



Debt Investor Presentation Q1-3/2020

OP Financial Group and issuing entities
OP Corporate Bank plc and OP Mortgage Bank

www.op.fi/debtinvestors

Disclaimer

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Past performance is no guide to future performance. Persons needing advice should consult an independent financial, legal or tax adviser.

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OP Financial Group in brief



Co-operative OP Financial Group

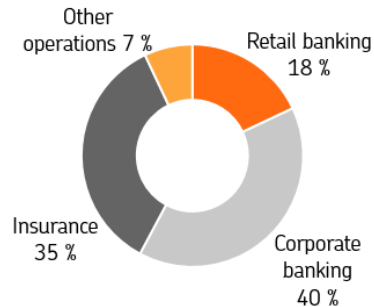
TOTAL ASSETS

€159 bn

at end-Sep 2020

EARNINGS BEFORE TAX

(excl. group eliminations, Q1-3/20)



JOINT LIABILITY

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

SOLID CAPITAL POSITION

18.3%

CET1 ratio
at end-Sep 2020

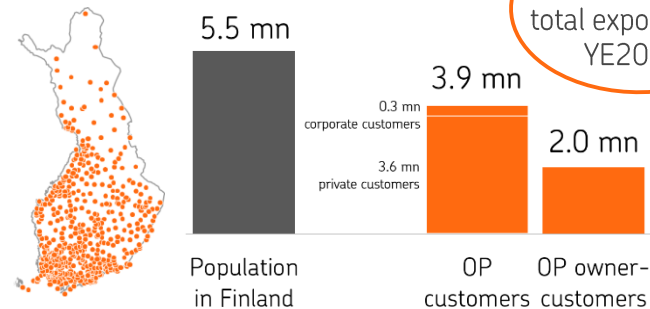
21.1%

Total capital ratio
at end-Sep 2020

7.7%

Leverage ratio
at end-Sep 2020

FINNISH RISK EXPOSURE



MARKET LEADER IN FINLAND

34.9%

Market share
in Loans
in June 2020

38.6%

Market share
in Deposits
in June 2020

33.5%

Market share
in Non-life
Insurance YE2019

17.6%

Market share
in Life Insurance
YE2019

HIGH CREDIT RATINGS

Moody's Aa3
S&P AA-

OP Corporate Bank
plc

Moody's Aaa
S&P AAA

OP Mortgage Bank's
covered bonds

Key financials Q1-3/20

Main P&L line items

Group EBT
€526 mn
 (-22.2%)

Retail banking EBT €100 mn (-47.9%)
 Corporate banking EBT €221 mn (-4.4%)
 Insurance EBT €195 mn (-30.1%)
 Other operations EBT €39 mn

Total income
€2,268 mn
 (-2.6%)

NII €960 mn (+4.1%)
 Net insurance income €476 mn (+15.7%)
 Net commissions and fees €679 mn (0.0%)
 Net investment income €31mn (-88.7%)

Total expenses
€1,414 mn
 (+3.6%)

Personnel costs €594 mn (+3.7%)
 Development cost impact €135 mn (125)

Majority of OP's personnel's statutory earnings-related pension insurance was transferred to Mutual Pension Insurance Company Ilmarinen at YE2018. The rest of these pension insurance liabilities are planned to be transferred at YE2020 which is estimated to decrease personnel costs by €57 mn in 2020.

Volumes (Q1-3/20 growth) Outlook 2020

Home loans
€39.8 bn (+0.5%)
 Corporate loans
€22.9 bn (+1.7%)
 Housing company loans
€9.8 bn (+6%)

Loans, total
€94.2 bn (+3%)
 Deposits, total
€70.7 bn (+10.5%)

Insurance premium revenue
 (y-on-y growth)
€1,127 mn (+1.9%)

Assets under management
€85 bn (+2.3%)

OP Financial Group's earnings before tax for 2020 are expected to be lower than in 2019.

Exceptional uncertainty caused by the coronavirus pandemic increases impairment loss on receivables and weakens net investment income in 2020.

In Q1-3/20, the coronavirus pandemic affected OP's core business operations in different ways

Banking

- Applications for loan **repayment holiday** and loan repayment schedule modification in Q1-3/20
 - Private customers: **162,000** applications
 - Corporate loans: **22,000** applications
- The number of repayment holiday applications **returned to its pre-pandemic level in the summer**.
- After the restrictions set due to the pandemic were eased, loan demand started to bounce back at end-May 2020

Insurance

- The coronavirus pandemic increased the number of travel and business interruption insurance claims filed during the spring
- In many other insurance lines, the number of claims decreased as a result of lower activity in general
- The number of claims approached the pre-pandemic level in the autumn
- Claims incurred as a result of the pandemic totalled **EUR 26 million**.

OP's measures amid the coronavirus pandemic



OP takes responsibility amid the coronavirus pandemic

Supportive actions for private and corporate customers

Customers advised to utilise digital service channels

Some branches temporarily closed due to the pandemic, in the rest of branches particular attention paid to hygiene and safe use of services, protective plexiglasses were installed.

Support for senior citizens and other high-risk groups in running banking & insurance errands

Separate service hours in branches and dedicated telephone line

Repayment holidays for private customers of up to 12 months, free of charge

162,000 applications by end-Sep 2020.

Repayment holidays for corporate loans of up to 6 months, free of charge

22,000 applications for repayment holidays and repayment schedule modifications by end-Sep 2020. In addition, guarantees provided by state-owned financing company Finnvera are available for corporate customers (corporate loans of max. €1 mn are 80%-guaranteed by Finnvera)

In the summer the number of applications has returned to its pre-pandemic level.

Adjustments to rent payments and rent reliefs for commercial real estate

Offered by OP Real Estate Asset Management Ltd to its rental locations. At summer the lessees' need for flexible lease payment decreased.

Payment time flexibility for corporate customers' insurance bills

Pohjola Insurance Ltd is companies' risk management partner also during difficult times.

OP takes responsibility amid the coronavirus pandemic

Supportive actions for employees, healthcare sector and society

OP has enabled safe working conditions for its personnel in its offices and branches

Extensive remote working is also encouraged in those jobs where it is possible. In the spring, up to 75% of OP's employees worked remotely.

After the summer holiday season, the return to offices involved a flexible combination of remote and in-office work based on employees' duties and the needs of the teams while taking into account the safety and wellbeing of employees and customers, and business performance.

Pohjola Hospital donated its personnel's (up to 100 employees) work contribution for public healthcare

Persons tracked COVID-19 infection chains and helped in other critical tasks. Pohjola Hospital paid the salaries of these persons.

OP postponed payment of €97 mn interest on Profit Shares (for 2019) until 1 Jan 2021

In line with the ECB's and FIN-FSA's most recent recommendations aiming to support banks' lending capacity

9,600 lunch vouchers to families in need

Pohjola Insurance Ltd together with Hope ry donated vouchers to families in need while also supporting local restaurants.

Finnish economy



Economic response to the coronavirus crisis in Finland

Finland (GDP €240 bn)	Sum (€ bn)	Share of GDP
Guarantees and loans	10.90	4.5 %
Expenditure, taxes and disbursements for companies	5.46	2.3 %
Expenditure, taxes and disbursements for households	0.37	0.2 %
Other expenditure	2.07	0.9 %
Postponement of taxes and payments*	3.00	1.3 %
Pension insurance contribution cuts	0.91	0.4 %
Business Finland's subsidies	0.80	0.3 %
ELY** Centres' and municipalities' funding for small enterprises and entrepreneurs	0.65	0.3 %
Rural areas and fishing industry	0.04	0.0 %
Culture and sports	0.06	0.0 %
Temporary changes in unemployment benefits	0.27	0.1 %
Parental benefits	0.09	0.0 %
Supplementary budget for healthcare	0.27	0.1 %
Protective equipment	0.60	0.3 %
For municipalities	1.00	0.4 %
Other support measures	0.20	0.1 %

* Finnish Government's estimate between €3.0-4.5 bn

** Centre for Economic Development, Transport and the Environment

Source: Pellervo Economic Research PTT

Forecasts for the Finnish economy

Published 20 August 2020

Forecasts for the Finnish economy, August 2020

Volume, % change on previous year	EUR bn				
	2019	2018 [*]	2019	2020f	2021f
GDP	240.6	1.5	1.1	-4.0	3.0
Imports	95.1	5.5	2.4	-10.0	8.0
Exports	96.5	1.7	7.5	-11.5	8.0
Consumption	181.1	1.7	1.0	-1.6	2.7
- Private	126.1	1.8	0.9	-3.0	3.0
- Public	55.4	1.6	1.2	1.5	2.0
Fixed investment	57.5	3.9	-1.0	-5.5	1.8
Other key indicators		2018	2019	2020e	2021e
Consumer price index, % change y/y		1.1	1.0	0.7	1.1
Change in wage and salary earnings, %		1.7	2.2	2.0	2.5
Unemployment rate, %		7.4	6.7	7.5	7.5
Current account balance, % of GDP		-1.7	-0.5	-0.3	-0.1
General government net lending, % of GDP		-0.9	-1.0	-6.5	-4.5
General government debt, % of GDP		59.6	59.1	68.0	70.0

Sources: Statistics Finland and OP Financial Group

Recession inevitable in Finland in 2020f – Exceptional uncertainty in the economic outlook due to coronavirus crisis

GDP change, %



Source: Macrobond, OP

-4% decline in 2020f

Consumer confidence recovering after a significant drop in April

Coronavirus crisis will have negative impact on the employment rate in 2020f

Unemployment rate 7.5% in 2020f and in 2021f

Households' savings ratio increasing while debt ratio stabilising

Low interest rate environment and moderate inflation (0.7% in 2020f)

Source: OP

Government debt to GDP ratio increasing sharply in 2020f

Service exports to fall in 2020f due to the decline in global trade and world economy

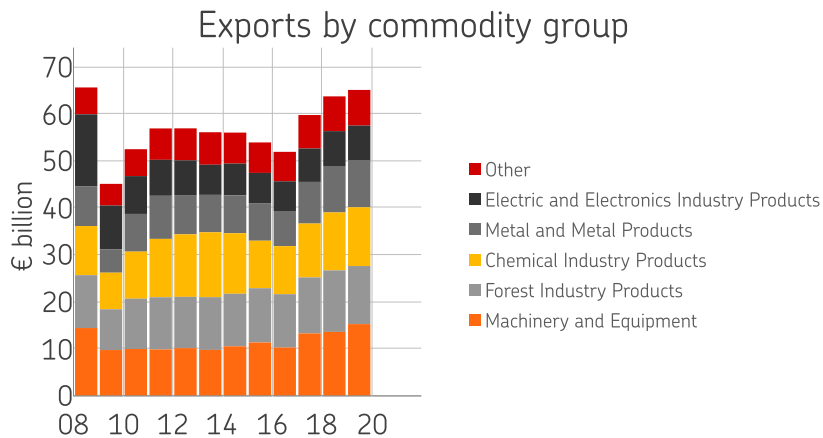
Goods exports decreasing due to the coronavirus crisis. Exports will hit bottom in autumn 2020.

Fixed investments decreasing due to companies' muted investment demand for construction, machines & equipment and R&D

Residential construction turning into a fairly clear decline – coronavirus crisis will accelerate the decline

Balanced goods exports structure by commodity group

Goods exports by commodity group
2008–19



Source: Macrobond, Finnish Customs

Source: Macrobond, Finnish Customs

Goods exports around 2/3 of
Finnish exports



Lähde: Macrobond, OP

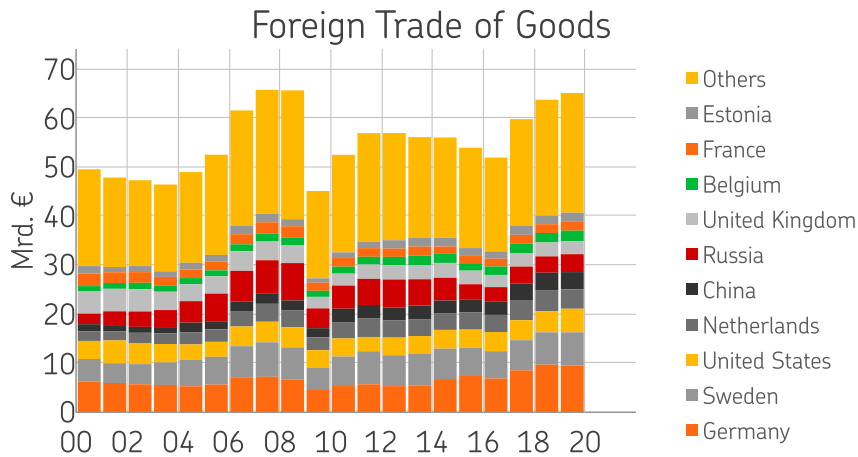
Source: Macrobond, OP
Latest values: H1/2020

Finland is an
exports-
driven
economy –
around 40%
of GDP
derives from
exports

Diversified goods exports structure by country

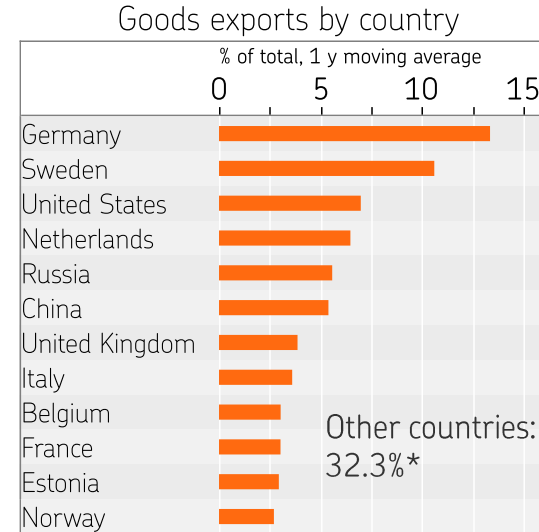
Goods exports to EU member countries 60.1% and to Euro Area 37.8% in 2019

Finland's largest goods exports countries
2000-19



Source: Macrobond, OP

Finland's biggest trading partners
(Jul 2019–Jul 2020, 12 mth moving avg)



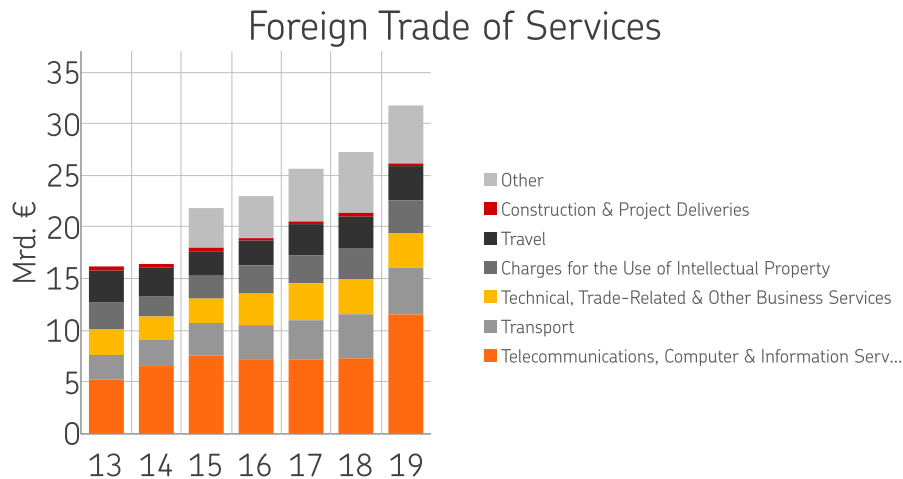
Source: Macrobond, OP

* Poland (2.8%), Japan (2.1%), Spain (1.8%), Denmark (1.6%), Switzerland (1.5%), South Korea (1.4%), Turkey (1.3%), Australia (1.1%), Latvia (0.9%), Lithuania (0.9%), Canada (0.8%), India (0.8%), Austria (0.7%), Chile (0.7%), Mexico (0.6%), Czech Republic (0.6%), Brazil (0.6%), South Africa (0.5%) and the remaining countries (11.5%) of which less than 0.5% each.

Service exports structure rather stable

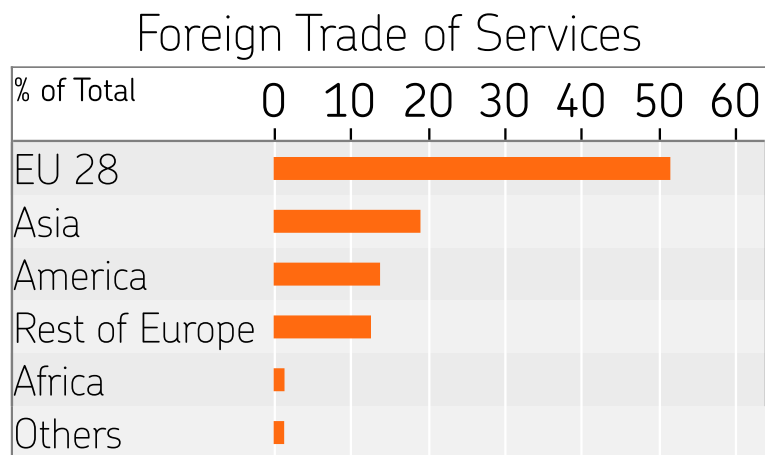
In 2019, IT services accounted for around 11% of total exports while e.g. forest industry products accounted for 13%

Finland's service exports by item
2015–19



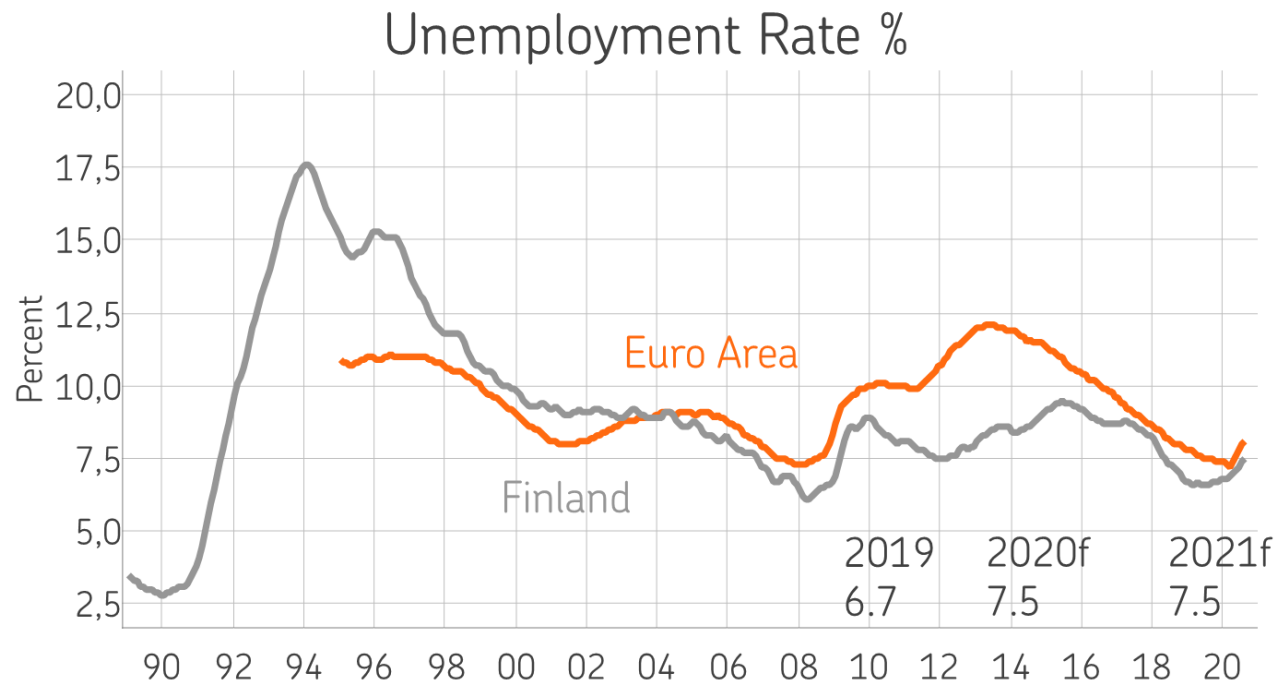
Source: Macrobond, OP

Finland's service exports by area
2019



Source: Macrobond, OP

Unemployment rate rising due to the coronavirus crisis



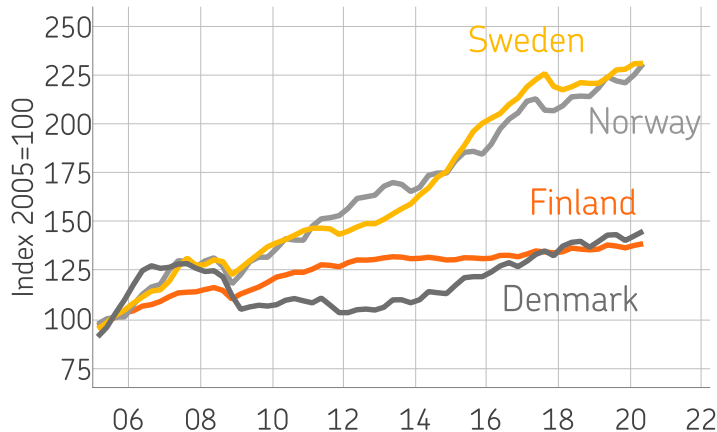
Employment declines in 2020 due to the recession caused by the coronavirus pandemic

Source: Macrobond, OP

Average house prices and households' debt

In Finland, the coronavirus crisis will hit the housing market and average house prices are estimated to decrease in 2020

House Prices in Nordic Countries

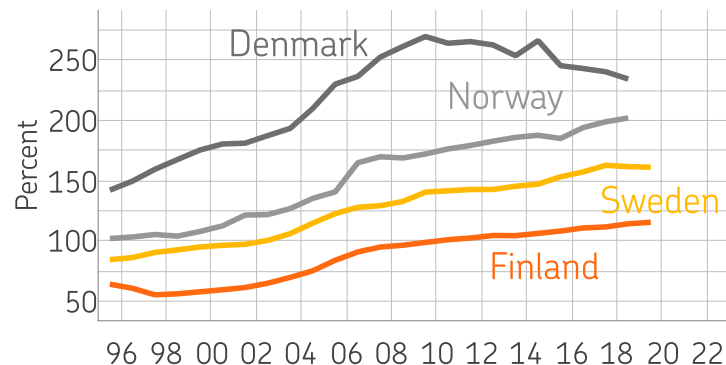


Source: Macrobond, OP, Eurostat

The House Price Index (HPI) measures price changes of all residential properties purchased by households (flats, detached houses, terraced houses, etc.), both new and existing.

Latest values: H1/2020

Gross Debt-To-Income Ratio of Households



Source: Macrobond, OP

Gross debt-to-income ratio of households is defined as liabilities divided by gross disposable income with the latter being adjusted for the net change in pension entitlements.

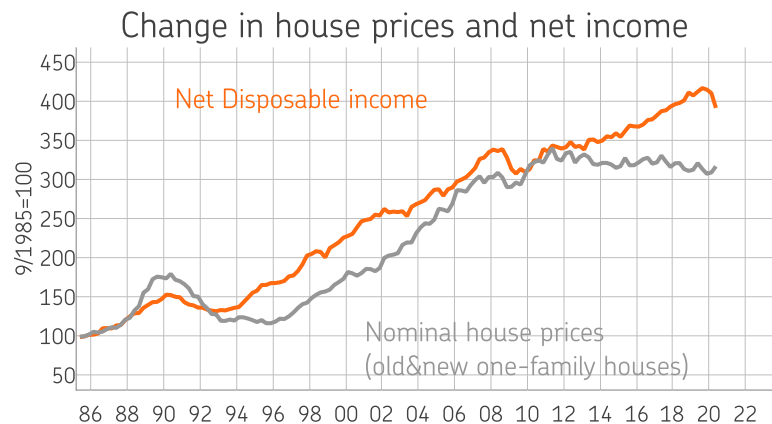
Latest values: Finland & Sweden 2019, Norway & Denmark 2018

Finnish housing market is stable

Characteristics of Finnish housing market

- Fully-amortizing housing market
- Average maturity of a new home loan 21 yrs 4 mths in May 2020
- 98% of home loans tied to variable interest rates in May 2020
 - Stress-tested with 6% interest rate in 25 years' maturity at OP
- Home loan cap (LTC) was restored to 90% (95% for first-home-buyers) from 85% due to COVID-19 related support actions for housing market in late June 2020
- Ownership ratio 63% at YE2018
 - Rental market: around 50% municipalities/subsidized and around 50% privately financed/non-subsidized (of which 30% private investors, 20% professional investors)
- Average price of an old dwelling 2,203 €/sq m in August 2020 (0.1% y-o-y, preliminary information)
 - 3,900 €/sq m in Helsinki Metropolitan Area (+2.1%)
 - 1,702 €/sq m in rest of Finland (-1.8%)

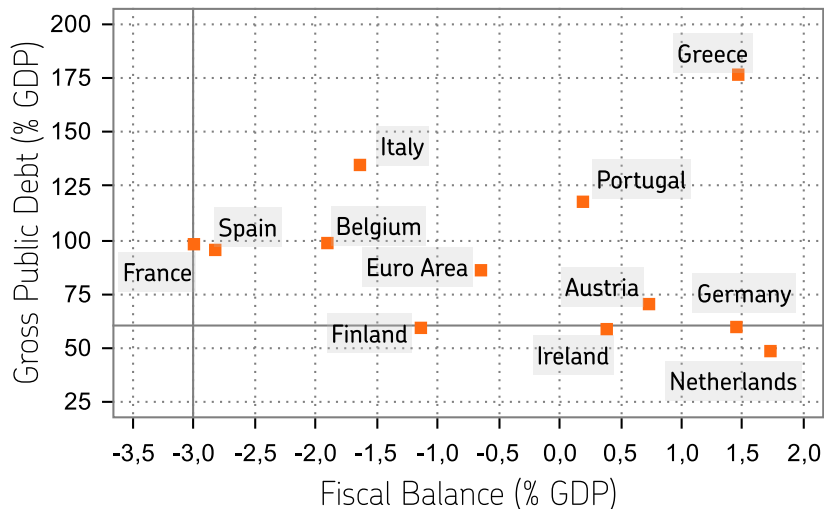
Change in nominal house prices in relation to average net income



Source: Macrobond, OP

Finland is wealthy and balanced economy in European comparison

Fiscal Balance and Public Debt
% of GDP in 2019



Source: OP, Macrobond, European Commission estimates

Long-term sovereign credit ratings of selected European countries

	Moody's	S&P	Fitch
Germany	Aaa	AAA	AAA
Netherlands	Aaa	AAA	AAA
Austria	Aa1	AA+	AA+
Finland	Aa1	AA+	AA+
France	Aa2	AA	AA**
Belgium	Aa3	AA	AA-**
Ireland	A2	AA-	A+
Spain	Baa1	A**	A-
Portugal	Baa3*	BBB	BBB
Italy	Baa3	BBB**	BBB-
Greece	B1	BB-	BB

* Positive outlook
** Negative outlook

Sources: Rating agencies' websites

OP Financial Group



OP Financial Group's structure

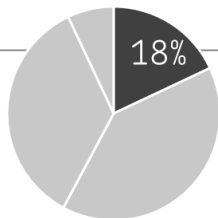
2.0 million owner-customers

138 OP member cooperative banks

OP COOPERATIVE

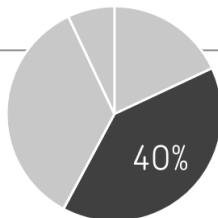
RETAIL BANKING (incl. OP Mortgage Bank)

- Retail & SME banking
- Mortgage banking
- part of Private wealth management



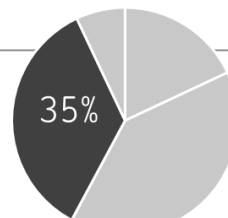
CORPORATE BANKING (incl. OP Corporate Bank)

- Corporate banking (incl. Baltics)
- Wealth management



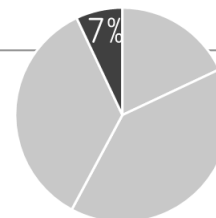
INSURANCE

- Private & Corporate customers
- Non-life insurance
- Life insurance
- Health & wellbeing



OTHER OPERATIONS

- Support functions
- Product and service development
- Treasury



% of EBT generated in Q1-3/20 (excl. group eliminations)

Number of member cooperative banks estimated to decrease to 130 by YE2020, given that all planned mergers will realise

Three-tier governance structure since 1 Jan 2020

- President and Group CEO
- Board of Directors (central cooperative decision-making & supervision)
- Supervisory Council (significant decisions of principle)

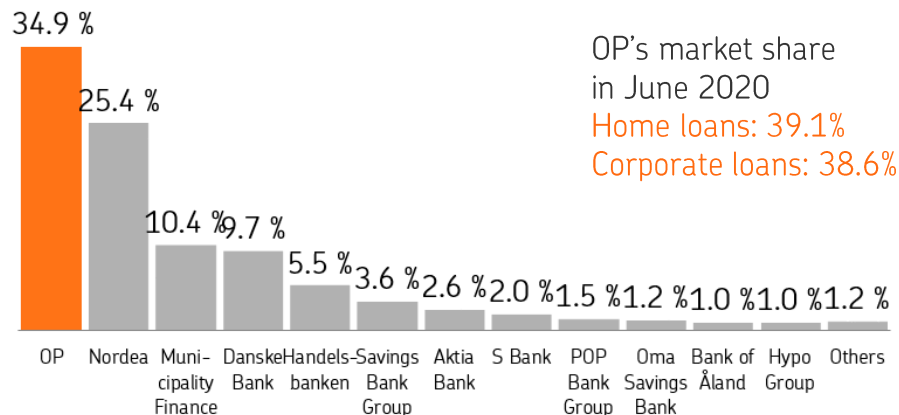
Joint liability within OP Financial Group

- Under the Act on the Amalgamation of Deposit Banks (*Laki talletuspankkien yhteenliittymästä 599/2010*), OP Cooperative and the member credit institutions are jointly liable for each others' debts.
- The member credit institutions include OP Corporate Bank plc, Helsinki Area Cooperative Bank, OP Mortgage Bank, OP Card Company Plc and the member cooperative banks. Insurance companies or other group entities do not fall within the scope of joint liability.
 - If a creditor has not received payment from a member credit institution on a due debt, the creditor may demand payment from OP Cooperative.
 - The member credit institutions must pay proportionate shares of the amount OP Cooperative has paid, and upon insolvency of OP Cooperative they have an unlimited liability to pay the debts of OP Cooperative.
 - OP Cooperative and the member credit institutions are under an obligation to take support actions to prevent a member credit institution's liquidation.
- Further information on the joint liability available in the Base Prospectuses of OP Corporate Bank plc and OP Mortgage Bank.

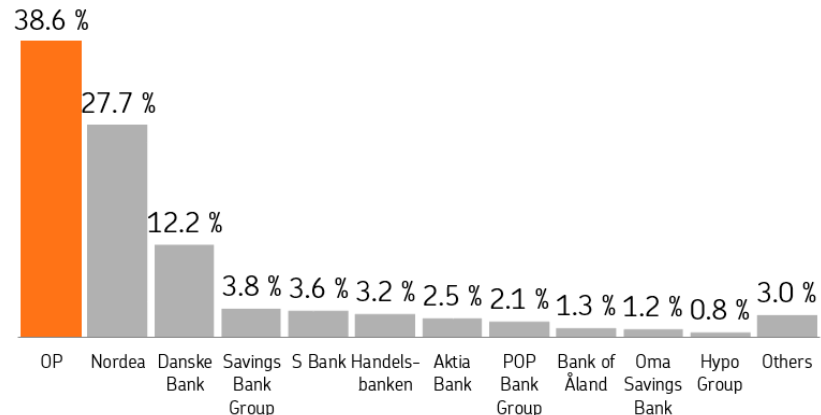
OP is the leading financial group in Finland

During its history of more than 100 years, OP has steadily increased its market share in loans and deposits

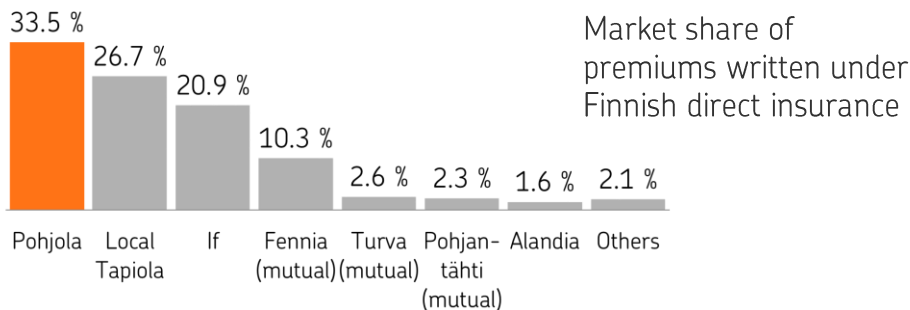
Loans, June 2020 (Finland: €256.7 bn)



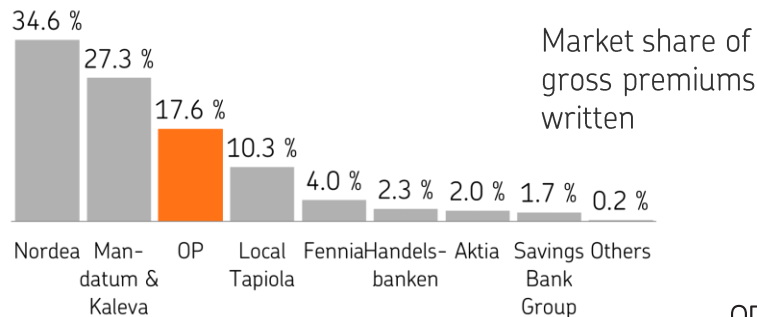
Deposits, June 2020 (Finland: €182.1 bn)



Non-life Insurance, YE2019 (Finland: €4.3 bn)



Life Insurance, YE2019 (Finland: €6.0 bn)



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

Continuous strategy process

- Constant assessment, reshaping and implementation
- Systematic operating environment and operating model evaluation
- Indicators for measuring implementation of strategic priorities affirmed during annual planning
- Productive development, one of the strategic priorities for 2020, was replaced by More efficient, higher quality operations as one of the strategic priorities for 2021.

Strategic priorities for 2021



BEST CUSTOMER EXPERIENCE



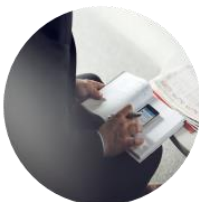
MORE BENEFIT FOR OWNER-CUSTOMERS



EXCELLENT EMPLOYEE EXPERIENCE

Key elements of the vision

- Leading market position, strong financial performance
- Appealing employer
- Pioneer and innovator in the financial sector
- #1 choice for our customers and partners
- Present where our customers are



FASTER GROWTH IN INCOME THAN IN EXPENSES



MORE EFFICIENT, HIGHER QUALITY OPERATIONS

OP's strategic targets

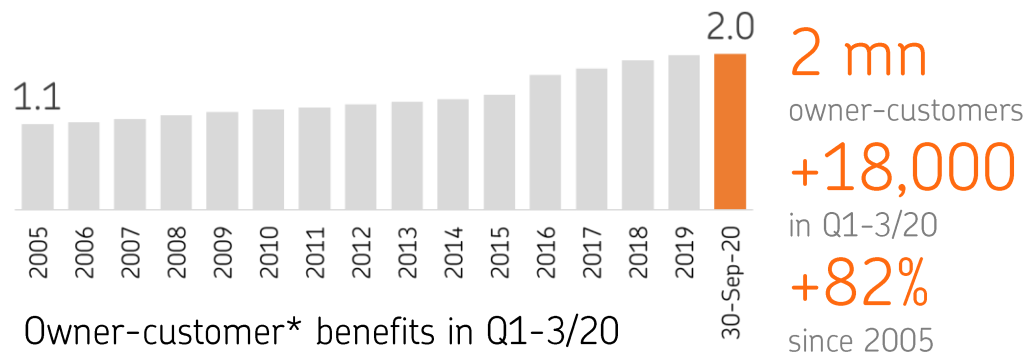
Indicator	Target	30 Sep 2020	2019	2018	2017
ROE (excl. OP bonuses)	8% in 2025	6.0%	7.1%	8.1%	9.3%
CET1 ratio	Min. CET1 ratio capital requirement + 400 bps management buffer	18.3%	19.5%	20.5%	20.1%
Brand NPS* (private & corporate customers)	30 in 2025	22	26	23	22
Credit rating	At least at the level of AA-/Aa3	AA-/Aa3	AA-/Aa3	AA-/Aa3	AA-/Aa3

* OP's customer experience (CX) metric is based on the Net Promoter Score (NPS) that measures likelihood of recommendation. NPS for the brand gauges the overall customer experience of OP. NPS can range between -100 and +100.

Growth in number of owner-customers and successful cross-selling supported by attractive loyalty benefits

Between 1999-2019, OP bonuses paid to customers totalled more than €2.5 bn

Solid growth in number of owner-customers, mn



Owner-customer* benefits in Q1-3/20

€194 mn

accrued OP Bonuses**

€90 mn

to banking and wealth management service fees

€98 mn

to insurance policy fees

€2.9 bn

investments in Profit Shares

€71 mn

accrued returns on Profit Shares (target 3.25% in 2020)

€20 mn

discounts on daily banking

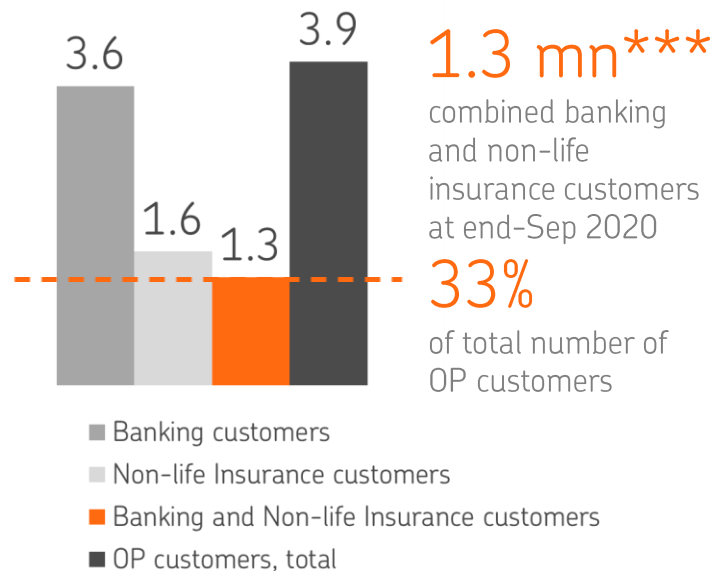
€51 mn

loyalty discounts on non-life insurance policies

€5 mn

benefit of selling, buying and trading of most mutual funds free of charge

Successful integration of banking and non-life insurance customerships, mn



* Membership fee varies depending on the OP cooperative bank (eg. 100€ at Helsinki Area Cooperative Bank)

** An owner-customer's loans, savings, investments and insurance premiums generate OP bonuses 0.25% of monthly transactions

*** Calculation method applied to the number of customers has been changed as of September 2019, due to a change in definition of a party linked to a customer

Key development areas in OP's operations

€2 bn development investments during 2016–2020 – total development expenditure €208 mn in Q1–3/20 (219)

Group



- ICT architecture and data warehousing renewal
- Agile process automation and service digitisation
- New competencies for UX/UI, service design, AI, analytics, big data, block chain, robotics etc.
- Open Banking: APIs and new partnership models
- Regulation-driven development (eg. AML, PSD2, IFRS9)



Banking: Private & SME Customers

- Digital home loan process & automated decision-making: >80% of home loans applied for in digital channels
- Renewal of loan origination process (incl. collateral mgmt)
- Digital platforms for real estate business and home sales
- Real-time payments and payment platform renewal
- Digital work desk and new phone handling system for bank clerks
- Core system renewal in card business and wealth management
- Extended use of Mobile Key in authentications

Insurance Customers



- New online and mobile services eg. digital purchase paths for private customers
- AI utilisation and improved business process management in claims handling
- Improved products and services for partners
- Improved risk analysis and fraud detection
- Insurance core platform renewal
- Digital Pohjola Hospital mobile app



Banking: Corporate & Institutional Customers

- Improvements to corporate service offering and processes
- Platform renewals within payments, financing and asset management
- Successful customer service shows in NPS and Prospera's Corporate Banking surveys; OP Corporate Bank the best bank in Finland (selected by large caps in 2018 and by mid-caps in 2019)

1.8 mn active users in OP's digital channels

Digital service channels actively utilized amid the coronavirus pandemic

Logins and users in OP's digital channels

OP Mobile
app

296 mn

logins in Q3/20

+34% y-on-y

1.5 mn reg. users

Op.fi
internet bank

54 mn

logins in Q3/20

-32% y-on-y

1.9 mn reg. users

OP Business
Mobile app

11 mn

logins in Q3/20

+52% y-on-y

95,000 reg. users

Pivo Mobile
Wallet app

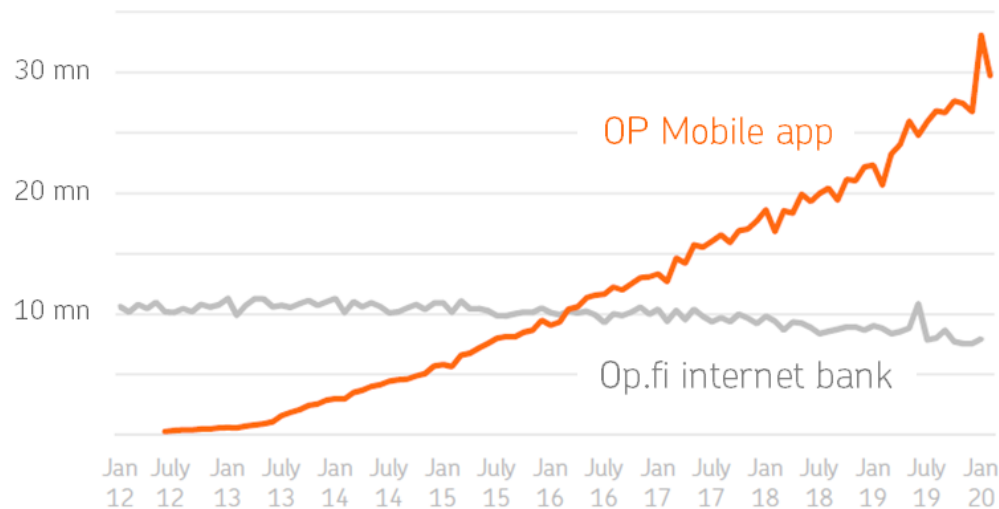
33 mn

logins in Q3/20

-15% y-on-y

1 mn reg. users

OP Mobile app is OP's main service channel:
Monthly logins to OP Mobile app vs. Op.fi internet bank



OP's Mobile Key enables authentication in multiple digital channels

- 1.1 mn active users
- 80% of all authentications made by using Mobile Key

Digital customer experience changes the role of local presence

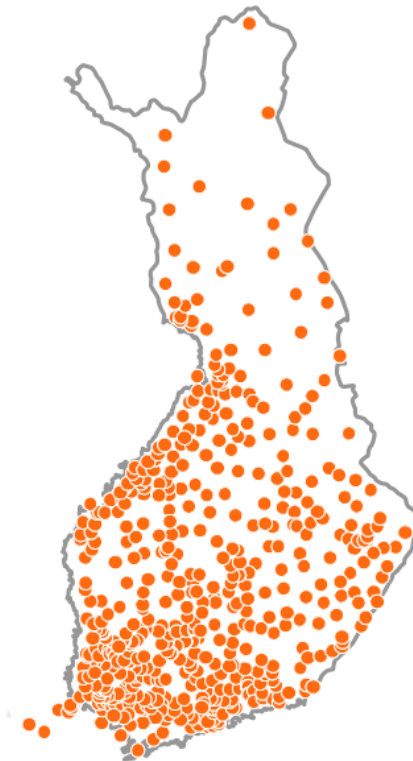
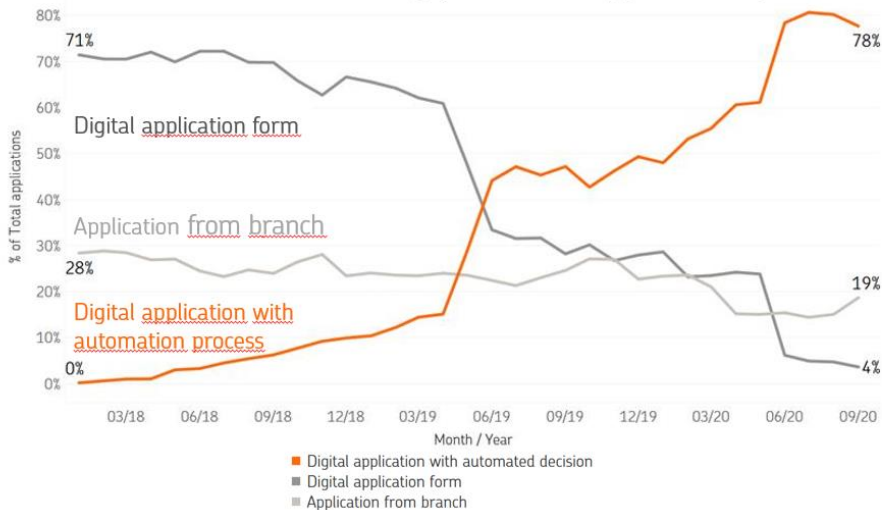
>98%

of OP's private customer service encounters occur in digital channels

45%

of customers classified as active users* of OP's digital channels

Majority of home loan applications made digitally with automated decision making (% of total applications)



138

OP member cooperative banks
-43 since YE2014

344

branches
-111 since YE2014

* Customers that have logged in to digital channels at least once during the past 30 days

OP Financial Group's Corporate Responsibility Programme



We promote the management of personal finances and prosperity in all age groups.



We support sustainable development and mitigating climate change and help adapt to it.



We create jobs, promote physical activity, provide security and help build wellbeing in Finland. We promote local economic vitality.

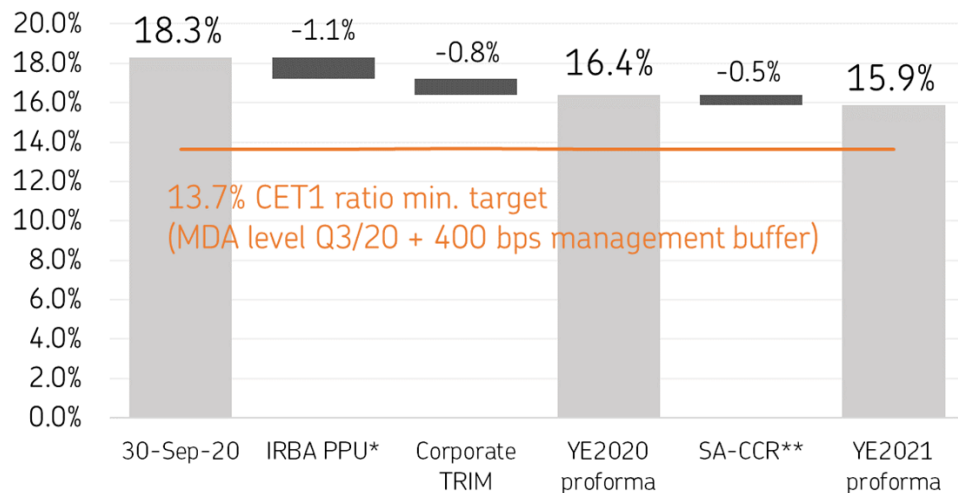


We use customer data and AI transparently, in the best interest of our customers. Accessibility and having the best customer experience across all channels are at the core of developing our services.

CET1 ratio 18.3%

Decline caused mainly by loan portfolio growth and the adoption of the new DoD.

Future changes*** impacting the CET1 ratio



* Internal Ratings-Based Approach Permanent Partial Use

** Standardized Approach for Counterparty Credit Risk (CRR2 update)

*** Impacts and entry into force of these changes were estimated according to the management's best knowledge based on the information currently available

Profit shares in CET1 capital €2.9 bn REA €60.5 bn (55.5)

- €0.4 bn caused by ECB RW floors
- €0.8 bn addition to REA made in Q1-3/20 in order to prepare for COVID19 impacts

Average risk weights, 30 Sep 2020

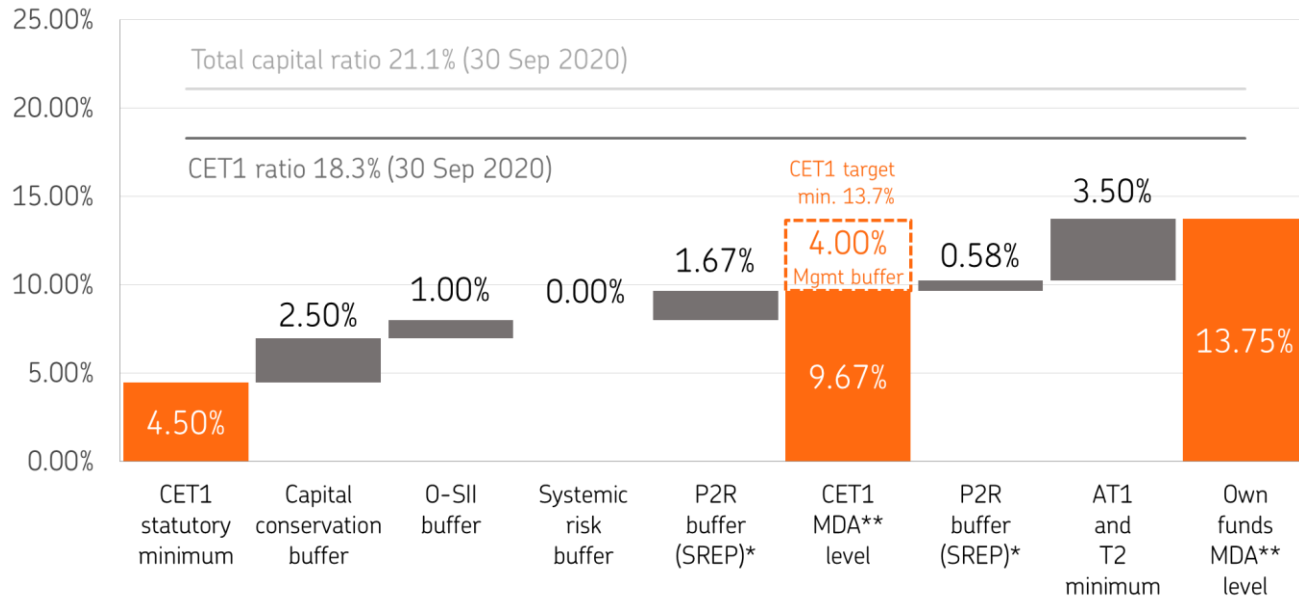
21.0% for retail exposures (17.6)

67.9% for corporate exposures (66.8)

- In Feb 2017, ECB decision on RW floors for retail exposures – valid until qualitative requirements met
 - 15.4% for mortgage-backed exposures
 - 32.7% for other private customer exposures
- FIN-FSA's 15% RW floor on residential mortgage loans came into force on 1 Jan 2018 and is valid until YE2020
- In Apr 2019, ECB set RW floor of approx. 12% for home loans (TRIM) – valid until qualitative requirements met
 - No further effect on OP's CET1 ratio due to previously set higher RW floors
- In Feb 2020, ECB decision on new DoD incl. risk weighting factors for corporate and retail exposures – valid until qualitative requirements met

CET1 ratio target: Management buffer min. 400 bps above CET1 MDA level – totalling to min. 13.7% (Sep 2020)

OP's capital adequacy above the minimum requirements and the CET1 management buffer



In April 2020, following the coronavirus crisis, the FIN-FSA lowered OP's capital requirements by cutting O-SII buffer to 1% (formerly: 2%) and systemic risk buffer to 0% (formerly: 2%). These capital buffer requirements are parallel and the larger one is applied.

According to ECB's guidance, since Q1/20, P2R buffer is also covered with AT1 and T2 capital.

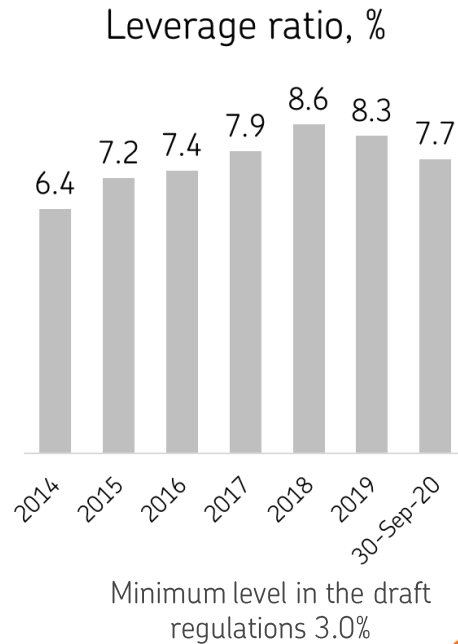
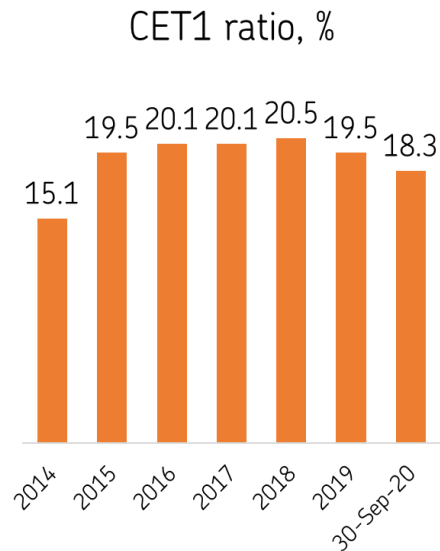
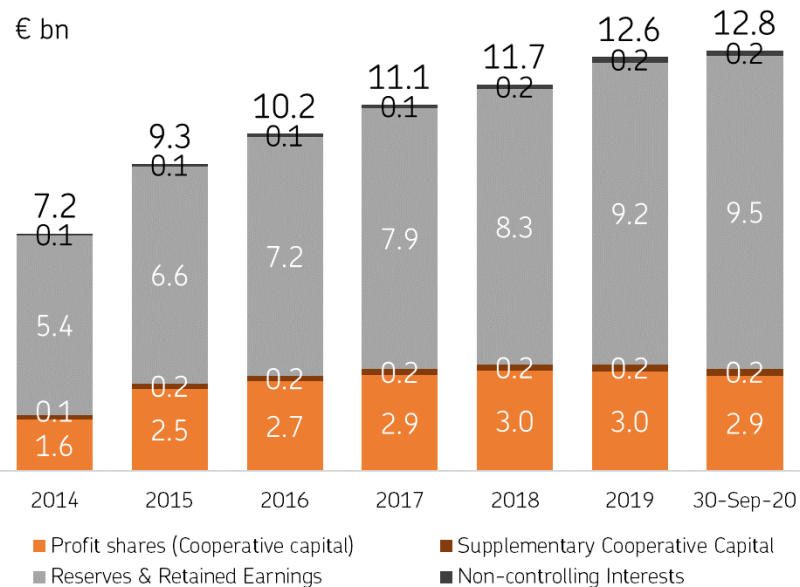
In December 2019, as part of SREP, the ECB set OP Financial Group's P2R buffer requirement at 2.25% (previously 2.00%) that entered into force on 1 January 2020.

* P2R supervisory Pillar II requirement ** Maximum distributable amount

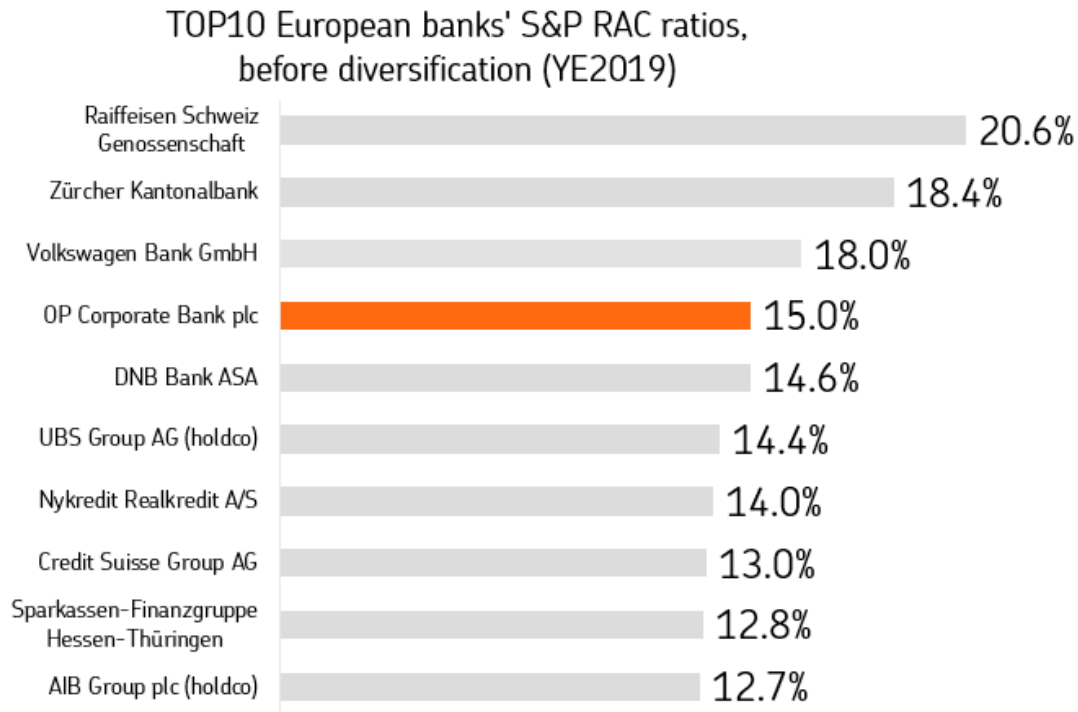
Strong track record of capital generation

Robust earnings generation and strength of the cooperative model shows in equity capital

Earnings and profit shares contribute to CET1 and leverage ratio



OP is a clear outperformer in S&P RAC ratio comparison leaving all Nordic peers behind

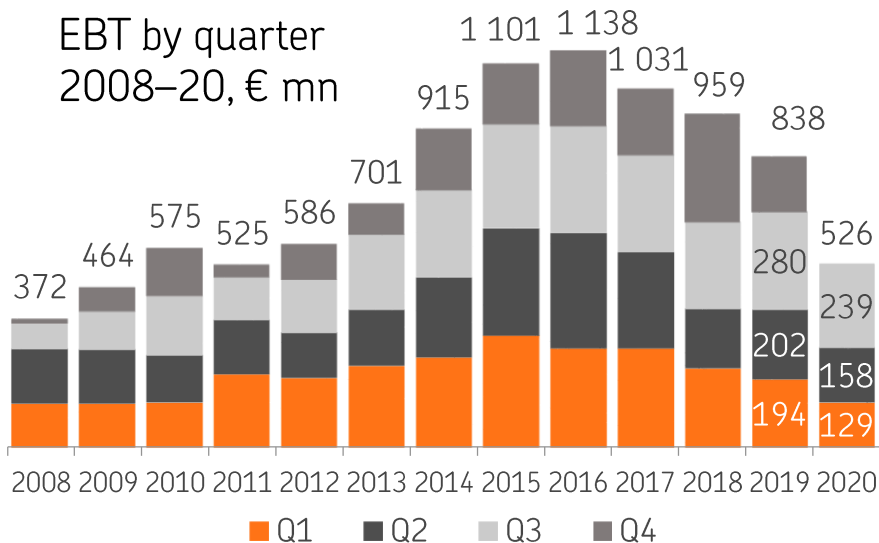


Source: Standard & Poor's, COVID-19 Puts The Brakes On Capital Strengthening For The 50 Largest European Banks, October 14, 2020

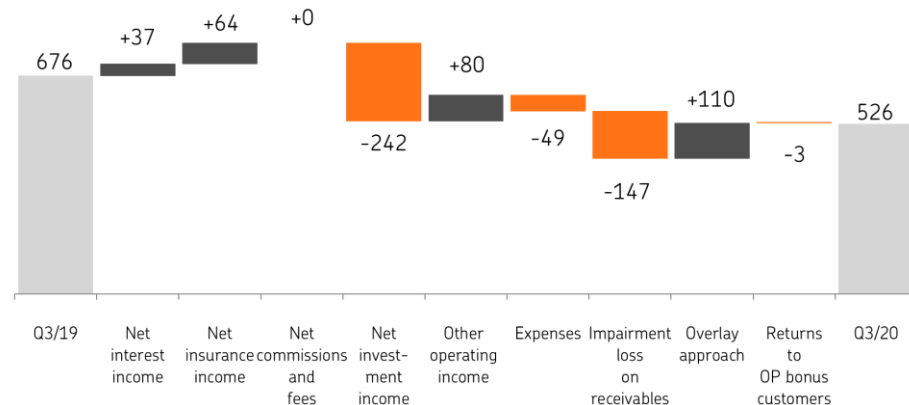
EBT for 2020 expected to be lower than in 2019

In Q3/20, income deriving from customer business increased while lower net investment income and higher impairment loss on receivables eroded the EBT – largely caused by the coronavirus crisis

EBT by quarter
2008–20, € mn



EBT, y-o-y change by P&L line item*, **,***
Q3/20 vs. Q3/19, € mn



* A temporary exemption from IFRS9 (overlay approach) is applied to some equity instruments of insurance companies (reported according to IAS39)

** Net insurance income includes net income from Non-life and Life insurance. Net investment income includes net trading income as well as net investment income from Non-life and Life insurance

***A net capital gain of €96 mn recognised on the sale of Vallila HQ property in other operating income

OP's financial performance by business line Q3/20

Q1–3 earnings 2020, EUR million	Retail Banking	Corporate Banking	Insurance	Other operations	Group eliminations	OP Financial Group
Net interest income	694	297	-1	-46	16	960
of which internal net income before tax		-17		17		
Net insurance income			485		-8	476
Net commissions and fees	517	104	55	7	-4	679
Net investment income	1	106	-37	11	-50	31
Other operating income	21	14	6	582	-502	121
Total income	1,232	521	508	553	-547	2,268
Personnel costs	309	56	101	128	0	594
Depreciation/amortisation	39	14	43	102	-2	196
Other operating expenses	504	150	200	285	-515	624
Total expenses	852	220	344	515	-517	1,414
Impairments loss on receivables	-118	-66	0	1		-183
OP bonuses to owner-customers	-162	-14	-14			-190
Temporary exemption (overlay approach)			45	0	0	45
Earnings before tax	101	221	195	39	-30	526

Cost efficiency

Group C/I ratio
62% (60)

Retail Banking
C/I ratio
69.1% (69.5)

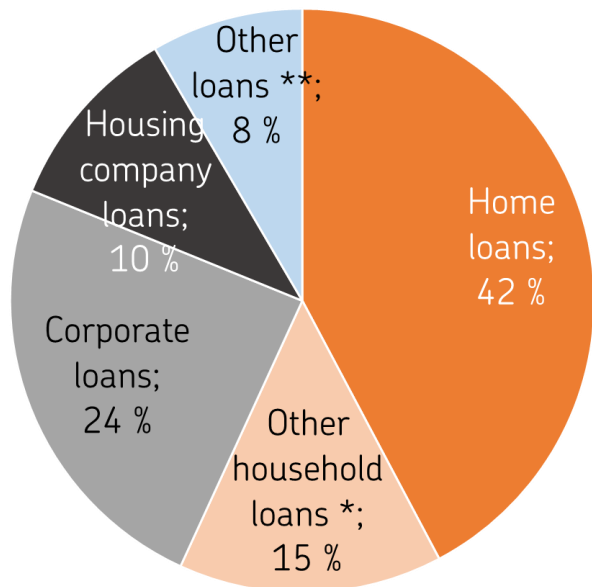
Corporate Banking
C/I ratio
42.3% (44.8)

Non-life Insurance
Operating cost ratio
25.8% (26.5)

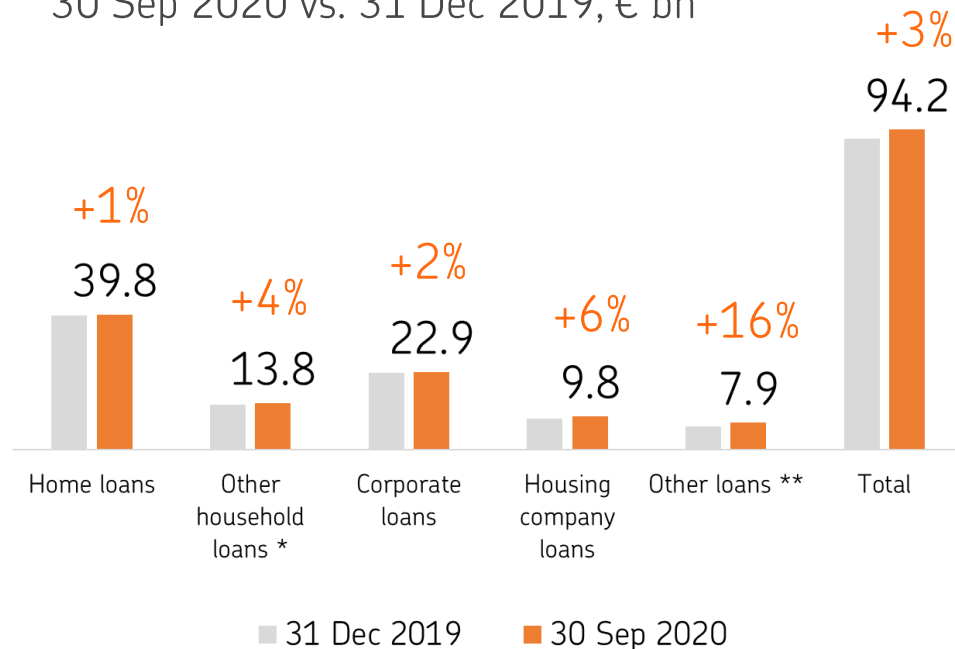
* Group eliminations recognised through profit or loss are mainly due to the change in accounting policies

Loan portfolio up by 3% in Q1-3/20

€94.2 bn Loan portfolio breakdown,
30 Sep 2020, %



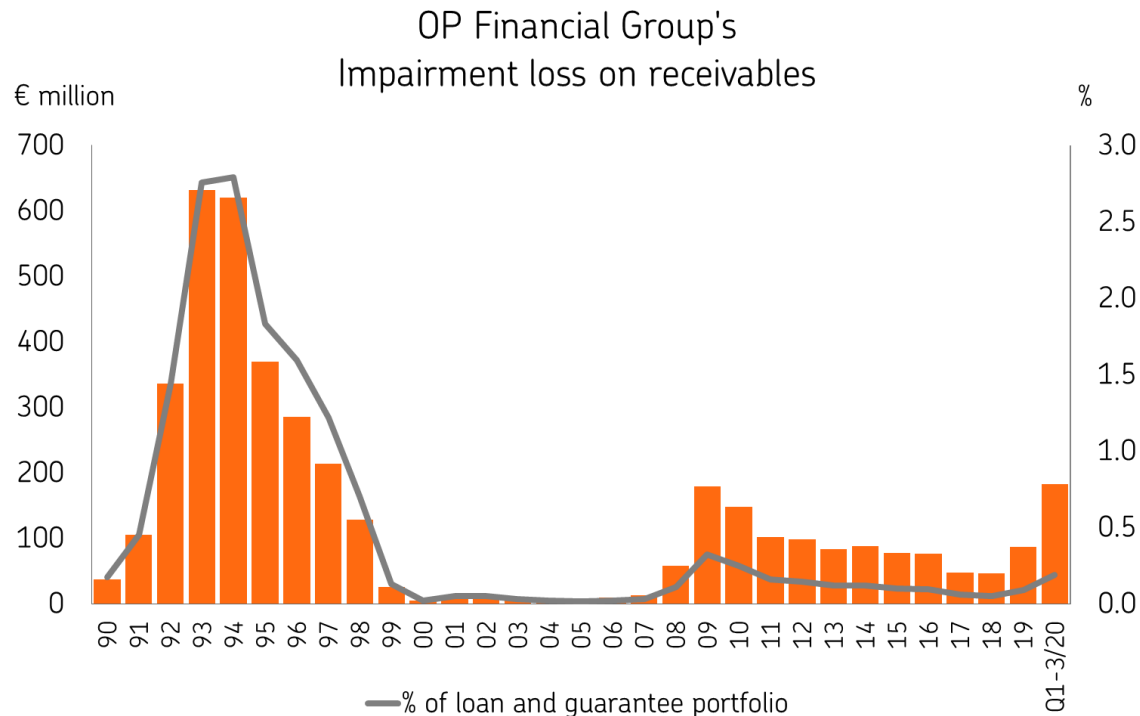
Loan portfolio growth by product group,
30 Sep 2020 vs. 31 Dec 2019, € bn



* Other household loans include loans for holiday homes, consumer loans, student loans etc.

** Other loans include loans to financial institutions, public sector, non-profit organisations and customers abroad

Impairment loss on receivables up due to coronavirus crisis and the new DoD



Q1-3/20:

€183 mn (36) i.e.
0.25% (0.05) of loan
and guarantee portfolio

Increase in impairment loss on
receivables mainly caused by the
coronavirus crisis (€72 mn) and
the new DoD (€44 mn)

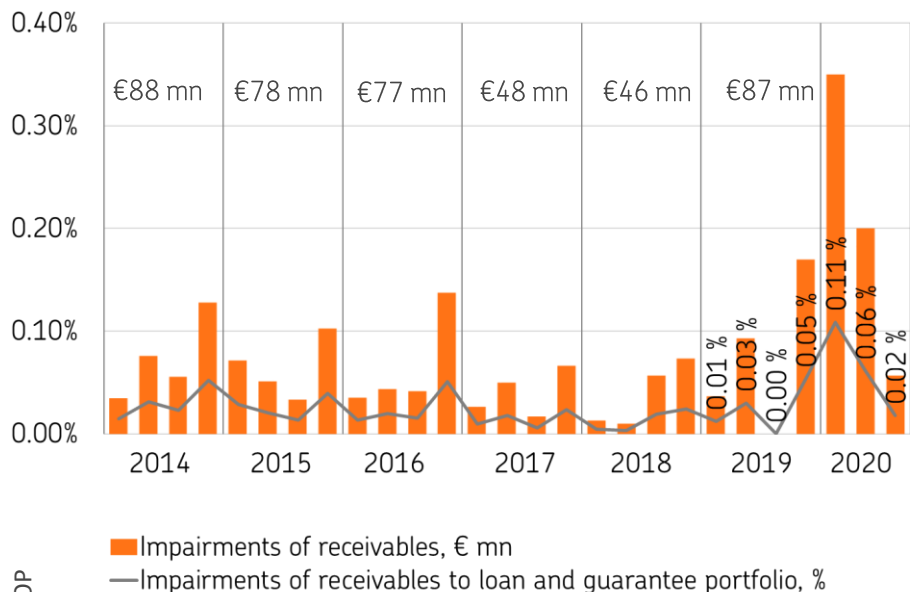
Q1-3/20 impairment loss on receivables €183 mn

Doubtful receivables 4.6% (3.2) of loan and guarantee portfolio

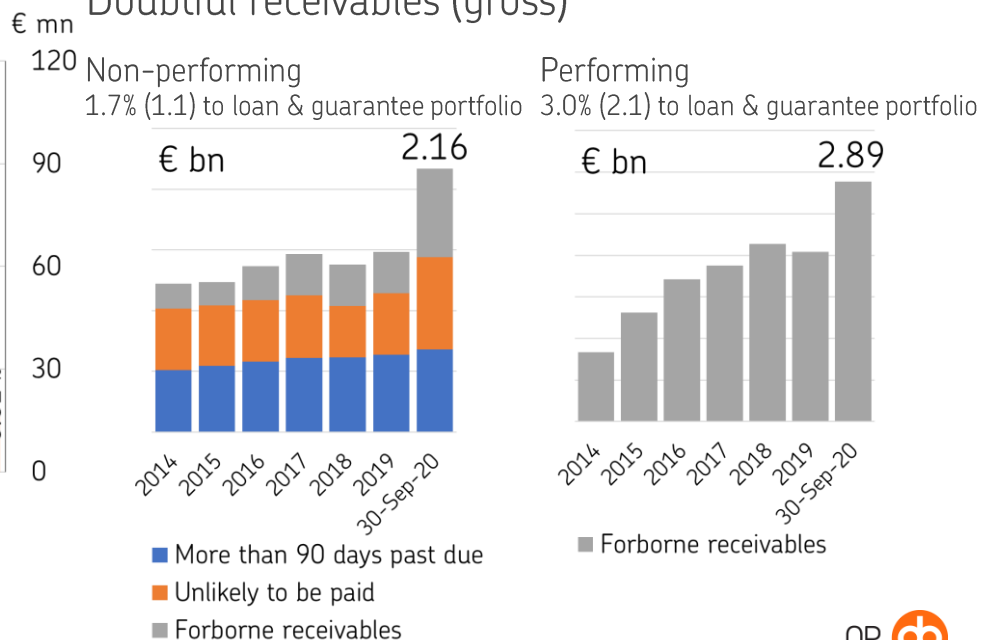
Performing forborne receivables 64% (66) of gross doubtful receivables

Effect of the coronavirus crisis on growth in ECL totalled around €72 mn in Q1-3/20

Impairment loss on receivables

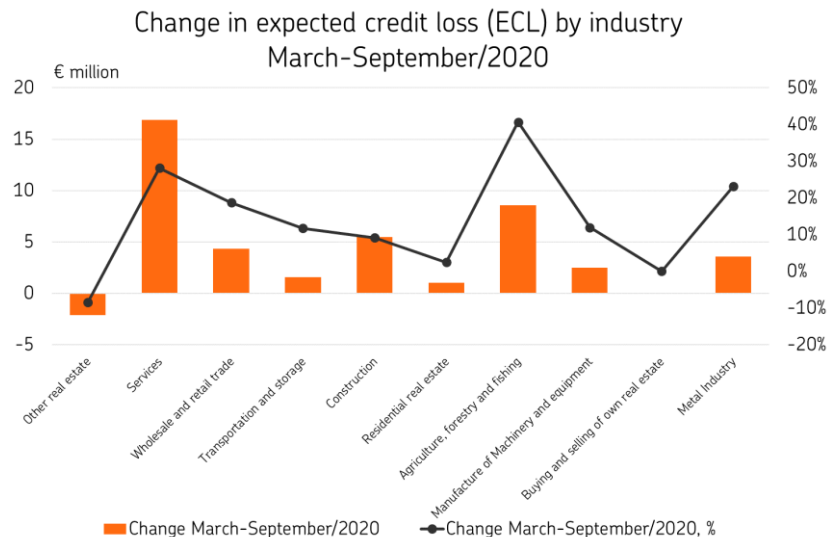
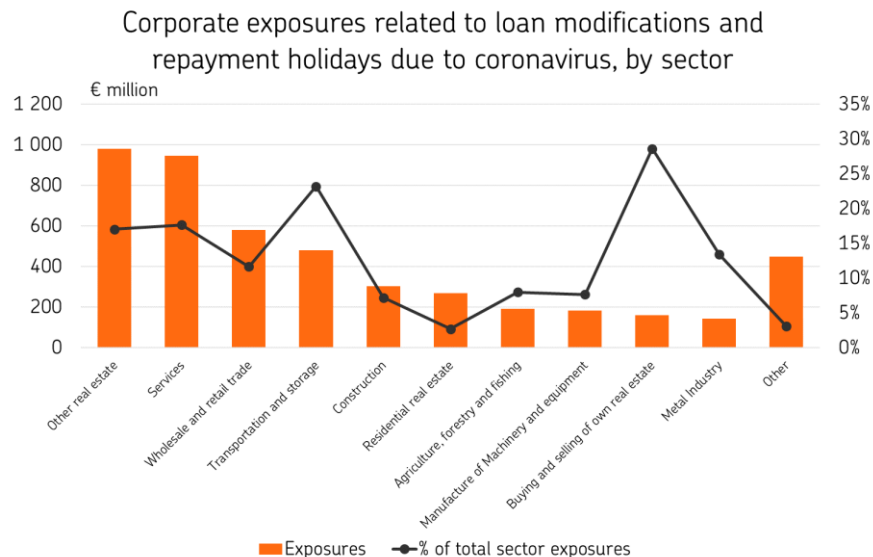


Doubtful receivables (gross)



Some negative effects of the coronavirus crisis seen in certain industries of corporate exposures

In March-September 2020, repayment holidays and repayment schedule modifications were granted to customer exposures worth €12.3 bn, of which 62% concerned private customers and 38% corporate customers

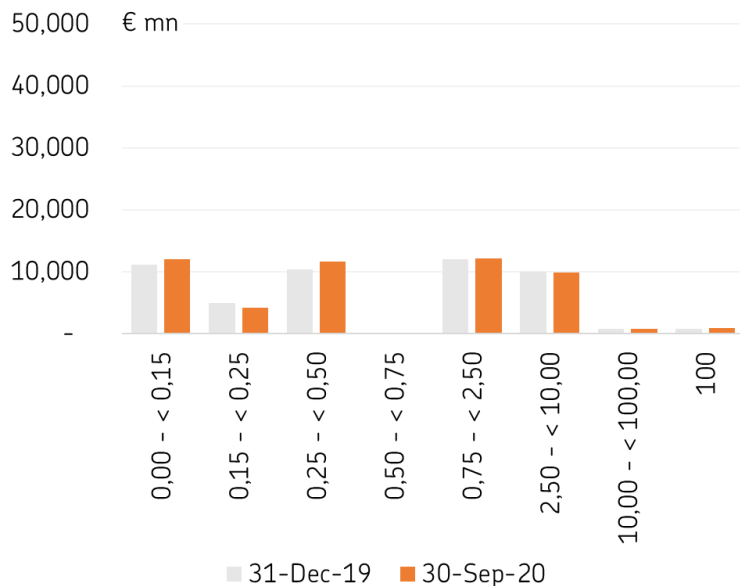


21% of repayment holidays and repayment schedule modifications granted Services (eg. hotels, restaurants, tourism), 20% other real estate (commercial real estate) and 12% Trade

In March-September, the most significant changes in ECL were recognised in corporate exposures related to Services; Agriculture, forestry and fishing and Trade

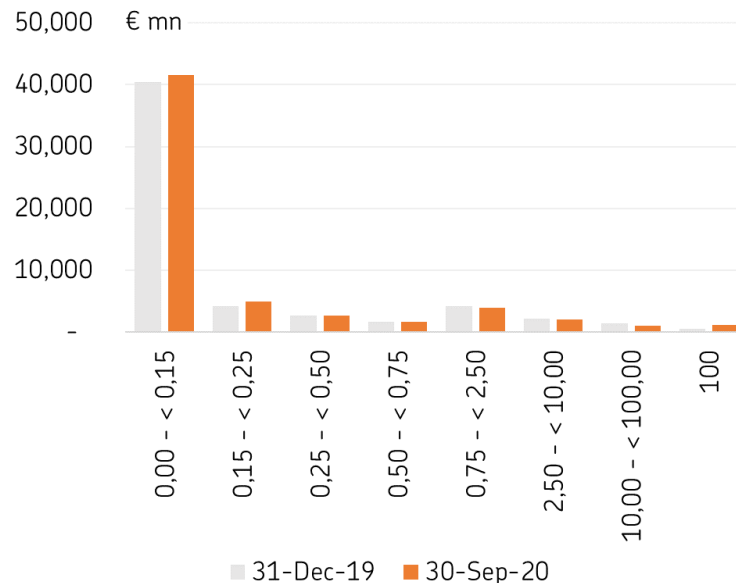
Credit risk exposures (IRB) by PD class

Corporate exposures (gross value) by PD range
(€51.7 bn at 30 Sep 2020)



In OP Financial Group's 20-tier internal rating system for corporate customers, 26% of the corporate exposures to which a repayment plan change or repayment holiday was granted concerned the highest seven rating grades, while 6% concerned the lowest three rating grades.

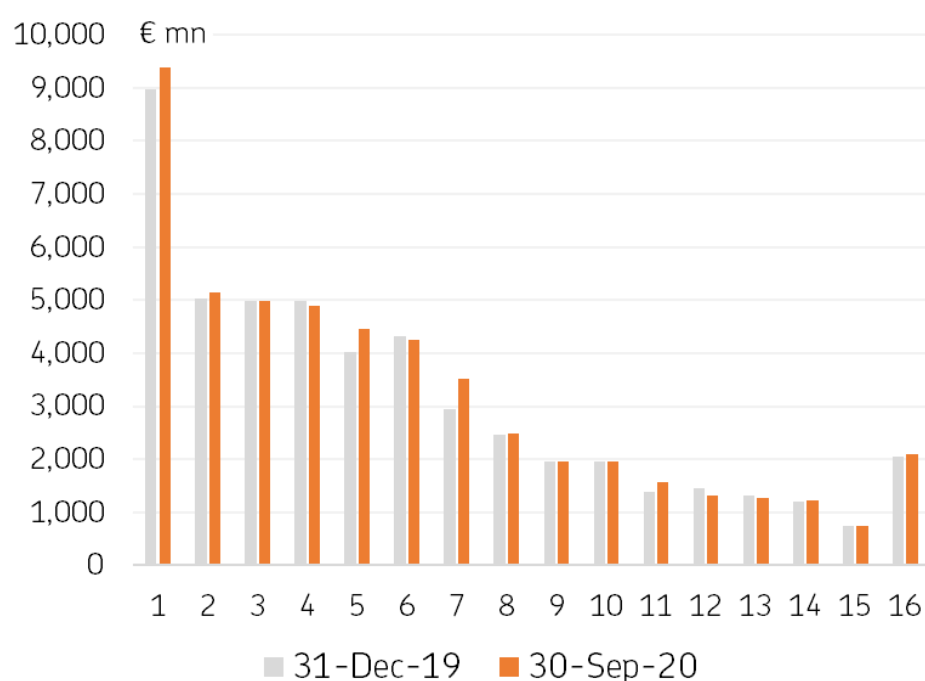
Retail exposures (gross value) by PD range
(€59.2 bn at 30 Sep 2020)



69% of repayment holidays granted to private customers concerned the top six rating grades in OP Financial Group's 16-tier internal rating system, while 5% concerned the lowest three rating grades.

Corporate exposures well diversified by industry

Corporate exposures (IRB, net value) €51.3 bn as at 30 Sep 2020



No.	Industry	31-Dec-19	30-Sep-20
1	Renting and operation of residential real estate	18.0%	18.3%
2	Trade	10.1%	10.0%
3	Services	10.0%	9.7%
4	Operating of other real estate	10.0%	9.5%
5	Energy	8.1%	8.7%
6	Construction	8.7%	8.3%
7	Financial and insurance activities	5.9%	6.9%
8	Manufacture of machinery and equipment (incl. maintenance)	4.9%	4.9%
9	Agriculture, forestry and fishing	3.9%	3.8%
10	Other manufacturing	3.9%	3.8%
11	Forest industry	2.8%	3.1%
12	Transportation and storage	2.9%	2.6%
13	Information and communication	2.6%	2.5%
14	Metal industry	2.4%	2.4%
15	Food industry	1.5%	1.4%
16	Others	4.1%	4.1%

Funding based on strong credit ratings

Target: Credit rating at least at the level of AA-/Aa3

	Moody's (Long-term debt rating)	S&P (Long-term issuer credit rating)
OP Corporate Bank plc	Aa3	AA-*
Svenska Handelsbanken AB	Aa2	AA-
DNB Bank ASA	Aa2	AA-
Nordea Bank Abp	Aa3	AA-*
SEB AB	Aa2	A+
Swedbank AB	Aa3	A+
Danske Bank A/S	A3	A
OP Mortgage Bank**	Aaa	AAA
Pohjola Insurance Ltd***	A2	A+*
If P&C Insurance Ltd***	A1	A+
Finland	Aa1	AA+

* Negative outlook

** Covered bond rating

*** Insurance financial strength rating

Updated: 16 October 2020

OP CORPORATE BANK PLC

- Moody's affirmed Aa3 rating with stable outlook in December 2018
 - Uplifts from Loss-Given-Failure (+2 notches) and Government Support (+1 notch)
- S&P affirmed AA- rating and changed outlook from stable to negative in May 2020
 - Uplifts from Business Position (+1 notch), Capital and Earnings (+2 notches) and ALAC Support (+1 notch)

OP MORTGAGE BANK

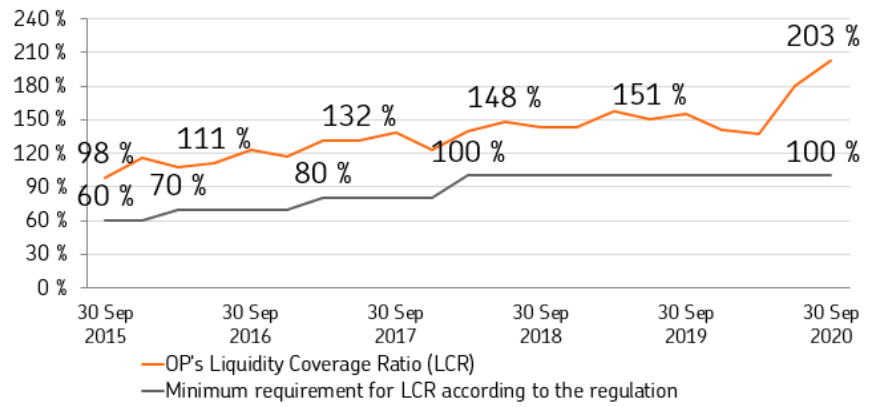
- Moody's affirmed Aaa rating with stable outlook in November 2018
 - TPI (Timely Payment Indicator) Leeway 5 notches
- S&P affirmed AAA rating with stable outlook in September 2019
 - 3 unused notches of jurisdictional support, 2 unused notches of collateral based uplift

POHJOLA INSURANCE LTD

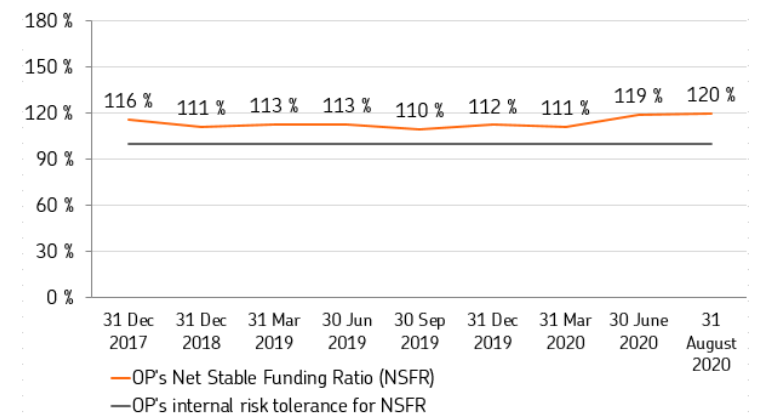
- Moody's upgraded rating to A2 with stable outlook in January 2019
- S&P affirmed A+ rating and changed outlook from stable to negative in May 2020

Despite the effects of coronavirus pandemic OP's liquidity and funding position remained good

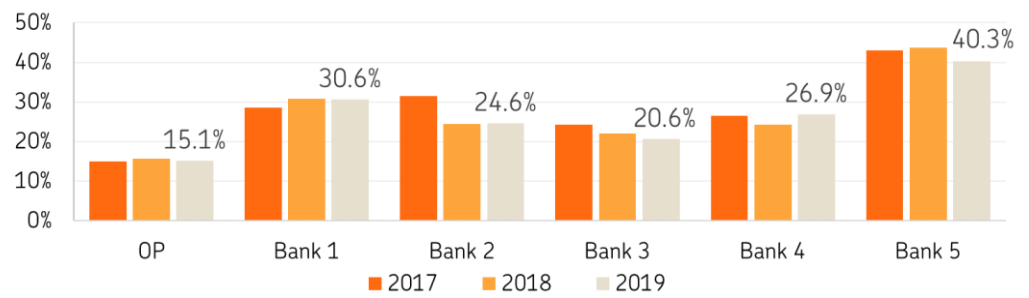
LCR vs. minimum requirement



NSFR vs. internal risk tolerance



OP has the lowest Asset Encumbrance ratio in Nordic comparison

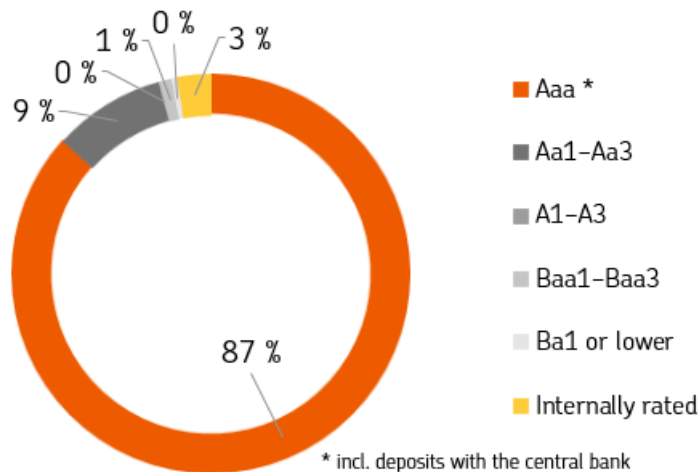


Source: Banks' Annual reports/Risk Management Reports & calculations by OP Financial Group, calculated from data reported by banks according to EBA Asset Encumbrance Disclosure Guidelines (Bank 5 ratio as reported by the bank itself)

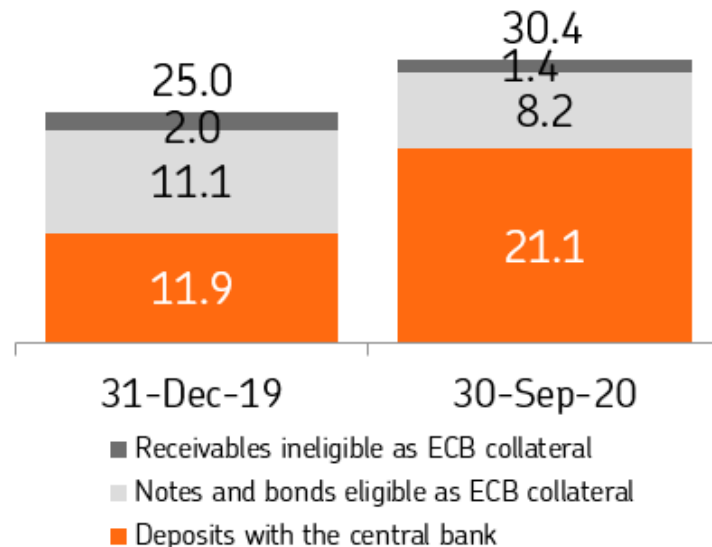
Liquidity buffer €30.4 bn

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

Liquidity buffer by credit rating**, as at 30 Sep 2020



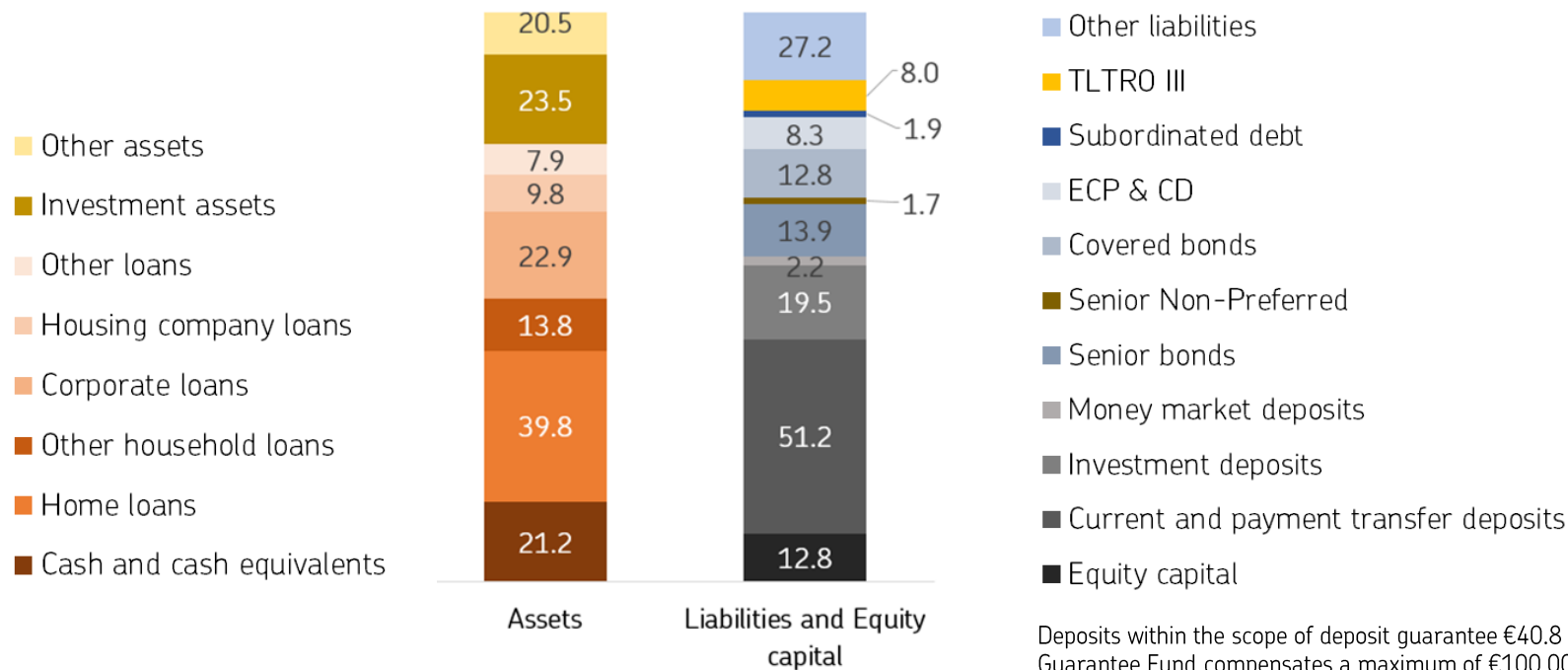
Liquidity buffer breakdown, € bn



** "Internally rated" includes externally non-rated notes and bonds issued by public-sector entities and companies

Balance sheet totaled €159 bn at end-Sep 2020

Loans 59%, deposits 44% and market-based funding 26% of the balance sheet

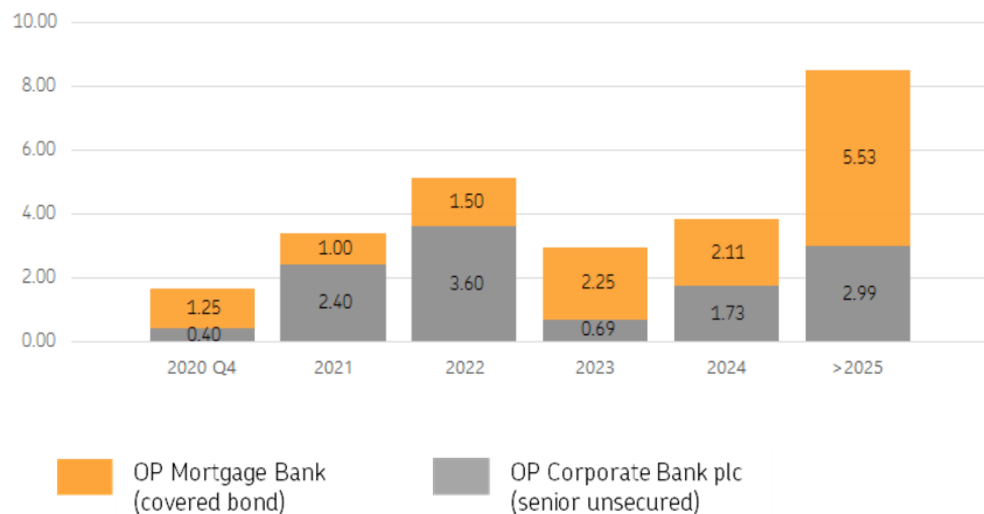


Deposits within the scope of deposit guarantee €40.8 bn. The Deposit Guarantee Fund compensates a maximum of €100,000 for each OP Financial Group customer.

Other assets include: Assets covering unit-linked contracts, Derivative contracts, Intangible assets, PPE, Tax assets, Receivables from credit institutions and other assets
 Other liabilities include: Insurance liabilities, Liabilities from unit-linked insurance and investment contracts, Derivative contracts, Provisions and other liabilities, Liabilities to credit institutions (excl. TLTRO III) and Tax liabilities

Maturity breakdown of wholesale funding well diversified

Issued senior unsecured and covered bonds by maturity, 30 Sep 2020 (€ bn)



MREL regulation

- The SRB has set MREL for OP Financial Group at 12% of liabilities and own funds ie. 27% of the total risk exposure amount (REA) at YE2018.
- As at 30 Sep 2020 OP Financial Group
 - clearly fulfils the requirement set by the authority: MREL ratio was around 36%
 - had SNP instruments worth €1.7 bn in its balance sheet
- The SRB has confirmed a resolution strategy for OP Financial Group whereby the resolution measures would apply to OP Corporate Bank acting as a Single Point of Entry

Issued long-term bonds €6.6 bn in Q1-3/20

OP Corporate Bank plc's benchmark bonds 2019-20

Year	Month	Amount	Maturity	Cost
2020	June-July	€1 bn	4 yrs	m/s +50 bps
2020	June	€1 bn (T2)	10 yrs (10 non-call 5)	m/s +200 bps
2020	June	SEK3.25 bn (T2)	10 yrs (10 non-call 5)	m/s +230 bps
2020	May	€1 bn	5.25 yrs	m/s +85 bps
2020	January	€500 mn (SNP)	7 yrs	m/s +65 bps
2019	November	€500 mn (SNP)	10 yrs	m/s +68 bps
2019	June	€500 mn (SNP)	5 yrs	m/s +60 bps
2019	February	€500 mn (Green)	5 yrs	m/s +35 bps

OP Mortgage Bank's benchmark covered bonds 2019-20

Year	Month	Amount	Maturity	Cost
2020	April	€300 mn (retained)	8 yrs	Eb3 +45 bps
2020	April	€500mn (retained)	2 yrs	Eb3 +30 bps
2020	January	€1 bn	8.25 yrs	m/s +3 bps
2019	November	€1 bn	7 yrs	m/s +3 bps
2019	February	€1.25 bn	10 yrs	m/s +10 bps

In March 2020, OP took ECB's USD-denominated financing worth \$500 mn with a maturity of less than a year. Additionally, OP participated in ECB's TLTRO III financing operation by €6 bn (maturity 3 yrs) in June 2020.

OP Mortgage Bank



OP Mortgage Bank (OPMB)

OPMB in brief

- 100% owned subsidiary of OP Cooperative
- Covered bond issuing entity of OP Financial Group
- Special-purpose bank and a funding vehicle for the OP member cooperative banks
- Covered bond ratings: AAA (S&P), Aaa (Moody's)
- EMTCN programme of €20 bn qualifies for the ECBC Covered Bond Label

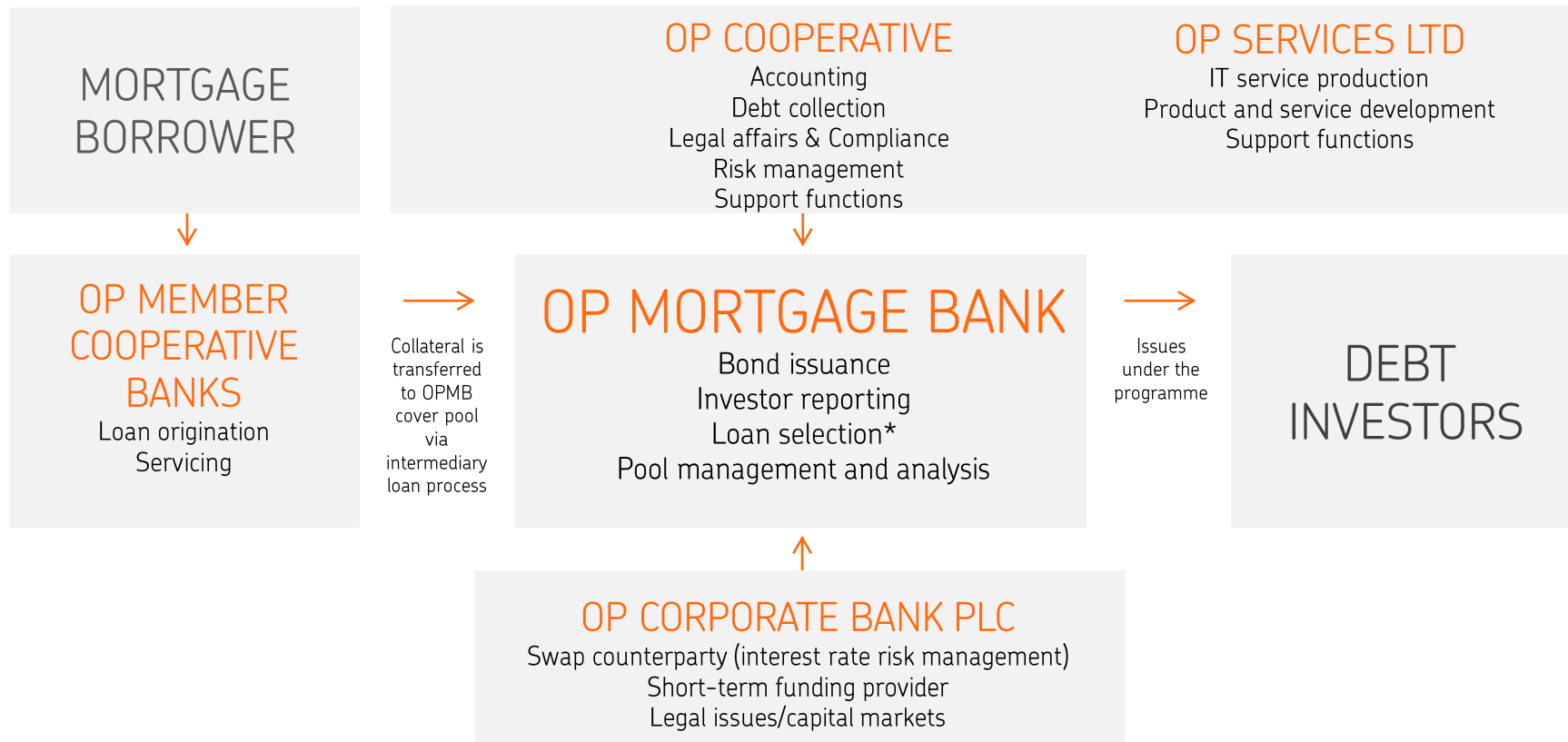


Read more about the ECBC's covered bond label at www.coveredbondlabel.com/issuer/6/

OPMB & Joint liability

- OPMB fully benefits from the joint liability among OP Cooperative and the member credit institutions, based on the Act on the Amalgamation of Deposit Banks
- However, since assets in OPMB's Cover Asset Pool are ring-fenced, the noteholders have the right to receive what is due to them before all other creditors

Operating model and roles



* Basic lending criteria for the Group are set by OP Cooperative. OP Mortgage Bank has additional loan selection and cover pool eligibility criteria.

Intermediary loan process

- The Finnish Covered Bond Act (2010) enables granting intermediary loans
 - The member cooperative banks are granted the opportunity to indirectly participate in the covered bond issuance process
- The intermediary loan contract is made between the member cooperative bank and OPMB
 - Intermediary loans are the way for the member cooperative banks to utilize OPMB
 - The amount of loan, interest margin/fixed interest rate and maturity of the loan are indicative during the contracting phase of the intermediary loan
 - The member cooperative bank commits to preserving adequate intermediary loan eligible loan portfolio for the maturity of the intermediary loans, and accepts that OPMB marks the mortgage loans as collateral in the cover pool
 - OPMB monitors the adequacy of the loans daily
- Once the mortgage loans are registered in the OPMB Covered Bond Register via intermediary loan process and they serve as collateral for the covered bonds for the benefit of the noteholders until the intermediary loan expires

Highlights of the Act on Mortgage Credit Bank Operations

- Segregation of assets in Covered Register
- Tight LTV restrictions on eligible assets (70% LTV on home loans)
- Over-collateralisation requirement of 2%
- Continuity of Cover Pool and Covered Bonds in the event of liquidation and bankruptcy of the issuer
- Regulated by Finnish FSA and ECB
- Assets that must be booked as non-performing (over 90 days in arrears), according to FIN-FSA regulations, shall not be included in the Cover Pool
 - At OPMB, non-performing loans were €42.3 mn as at 30 Sep 2020 (€18.6 mn at YE2019), increase due to the new DoD

OPMB Cover Asset Pool Characteristics

Covered bonds issued after 1 Aug 2010,
under the Finnish Act on Mortgage
Credit Banks 680/2010

Main Features of OPMB Cover Asset Pool as of 30 September 2020

- Collateralized by Finnish mortgages
- Current balance EUR 15.4 billion
- Weighted Average indexed LTV of 47%
- Average loan size of approximately EUR 52,507
- No loans over 60 days in arrears ongoing
- Variable interest rates: over 98% of all loans
- Hedging agreements in place in order to mitigate interest rate risk
- Total amount of covered bonds issued EUR 13.665 billion

OPMB Cover Asset Pool Rating Buffers

Standard & Poor's: AAA (Stable)

- 3 unused notches of jurisdictional support
- 2 unused notches of collateral based uplift
- Key scores (as at 30 September 2020)
 - Available Credit Enhancement: 29.61%
 - Target Credit Enhancement: 4.96%
 - Credit Enhancement (OC) commensurate with AAA rating: 2.5%
 - WAFF*: 17.87%
 - WALs**: 7.23%

* *Weighted-average foreclosure frequency*

** *Weighted-average loss severity*

Moody's: Aaa (Stable)

- TPI*** Leeway 5 notches
- Key scores (as at 30 September 2020)
 - CR-A****: Aa2(cr)
 - CB Anchor: CR-A + 1 notch = Aa1
 - TPI: Probable-High
 - Collateral Score post-haircut: 3.4% (cap 5.0%)

*** *Timely payment indicator*

**** *Counterparty risk assessment*

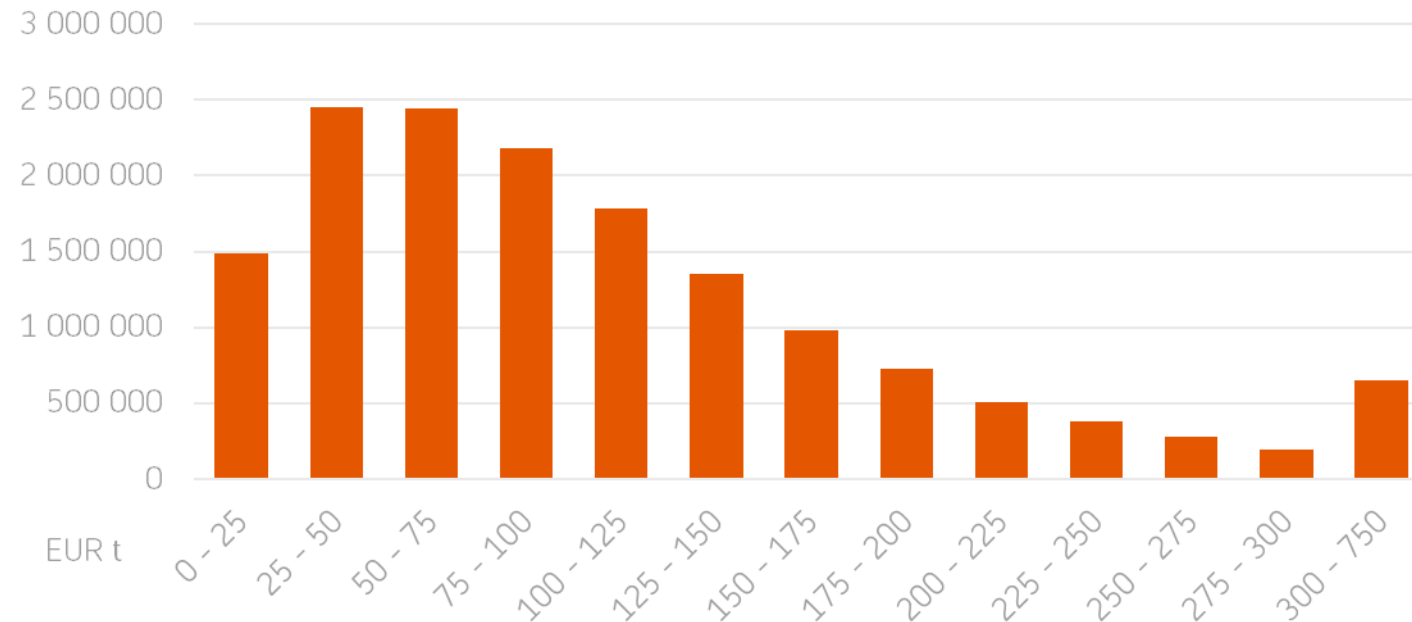
Source: Standard & Poor's Global Ratings Europe Limited, Transaction Update: OP Mortgage Bank, 17 September 2019

Source: Moody's Investors Service Ltd, Performance Overview, OP Mortgage Bank, Mortgage Covered Bonds 2, 23 July 2020

OPMB Cover Asset Pool

Loans by size

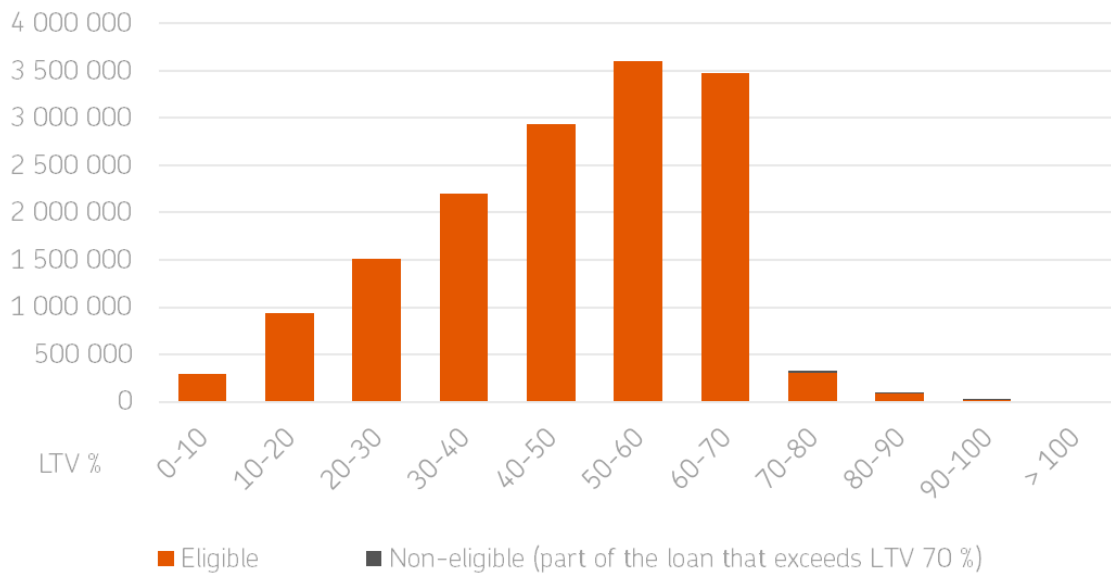
Balance EUR t



OPMB Cover Asset Pool

Loans by LTV

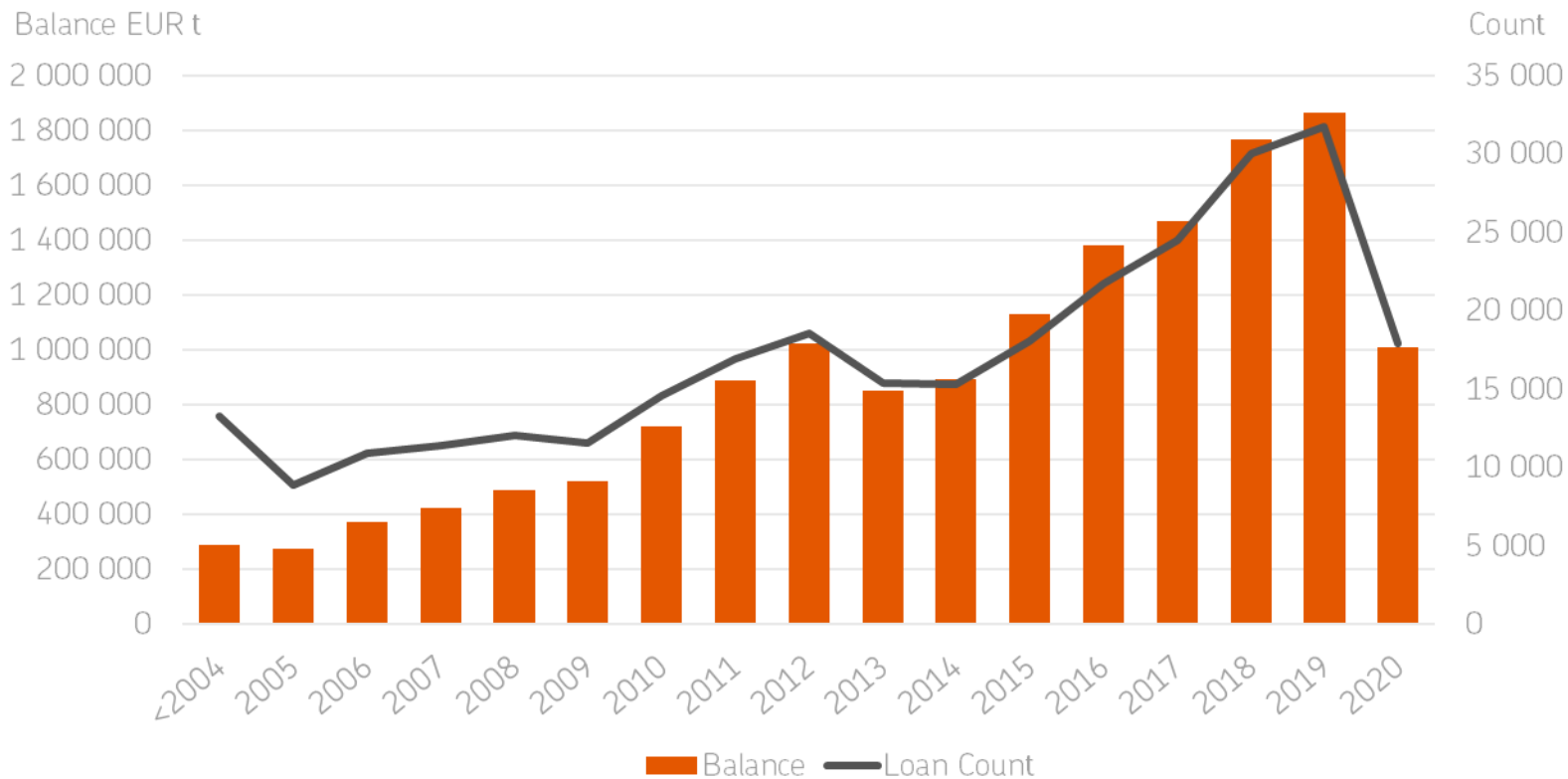
Balance EUR t



- Total assets EUR 15.39 billion
- Eligible Cover Pool assets EUR 15.36 billion
- Weighted average indexed LTV of 47%
- Over-collateralization 12.4% Eligible only

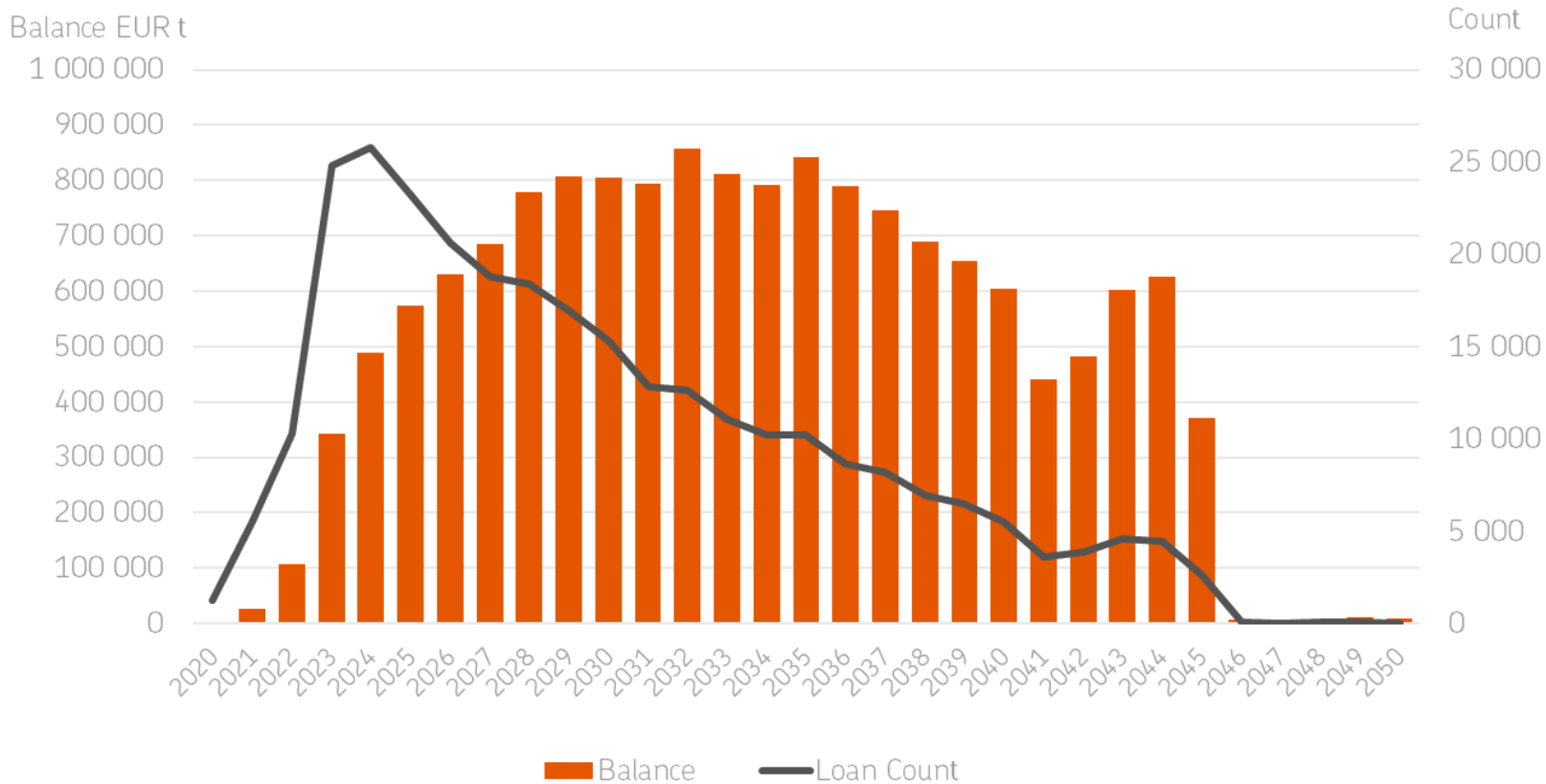
OPMB Cover Asset Pool

Loans by origination year



OPMB Cover Asset Pool

Loans by maturity



OPMB Cover Asset Pool

Geographical distribution

1	Southern Finland	48%
	• Helsinki 19%*	
2	Western Finland	33%
	• Tampere 7%	
	• Turku 5%	
	• Jyväskylä 4%	
3	Eastern Finland	8%
4	Oulu region	9%
	• Oulu 6%	
5	Lapland	2%
6	Åland	0%



*City-specific figures are percentages of the whole of Finland

OPMB Cover Asset Pool

Harmonised Transparency Template



<https://www.op.fi/op-financial-group/debt-investors/issuers/op-mortgage-bank/cover-asset-pool>



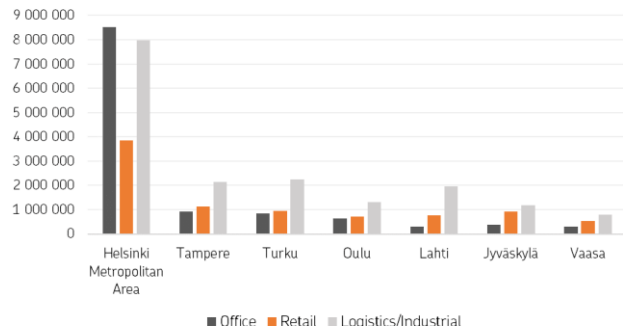
<https://www.coveredbondlabel.com/issuer/6/>

Appendix

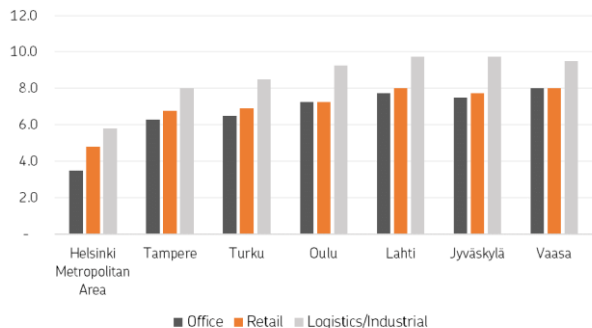


Commercial real estate market in Finland

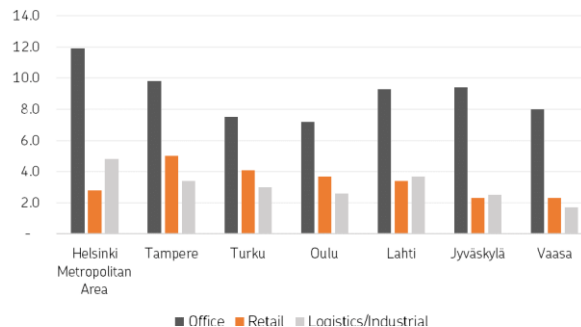
Real estate stock (sq. m.) Q2/2020



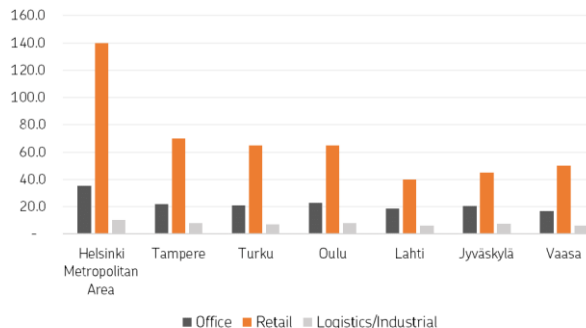
Prime yield (%) Q2/2020



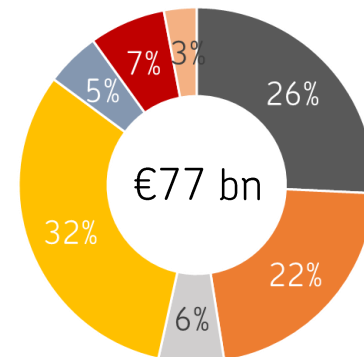
Vacancy rate (%) Q2/2020



Prime rent (€/sq. m./month) Q2/2020



Professional property investment market at YE2019



Rental levels and yields are based on following criteria: Rents are gross rents. Retail premises: Street level retail premises in the central business district (CBD), well-known domestic or international tenant, 3–5-year lease agreement and initial yield without renovations. Office premises: Modern or renovated premises in the CBD with good rentability, stable anchor tenants, 3–5-year lease agreements and initial yield without renovations. Logistics/Industrial premises: Ordinary premises located in a good industrial area, newer medium-sized building without major renovations needed, one stable tenant, 5–7-year lease agreement and initial yield without renovations. Particularly long lease agreements currently decrease yields by approx. 0.1–0.5% points in the Helsinki CBD and 0.1–0.7% points in other submarkets.

Source: Catella Property Oy – Real Estate Market Finland (Autumn 2020, annual survey)

Source: KTI – Market Review (Spring 2020, biannual survey); investor inquiries, annual reports, KTI estimates

Group structure incl. major subsidiaries

2.0 million owner-customers

138 OP Financial Group member cooperative banks

OP COOPERATIVE

RETAIL BANKING

- Helsinki Area Cooperative Bank 3)
- OP Card Company Plc 1)
- OP Customer Services Ltd 1), 5)
- OP Mortgage Bank 1)
- (Member cooperative banks)

CORPORATE BANKING

- OP Corporate Bank plc 1) (Banking)
 - OP Finance AS
 - OP Finance SIA
 - UAB OP Finance
 - OP Custody Ltd 7)
- OP Asset Management Ltd 1)
- OP Fund Management Company Ltd 1)
- OP Real Estate Asset Management Ltd 1)

INSURANCE

- Pohjola Insurance Ltd 2)
 - Eurooppalainen Insurance Company Ltd 4)
 - Pohjola Hospital Ltd
 - A-Insurance Ltd 6)
- OP Life Assurance Company Ltd 1)

OTHER OPERATIONS

- OP Services Ltd 1)
- Pivo Wallet Oy 1)
- Checkout Finland Oy 1)
- OP Corporate Bank plc 1) (Treasury)

The legal restructuring of OP Financial Group's central cooperative consolidated streamlines the group structure, simplifies management and makes the cost structure slimmer.

1) OP Cooperative's ownership 100%

2) Planned to be transferred with its subsidiaries from OP Corporate Bank plc to OP Cooperative's direct ownership in the future

3) OP Cooperative's control 2/3

4) Was merged into Pohjola Insurance Ltd on 31 October 2019

5) Was merged into OP Card Company Plc on 30 November 2019

6) Was merged into Pohjola Insurance Ltd on 31 March 2020

7) Was transferred from OP Cooperative to OP Corporate Bank plc's full ownership on 31 August 2019. OP Corporate Bank's custody and clearing business and its custodian business were transferred to OP Custody Ltd on 1 November 2019.

JOINT LIABILITY: OP Cooperative and OP Financial Group member credit institutions belonging in the scope of joint liability marked with orange color.

Owner-customer-ship rationale

Based on co-operative company form and mission:

We promote our owner-customers' and operating environment's sustainable financial prosperity, safety and wellbeing

Ownership

Co-operative mindset. Finnish and local. Genuinely close to customers.
OP owned by its customers.

Community spirit

Finnish roots, long history and collective values. Positive community and society impacts. Donations for charitable purposes. Collective experiences and events.



Financial benefits

OP bonuses. Discounts and benefits from banking, insurance, saving and investment services. Best service channels. Constantly renewing OP services. Benefits from OP's partners.

Opportunity to influence

Influencing on your own bank's decision-making. Local owner-customer community. OP cooperative bank assembly voting. Participation in product and service development.

Recent developments within digital channels

OP Mobile App

Fingerprint authentication

Mobile Key to replace key code lists in autumn 2019 (1.1 mn users)

Daily Banking: Accounts, Cards, Payments, Balance in personal finances

Loans: Loan details, Financing options

Non-life insurance: Loss reports, Policy details,

Travel insurance cards

Investments: Trading in equities and mutual funds,

Investment details, Market monitoring

Siirto Payment – Real-time P2P money transfers with mobile number

(1.2 mn users)

OP.fi

Internet Bank

Re-designed internet bank and website at op.fi

New customer ship digitally

Mobile Key

Pivo Mobile Wallet App

Contactless payment

Siirto Payment and Pivo P2P – Real-time money transfers with mobile number

Siirto and Pivo payment buttons at webshops enabling purchases without key code list or card's PIN

Pivo wearable payment solutions

Pivo 2018-19 renewal: Pivo consumer loan, Pivo facial payment pilot, services & benefits from partners

OP Developer platform

Open application programming interface for external developers



OP Business Mobile App

for corporate customers' loans, daily banking, invoicing and monitoring receivables
Mobile Key (80% of customers using)

OP Accessible

Accessible web service providing basic banking services to those who are unable to use eg. the op.fi service or OP Mobile App due to vision or hearing impairments, motoric challenges or other functional defects, available at saavutettava.op.fi

OP Cashier App

for corporate customers' payment transactions and sales

OP chatbot service

for banking customers

Social media channels & op.media

for customer service, employee interaction and sharing expertise

Health and wellbeing business

2020: Pohjola Hospital donates its personnel's work contribution (up to 100 employees) for public healthcare amid the coronavirus crisis

- Persons have tracked COVID-19 infection chains and helped in other critical tasks

2019: Strategic focus on orthopaedics and sports clinic activities

- Pohjola Health Ltd renamed to Pohjola Hospital Ltd as of 1 Jun 2019
- Pohjola Hospital Ltd sold its occupational healthcare services to Mehiläinen (1 Jun 2019) and will not open any medical centres as previously anticipated
- Pohjola Hospitals will give up on basic healthcare and special healthcare services

2016–18: Expansion to university hospital cities

- 4 more Pohjola Health hospitals were opened in Tampere (2016), in Oulu (2017), in Kuopio (2017) and in Turku (2018)

2013–15: Launching the hospital concept

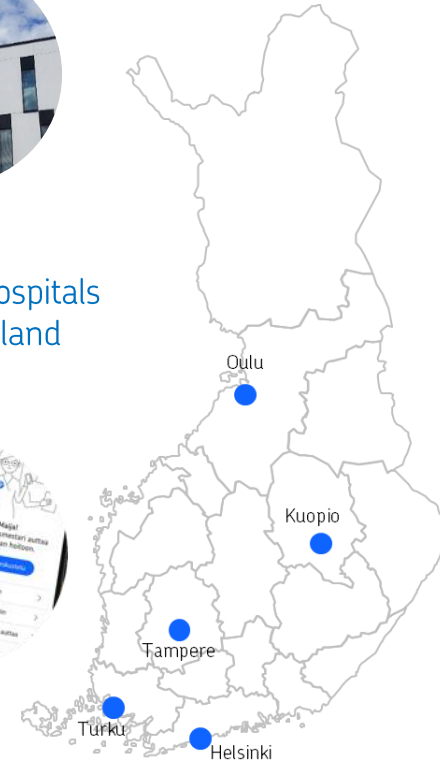
- First Pohjola Health hospital was opened in Helsinki (2013)
- Innovative concept of basic healthcare and special healthcare services, examinations, surgery and rehabilitation services to private and occupational healthcare customers
- Faster care chain and more efficient claims handling process resulting to incomparable customer satisfaction



Pohjola Hospitals
across Finland




Pohjola Hospital
Mobile App and
Pohjola Health
Advisor



NPS 2019
among surgery
customers

OP's ESG Ratings

ESG Rating Agency	30 Sep 2020	31 Dec 2019	Range
ISS ESG 	C- (not prime)	C- (not prime)	D- to A+
MSCI 	A	A	CCC to AAA
 SUSTAINALYTICS	16.0 (low risk)	16.3 (low risk)	0 to 100 (negligible to severe risk)
imug (OP Corporate Bank)	CCC (neutral)	CCC (neutral)	D to AAA
imug (OP Mortgage Bank)	B (positive)	B (positive)	D to AAA
 CDP <small>DISCLOSURE INSIGHT ACTION</small>	A- (leadership)	A- (leadership)	D- to A
 vigeo eiris	54	52	0 to 100

OP is highly committed to Corporate Responsibility

International ESG commitments



UN Environment Programme Finance Initiative (UNEP FI), Principles for Responsible Banking – signed in 2019

Commitment to align portfolios to reflect and finance low-carbon, climate-resilient economy required to limit global warming to well-below 2, striving for 1.5 degrees Celsius, in accordance with the Paris Agreement

Collective Commitment to Climate Action – signed in 2019

Commitment to monitor lending in accordance with the principles on sustainable and low-carbon economy, stated in Paris Agreement



Equator Principles – signed in 2016

Project financing that manages risks related to environmental issues and social responsibility



Montréal Carbon Pledge – signed in 2015

Measuring the carbon footprint of funds and complying with CDP's climate change, water and deforestation initiatives



UN Global Compact initiative – signed in 2011

10 principles on human rights, labour standards, environment and anti-corruption



UN Principles for Responsible Investment (UNPRI) – signed in 2009

Commitment by OP Asset Management Ltd, OP Fund Management Company Ltd and OP Real Estate Asset Management Ltd



OECD Guidelines for Multinational Enterprises

Incl. voluntary CR principles and standards

ESG participation & cooperation

- Finland's Sustainable Investment Forum (FINSIF)
- Climate Leadership Coalition (CLC)
- Global Compact Network Finland
- International Capital Markets Association's (ICMA) Green and Social Bond Principles
- Partnership agreement with Climate Bonds Initiative (CBI)
- CR network of the Finnish Business & Society association (FIBS)
- CR Working Group of the European Association of Co-operative Banks (EACB)
- CR Working Group of Finance Finland
- EEMI (Energy efficiency Mortgages Initiative)
- Pohjola Insurance Ltd & Hope Finland cooperation
- OP Asset Management Ltd: official supporter of The Task Force on Climate-related Financial Disclosures (TCFD)

OP's CR measures during recent years

Banking

- Green corporate loans
- Corporate loans with terms and conditions (margin) tied to ESG performance targets
- ESG analyses to identify ESG risks within corporate exposures
- SME financing programmes (€300 mn) guaranteed by EIF and guarantee programme (€300mn) with EIB for large and mid-sized companies to support economic growth and employment
- Financing of energy-saving improvements for housing companies in cooperation with LeaseGreen to cut housing companies' heating costs and carbon footprint

Insurance

- Promoting traffic safety
- Preventing losses and injuries
- Predicting impacts caused by climate change
- Pohjola Hospitals' rapid care chain to minimise losses caused by medical leaves to all parties

Treasury & ALM

- Green Bond Framework (2018) aiming to increase sustainable financing through issuing green bonds and allocating proceeds to green assets
- OP Corporate Bank's first green bond (€500 mn) issued in Feb 2019
- OP Corporate Bank's first Green Bond Report published in Feb 2020

Wealth Management

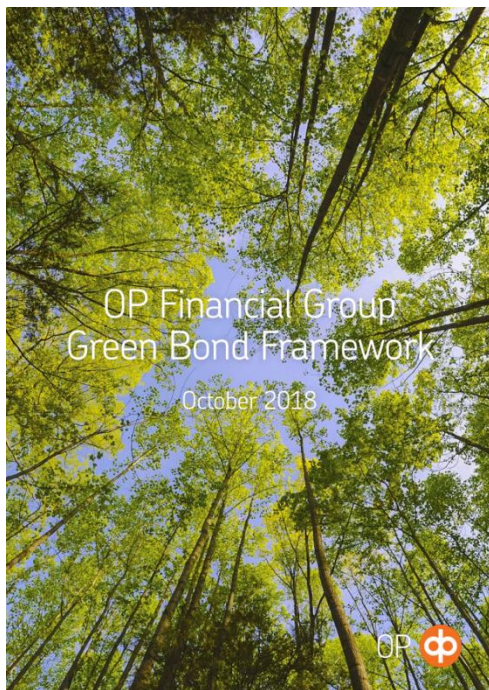
- Exclusion of high-carbon companies and measuring carbon footprint of mutual funds
- Quarterly sustainability analyses on OP funds
- Active proxy voting at AGMs
- OP Finnfund Global Impact Fund I raised funds worth €76 mn in the first funding round, aiming to achieve positive impacts concerning climate change, food security, gender equality and access to finance
- Membership in Climate Action 100+ (5yr investor engagement initiative) to impact on listed companies with the highest GHG emissions globally – thematic engagement projects on carbon, water and tax risks
- TCFD-aligned review on climate change risks and opportunities in OP's investments published in June 2020; carbon intensity of OP funds decreased by 6% in 2 years

OP premises & practices

- LEED Gold certificates for OP HQ and Pohjola Hospitals
- Solar power stations at OP HQ, Pohjola Hospitals and in properties of OP Real Estate Asset Management
- Energy used at OP HQ 100% renewable (34% at OP Financial Group level)
- OP HQ are heated with zero-emission circulation heating (100% recycled waste heat)
- WWF Finland Green Office system applied to OP HQ and some member cooperative banks
- Carbon footprint of OP's employees mitigated by remote work opportunity and incentives to use public transportation
- Emissions from own operations down by 32% (2019 vs. 2011)



OP's Green Bond Framework published in 2018



Second-Party Opinion
OP Financial Group Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the OP Financial Group Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Although the bond is not exclusively project based, Sustainalytics considers the range of eligible categories to have positive environmental or social impacts and to advance the UN Sustainable Development Agenda. While a lookback period for refinancing is not disclosed, OP Financial committed to disclose the origination timeframe and maturity profile of loans in its annual reporting.

PROJECT EVALUATION / SELECTION OP Financial's internal process in evaluating and selecting projects is aligned with market practice, including a dedicated green bond committee, chaired by a member of the company's executive board and comprised of senior management from corporate sustainability, finance and group treasury, and the banking, corporate and institutional customers' business segment. The committee approves each loan against the framework's eligibility criteria. OP Financial developed detailed internal guidelines for the loan selection that address environmental and social risk management. Sustainalytics considers this process to be aligned with market best practice.

MANAGEMENT OF PROCEEDS OP Financial has committed to establishing a green bond register for each separate green bond issuance, to earmark the proceeds and track their allocation, which is aligned with market practice.

REPORTING OP Financial intends to publish a green bond report on an annual basis, including allocation of proceeds in accordance with market standards. In addition, OP Financial intends to include information on the environmental impacts of the green bond per eligible sectors, including, kWh of renewable energy generated, tonnes of CO₂ avoided, energy savings, buildings with certification, annual amount of water purified, number of public transit trains/metros financed and location, among other indicators. Sustainalytics views the impact indicators as aligned with market practice.

SUSTAINALYTICS

SECOND-PARTY OPINION

Evaluation date November 2018
Issuer Location Helsinki, Finland

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- OP Financial Group published its Green Bond Framework and associated Second Opinion issued by Sustainalytics in 2018
- Eligible sectors for use of proceeds:
 1. Renewable Energy
 2. Energy Efficiency
 3. Green Buildings
 4. Pollution Prevention and control
 5. Sustainable Land Use
 6. Clean Transportation
- Currently OP Corporate Bank's Green Bond register includes corporate loans from sectors 1, 3 and 5
- OP Corporate Bank carries out ESG analyses of its corporate exposures to support credit risk assessments and seek more assets eligible for green bonds

Documents available at <https://www.op.fi/op-financial-group/debt-investors/green-bonds>

OP Corporate Bank's Green Bond Report highlights



- OP Corporate Bank issued its inaugural €500 million green bond in Feb 2019 and published the first Green Bond Report in Feb 2020
- Proceeds allocated to Renewable Energy, Green Buildings and Sustainable Land Use¹
- As of December 2019, the Green Bond register included eligible assets worth €960.8 million (reserve of *unallocated* green assets €460.8 million)¹

Most relevant UN SDGs:



Impacts from OP's first Green Bond²



- 328.6 ktCO₂e avoided
- 864.7 GWh renewable energy generated
- 271.5 MW renewable energy capacity installed



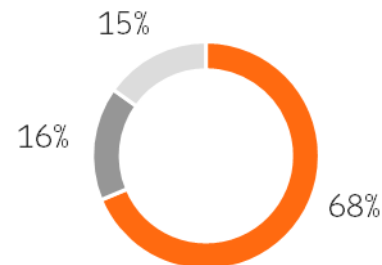
- 32 000 m² of green certified building area
- 1.2 ktCO₂e avoided due to reduced energy consumption



- 69 160 hectares of forest under FSC or PEFC forestry certification

Assets included in the Green Bond register by eligible sector

- Renewable Energy
- Green Buildings
- Sustainable Land Use

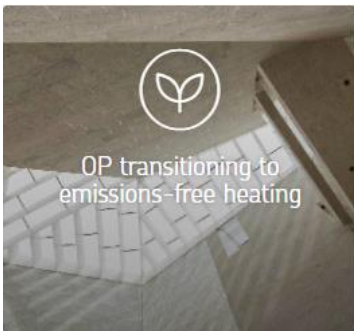


¹ KPMG has verified the allocation of proceeds to eligible loans, and Sustainalytics has reviewed OP's reporting criteria (incl. impact reporting)

² for further discussion on the impact methodology, please see OP Corporate Bank's Green Bond Report published in Feb 2020 at <https://www.op.fi/op-financial-group/debt-investors/green-bonds>

OP committed to take 20 climate actions in 2020

OP aims to have carbon-positive handprint by 2025



OP's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region. OP has set a goal of 20 climate actions for 2020.

OP HQ premises in Helsinki are heated with zero-emission recovered heat (100% recycled waste heat)

This transition made in 2020 enables emission reduction of around 4.6% in emissions from OP's own operations

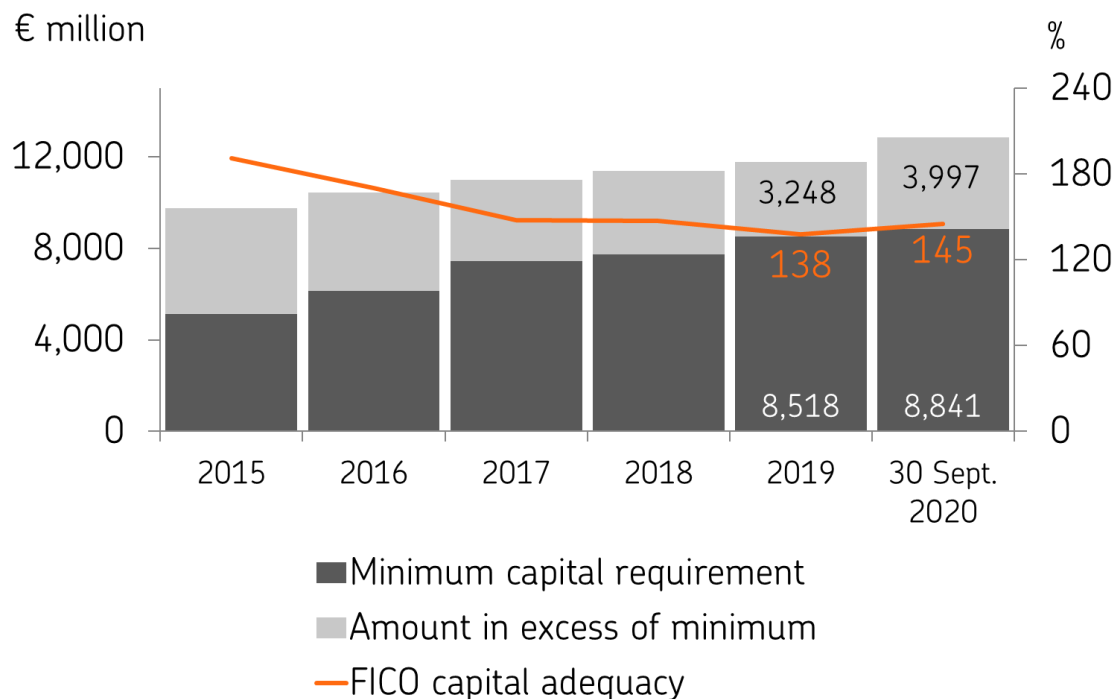
23,762 tn CO₂e

Direct GHG emissions from OP's own operations (Scopes 1 & 2) in 2019 – down by 32% since 2011

34%

Renewable energy of OP's total energy consumption

Capital Adequacy under the Act on the Supervision of Financial and Insurance Conglomerates 145%



Statutory minimum requirement 100%

- Banking capital requirement 13.8% calculated on RWA
- As a result of the buffer requirements for banking and solvency requirement for insurance companies, the minimum FiCo solvency of 100% reflects the level within which the group can operate without regulatory obligations resulting from buffers below the required level

OP Financial Group's earnings analysis

€ million	Q1-3/20	Q1-3/19	2019	2018	2017	2016	2015
Net interest income	960	923	1 241	1 186	1 102	1 058	1 026
Net insurance income	476	412	421	566	478	558	528
Net commissions and fees	679	679	936	887	879	859	855
Net investment income	31	273	530	185	522	390	432
Other operating income	121	41	53	61	83	123	55
Total income	2 268	2 328	3 181	2 885	3 063	2 989	2 895
Personnel costs	594	573	781	517	758	762	781
Depreciation/amortisation and impairment loss	196	189	278	325	246	160	162
Other operating expenses	624	602	844	839	764	646	577
Total expenses	1 414	1 365	1 903	1 681	1 768	1 567	1 520
Impairment loss on receivables	-183	-36	-87	-46	-48	-77	-78
OP bonuses to owner-customers	-190	-186	-249	-226	-217	-206	-196
Overlay approach*	45	-65	-105	26			
Earnings before tax	526	676	838	959	1 031	1 138	1 101

* A temporary exemption from IFRS9 (overlay approach) is applied to some equity instruments of insurance companies (reported according to IAS39)

OP Financial Group's key figures and ratios

	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Total assets, € million	159 407	147 024	140 294	137 205	133 747	124 455	110 427	100 991	99 769	91 905	83 969
Receivables from customers, € million	94 173	91 463	87 026	82 193	78 604	75 192	70 683	68 142	65 161	60 331	56 834
Liabilities to customers, € million	73 050	68 289	66 112	65 549	60 077	58 220	51 163	50 157	49 650	41 304	36 443
Equity capital, € million	12 770	12 570	11 742	11 084	10 237	9 324	7 213	7 724	7 134	6 242	6 726
CET1 ratio, %	18.3	19.5	20.5	20.1	20.1	19.5	15.1	17.1 ^a	14.1 ^b	14.0 ^b	12.6 ^b
Capital adequacy ratio, %	21.1	21.1	22.5	22.5	23.1	22.9	17.3	19.8 ^a	14.1	14.0	12.8
Cost/income ratio, %	62 ^d	60 ^c	58 ^c	58 ^c	52 ^c	53 ^c	56 ^c	62 ^c	63 ^c	63 ^c	59 ^c
Return on equity (ROE), %	4.4 ^d	5.5 ^c	6.5 ^c	8.0 ^c	9.4 ^c	10.3 ^c	8.1 ^c	8.9 ^c	7.0 ^c	6.8 ^c	6.9 ^c
Return on assets (ROA), %	0.36 ^d	0.47 ^c	0.54 ^c	0.60 ^c	0.71 ^c	0.73 ^c	0.57 ^c	0.66 ^c	0.50 ^c	0.50 ^c	0.53 ^c
Personnel	12 460	12 226	12 066	12 269	12 227	12 130	12 356	12 856	13 290	13 229	12 504

a) As at 1 January 2014

b) Core Tier 1 ratio

c) Jan-Dec

d) Jan-Sep

OP Financial Group's key figures and ratios

	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Loan and guarantee portfolio, € billion	97.2	94.6	90.0	84.8	81.3	77.8	73.6	71.0	67.7	62.8	59.4
Impairment loss on receivables, € million	183 ^d	87 ^c	46 ^c	48 ^c	77 ^c	78 ^c	88 ^c	84 ^c	99 ^c	101 ^c	149 ^c
Impairment loss on receivables to loan and guarantee portfolio, %	0.25 ^d	0.09 ^c	0.05 ^c	0.06 ^c	0.09 ^c	0.10 ^c	0.12 ^c	0.12 ^c	0.15 ^c	0.16 ^c	0.25 ^c
Non-life Insurance operating combined ratio, %	86.0 ^d	92.7 ^c	92.0 ^c	96.1 ^c	87.6 ^c	87.3 ^c	89.4 ^c	86.9 ^c	90.5 ^c	89.8 ^c	89.7 ^c
Non-life Insurance Solvency II ratio (excl. transitional provisions), %	146	144	132	135	127	146	117	125	N/A	N/A	N/A
Life Insurance Solvency II ratio (excl. transitional provisions), %	169	170	176	151	149	149	100	99	N/A	N/A	N/A

c) Jan-Dec

d) Jan-Sep

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Debt IR contacts



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OP's Debt IR website available at www.op.fi/debtinvestors

See e.g. OP Financial Group's and issuing entities' financial reports and other publications and watch the CFO's Q1-3/2020 Results Interview