



Remuneration Report for
Governing Bodies at
OP Financial Group 2020

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1 INTRODUCTION

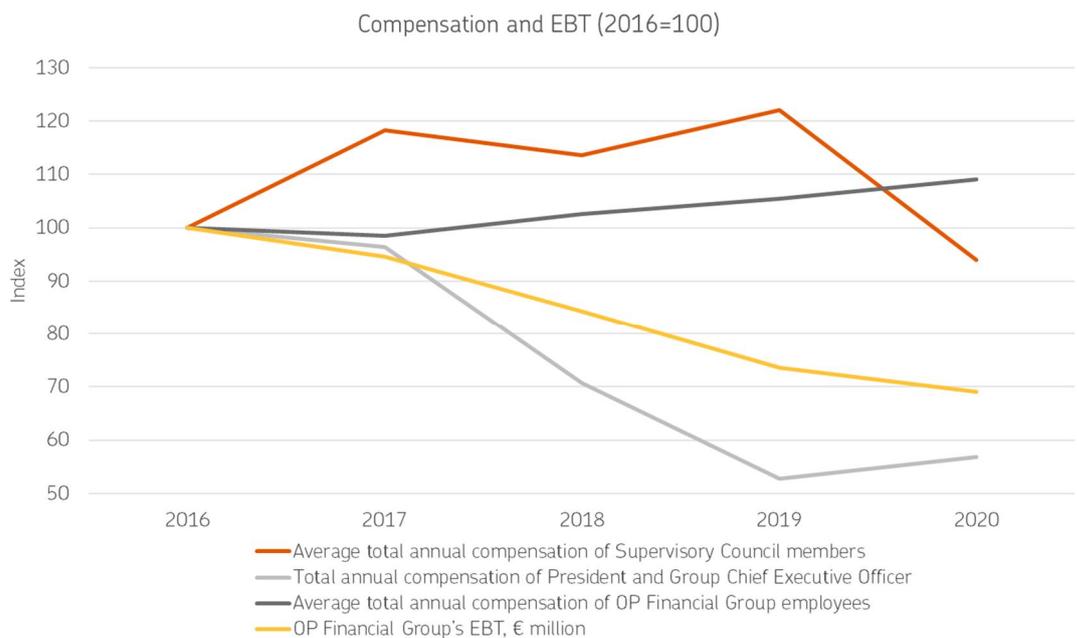
This Remuneration Report for Governing Bodies describes salaries and fees/bonuses for 2020 paid to the members of OP Cooperative's Supervisory Council and Board of Directors, the President and Group Chief Executive Officer and the deputy as well as comparative remuneration figures for five years.

OP Financial Group's current three-tier governance structure entered into force at the beginning of 2020 and OP Cooperative's Board of Directors, based on the new structure, took up its duties on 1 January 2020. Previously, the Executive Board, which consisted of management executives, acted as OP Cooperative's board of directors. Considering that they were not paid any separate compensation for board work, comparative figures for the previous years' average compensation payable to Board members are not available.

The role of OP Cooperative's Supervisory Council has changed after the Board of Directors was created, which can be seen in the levels of fees in 2020. A new President and Group Chief Executive Officer took up his duties in March 2018, so the figures before 2018 apply to the previous President and Group Chief Executive Officer, and the 2018 figures show both of their fees (the figures have been combined in the graph). OP Financial Group employees' average compensation has been calculated by dividing OP Financial Group's total salaries and bonuses by the annual average number of OP Financial Group employees.

OP Financial Group's earnings before tax best describes the performance of OP Financial Group's business and the earnings are a key indicator for remuneration at OP Financial Group.

Average remuneration (in euros)	2016	2017	2018	2019	2020
Average total compensation of Supervisory Council (before 1. Jan 2020 Supervisory Board) members	15,964	18,893	18,140	19,493	15,011
Average total annual compensation of members of Board of Directors	-	-	-	-	89,000
Total annual compensation of President and Group Chief Executive Officer (Ritakallio)	-	-	635,541	855,461	921,896
Total annual compensation of President and Group Chief Executive Chair (Karhinen)	1,620,368	1,560,832	510,749	-	-
Average total annual compensation of OP Financial Group employees	49,222	48,477	50,490	51,875	53,660
OP Financial Group's EBT	€1,138 million	€1,077 million	€959 million	€838 million	€785 million



In the graph, compensation paid to the Supervisory Council (Supervisory Board) and the President and Group Chief Executive Officer is not fully comparable for different years because the adoption of the three-tier governance structure affected the compensation levels of the Supervisory Council in 2020 and the President and Group Chief Executive Officer changed in 2018.

2 SUPERVISORY COUNCIL COMPENSATION

Monthly fees and attendance fees confirmed by the Cooperative Meeting and payable to OP Cooperative's Supervisory Council Chair, Vice Chairs and members are as follows:

Supervisory Council compensation	Chair (€/month)	Vice Chair (€/month)	Member (€/month)	Attendance fee (€/meeting)
1 April 2019–31 March 2020	10,000	4,000	400	600
1 April 2020–	5,000	2,500	400	600

The compensation is paid in cash. The Chair, Vice Chairs and members of the Supervisory Council are covered by voluntary pension insurance, as referred to in the Employees Pensions Act, through Ilmarinen Mutual Pension Insurance Company (only monthly fees accumulate TyEL pension).

The table below shows the meeting attendance of Supervisory Council members and the attendance fees paid to them in 2020:

Supervisory Council member	Meeting attendance					Compensation		
	Supervisory Council****	Strategy Unit	Remuneration Unit	Cooperative Unit	Chairs	Attendance fees	Monthly fees	Total
Nikola Annukka, Chair	7/7	5/5			6/6	€10,200	€60,000	€70,200
Sotara Markku, 1st Vice Chair	7/7		1/1		6/6	€7,800	€30,000	€37,800
Väänänen Ari, 2nd Vice Chair	7/7			2/2	6/6	€8,400	€30,000	€38,400
Alho Timo	7/7		1/1			€4,200	€4,800	€9,000
Arvio Kalle	7/7	5/5				€6,600	€4,800	€11,400
Bäckman Tiina *	2/2					€1,200	€1,200	€2,400
Hakasu Paivi **	5/5		1/1			€3,000	€3,600	€6,600
Harju Anne	7/7			2/2		€4,800	€4,800	€9,600
Helin Mika	7/7	5/5				€6,600	€4,800	€11,400
Hinkkanen Mervi	7/7			2/2		€4,800	€4,800	€9,600
Hällfors Terttu *	2/2			1/1		€1,800	€1,200	€3,000
Junttila Juha **	5/5		1/1			€3,000	€3,600	€6,600
Jurmu Taina	7/7	5/5				€6,600	€4,800	€11,400
Kaakko Marja-Liisa	7/7		1/1			€4,200	€4,800	€9,000
Kiander Jaakko *	2/2					€1,200	€1,200	€2,400
Kietäväinen Seppo	7/7	5/5				€6,600	€4,800	€11,400
Koivula Olli ***	4/4			2/2		€3,600	€2,800	€6,400
Korkonen Jaakko	7/7			2/2		€4,800	€4,800	€9,600
Kujala Päivi **	5/5		1/1			€3,000	€3,600	€6,600
Kuosa-Kaartti Katja	7/7		1/1			€4,200	€4,800	€9,000
Kääriäinen Jukka	7/7	5/5				€6,600	€4,800	€11,400
Lehtonen Pekka **	5/5		1/1			€3,000	€3,600	€6,600
Leppäkoski Sirpa **	5/5			1/1		€3,000	€3,600	€6,600
Luomala Juha *	2/2			1/1		€1,800	€1,200	€3,000
Metsä-Tokila Timo	7/7	5/5				€6,600	€4,800	€11,400
Myller Kyösti	6/7			2/2		€4,800	€4,400	€9,200
Mäkelä Anssi **	5/5		1/1			€3,000	€3,600	€6,600
Nieminen Juha-Pekka	6/7	4/5				€6,000	€4,800	€10,800
Niskanen Yrjö	7/7			2/2		€4,800	€4,800	€9,600
Nylund Ulf **	7/7			1/1		€4,200	€3,600	€7,800
Näsi Olli	7/7	4/5				€6,000	€4,800	€10,800
Pättiniemi Johanna **	5/5			1/1		€3,000	€3,600	€6,600
Rajala Tiina **	4/5		1/1			€3,000	€3,600	€6,600
Rosas Salla	7/7	5/5				€6,600	€4,800	€11,400
Sahlström Petri	7/7	5/5				€6,600	€4,800	€11,400
Sandell Carolina	7/7			2/2		€4,800	€4,800	€9,600
Saukkonen Timo	7/7		1/1			€4,200	€4,800	€9,000
Suhonen Timo	5/5	5/5				€5,400	€4,800	€10,200
Syrjälä Timo **	5/5		1/1			€3,000	€3,600	€6,600
Takala Pauliina **	5/5			1/1		€3,000	€3,600	€6,600
Ylimartimo Arto *	2/2					€1,200	€1,200	€2,400
Total						€187,200	€268,800	€456,000

* Member until 19 March 2020

** Member since 19 March 2020

*** Member until 31 July 2020

**** One Supervisory Council meeting was held as an email meeting with no attendance fee paid.

3 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

Monthly fees for 2020 confirmed by the Board of Directors and payable to the Board Chair, Vice Chairs and members are as follows:

- Chair €11,000
- Vice Chair €7,000
- Other members, €5,000

In addition, chairs of committees are paid a monthly fee of 2,000 euros. All Board members receive an attendance fee of 600 euros for each meeting. Board compensation is paid in cash.

Neither a separate monthly fee for being a Board member nor any attendance fee is paid to the President and Group Chief Executive Officer.

The Chair, Vice Chairs and members of the Board of Directors are covered by voluntary pension insurance, as referred to in the Employees Pensions Act, through Ilmarinen Mutual Pension Insurance Company (only monthly fees accumulate TyEL pension).

The table below shows the meeting attendance of the members of the Board of Directors and the attendance fees paid to them in 2020:

Board member	Meeting attendance				Total		
	Board of Directors*	Nomination and Remuneration Committee	Risk Committee	Audit Committee	Attendance fees**	Monthly fees	Total
Pehkonen Jaakko, Chair	19/20	7/7			€19,800	€156,000	€175,800
Heinonen Jarna, Vice Chair	20/20			5/5	€18,000	€84,000	€102,000
Enberg Leif	20/20		11/11		€16,200	€60,000	€76,200
Himanen Jari	20/20				€9,600	€60,000	€69,600
Levoranta Kati	20/20	7/7	11/11		€18,000	€60,000	€78,000
Loikkanen Pekka	20/20		11/11	2/2	€17,400	€84,000	€101,400
Ojanperä Tero	8/8	2/2		3/3	€7,800	€30,000	€37,800
Palomäki Riitta	20/20	5/5		5/5	€14,400	€84,000	€98,400
Ritakallio Timo	20/20				-	-	-
Tarkkanen Olli	20/20				€9,600	€60,000	€69,600
Väisänen Mervi	20/20	7/7			€12,000	€60,000	€72,000
Total					€142,800	€738,000	€880,800

* Five meetings were held as email meetings with no attendance fees paid.

4 SALARIES, BONUSES AND FRINGE BENEFITS OF THE PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER AND HIS DEPUTY

In 2020, Timo Ritakallio, OP Financial Group's President and Group Chief Executive Officer, was paid 792,540 euros in salary and 26,460 euros in fringe benefits, 22,257 euros in deferred performance-based bonuses earned for 2018 and 80,639 euros in performance-based bonuses earned for 2019 based on the long-term management remuneration scheme earned between 2017 and 2019.

A total of 219,935 euros of performance-based bonuses earned between 2018 and 2019 and bonuses earned between 2019 and 2017 under the long-term management remuneration scheme will be paid out between 2021 and 2026 under the deferral procedure that complies with regulation. Half of the deferred bonuses will be paid so as to be tied to the value of OP Corporate Bank's fixed debenture. A 12-month retention period relates to bonuses paid under the fixed debenture.

Variable remuneration accounted for around 13% of fixed salary.

Based on the defined benefit pension plan, the supplementary pension insurance of the President and Group Chief Executive Officer did not incur costs in 2020.

In 2020, Olli Lehtilä, OP Financial Group's deputy President and Group Chief Executive Officer, was paid 437,599 euros in salary and 41,150 euros in fringe benefits, 55,638 euros in performance-based bonuses earned for 2019 and 65,509 euros in performance-based bonuses based on the long-term management remuneration scheme earned between 2014 and 2016.

A total of 89,390 euros of performance-based bonuses under the long-term management remuneration scheme earned between 2014 and 2016 will be paid out between 2021 and 2024 under the deferral procedure that complies with regulation. Half of the deferred bonuses will be paid so as to be tied to the value of OP Corporate Bank's fixed debenture. A 12-month retention period relates to bonuses paid under the fixed debenture.

Variable remuneration accounted for around 31% of fixed salary.

Supplementary pension contributions of the deputy to the President and Group Chief Executive Officer based on the defined benefit pension plan totalled 104,047 euros in 2020.

EUR	Regular salary	Fringe benefits	Performance-based bonus for 2019 paid in 2020 and long-term bonus for 2017–2019	Deferred performance-based bonuses for 2018 paid in 2020 and long-term bonuses for 2014–2016	Total salaries, bonuses and fringe benefits paid in 2020	Deferred bonuses paid between 2021 and 2026 out of the 2028 and 2019 performance-based bonuses, and of bonuses for 2014–2016 based on the long-term management remuneration scheme
President and Group Chief Executive Officer	792,540	26,460	80,639	22,257	921,896	219,935
Deputy President and Group Chief Executive Officer	437,599	41,150	121,248	25,540	625,537	89,390
Total	1,230,139	67,610	201,887	47,797	1,547,433	309,325