

Pohjola Insurance Ltd

October 6, 2025

This report does not constitute a rating action.

Credit Highlights

The 'A+' ratings on Pohjola Insurance Ltd. (Pohjola) reflect our view of its role as a core subsidiary of OP Financial Group. In our view, Pohjola remains integral to OP Financial Group's bancassurance strategy, contributing to meaningful profit generation. In 2024, the overall non-life and life insurance segments contributed a significant €578 million in operating profits, representing more than 20% of total group profit in the year, while first-half 2025 profits were reported at €185 million.

That said, we expect the Finnish resolution authority would exclude insurance activities from a bail-in resolution process if the group were to approach non-viability and, as such, we do not believe that Pohjola would benefit from the banking group's additional loss-absorbing capacity in a resolution scenario. Therefore, we equalize our long-term ratings on the subsidiary with our 'a+' assessment of OP Financial Group's group stand-alone credit profile (SACP).

In our view, Pohjola benefits from a strong market share in the domestic market. In the Finnish non-life segment, Pohjola enjoys a long-standing market-leading position, with market share of about 33% in 2024. In this segment, the group recorded premium growth of 3.7% for 2024 and 5.1% for the first six months of 2025, owing mostly to increased premiums to offset added cost pressure from claims inflation, similarly seen across the market. The reported non-life insurance combined ratio improved to 92.4% at half-year 2025 compared to the prior-year period, reported at 100.4%, primarily driven by a reduction in weather-related claims and the benefits of implemented pricing adjustments. Consequently, operating profit from the non-life segment increased to €145 million as of June 30, 2025, compared to €131 million for the same period in 2024.

In the life insurance segment, OP Financial Group's other insurance subsidiary, OP Life Assurance, reported an operating profit of €37 million as of June 30, 2025, a significant decrease from €131 million in the previous year. This decline was primarily attributable to weaker investment income, which decreased to €33 million from €92 million in 2024. Capital-light unit-linked insurance assets grew by 1% to €14.3 billion and premiums written for term life increased by 4.2% in the first six months of 2025. We continue to note the strong domestic life insurance market share of about 21% of gross written premiums in 2024, which--much like the non-life presence--we believe also supports overall group operations.

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OP Financial Group's life and non-life insurance entities continue to enjoy solid solvency

positions. The non-life solvency ratio stood at 196% at half-year 2025 and the life solvency ratio at 205%, improving marginally from year-end 2024 which saw reported ratios of 194% for non-life and 204% for life. We understand the banking parent intends to hold capital in the insurance subsidiaries at a relatively stable level. Consequently, we continue to believe regular dividends will be paid to the parent. Nonetheless, with maintained solvency ratios above the 170% target levels.

Outlook

Our stable outlook on Pohjola reflects the creditworthiness of OP Financial Group. This is because we regard Pohjola as a core subsidiary of the group, and as such, we believe it would receive support under all foreseeable circumstances if needed.

Downside scenario

We could lower the rating over the next 12-24 months if we revised downward our assessment of OP Financial Group's group SACP. We could also lower the rating if we no longer regarded Pohjola as core to the group. While unlikely at this stage, this could result from a significant weakening of Pohjola's operating performance or group integration, or any indications of OP Financial Group's reduced commitment to Pohjola.

Upside scenario

Although currently unlikely, we could raise the rating over the next 12-24 months if we revised upward our assessment of OP Financial Group's group SACP.

Related Criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), March 2, 2022
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Banking Industry Country Risk Assessment Update: August 2025](#), Aug. 27, 2025
- [Insurance Industry And Country Risk Assessment: Finland Property / Casualty](#), June 27, 2025
- [OP Corporate Bank PLC](#), Aug. 18, 2025

Ratings Detail (as of October 06, 2025)*

Operating Companies Covered By This Report

Pohjola Insurance Ltd

Ratings Detail (as of October 06, 2025)*

Pohjola Insurance Ltd.

Financial Strength Rating

Local Currency A+/Stable/--

Issuer Credit Rating

Local Currency A+/Stable/--

OP Corporate Bank PLC

Issuer Credit Rating

AA-/Stable/A-1+

Resolution Counterparty Rating

AA--/A-1+

Commercial Paper

Local Currency A-1+

Senior Subordinated

A

Senior Unsecured

AA-

Short-Term Debt

A-1+

Subordinated

A-

OP Mortgage Bank

Senior Secured

AAA/Stable

Domicile

Finland

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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