



Remuneration Report for Governing Bodies at OP Financial Group 2021

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1 INTRODUCTION

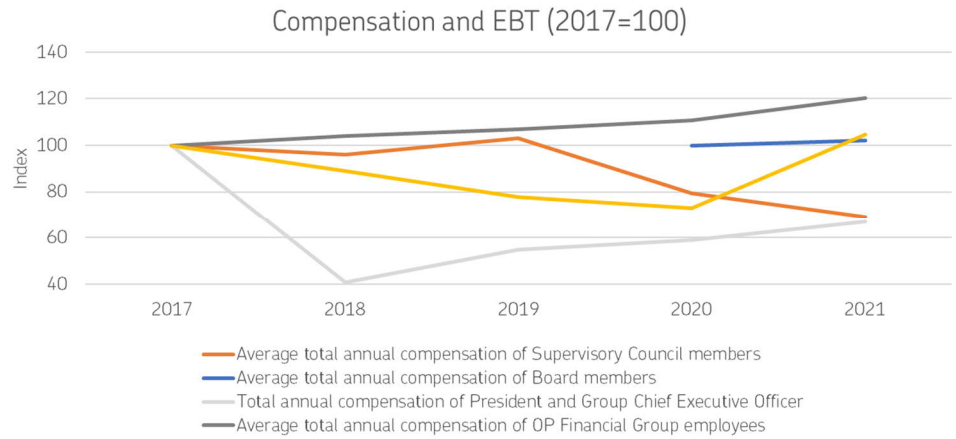
This Remuneration Report for Governing Bodies describes salaries and fees/bonuses for 2021 paid to the members of OP Cooperative's Supervisory Council and Board of Directors, the President and Group Chief Executive Officer and their deputy as well as comparative remuneration figures for five years.

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 figures before 2018 apply to the previous President and Group Chief Executive Officer, and 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)	2017	2018	2019	2020	2021
Average total compensation of Supervisory Council members	18,893	18,140	19,493	15,011	13,083
Average total annual compensation of members of Board of Directors	-	-	-	89,000	90,800
Total annual compensation of President and Group Chief Executive Officer (Ritakallio)	-	635,541	855,461	921,896	1,045,885
Total annual compensation of President and Group Chief Executive Chair (Karhinen)	1,560,832	510,749	-	-	-
Average total annual compensation of OP Financial Group employees	48,477	50,490	51,875	53,660	58,267
OP Financial Group's EBT, € million	€1,077 million	€959 million	€838 million	€785 million	€1,127 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 2021–31 Dec 2021	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 2021:

Supervisory Council member	Meeting attendance						Compensation		
	Supervisory Council	Strategy Unit	Remuneration Unit	Cooperative Unit	Chairs	Supervisory Council Nomination Committee	Attendance fees	Monthly fees	Compensation in total
Nikola Annukka, Chair	6/6	3/3			5/5	3/3	€10,200	€60,000	€70,200
Sotarauta Markku, 1st Vice Chair	6/6		1/1		5/5	3/3	€8,400	€30,000	€38,400
Väänänen Ari, 2nd Vice Chair	6/6			2/2	5/5	3/3	€8,400	€30,000	€38,400
Arvio Kalle *	1/1	1/1					€1,200	€1,600	€2,800
Hakaso Päivi	6/6		1/1				€4,800	€4,800	€9,600
Harju Anne *	1/1			1/1			€1,200	€1,600	€2,800
Helin Mika	6/6	2/3					€5,400	€4,800	€10,200
Hinkkanen Mervi	6/6			2/2			€5,400	€4,800	€10,200
Hyvönen Raili **	5/5	2/2					€4,800	€3,200	€8,000
Julkunen Saara **	5/5		1/1				€4,200	€3,200	€7,400
Juntila Juha ***	4/4						€3,000	€3,600	€6,600
Jurmu Tajja	6/6	3/3					€6,000	€4,800	€10,800
Kaakko Marja-Liisa *	1/1						€600	€1,600	€2,200
Kainusalmi Mika **	5/5			1/1			€4,200	€3,200	€7,400
Kietäväinen Seppo *	1/1	1/1					€1,200	€1,600	€2,800
Kiuru Matti **	5/5			1/1			€4,800	€3,200	€8,000
Korkonen Jaakko *	1/1			1/1			€1,200	€1,600	€2,800
Kujala Päivi	6/6		1/1				€4,800	€4,800	€9,600
Kuosa-Kaartti Katja	6/6		1/1				€4,800	€4,800	€9,600
Kääriäinen Jukka *	1/1	1/1					€1,200	€1,600	€2,800
Lehtonen Pekka	5/6		1/1				€4,200	€4,800	€9,000
Leppäkoski Sirpa	6/6	2/2		1/1			€6,000	€4,800	€10,800
Loikkanen Toivo **	5/5	2/2					€4,800	€3,200	€8,000
Manninen Veijo **	5/5		1/1				€4,200	€3,200	€7,400
Markula Kaisa **	5/5			1/1			€4,200	€3,200	€7,400
Metsä-Tokila Timo	6/6	3/3					€6,000	€4,800	€10,800
Mäkelä Anssi	6/6		1/1				€4,800	€4,800	€9,600
Nieminen Juha-Pekka *	1/1	1/1					€1,200	€1,600	€2,800
Niskanen Yrjö	6/6	2/2		1/1			€6,000	€4,800	€10,800
Nurmela Jarmo **	5/5			1/1			€4,200	€3,200	€7,400
Nylund Ulf	6/6			2/2			€5,400	€4,800	€10,200
Näsi Olli *	1/1	1/1					€1,200	€1,600	€2,800
Palosaari Heikki **	5/5	2/2					€4,800	€3,200	€8,000
Perätalo Teuvo **	4/5			1/1			€3,600	€3,200	€6,800
Puttonen Tuomas **	5/5			1/1			€4,200	€3,200	€7,400
Pättiniemi Johanna	6/6			2/2			€5,400	€4,800	€10,200
Rajala Tiina	6/6		1/1				€4,800	€4,800	€9,600
Rantala Jyrki **	5/5	2/2					€4,200	€3,200	€7,400
Rosas Saila *	1/1	1/1					€1,200	€1,600	€2,800
Sahlström Petri	6/6	3/3					€6,000	€4,800	€10,800
Sandell Carolina	6/6			2/2			€5,400	€4,800	€10,200
Sarhema Teemu **	5/5	2/2					€4,800	€3,200	€8,000
Saukkonen Timo	6/6		1/1				€4,800	€4,800	€9,600
Suhonen Timo *	1/1	1/1					€1,200	€1,600	€2,800
Syrjälä Timo	6/6		1/1				€4,800	€4,800	€9,600
Takala Pauliina	6/6			2/2			€5,400	€4,800	€10,200
Total							€198,600	€272,400	€471,000

* Member until 21 April 2021

** Member since 21 April 2021

*** Member until 20 September 2021

3 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

Monthly fees for 2021 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 2021:

Board member	Meeting attendance**						Compensation		
	Board of Directors *	Nomination and Remuneration Committee	Risk Committee	Audit Committee	Risk and Audit Committees' joint meetings	Supervisory Council, Remuneration Unit, Nomination Committee and Chairs	Attendance fees	Monthly fees	Total
Pehkonen Jaakko, Chair	19/19	7/7				14/14	€18,200	€156,000	€174,200
Heinonen Jarna, Vice Chair	19/19			5/5	2/2	9/9	€16,200	€84,000	€100,200
Enberg Leif	19/19		9/9		2/2	1/1	€15,000	€60,000	€75,000
Himanen Jari	19/19					1/1	€8,400	€60,000	€68,400
Levoranta Kati	19/19	7/7	9/9		2/2	1/1	€18,600	€60,000	€78,600
Loikkanen Pekka	19/19		9/9		2/2	1/1	€15,000	€84,000	€99,000
Ojanperä Tero	19/19	7/7		5/5	2/2	1/1	€15,600	€60,000	€75,600
Palomäki Riitta	19/19			5/5	2/2	1/1	€12,600	€84,000	€96,600
Ritakallio Timo	19/19						-	-	-
Tarkkanen Olli	19/19					1/1	€8,400	€60,000	€68,400
Väisänen Mervi	19/19	7/7				1/1	€12,000	€60,000	€72,000
Total							€140,000	€768,000	€908,000

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

** Part 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

In 2021, Timo Ritakallio, OP Financial Group's President and Group Chief Executive Officer, was paid

- a total salary of €801,000, of which €776,880 in salary and €24,120 in fringe benefits;
- a holiday bonus of €39,000;
- €12,884 in deferred performance-based bonuses earned for 2018;
- €72,231 in deferred performance-based bonuses earned for 2019;
- €20,337 in deferred bonuses earned for the years 2017–2019 under the long-term management remuneration scheme; and
- €100,433 in performance-based bonuses earned for 2020.

Variable remuneration accounted for around 25% of fixed salary.

In 2020, the maximum amount of performance-based bonus for the President and Group Chief Executive Officer was 780,000 euros (12-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)
- Number of active mobile customers
- RORAC (Return on risk-adjusted capital)
- OP Financial Group's NPS for customer contacts
- Implementing the change in practices (Agile at OP).

In addition, the amount of performance-based bonus was affected by the earnings factor based on OP Financial Group's EBT.

The actual performance-based bonus achieved was 334,778 euros (total salary of around 5 months), of which 30% was paid in 2021 as permitted by regulation.

A total of 351,581 euros of performance-based bonuses earned for the years 2018, 2019 and 2020 and bonuses earned for the years 2017–2019 under the long-term management remuneration scheme will be paid out between 2022 and 2027 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 2021.

In 2021, Olli Lehtilä, OP Financial Group's Deputy President and Group Chief Executive Officer, was paid

- a total salary of €456,000, of which €414,850 in salary and €41,150 in fringe benefits;
- a holiday bonus of €22,749;
- €26,042 in deferred bonuses earned for the years 2014–2016 under the long-term management remuneration scheme; and
- €57,052 in performance-based bonuses earned for 2020.

Variable remuneration accounted for around 17% of fixed salary.

In 2020, the maximum amount of performance-based bonus for the Deputy President and Group Chief Executive Officer 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)
- Number of active mobile customers
- RORAC (Return on risk-adjusted capital)
- EBT from customer business in Insurance Customers
- Implementing the change in practices (Agile at OP) within their own remit.

In addition, the amount of performance-based bonus was affected by the earnings factor based on OP Financial Group's EBT.

The actual performance-based bonus achieved was 190,172 euros (total salary of around 5 months), of which 30% was paid in 2021 as permitted by regulation.

A total of 198,226 euros of bonuses earned for the years 2014–2016 under the long-term management remuneration scheme, and performance-based bonuses earned for the year 2020 will be paid out between 2022 and 2027 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.

Supplementary pension contributions of the Deputy President and Group Chief Executive Officer based on the defined benefit pension plan totalled 108,892 euros in 2021.

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 2021 as well as of the deferred bonuses to be paid in 2022–2027.

EUR	Regular salary and holiday bonus	Fringe benefits	Performance-based bonus for 2020 paid in 2021	Deferred performance-based bonuses for 2018 and 2019 and long-term bonuses for 2014–2016 and 2017–2019 paid in 2021	Total salaries, bonuses and fringe benefits paid in 2021	Deferred performance-based bonuses for 2018, 2019 and 2020, and deferred bonuses for 2014–2016 and 2017–2019 based on long-term management remuneration scheme; to be paid between 2022 and 2027
President and Group Chief Executive Officer	815,880	24,120	100,433	105,451	1,045,885	351,581
Deputy President and Group Chief Executive Officer	437,599	41,150	57,052	26,042	561,843	198,226
Total	1,253,479	65,270	157,485	131,493	1,607,728	549,807

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% and the CET1 ratio exceeded 14.5%), and the earnings of the employer company and customer business showed a profit, the performance-based bonuses and deferred bonuses were paid out in 2021 in accordance with the terms and conditions.