrobothnia	Vaasa	56,0	8,3 %
Pirkanmaa	Tampere	52,4	7,7 %
Uusimaa	Helsinki	44,7	6,6 %
Pohjois-Savo	Kuopio	36,0	5,3 %
Central Ostrobothnia	Kokkola	20,4	3,0 %
Others		76,2	11,2 %
<b>Total</b>		<b>677,2</b>	<b>100,0 %</b>

# Cover pool data

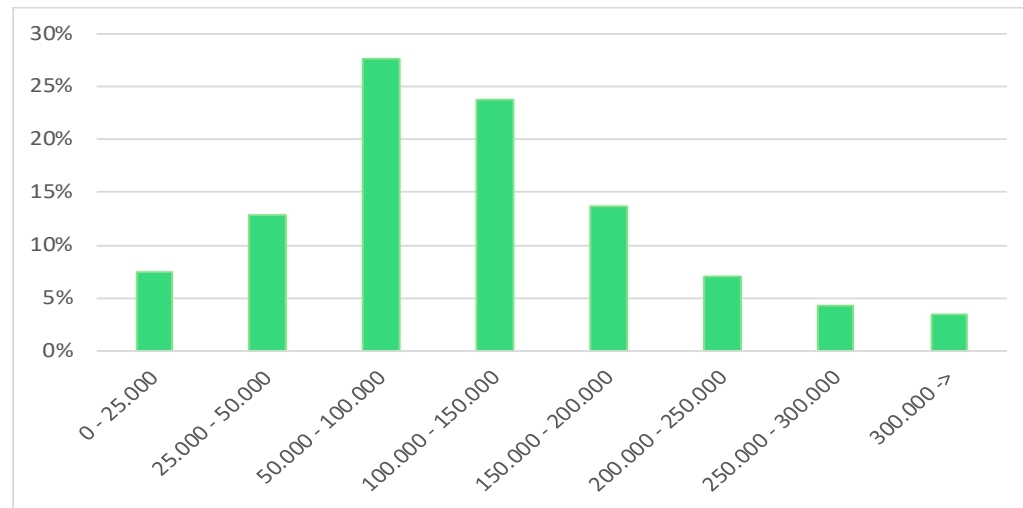
## LTV distribution of the pool



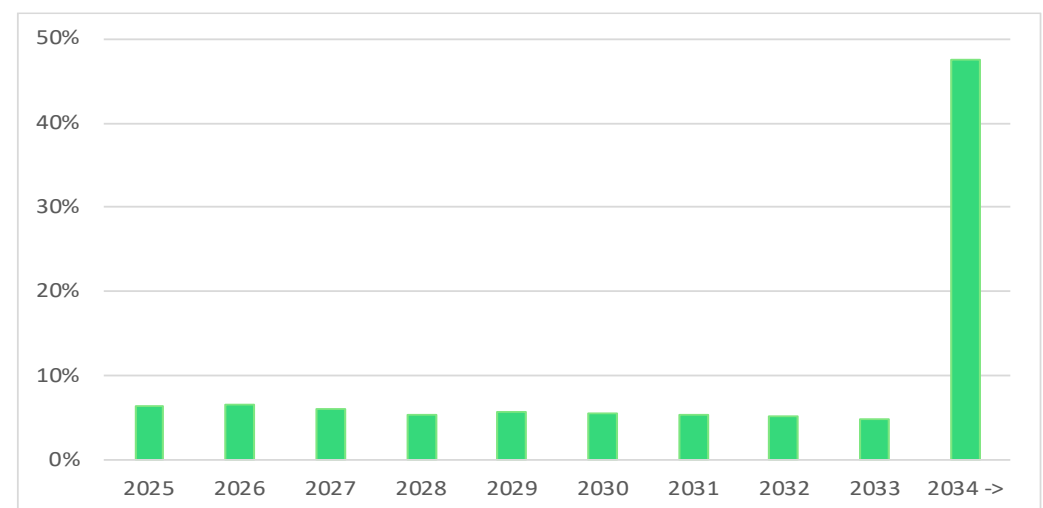
## Loan seasoning of the pool



## Loan size buckets (EUR)



## Cover pool maturity profile



# Risks related to covered bonds I

- **Interest rate risk**

- In general, as market interest rates rise, covered bonds bearing interest at a fixed rate generally decline in value. Consequently, investment in fixed rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Covered Bonds since fixed rate Covered Bonds have a fixed rate of interest and prevailing interest rates in the future may be higher than that fixed rate of interest.
- A holder of floating rate Covered Bonds is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of floating rate Covered Bonds in advance. In the event that the reference rate used to calculate the applicable interest rate turns negative, the interest rate on the Covered Bonds will therefore be below the margin as specified in the Final Terms and may be zero. Accordingly, the holders of floating rate Covered Bonds may not be entitled to interest payments for certain or all interest periods. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Covered Bond.

- **Foreign exchange rate risk**

- POP Mortgage Bank operates only in euros.

# Risks related to covered bonds II

- **Credit risk**

- Holders of the Covered Bonds take a credit risk on the performance of the Issuer, the Group and the Amalgamation to the extent that claims of the holders of Covered Bonds in respect of the Covered Bonds are not met out of the Cover Asset Pool. Receipt of payments under the Covered Bonds by a holder of Covered Bonds is dependent on the Issuer's ability to fulfil its payment obligations, which is in turn dependent upon the development of the Group's and Amalgamation's business. Notwithstanding the joint liability under the Amalgamation Act between the Issuer and the POP Banks, there is no guarantee in place which directly ensures the repayment of Covered Bonds. The payment obligations under the Covered Bonds are covered obligations of the Issuer and are not obligations of, and are not guaranteed by, the POP Bank Centre nor any POP Bank.

- **Valuation methods**

- A Mortgage Loan entered in the Register as collateral for a covered note may not exceed the current value of the shares, housing property or commercial real estate standing as collateral. The current value shall be calculated using good property evaluation practice applicable to credit institutions in accordance with provisions on the management of capital adequacy and credit risk of credit institutions issued by the FIN-FSA. The issuer shall regularly monitor the value of the shares, housing property or commercial real estate entered as collateral for the covered notes and revise the value of the collateral in accordance with provisions on the management of capital adequacy of credit institutions issued by the FIN-FSA.

- **Liquidity risk**

- Short-term liquidity risk refers to a quantitative and temporary imbalance of the Issuer's or any Group member's short-term cash flow. If realized, the risk means that the Issuer or other member of the Group will not be able to meet its payment obligations at the time they are falling due. Liquidity risk, if realized, may jeopardize or prevent continuation of the Issuer's business operations and thereby its ability to fulfil its obligations under the Covered Bonds.

# Maturity extension

- **Enablement of maturity extension**

- Pursuant to Section 32 of the Covered Bond Act, the terms and conditions of a covered note may include a provision that enables the issuer to extend the maturity of a covered note subject to certain conditions, including the approval of the FIN-FSA. In addition, the conditions for extension of maturity include, among others, that the issuer is unable to obtain long-term financing from ordinary sources, the issuer is unable to meet the liquidity requirement set out in the Covered Bond Act if it makes payments towards the principal and interest of the maturing covered note and that the extension of maturity does not affect the sequence in which the issuer's covered notes from the same Cover Asset Pool are maturing. If the FIN-FSA determines that the conditions for extension have been fulfilled and it gives its approval to the extension, its resolution shall indicate the applied extended maturity date of such covered notes which shall be a date on or before the final extended maturity date specified in the General Terms and Conditions.

- **Implications of maturity extension**

- If "Extended Final Maturity" if specified as being applicable in respect of a Series of Covered Bonds, the maturity date of the relevant Covered Bonds may be extended subject to certain conditions, including approval of the FIN-FSA. In the event of such extension, the Issuer may redeem all or any part of the nominal amount outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Final Maturity Date. The extension of the maturity of the outstanding principal amount of the Covered Bonds to a date falling after the Maturity Date will not result in any right of the holders of Covered Bonds to accelerate payments on such Covered Bonds and no payment will be payable to the holders of Covered Bonds in that event other than as set out in the General Terms and Conditions.



# Contact information

**Timo Hulkko, CEO, POP Mortgage Bank Plc**

Email: [timo.hulkko@poppankki.fi](mailto:timo.hulkko@poppankki.fi)

Tel: + 358 500 894 008

**Tony Tötterström, Deputy CEO, POP Mortgage Bank Plc**

Email: [tony.totterstrom@poppankki.fi](mailto:tony.totterstrom@poppankki.fi)

Tel: +358 505 306 623