OP Corporate Bank plc's Interim Report 1 January–30 September 2024

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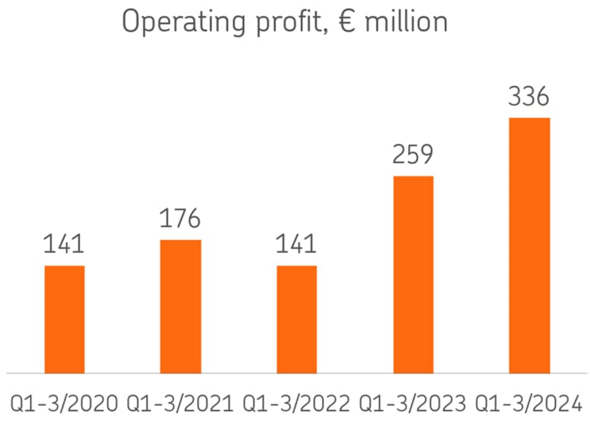
Operating profit Q1– 3/2024	Net interest income Q1–3/2024	Loan portfolio change year on year	CET1 ratio 30 Sep 2024
€336 million	+11%	–1.8%	14.0%

- OP Corporate Bank plc's operating profit rose to EUR 336 million (259).
- Net interest income increased by 11% to EUR 466 million (421). Investment income fell by 57% to EUR 23 million (53). Net commissions and fees totalled EUR 53 million (52).
- Impairment loss on receivables decreased to EUR 15 million (63).
- Total operating expenses decreased by 5% to EUR 217 million (229). The cost/income ratio improved to 38% (42).
- Year on year, the loan portfolio decreased by 1.8% to EUR 27.5 billion (28.0). The deposit portfolio increased by 31.9% to EUR 16.2 billion (12.3).
- The Corporate Banking and Capital Markets segment's operating profit increased to EUR 216 million (150). Net interest income increased by 23% to EUR 287 million (233). Investment income fell by 54% to EUR 19 million (42). Operating expenses decreased by 10% to EUR 88 million (97). Impairment loss on receivables totalled EUR 9 million (32).
- The Asset and Sales Finance Services and Payment Transfers segment's operating profit increased to EUR 123 million (100). Net interest income increased by 3% to EUR 162 million (157). Net commissions and fees totalled EUR 44 million (47). Operating expenses remained at the previous year's level at EUR 88 million (88). Impairment loss on receivables totalled EUR 9 million (27).
- The Baltics segment's operating profit rose to EUR 31 million (27). Net interest income decreased to EUR 44 million (50). Net commissions and fees totalled EUR 8 million (7). Operating expenses decreased by 7% to EUR 24 million (26). Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables totalled EUR 4 million.
- The Group Functions segment's operating loss was EUR –35 million. A year ago, the operating loss amounted to EUR –18 million. Financial position and liquidity remained strong.
- OP Corporate Bank plc's CET1 ratio rose to 14.0% (13.0), which exceeds the minimum regulatory requirement by 5.3 percentage points.

OP Corporate Bank plc's key indicators

Operating profit (loss), € million	Q1–3/2024	Q1–3/2023	Change, %	Q1–4/2023
Corporate Banking and Capital Markets	216	150	43.9	198
Asset and Sales Finance Services and Payment Transfers	123	100	23.4	126
Baltics	31	27	15.7	27
Group Functions	-35	-18	-	-22
Total	336	259	29.5	329
Total income	568	551	3.1	738
Total expenses	-217	-229	-5.2	-313
Cost/income ratio, %	38.2	41.5	-3.4*	42.4
Return on equity (ROE), %	7.6	6.2	1.4*	5.9
Return on assets (ROA), %**	0.46	0.32	0.15*	0.30
	30 Sep 2024	30 Sep 2023	Change, %	31 Dec 2023
CET1 ratio, %	14.0	13.0	1.1*	13.0
Loan portfolio, € million	27,536	28,040	-1.8	28,076
Guarantee portfolio, € million	2,727	2,865	-5.3	3,184
Other exposures, € million	5,398	6,103	-11.6	5,745
Deposits, € million	16,229	12,301	31.9	14,629
Ratio of non-performing exposures to exposures, %	2.0	2.0	0.02*	2.2
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.07	0.27	-0.20*	0.31

Comparatives for the income statement are based on the corresponding figures in 2023. Unless otherwise specified, figures from 31 December 2023 are used as comparatives for balance-sheet and other cross-sectional items.
*Change in ratio, percentage point(s).
**The presentation of interest receivables and liabilities related to derivative contracts was changed in the second quarter of 2024. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.



OP Corporate Bank plc's operating profit calculated as pre-tax profit under national legislation is presented as a figure for 2020.

OP Corporate Bank plc's Interim Report 1 January–30 September 2024

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Business environment

Economic surveys on the world economy indicate growth in the service sector during the year. This contrasted with industry, which fell back to its early-year level over the summer. Euro-area GDP grew slightly in the first half, and economic surveys suggest that growth will remain sluggish as the year ends. Inflation slowed to 1.7% in September, compared to 2.9% at the end of 2023.

The world's major stock indices rose in January–September, above their level of 31 December 2023. In overall terms, world stock prices had reached a record high by the end of September. Share prices in Finland recovered in April–September, but by the end of September they were still slightly under their level of 1 January 2024.

The 12-month Euribor, which is the key reference interest rate for home loans, had fallen to 2.75% by the end of September from 3.51% at the end of 2023.

In the first half of 2024, Finland's GDP was lower than in the same period in 2023, but monthly figures indicate growth in Q3 2024. In August, the unemployment rate rose to 8.3% compared to 7.7% at the end of 2023. Inflation slowed to 0.8% in September, compared to 3.6% last December. Home sales and purchases decreased from the previous year and home prices fell.

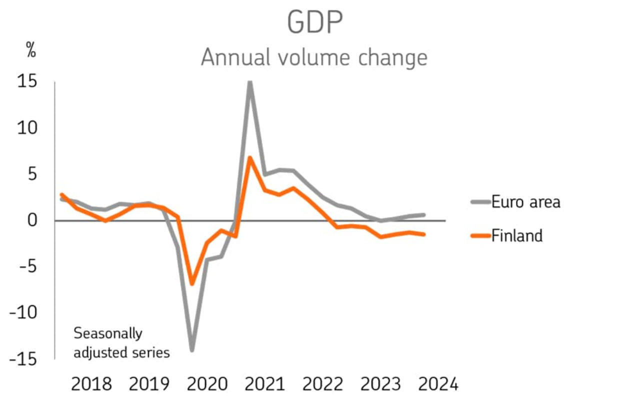
Falling inflation and interest rates are expected to promote Finland's chances of economic recovery towards the year end. However, the turnaround is still just beginning and several risks lurk within the world economy.

In August, the total loan portfolio in Finland was at the same level as a year earlier. Corporate loans grew by 1.6% and total household loans decreased by 0.4% from a year ago, especially due to weak demand for home loans. The annual growth rate of consumer loans was 2.6% in August.

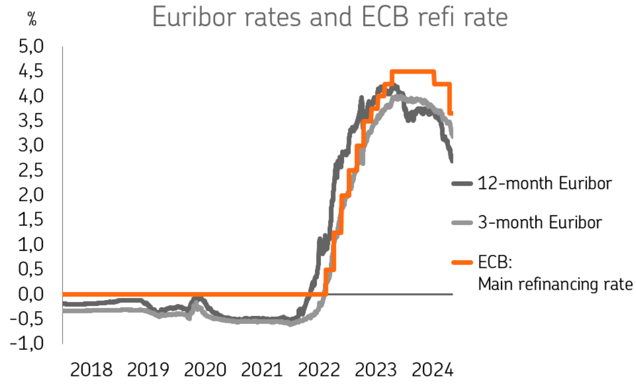
Total deposits in Finland decreased by 2.2% over the previous year. Corporate deposits decreased by 1.8% and household deposits increased by 1.4% year on year.

The value of the assets held in mutual funds registered in Finland increased from EUR 149 billion to EUR 177 billion during the first nine months of the year, and new assets invested totalled EUR 5.1 billion.

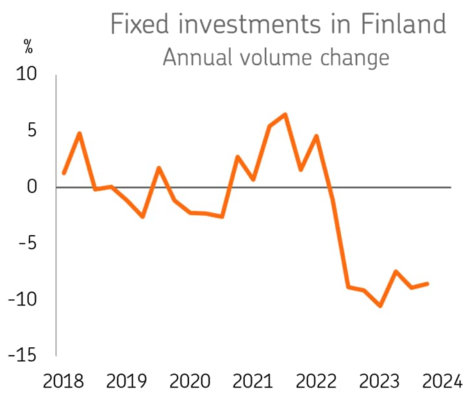
Demand for insurance products remained stable. A global rise in stock prices improved insurance companies' profitability.



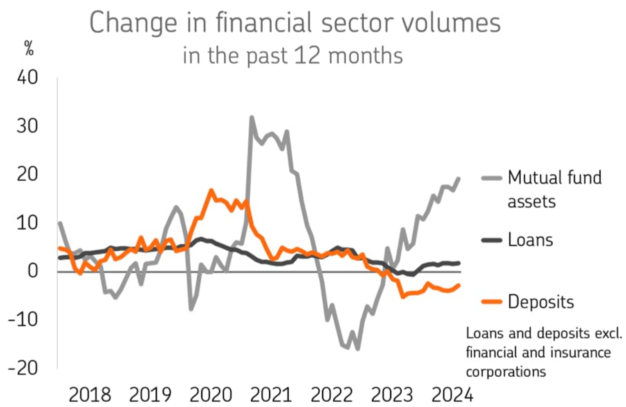
Sources: Eurostat, Statistics Finland



Source: Bank of Finland



Source: Statistics Finland



Sources: Bank of Finland, Investment Research Finland

OP Corporate Bank earnings

€ million	Q1–3/ 2024	Q1–3/ 2023	Change, %	Q3/ 2024	Q3/ 2023	Change, %	Q1–4/ 2023
Net interest income	466	421	10.7	161	159	1.2	582
Impairment loss on receivables	-15	-63	-	0	-40	-101.0	-96
Net commissions and fees	53	52	2.2	15	12	24.3	73
Investment income	23	53	-57.3	5	14	-65.7	52
Other operating income	26	24	7.0	7	6	10.8	31
Personnel costs	-66	-60	9.4	-21	-17	21.7	-84
Depreciation/amortisation and impairment loss	-1	-3	-	0	0	-18.7	-3
Other operating expenses	-150	-165	-9.5	-49	-45	7.7	-226
Operating profit	336	259	29.5	118	88	34.2	329

January–September

OP Corporate Bank plc's operating profit rose to EUR 336 million (259). The rise in the operating profit was due to higher net interest income, a decrease in impairment loss on receivables, and lower operating expenses. Net interest income increased by 10.7% to EUR 466 million (421). Impairment loss on receivables decreased to EUR 15 million (63). Total operating expenses decreased by 5.2% to EUR 217 million (229). Financial authorities' charges decreased by EUR 30 million. The EU's Single Resolution Board (SRB) will not collect stability contributions from banks for 2024. Investment income fell by 57.3% to EUR 23 million (53). Net commissions and fees totalled EUR 53 million (52).

Net interest income increased by EUR 45 million to EUR 466 million. Interest income from receivables from customers increased by EUR 194 million to EUR 1,092 million. In addition, interest income was increased by receivables from OP Financial Group companies. OP Corporate Bank's loan portfolio decreased by 1.8% year on year, to EUR 27.5 billion (28.0). The loan portfolio decreased by 1.9% from its level at the end of last year. Interest expenses from liabilities to customers increased by EUR 166 million to EUR 413 million (247). The deposit portfolio increased by 31.9% year on year, to EUR 16.2 billion. The deposit portfolio grew by 10.9% from its level at the turn of the year. Interest expenses of debt securities issued to the public (including fair value adjustments under hedge accounting) totalled EUR 572 million (453). Interest expenses from subordinated liabilities were EUR 51 million (41). The amount of debt securities issued to the public decreased to EUR 19.8 billion (24.0). At the end of the reporting period, the amount of senior non-preferred bonds totalled EUR 3.7 billion (4.0). Subordinated liabilities totalled EUR 1.4 billion (1.4). During the reporting period, OP Corporate Bank issued long-term bonds worth EUR 0.9 billion (1.2).

Impairment loss on receivables decreased to EUR 15 million (63). A year ago, expected credit losses concerning the real estate and construction sector increased the impairment loss on receivables. Loss allowance was EUR 339 million (328) at the end of the reporting period. The item includes an additional management overlay provision of EUR 13 million that concerns the construction sector, personal customer exposures, bullet and balloon loans for corporate customers, and improvements in processes related to early warning systems and the identification of groups of connected clients. Final net loan losses recognised for the reporting period totalled EUR 4 million (18). Non-performing exposures accounted for 2.0% (2.2) of total exposures. Ratio of impairment loss on receivables to the loan and guarantee portfolio decreased to 0.07% (0.27).

Net commissions and fees totalled EUR 53 million (52). Commission income decreased to EUR 95 million (99), as commission income from lending decreased. On the other hand, commission income from securities issues increased from the previous year. Commission expenses totalled EUR 42 million (47).

Investment income decreased to EUR 23 million (53). Income from derivatives operations fell to EUR 1 million (31). Derivatives used for economic balance sheet hedging, investments recognised at fair value through profit or loss, and liabilities decreased investment income by EUR 19 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 19 million year on year. Income from notes and bonds held for trading fell to EUR 14 million (17). Interest income from them decreased to EUR 11 million (18). Fair value gains on notes and bonds totalled EUR 4 million (–1). Income from shares and participations increased to EUR 7 million (1). Income from notes and bonds at fair value through other comprehensive income decreased by EUR 5 million to EUR 0 million.

Other operating income totalled EUR 26 million (24).

Total operating expenses decreased by EUR 12 million to EUR 217 million. Personnel costs increased by EUR 6 million to EUR 66 million. The increase in personnel costs was affected by headcount growth and change in the income level. Depreciation/amortisation and impairment loss on receivables totalled EUR 1 million (3). Other operating expenses totalling EUR 150 million decreased by EUR 16 million. Lower other operating expenses were explained by a reduction in the stability contribution paid to the Single Resolution Fund financed by euro-area banks. Charges of financial authorities decreased by EUR 30 million. The Single Resolution Board (SRB) will not collect EU stability contributions from banks for 2024. Total ICT costs increased by EUR 9 million to EUR 76 million.

Comprehensive income for the reporting period increased to EUR 278 million (198). A change in the fair value reserve, EUR 17 million, increased comprehensive income for the reporting period. The fair value reserve was EUR –47 million (–63) at the end of the reporting period. Gains arising from re-measurement of defined benefit plans increased comprehensive income by EUR 4 million. Meanwhile, changes in own credit risk on liabilities measured at fair value reduced comprehensive income for the reporting period by EUR 8 million.

July–September

The third-quarter operating profit increased to EUR 118 million (88). Net interest income was EUR 161 million (159). Impairment loss on receivables decreased by EUR 40 million to EUR 0 million. Net commissions and fees increased by EUR 3 million to EUR 15 million. Investment income decreased by EUR 9 million to EUR 5 million. Total operating expenses increased by EUR 7 million to EUR 70 million.

Net interest income grew by 1.2% to EUR 161 million. Interest income from receivables from customers increased by 7.9% to EUR 370 million. Interest expenses from liabilities to customers increased by 42.7% to EUR 141 million.

Impairment loss on receivables decreased by EUR 40 million to EUR 0 million. Impairment loss on receivables for the comparison period increased, mainly due to the downturn in the construction industry and real estate sector.

Net commissions and fees increased by EUR 3 million to EUR 15 million, as commission expenses decreased.

Investment income decreased to EUR 5 million (14). Income from derivatives operations fell by EUR 13 million to EUR 0 million. Income from notes and bonds totalled EUR 3 million (2) and income from shares and participations totalled EUR 2 million (0).

Other operating income totalled EUR 7 million (6).

Total operating expenses increased by EUR 7 million to EUR 70 million. Personnel costs, at EUR 21 million, increased by EUR 4 million. Other operating expenses increased by EUR 3 million to EUR 49 million.

Total comprehensive income for the third quarter was EUR 78 million (64). Change in the fair value reserve, EUR –18 million (–7), reduced comprehensive income.

July–September highlights

Change in OP Corporate Bank plc Board of Directors

Hannakaisa Länsisalmi, Chief People and Culture Officer of OP Financial Group, started as a member of OP Corporate Bank plc's Board of Directors on 1 July 2024. Länsisalmi replaces Tiia Tuovinen, who left OP Financial Group on 30 June 2024 at her own request. As a result of Länsisalmi's appointment, OP Corporate Bank plc's Board composition has been as follows since 1 July 2024: Timo Ritakallio (Chair), Mikko Timonen, Olli Lehtilä, Petteri Rinne, Mikko Vepsäläinen and Hannakaisa Länsisalmi.

Sustainability and corporate responsibility

OP Corporate Bank is part of OP Financial Group. Sustainability and corporate responsibility form an integral part of OP Financial Group’s business and strategy, and responsible business is one of OP Financial Group’s strategic priorities. OP Financial Group's sustainability programme guides the Group's actions and is built around three themes: Climate and the environment, People and communities and Corporate governance. Read more about the sustainability programme at op.fi/op-financial-group/corporate-social-responsibility.

At OP Financial Group, sustainability and corporate responsibility are guided by a number of principles and policies. OP Financial Group is committed to complying not only with all applicable laws and regulations, but also with a number of international initiatives. The Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption. OP Financial Group is a Founding Signatory of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI). Furthermore, OP Financial Group is committed to complying with the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance.

OP Financial Group is committed to the international Partnership for Carbon Accounting Financials (PCAF), which aims to develop and implement a harmonised approach to assessing and disclosing greenhouse gas emissions associated with partners' loans and investments.

As of the reporting year 2024, OP Financial Group reports on its sustainability and corporate responsibility in accordance with the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive (CSRD). OP Corporate Bank does not publish a separate sustainability report.

OP Financial Group has set emissions reduction targets for three sectors in its loan portfolio: the energy, agriculture and residential property sectors. These account for more than 90% of the emissions of OP Financial Group's loan portfolio. Measured from the 2022 initial level, the goal is to reduce by 2030 1) the emissions intensity of energy production by 50%; 2) absolute emissions associated with the agricultural sector by 30%; and 3) the emissions intensity of home loans by 45%.

OP Financial Group’s biodiversity roadmap includes measures to promote biodiversity. OP Financial Group aims to grow its nature positive handprint by 2030. 'Nature positive' means that OP Financial Group's operations will have a net positive impact (NPI) on nature.

OP Financial Group has also drawn up a Human Rights Statement and Human Rights Policy. The Group respects all recognised human rights. The Human Rights Statement includes the requirements and expectations that OP Financial Group has set for itself and actors in its value chains. OP Financial Group is committed to perform remediation actions if its operations have adverse human rights impacts.

In its loan decisions, OP Corporate Bank considers the ESG themes and risks related to environmental, social and governance factors in accordance with the EBA (European Banking Authority) Guidelines on loan origination and monitoring. In the ESG analysis, customers are reviewed on a sector-specific basis in respect of the ESG themes.

OP Corporate Bank is committed to ensuring that its corporate loan portfolios are carbon neutral by 2050. OP Corporate Bank does not provide finance for new coal power plants or coal mines, or companies that plan to build them. Neither does OP Corporate Bank finance new corporate customers with financial dependence of over 5% on coal as an energy source, measured in net sales. This policy can be deviated from if the corporate customer is committed to shifting towards a low-carbon economy and demonstrating a concrete plan to withdraw from coal.

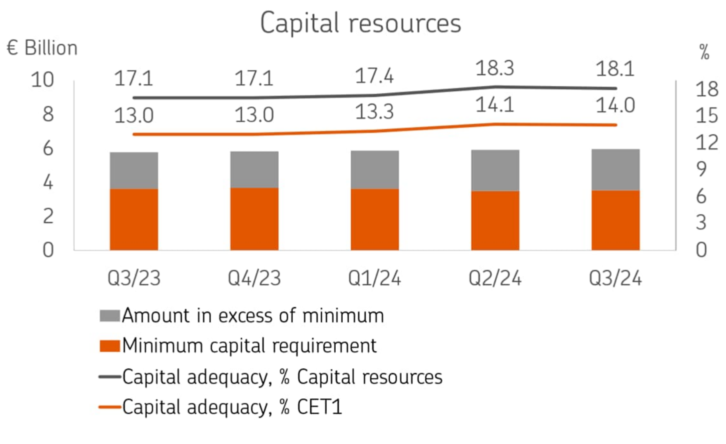
OP Corporate Bank is included in OP Financial Group's adjusted policy on financing, insuring and investing in oil and gas exploration and production. Accordingly, OP Corporate Bank will not finance new corporate customers that engage in what is known as unconventional oil and gas extraction, or the exploration or production of oil or gas in Arctic areas.

OP Corporate Bank has issued three green bonds, under the Green Bond Framework and its updated versions, to international institutional investors: a senior green bond of EUR 500 million with a maturity of three years issued in 2024; a senior non-preferred green bond of EUR 500 million with a maturity of 5.5 years issued in 2022; and a senior green bond of EUR 500 million issued in 2019, which arrived at maturity in February 2024. The green bonds support the green transition, and proceeds raised with them are allocated to sustainable corporate finance. Eligible sectors to be funded through the bonds include, for example, renewable energy, green buildings and environmentally sustainable management of living natural resources and land use. In March 2024, OP Corporate Bank published an updated Green Bond Framework 2024, which takes account of the EU Taxonomy for the first time. The Green Bond Framework is available in English on the web page for debt investors.

OP Corporate Bank has developed several products based on the international framework for sustainable corporate finance, such as green loans and sustainability-linked loans and sustainable supply chain finance. Green loans are designed for corporate customers that can make a commitment to using the borrowed funds to promote specific projects, while sustainability-linked loans are for corporate customers that are prepared to pursue sustainability-based performance targets agreed with the lender. These targets affect the loan margin. The purpose of sustainable supply chain finance is to encourage supply chains to engage in more sustainable operations through sustainability-linked financing. By the end of September, total exposures from green loans and sustainability-linked loans and facilities stood at EUR 7.9 billion (6.6).

OP Corporate Bank offers sustainable supply chain finance to encourage supply chains to engage in more sustainable operations through sustainability-linked financing. With sustainable supply chain finance, businesses can grant better terms of financing for suppliers that commit to mutually agreed sustainability targets. Finance solutions enable companies to reduce their indirect operational emissions.

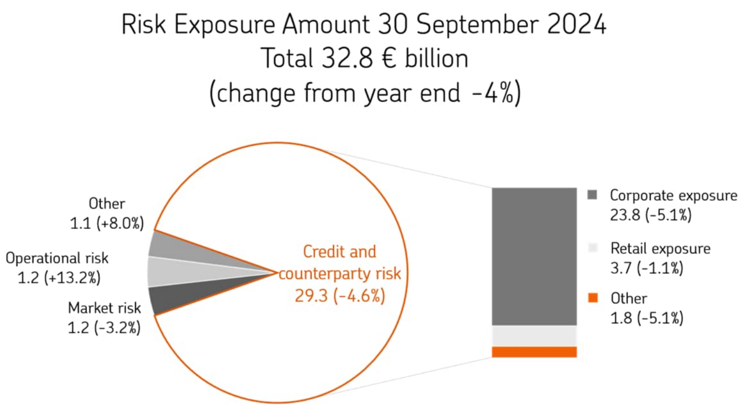
Capital adequacy



Capital adequacy for credit institutions

On 30 September 2024, OP Corporate Bank's CET1 ratio was 14.0% (13.0), which exceeds the minimum regulatory requirement by 5.3 percentage points. Earnings and a decrease in risk-weighted assets improved the ratio.

As a credit institution, OP Corporate Bank's capital adequacy ratio is good compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%. The minimum AT1 requirement, 1.5%, increases the minimum CET1 to 6%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions and the requirement for the countercyclical capital buffer of 0.2% increase the minimum capital adequacy ratio to 10.7% and the minimum CET1 ratio to 8.7%, including the shortfall of Additional Tier 1 (AT1) capital.



CET1 capital totalled EUR 4.6 billion (4.4) on 30 September 2024. The financial performance for the reporting period had a positive effect on CET1 capital.

On 30 September 2024, the total risk exposure amount (REA) amounted to EUR 32.8 billion (34.1), or 3.6% lower than on 31 December 2023. Risk-weighted credit risk assets decreased. The risk-weighted assets for operational risk increased in line with income for previous years.

OP Corporate Bank is part of OP Financial Group, whose capital adequacy is supervised in accordance with the Act on the Supervision of Financial and Insurance Conglomerates. As part of OP Financial Group, OP Corporate Bank is supervised by the European Central Bank (ECB). OP Financial Group publishes Pillar III disclosures.

The Finnish Financial Supervisory Authority (FIN-FSA) makes a macroprudential policy decision on a quarterly basis. In September 2024, the FIN-FSA reiterated its decision not to impose a countercyclical capital buffer requirement on banks.

The changes in the EU Capital Requirements Regulation (CRR3), which implement the final elements of Basel III, are expected to slightly reduce the capital adequacy of OP Corporate Bank. The changes will take effect as of 1 January 2025.

Liabilities under the Resolution Act

Under regulation applied to crisis resolution of credit institutions and investment firms, the resolution authority is authorised to intervene in the terms and conditions of investment products issued by a bank in a way that affects an investor's position. The EU's Single Resolution Board (SRB) based in Brussels is OP Financial Group's resolution authority. The SRB has confirmed a resolution strategy for OP Financial Group whereby the resolution measures would focus on the OP amalgamation and on the new OP Corporate Bank that would be formed in the case of resolution. According to the resolution strategy, OP Mortgage Bank will continue its operations as the new OP Corporate Bank's subsidiary.

The SRB updated the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) for OP Financial Group in May 2024. As part of the MREL, the resolution authority has updated OP Financial Group's subordination requirement in accordance with the Single Resolution Mechanisms Regulation. The subordination requirement determines how much of the MREL must be fulfilled with own funds or subordinated liabilities.

From May 2024, the MREL is 23.12% of the total risk exposure amount and 28.25% of the total risk exposure amount including a combined buffer requirement, and 7.48% of leverage ratio exposures. The subordination requirement supplementing the MREL is 13.56% of the total risk exposure amount and 18.69% of the total risk exposure amount including a combined buffer requirement, and 7.48% of leverage ratio exposures. These requirements took effect on 15 May 2024. The requirements include a combined buffer requirement (CBR) of 5.13%.

OP Financial Group's buffer for the MREL was EUR 6.8 billion (7.9) and for the subordination requirement EUR 7.0 billion (5.6). The amount of senior non-preferred (SNP) bonds issued by OP Financial Group totalled EUR 3.8 billion (3.8). These bonds provide funds for the MREL subordination requirement.

OP Financial Group clearly exceeds the MREL requirement. OP Financial Group's MREL ratio was 37.7% (37.1%) of the total risk exposure amount and, based on the subordination requirement, the MREL ratio for subordinated liabilities was 28.5% (26.4) of the total risk exposure amount.

Credit ratings

OP Corporate Bank plc's credit ratings on 30 September 2024

Rating agency	Short-term debt	Outlook	Long-term debt	Outlook
Standard & Poor's	A-1+	-	AA-	Stable
Moody's	P-1	Stable	Aa3	Stable

OP Corporate Bank has credit ratings affirmed by Standard & Poor's and Moody's. When assessing OP Corporate Bank's credit rating, credit rating agencies take account of the entire OP Financial Group's financial position. The credit ratings have not changed in 2024.

Bases for risk profile management and the business environment

In risk-taking related to its operations, OP Corporate Bank emphasises careful preparation and a sound risk-return ratio. Risk-taking is directed and limited by means of principles and limits prepared by senior management and approved by OP Cooperative's Board of Directors.

OP Corporate Bank's success lies in a foundation of accumulated trust capital, sufficient capital and liquidity and diverse information on customers. From a risk-carrying capacity perspective, it is essential for OP Corporate Bank to understand its customers' activities and needs, as well as change factors affecting their future success in the prevailing business environment and in situations where the business environment is affected by an unexpected shock or change in trend.

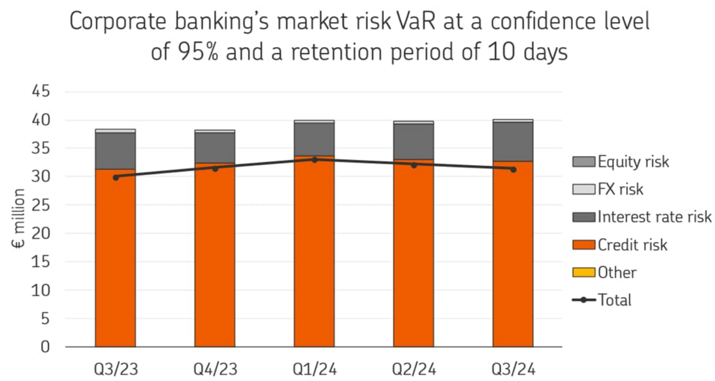
OP Corporate Bank analyses the business environment as part of the ongoing risk assessment activities and strategy process. Megatrends and worldviews behind OP Corporate Bank's strategy reflect driving forces that affect the daily activities, conditions and future of OP Corporate Bank and its customers. Factors currently shaping the business environment include climate, biodiversity loss, scientific and technological innovations, polarisation, demography and geopolitics. OP Corporate Bank provides advice and makes business decisions that promote the sustainable financial success, security and wellbeing of its customers and operating region while managing its risk profile on a longer-term basis. Advice for customers, risk-based service sizing, contract lifecycle management, decision-making, management and reporting are based on correct and comprehensive information.

Unexpected external shocks from the economic environment may cause various direct and indirect effects on the prosperity of OP Corporate Bank's customers and on the Group's premises, ICT infrastructure and personnel. If materialised, they may affect the risk profile, capitalisation, liquidity and the continuity of daily business in various ways. OP Corporate Bank assesses the impacts of potential shocks by means of scenario work and continuously prepares for them by creating and testing action plans.

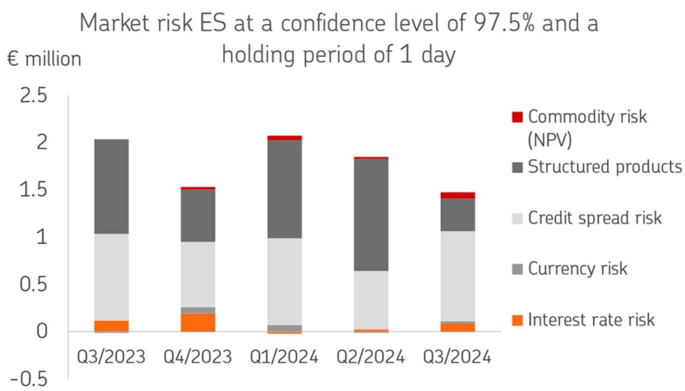
During the reporting period, the materialisation of OP Corporate Bank's operational risks resulted in EUR 0.02 million in gross losses (the EUR 0.2 million reported for Q2 included estimated losses). The risk profile of other risks is discussed in more detail by segment. OP Corporate Bank's business segments include Corporate Banking and Capital Markets, Asset and Sales Finance Services and Payment Transfers, as well as the Baltics. Non-business segment operations are presented in the Group Functions segment.

Business segments

Major risks in the business segments are associated with credit risk arising from customer business, and market risk. The business segment's credit risk exposure remained stable, the risk level was moderate and the overall quality of the loan portfolio was good. For customers in the construction and real estate sectors, the economy remained challenging in the first half of 2024, but the situation showed signs of stabilising at the start of the second half.



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



The stressed Expected Shortfall (ES) of Markets, a measure of market risk, remained low in the third quarter, amounting to EUR 1.5 million at the end of the reporting period.

Interest rate risk in the banking book measured as the effect of a one-percentage-point increase on a 12-month net interest income was EUR 29 million (2) and as the effect of a one-percentage-point decrease EUR –30 million (–2) on average year on year. Interest income risk is calculated for a one-year period by dividing the sum of the interest income risk for the next three years by three.

Forborne loans and non-performing receivables

	Performing forborne exposures (gross)		Non-performing exposures (gross)		Doubtful receivables (gross)		Loss allowance		Doubtful receivables (net)	
	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023
More than 90 days past due, € million			104	52	104	52	52	30	52	22
Unlikely to be paid, € million			294	562	294	562	73	104	221	458
Forborne exposures, € million	723	108	329	212	1,052	320	103	59	949	261
Total, € million	723	108	727	826	1,450	933	228	193	1,222	740

Key ratios	30 Sep 2024	31 Dec 2023
Ratio of doubtful receivables to exposures, %	4.07	2.52
Ratio of non-performing exposures to exposures, %	2.04	2.23
Ratio of performing forborne exposures to exposures, %	2.03	0.29
Ratio of performing forborne exposures to doubtful receivables, %	49.86	11.5
Ratio of loss allowance (receivables from customers) to doubtful receivables, %	23.17	34.8

At the end of the third quarter, OP Corporate Bank plc had 7 (10) large customer exposures, totalling EUR 3.7 (5.4) billion. Large customer exposure refers to the amount of exposures of an individual group of connected clients which, after allowances, exceeds 10% of Tier 1 capital covering customer risk.

The Baltics segment exposures totalled EUR 4.0 billion (4.1), which accounted for 10.2% (9.9) of OP Corporate Bank's total exposures.

The distribution of loss allowance by sector is presented at Group level in OP Financial Group’s Interim Report.

Group Functions

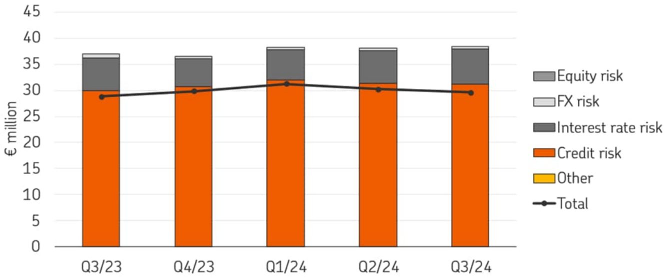
Major risks related to the Group Functions segment include credit and market risks associated with the liquidity buffer, and liquidity risks. The most significant market risk factor is the effect of credit spread changes on the value of notes and bonds included in the liquidity buffer.

OP Financial Group's and OP Corporate Bank's funding position and liquidity are strong. OP Financial Group monitors its long-term funding sufficiency, for example, by means of the Net Stable Funding Ratio (NSFR), which measures structural funding risk. According to regulation, the NSFR must be at least 100%. OP Financial Group's NSFR was 130% (130) at the end of the reporting period.

The VaR risk metric that measures market risk associated with the liquidity buffer was EUR 30 million (30) on 30 September 2024. The VaR risk metric includes bond investments in the liquidity buffer, derivatives that hedge their interest rate risk as well as investment in money market papers. No major changes occurred in the asset class allocation.

OP Financial Group secures its liquidity through a liquidity buffer maintained by OP Corporate Bank and consisting mainly of deposits with central banks and receivables eligible as collateral for central bank refinancing. The liquidity buffer is sufficient to cover the need for short-term funding for known and predictable payment flows and in a liquidity stress scenario.

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



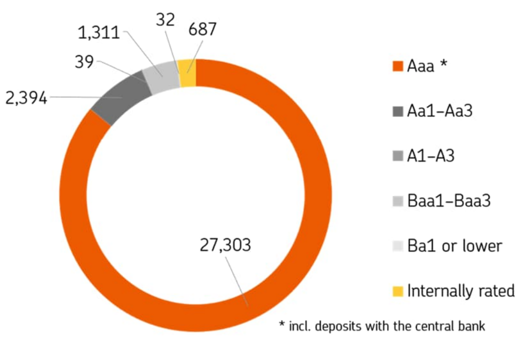
OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using, for example, the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100%. OP Financial Group's LCR was 214% (199) at the end of the reporting period.

Liquidity buffer

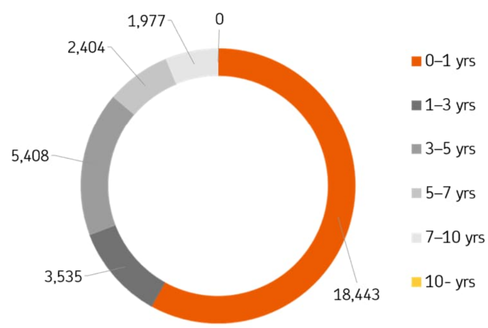
€ billion	30 Sep 2024	31 Dec 2023	Change, %
Deposits with central banks	17.2	19.6	-11.9
Notes and bonds eligible as collateral	12.7	11.8	8.4
Loan receivables eligible as collateral	1.1	1.1	0.0
Total	31.0	32.4	-4.1
Receivables ineligible as collateral	0.7	0.7	7.4
Liquidity buffer at market value	31.8	33.1	-3.9
Collateral haircut	-0.8	-0.7	-
Liquidity buffer at collateral value	31.0	32.3	-4.1

The liquidity buffer comprises notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, securitised assets and loan receivables eligible as collateral. At the end of the reporting period, the liquidity buffer included bonds with a carrying amount of EUR 1,519 million (629), classified at amortised cost and issued by issuers other than OP Financial Group. The fair value of these bonds amounted to EUR 1,558 million (647). In the Liquidity buffer table, the bonds are measured at fair value.

Financial assets included in the liquidity buffer by credit rating on 30 September 2024, € million



Financial assets included in the liquidity buffer by maturity on 30 September 2024, € million



For OP Corporate Bank plc acting as OP Financial Group's central financial institution, OP cooperative banks and OP Cooperative with its subsidiaries form a significant customer group. Exposures of OP Financial Group entities represented 13.6% of OP Corporate Bank's exposures. These exposures decreased by EUR 6.0 billion during the reporting period. All exposures of OP cooperative banks and OP Cooperative are investment-grade exposures.

Financial performance by segment

OP Corporate Bank's business segments include Corporate Banking and Capital Markets, Asset and Sales Finance Services and Payment Transfers, as well as the Baltics. Non-business segment operations are presented in the Group Functions segment. OP Corporate Bank plc prepares its segment reporting in compliance with its accounting policies.

Corporate Banking and Capital Markets

- Operating profit increased to EUR 216 million (150).
- Total income increased by 12.0% to EUR 313 million (280). Net interest income increased by 23.0% to EUR 287 million (233). Net commissions and fees increased to EUR 3 million (1). Investment income fell by 54.2% to EUR 19 million (42).
- Total expenses decreased by 9.6% to EUR 88 million (97). Personnel costs rose by 9.9% to EUR 29 million (26). Other operating expenses decreased by 15.5% to EUR 59 million (70).
- The cost/income ratio improved to 28.1% (34.8).
- The loan portfolio decreased by 1.9% to EUR 16.3 billion (16.7) year on year.
- Impairment loss on receivables totalled EUR 9 million (32).
- The most significant development investments focused on upgrading the core banking system.

Key figures and ratios

€ million	Q1–3/2024	Q1–3/2023	Change, %	Q1–4/2023
Net interest income	287	233	23.0	316
Impairment loss on receivables	-9	-32	-72.5	-44
Net commissions and fees	3	1	275.1	3
Investment income	19	42	-54.2	49
Other operating income	4	4	18.4	5
Personnel costs	-29	-26	9.9	-37
Depreciation/amortisation and impairment loss	0	-1	-95.3	-1
Other operating expenses	-59	-70	-15.5	-93
Operating profit	216	150	43.9	198
Total income	313	280	12.0	373
Total expenses	-88	-97	-9.6	-131
Cost/income ratio, %	28.1	34.8	-6.7*	35.1
Return on assets (ROA), %	1.08	0.69	0.38*	0.70

	30 Sep 2024	30 Sep 2023	Change, %	31 Dec 2023
Loan portfolio, € billion	16.3	16.7	-1.9	16.7

*Change in ratio, percentage point(s).

The Corporate Banking and Capital Markets business segment provides corporate and institutional customers with financing and liquidity management services. The services also range from the arrangement of debt issues, equity, foreign exchange, bond, money market and derivative products and structured investment products to investment research. In addition to its own clients, the segment provides capital market products and services to corporate and personal clients through OP cooperative banks.

The loan portfolio decreased by 2.1% from its year-end level to EUR 16.3 billion (16.7) as demand for new corporate loans decreased in the first half. Demand for sustainable financing has remained healthy, and companies have made active use of OP Corporate Bank's expertise in sustainable finance.

OP Corporate Bank succeeded well as a versatile provider of financing for large companies. It was the lead arranger or arranger of 11 bond issues in January–September, which raised EUR 2.6 billion for companies from the capital markets.

Financial performance for the reporting period

The segment's operating profit amounted to EUR 216 million (150). Total income increased by 12.0%. Total expenses decreased by 9.6%. The cost/income ratio improved to 28.1% (34.8) over the previous year.

Net interest income rose by 23.0% to EUR 287 million (233) as a result of loan margins and inter-segment allocation changes. The segment's loan portfolio decreased by 1.9% during the reporting period, amounting to EUR 16.3 billion (16.7).

Impairment loss on receivables totalled EUR 9 million (32). A year ago, impairment loss on receivables increased as a result of the deteriorated situation in the construction and real estate sectors.

Net commissions and fees increased to EUR 3 million (1). Investment income decreased to EUR 19 million (42). Derivatives used for economic balance sheet hedging, investments recognised at fair value through profit or loss, and liabilities decreased investment income by EUR 19 million year on year. Correspondingly, their counterpart items (financial and investment items) increased net interest income by EUR 19 million year on year. Value changes in Credit Valuation Adjustment (CVA) in derivatives owing to market changes decreased earnings by EUR 4 million (2).

Total expenses decreased by 9.6% to EUR 88 million (97). Personnel costs rose by 9.9% to EUR 29 million (26). The rise was chiefly affected by headcount growth and change in the income level. Other operating expenses decreased by 15.5% to EUR 59 million (70). Charges of financial authorities decreased by EUR 17 million year on year. The Single Resolution Board (SRB) will not collect the EU stability contributions from banks for 2024.

Asset and Sales Finance Services and Payment Transfers

- Operating profit increased to EUR 123 million (100).
- Total income increased by 2.2% to EUR 220 million (215). Net interest income increased by 2.8% to EUR 162 million (157). Net commissions and fees decreased by 5.4% to EUR 44 million (47).
- Total expenses remained at the previous year's level at EUR 88 million. The cost/income ratio improved to 39.7% (41.1).
- The loan portfolio decreased by 0.2% year on year, amounting to EUR 8.5 billion. The deposit portfolio increased by 21.7% year on year, to EUR 12.4 billion (10.0).
- Impairment loss on receivables totalled EUR 9 million (27).
- The most significant development investments involved the upgrades of customer relationship management and payment systems.

Key figures and ratios

€ million	Q1–3/2024	Q1–3/2023	Change, %	Q1–4/2023
Net interest income	162	157	2.8	207
Impairment loss on receivables	-9	-27	-65.4	-37
Net commissions and fees	44	47	-5.4	64
Investment income	0	0	-	0
Other operating income	15	11	30.4	14
Personnel costs	-24	-23	4.0	-32
Depreciation/amortisation and impairment loss	0	-1	-37.6	-1
Other operating expenses	-63	-64	-2.5	-89
Operating profit	123	100	23.4	126
Total income	220	215	2.2	285
Total expenses	-88	-88	-1.1	-122
Cost/income ratio, %	39.7	41.1	-1.3*	42.8
Return on assets (ROA), %	1.48	1.11	0.37*	1.10
	30 Sep 2024	30 Sep 2023	Change, %	31 Dec 2023
Loan portfolio, € billion	8.5	8.5	-0.2	8.5
Deposits, € billion	12.4	10.0	21.7	12.5

*Change in ratio, percentage point(s).

The Asset and Sales Finance Services and Payment Transfers business segment provides consumers and companies with customer financing services, payment and liquidity management services, financing services for foreign trade and leasing and factoring services.

The most significant development investments of the business segment in the first half involved the upgrades of customer relationship management and payment systems.

The loan portfolio remained at the year-end level of EUR 8.5 billion. Companies' low working capital needs and appetite to invest reduced the loan portfolio. The loan portfolio in consumer finance grew.

The deposit portfolio decreased by 0.8% to EUR 12.4 billion (12.5) from its level on 31 December 2023, but increased by 21.7% from its level a year ago. OP Corporate Bank has gained new payment service customers and expanded its current customer relationships.

During the reporting period, OP Corporate Bank launched two new products for SME customers of OP cooperative banks: unsecured working capital finance (OP Flexible Capital) and a factoring product for small enterprises (OP Factoring).

Financial performance for the reporting period

The segment's operating profit amounted to EUR 123 million (100). Total income increased by 2.2%. Total expenses decreased by 1.1%. The cost/income ratio improved to 39.7% (41.1) over the previous year.

Net interest income rose by 2.8% to EUR 162 million (157) as a result of inter-segment allocation changes. Net commissions and fees totalled EUR 44 million (47). Other operating income totalled EUR 15 million (11). Impairment loss on receivables totalled EUR 9 million (27). A year ago, impairment loss on receivables increased as a result of the deteriorated situation in the construction and real estate sectors.

Total expenses were EUR 88 million (88). Personnel costs rose by 4.0% to EUR 24 million (23). Other operating expenses decreased by 2.5% to EUR 63 million (64). Charges of financial authorities decreased by EUR 9 million year on year. The Single Resolution Board (SRB) will not collect the EU stability contributions from banks for 2024.

Baltics

- Operating profit increased to EUR 31 million (27).
- Total income decreased by 8.0% to EUR 53 million (57). Net interest income decreased by 11.9% to EUR 44 million (50).
- Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables totalled EUR 4 million.
- Total expenses decreased by 6.9% to EUR 24 million (26). The cost/income ratio weakened to 45.8% (45.3).
- The loan portfolio decreased by 5.8% to EUR 2.7 billion (2.8) year on year. The deposit portfolio increased by 70.5% to EUR 2.0 billion (1.2).

Key figures and ratios

€ million	Q1–3/2024	Q1–3/2023	Change, %	Q1–4/2023
Net interest income	44	50	-11.9	67
Impairment loss on receivables	3	-4	-	-15
Net commissions and fees	8	7	13.2	10
Personnel costs	-9	-7	21.4	-10
Depreciation/amortisation and	0	0	-21.2	-1
Other operating expenses	-15	-18	-17.7	-24
Operating profit	31	27	15.7	27
Total income	53	57	-8.0	77
Total expenses	-24	-26	-6.9	-35
Cost/income ratio, %	45.8	45.3	0.5*	45.1
Return on assets (ROA), %	1.20	1.04	0.16*	0.76
	30 Sep 2024	30 Sep 2023	Change, %	31 Dec 2023
Loan portfolio, € billion	2.7	2.8	-5.8	2.9
Deposits, € billion	2.0	1.2	70.5	1.4

*Change in ratio, percentage point(s).

With its local expertise, the Baltics segment provides corporate and institutional customers with financing and liquidity management services and financing services for foreign trade. OP Corporate Bank has branches in Estonia, Latvia and Lithuania.

The segment's loan portfolio decreased by 8.0% from its year-end level, to EUR 2.7 billion (2.9). The deposit portfolio increased by 46.6% from its 2023-end level, to EUR 2.0 billion (1.4).

Financial performance for the reporting period

The segment's operating profit amounted to EUR 31 million (27). Total income decreased by 8.0%. Total expenses decreased by 6.9%. The cost/income ratio decreased to 45.8% (45.3) year on year.

Net interest income decreased to EUR 44 million (50) as a result of inter-segment allocation changes. Net commissions and fees increased to EUR 8 million (7).

Impairment loss on receivables reversed came to EUR 3 million. A year ago, impairment loss on receivables came to EUR 4 million.

Total expenses decreased by 6.9% to EUR 24 million (26). Personnel costs rose by 21.4% to EUR 9 million (7). The rise was chiefly affected by headcount growth and change in the income level. Other operating expenses decreased by 17.7% to EUR 15 million (18). Charges of financial authorities decreased by EUR 4 million year on year. The Single Resolution Board (SRB) will not collect the EU stability contributions from banks for 2024.

Group Functions

- Operating loss amounted to EUR –35 million (–18).
- Financial position and liquidity remained strong.

Key figures and ratios

€ million	Q1–3/2024	Q1–3/2023	Change, %	Q1–4/2023
Net interest income	-26	-18	39.5	-8
Impairment loss on receivables	0	0	-155.4	0
Net commissions and fees	-2	-3	-23.9	-4
Investment income	4	11	-65.4	3
Other operating income	17	17	-1.3	23
Personnel costs	-4	-4	15.6	-5
Depreciation/amortisation and impairment loss	0	0	-96.7	0
Other operating expenses	-24	-21	11.7	-31
Operating profit (loss)	-35	-18	-	-22
Receivables and liabilities from/to the amalgamation's central cooperative and affiliated credit institutions, net position, € billion*	-15.6	-11.5	35.7	-12.6

*The presentation of interest receivables and interest liabilities related to loan receivables and financial liabilities was changed in the second quarter of 2024. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024. Accounting policies and changes in accounting policies and presentation.

Functions supporting OP Financial Group, such as Group Treasury responsible for the management of funding and liquidity of affiliated credit institutions and the central cooperative consolidated, have been centralised in Group Functions. The Group Treasury is also in charge of OP Financial Group's wholesale funding together with OP Mortgage Bank. Operating income derives mainly from net interest income and net investment income. In addition, income, expenses, investments and capital which have not been allocated to the business segments are reported under Group Functions.

Financial performance for the reporting period

The Group Functions segment's operating loss was EUR –35 million (–18). Operating loss at fair value was EUR –23 million (–34).

Net interest income was EUR –26 million (–18). Net interest income decreased year on year due to inter-segment allocation changes. A year ago, the effect of items related to TLTRO III funding and its hedging amounted to EUR –11 million.

Investment income totalled EUR 4 million (11). Investment income included EUR 0 million (5) in capital gains on notes and bonds. In comparison with a year ago, income from investment activities was also reduced by value changes in derivatives.

At the end of September, the average margin of senior and senior non-preferred wholesale funding was 50 basis points (45).

In March, OP Corporate Bank issued a senior green bond worth EUR 500 million. During the reporting period, OP Corporate Bank issued long-term bonds worth a total of EUR 0.9 billion (1.2).

At the end of the reporting period, OP Corporate Bank's balance sheet assets included bonds worth EUR 1,519 million (629) classified at amortised cost, issued by issuers other than OP Financial Group. The fair value of these bonds amounted to EUR 1,558 million (647).

On 30 September 2024, investments by the amalgamation's central cooperative and the affiliated credit institutions in OP Corporate Bank were EUR 15.6 (12.6) billion higher than funding borrowed by them from Group Treasury.

OP Financial Group's and OP Corporate Bank's funding position and liquidity are strong.

ICT investments

OP Corporate Bank invests in developing its operations and improving customer experience on an ongoing basis. ICT investments make up a significant portion of the costs of developing these services.

OP Corporate Bank's development costs and production maintenance ICT costs totalled EUR 76 million (67). The development costs include licence fees, purchased services, other external costs related to projects and inhouse work. Development costs totalled EUR 12 million (15). Capitalised development expenditure totalled EUR 2 million (0).

The most significant development investments of OP Corporate Bank involved the development work on the basic banking system and customer relationship management and payment systems. With the implementation of the new Group-level customer relationship management system, OP Corporate Bank aims at a better customer experience and higher quality and more efficient operations. The upgrade of core payment systems and improvement of digital transaction services will continue further.

Personnel and remuneration

On 30 September 2024, OP Corporate Bank plc had 895 employees (858).

Personnel at period end

	30 Sep 2024	31 Dec 2023
Corporate Banking and Capital Markets	309	288
Asset and Sales Finance Services and Payment Transfers	372	375
Baltics	160	146
Group Functions	54	49
Total	895	858

Variable remuneration applied by OP Financial Group and OP Corporate Bank in 2024 consists of the performance-based bonus scheme and the personnel fund covering all personnel. Company-specific targets based on the annual plan and the Group-level strategic targets are taken into account in the metrics used in the performance-based bonus scheme and in the personnel fund. In drawing up the remuneration schemes, OP has taken account of the regulation regarding the financial sector's remuneration schemes.

Corporate governance and management

OP Corporate Bank plc's management system is based on business segments. Management of OP Corporate Bank is part of OP Financial Group's management system.

On 2 April 2024, the Annual General Meeting (AGM) of OP Corporate Bank plc re-elected OP Financial Group's President and Group Chief Executive Officer Timo Ritakallio as Chair of OP Corporate Bank's Board of Directors. As other Board members, the AGM elected Uudenmaan Osuuspankki Managing Director Olli Lehtilä, OP Turun Seutu Managing Director Petteri Rinne, OP Financial Group's Chief Financial Officer Mikko Timonen and OP Financial Group's Chief Legal Officer and Group General Counsel Tiia Tuovinen who acted in this position until the end of 2023 and left OP Financial Group at her own request on 30 June 2024. The AGM elected Mikko Vepsäläinen, Managing Director of Pohjois-Savon Osuuspankki, as a new member of the Board of Directors replacing Pasi Sorri, Managing Director of OP Keski-Suomi. By decision of the shareholders on 19 June 2024, OP Financial Group's Chief Human Resources Officer Hannakaisa Länsisalmi was elected a new Board member, replacing Tiia Tuovinen. The term for the Board member Länsisalmi started on 1 July 2024.

The AGM elected PricewaterhouseCoopers Oy, an audit firm, to act as OP Corporate Bank's auditor for the financial year 2024. Lauri Kallaskari, Authorised Public Accountant, acts as the chief auditor appointed by PricewaterhouseCoopers Oy.

Katja Keitaanniemi, Lic.Sc. (Tech.), Executive Vice President of OP Financial Group's Banking Corporate and Institutional Customers, has acted as OP Corporate Bank plc's CEO since 6 August 2018. Jari Jaulimo, LL.M., Trained on the bench, MBA, Head of Transaction Banking, has acted as deputy to the CEO since 1 August 2020.

Outlook for 2024

The Finnish economy was sluggish in the first half. GDP contracted over the previous year and unemployment increased. Forecast data suggests that the Finnish economy began to grow in the third quarter of 2024. Falling inflation and falling interest rates provide the basis for the recovery to continue. Risks associated with the economic outlook are still higher than usual. The escalation of geopolitical crises may abruptly affect capital markets and the economic environment.

A full-year earnings estimate for 2024 will only be provided at Group level, in OP Financial Group's financial statements bulletin and in its interim and half-year financial reports.

The key uncertainties affecting OP Corporate Bank's earnings performance in late 2024 relate to developments in the business environment, changes in the interest rate and investment environment, and developments in impairment loss on receivables. In addition, future earnings performance will be affected by the market growth rate and the change in the competitive situation.

Forward-looking statements in this Interim Report expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future development in the business environment and the future financial performance of OP Corporate Bank plc's and its various functions, and actual results may differ materially from those expressed in the forward-looking statements.

Formulas for key figures and ratios

The Alternative Performance Measures are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods. The formulas for the used Alternative Performance Measures are presented below.

Alternative Performance Measures

Key figure or ratio	Formula	Description
Return on equity (ROE), %	$\frac{\text{Financial performance for the reporting period x (days of financial year/days of reporting period)}}{\text{Equity (average at beginning and end of period)}} \times 100$	The ratio describes how much return is generated on equity capital as a percentage of equity during the reporting period.
Return on assets (ROA), %	$\frac{\text{Financial performance for the reporting period x (days of financial year/days of reporting period)}}{\text{Average balance sheet total (average at beginning and end of period)}} \times 100$	The ratio describes how much return is generated on capital tied up on business during the reporting period.
Total income	Net interest income + Net commissions and fees + Investment income + Other operating income	The figure describes the development of all income.
Total expenses	Personnel costs + Depreciation/amortisation and impairment loss + Other operating expenses	The figure describes the development of all expenses.
Investment income	Net interest income from financial assets held for trading + Net investment income	The figure describes the development of all income related to investment.
Cost/income ratio, %	$\frac{\text{Total expenses}}{\text{Total income}} \times 100$	The ratio describes the ratio of expenses to income. The lower that ratio, the better.
Loan portfolio	Loans and loss allowance included in the balance sheet item Receivables from customers. The loan portfolio does not include interest not received or valuation items related to derivatives.	Total amount of loans granted to customers
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	$\frac{\text{Impairment loss on receivables x (days of financial year/days of reporting period)}}{\text{Loan and guarantee portfolio at period end}} \times 100$	The ratio describes the ratio of impairment loss on receivables entered in the income statement to the loan and guarantee portfolio. The lower that ratio, the better.

Deposits	Deposits included in balance sheet item Liabilities to customers. Deposits do not include unpaid interest or valuation items related to derivatives	Total amount of deposits by customers.
Coverage ratio, %	Loss allowance / Balance sheet items involving credit risk + credit equivalent of off-balance-sheet items x 100	The ratio describes how much the amount of expected losses covers the amount of the liability.
Default capture rate, %	New defaulted contracts in stage 2 a year ago / New defaulted contracts during the reporting period x 100	The ratio describes the effectiveness of the SICR model (significant increase in credit risk), in other words, how many contracts were in stage 2 before moving to stage 3.

Key indicators based on a separate calculation

Capital adequacy ratio, %	Total own funds / Total risk exposure amount x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of own funds to the total risk exposure amount.
Tier 1 ratio, %	Tier 1 capital / Total risk exposure amount x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of Tier 1 capital to the total risk exposure amount.
Common Equity Tier 1 (CET1) capital ratio, %	CET1 capital / Total risk exposure amount x 100	The ratio describes a credit institution's capital adequacy and shows the ratio of CET1 capital to the total risk exposure amount.
Leverage ratio, %	Tier 1 capital (T1) / Exposure amount x 100	The ratio describes a credit institution's indebtedness and shows the ratio of Tier 1 capital to the total risk exposure amount.
Liquidity coverage requirement (LCR), %	Liquid assets / Liquidity outflows – liquidity inflows under stressed conditions x 100	The ratio describes short-term funding liquidity risk that requires the bank to have sufficient, high-quality liquid assets to get through an acute 30-day stress scenario.
Net stable funding ratio (NSFR), %	Available stable funding / Required stable funding x 100	The ratio describes a long-term liquidity risk that requires the bank to have a sufficient amount of stable funding sources in relation to items requiring stable funding sources. The objective is to secure the sustainable maturity structure of assets and liabilities applying a 12-month time horizon and to restrict excessive resort to short-term wholesale funding.

Ratio of non-performing exposures to exposures, %	Non-performing exposures (gross) / Exposures at period end	x 100	The ratio describes the ratio of customers with severe payment difficulties to the entire exposure portfolio. Non-performing exposures refer to receivables that are more than 90 days past due and other receivables classified as risky as well as forborne exposures related to such receivables due to the customer's financial difficulties. Forbearance measures consist of concessions agreed at the customers' initiative to the original repayment plan to make it easier for them to manage through temporary payment difficulties. Non-performing exposures are presented in gross terms; expected credit losses have not been deducted from them.
Ratio of doubtful receivables to exposures, %	Doubtful receivables (gross) / Exposures at period end	x 100	The ratio describes the ratio of customers with payment difficulties to the entire exposure portfolio. Doubtful receivables refer to receivables that are more than 90 days past due and other receivables classified as risky as well as forbearance related to such receivables or to performing receivables due to the customer's financial difficulties. Forbearance measures consist of concessions agreed at the customers' initiative to the original repayment plan to make it easier for them to manage through temporary payment difficulties. In addition to non-performing forborne exposures, doubtful receivables include non-performing exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as doubtful receivables. Doubtful receivables are presented in gross terms; expected credit losses have not been deducted from them.
Ratio of performing forborne exposures to exposures, %	Performing forborne exposures (gross) / Exposures at period end	x 100	The ratio describes the ratio of forborne exposures to the entire exposure portfolio. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures.
Ratio of performing forborne exposures to doubtful receivables, %	Performing forborne exposures (gross) / Doubtful receivables at period end	x 100	The ratio describes the ratio of performing forborne exposures to doubtful receivables that include not only performing forborne exposures but also non-performing exposures. Performing forborne exposures include forborne exposures reclassified as performing ones during their probation period or forbearance measures made into a performing agreement. Loan modifications due to reasons other than the customer's financial difficulties are not classified as forborne exposures.

Ratio of loss allowance (receivables from customers) to doubtful receivables, %	$\frac{\text{Loss allowance for receivables from customers in the balance sheet}}{\text{Doubtful receivables at period end}}$	x 100	The ratio describes the ratio of expected losses to all doubtful receivables. Doubtful receivables include non-performing exposures and performing forborne exposures.
Loan and guarantee portfolio	Loan portfolio + guarantee portfolio		The indicator describes the total amount of loans and guarantees given.
Exposures	Loan and guarantee portfolio + interest receivables + unused standby credit facilities		The sum of the loan and guarantee portfolio, interest receivables and unused standby credit facilities (undrawn loans and limits) is used as the basis for proportioning doubtful receivables and non-performing exposures.
Other exposures	Interest receivables + unused standby credit facilities		In addition to the loan and guarantee portfolio, exposures come from interest receivables and unused standby credit facilities (undrawn loans and limits).

Capital adequacy

Capital adequacy for credit institutions

Own funds, € million	30 Sep 2024	31 Dec 2023
OP Corporate Bank plc's equity	4,799	4,597
Fair value reserve, cash flow hedge	0	6
Common Equity Tier 1 (CET1) before deductions	4,799	4,603
Intangible assets	-2	-1
Excess funding of pension liability and valuation adjustments	-52	-59
Planned profit distribution	-80	-76
Insufficient coverage for non-performing exposures	-53	-37
CET1 capital	4,611	4,430
Tier 1 capital (T1)	4,611	4,430
Debenture loans	1,288	1,308
Debentures to which transition rules apply	31	57
General credit risk adjustments	21	22
Tier 2 capital (T2)	1,340	1,387
Total own funds	5,951	5,816

Total risk exposure amount, € million	30 Sep 2024	31 Dec 2023
Credit and counterparty risk	29,315	30,744
Standardised Approach (SA)	29,315	30,744
Central government and central banks exposure	82	87
Credit institution exposure	521	603
Corporate exposure	22,338	23,701
Retail exposure	3,186	3,060
Mortgage-backed exposure	1,511	1,438
Defaulted exposure	471	638
Items of especially high risk	127	219
Covered bonds	725	608
Collective investment undertakings (CIU)	47	60
Equity investments	3	11
Other	303	317
Risks of the CCP's default fund	1	1
Securitisations	31	50
Market and settlement risk (Standardised Approach)	986	1,006
Operational risk (Standardised Approach)	1,229	1,086
Valuation adjustment (CVA)	198	217
Other risks*	1,070	969
Total risk exposure amount	32,829	34,072

* Risks not otherwise covered.

Ratios, %	30 Sep 2024	31 Dec 2023
CET1 capital ratio	14.0	13.0
Tier 1 ratio	14.0	13.0
Capital adequacy ratio	18.1	17.1

Ratios, fully loaded, %	30 Sep 2024	31 Dec 2023
CET1 capital ratio	14.0	13.0
Tier 1 ratio	14.0	13.0
Capital adequacy ratio	18.0	16.9

Capital requirement, € million	30 Sep 2024	31 Dec 2023
Own funds	5,951	5,816
Capital requirement	3,525	3,657
Buffer for capital requirements	2,426	2,159

The capital requirement comprises the minimum requirement of 8%, the capital conservation buffer of 2.5% and the countercyclical capital buffers by country for foreign exposures.

TABLES

Income statement

€ million	Note	Q1–3/2024	Adjusted Q1–3/2023	Q3/2024	Adjusted Q3/2023
Net interest income calculated using the effective interest method		1,912	1,661	621	609
Other interest income		456	373	154	142
Interest expenses		-1,901	-1,613	-615	-593
Net interest income	3	466	421	161	159
Impairment loss on receivables	4	-15	-63	0	-40
Commission income		95	99	28	28
Commission expenses		-42	-47	-13	-15
Net commissions and fees	5	53	52	15	12
Net income from financial assets held for trading	6	23	48	5	15
Net investment income	7	0	5	0	-1
Other operating income		26	24	7	6
Personnel costs		-66	-60	-21	-17
Depreciation/amortisation and impairment loss		-1	-3	0	0
Other operating expenses	8	-150	-165	-49	-45
Operating expenses		-217	-229	-70	-63
Operating profit (loss)		**336**	**259**	**118**	**88**
Earnings before tax		**336**	**259**	**118**	**88**
Income tax		-70	-52	-23	-18
Profit for the period		**266**	**207**	**95**	**70**

OP Corporate Bank plc changed the official income statement and balance sheet format of the financial statements during the second quarter of 2024. The new income statement and balance sheet format describes the company's operations better. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Statement of comprehensive income

€ million	Note	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
Profit for the period		**266**	**207**	**95**	**70**
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans		5	3	1	2
Changes in own credit risk on liabilities measured at fair value		-10		0	
Items that may be subsequently reclassified to profit or loss					
Change in fair value reserve					
On fair value measurement	10	13	-32	-23	-21
On cash flow hedging	10	8	18	1	12
Income tax					
On items not reclassified to profit or loss					
On gains/(losses) arising from remeasurement of defined benefit plans		-1	-1	0	0
Changes in own credit risk on liabilities measured at fair value		2		0	
On items that may subsequently be reclassified to profit or loss					
On fair value measurement	10	-3	6	5	4
On cash flow hedging	10	-2	-4	0	-2
Other comprehensive income items		**12**	**-9**	**-17**	**-6**
Total comprehensive income for the period		**278**	**198**	**78**	**64**

Balance sheet

€ million	Note	30 Sep 2024	Adjusted 31 Dec 2023	Adjusted 1 Jan 2023
Cash and deposits with central banks	12	17,394	19,710	34,951
Receivables from credit institutions	12	10,832	12,280	13,033
Receivables from customers	12	27,688	28,187	28,559
Derivative contracts	12, 15	3,342	4,445	5,592
Investment assets		14,359	12,823	16,455
Intangible assets		2	1	3
Property, plant and equipment		3	3	5
Other assets		1,130	664	535
Deferred tax assets		29	31	0
Total assets		**74,780**	**78,145**	**99,133**
Liabilities to credit institutions	12	24,752	23,982	41,060
Liabilities to customers	12	18,061	17,254	19,098
Derivative contracts	12, 15	3,102	4,179	5,517
Debt securities issued to the public	9	19,750	24,062	25,311
Provisions and other liabilities		2,527	2,321	2,084
Income tax liabilities		19	4	10
Deferred tax liabilities		333	332	306
Subordinated liabilities		1,437	1,414	1,384
Total liabilities		**69,981**	**73,548**	**94,769**
Equity capital				
Share capital		428	428	428
Fair value reserve	10	-47	-63	-29
Other reserves		1,019	1,019	1,019
Retained earnings		3,399	3,213	2,947
Total equity		**4,799**	**4,597**	**4,364**
Total liabilities and equity		**74,780**	**78,145**	**99,133**

OP Corporate Bank plc changed the official income statement and balance sheet format of the financial statements during the second quarter of 2024. The new income statement and balance sheet format describes the company's operations better. Comparative information has been adjusted accordingly. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Statement of changes in equity

€ million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Equity capital 1 Jan 2023	**428**	**-29**	**1,019**	**2,947**	**4,364**
Total comprehensive income for the period		-11		209	**198**
Profit for the period				207	**207**
Other comprehensive income items		-11		2	**-9**
Other				0	**0**
Equity capital 30 September 2023	**428**	**-40**	**1,019**	**3,156**	**4,563**

€ million	Share capital	Fair value reserve	Other reserves	Retained earnings	Total equity
Equity capital 1 Jan 2024	**428**	**-63**	**1,019**	**3,213**	**4,597**
Total comprehensive income for the period		17		262	**278**
Profit for the period				266	**266**
Other comprehensive income		17		-5	**12**
Profit distribution				-76	**-76**
Other				0	**0**
Equity capital 30 September 2024	**428**	**-47**	**1,019**	**3,399**	**4,799**

Cash flow statement

€ million	Q1–3/2024	Adjusted Q1–3/2023
Cash flow from operating activities		
Profit for the period	266	207
Adjustments to profit for the period	424	147
Increase (–) or decrease (+) in operating assets	**189**	**3,620**
Receivables from credit institutions	1,451	-458
Receivables from customers	510	-365
Derivative contracts, assets	-14	-269
Investment assets	-1,292	4,556
Other assets	-467	157
Increase (+) or decrease (–) in operating liabilities	**1,650**	**-21,318**
Liabilities to credit institutions	632	-17,447
Liabilities to customers	807	-4,397
Derivative contracts, liabilities	-212	320
Provisions and other liabilities	422	206
Income tax paid	-54	-49
Dividends received	2	2
A. Net cash from operating activities	**2,476**	**-17,391**
Cash flow from investing activities		
Purchase of PPE and intangible assets	-7	0
Proceeds from sale of PPE and intangible assets	5	1
B. Net cash used in investing activities	**-2**	**0**
Cash flow from financing activities		
Subordinated liabilities, change	1	-17
Debt securities issued to the public, change	-4,732	-2,437
Dividends paid	-76	
Lease liabilities	0	-1
C. Net cash used in financing activities	**-4,807**	**-2,454**
Net change in cash and cash equivalents (A+B+C)	**-2,333**	**-19,845**
Cash and cash equivalents at period start	**19,894**	**35,395**
Effect of foreign exchange rate changes	21	-62
Cash and cash equivalents at period end	**17,582**	**15,488**
Interest received	**5,661**	**4,059**
Interest paid	**-4,971**	**-3,750**
Cash and cash equivalents		
Cash and deposits with central banks	17,394	15,252
Deposits of credit institutions payable on demand	188	236
Total	**17,582**	**15,488**

Notes

1. Accounting policies and changes in accounting policies and presentation
2. Segment reporting
3. Net interest income
4. Impairment loss on receivables
5. Net commissions and fees
6. Net income from financial assets held for trading
7. Net investment income
8. Other operating expenses
9. Debt securities issued to the public
10. Fair value reserve after tax
11. Collateral given
12. Classification of financial assets and liabilities
13. Recurring fair value measurements by valuation technique
14. Off-balance-sheet commitments
15. Derivative contracts
16. Related party transactions
17. Transactions with OP cooperative banks

Note 1. Accounting policies and changes in accounting policies and presentation

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and with the accounting policies presented in the financial statements 2023. The changes in accounting policies and presentation for 2024 are described in a separate section below.

The Interim Report is based on unaudited figures. Given that all figures in the Interim Report have been rounded off, the sum total of individual figures may deviate from the presented sums.

The Interim Report is available in Finnish, English and Swedish. The Finnish version of the Report is official and will be used if there is any discrepancy between the language versions.

Critical accounting judgements

The preparation of the Interim Report requires making estimates and assumptions about the future, and the actual results may differ from these estimates and assumptions. It also requires the management to exercise its judgement in the process of applying the accounting policies. In preparing the Interim Report, management judgement has been used especially in the calculation of expected credit losses.

Expected credit losses

The determination of the measurement models for expected credit losses (ECL) involves management judgement.

The actual measurement of ECL figures is performed using the ECL models based on the use of observable input data, except if it is mainly the question of a large corporate exposure in stage 2 or 3 and on the watch list, in which case the ECL is calculated using the cash flow based ECL method based on expert judgement.

In special situations where the ECL models are not sufficiently able to take account of an unpredictable event or circumstances, management overlay is directly used for ECL figures (post model adjustments). Management overlay is used especially when selecting the used scenario. Management overlays are intended only for temporary use until an unpredictable event caused by the overlay provision or circumstance could have been taken into account in the ECL models.

Management judgement and estimates included in the calculation of expected credit losses in respects of other than those presented above are included in the 2023 financial statements.

Note 4 to this Interim Report, Impairment loss on receivables, describes management judgement made in the preparation of the Interim Report.

January–September highlights

OP Corporate Bank is joining the Euribor Panel

OP Corporate Bank plc will become a member of the Panel, which contributes to the setting of the Euribor. The Panel currently consists of 19 major banks from around Europe. OP Corporate Bank will add a new element to the Panel, which currently includes no other Nordic banks. The Euribor is administered by the European Money Markets Institute (EMMI), which is in charge of the calculation principles and publication of reference rates.

OP Corporate Bank plc issued a new green bond

OP Corporate Bank plc issued a floating rate senior green bond worth EUR 500 million in accordance with its updated Green Bond Framework. The bond with a maturity of three years is targeted at international institutional investors. The bond's interest is tied to the 3-month Euribor. The green bond will support the green transition, and proceeds raised with it will be allocated to sustainable corporate finance. Eligible sectors to be funded through the bond include, for example, renewable energy, green buildings and environmentally sustainable management of living natural resources and land use. The bond was issued on 28 March 2024.

Change in OP Corporate Bank plc Board of Directors

Hannakaisa Länsisalmi, Chief Human Resources Officer of OP Financial Group, started as a member of OP Corporate Bank plc's Board of Directors on 1 July 2024. Länsisalmi replaces Tiia Tuovinen who left OP Financial Group on 30 June 2024 at her own request. As a result of Länsisalmi's appointment, OP Corporate Bank plc's Board composition has been as follows since 1 July 2024: Timo Ritakallio (Chair), Mikko Timonen, Olli Lehtilä, Petteri Rinne, Mikko Vepsäläinen and Hannakaisa Länsisalmi.

Changes in accounting policies and presentation

Change to presentation of balance sheet and income statement format

OP Corporate Bank changed the official income statement and balance sheet format of the financial statements during the second quarter of 2024. OP Corporate Bank's new income statement and balance sheet format describes the company's operations better. The changes have been made retrospectively for 2023. The changes are presented retrospectively for 2023 in note 1 to the Half-year Financial Report 1 January–30 June 2024 (Accounting policies and changes in accounting policies and presentation).

Note 2. Segment reporting

Segment information

Q1–3 earnings 2024, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Interest income*	862	686	162	2,038	-1,380	2,368
Interest expenses	-575	-524	-118	-2,063	1,380	-1,901
Net interest income	287	162	44	-26		466
of which inter-segment items	-396	147	-38	287		0
Impairment loss on receivables	-9	-9	3	0		-15
Commission income	37	49	8	0		95
Commission expenses	-35	-5	0	-2		-42
Net commissions and fees	3	44	8	-2		53
Net income from financial assets held for trading	19	0	0	4		23
Net investment income	0			0		0
Other operating income	4	15	1	17	-11	26
Personnel costs	-29	-24	-9	-4		-66
Depreciation/amortisation and impairment loss	0	0	0	0		-1
Other operating expenses	-59	-63	-15	-24	11	-150
Operating expenses	-88	-88	-24	-28	11	-217
Operating profit (loss)	**216**	**123**	**31**	**-35**		**336**
Earnings before tax	**216**	**123**	**31**	**-35**		**336**

* Interest income in the income statement includes interest income calculated using the effective interest method and other interest income.

Q1–3 earnings 2023, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Interest income*	648	485	121	1,782	-1,002	2,034
Interest expenses	-415	-328	-72	-1,800	1,002	-1,613
Net interest income	233	157	50	-18		421
of which inter-segment items	-310	78	-32	265		0
Impairment loss on receivables	-32	-27	-4	0		-63
Commission income	40	52	7	0		99
Commission expenses	-39	-6	0	-3		-47
Net commissions and fees	1	47	7	-3		52
Net income from financial assets held for trading	42		0	6		48
Net investment income	0			5		5
Other operating income	4	11	0	17	-8	24
Personnel costs	-26	-23	-7	-4		-60
Depreciation/amortisation and impairment loss	-1	-1	0	0		-3
Other operating expenses	-70	-64	-18	-21	8	-165
Operating expenses	-97	-88	-26	-25	8	-229
Operating profit (loss)	**150**	**100**	**27**	**-18**		**259**
Earnings before tax	**150**	**100**	**27**	**-18**		**259**

* Interest income in the income statement includes interest income calculated using the effective interest method and other interest income.

Balance sheet 30 September 2024, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Cash and deposits with central banks		140	19	17,235		17,394
Receivables from credit institutions		130	1	10,701		10,832
Receivables from customers	16,497	8,566	2,636	-12		27,688
Derivative contracts	3,294			48		3,342
Investment assets	612			13,747		14,359
Intangible assets	0	0	0	1		2
Property, plant and equipment	0	1	2	1		3
Other assets	639	66	26	399		1,130
Deferred tax assets	2	0		27		29
Total assets	**21,045**	**8,903**	**2,684**	**42,148**		**74,780**
Liabilities to credit institutions	0	9	0	24,743		24,752
Liabilities to customers	71	12,158	2,004	3,829		18,061
Derivative contracts	2,954			148		3,102
Debt securities issued to the public	2,333			17,417		19,750
Provisions and other liabilities	395	971	210	950		2,527
Income tax liabilities			0	18		19
Deferred tax liabilities				333		333
Subordinated liabilities				1,437		1,437
Total liabilities	**5,754**	**13,138**	**2,214**	**48,875**		**69,981**
Equity capital						**4,799**

Adjusted Balance sheet 31 December 2023, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total
Cash and deposits with central banks	0	115	10	19,585		19,710
Receivables from credit institutions		209	0	12,070		12,280
Receivables from customers	16,726	8,528	2,886	47		28,187
Derivative contracts	4,366			79		4,445
Investment assets	559			12,264		12,823
Intangible assets		1	0	0		1
Property, plant and equipment	0	1	2	1		3
Other assets	94	50	0	520		664
Deferred tax assets	1	0		31		31
Total assets	**21,747**	**8,903**	**2,898**	**44,597**		**78,145**
Liabilities to credit institutions	0	10	0	23,972		23,982
Liabilities to customers	103	12,256	1,293	3,602		17,254
Derivative contracts	3,928			251		4,179
Debt securities issued to the public	2,466			21,597		24,062
Provisions and other liabilities	72	834	202	1,214		2,321
Income tax liabilities			3	1		4
Deferred tax liabilities				332		332
Subordinated liabilities				1,414		1,414
Total liabilities	**6,569**	**13,100**	**1,498**	**52,382**		**73,548**
Equity capital						**4,597**

Note 3. Net interest income

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
Interest income*				
Receivables from credit institutions**	795	724	253	256
Receivables from customers				
Loans**	991	809	325	315
Finance lease receivables**	84	67	28	26
Fair value adjustments in hedge accounting	17	22	17	1
Total	1,092	898	370	343
Notes and bonds				
Measured at fair value through profit or loss	0	0	0	0
At fair value through other comprehensive income	122	93	42	36
Amortised cost**	41	61	15	12
Fair value adjustments in hedge accounting	217	58	335	-21
Total	381	212	392	26
Derivative contracts***				
Fair value hedges	55	161	-259	113
Cash flow hedges	-3	-11	5	-7
Ineffective portion of cash flow hedge				
Other	0		0	
Total	52	150	-253	106
Liabilities to credit institutions				
Negative interest**	0	0		0
Other	48	50	14	20
Total	**2,368**	**2,034**	**776**	**751**
Interest expenses				
Liabilities to credit institutions				
Interest expenses for liabilities to credit institutions	-571	-589	-188	-183
Fair value adjustments in hedge accounting	-138	-60	-195	-11
Total	-709	-650	-383	-194
Liabilities to customers	-413	-247	-141	-99
Debt securities issued to the public				
Interest expenses on debt securities issued to the public	-377	-378	-121	-140
Fair value adjustments in hedge accounting	-195	-75	-236	-48
Total	-572	-453	-357	-188
Subordinated liabilities				
Subordinated loans				
Other	-29	-28	-10	-10
Fair value adjustments in hedge accounting	-21	-14	-13	-10
Total	-51	-41	-22	-19
Derivative contracts***				
Fair value hedges	-111	-210	301	-86
Other	17	47	5	18
Total	-94	-163	307	-68
Receivables from credit institutions				
Negative interest	0	-2	0	0
Other	-62	-58	-18	-24
Total	**-1,901**	**-1,613**	**-615**	**-593**
Total interest expenses	**466**	**421**	**161**	**159**

* Interest income in the income statement includes interest income calculated using the effective interest method and other interest income.

** Interest income calculated using the effective interest method totalled EUR 1,912 (1,661) million. Interest income calculated using the effective interest method are recognised from balance sheet items recognised at amortised cost.

*** Includes the valuation of derivatives and interest.

Note 4. Impairment loss on receivables

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
Receivables written down as loan and guarantee losses	-5	-18	-1	-1
Recoveries of receivables written down	1	1	1	0
Expected credit losses (ECL) on receivables from customers and off-balance-sheet items	-11	-45	0	-39
Expected credit losses (ECL) on notes and bonds	-1	0	0	0
Total impairment loss on receivables	**-15**	**-63**	**0**	**-40**

Credit risk exposures and related loss allowance

Exposures within the scope of accounting for expected credit losses (ECL) by impairment stage, 30 September 2024

The tables below describe exposures that fall within the scope of accounting for expected credit losses. The off-balance-sheet exposure was adjusted using the credit conversion factor (CCF).

Exposures	Stage 1	Stage 2			Stage 3	
€ million		Not more than 30 DPD	More than 30 DPD	Total		Total exposure
Receivables from customers (gross)						
Corporate Banking	24,178	2,528	898	3,426	671	28,274
Total receivables from customers	**24,178**	**2,528**	**898**	**3,426**	**671**	**28,274**
Off-balance-sheet limits						
Corporate Banking	3,919	79	1	80	10	4,008
Total limits	**3,919**	**79**	**1**	**80**	**10**	**4,008**
Other off-balance-sheet commitments						
Corporate Banking	2,617	145		145	32	2,795
Total other off-balance-sheet commitments	**2,617**	**145**		**145**	**32**	**2,795**
Notes and bonds						
Group Functions	13,915	50		50	3	13,967
Total notes and bonds	**13,915**	**50**		**50**	**3**	**13,967**
Total exposures within the scope of accounting for expected credit losses	**44,628**	**2,803**	**898**	**3,701**	**716**	**49,045**

Loss allowance by impairment stage 30 September 2024

On-balance-sheet exposures and related off-balance-sheet limits*	Stage 1	Stage 2			Stage 3	
€ million		Not more than 30 DPD	More than 30 DPD	Total		Total loss allowance
Receivables from customers						
Corporate Banking	-27	-68	-16	-84	-187	-297
Total receivables from customers	**-27**	**-68**	**-16**	**-84**	**-187**	**-297**
Off-balance-sheet commitments**						
Corporate Banking	-2	-15		-15	-21	-38
Total off-balance-sheet commitments	**-2**	**-15**		**-15**	**-21**	**-38**
Notes and bonds***						
Group Functions	-1	-1		-1	-2	-3
Total notes and bonds	**-1**	**-1**		**-1**	**-2**	**-3**
Total	**-29**	**-83**	**-16**	**-99**	**-210**	**-339**

* Loss allowance is recognised as one component to deduct the balance sheet item.

** Loss allowance is recognised in provisions and other liabilities in the balance sheet.

*** Loss allowance is recognised in the fair value reserve in other comprehensive income.

The table below shows a summary of loss allowance relative to the exposure amount by impairment stage. The coverage ratio describes the ratio of loss allowance to exposure amount.

Summary and key indicators 30 September 2024	Stage 1	Stage 2			Stage 3	
		Not more than 30 DPD	More than 30 DPD	Total		Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Corporate Banking	30,713	2,753	898	3,651	713	35,077
Loss allowance						
Corporate Banking	-29	-82	-16	-99	-208	-336
Coverage ratio, %						
Corporate Banking	-0.09%	-3.00%	-1.82%	-2.71%	-29.25%	-0.96%
Receivables from customers: total on-balance-sheet and off-balance-sheet items	**30,713**	**2,753**	**898**	**3,651**	**713**	**35,077**
Total loss allowance	**-29**	**-82**	**-16**	**-99**	**-208**	**-336**
Total coverage ratio, %	**-0.09%**	**-3.00%**	**-1.82%**	**-2.71%**	**-29.25%**	**-0.96%**
Carrying amount, notes and bonds						
Group Functions	13,915	50		50	3	13,967
Loss allowance						
Group Functions	-1	-1		-1	-2	-3
Coverage ratio, %						
Group Functions	-0.01%	-1.01%		-1.01%	-62.00%	-0.02%
Total notes and bonds	**13,915**	**50**		**50**	**3**	**13,967**
Total loss allowance	**-1**	**-1**		**-1**	**-2**	**-3**
Total coverage ratio, %	**-0.01%**	**-1.01%**		**-1.01%**	**-62.00%**	**-0.02%**

The table below shows the change in exposures within the scope of ECL calculation by impairment stage for Q1–3/2024, resulting from the following factors:

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2024	**31,581**	**3,603**	**761**	**35,945**
Transfers from Stage 1 to Stage 2, incl. repayments	-1,503	1,425		-78
Transfers from Stage 1 to Stage 3, incl. repayments	-49		46	-3
Transfers from Stage 2 to Stage 1, incl. repayments	508	-534		-27
Transfers from Stage 2 to Stage 3, incl. repayments		-92	78	-14
Transfers from Stage 3 to Stage 1, incl. repayments	5		-6	-1
Transfers from Stage 3 to Stage 2, incl. repayments		24	-30	-6
Increases due to origination and acquisition	4,631	283	104	5,017
Decreases due to derecognition	-3,477	-992	-239	-4,708
Unchanged Stage, incl. repayments	-982	-65	3	-1,044
Recognised as final credit loss		0	-4	-4
Receivables from customers; on-balance-sheet and off-balance-sheet items 30 September 2024	**30,713**	**3,651**	**713**	**35,077**

The table below shows the change in loss allowance by impairment stage during Q1–3/2024.

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	Total
Loss allowance 1 January 2024	**35**	**94**	**196**	**325**
Transfers from Stage 1 to Stage 2	-2	7		5
Transfers from Stage 1 to Stage 3	0		7	7
Transfers from Stage 2 to Stage 1	1	-8		-7
Transfers from Stage 2 to Stage 3		-6	19	13
Transfers from Stage 3 to Stage 1	0		-1	-1
Transfers from Stage 3 to Stage 2		3	-6	-3
Increases due to origination and acquisition	5	10	30	45
Decreases due to derecognition	-5	-16	-39	-60
Changes in risk parameters (net)	-6	15	6	15
Decrease in allowance account due to write-offs		0	-3	-3
Net change in expected credit losses	**-7**	**5**	**12**	**11**
Loss allowance 30 September 2024	**29**	**99**	**208**	**336**
Net change in expected credit losses Q3/2024	**0**	**3**	**-3**	**0**

The assumptions used for calculating the management overlay provision are presented below.

In Q4/2022, a management overlay of EUR 2.5 million was made for the construction industry, based on an analysis by OP Corporate Bank. The analysis was updated in Q2/2023 due to further deterioration in the industry's outlook. The analysis was made as a stress test based on the baseline scenario (weight of 60%) and the downside scenario (weight of 40%) with the assumptions that net sales decrease by 20%/35%, profitability weakens by 20%/40%, equity ratio decreases by 10%/20%, interest rates stand at 4%/6% and the prices of new homes have fallen by 15%/30%. Based on the update, the overlay was increased by EUR 3.6 million to EUR 6.1 million. The overlay was updated in Q4/2023 by stressing rating grades under different scenarios. In addition, the overlay was extended to cover small construction companies. With the weak outlook for the construction industry expected to continue until 2025, the overlay was increased by EUR 3.2 million to EUR 9.3 million. The overlay was reduced by EUR 0.4 million in Q2/2024 and further by EUR 4.3 million in Q3/2024, because the number of construction projects with a low percentage of completion and the amount of exposures had decreased. In addition, exposures had been transferred for expert assessment.

In Q2/2023, a management overlay of EUR 6.3 million was made for real estate based on the sector's weaker outlook. The analysis was made as a stress test based on the baseline scenario (weight of 70%) and the downside scenario (weight of 30%) with the assumptions that net sales increase by 3%/0%, profitability weakens by 5%/10%, equity ratio decreases by 10%/20% and interest rates stand at 4%/6%. The overlay was updated in Q4/2023 and it was reversed by EUR 4.7 million to EUR 1.4 million because a rise in the inflation rate and the interest rates has largely been realised and credit ratings have been updated. The remaining EUR 1.4 million of the overlay was reversed in Q2/2024 for the same reason.

OP Corporate Bank has assessed the impact of a rise in the Euribor rates on the credit risk associated with personal customers. This was done as a stress test which measured households' cash flows as a basis for assessing potential customers with impaired repayment capacity. Based on the analysis, a management overlay of EUR 0.7 million was made in Q3/2023. The stress test of the personal customer overlay was updated with new assumptions in Q4/2023: that the interest rates fall slowly, the unemployment rate rises to 8% and home prices decrease further by 2%. In Q3/2024, the overlay was updated with an assumed 12-month Euribor of 2.53% and an unemployment rate of 7.98% in Q3/2025, and an assumed fall in home prices of 2024% in Q3/2024–Q3/2025. The overlay increased by EUR 0.2 million.

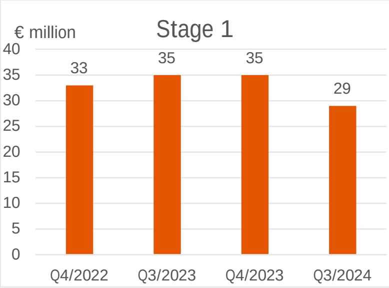
In Q2/2024, OP Corporate Bank made a new management overlay of EUR 5.1 million for the improvement of processes related to the early warning system (EWS) and identification of groups of connected clients, to be implemented in 2024–2025.

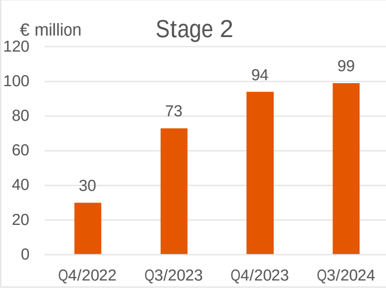
In Q3/2024, OP Corporate Bank made a new management overlay of EUR 2.2 million for recognising the higher credit risk of bullet and balloon loans in ECL calculation. The overlay will be reversed in Q4/2024 when the new post-model adjustment at the parameter level will be adopted.

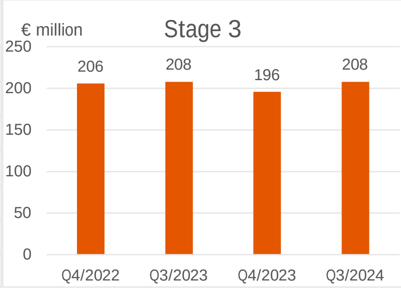
The table below shows the loss allowance before the discretionary provisions made using management overlays, the management overlays described above, and the reported total loss allowance on 30 September 2024.

Loss allowance 30 September 2024	OP Corporate Bank
Loss allowance before discretionary provisions	**323**
Discretionary provisions under management overlay	
Construction industry	5
Personal customers	1
Bullet and balloon loans	2
Improvement to the identification processes for EWS and connected clients	5
Total discretionary provisions under management overlay	**13**
Total reported loss allowance	**336**

The following graphs illustrate the trend in the expected credit losses of customer receivables by impairment stage during the last few years.







The macroeconomic factors used for ECL measurement are updated quarterly. The ECL is calculated as a weighted average of three scenarios. Scenario weights have been applied at the normal level: downside 20%, baseline 60% and upside 20%. Macroeconomic forecast updates in Q3/2024 decreased expected credit losses slightly.

The following tables illustrate two of the macroeconomic forecasts used in the models: GDP and the unemployment rate.

GDP growth, %	**Q3/2024**	**Q3/2025**	**Q3/2026**	**Q3/2027**	**Q3/2028**
Baseline	-0.5%	2.0%	1.3%	1.3%	1.3%
Upside	0.5%	3.9%	2.8%	2.8%	2.8%
Downside	-1.5%	-0.3%	-0.5%	-0.5%	-0.5%

Unemployment, %	**Q3/2024**	**Q3/2025**	**Q3/2026**	**Q3/2027**	**Q3/2028**
Baseline	8.2%	7.9%	7.6%	7.1%	6.7%
Upside	8.1%	7.5%	7.0%	6.3%	5.8%
Downside	8.3%	8.5%	8.6%	8.4%	8.3%

Notes and bonds, € million	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12 months	**Lifetime**	**Lifetime**	
Loss allowance 1 January 2024	**1**	**1**	**1**	**2**
Transfers from Stage 2 to Stage 1	0	0		0
Increases due to origination and acquisition	0	0	2	2
Decreases due to derecognition	0		-1	-1
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	**0**	**0**	**1**	**1**
Loss allowance 30 September 2024	**1**	**1**	**2**	**3**
Net change in expected credit losses Q3/2024	**0**	**0**		**0**

Exposures within the scope of accounting for expected credit losses by impairment stage 31 December 2023

Exposures € million	Stage 1	Stage 2 Not more than 30 DPD	More than 30 DPD	Total	Stage 3	Total exposure
Receivables from customers (gross)						
Corporate Banking	25,988	3,064	150	3,214	707	29,909
Total receivables from customers	**25,988**	**3,064**	**150**	**3,214**	**707**	**29,909**
Off-balance-sheet limits						
Corporate Banking	2,960	173	0	173	8	3,141
Total limits	**2,960**	**173**	**0**	**173**	**8**	**3,141**
Other off-balance-sheet commitments						
Corporate Banking	2,632	216		216	46	2,895
Total other off-balance-sheet commitments	**2,632**	**216**		**216**	**46**	**2,895**
Notes and bonds						
Group Functions	12,737	69		69	3	12,809
Total notes and bonds	**12,737**	**69**		**69**	**3**	**12,809**
Total exposures within the scope of accounting for expected credit losses	**44,318**	**3,522**	**150**	**3,672**	**764**	**48,754**

Loss allowance by impairment stage 31 December 2023

On-balance-sheet exposures and related off-balance-sheet limits* € million	Stage 1	Stage 2 Not more than 30 DPD	More than 30 DPD	Total	Stage 3	Total loss allowance
Receivables from customers						
Corporate Banking	-33	-76	-7	-83	-173	-288
Total receivables from customers	**-33**	**-76**	**-7**	**-83**	**-173**	**-288**
Off-balance-sheet commitments**						
Corporate Banking	-3	-11		-11	-23	-37
Total off-balance-sheet commitments	**-3**	**-11**		**-11**	**-23**	**-37**
Notes and bonds***						
Group Functions	-1	-1		-1	-1	-2
Total notes and bonds	**-1**	**-1**		**-1**	**-1**	**-2**
Total	**-36**	**-88**	**-7**	**-94**	**-197**	**-328**

* Loss allowance is recognised as one component to deduct the balance sheet item.

** Loss allowance is recognised in provisions and other liabilities in the balance sheet.

*** Loss allowance is recognised in the fair value reserve in other comprehensive income.

The table below shows a summary of loss allowance relative to the exposure amount by impairment stage. The coverage ratio describes the ratio of loss allowance to exposure amount.

Summary and key indicators 31 December 2023	Stage 1	Stage 2			Stage 3	
		Not more than 30 DPD	More than 30 DPD	Total		Total
Receivables from customers; on-balance-sheet and off-balance-sheet items						
Corporate Banking	31,581	3,453	150	3,603	761	35,945
Loss allowance						
Corporate Banking	-35	-87	-7	-94	-196	-325
Coverage ratio, %						
Corporate Banking	-0.11%	-2.52%	-4.54%	-2.60%	-25.78%	-0.90%
Receivables from customers: total on-balance-sheet and off-balance-sheet items	**31,581**	**3,453**	**150**	**3,603**	**761**	**35,945**
Total loss allowance	**-35**	**-87**	**-7**	**-94**	**-196**	**-325**
Total coverage ratio, %	**-0.11%**	**-2.52%**	**-4.54%**	**-2.60%**	**-25.78%**	**-0.90%**
Carrying amount, notes and bonds						
Group Functions	12,737	69		69		12,809
Loss allowance						
Group Functions	-1	-1		-1		-2
Coverage ratio, %						
Group Functions	-0.01%	-0.93%		-0.93%		-0.02%
Total notes and bonds	**12,737**	**69**		**69**		**12,809**
Total loss allowance	**-1**	**-1**		**-1**		**-2**
Total coverage ratio, %	**-0.01%**	**-0.93%**		**-0.93%**		**-0.02%**

The table below shows a change in exposures within the scope of the calculation of expected credit losses by impairment stage for 2023 resulting from the effect of the following factors:

Receivables from customers and off-balance-sheet items, € million	Stage 1	Stage 2	Stage 3	Total
Receivables from customers; on-balance-sheet and off-balance-sheet items 1 January 2023	**32,468**	**2,934**	**491**	**35,892**
Transfers from Stage 1 to Stage 2, incl. repayments	-1,873	1,713		-161
Transfers from Stage 1 to Stage 3, incl. repayments	-315		317	2
Transfers from Stage 2 to Stage 1, incl. repayments	1,115	-1,040		74
Transfers from Stage 2 to Stage 3, incl. repayments		-123	98	-25
Transfers from Stage 3 to Stage 1, incl. repayments	13		-21	-8
Transfers from Stage 3 to Stage 2, incl. repayments		39	-51	-12
Increases due to origination and acquisition	6,371	450	58	6,878
Decreases due to derecognition	-5,040	-332	-92	-5,464
Unchanged Stage, incl. repayments	-1,156	-37	23	-1,170
Recognised as final credit loss			-61	-61
Receivables from customers; on-balance-sheet and off-balance-sheet items 31 December 2023	**31,581**	**3,603**	**761**	**35,945**

Transfers from Stage 1 to Stage 2 include the transfer of EUR 201 million in exposures related to a management overlay.

The table below shows the change in loss allowance by impairment stage during 2023.

Receivables from customers and off-balance-sheet items, € million	**Stage 1**	**Stage 2**	**Stage 3**	
	12 months	**Lifetime**	**Lifetime**	**Total**
Loss allowance 1 January 2023	**33**	**30**	**206**	**269**
Transfers from Stage 1 to Stage 2	-5	39		34
Transfers from Stage 1 to Stage 3	-1		38	37
Transfers from Stage 2 to Stage 1	1	-5		-4
Transfers from Stage 2 to Stage 3		-3	19	16
Transfers from Stage 3 to Stage 1	0		-4	-4
Transfers from Stage 3 to Stage 2		3	-14	-12
Increases due to origination and acquisition	8	19	15	42
Decreases due to derecognition	-8	-4	-37	-49
Changes in risk parameters (net)	7	15	14	37
Decrease in allowance account due to write-offs			-41	-41
Net change in expected credit losses	**2**	**64**	**-10**	**56**
Loss allowance 31 December 2023	**35**	**94**	**196**	**325**
Net change in expected credit losses Q3/2023	**5**	**13**	**21**	**39**

Transfers from Stage 1 to Stage 2 include the increase of EUR 9,8 million related to a management overlay.

The table below shows the loss allowance before the discretionary provisions made using management overlays, the management overlays described above, and the reported total loss allowance on 31 December 2023.

Loss allowance 31 December 2023	**OP Corporate Bank**
Loss allowance before discretionary provisions	**314**
Discretionary provisions under management overlay	
Construction industry	**9**
Real estate sector	**1**
Personal customers	1
Total discretionary provisions under management overlay	**11**
Total reported loss allowance	**325**

The following tables illustrate two of the macroeconomic forecasts used in the models: GDP and the unemployment rate.

GDP growth, %	**Q4/2023**	**Q4/2024**	**Q4/2025**	**Q4/2026**	**Q4/2027**
Baseline	-0.3%	0.0%	1.2%	1.2%	1.3%
Upside	-0.3%	3.0%	4.1%	4.1%	3.7%
Downside	-0.3%	-3.1%	-2.1%	-2.2%	-1.5%

Unemployment, %	**Q4/2023**	**Q4/2024**	**Q4/2025**	**Q4/2026**	**Q4/2027**
Baseline	7.2%	7.5%	7.5%	7.3%	7.0%
Upside	7.2%	7.2%	6.6%	5.9%	5.1%
Downside	7.2%	7.9%	8.5%	8.9%	9.3%

Notes and bonds, € million	**Stage 1**	**Stage 2**	**Stage 3**	
	12 months	**Lifetime**	**Lifetime**	**Total**
Loss allowance 1 January 2023	**1**	**1**		**2**
Transfers from Stage 1 to Stage 2	0	0		0
Transfers from Stage 1 to Stage 3	0		1	0
Transfers from Stage 2 to Stage 1	0	0		0
Increases due to origination and acquisition	0	0		0
Decreases due to derecognition	0			0
Changes in risk parameters (net)	0	0		0
Net change in expected credit losses	**0**	**0**	**1**	**0**
Loss allowance 31 December 2023	**1**	**1**	**1**	**2**
Net change in expected credit losses Q3/2023	**0**	**0**	**0**	**0**

Note 5. Net commissions and fees

Q1–3/2024, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total	Q3/2024
Commission income							
Lending	16	16	2	0		34	9
Deposits	0	0	2	0		3	1
Payment transfers	0	24	0	0		24	8
Securities brokerage	13	0				13	4
Securities issuance	5			0		5	1
Mutual funds	0	0		0		0	0
Wealth management	2	0				2	1
Legal services	0					0	0
Guarantees	1	6	3	0		9	3
Other	0	4	0	0		5	1
Total	**37**	**49**	**8**	**0**		**95**	**28**
Commission expenses							
Lending	0	0		0		0	0
Payment transfers	-1	-3	0	0		-4	-1
Securities brokerage	-2			0		-2	0
Securities issuance	0			0		0	0
Wealth management	0			-1		-1	0
Guarantees			0			0	0
Derivatives	-30					-30	-9
Other	-2	-1		-1		-5	-1
Total	**-35**	**-5**	**0**	**-2**		**-42**	**-13**
Total net commissions and fees	**3**	**44**	**8**	**-2**		**53**	**15**

Q1–3/2023, € million	Corporate Banking and Capital Markets	Asset and Sales Finance Services and Payment Transfers	Baltics	Group Functions	Inter-segment items	Total	Q3/2023
Commission income							
Lending	20	15	3	0		38	10
Deposits	0	0	1	0		2	1
Payment transfers	0	24	0	0		25	8
Securities brokerage	13					13	3
Securities issuance	3			0		3	0
Mutual funds	0	0		0		0	0
Wealth management	2	0				2	1
Legal services	0	0				0	
Guarantees	1	6	3	0		9	3
Other		7	0	0		7	2
Total	**40**	**52**	**7**	**0**		**99**	**28**
Commission expenses							
Lending	0	-1		0		-1	0
Payment transfers	-1	-4	0	0		-5	-2
Securities brokerage	-2			0		-2	0
Securities issuance	-3			0		-3	-1
Wealth management	0			-1		-1	0
Guarantees			0			0	0
Derivatives	-31					-31	-10
Other	-2			-2		-4	-1
Total	**-39**	**-6**	**0**	**-3**		**-47**	**-15**
Total net commissions and fees	**1**	**47**	**7**	**-3**		**52**	**12**

Note 6. Net income from financial assets held for trading

Financial assets held for trading

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
Notes and bonds				
Interest income and expenses	11	18	-2	2
Fair value gains and losses on notes and bonds	4	-1	5	0
Total	14	17	3	2
Shares and participations				
Fair value gains and losses	5	-1	0	0
Dividend income and share of profits	2	2	1	0
Total	7	1	2	0
Derivatives				
Interest income and expenses	141	48	41	14
Fair value gains and losses	-140	-17	-41	-1
Total	1	31	0	13
Total	**23**	**48**	**5**	**15**

Note 7. Net investment income

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
Net income from assets at fair value through other comprehensive income				
Notes and bonds				
Capital gains and losses	0	5	0	-1
Total	**0**	**5**	**0**	**-1**
Total net investment income	**0**	**5**	**0**	**-1**

Note 8. Other operating expenses

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
ICT costs				
Production	-63	-52	-18	-17
Development	-14	-15	-4	-5
Government charges and audit fees	0	-50	0	-7
Service purchases	-20	-17	-8	-5
Expert services	-1	-1	0	0
Telecommunications	-2	-2	-1	-1
Marketing	-2	-2	-1	-0
Insurance and security costs	-13	-11	-4	-4
Other	-36	-15	-12	-6
Other operating expenses, total	**-150**	**-165**	**-49**	**-45**

Development costs

€ million	Q1–3/2024	Q1–3/2023	Q3/2024	Q3/2023
ICT development costs	-14	-15	-4	-5
Share of own work		0		
Total development costs in the income statement	**-14**	**-15**	**-4**	**-5**
Capitalised ICT costs	2		1	
Total capitalised development costs	**2**		**1**	
Total development costs	**-12**	**-15**	**-3**	**-5**
Depreciation/amortisation and impairment loss	0	-2	0	0

Note 9. Debt securities issued to the public

€ million	30 Sep 2024	Adjusted 31 Dec 2023
Bonds	10,874	13,268
Subordinated bonds	3,663	4,045
Other		
Certificates of deposit	156	668
Commercial papers	5,127	6,128
Included in own portfolio in trading (-)*	-70	-46
Total debt securities issued to the public	**19,750**	**24,062**

* Own bonds held by OP Corporate Bank plc have been set off against liabilities.

Note 10. Fair value reserve after tax

€ million	Recognised at fair value through other comprehensive income Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2023	**-3**	**-26**	**-29**
Fair value changes	-26	7	-19
Capital gains transferred to income statement	-6		-6
Transfers to net interest income		11	11
Deferred tax	6	-4	3
Closing balance 30 September 2023	**-29**	**-11**	**-40**

€ million	Recognised at fair value through other comprehensive income Notes and bonds	Cash flow hedges	Total
Opening balance 1 January 2024	**-57**	**-6**	**-63**
Fair value changes	14	-2	13
Capital gains transferred to income statement	-2		-2
Transfers to net interest income		10	10
Deferred tax	-3	-2	-4
Closing balance 30 September 2024	**-46**	**-0**	**-47**

The fair value reserve before tax totalled EUR –58 million (–50) at the end of the reporting period and the related deferred tax asset/liability EUR 12 million (10). The loss allowance on notes and bonds recognised at fair value through other comprehensive income totalled EUR –1 million (0) in the fair value reserve during the reporting period.

Note 11. Collateral given

€ million	30 Sep 2024	31 Dec 2023
Given on behalf of own liabilities and commitments		
Other	1,042	743
Total collateral given*	**1,042**	**743**
Secured derivative liabilities	507	657
Other secured liabilities	521	53
Total	**1,029**	**710**

* In addition, bonds with a carrying amount of EUR 1.5 billion have been pledged in the central bank, of which EUR 1.0 billion in intraday settlement collateral. Given that the bonds are available for withdrawal without the central bank's advance permission, they are not presented in the table above.

Note 12. Classification of financial assets and liabilities

			Recognised at fair value through profit or loss		
Financial assets 30 September 2024, € million	**Amortised cost**	**Recognised at fair value through other comprehensive income**	**Financial assets held for trading**	**Hedging derivatives**	**Carrying amount total**
Cash and deposits with central banks	17,394				17,394
Receivables from credit institutions	10,832				10,832
Receivables from customers	27,688				27,688
Derivative contracts			3,247	94	3,342
Notes and bonds	1,826	12,223	305		14,354
Shares and participations		0	5		5
Other financial assets	1,130				1,130
Total	**58,871**	**12,223**	**3,557**	**94**	**74,745**

At the end of the period, OP Corporate Bank's assets in the balance sheet included bonds with a carrying amount of EUR 1,519 million (629) and classified at amortised cost, issued by issuers other than OP Financial Group. These are not measured at fair value in accounting. The fair value of these bonds amounted to EUR 1,558 million (647) at the end of the period.

			Recognised at fair value through profit or loss		
Adjusted Financial assets 31 December 2023, € million	**Amortised cost**	**Recognised at fair value through other comprehensive income**	**Financial assets held for trading**	**Hedging derivatives**	**Carrying amount total**
Cash and deposits with central banks	19,710				19,710
Receivables from credit institutions	12,280				12,280
Receivables from customers	28,187				28,187
Derivative contracts			4,618	-173	4,445
Notes and bonds	1,004	11,588	217		12,809
Shares and participations		0	14		14
Other financial assets	664				664
Total	**61,845**	**11,588**	**4,850**	**-173**	**78,109**

OP Corporate Bank plc changed the official balance sheet format of the financial statements during the second quarter of 2024. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Financial liabilities 30 September 2024, € million	Recognised at fair value through profit or loss	At amortised cost and other	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		24,752		24,752
Liabilities to customers		18,061		18,061
Derivative contracts	2,953		150	3,102
Debt securities issued to the public	2,361	17,390		19,750
Subordinated liabilities		1,437		1,437
Other financial liabilities	50	2,326		2,376
Total	**5,363**	**63,965**	**150**	**69,478**

Adjusted Financial liabilities 31 December 2023, € million	Recognised at fair value through profit or loss	At amortised cost and other	Hedging derivatives	Carrying amount total
Liabilities to credit institutions		23,982		23,982
Liabilities to customers		17,254		17,254
Derivative contracts	4,230		-51	4,179
Debt securities issued to the public	2,487	21,576		24,062
Subordinated liabilities		1,414		1,414
Other financial liabilities	5	2,112		2,117
Total	**6,722**	**66,337**	**-51**	**73,008**

OP Corporate Bank plc changed the official balance sheet format of the financial statements during the second quarter of 2024. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

At the end of September, the fair value of OP Corporate Bank's senior and senior non-preferred bonds issued to the public and carried at amortised cost was around EUR 12,170 million (14,775) and their carrying amount was EUR 14,537 million (17,313). The fair value is based on information available from the market. All subordinated liabilities are carried at amortised cost. Their fair value is EUR 1,440 million. Amortised costs of debt securities issued to the public are itemised in Note 9.

Note 13. Recurring fair value measurements by valuation technique

Fair value of assets on 30 September 2024, € million	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value through profit or loss				
Equity instruments		3	2	5
Debt instruments	192	72	41	305
Derivative contracts	0	3,215	127	3,342
Recognised at fair value through other comprehensive income				
Equity instruments		0		0
Debt instruments	10,726	884	614	12,223
Total financial instruments	**10,917**	**4,173**	**783**	**15,874**

Adjusted Fair value of assets on 31 December 2023, € million	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value through profit or loss				
Equity instruments		11	3	14
Debt instruments	113	71	33	217
Derivative contracts*	0	4,347	98	4,445
Recognised at fair value through other comprehensive income				
Equity instruments		0		0
Debt instruments	9,166	1,694	727	11,588
Total financial instruments	**9,280**	**6,123**	**862**	**16,264**

Fair value of liabilities on 30 September 2024, € million	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value through profit or loss				
Structured notes			2,361	2,361
Other		50		50
Derivative contracts	2	3,039	61	3,102
Total	**2**	**3,089**	**2,422**	**5,513**

Adjusted

Fair value of liabilities on 31 December 2023, € million	Level 1	Level 2	Level 3	Total
Financial liabilities recognised at fair value through profit or loss				
Structured notes			2,487	2,487
Other		5		5
Derivative contracts*	2	4,086	91	4,179
Total	**2**	**4,091**	**2,578**	**6,671**

* Interest receivables and liabilities on derivative contracts were previously presented in the balance sheet rows "Other assets" and "Provisions and other liabilities". Fair values of all derivative contracts will be presented in the balance sheet rows of "Derivative contracts" under assets and liabilities, so interest receivables and liabilities related to derivatives were transferred to the same item with the actual derivative contract. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Fair value measurement

Derivatives and other financial instruments measured at fair value

OP Corporate Bank obtains the price of listed derivatives directly from markets. In the fair value measurement of OTC derivatives, OP Corporate Bank uses models and techniques commonly used in markets that best suit financial instrument measurement. These are needed, for instance, to create yield curves, currency conversion charts and volatility surfaces as well as for option valuation. The input data of these models can generally be derived from markets. However, in the fair value measurement of some contracts, OP Corporate Bank has to use models where input data cannot be observed in the market and therefore they must be assessed. Such contracts are included in Level 3.

Middle Office is responsible for the fair value measurement of Banking derivatives, incl. level 3 hierarchy, and the quality and reliability of market data, valuation curves and volatility surfaces used in them, as part of its daily fair value measurement process. Middle Office compares regularly at contract level valuation prices with valuations supplied by CSA counterparties and central counterparties and, whenever necessary, determines any possible significant valuation differences.

Risk Management Control is responsible for approval of new fair value measurement models and techniques and supervision of the fair value measurement process. Verifying fair values is based, for example, on valuation using alternative sources for market prices and other input data. In this verification process, valuation prices can be compared with prices supplied by CSA counterparties and central counterparties. In addition, it is possible to use valuation services provided by third parties.

The fair value measurement of OTC derivative contracts related to banking takes account of credit risk of the parties to the transaction and credit spreads exceeding the financing costs. Credit risk is adjusted with a Credit Valuation Adjustment (CVA) and with a Debt Valuation Adjustment (DVA). CVAs and DVAs are calculated for each counterparty. CVA and DVA adjustments are calculated for each counterparty by simulating the market values of derivatives and events of default based primarily on data obtained from markets. In assessing probabilities of default, OP Corporate Bank utilises counterparty rating information, liquid credit risk indices and the CDS sector curves of market data providers. OP Corporate Bank assesses the effect of the financing costs of OTC derivatives on fair value measurement by editing discount curves used in the measurement by means of the statistical differences of credit spreads between credit risk instruments with and without capital.

Fair value hierarchy

Level 1: Quoted prices in active markets

Level 1 includes equities listed on major stock exchanges, quoted debt instruments issued by companies, governments and financial institutions as well as exchange-traded derivatives. The fair value of these instruments is determined on the basis of the quotes in active markets.

Level 2: Valuation techniques using observable inputs

Valuation techniques based on observable input parameters. The fair value of instruments included within this level means value derived from the market price of a financial instrument's components or similar financial instruments; or value which can be determined using commonly used valuation models and techniques if the inputs significant to the fair value measurement are based on observable market data. This hierarchy level includes the majority of OP Corporate Bank plc's OTC derivatives and quoted debt instruments issued by companies, governments and financial institutions which have not been included in Level 1.

Level 3: Valuation techniques using unobservable inputs

Valuation techniques whose input parameters involve special uncertainty. The fair value determination of instruments included within this level contains inputs not based on observable market data (unobservable inputs). Level 3 also includes bonds for which there is little, if any, market activity on the valuation date. This level includes the most complex OTC derivatives and derivatives with a long maturity for which the Group had to extrapolate the market data used in their value measurement, as well as certain private equity investments, and illiquid bonds, structured bonds, including securitised bonds and structured debt securities, and hedge funds.

Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such transfer or when circumstances change. Transfers between the levels are mainly due to the number of available market quotes.

Derivatives relevant to OP Corporate Bank's business include interest rate swaps, interest rate options and structured debt securities. Interest rate swaps are measured by deriving valuation curves from the prices of interest rate swaps and other interest rate derivatives observed in the market. Valuation curves are used to forecast future cash flows and determine the present values of cash flows also through interest rate swaps whose price is not directly observable in the market. The same method applies to the fair value measurement of interest rate options. Volatilities describing the price of interest rate options observed in the market are also used in comparison with interest rate swaps.

In the fair value measurement of complex derivatives or, for example, share structures of structured debt securities, OP Corporate Bank uses a model where the development of market prices is simulated and the actual value of the derivative is calculated in each simulation. The price of the derivate is derived by calculating the average of the simulations.

Level 2 input data include, for example: quoted prices of similar items in active markets, quoted prices of similar items in inactive markets, market interest rates, implied volatilities and credit spreads.

Level 3 input data are input data that are not observable for an item subject to valuation. Level 3 input data include, for example: use of historical volatility in the fair value measurement of an option, and long-term interest rates with no corresponding contracts observable in the market.

Valuation techniques whose input parameters involve uncertainty (Level 3)

Breakdown of financial assets and liabilities

Financial assets, € million	Recognised at fair value through profit or loss	Derivative contracts	Recognised at fair value through other comprehensive income	Total assets
Opening balance 1 January 2024	**36**	**98**	**728**	**862**
Total gains/losses in profit or loss	-31	28		-3
Transfers to level 3	38		85	124
Transfers from level 3			-199	-199
Closing balance 30 September 2024	**43**	**127**	**614**	**783**

Financial liabilities, € million	Recognised at fair value through profit or loss	Derivative contracts	Total liabilities
Opening balance 1 January 2024	**2,487**	**91**	**2,578**
Total gains/losses in profit or loss	110	-30	79
Other changes	-236		-236
Closing balance 30 September 2024	**2,361**	**61**	**2,422**

Breakdown of net income by income statement item 30 September 2024

€ million	Net investment income	Net gains/losses on assets and liabilities held at period end
Net gains (losses)	**-82**	**-82**

Changes in the levels of hierarchy

No major changes have occurred in valuation techniques in 2024.

Note 14. Off-balance-sheet commitments

€ million	30 Sep 2024	31 Dec 2023
Guarantees	250	598
Guarantee liabilities	2,174	2,046
Loan commitments	5,398	5,473
Commitments related to short-term trade transactions	304	540
Other	478	516
Total off-balance-sheet commitments	**8,604**	**9,172**

Note 15. Derivative contracts

Total derivatives 30 September 2024

€ million	Fair values Assets	Liabilities
Interest rate derivatives	2,611	2,433
Cleared by the central counterparty	26	14
Settled-to-market (STM)	10	4
Collateralised-to-market (CTM)	16	10
Currency and gold derivatives	310	428
Equity and index-linked derivatives	85	35
Credit derivatives	12	2
Commodity derivatives	11	14
Other derivatives	29	14
Interest on derivatives	284	177
Total derivatives	**3,342**	**3,102**

Adjusted
Total derivatives 31 December 2023

€ million	Fair values Assets	Liabilities
Interest rate derivatives	3,165	2,837
Cleared by the central counterparty	103	82
Settled-to-market (STM)	61	46
Collateralised-to-market (CTM)	42	36
Currency and gold derivatives	919	1,049
Equity and index-linked derivatives	74	56
Credit derivatives	10	8
Commodity derivatives	4	4
Other derivatives	16	16
Interest on derivatives	257	209
Total derivatives*	**4,445**	**4,179**

* The breakdown of derivatives has been changed to correspond to the current monitoring. Comparative information has been adjusted accordingly. Interest receivables and liabilities of derivative contracts were previously presented in the balance sheet rows "Other assets" and "Provisions and other liabilities". Fair values of all derivative contracts will be presented in the balance sheet rows of "Derivative contracts" under assets and liabilities, so interest receivables and liabilities related to derivatives were transferred to the same item with the actual derivative contract. For more detailed information on the change, see Note 1 to the Half-year Financial Report 1 January–30 June 2024, Accounting policies and changes in accounting policies and presentation.

Note 16. Related-party transactions

OP Corporate Bank plc's related parties comprise companies consolidated into OP Cooperative Consolidated, associates, key management personnel and their close family members, and other related-party entities. The company's key management personnel comprises the CEO, deputy CEO and other members of senior management as well as members of the Board of Directors. Related parties also include companies over which a key management person or their close family member, either alone or together with another person, exercises control. Other entities regarded as related parties include OP-Eläkesäätiö pension foundation and OP Ryhmän Henkilöstörahasto personnel fund. OP Corporate Bank plc distributed dividends of EUR 76 million for 2023 to OP Cooperative.

Standard loan terms and conditions are applied to loans granted to related parties. Loans are tied to generally used reference interest rates.

No substantial changes have taken place in related-party transactions since 31 December 2023.

Note 17. Transactions with OP cooperative banks

The accounts of OP Corporate Bank plc and the member cooperative banks are consolidated into OP Financial Group's financial statements. At the end of the reporting period, the most significant balance sheet items between OP Corporate Bank plc and member cooperative banks were Derivative contracts (assets), EUR 359 million (559), Liabilities to credit institutions, EUR 24,336 million (23,609), Derivative contracts (liabilities), EUR 812 million (1,155), and Debt securities issued to the public, EUR 249 million (276). During the reporting period, the most significant income statement items between OP Corporate Bank plc and member cooperative banks were interest income, EUR 176 million (217), interest expenses, EUR 563 million (484), commission income, EUR 2 million (2), commission expenses, EUR 30 million (31) and other income, EUR 16 million (17).

Financial reporting

Time of publication of 2024 reports:

OP Corporate Bank's Report by the Board of Directors and Financial Statements for 2024	Week 11
OP Corporate Bank's Corporate Governance Statement 2024	Week 11

Schedule for Financial Statements Bulletin 2024 and Interim Reports and Half-year Financial Report in 2025:

Financial Statements Bulletin 1 January–31 December 2024	6 February 2025
Interim Report 1 January–31 March 2025	7 May 2025
Half-year Financial Report 1 January–30 June 2025	30 July 2025
Interim Report 1 January–30 September 2025	28 October 2025

Helsinki, 31 October 2024

OP Corporate Bank plc
Board of Directors

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