OP Corporate Bank plc Corporate Governance Statement 2018

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1 APPLICABLE REGULATIONS

This document is a description of the Corporate Governance Statement of OP Corporate Bank plc, as referred to in Chapter 7, Sections 1–5 and Section 7 and Chapter 8, Section 15 of the Act on Credit Institutions and Chapter 7, Section 7 of the Securities Markets Act. The Statement has been issued separately from the Report by the Board of Directors.

At its meeting on 5 February 2019, the Board of Directors discussed this Corporate Governance Statement. KPMG Oy Ab, the company'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 together with the Financial Statements, Report by the Board of Directors and Auditor's Report are available at www.op.fi > OP Financial Group > To the media > Reports > OP Corporate Bank publications.

OP Corporate Bank plc's up-to-date Corporate Governance Statement and Articles of Association are maintained on the OP debt investor relations website at www.op.fi > OP Financial Group > Debt Investors > Corporate Governance (OP Corporate Bank plc).

In its operations, OP Corporate Bank complies with Finnish legislation. In addition to the Finnish Limited Liability Companies Act, OP Corporate Bank complies with regulations governing securities issuers, financial services companies and insurance companies, its Articles of Association and the guidelines issued by OP Cooperative. In its international operations, OP Corporate Bank also complies with local laws when applicable.

OP Corporate Bank belongs to the amalgamation of deposit banks, under applicable legislation, and is a subsidiary of OP Cooperative, the central cooperative of said amalgamation. Laws and OP Corporate Bank's Articles of Association set some restrictions on the composition of the Board of Directors. The company acts as the central financial institution for OP Financial Group member cooperative banks.

2 STRUCTURE OF OP FINANCIAL GROUP AND OP CORPORATE BANK GROUP, AND ADMINISTRATIVE BODIES

2.1 Group structure

OP Corporate Bank plc is a subsidiary wholly owned by OP Cooperative acting as OP Financial Group's central cooperative, and a member credit institution. In terms of operations and ownership, OP Corporate Bank belongs to OP Financial Group. OP Financial Group consists of 156 cooperative banks (as of 31 December 2018) and their central cooperative, OP Cooperative, with its subsidiaries and affiliates. OP Financial Group is supervised as a single entity.

The central cooperative is obliged to support its member credit institutions and is liable for their debts. The member credit institutions are obliged to participate in any necessary support measures aimed at preventing another member credit institution from going into liquidation. In addition, they are jointly and severally liable for debts of a member credit institution failing to meet its obligations.

Read more about OP Financial Group's structure in section 2 of OP Financial Group's Corporate Governance Statement 2018.

2.2 Structure of OP Corporate Bank Group

OP Corporate Bank Group comprises OP Corporate Bank plc, the parent company, and its subsidiaries. The most significant subsidiaries include OP Insurance Ltd engaged in non-life insurance business, A-Insurance Ltd, Eurooppalainen Insurance Company Ltd and Pohjola Health Ltd providing special healthcare services. In addition, OP Corporate Bank plc has subsidiaries and branches in Estonia, Latvia and Lithuania engaged in finance-company operations. Of the structured entities, real estate funds Real Estate Fund II and Real Estate Fund III have been consolidated into the Group.

The sale of all share capital of the Baltic subsidiary Seesam Insurance AS to Vienna Insurance Group (VIG) was completed on 31 August 2018.

2.3 Administrative bodies

The only shareholder of OP Corporate Bank, OP Cooperative, exercises the decision-making power of shareholders at the General Meeting. The Meeting elects the Board of Directors (except for the Chair) and auditors. Instead of the General Meeting, the shareholder may make a written shareholder decision on a matter within the powers of the General Meeting. The Board of Directors is in charge of the company's strategic management. Responsibility for operational management rests with the President and CEO appointed by the Board of Directors.

3 GENERAL MEETING

The Annual General Meeting (AGM) must be held within six months of the termination of the financial year on a date specified by the Board of Directors. The AGM shall discuss matters assigned to it in accordance with the Articles of Association and any other business referred to in the notice of the meeting.

In accordance with OP Corporate Bank's Articles of Association, the AGM must be presented with

- the financial statements and the Report by the Board of Directors;

decide on

- the adoption of the financial statements;
- the allocation of profit shown on the balance sheet;
- the discharge from liability of the members of the Board of Directors and the President and CEO;
- the number of members of the Board of Directors and their emoluments;
- auditor's remuneration;

elect

- Board members and an auditor;

and discuss

- any other business in the Notice of the Meeting.

3.1 General Meeting 2018

Based on the shareholder's written decision, OP Corporate Bank plc's only shareholder, OP Cooperative, the Annual General Meeting (AGM) of 19 March 2018 discussed the matters within the remit of the AGM and adopted the Financial Statements for 2017, discharged mem-

bers of the Board of Directors and the President and CEO from liability and decided to distribute a dividend of EUR 0.66 per share as well as elected members to the company's Board of Directors and the auditor.

The company's only shareholder OP Cooperative also made the following shareholder decisions on matter within the remit of the General Meeting:

- 2 July 2018: Tiia Tuovinen was selected a new member of the Board of Directors.
- 17 October 2018: The regulation in the Articles of Association governing the Board of Directors was changed in respect of the number of Board members.
- 29 October 2018: Vesa Aho was appointed a new Board member as of 1 November 2018 to replace Harri Luhtala, and Jarmo Viitanen was appointed a new member as of 1 November 2018.
- 19 November 2018: The AGM decided on a donation of EUR 100,000 to the Haaga-Helia University of Applied Sciences.
- 4 December 2018: The AGM decided to donate art to the OP Art Foundation.

4 BOARD OF DIRECTORS

4.1 Election of the Board of Directors

The Board of Directors has a Chair, who chairs the Executive Board of the central cooperative of the amalgamation, and a minimum of two and a maximum of five other members elected by the General Meeting. The AGM elects, except for the Chair, members to the Board of Directors for a term of office expiring upon the closing of the AGM following their election. In accordance with the Act on Cooperative Banks and Other Cooperative Credit Institutions, the Chair of OP Cooperative's Executive Board chairs the Board of Directors.

In accordance with the Articles of Association, OP Corporate Bank has not set any upper age limit for members of the Board of Directors, limited the number of their terms of office or in any other manner restricted decision-making powers of a General Meeting in electing Board members (with the exception of election of the Chair).

The parent institution, OP Cooperative, prepares proposals for the election of Board members submitted to the AGM.

Credit institutions' board members are required to demonstrate the kind of reliability and professionalism and to fulfil the fit and proper criteria specified in the Act on Credit Institutions and official regulations. Board members are subject to a regular Fit & Proper assessment.

4.2 Diversity of the Board of Directors

OP Financial Group has a long-term approach to planning the composition of its administrative bodies. Effective work in administrative bodies requires that their members have sufficiently diverse expertise, skills and experience. Read more about the principles of the diversity of administrative bodies in section 2.2 of OP Financial Group's Corporate Governance Statement 2018.

4.2 Members of the Board of Directors

Section 4.6 describes the composition of the Board of Directors and member attendance in 2018. Personal and other details of the Board members can be found in section 13.1 below.

4.3 Independence of Board members

All of the members of the Board of Directors are executive members dependent on the company and/or its shareholder (OP Cooperative). Reijo Karhinen was OP Cooperative's CEO and

Chair of the Executive Board, Harri Luhtala was OP Cooperative's CFO and Jari Himanen was OP Cooperative's Executive Vice President for Group Steering. Timo Ritakallio is OP Financial Group's President and Group Executive Chair and the Chair of OP Cooperative's Executive Board, Tony Vepsäläinen is the Executive Vice President, Operations, Tiia Tuovinen is General Counsel and member of OP Cooperative's Executive Board, Vesa Aho is CFO and CEO of OP Cooperative and member of OP Cooperative's Executive Board and Jarmo Viitanen is the Managing Director of the Helsinki Area Cooperative Bank.

4.4 Duties of the Board of Directors

The Board of Directors is responsible for the company's administration and appropriate organisation of operations and for the duly organisation of the supervision of accounting and financial management. It deals with far-reaching and important matters in principle from the perspective of the company's and its consolidation group's operations.

The Board of Directors and the President and CEO shall manage the company and its consolidation group professionally following sound and prudent business practices.

The Board of Directors has confirmed a written charter defining the duties and meeting procedures applying to the Board of Directors.

In this respect, the Board of Directors shall, among other things:

- ensure the systematic nature, efficiency and profitability, adaptation to changes in the operating environment and risk management required for the continued success of the bank's business operations;
- ensure the sufficiency and reliability of the bank's internal control and control systems;
- ensure compliance with regulations governing the operations of credit institutions and the common operating principles of OP Financial Group, as well as with instructions issued by the central cooperative;
- ensure sufficient introduction of Board members into their duties and the ongoing maintenance of their competencies;
- ratify the bank's values, strategy and business plans derived from the strategy of OP Financial Group, and the bank's short- and long-term goals, and regularly monitor the achievement of these goals;
- ratify the bank's remuneration principles in line with the common principles of OP Financial Group;
- record the instructions under §17 of the Act on the Amalgamation of Deposit Banks and other instructions issued by the central cooperative;
- confirm the bank's capital plan which includes capital adequacy and buffer targets and a contingency plan;
- ratify the bank's risk management guidelines, risk limits and accounting policies in accordance with the instructions issued by the central cooperative;
- decide on the organisation and implementation methods of internal auditing and compliance activities, and to decide on the measures required by the audit reports and recommendations;
- identify potential conflicts of interest and decide on the methods for their management in accordance with the instructions issued by the central cooperative;
- ensure that the bank has business continuity planning in place in accordance with OP Financial Group's practices, the business continuity plan is up to date and is tested on an annual basis;
- confirm the bank's management system and organisation and decide on setting up and disbanding the required committees and confirm their work specifications and composition and appoint members of the bank's management team;
- decide on the appointment of the President and CEO;

- appoint and dismiss officers on the President and CEO's proposal and determine their emoluments, unless the Board has assigned these duties within specified limits to a committee, the President and CEO, or other officers appointed by the Board;
- decide on outsourcing functions in accordance with OP Financial Group's principles;
- decide on the approval process for the bank's costs;
- draw up annual action plans for the Board and review its own operations on an annual basis; and
- ensure that the bank complies with OP Financial Group's instructions and Group-level agreements.

The following principles shall apply to Board meetings:

- The Board of Directors meeting is summoned by the Chair.
- The Board of Directors has a quorum when more than half of its members are present.
- Those present at Board meetings comprise Board members and the President and CEO, but Board meetings may also be attended, if needed, by some other person based on the Board's decision.
- Minutes shall be drawn up of Board meetings and signed by the Chair, Secretary and a minimum of one member chosen by the Board.

4.5 Responsibilities of Chair of the Board of Directors

The Board Chair is responsible for ensuring that the Board of Directors works efficiently and performs all duties within its remit. As part of this responsibility, the Board Chair shall ensure that an individual Board member has the experience and skills required to perform his/her duties in an appropriate manner. The Chair cooperates with the President and CEO in preparing items on the agenda for Board meetings. He shall also ensure that sufficient time has been allowed for discussion and that each member present at meetings has the opportunity to express his/her opinion. The Chair is also responsible for the further development of Board work and ensures the company's good corporate governance.

4.6 Board work in 2018

The Board of Directors had 18 meetings in 2018. The Board was chaired by Reijo Karhinen until 1 February 2018, Tony Vepsäläinen between 1 and 28 February 2018 and Timo Ritakallio as of 1 March 2018. Other members included Jari Himanen (until 6 May 2018), Tony Vepsäläinen, Harri Luhtala (until 31 October 2018), Tiia Tuovinen (as of 2 July 2018), Vesa Aho (as of 1 November 2018) and Jarmo Viitanen (as of 1 November 2018).

At its meetings, the Board of Directors discussed issues mentioned in 4.4 above. At its 2018 meetings, the Board also discussed, for example, company risk analyses, risk management development plan as well as reorganisation and the related Information and Consultation of Employees process.

In 2018, the Board members attended all Board meetings held during the term of each Board member, except the Board meeting of 13 December 2018 to which Tony Vepsäläinen was unable to attend.

5 PRESIDENT AND CEO

5.1 President and CEO

The President and CEO is in charge of the company's daily management in accordance with the instructions and orders issued by the Board of Directors, while ensuring that accounting practices comply with the laws and that financial management is organised in a reliable manner.

The President and CEO's duties include the management and supervision of the company's business, and responsibility for the development and coordination of the company's operations.

The Board of Directors appoints the President and CEO. A written executive contract with Executive Vice President for the business line concerned within OP Financial Group and its appendix specifies the terms and conditions of the executive contract with the President and CEO.

Jouko Pölönen, M.Sc. (Econ. & Bus. Adm.), eMBA, Executive Vice President, Banking, OP Financial Group, acted as the President and CEO until 30 April 2018. He had acted as the President and CEO as of 2013. Executive Vice President Hannu Jaatinen, M.Sc. (Econ. & Bus. Adm.), eMBA, was the acting President and CEO between 1 May and 5 August 2018. Katja Keitaanniemi, Lic.Sc. (Tech.), in charge of OP Financial Group's Banking Corporate and Institutional Customers has acted as the company's President and CEO since 6 August 2018. Hannu Jaatinen has acted as deputy President and CEO as of 6 August 2018.

Personal and other details of the President and CEO can be found in section 13.2 below. Information on the President and CEO's remuneration can be found in section 9 below.

5.2 The board of directors and Managing Director/President of OP Corporate Bank's subsidiaries

The board of directors of each OP Corporate Bank's subsidiary shall ensure that all OP Corporate Bank Group companies are managed in compliance with applicable laws, rules and regulations, and OP Financial Group's principles.

The board of directors and Managing Director/President of major subsidiaries in 2018

	Board of Directors	**President and CEO/Managing Director**
A-Insurance Ltd	Karhinen Reijo (Chair until 1 February 2018) Vepsäläinen Tony (Chair 1 February–1 March 2018 and as of 6 August 2018, otherwise ordinary member) Ritakallio Timo (Chair 1 March–6 August 2018) Luhtala Harri (until 31 October 2018) Himanen Jari (until 6 May 2018) Keitaanniemi Katja (as of 6 August 2018) Aho Vesa (as of 1 November 2018)	Lehtilä Olli
Pohjola Health Ltd	Lehtilä Olli (Chair until 24 April 2018 and as of 2 July 2018) Nummela Harri (19 March–2 July 2018 and Chair 26 April–2 July 2018) Dahlström Tom (until 19 March 2018 and 2 July–31 October 2018) Outi Taivainen (24 April–2 July 2018) Geber-Teir Carina (until 2 July 2018) Länsisalmi Hannakaisa (as of 2 July 2018) Puustinen Pekka (as of 1 November 2018)	Saarni Samuli (until 10 August 2018) Torkki Markus (as of 10 August 2018)
OP Insurance Ltd	Karhinen Reijo (Chair until 1 February 2018) Vepsäläinen Tony (Chair 1 February–1 March 2018 and as of 6 August 2018, otherwise ordinary member) Ritakallio Timo (Chair as of 1 March 2018)	Lehtilä Olli

	Luhtala Harri (until 31 October 2018) Himanen Jari (until 6 May 2018) Keitaanniemi Katja (as of 6 August 2018) Aho Vesa (as of 1 November 2018)	
Seesam Insurance AS (Supervisory Board) [The company was sold to Vienna Insurance Group on 31 August 2018.]	Lehtilä Olli (Chair until 31 August 2018) Pölönen Jouko (until 15 May 2018) Alameri Karri (until 31 August 2018) Abner Toomas (15 May–31 August 2018)	
Eurooppalainen Insurance Company Ltd	Karhinen Reijo (Chair until 1 February 2018) Vepsäläinen Tony (Chair 1 February–1 March 2018 and as of 6 August 2018, otherwise ordinary member) Ritakallio Timo (Chair 1 March–6 August 2018) Luhtala Harri (until 31 October 2018) Himanen Jari (until 6 May 2018) Keitaanniemi Katja (as of 6 August 2018) Aho Vesa (as of 1 November 2018)	Lehtilä Olli

6 MANAGEMENT SYSTEM

OP Corporate Bank Group's operations are managed in accordance with the central cooperative consolidated's management system. A description of OP Cooperative Consolidated's management and decision-making system can be found in section 6 of OP Financial Group's Corporate Governance Statement 2018.

6.1 OP Corporate Bank as part of OP Cooperative Consolidated

OP Cooperative Consolidated comprises OP Cooperative, which acts as the central cooperative owned by the member banks of the amalgamation, and entities majority-owned or wholly-owned by the parent institution or any of its subsidiaries. OP Corporate Bank plc with its subsidiaries is part of OP Cooperative Consolidated. Credit institutions within OP Cooperative Consolidated are the member credit institutions of the amalgamation described in greater detail in the Act on the Amalgamation of Deposit Banks.

OP Cooperative is owned by OP Financial Group member cooperative banks. The Supervisory Board of the central cooperative represents the owners. The general role of the Supervisory Board is to oversee the corporate governance of OP Cooperative Consolidated as managed by the Executive Board and the President and Group Executive Chair, the supreme operational decision-making body of the central cooperative consolidated, and ensure that the central cooperative's and its consolidation group's operations are managed in an expert and prudent manner in accordance with the Co-operatives Act and in the best interests of the central cooperative and OP Financial Group. The Supervisory Board also oversees compliance with OP Financial Group level policy guidelines and principles, which it has confirmed, within OP Cooperative Consolidated. The special task of the Supervisory Board is to confirm the general principles referred to in the Act on the Amalgamation of Deposit Banks. It is also tasked with deciding on issuing key OP Financial Group level guidelines.

6.2 Decision-making

The board of directors of each central cooperative consolidated's subsidiary is responsible for due organisation of the company's administration and operations. When performing its duties, the board of directors must take account of OP Financial Group's strategic statements and other policy lines, confirmed principles and guidelines issued by the Supervisory Board of the central cooperative and the Executive Board concerning matters where the central cooperative is obliged or has the right to issue policy lines and guidelines regarding the entire Group.

The central cooperative's Executive Board makes proposals for candidates for the subsidiaries' boards of directors, after which the board of directors is elected in a manner specified in the Articles of Association and laws in force. The central cooperative's Executive Board also discusses proposals for the managing directors of subsidiaries before their selection. The Group's guidelines on the management of conflicts of interest are taken into account in the 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 boards of directors annually assess their performance and working methods on a regular basis.

6.3 OP Corporate Bank's performance monitoring and reporting

OP Corporate Bank monitors the implementation of plans and the achievement of the set goals and targets on an ongoing basis in order to quickly identify any changes in the operating and competitive environment and deviations from the plans and to be able to initiate any corrective measures. Performance reviews between superiors and their subordinates are also aimed at discussing the achievement of goals and targets based on past performance, according to the organisational structure. Reporting must provide a true and clear picture of the status of line operations vis-à-vis the objectives set, actual and expected performance and any risks threatening to prevent the achievement of the objectives. Providing updated and reliable information and highlighting relevant issues and conclusions as the basis of decision-making play a key role in performance monitoring. In addition to actual performance reporting, preparing forecasts and creating optional scenarios form an integral part of monitoring. Performance monitoring is part of internal control aimed at ensuring that OP Corporate Bank

- implements its strategy and action plans and achieves its financial targets
- runs comprehensive and adequate risk management
- operates efficiently and reliably
- has reliable financial and other reporting in place
- abides by laws and comply with external and internal regulation.

7 INTERNAL AND EXTERNAL CONTROL

7.1 Internal control

Effective and reliable internal control forms the basis for compliance with sound and prudent business practices.

Internal control refers to procedures or practices within an organisation to ensure that the organisation achieves the targets set in the strategy, uses resources economically and that the information in support of management decisions is reliable. Internal control also ensures that risk management, custody of client assets and protection of property is adequately arranged. Conformance to regulations and approved ethical principles, too, are ensured through internal control.

The central cooperative's Supervisory Board confirms the Group-level principles of internal control that all OP Financial Group entities follow. OP Corporate Bank complies with the principles of internal control adopted by the central cooperative's Supervisory Board.

Internal controls apply to all operations. The nature and extent of operations and, whenever necessary, special characteristics related to international operations are taken into consideration in specifying internal controls. Internal control covers all organisational levels. Internal control in its most extensive form primarily takes place at the operational level, where internal control is continuous and forms part of daily activities.

Internal control is complemented by the opportunity of anyone employed by OP Financial Group to report through an independent channel if they suspect that rules or regulations have been violated (whistle blowing).

7.1.1 The Board of Directors' role

The Board of Directors is responsible for organising and maintaining adequate and effective internal control. It deals with the guidelines governing OP Financial Group's internal control, ensures that OP Corporate Bank has an adequate set of guidelines specifying Group-level guidelines, and supervises internal control effectiveness and sufficiency.

Central cooperative consolidated-level risk management and financial reporting are performed in a coordinated way by a function independent of the business lines/divisions. Each Group company's board of directors is responsible for the top management tasks of the company in question related to internal control. Each Group company's executive management is responsible for the implementation of internal control and risk management according to the agreed principles and guidelines, and shall regularly report on the company's business, risk capacity and risk status, in accordance with the Group's management system.

7.1.2 Internal control in 2018

The Board of Directors is responsible for considering issues related to the Group's governance and is in charge of internal control effectiveness and ensuring regulatory compliance.

Internal guidelines are used to support operational management, and compliance with these guidelines is subject to continuous supervision. In 2018, the updatedeness of internal control guidelines has been checked and the guidelines have been updated. Furthermore, the Group has further developed guidelines related to practices and the supervision of compliance with the guidelines.

7.1.3 Compliance activities

Compliance activities are tasked with assisting senior management and executive management and business lines/divisions in the management of risks associated with regulatory non-compliance, supervising regulatory compliance and, for its part, developing internal control further. Risk Management, Compliance organisation, Finance and Treasury as well as HR Services are, for their part, in charge of regulatory compliance management.

Almost all activities involve compliance risk, and responsibility for the management of the compliance risks rests with the business lines/divisions. The President and CEO is in charge of the company's compliance activities. OP Financial Group's Compliance organisation supports the President and CEO. The Group Compliance Officer in charge of the organisation reports to the Supervisory Board (or Supervisory Board committees) and the General Counsel. Compliance activities and the related recommendations issued to the business lines/divisions are subject to regular reporting to OP Corporate Bank plc's Board of Directors. Compliance activities must also be reported to the Executive Board of the central cooperative consolidated and the Audit Committee of the Supervisory Board as part of OP Financial Group level reporting.

OP Financial Group's Compliance organisation shall annually draw up a compliance action plan which will be discussed and confirmed by OP Corporate Bank plc's Board of Directors with respect to the company. The Board of Directors also deals with the principles and instructions governing compliance. OP Financial Group's Compliance organisation is responsible for advice on and support of Group-level compliance risk management and also controls OP Corporate Bank's compliance.

Compliance is aimed at preventing the materialisation of compliance risks. For this purpose, the Compliance organisation shall, for example,

- prepare and maintain guidelines on key matters related to practices;
- advise employees on, and train them in, matters related to practices;
- support the business lines/divisions in the planning of development measures promoting internal control and the management of compliance risks;
- keep senior and executive management and the business informed of upcoming regulatory changes and monitor the business's preparation for regulatory changes;
- supervise compliance within OP Corporate Bank Group with the current regulatory framework, ethical practices and internal guidelines related to practices; and
- regularly report to both senior and executive management on recommendations and the results of control given to the business and other observations related to compliance risk exposure.

7.2 Risk management

OP Financial Group's core values, strategic goals and financial targets form the basis for OP Corporate Bank's risk management and capital adequacy management. The purpose of risk management is to identify threats and opportunities affecting strategy implementation. The objective is to help achieve the targets set in the strategy by controlling that risks taken are proportional to risk capacity. Risk capacity is made up of effective risk management that is proportionate to the extent and complexity of operations and of adequate capital resources and liquidity based on profitable business operations. OP Corporate Bank adopts a policy of moderate risk-taking and its business operations are based on a reasoned risk/return approach. Risk management has been integrated as part of OP Corporate Bank Group's business and management.

OP Financial Group's principles governing the Risk-taking System and the Risk Appetite Framework, adopted by OP Cooperative's Supervisory Board, define how the Group's risk-taking is controlled, restricted and supervised and how the risk management and internal capital adequacy assessment process is organised.

OP Financial Group's risk policy controls OP Corporate Bank's risk-taking. In the risk policy, the central cooperative's Executive Board confirms annually risk-management principles, actions, objectives and limits, to be applied by Group entities, that are used to guide business to implement the policies confirmed in the Group's strategy and the principles of the Risk Appetite Framework (RAF). In addition, Non-life Insurance is guided by non-life insurance guidelines, reinsurance principles, investment plans and the policy governing hedging against interest rate risk associated with insurance liabilities.

The significant risks of OP Corporate Bank Group include credit risks, market risks, liquidity risks, underwriting risks, concentration risks and strategic, reputational and operational risks, including compliance risk associated with all business operations.

More detailed information on significant risks can be found in OP Corporate Bank Group's most recent Report by the Board of Directors and Financial Statements (see www.op.fi OP Financial Group > To the media > Reports > OP Corporate Bank publications).

7.2.1 Organisation of risk management and capital adequacy management

The Board of Directors decides on, among other things, the business strategy based on the principles issued by the central cooperative's Executive Board, and approves a business plan and supervises their implementation. It also confirms risk policy, funding plan, capital plan and proactive contingency plan for the capital base, business continuity plan and significant risk management principles.

The Board of Directors also supervises and monitors the implementation of risk and capital adequacy management and the fact that the company's risk management is in conformity with laws, official regulations and instructions issued by the central cooperative. The Board of Directors is responsible for the sufficiency of risk management systems and supervises their extent and performance. The Board of Directors is also tasked with supervising the company so that it does not take excessive risks which would materially jeopardise the company's capital adequacy, liquidity, profitability or business continuity. It also supervises the quantity and quality of capital, financial performance, risk exposure and compliance with the risk policy, limits and other instructions.

The Board assesses the appropriateness, extent and reliability of OP Corporate Bank Group's capital adequacy management on a holistic basis at least once a year.

OP Corporate Bank's President and CEO takes charge of the overall control of the company in such a way that the company as a whole achieves its profit, risk capacity and other targets and goals by following shared strategies and policies.

OP Cooperative is responsible for OP Financial Group-level risk and capital adequacy management and for ensuring that OP Financial Group's risk management system is sufficient and kept up to date. OP Financial Group's Risk Management is a function independent of business lines/divisions that defines, steers and supervises the overall risk management of the Group and its entities, and analyses their risk exposure.

The business lines/divisions shall bear primary responsibility for their risk-taking, financial performance and compliance with the principles of internal control and risk management and capital adequacy management. The business lines/divisions have the right to take decisions on risk-taking within the approved decision-making powers, exposure limits and credit limits.

A more detailed description of the company's risk management and capital adequacy management principles and risk exposure can be found in the Group's most recent Report by the Board of Directors and Financial Statements (see www.op.fi > OP Financial Group > To the media > Reports > OP Corporate Bank publications).

7.2.2 Risk management in 2018

In risk management of the central cooperative, 2018 included monitoring external regulatory changes and continuing to prepare for regulatory changes.

Major risk management development projects included, for example, preparing changes in the financing process caused by a new more detailed definition of default, model risk management and preparation for updating IRB risk models until 2021.

Risk Management continued to further develop its risk management assessment processes and operational processes in order to ensure that controls related to risk management are automated so as to be part of all business and that risks are assessed proactively and sufficiently when developing new business. Risk Management has strengthened the development and validation process and extended the comprehensiveness of independent model validations.

In addition, Risk Management updated risk management guidelines, risk reporting and risk limitation. Stress tests have continued to play an increasing role in risk analyses.

7.3 Internal audit

Internal Audit is tasked with assisting OP Corporate Bank plc's Board of Directors and the company's management in controlling, supervising and assuring operations by carrying out operational audits.

Internal Audit of OP Cooperative, OP Corporate Bank plc's parent entity, has been responsible for internal audit. Internal Audit is a function independent of business lines that audits the effectiveness and adequacy of the entire OP Financial Group's internal control system, risk management as well as management and governance processes.

The Supervisory Board of the central cooperative appoints and dismisses the Chief Audit Executive and decides his/her employment terms and conditions and compensation.

The Supervisory Board's Audit Committee confirms the Internal Audit action plan and OP Corporate Bank's Board of Directors confirms the part of the action plan related to the company. Audits in respect of OP Corporate Bank are reported to the Board of Directors and the management as well as to the central cooperative's Executive Board and Audit Committee.

In its auditing work, Internal Audit complies not only with the Internal Audit Charter confirmed in June 2018 by the Supervisory Board but also the International Standards for the Professional Practice of Internal Auditing confirmed by the Institute of Internal Auditors (IIA).

Internal audit performance is subject to external quality assessment approximately every five years.

7.3.1 Internal audit in 2018

Audits have been performed for OP Corporate Bank plc, based on the Internal Audit action plan confirmed by the Board of Directors. In addition, internal audit has been performed indirectly as part of audit applying to the centralised functions of OP Financial Group. In its audits, Internal Audit assesses the effectiveness of OP Financial Group's centralised information systems and the controls of operating processes and internal control as well as the appropriateness of risk management and its procedures.

In its reports, Internal Audit issues recommendations for remedying any defects discovered. Internal Audit monitors on a real-time basis the progress of the implementation of the recommendations issued and regularly reports its monitoring observations to the management of OP Corporate Bank.

7.4 External control

7.4.1 Audit

In accordance with OP Corporate Bank plc's Articles of Association, a General Meeting shall elect an audit firm certified by Finland Chamber of Commerce to act as the company's auditor. The auditors' term of office is the financial year during which they were elected, ending upon the closing of the Annual General Meeting following their election.

The Audit Committee of the Supervisory Board of OP Cooperative, OP Corporate Bank plc's parent entity, puts audit services out to tender at some five years' interval (last time in 2018) on the basis of which it proposes eligible auditors to OP Cooperative's Annual Cooperative Meeting to act as auditors for the entire OP Cooperative Consolidated. The Supervisory Board's Audit Committee annually assesses the quality of the auditor's performance and ancillary services and the independence of auditors and the statement of the ancillary services.

The auditors are tasked with auditing the accounting, internal control, accounting policies, management accounting judgements, presentation and structure of the financial statements of

the company and its entities in order to obtain assurance that the financial statements of the Group and its entities have been prepared in compliance with the rules and regulations in force governing the preparation of financial statements and give the company's shareholders and other stakeholders a true and fair view of the financial position, financial performance and cash flows of the Group.

The auditors give the Annual General Meeting an Auditor's Report every year. Every year, the auditors submit to the Supervisory Board's Audit Committee an additional report, based on the EU Audit Regulation, where they confirm their independence, among other things. Based on their observations, they shall also draw up audit memoranda delivered to OP Corporate Bank plc's Board of Directors, President and CEO, Internal Audit and the Financial Supervisory Authority. Whenever necessary, auditors also issue oral reports to the aforementioned persons and bodies.

The Board of Directors consults the auditor when dealing with the annual accounts and interim accounts, as well as the accounting policies. The auditors have a statutory obligation to notify the Financial Supervisory Authority of any matters or decisions that put operations and the existence of licence requirements at risk, or that result in an opinion in the Auditor's Report other than the unqualified opinion, as referred to in the Auditing Act, or result in an auditors' remark as referred to in Chapter 3, Section 5 and Paragraph 4 of the Auditing Act.

The auditor's remuneration is payable based on the reasonable invoice amount presented.

7.4.1.1 Audit in 2018

KPMG Oy Ab, an audit firm, acted as the company's auditor in 2018, with Raija-Leena Hankonen, APA, acting as the Chief Auditor, appointed by KPMG Oy Ab. KPMG Oy Ab has acted the company's auditor since 2002 with APA Raija-Leena Hankonen as the Chief Auditor since 2014. The audit firm KPMG Oy Ab and chief auditors appointed by KPMG Oy Ab acted as auditors of OP Corporate Bank Group's subsidiaries.

OP Corporate Bank Group's audit plan for 2018 was prepared as part of OP Cooperative Consolidated's audit plan. Aspects relevant to statutory audit included receivables from customers, investment assets and derivative contracts, insurance liabilities and the control environment related to financial reporting as well as information systems. Interim reports and financial statements bulletins are based on unaudited figures.

OP Corporate Bank Group has used KPMG Oy Ab's advisory services related mainly to the comfort letters of bond programmes and tax counselling.

Auditors' remuneration in OP Corporate Bank Group in 2018

In 2018, audit fees for audit paid to auditors totalled EUR 250,000 million (270,000), whereas fees for assignments as referred to in Chapter 1, Section 1, Paragraph 2 of the Auditing Act were EUR 17,000 (0), those for tax counselling EUR 10,000 (41,000) and for other services EUR 104,000 (111,000), or a total of EUR 381,000 (422,000). Non-audit services rendered by KPMG Oy Ab to OP Corporate Bank Group companies totalled EUR 44,000 and services for tax counselling EUR 10,000.

7.4.2 Supervision by the central cooperative

OP Corporate Bank belongs to the amalgamation of deposit banks, under applicable laws. The amalgamation comprises OP Cooperative as the central cooperative together with its member credit institutions and financial institutions and service companies over which they exercise control. 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, the central cooperative supervises its member credit institutions in the manner as referred to in the Act on the Amalgamation of Deposit Banks. In its operations, the Group takes account of OP Financial Group's strategy, confirmed by OP Cooperative's Supervisory Board, and regulations and guidelines on risk management and other operations issued by OP Cooperative to the member banks. The Group reports to OP Cooperative in a separately agreed manner.

7.4.3 Regulatory supervision

The Group is supervised by the Financial Supervisory Authority and the ECB as prescribed in the laws governing financial and insurance markets. The company's operations in Estonia, Latvia and Lithuania are supervised when applicable by the respective national regulators.

8 FINANCIAL REPORTING PROCESS

The different financial management units subordinate to OP Financial Group's CFO take charge of not only the preparation of interim and annual accounts 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 and analyses the actual outcome in comparison with the forecasts and reports on any deviations.

This chapter, Financial reporting process, describes the main features of how OP Corporate Bank Group's internal control and risk management work with a view to ensuring that the Group's financial reports give substantially true information on the company's and its consolidation group's financial performance and position. Correctly consolidated information using sub-ledger accounting and OP Corporate Bank Group companies' information forms the basis of reliable financial reporting.

OP Corporate Bank uses Group-wide financial reporting and risk reporting to monitor the achievement of its business goals and financial targets, and these reports are regularly reviewed at executive management and Board of Directors as well as OP Cooperative's Executive Board meetings. Financial information in financial reports is compared with related plans and any differences are analysed, and the report also describes earnings outlook for the current year and for a longer period of time. The very same principles apply to the monthly financial performance and risk report prepared by the management. 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, 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 all OP Financial Group companies. Responsibility for the interpretation of, guidelines on and advice on standards, 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 company turns to auditors who give a statement of the selected principles and interpretations.

8.1 Organisation of financial reporting

OP Cooperative's Executive Board is the highest decision-making body in matters associated with business control. The Board of Directors must ensure that supervision of accounting and financial management is duly organised. It decides on reporting, procedures and qualitative and quantitative indicators used to assess operational efficiency and performance in line with principles adopted by OP Cooperative. The Board of Directors discusses and approves the consolidated financial statements and interim reports.

The Board of Directors is tasked with ensuring that the company has a sufficient internal control system covering all of its operations and that the supervision of accounting and financial management is duly organised. It must also evaluate how the company complies with laws, regulations, official instructions and internal instructions. The Board also discusses the most significant changes made to the accounting policies during the financial year, principles governing impairment testing for goodwill and intangible assets and the outcome of this testing, and critical accounting estimates and judgements, as well as control reports and reports prepared by regulators, auditors, Internal Audit and the Compliance organisation.

Under the Limited Liability Companies Act, the President and CEO shall ensure that the Company's and its consolidation group's accounting practices comply with the law and that financial management is organised in a reliable manner. OP Cooperative's Finance and Treasury, independent of business lines/divisions, is responsible for the Group's financial reporting. This function produces reliable, relevant and up-to-date information on the Group's performance and finances and keeps the Board of Directors and the President and CEO and other decision-makers informed of the Group's financial performance and near-term outlook. The President and CEO is also tasked with controlling the quality of outsourced accounting services and services for reports to regulators and other relevant authorities, and developing business control and risk management methods, indicators and the supporting systems.

Compiling financial statements information and interim reports are coordinated at the central cooperative consolidated level. The needs of the management and business lines/divisions as well as applicable legislation guide reporting. Reporting systems and communications are defined so as to enable appropriate monitoring and supervision of objectives, performance, operations and risk at all organisational levels. When reporting OP Corporate Bank Group's and its business lines' results and other confidential company information, the Group ensures that information confidentiality has been mentioned in the reports and that confidentiality remains when distributing the reports.

Business control primarily uses OP Financial Group's shared systems. Operational duties related to financial and management accounting are coordinated at OP Cooperative Consolidated level.

8.2 Independent assessment of financial reporting

As provided by law, auditors shall assess the accuracy of external financial reporting. The auditors are tasked with auditing the accounting, financial statements and governance of the company and its consolidation group in order to obtain assurance that the financial statements of the company have been prepared in compliance with the rules and regulations in force and give owners and other stakeholders a true and fair view of the financial position of the company and its consolidation group and its financial performance and cash flows.

In its audits, Internal Audit assesses the effectiveness and adequacy of the company's and its consolidation group's financial reporting and reports these audits to the executive management and the Board of Directors.

8.3 Financial reporting in 2018

OP Corporate Bank Group's financial statements were prepared in accordance with IFRS, applying IASs, IFRSs and SIC and IFRIC interpretations effective on 31 December 2018.

In 2018, OP Financial Group and OP Corporate Bank Group adopted the following standards and interpretations:

- IFRS 9 Financial Instruments. Adjustments made to carrying amounts were recognised in equity in the opening balance sheet on the adoption date of 1 January 2018. OP Corporate Bank Group has not adjusted comparatives for prior years.
- IFRS 15 Revenue from Contracts with Customers. OP Corporate Bank Group adopted IFRS 15 using the full retrospective transition method.
- Annual improvements to IFRS for cycles 2014 –2016 (applicable mainly to accounting periods beginning on or after 1 January 2018). Minor amendments are annually made to standards through the Annual Improvements process. The effects of the amendments vary by standard, but they are not significant.
- Amendments to IFRS 2 and IFRIC 22 that took effect on 1 January 2018. The amendments did not have any major effect on OP Corporate Bank Group's financial statements.

9 REMUNERATION

9.1 Board emoluments and other benefits

The Annual General Meeting (AGM) decides on Board emoluments and other benefits, proposed by the parent entity, OP Cooperative.

The Board members did not receive any separate attendance fees or monthly emoluments in 2018.

9.2 President and CEO's salary and other benefits

The Board of Directors appoints the President and CEO and decides on his/her salary, benefits and the terms and conditions of his executive contract. A written executive contract with Executive Vice President for Banking within OP Financial Group and its appendix specifies the terms and conditions of the executive contract with the President and CEO.

The President and CEO as OP Financial Group's Executive Vice President, Banking, is a member of OP Cooperative's Executive Board. His/her retirement age is determined as specified in applicable pension laws. Pension benefits are determined in accordance with pension laws and OP Financial Group's own pension plans. The President and CEO is covered by TyEL (the Finnish Employees Pensions Act) which provides pension benefits based on the years of employment and earnings as prescribed in the Act. Furthermore, the President and CEO belongs to the supplementary pension plan for the Executive Board of OP Cooperative.

The period of notice applicable under the President and CEO's executive contract is six months. According to the executive contract with the Executive Vice President of OP Financial Group's Banking, Corporate and Institutional Customers, the Company must pay the President and CEO severance pay equalling his/her 6-month total salary, in addition to compensation for loss of office, if the company dismisses him/her or he/she has to resign or terminate the contract due to a reason attributable to the company. In case the executive contract terminates due to reasons attributable to the company, the President and CEO will be entitled to bonuses under the short- and long-term remuneration schemes for the year of contract termination, provided that the schemes' performance criteria and the criteria for payment under the schemes' terms and conditions are fulfilled.

9.3 Principles governing remuneration paid to the President and CEO and other management

The remuneration schemes approved by OP Cooperative Consolidated are aimed at encouraging and engaging key human resources in the development of business and ensuring that the company attracts new key employees. The Remuneration Committee of OP Cooperative's Supervisory Board and, if necessary, the Executive Board assess and monitor regularly the effectiveness of the company's remuneration schemes with the aim of ensuring that remuneration policies and practices with respect to all personnel groups are in line with core values, strategy, targets and goals, risk policies and control systems. The regulations regarding the financial sector's remuneration schemes have been taken into account in establishing the incentive schemes.

Remuneration of the President and CEO and other management consists of the following three components: 1) Basic pay (salary and fringe benefits, based on the job grade and skills); 2) short-term incentives (performance-based bonuses, based on the achievement of targets under the annual plan); and 3) long-term incentives (OP Financial Group's long-term management incentive scheme, based on the achievement of the Group's shared strategic goals and targets).

The Board of Directors is responsible for deciding on remuneration to the President and CEO and other management.

9.4 Short-term management incentive scheme

The Board of Directors decides annually on the short-term management incentive scheme. Remuneration is based on metrics deriving from annual targets. Such metrics may be determined at Group-, function-, department- and employee level. In addition to personal performance, bonus payout requires the fulfilment of the conditions set for Group- and/or company-level remuneration.

The Group-level precondition for remuneration is that the Group's CET1 ratio on the payout date is over the CET1 buffer set by the ECB on the payout date. The final amount of the bonus earned based on the metrics in the balanced scorecard is also determined by OP Financial Group's EBT, OP Financial Group's operating expenses and customer experience. A precondition for the bonus payout is that customer business in the Banking segment too shows a profit before tax.

For 2018, the President and CEO is entitled to a maximum bonus corresponding to his/her regular four-month salary subject to PAYE tax. Bonuses under the short-term incentive scheme are paid in cash, in view of OP Financial Group's payment guidelines with respect to persons affecting the company's risk profile (Identified Staff).

9.5 Long-term management incentive scheme

Based on the decision by the company's Board of Directors, OP Corporate Bank adheres to OP Financial Group's long-term management remuneration scheme. OP Financial Group's shared management incentive scheme consists of consecutive three-year performance periods. The President and CEO and other persons confirmed by the Board of Directors are included in the scheme.

Performance period 2014–2016

The primary performance metrics for the performance period of 2014–2016 included growth in the number of customers using OP as their main bank and insurer, OP Financial Group's EBT and Common Equity Tier 1 (CET1) ratio. In addition, the scheme takes account of profitability (return on economic capital) and capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates. No bonus will be paid out if capital adequacy under said Act is less than the minimum 130% on the date of payout.

During the performance period of 2014–2016, it was possible to annually earn bonuses equalling a person's regular 4–6-month salary subject to PAYE tax. The bonus will be paid to the beneficiary in cash in three instalments between 2018 and 2020. If the person is a member of identified staff and the total amount of variable remuneration exceeds the regulatory level, the bonus will be paid in four instalments between 2018 and 2021 (in six instalments to Executive Board members and the Chief Audit Executive between 2018 and 2023) partially tied to the value of the debenture loan issued by OP Corporate Bank.

Bonus payout includes conditions relating to the duration of employment or executive contracts and stipulations governing the hedging prohibition and the retention period.

Performance period 2017–2019

The targets for the performance period 2017–2019 are according to the strategy in force and they are based on OP Financial Group's EBT, customer experience and use of digital services. No bonuses will be paid out if the Group's CET1 ratio is less than the CET1 capital buffer set by the ECB +3%.

During the performance period of 2017–2019, it is possible to annually earn bonuses equalling a person's regular 4–6-month salary subject to PAYE tax. The bonus will be paid to the beneficiary in cash in four instalments between 2020 and 2023. If the person is a member of identified staff and the total amount of variable remuneration exceeds the regulatory level, the bonus will be paid in four instalments between 2020 and 2023 (in six instalments to Executive Board members and the Chief Audit Executive between 2020 and 2025) partially tied to the value of the debenture loan issued by OP Corporate Bank.

Bonus payout includes conditions relating to the duration of employment or executive contracts and stipulations governing the hedging prohibition and the retention period.

9.6 Long-term incentive scheme for other employees

Personnel (excl. management) is included in the long-term incentive scheme based on OP Financial Group Personnel Fund. This long-term scheme is grounded on the achievement of OP Financial Group's shared strategic goals and targets. The scheme uses the same target performance metrics as the long-term management incentive scheme. The Board of Directors annually determines the amount of profit-based bonuses transferred to the Fund.

Salaries paid to President and CEO Jouko Pölönen 1 Jan.–30 April 2018, euros

Regular pay	185,604
Fringe benefits	3,920
Short-term performance-based bonus for 2017	48,832
Total salaries, bonuses and fringe benefits paid in 2018	238,356

Salaries paid to President and CEO Katja Keitaanniemi 6 Aug.–31 Dec. 2018, euros

Regular pay	160,598
Fringe benefits	97
Total salaries and fringe benefits paid in 2018	160,695

10 INSIDER MANAGEMENT

As provider of investment services and securities issuer, OP Corporate Bank has its own Insider Guidelines and Guidelines for 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, disclosure of insider information, public insider registers, non-public lists of insiders, list 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.

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 the company concerned.

The Guidelines for Insiders and Insider Trading are based on laws governing securities markets, such as the Market Abuse Regulation, and regulations issued by the Finnish Financial Supervisory Authority and Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki.

These Guidelines are aimed at fostering stock market players' trust in OP Corporate Bank plc.

OP Legal Services maintains public insider registers of OP Financial Group entities, registers of relevant persons and lists of company-specific permanent insiders and lists of executives. Such maintenance is organised through the SIRE system maintained by Euroclear Finland Ltd and through OP Financial Group's SIPI system.

When necessary, OP Corporate Bank plc maintains lists of project-specific insiders.

As a credit institution, OP Corporate Bank's 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 OP Corporate Bank's other ordinary operations, OP Corporate Bank and its executives and salaried employees may receive inside information on client companies. For the abovementioned reasons, among other things, OP Corporate Bank and its 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. In particular, training takes place as a result of changes in the insider-related guidelines.

10.1 Access to insider registers and lists of insiders and their display for public inspection

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 ID code and address and the name of a natural person other than the insider are not publicly available. Information included in the list of permanent insiders or the list of project-specific insiders is not publicly available, unlike that included in public insider registers such as the register of relevant persons. Extracts from and copies of the public insider register can be ordered from OP Legal Services, Wealth Management Legal Unit for Private and SME Clients. Written requests for such information specifically describing the information should be submitted to:

OP Legal Services
Henkilö- ja pk-yritysasiakkaiden varallisuudenhoidon juridiikka
P.O. Box 1068
00013 OP

11 DISCLOSURE POLICY

OP Corporate Bank plc pursues OP Financial Group's communications and disclosure policy.

OP Cooperative's subsidiaries OP Corporate Bank plc (OP Corporate Bank) and OP Mortgage Bank (OP MB) 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, London Stock Exchange, SIX Swiss Exchange or other stock exchanges, in addition to or in

place of Nasdaq Helsinki. OP Corporate Bank has also issued unlisted bonds and/or certificates of deposit on the Finnish, UK and Japanese markets.

In their disclosure policy, OP Financial Group, OP Corporate Bank and OP MB comply with legislation, decrees and other binding regulations and the rules of Nasdaq Helsinki and, to the appropriate extent, those of other stock exchanges and the regulations and guidelines issued by the Finnish Financial Supervisory Authority and the European Securities and Markets Authority (ESMA). OP Financial Group's Communications takes into account not only the above but also the Corporate Governance Recommendations and the Code of Business Ethics.

This disclosure policy approved by OP Cooperative's Executive Board applies to the disclosure principles and practices of bond issuers (OP Corporate Bank and OP MB) and OP Financial Group. The board of directors of both OP Corporate Bank and OP MB has approved the disclosure policy. It is the duty of OP Cooperative to ensure that OP Corporate Bank and OP MB too disclose, distribute and make information available 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 information for and on behalf of its subsidiaries that falls under its disclosure obligation. In practice, the central cooperative issues bulletins and releases in the name of OP Financial Group or the issuer. Communication with regard to securities issued by OP Corporate Bank and OP MB is decided upon on a case-by-case basis with the issuer. Responsibility for the issuer's disclosure obligation rests with each issuer.

The 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 its disclosure policy's consistency, suitability and sufficiency on a regular basis, at least once a year.

OP Financial Group's communications are 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.

OP Financial Group's Communications and Disclosure Policy followed by OP Corporate Bank can be found on OP's website at www.op.fi > OP Financial Group > To the media > Communications and Disclosure Policy.

12 CORPORATE RESPONSIBILITY

OP Financial Group's corporate responsibility principles and corporate responsibility programme guide OP Corporate Bank's CR activities. OP Financial Group complies with the Code of Business Ethics approved by the Supervisory Board. OP Financial Group respects and conforms to international economic, social and environmental responsibility principles. The Group is committed to promoting the principles of the United Nations Global Compact initiative. OP Financial Group reports regularly on its corporate responsibility issues taking account of the Global Reporting Initiative (GRI) guidelines. Read more about OP Financial Group's corporate responsibility in section 12 of OP Financial Group's Corporate Governance Statement 2018.

13 PERSONAL AND OTHER DETAILS OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

13.1 Board of Directors 31 December 2018

Chair (by virtue of law and his position)
Timo Ritakallio, b. 1962

- President and Executive Chair, OP Financial Group
- LL.M, MBA, D.Sc. (Tech.)
- On the Board since 1 March 2018
- Executive member dependent on the Company and its major shareholder (OP Cooperative)

Other relevant positions:

- Outotec Corporation: Vice Chair of the Board of Directors, Member of the HR Committee
- Finnish Olympic Committee: Chair of the Board of Directors
- Securities Market Association: Chair of the Board of Directors
- Paulo Foundation: Chair of the Board of Directors
- Finland Chamber of Commerce: Member of the Board of Directors and Members of Delegation

Relevant previous experience:

- Ilmarinen Mutual Pension Insurance Company: President and CEO 2015–2018
- Ilmarinen Mutual Pension Insurance Company: Deputy CEO 2008–2014
- Pohjola Bank plc: Deputy President and CEO 2006–2008
- OKO Bank plc: Deputy President and CEO 2001–2005
- OKO Bank plc: Member of the Executive Board, Bank Manager 1997–2001
- Opstock Pankkiiriliike Oyj: Managing Director 1993–1997
- Uudenkaupungin Seudun Osuuspankki: Managing Director 1991–1993
- Tampereen Seudun Osuuspankki: Manager of Securities Department 1988–1991

Tony Vepsäläinen, b. 1959

- Executive Vice President, Operations, deputy to President and Group Executive Chair, OP Financial Group
- LL.M, eMBA
- Board member since 2007
- Executive member dependent on the Company and its major shareholder (OP Cooperative)

Other relevant positions:

- Housing Fair Finland Co-op: Member of the Supervisory Board

Relevant previous experience:

- OP-Pohjola Group Central Cooperative: Chief Business Development Officer 2011–2014
- OP-Pohjola Group Central Cooperative: President 2007–2010
- Tampereen Seudun Osuuspankki: Managing Director 1998–2006
- Turun Seudun Osuuspankki: Deputy Managing Director 1996–1998
- Kuopion Osuuspankki: Bank Manager 1993–1996
- Suomen Säästöpankki SSP Oy: Deputy to Area Manager 1992–1993
- Pohjois-Savon Säästöpankki: managerial duties 1985–1992

Tiia Tuovinen, b. 1964

- General Counsel, OP Financial Group
- Master of Laws, L.L.M.Eur.
- Board member since 2 July 2018
- Executive member dependent on the Company and its major shareholder (OP Cooperative)

Other relevant positions:

- Confederation of Finnish Industries EK: Vice Chair of the Legal Affairs Committee

Relevant previous experience:

- Telia Company Ab: General Counsel, Global Services & Operations 2016–2017
- TeliaSonera Ab, Team Leader of Competition Law and Compliance (Europe and Eurasia) 2014–2015
- TeliaSonera Ab: General Counsel for Broadband Business Area (Nordic and Baltic countries) 2008–2014
- TeliaSonera Ab: General Counsel, Integrated Enterprise Services Business Area (Corporate Customer Products and Services) 2007–2008
- TeliaSonera Finland plc: General Counsel, Real Estates and Property Planning, Corporate Security 2003–2007
- Sonera Corporation: Deputy General Counsel, Products and Services, Legal Affairs and Assistant General Counsel, Competition Management and Mobile Operations, Legal Affairs 1999–2003

Vesa Aho, b. 1974

- CFO, OP Financial Group; CEO, OP Cooperative
- M.Sc. (Econ. & Bus. Adm.)
- Board member since 1 November 2018
- Executive member dependent on the Company and its major shareholder (OP Cooperative)

Other relevant positions: -

Relevant previous experience:

- Garantia Insurance Company Ltd: CEO 2015–2018
- OP Cooperative: Group Controller 2014–2015
- Pohjola Bank plc: CFO, member of the Group's Executive Committee 2011–2014
- Pohjola Bank plc: Head of Department, Credit Risk Management 2006–2011
- Pohjola Bank plc: Credit Risk Manager 2004–2006, credit risk expert 2001–2004

Jarmo Viitanen, b. 1960

- Managing Director, Helsinki Area Cooperative Bank
- M.Sc. (Agr. & For.), eMBA
- Board member since 1 November 2018
- Executive member dependent on the Company and its major shareholder (OP Cooperative

Other relevant positions: -

Relevant previous experience:

- Länsi-Uudenmaan Osuuspankki: Managing Director 2007–2018
- OKO Bank plc: Director, Corporate Banking 2006–2007
- OKO Bank plc: Deputy member of the Executive Board 2001–2006
- OKO Bank plc: Head of department 1992–2001
- OP-Pohjola Group: various expert and managerial duties 1985–1992

13.2 President and CEO

Katja Keitaanniemi, b. 1974 (President and CEO since 6 August 2018)

- President and CEO, OP Corporate Bank plc
- Executive Vice President, Banking, Corporate and Institutional Clients, OP Financial Group
- Employed by OP Corporate Bank Group since 2018
- Lic.Sc. (Tech.)

Relevant previous experience:

- Finnvera plc: Executive Vice President, SMEs, Member of the Executive Committee 2014–2018
- Swedbank: Head of Investment Banking Finland, Member of Management Group of Global Investment Banking 2011–2013; Head of Research, Deputy Head of Global Research, Member of Management Group 2010–2011
- eQ Bank/Conventum: Director of Research, Member of the Executive Committee 2002–2009
- Nordea Securities: Senior Analyst, Forest & Paper Products 2001–2002

Other relevant positions:

- Finavia: Member of the Board of Directors

Jouko Pölönen, b. 1970 (President and CEO until 30 April 2018)

- President and CEO, OP Corporate Bank plc
- Executive Vice President, Banking, OP Financial Group
- Managing Director, Helsinki Area Cooperative Bank
- Employed by OP Corporate Bank Group since 2001
- M.Sc. (Econ. & Bus. Adm.), eMBA

Relevant previous experience:

- Pohjola Insurance Ltd: President 2010–2014
- Pohjola Bank plc: CFO 2009–2010
- Pohjola Bank plc: CRO 2001–2008
- PricewaterhouseCoopers: Authorised Public Accountant 1999–2001 and auditor 1993–1999

Other relevant positions:

- -