OP Financial Group's Half-year Financial Report for 1 January–30 June 2025

OP Financial Group's Half-year Financial Report 1 January–30 June 2025:

Strong result despite uncertain business environment

Operating profit H1/2025	Net interest income H1/2025	Total income H1/2025	Total expenses H1/2025	CET1 ratio, % 30 Jun 2025
€990 million	-12%	-11%	+6%	20.8%

- Operating profit was EUR 990 million (1,229). Operating profit fell by 19% or EUR 239 million year on year.
- Net interest income decreased by 12% to EUR 1,194 million (1,353). Insurance service result increased by 83% to EUR 68 million (37) and net commissions and fees increased by 1% to EUR 404 million (400). Income from customer business, that is, net interest income, insurance service result and net commissions and fees, decreased by a total of 7% to EUR 1,665 million (1,790).
- Impairment loss on receivables reversed came to EUR 19 million. A year ago, impairment loss on receivables totalled EUR 67 million. The ratio of impairment loss on receivables to loan and guarantee portfolio was -0.04% (0.13).
- Investment income decreased by 36% to EUR 206 million (323).
- Total expenses grew by 6% to EUR 1,169 million (1,104). The cost/income ratio weakened to 55% (46).
- The loan portfolio grew year on year by 2% to EUR 99.7 billion (97.7). Deposits increased by 7% to EUR 81.0 billion (75.3).
- The CET1 ratio was 20.8% (21.5), which exceeds the minimum regulatory requirement by 6.1 percentage points. Changes in the collateral management process decreased capital adequacy. The changes in the EU Capital Requirements Regulation (CRR3), which took effect on 1 January 2025, caused a slight reduction in the capital adequacy of OP Financial Group.
- **The Retail Banking segment's** operating profit decreased by 31% to EUR 489 million (714). Net interest income decreased by 17% to EUR 909 million (1,093). Impairment loss on receivables totalled EUR 7 million (52). Net commissions and fees increased by 2% to EUR 365 million (359). The cost/income ratio weakened to 62% (49). The loan portfolio grew year on year by 1% to EUR 71.3 billion (70.4). Deposits increased by 4% to EUR 65.5 billion (62.9). Assets under management grew by 7% to EUR 97.7 billion (91.3).
- **Corporate Banking segment's** operating profit grew by 25% to EUR 309 million (246). Net interest income grew by 9% to EUR 300 million (274). Impairment loss on receivables reversed came to EUR 26 million. A year ago, impairment loss on receivables totalled EUR 16 million. Net commissions and fees decreased by 9 % to EUR 42 million (46). The cost/income ratio was 34% (35). The loan portfolio grew year on year by 4 % to EUR 28.5 billion (27.4), while deposits increased by 25% to EUR 16.2 billion (13.0).
- **The Insurance segment's** operating profit decreased by 31% to EUR 185 million (267). The insurance service result grew to EUR 68 million (37). Investment income fell to EUR 115 million (232). The combined ratio reported by non-life insurance improved to 92.4% (100.4).
- **Group Functions'** operating profit was EUR 34 million (-8). Net interest income grew to EUR 5 million (-7).
- **OP Financial Group** increased the OP bonuses to be earned by owner-customers for 2025 by 40% compared to the normal level of 2022. Additionally, owner-customers get daily banking services without monthly charges in 2025. During the reporting period, the combined value to owner-customers of OP bonuses and daily banking services free of monthly charge totalled EUR 208 million.
- **Outlook:** OP Financial Group's operating profit for 2025 is expected to be at a good level but lower than that for 2023 and 2024. For more detailed information on the outlook, see "Outlook".

OP Financial Group's key figures and ratios

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Operating profit, € million	**990**	**1,229**	**-19.5**	**2,486**
Retail Banking**	489	714	-31.4	1,328
Corporate Banking**	309	246	25.5	520
Insurance	185	267	-30.7	578
Group Functions	34	-8	–	19
New OP bonuses accrued to owner-customers, € million	-162	-154	5.3	-314
Total income	**2,139**	**2,400**	**-10.9**	**4,844**
Total expenses	**-1,169**	**-1,104**	**5.8**	**-2,262**
Cost/income ratio, %*	54.6	46.0	8.6	46.7
Return on equity (ROE), %*	8.7	11.9	-3.2	11.6
Return on equity, excluding OP bonuses, %*	10.0	13.3	-3.3	13.0
Return on assets (ROA), %*	0.97	1.24	-0.27	1.24
Return on assets, excluding OP bonuses, %*	1.12	1.39	-0.27	1.39
	30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
CET1 ratio, %*	20.8	20.8	—	21.5
Loan portfolio, € billion	99.7	97.7	2.1	98.9
Deposits, € billion	81.0	75.3	7.5	77.7
Assets under management, € billion***	97.7	91.3	7.1	93.3
Ratio of non-performing exposures to exposures, %*	2.31	2.99	-0.68	2.64
Ratio of impairment loss on receivables to loan and guarantee portfolio, %*	-0.04	0.13	-0.17	0.09
Owner-customers (1,000)	2,126	2,100	1.3	2,115

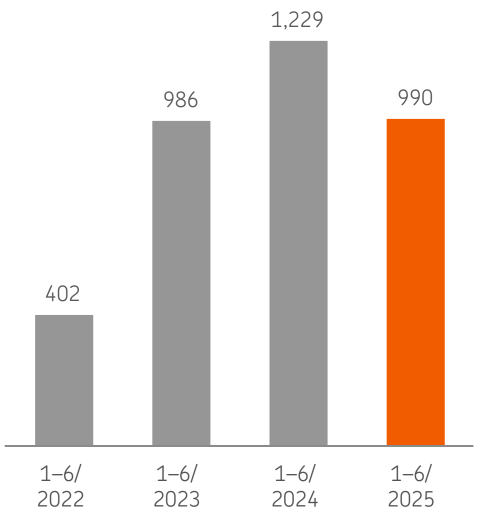
Comparatives for the income statement items are based on the corresponding figures in 2024. Unless otherwise specified, figures from 31 December 2024 are used as comparatives for balance-sheet and other cross-sectional items.

* Change in ratio, percentage point(s).

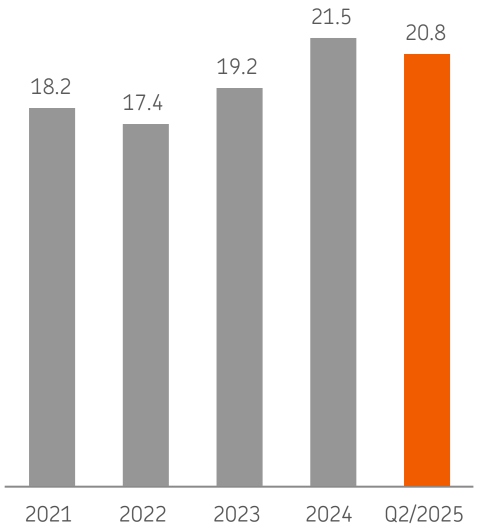
** As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Comparative information of 2024 has been adjusted accordingly.

*** The presentation of assets under management was changed at the beginning of 2025. Comparatives have been adjusted to correspond to the current definition.

Operating profit, € million



CET1 ratio, %



Comments by the President and Group Chief Executive Officer

The business environment was characterised by geopolitical tensions, trade-policy uncertainty and market turbulence in the first half of 2025

The world economy and financial markets were overshadowed by geopolitical tensions and trade-policy uncertainty in the first six months of 2025. Due to the Ukraine War, the mounting crisis in the Middle East and the new US tariffs, the global economic outlook and projections are unusually uncertain. However, the fundamentals driving growth remain fairly strong, even as they are accompanied by considerable risks and major opportunities. On the other hand, new trade barriers will slow global growth and increase inflationary pressures if implemented.

Despite the uncertainty, growth in the euro zone was relatively healthy in the first half of 2025. Growth was bolstered by lower interest rates combined with persistently strong labour markets. Inflation in the euro zone was at the ECB's target level of 2%.

Finland's economy performed relatively well in the first half of 2025; OP Financial Group's economists continue to forecast growth of 1% for this year. They forecast 1.5% for 2026, but uncertainty about trade policy makes forecasting highly uncertain, particularly looking ahead to next year.

Market interest rates continued to fall in the second quarter of 2025. By the end of June, the 12-year Euribor – the most commonly used reference rate for home loans – was 2.07%, which is 1.5 percentage points lower than a year earlier. The fall in market rates has clearly slowed in recent months. However, due to concerns about the continuing rise in public debt in the euro area, long-term rates have been kept at the levels of early 2025.

Consumer confidence and companies' willingness to invest are still at a rather low level amid the prevailing uncertainty. Despite this, the housing market seems to be continuing its gradual recovery.

Buffeted by the trade war, stock market prices have been unusually volatile. Stock prices plunged in April after the US announced its plans for new tariffs. By the end of June, prices had recovered almost entirely from their April downturn. For example, on the last day of June, the MSCI World Index was 8.6% higher than at the end of 2024. In Europe stock markets rose by 6.7%, and the Nasdaq Helsinki rose by 11.3%, from the year-end.

OP Financial Group reported a strong performance in an unstable business environment

Despite turbulence and uncertainty in the business environment, OP Financial Group remained highly profitable: its operating profit was EUR 990 million in January–June. This was 19% lower than in the same period in 2024, mainly due to the fall in net interest income. In line with our strategy, our banking and insurance-focused business model has proven to be extremely robust, even in the current unpredictable business environment.

Thanks to our strong financial position, we can continue providing outstanding benefits for our more than 2.1 million owner-customers this year too. We will pay 40% extra (compared to the normal level of 2022) on OP bonuses earned in 2025 and will not charge our owner-customers monthly fees for daily services throughout the year. Together, these benefits will add up to more than EUR 400 million in value for our owner-customers. Being customer-owned, OP Financial Group will continue to share its financial success in various ways, through a range of financial and other benefits for our owner-customers. We will publicly announce our new loyalty programme for owner-customers at the end of this year.

OP Financial Group's strong capital adequacy and excellent liquidity provide security in an unstable business environment. At the end of June, OP Financial Group's CET1 ratio was 20.8%, which exceeds the minimum regulatory requirement by 6.1 percentage points. OP Financial Group is one of the most financially solid large banks in Europe.

Furthermore, our liquidity remained excellent. Liquidity was improved by strong growth in deposits, and a total of EUR 3.8 billion in long-term bonds were issued during the reporting period. Strong capital adequacy, excellent liquidity and broad trust among customers and other stakeholders are vital for banks and insurance companies, particularly in these uncertain times. OP Financial Group is in great shape in all these respects.

In January–June, OP Financial Group's income from customer business decreased by 7% year on year, to EUR 1,665 million. In particular, net interest income fell by 12% due to lower market rates. At EUR 404 million, net commissions and fees grew by 1%.

Compared to H1 2024, the insurance service result grew by 83% to EUR 68 million, mainly due to the favourable claims trend. The combined ratio for non-life insurance improved to 92.4%.

In the first half of 2025, income from investment activities improved moderately well to EUR 206 million, despite the turbulence on the markets. However, this was 36% lower than the result for H1 2024, due to the decrease in equity investment income in particular.

Totalling EUR 1,169 million, OP Financial Group's expenses for January–June were higher by 6% year on year. This was mainly caused by higher personnel costs and greater investment in ICT development focused on building new banking and insurance core systems, developing our data capabilities, and making extensive use of AI.

OP Financial Group's staff grew by almost 600 compared to the same period in 2024. Staff numbers grew in areas such as sales and Customer Service, service development, and Risk Management and Compliance. OP Financial Group's cost-income ratio deteriorated compared to H1 2024, but at 55% it remained at a highly competitive level.

Of the three business segments, the best performer was Corporate Banking, which had an operating profit of EUR 309 million in January–June, a year-on-year increase of 25%. Despite a 31% decrease, Retail Banking's operating profit of EUR 489 million was also a good performance. The segment's result was particularly affected by falling market rates, which reduced net interest income by 17%. In the insurance segment, reduced income from investment activities led to a 31% year-on-year fall in profit to EUR 185 million. However, the insurance service result was a clear improvement on the same period in 2024.

OP Financial Group's customers seem to have fared fairly well – the loan portfolio and deposits grew and doubtful receivables fell

The deposit portfolio grew by 7% in the year since 30 June 2024, and was EUR 81.0 billion at the end of June. Household deposits increased by 5% year on year, to over EUR 50 billion. OP Financial Group's market share of deposits has been growing markedly over the last couple of years.

Year on year, the loan portfolio grew by 2% to EUR 99.7 billion. New loans drawn down by customers during the reporting period totalled EUR 13.1 billion.

With a market share of over 39%, the Group held onto its position as a strong, leading provider of home loans in Finland. Signs of recovery appeared in the home loan market, supported by lower market interest rates and an increase in disposable household income. In H1 2025, OP Financial Group's customers drew down almost EUR 3 billion in home loans, an increase of more than 19% year on year. OP's home loan customers have continued to repay their loans diligently.

Signs of a turnaround in demand for corporate investment financing emerged in the first half of the year. Demand also grew for working capital financing. The corporate loan portfolio grew by 1.3% in January–June 2025 and exceeded EUR 28 billion. Conversely, doubtful receivables were on a downward trend.

Exceptionally, reversal of impairment loss on receivables came to EUR 19 million in January–June, whereas impairment losses of EUR 67 million were recognised for H1 a year earlier. OP Financial Group's loan portfolio of almost EUR 100 billion is of excellent quality and its credit risks are tightly managed.

Strong growth in savings and investments continued – assets under management increased by 7%

OP Financial Group's customers were interested in systematically investing in funds: 97,000 new investment agreements were made in H1, which is 16% more than in the same period last year. There are already almost 1.5 million OP mutual fund unitholders. Reaching almost EUR 98 billion in value, investment assets managed by OP Financial Group grew by 7% year on year.

In line with our strategy, we want to coach our customers in making better financial choices. During the spring, we launched the digital OP Investment Academy, for coaching customers on the basics of saving and investing. OP Investment Academy has been extremely well received by our customers, almost 50,000 of whom have used it so far.

Premiums written for non-life insurance increased – claims expenditure decreased year on year

Pohjola Insurance's premiums written grew by 5% compared to the first half of last year. Premiums written regarding personal customers grew by 7.3%, whereas those related to corporate customers increased by 3.5%.

Pohjola Insurance's claims expenditure fell by 8% year on year. Compensation was paid for a total of 94% of all claims, which was the same level as a year earlier.

We have a strong focus on preventing online scams – use of OP-mobile continued to grow strongly

Various online scams have proliferated in Finland in recent years and OP Financial Group wants to be proactive in preventing them. We want to provide our customers with a secure digital environment and promote positive development in cybersecurity across Finnish society. A key element of such preventative work consists of enhancing our customers' ability to recognise scam attempts of different kinds. Accordingly, we launched the "Can you spot scams" test and arranged "The dangers of online scams" events around Finland. We also continuously update our digital services for customers in various ways, in order to provide even greater protection against online fraud of all kinds.

Use of digital services grew substantially again. Our personal and corporate customers increasingly use digital channels for banking and insurance. OP-mobile was logged into more than 63 million times in June. OP-mobile has almost 1.8 million active users, who logged in 36 times – on average – in June to use the banking and insurance services provided by the app.

OP Financial Group is an attractive and sought-after employer

OP Financial Group aims to be the financial sector's most attractive employer and a sought-after workplace for a range of professionals. In line with our strategy, we have been pursuing this aim systematically and in the long-term: we collaborate proactively with educational institutions, hire summer employees and continuously develop OP's Kiitorata trainee programme.

OP Financial Group has performed extremely well in Universum's employee image survey in recent years. The latest survey rates OP Financial Group as Finland's most attractive employer among business students. We also fared extremely well in the same survey conducted among IT students. Previous surveys have also rated us as Finland's most attractive workplace among business professionals. OP Financial Group's excellent employer reputation provides a strong basis for its future success.

My warm thanks to all our customers for the trust they showed in OP Financial Group in January–June 2025. We aim to continue being worthy of the confidence you place in us. I would also like to thank our employees and governing bodies for their excellent work.

Timo Ritakallio
President and Group CEO

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Business environment

Global economic growth slowed down slightly from the end of 2024. According to economic surveys, confidence in the global economy continued to weaken in the second quarter. Year on year, the euro area economy grew by 1.5% in the first quarter. In June, the euro area inflation rate slowed to 2%, compared to 2.3% at the end of 2024.

In March–April, world stock prices plummeted as a result of trade policy uncertainty. The downswing was short-lived, and in May–June, the indexes describing the global equity market rose above the year-end level. In the euro area and Finnish equity market, too, prices were higher in June than at the end of 2024.

The ECB lowered its key interest rates four times in the first half. The deposit facility rate decreased to 2.00%. The 12-month Euribor, which is the key reference interest rate for home loans, had fallen to 2.07% by the end of June from 2.46% at the end of 2024.

According to preliminary information, Finland's GDP increased in the first quarter by 1.0% year on year. In the second quarter, growth is expected to have been slightly faster. In June, the unemployment rate trend rose to 9.3%, compared to 9.0% at the end of 2024. Inflation slowed down to 0.2% in June, compared to 0.7% in December 2024. Year on year, home sales increased, while the decrease in home prices slowed down to a marginal level.

The economic outlook is exceptionally uncertain both globally and in Finland. The global economic outlook has weakened due to increased tariffs and a higher level of uncertainty. In Finland, subdued growth is expected to continue in the latter part of the year.

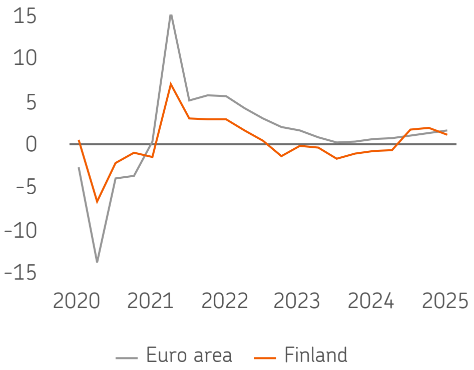
The total loan portfolio in Finland was 0.7% larger in June than a year earlier. This growth was boosted by loans to public-sector entities and financial and insurance institutions, and student loans, among other things. Corporate loans decreased by 1.4% year on year, and total household loans decreased by 0.2% compared to the same period a year ago. The volume of consumer credit decreased by 0.8% on a year earlier.

Total deposits in Finland increased by 3.9% over the previous year. Corporate deposits decreased by 0.1% and household deposits increased by 3.4% year on year.

The value of the assets of mutual funds registered in Finland increased from EUR 184 billion to EUR 186 billion during the first six months of the year, and new assets invested totalled EUR 1.7 billion.

GDP

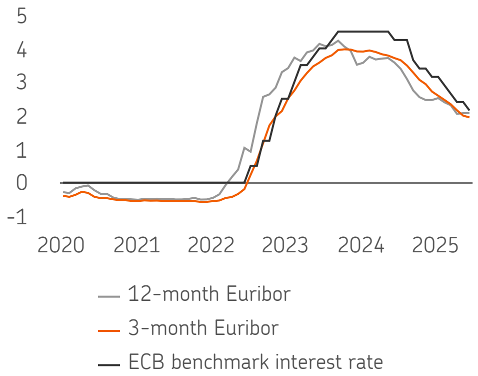
Annual volume change, %



Sources: Eurostat, Statistics Finland Seasonally adjusted series

Euribor rates and ECB refi rate

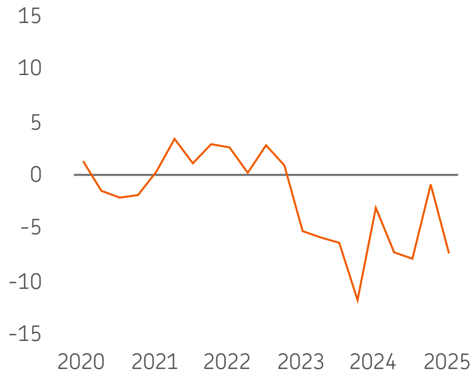
%



Source: Bank of Finland

Fixed investments in Finland

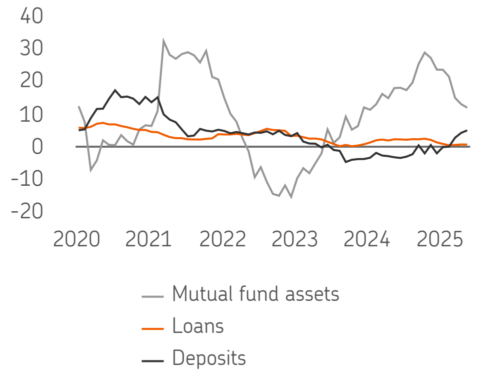
Annual volume change, %



Source: Statistics Finland

Change in financial sector volumes

in the past 12 months, %



Sources: Bank of Finland, Investment Research Finland

Earnings analysis and balance sheet

Earnings analysis

Earnings analysis, € million	H1/2025	H1/2024	Change, %	Q2/2025	Q2/2024	Change, %	Q1–4/2024
Operating profit	**990**	**1,229**	**-19.5**	**566**	**611**	**-7.4**	**2,486**
Retail Banking**	489	714	-31.4	199	335	-40.6	1,328
Corporate Banking**	309	246	25.5	164	118	39.3	520
Insurance	185	267	-30.7	199	149	33.6	578
Group Functions	34	-8	—	12	-3	—	19
Net interest income*	1,194	1,353	-11.8	581	671	-13.4	2,694
Impairment loss on receivables	19	-67	-128.5	-5	-28	-82.2	-96
Net commissions and fees	404	400	1.0	197	195	1.5	818
Insurance revenue	1,051	1,041	1.0	533	517	3.0	2,129
Insurance service expenses	-946	-1,005	-5.9	-450	-493	-8.6	-1,879
Reinsurance contracts	-38	1	—	-17	23	-175.4	-59
Insurance service result	68	37	83.1	65	47	38.7	192
Investment income*	206	323	-36.1	169	145	17.0	567
Other operating income	-1	25	-103.4	10	16	-37.1	44
Personnel costs	-550	-535	2.9	-270	-279	-3.1	-1,081
Depreciation/amortisation and impairment loss	-61	-69	-10.8	-30	-36	-17.0	-146
Other operating expenses	-557	-501	11.2	-279	-253	10.1	-1,036
Transfers to insurance service result	269	263	2.3	126	133	-5.1	529
OP bonuses included in earnings	-154	-147	4.3	-81	-78	3.1	-307

* In the second quarter, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. This change was made retrospectively also for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and highlights.

** As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Comparative information of 2024 has been adjusted accordingly.

Key indicators

Key indicators, € million	30 Jun 2025	31 Dec 2024	Change, %
Loan portfolio	99,716	98,917	0.8
Home loans	41,640	41,604	0.1
Corporate loans*	28,266	27,907	1.3
Housing company loans**	10,789	10,619	1.6
Other loans to corporations and institutions*/***	6,870	6,644	3.4
Other consumer loans*/***	12,151	12,143	0.1
Guarantee portfolio	3,443	3,404	1.2
Other exposures	13,882	13,219	5.0
Deposits	80,961	77,653	4.3
Assets under management****	97,757	93,284	4.8
Mutual funds	41,234	40,383	2.1
Direct investments*****	38,222	34,699	10.2
Insurance assets	18,300	18,202	0.5
Balance sheet total	167,292	161,168	3.8
Investment assets	25,785	23,537	9.6
Insurance contract liabilities	11,637	11,796	-1.3
Debt securities issued to the public	34,583	33,198	4.2
Equity capital	18,626	18,110	2.9

* The customer classification was updated in the first quarter of 2025 by further specifying the definition of personal and corporate customers. The figures for 31 December 2024 have been adjusted to correspond to the new customer classification and are comparable to the figures of 2025.

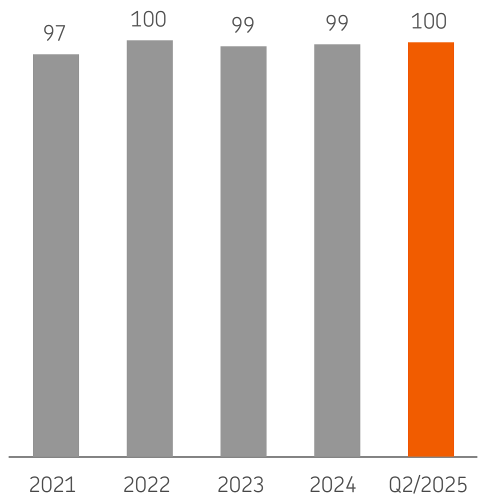
** Housing company loans include housing companies and housing investment companies.

*** Other loans to corporations and institutions include public sector entities, banks and financial institutions and non-profit organisations.

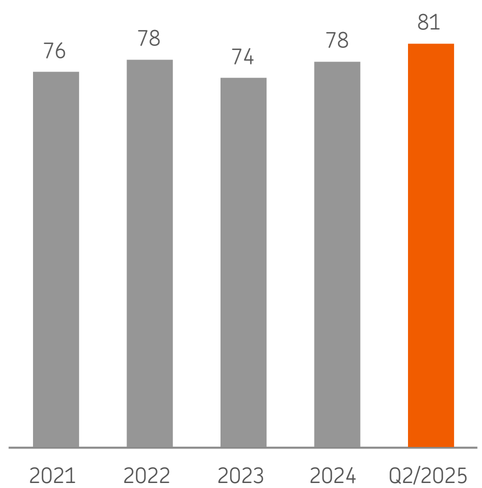
**** The presentation of assets under management was changed at the beginning of 2025. Comparatives have been adjusted to correspond to the current definition.

***** Direct investments includes investments other than funds and insurance assets (equities and derivatives, structured products and bonds).

Loan portfolio, € billion



Deposits, € billion



January–June

OP Financial Group's operating profit was EUR 990 million (1,229), down by 19.5%, or EUR 239 million year on year. Income from customer business (net interest income, net commissions and fees and insurance service result) decreased by a total of 7.0% to EUR 1,665 million (1,790). The cost/income ratio weakened to 54.6% (46.0). New OP bonuses accrued to owner-customers increased by 5.3% to EUR 162 million.

As a result of lower market interest rates, net interest income decreased by 11.8% to EUR 1,194 million. Net interest income reported by the Retail Banking segment decreased by 16.8% to EUR 909 million and that by the Corporate Banking segment increased by 9.5% to EUR 300 million. OP Financial Group's loan portfolio grew by 2.1% to EUR 99.7 billion while deposits grew by 7.5% to EUR 81.0 billion, year on year. Household deposits increased by 4.9% year on year, to EUR 50.1 billion. New loans drawn down by customers during the reporting period totalled EUR 13.1 billion (10.4).

Impairment loss on receivables reversed came to EUR 19 million in particular due to the repayment of loans. A year ago, impairment loss on receivables totalled EUR 67 million. Final credit losses totalled EUR 36 million (25). At the end of the reporting period, loss allowance was EUR 768 million (824), of which management overlay accounted for EUR 61 million (77). Non-performing exposures decreased, accounting for 2.3% (3.0) of total exposures. Impairment loss on loans and receivables accounted for -0.04% (0.13) of the loan and guarantee portfolio.

Net commissions and fees grew by 1.0% to EUR 404 million. Payment transfer net commissions and fees increased by EUR 5 million to EUR 118 million. Owner-customers' use of daily banking services has been free of monthly charges since October 2023.

Insurance service result grew by 83.1% to EUR 68 million. Insurance service result includes EUR 269 million (263) in operating expenses. Non-life insurance net insurance revenue, including the reinsurer's share, grew by 3.0% to EUR 870 million. Net claims incurred after the reinsurer's share decreased by 8.5% to EUR 546 million. The combined ratio reported by non-life insurance improved to 92.4% (100.4).

Investment income (net investment income, net insurance finance expenses and income from financial assets held for trading) decreased by a total of 36.1% to EUR 206 million. Income from investment activities decreased due to lower income from equity investments than a year ago. Net investment income together with net finance income describe investment profitability in the insurance business. The combined return on investments at fair value of OP Financial Group's insurance companies was 1.1% (2.6).

Net income from financial assets recognised at fair value through profit or loss, or notes and bonds, shares and derivatives, totalled EUR 100 million (1,034). Net income from investment contract liabilities totalled EUR -51 million (-523). Net insurance finance expenses totalled EUR 35 million (-272).

In banking, net income from financial assets held for trading came to EUR 115 million (70) as a result of changes in the value of derivatives. In the second quarter, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. The change was also made retrospectively for 2024. Previously these items were presented in full under net trading income in the income statement. Interest expenses transferred a year ago totalled EUR 53 million. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and changes in accounting policies and presentation.

Other operating income totalled EUR -1 million (25). A EUR 23 million valuation adjustment in patient insurance policies with full risk for own account decreased other operating income.

Total expenses grew by 5.8% to EUR 1,169 million. Personnel costs rose by 2.9% to EUR 550 million. The increase was affected by headcount growth and pay increases. OP Financial Group's personnel increased by almost 600 year on year. The number of employees increased in areas such as sales, customer service, service development, risk management and compliance. Cancelling the transfer of the earnings-related supplementary pension liability decreased personnel costs by EUR 20 million. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 10.8% to EUR 61 million. Other operating expenses increased by 11.2% to EUR 557 million. ICT costs totalled EUR 284 million (252). Development costs were EUR 204 million (171) and capitalised development expenditure EUR 28 million (31). Charges of financial authorities were EUR 0 million (1). The EU's Single Resolution Board (SRB) does not collect stability contributions from banks for 2025.

At EUR 154 million (147), OP bonuses for owner-customers are included in earnings and are divided under the following items based on their accrual: EUR 75 million (76) under interest income, EUR 45 million (40) under interest expenses, EUR 26 million (23) under commission income from mutual funds, and EUR 8 million (8) under the insurance service result.

Income tax amounted to EUR 199 million (244). The effective tax rate for the reporting period was 20.1% (19.9). Comprehensive income after tax totalled EUR 855 million (1,031).

OP Financial Group's equity amounted to EUR 18.6 billion (18.1). Equity included EUR 3.1 billion (3.3) in Profit Shares, terminated Profit Shares accounting for EUR 0.2 billion (0.4).

OP Financial Group's funding position and liquidity are strong. The Group's LCR was 213% (193) and NSFR was 132% (129).

April–June

Second quarter-quarter operating profit totalled EUR 566 million, as against EUR 611 million a year earlier. Income from customer business (net interest income, net commissions and fees and insurance service result) decreased by a total of 7.6% to EUR 844 million (913).

As a result of lower market interest rates, net interest income decreased by 13.4% to EUR 581 million. New loans drawn down by customers during the second quarter totalled EUR 7.0 billion (6.0).

Impairment loss on loans and receivables totalled EUR 5 million (28).

Net commissions and fees grew by 1.5% to EUR 197 million. Owner-customers' use of daily banking services has been free of monthly charges since October 2023.

Insurance service result grew by 38.7% to EUR 65 million. Insurance service result includes EUR 126 million (133) in operating expenses.

Investment income, or net investment income, net insurance finance income and income from financial assets held for trading, increased by a total of 17.0% to EUR 169 million. Income from investment activities were increased by fair value changes in notes and bonds and derivatives.

Net income from financial assets recognised at fair value through profit or loss, or notes and bonds, shares and derivatives, totalled EUR 548 million (290). Net income from investment contract liabilities totalled EUR -235 million (-164). Net insurance finance income totalled EUR -194 million (-22).

In banking, net income from financial assets held for trading increased to EUR 44 million (36). In the second quarter, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. The change was also made retrospectively for 2024. Previously these items were presented in full under net trading income in the income statement. Interest expenses transferred a year ago totalled EUR 27 million. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and changes in accounting policies and presentation.

Other operating income totalled EUR 10 million (16).

Total expenses increased by 1.9% to EUR 578 million. Personnel costs decreased by 3.1% to EUR 270 million. Cancelling the transfer of the earnings-related supplementary pension liability decreased personnel costs by EUR 20 million. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 17.0% to EUR 30 million. ICT costs increased by 12.6% to EUR 145 million.

Income tax amounted to EUR 114 million (119). The effective tax rate for the reporting period was 20.1% (19.5). Comprehensive income after tax totalled EUR 493 million (539).

Highlights of the reporting period

Additional benefits for owner-customers

OP Financial Group allocates part of its profitability improvement to provide additional benefits to owner-customers. OP Financial Group increased the OP bonuses to be earned by owner-customers for 2025 by 40% compared to the normal level of 2022. Owner-customers earned a total of EUR 162 million (154) in OP bonuses during the reporting period. In addition, owner-customers will get daily banking services free of monthly charges until the end of 2025. The estimated total value of this benefit will be EUR 90 million for 2025.

Change in segment reporting

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. Comparative information is reported according to the new segment structure.

Joint venture of OP Financial Group and Nordea started operations

On 11 February 2025, the Finnish Competition and Consumer Authority (FCCA) approved a plan for expanding the operations of Siirto Brand Oy, which is fifty-fifty owned by OP Financial Group and Nordea. The corporate transaction was completed on 28 February 2025, after which Siirto Brand Oy started operations as an independent company. In December 2023, OP Financial Group and Nordea established a joint venture to create solutions for payment challenges in Finland. The company will develop phone-number and account-based payment solutions via Siirto's partner applications, which will benefit both consumers and businesses.

OP Financial Group's strategic targets and priorities

OP Financial Group has a strategy process in which it assesses, reshapes and implements its strategy on an ongoing basis. The Group systematically assesses its business environment and operating model to be able to make and implement new strategic choices when needed.

OP Financial Group's mission, values, vision and strategic priorities form a whole whose parts complement each other. The Group's vision is to be the leading and most appealing financial services group in Finland. Continuous monitoring of the business environment and strategic priorities will help achieve the shared vision and guide all actions.

In the next few years, operations will be guided by the following strategic priorities:

- Value for customers
- Profitable growth
- Efficient, high-quality operations
- Responsible business
- Highly skilled, motivated and satisfied personnel.

OP Financial Group's operations are based on a strong culture of risk management and compliance.

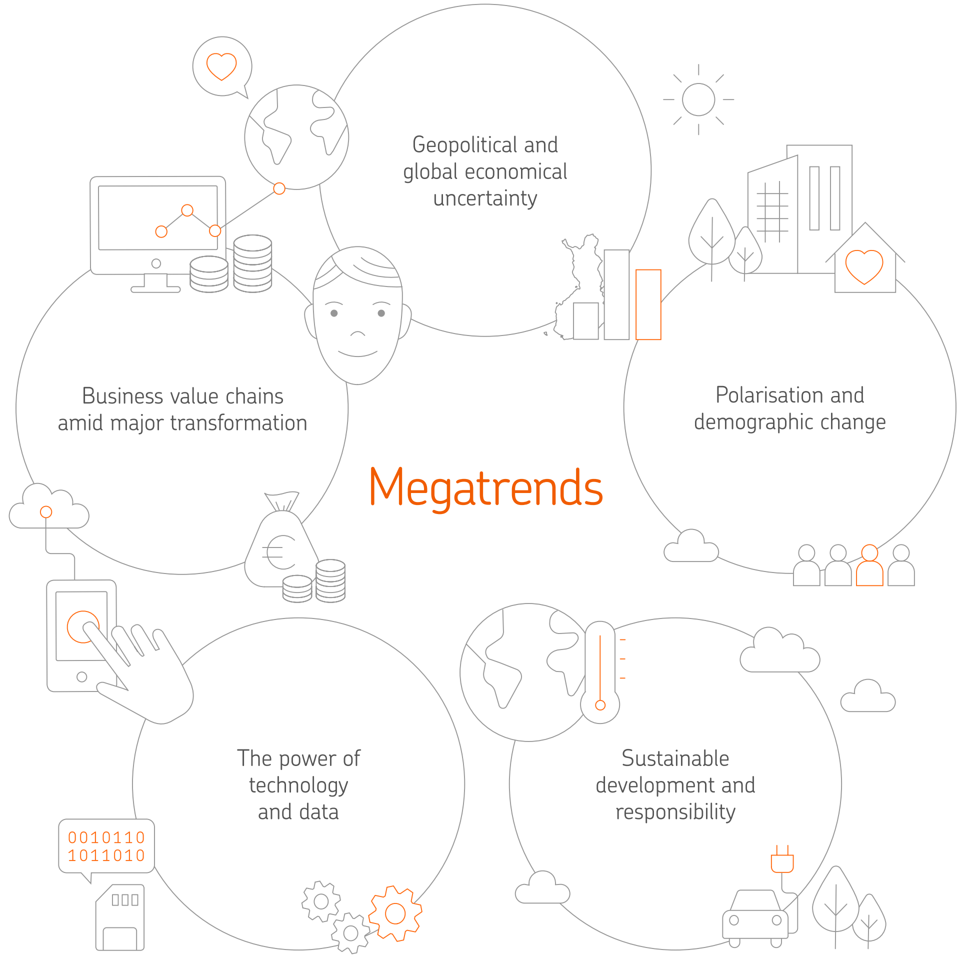
OP Financial Group's strategic targets and outcomes

	30 Jun 2025	31 Dec 2024	Target
Return on equity (ROE excluding OP bonuses), %	10.0	13.0	9.0
CET1 ratio, %	20.8	21.5	At least CET1 requirement + 4 pps*
Brand recommendations, bNPS (Net Promoter Score, personal and corporate customers)**	Banking: 1	Banking: 1	Banking: 1
	Insurance: 2	Insurance: 2	Insurance: 1
Credit rating	AA-/Aa3	AA-/Aa3	At least at the level of AA-/Aa3

* OP Financial Group's target CET1 ratio is at least the CET1 capital adequacy requirement plus four percentage points. The CET1 target calculated by applying the capital adequacy requirement of 30 June 2025 was 18.7%.

** Ranking in the survey on switching bank and insurer by Kantar Finland Oy and in a nationwide survey on SMEs by Red Note Oy.

OP Financial Group's business environment



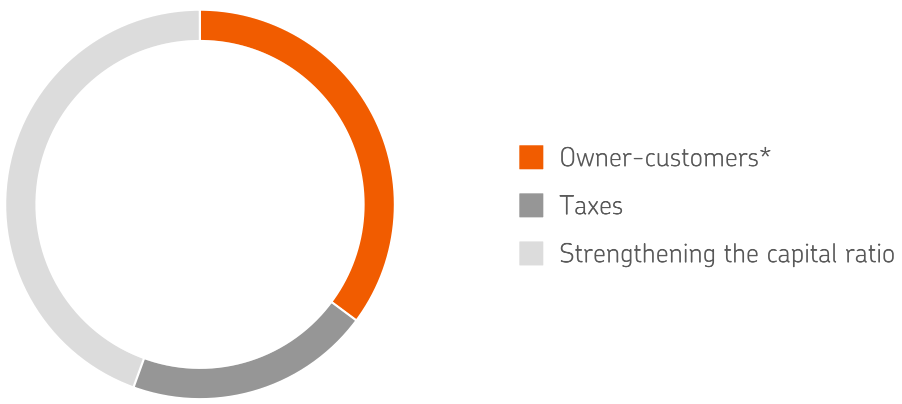
Promotion of the success of owner-customers and operating region

OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. The Group's operations are based on its values, mission, a strong capital base, capable risk management and customer respect.

Allocation of earnings

OP Financial Group aims to provide its owner-customers with the services they need, as efficiently as possible. The shared success will be used for the benefit of owner-customers in the form of loyalty benefits and other financial benefits, as well as the maintenance and further development of service capabilities.

OP Financial Group's estimated earnings allocation for 2025 that is to be confirmed after the end of the financial year:



*) Owner-customers = OP bonuses, benefits and interest on Profit Shares to owner-customers

Implementing OP Financial Group's mission successfully requires a strong capital base. A stronger capital base will require efficiency and earnings power from the Group in the years to come too. In addition to the part returned to owner-customers, a significant part of earnings is used to strengthen OP Financial Group's capital base.

Benefits created by OP Financial Group are allocated to owner-customers on the basis of the extent to which each owner-customer of an OP cooperative bank uses the Group's services. The owner-customers' loyalty benefit programme consists of OP bonuses – accrued on the basis of an owner-customer's transactions with OP – as well as benefits and discounts granted on OP's banking services, insurance contracts and savings and investment services. Owner-customers also have the opportunity to contribute capital to their own OP cooperative bank through Profit Shares. Interest will be paid annually on Profit Shares as the banks' profit distribution, based on the return target confirmed on an annual basis.

OP Financial Group has been the largest payer of corporate tax in Finland measured by tax on profits. As a major taxpayer, OP Financial Group is contributing to prosperity in the whole of Finland.

Owner-customer benefits

OP Financial Group had 2.1 million (2.1) owner-customers at the end of the reporting period. The number of owner-customers increased by 11,000 during the reporting period.

OP cooperative banks' owner-customers earn OP bonuses through banking, insurance and wealth management transactions. OP Financial Group increased the OP bonuses earned for 2025 by 40% compared to the 2022 level. The value of the new OP bonuses earned during the reporting period totalled EUR 162 million (154).

During the reporting period, a total of EUR 34 million (33) of OP bonuses were used to pay for banking and wealth management services and EUR 109 million (96) to pay non-life insurance premiums. Additionally, owner-customers get daily banking services free of monthly charges in 2025. The estimated total value of this benefit will be EUR 90 million for 2025.

Owner-customer benefits

€ million	H1/2025	H1/2024
New OP bonuses earned	162	154
Daily services*	106	105
Insurance**	10	9
Total	278	268

* Daily services packages, Current Account without account service charge, daily services free of charge in 2024 and 2025.
** Loyalty discount

OP bonuses and other owner-customer benefits totalled EUR 278 million (268), accounting for 21.9% (17.9) of OP Financial Group's operating profit before granted owner-customer benefits.

Free trading in funds and shares, free securities custody and free Equity Savings Account, which where previously reported as benefits only to owner-customers, were made available to all customers as of 1 April 2025. These benefits are no longer reported separately as owner-customer benefits.

The Act on changing the bonus practices in the financial sector will take effect on 1 January 2026 and will have a significant effect on the tax treatment of OP bonuses. Under the new Act, customer bonuses in the financial sector will be considered taxable if they are used for things other than the services which initially brought the bonuses. OP Financial Group has prepared for the change in the tax practices of financial-sector customer bonuses. The Group's owner-customers will continue to receive at least the same level of financial benefits compared to the normal level of 2022, regardless of the new Act.

Contributions made by OP cooperative banks' owner-customers to the banks' Profit Shares and cooperative shares totalled EUR 3.3 billion (3.5). The return target for Profit Shares for 2025 is an interest rate of 4.50% (5.50). Interest payable on Profit Shares accrued during the reporting period is estimated to total EUR 70 million (88). Interest on Profit Shares for the financial year 2024, paid in June 2025, totalled EUR 176 million (148).

Multichannel services

OP Financial Group has a multichannel service network comprising mobile, online, branch and telephone services. Use of digital services continues to grow steadily. Personal and corporate customers use mostly digital channels for banking and insurance. In June, an average of 1.8 million (1.6) personal and corporate customers used OP Financial Group's mobile channels. OP-mobile was logged into more than 190 million times in April–June. The Group provides personal customer service both at branches and via digital and telephone services.

Mobile and online services

No. of logins (million)	H1/2025	H1/2024	Change, %
Mobile services, personal customers	350.7	326.0	7.6
Mobile services, corporate customers	23.2	20.6	12.6
Op.fi	34.1	33.6	1.5

Registered customers (OP)	30 Jun 2025	30 Jun 2024	Change, %
Siirto payment	1,259,324	1,240,434	1.5

OP Aina is a personal assistant on mobile and online that helps OP's customers with a range of banking and insurance matters on a 24/7 basis. OP Aina is the first Finnish financial sector service based on AI and alerts – OP is using it to provide its customers with more personalised and easily available services than before. During the reporting period, OP Aina had 3.5 million (2.9) customer contacts, and 82% of customer feedback was positive.

On 11 February 2025, the Finnish Competition and Consumer Authority (FCCA) approved a plan for expanding the operations of Siirto Brand Oy, which is fifty-fifty owned by OP Financial Group and Nordea. The corporate transaction was completed on 28 February 2025, after which Siirto Brand Oy started operations as an independent company. In December 2023, OP Financial Group and Nordea established a joint venture to create solutions for payment challenges in Finland. The company will develop phone-number and account-based payment solutions via Siirto's partner applications, which will benefit both consumers and businesses.

The popularity of mobile payments is on the rise, with nearly half of card customers aged 18–25 in particular already using mobile payment services. During the first half of 2025, one in five card purchase was a mobile payment. The mobile payment options that OP Financial Group provides for customers at the moment include Apple Pay, Garmin Pay, Google Pay, Samsung Pay and Siirto.

OP Financial Group has an extensive branch network with 276 branches (278) across the country. In addition, Pohjola Insurance has a comprehensive network of agencies and partnerships.

Sustainability and corporate responsibility

As of 2024, OP Financial Group has reported on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD).

Responsible business is one of OP Financial Group's strategic priorities. OP Financial Group's sustainability programme guides the Group's actions and is built around three themes: Climate and the environment, People and communities, and Corporate governance. Read more about the sustainability programme at www.op.fi/en/op-financial-group/corporate-social-responsibility/corporate-social-responsibility-programme.

OP Financial Group is committed to complying not only with all applicable laws and regulations, but also with a number of international initiatives that guide operations. OP Financial Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption. OP Financial Group is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). Furthermore, OP Financial Group is committed to complying with the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance.

OP Financial Group is committed to the international Partnership for Carbon Accounting Financials (PCAF), which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with partners' loans and investments.

OP Financial Group has set emissions reduction targets for three sectors in its loan portfolio: the energy, agriculture and residential property sectors. These account for more than 90% of the emissions related to OP Financial Group's loan portfolio. The goal is to reduce the following from their 2022 initial level by 2030: 1) the emissions intensity of energy production by 50%; 2) absolute emissions associated with the agricultural sector by 30%; and 3) the emissions intensity of home loans by 45%.

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

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

Sustainability and corporate responsibility highlights of the reporting period

OP Financial Group provides its customer with several products based on the international framework for sustainable finance, such as green loans, sustainability-linked loans and sustainable supply chain finance. By the end of June, total exposures from green loans and sustainability-linked loans and facilities stood at EUR 8.5 billion (8.6).

90.3% (88.0) of OP Financial Group's funds were funds that promote ESG characteristics (EU regulation on sustainable finance SFDR, article 8) or funds aimed at making sustainable investments (SFDR, article 9). Funds in accordance with Article 9 accounted for 5.7% (4.6) of all funds.

To promote diversity, OP Financial Group aims to have at least 40% of defined executive positions occupied by the least represented group in each case: men or women. At the end of June, the proportion of women in these positions was 37% (38). The calculation method was changed at the beginning of 2025, and comparatives have been adjusted accordingly.

As the first bank in Finland to do so, OP Financial Group launched sustainable factoring for businesses in the second quarter. The new financial product gives buyers a longer payment period and lower interest rates provided they fulfil the seller's sustainability goals. The product well suited for agriculture, for example, and with it OP Financial Group is helping to increase sustainability in Finnish agriculture.

Within OP Financial Group, Pohjola Insurance and a number of OP cooperative banks participated in the spring in the Dreams programme of the Children and Youth Foundation. This involves well-known Dreams ambassadors visiting schools, telling about their personal growth story and encouraging young people to dream. The programme, with a goal to build faith in young people in the future, made a record number of 116 school visits in 2024–2025, with participants from 161 towns and cities. Almost 140,000 youths were reached during these visits, which will be continued during the 2025–2026 school year.

OP Financial Group is promoting the wellbeing of children and youth. OP Financial Group member cooperative banks will make an OP First Investment donation – a EUR 100 investment in the OP-World Index fund – to every baby born in Finland in 2025. With OP First Investment, OP Financial Group wants to encourage families to engage in systematic, long-term saving and investment. This donation has been available since May 2025.

According to statistics compiled by the financial sector, more and more people in Finland have been subjected to digital fraud, and therefore OP Financial Group has stepped up communication and campaigns to address the matter and increase awareness among its customers. By doing so, OP Financial Group is helping to protect its customers and people in general from digital fraud and to build a safer digital environment for everyone in Finland. In May, OP Financial Group launched a new website containing comprehensive information about various types of fraud and how to identify and steer clear of them. OP Financial Group also developed a "Can you spot the scams?" test and published "Beware of online scams" information and a speaker tour. OP Financial Group also organised a "Feel Confident Online" week in May, a national campaign to promote digital safety.

Capital adequacy and capital base

Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

OP Financial Group's own funds, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates (FiCo), exceeded the minimum amount specified in the Act by EUR 4.8 billion (6.0). Banking capital requirement was 15.4% (15.4), calculated on risk-weighted assets. The ratio of OP Financial Group's own funds to the minimum capital requirement was 136% (148). The ratio was weakened by a decrease of own funds under capital adequacy for credit institutions and an increase in capital requirements. As a result of the buffer requirements for banking and the solvency requirements for insurance companies, the minimum FiCo solvency of 100% reflects the level within which the conglomerate can operate without regulatory obligations resulting from buffers below the required level.

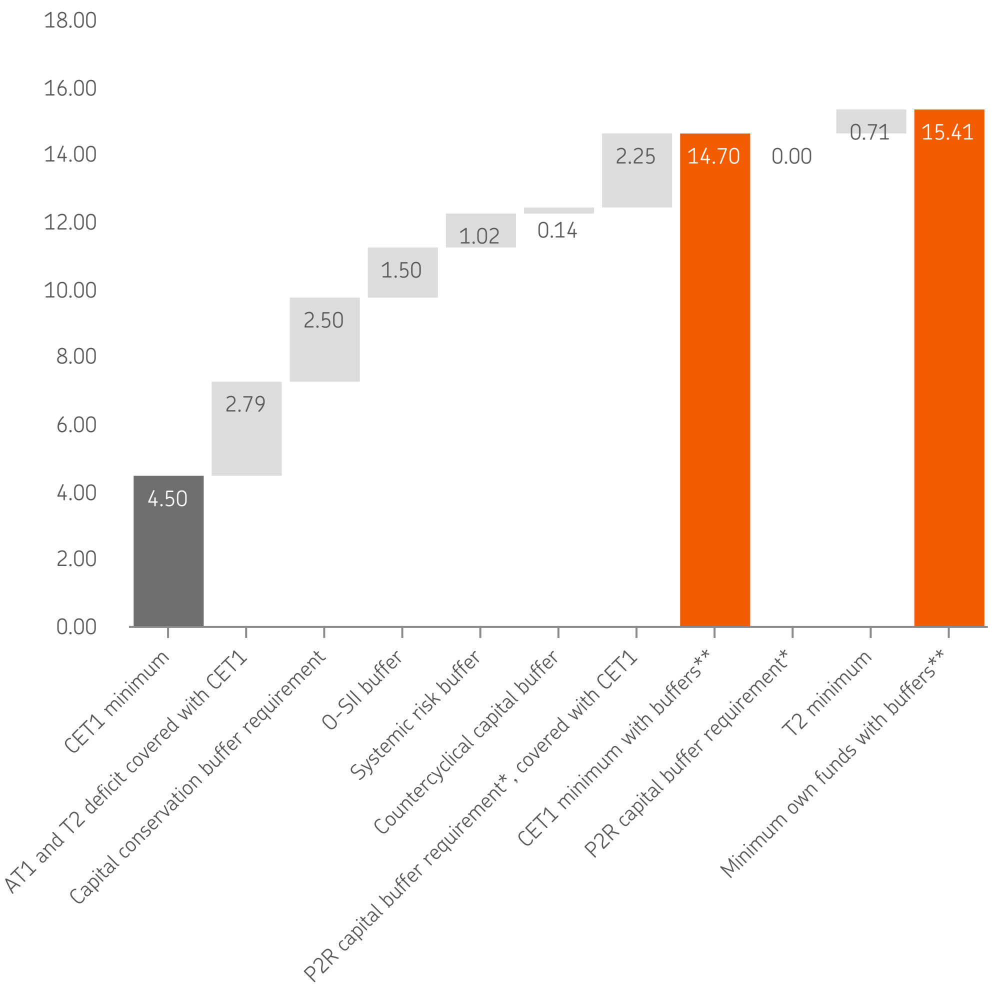
Capital adequacy for credit institutions

OP Financial Group's CET1 ratio was 20.8% (21.5), which exceeds the minimum regulatory requirement by 6.1 percentage points. The ratio decreased due to the growth in risk-weighted assets that resulted from the changes in the collateral management process, and the changes in the EU Capital Requirements Regulation (CRR3). The changes entered into force on 1 January 2025, and the figures in the comparison period are compliant with the previous regulation.

As a credit institution, OP Financial Group's capital adequacy is on a solid basis 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 requirement of 2.8% for AT1 and T2, which must be covered by CET1, raises the CET1 minimum to 7.3%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions, the O-SII buffer requirement of 1.5%, the systemic risk buffer requirement of 1.0%, the change in the countercyclical capital buffer requirement for foreign exposures, and the ECB's P2R requirement increase, in practice, the minimum total capital ratio to 15.4% and the minimum CET1 ratio to 14.7%, including the shortfalls of Additional Tier 1 (AT1) and Tier 2 (T2) capital.

Capital requirements, %

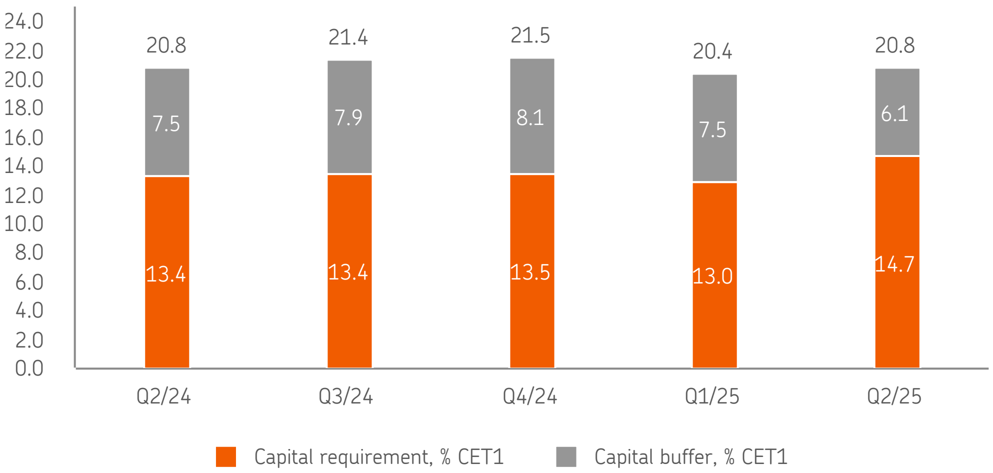
Q2/2025



*P2R supervisor's Pillar 2 requirement

**If the minimum level is not met, profit distribution will be restricted

CET1 ratio, %



The figures for Q1/2025 have been adjusted.

The CET1 capital of OP Financial Group as a credit institution was EUR 16.1 billion (15.5). Banking earnings had a positive effect on CET1 capital. The amount of Profit Shares in CET1 capital was EUR 3.1 billion (3.1). OP Financial Group's own funds decreased owing to a repurchase of Tier 2 debenture loans totalling EUR 1.3 billion by OP Corporate Bank, and increased by the issuance of a Tier 2 debenture loan of EUR 0.5 billion by OP Corporate Bank in January.

The risk exposure amount (REA) was EUR 77.3 billion (71.8). Risk-weighted credit risk assets increased as a result of changes in the collateral management process, regulatory changes under CRR3, and an increase in the loan portfolio. The risk-weighted assets for operational risk increased in line with income for previous years. In addition, regulatory changes under CRR3 increased the risk-weighted assets for operational risk.

Total risk exposure amount 30 June 2025, EUR 77.3 billion

Risk exposure amount (REA)	30 Jun 2025	Share of REA, %	31 Dec 2024	Share of REA, %	Change, %
Credit and counterparty risk	67.0	86.7	63.3	88.3	5.8
Corporate exposures	33.6	43.5	44.7	62.3	-24.8
Retail exposures	27.9	36.1	12.0	16.7	132.6
Equity investments	2.2	2.9	2.4	3.3	-7.5
Others	3.3	4.3	4.2	5.9	-22.0
Market risk	1.2	1.6	1.2	1.6	3.9
Operational risk	6.6	8.5	4.9	6.9	33.1
Other risks	2.5	3.3	2.3	3.3	8.2
Total	77.3	100.0	71.8	100.0	7.7

OP Financial Group treats insurance holdings within the financial conglomerate as risk-weighted assets, based on permission from the ECB. Equity investments include EUR 1.9 billion in risk-weighted assets of the Group's internal insurance holdings, with a risk weight of 100%. Investments in subordinated debt instruments include EUR 0.6 billion in risk-weighted assets of the Group's internal insurance holdings, with a risk weight of 150%.

The Finnish Financial Supervisory Authority (FIN-FSA) makes a macroprudential policy decision on a quarterly basis. In June 2025, the Financial Supervisory Authority reiterated its decision not to impose a countercyclical capital buffer requirement on banks and set OP Financial Group’s systemic risk buffer at 1.0% and the O-SII buffer at 1.5%.

The leverage ratio for OP Financial Group's Banking was 10.5% (10.5). The ratio was increased by banking earnings and decreased by an increase in liquid assets. The minimum regulatory requirement is 3%.

OP Amalgamation's Pillar 3 disclosures for 30 June 2025 will be published in week 33.

Insurance

The solvency position of the insurance companies is strong. At the end of the second quarter of 2025, both companies' solvency ratio remained close to that of 31 December 2024.

	Non-life insurance*		Life insurance	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Own funds, € mill.	1,968	1,845	1,527	1,550
Solvency capital requirement (SCR), € mill.	1,003	950	744	758
Solvency ratio, %	196	194	205	204

*Comparatives have been specified

ECB's supervision

OP Financial Group is supervised by the European Central Bank (ECB). The ECB has set a capital requirement for OP Financial Group based on the supervisory review and evaluation process (SREP). The capital buffer requirement (P2R) set by the ECB is 2.25%.

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 Bank that would be formed in case of resolution. According to the resolution strategy, OP Mortgage Bank will continue its operations as the new OP Bank's subsidiary.

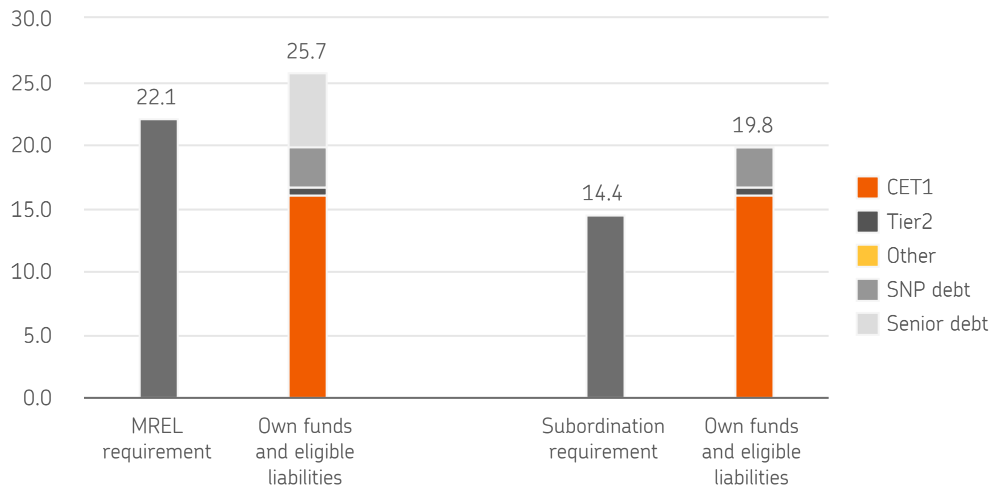
The SRB updated the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Financial Group in March 2025. As part of the MREL requirement, SRB updated the subordination requirement in accordance with the Single Resolution Mechanisms Regulation. The subordination requirement determines how much of the MREL must be fulfilled with own funds or subordinated liabilities. The MREL is 23.42% of the total risk exposure amount and 28.58% of the total risk exposure amount including a combined buffer requirement, and 7.36% of leverage ratio exposures. The subordination requirement supplementing the MREL is 13.50% of the total risk exposure amount and 18.66% of the total risk exposure amount including a combined buffer requirement, and 7.36% of leverage ratio exposures. The requirements include a combined buffer requirement (CBR) of 5.16%.

OP Financial Group's buffer for the MREL was EUR 3.6 billion (5.2), and for the subordination requirement it was EUR 5.4 billion (7.2). The amount of senior non-preferred (SNP), MREL-eligible bonds issued by OP Financial Group totalled EUR 3.3 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 33.3% (35.6) of the total risk exposure amount and, based on the subordination requirement, the MREL ratio for subordinated liabilities was 25.7% (28.7) of leverage ratio exposures.

MREL requirements

€ billion



Bases for risk profile management and the business environment

As part of its business operations, OP Financial Group manages effectively the risks arising in the implementation of its mission. In risk-taking related to its operations, OP Financial Group emphasises careful preparation and a sound risk-return ratio. The principles and limits prepared by senior management and adopted by OP Cooperative's Board of Directors steer and limit OP Financial Group's risk taking.

OP Financial Group's success lies in a foundation of accumulated trust capital, sufficient capital and liquidity, efficient reliable processes and diverse information on customers. From a risk-carrying capacity perspective, it is essential for OP Financial Group 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 trend change.

OP Financial Group analyses the business environment as part of its ongoing risk assessment activities and strategy process. Megatrends and worldviews behind OP Financial Group's strategy reflect driving forces that affect the daily activities, conditions and future of the Group and its customers and competitors. At present, global factors identified as particularly shaping the business environment include geopolitics and trade policy, climate, biodiversity loss, and scientific and technological innovations. In addition to these, factors emphasised in Finland include the demographic and regional development and growing public debt. OP Financial Group provides customers with advice and tailored services that promote their sustainable financial success and security, while managing its own risk profile on a longer-term basis. OP Financial Group makes comprehensive use of data in customer guidance, risk-based service sizing and risk-based premium rating. Contract lifecycle management is based on accurate and comprehensive information about the customer. Reporting for management purposes is also based on accurate and comprehensive data.

OP Financial Group has extensive business operations in different areas of the financial sector. For this reason, unexpected external shocks from the economic environment may have various direct and indirect effects on the prosperity of OP Financial Group's customers and on the Group's premises, ICT infrastructure and personnel. If materialised, they may affect the risk profile, capitalisation, liquidity and the continuity of daily business in various ways. OP Financial Group assesses the effects of such potential shocks by means of scenario work and continuously prepares for such effects by creating and testing action plans.

Operational risks

There was a major change in the cybersecurity environment in 2022 due to Russia's aggressive war in Ukraine. Since then, the cybersecurity threat level has remained elevated, including in Finland. OP Financial Group protects its operations and the data of its customers and other stakeholders by developing the digital infrastructure, improving information security capabilities and preparing against various cyber threats. This task extends to the level of the financial sector and the whole of society.

Cooperation with the authorities and within the financial sector has been stepped up in Finland and the Nordic countries. This has proven an effective way of fending off cyber attacks throughout the financial sector. OP Financial Group has developed its cybersecurity on a long-term basis, taking account of cyber risks and continuous changes in external threats. To ensure high-quality operations, the Group emphasises continuous testing and practice, competent staff and continuous development. An analysis of successfully stopped attacks and systems-related vulnerabilities has shown that OP Financial Group has a good reaction speed and strong preventative capabilities, combining expertise, processes and technologies.

OP Financial Group is systematically maintaining its operational capability and continuing the holistic development of its cybersecurity. Despite the preparedness of OP Financial Group, the financial sector and authorities, the risk of cyber attacks and other operations remains elevated.

At the end of the reporting period, around 600 specialists were working in anti-financial crime roles in OP Financial Group's central cooperative. Employees of OP cooperative banks and OP Financial Group's other companies also play an important role in financial crime prevention.

During the reporting period, the volume of materialised operational risks remained low at OP Financial Group. Operational risks resulted in expenses of EUR 4 million (3). The risk profile of other risks is discussed in more detail by business segment.

Retail Banking and Corporate Banking

Major risks in banking are associated with credit risk arising from customer business, and market risk.

Banking credit risk exposure remained low in terms of risk level, and the overall quality of the loan portfolio was good. The economic impact of changes in US trade policy, however, increase uncertainty in the outlook of the business environment.

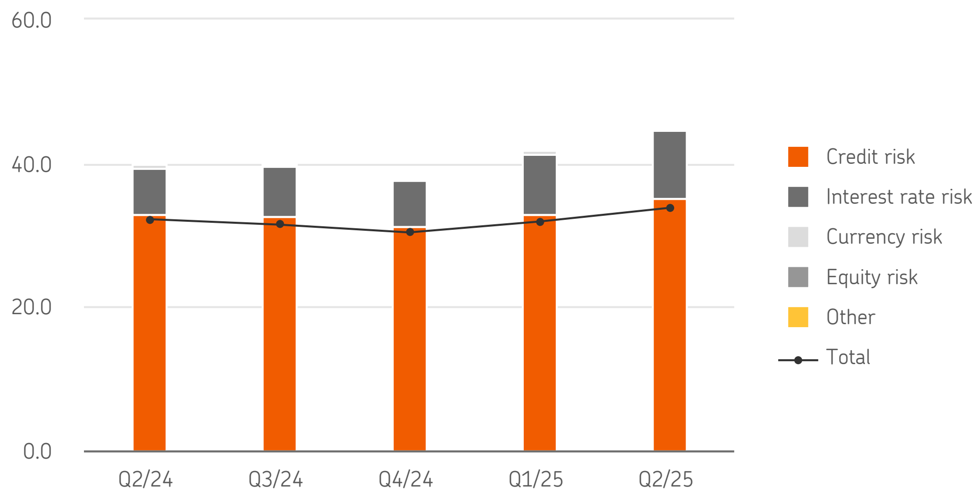
The VaR, a measure of market risks associated with Corporate Banking's investments, was EUR 34 million (30) at the end of the reporting period. The VaR risk metric includes banking's bond investments, derivatives that hedge their interest rate risk and investments in money market papers. No major changes were made to the asset class allocation during the reporting period.

In Markets, the stressed Expected Shortfall (ES), a measure of market risk, has remained stable, amounting to EUR 1.1 million (0.9) at the end of the reporting period.

Deposits within the scope of deposit guarantee and managed by OP Financial Group totalled EUR 46.6 billion (45.2) at the end of the reporting period, which equals 57.5% of deposits (58.2). The Deposit Guarantee Fund compensates a maximum of EUR 100,000 for each OP Financial Group customer.

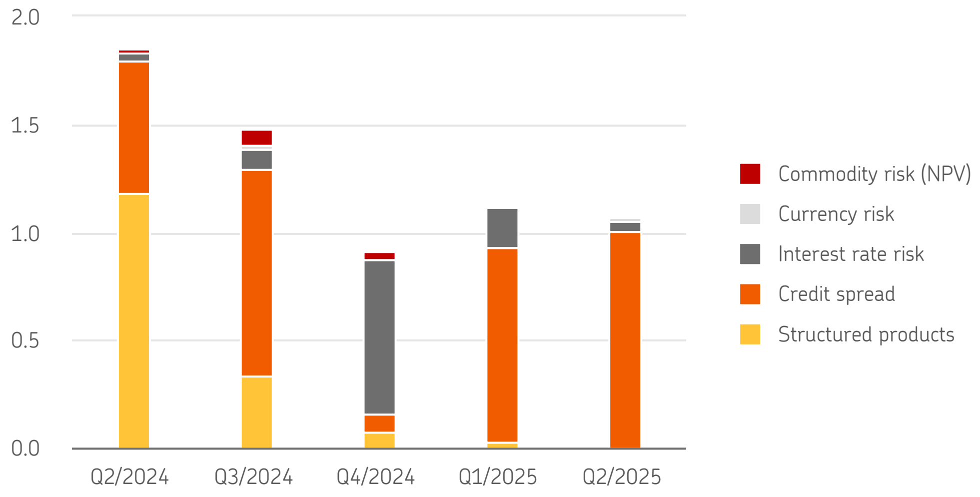
Corporate Banking's market risk VaR at a confidence level of 95% and a retention period of 10 days

€ million



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

€ million



Forborne and non-performing exposures

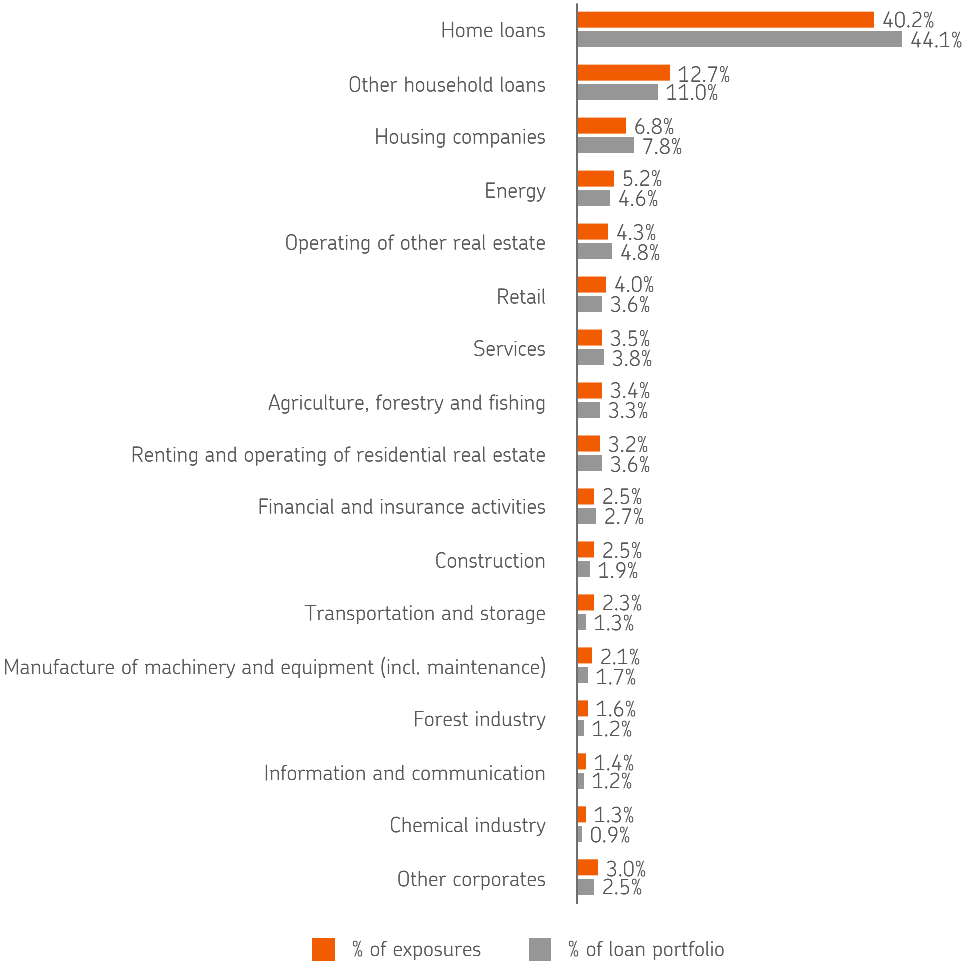
€ billion	Performing forborne exposures (gross)		Non-performing exposures (gross)		Doubtful receivables (gross)		Loss allowance		Doubtful receivables (net)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
More than 90 days past due			0.58	0.57	0.58	0.57	0.18	0.17	0.40	0.40
Unlikely to be paid			0.94	1.08	0.94	1.08	0.14	0.17	0.80	0.92
Forborne exposures	3.34	3.47	1.18	1.40	4.52	4.87	0.21	0.22	4.31	4.64
Total	**3.34**	**3.47**	**2.70**	**3.05**	**6.04**	**6.52**	**0.53**	**0.55**	**5.51**	**5.96**

Key ratios, %	OP Financial Group		Retail Banking		Corporate Banking	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Ratio of doubtful receivables to exposures	5.17	5.64	5.79	6.36	3.73	4.00
Ratio of non-performing exposures to exposures	2.31	2.64	2.73	3.02	1.36	1.77
Ratio of performing forborne exposures to exposures	2.85	3.00	3.06	3.34	2.37	2.23
Ratio of performing forborne exposures to doubtful receivables	55.26	53.21	52.84	52.47	63.56	55.77
Ratio of loss allowance (receivables from customers) to doubtful receivables	12.67	12.59	10.78	10.35	19.15	20.45

Non-performing exposures decreased, accounting for 2.3% of total exposures (2.6). Doubtful receivables decreased to 5.2% of total exposures (5.6). The ratio of performing forborne exposures to total exposures decreased to 2.9% (3.0). No single customer's exposure exceeded 10% of OP Financial Group's Tier 1 capital after allowances.

Breakdown of exposures and loan portfolio

Breakdown of exposures and loan portfolio by sector



The graph shows the breakdown of OP Financial Group's exposures and loans by sector as percentages at the end of the reporting period.

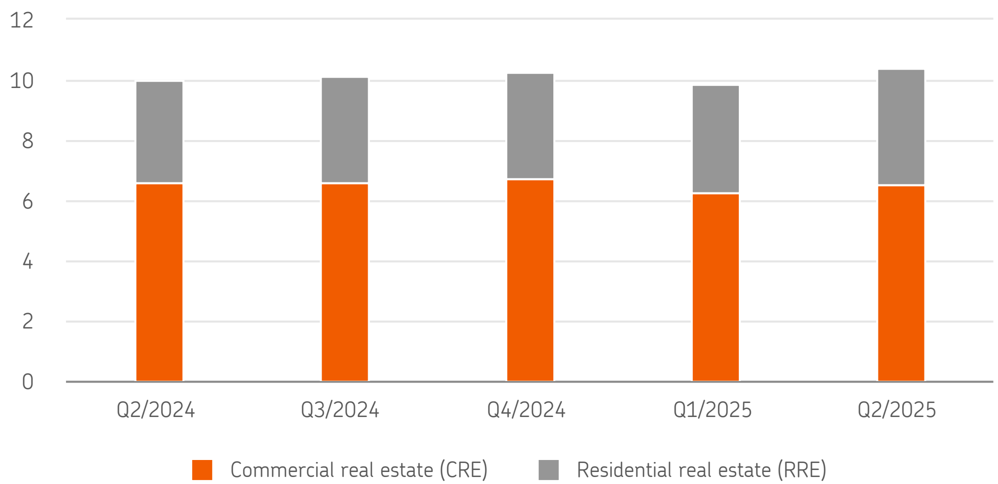
Below is a more detailed description of the development of OP Financial Group's exposures to the real estate sector, and the breakdown of exposures by type of real estate. In the graph on the left, exposures to the real estate sector are mainly included in Operating of other real estate, and Renting and operating of residential real estate.

At the end of the reporting period, OP Financial Group's exposures to the real estate sector totalled 8.9% (8.9) of all exposures. These exposures are well spread across different types of real estate. The largest type of real estate is commercial real estate units, which includes units such as offices. At the end of the reporting period, 63.7% (64.4) of OP Financial Group's real estate portfolio was held by Corporate Banking and 36.3% (35.6) by Retail Banking.

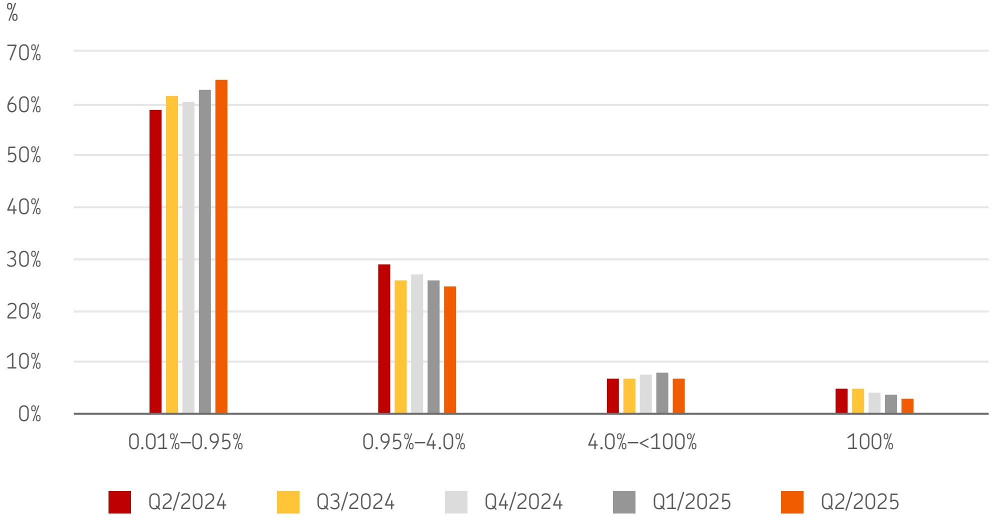
At the end of June, 2.7% of the real estate exposures (3.6) were classified as non-performing exposures.

CRE and RRE exposures

€ billion

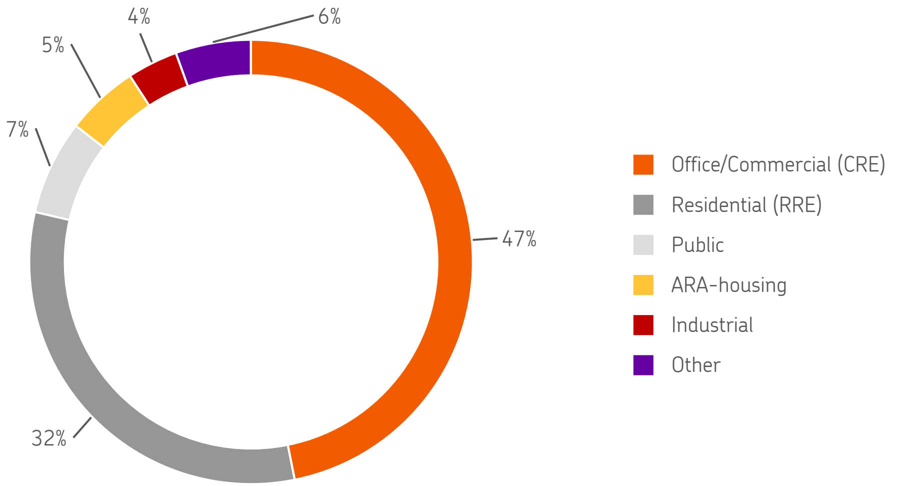


Breakdown of real estate operators' probability of default



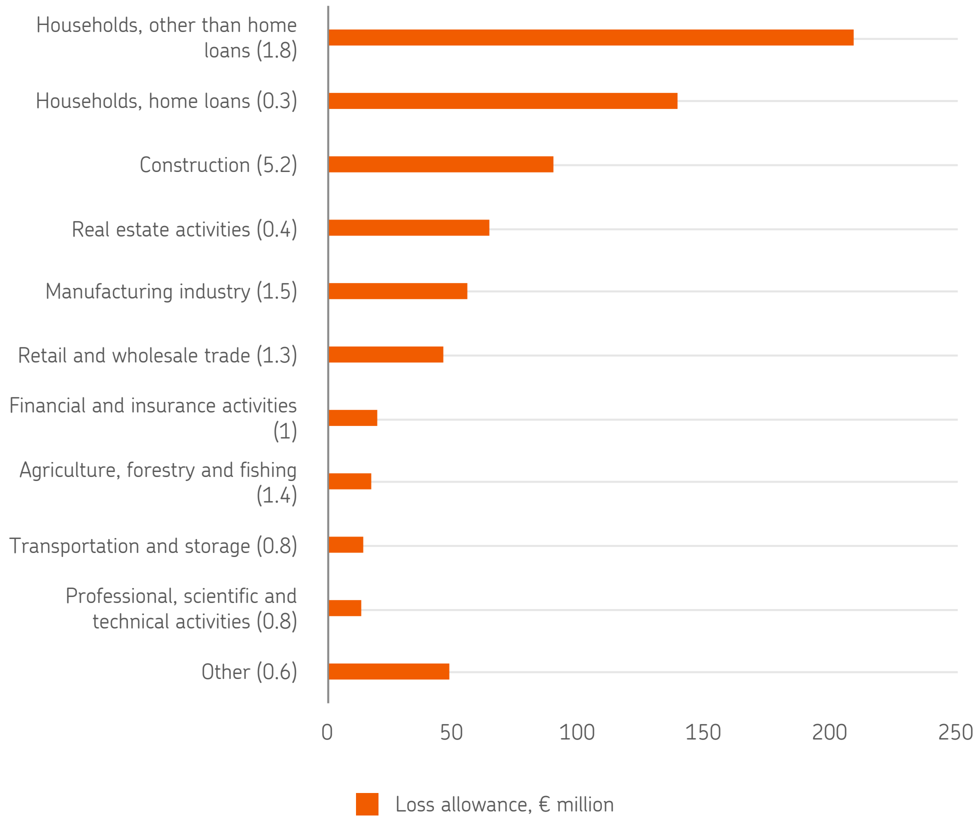
Portfolio split between real estate types

30 Jun 2025



Loss allowance by sector

30 Jun 2025



The graph shows the loss allowance of different sectors at the end of the reporting period, 30 June 2025. The figure in brackets after each description shows the ratio of loss allowance to gross exposures of the sector at the end of the reporting period.

Interest rate risk

Retail Banking's interest rate risk in the banking book measured as the effect of a one-percentage point interest rate increase on net interest income was EUR 88 million (93) and as the effect of a one-percentage point decrease EUR –98 million (–96) on average per 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 interest rate risk in the banking book measured as the effect of a one-percentage point interest rate increase on net interest income was EUR 3 million (25) and as the effect of a one-percentage point decrease EUR –4 million (–25) on average per year.

Insurance

Non-life insurance

Major risks within non-life insurance include underwriting risks associated with claims developments, market risks associated with investments covering insurance contract liabilities, a faster-than-expected increase in the life expectancy of the beneficiaries related to insurance contract liabilities for annuities, and interest rates used in the valuation of insurance contract liabilities.

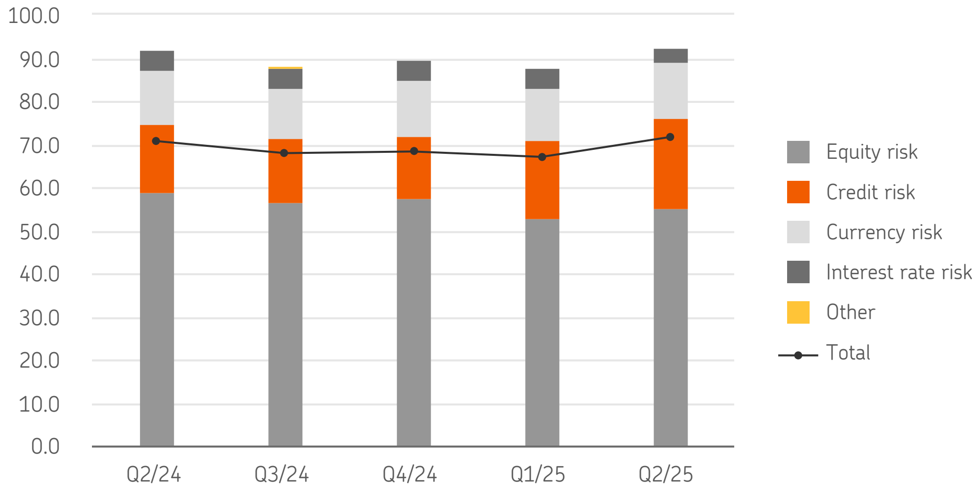
Longevity, or a decline in mortality, will increase payments made from pension portfolios. A 5% decrease in mortality assumptions would have an annual impact of EUR 14 million (15) on insurance contract liabilities. A one percentage point decrease in interest rates used in the valuation of insurance contract liabilities would have an annual impact of EUR 171 million (176) on such liabilities.

No significant changes took place in non-life insurance's underwriting risks during the reporting period. Non-life insurance's significant market risks include the equity risk, and lower market interest rates that increase the value of insurance contract liabilities and the capital requirement.

The Value-at-Risk (VaR) metric, a measure of market risks, was EUR 72 million (68) at the end of the reporting period. The increase is explained by the increase in equity and credit risk. VaR includes the company's investment balance including investments, insurance contract liabilities and derivatives that hedge against interest rate risk associated with insurance contract liabilities.

Non-life insurance's market risk VaR at a confidence level of 95% and a retention period of 10 days

€ million



Life insurance

The key risks associated with life insurance are the market risks of life insurance's investment assets, the interest rate used for the valuation of insurance contract liabilities, changes in mortality rates among those insured, and the lapse risk arising from changes in customer behaviour.

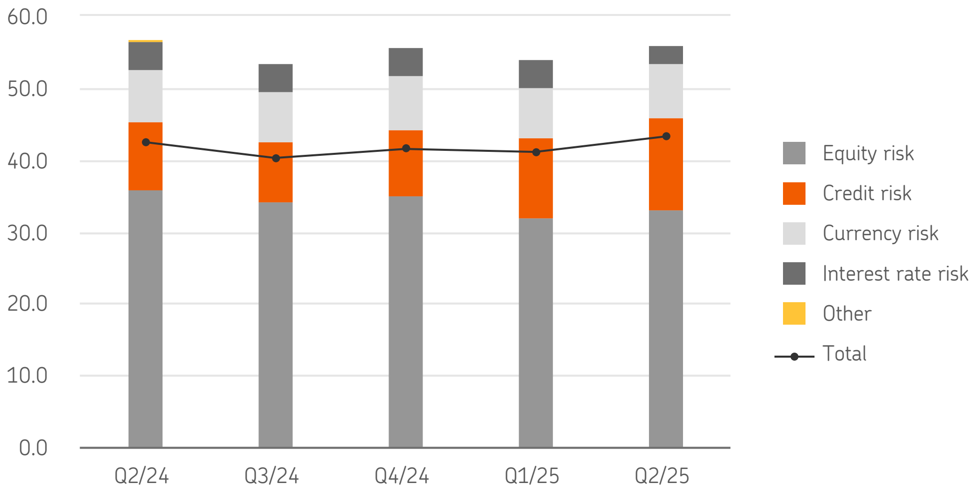
Longevity, or a decline in mortality, will increase payments made from pension portfolios. Overall, a 5% decrease in mortality assumptions would have an annual impact of EUR 23 million (23) on insurance contract liabilities related to annuity portfolios. Meanwhile, in term life insurance portfolios, growth in mortality rates would increase the number of claims. Overall, a 5% increase in mortality assumptions would have an annual impact of EUR 15 million (16) on insurance contract liabilities related to term life insurance portfolios. A 10% increase in the insurance policy lapse rate would have an annual impact of EUR 44 million (45) on insurance contract liabilities. A one percentage point decrease in interest rates used in the valuation of insurance contract liabilities would have an annual impact of EUR 165 million (175) on such liabilities.

Investment risks associated with separated insurance portfolios and risks associated with changes in customer behaviour have been buffered. The buffer is sufficient to cover a significant negative return on the investment assets included in the separated portfolios, after which OP Financial Group will bear the risks associated with the portfolios. The buffers totalled EUR 218 million (224) at the end of the reporting period.

The market risk level of the investments of life insurance increased slightly during the reporting period. The increase is explained by the increase in equity and credit risk. The Value-at-Risk (VaR) metric, a measure of market risks, was EUR 43 million (41) at the end of the reporting period. VaR includes life insurance's investment balance, including investments, insurance contract liabilities and derivatives that hedge against interest rate risk associated with insurance contract liabilities. The calculation does not include market risks associated with separated life insurance portfolios, assets that buffer against those risks, and customer bonuses.

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

€ million



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.

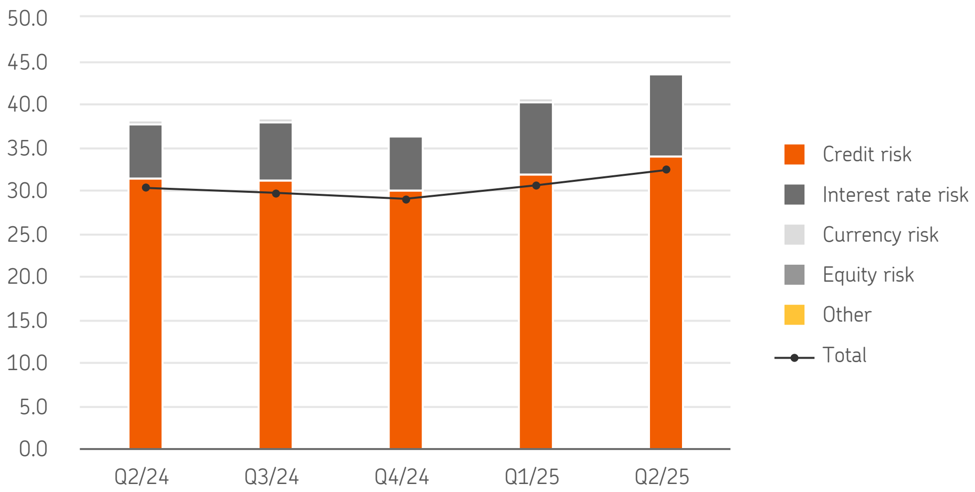
OP Financial Group's funding position and liquidity are strong. During the reporting period, OP Financial Group issued long-term bonds worth EUR 3.8 billion (1.8).

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%. OP Financial Group's NSFR was 132% (129) at the end of the reporting period.

The VaR risk metric that measures market risk associated with the liquidity buffer was EUR 32 million (29) at the end of the reporting period. 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.

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

€ million



OP Financial Group secures its liquidity through a liquidity buffer, which mainly consists 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.

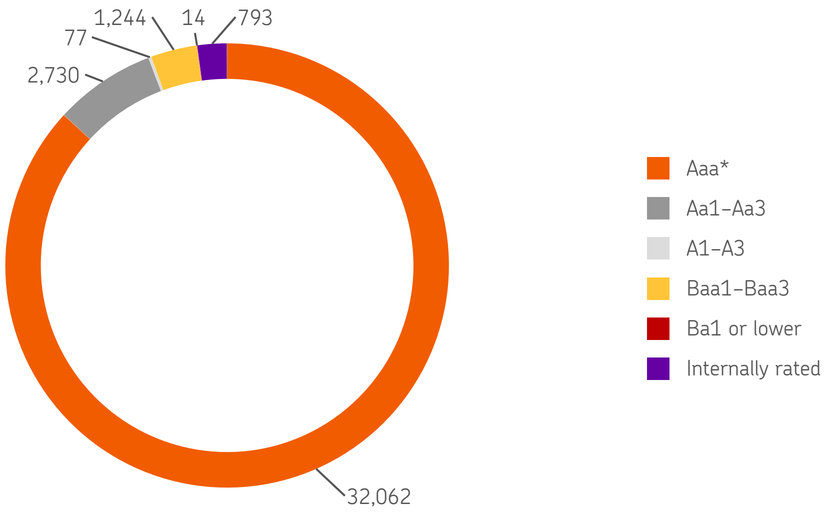
OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using, for example, the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100%. OP Financial Group's LCR was 213% (193) at the end of the reporting period.

Liquidity buffer

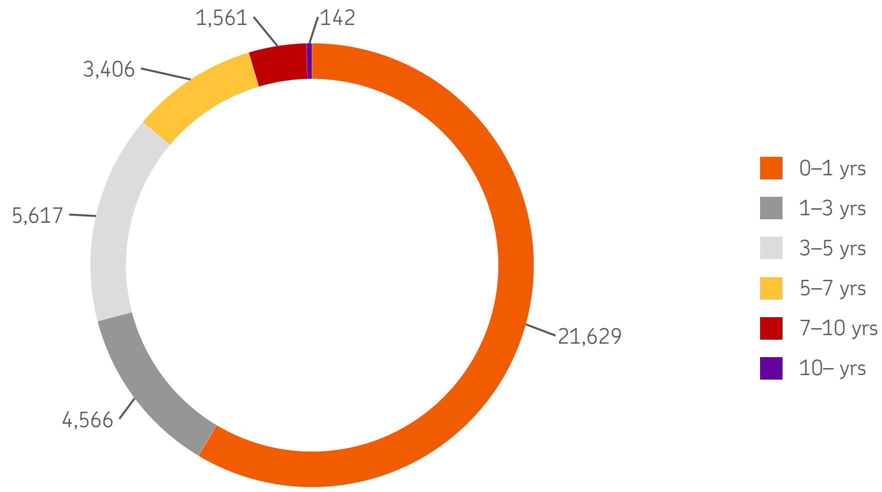
€ billion	30 Jun 2025	31 Dec 2024	Change, %
Deposits with central banks	20.6	17.9	15.4
Notes and bonds eligible as collateral	14.3	12.3	16.6
Loan receivables eligible as collateral	1.0	1.0	-2.0
Total	**36.0**	**31.2**	**15.3**
Receivables ineligible as collateral	0.9	0.8	19.9
Liquidity buffer at market value	36.9	32.0	15.4
Collateral haircut	-0.8	-0.7	-
Liquidity buffer at collateral value	36.1	31.2	15.6

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 2,018 million (1,520), classified at amortised cost and issued by issuers other than OP Financial Group. The fair value of these bonds amounted to EUR 2,048 million (1,547). In the Liquidity buffer table, the bonds are measured at fair value.

Financial assets included in the liquidity buffer by credit rating
30 Jun 2025, € million



Financial assets included in the liquidity buffer by maturity
30 Jun 2025, € million



* incl. deposits with the central bank

Credit ratings

Credit ratings 30 Jun 2025

	OP Corporate Bank plc				Pohjola Insurance Ltd	
Rating agency	Short-term debt	Outlook	Long-term debt	Outlook	Credit rating	Outlook
Standard & Poor's	A-1+	-	AA-	Stable	A+	Stable
Moody's	P-1	Stable	Aa3	Stable	A2	Stable

OP Corporate Bank plc has credit rating and Pohjola Insurance Ltd has financial strength rating affirmed by Standard & Poor's and Moody's. When assessing OP Corporate Bank's credit rating, credit rating agencies take account of the entire OP Financial Group's financial position. OP Corporate Bank's credit ratings for long-term funding refer to long-term senior funding ratings, while Pohjola Insurance credit ratings refer to IFSR ratings. The credit ratings did not change during the second quarter of 2025.

Financial performance by segment

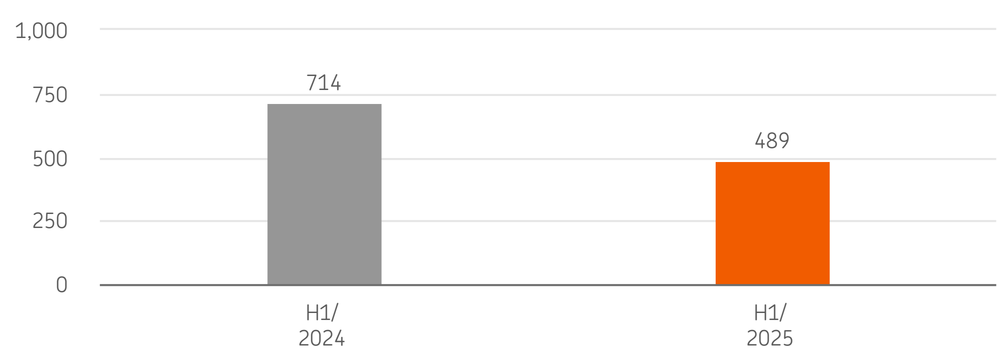
OP Financial Group's business segments are the Retail Banking segment, the Corporate Banking segment and the Insurance segment. Non-business segment operations are presented under the Group Functions segment. OP Financial Group prepares its segment reporting in compliance with its accounting policies. As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd (including their subsidiaries) are reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. Comparative information is reported according to the new segment structure.

Retail Banking segment

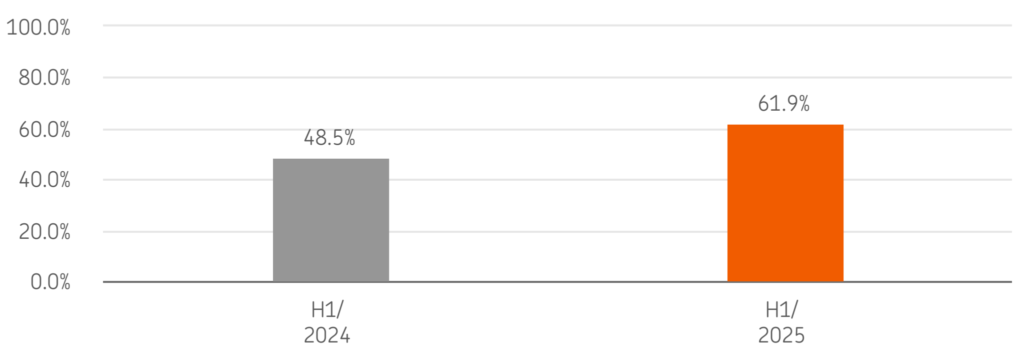
OP Financial Group's Retail Banking segment consists of banking and wealth management services for personal and SME customers at OP cooperative banks and at the central cooperative consolidated. The segment includes OP cooperative banks, OP Retail Customers plc, OP Mortgage Bank, OP Services Ltd, OP Koti companies, OP Real Estate Asset Management Ltd, OP Asset Management Ltd and OP Fund Management Company Ltd.

- Operating profit decreased to EUR 489 million (714). The cost/income ratio weakened to 61.9% (48.5).
- Total income decreased by 12.4% to EUR 1,302 million. Net interest income decreased by 16.8% to EUR 909 million, and net commissions and fees grew by 1.8% to EUR 365 million.
- Impairment loss on receivables decreased to EUR 7 million (52). Non-performing exposures (gross) decreased and accounted for 2.7% (3.0) of total exposures.
- Total expenses increased by 11.7% to EUR 806 million. Personnel costs increased by 9.5% to EUR 309 million. Other operating expenses grew by 13.0% to EUR 477 million.
- OP bonuses to owner-customers increased by 4.5% to EUR 138 million (132).
- The loan portfolio grew by 1.2% to EUR 71.3 billion while the deposit portfolio grew by 4.0% to EUR 65.5 billion, year on year.
- The most significant development investments focused on account and loan system upgrades, and the development of credit risk management. Other investments were allocated to the modernisation of existing systems and upgrades of self-service channels and customer relationship management systems.

Operating profit
€ million



Cost/income ratio
%



Retail Banking segment's key figures and ratios*

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Net interest income	909	1,093	-16.8	2,113
Impairment loss on receivables	-7	-52	-87.1	-95
Net commissions and fees	365	359	1.8	729
Investment income	0	0	–	3
Other operating income	27	35	-21.9	61
Personnel costs	-309	-282	9.5	-567
Depreciation/amortisation and impairment loss	-21	-18	17.7	-48
Other operating expenses	-477	-422	13.0	-869
Operating profit	**489**	**714**	**-31.4**	**1,328**
Total income	**1,302**	**1,487**	**-12.4**	**2,906**
Total expenses	**-806**	**-721**	**11.7**	**-1,484**
Cost/income ratio, %**	61.9	48.5	13.4	51.1
Ratio of non-performing exposures to exposures, %**	2.7	3.3	-0.6	3.0
Ratio of impairment loss on receivables to loan and guarantee portfolio, %**	0.02	0.15	-0.1	0.13
Return on assets (ROA), %*	0.80			
Return on assets, excluding OP bonuses, %*	1.02			

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Home loans drawn down	2,887	2,416	19.5	5,281
Corporate loans drawn down	1,091	835	30.7	1,784
No. of brokered residential property and property transactions	4,343	3,938	10.3	9,041

€ billion	30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
Loan portfolio				
Home loans	41.6	41.6	0.2	41.6
Corporate loans	7.3	7.4	-1.1	7.3
Housing companies***	9.0	8.7	3.5	8.7
Other loans to corporations and institutions****	4.3	4.3	-1.7	4.0
Other consumer loans****	9.1	8.4	7.6	9.1
Total loan portfolio	**71.3**	**70.4**	**1.2**	**70.7**
Guarantee portfolio	1.1	1.0	13.1	1.0
Other exposures	8.4	7.6	11.7	8.0
Deposits				
Current and payment transfer deposits	36.7	36.8	-0.4	35.4
Investment deposits	28.8	26.1	10.2	27.4
Total deposits	**65.5**	**62.9**	**4.0**	**62.9**

* As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd (including their subsidiaries) are reported as part of the Retail Banking segment. Comparative information for 2024 has been adjusted accordingly. The key ratio, Return on assets, %, was not calculated for 2024.

** Change in ratio, percentage point(s).

*** Housing company loans include housing companies and housing investment companies.

**** The customer classification was updated in the first quarter of 2025 by further specifying the definition of personal and corporate customers. The figures for 31 December 2024 have been adjusted to correspond to the new customer classification and are comparable to the figures for 2025.

Events in the reporting period

The loan portfolio grew by 1.2% to EUR 71.3 billion, year on year. The home loan portfolio grew by 0.2% to EUR 41.6 billion, year on year. Due to the recovering home loan market, the amount of home loans drawn down totalled EUR 2.9 billion, representing an increase of 19.5% year on year. The volume of home and real property sales brokered by OP Koti real estate agents increased by 10.3%, to 4,343.

At the end of the reporting period, 76.8% (78.1) of the home loan portfolio was tied to the 12-month Euribor, 18.9% (17.9) to shorter-term Euribor rates, and 4.3% (4.0) to the OP-Prime rate and a fixed interest rate. Year on year, the corporate loan portfolio decreased by 1.1% to EUR 7.3 billion. The housing company loan portfolio grew by 3.5% to EUR 9.0 billion, from a year ago. Other loans to corporations and institutions decreased by 1.7% to EUR 4.3 billion, year on year. Other consumer loans increased by 7.6% to EUR 9.1 billion, year on year.

At the end of the reporting period, 33.5% (33.7) of personal customer home loans were covered by interest rate protection. On the same date, the interest expenses of around 132,000 home loans were being reduced by an interest rate cap; the loans' aggregate principal totalled EUR 11.1 billion. In financial terms, the net benefit gained by customers from interest rate caps during the reporting period totalled EUR 63 million (130).

The deposit portfolio grew by 4.0% year on year, to EUR 65.5 billion. Deposits on current and payment transfer accounts decreased by 0.4% to EUR 36.7 billion, and investment deposits increased by 10.2% to EUR 28.8 billion.

OP Financial Group provides SMEs and housing companies with green loans, which boost investments in areas such as energy-efficient construction, renewable energy and infrastructure for low-emission transport. At the end of June, green loans granted to SMEs totalled EUR 428 million (255). At the end of 2024, the Energy Efficiency Loan for energy renovation of one or two-family houses was launched for personal customers.

OP Financial Group increased the OP bonuses to be earned by owner-customers for 2025 by 40% compared to the normal level of 2022. In addition, owner-customers will get daily banking services free of monthly charges until the end of 2025.

Use of digital services continues to grow steadily. Personal and corporate customers increasingly use digital channels for banking and insurance. In June, 1.8 million (1.6) personal and corporate customers used OP Financial Group's mobile channels. There were more than 190 million logins to OP-mobile in April–June.

On 11 February 2025, the Finnish Competition and Consumer Authority (FCCA) approved a plan for expanding the operations of Siirto Brand Oy, which is fifty-fifty owned by OP Financial Group and Nordea. The corporate transaction was completed on 28 February 2025, after which Siirto Brand Oy began operating as an independent company. The company will develop phone-number and account-based payment solutions via Siirto's partner applications, which will benefit both consumers and businesses.

In the reporting period, the most significant development investments focused on account and loan system upgrades and the development of credit risk management. Other investments were allocated to the modernisation of existing systems and upgrades of self-service channels and customer relationship management systems.

Due to mergers, the number of OP cooperative banks decreased to 75 (93). Merger projects between OP cooperative banks are underway in various parts of Finland.

Profit for the period

Retail Banking's operating profit amounted to EUR 489 million (714). Total income decreased by 12.4% to EUR 1,302 million. As a result of lower market interest rates, net interest income decreased by 16.8% to EUR 909 million.

Net commissions and fees grew by 1.8% to EUR 365 million.

Impairment loss on receivables decreased to EUR 7 million (52). Final net loan losses recognised for the reporting period totalled EUR 27 million (21). Non-performing exposures decreased and accounted for 2.7% (3.0) of total exposures.

Total expenses increased by 11.7% to EUR 806 million. Personnel costs rose by 9.5% to EUR 309 million. The increase was affected by headcount growth and pay increases. Other operating expenses increased by 13.0% to EUR 477 million.

Depreciation/amortisation and impairment loss increased by 17.7% year on year, to EUR 21 million.

OP bonuses to owner-customers increased by 4.5% to EUR 138 million. Based on their accrual, OP bonuses to owner-customers are included in interest income and interest expenses in the income statement.

Wealth Management

As of the beginning of 2025, companies within the Wealth Management business are reported as part of the Retail Banking segment. This section presents wealth management figures at the level of OP Financial Group, most of which are included in the figures of the Retail Banking segment.

In the first half of 2025, the equity markets performed well despite considerable volatility in share prices. Share prices recovered quickly in May and June, after their downswing in April due to political uncertainty. However, from the perspective of euro investors, returns from US equity markets were weakened by the dollar's slide against the euro.

The number of wealth management customers increased year on year. At the end of June, a total of 0.98 million (0.95) customers held wealth management products, while OP mutual funds had a total of 1.48 million (1.41) unitholders. Assets under management grew by 7.1% to EUR 97.7 billion. These included EUR 25.6 billion (23.8) in assets of companies belonging to OP Financial Group. Net asset inflow from clients (net subscriptions) totalled EUR 794 million (1,446). Although the amount of net asset inflow decreased year on year, investments through OP Retail Customers were record high in gross terms.

Wealth management commission income increased to EUR 140 million (139) in the first half. Income from commissions and fees grew due to the increase in assets under management. OP-Rental Yield and OP-Public Services Real Estate special common funds have been temporarily closed since 1 January. For this reason, the funds' management fees have been halved, which reduced commission income in the first half of the year. On 4 July 2025, OP Financial Group announced that, following tentative signs of recovery on the real estate market, payouts would be made – on the original schedule, in July 2025 – for redemption orders placed in the second half of 2024.

As on 7 May 2025, the guardians of children born in 2025 have been entitled to a EUR 100 investment in the OP-World Index fund for their child. The digital OP Investment Academy, which provides coaching on the basics of saving and investment, was launched in the spring of 2025. It has been used by almost 50,000 customers.

Wealth management net commissions and fees

The table shows all net commissions and fees related to OP Financial Group's wealth management.

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Mutual funds*	90	91	-1.0	188
Wealth management	17	16	6.1	45
Life insurance investment contracts	15	14	10.6	28
Securities brokerage	9	7	25.8	14
Legal services	10	11	-13.9	21
Total	**140**	**139**	**1.3**	**296**

* OP bonuses accrued for owner-customers from mutual funds are deducted from commission income from mutual funds.

Wealth management net assets inflow

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Mutual funds	397	889	-55.4	1,005
Direct investments*	177	369	-52.2	406
Insurance investments	221	188	17.4	424
Total	**794**	**1,446**	**-45.1**	**1,836**

* Direct investments includes investments other than funds and insurance investments (equities and derivatives, structured products and bonds).

Assets under management

€ billion	30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
Mutual funds	41.2	39.1	5.5	40.4
Direct investments*	38.2	34.8	9.9	34.7
Insurance investments	18.3	17.4	5.0	18.2
Total	**97.7**	**91.3**	**7.1**	**93.3**

* Direct investments includes investments other than funds and insurance investments (equities and derivatives, structured products and bonds).

Wealth management's other key indicators

	30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
OP mutual fund unitholders (1,000)	1,478	1,347	9.8	1,413
Morningstar rating	3.38	3.35		3.31

	1–6/2025	1–6/2024	Change, %	1–12/2024
New agreements for systematic investing in mutual funds (1,000)	95	82	16.3	165

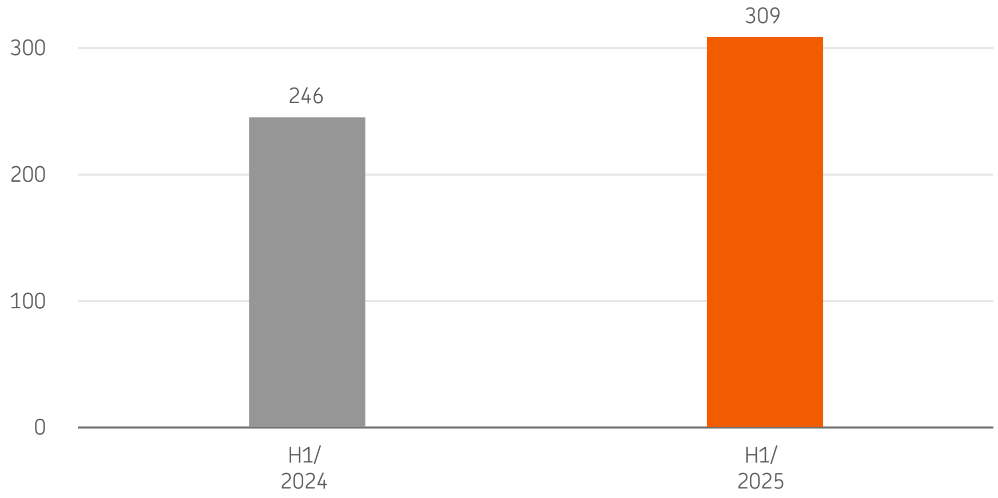
Corporate Banking segment

OP Financial Group's Corporate Banking segment consists of banking services for corporate and institutional customers. The segment comprises OP Corporate Bank plc's banking operations and OP Custody Ltd.

- Operating profit increased to EUR 309 million (246) and the cost/income ratio was 33.5% (34.8).
- Total income grew to EUR 426 million (402). Net interest income increased by 9.5% to EUR 300 million (274). Net commissions and fees decreased by 8.6% to EUR 42 million (46). Investment income increased by 3.2% to EUR 70 million (68).
- Impairment loss on receivables reversed came to EUR 26 million. A year ago, impairment loss on receivables totalled EUR 16 million. Non-performing exposures (gross) decreased and accounted for 1.4% (1.8) of total exposures.
- Total expenses increased to EUR 143 million (140). Personnel costs decreased by 1.0% to EUR 43 million (44). Other operating expenses increased by 3.7% to EUR 99 million (96).
- The loan portfolio grew by 4.1% to EUR 28.5 billion while deposits grew by 24.8% to EUR 16.2 billion, year on year.
- The most significant development investments involved the upgrades of customer relationship management and payment systems and the development of asset-based financing systems.

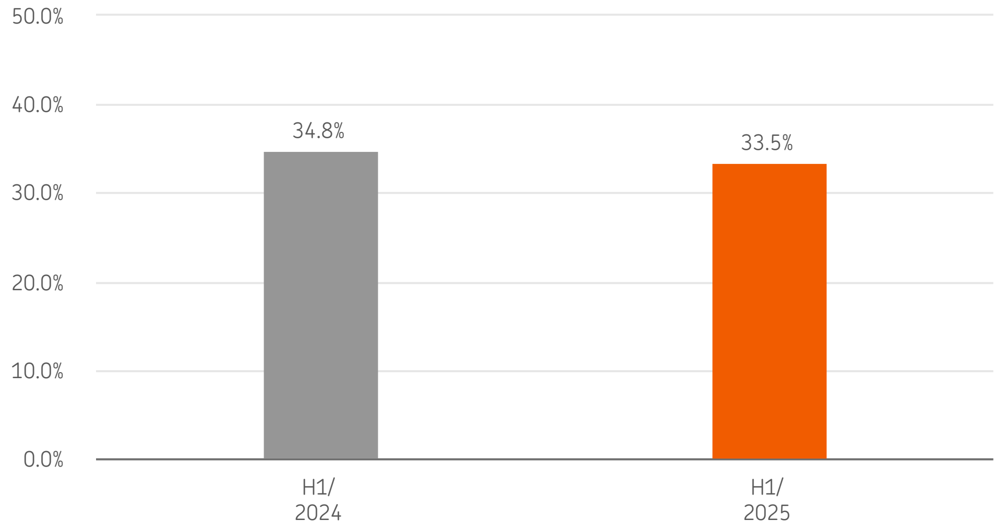
Operating profit

€ million



Cost/income ratio

%



Corporate Banking segment's key figures and ratios**

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Net interest income****	300	274	9.5	554
Impairment loss on receivables	26	-16	-266.1	0
Net commissions and fees	42	46	-8.6	89
Investment income****	70	68	3.2	130
Other operating income	15	15	-0.4	27
Personnel costs	-43	-44	-1.0	-87
Depreciation/ amortisation and impairment loss	0	-1	-23.7	-1
Other operating expenses	-99	-96	3.7	-193
Operating profit	**309**	**246**	**25.5**	**520**
Total income	**426**	**402**	**6.0**	**801**
Total expenses	**-143**	**-140**	**2.1**	**-281**
Cost/income ratio, %*	33.5	34.8	-1.3	35.0
Ratio of non-performing exposures to exposures, %*	1.4	2.2	-0.8	1.8
Ratio of impairment loss on receivables to loan and guarantee portfolio, %*	-0.17	0.1	-0.27	
Return on assets (ROA), %**	1.51			

€ billion	30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
Loan portfolio				
Corporate loans	20.6	19.8	3.9	20.3
Housing companies***	1.8	2.0	-9.7	1.9
Other consumer loans	3.5	3.4	4.8	3.5
Other loans	2.6	2.2	18.1	2.6
Total loan portfolio	**28.5**	**27.4**	**4.1**	**28.3**
Guarantee portfolio	2.6	2.8	-6.0	2.7
Other exposures	5.4	5.4	-0.5	5.2
Deposits	16.2	13.0	24.8	15.5

* Change in ratio, percentage point(s).

** As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd (including their subsidiaries) are reported as part of the Retail Banking segment. Comparative information for 2024 has been adjusted accordingly. The key ratio, Return on assets, %, was not calculated for 2024.

*** Housing company loans include housing companies and housing investment companies.

**** In the second quarter of 2025, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. This change was also made retrospectively for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and highlights.

Events in the reporting period

The loan portfolio grew by 4.1% to EUR 28.5 billion, year on year. Signs of recovery emerged in demand for corporate investment financing and working capital, and the quantity of newly drawn-down credit and the loan portfolio grew compared to the same period in 2024. Furthermore, growth in the consumer finance loan portfolio was driven by car finance.

The commitment portfolio of sustainable finance decreased to EUR 8.0 billion (8.3).

The deposit portfolio grew by 24.8% year on year, to EUR 16.2 billion. During the year, Corporate Banking established several new payment service customer relationships and expanded a number of existing ones.

In Corporate Banking, the most significant development investments involved the upgrades of customer relationship management and payment systems, and the development of asset-based financing systems. With the implementation of the new Group-level customer relationship management system, Corporate Banking aims at a better customer experience, and higher operational quality and efficiency. The upgrade of core payment systems and improvement of digital transaction services will continue. Corporate Banking was the lead arranger or arranger of eight bond issues on the capital markets, which raised EUR 1.7 billion for companies.

Corporate and institutional customers engaged more actively in interest rate hedging during the first half. Hedging volumes grew by 17.7% year on year.

As the first bank in Finland to do so, Corporate Banking launched sustainable factoring for businesses in April. This new financial product gives buyers a longer payment period and lower interest rates if they fulfil the seller's sustainability goals.

Profit for the period

Corporate Banking's operating profit amounted to EUR 309 million (246). The cost/income ratio was 33.5% (34.8). Net interest income rose by 9.5% to EUR 300 million (274) as a result of inter-segment allocation changes between Group Functions and Corporate Banking. Impairment loss on receivables reversed came to EUR 26 million due to the repayment of loans. A year ago, impairment loss on receivables totalled EUR 16 million. Non-performing exposures accounted for 1.4% (1.8) of total exposures. Net commissions and fees totalled EUR 42 million (46).

Investment income increased to EUR 70 million (68). Higher customer activity in currency and interest rate derivative trading contributed to higher income from investment activities year on year. Derivatives used for economic balance sheet hedging, investments recognised at fair value through profit or loss, and liabilities reduced income from investment activities by EUR 12 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 12 million year on year. Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes improved earnings by EUR 3 million (–3).

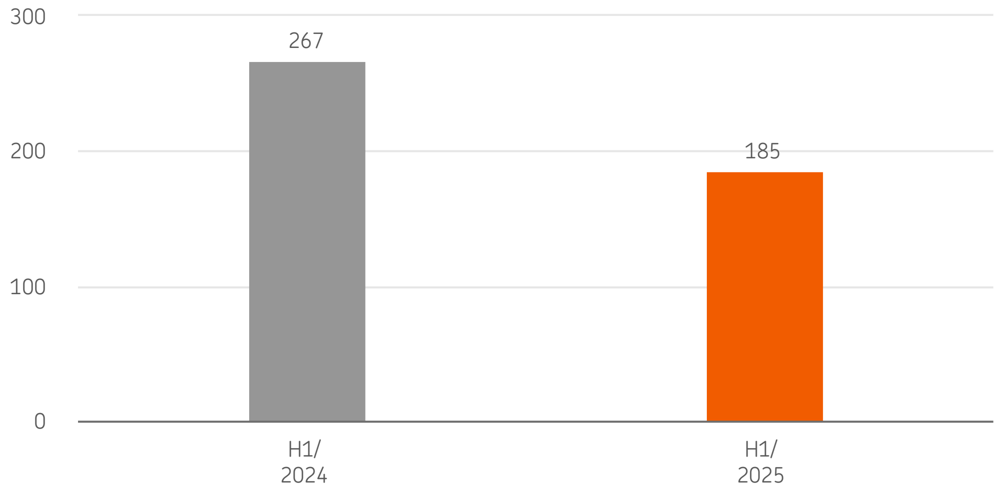
Personnel costs decreased by 1.0% to EUR 43 million. Other operating expenses increased by 3.7% to EUR 99 million. The increase was due to intra-Group charges at OP Financial Group.

Insurance segment

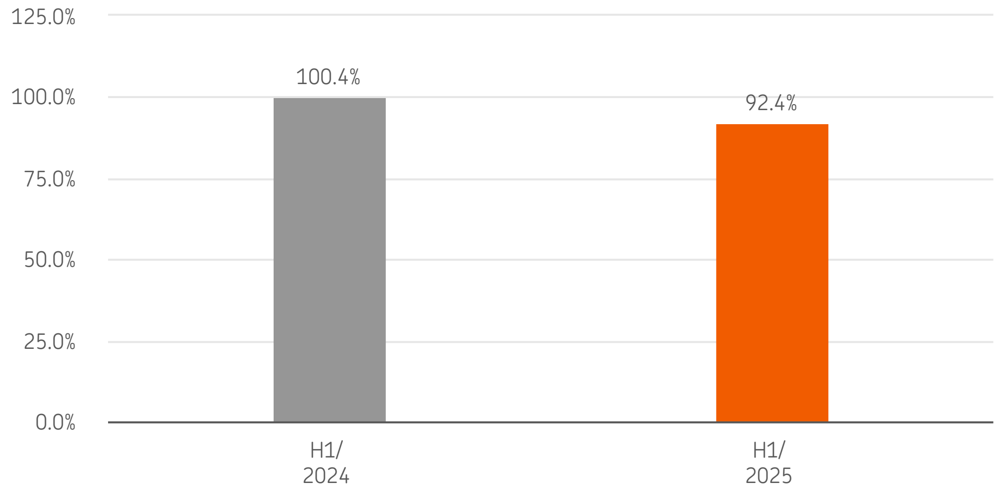
OP Financial Group's Insurance segment comprises life and non-life insurance business. The segment includes Pohjola Insurance Ltd and OP Life Assurance Company Ltd.

- Operating profit was EUR 185 million (267).
- The insurance service result improved to EUR 68 million (37). Investment income totalled EUR 115 million (232).
- Non-life insurance premiums written increased by 5.1% to EUR 1,245 million. The combined ratio reported by non-life insurance improved to 92.4% (100.4).
- In life insurance, unit-linked insurance assets increased by 1.0% – to EUR 14.3 billion – from their level at the end of 2024. Premiums written for term life insurance grew by 4.2%.
- Return on investments by non-life insurance at fair value was 1.3% (3.0) and that by life insurance was 0.9% (2.0).
- Total expenses increased to EUR 292 million (287) due to higher ICT costs.
- Development investments focused on core system upgrades and the development of digital services.

Operating profit
€ million



Non-life Insurance combined ratio
%



Insurance segment's key figures and ratios

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Insurance revenue	1,051	1,041	1.0	2,129
Insurance service expenses	-946	-1,005	-5.9	-1,879
Reinsurance contracts	-38	1	–	-59
Insurance service result	68	37	83.1	192
Investment income	115	232	-50.6	382
Net commissions and fees	25	21	16.7	49
Other net income	2	1	73.3	2
Personnel costs	-82	-90	-9.6	-183
Depreciation/ amortisation and impairment loss	-16	-19	-17.7	-37
Other operating expenses	-195	-177	10.0	-356
Total expenses	**-292**	**-287**	**2.0**	**-575**
Transfers to insurance service result	269	263	2.3	529
Operating profit	**185**	**267**	**-30.7**	**578**
Return on assets (ROA), %*	1.29	1.89	-0.61	2.20
Return on assets, excluding OP bonuses, %*	1.40	2.00	-0.61	2,32

* Change in ratio, percentage point(s).

The Insurance segment's insurance service result increased year on year, due to the favourable claims trend. The capital market was volatile in the first half of 2025. Investment income increased after the downswing in April – investment income measured at fair value was 1.1% (2.6).

In non-life insurance, the number of personal customer households increased by 8,600 to nearly 1.3 million. Profitability improved as a result of favourable developments in large claims. Claims volumes in motor vehicle and property insurance decreased. In health insurance, claims volumes continued to grow year on year.

In the life insurance business, premiums written in term life insurance grew by 4.2%. In life insurance, unit-linked insurance assets increased by 1.0% – to EUR 14.3 billion (14.2) – from their level at the end of 2024.

Profit for the period

Operating profit was EUR 185 million (267). The insurance service result grew to EUR 68 million (37). Expenses rose by 2.0% due to higher ICT costs. Cancelling the transfer of the earnings-related supplementary pension liability decreased personnel costs by EUR 12 million.

Investment income totalled EUR 115 million (232). Net investment income decreased year on year, with share values rising less than in the same period in 2024. Investment income includes net investment income of EUR 79 million (503) and net finance income of EUR 35 million (-272) on the income statement.

Investment income

€ million	H1/2025	H1/2024
Insurance companies' investments		
Fixed income investments	19	-8
Quoted shares	41	170
Other liquid investments	2	1
Property investments	15	13
Other illiquid investments	13	27
Insurance companies' net investment income	90	204
Net finance income*	33	39
Interest on subordinated loans, and other income and expenses	6	-7
Investment income	129	235
Net income from separated balance sheets	-4	5
Net income from customers' savings and investments agreements	-11	-8
Total investment income	115	232

* Excluding net finance income from separated balance sheets and customers' savings and investments agreements

Non-life insurance financial performance

Non-life insurance operating profit amounted to EUR 145 million (131). The insurance service result grew to EUR 66 million (-3). Investment income totalled EUR 79 million (135).

€ million	H1/2025	H1/2024	Change, %
Insurance revenue	923	909	1.6
Claims incurred	-566	-667	-15.1
Operating expenses	-262	-253	3.6
Insurance service result, gross	95	-11	-983.9
Reinsurer's share of insurance revenue	-53	-65	-17.7
Reinsurer's share of insurance service	24	72	-66.3
Net income from reinsurance	-29	8	-480.6
Insurance service result	66	-3	
Net finance income	24	4	460.7
Income from investment activities	56	130	-57.4
Investment income	79	135	-41.1
Other net income	0	-1	-143.7
Operating profit	**145**	**131**	**11.0**
Combined ratio	92.4	100.4	
Risk ratio	62.8	70.7	
Cost ratio	29.6	29.7	

Non-life insurance: premiums written

€ million	H1/2025	H1/2024	Change, %
Personal customers	544	507	7.3
Corporate customers	700	677	3.5
Total	1,245	1,184	5.1

Premiums written increased by 5.1% to EUR 1,245 million. Among personal customers, all lines of insurance showed strong growth. Besides the growth in the number of customers, the increase was attributable to the rise in the general level of costs and the resulting index increments and price increases in insurance premiums. Premiums written in relation to corporate customers were affected by risk selection and portfolio changes regarding large customers. Net insurance revenue, including the reinsurer's share, grew by 3.0% to EUR 870 million.

Net claims incurred after the reinsurer's share decreased by 8.5% to EUR 546 million. The total number of claims reported decreased by 3.5%, compared to an increase of 8.4% during the same period in 2024. A year ago, claims related to weather phenomena increased claims incurred. In the reporting period, the number of large claims was smaller than usual. A total of 47 (77) new major losses to property or operations occurred in January–June, whereas claims incurred retained for own account totalled EUR 48 million (97). This includes over EUR 0.3 million in losses. Large claims accounted for 5.5% (11.5) of the risk ratio.

Operating expenses, EUR 262 million, increased by 3.6% as a result of higher ICT costs. Investments in the core system upgrade increased ICT costs.

The combined ratio reported by non-life insurance improved to 92.4% (100.4). The risk ratio was 62.8% (70.7). The cost ratio was 29.6% (29.7).

Non-life insurance: investment income

€ million	H1/2025	H1/2024
Net finance income and expenses	24	4
Fixed income investments	15	6
Quoted shares	26	108
Other liquid investments	1	1
Property investments	12	9
Other illiquid investments	6	14
Income from investment activities	62	138
Interest on subordinated loans, and other income and expenses	-6	-8
Total investment income	**79**	**135**

Non-life insurance: key investment indicators

	H1/2025	H1/2024
Return on investments at fair value, %	1.3	3.0
Fixed income investments' running yield, %*	3.1	3.9
	30 Jun 2025	31 Dec 2024
Investment portfolio, € million	4,698	4,575
Investments within the investment grade category, %	86	89
At least A-rated receivables, %	46	51
Modified duration	3.9	3.9

* Portfolio's market value weighted yield of direct bonds excluding occurrences of default.

Life insurance financial performance

Operating profit was EUR 37 million (131). Investment income totalled EUR 33 million (92). The revision of cash-flow assumptions weakened the insurance service result for H1 by EUR 22 million. Net commissions and fees grew by 21.1% to EUR 20 million. A contractual service margin of EUR 30 million (32) was recognised in the insurance service result. Development costs increased as a result of the core system reforms that were continued during the reporting period in term life insurance and individual unit-linked insurance.

€ million	H1/2025	H1/2024	Change, %
Insurance service result	2	40	-95.7
Net finance income and expenses	11	-276	-104.1
Income from investment activities	22	368	-94.2
Investment income	33	92	-64.5
Net commissions and fees	20	17	21.1
Other operating income and expenses	1	0	56.9
Personnel costs	-7	-9	-14.9
Depreciation/amortisation and impairment loss	-7	-7	-2.8
Other operating expenses	-32	-27	17.9
Total expenses	**-46**	**-43**	**7.9**
Transfers to insurance service result	28	24	13.4
Operating profit	**37**	**131**	**-71.7**
Cost/income ratio, %	55.0	23.0	
Contractual service margin at period end	637	684	-6.8

Life insurance: investment income

€ million	H1/2025	H1/2024
Insurance company's investments		
Fixed income investments	4	-14
Quoted shares	14	62
Other liquid investments	1	1
Property investments	3	4
Other illiquid investments	7	13
Insurance company's net investment income	**29**	**66**
Net finance income*	9	35
Interest on subordinated loans, and other income and expenses	9	-5
Investment income	**48**	**95**
Net income from separated balance sheets	-4	5
Net income from customers' savings and investments agreements	-11	-8
Total investment income	**33**	**92**

* Excluding net finance income from separated balance sheets and customers' savings and investments agreements.

Life insurance: key investment indicators*

	H1/2025	H1/2024
Return on investments at fair value, %	0.9	2.0
Fixed income investments' running yield, %**	3.0	3.8
	30 Jun 2025	**31 Dec 2024**
Investment portfolio, € million	3,256	3,336
Investments within the investment grade category, %	88	91
At least A-rated receivables, %	46	51
Modified duration	3.8	3.7

* Excluding the separated balance sheets.

** Portfolio's market value weighted yield of direct bonds excluding occurrences of default.

Group Functions

Key indicators

€ million	H1/2025	H1/2024	Change, %	Q1–4/2024
Net interest income	5	-7	—	15
Impairment loss on receivables	0	0	—	-1
Net commissions and	1	1	—	0
Investment income	9	4	118.8	16
Other operating income*	443	395	12.3	798
Personnel costs	-144	-137	4.7	-279
Depreciation/ amortisation and impairment loss	-25	-32	-22.0	-61
Other operating expenses*	-255	-231	10.5	-469
Operating profit	34	-8	—	19

* The allocation of OP Financial Group's internal items was changed at the beginning of 2025. Comparative information has been adjusted accordingly.

The Group Functions segment consists of OP Cooperative's functions tasked with the support and assurance of business segments, as well as OP Corporate Bank plc's treasury functions.

On 30 June 2025, the average margin of OP Financial Group's senior and senior non-preferred wholesale funding and covered bonds was 37 basis points (37). During the reporting period, OP Financial Group issued long-term bonds worth EUR 3.8 billion (1.8). The long-term wholesale funding plan was updated during the reporting period; the estimated amount planned for the second half of 2025 is less than EUR 1 billion.

On 9 June 2025, OP Financial Group redeemed an entire Tier 2 bond of EUR 1 billion due to mature in June 2030. In addition, on 3 June 2025, OP Financial Group redeemed an entire Tier 2 bond of EUR 3.3 billion due to mature in June 2030.

OP Financial Group's funding position and liquidity are strong. At the end of the reporting period, the Group's LCR was 213% (193) and its NSFR was 132% (129). At the end of the reporting period, OP Financial Group's balance sheet assets included bonds worth EUR 2,018 million (1,520), which are not measured at fair value in accounting. The fair value of these bonds amounted to EUR 2,048 million (1,547) at the end of the reporting period.

Profit for the period

Group Functions' operating profit amounted to EUR 34 million (-8). Net interest income was EUR 5 million (-7).

Investment income totalled EUR 9 million (4). Other operating income increased by 12.3% to EUR 443 million. Other operating income mainly includes OP Financial Group's intra-group items.

Personnel costs rose by 4.7% to EUR 144 million. The increase was affected by headcount growth and pay increases. During the reporting period, the number of employees increased in areas such as service development, risk management and compliance. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 22.0% to EUR 25 million. Other operating expenses increased by 10.5% to EUR 255 million due to higher ICT costs.

Other information about OP Financial Group

ICT investments

OP Financial Group invests in developing its operations and improving customer experience on an ongoing basis. The central cooperative with its subsidiaries is responsible for the development of OP Financial Group's products and services, digital channels and shared technology, data and cybersecurity capabilities, while safeguarding the high quality, availability and data security of the services. ICT costs make up a significant portion of development costs.

OP Financial Group's development expenditure for the reporting period totalled EUR 232 million (202). This included licence fees, purchased services, other external costs related to projects, and in-house work. Capitalised development expenditure totalled EUR 28 million (31). More detailed information on OP Financial Group's investments can be found in the business segment reports in this Half-year Financial Report.

Personnel

At the end of the reporting period, OP Financial Group had 15,385 employees (14,746), of whom 14,694 (14,009) were in active employment. The number of employees averaged 15,131 (14,512). During the reporting period, the number of employees increased in areas such as sales, customer service, service development, risk management and compliance. The increase in the second quarter was due to summer employees and new recruitments in sales and customer service.

Personnel at period end

	30 Jun 2025	31 Dec 2024
Retail Banking	8,946	8,501
Corporate Banking	982	888
Insurance	2,581	2,562
Group Functions	2,876	2,795
Total	**15,385**	**14,746**

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Comparative information of 2024 has been adjusted accordingly.

OP Financial Group is the most attractive employer among business students, according to a survey published in June by employer branding specialist Universum. OP Financial Group climbed from second place right to the top. Among IT students, OP Financial Group's ranking improved again by five steps to 9th place. Universum's annual survey ranks the employers considered most attractive by professionals and students in various sectors in Finland. In the autumn 2024 survey targeted at industry professionals, OP ranked first among business specialists and was in fourth place in the IT sector.

Variable remuneration applied by OP Financial Group in 2025 consists 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.

Changes in OP Financial Group's structure

OP Financial Group's consolidated financial statements at the end of the reporting period included the accounts of 75 OP cooperative banks (93) and their subsidiaries, and OP Cooperative Consolidated. The number of OP cooperative banks decreased during the reporting period due to mergers.

Mergers implemented during the reporting period

On 28 February 2025, Savitaipaleen Osuuspankki, Lemin Osuuspankki and Luumäen Osuuspankki merged into Länsi-Kymen Osuuspankki. In connection with the mergers, the business name of Länsi-Kymen Osuuspankki was changed to Osuuspankki Salpa (Andelsbanken Salpa).

On 28 February 2025, Limingan Osuuspankki, Pulkkilan Osuuspankki and Siikalatvan Osuuspankki merged into Raahentienoon Osuuspankki. In connection with the mergers, the business name of Raahentienoon Osuuspankki was changed to Jokirannikon Osuuspankki.

On 31 March 2025, Liperin Osuuspankki, Outokummun Osuuspankki and Vaara-Karjalan Osuuspankki merged into Pohjois-Karjalan Osuuspankki.

On 31 March 2025, Ala-Satakunnan Osuuspankki, Euran Osuuspankki, Osuuspankki Harjuseutu, Lapin Osuuspankki and Yläneen Osuuspankki merged into Nakkila-Luvian Osuuspankki. In connection with the mergers, the business name of Nakkila-Luvian Osuuspankki was changed to Sataharjun Osuuspankki.

On 30 April 2025, Jämsän Seudun Osuuspankki merged into Pohjois-Hämeen Osuuspankki. In connection with the merger, the business name of Pohjois-Hämeen Osuuspankki was changed to Ylä-Hämeen Osuuspankki.

On 30 April 2025, Paltamon Osuuspankki and Ylä-Kainuun Osuuspankki merged into Kainuun Osuuspankki.

Tervon Osuuspankki merged into Tuusniemen Osuuspankki on 31 May 2025. In connection with the merger, the business name of Tuusniemen Osuuspankki changed to Savonmaan Osuuspankki.

Approved merger plans

On 11 September 2024, Tampereen Seudun Osuuspankki and Kangasalan Seudun Osuuspankki approved a merger plan, according to which Kangasalan Seudun Osuuspankki will merge into Tampereen Seudun Osuuspankki. The planned date for the execution of the merger is 31 July 2025. In connection with the merger, the business name of Tampereen Seudun Osuuspankki will change to Pirkanmaan Osuuspankki.

On 1 October 2024, Pohjolan Osuuspankki, Posion Osuuspankki, Sallan Osuuspankki, Tyrnävän Osuuspankki, Utajärven Osuuspankki, Ylitornion Osuuspankki and Hailuodon Osuuspankki approved merger plans, according to which Posion Osuuspankki, Sallan Osuuspankki, Tyrnävän Osuuspankki, Utajärven Osuuspankki, Ylitornion Osuuspankki and Hailuodon Osuuspankki will merge into Pohjolan Osuuspankki. The planned date for the execution of the mergers is 31 July 2025.

On 28 November 2024, Maaningan Osuuspankki, Riistaveden Osuuspankki and Rautalammin Osuuspankki approved merger plans, according to which Riistaveden Osuuspankki and Rautalammin Osuuspankki will merge into Maaningan Osuuspankki. The planned date for the execution of the mergers is 30 September 2025. In connection with the mergers, the business name of Maaningan Osuuspankki will change to Sydän-Savon Osuuspankki.

On 12 December 2024, Sydänmaan Osuuspankki, Alajärven Osuuspankki, Kuortaneen Osuuspankki, Laihian Osuuspankki, Lehtimäen Osuuspankki and Vimpelin Osuuspankki approved merger plans, according to which Alajärven Osuuspankki, Kuortaneen Osuuspankki, Laihian Osuuspankki, Lehtimäen Osuuspankki and Vimpelin Osuuspankki will merge into Sydänmaan Osuuspankki. The planned date for the execution of the mergers is 31 July 2025. Consequently, the business name of Sydänmaan Osuuspankki will change to Järvi-Pohjanmaan Osuuspankki.

On 20 November 2024, Järvi-Hämeen Osuuspankki and, on 15 January 2025, Koitin-Pertunmaan Osuuspankki approved a merger plan, according to which Koitin-Pertunmaan Osuuspankki will merge into Järvi-Hämeen Osuuspankki. The planned date for the execution of the merger is 31 July 2025.

On 6 March 2025, Osuuspankki Vakka-Auranmaa, Lounaisrannikon Osuuspankki, Lounais-Suomen Osuuspankki and Turun Seudun Osuuspankki approved a merger plan, according to which Osuuspankki Vakka-Auranmaa, Lounaisrannikon Osuuspankki and Lounais-Suomen Osuuspankki will merge into Turun Seudun Osuuspankki. The planned date for the execution of the merger is 31 December 2025. In connection with the merger, the business name of Turun Seudun Osuuspankki will change to Varsinais-Suomen Osuuspankki (Egentliga Finlands Andelsbank).

On 3 April 2025, Keski-Pohjanmaan Osuuspankki and Vaasan Osuuspankki approved a merger plan, according to which Vaasan Osuuspankki will merge into Keski-Pohjanmaan Osuuspankki. The planned date for the execution of the merger is 31 December 2025. In connection with the merger, the business name of Keski-Pohjanmaan Osuuspankki will change to Länsirannikon Osuuspankki (Västkustens Andelsbank).

On 22 May 2025, Ylä-Savon Osuuspankki and Kuhmon Osuuspankki approved a merger plan, according to which Kuhmon Osuuspankki will merge into Ylä-Savon Osuuspankki. The planned date for the execution of the merger is 31 December 2025. In connection with the merger, the business name of Ylä-Savon Osuuspankki will change to Kaskimaan Osuuspankki.

If the published merger projects materialise, there will be 54 OP cooperative banks at the end of 2025. There were 93 OP cooperative banks at the end of 2024.

Governance of OP Cooperative

On 10 December 2024, the Supervisory Council of OP Cooperative (the central cooperative of OP Financial Group) elected the following members to the Board of Directors of OP Cooperative for the term of office from 1 January to 31 December 2025:

Jarna Heinonen (Professor in Entrepreneurship, Turku School of Economics), Matti Kiuru (Managing Director, Länsi-Suomen Osuuspankki), Katja Kuosa-Kaartti (Authorised Public Accountant, Authorised Sustainability Auditor, Tilintarkastus Kuosa-Kaartti Oy), Kati Levoranta (EVP, General Counsel, Fortum Oyj), Pekka Loikkanen (board professional), Tero Ojanperä (entrepreneur, board professional), Riitta Palomäki (board professional), Jaakko Pehkonen (rahoitusneuvos (Finnish honorary title); Professor of Economics, University of Jyväskylä), Timo Ritakallio (President and Group CEO, OP Financial Group) and Petri Sahlström (Professor of Accounting and Finance, University of Oulu). Jaana Reimasto-Heiskanen (kauppaneuvos (Finnish honorary title), Managing Director, Pohjois-Karjalan Osuuspankki) was elected to the Board of Directors as a new member. Olli Tarkkanen's term of office on the Board of Directors ended on 31 December 2024.

In addition, on 4 March 2025, OP Cooperative's Supervisory Council elected Sari Pohjonen (board professional) as a new member to the Board of Directors of OP Cooperative as of 1 April 2025. Riitta Palomäki's term of office on the Board of Directors ended on 31 March 2025.

According to the bylaws of OP Cooperative, the President and Group CEO is a Board member during their term of office.

On 17 December 2024, the Board of Directors elected from among its members the chair and vice chair, and members to the statutory Board Committees for the new term. Jaakko Pehkonen will continue as Chair and Jarna Heinonen as Vice Chair of the Board of Directors.

On 9 April 2025, OP Cooperative held its Annual Cooperative Meeting which elected members of the Supervisory Council, the auditor and the sustainability reporting assurer.

The Supervisory Council comprises 36 members. The Annual Cooperative Meeting re-elected the following members to the Supervisory Council who were due to resign: Managing Director Jouni Hautala, Lawyer Taija Jurmu, Managing Director Pekka Lehtonen, Vicar Toivo Loikkanen, Managing Director Kari Mäkelä, Chair of the Board of Directors Annukka Nikola, Managing Director Ulf Nylund, Managing Director Teemu Sarhemaa and Managing Director Ari Väänänen.

New Supervisory Council members elected were entrepreneur Erkki Haavisto, Managing Director Sanna Metsänranta, Managing Director Pertti Purola, Product Manager Sanna Tefke, Director of Rural Administration Hannu Tölli and Managing Director Mikko Vepsäläinen.

At its reorganising meeting on 9 April 2025, the Supervisory Council elected the Chairs of the Supervisory Council. Chair of the Board of Directors Annukka Nikola was elected as Chair and Lawyer Taija Jurmu and Managing Director Ari Väänänen as Vice Chairs of the Supervisory Council.

The Annual Cooperative Meeting elected PricewaterhouseCoopers Oy, an audit firm, to act as auditor for the financial year 2025, with APA Lauri Kallaskari as the chief auditor.

The Annual Cooperative Meeting elected PricewaterhouseCoopers Oy, a sustainability audit firm, to assure OP Financial Group's sustainability reporting for the financial year 2025, with Tiina Puukkoniemi, ASA, acting as the chief authorised sustainability auditor.

Outlook

Trade-policy risks have been reduced by the preliminary tariff agreement between the US and EU, which may increase confidence in the economy. On the other hand, the higher tariffs will impact negatively on the economic outlook. Moreover, equity markets and the business environment of OP Financial Group and its customers could be affected by spreading geopolitical crises or mounting trade barriers.

OP Financial Group's operating profit for 2025 is expected to be at a good level but lower than that for 2023 and 2024.

The most significant uncertainties affecting OP Financial Group's earnings performance are associated with developments in the business environment, changes in the interest rate and investment environment, and developments in impairment loss on receivables. Forward-looking statements in this Half-year Financial Report expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view on developments in the economy, 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. Because the formulas for the key figures and ratios can be derived from the figures shown, separate reconciliation statements for the Alternative Performance Measures are not presented.

Alternative Performance Measures

Key figure or ratio	Formula		Description
Return on equity (ROE), %	Profit for the 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 equity (ROE) excluding OP bonuses, %	(Profit for the period + OP bonuses after tax) 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, excluding OP bonuses paid to owner-customers that are charged to expenses.
Return on assets (ROA), %	Profit for the period x (days of financial year/days of reporting period) / Average balance sheet total (average at beginning and end of financial year)	x 100	The ratio describes how much return is generated on capital tied up on business during the reporting period.
Return on assets (ROA) excluding OP bonuses, %	(Profit for the period + OP bonuses after tax) x (days of financial year/days of reporting period) / Average balance sheet total (average at beginning and end of financial year)	x 100	The ratio describes how much return is generated on capital tied up in business during the reporting period, excluding OP bonuses paid to owner-customers that are charged to expenses.
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 + Insurance service result + Investment income + Other operating income + Transfers to insurance service result		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 insurance finance 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.
Income from customer business	Net interest income + insurance service result + net commissions and fees		Income from customer business describes the development of net interest income, insurance service result and net commissions and fees. Income directly from customers is presented mainly under these items.

Non-life insurance:

Combined ratio, %	Risk ratio + Cost ratio		The combined ratio is a key indicator of efficiency for non-life insurance companies. The ratio describes whether the insurance revenue is sufficient to cover the company's expenses during the reporting period.
Risk ratio, %	$\frac{\text{Claims incurred, net}}{\text{Net insurance revenue}}$	x 100	The ratio describes how much of the insurance revenue is spent on claims paid. Claims incurred (net) are calculated by deducting operating expenses and reinsurers' share from insurance service expenses.
Cost ratio, %	$\frac{\text{Operating expenses, net}}{\text{Net insurance revenue}}$	x 100	The ratio describes the ratio of the company's costs (acquisition, management, administration and claims settlement expenses) to its insurance revenue.

Key indicators based on a separate calculation

Capital adequacy ratio, %	$\frac{\text{Total own funds}}{\text{Total risk exposure amount}}$	x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of own funds to the total risk exposure amount.
Tier 1 ratio, %	$\frac{\text{Tier 1 capital}}{\text{Total risk exposure amount}}$	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, %	$\frac{\text{CET1 capital}}{\text{Total risk exposure amount}}$	x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of CET1 capital to the total risk exposure amount.
Solvency ratio, %	$\frac{\text{Own funds}}{\text{Solvency capital requirement (SCR)}}$	x 100	The ratio describes an insurance company's solvency and shows the ratio of own funds to the total risk exposure amount.
Leverage ratio, %	$\frac{\text{Tier 1 capital (T1)}}{\text{Exposure amount}}$	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.
Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates	$\frac{\text{Conglomerate's total own funds}}{\text{Conglomerate's total own funds requirement}}$	x 100	The ratio describes the capital adequacy of the financial conglomerate and shows the ratio of own funds to the minimum amount of own funds.
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, %	$\frac{\text{Performing forborne exposures (gross)}}{\text{Exposures at period end}}$	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, %	$\frac{\text{Performing forborne exposures (gross)}}{\text{Doubtful receivables at period end}}$	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, %	$\frac{\text{Loss allowance for receivables from customers in the balance sheet}}{\text{Doubtful receivables at period end}}$	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

Capital adequacy for credit institutions

Own funds

€ million	30 Jun 2025	31 Dec 2024
OP Financial Group's equity capital	18,626	18,110
Excluding the effect of insurance companies on the Group's equity	-1,548	-1,611
Fair value reserve, cash flow hedge	110	140
Common Equity Tier 1 (CET1) before deductions	**17,188**	**16,638**
Intangible assets	-340	-320
Excess funding of pension liability and valuation adjustments	-289	-243
Cooperative capital deducted from own funds	-4	-185
Planned profit distribution	-140	-176
Insufficient coverage for non-performing exposures	-358	-264
CET1 capital	**16,058**	**15,451**
Tier 1 capital (T1)	**16,058**	**15,451**
Debenture loans	480	1,288
Debentures to which transition rules apply		22
General credit risk adjustments	68	83
Tier 2 capital (T2)	**548**	**1,393**
Total own funds	**16,605**	**16,844**

Total risk exposure amount

€ million	30 Jun 2025	31 Dec 2024
Credit and counterparty risk	**67,003**	**63,330**
Standardised Approach (SA)	67,003	63,330
Central government and central bank exposure	453	502
Credit institution exposure	565	525
Corporate exposure	20,489	25,656
Retail exposure	6,823	9,960
Mortgage-backed and real estate development exposure	32,297	19,078
Defaulted exposure	1,891	2,026
Items of especially high risk		1,442
Investments in subordinated debt instruments	573	
Covered bonds	730	697
Collective investment undertakings (CIU)	38	142
Equity investments	2,205	2,384
Other	939	918
Risks of the CCP's default fund	**1**	**1**
Securitisations	**32**	**27**
Market and settlement risk (Standardised Approach)	**941**	**944**
Operational risk	**6,572**	**4,936**
Valuation adjustment (CVA)	**258**	**210**
Other risks*	**2,495**	**2,309**
Total risk exposure amount	**77,301**	**71,756**

* Risks not otherwise covered.

The changes in the EU Capital Requirements Regulation (CRR3), which entered into force on 1 January 2025, particularly affected the calculation of credit risk and total operational risk exposure amount. The figures for the comparative period have been calculated based on the regulation in force in 2024.

Ratios

Ratios, %	30 Jun 2025	31 Dec 2024
CET1 capital ratio	20.8	21.5
Tier 1 capital ratio	20.8	21.5
Capital adequacy ratio	21.5	23.5

Capital requirement

Capital requirement, € million	30 Jun 2025	31 Dec 2024
Own funds	16,605	16,844
Capital requirement	11,912	11,052
Buffer for capital requirements	4,693	5,791

The capital requirement of 15.4% comprises the minimum requirement of 8%, the capital conservation buffer requirement of 2.5%, the O-SII buffer requirement of 1.5%, the systemic risk buffer requirement of 1.0%, the minimum requirement (P2R) of 2.25% set by the ECB, and the country-specific countercyclical capital buffers for foreign exposures.

Leverage

Leverage, € million	30 Jun 2025	31 Dec 2024
Tier 1 capital (T1)	16,058	15,451
Total exposures	152,229	147,674
Leverage ratio, %	10.5	10.5

The leverage ratio describes indebtedness. The minimum requirement for the leverage ratio is 3%.

OP Financial Group's capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

€ million	30 Jun 2025	31 Dec 2024
OP Financial Group's equity capital	18,626	18,110
Other items included in Banking's Tier 1 and Tier 2 capital	548	1,393
Other sector-specific items excluded from own funds	-573	-636
Goodwill and intangible assets	-974	-968
Insurance business valuation differences*	684	740
Proposed profit distribution	-140	-176
Items under IFRS deducted from own funds**	-99	-66
Conglomerate's total own funds	**18,071**	**18,397**
Regulatory own funds requirement for credit institutions***	11,528	10,697
Regulatory own funds requirement for insurance operations*	1,747	1,706
Conglomerate's total own funds requirement	**13,275**	**12,403**
Conglomerate's capital adequacy	**4,797**	**5,994**
Conglomerate's capital adequacy ratio (capital base/ minimum of capital base) (%)	**136**	**148**

* Differences between fair values and carrying amounts based on the solvency of insurance companies and an estimate of SCR
** Excess funding of pension liability, portion of cash flow hedge of fair value reserve
*** Total risk exposure amount x 15.4%

TABLES

Income statement

€ million	Note	H1/2025	Adjusted H1/2024	Q2/2025	Adjusted Q2/2024
Interest income calculated using the effective interest method		2,461	3,120	1,176	1,547
Interest expenses		-1,267	-1,766	-595	-876
Net interest income	3	1,194	1,353	581	671
Impairment loss on receivables	4	19	-67	-5	-28
Commission income		472	467	233	229
Commission expenses		-68	-67	-36	-34
Net commissions and fees	5	404	400	197	195
Insurance revenue		1,051	1,041	533	517
Insurance service expenses		-946	-1,005	-450	-493
Net income from reinsurance contracts		-38	1	-17	23
Insurance service result	6	68	37	65	47
Net finance income (+)/expenses (–) related to insurance		35	-272	-194	-23
Net finance income (+)/expenses (–) related to reinsurance		0	1	0	1
Net insurance finance income (+)/expenses (–)	7	35	-272	-194	-22
Net income from financial assets held for trading	8	115	70	44	36
Net investment income	9	56	524	320	131
Other operating income		-1	25	10	16
Personnel costs		-550	-535	-270	-279
Depreciation/amortisation and impairment loss		-61	-69	-30	-36
Other operating expenses	10	-557	-501	-279	-253
Transfers to insurance service result		269	263	126	133
Operating expenses		-900	-842	-452	-434
Operating profit		**990**	**1,229**	**566**	**611**
Earnings before tax		**990**	**1,229**	**566**	**611**
Income tax		-199	-244	-114	-119
Profit for the period		**791**	**984**	**452**	**492**
Attributable to:					
Profit for the period attributable to owners		786	979	451	488
Profit for the period attributable to non-controlling interest		4	6	1	4
Total		**791**	**984**	**452**	**492**

In the second quarter of 2025, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. This change was made retrospectively also for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and highlights.

Statement of comprehensive income

€ million	Note	H1/2025	H1/2024	Q2/2025	Q2/2024
Profit for the period		791	984	452	492
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans		4	38	4	36
Changes in own credit risk on liabilities measured at fair value		0	-10	1	
Items that may be subsequently reclassified to profit or loss					
Change in fair value reserve					
On fair value measurement	15	39	36	21	17
On cash flow hedging	15	38	-5	25	1
Income tax					
On items not reclassified to profit or loss					
On gains/(losses) arising from remeasurement of defined benefit plans		-1	-8	-1	-3
Changes in own credit risk on liabilities measured at fair value		0	2	0	
On items that may be subsequently reclassified to profit or loss					
On fair value measurement	15	-8	-7	-4	-4
On cash flow hedging	15	-8	1	-5	0
Other comprehensive income items		65	47	41	47
Total comprehensive income for the reporting period		855	1,031	493	539
Comprehensive income for the reporting period attributable to:					
Comprehensive income for the reporting period attributable to owners		851	1,025	492	535
Comprehensive income for the reporting period attributable to non-controlling interests		4	6	1	4
Total		855	1,031	493	539

Balance sheet

€ million	Note	30 Jun 2025	31 Dec 2024
Cash and deposits with central banks	11	20,831	18,110
Receivables from credit institutions	11	1,224	808
Receivables from customers	11	99,514	98,629
Derivative contracts	11, 18	2,237	2,497
Investment assets		25,785	23,537
Assets covering unit-linked contracts	11	14,319	14,172
Reinsurance contract assets	12	121	102
Intangible assets		1,016	1,022
Property, plant and equipment		415	392
Other assets		1,723	1,780
Income tax assets		45	42
Deferred tax assets		62	77
Total assets		167,292	161,168
Liabilities to credit institutions	11	425	91
Liabilities to customers	11	84,889	80,455
Derivative contracts	11, 18	2,290	2,324
Insurance contract liabilities	13	11,637	11,796
Investment contract liabilities	11	9,377	9,140
Debt securities issued to the public	14	34,583	33,198
Provisions and other liabilities		3,700	3,526
Income tax liabilities		73	55
Deferred tax liabilities		1,026	1,027
Subordinated liabilities		668	1,444
Total liabilities		148,666	143,058
Equity capital			
Capital and reserves attributable to OP Financial Group owners			
Cooperative capital			
Membership shares		220	222
Profit Shares		3,115	3,255
Fair value reserve	15	-188	-249
Other reserves		2,172	2,172
Retained earnings		13,182	12,569
Non-controlling interests		125	141
Total equity		18,626	18,110
Total liabilities and equity		167,292	161,168

Statement of changes in equity

€ million	Attributable to owners						
	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Equity capital total
Equity capital 1 January 2024	3,554	-290	2,172	10,703	**16,139**	124	**16,262**
Total comprehensive income for the reporting period		25		1,001	**1,025**	6	**1,031**
Profit for the period				979	**979**	6	**984**
Other comprehensive income items		25		22	**47**		**47**
Profit distribution				-148	**-148**	-1	**-149**
Changes in membership and profit shares	-127				**-127**		**-127**
Other				1	**1**	-5	**-4**
Equity capital 30 June 2024	**3,427**	**-266**	**2,172**	**11,557**	**16,890**	**123**	**17,013**

€ million	Attributable to owners						
	Cooperative capital	Fair value reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Equity capital total
Equity capital 1 January 2025	3,477	-249	2,172	12,569	**17,969**	141	**18,110**
Total comprehensive income for the reporting period		61		790	**851**	4	**855**
Profit for the period				786	**786**	4	**791**
Other comprehensive income items		61		4	**65**		**65**
Profit distribution				-176	**-176**	-8	**-184**
Changes in membership and profit shares	-142				**-142**		**-142**
Other				-1	**-1**	-13	**-13**
Equity capital 30 June 2025	**3,335**	**-188**	**2,172**	**13,182**	**18,501**	**125**	**18,626**

Cash flow statement

€ million	H1/2025	H1/2024
Cash flow from operating activities		
Profit for the period	791	984
Adjustments to profit for the period	842	260
Increase (–) or decrease (+) in operating assets	**-3,080**	**-195**
Receivables from credit institutions	-14	72
Receivables from customers	-766	1,098
Derivative contracts	-12	21
Investment assets	-2,149	-998
Assets covering unit-linked contracts	-177	-195
Reinsurance contract assets	-19	-20
Other assets	57	-172
Increase (+) or decrease (–) in operating liabilities	**4,681**	**761**
Liabilities to credit institutions	333	340
Liabilities to customers	4,351	172
Derivative contracts	-135	-65
Insurance contract liabilities	-159	209
Reinsurance contract liabilities	0	0
Investment contract liabilities	0	0
Provisions and other liabilities	291	105
Income tax paid	-189	-289
Dividends received	37	30
A. Net cash from operating activities	**3,083**	**1,552**

€ million	H1/2025	H1/2024
Cash flow from investing activities		
Purchase of PPE and intangible assets	-69	-53
Proceeds from sale of PPE and intangible assets	10	7
B. Net cash used in investing activities	-59	-46
Cash flow from financing activities		
Subordinated liabilities, change	-790	-12
Debt securities issued to the public, change	1,113	-3,193
Increases in cooperative capital	41	67
Decreases in cooperative capital	-182	-193
Interest paid on cooperative capital	-176	-148
Lease liabilities	-18	-17
C. Net cash used in financing activities	-13	-3,497
Net change in cash and cash equivalents (A+B+C)	3,010	-1,991
Cash and cash equivalents at period start	18,277	19,947
Effects of changes in foreign exchange rates	113	-11
Cash and cash equivalents at period end	21,399	17,944
Interest received	3,591	5,389
Interest paid	-2,508	-3,643
Cash and cash equivalents		
Cash and deposits with central banks	20,831	17,351
Receivables from credit institutions payable on demand	569	593
Total	21,399	17,944

Notes

Note 1. Accounting policies and highlights

Accounting policies

The Half-year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting and with the accounting policies presented in the financial statements 2024. The changes in accounting policies and presentation are described in a separate section.

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

The Half-year Financial Report is available in Finnish, English and Swedish. The Finnish version of the Report is official and will be used if there is any discrepancy between the language versions.

Critical accounting judgements

The preparation of the Half-year Financial Report 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 Half-year Financial Report, management judgment 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.

In special situations where the ECL models are not sufficiently able to take account of an unpredictable event or circumstances, management overlays are directly used for ECL figures (post model adjustments). In them, judgment is involved especially when selecting the used scenario. Management overlays 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 2024 financial statements.

In Note 4 to this Half-year Financial Report, Impairment loss on receivables, describes management judgement made in the preparation of the Half-year Financial Report.

Changes in accounting policies and presentation

Change in the presentation of net interest income of structured products

In the second quarter of 2025, OP Financial Group moved structured notes and the interest-bearing items of derivatives economically hedging them under net interest income expenses. This change was made retrospectively also for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement.

This was a voluntary change in accounting policies. Interest expenses transferred from net trading income to net interest income expenses totalled EUR 102 million in 2024 (Q1/2024, EUR 26 million; Q2/2024, EUR 27 million; Q3/2024, EUR 26 million; and Q4/2024, EUR 23 million). In the first quarter of 2025, interest expenses transferred from net trading income to net interest income expenses totalled EUR 18 million.

Change in segment reporting

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. Comparative information is reported according to the new segment structure.

Highlights of the reporting period

Additional benefits for owner-customers

OP Financial Group allocates part of its profitability improvement to provide additional benefits to owner-customers. OP Financial Group increased the OP bonuses to be earned by owner-customers for 2025 by 40% compared to the normal level of 2022. Owner-customers earned a total of EUR 162 million (154) in OP bonuses during the reporting period. In addition, owner-customers will get daily banking services free of monthly charges until the end of 2025. The estimated total value of this benefit will be EUR 90 million for 2025.

Note 2. Segment reporting

Segment information

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. Comparative information is reported according to the new segment structure. In addition, the allocation of OP Financial Group's internal items between other operating income and expenses was changed in the Group Functions segment at the beginning of 2025. Comparative information has been adjusted accordingly.

Earnings H1 2025, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	Eliminations	OP Financial Group
Interest income calculated using the effective interest method	1,692	947	1	1,093	-1,271	2,461
Interest expenses	-783	-647	0	-1,088	1,250	-1,267
Net interest income	909	300	0	5	-21	1,194
of which inter-segment items		-126		126		
Impairment loss on receivables	-7	26		0	0	19
Commission income	426	73	41	10	-79	472
Commission expenses	-61	-31	-16	-9	50	-68
Net commissions and fees	365	42	25	1	-29	404
Insurance revenue			1,051			1,051
Insurance service expenses			-946			-946
Net income from reinsurance contracts			-38			-38
Insurance service result			68			68
Net finance income (+)/expenses (–) related to insurance			35			35
Net finance income (+)/expenses (–) related to reinsurance			0			0
Net insurance finance income (+)/expenses (–)			35			35
Net income from financial assets held for trading	3	70	0	9	34	115
Net investment income	-3	0	79	0	-21	56
Other operating income	27	15	2	443	-488	-1
Personnel costs	-309	-43	-82	-144	27	-550
Depreciation/amortisation and impairment loss	-21	0	-16	-25	1	-61
Other operating expenses	-477	-99	-195	-255	469	-557
Transfers to insurance service result			269			269
Operating expenses	-806	-143	-24	-424	496	-900
Operating profit (loss)	**489**	**309**	**185**	**34**	**-28**	**990**
Earnings before tax	**489**	**309**	**185**	**34**	**-28**	**990**

The calculated ineffectiveness of fair value hedges arising from the elimination of internal items is presented in eliminations.

Earnings H1 2024, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	Eliminations	OP Financial Group
Interest income calculated using the effective interest method	2,165	1,144	1	1,796	-1,985	3,120
Interest expenses	-1,072	-870	0	-1,803	1,979	-1,766
Net interest income	1,093	274	0	-7	-6	1,353
of which inter-segment items		-199		199		
Impairment loss on receivables	-52	-16		0	0	-67
Commission income	420	75	37	12	-77	467
Commission expenses	-61	-29	-15	-11	50	-67
Net commissions and fees	359	46	21	1	-27	400
Insurance revenue			1,041			1,041
Insurance service expenses			-1,005			-1,005
Net income from reinsurance contracts			1		0	1
Insurance service result			37		0	37
Net finance income (+)/expenses (–) related to insurance			-272		0	-272
Net finance income (+)/expenses (–) related to reinsurance			1		0	1
Net insurance finance income (+)/expenses (–)			-272		0	-272
Net income from financial assets held for trading	6	67	0	4	-8	70
Net investment income	-6	0	503	0	27	524
Other operating income	35	15	1	395	-421	25
Personnel costs	-282	-44	-90	-137	18	-535
Depreciation/amortisation and impairment loss	-18	-1	-19	-32	1	-69
Other operating expenses	-422	-96	-177	-231	425	-501
Transfers to insurance service result			263			263
Operating expenses	-721	-140	-24	-400	444	-842
Operating profit (loss)	**714**	**246**	**267**	**-8**	**9**	**1,229**
Earnings before tax	**714**	**246**	**267**	**-8**	**9**	**1,229**

Balance sheet 30 June 2025, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	Eliminations	OP Financial Group
Cash and deposits with central banks	36	149		20,646	0	20,831
Receivables from credit institutions	28,277	530	575	11,696	-39,854	1,224
Receivables from customers	71,139	28,626		-12	-239	99,514
Derivative contracts	765	2,925	65	17	-1,535	2,237
Investment assets	1,340	635	9,506	19,911	-5,607	25,785
Assets covering unit-linked contracts			14,319			14,319
Reinsurance contract assets			121			121
Intangible assets	174	14	581	185	62	1,016
Property, plant and equipment	273	3	4	140	-5	415
Other assets	309	339	487	695	-107	1,723
Income tax assets	24		20		0	45
Deferred tax assets	22	0	3	6	30	62
Total assets	**102,360**	**33,221**	**25,682**	**53,283**	**-47,254**	**167,292**
Liabilities to credit institutions	9,031	3	45	29,192	-37,846	425
Liabilities to customers	65,737	15,983		5,237	-2,068	84,889
Derivative contracts	762	2,850	23	191	-1,536	2,290
Insurance contract liabilities			11,636			11,636
Investment contract liabilities			9,377			9,377
Debt securities issued to the public	15,550	2,024		17,514	-505	34,583
Provisions and other liabilities	963	1,223	324	1,237	-47	3,700
Income tax liabilities	14	1	25	33		73
Deferred tax liabilities	462	0	210	352	3	1,026
Subordinated liabilities	0		380	668	-380	668
Total liabilities	**92,519**	**22,083**	**22,020**	**54,423**	**-42,379**	**148,666**
Equity capital						**18,626**

Balance sheet 31 December 2024, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	Eliminations	OP Financial Group
Cash and deposits with central banks	39	188		17,883	0	18,110
Receivables from credit institutions	25,348	148	609	12,268	-37,565	808
Receivables from customers	70,505	28,399		-13	-261	98,629
Derivative contracts	820	3,276	39	108	-1,745	2,497
Investment assets	1,420	515	9,531	17,748	-5,678	23,537
Assets covering unit-linked contracts			14,172			14,172
Reinsurance contract assets			102			102
Intangible assets	176	13	595	175	62	1,022
Property, plant and equipment	253	3	3	138	-5	392
Other assets	336	91	562	884	-93	1,780
Income tax assets	22		20			42
Deferred tax assets	23	0	13	6	35	77
Total assets	**98,942**	**32,633**	**25,646**	**49,197**	**-45,251**	**161,168**
Liabilities to credit institutions	9,399	32	46	25,891	-35,276	91
Liabilities to customers	63,428	15,281		4,121	-2,374	80,455
Derivative contracts	893	3,009	28	140	-1,745	2,324
Insurance contract liabilities			11,795		1	11,796
Investment contract liabilities			9,140			9,140
Debt securities issued to the public	14,462	2,160		17,167	-590	33,198
Provisions and other liabilities	804	867	297	1,565	-7	3,526
Income tax liabilities	15	2	15	24	0	55
Deferred tax liabilities	455	0	220	345	7	1,027
Subordinated liabilities	0		380	1,444	-380	1,444
Liabilities	**89,454**	**21,351**	**21,920**	**50,697**	**-40,365**	**143,058**
Equity capital						**18,110**

Note 3. Net interest income

€ million	H1/2025	Adjusted H1/2024	Q2/2025	Adjusted Q2/2024
Interest income calculated using the effective interest method				
Interest income on receivables from credit institutions	236	333	112	157
Interest income on loans to customers	1,930	2,352	935	1,173
Interest income on finance lease receivables	43	52	20	25
Interest income on notes and bonds measured at amortised cost	28	20	15	11
Interest income on liabilities to customers	0	4	0	2
Interest income on notes and bonds measured at fair value through other comprehensive income	99	79	53	40
Interest income on derivative contracts, fair value hedges	46	559	-90	281
Interest income on derivative contracts, cash flow hedges	-36	-64	-16	-30
Interest income on loans to customers, fair value adjustments in hedge accounting	106	-56	106	-44
Interest income on notes and bonds, fair value adjustments in hedge accounting	68	-118	76	-46
Interest income on loans to customers, OP bonuses to owner-customers	-75	-76	-42	-42
Other interest income	16	35	7	18
Total	**2,461**	**3,120**	**1,176**	**1,547**

€ million	H1/2025	Adjusted H1/2024	4–6/2025	Adjusted Q2/2024
Interest expenses				
Liabilities to credit institutions				
Interest expenses for deposits to credit institutions	0	0	0	0
Interest expenses for liabilities to credit institutions	0	0	0	0
Interest expenses for liabilities to credit institutions, fair value adjustments in hedge accounting	-71	58	-51	15
Liabilities to customers				
Interest expenses for deposits to customers	-469	-651	-214	-329
Interest expenses for liabilities to customers, OP bonuses to owner-customers	-45	-40	-23	-20
Debt securities issued to the public				
Interest expenses on debt securities issued to the public	-311	-355	-161	-174
Interest expenses on debt securities issued to the public, fair value adjustments in hedge accounting	-225	160	-186	56
Subordinated liabilities				
Interest expenses for perpetual and debenture loans	-20	-16	-10	-8
Interest expenses for subordinated liabilities, fair value adjustments in hedge accounting	-13	-9	-7	-7
Derivative contracts				
Interest expenses for derivative contracts, fair value hedges	-22	-869	132	-394
Interest expenses for derivative contracts, cash flow hedges	6	13	3	6
Interest expenses for other derivative contracts	-18	-53	0	-27
Other interest expenses	-22	-44	-9	-22
Total	-1,267	-1,766	-595	-876
Total net interest income	1,194	1,353	581	671

In the second quarter of 2025, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. This change was made retrospectively also for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and highlights.

Note 4. Impairment loss on receivables

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Receivables written down as loan and guarantee losses	-45	-35	-25	-17
Recoveries of receivables written down	9	10	5	4
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	55	-41	14	-14
Expected credit losses (ECL) on notes and bonds	1	-1	1	-1
Total impairment loss on receivables	**19**	**-67**	**-5**	**-28**

Credit risk exposures and related loss allowance

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage. 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	Stage 1	Stage 2			Stage 3	
30 June 2025, € million		Not more than 30 DPD	More than 30 DPD	Total		Total exposures
Receivables from customers (gross)						
Retail Banking	59,147	8,238	58	8,296	1,993	69,436
Corporate Banking	25,722	2,739	376	3,114	434	29,270
Total receivables from customers	**84,869**	**10,976**	**434**	**11,410**	**2,427**	**98,706**
Off-balance-sheet limits						
Retail Banking	2,047	131	1	133	14	2,194
Corporate Banking	3,973	50	8	58	3	4,034
Total limits	**6,020**	**181**	**9**	**190**	**17**	**6,227**
Other off-balance-sheet						
Retail Banking	1,226	37		37	14	1,277
Corporate Banking	2,697	117		117	26	2,841
Total other off-balance-sheet commitments	**3,924**	**154**		**154**	**40**	**4,118**
Notes and bonds						
Group Functions	15,638				3	15,640
Total notes and bonds	**15,638**				**3**	**15,640**
Total exposures within the scope of accounting for expected credit losses	**110,450**	**11,312**	**443**	**11,755**	**2,487**	**124,692**

Loss allowance by impairment stage

On-balance-sheet exposures and related off-balance-sheet limits*	Stage 1	Stage 2			Stage 3	
30 June 2025, € million		Not more than 30 DPD	More than 30 DPD	Total		Total loss allowance
Receivables from customers						
Retail Banking	-37	-123	-5	-128	-330	-496
Corporate Banking	-35	-60	-10	-70	-127	-232
Total receivables from customers	-73	-183	-15	-198	-457	-727
Off-balance-sheet commitments**						
Retail Banking	-2	-1		-1	-6	-9
Corporate Banking	-2	-14		-14	-14	-29
Total off-balance-sheet commitments	-4	-14		-14	-20	-38
Notes and bonds***						
Group Functions	-1				-2	-3
Total notes and bonds	-1				-2	-3
Total	-77	-197	-15	-212	-479	-768

* Loss allowance is recognised as one component to deduct from 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.

Summary and key indicators 30 June 2025

€ million	Stage 1	Stage 2 Not more than 30 DPD	Stage 2 More than 30 DPD	Stage 2 Total	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Retail Banking	62,421	8,406	60	8,466	2,020	72,907
Corporate Banking	32,392	2,906	383	3,289	464	36,145
Loss allowance						
Retail Banking	-39	-123	-5	-129	-337	-504
Corporate Banking	-37	-74	-10	-84	-140	-261
Coverage ratio, %						
Retail Banking	-0.1	-1.5	-8.8	-1.5	-16.7	-0.7
Corporate Banking	-0.1	-2.5	-2.5	-2.5	-30.2	-0.7
Receivables from customers; total on-balance-sheet and off-balance-sheet items	94,813	11,312	443	11,755	2,484	109,052
Total loss allowance	-76	-197	-15	-212	-477	-765
Total coverage ratio, %	-0.1	-1.7	-3.4	-1.8	-19.2	-0.8
Carrying amount, notes and bonds						
Group Functions	15,638				3	15,640
Loss allowance						
Group Functions	-1				-2	-3
Coverage ratio, %						
Group Functions	0.0				-62.0	0.0
Total notes and bonds	15,638				3	15,640
Total loss allowance	-1				-2	-3
Total coverage ratio, %	0.0				-62.0	0.0

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 2025	**92,335**	**12,310**	**2,843**	**107,488**
Transfers from Stage 1 to Stage 2, incl. repayments	-2,231	2,107		**-124**
Transfers from Stage 1 to Stage 3, incl. repayments	-108		98	**-10**
Transfers from Stage 2 to Stage 1, incl. repayments	1,996	-2,094		**-98**
Transfers from Stage 2 to Stage 3, incl. repayments		-259	242	**-16**
Transfers from Stage 3 to Stage 1, incl. repayments	66		-70	**-4**
Transfers from Stage 3 to Stage 2, incl. repayments		237	-250	**-13**
Increases due to origination and acquisition	8,934	186	67	**9,187**
Decreases due to derecognition	-5,621	-535	-301	**-6,457**
Unchanged Stage, incl. repayments	-559	-197	-129	**-885**
Recognised as final credit loss	0	0	-16	**-17**
Receivables from customers; on-balance-sheet and off-balance-sheet items 30 June 2025	**94,813**	**11,755**	**2,484**	**109,052**

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 2025	**79**	**228**	**514**	**820**
Transfers from Stage 1 to Stage 2	-4	30		**26**
Transfers from Stage 1 to Stage 3	-1		16	**15**
Transfers from Stage 2 to Stage 1	5	-26		**-21**
Transfers from Stage 2 to Stage 3		-9	24	**15**
Transfers from Stage 3 to Stage 1	1		-12	**-11**
Transfers from Stage 3 to Stage 2		9	-28	**-19**
Increases due to origination and acquisition	8	4	16	**28**
Decreases due to derecognition	-9	-11	-51	**-71**
Changes in risk parameters (net)	-5	-21	-4	**-30**
Changes in model assumptions and methodology	2	9	8	**19**
Decrease in allowance account due to write-offs	0	0	-6	**-6**
Net change in expected credit losses	**-2**	**-16**	**-37**	**-55**
Loss allowance 30 June 2025	**76**	**212**	**477**	**765**

During Q2/2025, as part of the continuous development and maintenance of credit risk models for SME exposures, a new loss given default (LGD) model was introduced in the calculation of expected credit losses (ECL). The model differs from the previous one in terms of structure, risk drivers and the way in which the forward-looking economic environment is considered. Specific models have been developed for performing and non-performing exposures. The model for cases of default also takes into account in its predictions both the period of default and the collection process stage. LGD estimates are based on observed actuals. The predictions take account of the credit's collateral position, guarantees and factors describing the nature of the credit. Account is taken of the economic situation and outlook through the home price index and GDP. The impact of changing the model varied from one business unit and reporting segment to another. In total, OP Financial Group's ECL increased by EUR 19 million, partly attributable to changes in the methodology and the level of calibration.

The rating model for OP Financial Group's retail customers was updated in Q1/2025, which lowered the expected credit loss (ECL) by EUR 8.3 million.

Assumptions used for calculating management overlays

The table below shows the loss allowance before the management overlays, the management overlays described below, and the total loss allowance reported.

Loss allowance 30 June 2025	Retail Banking	Corporate Banking	Total
Loss allowance before management overlays	**457**	**248**	**705**
Management overlays			
Collateral valuation of CRE backed loans	6		6
Bullet and balloon loans	1	3	4
Improvement to the identification processes for EWS and connected clients	14	5	19
Climate and environmental risks	3	1	4
Increase in non-performing exposures and higher probability of default	23	4	27
Total management overlays	**47**	**13**	**61**
Total reported loss allowance	**504**	**261**	**765**

The management overlay provision made in 2022 in the construction industry, of which EUR 7.1 million remained in Q4/2024, was fully reversed in Q1/2025 because the events it covered had already realised.

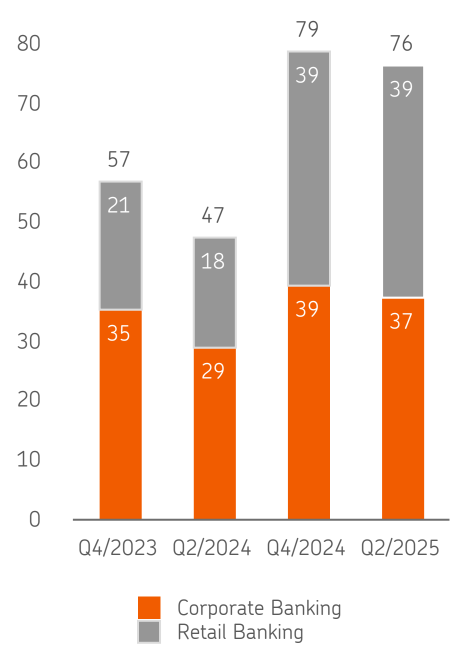
At the end of 2021, OP Financial Group made an ECL management overlay of EUR 34 million concerning CRE backed loans. The overlay anticipated growth in ECLs and probable defaults after the collateral assessment of the riskiest commercial real estate holdings was updated. The remaining provision for Q2/2025 is EUR 6 million.

In Q4/2023, OP Financial Group made a management overlay for the improvement of processes related to the early warning system (EWS) and groups of connected clients, to be implemented in 2025. The process improvement is expected to increase expected credit losses by roughly EUR 14.1 million in the Retail Banking segment. In Q2/2024, the overlay was extended to OP Corporate Bank, due to which the overlay in OP Financial Group grew by EUR 5.1 million and now stands at EUR 19.2 million.

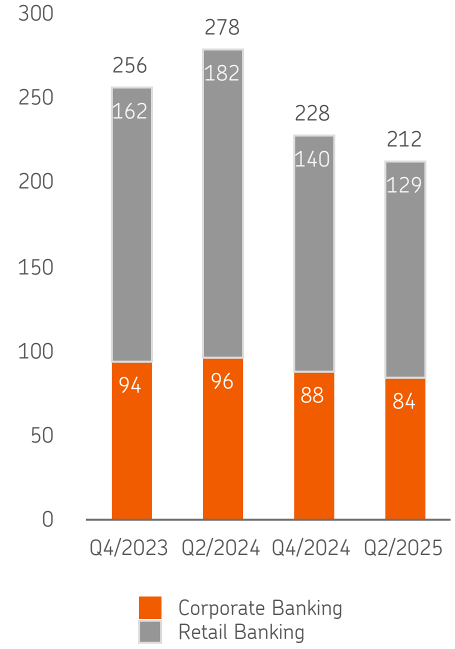
In Q3/2024, OP Financial Group made a management overlay of EUR 2.2 million for recognising the higher credit risk of bullet and balloon loans in ECL calculation. It was updated to EUR 4.1 million in Q2/2025. Similarly in Q2/2025, the parameter-specific management overlay performed in Q4/2024 to account for the increase in non-performing exposures and the higher probability of default observed as a result was increased by EUR 0.9 million to EUR 27.2 million, while the previous management overlay of EUR 3.7 million was updated to EUR 3.9 million to address climate and environmental risks. The plan is to reverse these overlays during 2025 when the new post-model adjustments at the parameter level are adopted.

The following graphs illustrate the trend in the expected credit losses of customer receivables by impairment stage during the last few years.

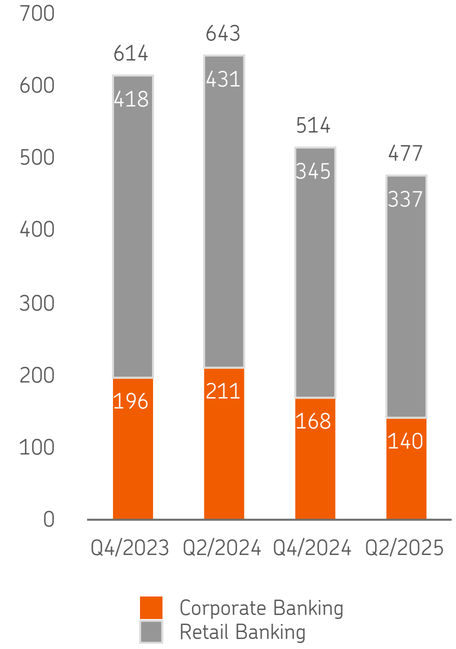
Stage 1
€ million



Stage 2
€ million



Stage 3
€ million



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 Q2/2025 increased expected credit losses by EUR 8.6 million.

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

GDP growth, %	Q2/2025	Q2/2026	Q2/2027	Q2/2028	Q2/2029
Baseline	1.0	1.5	1.3	1.3	1.3
Upside	3.4	3.4	2.8	2.3	2.3
Downside	-1.8	-0.8	-0.5		

Unemployment, %	Q2/2025	Q2/2026	Q2/2027	Q2/2028	Q2/2029
Baseline	8.5	8.3	7.2	7.0	6.5
Upside	8.3	7.7	6.5	6.3	5.8
Downside	9.6	9.8	8.7	8.6	8.2

Notes and bonds, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2025	1	1	2	4
Transfers from Stage 2 to Stage 1	0	-1		-1
Increases due to origination and acquisition	0			0
Decreases due to derecognition	0	0		0
Changes in risk parameters (net)	0			0
Net change in expected credit losses	0	-1		-1
Loss allowance 30 June 2025	1		2	3

Exposures within the scope of accounting for expected credit losses by impairment stage in the comparative period

Exposures 31 December 2024, € million	Stage 1	Stage 2 Not more than 30 DPD	 More than 30 DPD	 Total	Stage 3*	Total exposures
Receivables from customers (gross)						
Retail Banking	57,631	8,987	80	**9,067**	2,215	**68,913**
Corporate Banking	25,463	2,536	289	**2,825**	556	**28,844**
Total receivables from customers	**83,094**	**11,523**	**370**	**11,892**	**2,771**	**97,758**
Off-balance-sheet limits						
Retail Banking	1,905	201	1	**203**	16	**2,123**
Corporate Banking	3,542	54	0	**55**	10	**3,607**
Total limits	**5,447**	**256**	**2**	**258**	**25**	**5,730**
Other off-balance-sheet commitments						
Retail Banking	1,155	26		**26**	14	**1,196**
Corporate Banking	2,638	134		**134**	32	**2,804**
Total other off-balance-sheet commitments	**3,793**	**160**		**160**	**47**	**4,000**
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	**106,044**	**12,063**	**371**	**12,434**	**2,846**	**121,324**

* A total of EUR 184 million of Stage 3 exposures are purchased or originated credit-impaired financial assets (POCI).

Loss allowance for the comparative period 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						
Retail Banking	-38	-133	-6	-139	-341	-518
Corporate Banking	-37	-66	-6	-72	-148	-257
Total receivables from customers	**-75**	**-199**	**-12**	**-211**	**-489**	**-775**
Off-balance-sheet commitments**						
Retail Banking	-1	-1		-1	-5	-7
Corporate Banking	-3	-16		-16	-20	-38
Total off-balance-sheet commitments	**-4**	**-17**		**-17**	**-24**	**-45**
Notes and bonds***						
Group Functions	-1	-1		-1	-2	-4
Total notes and bonds	**-1**	**-1**		**-1**	**-2**	**-4**
Total	-80	-217	-12	-229	-515	-824

* Loss allowance is recognised as one component to deduct from 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.

Summary and key indicators

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	
		Not more than 30 DPD	More than 30 DPD	Total		Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Retail Banking	60,692	9,215	81	**9,296**	2,245	**72,233**
Corporate Banking	31,643	2,724	290	**3,014**	598	**35,255**
Loss allowance						
Retail Banking	-39	-134	-6	**-140**	-345	**-525**
Corporate Banking	-39	-82	-6	**-88**	-168	**-296**
Coverage ratio, %						
Retail Banking	-0.1	-1.5	-7.4	**-1.5**	-15.4	**-0.7**
Corporate Banking	-0.1	-3.0	-2.2	**-2.9**	-28.1	**-0.8**
Receivables from customers; total on-balance-sheet and off-balance-sheet items	**92,335**	**11,939**	**371**	**12,310**	**2,843**	**107,488**
Total loss allowance	**-79**	**-216**	**-12**	**-228**	**-514**	**-820**
Total coverage ratio, %	**-0.1**	**-1.8**	**-3.3**	**-1.9**	**-18.1**	**-0.8**
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	0.0	-1.0		**-1.0**	-62.0	**0.0**
Total notes and bonds	**13,710**	**124**		**124**	**3**	**13,837**
Total loss allowance	**-1**	**-1**		**-1**	**-2**	**-4**
Total coverage ratio, %	**0.0**	**-1.0**		**-1.0**	**-62.0**	**0.0**

Receivables from customers and off-balance-sheet items

The table below shows, for the comparative period, 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	89,032	15,948	3,159	108,139
Transfers from Stage 1 to Stage 2, incl. repayments	-3,672	3,378		-294
Transfers from Stage 1 to Stage 3, incl. repayments	-315		275	-40
Transfers from Stage 2 to Stage 1, incl. repayments	4,241	-4,600		-360
Transfers from Stage 2 to Stage 3, incl. repayments		-683	593	-91
Transfers from Stage 3 to Stage 1, incl. repayments	92		-110	-18
Transfers from Stage 3 to Stage 2, incl. repayments		307	-342	-35
Increases due to origination and acquisition	16,977	475	198	17,650
Decreases due to derecognition	-9,663	-2,175	-608	-12,446
Unchanged Stage, incl. repayments	-4,356	-331	-136	-4,823
Recognised as final credit loss	-2	-7	-186	-195
Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2024	92,335	12,310	2,843	107,488

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	Total
Loss allowance 1 January 2024	57	256	614	927
Transfers from Stage 1 to Stage 2	-4	41		38
Transfers from Stage 1 to Stage 3	0		31	30
Transfers from Stage 2 to Stage 1	6	-72		-67
Transfers from Stage 2 to Stage 3		-21	73	53
Transfers from Stage 3 to Stage 1	0		-13	-13
Transfers from Stage 3 to Stage 2		10	-33	-23
Increases due to origination and acquisition	15	15	48	78
Decreases due to derecognition	-8	-34	-101	-143
Changes in risk parameters (net)	12	10	25	46
Changes in model assumptions and methodology	2	22	-16	8
Decrease in allowance account due to write-offs	0	0	-115	-115
Net change in expected credit losses	22	-28	-101	-107
Loss allowance 31 December 2024	79	228	514	820

Loss allowance

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

Loss allowance 31 December 2024	Retail Banking	Corporate Banking	Total
Loss allowance before management overlays	465	279	744
Construction industry	7		7
Collateral valuation of CRE backed loans	6		6
Bullet and balloon loans	1	2	3
Improvement to the identification processes for EWS and connected clients	14	5	19
Climate and environmental risks	4	1	5
Increase in non-performing exposures and higher probability of default	28	8	36
Total management overlays	60	17	77
Total reported loss allowance	525	296	820

Changes in forecasts for GDP and the unemployment rate in the comparative period

GDP growth, %	Q2/2025	Q2/2026	Q2/2027	Q2/2028	Q2/2029
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, %	Q2/2025	Q2/2026	Q2/2027	Q2/2028	Q2/2029
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 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

Note 5. Net commissions and fees

€ million	Retail Banking		Corporate Banking		Insurance		Group Functions		Eliminations		OP Financial Group			
	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	Q2/2025	Q2/2024
Commission income														
Lending	58	57	24	25			0	0	0	-1	82	81	41	39
Deposits	11	11	1	2			0	0	0	0	12	13	6	7
Payment transfers	117	113	16	16			9	10	-7	-10	135	130	68	66
Securities brokerage	4	3	11	9					-4	-3	11	9	5	4
Securities issuance	0	0	4	5			0	0	0	0	4	5	2	3
Mutual funds*	96	100	0	0	22	19			0	0	118	119	58	60
Wealth management	28	26	9	8			1	1	-16	-15	22	20	11	9
Legal services	10	11	0	0							10	11	5	6
Guarantees	6	5	6	6			0	0	0	0	12	11	6	6
Housing agency	25	27							0	0	25	27	15	14
Sales commissions on insurance contracts	47	45			4	4			-32	-31	19	19	5	4
Life insurance investment contracts					15	14					15	14	7	7
Other	24	20	2	4			0	1	-19	-17	8	8	4	3
Total	426	420	73	75	41	37	10	12	-79	-77	472	467	233	229

* OP bonuses to owner-customers accrued from mutual funds have been deducted from commission income from mutual funds.

€ million	Retail Banking		Corporate Banking		Insurance		Group Functions		Eliminations		OP Financial Group			
	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	H1/2025	H1/2024	Q2/2025	Q2/2024
Commission expenses														
Lending	0	0	0	0			0	0	0	0	0	0	0	0
Payment transfers	-18	-18	-2	-3	-1	-1	-2	-2	7	9	-17	-16	-8	-8
Securities brokerage	-1	-1	-1	-1			0	0	0	0	-2	-2	-1	-1
Securities issuance			0	0				0			0	0	0	0
Mutual funds	-28	-28			0	0			0	0	-28	-28	-14	-14
Wealth management	-5	-5	-3	-2	0	0	0	0	4	3	-4	-4	-2	-2
Sales commissions on insurance contracts					-15	-13			13	12	-2	-1	-1	-1
Derivatives			-23	-20					22	19	-1	-1	-1	-1
Other	-9	-9	-2	-2	0	-1	-6	-8	4	6	-13	-13	-8	-8
Total	-61	-61	-31	-29	-16	-15	-9	-11	50	50	-68	-67	-36	-34
Total net commissions and fees	365	359	42	46	25	21	1	1	-29	-27	404	400	197	195

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, are reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. Comparative information is reported according to the new segment structure.

Note 6. Insurance service result

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Non-life insurance				
Expected claims incurred and other directly allocated insurance service expenses	750	723	384	365
Changes in risk adjustment for non-financial risk	6	6	3	3
Contractual service margin for services provided in the period	97	111	49	53
Recognition as revenue of insurance acquisition cash flows	62	60	33	32
Other changes in insurance revenue	9	9	8	3
Non-life insurance revenue according to the General Measurement Model (GMM), total	923	909	476	456
Life insurance				
Expected claims incurred and other directly allocated insurance service expenses	70	67	34	33
Changes in risk adjustment for non-financial risk	6	6	3	3
Contractual service margin for services provided in the period	27	29	13	14
Recognition as revenue of insurance acquisition cash flows	3	10	2	7
Other changes in insurance revenue	6	5	-3	-3
Life insurance revenue according to the General Measurement Model (GMM), total	112	117	49	53
Expected claims incurred and other directly allocated insurance service expenses	9	9	4	4
Changes in risk adjustment for non-financial risk	3	2	1	1
Contractual service margin for services provided in the period	3	3	1	2
Recognition as revenue of insurance acquisition cash flows	0	1	0	1
Other changes in insurance revenue	0	0	0	0
Life insurance revenue according to the Variable Fee Approach (VFA), total	16	15	8	8
Total life insurance revenue	128	132	57	61
Total insurance revenue	1,051	1,041	533	517

€ million	H1/2025	H1/2024	4–6/2025	4–6/2024
Non-life insurance				
Actual claims incurred and other directly allocated insurance service expenses	-751	-827	-383	-425
Changes that relate to past service - changes arising from claims incurred in past periods	18	-5	21	8
Insurance acquisition costs	-62	-60	-33	-32
Losses on onerous contracts and reversal of those losses	-28	-24	-2	3
Non-life insurance service expenses according to the General Measurement Model (GMM), total	**-824**	**-917**	**-398**	**-446**
Life insurance				
Actual claims incurred and other directly allocated insurance service expenses	-80	-72	-36	-33
Changes that relate to past service - changes arising from claims incurred in past periods	0	0	0	0
Insurance acquisition costs	-3	-10	-2	-7
Losses on onerous contracts and reversal of those losses	-14	5	-2	-1
Life insurance service expenses according to the General Measurement Model (GMM), total	-97	-77	-40	-40
Actual claims incurred and other directly allocated insurance service expenses	-16	-17	-7	-9
Changes that relate to past service - changes arising from claims incurred in past periods	-1	-1	0	0
Insurance acquisition costs	0	-1	0	-1
Losses on onerous contracts and reversal of those losses	-8	8	-5	4
Life insurance service expenses according to the Variable Fee Approach (VFA), total	-25	-11	-13	-6
Life insurance service expenses, total	**-122**	**-88**	**-53**	**-47**
Total insurance service expenses	-946	-1,005	-450	-493
Net income from non-life reinsurance contracts held	-34	5	-15	25
Net income from life reinsurance contracts held	-4	-3	-2	-2
Total net income from reinsurance contracts held	**-38**	**1**	**-17**	**23**
Insurance service result	68	37	65	47

Note 7. Net insurance finance income (+)/expenses (–)

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Non-life insurance				
Unwinding of discount on insurance contract liabilities	-26	-30	-13	-17
Effect of changes in insurance contracts' interest rates and financial assumptions	48	34	-10	37
Exchange rate differences of insurance contracts	1	0	-1	0
Finance income and expenses related to direct non-life insurance contracts (GMM), total	22	4	-25	20
Finance income and expenses related to non-life reinsurance contracts	1	0	1	1
Life insurance				
Unwinding of discount on insurance contract liabilities	-1	2	0	0
Insurance contract net financing items, risk mitigation	13	12	-10	15
Effect of changes in insurance contracts' interest rates and financial assumptions	-6	22	-29	23
Finance income and expenses related to life direct insurance contracts (GMM), total	-7	24	-30	24
Insurance contract net financing items, risk mitigation	13	12	-10	15
Effect of changes in insurance contracts' interest rates and financial assumptions		0		0
Net financing items of changes in the fair value of the underlying assets of insurance contracts	6	-312	-130	-81
Finance income and expenses related to life direct insurance contracts (VFA), total	20	-300	-139	-66
Finance income and expenses related to life reinsurance contracts, total	-1	0	-2	0
Net insurance finance income (+)/expenses (–)	35	-272	-194	-22

Note 8. Net income from financial assets held for trading

Financial assets held for trading

€ million	H1/2025	Adjusted H1/2024	Q2/2025	Adjusted Q2/2024
Notes and bonds				
Interest income and expenses	16	12	3	9
Fair value gains and losses on notes and bonds	0	-1	1	0
Shares and participations				
Fair value gains and losses	4	9	-6	2
Dividend income and share of profits	6	3	6	3
Derivatives				
Interest income and expenses	85	150	32	72
Fair value gains and losses	3	-103	9	-51
Total	**115**	**70**	**44**	**36**

In the second quarter of 2025, OP Financial Group moved structured notes and derivatives economically hedging them under net interest income expenses. This change was made retrospectively also for 2024 and the first quarter of 2025. Previously these items were presented in full under net trading income in the income statement. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2025, Accounting policies and highlights.

Note 9. Net investment income

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Net income from assets at fair value through other comprehensive income				
Notes and bonds				
Capital gains and losses	0	0	0	0
Total	0	0	0	0

Net income from financial assets recognised at fair value through profit or loss

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Financial assets held for trading, insurance business				
Derivatives				
Interest income and expenses	-10	-14	-6	-7
Fair value gains and losses	-15	-54	38	-56
Total	-25	-67	32	-63
Financial assets designated as at fair value through profit or loss				
Notes and bonds				
Interest income	81	75	41	39
Fair value gains and losses	2	-40	50	-26
Shares and participations				
Fair value gains and losses	-23	213	47	81
Dividend income and share of profits	31	27	16	13
Total	91	275	155	105
Income from assets covering unit-linked insurance and investment contracts				
Interest income	14	4	7	2
Fair value gains and losses	19	822	354	246
Total	34	827	362	248
Net income from financial assets designated as at fair value through profit or loss, total	125	1,102	516	354
Total net income from financial assets recognised at fair value through profit or loss	100	1,034	548	290

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
Net income from investment property				
Rental income	24	26	12	13
Fair value gains and losses	-1	-3	-1	-1
Maintenance charges and expenses	-17	-21	-8	-12
Other	0	0	0	0
Total net income from investment property	6	2	2	0
Net income from loans and receivables recognised at amortised cost				
Interest income	3	5	1	3
Interest expenses	-1	-2	0	-1
Impairment losses and their reversals	0	1	0	1
Total net income from loans and receivables recognised at amortised cost	2	5	2	2
Associates and joint ventures				
Associates accounted for using the fair value method	-3	4	0	2
Associates consolidated using the equity method	3	2	2	0
Joint ventures	0	0	0	0
Total	-1	6	3	1
Financial liabilities designated as at fair value through profit or loss				
Premiums written from investment contracts	398	334	174	178
Claims paid under investment contracts	-213	-176	-102	-85
Change in investment contract liabilities	-237	-682	-307	-257
Total net income from investment contract liabilities	-51	-523	-235	-164
Total net investment income	56	524	320	130

Note 10. Other operating expenses

Other operating expenses

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
ICT expenses				
Production	-142	-132	-72	-66
Development	-142	-120	-73	-62
Buildings	-25	-27	-12	-14
Charges of financial authorities	0	-1	0	0
Audit fees	-6	-4	-3	-2
Service purchases	-87	-74	-46	-39
Expert services	-20	-24	-9	-13
Telecommunications	-19	-17	-9	-8
Marketing	-21	-21	-12	-12
Donations and sponsorships	-10	-8	-5	-5
Insurance and security costs	-11	-9	-4	-3
Expenses from short-term and low-value leases	-4	-3	-2	-2
Other	-69	-63	-30	-28
Other operating expenses, total	**-557**	**-501**	**-279**	**-253**

Development costs

€ million	H1/2025	H1/2024	Q2/2025	Q2/2024
ICT development expenses	-142	-120	-73	-62
Share of own work	-62	-52	-30	-26
Total development expenses in the income statement	**-204**	**-171**	**-103**	**-88**
Capitalised ICT costs	-23	-26	-12	-14
Transfer of capitalised costs/personnel costs	-5	-5	-2	-2
Total capitalised development costs	**-28**	**-31**	**-14**	**-17**
Total development costs	**-232**	**-202**	**-117**	**-105**
Depreciation/amortisation and impairment loss on development costs	-29	-40	-13	-21

Note 11. Classification of financial assets and liabilities

Financial assets

			Recognised at fair value through profit or loss				
Financial assets 30 June 2025, € million	Amortised cost	Recognised at fair value through other comprehensive income	Financial assets held for trading	Financial assets designated as at fair value through profit or loss	Must be measured at fair value through profit or loss	Hedging derivatives	Carrying amount total
Cash and deposits with central banks	20,831						20,831
Receivables from credit institutions	1,224						1,224
Receivables from customers	99,514						99,514
Derivative contracts			1,777			460	2,237
Assets covering unit-linked contracts				14,319			14,319
Notes and bonds	2,019	13,637	326	5,929			21,912
Shares and participations		1	258	2,971			3,231
Other financial assets	1,212			6			1,218
Total	**124,800**	**13,639**	**2,362**	**23,225**		**460**	**164,486**

At the end of the reporting period, OP Financial Group's balance sheet had bonds totalling EUR 2,018 million (1,520), which were not measured at market value due to the measurement category. The market value of these bonds amounted to EUR 2,048 million (1,547) at the end of the reporting period.

			Recognised at fair value through profit or loss				
Financial assets 31 December 2024, € million	Amortised cost	Recognised at fair value through other comprehensive income	Financial assets held for trading	Financial assets designated as at fair value through profit or loss	Must be measured at fair value through profit or loss	Hedging derivatives	Carrying amount total
Cash and deposits with central banks	18,110						18,110
Receivables from credit institutions	808						808
Receivables from customers	98,629						98,629
Derivative contracts			1,816			681	2,497
Assets covering unit-linked contracts				14,172			14,172
Notes and bonds	1,521	12,176	206	6,090			19,994
Shares and participations		0	62	2,757	1		2,820
Other financial assets	1,268			8			1,276
Total	**120,337**	**12,176**	**2,085**	**23,027**	**1**	**681**	**158,306**

Financial liabilities

Financial liabilities 30 June 2025, € million	Recognised at fair value through profit or loss	At amortised cost	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		425		425
Liabilities to customers		84,889		84,889
Derivative contracts	2,107		102	2,208
Investment contract liabilities	9,377			9,377
Debt securities issued to the public	1,867	32,964		34,583
Subordinated liabilities		668		668
Other financial liabilities	27	2,440		2,467
Total	**13,377**	**121,385**	**102**	**134,615**

Financial liabilities 31 December 2024, € million	Recognised at fair value through profit or loss	At amortised cost	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		91		91
Liabilities to customers		80,455		80,455
Derivative contracts	2,223		102	2,324
Investment contract liabilities	9,140			9,140
Debt securities issued to the public	1,954	31,244		33,198
Subordinated liabilities		1,444		1,444
Other financial liabilities	2	2,263		2,265
Total	**13,320**	**115,498**	**102**	**128,919**

The fair value of OP Financial Group's senior and senior non-preferred bonds issued to the public and carried at amortised cost at the end of the reporting period was EUR 29,384 million (26,826) and their carrying amount was EUR 30,033 million (27,731). The fair value is based on information available from the market. All subordinated liabilities are measured at amortised cost. Their fair value was EUR 669 million (1,448) at the end of the reporting period. Amortised costs of debt securities issued to the public are itemised in Note 14. Debt securities issued to the public

Note 12. Reinsurance contract assets

€ million	30 Jun 2025	31 Dec 2024
Non-life insurance		
Reinsurance contract assets for the remaining coverage period	-37	-55
Reinsurance contract liability for occurred losses	158	157
Total non-life reinsurance contract assets	**121**	**102**

Note 13. Insurance contract liabilities

€ million	30 Jun 2025	31 Dec 2024
Non-life insurance		
Liabilities for the remaining coverage period, GMM	391	239
Liability for occurred losses, GMM	2,260	2,337
Total non-life insurance contract liabilities	**2,651**	**2,576**
Life insurance		
Liabilities for the remaining coverage period, GMM	2,866	2,980
Liability for occurred losses, GMM	13	12
Liabilities for the remaining coverage period, VFA total	6,062	6,184
Liability for occurred losses (VFA), total	44	43
Total life insurance contract liabilities	**8,985**	**9,219**
Life insurance		
Reinsurance contract liabilities for the remaining coverage period		1
Total life reinsurance contract liabilities		**1**
Total insurance contract liabilities	**11,636**	**11,796**

Note 14. Debt securities issued to the public

€ million	30 Jun 2025	31 Dec 2024
Bonds	12,196	10,897
Subordinated bonds, SNP	3,607	3,566
Covered bonds	15,223	14,114
Certificates of deposit	223	170
Commercial papers	3,334	4,451
Total debt securities issued to the public	34,583	33,198

Note 15. Fair value reserve after tax

€ million	Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2024	-78	-212	-290
Fair value changes	37	-71	-34
Capital gains transferred to income statement	-1		-1
Transfers to net interest income		66	66
Deferred tax	-7	1	-6
Closing balance 30 June 2024	-50	-216	-266

€ million	Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2025	-109	-140	-249
Fair value changes	37	2	39
Capital gains transferred to income statement	1		1
Transfers to net interest income		36	36
Deferred tax	-8	-8	-15
Closing balance 30 June 2025	-78	-110	-188

The fair value reserve before tax totalled EUR –281 million (–352) and the related deferred tax asset/liability EUR 56 million (70). The loss allowance on notes and bonds recognised at fair value through other comprehensive income totalled EUR 0 million (0) in the fair value reserve during the period.

Note 16. Collateral given and off-balance-sheet commitments

€ million	30 Jun 2025	31 Dec 2024
Given on behalf of own liabilities and commitments		
Pledges	140	151
Loans (as collateral for covered bonds)	17,417	16,333
Other	1,287	1,562
Total collateral given*	**18,843**	**18,046**
Secured derivative liabilities	606	729
Other secured liabilities	722	869
Covered bonds	15,223	14,114
Total	**16,551**	**15,712**

* In addition, bonds with a carrying amount of EUR 1.4 billion have been pledged in the central bank, EUR 1.0 billion of which are 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	30 Jun 2025	31 Dec 2024
Guarantees	609	550
Guarantee liabilities	2,492	2,549
Loan commitments	13,795	13,219
Commitments related to short-term trade transactions	342	305
Underwritings	710	772
Other	525	521
Total off-balance-sheet commitments	**18,473**	**17,915**

Note 17. Recurring fair value measurements by valuation technique

Fair value of assets 30 June 2025, € million	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value through profit or loss				
Equity instruments	1,944	514	772	3,229
Debt instruments	5,878	322	62	6,262
Unit-linked contracts	9,218	5,101		14,319
Derivative contracts	3	2,133	101	2,237
Recognised at fair value through other comprehensive income				
Equity instruments	1			1
Debt instruments	12,268	747	623	13,637
Total financial instruments	**29,312**	**8,816**	**1,558**	**39,686**
Investment property			470	470
Total	**29,312**	**8,816**	**2,027**	**40,155**

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	1,834	337	649	2,819
Debt instruments	5,680	557	68	6,304
Unit-linked contracts	9,013	5,159	0	14,172
Derivative contracts	3	2,397	96	2,497
Recognised at fair value through other comprehensive income				
Debt instruments	4,273	7,297	606	12,176
Total financial instruments	**20,803**	**15,747**	**1,419**	**37,969**
Investment property			500	500
Total	**20,803**	**15,747**	**1,919**	**38,470**

Fair value of liabilities 30 June 2025, € million	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value through profit or loss				
Investment contract liabilities		9,377		9,377
Structured notes			1,867	1,867
Other		27		27
Derivative contracts	1	2,222	66	2,290
Total	1	11,626	1,933	13,561

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				
Investment contract liabilities	5,813	3,327		9,140
Structured notes			1,954	1,954
Other		2		2
Derivative contracts	0	2,250	74	2,324
Total	5,813	5,580	2,029	13,421

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 Financial Group'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.

Real estate investments have no similar daily quoted prices or price sources as in liquid markets. The appraisal process of real estate is based on using external valuers (property value over 1 million euros) or the business's own appraisal methods.

The main sources for the appraisal of direct real estate investments are third-party valuation reports issued by authorised external valuers. The external valuer independently selects the method that best suits the appraisal of each property. The commonly used methods include the transactions value method, income capitalisation approach and replacement value method. The values of real estate funds are obtained from the underlying funds on the date determined by the rules of each underlying fund and according to the standard laid down by the rules. The valuations are mainly based on the combined values of the underlying funds' property units plus the underlying funds' net assets. The values of individual property units are mainly based on third-party valuation reports drawn up by authorised independent valuers.

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 2025	717	96	606	1,419
Total gains/losses in profit or loss	-13	5		-8
Purchases	35			35
Sales	-70			-70
Repayments	-15			-15
Transfers to Level 3	181		167	348
Transfers from Level 3			-150	-150
Closing balance 30 June 2025	**834**	**101**	**623**	**1,558**

Financial liabilities, € million	Recognised at fair value through profit or loss	Derivative contracts	Total liabilities
Opening balance 1 January 2025	1,954	74	2,029
Total gains/losses in profit or loss	54	-8	46
Issues	322	0	322
Redemptions and repurchases	-406	0	-406
Other changes	-57		-57
Closing balance 30 June 2025	**1,867**	**66**	**1,933**

Breakdown of net income by income statement item 30 June 2025

€ million	Net interest income	Net investment income	Statement of comprehensive income/ Change in fair value reserve	Net gains/losses on assets and liabilities held at period end
Total net income		-54	0	-54

Changes in the levels of hierarchy

No major changes occurred in valuation techniques in 2025.

Note 18. Derivative contracts

€ million	30 Jun 2025 Notional values	30 Jun 2025 Fair values, assets	30 Jun 2025 Fair values, liabilities	31 Dec 2024 Notional values	31 Dec 2024 Fair values, assets	31 Dec 2024 Fair values, liabilities
Interest rate derivatives	225,733	1,544	1,584	229,628	1,764	1,661
Cleared by the central counterparty (STM)	151,257	20	14	151,177	33	27
Equity and index-linked derivatives	1,084	82	53	1,172	76	64
Cleared by the central counterparty (STM)						
Currency and gold derivatives	45,557	586	625	44,078	624	571
Cleared by the central counterparty (STM)						
Credit derivatives	208	10	1	280	10	2
Cleared by the central counterparty (STM)	100	0	0	182	0	0
Commodity derivatives	677	14	27	410	22	26
Cleared by the central counterparty (STM)						
Other derivatives				56		
Cleared by the central counterparty (STM)						
Total derivatives	273,258	2,237	2,290	275,623	2,497	2,324

Note 19. Investment distribution of the Insurance segment

Non-life insurance

Investment asset portfolio allocation	30 Jun 2025 Fair value*, € million	30 Jun 2025 %	31 Dec 2024 Fair value*, € million	31 Dec 2024 %
Total money market instruments	233	5.0	260	5.7
Money market investments and deposits**	221	4.7	241	5.3
Derivatives***	12	0.2	18	0.4
Total bonds and fixed income funds	3,036	64.6	2,835	62.0
Governments	421	9.0	476	10.4
Inflation-linked bonds				
Investment Grade	2,133	45.4	2,015	44.0
Emerging markets and High Yield	331	7.0	190	4.2
Structured investments****	150	3.2	154	3.4
Total equities	1,084	23.1	1,106	24.2
Finland	112	2.4	200	4.4
Developed markets	814	17.3	754	16.5
Emerging markets	72	1.5	68	1.5
Fixed assets and unquoted equities	7	0.2	7	0.2
Private equity investments	79	1.7	77	1.7
Total alternative investments	28	0.6	29	0.6
Hedge funds	28	0.6	29	0.6
Total real property investments	318	6.8	345	7.5
Direct property investments	128	2.7	149	3.3
Indirect property investments	189	4.0	196	4.3
Total	**4,698**	**100.0**	**4,575**	**100.0**

* Includes accrued interest income.

** Includes settlement receivables and liabilities and market value of derivatives.

*** Effect of derivatives on the allocation of the asset class (delta equivalent).

**** Includes covered bonds, bond funds and illiquid bonds.

Life insurance

Investment asset portfolio allocation	30 Jun 2025 Fair value*, € million	%	31 Dec 2024 Fair value*, € million	%
Total money market instruments	192	5.9	306	9.2
Money market investments and deposits**	183	5.6	302	9.0
Derivatives***	9	0.3	5	0.1
Total bonds and fixed income funds	2,209	67.8	2,137	64.1
Governments	292	9.0	348	10.4
Inflation-linked bonds				
Investment Grade	1,597	49.0	1,543	46.2
Emerging markets and High Yield	194	6.0	117	3.5
Structured investments****	127	3.9	129	3.9
Total equities	629	19.3	659	19.8
Finland	65	2.0	121	3.6
Developed markets	456	14.0	437	13.1
Emerging markets	34	1.0	32	1.0
Fixed assets and unquoted equities	3	0.1	3	0.1
Private equity investments	71	2.2	67	2.0
Total alternative investments	36	1.1	37	1.1
Hedge funds	36	1.1	37	1.1
Total real property investments	190	5.8	196	5.9
Direct property investments	13	0.4	13	0.4
Indirect property investments	176	5.4	183	5.5
Total	3,256	100.0	3,336	100.0

* Includes accrued interest income.

** Includes settlement receivables and liabilities and market value of derivatives.

*** Effect of derivatives on the allocation of the asset class (delta equivalent).

**** Includes covered bonds, bond funds and illiquid bonds.

Note 20. Related party transactions

OP Financial Group's related parties comprise subsidiaries consolidated into OP Financial Group, associates, key management personnel and their close family members, and other related-party entities. OP Financial Group's key management personnel comprises OP Financial Group's President and Group Chief Executive Officer, members of OP Cooperative's Executive Management Team and directors directly reporting to the President and Group Chief Executive Officer, and the Chair and members of the Board of Directors and members of the Supervisory Council of OP Cooperative. Related parties of the management also include companies over which a key management person or their close family member exercises control. Other entities regarded as related parties include the OP Ryhmän Henkilöstörahasto personnel fund and the OP-Eläkesäätiö pension foundation.

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 2024.

Financial reporting

Schedule for financial reporting in 2025:

Interim Report 1 January–30 September 2025	28 October 2025
OP Amalgamation Pillar 3 Disclosures 30 June 2025	Week 33
OP Amalgamation Pillar 3 Disclosures 30 September 2025	Week 45

Helsinki, 30 July 2025

OP Cooperative

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