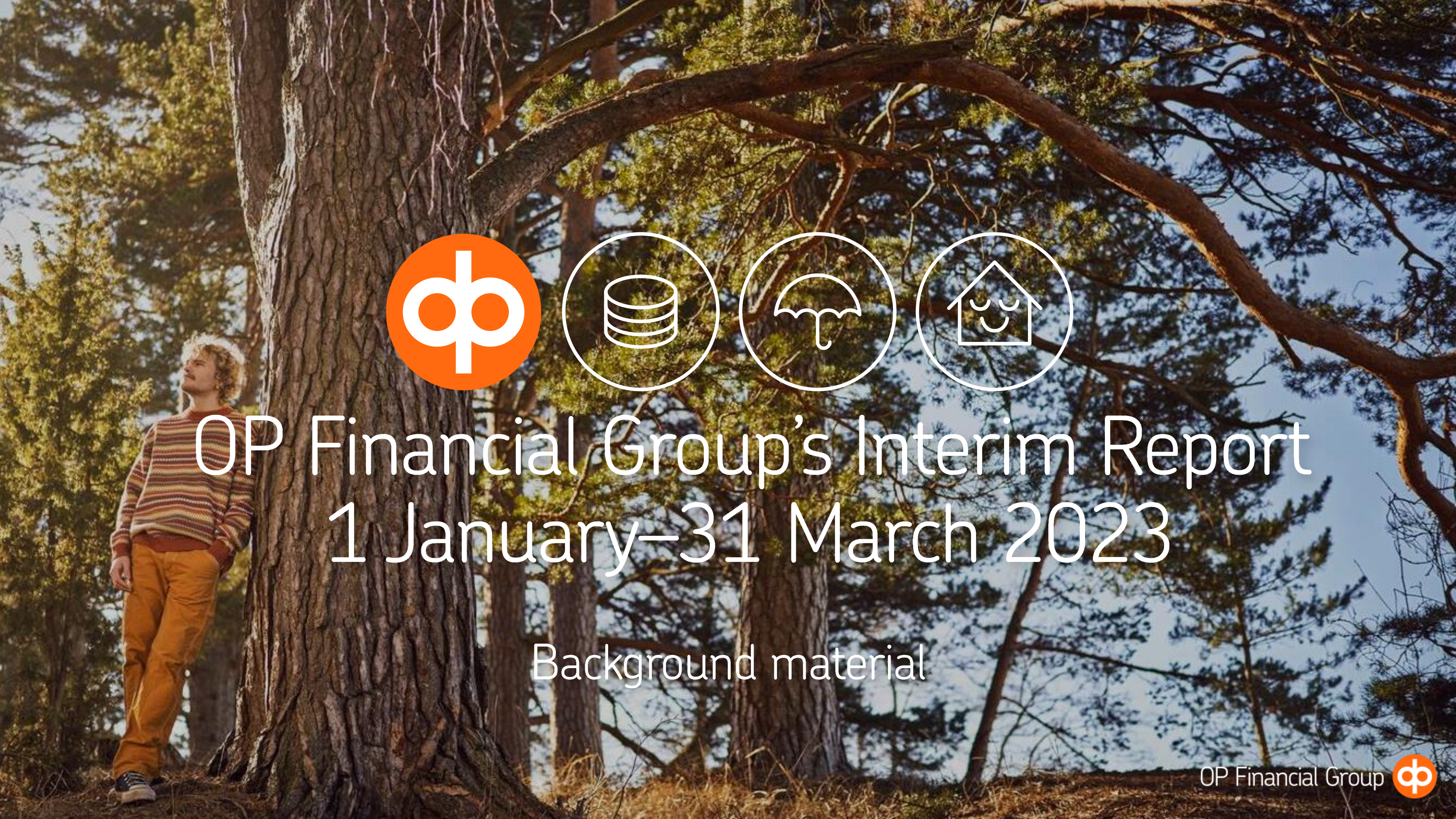


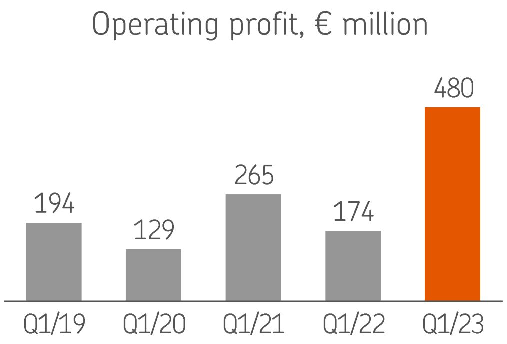
OP Financial Group's Interim Report 1 January–31 March 2023

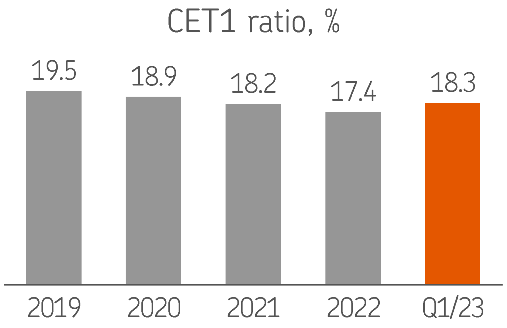
Background material

OP Financial Group has applied IFRS 17 Insurance Contracts as of 1 January 2023. The 2022 figures in the income statement and balance sheet have been adjusted retrospectively. The preceding years' figures (2019, 2020 and 2021) have not been adjusted. Note 1 Accounting policies to this Interim Report provides more information on the adoption of IFRS 17 and the changes in the format of the income statement and balance sheet.

Q1/2023 earnings in brief

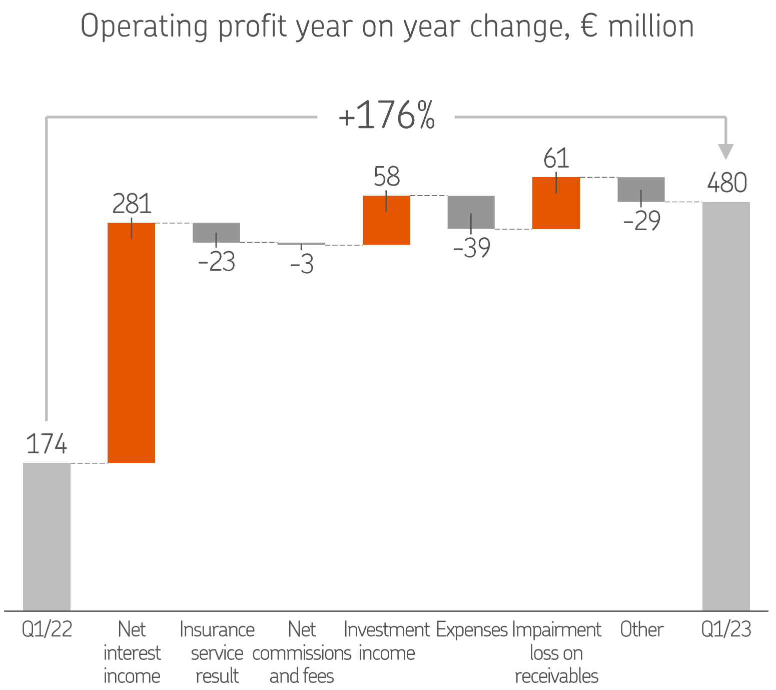
- Despite the challenges in the business environment, OP Financial Group's operations are performing strongly, with earnings improving and being at an excellent EUR 480 million in the first quarter of 2023.
- Total income rose by 36% and total expenses by 8% year-on-year. Income from customer business increased by 43%.
- Earnings were good in all three business segments – Retail Banking, Corporate Banking and Insurance. Retail Banking's and Corporate Banking's earnings particularly improved on last year.
- Regardless of the uncertain business environment and rising interest rates, the loan repayment capacity of personal and corporate customers remained high, and there was no increase in non-performing exposures.
- Operating profit for 2023 are expected to be higher than in 2022, due to an increase in market rates.





OP Financial Group

Financial performance

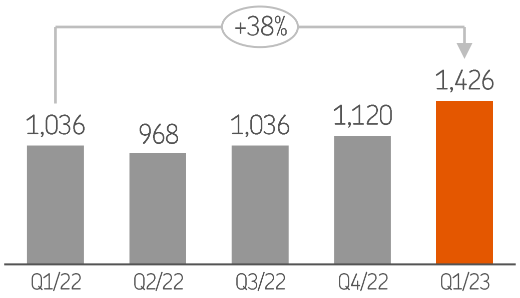


€ million

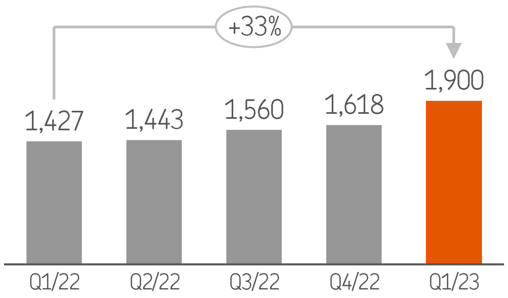
	Q1/23	Q1/22	Change %
Net interest income	615	334	84%
Impairment loss on receivables	-23	-83	-73%
Net commissions and fees	244	247	-1%
Insurance service result	-2	21	-112%
Insurance premium revenue	485	451	8%
Insurance service expenses	-485	-447	8%
Net income from reinsurance contracts	-3	16	-117%
Investment income	128	70	82%
Other operating income	6	39	-84%
Personnel costs	-222	-211	5%
Depriciation and impairment loss	-47	-57	-19%
Other operating expenses	-284	-246	16%
Transfers to insurance service result	120	106	13%
OP bonuses to owner-customers	-55	-46	22%
Total income	**1,111**	**816**	**36%**
Total expenses	**-553**	**-514**	**8%**
Operating profit	480	174	176%

Rolling 12 months of selected P&L items

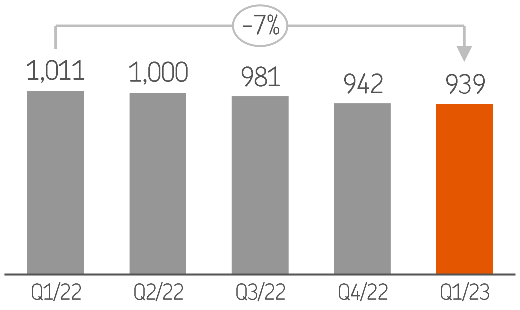
Operating profit, € million



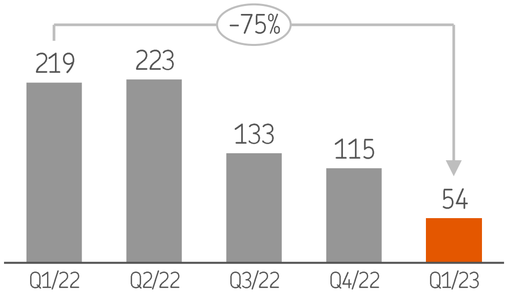
Net interest income, € million



Net commissions and fees, € million



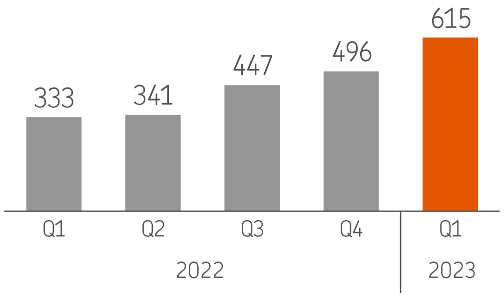
Impairment loss on receivables, € million



Due to the adoption of IFRS17 standard, rolling figures are comparable only as of 12/2022.

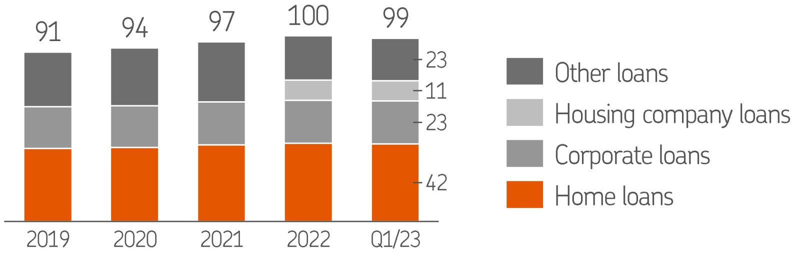
Net interest income

Net interest income by quarter, € million

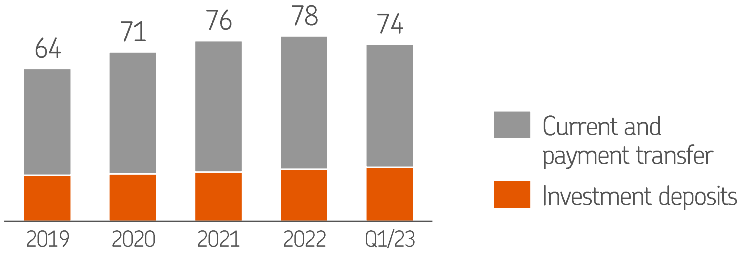


33.6% of personal customers' home loans were covered by interest rate protection on 31 March 2023.

Loan portfolio, € billion

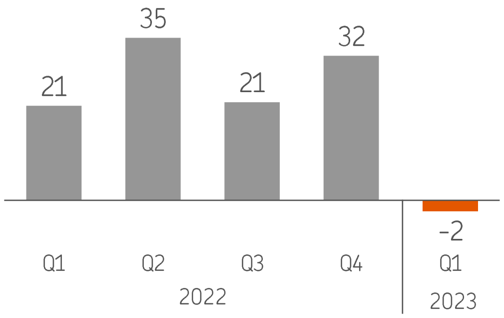


Deposits, € billion

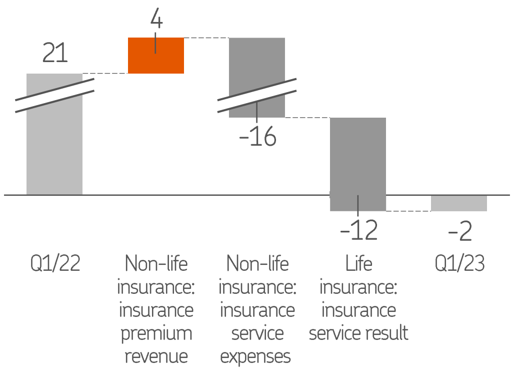


Insurance service result

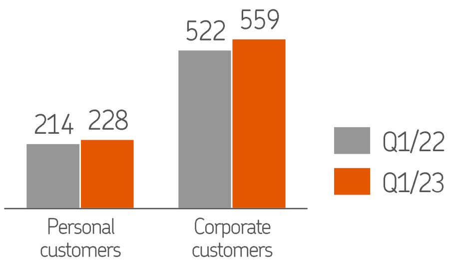
Insurance service result by quarter, € million



Change in insurance service result, € million

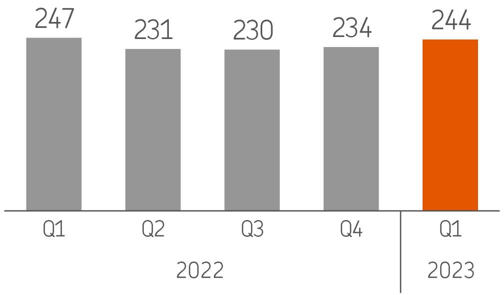


Non-life insurance: premiums written, € million

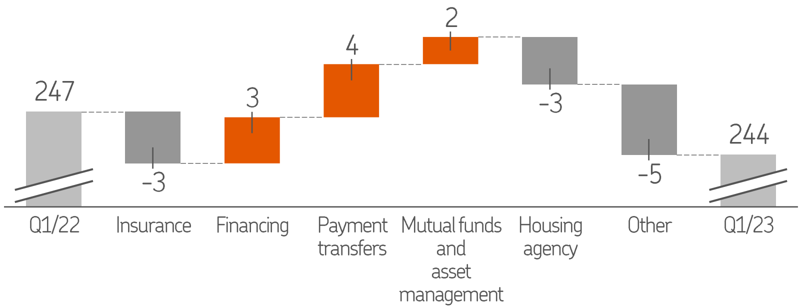


Net commissions and fees

Net commissions and fees by quarter, € million



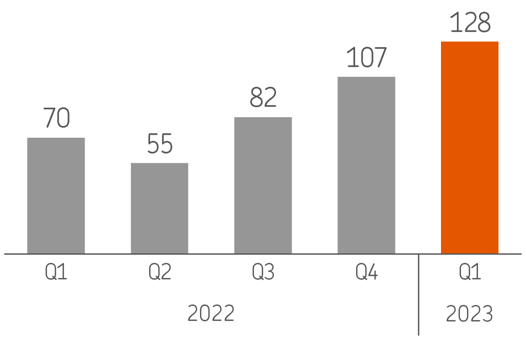
Change in net commissions and fees, € million



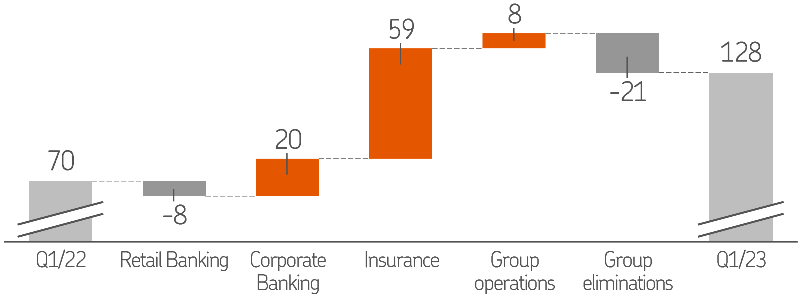
Assets under management, € billion

Investment income

Investment income by quarter, € million

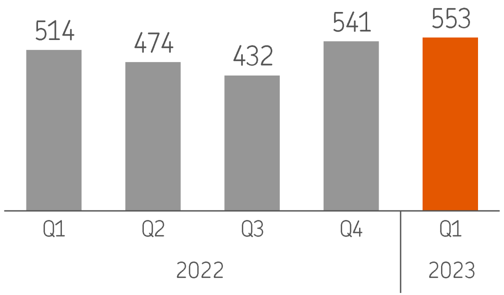


Change in investment income by business segment, € million

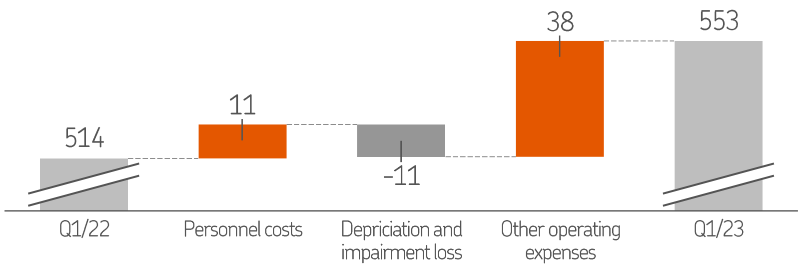


Expenses

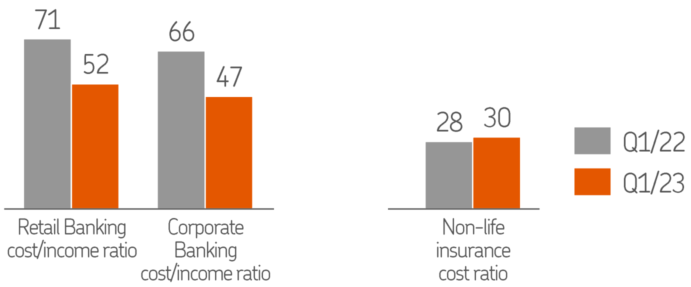
Expenses by quarter, € million



Change in expenses, € million

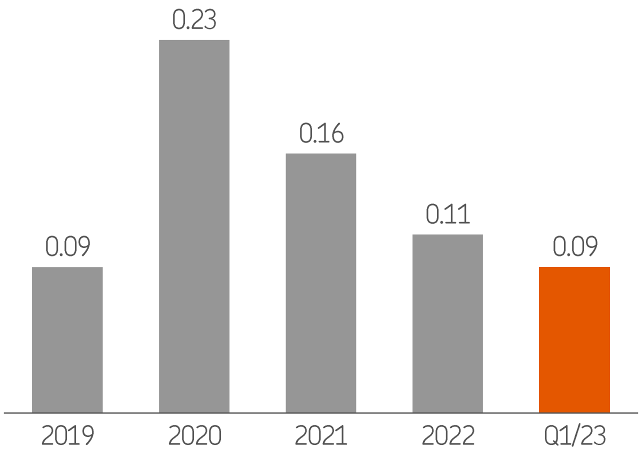


Cost/income ratio by business, %

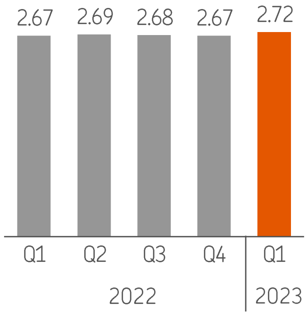


Impairment loss on receivables

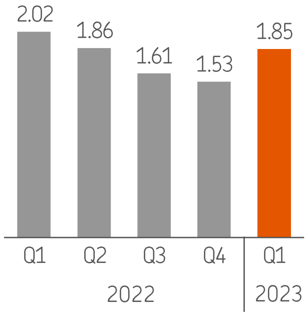
Impairment loss to loan and guarantee portfolio, %



Retail Banking:
Ratio of non-performing
exposures to exposures, %

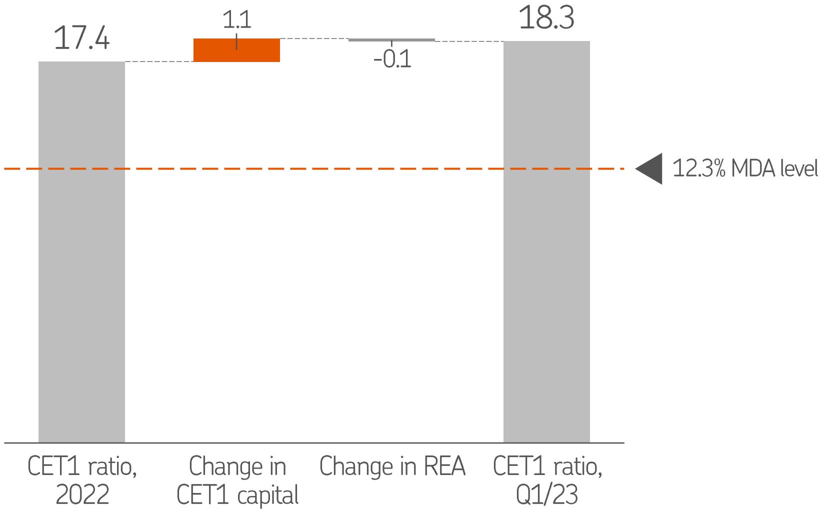


Corporate Banking:
Ratio of non-performing
exposures to exposures, %



Strong capital position

CET1 ratio development, %



€13.3 bn
CET1 capital (€12.6 bn)

€3.3 bn
Profit Shares in CET1 capital (€3.2 bn)

€72.9 bn
REA (€72.3 bn)

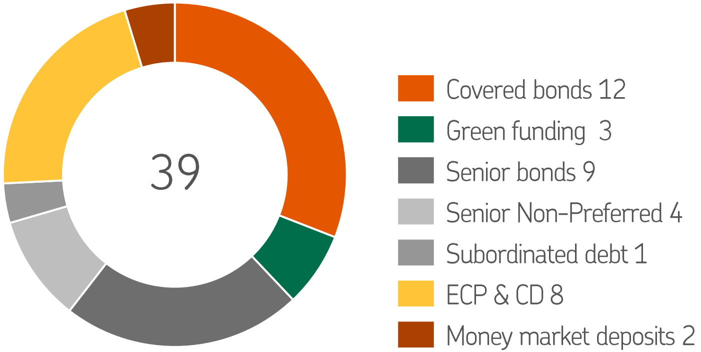
16.3%
CET1 strategic target: MDA level + 400 bps management buffer

" OP has the strongest S&P RAC ratio of Northern European banks*

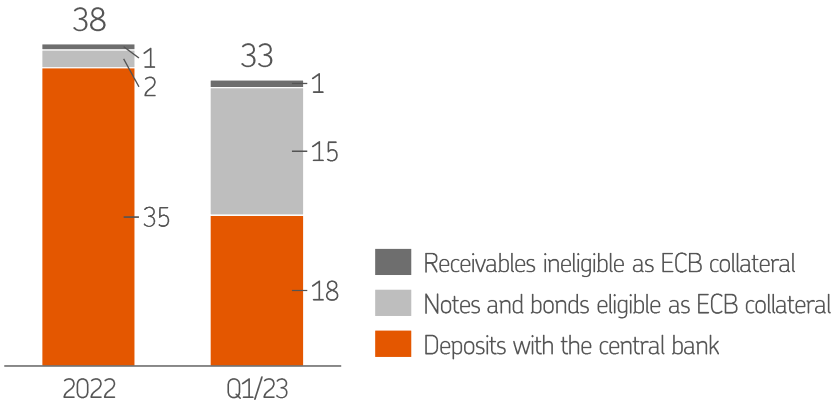
*Source: Standard & Poor's. Nordic Banks: Robust Capital Provides Cushion Against Tougher Times, 9/2022.

Stable funding and liquidity position

Long and short-term funding, € billion



Liquidity buffer breakdown, € billion



- The resolution authority updated the requirements for OP Financial Group, in effect as of 15 March: the MREL remained almost unchanged at 26.3%* of the total risk exposure amount (TREA) and 7.4% of leverage ratio exposures (LRE).
- The subordination requirement decreased to 18.66%* of TREA (22.5%*) and to 7.40% (9.9%) of LRE.
- The MREL ratio: 37.6% of TREA.
- The subordination ratio: 26.3% of TREA.

- OP Financial Group repaid in full the EUR 12 billion in TLTRO III loans.
- LCR (Liquidity Coverage Ratio) 217%.
- NSFR (Net Stable Funding Ratio) 127%.

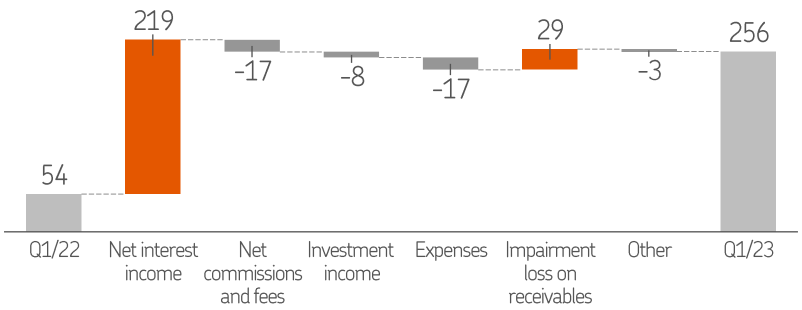
*includes the combined buffer requirement (CBR) of 4%

OP Financial Group

Retail Banking

Loan portfolio	Deposits	Brokered homes and real property transactions, qty.
€71.6 bn	€63.3 bn	1,876

Operating profit, € million



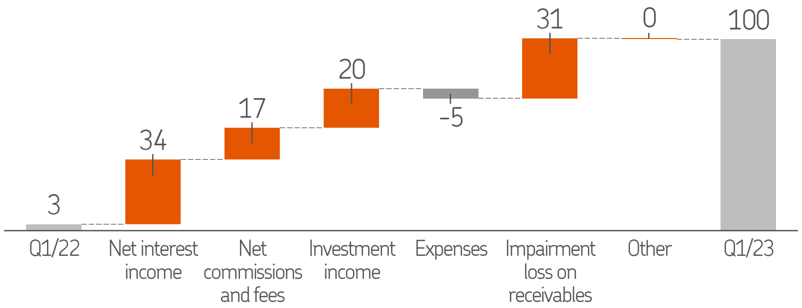
€ million

	Q1/23	Q1/22	Change %
Net interest income	455	236	93%
Impairment loss on receivables	-12	-41	-71%
Net commissions and fees	194	211	-8%
Investment income	0	8	-102%
Other operating income	12	6	88%
Personnel costs	-118	-112	5%
Depriciation and impairment loss	-11	-12	-11%
Other operating expenses	-218	-205	6%
OP bonuses to owner-customers	-46	-38	23%
Total income	**661**	**461**	**43%**
Total expenses	**-346**	**-329**	**5%**
Operating profit	256	54	377%

Corporate Banking

Loan portfolio	Deposits	Assets under management
€27.3 bn	€11.2 bn	€72.9 bn

Operating profit, € million



€ million

	Q1/23	Q1/22	Change %
Net interest income	138	104	33%
Impairment loss on receivables	-11	-43	-74%
Net commissions and fees	58	42	40%
Investment income	19	-2	-
Other operating income	8	7	5%
Personnel costs	-24	-23	4%
Depriciation and impairment loss	-1	-3	-53%
Other operating expenses	-80	-74	8%
OP bonuses to owner-customers	-6	-5	16%
Total income	**222**	**151**	**47%**
Total expenses	**-105**	**-100**	**5%**
Operating profit	100	3	-

Insurance

Combined ratio, Non-life insurance

100.5%

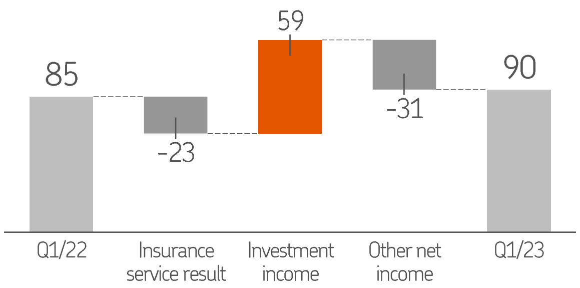
Net premium revenue, Non-life insurance

€389 mn

Unit-linked insurance assets

€11.9 bn

Operating profit, € million

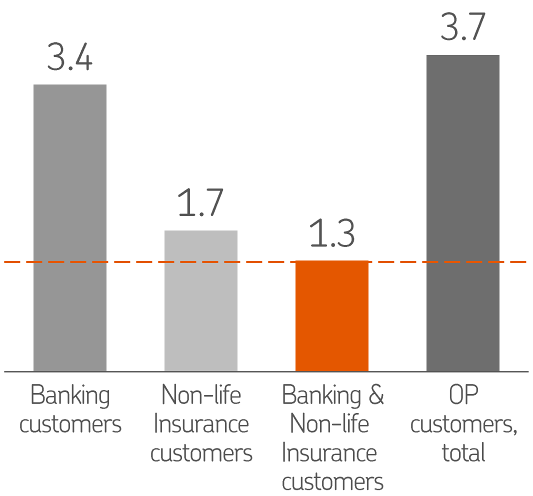


€ million

	Q1/23	Q1/22	Change %
Insurance service result	-2	21	-
Net finance expenses	-223	837	-
Net investment income	317	-802	-
Investment income	94	35	168%
Net commissions and fees	10	12	-11%
Other net income	0	32	-
Personnel costs	-42	-39	9%
Depreciation and impairment loss	-13	-14	-7%
Other operating expenses	-74	-65	13%
Total expenses	**-129**	**-118**	**9%**
Transfers to insurance service result	120	106	13%
OP bonuses to owner-customers	-3	-2	13%
Operating profit	90	85	6%

Attractive loyalty benefits support cross-selling

Number of customers, million



1.3 mn
combined banking and non-life insurance customers

36%
of total OP customers

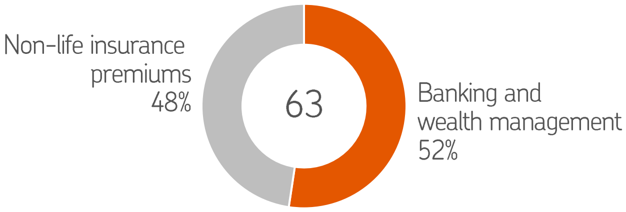
Owner-customer benefits

€64 mn
accrued OP bonuses in Q1/23

€37 mn
discounts on daily banking, non-life insurance policies and mutual funds in Q1/23

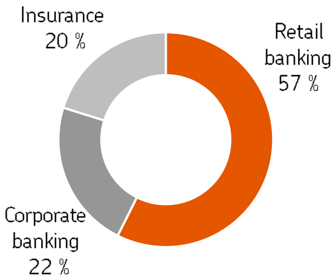
€144 mn
accrued returns on Profit Shares in 2022

OP bonus usage during Q1/23, € million



OP Financial Group in brief

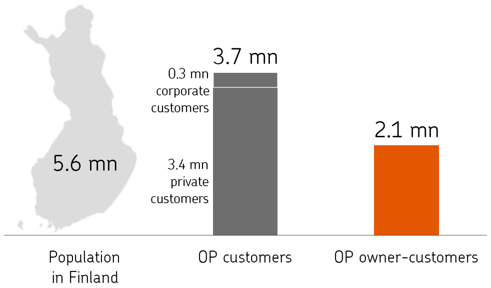
OP Financial Group in brief



€480 mn
Operating profit
Q1/23

18.3%
CET1 ratio

€158 bn
Total assets



Leading market shares

Loans	Deposits	Non-life Insurance	Life Insurance
35%	38%	33%	20%

Joint liability

Central institution, OP Cooperative, and the member credit institutions (incl. both issuing entities) of the amalgamation are jointly liable for each others' debts and commitments, by virtue of the Finnish law.

Strong credit ratings

Moody's Aa3 S&P AA-	Moody's Aaa S&P* AAA
OP Corporate Bank plc	OP Mortgage Bank's covered bonds

* EMTCN programme

OP Financial Group

Source: Bank of Finland (Loans and Deposits 12/2022), Finance Finland (Non-life & Life Insurance 12/2021)

OP Financial Group's business structure

2.1 million owner-customers

106 OP cooperative banks

Central Cooperative

Retail Banking

The Retail Banking segment consists of banking for private and SME customers at OP cooperative banks and at the central cooperative consolidated.

- OP Mortgage Bank
- OP Retail Customers plc

Corporate Banking

The Corporate Banking segment consists of banking and asset management services for corporate and institutional customers.

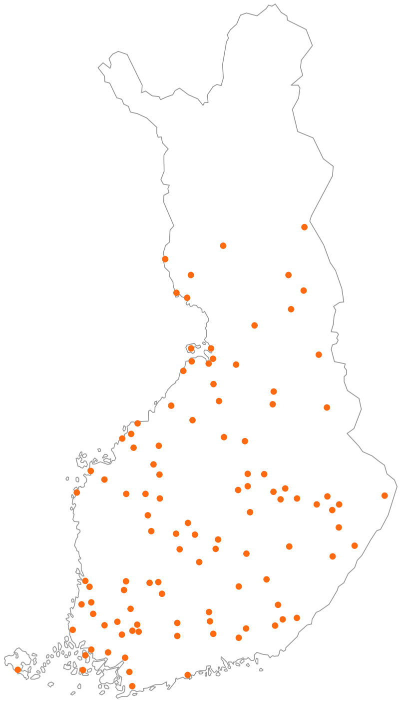
- OP Corporate Bank plc
- OP Fund Management Company Ltd
- OP Asset Management Ltd
- OP Real Estate Asset Management Ltd

Insurance

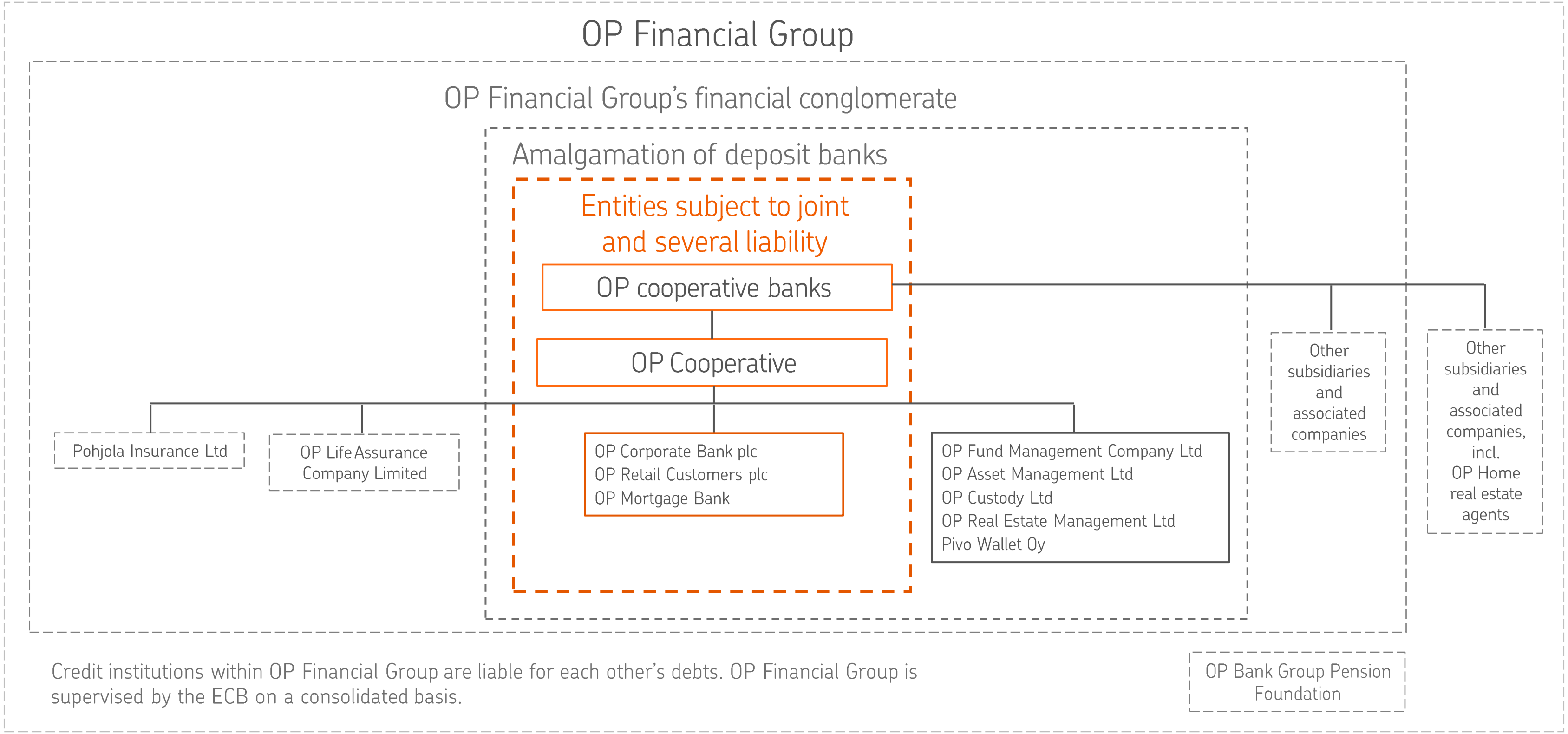
The Insurance segment comprises Pohjola Insurance and OP Life Assurance Company.

- Pohjola Insurance Ltd
- OP Life Assurance Company Ltd

Major subsidiaries



OP Financial Group's amalgamation structure



Credit institutions within OP Financial Group are liable for each other's debts. OP Financial Group is supervised by the ECB on a consolidated basis.

Joint Liability

- Under the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä Act), the amalgamation of the cooperative banks comprises the organisation's central cooperative (OP Cooperative), its member credit institutions and the companies belonging to their consolidation groups, as well as credit and financial institutions and service companies in which the above-mentioned entities together hold more than half of the total votes.
- The central cooperative's member credit institutions at the end of the report period comprised OP Financial Group's member cooperative banks as well as OP Corporate Bank plc, OP Mortgage Bank and OP Retail Customers plc.
- By virtue of the Act on the Amalgamation of Deposit Banks, the central cooperative has both the right to control its credit institutions and the obligation to supervise their operations. The amalgamation of deposit banks is supervised on a consolidated basis. As laid down in applicable law, the member credit institutions and OP Cooperative are ultimately jointly and severally liable for each other's debts and commitments. OP Financial Group's insurance companies, for example, do not therefore fall within the scope of joint liability.

Central cooperative's governance structure

Cooperative Meeting	Supervisory Council and its units	Board of Directors and its committees	Group Chief Executive Officer	Central cooperative subsidiaries
OP Financial Group's Nomination Committee	Supervisory Council Nomination Committee	Risk Committee Audit Committee Nomination and Remuneration Committee	Executive Management Team	

OP Financial Group

Capital requirements

Capital adequacy for credit institutions

CET1 ratio 18.3%

Capital adequacy ratio 20.3%

The Group's operations are based on the Act on the Amalgamation of Deposit Banks.

The Act on the Amalgamation of Deposit Banks sets the minimum capital for the amalgamation of cooperative banks, which is calculated according to the CRR rules and the Act on Credit Institutions.

The amalgamation of cooperative banks consists of the amalgamation's central institution (OP Cooperative), its member credit institutions and the companies belonging to their consolidation groups. Although OP Financial Group's insurance companies do not belong to the amalgamation of the cooperative banks, investments made in them have a major impact on capital adequacy calculated in accordance with the capital adequacy regulations for credit institutions.

Solvency II for insurance companies

Solvency ratio, Non-life insurance 233%

Solvency ratio, Life insurance 257%*

The operations and solvency requirements for insurance companies are based on the Insurance Companies Act and EU regulation.

The solvency capital requirement (SCR) is calculated for individual insurance companies and the insurance conglomerate. The companies are required to cover SCR using the Group's sufficient buffer specified internally.

Eligible capital covers solvency requirements.

The scope of an insurance conglomerate is the same as the scope of the financial and insurance conglomerate referred to in the Act on the Supervision of Financial and Insurance Conglomerates.

*Including transitional provisions

Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates (FiCo)

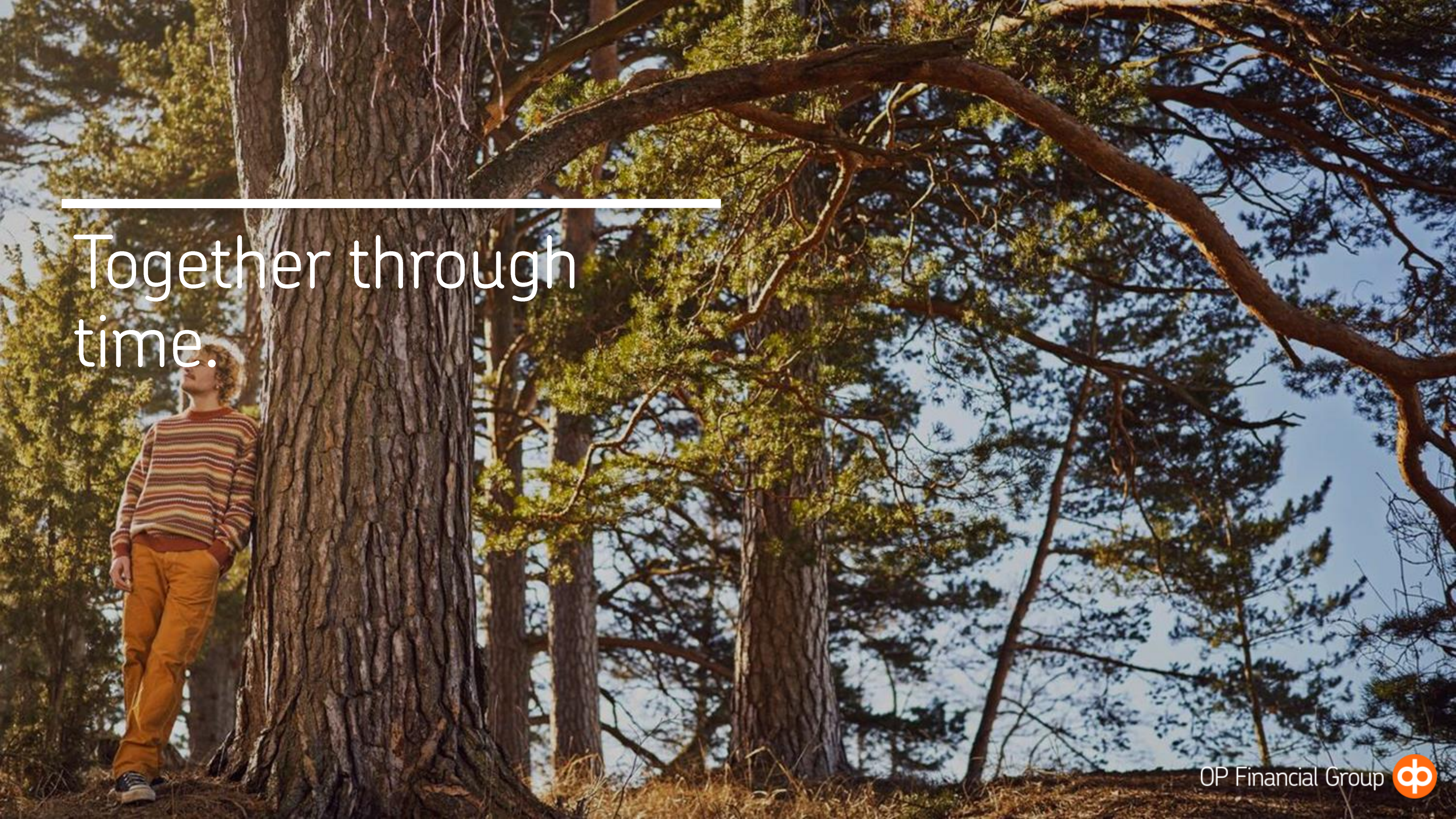
Conglomerate's capital adequacy ratio 137%

OP Financial Group is a financial and insurance conglomerate referred to in the Act on the Supervision of Financial and Insurance Conglomerates. Such conglomerates are governed by specific provisions of the capital adequacy requirement.

Capital adequacy under the Act is calculated using the consolidation method, whereby items not included in the capital base, under the regulations for the banking or insurance industry, are added to the equity capital in the conglomerate's balance sheet.

The capital base may not include items not available for covering the losses of other companies belonging to the conglomerate.

The financial and insurance conglomerate's minimum capital requirement consists of the credit institutions' consolidated minimum capital requirement, buffers included, and the insurance companies' combined solvency capital requirements (SCR).


Together through time.
OP Financial Group