

OP Corporate Bank plc's Interim Report for 1 January – 30 September 2020

- **Consolidated** earnings before tax were EUR 319 million (331). Net insurance income increased by 16% to EUR 463 million (399) and net interest income by 16% to EUR 244 million (211). Impairment loss on receivables, EUR 65 million, increased by EUR 54 million year on year. Investment income fell by 22% to EUR 137 million (176). The Group's total income decreased by 2% to EUR 838 million (854), but including the overlay approach, income increased by 7% to EUR 860 million (806).
- **Corporate Banking** earnings before tax decreased by 3% to EUR 194 million (201). Net investment income increased by 46% to EUR 104 million (71) and net interest income by 6% to EUR 298 million (281). Corporate Banking earnings were weakened by an increase of EUR 55 million in impairment loss to EUR 66 million (11). The loan portfolio grew in the year to September by 4% to EUR 24.6 billion (23.7).
- **Insurance** earnings before tax rose by 2% to EUR 169 million (166). Net insurance income increased by 16% to EUR 463 million (399). Investment income fell by 74% to EUR 21 million (80). The operating combined ratio was 86.0% (91.8).
- **Other Operations** earnings before tax were EUR –43 million (–36). Liquidity remained good despite the COVID-19 crisis.
- The Group's CET1 ratio was 14.6% (14.9).

Earnings before tax, € million	Q1– 3/2020	Q1–3/2019	Change, %	Q1–4/2019
Corporate Banking	194	201	-3.4	262
Insurance	169	166	2.1	200
Other Operations	-43	-36	-	-50
Group total	319	331	-3.7	412
Return on equity (ROE), %	7.6	8.4	-0.8*	7.8
Return on assets (ROA), %	0.45	0.52	-0.07*	0.49
	30 Sep 2020	30 Sep 2019	Change, %	31 Dec 2019
CET1 ratio, %	14.6	14.1	0.5*	14.9
Loan portfolio, € billion	24.6	23.7	3.5	23.7
Deposits, € billion	14.2	10.3	38.2	11.1
Ratio of non-performing receivables to loan and guarantee portfolio, %	1.0	0.5	0.4*	0.5
Ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.32	0.06	0.27*	0.19

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 towards the year end

During the third quarter, the world economy began to recover from the collapse experienced in spring. However, the recovery was uneven with GDP clearly below last year's level almost everywhere in the world. In autumn, the number of COVID-19 infections rebounded but so far the consequences have been less severe than in spring. The financial market has remained calm, partly due to major support from central banks. Interest rates are exceptionally low throughout.

A gradual recovery of the economy is expected to continue if the COVID-19 pandemic remains reasonably under control. However, the outlook is still uncertain both in the domestic and the export market. 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.

In 2020, full-year earnings estimates 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 Financial Statements Bulletin 2020 and Interim Reports and Half-year Financial Report in 2021:

Financial Statements Bulletin 2020

10 February 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, 22 October 2020

OP Corporate Bank plc
Board of Directors