



Remuneration Report  
for Governing Bodies at  
OP Financial Group 2022



OP Financial Group

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### 1 Introduction

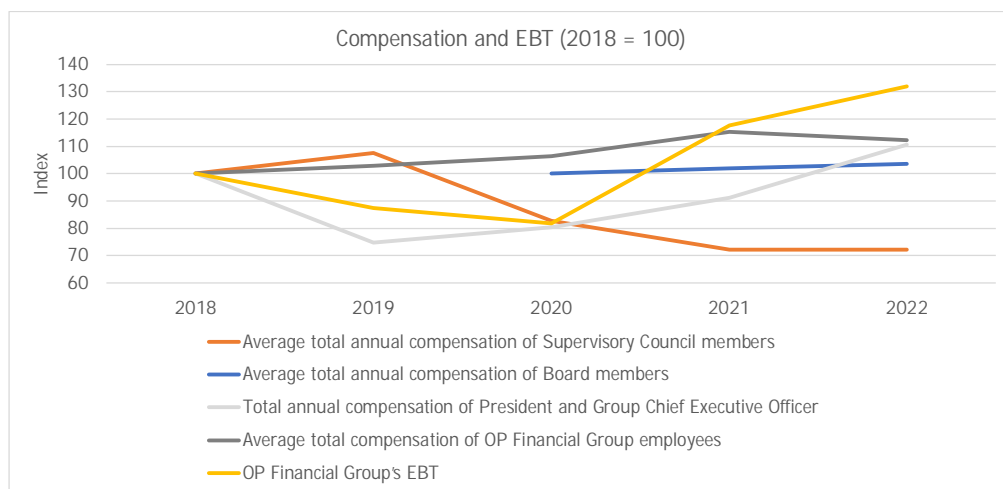
This Remuneration Report for Governing Bodies describes salaries and fees/bonuses for 2022 paid to the members of OP Cooperative's Supervisory Council and Board of Directors, the President and Group Chief Executive Officer and their deputy as well as comparative remuneration figures for five years.

OP Financial Group's current three-tier governance structure entered into force, and OP Cooperative's Board of Directors, based on the new structure, took up its duties on 1 January 2020. Previously, the Executive Board, which consisted of management executives, acted as OP Cooperative's board of directors. Considering that they were not paid any separate compensation for board work, comparative figures for the previous years' average compensation payable to Board members are not available.

The role of OP Cooperative's Supervisory Council has changed after the Board of Directors was created, which can be seen in the levels of fees in 2020. A new President and Group Chief Executive Officer took up his duties in March 2018, so the 2018 figures show both of their fees (the figures have been combined in the graph). OP Financial Group employees' average compensation has been calculated by dividing OP Financial Group's total salaries and bonuses by the annual average number of OP Financial Group employees.

OP Financial Group's earnings before tax best describes the performance of OP Financial Group's business and the earnings are also a key indicator for remuneration at OP Financial Group.

Average remuneration (in euros)	2018	2019	2020	2021	2022
Average total compensation of Supervisory Council members	18,140	19,493	15,011	13,083	13,083
Average total annual compensation of members of Board of Directors	-	-	89,000	90,800	92,140
Total annual compensation of President and Group Chief Executive Officer (Ritakallio)	635,541	855,461	921,896	1,045,885	1,267,359
Total annual compensation of President and Group Chief Executive Chair (Karhinen)	510,749	-	-	-	-
Average total annual compensation of OP Financial Group employees	50,490	51,875	53,660	58,267	56,646
OP Financial Group's EBT, € million	€959 million	€838 million	€785 million	€1,127 million	€1,265 million



In the graph, compensation paid to the Supervisory Council and the President and Group Chief Executive Officer is not fully comparable for different years because the adoption of the three-tier governance structure affected the compensation levels of the Supervisory Council in 2020 and the President and Group Chief Executive Officer changed in 2018.

2 Supervisory Council compensation

Monthly fees and attendance fees confirmed by the Cooperative Meeting and payable to OP Cooperative's Supervisory Council Chair, Vice Chairs and members are as follows:

Supervisory Council compensation	Chair (€/month)	Vice Chair (€/month)	Member (€/month)	Attendance fee (€/meeting)
1 Jan. –31 Dec. 2022	5,000	2,500	400	600

The compensation is paid in cash. The Chair, Vice Chairs and members of the Supervisory Council are covered by voluntary pension insurance, as referred to in the Employees Pensions Act (TyEL), through Ilmarinen Mutual Pension Insurance Company (only monthly fees accumulate TyEL pension).

The table below shows the meeting attendance of Supervisory Council members and the attendance fees paid to them in 2022:

Supervisory Council member	Meeting attendance ****						Compensation		
	Supervisory Council	Strategy Unit	Responsibility and Remuneration Unit	Cooperative Unit	Chairs	Supervisory Council Nomination Committee	Attendance fees	Monthly fees	Compensation in total
Nikola Annukka, Chair	5/5	3/3	2/2		6/6	2/2	13,200	60,000	73,200
Jurmu Taija, 1st Vice Chair	5/5	1/1			4/4	1/1	9,600	21,600	31,200
Väänänen Ari, 2nd Vice Chair	5/5	3/3	1/1	1/1	6/6	2/2	10,800	30,000	40,800
Hakasuo Päivi	5/5	2/2					4,800	4,800	9,600
Harju Eeva**	2/3		2/2				3,000	3,200	6,200
Helin Mika	5/5	3/3					4,800	4,800	9,600
Hinkkanen Mervi***	4/4		2/2	1/1			4,200	4,400	8,600
Hyvönen Raili	5/5	3/3					5,400	4,800	10,200
Julkunen Saara	5/5	2/2					4,800	4,800	9,600
Kainusalmi Mika	5/5		2/2	1/1			5,400	4,800	10,200
Kiuru Matti	5/5	2/2		1/1			6,000	4,800	10,800
Kujala Päivi	5/5	2/2					4,800	4,800	9,600
Kuosa-Kaartti Katja	5/5	2/2					5,400	4,800	10,200
Lehtonen Pekka	4/5	2/2					4,200	4,800	9,000
Leppäkoski Sirpa*	1/2						1,200	1,200	2,400
Lohi Tuomas**	2/3	2/2					3,000	3,200	6,200
Loikkanen Toivo	5/5						4,800	4,800	9,600
Manninen Veijo	5/5		2/2				4,800	4,800	9,600
Markula Kaisa	5/5		2/2	1/1			5,400	4,800	10,200
Metsä-Tokila Timo*	2/2						1,800	1,600	3,400
Mäkelä Anssi	5/5	2/2					4,800	4,800	9,600
Mäkelä Kari**	3/3		2/2				3,600	3,200	6,800
Niskanen Yrjö	4/5	2/2					4,800	4,800	9,600
Nurmela Jarmo	5/5	2/2		1/1			5,400	4,800	10,200
Nylund Ulf	5/5		2/2	1/1			5,400	4,800	10,200
Palosaari Heikki	4/5		2/2				4,800	4,800	9,600
Perätalo Teuvo	5/5		2/2	1/1			5,400	4,800	10,200
Puttonen Tuomas*				1/1			600	800	1,400
Pättiniemi Johanna	5/5		2/2	1/1			5,400	4,800	10,200
Rajala Tiina	5/5	2/2					4,200	4,800	9,000
Rantala Jyrki	5/5	2/2					5,400	4,800	10,200
Sandell Carolina	5/5		2/2	1/1			5,400	4,800	10,200
Sarhema Teemu	5/5	2/2					5,400	4,800	10,200
Saukkonen Timo	5/5		2/2				4,800	4,800	9,600
Selkee Leena**	5/5		2/2				3,600	3,200	6,800
Sotaraus Markku	5/5		2/2		2/2	1/1	7,200	13,200	20,400
Syrjälä Timo	5/5		2/2				4,800	4,800	9,600
Takala Pauliina	5/5		2/2	1/1			5,400	4,800	10,200
Tiiri Janne**	3/3		2/2				3,600	3,200	6,800
<b>Total</b>							<b>197,400</b>	<b>273,600</b>	<b>471,000</b>

\* The membership of Puttonen ended on 28 February 2022, that of Leppäkoski on 31 March 2022 and that of Metsä-Tokila on 26 April 2022

\*\* Member since 26 April 2022

\*\*\* Member until 30 November 2022

\*\*\*\* Some of the meetings of different governing bodies were held on the same day, in which case only one attendance fee was paid. Some of the meetings lasted two days, in which case the attendance fee was paid for both days.

### 3 Board compensation

Monthly fees for 2022 confirmed by the Board of Directors and payable to the Board Chair, Vice Chairs and members are as follows:

- Chair €11,000
- Vice Chair €7,000
- Other members €5,000

In addition, chairs of committees are paid a monthly fee of 2,000 euros. All Board members receive an attendance fee of 600 euros for each meeting. Board compensation is paid in cash.

Neither a separate monthly fee for being a Board member nor any attendance fee is paid to the President and Group Chief Executive Officer.

The Chair, Vice Chairs and members of the Board of Directors are covered by voluntary pension insurance, as referred to in the Employees Pensions Act (TyEL), through Ilmarinen Mutual Pension Insurance Company (only monthly fees accumulate TyEL pension).

The table below shows the meeting attendance of the members of the Board of Directors and compensation paid to them in 2022:

Board member	Meeting attendance**					Compensation		
	Board of Directors*	Nomination and Remuneration Committee	Risk Committee	Audit Committee	Supervisory Council, Remuneration Unit, Nomination Committee and Chairs	Attendance fees	Monthly fees	Total
Pehkonen Jaakko, Chair	18/18	6/6			13/13	€22,000	€156,000	€178,000
Heinonen Jarna, Vice Chair	18/18			7/7	9/9	€19,200	€84,000	€103,200
Himanan Jari	18/18				1/1	€9,000	€60,000	€69,000
Levoranta Kati	18/18	6/6	10/10		1/1	€17,400	€60,000	€77,400
Loikkanen Pekka	18/18		10/10	7/7	1/1	€18,000	€84,000	€102,000
Ojanperä Tero	18/18	6/6		6/7	1/1	€15,600	€60,000	€75,600
Palomäki Riitta	18/18		9/10	7/7	1/1	€17,400	€84,000	€101,400
Ritakallio Timo	18/18							
Sahlström Petri	18/18		10/10		1/1	€13,200	€60,000	€73,200
Tarkkanen Olli	18/18				1/1	€9,000	€60,000	€69,000
Väisänen Mervi	18/18	6/6			1/1	€12,600	€60,000	€72,600
<b>Total</b>						€153,400	€768,000	€921,400

\* Five meetings were held as email meetings with no attendance fees paid, and one meeting lasted two days.

\*\* Some of the meetings of different governing bodies were held on the same day, in which case only one attendance fee was paid.

#### 4 Salaries, bonuses and fringe benefits of the President and Group Chief Executive Officer and their deputy

##### PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

In 2022, Timo Ritakallio, OP Financial Group's President and Group Chief Executive Officer, was paid

- a total salary of 822,000 euros, of which 796,220 euros in cash salary and 25,780 euros in fringe benefits;
- a holiday bonus of 41,100 euros;
- 13,096 euros in deferred performance-based bonuses earned for 2018;
- 22,072 euros in deferred bonuses earned for the years 2017–2019 under the long-term management remuneration scheme;
- 117,089 euros in deferred performance-based bonuses earned for 2020; and
- 252,000 euros in performance-based bonuses earned for 2021.

Variable remuneration accounted for around 47% of fixed annual salary.

In 2021, the maximum amount of performance-based bonus for the President and Group Chief Executive Officer was 840,000 euros (12-month fixed salary). The metrics for the performance-based bonus with a weight of 20% each were as follows:

- Growth differential between income and expenses (percentage points)
- Net growth in the customers using OP as their main bank and insurer
- RORAC (Return on risk-adjusted capital)
- Overall assessment of management
- Overall assessment of performance

In addition, the amount of performance-based bonus was affected by the earnings factor of 1.25 (scale 0.5–1.25) based on the central cooperative consolidated's EBT.

The actual performance-based bonus achieved was 840,000 euros (fixed 12-month salary), of which 30% was paid in 2022 as permitted by regulation.

A total of 794,971 euros of performance-based bonuses earned for the years 2018, 2020 and 2021 and bonuses earned for the years 2017–2019 under the long-term management remuneration scheme will be paid out between 2023 and 2028 under the deferral procedure that complies with regulation. Half of the deferred bonuses will be paid so as to be tied to the value of the return on Profit Share; these bonuses are subject to a one-year retention period.

Based on the defined benefit pension plan, the supplementary pension insurance of the President and Group Chief Executive Officer did not incur costs in 2022.

##### DEPUTY PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

Harri Nummela was appointed deputy President and Group Chief Executive Officer as of 1 March 2022, replacing Olli Lehtilä.

In 2022, Olli Lehtilä was paid

- a total salary of 76,000 euros, of which 69,337 euros in cash salary and 6,663 euros in fringe benefits (1 Jan.–28 Feb. 2022);
- 26,889 euros in deferred bonuses earned for the years 2014–2016 under the long-term management remuneration scheme;
- 66,513 euros in deferred performance-based bonuses earned for 2020; and
- 121,363 euros in performance-based bonuses earned for 2021.

Lehtilä's variable remuneration accounted for around 45% of annual earnings (based on the earnings for 2021).

In 2021, the maximum amount of performance-based bonus for Olli Lehtilä was 380,000 euros (10-month total salary). The metrics for the performance-based bonus with a weight of 20% each were as follows:

- Growth differential between income and expenses (percentage points)
- Net growth in the customers using OP as their main bank and insurer
- RORAC (Return on risk-adjusted capital)
- EBT from customer business in Insurance Customers
- Overall assessment of management.

In addition, the amount of performance-based bonus was affected by the earnings factor of 1.25 (scale 0.5–1.25) based on the central cooperative consolidated's EBT. Under the terms and conditions of the remuneration scheme, the performance-based bonus may exceed the maximum because of the earnings factor. However, the performance-based bonus may not exceed the fixed total 12-month salary.

The actual performance-based bonus achieved was 404,543 euros (salary of around 11 months), of which 30 per cent was paid in 2022 as permitted by regulation.

A total of 393,211 euros of bonuses earned for the years 2014–2016 under the long-term management remuneration scheme and performance-based bonuses earned for the years 2020 and 2021 will be paid out between 2023 and 2028 under the deferral procedure that complies with regulation. Half of the deferred bonuses will be paid so as to be tied to the value of the return on Profit Share; these bonuses are subject to a one-year retention period.

Contributions paid to the supplementary pension insurance of Olli Lehtilä based on the defined benefit pension plan totalled 19,775 euros in 2022.

In 2022, Harri Nummela was paid

- a total salary of 380,000 euros, of which 368,950 euros in cash salary and 11,050 euros in fringe benefits (1 March–31 Dec. 2022);
- a holiday bonus of 22,800 euros;
- 29,910 euros in deferred bonuses earned for the years 2014–2016 under the long-term management remuneration scheme;
- 4,305 euros in deferred performance-based bonuses earned for 2018;
- 40,448 euros in deferred performance-based bonuses earned for 2020; and
- 108,614 euros in performance-based bonuses earned for 2021.

Harri Nummela's variable remuneration accounted for around 45 per cent of annual earnings (based on the earnings for 2021).

In 2021, the maximum amount of performance-based bonus for Harri Nummela was 340,000 euros (10-month total salary). The metrics for the performance-based bonus with a weight of 20 per cent each were as follows:

- Growth differential between income and expenses (percentage points)
- Net growth in the customers using OP as their main bank and insurer
- RORAC (Return on risk-adjusted capital)
- Earnings from Retail Banking customer business
- Retail Banking operational objective.

In addition, the amount of performance-based bonus was affected by the earnings factor of 1.25 (scale 0.5–1.25) based on the central cooperative consolidated's EBT. Under the terms and conditions of the remuneration scheme, the performance-based bonus may exceed the maximum because of the earnings factor. However, the performance-based bonus may not exceed the fixed total 12-month salary.

The actual performance-based bonus achieved was 362,047 euros (total salary of around 11 months), of which 30% was paid in 2022 as permitted by regulation.

A total of 342,890 euros of bonuses earned for the years 2014–2016 under the long-term management remuneration scheme and performance-based bonuses earned for the years 2018, 2020 and 2021 will be paid out between 2023 and 2028 under the deferral procedure that complies with regulation. Half of the deferred bonuses will be paid so as to be tied to the value of the return on Profit Share; these bonuses are subject to a one-year retention period.

Contributions paid to the supplementary pension insurance of Harri Nummela based on the defined benefit pension plan totalled 11,083 euros in 2022.

The table below provides a summary of the salaries and bonuses paid to the President and Group Chief Executive Officer and to the Deputy President and Group Chief Executive Officer in 2022 as well as of the deferred bonuses to be paid in 2023–2028.

EUR	Regular cash salary and holiday bonus	Fringe benefits	Performance-based bonus for 2021 paid in 2022	Deferred performance-based bonuses for 2018, 2019 and 2020 and long-term bonuses for 2014–2016 and 2017–2019 paid in 2022	Total salaries, bonuses and fringe benefits paid in 2022	Deferred performance-based bonuses for 2018, 2019, 2020 and 2021, and deferred bonuses for 2014–2016 and 2017–2019 based on the long-term management remuneration scheme; to be paid between 2023 and 2028
President and Group Chief Executive Officer	837,321	25,781	252,000	152,257	1,267,359	794,971
Deputy President and Group Chief Executive Officer						
Olli Lehtilä (1 Jan.–28 Feb.)	69,337	6,663	121,636	93,402	291,038	393,211
Harri Nummela (1 March–31 Dec.)	391,750	11,050	108,613	74,664	586,077	342,890
Total	1,298,408	43,494	482,249	320,323	2,144,474	1,531,072

Since the Group-level criteria for remuneration applied to the payout of performance-based bonuses were fulfilled (OP Financial Group's liquidity coverage ratio (LCR) exceeded 110 per cent and the CET1 ratio exceeded 11.7 per cent), and the earnings of the employer company and customer business showed a profit, the performance-based bonuses and deferred bonuses were paid out in 2022 in accordance with the terms and conditions.



