OP Corporate Bank plc's Financial Statements Bulletin 1 January–31 December 2024

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Operating profit Q1–4/2024	Net interest income Q1–4/2024	Total income Q1–4/2024	Total expenses Q1–4/2024	CET1 ratio 31 Dec 2024
€473 million	+8%	+5%	-5%	14.1

- **OP Corporate Bank plc's** operating profit rose to EUR 473 million (329).
- Total expenses grew by 5% to EUR 773 million (738). Net interest income grew by 8% to EUR 631 million (582). Investment income fell by 35% to EUR 34 million (52). Net commissions and fees grew by 3% to EUR 75 million (73).
- Impairment loss on receivables decreased to EUR 1 million (96).
- Total operating expenses decreased by 5% to EUR 298 million (313). The cost/income ratio improved to 39% (42).
- The loan portfolio grew by 0.8% to EUR 28.3 billion (28.1) year on year. The deposit portfolio increased by 17.3% year on year, to EUR 17.2 billion (14.6).
- **The Corporate Banking and Capital Markets segment's** operating profit increased to EUR 307 million (198). Net interest income grew by 21% to EUR 381 million (316). Net commissions and fees increased to EUR 6 million (3). Investment income fell by 41% to EUR 29 million (49). Operating expenses decreased by 8% to EUR 120 million (131). Impairment loss on receivables reversed came to EUR 6 million. A year ago, impairment loss on receivables totalled EUR 44 million. The cost/income ratio improved to 28% (35).
- **The Asset and Sales Finance Services and Payment Transfers segment's** operating profit increased to EUR 167 million (126). Net interest income grew by 4% to EUR 216 million (207). Net commissions and fees totalled EUR 61 million (64). Operating expenses totalled EUR 119 million (122). Impairment loss on receivables decreased to EUR 9 million (37). The cost/income ratio improved to 40% (43).
- **The Baltics segment's** operating profit rose to EUR 39 million (27). Net interest income decreased to EUR 59 million (67). Net commissions and fees totalled EUR 11 million (10). Operating expenses remained at the previous year's level at EUR 35 million (35). Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables totalled EUR 15 million. The cost/income ratio weakened to 49% (45).
- **The Group Functions segment's** operating loss was EUR 40 million. A year ago, the operating loss amounted to EUR 22 million. Funding position and liquidity remained strong.
- OP Corporate Bank plc's CET1 ratio rose to 14.1% (13.0), which exceeds the minimum regulatory requirement by 5.4 percentage points.

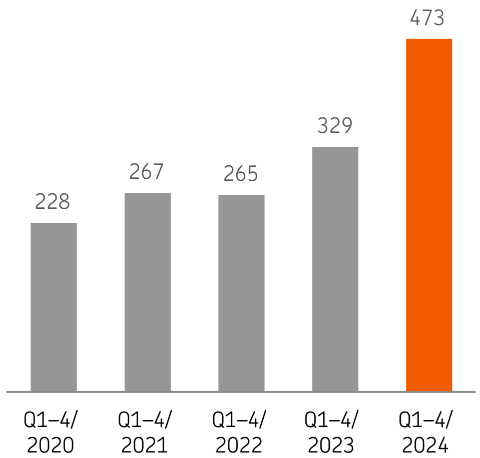
OP Corporate Bank plc's key indicators

€ million	Q1–4/2024	Q1–4/2023	Change, %
Operating profit (loss), € million	**473**	**329**	**43.8**
Corporate Banking and Capital Markets	307	198	55.2
Asset and Sales Finance Services and Payment Transfers	167	126	33.1
Baltics	39	27	43.5
Group Functions	-40	-22	—
Total income	773	738	4.7
Total expenses	-298	-313	-4.6
Cost/income ratio, %	38.6	42.4	-3.8*
Return on equity (ROE), %	7.9	5.9	2.0*
Return on assets (ROA), %	0.48	0.30	0.19*
	31 Dec 2024	31 Dec 2023	Change, %
CET1 ratio, %	14.1	13.0	1.1*
Loan portfolio, € million	28,295	28,076	0.8
Guarantee portfolio, € million	2,660	3,184	-16.5
Other exposures, € million	5,238	5,745	-8.8
Deposits, € million	17,155	14,629	17.3
Ratio of non-performing exposures to exposures, %	1.8	2.2	-0.5*
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.00	0.31	-0.30*

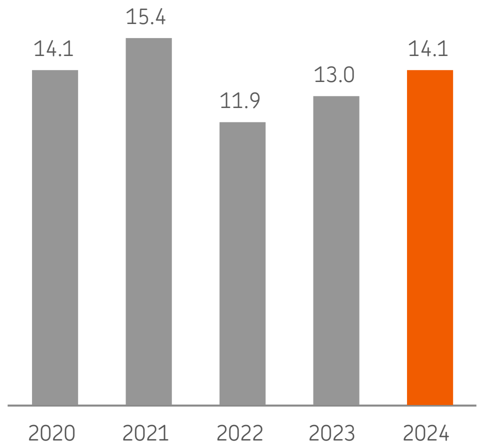
Comparatives for the income statement items are based on the corresponding figures in 2023. Unless otherwise specified, figures from 31 December 2023 are used as comparatives for balance-sheet and other cross-sectional items.

* Change in ratio, percentage point(s).

Operating profit, € million



CET1 ratio, %



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Business environment

Preliminary figures suggest that the world economy grew at its average, long-term pace in 2024. Economic surveys indicate that confidence in the global economy rose due to the service sector, whereas the industrial sector failed to emerge from the doldrums. Although second-half GDP growth in the euro area was faster than during the same period in 2023, it remained below its long-term average. The inflation rate slowed from 2.9% at the end of 2023 to 2.3% in December 2024.

In 2024, the world's major stock indices rose above their level of 31 December 2023. For example, the MSCI World Index rose by 26.6% during the year. Stock prices in Finland were slightly lower at the end of December than at the end of 2023.

The European Central Bank lowered its key interest rate four times in 2024. The deposit facility rate decreased to 3.00%. The 12-month Euribor, which is the key reference interest rate for home loans, had fallen to 2.46% by the end of December from 3.51% at the end of 2023.

In the first half of 2024, Finland's GDP contracted year on year, but preliminary figures suggest that it was slightly higher in the second half than in the same period in 2023. In December, the unemployment rate rose to 8.9% compared to 7.7% at the end of 2023. Inflation slowed to 0.7% in December, compared to 3.6% a year earlier. Home sales and purchases decreased from the previous year and home prices fell.

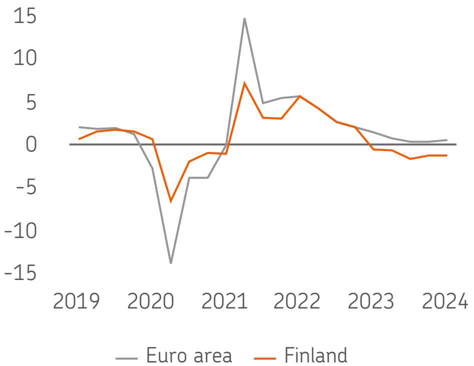
Lower interest rates and growing purchasing power should spur growth in the Finnish economy in 2025. However, the recovery remains fragile and export markets are characterised by uncertainty.

The total loan portfolio in Finland was 0.9% smaller in 2024 than a year earlier. Corporate loans decreased by 1.5% compared to a year earlier and total household loans decreased by 0.5% compared to the same period in 2023. In December, the annual growth rate of consumer loans was 1.7%.

Total deposits in Finland decreased by 1.6% in 2024. Corporate deposits increased by 0.3% and household deposits grew by 1.5% year on year.

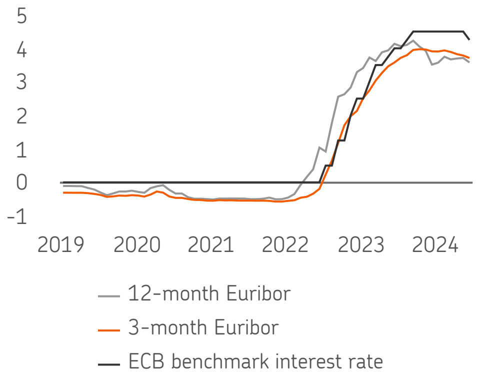
During 2024, the value of the assets held in mutual funds registered in Finland increased from EUR 149 billion to EUR 184 billion, and new assets invested totalled EUR 9.3 billion.

GDP
Annual volume change, %



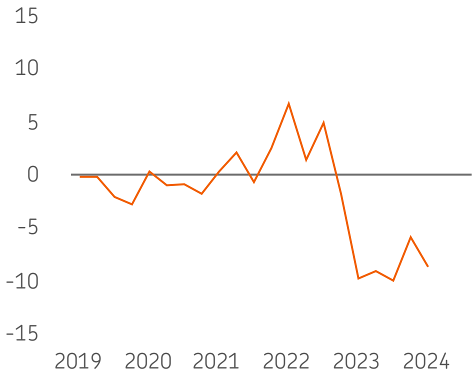
Sources: Eurostat, Statistics Finland Seasonally adjusted series

Euribor rates and ECB refi rate
%



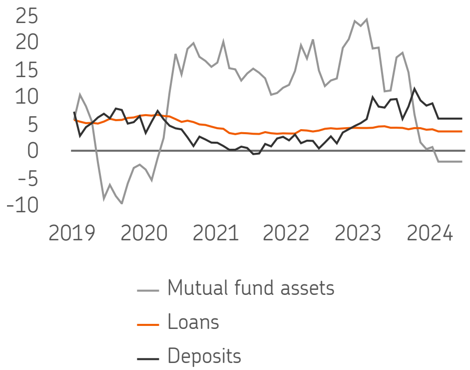
Source: Bank of Finland

Fixed investments in Finland
Annual volume change, %



Source: Statistics Finland

Change in financial sector volumes
in the past 12 months, %



Sources: Bank of Finland, Investment Research Finland

OP Corporate Bank earnings

Earnings analysis

Earnings analysis, € million	Q1–4/2024	Q1–4/2023	Change, %	Q4/2024	Q4/2023	Change, %
Net interest income	631	582	8.4	165	161	2.6
Impairment loss on receivables	-1	-96	-98.9	14	-33	-143.8
Net commissions and fees	75	73	2.6	21	21	3.6
Investment income	34	52	-34.7	11	-1	—
Other operating income	33	31	6.2	7	7	3.6
Personnel costs	-90	-84	7.4	-24	-23	2.5
Depreciation/amortisation and impairment loss	-1	-3	-60.2	0	0	-2.1
Other operating expenses	-207	-226	-8.4	-57	-61	-5.2
Operating profit	**473**	**329**	**43.8**	**138**	**70**	**97.0**

January–December

OP Corporate Bank plc's operating profit rose to EUR 473 million (329). The rise in operating profit was particularly due to higher net interest income, a decrease in impairment loss on receivables, and lower operating expenses. Net interest income grew by 8.4% to EUR 631 million (582). Impairment loss on receivables decreased to EUR 1 million (96). Total operating expenses decreased by 4.6% to EUR 298 million (313). The EU's Single Resolution Board (SRB) did not collect stability contributions from banks for 2024. Investment income fell by 34.7% to EUR 34 million (52). Net commissions and fees increased to EUR 75 million (73).

Net interest income increased by EUR 49 million to EUR 631 million. Interest income from receivables from customers increased by EUR 158 million to EUR 1,440 million. In the year to December, OP Corporate Bank's loan portfolio increased by 0.8% to EUR 28.3 billion (28.1). Interest expenses from liabilities to customers increased by EUR 170 million to EUR 542 million. The deposit portfolio increased by 17.3% year on year, to EUR 17.2 billion (14.6). Interest expenses of debt securities issued to the public (including fair value adjustments under hedge accounting) decreased to EUR 711 million (983). Interest expenses from subordinated liabilities were EUR 68 million (72). The amount of debt securities issued to the public decreased to EUR 19.3 billion (24.1). At the end of the reporting period, the amount of senior non-preferred bonds totalled EUR 3.6 billion (4.0). Subordinated liabilities totalled EUR 1.4 billion (1.4). During the reporting period, OP Corporate Bank issued long-term bonds worth a total of EUR 1.6 billion (2.2).

Impairment loss on receivables decreased to EUR 1 million (96). A year ago, expected credit losses concerning the real estate and construction sector increased the impairment loss on receivables. Loss allowance was EUR 300 million (328) at the end of the reporting period. The item includes an additional management overlay provision of EUR 17 million that concerns bullet and balloon loans for corporate customers, improvements in processes related to early warning systems and the identification of groups of connected clients, climate-related and environmental risks, and non-performing exposures. Final net loan losses recognised for the reporting period totalled EUR 28 million (41). Non-performing exposures accounted for 1.8% (2.2) of total exposures. Ratio of impairment loss on receivables to the loan and guarantee portfolio decreased to 0.00% (0.31).

Net commissions and fees increased to EUR 75 million (73). Commission income decreased to EUR 131 million (136), as commission income from lending decreased. On the other hand, commission income from securities issues increased from the previous year. Commission expenses decreased to EUR 57 million (63).

Investment income decreased to EUR 34 million (52). Income from derivatives operations fell to EUR 11 million (31). Derivatives used for economic balance sheet hedging, as well as investments recognised at fair value through profit or loss, and liabilities decreased investment income by EUR 23 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 23 million year on year. Income from notes and bonds held for trading fell to EUR 15 million (25). Interest income from them decreased to EUR 13 million (20). Fair value gains on notes and bonds totalled EUR 2 million (5). Income from shares and participations increased to EUR 8 million (-9). Income from notes and bonds at fair value through other comprehensive income decreased by EUR 4 million to EUR 0 million.

Other operating income totalled EUR 33 million (31).

Total operating expenses decreased by EUR 15 million to EUR 298 million. Personnel costs increased by EUR 6 million to EUR 90 million. The increase in personnel costs was affected by headcount growth and pay increases. Depreciation/amortisation and impairment loss on receivables totalled EUR 1 million (3). Other operating expenses decreased by EUR 19 million to EUR 207 million. The decrease in other operating expenses is due to a reduction in the stability contribution paid to the Single Resolution Fund financed by euro-area banks. The Single Resolution Board (SRB) did not collect stability contributions from banks for 2024. In 2023, OP Corporate Bank paid a total of EUR 29 million in stability contributions. Total ICT costs increased by EUR 8 million to EUR 101 million.

Comprehensive income for the reporting period increased to EUR 345 million (233). A change in the fair value reserve, EUR -25 million, decreased comprehensive income for the reporting period. The fair value reserve was EUR -88 million (-63) at the end of the reporting period. Gains arising from remeasurement of defined benefit plans increased comprehensive income by EUR 3 million. Meanwhile, changes in own credit risk on liabilities measured at fair value reduced comprehensive income for the reporting period by EUR 5 million.

October–December

Fourth-quarter operating profit increased to EUR 138 million (70). Net interest income was EUR 165 million (161). Impairment loss on receivables reversed came to EUR 14 million. A year ago, impairment loss on receivables totalled EUR 33 million. Investment income increased to EUR 11 million (-1). Net commissions and fees, EUR 21 million, were at the previous year's level. Total operating expenses decreased by EUR 3 million to EUR 81 million.

Net interest income grew by 2.6% to EUR 165 million due to lower interest expenses. Interest income from receivables from customers decreased by 11.2% to EUR 346 million. Total interest expenses decreased by 13.9% to EUR 555 million. Interest expenses of debt securities issued to the public (including fair value adjustments under hedge accounting) decreased to EUR 139 million (530). Interest expenses from liabilities to customers increased by 3.1% to EUR 129 million.

Impairment loss on receivables reversed came to EUR 14 million. A year ago, impairment loss on receivables totalled EUR 33 million. Impairment loss on receivables for the comparison period increased, mainly due to the downturn in the construction industry and real estate sector.

Net commissions and fees totalled EUR 21 million (21).

Investment income increased to EUR 11 million (-1). Income from derivatives operations rose by EUR 9 million to EUR 10 million. Income from notes and bonds decreased to EUR 1 million (9). Income from shares and participations totalled EUR 1 million (-10).

Other operating income totalled EUR 7 million (7).

Total operating expenses decreased by EUR 3 million to EUR 81 million. Personnel costs, at EUR 24 million, increased by EUR 1 million. Other operating expenses decreased by EUR 3 million to EUR 57 million.

Total comprehensive income for the fourth quarter was EUR 67 million (34). The change in the fair value reserve, EUR –42 million, reduced comprehensive income.

October–December highlights

OP Corporate Bank joined the Euribor Panel

OP Corporate Bank plc became a member of the Panel, which contributes to the setting of the Euribor. The Panel currently consists of 19 major banks from around Europe. OP Corporate Bank will add a new element to the Panel, which currently includes no other Nordic banks. The Euribor is administered by the European Money Markets Institute (EMMI), which is in charge of the calculation principles and publication of reference rates.

OP Corporate Bank ranked as Finland's best corporate bank

Large Finnish corporations ranked OP Corporate Bank as Finland's best corporate bank, in the Prospera survey by Kantar published at the end of the year. The Prospera survey provides insight into what large corporations want from banks. OP Corporate Bank is the only player in the market to come at least second in all of the last seven years.

Sustainability and corporate responsibility

As of the reporting year 2024, OP Financial Group 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 Financial Group's Report by the Board of Directors and Financial Statements 2024, including CSRD reporting, will be published in March 2025.

OP Financial Group's sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group's Financial Statements. OP Financial Group consists of OP cooperative banks and the central cooperative (OP Cooperative), as well as a number of subsidiaries and affiliates. OP Corporate Bank plc 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 Corporate Bank plc has decided that sustainability information regarding the company will be included in OP Financial Group's sustainability report, and will not be reported separately.

In 2024, OP Corporate Bank updated its green bond framework (Green Bond Framework 2024) and executed its third green bond issuance, valued at EUR 500 million. At the end of 2024, OP Corporate Bank had two green bond issuances valued at EUR 500 million each. Proceeds raised from bonds support the green transition and are allocated to sustainable corporate finance. Sectors eligible for such financing include renewable energy, green buildings and the environmentally sustainable management of living natural resources. The updated Green Bond Framework takes note of the EU Taxonomy for the first time. The Green Bond Framework is available in English on OP Financial Group's web page for debt investors.

OP Corporate Bank has developed several products based on the international framework for sustainable corporate finance, such as green loans, the sustainability-linked loan, and the sustainable-themed supply chain finance developed in 2024. Green loans are for corporate customers committed to using the borrowed funds for specific projects, while sustainability-linked loans are for corporate customers ready to pursue sustainability-based performance targets agreed with the lender. Sustainability-themed supply chain finance incentivises supply chains to operate more sustainably. By the end of December 2024, total exposures from green loans and sustainability-linked loans and facilities stood at EUR 8.3 billion (6.5).

OP Corporate Bank is committed to making its corporate loan portfolios carbon neutral by 2050. OP Corporate Bank does not provide finance for new coal power plants or coal mines, or companies that plan to build them. Neither does OP Corporate Bank finance new corporate customers with financial dependence of over 5% on coal as an energy source, measured in net sales. This policy can be deviated from if the corporate customer is committed to shifting towards a low-carbon economy and demonstrating a concrete plan to withdraw from coal.

During 2024, OP Corporate Bank was included in OP Financial Group's adjusted policy on financing, insuring and investing in oil and gas exploration and production. Accordingly, OP Corporate Bank will not finance new corporate customers that engage in what is known as unconventional oil and gas extraction, or the exploration or production of gas in Arctic areas. Read more about OP Financial Group's sustainability programme and commitments at op.fi/op-financial-group/corporate-social-responsibility.

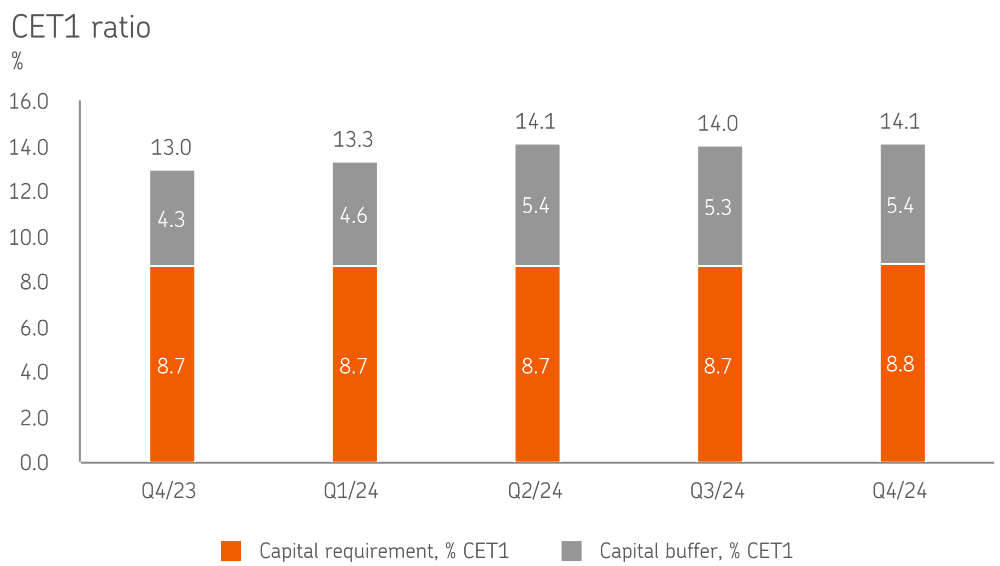
Capital adequacy

Capital adequacy for credit institutions

On 31 December 2024, OP Corporate Bank's CET1 ratio was 14.1% (13.0), which exceeds the minimum regulatory requirement by 5.4 percentage points. Earnings and a decrease in risk-weighted assets improved the ratio.

As a credit institution, OP Corporate Bank's capital adequacy ratio is good compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%. The minimum AT1 requirement, 1.5%, increases the minimum CET1 to 6%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions and the requirement for the countercyclical capital buffer of 0.3% increase the minimum capital adequacy ratio to 10.8% and the minimum CET1 ratio to 8.8%, including the shortfall of Additional Tier 1 (AT1) capital.

Capital requirements Q4/2024



CET1 capital totalled EUR 4.7 billion (4.4) on 31 December 2024. The financial performance for the reporting period had a positive effect on CET1 capital.

On 31 December 2024, the risk exposure amount (REA) totalled EUR 32.9 billion (34.1), or 3.3% lower than on 31 December 2023. Risk-weighted credit risk assets decreased. The risk-weighted assets for operational risk increased in line with income for previous years.

Risk exposure amount 31 Dec 2024; Total EUR 32.9 billion

Risk exposure amount (REA)	31 Dec 2024	Share of REA, %	31 Dec 2023	Share of REA, %	Change, %
Credit and counterparty risk	29.5	89.4	30.7	90.2	-4.2
Corporate exposures	24.0	72.8	25.1	73.8	-4.6
Retail exposures	3.6	11.1	3.7	10.9	-1.4
Equity investments	0.0	0.0	0.0	0.0	-69.0
Other	1.8	5.5	1.9	5.6	-4.4
Market risk	1.2	3.5	1.2	3.6	-5.7
Operational risk	1.2	3.7	1.1	3.2	13.2
Other risks	1.1	3.3	1.0	3.0	8.2
Total	**32.9**	**100.0**	**34.1**	**100.0**	**-3.3**

OP Corporate Bank is part of OP Financial Group, whose capital adequacy is supervised in accordance with the Act on the Supervision of Financial and Insurance Conglomerates. As part of OP Financial Group, OP Corporate Bank is supervised by the European Central Bank (ECB). OP Financial Group publishes Pillar III disclosures.

The Finnish Financial Supervisory Authority (FIN-FSA) makes a macroprudential policy decision on a quarterly basis. In December 2024, the FIN-FSA reiterated its decision not to impose a countercyclical capital buffer requirement on banks.

The changes in the EU Capital Requirements Regulation (CRR3), which implement the final elements of Basel III within the EU, are expected to slightly reduce the capital adequacy of OP Corporate Bank. These changes took effect on 1 January 2025.

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 Financial Group's resolution authority. The SRB has confirmed a resolution strategy for OP Financial Group 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.

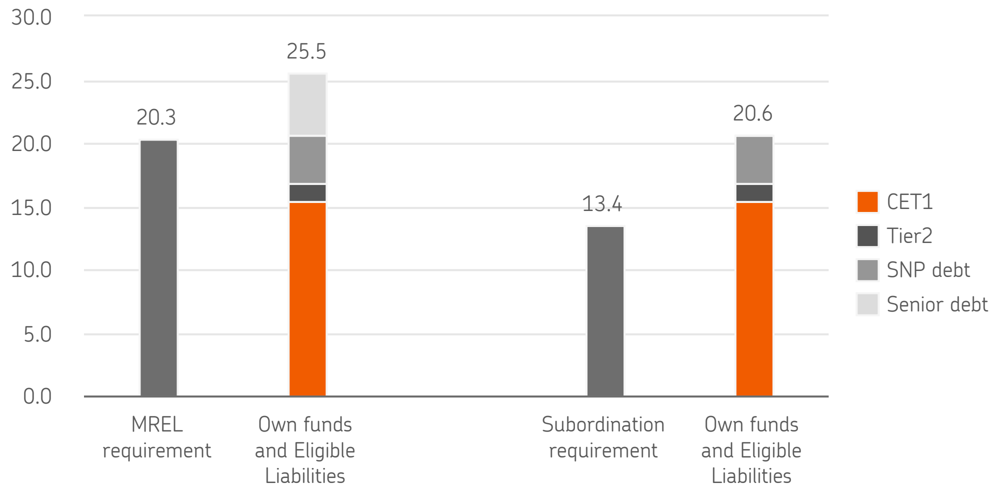
The SRB updated the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Financial Group in May 2024. As part of the MREL, the resolution authority has updated OP Financial Group's subordination requirement in accordance with the Single Resolution Mechanisms Regulation. The subordination requirement determines how much of the MREL must be fulfilled with own funds or subordinated liabilities. From May 2024, the MREL is 23.12% of the total risk exposure amount and 28.27% of the total risk exposure amount including a combined buffer requirement, and 7.48% of leverage ratio exposures. The subordination requirement supplementing the MREL is 13.56% of the total risk exposure amount and 18.71% of the total risk exposure amount including a combined buffer requirement, and 7.48% of leverage ratio exposures. These requirements took effect on 15 May 2024. The requirements include a combined buffer requirement (CBR) of 5.15%.

OP Financial Group's buffer for the MREL was EUR 5.2 billion (7.9), and for the subordination requirement it was EUR 7.2 billion (5.6). The amount of senior non-preferred (SNP), MREL-eligible bonds issued by OP Financial Group totalled EUR 3.8 billion (3.8). These bonds provide funds for the MREL subordination requirement.

OP Financial Group clearly exceeds the MREL requirement. OP Financial Group's MREL ratio was 35.6% (37.1) of the total risk exposure amount and, based on the subordination requirement, the MREL ratio for subordinated liabilities was 28.7% (26.4) of leverage ratio exposures.

MREL requirements

€ billion



Credit ratings

OP Corporate Bank plc's credit ratings on 31 December 2024

Rating agency	Short-term debt	Outlook	Long-term debt	Outlook
Standard & Poor's	A-1+	-	AA-	Stable
Moody's	P-1	Stable	Aa3	Stable

OP Corporate Bank has credit ratings affirmed by Standard & Poor's and Moody's. When assessing OP Corporate Bank's credit rating, credit rating agencies evaluate the funding position of OP Financial Group as a whole. The credit ratings did not change in 2024.

Bases for risk profile management and the business environment

In risk-taking related to its operations, OP Corporate Bank emphasises careful preparation and a sound risk-return ratio. Risk-taking is directed and limited by means of principles and limits prepared by senior management and approved by the Board of Directors of OP Financial Group's central cooperative, that is to say OP Cooperative.

OP Corporate Bank's success lies in a foundation of accumulated trust capital, sufficient capital and liquidity and diverse information on customers. From a risk-carrying capacity perspective, it is essential for OP Corporate Bank to understand its customers' activities and needs, as well as change factors affecting their future success in the prevailing business environment and in situations where the business environment is affected by an unexpected shock or change in trend.

OP Corporate Bank analyses the business environment as part of the ongoing risk assessment activities and strategy process. Megatrends and worldviews behind OP Corporate Bank's strategy reflect driving forces that affect the daily activities, conditions and future of OP Corporate Bank and its customers. Factors currently shaping the business environment include climate, biodiversity loss, scientific and technological innovations, polarisation, demography and geopolitics. OP Corporate Bank provides advice and makes business decisions that promote the sustainable financial success, security and wellbeing of its customers and operating region, while managing its risk profile on a longer-term basis. Advice for customers, risk-based service sizing, contract lifecycle management, decision-making, management and reporting are based on correct and comprehensive information.

Unexpected external shocks from the economic environment could have various direct and indirect impacts on the prosperity of OP Corporate Bank's customers and on the Group's premises, ICT infrastructure and personnel. If they were to occur, they might affect the risk profile, capitalisation, liquidity and the continuity of daily business in various ways. OP Corporate Bank assesses the impacts of potential shocks by means of scenario work and continuously prepares for them by creating and testing action plans.

During the reporting period, the materialisation of OP Corporate Bank's operational risks resulted in EUR 0.1 million (0.6) in gross losses. The risk profile of other risks is discussed in more detail by segment.

OP Corporate Bank's business segments include Corporate Banking and Capital Markets, Asset and Sales Finance Services and Payment Transfers, as well as the Baltics. Non-business segment operations are presented in the Group Functions segment.

Business segments

Within Corporate Banking, key risks are associated with credit risk arising from customer business, and market risks.

Corporate Banking's credit risk exposure remained stable and credit risk remained low. The loan portfolio remained good in terms of general quality. However, for customers in the construction and real estate sectors, the situation remained challenging, despite the stabilisation towards the end of the year.

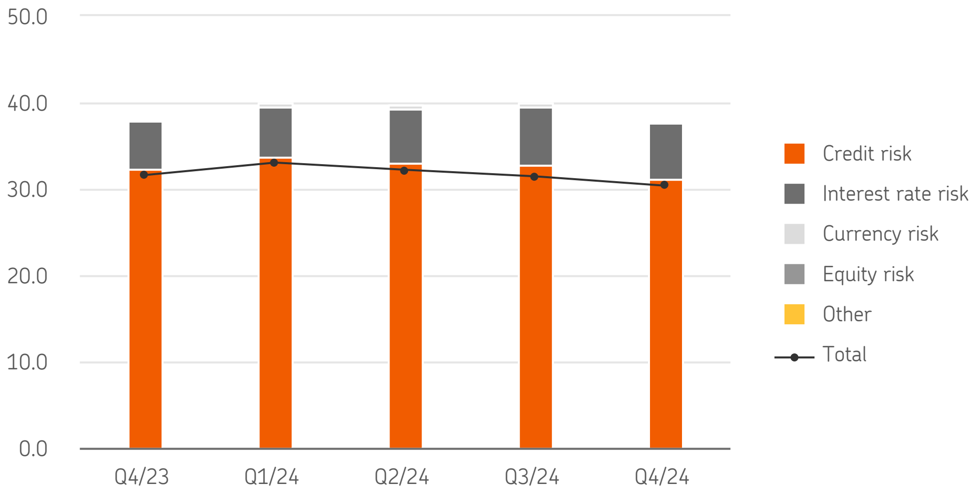
The VaR, a measure of market risks associated with Corporate Banking's investments, was EUR 30 million (32) on 31 December 2024. The VaR risk metric includes banking's bond investments, derivatives that hedge their interest rate risk and investments in money market papers. No major changes were made to the asset class allocation during the reporting period.

In Markets, the stressed Expected Shortfall (ES), a measure of market risk, declined significantly in the fourth quarter, amounting to EUR 0.9 million at the end of the reporting period.

Interest rate risk in the banking book measured as the effect of a one-percentage-point increase on a 12-month net interest income was EUR 22 million (17) and as the effect of a one-percentage-point decrease EUR –22 million (–18) on average year on year. Interest income risk is calculated for a one-year period by dividing the sum of the interest income risk for the next three years by three.

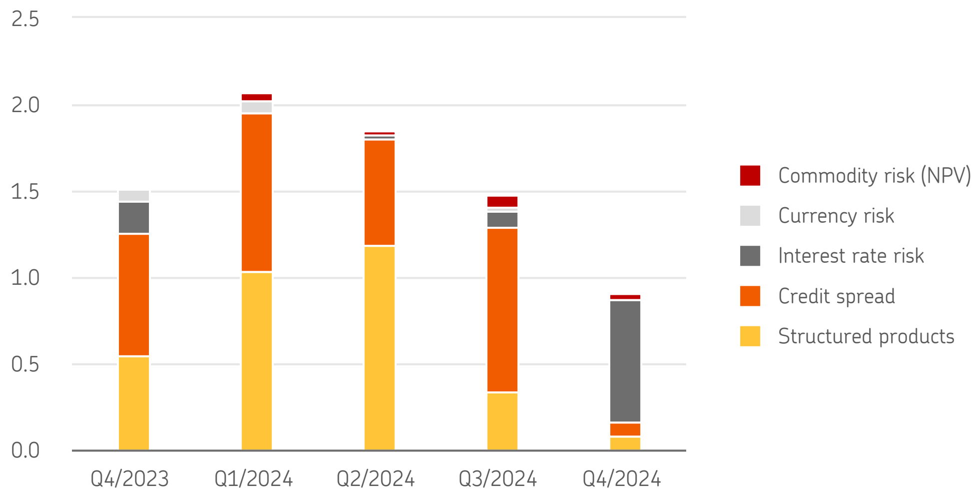
Corporate Banking's market risk VaR at a confidence level of 95% and a retention period of 10 days

€ million



Market risk ES of the Markets function at a confidence level of 97.5% and a retention period of 1 day

€ million



Forborne exposures and non-performing exposures

€ million	Performing forborne exposures (gross)		Non-performing exposures (gross)		Doubtful receivables (gross)		Loss allowance		Doubtful receivables (net)	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
More than 90 days past due			59	52	59	52	34	30	25	22
Unlikely to be paid			278	562	278	562	61	104	218	458
Forborne exposures	806	108	302	212	1,109	320	95	59	1,014	261
Total	806	108	640	826	1,446	933	190	193	1,256	740

Key ratios, %	Corporate Banking	
	31 Dec 2024	31 Dec 2023
Ratio of doubtful receivables to exposures	4.00	2.52
Ratio of non-performing exposures to exposures	1.77	2.23
Ratio of performing forborne exposures to exposures	2.23	0.29
Ratio of performing forborne exposures to doubtful receivables	55.77	11.50
Ratio of loss allowance (receivables from customers) to doubtful receivables	20.45	34.80

Non-performing exposures decreased, accounting for 1.8% of total exposures (2.2). On 31 December 2024, OP Corporate Bank plc had 7 (10) large customer exposures, totalling EUR 3.8 (5.4) billion. Large customer exposure refers to the amount of exposures of an individual group of connected clients which, after allowances, exceeds 10% of Tier 1 capital covering customer risk.

The Baltics segment exposures totalled EUR 4.1 billion (4.1), which accounted for 10.4% (9.9) of OP Corporate Bank's total exposures.

The distribution of loss allowance by sector is presented at Group level in OP Financial Group's financial statements bulletin.

Group Functions

Major risks related to the Group Functions segment include credit and market risks associated with the liquidity buffer, and liquidity risks. The most significant market risk factor is the effect of credit spread changes on the value of notes and bonds included in the liquidity buffer.

OP Financial Group's and OP Corporate Bank's funding position and liquidity are strong.

OP Financial Group monitors its long-term funding sufficiency, for example, by means of the Net Stable Funding Ratio (NSFR), which measures structural funding risk. According to regulation, the NSFR must be at least 100%.

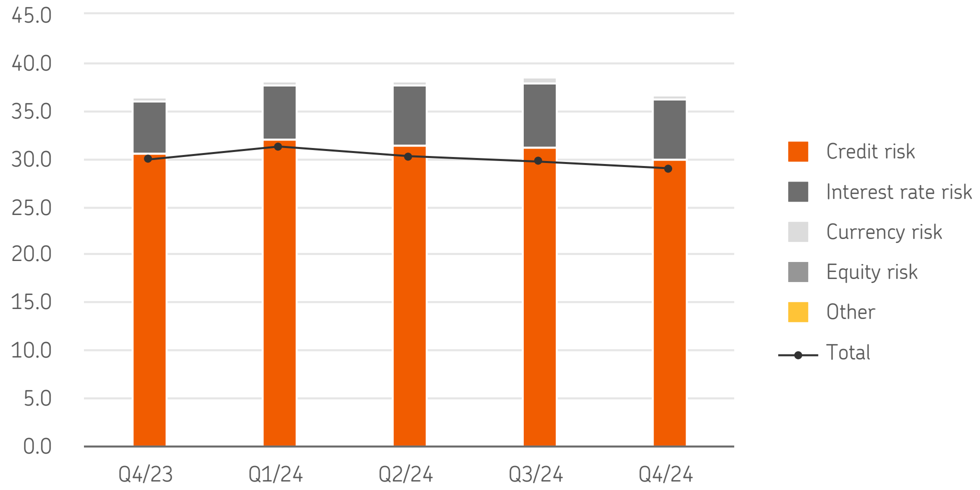
The VaR risk metric that measures market risk associated with the liquidity buffer was EUR 29 million (30) on 31 December 2024. The VaR risk metric includes bond investments in the liquidity buffer, derivatives that hedge their interest rate risk and investment in money market papers. No major changes occurred in the asset class allocation.

OP Financial Group secures its liquidity through a liquidity buffer maintained by OP Corporate Bank and consisting mainly of deposits with central banks and receivables eligible as collateral for central bank refinancing. The liquidity buffer is sufficient to cover the need for short-term funding for known and predictable payment flows and in a liquidity stress scenario.

OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using, for example, the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100%. OP Financial Group's LCR was 193% (199) at the end of the reporting period.

Liquidity buffer's market risk VaR at a confidence level of 95% and a retention period of 10 days

€ million



Liquidity buffer

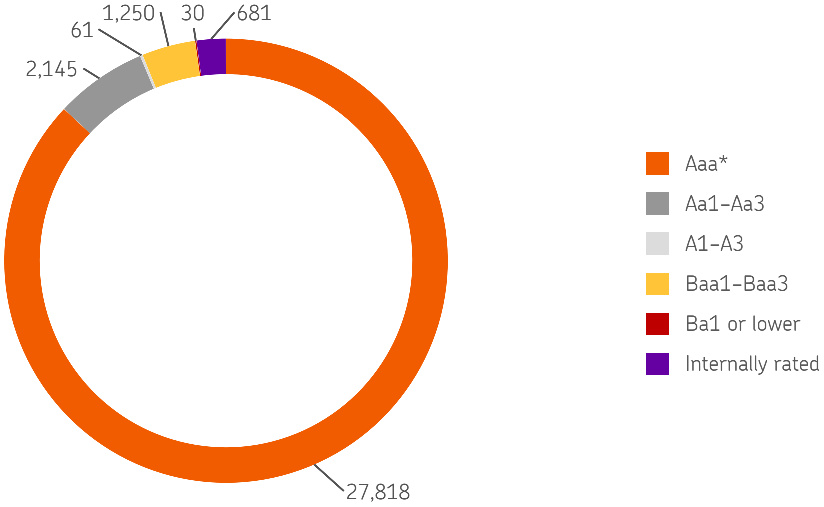
€ billion	31 Dec 2024	31 Dec 2023	Change, %
Deposits with central banks	17.9	19.6	-8.6
Notes and bonds eligible as collateral	12.3	11.8	4.5
Loan receivables eligible as collateral	1.0	1.1	-2.9
Total	31.2	32.4	-3.6
Receivables ineligible as collateral	0.8	0.7	16.2
Liquidity buffer at market value	32.0	33.1	-3.2
Collateral haircut	-0.7	-0.7	-
Liquidity buffer at collateral value	31.2	32.3	-3.4

The liquidity buffer comprises notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, securitised assets and loan receivables eligible as collateral. At the end of the reporting period, the liquidity buffer included bonds with a carrying amount of EUR 1,520 million (629), classified at amortised cost and issued by issuers other than OP Financial Group. The fair value of these bonds amounted to EUR 1,547 million (647). In the Liquidity buffer table, the bonds are measured at fair value.

OP cooperative banks and OP Cooperative with its subsidiaries form a significant customer group for OP Corporate Bank plc acting as OP Financial Group's central financial institution. Exposures of OP Financial Group entities represented 12.6% of OP Corporate Bank's exposures. These exposures decreased by EUR 6.7 billion during the reporting period. All exposures of OP cooperative banks and OP Cooperative are investment-grade exposures.

Financial assets included in the liquidity buffer by credit rating

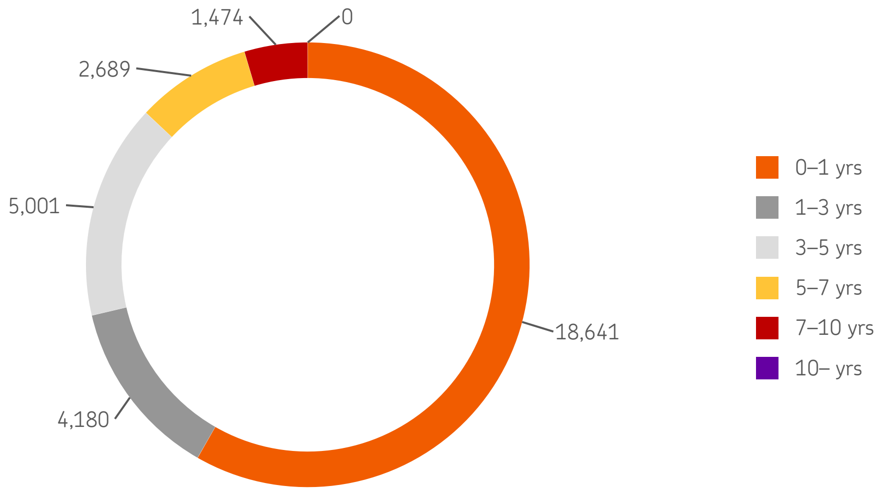
31 December 2024, € million



* incl. Deposits with the central bank

Financial assets included in the liquidity buffer by maturity

31 December 2024, € million



Financial performance by segment

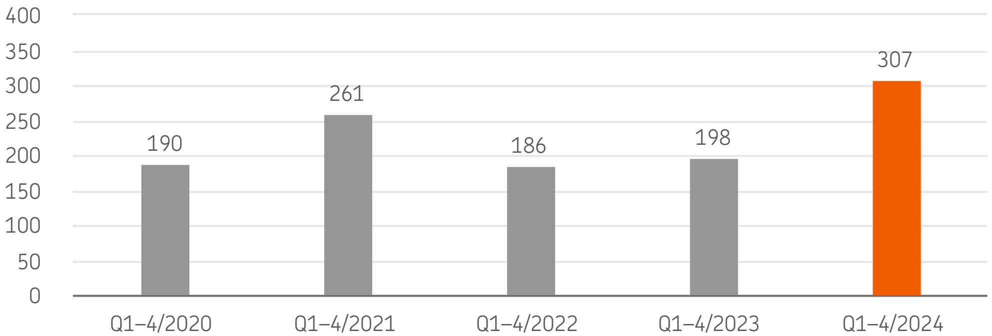
OP Corporate Bank's business segments include Corporate Banking and Capital Markets, Asset and Sales Finance Services and Payment Transfers, as well as the Baltics. Non-business segment operations are presented in the Group Functions segment. OP Corporate Bank plc prepares its segment reporting in compliance with its accounting policies.

Corporate Banking and Capital Markets

- Operating profit increased to EUR 307 million (198).
- Total income increased by 13.0% to EUR 422 million (373). Net interest income grew by 20.6% to EUR 381 million (316). Net commissions and fees increased to EUR 6 million (3). Investment income fell by 41.1% to EUR 29 million (49).
- Total expenses decreased by 8.4% to EUR 120 million (131). Personnel costs rose by 5.8% to EUR 39 million (37). Other operating expenses decreased by 12.8% to EUR 81 million (93).
- The cost/income ratio improved to 28.5% (35.1).
- The loan portfolio grew by 0.2% to EUR 16.7 billion (16.7) year on year.
- Impairment loss on receivables reversed came to EUR 6 million. A year ago, impairment loss on receivables totalled EUR 44 million.
- The most significant development investments focused on upgrading the core banking system.

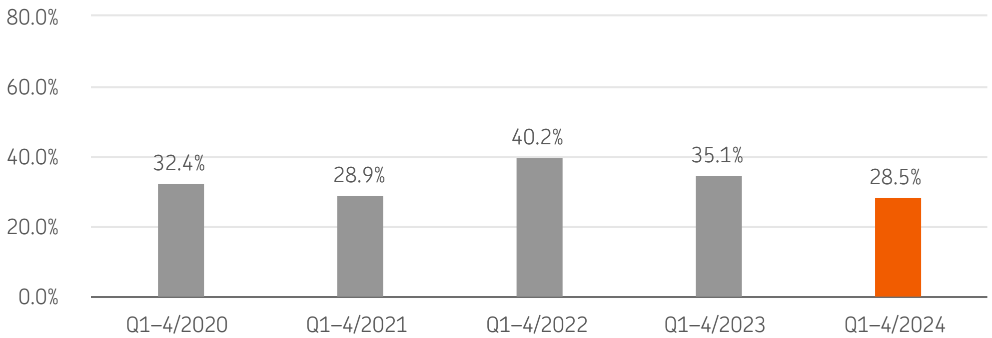
Operating profit

€ million



Cost/income ratio

%



Corporate Banking and Capital Markets segment's key figures and ratios

€ million	Q1–4/2024	Q1–4/2023	Change, %
Net interest income	381	316	20.6
Impairment loss on receivables	6	-44	-112.6
Net commissions and fees	6	3	103.2
Investment income	29	49	-41.1
Other operating income	6	5	11.0
Personnel costs	-39	-37	5.8
Depreciation/amortisation and impairment loss	0	-1	-94.1
Other operating expenses	-81	-93	-12.8
Operating profit	**307**	**198**	**55.2**
Total income	**422**	**373**	**13.0**
Total expenses	**-120**	**-131**	**-8.4**
Cost/income ratio, %	28.5	35.1	-6.6 *
Return on assets (ROA), %	1.16	0.72 **	0.44 *

€ billion	31 Dec 2024	31 Dec 2023	Change, %
Loan portfolio	16.7	16.7	0.2

* Change in ratio, percentage point(s).

** The presentation of interest receivables and liabilities related to derivative contracts was changed in the second quarter of 2024. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

The Corporate Banking and Capital Markets business segment provides corporate and institutional customers with financing and liquidity management services. The services also range from the arrangement of debt issues, equity, foreign exchange, bond, money market and derivative products and structured investment products to investment research. In addition to its own clients, the segment provides capital market products and services to corporate and personal clients through OP cooperative banks.

The loan portfolio grew by 0.2% to EUR 16.7 billion (16.7) year on year. Demand for sustainable financing has remained healthy, and companies have made active use of OP Corporate Bank's expertise in sustainable finance.

Corporate Banking succeeded well as a versatile provider of financing for large companies. It was the lead arranger or arranger of 14 domestic bond issues in January–December, which raised EUR 3.7 billion for companies from the capital markets.

Financial performance for the reporting period

The segment's operating profit amounted to EUR 307 million (198). Total income increased by 13.0%. Total expenses decreased by 8.4%. The cost/income ratio improved to 28.5% (35.1) over the previous year.

Net interest income rose by 20.6% to EUR 381 million (316) as a result of loan margins and inter-segment allocation changes. The segment's loan portfolio grew by 0.2% during the reporting period, amounting to EUR 16.7 billion (16.7).

Impairment loss on receivables reversed came to EUR 6 million. A year ago, impairment loss on receivables totalled EUR 44 million. A year ago, impairment loss on receivables increased as a result of the deteriorated situation in the construction and real estate sectors.

Net commissions and fees increased to EUR 6 million (3). Investment income decreased to EUR 29 million (49). Derivatives used for economic balance sheet hedging, as well as investments recognised at fair value through profit or loss, and liabilities decreased income from investment activities by EUR 23 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 23 million year on year. Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes decreased earnings by EUR 5 million (6).

Total expenses decreased by 8.4% to EUR 120 million (131). Personnel costs rose by 5.8% to EUR 39 million (37). The rise was chiefly affected by headcount growth and pay increases. Other operating expenses decreased by 8.4% to EUR 81 million (93). Charges of financial authorities decreased by EUR 17 million year on year. The Single Resolution Board (SRB) did not collect the EU stability contributions from banks for 2024.

Asset and Sales Finance Services and Payment Transfers

- Operating profit increased to EUR 167 million (126).
- Total income increased by 3.8% to EUR 296 million (285). Net interest income grew by 4.3% to EUR 216 million (207). Net commissions and fees decreased by 4.3% to EUR 61 million (64).
- Total expenses decreased to EUR 119 million (122). The cost/income ratio improved to 40.2% (42.8).
- The loan portfolio grew by 2.2% year on year, amounting to EUR 8.7 billion (8.5). The deposit portfolio grew by 9.9% to EUR 13.8 billion (12.5) year on year.
- Impairment loss on receivables totalled EUR 9 million (37).
- The most significant development investments involved the upgrades of customer relationship management and payment systems.

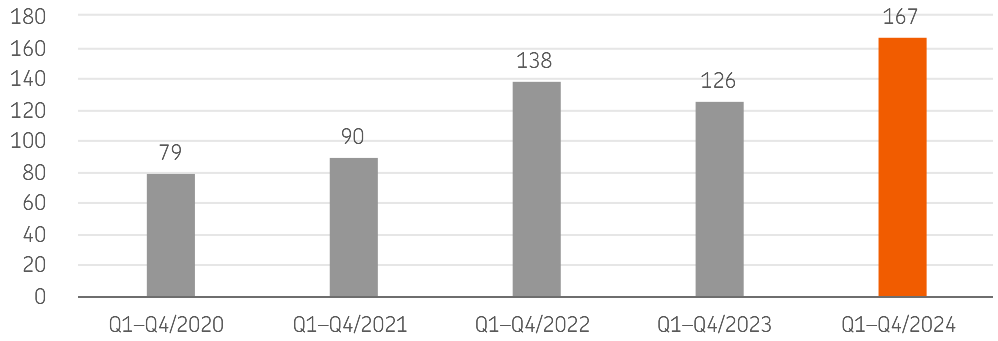
Key figures and ratios

€ million	Q1–4/2024	Q1–4/2023	Change, %
Net interest income	216	207	4.3
Impairment loss on receivables	-9	-37	-74.6
Net commissions and fees	61	64	-4.3
Investment income	0		0.0
Other operating income	19	14	35.0
Personnel costs	-33	-32	3.5
Depreciation/amortisation and impairment loss	-1	-1	-31.1
Other operating expenses	-85	-89	-4.4
Operating profit	**167**	**126**	**33.1**
Total income	**296**	**285**	**3.8**
Total expenses	**-119**	**-122**	**-2.5**
Cost/income ratio, %	40.2	42.8	-2.6*
Return on assets (ROA), %	1.49	1.10	0.39*

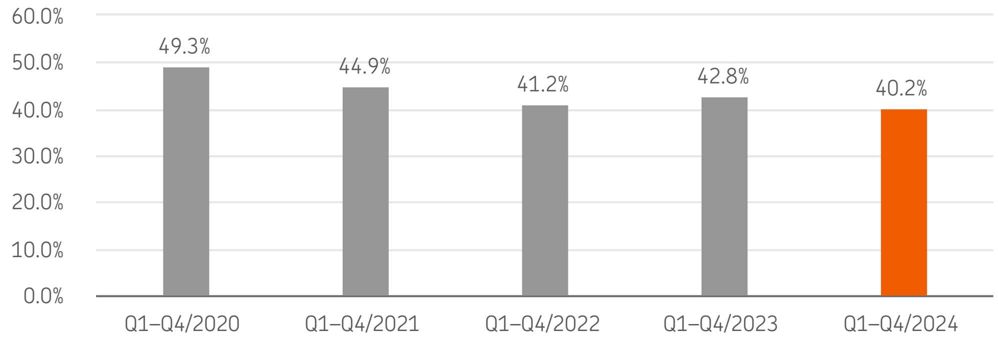
€ billion	31 Dec 2024	31 Dec 2023	Change, %
Loan portfolio	8.7	8.5	2.2
Deposits	13.8	12.5	9.9

* Change in ratio, percentage point(s).

Operating profit
€ million



Cost/income ratio
%



The Asset and Sales Finance Services and Payment Transfers business segment provides consumers and companies with customer financing services, payment and liquidity management services, financing services for foreign trade and leasing and factoring services.

The most significant development investments of the business segment in the first half involved the upgrades of customer relationship management and payment systems.

The loan portfolio grew to EUR 8.7 billion (8.5). The portfolio showed growth especially in car finance. The corporate loan portfolio decreased due to companies' low investment appetite and sluggish international trade.

The deposit portfolio grew by 9.9% to EUR 13.8 billion (12.5) year on year. Corporate Banking gained new payment service customers and expanded its earlier customer relationships in 2024.

During the reporting period, Corporate Banking launched two new products for SME customers of OP cooperative banks: unsecured working capital finance (OP Flexible Capital) and a factoring product for SMEs (OP Factoring).

Financial performance for the reporting period

The segment's operating profit amounted to EUR 167 million (126). Total income increased by 3.8%. Total expenses decreased by 2.5%. The cost/income ratio improved to 40.2 (42.8) over the previous year.

Net interest income rose by 4.3% to EUR 216 million (207) as a result of inter-segment allocation changes. Net commissions and fees totalled EUR 61 million (64). Other operating income totalled EUR 19 million (14). Impairment loss on receivables totalled EUR 9 million (37). A year ago, impairment loss on receivables increased as a result of the deteriorated situation in the construction and real estate sectors.

Total expenses were EUR 119 million (122). Personnel costs rose by 3.5% to EUR 33 million (32). Other operating expenses decreased by 4.4% to EUR 85 million (89). Charges of financial authorities decreased by EUR 9 million year on year. The Single Resolution Board (SRB) did not collect the EU stability contributions from banks for 2024.

Baltics

- Operating profit increased to EUR 39 million (27).
- Total income decreased by 8.4% to EUR 70 million (77). Net interest income decreased by 11.8% to EUR 59 million (67).
- Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables totalled EUR 15 million.
- Total expenses decreased by 0.4% to EUR 35 million (35). The cost/income ratio weakened to 49.1% (45.1).
- The loan portfolio grew by 0.3% to EUR 2.9 billion (2.9) year on year. The deposit portfolio grew by 24.8% to EUR 1.7 billion (1.4).

Key figures and ratios

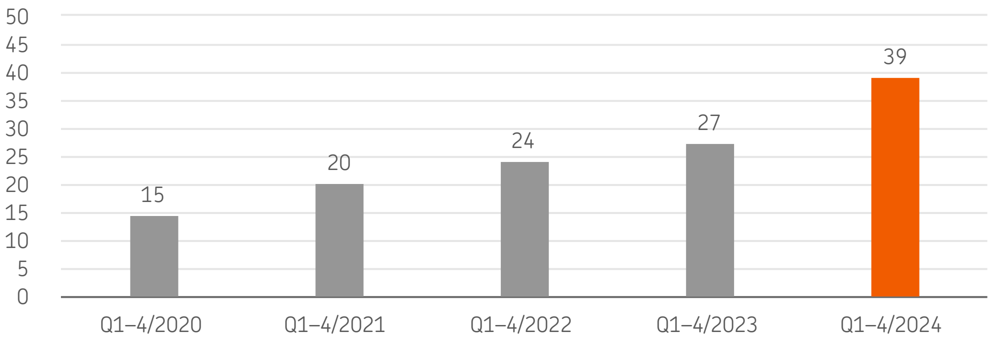
€ million	Q1–4/2024	Q1–4/2023	Change, %
Net interest income	59	67	-11.8
Impairment loss on receivables	3	-15	—
Net commissions and fees	11	10	10.3
Personnel costs	-12	-10	23.6
Depreciation/amortisation and impairment loss	-1	-1	-18.6
Other operating expenses	-22	-24	-9.8
Operating profit	**39**	**27**	**43.5**
Total income	**70**	**77**	**-8.4**
Total expenses	**-35**	**-35**	**-0.4**
Cost/income ratio, %	49.1	45.1	3.9 *
Return on assets (ROA), %	1.09	0.76	0.33 *

€ billion	31 Dec 2024	31 Dec 2023	Change, %
Loan portfolio	2.9	2.9	0.3
Deposits	1.7	1.4	24.8

* Change in ratio, percentage point(s).

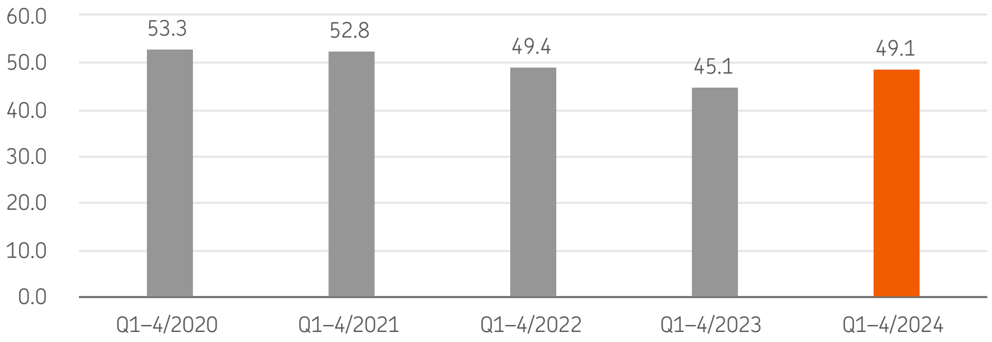
Operating profit

€ million



Cost/income ratio

%



With its local expertise, the Baltics segment provides corporate and institutional customers with financing and liquidity management services and financing services for foreign trade. OP Corporate Bank has branches in Estonia, Latvia and Lithuania.

The segment's loan portfolio grew by 0.3% to EUR 2.9 billion (2.9) year on year. The deposit portfolio grew by 24.8% to EUR 1.7 billion (1.4) year on year.

Financial performance for the reporting period

The segment's operating profit amounted to EUR 39 million (27). Total income decreased by 8.4%. Total expenses decreased by 0.4%. The cost/income ratio decreased to 49.1% (45.1) year on year.

Net interest income decreased to EUR 59 million (67) as a result of inter-segment allocation changes. Net commissions and fees increased to EUR 11 million (10).

Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables totalled EUR 15 million.

Total expenses decreased by 0.4% to EUR 35 million (35). Personnel costs rose by 23.6% to EUR 12 million (10). The rise was chiefly affected by headcount growth and pay increases. Other operating expenses decreased by 9.8% to EUR 22 million (24). Charges of financial authorities decreased by EUR 4 million year on year. The Single Resolution Board (SRB) did not collect the EU stability contributions from banks for 2024.

Group Functions

- Operating loss amounted to EUR 40 million (22).
- Funding position and liquidity remained strong.

Key figures and ratios

€ million	Q1–4/2024	Q1–4/2023	Change, %
Net interest income	-25	-8	224.2
Impairment loss on receivables	-1	0	-279.7
Net commissions and fees	-3	-4	-17.9
Investment income	5	3	93.9
Other operating income	22	23	-2.4
Personnel costs	-6	-5	12.2
Depreciation/amortisation and impairment loss	0	0	-95.8
Other operating expenses	-34	-31	8.8
Operating profit (loss)	**-40**	**-22**	**0.0**
Receivables and liabilities from/to the amalgamation's central cooperative and affiliated credit institutions, net position, € billion*	-15.9	-12.6	26.2

* The presentation of interest receivables and interest liabilities related to loan receivables and financial liabilities was changed in the second quarter of 2024. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Functions supporting OP Financial Group, such as Group Treasury responsible for the management of funding and liquidity of affiliated credit institutions and the central cooperative consolidated, have been centralised in Group Functions. The Group Treasury is also in charge of OP Financial Group's wholesale funding together with OP Mortgage Bank. Operating income derives mainly from net interest income and net investment income. In addition, income, expenses, investments and capital which have not been allocated to the business segments are reported under Group Functions.

Financial performance for the reporting period

The Group Functions segment's operating loss was EUR 40 million (-22).

Net interest income was EUR 25 million (8) in the negative. Net interest income decreased year on year due to inter-segment allocation changes. A year ago, the effect of items related to TLTRO III funding and its hedging amounted to EUR -11 million.

Income from investment activities totalled EUR 5 million (3).

At the end of December, the average margin of senior and senior non-preferred wholesale funding was 51 basis points (45).

In March, OP Corporate Bank issued a senior green bond worth EUR 500 million and in November, a senior bond worth EUR 500 million. During the reporting period, OP Corporate Bank issued long-term bonds worth a total of EUR 1.6 billion (2.2).

At the end of the reporting period, OP Corporate Bank's balance sheet assets included bonds worth EUR 1,520 million (629) classified at amortised cost, issued by issuers other than OP Financial Group. The fair value of these bonds amounted to EUR 1,547 million (647).

On 31 December 2024, investments by the amalgamation's central cooperative and the affiliated credit institutions in OP Corporate Bank were EUR 15.9 (12.6) billion higher than funding borrowed by them from Group Treasury.

OP Financial Group's and OP Corporate Bank's funding position and liquidity are strong.

Other information about OP Corporate Bank

ICT investments

OP Corporate Bank invests in developing its operations and improving the customer experience on an ongoing basis. ICT investments make up a significant portion of the costs of developing these services.

OP Corporate Bank's development costs and production maintenance ICT costs totalled EUR 101 million (93). The development costs include licence fees, purchased services, other external costs related to projects and inhouse work. Development costs totalled EUR 17 million (20). Capitalised development expenditure totalled EUR 3 million (0).

Key development investments by OP Corporate Bank included development work on the core banking system and customer relationship management and payment systems. By introducing a new Group-level customer relationship management system, OP Corporate Bank aims to improve the customer experience and operational quality and efficiency. The upgrade of core payment systems and improvement of digital transaction services will continue.

Personnel

On 31 December 2024, OP Corporate Bank plc had 879 employees (858).

Personnel at period end

	31 Dec 2024	31 Dec 2023
Corporate Banking and Capital Markets	298	288
Asset and Sales Finance Services and Payment Transfers	371	375
Baltics	158	146
Group Functions	52	49
Total	**879**	**858**

In 2024, OP Financial Group's and OP Corporate Bank's variable remuneration consisted of the performance-based bonus scheme covering all personnel, and the personnel fund. Company-specific targets based on the annual plan and the Group-level strategic targets were taken into account in the metrics used in the performance-based bonus scheme and in the personnel fund. In drawing up the remuneration schemes, OP has taken account of the regulations applying to such schemes in the financial sector.

Corporate governance and management

OP Corporate Bank plc's management system is based on business segments. Management of OP Corporate Bank is part of OP Financial Group's management system.

On 2 April 2024, the Annual General Meeting (AGM) of OP Corporate Bank plc re-elected OP Financial Group's President and Group Chief Executive Officer Timo Ritakallio as Chair of OP Corporate Bank's Board of Directors. As other Board members, the AGM elected Uudenmaan Osuuspankki Managing Director Olli Lehtilä, OP Turun Seutu Managing Director Petteri Rinne, OP Financial Group's Chief Financial Officer Mikko Timonen and OP Financial Group's Chief Legal Officer and Group General Counsel Tiia Tuovinen who acted in this position until the end of 2023 and left OP Financial Group at her own request on 30 June 2024. The AGM elected Mikko Vepsäläinen, Managing Director of Pohjois-Savon Osuuspankki, as a new member of the Board of Directors replacing Pasi Sorri, Managing Director of OP Keski-Suomi. By a decision of the shareholders on 19 June 2024, OP Financial Group's Chief People and Culture Officer Hannakaisa Länsisalmi was elected a new Board member, replacing Tiia Tuovinen. The term for Board member Länsisalmi started on 1 July 2024.

The AGM elected PricewaterhouseCoopers Oy, an audit firm, to act as OP Corporate Bank's auditor for the financial year 2024. Lauri Kallaskari, Authorised Public Accountant, acts as the chief auditor appointed by PricewaterhouseCoopers Oy.

Katja Keitaanniemi, Lic.Sc. (Tech.), Executive Vice President of OP Financial Group's Banking Corporate and Institutional Customers, has acted as OP Corporate Bank plc's CEO since 6 August 2018. Jari Jaulimo, LL.M., Trained on the bench, MBA, Head of Transaction Banking, has acted as deputy to the CEO since 1 August 2020.

Proposal by the Board of Directors for profit distribution

As shown in the financial statements of 31 December 2024, the company's distributable funds, which include EUR 372,323,566.01 in profit for the financial year, totalled EUR 3,421,605,085.96. The company's distributable funds totalled EUR 3,752,985,923.02.

The Board of Directors proposes that dividends to be distributed total EUR 112,000,000.00, or EUR 0.35 per share, and that following dividend distribution, the remaining amount of EUR 260,323,566.01 be recognised in the retained earnings account. Following dividend distribution, the company's distributable earnings total EUR 3,309,605,085.96 and its distributable funds total EUR 3,640,985,923.02.

The company's funding position has not undergone any material changes since the end of the financial year 2024. The company's liquidity is good and, in the Board of Directors' view, will not be jeopardised by the proposed distribution of funds.

Events after the reporting period

In January, OP Corporate Bank issued a Tier 2 bond worth EUR 500 million. The Tier 2 bond has a maturity of 10 years but, with the ECB's permission, it can be redeemed 5 years from the value date.

Outlook

Finland's economy contracted in 2024. However, the economy began to recover as the year progressed and preliminary figures suggest that GDP grew in the second half compared to the same period in 2023. Slower inflation and lower interest rates provide a basis for the recovery to continue. Risks associated with the economic outlook are still higher than usual. The escalation of geopolitical crises or a rise in trade barriers may affect capital markets and the economic environment.

A full-year earnings estimate for 2025 will only be provided at Group level, in OP Financial Group's financial statements bulletin and in its interim and half-year financial reports.

The most significant uncertainties affecting OP Corporate Bank's earnings performance relate to developments in the business environment, changes in the interest rate and investment environment, and developments in impairment loss on receivables. In addition, future earnings performance will be affected by the market growth rate and the change in the competitive situation.

Forward-looking statements in this financial statements bulletin expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of developments in the business environment and the financial performance of OP Corporate Bank plc and its various functions, and actual results may differ materially from those expressed in the forward-looking statements.

Formulas for key figures and ratios

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.

Alternative Performance Measures

Key figure or ratio	Formula		Description
Return on equity (ROE), %	Financial performance for the reporting period x (days of financial year/days of reporting period) / Equity (average at beginning and end of period)	x 100	The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period.
Return on assets (ROA), %	Financial performance for the reporting period x (days of financial year/days of reporting period) / Average balance sheet total (average at beginning and end of period)	x 100	The ratio describes how much return is generated on capital tied up on business during the reporting period.
Cost/income ratio, %	Total expenses / Total income	x 100	The ratio describes the ratio of expenses to income. The lower that ratio, the better.
Total income	Net interest income + Net commissions and fees + Investment income + Other operating income		The figure describes the development of all income.
Total expenses	Personnel costs + Depreciation/amortisation and impairment loss + Other operating expenses		The figure describes the development of all expenses.
Investment income	Net interest income from financial assets held for trading + Net investment income		The figure describes the development of all income related to investment.
Loan portfolio	Loans and loss allowance included in the balance sheet item Receivables from customers. The loan portfolio does not include interest not received or valuation items related to derivatives.		Total amount of loans granted to customers.

Ratio of impairment loss on receivables to loan and guarantee portfolio, %	Impairment loss on receivables x (days of financial year/days of reporting period) / Loan and guarantee portfolio at period end	x 100	The ratio describes the ratio of impairment loss on receivables entered in the income statement to the loan and guarantee portfolio. The lower that ratio, the better.
Deposits	Deposits included in balance sheet item Liabilities to customers. Deposits do not include unpaid interest or valuation items related to derivatives.		Total amount of deposits by customers.
Coverage ratio, %	Loss allowance / Balance sheet items involving credit risk + Credit equivalent of off-balance-sheet items	x 100	The ratio describes how much the amount of expected losses covers the amount of the liability.
Default capture rate, %	New defaulted contracts in stage 2 a year ago / New defaulted contracts during the reporting period	x 100	The ratio describes the effectiveness of the SICR model (significant increase in credit risk), in other words how many contracts were in stage 2 before moving to stage 3.

Key indicators based on a separate calculation

Capital adequacy ratio, %	Total own funds / Total risk exposure amount	x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of total capital to the total risk exposure amount.
Tier 1 ratio, %	Tier 1 capital / Total risk exposure amount	x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of Tier 1 capital to the total risk exposure amount.
Common Equity Tier 1 (CET1) capital ratio, %	CET1 capital / Total risk exposure amount	x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of CET1 capital to the total risk exposure amount.
Leverage ratio, %	Tier 1 capital (T1) / Exposure amount	x 100	The ratio describes a credit institution's indebtedness and shows the ratio of Tier 1 capital to the total risk exposure amount.

Liquidity coverage requirement (LCR), %	$\frac{\text{Liquid assets}}{\text{Liquidity outflows – Liquidity inflows under stressed conditions}}$	x 100	The ratio describes short-term funding liquidity risk that requires the bank to have sufficient, high-quality liquid assets to get through an acute 30-day stress scenario.
Net stable funding ratio (NSFR), %	$\frac{\text{Available stable funding}}{\text{Required stable funding}}$	x 100	The ratio describes a long-term liquidity risk that requires the bank to have a sufficient amount of stable funding sources in relation to items requiring stable funding sources. The objective is to secure the sustainable maturity structure of assets and liabilities applying a 12-month time horizon and to restrict excessive resort to short-term wholesale funding.
Non-performing exposures % of exposures	$\frac{\text{Non-performing exposures (gross)}}{\text{Exposures at period end}}$	x 100	The ratio describes the ratio of customers with severe payment difficulties to the entire exposure portfolio. Non-performing exposures refer to receivables that are more than 90 days past due and other receivables classified as risky as well as forborne exposures related to such receivables due to the customer's financial difficulties. Forbearance measures consist of concessions, agreed on the customer's initiative, regarding the original repayment plan to enable the customer to surmount temporary payment difficulties. Non-performing exposures are presented in gross terms; expected credit losses have not been deducted from them.
Ratio of doubtful receivables to exposures, %	$\frac{\text{Doubtful receivables (gross)}}{\text{Exposures at period end}}$	x 100	The ratio describes the ratio of customers with payment difficulties to the entire exposure portfolio. Doubtful receivables refer to receivables that are more than 90 days past due and other receivables classified as risky, as well as forbearance related to such receivables or to performing receivables due to the customer's financial difficulties. Forbearance measures consist of concessions, agreed on the customer's initiative, regarding the original repayment plan to enable the customer to surmount temporary payment difficulties. In addition to non-performing forborne exposures, doubtful receivables include non-performing exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as doubtful receivables. Doubtful receivables are presented in gross terms; expected credit losses have not been deducted from them.

Ratio of performing forborne exposures to exposures, %	Performing forborne exposures (gross) / Exposures at period end	x 100	The ratio describes the ratio of forborne exposures to the entire exposure portfolio. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures.
Ratio of performing forborne exposures to doubtful receivables, %	Performing forborne exposures (gross) / Doubtful receivables at period end	x 100	The ratio describes the ratio of performing forborne exposures to doubtful receivables that include non-performing exposures as well as performing forborne exposures. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures.
Ratio of loss allowance (receivables from customers) to doubtful receivables, %	Loss allowance for receivables from customers in the balance sheet / Doubtful receivables at period end	x 100	The ratio describes the ratio of expected losses to all doubtful receivables. Doubtful receivables include non-performing exposures and performing forborne exposures.
Loan and guarantee portfolio	Loan portfolio + guarantee portfolio		The indicator describes the total amount of loans and guarantees given.
Exposures	Loan and guarantee portfolio + interest receivables + unused standby credit facilities		The sum of the loan and guarantee portfolio, interest receivables and unused standby credit facilities (undrawn loans and limits) is used as the basis for proportioning doubtful receivables and non-performing exposures.
Other exposures	Interest receivables + unused standby credit facilities		In addition to the loan and guarantee portfolio, exposures come from interest receivables and unused standby credit facilities (undrawn loans and limits).

Capital adequacy and solvency

Capital adequacy for credit institutions

Own funds

€ million	31 Dec 2024	31 Dec 2023
OP Corporate Bank plc's equity	4,866	4,597
Fair value reserve, cash flow hedge	0	6
Common Equity Tier 1 (CET1) before deductions	**4,866**	**4,603**
Intangible assets	-3	-1
Excess funding of pension liability and valuation adjustments	-51	-59
Planned profit distribution	-112	-76
Insufficient coverage for non-performing exposures	-43	-37
CET1 capital	**4,658**	**4,430**
Tier 1 capital (T1)	**4,658**	**4,430**
Debenture loans	1,288	1,308
Debentures to which transition rules apply	22	57
General credit risk adjustments	24	22
Tier 2 capital (T2)	**1,334**	**1,387**
Total own funds	**5,992**	**5,816**

Total risk exposure amount

€ million	31 Dec 2024	31 Dec 2023
Credit and counterparty risk	**29,458**	**30,744**
Standardised Approach (SA)	29,458	30,744
Central government and central bank exposure	106	87
Credit institution exposure	524	603
Corporate exposure	22,519	23,701
Retail exposure	3,192	3,060
Mortgage-backed exposure	1,475	1,438
Defaulted exposure	456	638
Items of especially high risk	118	219
Covered bonds	697	608
Collective investment undertakings (CIU)	36	60
Equity investments	3	11
Other	330	317
Risks of the CCP's default fund	1	1
Securitisations	27	50
Market and settlement risk (Standardised Approach)	944	1,006
Operational risk (Standardised Approach)	1,229	1,086
Valuation adjustment (CVA)	210	217
Other risks*	1,075	969
Total risk exposure amount	32,944	34,072

* Risks not otherwise covered.

Ratios

Ratios, %	31 Dec 2024	31 Dec 2023
CET1 capital ratio	14.1	13.0
Tier 1 ratio	14.1	13.0
Capital adequacy ratio	18.2	17.1

Ratios, fully loaded

Ratios, fully loaded, %	31 Dec 2024	31 Dec 2023
CET1 capital ratio	14.1	13.0
Tier 1 ratio	14.1	13.0
Capital adequacy ratio	18.1	16.9

Capital requirement

Capital requirement, € million	31 Dec 2024	31 Dec 2023
Own funds	5,992	5,816
Capital requirement	3,547	3,657
Buffer for capital requirements	2,445	2,159

The capital requirement comprises the minimum requirement of 8%, the capital conservation buffer of 2.5% and the countercyclical capital buffers by country for foreign exposures.

TABLES

Income statement

€ million	Note	Q1–4/2024	Adjusted Q1–4/2023	Q4/2024	Adjusted Q4/2023
Interest income calculated using the effective interest method		3,088	2,839	720	805
Interest expenses		-2,457	-2,257	-555	-645
Net interest income	3	631	582	165	161
Impairment loss on receivables	4	-1	-96	14	-33
Commission income		131	136	36	37
Commission expenses		-57	-63	-15	-16
Net commissions and fees	5	75	73	21	21
Net income from financial assets held for trading	6	34	47	11	-1
Net investment income	7	0	5	0	0
Other operating income		33	31	7	7
Personnel costs		-90	-84	-24	-23
Depreciation/amortisation and impairment loss		-1	-3	0	0
Other operating expenses	8	-207	-226	-57	-61
Operating expenses		-298	-313	-81	-84
Operating profit (loss)		**473**	**329**	**138**	**70**
Earnings before tax		**473**	**329**	**138**	**70**
Income tax		-101	-64	-32	-12
Profit for the period		**372**	**265**	**106**	**58**

In the fourth quarter of 2024, OP Corporate Bank named all interest income reported under 'Net interest income' as 'Interest income calculated using the effective interest method'. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1, Accounting policies and highlights.

Statement of comprehensive income

€ million	Note	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Profit for the period		372	265	106	58
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans		4	2	-1	-1
Changes in own credit risk on liabilities measured at fair value		-7		4	
Items that may be subsequently reclassified to profit or loss					
Change in fair value reserve					
On fair value measurement	11	-39	-67	-52	-35
On cash flow hedging	11	8	24	0	6
Income tax					
On items not reclassified to profit or loss					
On gains/(losses) arising from remeasurement of defined benefit plans		-1	0	0	0
Changes in own credit risk on liabilities measured at fair value		1		-1	
On items that may be subsequently reclassified to profit or loss					
On fair value measurement	11	8	13	10	7
On cash flow hedging	11	-2	-5	0	-1
Other comprehensive income items		-27	-32	-39	-24
Total comprehensive income for the period		345	233	67	34

Balance sheet

€ million	Note	31 Dec 2024	Adjusted 31 Dec 2024	Adjusted 1 Jan 2023
Cash and deposits with central banks	12	18,071	19,710	34,951
Receivables from credit institutions	12	10,753	12,280	13,033
Receivables from customers	12	28,385	28,187	28,559
Derivative contracts	12, 15	3,383	4,445	5,592
Investment assets		14,234	12,823	16,455
Intangible assets		3	1	3
Property, plant and equipment		4	3	5
Other assets		850	664	535
Deferred tax assets		0	31	
Total assets		**75,683**	**78,145**	**99,133**
Liabilities to credit institutions	12	25,049	23,982	41,060
Liabilities to customers	12	19,387	17,254	19,098
Derivative contracts	12, 15	3,150	4,179	5,517
Debt securities issued to the public	9	19,326	24,062	25,311
Provisions and other liabilities		2,142	2,321	2,084
Income tax liabilities		23	4	10
Deferred tax liabilities		295	332	306
Subordinated liabilities		1,444	1,414	1,384
Total liabilities		**70,817**	**73,548**	**94,769**
Equity capital				
Share capital		428	428	428
Fair value reserve	10	-88	-63	-29
Other reserves		1,019	1,019	1,019
Retained earnings		3,507	3,213	2,947
Total equity		**4,866**	**4,597**	**4,364**
Total liabilities and equity		**75,683**	**78,145**	**99,133**

OP Corporate Bank plc changed the official balance sheet format of the financial statements during the second quarter of 2024. The new balance sheet format describes the company's operations better. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Statement of changes in equity

€ million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Equity capital 1 January 2023	428	-29	1,019	2,947	4,364
Total comprehensive income for the period		-34		266	233
Profit for the period				265	265
Other comprehensive income items		-34		1	-32
Other				0	0
Equity capital 31 December 2023	428	-63	1,019	3,213	4,597

€ million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Equity capital 1 January 2024	428	-63	1,019	3,213	4,597
Total comprehensive income for the period		-25		370	345
Profit for the period				372	372
Other comprehensive income items		-25		-2	-27
Profit distribution				-76	-76
Other				0	0
Equity capital 31 December 2024	428	-88	1,019	3,507	4,866

Cash flow statement

€ million	Q1–4/2024	Adjusted Q1–4/2023
Cash flow from operating activities		
Profit for the period	372	265
Adjustments to profit for the period	512	307
Increase (-) or decrease (+) in operating assets	**605**	**4,998**
Receivables from credit institutions	1,494	464
Receivables from customers	-151	81
Derivative contracts, assets	639	-66
Investment assets	-1,191	4,235
Other assets	-186	284
Increase (+) or decrease (–) in operating liabilities	**2,186**	**-18,941**
Liabilities to credit institutions	900	-17,381
Liabilities to customers	2,133	-1,767
Derivative contracts, liabilities	-809	59
Provisions and other liabilities	-38	148
Income tax paid	-81	-67
Dividends received	2	2
A. Net cash from operating activities	**3,596**	**-13,435**
Cash flow from investing activities		
Purchase of PPE and intangible assets	-10	-6
Proceeds from sale of PPE and intangible assets	7	6
B. Net cash used in investing activities	**-3**	**0**
Cash flow from financing activities		
Subordinated liabilities, change	1	-5
Debt securities issued to the public, change	-5,179	-2,015
Dividends paid	-76	
Lease liabilities	-1	-1
C. Net cash used in financing activities	**-5,254**	**-2,020**
Net change in cash and cash equivalents (A+B+C)	**-1,661**	**-15,455**

€ million	Q1–4/2024	Adjusted Q1–4/2023
Cash and cash equivalents at period start	19,894	35,395
Effect of foreign exchange rate changes	-11	-45
Cash and cash equivalents at period end	18,222	19,894
Interest received	6,085	5,795
Interest paid	-5,296	-5,357
Cash and cash equivalents		
Cash and deposits with central banks	18,071	19,710
Receivables from credit institutions payable on demand	151	184
Total	18,222	19,894

Notes

Note 1. Accounting policies and highlights

The Financial Statements Bulletin has been prepared in accordance with IAS 34 Interim Financial Reporting and with the accounting policies presented in the Financial Statements 2023. The changes in accounting policies and presentation for 2024 are described in a separate section below.

The Financial Statements Bulletin is based on unaudited figures. Given that all figures in the Financial Statements Bulletin have been rounded off, the sum of single figures may differ from the presented sum total.

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

Critical accounting judgements

The preparation of the Financial Statements Bulletin requires making estimates and assumptions about the future, and the actual results may differ from these estimates and assumptions. It also requires the management to exercise its judgement in the process of applying the accounting policies. In preparing the Financial Statements Bulletin, management judgement has been used especially in the calculation of expected credit losses.

Expected credit losses

The determination of the measurement models for expected credit losses (ECL) involves management judgement. The actual measurement of ECL figures is performed using the ECL models based on the use of observable input data, except if it is mainly the question of a large corporate exposure in stage 2 or 3 and on the watch list, in which case the ECL is calculated using the cash flow based ECL method based on expert judgement. Management judgement is involved in expert judgements concerning, for example, the amount and timing of future cash flows and the value of collateral.

Management overlay includes either additional provisions made directly to the amount of ECL or estimates included in PD or LGD risk parameters (so-called post-model adjustments). These are intended only for temporary use until an unpredictable event caused by the overlay provision or circumstance could have been taken into account in the ECL models. Management judgment and estimates included in the calculation of expected credit losses, other than those presented above, are included in the 2023 financial statements. Note 4 to the Financial Statements Bulletin, Impairment loss on receivables, describes management judgement made in the preparation of the Financial Statements Bulletin.

Changes in accounting policies and presentation

Change to presentation of balance sheet and income statement format

OP Corporate Bank changed the official income statement and balance sheet format of the financial statements during the second quarter of 2024. OP Corporate Bank's new income statement and balance sheet format describes the company's operations better. The changes were made retrospectively for 2023. The retrospective changes for 2023 are presented in Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation, excluding the changes described below.

In the fourth quarter of 2024, OP Corporate Bank named all interest income reported under 'Net interest income' as 'Interest income calculated using the effective interest method'. All net interest income and net interest expenses from the derivatives hedging the interest rate risk of the receivables, whose interest income is presented under 'Interest income calculated using the effective interest method' and to which hedge accounting is applied, are also presented under 'Interest income calculated using the effective interest method'. All net interest income and net interest expenses from the derivatives hedging financial liabilities, whose interest expenses are presented under 'Interest expenses', are also presented under 'Interest expenses'. Interest income from derivatives have been transferred from 'Other interest income' to 'Interest income calculated using the effective interest method' as described above. The line 'Other interest income' is therefore no longer included in the income statement. The change was made retrospectively for 2023. For 2023, other interest income transferred to 'Interest income calculated using the effective interest method' totalled EUR 525 million (EUR 108 million for Q1/2023, EUR 122 million for Q2/2023, EUR 142 million for Q3/2023 and EUR 151 million for Q4/2023). For 2024, other interest income retrospectively transferred to 'Interest income calculated using the effective interest method' totalled EUR 148 million for Q1/2024, EUR 154 million for Q2/2024 and EUR 154 million for Q3/2024.

Highlights of the reporting period

OP Corporate Bank joined the Euribor Panel

OP Corporate Bank plc became a member of the Panel, which contributes to the setting of the Euribor. At the moment, the Panel consists of 19 major banks from around Europe. OP Corporate Bank will add a new element to the Panel, which currently includes no other Nordic banks. The Euribor is administered by the European Money Markets Institute (EMMI), which is in charge of the calculation principles and publication of reference rates.

OP Corporate Bank ranked as Finland's best corporate bank

Large Finnish corporations ranked OP Corporate Bank as Finland's best corporate bank, in the Prospera survey by Kantar published at the end of the year. The Prospera survey provides insight into what large corporations want from banks. OP Corporate Bank is the only player in the market to come at least second in all of the last seven years.

OP Corporate Bank plc issued a new green bond

OP Corporate Bank plc issued a floating rate senior green bond worth EUR 500 million in accordance with its updated Green Bond Framework. The bond with a maturity of three years is targeted at international institutional investors. The bond's interest is tied to the 3-month Euribor. The green bond will support the green transition, and proceeds raised with it will be allocated to sustainable corporate finance. Eligible sectors to be funded through the bond include, for example, renewable energy, green buildings and environmentally sustainable management of living natural resources and land use. The bond was issued on 28 March 2024.

Change in OP Corporate Bank plc Board of Directors

Hannakaisa Länsisalmi, Chief People and Culture Officer of OP Financial Group, started as a member of OP Corporate Bank plc's Board of Directors on 1 July 2024. Länsisalmi replaces Tiia Tuovinen, who left OP Financial Group on 30 June 2024 at her own request. As a result of Länsisalmi's appointment, OP Corporate Bank plc's Board composition has been as follows since 1 July 2024: Timo Ritakallio (Chair), Mikko Timonen, Olli Lehtilä, Petteri Rinne, Mikko Vepsäläinen and Hannakaisa Länsisalmi.

Note 2. Segment reporting

Segment information

Q1–4 earnings 2024, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Interest income calculated using the effective interest method	1,123	905	217	2,780	-1,938	3,088
Interest expenses	-742	-689	-158	-2,805	1,938	-2,457
Net interest income	381	216	59	-25		631
of which inter-segment items	-510	185	-45	370		
Impairment loss on receivables	6	-9	3	-1		-1
Commission income	54	67	11	0		131
Commission expenses	-48	-6	0	-3		-57
Net commissions and fees	6	61	11	-3		75
Net income from financial assets held for trading	28	0	0	6		34
Net investment income	0			0		0
Other operating income	6	19	1	22	-15	33
Personnel costs	-39	-33	-12	-6		-90
Depreciation/amortisation and impairment loss	0	-1	-1	0		-1
Other operating expenses	-81	-85	-22	-34	15	-207
Operating expenses	-120	-119	-35	-40	15	-298
Operating profit (loss)	**307**	**167**	**39**	**-40**		**473**
Earnings before tax	**307**	**167**	**39**	**-40**		**473**

Adjusted

Q1–4 earnings 2023, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Interest income calculated using the effective interest method	913	692	184	2,593	-1,543	2,839
Interest expenses	-597	-485	-118	-2,600	1,543	-2,257
Net interest income	316	207	67	-8		582
of which inter-segment items	-455	116	-47	387		0
Impairment loss on receivables	-44	-37	-15	0		-96
Commission income	55	71	10	0		136
Commission expenses	-52	-7	0	-4		-63
Net commissions and fees	3	64	10	-4		73
Net income from financial assets held for trading	49		0	-2		47
Net investment income	0			5		5
Other operating income	5	14	0	23	-12	31
Personnel costs	-37	-32	-10	-5		-84
Depreciation/amortisation and impairment loss	-1	-1	-1	0		-3
Other operating expenses	-93	-89	-24	-31	12	-226
Operating expenses	-131	-122	-35	-37	12	-313
Operating profit (loss)	**198**	**126**	**27**	**-22**		**329**
Earnings before tax	**198**	**126**	**27**	**-22**		**329**

Balance sheet 31 December 2024, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Total
Cash and deposits with central banks		168	19	17,883	**18,071**
Receivables from credit institutions		148	1	10,604	**10,753**
Receivables from customers	16,821	8,712	2,866	-13	**28,385**
Derivative contracts	3,276			108	**3,383**
Investment assets	515			13,719	**14,234**
Intangible assets	1		0	2	**3**
Property, plant and equipment	0	1	2	1	**4**
Other assets	28	47	12	762	**850**
Total assets	**20,641**	**9,077**	**2,900**	**43,065**	**75,683**
Liabilities to credit institutions	0	32	0	25,017	**25,049**
Liabilities to customers	74	13,497	1,696	4,120	**19,387**
Derivative contracts	3,009			140	**3,150**
Debt securities issued to the public	2,160			17,167	**19,326**
Provisions and other liabilities	23	850	28	1,241	**2,142**
Income tax liabilities			2	21	**23**
Deferred tax liabilities				295	**295**
Subordinated liabilities				1,444	**1,444**
Total liabilities	**5,266**	**14,379**	**1,727**	**49,446**	**70,817**
Equity capital					**4,866**

Adjusted

Balance sheet 31 December 2023, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Total
Cash and deposits with central banks	0	115	10	19,585	**19,710**
Receivables from credit institutions		209	0	12,070	**12,280**
Receivables from customers	16,726	8,528	2,886	47	**28,187**
Derivative contracts	4,366			79	**4,445**
Investment assets	559			12,264	**12,823**
Intangible assets		1	0	0	**1**
Property, plant and equipment	0	1	2	1	**3**
Other assets	94	50	0	520	**664**
Deferred tax assets	1	0		31	**31**
Total assets	**21,747**	**8,903**	**2,898**	**44,597**	**78,145**
Liabilities to credit institutions	0	10	0	23,972	**23,982**
Liabilities to customers	103	12,256	1,293	3,602	**17,254**
Derivative contracts	3,928			251	**4,179**
Debt securities issued to the public	2,466			21,597	**24,062**
Provisions and other liabilities	72	834	202	1,214	**2,321**
Income tax liabilities			3	1	**4**
Deferred tax liabilities				332	**332**
Subordinated liabilities				1,414	**1,414**
Total liabilities	**6,569**	**13,100**	**1,498**	**52,382**	**73,548**
Equity capital					**4,597**

Note 3. Net interest income

€ million	Q1–4/2024	Adjusted Q1–4/2023	Q4/2024	Adjusted Q4/2023
Interest income				
Interest income calculated using the effective interest method				
Interest income on receivables from credit institutions	1,031	1,010	237	286
Interest income on loans to customers	1,299	1,131	311	336
Interest income on finance lease receivables	112	95	28	28
Interest income on notes and bonds measured at amortised cost	56	68	15	7
Interest income on notes and bonds measured at fair value through other comprehensive income	165	131	44	38
Interest income on derivative contracts, fair value hedges	30	-255	-25	-416
Interest income on derivative contracts, cash flow hedges	61	-17	64	-6
Other interest income on derivative contracts	0			
Interest income on loans to customers, fair value adjustments in hedge accounting	30	56	7	26
Interest income on notes and bonds, fair value adjustments in hedge accounting	247	551	30	493
Other interest income	56	69	9	14
Total	3,088	2,839	720	805

€ million	Q1–4/2024	Adjusted Q1–4/2023	Q4/2024	Adjusted Q4/2023
Interest expenses				
Liabilities to credit institutions				
Interest expenses for deposits to credit institutions	-752	-698	-181	-185
Interest expenses for liabilities to credit institutions	0	0	0	0
Interest expenses for liabilities to central banks		-77		
Interest expenses for liabilities to credit institutions, fair value adjustments in hedge accounting	-167	-363	-30	-303
Liabilities to customers				
Interest expenses for deposits to customers	-461	-295	-111	-101
Interest expenses for other liabilities to customers	-81	-77	-18	-24
Debt securities issued to the public				
Interest expenses on debt securities issued to the public	-489	-528	-112	-150
Interest expenses on debt securities issued to the public, fair value adjustments in hedge accounting	-222	-455	-27	-380
Subordinated liabilities				
Interest expenses for perpetual and debenture loans	-38	-37	-9	-10
Interest expenses for subordinated liabilities, fair value adjustments in hedge accounting	-30	-35	-8	-21
Derivative contracts				
Interest expenses for derivative contracts, fair value hedges	-163	331	-52	542
Interest expenses for derivative contracts, cash flow hedges	24	71	6	15
Interest expenses for other derivative contracts	-1	-9	0	-1
Receivables from credit institutions				
Negative interest	0	-2	0	0
Other interest expenses	-76	-84	-13	-26
Total	**-2,457**	**-2,257**	**-555**	**-645**

Total net interest income	**631**	**582**	**165**	**161**

Note 4. Impairment losses on receivables

€ million	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Receivables written down as loan and guarantee losses	-29	-42	-24	-23
Recoveries of receivables written down	1	1	0	0
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	29	-55	39	-10
Expected credit losses (ECL) on notes and bonds	-2	0	-1	0
Total impairment loss on receivables	**-1**	**-96**	**14**	**-33**

Credit risk exposures and related loss allowance

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage 31 December 2024

The tables below describe exposures that fall within the scope of ECL accounting. The off-balance-sheet exposure was adjusted using the credit conversion factor (CCF).

Exposures within the scope of accounting for expected credit losses by impairment stage 31 December 2024

31 December 2024, € million	Stage 1	Stage 2 Not more than 30 DPD	Stage 2 More than 30 DPD	Stage 2 Total	Stage 3	Total exposure
Receivables from customers (gross)						
Corporate Banking	25,463	2,536	289	2,825	556	28,844
Total receivables from customers	25,463	2,536	289	2,825	556	28,844
Off-balance-sheet limits						
Corporate Banking	3,542	54	0	55	10	3,607
Total limits	3,542	54	0	55	10	3,607
Other off-balance-sheet commitments						
Corporate Banking	2,638	134		134	32	2,804
Total other off-balance-sheet commitments	2,638	134		134	32	2,804
Notes and bonds						
Group Functions	13,710	124		124	3	13,837
Total notes and bonds	13,710	124		124	3	13,837
Total exposures within the scope of accounting for expected credit losses	45,353	2,848	290	3,138	601	49,092

Loss allowance by impairment stage

On-balance-sheet exposures and related off-balance-sheet limits*	Stage 1	Stage 2			Stage 3	
31 December 2024, € million		Not more than 30 DPD	More than 30 DPD	Total		Total loss allowance
Receivables from customers						
Corporate Banking	-37	-66	-6	-72	-148	-257
Total receivables from customers	-37	-66	-6	-72	-148	-257
Off-balance-sheet commitments**						
Corporate Banking	-3	-16		-16	-20	-38
Total off-balance-sheet commitments	-3	-16		-16	-20	-38
Notes and bonds***						
Group Functions	-1	-1		-1	-2	-4
Total notes and bonds	-1	-1		-1	-2	-4
Total	-40	-83	-6	-89	-170	-300

* Loss allowance is recognised as one component to deduct the balance sheet item.

** Loss allowance is recognised in provisions and other liabilities in the balance sheet.

*** Loss allowance is recognised in the fair value reserve in other comprehensive income.

The table below shows a summary of loss allowance relative to the exposure amount by impairment stage. The coverage ratio describes the ratio of loss allowance to exposure amount.

Summary and key indicators 31 December 2024	Stage 1	Stage 2			Stage 3	
€ million		Not more than 30 DPD	More than 30 DPD	Total		Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Corporate Banking	31,643	2,724	290	3,014	598	35,255
Loss allowance						
Corporate Banking	-39	-82	-6	-88	-168	-296
Coverage ratio, %						
Corporate Banking	-0.12	-3.00	-2.18	-2.92	-28.12	-0.84
Receivables from customers; total on-balance-sheet and off-balance-sheet items	31,643	2,724	290	3,014	598	35,255
Total loss allowance	-39	-82	-6	-88	-168	-296
Total coverage ratio, %	-0.12	-3.00	-2.18	-2.92	-28.12	-0.84
Carrying amount, notes and bonds						
Group Functions	13,710	124		124	3	13,837
Loss allowance						
Group Functions	-1	-1		-1	-2	-4
Coverage ratio, %						
Group Functions	-0.01	-1.03		-1.03	-62.00	-0.03
Total notes and bonds	13,710	124		124	3	13,837
Total loss allowance	-1	-1		-1	-2	-4
Total coverage ratio, %	-0.01	-1.03		-1.03	-62.00	-0.03

The table below shows the change in exposures within the scope of ECL calculation by impairment stage, resulting from the effect of the following factors:

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2024	31,581	3,603	761	35,945
Transfers from Stage 1 to Stage 2, incl. repayments	-1,318	1,216		-102
Transfers from Stage 1 to Stage 3, incl. repayments	-65		51	-14
Transfers from Stage 2 to Stage 1, incl. repayments	728	-750		-22
Transfers from Stage 2 to Stage 3, incl. repayments		-98	79	-19
Transfers from Stage 3 to Stage 1, incl. repayments	16		-17	-1
Transfers from Stage 3 to Stage 2, incl. repayments		22	-28	-5
Increases due to origination and acquisition	7,041	221	93	7,355
Decreases due to derecognition	-5,233	-1,085	-287	-6,605
Unchanged Stage, incl. repayments	-1,107	-115	-9	-1,231
Recognised as final credit loss	0	0	-44	-45
Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2024	31,643	3,014	598	35,255

The table below shows the change in loss allowance by impairment stage:

Receivables from customers and off-balance-sheet items, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2024	35	94	196	325
Transfers from Stage 1 to Stage 2	-2	6		4
Transfers from Stage 1 to Stage 3	0		9	9
Transfers from Stage 2 to Stage 1	2	-14		-11
Transfers from Stage 2 to Stage 3		-6	18	12
Transfers from Stage 3 to Stage 1	0		-4	-4
Transfers from Stage 3 to Stage 2		3	-5	-2
Increases due to origination and acquisition	9	9	30	47
Decreases due to derecognition	-6	-20	-55	-81
Changes in risk parameters (net)	1	16	2	19
Decrease in allowance account due to write-offs	0	0	-22	-22
Net change in expected credit losses	4	-6	-28	-30
Loss allowance 31 December 2024	39	88	168	296

Assumptions used for calculating management overlays

In Q4/2022, based on an analysis by OP Corporate Bank, a management overlay of EUR 2.5 million was made for the construction industry. The analysis was updated in Q2/2023 due to further deterioration in the industry's outlook. The analysis was made as a stress test using the baseline scenario (weight of 60%) and the downside scenario (weight of 40%) with the assumption that net sales decrease by 20%/35%, profitability weakens by 20%/40%, equity ratio decreases by 10%/20%, interest rates stand at 4%/6% and the prices of new homes have fallen by 15%/30%. Based on the update, the overlay was increased by EUR 3.6 million to EUR 6.1 million. The overlay was updated in Q4/2023 by stressing rating grades under different scenarios. In addition, the overlay was extended to cover small construction companies. With the weak outlook for the construction industry expected to continue until 2025, the overlay was increased by EUR 3.2 million to EUR 9.3 million. In addition, exposures had been transferred for expert assessment. The overlay was reduced by EUR 4.7 million earlier in 2024 and, in Q4/2024, the remaining EUR 4.6 million was reversed because the number of construction projects with a low percentage of completion and the amount of exposures had decreased. In addition, exposures had been transferred for expert assessment.

In Q2/2023, a management overlay of EUR 6.3 million was made for the real estate sector, due to the sector's weaker outlook. The analysis was made as a stress test using the baseline scenario (weight of 70%) and the downside scenario (weight of 30%) with the assumptions that net sales increase by 3%/0%, profitability weakens by 5%/10%, equity ratio decreases by 10%/20% and interest rates stand at 4%/6%. The overlay was updated in Q4/2023 and it was reversed by EUR 4.7 million to EUR 1.4 million because a rise in the inflation rate and the interest rates has largely been realised and credit ratings have been updated. The remaining EUR 1.4 million of the overlay was reversed in Q2/2024 for the same reason.

OP Corporate Bank has assessed the impact of a rise in the Euribor rates on the credit risk associated with personal customers. This was done as a stress test which measured households' cash flows as a basis for assessing potential customers with impaired repayment capacity. Based on the analysis, a management overlay of EUR 0.7 million was made in Q3/2023. The stress test of the personal customer overlay was updated with new assumptions in Q4/2023: that the interest rate will fall slowly, the unemployment rate will rise to 8%, and home prices will further decrease by 2%. In Q3/2024, the overlay was updated with the assumptions that the 12-month Euribor is 2.53% and the unemployment rate is 7.98% in Q3/2025, and that home prices remain unchanged between Q3/2024 and Q3/2025. The overlay was updated in Q3/2024 and it increased by EUR 0.2 million. The overlay of EUR 1.1 million was fully reversed in Q4/2024 because the events it covered originally have already realised.

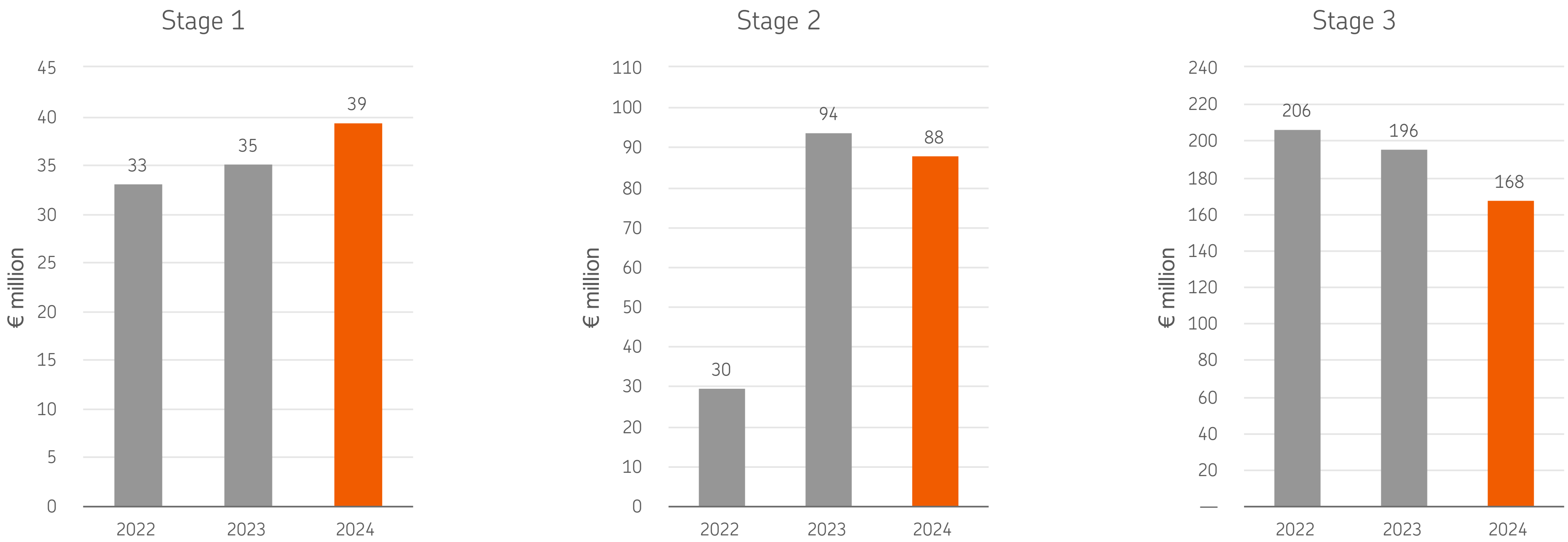
In Q2/2024, OP Corporate Bank made a new management overlay of EUR 5.1 million for the improvement of processes related to the early warning system (EWS) and identification of groups of connected clients, to be implemented in 2024–2025. The overlay was kept unchanged in Q4/2024.

In Q3/2024, OP Corporate Bank made a new management overlay of EUR 2.2 million for recognising the higher credit risk of bullet and balloon loans in ECL calculation. It was updated to EUR 2.4 million in Q4/2024. In addition, in Q4/2024, a parameter-specific management overlay of EUR 3.2 million was made to account for the increase in non-performing exposures in recent years and the higher probability of default observed as a result. Another management overlay of EUR 4.0 million was also made in Q4/2024 to address climate and environmental risks. These overlays are intended to be reversed during 2025 when the new post-model adjustments at the parameter level are adopted.

The table below shows the loss allowance before the management overlays, the management overlays described above, and the reported total loss allowance on 31 December 2024.

Loss allowance 31 December 2024, € million	OP Corporate Bank
Loss allowance before management overlays	279
Management overlays	
Bullet and balloon loans	2
Improvement to the identification processes for EWS and connected clients	5
Climate and environmental risks	1
Increase in non-performing exposures and higher probability of default	8
Total management overlays	17
Total reported loss allowance	296

The following graphs illustrate the trend in the expected credit losses of customer receivables by impairment stage during the last few years. The decline shown in the Stage 3 graph is due to the recognition of final credit losses and the repayment of Stage 3 exposures.



The macroeconomic factors used for ECL measurement are updated quarterly. The ECL is calculated as a weighted average of three scenarios. Scenario weights have been applied at the normal level: downside 20%, baseline 60% and upside 20%. The macroeconomic forecast update in Q4/2024 increased expected credit losses slightly.

The following tables illustrate two of the macroeconomic forecasts used in the models: GDP and the unemployment rate.

GDP growth, %	Q4/2024	Q4/2025	Q4/2026	Q4/2027	Q4/2028
Baseline	-0.5	2.0	1.3	1.3	1.3
Upside	-0.5	3.9	2.8	2.8	2.7
Downside	-0.5	-0.3	-0.5	-0.5	-0.5

Unemployment, %	Q4/2024	Q4/2025	Q4/2026	Q4/2027	Q4/2028
Baseline	8.2	7.9	7.6	7.1	6.7
Upside	8.2	7.7	7.2	6.6	6.1
Downside	8.2	8.1	8.2	8.0	7.9

Notes and bonds, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2024	1	1	1	2
Transfers from Stage 1 to Stage 2	0	1		1
Increases due to origination and acquisition	0	0	2	2
Decreases due to derecognition	0	0	-1	-1
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	0	1	1	2
Loss allowance 31 December 2024	1	1	2	4

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage 31 December 2023

Exposures	Stage 1	Stage 2			Stage 3	
31 December 2023, € million		Not more than 30 DPD	More than 30 DPD	Total		Total exposure
Receivables from customers (gross)						
Corporate Banking	25,988	3,064	150	3,214	707	29,909
Total receivables from customers	25,988	3,064	150	3,214	707	29,909
Off-balance-sheet limits						
Corporate Banking	2,960	173	0	173	8	3,141
Total limits	2,960	173	0	173	8	3,141
Other off-balance-sheet commitments						
Corporate Banking	2,632	216		216	46	2,895
Total other off-balance-sheet commitments	2,632	216		216	46	2,895
Notes and bonds						
Group Functions	12,737	69		69	3	12,809
Total notes and bonds	12,737	69		69	3	12,809
Total exposures within the scope of accounting for expected credit losses	44,318	3,522	150	3,672	764	48,754

Loss allowance by impairment stage 31 December 2023

On-balance-sheet exposures and related off-balance-sheet limits*	Stage 1	Stage 2			Stage 3	
31 December 2023, € million		Not more than 30 DPD	More than 30 DPD	Total		Total loss allowance
Receivables from customers						
Corporate Banking	-33	-76	-7	-83	-173	-288
Total receivables from customers	-33	-76	-7	-83	-173	-288
Off-balance-sheet commitments**						
Corporate Banking	-3	-11		-11	-23	-37
Total off-balance-sheet commitments	-3	-11		-11	-23	-37
Notes and bonds***						
Group Functions	-1	-1		-1	-1	-2
Total notes and bonds	-1	-1		-1	-1	-2
Total	-36	-88	-7	-94	-197	-328

* Loss allowance is recognised as one component to deduct the balance sheet item.

** Loss allowance is recognised in provisions and other liabilities in the balance sheet.

*** Loss allowance is recognised in the fair value reserve in other comprehensive income.

The table below shows a summary of loss allowance relative to the exposure amount by impairment stage. The coverage ratio describes the ratio of loss allowance to exposure amount.

Summary and key indicators 31 December 2023	Stage 1	Stage 2			Stage 3	
€ million		Not more than 30 DPD	More than 30 DPD	Total		Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Corporate Banking	31,581	3,453	150	3,603	761	35,945
Loss allowance						
Corporate Banking	-35	-87	-7	-94	-196	-325
Coverage ratio, %						
Corporate Banking	-0.11	-2.52	-4.54	-2.60	-25.78	-0.90
Receivables from customers: total on-balance-sheet and off-balance-sheet items	31,581	3,453	150	3,603	761	35,945
Total loss allowance	-35	-87	-7	-94	-196	-325
Total coverage ratio, %	-0.11%	-2.52%	-4.54%	-2.60%	-25.78%	-0.90%
Carrying amount, notes and bonds						
Group Functions	12,737	69		69		12,809
Loss allowance						
Group Functions	-1	-1		-1	-1	-2
Coverage ratio, %						
Group Functions	-0.01	-0.93		-0.93		-0.02
Total notes and bonds	12,737	69		69		12,809
Total loss allowance	-1	-1		-1	-1	-2
Total coverage ratio, %	-0.01	-0.93		-0.93		-0.02

The table below shows the change in exposures within the scope of ECL calculation by impairment stage, resulting from the effect of the following factors:

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2023	**32,468**	**2,934**	**491**	**35,892**
Transfers from Stage 1 to Stage 2, incl. repayments	-1,873	1,713		**-161**
Transfers from Stage 1 to Stage 3, incl. repayments	-315		317	**2**
Transfers from Stage 2 to Stage 1, incl. repayments	1,115	-1,040		**74**
Transfers from Stage 2 to Stage 3, incl. repayments		-123	98	**-25**
Transfers from Stage 3 to Stage 1, incl. repayments	13		-21	**-8**
Transfers from Stage 3 to Stage 2, incl. repayments		39	-51	**-12**
Increases due to origination and acquisition	6,371	450	58	**6,878**
Decreases due to derecognition	-5,040	-332	-92	**-5,464**
Unchanged Stage, incl. repayments	-1,156	-37	23	**-1,170**
Recognised as final credit loss			-61	**-61**
Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2023	**31,581**	**3,603**	**761**	**35,945**

Transfers from Stage 1 to Stage 2 include a management overlay increase of EUR 201 million.

The table below shows the change in loss allowance by impairment stage during 2023.

Receivables from customers and off-balance-sheet items, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2023	33	30	206	269
Transfers from Stage 1 to Stage 2	-5	39		34
Transfers from Stage 1 to Stage 3	-1		38	37
Transfers from Stage 2 to Stage 1	1	-5		-4
Transfers from Stage 2 to Stage 3		-3	19	16
Transfers from Stage 3 to Stage 1	0		-4	-4
Transfers from Stage 3 to Stage 2		3	-14	-12
Increases due to origination and acquisition	8	19	15	42
Decreases due to derecognition	-8	-4	-37	-49
Changes in risk parameters (net)	7	15	14	37
Decrease in allowance account due to write-offs			-41	-41
Net change in expected credit losses	2	64	-10	56
Loss allowance 31 December 2023	35	94	196	325

Transfers from Stage 1 to Stage 2 include a management overlay increase of EUR 9.8 million.

The table below shows the loss allowance before the management overlays, the management overlays described above, and the total loss allowance reported on 31 December 2023.

Loss allowance 31 December 2023, € million	OP Corporate Bank
Loss allowance before management overlays	314
Management overlays	
Construction industry	9
Real estate sector	1
Personal customers	1
Total management overlays	11
Total reported loss allowance	325

The following tables illustrate two of the macroeconomic forecasts used in the models: GDP and the unemployment rate in the comparison period.

GDP growth, %	Q4/2023	Q4/2024	Q4/2025	Q4/2026	Q4/2027
Baseline	-0.3	0.0	1.2	1.2	1.3
Upside	-0.3	3.0	4.1	4.1	3.7
Downside	-0.3	-3.1	-2.1	-2.2	-1.5

Unemployment, %	Q4/2023	Q4/2024	Q4/2025	Q4/2026	Q4/2027
Baseline	7.2	7.5	7.5	7.3	7.0
Upside	7.2	7.2	6.6	5.9	5.1
Downside	7.2	7.9	8.5	8.9	9.3

Notes and bonds, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2023	1	1		2
Transfers from Stage 1 to Stage 2	0	0		0
Transfers from Stage 1 to Stage 3	0		1	0
Transfers from Stage 2 to Stage 1	0	0		0
Increases due to origination and acquisition	0	0		0
Decreases due to derecognition	0			0
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	0	0	1	0
Loss allowance 31 December 2023	1	1	1	2

Note 5. Net commissions and fees

€ million	Corporate Banking and Capital Markets		Asset and Sales Finance Services and Payment Transfers		Baltics		Group Functions		Total			
	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Commission income												
Lending	24	28	22	22	3	4	0	0	50	54	16	15
Deposits	0	0	0	0	3	2	0	0	3	2	1	1
Payment transfers	0	0	32	32	1	0	0	0	32	33	8	8
Securities brokerage	18	18	0						18	18	5	5
Securities issuance	7	5					0	0	7	5	2	2
Mutual funds	0	0	0	0			0	0	0	0	0	0
Wealth management	3	3	0	0					3	3	1	1
Legal services	0	0		0					0	0	0	0
Guarantees	1	1	7	8	4	3	0	0	12	12	3	3
Other	0		5	9	0	0	0	0	5	9	1	2
Total	54	55	67	71	11	10	0	0	131	136	36	37

€ million	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Commission expenses												
Lending	0	0	-1	-2			0	0	-1	-2	0	0
Payment transfers	-1	-1	-2	-6	0	0	0	0	-3	-7	1	-2
Securities brokerage	-2	-2					0	0	-2	-2	-1	0
Securities issuance	0	-5					0	0	0	-5	0	-1
Wealth management	0	0					-1	-1	-1	-1	0	0
Derivatives	-41	-42							-41	-42	-11	-10
Other	-3	-3	-3		0	0	-2	-2	-8	-5	-3	-1
Total	-48	-52	-6	-7	0	0	-3	-4	-57	-63	-15	-16
Total net commissions and fees	6	3	61	64	11	10	-3	-4	75	73	21	21

Note 6. Net income from financial assets held for trading

€ million	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Notes and bonds				
Interest income and expenses	13	20	2	2
Fair value gains and losses on notes and bonds	2	5	-1	6
Shares and participations				
Fair value gains and losses	6	-11	1	-10
Dividend income and share of profits	2	2	0	
Derivatives				
Interest income and expenses	181	75	39	27
Fair value gains and losses	-170	-44	-30	-27
Total	34	47	11	-1

Note 7. Net investment income

€ million	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
Net income from assets at fair value through other comprehensive income				
Notes and bonds				
Capital gains and losses	0	5	0	0
Other income and expenses	0	0		
Total	**0**	**5**	**0**	**0**

Note 8. Other operating expenses

€ million	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
ICT expenses				
Production	-82	-72	-19	-20
Development	-19	-20	-6	-5
Charges of financial authorities	-5	-36	-5	-5
Audit fees	-1	-1	0	0
Service purchases	-29	-24	-9	-7
Expert services	-2	-1	-1	0
Telecommunications	-2	-2	-1	-1
Marketing	-2	-2	-1	-1
Insurance and security costs	-17	-15	-4	-4
Expenses from short-term and low-value leases	-1	-1	0	0
Service charges to OP Cooperative	-26	-27	-7	-7
Other	-20	-24	-5	-10
Other operating expenses, total	**-207**	**-226**	**-57**	**-61**

Development costs

€ million	Q1–4/2024	Q1–4/2023	Q4/2024	Q4/2023
ICT development expenses	-19	-20	-6	-5
Share of own work	**0**	0	0	0
Total development expenses in the income statement	**-19**	-20	-6	-5
Capitalised ICT costs	3		1	0
Total capitalised development costs	**3**		1	0
Total development costs	**-17**	-20	**-5**	-6
Depreciation/amortisation and impairment loss on development costs	-1	-2	0	0

Note 9. Classification of financial assets and liabilities

Financial assets 31 December 2024, € million	Amortised cost	Recognised at fair value through other comprehensive income	Recognised at fair value through profit or loss: Financial assets held for trading	Recognised at fair value through profit or loss: Hedging derivatives	Carrying amount total
Cash and deposits with central banks	18,071				18,071
Receivables from credit institutions	10,753				10,753
Receivables from customers	28,385				28,385
Derivative contracts			3,279	104	3,383
Notes and bonds	1,827	12,176	227		14,230
Shares and participations		0	4		4
Other financial assets	850				850
Total	**59,886**	**12,176**	**3,511**	**104**	**75,676**

At the end of the period, OP Corporate Bank's assets in the balance sheet included bonds with a carrying amount of EUR 1,520 million (629) and classified at amortised cost, issued by issuers other than OP Financial Group. These are not measured at fair value in accounting. The fair value of these bonds amounted to EUR 1,547 million (647) at the end of the period.

The aim of fair value measurement of promissory notes carried at amortised cost is to find a price that would be obtained if the loan were granted to the customer on the reporting date. The average margin on the reporting date is determined by rating grade and the so-called valuation curve is formed from these. The 12-month Euribor is used as the base rate of the valuation curve for euro loans and the 6-month reference rate for other non-euro loans. The valuation curve is used to calculate a discount factor which is then applied to discount the loan's contractual cash flows to the reporting date. The sum of the discounted cash flows is the fair value. On 31 December 2024, the fair value of promissory notes was EUR 66 million (28) lower than the carrying amount.

Adjusted

Financial assets 31 December 2023, € million	Amortised cost	Recognised at fair value through other comprehensive income	Recognised at fair value through profit or loss		Carrying amount total
			Financial assets held for trading	Hedging derivatives	
Cash and deposits with central banks	19,710				19,710
Receivables from credit institutions	12,280				12,280
Receivables from customers	28,187				28,187
Derivative contracts			4,618	-173	4,445
Notes and bonds	1,004	11,588	217		12,809
Shares and participations		0	14		14
Other financial assets	664				664
Total	61,845	11,588	4,850	-173	78,109

OP Corporate Bank plc changed the official balance sheet format of the financial statements during the second quarter of 2024. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Financial liabilities 31 December 2024, € million	Recognised at fair value through profit or loss	Recognised at amortised cost	Hedging derivatives*	Total carrying amount
Liabilities to credit institutions		25,049		25,049
Liabilities to customers		19,387		19,387
Derivative contracts	3,061		89	3,150
Debt securities issued to the public	2,201	17,126		19,326
Subordinated liabilities		1,444		1,444
Other financial liabilities	2	1,998		2,000
Total	5,264	65,004	89	70,357

* Recognised at fair value through profit or loss.

At the end of December, the fair value of OP Corporate Bank's senior and senior non-preferred bonds issued to the public and carried at amortised cost was around EUR 12,566 million (14,775) and their carrying amount was EUR 12,950 million (17,313). The fair value is based on information available from the market. All subordinated liabilities are measured at amortised cost. Their fair value is EUR 1,448 million.

Adjusted

Financial liabilities 31 December 2023, € million	Recognised at fair value through profit or loss	Recognised at amortised cost	Hedging derivatives*	Total carrying amount
Liabilities to credit institutions		23,982		23,982
Liabilities to customers		17,254		17,254
Derivative contracts	4,230		-51	4,179
Debt securities issued to the public	2,487	21,576		24,062
Subordinated liabilities		1,414		1,414
Other financial liabilities	5	2,112		2,117
Total	**6,722**	**66,337**	**-51**	**73,008**

* Recognised at fair value through profit or loss.

OP Corporate Bank plc changed the official balance sheet format of the financial statements during the second quarter of 2024. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Note 10. Debt securities issued to the public

€ million	31 Dec 2024	31 Dec 2023
Bonds*	11,139	13,222
Subordinated bonds, SNP	3,566	4,045
Certificates of deposit	170	668
Commercial papers	4,451	6,128
Total debt securities issued to the public	**19,326**	**24,062**

* Own bonds held by OP Corporate Bank plc have been set off against liabilities.

Note 11. Fair value reserve after income tax

€ million	Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2023	-3	-26	-29
Fair value changes	-61	7	-53
Capital gains transferred to income statement	-6		-6
Transfers to net interest income		17	17
Deferred tax	13	-5	8
Closing balance 31 December 2023	-57	-6	-63

€ million	Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2024	-57	-6	-63
Fair value changes	-37	-2	-40
Capital gains transferred to income statement	-1		-1
Transfers to net interest income		10	10
Deferred tax	8	-2	6
Closing balance 31 December 2024	-88	0	-88

The fair value reserve before tax totalled EUR –110 million (–79) and the related deferred tax asset/liability EUR 22 million (16). The loss allowance on notes and bonds recognised at fair value through other comprehensive income totalled EUR –2 million (0) in the fair value reserve during the period.

Note 12. Recurring fair value measurements by valuation technique

Fair value of assets 31 December 2024, € million	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value through profit or loss				
Equity instruments		3	1	4
Debt instruments	83	103	41	227
Derivative contracts	3	3,284	96	3,383
Recognised at fair value through other comprehensive income				
Equity instruments	0	0		0
Debt instruments	4,273	7,297	606	12,176
Total financial instruments	**4,360**	**10,688**	**744**	**15,791**

Adjusted

Fair value of assets 31 December 2023, € million	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value through profit or loss				
Equity instruments		11	3	14
Debt instruments	113	71	33	217
Derivative contracts*	0	4,347	98	4,445
Recognised at fair value through other comprehensive income				
Equity instruments		0		0
Debt instruments	9,166	1,694	727	11,588
Total financial instruments	**9,280**	**6,123**	**862**	**16,264**

Fair value of liabilities 31 December 2024, € million	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value through profit or loss				
Structured notes			2,201	2,201
Other		2		2
Derivative contracts	0	3,076	74	3,150
Total	**0**	**3,078**	**2,275**	**5,353**

Adjusted

Fair value of liabilities 31 December 2023, € million	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value through profit or loss				
Structured notes			2,487	2,487
Other		5		5
Derivative contracts*	2	4,086	91	4,179
Total	2	4,091	2,578	6,671

* Interest receivables and liabilities on derivative contracts were previously presented in the balance sheet lines 'Other assets' and 'Provisions and other liabilities'. Fair values of all derivative contracts will be presented in the balance sheet lines of 'Derivative contracts' under assets and liabilities, so interest receivables and liabilities related to derivatives were transferred to the same item with the actual derivative contract. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Fair value measurement

Derivatives and other financial instruments measured at fair value

The prices of listed derivatives are obtained directly from markets. Models and methods commonly used in markets and most suitable for valuing the specific financial instrument are used to value OTC derivatives. These are needed, for instance, to create yield curves, currency conversion charts and volatility surfaces as well as for option valuation. The input data of these models can generally be derived from markets. However, for the fair value measurement of certain contracts, it is necessary to use models where the input data are not directly observable in the market and they must be estimated. Such contracts are included in Level 3.

Middle Office is responsible for the fair value measurement of banking derivatives, including Level 3 hierarchy, 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. Middle Office regularly compares, at contract level, valuation prices with valuations supplied by CSA counterparties and central counterparties and, whenever necessary, determines any significant valuation differences.

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. In this verification process, valuation prices can be compared with prices supplied by CSA counterparties and central counterparties. In addition, it is possible to use valuation services provided by third parties.

The fair value measurement of OTC derivative contracts related to banking takes account of credit risk of the parties to the transaction and credit spreads exceeding the financing costs. Credit risk is adjusted with a Credit Valuation Adjustment (CVA) and with a Debt Valuation Adjustment (DVA). CVAs and DVAs are calculated for each counterparty. This is done by simulating the market values of derivatives and events of default, primarily based on data obtained from markets. In assessing probabilities of default, counterparty rating information, liquid credit risk indices and the CDS sector curves of market data providers are used. The effect of the financing costs of OTC derivatives on fair value measurement is assessed by adjusting discount curves used in the measurement with the statistical differences of credit spreads between credit risk instruments with and without capital.

Fair value hierarchy

Level 1: Quoted prices in active markets

Level 1 includes equities listed on major stock exchanges, quoted debt instruments issued by companies, governments and financial institutions as well as exchange-traded derivatives. The fair value of these instruments is determined based on quotes from active markets.

Level 2: Valuation techniques using observable inputs

Valuation techniques based on observable input parameters. The fair value of 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. This hierarchy level includes the majority of OP Corporate Bank's OTC derivatives and quoted debt instruments issued by companies, governments and financial institutions which have not been included in Level 1.

Level 3: Valuation techniques using unobservable inputs

Valuation techniques whose input parameters involve special uncertainty. The fair value determination of instruments included within this level contains inputs not based on observable market data (unobservable inputs). Level 3 also includes bonds for which there is little, if any, market activity on the valuation date. This level includes the most complex OTC derivatives and derivatives with a long maturity for which market data had to be extrapolated for value measurement, as well as certain private equity investments, and illiquid bonds, structured notes, including securitised bonds and structured debt securities, property investments and hedge funds.

Transfers between levels of the fair value hierarchy

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.

Derivatives relevant to OP Corporate Bank’s business include interest rate swaps, interest rate options and structured debt securities. Interest rate swaps are measured by deriving valuation curves from the prices of interest rate swaps and other interest rate derivatives observed in the market. Valuation curves are used to forecast future cash flows and determine the net present value of cash flows also through interest rate swaps whose price is not directly observable in the market. The same method applies to the fair value measurement of interest rate options. Volatilities describing the price of interest rate options observed in the market are also used in comparison with interest rate swaps.

In the fair value measurement of complex derivatives or, for example, structured notes or equity structures, a model is used where the development of market prices is simulated and the actual value of the derivative is calculated in each simulation. The price of the derivate or structured note is derived by calculating the average of the simulations.

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.

Level 3 input data are input data that are not observable for the item being valued from market prices at the time of valuation. Level 3 input data include, for example: use of historical volatility in the fair value measurement of an option, and long-term interest rates with no corresponding contracts observable in the market.

Valuation techniques whose input parameters involve uncertainty (Level 3)
Breakdown of financial assets and liabilities

Financial assets, € million	Recognised at fair value through profit or loss	Derivative contracts	Recognised at fair value through other comprehensive income	Total assets
Opening balance 1 January 2024	36	98	728	862
Total gains/losses in profit or loss	-32	-2		-34
Transfers to Level 3	37		174	211
Transfers from Level 3			-296	-296
Closing balance 31 December 2024	42	96	606	744

Financial liabilities, € million	Recognised at fair value through profit or loss	Derivative contracts	Total liabilities
Opening balance 1 January 2024	2,487	91	2,578
Total gains/losses in profit or loss	93	-17	76
Issues	714		714
Redemptions and repurchases	-1,037		-1,037
Other changes	-56	0	-56
Closing balance 31 December 2024	2,201	74	2,275

Breakdown of net income by income statement item 31 December 2024

€ million	Net investment income	Net gains/ losses on assets and liabilities held at period end
Total net income	-110	-110

Changes in the levels of hierarchy

No major changes have occurred in valuation techniques in 2024.

Note 13. Derivative contracts

Total derivatives	31 December 2024			31 December 2023		
€ million	Notional values	Fair values, assets	Fair values, liabilities	Notional values	Fair values, assets	Fair values, liabilities
Interest rate derivatives	272,388	2,648	2,486	279,422	3,165	2,837
Cleared by the central counterparty (STM)	151,177	33	27	143,817	103	82
Equity and index-linked derivatives	1,172	76	64	888	74	56
Cleared by the central counterparty (STM)						
Currency and gold derivatives	44,302	627	571	59,975	919	1,049
Cleared by the central counterparty (STM)						
Credit derivatives	280	10	2	154	10	8
Cleared by the central counterparty (STM)	182	0	0			
Commodity derivatives	410	22	26	468	4	4
Cleared by the central counterparty (STM)						
Other derivatives	56			73	16	16
Cleared by the central counterparty (STM)						
Interest on derivatives					257	209
Total derivatives	**318,607**	**3,383**	**3,150**	**340,980**	**4,445**	**4,179**

The breakdown of derivatives has been changed to correspond to the current monitoring. Comparative information has been adjusted accordingly. Interest receivables and liabilities of derivative contracts were previously presented in the balance sheet lines 'Other assets' and 'Provisions and other liabilities'. Fair values of all derivative contracts will be presented in the balance sheet lines of 'Derivative contracts' under assets and liabilities, so interest receivables and liabilities related to derivatives were transferred to the same item with the actual derivative contract. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation. The presentation of derivatives cleared by the central counterparty has been adjusted for the comparative year: all of these are presented under the Settled-to-market (STM) method, because daily payments have been effectively netted as final according to the agreements with all clearing brokers. Previously, some of these were presented under the Collateralised-to-market (CTM) method.

Note 14. Collateral given and off-balance-sheet commitments

€ million	31 Dec 2024	31 Dec 2023
Given on behalf of own liabilities and commitments		
Collateral given on behalf of own liabilities and commitments	1,558	743
Total collateral given*	**1,558**	**743**
Secured derivative liabilities	729	657
Other secured liabilities	759	53
Total	**1,489**	**710**

* In addition, bonds with a carrying amount of EUR 1.4 billion have been pledged in the central bank, of which EUR 1.0 billion in intraday settlement collateral. Given that the bonds are available for withdrawal without the central bank's advance permission, they are not presented in the table above.

Off-balance-sheet commitments

€ million	31 Dec 2024	31 Dec 2023
Guarantees	191	598
Guarantee liabilities	2,178	2,046
Loan commitments	5,238	5,473
Commitments related to short-term trade transactions	291	540
Other	478	516
Total off-balance-sheet commitments	**8,376**	**9,172**

Note 15. Related-party transactions

OP Corporate Bank plc's related parties comprise 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 CEO, deputy CEO and other members of senior management as well as 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. OP Corporate Bank plc distributed dividends of EUR 76 million for 2023 to OP Cooperative.

Standard loan terms and conditions are applied to loans granted to related parties. Loans are tied to generally used reference interest rates.

No substantial changes have taken place in related-party transactions since 31 December 2023.

Note 16. Transactions with OP cooperative banks

The accounts of OP Corporate Bank plc and the member cooperative banks are consolidated into OP Financial Group's financial statements. The table below shows the most significant balance sheet items between OP Corporate Bank plc and OP cooperative banks at the end of the financial year.

Balance sheet, € million	31 Dec 2024	31 Dec 2023
Derivative contracts (assets)	320	559
Derivative contracts (liabilities)	720	1,155
Receivables from credit institutions	7,430	7,007
Liabilities to credit institutions	24,339	23,609
Debt securities issued to the public	249	276

Income statement, € million	Q1–4/2024	Q1–4/2023
Interest income	233	217
Interest expenses	-737	-673
Commission income	3	3
Commission expenses	-42	-43
Other income	20	21

Financial reporting

Time of publication of 2024 reports:

OP Corporate Bank plc's Report by the Board of Directors and Financial Statements 2024	Week 11
OP Corporate Bank plc's Corporate Governance Statement 2024	Week 11

Schedule for 2025 Interim Reports and Half-year Financial Report:

Interim Report 1 January–31 March 2025	7 May 2025
Half-year Financial Report 1 January–30 June 2025	30 July 2025
Interim Report 1 January–30 September 2025	28 October 2025

Helsinki, 6 February 2025

OP Corporate Bank plc

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