OP Corporate Bank plc's Interim Report 1 January–30 September 2022

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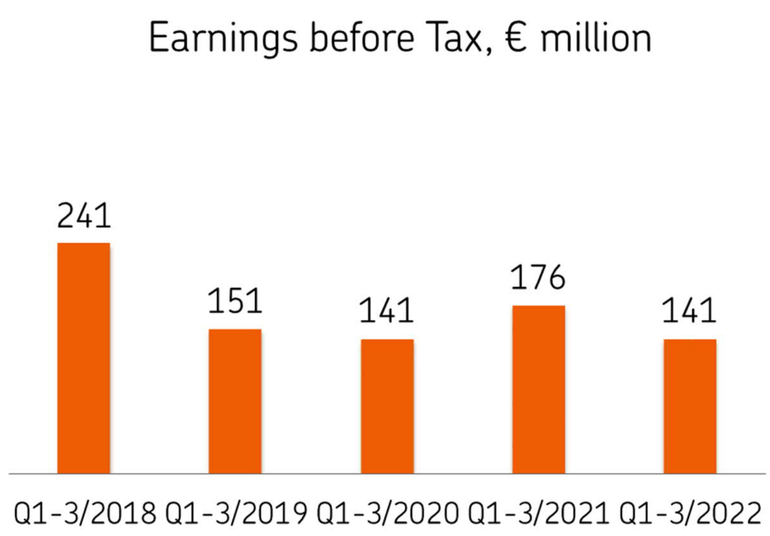
Earnings before tax Q1–3/2022	Total income Q1–3/2022	Loan portfolio growth in the year to September	CET1 ratio 30 Sep 2022
€141 million	–10%	+14%	12.3%

- OP Corporate Bank plc's earnings before tax were EUR 141 million (176).
- Total income decreased by 10% to EUR 367 million (409). Net interest income increased by 37% to EUR 316 million (231) but net investment income fell by 90% to EUR 13 million (128). Net commissions and fees decreased by EUR 13 million to EUR 13 million (26).
- Total expenses of EUR 209 million were at the previous year's level.
- Impairment loss on receivables decreased by EUR 8 million to EUR 16 million (25).
- The loan portfolio grew in the year to September by 14% to EUR 28.4 billion (24.8). The deposit portfolio decreased by 8% to EUR 14.3 billion (15.5).
- The Corporate Banking and Capital Markets segment's earnings before tax decreased to EUR 57 million (174). Total income decreased by 46% to EUR 152 million (279). Net interest income increased by 9% to EUR 172 million (158). Net investment income fell by 91% to EUR 12 million (125). Total expenses increased by 3% to EUR 94 million (92). Impairment loss on receivables totalled EUR 1 million. A year ago, impairment loss on receivables came to EUR 13 million.
- The Asset and Sales Finance Services and Payment Transfers segment's earnings before tax increased to EUR 90 million (78). Total income increased by 8% to EUR 180 million (168). Net interest income increased by 9% to EUR 126 million (115) and net commissions and fees by 6% to EUR 46 million (43). Total expenses increased by 3% to EUR 80 million (77). Impairment loss on receivables decreased to EUR 10 million (13).
- The Baltics segment's consolidated earnings before tax rose to EUR 18 million (12). Total income increased to EUR 44 million (27). Net interest income increased to EUR 37 million (21) and net commissions and fees to EUR 8 million (6). Total expenses increased to EUR 21 million (16). Impairment loss on receivables totalled EUR 5 million. A year ago, impairment loss on receivables reversed came to EUR 1 million.
- The Group Functions segment's earnings before tax amounted to EUR –24 million (–88). Net interest income, in particular, improved over the previous year. Financial position and liquidity remained strong.
- OP Corporate Bank plc's CET1 ratio was 12.3% (15.4), which exceeds the minimum regulatory requirement by 3.8 percentage points. OP Financial Group adopted a risk-weighted assets (RWA) floor, based on the Standardised Approach, in the second quarter. This decreased OP Corporate Bank's CET1 ratio by 2.4 percentage points.
- On 30 September 2022, OP Financial Group filed an application with the European Central Bank (ECB) on the use of the Standardised Approach in capital adequacy calculation, instead of the internal models (IRBA) and the currently applied risk-weighted assets floor based on the Standardised Approach. Transfer to the Standardised Approach is estimated to have no essential effect on OP Corporate Bank's capital adequacy or risk exposure.

OP Corporate Bank plc's key indicators

Earnings before tax, € million	Q1–3/2022	Q1–3/2021	Change, %	Q1–4/2021
Corporate Banking and Capital Markets	57	174	-67.4	261
Asset and Sales Finance Services and Payment Transfers	90	78	16.3	90
Baltics	18	12	44.5	20
Group Functions	-24	-88	-	-105
Total	141	176	-19.7	267
Return on equity (ROE), %	3.5	4,3	-0.8*	5.2
Return on assets (ROA), %	0.16	0.22	-0.06*	0.25
	30 Sep 2022	30 Sep 2021	Change, %	31 Dec 2021
CET1 ratio, %	12.3	13.8	1.5*	15.4
Loan portfolio, € million	28,366	24,850	14.2	26,236
Guarantee portfolio, € million	3,398	3,135	8.4	3,475
Other exposures, € million	5,715	5,847	-2.3	5,731
Deposits, € million	14,336	15,518	-7.6	16,089
Ratio of non-performing exposures to exposures, %	1.6	1.9	-0.3*	1.8
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.07	0.12	-0.05*	0.25

Comparatives deriving from the income statement are based on figures for the corresponding periods a year ago. Unless otherwise specified, balance-sheet and other cross-sectional figures on 31 December 2021 are used as comparatives.
*Change in ratio



OP Corporate Bank plc's earnings before tax calculated as pre-tax profit under national legislation are presented as figures for 2018–2020.

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Business environment

The world economic outlook dimmed during the third quarter. The financial standing of households remained good, despite high inflation and consumers' weaker purchasing power. Companies' financial standing too remained favourable although energy prices and costs rose. Tightening monetary policy and rising interest rates lowered stock prices markedly all over the world.

The European Central Bank (ECB) raised its key rates by 0.50 percentage points in July and by 0.75 percentage points in September. The ECB assesses that more interest rate hikes are still needed during the rest of the year. During this year, market interest rates have risen exceptionally fast as a result of the acceleration of inflation and central banks' key rate hikes.

Brisk economic growth in Finland during the first half slowed down during the third quarter. Consumer confidence fell to a record low and purchasing power was weakened by accelerating inflation. However, the fall in confidence has not so far had any significant effect on household spending. Despite the deteriorated economic outlook, companies have continued to make investments almost in a normal way. Higher interest rates, a weaker economic outlook and greater uncertainty decreased home sales volumes and reduced prices slightly.

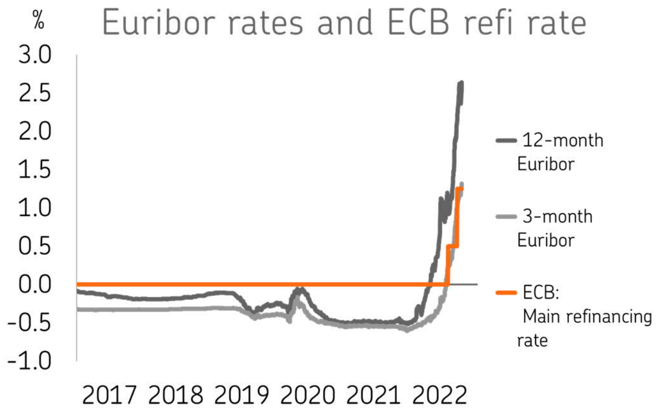
Towards the year end, economic growth is anticipated to slow down further. Inflation is expected to remain high and interest rates to rise. In addition, uncertainty about energy price development is casting a shadow over economic development.

Growth in total loans in the Finnish financial sector sped up during the third quarter, driven by corporate loans. In August, total loans were 5.0% higher than a year ago. The annual growth rate of corporate loans was 12.5%, housing company loans 7.2% and household loans 2.2%. Growth in loans to households slowed down from its level of 3.7% at the end of 2021. The annual growth rate of home loans subsided to 3.2% in August. At the end of August, the annual growth rate of consumer loans stood at 2.3%.

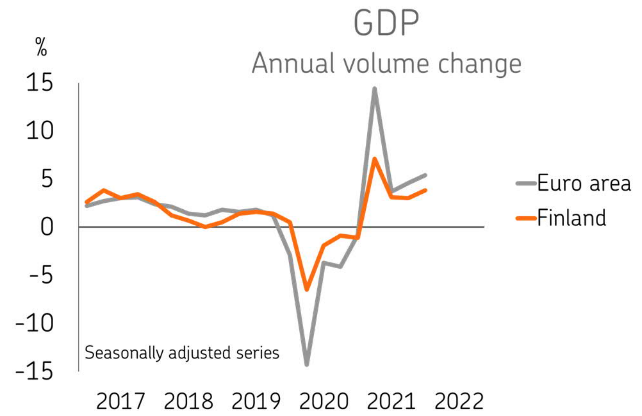
The annual growth rate of total deposits slowed down in August to 4.2% from 5.3% last year. Corporate deposits increased by 11.4% and household deposits by 4.2%.

The value of mutual funds registered in Finland decreased from the 2021 record peak of EUR 158.8 billion to EUR 138 billion at the end of August. By August, fund unit redemptions totalled EUR 3.4 billion.

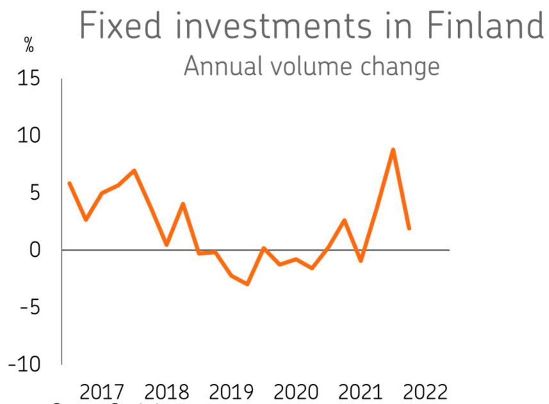
Demand for insurance products remained stable. Lifting of the Covid-19 restrictions in Finland and inflationary pressures have increased claims incurred. Negative developments in the capital market were partly reflected in the profitability of insurance companies.



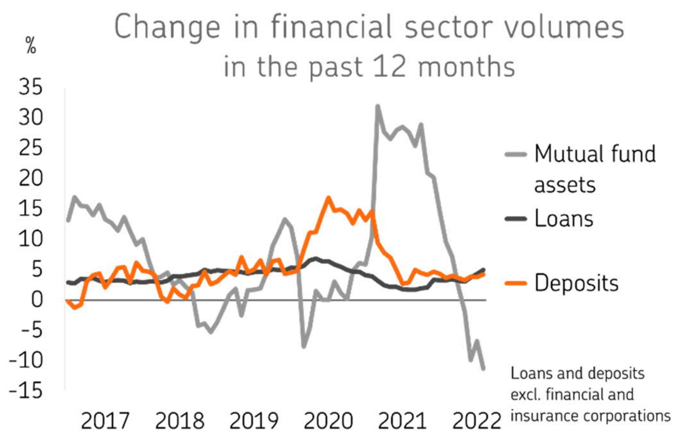
Source: Bank of Finland



Sources: Eurostat, Statistics Finland



Source: Statistics Finland



Sources: Bank of Finland, Investment Research Finland

OP Corporate Bank earnings

€ million	Q1–3/ 2022	Q1–3/ 2021	Change, %	Q3/ 2022	Q3/ 2021	Change, %	Q1–4/ 2021
Net interest income	316	231	36.7	135	81	67.0	412
Net commissions and fees	13	26	-48.7	5	5	1.1	31
Net investment income	13	128	-90.1	-1	32	-102.9	168
Other operating income	25	24	2.0	7	7	-5.6	49
Total income	367	409	-10.4	146	125	16.7	661
Personnel costs	53	51	4.5	16	15	2.7	72
Depreciation/amortisation and impairment loss	7	9	-21.1	2	3	-46.4	12
Other operating expenses	149	149	0.0	39	37	4.7	236
Total expenses	209	209	0.2	56	55	1.6	320
Impairment loss on receivables	-16	-25	-33.8	24	-37	-	-74
Total earnings before tax	141	176	-19.7	114	33	240.5	267

January–September

OP Corporate Bank plc's earnings before tax were EUR 141 million (176). Earnings were reduced in particular by lower net investment income. Total income decreased to EUR 367 million (409). Net interest income increased by EUR 85 million to EUR 316 million. Net commissions and fees fell by EUR 13 million to EUR 13 million. Net investment income, EUR 13 million, fell by EUR 115 million. Total expenses of EUR 209 million were at the previous year's level. Impairment loss on receivables reduced earnings by EUR 16 million (25).

Net interest income grew by EUR 85 million to EUR 316 million, spurred by higher interest rates. Interest income from receivables from customers increased by EUR 55 million to EUR 337 million. Interest expenses were reduced especially by lower year-on-year interest expenses from subordinated debt. Net interest income was also increased by the interest benefit from TLTRO III funding provided by the European Central Bank to banks.

In the year to September, OP Corporate Bank's loan portfolio grew by 14.2% to EUR 28.4 billion (24.8) and guarantee portfolio by 8.4% to EUR 3.4 billion (3.1). The deposit portfolio decreased in the year to September by 7.6% to EUR 14.3 billion (15.5). In the year to September, the amount of senior non-preferred bonds rose by EUR 0.9 billion to EUR 4.3 billion. Tier 2 bonds amounted to EUR 1.4 billion (2.0) at the end of the reporting period.

Net commissions and fees decreased by EUR 13 million to EUR 13 million. Commission income decreased by EUR 6 million and commission expenses rose by EUR 6 million. Commission income from lending, payment transfers, issue of securities and securities brokerage decreased. Commission expenses were increased by fees paid to OP Financial Group member banks.

Net investment income decreased by EUR 115 million to EUR 13 million. Income from financial assets held for trading decreased by EUR 122 million to EUR 3 million. Value change arising from market changes in derivative contracts between OP Corporate Bank and OP Financial Group cooperative banks reduced income from derivatives business by EUR 82 million. A year ago, the value change improved income from derivatives business by EUR 8 million. Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes improved earnings by EUR 4 million (15). Capital gains on notes and bonds, EUR 10 million, increased by EUR 7 million year on year.

Other operating income increased by 2.0% to EUR 25 million.

Total expenses remained at the previous year's level at EUR 209 million. Personnel costs increased by EUR 2 million to EUR 53 million. Depreciation/amortisation and impairment loss decreased by EUR 2 million to EUR 7 million. Other operating expenses remained at the previous year's level at EUR 149 million. Charges of financial authorities increased by EUR 7 million to EUR 31 million as a result of a rise in the stability contribution paid to the Single Resolution Fund financed by the euro-area banks. A year ago, other operating expenses were increased by the transmission to OP Financial Group member banks of the margin exceeding the ECB's deposit facility rate based on the TLTRO III programme. ICT costs totalled EUR 67 million (68).

Impairment loss on receivables totalled EUR 16 million (25). The indirect effects of the war in Ukraine increased impairment loss on receivables in the first quarter, but no longer continued to do so after that. In the third quarter, impairment loss on receivables was significantly reduced by the repayments of certain non-performing exposures. Final net loan losses recognised totalled EUR 59 million (43). Loss allowance was EUR 297 million (339) at the end of the reporting period. Non-performing exposures accounted for 1.6% (1.8) of the exposures. Impairment loss on loans and receivables accounted for 0.07% (0.12) of the loan and guarantee portfolio.

Comprehensive income for the reporting period totalled EUR 110 million (157). Change in the fair value reserve, EUR –15 million, reduced comprehensive income for the reporting period. A year ago, change in the fair value reserve improved comprehensive income by EUR 11 million.

July–September

Earnings before tax for the third quarter increased to EUR 114 million (33). Earnings were increased by net interest income and reversal of impairment losses on receivables. Total income increased by EUR 21 million to EUR 146 million. Net interest income increased by EUR 54 million to EUR 135 million. Net investment income, EUR –1 million, decreased by EUR 33 million. Total expenses were EUR 56 million (55). Impairment loss on receivables reversed came to EUR 24 million. A year ago, impairment loss on receivables reduced earnings by EUR 37 million.

Net interest income rose to EUR 135 million (81). Interest income from receivables from customers increased by EUR 31 million to EUR 125 million. Net interest income was also improved by the interest benefit from TLTRO III funding and interest expenses lower than a year ago related to subordinated debt.

Net commissions and fees, EUR 5 million, were at the previous year's level. Commission income amounted to EUR 30 million (34) and commission expenses to EUR 25 million (29). Commission income from payment transfers, securities brokerage and lending decreased from its level a year ago.

Net investment income decreased in the third quarter by EUR 33 million to EUR –1 million. Negative value changes in derivatives business affected the decrease in income.

Other operating income, EUR 7 million, remained at the previous year's level.

Total expenses were EUR 56 million (55). Personnel costs totalled EUR 16 million (15) and depreciation/amortisation and impairment loss EUR 2 million (3). Other operating expenses increased to EUR 39 million (37).

The impairment loss on receivables reversed totalled EUR 24 million as a result of the repayments of certain non-performing exposures. A year ago, impairment loss on receivables reduced earnings by EUR 37 million. Final net loan losses recognised totalled EUR 37 million (40). Comprehensive income for the reporting period totalled EUR 103 million (36).

July–September highlights

Pre-application filed with the European Central Bank on the use of the Standardised Approach

On 30 September 2022, OP Financial Group filed an application with the European Central Bank (ECB) on the use of the Standardised Approach in capital adequacy calculation, instead of the internal models (IRBA) and the currently applied risk-weighted assets floor based on the Standardised Approach. Transfer to the Standardised Approach is estimated to have no essential effect on OP Corporate Bank's capital adequacy or risk exposure. This was due to enhanced regulatory requirements and discussions with the banking supervisor, the European Central Bank, related to the application of the Internal Ratings Based Approach (IRBA).

Corporate responsibility

Corporate responsibility is an integral part of OP Financial Group's and OP Corporate Bank's business and strategy. Responsible business is one of OP Financial Group's strategic priorities. OP Financial Group published its new sustainability programme in August 2022. The new sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding the sustainability actions taken by the business units and OP cooperative banks. OP Financial Group's sustainability programme is built around three themes: Climate and the environment, People and communities and Corporate governance.

The programme is based on OP Financial Group's values, megatrends in the business environment and materiality assessment. The sustainability programme and its goals have been worked on together with different stakeholders. The Climate and environment section sets goals for the provision of sustainable financial and investment products, the emission reductions of loan and investment portfolios as well as the promotion of biodiversity. The People and communities section focuses on the wellbeing of local communities and on supporting management of personal finances and financial literacy. Corporate governance involves integrating responsibility with all business and related risk-taking and a goal to enhance governance diversity.

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 has agreed to follow the UN Principles for Responsible Investment and the UN Principles of Sustainable Insurance. OP Financial Group is a Founding Signatory of the

Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI).

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.

In its loan decisions, OP Corporate Bank considers the ESG themes and risks related to environmental, social and governance factors in accordance with the EBA (European Banking Authority) Guidelines on loan origination and monitoring. In the ESG analysis, customers are reviewed on a sector-specific basis in respect of the ESG themes.

OP Corporate Bank is committed to ensuring that its corporate loan portfolios are carbon neutral by 2050. OP Corporate Bank does not finance new coal power plants or coal mines, or companies that plan to build them. Neither does OP Corporate Bank finance new corporate customers with financial dependence of over 5% on coal as an energy source, measured in net sales. The only exceptions are corporate customers committed to making the low-carbon economy transition, which present a concrete plan to withdraw from coal.

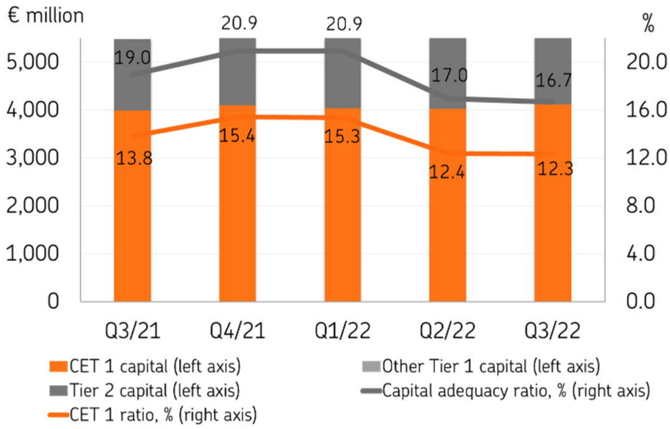
OP Corporate Bank has developed two products based on the international framework for sustainable finance: green loans and sustainability-linked loans. Green loans are designed for corporate customers that can make a commitment to using the borrowed funds to promote specific projects. In sustainability-linked loans, corporate customers are committed to sustainability goals selected together when granting the loan. These targets affect the loan margin. At the end September, total exposures from these loans and facilities stood at EUR 4.6 billion (3.0).

In January 2022, OP Corporate Bank plc issued a green bond worth EUR 500 million in accordance with its updated Green Bond Framework. The green bond will support the green transition, and proceeds raised with it will be allocated to sustainable corporate finance. Targeted at international institutional investors, the bond is OP Corporate Bank's second green bond and first senior non-preferred, unsecured green bond. The bond amounts to EUR 500 million and has a maturity of 5.5 years. Eligible sectors to be funded include renewable energy, green buildings and environmentally sustainable management of living natural resources and land use.

More detailed information on corporate responsibility at OP Corporate Bank is reported as part of OP Financial Group's sustainability reporting. OP Financial Group reports annually on sustainability issues in accordance with the GRI standards. OP Financial Group published its corporate responsibility report for 2021 as part of its annual review. In addition, OP Financial Group's Report by the Board of Directors includes a report of non-financial information. Both reports are available at vuosi.op.fi/en/2021.

Capital adequacy

Capital base and capital adequacy



Capital adequacy for credit institutions

On 30 September 2022, OP Corporate Bank plc's CET1 ratio was 12.3% (15.4), which exceeds the minimum regulatory requirement by 3.8 percentage points. The CET1 ratio decreased by 2.4 percentage points as a result of the adoption of the risk-weighted assets floor based on the Standardised Approach (SA floor).

As a credit institution, the company's capital adequacy ratio is good compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8%, for the CET1 ratio 4.5%, AT1 of 1.5% increases the minimum CET1 ratio to 6%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions increases the minimum capital adequacy ratio to 10.6% and the minimum CET1 ratio to 8.6%, including the shortfall of Additional Tier 1 (AT1) capital.

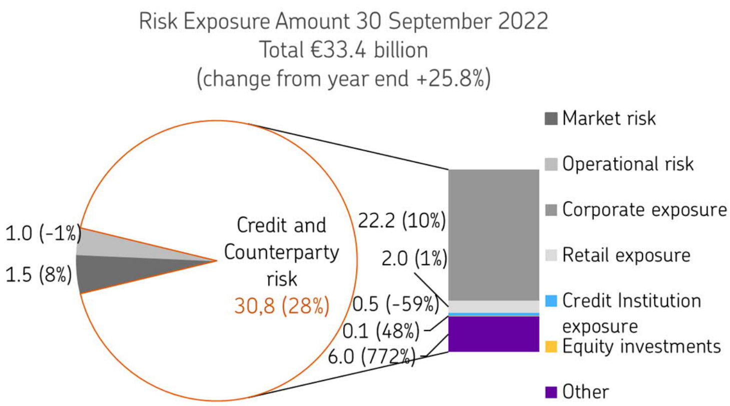
The CET1 capital totalled EUR 4.1 billion (4.1) on 30 September 2022. The financial performance for the reporting period affected the CET1 capital.

On 30 September 2022, the risk exposure amount (REA) totalled EUR 33.4 billion (26.6), or 26% higher than on 31 December 2021. The SA floor increased the total risk exposure amount. OP Corporate Bank shifted to the Standardised Approach in its capital adequacy measurement for credit institution exposures and certain minor parts of corporate exposures during the third quarter. This change had no substantial effect on the CET1 ratio. It has previously applied the IRBA for such exposures.

OP Corporate Bank is part of OP Financial Group, whose capital adequacy is supervised in accordance with the Act on the Supervision of Financial and Insurance Conglomerates. As part of OP Financial Group, OP Corporate Bank plc is supervised by the ECB. OP Financial Group presents capital adequacy information in its financial statements bulletin and interim and half-year financial reports in accordance with the

Act on the Amalgamation of Deposit Banks. OP Financial Group also publishes Pillar III disclosures.

The Finnish Financial Supervisory Authority (FIN-FSA) makes a macroprudential policy decision on a quarterly basis. In September 2022, the FIN-FSA reiterated its decision not to impose a countercyclical capital buffer requirement on banks. In June 2022, the FIN-FSA performed an annual review of banks' capital buffer requirements and decided to raise OP Financial Group's O-SII buffer by 0.5 percentage points to 1.5%, effective as of 1 January 2023.



On 30 September 2022, OP Financial Group filed an application with the European Central Bank on the use of the Standardised Approach in capital adequacy calculation, instead of the internal models (IRBA) and the currently applied risk-weighted assets floor based on the Standardised Approach. Transfer to the Standardised Approach is estimated to have no essential effect on OP Financial Group's capital adequacy or risk exposure. The schedule for transferring to the Standardised Approach depends on the processing of the application at the ECB.

The changes in the EU Capital Requirements Regulation (CRR3), which implement the final elements of Basel III, are assessed to not have a substantial effect on the capital adequacy of OP Corporate Bank plc.

Liabilities under the Resolution Act

Under regulation applied to crisis resolution of credit institutions and investment firms, the resolution authority is authorised to intervene in the terms and conditions of investment products issued by a bank in a way that affects an investor's position. The EU's Single Resolution Board (SRB) based in Brussels is OP Financial Group's resolution authority. The SRB has confirmed a resolution strategy for OP Financial Group whereby the resolution measures would focus on the OP amalgamation and on the new OP Corporate Bank that would be formed in the case of resolution.

On 21 February 2022, the resolution authority updated the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Financial Group. The updated MREL is 26.1% of the risk-weighted assets (RWA) and 9.9% of the leverage ratio exposures (LRE).

As part of the MREL, the resolution authority has set a subordination requirement for OP Financial Group in accordance with the Single Resolution Mechanisms Regulation. The subordination requirement determines how much of the MREL must be met with own funds or with subordinated liabilities. From 2022, the subordination requirement supplementing the MREL is 22% of the total risk exposure amount and 9.9% of the leverage ratio exposures. From the beginning of 2024, the subordination requirement will be 24% of the total risk exposure amount and 9.9% of the leverage ratio exposures. The requirements include a combined buffer requirement (CBR) of 3.5%.

OP Financial Group's buffer for the MREL was EUR 8.1 billion and for the subordination requirement EUR 2.4 billion. The amount of senior non-preferred (SNP) bonds issued by OP Financial Group totalled EUR 4.4 billion. These bonds provide funds for the MREL subordination requirement.

Credit ratings

OP Corporate Bank plc's credit ratings on 30 September 2022

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

OP Corporate Bank plc has credit ratings affirmed by Standard & Poor's Global Ratings Europe Limited and Moody's Investors Service (Nordics) AB. When assessing the company's credit rating, credit rating agencies take account of the entire OP Financial Group's financial standing.

Risk profile

In its risk-taking, OP Corporate Bank emphasises moderation, responsibility and careful action. Risk-taking is directed and limited by means of principles and limits prepared by senior management and approved by OP Financial Group's management body.

OP Corporate Bank's success is based on the trust of customers and other stakeholders, on the adequacy of capital and liquidity, and on extensive data and knowledge of customers. Risk-taking is based on understanding matters affecting customers' future operations and success in the current business environment and in situations where the business environment is affected by an unexpected shock or change in trend.

OP Financial Group analyses the business environment as part of the continuous strategy process. Megatrends and future visions behind the strategy reflect driving forces that affect the daily activities, conditions and future of OP Corporate Bank and its customers. Such factors currently shaping the business environment include sustainable development and responsibility (ESG), demographic change in the population, geopolitical factors and fast technological progress. For example, climate and environmental changes and other factors in the business environment are considered thoroughly so that their effects on the customers' future success are understood. Through advice and business decisions, OP Financial Group encourages its customers in developing their sustainable and successful business in the future.

Unexpected external shocks from the economic environment may cause various direct and indirect effects on the prosperity of OP Corporate Bank's customers and on OP Corporate Bank's premises, IT infrastructure and personnel. If materialised, they may affect the risk profile, capitalisation, liquidity and the continuity of daily business in various ways. The Group makes the effects of such potential shocks visible by means of scenario work.

Operational risks at Group level were well managed and no significant losses were caused by the materialised operational risks to OP Corporate Bank. For other risks, the risk profile is examined in greater detail for Banking and Group Functions. Banking includes the business segments Corporate Banking and Capital Markets, Asset and Sales Finance Services and Payment Transfers as well as Baltics.

Assessment of the effects of the war in Ukraine on OP Corporate Bank's risks

Russia's aggressive war in Ukraine may have an indirect effect on OP Corporate Bank's income and risks as a result of customers' changed business conditions, and a direct effect on the general situation in the financial market and obstruction of the technical infrastructure. The impacts may be realised, for example, in the following ways:

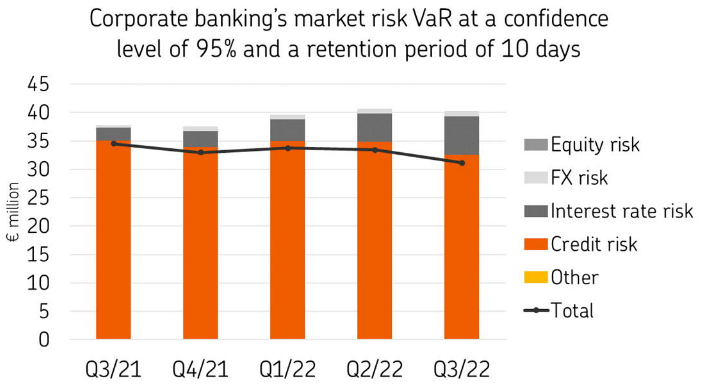
- higher impairment loss on receivables
- lower values of investment assets
- effects of extensive sanctions and counter sanctions on OP Financial Group or its customers' activities
- higher price of wholesale funding
- problems in business continuity as a result of cyber attacks towards OP Corporate Bank or its customers.

Banking

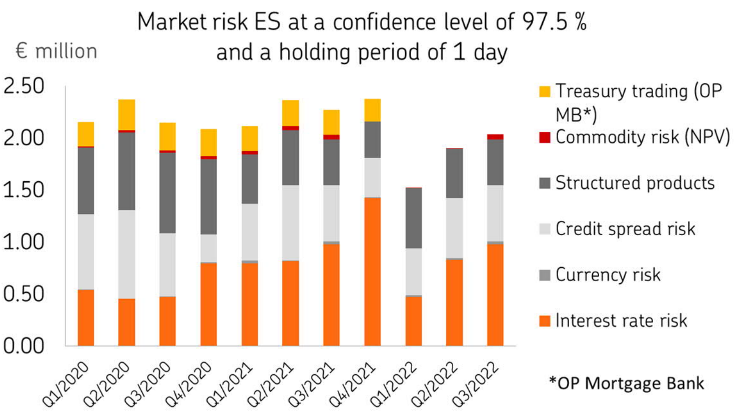
Major risks in Banking are associated with credit risk arising from customer business, and market risk.
Banking credit risk exposure remained stable, its risk level remained moderate and the overall quality of the loan portfolio remained good, but there is a risk of negative developments. A rise in interest rates may have a negative effect on credit risk exposure.

Since OP Corporate Bank has no significant direct exposures to Russia, the impacts of the war in Ukraine on credit risk exposure mainly affect corporate loans, arising indirectly from certain sectors (construction, agriculture, transport and energy), especially due to higher energy and raw material prices and individual customer relationships.

The market risk level of Banking's long-term investments decreased in the third quarter. No major changes were made to the asset class allocation during the reporting period. The VaR, a measure of market risks, was EUR 31 million (33) on 30 September 2022. The VaR risk metric includes the liquidity buffer and banking's long-term bond investments as well as derivatives that hedge their interest rate risks.



Risk associated with the Markets trading book has increased slightly, as changes have been made to interest rate risk exposure. This is reflected in the increase in Expected Shortfall (ES), a market risk measure, and especially in a higher share of interest rate risk, compared with the preceding quarter.



Banking's interest rate risk in the banking book measured as the effect of a one-percentage-point increase on a 12-month net interest income was EUR -20 million (36) and as the effect of a one-percentage-point decrease EUR 17 million (74) on average in the year to September. 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.

Non-performing and forborne exposures

	Performing forborne exposures (gross)		Non-performing exposures (gross)		Doubtful receivables (gross)		Loss allowance		Doubtful receivables (net)	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
More than 90 days past due, € billion			91	178	91	178	58	92	33	86
Unlikely to be paid, € million			357	310	357	310	114	89	243	221
Forborne exposures, € million	118	186	157	139	274	324	60	85	215	239
Total, € million	118	186	604	627	722	812	232	266	490	546

Key ratios	30 Sep 2022	31 Dec 2021
Ratio of doubtful receivables to exposures, %	1.93	2.29
Ratio of non-performing exposures to exposures, %	1.61	1.77
Ratio of performing forborne exposures to exposures, %	0.31	0.52
Ratio of performing forborne exposures to doubtful receivables, %	16.3	22.9
Ratio of loss allowance (receivables from customers) to doubtful receivables, %	41.1	41.5

At the end of the third quarter, OP Corporate Bank plc had 8 (7) large customer exposures, totalling EUR 4.0 (3.5) billion. Large customer exposure refers to the amount of exposures of an individual group of connected clients which, after allowances and other techniques applied to mitigate credit risks, exceeds 10% of the capital base covering customer risk. Own funds covering customer exposure means Tier 1 capital under CRR II.

Exposures by Baltic Banking were EUR 4.2 billion (3.7), accounting for 10.0% (9.3) of total banking exposures of the Corporate Banking segment.

The distribution of loss allowance by sector is presented at Group level in OP Financial Group's Interim Report.

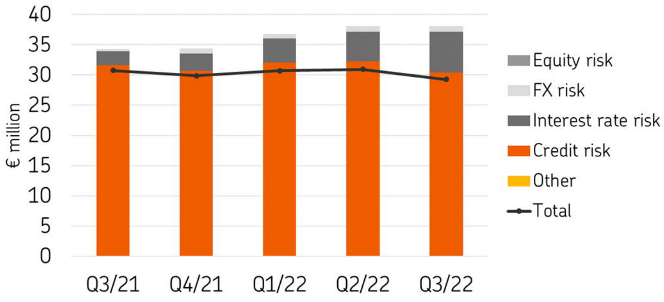
Group Functions

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

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

The market risk of notes and bonds in the liquidity buffer (VaR with 95% confidence) decreased during the reporting period. No major changes occurred in the asset class allocation. The VaR risk metric that measures market risk associated with the liquidity buffer was EUR 29 million (30) on 30 September 2022. The VaR risk metric includes the long-term bond investments within the liquidity buffer and the derivative contracts that hedge their interest rate risks.

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

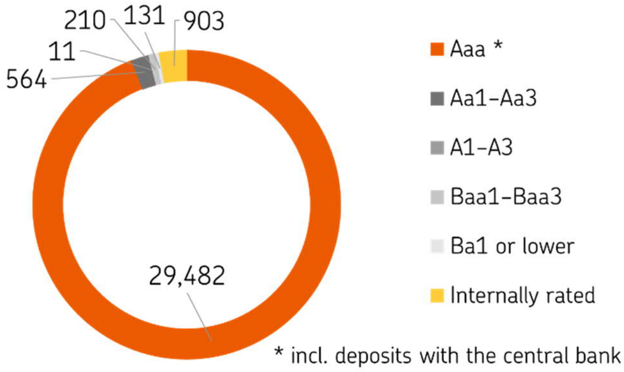


OP Financial Group secures its liquidity through a liquidity buffer maintained by OP Corporate Bank and consisting mainly of deposits with central banks and receivables eligible as collateral for central bank refinancing. The liquidity buffer is sufficient to cover the need for short-term funding for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

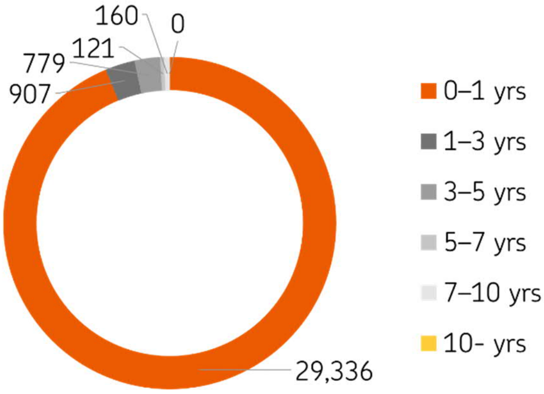
OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using, for example, the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100%. OP Financial Group's LCR was 210% (255) at the end of the reporting period.

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% (131) at the end of the reporting period.

Financial assets included in the liquidity buffer by credit rating on 30 September 2022, € million



Financial assets included in the liquidity buffer by maturity on 30 September 2022, € million



Liquidity buffer

€ billion	30 Sep 2022	31 Dec 2021	Change, %
Deposits with central banks	27.7	32.6	-15.0
Notes and bonds eligible as collateral	2.4	4.0	-39.8
Total	30.2	36.7	-17.7
Receivables ineligible as collateral	1.1	1.0	15.9
Liquidity buffer at market value	31.3	37.6	-16.8
Collateral haircut	-0.4	-0.3	-
Liquidity buffer at collateral value	30.9	37.3	-17.1

The liquidity buffer comprises notes, bonds and securitised assets issued by governments, municipalities, financial institutions and companies all showing good credit ratings. During the reporting period, the abandonment of the eligibility of corporate loans as central bank collateral lowered the collateral value of the liquidity buffer by EUR 4.0 billion.

For OP Corporate Bank plc acting as OP Financial Group's central financial institution, OP cooperative banks and OP Cooperative with its subsidiaries form a significant customer group. Exposures of OP Financial Group entities represented 21.2% of OP Corporate Bank plc's exposures. These exposures increased by EUR 1,894 million during the reporting period. All exposures of OP cooperative banks and OP Cooperative are investment-grade exposures.

Financial performance by segment

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

Corporate Banking and Capital Markets

- Earnings before tax decreased to EUR 57 million (174).
- Total income decreased by 45.6% to EUR 152 million (279). Net interest income increased by 8,9% to EUR 172 million (158). Net investment income decreased to EUR 12 million (125). Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes improved earnings by EUR 4 million (15).
- Total expenses increased by 2.6% to EUR 94 million (92). The stability contribution increased by EUR 4 million.
- The loan portfolio grew in the reporting period by 8.2% to EUR 16.5 billion (15.2).
- Impairment loss on receivables reduced earnings by EUR 1 million (13).

Key figures and ratios

€ million	Q1–3/2022	Q1–3/2021	Change, %	Q1–4/2021
Net interest income	172	158	8.9	213
Net commissions and fees	-37	-20	-	-31
Net investment income	12	125	-90.6	167
Other operating income	5	17	-70.4	70
Total income	152	279	-45.6	420
Personnel costs	25	25	-3.1	36
Depreciation/amortisation and impairment loss	4	6	-32.5	7
Other operating expenses	66	61	8.3	78
Total expenses	94	92	2.6	121
Impairment loss on receivables	-1	-13	-	-38
Earnings before tax	57	174	-67.4	261
Cost/income ratio, %	62.1	32.9	-29.2*	28.9
Return on assets (ROA), %	0.28	1.84	-1.56*	1.29
Return on assets, excluding OP bonuses, %	0.28	1.84	-1.56*	1.29
	30 Sep 2022	30 Sep 2021	Change, %	31 Dec 2021
Loan portfolio, € billion	16.5	14.2	16.0	15.2

*Change in ratio

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

Investments by Corporate Banking in promoting a sustainable economy increased the commitment portfolio of sustainable finance to EUR 4.6 billion (3.0). The number of sustainability-linked loans increased during the reporting period, showing a major increase year on year. Corporate Banking has also strengthened its role as a sustainable finance advisor in the preparation work of sustainable finance frameworks for its customers.

The number of clients making currency hedges, and volumes on a per client basis have increased as a result of inflation that has remained high, geopolitical risks and the uncertain economic situation.

OP Corporate Bank's direct exposures to Russia are small. Russia's aggressive war in Ukraine indirectly increased impairment loss on receivables in the first quarter.

Financial performance for the reporting period

The segment earnings before tax were EUR 57 million (174). Total income fell by 45.6%. Total expenses increased by 2.6%.

The cost/income ratio weakened to 62.1% (32.9) year on year, due to reduced income.

Net interest income increased by 8.9% to EUR 172 million. The segment's loan portfolio increased during the reporting period by 8.2%, amounting to EUR 16.5 billion. Net commissions and fees decreased to EUR –37 million (–20), as OP Financial Group's internal commission expenses.

A rapid increase in interest rates and a greater market uncertainty lowered net investment income. Total income decreased to EUR 12 million (125). Value change arising from market changes in derivative contracts between OP Corporate Bank and OP Financial Group cooperative banks reduced income from derivatives business by EUR 82 million. A year ago, the value change improved income from derivatives business by EUR 8 million.

Other operating income decreased to EUR 5 million (17). A year ago, other operating income was increased by the additional margin under TLTRO III funding.

Impairment loss on receivables reduced earnings by EUR 1 million (13). The repayments of non-performing exposures reduced impairment loss in the third quarter.

Total expenses were EUR 94 million (92). Personnel costs decreased by 3.1% to EUR 25 million. Other operating expenses increased by 8.3% to EUR 66 million as a result of a higher stability contribution paid to the Single Resolution Fund financed by the euro-area banks. The stability contribution increased by EUR 4 million to EUR 18 million.

Asset and Sales Finance Services and Payment Transfers

- Earnings before tax increased to EUR 90 million (78).
- Total income increased by 7.7% to EUR 180 million (168). Net interest income increased by 8.9% to EUR 126 million (115).
- Total expenses increased to EUR 80 million (77).
- The loan portfolio grew in the reporting period by 7.3% to EUR 8.6 billion (8.0).
- Impairment loss on receivables reduced earnings by EUR 10 million (13).
- The most significant development investments involved the development of payment systems.

Key figures and ratios

€ million	Q1–3/2022	Q1–3/2021	Change, %	Q1–4/2021
Net interest income	126	115	8.9	155
Net commissions and fees	46	43	6.4	58
Net investment income	0	0	-99.9	0
Other operating income	9	9	-5.1	18
Total income	180	168	7.7	231
Personnel costs	20	19	5.9	26
Depreciation/amortisation and impairment loss	1	0	21.1	2
Other operating expenses	60	58	2.3	76
Total expenses	80	77	3.3	104
Impairment loss on receivables	-10	-13	-18.8	-37
Earnings before tax	90	78	16.3	90
Cost/income ratio, %	44.3	46.1	1.9*	44.9
Return on assets (ROA), %	1.08	1.96	-0.88*	1.10
Return on assets, excluding OP bonuses, %	1.08	1.96	-0.88*	1.10
	30 Sep 2022	30 Sep 2021	Change, %	31 Dec 2021
Loan portfolio, € billion	8.6	7.9	9.6	8.0
Deposits, € billion	13.0	14.0	-7.4	14.9

*Change in ratio

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

The most significant development investments of the business segment involved the upgrades of core payment systems. In addition, digital transaction services were updated and improved.

The loan portfolio grew in the reporting period by 7.3% to EUR 8.6 billion. The deposit portfolio decreased by 12.8% to EUR 13.0 billion. Demand for financing services has remained quite brisk, but challenges in supply chains have made customers postpone their fixed investments and the implementation of projects.

Direct exposures of the Asset and Sales Finance and Payment Transfers segment to Russia are small and limited to the trade finance business.

Financial performance for the reporting period

The segment earnings before tax were EUR 90 million (78). Total income increased by 7.7%. Total expenses increased by 3.3%. The cost/income ratio improved to 44.3% (46.1) year on year.

Net interest income increased by 8.9% to EUR 126 million. Net interest income was increased by growth not only in the loan portfolio of asset and sales finance solutions but also in net interest income from payment transfers. Net commissions and fees increased to EUR 46 million (43). Other operating income, EUR 9 million, remained at the previous year's level. Impairment loss on receivables reduced earnings by EUR 10 million (13).

Total expenses were EUR 80 million (77). Personnel costs rose by 5.9% to EUR 20 million. Other operating expenses increased by 2.3% to EUR 60 million.

Baltics

- Earnings before tax increased to EUR 18 million (12).
- Total income increased to EUR 44 million (27). Net interest income rose to EUR 37 million (21).
- Total expenses increased to EUR 21 million (16). The stability contribution represented EUR 1 million of the increase.
- The loan portfolio grew in the reporting period to EUR 2.9 billion (2.4).
- Impairment loss on receivables reduced earnings by EUR 5 million. A year ago, impairment loss on receivables reversed came to EUR 1 million.
- The most significant development investments focused on the development of the payment transfer system.

Key figures and ratios

€ million	Q1–3/2022	Q1–3/2021	Change, %	Q1–4/2021
Net interest income	37	21	75.8	33
Net commissions and fees	8	6	26.0	9
Net investment income	0	0	-	0
Other operating income	0	0	-	0
Total income	44	27	62.6	42
Personnel costs	6	4	45.4	6
Depreciation/amortisation and impairment loss	2	1	9.0	2
Other operating expenses	14	10	34.1	14
Total expenses	21	16	34.6	22
Impairment loss on receivables	-5	1	-	0
Earnings before tax	18	12	44.5	20
Cost/income ratio, %	47.8	57.7	9.9*	52.8
Return on assets (ROA), %	0.73	1.19	-0.46*	0.71
Return on assets, excluding OP bonuses, %	0.73	1.19	-0.46*	0.71
	30 Sep 2022	30 Sep 2021	Change, %	31 Dec 2021
Loan portfolio, € billion	2.9	2.3	26.7	2.4
Deposits, € billion	0.9	0.7	19.5	0.7

The Baltic subsidiaries of OP Corporate Bank merged into OP Corporate Bank in October 2021, which affects the comparability of the figures and ratios.
*Change in ratio

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

The segment's loan portfolio grew in the reporting period by 22.6% to EUR 2.9 billion. The deposit portfolio increased by 31.9% to EUR 0.9 billion.

The direct exposures of the Baltics segment to Russia are small. The segment has enhanced the monitoring of customers' credit risk exposure after Russia attacked on Ukraine.

Special attention has been paid to inflation in the Baltic countries.

The most significant development investments in 2022 will especially focus on improving the payment transfer system and developing the related express transfers, in particular.

Financial performance for the reporting period

The Baltic subsidiaries of OP Corporate Bank merged into OP Corporate Bank in October 2021, which affects the comparability of the figures and ratios.

The segment earnings before tax were EUR 18 million (12). Total income increased by 62.6%. Total expenses increased by 34.6%. The cost/income ratio improved to 47.8% (57.7) year on year.

Net interest income rose to EUR 37 million (21). In the year to September, the loan portfolio increased by 26.7%. Net commissions and fees increased to EUR 8 million (6).

Impairment loss on receivables reduced earnings by EUR 5 million. A year ago, impairment loss on receivables reversed came to EUR 1 million.

Total expenses were EUR 21 million (16). Personnel costs rose by 45.4% to EUR 6 million. Other operating expenses increased by 34.1% to EUR 14 million. The stability contribution increased by EUR 1 million to EUR 4 million.

Group Functions

- Earnings before tax totalled EUR –24 million (–88).
- Financial position and liquidity remained strong.

Key figures and ratios

€ million	Q1–3/2022	Q1–3/2021	Change, %	Q1–4/2021
Net interest income	-19	-63	-	11
Net commissions and fees	-4	-3	-	-5
Net investment income	1	4	-71.7	1
Other operating income	18	14	29.8	19
Total income	-3	-49	-	27
Personnel costs	3	3	5.5	4
Other expenses	17	36	-53.0	127
Total expenses	20	39	-48.4	132
Impairment loss on receivables	0	0	-150.8	0
Earnings before tax	-24	-88	-	-105
Receivables and liabilities from/to the amalgamation's central cooperative and member credit institutions, net position, € billion	-14.1	-13.8	-	-13.1

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

Financial performance for the reporting period

The Group Functions segment's earnings before tax amounted to EUR –24 million (–88). Earnings before tax at fair value were EUR –34 million (–99).

Net interest income was EUR –19 million (–63). Net interest income was increased by a better year-on-year result of the market risk position, by the elimination of the cost of subordinated loans matured after the corresponding period a year ago and the interest benefit from TLTRO III funding.

Net investment income totalled EUR 1 million (4). Net investment income included EUR 10 million (3) in capital gains on notes and bonds. Net investment income was reduced by the valuation of derivatives used to hedge against interest rate risk.

Compared with the corresponding period a year ago, other expenses for the reporting period were decreased by a reduction in the margin exceeding the ECB deposit facility rate in TLTRO funding that is transferred within OP Financial Group.

At the end of September, the average margin of senior and senior non-preferred wholesale funding was 34 basis points (34).

OP Corporate Bank's TLTRO III funding amounted to a total of EUR 12.0 billion at the end of September. The interest rate for TLTRO III funding for each loan after 23 June 2022 is the average of the ECB's deposit facility rate for the entire loan term.

In January, OP Corporate Bank issued a green senior non-preferred bond worth EUR 500 million with a maturity of 5.5 years. Between May and June, OP Corporate Bank issued a senior bond worth EUR 800 million with a maturity of two years when taking account of tap issues, and issued in June a senior bond worth GBP 350 million with a maturity of 3.5 years. In September, OP Corporate Bank issued a senior bond of EUR 1.25 billion.

Between January and September, OP Corporate Bank issued long-term bonds worth EUR 3.5 billion (2.5).

On 30 September 2022, investments by the amalgamation's central cooperative and the member credit institutions in OP Corporate Bank were EUR 14.1 (13.1) billion higher than funding borrowed by them from Group Treasury. This amount was increased by growth in deposits made by member credit institutions with OP Corporate Bank.

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

ICT investments

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

ICT costs of OP Corporate Bank's development and production maintenance totalled EUR 67 million (68). The development costs include licence fees, purchased services, other external costs related to projects and inhouse work. Development costs totalled EUR 13 million (11). Development costs have not been capitalised.

More detailed information on OP Corporate Bank's investments can be found under each business segment's section in this Interim Report.

Personnel and remuneration

On 30 September 2022, OP Corporate Bank plc had 828 employees (767).

Personnel at period end

	30 Sep 2022	31 Dec 2021
Corporate Banking and Capital Markets	308	290
Asset and Sales Finance Services and Payment Transfers	343	312
Baltics	135	125
Group Functions	42	40
Total	828	767

Variable remuneration applied by OP Financial Group and OP Corporate Bank in 2022 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 are taken into account in the metrics used in the performance-based bonus scheme and the personnel fund. In drawing up the remuneration schemes, OP has taken account of the regulation regarding the financial sector's remuneration schemes.

Corporate governance and management

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

On 2 March 2022, the Annual General Meeting (AGM) of OP Corporate Bank plc elected OP Financial Group's President and Group Chief Executive Officer Timo Ritakallio as Chair of OP Corporate Bank's Board of Directors. As other Board members, the AGM elected OP Financial Group's Chief Financial Officer Mikko Timonen, Helsinki Area Cooperative Bank's Managing Director Jarmo Viitanen, OP Keski-Suomi Managing Director Pasi Sorri and OP Turun Seutu Managing Director Petteri Rinne.

The AGM re-elected KPMG Oy Ab, an audit firm, to act as OP Corporate Bank's auditor for the financial year 2022, with Juha-Pekka Mylén, APA, acting as the chief auditor, appointed by KPMG Oy Ab.

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

Outlook towards the year end

The economic outlook dimmed during the third quarter. Nevertheless, the financial situation among households and companies still remained good.

Market interest rates have risen exceptionally fast in recent months, as central banks have raised their key interest rates. Central banks are expected to continue to tighten their monetary policy in the months to come. Uncertainty in the financial market has increased considerably, credit spreads have widened and stock prices fallen. Uncertainty related to the economic outlook remains exceptionally high. Economic growth is anticipated to slow down, as demand in the home market and export demand go down.

Full-year earnings estimates for 2022 will only be provided at the OP Financial Group level, in its financial statements bulletin and interim and half-year financial reports.

The most significant uncertainties affecting earnings performance due to the war in Ukraine and inflation relate to changes in the interest rate and investment environment and to the developments in impairment loss on receivables. In addition, future earnings performance will be affected by the market growth rate and the change in the competitive situation.

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

Formulas for key figures and ratios

The Alternative Performance Measures are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods. The formulas for the used Alternative Performance Measures are presented below.

Alternative Performance Measures

Key figure or ratio	Formula	Description
Return on equity (ROE), %	$\frac{\text{Financial performance for the reporting period x (days of financial year/days of reporting period)}}{\text{Equity (average at beginning and end of period)}} \times 100$	The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period.
Return on assets (ROA), %	$\frac{\text{Financial performance for the reporting period x (days of financial year/days of reporting period)}}{\text{Average balance sheet total (average at beginning and end of period)}} \times 100$	The ratio describes how much return is generated on capital tied up on business during the reporting period.
Cost/income ratio, %	$\frac{\text{Total expenses}}{\text{Total income}} \times 100$	The ratio describes the ratio of expenses to income. The lower that ratio, the better.
Loan portfolio	Balance sheet item Receivables from customers	The loan portfolio is presented under Receivables from customers in the balance sheet.
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	$\frac{\text{Impairment loss on receivables x (days of financial year/days of reporting period)}}{\text{Loan and guarantee portfolio at period end}} \times 100$	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 are presented in Liabilities to customers in the balance sheet.
Coverage ratio, %	$\frac{\text{Loss allowance}}{\text{Receivables from customers (on-balance-sheet and off-balance-sheet items)}} \times 100$	The ratio describes how much the amount of expected losses covers the amount of the liability.
Default capture rate, %	$\frac{\text{New defaulted contracts in stage 2 a year ago}}{\text{New defaulted contracts during the reporting period}} \times 100$	The ratio describes the effectiveness of the SICR model (significant increase in credit risk), in other words how many contracts were in stage 2 before moving to stage 3.

Key indicators based on a separate calculation

Capital adequacy ratio, %	$\frac{\text{Total capital}}{\text{Total risk exposure amount}} \times 100$	The ratio describes a credit institution's capital adequacy and shows the ratio of total capital to the total risk exposure amount.
Tier 1 ratio, %	$\frac{\text{Tier 1 capital}}{\text{Total risk exposure amount}} \times 100$	The ratio describes a credit institution's capital adequacy and shows the ratio of Tier 1 capital to the total risk exposure amount.
CET1 ratio, %	$\frac{\text{CET1 capital}}{\text{Total risk exposure amount}} \times 100$	The ratio describes a credit institution's capital adequacy and shows the ratio of CET1 capital to the total risk exposure amount.
Leverage ratio, %	$\frac{\text{Tier 1 capital (T1)}}{\text{Exposure amount}} \times 100$	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), %	Liquid assets / 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), %	Available stable funding / 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.
Ratio of non-performing exposures to exposures, %	Non-performing exposures (gross) / 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 at the customers' initiative to the original repayment plan to make it easier for them to manage through 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, %	Doubtful receivables (gross) / 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 at the customers' initiative to the original repayment plan to make it easier for them to manage through temporary payment difficulties. In addition to non-performing forborne exposures, doubtful receivables include non-performing exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as doubtful receivables. Doubtful receivables are presented in gross terms; expected credit losses have not been deducted from them.
Ratio of performing forborne exposures to exposures, %	Performing forborne exposures (gross) / Exposures at period end	x 100	The ratio describes the ratio of forborne exposures to the entire exposure portfolio. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures.
Ratio of performing forborne exposures to doubtful receivables, %	Performing forborne exposures (gross) / Doubtful receivables at period end	x 100	The ratio describes the ratio of performing forborne exposures to doubtful receivables that include not only performing forborne exposures but also non-performing 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

Capital base, € million	30 Sep 2022	31 Dec 2021
OP Corporate Bank plc's equity	4,326	4,296
Fair value reserve, cash flow hedge	13	1
Common Equity Tier 1 (CET1) before deductions	4,339	4,297
Intangible assets	-5	-12
Excess funding of pension liability and valuation adjustments	-87	-35
Planned profit distribution		-80
Shortfall of ECL minus expected losses	-124	-72
Insufficient coverage for non-performing exposures	-2	-1
CET1 capital	4,122	4,098
Tier 1 capital (T1)	4,122	4,098
Debenture loans	1,308	1,308
Debentures to which transitional provision applies	100	141
Excess of ECL minus expected losses	40	16
Tier 2 capital (T2)	1,448	1,464
Total capital	5,570	5,562

Risk exposure amount, € million	30 Sep 2022	31 Dec 2021
Credit and counterparty risk	25,819	23,853
Standardised Approach (SA)	5,428	3,118
Central government and central banks exposure	26	40
Credit institution exposure	497	5
Corporate exposure	4,142	2,966
Retail exposure	51	52
Mortgage-backed exposure	102	
Defaulted exposure	19	16
Covered bonds	549	
Other	42	39
Internal Ratings-based Approach (IRB)	20,391	20,735
Credit institution exposure		1,194
Corporate exposure	18,052	17,242
Retail exposure	1,955	1,940
Equity investments	93	63
Other	291	297
Risks of the CCP's default fund	0	
Securitisations	116	94
Market and settlement risk (Standardised Approach)	1,488	1,380
Operational risk (Standardised Approach)	1,028	1,040
Valuation adjustment (CVA)	171	204
Other risks*	4.816	
Total risk exposure amount	33,438	26,570

*Addition of risk-weighted assets based on the Standardised Approach

The presentation of the total risk exposure amount table has been changed. When it comes to changes, the comparatives have been adjusted to correspond to the new presentation.

Ratios, %	30 Sep 2022	31 Dec 2021
CET1 capital ratio	12.3	15.4
Tier 1 ratio	12.3	15.4
Capital adequacy ratio	16.7	20.9

Ratios, fully loaded, %	30 Sep 2022	31 Dec 2021
CET1 capital ratio	12.3	15.4
Tier 1 ratio	12.3	15.4
Capital adequacy ratio	16.4	20.4

Capital requirement, € million	30 Sep 2022	31 Dec 2021
Capital base	5,570	5,562
Capital requirement	3,528	2,792
Buffer for capital requirements	2,042	2,770

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

TABLES

Income statement

EUR million	Notes	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
Net interest income	3	316	231	135	81
Net commissions and fees	4	13	26	5	5
Net investment income	5	13	128	-1	32
Other operating income		25	24	7	7
Total income		**367**	**409**	**146**	**125**
Personnel costs		53	51	16	15
Depreciation/amortisation		7	9	2	3
Other expenses	6	149	149	39	37
Total expenses		**209**	**209**	**56**	**55**
Impairments loss on receivables	7	-16	-25	24	-37
Earnings before tax		**141**	**176**	**114**	**33**
Income tax expense		27	34	23	6
Profit for the period		**114**	**142**	**91**	**27**

Statement of comprehensive income

EUR million	Notes	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
Profit for the period		**114**	**142**	**91**	**27**
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans		14	4	2	0
Items that may be reclassified to profit or loss					
Change in fair value reserve					
Measurement at fair value		-4	17	25	12
Cash flow hedge		-15	-3	-12	-1
Income tax					
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans		-3	-1	0	0
Items that may be reclassified to profit or loss					
Measurement at fair value		1	-3	-5	-2
Cash flow hedge		3	1	2	0
Total comprehensive income for the period		**110**	**157**	**103**	**36**

Balance sheet

EUR million	Notes	30 Sep 2022	31 Dec 2021
Cash and cash equivalents		28,562	32,789
Receivables from credit institutions		14,396	13,419
Derivative contracts	14	6,039	3,712
Receivables from customers		28,366	26,236
Investment assets		16,859	17,373
Intangible assets		5	12
Property, plant and equipment (PPE)		5	5
Other assets		1,289	1,274
Total assets		**95,521**	**94,820**
Liabilities to credit institutions		40,276	42,660
Derivative contracts		6,064	2,669
Liabilities to customers		18,097	18,357
Debt securities issued to the public	8	23,019	22,630
Provisions and other liabilities		2,015	1,874
Tax liabilities		331	339
Subordinated liabilities		1,393	1,994
Total liabilities		**91,195**	**90,524**
Equity capital			
Share capital		428	428
Fair value reserve	9	27	42
Other reserves		1,019	1,019
Retained earnings		2,852	2,807
Total equity capital		**4,326**	**4,296**
Total liabilities and equity capital		**95,521**	**94,820**

Statement of changes in equity

EUR million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity capital
Balance at 1 January 2021	**428**	**22**	**1,019**	**2,551**	**4,020**
Total comprehensive income for the period		11		145	**157**
Profit for the period				142	**142**
Other comprehensive income		11		3	**15**
Balance at 30 September 2021	**428**	**34**	**1,019**	**2,696**	**4,177**

EUR million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity capital
Balance at 1 January 2022	**428**	**42**	**1,019**	**2,807**	**4,296**
Total comprehensive income for period		-15		125	**110**
Profit for the period				114	**114**
Other comprehensive income		-15		11	**-4**
Profit distribution				-80	**-80**
Other				0	**0**
Balance at 30 September 2022	**428**	**27**	**1,019**	**2,852**	**4,326**

Cash flow statement

EUR million	Q1–3 2022	Q1–3 2021
Cash flow from operating activities		
Profit for the period	114	142
Adjustments to profit for the period	511	349
Increase (-) or decrease (+) in operating assets	**-4,266**	**-4,525**
Receivables from credit institutions	-856	-960
Derivative contracts	-246	-67
Receivables from customers	-2,231	-401
Investment assets	-918	-3,228
Other assets	-15	131
Increase (+) or decrease (-) in operating liabilities	**-1,516**	**14,843**
Liabilities to credit institutions	-1,405	13,388
Derivative contracts	746	-14
Liabilities to customers	-260	1,378
Provisions and other liabilities	-596	92
Income tax paid	-34	-24
Dividends received	0	3
A. Net cash from operating activities	**-5,191**	**10,788**
Cash flow from investing activities		
Purchase of PPE and intangible assets	0	
Proceeds from sale of PPE and intangible assets	-1	0
B. Net cash used in investing activities	**-1**	**0**
Cash flow from financing activities		
Subordinated liabilities, change	-523	-288
Debt securities issued to the public, change	1,615	196
Dividends paid	-80	0
Lease liabilities	-1	-1
C. Net cash used in financing activities	**1,012**	**-92**
Net change in cash and cash equivalents (A+B+C)	**-4,180**	**10,696**
Cash and cash equivalents at period-start	**32,891**	**21,842**
Effect of foreign exchange rate changes	74	-105
Cash and cash equivalents at period-end	**28,785**	**32,432**
Interest received	**711**	**558**
Interest paid	**-432**	**-421**
Cash and cash equivalents		
Liquid assets	28,562	32,221
Receivables from credit institutions payable on demand	223	212
Total	**28,785**	**32,432**

Notes

1. Accounting policies
2. Segment reporting
3. Net interest income
4. Net commissions and fees
5. Net investment income
6. Other operating expenses
7. Impairment losses on receivables
8. Debt securities issued to the public
9. Fair value reserve after income tax
10. Collateral given
11. Classification of financial assets and liabilities
12. Recurring fair value measurements by valuation technique
13. Off-balance-sheet commitments
14. Derivative contracts
15. Related-party transactions

Note 1. Accounting policies

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and with the accounting policies presented in the financial statements 2021.

Since the beginning of 2022, the new name of the Other Operations segment has been the Group Functions segment.

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

The Interim Report is available in Finnish, English and Swedish. The Finnish version is official that will be used if there is any discrepancy between the language versions.

1. Critical accounting estimates and judgements

The preparation of the Interim 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 Interim Report, management judgement has been used especially in the calculation of expected credit losses.

Expected credit losses

The determination of the measurement models for expected credit losses (ECL) involves several factors requiring management judgement, such as:

- selection of appropriate ECL models so that they describe the expected credit losses on the contract portfolio as well as possible
- different assumptions and expert assessments made in the models
- selection of the estimation methods of the parameters for the ECL models
- determination of the contract's maturity for non-maturing loans (revolving credit facilities)
- determination of model risk associated with the quality of the available modelling data and other data
- proper grouping of contracts into different segments so that their ECL can be measured using the appropriate model
- selection of macroeconomic factors in such a way that their changes correlate with the contracts' probability of default
- forecasting future macroeconomic scenarios and their probabilities
- extra provisions based on management judgement related to a certain industry due to the Covid-19 pandemic, for example
- reductions in collateral value made on the basis of the geographical location of collateral based on management judgement.

Management judgement has also been used in the assessment of a significant increase in credit risk, such as in:

- the expert assessment used in the assessment of change in relative credit risk associated with personal customers to ensure a true number of contracts that move to stage 2 before moving to stage 3 (so-called default capture rate)
- the selection of the absolute threshold that is based on historical default behaviour and OP Financial Group's credit risk process
- the determination of the length of a period during which the customer must prove proper payment behaviour so that the impairment stage 3 can improve to stage 2 or 1.

The actual measurement of ECL figures is performed using the ECL models without management judgement, 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 assessment.

Management overlays directly to the ECL figures (post-model adjustments) 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. The existing ECL models do not take account of the Environmental, Social and Governance (ESG) risks as a separate component.

Management judgement and estimates included in the calculation of expected credit losses in respect of other than that presented above are included in the 2021 financial statements.

Note 7. Impairment loss on receivables includes information on choices related to the war in Ukraine made in calculating expected credit losses.

2. Effective interest rate of TLTRO III loans

The effective interest rate has been calculated on TLTRO loans based on management judgement related to the fulfilment of net lending criteria for upcoming review periods. If changes occur later in this management judgement, they will be treated as changes in the loan's carrying amount. The gross carrying amount of the loan is recalculated in such a way that it corresponds to the present value of the reassessed cash flows that is discounted at the loan's original effective interest rate. The resulting adjustment is recognised through profit or loss.

Note 2. Segment reporting

Segment information

Q1–3 earnings 2022, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Net interest income	172	126	37	-19		316
of which internal net income before tax	-11	-10	0	20		
Net commissions and fees	-37	46	8	-4		13
Net investment income	12	0	0	1		13
Other operating income	5	9	0	18	-7	25
Total income	**152**	**180**	**44**	**-3**	**-7**	**367**
Personnel costs	25	20	6	3		53
Depreciation/amortisation	4	1	2	1		7
Other operating expenses	66	60	14	16	-7	149
Total expenses	**94**	**80**	**21**	**20**	**-7**	**209**
Impairments loss on receivables	-1	-10	-5	0		-16
Earnings before tax	**57**	**90**	**18**	**-24**		**141**

Q1–3 earnings 2021, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Net interest income	158	115	21	-63		231
of which internal net income before tax	16	-22	1	5		
Net commissions and fees	-20	43	6	-3		26
Net investment income	125	0	0	4		128
Other operating income	17	9	0	14	-16	24
Total income	**279**	**168**	**27**	**-49**	**-16**	**409**
Personnel costs	25	19	4	3		51
Depreciation/amortisation	6	0	1	1		9
Other operating expenses	61	58	10	35	-16	149
Total expenses	**92**	**77**	**16**	**39**	**-16**	**209**
Impairments loss on receivables	-13	-13	1	0		-25
Earnings before tax	**174**	**78**	**12**	**-88**		**176**

Balance sheet 30 September 2022, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Cash and cash equivalents	11	129	12	28,410		28,562
Receivables from credit institutions	19	276	1	14,100		14,396
Derivative contracts	5,744			295		6,039
Receivables from customers	16,494	8,631	2,923	318		28,366
Investment assets	408	0	0	16,451		16,859
Intangible assets	2	2	1	0		5
Property, plant and equipment (PPE)	0	1	2	1		5
Other assets	288	237	9	755		1,289
Tax assets	0	0	0	0		
Total assets	**22,966**	**9,276**	**2,948**	**60,331**		**95,521**
Liabilities to credit institutions	3	4	0	40,269		40,276
Derivative contracts	5,685			379		6,064
Liabilities to customers	22	12,981	875	4,219		18,097
Debt securities issued to the public	1,369			21,650		23,019
Provisions and other liabilities	40	103	42	1,830		2,015
Tax liabilities	1	0	0	330		331
Subordinated liabilities	9			1,384		1,393
Total liabilities	**7,129**	**13,088**	**917**	**70,060**		**91,195**
Equity						**4,326**

Balance sheet 31 December 2021, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Cash and cash equivalents	11	124	48	32,606		32,789
Receivables from credit institutions	-2	133	-3	13,291		13,419
Derivative contracts	3,441			271		3,712
Receivables from customers	15,240	8,041	2,385	570		26,236
Investment assets	487	0	0	16,886		17,373
Intangible assets	5	3	2	1		12
Property, plant and equipment (PPE)	1	1	3	1		5
Other assets	307	321	-97	743		1,274
Tax assets	0	0	0	0		
Total assets	**19,490**	**8,622**	**2,338**	**64,370**		**94,820**
Liabilities to credit institutions	-40	151	0	42,549		42,660
Derivative contracts	2,553			117		2,669
Liabilities to customers	-1	14,894	663	2,801		18,357
Debt securities issued to the public	1,406			21,225		22,630
Provisions and other liabilities	747	0	-4	1,131		1,874
Tax liabilities	1	0	2	336		339
Subordinated liabilities				1,994		1,994
Total liabilities	**4,665**	**15,045**	**661**	**70,153**		**90,524**
Equity						**4,296**

Note 3. Net interest income

EUR million	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
Interest income				
Receivables from credit institutions	24	31	20	11
Receivables from customers				
Loans	309	264	115	88
Finance lease receivables	28	17	10	6
Impaired loans and other commitments				
Total	337	281	125	94
Notes and bonds				
Measured at fair value through profit or loss	9	0	9	0
At fair value through other comprehensive income	43	39	18	13
Amortised cost	-9	-7	0	-5
Total	43	32	26	8
Derivative contracts				
Fair value hedge	-66	-82	-14	-28
Cash flow hedge	1	0	1	0
Other	3	4	2	1
Total	-63	-78	-11	-27
Liabilities to credit institutions				
Negative interest	65	78	12	32
Liabilities to customers				
Negative interest	24	29	3	11
Other	6	5	2	1
Total	**436**	**379**	**176**	**131**
Interest expenses				
Liabilities to credit institutions	63	46	34	13
Liabilities to customers	1	-8	4	-3
Notes and bonds issued to the public	64	67	32	21
Subordinated liabilities				
Subordinated loans		0		0
Other	26	48	8	16
Total	26	48	8	16
Derivative contracts				
Cash flow hedge	-119	-116	-39	-35
Other	-24	-27	-11	-8
Total	-143	-143	-50	-43
Receivables from credit institutions				
Negative interest	89	135	10	51
Other	5	3	2	1
Total	**106**	**149**	**40**	**55**
Net interest income before fair value adjustment under hedge accounting	330	231	135	76
Hedging derivatives	-565	-63	-308	-8
Value changes of hedged items	551	64	308	13
Total	**316**	**231**	**135**	**81**

Note 4. Net commissions and fees

Q1–3 2022, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total	Q3 2022
Commission income							
Lending	19	12	3	0		34	11
Deposits	0	0	2	0		2	1
Payment transfers	0	23	0	0		24	8
Securities brokerage	18					18	4
Securities issuance	4			0		4	1
Mutual funds	0	0		0		0	0
Asset management	2	0				2	1
Legal services	0					0	0
Guarantees	1	7	2	0		10	3
Other	0	6	0			6	2
Total	**43**	**48**	**8**	**0**		**99**	**30**
Commission expenses							
Lending	0	1		0		1	0
Payment transfers	1	1	0	0		2	1
Securities brokerage	3			0		3	1
Securities issuance	2			0		2	1
Asset management	0			3		3	1
Guarantees			0			0	0
Derivatives	73					73	21
Other	2			0		3	1
Total	**80**	**2**	**0**	**4**		**86**	**25**
Total net commissions and fees	**-37**	**46**	**8**	**-4**		**13**	**5**

Q1–3 2021, EUR million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total	Q3 2021
Commission income							
Lending	22	12	2	0		36	12
Deposits	0	0	2	0		2	1
Payment transfers	0	26	0	0		26	9
Securities brokerage	22					22	7
Securities issuance	6					6	1
Mutual funds	0	0		0		0	0
Asset management	2	0				2	0
Guarantees	2	7	2	0		10	3
Other	0	1	0	0		1	0
Total	**53**	**46**	**6**	**0**		**106**	**34**
Commission expenses							
Lending		1		0		1	0
Payment transfers	0	2	0	0		3	1
Securities brokerage	3			0		3	1
Securities issuance	2			0		2	1
Asset management	0			2		3	2
Guarantees			0			0	0
Derivatives	66					66	24
Other	3	0		0		3	1
Total	**73**	**3**	**0**	**3**		**80**	**29**
Total net commissions and fees	**-20**	**43**	**6**	**-3**		**26**	**5**

Note 5. Net investment income

EUR million	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
Net income from assets at fair value through other comprehensive income				
Notes and bonds				
Capital gains and losses	10	3	1	0
Total	**10**	**3**	**1**	**0**

Net income recognised at fair value through profit or loss				
Financial assets held for trading				
Notes and bonds				
Interest income and expenses	3	6	1	3
Fair value gains and losses	-25	-4	-5	-2
Total	-23	2	-4	1
Shares and participations				
Fair value gains and losses	6	-3	3	-4
Total	6	0	3	-1
Derivatives				
Interest income and expenses	-9	16	-4	7
Fair value gains and losses	28	107	3	25
Total	19	123	-1	32
Total	**3**	**125**	**-2**	**32**
Total net investment income	**13**	**128**	**-1**	**32**

Note 6. Other operating expenses

EUR million	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
ICT costs				
Production	54	57	17	18
Development	13	11	4	3
Buildings	0	0	0	0
Government charges and audit fees	32	25	0	0
Service charges to OP Cooperative	14	17	4	6
Purchased services	15	10	5	3
Data communications	1	1	1	0
Marketing	1	1	0	0
Corporate social responsibility	0	0	0	0
Insurance and security costs	7	2	3	1
Other	11	24	4	5
Total	**149**	**149**	**39**	**37**

Development costs

EUR million	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
ICT development costs	13	11	4	3
Share of own work	0	0		0
Total development costs in the income statement	**13**	**11**	**4**	**3**
Capitalised ICT costs				
Total capitalised development costs				
Total development costs	**13**	**11**	**4**	**3**
Depreciation/amortisation and impairment loss	7	8	2	3

Note 7. Impairment losses on receivables

EUR million	Q1–3 2022	Q1–3 2021	Q3 2022	Q3 2021
Receivables written down as loan and guarantee losses	-59	-44	-38	-40
Recoveries of receivables written down	1	0	0	0
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	43	18	61	3
Expected credit losses (ECL) on notes and bonds	-1	0	0	0
Total	**-16**	**-25**	**24**	**-37**

Credit risk exposures and related loss allowance

Exposures within the scope of accounting for expected credit losses by impairment stage 30 September 2022

Exposures EUR million	Stage 1	Stage 2 Not more than 30 DPD	 More than 30 DPD	 Total	Stage 3	Total exposure
Receivables from customers (gross)						
Corporate Banking	27,280	1,896	47	1,944	490	29,713
Total	**27,280**	**1,896**	**47**	**1,944**	**490**	**29,713**
Off-balance-sheet limits						
Corporate Banking	8,877	411	9	420	70	9,367
Total	**8,877**	**411**	**9**	**420**	**70**	**9,367**
Other off-balance-sheet commitments						
Corporate Banking	7,339	542		542	65	7,945
Total	**7,339**	**542**		**542**	**65**	**7,945**
Notes and bonds						
Group Functions	13,161	73		73		13,234
Total	**13,161**	**73**		**73**		**13,234**
Total exposures within the scope of accounting for expected credit losses	**56,656**	**2,922**	**56**	**2,978**	**625**	**60,260**

Loss allowance by impairment stage 30 September 2022

On-balance-sheet exposures and related off-balance-sheet limits* EUR million	Stage 1	Stage 2 Not more than 30 DPD	 More than 30 DPD	 Total	Stage 3	Total loss allowance
Receivables from customers						
Corporate Banking	-28	-21	-4	-25	-213	-266
Total	**-28**	**-21**	**-4**	**-25**	**-213**	**-266**
Other off-balance-sheet commitments**						
Corporate Banking	-3	-2		-2	-23	-28
Total	**-3**	**-2**		**-2**	**-23**	**-28**
Notes and bonds***						
Group Functions	-1	-1		-1		-2
Total notes and bonds	**-1**	**-1**		**-1**		**-2**
Total	**-32**	**-24**	**-4**	**-28**	**-236**	**-297**

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

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

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

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

Summary and key indicators 30 September 2022	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						
Corporate Banking	43,495	2,849	56	2,906	625	47,026
Loss allowance						
Corporate Banking	-31	-23	-4	-27	-236	-294
Coverage ratio, %						
Corporate Banking	-0.07 %	-0.80 %	-7.69 %	-0.94 %	-37.79 %	-0.63 %
Receivables from customers; total on-balance-sheet and off-balance-sheet items	**43,495**	**2,849**	**56**	**2,906**	**625**	**47,026**
Total loss allowance	**-31**	**-23**	**-4**	**-27**	**-236**	**-294**
Total coverage ratio, %	**-0.07 %**	**-0.80 %**	**-7.69 %**	**-0.94 %**	**-37.79 %**	**-0.63 %**
Carrying amount, notes and bonds						
Group Functions	13,161	73		73		13,234
Loss allowance						
Group Functions	-1	0		0		-2
Coverage ratio, %						
Group Functions	-0.01 %	-1.32 %		-1.32 %		-0.02 %
Total notes and bonds	**13,161**	**73**		**73**		**13,234**
Total loss allowance	**-1**	**-1**		**-1**		**-2**
Total coverage ratio, %	**-0.01 %**	**-1.32 %**		**-1.32 %**		**-0.02 %**

Exposures within the scope of accounting for expected credit losses by impairment stage 31 December 2021

Exposures	Stage 1	Stage 2			Stage 3	
EUR million		Not more than 30 DPD	More than 30 DPD	Total		Total exposure
Receivables from customers (gross)						
Corporate Banking	24,673	1,058	247	1,304	508	26,486
Total	**24,673**	**1,058**	**247**	**1,304**	**508**	**26,486**
Off-balance-sheet limits						
Corporate Banking	4,279	190	88	278	75	4,631
Total	**4,279**	**190**	**88**	**278**	**75**	**4,631**
Other off-balance-sheet commitments						
Corporate Banking	7,196	121		121	78	7,396
Total	**7,196**	**121**		**121**	**78**	**7,396**
Notes and bonds						
Group Functions	13,160	31		31		13,191
Total	**13,160**	**31**		**31**		**13,191**
Total exposures within the scope of accounting for expected credit losses	**49,309**	**1,399**	**335**	**1,733**	**661**	**51,704**

Loss allowance by impairment stage 31 December 2021

On-balance-sheet exposures and related off-balance-sheet limits*	Stage 1	Stage 2			Stage 3	
EUR million		Not more than 30 DPD	More than 30 DPD	Total		Total loss allowance
Receivables from customers						
Corporate Banking	-23	-23	-2	-25	-269	-317
Total	**-23**	**-23**	**-2**	**-25**	**-269**	**-317**
Other off-balance-sheet commitments**						
Corporate Banking	-3	-3		-3	-14	-20
Total	**-3**	**-3**		**-3**	**-14**	**-20**
Notes and bonds***						
Group Functions	-2	-1		-1		-2
Total notes and bonds	**-2**	**-1**		**-1**		**-2**
Total	**-28**	**-26**	**-2**	**-28**	**-283**	**-339**

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

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

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

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

Summary and key indicators 31 December 2021	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						
Corporate Banking	36,149	1,368	335	1,703	661	38,513
Loss allowance						
Corporate Banking	-26	-25	-2	-27	-283	-337
Coverage ratio, %						
Corporate Banking	-0.07 %	-1.85 %	-0.63 %	-1.61 %	-42.83 %	-0.88 %
Receivables from customers; total on-balance-sheet and off-balance-sheet items	**36,149**	**1,368**	**335**	**1,703**	**661**	**38,513**
Total loss allowance	**-26**	**-25**	**-2**	**-27**	**-283**	**-337**
Total coverage ratio, %	**-0.07 %**	**-1.85 %**	**-0.63 %**	**-1.61 %**	**-42.83 %**	**-0.88 %**
Carrying amount, notes and bonds						
Group Functions	13,160	31		31		13,191
Loss allowance						
Group Functions	-2	-1		-1		-2
Coverage ratio, %						
Group Functions	-0.01 %	-2.00 %		-2.00 %		-0.02 %
Total notes and bonds	**13,160**	**31**		**31**		**13,191**
Total loss allowance	**-2**	**-1**		**-1**		**-2**
Total coverage ratio, %	**-0.01 %**	**-2.00 %**		**-2.00 %**		**-0.02 %**

The table below shows a change in exposures within the scope of the measurement of expected credit losses by impairment Stage for January–September 2022 resulting from the effect of the following factors:

Receivables from customers and off-balance-sheet items, EUR million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; off-balance-sheet items 1 January 2022	**36,149**	**1,703**	**661**	**38,513**
Transfers from Stage 1 to Stage 2, incl. repayments	-1,884	1,806		-77
Transfers from Stage 1 to Stage 3, incl. repayments	-154		144	-10
Transfers from Stage 2 to Stage 1, incl. repayments	496	-532		-36
Transfers from Stage 2 to Stage 3, incl. repayments		-102	96	-6
Transfers from Stage 3 to Stage 1, incl. repayments	31		-36	-6
Transfers from Stage 3 to Stage 2, incl. repayments		28	-34	-6
Increases due to origination and acquisition	7,373	141	25	7,539
Decreases due to derecognition	-4,077	-141	-144	-4,362
Unchanged Stage, incl. repayments	5,560*	2	-40	5,522
Recognised as final credit loss			-47	-47
Receivables from customers; on-balance-sheet and off-balance-sheet items 30 September 2022	**43,495**	**2,906**	**625**	**47,026**

* Stage 1 positive net change is related to increases in off-balance-sheet limits.

The table below shows the change in loss allowance by impairment stage during January–September 2022.

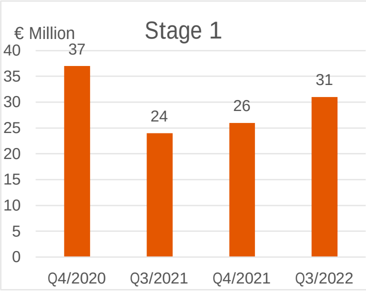
Receivables from customers and off-balance-sheet items, EUR million	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	Total
Loss allowance 1 January 2022	**26**	**27**	**283**	**337**
Transfers from Stage 1 to Stage 2	-3	14		11
Transfers from Stage 1 to Stage 3	-2		44	42
Transfers from Stage 2 to Stage 1	1	-5		-4
Transfers from Stage 2 to Stage 3		-5	19	15
Transfers from Stage 3 to Stage 1	1		-4	-3
Transfers from Stage 3 to Stage 2		1	-7	-6
Increases due to origination and acquisition	6	3	7	17
Decreases due to derecognition	-5	-7	-41	-52
Changes in risk parameters (net)	7	-2	-20	-15
Changes in model assumptions and methodology	0	0	1	1
Decrease in allowance account due to write-offs			-47	-47
Net change in expected credit losses	**5**	**0**	**-47**	**-43**
Loss allowance 30 September 2022	**31**	**27**	**236**	**294**
Net change in expected credit losses Q3 2022	**3**	**0**	**-66**	**-62**

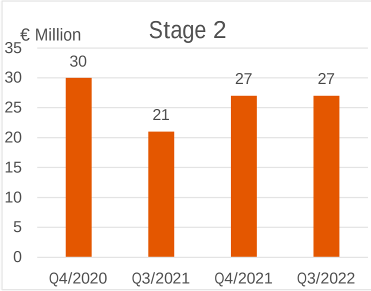
In June 2022, OP Corporate Bank updated lifetime EAD models and the maturity model. Changes in the models increased OP Corporate Bank's expected credit losses by 1 million euros, which is reported in the table above on row "changes in model assumptions and methodology". Lifetime EAD models are used in the ECL measurement under IFRS 9 to estimate a contract's on-balance-sheet exposures at default for the contract's lifetime. The maturity model is used in the ECL measurement under IFRS 9 to estimate a contract's lifetime for standby credit facilities of personal and corporate customer exposures whose credit risk has increased significantly, meaning that their ECL is measured for the contract's lifetime (stage 2). The maturity model is used for the standby credit facilities of personal and corporate customer exposures because they have no contractual maturity.

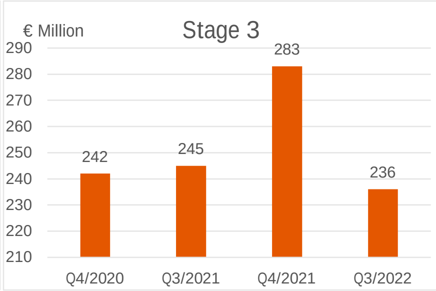
OP Corporate Bank has updated its assessments of the financial effects of Russia's war of aggression in Ukraine on the credit risk of its customers. The management overlay provision of EUR 7 million included in the Q1/2022 effects of the war in Ukraine, which concerned the riskiest sectors, that is to say construction, energy and transport, has mainly been reversed. The effects were expected to arise, for example, from the closedown of business and a rise in the costs of energy, raw materials and other production, but they have been more tepid than expected because higher production costs could have been passed on to prices and government support measures have been channelled to agriculture and the energy sector, in particular. Uncertainty is still involved in the amount of expected credit losses arising from the effects of the war in Ukraine. Impairment loss on receivables in the income statement, EUR 16 million, was EUR 8 million lower than a year ago (–25).

At the end of 2021, OP Corporate Bank made a 6-million euro additional ECL provision concerning CRE backed loans nearest to stage 3. The provision was aimed at anticipating growth in the ECL caused by the update of the collateral assessment of riskier collateral real estate holdings and probable default statutes. The provision was completely reversed during Q3/2022 because the updates of the collateral values of the agreements concerned and the default statutes have been made.

The following graphs illustrate the trend in the expected credit losses of customer receivables by impairment stage during the last few years. The graphs show a reduction of stage 3 during Q3/2022 due to the recognition of final credit losses, repayment of liabilities in stage 3 and the reversal of management overlay provisions.

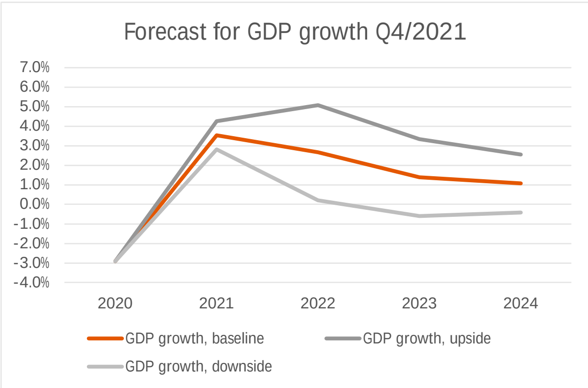


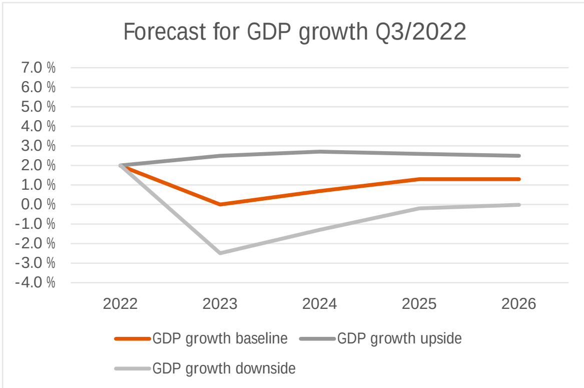


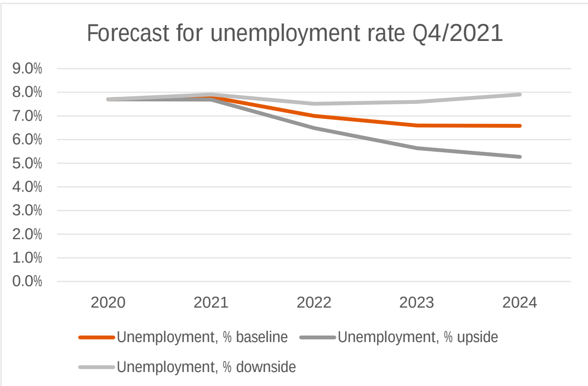


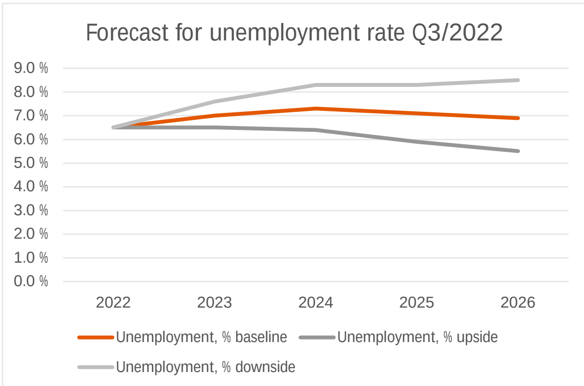
In ECL measurement, macroeconomic factors are updated on a quarterly basis. The ECL is measured as the weighted average under three scenarios. Scenario weights have been at normal level, or downside 20%, baseline 60% and upside 20%. During the third quarter of 2022, the update of the macroeconomic forecasts slightly increased the ECL.

The following graphs illustrate change in forecasts for GDP and the unemployment rate.









Notes and bonds, EUR million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2022	**2**	**0**		**2**
Transfers from Stage 1 to Stage 2	0	1		1
Increases due to origination and acquisition	0	0		0
Decreases due to derecognition	0	0		0
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	**0**	**1**		**1**
Loss allowance 30 September 2022	**1**	**1**	**0**	**2**
Net change in expected credit losses Q3 2022	**0**	**0**	**0**	**0**

The table below shows the change in loss allowance by impairment stage during 2021.

Receivables from customers and off-balance-sheet items, EUR million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2021	**36**	**29**	**243**	**308**
Transfers from Stage 1 to Stage 2	-1	6		5
Transfers from Stage 1 to Stage 3	0		13	13
Transfers from Stage 2 to Stage 1	1	-4		-4
Transfers from Stage 2 to Stage 3		-7	32	25
Transfers from Stage 3 to Stage 1	0		-2	-2
Transfers from Stage 3 to Stage 2		2	-3	-1
Increases due to origination and acquisition	10	5	8	24
Decreases due to derecognition	-17	-6	-25	-48
Changes in risk parameters (net)	-3	1	46	44
Changes due to update in the methodology for estimation (net)	1	1	0	2
Decrease in allowance account due to write-offs		0	-30	-30
Net change in expected credit losses	**-10**	**-2**	**40**	**27**
Loss allowance 31 December 2021	**26**	**27**	**283**	**337**
Net change in expected credit losses Q3 2021	**2**	**1**	**-5**	**-3**

The table below shows a change in exposures within the scope of the calculation of expected credit losses by impairment Stage for 2021 resulting from the effect of the following factors:

Receivables from customers and off-balance-sheet items, EUR million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2021	**33,197**	**2,021**	**682**	**35,900**
Transfers from Stage 1 to Stage 2, incl. repayments	-913	857		-57
Transfers from Stage 1 to Stage 3, incl. repayments	-92		73	-19
Transfers from Stage 2 to Stage 1, incl. repayments	549	-613		-64
Transfers from Stage 2 to Stage 3, incl. repayments		-134	115	-20
Transfers from Stage 3 to Stage 1, incl. repayments	11		-14	-3
Transfers from Stage 3 to Stage 2, incl. repayments		25	-28	-2
Increases due to origination and acquisition	-1,097	-47	-95	-1,240
Decreases due to derecognition	11,579	231	50	11,861
Unchanged Stage, incl. repayments	-7,085	-634	-81	-7,800
Recognised as final credit loss		-3	-40	-43
Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2021	**36,149**	**1,703**	**661**	**38,513**

Notes and bonds, EUR million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Loss allowance 1 January 2021	**2**	**1**		**2**
Transfers from Stage 2 to Stage 1	0	0		0
Increases due to origination and acquisition	0			0
Decreases due to derecognition	0			0
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	**0**	**0**		**0**
Loss allowance 31 December 2021	**2**	**0**		**2**
Net change in expected credit losses Q3 2021	**0**	**0**		**0**

Note 8. Debt securities issued to the public

EUR million	30 Sep 2022	31 Dec 2021
Bonds	9,661	10,927
Subordinated bonds (SNP)	4,316	3,926
Other		
Certificates of deposit	1,149	297
Commercial paper	7,974	7,539
Included in own portfolio in trading (–)*	-81	-58
Total debt securities issued to the public	**23,019**	**22,630**

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

Note 9. Fair value reserve after income tax

EUR million	Fair value through other comprehensive income Notes and bonds	Cash flow hedging	Total
Opening balance 1 January 2021	**20**	**2**	**22**
Fair value changes	21	-3	17
Capital gains transferred to income statement	-3		-3
Deferred tax	-3	1	-3
Closing balance 30 September 2021	**34**	**1**	**34**

EUR million	Fair value through other comprehensive income Notes and bonds	Cash flow hedging	Total
Opening balance 1 January 2022	**43**	**-1**	**42**
Fair value changes	6	-14	-8
Capital gains transferred to income statement	-10		-10
Transfers to net interest income		-1	-1
Deferred tax	1	3	4
Closing balance 30 September 2022	**40**	**13**	**27**

The fair value reserve before tax amounted to EUR 34 million (42) at the end of the reporting period and the related deferred tax asset/liability was EUR -7 million (-8). The loss allowance on notes and bonds recognised at fair value through other comprehensive income totalled EUR -1 million (0) in the fair value reserve during the reporting period.

Note 10. Collateral given

EUR million	30 Sep 2022	31 Dec 2021
Given on behalf of own liabilities and commitments		
Others	13,959	18,320
Total collateral given*	**13,959**	**18,320**
Secured derivative liabilities	1,002	744
Other secured liabilities	12,000	16,004
Total	**13,002**	**16,748**

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

Note 11. Classification of financial assets and liabilities

			Fair value through profit or loss			
Assets, EUR million	**Amortised cost**	**Fair value through other comprehen-sive income**	**Financial assets held for trading**	**Must be measured at fair value through profit or loss**	**Hedging derivatives**	**Carrying amount total**
Cash and cash equivalents	28,562					28,562
Receivables from credit institutions	14,396					14,396
Derivative contracts			5,815		224	6,039
Receivables from customers	28,366					28,366
Notes and bonds	4,338	12,220	275			16,834
Equity instruments		0	26			26
Other financial assets	1,289					1,289
Financial assets						**95,511**
Other than financial instruments						10
Total 30 September 2022	**76,951**	**12,220**	**6,116**		**224**	**95,521**

Assets, EUR million	**Amortised cost**	**Fair value through other comprehen-sive income**	**Financial assets held for trading**	**Must be measured at fair value through profit or loss**	**Hedging derivatives**	**Carrying amount total**
Cash and cash equivalents	32,789					32,789
Receivables from credit institutions	13,419					13,419
Derivative contracts			3,444		268	3,712
Receivables from customers	26,236					26,236
Notes and bonds	3,853	13,171	331			17,355
Equity instruments		0	18			18
Other financial assets	1,274					1,274
Financial assets						**94,803**
Other than financial instruments						17
Total 31 December 2021	**77,571**	**13,171**	**3,792**		**268**	**94,820**

Liabilities, EUR million	Financial liabilities at fair value through profit or loss	Other liabilities	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		40,276		40,276
Derivative contracts	5,769		295	6,064
Liabilities to customers		18,097		18,097
Debt securities issued to the public		23,019		23,019
Subordinated loans		1,393		1,393
Other financial liabilities		1,889		1,889
Financial liabilities				**90,737**
Other than financial liabilities				457
Total 30 September 2022	**5,769**	**84,674**	**295**	**91,195**

Liabilities, EUR million	Financial liabilities at fair value through profit or loss	Other liabilities	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		42,660		42,660
Derivative contracts	2,579		91	2,669
Liabilities to customers		18,357		18,357
Debt securities issued to the public		22,630		22,630
Subordinated loans		1,994		1,994
Other financial liabilities		1,748		1,748
Financial liabilities				**90,059**
Other than financial liabilities				465
Total 31 December 2021	**2,579**	**87,389**	**91**	**90,524**

Bonds included in debt securities issued to the public are carried at amortised cost. On 30 September 2022, the fair value of these debt instruments was approximately EUR 1 314 million (190) lower (higher) than their carrying amount, based on information available from markets and employing commonly used valuation techniques. Subordinated liabilities are carried at amortised cost. Their fair values are lower than their amortised costs, but determining reliable fair values involves uncertainty.

Note 12. Recurring fair value measurements by valuation technique

Fair value of assets on 30 September 2022, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Equity instruments		21	5	26
Debt instruments	43	114	118	275
Derivative financial instruments	5	5,978	56	6,039
Fair value through other comprehensive income				
Equity instruments		0		0
Debt instruments	9,819	1,482	919	12,220
Total financial instruments	**9,868**	**7,595**	**1,097**	**18,560**
Investment property			0	0
Total	**9,868**	**7,595**	**1,097**	**18,560**

Fair value of assets on 31 December 2021, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Equity instruments		13	5	18
Debt instruments	77	60	193	331
Derivative financial instruments	1	3,604	106	3,712
Fair value through other comprehensive income				
Equity instruments		0		0
Debt instruments	10,269	2,376	527	13,171
Total financial instruments	**10,347**	**6,053**	**832**	**17,232**
Investment property			0	0
Total	**10,347**	**6,053**	**832**	**17,232**

Fair value of liabilities on 30 September 2022, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Other		0		0
Derivative financial instruments	15	5,938	111	6,064
Total	**15**	**5,938**	**111**	**6,064**

Fair value of liabilities on 31 December 2021, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Other		0		0
Derivative financial instruments	2	2,637	30	2,669
Total	**2**	**2,637**	**30**	**2,669**

Level 1: Quoted prices in active markets

This level 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 on the basis of the quotes in active markets.

Level 2: Valuation techniques using observable inputs

Valuation techniques based on observable input parameters. The fair value of the instruments included within this level 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 plc'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 uncertainty. The fair value determination of the 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 the Group had to extrapolate the market data used in their value measurement, as well as certain private equity investments, and illiquid bonds, structured bonds, including securitised bonds and structured debt securities, and hedge funds. Level 3 fair value is based on pricing information from a third party.

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.

Reconciliation of Level 3 items

Specification of financial assets and liabilities

Financial assets, EUR million	Financial assets at fair value through profit or loss	Derivative contracts	Fair value through other comprehen-sive income	Total assets
Opening balance 1 January 2022	**198**	**106**	**527**	**832**
Total gains/losses in profit or loss	-183	-50		-234
Transfers into Level 3	107		553	660
Transfers out of Level 3			-161	-161
Closing balance 30 September 2022	**122**	**56**	**919**	**1,097**

Financial liabilities, EUR million	Derivative contracts	Total liabilities
Opening balance 1 January 2022	**30**	**30**
Total gains/losses in profit or loss	80	80
Closing balance 30 September 2022	**111**	**111**

Total gains/losses included in profit or loss by item on 30 September 2022

EUR million	Net interest income	Net investment income	Statement of comprehensive income/ Change in fair value reserve	Total gains/ losses for the period included in profit or loss for assets/ liabilities held at period-end
Realised net gains (losses)	-183			-183
Unrealised net gains (losses)	-131			-131
Total net gains (losses)	**-314**			**-314**

Derivatives included in Level 3 comprise structured derivatives for customer needs, whose market risk is covered by a corresponding derivatives contract. The uncovered market risk does not have any effect on earnings. Level 3 derivatives relate to structured bonds issued by OP Corporate Bank, whose return is determined by the value performance of an embedded derivative instrument. The fair value change of these embedded derivatives is not presented in the above table. In addition, long-maturity derivatives have been included in Level 3 for which the Group had to extrapolate the market data used in their value measurement.

Changes in the levels of hierarchy

No major changes occurred in valuation techniques in 2022.

Note 13. Off-balance-sheet commitments

EUR million	30 Sep 2022	31 Dec 2021
Guarantees	347	406
Other guarantee liabilities	2,354	2,413
Loan commitments	5,638	5,678
Commitments related to short-term trade transactions	697	656
Other	479	495
Total off-balance-sheet commitments	**9,515**	**9,649**

Note 14. Derivative contracts

Total derivatives 30 September 2022

	Nominal values/residual maturity				Fair values*	
EUR million	<1 year	1–5 years	>5 years	Total	Assets	Liabilities
Interest rate derivatives	49,541	110,441	105,339	265,321	4,485	4,448
Cleared by the central counterparty	21,640	55,403	56,944	133,987	138	132
Settled-to-market (STM)	9,781	31,725	40,199	81,705	84	81
Collateralised-to-market (CTM)	11,860	23,677	16,745	52,282	54	51
Currency derivatives	46,219	5,705	878	52,803	1,397	1,464
Equity and index-linked derivatives						
Credit derivatives	8	85	47	140	26	15
Other derivatives	489	747	54	1,290	81	112
Total derivatives	**96,257**	**116,978**	**106,318**	**319,553**	**5,990**	**6,039**

Total derivatives 31 December 2021

	Nominal values/residual maturity				Fair values*	
EUR million	<1 year	1–5 years	>5 years	Total	Assets	Liabilities
Interest rate derivatives	36,731	90,360	97,277	224,368	2,706	1,808
Cleared by the central counterparty	10,327	38,295	51,866	100,487	11	13
Settled-to-market (STM)	6,155	24,603	37,311	68,069	9	11
Collateralised-to-market (CTM)	4,171	13,692	14,554	32,418	2	3
Currency derivatives	44,689	5,508	757	50,954	790	662
Equity and index-linked derivatives	2			2	0	
Credit derivatives	34	62		95	2	35
Other derivatives	260	544	28	832	104	43
Total derivatives	**81,716**	**96,473**	**98,061**	**276,251**	**3,602**	**2,549**

* The fair values include accrued interest that is, excluding other than those held-for-trading derivatives, presented in the balance sheet in other assets or provisions and other liabilities. In addition, the fair value of derivatives for central counterparty clearing is offset in the balance sheet.

Note 15. Related-party transactions

OP Corporate Bank plc's related parties comprise subsidiaries consolidated into OP Cooperative Consolidated, associates, key management personnel and their close family members, and other related-party entities. The company's key management personnel comprises the CEO and Deputy CEO and other members of senior management as well as members of the Board of Directors. Related parties also include companies over which key management persons or their close family member, either alone or together with another person, exercises significant influence. Other entities regarded as related parties include OP Bank Group Pension Foundation and OP Financial Group's Personnel Fund.

Standard terms and conditions for credit are applied to loans granted to the related parties. Loans are tied to generally used reference rates.

Financial reporting

Schedule for Financial Statements Bulletin 2022 and Interim Reports and Half-year Financial Report in 2023:

Financial Statements Bulletin 2022	8 February 2023
Interim Report Q1/2023	3 May 2023
Half-year Financial Report H1/2023	25 July 2023
Interim Report Q1–3/2023	25 October 2023

Helsinki, 26 October 2022

OP Corporate Bank plc
Board of Directors

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