Creditreform Bank Rating
OP Corporate Bank Plc

Long-Term Issuer Rating: A
Outlook: stable

Short-Term Rating: L2

Preferred Sen. Unsec. Debt: A
Non-Preferred Sen. Unsec. Debt: A-
Tier 2 Capital: BBB
AT1 Capital: -

20 May 2022

Rating Action:

Creditreform Rating confirms OP Corporate Bank's long-term issuer rating at 'A' (Outlook: stable)

Creditreform Rating (CRA) has confirmed OP Corporate Bank's long-term issuer rating at 'A' and the short-term rating at 'L2'. The rating outlook is stable.
At the same time, we confirm OP Corporate Bank's 'preferred senior unsecured' debt instruments at 'A', 'non-preferred senior unsecured' debt instruments at 'A-' and Tier 2 capital at 'BBB'.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Key Rating Driver

CRA has confirmed the ratings of OP Corporate Bank and its bank capital and debt instruments as a result of its periodic monitoring process for the following reasons:

- OPF's and OPC's satisfactory profitability
- Good asset quality
- Very good capitalization, which will however deteriorate in the future for technical reasons due to the implementation of an RWA floor
- Structural simplification along with mergers of the cooperative banks should streamline operations and make the Group as a whole more resilient

Company Overview

OP Corporate Bank Plc (Group) (hereafter: OPC or the bank) is the major entity and part of OP Financial Group (hereafter: OPF or the Group). OPF is a cooperative financial service Group formed by independent cooperative banks and the Group's central cooperative (central institution) with its subsidiaries operating under the principle of joint and several liability. For this reason, we emphasize and take into account the role of OP Financial Group in the rating of OPC in the form of an institutional support assessment. The Bank's and the Group's headquarters are located in Helsinki and its roots date back to the year 1902. The amalgamation of OPF is the second-largest financial conglomerate in Finland (in terms of total assets), with a market share of 39% in mortgage loans, 35% in overall loans and 38% in deposits in Finland. OPF consists of 121 member cooperative banks as of December 2021 and their central cooperative, OP Cooperative, with its subsidiaries and affiliates.

OP Financial Group comprises banking and insurance business activities in its three main business segments: Retail Banking (Private Banking and SME Customers), Corporate Banking (Banking Corporate and Institutional Customers), and Insurance. OPC primarily represents OPF's corporate banking segment. In addition, OPC acts as the Group's treasury and wholesale funding division.

In 2021, the Group has implemented measures to simplify its structure. Among other measures, OPC's baltic subsidiaries merged into their parent company. At the same time, OPC implemented a partial demerger insofar that its non-life insurance business was transferred to OP cooperative. As such, OPC does not constitute a reporting group under IFRS any longer and will henceforth publish financial statements under OPC and not under OPC Bank Group. Hence, comparability can only be guaranteed for the years of 2021 and 2020.

Rating Considerations and Rationale

OP Corporate Bank's credit rating confirmation was primarily driven by the Group's satisfactory profitability, the good asset quality and the very good capitalization. Regulatory capital ratios will however suffer in the near future with the implementation of the RWA floor, with projected decrease across the board of three percentage points.

Creditreform Rating AG follows a "structural approach" in the presentation of P&L and balance sheet data. The P&L and balance sheet are presented according to a standardized framework; key figures and absolute values may therefore differ from the bank's presentation, but serve to improve the analysis and comparability between all banks rated by Creditreform Rating.

Profitability

OPC and OPF were both able to increase the net profit year-over-year (YOY) due to a variety of effects. A sizeable portion of the increase was achieved through partaking in the ECB's TLTRO III-program, which netted €103mn YOY. Likewise, Net fees and commissions were up by €103mn YOY with no particular driver, while net insurance income (including life insurance) rose robustly amid higher income and less expense. Net trading and securities income counteracted this, where assets held for trading declined starkly vs the previous year predominantly through fair valuation of derivatives. In the end, operating income increased markedly vs the previous year by over 15% or well over €550m. At OPC, operating income increased by well over a quarter.

Conversely, operating expense rose primarily through a higher personnel expense. Both wages and salaries as well as variable remuneration increased markedly.

With a much more pronounced increase of operating income, the pre-impairment operating income increased by well over a quarter compared to 2020 on Group level and over a fifth at OPC.

Still elevated in comparison to pre-Covid years, cost of risk decreased markedly from 2020, the difference mainly stemming from lower expected credit losses for customers.

In total, a net profit of €904mn was recorded on Group level, and €215mn at OPC level.

As a result, income ratios improved across the board. The important metric of the cost/income ratio (CIR) improved significantly at Group level to just under 65%. Although this is only an average figure compared with other major banking groups, it is significantly lower than in previous

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years. After many below-average years, another key figure, the return on equity, improved significantly to 6.4%. Overall, almost all the earnings ratios analyzed are now in the average range, which represents a significant improvement compared with previous years.

The Group has warned however that it is unlikely to repeat the good result of 2021, citing uncertainties regarding the Covid-19 pandemic and the recent bout of inflation, on top of the ongoing war in Ukraine with as-of-yet unquantifiable ramifications. The Q1 figures so far seem to confirm this statement, with pre-tax profit down by almost a quarter compared to the prior-year quarter, including higher risk costs and low investment income.

Asset Situation and Asset Quality

The OPF's total assets again increased significantly in 2021. The increase of just under €14 billion (+8.7%) was mainly due to the rise in the items cash and balances with central banks (+€11 billion, +50%) and net loans to customers (+3.3 billion, +3.5%). At OPC, assets also increased mainly in the area of cash and cash equivalents.

As in previous years, asset quality is generally above average. It should be noted that the NPL ratio remains low, although it has increased slightly in keeping with the trend of recent years, and that the elevated ratio of potential problem loans (Stage 2 loans) continues to increase. The RWA ratio remains low, but will increase sharply with the implementation of the RWA floor. Ceteris paribus, an increase to a value of around 45% would be expected. Similarly, OPC will likewise experience a strong increase in RWA given the implementation of the floor. The asset quality however is generally very sound, with very low values for NPL and cost of risk. It is to be noted, however, that the vast majority of housing loans have variable interest rates, which might prove problematic in a quickly rising interest rate regime. However, house prices have not as drastically increased as in other Nordic countries, and gross-debt-to-income ratios are well below other Nordic peers as well.

Refinancing, Capital Quality and Liquidity

The capital quality and liquidity situation of the Group remains excellent, while at the same time the regulatory capital position will deteriorate with the RWA floor for technical reasons. However, the common equity tier 1 ratio would still be more than five percentage points above the minimum requirement, c.p. Likewise, the balance sheet equity ratio and the leverage ratio remain at a very high level and offer no grounds for concern. Both the LCR and NSFR remain well above the respective minimum requirements. Both OPC's regulatory and balance sheet capital ratios are lower than OPF's, but provide sufficient buffers. The decision to introduce an RWA floor will reduce the CET1 ratio to only 12%, which is fully sufficient given the minimum requirement of 7%.

Environmental, Social and Governance (ESG) Score Card

OP Financial Group has one significant and two moderate ESG rating driver

Corporate Governance is identified as a significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive due to OPF's sustainable economic track record, the cooperative values and the widespread ESG policies.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral due to relatively low amount of ESG linked-loans and green bonds, Corporate Behaviour is rated positive due the sustainable owner-customer structure and the exemplary conduct in accordance with the law without any significant legal disputes.

ESG Bank Score
3,9 / 5

Score Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
< = 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
Environmental	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
Environmental	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)
Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
Social	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
Governance	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
Governance	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

Outlook

The outlook of OP Corporate Bank's Long-Term Issuer Rating is stable. In the medium term, CRA expects profitability to deteriorate, but at the same time asset quality is expected to remain good, and capital quality unchanged despite the technically induced reduction in regulatory capital ratios. In addition, the looming interest rate environment transition offers earnings opportunities. In addition, we assume that there is no significant deterioration in the business situation as a result of the Covid-19 pandemic, the inflation situation and no significant repercussions due to Finland's desired accession to NATO.

Scenario Analysis

Best-case scenario: A+

Worst-case scenario: BBB

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

In a scenario analysis, the bank is able to reach an 'A+' rating in the "best case" scenario and a 'BBB' rating in the "worst case" scenario. The ratings of bank capital and senior unsecured debt would behave similarly based on our rating mechanism. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

The long-term issuer rating of OP Corporate Bank and its bank capital and debt instruments might be upgraded if the earnings situation improves sustainably and the impact of the RWA floor can be mitigated or the equity situation can be further improved.

In contrast, Creditreform Rating would consider downgrading the Long-Term Issuer Rating as well as the Bank Capital and Debt Instrument ratings if the Covid-19 pandemic, inflation, or the Ukraine war had a sustained significant negative impact on the bank. These effects could, for example, take the form of higher default rates and thus poorer asset quality, and could impact earnings indirectly through a deterioration in corporate profits and directly through increased costs of risk.

CRA's rating actions at a glance

OP Corporate Bank Plc:

- Long-Term Issuer Rating confirmed at 'A', stable outlook
- Short-term rating comfirmed at 'L2'
- Preferred senior unsecured debt confirmed at 'A'
- Non-preferred senior unsecured debt confirmed at 'A-'
- Tier 2 capital confirmed at 'BBB'

Ratings Detail

Bank ratings

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

LT Issuer / Outlook / Short-Term **A / stable / L2**

Bank Capital and Debt Instruments Ratings

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred senior unsecured debt (PSU):	**A**
Non-preferred senior unsecured debt (NPS):	**A-**
Tier 2 (T2):	**BBB**
Additional Tier 1 (AT1):	**-**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initial Rating	04.12.2018	A+ / stable / L2
Rating Update	17.09.2019	A+ / stable / L2
Monitoring	24.03.2020	A+ / NEW / L2
Rating Update	31.08.2020	A / stable / L2
Rating Update	03.09.2021	A / stable / L2
Rating Update	20.05.2022	A / stable / L2
Bank Capital and Debt Instruments	**Rating Date**	**Result**
Senior Unsecured / T2 (Initial)	04.12.2018	A+ / A-
PSU / NPS / T2	17.09.2019	A+ / A / A-
PSU / NPS / T2	24.03.2020	A+ / A / A- (NEW)
PSU / NPS / T2	31.08.2020	A / A- / BBB+
PSU / NPS / T2	03.09.2021	A / A- / BBB
PSU / NPS / T2	20.05.2022	A / A- / BBB

Appendix

Figure 2: Income statement of OPC[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2021	%	2020	2019	2018
Income					
Net Interest Income	417	+29,1	323	294	274
Net Fee & Commission Income	31	+34,8	23	-28	-23
Net Insurance Income	-	-	-	374	520
Net Trading & Fair Value Income	161	+13,4	142	373	203
Equity Accounted Results	-	-	-	1	1
Dividends from Equity Instruments	3	-50,0	6	32	30
Other Income	50	+72,4	29	54	60
Operating Income	**662**	**+26,6**	**523**	**1.100**	**1.065**
Expense					
Depreciation and Amortisation	13	-7,1	14	63	83
Personnel Expense	72	+16,1	62	184	159
Tech & Communications Expense	94	+6,8	88	10	10
Marketing and Promotion Expense	2	+0,0	2	13	13
Other Provisions	-	-	-	-	-
Other Expense	140	+84,2	76	368	348
Operating Expense	**321**	**+32,6**	**242**	**638**	**613**
Operating Profit & Impairment					
Operating Profit	**341**	**+21,4**	**281**	**462**	**452**
Cost of Risk / Impairment	74	+39,6	53	51	13
Net Income					
Non-Recurring Income	-	-	-	-	-
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	**267**	**+17,1**	**228**	**411**	**439**
Income Tax Expense	52	+13,0	46	79	87
Discontinued Operations	-	-	-	-	-
Net Profit	**215**	**+18,1**	**182**	**332**	**352**
Attributable to minority interest (non-controlling interest)	-	-	-	5	7
Attributable to owners of the parent	-	-	-	328	346

Figure 3: Key earnings figures of OPC | Source: eValueRate / CRA

Income Ratios (%)	2021	%	2020	2019	2018
Cost Income Ratio (CIR)	48,49	+2,22	46,27	58,00	57,56
Cost Income Ratio ex. Trading (CIRex)	64,07	+0,55	63,52	87,76	71,11
Return on Assets (ROA)	0,23	-0,00	0,23	0,48	0,53
Return on Equity (ROE)	5,00	+0,48	4,53	7,59	8,49
Return on Assets before Taxes (ROAbT)	0,28	-0,00	0,29	0,59	0,66
Return on Equity before Taxes (ROEbT)	6,22	+0,54	5,67	9,40	10,59
Return on Risk-Weighted Assets (RORWA)	0,81	+0,14	0,67	1,25	1,41
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,00	+0,16	0,84	1,54	1,76
Net Financial Margin (NFM)	0,62	+0,03	0,59	1,00	0,75
Pre-Impairment Operating Profit / Assets	0,36	+0,01	0,35	0,67	0,68
Cost of Funds (COF)	0,21	+0,01	0,20	0,18	0,20
Change in %Points					

[1] Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets of OPC| Source: eValueRate / CRA

Assets (EUR m)	2021	%	2020	2019	2018
Cash and Balances with Central Banks	32.789	+50,7	21.764	11.914	12.239
Net Loans to Banks	13.419	+19,3	11.248	9.126	9.726
Net Loans to Customers	26.236	+7,3	24.461	23.829	22.351
Total Securities	17.373	+17,3	14.810	16.692	15.929
Total Derivative Assets	3.712	-30,6	5.352	4.875	3.663
Other Financial Assets	-	-	1.024	59	32
Financial Assets	**93.529**	**+18,9**	**78.659**	**66.495**	**63.940**
Equity Accounted Investments	-	-	-	84	72
Other Investments	-	-	-	339	320
Insurance Assets	-	-	-	438	465
Non-current Assets & Discontinued Ops	-	-	-	-	-
Tangible and Intangible Assets	17	-39,3	28	823	839
Tax Assets	-	-	27	51	66
Total Other Assets	1.274	+16,3	1.095	896	1.023
Total Assets	**94.820**	**+18,8**	**79.809**	**69.126**	**66.725**

Figure 5: Development of asset quality of OPC | Source: eValueRate / CRA

Asset Ratios (%)	2021	%	2020	2019	2018
Net Loans/ Assets	27,67	-2,98	30,65	34,47	33,50
Risk-weighted Assets/ Assets	28,02	-5,97	34,00	38,55	37,46
NPLs*/ Net Loans to Customers	1,80	-0,40	2,20	1,61	1,61
NPLs*/ Risk-weighted Assets	1,91	+0,08	1,83	1,44	1,44
Potential Problem Loans**/ Net Loans to Customers	4,97	-0,39	5,37	7,11	6,89
Reserves/ NPLs*	62,20	+5,87	56,34	76,30	71,67
Reserves/ Net Loans	1,20	+0,06	1,14	1,23	1,15
Cost of Risk/ Net Loans	0,28	+0,07	0,22	0,21	0,06
Cost of Risk/ Risk-weighted Assets	0,28	+0,08	0,20	0,19	0,05
Cost of Risk/ Total Assets	0,08	+0,01	0,07	0,07	0,02
Change in %Points					

* NPLs are represented by Stage 3 Loans where available.
** Potential Problem Loans are Stage 2 Loans where available.

Figure 6: Development of refinancing and capital adequacy of OPC | Source: eValueRate / CRA

Liabilities (EUR m)	2021	%	2020	2019	2018
Total Deposits from Banks	42.660	+47,7	28.888	15.334	14.874
Total Deposits from Customers	18.357	+11,9	16.403	11.103	11.531
Total Debt	24.624	+1,6	24.240	24.200	21.820
Derivative Liabilities	2.669	-37,5	4.273	3.882	3.287
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	-	-	-	4.400	5.592
Total Financial Liabilities	**88.310**	**+19,7**	**73.804**	**58.919**	**57.104**
Insurance Liabilities	-	-	-	3.304	3.215
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	339	+2,7	330	452	421
Provisions	26	-21,2	33	20	12
Total Other Liabilities	1.849	+14,0	1.622	2.057	1.826
Total Liabilities	**90.524**	**+19,4**	**75.789**	**64.752**	**62.578**
Total Equity	**4.296**	**+6,9**	**4.020**	**4.374**	**4.147**
Total Liabilities and Equity	**94.820**	**+18,8**	**79.809**	**69.126**	**66.725**

Figure 7: Development of capital and liquidity ratios of OPC | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2021	%	2020	2019	2018
Total Equity/ Total Assets	4,53	-0,51	5,04	6,33	6,22
Leverage Ratio	-	-	-	-	-
Common Equity Tier 1 Ratio (CET1)*	15,40	+1,30	14,10	14,90	15,10
Tier 1 Ratio (CET1 + AT1)*	15,40	+1,10	14,30	14,90	15,10
Total Capital Ratio (CET1 + AT1 + T2)*	20,40	+0,20	20,20	18,10	19,10
SREP/ CET1 Minimum Capital Requirements	7,00	-	-	-	15,00
MREL / TLAC Ratio	-	-	-	43,00	35,00
Net Loans/ Deposits (LTD)	142,92	-6,20	149,13	214,62	193,83
Net Stable Funding Ratio (NSFR)	-	-	-	112,00	111,00
Liquidity Coverage Ratio (LCR)	-	-	-	141,00	143,00
Change in % Points					

* Fully-loaded where available

Figure 8: Income statement of OPF | Source: eValueRate / CRA

Income Statement (EUR m)	2021	%	2020	2019	2018
Income					
Net Interest Income	1.407	+9,4	1.286	1.250	1.180
Net Fee & Commission Income	1.034	+11,1	931	936	887
Net Insurance Income	849	> +100	310	7	477
Net Trading & Fair Value Income	118	-75,2	476	915	250
Equity Accounted Results	-	-	-	3	41
Dividends from Equity Instruments	82	-	-	-	-
Other Income	98	> +100	33	64	71
Operating Income	**3.588**	**+18,2**	**3.036**	**3.175**	**2.906**
Expense					
Depreciation and Amortisation	282	+3,3	273	277	325
Personnel Expense	914	+12,7	811	781	802
Tech & Communications Expense	396	-8,1	431	390	390
Marketing and Promotion Expense	31	+3,3	30	39	37
Other Provisions	-	-	-	-	-
Other Expense	706	+4,6	675	771	649
Operating Expense	**2.329**	**+4,9**	**2.220**	**2.258**	**2.203**
Operating Profit & Impairment					
Operating Profit	**1.259**	**+54,3**	**816**	**917**	**703**
Cost of Risk / Impairment	158	-29,8	225	87	46
Net Income					
Non-Recurring Income	27	-86,1	194	8	302
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	**1.128**	**+43,7**	**785**	**838**	**959**
Income Tax Expense	224	+55,6	144	168	212
Discontinued Operations	-	-	-	-	-
Net Profit	**904**	**+41,0**	**641**	**670**	**747**
Attributable to minority interest (non-controlling interest)	4	-	-	6	8
Attributable to owners of the parent	900	+40,4	641	663	739

Figure 9: Key earnings figures of OPF | Source: eValueRate / CRA

Income Ratios (%)	2021	%	2020	2019	2018
Cost Income Ratio (CIR)	64,91	-8,21	73,12	71,12	75,81
Cost Income Ratio ex. Trading (CIRex)	67,12	-19,60	86,72	99,91	82,94
Return on Assets (ROA)	0,52	+0,12	0,40	0,46	0,53
Return on Equity (ROE)	6,37	+1,48	4,89	5,33	6,36
Return on Assets before Taxes (ROAbT)	0,65	+0,16	0,49	0,57	0,68
Return on Equity before Taxes (ROEbT)	7,95	+1,97	5,99	6,67	8,17
Return on Risk-Weighted Assets (RORWA)	1,38	+0,30	1,07	1,21	1,43
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,72	+0,40	1,31	1,51	1,84
Net Financial Margin (NFM)	0,98	-0,25	1,23	1,65	1,14
Pre-Impairment Operating Profit / Assets	0,72	+0,21	0,51	0,62	0,50
Cost of Funds (COF)	0,03	-0,02	0,05	0,05	0,08

Change in %-Points

Figure 10: Development of assets of OPF | Source: eValueRate / CRA

Assets (EUR m)	2021	%	2020	2019	2018
Cash and Balances with Central Banks	32.846	+50,5	21.827	11.988	12.350
Net Loans to Banks	541	+76,8	306	246	183
Net Loans to Customers	96.947	+3,5	93.644	91.463	87.030
Total Securities	22.008	-3,4	22.776	22.575	21.832
Total Derivative Assets	3.467	-33,5	5.216	4.824	3.581
Other Financial Assets	50	-	-	-	-
Financial Assets	**155.859**	**+8,4**	**143.769**	**131.096**	**124.976**
Equity Accounted Investments	163	+0,0	163	220	237
Other Investments	724	+16,2	623	714	979
Insurance Assets	13.499	+14,7	11.770	11.300	10.357
Non-current Assets & Discontinued Ops	8	-	-	314	-
Tangible and Intangible Assets	1.658	-14,7	1.944	1.929	2.227
Tax Assets	142	-24,5	188	234	232
Total Other Assets	2.057	+17,5	1.750	1.217	1.286
Total Assets	**174.110**	**+8,7**	**160.207**	**147.024**	**140.294**

Figure 11: Development of asset quality of OPF | Source: eValueRate / CRA

Asset Ratios (%)	2021	%	2020	2019	2018
Net Loans/ Assets	55,68	-2,77	58,45	62,21	62,03
Risk-weighted Assets/ Assets	37,75	+0,48	37,28	37,72	37,15
NPLs*/ Net Loans to Customers	2,68	+0,16	2,53	1,41	1,41
NPLs*/ Risk-weighted Assets	3,96	-0,00	3,96	2,33	2,36
Potential Problem Loans**/ Net Loans to Customers	9,20	+0,60	8,60	9,45	9,79
Reserves/ NPLs*	27,47	-0,52	27,99	42,88	42,65
Reserves/ Net Loans	0,74	+0,03	0,71	0,61	0,60
Cost of Risk/ Net Loans	0,16	-0,08	0,24	0,10	0,05
Cost of Risk/ Risk-weighted Assets	0,24	-0,14	0,38	0,16	0,09
Cost of Risk/ Total Assets	0,09	-0,05	0,14	0,06	0,03
Change in %-Points					

* NPLs are represented by Stage 3 Loans where available.
** Potential Problem Loans are Stage 2 Loans where available.

Figure 12: Development of refinancing and capital adequacy of OPF | Source: eValueRate / CRA

Liabilities (EUR m)	2021	%	2020	2019	2018
Total Deposits from Banks	16.571	> +100	8.086	2.632	4.807
Total Deposits from Customers	75.612	+6,6	70.940	63.998	61.327
Total Debt	36.877	-0,2	36.967	35.659	31.816
Derivative Liabilities	2.267	-33,8	3.423	3.316	2.992
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	2.367	-4,6	2.482	4.291	4.785
Total Financial Liabilities	**133.694**	**+9,7**	**121.898**	**109.896**	**105.727**
Insurance Liabilities	22.212	+6,9	20.770	20.410	19.348
Non-current Liabilities & Discontinued Ops	8	-	-	6	-
Tax Liabilities	1.109	+3,7	1.069	1.050	921
Provisions	28	-12,5	32	33	21
Total Other Liabilities	2.875	-13,6	3.326	3.059	2.536
Total Liabilities	**159.926**	**+8,7**	**147.095**	**134.454**	**128.553**
Total Equity	**14.184**	**+8,2**	**13.112**	**12.570**	**11.741**
Total Liabilities and Equity	**174.110**	**+8,7**	**160.207**	**147.024**	**140.294**

Figure 13: Development of capital and liquidity ratios of OPF | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2021	%	2020	2019	2018
Total Equity/ Total Assets	8,15	-0,04	8,18	8,55	8,37
Leverage Ratio	7,40	-0,40	7,80	8,30	8,60
Common Equity Tier 1 Ratio (CET1)*	18,20	-0,70	18,90	19,50	20,50
Tier 1 Ratio (CET1 + AT1)*	18,20	-0,70	18,90	19,50	20,50
Total Capital Ratio (CET1 + AT1 + T2)*	20,20	-1,40	21,60	21,00	22,40
SREP/ CET1 Minimum Capital Requirements	-	-	-	-	-
MREL / TLAC Ratio	25,80	-14,20	40,00	43,00	-
Net Loans/ Deposits (LTD)	128,22	-3,79	132,00	142,92	141,91
Net Stable Funding Ratio (NSFR)	130,00	+7,00	123,00	112,00	111,00
Liquidity Coverage Ratio (LCR)	212,00	+15,00	197,00	141,00	143,00
Change in %Points					

* Fully-loaded where available

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following scheme clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the rating methodology for bank ratings (v3.1), the methodology for the rating of bank capital and unsecured debt instruments (v2.1), the methodology for the rating of Institutional Protection Scheme Banks (v1.0) as well as the rating methodology for Environmental, Social and Governance Score for Banks (v1.0) in conjunction with Creditreform's basic document Rating Criteria and Definitions (v1.3).

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions (v1.3) are published on our homepage:

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On 20 May 2022, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to OP Corporate Bank Plc, and the preliminary rating report was made available to the bank. There was no change in the rating score.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

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To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate

2. Annual Report and interim reports

3. Investors relations information and other publications

4. Website of the rated bank

5. Public and internal market analyses

6. Internet research

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Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

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The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

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