

OP Corporate Bank plc's Financial Statements for 1 January–31 December 2020

- **Consolidated earnings** before tax rose to EUR 529 million (412). Net insurance income increased by 38% to EUR 555 million (402) and net interest income by 10% to EUR 325 million (295). Transferring the rest of the management of the statutory earnings-related pension insurance to Ilmarinen Mutual Pension Insurance Company at the end of 2020 lowered the Group's and the Insurance segment's pension costs by EUR 85 million. Excluding the effect of the pension liability transfer, total expenses increased by 1% to EUR 641 million. The consolidated earnings were decreased by a fall of 41% in investment income to EUR 228 million (384).
- **Corporate Banking** earnings before tax increased by 15% to EUR 301 million (262). Net investment income increased by 22% to EUR 140 million (115) and net interest income by 3% to EUR 395 million (383). Corporate Banking earnings were weakened by an increase in expenses to EUR 231 million (220). Impairment loss on receivables totalled EUR 53 million (51). The loan portfolio grew in the year to December by 1% to EUR 24.0 billion (23.7).
- **Insurance** earnings before tax rose by 44% to EUR 288 million (200). Net insurance income increased by 38% to EUR 556 million (402). The reduction in the discount rate for insurance liability increased non-life insurance claims incurred by EUR 45 million (136). Investment income fell by 69% to EUR 75 million (242). The operating combined ratio improved to 87.8% (92.7).
- **Other Operations** earnings before tax were EUR –58 million (–50). Liquidity remained good despite the Covid-19 crisis.
- **The Group's** CET1 ratio was 15.1% (14.9).

Earnings before tax, € million	Q1–4/2020	Q1–4/2019	Change, %
Corporate Banking	301	262	14.5
Insurance	288	200	44.3
Other Operations	–58	–50	–
Group total	529	412	28.5
Return on equity (ROE), %	9.2	7.8	1.4*
Return on assets (ROA), %	0.55	0.49	0.06*
	31 Dec 2020	31 Dec 2019	Change, %
CET1 ratio, %	15.1	14.9	0.1*
Loan portfolio, € million	24,485	23,829	2.8
Deposits, € million	13,300	11,103	19.8
Ratio of non-performing receivables to loan and guarantee portfolio, %	1.1	0.5	0.5*
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.20	0.19	0.01*

Comparatives deriving from the income statement are based on figures reported for the corresponding periods a year ago. Unless otherwise specified, balance-sheet and other cross-sectional figures on 31 December 2019 are

used as comparatives.

*Change in ratio

Outlook for 2021

The number of Covid-19 infections increased in most countries over the autumn. As a result of this, the economic recovery that started last summer faltered somewhat. Towards the end of the year, the effects of the pandemic on the economy began to ease off, mainly affecting the service sector. Economic recovery will continue as the pandemic will continue to subside. In financial markets, expectations are positive. Policy actions by central banks are expected to calm down markets and keep interest rates low.

The Covid-19 pandemic will continue to cause uncertainty over the economic outlook. A sudden worsening of the pandemic would affect OP Corporate Bank in three ways: economic uncertainty and uncertainty in the financial and capital market would increase, a rise in financial difficulties among customers would increase credit risk and decrease the demand for services, and a worsening disease situation could make it more difficult for OP Financial Group to run its operations efficiently.

The most significant uncertainties affecting earnings performance due to the Covid-19 crisis relate to changes in the interest rate and investment environment and to the developments in impairment losses. In addition, future earnings performance will be affected by the market growth rate, change in the competitive situation and the effect of large claims on claims expenditure.

Full-year earnings estimates for 2021 will only be provided at the OP Financial Group level, in its financial statements bulletin and interim reports.

All 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 Group and its various functions, and actual results may differ materially from those expressed in the forward-looking statements.

Time of publication of 2020 reports:

OP Corporate Bank's Report by the Board of Directors and Financial Statements for 2020

Week 10, 2021

OP Corporate Bank's Corporate Governance Statement 2020

Week 10, 2021

Schedule for Interim Reports and Half-year Financial Report in 2021:

Interim Report Q1/2021

28 April 2021

Half-year Financial Report H1/2021

28 July 2021

Interim Report Q1-3/2021

27 October 2021

Helsinki, 10 February 2021

OP Corporate Bank plc
Board of Directors