OP Financial Group's Annual Report 2024

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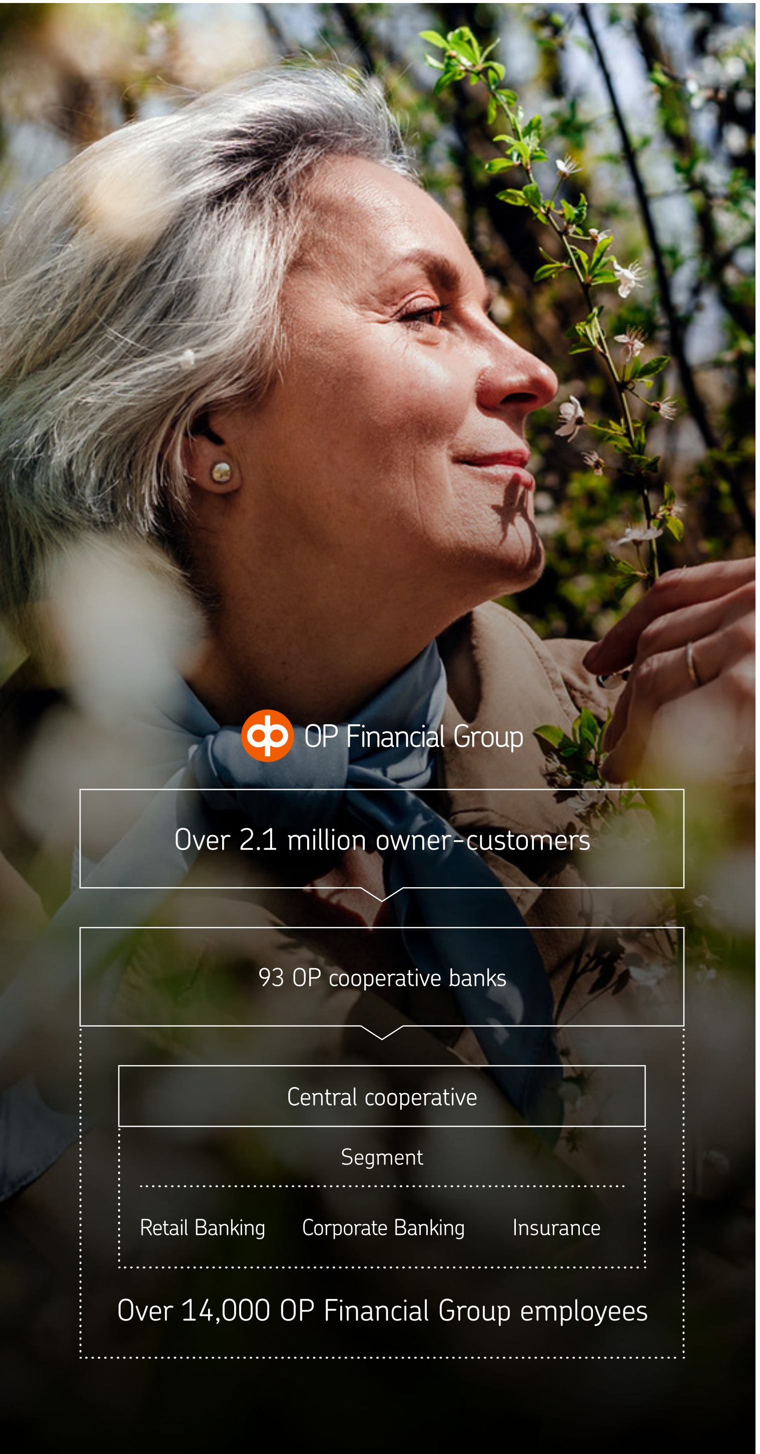
OP Financial Group's year

OP Financial Group's vision is to be the leading and most appealing financial services group in Finland. In this section, we will tell you more about the Group's strategy, its implementation, and our strategic priorities in our changing business environment.



OP Financial Group in brief

OP Financial Group, owned by its customers, is Finland's largest financial services group. We have a mission – to promote the sustainable prosperity, security and wellbeing of our owner-customers and operating region.

708

million logins to OP Financial Group's mobile channels in 2024

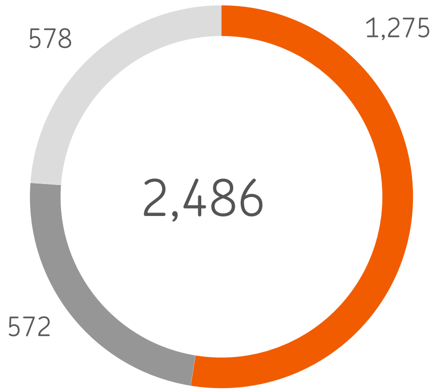
1.7

million active users of mobile channels in 2024

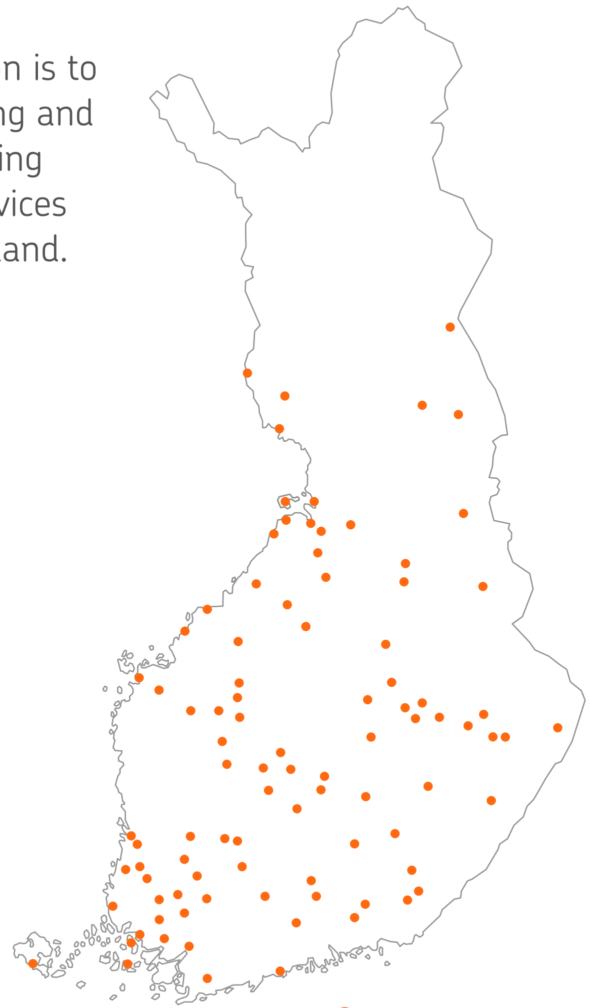
OP Financial Group's vision is to be the leading and most appealing financial services group in Finland.

Operating profit by segment

€ million



Retail Banking
Corporate Banking
Insurance



OP cooperative banks

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 continued into 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 growth was only slightly 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 source of relief.

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 down 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.

> "OP Financial Group's CET1 ratio improved again, to 21.5%, exceeding the minimum regulatory requirement by 8.1 percentage points."

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 compared with 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

Use of OP Financial Group's 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.

In 2024, 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 going forward. 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

Key figures and ratios 2024

Customers

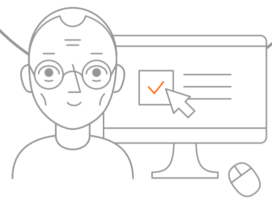
Over 2.1
million owner-customers

314
New OP bonuses accrued to owner-customers, € million

59
million logins to OP Financial Group's mobile channels, monthly average

5.5
million logins to the op.fi service, monthly average

We taught nearly
44,000
older people digital skills



Result

+0.0%
Change in loan portfolio

+4.3%
Change in deposit portfolio

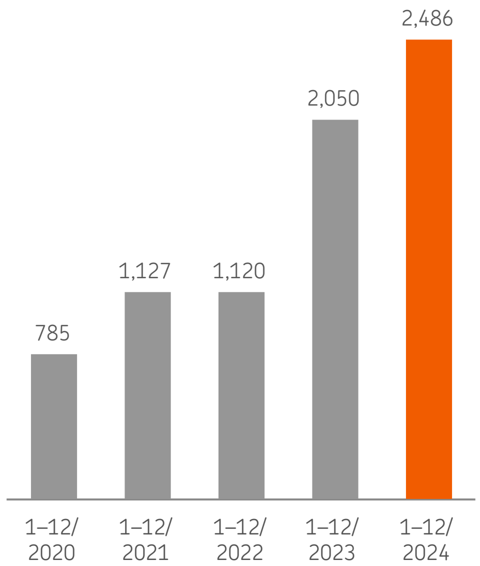
+5%
Net interest income

+136%
Insurance service result

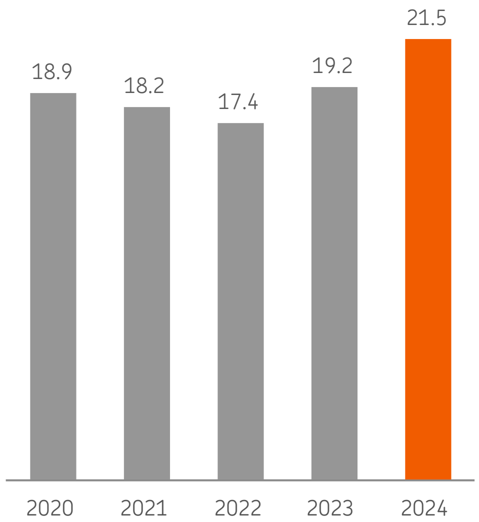
0.09%
Ratio of impairment loss on receivables to loan and guarantee portfolio

+3%
Total expenses

Operating profit, € million



Common Equity Tier 1 ratio (CET1), %



Sustainable finance

8.6
Green loans, sustainability-linked loans and credit limits granted, € billion

88.0%
Proportion of sustainable funds in all fund assets at end of year*

Green bonds

€500 million
Green Bond, issued in 2024

€1,000 million
Green Covered Bond, issued in 2022

€500 million
Green Senior Non-Preferred Bond, issued in 2022

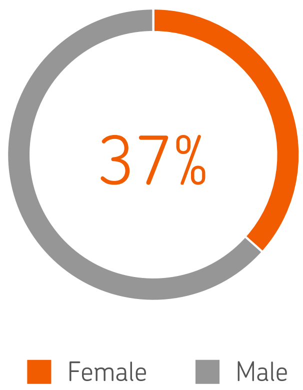
€750 million
Green Covered Bond, issued in 2021

Renewable energy

99.3%
Renewable energy's share (Scope 1 and 2) of power consumption on real estate in use by OP

16.3%
Proportion of circular economy in repairs of property and vehicular losses

Women in managerial positions



Sponsorship and financial literacy

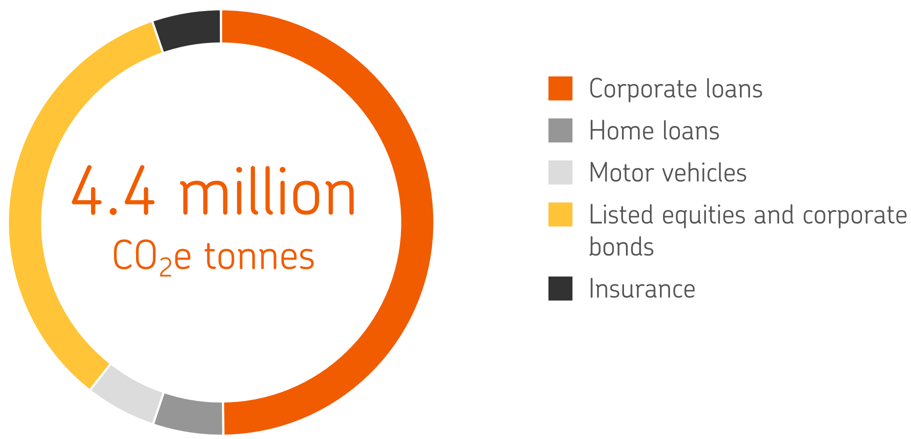
We improved the financial literacy of over **71,000** children and young people

We interacted with more than **284,000** children and young people in leisure activities supported by OP Financial Group

We used EUR **10.8** million to sponsor projects promoting sport, culture and financial literacy

We enabled summer jobs for over **2,900** young people through the Kesäduuni OP:n piikkiin campaign

Scope 3 category 15 emissions by asset class



*Funds reporting in accordance with article 8 of Regulation (EU) 2019/2088 (SFDR), or funds aimed at making sustainable investments (SFDR, article 9). Funds in accordance with Article 9 accounted for 4.6% of all funds.

OP Financial Group's business segments

Retail Banking

The Retail Banking segment consists of banking and wealth management services for personal and SME customers at OP cooperative banks, the central cooperative consolidated, OP Mortgage Bank and OP Retail Customers plc. Read more on page 51.

- OP Financial Group is Finland's leading provider of home and corporate loans.
- OP is a reliable financial partner for its customers, providing the best customer experience both locally and digitally. OP supports its customers to manage their personal finances and helps them make sustainable choices throughout their lives.
- At the end of 2024, OP Financial Group comprised 93 cooperative banks (102).
- OP Koti, which is part of the segment, is responsible for the real estate agency business at OP Financial Group. At the end of 2024, there were 23 OP Koti companies across Finland.

Market share in home loans	39.1%
Operating profit	€1,275 million
Deposit portfolio	€62.9 billion
Loan portfolio	€70.7 billion

Corporate Banking

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 operations, OP Asset Management Ltd, OP Fund Management Company Ltd, OP Custody Ltd and OP Real Estate Asset Management Ltd. Read more on page 55.

- OP Corporate Bank is Finland's leading bank for corporations and institutions. OP Corporate Bank ranked as Finland's best corporate bank in the Prospera 2024 survey.
- Corporate Banking supports its customers' success, growth and internationalisation through long-term cooperation.
- Corporate Banking is a pioneer in sustainable finance and investment in Finland. As a partner for companies, OP promotes a sustainable economy.

Market share in corporate loans	38.0%
Operating profit	€572 million
Assets under management	€81.0 billion
Loan portfolio	€28.3 billion

Insurance

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. Read more on page 58.

- Pohjola Insurance is Finland's leading non-life insurer.
- Pohjola Insurance aims to ensure that its customers have versatile and comprehensive insurance cover. Pohjola Insurance helps its customers towards a secured future.
- In terms of insurance assets, OP Life Assurance Company Ltd was Finland's second largest life insurance company in 2024, with a market share of 26.8%.
- Its mission is to help customers prepare for their own and their families' future.
- OP Life Assurance Company provides solutions covering life insurance, saving through insurance, and corporate incentive schemes.

Market share in non-life insurance	32.6%
Operating profit	€578 million
Insurance service result	€192 million
Investment income	€382 million

Highlights of the year 2024

Free daily services and increased OP bonuses for owner-customers

OP cooperative banks' owner-customers benefited from OP Financial Group's good financial performance. 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, OP Financial Group offered its owner-customers daily banking services without monthly charges in 2024.

The total value of these benefits for owner-customers is estimated to be more than €400 million in 2024. The benefits will also apply in 2025.

OP Financial Group refined its fossil fuels policy

In line with the outcomes of the Paris Agreement and COP28 Climate Change Conference in Dubai, OP Financial Group excluded oil and gas exploration and production from its financing, mutual fund investment and Pohjola Insurance activities in 2024. After the decision, OP Financial Group will not finance or insure new corporate customers that engage in unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas. The specified policies are in line with OP Financial Group's sustainability programme and its measures related to the reduction of emissions, and OP Financial Group has not been financing institutions or companies in Finland that practice oil and gas exploration or production. Exceptions to the new policy can be made in the case of companies that have committed to switching towards a low-carbon economy and provide a concrete plan for operating in line with the goals of the Paris Agreement.

OP joined the Euribor Panel

OP Corporate Bank plc became a member of the Panel, which contributes to the setting of the Euribor. OP Corporate Bank will add a new element to the Panel's membership, which previously included no Nordic banks. The Euribor (Euro Interbank Offered Rate) is the reference interest rate at which European banks can borrow euros on the money market on an unsecured basis. In Finland, the Euribor is mainly used as a reference rate for home loans, for example. The Euribor is administered by the European Money Markets Institute (EMMI), which is in charge of the calculation principles and publication of reference rates.

OP is accelerating its pace in wealth management

OP Financial Group is seeking significant growth in saving and investment services. The new Wealth Management organisation started operating in April. The business is run by Hanna Porkka, Executive Vice President and a member of OP Cooperative's Executive Management Team.

At the end of December, OP FInancial Group had assets under management worth around 111 billion euros, and the mutual funds it manages had a total of over 1.4 million unitholders. In 2024, 360,000 customers made regular investments in funds.

OP Financial Group provides its customers with an extensive, high-quality and always up-to-date range of investment products and services which covers all key asset classes.

The number of book-entry accounts and equity savings accounts at OP Financial Group grew in 2024 by a total of

56,000

accounts with an increase of

9%

from the previous year

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

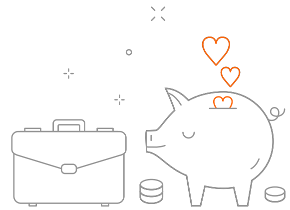
Universum's annual survey ranks the employers considered most attractive by professionals and students in various sectors in Finland. In 2024, business sector professionals viewed OP Financial Group as Finland's most attractive employer. Those in IT gave it fourth place. OP Financial Group's results were its best ever in all categories assessed in the survey.

Over the years, one of OP Financial Group's strategic priorities has been to ensure that its personnel are highly skilled, motivated and satisfied. It has systematically created a business culture that empowers its employees based on self-managed teams. OP Financial Group has worked together to build a culture that aims to bring out the best in everyone and enable them to learn new things.

Personal assistant OP Aina

In June, OP launched OP Aina, the first financial service in Finland that utilises AI and alerts. The service is available in OP's digital channels, and it helps customers with their transactions around the clock, every day of the week.

For example, OP Aina notifies customers of tasks or other matters requiring their attention. Such alerts could include payments falling due, adjusting the security limits for a card payment or potential misuse of a debit card. By the end of the year, customers had already used OP Aina more than 6.25 million times.



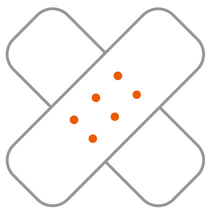
OP's funds obtained

136,000

new unitholders in 2024, with growth of

11%

from the previous year



In 2024, Pohjola Insurance paid compensation for

94%

of all reported claims

OP Financial Group and WWF began cooperation to promote biodiversity

In January 2024, OP Financial Group and WWF began a three-year collaboration to promote biodiversity in Finnish nature. The collaboration's goals include conserving local nature by inspiring people to take nature-positive action. Its measures include repelling invasive species and various means of improving pollinators' living conditions. The partnership between OP Financial Group and WWF seeks to support long-term work to halt biodiversity loss by 2030. In 2024, the calculator maintained by WWF received reports of two million square metres of rewilded land. OP Financial Group's central cooperative and the OP cooperative banks have also organised volunteer events for personnel to repel invasive plant species. Instructions have been drawn up for OP cooperative banks to promote biodiversity in their own activities.

OP Financial Group supports children and young people

In the summer of 2024, OP Financial Group provided more than 2,000 young people with a summer job through its "Summer jobs paid for by OP" campaign. During the year, OP cooperative banks donated funding to non-profit associations for hiring young people aged from 15 to 17 for two weeks.

Pohjola Insurance initiated cooperation with MIELI Mental Health Finland's Mental Wellbeing for Young Athletes project to promote the wellbeing of young people alongside its sports federation partners. In addition, Pohjola Insurance continued supporting young peoples' dreams as a partner of the Children and Youth Foundation's Dreams project.

OP Financial Group's strategy

OP Financial Group analyses the financial sector's business environment as part of its ongoing strategy process.

A successful strategy process is based on assumptions about the direction in which the world is moving. The megatrends underlying the strategy reflect our outlook on the phenomena and change drivers that will affect the daily lives, circumstances and future of OP Financial Group and its customers.

Economies, capital and people are intrinsically interconnected in our globalised world. Our business environment is characterised by geopolitical and global economic uncertainty. Polarisation and demographic changes are widely transforming the structures of our society. The ultimate goal of sustainable development is to ensure that present and future generations can live a good life. Technological progress is enabling greater efficiency and providing new ways of creating services that better match customer needs. Digitalisation and the platform economy are reshaping the value chains of business.

Our vision describes the qualities that we need to be a successful player, regardless of whatever changes occur in the world. We must have a strong market position and finances, be the number-one choice for our customers and partners, and be a pioneer and innovator in the financial sector, an attractive employer and a responsible player.

We have set five strategic priorities for our operations in the next few years. Our strong culture of risk management and compliance forms the basis of everything we do.

Our strategic priorities

> Value for customers

We create value for our customers by providing unbeatably smooth services through all our channels. We will develop into a coach for our customers in making better financial choices and generating additional customer benefits by improving our use of data. We are using part of our profitability improvement for the benefit of our over 2.1 million owner-customers. We will increase OP bonuses earned in 2024 by 40% from the normal level of 2022. The benefit will also continue in 2025.

> Profitable growth

We help people to build their wealth and prepare for the future. We aim to grow, particularly in asset and wealth management, and in the fields of non-life and life insurance. We will increase the range of services for saving and investment we provide to a growing number of customers interested in investing.

> Efficient high-quality operations

By improving and streamlining our operations, we will maintain our profitability and capital base. Due to increasing regulatory requirements, we must continuously improve the quality and efficiency of our operations by upgrading our work methods and technology. We tap into one of Finland's largest sources of data capital in order to better understand and serve our customers. Artificial intelligence and automation further enhance the efficiency and quality of our customer service. We are developing our service network and Group structure so that OP cooperative banks can best fulfil OP Financial Group's mission and strategy in their regions in the long term, now and in the future.

> Responsible business

The increased requirements of customers and other stakeholders, and regulators and supervisors regarding corporate responsibility impact the entire financial sector. We aim to engage in customer-driven responsibility activities and provide financing, insurance and investment services, and develop our services and products to help our stakeholders make the sustainability transition. We aim to offer sustainable financing and investment products to our customers and markedly decrease emissions across our loan and investment portfolios.

> Highly skilled, motivated and satisfied personnel

We will improve our operations and employee experience by further strengthening our way of working based on self-managed teams. An agile culture requires management based on clear objectives, smooth cooperation across organisations, trust, responsibility and a determined attitude towards learning together. We will help our personnel to develop their competencies, while focusing our expertise on changing business needs. We will build a diverse, equal and engaging workplace.

> Strong culture of risk management and compliance

A strong culture of risk management and compliance are an integral part of operations in OP Financial Group. Effective risk management is based on identifying customer needs, meeting their expectations, and pricing and managing their risks. The aim of compliance is to ensure the trust of customers, markets, supervisory authorities and stakeholders.

"We have a mission – to promote the sustainable prosperity, security and wellbeing of our owner-customers and operating region. This mission has stood the test of time – practically unchanged, it has guided our operations for several decades."

Read about strategic targets and priorities on page 33

Geopolitical and global economic uncertainty | Polarisation and demographic change | Sustainable development and corporate responsibility | The power of technology and data | Business value chains amid major transformation

STRONG CULTURE OF RISK MANAGEMENT AND COMPLIANCE

How we create value

We create value for our customers, stakeholders and operating region on many levels.

The financial sector plays a key role in economic prosperity, both directly and indirectly. OP Financial Group has wide-ranging regional and financial effects throughout Finland.

In accordance with our mission, we promote the sustainable prosperity, security and wellbeing of our owner-customers and operating region, together through time.

We provide customer-focused competitive products and services, while ensuring our profitability and capital base. We provide fundamentally important basic services and opportunities for citizens, companies and organisations. We finance sustainable growth and enable wealth creation.

We ensure smooth cash and payment services, prevent and provide protection against losses, and promote a responsible economy.

Everything we do is aimed at adding value for our stakeholders. Our key outputs form the basis of wellbeing and competencies for our personnel and an excellent customer experience, strengthen our capital base and reputation, and foster a sustainable economy and regional vitality.

Our most important assets

Highly skilled, motivated and satisfied personnel (14,746)

Systems and services supporting customer experience – responsible and innovative development

Responsible and smart use of data – high-quality information capital

Partner with a strong capital base – economic capital

Close partner for stakeholders – values, trust and reputation

Figures 31 December 2024

Strategic priorities

Strong culture of risk management and compliance

Outputs and impacts

- The most attractive employer in the financial sector (Universum 2024)
- Diversity: proportion of women in executive positions 37%
- Employee turnover: 5.8%

- Brand recommendations, bNPS (Brand Net Promoter Score, personal and corporate customers):
  Banking: 1 (target 1)*
  Insurance: 2 (target 1)*
- Product and service development expenditures €407 million
- 708 million logins to OP-mobile (personal and corporate customers)

- CET1 ratio: 21.5%
- Return on equity (excluding OP bonuses): 13.0%
- Interest paid on owner-customer investments: €176 million
- One of the biggest taxpayers in Finland: income tax €499 million

- More than 2.1 million owner-customers
- New OP bonuses accrued to owner-customers: €314 million
- Thriving local communities: regional impacts
- Promoting sustainable economy: sustainability-linked loans, green loans and credit limits granted €8.6 billion

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

OP Financial Group's sustainability programme

We want to be a responsible pioneer in the financial sector, in line with our strategy and values. The foundation of our sustainability and corporate responsibility work is our sustainability programme and the measurable goals defined under it.

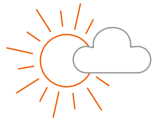
Our sustainability and corporate responsibility work is based on the mission and core values of OP Financial Group, supported by our cooperative business model. Our commitments to sustainability and corporate responsibility concern many different areas such as environmental responsibility, customer orientation, social responsibility, employee wellbeing and the principles of ethical conduct.

Our sustainability programme and its goals respond to the changing operating environment, the grown expectations of stakeholders and the increased regulatory requirements.

The sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding our sustainability and corporate responsibility actions. The sustainability and corporate responsibility work of OP Financial Group's member cooperative banks in their own communities is based on OP Financial Group's sustainability programme. In drawing up the sustainability programme, we used stakeholder feedback such as various customer studies, observations arising from discussions, external assessments and surveys directed at our employees, at experts and at our owner-customers.

This background work has helped us determine sustainability and corporate responsibility themes suited and relevant to

We will build a sustainable tomorrow together



Climate and the environment
Sustainability programme goals

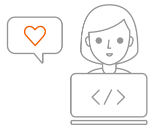
We will offer sustainable financing and investment products to our customers

We will decrease emissions across our loan and investment portfolios

We will become carbon neutral by 2025

We will promote the circular economy in our business and that of our customers

We will promote biodiversity and the wellbeing of nature



People and communities
Sustainability programme goals

We will foster a diverse, inclusive and non-discriminatory culture

We will promote the wellbeing of our local communities

We will support the management of personal finances and improve financial literacy

We will help customers with special needs to manage their finances

We will identify the impact of our operations on human rights

Corporate governance
Sustainability programme goals

We will integrate sustainability with all our business operations and risk-taking

We will use data and artificial intelligence responsibly

We will require our partners to commit to our Supplier Code of Conduct

We will increase diversity in our governing bodies

We will further improve the sustainability competencies of our personnel

OP Financial Group's sustainability report starts on page 81.

OP Financial Group: Climate and the environment, People and communities, and Corporate governance.

As such, the programme's structure is in line with the ESG model and extensively covers different areas of sustainability and corporate responsibility. ESG is short for Environmental, Social and Governance. Each theme includes five sub-areas we will promote in our sustainability and corporate responsibility work.

The sustainability programme was last updated in 2022, and its next update will be in 2025.

Sustainability programme themes

> Climate and the environment

We want our operations to have a positive impact on the climate and on our environment, and we will take active action to reduce adverse impacts on the climate and the environment. The objectives we have selected for the Climate and the environment theme are related to sustainable financing and investment products, sustainable insurance operations, decreasing our emissions and our customers' emissions, circular economy and biodiversity.

> People and communities

Social responsibility and the wellbeing of local communities are at the heart of everything we do. The People and communities theme includes objectives related to promoting the diversity of our personnel, the wellbeing of local communities, promoting financial and digital skills and respecting human rights.

> Corporate governance

By following the principles of good corporate governance, we make sure that we will reach our sustainability and corporate responsibility goals.

We have set objectives regarding the integration of ESG factors in all our business operations, risk management, responsible data, value chain, governance diversity and our employees' sustainability competencies.

OP's sustainability programme supports the UN Sustainable Development Goals

We have developed indicators measuring the progress towards each objective. In addition, the programme's objectives are linked to the UN Sustainable Development Goals (SDGs) and subgoals. The indicators and the UN Sustainable Development Goals are available at op.fi/en/op-financial-group/corporate-social-responsibility

Relevant commitments

Climate and the environment

- Partnership for Carbon Accounting Financials (PCAF)
- Partnership for Biodiversity Accounting Financials (PBAF)
- CDP – OP Financial Group's environmental actions scored a grade of C in CDP's international environmental impact assessment in 2024
- WWF Green Office

People and communities

- OP Financial Group's Human Rights Statement and Human Rights Policy
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Global Compact Initiative

Corporate governance

- UN Principles for Responsible Banking (UN PRB)
- UN Principles for Sustainable Insurance (UN PSI)
- UN-supported Principles for Responsible Investment (PRI)

Read more detailed descriptions of our commitments.

Implementation of the sustainability programme in 2024

Climate and the environment

SDG	Subtarget	Target	Indicator	2024	2023
13	13.1	We will offer sustainable financing and investment products to our customers	Our product range will cover sustainable financing and investment products • Target: Sustainable financing products will account for at least 8 billion euros of total commitments by the end of 2025 • Target: Sustainable funds* will account for 60% of all fund assets by the end of 2025	€8.6 billion 88.0%* 4.6%*	€6.6 billion 87.7%* 3.4%*
13	13.2	We will decrease emissions across our loan and investment portfolios	OP Corporate Bank is committed to ensuring that its corporate loan portfolios are carbon neutral by 2050. A corresponding goal has been set for OP cooperative banks' corporate loans • Target: OP Financial Group will cut 25% of its corporate loan portfolio emissions by 2030 compared to 2022 OP Asset Management and OP Fund Management Company are committed to ensuring that the funds they manage are carbon neutral by 2050 • Target: OP funds will halve the intensity of their greenhouse gas emissions by 2030 compared to 2019*** • Besides various sustainable investment and financing products, the range of tools includes investment decisions promoting the achievement of our goals and active dialogue with our clients and investees • We require that large companies subject to high climate transition risk prepare company-specific emission reduction plans by the end of 2025	Financed emissions**: 4.13 million CO2e tonnes Corporate loans 2.17 million CO2e tonnes Home loans 0.23 million CO2e tonnes Motor vehicles 0.23 million CO2e tonnes Listed bonds and equities: 1.49 million CO2e tonnes Insurance**: 0.23 million CO2e tonnes Personal customers' motor vehicle insurance 0.14 million CO2e tonnes Corporate insurance 0.09 million CO2e tonnes Emissions intensity of OP funds: 79 tCO2e/mUSD	Financed emissions**: 5.03 million CO2e tonnes Corporate loans 2.88 million CO2e tonnes Home loans 0.30 million CO2e tonnes Motor vehicles 0.25 million CO2e tonnes Listed bonds and equities: 1.60 million CO2e tonnes Insurance**: 0.23 million CO2e tonnes Personal customers' motor vehicle insurance 0.15 million CO2e tonnes Corporate insurance 0.09 million CO2e tonnes Emissions intensity of OP funds***: 97 tCO2e/mUSD

* Funds under SFDR Article 8 and Article 9. 4.6% under Article 9.

** Emissions calculated using the PCAF calculation method.

*** Initial level 179 tCO2e/mUSD.

SDG	Subtarget	Target	Indicator	2024	2023
	12.2 12.5 13.3	We will promote the circular economy in our business and that of our customers	We will promote digital payment methods and replace OP payment cards issued by OP Financial Group with ones made from recycled plastic • Target: In 2026, 100% of OP payment cards issued by OP will have been replaced with ones made from recycled plastic as part of the normal card replacement cycle	68.6% of all cards are made from recycled plastic	32.7% of all cards are made from recycled plastic
			We will promote the circular economy as part of our business • Target: We will finance projects related to the circular economy as part of sustainable finance and maintain an active dialogue with our investees. Pohjola Insurance's Vehicle Insurance Claims Settlement increases operating models that promote the circular economy by encouraging repair of damaged parts whenever possible, keeping traffic safety and the parts' high quality in mind	A total of 55.7% of damaged body parts, 40.8% of damaged bumpers and 40.5% of damaged windshields were repaired	A total of 53% of damaged body parts, 37% of damaged bumpers and 42% of damaged windshields were repaired
			• Target: Added the 2023 target (Insurance): The share of the circular economy (the number of repaired and recycled items) in reported claims will increase from 2022	2.18%	0.9%
	7.2 13.2	We will become carbon neutral by 2025	OP Financial Group will become carbon neutral in its operational Scope 1 and 2 emissions by 2025 • Target: Net zero emissions for Scopes 1 and 2 by the end of 2025	362 CO_2e tonnes*	282 CO_2e tonnes
	14.1 15.5	We will promote biodiversity and the wellbeing of nature	We will identify any impacts our operations have on biodiversity and take measures to reduce biodiversity • Target: We will prepare a biodiversity review in 2022 and a biodiversity action plan in 2023	The OP Forest biodiversity index was created	A biodiversity roadmap was approved in 2023
			will enhance the sustainability of Finnish agriculture in terms of its ability and environmental friendliness. • Target: We will develop the competencies of specialists working with agricultural customers and improve the knowledge of farmers by entering training partnerships. We will launch the related measures in 2023.	Nature-themed customer discussions were started	Reporting of targets as of 2024

* OP Financial Group updated its emissions calculation in 2024, due to which the emissions of company cars owned and managed by OP Financial Group are included in the Group's own emissions for the first time (Scope 1 and Scope 2). In addition, the emissions of OP Real Estate Asset Management Ltd's properties were included in OP Financial Group's emissions calculation in 2024. Direct emissions have decreased by approximately 98% from 2021. In its own properties, OP Financial Group has implemented long-term decarbonisation efforts. 100% of the purchased electricity used by OP Financial Group in Finland is generated with wind power. District heating and district cooling are also generated from 100% renewable sources.

People and communities

SDG	Subtarget	Target	Indicator	2024	2023
5, 8	5.5 8.8	We will foster a diverse, inclusive and non-discriminatory culture	We will foster a diverse competence base in our business units • Target: At least 40% representation of each gender in executive positions* by 2025 • Target: Employee experience of management's commitment to the promotion of diversity, inclusion and non-discrimination; personnel survey 2025: >4.0 (scale 1–5)	 37 % 4,21	 31 % 3,95
			Employees view recruitments and career transitions as fair, incentivising them towards continuous development • Target: Employee experience of diversity and non-discrimination in career transition and recruitment; personnel survey 2025: >4.0 (scale 1–5) • Target: Trend in feedback from job applicants**	 3,8 3,75	 3,8 4,05
10	8.5 10.2	We will promote the wellbeing of our local communities	We will enhance the wellbeing of children and youths, their confidence in the future, and support the employment of young people • Target: Number of children and youths reached through leisure activities sponsored by OP; 200,000 persons per year • Target: Summer jobs for young people enabled with OP's support; 2,000 summer jobs per year	 284,000 2,900	 254,000 2,800
4, 8	4.4 8.3	We will support the management of personal finances and improve financial literacy	We will improve financial literacy to give everyone equal opportunities to manage their finances • Target: Number of children and youths reached through financial literacy training events and projects organised by OP cooperative banks and partners, 70,000 persons per year	71,200	91,000
10	10.2	We help customers with special needs to manage their finances	We will help customers with special needs in their independent, multichannel and easy use of banking and insurance services and promote their digital skills • Target: Customers reached in training events on digital skills, 20,000 persons per year	37,400	26,000
10	10.2	We will identify the impact of our operations on human rights	We will carry out a self-assessment of the human rights impacts of our operations based on which we will draw up a human rights policy to improve our operations • Target: Creating a human rights policy and an action plan addressing our key impacts based on the self-assessment by the end of 2023	Development actions implemented as planned	A human rights assessment was performed in 2023, and OP Financial Group's Human Rights Statement and Human Rights Policy were published in 2023

* Persons working in the central cooperative on an executive contract as well as managing directors of OP cooperative banks.

** The applicant feels that they were treated fairly during the recruitment process (scale 1–5).

Corporate governance

SDG	Subtarget	Target	Indicator	2024	2023
13	13.1 13.3	We integrate sustainability with all our business operations and risk-taking	We will guide our customers in preparing for and adapting to the various effects of climate change and the related risks We will monitor developments in the regulation of sustainable finance and the EU Taxonomy because they will change our business environment and the basis of our success • Target: We will use scenario work to assess the impact of climate and environmental change on the success of our customers and OP Financial Group • Target: Our sustainability reporting is reliable and easy to understand • Target: We will comply fully with regulatory requirements related to anti-money laundering and sanctions • Target: We will link ESG factors to OP Financial Group's risk reporting by the end of 2023	OP Financial Group has assessed the impact of climate risks on its business with scenario analyses. The first CSRD report was verified and published in 2025. Our operations comply with regulations. ESG factors have been integrated in OP Financial Group's risk reporting.	All our operations comply with regulations, and we comply fully with regulatory requirements related to anti-money laundering and sanctions We included ESG factors in OP Financial Group's risk reporting
16	16.6	We will use data and artificial intelligence responsibly	We will annually report on the responsible use of data capital at OP Financial Group	Data balance sheet for 2024	Data balance sheet for 2023
8, 12	8.5 8.8 12.2	We will require our partners to commit to our Supplier Code of Conduct	We will increase the number of suppliers committed to our Supplier Code of Conduct* • Target: 100% of contract suppliers in OP Financial Group's supply chains will commit to our Supplier Code of Conduct by 2025	97.1%	91.6%
5, 16	5.5 16.6	We will increase diversity in our governing bodies	We will ensure diverse membership of supervisory councils and boards of directors in OP cooperative banks and the central cooperative to help OP Financial Group succeed • Target: The Group-level gender balance of supervisory councils and boards of directors of OP cooperative banks and the central cooperative will be at least 40% by 2025	Percentage of females: Board of Directors: 45.5%, Supervisory Council: 49.6%	Percentage of females: Board of Directors: 45.1%, Supervisory Council: 48.5%
4	4.7	We will further improve the sustainability competencies of our personnel	We will further improve the sustainability competencies of our personnel and governing body members by offering ESG training • Target: We will increase our training offering to various target groups • Target: OP Financial Group's personnel will complete training in the sustainability programme during 2023	17,272 people The average pass rate was 90.9%	16,014 people The average pass rate was 87.4%

* In terms of purchase costs.

OP Financial Group's Report by the Board of Directors and Financial Statements

OP Financial Group's Report by the Board of Directors includes a sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards.

Report by the Board of Directors

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.
- **The 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 14 million to EUR 15 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

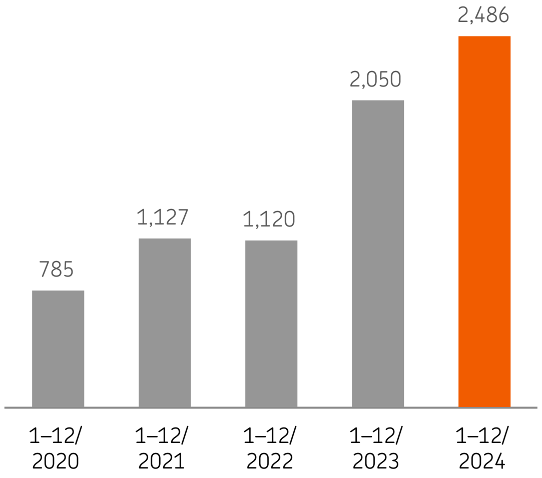
€ million	Q1–4/2024	Q1–4/2023	Change, %
Operating profit, € million	**2,486**	**2,050**	**21.3**
Retail Banking	1,275	1,223	4.3
Corporate Banking	572	408	40.4
Insurance	578	414	39.4
Group Functions	19	-26	–
New OP bonuses accrued to owner-customers, € million	-314	-275	14.1
Total income**	4,844	4,520	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.

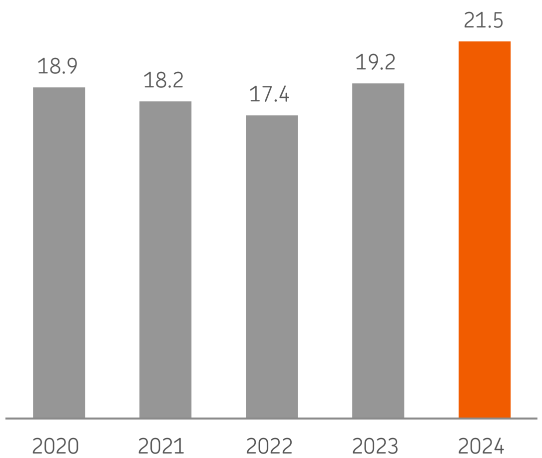
* Change in ratio, percentage point(s).

** 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 2 to the financial statements Changes in accounting policies and presentation.

Operating profit, € million



CET1 ratio, %



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.

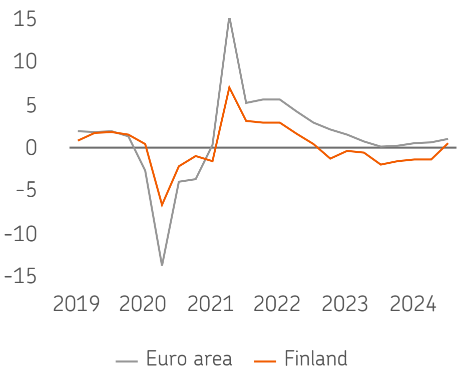
Lower interest rates and growing purchasing power should spur growth in the Finnish economy in 2025. However, the recovery remains fragile and export markets are characterised by uncertainty.

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

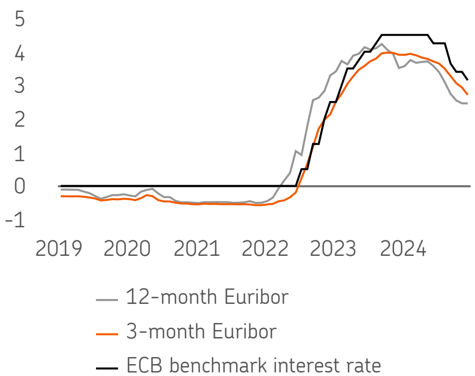
Annual volume change, %



Sources: Eurostat, Statistics Finland Seasonally adjusted series

Euribor rates and ECB refi rate

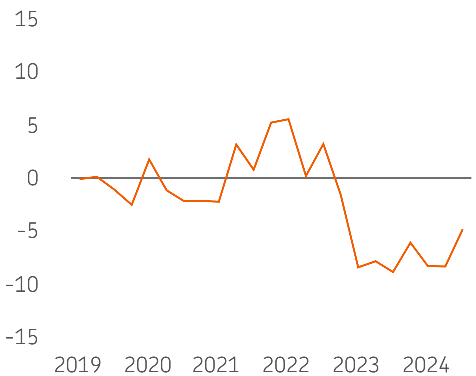
%



Source: Bank of Finland

Fixed investments in Finland

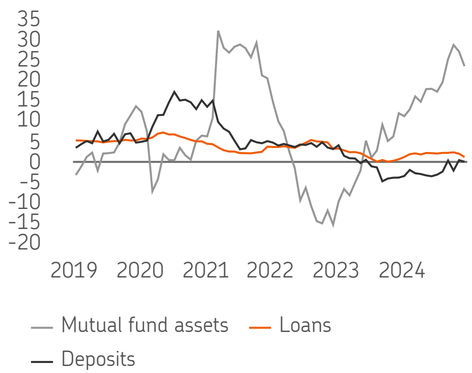
Annual volume change, %



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, %
Operating profit	**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	–
Net interest income*	2,796	2,654	5.3
Impairment loss on receivables	-96	-269	-64.3
Net commissions and fees*	818	870	-6.0
Insurance revenue	2,129	2,000	6.5
Insurance service expenses	-1,879	-1,824	3.0
Reinsurance contracts	-59	-95	–
Insurance service result	192	81	135.8
Investment income	465	389	19.5
Other operating income	44	40	11.9
Personnel costs	-1,081	-964	12.1
Depreciation/amortisation and impairment loss	-146	-226	-35.5
Other operating expenses	-1,036	-1,011	2.4
Transfers to insurance service result	529	485	9.0
OP bonuses included in earnings	-307	-269	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 2 to the financial statements Changes in accounting policies and presentation.

Key indicators

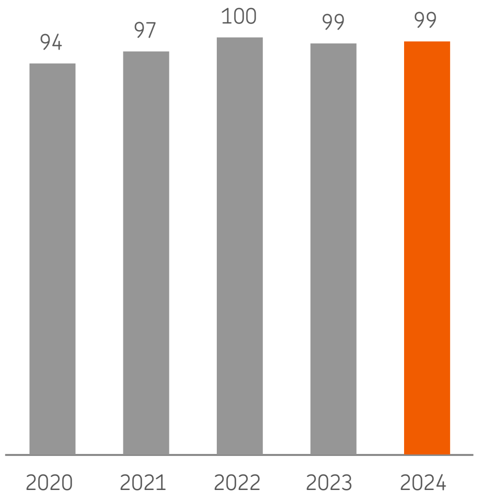
Key indicators, € million	31 Dec 2024	31 Dec 2023	Change, %
Loan portfolio	**98,917**	**98,871**	**0.0**
Home loans	41,604	41,856	-0.6
Corporate loans	27,915	28,181	-0.9
Housing company loans**	10,619	10,656	-0.3
Other loans to corporations and institutions***	7,458	6,838	9.1
Other consumer loans	11,320	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
Oma pääoma	18,110	16,262	11.4

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

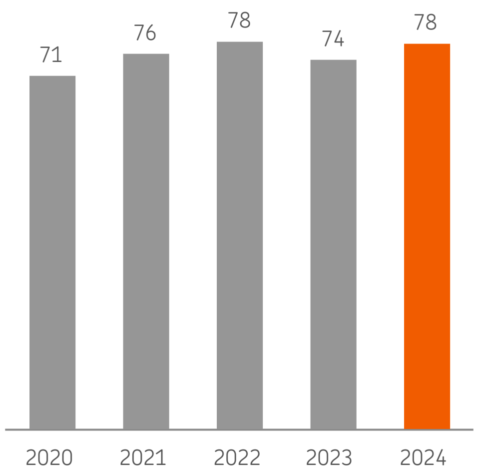
*** Other loans to corporations and institutions include public sector entities, banks and financial institutions and non-profit organisations.

**** OP Financial Group changed the official balance sheet format of the financial statements in 2024. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 2 to the financial statements. 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 financial year 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 financial year, 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 77 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). The effective tax rate for the financial year 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 NSFR was 129% (130).

Key income statement items by quarter

€ million	Q1/2024	Q2/2024	Q3/2024	Q4/2024	Q1–4/2024	Q1–4/2023	Change, %
Net interest income*	709	698	712	678	2,796	2,654	5.4
Impairment loss on receivables	-39	-28	-5	-23	-96	-269	-64.3
Net commissions and fees*	205	195	199	219	818	870	-6.0
Insurance revenue	523	517	534	555	2,129	2,000	6.5
Insurance service expenses	-512	-493	-446	-428	-1,879	-1,824	3.0
Reinsurance contracts	-21	23	-30	-31	-59	-95	-37.5
Insurance service result	-10	47	58	96	192	81	135.8
Investment income	151	118	150	46	465	389	19.5
Other operating income	9	16	6	13	44	40	11.9
Personnel costs	-256	-279	-247	-299	-1,081	-964	12.1
Depreciation/amortisation and impairment loss	-33	-36	-38	-39	-146	-226	-35.5
Other operating expenses	-248	-253	-240	-295	-1,036	-1,011	2.4
Transfers to insurance service result	129	133	124	142	529	485	9.0
Operating profit	**618**	**611**	**720**	**538**	**2,486**	**2,050**	**21.3**

* 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 2 to the financial statements Changes in accounting policies and presentation.

January–December highlights

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.

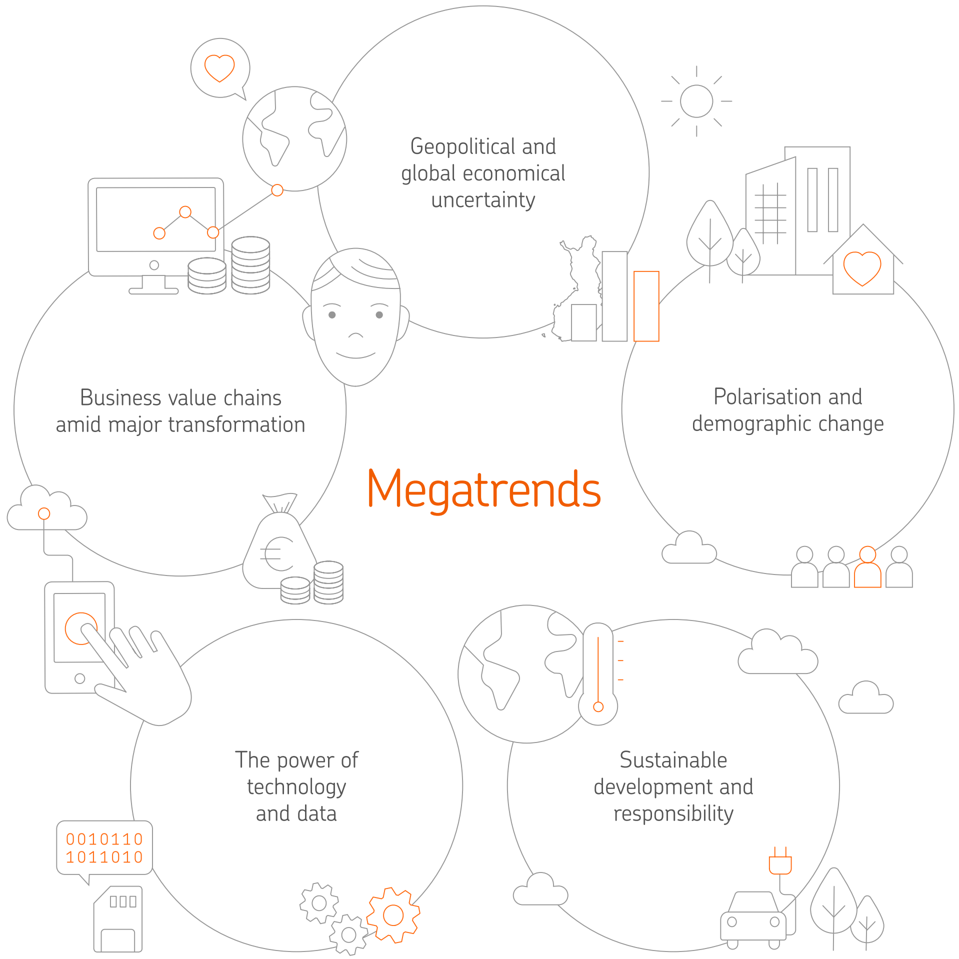
OP Financial Group's strategic targets and outcomes

	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
Financial strength 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 Dec 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



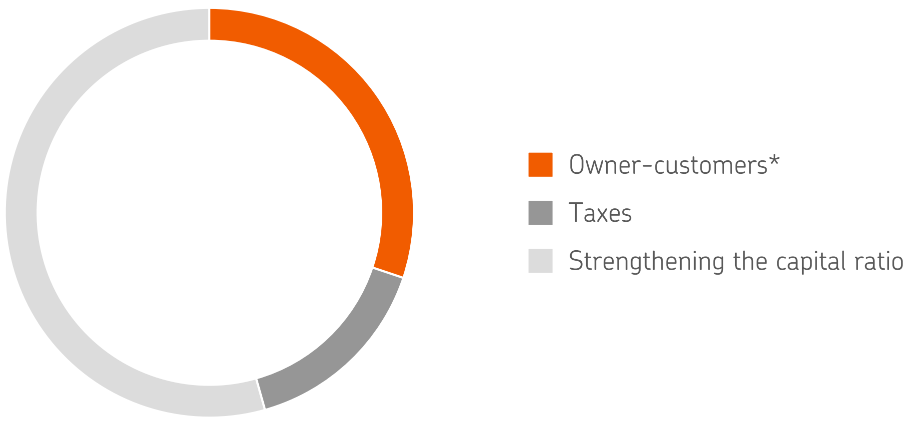
Promotion of the success of owner-customers and operating region

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 a total of 2.1 million (2.1) owner-customers at the end of the financial year. 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 financial year totalled EUR 314 million (275). This benefit will be valid until the end of 2025.

During the financial year, 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	2024	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 financial year 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

	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
	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

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.

Sustainability and corporate responsibility highlights

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. By the end of 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). Funds reported in accordance with Article 8 of Regulation (EU) 2019/2088 (SFDR) or funds aimed at making sustainable investments (SFDR, article 9). Funds in accordance with Article 9 accounted for 4.6% of all funds.

In January, OP Financial Group joined the Partnership for Biodiversity Accounting Financials (PBAF), which aims to promote the financial sector's awareness of biodiversity and introduce new measurement tools.

During the financial year, OP Financial Group and the WWF entered a three-year partnership to promote the diversity of Finnish nature.

In March, OP Corporate Bank published its updated Green Bond Framework 2024 and issued a senior green bond worth EUR 500 million.

In May, OP Financial Group launched an OP-Sustainable Corporate Bond fund, which collected initial investments worth EUR 120 million. The fund is OP Financial Group's first thematic fund that only invests in fixed income instruments.

In June, OP Financial Group published its updated Responsible AI policies to ensure ethical use of artificial intelligence throughout the Group.

Around 99 per cent of the electricity consumed in facilities used by OP Financial Group is generated by Finnish wind power. Because OP Financial Group is critical to security of supply, it has stand-by generators to secure the electricity supply of its facilities during emergency conditions.

OP Financial Group's sustainability report starts on page 81.

OP Financial Group has adjusted its policy on financing, insuring and investing in oil and gas exploration and production. Direct equity and fixed income investments by OP Financial Group's mutual funds exclude institutions and companies involved in coal, oil and gas exploration and production. OP Financial Group will not finance or insure new corporate customers that engage in so-called unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas.

In summer 2024, OP Financial Group provided more than 2,000 young people with a summer job through its campaign "Summer jobs paid for by OP". OP cooperative banks donated funding to non-profit associations for hiring young people aged from 15 to 17 for two weeks.

In August, Pohjola Insurance initiated cooperation with MIELI Mental Health Finland's Mental Wellbeing for Young Athletes project by committing to promote the wellbeing of young people alongside its sports federation partners.

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.

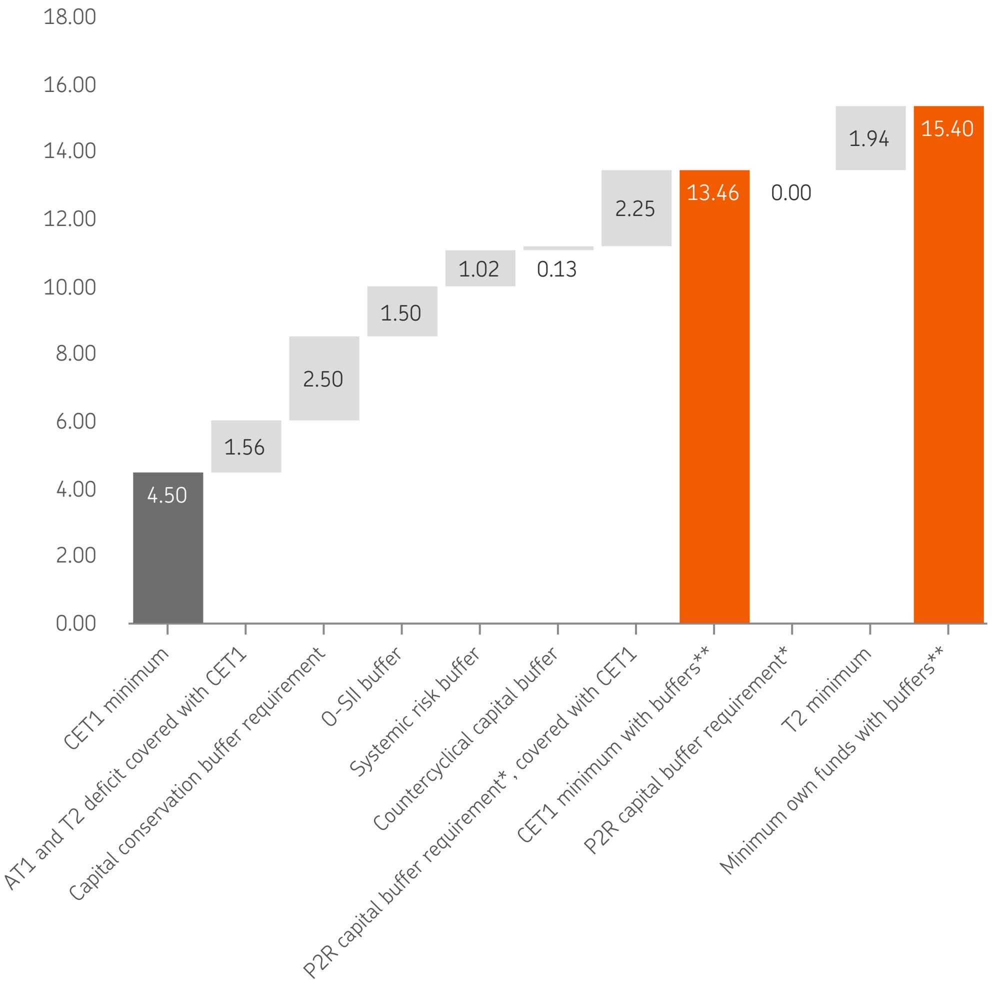
The ratio of OP Financial Group's own funds to the minimum capital requirement was 148% (144). As a result of the buffer requirements for banking and the solvency requirements for insurance companies, the minimum FiCo solvency of 100% reflects the level within which the conglomerate can operate without 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 financial year 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 must be covered by 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.

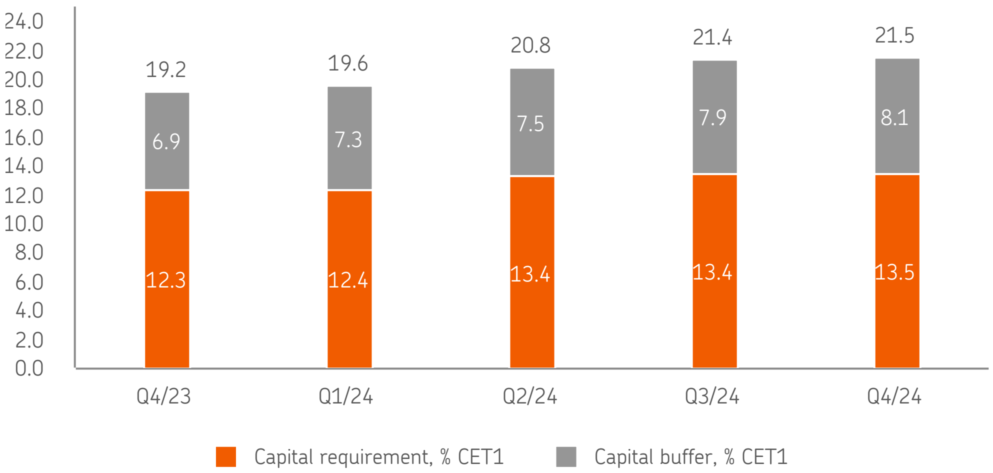
Capital requirements Q4/2024



*P2R supervisor's Pillar 2 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), € mill.	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.

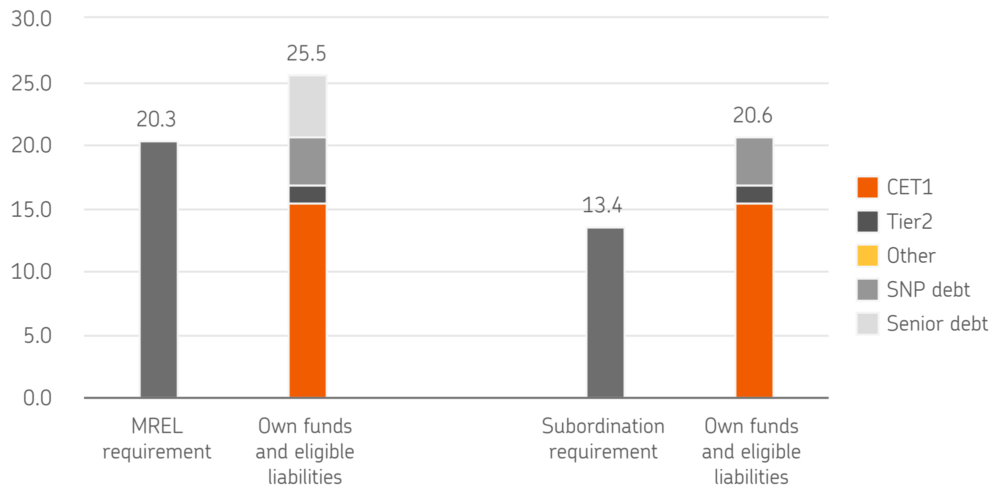
The SRB updated the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Financial Group in May 2024. As part of the MREL requirement, SRB updated the subordination requirement in accordance with the Single Resolution Mechanisms Regulation. The subordination requirement determines 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 requirements

€ billion



Key principles of risk management

At OP Financial Group, OP Cooperative's Board of Directors is the highest decision-making body for duties related to risk management. OP Cooperative's Supervisory Council confirms the decisions by the Board of Directors that apply to OP Financial Group's risk appetite. The Risk Committee of the Board of Directors assists the Board in performing duties related to risk-taking and risk management. Based on the decision by the President and Group Chief Executive Officer, the Executive Management Team has set up a Risk Management Committee, Steering and Compliance Committee and Banking ALM Committee that approve instructions and policy descriptions specifying the Risk Appetite Statement and the Risk Appetite Framework. The risk management-related tasks of various bodies are described in more detail in their respective charters.

The Risk Appetite Statement outlines and gives grounds for what risks each business is ready to take and to what extent. Businesses are obliged to operate within the limits of these restrictions. If there is a need to change a business strategy quickly and this change has direct effects on risk-taking, the senior management ensures that the Chief Risk Officer is informed of the need to prepare changes in the instructions on risk-taking.

Senior management decides on how risk-taking responsibilities are divided. The Group defines what risks different revenue logics (product and service packages) can take and any potential elaborations on what risks can be taken by legal entities and various functions within these revenue logics. Principles and decisions on the division of responsibilities between company roles prevent uncontrolled risk accumulation by ensuring that risks are diversified.

Governance structures provide the basis on which key principles guide operations and the related policies, and operating instructions are appropriately prepared and resolved. In addition, governance structures provide a basis for the proper assessment and supervision of the quality, scope and complexity of each activity by expert, business-independent parties, in addition to the business's own monitoring. Senior management must ensure the maintenance and development of sufficient resourcing and expertise for the monitoring functions of the first, second and third line of defence.

OP Financial Group's Risk Appetite Framework (RAF) defines the general intents of the risk management process. The RAF sets preconditions for how senior management should organise the risk management process at OP Financial Group.

Control of joint and several liability between the central cooperative and member banks is based on the document Principles of Corporate Governance as Required under Joint and Several Liability.

OP Financial Group's remuneration schemes are built in line with the Group's mission, core values and targets. Remuneration must not incentivise unnecessary risk-taking contrary to the risk appetite set by management, or against the customer's interests. The same risk measurement methods are applied to remuneration as to the e.g. capital and liquidity adequacy assessment processes, whether or not this includes the setting of remuneration and any risk adjustments made before its payment.

In addition, the principles of internal control, good corporate governance, good business practices and corporate security set preconditions for practices.

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 financial year, around 600 specialists were working in anti-financial crime roles 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 financial year, 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.

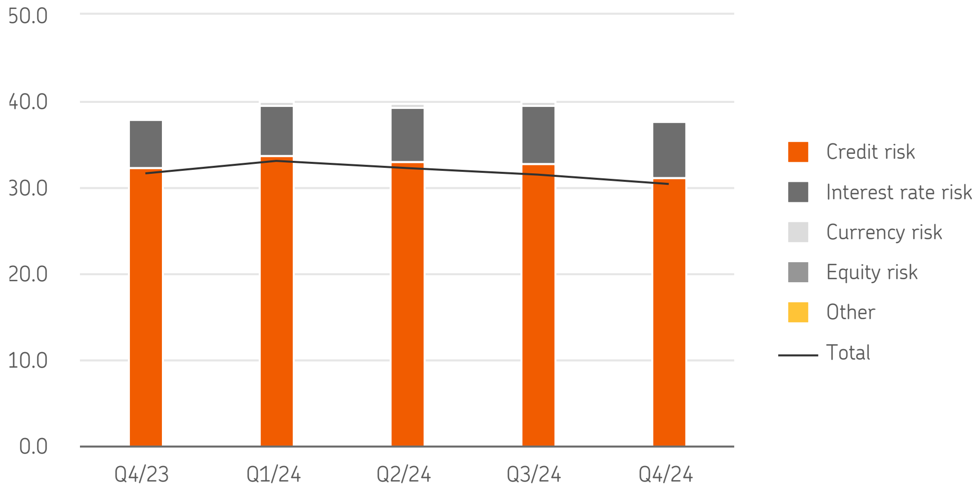
The VaR, a measure of market risks associated with Corporate Banking's investments, was EUR 30 million (32) on 31 December 2024. The VaR risk metric includes banking's bond investments, derivatives that hedge their interest rate risk and investments in money market papers. No major changes were made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

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 financial year.

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 financial year, 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.

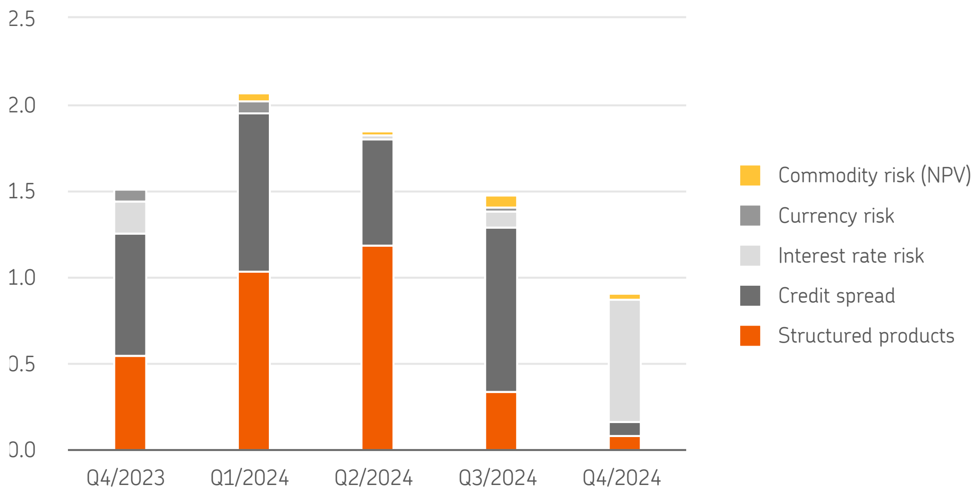
Corporate Banking's market risk VaR at a confidence level of 95% and a retention period of 10 days

€ million



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

€ million



Forborne and non-performing exposures

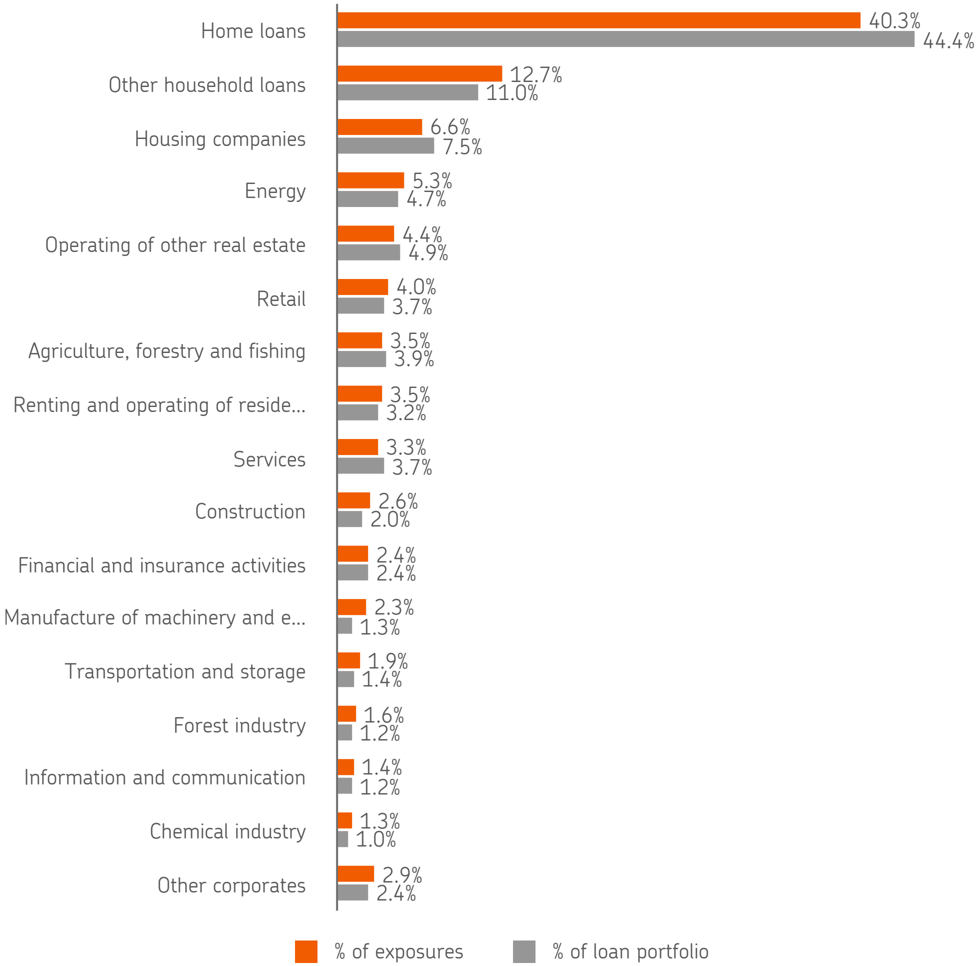
€ billion	Performing forborne exposures (gross)		Non-performing exposures (gross)		Doubtful receivables (gross)		Loss allowance		Doubtful receivables (net)	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
More than 90 days past 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 distribution of OP Financial Group's exposures and loans by sector as percentages at the end of the financial year.

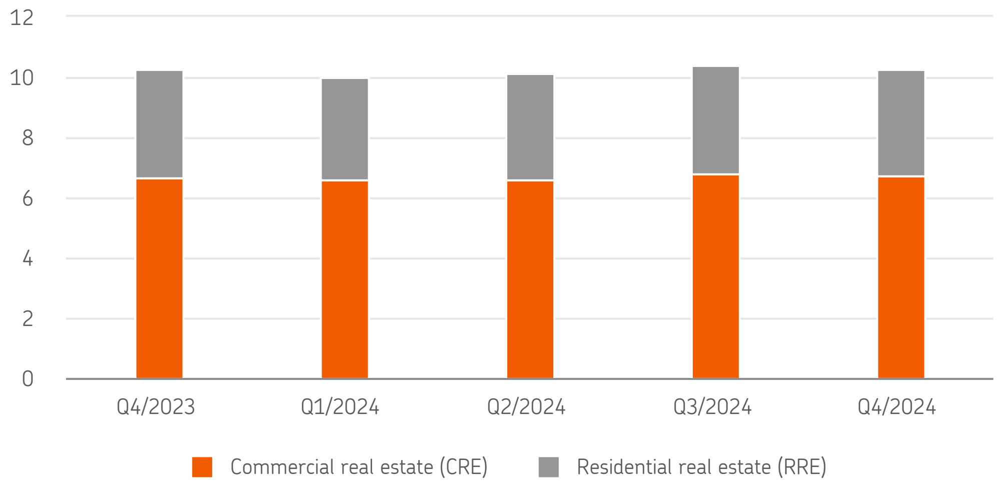
Below is a more detailed description of the development of OP Financial Group's exposures to the real estate sector, and the breakdown of exposures by type of real estate. An increase in risk has been identified in the real estate sector due to the changed interest rate environment. In the graph on the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

OP Financial Group's exposures to the real estate sector totalled 8.9% (8.9) of all exposures at the end of the financial year. 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.

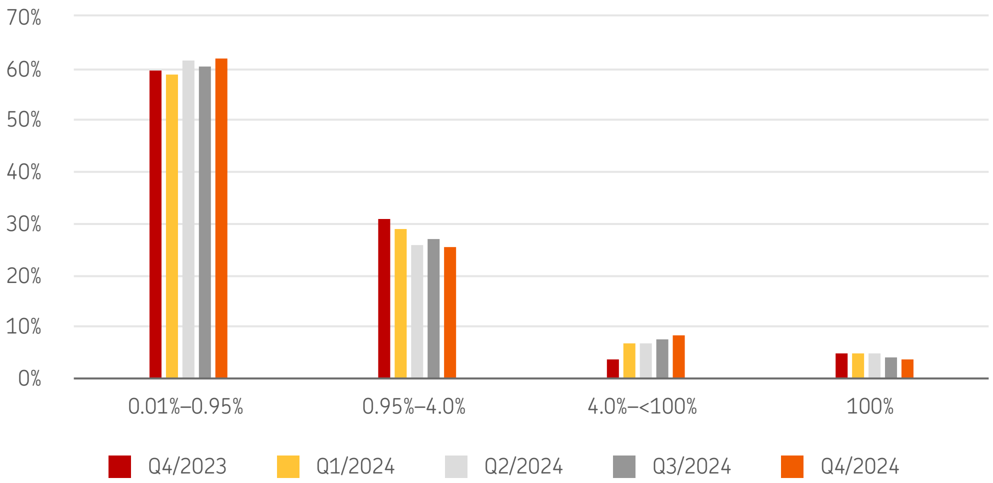
CRE and RRE exposures

€ billion



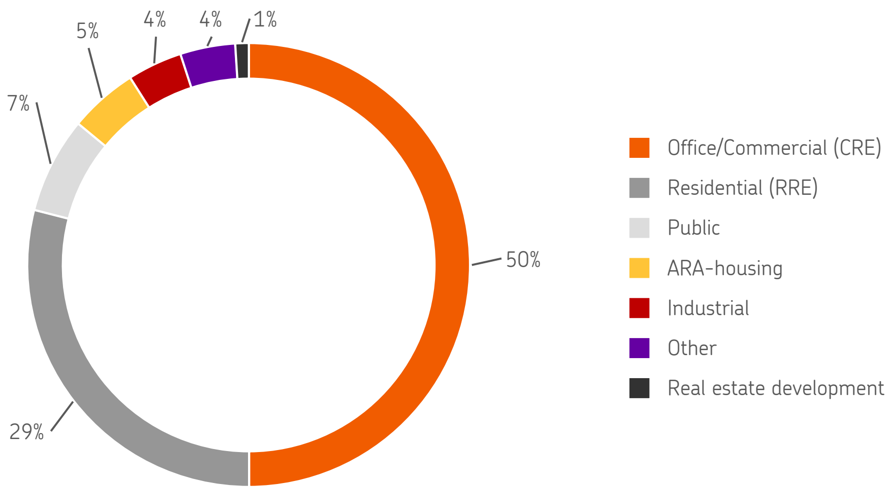
Breakdown of real estate operators' probability of default

%



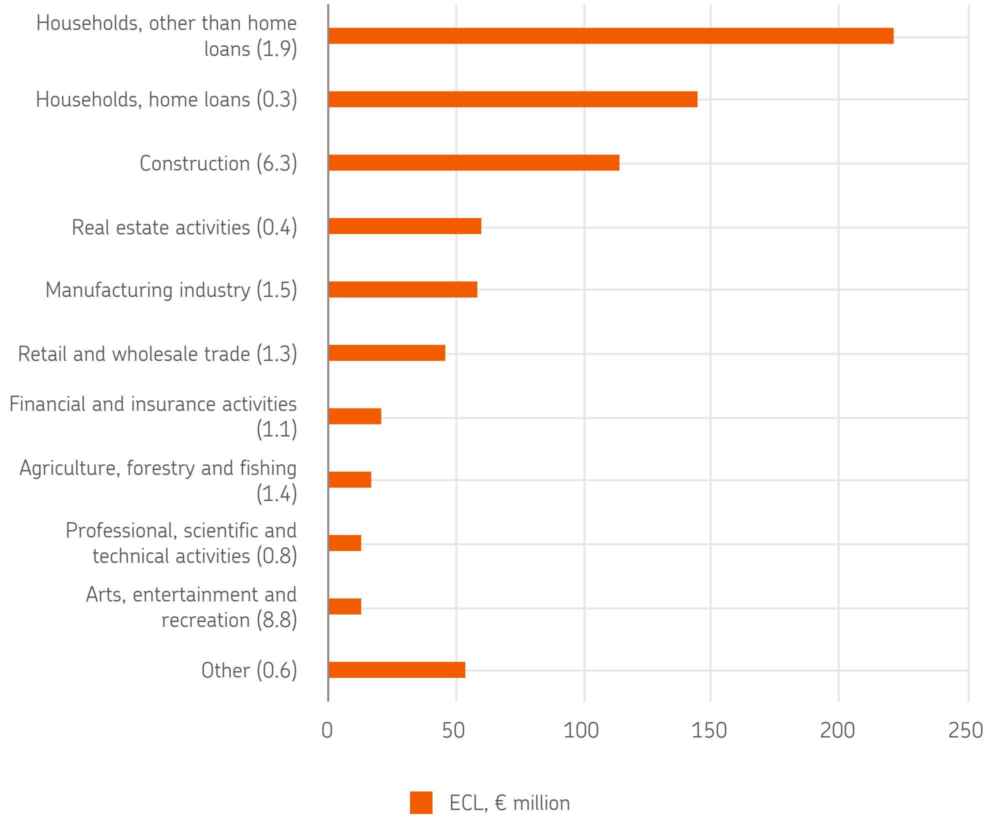
Portfolio split between real estate types

31 Dec 2024



Loss allowance by sector

31 Dec 2024 (share of gross exposures is shown in brackets)



The graph shows the loss allowance of different sectors at the end of the financial year, 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 financial year.

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

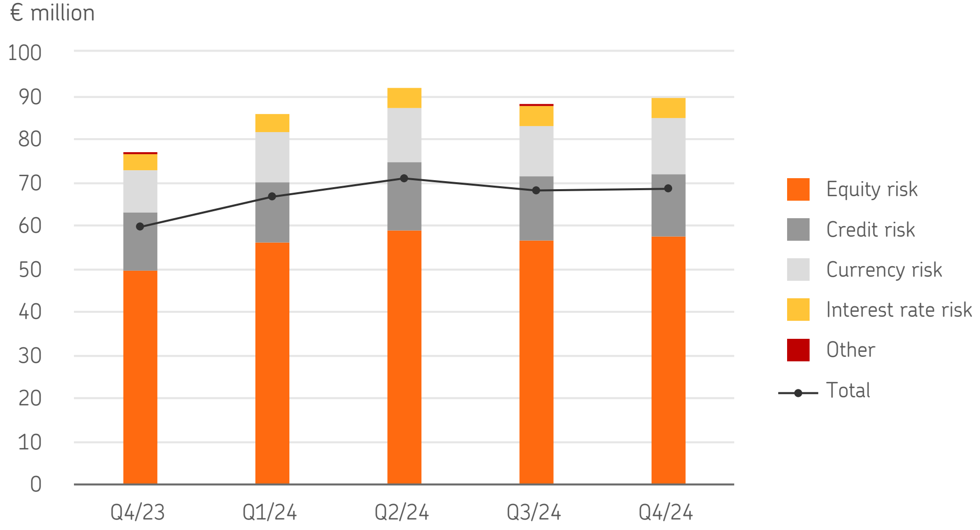
Major risks within non-life insurance include underwriting risks associated with claims developments, market risks associated with investments covering insurance contract liabilities, a faster-than-expected increase in the life expectancy of the beneficiaries related to insurance contract liabilities 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 financial year. 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.

The Value-at-Risk (VaR) metric, a measure of market risks, was EUR 68 million (59) at the end of the financial year. 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



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.

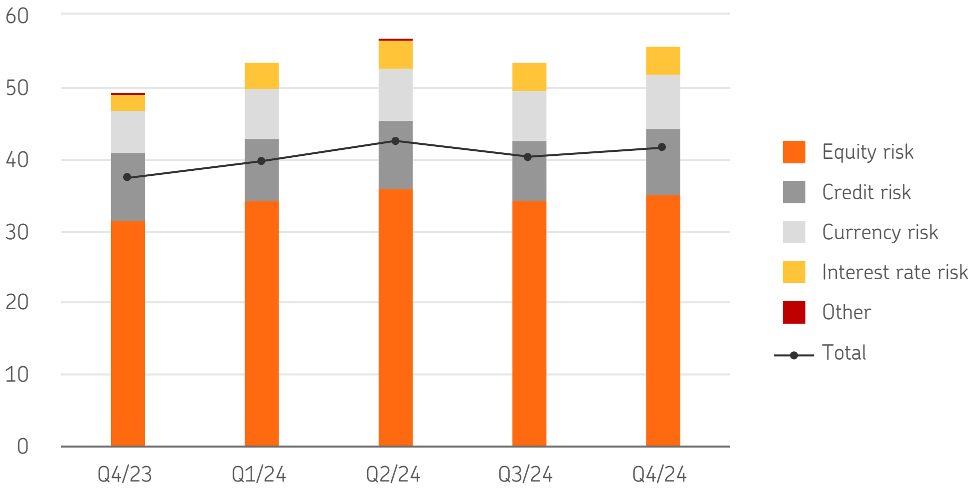
Longevity, or a decline in mortality, will increase payments made from pension portfolios. Overall, a 5% decrease in mortality assumptions would have an annual impact of EUR 23 million (22) on insurance contract liabilities related to annuity portfolios. Meanwhile, in term life insurance portfolios, 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) at the end of the financial year.

The market risk level of the investments of life insurance increased during the financial year. The increase is explained by the increase in equity risk. The Value-at-Risk (VaR) metric, a measure of market risks, was EUR 41 million (37) at the end of the financial year. 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.

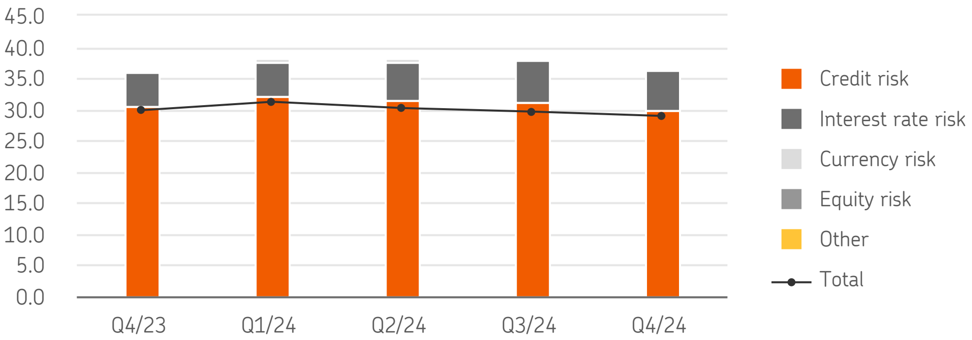
OP Financial Group's funding position and liquidity are strong. During the financial year, OP Financial Group issued long-term bonds worth EUR 3.6 billion (5.2).

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 financial year.

The VaR risk metric that measures market risk associated with the liquidity buffer was EUR 29 million (30) on 31 December 2023. 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 financial year.

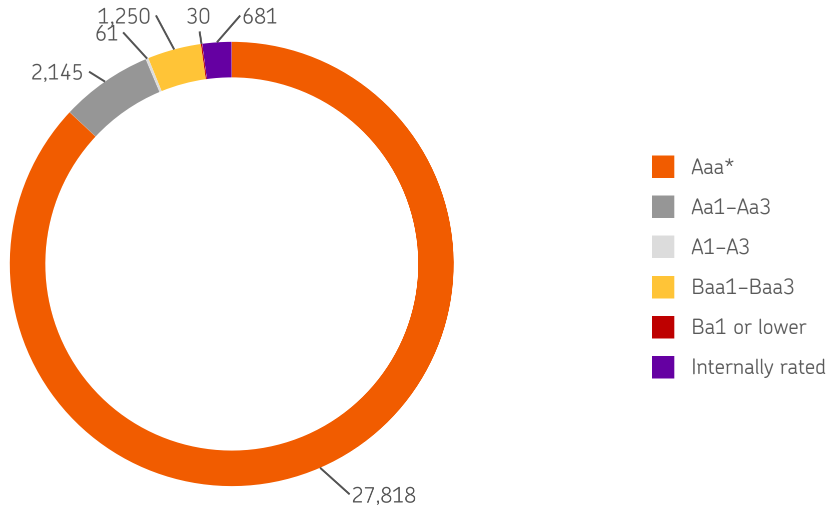
Liquidity buffer

€ 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	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	33.1	–3.2
Collateral haircut	–0.7	–0.7	0
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 financial year, the liquidity buffer included bonds with a carrying amount of EUR 1,520 million (629) classified at amortised cost, 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.

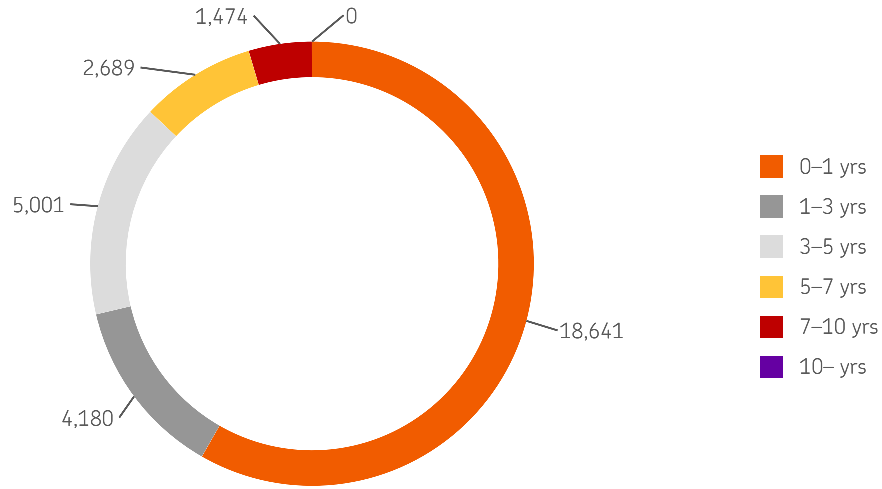
Financial assets included in the liquidity buffer by credit rating

31 December 2024, € million



Financial assets included in the liquidity buffer by maturity

31 December 2024, € million



* incl. deposits with the central bank

Credit ratings

Credit ratings 31 December 2024

	OP Corporate Bank plc				Pohjola Insurance Ltd	
Rating agency	Short-term debt	Outlook	Long-term debt	Outlook	Credit 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 financial position. The credit ratings did not change in 2024.

Financial performance by segment

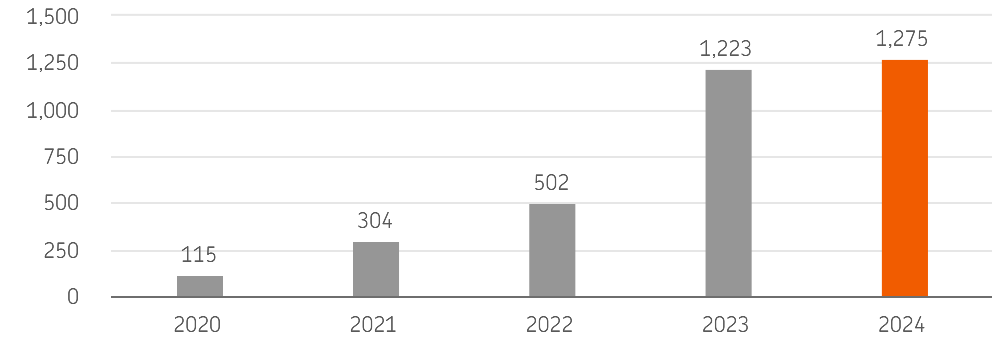
OP Financial Group's business segments are Retail Banking (Banking Personal and SME Customers), Corporate Banking (Banking Corporate and Institutional Customers) and Insurance (Insurance Customers). Non-business segment operations are presented under the Group Functions segment. OP Financial Group prepares 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

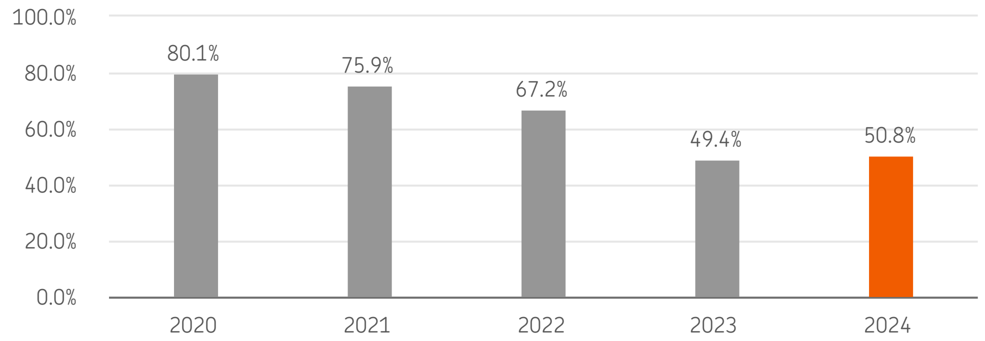
OP Financial Group's Retail Banking segment consists of banking and wealth management services for personal and SME customers at OP cooperative banks and at OP Mortgage Bank and OP Retail Customers plc, which belong to the central cooperative consolidated.

- 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*
%



* 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 2 to the financial statements Changes in accounting policies and presentation.

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 2 to the financial statements Changes in accounting policies and presentation.

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

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

Events during the financial year

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 financial year, 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.

At the end of the financial year, 33.7% (34.4) of personal customer 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 financial year 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 financial year, 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 2024, 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.

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

Profit for the financial year

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 financial year 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.

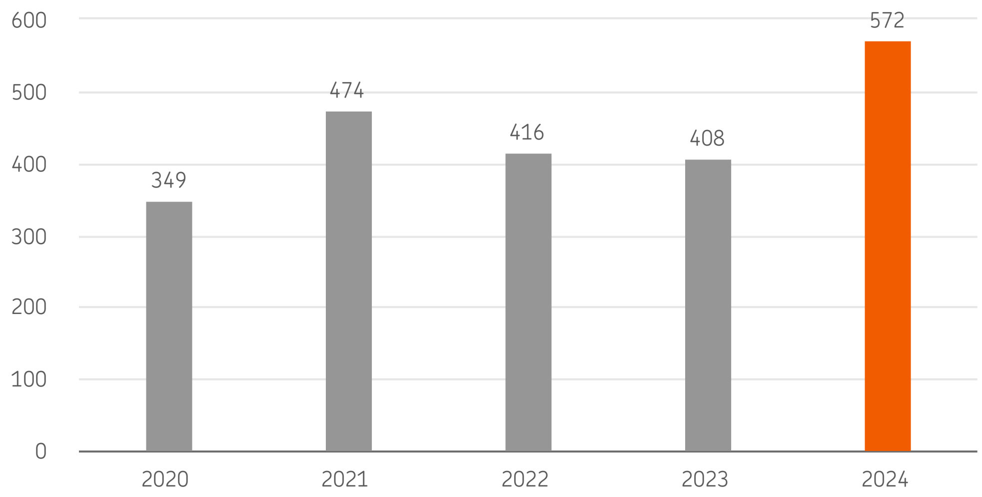
OP bonuses to owner-customers grew by 11.7% to EUR 242 million as a result of a higher bonus accrual for 2024. Based on their accrual, OP bonuses to owner-customers are included in interest income and interest expenses in the income statement.

Corporate Banking segment

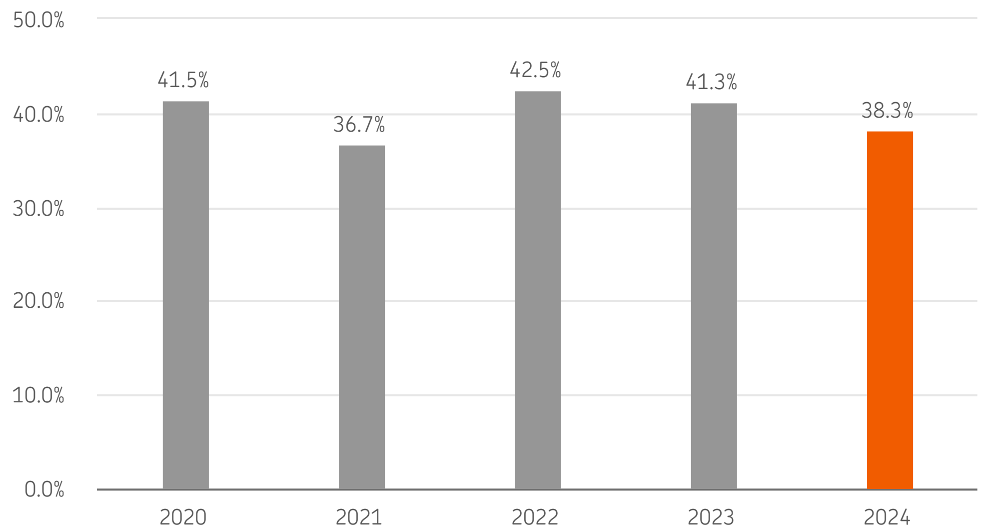
OP Financial Group's Corporate Banking segment consists of banking and wealth management services for corporate and institutional customers. The segment comprises OP Corporate Bank plc's banking, OP Asset Management Ltd, OP Fund Management Company Ltd, OP Custody Ltd and OP Real Estate Asset Management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



** 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 2 to the financial statements Changes in accounting policies and presentation.

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*
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	Q1–4/2024	Q1–4/2023	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 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 2 to the financial statements Changes in accounting policies and presentation.

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

Events during the financial year

The loan portfolio grew by 0.8% to EUR 28.3 billion. The loan portfolio showed 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 increased 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 financial year, 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.

Profit for the financial year

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.

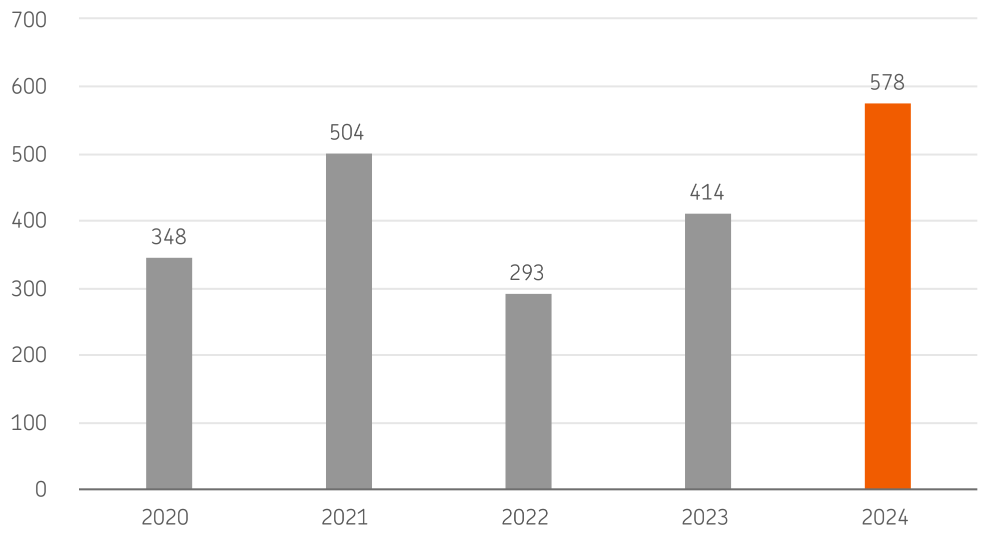
Insurance segment

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.

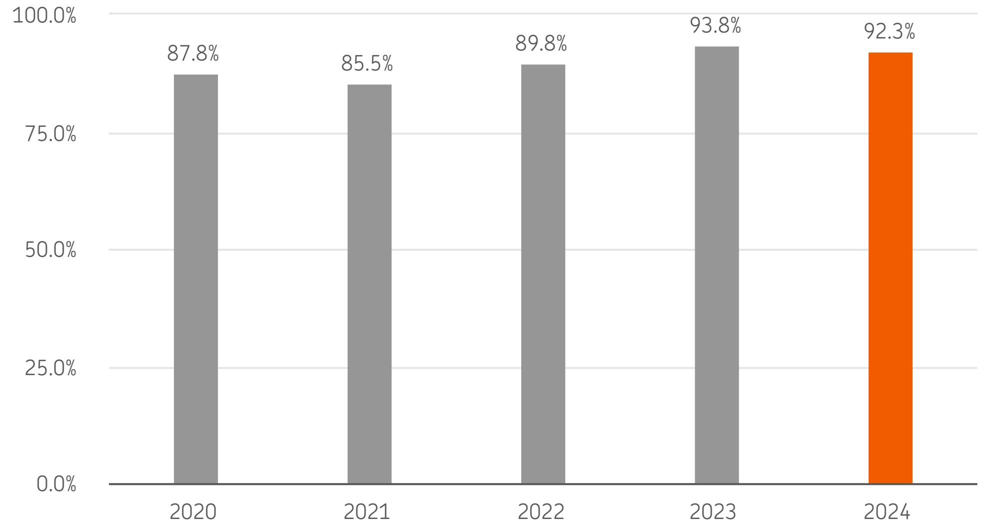
Operating profit

€ million



Non-life Insurance combined ratio

%



Insurance segment's key figures and ratios

€ million	Q1–4/2024	Q1–4/2023	Change, %
Insurance premium 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 2 to the financial statements. 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).

Profit for the financial year

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 premium 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 year 2024 saw 155 (123) new major losses to property or operations, with their claims incurred retained for own account totalling EUR 168 million (112). This includes over EUR 0.3 million in losses. 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 17.1% 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 continued during the financial year 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 indicators

€ 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 financial year, 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 financial year, the Group's LCR was 193% (199) and NSFR was 129% (130). At the end of the financial year, 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 financial year.

Profit for the financial year

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 financial year, 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. Capitalised development expenditure totalled EUR 58 million (62). More detailed information on OP Financial Group's investments can be found under each business segment's section.

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 financial year, 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 year end

	31 Dec 2024	31 Dec 2023
OP cooperative banks	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 financial year, 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 regulations applying to such schemes in the financial sector.

Changes in OP Financial Group's structure

OP Financial Group's Report by the Board of Directors at the end of the financial year 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 financial year 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 (COO, 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).

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

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 on the Board of Directors ended on 31 December 2023.

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.

Legal structure of OP Financial Group

Group structure

OP Financial Group (later the Group) is a Finnish financial services group owned by its customers. The Group comprises OP Cooperative as the Group's central body and the parent undertaking of OP Cooperative Consolidated (later the central cooperative), its subsidiaries and local OP cooperative banks. The central cooperative, its subsidiary credit institutions and other financial subsidiaries, and the central cooperative's member cooperative banks together constitute an amalgamation of deposit banks (later OP Amalgamation) within the meaning of the Finnish Act on the Amalgamation of Deposit Banks (599/2010, later the Amalgamation Act). OP Cooperative is the central body, and its credit institution subsidiaries and the OP cooperative banks (later the affiliated credit institutions) are credit institutions affiliated to the central body within the meaning of Article 10 of the Capital Requirements Regulation (Regulation (EU) No 575/2013, later the Capital Requirements Regulation).

Credit institutions whose bylaws comply with the requirements of the Amalgamation Act and have been approved by the central cooperative, can be accepted as members of the central cooperative. New members are accepted by the Supervisory Council of the central cooperative. An affiliated credit institution has the right to withdraw from the amalgamation. It can also be expelled from the amalgamation in accordance with the Finnish Co-operatives Act (421/2013, later the Co-operatives Act) or if it has neglected its obligations towards the Amalgamation as specified in the bylaws of the central cooperative.

The affiliated credit institutions of the central cooperative consist of:

- credit institution subsidiaries of the central cooperative (OP Corporate Bank plc, which provides corporate financing, acts as the Group Treasury and is responsible for the Group's wholesale funding; OP Retail Customers plc, which administers the credit cards issued by the Group; and OP Mortgage Bank, which issues mortgage bonds backed by the residential loan portfolios of the affiliated credit institutions); and
- 93 local and regional cooperative banks, which carry out retail banking business and which are members of OP Cooperative, thus exercising decision-making powers at the highest administrative level of the Group.

OP Amalgamation includes (in addition to organisations with joint and several liability for each other's debts and belonging to the central cooperative and its member credit institutions) the following subsidiaries of the central cooperative: an investment firm (OP Asset Management Ltd), a custodian services provider (OP Custody Ltd), an ancillary service company (Pivo Wallet Oy) and an alternative investment fund management company (OP Real Estate Asset Management Ltd).

Apart from OP Amalgamation, OP Financial Group includes the following subsidiaries of the central cooperative: a life insurance company (OP Life Assurance Company Ltd), a non-life insurance company (Pohjola Insurance Ltd), some minor companies, and the real estate agencies jointly owned by OP cooperative banks under the brand name OP Koti.

OP Amalgamation and the insurance and financial subsidiaries of OP Cooperative together constitute a bank-dominated financial conglomerate within the meaning of the Directive (2002/87/EC) and the Finnish Act on the Supervision of Financial and Insurance Conglomerates (699/2004, later the Financial Conglomerates Act). The European Central Bank has waived, until further notice, the application of the said Act to the financial conglomerate constituted by the central cooperative consolidated.

Corporate governance in OP Financial Group

The highest decision-making body in OP Financial Group is the Cooperative Meeting of the central cooperative consisting of the representatives of the affiliated credit institutions. The Meeting elects the central cooperative's Supervisory Council (36 members). The Supervisory Council elects the central cooperative's Board of Directors, which consists of the President and Group CEO and 9–13 other members. At least four of the members of the Board must be independent of the central cooperative and other entities belonging to OP Financial Group. The Board of Directors carries out the tasks of the management body in its management function as well as the tasks of the management body in its supervisory function, as defined in the Capital Requirements Directive (2013/36/EU) and in the Guidelines on Internal Governance by the European Banking Authority.

The affiliated credit institutions are separate legal entities that have administrative bodies of their own in accordance with the general company law. In the member cooperative banks, the highest decision-making body is the Cooperative Meeting or the Representative Assembly Meeting. It elects the OP cooperative bank's Supervisory Council, which in turn elects the OP cooperative bank's Board of Directors. The subsidiaries of the central cooperative have a Board of Directors nominated by the central cooperative in accordance with the Limited Liability Companies Act.

Financial reporting, supervision and internal audit

OP Amalgamation

OP Financial Group publishes an annual consolidated financial statement covering all significant companies within the Group. Pursuant to the Amalgamation Act, the financial statements of OP Financial Group must be drawn up in accordance with the international financial reporting standards referred to in the Finnish Accounting Act. The Finnish Financial Supervisory Authority (FIN-FSA) has issued more detailed regulations on the financial statements of amalgamations. The accounting principles applied to OP Financial Group's financial statements are disclosed in the notes to the financial statements.

The central cooperative has an obligation to provide the affiliated credit institutions and other companies belonging to OP Amalgamation with guidelines on compliance with standardised accounting policies in the preparation of the consolidated financial statements. The companies belonging to OP Amalgamation must submit the necessary data to the central cooperative for the purpose of drawing up the consolidated financial statements.

OP Financial Group's financial statements are audited by the auditors of the central cooperative in accordance with the requirements laid down in the Finnish Act on Credit Institutions (610/2014, later the Credit Institutions Act), as applicable. The auditors have the right to obtain a copy of all audit documents of the companies belonging to OP Amalgamation. The financial statements are presented to the Annual Cooperative Meeting of the central cooperative.

OP Amalgamation is supervised by the ECB on the basis of its consolidated financial position, while the insurance companies are supervised by FIN-FSA. FIN-FSA also supervises compliance with the conduct rules applied to banking and asset management.

OP Amalgamation must comply, on the basis of its consolidated financial position, with the statutory prudential requirements for credit institutions laid down in the Credit Institutions Act and the Capital Requirements Regulation. The amount of consolidated own funds at the level of the Amalgamation must meet the requirements laid down in chapter 10, section 1 of the Credit Institutions Act.

The internal audit of undertakings belonging to OP Financial Group is carried out by the Internal Audit unit, which reports directly to the President and Group CEO. Internal Audit is an independent function within OP Financial Group, which audits the adequacy and effectiveness of internal control arrangements, risk management and corporate governance. The Chief Audit Executive regularly reports to the President and Group CEO and the Audit Committee of the Board of Directors of OP Cooperative. Internal Audit is responsible for the internal audit of the central cooperative, its subsidiaries and the affiliated credit institutions and their subsidiaries. Internal audits are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing and ethical rules and the Internal Audit Charter approved by the Board of Directors of OP Cooperative.

Central cooperative consolidated

OP Cooperative also prepares and publishes a consolidated financial statement of the group that comprises OP Cooperative and its subsidiaries. The consolidated financial statement complies with the Finnish Accounting Act and the Credit Institutions Act. Regulatory requirements concerning consolidated capital adequacy and liquidity do not apply at the level of the sub-consolidation group formed by the central cooperative consolidated.

Financial conglomerate

Pursuant to section 30 of the Financial Conglomerates Act, the accounting regime laid down in the Act is not applicable to OP Financial Group as its financial statements are drawn up in accordance with international financial reporting standards.

Compliance with the requirements laid down in the Financial Conglomerates Act, including the aggregate capital requirement, is supervised by the ECB.

Affiliated credit institutions and other companies within OP Amalgamation

The affiliated credit institutions and other companies within OP Amalgamation draw up their individual financial statements in accordance with the guidelines issued by the central cooperative, and they are audited in accordance with the Credit Institutions Act. The obligation to disclose interim financial reports pursuant to chapter 12, section 12 of the Credit Institutions Act is not applied to companies within OP Amalgamation. Nor are they obliged to disclose regulatory information on their capital adequacy and liquidity (so called Pillar 3) on a solo basis. Such information is disclosed only on the basis of the consolidated financial position of the amalgamation of cooperative banks.

According to the Amalgamation Act, the supervisory authority can grant the central cooperative permission to waive the application of quantitative rules on the amount of own funds, liquidity and large exposure limits, and the qualitative rules on risk management. The affiliated credit institutions must, however, comply with the minimum capital requirements laid down in the Amalgamation Act, which are lower than those applied to other credit institutions. The waiver cannot be granted to an affiliated credit institution which has grossly or repeatedly failed to comply with the instructions issued by the central cooperative pursuant to section 17 of the Amalgamation Act or the preconditions for the waiver. Such an exception may be granted for a maximum period of three years at a time. The central cooperative has exercised the permission granted by the supervisor to waive the application of own funds, liquidity and risk management requirements on the affiliated credit institutions.

The roles of the central cooperative and the affiliated credit institutions in OP Amalgamation

OP Cooperative operates as the statutory central body of OP Amalgamation and as a holding company for the strategic holdings of OP Financial Group.

The central cooperative is under a statutory obligation to:

- supervise the affiliated credit institutions
- issue binding instructions to them on risk management, good corporate governance and internal control to secure liquidity and capital adequacy of the amalgamation; and
- issue binding instructions on compliance with standardised accounting policies in the preparation of the consolidated financial statements.

In the manner specified in its bylaws, the central cooperative may also confirm general principles to be followed by the affiliated credit institutions in their operations relevant to the Amalgamation. The affiliated credit institutions are, among other things, bound by OP Financial Group's Risk Appetite Statement, Risk Appetite Framework and detailed risk policies as confirmed by the central cooperative's Board of Directors.

The central cooperative supervises the affiliated credit institutions in order to ensure that they comply with the instructions issued and principles confirmed by the central cooperative, notably that they do not, in the course of their operations, take any risk of a magnitude that poses a substantial danger to the consolidated financial position of OP Amalgamation. The affiliated credit institutions are accountable to the central cooperative in accordance with the principles of joint and several liability. Based on said principles, the central cooperative can take measures vis-à-vis the affiliated credit institutions. These measures range from tighter monitoring to expelling the affiliated credit institution from the Amalgamation.

The central cooperative is responsible for providing centralised services for the affiliated credit institutions, including strategic and capital planning, liquidity and funding, risk management, accounting, financial and supervisory reporting, legal services, HR services, development and maintenance of IT systems, service development, and marketing. The affiliated credit institutions, while operationally dependent on the centralised services provided by the central cooperative, are independent in maintaining their capital base and deciding on the distribution of their profits (within the limits of the OP Financial Group capital plan), as well as in respect of their customer selection and individual business decisions.

Solidarity mechanism

General principles

The mutual solidarity mechanism applied within OP Amalgamation is laid down in the Amalgamation Act. The central cooperative is responsible for implementation of the solidarity mechanism (calculation of contributions from the affiliated credit institutions, collection of contributions, and forwarding of contributions to the affiliated credit institution being supported) and is ultimately liable for the obligations of the affiliated credit institutions. The affiliated credit institutions have right of recourse regarding the central cooperative for the amount of the contribution they have made to the central cooperative under the solidarity mechanism. In turn, the central cooperative has right of recourse regarding the supported affiliated credit institution for the amount the central cooperative has paid to the credit institution.

The solidarity mechanism consists of the following elements:

- mutual capital support to ensure the capital adequacy of an affiliated credit institution which does not meet its statutory capital requirements;
- joint and several liability between affiliated credit institutions to ensure the liquidity of an affiliated credit institution that cannot meet its due obligations;
- the additional payment obligation of affiliated credit institutions – in accordance with the Finnish Co-operatives Act – if the central cooperative becomes insolvent.

An affiliated credit institution will remain liable for its obligations under the solidarity mechanism for the first five years after withdrawal or expulsion from OP Amalgamation.

Mutual capital support

Each affiliated credit institution is under an obligation to lend an annual amount of up to 0.5% of its balance sheet total to the central cooperative, to be used by the central cooperative to recapitalise an affiliated credit institution that fails to meet its statutory capital requirements.

Joint and several liability

A creditor who has not received payment for an overdue claim from an affiliated credit institution may demand payment from the central cooperative. An affiliated credit institution may not be declared bankrupt upon a creditor's petition before the creditor has demanded repayment of the principal debt from the central cooperative.

Other affiliated credit institutions have a statutory obligation towards the central cooperative to lend the central cooperative the amount it has paid on behalf of an affiliated credit institution that has failed to meet its payment obligation. The proportional share of each affiliated credit institution is calculated using the ratio of its balance sheet total to the aggregate balance sheet total of all affiliated credit institutions.

OP Corporate Bank is, on a centralised basis, in charge of the Group's liquidity reserve and guarantees the liquidity of the central cooperative and the affiliated credit institutions in all situations. Because joint liability is thus automatically implemented using a single liquidity pool within OP Amalgamation, the procedural provisions laid down in the Amalgamation Act need not be applied in practice.

Refinancing liability of the affiliated credit institutions in the central cooperative's insolvency

The affiliated credit institutions, as members of the central cooperative, have unlimited refinancing liability in case of the central cooperative's liquidation or bankruptcy, in accordance with chapter 14 of the Co-operatives Act. The liability of each member is determined on the basis of its balance sheet total assets.

Protection by the Deposit Guarantee Fund and the Investors' Compensation Fund

According to the legislation governing the Deposit Guarantee Fund, the deposit banks belonging to an amalgamation of deposit banks are considered to constitute a single bank in respect of the deposit guarantee.

The Deposit Guarantee Fund reimburses a maximum total of 100,000 euros to an individual account holder who has receivables from one or more affiliated credit institutions of OP Amalgamation.

Under the legislation concerning the Investors' Compensation Fund, the amalgamation of deposit banks is also considered a single credit institution in respect of investor compensation. The Investors' Compensation Fund's assets may be used to compensate an investor's receivables from one or more affiliated credit institutions of OP Amalgamation up to a total maximum of 20,000 euros.

The Finnish Financial Stability Authority is responsible for deposit protection. It administers the Financial Stability Fund, which is a public fund outside the government budget. The Fund consists of a resolution fund accrued by collecting annual stability fees from credit institutions and investment firms, and a deposit protection fund accrued by collecting annual deposit protection fees from deposit banks.

Events after the financial year

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.

Joint venture by OP and Nordea approved by the Finnish competition authority

On 11 February 2025, the Finnish Competition and Consumer Authority (FCCA) approved a plan through which Siirto Brand Oy, which is fifty-fifty owned by OP Financial Group and Nordea, will expand its operations. OP Financial Group and Nordea announced the establishment of the joint venture in December 2023. The joint venture will enable banks and other market actors – through apps of their own – to provide consumers with solutions for making phone number-based payments. It will also provide services for merchants and other businesses.

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 Report by the Board of Directors 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.

Key income statement and balance sheet items, and financial indicators

Key income statement items, € million	2024	2023	2022	2021	2020
Net interest income	2,796	2,654	1,618	1,409	1,284
Impairment loss on receivables	-96	-269	-115	-158	-225
Net commissions and fees	818	870	942	1,034	931
Insurance premium revenue	2,129	2,000	1,898		
Insurance service expenses	-1,879	-1,824	-1,898		
Reinsurance contracts	-59	-95	106		
Insurance service result	192	81	106		
Net insurance income				743	572
Investment income	465	389	245		
Net investment income				376	184
Overlay approach				-118	-3
Other operating income	44	40	67	54	132
Personnel costs	-1,081	-964	-856	-914	-715
Depreciation/amortisation and impairment loss	-146	-226	-214	-283	-273
Other operating expenses	-1,036	-1,011	-892	-810	-852
Transfers to insurance service result	529	485	416		
OP bonuses to owner-customers			-198	-205	-251
Operating profit	**2,486**	**2,050**	**1,120**	**1,127**	**785**

Key figures and ratios	2024	2023	2022	2021	2020
Return on equity (ROE), %	11.6	10.6	6.3	6.6	5.0
Return on assets (ROA), %	1.2	1.0	0.5	0.5	0.4
Cost/income ratio, %	47	49	58	55	59
Average personnel	14,512	13,533	13,077	13,009	12,486
Common Equity Tier 1 (CET1) capital ratio, %	21.5	19.2	17.4	18.2	18.9
Capital adequacy ratio, %	23.5	21.2	19.3	20.4	21.7
Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates, %	148	144	137	146	150

Key balance sheet items – assets, € million	2024	2023	2022	2021	2020
Cash and cash equivalents	18,110	19,755	35,004	32,846	21,827
Receivables from credit institutions	808	858	798	541	306
Receivables from customers	98,629	98,316	98,546	96,947	93,644
Derivative contracts	2,497	3,106	4,117	3,467	5,215
Investment assets	23,537	22,029	20,742	22,945	23,562
Assets covering unit-linked contracts	14,172	12,581	11,597	13,137	11,285
Reinsurance contract assets	102	106	245		
Intangible assets and property, plant and equipment	1,414	1,462	1,576	1,658	1,944
Other items	1,899	1,834	3,065	2,569	2,424
Total assets	**161,168**	**160,047**	**175,691**	**174,110**	**160,207**

Key balance sheet items – liabilities and equity, € million	2024	2023	2022	2021	2020
Liabilities to credit institutions	91	74	12,301	16,650	8,086
Liabilities to customers	80,455	77,178	81,468	77,898	73,422
Derivative contracts	2,324	2,994	4,432	2,266	3,424
Insurance contract liabilities	11,796	11,589	11,446		
Reinsurance contract liabilities			2		
Insurance contract liabilities				8,773	9,374
Investment contract liabilities	9,140	7,944	7,211		
Liabilities from unit-linked insurance and investment contracts				13,210	11,323
Debt securities issued to the public	33,198	37,689	37,438	34,895	34,706
Other liabilities	6,054	6,317	6,724	6,233	6,761
Equity capital	18,110	16,262	14,668	14,184	13,112
Total liabilities and equity	**161,168**	**160,047**	**175,691**	**174,110**	**160,207**

OP Financial Group changed the official income statement and balance sheet format of the financial statements in 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 2 to the financial statements Changes in accounting policies and presentation.

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 financial years. The formulas for the used Alternative Performance Measures are presented below. Because the formulas for the key figures and ratios can be derived from the figures shown, 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, %	Claims incurred, net / 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, %	Operating expenses, net / 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, %	Total own funds / 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, %	Tier 1 capital / 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, %	CET1 capital / 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, %	Own funds / 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, %	Tier 1 capital (T1) / 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), %	Liquid assets / Liquidity outflows – Liquidity inflows under stressed conditions	x 100	The ratio describes short-term funding liquidity risk that requires the bank to have sufficient, high-quality liquid assets to get through an acute 30-day stress scenario.

Net stable funding ratio (NSFR), %	$\frac{\text{Available stable funding}}{\text{Required stable funding}}$	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*	$\frac{\text{Conglomerate's total own funds}}{\text{Conglomerate's total own funds requirement}}$	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	$\frac{\text{Non-performing exposures (gross)}}{\text{Exposures at period end}}$	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, %	$\frac{\text{Doubtful receivables (gross)}}{\text{Exposures at period end}}$	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, %	$\dfrac{\text{Performing forborne exposures (gross)}}{\text{Exposures at period end}}$	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, %	$\dfrac{\text{Performing forborne exposures (gross)}}{\text{Doubtful receivables at period end}}$	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. 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, %	$\dfrac{\text{Loss allowance for receivables from customers in the balance sheet}}{\text{Doubtful receivables at period end}}$	x 100	The ratio describes the ratio of expected losses to all doubtful receivables. Doubtful receivables include non-performing exposures and performing forborne exposures.
Loan and guarantee portfolio	Loan portfolio + guarantee portfolio		The indicator describes the total amount of loans and guarantees given.
Exposures	Loan and guarantee portfolio + interest receivables + unused standby credit facilities		The sum of the loan and guarantee portfolio, interest receivables and unused standby credit facilities (undrawn loans and limits) is used as the basis for proportioning doubtful receivables and non-performing exposures.
Other exposures	Interest receivables + unused standby credit facilities		In addition to the loan and guarantee portfolio, exposures come from interest receivables and unused standby credit facilities (undrawn loans and limits).

Capital adequacy

Capital adequacy for credit institutions

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.

Sustainability Report

ESRS 2 - General information

General information

General basis for preparation of the sustainability statement (BP-1)

OP Financial Group's sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group's Financial Statements. OP Financial Group consists of OP cooperative banks and the central cooperative (OP Cooperative), as well as a number of subsidiaries and affiliates. Under the Act on the Amalgamation of Deposit Banks, OP Corporate Bank plc and OP Mortgage Bank are regarded as member credit institutions that are permanently affiliated to a central cooperative as provided for in the Act. According to the Accounting Act's rules on the scope of application of sustainability reporting, a member credit institution can determine that the rules of that section do not apply in its case. OP Corporate Bank plc and OP Mortgage Bank have decided that sustainability information regarding them will be included in OP Financial Group's sustainability report, and will not be reported separately.

When reporting on the downstream value chain, OP Financial Group focuses on the first contractual partner (customer) and information received from them without extending their inquiries to the customer's value chains. In the upstream value chain, the procurement supply chain primarily refers to purchases from contractual suppliers. OP Financial Group has not taken the opportunity under the ESRS to omit information related to intellectual property, expertise, the results of innovation, ongoing development work or matters under discussion.

The sustainability report is published annually. The reporting period follows that of financial reporting – that is, the 1 January 2024–31 December 2024 financial year. OP Financial Group's sustainability report is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), (EU) 2022/2464; the European Sustainability Reporting Standards (ESRS) specified in the Commission Delegated Regulation (EU) 2023/2772; the requirements on sustainability reporting laid down in chapter 7 of the Finnish Accounting Act; and the EU Taxonomy Regulation (EU) 2020/852. The scope of the report is based on OP Financial Group's double materiality analysis, based on which OP Financial Group has defined the relevant matters to be reported.

Disclosures in relation to specific circumstances (BP-2)

In section E1 Climate change, the reported metrics related to the beginning and end of the value chain are based on information estimated on the basis of indirect sources. This particularly applies to reporting on the Scope 3 emissions that uses sector-specific averages as part of the emissions calculation.

OP Financial Group follows the Greenhouse Gas (GHG) Protocol when calculating emissions, and the calculation of financed emissions follows the Partnership for Carbon Accounting Financials (PCAF) standard. The methodology and sources used for emissions are described in detail in section E1-6. Scope 3 calculation, including both direct and indirect emissions calculated using emissions factors, for example, complies with the PCAF standard, which is a commonly used calculation method for financed emissions in the financial sector OP Financial Group is aware that in the future, relevant Scope 3 categories may change as methodology, instructions, and understanding develop and increase. OP Financial Group's financed emissions and the associated emissions reduction targets, as well as portfolio-specific emissions intensity targets, include the background assumptions and uncertainties listed below. The data and calculation methods used in the calculations are continuously being developed and refined. OP Financial Group will therefore recalculate the initial and target values of our emissions reduction targets as required to maintain comparability between years.

- Reduction in emissions from corporate loan portfolios by 25% and reduction in emissions from farm business loan portfolios by 30% by 2030, compared to the 2022 baseline: the calculation for agriculture and some other sectors is based on sector- and area-specific emissions factors and assumptions made in the calculation method. Furthermore, minor inaccuracies have emerged during OP Financial Group's accounting review of the PFAC calculation for corporate loans due to OP Financial Group-internal items that could not be entirely eliminated. It is therefore likely that OP Financial Group reports the financed emissions of corporate loans as slightly higher than they factually are.

- Reduction in emissions intensity of the loan portfolio for energy production by 50% by 2030, compared to the 2022 baseline: energy companies report their production, emissions and emissions intensity data differently, which is why the calculation of the portfolio's emissions intensity also uses country-specific energy production emissions factors.
- Reduction in emissions intensity of the home loans portfolio by 45% by 2030, compared to the 2022 baseline: precise consumption, emissions or emissions intensity data is unavailable for all financed homes, which is why the portfolio's emissions intensity calculation uses both emissions factors and background information about energy consumption.

The carbon intensity targets of investment portfolios have been in place for several years, during which the data used to monitor the target has changed little. Any changes in calculation methodologies are therefore not expected to have a major impact on the carbon intensity targets for investment portfolios, with the exception of possible baseline and target value adjustments.

OP Financial Group agrees to continuously improve the accuracy of its reporting by tightening cooperation with operators involved in the value chain, developing the processes of data management, and following the latest calculation methodologies to keep reporting reliable and transparent.

OP Financial Group has decided that in the first reporting year, it will use most of the relevant transition rules that are in accordance with ESRS1 Addition C and ESRS1 section 10.3 (transition rule for section 7.1 concerning the presentation of comparatives). Each relevant standard explains if the transition rule under Addition C has been used.

The metrics described in corporate sustainability reporting are validated only by the sustainability report's assurance service provider as part of sustainability reporting assurance as described in the statement on page 608, and no other third parties are used.

Governance

The role of the administrative, management and supervisory bodies (GOV-1)

Supervisory Council

Without prejudice to the supervisory obligation of the Board of Directors, the general duties of OP Cooperative's Supervisory Council under the Co-operatives Act include supervising the governance of the central cooperative which is managed by and the responsibility of OP Cooperative's Board of Directors and the CEO acting as the President and Group Chief Executive Officer. For example, the Supervisory Council appoints the central cooperative's Board members and the CEO, who acts as OP Financial Group's President and Group CEO and their deputy. In appointing Board members and the President and Group Chief Executive Officer, the Supervisory Council receives assistance from the Supervisory Council Nomination Committee, which consists of the Chair and Vice Chair of the OP Financial Group Nomination Committee, the Chair and first Vice Chair of the Supervisory Council and the Chair and Vice Chair of the Board of Directors. The Supervisory Council comprises 36 members appointed by the Cooperative Meeting. The members are elected from the regions of the Federations of Cooperative Banks so that six members are elected from each Federation, four of whom are members of the governing bodies of the Federation's OP cooperative banks, and two are managing directors of OP cooperative banks.

In 2024, the Supervisory Council had no members in an executive position at OP Cooperative. Four OP Financial Group employee representatives have the right to be present and speak at the meetings of the Supervisory Council. There were 36 OP Financial Group employees. Of the Supervisory Council's members, 56% were men, and 44% were women. Of the members, 2% were under 40 years old, 28% were 40–49 years old, 42% were 50–59 years old, and 28% were over 60 years old.

Board of Directors

Based on OP Cooperative's Bylaws, OP Cooperative's Board of Directors comprises the incumbent President and Group Chief Executive Officer, and 9–13 other members appointed by the Supervisory Council. The Bylaws require that a minimum of four members of the Board of Directors must be independent of the central cooperative and other OP Financial Group companies. In the assessment of independence, the Group complies with regulations that are binding on credit institutions. In 2024, the Board of Directors included ten members in addition to the President and Group Chief Executive Officer. Of the Board members, the President and Group Chief Executive Officer also has an executive position at OP Cooperative. The employees of OP Financial Group had no representative in the Board of Directors. The Board was 36 % composed of members independent of OP Financial Group. Of Board members, 64% were men and 36% were women, and the Board's gender distribution was 4/7. Of the members, 27% were 50–55 years old, 18% were 56–60 years old, and 55% were over 60 years old. The regional breakdown was as follows: one member from Southwest Finland; one member from Pirkanmaa; one member from North Savo; one member from South Ostrobothnia; one member from North Ostrobothnia; one member from Satakunta; one person from Päijät-Häme; and four members from Uusimaa.

The Board of Directors accepts OP Financial Group's values, mission and the most important general principles and policies that are the foundation of the Group's corporate culture. The most important general principles and policies include the principles of good corporate governance, central cooperative's management and decision-making system, and the Code of Business Ethics. The governance training service, which applies to the governing body members of OP cooperative banks and OP Cooperative, offers various studies for governing body members, covering topics such as the contents of the Code of Business Ethics and the principles of good corporate governance.

Committees of the Board of Directors

Audit Committee

As its legal and statutory duties, the Audit Committee assists the Board of Directors in monitoring, controlling and preparing the efficiency of the financial reporting system, sustainability reporting, internal control, internal audit and risk management systems, in monitoring and controlling the independence of the audit, sustainability reporting audit, and the Auditor and Authorised Sustainability Auditor, and in the preparation of the appointment of an Auditor. To carry out its duties, the Committee supervises the reliability and compliance of the financial statements, other information disclosed on the financial position and governance, and of internal and regulatory reporting related to the financial position by discussing OP Financial Group's financial statements, half-year financial reports and interim reports, as well as other information disclosed on OP Financial Group's financial position, the sustainability report, and the financial statements of the central cooperative consolidated; by assessing the appropriateness and efficiency of the processes for preparing financial statements, half-year financial reports and interim reports, and the processes for internal reporting, sustainability reporting and regulatory reporting concerning the financial position, as well as the sufficiency and reliability of data used in these processes; and by ensuring that financial reporting and sustainability reporting fulfil regulatory requirements. In addition, the Audit Committee discusses OP Financial Group's accounting policies, the principles of sustainability reporting, the principles of capital adequacy measurement and the Internal Audit Charter, to be submitted to the Board of Directors for decision. The Committee also discusses and assesses matters related to the audit, the Auditor, sustainability report assurance and the Authorised Sustainability Auditor, and prepares a draft resolution regarding the election of the Auditor and Authorised Sustainability Auditor.

Furthermore, the Committee assists the Board of Directors in monitoring and controlling that agreements between the entity and related parties and other legal acts meet the requirements concerning inclusion in daily operations and compliance with market terms.

Risk Committee

As its legal and statutory duties, the Risk Committee assists the Board of Directors in matters relating to the central cooperative's and the entire OP Financial Group's risk strategy and risk-taking, and in supervising compliance with the risk strategy determined by the Board of Directors. It also assesses whether the prices charged for services that tie the capital of OP Financial Group's companies are in line with the company's business model and risk strategy and, if this is not the case, it draws up a plan to make corrections which is to be submitted for approval by the Board of Directors. In addition, the Risk Committee assists the Remuneration Committee in establishing sound remuneration schemes, and assesses whether the remuneration schemes promote taking the company's risks and capital and liquidity requirements, as well as revenue allocation and the probability of profit, into account.

Regarding sustainability matters, the Risk Committee monitors the effectiveness of OP Financial Group's risk appetite and risk management principles, risk policies, and limits, and the related more detailed guidelines that form the whole. Regarding sustainability matters, the Risk Committee further assesses how OP Financial Group's performance and capital base would react to external and internal events and trends in external change drivers in different scenarios with the existing risk profile, especially in various stress scenarios. Based on the Risk Management Committee's reporting, the Committee also assesses the applicability and comprehensiveness of scenarios used particularly in risk management (macroeconomic scenarios, transformative scenarios related to external change drivers, scenarios related to unexpected events) for use in OP Financial Group's various revenue logics. The Committee also assesses the impact of climate-related and environmental risks on OP Financial Group's customers, as well as assessing the implementation of OP Financial Group's sustainability programme.

Remuneration Committee

The Remuneration Committee's legal and statutory duties are to assist the Board of Directors in decisions related to the management and control of the remuneration schemes. The Committee also issues a recommendation of remuneration applicable to the governing bodies of OP cooperative banks.

The Remuneration Committee provides a framework for, steers, monitors and controls the development of overall remuneration applied to employees within the entire OP Financial Group. To carry out its duties, the Committee prepares to the Board of Directors a recommendation on the remuneration applied to OP cooperative banks' senior management and members of governing bodies, among other things. The Committee prepares a proposal for the Board of Directors for changing or postponing remuneration in a situation where applying the remuneration scheme would be contrary to the interests of OP Financial Group due to the operating environment or the Group's financial position.

Nomination Committee

The Nomination Committee's legal and statutory duties include assisting the Board of Directors in the appointment of a Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer.

President and Group Chief Executive Officer

The President and Group Chief Executive Officer of OP Financial Group, who acts as the CEO of OP Cooperative, is responsible for managing OP Financial Group, the central cooperative and the central cooperative consolidated and is in charge of controlling them in accordance with the strategy confirmed by the Supervisory Council and instructions issued by the Board of Directors. The President and Group Chief Executive Officer is also responsible for Group unity and managing and developing the Executive Management Team's work. The Supervisory Council appoints the President and Group Chief Executive Officer and decides on the terms and conditions of their executive contract. Deputy to the

President and Group Chief Executive Officer is appointed in the same order as the President and Group Chief Executive Officer. The President and Group Chief Executive Officer sits on the central cooperative's Board of Directors. Timo Ritakallio, D.Sc. (Tech.), LL.M., MBA, took up his duties as OP Financial Group's President and Group Chief Executive Officer on 1 March 2018 and Harri Nummela, LL.M, eMBA, Executive Vice President, has acted as Deputy to the President and Group Chief Executive Officer as of 1 March 2022.

Executive Management Team

The Executive Management Team of OP Cooperative acts as the central cooperative's Management Team and supports the President and Group Chief Executive Officer in managing OP Financial Group, the central cooperative and its consolidation group, preparing strategic policies, preparing and implementing any operational issues of great significance or principal in nature, and ensuring effective internal control, Compliance and independent risk management. All members of the Executive Management Team have executive positions at OP Cooperative. The Executive Management Team has no employee representatives. In 2024, 70% of the Executive Management Team members were men and 30% were women.

Members of the Board of Directors, Supervisory Council and Executive Management Team have educational backgrounds and work experience that help them understand the financial and banking sector, and the members represent a wide range of regions in Finland.

OP cooperative banks

In terms of their organisation type, OP cooperative banks are cooperatives whose decision-making grounds include the principle of one member, one vote. Within the OP cooperative banks, the members, that is, the owner-customers' decision-making power is exercised by the Representative Assembly or the cooperative meeting comprising owner-customers, and the supervisory council and the board of directors, all members of which are owner-customers.

Risk Management

The Board of Directors of OP Financial Group's central cooperative, or OP Cooperative, and, with respect to the diversity of governance, the Supervisory Council have confirmed the Principles of Good Corporate Governance for OP Financial Group. At OP Financial Group, OP Cooperative's Board of Directors is the most important decision-making body for duties related to risk management. The Risk Committee of the Board of Directors assists the Board in performing duties related to risk-taking and risk management. OP Cooperative's Supervisory Council confirms the decisions by the Board of Directors that apply to OP Financial Group's risk appetite. Based on a decision by the President and Group Chief Executive Officer of OP Financial Group, the Executive Management Team of OP Cooperative has set up a Risk Management Committee, Steering and Compliance Committee and Banking ALM Committee that approve instructions and policy descriptions specifying the principles of risk-taking and risk management.

Sustainability and corporate responsibility responsibility management

In OP Financial Group's executive management, the person responsible for sustainability and corporate responsibility is the Executive Vice President of Banking Corporate and Institutional Customers. They are also responsible for sustainability and corporate responsibility at the level of the Executive Management Team. The duties of the Group-level ESG and Corporate Responsibility function located in OP Corporate Bank cover the whole OP Financial Group. The function is led by the Director of ESG and Corporate Responsibility, who reports to the Executive Vice President in charge of Banking Corporate and Institutional Customers.

As part of risk assessment, OP Cooperative's Board of Directors monitors the impact of climate and environmental factors on OP Financial Group's risk profile. The analysis takes account of the impacts, risks and opportunities identified as a result of the double materiality analysis. Perspectives related to climate and environmental risks are taken into account in OP Financial Group's functions and processes, business units and centres of excellence. The Group ESG Function and Risk Management support the integration of perspectives.

The Board of Directors supervises the management of climate and environmental matters, and approves OP Financial Group's strategic priorities and indicators and policies subject to monitoring, including those related to climate and environmental risks. In addition, the Board of Directors handles ESG factors (that is, environmental, social and governance factors) and their impact on OP Financial Group on a quarterly basis.

In 2024, corporate sustainability reporting training was organised for the Board of Directors and Supervisory Council. In addition to this, the Board of Directors and management regularly go through training on sustainability matters to promote their expertise.

OP Financial Group's corporate governance is comprehensive and proportionate with respect to the nature, scope and diversity of its operations to ensure the efficient management of the Group in accordance with healthy and prudential business principles. It also ensures that the Group's governing bodies can effectively supervise its management.

OP Financial Group's sustainability and corporate responsibility activities are guided by the Group's strategy and values, the needs of customers and the business environment, international commitments, and EU and national regulation. The Board of Directors of OP Cooperative approves the corporate responsibility policy and sustainability programme, and any significant changes to them. The ESG Committee established by OP Cooperative's Executive Management Team prepares the Group's sustainability programme for the Board's approval, and tracks progress against the agreed targets. The progress of the targets is reported to OP Financial Group's Executive Management Team on a monthly basis, and an ESG and sustainability review of current themes is presented to OP Cooperative's Board of Directors each quarter. OP Cooperative's Supervisory Council regularly reviews the need to update the Group's sustainability programme and monitors its implementation. The Supervisory Council also approves sustainability-related targets, such as the emissions reduction targets and the biodiversity road map. The Responsibility and Remuneration Unit of OP Cooperative's Supervisory Council also assesses and promotes the implementation of OP Financial Group's values and mission, assesses the need to update the sustainability programme, and monitors the implementation of sustainability and corporate responsibility matters in the operations of OP Financial Group.

ESG and corporate responsibility feature regularly on the agendas of not only the central cooperative's Board of Directors and the Executive Management Team, but also the management teams of individual business units. The business units' ESG Managers and ESG Specialists are responsible for day-to-day sustainability work and the implementation of the sustainability programme. OP Financial Group's corporate responsibility policies and policy priorities apply to all Group companies and OP cooperative banks. OP Financial Group's HR assesses leadership methods as part of the Group's general leadership practices. Targets and operating principles are revised when, for example, changes in the operating environment require response. Collaboration with stakeholders is strongly connected to ESG work.

OP Financial Group has a long-term approach to planning the composition of governing bodies. Governing bodies make annual self-assessments of their collective competence and work, where they also consider the potential need to supplement their composition, with regard to competencies and experience, for example. Nomination committees use the self-assessments of the governing bodies as part of their own assessment of the governing body's supplementary needs when proposing members. Effective work in governing bodies requires that their members have sufficiently diverse expertise, skills and experience. In preparing the selection of members of the governing bodies, attention is paid to the person's added value to the body's composition in terms of, for example, fostering adequate diversity. Diversity is fostered by ensuring that candidates have a wide range of knowledge, skills and experience, and that various regions, genders and age groups are represented on OP's governing bodies.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

In each quarter, OP Cooperative's Executive Management Team and Board of Directors discuss a review of the current ESG and corporate responsibility themes. As of 2025, the Risk Committee under the Board of Directors also goes through the review. The review includes a status report on the progress of goals and metrics defined in OP Financial Group's sustainability programme, and reports regarding progress towards the requirements set by regulatory expectations, and regulation concerning the management of climate and environmental risks. Different due diligence processes and their development are also included in the sustainability programme. They include various sub-areas such as separate measures related to social or environmental responsibility. Themes related to these are also discussed as part of quarterly reviews, as necessary.

The Group ESG Function is responsible for preparing the quarterly review and determining the themes that should be covered. The Group ESG Function prepares the review in cooperation with business units.

Appointed by the Executive Management Team, OP Financial Group's ESG Committee supports the management of sustainability and corporate responsibility matters. The ESG Committee monitors, controls and reports on the implementation of the sustainability programme, prepares Group-level policy priorities and monitors sustainability and corporate responsibility regulation. The ESG Committee is also tasked with ensuring that sustainability and corporate responsibility matters are realised in a high-quality manner that fulfils the expectations of customers and other stakeholders. The work of the ESG Committee takes account of official regulations, OP Financial Group's operating principles, and decisions approved by the Executive Management Team, Board of Directors and the Supervisory Council.

Certain metrics of the OP Financial Group's sustainability programme are actively monitored, and OP Cooperative's Executive Management Team and Board of Directors receive monthly reports on their development.

OP Financial Group's sustainability programme and its policy priorities implement OP Financial Group's strategy, guiding the sustainability actions taken by the business units and centres of excellence. OP Cooperative's Board of Directors, in accordance with its rules of procedure, approves OP Financial Group's sustainability programme and any changes to it. It also approves the sustainability report that is part of the Report by the Board of Directors of OP Cooperative. The Board of Directors supervises that the principles of OP Financial Group's sustainability programme are followed.

During the reporting period, the ESG Committee discussed and brought the following matters to the attention of the Board:

- Materiality analysis of OP Financial Group's banking operations
- ECB's feedback and related answers concerning the management of climate and environmental risks
- Assessment of the achievement of OP Financial Group's sustainability programme in 2023 and assessment of the progress of the Principles for Responsible Banking in 2023
- Approval of the results of the double materiality analysis and the related gap analysis (including reviewing the impacts, risks and opportunities based on the results of the double materiality analysis)
- Quarterly ESG and sustainability and corporate responsibility reviews.

Integration of sustainability-related performance in incentive schemes (GOV-3)

According to the terms and conditions of OP Financial Group's remuneration scheme, the remuneration scheme must acknowledge sustainability risks consistently. Remuneration schemes take account of sustainability risks and reputational risk in addition to financial risks, and action in line with OP Financial Group's values and culture. As a prerequisite for the payment of variable remuneration, the beneficiary must adhere to the operating principles related to OP Financial Group's sustainability risks.

Sustainability risks are taken into account when setting targets for the performance-based bonus or in connection with the qualitative review performed before the payment of performance-based bonus if taking account of such risks is a fundamental part of the employee's duties.

The members of OP Financial Group's governing and supervisory bodies do not receive incentives for their positions of trust. Instead, they receive only a fixed attendance and/or monthly fee for the position of trust.

The members of OP Cooperative's Executive Management Team are covered by OP Financial Group's performance-based bonus scheme. The performance-based bonus for the members of the management body is determined by the outcome of qualitative and quantitative metrics set on balanced scorecards and the financial performance of OP Financial Group. Each member of the management body has a binding sustainability target as part of the qualitative targets of the performance-based bonus.

Sustainability factors affect what targets are set for the management body, including the President and Group Chief Executive Officer. Of the performance-based bonus of members of the management body, 5–10% depends on how well the common sustainability target is reached. The evaluation criteria for the central cooperative's Executive Management Team members' common scorecard target related to sustainability and corporate responsibility are:

- Achievement of sector-specific emissions reduction targets
  - In energy production, there will be a 50% reduction of emissions intensity from the 2022 level by 2030
  - In agriculture, there will be a 30% reduction of absolute emissions from the 2022 level by 2030
  - In relation to home loans, there will be a 45% reduction of emissions intensity from the 2022 level by 2030
- Increased circular economy share of Pohjola Insurance claims settlement
- Achievement of the annual targets relating to principles for effective risk data aggregation and risk reporting by the Basel Committee on Banking Supervision, ("BCBS 239") (ensuring reliable and up-to-date information, especially to support preventive risk management and effective decision-making).

Factors related to the climate change mitigation are taken into account as one of the three scorecard targets related to sustainability as described above. The weight of these factors is thus 1.67–3.33% of the performance-based bonus of members of the management body.

ESG factors are assessed through the performance of OP Financial Group's sustainability programme. The implementation of the sustainability programme and the BCBS 239 program are monitored regularly, using quarterly management reports.

The performance-based bonus scheme is used to control and promote the achievement of OP Financial Group's long-term strategic targets and related annual target metrics, and to reward employees for reaching and exceeding the targets. Performance-based bonus targets based on the annual plan are approved by each company in accordance with the valid decision-making procedures.

The performance-based bonus is based on the year's performance period, and the scorecard should have both qualitative and quantitative targets. At least 20% of the bonus thus depends on a pre-defined non-financial metric. The qualitative overall assessment related to the performance-based bonus also affects the final amount of remuneration, and the severity of any offences or deficiencies may cut the bonus earned based on the scorecard's metrics by a factor of 0, 0.5 or 0.8.

The terms and conditions of OP Financial Group's performance-based bonus scheme are included in the terms and conditions of OP Financial Group's remuneration scheme, on which the Board of Directors of OP Cooperative decides annually. OP Cooperative's Supervisory Council confirms the remuneration principles applied at OP Financial Group upon proposal by OP Cooperative's Board of Directives.

Statement on due diligence (GOV-4)

Key components of the due diligence process	Sections in the sustainability report
a) Embedding the due diligence process in governance, strategy and business model	GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1, S1-2, S3-2
c) Identifying and assessing adverse impacts	IRO-1, SBM-3
d) Taking actions to address those adverse impacts	E1-3, E4-3, S1-3, S1-4, S2-3, S2-4, S4-3, S4-4, G1-1, G1-3
e) Tracking the effectiveness of these actions and communicating	E1-4, E4-4, S1-4, S1-5 - S1-17, S2-5, S4-5, G1-3, G1-4

Risk management and internal controls over sustainability reporting (GOV-5)

For the purpose of implementing the CSRD reporting directive, OP Financial Group established the CSRD steering group in autumn 2024. The steering group determines policies for sustainability reporting and takes a leading role in compiling the report. In 2024, OP Financial Group introduces a reporting system that supports and automates sustainability reporting. In addition, OP Financial Group has an ESG regulation steering group that reports to the ESG Committee on a quarterly basis. In 2024, progress on the implementation of the sustainability report was reported regularly to the Audit Committee of OP Cooperative's Board of Directors on a quarterly basis.

The accuracy of the information reported in sustainability reporting and compliance with regulation are ensured by following OP Financial Group's control environment, which is based on the model of three lines of defence. The primary supervisory responsibility for regulatory compliance rests with the business as part of daily operations. The business unit defines controls and internal supervision to ensure compliance with regulation. Business units follow the four-eyes principle. In the second line, Compliance of OP Financial Group promotes compliance with regulation in accordance with its advisory role. In this role, a representative of Compliance has participated in the work of the CSRD steering group and working groups. Compliance is responsible for ensuring the regulatory compliance of practices and operations in the second line of defence. The Compliance function ensures compliance with regulations in accordance with its risk-based supervision plan. Compliance has reported to the management that there is a risk of failing to comply with regulation at the right time due to the scope of regulation and interpretation challenges related to new regulation. The supervision plan for 2025 includes monitoring focused on sustainability reporting. Internal Audit forms the third line of defence.

Strategy

Strategy, business model and value chain (SBM-1)

OP Financial Group offers banking, investment and insurance services for personal, corporate and institutional customers in Finland and financing and liquidity management services for corporate and institutional customers in Baltic countries. In the reporting year, OP Financial Group employed 14,602 people in Finland and 144 people in Baltic countries. OP Financial Group's personnel breakdown by business segment is presented on page 64 of the Report by the Board of Directors.

OP Financial Group has set five strategic priorities for the next few years: value for customers; profitable growth; efficient, high-quality operations; responsible business; and highly skilled, motivated and satisfied personnel. A strong culture of risk management and compliance forms the basis of all operations. It includes compliance with instructions and rules and ensuring high-quality operations and that processes and systems run reliably. Responsible business is one of the strategic priorities, so sustainability and corporate responsibility work is continuously monitored and developed. Sustainability is embedded in the investment, lending and insurance processes. Customers are also supported with the green transition, and sustainability and corporate responsibility work.

OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. OP Financial Group offers competitive products and services while ensuring its profitability and capital base. OP Financial Group provides citizens, companies and organisations with fundamentally important basic services and opportunities. It also finances sustainable growth and helps build wealth. OP Financial Group ensures smooth cash and payment services, prevents and provides protection against losses, and promotes a responsible economy. Significant product and service groups have not changed during the reporting period. OP Financial Group invests in developing competencies that are key to success. The Group continues to create a diverse, equal and inclusive workplace.

One of the goals of OP Financial Group's sustainability programme is "We will offer sustainable financing and investment products to our customers". Accordingly, the range of products is continuously developed to include even more sustainable and green financing and investment options. The goal is that sustainable financing products will account for at least 8 billion euros by the end of 2025 (in 2024, 8.6 billion euros). At the end of 2024, 88.0% of OP Financial Group's funds were funds that promote ESG characteristics (EU regulation on sustainable finance, Article 8) or funds aimed at making sustainable investments (SFDR, Article 9). Funds in accordance with Article 9 accounted for 4.6% of all funds. OP Corporate Bank's Green Bond Framework was updated in 2024. It helps identify green objects which OP Corporate Bank can finance with green loans, for example, even more extensively than before. The product range of sustainable finance includes sustainability-linked financing, in which funds are used for general purposes, and green financing, where the use of funds is limited to the promotion of a certain green business or project. Both types of financing can be applied to loans and facilities, leasing and hire-purchase financing, supply chain financing, and bonds.

As an operator in the finance sector, OP Financial Group has a wide impact on the society and it plays a key role in economic prosperity and in providing fundamental services and opportunities for citizens, companies and organisations, both directly and indirectly.

The value chain of financing has not yet been defined in binding regulations. According to EFRAG's guidelines concerning value chains, financial assets (loans, shares and debt investment) are part of the value chain and must be considered a part thereof. OP Financial Group follows these guidelines, and financial assets have been included in the double materiality analysis. As there is no clarifying regulation, OP Financial Group has tentatively chosen that their customer business focuses on the first contractual partner (customer) and the information they give, and surveys are not extended to the customer's partners. This policy was outlined based on the limits on value chains in the financing sector set by the Corporate Sustainability Due Diligence Directive (CSDDD), according to which regulation in the financing sector applies only to the beginning of the value chain. Additionally, the fact that the CSRD will enter into force in stages will continue restricting the information the financing sector receives from companies under the scope of the CSRD for years to come.

OP Financial Group's value chain covers the upstream value chain, OP Financial Group's own operations and the downstream value chain. The upstream value chain includes procurement-related contractual partners and suppliers, the regulatory and supervisory authorities, and debt investors and depositors through which OP Financial Group's own funding is carried out. Own operations include the provision of financing services, payment services, insurance services, and asset management services to corporate and personal customers, the operating and renting of commercial real estate, and internal services such as HR and IT functions. To carry out its own operations, OP Financial Group needs both its own and an extended workforce, including agency workforce, consultants and service providers. The downstream value chain includes corporate and personal customers, as well as owner-customers, who are provided with comprehensive financing services, payment services, insurance services, and asset management services, including the granting of loans and payment of deposit interest, enabling cash services and payment of insurance compensation. Owner-customers also receive OP bonuses and other customer benefits. In addition to customers, the downstream value chain also includes local communities, whose vitality OP Financial Group supports in various ways such as by paying taxes, creating jobs and supporting leisure activities. OP Financial Group also follows the media, and is clear and transparent in its own communication.

OP Financial Group's value chain

Upstream value chain

Stakeholders

- Contractual partners and suppliers
- Authorities
- Debt investors, depositors

Activities

- Procurement
- Regulatory compliance
- Funding

Own operations

Stakeholders

- Own workforce
- Extended workforce

Activities

- Financing and payment services
- Insurance services
- Asset and wealth management services
- Operating and renting of commercial real estate
- Internal services

Downstream value chain

Stakeholders

- Corporate customers
- Personal customers
- Owner-customers
- Local communities
- Media

Activities

- Use of financing, insurance, and asset and wealth management services
- OP bonuses and other customer benefits
- Maintaining business activity, entrepreneurship and economic vitality in local communities
- Clear and understandable communication

Interests and views of stakeholders (SBM-2)

As Finland's largest financial services group, OP Financial Group maintains an open and continuous dialogue with various stakeholders. Stakeholder engagement is deeply embedded into the cooperative business model. Through this dialogue, one of the main principles and goals of stakeholder engagement is to identify areas of development in the corporate responsibility work of OP Financial Group. For OP Financial Group, it is important to be a partner who respects the values of its stakeholders and is a reliable operator.

For example, through OP Financial Group's ESG forum OP Financial Group discusses openly with different operators, promotes themes that are important to society, stakeholders and OP Financial Group alike, and listens to parties that might be influenced by OP Financial Group. The ESG forum brings together representatives of relevant stakeholder groups ranging from owner-customers, employees, the environment and social responsibility to the different segments of the financial and corporate world. The representatives of the forum express their opinions in meetings OP Financial Group has organised and called and through various surveys the Group ESG Function carries out and sends to the members of the ESG forum as they need, on an annual basis. OP Financial Group is continuously conducting research on personnel, consumers and customers and following the changes in the business environment in order to include the views of stakeholders in decision-making. OP Financial Group's cooperative banks and governing bodies of OP Financial Group are regularly included in development related to sustainability themes by means of surveys and discussion events, among other means. Members of the ESG forum and management and governing body members of OP Financial Group receive the results of the surveys and discussions in connection with quarterly reports or other reviews, including information about how the results will be used in the future. The ESG forum is further discussed later in section S3-2.

The views of stakeholders are taken into consideration when making different decisions related to business and sustainability and corporate responsibility work, such as when OP Financial Group's sustainability programme is updated and implemented in different business units and OP cooperative banks. Stakeholder views are also considered in product and service cooperation and when planning communications, for example. The opinions and views of stakeholders are processed and presented in different governing bodies of OP Financial Group as necessary, as well as to the stakeholders themselves.

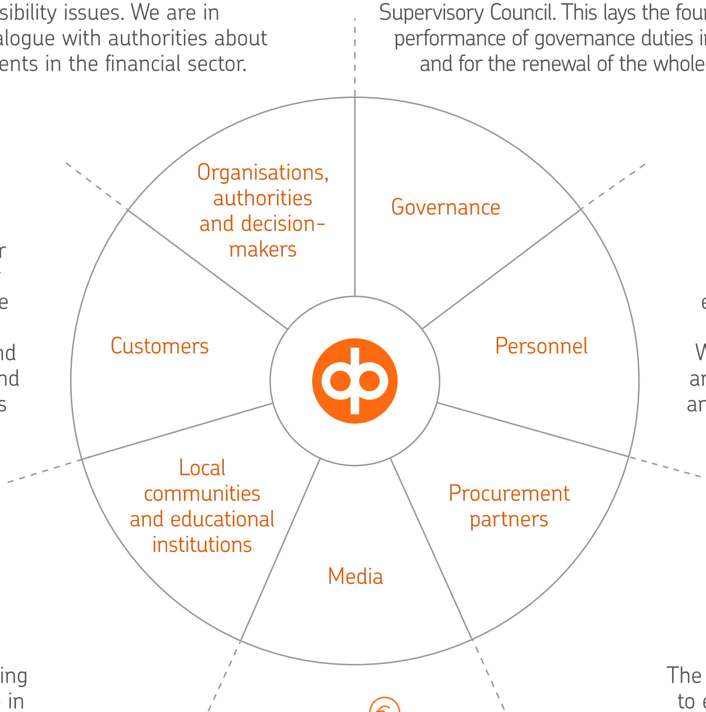
Stakeholders have also been included in OP Financial Group's double materiality analysis, which is further described later. OP Financial Group's due diligence process consists of various functions. Customers, internal stakeholders, third-party experts and other stakeholders have been involved in the functions where necessary.

Collaboration with stakeholders at OP Financial Group

We contribute to industry associations and are in active dialogue with non-governmental organisations regarding topical corporate responsibility issues. We are in intensive dialogue with authorities about developments in the financial sector.

We develop the competencies of the members of OP cooperative banks' boards of directors and supervisory councils and OP Cooperative's Board of Directors and Supervisory Council. This lays the foundation for the successful performance of governance duties in OP cooperative banks and for the renewal of the whole OP Financial Group.

We are in active dialogue with our customers and develop our service channels to meet their changing needs. OP cooperative bank owner-customers can participate in the governance and decision-making of their bank and thereby influence local business life and prosperity.



Our goal is to have satisfied, motivated and highly skilled personnel. We provide our employees with opportunities to develop and learn new skills. We see diversity as a major asset and guarantee equal opportunities and rights as well as fair treatment for all our employees.

We take an active role in developing local and regional vitality. We are in close cooperation with educational institutions and support economic research. We promote financial literacy and knowledge of banking and insurance in Finland.

The aim of our procurement function is to ensure that the acquired products, services and rights are cost-effective (TCO), of high quality, reliable and responsible, and that suppliers are managed professionally. Our suppliers must also comply with our Code of Business Ethics, international agreements and applicable laws and regulations.

OP Financial Group's communications promote our business by providing all stakeholders with accurate information on our goals, targets and operations. We are continuously developing our practices to make our communications as transparent and understandable as possible.

Principles of stakeholder cooperation at OP Financial Group

OP Financial Group's sustainability programme includes the identification of human rights impacts and development of human rights work. The human rights policy has been drawn up based on the sustainability programme. The policy applies to the Group's workforce, employees in the value chain, affected communities and consumers. Several stakeholders were involved in making the sustainability programme, including employees, customers, management, and third-party experts.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The identified material impacts, risks and opportunities at OP Financial Group are under the ESRS disclosure requirements, and no entity-specific disclosure requirements were used in OP Financial Group's report. However, a sub-sub-topic for OP Financial Group was identified under theme S3 (Affected communities).

During the reporting period, OP Financial Group has not recognised any impacts caused by identified material impacts, risks and opportunities on its financial position that would involve a significant risk of a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements during the next financial year.

The identified material impacts, risks and opportunities were seen to cover the goals of OP Financial Group's current sustainability programme. The plan is to review material impacts, risks and opportunities that are not covered by the sustainability programme in connection with future updates of the sustainability programme and to assess whether these impacts, risks and opportunities form new goals that could be included in the sustainability programme.

Most of the identified material impacts, risks and opportunities are related to OP Financial Group's business model and strategy, as they are indirectly caused by financing granted by OP Financial Group or through investment made by OP Financial Group. However, OP Financial Group is also involved with the impacts through the purchases it has made, and its partnerships. OP Financial Group wants to be an attractive employer, and any potential negative impacts can make it harder to hire and hold onto talented workforce.

The double materiality analysis was made for the first time in this reporting period, so there is no comparison data from the previous reporting period.

OP Financial Group has a strategy process in which it assesses, reshapes and implements its strategy on an ongoing basis. The continuous strategy process and systematic assessment of the business environment help OP Financial Group predict changes in its business environment and improve their reaction and adaption capabilities with regard material impacts, risks and opportunities.

Material impacts, risks and opportunities and their interaction with strategy and business model (E1 SBM-3)

Resilience analysis

By identifying ESG risks, managing risks, and adapting, OP Financial Group ensures that it and its strategy are prepared and able to adapt to the challenges climate change and other ESG risk factors bring forth. Resilience is analysed in close connection with OP Financial Group's strategy process. The strategy process forms, reshapes and implements the strategy on an ongoing basis. The business environment and operations are assessed as part of the ongoing strategy process. Developments in the business environment are monitored from the perspectives of the economy, customer behaviour, competitive environment, technology and regulation: strategy work involves identifying which phenomena to consider in the strategy and its implementation. The continuous strategy process strengthens OP Financial Group's ability to adapt its strategy in the short, medium and long term by acknowledging the results of the resilience analysis.

The resilience analysis has identified uncertainty factors related to future development paths. The strategy's resilience is tested with scenario analyses and stress tests. Physical risks and transition risks have been identified and analysed as background work for the scenario analyses in both OP Financial Group's own operations and the upstream and downstream value chain. The aim is to control the uncertainty of the future by using different scenarios in the scenario analyses that depict future worlds that differ significantly from one another. The scenarios have been picked so that they complement one another and cover as many kinds of possible development paths as possible, in this case, scenarios containing an orderly sustainable transition from the perspective of climate and climate-political measures (The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Orderly scenario), minor climate action (NGFS Hot House scenario) and uncertainty and major transition risks (NGFS Disorderly scenario). Despite this, the scenarios represent only a few alternative futures, so their selection inevitably involves uncertainty. Also, within the scenarios, the extent of the impact different risk drivers have on OP Financial Group's business units and various customer portfolios is uncertain, but it has been assessed based on the best knowledge available.

A materiality analysis of ESG risks is performed annually as part of OP Financial Group's ESG risk management. In the materiality analysis, the materiality of the risks that the Risk Management function and business segments have identified is assessed in relation to OP Financial Group's strategy, business and various sectors. The assets and business identified as risky based on the materiality analysis can thus be addressed in OP Financial Group's strategy process and definition of mitigation measures. The materiality analysis is part of OP Financial Group's framework for the management of ESG risks, and its composition is based on the expectations of the supervisory authorities, and capital adequacy regulations that apply to OP Financial Group's banking operations and instructions issued by the European Banking Authority.

Physical risks and transition risks

The double materiality analysis prepared by OP Financial Group and required by the ESRS has identified climate-related physical and transition risks using qualitative methods. Floods are the most significant identified physical climate risk. In addition to the business locations, the risk of flooding affects other parts of the value chain, such as IT purchases and collateral assets. Another identified risk is the increased risk of credit loss due to how climate change and dependencies related to nature affect customers. As a transition risk that affects OP Financial Group's own operations, the analysis has identified the decrease in the value of collateral caused by tightening energy efficiency targets. Transition risks also include OP Financial Group's possible failure to reach its carbon neutrality targets because customer companies and the economy are progressing with the green transition more slowly than expected and the major regulatory amendments related to the energy sector and fuels, which affect customers. In addition to Group-level double materiality analysis and cooperation, the first and second lines of defence identify risks related to climate and the environment, independently from each other. Risks and dependencies connected to climate and the environment are viewed over the short (<3 years), medium (3–5 years) and long (+10 years) term. The targets mentioned in the E1-4 section were set with 2030 as the time horizon.

The analyses of the Risk Management function and business segments have identified transition risks related to different industries and sectors, such as the tighter targets and regulations for emissions reduction and carbon sinks, the increased investment debt required by transition investments, shocks of technological development affecting business models, and interruptions in the supply of critical components, raw materials, or energy. With the increase of sustainability requirements, the different support structures and criteria for investors and finance may change, and their impacts may reach the demand for products and services.

OP Financial Group's materiality analysis has recognised that certain industries might be susceptible to credit risks related to climate change. For now, the climate and environment scenario analysis of OP Financial Group's credit risk covers agriculture, forestry, energy production, heavy industry (such as mechanical engineering, chemistry, mining and metal industry) and the portfolios of loans with residential property collateral, because they form the majority of OP Financial Group's credit exposures and financed greenhouse gas emissions. OP Financial Group's scenario analyses are updated annually.

The Insurance segment has identified climate change impacts on companies' risk profiles as part of the risk and solvency assessment. The companies have identified physical and transition risks concerning insurance risks, market and counterparty risks, and operational and strategic risks, including reputational risks. Current contingency measures and needs have also been described. ORSA (Own Risk and Solvency Assessment) climate stress tests are an important part of the risk management of OP Financial Group's Insurance segment. They are based on the Solvency II Directive.

The targets of reducing greenhouse gas emissions are described in more detail in section E1-4.

Scenario analyses and stress tests

When measured in risk-weighted instalments, credit risk is the most material risk type for OP Financial Group. The scenario analysis of credit risk covers a span of 5–10 years until 2034. The cash flow-based climate and environment scenario analysis of credit risk that uses the NGFS scenarios (Orderly, Disorderly, Hot House) and the SPP & RCP climate warming scenarios analyses how big an impact the most important identified risk factors have, and the impact's distribution to the credit risk parameters of customers. The development of economic capital, expected credit loss, risk-weighted instalments, and non-performing exposures are annually analysed in accordance with OP Financial Group's framework for scenarios and stress testing. In the credit risk scenario analysis of the Orderly scenario, the green transition and political climate measures are anticipated to progress in a controlled manner and as expected. Investment in sustainable and low-emission technology remains strong, and it is found to be profitable when demand shifts more and more to low-emission products and services as steered by the market and regulation. In the scenario, companies manage to adapt to known changes in regulation and market demand. In the Disorderly scenario, the economy's sustainable structural changes progress in an imbalanced manner, and climate-related market and regulation changes are sudden and uneven. Particularly political risks related to the use of forests and biofuels, the imbalance between the demand and supply of energy, the tightening energy efficiency requirements concerning buildings, and the investment outlooks weakened by an uncertain future increase risks in the Disorderly scenario. In the Hot House scenario, political and market-based climate measures are few and physical climate risks are emphasised. In the Hot House scenario, investment in the green transition prove to be less profitable as expected.

The results of the credit risk scenario analysis are used as part of OP Financial Group's Internal Capital Adequacy Assessment Process (ICAAP), and based on the analysis, the total impacts of climate and environmental risks are expected to remain moderate during the next five years. If the green transition progresses in a controlled and market-based manner, risk levels are expected to decrease moderately. If the green transition progresses poorly regarding market control, it will involve risks of political change that are expected to increase risks moderately in the energy and forestry sectors, and in the home loan portfolio. The direct physical risks caused by climate change are expected to remain moderate in the next five years.

Climate and environmental risk drivers are taken into account also in the scenario analyses of other risk types. The liquidity risks related to covered bonds with credit and residential property collateral have been examined with a scenario analysis reaching until 2029. The scenario analysis took into account the stress caused by key risk drivers of climate and environmental scenarios. The tightening energy efficiency requirements of investors has been identified as a transition risk, and in the analysis, physical climate risks are expected to show as an increased flood risk. The impact that flood risks have on the realisation of liquidity risk is low based on the analysis. The liquidity risk related to energy classes is the most significant single risk identified for covered bonds.

The stress test for market risks is based on the NGFS scenarios (Orderly, Disorderly, Hot House), and it includes trading and non-trading bond portfolios and UCVA (unilateral credit value adjustment). The narratives of the NGFS scenarios are used in the stress test as they are, without any assumptions or tailoring. The stress test for market risks reaches 2050. Two types of scenarios have been used for bond portfolios: credit margin scenario and interest rate scenario. Only the credit margin scenario is used for UCVA. The scenarios have a minor impact on the levels of loss when considering the portfolio's size.

OP Financial Group analyses the severity of physical damage and operational risks caused by extreme weather events on its own operations and business locations in different scenarios and on different time horizons. OP Financial Group assessed the development of climate risks in Finland in a basic and severe scenario. Regarding operational risks, the most significant physical climate risk identified for OP Financial Group's business locations and operational continuity in Finland in 2025–2050 is the combined effects of floods and storms. Power cuts and infrastructure disruptions due to the combined effects of floods and storms could also have impacts on operational continuity, which could cause reputational damage if the expectations of stakeholders cannot be met. OP Financial Group has also assessed the impacts of flood, storm or heat wave scenarios separately. Based on the analyses, individual properties owned by OP Financial Group in flood risk areas may be subject to moderate level risks in the worst case scenarios. However, the impacts of heat waves and storms alone on OP Financial Group's business locations are expected to remain minor. In addition to its own operations, OP Financial Group analyses the physical climate risks of its suppliers and supply chains with the NGFS Hot House scenario, and the IPCC21 assessment of more detailed physical risks regionally. The analysis examines the suppliers' location, their criticality to OP Financial Group's operational continuity and the suppliers' own preparedness for risks. In the scenario used in the analysis, the risk levels related to floods and heat waves affecting OP Financial Group's suppliers and global supply chains increase over time, and in the worst case, their impacts could disrupt OP Financial Group's business continuity. In the Hot House scenario extending to 2050, the financial impacts of floods in particular on OP Financial Group may in the worst case scenario become significant due to disruptions to business continuity if the protection against physical risks is unsuccessful.

Pohjola Insurance has assessed its capital adequacy with climate stress tests and climate scenario analysis for market risks and technical risks. The scenario analyses are based on the NGFS scenarios (Disorderly, Hot House). No assumptions outside the scenarios were made. The climate risk scenario analysis of insurance risk is focused on the most material physical climate risks and insurance products, and it extends until 2050. The scenario analysis of Pohjola Insurance has focused on the insurance risk in property insurance, and for investment portfolios, the coverage is approximately 45%. More climate hazards and product categories will be added as the analysis and data availability improve and if new risks are identified as material. Based on the analysis, the impact climate change has on claims expenditure is unlikely to be significant in the short term, whilst in the long term, claims expenses might be affected, which should be addressed in pricing, product development, risk identification, and reinsurance processes. The scenario analysis of investment portfolios in insurance business does not affect risks materially when considering the size of the portfolios. OP Life Assurance Company has assessed its capital adequacy with climate stress tests for market risks. At this time, the impact climate change has on the insurance risks of OP Life Assurance Company has been assessed non-material. The stress tests were carried out with a long term outlook from the end of 2023, and they included two different scenarios. The results of the climate stress tests have been reported as part of the company's risk and capital adequacy assessment.

Material impacts, risks and opportunities and their interaction with strategy and business model (E4 SBM-3)

The impacts OP Financial Group's strategy and business model have on nature are mostly indirect due to the nature of the finance sector.

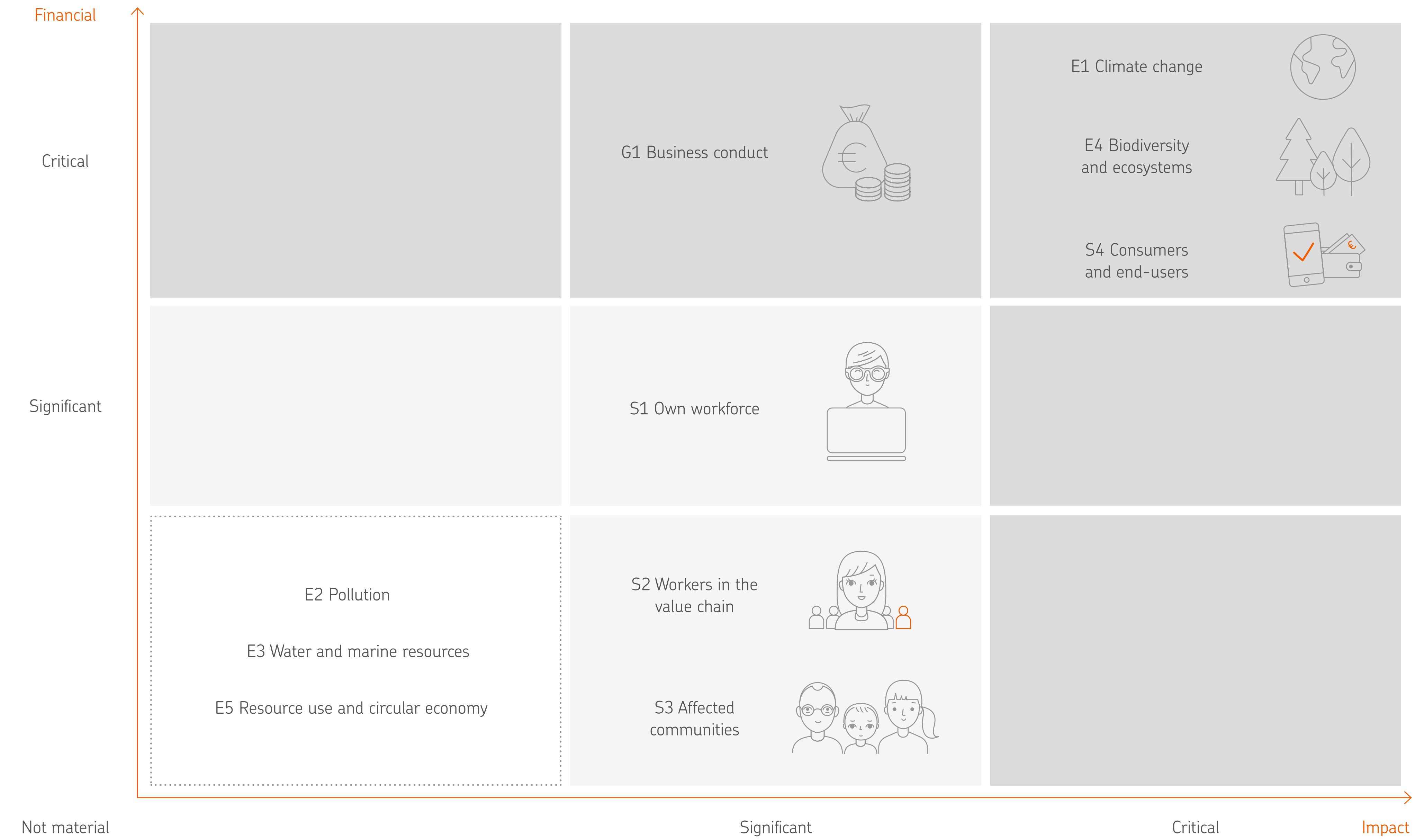
OP Financial Group has commissioned a climate and environmental risk report on the real estate assets used in banking to determine the climate and environmental risks caused by and posed to its real estate units. The report covered OP Financial Group's material business locations, which, in the 2024 report, included 417 real estate units in Finland and 4 real estate units in the Baltic countries. The report took the distance between the real estate units and nature conservation areas into consideration. There are 13 real estate units in a nature conservation area or its immediate vicinity, while an additional 13 real estate units are within 100 metres of a nature conservation area or a ditch connected to a nature conservation area. The real estate units do not have negative impacts on nature conservation areas or any endangered species living in them, but the development of these areas must take their location in a nature conservation area or its immediate vicinity into account. OP Financial Group has found no material negative impacts that are related to damaged ground surroundings, desertification, or soil sealing.

OP Financial Group's resilience analysis is based on examinations made with the ENCORE tool. OP Financial Group has used the ENCORE tool to examine the pressure and dependency assessments of corporate exposures in relation to different natural ecosystem services in connection to preparing the Group biodiversity roadmap. Here, pressure refers to multichannel impacts on different ecosystem services. OP Financial Group has studied the connection between the Group's land and forest collateral and the diversity of Finnish nature, and used the ENCORE tool to assess the impacts and dependencies different sectors have on nature and ecosystem services. The ENCORE analysis is based on the data behind the ENCORE tool and on OP Financial Group's corporate exposure portfolio. The analysis depicts the current situation without considering a longer-term time horizon. The reports have helped identify the industries on which, from the perspective of environmental pressure and dependencies and financial materiality alike, OP Financial Group should focus if it conducts further analysis and takes action related to nature. The corporate exposure portfolio was not analysed with the exact geographical location of the exposures. Neither did the analysis examine the value and supply chains linked to OP Financial Group. Instead, its purpose was to identify which industries are most material based on the pressure and dependency assessments focused on ecosystem services. Based on the analysis, industries that are material when considering the use of land include agriculture and forestry, the energy sector, the industrial sector, construction, and the real estate sector. The analysis will be developed in future nature-related assessments (including regarding the location). The analysis did not involve local communities or indigenous people, as it was not seen integral for business.

For S standards, the SBM-3 data has been presented in connection with the topical standard.

As a result of the double materiality analysis, OP Financial Group identified material impacts, risks and opportunities presented in the table on the next page.

OP Financial Group's material impacts, risks and opportunities



E1 – Climate change

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Climate change adaptation			
Positive impact (downstream value chain)	Coverage of non-life insurance products	The insurance products in OP Financial Group's non-life insurance business cover damage caused by physical climate risks.	Short-, medium- and long-term
Risk (own operations, upstream value chain)	Physical climate risks	OP Financial Group has analysed its physical climate risks, and flood risk in particular has been identified as a considerable risk targeting the Group's own operations, financing and insurance.	Long-term
Opportunity (own operations)	Financing, insurance and investment opportunities related to adapting to climate change	OP Financial Group's financing and investment operations as well as insurance business include opportunities in the form of new financing or investments and in product development.	Medium-term – long-term
Climate change mitigation			
Negative impact (own operations, upstream value chain, downstream value chain)	Greenhouse gas emissions (including energy)	Greenhouse gas emissions cause negative impacts in OP Financial Group's upstream and downstream value chain as well as in its own operations. In the upstream value chain, greenhouse gas emissions mainly arise from procurement and from OP Financial Group's energy consumption. Greenhouse gas emissions generated in downstream value chain through corporate financing, investment and insurance cause not only negative impacts but also an actual risk to society's green transition.	Short-, medium- and long-term
Risk (own operations, downstream value chain)	Decrease in the value of collateral caused by tightening energy targets	The tightening energy efficiency targets may decrease the value of collateral if real estate units used by OP Financial Group as collateral do not meet energy efficiency requirements. Improving the energy efficiency may require renovations, which increases the risk related to customers' repayment capacity.	Medium-term – long-term
Risk (own operations)	Failure to meet the carbon neutrality objectives	OP Financial Group and its segments, business functions and subsidiaries have different carbon neutrality objectives. If the objectives are not met or if the calculation methods do not meet the set criteria, reputation risks may arise for OP Financial Group.	Short-term – medium-term
Positive impact (own operations, downstream value chain)	Financing and insuring low-carbon investments and companies or ones that reduce greenhouse gas emissions	OP Financial Group may use its investment and financing products to direct funds towards projects that are favourable for mitigating climate change, thus generating positive impacts. In asset management and real estate investments, high-quality scenario tools can be used to forecast impacts and make timely changes to investment portfolios. This makes it possible to offer competitive investment products in future as well.	Short-, medium- and long-term
Positive impact (own operations, downstream value chain)	Promoting the circular economy in the Group's own and customers' business	OP Financial Group is committed to promoting circular economy in its own and its customers' business. OP Financial Group achieves significant positive impacts related to circular economy by financing business that supports circular economy and by considering it in the Green Bond Framework, insurance terms and conditions, and claims settlement operations.	Short-, medium- and long-term
Energy			
Risk (own operations, downstream value chain)	Legislative changes in the energy sector	Because the energy sector, exposed to regulatory risks, is a significant customer group for OP Financial Group, the financing risks of OP Financial Group may increase and the Group may be indirectly exposed to a reputation damage through these companies if regulatory changes target customers financed by OP Financial Group.	Medium-term – long-term
Opportunity (own operations, downstream value chain)	New financing opportunities related to energy	Energy efficiency and the transition from fossil fuels offer new financing opportunities for OP Financial Group.	Short-, medium- and long-term

E4 – Biodiversity

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Direct impact drivers of biodiversity loss			
Climate change, land-use changes, fresh water-use changes and sea-use changes, direct exploitation, pollution			
Negative impact (own operations, downstream value chain)	Financing and insuring operations harmful to nature (biodiversity)	Granting financing and insurance to companies whose operations or projects damage biodiversity and ecosystems.	Short-, medium- and long-term
Risk (downstream value chain)	Increased credit loss risk	Increased credit loss risk due to the decline in the customer's repayment capacity, caused by the realisation of risks related to the customer's dependencies on nature.	Medium-term – long-term
Impacts on the extent and condition of ecosystems			
Negative impact (own operations, downstream value chain)	Financing and insuring operations harmful to nature (ecosystems)	Financing granted by OP Financial Group to customers' investments which cause negative impacts on biodiversity or nature's ecosystem services.	Short-, medium- and long-term
Risk (downstream value chain)	Reputational risk	OP Financial Group may be exposed to reputational risks in the event of customers' reputational risks realising.	Medium-term – long-term
Impacts and dependencies on ecosystem services			
Positive impact (own operations, downstream value chain)	Financing or insuring projects that support biodiversity or reduce environmental harm	Financing projects or companies that support biodiversity or reduce environmental harm in accordance with OP's Green Bond Framework. Recycling non-renewable materials and reducing emissions by increasing the share of the circular economy in the claims settlement of the Non-life insurance business.	Short-, medium- and long-term

S1 – Own workforce

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Working conditions: Secure employment			
Positive impact (own operations)	Employment opportunities	OP Financial Group provides jobs throughout Finland, both in and outside growth centres.	Short-, medium- and long-term
Working conditions: Health and safety			
Opportunity (own operations)	Employee well-being	A good level of employee well-being and safety increases the opportunities to recruit and commit the best employees. The work-life balance helps OP Financial Group's personnel thrive in their work.	Short-, medium- and long-term
Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value			
Negative impact (potential) (own operations)	Discrimination of employees and job applicants based on their gender and inequality of pay between genders	Discrimination of employees and job applicants in recruitment or in internal transfers based on gender and gender inequality in pay may have harmful impacts on individuals in terms of both finances and health.	Short-, medium- and long-term
Equal treatment and opportunities for all: Employment and inclusion of people with disabilities			
Negative impact (own operations)	The unequal treatment and discrimination of people with disabilities or members of other minorities	The unequal treatment and discrimination of people with disabilities or members of other minorities in recruitment hinders employment and results in harmful financial and social impacts.	Short-, medium- and long-term
Equal treatment and opportunities for all: Diversity			
Negative impact (own operations)	Racism and unequal treatment	Racism and unequal treatment may have a high negative impact on the employees in question, which may result in health issues, loss of motivation or hindered career opportunities.	Short-, medium- and long-term
Other work-related rights: Privacy			
Risk (own operations)	Leaked personal data	OP Financial Group may be subjected to sanctions, other fines or reputational damage if the personal data of employees are leaked or their privacy is otherwise violated.	Short-, medium- and long-term

S2 – Workers in the value chain

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Working conditions: Secure employment			
Positive impact (own operations, upstream value chain, downstream value chain)	Employment opportunities	OP Financial Group enables economic activities for its customers, which creates and maintains employment opportunities.	Short-, medium- and long-term
Working conditions: Working time			
Negative impact (potential) (own operations, upstream value chain)	Labour exploitation in risk sectors	OP Financial Group also makes purchases from sectors such as cleaning and construction in which labour exploitation (e.g. violation of working time laws) is an identified elevated risk. If OP Financial Group fails in the selection of its partners or its risk management measures are insufficient, the likelihood of the negative impact may increase.	Short-, medium- and long-term
Working conditions: Adequate wages			
Negative impact (potential) (own operations, downstream value chain)	Financing companies operating in sectors exposed to risks	Certain sectors in Finland, such as agriculture and cleaning and construction, involve a risk of the violation of labour rights and of inadequate wages. Financing these sectors involves a risk related to fraud.	Short-, medium- and long-term
Working conditions: Health and safety			
Negative impact (potential) (own operations, downstream value chain)	Financing or investing in companies exposed to risks concerning security measures	Providing financing to or investing in companies in which insufficient security measures result in accidents or deaths of employees.	Short-, medium- and long-term
Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value			
Negative impact (potential) (own operations, upstream value chain, downstream value chain)	Extending supply chains to high-risk countries or financing companies operating in such countries	Providing financing to companies that operate in countries in which the rights of minorities or women are not adequately protected or where they do not have the right to work and earn their living. In addition, harmful impacts may emerge in OP Financial Group's supply chains in such countries.	Short-, medium- and long-term
Equal treatment and opportunities for all: Employment and inclusion of people with disabilities			
Positive impact (upstream value chain)	Improving employment in minority groups	OP Financial Group has a positive impact on the labour market when it considers the employment of minority groups.	Short-, medium- and long-term
Other work-related rights: Child labour			
Positive impact (own operations, downstream value chain)	The requirement that the companies OP Financial Group invests in operate in compliance with international norms and agreements (child labour)	OP Financial Group requires that the companies it invests in operate in compliance with international norms and agreements (including respecting the rights of children). OP Financial Group monitors the compliance with norms by, among other things, auditing the companies included in its investment portfolio on a regular basis, and as an active owner, directly influences companies in which violations of norms have been observed.	Short-, medium- and long-term
Negative impact (potential) (own operations, upstream value chain)	Supply chains, investment portfolios and the supply chains of companies to be financed in risk countries	Financing, investing in and purchasing from companies that have supply chains in risk countries may cause negative impacts related to child labour.	Short-, medium- and long-term
Other work-related rights: Forced labour			
Positive impact (own operations, downstream value chain)	The requirement that the companies OP Financial Group invests in operate in compliance with international norms and agreements (forced labour)	OP Financial Group requires that the companies it invests in operate in compliance with international norms and agreements (including the prevention of forced labour). OP Financial Group monitors the compliance with norms by, among other things, auditing the companies included in its investment portfolio on a regular basis, and as an active owner, directly influences companies in which violations of norms have been observed.	Short-, medium- and long-term

S3 – Affected communities

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Communities' economic, social and cultural rights: OP's own theme: Impact on the local community			
Positive impact (own operations)	Supporting local communities	OP Financial Group provides extensive support for leisure-time activities, culture, sports and other types of associations in Finland. OP Financial Group plays a significant role in promoting wellbeing and equal opportunities for people at local community level and in creating positive impacts. In cooperation with its partners, OP Financial Group fosters citizens' financial and digital skills. Additionally, OP facilitates summer employment for thousands of youngsters each year by donating young employees' pay to associations that agree to provide summer jobs. In addition, OP facilitates leisure-time activities for children and young people through its partners.	Short-, medium- and long-term

S4 – Consumers and end-users

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Information-related impacts for consumers and/or end-users: Privacy			
Risk (own operations, downstream value chain)	Violations related to customers' data protection	Violations related to customers' data protection, for example, leaking personal data or other privacy violations, may result in fines or cause consequences or reputational risk to OP Financial Group.	Short-, medium- and long-term
Information-related impacts for consumers and/or end-users: Access to (quality) information			
Risk (own operations, downstream value chain)	Non-compliance with the disclosure and reporting obligations	Non-compliance with the disclosure and reporting obligations cause a risk of fines, consequences, financial losses or reputational damage to OP Financial Group.	Short-, medium- and long-term
Negative impact (own operations)	Disclosure failure	If customers are not provided accurate and sufficient information in a comprehensible manner, the customer may, for example due to the lack of language skills, incur financial harm or they may not be able to redeem a benefit they are entitled to.	Short-, medium- and long-term
Personal safety of consumers and/or end-users: Health and safety			
Positive impact (own operations, downstream value chain)	Providing insurance products and secure banking services	OP Financial Group strengthens the financial wellbeing of consumers by providing customers with insurance products that meet their needs and secure banking services.	Short-, medium- and long-term
Positive impact (potential) (own operations, downstream value chain)	Financing or investing in projects that support health and safety	OP Financial Group can indirectly promote consumers' health and safety in society by financing or investing in companies and projects whose products and services increase the health and safety of end-users.	Short-, medium- and long-term
Positive impact (own operations, downstream value chain)	Occupational health and safety reviews	OP Financial Group can have a positive impact on the occupational health and safety of corporate customers' personnel by providing services which support the development of corporate customers' occupational safety and help prevent occupational safety risks.	Short-, medium- and long-term
Social inclusion of consumers and/or end-users: Non-discrimination			
Opportunity (own operations, downstream value chain)	Timely, high-quality and seamless service and equal treatment	A timely, high-quality and seamless service and equal treatment promote customer satisfaction and customer loyalty and thus offer financial opportunities for OP Financial Group.	Short-, medium- and long-term
Social inclusion of consumers and/or end-users: Access to products and services			
Negative impact (own operations, downstream value chain)	Inequality in the availability of banking and insurance services to people who are not Finnish- or Swedish-speaking	Inequality in the availability of banking and insurance services to foreign nationals who do not speak Finnish or Swedish or who cannot use online banking user identifiers for identification.	Short-, medium- and long-term
Negative impact (own operations, downstream value chain)	Difficulties related to accessing banking services	OP's clientele includes groups for whom managing their banking and insurance matters at branches and/or through an interpreter is the easiest option. For some, accessing banking services may be difficult due to a physical disability or poor digital skills, for example.	Short-, medium- and long-term
Positive impact (own operations, downstream value chain)	Accessibility of services	OP Financial Group develops its service models to provide a high-quality personal service to customers whose needs are not met by the digital service (for example, the elderly or customers who are not within the reach of digital services for other reasons).	Short-, medium- and long-term

G1 – Business conduct

Positive / negative / risk / opportunity	Material impact, risk or opportunity	Description	Time horizon
Corporate culture			
Positive impact (own operations)	OP Financial Group's impact through strategy	In its operations, OP Financial Group aims to have a positive impact on society. The Group's operations are guided by its strategy, vision and values. OP Financial Group's vision is to be the leading and most appealing financial services group in Finland. The Group's core values are People First, Responsibility, and Succeeding Together.	Short-, medium- and long-term
Positive impact (own operations)	Diversity	OP Financial Group is a cooperative financial services group formed by member cooperative banks and the Group's central cooperative and its subsidiaries. As a result of the Group structure, the number of OP Financial Group's governing bodies and governing body members is extensive. Over the past two years, OP Financial Group has promoted diversity in its governing bodies in particular by seeking a better gender balance. The diversity of the governing bodies indicates that people from different backgrounds can influence the Group's operations and that OP Financial Group values and listens to different viewpoints.	Short-, medium- and long-term
Risk (own operations)	Individual OP cooperative banks' divergent way of working	If an individual OP cooperative bank diverges from the values of OP Financial Group or interprets them in a different way, its conduct can cause a reputational risk to the entire Group, for example.	Short-, medium- and long-term
Protection of whistle-blowers			
Positive impact (own operations)	Whistleblowing channel and protection of whistleblowers	The protection of whistleblowers makes it possible to intervene in the event of misconduct and violations. The option to submit a notification anonymously lowers the threshold of submitting one, which helps to correct issues.	Short-, medium- and long-term
Management of relationships with suppliers including payment practices			
Positive impact (own operations, upstream value chain)	Reasonable payment terms	OP Financial Group offers reasonable payment terms and conditions to its partners.	Short-, medium- and long-term
Corruption: Prevention and detection			
Risk (own operations)	Failure to prevent corruption and bribery	If OP Financial Group fails in the detection of corruption and bribery, detection training or incident reporting, the Group may be subjected to reputational risk.	Short-, medium- and long-term
Risk (own operations)	Operational risks related to corruption	The operational risks related to corruption concern money laundering and sanctions, among other things. OP Financial Group may be subjected to reputational damage, fines or other consequences as a result of the lack of ongoing monitoring of business operations and transactions and/or neglect related to KYC information.	Short-, medium- and long-term

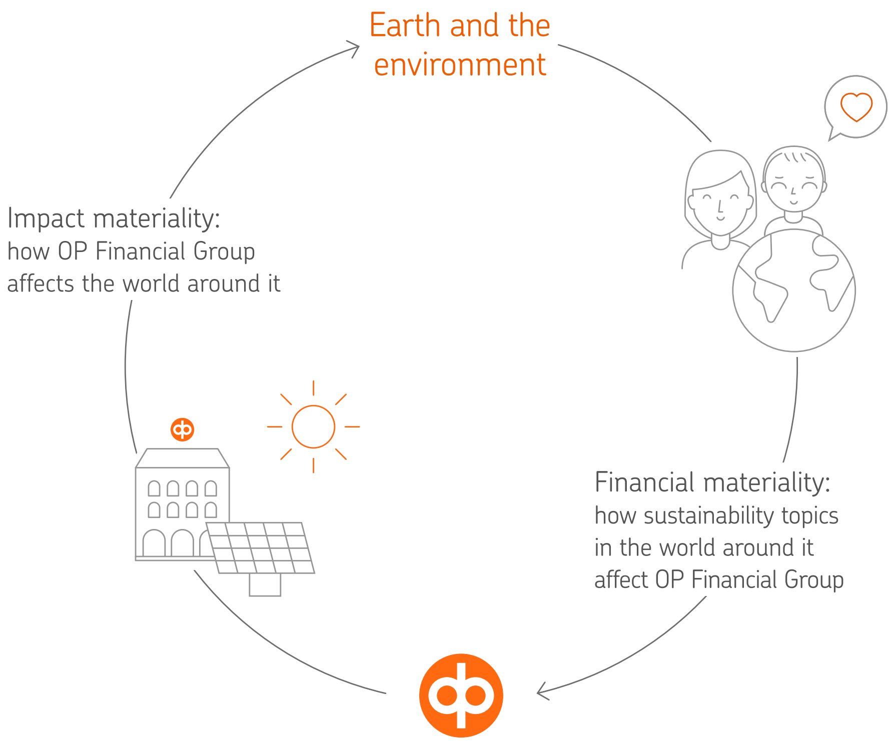
Management of impacts, risks and opportunities

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

OP Financial Group's double materiality analysis assessed impacts, risks and opportunities (IRO) potentially related to the material sustainability themes. The impacts, risks and opportunities were assessed qualitatively, and material sustainability matters were defined for OP Financial Group based on these assessments. The double materiality analysis was conducted at the Group level, and it covered all OP Financial Group's geographical locations. The themes were assessed from the perspectives of OP Financial Group's own operations, including Corporate Banking, Retail Banking, Asset Management, Insurance and Procurement. The methodology of the double materiality analysis is based on the materials available at the end of 2023 and at the beginning of 2024 – in other words, the ESRS standards and the EFRAG's draft voluntary guidelines concerning the double materiality analysis.

The double materiality analysis is based on the sustainability matters, including sub-topics and sub-sub-topics, to be considered in the materiality analysis in accordance with the ESRS1 standard. In addition to the sustainability matters listed in ESRS1, the assessment aimed to identify company-specific sustainability topics. The first stage of the analysis identified and specified impacts, risks and opportunities related to different sustainability matters. Both perspectives of double materiality were considered in the identification: what impacts OP Financial Group's operations have on the surrounding people and environment, and what financial risks or business opportunities can arise for OP Financial Group concerning these sustainability matters. Apart from OP Financial Group's own operations, impacts, risks and opportunities were also identified in the upstream and downstream value chain. Additionally, the short-, medium- and long-term time horizons were considered in the identification in accordance with the ESRS1. The identification applied previous analyses and reports such as the materiality assessment conducted for the ECB on climate and environmental risks, a biodiversity roadmap and the analysis based on it, results obtained through the materiality analysis conducted on the Principles for Responsible Banking (PRB), a human rights assessment and the background documentation of the sustainability programme.

Double materiality



The importance of the identified impacts, risks and opportunities was assessed in two separate workshops in the second stage of the analysis. OP Financial Group's internal stakeholders such as representatives of business functions were extensively engaged in the workshops. The workshop participants also had an option to provide supplementary information about previously identified impacts, risks and opportunities. Stakeholder engagement was carried out through different surveys conducted by OP Financial Group in addition to the workshops. Among other things, the analysis considered the Good deeds across time surveys for OP Financial Group's owner-customers, the survey conducted among the members of OP Financial Group's ESG forum, the OP Johto survey for the managing directors of OP cooperative banks, and personnel surveys. No other external specialists were involved in the process.

In the third stage of the double materiality analysis, a group consisting of OP Financial Group's ESG specialists harmonised and validated the analysis results in workshops. OP Financial Group's material sustainability matters and the related impacts, risks and opportunities were defined as a result of this work.

The first and second stage of the materiality analysis, or background work and the assessment of impacts, risks and opportunities carried out in the workshops, were completed at the end of 2023. The third stage, or the validation of results, was conducted at the beginning of 2024. The analysis process and the preliminary results were presented to the Executive Management Team of the Cooperative in January 2024, and OP Cooperative's Board of Directors approved the results of the double materiality analysis at its meeting in March 2024. OP Financial Group made minor changes to the material impacts, opportunities and risks at the end of 2024. The changes were discussed by the Audit Committee and approved at the meeting of OP Cooperative's Board of Directors in February 2025. A representative of OP Financial Group's second line of defence was also involved in conducting the double materiality analysis. OP Financial Group assesses the needs to update the materiality analysis and updates the analysis in the context of the sustainability reporting process when necessary.

Assessment methodology

In the analysis, impacts are deemed to be either negative or positive. Both negative and positive impacts can be actual or potential. Impacts can be caused by a company directly (for example, employee discrimination), or they can be indirect (for example, human rights violations in the operations of the upstream production chain), and they may target the environment, society and people. The assessment of actual impacts is based on the severity of the impact, while potential negative impacts are also assessed based on the severity and likelihood of the impact. Severity consists of the impact's scale, scope and irremediable character (only for negative impacts). Each component has been evaluated on a scale of 1–4.

	Scale	Scope	Irremediable character
4	Critical/Absolute	Global	Irrevocable / Cannot be corrected
3	High	Extensive (OP Financial Group's operations in Finland and the Baltic countries)	Very difficult / Long-term
2	Moderate	Regional	Moderate / Medium-term
1	Low	Restricted/Local	Fairly easy / Short-term
0	Zero / None	Zero / None	No need to correct

The definitions of the components of impact materiality:

- Scale: how grave the negative impact is, or how beneficial the positive impact is, for people or the environment.
- Scope: how widespread the negative or positive impacts are. With environmental impacts, the scope can be understood as the extent of the environmental damage or as a geographical area. With impacts relating to people, the scope can consist of the number of people whom the impacts relate to.
- Irremediable character: whether and to what extent the negative impacts could be remediated, i.e. whether the environment or affected people can be restored to their previous state. This component only concerns negative impacts.
- Likelihood: how likely the occurrence of a negative or positive impact is.

Financial risks and opportunities are financial impacts related to the sustainability matter, which target the company's development, financial position, financial performance, cash flows, its access to finance or cost of capital. Risks and opportunities are not limited to matters which the company can directly impact. Among other things, risks and opportunities can be caused by dependencies on natural resources, personnel resources and society's resources. Financial impacts were assessed to determine whether they are financial risks or opportunities, and the scope and likelihood of the financial impact were assessed on a scale of 1–4.

Monetary ranges based on OP Financial Group's revenue were used to assess the scope.

Extent of risk or opportunity	
4	Critical
3	Large
2	Moderate
1	Small
0	Non-existent

The definitions of the components of financial materiality:

- Scope: how extensive the impact of the risk or opportunity on the company's financial operations can be.
- Likelihood: how likely it is that the risk or opportunity materialises.

The assessment of impact materiality and financial materiality were conducted in the same process. As a result, the assessment identified risks and opportunities arising from negative and positive impacts as a rule. Among all identified impacts, risks and opportunities, the material ones were defined by using a calculation formula for impact materiality and threshold values set for financial materiality. An impact, risk or opportunity was deemed material if the impact materiality exceeded the threshold value "important" (on a scale of minimal, informative, important, significant and critical). OP Cooperative's Executive Management Team approved the defined threshold values.

OP Financial Group's risk management process continuously assesses the changes in the external business environment in relation to OP Financial Group's business and strategy. On one hand, the risks and opportunities identified in OP Financial Group's risk management have been used in the double materiality analysis. On the other, the double materiality analysis also produces new information for OP Financial Group's risk management process about risks and opportunities that are material for OP Financial Group, as well as about risks and opportunities arising from OP Financial Group's operations. The results of the double materiality analysis are thus considered in the management process – for example, when decisions are made on new products, and when OP Financial Group's sustainability programme is updated.

E1 – Climate change

OP Financial Group has assessed climate-related physical risks and transition risks through scenario analyses and stress tests, as described in section ESRS2 SBM-3 E1. The section also describes the time spans used in the identification of climate-related risks.

Additionally, ESG risks in different business functions are identified through different methods. These are described in greater detail below.

Greenhouse gas emissions

OP Financial Group reviews its operations and value chains to identify the impacts related to climate change through the sources of greenhouse gas emissions. OP Financial Group reports the greenhouse gas emissions as CO2 equivalents in accordance with the Greenhouse Gas (GHG) Protocol. OP Financial Group will update its greenhouse gas emissions inventory in accordance with the GHG Protocol in 2025, when future actual or potential sources of GHG emissions will also be examined. OP Financial Group's own operations are not subject to the emissions trading rules.

The calculated direct emissions (Scope 1) and indirect emissions (Scope 2) include the emissions generated by the use of properties in OP Financial Group's own operations, the emissions generated by the use of vehicles owned by OP Financial Group, as well as the emissions from the use of real estate units which are under OP Real Estate Asset Management Ltd.'s operational control.

The majority of OP Financial Group's emissions falls into the category of other indirect emissions (Scope 3), which are generated in the value chains and not in OP Financial Group's own operations. The emissions from investments in downstream value chains (Scope 3 category 15), in particular, account for the majority of OP Financial Group's emissions.

Emissions generated in upstream value chains include purchased products and services (category 1), fuel- and energy-related activities (category 3), waste generated in operations (category 5), business travel (category 6) and employee commuting (category 7).

The calculated emissions generated in downstream value chains include those of investments (category 15), which consist of the financed greenhouse gas emissions of banking and asset management, and the calculation includes the following asset classes: corporate loans, home loans, motor vehicles, listed equity and corporate bonds. When calculating financed emissions, OP Financial Group has applied the financing sector's harmonised emission calculation method, the Partnership for Carbon Accounting Financials standard (PCAF), since 2022. In the insurance business, this standard has been applied since 2023.

Identification of ESG risks

Physical risks and transition risks have been identified and analysed in both OP Financial Group's own operations and the upstream and downstream value chain.

In connection with its own operations, OP Financial Group commissioned its first climate and environmental risk report on the real estate assets used in banking in 2023. The report was updated in 2024. The report analysed the risks of forest fires, freshwater floods and storm water floods, and potential repair costs. The results of the analysis show that the risks of forest fires, freshwater floods and storm water floods caused in Finland by climate change will increase by 2050, but that on a general level, the risks are low. According to the analysis, the storm water flood risk has already been observed to have increased, and the risk is rising due to heavy rainfall caused by climate change. As for repair costs, the total cost impact of climate and environmental risks will remain small because there are many properties, and the assessed risks are not material for the majority of OP Financial Group's properties. No significant assets such as real properties that are exposed to climate-related transition risks have therefore been identified.

An equivalent climate risk report was commissioned in Asset Management's real estate investment operations. The report considered physical climate risks more extensively from the perspective of the EU Taxonomy. The climate risk report covers approximately 70 per cent of the property stock managed by the real estate funds. A climate risk report has been prepared for approximately 63 per cent of the calculated total assets of the managed properties. Overall, the climate risk report covers 186 properties, or 68 per cent of the total quantity of properties.

The focus in the downstream value chain is on a sector-specific analysis. In 2024, a review was conducted on the physical risks in OP Financial Group's corporate exposures. The review examined the exposure of different sectors to different climate risks and physical risks based on international risk tools and databases and the results of national studies. The tools used included ThinkHazard, IPCC WGI Interactive Atlas, and World Bank CCKP. The analysis focused on sectors and countries material for OP Financial Group, and viewed IPCC and NGFS scenarios in the short term. The analysis did not consider the precise locations of the physical capitals, and the geographical distribution was high-level and country-specific.

Based on the analysis, OP Financial Group has identified qualitatively the significance of risks for the material sectors in the short term. Although it is estimated that the financial impact of risks is relatively low in the short term, the analyses will be developed in the future to enable more accurate assessments of financial impacts.

The impact of climate and environmental risks and transition risks on the collateral portfolio has been assessed as part of the property collateral valuation and monitoring process. The most material physical risk for OP Financial Group's property collateral is the flood risk, which is modelled with flood maps provided by the Finnish Environment Institute. The energy efficiency requirements may expose the built property portfolio to a transition risk.

OP Financial Group has analysed key transition risks related to climate change, nature and social aspects in ten sectors identified as important. These sectors are real estate, construction and home loans, the chemical industry, transport, agriculture, forestry, energy, retail, heavy industry, the technology industry, and the mining industry. The transition risk analysis defined the level of the total risk exposure amount and the key risks for each sector. In addition, methods were identified to mitigate risks in the sectors. Impact chains, or how risks transfer from the source to sector companies and further to the financing sector, were defined for the key transition risks. The assessment covered the operational risk/other risks, market risk, credit risk and insurance risk.

The objective of identifying mitigation measures was to examine whether sector companies can prepare for, mitigate or prevent the financial impacts of the identified transition risks either through their own measures or through cooperation. This also provides a more in-depth perspective to the interpretation of the risk assessment's final results, as a transition risk deemed to be high can be mitigated or even prevented through proactive measures. The risks were assessed by using a risk matrix with two dimensions: likelihood and impact magnitude. The transition risks identified for the sectors are typically related to the development of regulation, energy prices, market changes and the availability of raw materials.

ESG perspectives in credit risk management

The impacts of the identified climate and environmental risks on OP Financial Group's different credit portfolios are assessed over several time spans as part of the climate and environmental scenario analysis conducted in risk management. OP Financial Group applies NGFS scenarios (Orderly, Disorderly & Hot House) and the SPP & RCP global warming models in the analysis of the climate and environmental scenarios regarding credit risks. Based on this analysis, the most important transition risks and physical risks in credit portfolios and customer sectors are identified in the downstream value chain. The NGFS Orderly scenario is aligned with the Paris Agreement. The scope of different risk drivers, and how they target customer companies' credit risk parameters are assessed by means of a forward-looking simulation model, which enables the impacts at annual level to be viewed over a time horizon of 5–10 years. The combined impacts on the general risk parameters at portfolio level are considered in the ICAAP process. In addition, climate and environmental risks are analysed for other risk types through diverse stress tests and scenario analyses (more detailed information is provided in E1 SBM-3).

The risk drivers connected to climate and the environment and identified in the credit risk identification process have been divided into physical risks and transition risks, and their impacts on the risks in credit portfolios are analysed over different time spans through scenario analyses. Risks and dependencies connected to climate and the environment are viewed over the short (<3 yrs), medium (3–5 yrs) and long (+10 yrs) term. The timespan of the credit risk scenario analysis varies by portfolio and currently extends 10 years into the future, or until 2034 at most, and offers an annual view to the impacts. The scenario analysis of market risks includes time horizons until 2030, 2040 and 2050. The scenario analysis of the insurance business extends until 2050 and offers an annual view of the impacts.

ESG perspectives in market risk management

Through changes in market expectations, climate and environmental risk factors impact both the market risks of OP Financial Group's investment operations and the preferences of the investor customers. OP Financial Group works to reduce the impacts of liquidity risk by issuing green covered bonds.

ESG perspectives in operational risk management

In OP Financial Group's own operations, extreme weather events may cause physical damage and pose other operational risks to OP Financial Group's business locations. Operational risks to operational continuity from extreme weather events could cause reputational damage if stakeholders' expectations cannot be met. OP Financial Group analyses the operational risks of its business locations and operational continuity between 2025 and 2050 using the basic scenario and severe scenario for climate risks.

OP Financial Group has also identified and estimated the likelihood and impact of physical climate and environmental risks on OP Financial Group's suppliers and supply chains abroad by analysing information about the location and criticality of the suppliers' operations and their continuity management measures, as well as observations and estimates of the potential risks of severe physical climate events up to 2050. The physical climate risks of suppliers and supply chains have been analysed with the NGFS Hot House scenario and the IPCC21 assessment of more detailed physical risks regionally. The impacts of floods and heat waves in particular have been analysed as part of the management of operational risks concerning supply chains and suppliers. OP assesses suppliers' identification of physical climate and environmental risks and the mitigation methods they use as part of supplier audits.

OP Financial Group has identified the industries in which the climate transition risk is high in its credit portfolio and investments. OP Financial Group requires that these large corporate financing customers in industries with a high climate transition risk prepare company-specific emissions reduction plans by the end of 2025. In addition, responsible investment funds exclude companies in the fossil fuel sector's upstream value chain which do not have a plausible strategy in place for transitioning from fossil fuels to more sustainable business models. By taking these measures, OP Financial Group works to limit asset items and business functions which are incompatible with the transition to a climate-neutral economy or which require considerable measures to become compatible.

Management of ESG risks in the business segments

The management of ESG risks in the business segments is part of risk management related to OP Financial Group's downstream value chain.

Banking

As part of corporate financing, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality in the downstream value chain. In practice, corporate customers are divided into ESG classes based on exposure to ESG factors typical of the industry. If the ESG class and the total exposures of a group of connected clients are significant, an ESG analysis is conducted to support the financing decision. The ESG analysis helps identify material themes related to climate change and climate change mitigation in the customer's business operations. The need for an ESG analysis is regularly assessed during the customer relationship. In addition to a separate ESG analysis, the credit analyses of corporate customers covered by the specialist assessment model include an ESG section if the exposures of the group of connected clients are significant. The section provides a compact description of the sector's ESG risks that are material for the credit risk, potential company-specific ESG risks and the company's measures to prepare for such risks. OP Financial Group has established policies to promote climate change mitigation and refrains from financing new coal power plants or coal mines, including companies that plan to build such projects. In 2024, OP Financial Group also adjusted its policies on financing oil and gas exploration and production.

OP Asset Management / OP Fund Management Company Ltd

In funds managed jointly by OP Asset Management and OP Fund Management Company, climate risks have been assessed through several different metrics which describe, among other things, the carbon intensity of the companies invested in, the share of investments aligned with the Paris Agreement and the EBITDA risk, which describes the impact of the increase in the price of the invested companies' emissions allowances.

In investment operations, the impacts of short- and long-term climate risk drivers are managed by integrating the analysis and monitoring the climate perspectives in portfolio management, and by applying comprehensive company-specific ESG data on the risks and opportunities of climate change. Additionally, the impacts of climate risk drivers are managed by excluding business operations based on fossil fuels from active and direct investments. OP Financial Group excludes from the responsible investment funds companies for which more than 5 per cent of turnover comes from coal, oil or gas exploration, distribution, refining and production, and which do not have a clear and plausible strategy for transitioning from fossil fuels to more sustainable business models.

Insurance

Physical climate risks impact the non-life insurance business because the damage they cause are linked to claims expenditure. The insurance products in OP Financial Group's non-life insurance business cover damage caused by physical climate risks. In addition to climate stress tests, non-life insurance has analysed the materiality of physical climate risks and examined the financial impacts of the climate threats deemed to be likely on the insurance business. Scientific sources and information provided by specialists in different functions of non-life insurance about climate threats and their consequences for insurance have been used in the assessment. OP Financial Group deems the physical climate risk considerable if it is considerable at systemic level and the level of economic activity. The insurance business implements climate change adaptation measures.

The regular risk and capital adequacy assessment (the ORSA report) conducted by Pohjola Insurance and OP Life Assurance Company describes the identification and management of climate and environmental risks in the companies' operations. The ORSA (Own Risk and Solvency Assessment) reports by Pohjola Insurance and OP Life Assurance Company include climate scenario analyses used to identify and measure possible changes in value by investment product and sector in the short and long terms. Risks to companies' solvency are assessed using climate scenarios in relation to both investment market risks and underwriting risks.

E2 Pollution and E3 Water and marine resources

In the results of the double materiality analysis, the sustainability themes E2 Pollution and E3 Water and marine resources were not material for OP Financial Group. In 2023, OP Financial Group commissioned its first climate and environmental risk report on the real estate assets used in banking. The report was updated in 2024. The report considered the distance between the real estate units and nature conservation areas, as well as the floodwater and stormwater risks. The properties owned by OP Financial Group do not pose a risk to nature conservation areas, but their location in nature conservation areas or in their immediate vicinity must be considered in development. In addition to this report, the pressure and dependency assessments of ecosystem services conducted by OP Financial Group, based on the ENCORE tool, take pollution into consideration. The business impacts related to pollution, and water and marine resources have been assessed by specialists as part of the double materiality analysis.

OP Financial Group has not organised hearings related to pollution, and water and marine resources.

E4 Biodiversity and ecosystems

The most important drivers of biodiversity loss include climate change, land-use changes, freshwater-use changes and sea-use changes, direct exploitation of natural resources, and environmental pollution.

In 2023, OP Financial Group reviewed the climate and environmental risks of the real estate assets used in banking for the first time. The report was updated in 2024 and is described in greater detail in section ESRS2 SBM-3 E4.

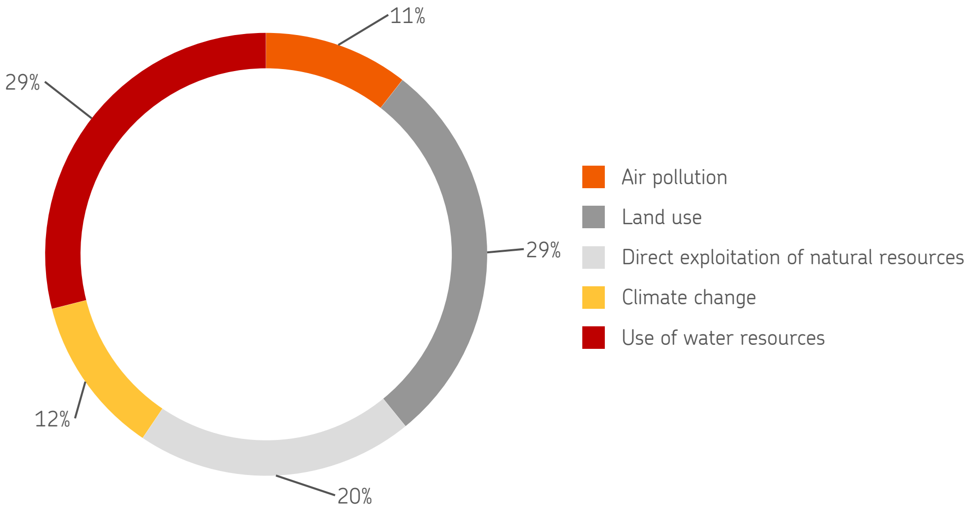
As part of the ENCORE analysis, OP Financial Group has identified physical risks related to biodiversity and ecosystems and transition risks within the scope of a broader transition risk assessment. The dependencies identified in the analyses are sources of financial risks, and the impacts are sources of transition risks. Systemic risks have not been included in the analysis separately.

The identified potential negative nature impacts of OP Financial Group include granting financing to companies which damage biodiversity and ecosystems through their operations or projects. OP Financial Group has conducted pressure and dependency assessments on ecosystem services based on the ENCORE tool since 2023. Ecosystem services related to water and soil are highlighted in the latest analysis in terms of both pressures and dependencies generated through corporate financing. The analysis is based on global dependency and pressure assessments compliant with the ENCORE tool, and they do not consider the geographical location of the financed businesses and related business locations, for example.

Based on the analysis compliant with the ENCORE tool, the sectors most material to OP Financial Group with regard to corporate financing are real estate, agriculture and forestry, energy and construction, transportation and storage, industry and trade, due to these sectors' high impact or dependency assessments, and the volume of OP Financial Group's corporate exposures targeting these sectors.

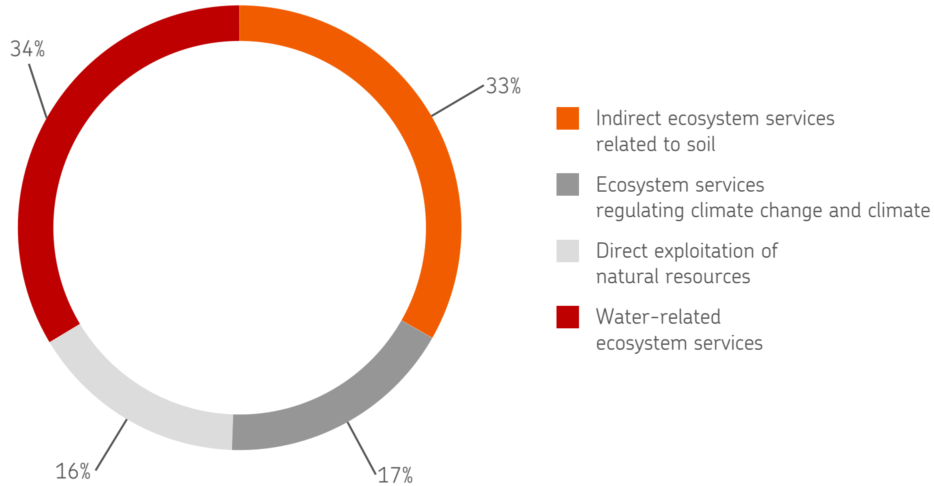
The ENCORE analyses are based on rough data aggregated at global level, which cannot be used to consider differences with regard to geography and national economy between sectors, for example. The data obtained from ENCORE is used to identify the most material sectors to allocate the resources required by granular collection of data in further analyses to sectors in which OP Financial Group's operations have the greatest impact.

Assessments of the impacts generated through corporate financing on nature



OP Financial Group's potential risk related to nature is an increased credit loss risk due to customers' dependencies on nature. OP Financial Group has analysed key transition risks related to climate change, nature and social aspects in ten sectors identified as important. These sectors are real estate, construction and home loans, chemical industry, transportation, agriculture, forestry, energy, retail, heavy industry, technology industry and mining industry. The central nature-related transition risks in the material sectors arise from the increasing regulation concerning climate and nature conservation, market changes and the declining availability of raw materials.

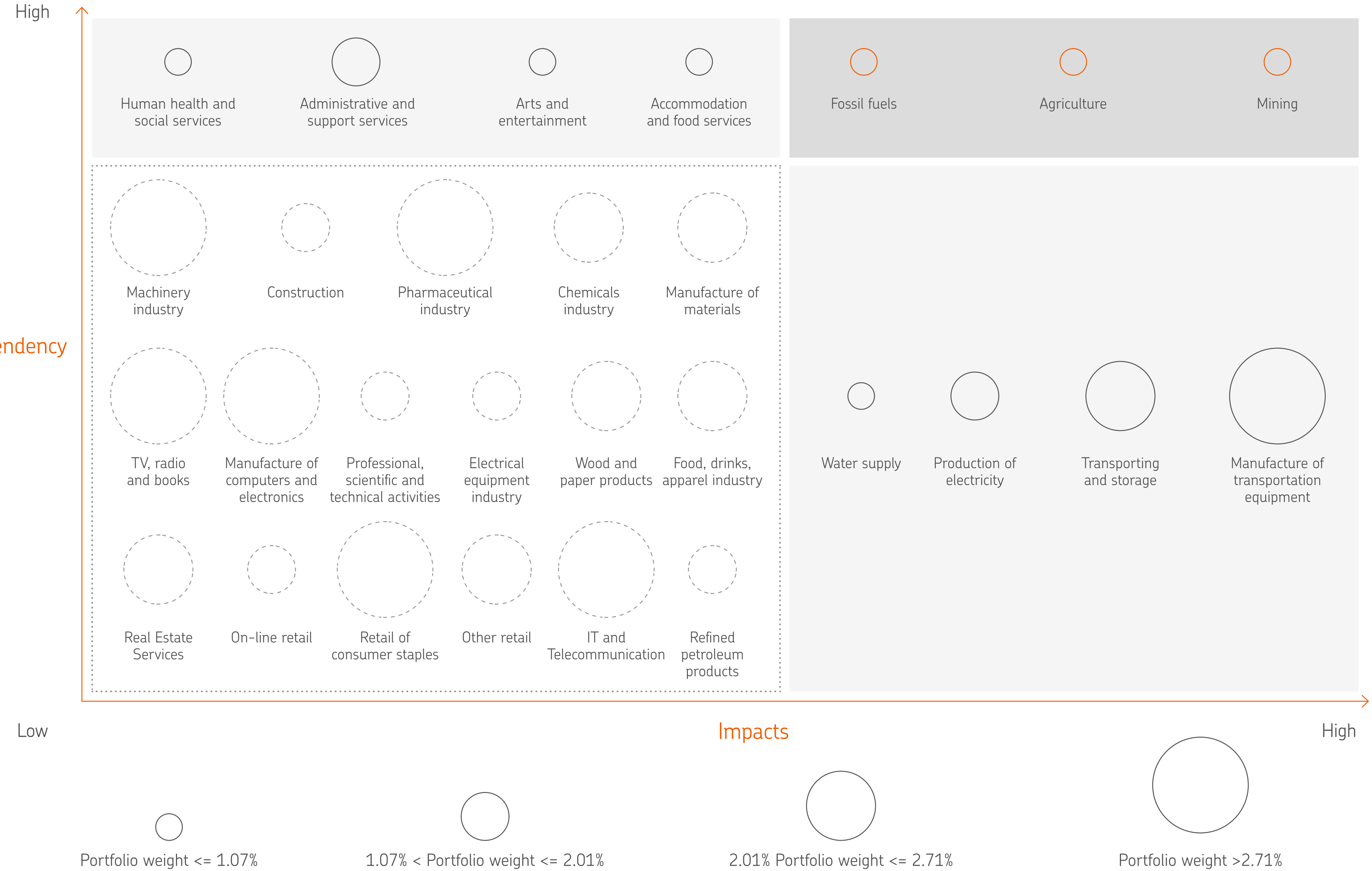
Assessments of the dependencies of corporate financing on nature



The business operations of companies that Asset Management invests in are dependent on nature's ecosystem services, and at the same time, the operations and value chains of these companies also have considerable impacts on nature. Asset managers still have only limited possibilities to measure and assess financial risks related to nature, because location-specific impacts on biodiversity can only be measured indirectly in most cases. At the same time, investors require data and an assessment system that are commensurate to be able to agree on the data and metrics to be published and to set targets. This is particularly important so that OP Financial Group can identify the most significant nature risks of investments and the natural resources or nature's ecosystem services targeted by these risks.

The Figure on the next page shows how low the share of sectors involving high nature risks in widely diversified investments in all investing is. A high nature risk refers to sectors in which, at the same time, the dependency on ecosystem services provided by nature is very high and the sectors' own operations damage the nature's ecosystem services. Such sectors include agriculture and mining.

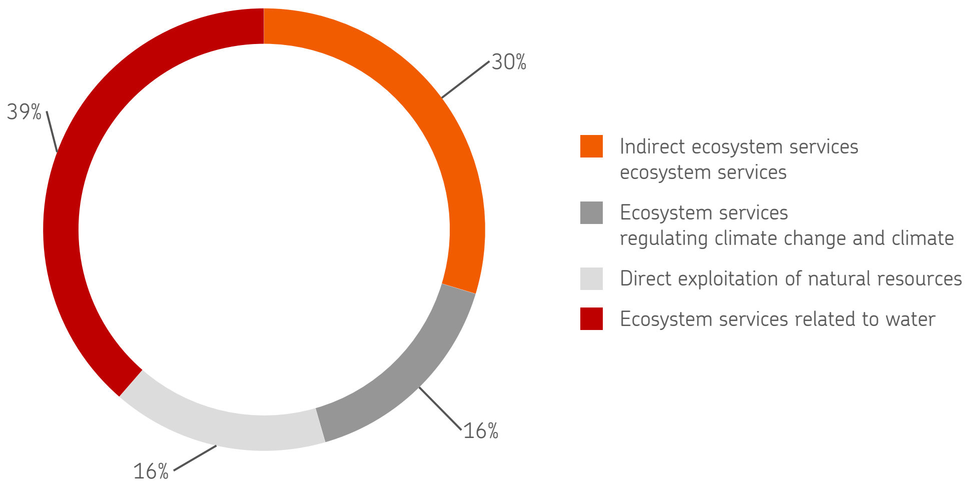
Weighting of nature risks, by sector, associated with direct equity and fixed income investments made through OP Financial Group's mutual funds



Taking into consideration the shares of different sectors in all investing, the sectors that are the most material from the perspective of natural risks include different industries (ground and air transportation, electronics industry, mechanical industry), transportation and storage, electricity production and distribution, and water supply and waste management. This analysis does not cover financing sector investments, because the ENCORE tool is based on the direct dependencies and impacts in each sector.

When the results are analysed from the perspective of different ecosystem services, the dependencies of the investment options emphasise ecosystem services related to water and soil. Industrial sectors such as the pharmaceutical industry and mechanical industry are financially significant. At the same time, these sectors' dependency on the ecosystem services provided by water resources is high. Approximately a quarter of all investments target sectors which are either dependent or extremely dependent on the ecosystem services provided by water resources.

Assessments of the dependencies of Asset Management's investments on nature

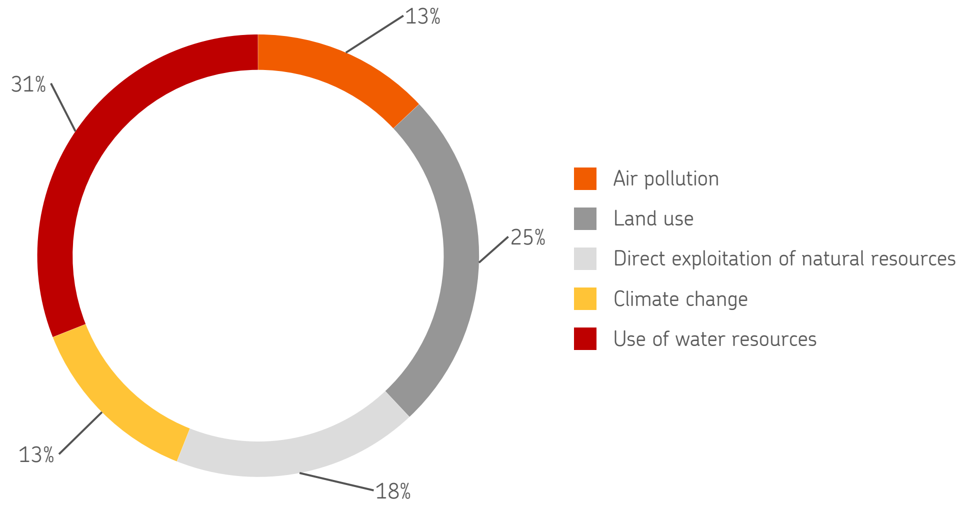


The harmful nature impacts of investments are pronounced in the use of water resources and in land use due to the share of different industrial sectors (electronic, mechanical and pharmaceutical industries) and telecommunications companies in the total investments.

About a third of the investments are in sectors which have a high or extremely high harmful impact on the use of water resources.

The following Figure shows the distribution of the impacts of OP Asset Management's investments with regard to the drivers of biodiversity loss.

Assessments of the impacts of Asset Management's investments on nature



Pohjola Insurance reviewed its biodiversity-related measures during the development of OP Financial Group's biodiversity roadmap. The insurance sector can have a positive impact on biodiversity and the mitigation of biodiversity loss by considering nature-positive impacts in insurance pricing and claims settlement, for example. Negative nature-related impacts can entail insuring or investing in companies that harm biodiversity and ecosystems. OP Financial Group's biodiversity roadmap also recognises the use of circular economy as a way to promote environmentally sustainable management of natural resources and to mitigate biodiversity loss. Biodiversity is also analysed in conjunction with circular economy perspectives. Measures related to circular economy are covered in greater detail in section E1 as part of actions related to climate change mitigation.

E5 Circular economy

As a result of the double materiality analysis, the sustainability theme E5 Circular economy was not material for OP Financial Group. OP Financial Group's own operations do not involve significant material flows. In the context of OP Financial Group's business operations, the circular economy has been assessed as part of insurance operations in particular. Insurance operations analyse the material flows related to compensating for losses to identify opportunities to reuse, repair, renovate or recycle goods and products. The analysis of impacts and opportunities related to the circular economy is specific to insurance line, because the partners' operating environment and the type of the loss to be covered vary in different loss events. OP Financial Group regularly surveys customers' attitudes towards sustainability and how responsible they view OP Financial Group's operations. Among other things, the customer survey looks at customers' views on the use of recycled parts and products in claims as well as their readiness in property damage to accept a used product as a replacement of a damaged one.

OP Financial Group has not organised hearings concerning the circular economy.

G1 Business conduct

The material impacts, risks and opportunities related to business conduct have been assessed broadly in OP Financial Group's sector – banking, insurance and investment – in the Group's operating area of Finland and the Baltic countries. The impacts, risks and opportunities related to business conduct were identified, for example, through wellbeing at work surveys and assessments conducted in procurement of the risks and sustainability themes potentially involved in the service being procured and the potential supplier.

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

OP Financial Group's reportable datapoints were identified by specialists comparing the datapoints with material impacts, risks and opportunities. The comparison considered the needs of the report users.

The Table of Contents below describes the location of each ESRS Disclosure Requirement in the report.

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Board gender diversity paragraph 21 (d)	85	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	85			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	90	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	not reported	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information about Environmental risk and Table 2: Qualitative information about Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	not reported	Indicator number 9 Table #2 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	not reported	Indicator number 14 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1818 (7), Article 12(1), Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	not reported			Commission Delegated Regulation (EU) 2020/1818, Article 12(1), Commission Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	267				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	267		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emissions reduction targets paragraph 34	268	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: Alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	not reported	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	278	Indicator number 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	not reported	Indicator number 6 Table #1 of Annex 1			

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	279	Indicators number 1 and number 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	282	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: Alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56	not material				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	not reported in the first year			Commission Delegated Regulation (EU) 2020/1818, Annex II; Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	not reported in the first year		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk		

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	not reported in the first year		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	not reported in the first year			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	not material	Indicator number 8 Table #1 of Annex 1, Indicators number 1, 2 and 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	not material	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	not material	Indicator number 8 Table #2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	not material	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	not material	Indicator number 6.2 Table #2 of Annex 1			

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E3-4 Total water consumption in cubic metres per net revenue on own operations paragraph 29	not material	Indicator number 6.1 Table #2 of Annex 1			
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	99	Indicator number 7 Table #1 of Annex 1			
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	99	Indicator number 10 Table #2 of Annex 1			
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	99	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	291	Indicator number 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	291	Indicator number 12 Table #2 of Annex 1			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	291	Indicator number 15 Table #2 of Annex 1			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	not material	Indicator number 13 Table #2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	not material	Indicator number 9 Table #1 of Annex 1			
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	294	Indicator number 13 Table #3 of Annex I			

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	294	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy commitments paragraph 20	297	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21	297			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	297	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	299	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 Grievance/complaint handling mechanisms paragraph 32 (c)	300	Indicator number 5 Table #3 of Annex I			
ESRS S1-14 Number of fatalities, and number and rate of work-related accidents paragraph 88 (b) and (c)	309	Indicator number 2 Table #3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	309	Indicator number 3 Table #3 of Annex I			

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	310	Indicator number 12 Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	310	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	310	Indicator number 7 Table #3 of Annex I			
ESRS S1-17 Non-compliance with UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	not reported	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818 Article 12 (1)	
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	311	Indicators number 12 and number 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	312	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers paragraph 18	312	Indicator number 11 and number 4 Table #3 of Annex 1			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	312	Indicator number 10 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818 Article 12 (1)	

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 19	312			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	316	Indicator number 14 Table #3 of Annex 1			
ESRS S3-1 Human rights policy commitments paragraph 16	318	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			
ESRS S3-1 Non-rescpect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	318	Indicator number 10 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818 Article 12 (1)	
ESRS S3-4 Human rights issues and incidents paragraph 36	319	Indicator number 14 Table #3 of Annex 1			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	322	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	323	Indicator number 10 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818 Article 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	327	Indicator number 14 Table #3 of Annex 1			

Disclosure requirement and the related datapoint	Page number	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	332	Indicator number 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	333	Indicator number 6 Table #3 of Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery paragraph 24 (a)	334	Indicator number 17 Table #3 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	334	Indicator number 16 Table #3 of Annex 1			

Environmental information

EU Taxonomy

EU Taxonomy – Environmentally sustainable economic activities

The aim of the EU Taxonomy for sustainable finance (Taxonomy Regulation EU/2020/852) that entered into force in 2021 is to define the sustainability of financial and investment instruments. For the years 2021 and 2022, the financing sector reported on Taxonomy eligibility, and in 2023, key performance indicators (KPIs) related to Taxonomy alignment were reported for the first time using the templates required by the regulation. Separate reporting guidelines have been issued for credit institutions, asset managers, investment firms and insurance institutions. Since OP Financial Group engages in investment operations worldwide, a significant part of its investments does not fall within the scope of EU Taxonomy reporting.

Regarding 2024, Taxonomy alignment is reported for climate change mitigation and adaptation, while Taxonomy eligibility is reported for the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. An important KPI is the Green Asset Ratio (GAR), which indicates the proportion of Taxonomy-aligned assets of the credit institution's total assets. The Green Asset Ratio (GAR) of OP Financial Group's loan portfolio was 6.6 per cent, based on the counterparties' turnover KPI, and 7.1 per cent, based on counterparties' capital expenditure (CapEx) KPI.

OP Financial Group constantly assesses the impacts of the EU Taxonomy on the Group, its strategy and customers. The Group guides its customers in preparing for and adapting to the various effects of climate change and the related risks. The Group is monitoring developments in sustainable finance regulation and the EU Taxonomy because they will change the business environment and the conditions for success.

At the end of 2024, the KPIs indicating the Taxonomy alignment of OP Financial Group were 5.2 per cent based on turnover and 5.6 per cent based on capital expenditure. OP Financial Group's KPIs are calculated as weighted averages of the KPIs of business segments (credit institutions, insurance companies, investment managers and investment firms).

The Taxonomy data on corporate financing exposures has been collected from the public 2023 annual reports of companies within the scope of reporting in 2024. OP Financial Group's corporate financing Taxonomy alignment ratios have been formed based on this data in accordance with the EU Taxonomy regulation.

Overall, the Taxonomy-aligned proportion of OP Financial Group's corporate customers, other than financial sector companies, based on turnover increased slightly from the previous year, while the Taxonomy-aligned share based on capital expenditure decreased slightly. Nevertheless, the Taxonomy-aligned proportion remained at a slightly higher level than expected in 2024. Most of the Taxonomy-aligned activities supported the Taxonomy's climate change mitigation targets, while support for climate change adaptation targets remained at a low level. Most of the Taxonomy-aligned turnover and capital expenditure were generated in electricity production and the real estate sector.

Compared to the previous year, Taxonomy eligibility increased in relation to Taxonomy alignment mainly because 2024 was the first year in which corporate customers reported their eligibility also for the Taxonomy's other four environmental targets apart from climate change. Of these, the transition to a circular economy and pollution prevention and control were the most typical objectives under which the companies' eligible activities came.

In corporate financing, OP Financial Group analyses and monitors the development of companies' Taxonomy alignment and market developments in the use of the Taxonomy. According to market practice, sustainable financing criteria increasingly comprises criteria applicable to the EU Taxonomy. Meanwhile, OP Financial Group is prepared for the weight of Taxonomy-aligned economic activities possibly increasing in the future. The group of companies under the scope of EU Taxonomy reporting obligations will increase due to the wider scope of application of the Corporate Sustainability Reporting Directive (CSRD), and the proportion of OP Financial Group's Taxonomy-aligned activities is thus also expected to increase.

Regarding home loans granted to households, OP Financial Group monitors the realisation of substantial contributions to climate change mitigation – in other words, criteria based on the energy efficiency of financed homes – by using data from the energy performance certificate database maintained by the Housing Finance and Development Centre of Finland (Ara). Energy performance certificate data for homes financed by OP Financial Group has been combined using several methods. The realisation of these substantial contribution criteria is assessed in relation to national threshold values calculated based on the Taxonomy. The Taxonomy-aligned home loan portfolio reported for 2024 increased by approximately 9 per cent, mainly due to expanded data coverage. Energy performance certificate data cannot be connected to all financed homes. One of the reasons for this is that an energy performance certificate is unavailable for all buildings. The criteria for substantial contribution are not met for these financed homes. In addition, OP Financial Group has assessed the physical climate risks of home loans. Taxonomy alignment reporting includes assets that do not involve substantial physical climate risks based on the assessment. Financed homes that meet the criteria for providing a substantial contribution and are not exposed to significant physical climate risks such as flooding are considered Taxonomy-aligned.

OP Financial Group is the market leader in home loans in Finland. OP Financial Group member cooperative banks finance home loans extensively across Finland. OP Financial Group encourages measures that improve the energy efficiency of homes all over Finland. To achieve the common objectives, measures are needed in both growth centres and other regions. OP Financial Group monitors the development of market practices related to the Taxonomy and green loans, and assesses their impact in its product development. In 2024, OP Financial Group developed a product for the energy renovation of one- or two-family houses, which pays attention to the Taxonomy's substantial contribution criteria concerning climate change mitigation.

Vehicle loans and a part of home improvement loans are Taxonomy-eligible, but the data on Taxonomy alignment is insufficient in certain areas. More information about the Taxonomy eligibility of OP Financial Group's vehicle and home improvement loans can be found in the section "Voluntary information supplementing Taxonomy reporting".

Taxonomy reporting on OP Financial Group's investment activities (including investment services and Asset Management's investments) uses reported Taxonomy data from the previous financial year of investee companies that fall within the scope of regulations. The data is collected by an external service provider, and covers all equity and fixed income investments in these companies. The data service provider has collected the data as it is reported by companies, so any deficiencies in the templates reported by companies will have a direct impact on certain calculation charts and results. In addition, Taxonomy alignment data by an external service provider is used in investment activities as part of the sustainable investment analysis model, which identifies activities that are in line with the EU Taxonomy as positive environmental objectives. The data is also reported to OP Financial Group's customers. Using the analysis model, a minimum allocation of Taxonomy-aligned investments has been set for some investment funds.

Economic activities related to climate change mitigation are emphasised in Taxonomy-alignment calculations. The Taxonomy alignment calculations of real estate investment assets are based on a Taxonomy analysis by a service provider. The calculations take combined assets under management into account for those Taxonomy-aligned properties that have generated rental income, and for which investments have been made in the form of capital expenditure. The analyses are based on the Taxonomy's technical screening criteria for climate change mitigation.

In 2024, the Taxonomy alignment of asset management decreased from the previous year due to the sale of real estate and changes in real estate valuations. Taxonomy alignment increased slightly in other asset classes with the expansion of reporting obligations.

In the EU Taxonomy, non-life insurance and reinsurance for climate-related perils are considered activities contributing to climate change adaptation. Climate change adaptation means preparing for the consequences of climate change. The provision of insurance services concerning the underwriting of climate-related perils qualifies as a Taxonomy-eligible activity in accordance with category 10.1 of the Delegated Regulation.

In the past, Pohjola Insurance has calculated the proportion of Taxonomy-eligible activities in accordance with the interpretation generally adopted in the industry. According to the interpretation, Taxonomy-eligible insurance activities are considered to include the insurance product's overall premiums written if the insurance product belongs to the insurance lines listed in the Regulation and covers climate-related damage. Section 67 of the Commission Notice of 8 November 2024 specifies that Taxonomy-eligible premiums written only encompass insurance activities that cover climate-related perils. After the publication of the Commission Notice on 8 November 2024, Pohjola Insurance updated its calculation and disclosure of Taxonomy eligibility for 2024 in line with the Notice. Pohjola Insurance's disclosed Taxonomy-eligible insurance revenue for 2024 is 3.6 per cent of overall insurance revenue.

As of 2024, due to the change in the calculation method, Pohjola Insurance will disclose the proportion of insurance revenue pertaining to the coverage of the climate perils specified in Annex A of the Delegated Regulation (EU) 2021/2139 as Taxonomy-eligible for the following insurance lines: motor liability insurance; other motor insurance; marine, aviation and transport insurance, excluding luggage; fire and other damage to property insurance. Pohjola Insurance does not disclose personal insurance (medical expenses, loss of income and workers' compensation) or assumed reinsurance as Taxonomy-eligible, because their insurance revenue pertaining to climate perils cannot be determined sufficiently accurately. As insurance premiums related to life insurance and general liability insurance, interruption insurance, and legal expenses insurance are not included in the insurance activities described in the Taxonomy, they are not Taxonomy-eligible. The proportion related to climate perils is determined based on the methods the company uses in pricing processes.

In accordance with Article 6 of the Delegated Regulation on the disclosure obligation, insurance and reinsurance undertakings must disclose the information specified in Annex IX and present it in tabular form using the template set out in Annex X of the Regulation. IThe Taxonomy KPI related to non-life insurance activities is gross written premiums, in which regard the Taxonomy Regulation departs from the reporting requirements of other financial undertakings and is not based on the the Taxonomy reporting of companies under the scope of the Taxonomy Regulation. As of the reporting year 2024, the Taxonomy's KPI will be disclosed based on insurance revenue determined in accordance with the IFRS 17 standard. In previous years, the calculation was based on premiums written determined in accordance with the IFRS 4 standard.

The Taxonomy-aligned insurance revenue of non-life insurance must meet all the technical screening criteria specified for category 10.1 in the Delegated Regulation (EU) 2021/2139 for it to qualify as contributing to climate change adaptation. For 2024, Pohjola Insurance discloses 0 per cent of Taxonomy-aligned insurance revenue, as the screening criteria are not met in all respects. Development needs remain in criteria related to climate risk modelling and pricing, product design, and innovative insurance solutions. Pohjola Insurance's insurance products cover damage caused by physical climate risks, and the development of Taxonomy-aligned insurance activities was initiated in 2023. Pohjola Insurance has analysed the materiality of physical climate risks, assessing what financial impacts the climate threats identified as likely may have on insurance business. The insurance products support climate change adaptation, and climate risks and other factors set by the EU Taxonomy are thus considered in the company's product design. Climate risk modelling will continue to be developed, and the company will make more extensive use of the results of risk models in its economic activities and product development.

Voluntary information supplementing Taxonomy reporting

Based on the Taxonomy regulation applied to the financial sector, OP Financial Group discloses voluntary information as part of Taxonomy reporting. At the end of 2024, OP Financial Group had issued around 2,420 million euros in Taxonomy-eligible motor vehicle loans to households, of which 36 per cent (€873 million) contributed substantially to climate change mitigation. However, these were not classified as Taxonomy-aligned economic activities, as based on the data available at the end of 2024, it was impossible to demonstrate that they met all the “do no significant harm” criteria of the Climate Delegated Act (EU 2021/2139) of the Taxonomy in terms of rolling noise requirements and rolling resistance coefficient of tyres in the respective energy efficiency classes, as well as in terms of the sound level of motor vehicles and replacement silencing systems.

Compared to the situation at the end of 2023, loans contributing substantially to climate change mitigation increased by 55% year-over-year, or considerably more than Taxonomy-eligible motor vehicle loans overall (33 per cent).

According to registration data from the Finnish Transport and Communications Agency Traficom, with a market share of 24.5 per cent, OP Financial Group is the market leader in the financing of low-emission passenger cars among companies engaged in financing and leasing activities, thus enabling more and more customers to transition to low-emission driving. OP has further strengthened its robust market share by three percentage points since the end of 2023. A low-emission vehicle is defined according to the technical screening criteria for substantial contributions to climate change mitigation, as described in section 6.5 of the Climate Delegated Act.

At the end of 2024, OP Financial Group had issued around 131 million euros in taxonomy-eligible home improvement loans to households, of which 45 per cent (€59 million) contributed substantially to climate change mitigation (solar panels). However, these were not classified as Taxonomy-aligned economic activities, as based on the data available at the end of 2024, it was impossible to demonstrate that they met all the “do no significant harm” criteria of the Climate Delegated Act (EU 2021/2139). For Taxonomy-eligible home improvement loans other than investments in solar panels, such as ground source heat pumps, obtaining the data required by the Taxonomy's screening criteria proved difficult.

Taxonomy-eligible home improvement loans were nearly equal to those at the end of 2023. The proportional share of loans making a substantial contribution to climate change mitigation remained unchanged.

EU Taxonomy

EU Taxonomy – Information about environmentally sustainable economic activities

Disclosure of information required under Article 8 of the Regulation (EU) 2020/852 (asset managers)

OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd

All monetary values are reported in MEUR.

	KPI type	The proportion in all assets covered by the KPI	Value
Investments that are directed at funding, or are associated with Taxonomy-aligned economic activities	Turnover-based	7.2%	2,035
	Capital expenditures-based	6.0%	1,703

	The proportion in all investments (all assets under management)	Value
Assets covered by the KPI, excluding investments in public entities	93%	28,200

Additional, complementary disclosures: breakdown of denominator of the KPI

Counterparty type			The proportion in all assets covered by the KPI	Value
Derivatives			-0.1%	-31
Companies not covered by Articles 19a and 29a of Directive 2013/34/EU	EU	Non-financial undertakings	4.7%	1,321
		Financial undertakings	3.9%	1,093
	External to the EU	Non-financial undertakings	39.3%	11,086
		Financial undertakings	10.3%	2,910
Companies covered by Articles 19a and 29a of Directive 2013/34/EU		Non-financial undertakings	15.6%	4,387
		Financial undertakings	6.0%	1,686
Other counterparties and assets			20.4%	5,744
Investment type		**KPI type**	**The proportion in all assets covered by the KPI**	**Value**
Investments used to finance Taxonomy-non-eligible economic activities		Turnover-based	83.3%	23,480
		Capital expenditures-based	82.6%	23,288
Investments used to finance Taxonomy-eligible but not Taxonomy-aligned economic activities		Turnover-based	9.5%	2,685
		Capital expenditures-based	11.4%	3,209

The table is divided into two pages

EU Taxonomy – Information about environmentally sustainable economic activities

Disclosure of information required under Article 8 of the Regulation (EU) 2020/852 (asset managers)

OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd

All monetary values are reported in MEUR.

Additional, complementary disclosures: breakdown of numerator of the KPI

Counterparty type		KPI type	Taxonomy-aligned exposures: The proportion in all assets covered by the KPI	Taxonomy-aligned exposures: Value
Companies covered by Articles 19a and 29a of Directive 2013/34/EU	Non-financial undertakings	Turnover-based	1.4%	398
		Capital expenditures-based	2.2%	607
	Financial undertakings	Turnover-based	0.1%	35
		Capital expenditures-based	0.2%	57
Other counterparties and exposure types		Turnover-based	5.7%	1,602
		Capital expenditures-based	3.7%	1,039

Breakdown of numerator of the KPI by environmental objective

Environmental objective	KPI type	Taxonomy-aligned activities: The proportion in all assets covered by the KPI	Taxonomy-aligned activities: Transitional activities	Taxonomy-aligned activities: Enabling activities
Climate Change Mitigation (CCM)	Turnover-based	7.3%	7.3%	0.8%
	Capital expenditures-based	6.0%	6.0%	1.0%
Climate Change Adaptation (CCA)	Turnover-based	0.1%		0.1%
	Capital expenditures-based	0.1%		0.2%
Water and Marine Resources (WTR)	Turnover-based			
	Capital expenditures-based			
Circular economy (CE)	Turnover-based			
	Capital expenditures-based			
Pollution (PPC)	Turnover-based			
	Capital expenditures-based			
Biodiversity and ecosystems (BIO)	Turnover-based			
	Capital expenditures-based			

The table is divided into two pages

0. Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

OP Amalgamation

All monetary values are reported in € million.

		Total environmentally sustainable assets	KPI (1)	KPI (2)	% coverage (over total assets) (3)	Percentage of assets excluded from the numerator of the GAR (Article 7(2) and (3) and section 1.1.2 of Annex V)	Percentage of assets excluded from the denominator of the GAR (Article 7(1) and section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	7,382	6.6%	7.1%	80.4%	55.6%	19.6%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	Percentage of assets excluded from the numerator of the GAR (Article 7(2) and (3) and section 1.1.2 of Annex V)	Percentage of assets excluded from the denominator of the GAR (Article 7(1) and section 1.2.4 of Annex V)
Complementary KPIs (4)	GAR (flow of loans)	1,206	6.8%	7.0%	48.1%	74.9%	51.9%
	Financial guarantees	31	14.3%	43.3%			
	Assets under management	2,757	7.1%	4.9%			

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	61,972	49,779	7,360	6,062	606	154	49	13		13	1			
2	Financial undertakings	7,125	2,404	101		4	2	8	0		0				
3	Credit institutions	5,037	1,406	101		4	2	8	0		0				
4	Loans and advances	13	0	0		0	0	0	0						
5	Debt securities, including UoP	5,024	1,406	101		4	2	8	0		0				
6	Equity instruments														
7	Other financial corporations	2,088	999					0	0						
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
15	Equity instruments														
16	of which insurance undertakings	2,076	999												
17	Loans and advances	0													
18	Debt securities, including UoP														
19	Equity instruments	2,075	999												
20	Non-financial undertakings	7,439	2,574	1,197		602	151	41	13		13	1			
21	Loans and advances	7,183	2,437	1,113		535	148	39	12		12	1			
22	Debt securities, including UoP	256	137	84		67	3	1	1		1				
23	Equity instruments	1													
24	Households	47,408	44,801	6,062	6,062										
25	of which loans collateralised by residential immovable property	44,478	42,129	6,062	6,062										
26	of which building renovation loans	2,105	1,859												
27	of which motor vehicle loans	2,674	2,421												
28	Local governments financing														
29	Housing financing														
30	Other local government financing														
31	Collateral obtained by taking possession: residential and commercial immovable properties	0													
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	50,159													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
33	Financial and Non-financial undertakings	38,201													
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	35,095													
35	Loans and advances	32,819													
36	of which loans collateralised by commercial immovable property	8,730													
37	of which building renovation loans	3,147													
38	Debt securities	2,015													
39	Equity instruments	261													
40	Non-EU country counterparties not subject to CSRD disclosure obligations	3,107													
41	Loans and advances	662													
42	Debt securities	2,445													
43	Equity instruments														
44	Derivatives	681													
45	On demand interbank loans	121													
46	Cash and cash-related assets	209													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	10,946													
48	Total GAR assets	112,130	49,779	7,360	6,062	606	154	49	13		13	1			
49	Assets not covered for GAR calculation	27,297													
50	Central governments and Supranational issuers	6,750													
51	Central banks exposure	18,470													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
52	Trading book	2,077													
53	Total assets	139,427	49,779	7,360	6,062	606	154	49	13		13	1			
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations															
54	Financial guarantees	214	38	31		0	22	0	0		0				
55	Assets under management	38,768	5,387	2,736		95	830	72	21		27	4	2,316		
56	of which debt securities	7,065	667	218		43	90	34	9		10	2	73		
57	of which equity instruments	16,779	1,052	233		30	140	32	8		13	2	203		

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	175				65				0				50,070	7,374	6,062	606	167
2	Financial undertakings	8				4								2,424	101		4	3
3	Credit institutions	8				4								1,426	101		4	3
4	Loans and advances													0	0		0	0
5	Debt securities, including UoP	8				4								1,426	101		4	3
6	Equity instruments																	
7	Other financial corporations													999	0			
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies																	
13	Loans and advances																	
14	Debt securities, including UoP																	
15	Equity instruments																	
16	of which insurance undertakings													999	0			

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
17	Loans and advances													0	0			
18	Debt securities, including UoP																	
19	Equity instruments													999				
20	Non-financial undertakings	167				61				0				2,844	1,210		602	164
21	Loans and advances	159				61				0				2,698	1,125		535	160
22	Debt securities, including UoP	8												146	85		67	4
23	Equity instruments																	
24	Households													44,801	6,062	6,062		
25	of which loans collateralised by residential immovable property													42,129	6,062	6,062		
26	of which building renovation loans													1,859				
27	of which motor vehicle loans													2,421				
28	Local governments financing																	
29	Housing financing																	
30	Other local government financing																	
31	Collateral obtained by taking possession: residential and commercial immovable properties																	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																	
33	Financial and Non-financial undertakings																	

The table is divided into several pages

1. Assets for the calculation of GAR
OP Amalgamation
Based on turnover

€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Disclosure reference date T																
	Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – covered assets in both numerator and denominator																	
34 SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations																	
35 Loans and advances																	
36 immovable property																	
37 of which building renovation loans																	
38 Debt securities																	
39 Equity instruments																	
40 Non-EU country counterparties not subject to CSRD disclosure obligations																	
41 Loans and advances																	
42 Debt securities																	
43 Equity instruments																	
44 Derivatives																	
45 On demand interbank loans																	
46 Cash and cash-related assets																	
47 Other categories of assets (e.g. Goodwill, commodities etc.)																	
48 Total GAR assets	175				65				0				50,070	7,374	6,062	606	167
49 Assets not covered for GAR calculation																	
50 Central governments and Supranational issuers																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Disclosure reference date T																
	Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – covered assets in both numerator and denominator																	
51 Central banks exposure																	
52 Trading book																	
53 Total assets	175				65				0				50,070	7,374	6,062	606	167
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations																	
54 Financial guarantees	0												38	31		0	22
55 Assets under management		181				7	7,966	2,757		95	857	34,404	4,633	2,931		69	972
56 of which debt securities		39				1	816	227		43	90	6,464	356	117		11	43
57 of which equity instruments		92				6	1,386	241		30	138	21,781	1,657	1,098		58	930

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Total gross carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	60,422	49,294	6,656	5,567	631	178	42	24		20				
2	Financial undertakings	6,534	2,191												
3	Credit institutions	4,282	1,166												
4	Loans and advances	8	0												
5	Debt securities, including UoP	4,274	1,166												
6	Equity instruments														
7	Other financial corporations	2,252	1,025												
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies	140	19												
13	Loans and advances	140	19												
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	2,077	1,006												
17	Loans and advances	0	0												

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
	Disclosure reference date T-1													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
	Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – covered assets in both numerator and denominator														
18 Debt securities, including UoP														
19 Equity instruments	2,077	1,006												
20 Non-financial undertakings	7,063	2,325	1,089		631	178	42	24		20				
21 Loans and advances	6,678	2,173	979		567	139	39	22		18				
22 Debt securities, including UoP	384	152	110		64	39	4	2		2				
23 Equity instruments	1													
24 Households	46,825	44,778	5,567	5,567										
25 of which loans collateralised by residential immovable property	44,509	42,696	5,567	5,567										
26 of which building renovation loans	2,248	2,032												
27 of which motor vehicle loans	2,019	1,816												
28 Local governments financing														
29 Housing financing														
30 Other local government financing														
31 Collateral obtained by taking possession: residential and commercial immovable properties	0													
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	52,056													
33 Financial and Non-financial undertakings	39,188													
34 SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	36,407													
35 Loans and advances	34,205													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Total gross carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
36	of which loans collateralised by commercial immovable property	9,231													
37	of which building renovation loans	2,937													
38	Debt securities	1,934													
39	Equity instruments	269													
40	Non-EU country counterparties not subject to CSRD disclosure obligations	2,781													
41	Loans and advances	538													
42	Debt securities	2,243													
43	Equity instruments														
44	Derivatives	1,227													
45	On demand interbank loans	195													
46	Cash and cash-related assets	160													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	11,286													
48	Total GAR assets	112,479	49,294	6,656	5,567	631	178	42	24		20				
49	Assets not covered for GAR calculation	28,030													
50	Central governments and Supranational issuers	5,343													
51	Central banks exposure	20,195													
52	Trading book	2,492													
53	Total assets	140,508	49,294	6,656	5,567	631	178	42	24		20				

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
	Disclosure reference date T-1													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which use of proceeds	Of which transition al	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – covered assets in both numerator and denominator														
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations														
54 Financial guarantees	201	31	9		1	6	8	8						
55 Assets under management	34,404	4,633	2,931		69	972	3	16		13				
56 of which debt securities	6,464	356	117		11	43		3		2				
57 of which equity instruments	21,781	1,657	1,098		58	930	3	12		11				

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													49,337	6,680	5,567	631	197
2	Financial undertakings													2,191				
3	Credit institutions													1,166				
4	Loans and advances													0				
5	Debt securities, including UoP													1,166				
6	Equity instruments																	
7	Other financial corporations													1,025				
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies													19				
13	Loans and advances													19				
14	Debt securities, including UoP																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	Disclosure reference date T-1																
	Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – covered assets in both numerator and denominator																	
15 Equity instruments																	
16 of which insurance undertakings													1,006				
17 Loans and advances													0				
18 Debt securities, including UoP																	
19 Equity instruments													1,006				
20 Non-financial undertakings													2,368	1,113		631	197
21 Loans and advances													2,212	1,001		567	156
22 Debt securities, including UoP													156	112		64	41
23 Equity instruments																	
24 Households													44,778	5,567	5,567		
25 of which loans collateralised by residential immovable property													42,696	5,567	5,567		
26 of which building renovation loans													2,032				
27 of which motor vehicle loans													1,816				
28 Local governments financing																	
29 Housing financing																	
30 Other local government financing																	
31 Collateral obtained by taking possession: residential and commercial immovable properties																	
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
33	Financial and Non-financial undertakings																	
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	
37	of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU country counterparties not subject to CSRD disclosure obligations																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. Goodwill, commodities etc.)																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on turnover

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
48	Total GAR assets													49,337	6,680	5,567	631	197
49	Assets not covered for GAR calculation																	
50	Central governments and Supranational issuers																	
51	Central banks exposure																	
52	Trading book																	
53	Total assets													49,337	6,680	5,567	631	197
	Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations																	
54	Financial guarantees													39	16		1	6
55	Assets under management													4,636	2,946		69	985
56	of which debt securities													356	120		11	45
57	of which equity instruments													1,660	1,110		58	940

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	61,972	50,221	7,888	6,062	414	129	81	2		1	1			
2	Financial undertakings	7,125	2,115	82		3	3	3	0		0				
3	Credit institutions	5,037	1,116	82		3	3	3	0		0				
4	Loans and advances	13	0	0		0	0	0	0						
5	Debt securities, including UoP	5,024	1,116	82		3	3	3	0		0				
6	Equity instruments														
7	Other financial corporations	2,088	999												
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
15	Equity instruments														
16	of which insurance undertakings	2,076	999												
17	Loans and advances	0													
18	Debt securities, including UoP														
19	Equity instruments	2,075	999												
20	Non-financial undertakings	7,439	3,306	1,744		411	127	78	2		1	1			
21	Loans and advances	7,183	3,173	1,654		353	125	77	2		1	1			
22	Debt securities, including UoP	256	132	89		58	1	0	0		0				
23	Equity instruments	1													
24	Households	47,408	44,801	6,062	6,062										
25	of which loans collateralised by residential immovable property	44,478	42,129	6,062	6,062										
26	of which building renovation loans	2,105	1,859												
27	of which motor vehicle loans	2,674	2,421												
28	Local governments financing														
29	Housing financing														
30	Other local government financing														
31	Collateral obtained by taking possession: residential and commercial immovable properties	0													
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	50,159													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
		Disclosure reference date T													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
33	Financial and Non-financial undertakings	38,201													
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	35,095													
35	Loans and advances	32,819													
36	of which loans collateralised by commercial immovable property	8,730													
37	of which building renovation loans	3,147													
38	Debt securities	2,015													
39	Equity instruments	261													
40	Non-EU country counterparties not subject to CSRD disclosure obligations	3,107													
41	Loans and advances	662													
42	Debt securities	2,445													
43	Equity instruments														
44	Derivatives	681													
45	On demand interbank loans	121													
46	Cash and cash-related assets	209													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	10,946													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

€ million	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	Disclosure reference date T													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – covered assets in both numerator and denominator														
48 Total GAR assets	112,130	50,221	7,888	6,062	414	129	81	2		1	1			
49 Assets not covered for GAR calculation	27,297													
50 Central governments and Supranational issuers	6,750													
51 Central banks exposure	18,470													
52 Trading book	2,077													
53 Total assets	139,427	50,221	7,888	6,062	414	129	81	2		1	1			
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations														
54 Financial guarantees	214	96	92		0	41	0	0		0				
55 Assets under management	38,768	5,519	1,878		107	351	93	35		55	7			
56 of which debt securities	7,065	719	340		50	129	53	27		25	3			
57 of which equity instruments	16,779	802	367		32	162	32	8		29	3			

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	92				58				0				50,454	7,890	6,062	414	131
2	Financial undertakings													2,117	82		3	3
3	Credit institutions													1,119	82		3	3
4	Loans and advances													0	0		0	0
5	Debt securities, including UoP													1,119	82		3	3
6	Equity instruments																	
7	Other financial corporations													999				
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies																	
13	Loans and advances																	
14	Debt securities, including UoP																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
15	Equity instruments																	
16	of which insurance undertakings													999				
17	Loans and advances																	
18	Debt securities, including UoP																	
19	Equity instruments													999				
20	Non-financial undertakings	92				58				0				3,535	1,745		411	128
21	Loans and advances	86				58				0				3,396	1,656		353	126
22	Debt securities, including UoP	6												139	89		58	2
23	Equity instruments																	
24	Households													44,801	6,062	6,062		
25	of which loans collateralised by residential immovable property													42,129	6,062	6,062		
26	of which building renovation loans													1,859				
27	of which motor vehicle loans													2,421				
28	Local governments financing																	
29	Housing financing																	
30	Other local government financing																	
31	Collateral obtained by taking possession: residential and commercial immovable properties																	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																	

The table is divided into several pages

1. Assets for the calculation of GAR
OP Amalgamation
Based on capital expenditure

	€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
33	Financial and Non-financial undertakings																	
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	
37	of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU country counterparties not subject to CSRD disclosure obligations																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
45	On demand interbank loans																	
46	Cash and cash-related assets																	
47	Other categories of assets (e.g. Goodwill, commodities etc.)																	
48	Total GAR assets	92				58				0				50,454	7,890	6,062	414	131

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

€ million	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Disclosure reference date T																
	Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – covered assets in both numerator and denominator																	
49 Assets not covered for GAR calculation																	
50 Central governments and Supranational issuers																	
51 Central banks exposure																	
52 Trading book																	
53 Total assets	92				58				0				50,454	7,890	6,062	414	131
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations																	
54 Financial guarantees	0												97	92		0	41
55 Assets under management	231				143				3				6,679	1,909		108	344
56 of which debt securities	64				28				1				976	340		50	129
57 of which equity instruments	115				74				2				1,433	377		32	155

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The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	60,422	50,334	7,354	5,567	628	219	57	19		4				
2	Financial undertakings	6,534	2,129												
3	Credit institutions	4,282	1,104												
4	Loans and advances	8	0												
5	Debt securities, including UoP	4,274	1,104												
6	Equity instruments														
7	Other financial corporations	2,252	1,025												
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies	140	19												
13	Loans and advances	140	19												
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings	2,077	1,006												

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
17	Loans and advances	0	0												
18	Debt securities, including UoP														
19	Equity instruments	2,077	1,006												
20	Non-financial undertakings	7,063	3,427	1,787		628	219	57	19		4				
21	Loans and advances	6,678	3,247	1,654		561	169	54	18		4				
22	Debt securities, including UoP	384	180	133		67	50	3	0		0				
23	Equity instruments	1													
24	Households	46,825	44,778	5,567	5,567										
25	of which loans collateralised by residential immovable property	44,509	42,696	5,567	5,567										
26	of which building renovation loans	2,248	2,032												
27	of which motor vehicle loans	2,019	1,816												
28	Local governments financing														
29	Housing financing														
30	Other local government financing														
31	Collateral obtained by taking possession: residential and commercial immovable properties	0													
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	52,056													
33	Financial and Non-financial undertakings	39,188													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations	36,407													
35	Loans and advances	34,205													
36	of which loans collateralised by commercial immovable property	9,231													
37	of which building renovation loans	2,937													
38	Debt securities	1,934													
39	Equity instruments	269													
40	Non-EU country counterparties not subject to CSRD disclosure obligations	2,781													
41	Loans and advances	538													
42	Debt securities	2,243													
43	Equity instruments														
44	Derivatives	1,227													
45	On demand interbank loans	195													
46	Cash and cash-related assets	160													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	11,286													
48	Total GAR assets	112,479	50,334	7,354	5,567	628	219	57	19		4				
49	Assets not covered for GAR calculation	28,030													
50	Central governments and Supranational issuers	5,343													

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at
		Disclosure reference date T-1													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator														
51	Central banks exposure	20,195													
52	Trading book	2,492													
53	Total assets	140,508	50,334	7,354	5,567	628	219	57	19		4				
Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations															
54	Financial guarantees	201	66	52		3	24	34	34						
55	Assets under management	34,404	5,890	1,376		68	260	0	16		11				
56	of which debt securities	6,464	473	170		13	59		6		4				
57	of which equity instruments	21,781	2,798	547		55	201	0	9		7				

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													50,391	7,372	5,567	628	223
2	Financial undertakings													2,129				
3	Credit institutions													1,104				
4	Loans and advances													0				
5	Debt securities, including UoP													1,104				
6	Equity instruments																	
7	Other financial corporations													1,025				
8	of which investment firms																	
9	Loans and advances																	
10	Debt securities, including UoP																	
11	Equity instruments																	
12	of which management companies													19				
13	Loans and advances													19				
14	Debt securities, including UoP																	
15	Equity instruments																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

€ million		au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
16	of which insurance undertakings													1,006				
17	Loans and advances													0				
18	Debt securities, including UoP																	
19	Equity instruments													1,006				
20	Non-financial undertakings													3,484	1,806		628	223
21	Loans and advances													3,301	1,672		561	172
22	Debt securities, including UoP													183	133		67	51
23	Equity instruments																	
24	Households													44,778	5,567	5,567		
25	of which loans collateralised by residential immovable property													42,696	5,567	5,567		
26	of which building renovation loans													2,032				
27	of which motor vehicle loans													1,816				
28	Local governments financing																	
29	Housing financing																	
30	Other local government financing																	
31	Collateral obtained by taking possession: residential and commercial immovable properties																	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)																	
33	Financial and Non-financial undertakings																	

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
34	SMEs and NFCs (other than SMEs) not subject to CSRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	
37	of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU country counterparties not subject to CSRD disclosure obligations																	
41	Loans and advances																	
42	Debt securities																	
43	Equity instruments																	
44	Derivatives																	
	On demand interbank loans																	
45	Cash and cash-related assets																	
46	Other categories of assets (e.g. Goodwill, commodities etc.)																	
47	Total GAR assets																	
48	Assets not covered for GAR calculation													50,391	7,372	5,567	628	223

The table is divided into several pages

1. Assets for the calculation of GAR

OP Amalgamation

Based on capital expenditure

	€ million	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – covered assets in both numerator and denominator																	
49	Assets not covered for GAR calculation																	
50	Central governments and Supranational issuers																	
51	Central banks exposure																	
52	Trading book																	
53	Total assets													50,391	7,372	5,567	628	223
	Off-balance sheet exposures - Undertakings subject to CSRD disclosure obligations																	
54	Financial guarantees													100	86		3	24
55	Assets under management													5,890	1,392		68	271
56	of which debt securities													473	177		13	64
57	of which equity instruments													2,798	557		55	207

The columns aq–bf have not been included in the table, as they are associated with environmental objectives on the reference date T-1, for which no information about the Taxonomy eligibility or Taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	0812 Operation of gravel and sand pits; mining of clays and kaolin	0	0										
2	1031 Processing and preserving of potatoes	0											
3	1051 Operation of dairies and cheese making	0	0										
4	1089 Manufacture of other food products n.e.c.												
5	1101 Distilling, rectifying and blending of spirits	1											
6	1105 Manufacture of beer	0				0							
7	1610 Sawmilling and planing of wood	0	0										
8	1621 Manufacture of veneer sheets and wood-based panels	0	0										
9	1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0	0										
10	1711 Manufacture of pulp	1	0										
11	1712 Manufacture of paper and paperboard	20	16										
12	1721 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	0	0										
13	1812 Other printing	1				0							
14	1920 Manufacture of refined petroleum products	87	77										
15	2013 Manufacture of other inorganic basic chemicals	0	0										
16	2015 Manufacture of fertilisers and nitrogen compounds	0	0										
17	2059 Manufacture of other chemical products n.e.c.	0	0										

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
18	2120 Manufacture of pharmaceutical preparations												
19	2211 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	4	4										
20	2219 Manufacture of other rubber products	0	0										
21	2229 Manufacture of other plastic products	0											
22	2313 Manufacture of hollow glass	0	0			0							
23	2351 Manufacture of cement	0	0										
24	2361 Manufacture of concrete products for construction purposes	0	0										
25	2410 Manufacture of basic iron and steel and of ferro-alloys	137	88										
26	2511 Manufacture of metal structures and parts of structures	0	0										
27	2512 Manufacture of metal doors and windows	0	0										
28	2572 Manufacture of locks and hinges												
29	2573 Manufacture of tools	0	0										
30	2599 Manufacture of other fabricated metal products n.e.c.	0	0										
31	2611 Manufacture of electronic components	20	4										
32	2630 Manufacture of communication equipment	0	0										
33	2651 Manufacture of instruments and appliances for measuring, testing and navigation	0											
34	2660 Manufacture of irradiation, electromedical and electrotherapeutic equipment	0											
35	2711 Manufacture of electric motors, generators and transformers	2	0										
36	2712 Manufacture of electricity distribution and control apparatus	2											
37	2790 Manufacture of other electrical equipment	0	0										

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
38	2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	9											
39	2814 Manufacture of other taps and valves	0	0										
40	2822 Manufacture of lifting and handling equipment	43	36										
41	2824 Manufacture of power-driven hand tools												
42	2825 Manufacture of non-domestic cooling and ventilation equipment	0				0				0			
43	2829 Manufacture of other general-purpose machinery n.e.c.	0											
44	2830 Manufacture of agricultural and forestry machinery	0											
45	2849 Manufacture of other machine tools	1											
46	2892 Manufacture of machinery for mining, quarrying and construction	1	0										
47	2895 Manufacture of machinery for paper and paperboard production	1	1										
48	2899 Manufacture of other special-purpose machinery n.e.c.	0	0										
49	2910 Manufacture of motor vehicles	0	0										
50	2931 Manufacture of electrical and electronic equipment for motor vehicles	0											
51	3011 Building of ships and floating structures	0											
52	3030 Manufacture of air and spacecraft and related machinery	0	0			0							
53	3230 Manufacture of sports goods												
54	3312 Repair of machinery	3											

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
55	3315 Repair and maintenance of ships and boats	0											
56	3320 Installation of industrial machinery and equipment	0	0										
57	3511 Production of electricity	495	467										
58	3513 Distribution of electricity	0	0										
59	3514 Trade of electricity	169	163										
60	3522 Distribution of gaseous fuels through mains	1	0										
61	3530 Steam and air conditioning supply	2	1										
62	3700 Sewerage	0	0										
63	3811 Collection of non-hazardous waste	4	3							0			
64	3822 Treatment and disposal of hazardous waste	0	0										
65	4110 Development of building projects	157	11			1				0			
66	4120 Construction of residential and non-residential buildings	70	2			0				0			
67	4211 Construction of roads and motorways	7	1			0				0			
68	4222 Construction of utility projects for electricity and telecommunications	9	8										
69	4321 Electrical installation	0	0										
70	4322 Plumbing, heat and air-conditioning installation	0	0										
71	4511 Sale of cars and light motor vehicles	2	0										
72	4519 Sale of other motor vehicles	0	0										
73	4531 Wholesale trade of motor vehicle parts and accessories	1											

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
74	4532 Retail trade of motor vehicle parts and accessories	0	0										
75	4614 Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0	0							0			
76	4634 Wholesale of beverages	0											
77	4639 Non-specialised wholesale of food, beverages and tobacco	0	0										
78	4649 Wholesale of other household goods	0											
79	4651 Wholesale of computers, computer peripheral equipment and software	0											
80	4652 Wholesale of electronic and telecommunications equipment and parts	0											
81	4662 Wholesale of machine tools	0								0			
82	4663 Wholesale of mining, construction and civil engineering machinery	0	0										
83	4669 Wholesale of other machinery and equipment	1	0			0				0			
84	4671 Wholesale of solid, liquid and gaseous fuels and related products	2	2										
85	4674 Wholesale of hardware, plumbing, and heating equipment and supplies	0											
86	4676 Wholesale of other intermediate products	0	0										
87	4690 Non-specialised wholesale trade	1											
88	4730 Retail sale of automotive fuel in specialised stores	0	0										
89	4752 Retail sale of hardware, paints and glass in specialised stores	0											
90	5010 Sea and coastal passenger water transport	0											
91	5020 Sea and coastal freight water transport	15	2										

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
92	5110 Passenger air transport	6											
93	5224 Cargo handling	0	0										
94	5229 Other transportation support activities	0	0										
95	5320 Other postal and courier activities					2							
96	5510 Hotels and similar accommodation												
97	5813 Publishing of newspapers					15							
98	5814 Publishing of journals and periodicals					11	11						
99	6110 Wired telecommunications activities	0	0										
100	6120 Wireless telecommunications activities	2	0			2	2						
101	6201 Computer programming activities	0	0			0							
102	6202 Computer consultancy activities	3	3										
103	6203 Computer facilities management activities	35	0										
104	6312 Web portals	0				0							
105	6399 Other information service activities n.e.c.	0											
106	6420 Activities of holding companies	62	11							0			
107	6619 Other activities auxiliary to financial services, except insurance and pension funding					0							
108	6820 Renting and operating of own or leased real estate	952	210			0	0			0			
109	7010 Activities of head offices	158	39			0							
110	7022 Business and other management consultancy activities	53	44			7	0			0			
111	7112 Engineering activities and related technical consultancy	1	0			0	0			0			

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	i	j	k	l
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
	Breakdown by sector – NACE 4 digits level (code and label)	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
112	7312 Media representation	0				0							
113	7711 Renting and leasing of cars and light motor vehicle	28	1										
114	8010 Private security activities	1											
115	8110 Combined facilities support activities	0	0			0				0			
116	8121 General cleaning of buildings	0	0							0			
117	8219 Photocopying, document preparation and other specialised office support activities	1											
118	8299 Other business support service activities n.e.c.	0											
119	8622 Specialist medical practice activities					1							
120	8623 Dental practice activities	0											
121	8690 Other human health activities	0											
122	8730 Residential care activities for the elderly and disabled	0											

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	0812 Operation of gravel and sand pits; mining of clays and kaolin													0	0		
2	1031 Processing and preserving of potatoes					0								0			
3	1051 Operation of dairies and cheese making													0	0		
4	1089 Manufacture of other food products n.e.c.									0				0			
5	1101 Distilling, rectifying and blending of spirits													1			
6	1105 Manufacture of beer													0			
7	1610 Sawmilling and planing of wood													0	0		
8	1621 Manufacture of veneer sheets and wood-based panels													0	0		
9	1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0												0	0		
10	1711 Manufacture of pulp													1	0		
11	1712 Manufacture of paper and paperboard													20	16		
12	1721 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard													0	0		
13	1812 Other printing													1			

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
14	1920 Manufacture of refined petroleum products													87	77		
15	2013 Manufacture of other inorganic basic chemicals													0	0		
16	2015 Manufacture of fertilisers and nitrogen compounds													0	0		
17	2059 Manufacture of other chemical products n.e.c.													0	0		
18	2120 Manufacture of pharmaceutical preparations					50								50			
19	2211 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	3												7	4		
20	2219 Manufacture of other rubber products	0												0	0		
21	2229 Manufacture of other plastic products	0												0			
22	2313 Manufacture of hollow glass	0												0	0		
23	2351 Manufacture of cement													0	0		
24	2361 Manufacture of concrete products for construction purposes													0	0		
25	2410 Manufacture of basic iron and steel and of ferro-alloys													137	88		

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
26	2511 Manufacture of metal structures and parts of structures													0	0		
27	2512 Manufacture of metal doors and windows													0	0		
28	2572 Manufacture of locks and hinges																
29	2573 Manufacture of tools													0	0		
30	2599 Manufacture of other fabricated metal products n.e.c.	0												0	0		
31	2611 Manufacture of electronic components	0												20	4		
32	2630 Manufacture of communication equipment	7												7	0		
33	2651 Manufacture of instruments and appliances for measuring, testing and navigation	0												1			
34	2660 Manufacture of irradiation, electromedical and electrotherapeutic equipment	1												1			
35	2711 Manufacture of electric motors, generators and transformers	1												3	0		
36	2712 Manufacture of electricity distribution and control apparatus													2			

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
37	2790 Manufacture of other electrical equipment													0	0		
38	2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines													9			
39	2814 Manufacture of other taps and valves	0												0	0		
40	2822 Manufacture of lifting and handling equipment	73												116	36		
41	2824 Manufacture of power-driven hand tools	0												0			
42	2825 Manufacture of non-domestic cooling and ventilation equipment	0												0			
43	2829 Manufacture of other general-purpose machinery n.e.c.													0			
44	2830 Manufacture of agricultural and forestry machinery	9												9			
45	2849 Manufacture of other machine tools													1			
46	2892 Manufacture of machinery for mining, quarrying and construction	1												2	0		
47	2895 Manufacture of machinery for paper and paperboard production	1												2	1		

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
48	2899 Manufacture of other special-purpose machinery n.e.c.	0												1	0		
49	2910 Manufacture of motor vehicles													0	0		
50	2931 Manufacture of electrical and electronic equipment for motor vehicles													0			
51	3011 Building of ships and floating structures													0			
52	3030 Manufacture of air and spacecraft and related machinery	0												0	0		
53	3230 Manufacture of sports goods	1												1			
54	3312 Repair of machinery													3			
55	3315 Repair and maintenance of ships and boats													0			
56	3320 Installation of industrial machinery and equipment	1												1	0		
57	3511 Production of electricity	4				9								509	467		
58	3513 Distribution of electricity													0	0		
59	3514 Trade of electricity	0				0								169	163		
60	3522 Distribution of gaseous fuels through mains	0												1	0		
61	3530 Steam and air conditioning supply													2	1		

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
62	3700 Sewerage													0	0		
63	3811 Collection of non-hazardous waste	6				2								11	3		
64	3822 Treatment and disposal of hazardous waste	0				0								0	0		
65	4110 Development of building projects	1				0								160	11		
66	4120 Construction of residential and non-residential buildings	0				0								70	2		
67	4211 Construction of roads and motorways	0				0								7	1		
68	4222 Construction of utility projects for electricity and telecommunications													9	8		
69	4321 Electrical installation	0												0	0		
70	4322 Plumbing, heat and air-conditioning installation													0	0		
71	4511 Sale of cars and light motor vehicles	0												3	0		
72	4519 Sale of other motor vehicles													0	0		
73	4531 Wholesale trade of motor vehicle parts and accessories													1			

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
74	4532 Retail trade of motor vehicle parts and accessories	0												0	0		
75	4614 Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0												1	0		
76	4634 Wholesale of beverages													0			
77	4639 Non-specialised wholesale of food, beverages and tobacco													0	0		
78	4649 Wholesale of other household goods	0												0			
79	4651 Wholesale of computers, computer peripheral equipment and software	0												0			
80	4652 Wholesale of electronic and telecommunications equipment and parts	0												0			
81	4662 Wholesale of machine tools	0												0			
82	4663 Wholesale of mining, construction and civil engineering machinery	0												0	0		
83	4669 Wholesale of other machinery and equipment	2												3	0		

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
84	4671 Wholesale of solid, liquid and gaseous fuels and related products	0												2	2		
85	4674 Wholesale of hardware, plumbing, and heating equipment and supplies	2												2			
86	4676 Wholesale of other intermediate products													0	0		
87	4690 Non-specialised wholesale trade	10												11			
88	4730 Retail sale of automotive fuel in specialised stores													0	0		
89	4752 Retail sale of hardware, paints and glass in specialised stores													0			
90	5010 Sea and coastal passenger water transport													0			
91	5020 Sea and coastal freight water transport													15	2		
92	5110 Passenger air transport													6			
93	5224 Cargo handling													0	0		
94	5229 Other transportation support activities													0	0		
95	5320 Other postal and courier activities													2			
96	5510 Hotels and similar accommodation									0				0			

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

	Breakdown by sector – NACE 4 digits level (code and label)	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
97	5813 Publishing of newspapers													15			
98	5814 Publishing of journals and periodicals													11	11		
99	6110 Wired telecommunications activities	1												1	0		
100	6120 Wireless telecommunications activities	4												9	3		
101	6201 Computer programming activities	0												0	0		
102	6202 Computer consultancy activities													3	3		
103	6203 Computer facilities management activities	3												38	0		
104	6312 Web portals													0			
105	6399 Other information service activities n.e.c.													0			
106	6420 Activities of holding companies	1				0								63	11		
107	6619 Other activities auxiliary to financial services, except insurance and pension funding													0			
108	6820 Renting and operating of own or leased real estate	7				0				0				959	210		
109	7010 Activities of head offices	23												181	39		

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2. GAR sector information

OP Amalgamation

Based on turnover

All monetary values are reported in € million.

		m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Breakdown by sector – NACE 4 digits level (code and label)	NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
110	7022 Business and other management consultancy activities	0				1				0				62	44		
111	7112 Engineering activities and related technical consultancy	1				0				0				2	0		
112	7312 Media representation													1			
113	7711 Renting and leasing of cars and light motor vehicle	2												30	1		
114	8010 Private security activities													1			
115	8110 Combined facilities support activities	0				0								0	0		
116	8121 General cleaning of buildings	0				0								0	0		
117	8219 Photocopying, document preparation and other specialised office support activities													1			
118	8299 Other business support service activities n.e.c.													0			
119	8622 Specialist medical practice activities													1			
120	8623 Dental practice activities													0			
121	8690 Other human health activities													0			
122	8730 Residential care activities for the elderly and disabled													0			

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2. GAR sector information

OP Amalgamation

Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
1	0146 Raising of swine/pigs	0											
2	0812 Operation of gravel and sand pits; mining of clays and kaolin	0	0										
3	0899 Other mining and quarrying n.e.c.	0											
4	1013 Production of meat and poultry meat products	34											
5	1031 Processing and preserving of potatoes	0	0										
6	1051 Operation of dairies and cheese making	2	0										
7	1052 Manufacture of ice cream	0											
8	1085 Manufacture of prepared meals and dishes	0											
9	1089 Manufacture of other food products n.e.c.	0											
10	1101 Distilling, rectifying and blending of spirits	0											
11	1105 Manufacture of beer	0				0							
12	1610 Sawmilling and planing of wood	1	1										
13	1621 Manufacture of veneer sheets and wood-based panels	0	0										
14	1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0	0										
15	1711 Manufacture of pulp	40	36										
16	1712 Manufacture of paper and paperboard	32	28										
17	1721 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	0	0										
18	1812 Other printing	2											

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2. GAR sector information

OP Amalgamation

Based on capital expenditure

		a: Climate Change Mitigation (CCM) – NFCs subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (CCM)	NFCs not subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (CCM)	e: Climate Change Adaptation (CCA) – NFCs subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (CCA)	NFCs not subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (CCA)	i: Water and Marine Resources (WTR) – NFCs subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (WTR)	NFCs not subject to CSRD disclosure obligations – [Gross] carrying amount – EUR million	Of which environmentally sustainable (WTR)
19	1920 Manufacture of refined petroleum products	208	183										
20	2013 Manufacture of other inorganic basic chemicals	0											
21	2015 Manufacture of fertilisers and nitrogen compounds	1	0										
22	2059 Manufacture of other chemical products n.e.c.	1											
23	2120 Manufacture of pharmaceutical preparations												
24	2211 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	2	2										
25	2219 Manufacture of other rubber products	0	0										
26	2229 Manufacture of other plastic products	0											
27	2313 Manufacture of hollow glass	0	0										
28	2351 Manufacture of cement	0	0										
29	2361 Manufacture of concrete products for construction purposes	0											
30	2410 Manufacture of basic iron and steel and of ferro-alloys	136	59										
31	2443 Lead, zinc and tin production												
32	2444 Copper production	0	0										
33	2511 Manufacture of metal structures and parts of structures	0	0										
34	2512 Manufacture of metal doors and windows	0											
35	2572 Manufacture of locks and hinges												
36	2573 Manufacture of tools	0	0										
37	2599 Manufacture of other fabricated metal products n.e.c.	0	0										
38	2611 Manufacture of electronic components	16	2			1	1						

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CCM)	EUR million	Of which environmentally sustainable (CCM)	EUR million	Of which environmentally sustainable (CCA)	EUR million	Of which environmentally sustainable (CCA)	EUR million	Of which environmentally sustainable (WTR)	EUR million	Of which environmentally sustainable (WTR)
39	2630 Manufacture of communication equipment	1	0										
40	2651 Manufacture of instruments and appliances for measuring, testing and navigation	0											
41	2660 Manufacture of irradiation, electromedical and electrotherapeutic equipment					0							
42	2711 Manufacture of electric motors, generators and transformers	3	0										
43	2712 Manufacture of electricity distribution and control apparatus	3											
44	2790 Manufacture of other electrical equipment	0	0										
	The table is divided into several pages												
45	2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	12											
46	2814 Manufacture of other taps and valves	0	0										
47	2822 Manufacture of lifting and handling equipment	12	9										
48	2824 Manufacture of power-driven hand tools												
49	2825 Manufacture of non-domestic cooling and ventilation equipment	0				0							
50	2829 Manufacture of other general-purpose machinery n.e.c.	0											
51	2830 Manufacture of agricultural and forestry machinery	4				18							
52	2849 Manufacture of other machine tools	1											
53	2892 Manufacture of machinery for mining, quarrying and construction	2	0										

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2. GAR sector information

OP Amalgamation

Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
54	2895 Manufacture of machinery for paper and paperboard production	0	0										
55	2899 Manufacture of other special-purpose machinery n.e.c.	1	0										
56	2910 Manufacture of motor vehicles	0	0										
57	2931 Manufacture of electrical and electronic equipment for motor vehicles	0											
58	3011 Building of ships and floating structures	0											
59	3030 Manufacture of air and spacecraft and related machinery	0	0										
60	3101 Manufacture of office and shop furniture	0											
61	3312 Repair of machinery	4											
62	3315 Repair and maintenance of ships and boats	0											
63	3320 Installation of industrial machinery and equipment	0	0										
64	3511 Production of electricity	555	524										
65	3513 Distribution of electricity	0	0										
66	3514 Trade of electricity	121	121										
67	3522 Distribution of gaseous fuels through mains	0	0										
68	3530 Steam and air conditioning supply	2	2										
69	3700 Sewerage	0	0										
70	3811 Collection of non-hazardous waste	3	3										
71	3822 Treatment and disposal of hazardous waste	0	0										

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
72	4110 Development of building projects	158	37			0							
73	4120 Construction of residential and non-residential buildings	20	3			0							
74	4211 Construction of roads and motorways	7	1			0							
75	4222 Construction of utility projects for electricity and telecommunications	10	9										
76	4321 Electrical installation	0											
77	4322 Plumbing, heat and air-conditioning installation	0											
78	4511 Sale of cars and light motor vehicles	4	0										
79	4519 Sale of other motor vehicles	0	0										
80	4531 Wholesale trade of motor vehicle parts and accessories	1											
81	4532 Retail trade of motor vehicle parts and accessories	0	0										
82	4614 Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0	0										
83	4634 Wholesale of beverages	0											
84	4639 Non-specialised wholesale of food, beverages and tobacco	0	0										
85	4649 Wholesale of other household goods	3	0										
86	4651 Wholesale of computers, computer peripheral equipment and software	2											
87	4652 Wholesale of electronic and telecommunications equipment and parts	0	0										

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OP Amalgamation
Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
88	4662 Wholesale of machine tools	0											
89	4663 Wholesale of mining, construction and civil engineering machinery	0	0										
90	4669 Wholesale of other machinery and equipment	1	0			0							
91	4671 Wholesale of solid, liquid and gaseous fuels and related products	6	5										
92	4672 Wholesale of metals and metal ores	1											
93	4673 Wholesale of wood, construction materials and sanitary equipment	0											
94	4674 Wholesale of hardware, plumbing, and heating equipment and supplies	68	9										
95	4676 Wholesale of other intermediate products	0	0										
96	4690 Non-specialised wholesale trade	318	44										
97	4711 Retail sale in non-specialised stores with food, beverages or tobacco predominating	1											
98	4719 Other retail sale in non-specialised stores	0											
99	4730 Retail sale of automotive fuel in specialised stores	0	0										
100	4752 Retail sale of hardware, paints and glass in specialised stores	0											
101	4775 Retail sale of cosmetic and toilet articles in specialised stores	0											
102	4941 Freight transport by road	0											
103	5010 Sea and coastal passenger water transport	1											

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
104	5020 Sea and coastal freight water transport	40	28										
105	5110 Passenger air transport	5	0										
106	5210 Warehousing and storage	0											
107	5224 Cargo handling	0	0										
108	5229 Other transportation support activities	0	0										
109	5320 Other postal and courier activities					6							
110	5510 Hotels and similar accommodation												
111	5813 Publishing of newspapers					43							
112	5814 Publishing of journals and periodicals					1	1						
113	6110 Wired telecommunications activities	1	0										
114	6120 Wireless telecommunications activities	8	1			1	1						
115	6201 Computer programming activities	0	0										
116	6202 Computer consultancy activities	3	3										
117	6203 Computer facilities management activities	113	0										
118	6399 Other information service activities n.e.c.	0											
119	6420 Activities of holding companies	95	40										
120	6820 Renting and operating of own or leased real estate	962	426										
121	7010 Activities of head offices	97	23										
122	7022 Business and other management consultancy activities	141	136			9							

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

		a				e				i			
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCM)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (CCA)	EUR million	Of which environ-mentally sustainable (WTR)	EUR million	Of which environ-mentally sustainable (WTR)
123	7112 Engineering activities and related technical consultancy	4	0			0							
124	7711 Renting and leasing of cars and light motor vehicle	31	6										
125	8010 Private security activities	1	0										
126	8110 Combined facilities support activities	0	0			0							
127	8121 General cleaning of buildings	0	0										
128	8219 Photocopying, document preparation and other specialised office support activities	2											
129	8299 Other business support service activities n.e.c.	0											
130	8623 Dental practice activities	0											
131	8690 Other human health activities	0											
132	8790 Other residential care activities	0											

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2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	0146 Raising of swine/pigs													0			
2	0812 Operation of gravel and sand pits; mining of clays and kaolin													0	0		
3	0899 Other mining and quarrying n.e.c.													0			
4	1013 Production of meat and poultry meat products													34			
5	1031 Processing and preserving of potatoes													0	0		
6	1051 Operation of dairies and cheese making													2	0		
7	1052 Manufacture of ice cream													0			
8	1085 Manufacture of prepared meals and dishes													0			
9	1089 Manufacture of other food products n.e.c.													0			
10	1101 Distilling, rectifying and blending of spirits													0			
11	1105 Manufacture of beer													0			

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

			m						q						u				y		
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
12	1610 Sawmilling and planing of wood													1	1		
13	1621 Manufacture of veneer sheets and wood-based panels													0	0		
14	1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials													0	0		
15	1711 Manufacture of pulp													43	36		
16	1712 Manufacture of paper and paperboard													33	28		
17	1721 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard													0	0		
18	1812 Other printing													2			
19	1920 Manufacture of refined petroleum products													208	183		
20	2013 Manufacture of other inorganic basic chemicals													0			
21	2015 Manufacture of fertilisers and nitrogen compounds													1	0		
22	2059 Manufacture of other chemical products n.e.c.													1			

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2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
23	2120 Manufacture of pharmaceutical preparations													36			
24	2211 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres													2	2		
25	2219 Manufacture of other rubber products													0	0		
26	2229 Manufacture of other plastic products													0			
27	2313 Manufacture of hollow glass													0	0		
28	2351 Manufacture of cement													0	0		
29	2361 Manufacture of concrete products for construction purposes													0			
30	2410 Manufacture of basic iron and steel and of ferro-alloys													136	59		
31	2443 Lead, zinc and tin production																
32	2444 Copper production													0	0		
33	2511 Manufacture of metal structures and parts of structures													0	0		

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Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
34	2512 Manufacture of metal doors and windows													0			
35	2572 Manufacture of locks and hinges																
36	2573 Manufacture of tools													0	0		
37	2599 Manufacture of other fabricated metal products n.e.c.													0	0		
38	2611 Manufacture of electronic components													17	2		
39	2630 Manufacture of communication equipment													6	0		
40	2651 Manufacture of instruments and appliances for measuring, testing and navigation													0			
41	2660 Manufacture of irradiation, electromedical and electrotherapeutic equipment													0			
42	2711 Manufacture of electric motors, generators and transformers													4	0		
43	2712 Manufacture of electricity distribution and control apparatus													3			
44	2790 Manufacture of other electrical equipment													0	0		

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2. GAR sector information
OP Amalgamation
Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
45	2811 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines													12			
46	2814 Manufacture of other taps and valves													0	0		
47	2822 Manufacture of lifting and handling equipment													48	9		
48	2824 Manufacture of power-driven hand tools													0			
49	2825 Manufacture of non-domestic cooling and ventilation equipment													0			
50	2829 Manufacture of other general-purpose machinery n.e.c.													0			
51	2830 Manufacture of agricultural and forestry machinery													22			
52	2849 Manufacture of other machine tools													1			
53	2892 Manufacture of machinery for mining, quarrying and construction													2	0		

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OP Amalgamation
Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
54	2895 Manufacture of machinery for paper and paperboard production													1	0		
55	2899 Manufacture of other special-purpose machinery n.e.c.													1	0		
56	2910 Manufacture of motor vehicles													0	0		
57	2931 Manufacture of electrical and electronic equipment for motor vehicles													0			
58	3011 Building of ships and floating structures													0			
59	3030 Manufacture of air and spacecraft and related machinery													0	0		
60	3101 Manufacture of office and shop furniture													0			
61	3312 Repair of machinery													4			
62	3315 Repair and maintenance of ships and boats													0			

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Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
63	3320 Installation of industrial machinery and equipment													0	0		
64	3511 Production of electricity													585	524		
65	3513 Distribution of electricity													0	0		
66	3514 Trade of electricity													121	121		
67	3522 Distribution of gaseous fuels through mains													0	0		
68	3530 Steam and air conditioning supply													2	2		
69	3700 Sewerage													0	0		
70	3811 Collection of non-hazardous waste													12	3		
71	3822 Treatment and disposal of hazardous waste													0	0		
72	4110 Development of building projects													159	37		
73	4120 Construction of residential and non-residential buildings													20	3		

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
74	4211 Construction of roads and motorways													7	1		
75	4222 Construction of utility projects for electricity and telecommunications													10	9		
76	4321 Electrical installation													0			
77	4322 Plumbing, heat and air-conditioning installation													0			
78	4511 Sale of cars and light motor vehicles													4	0		
79	4519 Sale of other motor vehicles													0	0		
80	4531 Wholesale trade of motor vehicle parts and accessories													1			
81	4532 Retail trade of motor vehicle parts and accessories													0	0		
82	4614 Agents involved in the sale of machinery, industrial equipment, ships and aircraft													0	0		
83	4634 Wholesale of beverages													0			

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
84	4639 Non-specialised wholesale of food, beverages and tobacco													0	0		
85	4649 Wholesale of other household goods													3	0		
86	4651 Wholesale of computers, computer peripheral equipment and software													2			
87	4652 Wholesale of electronic and telecommunications equipment and parts													0	0		
88	4662 Wholesale of machine tools													0			
89	4663 Wholesale of mining, construction and civil engineering machinery													0	0		
90	4669 Wholesale of other machinery and equipment													1	0		
91	4671 Wholesale of solid, liquid and gaseous fuels and related products													6	5		

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
92	4672 Wholesale of metals and metal ores													1			
93	4673 Wholesale of wood, construction materials and sanitary equipment													0			
94	4674 Wholesale of hardware, plumbing, and heating equipment and supplies													68	9		
95	4676 Wholesale of other intermediate products													0	0		
96	4690 Non-specialised wholesale trade													318	44		
97	4711 Retail sale in non-specialised stores with food, beverages or tobacco predominating													1			
98	4719 Other retail sale in non-specialised stores													0			
99	4730 Retail sale of automotive fuel in specialised stores													0	0		

The table is divided into several pages

2. GAR sector information
OP Amalgamation
Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
100	4752 Retail sale of hardware, paints and glass in specialised stores													0			
101	4775 Retail sale of cosmetic and toilet articles in specialised stores													0			
102	4941 Freight transport by road													0			
103	5010 Sea and coastal passenger water transport													1			
104	5020 Sea and coastal freight water transport													40	28		
105	5110 Passenger air transport													5	0		
106	5210 Warehousing and storage													0			
107	5224 Cargo handling													0	0		
108	5229 Other transportation support activities													0	0		
109	5320 Other postal and courier activities													6			
110	5510 Hotels and similar accommodation													0			

The table is divided into several pages

2. GAR sector information

OP Amalgamation

Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
111	5813 Publishing of newspapers													43			
112	5814 Publishing of journals and periodicals													1	1		
113	6110 Wired telecommunications activities													3	0		
114	6120 Wireless telecommunications activities													15	1		
115	6201 Computer programming activities													0	0		
116	6202 Computer consultancy activities													3	3		
117	6203 Computer facilities management activities													114	0		
118	6399 Other information service activities n.e.c.													0			
119	6420 Activities of holding companies													95	40		
120	6820 Renting and operating of own or leased real estate													968	426		
121	7010 Activities of head offices													107	23		

The table is divided into several pages

2. GAR sector information
OP Amalgamation
Based on capital expenditure

		m				q				u				y			
		Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations		NFCs subject to CSRD disclosure obligations		NFCs not subject to CSRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (CE)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (PPC)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	EUR million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
122	7022 Business and other management consultancy activities													152	136		
123	7112 Engineering activities and related technical consultancy													4	0		
124	7711 Renting and leasing of cars and light motor vehicle													31	6		
125	8010 Private security activities													1	0		
126	8110 Combined facilities support activities													0	0		
127	8121 General cleaning of buildings													0	0		
128	8219 Photocopying, document preparation and other specialised office support activities													2			
129	8299 Other business support service activities n.e.c.													0			
130	8623 Dental practice activities													0			
131	8690 Other human health activities													0			
132	8790 Other residential care activities													0			

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	80.3%	11.9%	9.8%	1.0%	0.3%	0.1%							
2	Financial undertakings	33.7%	1.4%		0.1%		0.1%							
3	Credit institutions	27.9%	2.0%		0.1%	0.1%	0.2%							
4	Loans and advances	0.6%												
5	Debt securities, including UoP	28.0%	2.0%		0.1%	0.1%	0.2%							
6	Equity instruments													
7	Other financial corporations	47.8%												
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings	48.1%												

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
17	Loans and advances						0.1%	0.1%						
18	Debt securities, including UoP													
19	Equity instruments	48.1%												
20	**Non-financial undertakings**	34.6%	16.1%		8.1%	2.0%	0.5%	0.2%		0.2%				
21	Loans and advances	33.9%	15.5%		7.5%	2.1%	0.6%	0.2%		0.2%				
22	Debt securities, including UoP	53.6%	32.8%		26.2%	1.3%	0.4%	0.4%		0.4%				
23	Equity instruments													
24	**Households**	94.5%	12.8%	12.8%										
25	of which loans collateralised by residential immovable property	94.7%	13.6%	13.6%										
26	of which building renovation loans	88.3%												
27	of which motor vehicle loans	90.5%												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	44.4%	6.6%	5.4%	0.5%	0.1%								

The columns ap–be have not been included in the table, as they are associated with environmental objectives on the reference date T-1 for which no information about the taxonomy eligibility or taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.3%				0.1%								80.8%	11.9%	9.8%	1.0%	0.3%	44.5%
2	**Financial undertakings**	0.1%				0.1%								34.0%	1.4%		0.1%		5.1%
3	Credit institutions	0.2%				0.1%								28.3%	2.0%		0.1%	0.1%	3.6%
4	Loans and advances													0.6%					
5	Debt securities, including UoP	0.2%				0.1%								28.4%	2.0%		0.1%	0.1%	3.6%
6	Equity instruments																		
7	Other financial corporations													47.8%					1.5%
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies																		

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
13	Loans and advances																		
14	Debt securities, including UoP																		
15	Equity instruments																		
16	of which insurance undertakings													48.1%					1.5%
17	Loans and advances													0.1%	0.1%				
18	Debt securities, including UoP																		
19	Equity instruments													48.1%					1.5%
20	**Non-financial undertakings**	2.3%	0.1%		0.1%	0.8%								38.2%	16.4%		8.1%	2.3%	5.3%
21	Loans and advances	2.2%	0.1%		0.1%	0.9%								37.6%	15.8%		7.5%	2.4%	5.2%
22	Debt securities, including UoP	3.2%												57.2%	33.2%		26.2%	1.7%	0.2%
23	Equity instruments																		
24	**Households**													94.5%	12.8%	12.8%			34.0%
25	of which loans collateralised by residential immovable property													94.7%	13.6%	13.6%			31.9%
26	of which building renovation loans													88.3%					1.5%

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on turnover

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
27	of which motor vehicle loans													90.5%					1.9%
28	**Local government financing**																		
29	Housing financing																		
30	Other local government financing																		
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																		
32	Total GAR assets	0.2%				0.1%								44.7%	6.6%	5.4%	0.5%	0.2%	80.4%

The columns ap–be have not been included in the table, as they are associated with environmental objectives on the reference date T-1 for which no information about the taxonomy eligibility or taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	81.6%	11.0%	9.2%	1.0%	0.3%	0.1%							
2	Financial undertakings	33.5%												
3	Credit institutions	27.2%												
4	Loans and advances	1.3%												
5	Debt securities, including UoP	27.3%												
6	Equity instruments													
7	Other financial corporations	45.5%												
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies	13.7%												
13	Loans and advances	13.7%												
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings	48.4%												

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on turnover

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
17	Loans and advances	9.4%												
18	Debt securities, including UoP													
19	Equity instruments	48.4%												
20	**Non-financial undertakings**	32.9%	15.4%		8.9%	2.5%	0.6%	0.3%		0.3%				
21	Loans and advances	32.5%	14.7%		8.5%	2.1%	0.6%	0.3%		0.3%				
22	Debt securities, including UoP	39.7%	28.6%		16.7%	10.1%	0.9%	0.5%		0.5%				
23	Equity instruments													
24	**Households**	95.6%	11.9%	11.9%										
25	of which loans collateralised by residential immovable property	95.9%	12.5%	12.5%										
26	of which building renovation loans	90.4%												
27	of which motor vehicle loans	90.0%												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	43.8%	5.9%	5.0%	0.6%	0.2%								

The columns ap–be have not been included in the table, as they are associated with environmental objectives on the reference date T-1 for which no information about the taxonomy eligibility or taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													81.7%	11.1%	9.2%	1.0%	0.3%	43.0%
2	Financial undertakings													33.5%					4.7%
3	Credit institutions													27.2%					3.1%
4	Loans and advances													1.3%					
5	Debt securities, including UoP													27.3%					3.0%
6	Equity instruments																		
7	Other financial corporations													45.5%					1.6%
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies													13.7%					0.1%
13	Loans and advances													13.7%					0.1%

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
14	Debt securities, including UoP																		
15	Equity instruments																		
16	of which insurance undertakings													48.4%					1.5%
17	Loans and advances													9.4%					
18	Debt securities, including UoP																		
19	Equity instruments													48.4%					1.5%
20	**Non-financial undertakings**													33.5%	15.8%		8.9%	2.8%	5.0%
21	Loans and advances													33.1%	15.0%		8.5%	2.3%	4.8%
22	Debt securities, including UoP													40.6%	29.1%		16.7%	10.6%	0.3%
23	Equity instruments																		
24	**Households**													95.6%	11.9%	11.9%			33.3%
25	of which loans collateralised by residential immovable property													95.9%	12.5%	12.5%			31.7%
26	of which building renovation loans													90.4%					1.6%
27	of which motor vehicle loans													90.0%					1.4%
28	**Local government financing**																		
29	Housing financing																		

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on turnover

		at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
30	Other local government financing																		
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																		
32	**Total GAR assets**													43.9%	5.9%	5.0%	0.6%	0.2%	80.1%

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The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	81.0%	12.7%	9.8%	0.7%	0.2%	0.1%							
2	**Financial undertakings**	29.7%	1.1%											
3	Credit institutions	22.2%	1.6%		0.1%	0.1%	0.1%							
4	Loans and advances	0.6%												
5	Debt securities, including UoP	22.2%	1.6%		0.1%	0.1%	0.1%							
6	Equity instruments													

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
7	Other financial corporations	47.8%												
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings	48.1%												
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments	48.1%												
20	**Non-financial undertakings**	44.4%	23.4%		5.5%	1.7%	1.0%							

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
21	Loans and advances	44.2%	23.0%		4.9%	1.7%	1.1%							
22	Debt securities, including UoP	51.7%	34.9%		22.7%	0.5%	0.1%	0.1%		0.1%				
23	Equity instruments													
24	**Households**	94.5%	12.8%	12.8%										
25	of which loans collateralised by residential immovable property	94.7%	13.6%	13.6%										
26	of which building renovation loans	88.3%												
27	of which motor vehicle loans	90.5%												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
31	Collateral obtained by taking possession: residential and commercial immovable properties													
32	**Total GAR assets**	44.8%	7.0%	5.4%	0.4%	0.1%	0.1%							

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3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.2%				0.1%								81.4%	12.8%	9.8%	0.7%	0.2%	44.5%
2	**Financial undertakings**													29.7%	1.2%				5.1%
3	Credit institutions													22.2%	1.6%		0.1%	0.1%	3.6%
4	Loans and advances													0.6%					
5	Debt securities, including UoP													22.3%	1.6%		0.1%	0.1%	3.6%
6	Equity instruments																		
7	Other financial corporations													47.8%					1.5%
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies																		
13	Loans and advances																		
14	Debt securities, including UoP																		

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
15	Equity instruments																		
16	of which insurance undertakings													48.1%					1.5%
17	Loans and advances																		
18	Debt securities, including UoP																		
19	Equity instruments													48.1%					1.5%
20	Non-financial undertakings	1.2%	0.1%		0.1%	0.8%								47.5%	23.6%		5.5%	1.9%	5.3%
21	Loans and advances	1.2%	0.1%		0.1%	0.8%								47.3%	23.2%		4.9%	1.9%	5.2%
22	Debt securities, including UoP	2.5%												54.2%	35.0%		22.7%	0.6%	0.2%
23	Equity instruments																		
24	Households													94.5%	12.8%	12.8%			34.0%
25	of which loans collateralised by residential immovable property													94.7%	13.6%	13.6%			31.9%
26	of which building renovation loans													88.3%					1.5%
27	of which motor vehicle loans													90.5%					1.9%
28	Local government financing																		
29	Housing financing																		
30	Other local government financing																		
31	Collateral obtained by taking possession: residential and commercial immovable properties																		
32	Total GAR assets	0.1%				0.1%								45.0%	7.1%	5.4%	0.4%	0.1%	80.4%

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3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83.3%	12.2%	9.2%	1.0%	0.4%	0.1%							
2	Financial undertakings	32.6%												
3	Credit institutions	25.8%												
4	Loans and advances	1.3%												
5	Debt securities, including UoP	25.8%												
6	Equity instruments													
7	Other financial corporations	45.5%												
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies	13.7%												
13	Loans and advances	13.7%												
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings	48.4%												
17	Loans and advances	9.4%												

The table is divided into several pages

3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
		Disclosure reference date T-1												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
18	Debt securities, including UoP													
19	Equity instruments	48.4%												
20	**Non-financial undertakings**	48.5%	25.3%		8.9%	3.1%	0.8%	0.3%		0.1%				
21	Loans and advances	48.6%	24.8%		8.4%	2.5%	0.8%	0.3%		0.1%				
22	Debt securities, including UoP	46.8%	34.7%		17.4%	13.1%	0.8%	0.1%		0.1%				
23	Equity instruments													
24	**Households**	95.6%	11.9%	11.9%										
25	of which loans collateralised by residential immovable property	95.9%	12.5%	12.5%										
26	of which building renovation loans	90.4%												
27	of which motor vehicle loans	90.0%												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	**Total GAR assets**	44.8%	6.5%	5.0%	0.6%	0.2%	0.1%							

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Based on capital expenditure

		at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation													83.4%	12.2%	9.2%	1.0%	0.4%	43.0%
2	**Financial undertakings**													32.6%					4.7%
3	Credit institutions													25.8%					3.1%
4	Loans and advances													1.3%					
5	Debt securities, including UoP													25.8%					3.0%
6	Equity instruments																		
7	Other financial corporations													45.5%					1.6%
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies													13.7%					0.1%

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3. GAR KPI stock

OP Amalgamation

Based on capital expenditure

		at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
	GAR – covered assets in both numerator and denominator																		
13	Loans and advances													13.7%					0.1%
14	Debt securities, including UoP																		
15	Equity instruments																		
16	of which insurance undertakings													48.4%					1.5%
17	Loans and advances													9.4%					
18	Debt securities, including UoP																		
19	Equity instruments													48.4%					1.5%
20	**Non-financial undertakings**													49.3%	25.6%		8.9%	3.2%	5.0%
21	Loans and advances													49.4%	25.0%		8.4%	2.6%	4.8%
22	Debt securities, including UoP													47.6%	34.8%		17.4%	13.2%	0.3%
23	Equity instruments																		
24	**Households**													95.6%	11.9%	11.9%			33.3%
25	of which loans collateralised by residential immovable property													95.9%	12.5%	12.5%			31.7%
26	of which building renovation loans													90.4%					1.6%

The table is divided into several pages

3. GAR KPI stock
OP Amalgamation
Based on capital expenditure

	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	Disclosure reference date T-1																	
	Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets
GAR – covered assets in both numerator and denominator																		
27 of which motor vehicle loans													90.0%					1.4%
28 **Local government financing**																		
29 Housing financing																		
30 Other local government financing																		
31 **Collateral obtained by taking possession: residential and commercial immovable properties**																		
32 Total GAR assets													44.8%	6.6%	5.0%	0.6%	0.2%	80.1%

The columns ap–be have not been included in the table, as they are associated with environmental objectives on the reference date T-1 for which no information about the taxonomy eligibility or taxonomy alignment of counterparties' economic activities is publicly available.

The table is divided into several pages

4. GAR KPI flow
OP Amalgamation
Based on turnover

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.2%	13.0%	9.5%	1.8%	0.5%								
2	**Financial undertakings**	25.2%	1.8%		0.1%		0.1%							
3	Credit institutions	25.2%	1.8%		0.1%		0.1%							
4	Loans and advances	0.6%												
5	Debt securities, including UoP	25.6%	1.8%		0.1%		0.1%							
6	Equity instruments													
7	Other financial corporations													
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													

The table is divided into several pages

4. GAR KPI flow
OP Amalgamation
Based on turnover

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
15	Equity instruments													
16	of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	**Non-financial undertakings**	31.5%	17.5%		9.7%	2.5%	0.2%							
21	Loans and advances	30.5%	17.1%		9.4%	2.6%	0.2%							
22	Debt securities, including UoP	71.1%	32.2%		20.9%									
23	Equity instruments													
24	**Households**	91.9%	13.5%	13.5%										
25	of which loans collateralised by residential immovable property	91.6%	17.0%	17.0%										
26	of which building renovation loans	71.2%												
27	of which motor vehicle loans	91.9%												
28	**Local government financing**													
29	Housing financing													
30	Other local government financing													
31	**Collateral obtained by taking possession: residential and commercial immovable properties**													
32	Total GAR assets	38.3%	6.8%	5.0%	1.0%	0.3%								

The table is divided into several pages

4. GAR KPI flow

OP Amalgamation

Based on turnover

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.6%				0.6%								74.5%	13.0%	9.5%	1.8%	0.5%	25.2%
2	Financial undertakings	0.2%				0.1%								25.7%	1.8%		0.1%		2.7%
3	Credit institutions	0.2%				0.1%								25.7%	1.8%		0.1%		2.7%
4	Loans and advances													0.6%					
5	Debt securities, including UoP	0.2%				0.1%								26.0%	1.8%		0.1%		2.7%
6	Equity instruments																		
7	Other financial corporations																		
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies																		
13	Loans and advances																		
14	Debt securities, including UoP																		

The table is divided into several pages

4. GAR KPI flow
OP Amalgamation
Based on turnover

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
15	Equity instruments																		
16	of which insurance undertakings																		
17	Loans and advances																		
18	Debt securities, including UoP																		
19	Equity instruments																		
	The table is divided into several pages																		
20	Non-financial undertakings	3.2%				3.3%								38.1%	17.5%		9.7%	2.5%	4.8%
21	Loans and advances	3.3%				3.4%								37.3%	17.1%		9.4%	2.6%	4.7%
22	Debt securities, including UoP													71.1%	32.2%		20.9%		0.1%
23	Equity instruments																		
24	Households													91.9%	13.5%	13.5%			17.6%
25	of which loans collateralised by residential immovable property													91.6%	17.0%	17.0%			14.0%
26	of which building renovation loans													71.2%					0.7%
27	of which motor vehicle loans													91.9%					3.6%
28	Local government financing																		
29	Housing financing																		
30	Other local government financing																		
	The table is divided into several pages																		
31	Collateral obtained by taking possession: residential and commercial immovable properties																		
32	Total GAR assets	0.3%				0.3%								39.0%	6.8%	5.0%	1.0%	0.3%	48.1%

The table is divided into several pages

4. GAR KPI flow

OP Amalgamation

Based on capital expenditure

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	73.1%	13.4%	9.5%	0.6%	0.3%	0.2%							
2	**Financial undertakings**	23.5%	1.8%		0.1%									
3	Credit institutions	23.5%	1.8%		0.1%									
4	Loans and advances	0.6%												
5	Debt securities, including UoP	23.8%	1.8%		0.1%									
6	Equity instruments													
7	Other financial corporations													
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													

The table is divided into several pages

4. GAR KPI flow

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR – covered assets in both numerator and denominator													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	Non-financial undertakings	31.9%	19.5%		3.2%	1.5%	0.9%							
21	Loans and advances	31.1%	19.1%		3.3%	1.6%	0.9%							
22	Debt securities, including UoP	62.5%	36.7%											
23	Equity instruments													
24	Households	91.9%	13.5%	13.5%										
25	of which loans collateralised by residential immovable property	91.6%	17.0%	17.0%										
26	of which building renovation loans	71.2%												
27	of which motor vehicle loans	91.9%												
28	Local government financing													
29	Housing financing													
30	Other local government financing													
31	Collateral obtained by taking possession: residential and commercial immovable properties													
	The table is divided into several pages													
32	Total GAR assets	38.2%	7.0%	5.1%	0.3%	0.2%	0.1%							

The table is divided into several pages

4. GAR KPI flow

OP Amalgamation

Based on capital expenditure

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.4%				0.6%								74.2%	13.4%	9.5%	0.6%	0.3%	25.2%
2	Financial undertakings													23.6%	1.8%		0.1%		2.7%
3	Credit institutions													23.6%	1.8%		0.1%		2.7%
4	Loans and advances													0.6%					
5	Debt securities, including UoP													23.9%	1.8%		0.1%		2.7%
6	Equity instruments																		
7	Other financial corporations																		
8	of which investment firms																		
9	Loans and advances																		
10	Debt securities, including UoP																		
11	Equity instruments																		
12	of which management companies																		
13	Loans and advances																		
14	Debt securities, including UoP																		

The table is divided into several pages

4. GAR KPI flow

OP Amalgamation

Based on capital expenditure

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR – covered assets in both numerator and denominator																		
15	Equity instruments																		
16	of which insurance undertakings																		
17	Loans and advances																		
18	Debt securities, including UoP																		
19	Equity instruments																		
20	Non-financial undertakings	1.9%				3.1%								37.7%	19.6%		3.2%	1.5%	4.8%
21	Loans and advances	1.9%				3.1%								37.1%	19.1%		3.3%	1.6%	4.7%
22	Debt securities, including UoP													62.5%	36.7%				0.1%
23	Equity instruments																		
24	Households													91.9%	13.5%	13.5%			17.6%
25	of which loans collateralised by residential immovable property													91.6%	17.0%	17.0%			14.0%
26	of which building renovation loans													71.2%					0.7%
27	of which motor vehicle loans													91.9%					3.6%
28	Local government financing																		
29	Housing financing																		
30	Other local government financing																		
	The table is divided into several pages																		
31	Collateral obtained by taking possession: residential and commercial immovable properties																		
32	Total GAR assets	0.2%				0.3%								38.8%	7.0%	5.1%	0.3%	0.2%	48.1%

The table is divided into several pages

5. KPI off-balance-sheet exposures

OP Amalgamation

Based on turnover

All monetary values are reported in MEUR.

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
	% (of all off-balance-sheet items to be taken into account)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	17.6%	14.3%			10.4%								
2	Assets under management (AuM KPI)	13.9%	7.1%		0.2%	2.1%	0.2%	0.1%		0.1%				

Table divided into two parts horizontally

5. KPI off-balance-sheet exposures

OP Amalgamation

Based on turnover

	% (of all off-balance-sheet items to be taken into account)	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.1%												17.7%	14.3%			10.4%
2	Assets under management (AuM KPI)	6.0%				0.5%								20.5%	7.1%		0.2%	2.2%

Table divided into two parts horizontally

5. KPI off-balance-sheet exposures

OP Amalgamation

Based on capital expenditure

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Disclosure reference date T												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and Marine Resources (WTR)			
	% (of all off-balance-sheet items to be taken into account)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	45.0%	43.3%			19.1%								
2	Assets under management (AuM KPI)	16.0%	4.8%		0.3%	0.7%	0.2%	0.1%		0.1%				

Table divided into two parts horizontally

5. KPI off-balance-sheet exposures

OP Amalgamation

Based on capital expenditure

	% (of all off-balance-sheet items to be taken into account)	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.2%												45.1%	43.3%			19.1%
2	Assets under management (AuM KPI)	0.6%				0.4%								17.2%	4.9%		0.3%	0.9%

Table divided into two parts horizontally

0. Summary of KPIs to be disclosed by investment firms under Article 8 Taxonomy Regulation

OP Asset Management Ltd and OP Custody Ltd

All monetary values are reported in € million.

		Total environmentally sustainable assets	KPI (2)	KPI (3)	% coverage (over total assets) (4)
Main KPI (for dealing on own account) (1)	Green asset ratio				
		Total revenue from environmentally sustainable services and activities	KPI	KPI	% coverage (over total revenue)
Main KPI (for services and activities other than dealing on own account)	KPI on Revenue (5)	1	4.7%	0.8%	91.0%

1) No data is reported in this row because the investment firms in OP Financial Group do not trade on own account.

2) based on the turnover KPI of the counterparty

3) based on the CapEx KPI of the counterparty

4) % of assets covered by the KPI over total assets

5) fees, commissions and other monetary benefits

2. KPI IF – Other services

OP Asset Management Ltd and OP Custody Ltd

Based on turnover

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	j	k	l	m
		Total	Of which covered by the KPI	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and Marine Resources (WTR)		
				Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)				Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)		
					Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)				Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)	
						Of which transitional (%)	Of which enabling (%)			Of which enabling (%)			Of which enabling (%)
1	Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	18	17	8.5%	4.6%	0.3%	3.8%	0.1%	0.1%	0.1%			
2	Reception and transmission of orders in relation to one or more financial instrument	0	0	1.6%	0.8%	0.1%	0.4%	0.1%					
3	Execution of orders on behalf of clients												
4	Portfolio management	9	8	5.2%	1.7%	0.4%	0.9%	0.1%	0.1%	0.1%			
5	Investment advice	9	8	8.7%	7.2%	0.2%	6.7%	0.1%					
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis*												
7	Placing of financial instruments without a firm commitment basis*												
8	Operation of an MTF*												
9	Operation of an OTF*												

*No data are reported for rows 3, 6, 7, 8 or 9 because the investment firms in OP Financial Group do not have revenues from related services or activities.

The table is divided into several pages

2. KPI IF – Other services

OP Asset Management Ltd and OP Custody Ltd

Based on turnover

All monetary values are reported in € million.

		n	o	p	q	r	s	t	u	v	w	x	y	z
		Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			
			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)		
				Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which transitional (%)	Of which enabling (%)
1	Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	12.1%			0.7%						21.4%	4.7%	0.3%	3.9%
2	Reception and transmission of orders in relation to one or more financial instrument	0.2%			0.3%						3.0%	0.8%	0.1%	0.4%
3	Execution of orders on behalf of clients													
4	Portfolio management	1.8%			0.8%						9.1%	2.0%	0.4%	1.0%
5	Investment advice	21.8%			0.5%						33.1%	7.4%	0.2%	6.7%
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis*													
7	Placing of financial instruments without a firm commitment basis*													
8	Operation of an MTF*													
9	Operation of an OTF*													

*No data are reported for rows 3, 6, 7, 8 or 9 because the investment firms in OP Financial Group do not have revenues from related services or activities.

The table is divided into several pages

2. KPI IF – Other services

OP Asset Management Ltd and OP Custody Ltd

Based on capital expenditure

All monetary values are reported in € million.

		a	b	c	d	e	f	g	h	j	k	l	m
				Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and Marine Resources (WTR)		
				Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)				Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)		
					Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)				Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)	
		Total	Of which covered by the KPI			Of which transitional (%)	Of which enabling (%)			Of which enabling (%)			Of which enabling (%)
1	Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	18	17	12.2%	2.3%	0.3%	0.9%	0.1%		0.1%			
2	Reception and transmission of orders in relation to one or more financial instrument	0	0	2.2%	1.1%	0.1%	0.5%	0.1%		0.1%			
3	Execution of orders on behalf of clients												
4	Portfolio management	9	8	7.0%	2.6%	0.3%	1.2%	0.2%	0.1%	0.1%			
5	Investment advice	9	8	14.2%	1.4%	0.3%	0.6%	0.1%					
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis*												
7	Placing of financial instruments without a firm commitment basis*												
8	Operation of an MTF*												
9	Operation of an OTF*												

*No data are reported for rows 3, 6, 7, 8 or 9 because the investment firms in OP Financial Group do not have revenues from related services or activities.

The table is divided into several pages

2. KPI IF – Other services

OP Asset Management Ltd and OP Custody Ltd

Based on capital expenditure

All monetary values are reported in € million.

		n	o	p	q	r	s	t	u	v	w	x	y	z
		Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			
			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)		
				Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which transitional (%)	Of which enabling (%)
1	Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	0.8%			0.5%						13.7%	2.3%	0.3%	0.9%
2	Reception and transmission of orders in relation to one or more financial instrument	0.1%			0.2%						3.5%	1.1%	0.1%	0.5%
3	Execution of orders on behalf of clients													
4	Portfolio management	1.1%			0.6%						10.2%	3.0%	0.3%	1.2%
5	Investment advice	0.6%			0.4%						17.1%	1.6%	0.3%	0.6%
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis*													
7	Placing of financial instruments without a firm commitment basis*													
8	Operation of an MTF*													
9	Operation of an OTF*													

*No data are reported for rows 3, 6, 7, 8 or 9 because the investment firms in OP Financial Group do not have revenues from related services or activities.

The table is divided into several pages

The underwriting KPI for non-life insurance and reinsurance undertakings
Pohjola Insurance Ltd
All monetary values are reported in € million.

	Substantial contribution to climate change adaptation (CCA)			DNSH (Do No Significant Harm)					
Economic activities	Absolute premiums, year t	Proportion of premiums, year t	Proportion of premiums, year t-1	Climate Change Mitigation (CCM)	Water and Marine Resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum safeguards
	Currency	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)									
A.1.1 Of which reinsured									
A.1.2 Of which stemming from reinsurance activity									
A.1.2.1 Of which reinsured (retrocession)									
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	67	3.6%	87.2%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	1,810	96.4%	12.8%						
Total (A.1 + A.2 + B)	1,877	100.0%	100.0%						

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments
OP Life Assurance Company Ltd and Pohjola Insurance Ltd
All monetary values are reported in € million.

	KPI type	The proportion in all assets covered by the KPI	Value
Investments that are directed at funding, or are associated with Taxonomy-aligned economic activities	Turnover-based	2.5%	334
	Capital expenditures-based	3.3%	434

	The proportion in all investments (all assets under management)	Value
Assets covered by the KPI, excluding investments in public entities	89.8%	13,221

Additional, complementary disclosures: breakdown of denominator of the KPI

Counterparty type			The proportion in all assets covered by the KPI	Value
Derivatives				
Companies not covered by Articles 19a and 29a of Directive 2013/34/EU	EU	Non-financial undertakings	3.7%	487
		Financial undertakings	0.8%	100
	External to the EU	Non-financial undertakings	14.4%	1,898
		Financial undertakings	2.6%	341
Companies covered by Articles 19a and 29a of Directive 2013/34/EU		Non-financial undertakings	4.6%	606
		Financial undertakings	8.5%	1,121
Investments where policyholders bear the risk, excluding investments related to life insurance contracts			57.3%	7,576
Other counterparties and assets			5.3%	700
Investment type		**KPI type**	**The proportion in all assets covered by the KPI**	**Value**
Investments used to finance Taxonomy-non-eligible economic activities		Turnover-based	88.4%	11,681
		Capital expenditures-based	87.4%	11,559
Investments used to finance Taxonomy-eligible but not Taxonomy-aligned economic activities		Turnover-based	9.1%	1,205
		Capital expenditures-based	9.3%	1,228

The table is divided into two pages

The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

OP Life Assurance Company Ltd and Pohjola Insurance Ltd

All monetary values are reported in € million.

Additional, complementary disclosures: breakdown of numerator of the KPI

Counterparty type		KPI type	Taxonomy-aligned exposures	
			The proportion in all assets covered by the KPI	Value
Companies covered by Articles 19a and 29a of Directive 2013/34/EU	Non-financial undertakings	Turnover-based	0.5%	70
		Capital expenditures-based	0.8%	101
	Financial undertakings	Turnover-based	0.4%	50
		Capital expenditures-based	0.4%	56
Investments where policyholders bear the risk, excluding investments related to life insurance contracts		Turnover-based	1.2%	155
		Capital expenditures-based	2.0%	263
Other counterparties and exposure types		Turnover-based	0.5%	60
		Capital expenditures-based	0.1%	15

Breakdown of numerator of the KPI by environmental objective

Environmental objective	KPI type	Taxonomy-aligned activities		
		The proportion in all assets covered by the KPI	Transitional activities	Enabling activities
Climate Change Mitigation (CCM)	Turnover-based	2.6%	2.6%	0.7%
	Capital expenditures-based	3.3%	3.3%	1.0%
Climate Change Adaptation (CCA)	Turnover-based	0.1%		0.1%
	Capital expenditures-based	0.4%		0.3%
Water and Marine Resources (WTR)	Turnover-based			
	Capital expenditures-based			
Circular economy (CE)	Turnover-based			
	Capital expenditures-based			
Pollution (PPC)	Turnover-based			
	Capital expenditures-based			
Biodiversity and ecosystems (BIO)	Turnover-based			
	Capital expenditures-based			

The table is divided into two pages

Template 1: Nuclear- and fossil-gas-related activities
Credit institutions
Green asset ratio (GAR) stock
Based on turnover

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 1: Nuclear- and fossil-gas-related activities
Credit institutions
Green asset ratio (GAR) stock
Based on capital expenditure

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1: Nuclear- and fossil-gas-related activities
Credit institutions
Assets under management
Based on turnover

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 1: Nuclear- and fossil-gas-related activities
Credit institutions
Assets under management
Based on capital expenditure

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 1: Nuclear- and fossil-gas-related activities
Insurance companies
Investments
Based on turnover

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1: Nuclear- and fossil-gas-related activities
Insurance companies
Investments
Based on capital expenditure

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2: Taxonomy-aligned economic activities (denominator)
Credit institutions
Green asset ratio (GAR) stock
Based on turnover

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	257	0.2%	257	0.2%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	226	0.2%	226	0.2%		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,891	6.1%	6,877	6.1%	13	
8.	Total applicable KPI	7,374	6.6%	7,360	6.6%	13	

Template 2: Taxonomy-aligned economic activities (denominator)
Credit institutions
Green asset ratio (GAR) stock
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	219	0.2%	219	0.2%		
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	48		48			
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,623	6.8%	7,621	6.8%	2	
8	Total applicable KPI	7,890	7.0%	7,888	7.0%	2	

Template 2: Taxonomy-aligned economic activities (denominator)
Credit institutions
Assets under management
Based on turnover

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7		7			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	35	0.1%	35	0.1%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	387	0.7%	387	0.7%	0	
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	49	0.1%	49	0.1%		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1		1			
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,612	5.0%	2,585	5.0%	27	0.1%
8.	Total applicable KPI	3,091	6.0%	3,064	5.9%	27	0.1%

Template 2: Taxonomy-aligned economic activities (denominator)
Credit institutions
Assets under management
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	190	0.4%	190	0.4%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	84	0.2%	84	0.2%		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66	0.1%	66	0.1%		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7		7			
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,994	3.8%	1,906	3.7%	88	0.2%
8.	Total applicable KPI	2,343	4.5%	2,255	4.3%	88	0.2%

Template 3 Taxonomy-aligned economic activities (numerator)
Credit institutions
Green asset ratio (GAR) stock
Based on turnover

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	257	3.5%	257	3.5%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	226	3.1%	226	3.1%		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	6,891	93.4%	6,877	93.3%	13	0.2%
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	7,374	100.0%	7,360	99.8%	13	0.2%

Template 3 Taxonomy-aligned economic activities (numerator)
Credit institutions
Green asset ratio (GAR) stock
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	219	2.8%	219	2.8%		
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	48	0.6%	48	0.6%		
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7,623	96.6%	7,621	96.6%	2	
8	**Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI**	7,890	100.0%	7,888	100.0%	2	

Template 3 Taxonomy-aligned economic activities (numerator)
Credit institutions
Assets under management
Based on turnover

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	69	2.0%	69	2.2%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	242	8.0%	242	7.8%		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	8		2	0.1%	6	0.2%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2,772	89.7%	2,750	89.0%	22	0.7%
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	3,091	100.0%	3,064	99.1%	27	0.9%

Template 3 Taxonomy-aligned economic activities (numerator)
Credit institutions
Assets under management
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	151	6.4%	151	6.4%		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	110	4.8%	110	4.7%		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1		1			
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5	0.2%	5	0.2%		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0		0		0	
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2,075	89.0%	1,987	84.8%	88	3.8%
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	2,343	100.0%	2,255	96.3%	88	3.8%

Template 4: Taxonomy-eligible but not Taxonomy-aligned economic activities
Credit institutions
Green asset ratio (GAR) stock
Based on turnover

		Amount and proportion					
Row	Economic activities	CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6		6			
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3		3			
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1		1			
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	42,443	37.9%	42,408	37.8%	35	
8.	**Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**42,454**	**37.9%**	**42,419**	**37.8%**	**35**	

Template 4: Taxonomy-eligible but not Taxonomy-aligned economic activities
Credit institutions
Green asset ratio (GAR) stock
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1		1			
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2		2			
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	42,409	37.8%	42,331	37.8%	78	0.1%
8.	**Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**42,412**	**37.8%**	**42,334**	**37.8%**	**78**	**0.1%**

Template 4: Taxonomy-eligible but not Taxonomy-aligned economic activities

Credit institutions

Assets under management

Based on turnover

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3		3			
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4		4			
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7		7			
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	121	0.2%	121	0.2%	0	
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	491	0.8%	425	0.8%	66	0.1%
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5		5			
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,783	11.1%	5,777	11.1%	6	
8.	**Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	**6,414**	**12.3%**	**6,343**	**12.2%**	**72**	**0.1%**

Template 4: Taxonomy-eligible but not Taxonomy-aligned economic activities
Credit institutions
Assets under management
Based on capital expenditure

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1		1			
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0		0			
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1		1			
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13		13		0	
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	253	0.5%	253	0.5%		
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10		10			
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,720	11.0%	5,662	10.9%	58	
8.	**Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI**	5,999	11.5%	5,940	11.4%	59	0.1%

Template 5: Taxonomy-non-eligible economic activities
Credit institutions
Green asset ratio (GAR) stock
Based on turnover

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	62,302	55.6%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**62,302**	**55.6%**

Template 5: Taxonomy-non-eligible economic activities
Credit institutions
Green asset ratio (GAR) stock
Based on capital expenditure

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	61,828	55.1%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**61,828**	**55.1%**

Template 5: Taxonomy-non-eligible economic activities
Credit institutions
Assets under management
Based on turnover

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66	0.1%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	42,407	81.6%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**42,483**	**81.7%**

Template 5: Taxonomy-non-eligible economic activities
Credit institutions
Assets under management
Based on capital expenditure

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66	0.1%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	43,578	83.8%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**43,647**	**84.0%**

Template 5: Taxonomy-non-eligible economic activities
Insurance companies
Investments
Based on turnover

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,455	94.5%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**11,457**	**94.5%**

Template 5: Taxonomy-non-eligible economic activities
Insurance companies
Investments
Based on capital expenditure

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,265	92.9%
8.	**Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**11,267**	**92.9%**

Table: Weighted averages of KPIs describing taxonomy-alignment

	Proportion of the Group's income (A)	KPI based on turnover (B)	KPI based on capital expenditure (C)
Credit institutions	73.6 %	6.6 %	7.1 %
Insurance companies	23.6 %	0.8 %	1.1 %
Investment firms, excl. credit institutions and insurance companies	1.7 %	4.7 %	0.8 %
Investment managers, excl. credit institutions and insurance companies	1.1 %	7.2 %	6.0 %
OP Financial Group	100.0 %	5.2 %	5.6 %

E1 Climate

Transition plan for climate change mitigation (E1-1)

The financial sector plays a key role in the fight against climate change, particularly in financing and investment operations, as part of sustainable insurance and claims management. OP Financial Group is committed to the Paris Agreement, which aims to limit the global temperature increase to 1.5 °C. OP Financial Group has not been excluded from benchmark values in accordance with the EU's Paris Agreement. OP Financial Group has set climate goals for its own operations and customers' business activities. The goals also support the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). OP Financial Group has been a founding member of the Principles since 2019.

Responsible business is one of OP Financial Group's strategic priorities, and in accordance with this, responsibility is embedded in OP Financial Group's business processes, customers are supported in the green transition, and sustainable products are included in OP Financial Group's product and service range. OP Cooperative's Board of Directors confirms the strategic priorities annually. OP Financial Group's sustainability programme fulfils the Group-level strategy, guiding sustainability and corporate responsibility actions by defining tangible goals for climate actions. OP Cooperative's Supervisory Council regularly reviews the sustainability programme and monitors its implementation. The Supervisory Council also approves sustainability-related targets, such as the emissions reduction targets and the biodiversity road map.

OP Financial Group published its initial climate transition plan at the end of 2024. The initial climate transition plan includes the policies and objectives approved by the Cooperative's Board of Directors and confirmed by OP Cooperative's Supervisory Council on how OP Financial Group will adapt its operations towards the targets of the Paris Climate Agreement. The objectives of the transition plan for climate change mitigation are covered by the Responsible business priority in OP Financial Group's strategy.

The initial transition plan outlines the key actions and timelines by which OP Financial Group aims to reduce greenhouse gas emissions and direct financing to sustainable development projects. OP Financial Group's sector-specific emissions targets included in the transition plan for energy sector corporate loans and home loans were set based on the emissions reduction paths aimed at net zero emissions by 2050, defined by the International Energy Agency's (IEA) NZE scenarios (Net Zero Emissions by 2050 Scenario). OP Asset Management's net zero targets are also based on the IEA's scenarios. OP Financial Group's fossil fuel policies are a key element of the climate transition plan because giving up fossil fuels plays an important part in achieving the Paris Agreement's 1.5 degree target. Offering sustainable financing and investment products is a way to accomplish OP Financial Group's objectives. In addition, OP Financial Group requires large customers in industries subject to high climate transition risk to prepare company-specific emissions reduction plans by the end of 2025. Targets included in the initial transition plan are described in more detail in the following sections.

The achievement of the targets included in the initial transition plan is monitored regularly, and progress in emissions reduction targets is reported as part of OP Financial Group's annual sustainability reporting. These targets are described below in chapter E1-4. Key indicators such as the development of the amount of green financing are monitored monthly as part of management reporting. Emissions and their related targets are monitored at a quarterly level for corporate loans as of the beginning of 2025. OP Financial Group also conducts qualitative analysis concerning the measures and impacts included in the transition plan for different business units and as part of processing by the Group-level ESG Committee.

OP Financial Group's transition plan and sustainability programme will be updated and developed in 2025, and emissions reduction actions will also be developed further. The emissions reduction targets of OP Financial Group's own operations have required investments during the migration of properties' energy use to electricity and heat energy generated mainly from renewable energy, and the implementation of various projects to promote energy efficiency. As an operator in the financial sector, lock-in of greenhouse gas emissions or KPIs related to the EU Taxonomy's capital expenditure are not essential for OP Financial Group, due to which they are not reported. OP Financial Group reports GAR (Green Asset Ratio) based on KPIs published by companies other than financial companies on Taxonomy-aligned turnover and capital expenditure.

In its own properties, OP Financial Group has implemented long-term decarbonisation efforts. 100% of the purchased electricity used by OP Financial Group in Finland is generated with wind power. District heating and district cooling are also generated from 100% renewable sources. The number of oil heating sites was decreased by investing in a change of heating method, for example. Means to promote the energy efficiency of the Group's own properties are investigated and implemented continuously. For example, an operating model and guidelines were created to simplify the implementation of solar power systems. OP Financial Group collaborates with its key procurement suppliers on an ongoing basis. As part of supplier relationship management, suppliers' emission targets and actions are also monitored and promoted, as is Suppliers' ability to report emissions caused by the purchased service to OP Financial Group. In this manner, OP Financial Group aims to both promote decarbonisation and enable the consideration of decarbonisation measures performed in its supply chain as part of Scope 3 emissions calculation. The main decarbonisation means of corporate financing are active communication with customers, guidance through sustainable finance products, assessment of customers' transition plans, and limiting the financing of certain activities harmful to the climate and nature (coal, oil, and natural gas). In asset management, OP Asset Management utilises active ownership, encourages investment options to reduce emissions, and actively monitors the emissions reduction measures of their investment options and their progress.

Targets related to climate change mitigation and adaptation (E1-4)

OP Financial Group's business – financing, investment and insurance products offered to customers – and the associated emissions reduction opportunities are the keys to achieving climate and environmental goals. In addition, OP Financial Group promotes climate change mitigation by utilising circular economy operating models. In OP Financial Group's own activities and acquisitions, climate impacts are reduced by improving energy efficiency, increasing the share of renewable energy and implementing solutions to minimise emissions.

Targets related to climate change mitigation and adaptation in own operations

OP Financial Group aims to make our own operations carbon neutral regarding emissions from energy and fuels (Scope 1 and Scope 2) by the end of 2025. By the end of 2024, emissions were decreased by 99% compared to reference year 2021 (26,165 tCO2e). The target includes emissions from OP Financial Group's own properties, generated by heating oil, oil used in stand-by generators, electricity, district heating and district cooling. A key measure is to increase the use of renewable energy. All electricity, district heating and district cooling purchased by OP Financial Group in Finland is generated with renewable energy, and solar power stations are being installed on the roofs of properties owned by the Group. The target is that 25% of properties owned and used by OP Financial Group will have a solar power station by the end of 2030. Renewable energy accounted for 99.3% of OP Financial Group's total electricity consumption in 2024.

OP Financial Group updated its emissions calculation in 2024, due to which the emissions of company cars owned and managed by OP Financial Group are included in own emissions for the first time (Scope 1 and Scope 2). In addition, the emissions of OP Real Estate Asset Management Ltd's properties were included in OP Financial Group's emissions calculation in 2024.

Regarding the emissions of purchased products and services (Scope 3, category 1), OP Financial Group actively collaborates with its suppliers to develop supplier-specific emissions reporting and take emissions reduction actions used to decrease emissions from acquisitions into account. OP Financial Group's target is to reduce the emissions intensity of acquisitions by 2030. During 2025, the emissions target will be specified, while the cooperation options with major suppliers will be clarified.

Climate targets of investment, financing and insurance business

OP Corporate Bank is committed to achieving carbon neutrality in its corporate loan portfolios, and in funds jointly managed by OP Asset Management and OP Fund Management Company, by 2050. A corresponding goal has been set for OP cooperative banks' corporate loans. Pohjola Insurance and OP Life Assurance Company aim to achieve carbon neutrality for investment assets by 2050. In addition, Pohjola Insurance is preparing emissions reduction targets for the insurance portfolio.

In its sustainability programme, OP Financial Group has set an objective for the amount of sustainable financing products, according to which sustainable financing products will account for at least 8 billion euros by the end of 2025. At the end of 2024, the amount of sustainable financing products was 8.61 a billion euros.

OP Financial Group has set the following interim targets for reducing emissions related to investments and loan portfolios:

- 75% of the direct fixed income and equity investments of OP Fund Management Company are converging or have converged on a net zero path, or have reached net zero, by the end of 2030. According to the interim target, 65% will already have achieved this goal by the end of 2028. At the end of 2024, 61% of the fund's direct fixed income and equity investments were converging or had converged on a net zero path, or had reached net zero.
- OP Real Estate Asset Management seeks to achieve carbon neutral energy use by 2030 in direct real estate investments when it is responsible for sourcing energy. These goals are promoted by reducing energy consumption, and producing and purchasing renewably sourced energy. OP Real Estate Asset Management's market-based emissions for Scope 1 and Scope 2 were 0 tCo2e in 2024.
- Regarding investments, OP Asset Management is committed to halving the greenhouse gas emissions intensity of its mutual funds by 2030 (compared to emissions intensity in 2019). This target was reached at the start of 2024. The target and its implementation are described in more detail further on in this chapter.
- Insurance companies aim to halve the greenhouse gas emission intensity of its investments by 2030 compared with the 2019 level. The target and its implementation are described in more detail further on in this chapter.
- 25% of corporate loan portfolio emissions will be cut by 2030 compared with the 2022 level. The emissions reduction targets of corporate loan portfolios and their progress are described in more detail later in this chapter.

In addition, OP Financial Group has set sector-specific emissions reduction targets for the three most carbon-intensive financed industries based on materiality analysis. These three sectors accounted for 90.6% of the emissions of OP Financial Group's loan portfolio when the targets were set. When setting sector-specific emissions reduction targets, IEA scenarios were utilised. The goal of these scenarios is net zero greenhouse gas emissions by 2050. In addition, the emissions reduction targets set by major Finnish entities were used.

- In energy production, there will be a 50% reduction of emissions intensity from the 2022 level by 2030
- In agriculture, there will be a 30% reduction of absolute emissions from the 2022 level by 2030
- In relation to home loans, there will be a 45% reduction in emissions intensity from the 2022 level by 2030.

OP Financial Group monitors the financed emissions of energy and agriculture sector corporate loans it grants, as well as the emissions intensity of the energy sector, which also involves a binding limit. In addition, OP Financial Group has set a binding limit for the emissions intensity of home loans. The development of the financed emissions, emissions intensity and real estate collateral of home loans is monitored. In addition, OP Financial Group has identified risks related to tightening energy efficiency targets and legislative changes in the energy sector, which can weaken the value of collateral and increase credit risk. The identified risks and their related targets are examined as part of updating OP Financial Group's sustainability programme.

The table below shows the emissions reduction targets of OP Financial Group's investment and financing business that apply to certain subcategories of Scope 3 category 15.

When setting emissions reduction targets for energy and agricultural sectors' corporate loan and home loan portfolios, different climate scenarios were utilised, particularly the IEA's Net Zero by 2050 scenario. The sector-specific developments provided by this scenario were used to calculate sector-specific emissions intensity reduction pathways for different sectors. When setting these targets, sector-specific changes in the Finnish market were also reviewed and used as a basis to set the final, absolute emissions reduction and emissions intensity reduction targets.

OP Financial Group recognises that the initial values of its absolute emissions reduction targets and emissions intensity reduction targets, set during base years, reflect the climate conditions of the time and technological development stages included in the emission factors used, for example. Due to this, base years are recalculated when necessary to also reflect comparability and changes in the real world in reported emissions and emissions intensity reductions. If significant factors that have affected the development of emissions are identified during the base year or any other year, they are brought up in OP Financial Group's reporting with the target affected by the phenomenon in question.

Emissions reduction targets (Scope 3)

	Baseline year	Unit	Base value	Realised 2024	Change realised in 2024 compared to the baseline year	Target value 2030	2030 change target to baseline year emissions (%)
OP funds' carbon intensity halved by 2030 compared to 2019	2019	tCO2e/m USD	181	79	-56%	90.5	-50%
The carbon intensity of OP Life Insurance's investments halved by 2030 compared to 2019	2019	tCO2e/m USD	96	56	-42%	48	-50%
The carbon intensity of Pohjola insurance's investments halved by 2030 compared to 2019	2019	tCO2e/m USD	111	69	-38%	55.5	-50%
25% of corporate loan portfolio emissions will be cut by 2030 compared to 2022	2022	tCO2e	3,653,839	2,172,244	-41%	2,740,379	-25%
In energy production, there will be a 50% reduction of emissions intensity from the 2022 level by 2030	2022	gCO2e/KWh	86.2	58.6	-32%	43.1	-50%
In agriculture, there will be a 30% reduction of absolute emissions from the 2022 level by 2030	2022	tCO2e	1,348,203	1,089,222	-19%	943,742	-30%
In relation to home loans, there will be a 45% reduction of emissions intensity from the 2022 level by 2030	2022	kgCO2/m2	13.4	8.1	-39%	7.4	-45%

OP Financial Group utilises the transition rule in accordance with ESRS1 10.2 (Transitional provision related to chapter 5 Value chain) for value chain data and does not report the absolute values of intensity targets.

Circular economy as part of climate change mitigation

OP Financial Group is committed to promoting the circular economy as part of its own and its customers' business because the circular economy is a key element of climate change mitigation. According to the Group's objective, 100% of payment cards issued by OP will be made from recycled plastic during 2026. The card portfolio will be updated to recycled plastic according to the normal card renewal schedule. At the end of 2024, 68.6% of customers' OP payment cards were made from recycled plastic.

Increasing the share of circular economy in the company's claims settlement was set as Pohjola Insurance's target for promoting the circular economy. The target is measured by the share of repaired and recycled components in all reported property and general liability and vehicle claims. The company aims to increase the share of circularity in claims settlement by three percentage points from the base year 2022 (14.1%), to 17.1% from reported claims by the end of 2025. At the end of 2024, the share of the circular economy was 16.3%, which means an increase of 2.2 percentage points compared with 2022. Pohjola Insurance is also investigating options to develop the emissions calculation of claims settlement. The purpose of utilising circular-economy-based operating models is to reduce emissions.

Policies related to climate change mitigation and adaptation (E1-2)

OP Financial Group and its business units have several policies related to the material impacts, risks and opportunities of climate change mitigation and adaptation. OP Financial Group's policies listed in this section concern OP Financial Group's own business activities in the countries in which it operates. Group-level policies include OP Financial Group's Risk Appetite Statement (RAS), the Code of Business Ethics, Energy Management guidelines for OP Financial Group's own properties, and OP Financial Group's travel policy. Business-unit-level policies include the sustainable financing principles of the Banking Risk Policy, the Credit Policy for Corporate and Institutional Customers, OP Asset Management's climate policy, OP Real Estate Asset Management's Principles for Responsible Real Estate Investment, OP Fund Management's Shareholder Engagement policy, insurance companies' principles for responsible investment, Pohjola Insurance's non-life insurance policies and terms and conditions, and OP Corporate Bank's Green Bond Framework and OP Mortgage Bank's Green Covered Bond Framework.

The Group-level Energy Management guidelines created by OP Property and Facility Management describes how renewable purchased energy is acquired, what OP Financial Group's targets are in the Group's own solar energy production, and how energy efficiency is improved. The Energy Management guidelines describe in more detail how energy consumption is monitored, and how deviations are addressed. They also clarify energy efficiency opportunities, and how energy efficiency measures are implemented. The safety, planning, installation, implementation and production monitoring of solar power stations are taken into account as part of overall energy management. Sustainability is also included in energy management as part of construction and basic renovations.

OP Financial Group's travel policy was updated in 2024 to take sustainability into account more when making travel decisions, particularly concerning emissions caused by travel. The purpose of the travel policy approved by OP Financial Group's HR management team is to direct employees to follow shared practices when planning and implementing travel. The update clarified sustainability recommendations to reduce travel and travelling more sustainably.

OP Financial Group's climate change mitigation actions are guided by the Code of Business Ethics. It outlines reducing emissions of loan and investment portfolios, and OP Financial Group's efforts to offer sustainable financing, investment and insurance products to customers. OP Cooperative's Board of Directors approves the Code of Business Ethics, and the Supervisory Council confirms it.

OP Financial Group's Banking Risk Policy and the Credit Policy for Corporate and Institutional Customers specifying it guide the consideration of ESG factors in lending. The Banking Risk Policy has been approved by OP Cooperative's Board of Directors. It includes priorities concerning both corporate/housing company lending and consumer loans. In the Banking Risk Policy, OP Financial Group outlines the principles of responsible financing, which includes the assessment of potential climate change impacts as part of creditworthiness. In addition, the policy includes priorities concerning emissions intensity limits for the energy sector and housing loan portfolios, and the share of green loans in all the sector's loans.

When granting corporate financing, OP Financial Group follows the Credit Policy for Corporate and Institutional Customers, and the policies and guidelines they describe. The Credit Policy is approved by OP Cooperative's Board of Directors. The credit policy describes in more detail how ESG factors are considered in financing and decision-making. As part of corporate financing, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality. The principles for ESG analysis are described in their own guidelines, approved by Corporate Financing's management. Climate change is taken into account in the Banking Risk Policy and Credit Policy of Corporate and Institutional Customers by setting restrictions for financed projects such as new coal plants or mines, or oil and gas exploration and production.

OP Asset Management's climate policy guides the work of investment business to promote climate change mitigation, and outlines the climate targets of asset management. The climate policy is approved by the Boards of Directors of OP Asset Management and OP Fund Management Company. The policy gathers criteria according to which investment options are analysed and targets are set, and measures to achieve such targets. In addition, OP Fund Management Company's shareholder engagement policy defines the criteria based on which targeted climate engagement is conducted for the direct equity and fixed income fund investments that have been identified as having a high climate risk. OP Real Estate Asset Management's climate targets have been approved by OP Real Estate Asset Management's Board of Directors. OP Real Estate Asset Management's sustainability programme guides climate actions in achieving such targets.

OP Asset Management, OP Fund Management Company, OP Real Estate Asset Management, Pohjola Insurance and OP Life Assurance Company have their own responsible investing principles, approved by each company's Board of Directors. The principles describe methods and means for the consideration of the environment, social responsibility and corporate governance in investment activities. The operational implementation of insurance companies' investment activities has been outsourced to OP Asset Management. ESG analysis is included in investment analysis conducted in support of investment decisions. OP Asset Management's internally developed ESG analysis tools support the objective assessment of sustainability factors in investment decisions.

In Pohjola Insurance's insurance business, climate change mitigation and adaptation are implemented in accordance with OP Financial Group's policies as appropriate for insurance companies. ESG factors are taken into account in Pohjola Insurance's Underwriting (UW) guidelines through restrictions for the granting of insurance, among other things. Pohjola Insurance's insurance products cover damage caused by physical climate risks. Material climate threats are considered in key non-life insurance product-specific terms and conditions, product oversight and governance requirements, as well as UW guidelines. ESG risk factors are also part of insurance companies' normal risk process. Pohjola Insurance's product governance instructions and UW operating guidelines have been approved by Pohjola Insurance's CEO.

Leveraging solutions that promote circular economy in claims settlement is one of Pohjola Insurance's approaches to mitigate climate change. Property damaged is primarily repaired in accordance with vehicle and property insurance terms and conditions. Pohjola Insurance requires that its loss partners investigate the possibility of repairing damaged property.

The Supplier Code of Conduct, updated in 2024, forms the basis of responsible procurement in OP Financial Group. OP Financial Group's contract suppliers and non-life insurance loss partners have undertaken to comply with OP Financial Group's Supplier Code of Conduct. This requires suppliers to recognise the environmental and human rights impacts of their actions and proactively seek to reduce their emissions to the air, soil and water, and to make efficient use of their resources. The Supplier Code of Conduct has been approved by OP Cooperative's Supervisory Council. The changes to the content have been approved by the management of Procurement Services and the ESG Committee, which reports to the Executive Management Team of OP Financial Group.

The guidelines of OP Group's higher-level policies are supplemented by OP Corporate Bank's Green Bond Framework, used in the issue of bonds. It identifies sustainable investment options and defines the types of climate mitigation projects OP Financial Group can finance with sustainable investment products such as green loans. OP Mortgage Bank has a similar Green Covered Bond Framework for the issue of green covered bonds, according to which funds collected through green covered bonds are allocated to green buildings. Both frameworks have been approved by the Green Bond committee operating within OP Financial Group's Banking ALM Committee.

In addition to OP Corporate Bank's Green Bond Framework, OP Financial Group enables investments that support climate change mitigation and adaptation, and the financing of the circular economy, through the EIF Sustainability SMEs and Small Mid-caps risk-sharing guarantee granted by the European Investment Fund (EIF). The suitability of the risk-sharing guarantee for different options is defined by the Use cases document, approved by the European Commission and the European Investment Fund. The European Investment Fund (EIF) guarantees are part of the InvestEU programme. The financing solutions OP Financial Group provides benefit from support from the InvestEU Fund.

OP Financial Group has identified risks related to tightening energy efficiency targets and legislative changes in the energy sector, which can weaken the customer's cash flow or the value of collateral, and increase credit risk. In 2024, a binding limit for home loans' emissions intensity was included in OP Financial Group's Banking Risk Policy. The limit measures the energy consumption of property collateral in relation to collateral floor area. A limit for the emissions intensity of energy sector corporate loans was also added to the risk policy. The limit measures the energy produced by companies in relation to emissions caused by production. In addition, a minimum share of green loans to energy sector corporate customers in the sector's total loans has been set in the risk policy. Furthermore, the Group will not finance new coal power plants or coal mines, including companies that plan to build them. In 2024, OP Financial Group has also adjusted its policies on financing oil and gas exploration and production.

Actions and resources in relation to climate change policies (E1-3)

OP Financial Group uses several climate change mitigation and adaptation actions with which it aims to achieve the related targets. Achieved interim goals are described in more detail above in section E1-4. OP Financial Group has not assessed the expected emissions reductions of actions related to these targets. Participating in global commitments and cooperation projects is an important area linked to several Group-level principles. OP Financial Group's climate mitigation actions do not include nature-based solutions.

Reducing financed emissions

OP Financial Group is part of financial institutions' 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 loans, insurance policies and investments. A harmonised accounting approach will provide financial institutions with a basis for achieving the goals of the Paris Agreement. Comparable climate emissions data is important for the development of sustainable investment products and credit risk management, among other things. When calculating financed emissions, OP Financial Group has applied the PCAF standard as of 2022 and as of 2023 concerning insurance business. OP Financial Group's sector-specific emissions reduction targets have been prepared based on financed emissions from corporate and home loans in accordance with the PCAF standard. OP Financial Group tracks the PCAF standard's development actively and develops its own internal calculation practices constantly to make communication and fact-based decision-making related to financed and insured emissions as accurate and transparent as possible. The financed emissions for 2024 are described below in chapter E1-6.

Reducing emissions in our own operations

The emissions of purchased products and services are calculated with a hybrid method in which most emissions are calculated using purchase costs and category-specific emission factors. In 2024, active dialogue with suppliers that most affect emissions was continued on suppliers' ability to calculate and report the emissions of services purchased by OP Financial Group to OP Financial Group. If the supplier can provide emissions data, it is used instead of purchase cost-based calculation. In addition to emissions reporting, cooperation with suppliers is conducted to identify, develop and implement emissions reduction actions. Regarding motor vehicle insurances' claims settlement, for example, Pohjola Insurance has conducted active development work with claims settlement partners to create an operating model in which nearly new recycled parts can be used for repairs instead of new spare parts. The aim is to significantly decrease emissions from claims settlement in the future by increasing the repair and recycling rate. As digital services are multiplied and developed, it is likely that the emissions from the ICT category will increase significantly in the future if energy efficiency is not addressed and zero-emission energy sources are not emphasised in the ICT value chain.

Travel guidelines are used to influence emissions caused by business travel. Emissions are formed by the use of vehicles with a kilometre allowance, as well as by flying, train travel and hotel nights.

The emissions included in the reduction target for OP Financial Group's own operations encompass emissions from the energy consumption of facilities that are in OP Financial Group's own use. These emissions are generated by heating oil, oil used in stand-by generators, electricity, district heating and district cooling. Currently, 99% of the electricity purchased in the facilities used by OP Financial Group is generated by Finnish wind power. Likewise, 99% of district heating is produced using renewable fuels or equivalent energy sources such as waste heat.

Sustainable financing

OP Financial Group is Finland's largest provider of corporate loans, and one of its goals is to promote the sustainability of Finnish society. OP Financial Group works towards this goal by using sustainable finance to support customers in achieving their sustainability goals. At the same time, the implementation of OP Financial Group's own sustainability targets progresses: emissions reduction targets are reached together with customers.

OP Financial Group offers sustainable financing solutions that support customers' transition to a more sustainable future, such as green financing and finance related to a company's sustainability. In green financing, the use of funds is limited to a certain green business function or project, and the financing logic can be applied to several different financing products. The financed activities' environmental impacts are monitored annually. Finance related to a company's sustainability, i.e. sustainability-linked financing, means financing for general corporate purposes. The loan terms are tied to the company's general sustainability targets, and the company reports annually on targets set for the loan. The logic of financing linked to sustainability can be applied to several different finance products. Typically, reducing the customer's GHG emissions is one of the sustainability targets selected for sustainability-linked financing.

As part of actions mitigating climate change, OP Financial Group issues green bonds in which funds are allocated to environmentally sustainable projects, including the promotion of the circular economy. Both OP Financial Group's issuers, OP Mortgage Bank and OP Corporate Bank, have their own green finance framework, and they report impacts achieved with bonds annually. OP Corporate Bank updated its Green Bond Framework in March 2024. With the update, the guidelines concerning the green loan product available to OP cooperative banks' corporate customers were also updated. The green loan product of OP cooperative banks can be offered for basic renovation projects improving energy efficiency, the acquirement of energy efficient buildings, or new construction, partly in accordance with the EU Taxonomy. OP Financial Group started selling energy efficiency loans for properties to personal customers in November 2024. With energy efficiency loans, OP Financial Group encourages personal customers to perform renovations that improve the energy consumption of one- or two-family houses, and support the reduction of emissions.

In addition to OP Financial Group's green financing framework, OP Financial Group enables the EIR Sustainability SMEs and Small Mid-caps risk sharing guarantee, granted by the European Investment Fund for various circular economy projects of customers. OP Financial Group's aim is to discuss material sustainability topics such as the circular economy with customers to be able to offer sustainable financing solutions on a customer-specific basis.

Increasing the knowledge of personnel about products promoting sustainability is an important part of OP Financial Group's work. In 2024, OP Financial Group promoted the knowledge of personnel about green loans for corporate customers offered by OP cooperative banks. It also offered training for discussing greenhouse gas emissions and other sustainability topics with customers. Training has helped employees identify investments that promote low emissions, and for which green loans can be offered. In addition, Account Managers were trained to identify individual corporate responsibility areas material for each company, such as greenhouse gas emissions. Training on starting sustainability work in SMEs was also offered to OP Financial Group's customers in the autumn of 2024 through sustainability courses for SMEs, implemented in cooperation with the Finland Chamber of Commerce. Furthermore, the ESG expertise of OP Corporate Bank's Baltic Banking personnel was deepened significantly in 2024 through close cooperation with Aalto University.

Dialogue with corporate customers is key to achieving OP Financial Group's climate change mitigation targets. Through dialogue, customers can be offered advice, and sustainable solutions can be developed together to support the achievement of climate goals. For example, active dialogue is conducted with energy sector customers subject to sector-specific targets for 2030 about their emissions reduction targets and transition plans. OP Financial Group requires large customers in industries subject to high climate transition risk to prepare company-specific emissions reduction plans by the end of 2025. The main expectation of corporate customers is that plans exist. The credibility of the plans is assessed at the same time. An assessment tool was developed for transition plans, for which piloting started in 2024.

To understand the value chain's GHG emissions better and measure the realisation of emissions reduction targets, OP Financial Group started collecting information related to GHG emissions from corporate customers in 2024. By using this information, OP Financial Group is better able to identify financed emissions and promote emissions reduction targets with customers. Capabilities for the systematic collection of GHG emission data from corporate customers and generated energy data from energy sector customers are developed on an ongoing basis.

In addition, the OP Financial Group has decided that new coal power plants or coal mines, including companies that plan to build them, will not be financed. OP Financial Group also does not accept new corporate customers whose financial dependence on coal as an energy source is over 5%, measured in turnover. This policy can be deviated from if the corporate customer is committed to shifting to a low-carbon economy and demonstrating a credible plan to withdraw from coal. The aim of the policies is to promote climate change mitigation in OP Financial Group's value chain.

In 2024, OP Financial Group adjusted its policy on financing, insuring and investing in oil and gas exploration and production. Direct equity and fixed income investments by OP mutual funds exclude institutions and companies involved in coal, oil and gas exploration, and production. OP Financial Group will not finance or insure new corporate customers that engage in so-called unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas.

Sustainable investing

Analysing the responsibility of investments and encouraging companies to undertake more sustainable business help investors meet long-term investment goals. In 2021, OP Asset Management joined the international Net Zero Asset Management initiative, in which asset managers commit to supporting the achievement of net-zero GHG emissions by 2050.

OP Asset Management utilises a climate model based on the Net Zero Investment Framework methodology to support the transition to low-carbon investment activities. The model is used to determine how investments options have adapted or are adapting to global net zero targets. Based on the model, more detailed criteria have also been defined for a climate risk-based exclusion practice and active ownership. Furthermore, OP Asset Management allocates investment funds to sustainable investment options through thematic fund products, for example.

Direct equity and fixed income investments of mutual funds managed by OP Asset Management with OP Fund Management Company exclude companies for which more than 5 per cent of turnover comes from coal, oil or gas exploration, distribution, refining and production, and which do not have a clear and plausible strategy for transitioning from fossil fuels to more sustainable business models. The exclusion concerns all active direct investments in funds that report sustainability information in accordance with Articles 8 and 9 of the EU Sustainable Finance Disclosure Regulation (SFDR). The analysis is based on OP Asset Management's climate model. The exclusion applies to fossil business companies that are not yet adapting to or have not adapted to the net-zero path.

Coal business has been excluded from mutual funds making active direct investments, managed by OP Asset Management with OP Fund Management Company, and from insurance companies' investments insofar as more than 20% of the company's turnover consists of business related to coal. In asset management, OP Asset Management is committed to the stepwise tightening of our coal-exclusion policy, so that direct and active investments exclude business related to coal mining or coal power generation by the end of 2030.

Climate engagement is one of the measures used in investment activities both to manage the climate risk of investment portfolios and to support the transition of investee companies to more sustainable business models. For direct equity and fixed income funds managed by OP Fund Management Company ("OP's funds"), targeted climate engagement is implemented. OP's funds engage companies that have yet to reach net zero and are not adapting or have not adapted to the net-zero path. Engagement is conducted through voting at shareholders' meetings, direct dialogue or joint engagement initiatives.

In 2024, our climate engagement included 11 companies. OP's funds implemented engagement actions mainly by voting at general meetings and through the Climate 100+ initiative. At general meetings, OP funds voted to support shareholder proposals related to emissions reduction target-setting and to oppose the re-election of some – or, in some cases, all – board members because the board and management had taken insufficient measures to advance climate targets and actions. For one company, OP's funds have participated in the Climate Action 100+ initiative's Lead Investor work group since the start of 2023. In H1/2024, direct dialogues were also begun with two companies. For eight companies, OP funds used voting at general meetings as a method to promote climate target-setting.

Sustainable insurance

The insurance sector plays a central role in climate change adaptation because in the future, losses related to climate threats may occur more frequently and may be more severe. This will increase the probability of certain incidents, which is why measures related to climate change adaptation are considered essential in the insurance business. In line with the EU Taxonomy, economic activities related to non-life insurance can substantially contribute to climate change adaptation. Pohjola Insurance is developing the Taxonomy alignment of specified insurance products. In addition, climate-related and environmental impacts are considered in the development of products and services. The company analyses the materiality of climate threats and strengthens understanding of these. Measures supporting adaptation help Pohjola Insurance mitigate risks from climate change, and to anticipate and reduce ensuing losses to society and to customers. One of the goals is to help customers better understand the physical impacts of climate risks. Climate risk models are used to appropriately anticipate climate risks relevant to insurance.

Pohjola Insurance uses flood modelling to estimate the amount and scope of flood losses. The company utilises flood maps provided by the authorities to analyse the probability and heights of coastal and inland floods in Finland. Based on this information, Pohjola Insurance maps impact of floods on insured objects and determines flood risk indexes for these. Pohjola Insurance has coastal flood models up to 2050, which are used alongside other modelling. In addition to floods, modelling will also continue for other climate-related threats that Pohjola Insurance has assessed to be relevant.

Insurance companies play a key role in the fight against climate change through insurance and investment operations, and as part of claims settlement. In their investment activities, Pohjola Insurance and OP Life Assurance Company are committed to actions that promote climate change mitigation. The insurance companies aim to reduce the carbon intensity of their investments and implement responsible investing principles approved by the companies' boards of directors. In 2023, Pohjola Insurance calculated the insurance portfolio's carbon dioxide emissions for the first time in accordance with the PCAF standard, published in 2022. The company investigates actions and targets to reduce the emissions of its insurance portfolio. As a key decarbonisation measure, Pohjola Insurance no longer insures institutions or companies that engage in oil and gas exploration or production. Nor does it insure new operations and property related to coal unless the policyholder can present a reliable transition plan. The company undertakes to support the adoption of renewable energy and related purchases with its insurance solutions.

In non-life insurance activities, emissions are also generated in loss repairs, especially for motor vehicle and property insurance policies. Utilising the operating models of the circular economy is key to climate change mitigation in Pohjola Insurance's value chain. The claims settlement operations collaborate with loss partners and implements different pilots and investigations to identify new ways of working related to the circular economy. Going forward, Pohjola Insurance's claims settlement operations aim to enhance its emissions calculation by utilising loss-specific emissions data.

The vehicle insurance claims settlement operations and its partners analyse new methods for repairing vehicle damage in a more environmentally friendly manner. The vehicle insurance claims settlement operations helped repair shop partners increase operating models that promote circularity by encouraging them to repair damaged parts and windscreens whenever possible, while ensuring traffic safety and the repairs' high quality. The claims settlement operations will implement recycling and reuse of damaged but functional components. The use of reclaimed spare parts accounted for 4.8% of vehicle repairs in 2024. Pohjola Insurance collaborates with the automotive industry's leading circular economy operator with the aim of increasing the availability of dismantled quality-controlled spare parts from redeemed vehicles for reuse. The goal of the cooperation is to significantly increase the share of reclaimed spare parts used in the future. Quality-controlled reclaimed parts are used in a targeted manner by Pohjola Insurance's repair shop
partners to repair loss damages.

Methods related to the circular economy are also implemented in Pohjola Insurance's other property claims settlements. Pohjola Insurance monitors the repair rate of damaged mobile devices and collaborates with its loss partners concerning it. Pohjola Insurance's other partners in compensating losses to movable property under property insurance also repair devices and ensure the appropriate recycling of waste. Pohjola Insurance has increased cooperation with its partner in redeeming salvage, so that even more redeemed salvage can be reused. For building losses such as damage caused by pipe leaks and fires, the aim is to plan repairs that require a minimum amount of new materials. In 2024, Pohjola Insurance collaborated with the scientific community to review circular economy-based operating models for movable property and building losses.

Energy consumption and mix (E1-5)

OP Financial Group's energy consumption reporting covers property investments of properties owned by OP Financial Group and properties under OP Real Estate Asset Management's operational control. Reporting describes the energy use of operations and the development of energy efficiency. The information reported include the total energy consumption in megawatt-hours, divided between fossil, nuclear and renewable energy sources. Regarding renewable energy, both fuel-based and purchased and generated energy are taken into account. The goal is to highlight OP Financial Group's exposure to fossil fuels, the share of renewable energy sources, and the overall development towards more responsible energy use and a smaller carbon footprint.

The consumption information about purchased energy and generated energy is obtained through Enerkey reporting for OP Financial Group's own properties. Regarding OP Real Estate Asset Management, the corresponding information is retrieved through service provider Afry's Monitoring system. Fuel consumption information is based on procurement data for the year in question, and consumption information (volume) is converted to megawatt-hours for reporting based on the fuel's lower heating value.

Energy consumption and mix

	2024
Non-renewable energy sources	
Total consumption of fossil energy (MWh)	831
Share of fossil energy sources in total energy consumption (%)	0.4 %
Consumption from nuclear products (MWh)	0
Share of nuclear products in total energy consumption (%)	0.0 %
Renewable energy sources	
Fuel consumption for renewable sources (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	229,161
Consumption of self-generated non-fuel renewable energy (MWh)	6,158
Total renewable energy consumption (MWh)	235,319
Share of renewable sources in total energy consumption (%)	99.6 %
Total energy consumption (MWh)	**236,150**

Energy production

The properties managed by OP Financial Group and its real estate investment company generates 716 megawatt-hours of non-renewable energy and 6,320 megawatt-hours of renewable energy.

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

The table below includes OP Financial Group's total GHG emissions in 2024, divided between Scope 1 and Scope 2 emissions, and the most significant Scope 3 emissions. Scope 1 covers direct emissions from the company. Scope 2 includes indirect emissions from business caused by the use of purchased electricity, heat and cooling. OP Financial Group updated its emissions calculation in 2024, due to which the emissions of OP Financial Group's company cars are included in the emissions of own operation for the first time (Scope 1 and Scope 2). In addition, the emissions of OP Real Estate Asset Management's properties were included in OP Financial Group's emissions calculation in 2024. Scope 3 covers all other indirect emissions in the value chain. The table includes the most significant Scope 3 emissions in OP Financial Group's operations. The Operational control approach is used in the consolidation of emissions.

OP Financial Group has several emissions reduction targets in Scope 3 category 15, related to indirect emissions of investment and financing activities. These emissions reduction targets are presented in detail in the table of section E1–4.

Total greenhouse gas emissions	Retrospective				Intermediate targets and target years			
	Baseline year	2023	2024	Change compared to baseline year (%)	2025	2030	2050	Annual % target / baseline year
Scope 1 - greenhouse gas emissions								
Gross Scope 1 GHG emissions (tCO2e)	n/a	n/a	339	n/a	n/a	n/a	n/a	n/a
Percentage of Scope 1 GHG emissions covered by regulated emission trading systems (%)	n/a	n/a	0 %	n/a	n/a	n/a	n/a	n/a
Scope 2 - greenhouse gas emissions								
Gross Scope 2 location-based GHG emissions (tCO2e)	n/a	n/a	16,056	n/a	n/a	n/a	n/a	n/a
Gross Scope 2 market-based GHG emissions (tCO2e)	n/a	n/a	23	n/a	n/a	n/a	n/a	n/a
Significant Scope 3 GHG emissions								
Gross indirect (Scope 3) total GHG emissions (tCO2e)	n/a	n/a	4,667,566	n/a	n/a	n/a	n/a	n/a
1 Purchased products and services	n/a	n/a	301,053	n/a	n/a	n/a	n/a	n/a
Cloud computing arrangements and data centre services	n/a	n/a	60	n/a	n/a	n/a	n/a	n/a
2 Capital goods	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 Fuel and energy related activities (not included in Scope 1 or Scope 2 emissions)	n/a	n/a	44	n/a	n/a	n/a	n/a	n/a
4 Upstream transportation and distribution	n/a	n/a	466	n/a	n/a	n/a	n/a	n/a
5 Waste generated in operations	n/a	n/a	99	n/a	n/a	n/a	n/a	n/a
6 Business travels	n/a	n/a	3,723	n/a	n/a	n/a	n/a	n/a
7 Employee commuting	n/a	n/a	3,749	n/a	n/a	n/a	n/a	n/a
8 Upstream leased assets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9 Downstream transportation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10 Processing of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11 Use of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12 End-of-life treatment of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13 Downstream leased assets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14 Franchises	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15 Investments*	n/a	n/a	4,358,372	n/a	n/a	n/a	n/a	n/a
Total GHG emissions								
Total GHG emissions (location-based) (tCO2e)	n/a	n/a	4,683,961	n/a	n/a	n/a	n/a	n/a
Total GHG emissions (market-based) (tCO2e)	n/a	n/a	4,667,928	n/a	n/a	n/a	n/a	n/a

*Category 15 includes Scope 1 and 2 emissions of investee companies and emissions related to insurance policies in accordance with the GHG Protocol's Scope 3 guidelines. Investee companies' Scope 3 emissions are reported below in this section in accordance with PCAF, separately from Scope 1 and 2 emissions.

Emissions calculation measurement methods

Scope 1: Direct emissions from business

The reported emissions cover the properties and cars owned by OP Financial Group and properties under OP Real Estate Asset Management's operational control.

The emissions of OP Financial Group's properties are caused by renewable fuel oil used in stand-by generators and fossil fuels used in heating. Their use is justified from a security of supply perspective. In addition, there are 10 properties left that use oil for heating. Fuel consumption information is based on procurement data for the year in question. Emission factors from OpenCO2net Oy and Statistics Finland are used to calculate these emissions. OpenCO2net Oy is a service provider specialising in the management and selection of emission factors. The company supports OP Financial Group in the selection of suitable emission factors as part of emissions calculation. Procurement category-specific emission factors were selected in collaboration with OP Financial Group's and OpenCO2's experts by finding the available emission factor corresponding the most to each purchased product or service.

The emissions reporting for cars owned by OP Financial Group is based on the actual consumption of cars for which consumption data is available (32% of cars). For other cars, calculation is based on the average mileage of OP Financial Group's company cars and car specific emissions because this is considered to represent the entire fleet.

Property investments under the operational control of OP Real Estate Asset Management did not cause Scope 1 emissions in 2024.

OP Financial Group's Scope 1 methodology follows the GHG Protocol in emissions calculation.

Scope 2: Indirect emissions from business

The reported emissions cover the properties and cars owned by OP Financial Group and properties under OP Real Estate Asset Management's operational control. OP Financial Group's Scope 2 methodology follows the GHG Protocol in emissions calculation. For greenhouse gases other than carbon dioxide, emission factors are not available separately, but they are included in the carbon dioxide equivalent calculations reported.

Scope 2 emissions, location-based

Country-specific average emission factors were used to calculate the emissions of properties owned by OP Financial Group and property investments under OP Real Estate Asset Management's control. The emission factors are based on Finnish electricity production figures 2024, OpenCO2net Oy/AIB, the Association of Issuing Bodies, and the Finnish average for district heating OpenCO2net Oy/Finnish Energy. Production-company-specific emission factors were used for district heating in OP Real Estate Asset Management's properties. For operations outside Finland, OpenCO2.net Oy was used as the source of emission factor data for electricity and district heating. The calculation includes energy consumption according to electricity consumption, district heating and cooling. OpenCO2net Oy is a service provider specialising in the management and selection of emission factors. The company supports OP Financial Group in the selection of suitable emission factors as part of emissions calculation. Procurement category-specific emission factors were selected in collaboration with OP Financial Group's and OpenCO2's experts by finding the available emission factor corresponding the most to each purchased product or service.

Location-based Scope 2 emissions also includes emissions caused by the electricity used for charging electric company cars, which are calculated by using country-specific average emission factors. The emission factors are based on Finnish electricity production figures 2024, OpenCO2net Oy/AIB, Association of Issuing Bodies.

Scope 2 emissions, market-based

In Finland, all electricity purchased for properties owned by OP Financial Group and property investments under OP Real Estate Asset Management's operational control is generated with renewable wind power in accordance with the guarantees of origin. In OP Financial Group's properties located in Estonia and Lithuania, the electricity used is also 100% renewable in accordance with the guarantees of origin. In Baltic countries, 84% of electricity consumed in 2024 was renewable. Furthermore, district heating in Finland is generated with biofuels in accordance with the guarantees of origin, excluding the head office in Vallila, where district heating and cooling are purchased directly from the supplier as renewable (waste energy). Regarding district heating used in the Baltics, emissions were calculated using a country-specific district heating emission factor. The information provided by OpenCO2net Oy and Finnish Energy is used as the source for all emission factors. OpenCO2net Oy is a service provider specialising in the management and selection of emission factors. The company supports OP Financial Group in the selection of suitable emission factors as part of emissions calculation.

Market-based Scope 2 emissions include emissions caused by the electricity used for charging electric company cars. Emissions are calculated by using electricity charging data obtained through the company car leasing company. The reported amount takes into account charged electricity, which is not necessarily generated without emissions. Regarding this consumption, the emission factor based on the residual mix of electricity production in Finland was used as the calculation basis. The emission factors are based on Finnish electricity production figures 2024, OpenCO2net Oy/AIB, Association of Issuing Bodies.

Share of renewable energy of Scope 2 emissions	2024
Share of purchased renewable energy of used energy (Scope 2 GHG emissions)	99.6%
Share of guarantees of origin and certificates of purchased energy (Scope 2 GHG emissions)	99.0%
Share of guarantees of origin of purchased energy (Scope 2 GHG emissions)	93.0%

In the table above, certificates refer to products purchased as renewable energy, such as renewable district heating and cooling.

Scope 3: Other indirect emissions

Scope 3 calculation is based on estimates, and thus involves uncertainties. The calculation methodology and emission factors have improved in recent years and will presumably continue to do so in the coming years. OP Financial Group's Scope 3 methodology follows the GHG Protocol in emissions calculation.

Calculating and reducing indirect Scope 3 emissions require significant cooperation between the value chain's different parties such as suppliers, subcontractors and customers. The key emission categories are purchased goods and services (category 1), transmission of energy (category 3), waste generated in operations (category 5), business travels (category 6), employee commuting (category 7) and financial investments (category 15).

The categories identified as insignificant are capital goods (category 2), upstream leased assets (category 8), downstream transportation and distribution (category 9), processing of sold products (category 10), use of sold products (category 11), end-of-life treatment of sold products (category 12) and franchises (category 14). Categories 2, 4, 9, 10, 11 and 12 are not significant because OP Financial Group's business does not involve manufacturing. Furthermore, OP Financial Group's value chain does not include upstream leased assets (category 8), and it does not conduct franchising (category 14). OP Financial Group's production chain includes downstream leased assets (category 13), but the category has not become material due to their low amount.

Category 1: Purchased goods and services. Calculation according to purchase-based emission data reported by suppliers or emissions calculated according to as detailed as possible procurement categorisation based on total purchase costs. The calculation covers all product and service purchases such as insurance claims settlement, property construction and maintenance of facilities, ICT and development costs, expert and HR services, marketing and communications, and information logistics. The calculation of emissions does not cover purchases already included elsewhere in emissions calculation, such as the purchase of energy and waste management, as well as the costs for temporary labour comparable to the company's own personnel. Insurance benefits paid in cash and fiscal charges of financial authorities were also excluded. Emission factors in cost-based emissions calculation were defined with data from OpenCO2et Oy and DEFRA. DEFRA's updated emission factors mainly increased compared to the previous ones. Changes in emission factors increased the calculated emissions of purchased products and services by 13%. OpenCO2net Oy is a service provider specialising in the management and selection of emission factors. The company supports OP Financial Group in the selection of suitable emission factors as part of emissions calculation.

Category 3: Energy transfer (line loss). Line loss is calculated taking the general line loss shares in Finland and the Baltics into account. The calculation is based on the procurement-based data of Scope 2 calculation.

Category 5: Waste generated by operations. Emission information was obtained from OP Central Cooperative's waste management supplier, which handles waste reporting in accordance with the GHG protocol. Emissions were calculated based on actual waste amounts. For waste with no amount and emissions data, emissions were calculated based on waste expenses, assuming that the emissions intensity corresponded to properties for which waste was reported. Emissions factors from OpenCO2net Oy/DEFRA are used to calculate these emissions. OpenCO2net Oy is a service provider specialising in the management and selection of emission factors. The company supports OP Financial Group in the selection of suitable emission factors as part of emissions calculation.

Category 6: Business travel includes emissions from air and train travel and hotel stays, and emissions caused by driving according to kilometre allowances listed in travel expense reports. Emissions from travel and hotel stays are calculated based on travel data collected through the travel agency. The emissions of air travel and hotel stays were calculated with emissions calculations provided by the travel agency and based on DEFRA's emission factors. The emissions of train travel were calculated using emissions data obtained from VR. Driving according to kilometre allowances is calculated based on Traficom's average specific emissions of the car stock in Finland, and based on average specific emissions of car benefit vehicles regarding travel with a kilometre allowance. Emission factors were selected based on their suitability.

Category 7: Employee commuting covers the entire staff's commuting between home and work, including emissions from the use of company cars that are not owned by OP or used in production. The emissions of company cars are primarily calculated based on actual fuel consumption and the unitary emissions of fuel types, obtained from the databases of VTT and Lipasto. In the absence of fuel consumption data, emissions are estimated based on kilometres driven and the vehicle's WLTP-specific emissions. Emission factors as per suppliers and Traficom. Travel between home and work was calculated using the results of a travel survey for personnel (approximately 1,100 respondents). The emissions from travel were calculated based on these results. The sources for emission factors used when calculating the emissions for travel are OpenCO2.net and Traficom.

Category 15: Investments. OP Financial Group is part of financial institutions' international Partnership for Carbon Accounting Financials (PCAF) standard, which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with the activities of financial institutions, particularly in financing, investment and insurance business. OP Financial Group's PCAF emissions calculation is described in more detail below in this chapter.

The share of Scope 3 emissions, calculated using primary information obtained from suppliers or other partners included in the value chain, is 2% in emissions calculation. The share in euros of primary emissions data obtained from suppliers or other partners included in the value chain in relation to the acquisition costs of the entire procurement emissions calculation is 13%.

OP Financial Group's own operations do not cause biogenic carbon dioxide emissions (Scope 1). The production of energy purchased for the Group's own activities (Scope 2) and other parts of the value chain (Scope 3) such as investment options probably causes some biogenic emissions, but OP Financial Group does not accumulate information about them with current methods.

Greenhouse gas intensity in relation to income

	Greenhouse gas intensity in relation to turnover	2024
Total GHG emissions (location-based) in relation to income (tCO2e/million euros)	Location-based tCO2e	966.93
Total GHG emissions (market-based) in relation to income (tCO2e/million euros)	Market-based tCO2e	963.62

OP Financial Group's income used to calculate GHG intensity can be found on the Financial Statements' page 337.

Scope 3, category 15: Calculation of GHG emissions associated with investment financing and insurance activities

OP Financial Group aims to continuously improve its understanding of its indirect climate impacts. In 2022, OP Financial Group revised its methods of measuring GHG (greenhouse gas) emissions belonging to category 15 of the GHG Protocol Scope 3 Standard. In doing so, it migrated to compliance with the Partnership for Carbon Accounting Financials' (PCAF's) harmonised carbon accounting approach for the financial sector. In 2023, OP Financial Group also began PCAF-aligned carbon accounting of its insurance business for the first time.

Calculation of GHG emissions financed by banking and asset management activities covers the following asset classes: business loans, mortgages, motor vehicle loans, listed equity and corporate bonds. Commercial real estate and unlisted equity are not included for the moment. Their emission figures will be disclosed in forthcoming OP Financial Group reports, when the required calculation data is available. OP Financial Group reviewed the project finance portfolio. As a result, the portfolio's emissions will not be calculated for the time being due to the low materiality of the portfolio. In accordance with the PCAF standard, calculation of insurance-associated GHG emissions includes emissions related to motor vehicle insurance for personal and corporate customers, and emissions related to property and liability insurance for corporate customers.

The used data sources vary, which impacts on the PCAF data quality scoring of each asset class. The best score of 1 is given for results based on audited and reported GHG emissions, whereas 5 is given for those calculated using emission factors provided by the PCAF approach. In the following sections, Scope 1–3 emissions refer to emissions, in accordance with the GHG Protocol, which are associated with activities financed and insured by OP Financial Group. The Scope number refers to the precise emission source in the activity's value chain.

OP Financial Group reports this coverage percentage for each asset class in accordance with the PCAF Standard and explains why it is less than 100% for asset classes, when such disclosure is deemed to be material in OP Financial Group's view.

One of the advantages of the PCAF Standard is the fact that a consistently applied standard substantially lowers the risk of double counting in emission measurements, while making reporting maximally transparent. In its GHG accounting, OP Financial Group has systematically followed the guidelines of the PCAF Standard and its authors, and their related updates. OP Financial Group's GHG accounting method and results are affected by the PCAF Standard and possible changes in its methodology. GHG accounting results can also be substantially impacted by changes in portfolios. For these situations, OP Financial Group has prepared its own guidelines, which supplement the PCAF Standard. For example, these guidelines describe situations in which OP Financial Group must recalculate its emissions in accordance with the PCAF Standard for previous years, or include new asset classes in its emissions calculation.

Insurance-associated emissions are not directly comparable with emissions financed by banking and asset management activities. Because insurance-associated emissions are calculated using a methodology specifically intended for the sector, they are reported separately to financed emissions. OP Financial Group included emissions related to insurance policies in this report as entity-specific information in accordance with ESRS.

All figures have been calculated in accordance with the situation on 31 December 2024.

Business loans

Financed emissions in the business loans asset class cover emissions associated with granted business loans. Emissions in the business loans asset class were 2,172,244 tCO_2e in total. The calculation includes €22.1 billion in loans covering 95% of the business loans asset class portfolio measured in accordance with the PCAF method.

GHG accounting results

Main line of business	Financed emissions, including companies' Scope 1 and Scope 2 emissions, tCO2e	Financed emissions, including companies' Scope 3 emissions, tCO2e	PCAF data quality score, weighted average	Scope 1 and Scope 2 emission intensity (tCO2e/€ million of loans granted)
A Agriculture, forestry and fishing	1,156,018	440,357	4.64	460.36
B Mining and quarrying	9,443	80,706	3.89	164.68
C Manufacturing	130,740	1,605,963	2.79	56.09
D Electricity, gas, steam and air conditioning supply	498,204	130,695	3.31	223.65
E Water supply; sewerage, waste management and remediation activities	18,103	37,889	3.85	59.60
F Construction	8,652	59,658	4.24	18.19
G Wholesale and retail trade; repair of motor vehicles and motorcycles	35,228	788,457	3.19	20.35
H Transport and storage	83,506	95,489	3.63	173.52
I Accommodation and food service activities	5,286	16,306	4.32	45.79
J Information and communication	4,838	15,964	4.18	6.61
K Financial and insurance activities	37,958	236,408	4.18	14.52
L Real estate activities	11,748	146,877	3.28	4.18
M Professional, scientific and technical activities	25,165	1,002,397	3.27	17.36
N Administrative and support service activities	11,070	28,827	4.24	31.14
Services to buildings and landscape activities	2,004	7,761	4.15	35.23
O Public administration and defence; compulsory social security	108,005	164,274	4.10	52.02
P Education	4,085	6,405	4.12	42.63
Q Human health and social work activities	11,586	16,320	3.00	35.54
R Arts, entertainment and recreation	5,459	8,523	4.07	41.15
S Other service activities	7,142	11,475	4.16	26.23
Total	**2,172,244**	**4,892,999**	**3.74**	**98.35**

Financed emissions related to business loans are reported for Scope 1, 2 and 3. The PCAF method is followed when calculating financed emissions related to business loans. It is based on two main approaches. One of them uses emissions reported by the company to calculate financed emissions, and the other uses PCAF's regional and sector-specific emission factors to assess the company's emissions. Emissions are allocated to the loan agreement by calculating an attribution factor, which is the ratio to the company's financial information, such as the enterprise value including cash (EVIC) (for listed companies) or equity capital and debt (for unlisted companies). Based on data quality, each data point is given PCAF's quality score 1–5 (1 being the best score).

The calculation of estimated emissions involves some uncertainties, and the general emissions calculation method develops continuously. The model was specified further in the calculation for 2024, and the emissions of previous years were also recalculated for continuity. All comparisons to 2023 are presented with relation to the recalculated results.

Total financed emissions (Scope 1 and 2) were 2,172,244 tCO2e, and the weighted quality score was 3.74. Emissions intensity (Scope 1 and 2 tCO2e / million euros granted loans) was 98.35.

Scope 1 and 2 financed emissions decreased by 24.6% in total compared to the recalculated results of 2023. The largest emission reductions were observed in the energy sector (54.3%) and agriculture (8.9%). Regarding the decrease in financed emissions in the energy sector, some large exposures were financed as green loans, and this exposure type is excluded from the calculations of the general business loans asset class in accordance with the PCAF Standard. At the same time, a decrease in emissions was observed in the energy sector, which was largely due to the ongoing transition to low-carbon energy sources. In addition, the quality of emissions data reported improved slightly overall compared to the previous year. OP Financial Group aims to improve the quality of the emissions data continuously. In 2024, the quality score of data improved by 5.8% compared to 2023.

Mortages

The mortgages asset class includes mortgages granted to private households, housing companies and other customers.

GHG accounting results

Home loans	Financed emissions, Scope 1 and 2, tCO2e	PCAF data quality score, weighted average	Scope 1 and Scope 2 emission intensity (tCO2e/€ million of loans granted)	Coverage percentage
Total	233,049	3.88	4.7	98%

Scope 1 and 2 emissions are calculated for mortages in accordance with the PCAF standard. The standard does not require the reporting of Scope 3 emissions, due to which they were excluded from the calculations. In OP Financial Group's calculations, the financed emissions of mortages are primarily calculated based on the energy performance certificates of collateral properties and the emission factors of energy sources. If the building's energy performance certificate is not available, the floor area and a national emission factor based on floor area are used. Even though the number of energy performance certificates issued for buildings increased in 2024, most calculations are still based on a national factor related to the floor area. Emissions are allocated to mortages by using an attribution factor, which is the quotient of the remaining loan amount and the sum of the original collateral values. In accordance with the PCAF Standard, each data point is given a quality score between 1 and 5, in which 1 represents the highest data quality. The primary calculation in accordance with the method described above generates a data quality score of 3, and the secondary method generates a score of 4. The total PCAF data quality score for the asset class is 3.88.

In 2024, the Scope 1+2 financed emissions of mortages were 233,049 tCO2e, and their weighted PCAF quality score was 3.88. The calculation covered 98% of the portfolio, amounting to 50.1 billion euros in home loans. Emissions intensity, or the ratio of Scope 1+2 financed emissions to remaining loan amounts of mortgages, was 4.65.

The financed emissions of mortages decreased by 22% compared to the emissions in 2023. The change was mainly caused by a decrease in national emission factors for electricity and heating, which decreased emissions related to the energy consumption of residential buildings. In the calculations for 2024, the number of energy performance certificates available for buildings increased, which led to a 2% improvement in the overall data quality score.

Motor vehicle loans

Emissions associated with OP Financial Group's motor vehicle portfolio were calculated in line with the PCAF Standard for the third time in 2024. The motor vehicle portfolio includes a wide range of financed purchases. Passenger cars and the loans granted for them are clearly the largest category.

Estimated emissions were calculated on the agreement level, and each agreement is also given a PCAF quality score in accordance with the PCAF Standard. Agreements for which the CO2 value is available through Trafi receive data quality score 3. Emission factors from the PCAF database are used for the remaining agreements, which results in data quality score 5. Emission factors are obtained from the PCAF database, and the travelled distance by vehicle type is based on information from Statistics Finland (2018).

Emissions associated with single financed vehicles are calculated by multiplying the average distance travelled by the vehicle type specific emission factor or CO2 value. The emissions calculation covers around 81% of our motor vehicle portfolio.

It was possible to assess the Scope 1 emissions of financed motor vehicles from their financed emission data. Motor vehicles' Scope 2 emissions consist of emissions associated with the electricity generation of power used by electric vehicles.

Financed vehicles were selected for calculation based on their data availability. Items included in the calculations had to meet two criteria. The average distance travelled must be available from Statistics Finland and average emission factors associated with distance travelled must be available from the PCAF database. Passenger cars, lorries, light lorries, vans and buses fulfil these criteria.

GHG accounting results

Motor vehicle loans	No. of financed purchases	Financed emissions, tCO2e	PCAF data quality score, weighted average	Scope 1 and Scope 2 emission intensity (kgCO2e/ number of motor vehicles)	Coverage percentage
Total	202,703	234,935	3.92	1,158	81 %

In 2024, OP Financial Group's emissions financed through its motor vehicle portfolio were 234,935 tCO2e. The portfolio included 202,703 motor vehicles. The intensity of financed emissions is 1,158 kgCO2e or 1.2 CO2e tonnes. The figure was calculated by dividing financed emissions with the number of financed vehicles. The PCAF data quality score was 3.92. The results cover 81% of the portfolio. Reported emissions decreased by 7.8% compared to 2023. The largest impact on the decrease in emissions was caused by the improvement in data quality, and better identification of electric vehicles.

Listed equity and corporate bonds

OP Financial Group monitors the GHG emissions of investments by using several different methods. For this report, financed emissions were calculated in accordance with the PCAF Standard. In addition, GHG emissions intensity is highlighted as well, as OP Financial Group also monitors it as part of target-setting. Both Scope 1 and 2, and Scope 3 emissions are calculated for all sectors regarding listed equity and corporate bonds. This is reflected in the high coverage percentages of the different portfolios belonging to this asset class.

Result tables

	Financed emissions, Scope 1 and 2, tCO2e	PCAF data quality score, weighted average	Scope 1 and 2 emission intensity (tCO2e/ per million euros invested)*	Coverage percentage
OP Corporate Bank	12,741	1.60	44.55	100 %
OP funds	1,172,091	2.23	46.06	97 %
Pohjola Insurance	163,282	2.21	53.45	94 %
OP Life Insurance	129,713	2.21	42.57	95 %
OP-Eläkesäätiö*	11,986	2.23	46.42	97 %

	Financed emissions, Scope 3, tCO2e	PCAF data quality score, weighted average	Scope 3 emission intensity (tCO2e/ per million euros invested)*	Coverage percentage
OP Corporate Bank	93,549	1.82	327.07	100 %
OP funds	15,692,501	2.57	615.83	97 %
Pohjola Insurance	1,498,863	2.44	488.43	94 %
OP Life Insurance	1,663,547	2.45	543.53	95 %
OP-Eläkesäätiö	111,670	2.51	430.68	98 %

* Pension foundation

OP Financial Group assesses financed emissions for each portfolio in line with the PCAF Standard's guidelines, by calculating its total share of emissions associated with companies in each portfolio. The factor indicating our share of emissions is expressed as the ratio between the portfolio investment (measured as the market value of equity, or the book value of the bonds forming the outstanding debt owed by the borrower to the lender) and each company's enterprise value including cash (EVIC). Only listed equities and bonds are included in calculations. Short positions and government bonds were also excluded from calculations based on the PCAF Standard's definitions and for clarity.

In relation to the portfolios of funds managed by OP Fund Management Company, Pohjola Insurance, OP Life Assurance Company and OP-Eläkesäätiö (pension foundation), all emission data, data quality and EVIC (enterprise value) information is sourced from an external data provider. Scoring of portfolio-level data quality in line with the PCAF Standard is measured as a weighted average of company specific scores.

For OP Corporate Bank's bond portfolio, the PCAF Standard was also followed in the assessment of financed emissions. EVIC data was used for listed issuers, and equity capital and debt from the company's balance sheet was used for unlisted issuers in accordance with the PCAF method. The portfolio only consists of long positions in corporate loans, due to which no exclusions were made in financed emissions calculation, which led to a coverage of 100%. Due to the small size of the portfolio, emissions data, quality information of emissions data, EVIC and balance sheet information were collected manually from annual reports and balance sheets of issuers. Scoring of portfolio-level data quality in line with the PCAF Standard is measured as a weighted average of company-specific scores.

Assets under management by OP Fund Management Company funds, Pohjola Insurance, OP Life Assurance Company and OP-Eläkesäätiö – which are used as the basis for calculating financed emissions for these portfolios – grew year-on-year. This was caused by improved data coverage and an increase in the managed funds of the portfolios. Scope 1 and Scope 2 emissions financed through listed equities and bonds decreased, year on year, by 4% in funds managed by OP Fund Management Company, 13% in OP Life Assurance Company, and 17% in Pohjola Insurance. The financed Scope 1 and 2 emissions of OP-Eläkesäätiö increased with the growth of managed funds, but at the same time, OP-Eläkesäätiö's carbon footprint (financed emissions in relation to a million euros invested) decreased by 13%. In general, OP Financial Group can confirm that year-on-year changes in Scope 1 and 2 financed emissions are in line with the emissions reduction targets.

For financed Scope 3 emissions, assets under management included in the calculations also increased for funds managed by OP Fund Management Company, OP Life Assurance Company, and OP-Eläkesäätiö. However, financed Scope 3 emissions and the carbon footprint increased significantly in all of the above. The main reason for this increase are the significant differences between the emissions reported by companies and the emissions estimated by the data service provider. A similar phenomenon is not observed for Scope 1 and 2 emissions, as the data concerning them is more stable. To sum up, financed Scope 3 emissions increased significantly year on year due to the variation in reported and estimated Scope 3 emissions.

The financed Scope 1 and 2 emissions of OP Corporate Bank's bond portfolio decreased by 39%, and financed Scope 3 emissions decreased by 15% year on year. These changes were mainly caused by improvements in reported emissions data, which also led to significant improvements in PCAF's emissions data quality, and by the portfolio's smaller size.

Insurance

To calculate emissions associated with insurance underwriting, Pohjola Insurance adopted the PCAF Standard in 2023. The Standard provides methodological guidance for the measurement of insurance-associated emissions in two segments: motor vehicle insurance for personal customers, and property, general liability and motor vehicle insurance for corporate customers.

Motor vehicle insurance for personal customers includes motor liability insurance and comprehensive motor vehicle insurance issued by Pohjola Insurance. The vehicle types covered are passenger cars, vans, lorries and campervans. Motorcycles, mopeds, snowmobiles, quad bikes and tractors are excluded from emissions calculation, because the required data on emissions and kilometres driven is currently unavailable. Around 92% of insurance premium revenues per vehicle type are covered by the calculations. The calculation of coverage was specified in 2024, and the recalculated figure for 2023 is 92% based on the specified method.

Corporate insurance includes property, motor vehicle and personal insurance issued by Pohjola Insurance. Emissions associated with companies' personnel insurance are not included because they are not covered by the PCAF Standard. The coverage of insurance lines included in the calculation from all corporate insurance is 45% based on insurance premium revenue. The calculation covers all insurance premium revenue from insurance lines covered in the PCAF methodology. The calculation of coverage was specified in 2024, and the recalculated figure for 2023 is 44% based on the specified method.

GHG accounting results

	Insurance-associated emissions, Scope 1 and 2, tCO2e	PCAF data quality score, weighted average	Percentage of portfolio covered
Personal customers' motor vehicle insurance	141,920	2.30	92 %
Corporate insurance	86,410	4.88	45 %

	Insurance-associated emissions, Scope 3, tCO2e	PCAF data quality score, weighted average	Percentage of portfolio covered
Corporate insurance	141,310	4.89	45 %

The emissions calculation for personal customers' motor vehicle insurance was performed on the vehicle level. Around 794,000 passenger cars are insured under motor vehicle insurance for personal customers. Emission data was available for 44% of these cars, and modelling was used for 49%. For the remaining 7% of vehicles, the average emissions value of insured vehicles was used. Figures on kilometres driven were available for around 57% of passenger cars. The median of kilometres driven (based on the available data) was applied to the remaining cars. The data quality score for passenger car data is 2. The emission factors of the PCAF database were used for the approximately 69,000 insured vans, campervans and lorries, which generated a data quality score of 4. The final emissions of insured vehicles were calculated using a global emission factor of 6.99%, as provided by the PCAF Standard and its guidance. This factor is used to allocate the appropriate share of the vehicles' total emissions to the insured activities. The data quality score for passenger cars is 2.30.

The quality of emissions calculation data for corporate insurance was improved compared to 2023 by including emissions data reported by customers in the calculations. The calculation was performed by using two main approaches. Reported emissions of corporate customers were used if they were available, and otherwise, the emissions of corporate customers were estimated with regional and sector-specific emission factors in accordance with the PCAF database. The share of Pohjola Insurance in the emissions of customer companies was calculated in accordance with the PCAF Standard by multiplying company-specific emissions with the insurance premium revenue's ratio to the company's total turnover. Each customer company was given a data quality score on a scale of 1–5. The data quality score of emissions calculation data related to corporate insurance was 4.88 for Scope 1–2 emissions and 4.89 for Scope 3 emissions.

The emissions of personal customers' motor vehicle insurance decreased by 3%, and the Scope 1–2 emissions of corporate insurance decreased by 2% in 2024.

Pohjola Insurance publishes its insured Scope 3 emissions from corporate insurance but recognises the challenges related to the quality of Scope 3 emissions data and the risk of multiple accounting. The Scope 3 emissions from corporate insurance increased by approximately 44% in 2024 mainly due to the inclusion of emissions reported by companies in calculation, instead of relying purely on the PCAF database's sector-specific emission factors.

Pohjola Insurance calculated emissions from corporate insurance on a sector-specific level and utilises this data to develop responsible business.

Property investment

The Property investment asset class includes the indirect property investments of OP Real Estate Asset Management. OP Real Estate Asset Management is transitioning to the PCAF standard. At the moment, the calculation covers 0% of the portfolio. The majority of property investment assets is operationally controlled by OP Real Estate Asset Management and is taken into account in OP Financial Group's Scope 1 and 2 emissions in accordance with operational control. In future, reporting will be developed to comply with the PCAF Standard, and the coverage of Scope 3 reporting for property investment will be improved.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

In 2024, OP Financial Group does not report potential financial effects from material physical and transition risks and potential climate-related opportunities in accordance with the transition rules in ESRS1 Appendix C.

E4 Biodiversity and ecosystems

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

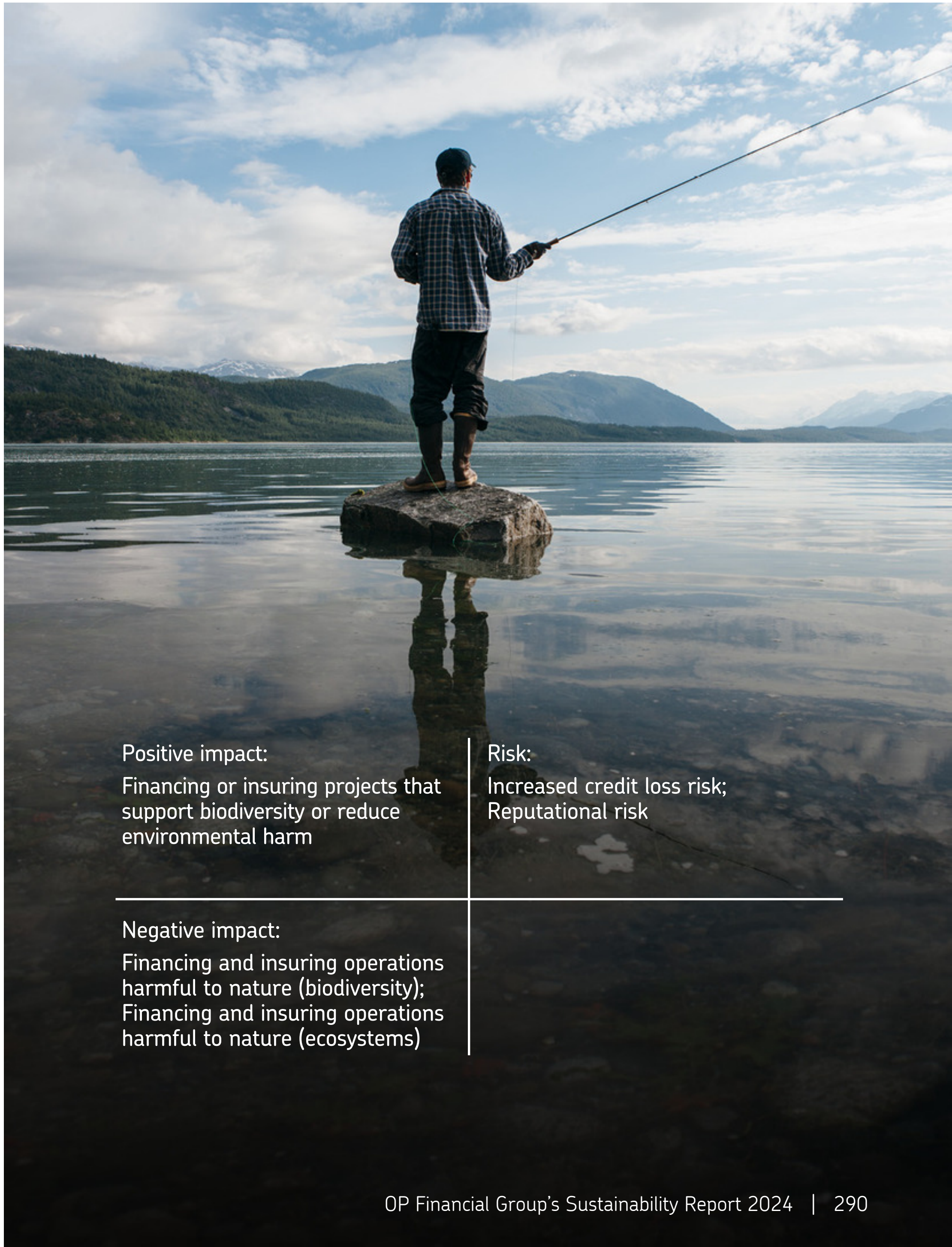
OP Financial Group's biodiversity roadmap, approved in 2023, includes key targets and actions for the promotion of biodiversity in the next few years. These are described in more detail in sections E4-3 and E4-4. OP Cooperative's Board of Directors approved the biodiversity road map in September 2023. This roadmap is part of the implementation of OP Financial Group's sustainability programme.

OP Financial Group's multichannel impacts, i.e. pressures and dependencies on nature's ecosystem services, were assessed when preparing the Group's own biodiversity roadmap, which is described in detail above in section ESRS 2 SBM-3. This section also describes OP Financial Group's resiliency analysis, or the relation of the strategy and business model to identified physical and transition risks. OP Financial Group's physical risks and transition risks related to biodiversity and ecosystems are described in section ESRS 2 IRO-1 E4.

Policies related to biodiversity and ecosystems (E4-2)

The material impacts and risks related to biodiversity and ecosystems identified by OP Financial Group are connected to OP Financial Group's own activities, i.e. granting finance or insurances, or investing. Impacts and risks can be realised downstream in the value chain, i.e. due to harmful or positive activity related to finance, insurance or investment options. The Group aims to manage these impacts and risks through different actions, which are described in the biodiversity roadmap, for example.

The biodiversity roadmap, approved in 2023, includes key targets and actions for the promotion of biodiversity in OP Financial Group in the next few years. OP Cooperative's Board of Directors has approved the biodiversity roadmap and it is included in the implementation of OP Financial Group's sustainability programme.



The roadmap also contains OP Corporate Bank's Green Bond Framework, updated in 2024. It specifies criteria for green financing granted by OP Financial Group and identifies different areas related to the protection of biodiversity, such as regenerative agriculture or nature restoration actions. The framework enables the financing of regenerative agriculture actions with green loans, for example. OP Corporate Bank's Green Bond Framework has been approved by the Green Bond committee operating within OP Financial Group's Banking ALM Committee.

In addition to the Green Bond Framework, OP Financial Group enables investments in projects that support biodiversity through the EIF Sustainability SMEs and Small Mid-caps risk-sharing guarantee granted by the European Investment Fund (EIF). The suitability of the risk-sharing guarantee for options that support biodiversity is defined by the Use cases document, approved by the European Commission and the European Investment Fund. The European Investment Fund (EIF) risk-sharing guarantees are part of the InvestEU programme. The financing solutions OP Financial Group provides benefit from support from the InvestEU Fund. OP Financial Group implements the guidelines of the EIF risk sharing guarantee in accordance with the guarantee contract. The Head of OP Retail Customers plc's Banking personal and SME customers has approved the guarantee contract. In its corporate finance decisions, OP Financial Group follows the credit policy for corporate customers (approved by OP Cooperative's Board of Directors) and the policies and guidelines described therein. The credit policy includes more detailed guidelines on how ESG factors are taken into consideration in financing and decision-making.

Policies concerning the entire OP Financial Group on the protection of biodiversity and ecosystems, including sustainable land/agriculture practices or policies, sustainable oceans/seas practices or policies, or policies to address deforestation, have not been implemented. However, OP Financial Group's biodiversity roadmap includes key actions to promote regenerative agriculture in financing, address deforestation in financing and asset management, and cooperate with landowners and the forestry sector regarding the promotion of sustainable water management. OP Financial Group's biodiversity roadmap includes measures for promoting biodiversity in procurement. Due to OP Financial Group's business type, the policies do not consider the social consequences of impacts related to biodiversity and ecosystem, or the traceability of products, components and raw materials which have actual or potential material impacts on biodiversity and ecosystems in different stages of the value chain.

All principles described above cover OP Financial Group's own activities in its business segment, and do not cover other stakeholders.

Actions and resources related to biodiversity and ecosystems (E4-3)

OP Financial Group implements several actions to promote biodiversity. One of the most important is competence development. In 2024, OP Financial Group established a joint online training on the biodiversity roadmap for the entire Group. In addition, targeted training was arranged for people working with the theme. A webinar was also arranged for customer companies about measuring related to nature, and OP Financial Group's specialists participated in the TNFD training programme intended for the financial sector.

In addition to competence development, OP Financial Group developed measuring related to biodiversity impacts by specifying the assessment of impacts and dependencies with the ENCORE tool, and analysing the impacts of different sectors on the drivers of biodiversity loss. In addition, OP Financial Group joined the international Partnership for Biodiversity Accounting Financials (PBAF) initiative as a partner. PBAF's aim is to develop a joint standard for measuring biodiversity for financial institutions.

Regarding sustainable corporate financing, OP Financial Group aims to further develop its understanding of customers' key biodiversity impacts, and support them in reducing harmful impacts on nature. By adding biodiversity to its green financing framework, OP Financial Group enables the financing of projects that enhance biodiversity or reduce environmental harm. Through this type of incentivisation, OP Financial Group can turn biodiversity risks into opportunities and, for example, improve the availability of raw materials. OP Financial Group has identified key sectors and a group of companies with which it conducts more detailed dialogue about biodiversity, especially to increase awareness in customer companies. The criteria for green financing were updated in 2024 when the updated Green Bond Framework described above was published. With the update, the framework recognises different items related to the protection of biodiversity, and thus enables the financing of regenerative agriculture with green loans, for example.

As part of corporate financing, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality. In practice, corporate customers are classified into ESG classes based on industry exposure to ESG factors. If the ESG class and the total exposures of a group of connected clients are significant, an ESG analysis is conducted to support the financing decision. The ESG analysis helps identify material themes related to biodiversity in the customer's business operations. The need for an ESG analysis is regularly assessed during the customer relationship. In addition to a separate ESG analysis, the credit analyses of corporate customers covered by the specialist rating model include an ESG section if the exposures of the group of connected clients are significant. The section provides a compact description of the sector's ESG risks that are material for the credit risk, potential company-specific ESG risks and the company's measures to prepare for such risks.

Pohjola Insurance reviewed its biodiversity-related measures during the development of OP Financial Group's biodiversity roadmap. As part of its forest insurance development work in 2024, Pohjola Insurance examined nature-related values in its insured forests. Nature-related opportunities can be harnessed in product and service development by considering nature-positive impacts in insurance pricing and claims settlement, for example. The development of Forest Insurance also supports climate change adaptation by exploring actions that promote biodiversity, because forest damage can occur more frequently in the future. In addition, Pohjola Insurance has conducted a preliminary assessment of its insurance portfolio's sector-specific impacts to and dependencies on natural capital.

Biodiversity is analysed in conjunction with circular economy perspectives. In the compensation of damage, Pohjola Insurance's claims settlement operations have adopted measures to promote the circular economy. Circular economy operating models are expanded especially in vehicle and property claims settlement.

In 2024, OP Asset Management joined the Finance for Biodiversity initiative, which involves committing to the assessment of investment options' ecological impacts, setting targets and public reporting, among other things. The impacts and dependencies of Asset Management's direct equity and fixed income investments was assessed tentatively with the ENCORE tool. As part of the initiative's implementation, OP Asset Management is updating its biodiversity roadmap, which includes information about the nature-related dependencies and impacts of investments.

Measures related to biodiversity involve continuous development, and time horizons or specific expected results have not been defined separately for them. The knowledge of local communities or indigenous peoples was not utilised in actions related to biodiversity. Ecological compensation is not used in the action plan.

Targets related to biodiversity and ecosystems (E4-4)

OP Financial Group has not set measurable time-based and result-oriented targets in accordance with ESRS, but OP Financial Group monitors and develops its work regarding biodiversity and ecosystems, and has set the following targets for it.

OP Financial Group's biodiversity roadmap includes key targets for the promotion of biodiversity in OP Financial Group in the next few years. OP Financial Group aims to create a nature positive handprint by 2030. 'Nature positive' means that OP Financial Group's operations will have a net positive impact on nature. The roadmap takes account of the Kunming-Montreal Global Biodiversity Framework's targets applicable to the financial sector. The roadmap is not based on ecological compensation to compensate negative biodiversity impacts. The targets of OP Financial Group's biodiversity roadmap were not specified based on the sustainability reporting standard, due to which they do not include ecological threshold values or geographical limits referred to in the standard, for example.

Regarding sustainable corporate financing, the aim is to discuss biodiversity goals with 200 corporate customers (those that are considered most material based on our exposures) in the sectors assessed as most material for our business (agriculture/food industry, forest industry, energy, real estate and construction, and transport). Corporate Banking has developed a concept for meetings concerning biodiversity. In the first stage, the aim is to form a clear picture of customers' maturity and progress in ecological work and target setting, which guides communications with customers. The concept's pilot was started in autumn 2024 with selected customers.

The targets and actions of OP Financial Group's biodiversity roadmap particularly promote the mitigating hierarchy levels related to avoiding harm, minimising, and nature restoration and rehabilitation.

E4-6 Anticipated financial effects from biodiversity and ecosystem-related material risks and opportunities

In 2024, OP Financial Group does not report anticipated financial effects from biodiversity and ecosystem-related risks and opportunities in accordance with the transition rules in ESRS1 Appendix C.

Social information

S1 Own workforce

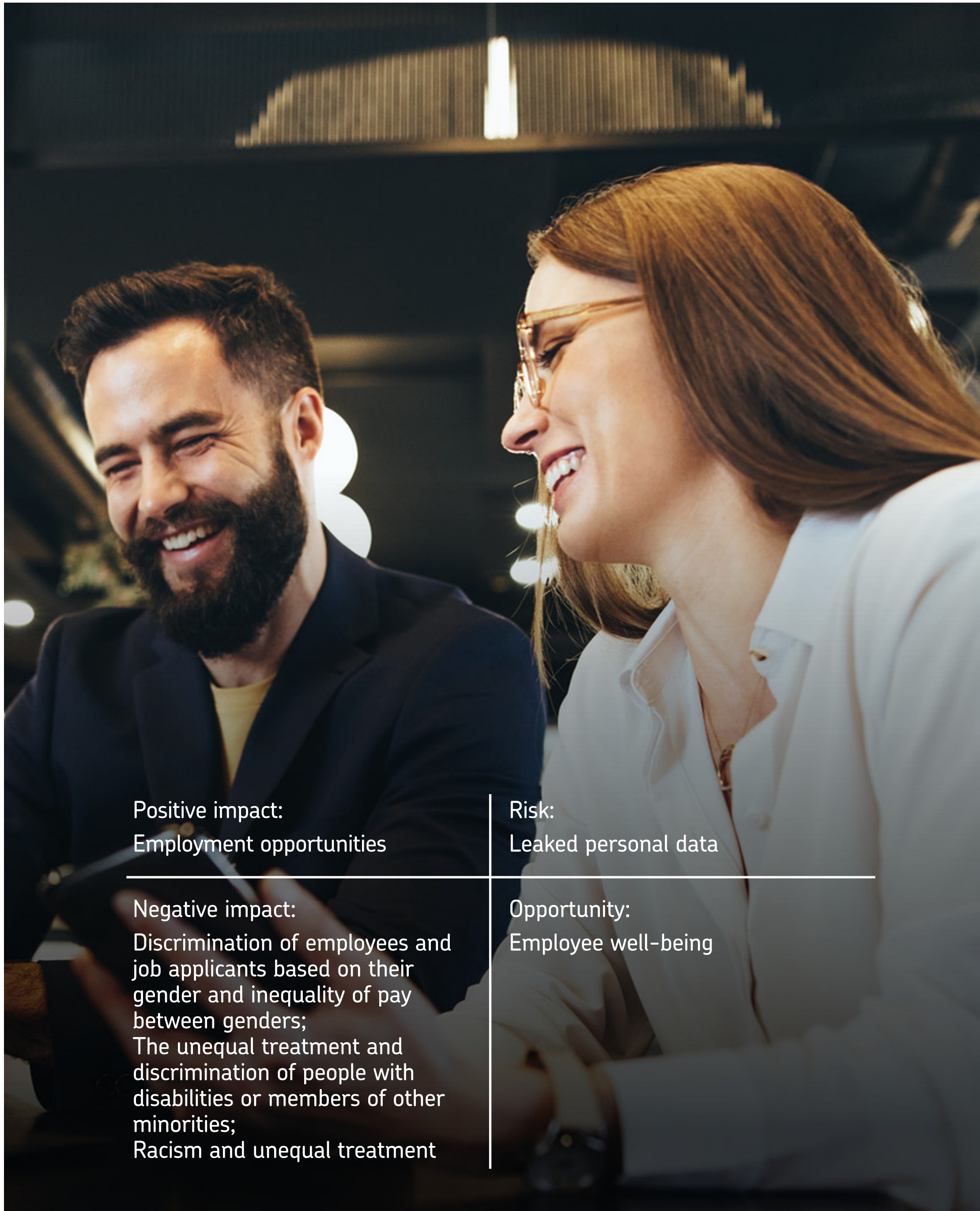
Material impacts, risks and opportunities and their interaction with strategy and business model (S1 SBM-3)

People included in own workforce have a work relationship with a company belonging in OP Financial Group. In addition, temporary agency workers work under the direction and control of OP Financial Group. Employees of service providers also work in OP Financial Group's facilities.

Employees of OP Financial Group work in Finland, Estonia, Latvia and Lithuania, and there is no significant risk of forced labour or child labour in these tasks. OP Financial Group only employs people aged 18 or over.

Material negative impacts related to our own workforce are more generally connected to diversity perspectives, such as women's equal remuneration, the treatment of people with disabilities, and racism, and they are not systematic in OP Financial Group's operations. These negative impacts are not caused by OP Financial Group's strategy or business model, but they are taken into account when updating the strategy and the sustainability programme. The material positive impact identified by OP Financial Group concerns securing employment in its operating countries, in Finland and the Baltics. Material risks and opportunities are described in more detail in the ESRS2 SBM-3 table. Identified risks and opportunities are already a part of OP Financial Group's strategy, as one of the strategic priorities is "Highly skilled, motivated and satisfied personnel".

Activities with a significant risk of forced or child labour have not been identified regarding own workforce. Furthermore, identified material risks and opportunities related to own workforce are not linked to a certain group (such as certain age groups, or people working in a certain production facility or country). Instead, they are linked to OP Financial Group's own workforce as a whole.



Policies related to own workforce (S1-1)

Remuneration

OP Financial Group has a permanent set of remuneration principles, which form a shared and clear understanding of basic ideas and targets guiding remuneration. The remuneration principles, pay policy and performance-based bonus system's terms and conditions are clearly documented and communicated to all personnel. The Remuneration Guidelines are annually considered by OP Cooperative's Board of Directors on the basis of a proposal by the Remuneration Committee of the Board of Directors. The various components of remuneration are taken into account the realisation of the principles in OP Financial Group's Equality and Non-discrimination Plan. The key priority is to ensure equality and equity among different age groups and genders. Actions concerning the implementation of OP Financial Group's remuneration scheme are performed in accordance with the Code of Business Ethics adopted by OP Cooperative's Board of Directors and approved by the Supervisory Council OP. In accordance with OP Financial Group's Code of Business Ethics, OP Financial Group pays attention to each employee's age and life situation in leadership, organisation, work planning and development activities. OP Financial Group's remuneration policy is fair and the criteria under its remuneration schemes are transparent, because the Group complies with the joint remuneration principles and pay policy. Their content is assessed regularly, and their implementation is reviewed and monitored on a regular basis. In all decisions related to recruiting, career development and remuneration, the most important selection criteria are the person's performance, qualifications and competencies.

Salary and remuneration are based on the gender-neutral qualification class assigned to the role. This enables equality monitoring and intervention in cases of unjustified pay gaps in different phases of the employment relationship. Qualification classes also enable tracking and ensuring the competitiveness of remuneration.

Pay increase cycles implemented in OP Financial Group comply with the pay negotiation requirements of valid collective agreements and internal policies confirmed by the Group, which are communicated to those people responsible for pay increase decisions. These are available to personnel in the Group's internal communications channels.

Realisation of pay equality is regularly monitored and annually reviewed by the Remuneration Committee of OP Cooperative's Board of Directors, by OP Cooperative's Board of Directors and by the Supervisory Council's Remuneration Unit. Pay equality is also monitored with annual pay comparisons in the finance and insurance business. The resulting material is published for personnel in internal communications channels. The follow-up measures mentioned above are used to increase the awareness of administration, executive management, supervisors and employees of matters concerning pay equality.

The remuneration principles approved by OP Financial Group require the following:

- Remuneration principles, the terms and conditions of the remuneration schemes and remuneration processes have been described and they are available to employees.
- Remuneration principles and the terms and conditions of remuneration schemes and remuneration processes are presented in the job induction of new employees, and regularly to the rest of the employees as well.
- Remuneration is predictable, and the employee knows for which they are rewarded.
- Appraisal of personal performance is objective and the general appraisal criteria are public and consistent.

The implementation of the principles in remuneration actions is supported by training arranged for supervisors, material on remuneration published for the personnel, and through regular communication by the top management body and senior management on remuneration measures. The implementation of remuneration at OP Financial Group is controlled regularly by OP Financial Group's centralised Compliance and Internal Audit, which also promotes the realisation of the remuneration principles confirmed in OP Financial Group.

The pay and remuneration systems for OP Financial Group's own personnel and for temporary agency workers are separate from each other. Temporary labour is not covered by OP Financial Group's remuneration schemes. Instead, the matters concerning pay and remuneration are defined by each person's own employer company. When applied to extended workforce, measures comply with the requirements of the Act on the Contractor's Obligations and Liability when Work is Contracted Out (22 December 2006/1233).

Any measures related to OP Financial Group's remuneration and benefit practices are also monitored through the results of the exit survey, which clarifies the responses of people who left an OP Financial Group company to practices concerning remuneration and benefits.

Recruitment

OP Financial Group provides jobs throughout Finland, both in and outside growth centres. OP Financial Group employs more than 14,000 people.

OP Financial Group has guidelines in place for workforce acquisition: OP Financial Group's recruitment process instructions and Extended workforce operating instructions, which have been approved by the head of the function responsible for instructions according to the approval procedure for instructions confirmed at OP Financial Group. These instructions outline the basic principles and goals of workforce acquisition. The selection criteria and operating model for the acquisition of own workforce (recruitment) and agency workforce are documented clearly and communicated to the entire personnel. Workforce acquisition takes into account the realisation of the principles of OP Financial Group's Gender Equality and Equity Plan. The key priority is to ensure equality and equity among different age groups and genders. In recruitment, the remuneration policy is fair and the criteria under the remuneration schemes are transparent. In all decisions related to recruiting, career transitions and remuneration, the most important selection criteria are the person's performance, qualifications and competencies. When applied to extended workforce, such practices comply with the requirements of the Act on the Contractor's Obligations and Liability when Work is Contracted Out and OP Financial Group's General Procurement Terms and Conditions.

According to OP Financial Group's workforce acquisition practices:

- The operating instructions and processes for recruitment and agency workforce have been described and are available to the personnel.
- The operating instructions and processes for recruitment and agency workforce are presented in new employee orientation, and regularly to the rest of the personnel.
- Implementation of the recruitment process and selection of candidates is objective, and the selection criteria are consistent and reviewed with each candidate. For agency workforce, the selection criteria are available to the agency worker candidates.

The implementation of the instructions is supported by training arranged for supervisors, material on workforce acquisition published for the personnel, and through regular communication by the top management body and senior management on workforce acquisition measures.

The implementation of recruitment and extended workforce acquisition at OP Financial Group is controlled regularly by Compliance and Internal Audit, which also promotes the realisation of the remuneration principles confirmed at OP Financial Group. The personnel experience regarding OP Financial Group recruitment practices is followed through candidate experience surveys and supervisor surveys.

Data processing

HR work involves the processing of the personal data of current and previous employees, consultants, agency workers, trainees and job applicants of the controller, or OP Financial Group. Personal data processing complies with applicable legislation, including the EU General Data Protection Regulation, the Act on the Protection of Privacy in Working Life and the Co-operation Act. Processing of personnel data is described in more detail in Privacy Notices. In general, OP Financial Group applies the "Data and Personal Data Processing Governance Model at OP Financial Group" purchasing model, which has been approved by the President and Group Chief Executive Officer of OP Financial Group. As a rule, personnel data is processed by HR representatives and supervisors and, if necessary, other people who require access to the data based on their job duties.

OP Financial Group has a main system for personnel data, and any data retrieved from it via interfaces into other systems is documented and also separately assessed in terms of data protection. The controller ensures the protection of personnel data with appropriate contractual, organisational and technical measures. Methods used to protect data include the following: protection of equipment and files, user identification, access rights management, logging personal data processing transactions, and instructions for and supervision of processing. Employees can submit a request to access their personal data via OP Financial Group's internal service portal. The requests are processed in HR management.

Human rights

OP Financial Group is committed to respecting all internationally recognised human rights. The following declarations and international treaties are examples of accords that refer to human rights:

- The Universal Declaration of Human Rights
- The UN Core Human Rights Treaties
- The ILO Declaration on Fundamental Principles and Rights at Work

Human rights work at OP Financial Group is guided by the following international principles, guidelines and initiatives:

- UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- UN Global Compact Initiative
- UN Principles for Responsible Banking (UN PRB)
- UN-supported Principles for Responsible Investment (PRI)
- UN Principles for Sustainable Insurance (UN PSI)

OP Financial Group's Human Rights Statement and Human Rights Policy, approved by OP Cooperative's Board of Directors, are publicly available on OP Financial Group's website, and the related measures are part of the implementation of OP Financial Group's sustainability programme. Respect for and commitment to human rights extends beyond the company's employees and suppliers to customer business operations and communities affected by OP Financial Group. OP Financial Group respects all recognised human rights and is committed to the ILO Declaration on Fundamental Principles and Rights at Work. OP Financial Group does not accept human trafficking, forced labour, child labour or discrimination in any form in its own operations or the operations of its value chains. In accordance with its Human Rights Statement, OP Financial Group respects the right of workers to unionise.

According to the human rights due diligence process, OP Financial Group regularly assesses human rights risks and any negative human rights impacts that may affect workers in the value chain due to OP Financial Group's operations. OP Financial Group's Human Rights Policy describes the identified salient human rights impacts and the measures for managing them.

The assessment of salient human rights impacts is based on the impact assessment method presented in the UN Guiding Principles on Business and Human Rights (UNGP), taking account of the scale, scope, irremediability and likelihood of human rights-related risks. Both internal stakeholders and external experts are engaged in the recognition and assessment of human rights-related risks. Recognition and assessment of salient human rights impacts are based on the severity of risks and evaluation of their likelihood.

According to OP Financial Group's Code of Business Ethics, OP Financial Group is a safe and equitable workplace, founded on:

- respect for diversity and promotion of equal opportunities and inclusiveness in the work community
- respect for colleagues and their competence
- safe work communities and respect for human rights.

There is zero tolerance for bad behaviour or bullying. Intervening in behaviour that is considered disruptive or offensive is the responsibility of the entire personnel. According to its Human Rights Statement and Code of Business Ethics, OP Financial Group is committed to undertaking actions to remediate negative impacts if a case comes to its attention that, based on investigation, is found to involve discrimination and which OP Financial Group has caused this through its own operations. Every OP Financial Group employee and member of a governing body is obliged to complete a mandatory annual online course on OP Financial Group's Code of Business Ethics.

According to OP Financial Group's central cooperative's Gender Equality and Equity Plan and Human Rights Policy, all our employees are guaranteed equal opportunities and rights and fair treatment at every stage of the employment relationship, such as remuneration, recruitment and career transitions. The goal is to implement genuinely non-discriminatory practices in recruitment and career transitions, the assignment of work duties, access to training, making decisions about pay and employee benefits, defining responsibilities related to work and employment relationship, and in workplace development. The implementation of the Gender Equality and Equity Plan is followed through regular reporting. The plan is drawn up together with personnel representatives. Management in the various OP Financial Group companies is responsible for ensuring that these are implemented at company level.

According to OP Financial Group's Human Rights Statement, human rights-related risks and impacts are reviewed regularly. Policies and practices are updated accordingly. OP

Financial Group aims to ensure that its operations do not cause negative human rights impacts. OP Financial Group takes any reported/detected shortcomings seriously and processes every report. This involves interviewing the party in question, who has the option of bringing along a support person. Reports made via the publicly available whistleblowing channel are processed in accordance with a pre-defined operating model and annually reported to OP Financial Group's management at the level of general observations, without revealing personal details.

OP Financial Group's Code of Business Ethics specifies the various grounds of discrimination. At OP Financial Group, individual differences are identified and accepted and everyone is treated equally regardless of gender, age, origin, conviction, health, disability, sexual orientation or other personal characteristic. In accordance with its Human Rights Statement, OP Financial Group does not tolerate any form of discrimination in its operations.

OP Financial Group's central cooperative's Gender Equality and Equity Plan also lists the prohibited discrimination grounds: age, origin, nationality, language, religion, conviction, opinion, political activity, union activity, family relationships, state of health, disability, sexual orientation or other personal characteristic.

Equal treatment of genders

Commitments related to the equal treatment of genders include the issues to be promoted in 2024–2026 as outlined in OP Financial Group's central cooperative's Gender Equality and Equity Plan:

- Employees have equal opportunities for competence development and career progression, regardless of gender or family situation.
- Parents are encouraged towards more equal use of family leave and leave for caring for a sick child.
- Achieving equal pay in salaries and remunerations.

Targets, measures and metrics have been defined for the issues to be promoted. Other issues monitored and reported include the placement of women and men in different positions and the classifications of the positions of women and men, pay and pay gaps.

In line with OP Financial Group's central cooperative's Gender Equality and Equity Plan and OP Financial Group's sustainability programme, the goal is towards a more balanced gender distribution in managerial positions so that each gender has a representation of at least 40%. This goal is a consideration in all resourcing decisions for managerial positions, including in the ongoing bank merger. The goal is promoted in internal and external recruitment processes by actively highlighting candidates representing all genders.

Treatment of non-Finnish employees

In OP Financial Group's central cooperative's Gender Equality and Equity Plan, the issues to be promoted in 2024–2026 include promoting the employee experience of non-Finnish personnel at OP Financial Group. This means that employees and applicants are treated equally, regardless of which of the three languages used in the Group is their preferred choice, and that only speaking English is not an obstacle to recruitment unless the task requires fluency in the official languages used in Finland. Promoting the English employee experience at OP Financial Group was also one of the Group's main themes in 2024. OP Financial Group will ensure that the key instructions on the intranet are available in Finnish, English and Swedish and will develop methods to provide access to orientation, training and events in English.

Diversity, equity and inclusion

Building a diverse, equitable and inclusive workplace is part of OP Financial Group's strategic priority "Highly skilled, motivated and satisfied personnel", while promoting the Human Rights Policy and Human Rights Statement is part of the strategic priority "Responsible business". A new Group-level team was established in the Group at beginning of 2024 to focus on DEI themes.

A key means to promote the goal is increasing competence and awareness throughout the Group, so that the entire personnel, including those in managerial roles, participate in and take responsibility for furthering the goal. Increasing DEI awareness was also one of OP Financial Group's three main themes in 2024. The related measures included, among others, online DEI courses in Finnish, Swedish and English for everyone working at OP Financial Group, coaching for those in managerial roles (such as at OP Leadership Forum) and discussions about DEI themes in teams. DEI themes are also on the agenda at the Executive Management Team's DEI workshop and the Senior Management's Strategy Forum. In addition, a voluntary online course on the human rights-related due diligence process was made available to all employees in 2024. The entire personnel can join the DEI Guild that promotes all the DEI themes of diversity, equity and inclusion.

Both internal and external recruitment practices are assessed from an equity perspective. Recruiters at OP Financial Group are trained to take into consideration the equality, equity and diversity of the candidate experience and unconscious biases. Others involved in the recruitment process are also provided with training, such as recruitment training for recruiting supervisors and an online course on recruitment. Practical examples:

- Ensuring that the candidate group progressing in the recruitment process is diverse and that the target group for the position is not homogenous
- Several people are involved in the stages of the recruitment process and suitability assessment
- Those people making decisions represent as diverse a group as possible
- The selection decision is not affected by the candidate's age, gender, language, family situation, disability, religion, or cultural and population group
- the candidate whose competence and experience best match the requirements and job description of the position is hired.

The candidate experience of both internal and external applicants is monitored throughout the different stages of recruitment, and recruitment practices are improved based on the feedback received.

In accordance with the remuneration principles confirmed at OP Financial Group, the various components of remuneration must take into account the realisation of the principles of OP Financial Group's Gender Equality and Equity Plan. A key element of the remuneration principles is the equality of remuneration between age groups and gender, based on the requirements of the job. Remuneration practices ensure that those responsible for deciding on pay increases and the allocation of remuneration are aware of the state of equal pay and remuneration. At OP Financial Group, job classification and pay gaps are monitored by gender. The Remuneration Committee of OP Cooperative's Board of Directors reviews the internal cross-Group report on pay equality among people with an employment or executive contract on an annual basis. The report is also brought to the attention of OP Cooperative's Board of Directors. Pay is determined by job grade, personal competencies, experience and performance.

Various employee groups have their own qualification classes in accordance with each group's collective agreement. Based on such classification, the job grades and salaries of jobs under each collective agreement are determined. In addition, OP Financial Group has its own Group-level OP job grading system, which forms the basis of OP Financial Group's internal pay table, approved annually by OP Cooperative. The pay scale is based on annual market pay research, and it is used for the market comparison of salaries. Pay developments are affected by the budget available for pay increases, the person's achievements and value-based performance. The assessment criteria concerning achievements and value-based performance are specified in instructions provided to those conducting the assessments before any pay increase round. The Group-level principles of pay increases not stipulated in the collective agreement are decided annually by OP Cooperative's Board of Directors. The Boards of Directors of OP Cooperative and OP cooperative banks decide on company-specific implementation of pay increases.

At OP Financial Group, gender-neutral criteria are applied in the determination of the different remuneration components (fixed and variable remuneration). Remuneration equality is also monitored by Compliance as part of the supervision of the Group's remuneration scheme.

The implementation of diversity, equity and inclusion is also followed and measured in various ways, including through annual statistics and personnel surveys. Statistics are used to monitor the realisation of equal pay and remuneration in OP Financial Group's central cooperative. The indicator applied is the average pay of women as a percentage of the average pay of men by OP job category. Another area of monitoring is the number of internal transfers of OP Financial Group's central cooperative employees within OP Financial Group (excl. business transfers) and promotion rates by gender, and the proportion of women in managerial positions. Monitoring also covers the amount of family leave and childcare leave taken by non-birthing parents and the development of the length of leave periods during the review period. Other areas to be monitored include the amount of content in the intranet in English and Swedish relative to the amount of content in Finnish.

The personnel survey includes questions about the experience of equity, gender equality, equal treatment regardless of age and management's commitment to the promotion of diversity, equity and inclusion. Other questions include experiences of discrimination or harassment at the workplace and whether the employee knows how to report possible human rights violations (such as bullying, discrimination, sexual harassment). Employees leaving OP Financial Group are asked in the exit survey whether they feel that OP Financial Group's culture is diverse, respectful of equity and inclusive. Operations are further developed based on metrics and the feedback received. Furthermore, an assessment of the current state of DEI at OP was carried out in 2024, using a wide range of data sources including OP Financial Group's internal data and materials as well as interviews.

Corporate security

Safety and security management at OP Financial Group is based on the corporate security principles approved by OP Cooperative's Board of Directors. The principles outline the foundation, goals, organisation and roles, responsibilities, reporting and communication, and continuous development of security management. The corporate security principles apply to all OP Financial Group entities, security officers, supervisors and every person working at OP Financial Group. The principles are followed by OP Financial Group companies and personnel as well as stakeholders to the extent applicable (for example, agency workforce, service providers and their personnel). The obligation of stakeholders to comply with the principles or the instructions derived from them are specified in agreements. The principles are applicable both in Finland and abroad. The operating instructions derived from the principles provide detailed guidance on the implementation of corporate security.

Corporate security at OP Financial Group means the management of security risks that may affect the security, continuity and compliance of business activities. Corporate security management is based on OP Financial Group's values and Code of Business Ethics. Corporate security activities are aimed at ensuring a safe and secure physical work environment for our employees and a secure environment for customer transactions, while protecting OP Financial Group's data, premises, reputation and business processes. Foresight and continuous improvement are the key elements of security activities.

The roles and responsibilities related to corporate security at OP Financial Group have been defined. Each OP Financial Group entity, employee, stakeholder, partner and customer plays a role in security activities and their supervision. OP Cooperative's Executive Management Team is responsible for establishing a strong security culture, while the Corporate Security Steering Group steers and supervises OP Financial Group's corporate security activities. The Group companies ensure compliance with the corporate security management and governance model and for the sufficiency of resources. Each OP Financial Group member cooperative bank must have a designated security officer, who is responsible for coordinating security maintenance and development based on the Group's security management and governance model. OP Financial Group employees and external employees are responsible for following safe and secure work practices and reporting deviations.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

For personnel working in Finland, the Co-operation Act (1333/2021) applies in companies that employ at least 20 persons. Other companies apply similar practices. In addition, discussions are held with the personnel, and feedback is taken into account in personnel-related decisions and development work at OP Financial Group. At OP Financial Group, the HR management of the Group companies are responsible for communication with the employees.

For persons working in OP Financial Group, the company assesses and monitors current human rights impacts by actively listening to employees' experiences and discussing with them. Under Finnish law and collective agreements, employees have the right to elect representatives for themselves. If employees belonging to an OP Financial Group company have elected representatives for themselves, the representatives represent the personnel or personnel group in personnel-related matters. If no personnel representatives have been elected, discussions regarding the personnel or a personnel group are held directly with the employees. Dialogue is engaged in at least four times a year. Change negotiations are held when changes subject to the obligation to negotiate are planned. Under the Co-operation Act, employees are informed if the company has decided on a merger, business transfer or division. Pulse surveys on employee wellbeing and job satisfaction are conducted annually for the entire personnel and temporary agency workers. Every second year, a wider-ranging employee survey is conducted on subjects such as equality and equal opportunities. In addition, every job applicant and exiting employees are asked to fill out a feedback form.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

According to its Human Rights Statement, OP Financial Group is committed to remediation of negative impacts resulting from its own operations or contribution. OP Financial Group aims to provide the parties that caused the impacts with support in remedying the negative impacts. If any negative impacts arise in the course of OP Financial Group's own operations or the operations of its value chain, OP Financial Group is committed to diligently addressing the issues brought to its attention and taking the necessary investigatory measures without delay. With regard to these policies, OP Financial Group's Human Rights Statement applies to it own operations as well as operators in its value chain.

At OP Financial Group, the primary channel to raise any concerns is through one's supervisor. In addition, people working on behalf of OP Financial Group can submit feedback and inform and raise concerns with HR by making an internal service request. Employee representatives are also an important channel to bring concerns to the employer's notice if the employee does not want to communicate with the employer under their own name.

OP Financial Group has an external whistleblowing channel for employees and extended workforce of OP Financial Group, through which reports are directed to the business-independent compliance function of OP Financial Group's central cooperative for investigation. Additional information on the whistleblowing channel and making reports is available on OP Financial Group's intranet and website. The whistleblowing channel is designated for the reporting of suspected misconduct and violations. It is obvious that the whistleblowing channel is familiar to the personnel, as the channel is in active use and reports are made through it. The number of reports has grown year by year. The whistleblowing channel cannot be used for issues related to the employee's own employment relationship.

An annual report is submitted to OP Financial Group's management on reports filed via the whistleblowing channel, and the processing of such reports. This is done at the level of general observations, without revealing personal data.

Reports sent to the whistleblowing channel are handled only by specific, designated people in OP Financial Group. They initiate required investigations and handle cases with the strictest confidentiality. Confidentiality also applies when the whistleblower themselves discloses their identity.

Section G1 of the sustainability report details the protective measures in place for users of the whistleblowing channel.

OP Financial Group also has feedback channels in Finland and the Baltic countries. In addition to digital channels, feedback can be given in human-assisted channels.

OP Financial Group's digital channels are available 24/7. The whistleblowing channel is used via an external service provider, who is responsible for its functioning and obliged to report of any interruptions in the service. For the customer service and feedback channels, OP Financial Group has common, well practised operating models for threat-related preparation, protection, detection and deviation response.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Remuneration

Pay gaps are monitored by gender. The Remuneration Committee of OP Cooperative's Board of Directors reviews the internal cross-Group report on pay equality among persons with an employment or executive contract on an annual basis. The report is also brought to the attention of OP Cooperative's Board of Directors.

The findings of the annual report presented to OP Cooperative's Board of Directors are addressed in remuneration-related activities without undue delay. In 2024, pay equality was promoted in reviews organised for OP Financial Group companies' HR personnel and company representatives, with a focus on training and communication. The reviews concerned pay gaps found in different functions, as well as recommendations for possible grounds for the gaps and corrective actions. In 2024, OP Financial Group's business units investigated gender pay gaps with the instructions that a corrective action plan be prepared for any situations where gender pay gaps could not be justified based on objective and gender-neutral criteria, such education, work experience or performance.

Recruitment

In recruitment, it is ensured that the selection decision is not affected by the candidate's age, gender, language, family circumstances, disability, religion, or cultural and population group. Instead, the candidate whose competence and experience best match the requirements and job description of the position is hired. During the recruitment application and selection phase, OP Financial Group does not ask the candidates about the above-mentioned matters. The recruitment guidelines are covered in depth in the recruitment induction arranged for personnel involved in recruitment.

Corporate security

Safety and security management at OP Financial Group is based on the corporate security principles approved by the Board of Directors. The principles outline the foundation, goals, organisation and roles, responsibilities, reporting and communication, and continuous development of security management. The corporate security principles apply to all OP Financial Group entities and personnel.

Corporate security at OP Financial Group means the management of security risks that may affect the security, continuity and compliance of business activities. Corporate security management is based on OP Financial Group's values and Code of Business Ethics. Corporate security activities are aimed at ensuring a safe and secure physical work environment for our employees and a secure environment for customer transactions, while protecting OP Financial Group's data, premises, reputation and business processes. Foresight and continuous improvement are the key elements of security activities.

The roles and responsibilities related to corporate security at OP Financial Group have been defined. Each OP Financial Group entity, employee, stakeholder, partner and customer plays a role in security activities and their supervision. OP Cooperative's Executive Management Team is responsible for establishing a strong security culture, while the Corporate Security Steering Group steers and supervises OP Financial Group's corporate security activities. The Group companies ensure compliance with the corporate security management and governance model and for the sufficiency of resources. Each OP cooperative bank must have a designated security officer, who is responsible for coordinating security maintenance and development based on the Group's security management and governance model. OP Financial Group employees and external employees are responsible for following safe and secure work practices and reporting deviations.

Occupational safety

At OP Financial Group, wellbeing at work and occupational safety involve practices and measures to ensure the physical, mental and social wellbeing, safety and health of employees. Employee wellbeing and improving the employee experience are also an essential aspect of leadership. OP Financial Group's Principles of Good Leadership promote daily leadership, an agile company culture, and safe and healthy working conditions. Management ensures that the ways of working promote smooth and productive work and employee wellbeing.

At OP Financial Group, occupational safety is an integral part of corporate security and security management. Occupational safety activities are governed by occupational safety and health legislation, OP Financial Group's values and strategy, and corporate security principles. The activities aim to ensure safety at work and employee wellbeing. Security management practices are defined by the Corporate Security governance model, which forms the basis for how security measures are managed, confirmed and developed. Occupational safety management is scheduled according to the annual cycle of security management and related operations. Responsibility for the fields of corporate security is divided between different organisations. The HR function of OP Financial Group's central cooperative is responsible for leading and coordinating occupational safety activities and for ensuring safety at work.

Employee safety is managed through preventive ways of working, training and monitoring. Employees' competence in safety and security matters is ensured by training and by increasing awareness. Security guidelines have been drawn up for the personnel, outlining the key security guidelines applicable to employees, such as reporting safety and security deviations, cyber and data security, premises and personal safety, and fire and rescue safety. Safety planning ensures that organisations are prepared for possible accidents and hazards and that the personnel and safety organisation are provided with training on fire and rescue safety. OP Financial Group implements self-directed fire inspections and arranges an annual evacuation drill or safety walk. Workspaces are equipped with fire extinguishing equipment.

In OP Financial Group companies, occupational safety and health cooperation and organisation are based on the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces and on cooperation agreements. The occupational safety and health areas are defined and limited in order to enable efficient and appropriate safety and health cooperation between the employer and employees. The cooperative body for the employees and employer is the occupational safety and health (OSH) committee, which must be established at companies with 20 or more regular employees. Companies may also appoint other OSH cooperative bodies instead of an OSH committee. In companies without an OSH committee or an equivalent cooperative body, OSH matters are discussed between the employer and the OSH representative. The duties of the OSH committee are based on law, applicable collective agreements, the occupational safety and health programme, and OP Financial Group companies' HR policy. The OSH committee addresses matters that generally and widely affect occupational safety, occupational health and employee wellbeing in the workplace, as defined by law and the occupational safety and health programme.

OP Financial Group provides its personnel with statutory preventive occupational health care services. Compliance with the law is overseen in Finland by the occupational safety and health authority. Statutory occupational health care includes work-related medical examinations, a survey of the workplace, support for work ability and examination of work-connected illnesses or symptoms. In addition, OP Financial Group provides general practitioner level medical care as part of occupational health care. Occupational health care services are purchased from healthcare service providers. The National Supervisory Authority for Welfare and Health (Valvira) supervises the activities of the service providers' occupational health care professionals and units. Occupational health care promotes and support employees' health, wellbeing, work ability and functional capacity. A key aspect of the activities is the prevention and monitoring of the mental workload. The work burden is monitored using occupational health care data and employee surveys.

Current operating models and methods include:

- Model for the assessment and management of occupational safety risks
- Operating model for processing challenging and threatening situations retrospectively
- Security notifications
- Model for reporting occupational accidents
- Early intervention model
- Model for unfair treatment and harassment
- Substance abuse programme.

OP Financial Group's early intervention model guides the activities of various roles in maintaining work ability, intervention and actions in situations that threaten work ability. Supervisors are systematically coached to act according to the early intervention model. Supervisors' compliance with the model is ensured through reporting. OP Financial Group and occupational health care apply shared operating models for identifying employees with work ability risks and monitor the functionality and effectiveness of the model through regular reporting.

OP Financial Group's substance abuse programme aims to prevent substance abuse. Coaching on the substance abuse programme and related actions is particularly provided to supervisors. When an employee is noticed to have a substance abuse problem, treatment and support will be provided through occupational health care.

The model for unfair treatment and harassment helps prevent the occurrence of unfair treatment at work. The model also steers the actions of various roles if such incidents arise. The experience of unfair treatment and bullying is monitored regularly through a personnel survey for all personnel.

According to the model for reporting occupational accidents, if an accident occurs at work or on business trip, the employee must obtain first aid from the nearest medical service provider as necessary and report the incident to their supervisor without delay. The supervisor fills in a notice of accident/occupational disease. The Workers' Compensation Act requires employers to submit an accident report within 10 working days of the date on which the injured employee informed the employer about the accident. The accident must also be reported in a security notification in the application used by OP Financial Group.

A guideline called "What to do in a threatening situation" has been drawn up for employees, including a model for encounters with challenging and threatening customers and processing the situation retrospectively. The guidelines take into account threatening situations arising in customer service encounters, such as harassment, aggressive behaviour, violence, or a bomb or suicide threat. The needs assessment for retrospective processing is made by the supervisor according to the severity of the incident.

The Security notification tool for OP Financial Group employees, Group entities and temporary agency workers is a reporting channel for reporting and monitoring security deviations encountered at work and related to the work environment. Employees use it to report any threatening and hazardous situations and safety observations they face in their work to the employer. The security notifications are processed at entity level, but the information received through the reports are also used at Group level to help improve security activities.

Actions during the reporting period

The following actions were undertaken during the 2024 reporting period:

- Targeted training was arranged for OP Financial Group's occupational safety and health representatives.
- Occupational risk assessments were carried in OP Financial Group workplaces to identify and prevent hazards.
- The focus area of cooperation between occupational health care and occupational safety and health was the prevention and monitoring of the mental workload. The work burden was monitored using occupational health care data and personnel surveys.
- The occupational safety assessment and management model was updated, the plan being that the OP Financial Group's central cooperative functions will implement it in full during 2025. The model will also be used in OP cooperative banks as applicable.
  - The model is based on OP Financial Group's strategy and an employer company's occupational safety responsibilities, ensuring statutory assessments and establishing a foundation for the maintenance and systematic development of occupational safety. The model will integrate occupational safety management activities into overall risk management and annual cycle activities, with data being utilised as part of overall risk management and employee wellbeing. Assessment results will be reported regularly in the Management Teams and Board of Directors as part of total risk exposure management reporting.
- Safer space principles and practices were established for OP Financial Group events, to be adopted at events arranged by OP Financial Group's employer companies.
  - The principles and practices aim to ensure a safe and equal environment for all participants, where everyone feels physically, mentally and socially safe. The safer space principles include consideration and respect, inclusivity, respect for privacy and rights, avoiding comments on appearance, and preventing harassment and discrimination. Based on a needs assessment, a harassment contact person is appointed for events to serve as a contact for anyone experiencing harassment. The event organiser communicates the safer space principles and reporting methods. Any observed discrimination or harassment can be reported to the harassment contact person at the event or through the service portal. Feedback surveys include a question about discrimination and harassment.
- The equal remuneration review was discussed by the OP Cooperative's Remuneration Committee of the Board of Directors on 18 March 2024 and by the Board of Directors on 27 March 2024 as part of the annual review process. The key results were further discussed by the OP Cooperative's Responsibility and Remuneration Unit of the Supervisory Council on 13 August 2024.
- The results of the equality review were discussed with the HR contact persons of OP Financial Group's central cooperative in May and June 2024, and the central cooperative instructed the HR contact persons to investigate and prepare a corrective action plan for any unjustified pay gaps. The HR function of OP Financial Group's central cooperative reviewed the key findings of the equality review at the OP cooperative banks' pay comparison meeting in June 2024.
- The follow-up measures maintained up-to-date information on the achievement of equality in remuneration.

Participants in the management of material impacts include the OP Financial Group's Group-level recruitment function, which applies guidelines for non-discrimination in recruitment. In addition, awareness about diversity and equity was increased particularly among those in management and supervisory roles. In 2024, a Group-level DEI team was established in OP Financial Group.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

Recruitment

OP Financial Group's recruitment is based on workforce planning and identified competence needs. Recruitment involves both internal recruitment within OP Financial Group and recruitment outside the Group. Recruitment volumes increased in 2024 compared to 2023. Recruitment volumes increased the most in OP cooperative banks. In 2024, a total of 2417 recruitments were carried out in OP Financial Group.

Gender equality

Gender pay equality is also promoted through the implementation of the OP Financial Group's sustainability programme. In accordance with its sustainability programme, OP Financial Group fosters diversity of the personnel across business units. The goal of the sustainability programme is to ensure that gender representation at Group level is at least 40% by 2025. The target is also promoted when making personnel-related decisions, which simultaneously furthers the implementation of pay equality. The target is monitored as part of management reporting and sustainability reporting. Gender representation is also assessed as part of the sustainability programme metrics. At the end of 2024, the proportion of women in managerial positions was 37, indicating that the goal has progressed.

Equality and equity

The goal in 2024 was to build a diverse, fair and inclusive workplace to strengthen an inclusive culture that fosters the experience of equity. Based on the personnel survey, the experience of equity and psychological safety has increased. The diversity understanding of the entire personnel and those in management positions has been strengthened, and the visible commitment of management to the promotion of diversity has been widely attained. The English-speaking employee experience has been improved, and the percentage of women in management positions has increased. In 2025, the aim is to improve the capability to lead diverse work communities and everyone's opportunity to succeed in their work, as well as to ensure that management diversity has reached the target level. In OP Financial Group's employer companies, personnel and employer representatives engage in regular dialogue. The discussions involve setting equality and equity-related goals, whose implementation is monitored annually as part of the Gender Equality and Equity Plan and semi-annually as part of the work community development plan. Representatives of the central cooperative employees nominate willing participants from among themselves to contribute to the plans, which are reviewed in the cooperative body. The targets of the central cooperative are described in the table below.

Central cooperative's goals related to equality and equity

Issue to be promoted in 2024–2026	Goal	Methods	Metric used to measure progress
Encouraging parents towards more equal use of family leave and leave for caring for a sick child.	More equal participation of both parents in childcare: Relative increase in the amount of family leave taken by non-birthing parents.	Identifying and removing obstacles. Internal communication supports positive attitudes.	Monitoring the amount of family leave and childcare leave taken by non-birthing parents and the development of the length of leave periods during the review period.
DEI awareness has increased in OP's central cooperative.	Shared understanding and awareness of diversity, equality and inclusion in the work community: what they mean, and how they can be promoted.	Competence development through training and coaching and interactive methods for all personnel with the support of management. Increasing the visibility of DEI in the content of events and communications.	Monitoring the number of participants in online courses (31 December 2024: 1,204 people) and the number of Topaasia games (31 December 2024: 120 games), coaching sessions (31 December 2024: 2 sessions), workshops (31 December 2024: 7 workshops) and events (31 December 2024: 30 events).
Employees have equal opportunities for competence development and career progression, regardless of gender or family situation.	Promoting short and long-term job rotations and opportunities for learning new skills, competence development and on-the-job learning. Equal career progress opportunities regardless of gender. Improving gender distribution in executive positions.	Supporting job rotation through networking and hiring processes, supporting self-motivated studies in practice. Promoting gender equality in career progressions when filling vacancies.	Monitoring the number of internal transfers of OP Financial Group's central cooperative employees within OP Financial Group (excl. business transfers) and promotion rates by gender (31 December 2023: Percentage of promotions of all internal mobility (774 promotions) is 35% for men and 34% for women). Percentage of women in executive positions (31 December 2023: 37% in the central cooperative).
Achieving equal pay in salaries and remunerations.	Gender equality in pay and remuneration. Changes in pay levels are gender-neutral (over the specified period).	Ensuring that those responsible for deciding on pay increases and the allocation of remuneration are aware of the state of equal pay and remuneration.	Monitoring the realisation of equal pay and remuneration in OP Financial Group's central cooperative: Average pay of women as a percentage of the average pay of men by OP job category (31 December 2023: 95–106%).
Promoting the employee experience of non-Finnish personnel at OP Financial Group.	Employees and applicants are treated equally, regardless of which of the three languages used at OP Financial Group is their preferred choice. Only speaking English is not an obstacle to recruitment unless the task requires fluency in the official languages used in Finland.	Employees have the opportunity to participate in orientation, training and events organised by the employer equally in any of the languages used in the company. All important guides in the intranet are in Finnish, English and Swedish.	Monitoring the amount of content in the intranet in English and Swedish relative to the amount of content in Finnish.

Wellbeing and safety at work

The goal of wellbeing and safety at work is employee wellbeing, minimal sickness absences and occupational accidents, and preventing incapacity for work. The activities are steered by the indicators for employee wellbeing:

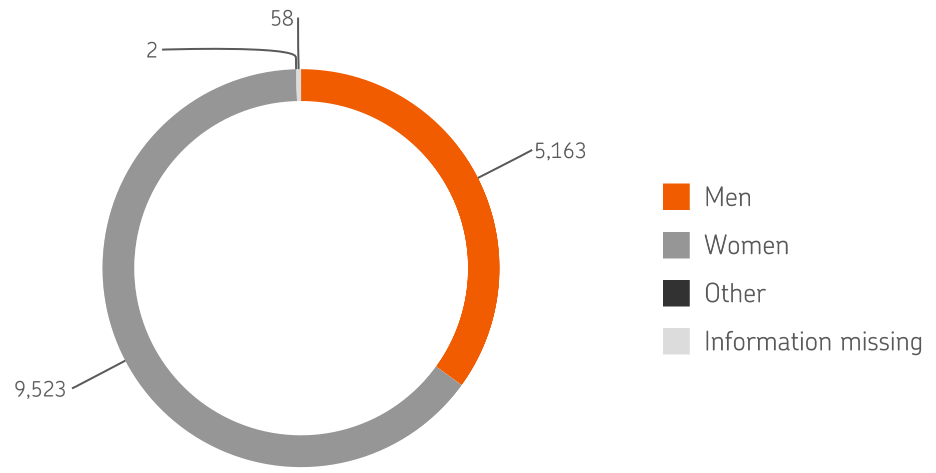
- Health rate (percentage of employees with no sickness absences in the last 12 months), target 45%. The target was set on 31 December 2023, when the figure was 39%. At the end of 2024, the figure was 40%.
- Sick leave rate (proportion of OP Financial Group employees' sickness absences due to the employee's own illness in relation to regular working hours of at all measurement levels), target: less than 4%. The target was set on 31 December 2023, when the figure was 3.2%. At the end of 2024, the figure was 2.9%.

Data protection

OP Financial Group takes data protection seriously and comprehensively. In other words, the same controls are applied to the protection of employee data as to other personal data (particularly OP Financial Group's customer data). The data protection practices and procedures applied are designed to fulfil legal requirements and aim to avoid data security breaches and reputational damage. Although OP Financial Group has not set separate targets for data protection, the Group is committed to ongoing monitoring and improvement. This means that OP Financial Group assessed and updates its data protection practices regularly to ensure their updatedness and effectiveness.

Characteristics of the undertaking's employees (S1-6)

Total employees and their breakdown by gender



Number of employees in countries with a least 50 employees

Country	2024
Finland	14,602

Breakdown of employees by employment contract type

	2024				
Employment contract type	Men	Women	Other	Information missing	Total
Number of employees	5,163	9,523	2	58	14,746
Permanent employees	4,858	9,062	2	58	13,980
Fixed-term employees	305	461	0	0	766
Employees with variable working hours	42	60	0	0	102
Full-time employees	4,899	8,628	2	55	13,584
Part-time employees	264	895	0	3	1,162

A total of 1,400 employees left OP Financial Group during the reporting period, while the turnover of employees during the reporting period was 9.6%.

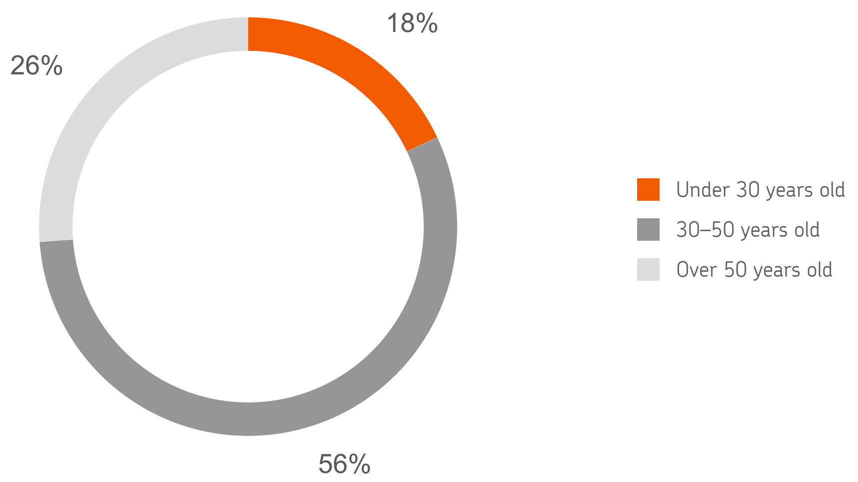
Information on the number of employees can be found on page 64 of the Report by the Board of Directors. The number of personnel indicates the number of valid employment contracts at the end of the reporting period. At OP Financial Group, employees do not have simultaneous concurrent employment contracts. The turnover rate of employees during the reporting period is calculated based on the aggregate number of employees who leave voluntarily or due to dismissal or retirement, or who die during employment, and dividing this figure by the 12-month average headcount during the reporting period.

Characteristics of non-employees in the undertaking's own workforce (S1-7)

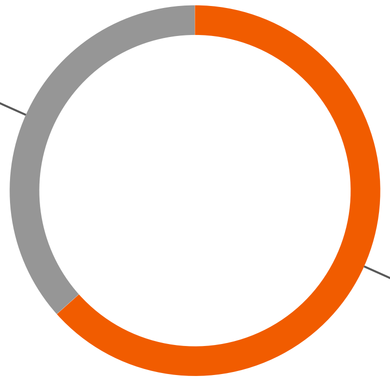
In 2024, OP Financial Group does not report the characteristics of non-employees in the undertaking's own workforce in accordance with the transition rules of ESRS1 Addition C.

Diversity metrics (S1-9)

Age distribution among own workforce



Gender distribution at Group Executive Management level in numbers and percentages



According to OP Financial Group's definition, Group Executive Management includes people working in OP Financial Group's central cooperative, i.e. OP Cooperative, on an executive contract as well as managing directors of OP cooperative banks.

Social protection (S1-11)

In 2024, OP Financial Group does not report metrics related to the undertaking's social protection in accordance with the transition rules of ESRS1 Addition C.

Persons with disabilities (S1-12)

In Finland, the Act on the Protection of Privacy in Working Life prevents employers from gathering and processing personal data regarding the employee's disability. Similar laws also prevent the gathering and reporting of sensitive health information in the Baltic countries. Therefore, OP Financial Group does not report this area.

Health and safety metrics (S1-14)

Employees on employment contracts

	2024
Percentage of employees in own workforce covered by the undertaking's health and safety management system	97 %
Number of fatalities resulting from work-related injuries and work-related ill health	0
Number of work-related accidents	12
Rate of work-related accidents	0.5
Number of cases of recordable work-related ill health	0
Number of days lost due to work-related injuries and fatalities resulting from work-related accidents and cases of work-related ill health and fatalities resulting from work-related ill health	375

The occupational health and safety committee is responsible for matters related to employees' safety, health and work ability. An occupational health and safety committee must be established at workplaces with 20 or more regular employees.

From the occupational health and safety perspective, temporary agency workers are covered by the occupational safety system. The activities apply to the workplace community regardless of the form of resourcing. Work-related risks and hazards are also assessed for agency workforce.

OP Financial Group's central cooperative has an occupational safety and health committee that covers the employees in all Group companies' own workforce (100% of employees) and agency workers working at OP Financial Group premises. By law, an occupational health and safety representative must be elected at workplaces with 10 or more employees. According to OP Financial Group's policy, an occupational health and safety representative can also be elected at smaller workplaces if justified. The occupational health and safety representative reviews matters affecting employees' safety and health in the work environment and promotes occupational safety practices in the workplace. Workplaces with 20 or more employees also require the establishment of an occupational safety and health committee or a combined cooperative and occupational safety and health body.

In Finland, the information reported regarding employees' health and safety is extracted from the occupational safety reports supplied by Pohjola Insurance Ltd, the workers' compensation insurance company for employees. Information on workplace accidents among agency workers working in OP Financial Group's premises in Finland has not been collected into OP Financial Group's own systems. The recording of agency worker's workplace accidents leading to absence into the safety register will be investigated.

The rate of work-related accidents is calculated by dividing cases of workplace accidents leading to at least four days of absence by one million hours worked.

Remuneration metrics (pay gap and total remuneration) (S1-16)

Gender pay gap by personnel group

	2024
Employees	-4 %
Specialists and supervisors	10 %
Executives	11 %
All personnel	25 %

The gender pay gap is based on fixed median salaries of male and female employees on a monthly salary at the end of the year. The figure does not include one-off fees or amounts paid to the personnel fund.

The total remuneration ratio is based on person-level observations that include the fixed salary earned during the year, fringe benefits, one-off fees and amount paid to the personnel fund. The metric covers employees on a monthly salary employed for the whole year.

The annual total remuneration ratio in 2024 was 25.7.

Incidents, complaints and severe human rights impacts (S1-17)

0 discrimination cases were identified during the reporting period, including harassment. 6 complaints were filed through channels for people in OP Financial Group's own workforce (including grievance mechanisms) . 0 severe human rights incidents were identified during the reporting period.

OP Financial Group did not incur any fines, penalties or compensation for damages for the discrimination cases or severe human rights incidents during the reporting period.

With regard to OP cooperative banks and OP Koti, the companies are independently responsible for addressing cases of discrimination and harassment, and OP Financial Group's central cooperative does not have information on any incidents of discrimination and harassment in the banks or at OP Koti. A reporting mechanism will be developed for this in the future.

S2 Workers in the value chain

Material impacts, risks and opportunities and their interaction with strategy and business model (S2 SBM-3)

OP Financial Group employs extended workforce, agency workforce, service providers and consultants. Depending on the work's purposes and goals, extended workforce is based on various types of contracts, e.g. agency workforce or service providers. In addition to extended workforce, the operations of OP Financial Group are dependent on numerous service providers and suppliers in the upstream value chain.

In addition, OP Financial Group's corporate customers and investee companies and their subcontracting chains employ people who may be connected to OP Financial Group's operations. Workers in the value chain who may be subjected to negative impacts also include vulnerable groups, such as women and young employees. OP Financial Group has a high amount of extended workforce in both Finland and abroad, particularly in India. Services produced for OP Financial Group in India consist especially of ICT services, which do not pose a significant risk of child labour or forced labour due to the competence requirements involved.

Material negative impacts concern individual cases involving certain investments, procurements or objects of financing. No widespread or systemic impacts were identified in contexts where OP Financial Group operates. Material positive impacts on workers in the value chain resulted from job creation and from drawing up investment policies that require investee companies to take certain action in relation to child labour or forced labour, for example. The identified material impacts were the result of OP Financial Group's business activities that maintain and enable job opportunities and employ minorities. Additionally, OP Financial Group's strategic priority, "Responsible business", guides financing and investment decisions in a way that supports the realisation of positive impacts. At the same time, the decisions also seek to reduce potential negative impacts.

Affected groups and areas with particular characteristics have been identified in the Human Rights Impact Assessment conducted by OP Financial Group in accordance with the UN Guiding Principles on Business and Human Rights. Negative impacts involving labour exploitation or violations of rights at work were identified in the cleaning, construction and agriculture sectors, for example. Additionally, the energy, transport and manufacturing sectors are identified in the Human Rights Policy to involve risks arising from inadequate occupational health and safety.

Positive impact:

Employment opportunities; Improving employment in minority groups; The requirement that the companies OP Financial Group invests in operate in compliance with international norms and agreements (child labour); The requirement that the companies OP Financial Group invests in operate in compliance with international norms and agreements (forced labour)

Negative impact:

Labour exploitation in risk sectors;, Financing companies operating in sectors exposed to risks; Financing or investing in companies exposed to risks concerning safety measures; Extending supply chains to high-risk countries or financing companies operating in such countries; Supply chains, investment portfolios and the supply chains of companies to be financed in risk countries

Identified countries with a particularly high risk of child labour and forced labour are Somalia, North Korea, Eritrea, South Sudan, Guinea-Bissau, Venezuela, Chad, Syria, Mozambique and the Central African Republic.

No material risks or opportunities as regards workers in the value chain were identified.

Policies related to value chain workers (S2-1)

Procurement

OP Financial Group's Procurement Policy and its supplementing practical guidelines describe how and by whom various procurements are carried out in OP Financial Group. The aim of common practices is to ensure that procurement stages, including the adequate assessment and monitoring of supplier risks, are carried out appropriately. Within OP Financial Group, responsibility for outsourcing, service purchases, partnerships and suppliers, and the related risks and decision-making, rests with the business (and its management) engaged in purchasing services or outsourcing the activity.

The success of OP Financial Group and its supplier and partner network is dependent on the Group's strict observance of objective criteria in supplier and partner selection. OP Financial Group expects its product suppliers and service providers to conform with OP Financial Group's Supplier Code of Conduct, OP Financial Group's General Procurement Terms and Conditions and Code of Business Ethics, as well as any applicable legislation, international agreements and instructions of the authorities. These policies, which cover all groups of workers in the value chain, help ensure that impacts related to procurements and supply chains are managed. The Supplier Code of Conduct, the contents of which were updated in 2024 to better meet the needs of different regulations and guidelines, has been originally approved by the Supervisory Council of OP Cooperative. The changes to the contents have been approved by the management of Procurement Services and the ESG Committee, which reports to the Executive Management Team of OP Financial Group. OP Financial Group's Human Rights Policy and Code of Business Ethics have been approved by the Board of Directors of OP Cooperative and confirmed by the Supervisory Council. The Supplier Code of Conduct lists requirements in areas such as the lawfulness and ethics of business activities, consideration of environmental issues, human rights, workers' rights and occupational health and safety, and requires suppliers to ensure and monitor compliance with similar requirements in their supply chains. OP Financial Group's Procurement organisation monitors compliance with the Supplier Code of Conduct as part of supplier relationship management and supplier auditing processes.

Financing and investments

Material impacts related to financing or investments are managed with the Principles for Responsible Investment approved by the Boards of Directors of OP Asset Management and OP Fund Management Company, the Credit Policy for Corporate and Institutional Customers approved by the Board of Directors of OP Cooperative, and the Shareholder Engagement Principles of Funds Managed by OP Fund Management Company approved by the Board of Directors of OP Fund Management Company, among other policies. The organisations responsible for OP Financial Group's policies are responsible for implementing and monitoring the policies. The Principles for Responsible Investment define the procedures and methods of responsible investing to ensure that environmental and social responsibility and good governance are taken into consideration in investment activities. The Credit Policy for Corporate and Institutional Customers describes more detailed general principles on sustainable financing, among other themes. The Shareholder Engagement Principles of Funds Managed by OP Fund Management Company describe how funds may exercise shareholder rights to promote more sustainable business and otherwise influence or engage in dialogue with stakeholders.

Human rights

OP Financial Group's Human Rights Statement and Policy, which are covered in more detail in section S1 Own workforce, also acknowledge the responsibility to respect the human rights of workers in the value chain and prevent and mitigate potential negative impacts.

According to its Human Rights Statement, OP Financial Group is committed to taking action to remediate negative impacts caused by its operations or through the contribution of OP Financial Group. In these cases, OP Financial Group will strive to support the parties that caused the impacts in remedying the negative impacts. If any negative impacts arise in the course of OP Financial Group's own operations or the operations of its value chain, OP Financial Group is committed to diligently addressing the issues brought to its attention and taking the necessary investigatory measures without delay. For these policies, OP Financial Group's Human Rights Statement applies to it own operations as well as operators in the value chain.

OP Financial Group's Human Rights Statement and Supplier Code of Conduct include the Fundamental Principles and Rights at Work of the International Labour Organization (ILO), which address the prohibition and elimination of all forms of discrimination, forced labour and child labour, the freedom of association of workers, and the prevention and prohibition of human trafficking. These principles apply to OP Financial Group's own activities as well as its value chain. Suppliers are expected to require compliance with the same principles from their suppliers.

OP Financial Group is committed to respecting the ILO Declaration on Fundamental Principles and Rights at Work. OP Financial Group's Supplier Code of Conduct describes the requirements for OP Financial Group's suppliers on complying with the principles in their own activities and supply chains.

OP Financial Group has not become aware of cases related to its own or its suppliers' workers involving violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration or the OECD Guidelines for Multinational Enterprises. Suppliers are required to report such cases to OP Financial Group.

Processes for engaging with value chain workers about impacts (S2-2)

Where possible, OP Financial Group engages directly with workers in the value chain. For example, during audits, OP Financial Group strives to engage with suppliers' representatives in different levels of the organisation, including employees working manual labour. OP Financial Group audits its suppliers on a risk basis. Additionally, employees in charge of supplier relations engage in active dialogue with suppliers. The results of the audits and discussions are taken into consideration and raised with suppliers. The aim of supplier audits is to understand how suppliers assess and manage human rights issues in their operations and subcontracting chains and review other ESG themes, such as compliance with environmental legislation as part of OP Financial Group's due diligence obligations. The Chief Procurement Officer is responsible for ensuring that engagement is done in accordance with processes.

The ESG forum established by OP Financial Group (described in more detail in sections ESRS2 SBM-2 and S3-2) also includes representatives of minority groups, whose opinions are consulted at meetings and through various surveys.

In addition to an extensive personnel survey conducted every two years, shorter employee surveys are carried out for all personnel working on behalf of OP Financial Group. From the surveys, the results of temporary agency workers can be examined separately. A more extensive personnel survey is conducted every two years, with shorter employee pulse surveys twice a year. The number of respondents to personnel surveys is tracked. Additionally, some service providers report to OP Financial Group on the results of their personnel surveys. The content of supplier audits is developed annually, including ways to help suppliers identify human rights risks.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

In accordance with its due diligence process, OP Financial Group regularly reviews human rights risks and impacts affecting people within its sphere of influence. Practices and policies are updated based on observations. If any negative human rights impacts arise in the course of operations, OP Financial Group is committed to diligently address the issues brought to its attention and to take the necessary investigatory measures without delay. If the investigation finds that OP Financial Group has caused negative human rights impacts as defined in the UN principles, OP Financial Group is committed to taking the necessary actions to remedy the impacts. If the investigation finds that OP Financial Group's operations have contributed to negative human rights impacts as defined in the UN principles, OP Financial Group will cooperate in the remediation with the parties that caused the negative impacts. OP Financial Group will assess the cases that come to light and the opportunities to act in the situation and measures to remedy the impact carefully on a case-by-case basis. Solutions can take different forms – the need for remedies and solutions is always defined on a case-by-case basis.

OP Financial Group's whistleblowing channel is open to all members of personnel and is available publicly on OP Financial Group's website to allow value chain workers to submit reports and bring concerns to OP Financial Group's attention. Additionally, OP Financial Group's Supplier Code of Conduct requires suppliers to provide their workers with easily accessible channels for reporting issues at the workplace, violations and other concerns. These channels should enable reports to be submitted anonymously if necessary, and the supplier must ensure that all reports are handled confidentially and that whistleblowers are protected against potential negative impacts. Suppliers must also regularly communicate to workers about the channels' existence and availability. Suppliers are committed to disclosing information about compliance with these principles at OP Financial Group's request and to notify if the principles have been violated.

As part of supplier audits on ESG themes, suppliers are required to describe how they have implemented the measures listed in OP Financial Group's Supplier Code of Conduct and describe the whistleblowing reporting channels available to workers.

As part of supplier audits, OP Financial Group assesses whether the supplier's channels for reporting the concerns and issues of workers are sufficient and readily accessible, and whether workers have been adequately informed about the channels' existence and availability.

Section G1 of the sustainability report details the protections of users of OP Financial Group's whistleblowing channel.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

Suppliers

Risks associated with suppliers' workers are identified already as part of supplier approval, when it is assessed whether the sector of the procured service and the potential supplier involve some kind of elevated risk. OP Financial Group strives to identify and assess whether the potential supplier's measures are effective in managing material risks in the sector. Similarly, the sufficiency and effectiveness of suppliers' risk management measures are assessed as part of supplier relationship management and supplier audits.

OP Financial Group requires its suppliers to:

- Respect all internationally recognised human rights
- Ensure that they do not contribute to human rights violations
- Appropriately examine the human rights impacts of their activities
- Commit to participate in taking remedial action
- Commit to respecting the ILO Declaration on Fundamental Principles and Rights at Work, which include freedom of association and effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

OP Financial Group has incorporated these principles as part of its Supplier Code of Conduct, which must be accepted by all contract suppliers of OP Financial Group.

As part of the approval process of contract suppliers, risks associated with value chain workers are also identified and assessed whenever possible. Suppliers are required to comply with the Code of Conduct and to report potential observed risks to OP Financial Group without delay. The risks associated with the supply chain and workers and the scope and sufficiency of the supplier's risk management processes are assessed as part of supplier audits.

In the case of suppliers that involve major procurements or procurements that are critical in terms of sustainability goals, separate sustainability targets are agreed with the supplier, which may also concern employee satisfaction, diversity and equity, for example. OP Financial Group also engages in dialogue with suppliers on sustainability themes in connection with supplier meetings.

OP Financial Group is a major buyer and provider of financing within its operating region, with an extensive network of more than 20,000 suppliers. As a result, OP Financial Group generates positive impacts for value chain workers through job opportunities created by its activities, among other means. For several years, OP Financial Group has partnered with specific suppliers on the employment of people capable of part-time work, thereby creating jobs for members of minority groups.

OP Financial Group's Supplier Code of Conduct also serves as a basis for identifying and managing negative impacts on value chain workers. The supplier relationship management model includes regular discussions with suppliers, risk management of suppliers and supply chains, supplier audits and possible other means of engagement, including discussing and deciding on separate joint sustainability development measures. The contents and level of activity of supplier relationship management are dependent on the supplier's significance to OP Financial Group's functions, among other factors. As part of third party risk management and supplier relationship management, relevant parties in the supply chain and the potential typical risks of the sector are identified, and their management is monitored as part of supplier relationship management.

Before signing a supplier contract, the risks associated with the supplier are identified in the supplier due diligence assessment conducted by the Third Party Risk Management (TPRM) team of OP Financial Group's Procurement Services. Identified risks are monitored throughout the contract period. Self-assessment questionnaires sent to suppliers and on-site audits on supplier premises are used to help assess the sufficiency of suppliers' risk management measures. The results of self-assessment questionnaires and audits are analysed in the procurement organisation, and the supplier is asked to provide further clarifications if necessary. If it is found that the supplier's measures are insufficient or require improvement, the supplier is given an audit observation or recommendation for improvement. In the case of serious deficiencies, the supplier is required to make changes to its procedures.

In the event that OP Financial Group becomes aware of negative impacts in its supply chains, OP Financial Group will assess the case and the opportunities to act in the situation and measures to remedy the impact carefully on a case-by-case basis. Solutions can take different forms – the need for remedies and solutions is always defined on a case-by-case basis.

OP Financial Group complies with the Finnish Act on the Contractor's Obligations and Liability when Work is Contracted Out and requires suppliers providing services subject to the act's provisions to report on their activities at the required level.

OP Financial Group's Compliance and Internal Audit functions are independent of business units. Compliance is responsible for monitoring that OP Financial Group's internal planned and implemented measures comply with regulations. The Internal Audit function monitors and evaluates the sufficiency and effectiveness of measures.

The TPRM and Outsourcing function of OP Financial Group's Procurement Services is tasked with ensuring the regulatory compliance of outsourcing activities and that third party risks are effectively managed, supporting and assisting business units in tasks related to operational supplier risk management and for developing third party risk management activities within OP Financial Group. TPRM and Outsourcing provides support in supplier risk level assessments and background checks, ongoing monitoring of risks during the contractual relationship and in supplier and information security audits.

Finance and investments

OP Financial Group seeks to prevent and mitigate the negative impacts of its investee companies and financed companies to people affected by the value chains of said companies. In its corporate financing decisions, OP Financial Group follows the credit policy for corporate customers and the policies and guidelines described therein. The credit policy describes how ESG factors are taken into consideration in financing and decision-making.

As part of corporate financing, OP Financial Group conducts a company-specific ESG analysis based on sector-specific materiality. In practice, corporate customers are classified into ESG classes based on industry exposure to ESG factors. If the industry class and the total exposures of a group of connected clients are significant, an ESG analysis is conducted to support the financing decision. The ESG analysis is used to identify material human rights issues and social responsibility themes related to the customer's business. The need for an ESG analysis is regularly assessed during the customer relationship. In addition to a separate ESG analysis, the credit analyses of corporate customers include an ESG section if the exposures of the group of connected clients are significant. The section provides a compact description of the sector's ESG risks that are material for the credit risk, potential company-specific ESG risks and the company's measures to prepare for such risks.

OP Financial Group also engages in discussion with corporate customers on themes that are material to the customer, with the aim to develop the customer's activities and to set targets that serve as conditions for granting sustainability-linked loans, for example. The purpose of sustainability-linked loans is to support sustainable economic activities by using financial incentives to encourage borrowers to achieve predefined sustainable development goals. In corporate financing, it is possible to use the sustainability-linked loans with targets tied to social responsibility themes to promote positive impacts in the customer company within the theme in question.

At OP Asset Management, consideration of social sustainability factors is primarily the responsibility of portfolio managers and analysts making investment decisions. They are supported by experts specialising in ESG matters. In addition to our own analysis tool, meetings with company representatives form an important part of the ESG work of portfolio management based on qualitative analysis. Portfolio managers document the ESG topics discussed with companies at these meetings. Before an investment decision, the portfolio managers of OP Asset Management are also required to screen the company's compliance with international norms from an up-to-date database. If the screening detects an active confirmed violation, the portfolio manager cannot invest in the company without the consent of the Committee for Responsible Investment. The procedure is the same for active direct share and active direct corporate bond investments. In analysing corporate bonds, OP Financial Group also looks at credit ratings which also contain ESG information.

In 2024, the ESG tool used by portfolio management was expanded to include more detailed data metrics related to human rights. OP Asset Management takes social risks into consideration in accordance with the Principles for Responsible Investment. OP Asset Management screens investments on a quarterly basis for potential violations of international norms. OP Asset Management does not make active direct investments in companies that have violated international norms and where engagement has been unsuccessful. If an investee company is found to have violated international norms or ethical business principles, the first course of action is shareholder engagement to influence the company. If engagement is unsuccessful, the second course of action is to divest from the company. Regular monitoring and granular, company-specific analysis by OP Asset Management enables OP Asset Management to monitor investee companies' connections to the use of child labour, disputes related to occupational wellbeing and other human rights violations.

Active ownership is also a way to positively influence the activities of investee companies. OP Financial Group is an active owner and encourages investee companies and partners to engage in responsible business and sustainable and responsible investing. OP Fund Management Company exercises the voting rights of the mutual funds managed by it in accordance with the ownership policy approved by the company's Board of Directors and implements its ownership policy by actively participating in the AGMs of companies listed in Finland. OP Fund Management Company uses proxy voting to also exercise voting rights at the AGMs of companies listed in countries other than Finland.

Identified cases

OP Financial Group has not become aware of confirmed severe human rights violations or cases involving infringements of human rights in the upstream or downstream value chain (with the exception of the investments by OP Asset Management described below).

The quarterly screening by OP Asset Management of international norm violations found 5 norm violations related to human rights during the reporting year in investments, or in the downstream value chain.

No metrics were available to measure the severity of the impacts for the year 2024.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

Where possible, OP Financial Group engages directly with workers in its value chain. For example, during audits, OP Financial Group strives to engage with suppliers' representatives in different levels of the organisation. This is done to assess the risks affecting value chain workers, the measures by which risks are managed and the sufficiency of the measures in terms of OP Financial Group's goals.

In accordance with OP Financial Group's sustainability programme released in 2022, OP Financial Group's goal is that 100% of contract suppliers are committed to complying with the sustainability principles of OP Financial Group's Supplier Code of Conduct by the end of 2025. At the end of 2024, 97% of contract suppliers were committed to OP Financial Group's Supplier Code of Conduct, as measured based on the value of the contracts. The aim is to build a foundation for sustainable sourcing and to ensure that sustainability is taken into consideration throughout the supply chain at least at the level described in the Code of Conduct. OP Financial Group's Procurement Services has set the target and monitors its progress. OP Financial Group's Supplier Code of Conduct covers requirements related to compliance with laws, human rights and workers' rights, occupational safety and health, business ethics, the environment and responsibility in the supply chain. OP Financial Group strives to ensure that no human rights violations occur in its sourcing activities or in companies it has financed, insured or invested in and monitors these on an ongoing basis. Detailed metrics or targets in areas such as advancing employment have not been set. No clear targets have been set on advancing employment due to the existence of several simultaneous influencing factors. OP Financial Group's aim is to ensure that its investee companies and companies it has financed or insured refrain from exploiting child labour or forced labour or infringing on the rights of minorities or women and that the companies pay an adequate wage and ensure adequate occupational safety. Investee companies are regularly screened for violations of international norms, and an engagement process is launched to remedy the matter if necessary.

S3 Affected communities

Material impacts, risks and opportunities and their interaction with strategy and business model (S3 SBM-3)

In its double materiality assessment, OP Financial Group identified material positive impacts on local communities as a separate company-specific sub-topic under the S3 standard.

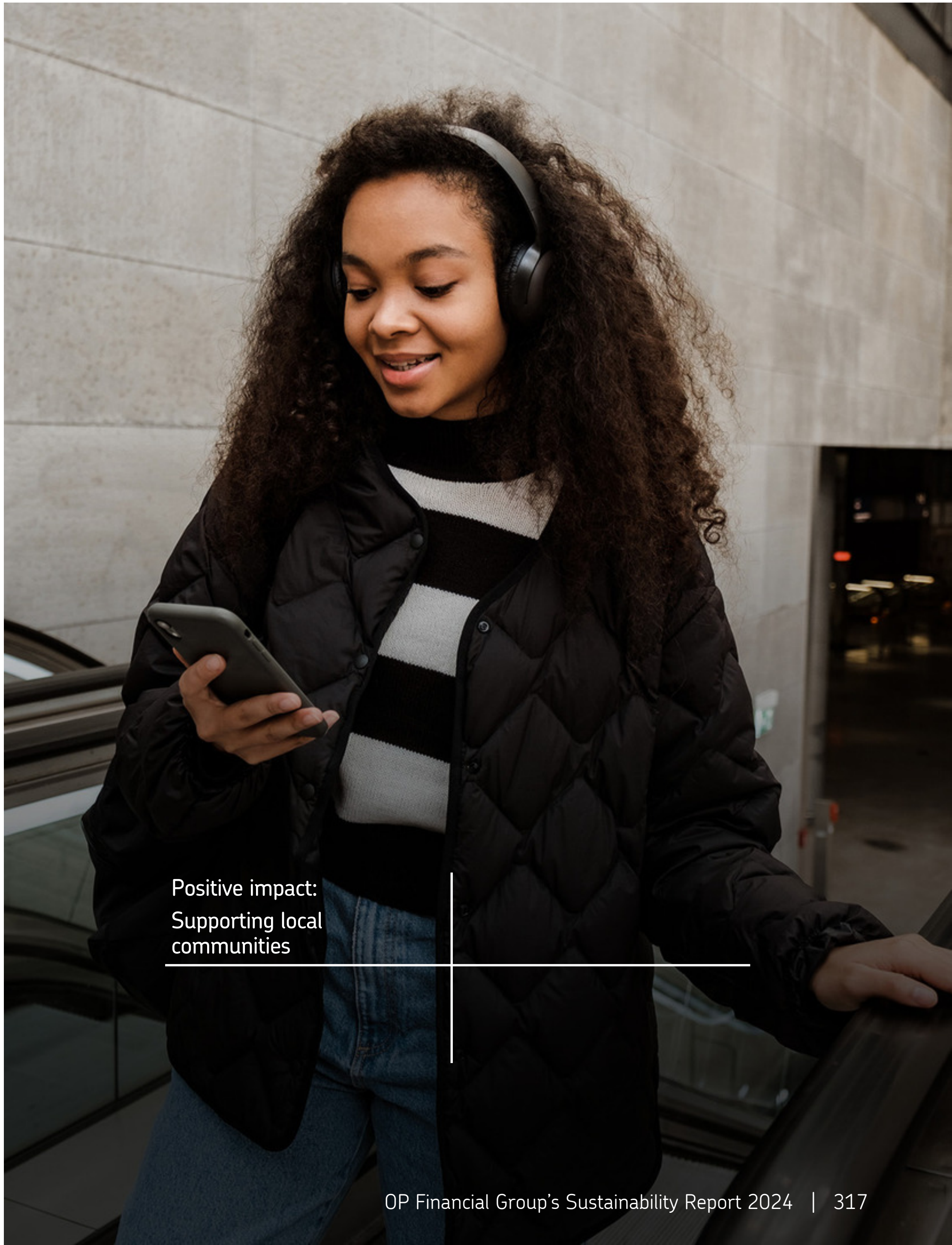
The affected communities are local communities living within OP Financial Group's operating region, on whose wellbeing OP Financial Group can have a positive impact. These communities are generally not communities living or working around the company's operating sites, factories, facilities or other physical operations, but broader communities within OP Financial Group's operating region. The identified communities are also not communities along the company's value chain or communities of indigenous peoples.

OP Financial Group has identified a positive impact on local communities connected with its strategy and business model, as the positive impact in question is one of the themes of OP Financial Group's sustainability programme.

OP Financial Group's local communities are the Group's customers and members of local communities living in the operating regions of OP cooperative banks and other OP Financial Group companies. OP Financial Group plays a significant role in advancing wellbeing and equal opportunities at local community level, and in creating positive impacts. In cooperation with our partners, OP Financial Group promotes financial literacy and digital skills within its operating region through guidance and advice. In 2024, the Group offered summer jobs for thousands of young people by donating a sum to use towards young employees' pay to associations that agree to provide summer jobs. Through its partners, OP facilitates leisure time activities for children and young people.

Policies related to affected communities (S3-1)

OP Financial Group's mission includes supporting the sustainable prosperity and wellbeing of its owner-customers and operating region. OP Financial Group's Human Rights Policy, as approved by the Board of Directors of OP Cooperative, and Code of Business Ethics, as approved by the Board of Directors



of OP Cooperative and confirmed by the Supervisory Council, serve as guiding principles. OP Financial Group's sustainability programme and its goals respond to the changing operating environment, the grown expectations of stakeholders and the increased regulatory requirements. The sustainability programme and its policy priorities implement OP Financial Group's strategy and guide sustainability and corporate responsibility work. The sustainability programme takes into consideration stakeholder feedback such as various customer studies, observations arising from discussions, external assessments and surveys directed at employees, experts and owner-customers. The sustainability programme is divided into sustainability and corporate responsibility themes that are suitable and relevant to OP Financial Group: Climate and the environment, People and communities, and Corporate governance. As such, the programme's structure is in line with the division of sustainability issues into Environmental, Social and Governance. Each theme includes five sub-areas that promotes sustainability and corporate responsibility work. One of the sub-areas is advancing the wellbeing of local populations. The policies of the sustainability programme concern all affected communities. The sustainability programme is decided first by the ESG Committee, after which it is reviewed and approved by the Executive Management Team, the Board of Directors of OP Cooperative, the Supervisory Council's ESG and Strategy Unit and the Supervisory Council.

OP Financial Group's Human Rights Statement and Policy also acknowledge the responsibility to respect the human rights of members of local communities and prevent and mitigate potential negative impacts. OP Financial Group is committed to respecting all internationally recognised human rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. OP Financial Group's human rights work is based on the UN Guiding Principles on Business and Human Rights (UNGPs). No incompatibilities with the UNGP or the fundamental principles of the ILO came to light in 2024.

Processes for engaging with affected communities about impacts (S3-2)

OP Financial Group maintains an ESG forum tasked with consulting the views of representatives of important stakeholders. The ESG forum brings together relevant stakeholder groups that represent owner-customers and employees and the areas of environmental and social responsibility, the economy and businesses, and members of local communities. The ESG forum includes representatives of minority groups and groups of people in vulnerable situations. Through the ESG forum, OP Financial Group is able to develop its sustainability and corporate responsibility work to better meet the expectations placed on its activities. The views of representatives in the ESG forum are taken into consideration when updating OP Financial Group's sustainability programme and in other development work related to sustainability, among other areas. The CEO of OP Corporate Bank is responsible for the activities of the ESG forum as part of their overall responsibility of ESG issues at the Group level. Through the ESG forum, OP Financial Group is able to consult with credible and legitimate representatives of local communities. The representatives of the forum express their opinions in meetings OP Financial Group has organised and called and through various surveys the Group ESG Function carries out and sends to the members of the ESG forum as they need, on an annual basis. In addition, OP Financial Group is continuously conducting research on personnel, consumers and customers and following the changes in the business environment in order to include the views of stakeholders in decision-making. Additionally, OP cooperative banks and governing bodies of OP Financial Group are regularly included in development related to sustainability themes by means of surveys and discussion events, among other means. Members of the ESG forum and management and governing body members of OP Financial Group receive the results of the surveys and discussions in connection with quarterly reports or other reviews, including information about how the results will be used in the future. The CEO of OP Corporate Bank is responsible for ESG and sustainability at OP Financial Group and for ensuring that the views are heard and acknowledged in decision-making.

Stakeholder engagement is an essential part of the cooperative model, as the governing bodies of OP cooperative banks are comprised of owner-customers who have a say in their bank's activities, for example.

OP Financial Group strives for open, ongoing dialogue with external stakeholders. One of the most important principles of stakeholder engagement is to try to use dialogue to identify areas for improvement in OP Financial Group's sustainability and corporate responsibility work. Stakeholders' views are consulted, and the success of stakeholder engagement is measured with different surveys and questionnaires. For example, the online survey sent to members of the ESG forum asks members to evaluate the forum's activities and time spent on engagement.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

The double materiality assessment found only material positive impacts regarding disclosure requirement S3. However, OP Financial Group has processes in place to allow affected communities to raise concerns.

If any negative human rights impacts arise in the course of operations, OP Financial Group is committed to diligently addressed the issues brought to its attention and to take the necessary investigatory measures without delay. If the investigation finds negative human rights impacts as defined in the UN principles, the necessary actions will be taken to remedy the impacts. If the investigation finds that OP Financial Group's operations have contributed to negative human rights impacts as defined in the UN principles, OP Financial Group will cooperate in the remediation with the parties that caused the negative impacts. Incidents that come to light and the opportunities to act in the situation and measures to remedy the impact are assessed carefully on a case-by-case basis. Solutions can take different forms – the need for remedies and solutions is always defined on a case-by-case basis.

OP Financial Group companies have a whistleblowing channel for reporting violations and misconduct. OP Financial Group's customers or other third-party representatives can report suspected cases via the channel. All reports that arrive via the whistleblowing channel are treated with confidentiality and in line with internal operating instructions. The confidential processing, investigation and thorough documentation of reports protect the whistleblower from retaliation, and the person subject to the report from unjustified allegations. Awareness of the whistleblowing channel within affected communities is not assessed separately, but the policies and the processes described in them are publicly available to affected communities. The whistleblowing channel is described in more detail in section G1-1.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

OP Financial Group and its member cooperative banks support the leisure time activities of children and young people locally through cooperation with sports clubs, among other means. Leisure time activities sponsored by OP Financial Group reached 284,376 children and young people in 2024.

Management of personal finances is an important skill for all citizens. Through its financial literacy work, OP Financial Group wants to strengthen financial wellbeing in society. Financial literacy work by OP Financial Group and its partners reached 71,188 children and young people nationwide in 2024. OP cooperative banks teach financial skills in their local educational institutions. Additionally, OP Financial Group is a long-term partner Junior Achievement (JA) Finland, the financial literacy competition organised by the Association for Teachers of History and Social Studies in Finland and the Deaconess Foundation's Taloustaitohanke financial literacy project.

With OP's support, summer jobs could be offered to 2,984 young people in 2024 in non-profit organisations, for example.

No severe human rights issues or incidents connected to affected communities came to light during the reporting period.

The described measures are promoted by OP cooperative banks' employees, and OP cooperative banks have been recommended to appoint a person in charge of sustainability and corporate responsibility work. The management, development and coordination of the work is supported by ESG Specialists from OP Financial Group's central cooperative. OP Financial Group does not currently track the effectiveness of actions, but development opportunities related to this will be investigated in 2025.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

OP Financial Group's sustainability programme defines key targets based on a separate materiality analysis. OP Financial Group's external and internal stakeholders participated in the assessment. The programme includes targets related to promoting leisure time activities among children and young people, improving financial literacy and sponsoring summer job opportunities for young people.

The wellbeing of children and young people and their confidence in the future is enhanced, and the employment of young people is supported.

- **Target:** Number of children and youths reached through leisure activities sponsored by OP Financial Group; 200,000 people per year
- **Target:** Summer jobs for young people paid for by OP Financial Group; 2,000 summer jobs per year

Improving financial literacy to give everyone equal opportunities to manage their finances.

- **Target**: Number of children and youths reached through financial literacy training events and projects organised by OP cooperative banks and partners, 70,000 people per year

Helping customers with special needs in their independent, multichannel and easy use of banking and insurance services and promote their digital skills.

- **Target:** Customers reached in training events on digital skills, 20,000 people per year

S4 Consumers and end-users

Material impacts, risks and opportunities, and their interaction with strategy and business model (S4 SBM-3)

OP Financial Group defines a customer as a person who has a valid agreement on a service or product with OP Financial Group. A customer relationship can be either regular (continuing indefinitely) or occasional (a one-off order). OP Financial Group's products are not naturally harmful to people and do not increase the risk of chronic disease. As OP Financial Group's activities involve collecting customers' personal information, services may have negative impacts on the privacy of consumers' personal data. Regarding OP Financial Group's products, it is also possible that consumers need special assistance to avoid causing harm by using the service. In addition, some customers may be particularly vulnerable to certain marketing and sales strategies, such as people in a financially vulnerable position.

Material negative impacts identified by OP Financial Group related to consumers and end users concern individual cases where OP Financial Group either has a customer relationship with the consumer or has invested in a certain company. The material positive impacts identified by OP Financial Group are created by offering banking and insurance services to customers, and developing services to better meet consumers' needs. When developing service models, OP Financial Group also takes account of customer groups with weaker digital skills, which generates positive impacts for these customers.

When making investment or financing decisions, OP Financial Group can take account of the health and safety impacts of companies and projects. The positive impact may thus concern several people.

In its activities, OP Financial Group processes personal data, due to which violations related to data protection may result in reputational risk, fines or other consequences to OP Financial Group. A risk of fines and consequences also exists if lawful disclosure and reporting obligations have not been complied with. However, financial opportunities may become available to OP Financial Group when the timeliness, quality and smooth operation of the service are ensured, which increases customer satisfaction.

For consumers and end users, the materiality analysis takes account of the fact that the lack of language skills can place customers in a different position, for example. In addition, physical disabilities or poor digital skills can cause negative impacts in the everyday life of customers if they

cannot access banking services for these reasons. OP Financial Group has identified groups within its clientele for whom managing their banking and insurance matters at branches or through an interpreter is the easiest option.

The material risks and opportunities identified by OP Financial Group are related to all consumers and/or end users. The material impacts, risks and opportunities identified by OP Financial Group are related to OP Financial Group's strategy and business model. OP Financial Group's strategy includes the "Value for customers" and "Responsible business" subareas, which define OP Financial Group's customer-driven approach to offering banking and insurance services, and the sustainability of OP Financial Group's investments. Part of the material impacts, risks and opportunities is caused by OP Financial Group's business, in which the aim is to constantly develop banking and insurance services for customers.

Policies related to consumers and end-users (S4-1)

Financial wellbeing of customers

OP Financial Group's Code of Business Ethics, approved by OP Cooperative's Board of Directors and confirmed by the Supervisory Council, lays down the ethical principles that all members of OP Financial Group's staff, regardless of their role, position or location, must follow. In addition, OP Financial Group has unified risk management principles and practices, approved by OP Cooperative's Board of Directors, which all employees are required to follow. The RAF defines the general strategic intents of the risk management process and specifies them by revenue logic. The guidelines set preconditions for how senior management is expected to organise the risk management process at OP Financial Group. The Code of Business Ethics serves as governing principles for all identified material impacts, risks and opportunities.

By providing banking and insurance services, OP Financial Group enables the financial wellbeing of customers, offers digital tools for using third-party services, and supports the everyday activities of customers. A timely, high-quality and seamless service and equal treatment promote customer satisfaction and customer loyalty, thus enabling financial success for OP Financial Group.

For its part, OP Financial Group promotes Finland's national financial literacy strategy, which aims to strengthen residents' financial literacy and wellbeing. OP Financial Group develops services for the management of personal finances, contingency, and saving and investment, which help customers balance their finances in the short and long terms.

OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. OP Financial Group's operations are based on the cooperative principle – cooperation and sharing the fruits of success. As a material positive impact, OP Financial Group identified ensuring the financial security of consumers. As part of this, OP Financial Group pays OP bonuses to its owner-customers. OP bonuses are a benefit devised by OP Financial Group for owner-customers of member cooperative banks. OP bonuses are accumulated for personal customers who are owner-customers of an OP cooperative bank belonging to OP Financial Group. Being customer-owned, OP Financial Group shares its financial success through a range of financial and other benefits for our owner-customers: in 2024, OP bonuses earned by customers were increased by 40% compared to the normal level in 2022. In 2024, OP Financial Group paid a total of 314 million euros in bonuses to its owner-customers. OP bonuses are automatically used to pay service charges, fees and insurance premiums determined by OP Financial Group, and for payment of other separately specified services.

Corporate customers' occupational health and safety

Customers' personal health and safety was identified as a material positive impact in OP Financial Group's non-life insurance activities, within which Pohjola Insurance offers extensive occupational health and safety services to corporate customers as part of statutory workers' compensation insurance. The purpose of the services is to support corporate customers in developing occupational safety through occupational safety reviews and training, for example, and to help customers anticipate material occupational safety risks in their line of business. Product descriptions for occupational health and safety services will be prepared as part of customer material. Product descriptions will be implemented in 2025. The customer material provides corporate customers with information about services' content and implementation options.

Health and safety of customers

OP Financial Group can also influence consumers' health and safety indirectly by investing in projects that support wellbeing and equity. In 2024, this type of investing was implemented with the OP-Sustainable Wellbeing fund, which invests in companies that support human wellbeing and equal opportunities with their operations. The companies selected for the fund develop health and wellbeing services, solutions related to the availability of education, financing, digital services and apartments, improved nutrition, and sustainable agriculture, for example.

Accessibility

If the services involve deficiencies or faults, information about them is obtained through accessibility audits, customer feedback, and complaints or reprimands sent by the authorities. Any service usage and accessibility problems are highlighted by customers' age or physical and mental disabilities, for example. The accessibility of all OP Financial Group's channels is not completely equal, but it is progressing continuously due to ongoing improvements.

Data protection

Violations related to customers' data protection (for example, leaking personal data or other privacy violations) and the resulting fines, reputational risk or other consequences are a risk to OP Financial Group. For an entity like OP Financial Group, it is very important to protect customers' personal data and information affecting financial standing, which are of particular interest to criminals. Moreover, Pohjola Insurance processes confidential and sensitive data (such as patient data) when providing personal insurance, for example.

Regarding data security and data protection, OP Financial group uses operating models to constantly observe the availability of services and any deviations. The purpose of this is to ensure the safe management of customer funds and security of customer data.

Customer selection

Customer selection is a basic requirement for a financing and insurance business that is healthy, profitable and based on trust. Customer due diligence and identity verification are statutory obligations and must be ensured in all customer encounters. The customer selection guidelines of OP Financial Group's business units are used to manage high-risk customers and to ensure that customer selection complies with both valid legislation and official regulation, and good practice in financial markets.

Human rights

OP Financial Group's Human Rights Statement and Policy, approved by OP Cooperative's Board of Directors, acknowledges the responsibility to respect the human rights of customers, i.e. consumers and end users, and prevent and mitigate potential negative impacts caused to them. OP Financial Group is committed to taking remediation actions if its activities cause adverse human rights impacts. If OP Financial Group's activities contributed to the adverse impacts, it strives to support the party that caused them in implementing remediation actions. Measures related to the prevention and mitigation of adverse impacts are promoted and monitored on an ongoing basis. In addition, OP Financial Group's services are developed continuously to better meet different customer groups' needs.

OP Financial Group's Human Rights Policy is related to a few identified material impacts, risks and opportunities:

- inequality in the availability of banking and insurance services to people who are not Finnish- or Swedish-speaking
- occupational safety reviews
- difficulties related to accessing banking services
- accessibility of services.

The Human Rights Statement and Policy are described in more detail in section S1-1.

In 2024, no severe human rights violations were observed in OP Financial Group's activities.

Processes for engaging with consumers and end-users about impacts (S4-2)

Representative Assembly

In OP cooperative banks, the Representative Assembly exercises the highest decision-making power in matters falling within the bank's remit. Owner-customers elect the Representative Assembly from among their number. The Representative Assembly's tasks include adopting the OP cooperative bank's financial statements and taking key decisions related to the bank's activities. In banks with no Representative Assembly, the highest decision-making powers are exercised by the cooperative meeting which all owner-customers of the OP cooperative bank in question can attend. In OP cooperative banks, the cooperative meeting exercises the same decision-making powers and duties as the Representative Assembly.

Members of the Representative Assembly in OP cooperative banks are elected in the election of the Representative Assembly held every four years, for which owner-customers can stand. Every owner-customer has one vote that gives them the opportunity to have influence on the composition of their own bank's Representative Assembly.

Meetings of OP cooperative banks' Representative Assembly are convened by the OP cooperative bank's Board of Directors. The notice of meeting's content and deadlines must be in accordance with the Co-operatives Act. The Representative Assembly of each OP cooperative bank holds its regular meeting once a year. In addition, its members can participate in various training courses. The Representative Assembly's tasks include adopting the OP cooperative bank's financial statements and taking key decisions related to the bank's activities.

Survey

OP Financial Group conducts an annual survey for owner-customers, through which they can influence the activities of their own OP cooperative bank and vote about actions to promote the wellbeing of local nature and residents. Almost 85,000 survey responses were received in 2024.

ESG forum

OP Financial Group's ESG forum has participants that comprehensively represent the clientele and various stakeholders. In addition, the ESG forum's participants include parties that especially represent people in a vulnerable position. Through this, among other things, OP Financial Group obtains information about challenges faced by different groups. Furthermore, in product and service development, the aim is to include groups that may have challenges using certain services. The ESG forum is described in more detail in section S3-2 and ESRS2 SBM-2.

Customer insight

OP Financial Group's Customer Insight (CI) function provides customer insight through customer participation, for example. Customers are engaged in service and product development as necessary, and customer feedback is utilised to develop activities. The function is also responsible for customer survey guidelines and operating model descriptions. The results of customer surveys and the development of customer experiences are regularly reported to OP Cooperative's Executive Management Team.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Feedback channels

OP Financial Group has different channels for customers to give feedback and file complaints, and processes to handle them.

OP Financial Group uses a customer feedback channel it establishes and manages, available on the op.fi webpage in three languages (Finnish, Swedish, English). In addition, OP Financial Group has a channel for making correction requests in the event of dissatisfaction with services or solutions. Customers can also provide feedback on the accessibility of digital services through a separate channel. The correction request channel and the channel for providing accessibility feedback are maintained by OP Financial Group. OP Financial Group companies also have a channel for submitting reports regarding violations and misconduct, maintained by an external party (whistleblowing reports), described in more detail in section G1-1. In addition to the channels, feedback can be provided to employees in branches or by phone.

Processing of feedback

Regulation and OP Financial Group's guidelines require that a function or person be appointed to process complaints. The purpose is to investigate complaints fairly, identify any conflicts of interest and mitigate them. With other responsible functions, the person responsible for customer complaints ensures that the complaints and feedback filed by customers are recorded in the correct systems appropriately, and that complaints and feedback are processed in accordance with the internal Handling customer complaints guidelines. OP Financial Group's business units have their own supplementary customer complaint guidelines that include the principles, practices, and reporting and archiving instructions related to the handling of customer complaints.

Replies to customer complaints must be given without undue delay. General information about the reception and handling process of customer complaints and its progress is available to customers on the op.fi and Claim Help websites. The customer can also be informed of receipt of the complaint and of the estimated duration of the handling process, and the person to whom the customer can turn if necessary. In addition, correction requests are described in insurance policies' product guides and terms and conditions, and in instructions for appeal.

Customer complaints and other feedback are recorded in the customer information system by the roles in charge. If the customer complaint is made verbally, the recipient of the complaint must document the complaint in writing and store the complaint as though it had been received in writing.

All customer complaints must be comprehensively registered on receipt in the customer complaint and feedback registers. Observations related to customer complaints are regularly reported and without delay if necessary in the manner described in the internal guide. Each OP Financial Group company subject to a reporting obligation must regularly report complaints that concern banking and investment services and insurance services to FIN-FSA in accordance with instructions issued by the authorities.

The person in charge of customer complaints is responsible for monitoring the processing of customer complaints on an ongoing basis. The purpose of monitoring is to ensure that repeated and systematic errors, as well as legal and operational risks, are identified and addressed. During monitoring, the causes of individual complaints must be analysed to identify common root causes of complaint types, and it must be assessed whether those root causes also affect other processes or products – even those not directly related to the complaint. In addition, the person in charge of customer complaints must correct the root causes in question whenever possible.

OP Financial Group's customer ombudsman handles correction requests related to banking, asset management, insurance and real estate agency services independently of previous handlers. The customer ombudsman examines whether the response by the OP cooperative bank or another OP Financial Group service provider is in compliance with the law, contract terms, legal practice and good banking, insurance, or real estate agency practice. However, please note that the customer ombudsman does not process any decisions on complaints related to professional investment services.

OP Financial Group's Compliance monitors the subjects of customer complaints and supervises the appropriateness of the applied procedures from the viewpoint of operational development. In the supervision of customer complaints, Compliance utilises information in internal systems and makes separate supervisory inquiries about customer complaints if necessary.

Each user of the service has the right to send feedback on accessibility and receive and answer within two weeks. The Act on the Provision of Digital Services obliges service providers to provide a feedback channel which anyone can use to submit accessibility-related feedback and request clarifications on the accessibility of services. Responses to feedback must be provided within 14 days. If no response is provided within the time limit set in the Act, or the party who submitted the feedback finds the response unsatisfactory, they can file a complaint on web accessibility with the supervisory authority. The accessibility feedback form can be found in the op.fi website's footer.

OP Financial Group monitors the amount of customer feedback and uses it to assess whether customers have found the right customer feedback channels. In addition, the whistleblowing channel is publicly available on the op.fi webpage. Section G1-1 details the protection of whistleblowers.

Regarding customer complaints and accessibility feedback, all reports that arrive via the whistleblowing channel are handled confidentially without delay and in line with internal operating instructions. Documentation and case-specific documents are stored in a centralised register with limited access rights.

Through the Representative Assembly, OP cooperative banks can also process matters that may affect the members of local communities and customers. Every owner-customer has one vote that gives them the chance to influence the composition of their own bank's Representative Assembly.

In 2024, OP Financial Group did not separately assess the efficiency of measures remediating harmful impacts.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

Occupational health and safety services

Pohjola Insurance provides occupational health and safety services for corporate customers that have a statutory worker's compensation insurance. The service concept for occupational health and safety was developed during 2024. Occupational health and safety services are developed on an ongoing basis, and improvement measures are implemented whenever required.

Pohjola Insurance offers to its corporate customers with workers' compensation insurance a browser-based risk management service, in which customers can record their own occupational safety observations, and assess the safety of working conditions and tasks. With the service, customers can gather information, track activities and start remediation actions. Moreover, as part of the occupational health and safety services of non-life insurance business, OP Financial Group offers specialist support, analysis services, training and occupational safety inspections to corporate customers with a statutory workers' compensation insurance. Pohjola Insurance actively communicates with insurance customers, which increases mutual understanding of customers' risks and accidents. Pohjola Insurance uses the information to develop its offering and to help corporate customers prevent risks related to occupational health and safety.

The indicators set for Pohjola Insurance's occupational health and safety services are not included in the targets and metrics of OP Financial Group's sustainability programme, but the performance of the services is monitored through the number of customer contacts, ease of use and Net Promoter Score, for example. Furthermore, the development of new occupational health and safety services is monitored. Other internal non-life insurance business targets have also been set for services.

As a health insurer, OP Financial Group can positively influence the health and healing of its clientele in the event of accidents or diseases. The extensive partner network of Pohjola Insurance's claims settlement operations ensures that customers can utilise a nationwide service network that enables fast access to treatment and help.

Cybersecurity

OP Financial Group actively monitors the functionality and updatedness of the online service and channels, and ensures the reliability of services. Any malfunctions are addressed without delay. Cyber attacks can cause negative impacts for OP Financial Group's customers if the attack blocks the availability of services, or endangers information security or the reliability of data by breaking into information systems.

OP Financial Group manages cybersecurity risks with a comprehensive cybersecurity governance model divided into management, protection, detection and response. Comprehensive management of cybersecurity includes:

- personnel training and maintenance of competencies
- safety of personnel and facilities
- practices and capabilities of data-secure development
- identity and access management
- application security
- layered protection of information systems and data communications with data security capabilities
- security management of suppliers and cloud services
- continuity management and continuous testing.

Customer communication and marketing

It is OP Financial Group's duty to ensure that reliable and high-quality information about OP Financial Group is available to consumers and end users. Inaccurate information either in OP Financial Group's own communications and marketing or regarding the Group's investment options may cause financial harm to the customer. Marketing and customer communication are guided by marketing instructions intended to ensure that OP Financial Group's marketing complies with regulation, instructions by the authorities, and other principles concerning procedures. Due to its line of business, financial sector regulation is applied to OP Financial Group's marketing. In marketing or a customer relationship, false or misleading information must not be provided if the information is likely to lead to a consumer making a purchasing decision or another decision related to a consumer good or service that the consumer would not have made without the information provided. In marketing or a customer relationship, such information that, taking account of the factual context, is relevant, and that the consumer needs to make a purchasing decision or another decision related to a consumer good or service, and the omission of which is likely to lead to the consumer making a decision that the consumer would not have made with sufficient information, must not be omitted. If the customer has received false information or has not received essential information, OP Financial Group corrects its actions without delay and compensates the customer for any damages.

Availability of products and services

The availability of products and services is affected by different customers' needs and the availability of marketing channels. For example, if the customer cannot access banking services due to a physical disability or poor digital skills, this may cause various negative impacts for the customer. OP Financial Group has identified groups within its clientele for whom managing some banking and insurance matters at branches or through an interpreter is the easiest option. OP Financial Group therefore offers services to support different customer groups.

Regarding the accessibility of OP Financial Group's services, quality is ensured through the development of competencies, active correction of identified deficiencies, updates to the development processes used, and comprehensive guidelines. Digital services offered to personal and corporate customers are improved on an ongoing basis concerning accessibility. In newly launched services, accessibility is taken into account from the start in accordance with current standards. The accessibility and ease-of-use of OP Financial Group's key online and mobile services are improved constantly. Mobile services can be accessed by fingerprint login, for example, and key code lists are also available in braille. OP Financial Group develops its service models to offer high-quality personal service in situations where digital service does not correspond to the customer's needs.

Digital skills play an important role in consumers' ability to manage their finances. In accordance with its sustainability programme, OP Financial Group guides customers needing special support in digital skills and safe banking through its services and events. Guidance also covers protection against scams.

The Payment Services Act requires the bank to inform the consumer customer before signing about the language of the agreement, and what languages can be used during the contractual relationship. In addition, the Act stipulates that mandatory information such as account transactions (bank statements), declarations of changes to prices and terms and conditions, and notifications of insufficient funds must be provided in Finnish or Swedish unless another language is agreed with the customer. Although statutory information must only be provided in Finnish and Swedish according to the Payment Services Act, OP Financial Group also offers services in English. The customer can also use services in English at almost all OP cooperative bank branches and in remote meetings. Furthermore, OP Financial Group's customer service, digital services, OP-mobile and the op.fi website can be used in all three languages. If the customer needs an interpreter, they must find and pay for an interpreter themselves. By improving language accessibility, more equal opportunities can be created for different customers, and the situation of customers in special groups can be improved. For example, OP Uusimaa piloted a multilingual customer service in 2024.

Identified cases

No severe cases of human rights issues or violations regarding OP Financial Group's consumers and/or end users were observed during the reporting period. The monitoring of these factors is partly lacking currently, and OP Financial Group continues to develop its processes to determine more confidently any negative and/or severe human rights impacts caused by its activities. Among other things, OP Financial Group strives to ensure that customers are aware of the contact channels available to them.

Resources were not specifically allocated to the management of material impacts during the reporting period, but several employees of OP Financial Group are responsible for monitoring these matters such as the improvement of accessibility or service development otherwise. OP Financial Group does not currently monitor the impact of actions, and this must be further developed.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

Occupational health and safety services

No public targets are yet set for occupational health and safety services offered by Pohjola Insurance, as the services' development will continue until the beginning of 2025. The benefits of occupational health and safety services for customers are monitored using internal indicators. Customers acquiring occupational health and safety services from Pohjola Insurance have yet to be included in OP Financial Group's target-setting. However, by offering occupational health and safety services, Pohjola Insurance strives to minimise and prevent personal injuries to corporate customers, which is the common interest of customers and OP Financial Group.

Supporting digital skills

OP Financial Group's sustainability programme defines key targets based on a separate materiality analysis. OP Financial Group's external and internal stakeholders participated in the assessment. Communication with consumers and end users is based on direct dialogue with customers and data collection such as customer feedback and surveys, as well as interaction with legal representatives and other parties such as OP cooperative banks' Representative Assemblies and OP Financial Group's ESG forum's community members. The sustainability programme includes a target according to which OP Financial Group assists customers needing special support in the independent handling of their financial and insurance matters, and promotes the digital skills of its customers. Target: Customers reached in training events on digital skills, 20,000 people per year. In 2024, guidance was provided to 43,904 people.

Other impacts, risks and opportunities

No targets were set for other material impacts, risks and opportunities. However, these are monitored through accessibility audits, customer feedback, and complaints or reprimands sent by the authorities, for example. This is done to determine any deficiencies or faults in the services. Customer feedback is extensively collected in OP Financial Group's shared channels and customer encounters. All customer feedback is assembled into one system where the processing status of feedback can be followed. The number of personal data breaches is monitored, and the aim is to avoid them. OP Financial Group has a Data Protection Officer, whose role is based on the EU's General Data Protection Regulation (GDPR). Data subjects can contact the Data Protection Officer about any issues related to the processing of their personal data, and exercise their rights under the GDPR. OP Financial Group monitors customer complaints related to personal data processing and privacy protection, and the number of personal data breaches. OP Financial Group cannot reliably monitor its indirect impact on service users' financial wellbeing or health, or their access to services.

Governance information

G1 Business conduct

Business conduct policies and corporate culture (G1–1)

Way of working and culture

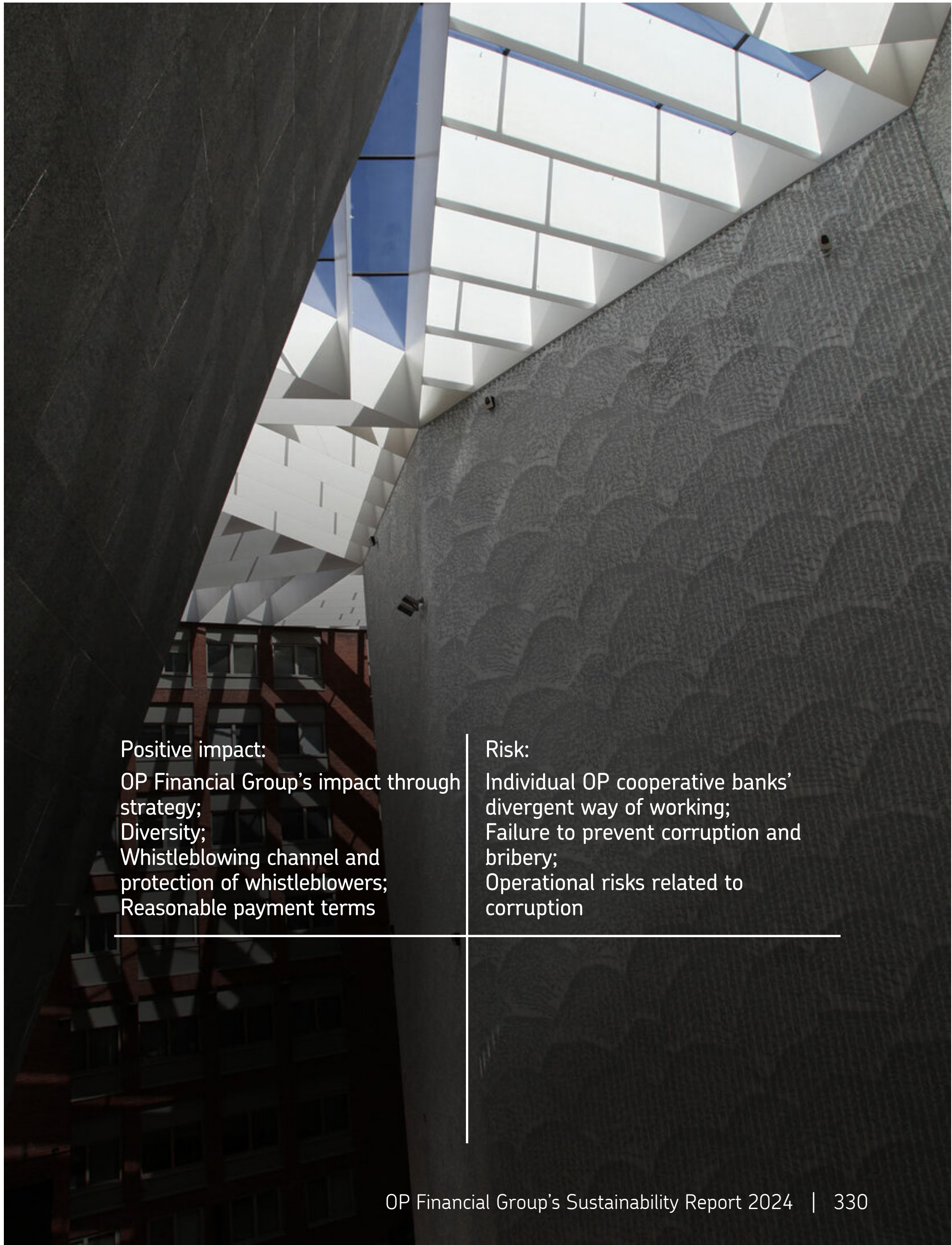
OP Financial Group's agile operating culture seeks to improve customer and employee experience, and operational efficiency. Four principles lie at the core of the agile way of working: the customer are at heart of the operations, responsibility lies with autonomous, multi-skilled teams, changes are rapidly responded to, and operations are transparent. These principles guide the activities of all OP Financial Group employees – from executive management to the customer interface. The agile way of working allows OP Financial Group to actively develop competence, continuously improve operations, and react quickly to changing situations, which creates a strong basis for joint success now and in the future. Activities are transparent, there is an open discussion culture, and obstacles are boldly pointed out and actively removed. Where necessary, goals and work are reassessed and decisively prioritised.

OP Financial Group actively manages and monitors its culture and the agile way of working in terms of both change and impact. Based on a biannual overview of the change process, the Executive Management Team decides how to develop the way of working. OP Financial Group's operating culture emphasises the importance of continuous improvement: teams and functions assess their performance and areas in need of development at least quarterly, and decide on the required development steps.

OP Financial Group measures its employees' job satisfaction and wellbeing by conducting Pulse and Personnel Surveys twice a year. In the Agile Pulse survey, OP Financial Group's overall eNPS has risen steadily in recent years.

Diversity of governing bodies

OP Financial Group's diversity principles form part of the Principles of Good Corporate Governance at OP Financial Group, which the Board of Directors approves. The Supervisory Council confirms the principles concerning governance diversity. In accordance with the diversity principles, the aim has been that OP cooperative banks' and OP Cooperative's boards of directors and supervisory councils have gender representation of at least 60/40%.



Positive impact:	Risk:
OP Financial Group's impact through strategy; Diversity; Whistleblowing channel and protection of whistleblowers; Reasonable payment terms	Individual OP cooperative banks' divergent way of working; Failure to prevent corruption and bribery; Operational risks related to corruption

Over the last two years, OP Financial Group has promoted diversity in its governing bodies, in particular by seeking a better gender balance. In 2022, OP Financial Group's

sustainability programme set the above-mentioned target applying to the entire Group, according to which the Group-level gender balance of supervisory councils and boards of directors of OP cooperative banks and the central cooperative will be at least 40 per cent by 2025. This has also accelerated developments in the banks. To set the target, the Group listened to internal stakeholders, including the member cooperative banks. OP Financial Group already reached its Group-level target in 2024.

In addition, Retail Banking Steering has, over the last couple of years, paid special attention to achieving the gender distribution goal in OP cooperative banks' governing bodies: if the goal has not been achieved, the bank has devised a plan to achieve it. In addition, OP Cooperative's Board of Directors monitors the achievement of the gender distribution goal in OP Cooperative banks' governing bodies annually. These measures have considerably improved the situation, but not all OP Financial Group governing bodies fulfil the 60/40 target yet.

New provisions have been added to the Limited Liability Companies Act regarding the gender distribution target of the boards of listed companies and its calculation principles. Corresponding regulations have been introduced in the Finnish Corporate Governance Code (2025). OP Financial Group's diversity principles were updated on 10 December 2024 to correspond with the gender distribution calculation principles of the Limited Liability Companies Act and the Corporate Governance Code.

The aim of the new diversity principles is that the boards of directors of OP cooperative banks, OP Cooperative and its credit institution subsidiaries and Pohjola Insurance, and the supervisory councils of OP cooperative banks and OP Cooperative are represented by both genders at least on a 60/40% basis. This target is monitored as an average of all governing bodies. The gender distribution of governing bodies is calculated using the rounding principles given in the table for calculating the gender distribution of boards of directors of listed companies, as provided in the Limited Liability Companies Act and the Corporate Governance Code. The Boards of Directors of other significant subsidiaries of OP Cooperative shall have representation from both genders.

Regarding the governing bodies of OP cooperative banks and subsidiaries of OP Cooperative, the above targets must be met by 30 June 2026 (with the exception of OP cooperative banks involved in merger projects). Governing bodies formed as a result of a merger of OP cooperative banks must meet the gender diversity targets within a three-year transition period after the execution of the merger. To achieve this goal, among candidates with equal strengths in terms of skills and experience, the person who represents a gender that is in a minority on the governing body is appointed a member of the management body.

Supervision by the central cooperative

By virtue of section 17 of the Act on the Amalgamation of Deposit Banks, OP Cooperative (the central cooperative of OP Financial Group) must issue instructions to companies included in the amalgamation on matters specified in the Act. The Act on the Amalgamation of Deposit Banks requires the central cooperative to monitor the operations of member banks under joint and several liability and compliance with regulation related to operations and internal instructions. OP Financial Group has an internal rating model with which it assesses the operations of banks from the perspectives of risk position and quality of operations. The rating model reflects the bank's operation in relation to banking regulations, good banking practices and the objectives set by OP Financial Group's Supervisory Council to ensure that the bank's operations do not cause problems or reputational risk for OP Financial Group. A control model has been built around the rating model, the strength of which grows as the bank's rating decreases. This ensures that the bank's operations are fixed when any deficiencies appear.

Code of Business Ethics

All OP Financial Group employees must comply with OP Financial Group's Code of Business Ethics, regardless of their role, position or office. The Board of Directors of OP Cooperative has approved and the Supervisory Council has confirmed the Code of Business Ethics. The management of each OP Financial Group entity ensures that the Code is followed. The entities' boards of directors are responsible for supervising that this is done. Personnel and members of governing bodies of OP Financial Group must know the principles of the Code well and comply with them in their everyday work. OP Cooperative's Board of Directors has approved more detailed function-specific policies and guidelines to put the Code into practice.

Guidelines for personnel regarding the Code of Business Ethics are available in OP Financial Group's intranet. The Code of Business Ethics is reviewed annually, and all OP Financial Group personnel must complete an online course on the Code annually, which supervisors monitor at the individual level. The governing body members of OP Financial Group's central cooperative consolidated companies and OP cooperative banks are required to complete the online course once. All employees and members of management bodies of OP Financial Group must follow the Code of Business Ethics and continuously update their knowledge in relation to the Code. Compliance with OP Financial Group's Code of Business Ethics is the basis of practical implementation of the Group strategy, vision and values.

Supplier Code of Conduct

As part of the supplier approval process, OP Financial Group's contract suppliers are required to comply with the ethical principles presented in the Supplier Code of Conduct. The Supplier Code of Conduct has been approved by OP Cooperative's Supervisory Council. The changes to the contents have been approved by the management of Procurement Services and the ESG Committee, which reports to the Executive Management Team of OP Financial Group. The Supplier Code of Conduct includes principles related to the supplier's lawful operations, human rights, employee rights, occupational health and safety, business ethics, the environment, and supply chain sustainability. Compliance is monitored, for example, as part of supplier management and regular supplier management surveys, and through supplier audits. In 2024, the content of the Supplier Code of Conduct was updated to fulfil the requirements of OP Financial Group even better. By the end of 2024, 97% of contract suppliers were committed to OP Financial Group's Supplier Code of Conduct, as measured based on the value of the contracts. In 2025, OP Financial Group will continue to commit its suppliers to the Code of Conduct.

Operational risks and Compliance

OP Financial Group companies and businesses regularly analyse the operational risks involved in their respective businesses. Their risk and control self-assessment is based on self-evaluations of operational risks and risk management. The process involves each organisation identifying and evaluating the most important operational risks associated with its operations.

In addition to risk and control self-assessment performed by business units and companies, OP Financial Group's central cooperative's Compliance function has performed a risk assessment that is independent of the businesses and assesses risks related to managing conflicts of interest and preventing corruption. Risks related to conflicts of interest and corruption did not rise to a significant level in Compliance's 2024 risk assessment. The risk associated with potential corruption was estimated to possibly affect procurement and customer functions, which negotiate with external suppliers, service providers and customers.

Compliance with regulations, guidelines and procedures is controlled as part of the business units' daily operations. The Compliance function ensures compliance with regulations and guidelines in accordance with its risk-based supervision plan. The supervision plan for 2025 includes supervision targeted at managing conflicts of interest and preventing corruption.

Compliance is also responsible for OP Financial Group's guidelines and training on managing conflicts of interest and preventing corruption. OP Cooperative approves the related instructions, Managing conflicts of interest and anti-corruption. These instructions are binding on all OP Financial Group entities and members of their governing bodies, executives and employees. OP Financial Group has anti-corruption and anti-bribery principles in place in accordance with the United Nations Convention against Corruption. The Steering and Compliance Committee, which operates under OP Cooperative's Executive Management Team, is the highest body responsible for the guidelines on Managing conflicts of interest and preventing corruption. The guidelines identify real and potential conflicts of interest and provide instructions for managing conflicts of interest and preventing corruption within the OP Financial Group. The guidelines specify the criteria, registering procedures and acceptance procedures for giving and receiving gifts and hospitality. Any potential cases of corruption identified must be reported, investigated and registered. The guidelines for managing conflicts of interest and anti-corruption are reviewed every year to ensure that they are up to date, which reduces risks related to the identification of corruption and bribery, and failures in training and in the reporting of incidents.

OP Financial Group encourages its employees to point out concerns and discuss them openly within the organisation. The primary route for reporting concerns is the person's own supervisor, HR Business Partner or the Compliance Officer of the area of responsibility. Suspected cases of fraud are taken seriously. OP Financial Group aims to provide an easy and confidential channel for raising concerns and investigating suspicions of fraud. Such investigations support compliance with regulations, guidelines and the Code of Business Ethics.

Whistleblowing channel

OP Financial Group companies have a whistleblowing channel for reporting violations and misconduct. Reports can be filed through the channel at all hours any day through OP Financial Group's intranet or website. In Finland, the whistleblowing channel is available in Finnish, Swedish and English. In addition, each branch operating as part of OP Corporate Bank in the Baltic countries provides a whistleblowing channel for filing reports in the local language (Estonian, Latvian or Lithuanian) or in English.

Suspected violations of regulations or rules, or misconduct, can be reported via the whistleblowing channel. Such reports may also concern actions that are against OP Financial Group's values or good banking or insurance practice. Adverse human rights impacts can also be reported via the whistleblowing channel, in addition to customer feedback channels. This enables any complaints to be addressed at an early stage, preventing human rights violations or providing remediation for those who suffer from violations. Iinformation about the whistleblowing channel and making reports is available in OP Financial Group's intranet and on its website. Personnel were reminded of the whistleblowing channel and its use through the intranet pages in the autumn of 2024.

Reports can be filed anonymously. Whistleblower reporting is primarily intended for employees of OP Financial Group. However, other people who have received information on violations while at work, or in connection with their work, for example, as self-employed people, as agents, or while working for a subcontractor or supplier of OP Financial Group, can also file such reports. In addition, OP Financial Group's customers and other third-party representatives can report suspected cases via the channel.

At OP Financial Group, the Chief Compliance Officer, who works on a neutral and independent basis, is the person in charge of processing the reports, and they are the highest person responsible for the whistleblowing instructions. The Chief Compliance Officer has appointed chief report processors, who receive incoming reports and ensure that all reports are processed correctly. In addition, the Chief Compliance Officer has designated report processors, who ensure that reports are accurate, process them and plan the required measures. In individual cases, other experts can also be appointed to participate in the report's investigation and processing. No targets or metrics have been set for the processing of reports received through the whistleblowing channel. However, the processing is monitored by reporting processing times and measures taken based on observations to management.

All reports that arrive via the whistleblowing channel are treated confidentially and in line with internal operating instructions, following data protection legislation. The internal operating instructions comply with the Act on the Protection of Persons Reporting Infringements of European Union and National Law (1171/2022), according to which any reports are investigated without delay. Reports are processed only by people expressly designated for the task within OP Financial Group. Experts, who have been designated for the investigation of individual cases, may be used to investigate the accuracy of a report. All participants in the investigation and processing of cases are subject to confidentiality obligations. The identities of the whistleblower and the subject of the report are confidential information. The identity of the whistleblower may only be disclosed to parties outside the investigation if this is required by law or has the whistleblower's consent. Whistleblower protection helps addressing any wrong practices and violations. Anonymous reporting lowers the reporting threshold and makes it possible to notice and correct any concerns.

The confidential processing, investigation and thorough documentation of reports protect the whistleblower from retaliation, and the person subject to the report from unjustified allegations. Each report is investigated on a case-by-case basis, but whether OP Financial Group can substantiate the issues reported depends on the information (quantity and quality) that the whistleblower provides. The nature of the report determines how much of the measures taken as a result of the report are shared with the whistleblower.

The instructions on investigating misconduct and violations are followed when investigating suspected cases of misconduct and corruption. The ownership of investigating misconduct or violations lies with the business concerned. The central cooperative's centres of excellence support the investigation of suspected cases. Each business reports materialised operational risks and the related action plans to its own management team at least quarterly, and to OP Financial Group companies' boards of directors at least once a year. In addition, Risk Management reports materialised risks and the related action plans to the Risk Committee of OP Cooperative's Board of Directors.

Management of relationships with suppliers (G1–2)

OP Financial Group's Procurement Services divides suppliers into three different risk categories based on their business criticality and materiality. The most active supplier collaboration involves the most critical suppliers, who are also subject to the most active monitoring. The suitability of all new contract suppliers as suppliers of OP Financial Group is assessed as part of Third Party Risk Management's supplier approval process. Based on OP Supplier Requirements, contract suppliers agree to comply with OP Financial Group's Supplier Code of Conduct. The content of the Code was updated in 2024 to better meet the needs based on various regulations and guidelines. When planning the procurement, Procurement Services must assess any risks, and sustainability themes, involved in the service to be acquired and the potential supplier. Based on this assessment, procurement criteria may include social and environmental responsibility criteria such as the obligation to report the greenhouse gas emissions of the procured service to OP Financial Group. The performance, risks, and suitability of suppliers are assessed during the supplier relationship. Supplier audits are conducted on a risk basis, either regularly or as required. As part of the audits, the suppliers' ESG processes are also assessed, including how the supplier assesses and manages sustainability risks.

OP Financial Group uses a centralised procurement system for ordering products and services, and follows a standardised invoice processing procedure. Some procurement, especially small purchases, is made through invoicing without a purchase order. The Group's centralised procurement or purchase ledger team monitors outstanding invoices and their due dates and, if necessary, sends reminders to orderers if invoice processing has taken more than 14 days. In addition, suppliers are instructed to send their invoices according to the purchase order OP Financial Group has made to automate invoice processing. Any invoice delays are monitored using various metrics, including automatic invoice matching, invoice processing time, the proportion of late payments and invoices under review.

Prevention and detection of corruption and bribery (G1–3)

The same procedures used for handling other misconduct are followed in detecting and addressing allegations or cases of corruption and bribery. If the reported misconduct is confirmed, the matter is addressed promptly, and the central cooperative's Compliance contacts the relevant authorities if necessary.

Instructions for managing conflicts of interest and preventing corruption have been communicated to personnel and are available on OP Financial Group's intranet. Compliance with the guidelines is supported by an online training programme, Managing conflicts of interest and anti-corruption, which is mandatory for OP cooperative banks' personnel, managing directors, deputy managing directors, and members of the boards of directors and supervisory councils. The online training programme is also mandatory for the personnel and management of OP Cooperative (including procurement and customer functions, which have been identified as the most vulnerable to the risk of corruption and bribery). In 2024, the online training programme was not part of the training programme for members of the Board of Directors and the Supervisory Council of OP Cooperative, but in 2025, the online training programme will be mandatory for them as well. The members of the OP cooperative banks' governing bodies are expected to complete these courses once. All employees of OP Financial Group must complete the online courses every year. Employees are reminded to complete the courses through system-supported notifications. Supervisors monitor the completion of mandatory online training courses.

The online training on the Code of Business Ethics addresses the principle of preventing corruption in a general manner. The separate online training on managing conflicts of interest and anti-corruption defines what is meant by corruption. The training also covers both OP Financial Group's practices for preventing corruption and the procedures to follow when corruption is suspected or detected. The online training also explains how to report suspected corruption through the whistleblowing channel.

Training related to anti-corruption and anti-bribery

	Employees on employment contracts	Insurance representatives	Agency workforce	Governing body members
Code of Business Ethics	99 %	97 %	91 %	99 %
Managing conflicts of interest and preventing corruption	99 %	97 %	91 %	99 %

In addition to the online training courses that are mandatory for all personnel, Compliance has organised separate more comprehensive training events on managing conflicts of interest and anti-corruption for OP Financial Group's personnel and anti-corruption training targeted at the personnel of Purchasing Services.

Confirmed incidents of corruption or bribery (G1–4)

The businesses have not documented any operational risk events related to corruption or bribery during 2024. The number of judgments concerning violations of anti-corruption and anti-bribery acts totalled 0. The total amount of fines imposed for violations of anti-corruption and anti-bribery acts was €0.

OP Financial Group has identified the risk of failing to identify corruption and bribery, and failures in the related training and reporting of incidents. The Group has identified the operational risk associated with money laundering and sanctions as another corruption-related risk. The guidelines, procedures and online training for identifying corruption and bribery were updated during 2024. Compliance with the guidelines is monitored by the businesses. In addition, the Compliance function ensures compliance with the guidelines in accordance with its risk-based supervision plan. These measures aim to reduce the likelihood of the risk materialising. By the end of the year, no other necessary actions had been identified in this regard.

OP Financial Group entities and their governing body members, management and employees must all take the appropriate anti-corruption measures. Measurable targets have not been set, but the number of incidents is monitored, and the entire personnel and all members of the governing bodies are supported in their ability to detect and prevent corruption through training programmes, and the implementation of corruption prevention is monitored through a defined reporting process.

Payment practices (G1–6)

OP Financial Group keeps the payment terms of its purchases moderate. According to the internal guidelines of the Procurement Organisation, payment terms should not exceed 30 days, especially with small and mid-size supplier companies. The most common term of payment for invoices without a separate order is 14 days. In 2024, approximately 398,000 invoices were paid, with an average payment time of 14 days, calculated from the date when the contractual or statutory term of payment starts to be calculated. OP Financial Group does not report the division of different payment terms because this information is harmful for future contractual negotiations. OP Financial Group has not set measurable targets for positive impacts related to payment terms, but OP Financial Group aims to prevent delays in payments, especially to small and mid-size enterprises, by agreeing reasonable payment terms, implementing a standardised invoice processing and payment procedure, and monitoring and measuring both the invoice turnaround time and the proportion of late payments. For invoices processed through the purchase order process, 96% of the invoices were paid on time according to the payment terms. In 2024, there were no legal proceedings for late payments.

Financial statements

Income statement

€ million	Note	2024	Adjusted 2023
Interest income calculated using the effective interest method		6,112	5,330
Interest expenses		-3,316	-2,675
Net interest income	4	2,796	2,654
Impairment loss on receivables	5	-96	-269
Commission income		946	1,000
Commission expenses		-128	-130
Net commissions and fees	6	818	870
Insurance premium revenue		2,129	2,000
Insurance service expenses		-1,879	-1,824
Net income from reinsurance contracts		-59	-95
Insurance service result	7	192	81
Net finance income (+)/expenses (–) related to insurance		-730	-722
Net finance income (+)/expenses (–) related to reinsurance		3	0
Net insurance finance income (+)/expenses (–)	8	-727	-722
Net income from financial assets held for trading	9	44	55
Net investment income	10	1,147	1,057
Other operating income	11	44	40
Personnel costs	12	-1,081	-964
Depreciation/amortisation and impairment loss	13	-146	-226
Other operating expenses	14	-1,036	-1,011
Transfers to insurance service result	14	529	485
Operating expenses		-1,733	-1,716
Operating profit		**2,486**	**2,050**
Earnings before tax		**2,486**	**2,050**
Income tax	16	-499	-408
Profit for the financial year		**1,987**	**1,642**

Attributable to:		
Profit for the financial year attributable to owners	1,975	1,637
Profit for the financial year attributable to non-controlling interest	12	5
Total	**1,987**	**1,642**

OP Financial Group changed the official income statement and balance sheet format of the financial statements in 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 2 to the financial statements, Changes in accounting policies and presentation.

Statement of comprehensive income

€ million	Note	2024	Adjusted 2023
Profit for the financial year		**1,987**	**1,642**
Items that will not be reclassified to profit or loss			
Gains/(losses) arising from remeasurement of defined benefit plans	33	56	8
Changes in own credit risk on liabilities measured at fair value		-7	
Items that may be subsequently reclassified to profit or loss			
Change in fair value reserve			
On fair value measurement	35	-39	-68
On cash flow hedging	35	90	156
Income tax			
On items not reclassified to profit or loss			
On gains/(losses) arising from remeasurement of defined benefit plans	28	-11	-2
Changes in own credit risk on liabilities measured at fair value		1	
On items that may be subsequently reclassified to profit or loss			
On fair value measurement	35	8	14
On cash flow hedging	35	-18	-31
Other comprehensive income items		**81**	**77**
Total comprehensive income for the financial year		**2,067**	**1,719**
Comprehensive income for the financial year attributable to:			
Comprehensive income for the period attributable to owners		2,055	1,714
Comprehensive income for the period attributable to non-controlling interests		12	5
Total		**2,067**	**1,719**

Balance sheet

€ million	Note	2024	Adjusted 2023	Adjusted 1 Jan 2023
Cash and deposits with central banks	18	18,110	19,755	35,004
Receivables from credit institutions	19	808	858	798
Receivables from customers	20	98,629	98,316	98,782
Derivative contracts	21	2,497	3,106	3,889
Investment assets	22	23,537	22,029	20,830
Assets covering unit-linked contracts	23	14,172	12,581	11,597
Reinsurance contract assets	31	102	106	245
Intangible assets	24	1,022	1,065	1,153
Property, plant and equipment	25	392	398	423
Other assets	27	1,780	1,560	2,037
Income tax assets	28	42	22	59
Deferred tax assets	28	77	251	605
Total assets		**161,168**	**160,047**	**175,422**
Liabilities to credit institutions	29	91	74	12,311
Liabilities to customers	30	80,455	77,178	81,552
Derivative contracts	21	2,324	2,994	4,197
Insurance contract liabilities	31	11,796	11,589	11,448
Investment contract liabilities		9,140	7,944	7,211
Debt securities issued to the public	32	33,198	37,689	37,530
Provisions and other liabilities	33	3,526	3,674	3,599
Income tax liabilities	28	55	156	67
Deferred tax liabilities	28	1,027	1,073	1,455
Subordinated liabilities	34	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	35	222	219	217
Profit Shares	35	3,255	3,335	3,369
Fair value reserve	35	-249	-290	-360
Other reserves		2,172	2,172	2,172
Retained earnings	35	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 in 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 2, 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 financial year		70		1,644	1,714	5	1,719
Profit for the financial year				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	10,703	16,139	124	16,262

€ 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 financial year		41		2,014	2,055	12	2,067
Profit for the financial year				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	Note	2024	Adjusted 2023
Cash flow from operating activities			
Profit for the financial year		1,987	1,642
Adjustments to profit for the financial year		673	421
Increase (-) or decrease (+) in operating assets		**-1,030**	**822**
Receivables from credit institutions	19	26	-521
Receivables from customers	20	45	920
Derivative contracts	21	433	116
Investment assets	22	-918	-177
Assets covering unit-linked contracts	23	-409	-74
Reinsurance contract assets	31	3	139
Other assets	27	-210	419
Increase (+) or decrease (-) in operating liabilities		**2,742**	**-16,793**
Liabilities to credit institutions	29	18	-12,256
Liabilities to customers	30	3,004	-4,872
Derivative contracts	21	-596	-105
Insurance contract liabilities	13	207	146
Reinsurance contract liabilities	12	0	-2
Investment contract liabilities	17	0	0
Provisions and other liabilities	33	110	296
Income tax paid		-511	-275
Dividends received		64	47
A. Net cash from operating activities		**3,924**	**-14,136**

€ million	Note	2024	Adjusted 2023
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents acquired	22		-51
Disposal of subsidiaries, net of cash and cash equivalents disposed of	70		0
Purchase of PPE and intangible assets	24, 25	-99	-99
Proceeds from sale of PPE and intangible assets	24, 25	12	11
B. Net cash used in investing activities		-87	-139
Cash flow from financing activities			
Increases in subordinated liabilities	34	1	
Decreases in subordinated liabilities	34		-5
Increases in debt securities issued to the public	32	9,856	13,488
Decreases in debt securities issued to the public	32	-15,093	-14,663
Increases in cooperative capital	35	116	130
Decreases in cooperative capital	35	-194	-162
Dividends paid and interest on cooperative capital		-148	-144
Lease liabilities	26	-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

Adjustments to profit for the financial year

Non-cash items and other adjustments		2024	2023
Impairment loss on receivables		115	285
Change in value of investment contracts		14	-177
Changes in value of financial instruments		-200	-574
Changes in fair value of investment property	22	0	29
Defined benefit pension plans		0	-1
Depreciation/amortisation and impairment loss		146	226
Share of associates' profits/losses		-8	-3
Income tax adjustments		499	408
Other		106	229
Total adjustments		673	421

Cash and cash equivalents			
Cash and deposits with central banks	18	18,110	19,755
Receivables from credit institutions payable on demand		167	191
Total		18,277	19,947

Notes to the financial statements

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Note 1. Accounting policies for OP Financial Group's consolidated financial statements

Introduction

OP Financial Group is a reporting entity as referred to in the Act on the Amalgamation of Deposit Banks, which consists of the central cooperative with its subsidiaries, and member credit institutions (member cooperative banks) with their subsidiaries. OP Financial Group's financial statements have been prepared as a combination of the financial statements and consolidated financial statements of OP Cooperative and its subsidiaries, and member credit institutions within the amalgamation of deposit banks, in the manner required by section 9 of the Act on the Amalgamation of Deposit Banks.

OP Cooperative acts as the entire OP Financial Group's strategic owner institution and as a central cooperative in charge of Group control and supervision.

OP Cooperative is domiciled in Helsinki and the address of its registered office is Gebhardinaukio 1, FI-00510 Helsinki, Finland. A copy of OP Financial Group's consolidated financial statements is available at www.op.fi or the Group's office at Gebhardinaukio 1, FI-00510 Helsinki.

The Board of Directors of OP Cooperative adopted these financial statements on 3 March 2025.

Basis of preparation

The Act on the Amalgamation of Deposit Banks prescribes that OP Cooperative (OP Financial Group's central cooperative) must prepare financial statements as a combination of the financial statements or consolidated financial statements of the central cooperative and its member credit institutions, in compliance with the IFRS accounting standards as applicable, and taking account of the special structure of the amalgamation of deposit banks. OP Cooperative's Board of Directors is responsible for preparing the financial statements in accordance with applicable regulations.

OP Financial Group does not constitute a consolidation group as referred to in the IFRS because neither the central cooperative nor any member credit institutions within the amalgamation have control over each other. Thus, OP Financial Group's financial statements were prepared by combining the consolidated financial statements of OP Cooperative and the financial statements or consolidated financial statements of the member credit institutions, so that the economic activity of the amalgamation of deposit banks can be presented as the aggregate financial position, earnings and cash flows of a single financial entity for the periods being presented.

The entities consolidated to the financial statements in the manner required by regulation have not operated as a single entity. For this reason, the financial statements do not necessarily describe earnings that would have materialised had the consolidated entities operated as a single entity during the years being presented.

For additional information on the consolidation, read the section 'Consolidation principles' below.

OP Financial Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the Act on the Amalgamation of Deposit Banks. The IFRS refer to the following guidelines: IASs, IFRSs and SIC and IFRIC interpretations effective on 31 December 2024 and adopted in accordance with Regulation (EU) No. 1606/2002 of the European Parliament and of the Council. OP Financial Group's notes also conform to the requirements of the Finnish accounting legislation.

The following new standards and interpretations were applied in the consolidated financial statements for 2024:

- Amendments to IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows, IFRS 16 Leases and IFRS 7 Financial Instruments: Disclosures entered into force on 1 January 2024. The amendments will not have any significant effect on OP Financial Group's financial statements.
- The Act on the Minimum Tax for Large Groups, which is based on the EU directive on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union. At OP Financial Group, the most significant constituent entities of groups falling within the scope of the Minimum Tax Act will apply the temporary transitional provision of the Act for the years 2024–2026. During this period, they will not perform computation required by the Minimum Tax Act to the extent defined by the regulation. OP Financial Group applies the temporary exception under IAS 12 Income Taxes concerning the recording and presentation of

income tax and deferred tax in financial statements in accordance with OECD Pillar 2 regulations.

The financial statements are presented in millions of euros. Number zero in the tables in Notes means that the item contains some balance but it is rounded off to zero. If nothing (blank) is presented in the item, the balance of the item is zero.

Pillar 3 capital adequacy disclosures in compliance with EU Regulation No. 575/2013 of the European Parliament and of the Council are presented in the OP Amalgamation Pillar 3 tables. A summary of capital adequacy is presented in OP Financial Group's Report by the Board of Directors.

Critical accounting judgements

The preparation of the financial statements in conformity with IFRS requires the management to make judgements, estimates and assumptions in the application of the accounting policies. The preparation of the financial statements 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.

Critical accounting judgements

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. Management judgement is involved in expert judgements concerning, for example, the amount and timing of future cash flows and the value of collateral.

Management overlay includes either additional provisions made directly to the amount of ECL or estimates included in PD or LGD risk parameters (so-called post-model adjustments). These 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.

Calculations of loss allowance and the related key uncertainties are presented in Note 36, Loss allowance regarding receivables and notes and bonds.

Investments made in structured entities

When estimating the control over structured entities, OP Financial Group takes into account the investor's power to direct the investee's relevant activities and the exposure or right to variable returns from its involvement with the investee. Discretion is exercised when estimating power to direct relevant activities and variable returns. The emergence of control is evaluated in more detail when the investment accounts for 10–20% of the investee's net assets and returns. The investee is consolidated as a subsidiary at the latest when OP Financial Group's share of the variable returns exceeds 37% and there is a link between the control and the returns.

Key sources of estimation uncertainty

The uncertainty of future assumptions and other key estimates at the end of the reporting period poses a significant risk of a material change to the carrying amounts of assets and liabilities during the next financial year. In addition to the measurement of the loss allowance, such uncertainty relates to financial statement items such as goodwill and impairment testing of intangible assets, as well as the valuation of investment properties, financial instruments, and insurance contracts. Key sources of estimation uncertainty are described in more detail in the notes to said balance sheet items.

Consolidation principles

OP Financial Group's consolidated financial statements

The Act on the Amalgamation of Deposit Banks Act prescribes that the consolidated financial statements of OP Financial Group must be a combination of the financial statements or consolidated financial statements of OP Cooperative and its member credit institutions (member cooperative banks). The consolidated financial statements include all entities controlled by entities belonging to the amalgamation of deposit banks in accordance with IFRS 10. OP Financial Group's cooperative capital comprises OP cooperative banks' cooperative contributions which each member cooperative bank has an unconditional right to refuse to redeem.

The following measures were taken to prepare OP Financial Group's consolidated financial statements:

- OP Cooperative's consolidated financial statements and the member cooperative banks' financial statements or consolidated financial statements were prepared by applying uniform accounting principles described in Note 1, Accounting policies for OP Financial Group's consolidated financial statements, and in connection with other notes.
- All member cooperative banks and their subsidiaries were consolidated line by line. A list of member cooperative banks is presented in Note 70, Ownership interests in subsidiaries, structured entities and joint operations.
- OP Cooperative and its consolidated subsidiaries were consolidated line by line in the financial statements. Individual member cooperative banks' member cooperative contributions and supplementary cooperative contributions to OP Cooperative were eliminated from the cooperative capital. A list of OP Cooperative's subsidiaries is presented in Note 70, Ownership interests in subsidiaries, structured entities and joint operations.
- All OP Financial Group's internal transactions and balances were eliminated.
- The cooperative capital shown under equity capital in the balance sheet consists of the aggregate cooperative capital of member cooperative banks.
- Combined earnings, cash flows, equity reserves and distributable funds describe the amounts belonging to the members of individual member cooperative banks.

Subsidiaries, associates and joint arrangements

The central cooperative and entities under its control, and member credit institutions and entities under their control are consolidated into the financial statements of OP Financial Group. OP Financial Group has control over an entity if it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity (including structured entities). Most of the subsidiaries are wholly owned by OP Financial Group, which means that the Group's control is based on votes.

OP Financial Group acts as investor and manages various mutual funds in order to gain investment income and various commissions. Funds that have been classified as structured entities have been consolidated into the Group's financial statements when OP Financial Group's control is not based on votes but the control of significant operations, exposure to variable returns from the fund, and organising the fund's management. Changes in control concerning various fund investments consolidated into OP Financial Group are monitored quarterly. When estimating the amount of control, the Group takes into account the investor's power to direct relevant activities over an investee and the investor's exposure to varying returns. When OP Financial Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if OP Financial Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

In corporate transactions, the consideration transferred and the acquiree's identifiable assets acquired and liabilities assumed are measured at fair value at the time of acquisition. Acquisition cost in excess of net assets is presented under goodwill. If the acquisition cost is lower than the fair value of net assets, the difference is recognised in profit and loss.

Acquisition-related costs are expensed as incurred. Any contingent consideration is measured at fair value and classified as a liability or equity. Contingent consideration classified as a liability is measured at fair value in the income statement on the balance sheet date.

Associated companies over which OP Financial Group companies exercise significant influence are accounted for using the equity method. Significant influence generally arises if the Group holds 20–50% of the other company's votes or otherwise exercises influence, not control, over the company. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. OP Financial Group's investments in associates include goodwill identified on the acquisition date. If OP Financial Group's share of losses in an associate exceeds its interest in the associate, the investment is entered in the balance sheet at zero value, and further losses exceeding the carrying amount are not recognised unless OP Financial Group is committed to fulfilling the obligations of associates.

Private equity funds treated as associates are measured at fair value through profit or loss in compliance with IFRS 9 as permitted by IAS 28. Changes in the fair value of these private equity funds are recognised directly in the income statement and presented in net investment income.

A joint arrangement is an arrangement where two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is an arrangement in which OP Financial Group has rights to the arrangement's net assets, while in a joint operation OP Financial Group has both rights to assets and obligations for the liabilities relating to the arrangement. Property companies are incorporated into financial statements as joint operations by consolidating the proportionate share of OP Financial Group's holding of the property company's assets and liabilities.

Subsidiaries, associates or joint arrangements acquired during the financial year are consolidated from the date on which control or significant influence is transferred to OP Financial Group while those that have been sold are de-consolidated from the date on which control or significant influence ceases.

Internal transactions, receivables, liabilities and profit distribution are eliminated in the preparation of the financial statements.

Non-controlling interests

Profit for the financial year attributable to the owners of the technical parent company and non-controlling interests is presented in the income statement, and total comprehensive income attributable to the owners of the parent and non-controlling interests is presented in the statement of comprehensive income. Profit for the financial year shown in the income statement and the statement of comprehensive income is also attributed to non-controlling interests in the event that their share, as a result, would become negative. Non-controlling interests are presented as part of equity capital in the balance sheet. If the investee's equity does not fulfil the equity classification criteria under IAS 32, the non-controlling parties' share of the net assets is presented as liability.

Non-controlling interests in an acquiree are measured either at fair value or as the proportionate share of net assets of the acquiree. The valuation principle applied is determined separately for each acquiree.

Foreign currency translation

Financial statements are presented in euros, which is the functional and presentation currency of OP Financial Group. Non-euro transactions are recognised in euros at the exchange rate quoted on the transaction date or at the average exchange rate of the month of recognition. On the balance sheet date, non-euro monetary balance sheet items are translated into euros at the exchange rate quoted on the balance sheet date. Non-monetary balance sheet items measured at cost are presented at the exchange rate quoted on the transaction date.

The exchange rate differences arising from the translation of non-euro transactions and monetary balance sheet items into euros are recognised as foreign exchange gains or losses under Net investment income in the income statement.

New standards and interpretations

The IASB (International Accounting Standards Board) has issued the following significant future IFRS amendments.

IFRS 18 standard on presentation and disclosure in financial statements

On 9 April 2024, the IASB published the new IFRS 18 (not yet approved in the EU) on presentation and disclosure in financial statements. The new financial reporting standard will bring changes to the presentation of the income statement in particular. In addition, entities must present other items and subtotals, if such presentations are necessary for a primary financial statement to provide a useful structured summary. The new IFRS 18 requirements will improve the comparability of financial reporting between similar companies.

IFRS 18 must be applied to reporting periods beginning on or after 1 January 2027 (to be applied retrospectively to comparative information). IFRS 18 will replace IAS 1. The new standard will have no effect on the recording or valuation of items in financial statements.

OP Financial Group has launched an analysis on the impacts of the new standard. Based on current estimates, IFRS 18 will affect the following areas of financial statements:

- income statement structure and new income statement subtotals
- new notes on management-defined performance measures, which are currently presented in the Report by the Board of Directors
- disclosure of information on extended criteria for aggregation and disaggregation, which will apply to both primary financial statements and notes to the financial statements
- presentation of exchange rate differences and changes in the fair value of derivatives used for risk management purposes in the income statement.

Other upcoming amendments

Amendments to the classification and measurement of financial instruments (applies to IFRS 9 and IFRS 7; published on 30 May 2024, not yet approved in the EU). This amendment will further specify the recognition and derecognition time of some financial assets and liabilities when using an electronic payment system. The amendment also specifies the assessment of the SPPI criteria (such as the ESG target) for financial assets, and requires new notes for products whose contractual terms and conditions may change the cash flows (such as the ESG target), and further specifies the notes related to shares classified at FVOCI.

The amendment must be applied to reporting periods beginning on or after 1 January 2026 (no retrospective application to the year of comparison). OP Financial Group has launched an analysis on the impacts of the amendment.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (published on 9 May 2024, not yet approved in the EU). Application of this standard is voluntary. This standard enables certain subsidiaries to apply IFRS financial reporting standards with reduced requirements for the disclosure of notes. The standard can be applied to reporting periods beginning on or after 1 January 2027. OP Financial Group does not expect this to have any significant effect.

Annual improvements, volume 11 (published on 18 July 2024, not yet approved in the EU). The amendments apply to the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments must be applied to reporting periods beginning on or after 1 January 2026. OP Financial Group does not expect these amendments to have any significant effect.

Contracts Referencing Nature-dependent Electricity will cause amendments to IFRS 9 and IFRS 7 (published on 18 December 2024, not yet approved in the EU). This will bring changes to the own use exception in IFRS 9 regarding delivery contracts, and to hedge accounting requirements. The amendments are effective for reporting periods beginning on or after 1 January 2026. OP Financial Group does not expect this to have any significant effect.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates will enter into force on 1 January 2025. The amendments will not have any significant effect on OP Financial Group's financial statements.

Note 2. 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 in 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.

Changes in the balance sheet format for 1 January 2023

a) The balance sheet row 'Cash and cash equivalents' was renamed 'Cash and cash equivalents and deposits with central banks'.
b) Interest not received from loan receivables was previously presented in row 'Other assets'. Interest not received from loan receivables, EUR 235 million, was transferred to the row 'Receivables from customers'.
c) Unpaid interest on financial liabilities was previously presented in the row 'Provisions and other liabilities'. Unpaid interest on financial liabilities, EUR 185 million, was transferred to the balance sheet rows 'Liabilities to credit institutions', EUR 10 million, 'Liabilities to customers', EUR 83 million and 'Debt securities issued to the public', EUR 91 million.
d) Accrued interest on loan receivables was previously presented in row 'Other assets'. Accrued interest on notes and bonds, EUR 88 million, was transferred to the balance sheet row 'Investment assets'.
e) 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 related to derivatives were transferred to the same item with the actual derivative contract. After the transfers, assets in the balance sheet 'Derivative contracts' decreased by EUR 228 million and 'Derivative contracts' in balance sheet liabilities decreased by EUR 235 million. Adjustments reduced balance sheet assets and liabilities by a total of EUR 269 million.
f) The row previously presented in the balance sheet as 'Tax assets' was divided into two rows; 'Income tax assets' and 'Deferred tax assets'.
g) The row previously presented in the balance sheet as 'Tax liabilities' was divided into two rows; 'Income tax liabilities' and 'Deferred tax liabilities'.

€ million	Reference	1 Jan 2023	Changes	Adjusted 1 Jan 2023
Cash and deposits with central banks	a)	35,004	0	35,004
Receivables from credit institutions		798	0	798
Receivables from customers	b)	98,546	235	98,782
Derivative contracts	e)	4,117	-228	3,889
Investment assets	d)	20,742	88	20,830
Assets covering unit-linked contracts		11,597	0	11,597
Reinsurance contract assets		245	0	245
Intangible assets		1,153	0	1,153
Property, plant and equipment		423	0	423
Other assets	b), d), e)	2,401	-364	2,037
Tax assets	f)	664	-664	
Income tax assets	f)		59	59
Deferred tax assets	f)		605	605
Total assets		**175,691**	**-269**	**175,422**
Liabilities to credit institutions	c)	12,301	10	12,311
Liabilities to customers	c)	81,468	83	81,552
Derivative contracts	e)	4,432	-235	4,197
Insurance contract liabilities		11,448	0	11,448
Investment contract liabilities		7,211	0	7,211
Debt securities issued to the public	c)	37,438	91	37,530
Provisions and other liabilities	c), e)	3,818	-219	3,599
Tax liabilities	g)	1,522	-1,522	
Income tax liabilities	g)		67	67
Deferred tax liabilities	g)		1,455	1,455
Subordinated liabilities		1,384	0	1,384
Total liabilities		**161,023**	**-269**	**160,753**

€ million	Reference	1 Jan 2023	Changes	Adjusted 1 Jan 2023
Equity capital				
Capital and reserves attributable to OP Financial Group owners				
Cooperative capital				
Membership shares		217	0	217
Profit Shares		3,369	0	3,369
Fair value reserve		-360	0	-360
Other reserves		2,172	0	2,172
Retained earnings		9,153	0	9,153
Non-controlling interests		118	0	118
Total equity		**14,668**	**0**	**14,668**
Total liabilities and equity		**175,691**	**-269**	**175,422**

Changes in the balance sheet format for 31 December 2023

a) The balance sheet row 'Cash and cash equivalents' was renamed 'Cash and cash equivalents and deposits with central banks'.

b) Interest not received from loan receivables was previously presented in row 'Other assets'. Interest not received from loan receivables, EUR 480 million, was transferred to the row 'Receivables from customers'.

c) Unpaid interest on financial liabilities was previously presented in the row 'Provisions and other liabilities'. Unpaid interest on financial liabilities, EUR 708 million, was transferred to the balance sheet rows 'Liabilities to credit institutions', EUR 8 million, 'Liabilities to customers', EUR 22 million and 'Debt securities issued to the public', EUR 179 million.

d) Accrued interest on loan receivables was previously presented in row 'Other assets'. Accrued interest on notes and bonds, EUR 133 million, was transferred to the balance sheet row 'Investment assets'.

e) 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 related to derivatives were transferred to the same item with the actual derivative contract. After the transfers, assets in the balance sheet 'Derivative contracts' decreased by EUR 295 million and 'Derivative contracts' in balance sheet liabilities decreased by EUR 277 million. Adjustments reduced balance sheet assets and liabilities by a total of EUR 344 million.

f) The row previously presented in the balance sheet as 'Tax assets' was divided into two rows; 'Income tax assets' and 'Deferred tax assets'.

g) The row previously presented in the balance sheet as 'Tax liabilities' was divided into two rows; 'Income tax liabilities' and 'Deferred tax liabilities'.

€ million	Reference	2023	Changes	Adjusted 2023
Cash and deposits with central banks	a)	19,755	0	19,755
Receivables from credit institutions		858	0	858
Receivables from customers	b)	97,836	480	98,316
Derivative contracts	e)	3,401	-295	3,106
Investment assets	d)	21,896	133	22,029
Assets covering unit-linked contracts		12,581	0	12,581
Reinsurance contract assets		106	0	106
Intangible assets		1,065	0	1,065
Property, plant and equipment		398	0	398
Other assets	b), d), e)	2,222	-662	1,560
Tax assets	f)	273	-273	
Income tax assets	f)		22	22
Deferred tax assets	f)		251	251
Total assets		**160,391**	**-344**	**160,047**
Liabilities to credit institutions	c)	66	8	74
Liabilities to customers	c)	76,656	522	77,178
Derivative contracts	e)	3,271	-277	2,994
Insurance contract liabilities		11,589	0	11,589
Investment contract liabilities		7,944	0	7,944
Debt securities issued to the public	c)	37,511	179	37,689
Provisions and other liabilities	c), e)	4,450	-775	3,674
Tax liabilities	g)	1,229	-1,229	
Income tax liabilities	g)		156	156
Deferred tax liabilities	g)		1,073	1,073
Subordinated liabilities		1,414	0	1,414
Total liabilities		**144,129**	**-344**	**143,785**

€ million	Reference	31 Dec 2023	Changes	Adjusted 31 Dec 2023
Equity capital				
Capital and reserves attributable to OP Financial Group owners				
Cooperative capital				
Membership shares		219	0	219
Profit Shares		3,335	0	3,335
Fair value reserve		-290	0	-290
Other reserves		2,172	0	2,172
Retained earnings		10,703	0	10,703
Non-controlling interests		124	0	124
Total equity		**16,262**	**0**	**16,262**
Total liabilities and equity		**160,391**	**-344**	**160,047**

Changes in the income statement format for Q1–4/2023

a) OP bonuses to owner-customers of EUR 255 million, which were previously shown on a separate line in the income statement, have been divided under the following items based on their accrual: EUR 150 million under interest income, EUR 67 million under interest expenses, and EUR 38 million under commission income from mutual funds. The line 'OP bonuses to owner-customers' is no longer shown in the income statement.

b) OP Financial Group transferred all interest income reported under 'Net interest income' to 'Interest income calculated using the effective interest method'.

€ million	Reference	Q1–4/2023	Changes	Adjusted Q1–4/2023
Interest income calculated using the effective interest method	a), b)		5,330	5,330
Interest income	a), b)	5,480	-5,480	
Interest expenses	a)	-2,609	-67	-2,675
Net interest income	**a), b)**	**2,871**	**-217**	**2,654**
Impairment loss on receivables		-269	0	-269
Commission income	a)	1,038	-38	100
Commission expenses		-130	0	-130
Net commissions and fees	a)	908	-38	870
Insurance revenue		2,000	0	2,000
Insurance service expenses		-1,824	0	-1,824
Net income from reinsurance contracts		-95	0	-95
Insurance service result		81	0	81
Net finance income (+)/expenses (–) related to insurance		-722	0	-722
Net finance income (+)/expenses (–) related to reinsurance		0	0	0
Net insurance finance income (+)/expenses (–)		-722	0	-722
Net income from financial assets held for trading		55	0	55
Net investment income		1,057	0	1,057
Other operating income		40	0	40
Personnel costs		-964	0	-964
Depreciation/amortisation and impairment loss		-226	0	-226
Other operating expenses		-1,011	0	-1,011
Transfers to insurance service result		485	0	485
Operating expenses		-1,716	0	-1,716
OP bonuses to owner-customers	a)	-255	255	
Operating profit (loss)		2,050	0	2,050
Earnings before tax		**2,050**	**0**	**2,050**
Income tax		-408	0	-408
Profit for the period		**1,642**	**0**	**1,642**

Note 3. Segment reporting

Business segments

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. Defining segments and presentation are based on management reporting. The segments' earnings and profitability are assessed in terms of operating profit. The Executive Management Team is the highest operational decision-making body at OP Financial Group.

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.

Companies in the Retail Banking segment include OP cooperative banks, OP Koti real estate agencies, OP Retail Customers plc, OP Mortgage Bank and Pivo Wallet Oy. Net interest income forms the most significant income item of the segment. Income also comes from commissions and fees, and investment activities. Expenses arise mainly from personnel and ICT costs and the costs of the branch network and OP bonuses to owner-customers. The most significant risk category pertains to credit risk, but business also involves market risks and operational risks.

Companies in the Corporate Banking segment include OP Corporate Bank plc (excl. treasury functions), OP Custody Ltd, OP Asset Management Ltd, OP Real Estate Asset Management Ltd and OP Fund Management Company Ltd. Net interest income forms the most significant income item of the segment. Income also comes from banking and wealth management in terms of commission income, and from investment operations. Expenses arise mainly from personnel and ICT costs. The most significant risk category pertains to credit risk, but business also involves market risks and operational risks.

The Insurance segment consists of OP Financial Group's non-life insurance company Pohjola Insurance Ltd and life insurance company OP Life Assurance Company Ltd. The segment's products include non-life and life insurance products sold to corporate and personal customers. Income derives mainly from the insurance service result, net finance income, net investment income and net commissions and fees. Expenses arise mainly from personnel and ICT costs. The Insurance segment's most significant risks are underwriting and investment risks.

The Group Functions segment consists of functions that support other segments. The segment includes the majority of OP Cooperative, and OP Corporate Bank plc's treasury functions. Costs of the services for the business segments are allocated to the segments in the form of internal service charges. Income from the Group Functions segment mainly consists of Treasury income and OP Financial Group's internal charges recognised in other operating income.

Segment accounting policies

OP Financial Group's segment reporting is based on accounting policies applied in its financial statements. Income, expenses, assets and liabilities which have been considered to relate directly to and be reasonably attributable to the segments are allocated to the segments. Income, expenses, investments and capital which have not been allocated to segments, and inter-segment eliminations are reported under 'Eliminations'.

Segment information

Q1–4 earnings 2024, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	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 ineffectiveness of fair value hedges arising from the elimination of internal items is presented in eliminations.

Net income of OP Corporate Bank's Baltic branches totalled EUR 36 million.

Adjusted

Q1–4 earnings 2023, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	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**

Net income of OP Corporate Bank's Baltic branches totalled EUR 42 million.

Balance sheet 31 December 2024, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	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**

Net assets of OP Corporate Bank's Baltic branches totalled EUR 1,173 million.

Adjusted

Balance sheet 31 December 2023, € million	Retail Banking	Corporate Banking	Insurance	Group Functions	Eliminations	OP Financial Group
Cash and deposits with central banks	45	125	0	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.

Net assets of OP Corporate Bank's Baltic branches totalled EUR 1,400 million.

Notes to the income statement

Note 4. Net interest income

Accounting policies

Net interest income presents banking's received and paid interest on fixed income instruments, received and paid negative interest, the recognised difference between the nominal value and acquisition value, interest on interest rate derivatives and fair value change in fair value hedging. Interest income presents fees that are regarded as compensation for the risk taken by the bank associated with the financial instrument and as being an integral part of the financial instrument's effective interest rate.

Interest income calculated using the effective interest method

Interest income and expenses on financial assets and liabilities classified as measured at amortised cost are recognised using the effective interest method. Interest on receivables with outstanding payments due is also recognised as revenue. The difference between the receivable's acquisition cost and its nominal value is recognised as interest income. The difference between the amount received and nominal value of the liability is recognised in interest expenses as part of the effective interest expense. The difference between the nominal value and the acquisition cost of fixed-rate bonds is recognised as interest income or interest expenses over the residual term to maturity.

The additional margin on loans with an interest rate cap is included in the calculation of the effective interest rate, and it is recognised as revenue in net interest income during the term of the agreement.

Interest income has been calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets because they are over 90 days past due (in stage 3).

Interest income calculated using the effective interest method are recognised for balance sheet items recognised at amortised cost and for notes and bonds measured at fair value through comprehensive income. Gains and losses arising from hedging relationships to which hedge accounting under the IFRS is applied are also presented under this item. 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'.

€ million	2024	Adjusted 2023
Interest income calculated using the effective interest method		
Interest income on receivables from credit institutions	631	656
Interest income on loans to customers	4,605	3,953
Interest income on finance lease receivables	102	87
Interest income on notes and bonds measured at amortised cost	43	7
Interest income on liabilities to customers	0	4
Interest income on notes and bonds measured at fair value through other comprehensive income	165	131
Interest income on derivative contracts, fair value hedges	73	491
Interest income on derivative contracts, cash flow hedges	-43	-84
Interest income on cash flow hedges of derivative contracts, ineffective portion	1	7
Interest income on loans to customers, fair value adjustments in hedge accounting	387	-389
Interest income on notes and bonds, fair value adjustments in hedge accounting	247	551
Interest income on loans to customers, OP bonuses to owner-customers	-160	-150
Other interest income	60	72
Total	6,112	5,330

€ million	2024	Adjusted 2023
Interest expenses		
Liabilities to credit institutions		
Interest expenses for deposits to credit institutions	1	1
Interest expenses for liabilities to credit institutions	0	-1
Interest expenses for liabilities to central banks		-77
Interest expenses for liabilities to credit institutions, fair value adjustments in hedge accounting	-167	-363
Liabilities to customers		
Interest expenses for deposits to customers	-1,270	-825
Interest expenses for other liabilities to customers	-85	-81
Interest expenses for liabilities to customers, fair value adjustments in hedge accounting	-102	-131
Interest expenses for liabilities to customers, OP bonuses to owner-customers	-82	-67
Debt securities issued to the public		
Interest expenses on debt securities issued to the public	-694	-665
Interest expenses on debt securities issued to the public, fair value adjustments in hedge accounting	-478	-946
Subordinated liabilities		
Interest expenses for perpetual and debenture loans	-30	-29
Interest expenses for subordinated liabilities, fair value adjustments in hedge accounting	-30	-35
Derivative contracts		
Interest expenses for derivative contracts, fair value hedges	-327	558
Interest expenses for derivative contracts, cash flow hedges	24	71
Interest expenses for other derivative contracts	0	0
Receivables from credit institutions		
Negative interest		0
Other interest expenses	-74	-86
Total	**-3,316**	**-2,675**

Total net interest income	**2,796**	**2,654**

Note 5. Impairment loss on receivables

Expected credit losses from customers, off-balance-sheet items and notes and bonds as well as final credit losses and their reversals are presented under Impairment loss on receivables.

€ million	2024	2023
Receivables written down as loan and guarantee losses	-220	-93
Recoveries of receivables written down	20	16
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	106	-192
Expected credit losses (ECL) on notes and bonds	-2	0
Total impairment loss on receivables	**-96**	**-269**

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.

Calculations of loss allowance and the related key uncertainties are presented in Note 36, Loss allowance regarding receivables and notes and bonds.

Note 6. Net commissions and fees

Accounting policies

Net commissions and fees include commission income from lending, deposits, payment transactions, securities brokerage, securities issuance, mutual funds, investment management, legal services, guarantees, real estate services, sales commissions on insurance contracts and life insurance investment contracts. Commission expenses are recognised for lending, payment transactions, securities brokerage, securities issuance, mutual funds, asset management, guarantees and sales commissions on insurance contracts.

Commission income

Fees that are not an integral part of the effective interest rate of a financial instrument are accounted for in accordance with IFRS 15 Revenue from Contracts with Customers. Fees and commissions under IFRS 15 are recognised as revenue when a service's agreed performance obligations are transferred to the customer and the key criterion is transfer of control. Commissions and fees are recognised to the amount to which an entity expects to be entitled in exchange of transferring promised services to a customer. Commission expenses are recognised in net commissions and fees on an accrual basis.

In the Retail Banking segment, commissions and fees are charged from personal and corporate customers. Commissions and fees consist mainly of those from lending and payment transactions. Loan administration fees are presented under commission income from lending. In addition, the Retail Banking segment charges fees, for example, for legal services, guarantees, deposits, mutual funds and real estate agency services as well as insurance sales. The abovementioned items consist of several hundreds of fee types whose performance obligations are fulfilled over time or at a point in time, according to the type of the fee. The performance obligations of lending, guarantee and mutual fund fees are mainly fulfilled over time, while those of other Retail Banking fees are fulfilled at a point in time. The amount of consideration for the services is mainly the list price or a contractually stated price. Owner-customers get a discount on daily banking services, which is considered in the amount of the fees recognised as revenue. Commissions and fees are charged from customers on a monthly basis or after the service performance, according to the contract terms.

In the Corporate Banking segment, commissions and fees are charged from personal and corporate customers. Banking commissions and fees consist of those from lending and payment transactions. In addition, Corporate Banking charges fees, for example, for guarantees and securities issuance. The abovementioned items consist of several hundreds of fee types whose performance obligations are fulfilled over time or at a point in time, according to the type of the fee. The performance obligations of lending and guarantee fees are mainly fulfilled over time, while those of other Banking-related fees are fulfilled at a point in time. Commission income related to the Corporate Banking segment's asset management operations consists of mutual fund and investment management fees. Commissions related to wealth management are mainly recognised as revenue over time during the contract period, and the monthly consideration is a contractual percentage of the client's investments or insurance assets under management. Mutual fund and investment management fees include performance-based management fees tied to investment performance. The performance-based management fees are not recognised as revenue until the criteria measuring the success of investment has been met highly likely.

The Insurance segment's contracts with which no underwriting risk is associated are recognised as revenue under IFRS 15 and presented in net commissions and fees. Commission income mainly consists of the life insurance expense loading of investment contracts, returns of unit-linked management fees (mutual funds) and of insurance sales commissions. Life insurance investment contracts include a subscription fee and management fee charged from investment contracts. OP Financial Group's partners pay commission income from selling insurance policies according to the consideration specified in the contract. The performance obligations are fulfilled over time and the fees are charged from customers on a monthly basis.

Fees of the Group Functions segment mainly consist of payment transfer fees. The performance obligations are fulfilled over time and the consideration amount is as agreed. The fees are charged based on the actual payment transactions.

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

* OP bonuses to owner-customers accrued from mutual funds are deducted from commission income from mutual funds. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 2, Accounting policies and changes in accounting policies and presentation.

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

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

Note 7. Insurance service result

Accounting policies

Insurance service result includes insurance revenue for non-life and life insurance, insurance service expenses for non-life and life insurance as well as net income from reinsurance contracts.

Presenting insurance contracts in the income statement and balance sheet

Income of the group of insurance contracts is presented in the row Insurance revenue in the income statement, comprising the measurement of the following components: future cash flows, risk adjustment for non-financial risk and contractual service margin. Expenses related to the group of insurance contracts consist of claims incurred, losses from onerous contracts, changes related to prior periods and operating expenses and they are presented in the row Insurance service expenses. Expenses and income related to reinsurance contracts are presented in the row Net income from reinsurance contracts.

The income statement item 'Net insurance finance income and expenses' includes the effect of change in the discount rate and other financial changes on the value of insurance contract liability and the effect of the passage of time, meaning unwinding of discount. In addition, the item includes an option of risk mitigation to apply to certain life insurance contracts. Applying this option gives an opportunity to adjust accounting for contracts under the VFA model in such a way that those changes in cash flows involving a hedgeable position in respect of financial risk under the investment strategy are transferred from the contractual service margin to the income statement. This reduces the result mismatch.

In the balance sheet, future cash flows related to contracts are presented in net terms and grouped into insurance contract liabilities or assets at portfolio level, and either into reinsurance contract liabilities or assets at portfolio level. A proportion of personnel costs, depreciation/amortisation and other operating expenses is included in the calculation of insurance contract liability under IFRS 17 and presented in Insurance service expenses.

OP Financial Group has selected an accounting policy, according to which it presents Insurance-related financial income and expenses for the period through profit or loss. Similarly, investments related to insurance contract liability have been reclassified in such a way that their fair value is presented through profit or loss. This reduces the result mismatch.

€ million	2024	2023
Non-life insurance		
Expected claims incurred and other directly allocated insurance service expenses	1,498	1,309
Changes in risk adjustment for non-financial risk	13	11
Contractual service margin for services provided in the period	230	249
Recognition as revenue of insurance acquisition cash flows	131	124
Other changes in insurance revenue	5	65
Non-life insurance revenue according to the General Measurement Model (GMM), total	1,877	1,758
Life insurance		
Expected claims incurred and other directly allocated insurance service expenses	132	119
Changes in risk adjustment for non-financial risk	12	10
Contractual service margin for services provided in the period	59	64
Recognition as revenue of insurance acquisition cash flows	13	14
Other changes in insurance revenue	4	9
Life insurance revenue according to the General Measurement Model (GMM), total	220	216
Expected claims incurred and other directly allocated insurance service expenses	17	17
Changes in risk adjustment for non-financial risk	4	4
Contractual service margin for services provided in the period	7	5
Recognition as revenue of insurance acquisition cash flows	2	2
Other changes in insurance revenue	2	-2
Life insurance revenue according to the Variable Fee Approach (VFA), total	32	26
Total life insurance revenue	252	242
Total insurance revenue	2,129	2,000

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

Note 8. Net insurance finance income (+)/expenses (–)

Accounting policies

Net insurance finance expenses include finance income and expenses related to non-life direct insurance according to the GMM (unwinding of discount rate on insurance contract liabilities, the effect of changes in insurance contracts' interest rates and financial assumptions, and exchange rate differences of insurance contracts) and finance income and expenses related to reinsurance in non-life insurance.

The GMM-based finance income and expenses related to life direct insurance (unwinding of discount rate on insurance contract liabilities, the effect of changes in insurance contracts' interest rates and financial assumptions) are presented under Net insurance finance expenses.

The VFA-based finance income and expenses related to life direct insurance (insurance contract net financing items of risk mitigation, the effect of changes in insurance contracts' interest rates and financial assumptions, and net financing items of fair value changes of underlying insurance contract items) are presented under Net insurance finance expenses.

In addition, finance income and expenses related to life reinsurance contracts are presented under Net insurance finance expenses.

€ million	2024	2023
Non-life insurance		
Unwinding of discount on insurance contract liabilities	-62	-33
Effect of changes in insurance contracts' interest rates and financial assumptions	-49	-153
Exchange rate differences of insurance contracts	0	0
Finance income and expenses related to direct non-life insurance contracts (GMM), total	-111	-186
Finance income and expenses related to non-life reinsurance contracts	5	4
Life insurance		
Unwinding of discount on insurance contract liabilities	1	12
Effect of changes in insurance contracts' interest rates and financial assumptions	-73	-119
Finance income and expenses related to life direct insurance contracts (GMM), total	-71	-107
Insurance contract net financing items, risk mitigation	-44	-53
Effect of changes in insurance contracts' interest rates and financial assumptions		0
Net financing items of changes in the fair value of the underlying assets of insurance contracts	-504	-377
Finance income and expenses related to life direct insurance contracts (VFA), total	-548	-429
Finance income and expenses related to life reinsurance contracts, total	-1	-3
Net insurance finance income (+)/expenses (–)	-727	-722

Note 9. Net income from financial assets held for trading

Accounting policies

Net income from financial assets held for trading shows interest income and expenses and fair value gains and losses on notes and bonds and derivatives held for trading in Banking and Group Functions. Fair value gains and losses on equities, and dividends are also presented under this item. Financial assets held for trading are measured at fair value through profit or loss.

Dividends are primarily recognised when they are approved by the General Meeting of the distributing company.

€ million	2024	2023
Notes and bonds		
Interest income and expenses	12	20
Fair value gains and losses on notes and bonds	2	5
Shares and participations		
Fair value gains and losses	21	1
Dividend income and share of profits	5	4
Derivatives		
Interest income and expenses	175	67
Fair value gains and losses	-171	-42
Total	44	55

Note 10. Net investment income

Accounting policies

Net investment income includes realised capital gains and losses on notes and bonds recognised at fair value through other comprehensive income, and interest income. Net investment income also includes interest income and expenses and fair value gains and losses on Insurance-related derivatives recognised at fair value through profit or loss. Net investment income also includes financial assets designated at fair value through profit or loss, which include fair value changes in insurance financial instruments, interest income, dividends and participations. Net investment income also includes income from assets covering unit-linked insurance and investment contracts, changes in fair value of investment property, rental income and maintenance charges, and Insurance-related income from loans and receivables recognised at amortised cost, and impairment loss. Net investment income also includes associated companies' income consolidated using the fair value and equity method, and investment contract liabilities' net income from financial assets designated at fair value through profit or loss.

€ million	2024	2023
Net income from assets at fair value through other comprehensive income		
Notes and bonds		
Capital gains and losses	0	5
Other income and expenses	0	
Total	0	5

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

€ million	2024	2023
Financial assets held for trading, insurance business		
Derivatives		
Interest income and expenses	-25	-22
Fair value gains and losses	10	106
Total	-16	84
Financial assets designated as at fair value through profit or loss		
Notes and bonds		
Interest income	156	136
Fair value gains and losses	102	278
Shares and participations		
Fair value gains and losses	334	152
Dividend income and share of profits	59	43
Total	651	609
Income from assets covering unit-linked insurance and investment contracts		
Interest income	6	3
Fair value gains and losses	1,334	1,009
Total	1,340	1,013
Net income from financial assets designated as at fair value through profit or loss, total	1,991	1,622
Total net income from financial assets recognised at fair value through profit or loss	1,975	1,706

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

Note 11. Other operating income

Accounting policies

Other operating income includes rental income and sales revenues from property in own use, and other income.

€ million	2024	2023
Rental income from property in own use	7	7
Capital gains on property in own use	1	1
Rental income from subleases	1	1
Income from corporate transactions	2	5
Income from operations	24	18
Other operating income	9	8
Total other operating income	**44**	**40**

Note 12. Personnel costs

Accounting policies

Personnel costs include wages and salaries, remunerations, pension costs and indirect personnel costs.

€ million	2024	2023
Wages and salaries	-775	-685
Short-term employee benefits		
Personnel fund	-9	-19
Performance-based bonuses	-114	-94
Pension costs		
Defined contribution plans	-152	-134
Defined benefit plans*	0	1
Other indirect personnel costs	-30	-32
Total personnel costs	**-1,081**	**-964**

* Note 33.

Personnel fund

About 95% of all personnel are members of the OP Ryhmän henkilöstörahasto personnel fund. Profit-based bonuses for 2024 transferred to the Fund account for 1.5% (3.0%) of the combined salaries and wages earned by the Fund's members.

Employee benefits

Pension benefits

Statutory pension cover for OP Financial Group companies' employees is arranged by Ilmarinen Mutual Pension Insurance Company. Some OP Financial Group companies provide their employees with supplementary pension cover through OP-Eläkesäätiö (pension foundation) or an insurance company.

Pension plans managed by Ilmarinen Mutual Pension Insurance Company are defined contribution plans. Pension plans managed by insurance companies may be either defined benefit or defined contribution plans. All of the plans managed by OP-Eläkesäätiö are defined benefit plans.

Expenses arising from pension plans are recognised under 'Personnel costs' in the income statement. Contributions under defined contribution plans are paid to the insurance company and charged to expenses for the financial year to which they relate. No other payment obligations are included in defined contribution plans. Curtailing the defined benefit pension plan or fulfilling or changing the related obligation is recognised through profit or loss at the time of occurrence.

Defined benefit plans managed by insurance companies and OP-Eläkesäätiö are funded through payments based on actuarial calculations.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation on the balance sheet date less the fair value of the plan assets of OP-Eläkesäätiö and acceptable insurance.

Defined benefit obligations are calculated separately for each plan using the Projected Unit Credit method. Pension costs are charged to expenses over the employees' expected working lives on the basis of calculations performed by authorised actuaries. The discount rate for the present value of the defined benefit obligation is determined on the basis of the market return on high-grade corporate bonds on the closing date of the reporting period.

Items resulting from remeasurements of the net defined benefit liability are recognised in other comprehensive income in the period they occur. Remeasurements of the net defined benefit liability recognised in other comprehensive income will not be reclassified to income statement in later financial periods.

Short-term employee benefits

OP Financial Group has in place a performance-based bonus scheme and a personnel fund. Bonuses will be paid for work performed during the performance year and the amount charged to expenses is recognised in personnel costs and deferred expenses over the vesting period.

The amount of compensation corresponding to the objectives reached is reviewed quarterly. Any effects resulting from reviewing the original estimates are recognised in personnel costs in the income statement, and the corresponding adjustment is made in accrued expenses and deferred income.

Performance-based bonus scheme

The performance-based bonus scheme is used to control and promote the achievement of OP Financial Group's long-term strategic targets and related annual target metrics, and to reward employees for reaching and exceeding the targets. The performance period of the performance-based bonus scheme is 6 or 12 months. The performance-based bonus is determined by the job grade and the maximum bonuses correspond to a 1–12-month annual salary.

Targets shown in the balanced scorecards may be set for each company, team and person based on matters such as customer experience, the quality of operations, profitability, commission income and sales as well as targets related to operational development derived from the strategy. Group-level metrics for all OP Financial Group managers/directors included OP Financial Group's cost/income ratio with a weight of 20 per cent and a net increase of customers meeting the cross-product metric criteria with a weight of 20 per cent. A factor applies to the bonus created through the achievement of the targets achieved in the central cooperative that is based on the central cooperative consolidated's EBT.

In addition to the achievement of the performance metrics related to the performance-based bonus, qualitative assessment affects bonus payout, where the supervisor assesses a person's performance in view of compliance with regulation and instructions. The assessment also takes account of sustainability risks regarding the roles of persons for whom consideration of sustainability risks is an integral part of their duties. The amount of the performance-based bonus will be adjusted on a risk basis, based on the severity and number of offences, using a factor of 0–1.

Personnel fund

OP Financial Group has a personnel fund into which bonuses are paid on the basis of pre-agreed principles, depending on the achievement of OP Financial Group's targets. Bonuses transferred to the Fund are recognised under 'Wages and salaries' in the profit and loss account and the counterpart as 'Deferred expenses' in the balance sheet until they are disbursed to their beneficiaries.

Payment of profit-based bonuses to OP Financial Group's Personnel Fund in 2024 was based on the achievement of the following targets: the cost/income ratio with a weight of 50% and net growth in customers fulfilling the criterion for the cross-product loyalty metric with a weight of 50%.

Note 13. Depreciation/amortisation and impairment loss

Accounting policies

Depreciation/amortisation and impairment loss includes amortisation and impairment loss on goodwill, brands, customer relationships related to insurance contracts and insurance acquisition expenses as well as information systems.

Note 24, 'Intangible assets' and Note 25, 'Property, plant and equipment' provide a more detailed description of the accounting policies for depreciation/amortisation and impairment loss.

€ million	2024	2023
Depreciation and amortisation		
Buildings	-9	-11
Machinery and equipment	-8	-8
Intangible assets arising from corporate acquisitions	-9	-9
Information systems and other	-73	-108
Right-of-use assets	-28	-27
Other	-3	-2
Impairment loss		
Property in own use	-12	-22
Information systems	-3	-36
Right-of-use assets	0	0
Other	-1	-3
Total depreciation/amortisation and impairment loss	**-145**	**-226**

Note 14. Other operating expenses

Accounting policies

Other operating expenses include ICT production and development costs, costs for facilities, purchased services, charges of financial authorities, charges of auditors, telecommunications costs, marketing costs, corporate responsibility expenses, insurance and security costs and other expenses.

€ million	2024	2023
ICT expenses		
Production	-268	-238
Development	-245	-222
Buildings	-60	-58
Charges of financial authorities	-16	-77
Audit fees	-8	-6
Service purchases	-159	-143
Expert services	-44	-55
Telecommunications	-34	-33
Marketing	-44	-44
Donations and sponsorships	-17	-14
Insurance and security costs	-18	-15
Expenses from short-term and low-value leases	-6	-6
Other	-118	-101
Other operating expenses, total	**-1,036**	**-1,011**

In 2024, audit fees paid to PricewaterhouseCoopers Oy totalled EUR 5.4 million, whereas assignments as referred to in chapter 1, section 1, subsection 1, paragraph 2 of the Auditing Act totalled EUR 0.5 million, fees for tax advisory services EUR 0.2 million and fees for other services EUR 0.4 million. Audit fees for 2023 totalled EUR 3.9 million of which EUR 3.7 million were paid to OP Cooperative's auditor KPMG Oy Ab. Fees for assignments in 2023 as referred to in chapter 1, section 1, subsection 1, paragraph 2 of the Auditing Act totalled EUR 0.1 million, fees for tax advisory services EUR 0.2 million and fees for other services EUR 1.8 million. The figures do not include value added tax.

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.

OP Financial Group's deposit guarantee contribution for 2024 was EUR 50 million (44), which was covered from the VTS Fund. The deposit guarantee contribution had no effect on the income statement in 2023 and 2024 in terms of expenses.

Development costs

€ million	2024	2023
ICT development expenses	-245	-222
Share of own work	-104	-72
Total development expenses in the income statement	**-349**	**-294**
Capitalised ICT costs	-49	-51
Transfer of capitalised costs/personnel costs	-9	-12
Total capitalised development costs	**-58**	**-62**
Total development costs	**-407**	**-356**
Depreciation/amortisation and impairment loss on development costs	-74	-142

Charges of financial authorities

OP Financial Group pays charges to various authorities. The Finnish Financial Stability Authority (FFSA) is in charge of deposit guarantee. Responsibility for banking supervision rests with the European Central Bank. The Finnish Financial Supervisory Authority is responsible for insurance supervision, macroprudential supervision and supervision of conduct of business. The EU's Single Resolution Board (SRB) is responsible for resolution. The charges of financial authorities are recognised in full under other operating expenses at the beginning of the year.

Stability contribution

Stability contributions are paid to the euro-area Single Resolution Fund (SRF) in such a way that the target of 1% of the amount of covered deposits is maintained. The return on funds collected to the SRF also affects the amount to be collected. The SRF is managed by the Single Resolution Board which also determines the amount of stability contributions. The SRF ensures that the financial industry, as a whole, finances the stabilisation of the financial system. The stability contribution is determined based on the bank's importance and risk profile.

Deposit guarantee contribution

Amounts contributed to the former Deposit Guarantee Fund (VTS Fund) currently exceed the EU requirements governing the deposit guarantee level. As member of the VTS Fund, OP Financial Group has the right to cover deposit guarantee contributions to the FFSA from the VTS Fund. By virtue of its rules, the VTS Fund takes charge of the deposit guarantee contributions payable by its member banks to the new Deposit Guarantee Fund managed by the Finnish Financial Stability Authority (FFSA), in proportion to the contributions made by each member bank to the former Deposit Guarantee Fund over the years. The target level of the Deposit Guarantee Fund managed by the FFSA is 0.8% of the amount of covered deposits.

Financial Stability Authority's administrative fee

The administrative fee charged by the Finnish Financial Stability Authority is based on the same calculation method as the supervision fee charged by the Finnish Financial Supervisory Authority.

Financial Supervisory Authority's supervision fee

The supervision fee charged by the Financial Supervisory Authority comprises a relative supervision fee, which is based on an entity's balance sheet total, and a fixed basic fee.

European Central Bank's supervisory fee

The ECB supervisory fee is determined based on the bank's importance and risk profile.

Transfers to insurance service result

Accounting policies

Insurance operating expenses are presented as part of the insurance service result. Income statement rows personnel costs, depreciation/amortisation and impairment loss as well as other operating expenses are presented also including insurance operating expenses so that the income statement directly shows the amount of expenses of the entire OP Financial Group.

Transfers to insurance service result

€ million	2024	2023
Personnel costs	178	159
Depreciation and amortisation	26	33
Other operating expenses	325	294
Transfers to insurance service result	**529**	**485**

The item 'Transfers to insurance service result' included in operating expenses is related to the calculation of insurance contract liability. Expenses for the financial year are recognised according to the determination of coverage units. The recognition of capitalised acquisition costs takes place in the same cycle with the income allocated to them and is shown in insurance service expenses.

Note 15. OP bonuses to owner-customers

Accounting policies

OP bonuses to owner-customers have been divided under the following items based on their accrual: interest income, interest expenses, insurance service result and commission income from mutual funds. OP cooperative banks' owner-customers earn OP bonuses through the use of banking, non-life insurance and wealth management services. OP bonuses are recognised as a reduction of income in the income statement as they are earned and as accrued expenses in the balance sheet. Earned bonuses are used automatically for banking and wealth management service fees and non-life insurance premiums, starting from the oldest ones, and the accrued expenses are reversed.

€ million	2024	2023
OP bonuses accrued from loans	166	156
OP bonuses accrued from deposits	82	67
OP bonuses accrued from mutual funds	48	38
OP bonuses accrued from insurance contracts	17	14
Unused, expired OP bonuses	-7	-6
OP bonuses to owner-customers in total	**307**	**269**

Note 16. Income tax

Accounting policies

Income tax expense shown in the income statement includes current tax, based on the taxable income for the financial year, and income tax for prior financial years and deferred tax expense or income. Taxes are recognised in the profit and loss except when they are directly linked to items entered in equity or other items in other comprehensive income. In such a case, the tax is recognised in the items in question. The current income tax charge is calculated on the basis of the tax rate in force in each country, and deferred tax is calculated on the basis of the tax rate in force or the tax rate approved by the balance sheet date concerning years to come.

€ million	2024	2023
Current tax	-385	-394
Tax for previous financial years	-7	-7
Deferred tax	-108	-7
Income tax expense on the income statement	**-499**	**-408**
Corporate income tax rate	20	20

Reconciliation between tax expense in the income statement and tax expense calculated by the applicable tax rate

€ million	2024	2023
Earnings before tax	2,486	2,050
Share of profit according to the tax rate	-497	-410
Tax for previous financial years	-7	-7
Tax-exempt income	2	2
Non-deductible expenses	-3	-7
Re-evaluation of unrecognised tax losses	0	0
Tax adjustments	2	13
Other items	4	1
Income tax expense on the income statement	**-499**	**-408**

Notes to the balance sheet

Note 17. Classification of financial assets and liabilities

Accounting policies

Classification and measurement of financial assets and liabilities

Financial assets are classified into the following categories:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)
- Recognised at amortised cost.

Financial liabilities are classified into the following categories:
- Recognised at amortised cost
- Fair value through profit or loss (FVTPL).

Initial recognition and measurement

Derivatives and quoted securities are recognised in the balance sheet on the transaction date or, in other words, the date when OP Financial Group commits to buy or sell the financial instrument. Other financial instruments are recognised on the settlement date. At initial recognition, a financial asset or financial liability is measured at fair value. If it is not a financial asset or liability measured at fair value through profit or loss, any directly attributable transaction costs related to the acquisition or issuance of the financial asset or liability are added or deducted. Immediately after initial recognition, an expected credit loss allowance of a financial asset will be recognised if the financial asset is measured at amortised cost or at fair value through other comprehensive income. This results in an accounting loss in the income statement for recently originated or recently purchased financial assets.

Business model

The classification of financial assets is based on the business model, which refers to how OP Financial Group manages its financial assets to generate cash flows. At OP Financial Group, the business model is determined according to whether cash flows are generated solely from the collection of contractual cash flows, from both the collection of contractual cash flows and the cash flows obtained from selling the financial asset, or whether it involves trading. Financial assets within the trading business model are measured through profit or loss. When assessing the business model, OP Financial Group takes account of future measures to achieve the objective of the business model. The assessment includes previous experience in collecting cash flows, how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel, how risks are managed and how managers of the business are compensated. For example, OP Financial Group holds home loans it has granted to collect contractual cash flows. Likewise, for example, the objective of the business model of OP Financial Group's liquidity buffer is to collect contractual cash flows and to sell financial assets.

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest method uses the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument, excluding the expected credit losses (ECL). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Fees that are an integral part of the rate of a financial instrument include service and origination fees related to loan drawdown and they are amortised over the expected life of the financial instrument or a shorter period if appropriate. Fees that are not an integral part of the effective interest rate of a financial instrument are accounted for in accordance with IFRS 15. These include fees charged for servicing a loan, for example.

Loans and notes and bonds

The classification and subsequent measurement of loans and notes and bonds depend on the following factors:

- the business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset.

Based on these factors, OP Financial Group classifies loans and notes and bonds into the following measurement categories:

- At amortised cost. These financial assets are held according to a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The item's carrying amount is adjusted by any allowance for expected credit losses. Interest income is recognised in interest revenue using the effective interest method.
- Financial assets recognised at fair value through other comprehensive income (FVOCI). These financial assets are held according to a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset specify cash flows occurring on specific dates which are solely payments of principal and interest on the principal amount outstanding. Changes in the fair value are recognised in the fair value reserve. Impairment gains or losses and foreign exchange gains or losses are recognised in profit or loss. When a financial asset is derecognised, the cumulative profit or loss in the fair value reserve is reclassified from equity to profit or loss in net investment income as a reclassification adjustment. Interest calculated using the effective interest method is recognised in interest income.
- Financial assets measured at fair value through profit or loss. These are financial assets held for trading or financial assets which do not meet the criteria for either amortised cost or FVOCI. Gains and losses are recognised in net investment income. Interest income and expenses of held-for-trading notes and bonds and derivatives are presented in net investment income.

Cash flow characteristics

When OP Financial Group's business model is other than 'fair value through profit or loss' (FVTPL), OP Financial Group assesses whether contractual cash flows are consistent with a basic lending arrangement. In the basic lending arrangement, contractual cash flows are solely payments or principal and interest (SPPI) on the principal amount outstanding. The most significant interest elements are compensation for the time value of money, credit risk, lending risks and profit margin. The majority of OP Financial Group's financial assets are basic lending arrangements.

All loans granted to personal customers and some loans to corporate customers include the option for early repayment. However, the terms and conditions are consistent with the basic lending arrangement, as the amount payable before the due date corresponds to the contractual nominal amount and accrued (but unpaid) contractual interest, which may include an additional compensation for early termination of the contract.

OP Financial Group grants its corporate customers sustainable finance loans where achieving company-specific sustainability targets (such as on the reduction of greenhouse gas emissions) affects the loan margin level. OP Financial Group has assessed that the cash flows of such agreements are solely payments of principal and interest on the principal amount outstanding.

OP Financial Group uses the SPPI Test solution to test the cash flow characteristics of notes and bonds. If the test result is pass/fail, the SPPI test is either passed or failed with no further reviews. If the test result is 'further review required', the cash flow characteristics are reviewed using OP Financial Group's internal guidelines before the decision on classification. The solution identifies various elements in contract terms that affect whether the SPPI definition is met. Under Notes and bonds, OP Financial Group also has green bonds whose purpose is to finance projects that benefit the environment or promote social responsibility. The contractual cash flows of such bonds do not vary based on sustainability-related targets, and therefore do not affect the SPPI test.

When contractual cash flows are exposed to changes in, for example, stock prices or the borrower's financial result, it is not a basic lending arrangement. Such financial assets are measured at fair value through profit or loss. These are typically various fund investments which do not fulfil the definition of equity in the issuer's financial statements under IAS 32.

Embedded derivatives included in financial assets are not separated from the host contract but they are considered in the overall assessment of contractual cash flows.

Equity instruments

Equity instruments are instruments that evidence a residual interest in the assets of a company after deducting all of its liabilities. These are typically stock investments.

Equity instruments are subsequently measured at fair value through profit or loss. An exception to this is when OP Financial Group has made an irrevocable election at initial recognition for particular investments in equity instruments not held for trading – which would otherwise be measured at fair value through profit or loss – to present subsequent changes in fair value in other comprehensive income. Such investments do not currently exist. Capital gains or losses on these investments are not recognised through profit or loss but their dividends are recognised in other operating income. Dividends of equity instruments held for trading are recognised in net investment income in the income statement.

Modification of contractual cash flows of financial assets

Loan modifications involving changes to payment terms are made as a normal measure related to the management of customer relationship but also in situations where the customer's repayment capacity has deteriorated. A loan modification due to the customer's deteriorated repayment capacity is recognised as forbearance which typically means a repayment holiday for a limited time. Generally, in these cases, the contractual cash flows of a loan are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that loan. In such a case, the gross carrying amount of the loan is recalculated and a profit or loss on the modification is recognised in net interest income in the income statement. In addition, the loan's categorisation as forbearance transfers the loan to at least impairment stage 2. It falls within expected credit loss calculated for the entire period of validity for at least two years until the customer's repayment capacity has recovered.

Another precondition for the recovery is that after a probation period of at least two years:

- The customer has made regular and timely payments during at least half of the probation period, leading to the payment of a substantial aggregate amount of the principal or interest.
- None of the customer's exposures has been more than 30 days past due during the previous three months.

Loan modifications are subject to regular monitoring and reporting to the management as an indicator describing customers' repayment capacity.

If modifications to the loan terms are significant or the loan is renegotiated, OP Financial Group derecognises the original loan and recognises the modified new loan in the balance sheet. The loan modification date is consequently considered to be the date of initial recognition for the impairment calculation purposes. This typically means measuring the loss allowance at an amount equal to 12-month expected credit losses. OP Financial Group uses internal rating to classify reasons for modifications and severity classes to monitor whether there has been evidence that the new loan recognised has deemed to be credit-impaired at initial recognition. Accordingly, it is recognised as an originated credit-impaired financial asset. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset.

Otherwise, OP Financial Group derecognises financial assets when the contractual rights to the cash flows from the financial asset cease to be in force or it transfers the financial asset to another party and the transfer qualifies for derecognition.

Insurance companies' financial assets measured at fair value through profit or loss

The insurance company's interest rate risk on the balance sheet (ALM) is reviewed and managed on a holistic basis. Interest rate risk on the balance sheet means an aggregate of liquid fixed income investments, interest rate derivatives and insurance contract liabilities. The interest rate risk management strategy in the investment policy determines how and in what way the company is prepared to bear an open risk in relation to the market risk associated with the insurance contract liabilities. Fixed income and interest rate derivative investments are used to manage market risks associated with the insurance contract liabilities. Fixed income investments are mainly government or corporate bonds, while derivatives are chiefly interest rate swaps or options to them. The basic weight of the strategic allocation and the targeted interest rate sensitivity ratio of investments have been determined in such a way that the risk-adjusted investment return is as high as possible, considering the market situation, the company's risk-bearing capacity and solvency targets.

The classification of financial assets follows the investment policy. OP Financial Group has designated all financial assets covering insurance contracts as at fair value through profit or loss (fair value option) so as to eliminate or significantly reduce the so-called accounting mismatch in the measurement of these financial assets and the related insurance contract liabilities. The value change in these financial items is also recognised in profit or loss.

This financial asset classification applies to all Pohjola Insurance and OP Life Assurance Company investments. Investments covering life insurance unit-linked contracts, which can be both fixed income and equity investments, are designated as investments measured at fair value through profit or loss, because the related insurance contract liability or investment contract liability is recognised at fair value through profit or loss.

The balance sheet line 'Assets covering unit-linked contracts' includes assets covering unit-linked insurance and investment contracts, measured under IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. The value change in these assets is presented in the income statement under Net investment income.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise deposits and other liabilities to credit institutions and customers, debt securities issued to the public and other financial liabilities.

Financial liabilities are classified at amortised cost using the effective interest method, except for derivative liabilities measured at fair value through profit or loss. Liabilities held for trading also include obligations to deliver to the counterparty securities which have been sold but which are not owned at the time of selling (short selling). In addition, investment contracts with no entitlement to discretionary participation feature issued by insurance companies are designated as recognised at fair value through profit or loss.

At initial recognition, OP Financial Group has designated certain structured notes as recognised at fair value through profit or loss because the notes and the derivatives hedging them are managed and their performance is evaluated based on fair value. This accounting treatment reflects the nature of the products and their impact on profit or loss. These notes are presented in the balance sheet line Debt securities issued to the public. Fair value changes are recognised in the income statement, except for changes in own credit risk, which are recognised in equity.

A financial liability (or a part of a financial liability) is derecognised when it is extinguished – in other words, when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between OP Financial Group and original lenders of financial liabilities with substantially different terms must be accounted for as an extinguishment of the original financial liability. In such a case, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, the amortised cost of the modified financial liability will be recalculated by discounting the modified contractual cash flows using the original effective interest rate. Changes in the amortised cost of the financial liability are recognised through profit or loss. Costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. OP Financial Group has not made any exchanges of financial liabilities for the existing financial liabilities.

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	Financial assets designated as 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	1,268			8			**1,276**
Total	**120,337**	**12,176**	**2,085**	**23,027**	**1**	**681**	**158,306**

At the end of the financial year, 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). These are categorised into hierarchy level 2.

In the fair value measurement of promissory notes recognised at amortised cost, a price is sought for the loan that would be obtained from it on the reporting date if the loan were now granted to the customer. The average margin on the reporting date is determined by rating grade and the so-called valuation curve is formed from these. The 12-month Euribor is used as the base rate of the valuation curve for euro loans and the 6-month reference rate for other non-euro loans. The valuation curve is used to calculate a discount factor which is then applied to discount the loan's contractual cash flows to the reporting date. The sum of the discounted cash flows is the fair value. On 31 December 2024, the fair value of promissory notes was EUR 2,367 million higher than the carrying amount (3,416). These are categorised into hierarchy level 2.

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: 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	Hedging derivatives	Carrying amount total
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	1,121			42			1,163
Total	**120,748**	**11,588**	**2,556**	**21,356**	**1**	**850**	**157,098**

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	2,263		2,265
Total	**13,320**	**115,498**	**102**	**128,919**

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 credit institutions		74		74
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	2,432		2,437
Total	13,054	116,576	99	129,729

At the end of December, the fair value of OP Financial Group's senior and senior non-preferred bonds issued to the public and measured at amortised cost totalled around EUR 26,826 million (28,876), of which around EUR 15,732 million (21,424) are included in Level 1, around EUR 9,071 million (4,813) in Level 2 and around EUR 2,023 million (2,543) in Level 3. 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.

Note 18. Cash and deposits with central banks

Accounting policies

Cash and cash equivalents consist of cash, deposits with central banks and receivables from credit institutions repayable on demand. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	31 Dec 2024	31 Dec 2023
Cash	209	160
Deposits with central banks repayable on demand*	17,901	19,595
Total cash and deposits with central banks	**18,110**	**19,755**

* Deposits with central banks repayable on demand includes an overnight deposit of EUR 17,079 million made with the Bank of Finland (18,861).

In accordance with the Eurosystem's minimum reserve system, credit institutions must hold minimum reserves (reserve deposits) with their national central bank. The reserve deposit equals the required percentage of the reserve base, as specified by the European Central Bank. The reserve base includes deposits (extensive) and debt securities with a maximum maturity of two years. The reserve base does not include deposits from other parties subject to the minimum reserve requirement. Currently, the reserve deposit is 1% of the reserve base. Credit institutions within OP Financial Group place a reserve deposit with OP Corporate Bank plc. Acting as an intermediary authorised by OP Financial Group's credit institutions, OP Corporate Bank plc is responsible for OP Financial Group's obligation to place a deposit with the Bank of Finland.

Note 19. Receivables from credit institutions

Accounting policies

The balance sheet item 'Receivables from credit institutions' includes deposits repayable on demand, other than repayable on demand deposits and loans from credit institutions, and loss allowance. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	31 Dec 2024	31 Dec 2023
Receivables from credit institutions		
Deposits repayable on demand	167	191
Other than repayable on demand deposits	566	593
Other than repayable on demand loans and receivables	75	76
Loss allowance*	-1	-1
Total receivables from credit institutions	808	858

* Loss allowance is itemised in Note 36, Loss allowance regarding receivables and notes and bonds.

Note 20. Receivables from customers

Accounting policies

The balance sheet item 'Receivables from customers' includes loans to the public and public sector entities, finance lease receivables and loss allowance. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	31 Dec 2024	Adjusted 31 Dec 2023
Loans to the public and public sector entities	96,992	96,821
Finance lease receivables*	2,408	2,372
Guarantee receivables	3	4
Loss allowance**	-774	-881
Total receivables from customers	**98,629**	**98,316**

* Finance lease receivables are itemised in Note 26, Leases.

** Loss allowance is itemised in Note 36, Loss allowance regarding receivables and notes and bonds.

Note 21. Derivative contracts

Accounting policies

Derivative contracts

Derivative contracts are classified as hedging derivative contracts and derivative contracts held for trading. They include interest rate, currency, equity, commodity and credit derivatives. Derivatives are measured at fair value at all times.

Standardised OTC derivative transactions entered into with financial counterparties are cleared in London Clearing House and Eurex Clearing Ag, in accordance with EMIR (EU 648/2012). In the model used, the central counterparty (CCP) will become the derivatives counterparty at the end of the daily clearing process. The settlement accounting method used is the settled-to-market (STM) method where daily payments for derivatives are netted with the CCP. In addition, the fair value change of derivatives (variation margin) is either paid or received in cash. In the STM method, the daily payment is determined on a contractual basis as final payment and part of the derivative contract's cash flows. The daily payment is recognised as a fair value change through profit or loss. As a result, the derivative contract involves no fair value change other than the valuation difference between OP and the CCP. The difference is recognised in the balance sheet under derivative contracts, in either assets or liabilities. Other derivatives are presented in the balance sheet on a gross basis: positive value changes are presented under derivative contracts in assets, while negative value changes are presented under derivative contracts in liabilities.

Derivatives held for trading

The difference between interest received and paid on interest rate swaps held for trading is recorded in the income statement under Net investment income, and the corresponding interest carried forward is recognised in the balance sheet under Derivative contracts. Changes in the fair value of Derivatives held for trading are recorded in the income statement under Net investment income. For derivative contracts, positive value changes are presented in the balance sheet under 'Derivative contracts' in assets, while negative value changes are presented under 'Derivative contracts' in liabilities.

Hedging instruments

OP Financial Group has prepared methods and internal principles for hedge accounting, based on which a financial instrument can be designated as a hedging instrument. In accordance with the hedging principles, OP Financial Group can hedge against interest rate risk, currency risk and price risk by applying fair value hedge or cash flow hedge. Fair value hedging refers to hedging against changes in the fair value of the hedged asset, and cash flow hedging to hedging against changes in future cash flows. In OP Financial Group, the hedgeable risk categories are fair value and cash flow interest rate risks as well as currency risk.

Contracts are not accounted for according to the rules of hedge accounting if the hedging relationship between the hedging instrument and the related hedged item, as required by IAS 39, does not meet the criteria of the standard. OP Financial Group also enters into derivative contracts which are effectively used to hedge against financial risks according to the risk management strategy but which do not fulfil these criteria or to which hedge accounting is not applied. These are called economic hedges. The most significant of them include the interest rate hedges for euro-denominated fixed income investments in non-life and life insurance and the interest rate hedges for certain financial liabilities. Market risks associated with the insurance contract liabilities are managed using fixed income and interest rate derivative investments. Fixed income investments are mainly government or corporate bonds, while derivatives are chiefly interest rate swaps or options to them. All these instruments are recognised at fair value through profit or loss.

Hedge accounting will be discontinued prospectively if the hedging instrument expires, is sold, terminated or exercised or if it no longer fulfils the criteria set for the application of hedge accounting or its designation as a hedge is revoked. For this purpose, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such a replacement or rollover is part of the entity's documented hedging strategy. Additionally, for this purpose there is not an expiration or termination of the hedging instrument if as a consequence of laws or regulations or the introduction of laws or regulations, the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. For this purpose, a clearing counterparty is an entity that acts as a counterparty in order to effect clearing by a central counterparty.

Hedge accounting

Hedge accounting is used to verify that changes in the fair value of a hedging instrument or cash flows fully or partially offset the corresponding changes of a hedged item. The relationship between hedging and hedged instruments is formally documented. The documentation contains information on the Risk Appetite Framework, hedging strategy and the methods used to demonstrate hedge effectiveness. Hedge effectiveness is tested at the inception of the hedge and in subsequent periods by comparing respective changes in the fair value or cash flows of the hedging instrument and the hedged item. The existence of an economic relationship is assessed by qualitatively and quantitatively examining whether the key terms of the hedged item and the hedging instrument are similar. The hedge is considered effective if the change in the fair value of the hedging instrument or in cash flows offsets the change in the fair value of the hedged contract or portfolio or in cash flows within a range of 80–125%. The hedge ratio of hedging relationships is determined by matching the notional amount of derivatives to the principal of the hedged items. The hedge ratio for portfolio hedging can also apply to only a portion of the principal, and the hedge ratio can vary according to the company's risk management objectives.

Fair value hedges

Fair value hedging against interest rate risk involves individual long-term fixed-rate debt instruments (such as central bank debt, own issues and certain term deposit issues), individual bond and loan portfolios, as well as individual loans. A fair-value portfolio hedging model based on the IAS 39 EU carve-out version is applied to hedge against interest rate risk involved in the derivative clause of certain loans and demand deposit current and savings accounts with an interest rate cap or a fixed interest rate. For these hedging relationships, the prepayment option related to the hedged item causes ineffectiveness only rarely. The hedging instruments used include interest rate options, interest rate swaps, and interest rate and currency swaps.

For derivative contracts which are documented as fair value hedges and which provide effective hedges, fair value changes are recognised in the income statement. Hedged assets and liabilities are measured at fair value during the period for which the hedge is designated, and fair value changes of the hedged risk are recognised in the income statement. These balance sheet lines include hedged risk items: Receivables from customers, Liabilities to customers and Debt securities issued to the public.

In fair value hedge accounting, changes in the fair value of the hedging instrument and the hedged item are recorded in banking in the income statement under Net interest income. Any ineffectiveness that may arise from a hedging relationship may be caused by timing differences between the cash flows of the hedging instrument and the hedged item, and it is correspondingly recognised in the above-mentioned items.

When discontinuing hedge accounting, the carrying amount adjustment to fair value of the hedged financial instrument due to the risk to be hedged, to which the effective interest method applies, must be amortised to profit or loss by the financial instrument's maturity date. The adjustment is amortised based on a recalculated effective interest rate or using the straight-line method in portfolio hedges. However, if the hedged item is derecognised during the discontinuance of hedging, the fair value adjustment will also immediately be recognised in profit or loss.

Cash flow hedges

Cash flow hedges are used to hedge the interest rate and currency cash flows of variable-rate notes or bonds or other variable-rate assets and liabilities. In addition, cash flow hedges are used to hedge the future interest flows of the loan portfolio defined on the basis of reference interest rate linkage. The primary hedging instruments used are interest rate swaps and forward exchange contracts.

Derivative contracts which are documented as cash flow hedges and provide effective hedges are measured at fair value. The effective portion of the hedging instrument's fair value changes is recognised in other comprehensive income. Any ineffectiveness that may arise from a hedging relationship may be caused by timing differences between the cash flows of the hedging instrument and the hedged item, and it is recognised in the income statement under Net interest income. Fair value changes recognised in equity are included in the income statement in the period when hedged items affect net income. If the hedged cash flows are no longer expected to occur, the fair value changes from the hedging instrument are transferred from equity as an adjustment due to reclassification to profit or loss. In respect of revoked hedge designations, if the hedged cash flows are still expected to occur, accrued fair value changes will remain in equity as a separate item until the hedged cash flows affect the income statement if cash flows are expected to affect several reporting periods, the accrued amount will be amortised using the straight-line method.

Total derivatives 31 December

€ million	31 Dec 2024 Notional values	Fair values, assets	Fair values, liabilities	31 Dec 2023 Notional values	Fair values, assets	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 2, 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.

Derivatives held for trading

	31 Dec 2024				31 Dec 2023			
€ million	Notional values	Fair values, assets	Fair values, liabilities	of which sold options	Notional values	Fair values, assets	Fair values, liabilities	of which sold options
Interest rate derivatives	**121,594**	**1,128**	**1,553**	**10,711**	**125,007**	**1,397**	**1,551**	**16,016**
of which economic hedges	2,603	12	56	621	4,482	5	9	1,055
OTC options	21,009	346	323	10,635	26,827	740	525	16,016
OTC futures and interest rate swaps	100,435	782	1,230		96,985	657	1,026	
Cleared by the central counterparty (STM)	65,485	16	18		57,091	50	9	
Standardised interest rate swaps	150	0			1,195	0		
Equity and index-linked derivatives	**1,172**	**76**	**64**		**888**	**74**	**56**	
of which economic hedges	1,172	76	64		888	74	56	
OTC swap contracts	1,172	76	64		888	74	56	
Currency and gold derivatives	**42,671**	**567**	**571**		**56,420**	**788**	**928**	
of which economic hedges	3	0	0		4	0	0	
OTC options	399	1	1		766	2	2	
OTC forwards and interest rate and currency swaps	42,272	566	570		55,654	786	926	
Credit derivatives	**280**	**10**	**2**	**76**	**154**	**10**	**8**	
of which economic hedges	98	10	2		138	10	8	
OTC credit derivatives	280	10	2	76	154	10	8	
Cleared by the central counterparty (STM)	182	0	0	76				

	31 Dec 2024				31 Dec 2023			
	Notional values	Fair values, assets	Fair values, liabilities	of which sold options	Notional values	Fair values, assets	Fair values, liabilities	of which sold options
Commodity derivatives	**410**	**22**	**26**		**468**	**4**	**4**	
of which economic hedges	32		1					
OTC forwards and swap contracts	374	22	26		423	4	4	
Standardised futures	35	1			45	0		
Other derivatives	**56**				**73**	**16**	**16**	
Other standardised	56				73	16	16	
Interest on derivatives						49	67	
Total derivatives held for trading	**166,182**	**1,804**	**2,217**	**10,787**	**183,011**	**2,339**	**2,630**	**16,016**

Derivative contracts held for hedging – fair value hedge

€ million	31 Dec 2024 Notional values	Fair values, assets	Fair values, liabilities	of which sold options	31 Dec 2023 Notional values	Fair values, assets	Fair values, liabilities	of which sold options
Interest rate derivatives	104,629	634	107	5,835	106,510	632	245	7,098
OTC options	20,195	571	11	5,835	23,457	574	100	7,098
OTC futures and interest rate swaps	84,433	64	96		83,053	58	145	
Cleared by the central counterparty (STM)	82,287	16	9		80,973	52	69	
Total derivative contracts, fair value hedge	104,629	634	107	5,835	106,510	632	245	7,098

Derivative contracts held for hedging – cash flow hedge

€ million	31 Dec 2024 Notional values	Fair values, assets	Fair values, liabilities	of which sold options	31 Dec 2023 Notional values	Fair values, assets	Fair values, liabilities	of which sold options
Interest rate derivatives	3,406	2	0		5,753	1	3	
OTC futures and interest rate swaps	3,406	2	0		5,753	1	3	
Cleared by the central counterparty (STM)	3,406	2	0		5,753	1	3	
Currency and gold derivatives	1,407	57			3,195	134	115	
OTC forwards and interest rate and currency swaps	1,407	57			3,195	134	115	
Total derivative contracts, cash flow hedge	4,813	59	0		8,948	135	119	
Total derivative contracts in hedge accounting	109,442	693	108	5,835	115,458	767	364	7,098

Derivative contracts held for hedging – fair value hedge

€ million	31 Dec 2024 Nominal values/residual maturity < 1 year	1–5 years	< 5 years	Total	31 Dec 2023 Nominal values/residual maturity < 1 year	1–5 years	< 5 years	Total
Interest rate derivatives	16,004	63,771	24,854	104,629	16,424	60,436	29,650	106,510
Cleared by the central counterparty (STM)	12,322	50,869	19,095	82,287	13,572	45,880	21,521	80,973
Total derivatives	16,004	63,771	24,854	104,629	16,424	60,436	29,650	106,510

Derivative contracts held for hedging – cash flow hedge

€ million	31 Dec 2024 Nominal values/residual maturity				31 Dec 2023 Nominal values/residual maturity			
	< 1 year	1–5 years	< 5 years	Total	< 1 year	1–5 years	< 5 years	Total
Interest rate derivatives	302	2,964	139	3,406	1,341	3,581	832	5,753
Cleared by the central counterparty (STM)	302	2,964	139	3,406	1,341	3,581	832	5,753
Currency and gold derivatives	1,407			1,407	3,195			3,195
Cleared by the central counterparty (STM)								
Total derivatives	**1,709**	**2,964**	**139**	**4,813**	**4,536**	**3,581**	**832**	**8,948**

Average interest rates of interest rate swaps in hedge accounting – fair value hedge

	31 Dec 2024				31 Dec 2023			
	< 1 year	1–5 years	< 5 years	Total	< 1 year	1–5 years	< 5 years	Total
Interest rate derivatives								
Cleared by the central counterparty	0.826	1.187	1.632	1.326	2.578	4.265	4.666	4.008
OTC interest rate derivatives	2.264	2.674	3.551	2.880	-0.450	-0.221	3.009	0.379
Total interest rate derivatives	**0.877**	**1.245**	**1.678**	**1.377**	**1.064**	**2.022**	**3.838**	**2.194**

Average interest rates of interest rate swaps and currency swaps in hedge accounting related to significant currencies

	31 Dec 2024				31 Dec 2023			
	< 1 year	1–5 years	< 5 years	Total	< 1 year	1–5 years	< 5 years	Total
AUD			2.440	2.440			2.440	2.440
GBP		2.318		2.318		2.318		2.318
HKD	3.000	2.880		2.958		2.940		2.940
JPY	0.700		1.300	0.831		0.700	1.300	1.000
SEK						4.450		4.450
NOK			4.334	4.334			4.334	4.334
USD		3.823	2.930	3.607			3.607	3.607

Average interest rates of interest rate swaps in hedge accounting – cash flow hedge	31 Dec 2024 < 1 year	1–5 years	< 5 years	Total	31 Dec 2023 < 1 year	1–5 years	< 5 years	Total
Interest rate derivatives								
OTC interest rate derivatives	0.007	0.009	0.008	**0.008**	2.537	1.966	0.876	**1.862**
Total interest rate derivatives	**0.007**	**0.009**	**0.008**	**0.008**	**2.537**	**1.966**	**0.876**	**1.862**

Average prices of currency derivatives in hedge accounting related to significant currencies	31 Dec 2024 < 1 year	1–5 years	< 5 years	Total	31 Dec 2023 < 1 year	1–5 years	< 5 years	Total
Currency derivatives								
Forward exchange contracts								
Average EUR:CHF	0.953			**0.953**	0.942			**0.942**
Average EUR:GBP	0.861			**0.861**	0.886			**0.886**
Average EUR:USD	1.007			**1.007**	1.094			**1.094**

Effects of hedge accounting on financial position and result

€ million	Interest rate risk hedge 31 Dec 2024	31 Dec 2023
Fair value hedges		
Carrying amount of hedged receivables*	32,557	35,906
- of which the accrued amount of hedge adjustments**	-1,047	-1,774
Carrying amount of hedged liabilities***	43,091	38,409
- of which the accrued amount of hedge adjustments****	-1,002	-1,770
Remaining hedge adjustment amount of discontinued hedges	46	82

€ million	Interest rate risk hedge 31 Dec 2024	31 Dec 2023
Fair value hedges		
Changes in fair value of hedging derivatives	137	1,324
Change in value of hedged item that is used as basis for recognition of ineffective hedge during period	-154	-1,313
Hedge ineffectiveness presented in income statement	-18	12

* Presented in the balance sheet under Receivables from customers and Investment assets.

** The figures also take account of adjustments between the fair value reserve and the income statement related to hedge accounting. Portfolio hedging accounts for –578 (–1023) million.

*** Presented in the balance sheet under Liabilities to customers, Debt securities issued to the public and Subordinated liabilities.

**** Portfolio hedging accounts for –161 (–409) million.

€ million	Interest rate risk hedge 31 Dec 2024	31 Dec 2023
Cash flow hedges		
Changes in fair value of hedging derivatives	83	130
Change in value of hedged item that is used as basis for recognition of ineffective hedge during period	-82	-123
Hedge ineffectiveness presented in income statement	1	7
Change in cash flow hedge reserve concerning continuous hedges	90	156
Change in cash flow hedge reserve concerning terminated hedges	2	8

Note 22. Investment assets

Accounting policies

The item 'Investment assets' presents insurance companies' financial assets designated as at fair value through profit or loss and financial assets held for trading. The item also presents financial assets at fair value included in the liquidity buffer and recognised through other comprehensive income, and notes and bonds recognised at amortised cost. The item also presents investment property and associates.

€ million	31 Dec 2024	Adjusted 31 Dec 2023
Financial assets at fair value through other comprehensive income		
Notes and bonds	12,176	11,588
Shares and participations	0	0
Total	**12,176**	**11,588**
Financial assets held for trading		
Notes and bonds	206	216
Shares and participations	62	84
Total	**268**	**300**
Financial assets that must be measured at fair value through profit or loss		
Notes and bonds		
Shares and participations	1	1
Total	**1**	**1**
Financial assets designated as at fair value through profit or loss		
Notes and bonds	6,090	6,383
Shares and participations	2,757	2,349
Loans and receivables	8	42
Total	**8,854**	**8,775**
Amortised cost		
Notes and bonds	1,521	697
Loans and receivables	1	3
Total	**1,522**	**700**
Investment property	500	527
Associates and joint ventures		
Associated companies		
Companies consolidated using the equity method	29	31
Recognised at fair value through profit or loss	184	106
Joint ventures	2	1
Total	**215**	**138**
Total investment assets	**23,537**	**22,029**

Investments in associates and joint ventures

OP Financial Group has 18 (14) associates and 3 (3) joint ventures which are not significant when reviewing them one by one. The table above shows OP Financial Group's share of the profit or loss of these associates and joint ventures. A total of 15 (11) of the private equity funds treated as associates have been measured at fair value in accordance with IAS 28.

OP Financial Group's investments in associates and joint ventures have no quoted market price.

No contingent liabilities are involved in the associates or joint ventures. Joint ventures do not involve any off-balance sheet commitments related to the arrangement of financing or resources, or obligations to acquire another investor's ownership interest resulting from certain future events.

Investment property

Investment property is land and/or buildings or part of it held to earn rental income or for capital appreciation. Property, a minor part of which is used by the owner company or its personnel, is also accounted for as investment property. However, a part of property used by the owner company or its personnel is not accounted for as investment property if the part can be sold separately. Investment property is shown as investment assets in the balance sheet.

Initially, investment property is recognised at cost which includes transaction costs. It is subsequently measured at fair value. Investment property under construction is also measured at fair value, but only if the fair value can be determined reliably. Any changes in fair value are recognised in the income statement, in net income from investment property under net investment income.

The fair value of property, residential buildings and land areas is primarily determined using the market approach, based on information on the actual transaction prices of similar properties and on OP Financial Group's internal expertise. In the fair value of undeveloped plots, OP Financial Group has taken account of the planning and market situation at the time of valuation. The fair value of major property holdings is based on valuation reports drawn up by Authorised Property Valuers. External valuers use a cash flow analysis as the basis for their valuation.

Key sources of estimation uncertainty

The measurement of investment property at fair value is partially based on the management's estimates of the market value of property holdings.

Note 39, Recurring fair value measurements by valuation technique, presents a sensitivity analysis related to the valuation of investment property.

Changes in investment property, € million	2024	2023
At financial year start	527	561
Transfer from property in own use	5	15
Fair value changes	0	-29
Decreases due to sales	-32	-21
At financial year end	500	527

Any changes in the fair value of investment property are recognised under net investment income.

OP Financial Group companies do not own investment property to which restrictions concerning their transfer and sales price under the legislation on state-subsidised housing loans would apply.

Investment property leased out under operating leases is itemised in Note 26, Leases.

Investment property contains property used as collateral worth EUR 0 million (0).

Note 23. Assets covering unit-linked contracts

Accounting policies

Assets covering unit-linked contracts include investments covering contracts measured under IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. These investments have been measured at fair value. The accounting policies are described in more detail in Note 31, Insurance contract assets and liabilities.

€ million	31 Dec 2024	31 Dec 2023
Shares and participations	13,578	12,020
Notes and bonds	594	561
Total	**14,172**	**12,581**

Of the fair value of assets underlying unit-linked contracts, EUR 5,049 million (4,645) is covering insurance contracts under the IFRS 17 VFA model. The item consists of shares and participations as well as notes and bonds. The remaining assets are included in contracts measured under IFRS 9 Financial Instruments.

Note 24. Intangible assets

Accounting policies

Goodwill, brands, acquired insurance portfolios, customer relationships and information systems are presented under intangible assets on the balance sheet.

Goodwill

For business combinations, OP Financial Group recognises the resulting goodwill to the amount at which the combined fair value of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree and the previous holding exceeds OP Financial Group's share of the fair value of the acquired assets and assumed liabilities.

Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU), which are business segments, entities belonging to them or their internal business units. From the time of acquisition, goodwill is allocated to those CGUs or groups generating cash flow that are expected to benefit from synergies arising from the combination of businesses. Goodwill is also allocated to the lowest level at which it is monitored for the purpose of internal management. If OP Financial Group reorganises its internal reporting structure, goodwill is allocated to the CGUs subject to such reorganisation in proportion to their fair values or based on another method that better reflects the goodwill related to the transferred business.

Testing goodwill for impairment

The cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment every year or whenever there is any indication of reduced goodwill of the unit. Impairment testing is performed by comparing the CGU's net carrying amount, including goodwill, to the CGU's recoverable amount.

Forecasts used in cash flow statements are based on the cash flow expected for the next five years and on the terminal value of the testing unit, both of which are discounted to present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. Cash flow forecasts derive from the strategy process based on the guidelines for OP Financial Group's development, confirmed by the Supervisory Council of OP Cooperative, and the related derived expectations of the future development of businesses.

Impairment loss on goodwill cannot be reversed under any circumstances.

Value of acquired insurance portfolio

An intangible asset corresponding to the value of an acquired insurance portfolio is recognised if the insurance portfolio is acquired directly from another insurance company or through the acquisition of a subsidiary. The fair value of acquired insurance contracts is determined by estimating the present value of future cash flows based on the insurance portfolio on the acquisition date. At initial recognition, the fair value of acquired insurance contracts is divided into two parts: a liability associated with insurance contracts measured in accordance with the applicable principles on the acquisition date, and an intangible asset. After acquisition, the intangible asset is amortised either on a front-loaded basis or a straight-line basis, depending on the business, over the estimated useful lives of the acquired contracts. Useful lives are reviewed annually. The value is amortised over 1–4 years for non-life insurance and 10–15 years for life insurance. An intangible asset is tested every year.

Customer relationships

Identifiable customer relationships acquired through business combinations are measured at fair value at the time of acquisition. This intangible asset arising from customer relationships is amortised on a straight-line basis over the asset's estimated useful life. The estimated useful life of OP Financial Group's acquired customer relationships is 5–15 years.

Brands

Identifiable brands acquired through business combinations are measured at fair value at the time of acquisition. The estimated useful lives of brands are estimated to be indefinite since they will generate cash flows for an indefinable period. These will not be amortised. Such OP Financial Group's brands originate entirely from the acquisition of Pohjola Group plc's business operations. Impairment testing was carried out separately for the Pohjola and A-Vakuutus (A-Insurance) brands, in accordance with IAS 36.

The value of brands is tested annually for impairment. The value of the brands was determined by using a method where their value was determined to be royalty savings accrued in the future from owning the brands, discounted to the present. The discount rate used in testing brands is the market-based weighted average cost of capital defined for the non-life insurance business, plus an asset-specific risk premium of 3%. The testing period of the brands has been determined to be five years under IAS 36.

Information systems

Information systems are measured at cost less amortisation and any impairment losses. In general, software and licences are amortised over 4 years and other intangible assets over 5 years.

The development costs of internally generated information systems are capitalised from the time when they can be determined reliably, completing the asset is technically feasible and the asset can be used or sold and it has been demonstrated that the software will generate future economic benefit. The capitalised expenditure includes, for example, licence fees, purchased services, other external costs related to projects and inhouse work. The asset will be amortised from the time it is ready for use. An asset that is not yet ready for use is assessed annually for impairment. Research costs are recognised as expenses for the financial year. Information systems are written off from accounting when they have been fully amortised. Acquisition costs of information systems include only those assets whose acquisition costs have not yet been fully recognised as amortisation expense.

Impairment of PPE and intangible assets

On each balance sheet date, an assessment is made to determine if there is any indication of an asset's impairment. If such indication exists, the amount recoverable from the asset will be estimated. Regardless of the existence of such indication, the recoverable amount is annually estimated for assets not yet available for use, goodwill and intangible assets with indefinite useful lives (brands). If the carrying amount of an asset is greater than its estimated recoverable amount, the excess amount is recognised as an expense.

The recoverable amount is the higher of an asset's fair value less costs to sell (net selling price) or value in use. The recoverable amount is primarily determined on the basis of the asset's net selling price, but if this is not possible, the asset's value in use must be determined. The asset's value in use equals the net present value of future cash flows expected to be recoverable from the asset. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. The need for impairment of the annually tested assets stated above is always determined on the basis of value-in-use calculations.

If the asset's net selling price cannot be determined and the asset does not generate cash flows independent of other assets, the need for impairment will be determined through the cash-generating unit (CGU) or the business segment – or its company – to which the asset belongs. In such a case, the carrying amounts of the unit's assets are compared with the entire unit's recoverable amounts.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset may not exceed the carrying amount of the asset that would have been determined had no impairment loss been previously recognised.

Sources of estimation uncertainty

Goodwill, assets with indefinite useful lives and intangible assets not yet available for use are tested annually for impairment. The recoverable amount determined in the impairment test is usually based on value in use. Its calculation requires estimates of future cash flows and the applicable discount rate.

Changes in intangible assets, € million	Goodwill	Brands	Customer relationships related to insurance contracts and policy acquisition costs	Information systems	Total
Acquisition cost 1 January 2024	631	166	507	895	2,199
Increases*				58	58
Decreases				-3	-3
Transfers between items				-28	-28
Acquisition cost 31 December 2024	631	166	507	922	2,227
Accumulated amortisation and impairments 1 January 2024	-3	-4	-480	-649	-1,135
Amortisation for the financial year			-9	-73	-82
Impairments for the financial year				-3	-3
Decreases				3	3
Transfers between items				12	12
Accumulated amortisation and impairments 31 December 2024	-3	-4	-489	-710	-1,205
Carrying amount 31 December 2024	629	162	18	213	1,022

* Internal development accounts for EUR 9 million.

Changes in intangible assets, € million	Goodwill	Brands	Customer relationships related to insurance contracts and policy acquisition costs	Information systems and other	Total
Acquisition cost 1 January 2023	631	166	507	831	2,135
Increases*				67	67
Decreases				-3	-3
Transfers between items				0	0
Acquisition cost 31 December 2023	631	166	507	895	2,199
Accumulated amortisation and impairments 1 January 2023	-3	-4	-470	-506	-983
Amortisation for the financial year			-9	-108	-117
Impairments for the financial year				-36	-36
Decreases				1	1
Accumulated amortisation and impairments 31 December 2023	-3	-4	-480	-649	-1,135
Carrying amount 31 December 2023	629	162	28	246	1,065

* Internal development accounts for EUR 12 million.

Information systems and other

Carrying amount, € million	31 Dec 2024	31 Dec 2023
Information systems	97	135
Information systems under development	116	111
Total	213	246

An impairment test is performed for intangible rights whenever their is any indication that the asset's value may have decreased. An intangible right not yet available for use is also tested for impairment twice a year and whenever there is any indication that the value of the unfinished intangible right may be impaired. For an unfinished intangible asset, it is tested whether it can generate sufficient future economic benefits to cover its carrying amount and whether OP Financial Group has the capability to complete the asset technically.

Intangible assets with an indefinite useful life

€ million	31 Dec 2024	31 Dec 2023
Goodwill	629	629
Brands	162	162
Total	791	791

The useful lives of brands acquired through business combinations are estimated to be indefinite, because they are expected to generate cash flows for an indefinite period. OP Financial Group brands Pohjola and A-Vakuutus (A-Insurance) originate entirely from the acquisition of Pohjola Group plc's business operations.

Customer relationships related to insurance contracts and policy acquisition costs

An intangible asset related to customer relationships and insurance contracts has been allocated to OP Financial Group's balance sheet, which arose as part of the acquisition of Aurum Investment Insurance Ltd in 2012 and the transfers of Suomi Mutual's portfolio in 2015 and 2016. Intangible assets originating from life insurance customer relationships as well as from life insurance contracts are charged to expenses over their estimated useful lives.

Goodwill impairment test

Goodwill, € million

Segment	2024	2023
Insurance	449	449
Corporate Banking	180	180
Total	629	629

At the end of 2024, goodwill amounted to a total of EUR 629 million (629).

The testing period and the duration of cash flows for the forecast period were determined to be five years under IAS 36. A growth expectation in cash flows for the post-forecast period was reviewed for each cash-generating unit (CGU). A growth expectation for the previous forecast period, or a maximum of 2%, was used as the constant growth of the terminal period. Cash flow forecasts derive from the strategy process based on the guidelines for OP Financial Group's development, confirmed by the Supervisory Council of OP Cooperative, and the related derived expectations of the future development of businesses. Cash flow forecasts for each testing unit has been approved by the board of directors of the business that made the forecast. The forecasted cash flows of the cash-generating units have been discounted to present value using a discount rate corresponding to the weighted average cost of capital. Industry-specific market information has been used as the basis for calculating the discount rate. The discount rate reflects investors' views on the business risks and the expected return on capital tied to the investment. In 2024, the discount rate used in the calculations before tax varied from 7.8 to 8.2%. In 2023, the discount rate varied from 6.8 to 9.2%. The discount rates were adjusted based on market information as follows: the discount rate was lowered for non-life insurance by 0.4 percentage points to 7.8%, for life insurance by 0.1 percentage points to 8.1%, and for asset management and mutual fund business by 1.2 percentage points to 8.0%. For the Transaction Banking business unit, the discount rate was increased by 1.4 percentage points to 8.2%. Impairment testing in 2024 showed that, in each tested cash-generating unit, the recoverable amount exceeded the net carrying amount, including goodwill. Therefore, no need for impairment loss recognition of goodwill was identified based on the testing.

Sensitivity analysis of goodwill

Sensitivity analysis for cash-generating units was performed separately for each CGU based on the key variables of each CGU. Sensitivity was reviewed as a change in a single variable relative to the values used in forecasts. The sensitivity analysis does not include simultaneous changes in all key variables. In addition, the relative change in each CGU's key variable, which would cause goodwill impairment risk, was derived from the sensitivity analysis.

The table below presents the key assumptions used for calculating a CGU's recoverable amount and the relative change which would cause goodwill impairment risk.

Segment	Cash-generating unit (CGU)	Goodwill, € million	Key variables	Value used in cash flow forecasts, %	Change caused by impairment risk, pp
Insurance	Pohjola Insurance Ltd	400	Discount rate, %	7.8	2.4
			Combined ratio, %	86,0–88,0	3.6
			Net investment income, %	2,6–2,6	-1.7
	OP Life Assurance Company Ltd	49	Discount rate, %	8.1	4.4
			Growth in operating expenses, %	0,5–51,4	5.6
			Net investment income percentage,	1,3–1,3	-1.4
Corporate Banking	OP Asset Management Ltd	97	Discount rate, %	8.0	17.9
			Growth in assets under	10,5-11,0	-9.3
			Growth in expenses, %	-4,7-67,9	6.9
	OP Fund Management Company Ltd	71	Discount rate, %	8.0	13.3
			Growth in fund assets, %	10,5-11,0	-10.5
			Growth in fixed expenses, %	-3,0-13,8	13.4
	Transaction Banking, business unit	13	Discount rate, %	8.2	4.7
			Loan portfolio growth, %	2,7-3,4	-7.6
			Growth in expenses, %	-1,0–1,5	10.3

Impairment testing for brands

Impairment testing for brands was carried out separately for the Pohjola and A-Vakuutus (A-Insurance) brands. Forecasts used in cash flow statements are based on long-term plans approved by the Non-life Insurance management and on cash flow forecasts for the next 5 years derived from them. A 2% growth expectation was used as growth in cash flows for post-forecast periods. Based on impairment testing, there is no need to recognise any impairment loss on brands in the financial statements for 2024.

Note 25. Property, plant and equipment

Accounting policies

Property, plant and equipment (PPE) assets are carried at cost less accumulated depreciation and any impairment losses. These assets are depreciated on a straight-line basis over their estimated useful lives. Land is not subject to depreciation. Subsequent expenditures are capitalised at the asset's carrying amount only if it is probable that the asset will generate greater economic benefits than initially estimated.

The estimated useful lives are mainly as follows:

Buildings	20–50 years
Machinery and equipment	3–10 years
Cars	2–6 years
Other PPE assets	3–10 years

The assets' residual value and useful lives are reviewed on each balance sheet date and adjusted as appropriate if expectations differ from previous estimates with respect to economic benefits. PPE assets are written off from accounting when they have gone out of use.

€ million	31 Dec 2024	31 Dec 2023
Property in own use		
Land and water areas	32	33
Buildings	139	153
Machinery and equipment	33	26
Other PPE assets	24	14
Right-of-use assets	165	172
Total property, plant and equipment	**392**	**398**
of which construction in progress	2	1

Changes in property, plant and equipment (PPE) and investment property, € million	Property in own use	Machinery and equipment	Other PPE assets	Leased out assets	Total property, plant and equipment
Acquisition cost 1 January 2024	**544**	**52**	**15**	**1**	**612**
Increases	27	16	13		56
Decreases	-22	-7	-8	-1	-37
Transfers between items	-3	0	17		14
Acquisition cost 31 December 2024	**545**	**62**	**38**		**645**
Accumulated depreciation and impairments 1 January 2024	-357	-26	-1	-1	-386
Tilikauden poistot	-9	-8	-1		-18
Impairments for the financial year	-12				-12
Reversal of impairments for the financial year	0				0
Decreases	4	5	0	1	10
Transfers between items	0	0	-11		-11
Accumulated depreciation and impairments 31 December 2024	-375	-29	-13		-417
Right-of-use asset*					165
Carrying amount 31 December 2024	**170**	**33**	**24**		**392**

* Note 26, Leases

Changes in property, plant and equipment (PPE) and investment property, € million	Property in own use	Machinery and equipment	Other PPE assets	Leased out assets	Total property, plant and equipment
Acquisition cost 1 January 2023	**566**	**56**	**15**	**1**	**638**
Increases	12	13	6		31
Decreases	-20	-16	-7		-42
Transfers between items	-15	0			-15
Acquisition cost 31 December 2023	**544**	**52**	**15**	**1**	**612**
Accumulated depreciation and impairments 1 January 2023	-341	-30	-1	-1	-373
Depreciation for the financial year	-11	-8	0		-19
Tilikauden arvonalentumiset	-22				-22
Reversal of impairments for the financial year	0				0
Decreases	16	12	0		28
Accumulated depreciation and impairments 31 December 2023	-357	-26	-1	-1	-386
Right-of-use asset*					172
Carrying amount 31 December 2023	**186**	**26**	**14**		**398**

* Note 26, Leases

Note 26. Leases

Accounting policies

At the inception of the lease, OP Financial Group assesses whether the contract concerned is a lease or contains a lease. The contract is a lease treated under IFRS 16 if the following conditions are fulfilled in all respects:

- The contract is based on control over an identified asset in such a way that OP Financial Group has the right to decide on use of the asset throughout the lease period if OP Financial Group is the lessee, and the customer and its Group companies have decision-making powers related to use of the asset if OP Financial Group is the lessor.
- The contract includes rights and obligations and related payments.
- The asset identified in the contract is used only by OP Financial Group or its employees if OP Financial Group is the lessee, and by the customer or its Group companies if OP Financial Group is the lessor.

Recognition of leased right-of-use assets

Leased right-of-use assets are presented in PPE assets and are mainly derecognised during the lease term. The corresponding lease liability is presented in other liabilities and the related interest expenses are presented in net interest income. Service charges related to leases, which are separated from the lease amount, are presented in other operating expenses. Separating the service charge is performed by right-of-use asset class.

For leased contracts, OP Financial Group defines the lease term as follows:

- A fixed term that cannot be extended or terminated without any good reason or sanction or
- based on management judgement, for a maximum of three years if the contract concerns a property lease until further notice to which a mutual notice period applies. If the lease is initially fixed-term but becomes valid until further notice when renewed (as described above), the lease term is a combination of these. When such a lease has been terminated, the notice period is defined as the lease term. When determining the lease term, OP Financial Group ascertains whether it can be reasonably certain that the lessee will occupy the premises long-term, due to the leased property's central location and possible lack of substitute premises.
- the lessor's notice period if the contract involves a lease other than property leased until further notice, to which a mutual notice period applies. After the end of the notice period, the lease term will be renewed with a new notice period unless the lease has been terminated. When determining the lease term, OP Financial Group ascertains whether it can be reasonably certain that leases have been concluded long-term because their termination and renewal would not be profitable or
- the useful life of the leased property if it is shorter than the lease terms defined in a matter mentioned above.

In calculating lease liability, OP Financial Group usually applies the incremental borrowing rate of the lessor. The interest rate quoted by the OP Financial Group Treasury is used as the incremental borrowing rate applied by the Treasury when lending to OP cooperative banks and OP Financial Group's subsidiaries.

OP Financial Group applies entry concessions allowed for lessees. Expenses of low-value and short-term leases for the financial year are recognised in other operating expenses. These leases include laptops, mobile phones and smaller devices and devices and machines leased on a one-time basis.

OP Financial Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset concerned has impaired. On the end date of each reporting period, OP Financial Group assesses whether there are indications that an asset is impaired. If there are such indications, OP Financial Group evaluates the asset's recoverable amount. An asset is impaired when its carrying amount exceeds its recoverable amount.

OP Financial Group's leased contracts are mainly related to premises, company cars and safety devices.

Recognition of assets leased out

On the date of inception, OP Financial Group classifies leased out assets as finance leases or operating leases, depending on the substance of the transaction. A lease is classified as a finance lease if it substantially transfers all risks and rewards incident to ownership to the lessee. All other leases are classified as operating leases. Lease classification is performed at the inception of the lease.

Assets leased out under finance lease are recorded as receivables from customers in the balance sheet. The asset is recognised to the amount equal to the net investment in the lease. Finance income from the lease is recognised in interest income based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

Assets leased out under operating lease are shown under property, plant and equipment and are depreciated on a straight-line basis over the lease term. Lease income is presented under other operating income and is recognised on straight-line basis over the lease term. The fixed duration specified in the contract is determined as the lease term in the leased contracts. It cannot be extended or terminated without a good reason or sanction.

	2024			2023		
Right-of-use assets, € million	Buildings	Machinery and equipment	Total	Buildings	Machinery and equipment	Total
Carrying amount 1 January	168	4	172	153	5	158
Increases	5	3	8	15	1	16
Decreases		0	0		0	0
Depreciation for the financial year	-26	-2	-28	-24	-3	-27
Impairments for the financial year	0		0	0		0
Value changes for the financial year	13	0	13	24	0	24
Other changes	1		1	0		0
Carrying amount 31 December	161	4	165	168	4	172

Lease liabilities, € million	31 Dec 2024	31 Dec 2023
* Carrying amount	225	239
Contractual maturities		
< 1 year	37	36
1–2 years	36	33
2–3 years	32	32
3–4 years	22	23
4–5 years	21	21
5–6 years	19	20
6–7 years	18	18
7–8 years	18	18
8–9 years	18	17
9–10 years	18	17
Over 10 years	5	20

* Note 33, Provisions and other liabilities.

Items entered in the income statement, € million	31 Dec 2024	31 Dec 2023
Interest expenses	-4	-4
Depreciation on right-of-use assets	-28	-27
Impairment of right-of-use assets	0	0
Lease income received from sublease	1	1
Expenses related to variable lease payments not included in lease liabilities	0	0
Gains or losses arising from sale and leaseback transactions	0	0
Expenses from short-term and low-value leases	-6	-6
Total cash flow from leases	**-43**	**-47**

Lessor's operating leases

OP Financial Group companies have leased out investment property they own.

Minimum lease payments receivable under operating leases

€ million	31 Dec 2024	31 Dec 2023
< 1 year	37	42
1–2 years	25	26
2–3 years	23	22
3–4 years	20	21
4–5 years	17	18
Over 5 years	73	82
Total	195	210

Finance lease receivables

OP Financial Group uses finance leases to finance moveable capital assets, real property units and other premises.

Maturity of finance lease receivables, € million	31 Dec 2024	31 Dec 2023
< 1 year	756	770
1–2 years	665	598
2–3 years	448	482
3–4 years	306	286
4–5 years	174	182
Over 5 years	200	218
Gross investment in finance leases	2,550	2,536
Unearned finance income (–)	-142	-164
Present value of minimum lease payments	**2,408**	**2,372**

Present value of minimum lease payment receivables, € million	31 Dec 2024	31 Dec 2023
< 1 year	708	719
1–2 years	633	563
2–3 years	429	459
3–4 years	294	272
4–5 years	167	173
Over 5 years	177	186
Total	**2,408**	**2,372**

Items entered in the income statement, € million	31 Dec 2024	31 Dec 2023
Interest income from finance lease receivables	102	87

Note 27. Other assets

Accounting policies

Other assets include items such as payment transfer receivables, pension assets, commission receivables from asset management, subscription, redemption and management fee receivables from funds, insurance contract acquisition costs, accrued income and prepaid expenses, derivatives receivables (central counterparty clearing), CSA receivables from derivative contracts, securities receivables and receivables from insurance business. The item includes EUR 155 million (84) for the closing out of a position on an emissions allowance forward contract, in the 'Other' row. Emissions allowance transactions are based on trading services provided to meet customers' needs. All OTC emissions allowance forward contracts involve physical delivery: emissions allowances held and OTC emissions allowance forward contracts are recognised at fair value through profit or loss, and changes in fair value are presented in financial assets held for trading. Claims administration contracts are contracts which are not insurance contracts, but on the basis of which claims are paid on behalf of another party which has full risk for its own account. Such items are included in both receivables (Note 27) and liabilities (Note 33).

Cloud computing arrangements

In cloud computing arrangements or cloud services – in other words Software as a Service (SaaS) or Infrastructure as a Service (IaaS) – the software vendor has partial or full control over the software or service concerned. OP Financial Group does not capitalise fees for software or services controlled by the vendor as intangible assets.

The development costs of a cloud computing arrangement, before its implementation, are recognised in prepayments under other assets. The amount capitalised in prepayments constitutes costs related to the implementation project and customisation that are performed by the service provider before the service provider is able to produce the service for OP Financial Group. Costs capitalised in prepayments are an integral part of the service and they are not separable from the service itself. Prepayment costs are spread over the contract period from the date when the service is ready for use.

€ million	31 Dec 2024	Adjusted 31 Dec 2023
Payment transfer receivables	158	147
Pension assets	249	194
Commission receivables from asset management	1	1
Subscription, redemption and management fee receivables	30	27
Insurance contract acquisition costs	261	247
Accrued income and prepaid expenses	155	132
Derivatives receivables, central counterparty clearing	71	11
CSA receivables from derivative contracts	366	308
Securities receivables	57	26
Other receivables from insurance business	32	61
Claims administration contracts	100	119
Other	298	286
Total	**1,780**	**1,560**

Note 28. Deferred tax assets and liabilities

Accounting policies

Deferred tax liabilities are recognised for temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax assets are calculated on tax-deductible temporary differences between the carrying amount and taxable value included in the financial statements, and on losses confirmed for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are not recognised insofar as taxable profits are not likely to be generated against which taxable losses or refunds can be utilised. The greatest temporary differences arise from tax provisions (such as loss provision) and measurement of investments at fair value.

Deferred tax assets and liabilities are offset within each company. Deferred tax assets and liabilities resulting from consolidation are not offset.

OECD Pillar 2 – Minimum Tax Rate Act

The act on the minimum tax rate for large-scale corporate groups (Laki suurten konsernien vähimmäisverosta 1308/2023), or the Minimum Tax Rate Act, is based on the EU Directive on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union. The EU Directive is based on OECD's global minimum tax regulation, the OECD Pillar 2. The objective of the OECD Pillar 2 is that groups of companies pay at least a minimum rate of tax, regardless of their countries of operation. The minimum tax rate is assessed for each country and the effective minimum tax rate should be at least 15%. Regulation applies to group units that are located within the EU and are part of a multinational group or a large Finnish group if its total net sales, as referred to in regulation, are at least EUR 750 million. In Finland, the Minimum Tax Rate Act entered into force on 1 January 2024. Reports to the Finnish Tax Administration under the Minimum Tax Rate Act must be made after 15 months of the end of the financial year, at the latest. For the transition year (meaning the first financial year during which the group falls within the scope of the Minimum Tax Rate Act), the time limit is 18 months from the date of the end of the financial year.

The Minimum Tax Rate Act is applied to OP Financial Group companies and groups as required by the act. In its group structure, OP Financial Group currently has two groups reporting in accordance with the Minimum Tax Rate Act: the multinational enterprise group formed by OP Cooperative and the domestic group formed by Uudenmaan Osuuspankki. The most significant constituent entities of the above-mentioned groups falling within the scope of the Minimum Tax Rate Act will apply the temporary transitional provision of the Act for the years 2024–2026. During this period, they will not perform computation required by the Minimum Tax Rate Act to the extent defined by the regulation. Application of the transitional provision under the Minimum Tax Rate Act is based on OP Financial Group's historical data and its assessment of the transitional provision's applicability to OP Financial Group's constituent entities and their branches. According to the current assessment, OP Financial Group is obligated to perform the calculation and reporting required by the Minimum Tax Rate Act starting from the financial year 2027.

Changes to IAS 12 Income Taxes related to OECD Pillar 2

The IASB amended IAS 12 Income Taxes in May 2023. The amendment extended the scope of IAS 12 Income Taxes to include income taxes under OECD Pillar 2 and the related disclosures in financial statements. The amendments also introduced a temporary exception for accounting for deferred tax, arising from the implementation of the Pillar 2 model rules. This temporary exception is applied retrospectively in accordance with IAS 8. Under the temporary exception, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes. OP Financial Group applies the temporary exception under IAS 12 Income Taxes.

Deferred tax assets, € million	1 Jan 2024	Transfers between items	Recognised in the income statement	Recognised in other comprehen-sive income	Recognised in equity	31 Dec 2024
Tax losses	32		0			32
Impairment loss and depreciation/amortisation on PPE and intangible assets	2		0			2
Notes and bonds	14			9		24
Provisions	0		0			0
Impairment loss on receivables	0		25			25
Cash flow hedges	47		1	-19		29
Defined benefit pension plans	18		0	-1		17
Insurance and reinsurance contracts	3		-2			0
Leases*	13		-1			12
Derivative timing differences	32		-5			28
Measurement of insurance investments at fair value	-14	14				0
Measurement of investment property at fair value	0					0
Consolidations	28		-2	0		26
Other temporary differences	75		-16	0		58
Set-off against deferred tax liabilities						-176
Total	**251**	**14**	**0**	**-10**		**77**

Deferred tax liabilities, € million	1 Jan 2024	Transfers between items	Recognised in the income statement	Recognised in other comprehen-sive income	Recognised in equity	31 Dec 2024
Tax provisions	770		38			808
Notes and bonds	-2			0		-2
Cash flow hedges	1		3	0		3
Measurement of insurance investments at fair value	53	14	65			132
Defined benefit pension plans	50		1	10		61
Insurance and reinsurance contracts	143		2			145
Measurement of intangible and PPE assets at fair value in business combinations	36		0			37
Measurement of investment property at fair value	7		1			8
Consolidation	11		-3			9
Other temporary differences	4		0			4
Set-off against deferred tax assets						-176
Total	1,073	14	107	10	0	1,027
Change in deferred tax in the income statement			-108	-20		

* Deferred tax assets and liabilities concerning leases have been offset in the balance sheet. At the end of 2024, deferred tax assets related to leases amounted to EUR 45 million and deferred tax liabilities EUR 33 million.

Deferred tax assets, € million	1 Jan 2023	Transfers between items	Recognised in the income statement	Recognised in other comprehensive income	Recognised in equity	31 Dec 2023
Tax losses	0		32			32
Impairment loss and depreciation/amortisation on PPE and intangible assets	6		-5			2
Notes and bonds	1			13		14
Provisions	2		-2			0
Impairment loss on receivables			0			0
Cash flow hedges	78			-31		47
Defined benefit pension plans	15	3	1	-1		18
Insurance and reinsurance contracts	45	-45	3			3
Right-of-use assets*	15		-1			13
Derivative timing differences	50		-17			32
Measurement of insurance investments at fair value	320	-258	-76			-14
Measurement of investment property at fair value	-1	1	0			0
Consolidation	27		1			28
Other temporary differences	46	32	-3			75
Total	**605**	**-267**	-68	**-19**		**251**

Deferred tax liabilities, € million	1 Jan 2023	Transfers between items	Recognised in the income statement	Recognised in other comprehensive income	Recognised in equity	31 Dec 2023
Tax provisions	760	17	-6			770
Notes and bonds	-2			0		-2
Cash flow hedges	1			0		1
Measurement of insurance investments at fair value	126	-35	18		-55	53
Defined benefit pension plans	46	3	0	1		50
Insurance and reinsurance contracts	477	-267	-67			143
Measurement of intangible and PPE assets at fair value in business combinations	38		-1			36
Measurement of investment property at fair value	8		-1			7
Consolidation	19	-6	-2			11
Other temporary differences	-18	22	-1			4
Total	**1,455**	**-266**	**-61**	**0**	**-55**	**1,073**
Change in deferred tax in the income statement			-7	-19		

* Deferred tax assets and liabilities concerning leases have been offset in the balance sheet. At the end of 2023, deferred tax assets related to leases amounted to EUR 48 million and deferred tax liabilities EUR 34 million.

Tax losses for which a deferred tax asset was not recognised totalled EUR 47 million (48) at the end of 2024. The losses will expired before 2035.

Note 29. Liabilities to credit institutions

Accounting policies

This balance sheet item presents liabilities to central banks and liabilities to credit institutions. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	31 Dec 2024	Adjusted 31 Dec 2023
Liabilities to credit institutions		
Repayable on demand		
Deposits	83	65
Other liabilities	0	
Other than repayable on demand		
Deposits*	7	8
Other liabilities	1	1
Total liabilities to credit institutions and central banks	91	74

* The item includes LCR deposits by member credit institutions.

Note 30. Liabilities to customers

Accounting policies

The "Liabilities to customers" balance-sheet item presents repayable on demand and other than repayable on demand deposits. It also includes interest payable. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	2024	Adjusted 2023
Deposits repayable on demand		
Private	46,526	45,438
Companies and public-sector entities	28,061	26,333
Other than repayable on demand deposits		
Private	1,519	1,124
Companies and public-sector entities	1,396	1,150
Interest payable on deposits	717	522
Financial liabilities repayable on demand		
Private	8	7
Companies and public-sector entities	6	4
Other than repayable on demand financial liabilities		
Companies and public-sector entities	2,208	2,600
Interest payable on financial liabilities	13	
Total liabilities to customers	**80,455**	**77,178**

Note 31. Insurance contract assets and liabilities

Accounting policies

Classification of financial assets within insurance business

Financial assets related to insurance business are classified at fair value through profit or loss.

Classification of insurance contracts

IFRS 17 is applied to contracts under which OP Financial Group accepts significant insurance risk from another party. When making an assessment, OP Financial Group takes account of all terms included in a contract, explicit or implied, but OP Financial Group shall disregard terms that have no commercial substance. Contracts held by OP Financial Group that transfer significant insurance risk of underlying insurance contracts to another party are classified as reinsurance contracts and are included within the scope of the standard. Insurance contracts and reinsurance contracts expose OP Financial Group to financial risk too. Changes in assumptions of financial risk and changes in liability arising from market changes can be reversed with changes in the fair value of assets in income/expenses.

Almost all of the contracts issued by the non-life insurer are insurance contracts. These include insurance for private individuals, motor vehicle insurance, statutory workers' compensation insurance, perpetual insurance and latent defect insurance under the Housing Transactions Act. Contracts in which the difference between realised and estimated losses is balanced with a supplementary premium and which involve no underwriting risk are categorised as claims management contracts which are not within the scope of IFRS 17.

Life insurance contracts include single and regular premium endowment policies where the sum insured is to be paid at the termination of the policy, individual pension policies, group pension policies supplementing statutory pension cover, and term insurance policies issued against death. Life and pension insurance assets can have either a guaranteed interest rate, with a discretionary participation in the profit of the insurer, or unit-linked in which the investment risk has been transferred to policyholders.

Capital redemption contracts issued by a life insurer and such endowment and pension insurance contracts under which, in the case of the insured person's death, purely savings will be paid to beneficiaries or an amount that differs slightly from it, are classified as investment contracts and measured under IFRS 9 Financial instruments, because they do not include any significant underwriting risk (such as mortality or morbidity risk) and their policyholder has no right to change the contracts to include underwriting risk. The valuation of the liability of unit-linked insurance contracts and investment contracts is determined based on the value performance of the related investments, in which case the market income of the asset covering the insurance contract liability is credited as income to the policy. Unit-linked investment contracts are presented under Liabilities from investment agreements. Commission income related to life insurance company investment contracts is presented in Note 6, Net commissions and fees. The commissions are presented in the row Sales commissions on insurance contracts, Life insurance investment contracts, and in the row mutual funds that includes all management fees for investment contracts granted by the life insurer.

Measurement methods in use

Insurance contracts with no direct participation features are measured using the General Measurement Model (GMM). This measurement model is applied to typical non-life insurance contracts and the life insurance contracts that do not fulfil the criteria of the variable fee approach (VFA). Insurance contracts with direct participation features are measured using the VFA. These include certain endowment, unit-linked and pension insurance policies granted by the life insurer. According to the contract concerned, their objective is to produce, or they are expected to produce, investment-related services and receive a fee from the services as compensation that is determined based on the underlying items. The insurance contract may contain various insurance products that involve a significant insurance risk.

OP Financial Group exercises judgment upon initial recognition of such contracts and assesses whether they include direct participation features, using the following criteria:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items (e.g. investment basket).
- OP Financial Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.

- OP Financial Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

OP Financial Group assesses the fulfilment of the VFA terms applied to insurance contracts according to the expectations prevailing at inception of a contract and does not reassess the terms afterwards, except if changes are made to the contract. In selecting a valuation model, all substantive rights and obligations are taken into account. This involves all terms and conditions included in the contract. A unit of account under IFRS 17 is a group of contracts, which is why the same valuation model is applied to the entire group according to the characteristics of its cash flows. All contracts with similar risks belong to the group of insurance contracts and they are managed together.

OP Financial Group does not apply the Premium Allocation Approach (PAA), nor does it apply the option allowed by IFRS 17 adopted in the European Union to group together several annual cohorts.

Initial measurement and grouping of insurance contracts

For initial measurement, insurance contracts are identified and grouped into those subject to similar risks and managed together. This classification of non-life contracts takes account of the insured object, differences in the duration of contracts or the average length of the period between the occurrence of a loss event and the date of the fully-paid claim (claim settlement period). As to life insurance policies, OP Financial Group takes account of whether assets are accumulated, how the return on the assets is determined and whether the contract is an endowment or term life policy. Insurance contracts are measured at cohort level that is created by means of a product line, customer group and cohort year. Contracts are grouped further based on their level of profitability, and if the group of contracts is onerous on initial recognition or the existing group becomes onerous, the loss is immediately recognised in the income statement.

OP Financial Group exercises judgment in selecting the appropriate method for insurance acquisition costs. Insurance acquisition expenses are capitalised in assets in the balance sheet to the extent they can be deemed to relate to the renewal of the contracts. Capitalised acquisition costs are allocated to future groups of insurance contracts based on experience data, using a systematic and rational method, which is presented in Other assets in the balance sheet. OP Financial Group's allocates acquisition costs by applying average assumptions derived from the portfolio in terms of policy retentions and renewals by customer segment, while taking account of any seasonal fluctuation at the beginning of the insurance period. Capitalised cash flows are derecognised and included in the measurement of the related new group of insurance contracts at the date of initial recognition. OP Financial Group regularly assesses the recoverability of an asset for insurance acquisition cash flows. OP Financial Group recognises an impairment loss in profit or loss if facts and circumstances indicate that the asset may be impaired. This is applied to the non-life insurance products where it is typical that some customers renew short 12-month policies, when the capitalisation criteria are fulfilled. In particular, policies for private individuals, motor vehicle policies and statutory workers' compensation policies are usually continuous annual policies.

OP Financial Group recognises a group of insurance contracts from the earliest of the following dates:

- the beginning of the coverage period of the group of contracts
- the date when the first payment from a policyholder in the group becomes due
- the date when the group of contracts becomes onerous.

The fulfilment cash flow of the group of insurance contracts is a sum of the following components:

- the fulfilment cash flows adjusted for the time value of money
- risk adjustment that reflects OP Financial Group's risk appetite
- the contractual service margin that is a residual item and represents unearned profit.

If the contractual service margin is negative, the group of contracts is onerous and the loss is immediately recognised in loss.

The following items are included in the cash flows of groups of insurance contracts:

- cash flows within the boundary of an insurance contract and those that relate directly to the fulfilment of the contract (such as insurance premiums received, compensation payable, claims settlement expenses and administrative expenses as well as net commission expenses), including cash flows for which OP Financial Group has discretion over the amount and timing.
- investment components with a high interrelation with insurance contracts as master agreements.
- any potential embedded derivatives closely related to insurance contracts as the master agreement.
- a promise that may be included in insurance contracts to provide non-insurance services or products when it is the question of ancillary cash flows.

- salvage and subrogation reimbursements that include damaged property which has come to the company's possession in connection with claims settlement, or undisputable subrogation reimbursements related to claims.

Some life insurance contracts include investment components where their determination varies by contract type. The expenses of these investment components are presented separate from other incurred insurance service expenses.

OP Financial Group exercises judgment in determining investment components since some of its life insurance contracts include investment components. Their size is determined at the amount that OP Financial Group must pay back to the policyholder under the insurance contract in all circumstances. Examples of these situations include those where an insurance event occurs or the contract expires or ceases to be in effect without the occurrence of an insurance event.

The following life insurance contracts include significant investment components determined as follows:

- Unit-linked and pension insurance:
  - if death cover is over 100%, the investment component is the amount of savings.
  - if death cover is less than 100%, the investment component is the amount covered with death cover.
- In separated balance sheets, the investment component is the amount of claims payments.

Subsequent measurement of insurance contracts

Subsequently, at the end of each reporting period, the balance sheet carrying amount of a group of insurance contracts includes:

- the liability for remaining coverage (LRC) that includes the measurement of components defined in initial recognition on the reporting day, the fulfilment cash flows related to future service, and the value of the contractual service margin.
- the liability for incurred claims (LIC), which includes claims and expenses related to past service allocated to the group of insurance contracts at that date, and which have not yet been paid, and incurred claims that have not yet been reported. This provision for outstanding claims consists of both a claims reserve for individual cases and a statistical claims reserve. The provision, included in the provision for outstanding claims, for the future claims management costs of incurred claims, is based on estimated claims handling costs.

OP Financial Group exercises judgment in the methods used to measure insurance contracts and the process for estimating the inputs to those methods. In the measurement of the groups of life insurance contracts, estimates of future cash flows reflect assumptions about the future at the measurement date, such as mortality, longevity, customer behaviour and cost forecasts. The assumptions include an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows, and an estimated risk adjustment for non-financial risk. The objective of estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. Reasonable and supportable information available at the reporting date includes information about past events and current conditions, and forecasts of future conditions.

Deterministic insurance contract liability models are used to model the expected value unless cash flows are affected by factors requiring complex stochastic simulation. OP Financial Group uses simulation in the calculation of the time value of customer bonuses in OP Life Assurance Company's insurance contracts. Mortality models based on the latest mortality studies are used in cash flow assumptions. The relevance of the mortality models is monitored on an ongoing basis and, if needed, the models are updated. In addition, assumptions on customer behaviour and operating expenses have a significant impact on insurance contract cash flows. The assumptions have been modelled using statistics and are continuously monitored and updated on the basis of increasing information. Since endowment and single-premium savings policies are often sold as long-term contracts, some policyholders terminate their contracts by surrendering the policies according to their needs before the date of expiry under the contract. The risk of surrender in individual pension plans is very low, since law limits surrender opportunities only to specific cases mentioned in the law, such as divorce and long-term unemployment. In addition to mortality assumptions, the term life insurance portfolio is significantly affected by the lapse rate assumptions, or how customers will surrender their insurance contracts.

Pohjola Insurance exercises judgment in assessing the cash flows related to claims and operating expenses. These consist of the reserves for claims incurred but not reported (IBNR) and claims reported but not settled (RBNS), discretionary additional provisions, and the operating expense loading related to these. Cash flows are determined according to the following principles.

- A provision will be made for RBNS claims if the related claims expenditure is estimated to exceed a defined euro value, or if it is a question of a pension provision. A claim-specific provision for large claims is made based on the assessments by claims specialists in compliance with the provision guidelines approved by the Actuarial function. In addition, case-by-case provisions are made for all known claims arising from the foreign underwriting business, and for claims where the reinsurers' share of non-proportional reinsurance is different from zero. A reference mortality model produced by the Finnish Insurance Centre is applied as the mortality model for pension provisions.
- IBNR claims and the proportion of RBNS claims for which no provisions have been made are statistically assessed using the observed speed of claims settlement, risk ratio developments and assumptions of changes, if any. At the same time, the amount of claim-specific provisions is adjusted collectively to the best estimate. Statistical forecast methods applicable to each risk group are used as collective methods, mainly methods based on development factors and the Cape Cod method. In the forecasts, as a rule, the most weight is put on the actual year of occurrence and its immediate years. Furthermore, the forecasts emphasise the years of occurrence with large volumes and where a significant proportion of claims has already been paid out. Collective estimates are implemented with accuracy that is relevant to the product risk and phenomenon.
- The insurance contract liability is supplemented on a discretionary basis through special provisions, using assessments by specialists from the business unit, the Claims function and the Actuarial function, until there is sufficient statistical data on the phenomenon to calculate the statistical provision. Such special provisions can be made in case there is a known reason or phenomenon on the basis of which the provision for outstanding claims must be supplemented. For example, a provision for delayed processing can be made in a situation where the number of unprocessed claims has become exceptionally large compared with the basic situation.
- If a certain loss event, such as a storm, causes several claims with a total estimated value exceeding the specified value (in euros), a provision can be made for a claim accumulation.
- Future cash flows from operating expenses consist of forecasts of insurance management and administrative expenses as well as a forecast of claims settlement expenses. Forecasts of claims settlement expenses are made as the best estimate by loading cash flows related to claims forecasts. Forecasts of other operating expenses are formed by amortising insurance premiums for the insurance period on a pro rata basis by applying operating expense factors to them.

Non-life insurance receivables based on insurance contracts are included in the insurance contract liability and they are tested for impairment on each balance sheet date. If there is objective evidence of an impaired receivable, its carrying amount is reduced through profit or loss. Both final impairment losses (loan losses) and impairment losses established statistically on the basis of the phase of collecting the charge are deducted from receivables.

Changes in fulfilment cash flows are recognised as follows:

- Changes relating to future service are adjusted to the carrying amount of the contractual service margin in the balance sheet (or to the insurance service result in the income statement if the group of insurance contracts is onerous).
- Changes relating to service for the reporting period or past service are recognised in the insurance service result in the income statement.
- Changes in the discount rate and the effect of other financial changes on the value of the insurance contract liability, and the effect of the passage of time (unwinding of discount), are recognised in the item 'Net insurance finance income and expenses' in the income statement.

Interest rate risk associated with the insurance contract liability is reduced by entering into interest rate derivative contracts and making direct fixed income investments that are recognised at fair value through profit or loss on the balance sheet. The company's interest rate risk on the balance sheet (ALM) is reviewed and managed on a holistic basis. Interest rate risk on the balance sheet means an aggregate of liquid fixed income investments, interest rate derivatives and the insurance contract liability. Fixed income investments and interest rate derivatives are used to manage market risks associated with the insurance contract liability.

Principle of determination of risk adjustment for non-financial risk

Risk adjustment for non-financial risk is one of the components in the measurement of insurance contracts and is included both in the LRC and LIC calculation. In this context, risk adjustment means compensation that the company management requires for bearing the uncertainty about the amount and timing of the future cash flows of insurance contracts that arises from non-financial risk. The remaining risk adjustment amount - and the risk adjustment related to the services provided in the period (recognised portion) -

are presented in the reconciliation statements for the insurance contract liability. OP Financial Group applies the cost of capital method in determining the risk adjustment. The risk adjustment calculation takes account of the uncertainty associated with non-financial risk in respect of the groups of insurance contracts under IFRS 17. Risk adjustment is modelled as the difference between the best estimate and the present value of the stressed cash flow. The stressed cash flow is calculated at the confidence level or 99.5%, or the same confidence level as the insurance capital requirement.

OP Financial Group exercises judgment in determining the risk adjustment. In the calculation of risk adjustment, OP Financial Group has set the level of the cost of capital (CoC) parameter at 5%. The CoC level is shared by OP Life Assurance Company Ltd and Pohjola Insurance Ltd in the measurement of insurance contracts. OP Financial Group assesses the value of the cost of capital parameter at least once a year and changes it if necessary. The parameter can also be revised if the management deems it necessary on the basis of a business change or the market situation, for example. The methods and assumptions used have not changed during the financial year.

Risk adjustment for non-financial risk is determined for OP Life Assurance Company Ltd and Pohjola Insurance Ltd separately, and diversification benefits between the companies are not taken into account when determining the risk adjustment. The confidence level for Pohjola Insurance varies between 70% and 75% and for OP Life Assurance Company between 90% and 95%. A scaling technique related to the confidence level of normal distribution, in which the confidence level represents a one-year time horizon, has been used as the confidence level determination technique. OP Financial Group's combined confidence level is 85%.

The stressed cash flow calibration uses the cash flow stresses of the capital adequacy calculation and, as applicable, the company's internal calculation models. Stress scenarios that affect the amount of the risk adjustment in the group of insurance contracts concerned depend on the groups of insurance contracts and insurance lines. In term life policies, for example, growth in the mortality rate and the insurance lapse rate constitute the most significant stress scenarios. Risks associated with general activities have been excluded from the risk adjustment.

In the risks pertaining to the groups of insurance contracts, long-term cash flows result in a larger risk adjustment. As a result of setting assumptions for new insurance contracts, a higher risk adjustment is determined. With increasing information, the assumptions will be updated. For this reason, the risk adjustment will decrease as the best estimate based on the starting point is further specified. The risk adjustments of OP Financial Group's insurance companies represent the proportion of the risk adjustment that remains the companies' responsibility after the effect of reinsurance, which reduces the risk adjustment. Risk adjustment is recognised based on the cash flow forecasts used in the calculation. All interest rate-sensitive risk adjustment items are presented as part of net finance income and expenses in the income statement. This presentation method also applies to the nominal cash flow of the risk adjustment cash flow. The rest of the risk adjustment changes is presented as part of the insurance service result.

Discount rate determination principle

All cash flows are discounted using a rate, and discount curves are derived as the sum of the risk-free interest rate and the liquidity premium dependent on the characteristics of insurance contracts (bottom-up approach), extrapolating long-term interest rates. The risk-free interest rate is the same for all OP Financial Group insurance companies but the liquidity premium depends on the characteristics of insurance contracts, so the calculation uses several different discount rate curves for significant currencies. Swap rate quotes are used as market data for risk free yield curves in selected liquid maturities. A credit risk component is removed from the swap rates, if necessary.

The liquidity premium is determined by means of the investment universe that takes account of each insurance company's exposure. The investment universe means a portfolio allocation. When creating it, the amount of exposure, the maturities of exposure and investment cash flows, and cash flow predictability are taken into account in weightings and index choices. The allocation is reviewed on a regular basis. The investment universe includes reference indices and their weights for government bonds, IG corporate bonds (IG, credit rating AAA–BBB and higher-risk corporate bonds (HY, credit rating BB–C).

Discount rate movements affect earnings through the value change of cash flows, and the selection of the interest rate model has a significant impact on earnings. At least once a year, OP Financial Group reviews the values of the parameters used in the risk free yield curve modelling. The parameters can also be revised if the management deems it necessary.

OP Financial Group exercises judgement in defining the principles for the parameters of the risk free yield curve, the liquidity premium and the maximum maturity. Insurance contract cash flows typically extend over a longer term than liquid market quotes, so euro swap rates are directly taken into account only up to the defined maximum maturity (20 years). Thenceforth, the risk-free curve is extrapolated towards a long-term balance level. A credit risk component is removed from the swap rates, if necessary. The methods and assumptions used have not changed during the financial year. During the financial year, the maximum maturity of the USD yield curve was set at 30 years, and the long-term equilibrium interest rate of the EUR, USD, NOK and SEK yield curves was set at 3.3 percent in accordance with the UFR analysis of the EIOPA.

The discount rate used to determine the rate accreting on the contractual service margin is the locked-in rate determined for contracts under the GMM at the beginning of the group of contracts.

Contractual service margin and its recognition

At the start of the reporting period, the contractual service margin is recognised in the insurance contract liability of all profitable contracts, and its amount changes by new contracts added to the group and as a result of the discount rate and services provided during the reporting period. Discount rates used to determine the rate accreting on the contractual service margin are locked-in rates determined for contracts under the GMM at the beginning of the group of contracts and, for contracts under the VFA measurement model, the rate at the reporting date. In the VFA model, the service margin is also adjusted for a change in the life insurance proportion of the fair value of underlying items, except to the extent where risk mitigation is applied. Life insurance applies the option of risk mitigation to the with-profit cash flows of certain life insurance contracts. For this reason, with respect to financial risk, the changes in cash flows, which are hedged according to the insurance company's target and strategy for market risk management regarding the company's interest rate risk on the balance sheet, can be transferred from the service margin to the income statement.

OP Financial Group exercises judgment in defining coverage units that determine recognition. An amount of the contractual service margin for a group of insurance contracts is recognised in profit or loss in each period to reflect the services provided in that period. On the other hand, if the increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, this will give rise to a loss that is recognised in profit or loss as soon as the loss is realised. The amount of the contractual service margin recognised in profit or loss is determined by:

- identifying the coverage units in the group of insurance contracts. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and the contract's duration.
- allocating the contractual service margin at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.
- recognising in profit or loss the amount allocated to coverage units provided in the period.

At OP Financial Group, coverage units are determined for the forecast lifecycle of the contract. For typical non-life insurance contracts of short duration, insurance service is interpreted to be provided evenly during the coverage period, and insurance premiums received from contracts in the same insurance group are used as the basis for the coverage unit at insurance group level. The forecast lifecycle recognition of the contractual service margin of life insurance products in profit or loss, depending on the contract type, is affected by the saved amount by group, the expected duration of the contract, the amount of compensation or savings, lapses and future insurance premiums. Release of the contractual service margin and the basis of coverage units vary by insurance line. For endowment-type insurance products, the basis is the development of the amount of assets, for term life insurance the development of capital at risk, and for defined-benefit group pension insurance the number of existing and forecast future coverage units weighted by the estimated duration.

The insurance products of OP Financial Group, where both investment service and insurance service are provided, are produced evenly and in the same proportion over the expected duration of the contract. In addition, both services are provided at the same time and their contract periods are of the same duration.

Reinsurance contracts

Reinsurance taken out by OP Financial Group (ceded reinsurance) refers to a contract which meets the definition of an insurance contract and under which the Group may be paid compensation by another insurer if the Group becomes liable to pay compensation on the basis of other insurance contracts. Reinsurance contracts are grouped using the same principle as direct insurance contracts, but they are also grouped separately into proportional and non-proportional reinsurance contracts. OP Financial Group applies the GMM to the measurement of all reinsurance contracts held, and the date of their initial recognition is the earlier of the following:

- The start date of the coverage period of the group of reinsurance contracts. If the date of initial recognition is later than the start date of the coverage period of the group of reinsurance contracts, recognition is delayed until the underlying insurance contract has been initially recognised.
- The date when OP Financial Group recognises an onerous group of underlying direct insurance contracts, if OP Financial Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

In the measurement of cash flows of reinsurance contracts and recognition in profit or loss, OP Financial Group uses assumptions that are consistent with the measurement and recognition of the cash flows of the underlying groups of insurance contracts, but with the addition that the expected value of the obligor's default is subtracted from cash flows. Subsequent changes in the risk of non-performance are immediately recognised through profit or loss. Fees paid by OP Financial Group to a third party are included as part of future cash flows of the reinsurance contract, and they are recognised as revenue according to the revenue recognition of the underlying insurance contracts.

The amount paid (premium) for the purchase of reinsurance coverage typically exceeds the present value of future cash flows and the amount of risk adjustment for non-financial risk, in which case the contractual service margin represents the net cost. A net cost or net gain (contractual service margin) on reinsurance contracts held is recognised as revenue using the determined coverage units as service is received. This follows the same mechanism as the revenue recognition of the contractual service margin of underlying insurance contracts. When recognising a loss either on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, the contractual service margin is adjusted and, as a result of this, income is recognised.

This adjustment to the contractual service margin and the resulting income are determined by multiplying:

- the loss recognised on the underlying insurance contracts
- the percentage of claims on the underlying insurance contracts OP Financial Group expects to recover from the group of reinsurance contracts held.

Coinsurance and pools

OP Financial Group is involved in a few coinsurance arrangements with other insurers. Of the coinsurance contracts, OP Financial Group treats only its share of the contract as insurance contracts and OP Financial Group's liability is limited to this share.

OP Financial Group also underwrites shares of insurance contracts through pools, whose members are primarily responsible for their own proportionate share of the underwriting risk. These shares are based on contracts that are confirmed on an annual basis. OP Financial Group treats as insurance contracts its own proportionate share of the direct insurance business managed by pools and of the reinsurance business from the pool to its members.

The pool's share of these insurance contracts is treated as reinsurance. In some pools, the members are responsible for an insolvent member's liabilities in proportion to their shares in the pool. OP Financial Group recognises liabilities and receivables based on joint liability if joint liability is likely to materialise.

Principle of equity concerning life insurance

With the exception of unit-linked parts of life insurance contracts, almost all life insurance contracts and a small number of capital redemption contracts include a discretionary participation feature, in addition to guaranteed benefits, which may account for a significant portion of the total contractual benefits, but whose amount and timing are contractually at the discretion of the company. Some unit-linked policies include an option for a discretionary participation feature. Additional benefits are distributed as additional return in excess of technical interest, additional death benefit or reduced premiums.

Surplus distribution is based on the principle of equity referred to in the Insurance Companies Act, which requires that a reasonable amount of the surplus to which the contracts are entitled is distributed to these policyholders as additional benefits, provided that the solvency requirements do not prevent this. It is necessary to aim at continuity with respect to the level of additional benefits. Nevertheless, the principle of equity will not enable policyholders to demand any funds as debt. OP Financial Group has published its life-insurance additional benefit principles and their realisation on its website.

Separated balance sheets with a profit distribution policy differing from other life insurance operations have been created for the endowment policies and individual pension policies transferred from Suomi Mutual Life Assurance Company. The amount with which the assets on the separated balance sheets exceed the insurance contract liabilities measured by discounting using a swap curve on a market consistency basis is reserved as liability for future bonuses.

Key sources of estimation uncertainty

Measurement of insurance contracts

The measurement of insurance and reinsurance contracts involves assumptions and estimates which are described in more detail in the Risk Appetite Framework. Any changes in the assumptions and estimates specified below may change the fulfilment cash flows. Such changes adjust the contractual service margin and, therefore, do not affect the carrying amount of contracts, unless they are related to either onerous contracts or future services:

- Non-life insurance contracts: claims development
- Life insurance contracts: assumptions related to future cash flows, such as mortality, longevity, customer behaviour and operating expenses.
- All insurance contracts: assumptions on discount rate and risk adjustment for non-financial risk, whose parameters and definitions are reviewed at least once a year.

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**

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**
Total insurance contract liabilities	**11,795**	**11,589**

Discount rates used

The table below shows discount rates that have been used in discounting the cash flows of insurance contracts. The cash flows of insurance products that do not vary (nvar) based on the returns on the underlying item are discounted using the nvar rate which includes the risk-free yield curve (rfr) and the liquidity premium. Such products are typically those that are measured using the General Measurement Model (GMM). The cash flows of insurance products that vary (var) based on the returns on the underlying item are discounted with the var rate (rfr) which reflects this variation/investment return. However, certain fixed cash flows included in the contract are discounted using the nvar rate (such as insurance premiums, overhead expenses). Such products are typically unit-linked insurance contracts measured using the Variable Fee Approach (VFA). The cash flows of insurance products that include two types of cash flows – cash flows that vary based on the returns, and fixed coupon-related cash flows – are specified and discounted separately using either the var or nvar discount rates. These include certain life insurance contracts measured using the VFA.

Non-life insurance

Currency interest rates are used to discount direct insurance and reinsurance contracts' cash flows that include foreign cash flows; EUR rates are used for all other products.

Non-life insurance	2024					
Insurance contract cash flow	1 year	5 year	10 year	15 year	20 year	30 year
EUR	2.60%	2.59%	2.85%	2.67%	2.40%	3.01%
NOK	4.33%	4.16%	4.35%	4.36%	4.03%	3.16%
SEK	2.23%	2.59%	2.99%	3.23%	3.30%	3.30%
USD	4.27%	3.74%	3.85%	3.68%	3.57%	3.42%
EUR - weighted	2.66%	2.49%	2.62%	2.69%	2.67%	2.79%

Non-life insurance	2023					
Insurance contract cash flow	1 year	5 year	10 year	15 year	20 year	30 year
EUR	3.65%	2.51%	2.90%	2.80%	2.47%	3.02%
NOK	3.99%	2.77%	3.25%	3.26%	3.27%	3.28%
SEK	2.92%	1.78%	2.55%	3.19%	3.29%	3.30%
USD	4.94%	3.68%	3.69%	3.75%	3.36%	2.76%
EUR - weighted	**3.86%**	**2.63%**	**2.67%**	**2.76%**	**2.73%**	**2.83%**

Life insurance	2024					
Insurance contract cash flow	1 year	5 year	10 year	15 year	20 year	30 year
nvar + GMM	2.57%	2.56%	2.82%	2.64%	2.37%	3.00%
Risk-free var rate (VFA)	2.24%	2.23%	2.49%	2.30%	2.09%	2.94%
Separated balance sheet 1 yield curve	2.54%	2.53%	2.79%	2.61%	2.35%	2.99%
Separated balance sheet 2 yield curve	2.53%	2.52%	2.78%	2.60%	2.34%	2.99%

Life insurance	2023					
Insurance contract cash flow	1 year	5 year	10 year	15 year	20 year	30 year
nvar + GMM	3.63%	2.49%	2.88%	2.78%	2.45%	3.02%
Risk-free var rate (VFA)	3.36%	2.22%	2.61%	2.51%	2.21%	2.96%
Separated balance sheet 1 yield curve	3.58%	2.44%	2.83%	2.73%	2.41%	3.01%
Separated balance sheet 2 yield curve	3.52%	2.38%	2.77%	2.67%	2.35%	2.99%

Reconciliation statement of insurance contracts for the remaining coverage period and incurred claims, non-life insurance, GMM

31 December 2024, € million	Liabilities for Remaining Coverage			
	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Net opening balance	191	39	2,303	2,533
Insurance revenue - Modified retrospective approach	0			0
CSM recognised for services provided	-1			-1
Change in risk adjustment for non-financial risk for risk expired	0			0
Expected insurance service expenses incurred:	0			0
Claims	1			1
Expenses	0			0
Recovery of insurance acquisition cash flows	0			0
Experience adjustments not related to future service	16			16
Restatement and other changes	-16			-16
Insurance revenue - Fair value approach	-4			-4
CSM recognised for services provided	0			0
Change in risk adjustment for non-financial risk for risk expired	0			0
Expected insurance service expenses incurred:	-4			-4
Claims	-3			-3
Expenses	-1			-1
Recovery of insurance acquisition cash flows	0			0
Insurance revenue - Post Transition	-1,872			-1,872
CSM recognised for services provided	-229			-229
Change in risk adjustment for non-financial risk for risk expired	-13			-13
Expected insurance service expenses incurred:	-1,494			-1,494
Claims	-1,134			-1,134
Expenses	-360			-360
Recovery of insurance acquisition cash flows	-131			-131
Experience adjustments not related to future service	31			31
Restatement and other changes	-36			-36
Total insurance revenue - All transition methods	-1,877			-1,877

31 December 2024, € million	Liabilities for Remaining Coverage Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Insurance service expenses				
Incurred insurance service expenses		-109	1,620	1,511
Claims		-88	1,263	1,175
Expenses		-21	357	336
Amortisation of insurance acquisition cash flows	131			131
Changes that relate to past service (changes in fulfilment cash flows re LIC)			-62	-62
Changes that relate to future service		111		111
Losses for the net outflow recognised on initial recognition		105		105
Losses and reversal of losses on onerous contracts – subsequent measurement		6		6
Total insurance service expenses	131	2	1,557	1,691
Total insurance service result	-1,746	2	1,557	-186
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	18	2	91	111
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0		0	0
Total insurance finance income or expense	18	2	91	111
Total changes in the statement of financial performance	-1,728	4	1,648	-75
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	1,861			1,861
Claims and other insurance service expenses paid, including investment components			-1,614	-1,614
Insurance acquisition cash flows	-129			-129
Total cash flows	1,732		-1,614	118
Net closing balance	195	44	2,337	2,576

Reconciliation statement of insurance contracts for the remaining coverage period and incurred claims, non-life insurance, GMM

31 December 2023, € million	Liabilities for Remaining Coverage Excluding loss component	Liabilities for Remaining Coverage Loss component	Liabilities for Incurred Claims	Total
Net opening balance	169	11	2,356	2,536
Insurance revenue – Modified retrospective approach	-7			-7
CSM recognised for services provided	-1			-1
Change in risk adjustment for non-financial risk for risk expired	0			0
Expected insurance service expenses incurred:	0			0
Claims	0			0
Expenses	0			0
Recovery of insurance acquisition cash flows	0			0
Experience adjustments not related to future service	16			16
Restatement and other changes	-21			-21
Insurance revenue – Fair value approach	-5			-5
CSM recognised for services provided	0			0
Change in risk adjustment for non-financial risk for risk expired	0			0
Expected insurance service expenses incurred:	-4			-4
Claims	-3			-3
Expenses	-1			-1
Recovery of insurance acquisition cash flows	0			0
Insurance revenue – Post Transition	-1,747			-1,747
CSM recognised for services provided	-248			-248
Change in risk adjustment for non-financial risk for risk expired	-11			-11
Expected insurance service expenses incurred:	-1,304			-1,304
Claims	-1,008			-1,008
Expenses	-297			-297
Recovery of insurance acquisition cash flows	-123			-123
Experience adjustments not related to future service	-9			-9
Restatement and other changes	-51			-51
Total insurance revenue – All transition methods	-1,758			-1,758

31 December 2023, € million	Liabilities for Remaining Coverage Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Insurance service expenses				
Incurred insurance service expenses		-44	1,302	1,258
Claims		-37	983	946
Expenses		-7	319	312
Amortisation of insurance acquisition cash flows	124			124
Changes that relate to past service (changes in fulfilment cash flows re LIC)			116	116
Changes that relate to future service		70		70
Losses for the net outflow recognised on initial recognition		48		48
Losses and reversal of losses on onerous contracts – subsequent measurement		22		22
Total insurance service expenses	124	26	1,418	1,568
Total insurance service result	-1,635	26	1,418	-191
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	22	3	160	186
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0		-1	0
Total insurance finance income or expense	23	3	160	186
Total changes in the statement of financial performance	-1,612	29	1,578	-5
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	1,755			1,755
Claims and other insurance service expenses paid, including investment components			-1,632	-1,632
Insurance acquisition cash flows	-122			-122
Total cash flows	1,633		-1,632	2
Net closing balance	191	39	2,303	2,533

Reconciliation statement of insurance contract liability by calculation component, non-life insurance, GMM

			CSM			
31 December 2024, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	2,332	95	6	17	83	2,533
Changes that relate to current services	2	-7	-1	0	-229	-235
CSM recognised for services provided			-1	0	-229	-230
Change in risk adjustment for non-financial risk for risk expired		-7				-7
Experience adjustments not related to future service	54					54
Restatement and other changes	-52					-52
Changes that relate to future service	-113	13	-1	0	213	111
Contracts initially recognised in the year	-107	15			196	105
Changes in estimates that adjust the CSM	-13	-2	-1	0	17	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	6	0				6
Changes that relate to past services	-52	-11				-62
Changes in estimates in LIC fulfilment cash flows	93	-6				86
Experience adjustments in claims and other insurance service expenses in LIC	-145	-4				-149
Total insurance service result	-163	-5	-2	0	-16	-186
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	99	4	0	0	7	111
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0	0				0
Total insurance finance income or expense	99	4	0	0	7	111
Total changes in the statement of financial performance	-63	0	-2	0	-9	-75
Cash flows (Actual cash flows in the period)						
Premiums and premium tax received	1,861					1,861
Claims and other insurance service expenses paid, including investment components	-1,614					-1,614
Insurance acquisition cash flows	-129					-129
Total cash flows	118					118
Net closing balance	2,386	95	4	17	74	2,576

Reconciliation statement of insurance contract liability by calculation component, non-life insurance, GMM

31 December 2023, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM Modified Retrospective Approach	CSM Fair Value Approach	CSM Post Transition	Total
Net opening balance	2,335	86	7	17	92	2,536
Changes that relate to current services	-122	-5	-1	0	-248	-377
CSM recognised for services provided			-1	0	-248	-249
Change in risk adjustment for non-financial risk for risk expired		-5				-5
Experience adjustments not related to future service	-50					-50
Restatement and other changes	-72					-72
Changes that relate to future service	-174	11	0	0	233	70
Contracts initially recognised in the year	-243	14			277	48
Changes in estimates that adjust the CSM	47	-2	0	0	-44	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	22	0				22
Changes that relate to past services	123	-7				116
Changes in estimates in LIC fulfilment cash flows	78	-1				77
Experience adjustments in claims and other insurance service expenses in LIC	45	-6				39
Total insurance service result	-173	-1	-1	0	-15	-191
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	169	11	0	0	7	186
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0	0				0
Total insurance finance income or expense	169	11	0	0	7	186
Total changes in the statement of financial performance	-4	10	-1	0	-9	-5
Cash flows (Actual cash flows in the period)						
Premiums and premium tax received	1,755					1,755
Claims and other insurance service expenses paid, including investment components	-1,632					-1,632
Insurance acquisition cash flows	-122					-122
Total cash flows	2					2
Net closing balance	2,332	95	6	17	83	2,533

Reconciliation statement of reinsurance contracts for the remaining coverage period and incurred claims, non-life insurance, GMM

31 December 2024, € million	Remaining Coverage Component: Excluding Loss-recovery Component	Remaining Coverage Component: Loss-recovery Component	Incurred Claims Component	Total
Net opening balance	-18	0	124	106
Allocation of the premiums paid – Modified retrospective approach	-2			-2
Experience adjustment not related to future service	1			1
Restatement and other changes	-3			-3
Allocation of the premiums paid – Post transition	-115			-115
CSM recognised for services provided	-33			-33
Change in risk adjustment for non-financial risk for risk transferred	-1			-1
Expected recoveries of incurred claims and other insurance service expense	-63			-63
Experience adjustment not related to future service	2			2
Restatement and other changes	-21			-21
Total allocation of premiums paid	-117			-117
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense		0	66	66
Changes related to past service (changes related to incurred claims component)			-1	-1
Changes that relate to future service:		0		0
Recoveries of losses on onerous underlying contracts on initial recognition		0		0
Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement		0		0
Total amounts recovered from reinsurance		0	66	66
Investment components				
Effect of changes in non-performance risk of reinsurance	0		0	0
Total net expenses from reinsurance	-117	0	66	-51

31 December 2024, € million	Remaining Coverage Component: Excluding Loss-recovery Component	Remaining Coverage Component: Loss-recovery Component	Incurred Claims Component	Total
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	0	0	4	5
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0			0
Total insurance finance income or expense	0	0	4	5
Total changes in the statement of financial performance	-116	0	70	-47
Cash flows (Actual cash flows in the period)				
Premiums and premium tax paid	79			79
Amounts recovered			-36	-36
Total cash flows	79		-36	43
Net closing balance	-55	0	157	102

Reconciliation statement of reinsurance contracts for the remaining coverage period and incurred claims, non-life insurance, GMM

31 December 2023, € million	Remaining Coverage Component: Excluding Loss-recovery Component	Remaining Coverage Component: Loss-recovery Component	Incurred Claims Component	Total
Net opening balance	-24	0	268	245
Allocation of the premiums paid - Modified retrospective approach	-6			-6
Expected recoveries of incurred claims and other insurance service expense	0			0
Experience adjustment not related to future service	-4			-4
Restatement and other changes	-3			-3
Allocation of the premiums paid - Post transition	-92			-92
CSM recognised for services provided	-19			-19
Change in risk adjustment for non-financial risk for risk transferred	-1			-1
Expected recoveries of incurred claims and other insurance service expense	-62			-62
Experience adjustment not related to future service	-9			-9
Restatement and other changes	-1			-1
Total allocation of premiums paid	-98			-98
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense		-1	25	24
Changes related to past service (changes related to incurred claims component)			-14	-14
Changes that relate to future service:		0		0
Recoveries of losses on onerous underlying contracts on initial recognition		1		1
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement		-1		-1
Total amounts recovered from reinsurance		0	11	11
Investment components				
Effect of changes in non-performance risk of reinsurance	0		0	0
Total net expenses from reinsurance	-98	0	11	-88
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	0	0	3	4
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0			0
Total insurance finance income or expense	0	0	3	4

31 December 2023, € million	Remaining Coverage Component Excluding Loss-recovery Component	Remaining Coverage Component Loss-recovery Component	Incurred Claims Component	Total
Total changes in the statement of financial performance	-98	0	14	-84
Cash flows (Actual cash flows in the period)				
Premiums and premium tax paid	104			104
Amounts recovered			-159	-159
Total cash flows	104		-159	-55
Net closing balance	-18	0	124	106

Reconciliation statement of reinsurance contracts by calculation component, non-life insurance, GMM

			CSM			
31 December 2024, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	104	2	-8		7	106
Changes that relate to current services	-18	0			-33	-51
CSM recognised for services received					-33	-33
Change in risk adjustment for non-financial risk for risk expired		0				0
Experience adjustments not related to future service	5					5
Restatement and other changes	-23					-23
Changes that relate to future service	-31	1	0		30	0
Contracts initially recognised in the year	-29	1			29	0
Changes in estimates that adjust the CSM	-2	0	0		2	0
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	0	0				0
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM					0	0
Changes that relate to past services	0	-1				-1
Changes in fulfilment cash flows re LIC	36	0				36
Experience adjustments in claims and other insurance service expenses in LIC	-37	-1				-37
Effect of changes in non-performance risk of reinsurance	0					0
Total net expenses from reinsurance	-49	0	0		-2	-51
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	3	0	0		1	5
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0					0
Total insurance finance income or expense	3	0	0		1	5
Total changes in the statement of financial performance	-46	0	0		-1	-47
Cash flows						
Premiums and premium tax paid	79					79
Amounts recovered	-36					-36
Total cash flows	43					43
Net closing balance	102	3	-8		6	102

Reconciliation statement of reinsurance contracts by calculation component, non-life insurance, GMM

			CSM			
31 December 2023, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	237	5	-8		11	245
Changes that relate to current services	-55	0			-19	-75
CSM recognised for services received					-19	-19
Change in risk adjustment for non-financial risk for risk expired		0				0
Experience adjustments not related to future service	-52					-52
Restatement and other changes	-3					-3
Changes that relate to future service	-15	1			15	0
Contracts initially recognised in the year	-35	1			36	1
Changes in estimates that adjust the CSM	21	0			-21	0
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	0	0				0
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM					0	0
Changes that relate to past services	-10	-4				-14
Changes in fulfilment cash flows re LIC	32	-1				30
Experience adjustments in claims and other insurance service expenses in LIC	-42	-2				-44
Effect of changes in non-performance risk of reinsurance	0					0
Total net expenses from reinsurance	-80	-3			-4	-88
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	2	0	0		1	4
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	0					0
Total insurance finance income or expense	2	0	0		1	4
Total changes in the statement of financial performance	-78	-3	0		-3	-84
Cash flows						
Premiums and premium tax paid	104					104
Amounts recovered	-159					-159
Total cash flows	-55					-55
Net closing balance	104	2	-8		7	106

Reconciliation of the acquisition costs of insurance contracts, non-life insurance

€ million	2024	2023
Opening balance	**247**	**231**
Amount incurred during the year	139	134
Amount derecognised and included in the measurement of insurance contracts	-125	-118
Impairment losses	0	
Change in allocation assumptions	0	0
Closing balance	**261**	**247**

Effect of contracts recognised during the financial year, non-life insurance

	Non-onerous groups of contracts			Onerous groups of contracts			
31 December 2024, € million	Contracts acquired in transfers or business combinations	Other contracts	**Total**	Contracts acquired in transfers or business combinations	Other contracts	**Total**	**Total**
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:		1,061	**1,061**		676	**676**	**1,737**
Insurance acquisition cash flows		92	**92**		37	**37**	**129**
Claims and other cash outflows		969	**969**		638	**638**	**1,607**
Estimates of the present value of future cash inflows		-1,269	**-1,269**		-574	**-574**	**-1,843**
Risk adjustment for non-financial risk		12	**12**		4	**4**	**15**
Contractual service margin		196	**196**				**196**
Losses for the net outflow recognised on initial recognition		0	**0**		105	**105**	**105**

Effect of contracts recognised during the financial year, non-life insurance

31 December 2023, € million	Non-onerous groups of contracts: Contracts acquired in transfers or business combinations	Non-onerous groups of contracts: Other contracts	Non-onerous groups of contracts: Total	Onerous groups of contracts: Contracts acquired in transfers or business combinations	Onerous groups of contracts: Other contracts	Onerous groups of contracts: Total	Total
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:		1,168	**1,168**		350	**350**	**1,518**
Insurance acquisition cash flows		103	**103**		18	**18**	**121**
Claims and other cash outflows		1,065	**1,065**		332	**332**	**1,397**
Estimates of the present value of future cash inflows		-1,457	**-1,457**		-303	**-303**	**-1,761**
Risk adjustment for non-financial risk		12	**12**		2	**2**	**14**
Contractual service margin		277	**277**				**277**
Losses for the net outflow recognised on initial recognition		0	**0**		48	**48**	**48**

Contractual service margin

31 December 2024, € million	< 1 yr	1–2 yrs	2–3 yrs	3–4 yrs	4–5 yrs	5–10 yrs	> 10 yrs	Total
Insurance contracts issued	74	1	1	1	1	0	17	95
Reinsurance contracts held	-5	0					7	2
Total	**69**	**1**	**1**	**1**	**1**	**0**	**24**	**97**

Contractual service margin

31 December 2023, € million	< 1 yr	1–2 yrs	2–3 yrs	3–4 yrs	4–5 yrs	5–10 yrs	> 10 yrs	Total
Insurance contracts issued	84	1	1	1	1	1	17	106
Reinsurance contracts held	-7	0	0				7	1
Total	**77**	**1**	**1**	**1**	**1**	**1**	**24**	**107**

Claims development on non-life insurance contracts

The table shows the total claims development as of the year of occurrence 2017. Claims development is presented on a gross basis and on a net basis after reinsurance. The effect of the discount rate was calculated by using the market rate of 31 December 2024 (IFRS 17 yield curve).

Claims development on non-life insurance contracts

				Claims year					
Total claims, gross, € million, 31 December 2024	2024	2023	2022	2021	2020	2019	2018	2017	**Total**
At end of occurrence year	1,474	1,282	1,314	1,071	1,027	1,079	975	889	**9,111**
One year later		1,274	1,319	1,030	990	1,080	986	912	**7,591**
Two years later			1,293	1,024	969	1,047	1,004	908	**6,245**
Three years later				1,021	949	1,036	988	909	**4,903**
Four years later					939	1,034	981	902	**3,856**
Five years later						1,027	984	902	**2,914**
Six years later							977	898	**1,875**
Seven years later								897	**897**
Claims paid, cumulative, gross	901	1,041	1,127	917	838	953	898	814	**7,489**
Remaining provision, gross	573	233	167	104	100	74	79	83	**1,413**
Remaining provision before year 2017, gross									**1,503**
Effect of discounting, gross									**-670**
Effect of risk adjustment, gross									**91**
Provision for outstanding claims – LIC, gross									**2,337**

Total claims, net, € million, 31 December 2024	2024	2023	2022	2021	2020	2019	2018	2017	Total
At end of occurrence year	1,404	1,258	1,146	1,014	1,009	1,056	940	863	8,690
One year later		1,256	1,157	973	956	1,053	951	870	7,215
Two years later			1,131	967	924	1,023	968	869	5,882
Three years later				961	913	1,011	958	870	4,714
Four years later					901	1,009	952	867	3,729
Five years later						1,001	956	863	2,820
Six years later							949	859	1,808
Seven years later								858	858
Claims paid, cumulative, net	893	1,030	987	874	822	931	881	779	7,197
Remaining provision, net	511	226	144	87	79	71	68	79	1,264
Remaining provision before year 2017, net									1,491
Effect of discounting, net									-663
Effect of risk adjustment, net									88
Provision for outstanding claims – LIC, net									2,180

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance GMM

	Liabilities for Remaining Coverage			
31 December 2024, € million	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Net opening balance	2,891	286	14	3,190
Insurance revenue – Fair value approach	-187			-187
CSM recognised for services provided	-46			-46
Change in risk adjustment for non-financial risk for risk expired	-10			-10
Expected insurance service expenses incurred:	-117			-117
Claims	-93			-93
Expenses	-24			-24
Recovery of insurance acquisition cash flows	-9			-9
Insurance revenue – Post Transition	-33			-33
CSM recognised for services provided	-13			-13
Change in risk adjustment for non-financial risk for risk expired	-2			-2

31 December 2024, € million	Liabilities for Remaining Coverage: Excluding loss component	Liabilities for Remaining Coverage: Loss component	Liabilities for Incurred Claims	Total
Expected insurance service expenses incurred:	-15			-15
Claims	-9			-9
Expenses	-6			-6
Recovery of insurance acquisition cash flows	-4			-4
Experience adjustments not related to future service	1			1
Total insurance revenue - All transition methods	-220			-220
Insurance service expenses				
Incurred insurance service expenses		-15	142	127
Claims		-15	108	93
Expenses		-1	34	33
Amortisation of insurance acquisition cash flows	13			13
Changes that relate to past service (changes in fulfilment cash flows re LIC)			0	0
Changes that relate to future service		10		10
Losses and reversal of losses on onerous contracts - subsequent measurement		10		10
Total insurance service expenses	13	-5	141	150
Investment components	-208		208	0
Total insurance service result	-414	-5	349	-70
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	71	0	0	71
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts				
Total insurance finance income or expense	71	0	0	71
Total changes in the statement of financial performance	-343	-5	349	1
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	169			169
Claims and other insurance service expenses paid, including investment components			-351	-351
Insurance acquisition cash flows	-17			-17
Total cash flows	152		-351	-199
Net closing balance	2,700	281	12	2,992

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance GMM

	Liabilities for Remaining Coverage			
31 December 2023, € million	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Net opening balance	3,027	233	12	3,272
Insurance revenue - Fair value approach	-190			-190
CSM recognised for services provided	-54			-54
Change in risk adjustment for non-financial risk for risk expired	-8			-8
Expected insurance service expenses incurred:	-109			-109
Claims	-92			-92
Expenses	-17			-17
Recovery of insurance acquisition cash flows	-10			-10
Experience adjustments not related to future service	-8			-8
Insurance revenue - Post Transition	-26			-26
CSM recognised for services provided	-10			-10
Change in risk adjustment for non-financial risk for risk expired	-1			-1
Expected insurance service expenses incurred:	-10			-10
Claims	-7			-7
Expenses	-3			-3
Recovery of insurance acquisition cash flows	-4			-4
Experience adjustments not related to future service	-1			-1
Total insurance revenue - All transition methods	-216			-216
Insurance service expenses				
Incurred insurance service expenses		-12	136	124
Claims		-11	106	95
Expenses		0	29	29
Amortisation of insurance acquisition cash flows	14			14
Changes that relate to past service (changes in fulfilment cash flows re LIC)			2	2
Changes that relate to future service		65		65
Losses for the net outflow recognised on initial recognition		0		0
Losses and reversal of losses on onerous contracts - subsequent measurement		65		65

31 December 2023, € million	Liabilities for Remaining Coverage: Excluding loss component	Liabilities for Remaining Coverage: Loss component	Liabilities for Incurred Claims	Total
Total insurance service expenses	14	53	137	205
Total insurance service result	-416	53	352	-11
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	108	-1	0	107
Total insurance finance income or expense	108	-1	0	107
Total changes in the statement of financial performance	-308	52	352	96
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	180			180
Claims and other insurance service expenses paid, including investment components			-350	-350
Insurance acquisition cash flows	-8			-8
Total cash flows	172		-350	-178
Net closing balance	2,891	286	14	3,190

Reconciliation statement of insurance contract liability by calculation component, life insurance GMM

31 December 2024, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	CSM			Total
			Modified Retrospective Approach	Fair Value Approach	Post Transition	
Net opening balance	2,366	132		594	99	3,190
Changes that relate to current services	-9	-12		-46	-13	-80
CSM recognised for services provided				-46	-13	-59
Change in risk adjustment for non-financial risk for risk expired		-12				-12
Experience adjustments not related to future service	-9					-9
Changes that relate to future service	52	1		-75	32	10
Contracts initially recognised in the year	-46	12			34	0
Changes in estimates that adjust the CSM	89	-12		-75	-2	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	10	0				10
Changes that relate to past services	0					0
Changes in estimates in LIC fulfilment cash flows	1					1
Experience adjustments in claims and other insurance service expenses in LIC	-2					-2
Total insurance service result	44	-11		-121	19	-70
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	63	7		0	2	71
Total insurance finance income or expense	63	7		0	2	71
Total changes in the statement of financial performance	106	-5		-121	21	1
Cash flows (Actual cash flows in the period)						
Premiums and premium tax received	169					169
Claims and other insurance service expenses paid, including investment components	-351					-351
Insurance acquisition cash flows	-17					-17
Total cash flows	-199					-199
Net closing balance	2,273	127		472	120	2,992

Reconciliation statement of insurance contract liability by calculation component, non-life insurance, GMM

			CSM			
31 December 2023, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	2,460	105		651	56	3,272
Changes that relate to current services	-4	-10		-54	-10	-78
CSM recognised for services provided				-54	-10	-64
Change in risk adjustment for non-financial risk for risk expired		-10				-10
Experience adjustments not related to future service	-4					-4
Changes that relate to future service	-16	31		-2	52	65
Contracts initially recognised in the year	-37	8			29	0
Changes in estimates that adjust the CSM	-36	15		-2	23	0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	57	8				65
Changes that relate to past services	2					2
Changes in estimates in LIC fulfilment cash flows	3					3
Experience adjustments in claims and other insurance service expenses in LIC	-2					-2
Total insurance service result	-18	21		-56	42	-11
Insurance finance income or expense						
The effect of and changes in time of time value of money and financial risk	103	6		-2	0	107
Total insurance finance income or expense	103	6		-2	0	107
Total changes in the statement of financial performance	84	27		-58	43	96
Cash flows (Actual cash flows in the period)						
Premiums and premium tax received	180					180
Claims and other insurance service expenses paid, including investment components	-350					-350
Insurance acquisition cash flows	-8					-8
Total cash flows	-178					-178
Net closing balance	2,366	132		594	99	3,190

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

31 December 2024, € million	Liabilities for Remaining Coverage Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Net opening balance	5,706	118	41	5,865
Insurance revenue - Fair value approach	-32			-32
CSM recognised for services provided	-7			-7
Change in risk adjustment for non-financial risk for risk expired	-4			-4
Expected insurance service expenses incurred:	-17			-17
Claims	2			2
Expenses	-19			-19
Recovery of insurance acquisition cash flows	-2			-2
Experience adjustments not related to future service	-2			-2
Total insurance revenue - All transition methods	-32			-32
Insurance service expenses				
Incurred insurance service expenses		-1	35	34
Claims		0	-3	-3
Expenses		-1	37	37
Amortisation of insurance acquisition cash flows	2			2
Changes that relate to past service (changes in fulfilment cash flows re LIC)			0	0
Changes that relate to future service:		2		2
Losses and reversal of losses on onerous contracts - subsequent measurement		2		2
Total insurance service expenses	2	1	35	38
Investment components	-351		351	0
Total insurance service result	-381	1	386	6

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

31 December 2024, € million	Liabilities for Remaining Coverage			
	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Insurance finance income or expense				
Net finance expenses from insurance contracts	548	0	0	548
Total changes in the statement of financial performance	166	1	386	553
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	197			197
Claims and other insurance service expenses paid, including investment components			-384	-384
Insurance acquisition cash flows	-5			-5
Total cash flows	193		-384	-192
Net closing balance	6,065	119	43	6,227

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

31 December 2023, € million	Liabilities for Remaining Coverage Excluding loss component	Liabilities for Remaining Coverage Loss component	Liabilities for Incurred Claims	Total
Net opening balance	5,492	95	51	5,637
Insurance revenue - Fair value approach	-26			-26
CSM recognised for services provided	-5			-5
Change in risk adjustment for non-financial risk for risk expired	-4			-4
Expected insurance service expenses incurred:	-17			-17
Claims	2			2
Expenses	-19			-19
Recovery of insurance acquisition cash flows	-2			-2
Experience adjustments not related to future service	2			2
Total insurance revenue - All transition methods	-26			-26
Insurance service expenses				
Incurred insurance service expenses		-1	26	26
Claims		0	-3	-3
Expenses		-1	29	28
Amortisation of insurance acquisition cash flows	2			2
Changes that relate to past service (changes in fulfilment cash flows re LIC)			1	1
Changes that relate to future service:		24		24
Losses and reversal of losses on onerous contracts - subsequent measurement		24		24
Total insurance service expenses	2	23	27	52
Investment components	-348		348	0
Total insurance service result	-373	23	375	26

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

31 December 2023, € million	Liabilities for Remaining Coverage			
	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
Insurance finance income or expense				
Net finance expenses from insurance contracts	429	0	0	429
Total insurance finance income or expense	429	0	0	429
Total changes in the statement of financial performance	57	23	375	455
Cash flows (Actual cash flows in the period)				
Premiums and premium tax received	162			162
Claims and other insurance service expenses paid, including investment components			-385	-385
Insurance acquisition cash flows	-4			-4
Total cash flows	158		-385	-227
Net closing balance	5,706	118	41	5,865

Reconciliation statement of insurance contract liability by calculation component, life insurance VFA

			CSM				
31 December 2024, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	5,756	46			64		5,865
Changes that relate to current services	15	-5			-7		4
CSM recognised for services provided					-7		-7
Change in risk adjustment for non-financial risk for risk expired		-5					-5
Experience adjustments not related to future service	15						15
Changes that relate to future service	-45	14			32		2
Changes in estimates that adjust the CSM	-38	6			32		0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	-6	8					2
Changes that relate to past services	0						0
Changes in estimates in LIC fulfilment cash flows	0						0
Experience adjustments in claims and other insurance service expenses in LIC	0						0
Total insurance service result	-29	10			25		6
Insurance finance income or expense							
The effect of and changes in time of time value of money and financial risk	548						548
Foreign exchange differences on changes in the carrying amount of groups of							
Total insurance finance income or expense	548						548
Total changes in the statement of financial performance	519	10			25		553
Cash flows (Actual cash flows in the period)							
Premiums and premium tax received	197						197
Claims and other insurance service expenses paid, including investment components	-384						-384
Insurance acquisition cash flows	-5						-5
Total cash flows	-192						-192
Net closing balance	6,083	55			89		6,227

Reconciliation statement of insurance contract liability by calculation component, life insurance VFA

			CSM				
31 December 2023, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	5,513	44			80		5,637
Changes that relate to current services	10	-4			-5		1
CSM recognised for services provided					-5		-5
Change in risk adjustment for non-financial risk for risk expired		-4					-4
Experience adjustments not related to future service	10						10
Changes that relate to future service	29	6			-11		24
Changes in estimates that adjust the CSM	8	3			-11		0
Changes in estimates that relate to losses and reversal of losses on onerous contracts	21	3					24
Changes that relate to past services	1						1
Changes in estimates in LIC fulfilment cash flows	1						1
Experience adjustments in claims and other insurance service expenses in LIC	0						0
Total insurance service result	40	2			-16		26
Insurance finance income or expense							
The effect of and changes in time of time value of money and financial risk	429						429
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts							
Total insurance finance income or expense	429						429
Total changes in the statement of financial performance	470	2			-16		455
Cash flows (Actual cash flows in the period)							
Premiums and premium tax received	162						162
Claims and other insurance service expenses paid, including investment components	-385						-385
Insurance acquisition cash flows	-4						-4
Total cash flows	-227						-227
Net closing balance	5,756	46			64		5,865

Reconciliation statement of reinsurance contracts for the remaining coverage period and incurred claims, life insurance

31 December 2024, € million	Remaining coverage component: Excluding loss-recovery component	Loss-recovery component	Incurred claims component	Total
Net opening balance	0			0
CSM recognised for services provided	-4			-4
Expected recoveries of incurred claims and other insurance service expense	-3			-3
Allocation of the premiums paid – Post transition	-5			-5
CSM recognised for services provided	-4			-4
Expected recoveries of incurred claims and other insurance service expense	-1			-1
Experience adjustment not related to future service	0			0
Total allocation of premiums paid	-12			-12
Recoveries of incurred claims and other insurance service expense			4	4
Total amounts recovered from reinsurance			4	4
Effect of changes in non-performance risk of reinsurance	0			0
Total net expenses from reinsurance	-12		4	-8
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	-1			-1
Total insurance finance income or expense	-1			-1
Total changes in the statement of financial performance	-13		4	-9
Cash flows (Actual cash flows in the period)				
Premiums and premium tax paid	12			12
Amounts recovered			-4	-4
Total cash flows	12		-4	9
Net closing balance	-1			-1

Reconciliation statement of reinsurance contracts for the remaining coverage period and incurred claims, life insurance

31 December 2023, € million	Remaining coverage component Excluding loss-recovery component	Loss-recovery component	Incurred claims component	Total
Net opening balance	-2			-2
Allocation of the premiums paid – Fair value approach	-7			-7
CSM recognised for services provided	-4			-4
Expected recoveries of incurred claims and other insurance service expense	-3			-3
Allocation of the premiums paid – Post transition	-4			-4
CSM recognised for services provided	-3			-3
Expected recoveries of incurred claims and other insurance service expense	0			0
Total allocation of premiums paid	-11			-11
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense			4	4
Total amounts recovered from reinsurance			4	4
Effect of changes in non-performance risk of reinsurance	0			0
Total net expenses from reinsurance	-11		4	-7
Insurance finance income or expense				
The effect of and changes in time of time value of money and financial risk	-3			-3
Total insurance finance income or expense	-3			-3
Total changes in the statement of financial performance	-14		4	-10
Cash flows (Actual cash flows in the period)				
Premiums and premium tax paid	16			16
Amounts recovered			-4	-4
Total cash flows	16		-4	12
Net closing balance	0			0

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

			CSM				
31 December 2024, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	-39				21	18	0
Changes that relate to current services	0				-4	-4	-8
CSM recognised for services received					-4	-4	-8
Experience adjustments not related to future service	0						0
Changes that relate to future service	-12				5	7	0
Contracts initially recognised in the year	-6					6	0
Changes in estimates that adjust the CSM	-6				5	1	0
Effect of changes in non-performance risk of reinsurance	0						0
Total net expenses from reinsurance	-12				1	3	-8
Insurance finance income or expense							
The effect of and changes in time of time value of money and financial risk	-1				0	0	-1
Total insurance finance income or expense	-1				0	0	-1
Total changes in the statement of financial performance	-13				1	3	-9
Cash flows							
Premiums and premium tax paid	12						12
Amounts recovered	-4						-4
Total cash flows	9						9
Net closing balance	-43				22	21	-1

Reconciliation statement of insurance contract liabilities for the remaining coverage period and incurred claims liabilities, life insurance VFA

			CSM				
31 December 2023, € million	Estimates of Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risk	Full Retrospective Approach	Modified Retrospective Approach	Fair Value Approach	Post Transition	Total
Net opening balance	-34				21	11	-2
Changes that relate to current services	1				-4	-3	-7
CSM recognised for services received					-4	-3	-7
Experience adjustments not related to future service	1						1
Changes that relate to future service	-14				4	10	0
Contracts initially recognised in the year	-6					6	0
Changes in estimates that adjust the CSM	-8				4	4	0
Effect of changes in non-performance risk of reinsurance	0						0
Total net expenses from reinsurance	-14				0	7	-7
Insurance finance income or expense							
The effect of and changes in time of time value of money and financial risk	-3				0	0	-3
Total insurance finance income or expense	-3				0	0	-3
Total changes in the statement of financial performance	-17				0	7	-10
Cash flows							
Premiums and premium tax paid	16						16
Amounts recovered	-4						-4
Total cash flows	12						12
Net closing balance	-39				21	18	0

Effect of contracts recognised during the financial year, life insurance

31 December 2024, € million	Non-onerous groups of contracts			Onerous groups of contracts			
	Contracts acquired in transfers or business combinations	Other contracts	**Total**	Contracts acquired in transfers or business combinations	Other contracts	**Total**	**Total**
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:		46	46				46
Insurance acquisition cash flows		4	4				4
Claims and other cash outflows		42	42				42
Estimates of the present value of future cash inflows		-91	-91				-91
Risk adjustment for non-financial risk		12	12				12
Contractual service margin		34	34				34
Losses for the net outflow recognised on initial recognition		0	0				0

Effect of contracts recognised during the financial year, life insurance

31 December 2023, € million	Non-onerous groups of contracts			Onerous groups of contracts			
	Contracts acquired in transfers or business combinations	Other contracts	Total	Contracts acquired in transfers or business combinations	Other contracts	Total	Total
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:		34	34		0	0	34
Insurance acquisition cash flows		4	4		0	0	4
Claims and other cash outflows		30	30		0	0	30
Estimates of the present value of future cash inflows		-71	-71		0	0	-71
Risk adjustment for non-financial risk		8	8		0	0	8
Contractual service margin		29	29				29
Losses for the net outflow recognised on initial recognition		0	0		0	0	0

Contractual service margin

31 December 2024, € million	< 1 yr	1–2 yrs	2–3 yrs	3–4 yrs	4–5 yrs	5–10 yrs	> 10 yrs	Total
Insurance contracts issued	59	54	50	46	42	164	266	681
Reinsurance contracts held	-6	-5	-5	-4	-3	-11	-8	-43
Total	**53**	**49**	**45**	**42**	**39**	**153**	**257**	**638**

Contractual service margin

31 December 2023, € million	< 1 yr	1–2 yrs	2–3 yrs	3–4 yrs	4–5 yrs	5–10 yrs	> 10 yrs	Total
Insurance contracts issued	63	58	53	49	45	179	308	756
Reinsurance contracts held	-6	-5	-4	-4	-3	-10	-8	-39
Total	**58**	**54**	**49**	**45**	**42**	**169**	**300**	**717**

Note 32. Debt securities issued to the public

Accounting policies

Debt securities issued to the public presents bonds, subordinated bonds (SNP), covered bonds, certificates of deposit and commercial papers. Note 17, Classification of financial assets and liabilities, presents the valuation principles applied to this item.

€ million	31 Dec 2024	Adjusted 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**

Reconciliation of changes in liabilities in cash flows from financing activities against balance sheet items	Debt securities issued to the public	Subordinated liabilities	Debt securities issued to the public	Subordinated liabilities
€ million	2024		2023	
Balance sheet value 1 Jan	37,689	1,414	37,438	1,384
Changes in cash flows from financing activities				
Increases in bonds	1,710		2,637	
Increases in covered bonds	1,992		2,986	
Increases in certificates of deposit	401		713	
Increases in commercial papers	5,753		7,153	
Increases in debentures		1		
Increases total	9,856	1	13,488	
Decreases in bonds	-4,548		-984	
Decreases in covered bonds	-2,129		-2,238	
Decreases in certificates of deposit	-913		-1,128	
Decreases in commercial papers	-7,503		-10,312	
Decreases in debentures				-5
Decreases total	-15,093		-14,663	-5
Total changes in cash flows from financing activities	-5,237	1	-1,174	-5
Valuations	729	19	1,246	35
Interest carried forward	17	11	179	
Balance sheet value 31 Dec	33,198	1,445	37,689	1,414

Most significant issues in 2024

	Book value	Fair value	Interest, %
OP Corporate Bank plc			
OP Corporate Bank plc Issue of 3yr EUR 500,000,000 under the EUR 20,000,000,000 Programme for the Issuance of Debt Instruments	500	501	EUB3 + 40 BPS
OP Corporate Bank plc Issue of EUR 500,000,000 Euro Medium Term Note Programme under the EUR 20,000,000,000 Programme for the Issuance of Debt Instruments	501	499	Kiinteä 2,875
OP Mortgage Bank			
OP Mortgage Bank issue of EUR 1,000,000,000 3,000 per cent. Covered Notes due 17 July 2031 under the EUR 25,000,000,000 Euro Medium Term Covered Bond (Premium) Programme	1,000		Fixed 3.000
OP Mortgage Bank issue of EUR 1,000,000,000 2,500 per cent. Covered Notes due 3 October 2029 under the EUR 25,000,000,000 Euro Medium Term Covered Bond (Premium) Programme	1,000		Fixed 2.500

Note 33. Provisions and other liabilities

Accounting policies

A provision is recognised for an obligation if the obligation is based on a past event and it is probable that an outflow of resources will be required to settle the obligation, but there is uncertainty about the timing or amount required in settlement. In addition, an entity must have a present legal or constructive obligation towards a third party as a result of past events. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognised as a separate asset, but only at the time when receipt of the compensation is actually certain.

Other liabilities present items such as payment transfer liabilities, accrued expenses and deferred income, derivative CSA and other liabilities, pension liabilities, lease liabilities, accounts payable on securities, reverse factoring arrangements and financial liabilities held for trading.

€ million	31 Dec 2024	Adjusted 31 Dec 2023
Provisions		
Loss allowance on off-balance sheet items	45	44
Reorganisation provision		0
Other provisions	1	1
Total provisions	46	45
Other liabilities		
Payment transfer liabilities	1,167	1,148
Accrued expenses and deferred income	677	582
Derivative CSA and other liabilities	1,027	1,197
Pension liabilities	23	28
Lease liabilities	225	239
Accounts payable on securities	38	41
Reverse factoring arrangements	29	44
Dividend distribution liabilities	0	0
Other liabilities of insurance business	11	0
Claims administration contracts	98	117
Financial liabilities held for trading	2	5
Other	184	227
Total provisions and other liabilities	**3,526**	**3,674**

€ million	Loss allowance	Reorganisation	Other	Total
1 Jan 2024	44	0	1	45
Increase in provisions	1		0	1
Provisions used			-1	-1
Reversal of unused provisions		0		0
31 Dec 2024	**45**		**1**	**46**

€ million	Loss allowance	Reorganisation	Other	Total
1 Jan 2023	33	1	3	37
Increase in provisions	12		1	13
Provisions used		0	-1	-2
Reversal of unused provisions		0	-2	-2
31 Dec 2023	**44**	**0**	**1**	**45**

Claims administration contracts

Claims administration contracts are contracts which are not insurance contracts, but on the basis of which claims are paid on behalf of another party which has full risk for its own account. Such items are included in both receivables (Note 27) and liabilities (Note 33).

Defined benefit pension plans

OP Financial Group has funded assets of its pension plans through insurance companies and the OP-Eläkesäätiö pension foundation. Plans related to supplementary pensions in the pension foundation are treated as defined benefit plans. Statutory pension cover managed by Ilmarinen Mutual Pension Insurance Company is treated as a defined contribution plan.

Supplementary pension at OP-Eläkesäätiö pension foundation and insurance companies
OP-Eläkesäätiö pension foundation manages supplementary pension cover for employees provided by the employers within OP Financial Group. The purpose of the pension foundation is to grant old-age and disability pension benefits and sickness benefits to employees covered by the pension foundation activities, and survivors' pension benefits to their beneficiaries, and to provide burial grants. In addition, the pension foundation may grant said employees benefits related to rehabilitation. Arranging supplementary pension is voluntary. Supplementary pension cover provided by OP-Eläkesäätiö is fully funded.

OP-Eläkesäätiö covers every employee who has reached the age of 20 years and who has been employed, as specified by TyEL, for two consecutive years by an employer within the pension foundation, and whose employment began before 1 July 1991. The employment term entitling to pension begins from the day the employee turned 23 years while employed by the employer. The salary/wage serving as the basis for the calculation of pension refers to pensionable pay based on one and the same employment and calculated under the Finnish Employees Pensions Act (TEL), in force until 31 December 2006. The retirement age of those covered by OP-Eläkesäätiö pension foundation varies from 60 to 65 years, depending on the personnel group to which the employee belongs under the pension foundation rules.

At national level, the supplementary pension foundation complies with the Act on supplementary pension foundations and supplementary pension funds (unofficial translation of "Laki lisäeläkesäätiöistä ja lisäeläkekassoista" (LESKL)). As a result, the most significant risk is that of the actual return on investment assets being lower than the target set for the minimum return. If such a risk were to materialise in several consecutive years, it would result in the charging of premiums.

Furthermore, the most significant actuarial risks of OP-Eläkesäätiö pension foundation are associated with interest rate and market risks, systematically increasing life expectancy, and inflation risk.

Responsible for investment, the Board of Trustees of the pension foundation approves the pension institution's investment plan related to its assets. A pension institution's chief actuary prepares annually a forecast for developments in insurance contract liabilities and pension costs. On this basis, investment asset allocation takes account of the requirements set by the nature of insurance contract liabilities for investment operations with respect to the level of security, productivity and liquidity, as well as the pension fund's risk-bearing capacity.

Supplementary pension has also been arranged in life insurance companies. In general, insured persons are entitled to retire on an old-age pension at the age of 63. They are also entitled to disability pension and, after their death, their beneficiaries are entitled to a burial grant and survivors' pension. Insurance contributions are collected based on the retirement age of 65. The employer pays the uncovered portion of the pension on a lump-sum basis when the person retires at the promised retirement age of 63.

In some plans, the retirement age of the insured persons' supplementary pension vary between 62 and 65 years and insurance contributions are collected in such a way that the promised benefit will have been fully covered by the retirement age.

Payable benefits are tied to the TyEL index. The employer will be annually charged an additional payment if the insurance company's own index compensation is smaller than the indexation of benefits.

When reporting promised benefits under IAS 19, the key risks are associated with the inflationary expectation, wage inflation and interest rates on the balance sheet date. The most significant risk in these plans is the inflation assumption, which affects the pension obligation through the assumed increase in benefits. The interest rate applied affects not only the pension obligation but also the value of assets corresponding to the obligation, reducing the effect of any change in the net benefit liability or receivable to be recognised.

Balance sheet value of defined benefit plans, € million	Defined benefit obligations		Fair value of pension assets		Net liabilities (assets)	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening balance 1 Jan	463	449	-629	-602	-166	-153
Defined benefit pension costs recognised in income statement						
Current service cost	4	4			4	4
Interest expense (income)	14	15	-19	-21	-5	-6
Administrative expenses			1	1	1	1
Total	18	19	-18	-20	0	-1
Losses (gains) recognised in other comprehensive income arising from remeasurement						
Actuarial losses (gains) arising from changes in economic expectations	-22	7			-22	7
Experience adjustments	-15	13			-15	13
Return on plan assets, excluding amount (–) of net defined benefit liability (asset)			-20	-29	-20	-29
Total	-37	20	-20	-29	-56	-8
Other						
Employer contributions			-4	-4	-4	-4
Benefits paid	-27	-25	27	25		
Total	-27	-25	24	21	-4	-4
Closing balance 31 Dec	417	463	-643	-629	-226	-166

Liabilities and assets recognised in the balance sheet, € million	31 Dec 2024	31 Dec 2023
Net assets (–) (Pension foundation)	-246	-192
Net liabilities (Supplementary pension plans of insurance companies)	23	28
Net assets (–) (Supplementary pension plans of insurance companies)	-3	-2
Total net liabilities	**23**	**28**
Total net assets	**-249**	**-194**

Pension foundation assets, € million	31 Dec 2024	31 Dec 2023
Shares and participations	112	99
Bonds	86	102
Real property	4	5
Mutual funds	355	344
Derivatives	0	0
Other assets	20	14
Total	**578**	**565**

Pension plan assets include, € million,	31 Dec 2024	31 Dec 2023
Other receivables from OP Financial Group companies	25	14
Total	**25**	**14**

Contributions payable under the defined benefit pension plan in 2025 are estimated at EUR 3 million. The duration of the defined benefit pension obligation in the pension foundation on 31 December 2024 was 11.5 years; in other plans, it was 15.7 years.

Key actuarial assumptions used	31 Dec 2024 Pension foundation	31 Dec 2024 Insurance companies	31 Dec 2023 Pension foundation	31 Dec 2023 Insurance companies
Discount rate, %	3.2	3.4	3.1	3.2
Future pay increase assumption, %	2.7	2.8	3.0	3.1
Future pension increases, %	2.1	2.1	2.4	2.5
Turnover rate, %	0.0	0.0	0.0	0.0
Inflation rate, %	1.9	2.0	2.2	2.3
Estimated remaining service life of employees in years	4.0	5.9	4.2	6.0
Life expectancy for 65-year old people				
Men	21.4	21.4	21.4	21.4
Women	25.4	25.4	25.4	25.4
Life expectancy for 45-year old people after 20 years				
Men	23.7	23.7	23.7	23.7
Women	28.1	28.1	28.1	28.1

Sensitivity analysis of key actuarial assumptions, 31 Dec 2024	Pension Foundation Change in defined benefit pension obligation € million	%	Supplementary pension schemes of insurance companies change in defined benefit net pension liability € million	%
Discount rate				
0.5 pp increase	-17	-5.2	-1	-8.4
0.5 pp decrease	19	5.8	2	9.5
Pension increases				
0.5 pp increase	18	5.5	6	34.4
0.5 pp decrease	-17	-5.2	-5	-32.1
Mortality				
1-year increase in life expectancy	11	3.3	0	2.6
1-year decrease in life expectancy	-11	-3.2	0	-2.5

Sensitivity analysis of key actuarial assumptions, 31 Dec 2023	Pension Foundation Change in defined benefit pension obligation		Supplementary pension schemes of insurance companies change in defined benefit net pension liability	
	€ million	%	€ million	%
Discount rate				
0.5 pp increase	-21	-5.6	-2	-8.5
0.5 pp decrease	22	6.2	2	9.7
Pension increases				
0.5 pp increase	22	5.8	6	27.9
0.5 pp decrease	-20	-5.5	-6	-25.9
Mortality				
1-year increase in life expectancy	13	3.3	1	2.8
1-year decrease in life expectancy	-12	-3.3	-1	-2.8

Note 34. Subordinated liabilities

€ million	31 Dec 2024	31 Dec 2023
Subordinated loans	0	0
Debentures	1,444	1,414
Total subordinated liabilities	**1,444**	**1,414**

Debentures

- Debenture loan of JPY 10 billion (euro equivalent 64 million), which is a ten-year bullet loan, will mature on 3 July 2025. The loan carries a floating rate linked to JPY Libor + 0.735%.
- Debenture loan of EUR 100 million, which is a 10-year bullet loan, will mature on 25 September 2025. The loan carries a fixed interest rate of 2.405% p.a.
- Debenture loan of SEK 3,250 million (euro equivalent 293 million), which is a ten-year bullet loan, will mature on 3 June 2030. The loan carries a floating rate linked to a 3-month Stibor + 2.300%.
- Debenture loan of EUR 1,000 million, which is a 10-year bullet loan, will mature on 9 June 2030. The loan carries a fixed interest rate of 1.625% p.a.

The above-mentioned loans were issued in international capital markets.

OP Financial Group has no breaches of the terms and conditions of the above-mentioned loan contracts with respect to principal, interest and other conditions. The difference between the nominal value and carrying amount is based on the size of the interest rate risk addressed by the fair value hedge. Under the terms and conditions of all loans, the issuer will have the opportunity for early redemption at par value if the principal can no longer be recognised as part of the bank's Tier 2 capital.

Note 35. Equity capital

Accounting policies

OP Financial Group categorises instruments it has issued based on their nature either as equity or financial liability. Incremental costs directly attributable to the issue or purchase of equity instruments are shown in equity as an allowance.

Cooperative capital shares, which includes OP cooperative bank members' membership shares and Profit Shares, are classified as equity instruments. In all situations, OP cooperative banks have an unconditional right to refuse to refund both membership shares and Profit Shares. However, OP cooperative banks may decide to refund cooperative capital shares annually, within the limits set by the authorities.

A member cooperative contribution and the resulting owner-customer membership and membership share entitles the owner-customer to take part in the OP cooperative bank's decision-making. No interest is paid on a membership share.

Profit Shares do not include any voting rights. Any interest payable on Profit Shares is the same for all Profit Shares. The interest is recognised as liability and deducted from equity once the decision for payment has been made.

€ million	31 Dec 2024	31 Dec 2023
Capital and reserves attributable to OP Financial Group owners		
Cooperative capital, membership shares	222	219
of which terminated membership shares	7	7
Cooperative capital, Profit Shares	3,255	3,335
of which terminated Profit Shares	353	388
Reserves		
Restricted reserves		
Legal reserve	795	795
Fair value reserve		
On cash flow hedging	-140	-212
On fair value measurement	-109	-78
Other restricted reserves	1	1
Non-restricted reserves		
Other non-restricted reserves	1,375	1,375
Retained earnings		
Profit (loss) for previous periods	10,594	9,066
Profit (loss) for the period	1,975	1,637
Equity capital attributable to OP Financial Group owners	**17,969**	**16,139**
Non-controlling interests	**141**	**124**
Total equity	**18,110**	**16,262**

Cooperative capital, membership shares

OP Financial Group's equity capital includes membership shares paid by OP cooperative bank members. The bank has an unconditional right to refuse to pay interest on these shares and refund the capital. A member cooperative contribution and the resulting owner-customer membership and membership share entitles the owner-customer to take part in the bank's governance and decision-making.

Cooperative capital, Profit Shares

OP Financial Group's equity capital includes investments in Profit Shares made by OP cooperative bank members. The bank has an unconditional right to refuse to pay interest on these shares and refund the capital. The return target for 2024 was 5.50% (4.50). For 2025, the return target is 4.50%. The interest payable is confirmed afterwards every year. The return target can be revised every year. Profit Shares do not include owner-customer rights and do not provide voting rights. If an OP cooperative bank has not refused a refund, the member cooperative contribution and the Profit Share contribution may be refunded 12 months after the end of the financial year in which the membership terminated or the Profit Shares were terminated by its holder. If the refund cannot be made in full in a given year, the remaining amount will be refunded from disposable equity capital based on subsequent financial statements. However, the entitlement to a refund for the remaining amount will end after the fifth subsequent financial statements from the original refund. No interest will be paid on the remaining amount.

Number of OP Financial Group's cooperative capital shares

(1,000)	Cooperative capital, membership shares	Cooperative capital, Profit Shares	Total number of cooperative capital shares
1 Jan 2023	**2,168**	**33,686**	**35,854**
Increases in cooperative capital	95	1,232	1,327
Refunds of cooperative capital	-72	-1,572	-1,645
31 Dec 2023	**2,191**	**33,346**	**35,537**
Increases in cooperative capital	158	1,096	1,254
Refunds of cooperative capital	-136	-1,894	-2,029
31 Dec 2024	**2,214**	**32,548**	**34,762**

Reserves

Legal reserve

Legal reserve consists of retained earnings transferred to it for prior periods, and the portion transferred from OP cooperative banks' revaluation reserve and loss provisions. The legal reserve can be used to absorb losses for which non-restricted capital is insufficient. It can also be used to increase the share capital of the central cooperative's subsidiaries. It can be reduced in the same way as the share capital of the central cooperative's subsidiaries. A cooperative credit institution may use the legal reserve only to absorb losses. In a limited liability company, it has not been possible to increase the legal reserve since 1 September 2006.

Fair value reserve

The fair value reserve includes the change in the fair value of notes and bonds recognised through the statement of comprehensive income. Items included in this reserve are derecognised and recorded in the income statement when the notes and bonds are disposed of. The expected loss on notes and bonds recognised through other comprehensive income is recognised to adjust the fair value reserve. The reserve also includes the net fair value change in interest rate derivatives that have been used as cash flow hedges, verified as effective and adjusted for deferred tax. Fair value changes are included in the income statement in the period when hedged cash flows affect net income.

Fair value reserve after tax

Recognised at fair value through other comprehensive income

€ 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 Dec 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.

The rise in market interest rates and the decline in stock prices made the investment environment challenging.

Other restricted reserves

The reserves consist of retained earnings for prior financial years based on the Articles of Association or other rules defining their purpose. The revaluation reserve includes the difference between the carrying amount and fair value of an investment property previously in own use at the time of reclassification.

Other non-restricted reserves

Other non-restricted reserves consist of retained earnings based on the Articles of Association, other rules, or decisions taken by the General Meeting, Representative Assembly or the Cooperative Meeting.

Retained earnings

Retained earnings also contain voluntary provisions and depreciation difference included in the separate financial statements of the entities consolidated into OP Financial Group's financial statements. The item also includes insurance companies' equalisation provisions and gains (or losses) resulting from the remeasurement of defined benefit pension plans less deferred tax.

Other notes to on-balance and off-balance sheet items

Note 36. Loss allowance regarding receivables and notes and bonds

Accounting policies

Impairment

Expected credit losses are calculated on all balance sheet items amortised at cost and those recognised at fair value through other comprehensive income (FVOCI) (instruments other than equity instruments) and on off-balance-sheet loan commitments and financial guarantee contracts. Expected credit losses are recognised at each reporting date, reflecting:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Classification of contracts into three impairment stages

Contracts are classified into three stages. The different stages reflect credit deterioration since initial recognition.

- Stage 1: contracts whose credit risk has not increased significantly since initial recognition and for which a 12-month ECL is calculated.
- Stage 2: contracts whose credit risk has increased significantly since initial recognition and for which a lifetime ECL is calculated.
- Stage 3: non-performing contracts for which a lifetime ECL is also calculated.

Definition of default

In the IFRS 9 based calculation, OP Financial Group applies the same definition of default as in internal credit risk models. OP Financial Group assesses default using its internal rating system based on payment behaviour. For personal customers, the definition of default is applied on a contract-by-contract basis whereas corporate customers are reviewed in terms of a group of connected clients. The customer is classified as a customer in default when the customer's repayment is considered unlikely, for example when the customer has a public payment default record or it has been granted a forbearance in which the present value of the loan decreases by more than 1 per cent. Default extends to all credit obligations of an obligor in default among personal customers when a significant proportion (20 per cent) of personal customer exposures are defaulted. In addition, the contract is defaulted when a payment related to a financial asset is over 90 days past due, at the latest.

The customer's default ends when it no longer meets the criteria for the definition of default and the subsequent probation period of 6–12 months has ended.

The definition of default is based on Article 178 of Regulation (EU) No 575/2013 (CRR) of the European Parliament and of the Council and on the European Banking Authority's (EBA) guidelines on the application of the definition of default (EBA/GL/2016/07 and EBA/RTS/2016/06).

Definition of non-performing exposure

The definition of non-performing exposure includes the probation periods of non-performing forborne exposures, in addition to the exposures based on the definition of default used previously, before they can be reclassified as performing. Non-performing exposure is defined in accordance with Article 47a of the Capital Requirements Regulation (EU) No. 575/2013. OP Financial Group uses non-performing exposures as the classification criterion for impairment stage 3.

In addition, originated credit-impaired contracts are always within the scope of the lifetime expected credit loss (POCI).

Significant increase in credit risk

The expected credit losses will be calculated for each contract for 12 months or lifetime, depending on whether the instrument's credit risk on the reporting date has increased significantly since initial recognition. Both qualitative and quantitative criteria are used to assess whether the credit risk of each contract has increased significantly. Forbearance and an entry on the watch list generated by the early warning system serve as qualitative criteria for significant increases in credit risk and the resulting transfers to impairment stage 2 for all contract types.

OP Financial Group has included relative and absolute thresholds for the determination of significant quantitative increases in credit risk considering all relevant and supportable information.

The IFRS 9 models for home loans and OP cooperative banks' secured consumer loans were revised in Q4/2024. Quantitative changes in these contract types are assessed using two criteria. Credit risk is regarded as being considerably higher if one of these two criteria is fulfilled:
1) Under the absolute criterion, the absolute lifetime PD is calculated by deducting the original annualised PD from the annualised PD on the reporting date, and assessing whether this breaches the modelled threshold value.
2) Under the relative criterion, the relative lifetime PD is calculated by dividing the reporting date annualised PD by the originally annualised PD, and assessing whether the result breaches the modelled threshold value.

The quantitative change in all other contract types is assessed using the relative change in lifetime PD figures (PD curve). The original lifetime PD curve is calculated on the origination date of the loan, taking account of macroeconomic factors. Next, the acceptable natural range of variation is determined for the limits within which the credit risk is not considered to increase significantly during the remaining maturity of the loan. The acceptable range has been modelled separately for personal and corporate customers. This yields a so-called threshold value curve. On each reporting date, the current lifetime PD curve is compared to the threshold value curve. If the threshold value is exceeded, the credit risk has increased significantly and a credit loss (calculated for the entire remaining maturity of the loan) is recognised. In addition to this limit of the relative change, a further requirement is that a rating grade has deteriorated since initial recognition so that shifting to the lifetime ECL calculation does not occur only on the basis of the passage of time.

In addition, after initial recognition the credit risk of a financial asset is regarded as significantly higher for all contract types (backstop criteria) if
the annualised PD has increased more than threefold. However, because the annualised PD must be over 0.3%, the so-called low credit risk assumption permitted by IFRS 9 is applied here.
- Contractual payments are more than 30 days past due.

OP Financial Group regularly monitors how effective the abovementioned criteria are at detecting significant increases in credit risk before contractual payments are over 30 days past due. It also monitors contracts to ensure that direct transfers from impairment stage 1 to impairment stage 3 do not proliferate, and performs any required recalibrations of the calculation method used to assess the relative change.

Measurement methods

Expected credit losses are mainly measured on a system basis using the PD/LGD method, contract-specifically, for all personal and corporate customer exposures. In addition to this, the cash flow based ECL measurement method based on expert judgement is used for the largest corporate exposures on the watch list and covered by the R rating model, whose exposures have, in general, been moved to stage 2 or 3 in the ECL measurement.

PD/LGD method

Expected credit losses are measured using portfolio-specific credit risk models.

- Home loans and OP cooperative banks' secured consumer loans
- Other retail exposures
- Corporate customer exposures

Expected credit losses are measured using modelled risk parameters with the formula 'probability of default (PD) x loss given default (LGD) x exposure at default (EAD)' for all portfolios per contract, and reflect expectations of future credit losses on the reporting date. PD estimates the probability of default according to the aforementioned definition of default. LGD estimates the share of an exposure not recovered if a borrower defaults and depends on factors such as the quantity and type of collateral securities and various financial guarantees. EAD estimates the exposure amount at default, including exposure in the balance sheet (capital and accrued interest), and expected use of off-balance-sheet items at default. In addition, ECL measurement incorporates expectations of prepayment.

ECL measurement is based on three scenarios: baseline, upside and downside. The risk parameters PD, LGD and EAD are calculated for yearly time buckets in each scenario, incorporating macroeconomic factors that correspond to the modelling approach used and including economic forecasts. Yearly ECL figures are discounted to the reporting date and a probability-weighted ECL is calculated from the figures for different scenarios. The contract's effective interest rate or estimated effective interest rate is used as the discount factor. The contract's maximum residual term to maturity is limited to 30 years in the calculation.

A new PD model was introduced in Q4/2024 for home loans and OP cooperative banks' secured consumer loans. The PD models are substantially affected by the contract's credit rating, loan age (personal customers) as well as the model's sub-segment, which is determined for corporate customers on the basis the rating model and for personal customers on the basis of the product type. In addition, PD estimates are dependent on macroeconomic factors and their forecasts in each scenario. Change in GDP and real interest rates are used as macroeconomic explanatory factors in the lifetime PD model for corporate exposures. In the lifetime PD model for personal customers, the macroeconomic factors have been divided by segment and a GDP change and the 12-month Euribor are used, for example, in home loans. The variables in revolving credit facilities include change in GDP and the real 3-month Euribor.

The new LGD model introduced in Q4/2024 for home loans, and for consumer loans issued by OP cooperative banks, is divided into two categories: promissory notes and other loans. Specific models have been developed for performing and non-performing exposures. The models for performing and non-performing exposures are similar in structure and approach, except that forecasting based on the model for non-performing exposures also takes account of the period of default and the debt collection stage.

Promissory notes comprise home loans, as well as Secured Consumer Loans issued by OP cooperative banks. LGD estimates are calculated on the basis of the expected loss for contracts associated with cured exposures and the expected loss for contracts associated with non-cured exposures, using the cure rate as a weighted average. Expected loss calculations take account of the exposure's collateral position, guarantees and customer-related factors affecting the cure rate. Account is also taken of the economic situation and outlook through the home price index and GDP.

Other loans principally comprise revolving credit facilities, whose LGD is estimated using a decision tree taking account of the collateral position, loan amount and differences between products.

The LGD model (lifetime LGD) used for other personal and corporate customers' contracts has three components:

- cure rate
- collateral return
- non-collateral return.

The cure rate in personal customer exposures has been estimated at product category level, whereas estimates concerning corporate customer exposures are industry-specific. The collateral return describes the extent to which the cash flows received from collateral securities cover the remaining amount of exposure. The collateral return is calculated by means of a lower-than-market value of collateral (haircut). The lower-than-market values have been estimated by comparing the realisation values of each collateral type in relation to the collateral's fair value, accounting for any direct expenses due to collateral repossession and sale. Finally, a margin of conservatism has been added to the lower-than-market-value estimates due to uncertainties associated with collateral data and estimation. The non-collateral return describes cash flows estimated for the remaining exposure amount at product category level, which the collateral return does not cover.

The estimates for the non-collateral return and the cure rate for impairment stage 3 are time-dependent, decreasing if the period of default or debt collection increases.

All three of these components are impacted by macroeconomic factors and the related forecasts. The change in GDP and the national house price index are used as macroeconomic variables for the home loans and OP cooperative banks' secured consumer loans model.

The lifetime exposure at default (lifetime EAD) for a contract is based on contractual cash flows and the utilisation rate, prepayment rate and maturity model, depending on the product type.

Determining the period of a contract

The period of a contract for promissory notes is a contractual maturity that takes account of loan repayments under the repayment plan. The prepayment model applies to secured promissory notes (excl. default). It does not reduce the contractual maturity but is taken into account as part of the contract's EAD.

Revolving credit facilities (such as credit cards) are contracts valid until further notice and an expected maturity has been modelled for them. The modelled maturity depends on the product type and rating grade, averaging some 13 years.

In stage 3, additional drawdowns following default status are taken into account in loan commitments, bank guarantees and revolving credit facilities using the credit conversion factor (CCF).

Forward-looking information

The calculation model includes forward-looking information and macroeconomic scenarios. OP Financial Group's economists update macroeconomic scenarios on a quarterly basis and the scenarios are the same as those otherwise used by OP Financial Group in its financial planning. Macroeconomic scenarios span 2–3 years of the baseline economic scenarios. After that, the scenario converges towards an economic balance in the long term. In the long-term balance, GDP and some of other variables are calculated using the production function methodology. Alternative scenarios around the baseline are defined using the autoregressive model, where the paths of each variable with desired probabilities are generated using the joint probability distribution of variables. The probability distribution of the variables is based on historical economic shocks and correlations between the variables. The alternate scenarios also take account of any forecast errors in OP Financial Group's economic forecast. Three scenarios are used: baseline, upside and downside. The macroeconomic factors used are GDP growth rate, unemployment rate, investment growth rate, inflation rate, change in income level, 12-month Euribor and real 3-month Euribor. In addition, the house price index is used in LGD models.

Preparing macroeconomic forecasts and projecting them into the future up to 30 years involves a large amount of uncertainty, which is why actual results may differ significantly from the forecasts. An analysis by OP Financial Group reveals a non-linear relationship between changes in risk parameter components and macroeconomic factors used in ECL calculation. Macroeconomic forecasts therefore represent OP Financial Group's best view of potential scenarios and outcomes.

Macroeconomic forecasts and ESG

Macroeconomic scenarios take account of the economic impacts of climate change, and of the related changes and adjustments made to the economy. An assessment of economic impacts has been made in calculating macroeconomic scenarios where the use of fossil energy is reduced, so that carbon neutrality is achieved by 2035. In this scenario, the Finnish GDP growth rate is an average of 0.3 percentage points slower for many years than in the baseline scenario. However, the calculation may overestimate the slowing down of the economy if the economic adjustment capacity proves to be better than usual. For this reason, the negative effect is included in a downside scenario.

Estimates of the economic impacts of climate change will be specified as new research data emerges, which can be applied to scenario calculations for the period they cover.

Cash flow based ECL method based on customer-specific expert assessment

The target group of customers subject to the expert ECL testing method are R-rated corporate obligors on the watch list, whose exposures have, in general, been moved to Stage 2 or 3 of ECL calculation. The related expert assessment is made during a rating or credit decision.

The forward-looking information used in the calculation is part of the credit rating assessment and rating proposal by a credit analyst, which cover developments in business, markets, the competitive situation and the forecast cash flow. The calculation also takes account of scenarios describing the effect of macroeconomic variables (upside, baseline and downside), on the basis of which the customer's weighted expected credit loss is calculated. The scenarios used in the PD/LGD model are utilised when determining the scenarios.

When a customer included in ECL measurement on the basis of a customer-specific expert assessment no longer meets the default criteria and has been identified and classified as a “performing” obligor, the customer is excluded from this method and returned to ECL measurement based on the normal PD/LGD model.

Impairment of notes and bonds

The expected loss on notes and bonds recognised through other comprehensive income is recognised through profit or loss, and to enable adjustment of the fair value reserve.

OP Financial Group uses a model based on credit rating information to calculate the expected credit loss on notes and bonds.

In the model, credit ratings are sought for purchase lots on the purchase date and the reporting date, and are converted into PD figures. OP Financial Group primarily uses the averages of external credit ratings. It uses internal credit ratings secondarily, if no external credit ratings exist.

PDs correspond to actual historical default rates by credit rating for each period from the date on which the credit rating was issued. The historical data, on which the determined equivalence is based, is comprehensive and long term. LGDs also correspond to studied historical actuals by investment class/collateral type (seniority, covered bond status) and – aside from defaulted customers, which can also be subject to an expert assessment – they are not separately assessed issuer or investment-specifically. Because external credit ratings measure total credit risk (ECL), not PD, in these cases LGDs affect only the ECL's division between PD and LGD components.

Classification of notes and bonds into impairment stages

Investments are transferred to stage 2 if their 12-month PD has doubled in such a way that the change is at least 0.2 percentage points, an investment is subject to forbearance measures, or its payments are over 30 days past due. Investments related to an issuer in default are classified as stage 3 if its payments are over 90 days past due or the customer is in potential default.

Impairment of off-balance-sheet items

Several products provided by OP Financial Group include a limit, credit facility or another off-balance-sheet loan commitment as a standard feature or a feature in some stage of the product life cycle. For example, revolving credit facilities, such as accounts with a credit facility, include both a loan and an undrawn commitment component. Moreover, OP Financial Group is an issuer in various guarantee contracts, such as financial guarantees and other commercial guarantees or guarantees given to authorities, to all of which IFRS 9 impairment rules apply. For loan commitments and financial guarantee contracts, the date that OP Financial Group becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements. Accordingly, only OP Financial Group's binding items are taken into account in the calculation of expected credit losses.

The expected credit loss is calculated for these items using the same principles as for loans. Increases in significant credit risk are assessed on the same grounds. For products of this kind, OP Financial Group models the EAD (which forecasts exposure at default). This includes both the utilisation rate and credit conversion factor. In addition, a maturity model is applied to contracts valid until further notice. The model takes account of cases where OP Financial Group has a contractual ability to demand repayment and cancel the undrawn commitment but it does not limit the Group's exposure to credit losses during the contractual notice period.

Recognition of expected credit losses

OP Corporate Bank plc mainly recognises a loss allowance for expected credit losses on a loan at carrying amount in a separate account. For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. For products that include both a loan receivable (financial asset) and an undrawn commitment (loan commitment) component, where OP Financial Group cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment are recognised together with the loss allowance for the financial asset.

Extra impairment provisions based on management judgement (management overlay)

OP Financial Group may make an ECL provision in situations where an external factor changes very rapidly (for example in a global crisis, such as pandemic or war or a rise in Euribor rates). The provision is temporary and remains valid as long as risk parameters used in ECL measurement have been updated to describe the changed situation. OP Financial Group uses both the so-called post-model adjustment management overlay concerning the loss allowance amount, and management overlay factors included in risk parameters (e.g. in the PD). Strict monitoring criteria are applied to the extra impairment provisions made based on management judgement and such criteria are quarterly reported to Group Executive Management.

Values used in calculation of other ECLs

In ECL measurement, OP Financial Group also uses certain values that impact on the amount of ECL:

- Fair value of collateral assessed on the basis of the collateral's geographical location
- Proper grouping of contracts into different segments so that their ECL can be calculated using the appropriate model
- Various assumptions and expert judgements made in the models
- Definition of modelling data and model risk related to data quality
- Selection of appropriate ECL models that take the best possible account of expected credit losses on the contract portfolio.
- Selection of methodology for estimating parameters used in ECL models.
- Determination of the contract's maturity for non-maturing loans (revolving credit facilities)

Write-off

A write-off constitutes a derecognition event. When OP Financial Group has no reasonable expectations of recovering a financial asset in its entirety, or a portion of the asset, a final credit loss is recognised which directly reduces the gross carrying amount of the financial asset.

A loan is partly derecognised:

- after a loan has been transferred for legal collection, the loan principal is written down to the value of collateral.
- when a repayment schedule due to a debt adjustment or corporate debt restructuring has been confirmed, and the loan involves no other parties or realisable assets.

An entire loan is derecognised when the collateral has been liquidated or the final meeting of the bankruptcy estate has been held, or the estate administrator has confirmed that no share of the estate's assets will be forthcoming, or when debt adjustment, corporate debt restructuring or collection measures have ended. Payments received after the derecognition are recognised as an adjustment to impairment losses on receivables.

The following table shows receivables, exposed to credit risk, on the basis of which expected credit loss is calculated. On-balance sheet and off-balance sheet exposures in the table represent the maximum exposure amount subject to credit risk, excluding collateral securities or other arrangements that improve credit quality. An off-balance sheet exposure represents an exposure or guarantee amount binding on the bank, multiplied by the credit conversion factor ("CCF").

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage on 31 December 2024

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**

* A total of EUR 198 million of Stage 3 exposures are purchased or originated credit-impaired financial assets (POCI).

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 from 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.

**** EUR 45 million of Stage 3 loss allowance relates to purchased or originated credit-impaired financial assets (POCI).

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 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

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage on 31 December 2023

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 by impairment stage 31 December 2023

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 from 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.

**** EUR 54 million of Stage 3 loss allowance relates to purchased or originated credit-impaired financial assets (POCI).

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**

Collateral and other arrangements improving credit quality

OP Financial Group's credit risk management measures to reduce credit risk are described in 'Banking's risk exposure'. The most common measures for reducing credit risk involve the use of various collateral securities. Home loans and standby credit facilities are the largest credit groups among households. Home loans account for 77% of household exposures (77). Residential property is typically used as collateral for home loans.

The table below presents a breakdown of home loans on 31 December 2024 by LTV level with loss allowance. The LTV (loan-to-value) ratio describes the loan's balance sheet value relative to the fair value of the residential property collateral. The loan may also have other collateral securities, but these have not been taken into account in the table. The lower the LTV ratio, the larger the collateral value in relation to the loan amount. Loss allowance is lower in relative terms, the lower the LTV ratio is.

31 Dec 2024	Total home loans	
LTV %, € million	Exposure amount in the balance sheet	Loss allowance*
0–50%	3,985	-6
51–70%	5,480	-10
Over 70%	33,281	-121
Total	**42,745**	**-137**

* Without management overlay provisions

31 Dec 2023	Total home loans	
LTV %, € million	Exposure amount in the balance sheet	Loss allowance*
0–50%	9,838	0
51–70%	15,804	-20
Over 70%	16,505	-78
Total	**42,148**	**-99**

* Without management overlay provisions

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**	**108,139**
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	-4,823
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**

Changes in loss allowance during the financial year

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.

The assumptions used for calculating the management overlay provision are presented below.

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% in Q2/2024–Q2/2025. In Q3/2024, the overlay was updated with the assumptions that the 12-month Euribor is 2.53% and the unemployment rate 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 originally covered 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 judgement.

In Q2/2023, a management overlay provision 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 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 5.0 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.

Transfers from Stage 1 to Stage 3 compare the current year-end Stage 3 of a financial asset to the situation at the beginning of the year. Of these, some 77% (see the default capture rate below) have been reported in Stage 2 during 2024, so the agreements have, as a rule, transferred to Stage 3 through Stage 2. The agreement may transfer directly to Stage 3 due to external payment default.

Transfers from Stage 3 to Stages 2 or 1 compare the year-start Stage 3 with the year-end Stage 2 or 1. However, as a rule the transfers occurred in 2024, with a delay of at least one month.

Most transfers of loans to Stage 2 were based on OP's relative SICR model, regardless of the rating grade. Payments becoming 30 days past due is the most common reason for transfer to Stage 2 in the case of middle and lower-level ratings: Forbearance measures are a more frequent cause of transfer to Stage 2 in the case of corporate customers with middle and lower-level ratings. Among personal customer exposures, Stage 2 transfer for this reason occurs more evenly across all ratings. There are several reasons for transfer to Stage 2 in the case of lower-level ratings in particular. Non-performing loans are identified on a real-time basis and cause immediate transfer to Stage 3.

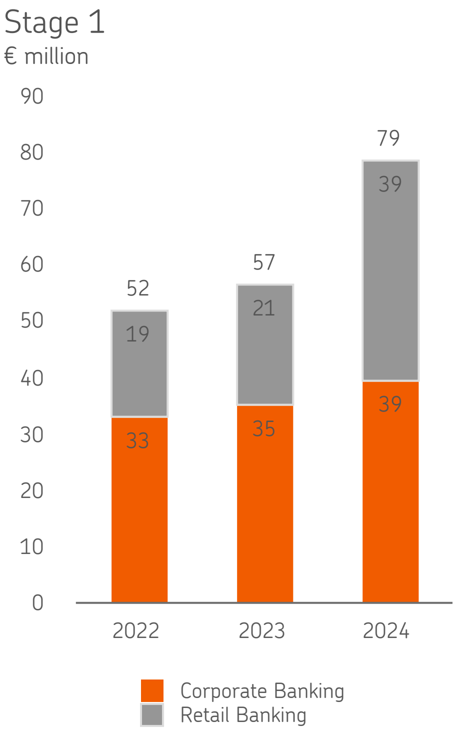
Non-performing exposures are classified as Stage 3, in other words their definition is the same as credit impaired financial assets due to credit risk under IFRS 9.

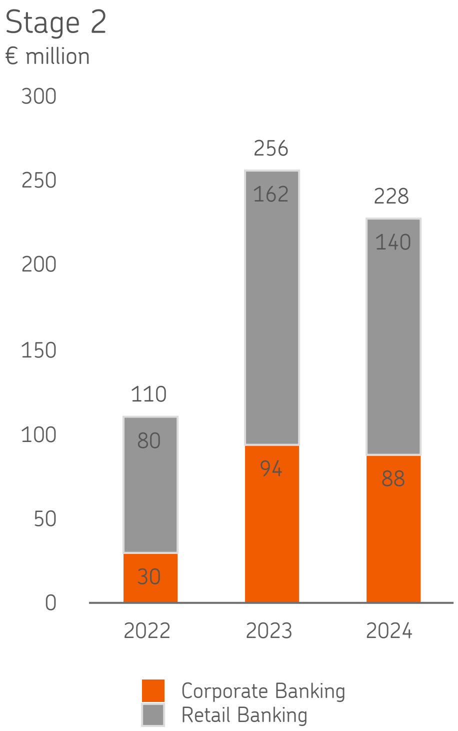
The weak outlook for the construction industry is reflected in an increase in credit losses in stages 2 and 3.

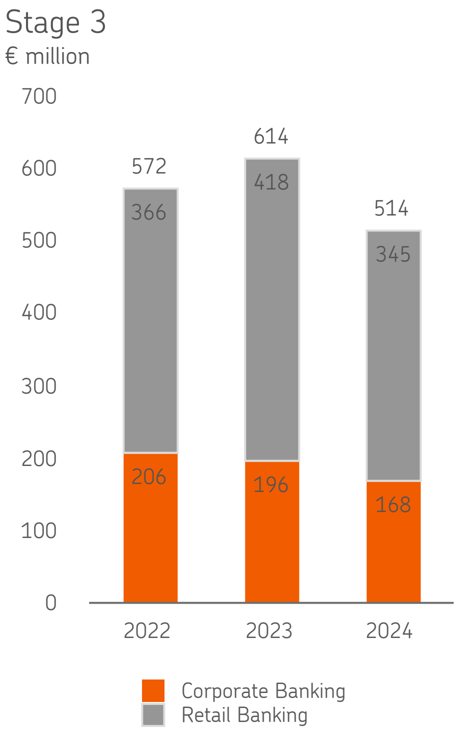
The table below shows the ECL before the discretionary provisions made using management overlays, the provisions themselves, and the total ECL amount.

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

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%.

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
Transfers from Stage 1 to Stage 3				
Transfers from Stage 2 to Stage 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

The table below shows a change in exposures within the scope of calculation of expected credit losses by impairment stage for 2023, due to 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

The table below shows the change in loss allowance by impairment stage during 2023 as a result of the following factors:

Receivables from customers and off-balance-sheet items, € million	Stage 1 12 months	Stage 2 Lifetime	Stage 3 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

Transfers from Stage 1 to Stage 3 compare the current year-end Stage 3 of a financial asset to the situation at the beginning of the year. Of these, some 77% (see the default capture rate below) have been reported in Stage 2 during 2023, so the agreements have, as a rule, transferred to Stage 3 through Stage 2. The agreement may transfer directly to Stage 3 due to external payment default.

Transfers from Stage 3 to Stages 2 or 1 compare the year-start Stage 3 with the year-end Stage 2 or 1. However, as a rule the transfers occurred in 2023, with a delay of at least one month.

Most transfers of loans to Stage 2 were based on OP's relative SICR model, regardless of the rating grade. Payments becoming 30 days past due is the most common reason for transfer to Stage 2 in the case of middle and lower-level ratings: Forbearance measures are a more frequent cause of transfer to Stage 2 in the case of corporate customers with middle and lower-level ratings. Among personal customer exposures, Stage 2 transfer for this reason occurs more evenly across all ratings. Exposures with the lowest ratings are transferred to Stage 2 on the basis of an absolute rating limit: There are several reasons for transfer to Stage 2 in the case of lower-level ratings in particular. Non-performing loans are identified on a real-time basis and cause immediate transfer to Stage 3.

Non-performing exposures are classified as Stage 3, in other words their definition is the same as credit impaired financial assets due to credit risk under IFRS 9.

The weak outlook for the construction industry is reflected in an increase in credit losses in stages 2 and 3.

OP Financial Group has added more than triple growth in probability of default (PD) in Q3/2023 (annualised) as a new criterion for elevated credit risk in stage 2 transfers. This caused a transfer of exposures totalling slightly under EUR 400 million from stage 1 to stage 2 and an increase of EUR 1.4 million in expected credit losses (ECL). However, under the criterion, the annualised PD must be over 0.3%. Accordingly, for the first time in this regard, OP Financial Group is using the so-called low credit risk assumption mentioned in IFRS 9.

OP Financial Group has assessed the financial impacts of Russia's war of aggression in Ukraine on its customers' credit risk and the remaining EUR 2 million of the related management overlay provision made in Q1/2022. The provision was reversed in Q2/2023.

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 provision made for personal customers was updated in Q4/2023 with new assumptions: the interest rate will fall slowly, the unemployment rate will rise to 8% and home prices will further decrease by 2%. However, the amount of the management overlay provision remained unchanged at EUR 35.9 million in Q4/2023.

In Q4/2022, based on its analysis, OP Financial Group made a management overlay provision of EUR 5.3 million in 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 Q2/2023, a management overlay provision of EUR 27.2 million was made in the real estate sector based on the weaker outlook in the sector. 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 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.

In addition, in Q4/2022 OP Financial Group prepared for a retrospective correction of the data stock on forborne exposures through a management overlay provision of EUR 5 million to be performed in the first half of 2023. The provision was reversed in Q2/2023, with the data stock correction's entry in OP's systems and as a basis for automated ECL calculation.

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 Q4/2023, 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. The process improvement is expected to increase expected credit losses by roughly EUR 14.1 million in the Retail Banking segment.

The table below shows the ECL before the discretionary provisions made using management overlays, the provisions themselves, and the total ECL amount.

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	0	6
Improvement to the identification processes for EWS and connected clients	14	0	14
Total management overlays	98	11	109
Total reported loss allowance	602	325	927

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
Decreases due to derecognition	0			0
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	0	0	1	0
Loss allowance 31 December 2023	1	1	1	2

The table below presents on-and-off-balance sheet gross exposures by rating grade. It also shows exposure amounts after collateral has been deducted, and loss allowance. Internal grades 1–12 are used for the internal rating of corporations and public-sector entities, and grades A–F for the internal rating of households. Internal grades have been combined into the table in such a way that the corporate customer grade 2 comprises grades 2 and 2.5 etc. Internal grade A for personal customers includes A+, A and A- etc. Net exposure has been calculated for each contract and excludes overcollateralisation.

31 Dec 2024

€ million	Balance sheet exposures			Off-balance-sheet exposure, gross			Net exposure after collateral			Loss allowance		
Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	2,277	39		440			2,633	23		0	-2	
2	708	3		2,240			3,766	0		0	-2	
3	3,822	211		686			3,072	63		-1	-2	
4	8,770	169		1,178			3,691	14		-2	-2	
5	9,054	534		1,208	40		4,131	51		-4	-3	
6	6,780	687		685	55		2,241	168		-8	-4	
7	5,100	1,060		481	76		1,304	294		-16	-10	
8	1,683	1,631		108	102		274	331		-7	-32	
9	111	607		4	34		8	76		-1	-34	
10	87	474		1	51		14	87		-3	-39	
11			1,032			58			316			-271
12			45			3			27			-25
A	26,730	597		1,501	2		3,693	17		-5	-4	
B	10,335	614		562	14		1,853	52		-5	-5	
C	5,206	586		112	14		984	85		-7	-6	
D	2,323	2,563		32	23		626	315		-10	-25	
E	109	2,117		2	7		116	277		-9	-58	
F			1,693			11			300			-217
Total	83,094	11,892	2,771	9,240	418	72	28,407	1,852	642	-79	-228	-514

31 Dec 2023

€ million	Balance sheet exposures			Off-balance-sheet exposure, gross			Net exposure after collateral			Loss allowance		
Rating	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	963			1,914			3,039			-1		
2	2,270	179		465	38		2,515	14		-1	-7	
3	2,854	181		601			2,524	7		-1	-6	
4	7,470	244		1,210	25		4,016	63		-4	-6	
5	9,327	973		1,025	85		3,672	803		-5	-8	
6	8,013	1,184		635	91		2,105	257		-9	-9	
7	5,804	1,232		428	141		1,153	495		-16	-18	
8	1,458	1,671		50	151		249	328		-7	-42	
9		727			58			86			-26	
10		546			101			143			-44	
11			1,241			70			494			-313
12			59			2			41			-41
A	22,554	675		854	4		2,094	18		-1	-4	
B	12,352	1,559		476	23		1,582	104		-2	-5	
C	5,782	1,686		66	18		1,016	144		-3	-7	
D	2,422	2,199		38	33		637	317		-6	-20	
E		2,114			11			383			-52	
F			1,781			7			318			-260
Total	**81,269**	**15,168**	**3,080**	**7,764**	**779**	**79**	**24,602**	**3,162**	**854**	**-57**	**-256**	**-614**

OP Financial Group may write off credit loss from financial assets in full or in part, but the assets will still be subject to collection measures after then. The amount of such financial assets was EUR 182 million (183) on 31 December 2024.

Significant increase in credit risk (SICR)

SICR-model classification of contracts into similar credit risk groups is identical with lifetime PD (probability of default) models. Credit ratings are key input data for PD models. Both current PDs and threshold PDs include forward-looking information (below).

The effectiveness of SICR is assessed on every reporting date using the following indicators:

The default capture rate measures how many contracts were in Stage 2 before they transferred to Stage 3. The rate was 77% (77) on 31 December 2024. The higher the rate is, the better the SICR model can capture a significant increase in credit risk. Contracts in Stage 2 accounted for 12% (12) of the entire non-default loan portfolio.

A specific model has been developed for the SICR criterion for a relative increase in PD, whose parameters are calculated from historical data. In addition to these parameters, the SICR model is affected, for example, by the contract rating grade, segment and macroeconomic variables, which together determine the PD of the contract lifetime. In addition, the comparison of the relative increase is affected by the contract's passed and remaining lifetime. For these reasons, no general threshold has been determined for an increase in the PD. However, it can be confirmed that, on average, a doubling or trebling of the PD causes the quantitative SICR criterion to trigger.

Forward-looking information included in the ECL measurement models

The assessment of SICR and the measurement of expected credit loss incorporate forward-looking information; OP Financial Group has analysed which macroeconomic variables play a significant causal role in the credit risk amount. The table below shows a summary of the values of the five most important macroeconomic variables for 2024–2029 used in the models (average, minimum and maximum) for three scenarios that have been used in the measurement of the expected credit loss. The macroeconomic forecasts extend to 30 years, but the next 5 years are the most relevant ones in respect of ECL measurement. These values were used for all product groups on 31 December 2024.

31 Dec 2024

Macroeconomic variable	Scenario	Average (%)	Minimum (%)	Maximum (%)
GDP growth	Downside	-0.5	-0.5	-0.3
	Baseline	1.1	-0.5	2.0
	Upside	2.4	-0.5	3.9
Unemployment, %	Downside	8.1	7.9	8.2
	Baseline	7.3	6.5	8.2
	Upside	6.5	5.8	8.2
Home price index	Downside	0.7	-2.0	1.3
	Baseline	2.0	-2.0	2.8
	Upside	3.1	-2.0	4.1
12-month Euribor where the effect of GDP growth and inflation has been deducted	Downside	0.1	-0.3	1.4
	Baseline	1.2	1.0	1.4
	Upside	2.3	1.7	3.0
3-month real interest rate	Downside	-0.1	-0.7	1.4
	Baseline	0.5	0.1	0.8
	Upside	1.0	0.3	1.7

31 Dec 2023

Macroeconomic variable	Scenario	Average (%)	Minimum (%)	Maximum (%)
GDP growth	Downside	-1.8	-3.1	-0.3
	Baseline	0.8	-0.3	1.3
	Upside	3.0	-0.3	4.1
Unemployment, %	Downside	8.5	7.2	9.4
	Baseline	7.2	6.5	7.5
	Upside	6.1	4.5	7.2
Home price index	Downside	-1.5	-6.0	0.1
	Baseline	0.7	-6.0	3.0
	Upside	2.8	-6.0	5.7
12-month Euribor where the effect of GDP growth and inflation has been deducted	Downside	1.1	-0.5	2.2
	Baseline	1.5	-0.3	2.1
	Upside	2.2	-0.2	3.1
3-month real interest rate	Downside	1.0	0.1	2.1
	Baseline	1.1	1.0	1.3
	Upside	1.5	0.7	2.3

On 31 December 2024 and 31 December 2023, the probability weights of the scenarios were Downside 20%, Baseline 60% and Upside 20%.

The scenarios are based on the forecasts performed by OP Financial Group economists. The forecast process also takes account of comparable forecasts by external organisations, such as the OECD, International Monetary Fund, Bank of Finland, Ministry of Finance etc., as well as academic research.

The table below shows loss allowance regarding significant receivables under various scenarios by impairment stage on 31 December 2024.

Total loss allowances of corporate and household customers, € million	Weighted loss allowance	Loss allowance under downside scenario	Loss allowance under baseline scenario	Loss allowance under upside scenario
Stage 1*	52	56	52	49
Stage 2*	184	194	183	175
Stage 3*	502	533	501	474
Total	**738**	**783**	**736**	**698**

* Without management overlay provisions

The table below shows loss allowance regarding significant receivables under various scenarios by impairment stage on 31 December 2023.

Total loss allowances of corporate and household customers, € million	Weighted loss allowance	Loss allowance under downside scenario	Loss allowance under baseline scenario	Loss allowance under upside scenario
Stage 1*	50	52	46	41
Stage 2*	177	195	176	162
Stage 3*	614	614	614	614
Total	**841**	**861**	**836**	**817**

* Without management overlay provisions

All personal and corporate customer risk parameters have parallel impacts, resulting in loss allowance being the largest in the downside scenario. The LGD model for Stage 3 is independent of macroeconomic factors, but a significant proportion of Stage 3 exposures are assessed using a cash flow based expert judgement that also takes account of forward-looking information.

Sensitivity analysis

Sensitivity analyses describe the sensitivity of loss allowance to changes in macroeconomic factors. The analysis below describes only a plausible economic deterioration, and does not describe an economic upswing at all. In addition, during a recession not all components of the sensitivity analysis necessarily develop together in the way presented in the sensitivity analysis.

The most significant macroeconomic variables in risk parameters and exposure classes include the 12-month Euribor rate, the real 3-month Euribor rate (minus the effect of inflation), and GDP growth. Changes used in sensitivity analyses include a 1 percentage point increase in the 12-month Euribor rate, a 1 percentage point increase in the 3-month Euribor rate, a 1 percentage point increase in the inflation rate and a 3.5 percentage point decrease in the GDP growth rate. The figures therefore reflect an economic situation that is more adverse than now – all of them increase loss allowance and are based on the following facts. The levels used in the sensitivity analysis are based on the behaviour of variables during the historic period, and the changes roughly correspond to the change in standard deviation.

The sensitivity analysis covers only Stage 1 and 2 contracts. It takes account of transfers between Stage 1 and 2 due to a significant increase in credit risk (SICR), which is shown as a decrease in Stage 1 and an increase in Stage 2.

The table below shows the sensitivity of change in the loss allowance of the groups of household and corporate customers on 31 December 2024, when the economic situation weakens due to the combined effect of changes in interest rates, the real interest rate, inflation rate and GDP.

Group Stage	Loss allowance 31 December 2024	Loss allowance sensitivity analysis*	Proportional change, %
Households			
Stage 1	-17	-18	7.3
Stage 2	-79	-103	31.3
Corporate customers			
Stage 1	-41	-43	5.0
Stage 2	-113	-127	12.6
Total	**-249**	**-291**	**16.9**

* 1 percentage point increase in the 12-month Euribor rate, 1 percentage point increase in the real 3-month Euribor rate, 1 percentage point increase in the inflation rate and a 3.5 percentage point decrease in the GDP growth rate under all scenarios.

Loss allowances are largely determined on the basis of the first couple of years, with the first simulated scenario years being essential to the results.

A 1 percentage point increase in interest rates increases the amount of loss allowance in relation both to personal customers and corporate customers. GDP growth has a negative bearing on the amount of loss allowance through all model components. Slower GDP growth increases PD values for both personal customers and corporate customers. Through the LGD, it also negatively affects growth in the fair value of residential property collateral, which impacts on Stage 2 contracts.

The analysis shows that the most significant proportional and absolute changes apply to corporate customers whose Stage 1 and 2 contracts are associated with a significant increase in the amounts of loss. Changes related to personal customers are considerably smaller because their risk parameter estimates are less sensitive to economic conditions.

The table below shows the sensitivity of change in the loss allowance of the groups' household and corporate customers on 31 December 2023, when the economic situation weakens due to changes in the combined effects of interest rates, investment growth rate and GDP.

Group Stage	Loss allowance 31 December 2023	Loss allowance sensitivity analysis*	Proportional change, %
Households			
Stage 1	-3	-3	0.8
Stage 2	-20	-20	4.0
Corporate customers			
Stage 1	-9	-9	1.7
Stage 2	-39	-45	16.5
Total	**-71**	**-77**	**10.5**

* A 1 percentage point increase in the 12-month Euribor rate, a 6 percentage point decrease in the investment growth rate and a 3.5 percentage point decrease in the GDP rate under all scenarios.

Loss allowances are largely determined on the basis of the first couple of years, with the first simulated scenario years being essential to the results.

A 1 percentage point increase in interest rates increases the amount of loss allowance in relation both to personal customers and corporate customers. GDP growth has a negative bearing on the amount of loss allowance through all model components. Slower GDP growth increases PD values for both personal customers and corporate customers. Through the LGD, it also negatively affects growth in the fair value of residential property collateral, which impacts on Stage 2 contracts.

The analysis shows that the most significant proportional and absolute changes apply to corporate customers whose Stage 1 and 2 contracts are associated with a significant increase in the amounts of loss. Changes related to personal customers are considerably smaller because their risk parameter estimates are less sensitive to economic conditions.

Note 37. 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, EUR 1.0 billion of which are 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
Underwritings	772	920
Other	521	589
Total off-balance-sheet commitments	**17,915**	**18,171**

Note 38. Financial collateral held

OP Financial Group has received collateral, in accordance with the Financial Collateral Act, which it may resell or repledge.

€ million	31 Dec 2024	31 Dec 2023
Fair value of collateral received		
Derivatives	1,027	1,131
Total	**1,027**	**1,131**

Credit risk arising from derivatives is reduced through collateral, involving the use of an ISDA Credit Support Annex (CSA) contract associated with the ISDA general agreement. In the collateral system, the counterparty provides securities or cash in security for the receivable. The amount of CSA-related collateral received in cash totalled EUR 1,027 million on the balance sheet date (1,131). The Group had no securities received as collateral on the balance sheet date.

Note 39. Recurring fair value measurements by valuation technique

Accounting policies

Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

The fair value of financial instruments is determined using either prices quoted in an active market, or the company's own valuation techniques where no active market exists. The market is deemed active if price quotes are easily and regularly available and reflect real and regularly occurring market transactions on an arm's length basis. The current bid price is used as the quoted market price of financial assets.

If the market has a commonly used valuation technique applied to a financial instrument to which the fair value is not directly available (e.g. OTC derivatives), the fair value is based on a commonly used valuation technique and market quotations of the inputs used by the technique.

If the valuation technique is not a commonly used technique in the market, a valuation model created for the instrument in question will be used to determine the fair value. Valuation models are based on widely used measurement techniques, incorporating all factors that market participants would consider in setting a price, and are consistent with accepted economic methodologies for pricing financial instruments.

The valuation techniques used include prices of market transactions, the discounted cash flow method and reference to the current fair value of another instrument that is substantially the same on the balance sheet date. The valuation techniques take account of estimated credit risk, applicable discount rates, the possibility of prepayment and other factors affecting the reliable measurement of the fair value of financial instruments.

The fair values of financial instruments are categorised into three hierarchy levels, depending on the inputs used in valuation techniques:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3).

If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety at the same level as the lowest level input significant to the entire measurement. The significance of inputs has been assessed on the basis of the fair value measurement in its entirety.

The price of illiquid instruments calculated using a pricing model tends to differ from the actual transaction price. However, the actual transaction price is the best evidence of the instrument's fair value. The Day 1 profit/loss, based on the difference between the actual transaction price and the price deriving from the pricing model that uses market prices, is recognised in the income statement over the term of the agreement. However, the non-recognised amount will be recognised as soon as there is a genuine market price for the instrument or a well-established pricing practice is created in the market.

The amount of illiquid financial assets is insignificant in investment assets.

Liabilities from investment contracts associated with the Group's life insurance operations are measured at fair value through profit or loss according to IFRS 9. Their fair value is determined in accordance with the value performance of the investments covering them. At any time, the investor may demand their repayment, which is equivalent to the investment's fair value. In the fair value hierarchy, these contracts are categorised as level 1 in cases where quoted prices are available for investments made to cover liabilities, and level 2 in cases where the fair value inputs are level-2 prices or price quotations for the investments in question.

Key sources of estimation uncertainty

Valuation of financial instruments

Whenever market observable input data is not available for outputs produced by valuation techniques, the management must evaluate how much other information will be used.

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		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**

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				
Investment contract liabilities	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

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				
Investment contract liabilities	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 2 to the Financial Statements. 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. Transfers of assets from level 1 to level 2 totalled EUR 5.4 billion (1.3) and transfers of assets from level 2 to level 1 totalled EUR 0.4 billion (1.2).

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
Purchases	51			51
Sales	-138			-138
Settlements	-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 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 2023	810	77	801	1,688
Total gains/losses in profit or loss	-74	21		-53
Purchases	151			151
Sales	-51			-51
Settlements	-82			-82
Transfers to Level 3	28		229	257
Transfers from Level 3	-3		-294	-297
Closing balance 31 December 2023	778	98	735	1,611

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
Issues	714		714
Redemptions and repurchases	-1,010		-1,010
Other changes	-58		-58
Closing balance 31 Dec 2024	**1,954**	**74**	**2,029**

Adjusted

Financial liabilities, € million	Recognised at fair value through profit or loss	Derivative contracts	Total liabilities
Opening balance 1 January 2023	1,190	94	1,284
Total gains/losses in profit or loss	52	-2	50
Issues	1,355		1,355
Redemptions and repurchases	-421		-421
Other changes	34		34
Closing balance 31 December 2023	**2,210**	**91**	**2,302**

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 year-end
Total net income		-120		-120

Breakdown of net income by income statement item 31 December 2023

€ 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 year-end
Total net income	-21	-82		-103

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

Changes in the levels of hierarchy

No major changes occurred in valuation techniques in 2024.

Sensitivity analysis of input parameters involving uncertainty on 31 December 2024

Type of instrument, € million	Receivables	Liabilities	Net balance	Effect on the income statement	Plausible change in fair value (%)
Recognised at fair value through profit or loss					
Bond investments	27		27	3	10.0
Illiquid investments	139		139	21	15.0
Private equity funds*	462		462	46	10.0
Real estate funds***	89		89	18	20.0
Derivatives					
Index-linked bond hedges and structured derivatives, and derivatives with a long-term maturity**	96	-74	22	2	11.0
Recognised at fair value through profit or loss					
Bond investments	606		606	61	10.0
Investment property					
Investment property***	500		500	100	20.0

* The value of private equity funds depends mainly on the profit performance of portfolio companies and the PE ratios of similar listed companies. The Total Value to Paid-in (TVPI) multiple, which has changed an average of 10%, is used to monitor the progress of the fair value of private equity funds.

** Stress scenarios' volatility of shares (30%), dividends of shares (30%), credit risk premiums (30%), and the combined value change of significant correlation changes.

*** In the valuation of real estate funds, OP mainly uses the income approach whose main components are yield requirement and net rent. On average, a +/– 1 percentage point change in the yield requirement leads to a change of around 20% in the fair value.

Sensitivity analysis of input parameters involving uncertainty on 31 December 2022

Type of instrument, € million	Receivables	Liabilities	Net balance	Effect on the income statement	Plausible change in fair value (%)
Recognised at fair value through profit or loss					
Bond investments	50		50	5	10.0
Illiquid investments	171		171	26	15.0
Private equity funds*	461		461	46	10.0
Real estate funds***	147		147	29	20.0
Derivatives					
Index-linked bond hedges and structured derivatives, and derivatives with a long-term maturity**	98	-91	7	1	11.0
Recognised at fair value through profit or loss					
Bond investments	727		727	73	10.0
Investment property					
Investment property***	527		527	105	20.0

* The value of private equity funds depends mainly on the profit performance of portfolio companies and the price/earnings ratios of similar listed companies. The Total Value to Paid-In Capital (TVPI) multiple, which has changed an average of 10%, is used to monitor the progress of the fair value of private equity funds.

** Stress scenarios' volatility of shares (30%), dividends of shares (30%), credit risk premiums (30%), and the combined value change of significant correlation changes.

*** In the valuation of real estate funds, OP mainly uses the income approach whose main components are yield requirement and net rent. On average, a +/– 1 percentage point change in the yield requirement leads to a change of around 20% in the fair value.

Note 40. Contingent liabilities and assets

Accounting policies

A contingent liability is a possible obligation arising from past events, whose existence will be confirmed only by the realisation of an uncertain future event beyond OP Financial Group's control. A present obligation which probably does not require fulfilment of a payment obligation or the amount of which cannot be defined reliably is also considered a contingent liability.

Insurance companies in OP Financial Group underwrite insurance contracts through pools, whose members are primarily responsible for their own proportionate share of the underwriting risk. These shares are based on contracts that are confirmed on an annual basis. In some pools, the members are responsible for an insolvent member's liabilities in proportion to their shares in the pool. The insurance companies recognise liabilities and receivables based on joint liability if joint liability is likely to materialise. However, the realisation of these items is regarded as extremely unlikely.

Note 41. Financial assets and liabilities offset in the balance sheet or subject to enforceable master netting arrangements or similar agreements

Accounting policies

Netting

Financial assets and liabilities are offset in the balance sheet if OP Financial Group currently has a legally enforceable right of set-off in the normal course of business and in the event of default, insolvency or bankruptcy, and intends to settle the asset and liability on a net basis.

Financial assets				Financial assets not set off in the balance sheet		
31 December 2024, € million	Gross amount of financial assets	Gross amount of financial liabilities deducted from financial assets*	Net amount presented in the balance sheet	Master agreements**	Collateral given	Net amount
Derivatives	2,498		2,498	-1,326	-990	183
31 December 2023, € million						
Derivatives	5,046	-1,644	3,401	-1,964	-1,131	306

Financial liabilities				Rahoitusvelkojen määrät, joita ei ole netotettu taseessa		
31 December 2024, € million	Gross amount of financial liabilities	Gross amount of financial assets deducted from financial liabilities	Net amount presented in the balance sheet	Master agreements*	Collateral given	Net amount
Derivatives	2,325		2,325	-1,326	-366	633
31 December 2023, € million						
Derivatives	4,358	-1,088	3,271	-1,964	-308	999

* At the end of 2024, all derivatives for central counterparty clearing will be settled using the settled-to-market (STM) practice. The cheque account includes EUR 0 (–116) million in cash resulting from central counterparty clearing.

** It is OP Financial Group's practice to enter into master agreements for derivative transactions with all derivative counterparties.

Central counterparty clearing for OTC derivatives

Standardised OTC derivative transactions entered into with financial counterparties are cleared in London Clearing House, accordance with EMIR (EU 648/2012). Based on this model, the central counterparty will become the derivatives counterparty at the end of the daily clearing process, with whom daily payments for derivatives are netted. In addition, collateral is paid or received daily, which corresponds to the change in the fair value of open positions (variation margin), which is treated as a final payment due to the clearing method.

Other bilaterally cleared OTC derivatives

The ISDA Master Agreement or the Master Agreement of Finance Finland or OP Financial Group will apply to derivative transactions between OP Financial Group and other clients, and to derivative transactions to which central counterparty clearing in accordance with the Regulation does not pertain. On the basis of these agreements, derivative payments may be netted per transaction on each payment date and in the event of counterparty default and bankruptcy. It is also possible to agree on collateral on a counterparty-specific basis in the terms and conditions of the agreement. Such derivatives are presented on a gross basis in the balance sheet.

Risk management accounting policies and notes

1 Overview of significant risks

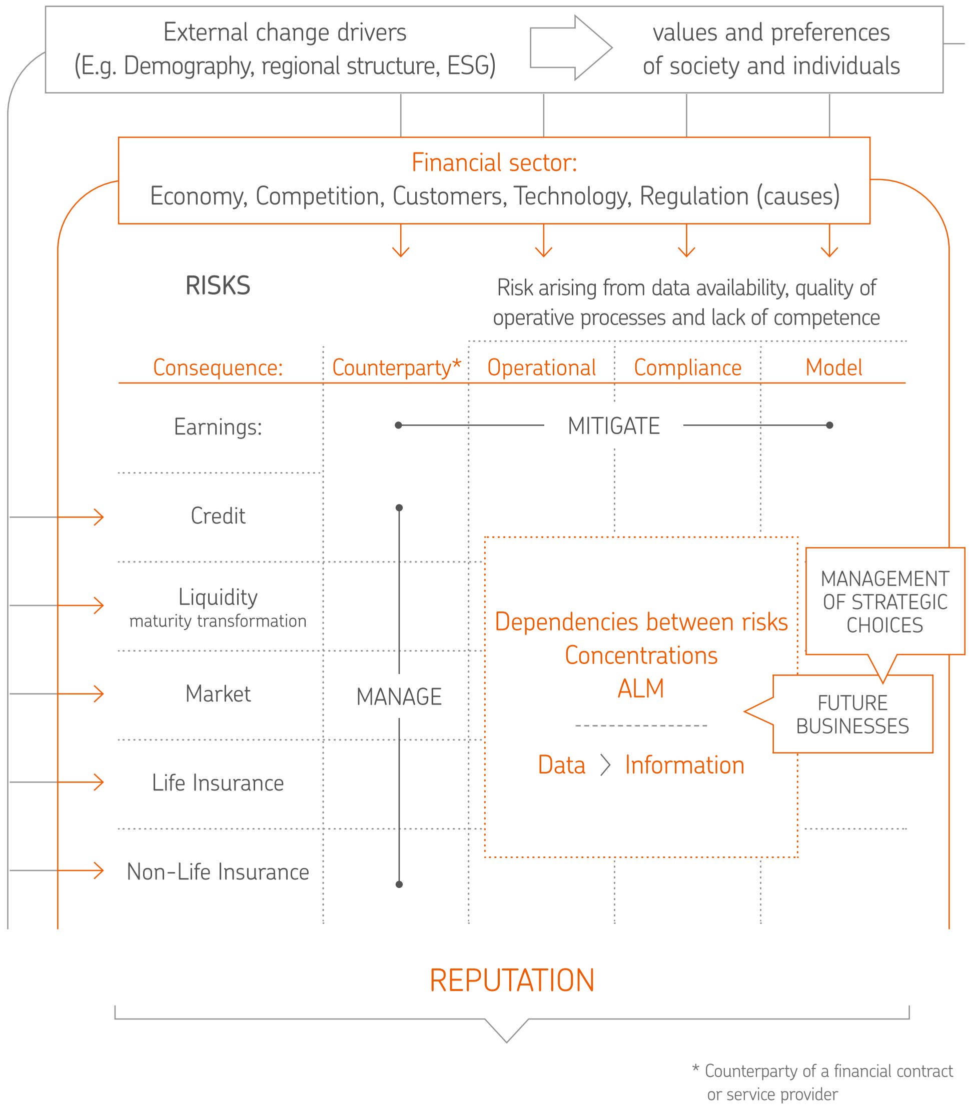
OP Financial Group's Risk Appetite Statement and Risk Appetite Framework cover all operations. Its general risk management principles are further specified by revenue logic (by product and service). The bases for establishing revenue logics include services provided to customers; processes needed in service production, operational analyses and reporting; and understanding of the risks involved for OP Financial Group in providing the services.

Due to the characteristics of OP Financial Group's business and industry, risks are based on two distinct fundamental principles: OP Financial Group may earn revenue through risks (earnings risks) or risks may be a consequence of something (consequential risks). Review of earnings risks involves the examination of OP Financial Group's critical success factors from the business's perspective. OP therefore presents the sources and management of earnings risks in detailed descriptions of significant risks by revenue logic, except for Group-level risks that apply to all revenue logics. Most consequential risks are Group-level. Reducing potential negative impacts is the key focus of consequential risk reviews.

The graph below summarises OP Financial Group's significant risks and their sources. The sources and root causes of significant risks are shaded in grey and orange on the periphery of the table shown at the centre of the figure. In addition, the adverse impact of any materialisation of risks on OP Financial Group's trust and reputation is described on the perimeter of the table.

The graph's table includes the following key content:

- Taking earnings risks may involve consequential risks, in addition to the sources and causes of OP Financial Group's external risks.
- The combined effect of earnings and consequential risks may result in new Group-level risks, due, for example, to concentrations and interdependencies between risks.
- Due to the different functions of earnings and consequential risks, OP Financial Group primarily aims to manage earnings risks, but mainly seeks to reduce consequential risks.



OP Financial Group's revenue logics are: Banking through the balance sheet, Banking – Markets, and Banking – Asset Management. The revenue logic, Banking through the balance sheet, is further divided – based on business segments – between the Corporate Banking segment, the Retail Banking segment, and the Group Treasury function (included in other operations according to OP Financial Group's segment division). Life and Non-life Insurance revenue generation models belong to the Insurance segment.

OP Financial Group's risk management and compliance are based on the three lines of defence principle. The first line of defence comprises businesses, the second line of defence comprises the Risk Management and Compliance assurance functions independent of the businesses, and the third line of defence comprises Internal Audit (independent of the other lines of defence). Each line of defence has its own role in performing the risk management process efficiently.

At OP Financial Group, the first line and the second line of defence in risk management cooperate on an ongoing basis. This is to ensure that all expertise needed to develop and manage operations is available in advance. The lines of defence jointly create the risk management process, which takes account of the special features of OP Financial Group's business. There is a clear division of responsibilities between the first and second lines of defence.

- OP Financial Group's businesses fulfil its strategy and are responsible for planning and efficiently and effectively implementing their own operations, and for internal control. Only the business concerned makes business decisions and is responsible for the quality of its customer service, its business continuity, and its earnings and risks. The businesses' routines include reporting on risks concerning business operations.
- The second line of defence prepares a risk management framework for approval by OP Financial Group's management. Within this framework, the first line of defence takes and manages risks related to its daily business. The second line of defence supports the first line of defence by consulting and constructively challenging it, especially in matters forming part of its own expertise. In addition, the second line of defence oversees compliance with regulation and OP Financial Group's guidance framework, and independently analyses the balance between earnings, risks, and capital and liquidity acting as buffers. It also analyses how business continuity can be ensured during incidents. Risk Management also assesses whether the businesses' strategic goals and choices are in line with the Risk Appetite Statement set by management, and other principles covering risk-taking and risk management.
- Internal Audit, which is independent of other lines of defence, acts as the third line of defence.

Significant risks: sources and management

Definitions and sources of significant risks

Below is a summarised description of the definitions and sources of OP Financial Group's significant risks.

Credit risks	Credit risk refers to the risk that a contracting party to a financial instrument will be unable to fulfil its contractual repayment obligations, and thereby cause a financial loss to the other party.
Liquidity risks	Liquidity risk is the risk of liquidity or capital being insufficiently available to realise business goals as laid down in the strategy. It is caused by the timing of inflowing or outgoing cashflows (payments) and/or imbalances between them. Liquidity risks include concentration risk, market liquidity risk and refinancing risk. Concentration risk is caused by the concentration of financing across time, or between certain counterparties or instruments. Market liquidity risk is the risk of failure to execute market transactions within a desired time and/or at an estimated price, or of a contraction in the liquid assets owned by a bank. Refinancing risk involves the risk that a debt cannot be refinanced on the market.
Structural interest rate risk on the balance sheet	Risk arising from the effects of interest rate movements on Banking's annual net interest income, and on the insurance company's earnings (IFRS 17) and solvency. The banking book consists of non-trading book customer agreements (loans and deposits), market-based funding, equity capital, liquidity buffer (fixed income investments and cash) and interest rate derivatives (items that balance risks and liquidity). In the insurance companies, net interest income comprises insurance contract liabilities, interest rate-sensitive investments and interest rate derivatives used to manage interest rate risk.
Other market risks	Other market risk refers to an unfavourable change related to the value of a contract or contract revenue due to price changes observed in the financial market. Market risks include interest rate, currency, volatility, credit spread, equity and property risks associated with on- and off-balance sheet items as well as other potential price risks.
Non-life insurance risks	Non-life insurance risks comprise risk of loss or damage, and provision risk. Risk of loss or damage occurs when there is an above-average number of losses, or losses are exceptionally large. Provision risk arises when claims expenditure incurred for realised losses is higher than expected, or the timing of claim payments deviates from expectations.
Life insurance risks	Life insurance risks comprise biometric risks, cost risk and customer behaviour risks. Biometric risk arises when forecasts of the insured's life expectancy diverge from actual life expectancy in the case of products that include an endowment risk, or when mortality forecasts concerning the insured (for example, unpredicted growth in mortality caused by a catastrophe) diverge from actual mortality in the case of products that cover the risk of death. Biometric risk also arises when forecasts, of when the insured person's incapacity for work will begin, diverge from the actual beginning of incapacity in the case of products that cover disability risk. However, the aforementioned risk is very small in OP Life Assurance Company.
Counterparty risks	Counterparty risk refers to the risk that a party to a derivative contract, repurchase agreement (Repo), trade or reinsurance contract will fail to fulfil its financial obligations, accompanied by a risk of growing costs due to obtaining a corresponding, replacement contract. A special feature of counterparty risk is a change in the risk level alongside the agreement's market value, due to which contractual risk can grow after the conclusion of the agreement.
Operational risks	Operational risk is caused by all business operations and may result from insufficient or incorrect practices, processes, systems or external factors. OP Financial Group's operational risks also include ICT and security risks. Operational risk related to data capital means potential losses, loss of reputation or deterioration of operations caused by uncertainty in decision-making, management and reporting related to data and the information derived from it.
Compliance risks	Risks related to non-compliance with regulations and guidelines

Model risks	Model risk occurs when a model created to describe a certain phenomenon or behaviour fails to do so in the intended manner. Model risk can be used to monitor financial losses or loss of reputation caused by decisions made on the basis of the results of models, due to errors made in the development, implementation or use of such models. The model risk management model provides a way of describing, quantifying or simulating a certain phenomenon or behaviour. A model translates source data based on mathematics, statistics and expert assessments into data guiding business decisions or quantitative or qualitative data related to financial risk exposure. Source data/inputs can be quantitative and/or qualitative, or based on expert assessments.
Reputational risks	This is the risk of a weakening in reputation or trust, primarily due to the simultaneous materialisation of an individual risk or several risks, or to some other kind of negative publicity.
Concentration risks	Risks that may arise due to a business having an excess concentration of risk in individual customers, products, lines of business, maturity periods or geographical areas. Concentration risk can also arise due to a concentration of service providers or processes.
Risks associated with future business	Risk associated with the conditions and volumes on which similar or entirely new agreements are based. This also includes risk arising from inadequate internal reaction and inflexibility in the business and competitive environment, or changes in customers' values or in technology.

Risks associated with future business are not dealt with as a separate whole, because they may emerge in the form of various significant risks, or as part of different risk types.

Customer behaviour risk may materialise in several risk types (the impact of a change in customer behaviour affecting matters such as the value of insurance contracts, volume of deposits or early repayments of contracts).

Residual risk is a lingering risk which a party cannot or does not want to eliminate, or that remains after possible risk reduction measures. Residual risk can be considered synonymous with risk in some cases: it is not equivalent to the individual, significant risks described above, but all of them may become or be residual risks.

Drivers of change in the business environment, such as technological or climate change and other sustainability factors (ESG factors – Environmental, Social and Governance), affect the needs and preferences of customers and other members of society. ESG factors are external megatrends – examples of root causes on OP Financial Group's risk map. They are defined as change factors affecting different risk types, not as separate risks, in risk identification processes.

Worsening climate change and environmental damage create physical risk factors:

- Acute risk factors include extreme weather conditions such as events related to drought, floods and storms or, for example, an individual environmental catastrophe.
- Longer-term changes emerge more slowly: examples include global warming, rising sea levels, reduction in biodiversity, land and water pollution, and the destruction of living environments.

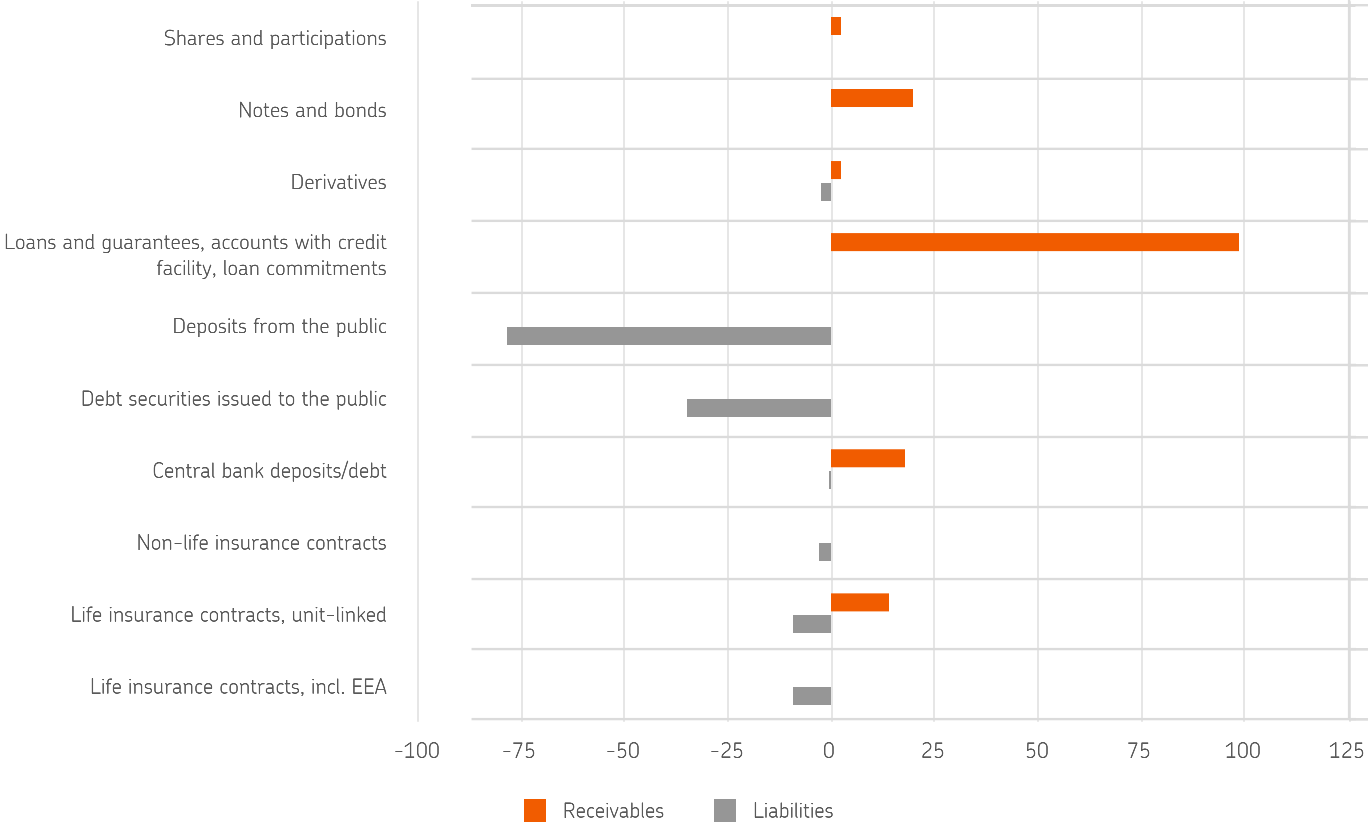
The transition towards a low-carbon and more environmentally sustainable economy will have direct and indirect impacts. These include climate or environmental policy decisions, technological development, market confidence, and changes in customer choices.

Physical and transition risks will impact on OP Financial Group's business and financial success through customers and other stakeholders, in particular. If they materialise, such risks may affect the risk profile, capitalisation, liquidity and continuity of daily business in various ways.

Key instruments and risk types

The graph below describes risk types associated with key financial instruments and illustrates the significance of risk types by means of the balance sheet values of each financial instrument (31 December 2024).

Key instruments and their associated risk types and balance sheet values, € billion



	Credit risk	Market risk	Operational risks	Insurance risk	Liquidity risk
Shares and participations		X	X		X
Notes and bonds	X	X	X		X
Derivatives	X	X	X		X
Loans and guarantees, accounts with credit facility, loan commitments	X	X	X		X
Deposits from the public		X	X		X
Debt securities issued to the public		X	X		X
Central bank deposits/debt		X	X		X
Non-life insurance contracts		X	X	X	X
Life insurance contracts, unit-linked		X	X	X	X
Life insurance contracts, incl. EEA		X	X	X	X

Risk exposure by Banking

Banking risks

Credit risks

Credit risk related to customer relationships in banking mainly concerns bilateral promissory notes agreed with Finnish customers. As a rule, the terms of these promissory note loans do not allow them to be sold onwards. Exposures' maturities vary from short-term products with credit limits to longer-term promissory note loans, but the latter dominate the balance sheet quantitatively. The average maturity of personal customer exposures is based on mortgages, and that of corporate customers is based on promissory note loans with 3–7-year maturity periods. The credit risk transfer of these assets to the markets, either individually or in portfolios, is not part of OP Financial Group's business model. Personal customers can repay variable-rate loans faster than required by the repayment schedule. Correspondingly, successful companies often use their negotiation power to refinance variable-rate loans prematurely, when the new loan is available for a lower loan margin than the current one. This results in faster contraction of assets based on borrowers with improved creditworthiness, than on those whose credit risk has increased.

The above require that OP Financial Group succeed overall in:

- proactively steering the overall portfolio structure so that each portfolio goes overweight in terms of customer groups (portfolio segments) with homogeneous risks, which are likely to succeed in the future business environment,
- excelling our competitors at selecting customers from the overall customer population that improve/maintain their creditworthiness and retaining such customers and their loans on the basis of the original, risk-based terms. Conversely, the pricing of each customer with deteriorating creditworthiness must be adjustable to cover the growing risk.

To succeed in risk management, senior management needs top-quality, continuously updated data on individual groups of connected clients, the financial status of each group of connected clients, and the related, explanatory factors (particularly how such factors change in different future business environment scenarios). In addition, senior management must identify mutual dependencies between individual actors and assess the repayment ability of groups of connected clients on the basis of forecast free cash flow and the related uncertainty. Such assessment requires comprehensive, continuously updated data on customers, their "balance sheet", and the management of current agreements, as well as analyses in support of decision-making.

Phases of credit risk management strategy

To arrange credit risk management in line with risk appetite, senior management must define and describe the following matters, and implement them in processes:

- **A consistent picture of processes –** The basis of all activities must be a shared view of the customer financing process, the related credit risk management process phases, and dependencies between these phases. Each process forms a whole whose phased tasks, the outputs of such tasks, and the data needed and created for phases, must be defined. The credit risk management principles are also applied to management of Corporate Banking's bond portfolio.

- **A clear picture of homogeneous groups –** Customer and/or transaction groups (portfolio segmentation) with homogeneous credit risks – must be defined on the basis of the borrower's income sources and collateral types. Repayment of loans and/or the refinancing of debts depend on the borrower's ability to generate free cash flows. For this reason, income source is the primary segmentation criterion and segmentation must be adjusted by collateral type. Grounds must be given for not adjusting segmentation in this way. Although agreements' legal terms and conditions are not used as grounds for credit risk segmentation, such information must be taken into account when advising the customer and assessing credit risk.

- **Credit risk management –** Consistent customer relationship management and agreement management practices, and analysis and measurement methods, must be defined for portfolio segments. This must take account of legal terms and conditions in the agreement that affect the size of the credit risk (PD, LGD and EAD). When risk parameters are assessed at portfolio level, account must be taken of e.g. probability of default (PD) and collateral value dependencies. These consistently defined practices must be systematically applied at various phases of the financing process. This group of portfolio segment-specific practices (the credit rating system) must form the basis of operations and their development.

- **Definition of data needs –** The same systematic practices can be applied in different portfolio-specific credit rating systems, but such systems differ in terms of the data required. Portfolio segment-specific data must be specified for each phase of financing and credit risk management processes. Any deficiencies in the availability and usability of data must be reported to the management and the data owner.
- **Processes and instructions –** Customer financing service processes and the related credit risk management processes must take account of the above matters, to ensure that the required source data can be collected from customer processes and external sources, and that quantitative data generated in process phases is made available for other phases.

Credit risk management phases of customer relationship

Maintenance of customer's basic information – The legal basis for determining groups of connected clients must be recorded and customers' basic information kept up to date, to enable high-quality and efficient risk management.

Continuous profiling of the customer and collateral – The customer business's revenue logic, current status and current liquidation value of assets to be pledged as collateral must be determined. Information must also be collected to enable assessment of the customer's financial success and how collateral value will develop in various scenarios. Customer analysis is done whenever a new customer is onboarded or the customer's situation changes. Senior management must arrange at least the following:

- The financial statements and balance sheet information of groups of connected clients must be kept up to date, and historical data must be maintained. If a borrower is in default and their information must be updated, a quantitative grading and collateral liquidation value are required.
- A granular assessment must be performed of the customer's revenue logic and of factors affecting future free cash flow and asset values. The customer's vulnerability to price risks on the markets – whether they involve production factors, financial assets or end products – must be determined. The customer's financial statements must be closely analysed to identify balance sheet and profit dependencies on, among other things, particular product ranges or customers, suppliers and markets, so that actual groups of connected clients can be identified.
- Assessment of financial sustainability must include taking account of climate-related factors as part of financing decisions. Collateral valuation must include assessment of how climate and biodiversity-related factors impact on projected values. Our corporate customers must be sorted into ESG (Environmental, Social, Governance) categories based on industry exposure to ESG factors, and an ESG analysis must be performed, if necessary.
- Information on the customer and collateral must be updated sufficiently often and used as the basis for assessing the customer's or transaction's credit rating and/or collateral liquidation value. The credit rating methodology (specific to the credit rating system) and collateral valuation methodologies must be described.
- The probability of default (PD) trends of individual borrowers in each rating grade and loss given default (LGD) ratios must be assessed over time.

Sizing and pricing of new loans

When the customer and their collateral have been assessed, the results must be used to measure and price any new loans, or to restructure the customer's current loan portfolio.

Granting of loans must be based on the customer's repayment capacity and the loan terms and conditions. The current and future repayment capacity set limits on the loan amount and other terms. In addition, loan sizing must take account of how future terms will impact on the customer's financial success. The purpose of collateral is to limit potential credit loss – collateral is only realised in cases of default.

Agreement pricing must include the customer's PD over time and LGD over time, but in such a way as to avoid allocating the entire portfolio's diversification or concentration impacts to these risk parameter values. It must also take account of interdependencies between (as well as developments in) default and collateral value, and the loan repayment schedule and seniority. Within the framework of the pricing principles, senior management must build more detailed portfolio segment-specific pricing models.

Deciding on and implementing agreements

Because credit decisions involve a decision to take a risk, sufficient, accurate and up-to-date information is required about the factors affecting the project and decision. The decisions and its grounds must be recorded in the decision-making system. Financing decision-making is based on the principle of segregation, whereby the person preparing financing may not make the financing decision alone. Decisions that deviate from the target risk profile specified in the risk policy must be explained on a broader basis.

Credit management during the agreement's validity

Credit control and proactive customer-specific assessment must be based on the same information (on the customer, collateral and agreement terms) as credit granting. The agreement terms set must be based on such information, or indicators derived from it.

To identify the customer's financial situation (particularly possible financial distress), credit control processes must comply with the practices defined for the credit rating system. Precise indicators and their threshold values must be defined, on the basis of which the customer/loan is assigned to a certain credit risk-cycle phase. Comprehensive information about different credit risk-cycle phases and rating grades must be available across the credit life cycle, to enable the allocation of collateral assets to the correct exposures. The same is true of actual realised losses. As the values of defined indicators change, the responsible parties must take action in accordance with agreed practices and report the matter to management.

Customers must be placed under special control if they are highly significant to the bank and their risk of default clearly increases, or their repayment capacity is significantly threatened in another way. For these customers, the bank must prepare an action plan on measures to resolve the customer's situation from the bank's perspective, and to minimise any risk that might materialise for the bank.

Senior management must define and describe how work is divided between the first and second lines of defence for the above customer-specific credit risk management. As a general principle, the first line of defence is responsible for all credit risk management tasks except the following second line of defence roles: credit rating methodology, verification of rating grades and collateral values, and quantification of risk parameters.

Phases of portfolio-level credit risk management

Due to OP Financial Group's structure, there is no single, centralised party that could decide on the portfolio structure and its adjustment. Senior management must arrange portfolio management and the organisation of tasks based on the following phases:

- Basic monitoring of the credit risk portfolio Assets must be divided into portfolio segments and rating grades, customer and transaction specifically. Descriptive indicators must be defined for such assets, which make monitoring of risk allocation easy. The grounds for portfolio diversification benefits and concentrations, and the impacts of such benefits and concentrations on capital need, must be reported separately.
- Preparation of target portfolio and risk policy – A target portfolio for credit risk assets in banking must be prepared annually, as part of the annual planning process. This target portfolio must take account of the current portfolio structure and its economic capital, business strategy priorities, forecast changes in the external business environment, and customers' needs. Portfolio segment/credit rating-specific weightings for new lending and pricing, and indicators and impact analyses that give an accurate picture of assets, must be specified for the risk policy.
- Preparation of detailed credit policy – The credit policy must define portfolio-specific weightings for new sales and pricing, for inclusion in the risk policy. Customer-specific credit risk taking is steered by the credit policy, which provides portfolio segment-specific policies for rating grades, collateral shortfalls and loan repayment terms and conditions. Implementation of the credit policy must be reported and monitored on the basis of the portfolio segment-specific return on risk-adjusted capital (RORAC). Accordingly, the economic capital metrics used must make different asset types mutually comparable, to enable credit risk taking in line with the credit policy.
- Detailed analysis and reporting and ad-hoc reporting of the credit risk portfolio – :The risk parameters of assets, and the impact of sectors and large, individual customers in the portfolio, must be reported for banking as a whole and broken down between the Retail and Corporate Banking segments. Moreover, senior management must be capable of producing specific reports based on separately defined target groups and scenarios, not on portfolio segmentation.

Liquidity risks

Identifying liquidity risks

Within OP Financial Group, the Group Treasury, other business units and Risk Management continuously identify and assess risks associated with funding and business activities, and other risks associated with the business environment. In the risk assessment of new products, services, business models, processes and systems, every business must also take account of liquidity risks. At least once a year, the Risk Management function and representatives of the business concerned perform a comprehensive liquidity risk assessment to ensure that the internal liquidity adequacy assessment process (ILAAP) is appropriate and adequate in relation to the Group's liquidity risks.

Assessment and measurement

The central cooperative consolidated assesses the future cash flows of receivables, liabilities and off-balance-sheet commitments based on the contract maturity date, repayment programme, expert assessments or statistical models based on customer behaviour history.

Structural funding risk is measured as the difference between cash inflows and cash outflows in different maturities. In addition, the central cooperative consolidated calculates the regulatory Net Stable Funding Ratio (NSFR), which determines the amount of stable funding sources expected to span over one year in proportion to assets requiring stable funding.

From the regulatory perspective, funding liquidity risk is measured using the Liquidity Coverage Ratio (LCR). Sufficiency of liquidity adequacy in terms of time is assessed though maturing items on the balance sheet, wherein agreements are not renewed but ended at maturity. Based on the economic perspective, OP Central Cooperative Consolidated measures the sufficiency of the liquidity buffer through stress testing.

The central cooperative consolidated measures funding concentration risk by calculating the amount of bond funding with a rolling maturity of 12 months and 3 months. In the time horizon of less than 12 months, OP Cooperative Consolidated measures the total wholesale funding amount, comprising short- and long-term wholesale funding, for 3 months. In relation to deposit funding, the central cooperative consolidated monitors the concentration of the largest deposit volumes. Concentrations by counterparty and instrument are also subject to monitoring.

The central cooperative consolidated measures its asset encumbrance by proportioning encumbered assets to the aggregate amount of balance sheet assets and collateral securities.

Risk assessment and measurement methods related to liquidity buffer investments are defined as part of market risks.

Liquidity stress testing

The adequacy of OP Financial Group's liquidity buffer and buffer items is assessed through various scenarios. OP Financial Group's Group-specific and market-specific scenarios, as well as their combination, are used as stress scenarios. These scenarios cover both short and long-term stress conditions. When measuring member bank-specific structural funding risk, the liquidity requirement based on the regulatory stress scenario is counted as a deposit in the Group Treasury on a bank-specific basis. A reverse stress test is used in connection with the Group's Recovery Plan. Senior management confirms the scenarios to be used, use and reporting of stress test results.

Funding plan

OP Financial Group's funding plan defines guidelines for wholesale funding for the next few years. In its funding plan, OP Financial Group must take account of its member banks' estimate of the funding need for years to come. Implementation of the plan is monitored regularly and the plan is updated, where needed, during the year. Deposit funding is primarily based on the business strategy and plan. The funding plan specifies the sources of wholesale funding and presents how the Group covers its need for key wholesale funding sources in view of market depth and sufficient diversification. It also defines the related decision-making powers. The funding plan also takes account of unfavourable scenarios lasting several years, and of any abrupt changes in key funding items.

OP Financial Group's liquidity and wholesale funding plan and authorisations to raise capital are subject to approval by the Boards of Directors of OP Corporate Bank and OP Mortgage Bank.

Non-euro liquidity management

OP Financial Group carries out non-euro funding due to the diversification of funding sources. Since almost all the Group's receivables are in euros, the Group mainly converts its non-euro funding into euros through derivative transactions in connection with an issue.

According to liquidity regulation, a non-euro currency is significant if non-euro liabilities account for over 5 per cent of the amalgamation's balance sheet total. The Group monitors significant currencies every month when it produces its liquidity report for the supervisor. Foreign currencies account for only a small proportion of the balance sheet and the liquidity risk due to currency availability has been minimised by the operating model.

Management of intraday liquidity

The Group Treasury monitors intraday funding sources and anticipates and monitors the execution of intraday payments. The Group holds intraday funding sources at an amount that allows it to make payments due on the banking day.

Based on the liquidity contingency plan, the Group can raise its level of preparedness even if intraday liquidity is disturbed, in order to ensure efficient operations if there is an increased threat of a crisis.

Liquidity buffer

From the financial perspective, OP Financial Group's liquidity buffer consists of deposits in the Bank of Finland and unencumbered notes and bonds eligible as collateral for central bank refinancing and held by OP Corporate Bank. It also includes other notes and bonds held by OP Corporate Bank marketable on the secondary market and unencumbered corporate loans eligible as collateral for central bank refinancing.

From the regulatory perspective, OP Financial Group's liquidity buffer consists of the liquidity buffer that fulfils the criteria for liquidity buffer requirement provisions (LCR buffer).

The Group Treasury is responsible for preparing an investment plan at least once a year, including bond investments in the liquidity buffer held by the Group Treasury. OP Corporate Bank's Board of Directors approves the plan. The investment plan applies the restrictions and objectives set in OP Financial Group's Risk Appetite Statement (RAS) and OP Financial Group's Risk Appetite Framework (RAF), and Risk Policy for market risk, credit risk and funding liquidity risk. To the appropriate extent, the investment plan establishes a framework for testing the liquidity of notes and bonds.

The central cooperative consolidated diversifies investments, for example, by product, counterparty and country, in view of both internal risk appetite and external regulatory requirements.

Collateral management and asset encumbrance

In this context, collateral securities mean OP Financial Group's assets used as collateral to fulfil liquidity needs, either in normal or stress conditions. The Group Treasury of OP Financial Group monitors collateral on a centralised basis, and is responsible for its use and transfer.

Home loans serving as collateral for covered bonds issued by OP Mortgage Bank constitute the largest source of asset encumbrance in the balance sheet. Central bank operations and the derivatives business are the other main sources of asset encumbrance. From the perspective of preparing for liquidity needs, the central cooperative consolidated restricts asset encumbrance through the quantitative limits specified in its Risk Policy.

To increase liquidity potential, it is necessary to identify the eligibility of the balance sheet receivables as collateral and create readiness to use receivables as collateral.

Securing liquidity in stress conditions

OP Financial Group's liquidity contingency plan establishes a framework that safeguards the Group's ability to meet its payment obligations, even during a liquidity crisis. The plan provides well-defined operational guidelines and operating models for reducing liquidity risk: these enable the detection of elevated liquidity risks and steer OP Financial Group towards timely and appropriate measures if the threat of a crisis has grown. It specifies control and monitoring practices for each liquidity level, which become more rigorous as escalation proceeds. The liquidity contingency plan is subject to approval by the central cooperative's senior management.

Furthermore, OP Financial Group's Recovery Plan includes liquidity management recovery measures.

Liquidity risk reporting

The central cooperative consolidated reports liquidity risks to the central cooperative's management on a regular basis and, with a heightened threshold level of the liquidity status, will adopt weekly or daily progress reporting practices whenever necessary. OP Financial Group's companies report regularly to boards of directors on liquidity risks. As part of OP Financial Group's risk analysis, Risk Management reports quarterly to the Risk Committee, which operates under the central cooperative's Board of Directors, on liquidity risks.

Liquidity management and control within the amalgamation

Liquidity regulation, as such, is not applied to the amalgamation's companies. However, with the ECB's permission, the central cooperative may give member banks special permission to deviate from the liquidity regulation. As the central institution of the amalgamation of cooperative banks, OP Cooperative has granted its member credit institutions special permission, under the Act on the Amalgamation of Deposit Banks. Pursuant to the Act, the liquidity requirements set for credit institutions mentioned in Part VI of the EU Capital Requirements Regulation are not applied to OP Cooperative's member credit institutions. Liquidity based on the regulation is subject to supervision and reporting at the level of the cooperative banks' amalgamation. To fulfil the prerequisite for granting special permission, the central cooperative gives the amalgamation's companies instructions on the risk management needed to secure liquidity and meet other qualitative requirements, and supervises compliance with these instructions.

The central cooperative senior management is responsible for organising OP Financial Group's centralised liquidity risk management according to liquidity strategy policy lines. It must ensure that management and supervision of the amalgamation's liquidity accord with the scope and quality of business, and fulfil regulatory requirements, at all times. In sales control of borrowing and lending, the management pays attention not only to growth and profitability targets but also to liquidity features. Product development related to customer service must also aim to reduce risks associated with the liquidity and funding structure.

As the Group Treasury of OP Financial Group, OP Corporate Bank plc is tasked with securing the liquidity of the entire Group and each OP cooperative bank or Group company. OP Financial Group places its entities' liquidity in its Group Treasury's cheque account with the Bank of Finland. This means that the Group always manages its overall liquidity position through the central bank cheque account. The Group Treasury is in charge of the Group's wholesale funding, manages the Group's short-term liquidity, maintains the liquidity buffer, manages the Group's minimum reserve on a centralised basis, and is responsible for managing intraday liquidity risk. It also ensures that liquidity and maintenance of the minimum reserve are managed in accordance with each country's regulatory requirements. OP Corporate Bank manages the Group's wholesale funding on a centralised basis, in the form of debt capital and equity capital, while OP Mortgage Bank manages wholesale funding based on covered bonds. Companies that fall within the scope of joint and several liability of market-based financing seek financing from the Group Treasury and other companies in OP Corporate Bank's banking operation.

In a severe liquidity crisis caused by money and capital market disruptions or other events, or in preparing for such a crisis, the central cooperative's Board of Directors can, upon a proposal by the President and Group CEO, decide to oblige the amalgamation's member banks to place part of their loan portfolio with OP Mortgage Bank as collateral for the covered bond issued by OP MB through an intermediary loan. The loan amounts needed are based on the Group-level need and are determined for each bank. The decision may be put into practice immediately. Member banks are committed to immediately executing any measures related to the decision.

The primary funding sources of OP cooperative banks' lending include equity capital, deposit funding and funding for intermediary loans from OP Mortgage Bank.

Allocation of liquidity risk costs within the amalgamation

The costs of wholesale funding and liquidity buffer maintenance are allocated among member banks based on the principles adopted by OP Cooperative's Board of Directors. The costs of liquidity maintenance are allocated through liquidity deposits and the costs of wholesale funding are allocated through the margin added to the base rate of OP Financial Group's loans/deposits, or through some other practice.

Market risks

Interest rate risk in the banking book (IRRBB)

Interest rate risk in the banking book is a structural risk that emerges as a consequence of customer business. Interest rate risk impacts on the bank's earnings through net interest income, and fair value items recognised in the income statement. The interest rate risk in the banking book has been defined as one of OP Financial Group's significant risks.

The principles for managing interest rate risk in the banking book are as follows:

- Member banks of the amalgamation manage interest rate risk in the banking book in accordance with the risk policy priorities and limits, other guidelines and targets issued by the central cooperative, and the terms and conditions of accounts, deposits and loans. Each company is responsible for the interest rate risk associated with its balance sheet, and its management, although the Banking ALM Committee issues recommendations for the management of interest rate risk, based on proposals by the Group Treasury and Asset and Liability Management (ALM) functions. These recommendations are based on the objectives of net interest income risk management throughout the amalgamation.
- Member banks must understand how interest rate movements and customer behaviour affect net interest income, and have sufficient expertise in the use of derivatives in order to manage interest rate risks through products provided by the Group Treasury. The central cooperative must regularly ensure that member banks have the competencies needed for interest rate risk management.
- As part of their annual planning, member banks prepare an ALM plan that includes a management plan for their interest rate risk in the banking book.
- Measurement of net interest income risk must include an assessment of how changes in the general interest rate level and the shape of the rate curve will impact on net interest income and the current value of balance sheet items.
- When measuring interest rate risk, account must be taken of the impact of optionalities included in assets and liabilities on future cash flows, and thereby on net interest income risk. The performance of models describing this impact must be ensured in accordance with the principles of model management.
- In particular, stress tests for net interest income risk must involve testing any change in customer behaviour in relation to how loans, deposits and Profit Shares have performed historically as portfolios. Other key business assumptions are also tested.
- Economic capital is allocated for the measured interest rate risk in the banking book.

Management of other market risks in Banking through the balance sheet

Other market risks associated with the revenue logic, and arising from banking through the balance sheet, are chiefly due to the management of OP Financial Group's liquidity buffer and OP Corporate Bank's portfolio of bonds.

OP Corporate Bank's Group Treasury manages OP Financial Group's banking liquidity buffer. The regulatory liquidity coverage ratio (LCR) determines the constraints on the size and allocation of the liquidity buffer. Alongside Group Treasury deposits, the liquidity buffer contains the liquidity buffer portfolio, and items in the liquidity buffer portfolio must conform to the regulatory creditworthiness and liquidity requirements. For this reason, the portfolio includes securities carrying a very low likelihood of credit losses materialising. Because these securities most often have fixed interest rates, their value varies depending on movements in market rates and credit spreads.

The liquidity buffer portfolio is monitored and managed using market risk management methods:

- The Banking risk policy determines the risk measurement methods and risk-taking limits, as well as other restrictions.
- An investment plan is prepared for the investment portfolio, describing business models, the goals of investment activities and the principles of portfolio management. OP Corporate Bank's Board of Directors approves the investment plan.
- OP Corporate Bank ensures sufficient portfolio diversification by means of restrictions by issuer.

In addition, OP Corporate Bank invests in corporate bonds. OP Corporate Bank's bond portfolio is OP Corporate Bank's equivalent to a lending business.

The following methods are used to manage and monitor OP Corporate Bank's bond portfolio:

- The Banking risk policy determines the risk measurement methods and risk-taking limits, and other restrictions.
- An investment plan is prepared for the portfolio, describing the goals of investment activities and the principles of portfolio management.
- Investment decisions for the portfolio comply with OP Corporate Bank's corporate responsibility principles.

OP Corporate Bank manages equity and real estate risk in Banking primarily through instructions which strictly limit risk-taking. Direct real estate risk mainly involves real property units used by OP cooperative banks. The current banking business models do not call for an increase in equity or real estate risk.

If surplus liquidity emerges in an OP cooperative bank's customer business, it will be channelled into investment products provided by the Group Treasury of OP Financial Group, to support the implementation of the entire Group's mission. Investment is not counted among the basic tasks of OP cooperative banks. In their social role, OP cooperative banks may invest in local private equity funds in their operating region. According to their cooperative values, the banks invest to support prosperity in their region and economic activity locally and among the bank's customer base.

Risk management in Markets

OP Financial Group's trading in capital market products has been centralised in OP Corporate Bank's Markets function. The risks taken include market risks such as interest rate risk in different currencies, currency risk, volatility risk related to options, credit spread risks, and credit risks such as counterparty and issuer risks. Repurchases of structured investment products also generate a degree of equity risk. Markets manages risk exposures by actively trading on the market. Risks and earnings in Markets are monitored on a daily basis. In addition, Markets' risks are reported to the Board of Directors' Risk Committee and the senior management, as part of OP Financial Group's risk analysis.

The Markets function is exposed to risks associated with liquidity and market liquidity. Risk associated with failure to meet financial obligations is due to secured derivative contracts' collateral requirements dependent on market values. This is managed as part of other liquidity management conducted by the Group Treasury. The low market liquidity of some markets and products, generally weaker market liquidity or a technical malfunction on the part of the central counterparty may lead to a situation where the required transactions cannot be executed at the expected price, or the selected hedging strategy cannot be implemented. Regarding risks associated with market liquidity, it must be ensured that customers have been proactively informed of the consequences of any adverse market situations. Furthermore, preparations must be made to use an alternative central counterparty, if necessary, to ensure the continuity of customer business.

Market risks taken by the Markets function are measured using the expected shortfall measure, as well as various sensitivity and nominal value metrics for specific products and positions. The impacts of market movements that are significant to the business are assessed via stress tests. This is important to understanding the risks of rare market movements and those with a major impact. Economic capital is calculated in relation to market risks taken by the Markets function. The risk policy sets limits and frameworks for business models. The risk policy is prepared in such a way that the risks are visible for each business model and any risk-taking that goes beyond the business model is tightly constrained.

Entering into derivative contracts gives rise to counterparty credit risk, which is managed by applying customer-specific limits. Limits are decided by OP Corporate Bank's credit decision-making process, taking account of OP Corporate Bank's corporate responsibility principles. The counterparty risk associated with derivatives is included in economic capital related to credit risk. To take account of this risk, OP Corporate Bank adjusts the valuations of derivatives through Credit Valuation Adjustment (CVA and DVA). The size of the valuation adjustment is affected by the credit-risk-free valuation of derivatives, interest rates, volatility of interest rate options, exchange rates, and credit risk market price. Fluctuations in adjustments in the value of credit risk due to the valuation adjustment are mitigated by entering into derivative contracts.

Ownership of bonds and money market instruments causes issuer risk. The risk is limited by setting limits on portfolio composition in the Markets supplementary limit framework, or by setting issuer specific limits.

Risk management for the Asset Management business model

The key risks associated with the Asset Management revenue logic are operational and compliance risks related to the provision of asset management services. OP Financial Group manages these risks in accordance with its operational risk and compliance risk management framework and the framework's procedures. The sale of asset management products is subject to detailed regulation seeking to ensure that clients understand the risks, costs and environmental and social impacts of their investment decisions. The sale of investment products carries a reputational risk. The effect of market developments on assets under management exposes the business model to market risk. Economic capital is assigned to the asset management revenue logic under the risk type, operational risks. It is also allocated to cover future business risks, such as unexpected changes in the competition or customer behaviour.

In asset management business activities, low liquidity may be a feature of an investment (for example, real estate) or liquidity may become weaker in exceptional market conditions, in which, for example, certain securities are not traded actively or differ greatly in their bid and ask prices. Liquidity risk may also arise due to unexpected customer behaviour, especially in turbulent markets, for example in terms of larger-than-usual redemption requests sent to a mutual fund. This may result in a situation where the fund cannot execute the redemptions.

Liquidity risk associated with the asset management business must be managed in advance by informing customers of liquidity risks associated with the investment product in marketing materials. The liquidity of OP Mutual Funds must be assessed through stress tests. In problem situations, liquidity risk is managed by delaying and interrupting redemptions, charging redemption fees or changing pricing and possibly increasing cash allocation.

By ensuring that the product range meets customer demand and needs, client retention can be improved in situations where clients want to switch or diversify their investments.

Note 42. OP Financial Group's exposure split by geographic region and exposure class

OP Financial Group's receivables by country 2024

€ million	Loans and other advances	Cash balances at central banks and other demand deposits	Debt securities	Derivatives	Equity instruments	Gross carrying amount, total
Finland	94,373	17,894	2,363	685	4	115,320
Baltic countries	3,010	36	0	1		3,047
Other Nordic countries	1,346	2	2,059	85	0	3,491
Germany	155	1	3,240	482		3,879
France	10	23	1,640	594		2,267
UK	62	6		401		468
Italy	10					10
Spain	41			82		123
Other EU countries	321	3	1,956	105		2,385
Rest of Europe	55	2			0	57
USA	41	21		2	57	122
Russia	2	1				3
Asia	119	29				148
Other countries	590	6	2,648	54		3,298
Total	**100,134**	**18,024**	**13,907**	**2,490**	**62**	**134,617**

OP Financial Group's receivables by country 2023

€ million	Loans and other advances	Cash balances at central banks and other demand deposits	Debt securities	Derivatives	Equity instruments	Gross carrying amount, total
Finland	94,294	19,719	2,103	720	19	116,856
Baltic countries	2,966	19		5		2,991
Other Nordic countries	1,235	2	1,866	69	8	3,180
Germany	205	0	2,779	674		3,657
France	17		1,209	772		1,998
UK	68	5		851		923
Italy	9					9
Spain	42			123		165
Other EU countries	312	2	2,459	157		2,929
Rest of Europe	50	1	0		0	52
USA	40	18		0	56	115
Russia	9	0				9
Asia	120	23				144
Other countries	618	6	2,090	47		2,761
Total	**99,984**	**19,797**	**12,505**	**3,418**	**84**	**135,788**

Note 43. Loan losses and impairment losses

€ million	2024	2023	2022	2021	2020
Receivables written down as loan and guarantee losses	-220	-93	-133	-126	-117
Recoveries of receivables written down	20	16	15	13	10
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	106	-192	3	-46	-119
Expected credit losses (ECL) on notes and bonds	-2	0	0	0	1
Total	-96	-269	-115	-158	-225

Note 36. Calculations of loss allowance and the related key uncertainties are presented in the section, Loss allowance regarding receivables and notes and bonds.

Note 44. Structure of OP Financial Group funding

€ million	31 Dec 2024	%	Adjusted 31 Dec 2023	%
Liabilities to credit institutions	91	0.1	74	0.1
Financial liabilities recognised at fair value through profit or loss*	1,954	1.6	2,210	1.8
Liabilities to customers				
Deposits	78,220	64.0	74,567	60.3
Other	2,235	1.8	2,611	2.1
Debt securities issued to the public				
Certificates of deposit, commercial papers and ECPs (Euro Commercial Papers)	4,621	3.8	6,796	5.5
Bonds*	8,943	7.3	10,768	8.7
Subordinated bonds (SNP)	3,566	2.9	4,045	3.3
Covered bonds	14,114	11.6	13,871	11.2
Provisions and other liabilities	3,526	2.9	3,674	3.0
Subordinated liabilities	1,444	1.2	1,414	1.1
Membership shares	222	0.2	219	0.2
Profit Shares	3,255	2.7	3,335	2.7
Total	**122,192**	**100.0**	**123,583**	**100.0**

* Includes bonds included in own portfolio in trading.

Note 45. Maturity of financial assets and liabilities by residual maturity

The table below presents financial assets and liabilities by residual terms to maturity, in other words the times remaining until the contractual maturity date. All non-derivative cash flows are undiscounted and include the amounts of principal and interest. Derivates are presented at fair value on the relevant timeline, in such a way that both trading derivates and derivates for daily central counterparty clearing are presented in the "Undivided" column, because recognition of their residual, contractual terms to maturity is not critical to understanding the timing of cash flows. Other derivatives in hedge accounting are presented by residual term to maturity, in accordance with the time remaining until the contractual maturity date. Notional values of derivatives in hedge accounting are presented by maturity in Note 21.

The principles, based on which the adequacy of liquidity and the liquidity buffer are monitored, are presented in the "Liquidity risks" section of the risk management accounting policies and key figures on liquidity are shown in the Report by the Board of Directors.

31 December 2024, € million	Undivided	Less than 3 months	3–12 months	1–5 yrs	5–10 yrs	More than 10 years	**Total**
Financial assets							
Cash and cash equivalents		18,113					**18,113**
Receivables from credit institutions		797	10	2			**809**
Receivables from customers		7,472	10,385	44,077	25,411	38,060	**125,406**
Investment assets		4,078	693	11,576	6,724	466	**23,537**
Derivatives		56	39	340	181	60	**2,497**
Total financial assets	**1,821**	**30,516**	**11,126**	**55,994**	**32,317**	**38,587**	**170,362**

Financial liabilities	Undivided	Less than 3 months	3–12 months	1–5 yrs	5–10 yrs	More than 10 years	**Total**
Liabilities to credit institutions		91					**91**
Liabilities to customers		79,847	591	17	0		**80,455**
Debt securities issued to the public		2,404	8,958	17,132	4,621	84	**33,198**
Subordinated liabilities				0			**0**
Derivatives	2,226	0	7	67	20	4	**2,324**
Total financial liabilities	**2,226**	**82,342**	**9,556**	**17,216**	**4,641**	**88**	**116,069**
Guarantees		216	0	116	6	212	**550**
Guarantee liabilities		295	538	737	562	416	**2,549**
Loan commitments		13,219					**13,219**
Commitments related to short-term trade transactions		64	177	64			**305**
Others		564	254	234	86	100	**1,238**
Total off-balance-sheet commitments		**14,357**	**970**	**1,151**	**654**	**728**	**17,860**

31 December 2023, € million	Undivided	Less than 3 months	3–12 months	1–5 yrs	5–10 yrs	More than 10 years	Total
Financial assets							
Cash and cash equivalents		19,755					**19,755**
Receivables from credit institutions		836	22	1	1	0	**860**
Receivables from customers		6,246	12,161	48,114	26,154	37,452	**130,126**
Investment assets		591	1,259	10,476	6,152	316	**18,793**
Derivatives		111	37	306	227	34	**3,106**
Total financial assets	**2,392**	**27,539**	**13,478**	**58,898**	**32,533**	**37,801**	**172,641**

Financial liabilities	Undivided	Less than 3 months	3–12 months	1–5 yrs	5–10 yrs	More than 10 years	Total
Liabilities to credit institutions		61	5				**66**
Financial liabilities recognised at fair value through profit or loss				3	2		**5**
Liabilities to customers		75,154	1,449	111	0		**76,714**
Debt securities issued to the public		5,501	7,409	18,758	5,661	182	**37,511**
Subordinated liabilities				1,414			**1,414**
Derivatives	2,703	84	6	110	66	26	**2,994**
Total financial liabilities	**2,703**	**80,800**	**8,869**	**20,396**	**5,729**	**207**	**118,704**
Guarantees		105	163	277	36	260	**841**
Guarantee liabilities		269	799	730	704	241	**2,743**
Loan commitments		12,525					**12,525**
Commitments related to short-term trade transactions		146	313	93	0	1	**553**
Others		636	321	238	203	111	**1,509**
Total off-balance-sheet commitments		**13,681**	**1,596**	**1,339**	**942**	**613**	**18,171**

OP Financial Group expects the above, significant deviations from contractual maturities to pertain to the balance sheet items “Receivables from customers” and “Liabilities to customers”. The table below presents the share of these assets and liabilities, which include amounts that are expected to be realised or paid within 12 months of the end of the reporting period, and more than 12 months after the period end.

	31 Dec 2024			31 Dec 2023		
Balance-sheet item	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
Receivables from customers	23,060	85,347	**108,407**	22,377	89,624	**112,001**
Liabilities to customers	10,010	69,534	79,544	9,385	68,075	77,460

Note 46. Sensitivity analysis of interest rate risk in the banking book and market risk

Information is presented below on how rises and falls in market rate parallels would affect OP Financial Group's projected net interest income. The effect is calculated for three years on the recurring balance sheet and the years' average is interpreted as a year's risk. The Group keeps the balance sheet structure unchanged in the calculation by replacing items falling due with corresponding interest rate bases or fixed-rate maturities. The “Passing on changes in the market interest rate to deposit interest rates” model is applied to calculation of non-maturity deposits and the “Early loan repayment” model is applied to credit.

Effect on projected net interest income, € million	1 pp parallel rise	1 pp parallel fall	0.5 pp parallel rise	0.5 pp parallel fall
31 Dec 2024	118	-128	60	-62
31 Dec 2023	152	-160	76	-77

Information is presented below on how rises and falls in market rate parallels would affect OP Financial Group's reported equity.

Effect on reported equity, € million	1 pp parallel rise	1 pp parallel fall	0.5 pp parallel rise	0.5 pp parallel fall
31 Dec 2024	-20	18	-10	9
31 Dec 2023	-18	19	-9	9

Changes would affect the reported fair value reserve counted as equity by increasing or decreasing the values of receivables whose fair value changes are recognised through items in other comprehensive income.

Information is presented below on how rises and falls in credit spreads would affect the value of OP Financial Group's long-term investment assets. The effect of credit spreads can be seen in the result through all investment assets.

Effect on value of long-term investment assets, € million	1 pp rise	1 pp fall	0.5 pp rise	0.5 pp fall
31 Dec 2024	-540	540	-270	270
31 Dec 2023	-514	514	-257	257

Note 47. Liquidity buffer

The liquidity buffer is presented under the Group Functions segment.

Liquidity buffer by maturity and credit rating on 31 December 2024, € million

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa*	18,230	2,845	3,652	2,006	1,086		**27,818**	87.0
Aa1–Aa3	1	619	708	431	386	0	**2,145**	6.7
A1–A3	22	24	6	8	1	0	**61**	0.2
Baa1–Baa3	31	599	573	46	1	0	**1,250**	3.9
Ba1 or lower	0	10	20				**30**	0.1
Internally rated	356	84	42	198			**681**	2.1
Total	**18,641**	**4,180**	**5,001**	**2,689**	**1,474**	**0**	**31,985**	**100.0**

* incl. deposits with the central bank

The liquidity buffer's (excl. deposits with the central bank) residual term to maturity averages 4.1 years.

Liquidity buffer by maturity and credit rating on 31 December 2023, € million

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa*	19,850	2,211	3,349	2,017	1,290		**28,716**	86.9
Aa1–Aa3	191	302	940	388	457	0	**2,277**	6.9
A1–A3	0	5	21	6	0		**32**	0.1
Baa1–Baa3	336	557	287	93	0		**1,273**	3.9
Ba1 or lower	12	4	13				**30**	0.1
Internally rated	332	120	67	24	186		**729**	2.2
Total	**20,721**	**3,200**	**4,676**	**2,527**	**1,932**	**0**	**33,056**	**100.0**

The liquidity buffer's (excl. deposits with the central bank) residual term to maturity averages 4.4 years.

Insurance risk exposure

Risks of insurance operations

Non-life insurance risks

The largest insurance risks pertain to risk selection and pricing, the acquisition of reinsurance cover, and the adequacy of insurance contract liabilities. In non-life insurance, the risk inherent in insurance contract liabilities lies mainly in insurance lines characterised by a long claims settlement period. Non-life insurance, for which a continuous pension is paid out if an insurance event occurs, also involves biometric risks, such as longevity risk. Inflationary development may also cause the materialisation of underwriting risk through compensation inflation.

Risks of loss or damage are managed by means of strict risk selection and pricing, and provision risks are managed by ensuring the right level of the measurement of insurance contract liabilities.

Premium rating is based on risk correlation, which means that the insurance risk premium corresponds to at least the claims incurred from the insurance. The insurance premium also includes components for operating expenses and capital cost.

The bases for risk selection (customer selection and related criteria, and decision-making limits by insurance line) are specified in the risk policy, which is updated annually, and the guidelines, which supplement the risk policy. The documents specify decision-making powers on a multistage basis according to the size of underwriting risk, as well as risks by insurance line underwritten only to a limited extent and at the discretion of Pohjola Insurance's management team or the company's pricing and risk selection management team.

Insurance periods within non-life insurance are mainly one year or less, and changes in the underwriting risk level can usually be passed quickly onto insurance premiums. In respect of long-term insurance lines where risk inter-independence does not perhaps materialise, risk is managed by setting underwriting limits.

Pohjola Insurance's underwriting risk concentrations tend to be geographical in nature, or to consist of several insured assets categorised under the same risk. Another substantial risk concentration consists of natural phenomena, such as storm risk in Finland.

Reinsurance is also used to mitigate risk. The reinsurance level is determined in the reinsurance principles approved by boards of directors. Reinsurance is implemented mainly through risk-specific (insured object) and loss-event-specific reinsurance cover. Potential gaps in reinsurance cover are eliminated in accordance with detailed underwriting guidelines. The risk arising from reinsurance availability is subject to strict supervision. Irrespective of the insurance line, large individual risks, such as claim accumulations arising from natural disasters or human activity, are reinsured.

The reinsurance principles set limits for the maximum retention and catastrophe protection capacity. The reinsurance principles also restrict authorisations to take reinsurance counterparty risk, because the document sets limits based on the counterparty's rating grade and the reinsurance contract type (contract business, facultative, fronting). Local risk concentrations are included in the Estimated Maximum Loss (EML) for property and business interruption risks, and through EML breakthrough cover included in reinsurance cover.

Reinsurance principles are supplemented by the Reinsurance principles practical application guide, approved by the Pricing and Risk Selection Management Team. The guide describes reinsurance tasks and the related division of responsibilities.

The amount of insurance contract liabilities is estimated securely in such a way that it would be sufficient to fulfil the obligations arising from insurance contracts. Irrespective of the calculation framework (FAS, IFRS 17, Solvency II), a risk component must be added on top of insurance contract liabilities based on the best estimate, due to the uncertainty of insurance contract liabilities. Each year, the actuary in charge presents the company's Board of Directors with a statement of continuous compliance with the insurance contract liability requirements and the requirements set by the nature of the underwriting business. The actuarial function presents the company's Board of Directors with annual statements on the general insurance policy and on completed actuarial tasks. The central cooperative consolidated assesses non-life insurance underwriting risks by applying the Solvency Capital Requirement (SCR) and economic capital. Stress tests are used to supplement the assessment. The economic capital tied up in underwriting risks is limited relative to OP Financial Group's internal capital. Underwriting risks are also restricted by a target, set in the capital plan, for the ratio of the capital base to the solvency capital requirement.

Life insurance risks

Biometric risks – Biometric risks associated with life insurance products (both investment contracts and insurance contracts) consist of claim payouts: mainly due to a higher number of deaths, or pension disbursement periods being longer, than expected. Mortality and life expectancy affect a life insurance company's risk exposure in pure life insurance policies and pension policies. Longevity risk is particularly significant for group pension insurance policies under a defined benefit plan and in other portfolios of lifelong pensions, because these contracts do not involve a significant mortality risk counterbalancing the risk exposure.

Lapse risk – The policyholders' customer behaviour gives rise to lapse risk. Policyholders have the right to stop paying their premiums, terminate the contract early, or change the contract based on an embedded option in a way which results in higher risk for the company. One example of such options is the customer's right to change the profit type of their assets from unit-linked to one with technical interest, which increases interest expenses. Another example is the postponement of pension, which increases longevity risk and lapse risk. Endowment policies and capital redemption contracts with the right of surrender, and term life policies (which the policyholder can terminate anytime), are particularly susceptible to lapse risk related to customer behaviour. Pension insurance can only be surrendered in exceptional circumstances.

Expense risk – Expense risk refers to a situation in which incurred insurance contract management, maintenance and claims management expenses differ from those estimated in premium rating. The early lapse of insurance policies may also jeopardise the accuracy of cost assumptions used for premium rating and thereby contribute to the materialisation of expense risk.

The need for capital required by life insurance underwriting risks is assessed by applying the Solvency Capital Requirement (SCR) and economic capital. Stress tests are used to supplement the assessment.

Life insurance underwriting risks are managed by means of strict risk selection and pricing and by ensuring the right level of measurement of insurance contract liabilities. The customer and risk selection policies are described in the customer and risk selection guidelines, which are updated frequently.

Risks related to mortality and longevity are priced in a secure way on the basis of the conditions and situation prevailing when the policy is issued. The company can only change the prices of these long-term contracts to a very limited extent. This is why risk caused by any later changes in the premium rating bases is borne by the insurance company, which raises the premiums of new policies and records an insurance contract liability supplement for sold policies. Offering insurance policies with the opposite risk exposures reduces the net risk incurred by the entire insurance portfolio.

Early lapse risks related to customer behaviour, and the risk of customers exercising their option to change the profit type of their assets to a guaranteed-interest model, are managed through a competitive range of products, suitable product structures, and incentives and sanctions in the contract terms and conditions.

The Group manages expense risks through adequate cost control and prudent pricing. Realisation of assumptions concerning premium rating is regularly monitored and, if necessary, the premiums of new policies are raised. In addition, assumptions used in the measurement of insurance contract liability are assessed and updated on a regular basis.

Reinsurance is also used to mitigate risk. The reinsurance level is determined in the reinsurance principles approved by OP Life Assurance Company's Board of Directors. The reinsurance principles set limits for maximum retention and catastrophe protection capacity.

In relation to OP Life Assurance Company insurance risks, the largest risk concentrations particularly concern individual counterparties associated with the same reinsurance contract. The reinsurance principles also set limits on authority to take reinsurance counterparty risk – the document sets limits based on the counterparty's rating grade and the reinsurance contract type (contract business, facultative).

Each year, the actuary in charge presents the company's Board of Directors with a statement of continuous compliance with the insurance contract liability requirements and the requirements set by the nature of the underwriting business. The actuarial function presents the company's Board of Directors with annual statements on its policy concerning insurance and on reinsurance arrangements, and a report on completed actuarial tasks. The economic capital tied up in underwriting risks is limited in relation to OP Financial Group's internal capital. Underwriting risks are, for their part, also guided by a target set in the capital plan for the ratio of own funds to solvency capital requirement.

Market and counterparty risk management in life and non-life insurance

Management of structural interest rate risk and other investment risks

The management of market risks in life and non-life insurance covers all market risks on the balance sheet, consisting of insurance contract liabilities, investments and derivatives. Investment operations aim to ensure customer income, obtain assets covering insurance contract liabilities, and invest profitably to generate returns. Investment operations take account of factors such as the structural interest rate risk arising from the cash flow structure of insurance contract liabilities, and the other requirements that insurance liabilities impose on investment assets and their liquidity. For this reason, companies must divide future cash flows, the related uncertainties and causes of uncertainty by insurance type and asset class. In addition, in their investment policy, companies must define and give grounds for which investment instruments are covered by which part of insurance contract liabilities and how large a deviation will be allowed between the duration of investment portfolio and insurance contract liability cash flows, interest rate sensitivity and other relevant key figures. Application of the principle of equity in life insurance also affects investment targets and the amount of risk taken.

An analysis of structural interest rate risk – interest rate risk on the balance sheet – begins by assessing how well cash flows from fixed income investments and insurance contract liabilities match each other (ALM, Asset and Liability Management). Interest rate movements affect the value of insurance contract liabilities and of derivatives used to hedge against interest rate risks associated with investments and insurance contract liabilities. Companies manage market risks on the balance sheet in line with their investment policy, using investment allocation and insurance contract liabilities as interest rate hedging, while taking account of expected returns.

In the Solvency II framework and the economic capital model, the insurance contract liability discounting curve includes a volatility adjustment, which also creates exposure to credit spread risk on the balance sheet in terms of structural interest rate risk. In respect of the level of the credit spread related to interest rate risk on the balance sheet, the consistency of risk profiles of assets and liabilities is essential. Differences between the company's fixed income investments and volatility adjustment portfolio may be related to geographical distribution, corporate loan sectors, credit ratings or maturities. Fixed income investments involve a risk of credit loss and a lower credit rating for the investment in question; sufficient diversification is used to manage such risk.

The magnitude of market risks is measured and limited by the Value at Risk metric and various sensitivity indicators, as well as the amount of the economic capital and the solvency capital requirement (SCR). Stress tests are used to supplement the assessment. Insurance companies' risk concentrations within asset classes are assessed by examining the asset class allocation distribution.

Market risks are limited using risk limits, which are set in revenue logic-specific risk policies and investment policies confirmed by the Board of Directors. Risk policies set limits for market risks that are determined on the basis of the limits set in OP Financial Group's Risk Appetite Statement. Interest rate hedging targets regarding insurance contract liabilities are set in the companies' investment policies. Asset class limits are set for liquid and illiquid investments. The insurance companies' boards also approve principles for the use of derivatives. In addition to the Group's risk policy lines and limits, investment portfolios are restricted by the responsible investment principles confirmed by the companies' boards of directors.

Insurance companies' investment activities involve a country risk due to the geographical distribution of investments. Such risk is limited by setting a maximum limit based on a credit rating from outside the country in question (the risk country) – a credit rating affirmed by an international rating agency. On the basis of OP Financial Group's maximum limits for each country, company-specific country limits are allocated separately to OP Life Assurance Company and Pohjola Insurance, in order to limit geographical concentrations in their investments. The geographical distribution of investment risks is regularly monitored.

The insurance companies' insurance contract liabilities do not, in principle, cause currency risks because their insurance contract liabilities are normally denominated in euros. For OP Life Assurance Company, all insurance contract liabilities are denominated in euros. For this reason, a substantial proportion of investments covering insurance contract liabilities are allocated to euro-denominated securities, or open currency risk is hedged.

Liquidity risks arise in insurance companies' insurance and investment activities, due to imbalances between incoming and outgoing cash flow. Such imbalances can be caused by fast growth in insurance contract cancellations leading to reimbursements of premiums and decreases in premiums written, by sudden growth in loss expenditure, by exceptionally high amounts of major losses, or by defaults by reinsurers. Regarding investment activities, liquidity needs can be caused by changes in the market environment, such as the impacts of interest-rate rises on the collateral requirements of interest rate derivatives. Insurance contract liabilities are measured using a yield curve that takes account of the liquidity premium, providing the company with partial protection against illiquid financial markets. To ensure that the liquidity position remains good and illiquid investments remains at conservative level, the liquidity position is analysed on a regular basis by the actuarial function, Risk Management and investment activities. The analyses include stress testing of exposure and the cash flows of investments, considering liquidity needs arising, for example, from collateral and underwriting risks. The company's short-term minimum liquidity requirement is limited.

Counterparty risk management

The counterparty risk of reinsurers is managed using limits for specific rating grades and counterparties, in accordance with the reinsurance principles confirmed by the Board of Directors and in the investment policies.

The counterparty risk related to the investment portfolio is limited using limits, which are included in investment policies. Diversification limits are set for direct and fund investments. Sufficient diversification of insurance companies' investment portfolios is ensured by issuer limits set in the companies' investment policies. Derivative-related counterparty risk is limited on the basis of the counterparties' credit ratings. Documentation on the principles underlying the use of derivatives is approved company-specifically, by the Board of Directors of Pohjola Insurance and the Board of Directors of OP Life Assurance Company. Such documentation describes the derivative instruments and practices used.

Capital is reserved for counterparty risks in the economic capital model and SCR measurement.

Note 48. Non-life Insurance risk exposure

Sensitivity analysis of non-life insurance

The table below presents a sensitivity analysis showing how somewhat possible changes in insurance contract risk parameters on the end date of the reporting period would have affected profit or loss or equity through a change in the remaining cash flows. The table shows sensitivities before and after reinsurance contracts held and without sensitivity changes in risk adjustment for non-financial risk. Stressed provision for outstanding claims does not include pension provisions.

	2024, € million				2023, € million			
Risk parameter	Effect on earnings, gross	Effect on earnings, net	Effect on equity, gross	Effect on equity, net	Effect on earnings, gross	Effect on earnings, net	Effect on equity, gross	Effect on equity, net
Mortality –5%	-15	-15	-12	-12	-15	-15	-12	-12
Mortality +5%	15	15	12	12	15	15	12	12
Insurance operating expenses +5%	-3	-3	-2	-2	-3	-3	-2	-2
Insurance operating expenses –5%	3	3	2	2	3	3	2	2
Provision for outstanding claims +5%	-76	-68	-61	-55	-69	-62	-55	-50
Provision for outstanding claims –5%	76	68	61	55	69	62	55	50
Interest rate risk –100 bp	-178	-176	-143	-141	-178	-176	-142	-141
Interest rate risk +100 bps	153	151	123	121	154	152	123	121

Non-life insurance insurance contract liabilities by estimated maturity

31 December 2024, € million	2025	2026	2027	2028	2029	2030–2034	2035–	Total
Exposures for remaining period – LRC*	113	57	11	5	4	10	14	**214**
Exposure of occurred losses – LIC*	616	181	121	110	101	427	1,365	**2,921**
Total insurance contract liabilities	**730**	**238**	**132**	**115**	**104**	**437**	**1,379**	**3,135**

*Cash flows at nominal value

31 December 2023, € million	2024	2025	2026	2027	2028	2029–2033	2034–	Total
Exposures for remaining period – LRC*	61	55	11	6	4	10	13	**159**
Exposure of occurred losses – LIC*	593	186	132	119	101	432	1,387	**2,951**
Total insurance contract liabilities	**654**	**241**	**143**	**125**	**105**	**442**	**1,399**	**3,110**

*Cash flows at nominal value

Note 49. Life Insurance risk exposure

Information on the nature of life insurance and sensitivity analysis of insurance contract liabilities

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 and changes in life expectancy among those insured.

	31 Dec 2024		31 Dec 2023	
Portfolio of insurance and investment contracts in Life Insurance	Liability, € million	Duration on yield curve	Liability, € million	Duration on yield curve
Unit-linked insurance assets	6,184	10.0	5,824	10.3
Other than unit-linked contracts	2,980	8.1	3,177	8.5
Total	9,164	9.4	9,001	9.7

The unit-linked insurance contracts presented in the note mean insurance contract measured using the VFA under IFRS 17.

Other than unit-linked contracts include other OP Life Assurance Company's insurance portfolios measured in accordance with the GMM under IFRS 17.

On 31 December 2015, insurance contract liabilities transferred from Suomi Mutual to OP Life Assurance Company through a portfolio transfer. At that time, a balance sheet separated from the company's balance sheet was created out of the transferred endowment policies. The individual pension insurance portfolio of Suomi Mutual was consolidated into OP Life Assurance Company Ltd on 30 September 2016. A separated balance sheet was also created out of this portfolio. The separated balance sheets apply their own profit distribution policy specified in the portfolio transfer plans. In addition, the separated balance sheets include liabilities of future supplementary benefits, as a buffer against the market and customer behaviour risk associated with the balance sheets.

Sensitivity of life insurance contract liability to changes in calculation assumptions

The table below presents a sensitivity analysis showing how somewhat possible changes in insurance contract risk parameters on the reporting period's end date would have affected profit or loss or equity. The table shows sensitivities before risks have been reduced through reinsurance contracts (gross) held and after (net) taking account of reinsurance. In interest stresses, account is taken of the effect of discounting on the present values of cash flows, the effect of changed interest on the development of future savings and changes in customer bonuses. Sensitivities of investments related to insurance contracts are presented in Note 58.

Sensitivity analysis of life insurance

	2024, milj. €				2023, milj. €			
Risk parameter	Effect on earnings, gross	Effect on earnings, net	Effect on equity, gross	Effect on equity, net	Effect on earnings, gross	Effect on earnings, net	Effect on equity, gross	Effect on equity, net
Mortality +5%	23	23	19	19	23	23	19	19
Mortality –5%	-24	-25	-20	-20	-24	-24	-19	-20
Lapse rate +10%	7	7	5	5	12	12	9	10
Lapse rate –10%	-8	-8	-6	-6	-14	-14	-11	-11
Interest rate risk +100 bps	136	138	108	110	143	145	114	116
Interest rate risk –100 bp	-172	-175	-138	-140	-175	-178	-140	-142
Credit spread change, equities +20%	-57	-57	-45	-46	-54	-55	-43	-44
Credit spread change, equities –20%	87	88	70	71	76	77	61	62

Expected maturity of life insurance and investment contracts

31 December 2024, € million	2025–2026	2027–2028	2029–2033	2034–2038	2039–2043	2044–2048	2049–	Total
Unit-linked insurance assets	746	922	2,090	1,374	1,090	743	952	**7,918**
Other than unit-linked contracts	595	475	838	422	241	160	286	**3,018**
Total	**1,341**	**1,397**	**2,928**	**1,797**	**1,331**	**903**	**1,238**	**10,936**

The table includes the maturity distribution of insurance and investment contracts.

31 December 2023, € million	2024–2025	2026–2027	2028–2029	2033–2037	2038–2042	2043–2047	2048–	Total
Unit-linked insurance assets	664	915	1,946	1,323	1,048	750	1,009	**7,655**
Other than unit-linked contracts	604	490	886	468	252	164	297	**3,160**
Total	**1,268**	**1,405**	**2,832**	**1,790**	**1,300**	**914**	**1,306**	**10,815**

The table includes the maturity distribution of insurance and investment contracts.

Note 50. Non-life Insurance asset allocation

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
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
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.

Note 51. Sensitivity analysis of Non-life Insurance investment risks

The table below shows the sensitivity of investment risks. The sensitivity analysis of the discount rate for the calculation of insurance contract liabilities is presented in Note 31. concerning insurance contract liabilities.

The effects of changes in investments and insurance contract liabilities offset each other.

	Effect on earnings, € million		Effect on equity, € million	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Listed shares –20%	-205	-159	-164	-127
Currency –20%	-102	-86	-82	-69
Unlisted shares –20%	-22	-22	-18	-18
Real property –20%	-70	-74	-56	-59
Credit spread change, equities –20%	-89	-77	-71	-61
Credit spread change, equities +20%	61	52	49	42
Interest rate risk +100 bp	-180	-166	-144	-133
Interest rate risk –100 bp	203	187	162	150

Note 52. Risk exposure of Non-life Insurance investments in fixed-income securities

The market risk arising from changes in interest rates is monitored by classifying investments by instrument, in accordance with duration. The table below does not indicate the balancing effect of insurance contract liabilities on the interest-rate risk, because only some insurance contract liabilities have been discounted using an administrative interest rate (Note 31).

Fair value by duration or repricing date, € million*	31 Dec 2024	31 Dec 2023
0–1 years	591	699
>1–3 years	774	813
>3–5 years	668	694
>5–7 years	497	415
>7–10 years	244	178
>10 years	203	131
Total	**2,976**	**2,930**
Modified duration	3.9	3.5
Effective interest rate, %	3.2	3.6

* Includes money market investments and deposits, bonds, convertible bonds and bond funds.

million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	46	47	23	61	41	110	**329**	11.1
Aa1–Aa3	139	50	124	40	28	66	**448**	15.1
A1–A3	94	252	179	119	79	6	**728**	24.5
Baa1–Baa3	194	352	291	239	75	4	**1,157**	38.9
Ba1 or lower	51	36	24	21	6	7	**145**	4.9
Internally rated	65	36	27	17	14	9	**168**	5.7
Total	**591**	**774**	**668**	**497**	**244**	**203**	**2,976**	**100.0**

* Excludes credit derivatives.

Fixed-income portfolio by maturity and credit rating on 31 December 2023, € million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	203	24	36	45	7	37	**351**	12.0
Aa1–Aa3	173	66	100	58	24	46	**467**	15.9
A1–A3	63	258	195	119	70	18	**723**	24.7
Baa1–Baa3	153	392	311	163	57	12	**1,087**	37.1
Ba1 or lower	59	37	22	11	4	10	**143**	4.9
Internally rated	48	36	30	19	16	9	**159**	5.4
Total	**699**	**813**	**694**	**415**	**178**	**131**	**2,930**	**100.0**

* Excludes credit derivatives.

The maturity is presented until the end of the term to maturity. If the paper includes a call option, the maturity is presented until the first possible call date.

The average credit rating of the Non-life Insurance fixed-income portfolio is A3, according to Moody's rating.

The term to maturity of the Non-life Insurance fixed-income portfolio averages 4.7 years (calculated on the basis of the call date and the maturity date).

Note 53. Currency risk associated with Non-life Insurance investments

Foreign currency exposure, € million	31 Dec 2024	31 Dec 2023
USD	283	202
SEK	0	1
JPY	5	3
GBP	1	1
Others	15	32
Total*	**304**	**239**

* The currency exposure accounts for 6.6% (5.5%) of the investment portfolio. It is calculated as the sum total of individual currencies' intrinsic values.

Note 54. Counterparty risk associated with Non-life Insurance

Credit rating, € million	31 Dec 2024		31 Dec 2023	
Moody's equivalent	Investment*	Insurance**	Investment*	Insurance**
Aaa	329		351	
Aa1–Aa3	448	44	467	28
A1–A3	728	93	723	95
Baa1–Baa3	1,157	0	1,087	0
Ba1 or lower	145		143	
Internally rated	168	36	159	42
Total	**2,975**	**173**	**2,930**	**165**

* Includes money-market investments, deposits, bonds, and bond funds.

** Includes the reinsurers' share of insurance contract liabilities, and receivables from reinsurers.

Note 55. Life Insurance asset allocation

Investment asset portfolio allocation	31 Dec 2024 Fair value*, € million	%	31 Dec 2023 Fair value*, € million	%
Total money market instruments	**306**	**9.2**	**367**	**11.5**
Money market investments and deposits**	302	9.0	361	11.3
Derivatives***	5	0.1	6	0.2
Total bonds and fixed income funds	**2,137**	**64.1**	**2,070**	**64.7**
Governments	348	10.4	225	7.0
Investment Grade	1,543	46.2	1,519	47.5
Emerging markets and High Yield	117	3.5	156	4.9
Structured investments****	129	3.9	170	5.3
Total equities	**659**	**19.8**	**546**	**17.1**
Finland	121	3.6	82	2.6
Developed markets	437	13.1	343	10.7
Emerging markets	32	1.0	53	1.7
Fixed assets and unquoted equities	3	0.1	3	0.1
Private equity investments	67	2.0	65	2.0
Total alternative investments	**37**	**1.1**	**36**	**1.1**
Hedge funds	37	1.1	36	1.1
Total real property investments	**196**	**5.9**	**180**	**5.6**
Direct property investments	13	0.4	13	0.4
Indirect property investments	183	5.5	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 56. Asset allocation and sensitivity analysis of investment risks in separated balance sheet 1

In connection with the portfolios' transfer, a separated balance sheet (separated balance sheet 1) was created from the individual life insurance portfolio (separated balance sheet 1) transferred from Suomi Mutual in 2015; the separated balance sheet's profit distribution policy differs from that of other life insurance operations.

	31 Dec 2024		31 Dec 2023	
Investment asset portfolio allocation	Fair value*, € million	%	Fair value*, € million	%
Total money market instruments	**12**	**2.2**	**30**	**5.2**
Money market investments and deposits**	12	2.2	30	5.2
Total bonds and fixed income funds	**483**	**92.6**	**497**	**88.3**
Governments	112	21.4	108	19.1
Investment Grade	301	57.6	316	56.1
Emerging markets and High Yield	22	4.2	25	4.4
Structured investments***	49	9.3	49	8.7
Total equities	**23**	**4.5**	**27**	**4.8**
Developed markets	16	3.0	17	3.1
Emerging markets	2	0.3	2	0.4
Private equity investments	6	1.1	7	1.3
Total real property investments	**4**	**0.7**	**9**	**1.7**
Indirect property investments	4	0.7	9	1.7
Total	**522**	**100.0**	**563**	**100.0**

* Includes accrued interest income.

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

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

Net return on investments at fair value totalled EUR 9 million (11). Net return on investments at fair value is calculated by deducting the value change in market-consistent insurance contract liabilities from income from investment assets.

Investment risk associated with portfolios in the separated balance sheet is buffered by liability of future supplementary benefits. In the current situation, the buffer is sufficient to cover negative return on investment assets in accordance with sensitivity analyses: the direct impact on earnings is therefore not included in sensitivity analysis scenarios. Liability of future supplementary benefits in the separated balance sheet 1 is EUR 87 million (89).

Note 57. Asset allocation and sensitivity analysis of investment risks in separated balance sheet 2

In connection with the portfolios' transfer, a separated balance sheet (separated balance sheet 2) was created from the individual pension insurance portfolio (separated balance sheet 2) transferred from Suomi Mutual in 2016; the separated balance sheet's profit distribution policy differs from that of other life insurance operations.

	31 Dec 2024		31 Dec 2023	
Investment asset portfolio allocation	Fair value*, € million	%	Fair value*, € million	%
Total money market instruments	**94**	**8.2**	**84**	**6.6**
Money market investments and deposits**	94	8.2	84	6.6
Total bonds and fixed income funds	**986**	**86.0**	**1,094**	**86.4**
Governments	344	30.0	346	27.3
Investment Grade	544	47.4	623	49.3
Emerging markets and High Yield		—	5	0.4
Structured investments****	98	8.5	119	9.4
Total equities	**48**	**4.1**	**52**	**4.1**
Developed markets	22	2.0	28	2.2
Emerging markets	2	0.2	3	0.2
Fixed assets and unquoted equities	0	—	0	—
Private equity investments	17	1.5	21	1.7
Equity derivatives***	5	0.5		—
Total real property investments	**20**	**1.7**	**37**	**2.9**
Direct property investments	10	0.9	15	1.2
Indirect property investments	10	0.8	22	1.7
Total	**1,146**	**100.0**	**1,266**	**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.

Net return on investments at fair value totalled EUR 5 million (18). Net return on investments at fair value is calculated by deducting the value change in market-consistent insurance contract liabilities from income from investment assets.

Investment risk associated with portfolios in the separated balance sheet is buffered by liability of future supplementary benefits. In the current situation, the buffer is sufficient to cover negative return on investment assets in accordance with sensitivity analyses: the direct impact on earnings is therefore not included in sensitivity analysis scenarios. Liability of future supplementary benefits in the separated balance sheet 2 is EUR 137 million (157).

Note 58. Sensitivity analysis of Life Insurance investment risks

The table below shows the sensitivity of investment risks. The sensitivity analysis of the discount rate for the calculation of insurance contract liabilities is presented in Note 31. concerning insurance contract liabilities.

The effects of changes in investments and insurance contract liabilities offset each other.

	Effect on earnings, € million		Effect on equity, € million	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Listed shares –20%	-119	-100	-95	-80
Currency –20%	-61	-54	-49	-43
Unlisted shares –20%	-19	-18	-15	-14
Real property –20%	-40	-42	-32	-33
Credit spread change, equities –20%	-64	-60	-51	-48
Credit spread change, equities +20%	44	41	35	33
Interest rate risk +100 bp	-149	-139	-120	-111
Interest rate risk –100 bp	176	167	141	133

Note 59. Risk exposure of Life Insurance investments in fixed-income securities

Fair value by duration or repricing date, € million*	31 Dec 2024	31 Dec 2023
0–1 years	495	520
>1–3 years	632	585
>3–5 years	532	596
>5–7 years	328	304
>7–10 years	154	128
>10 years	153	88
Total	2,294	2,221
Modified duration	3.7	3.3
Average interest rate, %	3.1	3.6

* Includes money market investments and deposits, bonds, convertible bonds and bond funds.

Fixed-income portfolio by maturity and credit rating on 31 December 2024, € million*								
Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	21	50	13	44	35	87	**251**	10.9
Aa1–Aa3	196	37	89	23	21	46	**412**	18.0
A1–A3	56	191	150	68	39	6	**510**	22.2
Baa1–Baa3	133	308	247	173	54	4	**919**	40.1
Ba1 or lower	29	21	12	9	4	6	**81**	3.5
Internally rated	59	24	22	10	0	5	**121**	5.3
Total	495	632	532	328	154	153	2,294	100.0

* Excludes credit derivatives.

Fixed-income portfolio by maturity and credit rating on 31 December 2023, € million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	150	35	50	26	23	19	**304**	13.7
Aa1–Aa3	146	38	69	32	16	37	**338**	15.2
A1–A3	57	176	162	82	38	10	**524**	23.6
Baa1–Baa3	121	284	269	141	41	9	**865**	39.0
Ba1 or lower	37	25	14	6	3	6	**91**	4.1
Internally rated	10	27	31	17	7	6	**98**	4.4
Total	**520**	**585**	**596**	**304**	**128**	**88**	**2,221**	**100.0**

* Excludes credit derivatives.

The maturity is presented until the end of the term to maturity. If the paper includes a call option, the maturity is presented until the first possible call date.

The average credit rating of the Life Insurance fixed-income portfolio is A3, according to Moody's rating.

The term to maturity of the Life Insurance fixed-income portfolio averages 4.6 years (calculated on the basis of the call date and the maturity date).

Note 60. Risk exposure associated with fixed-income investments under separated balance sheet 1

Fair value by duration or repricing date, € million*	31 Dec 2024	31 Dec 2023
0–1 years	42	58
>1–3 years	123	116
>3–5 years	121	126
>5–7 years	79	94
>7–10 years	55	54
>10 years	27	31
Total	449	479
Modified duration	4.5	4.5
Average interest rate, %	3.0	3.3

* Includes money market investments and deposits, bonds, convertible bonds and bond funds.

Fixed-income portfolio by maturity and credit rating on 31 December 2024, € million*								
Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	0	5	16	15	25	9	70	15.7
Aa1–Aa3	12	9	17	18	6	14	77	17.2
A1–A3	2	37	25	11	10	2	86	19.2
Baa1–Baa3	18	62	54	30	15	2	180	40.1
Ba1 or lower	6	7	3	1	0	0	19	4.2
Internally rated	4	4	5	3	0	0	17	3.7
Total	42	123	121	79	55	27	449	100.0

* Excludes credit derivatives.

Fixed-income portfolio by maturity and credit rating on 31 December 2023, € million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	11	9	15	17	21	8	**81**	16.8
Aa1–Aa3	21	6	16	15	7	16	**79**	16.6
A1–A3	2	34	30	21	10	6	**102**	21.3
Baa1–Baa3	15	59	54	38	15	1	**182**	37.9
Ba1 or lower	7	6	4	1	0	0	**18**	3.8
Internally rated	3	3	7	3	1		**17**	3.6
Total	**58**	**116**	**126**	**94**	**54**	**31**	**479**	**100.0**

* Excludes credit derivatives.

The maturity is presented until the end of the term to maturity. If the paper includes a call option, the maturity is presented until the first possible call date.

The average credit rating of the fixed-income portfolio in separated balance sheet 1 is A2, according to Moody's rating.

The average residual term to maturity of the fixed-income portfolio in the separated balance sheet 1 (based on call dates and maturity dates) is 5.1 years.

Note 61. Risk exposure associated with fixed-income investments under separated balance sheet 2

Fair value by duration or repricing date, € million*	31 Dec 2024	31 Dec 2023
0–1 years	96	82
>1–3 years	236	212
>3–5 years	237	311
>5–7 years	183	195
>7–10 years	107	107
>10 years	95	115
Total	954	1,022
Modified duration	4.6	4.8
Average interest rate, %	3.0	3.2

* Includes money market investments and deposits, bonds, convertible bonds and bond funds.

Fixed-income portfolio by maturity and credit rating on 31 December 2024, € million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	0	24	32	57	50	30	**194**	20.3
Aa1–Aa3	40	27	60	30	21	55	**232**	24.4
A1–A3	14	50	53	26	8	5	**155**	16.2
Baa1–Baa3	26	131	82	62	27	4	**332**	34.8
Ba1 or lower	0	0	0	0	0	1	**2**	0.2
Internally rated	16	4	11	8	0	0	**39**	4.1
Total	**96**	**236**	**237**	**183**	**107**	**95**	**954**	**100.0**

* Excludes credit derivatives.

Fixed-income portfolio by maturity and credit rating on 31 December 2023, € million*

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	15	24	61	37	52	27	**215**	21.0
Aa1–Aa3	35	11	56	37	14	76	**227**	22.3
A1–A3	5	45	74	64	10	5	**202**	19.8
Baa1–Baa3	25	125	109	51	28	8	**347**	33.9
Internally rated	2	8	11	6	3		**31**	3.0
Total	**82**	**212**	**311**	**195**	**107**	**115**	**1,022**	**100.0**

* Excludes credit derivatives.

The maturity is presented until the end of the term to maturity. If the paper includes a call option, the maturity is presented until the first possible call date.

The average credit rating of the fixed-income portfolio in separated balance sheet 2 is A1, according to Moody's rating.

The average residual term to maturity of the fixed-income portfolio in the separated balance sheet 2 (based on call dates and maturity dates) is 5.1 years.

Note 62. Currency risk associated with Life Insurance investments

Foreign currency exposure, € million	2024	2023
USD	162	121
SEK	0	0
JPY	3	2
GBP	0	0
Others	5	5
Total*	**170**	**128**

* Total net currency exposure.

The currency exposure was 5.1% (4.0) of the investment portfolio.

Note 63. Currency risk associated with investments under separated balance sheet 1

Foreign currency exposure, € million	31 Dec 2024	31 Dec 2023
USD	6	9
SEK	0	0
GBP	0	0
Others	5	6
Total*	**12**	**16**

* Total net currency exposure.

The currency exposure was 2.2% (2.8) of the investment portfolio.

Note 64. Currency risk associated with investments under separated balance sheet 2

Foreign currency exposure, € million	31 Dec 2024	31 Dec 2023
USD	17	29
SEK	0	0
GBP	0	0
Others	12	14
Total*	**29**	**44**

* Total net currency exposure.

The currency exposure was 2.5% (3.4) of the investment portfolio.

Note 65. Counterparty risk associated with Life Insurance investments

Credit rating, € million	31 Dec 2024	31 Dec 2023
Moody's equivalent	Investment*	Investment*
Aaa	251	304
Aa1–Aa3	412	338
A1–A3	510	524
Baa1–Baa3	919	865
Ba1 or lower	81	91
Internally rated	121	98
Total	**2,294**	**2,221**

* Includes money-market investments, deposits, bonds, and bond funds.

Note 66. Counterparty risk associated with investments under separated balance sheet 1

Credit rating, € million Moody's equivalent	31 Dec 2024 Investment*	31 Dec 2023 Investment*
Aaa	70	81
Aa1–Aa3	77	79
A1–A3	86	102
Baa1–Baa3	180	182
Ba1 or lower	19	18
Internally rated	17	17
Total	**449**	**479**

* Includes money-market investments, deposits, bonds, and bond funds.

Note 67. Counterparty risk associated with investments under separated balance sheet 2

Credit rating, € million Moody's equivalent	31 Dec 2024 Investment*	31 Dec 2023 Investment*
Aaa	194	215
Aa1–Aa3	232	227
A1–A3	155	202
Baa1–Baa3	332	347
Ba1 or lower	2	
Internally rated	39	31
Total	**954**	**1,022**

* Includes money-market investments, deposits, bonds, and bond funds.

Note 68. Credit risk associated with investments under separated balance sheet 1

	31 Dec 2024		31 Dec 2023		Change in fair value arising from change in credit risk	
Investment asset portfolio allocation, € million	Fair value*	Credit derivative par value	Fair value*	Credit derivative par value	Investments change****	Credit derivatives change*****
Total money market instruments	12		30			
Money market investments and deposits**	12		30			
Total bonds and fixed income funds	483		497		-5	
Governments	112		108		-4	
Investment Grade	301		316		0	
Emerging markets and High Yield	22		25		-1	
Structured investments****	49		49			
Total equities	23		27			
Developed markets	16		17			
Emerging markets	2		2			
Fixed assets and unquoted equities	0		0			
Private equity investments	6		7			
Total real property investments	4		9			
Indirect property investments	4		9			
Total	522		563		-5	

Excludes money market investments and convertible bond investments.

* Includes accrued interest income.

**Includes settlement receivables and liabilities.

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

**** Running yield deducted from total return of liquid fixed income investments, (excluding Money market investments) and investment result relative to the EUR swap curve.

***** Total return in direct credit risk derivatives. The method is not suitable for structured investments.

Note 69. Credit risk associated with investments under separated balance sheet 2

	31 Dec 2024		31 Dec 2023		Change in fair value arising from change in credit risk	
Investment asset portfolio allocation, € million	Fair value*	Credit derivative par value	Fair value*	Credit derivative par value	Investments change****	Credit derivatives change*****
Total money market instruments	**94**		**84**			
Money market investments and deposits**	94		84			
Total bonds and fixed income funds	**986**		**1,094**		**-10**	
Governments	344		346		-11	
Investment Grade	544		623		1	
Emerging markets and High Yield			5			
Structured investments****	98		119			
Total equities	**48**		**52**			
Developed markets	22		28			
Emerging markets	2		3			
Fixed assets and unquoted equities	0		0			
Private equity investments	17		21			
Equity derivatives***	5					
Total real property investments	**20**		**37**			
Direct property investments	10		15			
Indirect property investments	10		22			
Total	**1,146**		**1,266**		**-10**	

Excludes money market investments and convertible bond investments.

* Includes accrued interest income.

**Includes settlement receivables and liabilities.

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

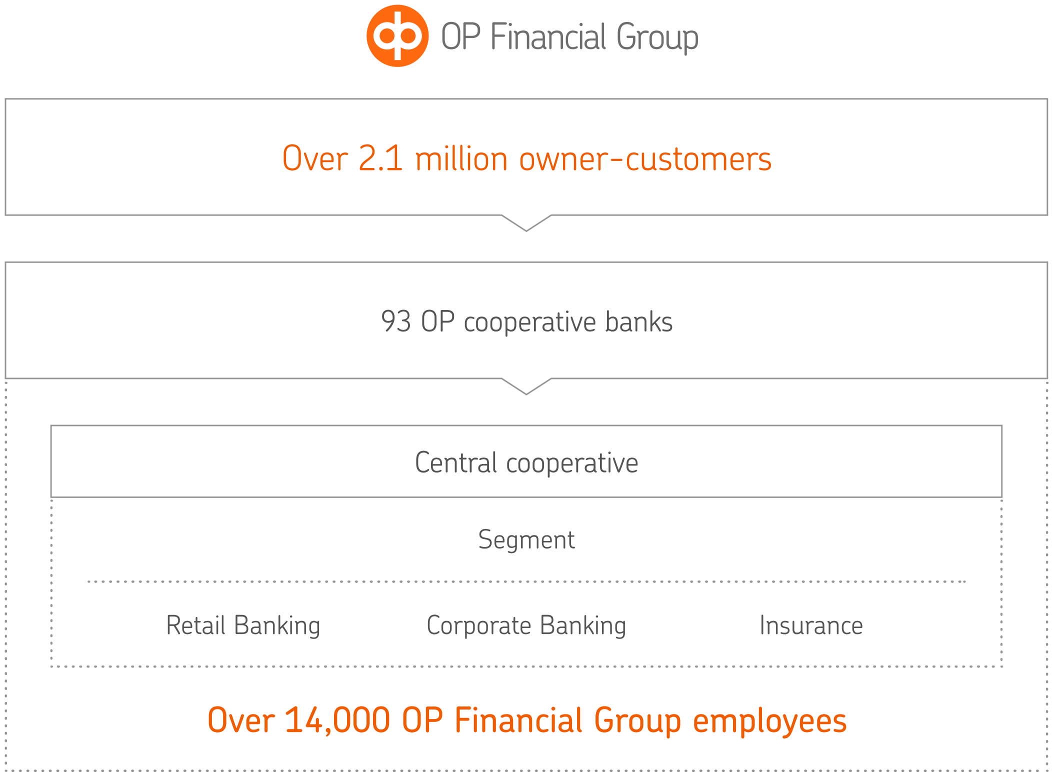
**** Running yield deducted from total return of liquid fixed income investments, (excluding Money market investments) and investment result relative to the EUR swap curve.

***** Total return in direct credit risk derivatives. The method is not suitable for structured investments.

Other notes
Note 70. Ownership interests in subsidiaries, structured entities and joint operations

OP Financial Group structure

The following figure describes the structure of OP Financial Group. In addition to the member cooperative banks, the most important subsidiaries of member cooperative banks, OP Cooperative (central cooperative) and its subsidiaries, associates and various joint arrangements are consolidated into OP Financial Group.



Changes occurred in subsidiaries and structured entities during the financial year

No major changes occurred during the financial year.

Major subsidiaries consolidated into the financial statements of OP Financial Group in 2024

Major subsidiaries of OP Financial Group's central cooperative include companies whose business is subject to licence and other major companies relevant to business operations. All major subsidiaries of the central cooperative consolidated into the financial statements are wholly owned, and accordingly, they have no major non-controlling interests.

Major subsidiaries of the central cooperative consolidated into the financial statements of OP Financial Group in 2024

Company	Domicile	Interest, %	Votes, %
OP Mortgage Bank	Helsinki	100.0	100.0
OP Life Assurance Company Ltd	Helsinki	100.0	100.0
OP Retail Customers plc	Helsinki	100.0	100.0
OP Fund Management Company Ltd	Helsinki	100.0	100.0
Pivo Wallet Oy	Helsinki	100.0	100.0
OP Corporate Bank plc	Helsinki	100.0	100.0
OP Real Estate Asset Management Ltd	Helsinki	100.0	100.0
OP Asset Management Ltd	Helsinki	100.0	100.0
Pohjola Insurance Ltd	Helsinki	100.0	100.0
OP Custody Ltd	Helsinki	100.0	100.0

Twenty-three (30) OP Koti real estate agencies are consolidated into the financial statements of OP Financial Group as subsidiaries of member credit institutions. These OP Koti real estate agencies, which are wholly-owned subsidiaries, provide services for buying and selling real property and dwelling units. In addition to the above, 23 (23) other subsidiaries of the central cooperative or member cooperative banks have been consolidated into OP Financial Group's financial statements.

Member cooperative banks forming the technical parent company OP Financial Group in 2024

Bank's name	Balance sheet 31 Dec 2024, € million	Managing Director 31 Dec 2024
Alajärven Op	399	Matti Mäkinen
Ala-Satakunnan Op	335	Jari Katila
Alavieskan Op	101	Antero Alahautala

Bank's name	Balance sheet 31 Dec 2024, € million	Managing Director 31 Dec 2024
Andelsbanken för Åland	651	Johnny Nordqvist
Andelsbanken Raseborg	514	Mats Enberg
Etelä-Pirkanmaan Op	868	Tuomo Smått
Etelä-Pohjanmaan Op	1,637	Olli Tarkkanen
Euran Op	302	Kaisa Markula
Haapamäen Seudun Op	82	Hannu Petjoi
Hailuodon Op	62	Jani Isomaa
Hämeen Op	4,491	Mika Kivimäki
Janakkalan Op	496	Mikko Suutari
Jokilaaksojen Op	477	Juha Pajumaa
Jokiläänin Op	366	Ville Aarnio
Joki-Pohjanmaan Op	458	Markku Niskala
Jämsän Seudun Op	447	Kari Mäkelä
Järvi-Hämeen Op	620	Teemu Sarhemaa
Kaakkois-Suomen Op	4,642	Juha Korhonen
Kainuun Op	1,097	Teuvo Perätalo
Kangasalan Seudun Op	687	Jyrki Turtiainen
Kangasniemen Op	237	Seppo Laurila
Kemin Seudun Op	498	Jaakko Ovaskainen
Kerimäen Op	114	Sakari Kangas
Keski-Pohjanmaan Op	1,760	Jyrki Rantala
Keski-Suomen Op	3,930	Katri Piilola
Koillismaan Op	759	Pertti Purola
Koitin-Pertunmaan Op	103	Jorma Somero
Korpilahden Op	130	Tuomas Uppsala
Kuhmon Op	270	Martti Pulkkinen
Kuortaneen Op	93	Suvi-Katariina Kangastie
Laihian Op	136	Marja Tukeva
Lapin Op	125	Juha Teerialho
Lehtimäen Op	88	Veli-Jussi Haapala
Lemin Op	109	Petteri Mattila
Limingan Op	153	Pirjo Ruottinen

Bank's name	Balance sheet 31 Dec 2024, € million	Managing Director 31 Dec 2024
Liperin Op	284	Jukka Asikainen
Lounaismaan Op	2,125	Jouni Hautala
Lounaisrannikon Op	922	Sami Peura
Lounais-Suomen Op	828	Markku Pelkonen
Luumäen Op	136	Riina Parkko
Länsi-Kymen Op	693	Saila Rosas
Länsi-Suomen Op	3,720	Matti Kiuru
Maaningan Op	216	Ari Väänänen
Mouhijärven Op	105	Kirsi Soltin
Multian Op	102	Elina Jalava
Nagu Andelsbank	115	Alice Björklöf
Nakkila-Luvian Op	326	Leena Ranki
Niinijokivarren Op	92	Mirkkaliina Pettersson
Op Harjuseutu	168	Sanna Metsänranta
Op Vakka-Auranmaa	1,097	Lasse Vehviläinen
Outokummun Op	193	Ari Karhapää
Paltamon Op	93	Maarit Korpinen
Botnia Andelsbank	876	Agneta Ström-Hakala
Petäjäveden Op	112	Anu Liimatainen
Pohjois-Hämeen Op	634	Pertti Pyykkö
Pohjois-Karjalan Op	2,600	Jaana Reimasto-Heiskanen
Pohjois-Savon Op	3,911	Mikko Vepsäläinen
Pohjolan Op	7,124	Keijo Posio
Polvijärven Op	188	Ari Noponen
Posion Op	166	Vesa Jurmu
Pulkkilan Op	61	Marja Hyvärinen
Punkalaitumen Op	123	Hannu Juhe
Raahentienoon Op	806	Kalle Arvio
Rantasalmen Op	174	Jaana Vänskä
Rautalammin Op	97	Esko-Pekka Markkanen
Riistaveden Op	152	Ismo Salmela

Bank's name	Balance sheet 31 Dec 2024, € million	Managing Director 31 Dec 2024
Rymättylän Op	101	Mikko Paijola
Sallan Op	129	Tuula Virkkula
Satapirkan Op	1,504	Janne Pohjolainen
Savitaipaleen Op	156	Samppa Oksanen
Siikajoen Op	74	Jukka Jaurakkajärvi
Siikalatvan Op	113	Jarmo Pistemaa
Suomenselän Op	1,178	Mika Korkia-aho
Suur-Savon Op	2,831	Leena Nikula
Sydänmaan Op	469	Juha Mäki
Tampereen Seudun Op	5,688	Jani Vilpponen
Tervolan Op	105	Jussi Kuittinen
Tervon Op	80	Emmi Tunkkari
Turun Seudun Op	5,060	Petteri Rinne
Tuusniemen Op	192	Jari-Pekka Raatikainen
Tyrnävän Op	148	Antto Joutsiniemi
Utajärven Op	268	Terttu Hagelin
Uudenmaan Op	22,603	Olli Lehtilä
Vaara-Karjalan Op	571	Raili Hyvönen
Vasa Andelsbank	1,462	Ulf Nylund
Vehmersalmen Op	140	Petri Tyllinen
Vimpelin Op	106	Berit Kangasaho
Ylitornion Op	134	Laura Harju-Autti
Ylä-Kainuun Op	353	Eija Sipola
Yläneen Op	89	Heikki Eskola
Ylä-Pirkanmaan Op	545	Mikko Rasi
Ylä-Savon Op	933	Mikko Paananen
Ylä-Uudenmaan Op	1,025	Mikko Purmonen

Structured entities consolidated into OP Financial Group's consolidated financial statements

OP Financial Group acts as an investor and manages various mutual funds in order to gain investment income and various commissions. The financial statements of OP Financial Group include the accounts of 2 (2) real estate funds. These funds that have been classified as structured entities because OP Financial Group's control is not based on votes but the control of significant operations, exposure to variable returns from the fund, and organising the fund's management. These funds also involve non-controlling interests most relevant to the Group.

The table below presents structured entities with a significant number of non-controlling interests.

Name	Place of business	Main line of business	Interest, % 2024	Interest, % 2023	Non-controlling interest, %
Real Estate Fund of Funds II Ky	Helsinki	Real estate fund	27.7	27.7	72.3

Summary of financial information on subsidiaries of the central cooperative with a significant proportion of non-controlling interests

The table below presents a summary of financial information on subsidiaries of the central cooperative with a significant proportion of non-controlling interests from OP Financial Group's perspective. The financial information corresponds to the figures presented in the financial statements of the subsidiaries to which, for example, fair value adjustments have been made to correspond to OP Financial Group's accounting policies. The figures below are before the elimination of internal transactions.

Balance sheet in summary

	Real Estate Fund of Funds II Ky	
€ million	2024	2023
Cash and cash equivalents	0	0
Investments	0	0
Other assets	1	1
Total assets	1	2
Other liabilities	-1	-1
Total liabilities	-1	-1
Net assets	2	3
Accrued share of non-controlling interests	2	2

Statement of comprehensive income in summary

	Real Estate Fund of Funds II Ky	
	2024	2023
Net sales	0	-1
Profit or loss of continuing operations after tax	0	-1
Comprehensive income	**0**	**-1**
Comprehensive income attributable to non-controlling interests	0	-1
Share of profit paid to non-controlling interests		

Cash flows in summary

	Real Estate Fund of Funds II Ky	
	2024	2023
Net cash flow from operating activities	0	1
Net cash flow used for financing activities	**0**	**-1**
Net change in cash flows	0	0
Cash and cash equivalents at year start	0	0
Cash and cash equivalents at year end	0	0

Joint operations

Some 556 (593) property companies are incorporated into OP Financial Group's financial statements as joint operations by consolidating the proportionate share of OP Financial Group's holding of the property company's assets. Classification into joint operations has been made according to the nature of the business although OP Financial Group has control over some of the property companies. The shares of the property companies entitle to the occupancy of certain apartments some of which are in OP Financial Group's own use. Each shareholder of the mutual real estate company is responsible for their share of the company's loans. Some of these joint operations form OP Financial Group's branch network in Finland, and they are included in Note 25 Property, plant and equipment on the balance sheet. The rest of the property companies are investment property holdings included in Note 22.

Summary of the effect of consolidation of joint operations on the balance sheet

€ million	2024	2023
Property in own use	54	50
Investment property	500	527
Total assets	**554**	**577**
Total liabilities	**1**	**1**

Most significant joint operations consolidated into OP Financial Group's financial statements in 2024

Name	Domicile	Sector	Holding, %
Asunto Oy Oulun Kalevankulma	Oulu	Ownership and possession of real	100.0
Kiinteistö Oy Hämeenkivi	Tampere	Ownership and possession of real	100.0
Kiinteistö Oy Jyväskylän Kassatalo	Jyväskylä	Ownership and possession of real	100.0
Kiinteistö Oy Koskikatu 9	Joensuu	Ownership and possession of real	56.9
Kiinteistö Oy Tampereen Hämeenkatu 12	Tampere	Ownership and possession of real	100.0
Kiinteistö Oy Vammalan Torikeskus	Vammala	Ownership and possession of real	100.0
As Oy Lappeenrannan Mariankulma	Lappeenranta	Ownership and possession of real	100.0
Kiinteistö Oy Kanta-Sarvis II	Tampere	Ownership and possession of real	100.0
Kiinteistö Oy STC Viinikkala	Vantaa	Ownership and possession of real	100.0
Kiinteistö Oy Grand Cargo Terminal 1	Vantaa	Ownership and possession of real	100.0
Kiinteistö Oy Grand Cargo Terminal 2	Vantaa	Ownership and possession of real	100.0
Kiinteistö Oy Vantaan Kisällintie 13	Vantaa	Ownership and possession of real	100.0
Tikkurilan Kauppatalo Oy	Vantaa	Ownership and possession of real	53.7
Kiinteistö Oy Kouvolan Karhut	Helsinki	Ownership and possession of real	100.0
Kiinteistö Oy Vuosaaren Pohjoinen Ostoskeskus	Helsinki	Ownership and possession of real	100.0
Kiinteistö Oy Kanta-Sarvis I	Helsinki	Ownership and possession of real	50.0
Kiinteistö Oy Koskitammi	Tampere	Ownership and possession of real	100.0
Kiinteistö Oy Helsingin Frantseninkatu 13	Helsinki	Ownership and possession of real	100.0
Kiinteistö Oy Topeliuksenkatu 41b	Helsinki	Ownership and possession of real	50.0
Keskinäinen Kiinteistö Oy Marikko	Helsinki	Ownership and possession of real	100.0
Kiinteistö Oy Koivuhaan Yrityskeskus	Vantaa	Ownership and possession of real	100.0
Kiinteistö Oy Aleksis Kiven katu 21–23	Helsinki	Ownership and possession of real	50.0
Kiinteistö Oy Espoon Siuntiontie 3	Espoo	Ownership and possession of real	100.0
Kiinteistö Oy Hatanpäänkatu 1	Tampere	Ownership and possession of real	50.0

Most significant joint operations consolidated into OP Financial Group's financial statements in 2023

Name	Domicile	Sector	Holding, %
Asunto Oy Oulun Kalevankulma	Oulu	Ownership and possession of real estate	100.0
Kiinteistö Oy Hämeenkivi	Tampere	Ownership and possession of real estate	100.0

Kiinteistö Oy Jyväskylän Kassatalo	Jyväskylä	Ownership and possession of real estate	100.0
Kiinteistö Oy Koskikatu 9	Joensuu	Ownership and possession of real estate	56.9
Kiinteistö Oy Tampereen Hämeenkatu 12	Tampere	Ownership and possession of real estate	100.0
Kiinteistö Oy Vammalan Torikeskus	Vammala	Ownership and possession of real estate	100.0
As Oy Lappeenrannan Mariankulma	Lappeenranta	Ownership and possession of real estate	100.0
Kiinteistö Oy Kanta-Sarvis II	Tampere	Ownership and possession of real estate	100.0
Kiinteistö Oy STC Viinikkala	Vantaa	Ownership and possession of real estate	100.0
Kiinteistö Oy Grand Cargo Terminal 1	Vantaa	Ownership and possession of real estate	100.0
Kiinteistö Oy Grand Cargo Terminal 2	Vantaa	Ownership and possession of real estate	100.0
Kiinteistö Oy Vantaan Kisällintie 13	Vantaa	Ownership and possession of real estate	100.0
Tikkurilan Kauppatalo Oy	Vantaa	Ownership and possession of real estate	53.7
Kiinteistö Oy Kouvolan Karhut	Helsinki	Ownership and possession of real estate	100.0
Kiinteistö Oy Vuosaaren Pohjoinen Ostoskeskus	Helsinki	Ownership and possession of real estate	100.0
Kiinteistö Oy Kanta-Sarvis I	Helsinki	Ownership and possession of real estate	50.0
Kiinteistö Oy Koskitammi	Tampere	Ownership and possession of real estate	100.0
Kiinteistö Oy Helsingin Frantseninkatu 13	Helsinki	Ownership and possession of real estate	100.0
Kiinteistö Oy Topeliuksenkatu 41b	Helsinki	Ownership and possession of real estate	50.0
Kiinteistö Oy Tuusulan Jatke	Tuusula	Ownership and possession of real estate	100.0
Keskinäinen Kiinteistö Oy Marikko	Helsinki	Ownership and possession of real estate	100.0

Kiinteistö Oy Koivuhaan Yrityskeskus	Vantaa	Ownership and possession of real estate	100.0
Kiinteistö Oy Aleksis Kiven katu 21–23	Helsinki	Ownership and possession of real estate	50.0
Kiinteistö Oy Espoon Siuntiontie 3	Espoo	Ownership and possession of real estate	100.0
Kiinteistö Oy Hatanpäänkatu 1	Tampere	Ownership and possession of real estate	50.0

OP Financial Group's financial statements include the share of assets and related liabilities under joint control.

Interests in unconsolidated structured entities

OP Fund Management Company Ltd, which is part of OP Financial Group, manages OP mutual funds. OP Fund Management Company Ltd uses OP Asset Management Ltd as the portfolio manager for many of the mutual funds it manages. In addition, OP Real Estate Asset Management Ltd, which is part of the Group, manages several real estate funds. In many funds, the fund management company controls significant operations by making investment decisions in accordance with the fund rules. OP Financial Group companies have no interests in the funds managed by the above-mentioned companies that would significantly expose the Group to the varying return on the investment and would thereby cause a consolidation obligation.

OP Financial Group receives management fee income from unconsolidated funds that is included in net commissions in the income statement. As an investor, OP Financial Group also receives income from unconsolidated funds, which is recognised in net investment income according to the balance sheet item in which the investments are recognised.

OP Financial Group's investments in OP's funds and OP Real Estate Asset Management Ltd's funds have been recognised in investment assets on the balance sheet. OP Financial Group's risk of loss is limited to the investment's balance sheet value. Investments in non-consolidated funds managed by OP Financial Group totalled EUR 357 million (349) on 31 December 2024.

Note 71. Information by country

2024

Name		Domicile
OP Corporate Bank plc Estonian Branch	Branch	Viro
OP Corporate Bank plc Latvian Branch	Branch	Latvia
OP Corporate Bank plc Lithuanian Branch	Branch	Liettua

Financial information on 31 December 2024, € million	Estonia	Latvia	Lithuania	Total
Total operating income	64	60	95	**219**
Total EBIT	7	8	14	**30**
Total current tax	2	2	3	**7**
Total personnel in person-years	44	43	58	**145**

2023

Name		Domicile
OP Corporate Bank plc Estonian Branch	Branch	Viro
OP Corporate Bank plc Latvian Branch	Branch	Latvia
OP Corporate Bank plc Lithuanian Branch	Branch	Liettua

Financial information on 31 December 2023, € million	Estonia	Latvia	Lithuania	Total
Total operating income	54	65	119	**238**
Total EBIT	11	9	22	**42**
Total current tax	3	4	4	**12**
Total personnel in person-years	41	38	48	**127**

Note 72. Related party transactions

OP Financial Group's related parties comprise companies consolidated into OP Financial Group's financial statements, 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 the OP Ryhmän Henkilöstörahasto personnel fund and the 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.

Transactions between OP Financial Group and the companies regarded as its related parties and joint operations have been eliminated, and they are not included in the figures of this Note. Transactions with related-party associates, key management personnel and other entities regarded as related parties are specified in the table below.

Related party transactions 2024

€ 1,000	Associates	Key management personnel	Others
Loans	110,243	16,410	
Deposits	2,217	9,553	25,212
Interest income	1,458	639	1
Interest expenses	110	223	423
Insurance premium revenue		65	9,753
Commission income	0	30	
Commission expenses		7	
Salaries and other short-term benefits, and performance-based pay			
Salaries and other short-term benefits		8,109	
Number of related-party holdings			
Number of holdings		300	

Related-party transactions 2023

€ 1,000	Associates	Key management personnel	Others
Loans	110,241	15,787	
Deposits	2,746	11,369	27,910
Interest income	149	154	488
Interest expenses	1,233	537	3,905
Insurance premium revenue		63	9,650
Commission income	1	39	
Commission expenses		10	
Salaries and other short-term benefits, and performance-based pay			
Salaries and other short-term benefits		8,303	
Number of related-party holdings			
Number of holdings		255	

Employee benefits of key management persons

The central cooperative, OP Cooperative, has a Board of Directors comprising the incumbent President and Group Chief Executive Officer and 9–13 other members appointed by the Supervisory Council. Every year, the Board of Directors appoints from among its members a Chair and Vice Chair. The President and Group Chief Executive Officer may not be appointed to these positions. The President and Group Chief Executive Officer also acts as OP Cooperative's CEO.

The Executive Management Team acts as the central cooperative's management team and supports the President and Group Chief Executive Officer in managing the central cooperative and the central cooperative consolidated, preparing strategic policies, preparing and implementing any operational issues of great significance or principal in nature and ensuring effective internal control. In addition to the President and Group Chief Executive Officer, the Executive Management Team has members who are subordinate to the President and Group Chief Executive Officer. The Executive Management Team has nine other members, in addition to the President and Group Chief Executive Officer. Key persons in the management also include three directors who directly report to the President and Group Chief Executive Officer.

The period of notice observed by the employer for OP Financial Group's President and Group Chief Executive Officer, and the other members and deputy member of OP Cooperative's Executive Management Team is 6 months. Upon termination of employment in cases specifically stipulated in their executive contracts, the President and Group Chief Executive Officer is entitled to a severance pay plus a sum equivalent to a maximum of 12 months' pay, while other members of the Executive Management Team and the deputy member are entitled to a sum equivalent to a maximum of 6 months' pay.

The President and Group Chief Executive Officer's retirement age is 65. Pension benefits are determined in accordance with pension laws and OP Financial Group's own pension plans. The President and Group Chief Executive Officer is covered by OP-Eläkesäätiö's supplementary pension scheme. Pension accrued under the supplementary pension scheme may begin to be disbursed as a so-called paid-up pension before the old-age pension if employment with OP Financial Group terminates. Pension costs under IAS 19 arising from the supplementary pension insurance of the President and Group Chief Executive Officer totalled EUR 163,000 (123,000). Compensation paid to members of the

Board of Directors is within the scope of TyEL. No supplementary pension obligations apply to Board members.

The retirement age of other Executive Management Team members who became members before 2018 is 63 years. The retirement age of Executive Management Team members who became members in 2018 corresponds to the lowest pensionable age under TyEL. Pension benefits are determined in accordance with pension laws and OP Financial Group's own pension plans. Note 33 provides more detailed information on the pension plans.

€ 1,000	2024	2023
Pension costs of defined contribution plans under TyEL	1,922	1,816
IFRS expense of voluntary supplementary pension	228	173
Pension obligation of voluntary supplementary pension	11,325	10,541
Pension costs of supplementary defined contribution plans	524	469

Pension costs of defined contribution plans under TyEL include employee and employer shares. Management expenses have been added to pension costs from 2024 onwards.

Note 73. Events after the balance sheet date

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.

Joint venture by OP Financial Group and Nordea approved by the Finnish competition authority

On 11 February 2025, the Finnish Competition and Consumer Authority (FCCA) approved a plan through which Siirto Brand Oy, which is fifty-fifty owned by OP Financial Group and Nordea, will expand its operations. OP Financial Group and Nordea announced the establishment of the joint venture in December 2023. The joint venture will enable banks and other market actors – through apps of their own – to provide consumers with solutions for making phone number-based payments. It will also provide services for merchants and other businesses.

Statement concerning the financial statements

We have approved the Report by the Board of Directors and the consolidated Financial Statements for 1 January–31 December 2024 of OP Financial Group, a financial entity as referred to in section 9 of the Act on the Amalgamation of Deposit Banks. The Report by the Board of Directors and the Financial Statements are presented to the Annual Cooperative Meeting of OP Cooperative.

Helsinki, 3 March 2025

OP Cooperative's Board of Directors

Jaakko Pehkonen
Chair of the Board of Directors

Timo Ritakallio
President and Group Chief Executive Officer, OP Financial Group

Jarna Heinonen
Vice Chair of the Board of Directors

Matti Kiuru
Board member

Katja Kuosa-Kaartti
Board member

Kati Levoranta
Board member

Pekka Loikkanen
Board member

Tero Ojanperä
Board member

Riitta Palomäki
Board member

Petri Sahlström
Board member

Jaana Reimasto-Heiskanen
Board member

Auditor's note

We have today issued an auditor's report on the audit performed.

Helsinki, 4 March 2025

PricewaterhouseCoopers Oy
Audit firm

Lauri Kallaskari
Authorised Public Accountant

Auditor's Report

To the members of OP Cooperative

Report on the Audit of the Financial Statements

Opinion

In our opinion financial statements give a true and fair view of OP financial Group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU and Act on the Amalgamation of Deposit Banks (599/2010) and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee of the OP Cooperative.

What we have audited

We have audited the combined financial statements of OP Financial Group pursuant to the Act on the Amalgamation of Deposit Banks for the year ended on 31 December 2024. The financial statements comprise the amalgamated income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

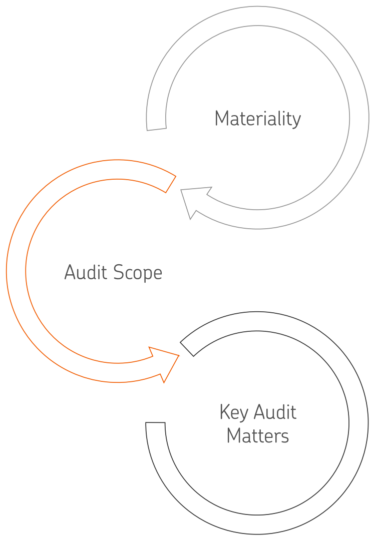
Independence

We are independent of the member institutions within OP Financial Group in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to member institutions within OP Financial Group are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 14 to the Financial Statements.

Our Audit Approach

Overview



- The overall materiality for the Financial Statement of the OP Group was 112 million euros

- We performed audit procedures for 16 significant entities amalgamated in the financial statements based on our risk assessment and materiality.

- Expected credit losses
- Valuation of insurance contracts
- Certain Level 2 and 3 instruments measured at fair value
- General IT controls supporting financial reporting

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 112 million
How we determined it	Approximately 0,6% of the OP Financial Group's equity
Rationale for the materiality benchmark applied	We selected equity as the benchmark for determining materiality because we consider it to be an appropriate benchmark for assessing OP Financial Group's capital and performance. Additionally, equity is a generally accepted benchmark. We chose to apply a percentage of approximately 0.6%, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the OP Financial Group, the accounting processes and controls, and the industry in which the group operates. When determining the scope, we also considered the size, nature, and risks of the individual entities amalgamated in the financial statements. We selected the entities within the group to be audited based on the aforementioned criteria, ensuring that our audit procedures provided sufficient coverage to express an opinion on the amalgamated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Expected credit losses	
See note 36 to the financial statements	
Expected credit losses ("ECL") are primarily calculated using a system-based method that applies the probability of default/loss given default approach (PD/LGD method) on a contract-by-contract basis for all personal and corporate customer exposures.	Our audit procedures included both control testing and substantive testing. We also assessed the accounting principles related to the calculation and recording of ECL against the requirements of the IFRS 9 standard.
In the ECL calculation, contracts are classified into three different stages, reflecting the deterioration of credit quality since the initial recognition. For Stage 1 contracts, the credit risk has not increased significantly since the original recognition, and a 12-month ECL is calculated for them. For Stage 2 contracts, the credit risk has increased significantly since the original recognition, and a lifetime ECL is calculated for them. Stage 3 contracts consist of non-performing contracts, for which a lifetime ECL is also calculated. In addition to the system-based ECL calculation, an expert judgment-based ECL calculation method is used for the largest exposures that have reached Stage 2 or 3.	We obtained an understanding of the processes for credit granting, credit risk management, collateral management, and the calculation of expected credit losses, and we evaluated the key controls of these processes. We tested the effectiveness of selected controls to obtain audit evidence. Our risk modeling experts assessed the methodology, input data, and assumptions used in the credit loss modeling. We verified that the implementation of new models was carried out appropriately. We evaluated the appropriateness of forward-looking information and examined the internal controls related to the preparation of macroeconomic forecasts.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Management also makes additional loss provisions based on its judgment to account for uncertainties and risks related to the current and future operating environment that the ECL calculation model does not consider or to correct the limitations of the ECL calculation model. Additional provisions are made both directly to the amount of the loss allowance and to the risk parameters used in the ECL models.	We assessed the additional loss provisions based on management's judgment. We examined the assumptions based on management's judgment and the input data used in the calculation of additional provisions.
Expected credit losses are a key audit matter due to the complex ECL calculation methods and the management judgment involved in the estimates and assumptions used.	We conducted a risk-based review of credit loss provisions based on expert assessments and evaluated the appropriateness of credit analyses and calculations.
This matter is a significant risk of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014.	

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of insurance contracts See note 31 to the financial statements	
The valuation of insurance contracts is based on models that involve significant judgment in assessing financial and actuarial assumptions as well as customer behavior. Changes in these assumptions can materially affect the valuation of insurance contract liabilities.	Our audit procedures included evaluating the accounting principles related to the calculation and recording of insurance contract liabilities against the requirements of the IFRS 17 standard. We evaluated the internal control processes and key controls related to the calculation of insurance contract liabilities.
The valuation of insurance contracts is a key audit matter due to the size of the insurance contract portfolio and the fact that the estimates and assumptions used in the valuation of insurance contracts involve management judgment.	In determining the insurance contract liabilities, we evaluated the key actuarial methods and the reasonableness of the key assumptions. We performed recalculations of the insurance contract liabilities, checked the accuracy of the input data for the technical provisions, and reconciled the calculation of insurance technical provisions with the accounting records. PwC actuaries participated in the audit.
This matter is a significant risk of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014.	

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Certain Level 2 and 3 instruments measured at fair value See notes to the financial statements 17, 21 and 39	
The proportion of financial assets and liabilities measured at fair value on OP Financial Group's balance sheet is significant, and the valuations of financial instruments at fair value hierarchy levels 2 and especially 3 are primarily based on internal valuation methods and unobservable inputs, which involve management judgment.	We obtained an understanding of the valuation process for financial instruments and evaluated the design and effectiveness of controls and the appropriateness of valuation models used.
Changes in market conditions have a significant impact on the fair value of financial instruments. Important areas of financial instrument valuation include the frameworks and principles of valuation and valuation models, as well as controls related to fair value price verification, the accuracy of the data used, fair value adjustments, fair value hierarchy levels, and the management and monitoring of valuation models.	We evaluated the appropriateness of the accounting principles and valuation methods related to financial instruments.
The valuation of level 2 and 3 fair value measurements is a key audit matter due to the number of instruments and the management judgment involved in the valuation of financial instruments.	We tested the accuracy of the valuation of financial instruments by performing an independent valuation of significant OP Financial Group's items valued at fair value and assessed the appropriateness of the assumptions and management estimates applied in the valuations.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
General IT controls supporting financial reporting	
OP Financial Group's operations, internal control environment, and financial reporting rely on numerous IT systems. The volume of transactions affecting financial reporting is large, and IT systems support automated accounting and reconciliation procedures across various processes.	We obtained an understanding of the IT environment related to OP Financial Group's financial reporting and the controls relevant to the audit.
Effectively functioning general IT controls help ensure the accuracy of the information produced by applications. Effective general IT controls are also a prerequisite for the functioning of automated controls and automated accounting procedures, as well as for our audit approach. To ensure the completeness and accuracy of data, it is important that the management and monitoring of access rights, changes to systems, software development, and IT operations are properly designed and operate effectively.	Our audit procedures included evaluating the design and testing the operational effectiveness of controls relevant to financial reporting IT systems and performing substantive testing. Our procedures covered general IT controls over user access management, change management, software development management, and IT operations management.
General IT controls that support financial reporting constitute a key audit matter due to the complexity of the system environment and our audit approach.	In terms of user access management, the audit procedures included testing the addition and removal of user rights, appropriate monitoring, and segregation of duties. Other key areas tested were the monitoring, testing, and approval of changes made to IT systems, as well as controls related to the development, acquisition, and implementation process of systems in software development, and IT operations, such as the scheduling and monitoring of batch processing for financial reporting.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director of the OP Cooperative are responsible for the preparation of are responsible for preparation of financial statements in such a way that they are prepared in accordance with OP Financial Group's accounting policies and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the OP Financial Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the OP Financial Group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OP Financial Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the OP Financial Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the OP Financial Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within OP Financial Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual cooperative of the OP Cooperative on 23.4.2024. Our appointment represents a total period of uninterrupted engagement of one year.

Other Information

The Board of Directors and the Managing Director of the OP Cooperative are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 4 March 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Lauri Kallaskari Authorised Public Accountant (KHT)

Assurance Report on the Sustainability Report

(Translation of the Finnish Original)

To the members of OP Cooperative

We have performed a limited assurance engagement on the sustainability report of the OP Financial Group pursuant to the Act on the Amalgamation of Deposit Banks (599/2010) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability report does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which OP Cooperative has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised Sustainability Auditor's Independence and Quality Management

We are independent of the OP Cooperative and of the entities consolidated in OP Financial Group's financial statements in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of OP Cooperative are responsible for:

- the sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

- such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the OP Cooperative is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability report about events that may occur in the future and possible future actions by the OP Financial Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OP Cooperative's or the OP Financial Group's internal control.

- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

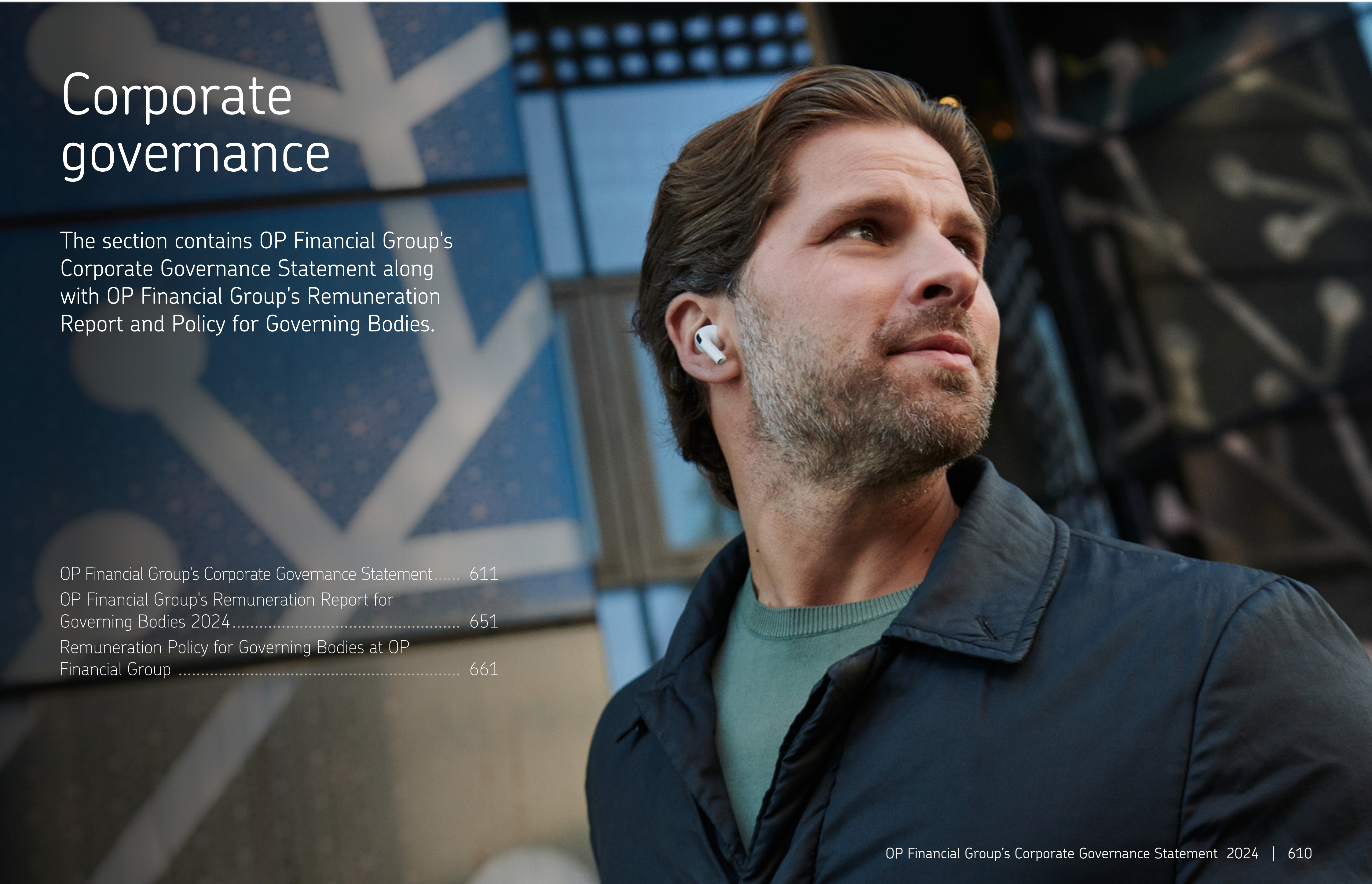
Our procedures included for example the following:

- We interviewed the OP Cooperative's management and the individuals responsible for collecting and reporting the information contained in the sustainability report at the OP Financial Group level, as well as at the different levels of the organization and business areas to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the OP Financial Group where applicable, and assessed whether they support the information contained in the sustainability report.
- We assessed the OP Cooperative's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the OP Cooperative has identified the OP Financial Group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki 4 March 2025

PricewaterhouseCoopers Oy
Authorised Sustainability Auditors

Tiina Puukkoniemi
Authorised Sustainability Auditor



Corporate governance

The section contains OP Financial Group's Corporate Governance Statement along with OP Financial Group's Remuneration Report and Policy for Governing Bodies.

OP Financial Group's Corporate Governance Statement

Corporate Governance Statement

Introduction

OP Financial Group's corporate governance is comprehensive and proportionate with respect to the nature, scope and diversity of its operations to ensure the efficient management of the Group in accordance with prudential business principles, and so that the Group's governing bodies can effectively supervise its management.

This Statement describes corporate governance at OP Financial Group in 2024. By law, a credit institution and a securities issuer shall present its Corporate Governance Statement. This OP Financial Group statement applies to OP Cooperative and credit institutions within the central cooperative consolidated, excluding OP Financial Group's issuers, OP Corporate Bank and OP Mortgage Bank (OP MB), which prepare their own Corporate Governance Statements. Their statements substantially follow that of OP Financial Group. This OP Financial Group statement also does not apply to the Group's insurance companies Pohjola Insurance Ltd and OP Life Assurance Company Ltd. Each insurance company prepares a report on solvency and financial condition in compliance with the Insurance Companies Act, describing the corporate governance of the insurance company in question. In addition, OP cooperative banks publish their own corporate governance statements on their websites.

This Statement has been prepared in accordance with the Act on Credit Institutions, the Securities Markets Act, the requirements of the EU's supervisory authorities (EBA, ESMA, EIOPA), and with respect to OP Cooperative, the Finnish Corporate Governance Code 2025 issued by the Securities Market Association where applicable. More detailed information on compliance with the Finnish Corporate Governance Code at OP Cooperative is available in the section "Compliance with the Finnish Corporate Governance Code 2025 at OP Cooperative, and deviations from recommendations".

Up-to-date key information on OP Financial Group's governance is available on the Group website at www.op.fi – OP Financial Group – About us – Corporate governance.

OP Corporate Bank plc's Corporate Governance Statement is available at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Corporate Bank's reports. OP Mortgage Bank's Corporate Governance Statement is available at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Mortgage Bank's reports . Pohjola Insurance Ltd and OP Life Assurance Company Ltd's solvency and financial condition reports are available at www.op.fi – OP Financial Group – To the media – Reports and publications – Insurance companies' reports | OP.

OP Cooperative's Board of Directors discussed this Corporate Governance Statement on 5 February 2025 prior to which the Audit Committee of Board of Directors discussed the statement.

This Statement is issued separately from the Report by OP Cooperative's Board of Directors. The Report by the Board of Directors includes a sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD). The Sustainability report's section on governance is on page 329 of the Report by the Board of Directors. PricewaterhouseCoopers Oy, OP Financial Group's auditor, has verified that the Statement has been issued and that the description it contains, covering the main features of internal control and risk management systems related to the financial reporting process, is consistent with the financial statements.

This Statement and OP Financial Group's Financial Statements, Report by the Board of Directors, Auditor's Report, Sustainability Report's assurance report, Remuneration Policy for Governing Bodies, Remuneration Report, and Annual Review are available on OP Financial Group's website at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Financial Group's publications.

A statement of remuneration at OP Financial Group, which complies with the Act on Credit Institutions and the Finnish Corporate Governance Code (insofar as applicable), is available on OP Financial Group's website at www.op.fi – OP Financial Group – About us – Corporate Governance – Remuneration.

The Finnish Corporate Governance Code 2025 for Finnish listed companies, issued by the Securities Market Association, is available on the Association's website at www.cgfinland.fi.

Compliance with the Finnish Corporate Governance Code 2025 at OP Cooperative, and deviations from recommendations

In 2024, OP Cooperative complied with the Finnish Corporate Governance Code for Finnish listed companies on a voluntary basis insofar as the Code applies to a cooperative entity that belongs to a financial services group's central cooperative. The key rationale for deviating from the Code includes special legislation applicable to the operations of OP Cooperative, in particular regulation concerning credit institution activities, as well as OP Cooperative's three-tier governance structure and the restricted body of members (93 member cooperative banks). More information on the central cooperative's governance structure is available in the section "Governance of OP Cooperative in 2024".

Deviations from the recommendations of the Finnish Corporate Governance Code, and rationale for such deviations

Recommendation	Deviations	Rationale
1, 2 and 4	A notice of Cooperative Meeting, including appendices, is sent to members through OP Financial Group's internal communication channels. The minutes of the Cooperative Meeting are published on the op.fi website. Other meeting documents are distributed to members through OP Financial Group's internal communication channels.	Since OP Cooperative's membership is restricted, the notice of meeting, including appendices, can be delivered directly to all members.
1, 5, 6 and 22	The Cooperative Meeting elects members to the Supervisory Council and decides on their remuneration. The notice of Cooperative Meeting explains how candidates to the Supervisory Council can be nominated. The Supervisory Council appoints the Board members and decides on their remuneration.	OP Cooperative has a three-tier governance structure in which the Cooperative Meeting elects members to the Supervisory Council.
3	Normally, the Supervisory Council members and candidates attend the Cooperative Meeting. As regards the Board of Directors, at least the Chair of the Board and the CEO of OP Cooperative (President and Group Chief Executive Officer) attend the meeting.	The Cooperative Meeting elects members to the Supervisory Council, and the Supervisory Council elects members to the Board of Directors. The right to ask questions is ensured through the attendance of the Chair of the Board of Directors and the President and Group Chief Executive Officer.
10	The majority of Board members are not independent of OP Cooperative. Four of the Board members are independent of OP Cooperative and other OP Financial Group companies.	The independence of Board members is assessed in accordance with legislation governing credit institutions.
20	The Supervisory Council approves the executive contract of the President and Group Chief Executive Officer and their deputy.	The decision-making order complies with the three-tier governance model.
27	OP Cooperative's Board of Directors approves the guidelines for related party lending, which comply with the Act on Credit Institutions. Related party transactions are reported in the Notes to the financial statements as required by IAS24.	Binding regulations are observed in the management of related party transactions.
Reporting requirements	OP Cooperative complies with the reporting requirements stated in the Finnish Corporate Governance Code insofar as they apply to a cooperative entity that belongs to a financial services group.	The deviations concern information that is not available with respect to OP Cooperative, or which is irrelevant due to the corporate form and governance structure of OP Cooperative (such as share-based remuneration). See above for more detailed rationale concerning deviations from certain recommendations of the Finnish Corporate Governance Code.

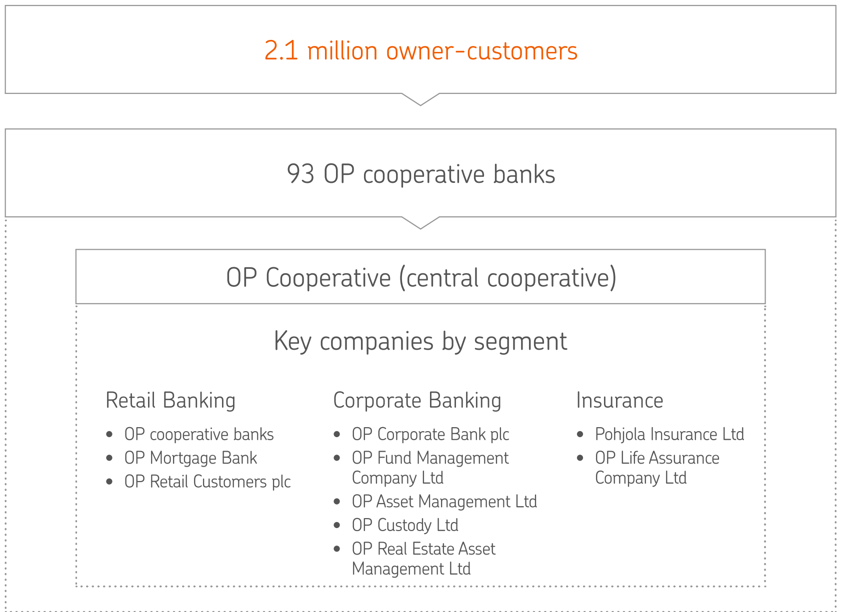
Structure of OP Financial Group

OP Financial Group

Established in 1902, OP Financial Group is a cooperative financial services group formed by member cooperative banks and the Group's central cooperative with its subsidiaries. OP Financial Group's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. Activities are guided by OP Financial Group's values – People First, Responsibility and Succeeding Together. Being a Finnish Group is an important part of the Group's identity.

As of 31 December 2024, OP Financial Group consists of 93 member cooperative banks (102 on 31 December 2023) and their central cooperative, OP Cooperative, with its subsidiaries and affiliates. OP Financial Group's operations are governed by legislation such as the Act on the Amalgamation of Deposit Banks, the Act on Cooperative Banks and Other Cooperative Institutions, the Act on Credit Institutions, the Insurance Companies Act, the Act on Investment Services, the Co-operatives Act and the Limited Liability Companies Act.

OP Financial Group structure

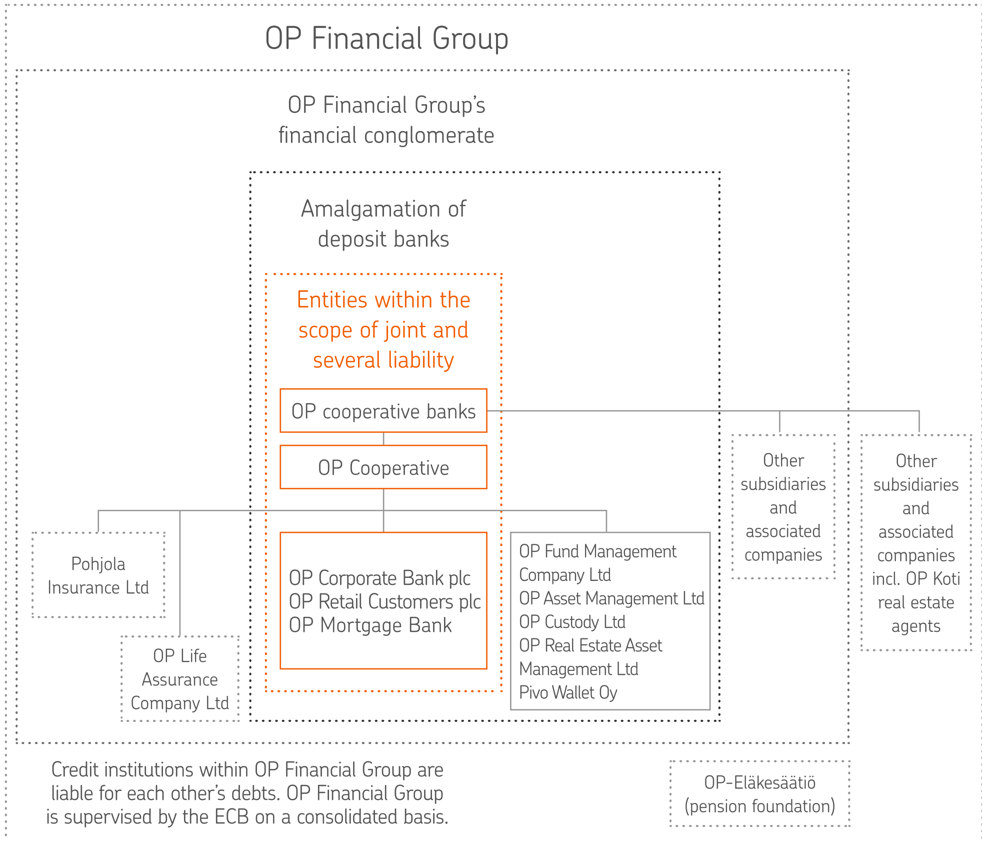


OP Financial Group comprises the following two parts:

1 an amalgamation in accordance with the Act on the Amalgamation of Deposit Banks, and

2 other entities and organisations of OP Financial Group.

OP Financial Group's amalgamation structure



The amalgamation comprises:

- OP Cooperative (the amalgamation's central cooperative)
- companies belonging to the central cooperative's consolidation group
- the central cooperative's member credit institutions
- companies belonging to the member credit institutions' consolidation groups
- credit institutions, financial institutions and service companies in which the abovementioned institutions jointly hold more than half of the voting rights.

According to the Act on the Amalgamation of Deposit Banks, the central cooperative is obliged to support its member credit institution in order to prevent it from being placed into liquidation and is liable for its member credit institution's debts which cannot be paid using the member credit institution's capital. Each member credit institution, for its part, is liable to pay a proportion of the amount which the central cooperative has paid to another member credit institution as part of support action or to a creditor of such member credit institution in payment of an amount overdue. In the case of the central cooperative's default, a member credit institution has unlimited refinancing liability for the central cooperative's debts.

OP Financial Group comprises:

- the amalgamation and
- those non-amalgamation entities of which entities belonging to the amalgamation hold more than half of the total votes.

The extent of OP Financial Group differs from that of the amalgamation in that OP Financial Group subsumes entities other than credit and financial institutions or service companies. The most important of these are the insurance companies with which the amalgamation forms a financial conglomerate.

More detailed information on the legal structure of OP Financial Group and its amalgamation can be found in the Financial Statements of OP Financial Group, which is available at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Financial Group's publications. Neither OP Financial Group nor the amalgamation forms a corporate group as referred to in the Accounting Act, or a consolidation group as referred to in the Act on Credit Institutions. The central cooperative prepares consolidated financial statements of the amalgamation as referred to in the Act on the Amalgamation of Deposit Banks, including entities over which the amalgamation's member entities have control.

OP Financial Group has three business segments:

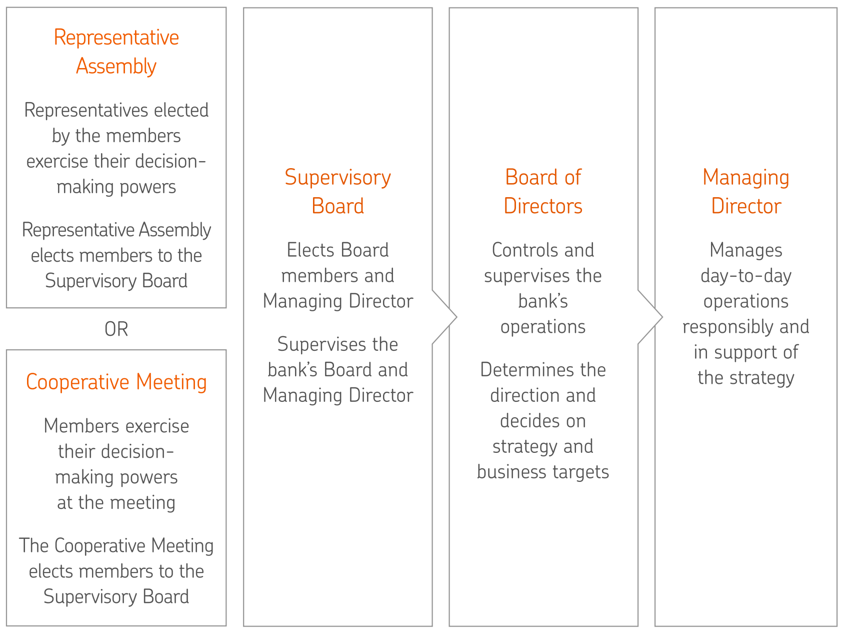
- Banking Personal and SME Customers (Retail Banking)
- Banking Corporate and Institutional Customers (Corporate Banking)
- Insurance Customers (Insurance)

OP cooperative banks

OP cooperative banks are deposit banks engaged in retail banking. They are OP Cooperative's member credit institutions. OP cooperative banks provide modern and competitive banking services to personal customers, SMEs, agricultural and forestry customers and public-sector entities.

In terms of their organisation type, OP cooperative banks are cooperatives whose decision-making grounds include the principle of one member, one vote. Within the OP cooperative banks, the members, that is, the owner-customers' decision-making power is exercised by the Representative Assembly or the cooperative meeting comprising owner-customers, and the supervisory council and the board of directors, all members of which are owner-customers.

OP Cooperative banks' governance structure



Federations of Cooperative Banks

Federations of Cooperative Banks are regional cooperation bodies for the member cooperative banks. The federations ensure cooperation and interaction between OP cooperative banks, and maintain and promote Group spirit and unity. In addition, the federations follow developments in OP cooperative banks' operating environment and maintain discussion on the impacts of changes on OP cooperative banks' operations and organise training for the boards of directors of OP cooperative banks and the chairs of the supervisory council.

The federations nominate their regions' candidates for OP Cooperative's Supervisory Council and for other bodies of OP Financial Group to which they are entitled to nominate candidates.

The meeting of a Federation of Cooperative Banks, which comprises representatives of its member cooperative banks, elects the board of directors to represent the federation and attend to its affairs.

OP Cooperative, or the central cooperative

OP Cooperative is the central cooperative of OP Financial Group, and it is domiciled in Helsinki. The central cooperative's members may include credit institutions, as referred to in the Act on the Amalgamation of Deposit Banks, whose bylaws or articles of association have been approved by the central cooperative. The central cooperative's Supervisory Council decides on admitting new members.

The purpose of the central cooperative as the central cooperative of the amalgamation and as the company heading the financial conglomerate formed by OP Financial Group is to equitably contribute to and support the development of, and cooperation between, its member credit institutions, other OP Financial Group companies and entities and the entire Group. To that end, the central cooperative controls the Group's centralised services, develops the Group's business, manages the Group's strategic control and lobbying and manages control and supervision duties belonging to the central cooperative of the amalgamation and the company heading the financial conglomerate. Furthermore, the central cooperative acts as OP Financial Group's strategic owner institution.

By virtue of the Act on the Amalgamation of Deposit Banks, the central cooperative controls the amalgamation's operations and provides the entities within the amalgamation with guidelines for risk management, good corporate governance and internal control with the aim of safeguarding their liquidity and capital adequacy. In addition, the central cooperative supervises the amalgamation entities in the manner referred to in the Act on the Amalgamation of Deposit Banks.

Within the central cooperative, member cooperative banks exercise their decision-making powers at the Cooperative Meeting and in the Supervisory Council elected by it.

OP Financial Group's responsible operations and good corporate governance

Values and responsible operations

OP Financial Group's mission is to promote the sustainable prosperity, security, and wellbeing of its owner-customers and operating region. The Group has defined the following values that guide its operations and support its mission: people first, responsibility, and succeeding together.

OP Financial Group's corporate responsibility activities are guided by the Group's strategy and values, the needs of our customers and operating region, international commitments, and EU and national regulation. Responsibility perspectives affect all factors guiding our operations. Thus, responsibility is deeply embedded in our operations.

Corporate responsibility and sustainability are an integral part of OP Financial Group's business and strategy. The key focus areas of OP Financial Group's sustainability programme – Climate and the environment, People and communities, and Corporate governance – provide the basis for the Group's corporate responsibility activities. The sustainability programme can be viewed on OP's website at www.op.fi – OP Financial Group – Sustainability – Sustainability programme.

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 sustainability report is prepared on a consolidated basis for the entire OP Financial Group, on the same grounds and restrictions as OP Financial Group's Financial Statements. The sustainability report is assured according to limited assurance by an independent third party.

The sustainability report is published annually. The reporting period follows that of financial reporting, that is, the financial year of 1 January 2024–31 December 2024. The scope of the report is based on OP Financial Group's double materiality analysis based on which OP Financial Group has defined the relevant matters to be reported.

The Board of Directors of OP Cooperative (the central cooperative of OP Financial Group) approves the sustainability principles and the related policies and sustainability programme, and significant changes to them. OP Cooperative's Supervisory Council regularly reviews the Group's sustainability programme and monitors its implementation. The Supervisory Council also approves sustainability-related targets such as the emissions reduction targets and the biodiversity road map. The Supervisory Council's Responsibility and Remuneration Unit also assesses and promotes the implementation of OP Financial Group's values and mission, assesses the sustainability programme and monitors the implementation of sustainability and corporate responsibility matters in the operations of OP Financial Group.

In OP Financial Group's executive management, the person responsible for corporate responsibility is the Executive Vice President of Banking Corporate and Institutional Customers. Group-level ESG and Corporate Responsibility function is located in OP Corporate Bank plc. Its duties cover the whole OP Financial Group. The function is led by the Director of ESG and Corporate Responsibility, who reports to the Executive Vice President in charge of Banking Corporate and Institutional Customers, who in turn is responsible for corporate responsibility matters at the level of the Executive Management Team.

The ESG Committee established by OP Cooperative's Executive Management Team prepares the Group's sustainability programme for the Board's approval, and tracks progress against the agreed targets. A review of the topical sustainability and corporate responsibility themes is produced each quarter for OP Cooperative's Executive Management Team and Board of Directors. The implementation of OP Financial Group's sustainability programme's indicators is monitored on the monthly basis and the progress is reported to the executive management.

OP Financial Group's corporate responsibility policies and policy priorities apply to all Group companies. Targets and operating principles are revised when, for example, changes in the operating environment require response.

ESG work is strongly connected to collaboration with stakeholders. OP Financial Group's ESG forum brings together representatives of relevant stakeholder groups ranging from owner-customers, employees, the environment and social responsibility to the different segments of the financial and corporate world. The opinions of the ESG forum's representatives are heard in joint meetings and collected by various questionnaires.

One of the goals of OP Financial Group's sustainability programme is to increase the personnel's sustainability competencies. OP Financial Group provides many ESG-related study modules and training courses. Regulation, regulatory supervision and OP Financial Group's policy priorities constantly set new competence and training requirements for various positions. In addition to training, OP Financial Group ensures that the competencies related to regulation are deepened and maintained by active communication and internal control.

In its operations, OP Financial Group applies its Code of Business Ethics, which includes the key principles for corporate responsibility and environmental impact that all employees and members of governing bodies of OP Financial Group must observe. OP Financial Group is committed to complying with international principles that guide operational responsibility, such as the principles of the UN Global Compact initiative and the UN Principles for Responsible Banking (UN PRB). OP Financial Group is also a Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI).   In addition, the Group's fund and asset management companies have signed the UN Principles for Responsible Investment (UN PRI), and Pohjola Insurance is committed to the UN Principles of Sustainable Insurance (UN PSI).

Principles of Good Corporate Governance

OP Cooperative's Board of Directors and, with respect to the diversity of governance, the Supervisory Council, have confirmed the Principles of Good Corporate Governance for OP Financial Group. These Principles cover all OP Financial Group entities as applicable. The Group entities may, if necessary, also draw up their own guidelines expanding on the Group-wide guidelines.

Good corporate governance means that OP Financial Group as a whole and its entities have the following regime in place:

- They have documented their organisational structure with well-defined powers, responsibilities and reporting relationships.
- They have diverse management bodies; their members have versatile skills and experience, the management bodies have balanced representation of genders and age groups and have comprehensive representation of various regions.
- The management bodies assess and develop their performance on a regular basis.
- Members of senior and executive management are fit and proper for their duties and reliable.
- They identify and manage conflicts of interest.
- They have organised risk management, compliance and internal audit so that these functions are independent of business lines/divisions.
- Their overall remuneration supports OP Financial Group's values, objective and strategy and the achievement of targets, and does not encourage risk-taking above the defined risk-taking level or acting contrary to the conflict of interest policy, and does not lead to actions against the customer's best interests.
- They operate transparently and openly and disclose information that is relevant regarding the reliability of operations.
- They ensure that corporate security, data protection and cybersecurity are an essential and inseparable part of operations.
- When functions are outsourced, they ensure that risk management and control related to the outsourced operations are organised appropriately.
- Personnel and stakeholders have the opportunity to report any violations they have observed through an independent channel.

Governance diversity

OP Financial Group has a long-term approach to planning the composition of governing bodies. Effective work in governing bodies requires that their members have sufficiently diverse expertise, skills and experience.

In preparing the selection of members of the governing bodies, attention is paid to the person's added value to the body's composition in terms of, for example, fostering adequate diversity. Diversity is fostered by ensuring that candidates have a wide range of knowledge, skills and experience, and that various regions, genders and age groups are represented on OP's governing bodies.

New provisions have been added to the Limited Liability Companies Act regarding the gender distribution target of the boards of listed companies and its calculation principles. Corresponding regulations have been introduced in the Finnish Corporate Governance Code (2025). OP Financial Group's diversity principles were updated on 10 December 2024 to correspond with the gender distribution calculation principles of the Limited Liability Companies Act and the Corporate Governance Code.

The aim is that the Boards of Directors of OP cooperative banks, OP Cooperative and its credit institution subsidiaries and Pohjola Insurance and the Supervisory Councils of OP cooperative banks and OP Cooperative are represented by both genders at least on a 60/40% basis. The gender distribution of governing bodies is calculated using the rounding principles given in the table for calculating the gender distribution of boards of directors of listed companies, as provided in the Limited Liability Companies Act and the Corporate Governance Code. The Boards of Directors of other significant subsidiaries of OP Cooperative shall have representation from both genders.

With respect to the governing bodies of OP cooperative banks and subsidiaries of OP Cooperative, the above targets must be met by 30 June 2026, with the exception of OP cooperative banks involved in merger projects. Governing bodies formed as a result of a merger of OP cooperative banks must meet the gender diversity targets within a three-year transition period after the execution of the merger. To achieve this goal, among candidates with equal strengths in terms of skills and experience, the person who represents a gender that is in minority on the governing body is appointed a member of the governing body.

In 2024, men made up 56% and women 44% of the members of the Supervisory Council of OP Cooperative, the central cooperative of OP Financial Group (in 2023: 61% and 39%, respectively). In the Board of Directors, 60% were men and 40% women (in 2023: 64% and 36%, respectively).

For more information on the diversity of the Supervisory Council and Board of Directors, see the sections "Supervisory Council members, based on the decision by the Cooperative Meeting of 23 April 2024, and meetings in 2024" and "Composition and meetings of the Board of Directors in 2024".

Information on the members of OP cooperative banks' governing bodies is available on the banks' own websites at www.op.fi – OP Financial Group – About us – Group member cooperative banks – Group member bank websites.

Governance of OP Cooperative in 2024

Governance structure in the central cooperative

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

OP Cooperative's Cooperative Meeting

The Cooperative Meeting is OP Cooperative's highest decision-making body. Among other things, the Annual Cooperative Meeting confirms the financial statements, elects the members of the Supervisory Council, the Auditor and the Authorised Sustainability Auditor, and approves alterations of the bylaws, if any. A cooperative's bylaws are a document that corresponds to the articles of association.

The members of the cooperative, that is, the representatives of the central cooperative's member cooperative banks, exercise decision-making power at the Cooperative Meeting.

OP Cooperative held its Annual Cooperative Meeting on 23 April 2024. The minutes of the meeting are available in Finnish at www.op.fi – OP Financial Group – About us – Corporate governance – Cooperative Meeting .

OP Financial Group Nomination Committee

The tasks of OP Financial Group's Nomination Committee include assisting the OP Cooperative Meeting in matters related to the nomination and appointment of Supervisory Council members, especially in respect of the following matters:

- defining the collective knowledge, skills, experience and diversity of the Supervisory Council and the time commitment expected of its members, and identifying and assessing candidates for vacancies
- promoting the diversity and the equal representation of genders on the Supervisory Council
- assessing the sufficiency of the composition, collective knowledge and skills and performance of the Supervisory Council on an annual basis
- Preparing a proposal on the Chairs of the Supervisory Council and on the emoluments payable to the members of the Supervisory Council.

The Committee members include the Chair, First Vice Chair and Second Vice Chair of the Board of Directors of each Federation of Cooperative Banks. The members of the Committee specifically appointed by the Supervisory Council act as the Committee Chair and Vice Chair who must be Chairs of the board of directors of the Federations of Cooperative Banks.

Members of the Nomination Committee in 2024 (listed by the Federation of Cooperative Banks as follows: Chair, First Vice Chair, and Second Vice Chair)

- Etelä-Suomi: Markus Johansson, Agrologist, Agricultural Entrepreneur; Juha Jaakkola, Major (retd); and Mikko Suutari, Managing Director
- Itä-Suomi: Pasi Korhonen, Entrepreneur; Elsa Paronen, Research Manager, Director of the Department of Health and Social Management; and Jaana Vänskä, Managing Director
- Länsi-Suomi–Sydkusten: Teija Kirkkala, Executive Director; Mats Eriksson, Agrologist, Agricultural Entrepreneur; and Ville Aarnio, Managing Director
- Pohjanmaa–Österbotten: Stefan Saaristo, Rural Entrepreneur; Katja Torssonen, BBA, Certified Board Member; and Matti Mäkinen, Managing Director
- Pohjois-Suomi: Mika Alapuranen, M.Sc. (Tech.), Managing Director; Reetta Keskitalo, LL.M., Certified Board Member, Lawyer; and Terttu Hagelin, Managing Director
- Sisä-Suomi: Janne Ruohonen, Ph.D., professor; Salla Syvänen, MA, University Teacher, Doctoral Researcher; and Hannu Juhe, Managing Director.

The Nomination Committee is chaired by Janne Ruohonen and vice-chaired by Teija Kirkkala.

The Nomination Committee comprises 18 members of whom seven (7) are women and 11 are men.

The Nomination Committee had one meeting in 2024.

OP Cooperative's Supervisory Council

The Supervisory Council is tasked with the following, among other things:

- under the Co-operatives Act, supervising the governance of the central cooperative within the remit of the Board of Directors and the President and Group Chief Executive Officer, notwithstanding the supervisory obligation of the Board of Directors
- promoting owner-customers' interests, OP Financial Group's competitiveness, development and cooperation as well as Group unity
- electing members of the Board of Directors and deciding on their emoluments
- appointing the President and Group Chief Executive Officer acting as the CEO and their deputy, and deciding on their remuneration and pension benefits
- electing the Chair and Vice Chair for OP Financial Group's Nomination Committee and for the Supervisory Council's Nomination Committee
- deciding on admitting to membership of a central cooperative, on a warning, referred to in §5, and on presenting a proposal to the Cooperative Meeting to expel a member
- regularly assessing the fulfilment of OP Financial Group's values and mission in OP Financial Group's operations, and the development in owner-customer membership
- regularly assessing OP Financial Group's ESG and sustainability programme and its implementation
- approving OP Financial Group's operating principles aimed at promoting diversity in the composition of governing bodies and having the objective of equal gender representation in the governing bodies and drawing up the principles applied to achieve and maintain the objective.

In addition, the Supervisory Council confirms decisions made by the Board of Directors that are far-reaching, financially significant or significant in principle from the perspective of OP Financial Group. These include at least Board decisions concerning:

- OP Financial Group's risk appetite, strategy and strategic goals
- a significant reduction or expansion of the activities of OP Financial Group, the central cooperative or the central cooperative consolidated or a substantial change in their organisation
- the principles of the central cooperative's supervision fees and the central cooperative consolidated companies' service charges
- the principles governing OP Financial Group's remuneration schemes
- the principles of bank-specific control required by joint and several liability
- the principles related to owner-customer benefits
- strategically significant arrangements related to the ownership of the central cooperative's subsidiaries that are in charge of managing shared services for OP Financial Group, such as the disposal of shares to shareholders outside OP Financial Group
- submitting a proposal to the Cooperative Meeting for amending the central cooperative bylaws.

If the Supervisory Council does not confirm the decision by the Board of Directors referred to above, it must return the matter to the Board of Directors for a new preparation.

OP Cooperative's Cooperative Meeting elects members to the Supervisory Council. The Supervisory Council comprises 36 members. The members are elected from the regions of the Federations of Cooperative Banks in such a way that six members are elected from each Federation, four of whom are members of the governing bodies of the Federation's member banks and two are managing directors.

A person known as honest and reliable is an eligible Supervisory Council member who, based on their professional experience, can be assessed to be qualified to work efficiently on the Supervisory Council and who fulfils the requirements set in the charter for OP Financial Group's Nomination Committee and in other internal guidelines.

As a rule, the term of office of the Supervisory Council governing body members is four years and that of managing director members two years, beginning upon closing of the Annual Cooperative Meeting and terminating upon closing of the Annual Cooperative Meeting. In the Annual Cooperative Meeting of 2021, all members of the Supervisory Council resigned due to the transitional provision related to the alteration of bylaws. The term of office of members representing the governance of the Supervisory Council is determined in 2023–2025 in such a way that one governing body member from each Federation of Cooperative Banks will be due to resign every year. After this, the normal four-year term will apply to governing body members. Those due to resign by rotation were determined by drawing lots.

The Supervisory Council elects from among its members the Chair and two Vice Chairs. The Supervisory Council Chair and at least one of the Vice Chairs must be a person who is not the managing director of an OP Financial Group entity nor has an employment contract with such an entity.

Supervisory Council members, based on the decision by the Cooperative Meeting of 23 April 2024, and meetings in 2024

Name, year of birth and place of residence	Federation of Cooperative Banks	Position on OP Cooperative's Supervisory Council	Full-time position, job title, education/degree(s)	Position of the person with a governing body background at an OP cooperative bank
Alaluukas Essi 1975, Hollola	Etelä-Suomi	Member	Customer Relationship Director, Provincia Oy; M.A., Certified Board Member, Certified Board Member & Chair	Chair of the Board of Directors, Hämeen Osuuspankki
Antola Kati 1971, Laitila	Länsi-Suomi–Sydkusten	Member	Senior Lecturer, Satakunta University of Applied Sciences SAMK, D.Sc. (Econ. & Bus. Adm.)	Member of the Board of Directors, Lounaisrannikon Osuuspankki
Drugge Jan 1970, Kemiö	Länsi-Suomi–Sydkusten	Member	Sales Manager, Nordkalk Oy; Agrologist	Vice Chair of the Board of Directors, Andelsbanken Raseborg
Ebeling Sanna 1986, Oulu	Pohjois-Suomi	Member	Business Lawyer, Talenom Konsultointipalvelut Oy; LL.M., Bar Examination	Chair of the Supervisory Council, Utajärven Osuuspankki
Hakasuo Päivi 1971, Huittinen	Länsi-Suomi–Sydkusten	Member	Head of Sourcing, Nornickel Harjavalta Oy; M.Sc.	Chair of the Board of Directors, Ala-Satakunnan Osuuspankki
Hautala Jouni 1964, Forssa	Länsi-Suomi–Sydkusten	Member	Managing Director, Lounaismaan Osuuspankki; M.Sc. (Econ. & Bus. Adm.)	
Hirvonen Miia 1977, Porvoo	Etelä-Suomi	Member	Managing Partner, Sotamaa & Co Attorneys Ltd; LL.M., Trained on the bench	Vice Chair of the Board of Directors, Ylä-Uudenmaan Osuuspankki
Julkunen Saara 1967, Kuopio	Itä-Suomi	Member	Professor, Head of Business School, University of Eastern Finland; D.Sc. (Econ. & Bus. Adm.), M.Soc.Sc.	Member of the Board of Directors, Pohjois-Savon Osuuspankki
Jurmu Taija 1976, Rovaniemi	Pohjois-Suomi	First Vice Chair	Lawyer, Asianajotoimisto Jurmu; Master of Laws, Bar Examination, Certified Board Member & Chair	Chair of the Board of Directors, Pohjolan Osuuspankki
Kainusalmi Mika 1979, Savitaipale	Etelä-Suomi	Member	Head of Development, Lappeenranta University of Technology; M.Sc. (Econ. & Bus. Adm.), M.Sc. (Tech.)	Chair of the Board of Directors, Savitaipaleen Osuuspankki
Karhapää Ari 1963, Joensuu	Itä-Suomi	Member	Managing Director, Outokummun Osuuspankki; LL.M., Trained on the bench, Certified Board Member	
Korhonen Juha 1963, Kouvola	Etelä-Suomi	Member	Managing Director, Kaakkois-Suomen Osuuspankki; LL.M., Trained on the bench, eMBA, Certified Board Member	

Name, year of birth and place of residence	Federation of Cooperative Banks	Position on OP Cooperative's Supervisory Council	Full-time position, job title, education/degree(s)	Position of the person with a governing body background at an OP cooperative bank
Kujala Päivi 1965, Alavus	Pohjanmaa-Österbotten	Member	Senior Rural Economist, Pellervo Economic Research PTT; D.Sc. (Admin.), M.Sc. (Agr. & For.), Agronomist	Member of the Board of Directors, Sydänmaan Osuuspankki
Lehtonen Pekka 1969, Kangasala	Sisä-Suomi	Member	Managing Director, Kangasalan Lämpö Oy; Automation Engineer, Certified Board Member	Chair of the Board of Directors, Kangasalan Seudun Osuuspankki
Lohi Tuomas 1979, Kempele	Pohjois-Suomi	Member	Municipal Manager, Municipality of Kempele; Ph.D., Certified Board Member	Member of the Board of Directors, Tyrnävän Osuuspankki
Loikkanen Toivo 1960, Savonlinna	Itä-Suomi	Member	Dean; M.Th.	Member of the Board of Directors, Suur-Savon Osuuspankki
Manninen Veijo 1962, Pyhäjärvi	Pohjanmaa-Österbotten	Membership ended on 5 November 2024	Agricultural Entrepreneur; Agrologist, Certified Board Member & Chair	Chair of the Board of Directors, Suomenselän Osuuspankki
Markula Kaisa 1967, Loimaa	Länsi-Suomi–Sydkusten	Member	Managing Director, Niinijokivarren Osuuspankki; M.Sc. (Econ. & Bus. Adm.), B.Nat.Res.	
Mäkelä Anssi 1961, Urjala	Sisä-Suomi	Membership ended on 24 October 2024	Senior Manager, Valmet Technologies Oy; M.Sc. (Tech.)	Chair of the Board of Directors, Etelä-Pirkanmaan Osuuspankki
Mäkelä Kari 1982, Jämsä	Sisä-Suomi	Member	Managing Director, Jämsän Seudun Osuuspankki; M.Sc. (Ind. Eng. & Mgmt)	
Nikola Annukka 1960, Kirkkonummi	Etelä-Suomi	Chair	Chair of the Board of Directors; M.Sc. (Econ. & Bus. Adm.)	Chair of the Board of Directors, Uudenmaan Osuuspankki
Nylund Ulf 1965, Vaasa	Pohjanmaa-Österbotten	Member	Managing Director, Vaasan Osuuspankki; M.Sc. (Econ. & Bus. Adm.), eMBA, Certified Board Member	
Perämäki Leena 1966, Seinäjoki	Pohjanmaa-Österbotten	Member	Managing Director, Into Seinäjoki Ltd.; M.Soc.Sc., MBA	Chair of the Board of Directors, Etelä-Pohjanmaan Osuuspankki
Perätalo Teuvo 1963, Kajaani	Pohjois-Suomi	Member	Managing Director, Kainuun Osuuspankki; LL.M., Certified Board Member	
Saksa Titta 1977, Mikkeli	Itä-Suomi	Member	HR Director, Meidän IT ja Talous Oy; M.Sc. (Econ. & Bus. Adm.), LL.M., Certified Board Member	Chair of the Board of Directors, Suur-Savon Osuuspankki

Name, year of birth and place of residence	Federation of Cooperative Banks	Position on OP Cooperative's Supervisory Council	Full-time position, job title, education/degree(s)	Position of the person with a governing body background at an OP cooperative bank
Sarhemaa Teemu 1980, Asikkala	Etelä-Suomi	Member	Managing Director, Järvi-Hämeen Osuuspankki; M.Sc. (Econ. & Bus. Adm.), eMBA, BBA, Certified Board Member	
Sipola Eija 1970, Hailuoto	Pohjois-Suomi	Member	Managing Director, Ylä-Kainuun Osuuspankki; M.Sc. (Econ. & Bus. Adm.), MBA, Certified Board Member	
Soltin Kirsi 1981, Rusko	Sisä-Suomi	Member	Managing Director, Mouhijärven Osuuspankki; M.Sc. (Econ. & Bus. Adm.)	
Sotarauta Markku 1963, Ylöjärvi	Sisä-Suomi	Member	Professor, University of Tampere, D.Adm.Sc.	Chair of the Board of Directors, Tampereen Seudun Osuuspankki
Ström-Hakala Agneta 1963, Pietarsaari	Pohjanmaa-Österbotten	Member	Managing Director, Botnia Andelsbank; LL.M., Trained on the bench	
Sunikka Miika 1974, Joensuu	Itä-Suomi	Member	Entrepreneur, Hyvän tekijä -yhtiöt; M.Sc. (Ind. Eng. & Mgmt), Certified Board Member & Chair	Chair of the Board of Directors, Pohjois-Karjalan Osuuspankki
Syrjälä Timo 1980, Yli-Lesti	Pohjanmaa-Österbotten	Member	Entrepreneur, Forestry Specialist; Forestry Engineer	Chair of the Board of Directors, Jokilaaksojen Osuuspankki
Takala Pauliina 1969, Laukaa	Sisä-Suomi	Member	Managing Director, Jyväskylän sotainvalidien asuntosäätiö; M.Soc.Sc., Vocational Qualification in Property Management	Chair of the Board of Directors, Keski-Suomen Osuuspankki
Tiiri Janne 1965, Oripää	Länsi-Suomi–Sydkusten	Member	Agricultural Entrepreneur; B.Sc. (Agr. & For.), Agronomist	Chair of the Board of Directors, Osuuspankki Harjuseutu
Turkka Antti 1971, Oulu	Pohjois-Suomi	Member	Entrepreneur, Agriculture and Forestry Entrepreneur; M.Sc. (Ind. Eng. & Mgmt), Certified Board Member, Certified Board Member & Chair	Chair of the Supervisory Council, Pohjolan Osuuspankki
Väänänen Ari 1973, Maaninka	Itä-Suomi	Second Vice Chair	Managing Director, Maaningan Osuuspankki; LL.M., Trained on the bench	

Memberships of the members reaching the end of their terms – Mika Helin, Raili Hyvönen, Jarmo Nurmela, Heikki Palosaari, Johanna Pättiniemi, Tiina Rajala, Timo Saukkonen and Leena Selkee – were terminated on 23 April 2024.

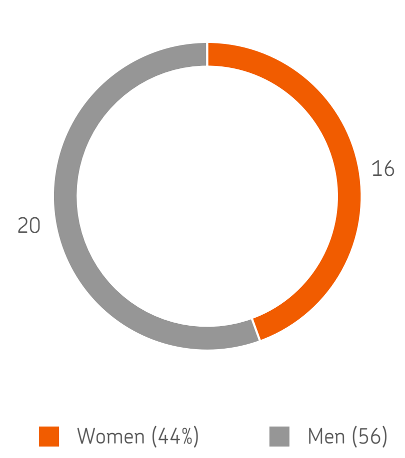
The OP Cooperative Annual Cooperative Meeting of 23 April 2024 elected Essi Alaluukas, Kati Antola, Sanna Ebeling, Jouni Hautala, Miia Hirvonen, Ari Karhapää, Juha Korhonen, Leena Perämäki, Eija Sipola, Kirsi Soltin, Agneta Ström-Hakala and Antti Turkka as new members of the Supervisory Council. Additionally, Kaisa Markula, Ulf Nylund, Teuvo Perätalo, Titta Saksa and Markku Sotarauta, whose terms were reaching the end, were re-elected as members of the Supervisory Council. Anssi Mäkelä's membership ended on 24 October 2024 and Veijo Manninen's on 5 November 2024.

Employee representatives have the right to be present and speak at the meetings of the Supervisory Council. In 2024, employee representatives were as follows: Miia Korvenoja, Jussi Kulmala, Eija Laurila and Jarkko Pessinen.

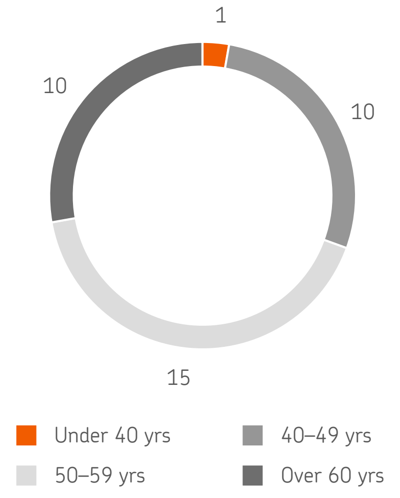
In 2024, the Supervisory Council had four meetings. The average attendance rate of its members stood at 97%. For more detailed information on members' attendance at meetings, read OP Financial Group's Remuneration Report for Governing Bodies at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Financial Group's publications.

Diversity of the Supervisory Council

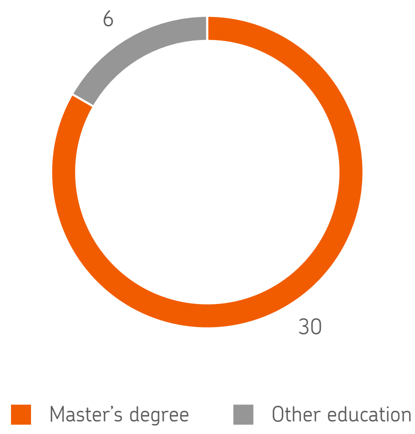
Gender



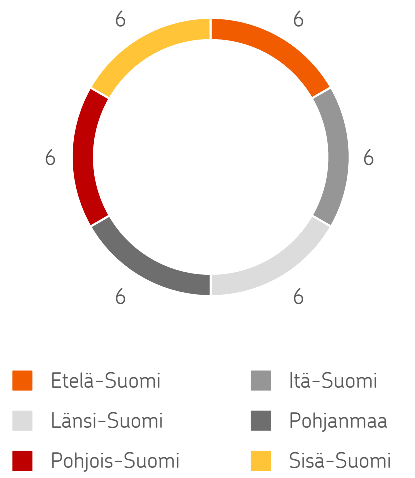
Age



Education/degree



Membership in Federations of Cooperative Banks



Supervisory Council's preparatory units

The Supervisory Council has two preparatory units: the Strategy Unit and the Responsibility and Remuneration Unit. These units assist the Supervisory Council in matters falling within their remit.

Every year, the Supervisory Council appoints, from among its members, the Vice Chairs and members of the units, and confirms their charters. The unit charters contain specific provisions on unit Chairs. The Strategy Unit is chaired by the Chair of the Supervisory Council. The Responsibility and Remuneration Unit is chaired by the First Vice Chair of the Supervisory Council.

Strategy Unit

The Strategy Unit prepares matters to be discussed by the Supervisory Council that concern OP Financial Group's risk appetite, strategy and the achievement of strategic goals, or a significant reduction or expansion of the activities of OP Financial Group or the central cooperative, or a substantial change in the organisation, or strategically significant arrangements related to the ownership of the central cooperative's subsidiaries that are in charge of managing shared services for OP Financial Group.

Strategy Unit's composition as of 23 April 2024, and meetings in 2024

Annukka Nikola, Chair
Ari Väänänen, Vice Chair
Essi Alaluukas
Jan Drugge
Päivi Hakasuo
Jouni Hautala
Saara Julkunen
Juha Korhonen
Päivi Kujala
Pekka Lehtonen
Tuomas Lohi
Toivo Loikkanen
Anssi Mäkelä (membership ended on 24 October 2024)
Teuvo Perätalo
Teemu Sarhemaa
Agneta Ström-Hakala
Pauliina Takala
Antti Turkka

In 2024, the Strategy Unit had three meetings. The average attendance rate of its members stood at 98%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

Responsibility and Remuneration Unit

The Responsibility and Remuneration Unit prepares matters discussed in the Supervisory Council that concern the main policy lines of the owner-customer membership programme and the total benefits gained by owner-customers, and the principles of OP Financial Group's remuneration scheme.

The Unit also assesses and promotes the implementation of OP Financial Group's values and mission, assesses the Group's sustainability programme and monitors the implementation of ESG and corporate responsibility matters in the operations of OP Financial Group, and monitors the achievement of the targets of OP Financial Group's remuneration scheme.

Responsibility and Remuneration Unit's composition as of 23 April 2024, and meetings in 2024

Taija Jurmu, Chair
Markku Sotarauta, Vice Chair
Kati Antola
Sanna Ebeling
Miia Hirvonen
Mika Kainusalmi
Ari Karhapää
Veijo Manninen (membership ended on 5 November 2024)
Kaisa Markula
Kari Mäkelä
Ulf Nylund
Leena Perämäki
Titta Saksa
Eija Sipola
Kirsi Soltin
Miika Sunikka
Timo Syrjälä
Janne Tiiri

In 2024, the Responsibility and Remuneration Unit had three meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

Supervisory Council Nomination Committee

The Supervisory Council has a Nomination Committee which acts as a nomination committee referred to in the Act on Credit Institutions. Its statutory duty is to assist the Supervisory Council in matters related to the nomination of candidates and appointment of members of the Board of Directors and the nomination of candidates and appointment of the President and Group Chief Executive Officer and their deputy, particularly in the following matters:

- assessing the collective knowledge, skills and experience necessary for the work performed by the Board of Directors and President and Group Chief Executive Officer as well as the diversity of the Board of Directors and the time commitment expected of its members, assessing the number of members required for the Board of Directors, defining the job descriptions and the required capabilities of the new members of the Board of Directors and the President and Group Chief Executive Officer, mapping out and assessing candidate members for the Board of Directors and candidates for the position of President and Group Chief Executive Officer, submitting a proposal to the Supervisory Council concerning the number of members to be appointed to the Board of Directors and the persons to be appointed as members of the Board of Directors, as well as appointing the President and Group Chief Executive Officer and their deputy
- assessing the composition and performance of the Board of Directors and the performance of its individual members and the President and Group Chief Executive Officer
- promoting the diversity and the equal representation of genders on the Board of Directors.

Members of the Nomination Committee include the Chair and the First Vice Chair of the Supervisory Council, the Chair and Vice Chair of the Board of Directors and the Chair and Vice Chair of OP Financial Group's Nomination Committee. The Supervisory Council elects the Chair and Vice Chair of the Nomination Committee and confirms its charter.

Supervisory Council Nomination Committee's composition, and meetings in 2024

Annukka Nikola, Chair
Taija Jurmu, Vice Chair

Jarna Heinonen
Teija Kirkkala
Jaakko Pehkonen
Janne Ruohonen

The Nomination Committee comprises six (6) members of whom four (4) are women and two (2) are men.

In 2024, the Nomination Committee had three meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

OP Cooperative Committee of Chairs

The Committee of Chairs comprises the Chair and Vice Chairs of the Supervisory Council, the Chair and Vice Chair of the Board of Directors, and the President and Group Chief Executive Officer. The duties of the Committee of Chairs include preparing the agendas of the Supervisory Council in cooperation with the Board of Directors, and preparing proposals to the Supervisory Council regarding the recipients of OP Financial Group's Gebhard Medals and golden badges of honour. The Chair of the Supervisory Council acts as the Chair of OP Cooperative's Committee of Chairs. The First Vice Chair of the Supervisory Council acts as the Vice Chair of OP Cooperative's Committee of Chairs.

Composition of the Committee of Chairs and meetings in 2024

Annukka Nikola, Chair
Taija Jurmu, Vice Chair

Jarna Heinonen
Jaakko Pehkonen
Timo Ritakallio
Ari Väänänen

In 2024, the Chairs had six meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

OP Cooperative's Board of Directors

Based on OP Cooperative's Bylaws, the Board of Directors is tasked with:

- controlling the operations of the central cooperative, the central cooperative consolidated, the amalgamation and the entire OP Financial Group in accordance with the Supervisory Council instructions and managing the administration and due organisation of the operations of the central cooperative in accordance with the Co-operatives Act, the Act on Credit Institutions, the Act on the Amalgamation of Deposit Banks and other legislation and with official instructions and decisions, and being responsible for ensuring that supervision of the central cooperative's accounting and financial management is duly organised (administrative duty)
- supervising that the central cooperative, its subsidiaries and the companies within the amalgamation act on the laws applied to them, orders and decisions issued by the relevant authorities, on their bylaws or articles of association and on the principles confirmed by the central cooperative's Supervisory Council and Board of Directors and the instructions they have issued (supervisory duty).
- appointing the central cooperative's Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and other directors reporting directly to the President and Group Chief Executive Officer (excluding the Deputy to the President and Group Chief Executive Officer)
- confirming a charter for itself and for each of its committees and other preparatory bodies it may set up, and appointing a chair, vice chair and members to them
- deciding on issuing supplementary shares and on the types of supplementary shares as specified in greater detail in §27 of the Bylaws, and on refusing the refund of ordinary and supplementary cooperative contributions and cancelling said refusal as specified in greater detail in §28 of the Bylaws
- deciding on donations and other similar contributions to the public good unless a decision on the matter concerned resides with the Cooperative Meeting, in accordance with §31 of the Bylaws
- deciding on convening the Cooperative Meeting and submitting draft resolutions to the Cooperative Meeting.

In addition, it is the duty of the Board of Directors to monitor developments in OP Financial Group's operating environment and changes in relevant legislation applicable to OP Financial Group and their effects on OP Financial Group's operations. A detailed description of the duties is in the charter approved by the Board of Directors.

Based on the Bylaws, the Board of Directors comprises the incumbent President and Group Chief Executive Officer and 9–13 other members appointed by the Supervisory Council. The Bylaws require that a minimum of four members of the Board of Directors must be independent of the central cooperative and other OP Financial Group companies. In the assessment of independence, the Group complies with regulations that are binding on credit institutions.

Members of the Board of Directors must have the skills and knowledge required to perform their duties and sufficient knowledge of the financial industry. The Chair of the Board of Directors must have at least ten years of experience in demanding business executive duties, and other members must have at least five years of experience in similar duties or demanding expert duties related to those required of the members of the Board of Directors. The charter of the Supervisory Council Nomination Committee specifies the eligibility criteria applied to the members of the Board of Directors.

The term of office of members of the Board of Directors other than the President and Group Chief Executive Officer is one calendar year.

Every year, the Board of Directors elects from among its members a Chair and Vice Chair. The President and Group Chief Executive Officer, or another person with an employment or executive contract with the central cooperative may not be appointed Chair or Vice Chair of the Board of Directors.

Composition of the Board of Directors, and meetings in 2024

	Name, year of birth and place of residence	Position on OP Cooperative's Board of Directors	Full-time position, job title, education/degree(s)	Independence of OP Cooperative and OP Financial Group
	**Jaakko Pehkonen,** 1960, Helsinki	Chair as of 1 January 2020	Professor of Economics, University of Jyväskylä; D.Sc. (Econ. & Bus. Adm.); rahoitusneuvos (Finnish honorary title)	
	**Jarna Heinonen** 1965, Turku	Vice Chair as of 1 January 2020	Professor in Entrepreneurship, University of Turku, School of Economics; D.Sc. (Econ. & Bus. Adm.)	
	**Matti Kiuru** 1963, Pori	Member as of 1 January 2024	Managing Director, Länsi-Suomen Osuuspankki; M.Sc. (Econ. & Bus. Adm.), eMBA	
	Katja Kuosa-Kaartti, 1973, Orimattila	Member as of 1 January 2024	Authorised Public Accountant, Authorised Sustainability Auditor, Tilintarkastus Kuosa-Kaartti Oy; M.Sc. (Econ. & Bus. Adm.), Certified Board Member	
	**Kati Levoranta** 1970, Espoo	Member as of 1 January 2020	COO, P2X Solutions Ltd; LL.M., Trained on the bench, MBA	Independent of the Group

	**Pekka Loikkanen** 1959, Kuopio	Member as of 1 January 2020	Board professional; M.Sc. (Econ. & Bus. Adm.)	Independent of the Group
	**Tero Ojanperä** 1966, Espoo	Member as of 1 July 2020	Entrepreneur; Board professional; M.Sc. (Eng.); D.Sc. (Tech.)	Independent of the Group
	**Riitta Palomäki** 1957, Tampere	Member as of 1 January 2020	Board professional; M.Sc. (Econ. & Bus. Adm.)	Independent of the Group
	**Timo Ritakallio,** 1962, Helsinki	Member as of 1 January 2020 (President and Group CEO is a Board member during their term of office)	President and Group CEO, OP Financial Group; CEO, OP Cooperative; D.Sc. (Tech.), LL.M., MBA	
	**Petri Sahlström** 1971, Oulu	Member as of 1 January 2022	Professor of Accounting and Finance, University of Oulu; D.Sc. (Econ. & Bus. Adm.)	
	**Olli Tarkkanen** 1962, Seinäjoki	Member 1 January 2020–31 December 2024	Managing Director, Etelä-Pohjanmaan Osuuspankki; LL.M., eMBA	

Olli Tarkkanen stepped down from the Board of Directors on 31 December 2024. To replace him, the Supervisory Council of OP Cooperative elected Jaana Reimasto-Heiskanen as a new member of the Board of Directors on 10 December 2024 for the term of office from 1 January to 31 December 2025.

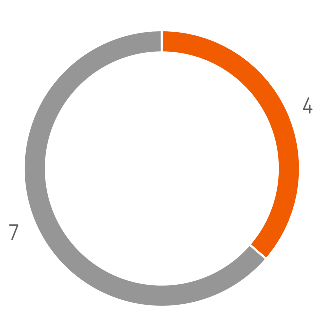
In 2024, the Board of Directors had 16 meetings. The average attendance rate of its members stood at 100%.

Information on Board members' other relevant positions is available on OP Financial Group's website at www.op.fi – OP Financial Group – About us – Corporate governance – Board of Directors

For more detailed information on members' attendance at meetings, read OP Financial Group's Remuneration Report for Governing Bodies at www.op.fi – OP Financial Group – To the media – Reports and publications – OP Financial Group's publications.

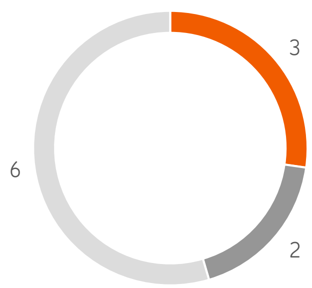
Diversity of the Board of Directors

Gender



- Women (40%)*
- Men (60%)*

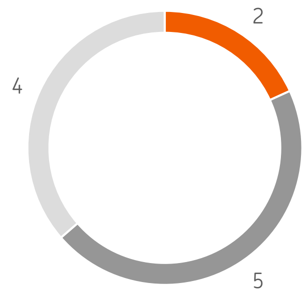
Age



- 50–55 yrs
- 56–60 yrs
- Over 60 yrs

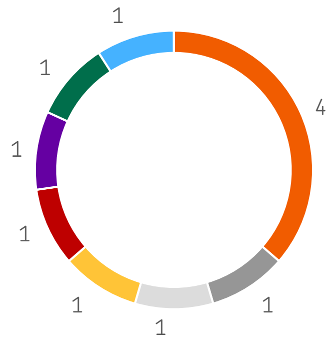
* Taking account of the rounding principles of the Finnish Corporate Governance Code 2025.

Background



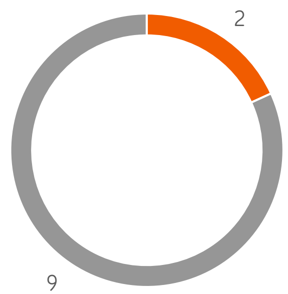
- Managing director
- Governance
- Independent

Breakdown by region



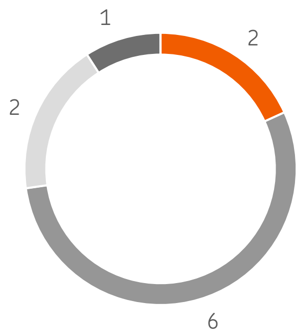
- Uusimaa
- Southwest Finland
- Pirkanmaa
- North Savo
- South Ostrobothnia
- North Ostrobothnia
- Satakunta
- Päijät-Häme

Board membership



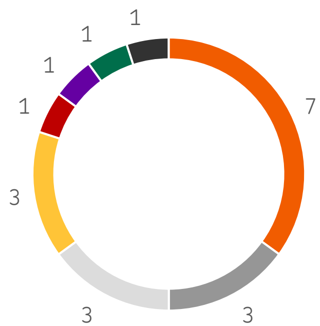
- 0–2 yrs
- Over 2 yrs

Number of degrees



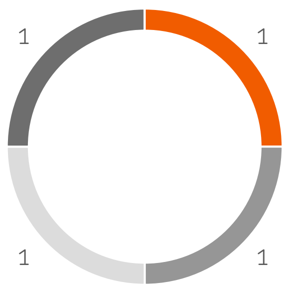
- One
- Two
- Three
- More than three

Finnish degrees



- M.Sc. (Econ. & Bus. Adm.)
- D.Sc. (Econ. & Bus. Adm.)
- eMBA/MBA
- LL.M.
- M.Sc. (Tech.)
- D.Sc. (Tech.)
- Certified Board Member
- Authorised Public Accountant

International degrees



- Master of Philosophy (M.Phil.)
- Master of Arts (M.A.)
- Master of Laws (LL.M.)
- Doctor of Philosophy (D.Phil.)

Committees of the Board of Directors

Based on the Act on Credit Institutions, the Board of Directors has the Audit Committee, the Risk Committee, the Nomination Committee and the Remuneration Committee, whose composition and duties are prescribed in the central cooperative Bylaws and whose duties in greater detail are prescribed in each committee's charter approved by the Board of Directors. These Committees assist the Board of Directors in matters within their remit.

Each Committee comprises a Chair and at least two other members elected by the Board of Directors from among its members, of whom the Chair and the majority of the members, the Chair included, must be independent of OP Financial Group companies. The President and Group Chief Executive Officer may not be selected as a member of the committees.

Audit Committee

As its legal and statutory duties, the Audit Committee assists the Board of Directors in monitoring, supervising, and preparing the efficiency of the reporting system for financial reporting and auditing, as well as for sustainability reporting and its assurance, and of internal control, internal audit and risk management systems. It also assists in monitoring and controlling the independence of the audit, the Auditor and the Authorised Sustainability Auditor (in particular the provision of non-audit and sustainability reporting assurance services by the auditor), and in preparing the appointment of the Auditor and the Authorised Sustainability Auditor.

Furthermore, the Committee assists the Board of Directors in monitoring and controlling that agreements between the entity and related parties and other legal acts meet the requirements concerning inclusion in daily operations and compliance with market terms.

To carry out its duties, the Committee, among other things:

- supervises the reliability and compliance of the financial statements, other information disclosed on the financial position and governance, and of internal and regulatory reporting related to the financial position.
- supervises the adequacy, operational efficiency and reliability of internal audit and compliance with the Internal Audit Charter.
- assesses the adequacy, operational efficiency and reliability of other internal control, and compliance with principles governing these operations, from the perspective of the sufficiency and reliability of information on financial position and of compliance with the related regulation.
- discusses OP Financial Group's accounting policies, the principles of sustainability reporting, the principles of capital adequacy measurement and the Internal Audit Charter, to be submitted to the Board of Directors for decision, with the exception of any technical or otherwise minor changes to the Internal Audit Charter, on which the Committee decides.
- discusses and assesses matters related to the audit, the Auditor, sustainability report assurance and the Authorised Sustainability Auditor.
- prepares a draft resolution regarding the election of the Auditor and Authorised Sustainability Auditor.

Audit Committee's composition and meetings in 2024

Riitta Palomäki, Chair
Jarna Heinonen, Vice Chair
Pekka Loikkanen

In 2024, the Audit Committee had five meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

Risk Committee

The Risk Committee's legal and statutory duties include:

- assisting the Board of Directors in matters relating to the central cooperative's and the entire OP Financial Group's risk strategy and risk-taking, and in supervising compliance with the risk strategy determined by the Board of Directors
- assessing whether the prices charged for services that tie the capital of OP Financial Group's companies are in line with the company's business model and risk strategy and, if this is not the case, drawing up a plan to make corrections which is to be submitted for approval by the Board of Directors
- assisting the Remuneration Committee in establishing sound remuneration schemes, and assessing whether the remuneration schemes promote taking into account the company's risks and capital and liquidity requirements, as well as revenue allocation and probability.

To carry out its duties, the Committee, among other things:

- supervises the adequacy of the business's internal control, independent risk management and compliance, operational efficiency and reliability, and compliance with principles governing these operations.

Risk Committee's composition and meetings in 2024

Pekka Loikkanen, Chair
Petri Sahlström, Vice Chair
Riitta Palomäki

In 2024, the Risk Committee had nine (9) meetings. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

Nomination Committee

The Nomination Committee's legal and statutory duties include assisting the Board of Directors in the appointment of a Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer and directors directly reporting to the President and Group Chief Executive Officer.

Nomination Committee's composition as of 1 January 2024, and meetings in 2024

Tero Ojanperä, Chair
Katja Kuosa-Kaartti, Vice chair
Kati Levoranta, member

In 2024, the Nomination Committee had one meeting. The average attendance rate of its members stood at 100%. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

Remuneration Committee

Remuneration Committee's legal and statutory duties are to assist the Board of Directors in decisions related to the management and control of the remuneration schemes. The Committee also issues a recommendation of remuneration applicable to the governing bodies of OP cooperative banks.

The Remuneration Committee provides a framework for, steers, monitors and controls the development of overall remuneration applied to employees within the entire OP Financial Group. To carry out its duties, the Committee prepares to the Board of Directors a recommendation on the remuneration applied to OP cooperative banks' senior management and members of governing bodies, among other things. The Committee prepares a proposal to the Board of Directors for changing or postponing remuneration in a situation where applying the remuneration scheme would be contrary to the interests of OP Financial Group due to the operating environment or the Group's financial position.

Remuneration Committee's composition and meetings in 2024

Kati Levoranta, Chair
Jaakko Pehkonen, Vice Chair
Tero Ojanperä, member

In 2024, the Remuneration Committee had six (6) meetings. The average attendance rate of its members stood at 100%. One of the meetings was arranged as an email meeting. For more detailed information on members' attendance at meetings, see OP Financial Group's Remuneration Report for Governing Bodies.

OP Financial Group's President and Group Chief Executive Officer

The President and Group Chief Executive Officer, who acts as the CEO of OP Cooperative, is responsible for managing OP Financial Group, the central cooperative and the central cooperative consolidated and is in charge of controlling them in accordance with the strategy confirmed by the Supervisory Council and instructions issued by the Board of Directors. The President and Group Chief Executive Officer is also responsible for Group unity and managing and developing the Executive Management Team's work.

The Supervisory Council appoints the President and Group Chief Executive Officer and decides on the terms and conditions of their executive contract. Deputy to the President and Group Chief Executive Officer is appointed in the same order as the President and Group Chief Executive Officer. The President and Group Chief Executive Officer sits on the central cooperative's Board of Directors.

Timo Ritakallio, D.Sc. (Tech.), LL.M., MBA, took up his duties as OP Financial Group's President and Group Chief Executive Officer on 1 March 2018. Harri Nummela, LL.M., eMBA, Executive Vice President, has acted as Deputy to the President and Group Chief Executive Officer and as Deputy CEO of OP Cooperative as of 1 March 2022.

OP Cooperative's Executive Management Team

The Executive Management Team acts as the central cooperative's Management Team and supports the President and Group Chief Executive Officer in managing OP Financial Group, the central cooperative and its consolidation group, in preparing strategic policies, preparing and implementing any operational issues of great significance or principal in nature, and in ensuring effective internal control, compliance and independent risk management. Decisions in the Executive Management Team are made by the President and Group Chief Executive Officer with the help of the Executive Management Team. The Executive Management Team does not make any collective decisions. In the absence of the President and Group Chief Executive Officer, the Deputy to the President and Group Chief Executive Officer makes decisions.

The Executive Management Team takes charge of the overall control of OP Financial Group, the central cooperative and its consolidation group in such a way that profit and other targets are achieved while following OP Financial Group's values, strategy and operating and management principles. The Executive Management Team also acts as an informing and coordination body for the management of different functions and business units.

By a decision of the President and Group Chief Executive Officer, the Executive Management Team may set up committees, management teams or steering groups that comprise members of the Executive Management Team and other employees. The President and Group CEO confirms the charters of the preparatory bodies, which determine their duties and possible decision-making powers, and appoints members to them unless the charter states otherwise about the appointment in question. By decision of the President and Group CEO, the Executive Management Team has set up the Steering and Compliance Committee, the Risk Management Committee, the Banking ALM Committee and the ESG Committee. Other management teams established under the Executive Management Team include the Data and Technology Management Team, the Cybersecurity Management Team, the CoEs Development Management Team, the Customer Experience Management Team, the AML Steering Group and the Disclosure Committee.

Executive Management Team's composition and meetings in 2024

Timo Ritakallio, b. 1962
President and Group Chief Executive Officer, CEO of OP Cooperative
Chair
On the Executive Management Team since 2018
D.Sc. (Tech.), LL.M., MBA

Harri Nummela, b. 1968
Executive Vice President, Banking Personal and SME Customers; Deputy to President and Group Chief Executive Officer
On the Executive Management Team since 2014, and previously from 2007 until 2010
LL.M., eMBA

Vesa Aho, b. 1974
Executive Vice President, Insurance Customers
On the Executive Management Team since 2018
M.Sc. (Econ. & Bus. Adm.)

Katja Keitaanniemi, b. 1973
Executive Vice President, Banking Corporate and Institutional Customers
On the Executive Management Team since 2018
Lic.Sc. (Tech.)

Hanna Porkka, b. 1970
Executive Vice President, Wealth Management
On the Executive Management Team since 2024
M.Sc. (Econ. & Bus. Adm.)

Kasimir Hirn, b. 1976
Chief Information Officer
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)

Rami Kinnala, b. 1969
Chief Legal Officer (CLO) and Group General Counsel (Legal Services and Compliance)
On the Executive Management Team since 2024
Master of Laws, M.Sc. (Econ. & Bus. Adm.)

Hannakaisa Länsisalmi, b. 1970
Chief People and Culture Officer
On the Executive Management Team since 2020
Ph.D. (Psych.)

Markku Pehkonen, b. 1962
Chief Risk Officer (CRO)
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)

Mikko Timonen, b. 1975
Chief Financial Officer (CFO)
On the Executive Management Team since 2022
M.Sc. (Econ. & Bus. Adm.)

The relevant previous experience and other relevant positions of members of the Executive Management Team are presented on OP Financial Group's website at www.op.fi – OP Financial Group – About us – Corporate governance – Executive Management Team.

The Executive Management Team comprises ten (10) members of whom three (3) are women and seven (7) are men. The President and Group Chief Executive Officer and the Deputy to President and Group Chief Executive Officer are men.

In 2024, the Executive Management Team had 44 meetings. The average attendance rate of its members stood at 93%.

Subsidiaries of the central cooperative consolidated

In each subsidiary of the central cooperative consolidated, the board of directors is responsible for the subsidiary's governance and for due organisation of its operations. When performing their duties, the boards of directors take account of OP Financial Group's strategic statements and other policy lines, confirmed principles and guidelines issued and confirmed by OP Cooperative's Supervisory Council, Board of Directors and President and Group Chief Executive Officer concerning matters where the central cooperative is obliged or has the right to issue policy lines and guidelines regarding the entire Group.

OP Cooperative's (the central cooperative's) Board of Directors presents significant subsidiaries of the central cooperative with proposals for the appointment of board members (aside from representatives of member cooperative banks). The Supervisory Council, in turn, presents significant central cooperative subsidiaries with proposals for the appointment of board members representing member cooperative banks. After this, the subsidiary's board of directors is elected in a manner specified in the Articles of Association and the laws in force. As part of corporate governance, the central cooperative's Board of Directors also makes advance proposals for the appointment of the above-mentioned subsidiaries' managing directors and their deputies. The Group's guidelines on managing conflicts of interest are applied in such selections.

The charters of the subsidiaries' boards of directors describe the duties of each board of directors. The boards of directors annually draw up an action plan showing a meeting schedule and the most important items on each meeting's agenda.

The major subsidiaries by segment are described in the section "Structure of OP Financial Group - OP Financial Group".

The members of the boards of directors and the Managing Directors, Deputy Managing Directors, Presidents and Deputy Presidents of major subsidiaries engaged in business in 2024

Company	Board of Directors	CEO/Managing Director
OP Corporate Bank plc	Ritakallio Timo, Chair Sorri Pasi (until 1 April 2024) Rinne Petteri Timonen Mikko Lehtilä Olli Tuovinen Tiia (until 30 June 2024) Länsisalmi Hannakaisa (as of 1 July 2024) Vepsäläinen Mikko (as of 2 April 2024)	CEO: Keitaanniemi Katja Deputy CEO: Jaulimo Jari
OP Mortgage Bank	Timonen Mikko, Chair Heikkilä Mari Nurmi Satu	CEO: Eriksson Sanna Deputy CEO: Ruotsalainen Tuomas
OP Retail Customers plc	Nummela Harri, Chair Nikula Leena (until 1 April 2024) Posio Keijo (until 1 April 2024) Hirn Kasimir Tuovinen Tiia (until 30 June 2024) Sorri Pasi (2 April 2024–31 October 2024) Reimasto-Heiskanen Jaana (2 April 2024–31 December 2024) Porkka Hanna (as of 1 July 2024) Timonen Mikko (as of 11 December 2024)	CEO: Peura Masa Deputy CEO: Peltola Heikki (until 31 October 2024) Sorri Pasi (as of 1 November 2024)
Pohjola Insurance Ltd	Ritakallio Timo, Chair Länsisalmi Hannakaisa (until 30 June 2024) Reimasto-Heiskanen Jaana (until 1 April 2024) Vilpponen Jani (until 1 April 2024) Timonen Mikko Nikula Leena (as of 2 April 2024) Posio Keijo (as of 2 April 2024) Keitaanniemi Katja (as of 1 July 2024)	CEO: Aho Vesa Deputy CEO: Puustinen Pekka
OP Life Assurance Company Ltd	Aho Vesa, Chair Tuovinen Tiia (until 30 June 2024) Länsisalmi Hannakaisa (as of 1 July 2024) Mourujärvi Piia Timonen Mikko Arvio Kalle	CEO: Heinonen Sari (until 31 January 2024) Michelsson Kristiina (as of 1 May 2024) Deputy CEO: Taponen Katja

Company	Board of Directors	CEO/Managing Director
OP Fund Management Company Ltd	Nummela Harri, Chair Erkkilä Elina (as of 24 September 2024) Vanha-Honko Vesa-Matti Tanhuanpää Annina (until 23 September 2024)	CEO: Takala Juha Deputy CEO: Forsström Pauliina
OP Asset Management Ltd	Keitaanniemi Katja, Chair (until 1 April 2024) Porkka Hanna, Chair (as of 2 April 2024) Kivimäki Mika (until 1 April 2024) Kuvaja Jussi (until 1 April 2024) Vehviläinen Lasse (as of 2 April 2024) Vilpponen Jani (as of 2 April 2024) Timonen Mikko Kalajainen Kai (until 30 June 2024) Kinnala Rami (as of 1 July 2024)	CEO: Virtala Tuomas Deputy CEO: Saariaho Kalle
OP Custody Ltd	Tiihonen Jarmo, Chair Lauha Janne Palu Anni	Managing Director: Sakki Kirsi Deputy Managing Director: Ylikoski Kirsi

Internal and external control

Internal control

Internal control means continuous activities implemented by the management and other personnel with the aim of providing reasonable assurance of the achievement of targets related to functions, reporting and compliance. It consists of continuous advance guidance and retrospective assurance tasks and functions, which seek to ensure high-quality operations and compliance with guidelines and regulations. These actions apply to all operations, including outsourced services.

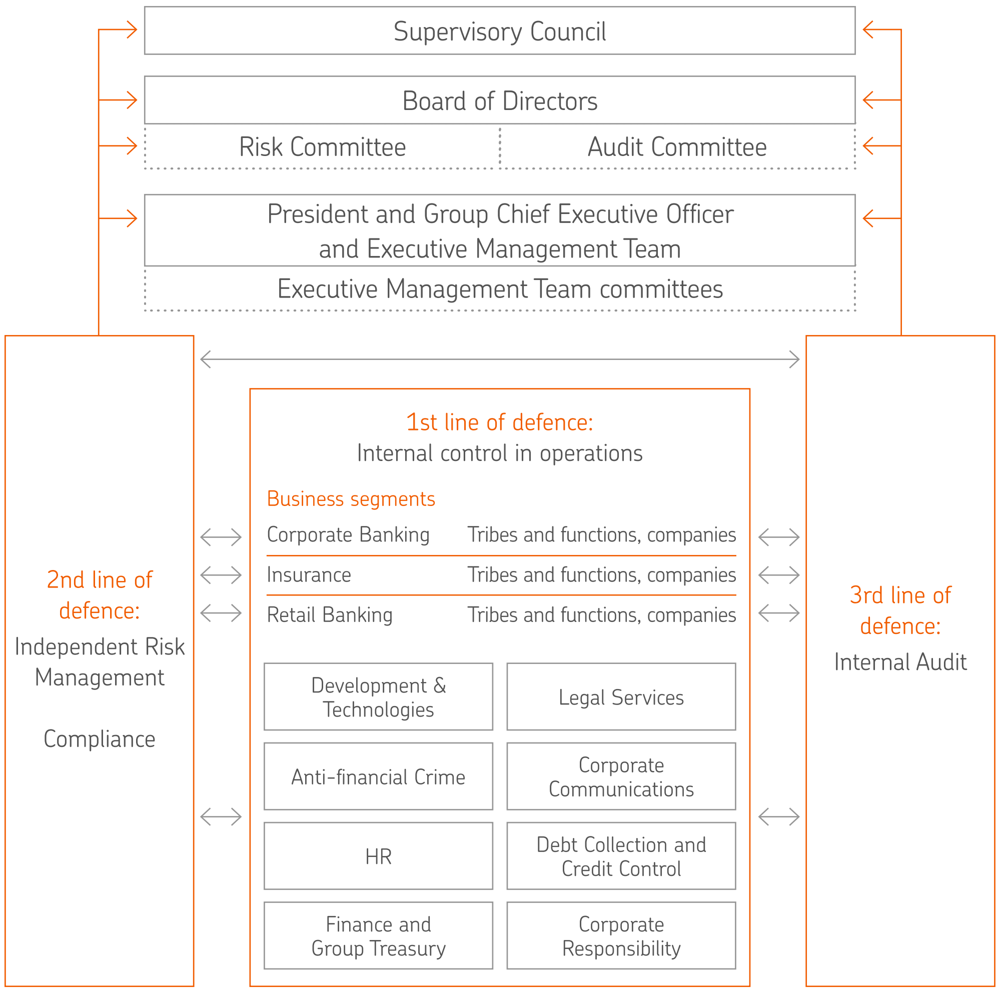
At OP Financial Group, OP Cooperative's Board of Directors confirms the Group-level principles of internal control that all OP Financial Group entities follow.

The aim of internal control at OP Financial Group is to promote and ensure that the key functions:

- implement the strategy and achieve the goals
- manage risks and capital adequacy
- operate effectively and reliably
- have reliable financial and other reporting
- comply with instructions and regulations.

Internal control involves all of the internal guidance exercised to ensure that OP Financial Group's operations are directed towards its targets. It includes all of the operating methods intended to ensure high-quality leadership, risk prevention and management, operational development, the assessment of profitability, accurate reporting and regulatory compliance in operations. Internal control seeks to ensure that the management lays the foundations for high-quality operations.

Lines of defence



The roles and responsibilities related to internal control and risk management are arranged into three lines of defence. The first line of defence, the business and centralised functions, are the risk owners. Therefore, they are responsible for compliance with the principles of the confirmed risk management framework – the risk limits and moderate risk appetite – as well as the principles of internal control.

The business is primarily responsible for organising, implementing and monitoring internal control in the processes it owns, including any tasks or services outsourced within the Group or to third parties. The business must perform internal control on an ongoing basis as part of its daily routines, with the aim of ensuring that its operations are in line with the objectives. The business is responsible for ensuring that the reported information is correct and sufficient.

The second line of defence consists of Risk Management and Compliance functions that are independent of businesses. The Risk Management function prepares a risk management framework for approval by OP Financial Group's management. The first line of defence arranges its risk-taking and its daily management within this framework. The Risk Management and Compliance functions support and constructively spar with the businesses on how they arrange their operations, operational prerequisites and internal control within the scope of principles set by the Board of Directors and external regulation. They supervise that risk management and other internal control in the first line of defence are implemented in accordance with the principles set by the Board of Directors and regulations, and report any deficiencies they detect in risk management processes to the executive management. The Risk Management function supervises that risk-taking complies with the qualitative and quantitative restrictions set by executive management, assesses the achievement of risk-taking objectives and reports its observations to the management of OP Financial Group and Group companies. It also assesses how risks of the businesses and the entire Group develop in scenarios relevant to OP Financial Group.

The central cooperative's Compliance is responsible for monitoring and ensuring compliance with internal and external rules throughout the organisation, maintaining and developing the framework of compliance activities (principles, procedures and roles), and assessing compliance risks.

The third line of defence, the central cooperative's Internal Audit, which is independent of the business and the second line of defence, performs independent internal audit activities directed at governance, risk management and control processes and reports to the Group entities' boards of directors and other management.

Every line of defence is responsible for the organisation, adequacy and implementation of the internal control of its own activities.

In the central cooperative's governance, the Audit Committee of the Board of Directors, in particular, has a major role in ensuring that internal control performs effectively and in compliance with regulation. Internal control observations, the recommendations given to the business concerned and the progress of implementation of such recommendations are reported to the Committee on a regular basis.

The board of directors of each OP Financial Group entity is tasked with ensuring that each entity's internal control is duly organised, taking account of the Group-level internal control principles and the supplementary central cooperative guidelines. Each entity's managing director and senior management are responsible for ensuring internal control in practice and that duties are duly segregated.

Internal control is complemented by the opportunity of anyone employed by an OP Financial Group entity to report through an independent channel if they suspect that rules or regulations have been violated (whistleblowing). The channel is also available to parties outside of OP Financial Group.

Compliance

Managing compliance risks forms part of internal control and good corporate governance and, as such, forms an integral part of business management and corporate culture. Responsibility for regulatory compliance and its supervision within OP Financial Group entities rests with the Group Senior Management and senior management, and all supervisors and managers. In addition, everyone employed by OP Financial Group is responsible for their part for regulatory compliance.

Compliance assists executive and senior management and the businesses in the management of risks associated with regulatory non-compliance, supervises regulatory compliance and, for its part, develops internal control further. Guidelines, advice and support concerning compliance within OP Financial Group are the responsibility of the Compliance organisation that is independent of the businesses. The Compliance organisation is led by the Chief Compliance Officer appointed by OP Cooperative's Board of Directors. The Compliance Officer regularly reports to the Chief Legal Officer (CLO) and Group General Counsel in administrative terms and the Risk Committee of the Board of Directors of OP Cooperative in operational terms.

Compliance ensures that regulations are complied with and implemented mainly by performing compliance supervision, drawing up risk assessments and engaging in the work of regulation change management working groups. OP cooperative banks have their own designated persons in charge of compliance. In order to ensure that their operations comply with regulations, OP cooperative banks receive support from the central cooperative's Retail Banking Steering, which is part of the first line of defence. In addition, the central cooperative's Compliance organisation controls and supports OP cooperative banks' compliance measures. As part of the first line of defence, different business segments have risk management and compliance roles that support regulatory compliance and internal control in addition to the support provided by Legal Services.

Any observations made within compliance are reported regularly to the business segments, to OP Cooperative's Executive Management Team and its Steering and Compliance Committee, and to the Risk Committee and Audit Committee of the Board of Directors. In addition, Compliance reports compliance matters required by regulation to the boards of directors of the central cooperative consolidated's major subsidiaries on a quarterly basis, including its key compliance observations, compliance recommendations and the progress in implementing such recommendations.

One of the strategic priorities of OP Financial Group is to strengthen the risk management and compliance culture. In 2024, Compliance updated OP Financial Group's compliance risk assessment and ML, TF and sanctions risk assessments, which constitute key tools in the risk-based targeting of compliance supervision and compliance support provided to business divisions. Furthermore, Compliance continued to develop its procedures and use data analytics as part of its compliance risk assessment and supervision. Compliance increased its human resources during the year.

Risk management

At OP Financial Group, OP Cooperative's Board of Directors is the most important decision-making body for duties related to risk management. OP Cooperative's Supervisory Council confirms the decisions by the Board of Directors that apply to OP Financial Group's risk appetite. The Risk Committee of the Board of Directors assists the Board of Directors in performing duties related to risk-taking and risk management (for further information, see the section "Risk Committee"). Based on a decision by the President and Group Chief Executive Officer, the Executive Management Team has set up a Risk Management Committee, Steering and Compliance Committee and Banking ALM Committee that approve instructions and policy descriptions specifying the RAS and the RAF. The risk management-related tasks of various bodies are described in more detail in their respective charters.

The principles for the arrangement of OP Financial Group's risk management set by OP Cooperative's Board of Directors and prepared by OP Cooperative's senior management are as follows:

- Strategy and OP Financial Group's Risk Appetite Statement (RAS): The Risk Appetite Statement outlines and gives grounds for the risks each business is ready to take, and to what extent. Businesses are obliged to operate within the limits of these restrictions. If there is a need to change a business strategy quickly and this change has direct effects on risk-taking, the senior management ensures that the Chief Risk Officer is informed of the need to prepare changes in the instructions on risk-taking.
- Division of responsibilities: Senior management decides on how risk-taking responsibilities are divided. The Group defines what risks different revenue logics (product and service packages) can take and any potential elaborations on what risks can be taken by legal entities and various functions within these revenue logics. Principles and decisions on the division of responsibilities between company roles prevent uncontrolled risk accumulation by ensuring that risks are diversified.
- Governance structures provide the basis on which key principles guide operations and the related policies, and operating instructions are appropriately prepared and resolved. In addition, governance structures provide a basis for the proper assessment and supervision of the quality, scope and complexity of each activity by expert, business-independent parties, in addition to the business's own monitoring. Senior management must ensure the maintenance and development of sufficient resourcing and expertise for the monitoring functions of the first, second and third line of defence.
- Risk Appetite Framework (RAF): OP Financial Group's RAF defines the general strategic intents of the risk management process. The RAF steers senior management on how it must organise the risk management process at OP Financial Group.
- Joint and several liability: Control of joint and several liability between the central cooperative and member banks is based on the document Principles of Corporate Governance as Required under Joint and Several Liability.
- Remuneration principles: OP Financial Group's remuneration schemes are built in line with the Group's mission, core values and targets. Remuneration must not incentivise unnecessary risk-taking contrary to the risk appetite set by management, or against the customer's interests. Remuneration is based on the same risk measurement methods

as e.g. capital and liquidity adequacy assessment processes whether this includes the setting of remuneration and any risk adjustments made before its payment.

- Internal control, good business practices and corporate security: Principles of internal control, good corporate governance and good business practices and corporate security also set preconditions for practices.

In 2024, the key areas of development included: 1) Increasing the predictability of capital adequacy assessment; 2) Ensuring the quality of capital adequacy calculation for market risk and preparing for changes in regulation concerning market risk; 3) Improving the discriminatory power and accuracy of credit risk measurement using new internal credit risk models; 4) Improving the clarity and effectiveness of risk reporting; 5) Developing security management reporting; 6) Developing the ICT infrastructure architecture of risk management; 7) Testing the plans of the confirmed resolution strategy, describing in more detail the practical implementation of a merger in resolution, speeding up liquidity reporting and improving data quality.

Internal Audit

Internal audit constitutes independent and objective assessment, verification and consulting activities with a view to generating added value to OP Financial Group and improving its operations. The central cooperative's Internal Audit is responsible for the performance of Group-level, risk-based internal audit in all OP Financial Group entities. Internal Audit is headed by the Chief Audit Executive appointed by OP Cooperative's Board of Directors. The Chief Audit Executive regularly reports to the President and Group CEO and the Audit Committee of the Board of Directors of OP Cooperative.

Internal Audit annually draws up an action plan based on the Internal Audit assessment of current risks and significant future risks associated with OP Financial Group's operations. The action plan and its changes, if any, are discussed by OP Cooperative's Executive Management Team and the Audit Committee of the Board of Directors and approved by OP Cooperative's Board of Directors. Internal Audit regularly reports its audit observations and the implementation status of its recommendations to OP Financial Group's executive and senior management.

In its activities, Internal Audit complies with the Internal Audit Charter confirmed by OP Cooperative's Board of Directors, and the Global Internal Audit Standards confirmed by the Institute of Internal Auditors (IIA). Internal audit performance is subject to external quality assessment every five years.

In 2024, internal audits were targeted at all of the central cooperative's business and Group Functions and at OP cooperative banks. The audits were prioritised and targeted on the basis of Internal Audit's risk assessments and action plan while taking account of OP Financial Group's strategic targets, regulatory requirements and Internal Audit's priorities.

External control

Audit

OP Cooperative has one auditor, which must be a firm of authorised public accountants certified by the Finnish Patent and Registration Office. The auditor also audits the consolidated financial statements as referred to in section 9 of the Act on the Amalgamation of Deposit Banks, i.e. the OP Financial Group's financial statements. The Cooperative Meeting elects the auditor.

The term of office of the auditor expires upon the closing of the Annual Cooperative Meeting following its election. The Audit Committee of OP Cooperative's Board of Directors puts audit services out to tender at some seven years' interval, on the basis of which it makes a recommendation to the Board of Directors on the auditor to be appointed. The last competitive tendering of an auditor was carried out in 2022 for 2024. The Board of Directors makes a proposal to the Cooperative Meeting regarding the appointment of an auditor.

The auditor is tasked with auditing the company's accounting, financial statements and governance. In addition, the auditor issues other statements on the basis of specific regulation applicable to the sector.

The Audit Committee of the Board of Directors deals with and assess matters related to audit and auditors:

- by regularly consulting the auditor
- by discussing and assessing the audit plan, auditor's reports and other relevant reports issued by the auditor
- by monitoring and assessing audits
- by assessing the auditor's independence of mind
- by assessing the provision of non-audit (ancillary) services and monitoring their use
- by approving special assignments given to the auditor.

The audit firm PricewaterhouseCoopers Oy has acted as OP Cooperative's auditor since 2024, with authorised public accountant Lauri Kallaskari as the Chief Auditor since 2024.

PricewaterhouseCoopers Oy acts as the auditor of entities belonging to OP Cooperative Consolidated, or the central cooperative consolidated, with auditors appointed by PricewaterhouseCoopers Oy acting as Chief Auditors. The audit firm PricewaterhouseCoopers Oy also acts as the auditor of OP Financial Group member cooperative banks.

Audit fees for statutory audit are based on an annual plan.

In 2024, audit fees paid to PricewaterhouseCoopers Oy totalled EUR 5.4 million, whereas assignments as referred to in chapter 1, section 1, subsection 1, paragraph 2 of the Auditing Act totalled EUR 0.5 million, fees for tax advisory services EUR 0.2 million and fees for other services EUR 0.4 million.

Audit fees for 2023 totalled EUR 3.9 million of which EUR 3.7 million were paid to OP Cooperative's auditor KPMG Oy Ab. Fees for assignments in 2023 as referred to in chapter 1, section 1, subsection 1, paragraph 2 of the Auditing Act totalled EUR 0.1 million, fees for tax advisory services EUR 0.2 million and fees for other services EUR 1.8 million.

Control within the amalgamation of deposit banks

The amalgamation of deposit banks is formed by OP Cooperative (the central cooperative), companies belonging to its consolidation group, the central cooperative's member credit institutions and companies belonging to the consolidation groups of such institutions, as well as credit institutions, financial institutions and service companies in which the aforementioned institutions jointly hold more than half of the voting rights. OP Cooperative controls the amalgamation's operations and provides the companies within the amalgamation with guidelines on the qualitative requirements for safeguarding their liquidity and capital adequacy, as well as guidelines for their risk management, good corporate governance and internal control. The central cooperative may also confirm general principles to be followed by the member credit institutions in operations relevant to the amalgamation.

In addition, OP Cooperative supervises the amalgamation entities in the manner referred to in the Act on the Amalgamation of Deposit Banks.

Regulatory supervision

The European Central Bank's (ECB) banking supervision supervises the capital adequacy of OP Financial Group's credit institution activity. In other respects, the Finnish Financial Supervisory Authority oversees OP Financial Group and its investment firms and insurance companies in Finland as prescribed in legislation governing financial and insurance markets. OP Financial Group's operations in Estonia, Latvia and Lithuania are supervised to an applicable extent by the national regulators.

Financial reporting process

The different financial management units subordinate to OP Financial Group's CFO take charge of not only the preparation of interim reports, half-year financial reports, financial statements bulletins and annual financial statements for OP Financial Group and Group entities, as required by financial accounting, but also of the production of management accounting reports, such as monthly reports on business performance. The Controller function within OP Financial Group also produces earnings forecasts, analyses the actual outcome in comparison with the forecasts, and reports on any deviations.

Group-level financial information correctly consolidated using sub-ledger accounting and OP Financial Group entities' information forms the basis of reliable financial reporting.

OP Financial Group uses Group-wide financial reporting and risk reporting to monitor the achievement of business goals and financial targets, and these reports are regularly reviewed at the meetings of senior management and OP Cooperative's Board of Directors. The management compares financial information in financial reports with related plans, and analyses any differences. In addition, the management assess the earnings outlook for the current year and for a longer period of time. The same principles apply to the management's monthly financial performance and risk reports. When preparing and examining the report, the management ascertains the accuracy and correctness of the financial results and reporting by analysing the performance and risk exposure and any deviations from targets.

External reporting is based, for example, on the International Financial Reporting Standards (IFRS), the Finnish Limited Liability Companies Act, the Act on Credit Institutions, the Insurance Companies Act, the Accounting Act, and the standards and regulations issued by the Financial Supervisory Authority. OP Financial Group's shared principles are applied in the accounting, financial statements and consolidated financial statements of OP Financial Group entities.Responsibility for the interpretation of, guidelines on and advice on International Financial Reporting Standards (IFRS), other laws governing the preparation of financial statements and official accounting requirements as well as the preparation of and compliance with common accounting policies rests with OP Cooperative, OP Financial Group's central cooperative. Whenever necessary, the entity turns to auditors who give a statement of the selected principles and interpretations.

Organisation of financial reporting

OP Cooperative's Board of Directors is the highest decision-making body in matters associated with business control. The Board of Directors must ensure that supervision of accounting and treasury is duly organised. It decides on reporting, procedures and qualitative and quantitative indicators used to assess operational efficiency and performance. The Board of Directors discusses and approves OP Financial Group's financial statements and interim reports (including half-year financial reports and financial statements bulletins).

The legal and statutory duty of the Audit Committee of the Board of Directors is to assist the Board of Directors in monitoring and controlling the financial reporting system. To carry out its duties, the Committee supervises the reliability and compliance of the financial statements, other information disclosed on the financial position and governance, and of internal and regulatory reporting related to the financial position by:

- discussing OP Financial Group's financial statements, half-year financial reports and interim reports as well as other information disclosed on OP Financial Group's financial position, and the financial statements of the central cooperative consolidated
- assessing the Corporate Governance Statement issued annually
- assessing significant or exceptional transactions and the related management judgement
- assessing the appropriateness and efficiency of the processes for preparing financial statements, half-year financial reports and interim reports and the processes for internal and regulatory reporting concerning the financial position as well as the sufficiency and reliability of data used in these processes
- ensuring that financial reporting fulfils sustainability related regulatory requirements
- regularly consulting the Chief Compliance Officer who is responsible for independent compliance
- familiarising itself with audit reports issued by the authorities supervising OP Financial Group and with other reports, and by assessing any measures such reports require
- assessing how OP Financial Group complies with laws, statutes, official regulations and instructions and regulatory requirements
- monitoring regulatory developments

- supervising the management's response to any shortcomings discovered in the effectiveness of internal control, to non-compliance observations and to recommendations issued by Internal Audit.

The CEO must ensure, in accordance with the Co-operatives Act, that the company's accounting is in compliance with applicable laws and that treasury has been organised in a reliable manner. OP Cooperative's Finance and Group Treasury, independent of business lines/divisions, is responsible for the company's financial reporting.

The Group has centralised the preparation of financial statements and interim reports (including half-year financial reports and financial statements bulletins) so that they are prepared independently of business lines/divisions. OP Financial Group's shared systems are primarily used in reporting. Operational duties related to financial and management accounting have also been centralised at central cooperative consolidated level.

Independent assessment of financial reporting

The purpose of a statutory audit is to audit a company's accounting, financial statements and governance. Based on the audit, the auditor issues a statement on the financial statements.

In its process audits, Internal Audit also assesses, when applicable, the effectiveness and adequacy of financial reporting, and reports these audits to the senior management and the Audit Committee of the Board of Directors.

OP Financial Group is a reporting entity as referred to in the Act on the Amalgamation of Deposit Banks, which consists of the central cooperative with its subsidiaries, and member credit institutions (member cooperative banks) with their subsidiaries. OP Financial Group's financial statements have been prepared as a combination of the financial statements and consolidated financial statements of OP Cooperative and its subsidiaries, and member credit institutions within the amalgamation of deposit banks, in the manner required by section 9 of the Act on the Amalgamation of Deposit Banks.

OP Financial Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the Act on the Amalgamation of Deposit Banks. The IFRS refer to the following guidelines: IASs, IFRSs and SIC and IFRIC interpretations effective on 31 December 2024 and adopted in accordance with Regulation (EU) No. 1606/2002 of the European Parliament and of the Council. OP Financial Group's notes also conform to the requirements of the Finnish accounting legislation.

Insider management and public access to insider registers and lists

Entities providing OP Financial Group's investment service, such as member credit institutions of the amalgamation of deposit banks, have the Guidelines for Insiders and Insider Trading as part of OP Financial Group's Guidelines for Insiders and Insider Trading. The Guidelines contain regulations governing inside information, prohibition against abuse and improper disclosure of inside information, public disclosure of inside information, public registers of insider holdings, non-public lists of insiders, lists of executives as well as reporting and disclosure of transactions, trading restrictions applicable to insiders as well as insider management. The Guidelines also cover restrictions imposed on relevant persons and the organisation of supervision of compliance with the restrictions.

In addition, OP Corporate Bank plc and OP Mortgage Bank as OP Financial Group's issuers of securities have separate guidelines for insiders and insider trading, which they apply in their role as issuers. These companies have a list of the executive insiders of the issuer. In addition, those who are considered to have ongoing access to all inside information on securities issued by OP Corporate Bank plc are included in the permanent non-public insider list of OP Corporate Bank plc.

The Insider Guidelines and Guidelines for Insider Trading are based on laws governing securities markets, such as the Market Abuse Regulation, regulations and guidelines issued by the Finnish Financial Supervisory Authority, Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki, and Trading Instructions for FFI Member Organisations.

The Guidelines are aimed at fostering stock market players' trust in OP Financial Group, OP Corporate Bank plc and OP Mortgage Bank.

OP Financial Group's Legal Services maintains public insider registers of the Group entities, registers of relevant persons and, in respect of OP Corporate Bank plc and OP Mortgage Bank as issuers of securities, the lists of executives and, in respect of OP Corporate Bank plc, the list of company-specific permanent insiders. Such maintenance is organised through the SIRE system maintained by Euroclear Finland Ltd.

Whenever necessary, OP Financial Group companies keep project-specific insider lists.

As credit institutions providing investment services, OP Financial Group's member cooperative bank operations include participation in securities trades performed by clients or in other transactions related to securities. In connection with financing arrangements or as part of the bank's other ordinary operations, member cooperative banks and their executives and salaried employees may also receive inside information on client companies. For the abovementioned reasons, among other things, member cooperative banks and their executives and salaried employees are subject to insider regulation as referred to in the applicable law.

Training in insider issues is available on a regular basis. Such training will particularly take place at times following changes in insider guidelines.

Anyone has the right to access the public register of insider holdings and receive extracts and copies of the information in the register against a charge. However, a natural person's personal identity code and address and the name of a natural person other than the insider are not publicly available. Information included in the register of the relevant persons, the list of permanent insiders or the list of project-specific insiders is not publicly available, unlike that included in public insider registers. Extracts from and copies of the public insider register can be ordered from OP's Legal Services for Wealth Management unit. Written requests for such information specifically describing the information should be submitted to:

OP Legal Services
Legal Services for Wealth Management
P.O. BOX 308
FI-00013 OP

Principles for related party transactions

OP Financial Group observes regulations governing related party transactions as provided by the Act on Credit Institutions, the Limited Liability Companies Act and IAS 24 (including the decree of the Ministry of Finance on the financial statements and consolidated financial statements and the report by the board of directors of credit institutions and investment firms, and the Accounting Ordinance).

OP Cooperative's Board of Directors has approved the principles for OP Financial Group related party lending and investments in the related party of a Group entity, which are observed by the following OP Financial Group entities: OP Corporate Bank plc, OP Mortgage Bank, OP Retail Customers plc, OP Asset Management Ltd and OP cooperative banks.

OP Financial Group has defined related parties and related party transactions as stipulated in the Act on Credit Institutions and the Limited Liability Companies Act as well as in the reference provision included in the decree of the Ministry of Finance and the Accounting Ordinance as required by IAS 24. Information on persons and entities included in related parties is registered in a separate register which contains the identification details of these persons and entities, as well as the reason for them being included in related parties. Related party transactions are recorded, and there is a defined decision-making procedure for related party lending and investments.

In connection with the guidelines for related party lending and investments, OP Financial Group companies' boards of directors have confirmed the decision-making powers associated with such lending and investments. Related party lending and investments are approved either by the board of directors or by a separately defined decision-making body authorised by the board of directors. A board decision is always required if a related party loan or investment is not granted under normal loan terms.

Related party lending and investments are regularly reported to companies and regularly controlled as part of compliance supervision. Persons in charge of compliance in credit institutions report any observations concerning related party lending and investments to the credit institutions' boards of directors on an annual basis. In addition, any observations are reported to the central cooperative's Compliance organisation.

OP Financial Group entities report related party transactions in the notes to the accounts as specified in IAS 24.

Disclosure policy

OP Cooperative's subsidiaries OP Corporate Bank plc and OP Mortgage Bank are in charge of OP Financial Group's funding from money and capital markets. Securities issued by OP Financial Group entities are traded on Euronext Dublin (issued as of 16 February 2018), London Stock Exchange (issued prior to 16 February 2018), or other stock exchanges, in addition to or in place of Nasdaq Helsinki. Additionally, OP Corporate Bank plc has issued and may issue unlisted bonds and/or certificates of deposit on the Finnish, UK, Irish, Australian and Japanese markets, among others. OP Mortgage Bank may also issue unlisted bonds on the German market, among other things.

In their disclosure policy, OP Financial Group, OP Corporate Bank plc and OP Mortgage Bank comply with legislation, decrees and other binding regulations, the regulations and guidelines issued by the Finnish Financial Supervisory Authority and the European Securities and Markets Authority (ESMA), the rules of Euronext Dublin and the rules of London Stock Exchange. In addition to the above, OP Financial Group's communications take account of the rules of Nasdaq Helsinki and other stock exchanges not specified above (as applicable), and the Corporate Governance guidelines and the Code of Business Ethics of OP Financial Group.

OP Financial Group's Communications and Disclosure Policy applies to the disclosure principles and practices of bond issuers (OP Corporate Bank plc and OP Mortgage Bank) and OP Financial Group. OP Financial Group's Communications and Disclosure Policy was adopted by OP Cooperative's Board of Directors on 30 October 2024, OP Corporate Bank plc's Board of Directors on 30 October 2024 and OP Mortgage Bank's Board of Directors on 31 October 2024.

The objective of OP Financial Group's Communications and Disclosure Policy is to ensure that all market participants have sufficient and accurate information concerning OP Financial Group's matters that may materially affect the value of securities issued by OP Corporate Bank plc and OP Mortgage Bank. OP Financial Group decides the disclosure of information by assessing at Group level whether the matter or event in question materially affects OP Financial Group's or the issuer's capital adequacy and repayment capacity and, through this, the value of a security.

It is the duty of OP Cooperative to ensure that OP Corporate Bank plc and OP Mortgage Bank too disclose, distribute and make available information on matters covered by the disclosure obligation as prescribed by law. The subsidiaries report and publish their own interim reports, financial statements and reports by the board of directors. OP Cooperative discloses for and on behalf of its subsidiaries other information that falls under its disclosure obligation. Communication with regard to securities issued by OP Corporate Bank plc and OP Mortgage Bank is decided upon on a case-by-case basis with the issuer. Responsibility for the issuer's disclosure obligation rests with each issuer.

The Communications and Disclosure Policy describes the key principles and policies followed by OP Financial Group and issuers in their communication with capital market participants and other stakeholders. In addition, the policy describes the disclosure, dissemination and storage of the information within the scope of the disclosure obligation as prescribed by law. OP Financial Group assesses the consistency, suitability and sufficiency of the Group's Communications and Disclosure Policy on a regular basis, at least once a year.

OP Financial Group's Communications is tasked with promoting the Group's business by providing all stakeholders with accurate information on the Group's goals, targets and operations. External and internal communications aim to support the Group's strategic and business goals and enhance and maintain the Group's strong corporate image while fostering cooperation within the Group. Both external and internal communications are based on facts and provide a true picture of the state of affairs.

The disclosure policy is available at www.op.fi – OP Financial Group – To the media – Communications and disclosure policy.

OP Financial Group's Remuneration Report for Governing Bodies 2024

Introduction

This Remuneration Report for Governing Bodies describes the salaries and fees/bonuses for 2024 paid to the members of OP Cooperative's Supervisory Council and Board of Directors, the President and Group Chief Executive Officer and their deputy as well as the Executive Management Team of OP Cooperative. The Report also presents five-year comparative remuneration figures for the Supervisory Council, Board of Directors, and President and Group Chief Executive Officer.

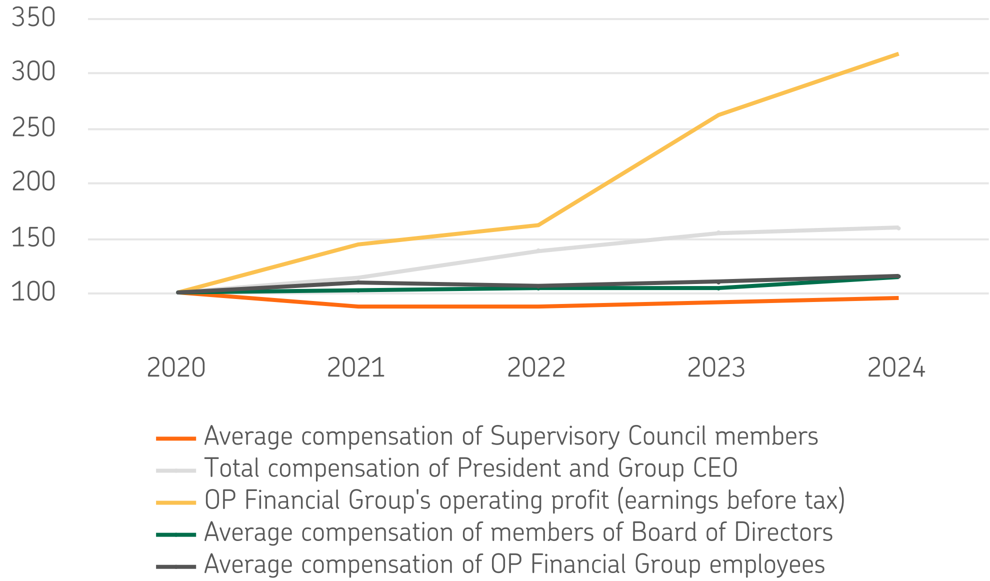
OP Financial Group employees' average compensation has been calculated by dividing OP Financial Group's total salaries and bonuses by the annual average number of OP Financial Group employees.

OP Financial Group's operating profit best describes the performance of OP Financial Group's business, and its earnings are a key indicator for remuneration at OP Financial Group.

Average remuneration

Average remuneration (in euros)	2024	2023	2022	2021	2020
Average compensation of Supervisory Council members	14,332	13,680	13,083	13,083	15,011
Average compensation of members of Board of Directors	101,615	92,660	92,140	90,800	89,000
Total compensation of President and Group CEO	1,465,384	1,417,982	1,267,359	1,045,885	921,896
Average compensation of OP Financial Group employees	61,884	59,011	56,646	58,267	53,660
OP Financial Group's operating profit, EUR million	2,486	2,050	1,265	1,127	785

Compensation and EBT*



* The graph was corrected on 24 March 2025 in the Annual Report available for download at op.fi.
OP Financial Group's Annual Report 2024 was published on 13 March 2025.

Supervisory Council compensation

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

Supervisory Council compensation	Chair (€/ month)	Vice Chair (€/ month)	Member (€/ month)	Meeting fee (€/meeting)
1 January 2024 – 30 April 2024	5,500	2,750	440	660
1 May 2024 – 31 December 2024	5,700	2,850	455	685

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

The following table shows the meeting attendance of Supervisory Council members and the attendance fees paid to them in 2024:

	Meeting attendance *****					Fees, €		
Supervisory Council member	Supervisory Council	Strategy Unit	Responsibility and Remuneration Unit	Chairs	Nomination Committee	Attendance fees	Monthly fees	**Total fees**
Nikola Annukka, Chair	4/4	3/3	3/3	6/6	3/3	12,890	67,600	**80,490**
Jurmu Taija, 1st Vice Chair	4/4	1/1	3/3	6/6	3/3	12,230	33,800	**46,030**
Väänänen Ari, 2nd Vice Chair	4/4	3/3	1/1	6/6		10,175	33,800	**43,975**
Alaluukas Essi**	3/3	2/2				4,110	3,640	**7,750**
Antola Kati**	3/3		2/2			4,110	3,640	**7,750**
Drugge Jan	4/4	3/3				5,430	5,400	**10,830**
Ebeling Sanna**	3/3		2/2			4,110	3,640	**7,750**
Hakasuo Päivi	3/4	3/3				7,385	5,400	**12,785**
Hautala Jouni**	3/3	2/2				4,110	3,640	**7,750**
Helin Mika*	1/1	1/1				1,320	1,760	**3,080**
Hirvonen Miia**	3/3		2/2			3,425	3,640	**7,065**
Hyvönen Raili*	1/1	1/1				1,320	1,760	**3,080**
Julkunen Saara	4/4	3/3				5,430	5,400	**10,830**
Kainusalmi Mika	4/4		3/3			5,430	5,400	**10,830**
Karhapää Ari**	3/3		2/2			2,055	3,640	**5,695**
Korhonen Juha**	3/3	2/2				4,110	3,640	**7,750**
Kujala Päivi	4/4	3/3				5,430	5,400	**10,830**
Lehtonen Pekka	4/4	3/3				5,430	5,400	**10,830**
Lohi Tuomas	3/4	3/3				4,745	5,400	**10,145**
Loikkanen Toivo	4/4	2/3				4,770	5,400	**10,170**
Manninen Veijo***	3/3*		2/2			6,700	4,945	**11,645**
Markula Kaisa	4/4		3/3			5,430	5,400	**10,830**
Mäkelä Anssi****	2/3	2/2				8,070	4,490	**12,560**
Mäkelä Kari	4/4		3/3			5,430	5,400	**10,830**
Nurmela Jarmo*	1/1	1/1				1,320	1,760	**3,080**
Nylund Ulf	4/4		3/3			5,430	5,400	**10,830**
Palosaari Heikki*	1/1		1/1			1,320	1,760	**3,080**
Perämäki Leena**	3/3		2/2			4,110	3,640	**7,750**
Perätalo Teuvo	4/4	2/2	1/1			5,430	5,400	**10,830**

Supervisory Council member	Meeting attendance ***** Supervisory Council	Strategy Unit	Responsibility and Remuneration Unit	Chairs	Nomination Committee	Fees, € Attendance fees	Monthly fees	Total fees
Pättiniemi Johanna*	1/1		1/1			1,320	1,760	3,080
Rajala Tiina*	1/1	1/1				1,320	1,760	3,080
Saksa Titta	4/4		3/3			5,430	5,400	10,830
Sarhemaa Teemu	4/4	3/3				5,430	5,400	10,830
Saukkonen Timo*	1/1		1/1			1,320	1,760	3,080
Selkee Leena*	1/1		1/1			1,320	1,760	3,080
Sipola Eija**	3/3		2/2			6,165	3,640	9,805
Soltin Kirsi**	3/3		2/2			4,770	3,640	8,410
Sotarauta Markku	4/4		3/3			5,430	5,400	10,830
Ström-Hakala Agneta**	3/3	2/2				4,110	3,640	7,750
Sunikka Miika	3/4		3/3			4,060	5,400	9,460
Syrjälä Timo	4/4		3/3			5,430	5,400	10,830
Takala Pauliina	4/4	2/2	1/1			5,430	5,400	10,830
Tiiri Janne	4/4		3/3			5,430	5,400	10,830
Turkka Antti**	2/3	2/2				2,740	3,640	6,380
Total						210,960	304,995	515,955

* Member until 23 April 2024

** Member as of 23 April 2024

*** Member until 5 November 2024

**** Member until 24 October 2024

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

Board compensation

The confirmed monthly fees for 2024 payable to the Chair, Vice Chairs and members of the Board of Directors are as follows:

- Chair €12,100
- Vice Chair €7,700
- Other members €5,500.

In addition, chairs of committees are paid a monthly fee of €2,200. All Board members receive an attendance fee of €660 for each meeting. Board compensation is paid in cash.

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

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

The table below shows the meeting attendance of the members of the Board of Directors and the compensation paid to them in 2024:

	Meeting attendance **						Fees, €		
Board member	Board of Directors*	Nomination Committee	Remuneration Committee***	Risk Committee	Audit Committee	Supervisory Council****, Strategy Unit, Nomination Committee and Chairs	Attendance fees	Monthly fees	**Total fees**
Pehkonen Jaakko, Chair	16/16		6/6			17/17	22,580	145,200	**167,780**
Heinonen Jarna, Vice Chair	16/16				5/5	10/10	18,445	92,400	**110,845**
Kiuru Matti	16/16					1/1	8,580	66,000	**74,580**
Kuosa-Kaartti Katja	16/16	1/1				1/1	9,240	66,000	**75,240**
Levoranta Kati	16/16	1/1	6/6			3/3	12,480	92,400	**104,880**
Loikkanen Pekka	16/16			9/9	5/5	1/1	18,420	92,400	**110,820**
Ojanperä Tero	16/16	1/1	6/6			1/1	12,480	92,400	**104,880**
Palomäki Riitta	16/16			9/9	5/5	1/1	18,420	92,400	**110,820**
Ritakallio Timo	16/16					13/13	0	0	**0**
Sahlström Petri	16/16			9/9		1/1	15,120	66,000	**81,120**
Tarkkanen Olli	16/16					1/1	9,180	66,000	**75,180**
Total							**144,945**	**871,200**	**1,016,145**

* Four meetings were held as email meetings with no attendance fees paid.

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

*** One meeting was held as an email meeting with no attendance fees paid.

**** One meeting lasted two days.

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

President and Group Chief Executive Officer

In 2024, Timo Ritakallio, OP Financial Group's President and Group Chief Executive Officer, was paid:

- a total salary of €879,000, of which €850,860 in cash salary and €28,140 in fringe benefits
- a holiday bonus of €44,700
- €14,862 in deferred performance-based bonuses earned for 2018
- €25,037 in deferred bonuses earned for the years 2017–2019 under the long-term management remuneration scheme
- €30,839 in deferred performance-based bonuses earned for 2020
- €76,001 in deferred performance-based bonuses earned for 2021
- €222,094 in deferred performance-based bonuses earned for 2022, and
- €172,850 in performance-based bonuses earned for 2023.

Variable remuneration accounted for around 59% of the fixed annual salary.

In 2023, the maximum amount of performance-based bonus for the President and Group Chief Executive Officer was €885,780 (12-month total earnings). The metrics for the performance-based bonus with a weight of 20% each were as follows:

- OP Financial Group's cost/income ratio, percentage points
- Net growth in the number of customers meeting the cross-product loyalty criteria
- RORAC (Return on risk-adjusted capital)
- Overall assessment of performance
- Overall assessment of management, including the quality metrics related to the sustainability programme and BCBS 239 annual targets.

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

The actual performance-based bonus achieved was €864,252 – total earnings for approximately 11.7 months – of which 20% was paid in cash in 2024 as permitted by regulation.

A total of €1,472,889 of performance-based bonuses earned for the years 2018, 2020, 2021, 2022 and 2023 and bonuses earned for the years 2017–2019 under the long-term management remuneration scheme will be paid out between 2025 and 2030 under the deferral procedure that complies with regulation. Half the deferred bonuses are paid in instruments involving a one-year retention period (linked to Profit Shares and an instrument determined using a factor based on OP Financial Group's CET1 ratio, return on equity and non-performing exposures).

The defined benefit supplementary pension insurance of the President and Group Chief Executive Officer did not incur costs in 2024.

Deputy President and Group Chief Executive Officer

In 2024, Harri Nummela, OP Financial Group's Deputy President and Group Chief Executive Officer, was paid:

- a total salary of €473,991, of which €457,740 in cash salary and €16,251 in fringe benefits
- a holiday bonus of €23,900
- €18,873 in deferred bonuses earned for the years 2014–2016 under the long-term management remuneration scheme
- €4,885 in deferred performance-based bonuses earned for 2018
- €10,653 in deferred performance-based bonuses earned for 2020
- €32,757 in deferred performance-based bonuses earned for 2021
- €84,266 in deferred performance-based bonuses earned for 2022, and
- €86,153 in performance-based bonuses earned for 2023.

Harri Nummela's variable remuneration accounted for around 48% of the fixed annual salary.

In 2023, the maximum amount of performance-based bonus for Harri Nummela was €390,000 (total salary for 10 months). The metrics for the performance-based bonus with a weight of 20% each were as follows:

- OP Financial Group's cost/income ratio, percentage points
- Net growth in the number of customers meeting the cross-product loyalty criteria
- RORAC (Return on risk-adjusted capital)
- Earnings from Retail Banking customer business
- Retail Banking operational goal, including the quality metrics related to the sustainability programme and BCBS 239 annual targets.

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

The actual performance-based bonus achieved was €430,765 (total salary for around 10.6 months), of which 20% was paid in 2024 as permitted by regulation.

A total of €624,203 of performance-based bonuses earned for 2018, 2020, 2021, 2022 and 2023 will be paid between 2025 and 2030 under the regulatory deferral procedure. Half the deferred bonuses are paid in instruments involving a one-year retention period (linked to Profit Shares and an instrument determined using a factor based on OP Financial Group's CET1 ratio, return on equity and non-performing exposures).

In 2024, contributions paid to the defined benefit supplementary pension insurance of Harri Nummela totalled €11,389.

The table below provides a summary of the salaries and bonuses paid to the President and Group Chief Executive Officer and to the Deputy President and Group Chief Executive Officer in 2024, as well as of the deferred bonuses to be paid in 2025–2030.

Bonuses paid to the President and Group CEO and Deputy President and Group CEO in 2024

Euros	Regular cash salary and holiday bonus	Fringe benefits	Performance-based bonus for 2023 paid in 2024	Deferred performance-based bonuses for 2018, 2020, 2021 and 2022 and long-term bonuses for 2014–2016 and 2017–2019 paid in 2024	Total salaries, bonuses and fringe benefits paid in 2024	Deferred performance-based bonuses for 2018, 2020, 2021, 2022 and 2023, and deferred bonuses for 2017–2019 based on the long-term management remuneration scheme; to be paid between 2025 and 2030
President and Group Chief Executive Officer	895,560	28,140	172,850	368,833	1,465,384	1,472,889
Deputy President and Group Chief Executive Officer	481,640	16,251	86,153	151,434	735,478	624,203
Total	**1,377,200**	**44,391**	**259,003**	**520,268**	**2,200,862**	**2,097,092**

Since the Group-level criteria for remuneration applied to the payout of performance-based bonuses were fulfilled (OP Financial Group's liquidity coverage ratio (LCR) exceeded 110% and the CET1 ratio exceeded 14.3%), and the earnings of the employer company and customer business showed a profit, the performance-based bonuses and deferred bonuses were paid out in 2024 in accordance with the terms and conditions.

Remuneration of other Executive Management Team members

In 2024, in addition to the President and Group CEO and the Deputy President and Group CEO, OP Cooperative's Executive Management Team included:

- Vesa Aho, Executive Vice President, Insurance Customers
- Katja Keitaanniemi, Executive Vice President, Banking Corporate and Institutional Customers
- Hanna Porkka, Executive Vice President, Wealth Management
- Kasimir Hirn, Chief Information Officer
- Rami Kinnala, Chief Legal Officer (CLO) and Group General Counsel (Legal Services and Compliance)
- Hannakaisa Länsisalmi, Chief People and Culture Officer
- Markku Pehkonen, Chief Risk Officer
- Mikko Timonen, Chief Financial Officer.

OP Cooperative's Board of Directors decides on the annual review of the salaries and benefits of the Executive Management Team members, and the Nomination and Remuneration Committee of the Board of Directors is responsible for related preparation.

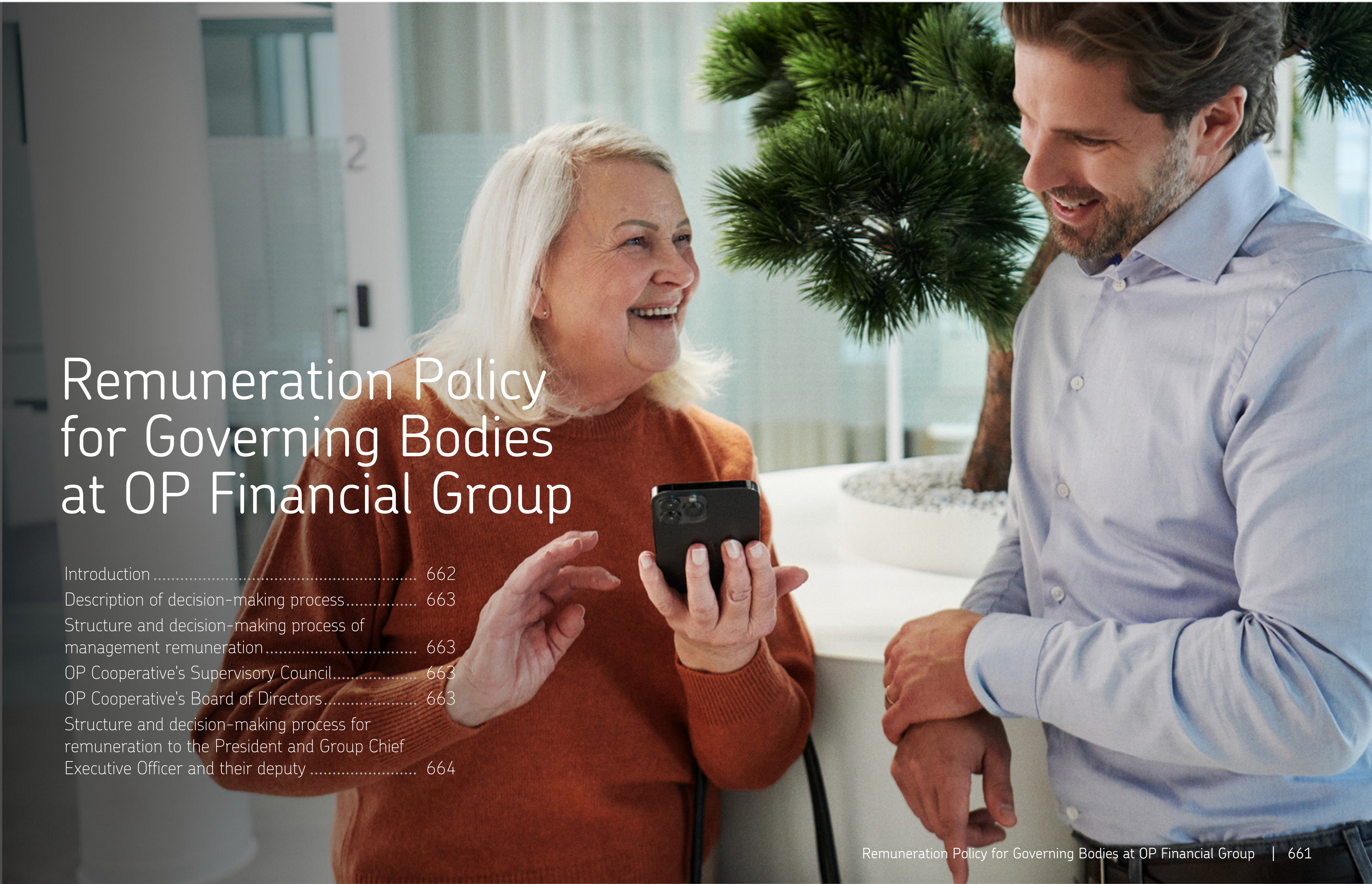
The fixed remuneration and performance-based bonus of the Executive Management Team members follow the same principles as those of the Deputy President and Group CEO, described under section 4 of the OP Financial Group's Remuneration Policy for Governing Bodies (items 1. Fixed salary and 2. Performance-based bonus).

OP Financial Group's pension benefits are determined in accordance with pension legislation and the Group's own supplementary pension plans. The retirement age of Executive Management Team members corresponds to the lowest TyEL retirement age, and supplementary pension is a defined contribution scheme. The contribution to the defined contribution supplementary pension amounts to 20% of the fixed annual earnings.

The period of notice applicable under the executive contract of Executive Management Team members is six months. Upon termination of employment in cases specifically stipulated in the executive contract, Executive Management Team members are entitled to a severance pay and a sum equivalent to their six months' pay.

Remuneration paid to other Executive Management Team members in 2024

Euros	Regular cash salary and holiday bonus	Fringe benefits	Variable remuneration paid in 2024	Supplementary pension payments
OP Cooperative's Executive Management Team	2,548,198	72,609	768,154	524,161



Remuneration Policy for Governing Bodies at OP Financial Group

Introduction

OP Financial Group's Remuneration Policy for Governing Bodies supports the implementation of OP Financial Group's mission, values as well as the strategy and the annual business targets derived from the strategy.

The following Group-level principles, which guide all remuneration at OP Financial Group, lie behind the Remuneration Policy:

- Remuneration attracts, encourages and motivates
- Remuneration is in line with OP Financial Group's core values, mission and strategy, and it contributes to their implementation
- Rewarding for excellent performance
- Remuneration is competitive as a whole
- Remuneration schemes comply with regulation, take account of sustainability and corporate responsibility and sustainability risks, and do not encourage excessive risk-taking

In addition to the abovementioned remuneration principles, a uniform pay policy guiding the entire OP Financial Group's remuneration and the remuneration scheme apply to all those with an employment or executive contract with OP Financial Group.

Structure and decision-making process of management remuneration

Description of decision-making process

Upon proposal by the Remuneration Committee, OP Cooperative's Board of Directors decides on the Remuneration Policy for Governing Bodies at OP Financial Group. OP Cooperative's Supervisory Council confirms the remuneration principles that lie behind the Remuneration Policy.

Descriptions of the decision-making process for governing bodies are presented as part of each governing body.

OP Cooperative's Supervisory Council

The Cooperative Meeting is responsible for deciding on compensation payable to OP Cooperative's Supervisory Council and the OP Financial Group Nomination Committee is responsible for related preparation. Supervisory Council compensation comprises attendance fees and monthly fees.

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

OP Cooperative's Board of Directors

OP Cooperative's Supervisory Council is responsible for deciding on compensation payable to OP Cooperative's Board of Directors and the Supervisory Council's Nomination Committee is responsible for related preparation. Board Compensation comprises attendance fees and monthly fees.

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

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

Structure and decision-making process for remuneration to the President and Group Chief Executive Officer and their deputy

OP Cooperative's Supervisory Council is responsible for appointing the President and Group Chief Executive Officer acting as OP Cooperative's CEO and their deputy, and the Supervisory Council's Nomination Committee is responsible for related preparation. A written executive contract, approved by the Supervisory Council, stipulates the terms governing the employment of the President and Group Chief Executive Officer and their deputy.

OP Cooperative's Board of Directors decides on the annual review of the fringe benefits for the President and Group Chief Executive Officer and their deputy, and the Remuneration Committee of the Board of Directors is responsible for related preparation.

The remuneration paid to the President and Group Chief Executive Officer and their deputy consists of the following three components:

- Fixed salary
- Performance-based bonus
- Supplementary pension.

Fixed salary

Fixed salary is total salary that contains pay in cash and fringe benefits, with the job grade, responsibility, personal performance and the market situation constituting its basis. A pay review can be performed on an annual basis according to the decision-making procedure described above. Fringe benefits include an employer-provided mobile phone, company car and a housing fringe benefit, if any. In addition, the President and Group Chief Executive Officer and their deputy are entitled to the same employer-provided employee benefits as other personnel.

Performance-based bonus

The performance-based bonus is aimed at guiding, engaging and incentivising the President and Group Chief Executive Officer and their deputy to implement OP Financial Group's strategy. The performance-based bonus metrics are tied to OP Financial Group's strategy and the annual business or personal targets derived from it. The metrics may be quantitative and/or qualitative. Their minimum, target and maximum levels are annually decided as described in the decision-making procedure above. The performance-based bonus also involves an earnings factor of 0.5–1.25 based on the result recorded by the central cooperative consolidated. The performance period for the performance-based bonus is one calendar year. The maximum performance-based bonus payable to the President and Group Chief Executive Officer and their deputy equals their 12-month and 10-month fixed salary, respectively. The performance-based bonus may exceed the maximum because of the earnings factor. However, the performance-based bonus may not exceed total earnings for 12 months.

Bonus payouts must be justifiable based on the company's business success, compliance with internal guidelines and external regulations, and operation in accordance with the Risk Appetite Statement and Risk Appetite Framework.

The Group-level precondition for remuneration is that OP Financial Group's LCR (Liquidity Coverage Ratio) exceeds 110 per cent and the CET1 ratio exceeds the CET1 MDA + 2 percentage points on the bonus payout date (CET1 MDA = CET1 minimum level. If this level is not met, profit distribution will be restricted).

The board of directors of the employer company decides on any reduction of bonuses earned if the financial statements for the performance year show that

- OP Financial Group's LCR is 100–110 per cent or
- OP Financial Group's CET1 ratio is the CET1 MDA – CET1 MDA +2 per cent.

Earned bonus will not be paid if the financial statements for the performance year show that

- OP Financial Group's Liquidity Coverage Ratio (LCR) is less than 100%, or
- OP Financial Group's CET1 ratio is less than CET1 MDA.

Another precondition for bonus payout is that the EBT of the employer company does not show a loss.

Furthermore, bonuses earned will be reduced before bonus payout or completely refused if binding internal guidelines within the Group or task or regulatory requirements have been ignored and separately specified qualitative or risk management elements have materialised. Earned bonuses may also be reduced, left unpaid or clawed back in situations where OP Financial Group or an employer company has been sanctioned because of breach of regulation or law. Paid bonuses may also be fully or partly clawed back if the President and Group Chief Executive Officer or their deputy is found guilty of misdemeanours, or intentionally endangered the future of business, or violated the law.

A regulatory deferral procedure applies to the payment of performance-based bonuses and the payment of half the bonus in other than cash if the variable remuneration of the President and Group Chief Executive Officer and their deputy for a 12-month performance period exceeds €50,000 or constitutes at least a third of the combined annual bonuses. The portion of a non-cash performance-based bonus includes a one-year retention period before the first bonus payout.

If the euro maximum for the payment deferral is exceeded, 60 per cent of the bonus in cash will be paid in the year following the performance year and 40 per cent of the amount in cash will be deferred until the next five years. 40% of the non-cash portion of the bonus (the so-called portion paid in instruments) is paid in the second year following the performance year and 60% of the portion paid in instruments is deferred until the next five years.

If the amount of variable remuneration exceeds an 8-month salary, totalling at least €200,000, 40% of the bonus in cash will be paid immediately and 60% will be deferred until the next five years. The first amount of the bonus tied to the reference instrument is paid after the retention period of one year and the rest is paid during the next five years. The value of the reference instrument decided by OP Cooperative's Board of Directors is used as the non-cash payment.

Supplementary pension

OP Financial Group's pension benefits are determined in accordance with pension legislation and the Group's own supplementary pension plans. If the executive contract of the President and Group CEO or the Deputy President and Group CEO with OP Financial Group begins or has begun in June 2018 or thereafter, the retirement age is equivalent to the lowest pensionable age under the Employees Pensions Act (TyEL) and the supplementary pension is based on a defined contribution plan. The contribution to the defined contribution supplementary pension amounts to 20% of the fixed annual earnings. If the executive contract of the President and Group CEO or the Deputy President and Group CEO with OP Financial Group has begun prior to June 2018, the retirement age is 63 or 65 years and the supplementary pension is based on a defined benefit plan. The target pension of supplementary pension based on a defined benefit plan is at the maximum 60 per cent of the annual earnings.

The supplementary pension of the President and Group Chief Executive Officer is based on a defined benefit plan, and their retirement age is 65 years. The President and Group Chief Executive Officer

is covered by OP-Eläkesäätiö's supplementary pension scheme. Pension accrued under the supplementary pension scheme may begin to be disbursed as a paid-up pension before the old-age pension if employment with

OP Financial Group terminates. The supplementary pension of the Deputy President and Group Chief Executive Officer is based on a defined benefit plan, and their retirement age is 63 years. The deputy to the President and Group CEO is included within the scope of OP-Eläkesäätiö and OP Life Assurance Company Ltd's group pension insurance. The OP Life Assurance Company group pension insurance takes account of the supplementary pension received from OP-Eläkesäätiö, and the amount of the benefit does not exceed 60% of the annual earnings.

Termination of executive contract

The period of notice applicable under the executive contract of the President and Group Chief Executive Officer and their deputy is six months. Upon termination of employment in cases specifically stipulated in the executive contract, the President and Group Chief Executive Officer and their deputy are entitled to a severance pay and a sum equivalent to 12 months' pay and 6 months' pay, respectively.

Data Balance Sheet

Data is a cornerstone of OP Financial Group's decision-making and customer focus. The Data Balance Sheet summarises our key development areas and priorities in data and its utilisation in 2024.

OP Financial Group's digital year 2024

787,000
Customer details maintained through My Profile service, No. of cases

70,000
Automatic processing of home loan applications, No. of cases

83%
Proportion of fully automated chats with OP Aina

1.3
Data in analytical databases, millions of terabytes

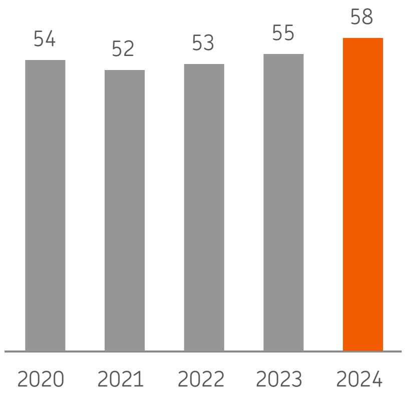
696
Employees working in data development and refinement tasks in OP Financial Group's central cooperative

3,700
Average monthly users of the AI tool Maiju

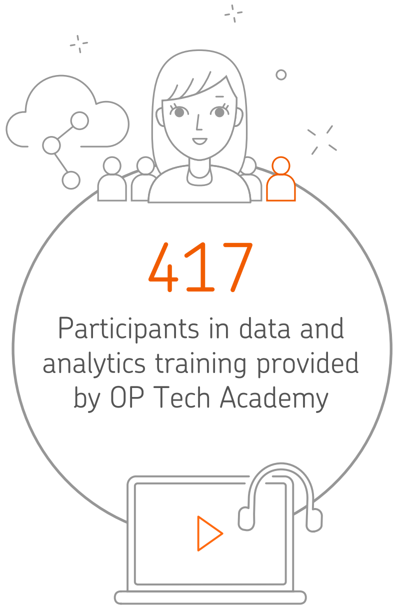
99.97%
Availability of services (op.fi, OP-mobile, Finnish Trust Network (FTN))

3,500
Average monthly users of Microsoft Copilot

Digital channels NPS*



* Net Promoter Score (NPS) measures the likelihood that a user will recommend the service on a scale from 0 to 10. The index is calculated by subtracting the percentage of detractors (scores 0-6) from the percentage of promoters (scores 9–10).



417
Participants in data and analytics training provided by OP Tech Academy

Data at the core of OP Financial Group

OP Financial Group uses data in a goal-oriented way and seeks to create value for its customers, the Group and its operating region. In 2024, development work focused on data utilisation as well as management such as data ownership and quality.

In 2024, business segments utilised data to a greater extent than at any time previously in OP Financial Group's history. The data teams of business segments and support functions grew in areas involved with ESG (Environmental, Social, Governance) issues, and data ownership roles (such as data owner and data asset owner) were assigned for dozens of new data sources. The capability of developing high-quality data products is integral to our ability to respond to the needs of customers, risk management and regulations.

In 2024, OP Financial Group worked closely with the European Central Bank on an audit of OP Financial Group's credit risk data, in which data ownership, quality and transparency play a critical role. The audit was extensive in its scope, and the background materials provided for the audit alone consisted of more than 2,000 documents. During the year, OP Financial Group's strategic priorities for data, which direct our work for the coming years, were also updated.

Strategic Data Priorities

OP Financial Group's strategic priorities for data seek to create value for customers and for the OP Financial Group, to secure high-quality and efficient operations and to foster the data capabilities and the competitive edge which they make possible.

Extended federated data development

We continue to advance the federated development model where business segment teams take responsibility for developing own solutions, utilizing centralized capabilities provided by the Development & Technologies function.

Focus on data quality and transparency

We implement data management practices to manage risks related to data. We identify critical data and data flows and put the data governance model into practice according to the Group's risk appetite.

Build common data architecture

We modernize data architecture by using public cloud and build all data solutions according to common guidelines using data as product principles.

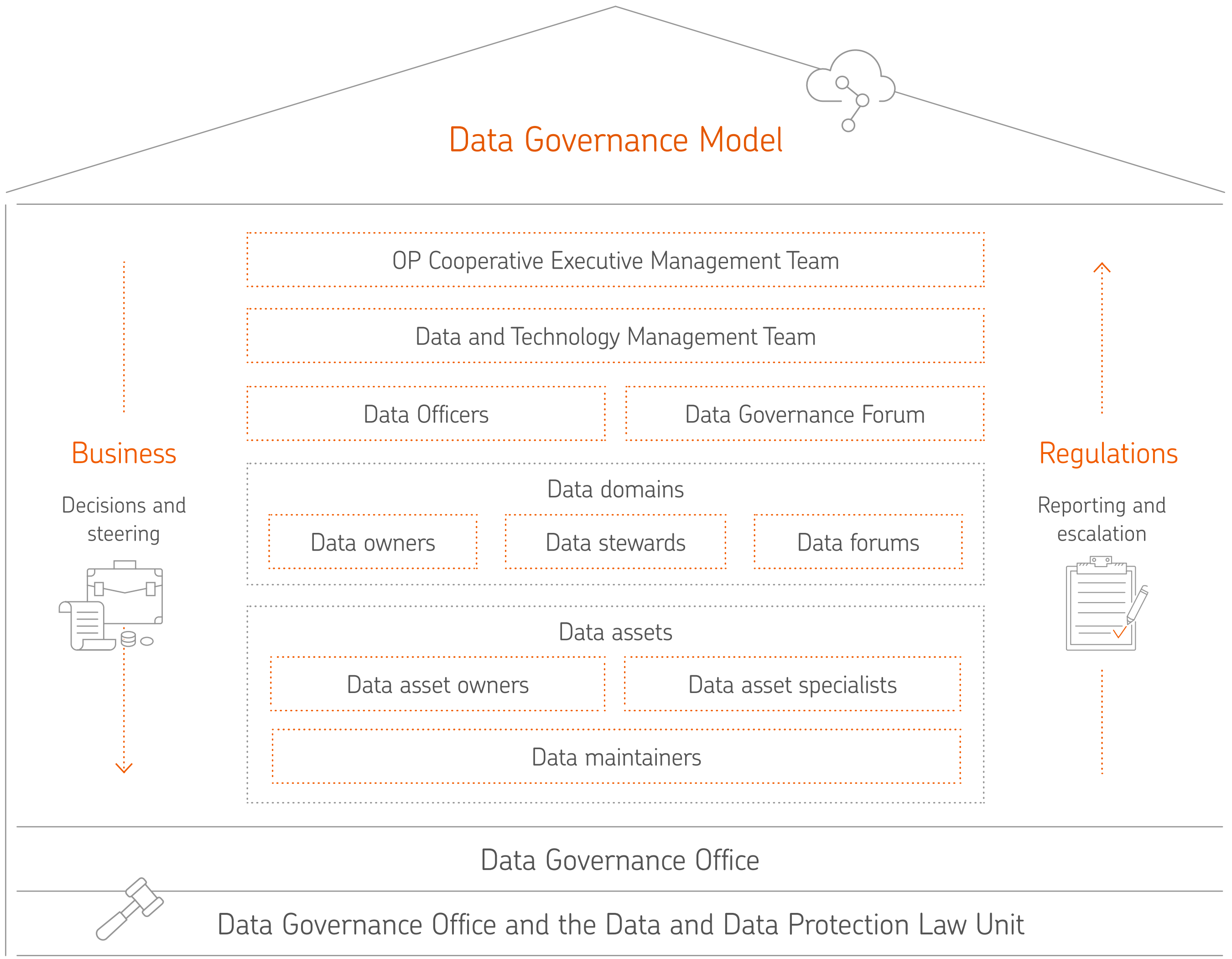
Artificial Intelligence

We realize the transformative potential of AI both by using AI-based productivity tools, and by creating OP Financial Group's own AI applications and models for competitive advantage. We use AI responsibly to ensure regulatory compliance and public trust.

Data Governance Model

OP Financial Group's Data Governance Model lays the foundations for ensuring that data governance is appropriate and managed, and supports strategic priorities. The model helps ensure that data management complies with regulations, and that roles and responsibilities are clear and transparent. The model is also used to ensure that documentation on the roles and responsibilities is up to date.

In 2024, the roles listed in the data governance model were widely adopted in different data domains. The learning of roles is supported through training, instructions, and practical support and assistance in data definition and documentation. The model's adoption is actively monitored.



Data responsibility as part of daily routines

The responsible collection and use of data are key aspects of OP Financial Group's sustainability programme.

OP Financial Group puts the interest of customers first in its utilisation of data, and strives to follow responsible and diligent operating models and ensure transparency in collecting, storing and processing data. Communication about the collection, processing and use of customer data is transparent. OP Financial Group's marketing and sales are based on the restrictions on the processing of customer data as described in Privacy Notices, good marketing practices and regulatory compliance.

Through the responsible use of data, OP wants to produce positive impacts for people, society and the environment. More information about the impacts of data on our stakeholders and operating region can be found on page 677.

Sustainability and corporate responsibility are integral to OP Financial Group's strategy and operations. In accordance with the sustainability programme, OP Financial Group promotes the health of the climate and environment, the wellbeing of people and communities, and good governance. Key regulations that guide sustainability reporting (including the Corporate Sustainability Due Diligence Directive (CSDD), the EU Taxonomy for sustainable activities and the Corporate Sustainability Reporting Directive (CSRD)) are based on the availability of high-quality data. More information about OP Financial Group's sustainability programme can be found on page 16, and OP Financial Group's sustainability report can be found starting on page 81.

In 2024, OP Financial Group continued the systematic collection of sustainability data and developed capabilities of processing sustainability data automatically in reporting and decision-making. OP Financial Group reinforces its understanding of its own and its customers' impacts on the environment and communities by systematically collecting sustainability data and sharing it on the OP Data Platform and by managing the development portfolio of ESG data. Improvements in the quality and reliability of ESG data also produce strategic value by enabling more sustainable and responsible business.

"Improvements in the quality and reliability of ESG data also produce strategic value by enabling more sustainable and responsible business."

Value from data

OP Financial Group uses data and analytics to coach its customers in better financial decisions. The Group's mission is to promote the sustainable prosperity, security and wellbeing of its customers and operating region. High-quality data facilitates the provision of better services in different channels, and automation provides convenience in our customers' daily lives.

Artificial intelligence as an aid to customers

In June 2024, a new personal assistant, OP Aina, was launched, which combines OP Financial Group's Chatbot Opotti with the capabilities of a digital assistant and notifications. OP Aina takes care of the customer's current banking and insurance matters, notifies the customer about important matters, and provides customer service and personal support via chat 24/7. The customer receives notifications about current issues and fast personalised solutions at any time of the day. OP Aina helps customers manage their finances and assists in problems related to payments and insurance policies. OP Aina will thus grow over time into a personal financial coach for the customer.

OP Financial Group was one of the first Finnish institutions to publish its ethical principles on the use of AI, as early as in 2018. In 2024, OP Financial Group updated its ethical principles on the use of AI to ensure that the Group's AI systems were developed and supervised by experts. At OP Financial Group, AI is used to make the daily lives and work of customers and employees easier, and the development and use of AI are communicated openly. The development of safe AI technologies and ensuring the protection of personal data in accordance with industry standards are a priority. OP Financial Group respects civil and human rights by ensuring that AI does not discriminate against anyone. OP develops solutions that enhance financial wellbeing and mitigate harmful impacts in connection with the issue of life insurance policies and hiring decisions, for example.

OP Financial Group also bases its customer insight on the latest wave of AI, such as context and textual analysis, and by supporting employees in data categorisation and retrieval.

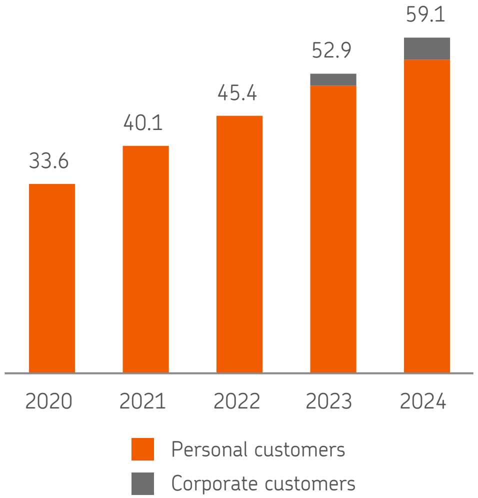
Popularity of mobile channels

The use of services in digital channels continued to grow in 2024. OP-mobile continued to increase its importance as the main channel for daily services, with the number of mobile customers and activity in the service growing substantially among both personal and corporate customers.

The design principles of OP Financial Group's digital services emphasise a customer-centric approach and strong information security. The design principles ensure that services are developed to be convenient to use, helpful and secure. OP Financial Group wants to offer all its customers equal opportunities to use digital services, and accessibility is an essential part of the development of services.

In line with its strategy, OP Financial Group seeks to develop its digital services towards a uniform customer experience. The aim is to stand out in the market as the provider with the most convenient service across all channels.

Use of mobile channels*



* Million logins on average per month. OP-mobile services for corporate customers were launched in November 2022.

Focus areas of data use in OP Financial Group's business units in 2024

Retail Banking	Corporate Banking	Insurance: Non-life insurance	Insurance: Life insurance
Our goal is a satisfied customer and profitable customer relationship. We focused on better identifying customer needs through the use of analytics as part of the development of the CRM strategy for personal customers. We continuously developed the artificial intelligence used in the My financial balance service based on millions of daily classification events. The service has been used by nearly every OP-mobile user, and it's classification accuracy is currently 95%. We continued investing in data governance, with the aim of improving the quality and availability of data throughout OP Financial Group.	We continued developing the pricing of electronic foreign exchange trading, which has made pricing more transparent, among other benefits. We continued to focus on anticipating the needs of asset and wealth management customers based on data to enable us to target services more accurately and widely. We proactively identified business risks through systematic data management and analytics. We continued experiments and pilots by using predictive analytics and artificial intelligence.	We continued the implementation of cloud-based non-life insurance core systems in the area of personal insurance, which has improved and expanded opportunities for leveraging data. We deployed an AI-assisted claims advisor tool to facilitate service encounters. The tool provides support for interpreting claim documents, in the claims advice chat and for the automation of loss partner invoicing. To support customer focus, we implemented capabilities to identify customer needs based on channel use and phone calls and through automatic feedback analysis.	We reshaped customer work in term life insurance by using OP Data Platform. We significantly improved customer onboarding, reporting and process efficiency. We continued experiments using advanced analytics and artificial intelligence for analysing customer feedback and identifying customer potential, for example. We improved the targeting of risk-based internal control of operative processes by means of data analytics.

High-quality data ensures the best customer insight, customer experience and most useful services in different channels. The use of artificial intelligence, analytics and automation make customers' daily lives easier. Regulation and customer consent steer the use of data in the provision of services.

ESG data is utilised extensively in offering sustainable products and services.

Precise and comprehensive measurement and analysis of customer relationships improves the ability of all OP employees to take our customers' needs into account.

Cybersecurity and data protection are ensured in all operations.

Cybersecurity

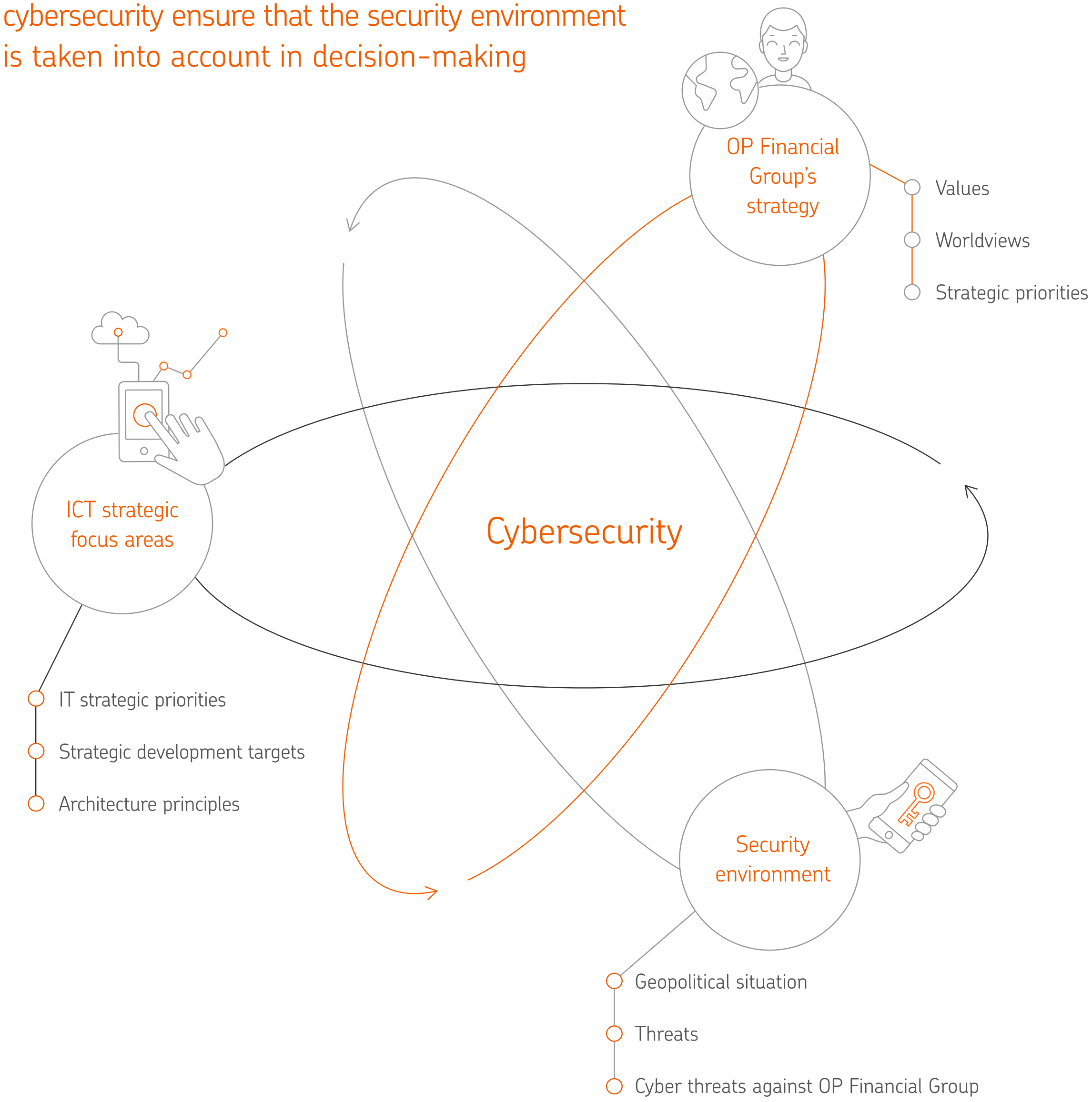
OP Financial Group protects its operations and the data of its customers and other stakeholders by maintaining a strong digital infrastructure, level of preparedness and information security capabilities. OP Financial Group has developed its cybersecurity on a long-term basis, taking cyber risks and the continuous changes in external threats into account.

Cybersecurity development is directed by OP Financial Group's strategic priorities in the area of cybersecurity, which are based on the Group's strategy and ICT strategic priorities, and the prevailing security environment. The strategic priorities focus on cybersecurity management, protection, detection and response. They address the impacts of the economy, customer behaviour, competitive environment, technology and regulations on cybersecurity.

The strategic priorities in cybersecurity are reviewed annually. In 2024, the updated targets included reinforcing the Group's cybersecurity culture, preventive cyber risk management, ensuring secure cloud environments, improvements in business continuity and the development of the situational overview.

The European security environment has changed significantly as a result of Russia's war of aggression against Ukraine and conflicts in the Middle East. This is reflected in the cybersecurity environment as an elevated threat posed by both nation-state actors and

OP Financial Group's strategic priorities in cybersecurity ensure that the security environment is taken into account in decision-making



cybercriminals. In 2024, there was close cooperation with the authorities, and within the financial sector in Finland and the Nordic countries, which has proven an effective way of maintaining the financial sector's resilience to cyber attacks.

OP Financial Group ensures the high level of its operations through up-to-date guidelines, ongoing training, security drills and tests. In 2024, the Group's cybersecurity guidelines were revised to meet new requirements. In addition to mandatory annual cybersecurity training, personnel were trained in identifying different types of email and deep fake scams. A new course for holders of privileged access rights was added to role-based mandatory training, and opportunities for rehearsing cyber crisis management were expanded.

During the year, technical changes were also implemented, and awareness campaigns were organised based on lessons learned from a data breach affecting employee emails that occurred in late 2023. These development measures will be continued in 2025.

OP Financial Group's capacity to prevent external attacks and immediate threats is at a good level. During the year, several denial of service attacks were experienced in Finland, and OP Financial Group was the target of attacks more frequently than in previous years. In particular, a significant number of attacks were detected in September and October. However, the impacts of the attacks on the availability of OP Financial Group services were short-term and minor. OP Financial Group's ability to prevent denial of service attacks is at a good level, and the defences are being developed further. In addition to denial of service attacks, the volume of phishing attempts by cybercriminals for data breach purposes continued to be high.

Read more about cybersecurity management at OP Financial Group on page 325 of the sustainability report and on the op.fi website.

Data protection

OP Financial Group protects its operations and the data of its customers and other stakeholders by maintaining a strong digital infrastructure and information security capabilities.

In 2024, OP Financial Group's information security work was influenced especially by the new EU AI Act, which came into force on 1 August 2024. In response, OP Financial Group expanded its expertise and activities during the year from data protection legislation to cover data regulation more broadly and developed its capabilities in AI legislation. OP Financial Group's data protection specialists were actively involved in the adoption of the new AI legislation, and in designing internal models and processes on the theme. OP Financial Group's Data Protection Impact Assessment (DPIA) process was expanded to cover the risk assessment of AI systems. In addition, OP's data protection specialists organised training during the year on the regulations and responsibilities applicable to AI.

In 2024, OP Financial Group business functions created several new data protection roles tasked with ensuring the management of privacy requirements, among other responsibilities. Employees who work in this Privacy Lead role collaborate closely with the Data and Data Protection Law Unit and the Data Protection Officer, and participate in projects tasked with the implementation of regulatory changes. This collaboration model also ensures the adoption of future data protection requirements in business functions.

During the year, OP Financial Group also improved its data protection reporting to better serve the needs of business functions by publishing an internal report on data protection impact assessments, among other information. The report helps business functions comply with data protection requirements and evaluate the need to update DPIAs.

Enforcement of data protection and data protection organisation

OP Financial Group enforces data protection in accordance with Group-level policies and guidelines, and a strong internal cooperation model. The Data and Data Protection Law Unit supports business segments and advises on a wide range of issues. The unit is responsible for interpreting data protection legislation, drawing up guidelines and conducting impact assessments of personal data processing. The unit maintains an overview of OP Financial Group's personal data processing and reports on data protection risks in accordance with the management system with the Group's Data Protection Officer. The unit also works in close cooperation with key stakeholders, including Privacy Leads, OP Financial Group's cybersecurity and the data protection contact persons of OP cooperative banks. In OP Financial Group's financing and insurance operations, customer service tasks that involve data protection have been centralised to a separate Data Protection Customer Service team.

Monitoring the implementation of data protection is guided by OP Financial Group's internal control processes. In addition to business segments, the monitoring of data protection issues is carried out by OP Financial Group's Data Protection Officer, Compliance and Internal Audit, among others.

Data protection statistics

Due to OP Financial Group's organisational structure, the Group has hundreds of entities, each acting as individual controllers. The Group also maintains hundreds of separate personal data files.

The Data Protection Customer Service team is responsible for processing data protection requests from OP Financial Group's financing and insurance customers. The majority of data protection requests by customers are related to requests for access to personal data. In 2024, OP Financial Group processed a total of 455 such requests for access.

OP Financial Group responds without delay to personal data breaches under the GDPR. Each data breach is processed centrally in accordance with the management model for data security breaches. At the same time, the need to notify the authorities and the data subjects affected by the breach is assessed. In 2024, OP Financial Group's internal controls identified a total of 1,218 cases classified as personal data breaches under the GDPR. This figure also includes events caused by human error which OP Financial Group does not consider to have resulted in risks to customers.

1,218
Data security breaches identified in OP Financial Group, number of breaches

455
Requests for access to personal data, number of requests

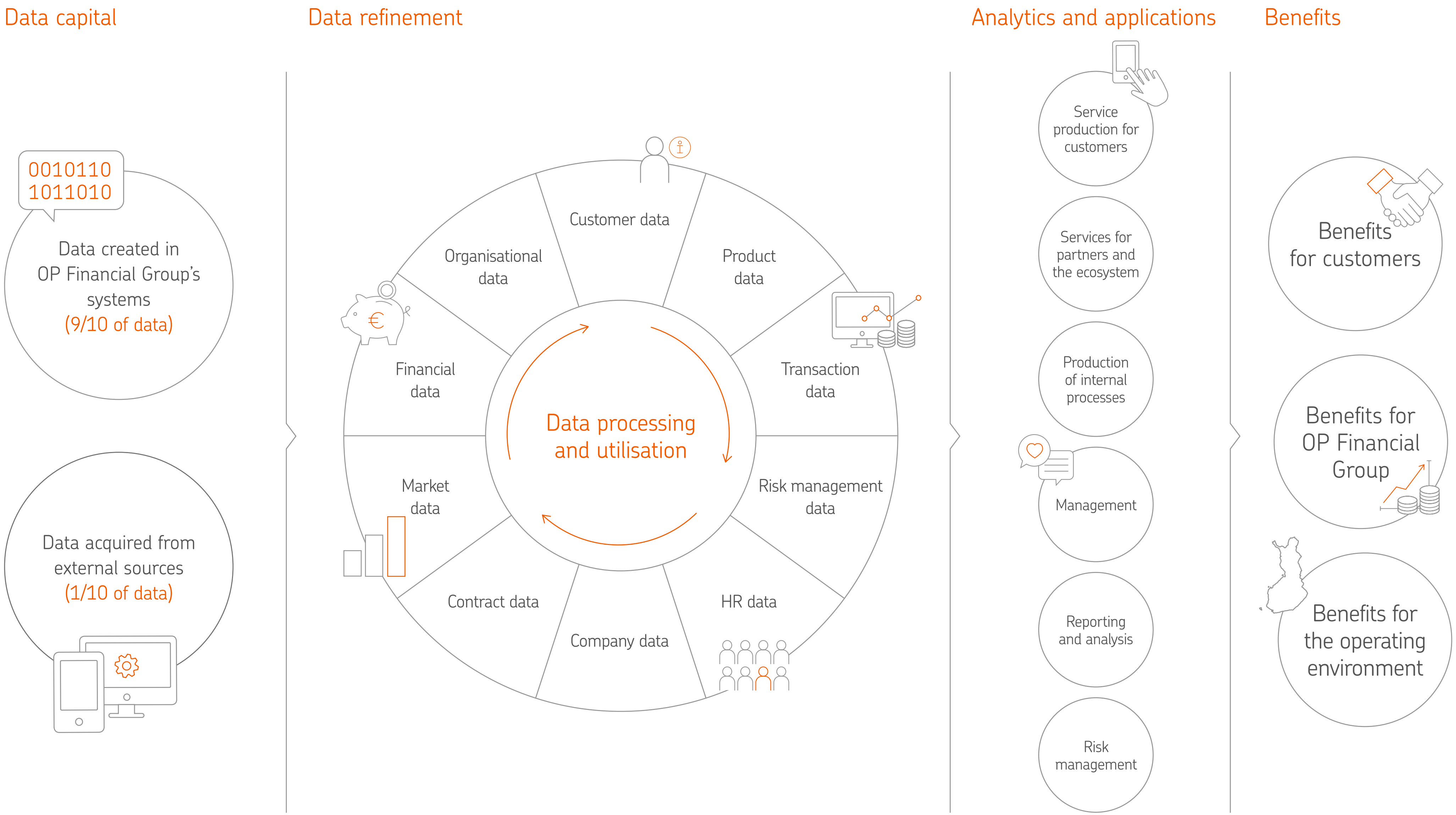
Data balance sheet and key indicators

Data-based value creation is based on OP Financial Group's data balance sheet and balanced management. The data balance sheet presents OP Financial Group's internal and external data capital and data assets – in other words, the digital products, services and processes that utilise data capital.

Data balance sheet

OP Financial Group uses the indicators and metrics in the data balance sheet to monitor the development and use of data capital. Data capital is developed through the management of data quantity, quality and life cycle, among other means. Refining data capital ensures that it can be utilised more widely for the needs of analytics and new applications. The end result is more efficient and high-quality new services for the benefit of customers. OP Financial Group's value creation model is described in more detail on page 15.

Data as part of OP Financial Group's value creation model



OP Financial Group's full value creation model is available on page 15.

OP Financial Group's Data Balance Sheet 2024

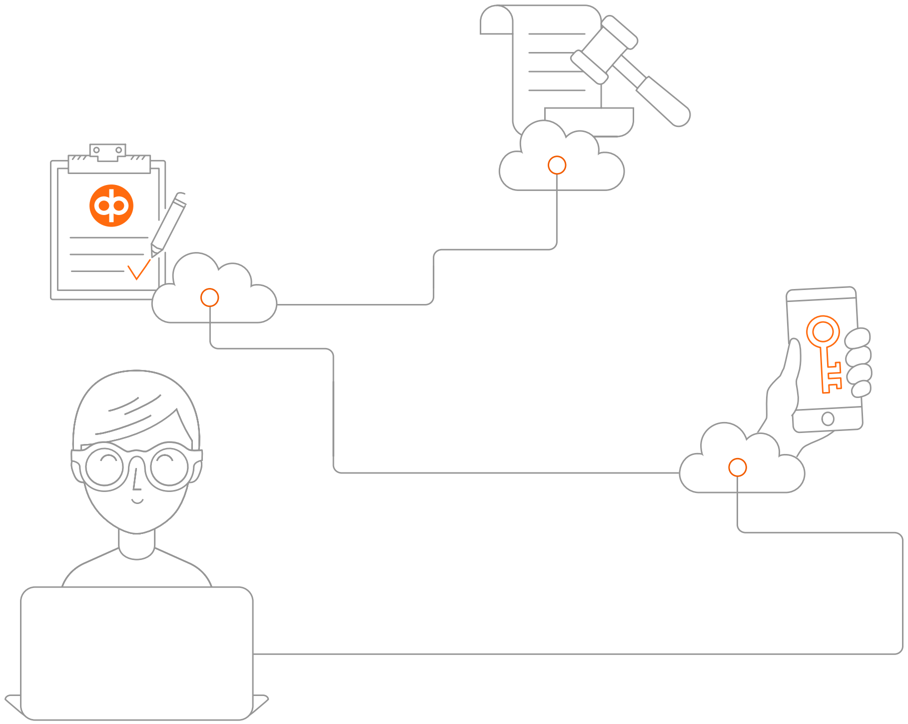
<table>
<tr><th></th><th colspan="2">Data assets</th><th>Data capital</th></tr>
<tr><td>Definition</td><td colspan="2">OP Financial Group services, products and processes produced by means of data capital</td><td>Proprietary and external data available to OP Financial Group</td></tr>
<tr><td>Objective</td><td colspan="2">Management of customer benefit and the business value of data</td><td>Management of the quantity, quality and usability of data, and risk management</td></tr>
<tr><td rowspan="2">Operating models</td><td colspan="2">Customer and business processes</td><td rowspan="2">Data quality management and correction process
Data governance</td></tr>
<tr><td colspan="2">Analysis, decision-making and risk management processes
Operating models for data protection and data security</td></tr>
<tr><td>Services for customers (examples)</td><td>General service channels
Online and mobile services
Customer service and counselling

Services for Corporate Customers
OP Corporate Hub
API services
Real-time payment services
OP Multi-bank Service
OP Lasku
OP Financing</td><td>Services for personal customers
My profile
My financial balance service
Digital home loan service
OP Lasku
OP Financing
OP Investment Partner
OP Multi-bank Service
Where to invest right now
OP Aina
Digital assistants
Home price estimate tool</td><td>Own data capital
Counterparty data
Product data
Contract data
HR data
Organisational data
Internal reference data
Transaction data
Risk management data
Financial data
Document archives

OP Financial Group employees' human capital</td></tr>
<tr><td>Internal Services</td><td>Marketing and sales services
360° customer insight services
Market information services
Business Intelligence services
Financial reporting services
People Analytics services</td><td>Credit Engine
Data protection and data security services
Cybersecurity services
Home collateral appraisal service Ruuvalli
Services for identifying suspected fraud and money laundering
ESG tool</td><td rowspan="2">External data capital
Market data
Operating environment data
External reference data
ESG data</td></tr>
<tr><td>Ecosystem and business environment services</td><td colspan="2">Interconnected API services
Regulatory data services and reporting
Reporting to central bank</td></tr>
</table>

Key figures

Customers (million customers)	2024	2023	2022	2021	2020
Personal customers	3.3	3.4	3.3	3.3	3.3
Corporate customers	0.4	0.4	0.3	0.3	0.3
Owner-customers	2.1	2.1	2.1	2.0	2.0
Joint banking and insurance customers	1.3	1.3	1.3	1.3	1.3



OP Financial Group's service channels	2024	2023	2022	2021	2020	Change
NPS of OP's digital channels	58	55	53	52	54	5%
Online and mobile services (million logins on average per month)						
Op.fi*	5.5	5.7	6.1	4.4	5.7	-4%
OP-mobile, personal customers	55.5	50.6	45.4	40.1	33.6	10%
OP-mobile, corporate customers**	3.6	2.3	-	-	-	57%
OP User ID and Digital Agreements* (1,000 agreements)**						
Personal customers	2,216	2,225	2,190	2,024	1,980	0%
Branches						
Bank branches	278	289	297	324	342	-4%
Social media						
Followers on Facebook (OP Financial Group and OP cooperative banks)	487,399	484,236	474,838	470,609	442,004	1%
Followers on X	60,436	62,012	52,993	50,158	46,591	-3%
Followers on LinkedIn	108,302	90,778	78,885	69,888	60,188	19%
Followers on Instagram****	111,012	94,972	31,544	26,100	18,211	17%
Followers on YouTube	12,358	10,420	9,072	7,811	6,090	19%
Followers on TikTok	18,274	10,276	-	-	-	78%

* The figures for 2020–2021 are not comparable due to a change in the measurement method in 2022.

** OP-mobile services for corporate customers were launched in November 2022.

*** Until 2021, the key figure was called eService Agreements.

**** The numbers of followers of OP cooperative banks' and OP Koti's Instagram accounts have been included in Group-level calculations. The figure for 2023 has been adjusted retrospectively.

Key figures for digital services (Figures listed as thousands unless otherwise mentioned)	2024	2023	2022	2021	2020	Change
Home loan applications processed by the Credit Engine						
Total applications processed automatically	70	67	79	92	57	4%
Positive decisions made automatically	27	27	29	34	20	0%
Key figures for the OP Aina banking assistant*						
Fully automated chats	83%	-	-	-	-	-
Customers giving positive feedback	82%	-	-	-	-	-
Number of external APIs in production	22	23	64	63	48	-1
Number of users registered for Siirto payments in OP's mobile channels	1,251	1,221	1,148	1,055	899	2%
Use cases of the digital assistant (No. of cases)	134	89	-	-	-	51%

Data capabilities and competence	2024	2023	2022	2021	2020	Change
Employees working in data development and refinement tasks in OP Financial Group's central cooperative	696	782	629	635	606	-11%
Percentage of OP Cooperative personnel	7%	10%	8%	8%	8%	–3 pps
Participants in data and analytics training provided by OP Tech Academy**	417	240	410	424	430	74%
Average monthly users of the AI tool Maiju	3,700	-	-	-	-	-

Data capital (Figures listed as thousands unless otherwise mentioned)	2024	2023	2022	2021	2020	Change
Data in analytical databases, terabytes	1,284	474	687	885	766	171%
Number of log events collected by centralised log management per month (billions of events)	306	300	230	200	165	2%
Number of electronic documents (100,000 documents)	1,021	1,230	715	775	611	-17%
Digitalisation of agreements in banking services	57%	56%	45%	45%	45%	1 pps
Customer details maintained through My Profile service	787	2,434	546	620	947	-68%

Data protection and internal control	2024	2023	2022	2021	2020	Change
Number of customer requests for access to personal data processed by financing and insurance operations	455	352	249	390	453	29%
Cookie consents, op.fi and OP-mobile (1,000 cases)	2,737	2,535	2,432	2,256	1,985	8%
Events categorised as personal data breaches	1,218	1,081	964	947	916	13%

Data governance	2024	2023	2022	2021	2020	Change
Data domains with an appointed data owner	57%	-	-	-	-	-
Number of persons working in data ownership roles	417	-	-	-	-	-

For security reasons, OP Financial Group does not publicly report key figures related to anti-fraud and anti-money laundering.

* OP Aina was launched for customer use in June 2024.

** The calculation principle of the key figure was changed in 2023. Until 2024, OP Tech Academy was known as OP Software Academy.

OP Financial Group

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