# OP Financial Group's Financial Statements Bulletin 1 January–31 December 2024

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# Excellent business performance continued – full-year operating profit EUR 2,486 million

| Operating profit Q1–4/2024 | Net interest income Q1–4/2024 | Total income Q1–4/2024 | Total expenses Q1–4/2024 | CET1 ratio 31 Dec 2024 |
|---|---|---|---|---|
| €2,486 million | +5% | +7% | +3% | 21.5% |

- Operating profit increased by 21% to EUR 2,486 million (2,050).
- Income from customer business, or net interest income, insurance service result and net commissions and fees, increased to EUR 3,805 million (3,605). Net interest income grew by 5% to EUR 2,796 million (2,654). Insurance service result increased by 136% to EUR 192 million (81) and net commissions and fees decreased by 6% to EUR 818 million (870).
- Impairment loss on receivables was EUR 96 million (269), or 0.09% (0.26) of the loan and guarantee portfolio.
- Investment income increased by 20% to EUR 465 million (389).
- Total expenses grew by 3% to EUR 2,262 million (2,201). The cost/income ratio improved to 47% (49).
- The loan portfolio was at the previous year's level at EUR 98.9 billion (98.9), while deposits grew by 4% year on year to EUR 77.7 billion (74.5).
- The CET1 ratio was 21.5% (19.2), which exceeds the minimum regulatory requirement by 8.1 percentage points. The changes in the EU Capital Requirements Regulation (CRR3), which took effect on 1 January 2025, are expected to cause a slight reduction in the capital adequacy of OP Financial Group.
- **Retail Banking segment's** operating profit rose by 4% to EUR 1,275 million (1,223). Net interest income grew by 3% to EUR 2,112 million (2,041). Impairment loss on receivables decreased by EUR 78 million to EUR 95 million (173). Net commissions and fees decreased by 10% to EUR 619 million (686). The cost/income ratio was 51% (49). The loan portfolio decreased by 0.3% year on year, to EUR 70.7 billion (70.9). Deposits increased by 3% to EUR 62.9 billion (61.2).
- **Corporate Banking segment's** operating profit grew by 40% to EUR 572 million (408). Net interest income grew by 11% to EUR 657 million (591). Impairment loss on receivables decreased by EUR 96 million to EUR 0 million (96). Net commissions and fees increased by 4% to EUR 199 million (192). The cost/income ratio improved to 38% (41). In the year to December, the loan portfolio grew by 1% to EUR 28.3 billion (28.1). Deposits increased by 12% to EUR 15.4 billion (13.8).
- **Insurance segment's** operating profit grew by 39% to EUR 578 million (414). The insurance service result increased by EUR 110 million to EUR 192 million (81). Investment income increased by 10% to EUR 382 million (347). The combined ratio reported by non-life insurance improved to 92.3% (93.8).
- **Group Functions** operating profit was EUR 19 million (-26). Net interest income increased by EUR 15 million to EUR 16 million (1).
- **OP Financial Group** increased the OP bonuses to be earned by owner-customers for 2024 by 40% compared to the normal level of 2022. Additionally, owner-customers got daily banking services without monthly charges in 2024. Together, these benefits were estimated to add up to more than EUR 404 million in value for owner-customers in 2024. The benefits will be in force until the end of 2025.
- **Outlook:** OP Financial Group's operating profit for 2025 is expected to be at a good level but lower than that for 2023 and 2024. For more detailed information on the outlook, see "Outlook".

# OP Financial Group's key indicators

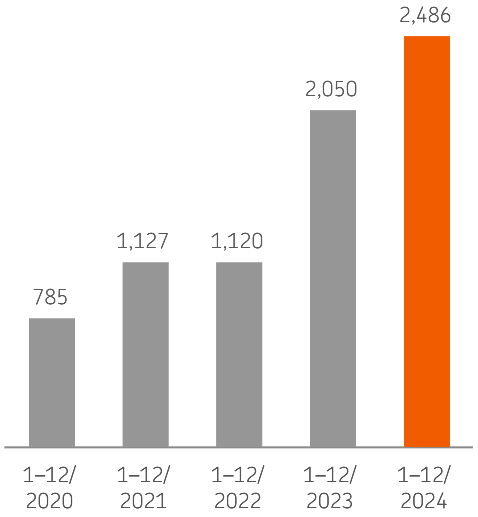
| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| **Operating profit, € million** | **2,486** | **2,050** | **21.3** |
| Retail Banking | 1,275 | 1,223 | 4.3 |
| Corporate Banking | 572 | 408 | 40.4 |
| Insurance | 578 | 414 | 39.4 |
| Group Functions | 19 | -26 | – |
| New OP bonuses accrued to owner-customers, € million | -314 | -275 | 14.1 |
| **Total income**** | **4,844** | **4,520** | **7.2** |
| **Total expenses** | **-2,262** | **-2,201** | **2.8** |
| Cost/income ratio, %** | 46.7 | 48.7 | -2.0* |
| Return on equity (ROE), % | 11.6 | 10.6 | 0.9* |
| Return on equity, excluding OP bonuses, % | 13.0 | 12.0 | 1.0* |
| Return on assets (ROA), % | 1.24 | 0.98 | 0.26* |
| Return on assets, excluding OP bonuses, % | 1.39 | 1.11 | 0.28* |
| | 31 Dec 2024 | 31 Dec 2023 | Change, % |
| CET1 ratio, %* | 21.5 | 19.2 | 2.3* |
| Loan portfolio, € billion | 98.9 | 98.9 | 0.0 |
| Deposits, € billion | 77.7 | 74.5 | 4.3 |
| Ratio of non-performing exposures to exposures, % | 2.64 | 2.94 | -0.30* |
| Ratio of impairment loss on receivables to loan and guarantee portfolio, % | 0.09 | 0.26 | -0.17* |
| Owner-customers (1,000) | 2,115 | 2,094 | 1.0 |

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

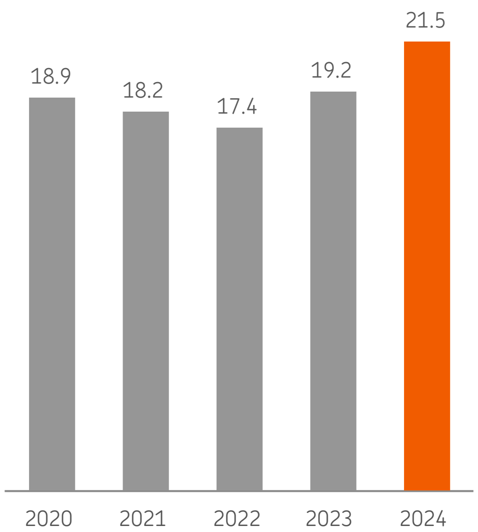
* Change in ratio, percentage point(s).

** OP bonuses to owner-customers, which were previously shown on a separate line in the income statement, have been divided under the following items based on their accrual: interest income, interest expenses, and commission income from mutual funds. The line 'OP bonuses to owner-customers' is no longer shown in the income statement. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Operating profit, € million




CET1 ratio, %



# Comments by the President and Group Chief Executive Officer

## Uncertainty overshadowed the business environment – Finland's economy began to recover as the year ended

In 2024, the exceptionally tense geopolitical situation of previous years continued to predominate in Finland's neighbouring regions. Russia's war of aggression against Ukraine approached its third year and the Middle East conflict spilled over into new areas. A tectonic shift is underway in international politics and the global economy, creating uncertainty in the economy and our broader business environment.

Although the world economy grew by 3% last year, Europe's grew by just over 1%. Finland's economy contracted for the second year running. However, the economy began to recover gradually as the year ended and OP Financial Group expects Finland's GDP to grow by a couple of per cent in 2025.

Construction and the related sectors were particularly affected by the sluggish economy. Risks in the real estate sector remained high and the number of bankruptcies increased substantially on the previous year.

Inflation in Finland fell markedly, from 3.6% to 0.7%, on the year before. On the other hand, unemployment rose, reaching 8.9% in December. Market interest rates fell almost continuously from early 2024 and the Euribor rates were clearly lower by the year's end.

Despite the pickup in late 2024, home sale volumes and demand for home loans fell considerably year on year. Home prices continued their downward trend.

The fall in market rates boosted the stock markets, raising share prices on several stock exchanges. However, Nasdaq Helsinki's stock indices ended 2024 in slightly negative territory for the year as a whole.

## OP Financial Group had an excellent year – strong earnings enable outstanding benefits for owner-customers

OP Financial Group performed extremely well and operating profit increased by 21% year on year, to EUR 2,486 million in 2024.

Our excellent earnings will enable us to continue providing our over 2.1 million owner-customers with considerable benefits in 2025. As in 2024, our owner-customers will get daily banking services without monthly charges and accrue 40% extra OP bonuses compared to the normal level of 2022. This is how we will help to ease the strain on households in these economically challenging times. The total value of higher benefits on OP bonuses and daily services will be around EUR 400 million in 2025, which is a significant overall financial benefit.

Being customer-owned, OP Financial Group will continue to share its financial success through a range of financial and other benefits for its owner-customers.

Income from OP Financial Group's customer business grew to a record level of more than EUR 3.8 billion. The improvement in the insurance service result was particularly strong, being 136% higher than a year earlier. Growth in net interest income slowed to 5% and net commissions and fees decreased by 6% year on year, chiefly due to the benefit (provided for owner-customers) of zero monthly charges for daily banking services. Income from investment activities grew considerably from 2023's level and OP Financial Group's total income reached over EUR 4.8 billion – 7% higher than a year earlier.

OP Financial Group's costs grew by 3% year on year, due to rising personnel costs and higher investments in ICT development. Compared to the previous year, its cost/income ratio improved by two percentage points to 47%, an excellent level even in international terms.

## All three business segments performed extremely well

All three business segments performed extremely well. The Retail Banking segment's operating profit rose by 4% year on year, to EUR 1,275 million. Insurance recorded an operating profit of EUR 578 million, growing by 39% compared to a year ago. Corporate Banking's operating profit was EUR 572 million, up by 40% over the previous year.

## Strong capital adequacy and excellent liquidity provide security and stability in an uncertain business environment

OP Financial Group's CET1 ratio improved again, to 21.5%, exceeding the minimum regulatory requirement by 8.1 percentage points. OP Financial Group is one of the most financially solid large banks in Europe. Excellent profitability, strong capital adequacy and liquidity are critical factors for banks and insurance companies, building trust among customers, partners and other stakeholders. In OP Financial Group, these factors are at an excellent level, providing the Group with an even stronger basis than before for meeting future challenges.

## Deposits grew substantially and the loan portfolio stopped shrinking – customers' loan repayment capacity remained good

OP Financial Group's deposit portfolio grew by more than 4% from 2023. Household, corporate and institutional deposits were on an upward trend at the end of the year. OP Financial Group's market share of deposits rose to over 40%.

By late 2024, OP Financial Group's loan portfolio had reached the same level as at the end of 2023. After a long decline, the loan portfolio began to grow again in the early autumn. OP Financial Group maintained its strong market position in the home loan and corporate loan markets. Our market share of home loans was 39%. For corporate loans, we had a market share of 38%.

OP Financial Group's home loan customers made home loan repayments punctually and meticulously in 2024. The situation was eased by the fall in market rates. The number of loan modification applications was lower than in recent years. The number of corporate loans under special monitoring declined in comparison to last year. Non-performing exposures decreased from 2.9% to 2.6%. Impairment loss on receivables decreased markedly year on year.

## Wealth management continued to grow rapidly throughout the year

We aim to coach our customers in making better financial choices. Wealth management is one of our growth focus areas – we intend to make a clear growth leap in this business in the coming years.

The number of OP Financial Group unitholders rose to over 1.4 million. Moreover, the number of new systematic investment agreements increased by a third. Mutual fund investors were particularly attracted by international and sustainability-themed investment opportunities. Sustainability is a priority for younger investors in particular. At EUR 111 billion in value at the year's end, customers' investment assets managed by OP Financial Group grew by 8%.

## OP-mobile was used more than 700 million times – use of artificial intelligence is growing fast

OP Financial Group's use of digital services grew substantially again. Personal and corporate customers increasingly use digital channels for banking and insurance. Last year, customers logged in to OP-mobile around 708 million times – an average of 59 million times per month. OP-mobile already has more than 1.7 million active users.

We moved, with increasing speed, into using artificial intelligence to ease our customers' daily lives and help our employees in their work.

In June, we launched OP Aina, a personal assistant on OP-mobile. OP Aina helps our customers with a range of banking and insurance matters on a 24/7 basis. It is the first financial service in Finland to use artificial intelligence and alerts. Our customers have eagerly adopted the service, which already had around 6.25 million service interactions by the end of 2024. We use it to provide customers with even more personalised and readily available services than before.

## Cybersecurity and well-functioning digital services are at the core of our operations

OP Financial Group's digital services functioned extremely well all year, despite the rapidly growing number of denial of service attacks.

We continued our significant investments in cybersecurity to ensure that our customers' money and data remain secure under all circumstances. Our customers were subjected to a high number of phishing and scam attempts throughout the year, and we have taken active measures to protect them even more effectively from such threats.

## OP Financial Group fulfils its corporate responsibilities as one of Finland's largest corporate taxpayers

OP Financial Group is of major direct and indirect importance to Finland's economic development. In accordance with our mission, we aim to create sustainable prosperity, security and wellbeing for our owner-customers and operating region.

Being one of Finland's largest payers of corporate tax, we contributed almost EUR 400 million for 2023 – over 5% of all corporate tax paid in the period.

We want to point the way towards futures filled with hope for people living in Finland. The success of Finland and all those who live here is our number one priority now and in the future.

## In good shape going into 2025

OP Financial Group is in great shape to support its customers as the Finnish economy slowly recovers. We provide competitive banking and insurance services for a range of needs.

My warm thanks to all our customers for the trust you have shown in OP Financial Group in 2024. We want to continue being worthy of your trust in the year that has just begun. I would also like to thank our employees and governing bodies for the excellent work they did last year.

**Timo Ritakallio**
President and Group CEO

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# Business environment

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

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

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

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

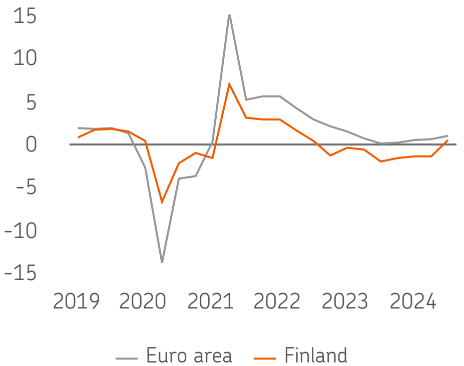
Lower interest rates and growing purchasing power should spur growth in the Finnish economy in 2025. However, the recovery remains fragile and export markets are characterised by uncertainty.

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

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

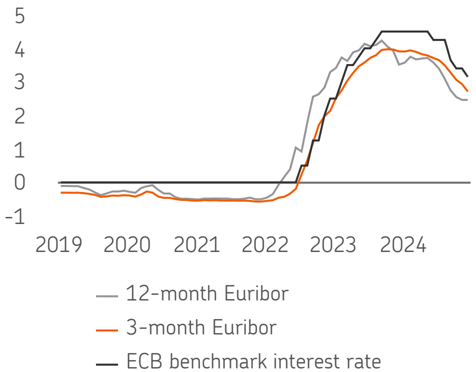
During 2024, the value of the assets held in mutual funds registered in Finland increased from EUR 149 billion to EUR 184 billion, and new assets invested totalled EUR 9.3 billion.

GDP
Annual volume change, %



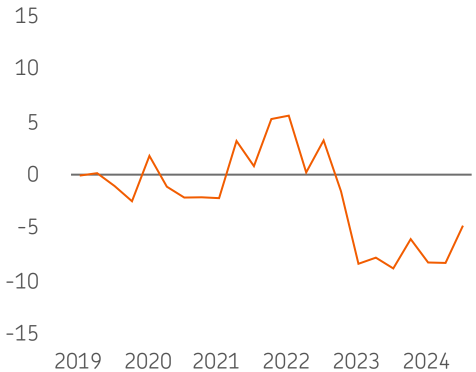

Sources: Eurostat, Statistics Finland Seasonally adjusted series

Euribor rates and ECB refi rate
%



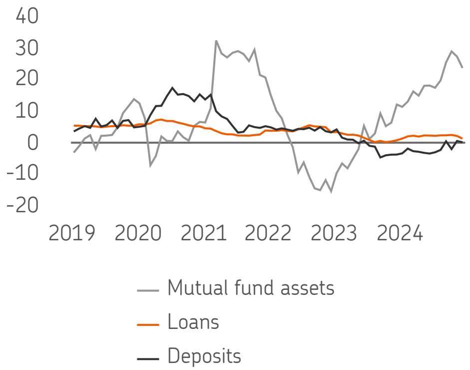

Source: Bank of Finland

Fixed investments in Finland
Annual volume change, %




Source: Statistics Finland

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




Sources: Bank of Finland, Investment Research Finland

# Earnings analysis and balance sheet

## Earnings analysis

| Earnings analysis, € million | Q1–4/2024 | Q1–4/2023 | Change, % | Q4/2024 | Q4/2023 | Change, % |
|---|---|---|---|---|---|---|
| **Operating profit** | **2,486** | **2,050** | **21.3** | **538** | **480** | **12.1** |
| Retail Banking | 1,275 | 1,223 | 4.3 | 239 | 304 | -21.5 |
| Corporate Banking | 572 | 408 | 40.4 | 154 | 87 | 77.5 |
| Insurance | 578 | 414 | 39.4 | 120 | 116 | 3.2 |
| Group Functions | 19 | -26 | – | 15 | -24 | – |
| Net interest income* | 2,796 | 2,654 | 5.3 | 678 | 735 | -7.8 |
| Impairment loss on receivables | -96 | -269 | -64.3 | -23 | -99 | -76.2 |
| Net commissions and fees* | 818 | 870 | -6.0 | 219 | 214 | 2.4 |
| Insurance revenue | 2,129 | 2,000 | 6.5 | 555 | 534 | 3.9 |
| Insurance service expenses | -1,879 | -1,824 | 3.0 | -428 | -455 | -6.0 |
| Reinsurance contracts | -59 | -95 | – | -31 | -56 | – |
| Insurance service result | 192 | 81 | 135.8 | 96 | 23 | 323.2 |
| Investment income | 465 | 389 | 19.5 | 46 | 96 | -51.9 |
| Other operating income | 44 | 40 | 11.9 | 13 | 12 | 11.8 |
| Personnel costs | -1,081 | -964 | 12.1 | -299 | -262 | 14.2 |
| Depreciation/amortisation and impairment loss | -146 | -226 | -35.5 | -39 | -89 | -56.1 |
| Other operating expenses | -1,036 | -1,011 | 2.4 | -295 | -287 | 2.9 |
| Transfers to insurance service result | 529 | 485 | 9.0 | 142 | 137 | 3.6 |
| OP bonuses included in earnings | -307 | -269 | 14.0 | -80 | -71 | 14.0 |

* OP bonuses to owner-customers, which were previously shown on a separate line in the income statement, have been divided under the following items based on their accrual: interest income, interest expenses, and commission income from mutual funds. The line 'OP bonuses to owner-customers' is no longer shown in the income statement. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

## Key indicators

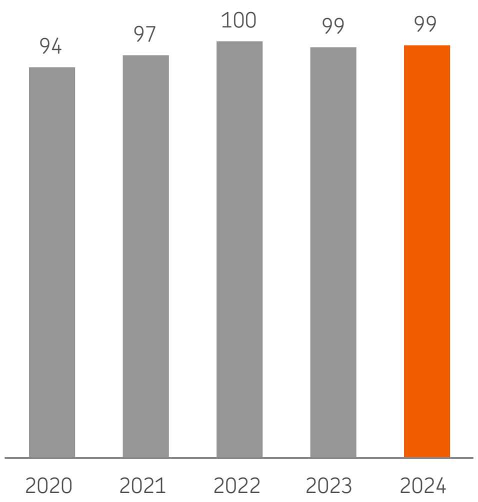
| Key indicators, € million | 31 Dec 2024 | 31 Dec 2023 | Change, % |
|---|---|---|---|
| Loan portfolio | 98,917 | 98,871 | 0.0 |
| Home loans | 41,604 | 41,856 | -0.6 |
| Corporate loans | 27,915 | 28,181 | -0.9 |
| Housing company loans** | 10,619 | 10,656 | -0.3 |
| Other loans to corporations and institutions*** | 7,458 | 6,838 | 9.1 |
| Other consumer loans | 11,320 | 11,339 | -0.2 |
| Guarantee portfolio | 3,404 | 4,136 | -17.7 |
| Other exposures | 13,219 | 13,005 | 1.6 |
| Deposits | 77,653 | 74,465 | 4.3 |
| Assets under management (gross) | 111,493 | 102,844 | 8.4 |
| Mutual funds | 34,034 | 30,010 | 13.4 |
| Institutional clients | 37,666 | 35,878 | 5.0 |
| Private Banking | 25,617 | 24,378 | 5.1 |
| Unit-linked insurance assets | 14,177 | 12,579 | 12.7 |
| Balance sheet total**** | 161,168 | 160,047 | 0.7 |
| Investment assets**** | 23,537 | 22,029 | 6.8 |
| Insurance contract liabilities | 11,796 | 11,589 | 1.8 |
| Debt securities issued to the public**** | 33,198 | 37,689 | -11.9 |
| Equity capital | 18,110 | 16,262 | 11.4 |

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

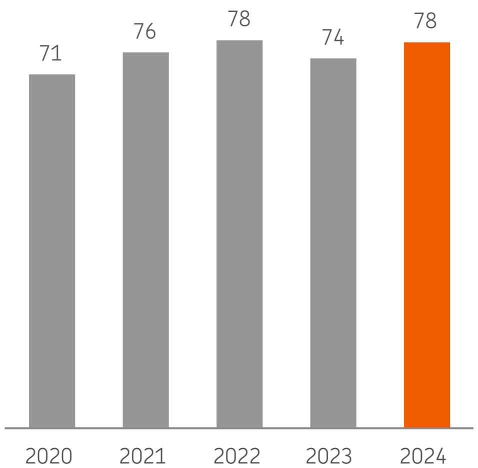
*** Other loans to corporations and institutions include public sector entities, banks and financial institutions and non-profit organisations.

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

Loan portfolio, € billion




Deposits, € billion



## January–December

OP Financial Group's operating profit was EUR 2,486 million (2,050), up by 21.3% or EUR 436 million year on year. Income from customer business (net interest income, net commissions and fees and the insurance service result) increased by a total of 5.6% to EUR 3,805 million (3,605). The cost/income ratio improved to 46.7% (48.7). New OP bonuses accrued to owner-customers, which are included in earnings, increased by 14.0% to EUR 307 million.

Net interest income grew by 5.3% to EUR 2,796 million. Net interest income reported by the Retail Banking segment increased by 3.5% to EUR 2,112 million and that by the Corporate Banking segment increased by 11.3% to EUR 657 million. OP Financial Group's loan portfolio was at the previous year's level at EUR 98.9 billion, while deposits grew by 4.3% year on year, to EUR 77.7 billion. Household deposits increased by 2.8% year on year, to EUR 47.8 billion. New loans drawn down by customers during the reporting period totalled EUR 22.2 billion (22.0).

Impairment loss on loans and receivables, which reduces earnings, totalled EUR 96 million (269). A year ago, expected credit losses concerning the real estate and construction sector increased the impairment loss on receivables. Final credit losses totalled EUR 200 million (77). In 2024, OP Financial Group enhanced the recognition process for final credit losses. After a loan has been transferred for legal collection, the loan principal is written down to the value of collateral. During the fourth quarter, a total of EUR 125 million of such credit losses were recognised. Correspondingly, stage 3 expected credit losses reversed totalled EUR 93 million. At the end of the reporting period, loss allowance was EUR 824 million (929), of which management overlay accounted for EUR 77 million (109). Non-performing exposures accounted for 2.6% (2.9) of total exposures. Impairment loss on loans and receivables accounted for 0.1% (0.3) of the loan and guarantee portfolio.

Net commissions and fees decreased by 6.0% to EUR 818 million. Owner-customers have received daily banking services without monthly charges since October 2023. This contributed to the decrease in payment transfer net commissions and fees. Net commissions and fees for payment transfer services decreased by EUR 56 million to EUR 291 million, and those for residential brokerage by EUR 6 million to EUR 63 million.

Insurance service result increased by EUR 110 million to EUR 192 million. Insurance service result includes EUR 529 million (485) in operating expenses. Non-life insurance net insurance revenue, including the reinsurer's share, grew by 6.1% to EUR 1,760 million. Net claims incurred after the reinsurer's share grew by 4.4% to EUR 1,116 million. The combined ratio reported by non-life insurance improved to 92.3% (93.8).

Investment income (net investment income, net insurance finance expenses and income from financial assets held for trading) increased by a total of 19.5% to EUR 465 million. Investment income grew as a result of the increase in the value of equity investments in particular. Net investment income together with net finance income describe investment profitability in the insurance business. The combined return on investments at fair value of OP Financial Group's insurance companies was 7.6% (3.4).

Net income from financial assets recognised at fair value through profit or loss, or notes and bonds, shares and derivatives, totalled EUR 1,975 million (1,706). Net income from investment contract liabilities totalled EUR 851 million (642). Net insurance finance expenses totalled EUR 727 million (722).

In banking, net income from financial assets held for trading decreased by 19.1% to EUR 44 million due to the decrease in interest income from notes and bonds.

Other operating income increased to EUR 44 million (40).

Total expenses grew by 2.3% to EUR 2,262 million. Personnel costs rose by 12.1% to EUR 1,081 million. The increase was affected by headcount growth and pay increases. OP Financial Group's personnel increased by approximately 1,000 year on year. The number of employees increased in areas such as sales, customer service, service development, risk management and compliance. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 35.5% to EUR 146 million.

A year ago, impairment loss recognised mainly for information systems and property in own use totalled EUR 60 million. Other operating expenses increased by 2.4% to EUR 1,036 million. ICT costs totalled EUR 514 million (460). Development costs were EUR 349 million (294) and capitalised development expenditure EUR 58 million (62). Charges of financial authorities fell by EUR 61 million to EUR 16 million. The EU's Single Resolution Board (SRB) did not collect stability contributions from banks for 2024. In 2023, OP Financial Group paid a total of EUR 62 million in stability contributions.

At EUR 307 million (269), OP bonuses for owner-customers are included in earnings and are divided under the following items based on their accrual: EUR 160 million (150) under interest income, EUR 82 million (67) under interest expenses, EUR 48 million (38) under commission income from mutual funds, and EUR 17 million (15) under the insurance service result.

Income tax amounted to EUR 499 million (408). OP Financial Group paid EUR 397 million in corporate tax for 2023. The effective tax rate for the reporting period was 20.1% (19.9). Comprehensive income after tax totalled EUR 2,067 million (1,719).

OP Financial Group's equity amounted to EUR 18.1 billion (16.3). Equity included EUR 3.3 billion (3.3) in Profit Shares, terminated Profit Shares accounting for EUR 0.4 billion (0.4).

OP Financial Group's funding position and liquidity are strong. The Group's LCR was 193% (199), and its NSFR was 129% (130).

## October – December

Fourth-quarter operating profit totalled EUR 538 million, as against EUR 480 million a year earlier. Income from customer business, or net interest income, net commissions and fees and insurance service result, increased by a total of 2.2% to EUR 993 million (971).

Net interest income decreased by 7.8% to EUR 678 million as a result of developments in market interest rates. New loans drawn down by customers during the fourth quarter totalled EUR 7.2 billion (6.0).

Impairment loss on loans and receivables, which reduces earnings, totalled EUR 23 million (99). A year ago, expected credit losses concerning the construction sector increased.

Net commissions and fees grew by 2.4% to EUR 219 million. Owner-customers' use of daily banking services has been free of monthly charges since October 2023.

Insurance service result grew by EUR 73 million to EUR 96 million. Insurance service result includes EUR 142 million (137) in operating expenses.

Investment income, or net investment income, net insurance finance income and income from financial assets held for trading, decreased by a total of 51.9 % to EUR 96 million.

Net income from financial assets recognised at fair value through profit or loss, or notes and bonds, shares and derivatives, totalled EUR 370 million (1,115). Net income from investment contract liabilities totalled EUR -162 million (-401). Net insurance finance income totalled EUR -161 million (-621).

In banking, net income from financial assets held for trading increased by a total of EUR 1 million to EUR 31 million.

Other operating income totalled EUR 13 million (12).

Total expenses decreased by 0.7% to EUR 633 million. Personnel costs rose by 14.2% to EUR 299 million. The increase was affected by headcount growth, pay increases and performance-based bonuses. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 56.1% to EUR 39 million. ICT costs remained at the previous year's level at EUR 141 million (141).

Income tax amounted to EUR 112 million (95). The effective tax rate for the reporting period was 20.8% (19.8). Comprehensive income after tax totalled EUR 403 million (463).

## Highlights of the reporting period

### Additional benefits for owner-customers

OP Financial Group allocates part of its profitability improvement to provide additional benefits to owner-customers. OP Financial Group increased the OP bonuses to be earned by owner-customers for 2024 and 2025 by 40% compared to the normal level of 2022. Owner-customers earned a total of EUR 314 million (275) in OP bonuses for 2024. In addition, owner-customers will get daily banking services free of monthly charges until the end of 2025. The value of this benefit was EUR 90 million for 2024 and will be an estimated EUR 90 million for 2025.

### Bill regarding a change in the tax practices related to customer bonuses in the financial sector

Towards the end of the year, the Finnish Parliament passed a bill regarding a change in the tax practices related to customer bonuses in the financial sector, which was based on an entry in Finland's Government Programme. The amendment, which will take effect on 1 January 2026, will have a significant effect on the tax treatment of OP bonuses. Under the new law, customer bonuses in the financial sector will be considered taxable if they are used for things other than the services which initially brought the bonuses, for example, if OP bonuses earned from banking services are used for insurance premiums. OP Financial Group has prepared for the change in the tax practices of financial-sector customer bonuses. The Group's owner-customers will continue to receive at least the same level of financial benefits as before, regardless of the change in legislation.

## OP launched an AI-based assistant

In June 2024, OP Financial Group launched OP Aina, a new personal assistant on OP-mobile. OP Aina helps OP's customers with a range of banking and insurance matters on a 24/7 basis. OP Aina is the first Finnish financial sector service based on AI and alerts – OP is using it to provide its customers with more personalised and easily available services than before. In 2024, OP Aina had 1.3 million users and 6.3 million customer contacts.

## OP joined the Euribor Panel

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

## A new Head of Wealth Management for OP Financial Group

OP Financial Group is seeking significant growth in wealth management services. On 1 April 2024, Hanna Porkka (53), M.Sc. (Econ. & Bus. Adm.), took up her duties as Executive Vice President, Wealth Management and member of OP Cooperative's Executive Management Team.

## OP Financial Group is Finland's most attractive employer in the business sector

OP Financial Group reached top positions in Universum's annual survey that ranks the employers considered most attractive by professionals and students in various sectors in Finland. According to the survey results published in September, OP Financial Group was ranked as Finland's most attractive employer among business-sector professionals. Those in IT gave it fourth place. OP Financial Group's results were its best ever in all categories of the survey.

# OP Financial Group's strategic targets and priorities

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

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

In the next few years, OP Financial Group's operations will be guided by the following five strategic priorities:

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

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

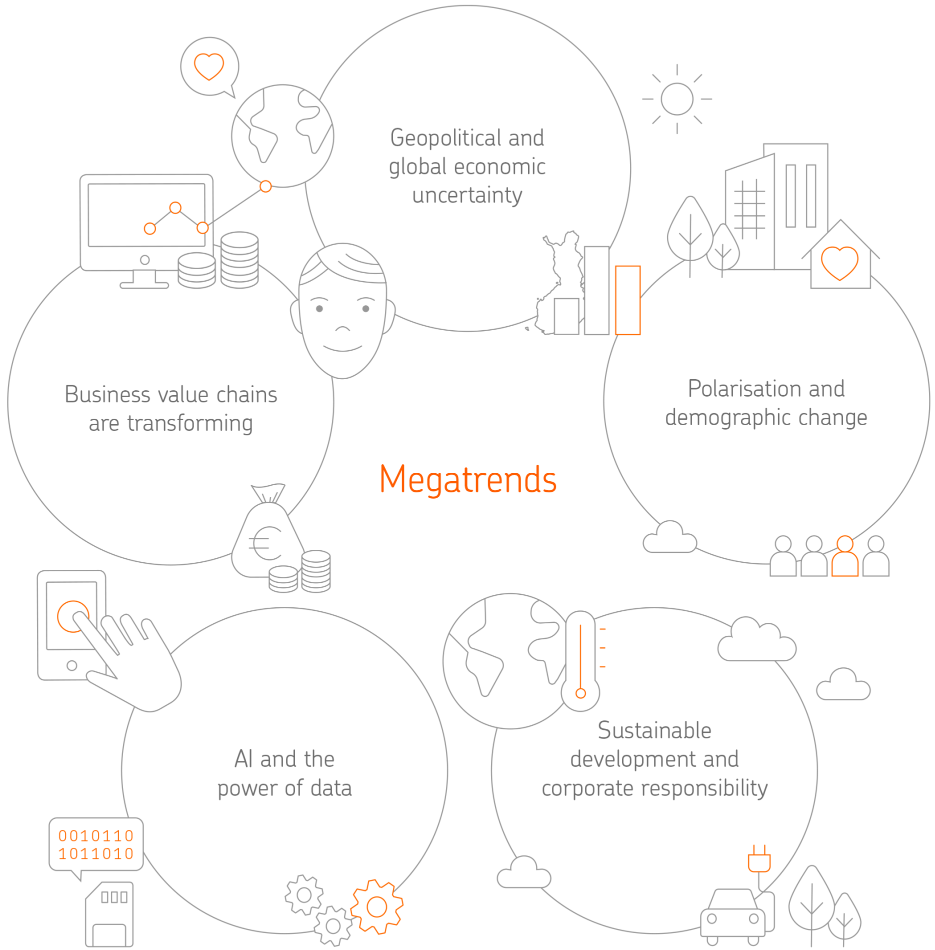
## OP Financial Group's strategic targets and outcomes

| | 2024 | 2023 | Target |
|---|---|---|---|
| Return on equity (ROE excluding OP bonuses), % | 13.0 | 12.0 | 9.0 |
| CET1 ratio, % | 21.5 | 19.2 | At least CET1 requirement + 4 pps* |
| Brand recommendations, bNPS (Net Promoter Score, personal and corporate customers)** | Banking: 1 | Banking: 1 | Banking: 1 |
| | Insurance: 2 | Insurance: 3 | Insurance: 1 |
| Credit rating | AA-/Aa3 | AA-/Aa3 | At least at the level of AA-/Aa3 |

* OP Financial Group's target CET1 ratio is at least the CET1 capital adequacy requirement plus four percentage points. The CET1 target calculated by applying the capital adequacy requirement of 31 December 2024 was 17.5%.

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

## OP Financial Group's business environment



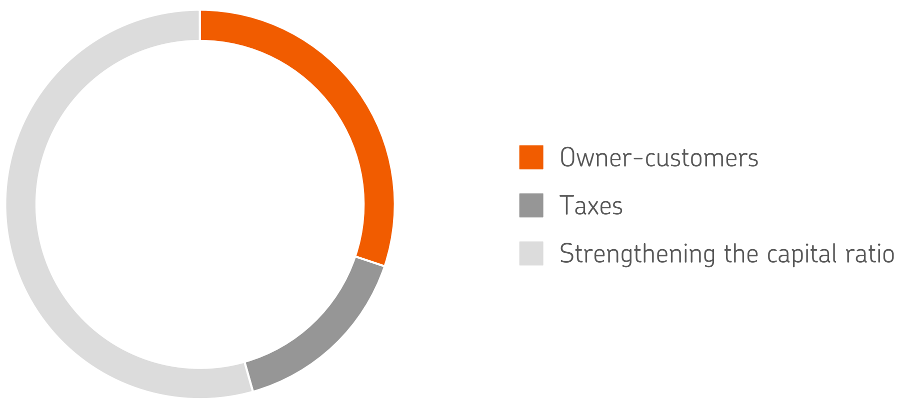
# Promotion of the success of owner-customers and operating region

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

## Allocation of earnings

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

OP Financial Group's estimated earnings allocation for 2024 that is to be confirmed after the end of the financial year:




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

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

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

As a major taxpayer, OP Financial Group is contributing to prosperity in the whole of Finland. In 2024, OP Financial Group was one of the largest taxpayers in Finland measured by tax on profits. OP Financial Group paid EUR 397 million in corporate tax for 2023.

## Owner-customer benefits

OP Financial Group had 2.1 million (2.1) owner-customers at the end of the reporting period. The number of owner-customers increased by 21,000.

OP cooperative banks' owner-customers earn OP bonuses through banking, insurance and wealth management transactions. OP Financial Group increased the OP bonuses earned for 2024 by 40% compared to the 2022 level. The value of the new OP bonuses earned during the reporting period totalled EUR 314 million (275). This benefit will be valid until the end of 2025.

During the reporting period, a total of EUR 56 million (99) of OP bonuses were used to pay for banking and wealth management services and EUR 206 million (145) to pay non-life insurance premiums. Additionally, owner-customers got daily banking services free of monthly charges in 2024. The benefit will be valid until the end of 2025. The value of this benefit was EUR 90 million for 2024.

## Owner-customer benefits

| € million | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| New OP bonuses earned | 314 | 275 |
| Daily services* | 210 | 140 |
| Insurance** | 19 | 18 |
| Investing and saving*** | 31 | 29 |
| **Total** | **574** | **462** |

* Daily services packages, Current Account without account service charge, daily services free of charge in 2024.
** Loyalty discount
*** Trading in shares or mutual funds, securities custody and Equity Savings Account free of charge.

OP bonuses and other owner-customer benefits totalled EUR 574 million (462), accounting for 18.8% (18.6) of OP Financial Group's operating profit before granted owner-customer benefits.

Contributions made by OP cooperative banks' owner-customers to the banks' Profit Shares and cooperative shares totalled EUR 3.5 billion (3.6). The return target for Profit Shares for 2024 was an interest rate of 5.50% (4.50). Interest payable on Profit Shares accrued during the reporting period is estimated to total EUR 176 million (148). Interest on Profit Shares for the financial year 2023, paid in June 2024, totalled EUR 148 million (144).

# Multichannel services

OP Financial Group has a multichannel service network comprising online, mobile, branch and telephone services. The Group provides personal customer service both at branches and digitally. Use of digital services continues to grow steadily. Personal and corporate customers increasingly use digital channels for banking and insurance. In December, 1.7 million (1.6) personal and corporate customers used OP Financial Group's mobile channels, and there were more than 59 million logins to OP-mobile.

## Mobile and online services

| No. of logins (million) | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Mobile services, personal customers* | 665.6 | 608.4 | 9.4 |
| Mobile services, corporate customers* | 42.7 | 33.8 | 26.3 |
| Op.fi | 66.0 | 68.8 | -4.1 |

| Registered customers (OP) | 31 Dec 2024 | 31 Dec 2023 | Change, % |
|---|---|---|---|
| Siirto payment | 1,251,038 | 1,220,989 | 2.5 |

* The method of reporting the figures was changed in 2024. The figures for the comparison period have been adjusted accordingly.

In June 2024, OP Financial Group launched OP Aina, a new personal assistant on OP-mobile. OP Aina helps OP's customers with a range of banking and insurance matters on a 24/7 basis. OP Aina is the first Finnish financial sector service based on AI and alerts – OP is using it to provide its customers with more personalised and easily available services than before. In 2024, OP Aina had 1.3 million users and 6.3 million customer contacts.

In June, OP Financial Group expanded its mobile payment services to include Samsung Pay and Garmin Pay services. The popularity of mobile payments is on the rise, with nearly half of card customers aged 18–25 already using mobile payment services. Besides the latest additions, the mobile payment options that OP Financial Group provides for customers include Apple Pay, Google Pay and Siirto.

OP Financial Group has an extensive branch network with 278 branches (289) across the country. In addition, Pohjola Insurance has a comprehensive network of agencies and partnerships.

# Sustainability and corporate responsibility

As of the reporting year 2024, OP Financial Group reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). OP Financial Group's Report by the Board of Directors and Financial Statements 2024, including CSRD reporting, will be published in March 2025.

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

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

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

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

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

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

## Corporate responsibility highlights in October–December

OP Financial Group has developed several products based on the international framework for sustainable finance, such as green loans, sustainability-linked loans and sustainable supply chain finance. On 31 December 2024, total exposures from green loans and sustainability-linked loans and facilities stood at EUR 8.6 billion (6.6). Sustainable funds accounted for 88.0% of all fund assets (87.7).

In October, OP Asset Management updated its climate goals that take into account both the risks and the opportunities of low-carbon transition. OP Financial Group has the objective of 75% of its direct equity and fixed income investments converging on a net zero path, or having reached net zero, by the end of 2030. Net zero in this sense means parity between the amount of greenhouse gases emitted into the atmosphere and the amount captured.

In October, many OP Financial Group cooperative banks organised Feel Confident Online weeks to provide effective guidance in the use of digital services for older people and other groups.

To promote diversity, OP Financial Group aims to have at least 40% of defined executive positions occupied by the least represented group in each case: men or women. At the end of December, the proportion of women in these positions was 37% (31).

# Capital adequacy and capital base

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

OP Financial Group's own funds, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates (FiCo), exceeded the minimum amount specified in the Act by EUR 6.0 billion (5.2). Banking capital requirement was 15.4% (14,4), calculated on risk-weighted assets. The increase resulted from the adoption of the systemic risk buffer.

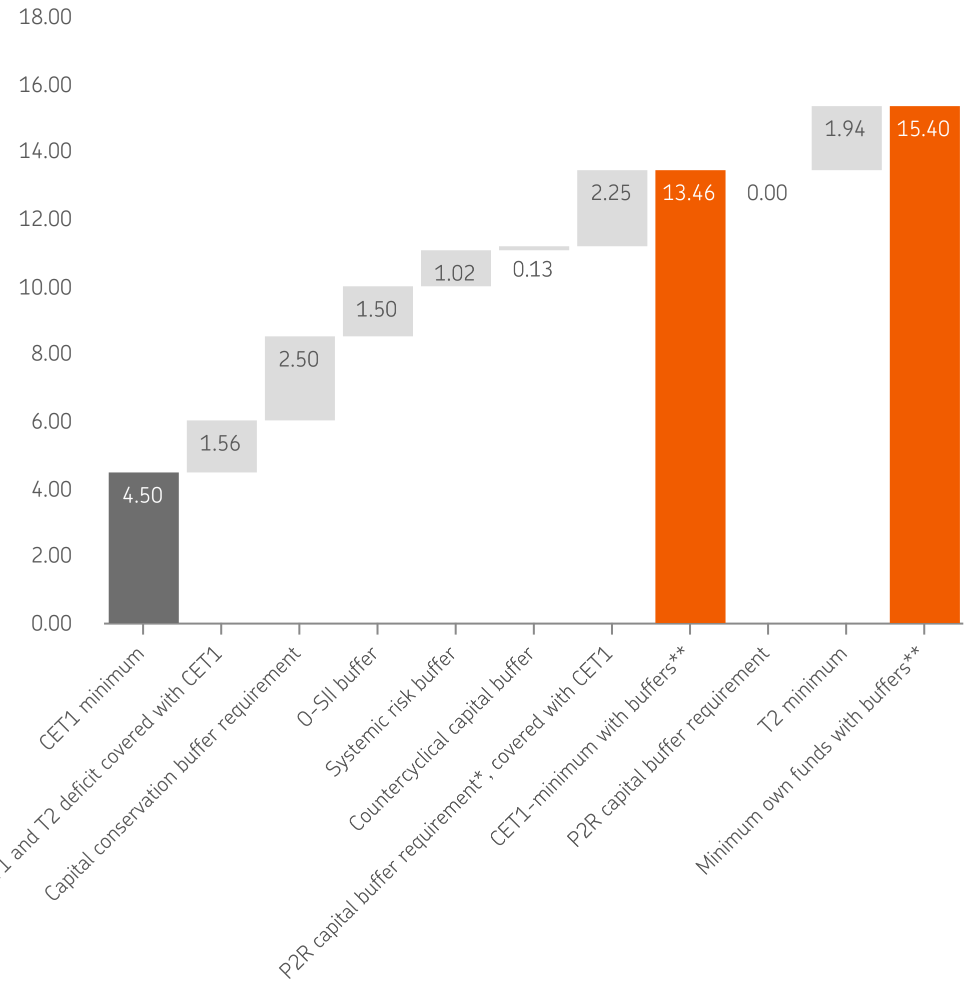
The ratio of OP Financial Group's own funds to the minimum capital requirement was 148% (144). As a result of the buffer requirements for banking and the solvency requirements for insurance companies, the minimum FiCo solvency of 100% reflects the level within which the conglomerate can operate without regulatory obligations resulting from buffers below the required level.

## Capital adequacy for credit institutions

OP Financial Group's CET1 ratio was 21.5% (19.2), which exceeds the minimum regulatory requirement by 8.1 percentage points. The ratio was increased by the earnings performance for the period and a decrease in risk-weighted assets.

As a credit institution, OP Financial Group's capital adequacy is on a solid basis compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%; the minimum requirement of 1.5% for AT1 and T2, which needs to be covered with CET1, raises the CET1 minimum to 6.0%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions, the O-SII buffer requirement of 1.5% the systemic risk buffer requirement of 1.0%, the change in the countercyclical capital buffer requirement for foreign exposures, and the ECB's P2R requirement increase, in practice, the minimum total capital ratio to 15.4% and the minimum CET1 ratio to 13.5%, including the shortfalls of Additional Tier 1 (AT1) and Tier 2 (T2) capital.

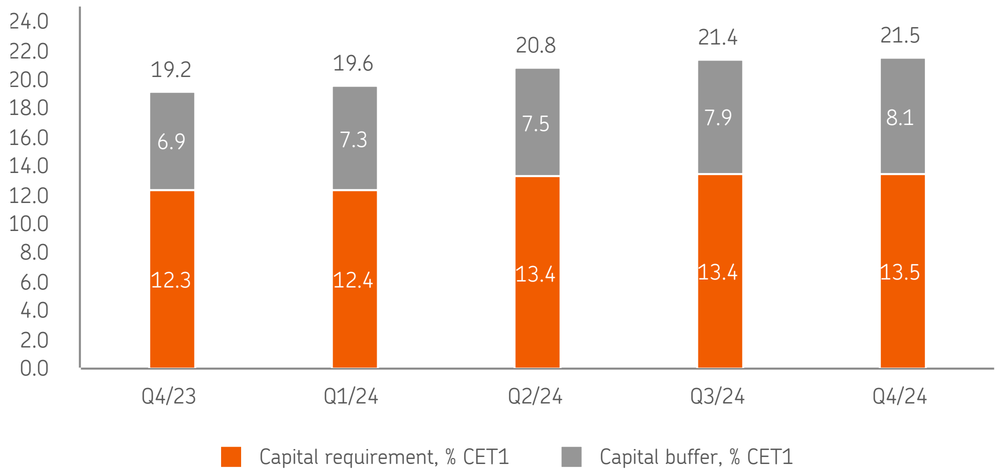
Capital requirements Q4/2024




*P2R supervisor's Pillar II requirement

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

CET1 ratio, %




The CET1 capital of OP Financial Group as a credit institution was EUR 15.5 billion (14.1). Banking earnings had a positive effect on CET1 capital. The amount of Profit Shares in CET1 capital was EUR 3.1 billion (3.1).

The risk exposure amount (REA) was EUR 71.8 billion (73.5). The risk-weighted assets for operational risk increased in line with income for previous years. Risk-weighted credit risk assets decreased.

Risk exposure amount 31 Dec 2024; Total EUR 71.8 billion

| Risk exposure amount (REA) | 31 Dec 2024 | Share of REA, % | 31 Dec 2023 | Share of REA, % | Change, % |
|---|---|---|---|---|---|
| Credit and counterparty risk | 63.3 | 88.3 | 66.0 | 89.8 | -4.0 |
| Corporate exposure | 44.7 | 62.3 | 46.6 | 63.4 | -4.0 |
| Retail exposure | 12.0 | 16.7 | 12.5 | 17.0 | -4.0 |
| Equity investments | 2.4 | 3.3 | 2.4 | 3.3 | -1.1 |
| Other | 4.2 | 5.9 | 4.5 | 6.2 | -6.6 |
| Market risk | 1.2 | 1.6 | 1.2 | 1.7 | -5.7 |
| Operational risk | 4.9 | 6.9 | 4.2 | 5.7 | 18.8 |
| Other risks | 2.3 | 3.3 | 2.1 | 2.9 | 9.5 |
| Total | 71.8 | 100.0 | 73.5 | 100.0 | -2.4 |

OP Financial Group treats insurance holdings within the financial conglomerate as risk-weighted assets, based on permission from the ECB. Equity investments include EUR 2.3 billion in risk-weighted assets of the Group's internal insurance holdings. Under the Standardised Approach, the risk weight of insurance company holdings is 100%.

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

The leverage ratio for OP Financial Group's Banking was 10.5% (9.5). The higher ratio was particularly due to a decrease in central bank deposits, and earnings performance. The regulatory minimum requirement is 3%.

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

OP Amalgamation's Pillar III disclosures for 31 December 2024 will be published in week 11.

## Insurance

The solvency position of the insurance companies is strong. However, both companies' solvency ratio weakened during the year due to a higher capital requirement. The decrease in interest rates increased the capital requirement.

| | Non-life insurance | | Life insurance | |
|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| Own funds, € mill. | 1,851 | 1,747 | 1,550 | 1,466 |
| Solvency capital requirement (SCR), € million | 948 | 851 | 758 | 660 |
| Solvency ratio, % | 195 | 205 | 204 | 222 |

## ECB's supervision

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

## Liabilities under the Resolution Act

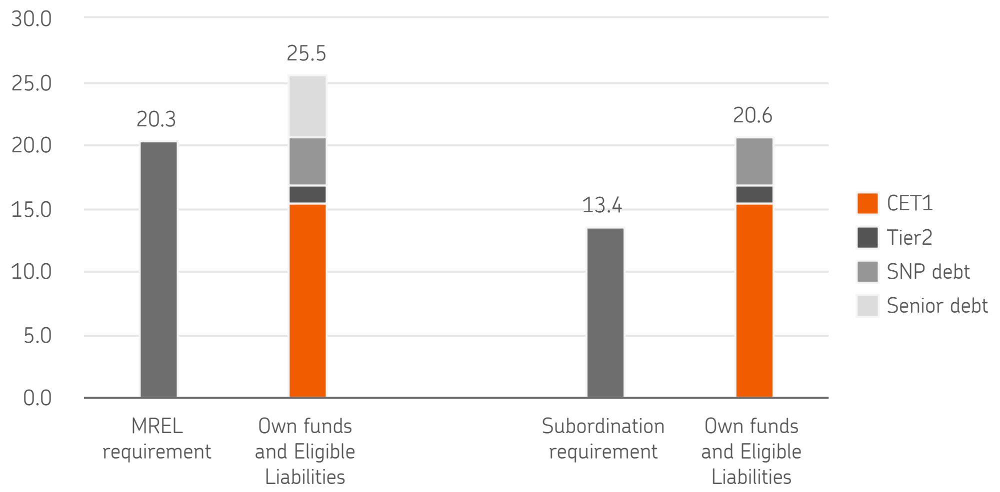
Under regulation applied to the resolution of credit institutions and investment firms, the resolution authority is authorised to intervene in the terms and conditions of investment products issued by a bank in a way that affects an investor's position. The EU's Single Resolution Board (SRB) based in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

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

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

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

### MREL requirement, € billion



# Bases for risk profile management and the business environment

The basic principle of OP Financial Group's risk-taking is acknowledgement that it takes risks related to fulfilling its mission. In risk-taking related to its operations, OP Financial Group emphasises careful preparation and a sound risk-return ratio. The principles and limits prepared by senior management and adopted by OP Cooperative's Board of Directors steer and limit the Group's risk taking.

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

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

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

## Operational risks

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

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

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

The inspection initiated by the FIN-FSA on 4 April 2023, concerning anti-money laundering and counter-terrorist financing in OP Retail Customers plc, was completed in April 2024. The inspection concerned compliance with enhanced customer due diligence related to credit card customers in high-risk countries outside the European Economic Area, and the related procedures. Here, high-risk countries means countries defined by the European Commission whose systems for preventing and investigating money laundering and terrorist financing have shortcomings. The FIN-FSA's observations concerned the company's operations in 2022. OP Retail Customers plc fixed the major shortcomings in its processes during the inspection.

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

During the reporting period, the volume of materialised operational risks remained moderate at OP Financial Group, resulting in EUR 10 million (6) in losses. The risk profile of other risks is discussed in more detail by business segment.

## Retail Banking and Corporate Banking

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

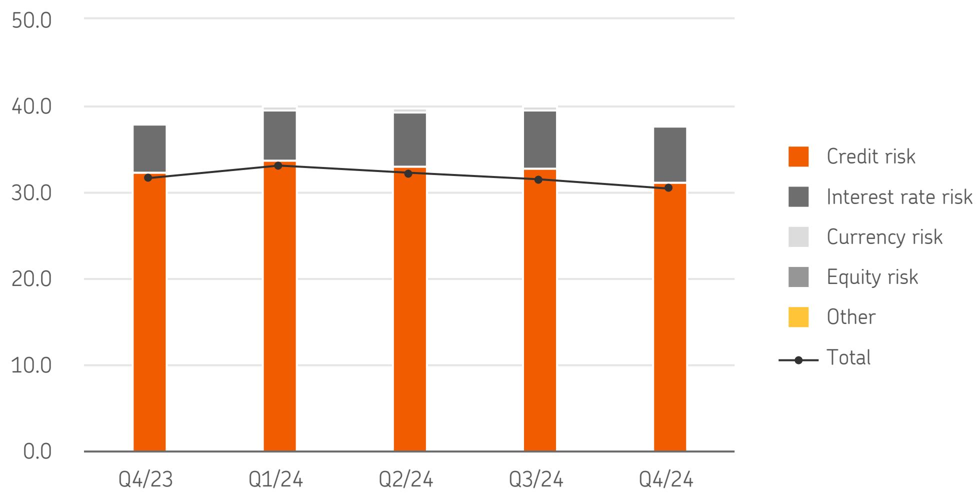
Banking credit risk exposure remained stable and credit risk remained low. The overall quality of the loan portfolio continued to be good. However, for customers in the construction and real estate sectors, the situation remained challenging, despite the stabilisation towards the end of the year.

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

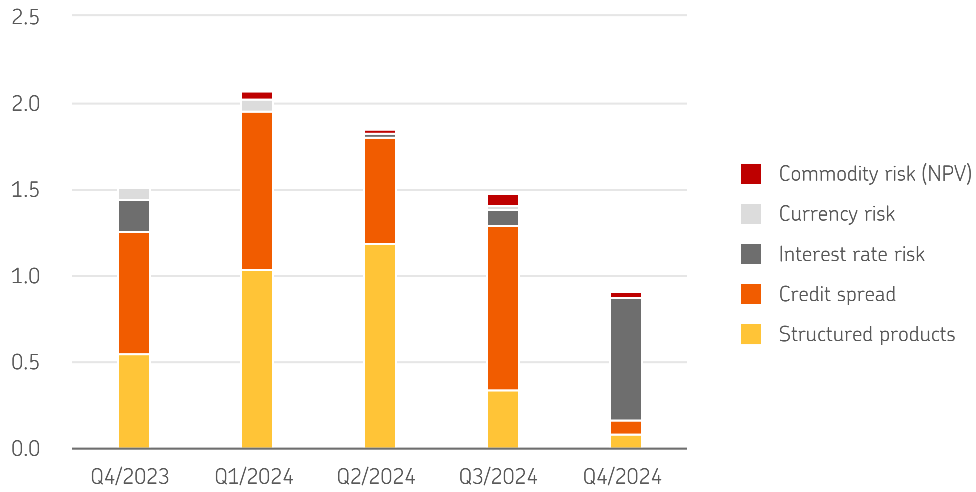
In Markets, the stressed Expected Shortfall (ES), a measure of market risk, declined significantly in the fourth quarter, amounting to EUR 0.9 million at the end of the reporting period.

Deposits within the scope of deposit guarantee and managed by OP Financial Group totalled EUR 45.2 billion (44.2) at the end of the reporting period, which equals 58.2% of deposits (59.3). The Deposit Guarantee Fund compensates a maximum of EUR 100,000 for each OP Financial Group customer.

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




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



## Forborne and non-performing exposures

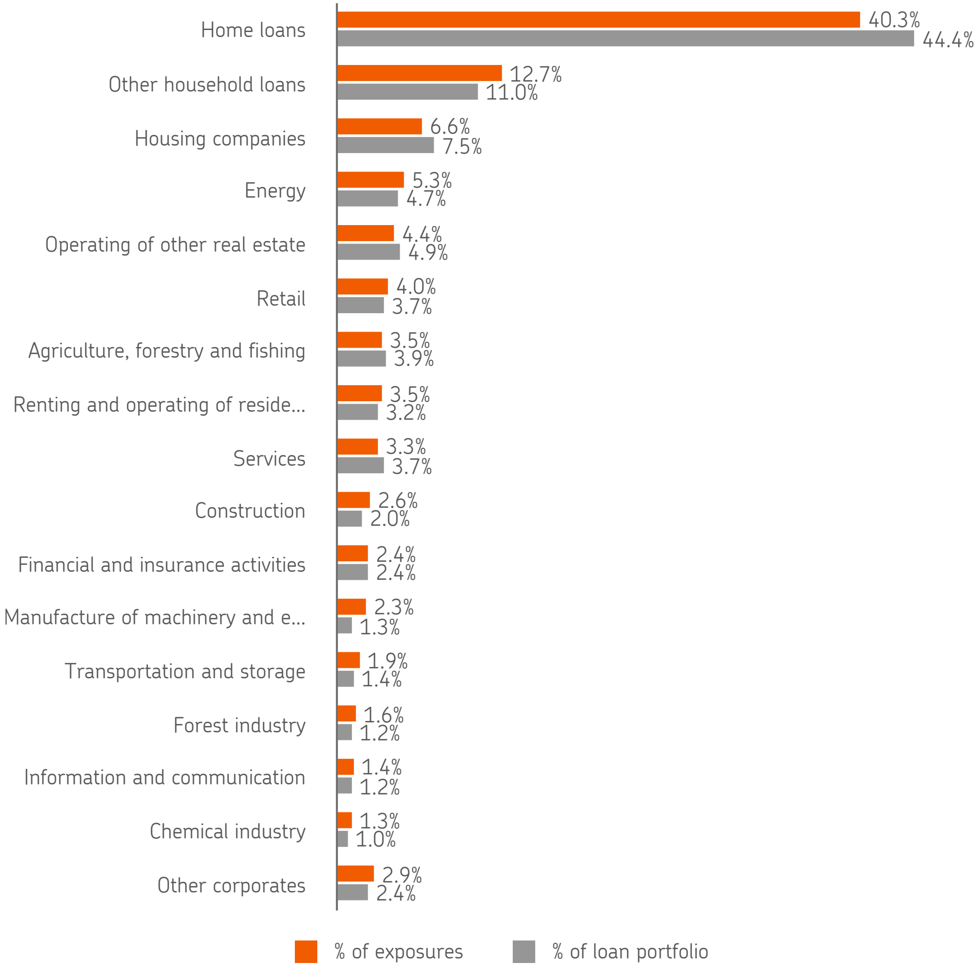
| € billion | Performing forborne exposures (gross) | | Non-performing exposures (gross) | | Doubtful receivables (gross) | | Loss allowance | | Doubtful receivables (net) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| More than 90 days past due | | | 0.57 | 0.59 | 0.57 | 0.59 | 0.17 | 0.21 | 0.40 | 0.38 |
| Unlikely to be paid | | | 1.08 | 1.37 | 1.08 | 1.37 | 0.17 | 0.21 | 0.92 | 1.16 |
| Forborne exposures | 3.47 | 3.33 | 1.40 | 1.45 | 4.87 | 4.78 | 0.22 | 0.20 | 4.64 | 4.59 |
| **Total** | **3.47** | **3.33** | **3.05** | **3.41** | **6.52** | **6.74** | **0.55** | **0.61** | **5.96** | **6.13** |

| Key ratios, % | OP Financial Group | | Retail Banking | | Corporate Banking | |
|---|---|---|---|---|---|---|
| | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| Ratio of doubtful receivables to exposures | 5.64 | 5.81 | 6.36 | 7.30 | 4.00 | 2.52 |
| Ratio of non-performing exposures to exposures | 2.64 | 2.94 | 3.02 | 3.25 | 1.77 | 2.23 |
| Ratio of performing forborne exposures to exposures | 3.00 | 2.87 | 3.34 | 4.06 | 2.23 | 0.29 |
| Ratio of performing forborne exposures to doubtful receivables | 53.21 | 49.50 | 52.47 | 55.60 | 55.77 | 11.50 |
| Ratio of loss allowance (receivables from customers) to doubtful receivables | 12.59 | 13.70 | 10.35 | 10.40 | 20.45 | 34.80 |

Non-performing exposures decreased, accounting for 2.6% of total exposures (2.9). Doubtful receivables decreased to 5.6% of total exposures (5.8). Ratio of performing forborne exposures to doubtful receivables increased to 3.0% (2.9). No single customer's exposure exceeded 10% of OP Financial Group's Tier 1 capital after allowances.

## Breakdown of exposures and loan portfolio

### Breakdown of exposures and loan portfolio by sector




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

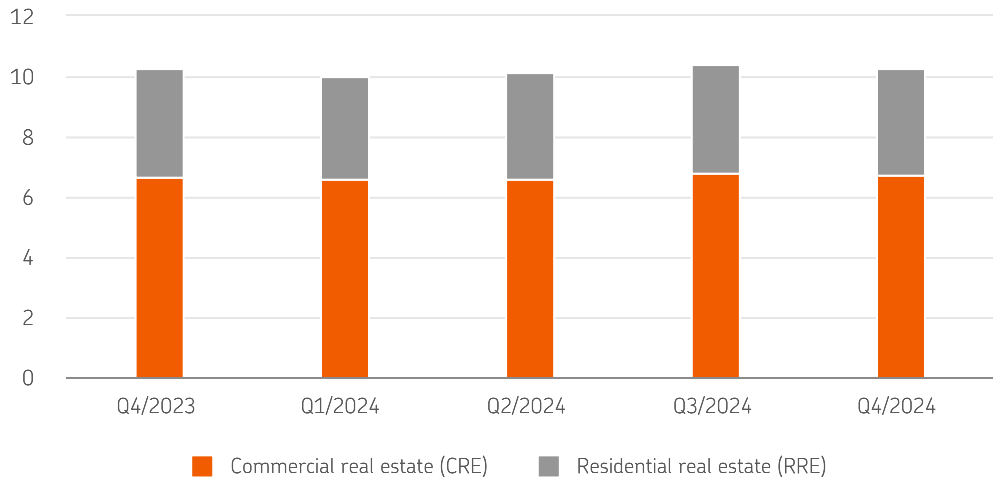
Below is a more detailed description of the development of OP Financial Group's exposures to the real estate sector, and the breakdown of exposures by type of real estate. An increase in risk has been identified in the real estate sector due to the changed interest rate environment. In the graph on the left, exposures to the real estate sector are mainly included in Operating of other real estate, and Renting and operating of residential real estate.

At the end of the reporting period, OP Financial Group's exposures to the real estate sector totalled 8.9% (8.9) of all exposures. These exposures are well spread across different types of real estate. The largest type of real estate is commercial real estate units, which includes units such as offices. On 31 December 2024, 64.4% (63.0) of OP Financial Group's real estate portfolio was held by Corporate Banking and 35.6% (37.0) by Retail Banking.

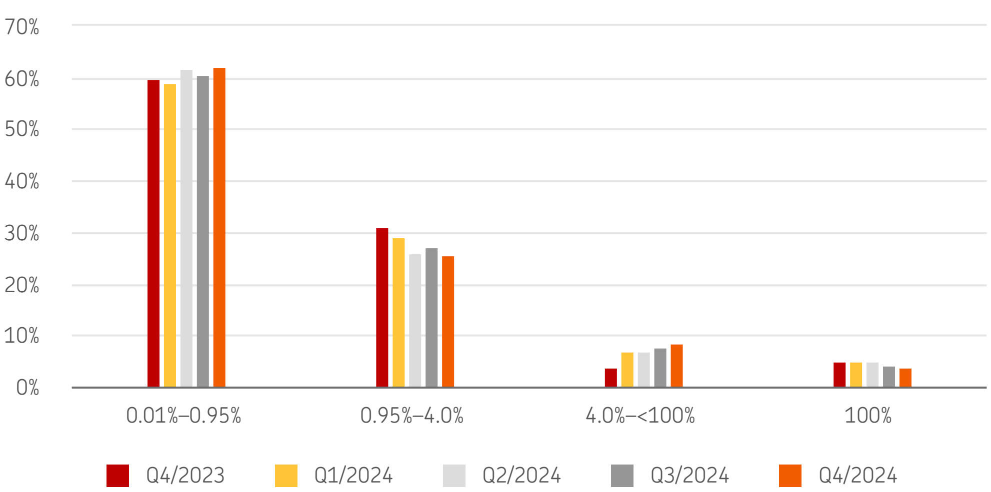
At the end of December, 3.6% of the real estate exposures (4.6%) were classified as non-performing exposures.

### CRE and RRE exposures

€ billion

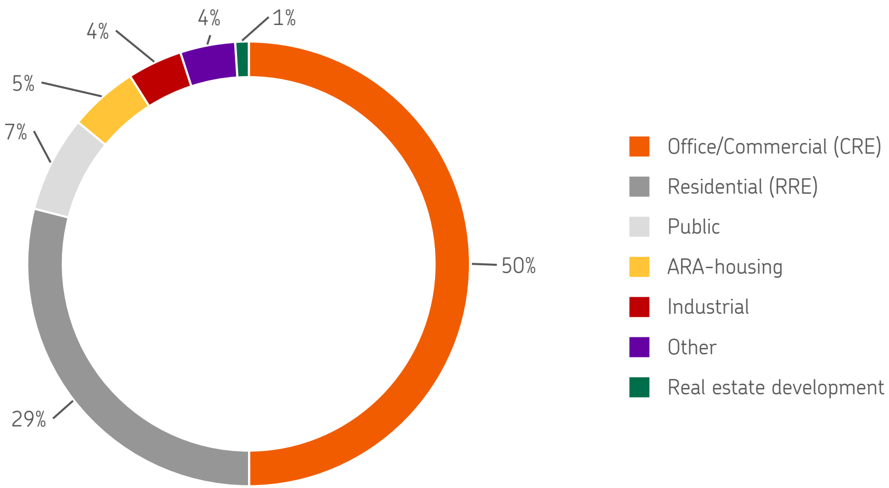


## Breakdown of real estate operators' probability of default



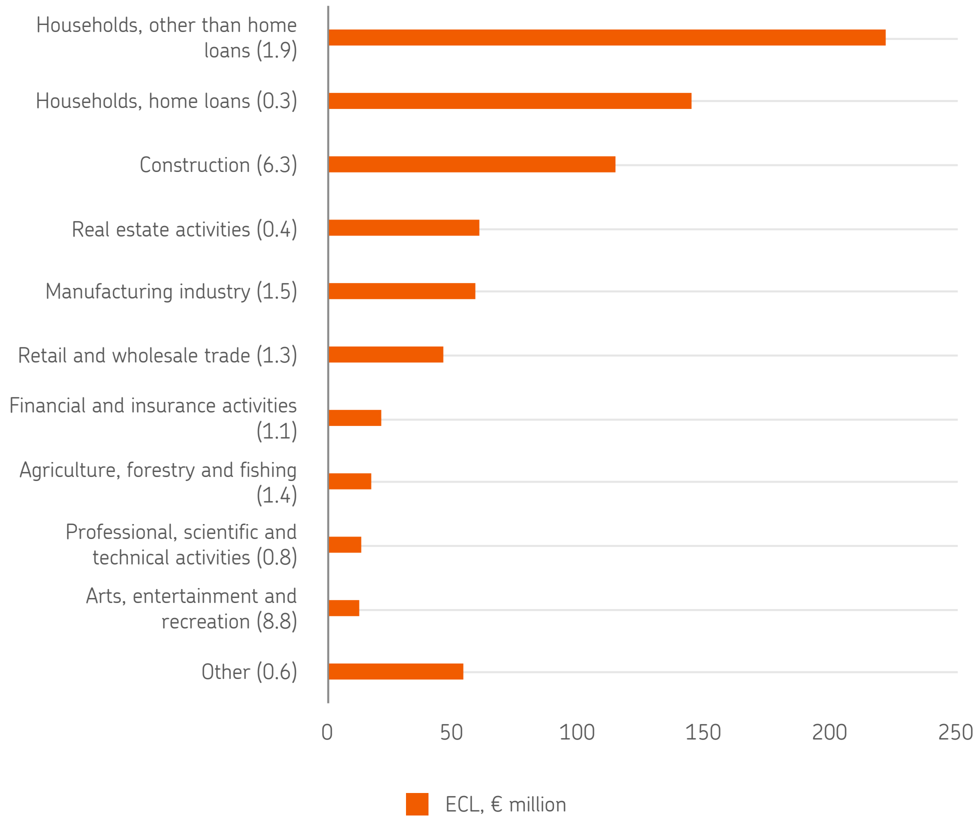

## Portfolio split between real estate types

31 Dec 2024




## Loss allowance by sector

31 Dec 2024




The graph shows the loss allowance of different sectors at the end of the reporting period, 31 December 2024. The figure in brackets after each description shows the ratio of loss allowance to gross exposures of the sector at the end of the reporting period.

### Interest rate risk

Retail Banking's interest rate risk in the banking book measured as the effect of a one-percentage point interest rate increase on net interest income was EUR 76 million (130) and as the effect of a one-percentage point decrease EUR –87 million (–137) on average per year. Interest income risk is calculated for a one-year period by dividing the sum of the interest income risk for the next three years by three.

Corporate Banking's interest rate risk in the banking book measured as the effect of a one-percentage point interest rate increase on net interest income was EUR 22 million (17) and as the effect of a one-percentage point decrease EUR –22 million (–18) on average per year.

## Insurance

### Non-life insurance

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

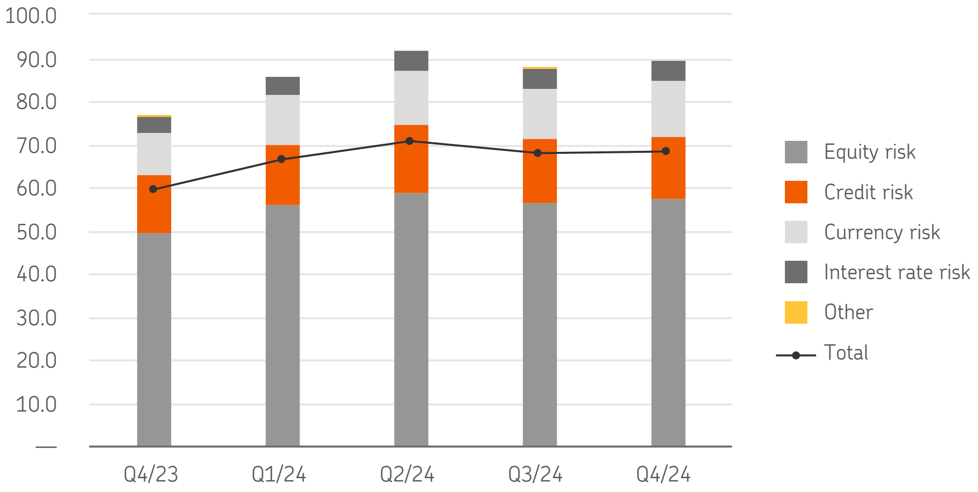
Longevity, or a decline in mortality, will increase payments made from pension portfolios. A 5% decrease in mortality assumptions would have an annual impact of EUR 15 million (15) on insurance contract liabilities. A one percentage point decrease in interest rates used in the valuation of insurance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

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

VaR, a measure of market risk, was EUR 68 million (59) at the end of the reporting period. The increase is explained by the increase in equity risk. VaR includes the company's investment balance including investments, insurance contract liabilities and derivatives that hedge against interest rate risk associated with insurance contract liabilities.

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

€ million




### Life insurance

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

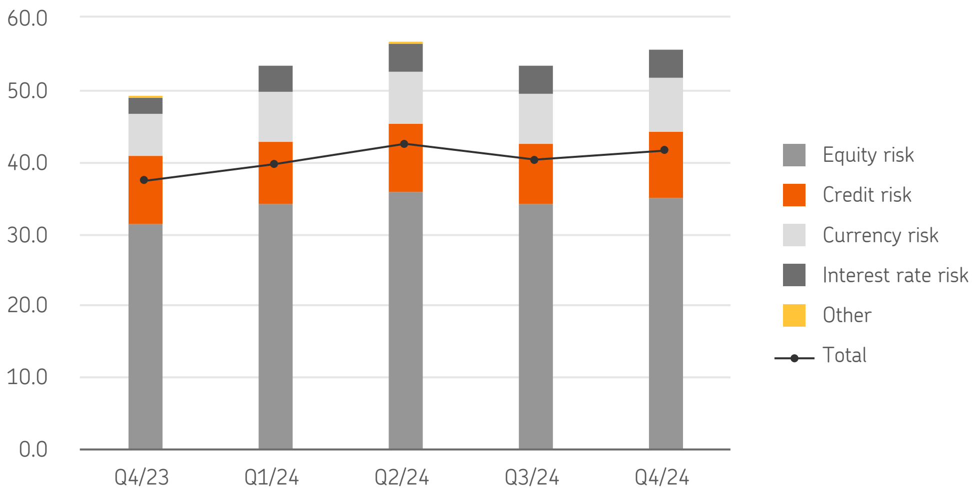
Longevity, or a decline in mortality, will increase payments made from pension portfolios. Overall, a 5% decrease in mortality assumptions would have an annual impact of EUR 23 million (22) on insurance contract liabilities related to annuity portfolios. Meanwhile, in term life insurance portfolios, growth in mortality rates would increase the number of claims. Overall, a 5% increase in mortality assumptions would have an annual impact of EUR 16 million (21) on insurance contract liabilities related to term life insurance portfolios. A 10% increase in the insurance policy lapse rate would have an annual impact of EUR 45 million (58) on insurance contract liabilities. A one percentage point decrease in interest rates used in the valuation of insurance contract liabilities would have an annual impact of EUR 175 million (177) on such liabilities.

Investment risks associated with separated insurance portfolios and risks associated with changes in customer behaviour have been buffered. The buffer is sufficient to cover a significant negative return on the investment assets included in the separated portfolios, after which OP Financial Group will bear the risks associated with the portfolios. The buffers totalled EUR 224 million (245) on 31 December 2024.

The market risk level of the investments of life insurance increased during the reporting period. The increase is explained by the increase in equity risk. VaR, a measure of market risk, was EUR 41 million (37) at the end of the reporting period. VaR includes life insurance's investment balance, including investments, insurance contract liabilities and derivatives that hedge against interest rate risk associated with insurance contract liabilities. The calculation does not include market risks associated with separated life insurance portfolios, assets that buffer against those risks, and customer bonuses.

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

€ million



## Group Functions

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

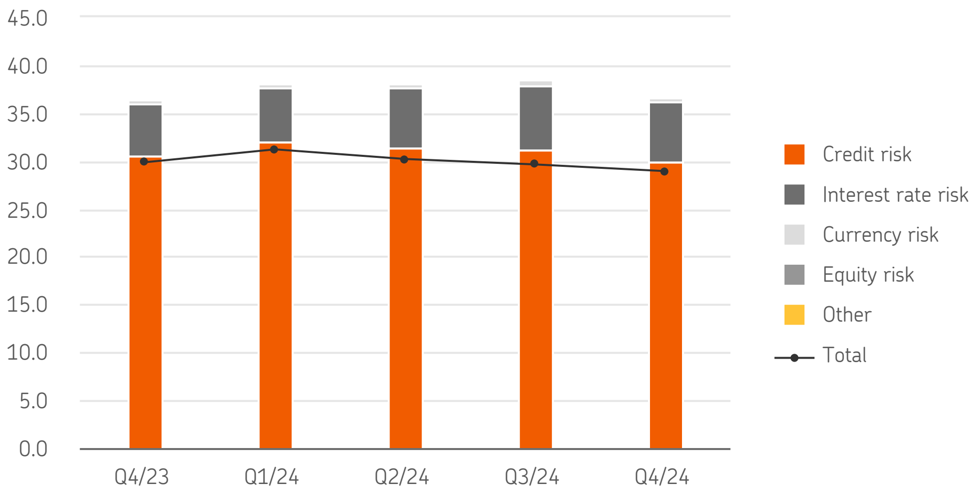
OP Financial Group's funding position and liquidity are strong. During the reporting period, OP Financial Group issued long-term bonds worth EUR 3.6 billion (5.2).

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 129% (130) at the end of the reporting period.

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

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

€ million




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

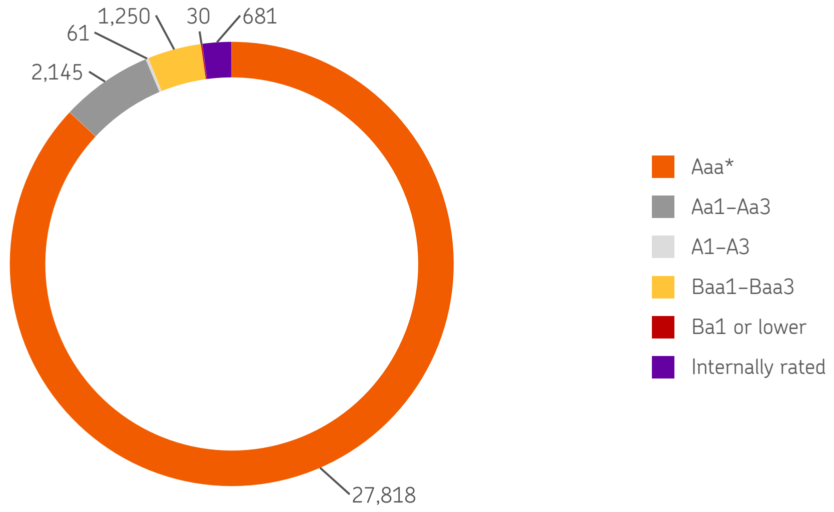
OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using, for example, the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100%. OP Financial Group's LCR was 193% (199) at the end of the reporting period.

### Liquidity buffer

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

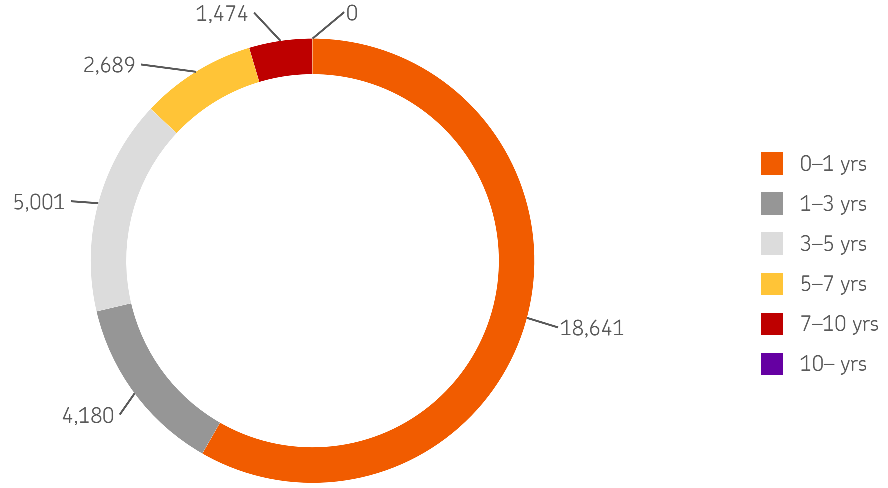
The liquidity buffer comprises notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, securitised assets and loan receivables eligible as collateral. At the end of the reporting period, the liquidity buffer included bonds with a carrying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

Financial assets included in the liquidity buffer by credit rating
31 December 2024, € million




* incl. deposits with the central bank

Financial assets included in the liquidity buffer by maturity
31 December 2024, € million




## Credit ratings

### Credit ratings 31 December 2024

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

OP Corporate Bank plc has credit rating and Pohjola Insurance Ltd has financial strength rating affirmed by Standard & Poor's and Moody's. When assessing OP Corporate Bank's credit rating, credit rating agencies take account of the entire OP Financial Group's funding position. The credit ratings did not change in 2024.

# Financial performance by segment

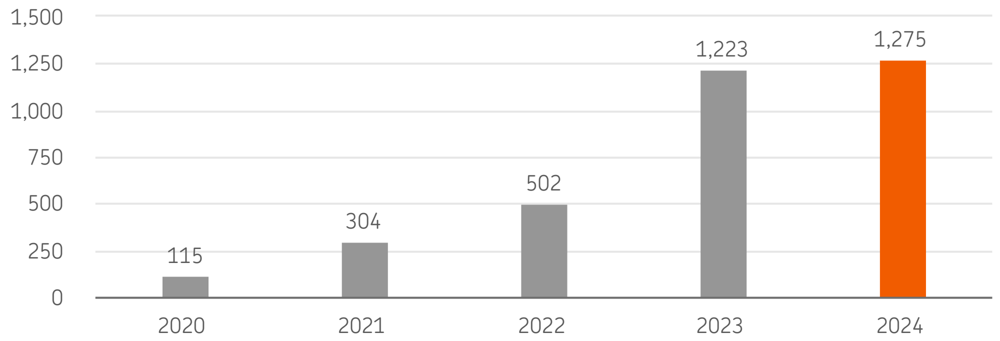
OP Financial Group's business segments are Retail Banking (Banking Personal and SME Customers), Corporate Banking (Banking Corporate and Institutional Customers) and Insurance (Insurance Customers). Non-business segment operations are presented under the Group Functions segment. OP Financial Group prepares its segment reporting in compliance with its accounting policies. The Retail Banking segment's name in Finnish was changed during the first quarter of 2024. The segment's name in English was not changed.

## Retail Banking segment

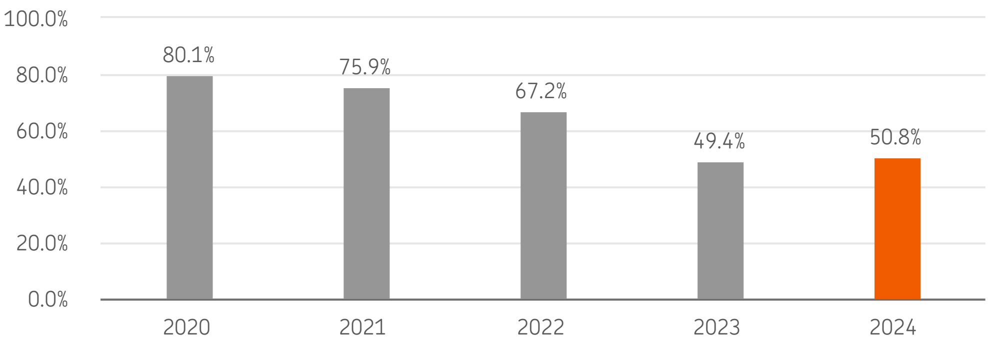
OP Financial Group's Retail Banking segment consists of banking and wealth management services for personal and SME customers at OP cooperative banks and at OP Mortgage Bank and OP Retail Customers plc, which belong to the central cooperative consolidated.

- Operating profit increased to EUR 1,275 million (1,223). The cost/income ratio weakened to 50.8% (49.4%).
- Total income increased by 1.0% to EUR 2,788 million. Income from customer business increased by a total of 0.2%: net interest income increased by 3.5% to EUR 2,112 million and net commissions and fees decreased by 9.8% to EUR 619 million. The decrease in net commissions and fees was affected by the fact that owner-customers have got their daily banking services free of monthly charges since October 2023.
- Impairment loss on receivables decreased to EUR 95 million (173). Non-performing exposures (gross) decreased and accounted for 3.0% (3.2) of total exposures.
- Total expenses increased by 4.0% to EUR 1,417 million. Personnel costs increased by 8.0% to EUR 540 million. Other operating expenses increased by 2.8% to EUR 829 million.
- OP bonuses to owner-customers increased by 11.7% to EUR 242 million (217).
- Year on year, the loan portfolio decreased by 0.3% to EUR 70.7 billion. The deposit portfolio grew by 2.7% year on year, to EUR 62.9 billion.
- The most significant development investments focused on the upgrading of lending and borrowing systems. Besides the reform of core systems, investments were targeted at promoting the development of credit risk management, self-service channels and customer relationship management systems.

Operating profit
€ million




Cost/income ratio*
%



## Retail Banking segment's key figures and ratios

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Net interest income* | 2,112 | 2,041 | 3.5 |
| Impairment loss on receivables | -95 | -173 | -45.1 |
| Net commissions and fees* | 619 | 686 | -9.8 |
| Investment income | -5 | -29 | -83.2 |
| Other operating income | 61 | 61 | 0.2 |
| Personnel costs | -540 | -500 | 8.0 |
| Depreciation/amortisation and impairment loss | -48 | -57 | -16.0 |
| Other operating expenses | -829 | -806 | 2.8 |
| **Operating profit** | **1,275** | **1,223** | **4.3** |
| **Total income*** | **2,788** | **2,759** | **1.0** |
| **Total expenses** | **-1,417** | **-1,363** | **4.0** |
| Cost/income ratio, %* | 50.8 | 49.4 | 1,4** |
| Ratio of non-performing exposures to exposures, % | 3.0 | 3.2 | -0,2** |
| Ratio of impairment loss on receivables to loan and guarantee portfolio, % | 0.13 | 0.24 | -0,11** |
| Return on assets (ROA), % | 1.06 | 0.99 | 0,07** |
| Return on assets, excluding OP bonuses, % | 1.26 | 1.17 | 0,09** |

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Home loans drawn down | 5,281 | 5,569 | -5.2 |
| Corporate loans drawn down | 1,784 | 1,996 | -10.6 |
| No. of brokered residential property and property transactions | 9,041 | 8,932 | 1.2 |

| € billion | 31 Dec 2024 | 31 Dec 2023 | Change, % |
|---|---|---|---|
| **Loan portfolio** | | | |
| Home loans | 41.6 | 41.9 | -0.6 |
| Corporate loans | 7.3 | 7.9 | -6.8 |
| Housing companies*** | 8.7 | 8.6 | 1.1 |
| Other loans to corporations and institutions | 4.8 | 4.2 | 14.7 |
| Other consumer loans | 8.3 | 8.4 | -1.6 |
| **Total loan portfolio** | **70.7** | **70.9** | **-0.3** |
| Guarantee portfolio | 1.0 | 1.0 | 8.1 |
| Other exposures | 8.0 | 7.6 | 5.0 |
| **Deposits** | | | |
| Current and payment transfer deposits | 35.4 | 36.8 | -3.8 |
| Investment deposits | 27.4 | 24.4 | 12.4 |
| **Total deposits** | **62.9** | **61.2** | **2.7** |

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Net assets inflow of OP Financial Group mutual funds | 889.6 | -87.8 | – |

* OP bonuses to owner-customers, which were previously shown on a separate line in the income statement, have been divided under interest income and interest expenses based on their accrual. The line 'OP bonuses to owner-customers' is no longer shown in the income statement. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report, Accounting policies and changes in accounting policies and presentation.

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

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

## Events of the reporting period

Year on year, the loan portfolio decreased by 0.3% to EUR 70.7 billion. The home loan portfolio decreased by 0.6% to EUR 41.6 billion. Due to the slack period affecting the home loan market, the amount of home loans drawn down totalled EUR 5.3 billion, representing a decrease of 5.2% year on year. The volume of home and real property sales brokered by OP Koti real estate agents increased by 1.2%, totalling 9,041. At the end of the reporting period, 78.1% (80.6) of the home loan portfolio was tied to the 12-month Euribor, 17.9% (16.0) to shorter Euribor rates, and 4.0% (3.4) to the OP-Prime rate and a fixed interest rate. The corporate loan portfolio decreased by 6.8% to EUR 7.3 billion due to the continued low appetite of SMEs to invest. The housing company loan portfolio grew by 1.1% to EUR 8.7 billion. Other loans to corporations and institutions increased by 14.7% to EUR 4.8 billion. Other consumer loans decreased by 1.6% to EUR 8.3 billion.

On 31 December 2024, a total of 33.7% (34.4) of personal customers' home loans were covered by interest rate protection. On the same date, the interest expenses of around 143,000 home loans were being reduced by an interest rate cap; the loans' aggregate principal totalled EUR 12.3 billion. In financial terms, the net benefit gained by customers from interest rate caps during the reporting period totalled EUR 232 million (168).

The deposit portfolio grew by 2.7% year on year, to EUR 62.9 billion. Deposits on current and payment transfer accounts decreased by 3.8%, and investment deposits increased by 12.4%.

In 2023, OP Financial Group launched a green loan for SMEs and housing companies. The green loan boosts investments in areas such as energy-efficient construction, renewable energy, and infrastructure for low-emission transport. At the end of December, green loans granted to SMEs totalled EUR 255 million (62). At the end of 2024, the Energy Efficiency Loan for energy renovation of one- or two-family houses was launched for personal customers.

OP Financial Group customers continued to show interest in saving and investing. During the reporting period, OP Financial Group's mutual funds attracted 136,000 new unitholders, and customers made 165,000 new systematic investment plans on mutual funds. At the end of the reporting period, OP Financial Group's mutual funds had more than 1.41 million unitholders. In share trading, the number of executed orders was 25.7% higher than a year ago.

OP Financial Group increased the OP bonuses to be earned by owner-customers for 2024 by 40% compared to the normal level of 2022. Additionally, owner-customers got daily banking services without monthly charges in 2024. Together, these benefits were estimated to add up to more than EUR 404 million in value for owner-customers in 2024. The benefits will be in force until the end of 2025.

Use of digital services continues its steady growth. Personal and corporate customers increasingly use digital channels for banking and insurance. In December, 1.7 million (1.6) personal and corporate customers used OP Financial Group's mobile channels, and there were more than 59 million logins to OP-mobile in December.

OP Financial Group and Nordea agreed in December 2023 to establish a joint venture to create solutions for payment challenges in Finland. Realisation of the venture must await the approval of the Finnish Competition and Consumer Authority (FCCA). On 29 October 2024, the FCCA announced that it will initiate further investigation of the venture.

In January–December, the most significant development investments focused on upgrading the lending and borrowing systems. The aim of this upgrade is to modernise core systems and increase operational efficiency. Besides the reform of core systems, investments were targeted at promoting key areas of development in credit risk management and the development of self-service channels and customer relationship management systems.

At the end of the reporting period, the number of OP cooperative banks was 93 (102). Merger projects between OP cooperative banks are underway in various parts of Finland.

## Financial performance for the reporting period

Retail Banking's operating profit amounted to EUR 1,275 million (1,223). Total income increased by 1.0% to EUR 2,788 million. Net interest income grew by 3.5% to EUR 2,112 million. The development of market rates continued to increase net interest income.

Net commissions and fees decreased by 9.8% to EUR 619 million. The decrease in net commissions and fees was affected by the fact that owner-customers have got their daily banking services free of monthly charges since October 2023.

Impairment loss on receivables decreased to EUR 95 million (173). Final net loan losses recognised for the reporting period totalled EUR 172 million (36). In 2024, OP Financial Group enhanced the recognition process for final credit losses. After a loan has been transferred for legal collection, the loan principal is written down to the value of collateral. Non-performing exposures decreased and accounted for 3.0% (3.2) of total exposures.

Total expenses increased by 4.0% to EUR 1,417 million. Personnel costs rose by 8.0% to EUR 540 million. The increase was affected by headcount growth and pay increases. Other operating expenses decreased by 2.8% to EUR 829 million. Charges of financial authorities decreased by EUR 32 million. The EU's Single Resolution Board (SRB) did not collect stability contributions from banks for 2024.

Depreciation/amortisation and impairment loss decreased by 16.0% year on year, to EUR 48 million.

OP bonuses to owner-customers grew by 11.7% to EUR 242 million as a result of a higher bonus accrual for 2024. Based on their accrual, OP bonuses to owner-customers are included in interest income and interest expenses in the income statement.

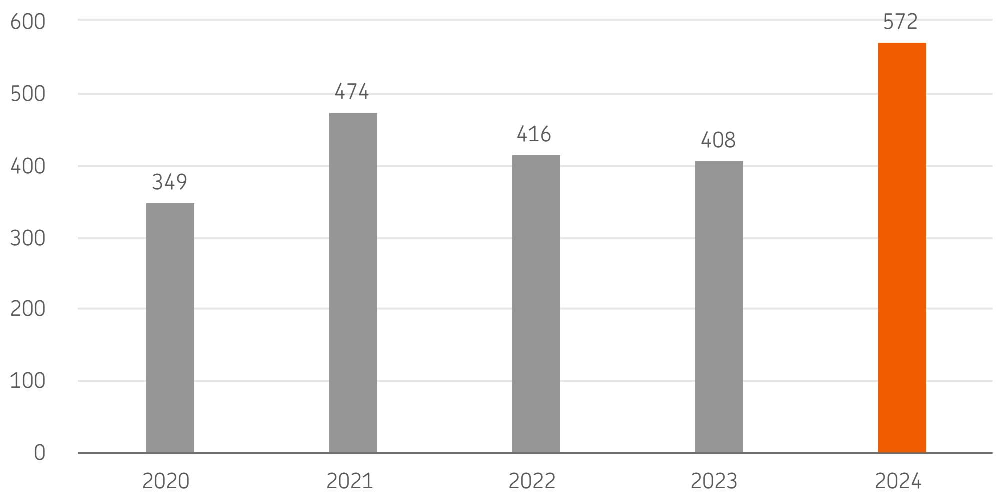
## Corporate Banking segment

OP Financial Group's Corporate Banking segment consists of banking and wealth management services for corporate and institutional customers. The segment comprises OP Corporate Bank plc's banking, OP Asset Management Ltd, OP Fund Management Company Ltd, OP Custody Ltd and OP Real Estate Asset Management Ltd.

- Operating profit increased to EUR 572 million (408) and the cost/income ratio improved to 38.3% (41.3).
- Total income grew to EUR 928 million (858). Net interest income grew by 11.3% to EUR 657 million (591). Net commissions and fees grew by 3.5% to EUR 199 million (192). Investment income decreased by 32.9% to EUR 36 million (53).
- Impairment loss on receivables totalled EUR 0 million (96). Non-performing receivables (gross) accounted for 1.8% (2.2) of the exposures.
- Total expenses increased to EUR 355 million (354). Personnel costs increased by 8.9% to EUR 113 million (104). Other operating expenses decreased by 2.7% to EUR 241 million (247).
- The loan portfolio grew by 0.8% to EUR 28.3 billion while deposits grew by 11.6% to EUR 15.4 billion (13.8), year on year. Assets under management by Corporate Banking increased by 8.5% to EUR 81.0 billion (74.7), year on year.
- The most significant development investments involved the upgrades of customer relationship management, payment systems and the core banking system, and development work on funds' management processes.

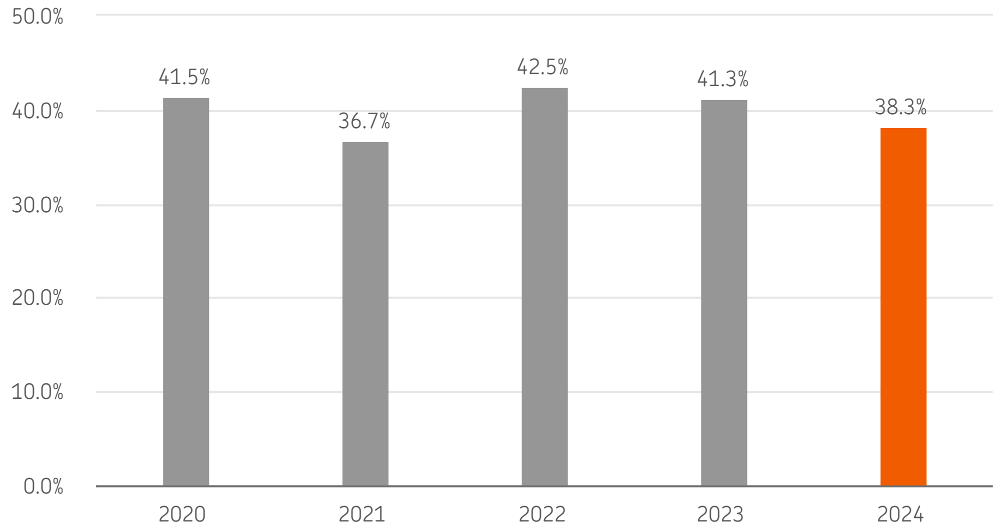
Operating profit

€ million




Cost/income ratio**

%



## Corporate Banking segment's key figures and ratios

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Net interest income** | 657 | 591 | 11.3 |
| Impairment loss on receivables | 0 | -96 | -99.6 |
| Net commissions and fees** | 199 | 192 | 3.5 |
| Investment income | 36 | 53 | -32.9 |
| Other operating income | 35 | 21 | 64.1 |
| Personnel costs | -113 | -104 | 8.9 |
| Depreciation/amortisation and impairment loss | -1 | -3 | -53.6 |
| Other operating expenses | -241 | -247 | -2.7 |
| **Operating profit** | **572** | **408** | **40.4** |
| **Total income**** | **928** | **858** | **8.1** |
| **Total expenses** | **-355** | **-354** | **0.3** |
| Cost/income ratio, %** | 38.3 | 41.3 | -3,0* |
| Ratio of non-performing exposures to exposures, % | 1.8 | 2.2 | -0,4* |
| Ratio of impairment loss on receivables to loan and guarantee portfolio, % | | 0.31 | -0,31* |
| Return on assets (ROA), % | 1.37 | 0.93 | 0,44* |
| Return on assets, excluding OP bonuses, % | 1.45 | 0.99 | 0,46* |

| € billion | 31 Dec 2024 | 31 Dec 2023 | Change, % |
|---|---|---|---|
| **Loan portfolio** | | | |
| Corporate loans | 20.3 | 20.4 | -0.9 |
| Housing companies*** | 1.9 | 2.0 | -6.4 |
| Other consumer loans | 3.5 | 3.2 | 6.6 |
| Other loans | 2.6 | 2.3 | 13.3 |
| **Total loan portfolio** | **28.3** | **28.1** | **0.8** |
| Guarantee portfolio | 2.7 | 3.2 | -16.5 |
| Other exposures | 5.2 | 5.7 | -8.8 |
| Deposits | 15.4 | 13.8 | 11.6 |
| **Assets under management (gross)** | | | |
| Mutual funds | 34.0 | 30.0 | 13.4 |
| Institutional clients | 37.7 | 35.9 | 5.0 |
| Private Banking | 9.3 | 8.8 | 6.2 |
| **Total (gross)** | **81.0** | **74.7** | **8.5** |

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Net assets inflow in wealth management | | | |
| Wealth Management clients | -6 | 174 | - |
| Institutional clients | -147 | -313 | -53.2 |
| **Total net inflows** | **-153** | **-139** | **-9.9** |

* Change in ratio, percentage point(s).

** OP bonuses to owner-customers, which were previously shown on a separate line in the income statement, have been deducted from commission income from mutual funds based on their accrual. The line 'OP bonuses to owner-customers' is no longer shown in the income statement. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report, Accounting policies and changes in accounting policies and presentation.

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

## Events of the reporting period

The loan portfolio grew by 0.8% to EUR 28.3 billion, showing growth especially in car finance. The corporate loan portfolio decreased due to companies' low investment appetite and sluggish international trade.

The deposit portfolio grew by 11.6% to EUR 15.4 billion. Corporate Banking gained new payment service customers and expanded its earlier customer relationships in 2024.

Corporate Banking's focus on promoting a sustainable economy increased the commitment portfolio of sustainable finance to EUR 8.3 billion (6.5). Demand for sustainable financing has remained healthy, and companies have made active use of Corporate Banking's expertise in sustainable finance.

In Corporate Banking, the most significant development investments involved upgrades of customer relationship management and payment systems. With the implementation of the new Group-level customer relationship management system, Corporate Banking aims at better customer experience and higher quality and more efficient operations. The upgrade of core payment systems and improvement of digital transaction services will continue further. In wealth management, fund management processes will be further upgraded.

Within wealth management, net assets inflow was EUR -153 million (-139). Assets under management by Corporate Banking grew by 8.5% to EUR 81.0 billion (74.7). These included EUR 24.5 billion (23.2) in assets of the companies belonging to OP Financial Group. Demand for mutual fund products remained strong throughout the year, and net asset inflows totalled EUR 0.9 billion in 2024. As a result of market developments and increased net asset inflows, mutual fund assets grew to EUR 34.0 billion (30.0).

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

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

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

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

## Financial performance for the reporting period

Corporate Banking's operating profit amounted to EUR 572 million (408). The cost/income ratio was 38.3% (41.3). Net interest income rose by 11.3% to EUR 657 million (591) as a result of loan margins and inter-segment allocation changes. Impairment loss on receivables totalled EUR 0 million (96). A year ago, impairment loss on receivables increased as a result of the downturn in the construction and real estate sectors. Non-performing exposures accounted for 1.8% (2.2) of total exposures. Corporate Banking's net commissions and fees totalled EUR 199 million (192).

### Corporate Banking segment's net commissions and fees

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Mutual funds | 95 | 99 | -3.7 |
| Wealth management | 42 | 33 | 25.7 |
| Other | 62 | 60 | 3.0 |
| **Total** | **199** | **192** | **3.5** |

Investment income decreased to EUR 36 million (53). Derivatives used for economic balance sheet hedging, investments recognised at fair value through profit or loss, and liabilities decreased income from investment activities by EUR 23 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 23 million year on year. Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes decreased earnings by EUR 5 million (6).

Personnel costs rose by 8.9% to EUR 113 million. The increase was affected by headcount growth and pay increases. Other operating expenses decreased by 2.7% to EUR 241 million. Charges of financial authorities decreased by EUR 31 million. The EU's Single Resolution Board (SRB) did not collect stability contributions from banks for 2024. In 2023, Corporate Banking paid a total of EUR 29 million in stability contributions.

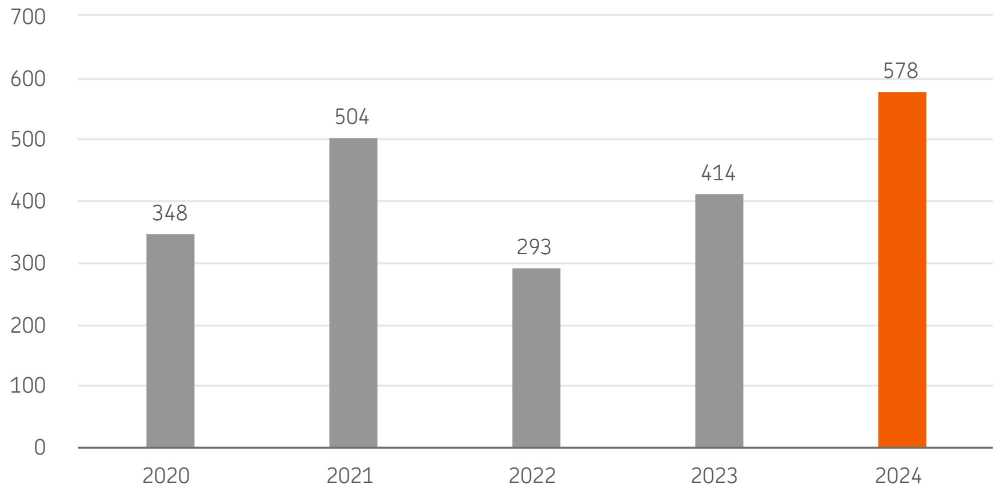
## Insurance segment

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

- Operating profit increased to EUR 578 million (414).
- Insurance service result improved to EUR 192 million (81). Investment income totalled EUR 382 million (347).
- Non-life insurance premiums written increased by 3.7% to EUR 1,858 million. Combined ratio reported by non-life insurance improved to 92.3% (93.8).
- In life insurance, unit-linked insurance assets increased by 12.6% to EUR 14.2 billion. Premiums written for term life insurance grew by 7.5%.
- Return on investments by non-life insurance at fair value was 7.7% (8.1) and that by life insurance was 7.5% (8.3).
- Total expenses increased to EUR 575 million (548) due to higher ICT costs. Development investments focused on core system upgrades and the development of digital services.

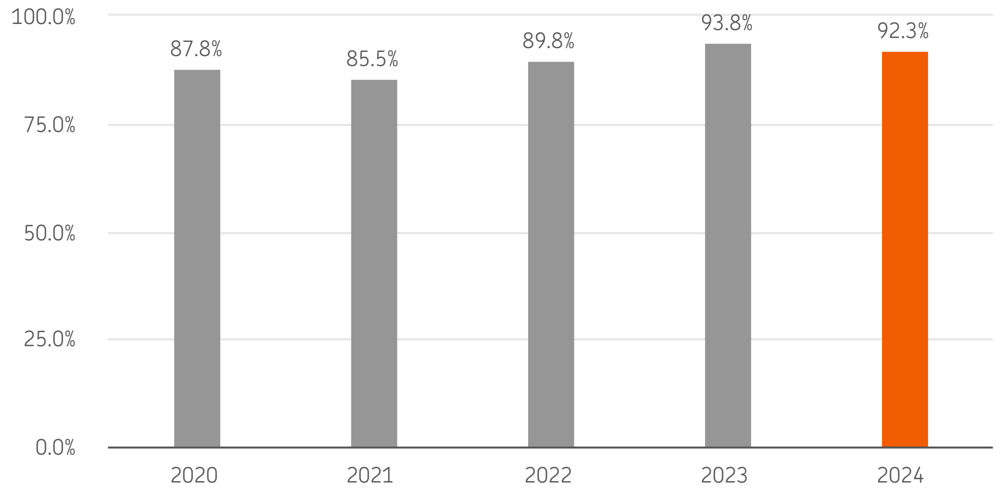
### Operating profit

€ million




### Non-life Insurance combined ratio

%



## Insurance segment's key figures and ratios

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Insurance revenue | 2,129 | 2,000 | 6.5 |
| Insurance service expenses | -1,879 | -1,824 | 3.0 |
| Reinsurance contracts | -59 | -95 | -37.5 |
| Insurance service result | 192 | 81 | 135.8 |
| Investment income | 382 | 347 | 10.1 |
| Net commissions and fees** | 49 | 44 | 9.9 |
| Other net income | 2 | 4 | -54.9 |
| Personnel costs | -183 | -167 | 9.5 |
| Depreciation/amortisation and impairment loss | -37 | -64 | -42.3 |
| Other operating expenses | -356 | -317 | 12.2 |
| **Total expenses** | **-575** | **-548** | **5.0** |
| Transfers to insurance service result | 529 | 485 | 9.0 |
| **Operating profit** | **578** | **414** | **39.4** |
| Return on assets (ROA), % | 2.20 | 1.50 | 0.7* |
| Return on assets, excluding OP bonuses, % | 2.32 | 1.60 | 0.72* |

* Change in ratio, percentage point(s).

** OP bonuses to owner-customers, which were previously shown on a separate line in the income statement, have been deducted from commission income from mutual funds based on their accrual. The line 'OP bonuses to owner-customers' is no longer shown in the income statement. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report, Accounting policies and changes in accounting policies and presentation.

The Insurance segment's insurance service result developed favourably in the last quarter, both in the non-life and life insurance business. Investment result developed favourably but remained below that of previous quarters.

In non-life insurance, profitability improved during the year as the trend in large claims levelled off. Also, claims volumes in motor vehicle insurance decreased after the hard frosts of the start of the year and poor road conditions.

In the life insurance business, premiums written in term life insurance grew by 7.5%. In life insurance, unit-linked insurance assets increased by 12.6% to EUR 14.2 billion (12.6).

## Financial performance for the reporting period

Operating profit improved to EUR 578 million (414). The insurance service result was EUR 192 million (81).

Investment income increased to EUR 382 million (347). Net investment income grew as a result of the increase in the value of equity and fixed income investments. Net investment income was EUR 1,107 million (1,070) and net finance income EUR 727 million (722). Together, these items describe the profitability of investment operations.

## Investment income

| € million | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| Insurance companies' investments | | |
| Fixed income investments | 241 | 403 |
| Quoted shares | 276 | 167 |
| Other liquid investments | 2 | 0 |
| Property investments | 37 | 20 |
| Other illiquid investments | 40 | 13 |
| Insurance companies' net investment income | 595 | 604 |
| Net finance income* | -727 | -722 |
| Interest on subordinated loans, and other income and expenses | -38 | -22 |
| Investment income | -170 | -141 |
| Net income from separated balance sheets | 59 | 117 |
| Net income from customers' savings and investments agreements | 493 | 370 |
| Total investment income | 382 | 347 |

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

## Non-life insurance financial performance

Non-life insurance operating profit amounted to EUR 361 million (236). Insurance service result grew to EUR 135 million (103). An increase in the value of equity and fixed income investments strengthened the investment result.

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Insurance revenue | 1,877 | 1,758 | 6.8 |
| Claims incurred | -1,181 | -1,080 | 9.4 |
| Operating expenses | -514 | -494 | 4.1 |
| Insurance service result, gross | 182 | 185 | -1.7 |
| Reinsurer's share of insurance revenue | -117 | -98 | 18.6 |
| Reinsurer's share of insurance service | 70 | 16 | 338.5 |
| Net income from reinsurance | -47 | -82 | -43.2 |
| Insurance service result | 135 | 103 | 31.5 |
| Net finance income | -106 | -182 | -41.6 |
| Income from investment activities | 334 | 332 | 0.6 |
| Investment income | 227 | 149 | 52.0 |
| Other net income | -1 | -17 | -94.5 |
| **Operating profit** | **361** | **236** | **53.4** |
| Combined ratio | 92.3 | 93.8 | |
| Risk ratio | 63.4 | 64.4 | |
| Cost ratio | 28.9 | 29.4 | |

## Non-life insurance: premiums written

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Personal customers | 1,045 | 987 | 5.8 |
| Corporate customers | 813 | 805 | 1.0 |
| **Total** | **1,858** | **1,792** | **3.7** |

Premiums written increased by 3.7% to EUR 1,858 million. Besides the growth in the number of customers, the increase was attributable to the rise in the general level of costs and the resulting index increments and price increases in insurance premiums. Net insurance revenue, including the reinsurer's share, grew by 6.1% to EUR 1,760 million.

Net claims incurred after the reinsurer's share grew by 4.4% to EUR 1,116 million. The number of claims reported grew by 6% (10). Growth in the number of claims levelled off especially in health insurance. The claims incurred due to major losses were higher than a year ago. Personal customers' claims incurred under fire and property insurance were exceptionally high. The reported number of new large claims under property and business liability insurance (in excess of EUR 0.3 million) amounted to 155 (123) in 2024, with their claims incurred retained for own account totalling EUR 168 million (112). Large claims accounted for 9.6% (6.8) of the risk ratio.

Operating expenses, EUR 514 million, increased by 4.1%. Personnel costs increased due to pay rises and a higher headcount. The amount of sales commissions paid decreased year on year.

Combined ratio reported by non-life insurance improved to 92.3% (93.8). The risk ratio was 63.4% (64.4). The cost ratio was 28.9% (29.4).

## Non-life insurance: investment income

| € million | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| Net finance income and expenses | -106 | -182 |
| Fixed income investments | 135 | 219 |
| Quoted shares | 174 | 103 |
| Other liquid investments | 1 | 0 |
| Property investments | 21 | 14 |
| Other illiquid investments | 22 | 8 |
| Income from investment activities | 354 | 343 |
| Interest on subordinated loans, and other income and expenses | -20 | -12 |
| **Total investment income** | **227** | **149** |

## Non-life insurance: key investment indicators

| | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| Return on investments at fair value, % | 7.7 | 8.1 |
| Fixed income investments' running yield, %* | 3.2 | 2.4 |
| | 31 Dec 2024 | 31 Dec 2023 |
| Investment portfolio, € million | 4,575 | 4,334 |
| Investments within the investment grade category, % | 89 | 90 |
| At least A-rated receivables, % | 51 | 53 |
| Modified duration | 3.9 | 3.5 |

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

## Life insurance financial performance

Operating profit increased to EUR 207 million (178) due to a growth in income and a moderate growth in expenses. Insurance service result improved to EUR 56 million, and net commissions and fees grew by 17% to EUR 41 million. A contractual service margin of EUR 66 million (68) was recognised in the insurance service result. Investment result decreased due to a weaker performance of fixed income investments that hedge the insurance liability. Equity investment income increased year on year. Development costs increased as a result of the core system reforms that were continued during the reporting period in term life insurance and individual unit-linked insurance.

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Insurance service result | 56 | -22 | -362.2 |
| Net finance income and expenses | -620 | -540 | 14.8 |
| Income from investment activities | 765 | 736 | 3.9 |
| Investment income | 145 | 196 | -26.0 |
| Net commissions and fees | 41 | 35 | 17.1 |
| Other operating income and expenses | -57 | -47 | 21.3 |
| Personnel costs | -17 | -14 | 21.4 |
| Depreciation/amortisation and impairment loss | -14 | -16 | -12.5 |
| Other operating expenses | -57 | -47 | 21.3 |
| **Total expenses** | **-88** | **-77** | **14.3** |
| Transfers to insurance service result | 51 | 42 | 21.4 |
| **Operating profit** | **207** | **178** | **16.3** |
| Cost/income ratio, % | 27 | 28 | |
| Contractual service margin at period end | 677 | 756 | -10.4 |

## Life insurance: investment income

| € million | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| Insurance company's investments | | |
| Fixed income investments | 106 | 184 |
| Quoted shares | 101 | 64 |
| Other liquid investments | 1 | 0 |
| Property investments | 16 | 7 |
| Other illiquid investments | 18 | 5 |
| **Insurance company's net investment income** | **242** | **261** |
| Net finance income* | -57 | -43 |
| Interest on subordinated loans, and other income and expenses | -28 | -12 |
| **Investment income** | **157** | **206** |
| Net income from separated balance sheets | -1 | -3 |
| Net income from customers' savings and investments agreements | -11 | -7 |
| **Total investment income** | **145** | **196** |

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

## Life insurance: key investment indicators*

| | Q1–4/2024 | Q1–4/2023 |
|---|---|---|
| Return on investments at fair value, % | 7.5 | 8.3 |
| Fixed income investments' running yield, %** | 3.1 | 2.1 |
| | 31 Dec 2024 | 31 Dec 2023 |
| Investment portfolio, € million | 3,336 | 3,201 |
| Investments within the investment grade category, % | 91 | 91 |
| At least A-rated receivables, % | 51 | 53 |
| Modified duration | 3.7 | 3.3 |

* Excluding the separated balance sheets

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

# Group Functions

## Key figures and ratios

| € million | Q1–4/2024 | Q1–4/2023 | Change, % |
|---|---|---|---|
| Net interest income | 15 | 1 | — |
| Impairment loss on receivables | -1 | 0 | — |
| Net commissions and fees | 0 | -1 | — |
| Investment income | 16 | 10 | 60.8 |
| Other operating income | 808 | 741 | 9.1 |
| Personnel costs | -279 | -232 | 20.1 |
| Depreciation/amortisation and impairment loss | -61 | -104 | -41.1 |
| Other operating expenses | -479 | -441 | 8.6 |
| **Operating profit** | 19 | -26 | — |

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

On 31 December 2024, the average margin of OP Financial Group's senior and senior non-preferred wholesale funding and covered bonds was 37 basis points (34). During the reporting period, OP Financial Group issued long-term bonds worth EUR 3.6 billion (5.2).

OP Financial Group's funding position and liquidity are strong. At the end of the reporting period, the Group's LCR was 193% (199), and its NSFR was 129% (130). At the end of the reporting period, OP Financial Group's balance sheet assets included bonds worth EUR 1,520 million (630), which are not measured at fair value in accounting. The fair value of these bonds amounted to EUR 1,547 million (647) at the end of the reporting period.

## Financial performance for the reporting period

Group Functions operating profit amounted to EUR 19 million (-26). Net interest income was EUR 15 million (1).

Investment income totalled EUR 16 million (10). Other operating income increased by 9.1% to EUR 808 million. Other operating income mainly includes OP Financial Group's intra-group items.

Personnel costs rose by 20.1% to EUR 279 million. The increase was affected by headcount growth and pay increases. During the reporting period, the number of employees increased in areas such as service development, risk management and compliance. Depreciation/amortisation and impairment loss on PPE and intangible assets decreased by 41.1% to EUR 61 million. Other operating expenses increased by 8.6% to EUR 479 million. ICT costs increased by 11.7% to EUR 343 million.

# Other information about OP Financial Group

## ICT investments

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

OP Financial Group's development expenditure for January–December totalled EUR 407 million (356). This included licence fees, purchased services, other external costs related to projects, and in-house work. The capitalised development expenditure totalled EUR 58 million (62). More detailed information on OP Financial Group's investments can be found in the business segment reports in this Financial Statements Bulletin.

## Personnel

On 31 December 2024, OP Financial Group had 14,746 employees (13,806), of whom 14,009 were in active employment. The number of employees averaged 14,512 (13,533). During the reporting period, the number of employees increased in areas such as sales, customer service, service development, risk management and compliance. In the fourth quarter, the increase in personnel mainly concerned sales and customer service positions.

### Personnel at period end

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Retail Banking | 8,242 | 7,785 |
| Corporate Banking | 1,114 | 1,010 |
| Insurance | 2,562 | 2,494 |
| Group Functions | 2,828 | 2,517 |
| **Total** | **14,746** | **13,806** |

During the reporting period, 222 OP Financial Group employees (206) retired at an average age of 63.3 years (62.9).

Variable remuneration applied by OP Financial Group in 2024 consisted of the performance-based bonus scheme covering all personnel, and the personnel fund. Company-specific targets based on the annual plan and the Group-level strategic targets were taken into account in the metrics used in the performance-based bonus scheme and in the personnel fund. In drawing up the remuneration schemes, OP has taken account of the regulation regarding the financial sector's remuneration schemes.

## Changes in OP Financial Group's structure

OP Financial Group's Financial Statements Bulletin at the end of the reporting period included the accounts of 93 OP cooperative banks and their subsidiaries, and OP Cooperative Consolidated. There were 102 OP cooperative banks at the end of 2023. The number of OP cooperative banks decreased during the reporting period due to mergers.

### Implemented mergers

On 30 April 2024, Kymenlaakson Osuuspankki merged into Etelä-Karjalan Osuuspankki. In connection with the merger, the business name of Etelä-Karjalan Osuuspankki was changed to Kaakkois-Suomen Osuuspankki.

On 31 August 2024, Taivalkosken Osuuspankki and Pudasjärven Osuuspankki merged into Kuusamon Osuuspankki. In connection with the merger, the business name of Kuusamon Osuuspankki was changed to Koillismaan Osuuspankki.

On 31 October 2024, Nilakan Seudun Osuuspankki and Vesannon Osuuspankki merged into Ylä-Savon Osuuspankki.

On 31 December 2024, Purmon Osuuspankki and Kruunupyyn Osuuspankki merged into Pietarsaaren Seudun Osuuspankki. In connection with the mergers, the business name of Pietarsaaren Seudun Osuuspankki was changed to Botnia Osuuspankki (Botnia Andelsbank).

On 31 December 2024, Humppilan-Metsämaan Osuuspankki and Ypäjän Osuuspankki merged into Jokioisten Osuuspankki. In connection with the merger, the business name of Jokioisten Osuuspankki was changed to Jokiläänin Osuuspankki.

## Approved merger plans

On 19 June 2024, Länsi-Kymen Osuuspankki, Savitaipaleen Osuuspankki, Lemin Osuuspankki and Luumäen Osuuspankki approved merger plans, according to which Savitaipaleen Osuuspankki, Lemin Osuuspankki and Luumäen Osuuspankki will merge into Länsi-Kymen Osuuspankki. The planned date for the execution of the mergers is 28 February 2025. In connection with the mergers, the business name of Länsi-Kymen Osuuspankki will change to Osuuspankki Salpa (Andelsbanken Salpa).

On 15 August 2024, Pohjois-Hämeen Osuuspankki and Jämsän Seudun Osuuspankki approved a merger plan, according to which Jämsän Seudun Osuuspankki will merge into Pohjois-Hämeen Osuuspankki. The planned date for the execution of the merger is 30 April 2025. In connection with the merger, the business name of Pohjois-Hämeen Osuuspankki will change to Ylä-Hämeen Osuuspankki.

On 10 September 2024, Pohjois-Karjalan Osuuspankki, Liperin Osuuspankki, Outokummun Osuuspankki and Vaara-Karjalan Osuuspankki approved merger plans, according to which Liperin Osuuspankki, Outokummun Osuuspankki and Vaara-Karjalan Osuuspankki will merge into Pohjois-Karjalan Osuuspankki. The planned date for the execution of the mergers is 31 March 2025.

On 10 September 2024, Kainuun Osuuspankki, Paltamon Osuuspankki and Ylä-Kainuun Osuuspankki approved merger plans, according to which Paltamon Osuuspankki and Ylä-Kainuun Osuuspankki will merge into Kainuun Osuuspankki. The planned date for the execution of the mergers is 30 April 2025.

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

On 23 September 2024, Raahentienoon Osuuspankki, Limingan Osuuspankki, Pulkkilan Osuuspankki and Siikalatvan Osuuspankki approved merger plans, according to which Limingan Osuuspankki, Pulkkilan Osuuspankki and Siikalatvan Osuuspankki will merge into Raahentienoon Osuuspankki. The planned date for the execution of the mergers is 28 February 2025. In connection with the mergers, the business name of Raahentienoon Osuuspankki will change to Jokirannikon Osuuspankki.

On 25 September 2024, Nakkila-Luvian Osuuspankki, Ala-Satakunnan Osuuspankki, Euran Osuuspankki, Osuuspankki Harjuseutu, Lapin Osuuspankki and Yläneen Osuuspankki approved merger plans, according to which Ala-Satakunnan Osuuspankki, Euran Osuuspankki, Osuuspankki Harjuseutu, Lapin Osuuspankki and Yläneen Osuuspankki will merge into Nakkila-Luvian Osuuspankki. The planned date for the execution of the mergers is 31 March 2025. In connection with the mergers, the business name of Nakkila-Luvian Osuuspankki will change to Sataharjun Osuuspankki.

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

On 25 November 2024, Tuusniemen Osuuspankki and Tervon Osuuspankki approved a merger plan, according to which Tervon Osuuspankki will merge into Tuusniemen Osuuspankki. The planned date for the execution of the merger is 31 May 2025. In connection with the merger, the business name of Tuusniemen Osuuspankki will change to Savonmaan Osuuspankki.

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

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

On 20 November 2024, Järvi-Hämeen Osuuspankki and, on 15 January 2025, Koitin-Pertunmaan Osuuspankki approved a merger plan, according to which Koitin-Pertunmaan

Osuuspankki will merge into Järvi-Hämeen Osuuspankki. The planned date for the execution of the merger is 31 July 2025.

If the published merger projects materialise, there will be 56 OP cooperative banks at the end of 2025. There were 93 OP cooperative banks at the end of 2024.

## Governance of OP Cooperative

On 5 December 2023, the Supervisory Council of OP Cooperative (the central cooperative of OP Financial Group) elected the members of the Board of Directors of OP Cooperative for the term of office from 1 January to 31 December 2024.

The following members continued on the Board in 2024: Jarna Heinonen (Professor in Entrepreneurship, Turku School of Economics), Kati Levoranta (Executive Vice President, Commercial and Operational Activities, P2X Solutions Ltd), Pekka Loikkanen (board professional), Tero Ojanperä (entrepreneur, board professional), Riitta Palomäki (board professional), Jaakko Pehkonen (rahoitusneuvos (Finnish honorary title); Professor of Economics, University of Jyväskylä), Timo Ritakallio (President and Group CEO, OP Financial Group), Petri Sahlström (Professor of Accounting and Finance, University of Oulu) and Olli Tarkkanen (Managing Director, Etelä-Pohjanmaan Osuuspankki).

The following new members were elected: Matti Kiuru, M.Sc. (Econ. & Bus. Adm.), eMBA (Managing Director, Länsi-Suomen Osuuspankki) and Katja Kuosa-Kaartti, M.Sc. (Econ. & Bus. Adm.), (Authorised Public Accountant, Tilintarkastus Kuosa-Kaartti Oy). Jari Himanen's and Mervi Väisänen's term of office in the Board of Directors ended on 31 December 2023.

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

On 20 December 2023, the Board of Directors elected from among its members the chairs, vice chairs and other members to the statutory Board Committees for the new term. Jaakko Pehkonen continued as Chair and Jarna Heinonen as Vice Chair of the Board of Directors.

On 10 December 2024, the Supervisory Council elected kauppaneuvos (Finnish honorary title), eMBA Jaana Reimasto-Heiskanen (Managing Director, Pohjois-Karjalan Osuuspankki) to OP Cooperative's Board of Directors as a new member, for the term of office of 2024. Olli Tarkkanen's term of office in the Board of Directors ended on 31 December 2024. Other members of the Board will continue in their position for the term 1 January–31 December 2025.

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

On 23 April 2024, OP Cooperative held its Annual Cooperative Meeting which elected members of the Supervisory Council, the auditor and the sustainability reporting assurer.

The Supervisory Council comprises 36 members. The Annual Cooperative Meeting re-elected the following members to the Supervisory Council who were due to resign: Managing Director Kaisa Markula, Managing Director Ulf Nylund, Managing Director Teuvo Perätalo, HR Director Titta Saksa and Professor of Regional Development Studies Markku Sotarauta.

New Supervisory Council members elected were Customer Relationship Director Essi Alaluukas, Senior Lecturer Kati Antola, Lawyer Sanna Ebeling, Managing Director Jouni Hautala, Managing Director Miia Hirvonen, Managing Director Ari Karhapää, Managing Director Juha Korhonen, Managing Director Leena Perämäki, Managing Director Eija Sipola, Managing Director Kirsi Soltin, Managing Director Agneta Ström-Hakala and entrepreneur Antti Turkka.

At its reorganising meeting on 23 April 2024, the Supervisory Council elected the Chairs of the Supervisory Council. Chair of the Board of Directors Annukka Nikola was elected as Chair and entrepreneur Taija Jurmu and Managing Director Ari Väänänen as Vice Chairs of the Supervisory Council.

Anssi Mäkelä's membership in the Supervisory Council ended on 24 October 2024 and Veijo Manninen's on 5 November 2024. The Supervisory Council will continue until the end of its term of office with 34 members.

The Annual Cooperative Meeting elected PricewaterhouseCoopers Oy, an audit firm, to act as auditor for the financial year 2024, with APA Lauri Kallaskari as the chief auditor. The Annual Cooperative Meeting elected PricewaterhouseCoopers Oy, a sustainability audit firm, to assure OP Financial Group's sustainability reporting for the financial year 2024, with Tiina Puukkoniemi, ASA, acting as the chief authorised sustainability auditor.

## Events after the reporting period

### Change in segment reporting

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, will be reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. OP Financial Group's Interim Report 1 January–31 March 2025 is the first report that will be prepared in accordance with the changed segment reporting.

## Outlook

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

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

The most significant uncertainties affecting OP Financial Group's earnings performance are associated with developments in the business environment, changes in the interest rate and investment environment and developments in impairment loss on receivables. All forward-looking statements in this Financial Statements Bulletin expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view on developments in the economy, and actual results may differ materially from those expressed in the forward-looking statements.

# Formulas for key figures and ratios

The Alternative Performance Measures are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods. The formulas for the used Alternative Performance Measures are presented below. The formulas for the key figures and ratios can be derived from the figures presented in this Half-year Financial Report, so separate reconciliation statements for the Alternative Performance Measures are not presented.

## Alternative Performance Measures

| Key figure or ratio | Formula | | Description |
|---|---|---|---|
| Return on equity (ROE), % | Financial performance for the reporting period x (days of financial year/days of reporting period) / Equity (average at beginning and end of period) | x 100 | The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period. |
| Return on equity (ROE) excluding OP bonuses, % | (Financial performance for the reporting period + OP bonuses after tax) x (days of financial year/days of reporting period) / Equity (average at beginning and end of period) | x 100 | The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period, excluding OP bonuses paid to owner-customers that are charged to expenses. |
| Return on assets (ROA), % | Financial performance for the reporting period x (days of financial year/days of reporting period) / Average balance sheet total (average at beginning and end of financial year) | x 100 | The ratio describes how much return is generated on capital tied up on business during the reporting period. |
| Return on assets (ROA) excluding OP bonuses, % | (Financial performance for the reporting period + OP bonuses after tax) x (days of financial year/days of reporting period) / Average balance sheet total (average at beginning and end of period) | x 100 | The ratio describes how much return is generated on capital tied up in business during the reporting period, excluding OP bonuses paid to owner-customers that are charged to expenses. |
| Cost/income ratio, % | Total expenses / Total income | x 100 | The ratio describes the ratio of expenses to income. The lower that ratio, the better. |

| | | | |
|---|---|---|---|
| Total income | Net interest income + Net commissions and fees + Insurance service result + Investment income + Other operating income + Transfers to insurance service result | | The figure describes the development of all income. |
| Total expenses | Personnel costs + Depreciation/amortisation and impairment loss + Other operating expenses | | The figure describes the development of all expenses. |
| Investment income | Net insurance finance income + Net interest income from financial assets held for trading + Net investment income | | The figure describes the development of all income related to investment. |
| Loan portfolio | Loans and loss allowance included in the balance sheet item Receivables from customers. The loan portfolio does not include interest not received or valuation items related to derivatives. | | Total amount of loans granted to customers. |
| Ratio of impairment loss on receivables to loan and guarantee portfolio, % | Impairment loss on receivables x (days of financial year/days of reporting period) / Loan and guarantee portfolio at period end | x 100 | The ratio describes the ratio of impairment loss on receivables entered in the income statement to the loan and guarantee portfolio. The lower that ratio, the better. |
| Deposits | Deposits included in balance sheet item Liabilities to customers. Deposits do not include unpaid interest or valuation items related to derivatives. | | Total amount of deposits by customers. |
| Coverage ratio, % | Loss allowance / Balance sheet items involving credit risk + Credit equivalent of off-balance-sheet items | x 100 | The ratio describes how much the amount of expected losses covers the amount of the liability. |
| Default capture rate, % | New defaulted contracts in stage 2 a year ago / New defaulted contracts during the reporting period | x 100 | The ratio describes the effectiveness of the SICR model (significant increase in credit risk), in other words how many contracts were in stage 2 before moving to stage 3. |
| Income from customer business | Net interest income + insurance service result + net commissions and fees | | Income from customer business describes the development of net interest income, insurance service result and net commissions and fees. Income directly from customers is presented mainly under these items. |

### Non-life insurance:

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

### Key indicators based on a separate calculation

| | | | |
|---|---|---|---|
| Capital adequacy ratio, % | $\frac{\text{Total own funds}}{\text{Total risk exposure amount}}$ | x 100 | The ratio describes a credit institution's capital adequacy and shows the ratio of own funds to the total risk exposure amount. |
| Tier 1 ratio, % | $\frac{\text{Tier 1 capital}}{\text{Total risk exposure amount}}$ | x 100 | The ratio describes a credit institution's capital adequacy and shows the ratio of Tier 1 capital to the total risk exposure amount. |
| Common Equity Tier 1 (CET1) capital ratio, % | $\frac{\text{CET1 capital}}{\text{Total risk exposure amount}}$ | x 100 | The ratio describes a credit institution's capital adequacy and shows the ratio of CET1 capital to the total risk exposure amount. |
| Solvency ratio, % | $\frac{\text{Own funds}}{\text{Solvency capital requirement (SCR)}}$ | x 100 | The ratio describes an insurance company's solvency and shows the ratio of own funds to the total risk exposure amount. |
| Leverage ratio, % | $\frac{\text{Tier 1 capital (T1)}}{\text{Exposure amount}}$ | x 100 | The ratio describes a credit institution's indebtedness and shows the ratio of Tier 1 capital to the total risk exposure amount. |
| Liquidity coverage requirement (LCR), % | $\frac{\text{Liquid assets}}{\text{Liquidity outflows – Liquidity inflows under stressed conditions}}$ | x 100 | The ratio describes short-term funding liquidity risk that requires the bank to have sufficient, high-quality liquid assets to get through an acute 30-day stress scenario. |

| | | | |
|---|---|---|---|
| Net stable funding ratio (NSFR), % | 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. |
| Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates* | Conglomerate's total own funds / Conglomerate's total own funds requirement | x 100 | The ratio describes the capital adequacy of the financial conglomerate and shows the ratio of own funds to the minimum amount of own funds. |
| Non-performing exposures % of exposures | 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 on the customer's initiative, regarding the original repayment plan to enable the customer to surmount temporary payment difficulties. Non-performing exposures are presented in gross terms; expected credit losses have not been deducted from them. |
| Ratio of doubtful receivables to exposures, % | 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 on the customer's initiative, regarding the original repayment plan to enable the customer to surmount temporary payment difficulties. In addition to non-performing forborne exposures, doubtful receivables include non-performing exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as doubtful receivables. Doubtful receivables are presented in gross terms; expected credit losses have not been deducted from them. |

*Transitional provisions have been taken into account in the FiCo solvency.

| | | | |
|---|---|---|---|
| Ratio of performing forborne exposures to exposures, % | $\frac{\text{Performing forborne exposures (gross)}}{\text{Exposures at period end}}$ | x 100 | The ratio describes the ratio of forborne exposures to the entire exposure portfolio. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures. |
| Ratio of performing forborne exposures to doubtful receivables, % | $\frac{\text{Performing forborne exposures (gross)}}{\text{Doubtful receivables at period end}}$ | x 100 | The ratio describes the ratio of performing forborne exposures to doubtful receivables that include non-performing exposures as well as performing forborne exposures.<br>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 and solvency

## Capital adequacy for credit institutions

### Own funds

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| OP Financial Group's equity capital | 18,110 | 16,262 |
| Excluding the effect of insurance companies on the Group's equity | -1,611 | -1,297 |
| Fair value reserve, cash flow hedge | 140 | 212 |
| **Common Equity Tier 1 (CET1) before deductions** | **16,638** | **15,177** |
| Intangible assets | -320 | -314 |
| Excess funding of pension liability and valuation adjustments | -243 | -216 |
| Cooperative capital deducted from own funds | -185 | -198 |
| Planned profit distribution | -176 | -148 |
| Insufficient coverage for non-performing exposures | -264 | -190 |
| **CET1 capital** | **15,451** | **14,111** |
| | | |
| **Tier 1 capital (T1)** | **15,451** | **14,111** |
| | | |
| Debenture loans | 1,288 | 1,308 |
| Debentures to which transition rules apply | 22 | 57 |
| General credit risk adjustments | 83 | 120 |
| **Tier 2 capital (T2)** | **1,393** | **1,484** |
| **Total own funds** | **16,844** | **15,595** |

### Total risk exposure amount

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| **Credit and counterparty risk** | **63,330** | **65,997** |
| Standardised Approach (SA) | 63,330 | 65,997 |
| Central government and central bank exposure | 502 | 509 |
| Credit institution exposure | 525 | 603 |
| Corporate exposure | 25,656 | 27,591 |
| Retail exposure | 9,960 | 10,174 |
| Mortgage-backed exposure | 19,078 | 18,988 |
| Defaulted exposure | 2,026 | 2,309 |
| Items of especially high risk | 1,442 | 1,697 |
| Covered bonds | 697 | 608 |
| Collective investment undertakings (CIU) | 142 | 201 |
| Equity investments | 2,384 | 2,410 |
| Other | 918 | 907 |
| **Risks of the CCP's default fund** | **1** | **1** |
| **Securitisations** | **27** | **50** |
| **Market and settlement risk (Standardised Approach)** | **944** | **1,006** |
| **Operational risk (Standardised Approach)** | **4,936** | **4,156** |
| **Valuation adjustment (CVA)** | **210** | **217** |
| **Other risks*** | **2,309** | **2,084** |
| **Total risk exposure amount** | **71,756** | **73,511** |

* Risks not otherwise covered.

## Ratios

| Ratios, % | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| CET1 capital ratio | 21.5 | 19.2 |
| Tier 1 capital ratio | 21.5 | 19.2 |
| Capital adequacy ratio | 23.5 | 21.2 |

## Ratios, fully loaded

| Ratios, % | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| CET1 capital ratio | 21.5 | 19.2 |
| Tier 1 capital ratio | 21.5 | 19.2 |
| Capital adequacy ratio | 23.4 | 21.1 |

## Capital requirement

| Capital requirement, € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Own funds | 16,844 | 15,595 |
| Capital requirement | 11,052 | 10,558 |
| Buffer for capital requirements | 5,791 | 5,037 |

The capital requirement of 15.4% comprises the minimum requirement of 8%, the capital conservation buffer requirement of 2.5%, the O-SII buffer requirement of 1.5%, the systemic risk buffer requirement of 1.0%, the minimum requirement (P2R) of 2.25% set by the ECB, and the country-specific countercyclical capital buffers for foreign exposures. Transitional provisions regarding Tier 2 capital included in capital adequacy for credit institutions have been taken into account in the figures.

## Leverage

| Leverage, € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Tier 1 capital (T1) | 15,451 | 14,111 |
| Total exposure | 147,674 | 146,135 |
| Leverage ratio, % | 10.5 | 9.5 |

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

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

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| OP Financial Group's equity capital | 18,110 | 16,262 |
| Other items included in Banking's Tier 1 and Tier 2 capital | 1,393 | 1,484 |
| Other sector-specific items excluded from own funds | -636 | -574 |
| Goodwill and intangible assets | -968 | -1,000 |
| Insurance business valuation differences* | 740 | 855 |
| Proposed profit distribution | -176 | -148 |
| Items under IFRS deducted from own funds** | -66 | 48 |
| **Conglomerate's total own funds** | **18,397** | **16,928** |
| Regulatory own funds requirement for credit institutions*** | 10,697 | 10,227 |
| Regulatory own funds requirement for insurance operations* | 1,706 | 1,511 |
| **Conglomerate's total own funds requirement** | **12,403** | **11,738** |
| **Conglomerate's capital adequacy** | **5,994** | **5,190** |
| **Conglomerate's capital adequacy ratio (own funds/minimum amount of own funds) (%)** | **148** | **144** |

* Differences between fair values and carrying amounts based on the solvency of insurance companies and an estimate of SCR

** Excess funding of pension liability, portion of cash flow hedge of fair value reserve

*** Total risk exposure amount x 15.4%

Transitional provisions regarding Tier 2 capital included in capital adequacy for credit institutions have been taken into account in the figures.

# TABLES

## Income statement

| € million | Note | Q1–4/2024 | Adjusted Q1–4/2023 | Q4/2024 | Adjusted Q4/2023 |
|---|---|---|---|---|---|
| Interest income calculated using the effective interest method | | 6,112 | 5,330 | 1,432 | 1,651 |
| Interest expenses | | -3,316 | -2,675 | -754 | -916 |
| Net interest income | 3 | 2,796 | 2,654 | 678 | 735 |
| Impairment loss on receivables | 4 | -96 | -269 | -23 | -99 |
| Commission income | | 946 | 1,000 | 250 | 241 |
| Commission expenses | | -128 | -130 | -31 | -27 |
| Net commissions and fees | 5 | 818 | 870 | 219 | 214 |
| Insurance revenue | | 2,129 | 2,000 | 555 | 534 |
| Insurance service expenses | | -1,879 | -1,824 | -428 | -455 |
| Net income from reinsurance contracts | | -59 | -95 | -31 | -56 |
| Insurance service result | 6 | 192 | 81 | 96 | 23 |
| Net finance income (+)/expenses (–) related to insurance | | -730 | -722 | -162 | -633 |
| Net finance income (+)/expenses (–) related to reinsurance | | 3 | 0 | 1 | 13 |
| Net insurance finance income (+)/expenses (–) | 7 | -727 | -722 | -161 | -621 |
| Net income from financial assets held for trading | 8 | 44 | 55 | 1 | 31 |
| Net investment income | 9 | 1,147 | 1,057 | 206 | 686 |
| Other operating income | | 44 | 40 | 13 | 12 |
| Personnel costs | | -1,081 | -964 | -299 | -262 |
| Depreciation/amortisation and impairment loss | | -146 | -226 | -39 | -89 |
| Other operating expenses | 10 | -1,036 | -1,011 | -295 | -287 |
| Transfers to insurance service result | | 529 | 485 | 142 | 137 |
| Operating expenses | | -1,733 | -1,716 | -491 | -500 |
| **Operating profit (loss)** | | **2,486** | **2,050** | **538** | **480** |
| **Earnings before tax** | | **2,486** | **2,050** | **538** | **480** |
| Income tax | | -499 | -408 | -112 | -95 |
| **Profit for the period** | | 1,987 | 1,642 | 426 | 385 |
| | | | | | |
| **Attributable to:** | | | | | |
| Profit for the period attributable to owners | | 1,975 | 1,637 | 422 | 386 |
| Profit for the period attributable to non-controlling interest | | 12 | 5 | 4 | -1 |
| **Total** | | **1,987** | **1,642** | **426** | **385** |

OP Financial Group changed the official income statement and balance sheet format of the financial statements during the second and fourth quarters of 2024. The new income statement and balance sheet format describes the Group's operations better. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024 and to the Financial Statements Bulletin 1 January–31 December 2024, Accounting policies and changes in accounting policies and presentation.

## Statement of comprehensive income

| € million | Note | Q1–4/2024 | Adjusted Q1–4/2023 | Q4/2024 | Adjusted Q4/2023 |
|---|---|---|---|---|---|
| **Profit for the period** | | 1,987 | 1,642 | 426 | 385 |
| Items that will not be reclassified to profit or loss | | | | | |
| Gains/(losses) arising from remeasurement of defined benefit plans | | 56 | 8 | 5 | -1 |
| Changes in own credit risk on liabilities measured at fair value | | -7 | | 4 | |
| Items that may be subsequently reclassified to profit or loss | | | | | |
| Change in fair value reserve | | | | | |
| On fair value measurement | 15 | -39 | -68 | -51 | -36 |
| On cash flow hedging | 15 | 90 | 156 | 14 | 129 |
| Income tax | | | | | |
| On items not reclassified to profit or loss | | | | | |
| On gains/(losses) arising from remeasurement of defined benefit plans | | -11 | -2 | -1 | 5 |
| Changes in own credit risk on liabilities measured at fair value | | 1 | | -1 | |
| On items that may be subsequently reclassified to profit or loss | | | | | |
| On fair value measurement | 15 | 8 | 14 | 10 | 7 |
| On cash flow hedging | 15 | -18 | -31 | -3 | -26 |
| **Other comprehensive income items** | | 81 | 77 | -23 | 78 |
| **Total comprehensive income for the period** | | 2,067 | 1,719 | 403 | 463 |
| | | | | | |
| **Comprehensive income for the period attributable to:** | | | | | |
| Comprehensive income for the period attributable to owners | | 2,055 | 1,714 | 399 | 464 |
| Comprehensive income for the period attributable to non-controlling interests | | 12 | 5 | 4 | -1 |
| **Total** | | **2,067** | **1,719** | **403** | **463** |

## Balance sheet

| € million | Note | 31 Dec 2024 | Adjusted 31 Dec 2023 | Adjusted 1 Jan 2023 |
|---|---|---|---|---|
| Cash and deposits with central banks | 11 | 18,110 | 19,755 | 35,004 |
| Receivables from credit institutions | 11 | 808 | 858 | 798 |
| Receivables from customers | 11 | 98,629 | 98,316 | 98,782 |
| Derivative contracts | 11, 18 | 2,497 | 3,106 | 3,889 |
| Investment assets | | 23,537 | 22,029 | 20,830 |
| Assets covering unit-linked contracts | 11 | 14,172 | 12,581 | 11,597 |
| Reinsurance contract assets | 12 | 102 | 106 | 245 |
| Intangible assets | | 1,022 | 1,065 | 1,153 |
| Property, plant and equipment | | 392 | 398 | 423 |
| Other assets | | 1,780 | 1,560 | 2,037 |
| Income tax assets | | 42 | 22 | 59 |
| Deferred tax assets | | 77 | 251 | 605 |
| **Total assets** | | **161,168** | **160,047** | **175,422** |
| | | | | |
| Liabilities to credit institutions | 11 | 91 | 74 | 12,311 |
| Liabilities to customers | 11 | 80,455 | 77,178 | 81,552 |
| Derivative contracts | 11, 18 | 2,324 | 2,994 | 4,197 |
| Insurance contract liabilities | 13 | 11,796 | 11,589 | 11,448 |
| Investment contract liabilities | 11 | 9,140 | 7,944 | 7,211 |
| Debt securities issued to the public | 14 | 33,198 | 37,689 | 37,530 |
| Provisions and other liabilities | | 3,526 | 3,674 | 3,599 |
| Income tax liabilities | | 55 | 156 | 67 |
| Deferred tax liabilities | | 1,027 | 1,073 | 1,455 |
| Subordinated liabilities | | 1,444 | 1,414 | 1,384 |
| **Total liabilities** | | **143,058** | **143,785** | **160,753** |

| € million | Note | 31 Dec 2024 | Adjusted 31 Dec 2023 | Adjusted 1 Jan 2023 |
|---|---|---|---|---|
| Equity capital | | | | |
| Capital and reserves attributable to OP Financial Group owners | | | | |
| Cooperative capital | | | | |
| Membership shares | | 222 | 219 | 217 |
| Profit Shares | | 3,255 | 3,335 | 3,369 |
| Fair value reserve | 15 | -249 | -290 | -360 |
| Other reserves | | 2,172 | 2,172 | 2,172 |
| Retained earnings | | 12,569 | 10,703 | 9,153 |
| Non-controlling interests | | 141 | 124 | 118 |
| Total equity | | 18,110 | 16,262 | 14,668 |
| Total liabilities and equity | | 161,168 | 160,047 | 175,422 |

OP Financial Group changed the official income statement and balance sheet format of the financial statements during the second and fourth quarters of 2024. The new income statement and balance sheet format describes the Group's operations better. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024 and to the Financial Statements Bulletin 1 January–31 December 2024, Accounting policies and changes in accounting policies and presentation.

## Statement of changes in equity

| € million | Attributable to owners | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cooperative capital | Fair value reserve | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| **Equity capital 1 January 2023** | 3,586 | -360 | 2,172 | 9,153 | **14,550** | 118 | **14,668** |
| Total comprehensive income for the period | | 70 | | 1,644 | **1,714** | 5 | **1,719** |
| Profit for the period | | | | 1,637 | **1,637** | 5 | **1,642** |
| Other comprehensive income items | | 70 | | 7 | **77** | | **77** |
| Profit distribution | | | | -144 | **-144** | -4 | **-148** |
| Changes in membership and profit shares | -32 | | | | **-32** | | **-32** |
| Other | | | 0 | 51 | **51** | 5 | **56** |
| **Equity capital 31 December 2023** | **3,554** | **-290** | **2,172** | **10,704** | **16,139** | **124** | **16,263** |

| € million | Attributable to owners | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cooperative capital | Fair value reserve | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| **Equity capital 1 January 2024** | 3,554 | -290 | 2,172 | 10,703 | **16,139** | 124 | **16,262** |
| Total comprehensive income for the period | | 41 | | 2,014 | **2,055** | 12 | **2,067** |
| Profit for the period | | | | 1,975 | **1,975** | 12 | **1,987** |
| Other comprehensive income items | | 41 | | 40 | **81** | | **81** |
| Profit distribution | | | | -148 | **-148** | -5 | **-153** |
| Changes in membership and profit shares | -77 | | | | **-77** | | **-77** |
| Other | | | | -1 | **-1** | 10 | **9** |
| **Equity capital 31 December 2024** | **3,477** | **-249** | **2,172** | **12,569** | **17,969** | **141** | **18,110** |

## Cash flow statement

| € million | Q1–4/2024 | Adjusted Q1–4/2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit for the period | 1,987 | 1,642 |
| Adjustments to profit for the period | 673 | 421 |
| **Increase (-) or decrease (+) in operating assets** | **-1,030** | **822** |
| Receivables from credit institutions | 26 | -521 |
| Receivables from customers | 45 | 920 |
| Derivative contracts | 433 | 116 |
| Investment assets | -918 | -177 |
| Assets covering unit-linked contracts | -409 | -74 |
| Reinsurance contract assets | 3 | 139 |
| Other assets | -210 | 419 |
| **Increase (+) or decrease (–) in operating liabilities** | **2,742** | **-16,793** |
| Liabilities to credit institutions | 18 | -12,256 |
| Liabilities to customers | 3,004 | -4,872 |
| Derivative contracts | -596 | -105 |
| Insurance contract liabilities | 207 | 146 |
| Reinsurance contract liabilities | 0 | -2 |
| Investment contract liabilities | 0 | 0 |
| Provisions and other liabilities | 110 | 296 |
| | | |
| Income tax paid | -511 | -275 |
| Dividends received | 64 | 47 |
| **A. Net cash from operating activities** | **3,924** | **-14,136** |

| € million | Q1–4/2024 | Adjusted Q1–4/2023 |
|---|---|---|
| Cash flow from investing activities | | |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | | -51 |
| Disposal of subsidiaries, net of cash and cash equivalents disposed of | | 0 |
| Purchase of PPE and intangible assets | -99 | -99 |
| Proceeds from sale of PPE and intangible assets | 12 | 11 |
| B. Net cash used in investing activities | -87 | -139 |
| Cash flow from financing activities | | |
| Subordinated liabilities, change | 1 | -5 |
| Debt securities issued to the public, change | -5,237 | -1,174 |
| Increases in cooperative and share capital | 116 | 130 |
| Decreases in cooperative and share capital | -194 | -162 |
| Dividends paid and interest on cooperative capital | -148 | -144 |
| Lease liabilities | -35 | -33 |
| C. Net cash used in financing activities | -5,496 | -1,389 |
| Net change in cash and cash equivalents (A+B+C) | -1,659 | -15,663 |
| | | |
| Cash and cash equivalents at period start | 19,947 | 35,656 |
| Effect of foreign exchange rate changes | -11 | -46 |
| Cash and cash equivalents at period end | 18,277 | 19,947 |
| | | |
| Interest received | 8,284 | 8,364 |
| Interest paid | -4,859 | -5,562 |
| | | |
| Cash and cash equivalents | | |
| Cash and deposits with central banks | 18,110 | 19,755 |
| Receivables from credit institutions payable on demand | 167 | 191 |
| Total | 18,277 | 19,947 |

# Notes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# Note 1. Accounting policies and highlights

## Accounting policies

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

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

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

The Retail Banking segment's name in Finnish was changed during the first quarter of 2024. The segment's name in English remained unchanged.

### Critical accounting judgements

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

### Expected credit losses

The determination of the measurement models for expected credit losses (ECL) involves management judgement.

The actual measurement of ECL figures is performed using the ECL models based on the use of observable input data, except if it is mainly the question of a large corporate exposure in stage 2 or 3 and on the watch list, in which case the ECL is calculated using the cash flow based ECL method based on expert judgement.

In special situations where the ECL models are not sufficiently able to take account of an unpredictable event or circumstances, management overlays are directly used for ECL figures (post model adjustments). In them, judgment is involved especially when selecting the used scenario. Management overlays are intended only for temporary use until an unpredictable event caused by the overlay provision or circumstance could have been taken into account in the ECL models.

Management judgment and estimates included in the calculation of expected credit losses, other than those presented above, are included in the 2023 financial statements.

Note 4 to the Financial Statements Bulletin, Impairment loss on receivables, describes management judgement made in the preparation of the Financial Statements Bulletin.

## Changes in accounting policies and presentation

### Change to presentation of balance sheet and income statement format

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

In the fourth quarter of 2024, OP Financial Group transferred all interest income reported under 'Net interest income' to 'Interest income calculated using the effective interest method'. The line 'Other interest income' is therefore no longer included in the income statement. The change was made retrospectively for 2023. For 2023, other interest income transferred to 'Interest income calculated using the effective interest method' totalled EUR 613 million (EUR 89 million for Q1/2023, EUR 114 million for Q2/2023, EUR 144 million for Q3/2023 and EUR 265 million for Q4/2023). For 2024, other interest income retrospectively transferred to 'Interest income calculated using the effective interest method' totalled EUR 179 million for Q1/2024, EUR 175 million for Q2/2024 and EUR 221 million for Q3/2024.

All net interest income and net interest expenses from the derivatives hedging the interest rate risk of the receivables, whose interest income is presented under 'Interest income calculated using the effective interest method' and to which hedge accounting is applied, are also presented under 'Interest income calculated using the effective interest method'.

All net interest income and net interest expenses from the derivatives hedging financial liabilities, whose interest expenses are presented under 'Interest expenses', are also presented under 'Interest expenses'. Interest income from derivatives have been transferred from 'Other interest income' to 'Interest income calculated using the effective interest method' as described above.

## Highlights of the reporting period

### Additional benefits for owner-customers

OP Financial Group allocates part of its profitability improvement to provide additional benefits to owner-customers. OP Financial Group increased the OP bonuses to be earned by owner-customers for 2024 and 2025 by 40% compared to the normal level of 2022. Owner-customers earned a total of EUR 314 million (275) in OP bonuses for 2024. In addition, owner-customers will get daily banking services free of monthly charges until the end of 2025. The value of this benefit was EUR 90 million for 2024 and will be an estimated EUR 90 million for 2025.

### Bill regarding a change in the tax practices related to customer bonuses in the financial sector

Towards the end of the year, the Finnish Parliament passed a bill regarding a change in the tax practices related to customer bonuses in the financial sector, which was based on an entry in Finland's Government Programme. The amendment, which will take effect on 1 January 2026, will have a significant effect on the tax treatment of OP bonuses. Under the new law, customer bonuses in the financial sector will be considered taxable if they are used for things other than the services which initially brought the bonuses, for example, if OP bonuses earned from banking services are used for insurance premiums. OP Financial Group has prepared for the change in the tax practices of financial-sector customer bonuses. The Group's owner-customers will continue to receive at least the same level of financial benefits as before, regardless of the change in legislation.

### OP joined the Euribor Panel

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

### A new Head of Wealth Management for OP Financial Group

OP Financial Group is seeking significant growth in wealth management services. On 1 April 2024, Hanna Porkka (53), M.Sc. (Econ. & Bus. Adm.), took up her duties as Executive Vice President, Wealth Management and member of OP Cooperative's Executive Management Team.

### OP Financial Group is Finland's most attractive employer in the business sector

OP Financial Group reached top positions in Universum's annual survey that ranks the employers considered most attractive by professionals and students in various sectors in Finland. According to the survey results published in September, OP Financial Group was ranked as Finland's most attractive employer among business-sector professionals. Those in IT gave it fourth place. OP Financial Group's results were its best ever in all categories of the survey.

## Events after the reporting period

### Change in segment reporting

As of 1 January 2025, OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd, including subsidiaries, will be reported as part of the Retail Banking segment. Previously, these companies have been reported as part of the Corporate Banking segment. OP Financial Group's first report based on the changed segments will be the interim report for 1 January–31 March 2025.

# Note 2. Segment reporting

## Segment information

| **Q1–4 earnings 2024, € million** | Retail Banking | Corporate Banking | Insurance | Group Functions | Group eliminations | OP Financial Group |
|---|---|---|---|---|---|---|
| Interest income calculated using the effective interest method | 4,199 | 2,246 | 1 | 2,853 | -3,188 | 6,112 |
| Interest expenses | -2,087 | -1,588 | -1 | -2,838 | 3,199 | -3,316 |
| Net interest income | 2,112 | 657 | 1 | 15 | 10 | 2,796 |
| of which inter-segment items | | -370 | | 370 | | |
| Impairment loss on receivables | -95 | 0 | | -1 | 0 | -96 |
| Commission income | 674 | 370 | 76 | 18 | -191 | 946 |
| Commission expenses | -55 | -171 | -27 | -18 | 142 | -128 |
| Net commissions and fees | 619 | 199 | 49 | 0 | -49 | 818 |
| Insurance revenue | | | 2,129 | | | 2,129 |
| Insurance service expenses | | | -1,879 | | | -1,879 |
| Net income from reinsurance contracts | | | -59 | | | -59 |
| Insurance service result | | | 192 | | | 192 |
| Net finance income (+)/expenses (–) related to insurance | | | -730 | | | -730 |
| Net finance income (+)/expenses (–) related to reinsurance | | | 3 | | | 3 |
| Net insurance finance income (+)/expenses (–) | | | -727 | | | -727 |
| Net income from financial assets held for trading | 1 | 35 | 0 | 16 | -7 | 44 |
| Net investment income | -5 | 0 | 1,107 | 0 | 45 | 1,147 |
| Other operating income | 61 | 35 | 2 | 808 | -862 | 44 |
| Personnel costs | -540 | -113 | -183 | -279 | 34 | -1,081 |
| Depreciation/amortisation and impairment loss | -48 | -1 | -37 | -61 | 2 | -146 |
| Other operating expenses | -829 | -241 | -356 | -479 | 869 | -1,036 |
| Transfers to insurance service result | | | 529 | | | 529 |
| Operating expenses | -1,417 | -355 | -46 | -819 | 904 | -1,733 |
| **Operating profit (loss)** | **1,275** | **572** | **578** | **19** | **42** | **2,486** |
| **Earnings before tax** | **1,275** | **572** | **578** | **19** | **42** | **2,486** |

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

Adjusted

| Q1–4 earnings 2023, € million | Retail Banking | Corporate Banking | Insurance | Group Functions | Group eliminations | OP Financial Group |
|---|---|---|---|---|---|---|
| Interest income calculated using the effective interest method | 3,606 | 1,790 | 1 | 2,636 | -2,704 | 5,330 |
| Interest expenses | -1,565 | -1,199 | -1 | -2,636 | 2,725 | -2,675 |
| Net interest income | 2,041 | 591 | 0 | 1 | 21 | 2,654 |
| of which inter-segment items | | -387 | | 387 | 0 | 0 |
| Impairment loss on receivables | -173 | -96 | | 0 | 0 | -269 |
| Commission income | 735 | 366 | 70 | 21 | -192 | 1,000 |
| Commission expenses | -50 | -174 | -25 | -21 | 139 | -130 |
| Net commissions and fees | 686 | 192 | 44 | -1 | -52 | 870 |
| Insurance revenue | | | 2,000 | | | 2,000 |
| Insurance service expenses | | | -1,824 | | | -1,824 |
| Net income from reinsurance contracts | | | -95 | | | -95 |
| Insurance service result | | | 81 | | | 81 |
| Net finance income (+)/expenses (–) related to insurance | | | -722 | | | -722 |
| Net finance income (+)/expenses (–) related to reinsurance | | | 0 | | | 0 |
| Net insurance finance income (+)/expenses (–) | | | -722 | | | -722 |
| Net income from financial assets held for trading | 3 | 53 | -1 | 6 | -6 | 55 |
| Net investment income | -32 | 0 | 1,070 | 4 | 15 | 1,057 |
| Other operating income | 61 | 21 | 4 | 741 | -788 | 40 |
| Personnel costs | -500 | -104 | -167 | -232 | 38 | -964 |
| Depreciation/amortisation and impairment loss | -57 | -3 | -64 | -104 | 2 | -226 |
| Other operating expenses | -806 | -247 | -317 | -441 | 801 | -1,011 |
| Transfers to insurance service result | | | 485 | | | 485 |
| Operating expenses | -1,363 | -354 | -62 | -777 | 841 | -1,716 |
| **Operating profit (loss)** | **1,223** | **408** | **414** | **-26** | **31** | **2,050** |
| **Earnings before tax** | **1,223** | **408** | **414** | **-26** | **31** | **2,050** |

| Balance sheet 31 December 2024, € million | Retail Banking | Corporate Banking | Insurance | Group Functions | Group eliminations | OP Financial Group |
|---|---|---|---|---|---|---|
| Cash and deposits with central banks | 39 | 188 | | 17,883 | 0 | 18,110 |
| Receivables from credit institutions | 25,282 | 148 | 609 | 12,268 | -37,499 | 808 |
| Receivables from customers | 70,505 | 28,399 | | -13 | -261 | 98,629 |
| Derivative contracts | 820 | 3,276 | 39 | 108 | -1,745 | 2,497 |
| Investment assets | 1,422 | 514 | 9,532 | 17,748 | -5,678 | 23,537 |
| Assets covering unit-linked contracts | | | 14,172 | | | 14,172 |
| Reinsurance contract assets | | | 102 | | | 102 |
| Intangible assets | 11 | 178 | 595 | 175 | 62 | 1,022 |
| Property, plant and equipment | 253 | 3 | 3 | 138 | -5 | 392 |
| Other assets | 308 | 127 | 561 | 884 | -101 | 1,779 |
| Income tax assets | 21 | 0 | 20 | | 0 | 42 |
| Deferred tax assets | 23 | 0 | 13 | 6 | 35 | 77 |
| **Total assets** | **98,685** | **32,833** | **25,646** | **49,197** | **-45,193** | **161,168** |
| Liabilities to credit institutions | 9,399 | 32 | 46 | 25,891 | -35,276 | 91 |
| Liabilities to customers | 63,428 | 15,214 | | 4,121 | -2,308 | 80,455 |
| Derivative contracts | 893 | 3,009 | 28 | 140 | -1,745 | 2,324 |
| Insurance contract liabilities | | | 11,795 | | | 11,795 |
| Reinsurance contract liabilities | | | 1 | | | 1 |
| Investment contract liabilities | | | 9,140 | | | 9,140 |
| Debt securities issued to the public | 14,462 | 2,160 | | 17,167 | -590 | 33,198 |
| Provisions and other liabilities | 777 | 903 | 297 | 1,565 | -15 | 3,526 |
| Income tax liabilities | 14 | 2 | 15 | 24 | | 55 |
| Deferred tax liabilities | 455 | 0 | 220 | 345 | 7 | 1,027 |
| Subordinated liabilities | 0 | | 380 | 1,444 | -380 | 1,444 |
| **Total liabilities** | **89,427** | **21,321** | **21,921** | **50,697** | **-40,307** | **143,058** |
| **Equity capital** | | | | | | **18,110** |

Adjusted

| Balance sheet 31 December 2023, € million | Retail Banking | Corporate Banking | Insurance | Group Functions | Group eliminations | OP Financial Group |
|---|---|---|---|---|---|---|
| Cash and deposits with central banks | 45 | 125 | | 19,585 | 0 | 19,755 |
| Receivables from credit institutions | 24,254 | 209 | 570 | 12,793 | -36,968 | 858 |
| Receivables from customers | 70,593 | 28,140 | | 56 | -472 | 98,316 |
| Derivative contracts | 1,066 | 4,366 | 57 | 79 | -2,462 | 3,106 |
| Investment assets | 455 | 558 | 9,520 | 16,299 | -4,802 | 22,029 |
| Assets covering unit-linked contracts | | | 12,581 | | | 12,581 |
| Reinsurance contract assets | | | 106 | | | 106 |
| Intangible assets | 22 | 179 | 634 | 169 | 62 | 1,065 |
| Property, plant and equipment | 260 | 3 | 3 | 137 | -4 | 398 |
| Other assets | 365 | 176 | 499 | 614 | -95 | 1,560 |
| Income tax assets | 2 | 1 | 20 | | 0 | 22 |
| Deferred tax assets | 100 | 1 | 62 | 48 | 41 | 251 |
| **Total assets** | **97,161** | **33,757** | **24,050** | **49,780** | **-44,701** | **160,047** |
| Liabilities to credit institutions | 10,725 | 10 | 59 | 25,155 | -35,875 | 74 |
| Liabilities to customers | 61,318 | 13,590 | | 3,603 | -1,333 | 77,178 |
| Derivative contracts | 1,251 | 3,928 | 25 | 251 | -2,461 | 2,994 |
| Insurance contract liabilities | | | 11,589 | | | 11,589 |
| Reinsurance contract liabilities | | | 0 | | | 0 |
| Investment contract liabilities | | | 7,944 | | | 7,944 |
| Debt securities issued to the public | 14,266 | 2,466 | | 21,597 | -639 | 37,689 |
| Provisions and other liabilities | 733 | 1,116 | 316 | 1,539 | -30 | 3,674 |
| Income tax liabilities | 102 | 4 | 49 | 1 | 0 | 156 |
| Deferred tax liabilities | 479 | 0 | 199 | 390 | 5 | 1,073 |
| Subordinated liabilities | 0 | | 380 | 1,414 | -380 | 1,414 |
| **Liabilities** | **88,874** | **21,114** | **20,561** | **53,950** | **-40,714** | **143,785** |
| **Equity capital** | | | | | | **16,262** |

The Retail Banking segment's name in Finnish was changed at the beginning of 2024.

# Note 3. Net interest income

| € million | Q1–4/2024 | Adjusted Q1–4/2023 | Q4/2024 | Adjusted Q4/2023 |
|---|---|---|---|---|
| **Interest income calculated using the effective interest method** | | | | |
| Interest income on receivables from credit institutions | 631 | 656 | 145 | 175 |
| Interest income on loans to customers | 4,605 | 3,953 | 1,100 | 1,175 |
| Interest income on finance lease receivables | 102 | 87 | 25 | 25 |
| Interest income on notes and bonds measured at amortised cost | 43 | 7 | 12 | 4 |
| Interest income on liabilities to customers | 0 | 4 | 0 | 2 |
| Interest income on notes and bonds measured at fair value through other comprehensive income | 165 | 131 | 44 | 38 |
| Interest income on derivative contracts, fair value hedges | 73 | 491 | 16 | -799 |
| Interest income on derivative contracts, cash flow hedges | -43 | -84 | 41 | -30 |
| Interest income on loans to customers, fair value adjustments in hedge accounting | 387 | -389 | 51 | 591 |
| Interest income on notes and bonds, fair value adjustments in hedge accounting | 247 | 551 | 30 | 493 |
| Interest income on loans to customers, OP bonuses to owner-customers | -160 | -150 | -42 | -39 |
| Other interest income | 60 | 72 | 10 | 15 |
| Total | 6,112 | 5,330 | 1,432 | 1,651 |

| € million | Q1–4/2024 | Adjusted Q1–4/2023 | Q4/2024 | Adjusted Q4/2023 |
|---|---|---|---|---|
| **Interest expenses** | | | | |
| Liabilities to credit institutions | | | | |
| Interest expenses for deposits to credit institutions | 1 | 1 | 0 | 0 |
| Interest expenses for liabilities to credit institutions | 0 | -1 | 0 | 0 |
| Interest expenses for liabilities to central banks | | -77 | | |
| Interest expenses for liabilities to credit institutions, fair value adjustments in hedge accounting | -167 | -363 | -30 | -303 |
| Liabilities to customers | | | | |
| Interest expenses for deposits to customers | -1,270 | -825 | -298 | -287 |
| Interest expenses for liabilities to customers, OP bonuses to owner-customers | -82 | -67 | -22 | -18 |
| Debt securities issued to the public | | | | |
| Interest expenses on debt securities issued to the public | -694 | -665 | -168 | -190 |
| Interest expenses on debt securities issued to the public, fair value adjustments in hedge accounting | -478 | -946 | -66 | -865 |
| Subordinated liabilities | | | | |
| Interest expenses for perpetual and debenture loans | -30 | -29 | -7 | -1 |
| Interest expenses for subordinated liabilities, fair value adjustments in hedge accounting | -30 | -35 | -8 | -21 |
| Derivative contracts | | | | |
| Interest expenses for derivative contracts, fair value hedges | -327 | 558 | -142 | 973 |
| Interest expenses for derivative contracts, cash flow hedges | 24 | 71 | 6 | 15 |
| Interest expenses for other derivative contracts | 0 | 0 | 0 | 0 |
| Receivables from credit institutions | | | | |
| Negative interest | | 0 | | |
| Other interest expenses | -74 | -86 | -13 | -27 |
| **Total** | **-3,316** | **-2,675** | **-754** | **-916** |
| | | | | |
| **Total net interest income** | **2,796** | **2,654** | **678** | **735** |

# Note 4. Impairment losses on receivables

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Receivables written down as loan and guarantee losses | -220 | -93 | -167 | -39 |
| Recoveries of receivables written down | 20 | 16 | 5 | 4 |
| Expected credit losses (ECL) on receivables from customers and off-balance-sheet items | 106 | -192 | 139 | -64 |
| Expected credit losses (ECL) on notes and bonds | -2 | 0 | -1 | 0 |
| **Total impairment loss on receivables** | **-96** | **-269** | **-23** | **-99** |

OP Financial Group enhanced the recognition process for final credit losses during the fourth quarter of 2024. Loans are derecognised fully or in part from the balance sheet after a loan has been transferred for legal collection, at which point the loan principal is written down to the value of collateral. During the fourth quarter, a total of EUR 125 million of such credit losses were recognised. Correspondingly, stage 3 expected credit losses reversed totalled EUR 93 million. The net result impact was a total of EUR -32 million.

## Credit risk exposures and related loss allowance

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

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

| Exposures | Stage 1 | Stage 2 | | | Stage 3 | |
|---|---|---|---|---|---|---|
| 31 December 2024, € million | | Not more than 30 DPD | More than 30 DPD | Total | | Total exposure |
| Receivables from customers (gross) | | | | | | |
| Retail Banking | 57,631 | 8,987 | 80 | 9,067 | 2,215 | 68,913 |
| Corporate Banking | 25,463 | 2,536 | 289 | 2,825 | 556 | 28,844 |
| Total receivables from customers | 83,094 | 11,523 | 370 | 11,892 | 2,771 | 97,758 |
| | | | | | | |
| Off-balance-sheet limits | | | | | | |
| Retail Banking | 1,905 | 201 | 1 | 203 | 16 | 2,123 |
| Corporate Banking | 3,542 | 54 | 0 | 55 | 10 | 3,607 |
| Total limits | 5,447 | 256 | 2 | 258 | 25 | 5,730 |
| | | | | | | |
| Other off-balance-sheet commitments | | | | | | |
| Retail Banking | 1,155 | 26 | | 26 | 14 | 1,196 |
| Corporate Banking | 2,638 | 134 | | 134 | 32 | 2,804 |
| Total other off-balance-sheet commitments | 3,793 | 160 | | 160 | 47 | 4,000 |
| | | | | | | |
| Notes and bonds | | | | | | |
| Group Functions | 13,710 | 124 | | 124 | 3 | 13,837 |
| Total notes and bonds | 13,710 | 124 | | 124 | 3 | 13,837 |
| | | | | | | |
| Total exposures within the scope of accounting for expected credit losses | 106,044 | 12,063 | 371 | 12,434 | 2,846 | 121,324 |

.

# Loss allowance by impairment stage

| On-balance-sheet exposures and related off-balance-sheet limits* | Stage 1 | Stage 2 | | | Stage 3 | |
|---|---|---|---|---|---|---|
| 31 December 2024, € million | | Not more than 30 DPD | More than 30 DPD | Total | | Total loss allowance |
| Receivables from customers | | | | | | |
| Retail Banking | -38 | -133 | -6 | -139 | -341 | -518 |
| Corporate Banking | -37 | -66 | -6 | -72 | -148 | -257 |
| Total receivables from customers | -75 | -199 | -12 | -211 | -489 | -775 |
| | | | | | | |
| Off-balance-sheet commitments** | | | | | | |
| Retail Banking | -1 | -1 | | -1 | -5 | -7 |
| Corporate Banking | -3 | -16 | | -16 | -20 | -38 |
| Total off-balance-sheet commitments | -4 | -17 | | -17 | -24 | -45 |
| | | | | | | |
| Notes and bonds*** | | | | | | |
| Group Functions | -1 | -1 | | -1 | -2 | -4 |
| Total notes and bonds | -1 | -1 | | -1 | -3 | -4 |
| Total | -80 | -217 | -12 | -229 | -517 | -824 |

* 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.

Summary and key indicators 31 December 2024

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

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

| Receivables from customers and off-balance-sheet items, € million | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2024** | **89,032** | **15,948** | **3,159** | **108,120** |
| Transfers from Stage 1 to Stage 2, incl. repayments | -3,672 | 3,378 | | -294 |
| Transfers from Stage 1 to Stage 3, incl. repayments | -315 | | 275 | -40 |
| Transfers from Stage 2 to Stage 1, incl. repayments | 4,241 | -4,600 | | -360 |
| Transfers from Stage 2 to Stage 3, incl. repayments | | -683 | 593 | -91 |
| Transfers from Stage 3 to Stage 1, incl. repayments | 92 | | -110 | -18 |
| Transfers from Stage 3 to Stage 2, incl. repayments | | 307 | -342 | -35 |
| Increases due to origination and acquisition | 16,977 | 475 | 198 | 17,650 |
| Decreases due to derecognition | -9,663 | -2,175 | -608 | -12,446 |
| Unchanged Stage, incl. repayments | -4,356 | -331 | -136 | -4,804 |
| Recognised as final credit loss | -2 | -7 | -186 | -195 |
| **Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2024** | **92,335** | **12,310** | **2,843** | **107,488** |

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

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

In Q4/2024, new credit risk parameter models were adopted in the calculation of expected credit losses (ECL) for personal customer home loans and OP cooperative banks' secured consumer loans. The effects of model changes varied by product and at different stages of the calculation. The combined effect increased expected credit losses by EUR 8 million. The increase in Stage 1 ECL was particularly explained by the calibrations of PD and LGD models, as well as changes in SICR determination rules, during which the so-called absolute criterion for low rating grades was removed from the significant credit risk assessment criteria. Stage 2 ECL increased as a result of methodological changes and calibrations in PD and LGD models The decrease in Stage 3 ECL was explained by the new LGD model for defaulted exposures.

## Assumptions used for calculating management overlays

OP Financial Group has assessed how the rise in inflation and Euribor rates, and the fall in residential property collateral values, impact on credit risk related to home loans. This was done as a stress test which measured households' cash flows as a basis for assessing potential customers with impaired repayment capacity. Based on the analysis, an additional management overlay of EUR 42.4 million was made in Q4/2022. This was reduced by EUR 6.4 million in Q3/2023, when the effect of inflation was eliminated from the stress test. In addition, the management overlay was extended to cover all exposures due to personal customers.

The stress test of the personal customer overlay was updated with new assumptions in Q4/2023: that the interest rate will fall slowly, the unemployment rate will rise to 8%, and home prices will further decrease by 2%. In Q2/2024, the overlay was updated with the assumptions that the 12-month Euribor is 3.55% and the unemployment rate is 8.20% in Q2/2025, and that home prices fall by 2.5% Q2/2024 and Q2/2025.  In Q3/2024, the overlay was updated with the assumptions that the 12-month Euribor is 2.53% and the unemploymentrate is 7.98% in Q3/2025, and that home prices remain unchanged between Q3/2024 and Q3/2025. The overlay decreased by EUR 1.1 million in Q2/2024 and by EUR 2.0 million in Q3/2024. The overlay of EUR 32.8 million was fully reversed in Q4/2024 because the events it covered originally had already realised.

In Q4/2022, based on an analysis by OP Financial Group, a management overlay of EUR 5.3 million was made for the construction industry. The analysis was updated in Q2/2023 due to further deterioration in the industry's outlook. The analysis was made as a stress test using the baseline scenario (weight of 60%) and the downside scenario (weight of 40%) with the assumption that net sales decrease by 20%/35%, profitability weakens by 20%/40%, equity ratio decreases by 10%/20%, interest rates stand at 4%/6% and the prices of new homes have fallen by 15%/30%. Based on the update, the overlay was increased by EUR 11.7 million to EUR 17.0 million.

The overlay was updated in Q4/2023 by stressing rating grades under different scenarios. In addition, the overlay was extended to cover small construction companies. With the weak outlook for the construction industry expected to continue until 2025, the overlay was increased by EUR 21.7 million to EUR 38.7 million in Q4/2023. The overlay was reduced by EUR 3.2 million in Q2/2024, by EUR 17.5 million in Q3/2024, and by a further EUR 10.9 million in Q4/2024, because the number of construction projects with a low percentage of completion and the amount of exposures had decreased. In addition, exposures had been transferred for expert assessment.

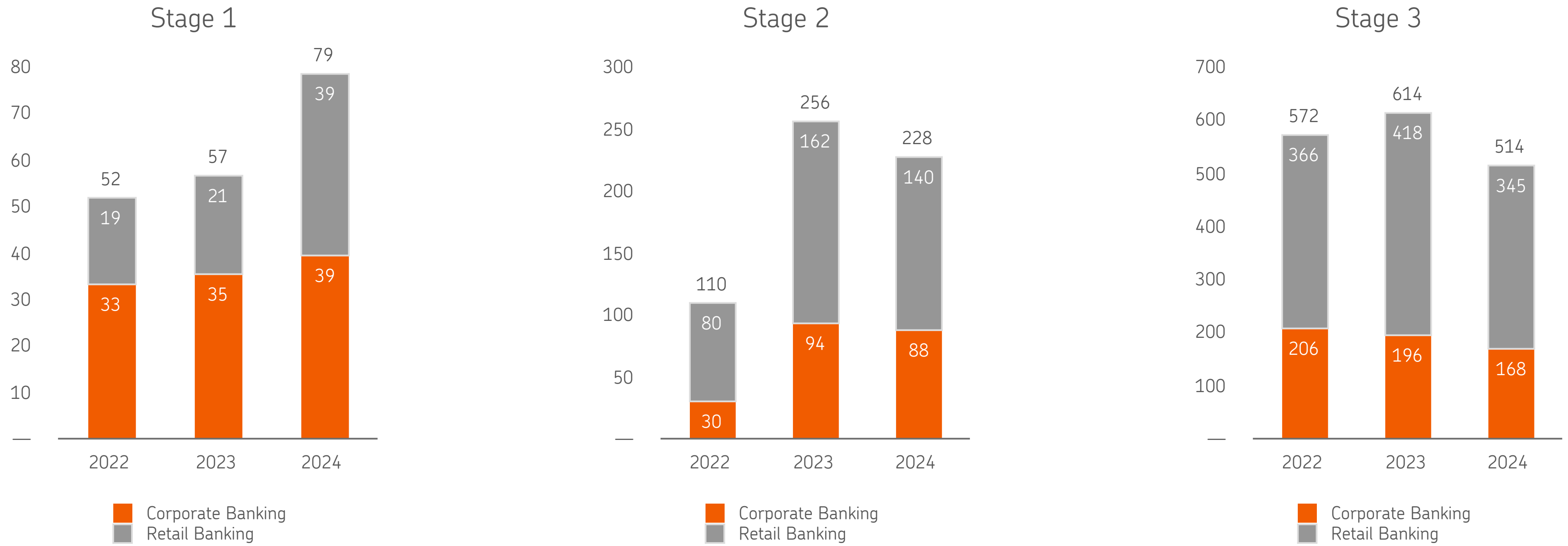
In Q2/2023, a management overlay of EUR 27.2 million was made for the real estate sector, due to the sector's weaker outlook. The analysis was made as a stress test using the baseline scenario (weight of 70%) and the downside scenario (weight of 30%) with the assumptions that net sales increase by 3%/0%, profitability weakens by 5%/10%, equity ratio decreases by 10%/20% and interest rates stand at 4%/6%. The overlay was updated in Q4/2023 and it was reduced by EUR 13 million to EUR 14.2 million because the rise in inflation and interest rates has largely been realised and credit ratings have been updated. For the same reason, the overlay was reduced by EUR 4.6 million in Q2/2024, by EUR 2.8 million in Q3/2024 and by the remaining EUR 6.8 million in Q4/2024.

At the end of 2021, OP Financial Group made an ECL management overlay of EUR 34 million concerning CRE backed loans. The overlay anticipated growth in ECLs and probable defaults after the collateral assessment of the riskiest commercial real estate holdings was updated. In Q4/2024, the remaining overlay totalled EUR 6 million.

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

In Q3/2024, OP Financial Group made a new management overlay of EUR 2.2 million for recognising the higher credit risk of bullet and balloon loans in ECL calculation. It was updated to EUR 3.1 million in Q4/2024. In addition, in Q4/2024, a parameter-specific management overlay of EUR 36.1 million was made to account for the recent increase in non-performing exposures and the higher probability of default observed as a result. Another management overlay of EUR 4.0 million was also made in Q4/2024 to address climate and environmental risks. These overlays are intended to be reversed during 2025 when the new post-model adjustments at the parameter level are adopted.

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




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

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

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

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

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

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

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

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

| Exposures | Stage 1 | Stage 2 | | | Stage 3* | |
|---|---|---|---|---|---|---|
| 31 December 2023, € million | | Not more than 30 DPD | More than 30 DPD | Total | | Total exposure |
| Receivables from customers (gross) | | | | | | |
| Retail Banking | 55,280 | 11,893 | 61 | 11,955 | 2,373 | 69,608 |
| Corporate Banking | 25,988 | 3,064 | 150 | 3,214 | 707 | 29,909 |
| **Total receivables from customers** | **81,269** | **14,957** | **211** | **15,168** | **3,080** | **99,517** |
| | | | | | | |
| Off-balance-sheet limits | | | | | | |
| Retail Banking | 1,449 | 354 | 0 | 354 | 8 | 1,811 |
| Corporate Banking | 2,960 | 173 | 0 | 173 | 8 | 3,141 |
| **Total limits** | **4,410** | **526** | **0** | **527** | **16** | **4,952** |
| | | | | | | |
| Other off-balance-sheet commitments | | | | | | |
| Retail Banking | 721 | 36 | | 36 | 17 | 775 |
| Corporate Banking | 2,632 | 216 | | 216 | 46 | 2,895 |
| **Total other off-balance-sheet commitments** | **3,354** | **253** | | **253** | **63** | **3,670** |
| | | | | | | |
| Notes and bonds | | | | | | |
| Group Functions | 12,737 | 69 | | 69 | 3 | 12,809 |
| **Total notes and bonds** | **12,737** | **69** | | **69** | **3** | **12,809** |
| | | | | | | |
| **Total exposures within the scope of accounting for expected credit losses** | **101,769** | **15,805** | **212** | **16,017** | **3,163** | **120,948** |

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

## Loss allowance for the comparative period by impairment stage

| On-balance-sheet exposures and related off-balance-sheet limits* | Stage 1 | Stage 2 | | | Stage 3 | |
|---|---|---|---|---|---|---|
| 31 December 2023, € million | | Not more than 30 DPD | More than 30 DPD | Total | | Total loss allowance |
| **Receivables from customers** | | | | | | |
| Retail Banking | -21 | -160 | -1 | -161 | -413 | -594 |
| Corporate Banking | -33 | -76 | -7 | -83 | -173 | -288 |
| **Total receivables from customers** | -53 | -236 | -8 | -243 | -586 | -882 |
| | | | | | | |
| **Off-balance-sheet commitments**** | | | | | | |
| Retail Banking | -1 | -1 | | -1 | -5 | -7 |
| Corporate Banking | -3 | -11 | | -11 | -23 | -37 |
| **Total off-balance-sheet commitments** | -3 | -13 | | -13 | -29 | -44 |
| | | | | | | |
| **Notes and bonds***** | | | | | | |
| Group Functions | -1 | -1 | | -1 | -1 | -2 |
| **Total notes and bonds** | -1 | -1 | | -1 | -1 | -2 |
| | | | | | | |
| **Total** | -58 | -249 | -8 | -257 | -615 | -929 |

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

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

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

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

| Summary and key indicators 31 December 2023 | Stage 1 | Stage 2 | | | Stage 3 | |
|---|---|---|---|---|---|---|
| | | Not more than 30 DPD | More than 30 DPD | Total | | Total |
| **Receivables from customers; on-balance-sheet and off-balance-sheet items** | | | | | | |
| Retail Banking | 57,451 | 12,283 | 62 | **12,345** | 2,398 | **72,194** |
| Corporate Banking | 31,581 | 3,453 | 150 | **3,603** | 761 | **35,945** |
| **Loss allowance** | | | | | | |
| Retail Banking | -21 | -161 | -1 | **-162** | -418 | **-602** |
| Corporate Banking | -35 | -87 | -7 | **-94** | -196 | **-325** |
| **Coverage ratio, %** | | | | | | |
| Retail Banking | 0.0 | -1.3 | -1.4 | **-1.3** | -17.4 | **-0.8** |
| Corporate Banking | -0.1 | -2.5 | -4.5 | **-2.6** | -25.8 | **-0.9** |
| **Receivables from customers: total on-balance-sheet and off-balance-sheet items** | **89,032** | **15,736** | **212** | **15,948** | **3,159** | **108,139** |
| **Total loss allowance** | **-57** | **-248** | **-8** | **-256** | **-614** | **-927** |
| **Total coverage ratio, %** | **-0.1** | **-1.6** | **-3.6** | **-1.6** | **-19.4** | **-0.9** |
| | | | | | | |
| **Carrying amount, notes and bonds** | | | | | | |
| Group Functions | 12,737 | 69 | | **69** | 3 | **12,809** |
| **Loss allowance** | | | | | | |
| Group Functions | -1 | -1 | | **-1** | -1 | **-2** |
| **Coverage ratio, %** | | | | | | |
| Group Functions | 0.0 | -0.9 | | **-0.9** | -16.4 | **0.0** |
| **Total notes and bonds** | **12,737** | **69** | | **69** | **3** | **12,809** |
| **Total loss allowance** | **-1** | **-1** | | **-1** | **-1** | **-2** |
| **Total coverage ratio, %** | **0.0** | **-0.9** | | **-0.9** | **-16.4** | **0.0** |

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

| Receivables from customers and off-balance-sheet items, € million | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2023 | 96,485 | 11,097 | 2,549 | 110,131 |
| Transfers from Stage 1 to Stage 2, incl. repayments | -9,329 | 8,887 | | -442 |
| Transfers from Stage 1 to Stage 3, incl. repayments | -756 | | 719 | -37 |
| Transfers from Stage 2 to Stage 1, incl. repayments | 3,245 | -3,379 | | -135 |
| Transfers from Stage 2 to Stage 3, incl. repayments | | -704 | 630 | -74 |
| Transfers from Stage 3 to Stage 1, incl. repayments | 53 | | -65 | -12 |
| Transfers from Stage 3 to Stage 2, incl. repayments | | 263 | -297 | -34 |
| Increases due to origination and acquisition | 15,116 | 1,138 | 165 | 16,419 |
| Decreases due to derecognition | -10,038 | -1,078 | -343 | -11,459 |
| Unchanged Stage, incl. repayments | -5,744 | -274 | -109 | -6,124 |
| Recognised as final credit loss | 0 | -1 | -91 | -95 |
| Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2023 | 89,032 | 15,948 | 3,159 | 108,139 |

| Receivables from customers and off-balance-sheet items, € million | Stage 1<br>12 months | Stage 2<br>Lifetime | Stage 3<br>Lifetime | Total |
|---|---|---|---|---|
| Loss allowance 1 January 2023 | 52 | 110 | 572 | 734 |
| Transfers from Stage 1 to Stage 2 | -8 | 132 | | 124 |
| Transfers from Stage 1 to Stage 3 | -1 | | 84 | 83 |
| Transfers from Stage 2 to Stage 1 | 2 | -16 | | -15 |
| Transfers from Stage 2 to Stage 3 | | -11 | 67 | 56 |
| Transfers from Stage 3 to Stage 1 | 0 | | -9 | -8 |
| Transfers from Stage 3 to Stage 2 | | 5 | -31 | -26 |
| Increases due to origination and acquisition | 12 | 32 | 35 | 79 |
| Decreases due to derecognition | -11 | -12 | -71 | -94 |
| Changes in risk parameters (net) | 11 | 17 | 32 | 59 |
| Decrease in allowance account due to write-offs | | 0 | -65 | -65 |
| Net change in expected credit losses | 5 | 146 | 42 | 193 |
| Loss allowance 31 December 2023 | 57 | 256 | 614 | 927 |

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

| Loss allowance 31 December 2023 | Retail Banking | Corporate Banking | Total |
|---|---|---|---|
| Loss allowance before management overlays | 504 | 314 | 818 |
| Management overlays | | | |
| Personal customers: inflation, interest rates and value of collateral securities | 35 | 1 | 36 |
| Construction industry | 29 | 9 | 39 |
| Real estate sector | 13 | 1 | 14 |
| Collateral valuation of CRE backed loans | 6 | | 6 |
| Improvement to the identification processes for EWS and connected clients | 14 | | 14 |
| Total management overlays | 98 | 11 | 109 |
| Total reported loss allowance | 602 | 325 | 927 |

The following tables illustrate the changes in forecasts for GDP and the unemployment rate in the comparison period.

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

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

| Notes and bonds, € million | Stage 1 12 months | Stage 2 Lifetime | Stage 3 Lifetime | Total |
|---|---|---|---|---|
| Loss allowance 1 January 2023 | 1 | 1 | | 2 |
| Transfers from Stage 1 to Stage 2 | 0 | 0 | | 0 |
| Transfers from Stage 1 to Stage 3 | 0 | | 1 | 0 |
| Transfers from Stage 2 to Stage 1 | 0 | 0 | | 0 |
| Increases due to origination and acquisition | 0 | 0 | | 0 |
| Net change in expected credit losses | 0 | 0 | 1 | 0 |
| Loss allowance 31 December 2023 | 1 | 1 | 1 | 2 |

# Note 5. Net commissions and fees

| € million | Retail Banking | | Corporate Banking | | Insurance | | Group Functions | | Group eliminations | | OP Financial Group | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
| **Commission income** | | | | | | | | | | | | | | |
| Lending | 113 | 108 | 50 | 54 | | | 0 | 0 | -1 | -2 | 162 | 160 | 45 | 40 |
| Deposits | 22 | 23 | 3 | 2 | | | 0 | 0 | 0 | 0 | 25 | 25 | 6 | 6 |
| Payment transfers | 233 | 285 | 32 | 32 | | | 16 | 19 | -15 | -19 | 266 | 317 | 68 | 63 |
| Securities brokerage | 6 | 6 | 18 | 18 | | | | | -6 | -7 | 18 | 18 | 5 | 5 |
| Securities issuance | 0 | 0 | 8 | 5 | | | 0 | 0 | 0 | 0 | 8 | 5 | 2 | 2 |
| Mutual funds* | 53 | 48 | 203 | 204 | 40 | 36 | | | -52 | -47 | 244 | 241 | 65 | 60 |
| Wealth management | 31 | 31 | 37 | 28 | | | 1 | 1 | -22 | -13 | 48 | 46 | 19 | 19 |
| Legal services | 21 | 23 | 0 | 0 | | | | | | 0 | 21 | 23 | 5 | 6 |
| Guarantees | 11 | 11 | 12 | 12 | | | 0 | 0 | 0 | 0 | 23 | 23 | 6 | 6 |
| Housing agency | 57 | 63 | | | | | | | 0 | 0 | 57 | 63 | 14 | 16 |
| Sales commissions on insurance contracts | 82 | 92 | | | 7 | 9 | | | -60 | -64 | 30 | 38 | 3 | 7 |
| Life insurance investment contracts | | | | | 28 | 25 | | | | | 28 | 25 | 7 | 6 |
| Other | 44 | 44 | 6 | 10 | | | 1 | 1 | -36 | -40 | 15 | 14 | 4 | 3 |
| **Total** | 674 | 735 | 370 | 366 | 76 | 70 | 18 | 21 | -191 | -192 | 946 | 1,000 | 250 | 241 |

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

| € million | Retail Banking | | Corporate Banking | | Insurance | | Group Functions | | Group eliminations | | OP Financial Group | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
| Commission expenses | | | | | | | | | | | | | | |
| Lending | 0 | 0 | -1 | -2 | | | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Payment transfers | -37 | -30 | -3 | -7 | -2 | -2 | -3 | -3 | 14 | 16 | -31 | -26 | -8 | -5 |
| Securities brokerage | | | -3 | -3 | | | 0 | 0 | 0 | 0 | -4 | -3 | -1 | -1 |
| Securities issuance | | 0 | 0 | -5 | | | 0 | 0 | | 0 | 0 | -5 | 0 | -1 |
| Mutual funds | | | -108 | -106 | 0 | 0 | | | 52 | 47 | -56 | -58 | -14 | -14 |
| Wealth management | | | -7 | -8 | 5 | 5 | -1 | -1 | 0 | 0 | -3 | -4 | 3 | 3 |
| Sales commissions on insurance contracts | | | | | -29 | -28 | | | 26 | 23 | -3 | -5 | -1 | -1 |
| Derivatives | | 0 | -41 | -42 | | | | | 39 | 42 | -2 | 0 | -1 | 0 |
| Other | -18 | -20 | -7 | -2 | -1 | -1 | -14 | -16 | 11 | 10 | -28 | -28 | -9 | -9 |
| Total | -55 | -50 | -171 | -174 | -27 | -25 | -18 | -21 | 142 | 139 | -128 | -130 | -31 | -27 |
| | | | | | | | | | | | | | | |
| Total net commissions and fees | 619 | 686 | 199 | 192 | 49 | 44 | 0 | -1 | -49 | -52 | 818 | 870 | 219 | 214 |

The Retail Banking segment's name in Finnish was changed at the beginning of 2024.

# Note 6. Insurance service result

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Non-life insurance | | | | |
| Expected claims incurred and other directly allocated insurance service expenses | 1,498 | 1,309 | 379 | 338 |
| Changes in risk adjustment for non-financial risk | 13 | 11 | 4 | 3 |
| Contractual service margin for services provided in the period | 230 | 249 | 76 | 44 |
| Recognition as revenue of insurance acquisition cash flows | 131 | 124 | 36 | 34 |
| Other changes in insurance revenue | 5 | 65 | -6 | 52 |
| Non-life insurance revenue according to the General Measurement Model (GMM), total | 1,877 | 1,758 | 488 | 471 |
| | | | | |
| Life insurance | | | | |
| Expected claims incurred and other directly allocated insurance service expenses | 132 | 119 | 32 | 29 |
| Changes in risk adjustment for non-financial risk | 12 | 10 | 3 | 2 |
| Contractual service margin for services provided in the period | 59 | 64 | 16 | 15 |
| Recognition as revenue of insurance acquisition cash flows | 13 | 14 | 2 | 5 |
| Other changes in insurance revenue | 4 | 9 | 2 | 4 |
| Life insurance revenue according to the General Measurement Model (GMM), total | 220 | 216 | 56 | 56 |
| | | | | |
| Expected claims incurred and other directly allocated insurance service expenses | 17 | 17 | 4 | 4 |
| Changes in risk adjustment for non-financial risk | 4 | 4 | 1 | 1 |
| Contractual service margin for services provided in the period | 7 | 5 | 3 | 1 |
| Recognition as revenue of insurance acquisition cash flows | 2 | 2 | 0 | 1 |
| Other changes in insurance revenue | 2 | -2 | 3 | 0 |
| Life insurance revenue according to the Variable Fee Approach (VFA), total | 32 | 26 | 11 | 7 |
| Total life insurance revenue | 252 | 242 | 67 | 63 |
| | | | | |
| Total insurance revenue | 2,129 | 2,000 | 555 | 534 |

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Non-life insurance | | | | |
| Actual claims incurred and other directly allocated insurance service expenses | -1,598 | -1,295 | -410 | -366 |
| Changes that relate to past service - changes arising from claims incurred in past periods | 62 | -116 | 51 | 25 |
| Insurance acquisition costs | -131 | -124 | -36 | -34 |
| Losses on onerous contracts and reversal of those losses | -24 | -33 | 5 | -4 |
| **Non-life insurance service expenses according to the General Measurement Model (GMM), total** | **-1,691** | **-1,568** | **-390** | **-378** |
| | | | | |
| Life insurance | | | | |
| Actual claims incurred and other directly allocated insurance service expenses | -141 | -135 | -35 | -33 |
| Changes that relate to past service - changes arising from claims incurred in past periods | 0 | -2 | 0 | 0 |
| Insurance acquisition costs | -13 | -14 | -2 | -5 |
| Losses on onerous contracts and reversal of those losses | 4 | -53 | 8 | -23 |
| Life insurance service expenses according to the General Measurement Model (GMM), total | -150 | -205 | -28 | -61 |
| Actual claims incurred and other directly allocated insurance service expenses | -34 | -26 | -9 | -7 |
| Changes that relate to past service - changes arising from claims incurred in past periods | 0 | -1 | 0 | 0 |
| Insurance acquisition costs | -2 | -2 | 0 | -1 |
| Losses on onerous contracts and reversal of those losses | -1 | -24 | 0 | -8 |
| Life insurance service expenses according to the Variable Fee Approach (VFA), total | -38 | -52 | -9 | -16 |
| **Life insurance service expenses, total** | **-188** | **-256** | **-38** | **-77** |
| | | | | |
| Total insurance service expenses | -1,879 | **-1,824** | **-428** | **-455** |
| | | | | |
| Net income from non-life reinsurance contracts held | -51 | -88 | -28 | -54 |
| Net income from life reinsurance contracts held | -8 | -7 | -2 | -3 |
| **Total net income from reinsurance contracts held** | **-59** | **-95** | **-31** | **-56** |
| | | | | |
| Insurance service result | 192 | 81 | 96 | 23 |

# Note 7. Net insurance finance expenses

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Non-life insurance | | | | |
| Unwinding of discount on insurance contract liabilities | -62 | -33 | -16 | -12 |
| Effect of changes in interest rates on insurance contracts and other financial assumptions | -49 | -153 | -15 | -178 |
| Exchange rate differences of insurance contracts | 0 | 0 | -1 | 0 |
| Finance income and expenses related to direct non-life insurance contracts (GMM), total | -111 | -186 | -31 | -190 |
| Finance income and expenses related to non-life reinsurance contracts | 5 | 4 | 1 | 15 |
| Life insurance | | | | |
| Unwinding of discount on insurance contract liabilities | 1 | 12 | 0 | 1 |
| Insurance contract net financing items, risk mitigation | -44 | -53 | -9 | -87 |
| Effect of changes in interest rates on insurance contracts and other financial assumptions | -73 | -119 | -34 | -109 |
| Finance income and expenses related to direct life insurance contracts (GMM), total | -71 | -107 | -34 | -108 |
| Insurance contract net financing items, risk mitigation | -44 | -53 | -9 | -87 |
| Effect of changes in interest rates on insurance contracts and other financial assumptions | | 0 | | 0 |
| Net financing items of changes in the fair value of the underlying assets of insurance contracts | -504 | -377 | -88 | -249 |
| Finance income and expenses related to direct life insurance contracts (VFA), total | -548 | -429 | -97 | -335 |
| Finance income and expenses related to life reinsurance contracts, total | -1 | -3 | 0 | -2 |
| Net insurance finance income (+)/expenses (–) | -727 | -722 | -161 | -621 |

# Note 8. Net income from financial assets held for trading

## Financial assets held for trading

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| **Notes and bonds** | | | | |
| Interest income and expenses | 12 | 20 | 2 | 2 |
| Fair value gains and losses on notes and bonds | 2 | 5 | -1 | 6 |
| Shares and participations | | | | |
| Fair value gains and losses | 21 | 1 | 12 | -4 |
| Dividend income and share of profits | 5 | 4 | 0 | 0 |
| Derivatives | | | | |
| Interest income and expenses | 175 | 67 | 38 | 27 |
| Fair value gains and losses | -171 | -42 | -50 | -1 |
| **Total** | **44** | **55** | **1** | **31** |

# Note 9. Net investment income

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

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

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Financial assets held for trading, insurance business | | | | |
| Derivatives | | | | |
| Interest income and expenses | -25 | -22 | -6 | -5 |
| Fair value gains and losses | 10 | 106 | -13 | 143 |
| Total | -16 | 84 | -19 | 138 |
| | | | | |
| Financial assets designated as at fair value through profit or loss | | | | |
| Notes and bonds | | | | |
| Interest income | 156 | 136 | 42 | 36 |
| Fair value gains and losses | 102 | 278 | 0 | 233 |
| Shares and participations | | | | |
| Fair value gains and losses | 334 | 152 | 78 | 48 |
| Dividend income and share of profits | 59 | 43 | 20 | 9 |
| Total | 651 | 609 | 140 | 327 |
| | | | | |
| Income from assets covering unit-linked insurance and investment contracts | | | | |
| Interest income | 6 | 3 | 1 | 3 |
| Fair value gains and losses | 1,334 | 1,009 | 248 | 647 |
| Total | 1,340 | 1,013 | 249 | 650 |
| | | | | |
| Net income from financial assets designated as at fair value through profit or loss, total | 1,991 | 1,622 | 389 | 976 |
| | | | | |
| Total net income from financial assets recognised at fair value through profit or loss | 1,975 | 1,706 | 370 | 1,115 |

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| Net income from investment property | | | | |
| Rental income | 51 | 52 | 12 | 13 |
| Fair value gains and losses | 0 | -29 | 2 | -21 |
| Maintenance charges and expenses | -44 | -46 | -13 | -18 |
| Other | 0 | 0 | 0 | 0 |
| Total net income from investment property | 8 | -22 | 2 | -26 |
| | | | | |
| Net income from loans and receivables recognised at amortised cost | | | | |
| Interest income | 8 | 12 | 1 | 4 |
| Interest expenses | -2 | -2 | 0 | -1 |
| Impairment losses and their reversals | 1 | -2 | 0 | 0 |
| Total net income from loans and receivables recognised at amortised cost | 8 | 8 | 1 | 3 |
| | | | | |
| Associates and joint ventures | | | | |
| Associates accounted for using the fair value method | 5 | 0 | -4 | -4 |
| Associates consolidated using the equity method | 2 | 2 | -2 | -2 |
| Joint ventures | 0 | 1 | 0 | 0 |
| Total | 8 | 3 | -5 | -5 |
| | | | | |
| Financial liabilities designated as at fair value through profit or loss | | | | |
| Premiums written from investment contracts | 703 | 448 | 225 | 128 |
| Claims paid under investment contracts | -357 | -358 | -89 | -90 |
| Change in investment contract liabilities | -1,196 | -733 | -299 | -439 |
| Total net income from investment contract liabilities | -851 | -642 | -162 | -401 |
| | | | | |
| Total net investment income | 1,147 | 1,057 | 206 | 685 |

# Note 10. Other operating expenses

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| ICT expenses | | | | |
| Production | -268 | -238 | -72 | -62 |
| Development | -245 | -222 | -69 | -80 |
| Buildings | -60 | -58 | -20 | -19 |
| Charges of financial authorities | -16 | -77 | -15 | -14 |
| Audit fees | -8 | -6 | -2 | -3 |
| Service purchases | -159 | -143 | -42 | -40 |
| Expert services | -44 | -55 | -10 | -15 |
| Telecommunications | -34 | -33 | -9 | -8 |
| Marketing | -44 | -44 | -14 | -13 |
| Donations and sponsorships | -17 | -14 | -4 | -4 |
| Insurance and security costs | -18 | -15 | -4 | -2 |
| Expenses from short-term and low-value leases | -6 | -6 | -2 | -1 |
| Other | -118 | -101 | -32 | -25 |
| **Other operating expenses, total** | **-1,036** | **-1,011** | **-295** | **-287** |

## Development costs

| € million | Q1–4/2024 | Q1–4/2023 | Q4/2024 | Q4/2023 |
|---|---|---|---|---|
| ICT development expenses | -245 | -222 | -69 | -80 |
| Share of own work | -104 | -72 | -30 | -20 |
| **Total development expenses in the income statement** | **-349** | **-294** | **-100** | **-100** |
| Capitalised ICT costs | -49 | -51 | -13 | 7 |
| Transfer of capitalised costs/personnel costs | -9 | -12 | -2 | -3 |
| **Total capitalised development costs** | **-58** | **-62** | **-15** | **4** |
| **Total development costs** | **-407** | **-356** | **-115** | **-96** |
| Depreciation/amortisation and impairment loss on development costs | -74 | -142 | -16 | -56 |

# Note 11. Classification of financial assets and liabilities

| Financial assets 31 December 2024, € million | Amortised cost | Recognised at fair value through other comprehensive income | Recognised at fair value through profit or loss: Financial assets held for trading | Recognised at fair value through profit or loss: Financial assets designated as at fair value through profit or loss | Recognised at fair value through profit or loss: Must be measured at fair value through profit or loss | Hedging derivatives | Carrying amount total |
|---|---|---|---|---|---|---|---|
| Cash and deposits with central banks | 18,110 | | | | | | 18,110 |
| Receivables from credit institutions | 808 | | | | | | 808 |
| Receivables from customers | 98,629 | | | | | | 98,629 |
| Derivative contracts | | | 1,816 | | | 681 | 2,497 |
| Assets covering unit-linked contracts | | | | 14,172 | | | 14,172 |
| Notes and bonds | 1,521 | 12,176 | 206 | 6,090 | | | 19,994 |
| Shares and participations | | 0 | 62 | 2,757 | 1 | | 2,820 |
| Other financial assets | 1,780 | | | 8 | | | 1,788 |
| **Total** | **120,849** | **12,176** | **2,085** | **23,027** | **1** | **681** | **158,818** |

At the end of the reporting period, OP Financial Group's balance sheet had bonds worth EUR 1,520 million (630), which were not measured at market value due to the measurement category. The market value of these bonds amounted to EUR 1,547 million (648) at the end of the reporting period.

Adjusted

| Financial assets 31 December 2023, € million | Amortised cost | Recognised at fair value through other comprehensive income | Recognised at fair value through profit or loss | | | Hedging derivatives | Carrying amount total |
|---|---|---|---|---|---|---|---|
| | | | Financial assets held for trading | Financial assets designated as at fair value through profit or loss | Must be measured at fair value through profit or loss | | |
| Cash and deposits with central banks | 19,755 | | | | | | 19,755 |
| Receivables from credit institutions | 858 | | | | | | 858 |
| Receivables from customers | 98,316 | | | | | | 98,316 |
| Derivative contracts | | | 2,256 | | | 850 | 3,106 |
| Assets covering unit-linked contracts | | | | 12,581 | | | 12,581 |
| Notes and bonds | 697 | 11,588 | 216 | 6,383 | | | 18,884 |
| Shares and participations | | 0 | 84 | 2,349 | 1 | | 2,434 |
| Other financial assets | 1,564 | | | 42 | | | 1,606 |
| **Total** | **121,191** | **11,588** | **2,556** | **21,356** | **1** | **850** | **157,541** |

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

| Financial liabilities 31 December 2024, € million | Recognised at fair value through profit or loss | At amortised cost | Hedging derivatives | Carrying amount total |
|---|---|---|---|---|
| Liabilities to credit institutions | | 91 | | 91 |
| Liabilities to customers | | 80,455 | | 80,455 |
| Derivative contracts | 2,223 | | 102 | 2,324 |
| Investment contract liabilities | 9,140 | | | 9,140 |
| Debt securities issued to the public | 1,954 | 31,244 | | 33,198 |
| Subordinated liabilities | | 1,444 | | 1,444 |
| Other financial liabilities | 2 | 2,438 | | 2,440 |
| **Total** | **13,320** | **115,672** | **102** | **129,093** |

Adjusted

| Financial liabilities 31 December 2023, € million | Recognised at fair value through profit or loss | At amortised cost | Hedging derivatives | Carrying amount total |
|---|---|---|---|---|
| Liabilities to customers | | 77,178 | | 77,178 |
| Derivative contracts | 2,895 | | 99 | 2,994 |
| Investment contract liabilities | 7,944 | | | 7,944 |
| Debt securities issued to the public | 2,210 | 35,479 | | 37,689 |
| Subordinated liabilities | | 1,414 | | 1,414 |
| Other financial liabilities | 5 | 2,476 | | 2,481 |
| Total | 13,054 | 116,621 | 99 | 129,774 |

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

At the end of December, the fair value of OP Financial Group's senior and senior non-preferred bonds issued to the public and carried at amortised cost was around EUR 26,826 million (28,876) and their carrying amount was EUR 27,731 million (32,210). The fair value is based on information available from the market. All subordinated liabilities are measured at amortised cost. Their fair value is EUR 1,448 million. Amortised costs of debt securities issued to the public are itemised in Note 14.

# Note 12. Reinsurance contract assets

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Non-life insurance | | |
| Reinsurance contract assets for the remaining coverage period | -55 | -18 |
| Reinsurance contract liability for occurred losses | 157 | 124 |
| **Total non-life reinsurance contract assets** | **102** | **106** |

# Note 13. Insurance contract liabilities

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Non-life insurance | | |
| Liabilities for the remaining coverage period, GMM | 239 | 230 |
| Liability for occurred losses, GMM | 2,337 | 2,303 |
| **Total non-life insurance contract liabilities** | **2,576** | **2,533** |
| | | |
| | | |
| Life insurance | | |
| Liabilities for the remaining coverage period, GMM | 2,980 | 3,177 |
| Liability for occurred losses, GMM | 12 | 14 |
| Liabilities for the remaining coverage period, VFA total | 6,184 | 5,824 |
| Liability for occurred losses (VFA), total | 43 | 41 |
| **Total life insurance contract liabilities** | **9,219** | **9,056** |
| | | |
| Life insurance | | |
| Reinsurance contract liabilities for the remaining coverage period | 1 | |
| **Total life reinsurance contract liabilities** | **1** | |
| | | |
| **Total insurance contract liabilities** | **11,796** | **11,589** |

# Note 14. Debt securities issued to the public

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Bonds | 10,897 | 12,978 |
| Subordinated bonds, SNP | 3,566 | 4,045 |
| Covered bonds | 14,114 | 13,871 |
| Certificates of deposit | 170 | 668 |
| Commercial papers | 4,451 | 6,128 |
| **Total debt securities issued to the public** | **33,198** | **37,689** |

# Note 15. Fair value reserve after income tax

| € million | Notes and bonds | Cash flow hedges | Total |
|---|---|---|---|
| **Opening balance 1 January 2023** | -24 | -337 | -360 |
| Fair value changes | -62 | -72 | 10 |
| Capital gains transferred to income statement | -6 | | -6 |
| Transfers to net interest income | | 84 | 84 |
| Deferred tax | 14 | -31 | -18 |
| **Closing balance 31 December 2023** | **-78** | **-212** | **-290** |

| € million | Notes and bonds | Cash flow hedges | Total |
|---|---|---|---|
| **Opening balance 1 January 2024** | -78 | -212 | -290 |
| Fair value changes | -37 | -25 | -62 |
| Capital gains transferred to income statement | -1 | | -1 |
| Transfers to net interest income | | 114 | 114 |
| Deferred tax | 8 | -18 | -10 |
| **Closing balance 31 December 2024** | **-109** | **-140** | **-249** |

The fair value reserve before tax totalled EUR –311 million (–363) and the related deferred tax asset/liability EUR 62 million (73). The loss allowance on notes and bonds recognised at fair value through other comprehensive income totalled EUR –2 million (0) in the fair value reserve during the period.

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

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Given on behalf of own liabilities and commitments | | |
| Pledges | 151 | 241 |
| Loans (as collateral for covered bonds) | 16,333 | 18,163 |
| Other | 1,562 | 744 |
| **Total collateral given*** | **18,046** | **19,148** |
| | | |
| Secured derivative liabilities | 729 | 657 |
| Other secured liabilities | 869 | 168 |
| Covered bonds | 14,114 | 13,871 |
| **Total** | **15,712** | **14,696** |

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

## Off-balance-sheet commitments

| € million | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Guarantees | 550 | 841 |
| Guarantee liabilities | 2,549 | 2,743 |
| Loan commitments | 13,219 | 12,525 |
| Commitments related to short-term trade transactions | 305 | 553 |
| Other* | 1,293 | 1,509 |
| **Total off-balance-sheet commitments** | **17,915** | **18,171** |

* Of which Non-life Insurance commitments to private equity funds amount to EUR 200 million (224)

# Note 17. Recurring fair value measurements by valuation technique

| Fair value of assets 31 December 2024, € million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets recognised at fair value through profit or loss | | | | |
| Equity instruments | 1,834 | 337 | 649 | 2,819 |
| Debt instruments | 5,680 | 557 | 68 | 6,304 |
| Unit-linked contracts | 9,013 | 5,159 | | 14,172 |
| Derivative contracts | 3 | 2,397 | 96 | 2,497 |
| Recognised at fair value through other comprehensive income | | | | |
| Equity instruments | 0 | | | 0 |
| Debt instruments | 4,273 | 7,297 | 606 | 12,176 |
| **Total financial instruments** | **20,803** | **15,747** | **1,419** | **37,969** |
| Investment property | | | 500 | 500 |
| **Total** | **20,803** | **15,747** | **1,919** | **38,470** |

Adjusted

| Fair value of assets 31 December 2023, € million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets recognised at fair value through profit or loss | | | | |
| Equity instruments | 1,425 | 263 | 746 | 2,434 |
| Debt instruments | 5,613 | 946 | 83 | 6,642 |
| Unit-linked contracts | 7,624 | 4,957 | 0 | 12,581 |
| Derivative contracts* | 0 | 3,007 | 98 | 3,106 |
| Recognised at fair value through other comprehensive income | | | | |
| Debt instruments | 9,166 | 1,694 | 727 | 11,588 |
| **Total financial instruments** | **23,829** | **10,867** | **1,655** | **36,350** |
| Investment property | | | 527 | 527 |
| **Total** | **23,829** | **10,867** | **2,182** | **36,877** |

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

| Fair value of liabilities 31 December 2024, € million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial liabilities recognised at fair value through profit or loss | | | | |
| Unit-linked contracts | 5,813 | 3,327 | | 9,140 |
| Structured notes | | | 1,954 | 1,954 |
| Other | | 2 | | 2 |
| Derivative contracts | 0 | 2,250 | 74 | 2,324 |
| Total | 5,813 | 5,580 | 2,029 | 13,421 |

| Adjusted<br>Fair value of liabilities 31 December 2023, € million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial liabilities recognised at fair value through profit or loss | | | | |
| Unit-linked contracts | 4,814 | 3,130 | | 7,944 |
| Structured notes | | | 2,210 | 2,210 |
| Other | | 5 | | 5 |
| Derivative contracts* | 2 | 2,901 | 91 | 2,994 |
| Total | 4,815 | 6,036 | 2,302 | 13,153 |

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

## Fair value measurement

### Derivatives and other financial instruments measured at fair value

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

Middle Office is responsible for the fair value measurement of banking derivatives, including Level 3 hierarchy, and the quality and reliability of market data, valuation curves and volatility surfaces used in them, as part of its daily fair value measurement process. Middle Office regularly compares, at contract level, valuation prices with valuations supplied by CSA counterparties and central counterparties and, whenever necessary, determines any significant valuation differences.

Risk Management Control is responsible for approval of new fair value measurement models and techniques and supervision of the fair value measurement process. Verifying fair values is based, for example, on valuation using alternative sources for market prices and other input data. In this verification process, valuation prices can be compared with prices supplied by CSA counterparties and central counterparties. In addition, it is possible to use valuation services provided by third parties.

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

## Fair value hierarchy

### Level 1: Quoted prices in active markets

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

### Level 2: Valuation techniques using observable inputs

Valuation techniques based on observable input parameters. The fair value of instruments included within Level 2 means value derived from the market price of a financial instrument's components or similar financial instruments; or value which can be determined using commonly used valuation models and techniques if the inputs significant to the fair value measurement are based on observable market data. This hierarchy level includes the majority of OP Corporate Bank's OTC derivatives and quoted debt instruments issued by companies, governments and financial institutions which have not been included in Level 1.

### Level 3: Valuation techniques using unobservable inputs

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

## Transfers between levels of the fair value hierarchy

Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such transfer or when circumstances change. Transfers between the levels are mainly due to the number of available market quotes.

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

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

Level 2 input data include, for example: quoted prices of similar items in active markets, quoted prices of similar items in inactive markets, market interest rates, implied volatilities and credit spreads.

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

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

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

## Valuation techniques whose input parameters involve uncertainty (Level 3)

### Breakdown of financial assets and liabilities

| Financial assets, € million | Recognised at fair value through profit or loss | Derivative contracts | Recognised at fair value through other comprehen-sive income | Total assets |
|---|---|---|---|---|
| **Opening balance 1 January 2024** | 829 | 98 | 727 | 1,655 |
| Total gains/losses in profit or loss | -39 | -2 | | -41 |
| Total gains/losses in statement of comprehensive income | | | | |
| Purchases | 51 | | | 51 |
| Sales | -138 | | | -138 |
| Issues | | | | |
| Repayments | -38 | | | -38 |
| Transfers to Level 3 | 52 | | 174 | 226 |
| Transfers from Level 3 | 0 | | -296 | -296 |
| **Closing balance 31 December 2024** | **717** | **96** | **606** | **1,419** |

| Financial liabilities, € million | Recognised at fair value through profit or loss | Derivative contracts | Total liabilities |
|---|---|---|---|
| **Opening balance 1 January 2024** | 2,210 | 91 | 2,302 |
| Total gains/losses in profit or loss | 97 | -17 | 80 |
| Other changes | -353 | | -353 |
| **Closing balance 31 December 2024** | **1,954** | **74** | **2,029** |

Breakdown of net income by income statement item 31 December 2024

| € million | Net interest income | Net investment income | Statement of comprehensive income/ Change in fair value reserve | Net gains/losses on assets and liabilities held at period end |
|---|---|---|---|---|
| Total net income | | -120 | 0 | -120 |

## Changes in the levels of hierarchy

No major changes occurred in valuation techniques in 2024.

# Note 18. Derivative contracts

## Total derivatives 31 December 2024

| € million | 31 Dec 2024 Notional values | 31 Dec 2024 Fair values, assets | 31 Dec 2024 Fair values, liabilities | 31 Dec 2023 Notional values | 31 Dec 2023 Fair values, assets | 31 Dec 2023 Fair values, liabilities |
|---|---|---|---|---|---|---|
| Interest rate derivatives | 229,628 | 1,764 | 1,661 | 237,270 | 2,030 | 1,800 |
| Cleared by the central counterparty (STM) | 151,177 | 33 | 27 | 143,817 | 103 | 82 |
| Equity and index-linked derivatives | 1,172 | 76 | 64 | 888 | 74 | 56 |
| Cleared by the central counterparty (STM) | | | | | | |
| Currency and gold derivatives | 44,078 | 624 | 571 | 59,615 | 922 | 1,044 |
| Cleared by the central counterparty (STM) | | | | | | |
| Credit derivatives | 280 | 10 | 2 | 154 | 10 | 8 |
| Cleared by the central counterparty (STM) | 182 | 0 | 0 | | | |
| Commodity derivatives | 410 | 22 | 26 | 468 | 4 | 4 |
| Cleared by the central counterparty (STM) | | | | | | |
| Other derivatives | 56 | | | 73 | 16 | 16 |
| Cleared by the central counterparty (STM) | | | | | | |
| Interest on derivatives | | | | | 49 | 67 |
| **Total derivatives** | **275,623** | **2,497** | **2,324** | **298,469** | **3,106** | **2,994** |

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

# Note 19. Investment distribution of the Insurance segment

## Non-life insurance

| Investment asset portfolio allocation | 31 Dec 2024 Fair value*, € million | % | 31 Dec 2023 Fair value*, € million | % |
|---|---|---|---|---|
| **Total money market instruments** | 260 | 5.7 | 433 | 10.0 |
| Money market investments and deposits** | 241 | 5.3 | 422 | 9.7 |
| Derivatives*** | 18 | 0.4 | 11 | 0.3 |
| **Total bonds and fixed income funds** | 2,835 | 62.0 | 2,662 | 61.4 |
| Governments | 476 | 10.4 | 304 | 7.0 |
| Inflation-linked bonds | | | | |
| Investment Grade | 2,015 | 44.0 | 1,928 | 44.5 |
| Emerging markets and High Yield | 190 | 4.2 | 234 | 5.4 |
| Structured investments**** | 154 | 3.4 | 196 | 4.5 |
| **Total equities** | 1,106 | 24.2 | 872 | 20.1 |
| Finland | 200 | 4.4 | 122 | 2.8 |
| Developed markets | 754 | 16.5 | 582 | 13.4 |
| Emerging markets | 68 | 1.5 | 90 | 2.1 |
| Fixed assets and unquoted equities | 7 | 0.2 | 6 | 0.1 |
| Private equity investments | 77 | 1.7 | 71 | 1.6 |
| Equity derivatives*** | | | | |
| **Total alternative investments** | 29 | 0.6 | 29 | 0.7 |
| Hedge funds | 29 | 0.6 | 29 | 0.7 |
| **Total real property investments** | 345 | 7.5 | 338 | 7.8 |
| Direct property investments | 149 | 3.3 | 153 | 3.5 |
| Indirect property investments | 196 | 4.3 | 186 | 4.3 |
| **Total** | **4,575** | **100.0** | **4,334** | **100.0** |

* Includes accrued interest income.

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

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

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

## Life insurance

| Investment asset portfolio allocation | 31 Dec 2024 Fair value*, € million | % | 31 Dec 2023 Fair value*, € million | % |
|---|---|---|---|---|
| **Total money market instruments** | 306 | 10.0 | 367 | 11.5 |
| Money market investments and deposits** | 302 | 9.7 | 361 | 11.3 |
| Derivatives*** | 5 | 0.3 | 6 | 0.2 |
| **Total bonds and fixed income funds** | 2,137 | 63.0 | 2,070 | 64.7 |
| Governments | 348 | 7.6 | 225 | 7.0 |
| Inflation-linked bonds | | | | |
| Investment Grade | 1,543 | 46.3 | 1,519 | 47.5 |
| Emerging markets and High Yield | 117 | 4.4 | 156 | 4.9 |
| Structured investments**** | 129 | 4.8 | 170 | 5.3 |
| **Total equities** | 659 | 20.2 | 546 | 17.1 |
| Finland | 121 | 3.4 | 82 | 2.6 |
| Developed markets | 437 | 12.8 | 343 | 10.7 |
| Emerging markets | 32 | 1.7 | 53 | 1.7 |
| Fixed assets and unquoted equities | 3 | 0.1 | 3 | 0.1 |
| Private equity investments | 67 | 2.2 | 65 | 2.0 |
| Equity derivatives*** | | | | |
| **Total alternative investments** | 37 | 1.1 | 36 | 1.1 |
| Hedge funds | 37 | 1.1 | 36 | 1.1 |
| **Total real property investments** | 196 | 5.7 | 180 | 5.6 |
| Direct property investments | 13 | 0.4 | 13 | 0.4 |
| Indirect property investments | 183 | 5.3 | 168 | 5.2 |
| **Total** | 3,336 | 100.0 | 3,201 | 100.0 |

* Includes accrued interest income.

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

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

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

# Note 20. Related-party transactions

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

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

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

# Financial reporting

Time of publication of 2024 reports:

| | |
|---|---|
| Report by the Board of Directors (incl. Sustainability Report) and Financial Statements 2024 | Week 11 |
| OP Financial Group's Corporate Governance Statement 2024 | Week 11 |
| OP Financial Group's Annual Report 2024 | Week 11 |
| OP Amalgamation Pillar 3 Disclosures 2024 | Week 11 |
| OP Financial Group's Remuneration Report for Governing Bodies 2024 | Week 11 |
| Remuneration Policy for Governing Bodies at OP Financial Group | Week 11 |

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

| | |
|---|---|
| Interim Report 1 January–31 March 2025 | 7 May 2025 |
| Half-year Financial Report 1 January–30 June 2025 | 30 July 2025 |
| Interim Report 1 January–30 September 2025 | 28 October 2025 |
| | |
| OP Amalgamation Pillar 3 Disclosures 31 March 2025 | Week 19 |
| OP Amalgamation Pillar 3 Disclosures 30 June 2025 | Week 33 |
| OP Amalgamation Pillar 3 Disclosures 30 September 2025 | Week 45 |

Helsinki, 6 February 2025

**OP Cooperative**

**Board of Directors**

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