

Debt Investor Presentation Q1/2017

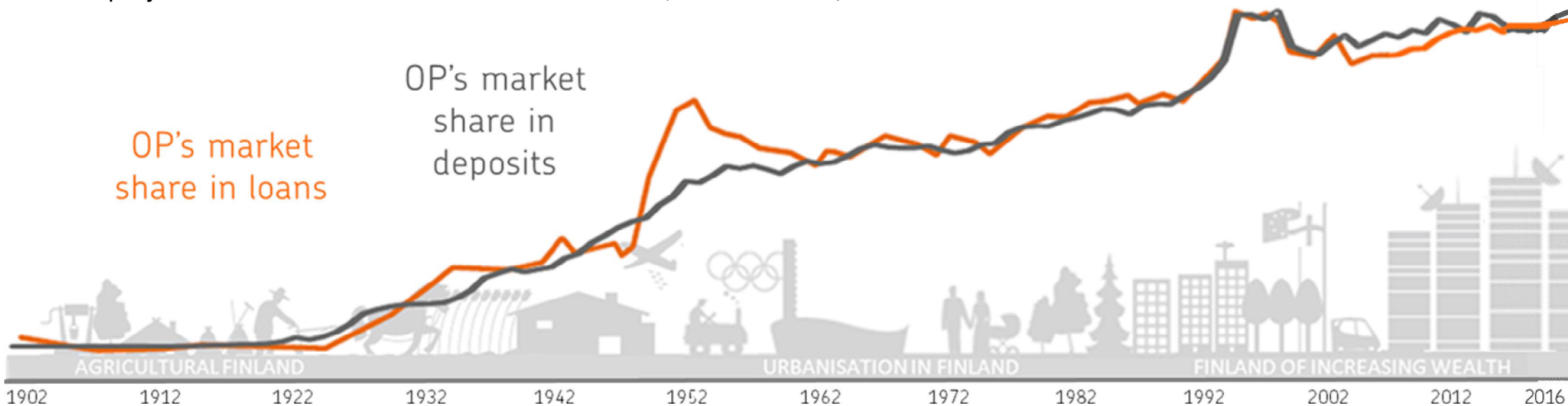
OP Financial Group and issuing entities
OP Corporate Bank plc and OP Mortgage Bank

www.uusi.op.fi (EN) > OP Financial Group > Debt Investors (new website, beta version)
www.pohjola.com > Investor Relations > Debt Investors (current website)

37.5%
35.3%
(YE2016)

OP's market
share in loans

OP's market
share in deposits



Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. All forward-looking statements in this presentation expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future development in the operating environment and the future financial performance of OP Financial Group and its various functions. No assurance can be given that such expectations will prove to have been correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of various factors. OP Financial Group has used sources of information which it considers to be reliable, and the accuracy and reliability of which it has sought to establish to the best of its ability, but it can nevertheless not guarantee their accuracy or reliability.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in the presentations. Our financial reports also describe risks and factors that could affect our future performance and the industry in which we operate. Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial position or results of operations could materially differ from that presented as anticipated, believed, estimated or expected. The views and other information provided are current as of the date of when such information was provided and may be subject to change without notice. OP Financial Group does not undertake and is not under any obligation to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law or applicable stock exchange regulations.

Past performance is no guide to future performance. Persons needing advice should consult an independent financial, legal or tax adviser.

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Leading financial group in Finland

Issuing entities: OP Corporate Bank plc and OP Mortgage Bank

€136 bn

Balance sheet total at end-March 2017

SOLID CAPITAL POSITION

18.8%

CET1 ratio at end-March 2017

FINNISH RISK EXPOSURE

94%

of retail and corporate exposures
in Finland at YE2016

MARKET LEADER IN FINLAND

>37%

Market share
in deposits
2016

>35%

Market share
in loans
2016

>31%

Market share in
non-life insurance
2015

HIGH CREDIT RATINGS

Moody's Aa3
S&P AA-

OP Corporate Bank plc

Moody's Aaa
S&P AAA

OP Mortgage Bank

Highlights in Q1/2017

OP PERFORMED WELL IN ITS FINANCIAL ROLE

€295 mn EBT up by 4%	+7% total income -3% NII	+4% housing loans +4% corporate loans +1% insurance premium revenue +13% AUM	18.8% CET1 ratio down by 1.3 pps in Q1/2017 due to the RW floors set by the ECB	+19,000 new owner- customers totaling to 1.8 mn
	-9% net insurance income +6% net commissions and fees +11% total expenses due to higher development costs			

OP SHOWED ITS SOCIAL ROLE THROUGH VARIOUS INITIATIVES

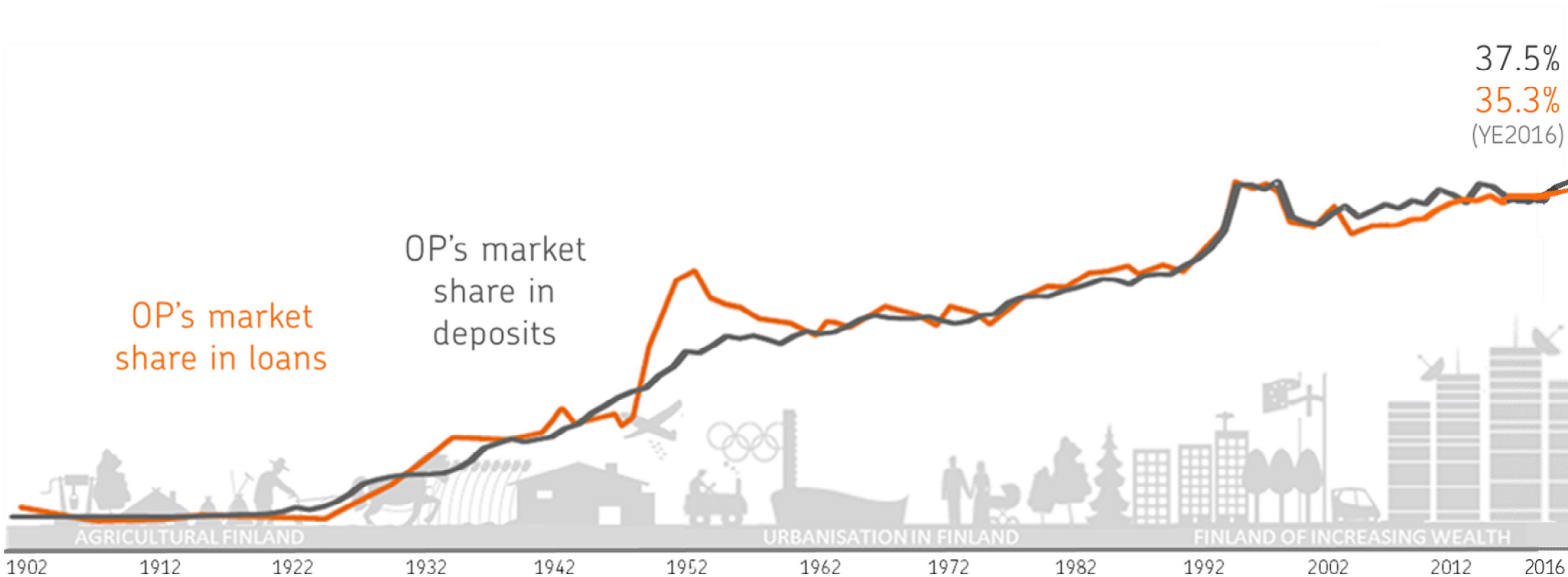
Total of €300 mn financing for SMEs with European Investment Fund giving a 50% risk-sharing guarantee to the loans New financing models supporting future economic growth and employment well-received by SMEs	5 years and 4 months of voluntary work done of the target of 100 person-years in honour of the centenary of Finland's independence	Health and living allowance insurance for an unborn baby for 1 year free of charge value of the benefit already EUR 5.5 million	€1.2 mn subsidies for scientific research from OP's scientific foundations
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OUTLOOK FOR OP AND FINNISH ECONOMY

In 2017,
OP's EBT is expected to be
**about the same as or lower
than those for 2016**

During the next few years,
Finland is expected to benefit from
economic upswing

Source: OP's economists' forecast,
24 January 2017



Finnish economy

Broad-based growth ahead

Forecasts for the Finnish economy

Published on 19 May 2017

Volume, % change on previous year	EUR bn 2016	2015	2016	2017f	2018f
GDP	214,1	0,3	1,4	2,3	2,0
Imports	78,3	3,1	2,5	4,0	3,8
Exports	75,7	2,0	0,5	5,0	5,0
Consumption	170,7	1,1	1,5	0,9	1,1
- Private	118,8	1,5	2,0	1,7	1,5
- Public	51,9	0,1	0,5	-0,5	0,2
Fixed investment	45,8	1,1	5,2	5,0	3,0
Other key indicators		2015	2016	2017f	2018f
Consumer price index, % change y/y		-0,2	0,4	1,2	1,5
Change in wage and salary earnings, %		1,2	1,2	0,8	1,5
Unemployment rate, %		9,4	8,9	8,2	7,7
Current account balance, % of GDP		-0,4	-1,1	-1,0	-0,9
General government net lending, % of GDP		-2,7	-1,9	-1,8	-1,5
General government debt, % of GDP		63,6	63,6	64,0	64,5

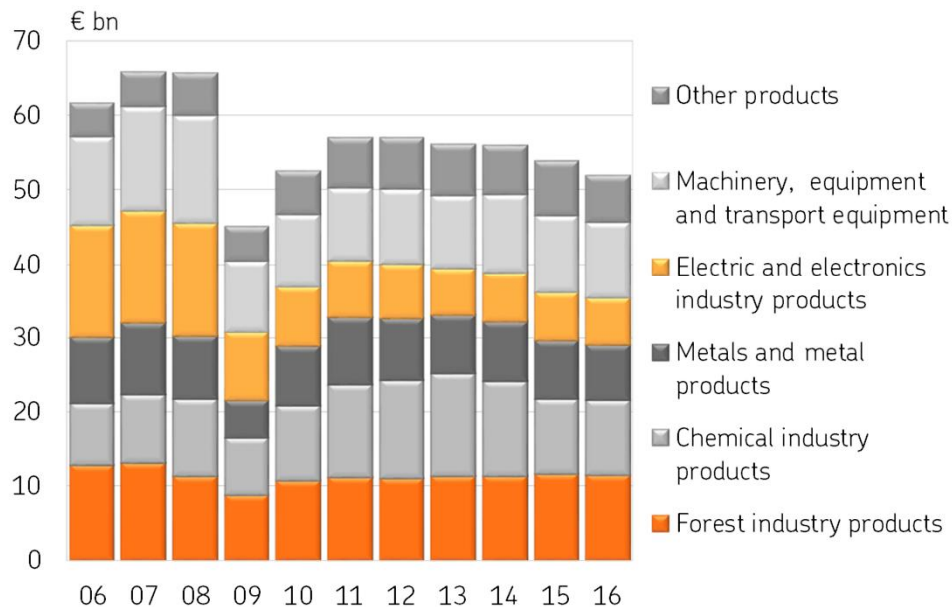
Finland is an exports-driven economy – around 40% of GDP derives from exports

Sources: Statistics Finland and OP Financial Group

Balanced goods exports structure by commodity group

Goods exports by commodity group
2006-16

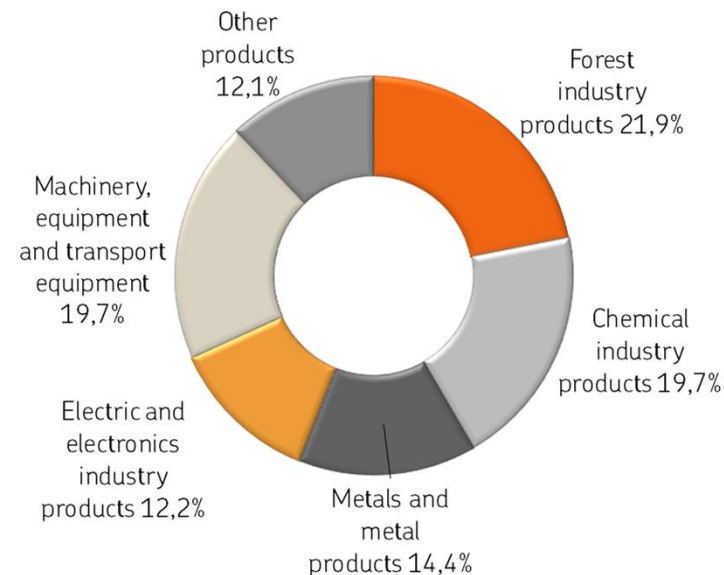
Exports by commodity group



Source: National Board of Customs

Goods exports by commodity group
2016

Goods exports
70% of total
exports



Source: National Board of Customs

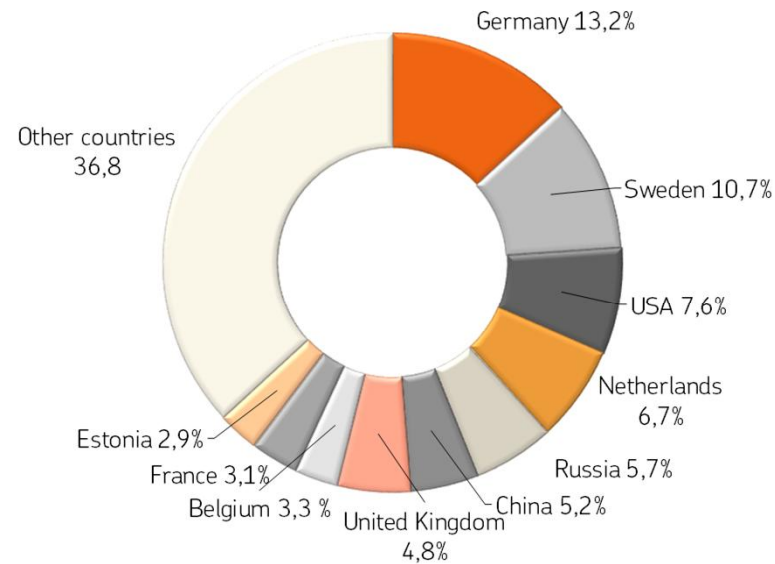
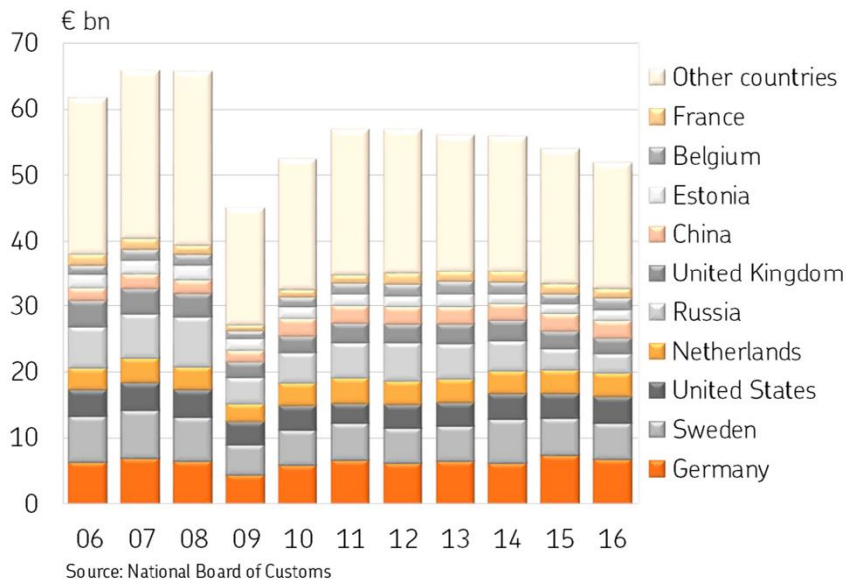
Total exports €51,78 bn

Diversified goods exports structure by country

Finland's largest goods exports countries 2006-16

Goods exports by country in 2016*

Finlands' largest export countries

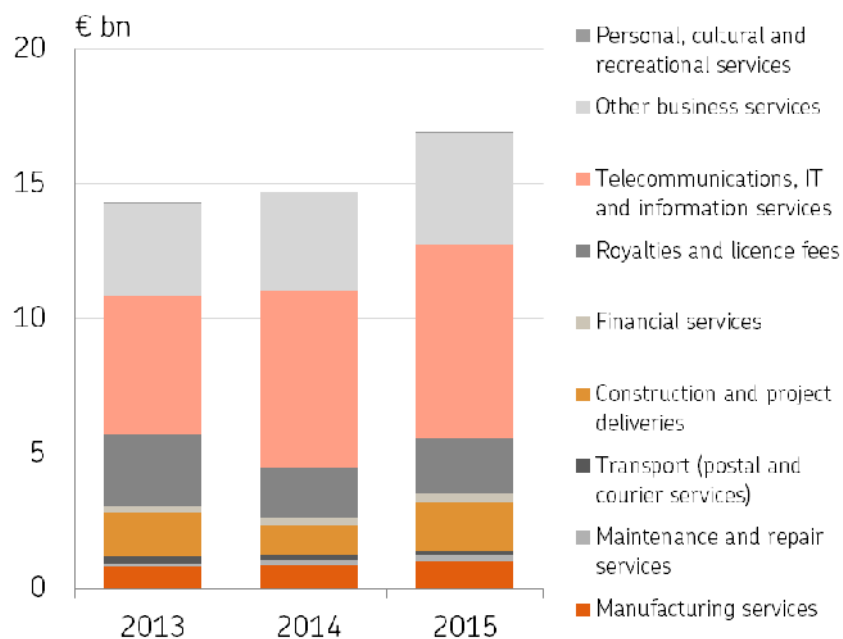


Goods exports to EU member countries' 59.2% and to Euro Area 37.5% in 2016

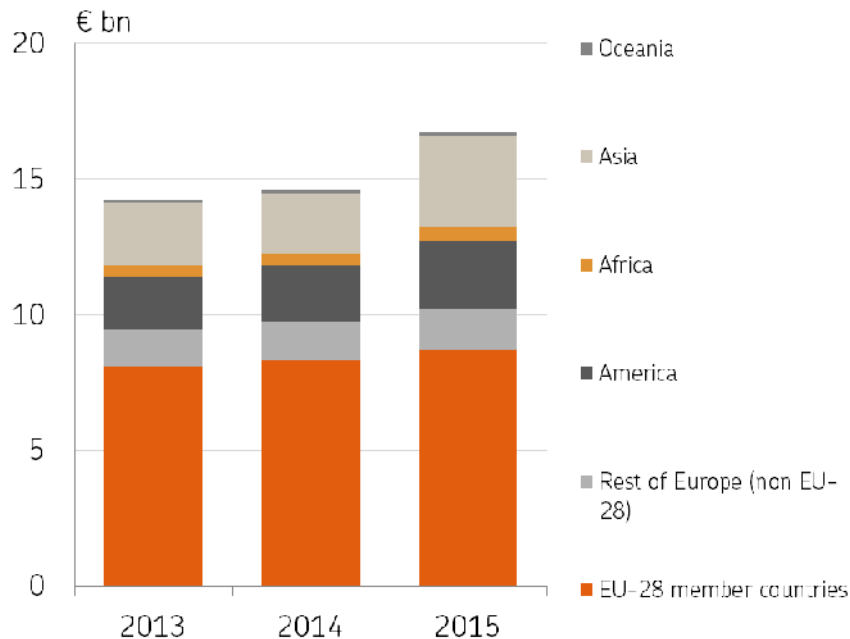
* Other countries: Norway (3.0%), Poland (2.7%), Italy (2.5%), Japan (2.0), Spain (1.9%), Denmark (1.7%), Switzerland (1.5%), Turkey (1.4%), South Korea (1.2%), Latvia (1.0%), India (1.0%) and diversified other countries with a share of less than 1.0%.

Service exports* up by 15% in 2015 to €16.9 bn

Service exports by service item
2013–15



Service exports by region
2013–15



Service exports to EU member countries over 50% and to Europe 60%

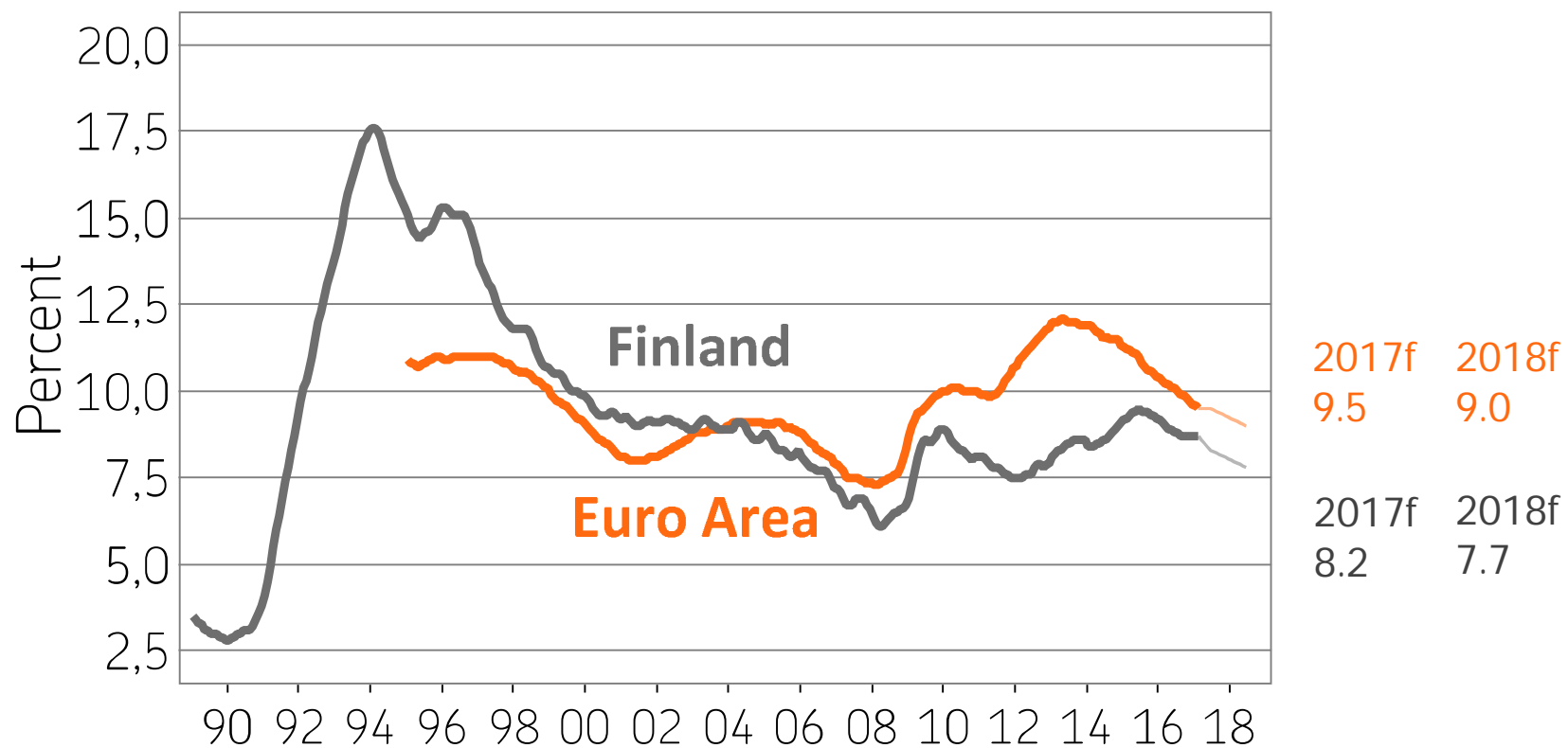
Finland's TOP2 service exports countries:
1. Sweden
2. USA

Source: Statistics Finland, May 2016

Source: Statistics Finland, May 2016

* Service exports statistics exclude tourism services, transportation services, insurance services and indirect financial services

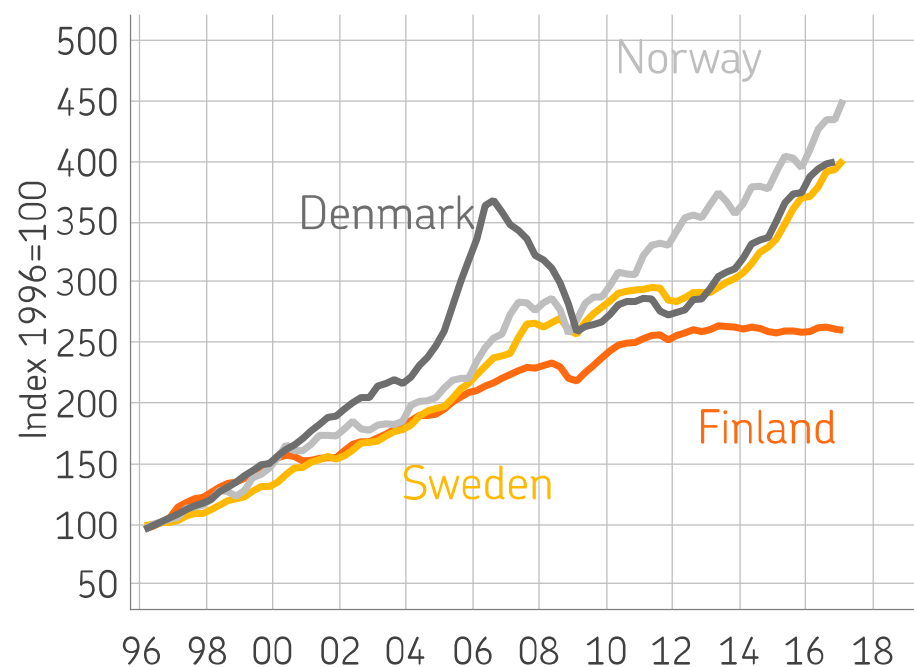
Unemployment rate on downward trend



Source: Macrobond, OP

Average house prices and households' debt

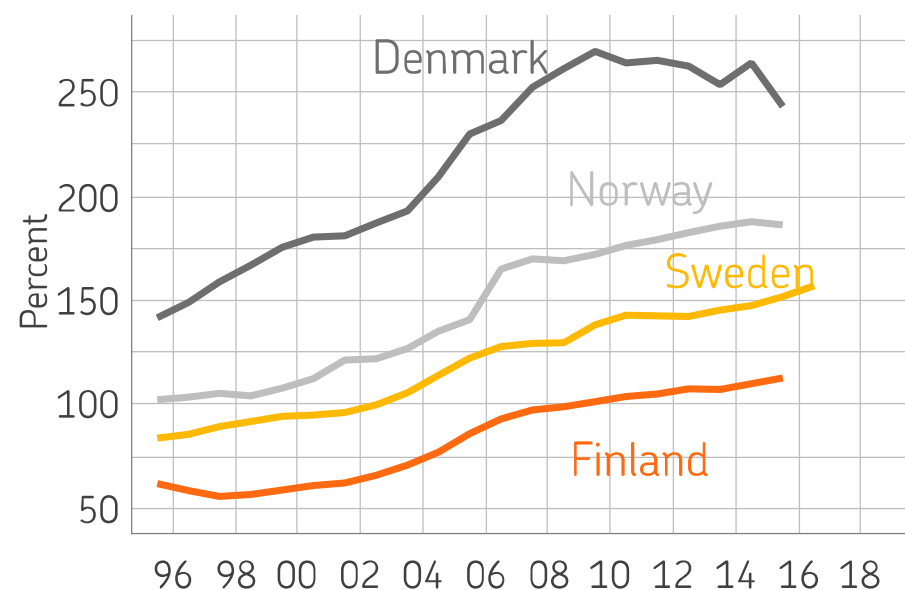
Real Estate Prices in Nordic Countries



Source: Macrobond, OP

Latest values: Q1/2017

Gross Debt-To-Income Ratio of Households



Source: Macrobond, OP

Latest values: 2015, Sweden 2016

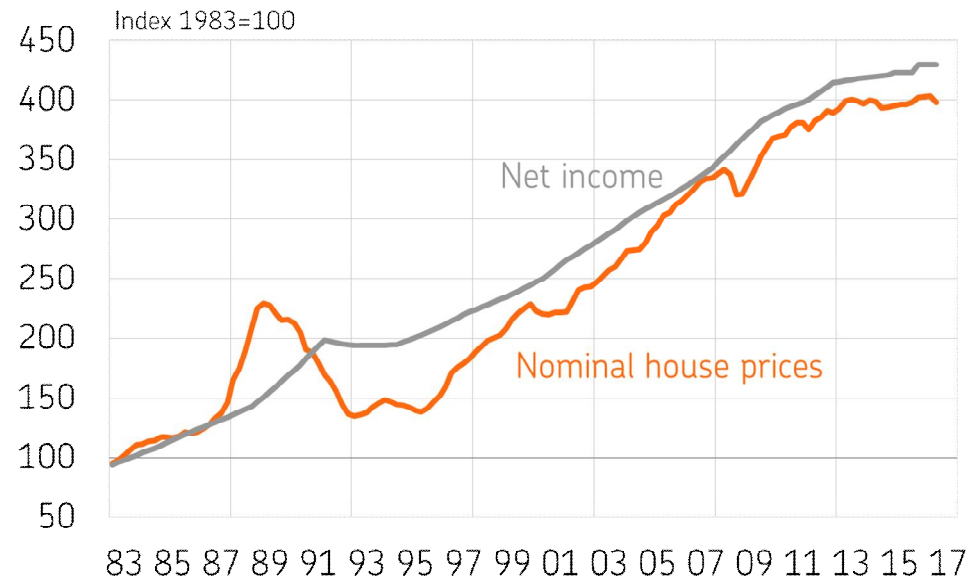
Finnish housing market is stable

Characteristics of Finnish housing market

- Fully-amortizing market
- Average maturity of a new housing loan 19 years in 2016
- 95% of housing loans tied to variable interest rates
 - Stress-tested with 6% interest rate in the maturity of 20 years at OP
- Ownership ratio 68%

Gentle rise in nominal house prices in relation to average net income

Changes in house prices and net income



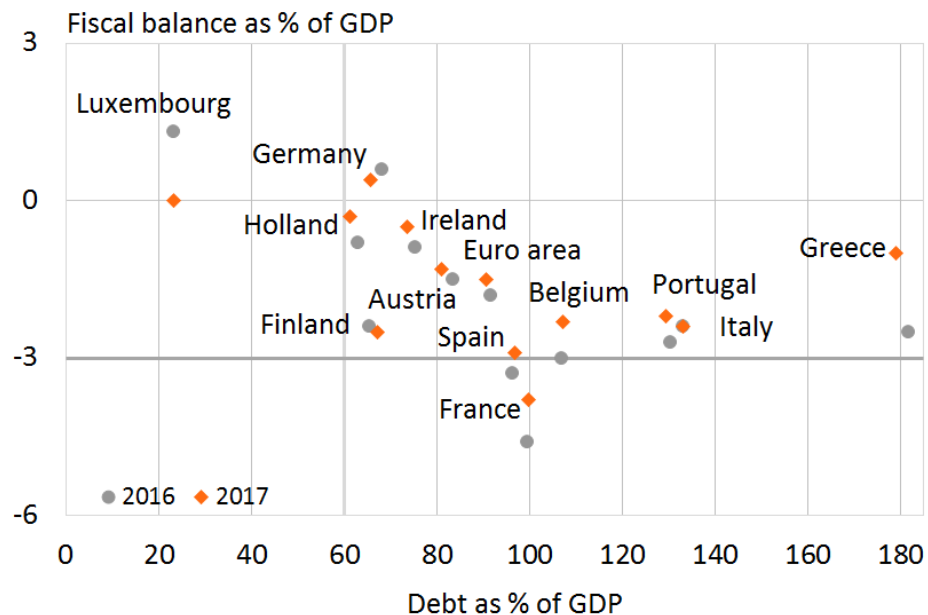
Source: Statistics Finland

As of 20 April 2017

Sources: Statistics Finland and Bank of Finland

Finland is wealthy and balanced economy in European comparison

Fiscal Balance,
Forecasts for 2016 and 2017



Sources: Statistics Finland, European Commission, November 2016

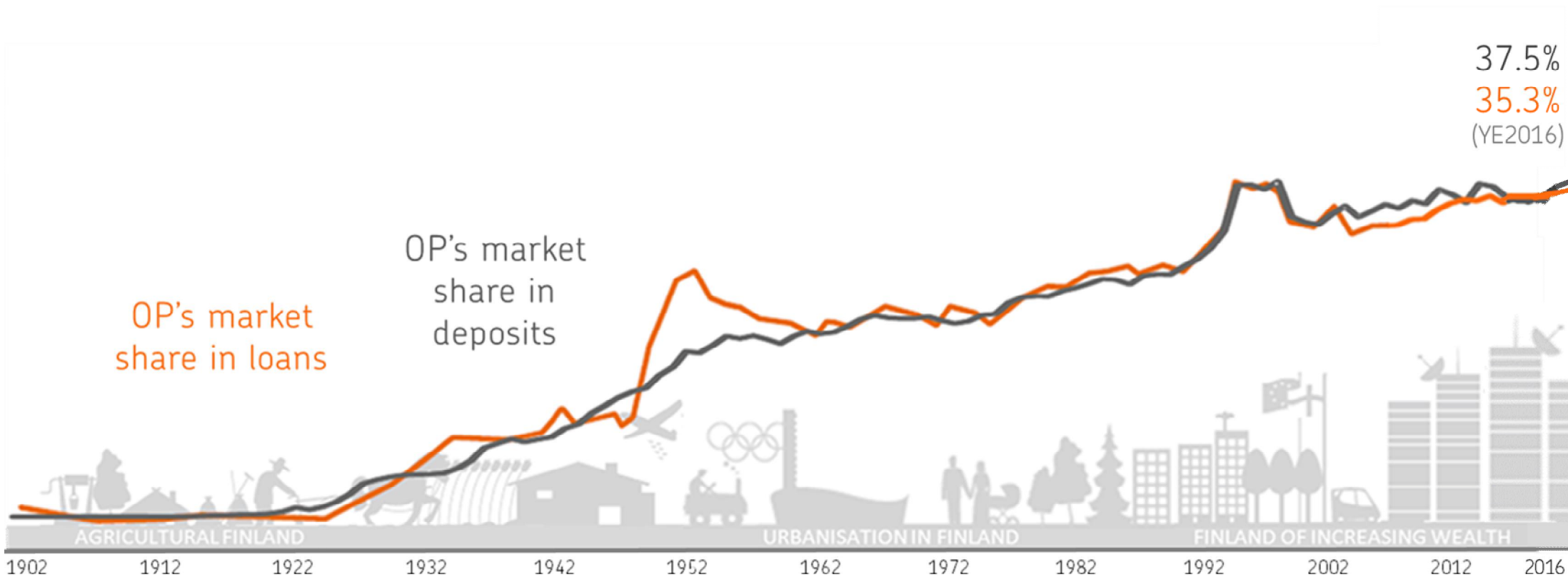
Long-term sovereign credit ratings for Euro area
23 April 2017

	Moody's	S&P	Fitch
Germany	Aaa	AAA	AAA
Luxembourg	Aaa	AAA	AAA
Netherlands	Aaa	AAA	AAA
Austria	Aa1	AA+	AA+
Finland	Aa1	AA+	AA+
France	Aa2	AA	AA
Belgium	Aa3	AA	AA-
Estonia	A1	AA-	A+
Slovakia	A2**	A+	A+
Ireland	A3**	A+	A
Malta	A3	A-	A**
Latvia	A3	A-	A-
Lithuania	A3	A-	A-
Slovenia	Baa3**	A**	A-
Spain	Baa2	BBB+**	BBB+
Italy	Baa2*	BBB-	BBB
Portugal	Ba1	BB+	BB+
Cyprus	B1**	BB+	BB-**
Greece	Caa3	B-	CCC

* Negative outlook

** Positive outlook

Sources: Rating agencies' websites



OP Financial Group



1.8 million owner-customers, of which 90% households

172 OP Financial Group member cooperative banks

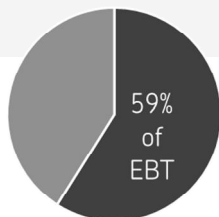
OP COOPERATIVE

Group supervision, steering, finance, risk management, control

BANKING

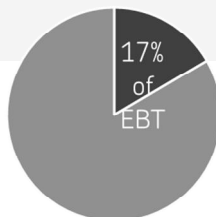
(incl. OP Corporate Bank plc and OP Mortgage Bank)

- Retail banking
- Corporate banking
- Markets
- Baltic States
- Mortgage banking



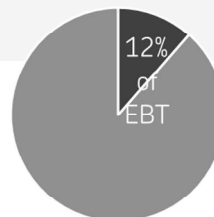
NON-LIFE INSURANCE

- Private customers
- Corporate customers
- Baltic States
- Health & wellbeing



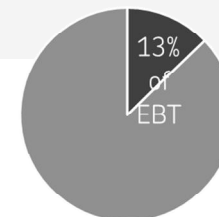
WEALTH MANAGEMENT

- Private banking
- Institutional asset management
- Life insurance
- Mutual fund management



OTHER OPERATIONS

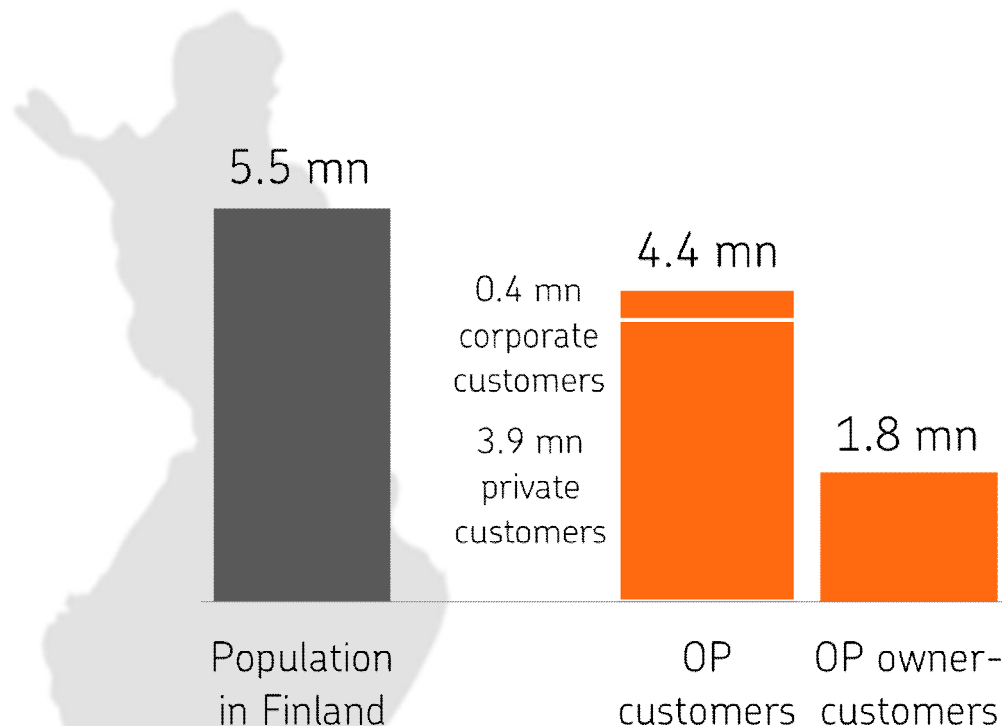
- Group Treasury (incl. Central Bank)
- Product and service development
- Support functions



Joint liability within OP Financial Group

- Under the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010), OP Cooperative and the member credit institutions are jointly liable for each others' debts.
- The member credit institutions include OP Corporate Bank plc, Helsinki Area Cooperative Bank, OP Mortgage Bank, OP Card Company Plc, OP Process Services Ltd and the member cooperative banks. Insurance companies or other group entities do not fall within the scope of joint liability.
 - If a creditor has not received payment from a member credit institution on a due debt, the creditor may demand payment from OP Cooperative.
 - The member credit institutions must pay proportionate shares of the amount OP Cooperative has paid, and upon insolvency of OP Cooperative they have an unlimited liability to pay the debts of OP Cooperative.
 - OP Cooperative and the member credit institutions are under an obligation to take support actions to prevent a member credit institution's liquidation.
- Further information on the joint liability available in the Base Prospectuses of OP Corporate Bank plc and OP Mortgage Bank.

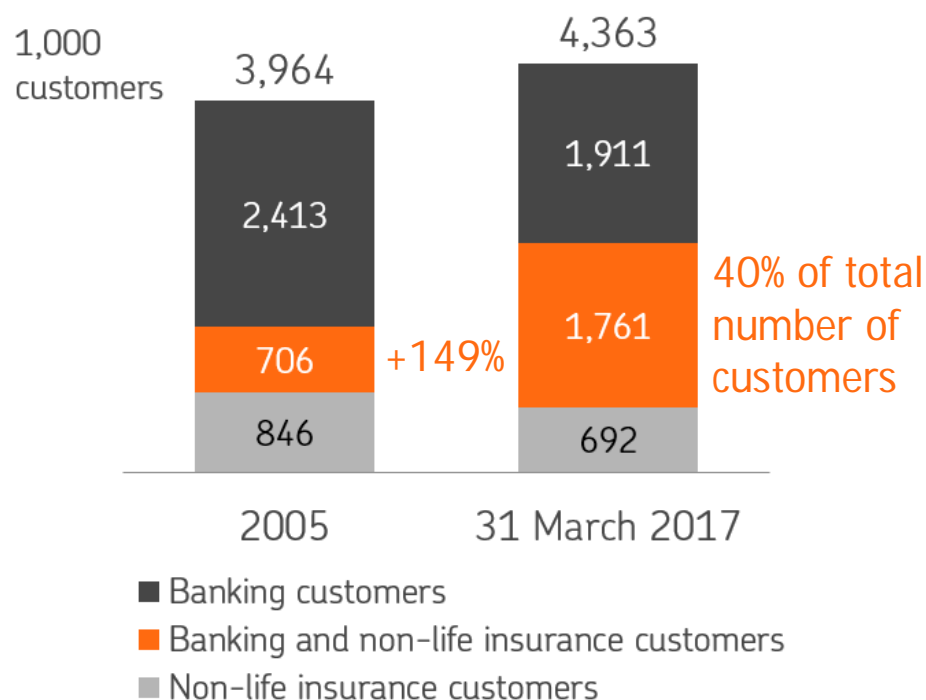
Customer-owned OP widely present among Finnish households and corporates



- ✓ Comprehensive financial services offering
- ✓ Strong and well-known OP brand
- ✓ Best loyalty benefits, OP bonuses
- ✓ Close to customers through the most extensive service network
- ✓ Significant customer potential in cross-selling

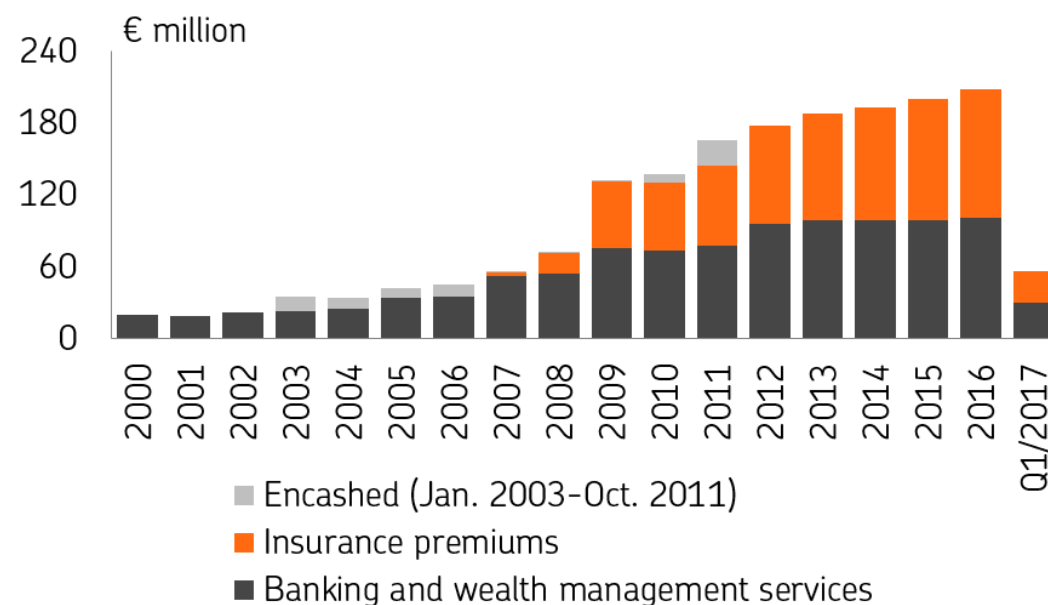
Significant customer potential through successful bancassurance business model

12,000 new combined banking and non-life customerships in Q1/2017



Use of OP bonuses* €57 mn in Q1/2017

574,000 insurance premiums paid using OP bonuses, of which 74,000 insurance premiums paid in full using OP bonuses only



* An owner-customer's loans, savings, investments and insurance premiums generate OP bonuses 0.25% of monthly transactions

OP will change to a diversified services company of the digital era

New strategy (2016) highlights customer experience enhancement by digitising services and processes

OP of tomorrow will be built around the needs of our owner-customers

Mission

By means of our strong capital base and efficiency, we create sustainable prosperity, security and wellbeing for our owner-customers and in our operating region.



Bank



Financial services group



Diversified services company

Development expenditure will rise to €400 million on annual basis

Significant investments of up to €2 bn will be made in developing digital services during 2016-2020.

OP's development expenditure was €315 mn (201) in 2016 and €89 mn (62) in Q1/2017.

Large-scale development programme puts strategy into practice



DEVELOPMENT OF PRESENT-DAY BUSINESS

- Modernising service channels
- Digitising and automating services
- Simplifying product portfolio
- Reforming basic systems and ICT architecture
- Developing owner-customer loyalty programme

CREATING NEW BUSINESS

- Building fully digital businesses
- Developing new, customer-driven business models eg. within housing, mobility and electronic commerce
- Extending health and wellbeing business
- Developing SME service offerings

DEVELOPING NEW CAPABILITIES

- Enhancing competencies, management and corporate culture
- Building capabilities related to analytics and artificial intelligence
- Enhancing innovation

HIGHLIGHTING OUR SOCIAL ROLE

- Well-defined goals and metrics for social role
- Socially responsible openings



For further information on measures already taken, please see page 65

Digitisation requires investments in technology, customer experience and service design

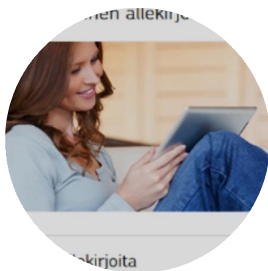
75%

of mutual fund transactions made online or through mobile devices



70%

of private customers' loss reports made online or through mobile devices



95%

of private customer encounters occur in digital channels



OP Mobile App

14.5 mn visits in March 2017
>899,000 users



op.fi internet bank

10 mn visits in March 2017

Pivo Mobile Wallet App

2 mn visits in March 2017

Providing financial services efficiently through local presence and digital channels



172

OP member cooperative banks with

>400

branches all over Finland

OP Mobile App

Fingerprint authentication
Real-time money transfers using phone number
Loan details and extra repayments
Non-life insurance loss reports
Wealth management investment reporting and trading in equities



OP Business Mobile App

for corporate customers' daily banking, invoicing and monitoring receivables



Pivo Mobile Wallet App

Mobile contactless payment
Real-time money transfers using phone number
Pivo payment button at over 2,500 webshops



Pivo Cashier App

for corporate customers' payment transactions and sales



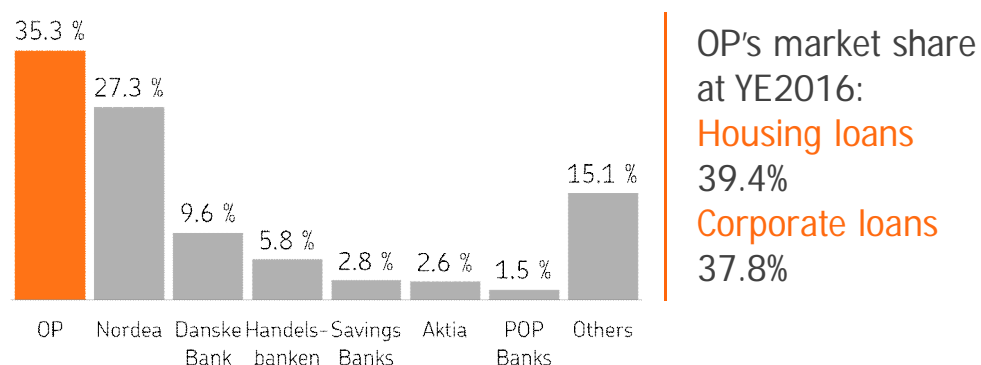
Social media channels
300,000 followers

New op.fi website

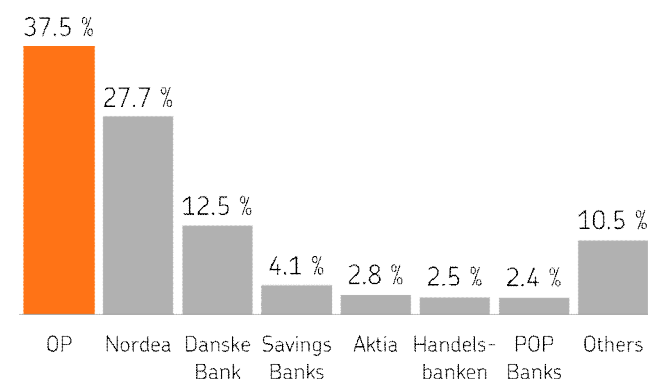
Beta version available at uusi.op.fi (EN)

OP – Leading financial group in Finland

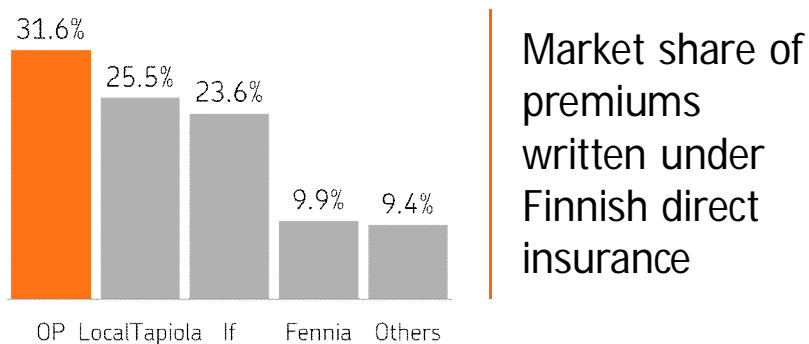
Loans 2016 (Finland: €219 bn)



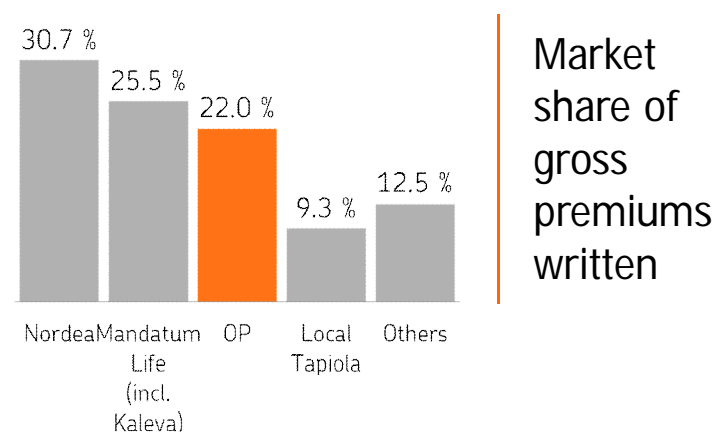
Deposits 2016 (Finland: €147 bn)



Non-life Insurance 2015 (Finland: €4.3 bn)

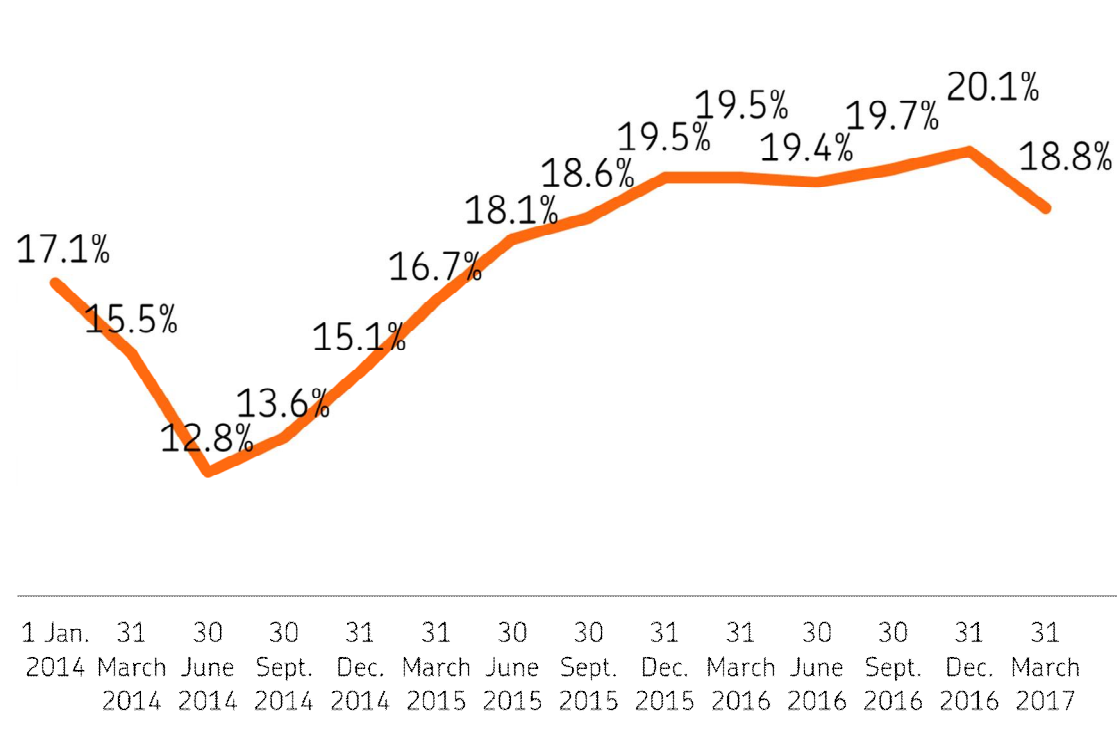


Life Insurance 2016 (Finland: €4.5 bn)



Source: Federation of Finnish Financial Services

CET1 ratio down by 1.3 pps in Q1/2017 due to risk weight floors set by the ECB



TOOLS TO MANAGE CET1 RATIO

Retained earnings

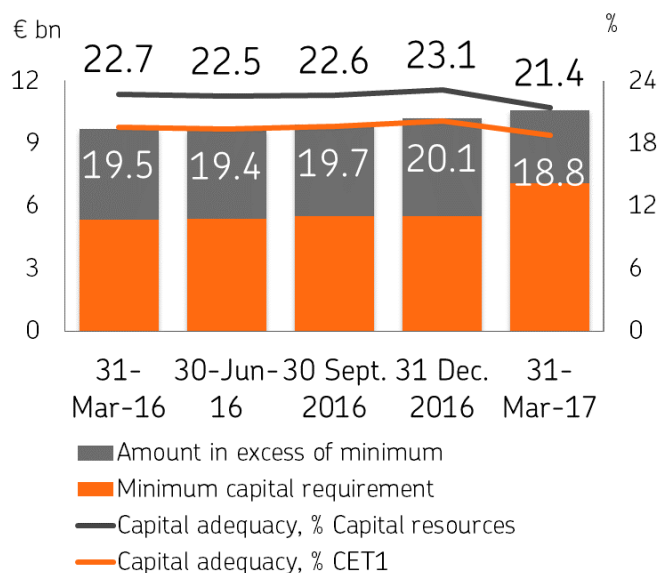
Active management of growth
in risk exposure amount (REA)

Profit shares

- Issued profit shares included in CET1 capital €2.7 bn at end-March 2017

CET1 ratio 18.8% at end-March 2017

Capital resources and capital adequacy



Leverage ratio 7.6% (7.4)

- Minimum level in the draft regulations 3.0%

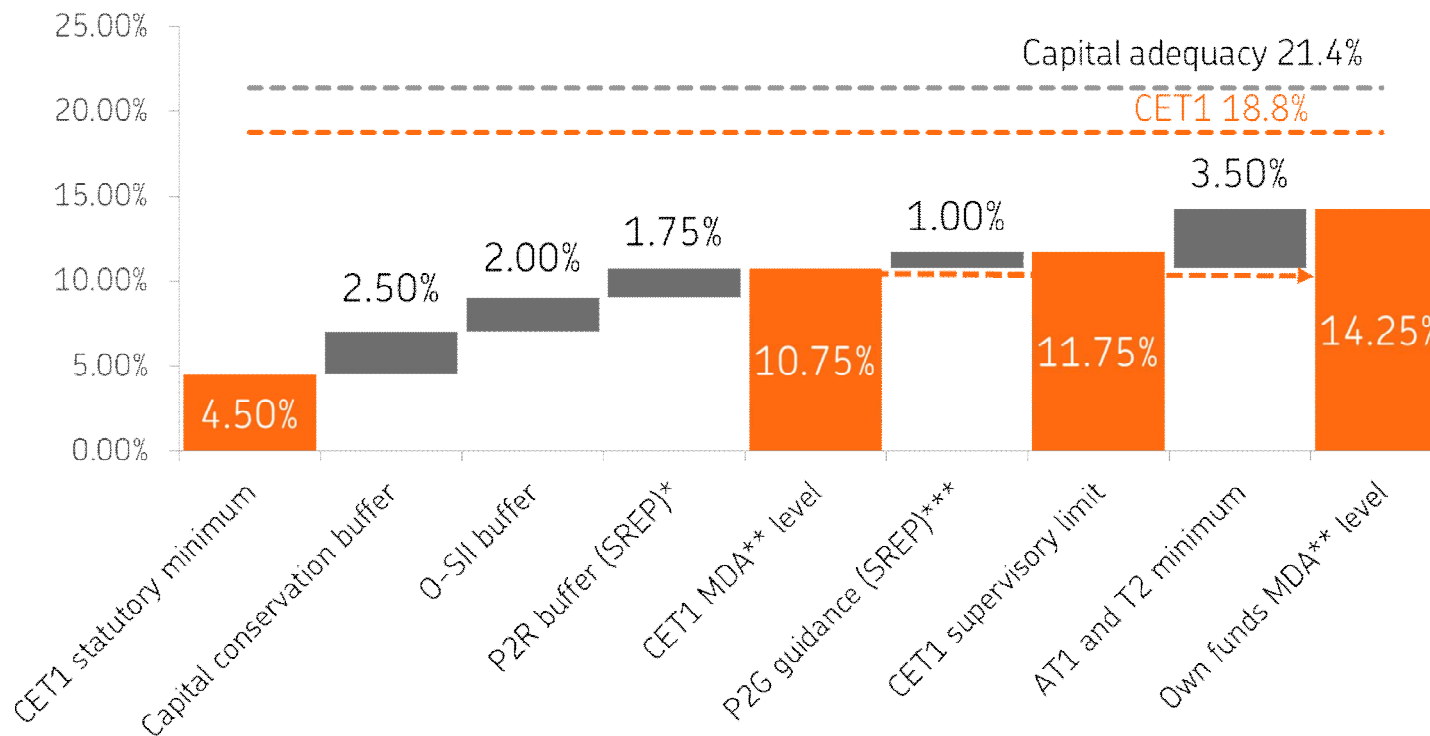
Risk exposure amount (REA) €49.5 bn (44.1), of which €4.4 bn deriving from RW floors set by the ECB

Average risk weight 7.4%* (7.3) for personal customer exposures (AIRB)
 Average risk weight 67.4%* (66.9) for corporate customer exposures (FIRB)

- In February 2017, OP was informed of the ECB's decision to raise OP's risk weights for retail exposures for a fixed period of 18 months. The shortcomings observed by the ECB in the IRBA validation process applied by OP in capital adequacy measurement, especially delayed validations, lie behind this raise. Risk weight floors that increase average retail exposure risk weights are 15.4% for private customer mortgage-backed exposures and 24.9% for SME mortgage-backed exposures. The risk weight floors decreased the CET1 ratio by 1.8 pps.
- In March 2017, the FIN-FSA decided to commence preparations for setting a credit institution-specific minimum level of 15% for the average risk weight on residential mortgage loans of credit institutions that have adopted the IRBA. The aim is to have the minimum risk weight in force as from 1 January 2018, by virtue of Article 458 of the CRR. Minimum RW of 15% on housing loans would lower OP's CET1 ratio by 1.6 pps. The minimum risk weight will have no effect on OP Financial Group's total risk exposure in view of the risk weight floors for retail exposures set by the ECB.

*) Average risk weights exclude RW floors

OP has solid capital adequacy compared to requirements



The Ministry of Finance is drafting the inclusion of the systemic risk buffer in the Act on Credit Institutions. Accordingly, the FIN-FSA could set the systemic risk buffer ranging from 0 to 5%. The buffer would affect OP Financial Group only if it exceeded the O-SII buffer which currently is 2%.

* P2R supervisory Pillar II requirement ** Maximum distributable amount

*** P2G supervisory guidance, breach results enhanced supervisory measures

EBT €295 mn in Q1/2017 (284)

BANKING

EBT, € mn	174 (+21%) Q1/16: 144
Net interest income, € mn	291 (+5%) Q1/16: 278
Net commissions and fees, € mn	166 (+1%) Q1/16: 164
Impairments of receivables, € mn	8 Q1/16: 10
Loan portfolio, € bn	79.5 (+5%) Q1/16: 75.8
Deposits, € bn	54.9 (+3%) Q1/16: 53.6
Operating cost/income ratio, %	52.3 Q1/16: 53.9

NON-LIFE INSURANCE

EBT, € mn	49 (-19%) Q1/16: 61
Insurance premium revenue, € mn	350 (+1%) Q1/16: 347
Net insurance income, € mn	111 (-10%) Q1/16: 123
Net investment income, € mn	39 (+30%) Q1/16: 30
Net return on investments at fair value, € mn	50 Q1/16: -40
Operating combined ratio, %	95.5 Q1/16: 88.6
Operating expense ratio, %	19.7 Q1/16: 18.1
Solvency II ratio*, %	138 YE2016: 127

WEALTH MANAGEMENT

EBT, € mn	34 (-54%) Q1/16: 73
Net commissions and fees, € mn	85 (+0%) Q1/16: 85
Net investment income, € mn	5 (-91%) Q1/16: 42
Net return on Life Insurance investments at fair value, € mn	48 Q1/16: -12
Assets under management, € bn	75.6 (+13%) Q1/16: 67.2
Solvency II ratio* within Life Insurance, %	145 YE2016: 149

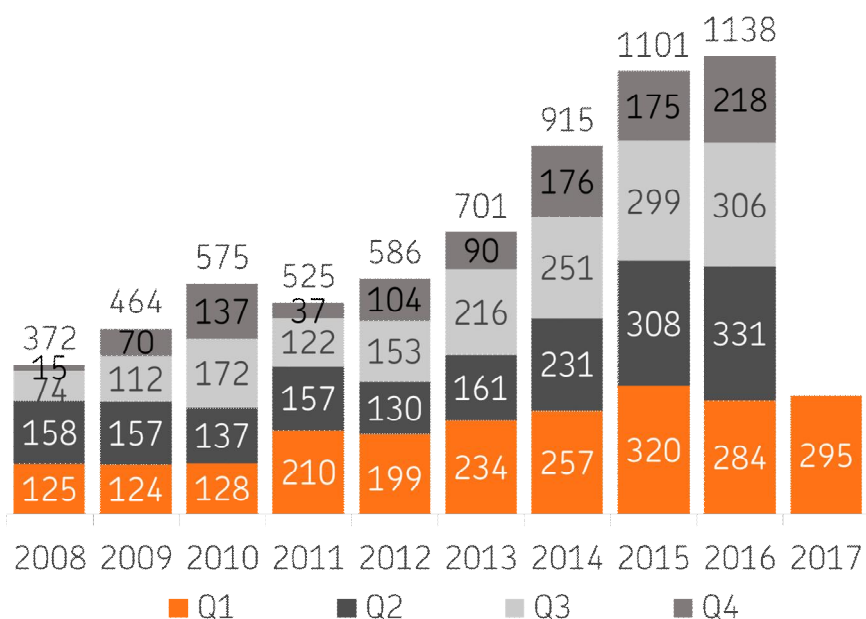
OTHER OPERATIONS

EBT, € mn	38 (+7%) Q1/16: 5
Net interest income, € mn	-25 Q1/16: -7
Net commissions and fees, € mn	-10 Q1/16: -21
Net investment income, € mn	64 (+79%) Q1/16: 36
Long-term bonds issued to the public and TLTRO II funding, € bn	2.0 2016: 5.2
Average margin of senior wholesale funding, TLTRO II funding and covered bonds, bps	29 YE2016: 31

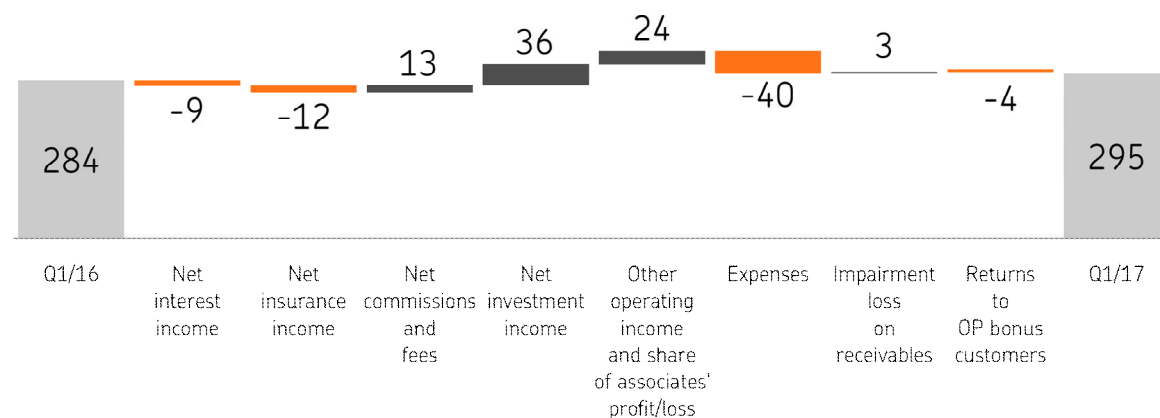
2017 EBT expected to be about the same as or lower than those for 2016

EBT in Q1/2017 improved by net investment income and other operating income

EBT by quarter 2008–17, € mn



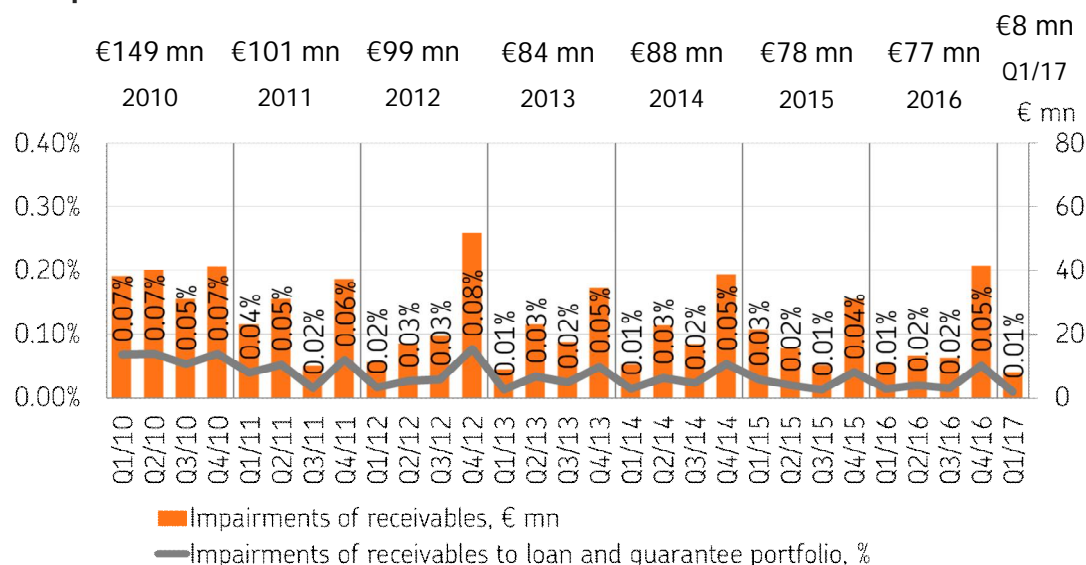
EBT, y-o-y change by P&L line item*
Q1/17 vs. Q1/16, € mn



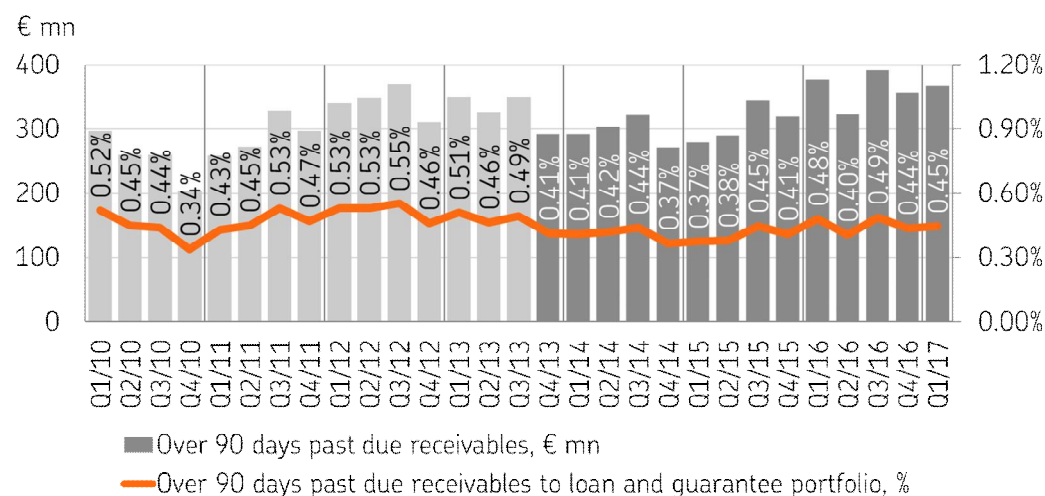
Q1/2017 impairment loss on receivables 0.04% to loan and guarantee portfolio (0.05)

Over 90 days past due receivables (€366 mn at end-March 2017) 0.45% to loan and guarantee portfolio (0.44)

Impairment loss on receivables



Over 90 days past due receivables*



At end-March 2017, ratio of exposures individually assessed for impairment to gross doubtful receivables**
13.9% (14.5 at YE2016)

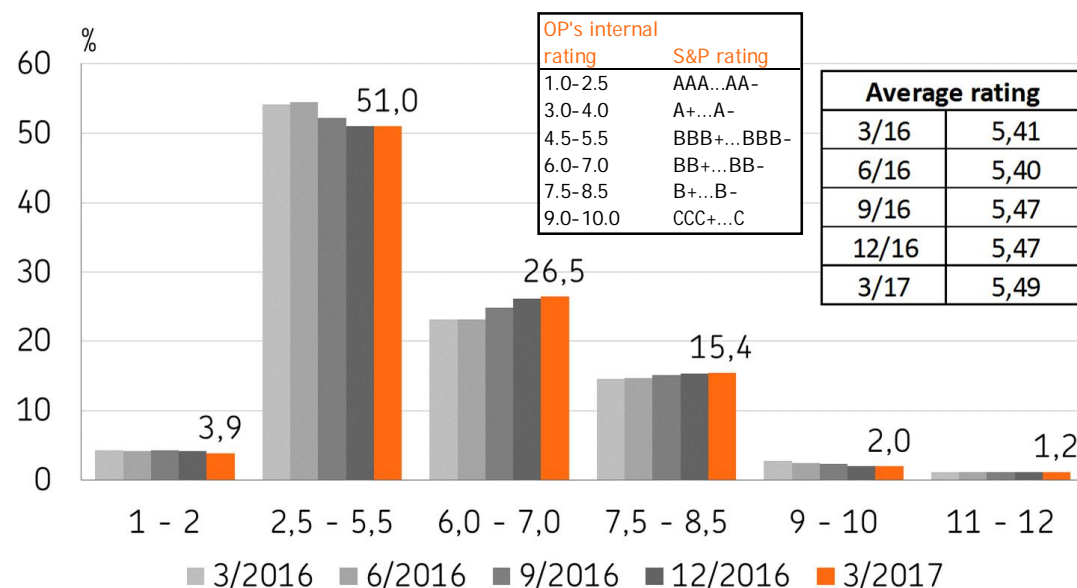
* Until Q3/13 over 90 days past due receivables and zero interest receivables, since Q4/13 over 90 days past due receivables

** Doubtful receivables refer to receivables that are over 90 days past due, receivables unlikely to be paid and forborne receivables. Definitions of non-performing and renegotiated receivables correspond with the EBA's guidelines on forborne and non-performing receivables.

Exposures by credit rating category

IG (1.0-5.5) 55% of the exposure from Non-financial corporations and housing associations sector

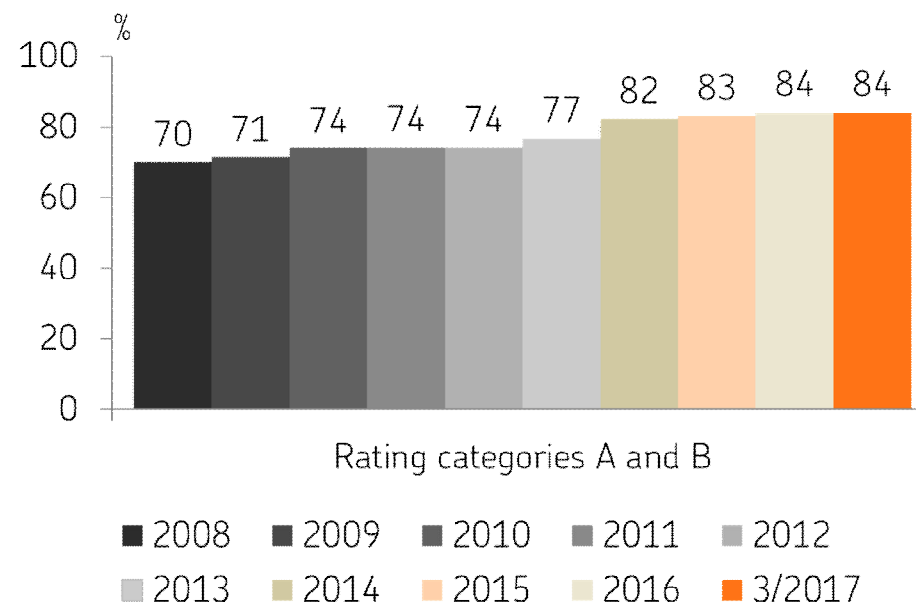
Exposures from the Non-financial Corporations and Housing Associations Sector by credit rating category
(total €43.2 bn at end-March 2017)



Largest single customer risk to capital under FiCo capital adequacy at YE2016

4.0% (5.7)

Private Customer exposures of credit rating categories A and B
(total €48.9 bn at end-March 2017)



At YE2016, average PD of private customer exposures (Pillar III) with a credit rating of A and B a maximum of

0.1% (0.1)

Corporate loan portfolio well diversified by industry

Exposures from the Non-financial corporations and housing associations sector €43.2 bn at end-March 2017



	Dec 31, 2016	Mar 31, 2017
1		
Renting and operating of residential real estate	17,7 %	17,6 %
2		
Renting and operating of other real estate	10,2 %	10,1 %
3		
Wholesale and retail trade	9,1 %	8,9 %
4		
Energy	9,1 %	8,7 %
5		
Construction	7,7 %	8,2 %
6		
Services	7,8 %	8,2 %
7		
Manufacture of machinery and equipment (incl. services)	5,5 %	5,7 %
8		
Transportation and storage	4,1 %	4,4 %
9		
Agriculture, forestry and fishing	3,8 %	4,1 %
10		
Financial and insurance services	4,1 %	4,1 %
11		
Forest industry	2,9 %	2,9 %
12		
Metal industry	2,6 %	2,7 %
13		
Information and communication	2,5 %	2,5 %
14		
Real estate investments	2,5 %	2,5 %
15		
Food industry	2,4 %	2,4 %

Funding based on strong credit ratings

OP aims to maintain senior unsecured rating at AA level affirmed by at least 2 rating agencies or senior unsecured ratings at least at the main competitors' level

	Moody's (Senior unsecured/LT issuer rating)	S&P (LT issuer credit rating)
OP Corporate Bank plc	Aa3	AA-
Svenska Handelsbanken	Aa2	AA-
Nordea Bank	Aa3	AA-*
Swedbank	Aa3	AA-*
SEB	Aa3	A+
DNB	Aa2*	A+
Danske Bank	A1**	A
OP Mortgage Bank***	Aaa	AAA
OP Insurance Ltd****	A3	A+
If****	A1	A+
Finnish government	Aa1	AA+

* Negative outlook

** Positive outlook

*** Covered bond rating

**** Insurance financial strength rating

Updated: 23 April 2017

OP CORPORATE BANK PLC

- Moody's affirmed Aa3 rating with stable outlook on 29 June 2015
 - Uplifts from Loss-Given-Failure (+2 notches) and Government Support (+1 notch)
- S&P affirmed AA- rating and changed outlook from negative to stable on 17 November 2016
 - Uplifts from Business Position (+1 notch), Capital and Earnings (+1 notch) and ALAC Support (+1 notch)

OP MORTGAGE BANK

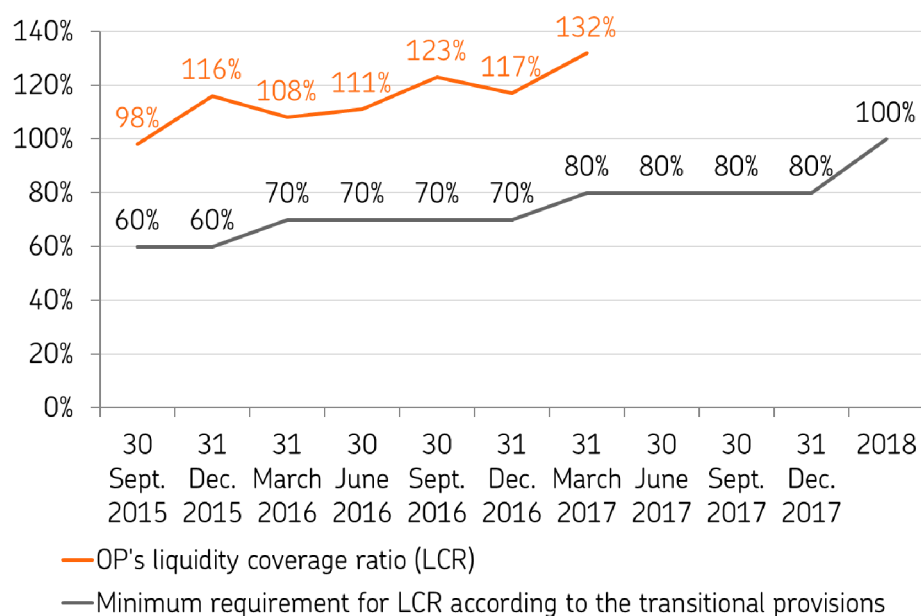
- Moody's affirmed Aaa rating with stable outlook in March 2017
 - TPI (Timely Payment Indicator) Leeway 5 notches
- S&P affirmed AAA rating with stable outlook in September 2016
 - 3 unused notches of jurisdictional support
 - 2 unused notches of collateral based uplift

OP INSURANCE LTD

- Moody's affirmed A3 rating with stable outlook on 15 May 2015
- S&P affirmed A+ rating and changed outlook from negative to stable on 17 November 2016

Liquidity coverage ratio 132% at end-March 2017 and encumbrance ratio 12.3% at YE2016

LCR vs. minimum requirement

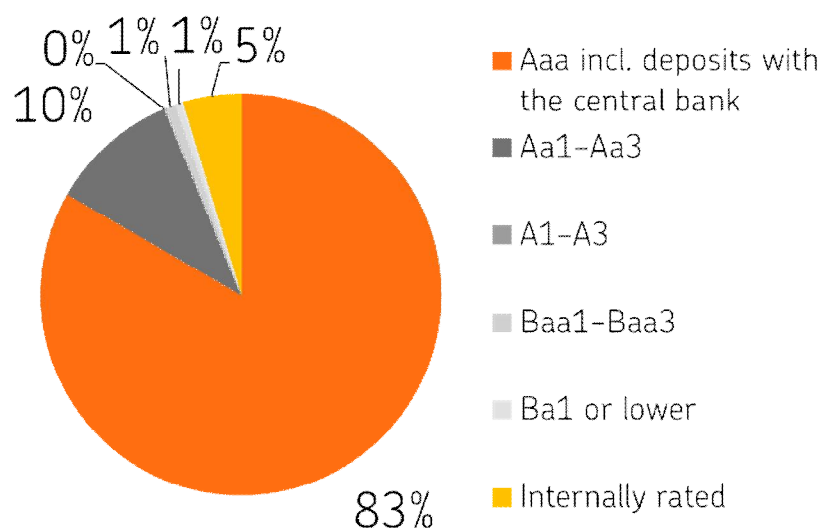


Encumbrance ratio in Nordic comparison

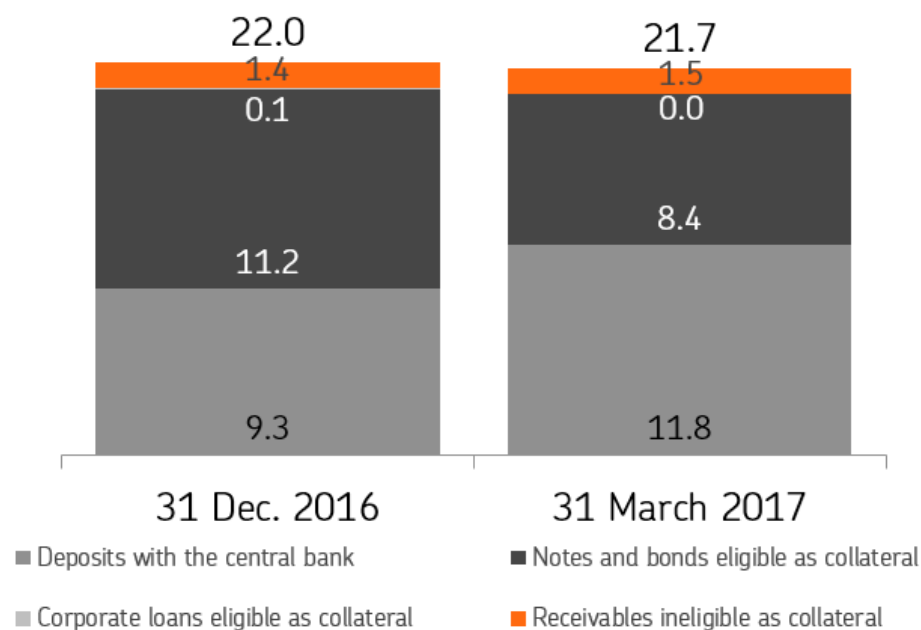


Liquidity buffer €21.7 bn at end-March 2017

Liquidity buffer by credit rating*, as of 31 March 2017



Liquidity buffer breakdown, € bn

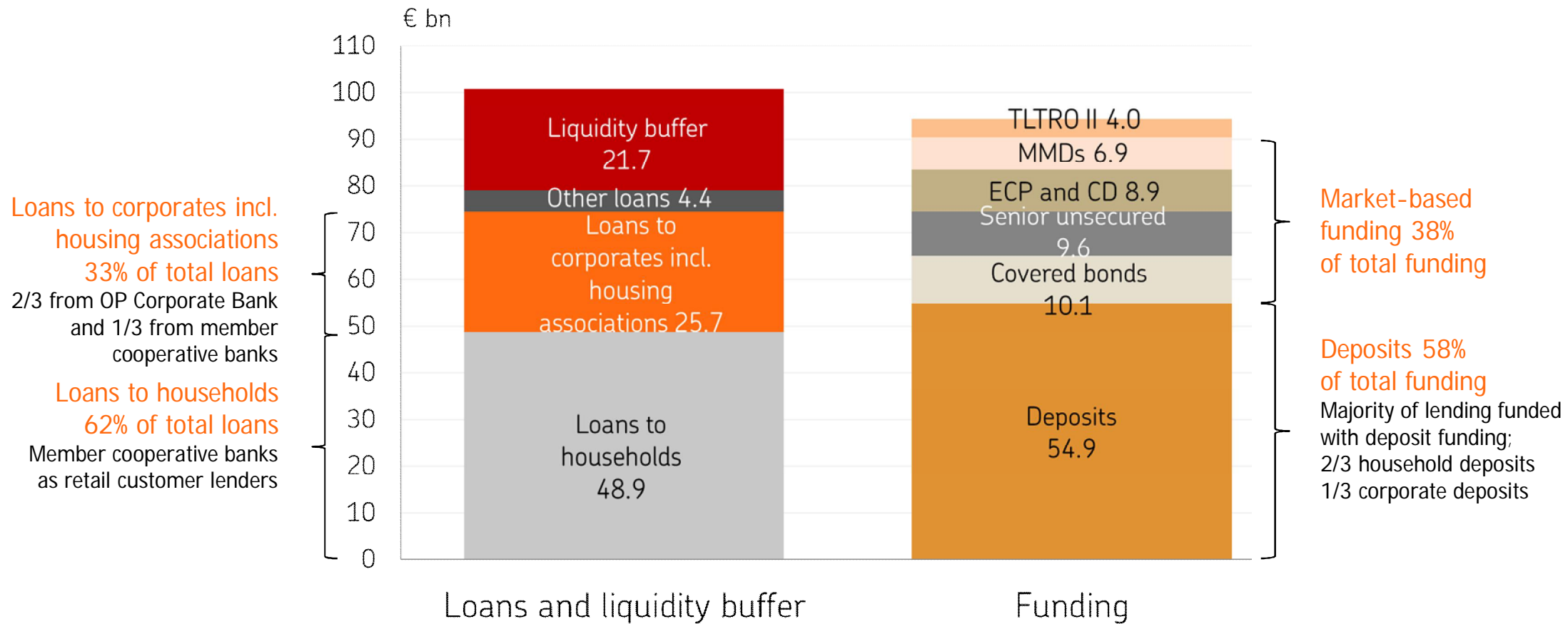


*) "Internally rated" includes externally non-rated notes and bonds issued by public-sector entities and companies

In Q1/2017, decrease in the amount of notes and bonds eligible as collateral was due, for example, by their use as collateral in TLTRO-II. Liquidity buffer plus other items based on OP Financial Group's contingency funding plan can be used to cover maturing wholesale funding for at least 24 months.

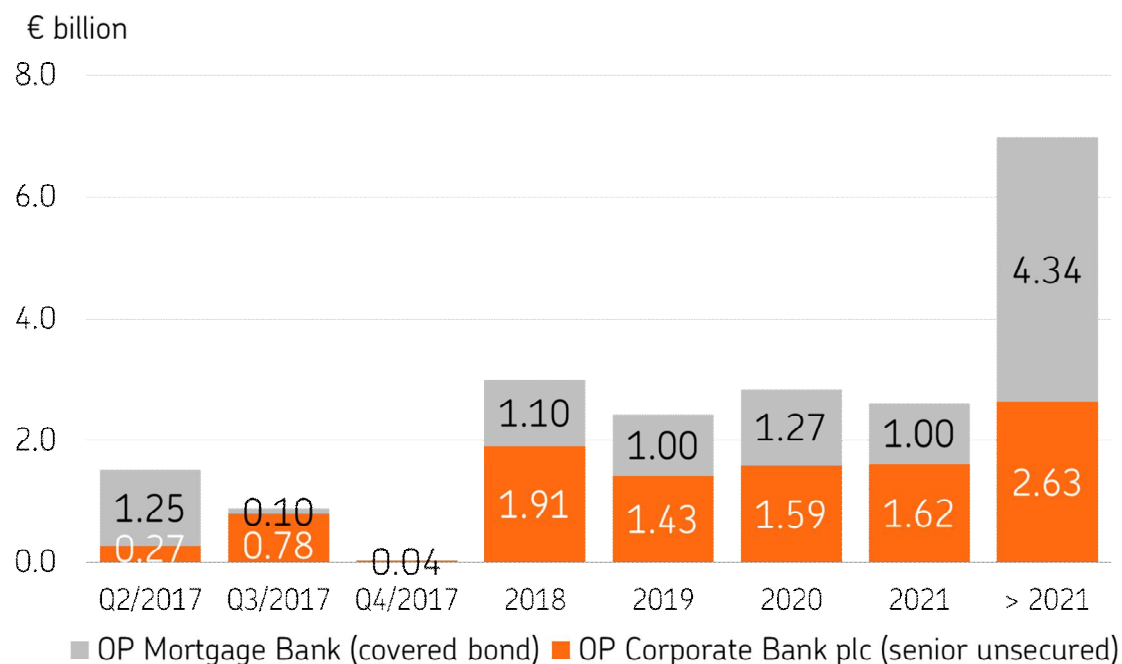
Loans, liquidity buffer and funding

31 March 2017



Maturity breakdown of wholesale funding well diversified

Issued senior unsecured and covered bonds by maturity, 31 March 2017



- OP issued long-term bonds worth €1.0 billion during Q1/2017.
- Additionally, OP participated in ECB's TLTRO II refinancing operation with €1 billion in March 2017.

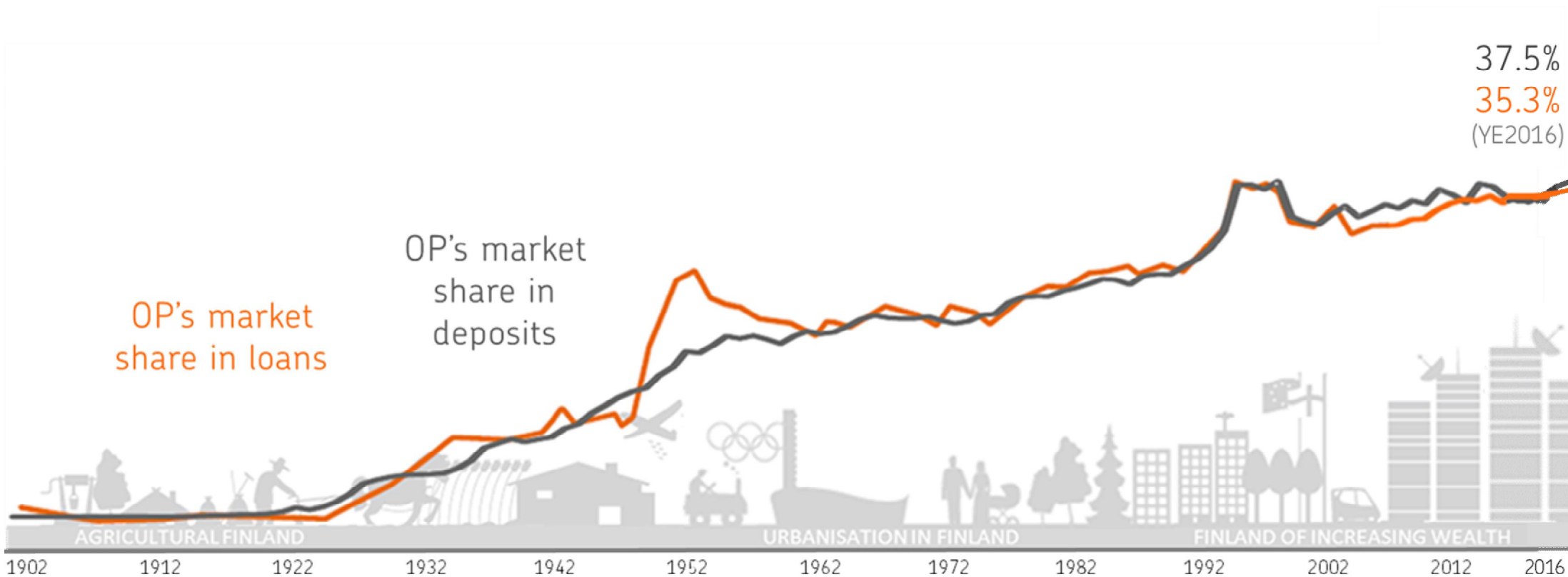
Issued senior unsecured and covered bonds

OP Corporate Bank plc's benchmark senior unsecured bonds 2015–17

Year	Month	Amount	Maturity	Interest rate
2017	April	€500 mn	5.5 yrs	m/s +27 bps
2016	January	€500 mn	5 yrs	m/s +65 bps
2015	November	Total ¥30 bn (€228 mn), 2 issues	5 yrs (floating) & 5 yrs (fixed)	m/s +59.9 bps & m/s +66.1 bps
2015	May	GBP300 mn	3 yrs	Eb3 +16 bps
2015	May	GBP400 mn	7 yrs	Eb3 +58 bps
2015	March	€1 bn	7 yrs	m/s +33 bps

OP Mortgage Bank's benchmark covered bonds 2015–17

Year	Month	Amount	Maturity	Interest rate
2017	June	€1 bn	10 yrs	m/s +1 bps
2017	March	€1 bn	7 yrs	m/s -4 bps
2016	May	€1.25 bn	7 yrs	m/s +4 bps
2015	November	€1.25 bn	5 yrs	m/s +5 bps
2015	September	€1 bn	7 yrs	m/s -1 bps



OP Mortgage Bank

Highlights of the Act on Mortgage Credit Bank Operations

- Segregation of assets in Covered Register
- Tight LTV restrictions on eligible assets (70% LTV on housing loans)
- Over-collateralisation requirement of 2%
- Continuity of Cover Pool and Covered Bonds in the event of liquidation and bankruptcy of the issuer
- Regulated by Finnish FSA and ECB

OP Mortgage Bank (OPMB) in brief

- OP Mortgage Bank is a special-purpose bank operating under the Act on Mortgage Credit Bank Operations.
- OP Mortgage Bank's sole purpose is to raise funds for OP Financial Group member banks by issuing covered bonds with mortgage collateral.
- The outstanding covered bonds of OP Mortgage Bank are rated AAA by S&P and Aaa by Moody's.
- OP Mortgage Bank is a wholly-owned subsidiary of OP Cooperative.
- OP Mortgage Bank fully benefits from the joint liability based on the Act on the Amalgamation of Deposit Banks. However, since assets in its Cover Asset Pool are ring-fenced, the noteholders have the right to receive what is due to them before all other creditors.

OP Mortgage Bank's covered bond programme qualifies for the European Covered Bond Council's (ECBC) Covered Bond Label.



Read more about ECBC's covered bond label at www.coveredbondlabel.com

OP Mortgage Bank's rating buffers

Standard & Poor's: AAA (stable)

- 3 unused notches of jurisdictional support
- 2 unused notches of collateral based uplift
- Key scores (as of 30 June 2016)
 - Available Credit Enhancement: 15.59% (TCE* commensurate with AAA rating: 3.66%)
 - WAFF**: 16.50%
 - WALS***: 16.98%

* Target credit enhancement

** Weighted-average foreclosure frequency

*** Weighted-average loss severity

Source: S&P Transaction Update OP Mortgage Bank,
12 September 2016

Moody's: Aaa (stable)

- TPI*** Leeway 5 notches
- Key scores (as of 31 Dec. 2016)
 - CR-A****: Aa2(cr)
 - CB Anchor: CR-A + 1 notch = Aa1
 - TPI: Probable-High
 - Collateral score (post-haircut): 3.4% (cap 5.0%)

*** Timely payment indicator

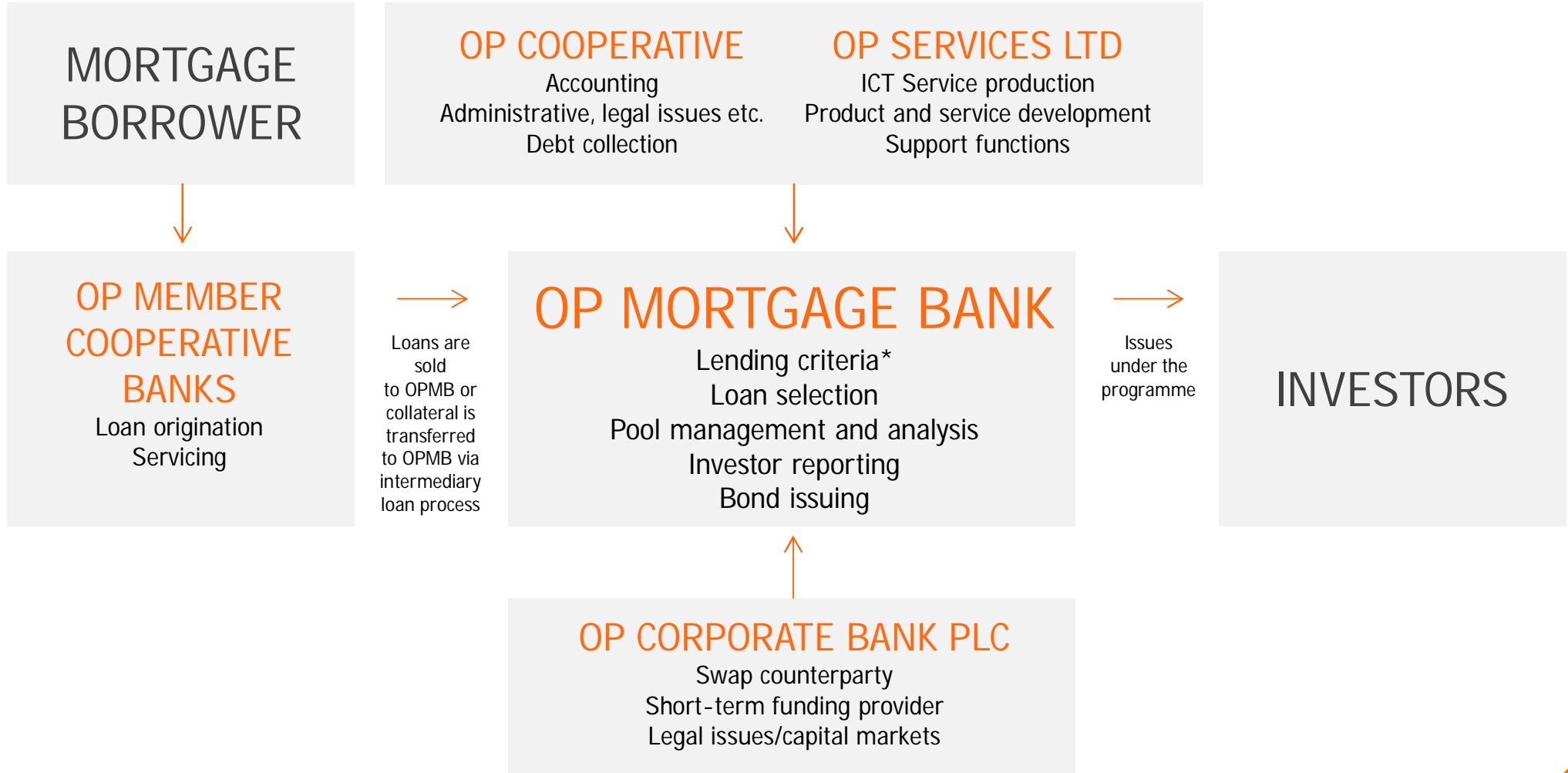
**** Counterparty risk assessment

Source: Moody's Performance Overview OP Mortgage Bank Covered Bonds 2,
13 March 2017

OPMB operating model

- OPMB is a funding vehicle for the member banks:
 - Subject to strict eligibility criteria:
 - Existing loans may be sold from member banks to OPMB.
 - Collateral may be transferred to OPMB via intermediary loan process.
 - Member cooperative banks may originate directly into OPMB's balance sheet acting as a broker agent.
- OPMB utilises the structure of OP Cooperative and outsources for example:
 - origination and servicing of assets to member cooperative banks
 - risk management, IT services, accounting etc. to OP Cooperative
 - has organised interest rate risk management in cooperation with OP Corporate Bank plc

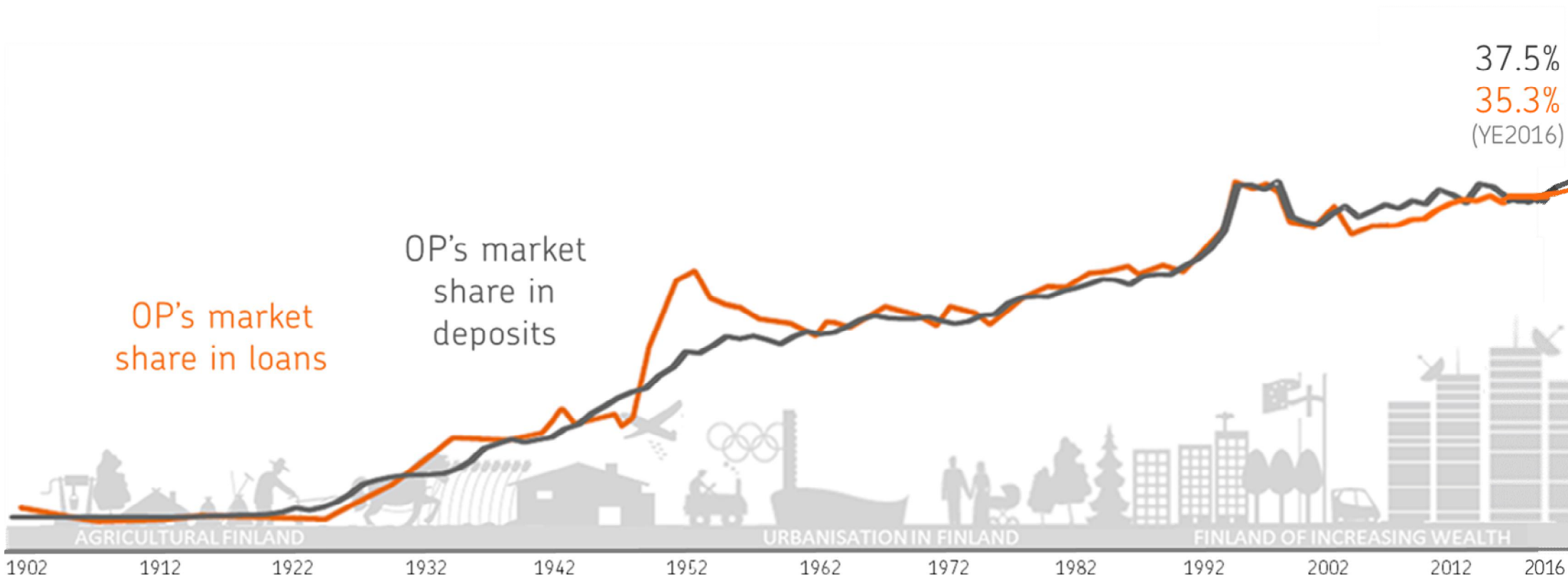
Operating model and roles



*) Basic lending criteria for the Group are set by OP Cooperative. OP Mortgage Bank can set additional limits.

Intermediary loans

- The Finnish Covered Bond Act (2010) enables granting intermediary loans
 - The member cooperative banks are granted the opportunity to indirectly participate in the issuing of a covered bond
 - Intermediary loans are the third way for the member banks to utilize OPMB along with selling loans and granting loans from OPMB
- The intermediary loan contract is made between the member cooperative bank and OPMB
 - The amount of loan, interest margin/fixed interest rate and maturity of the loan are indicative during the contracting phase of the intermediary loan
 - The member bank commits to preserving adequate intermediary loan worthy loan portfolio for the maturity of the intermediary loan, and accepts that OPMB subscribes the loans as collateral in the cover pool
 - OPMB monitor's the adequacy of the loans daily
 - The OC is provided by OPMB
- Once the mortgage loans are registered in the covered register, whether they are entered via intermediary loan process or true sales, they serve as collateral for the covered bonds for the benefit of the noteholders.



OPMB Cover Asset Pool Characteristics

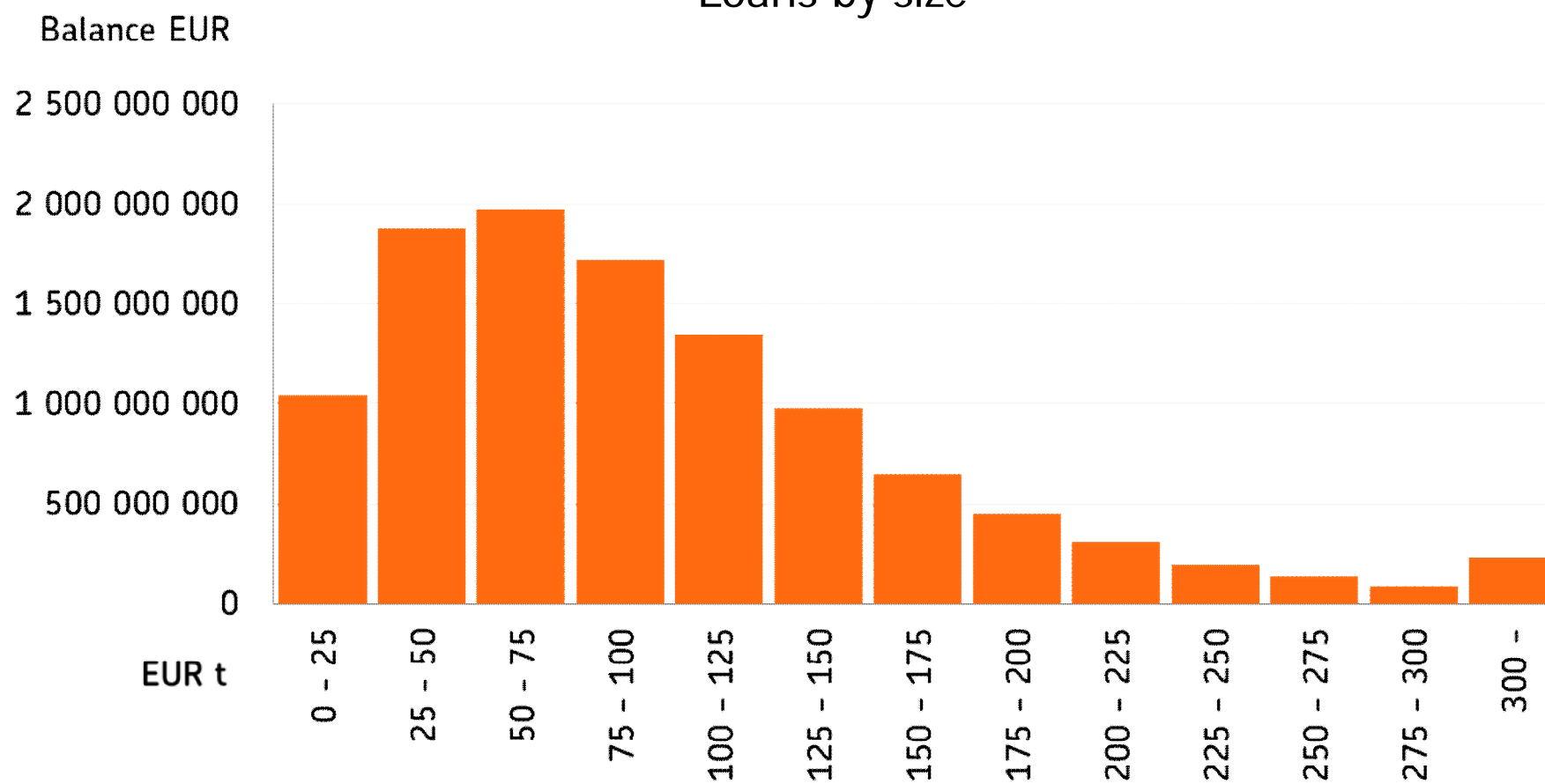
Covered bonds issued after 1 Aug. 2010,
under the Finnish Act on Mortgage Credit Banks 680/2010

Main Features of OP Mortgage Bank's Cover Asset Pool as of 31 March 2017

- Collateralized by Finnish mortgages
- Current balance EUR 10.99 billion
- Weighted Average indexed LTV of 43%
- Average loan size of approximately EUR 50,737
- No loans over 90 days in arrears ongoing
- Variable interest rates: over 95% of all loans
- Hedging agreements in place in order to mitigate interest rate risk
- Total amount of covered bonds issued EUR 10.085 billion

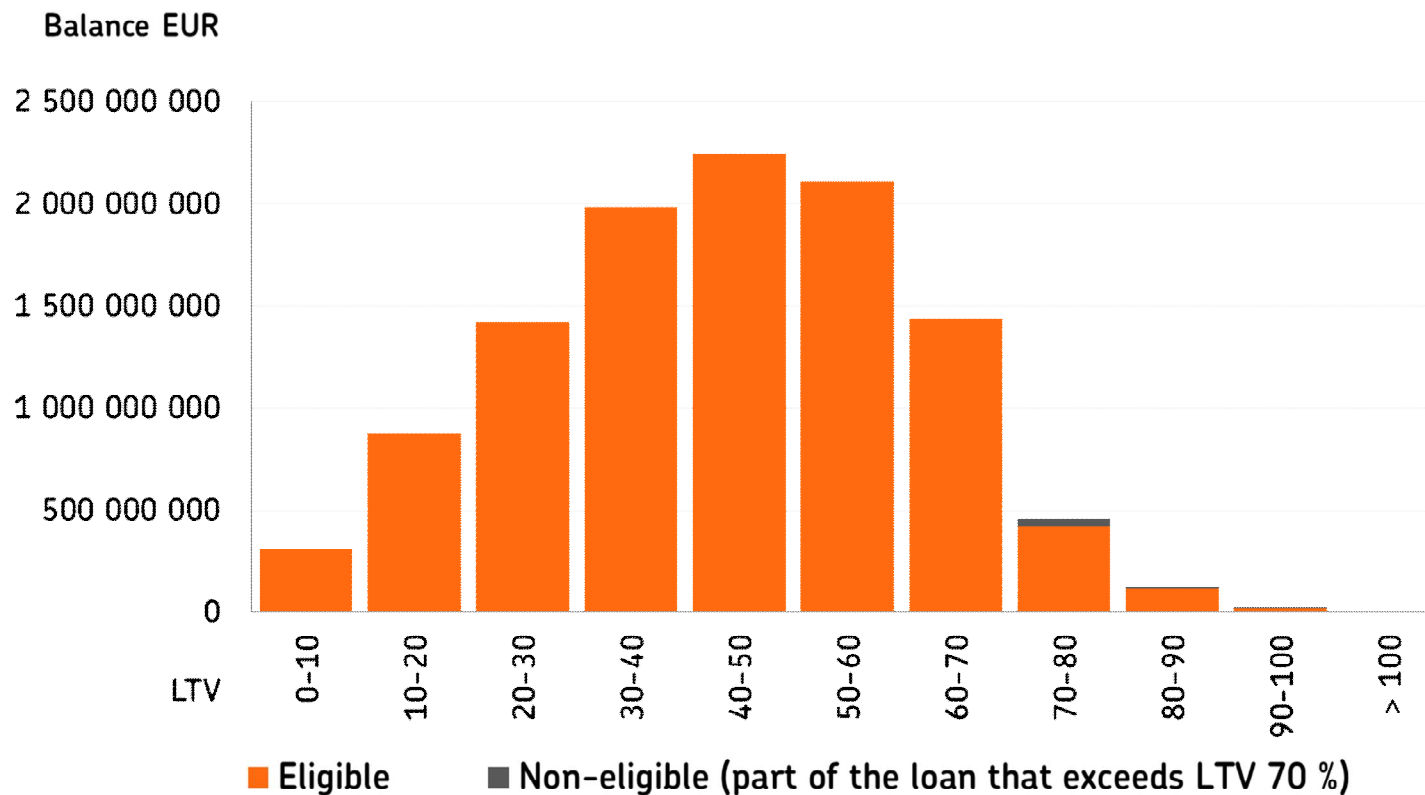
OPMB Cover Asset Pool Characteristics

Loans by size



OPMB Cover Asset Pool Characteristics

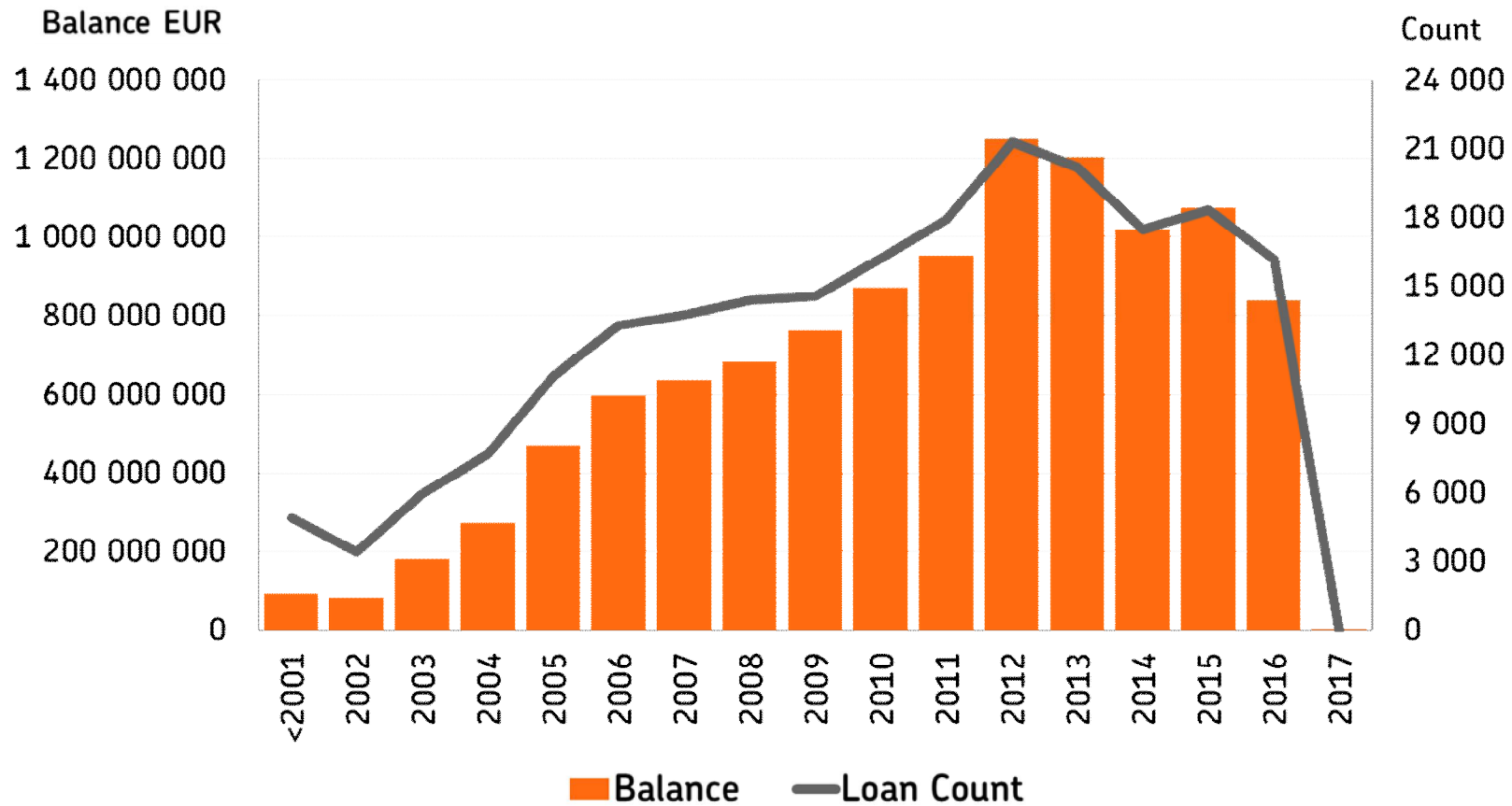
Loans by LTV



- Total assets
EUR 10.99 billion
- Eligible Cover Pool assets
EUR 10.94 billion
- Weighted average indexed LTV of 43%
- Over-collateralization (eligible assets)
8.47%

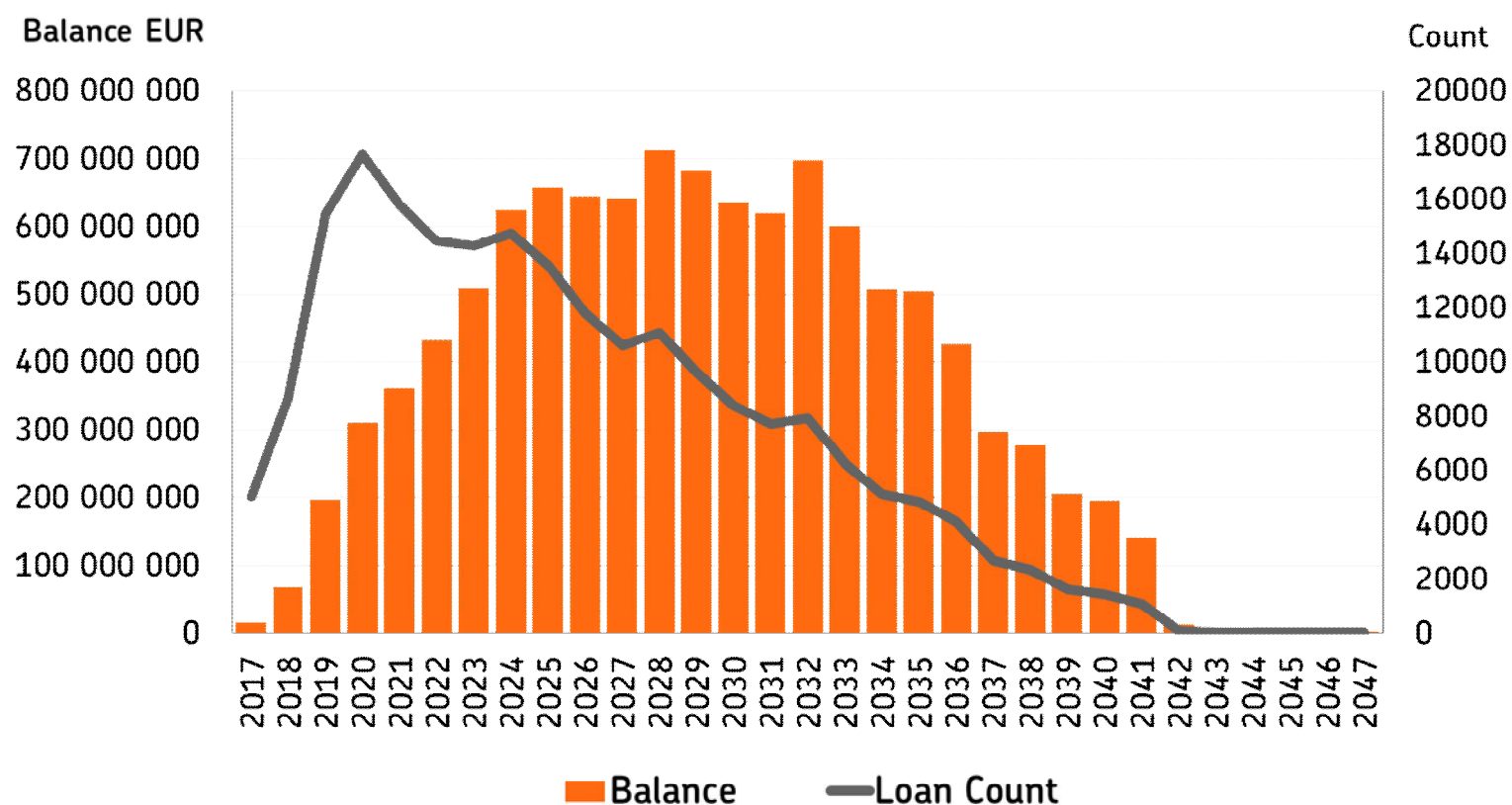
OPMB Cover Asset Pool Characteristics

Loans by origination year



OPMB Cover Asset Pool Characteristics

Loans by maturity

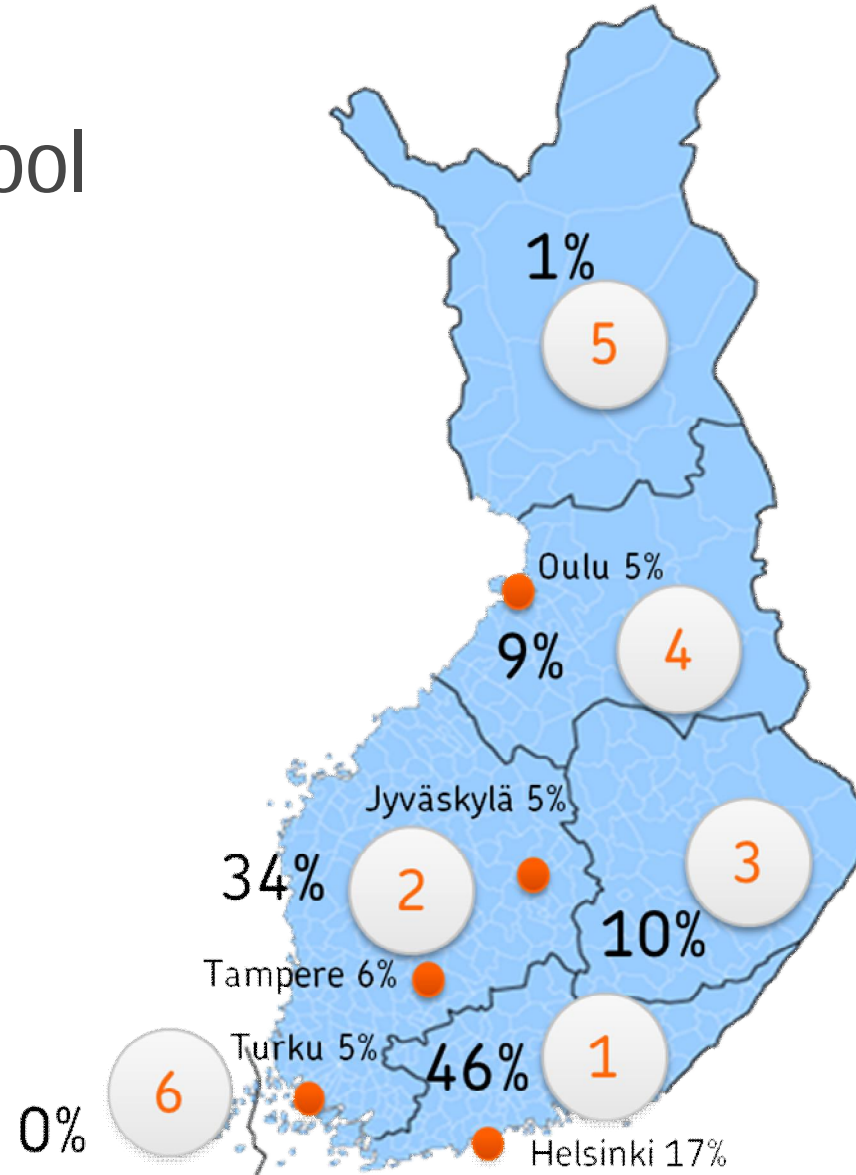


OPMB Cover Asset Pool

Characteristics

Geographical distribution

- 1 Southern Finland
- 2 Western Finland
- 3 Eastern Finland
- 4 Oulu region
- 5 Lapland
- 6 Åland



OPMB Cover Asset Pool

A. Harmonised Transparency Template - General Information						
	Reporting in Domestic Currency	EUR				
	CONTENT OF TAB A					
	1. Basic Facts					
	2. Regulatory Summary					
	3. General Cover Pool / Covered Bond Information					
	4. References to Capital Requirements Regulation (CRR) 129(7)					
	5. References to Capital Requirements Regulation (CRR) 129(1)					
	6. Other relevant information					
Field Number	1. Basic Facts					
G.1.1.1	Country	Finland				
G.1.1.2	Issuer Name	OP Mortgage Bank				
G.1.1.3	Link to Issuer's Website	https://www.pohjola.fi/pohjola/investor-relations/debt-investors/op-mortgage-bank?id=334200&srcl=8&kielikoodi=en				
G.1.1.4	Cut-off date	31/03/2017				
	2. Regulatory Summary					
G.2.1.1	UCITS Compliance (Y/N)	Y				
G.2.1.2	CRR Compliance (Y/N)	Y				
G.2.1.3	LCR status	https://www.coveredbondlabel.com/issuer/6/				
	3. General Cover Pool / Covered Bond Information					
	1. General Information		Nominal (mn)			
G.3.1.1	Total Cover Assets		10991.19			
G.3.1.2	Outstanding Covered Bonds		10085.00			
	2. Over-collateralisation (OC)		Legal / Regulatory	Actual	Minimum Committed	Purpose
G.3.2.1	OC (%)		2%	8.47	ND1	ND1
	3. Cover Pool Composition		Nominal (mn)		% Cover Pool	
G.3.3.1	Mortgages		10987.01		99.96%	
G.3.3.2	Public Sector		0.00		0.00%	
G.3.3.3	Shipping		0.00			
G.3.3.4	Substitute Assets		0.00		0.00%	
G.3.3.5	Other		4.18		0.04%	
G.3.3.6	Total		10,991.19		100%	
	4. Cover Pool Amortisation Profile		Contractual	Expected Upon Prepayments	% Total Contractual	% Total Expected Upon Prepayments
G.3.4.1	Weighted Average life (in years)		6.00	ND3		
	Residual Life (mn)					
	By buckets:					
G.3.4.2	0 - 1 Y		2110.95	ND3	19.21%	
G.3.4.3	1 - 2 Y		1099.03	ND3	10.00%	
G.3.4.4	2 - 3 Y		994.12	ND3	9.04%	
G.3.4.5	3 - 4 Y		895.34	ND3	8.15%	
G.3.4.6	4 - 5 Y		795.00	ND3	7.23%	
G.3.4.7	5 - 10 Y		2857.28	ND3	26.00%	
G.3.4.8	10+ Y		2239.46	ND3	20.38%	
G.3.4.9	Total		10,991.19	0	100%	0%

Source: OP Mortgage Bank Cover Asset Pool, ECBC Harmonised Transparency Template (HTT) as of 31 March 2017

OPMB Cover Asset Pool

5. Maturity of Covered Bonds		Initial Maturity	Extended Maturity	% Total Initial Maturity	% Total Extended Maturity
G.3.5.1	Weighted Average life (in years)	4.06	5.05		
	Maturity (mn)				
G.3.5.2	By buckets:				
G.3.5.3	0 - 1Y	2,450.00	1,350.00	24.29%	13.39%
G.3.5.4	1 - 2Y	1,000.00	1,100.00	9.92%	10.91%
G.3.5.5	2 - 3Y	1,270.00	1,000.00	12.59%	9.92%
G.3.5.6	3 - 4Y	1,000.00	1,270.00	9.92%	12.59%
G.3.5.7	4 - 5Y	1,000.00	1,000.00	9.92%	9.92%
G.3.5.8	5 - 10Y	3,365.00	4,365.00	33.37%	43.28%
G.3.5.9	10+Y	0.00	0.00	0.00%	0.00%
G.3.5.10	Total	10,085.00	10,085.00	100%	100%
6. Covered Assets - Currency		Nominal [before hedging] (mn)	Nominal [after hedging] (mn)	% Total [before]	% Total [after]
G.3.6.1	EUR	10991.19	10991.19	100.00%	100.00%
G.3.6.2	USD	0.00	0.00	0.00%	0.00%
G.3.6.3	GBP	0.00	0.00	0.00%	0.00%
G.3.6.4	NOK	0.00	0.00	0.00%	0.00%
G.3.6.5	CHF	0.00	0.00	0.00%	0.00%
G.3.6.6	AUD	0.00	0.00	0.00%	0.00%
G.3.6.7	CAD	0.00	0.00	0.00%	0.00%
G.3.6.8	BRL	0.00	0.00	0.00%	0.00%
G.3.6.9	CZK	0.00	0.00	0.00%	0.00%
G.3.6.10	DKK	0.00	0.00	0.00%	0.00%
G.3.6.11	HKD	0.00	0.00	0.00%	0.00%
G.3.6.12	KRW	0.00	0.00	0.00%	0.00%
G.3.6.13	SEK	0.00	0.00	0.00%	0.00%
G.3.6.14	SGD	0.00	0.00	0.00%	0.00%
G.3.6.15	Other	0.00	0.00	0.00%	0.00%
G.3.6.16	Total	10991.19	10991.19	100%	100%
7. Covered Bonds - Currency		Nominal [before hedging] (mn)	Nominal [after hedging] (mn)	% Total [before]	% Total [after]
G.3.7.1	EUR	10085.00	10085.00	100.00%	100.00%
G.3.7.2	USD	0.00	0.00	0.00%	0.00%
G.3.7.3	GBP	0.00	0.00	0.00%	0.00%
G.3.7.4	NOK	0.00	0.00	0.00%	0.00%
G.3.7.5	CHF	0.00	0.00	0.00%	0.00%
G.3.7.6	AUD	0.00	0.00	0.00%	0.00%
G.3.7.7	CAD	0.00	0.00	0.00%	0.00%
G.3.7.8	BRL	0.00	0.00	0.00%	0.00%
G.3.7.9	CZK	0.00	0.00	0.00%	0.00%
G.3.7.10	DKK	0.00	0.00	0.00%	0.00%
G.3.7.11	HKD	0.00	0.00	0.00%	0.00%
G.3.7.12	KRW	0.00	0.00	0.00%	0.00%
G.3.7.13	SEK	0.00	0.00	0.00%	0.00%
G.3.7.14	SGD	0.00	0.00	0.00%	0.00%
G.3.7.15	Other	0.00	0.00	0.00%	0.00%
G.3.7.16	Total	10085.00	10085.00	100%	100%
8. Covered Bonds - Breakdown by interest rate		Nominal [before hedging] (mn)	Nominal [after hedging] (mn)	% Total [before]	% Total [after]
G.3.8.1	Fixed coupon	9885.00	9885.00	98%	98%
G.3.8.2	Floating coupon	200.00	200.00	2%	2%
G.3.8.3	Other	0.00	0.00	0%	0%
G.3.8.4	Total	10085.00	10085.00	100%	100%

Source: OP Mortgage Bank Cover Asset Pool, ECBC Harmonised Transparency Template (HTT) as of 31 March 2017

OPMB Cover Asset Pool

9. Substitute Assets - Type		Nominal (mn)	% Substitute Assets	
G.3.9.1	Cash	0.00		
G.3.9.2	Exposures to/guaranteed by Supranational, Sovereign, Agency (SSA)	0.00		
G.3.9.3	Exposures to central banks	0.00		
G.3.9.4	Exposures to credit institutions	0.00		
G.3.9.5	Other	0.00		
G.3.9.6	Total	0.00	0%	
10. Substitute Assets - Country		Nominal (mn)	% Substitute Assets	
G.3.10.1	Domestic (Country of Issuer)	0.00		
G.3.10.2	Eurozone	0.00		
G.3.10.3	Rest of European Union (EU)	0.00		
G.3.10.4	European Economic Area (not member of EU)	0.00		
G.3.10.5	Switzerland	0.00		
G.3.10.6	Australia	0.00		
G.3.10.7	Brazil	0.00		
G.3.10.8	Canada	0.00		
G.3.10.9	Japan	0.00		
G.3.10.10	Korea	0.00		
G.3.10.11	New Zealand	0.00		
G.3.10.12	Singapore	0.00		
G.3.10.13	US	0.00		
G.3.10.14	Other	0.00		
G.3.10.15	Total EU	0.00		
G.3.10.16	Total	0.00	0%	
11. Liquid Assets		Nominal (mn)	% Cover Pool	% Covered Bonds
G.3.11.1	Substitute and other marketable assets	10991.19	100.00%	100.00%
G.3.11.2	Central bank eligible assets	0.00	0.00%	0.00%
G.3.11.3	Other	0.00	0.00%	0.00%
G.3.11.4	Total	10991.19	100%	100%
12. Bond List				
G.3.12.1	Bond list	https://www.coveredbondlabel.com/issuer/6/		
13. Derivatives & Swaps		intra-group		
G.3.13.1	Derivatives in the register / cover pool [notional] (mn)	8223.80		
G.3.13.2	Type of interest rate swaps (intra-group, external or both)	intra-group		
G.3.13.3	Type of currency rate swaps (intra-group, external or both)	ND2		
4. References to Capital Requirements Regulation (CRR)				
129(7)		Row	Row	
The issuer believes that, at the time of its issuance and based on transparency data made publicly available by the issuer, these covered bonds would satisfy the eligibility criteria for Article 129(7) of the Capital Requirements Regulation (EU) 648/2012. It should be noted, however, that whether or not exposures in the form of covered bonds are eligible to preferential treatment under Regulation (EU) 648/2012 is ultimately a matter to be determined by a relevant investor institution and its relevant supervisory authority and the issuer does not accept any responsibility in this regard.				
G.4.1.1	(i) Value of the cover pool outstanding covered bonds:	38		
G.4.1.2	(i) Value of covered bonds:	39		
G.4.1.3	(ii) Geographical distribution:	43 for Mortgage Assets		
G.4.1.4	(ii) Type of cover assets:	52		
G.4.1.5	(ii) Loan size:	155 for Residential Mortgage Assets	240 for Commercial Mortgage Assets	
G.4.1.6	(ii) Interest rate risk - cover pool:	119 for Mortgage Assets	228	
G.4.1.7	(ii) Currency risk - cover pool:	111		
G.4.1.8	(ii) Interest rate risk - covered bond:	163		
G.4.1.9	(ii) Currency risk - covered bond:	137		
G.4.1.10	(Please refer to "Tab D. HTT Harmonised Glossary" for hedging strategy)	17 for Harmonised Glossary		
G.4.1.11	(iii) Maturity structure of cover assets:	65		
G.4.1.12	(iii) Maturity structure of covered bonds:	88		
G.4.1.13	(iv) Percentage of loans more than ninety days past due:	149 for Mortgage Assets		
5. References to Capital Requirements Regulation (CRR)				
129(1)				
G.5.1.1	Exposure to credit institute credit quality step 1 & 2	ND3		
6. Other relevant information				

Source: OP Mortgage Bank Cover Asset Pool, ECBC Harmonised Transparency Template (HTT) as of 31 March 2017

B1. Harmonised Transparency Template - Mortgage Assets					
	Reporting in Domestic Currency	EUR			
	CONTENT OF TAB B1				
	7. Mortgage Assets				
	7.A Residential Cover Pool				
	7.B Commercial Cover Pool				
Field Number	7. Mortgage Assets				
	1. Property Type Information	Nominal (mn)		% Total Mortgages	
M.7.1.1	Residential	10987.01		100.00%	
M.7.1.2	Commercial	0.00		0.00%	
M.7.1.3	Other	0.00		0.00%	
M.7.1.4	Total	10987.01		100.00%	
	2. General Information	Residential Loans	Commercial Loans	Total Mortgages	
M.7.2.1	Number of mortgage loans	216551	0	216551	
	3. Concentration Risks	% Residential Loans	% Commercial Loans	% Total Mortgages	
M.7.3.1	10 largest exposures	0.09	0.00	0.09	
	4. Breakdown by Geography	% Residential Loans	% Commercial Loans	% Total Mortgages	
M.7.4.1	European Union	100.00	0.00	100.00	
M.7.4.2	Austria				
M.7.4.3	Belgium				
M.7.4.4	Bulgaria				
M.7.4.5	Croatia				
M.7.4.6	Cyprus				
M.7.4.7	Czech Republic				
M.7.4.8	Denmark				
M.7.4.9	Estonia				
M.7.4.10	Finland	100.00		100.00	
M.7.4.11	France				
M.7.4.12	Germany				
M.7.4.13	Greece				
M.7.4.14	Netherlands				
M.7.4.15	Hungary				
M.7.4.16	Ireland				
M.7.4.17	Italy				
M.7.4.18	Latvia				
M.7.4.19	Lithuania				
M.7.4.20	Luxembourg				
M.7.4.21	Malta				
M.7.4.22	Poland				
M.7.4.23	Portugal				
M.7.4.24	Romania				
M.7.4.25	Slovakia				
M.7.4.26	Slovenia				
M.7.4.27	Spain				
M.7.4.28	Sweden				
M.7.4.29	United Kingdom				
M.7.4.30	European Economic Area (not member of EU)	0.00	0.00	0.00	
M.7.4.31	Iceland				
M.7.4.32	Liechtenstein				
M.7.4.33	Norway				
M.7.4.34	Other	0.00	0.00	0.00	
M.7.4.35	Switzerland				
M.7.4.36	Australia				
M.7.4.37	Brazil				
M.7.4.38	Canada				
M.7.4.39	Japan				
M.7.4.40	Korea				
M.7.4.41	New Zealand				
M.7.4.42	Singapore				
M.7.4.43	US				
M.7.4.44	Other				

OPMB Cover Asset Pool

5. Breakdown by domestic regions		% Residential Loans	% Commercial Loans	% Total Mortgages
M.7.5.1	Aland Islands	0.13		0.13
M.7.5.2	Central Finland	4.94		4.94
M.7.5.3	Central Ostrobothnia	1.34		1.34
M.7.5.4	Etela-Savo	2.22		2.22
M.7.5.5	Ita-Uusimaa	2.22		2.22
M.7.5.6	Kainuu	0.78		0.78
M.7.5.7	Kanta-Hame	4.77		4.77
M.7.5.8	Kymenlaakso	2.67		2.67
M.7.5.9	Lapland	1.43		1.43
M.7.5.10	North Karelia	2.66		2.66
M.7.5.11	North Ostrobothnia	8.70		8.70
M.7.5.12	Ostrobothnia	2.15		2.15
M.7.5.13	Paijat-Hame	3.53		3.53
M.7.5.14	Pirkanmaa	9.40		9.40
M.7.5.15	Pohjois-Savo	4.91		4.91
M.7.5.16	Satakunta	3.88		3.88
M.7.5.17	South Karelia	2.74		2.74
M.7.5.18	South Ostrobothnia	2.09		2.09
M.7.5.19	Uusimaa	29.35		29.35
M.7.5.20	Varsinais-Suomi	10.06		10.06
6. Breakdown by Interest Rate		% Residential Loans	% Commercial Loans	% Total Mortgages
M.7.6.1	Fixed rate	1.40		1.40
M.7.6.2	Floating rate	98.60		98.60
M.7.6.3	Other			
7. Breakdown by Repayment Type		% Residential Loans	% Commercial Loans	% Total Mortgages
M.7.7.1	Bullet / interest only	0.00		0.00
M.7.7.2	Amortising	100.00		100.00
M.7.7.3	Other			
8. Loan Seasoning		% Residential Loans	% Commercial Loans	% Total Mortgages
M.7.8.1	Up to 12months	6.52		6.52
M.7.8.2	≥ 12 - ≤ 24 months	9.70		9.70
M.7.8.3	≥ 24 - ≤ 36 months	9.39		9.39
M.7.8.4	≥ 36 - ≤ 60 months	22.15		22.15
M.7.8.5	≥ 60 months	52.24		52.24
9. Non-Performing Loans (NPLs)		% Residential Loans	% Commercial Loans	% Total Mortgages
M.7.9.1	% NPLs	0.00		0.00

OPMB Cover Asset Pool

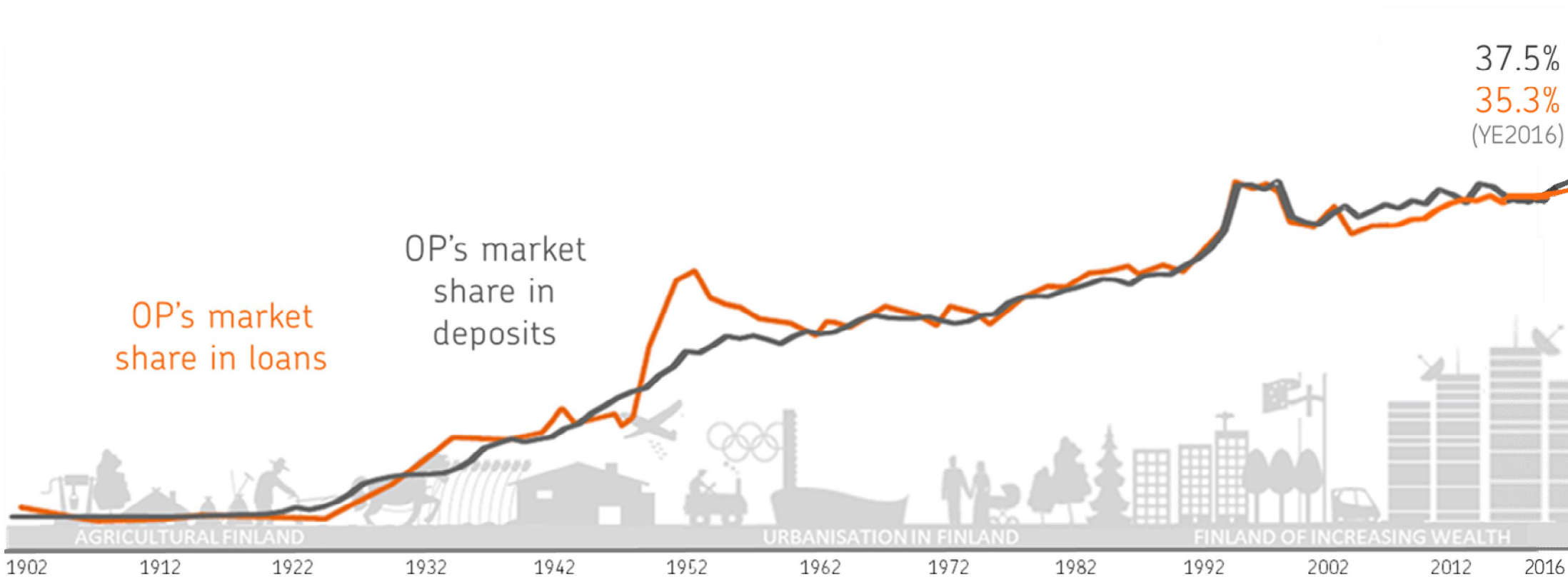
7.A Residential Cover Pool						
10. Loan Size Information		Nominal	Number of Loans	% Residential Loans		% No. of Loans
M.7A.10.1	Average loan size (000s)	50.74				
	By buckets (mn):					
M.7A.10.2	0 - 0,025000	1045.18	83793.00	9.51%		38.69%
M.7A.10.3	0,025001 - 0,050000	1876.46	51437.00	17.08%		23.75%
M.7A.10.4	0,050001 - 0,100000	3694.05	51963.00	33.62%		24.00%
M.7A.10.5	0,100001 - 0,150000	2322.99	19235.00	21.14%		8.88%
M.7A.10.6	0,150001 - 0,200000	1100.77	6440.00	10.02%		2.97%
M.7A.10.7	0,200001 - 0,250000	498.04	2260.00	4.53%		1.04%
M.7A.10.8	0,250001 - 0,300000	220.23	814.00	2.00%		0.38%
M.7A.10.9	0,300001 -	229.29	609.00	2.09%		0.28%
M.7A.10.26	Total	10987.01	216551.00	100.00%		100.00%
11. Loan to Value (LTV) Information - UNINDEXED		Nominal	Number of Loans	% Residential Loans		% No. of Loans
M.7A.11.1	Weighted Average LTV (%)	51.45				
	By LTV buckets (mn):					
M.7A.11.2	>0 - <=40 %	8449.26	216551.00	76.90%		41.48%
M.7A.11.3	>40 - <=50 %	1121.37	110867.00	10.21%		21.24%
M.7A.11.4	>50 - <=60 %	784.28	87259.00	7.14%		16.71%
M.7A.11.5	>60 - <=70 %	498.06	68142.00	4.53%		13.05%
M.7A.11.6	>70 - <=80 %	119.15	34032.00	1.08%		6.52%
M.7A.11.7	>80 - <=90 %	12.94	4552.00	0.12%		0.87%
M.7A.11.8	>90 - <=100 %	1.78	623.00	0.02%		0.12%
M.7A.11.9	>100%	0.15	69.00	0.00%		0.01%
M.7A.11.10	Total	10987.01	522095.00	100.00%		100.00%
12. Loan to Value (LTV) Information - INDEXED		Nominal	Number of Loans	% Residential Loans		% No. of Loans
M.7A.12.1	Weighted Average LTV (%)	43.45				
	By LTV buckets (mn):					
M.7A.12.2	>0 - <=40 %	9346.48	216551.00	85.07%		59.93%
M.7A.12.3	>40 - <=50 %	930.42	74339.00	8.47%		20.57%
M.7A.12.4	>50 - <=60 %	486.69	43282.00	4.43%		11.98%
M.7A.12.5	>60 - <=70 %	172.42	19587.00	1.57%		5.42%
M.7A.12.6	>70 - <=80 %	43.21	5873.00	0.39%		1.63%
M.7A.12.7	>80 - <=90 %	6.96	1459.00	0.06%		0.40%
M.7A.12.8	>90 - <=100 %	0.82	242.00	0.01%		0.07%
M.7A.12.9	>100%	0.00	0.00	0.00%		0.00%
M.7A.12.10	Total	10987.01	361333.00	100.00%		100.00%
13. Breakdown by type		% Residential Loans				
M.7A.13.1	Owner occupied	96.58				
M.7A.13.2	Second home/Holiday houses	1.24				
M.7A.13.3	Buy-to-let/Non-owner occupied	0.54				
M.7A.13.4	Agricultural	1.64				
M.7A.13.5	Other					
14. Loan by Ranking		% Residential Loans				
M.7A.14.1	1st lien / No prior ranks	100.00				
M.7A.14.2	Guaranteed	0.00				
M.7A.14.3	Other	0.00				

Source: OP Mortgage Bank Cover Asset Pool, ECBC Harmonised Transparency Template (HTT) as of 31 March 2017

OPMB Cover Asset Pool

7B Commercial Cover Pool						
15. Loan Size Information		Nominal	Number of Loans	% Commercial Loans		% No. of Loans
M.7B.15.1	Average loan size (000s)					
	By buckets (mn):					
M.7B.15.2	0 - 0,100000	0.00	0.00			
M.7B.15.3	0,100001 - 0,200000	0.00	0.00			
M.7B.15.4	0,200001 - 0,300000	0.00	0.00			
M.7B.15.5	0,300001 - 0,400000	0.00	0.00			
M.7B.15.6	0,400001 - 0,500000	0.00	0.00			
M.7B.15.7	0,500001 - 0,600000	0.00	0.00			
M.7B.15.8	0,600001 - 0,700000	0.00	0.00			
M.7B.15.9	0,700001 - 0,800000	0.00	0.00			
M.7B.15.10	0,800001 - 0,900000	0.00	0.00			
M.7B.15.11	0,900001 - 1,000000	0.00	0.00			
M.7B.15.12	1,000001 -	0.00	0.00			
M.7B.15.26	Total	0.00	0.00	0.00%		0.00%
16. Loan to Value (LTV) Information - UNINDEXED		Nominal	Number of Loans	% Commercial Loans		% No. of Loans
M.7B.16.1	Weighted Average LTV (%)					
	By LTV buckets (mn):					
M.7B.16.2	>0 - <=40 %	0.00	0.00			
M.7B.16.3	>40 - <=50 %	0.00	0.00			
M.7B.16.4	>50 - <=60 %	0.00	0.00			
M.7B.16.5	>60 - <=70 %	0.00	0.00			
M.7B.16.6	>70 - <=80 %	0.00	0.00			
M.7B.16.7	>80 - <=90 %	0.00	0.00			
M.7B.16.8	>90 - <=100 %	0.00	0.00			
M.7B.16.9	>100%	0.00	0.00			
M.7B.16.10	Total	0.00	0.00	0.00%		0.00%
17. Loan to Value (LTV) Information - INDEXED		Nominal	Number of Loans	% Commercial Loans		% No. of Loans
M.7B.17.1	Weighted Average LTV (%)					
	By LTV buckets (mn):					
M.7B.17.2	>0 - <=40 %	0.00	0.00			
M.7B.17.3	>40 - <=50 %	0.00	0.00			
M.7B.17.4	>50 - <=60 %	0.00	0.00			
M.7B.17.5	>60 - <=70 %	0.00	0.00			
M.7B.17.6	>70 - <=80 %	0.00	0.00			
M.7B.17.7	>80 - <=90 %	0.00	0.00			
M.7B.17.8	>90 - <=100 %	0.00	0.00			
M.7B.17.9	>100%	0.00	0.00			
M.7B.17.10	Total	0.00	0.00	0.00%		0.00%
18. Breakdown by Type		% Commercial loans				
M.7B.18.1	Retail					
M.7B.18.2	Office					
M.7B.18.3	Hotel/Tourism					
M.7B.18.4	Shopping malls					
M.7B.18.5	Industry					
M.7B.18.6	Agriculture					
M.7B.18.7	Other commercially used					
M.7B.18.8	Land					
M.7B.18.9	Property developers / Building under construction					
M.7B.18.10	Other					

Source: OP Mortgage Bank Cover Asset Pool, ECBC Harmonised Transparency Template (HTT) as of 31 March 2017



Debt IR contacts

Debt IR contacts



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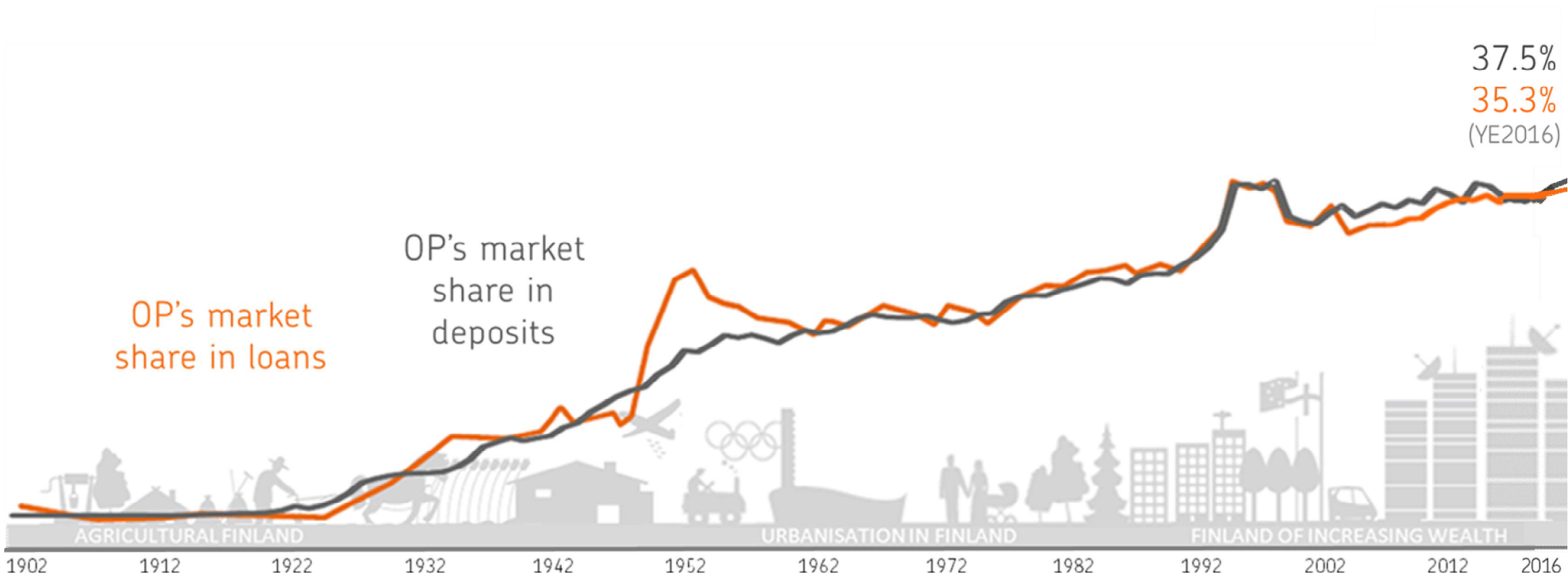
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Financial reports and background material online

- OP Financial Group: www.op.fi (English) > OP Financial Group > Media > Material service > OP Financial Group publications
- OP Corporate Bank plc: www.pohjola.com > Media > Material Service
- OP Mortgage Bank: www.op.fi (English) > OP Financial Group > Media > Material service > Subsidiaries' publications



Appendices

Bioeconomy as one of the new growth areas in Finland

- Branch of the economy using biological natural resources to create variety of products in the field of chemical, pharmaceutical, textile, packaging, food, energy and construction industries.
- Clean, environment saving technologies and efficient recycling are typical to bioeconomy.
- The significance of the forestry sector in Finland has been and will be great, as over one half of Finland's bioeconomy today relies on forests.
- The objective of the Bioeconomy Strategy is to push bioeconomy output up to €100 bn by 2025 and to create 100,000 new jobs.

16% of the total Finnish economy (i.e. turnover of €60 bn)

13% of total employment in Finland (i.e. 300,000 persons)

26% of total Finnish exports (i.e. €14 bn)

Group structure incl. major subsidiaries

1.8 million owner-customers, of which 90% households



172 OP Financial Group member cooperative banks

OP COOPERATIVE

BANKING

- OP Corporate Bank plc* (Corporate Banking)
- Helsinki Area Cooperative Bank***
- OP Mortgage Bank*
- OP Card Company Plc*
- Member cooperative banks

NON-LIFE INSURANCE

- OP Insurance Ltd** with its subsidiaries
 - Eurooppalainen Insurance Company Ltd
 - A Insurance Ltd
 - Seesam insurance companies in Baltics

WEALTH MANAGEMENT

- OP Asset Management Ltd*
- OP Property Management Ltd*
- OP Life Assurance Company Ltd*
- OP Fund Management Company Ltd*

OTHER OPERATIONS

- OP Services Ltd*
- OP Process Services Ltd*
- OVY Insurance Ltd*
- Pivo Wallet Oy*
- Checkout Finland Oy*
- OP Corporate Bank plc* (Group Treasury)

* OP Cooperative's ownership 100%

** Planned to be transferred to OP Cooperative's direct ownership in the future as a result of the completion of OP Cooperative's public voluntary bid for all OP Corporate Bank plc shares

*** OP Cooperative's control 2/3

Large-scale development programme puts strategy into practice



DEVELOPMENT OF PRESENT-DAY BUSINESS

- Modernising service channels
- Digitising and automating services
- Simplifying product portfolio
- Reforming basic systems and ICT architecture
- Developing owner-customer loyalty programme



- New op.fi website and internet bank
- New features for OP-Mobile and Pivo Wallet Apps
- New organization for Development and Technologies
- OP Helsinki branch at HQ as test laboratory for current and new products and services offering touch screens, videos, animations, demos etc.

CREATING NEW BUSINESS

- Building fully digital businesses
- Developing new, customer-driven business models eg. within housing, mobility and electronic commerce
- Extending health and wellbeing business
- Developing SME service offerings



- OP Kulku electric car service with a monthly fee in Finland's largest cities and 100 new EV charging stations in 80 cities near to OP branches in 2017
- Startup programme with Finnish and international startups in the field of financial sector, health technology, mobility and housing
- OP Lab website available for customers to participate in development of future digital services through piloting and feedback

DEVELOPING NEW CAPABILITIES

- Enhancing competencies, management and corporate culture
- Building capabilities related to analytics and artificial intelligence
- Enhancing innovation



- 100 new employees for product and service development in 2016
- New unit of 30 in-house service designers engaging customers in development through interviews and workshops
- Agile development model enabling eg. new op.fi launch as beta version

HIGHLIGHTING OUR SOCIAL ROLE

- Well-defined goals and metrics for social role
- Socially responsible openings



- Updated CSR Programme during 2017
- Initiatives under "Putting Finland on a new growth path" (#suominousuun) giving more leeway and economic activity among OP's customer base and in the entire Finland

Health and wellbeing services to become OP's fourth business line*

2013: ESTABLISHING PHASE

First Pohjola Hospital (Omasairaala Hospital until end-July 2016) was opened in Helsinki

- New innovative services in the field of specialised medicine and occupational health in addition to orthopaedics, rehabilitation units, comprehensive diagnostic and laboratory services
- Faster clinical pathway and more efficient claims handling process resulting to incomparable customer satisfaction (current NPS 96)

2016–2019: EXPANSION TO UNIVERSITY HOSPITAL CITIES

Pohjola Hospital in Tampere was opened in August 2016 and 3 new Pohjola Hospitals are under construction in Oulu (May 2017), Kuopio (early autumn 2017) and Turku (early 2018).

2017–2019: NATIONWIDE MEDICAL CENTRE NETWORK

Pohjola Medical Centres to be opened across Finland to supplement the Pohjola Hospitals based in university hospital cities to create a nationwide health and wellbeing service network

- General practitioner and specialist services as well as diagnostics services
- Pohjola Medical Centres to provide referrals to Pohjola Hospitals

* Reported as part of Non-life Insurance segment until further announcement

NATIONWIDE
ACCESSIBILITY
THROUGH DIGITAL
SERVICES DESIGNED
FOR HEALTH AND
WELLBEING



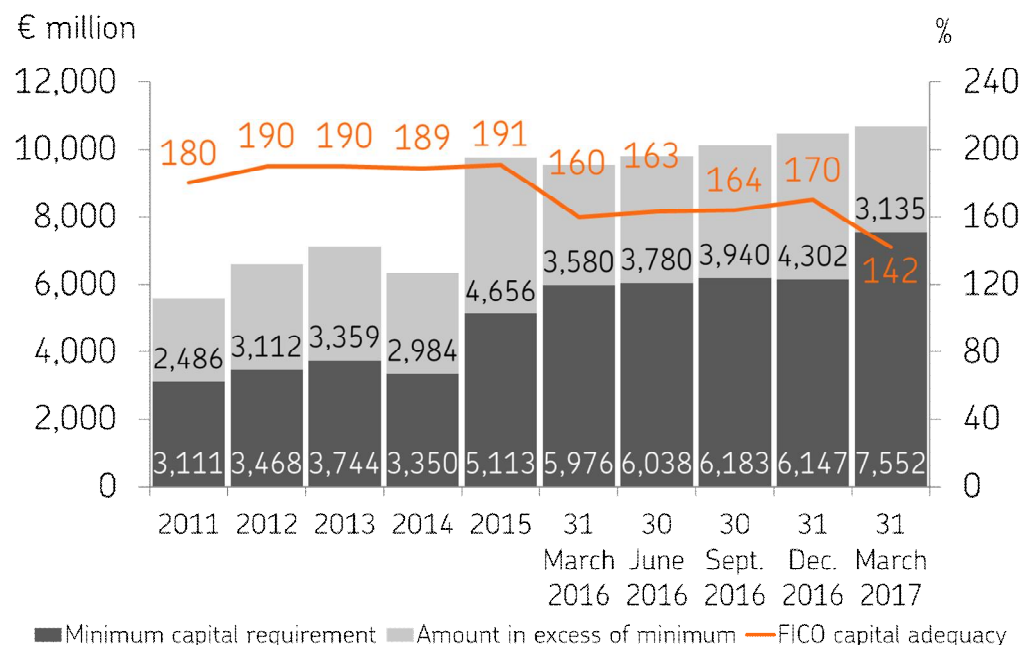
OP's group-level strategic targets

Main target: Above-market-average growth rate

INDICATOR	TARGET	Q1/2017	2016	2015
Customer experience (CX)*, NPS for brand	25	21	23	-
NPS for service	70 (over time 90)	57	53	-
CET1 ratio	22% by the end of 2019	18.8%	20.1%	19.5%
Return on economic capital (12-month rolling)	22%	22.5%	22.7%	21.5%
Expenses of present-day business (12-month rolling)	Expenses in 2019 lower than in 2015 (€1,500 mn)	€1,565 mn	€1,532 mn	€1,500 mn
Owner-customers, number	2.1 mn by 2019	1.8 mn	1.7 mn	1.5 mn

* OP's customer experience (CX) metric is based on the Net Promoter Score (NPS) that measures likelihood of recommendation. NPS for the brand gauges the overall customer experience of OP. The NPS for service measures what kind of customer experience OP manages to create in individual service encounters in all channels. NPS can range between -100 and +100.

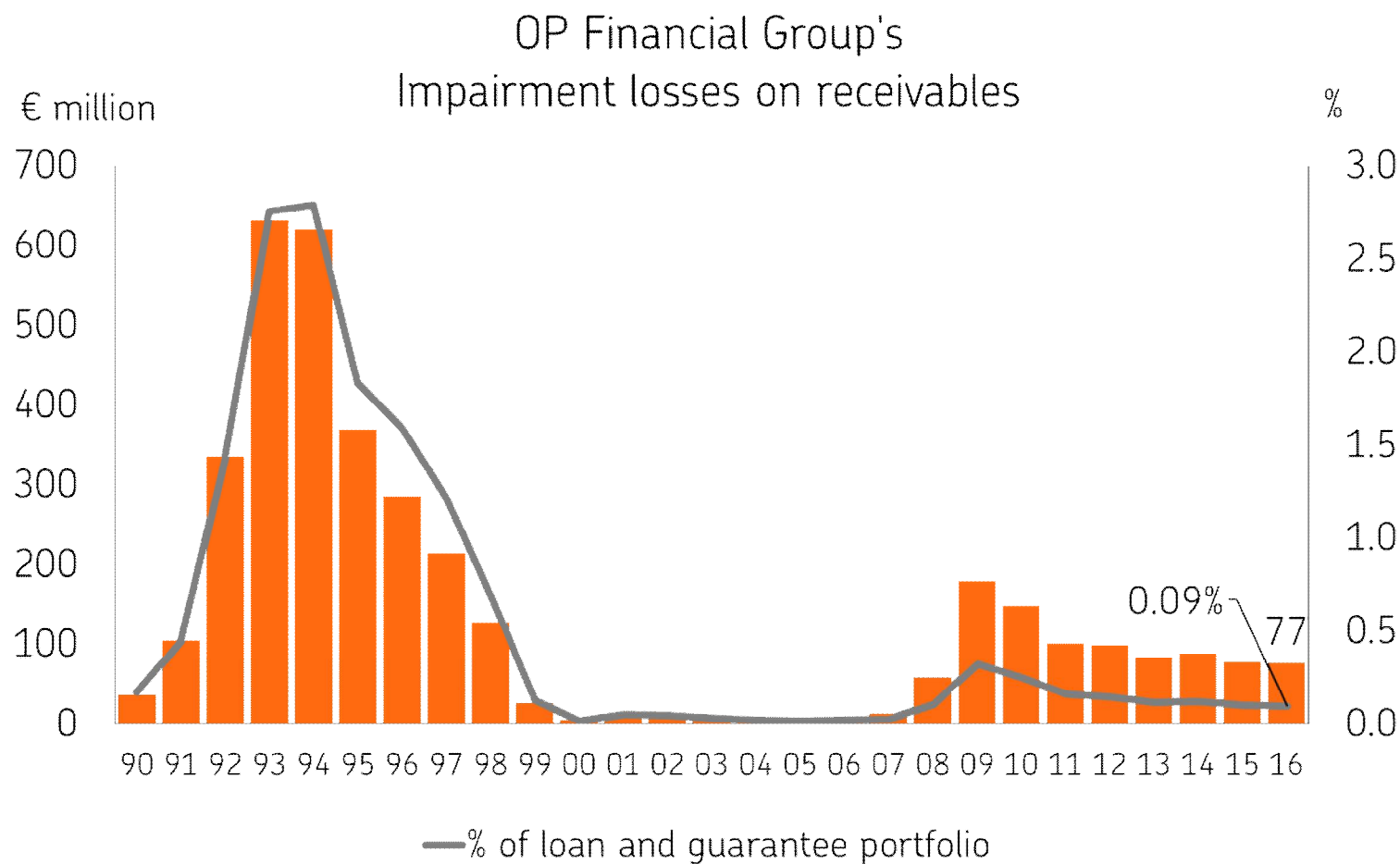
Capital Adequacy under the Act on the Supervision of Financial and Insurance Conglomerates



Statutory minimum requirement 100%

- In Q1/2017, capital adequacy buffer was decreased by
 - capital buffer requirement (P2R) of 1.75% set by the ECB as part of SREP (-16 pps)
 - higher capital requirement caused by growth in banking operations
 - risk weight floors set by the ECB (-12 pps)
- As a result of the buffer requirements for banking and solvency requirement for insurance companies under Solvency II, the FiCo solvency does not reflect the minimum level of the capital base of the FiCo group but the level within which the group can operate without regulatory obligations resulting from buffers below the required level

Impairment losses at a very moderate level



CSR is an integral part of OP's business and strategy

CSR activities take economic, social and environmental responsibility into consideration

CSR MATERIALITY MATRIX

Materiality matrix



CODE OF BUSINESS ETHICS

By the end of 2016, all of OP's employees had committed to following the Code of Business Ethics by having completed a designated, compulsory online course

CSR HIGHLIGHTS 2016

- Establishment of OP Asset Management's environmental, social and governance (ESG) unit
- Exclusion of high-carbon companies
- Signature of the Equator Principles
- Purchase of 100% renewable electricity for the HQ premises
- CSR audits of procurement partners
- The first externally assured GRI report (2015)
- Launch of the revision of OP's CSR Programme
- Record-high donations of EUR 6.3 million to Finnish universities
- Update of the materiality analysis and Stakeholder survey
- 100 person-years of volunteering project
- Alignment of the Sustainable Development Goals (SDG) with OP's CSR goals
- Putting Finland on a new growth path (#suominousuun) initiatives

OP aims to be a forerunner in CSR within the Finnish financial sector

INTERNATIONAL CSR COMMITMENTS



OP Financial Group signed the UN Global Compact initiative in 2011, becoming committed to the initiative's ten principles on human rights, labour standards, environment and anti-corruption.



OP Wealth Management signed the UN Principles for Responsible Investment (UNPRI) in 2009, including OP Asset Management Ltd, OP Fund Management Company Ltd and OP Property Management Ltd.



OP signed the Montréal Carbon Pledge in 2015 and thereby committed to measure the carbon footprint of its funds. In its role as an investor, OP Wealth Management has signed CDP's climate change and water initiatives and, most recently, the deforestation initiative.



OP signed the Equator Principles in 2016 and thereby committed to project financing that manages risks related to environmental issues and social responsibility.

PARTICIPATION IN CSR ORGANISATIONS

- OP is one of the founding members of Finland's Sustainable Investment Forum (FINSIF)
- OP is involved in Finnish FIBS CR Network, the Corporate Social Responsibility and Co-operative Affairs Working Group of the European Association of Co-operative Banks (EACB) as well as the Communication and CSR Committee of Unico Banking Group

CSR REPORTING

As reporting principles, OP follows the Global Reporting Initiative (GRI) G4 framework (core) and the UN Global Compact and is developing its reporting in the direction of the IIRC framework. OP also takes into account the Financial Services Sector Supplement of the GRI Guidelines.

Since 2016, OP's CSR Report has been externally assured. Assurance was performed for CSR Report 2015 by KPMG and for CSR Report 2016 by Deloitte.

CSR Report is integrated with the Group's Annual Report.

OP's and its issuing entities' performance in CSR indices

OP Financial Group



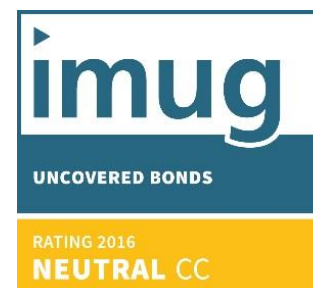
Source: Oekom, May 2016



Environment
Human Resources
Human Rights
Community Involvement
Business Behaviour (C&S)
Corporate Governance

Source: Vigeo, the most recent rating profile on above themes available as of April 2015

OP Corporate Bank



Source: Imug, March 2017



Source: MSCI, February 2016

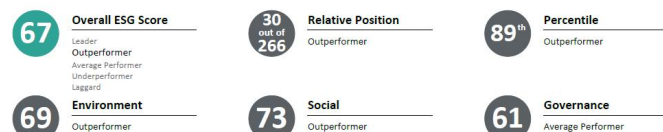
OP Financial Group



Industry: **Diversified Financials** Marketcap.: Employees: **12,130**
Domicile: **Finland** Ticker:

ESG Summary

Overall Performance



Source: Sustainalytics, June 2016



OP's CDP Survey
Score in 2016:
B

Company has taken actions to address environmental issues beyond initial screenings or assessments.

Source: OP, Annual Report 2016 and CDP (www.cdp.net/en)

OP Mortgage Bank



Source: Imug, June 2016

OP Financial Group's earnings analysis

€ million	Q1/2017	Q1/2016	2016	2015
Net interest income	258	267	1 058	1 026
Net insurance income	117	129	558	528
Net commissions and fees	237	224	859	855
Net investment income	122	86	390	432
Other operating income	34	10	122	46
Share of associates' profit/loss	2	2	1	9
Total income	770	719	2 989	2 895
Personnel costs	202	201	762	781
Depreciation/amortisation and impairment loss	42	37	160	162
Other operating expenses	173	139	646	577
Total expenses	417	377	1 567	1 520
Impairment loss on receivables	8	11	77	78
New OP bonuses accrued to owner-customers	54	50	208	197
Earnings before tax	295	284	1 138	1 101

OP Financial Group's key figures

	31 March 2017	31 Dec. 2016	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011	31 Dec. 2010
Total assets, € million	136 032	133 747	124 455	110 427	100 991	99 769	91 905	83 969
Receivables from customers, € million	79 509	78 604	75 192	70 683	68 142	65 161	60 331	56 834
Liabilities to customers, € million	60 975	60 077	58 220	51 163	50 157	49 650	41 304	36 443
Equity capital, € million	10 378	10 237	9 324	7 213	7 724	7 134	6 242	6 726
CET1 ratio, %	18.8	20.1	19.5	15.1	17.1 ^a	14.1 ^b	14.0 ^b	12.6 ^b
Capital adequacy ratio, %	21.4	23.1	22.9	17.3	19.8 ^a	14.1	14.0	12.8
Over 90 days past due receivables*, € million	366	356	319	270	292	311	296	204
Ratio of over 90 days past due receivables* to loan and guarantee portfolio, %	0.45	0.44	0.41	0.37	0.41	0.46	0.47	0.34
Loan and guarantee portfolio, € billion	82.1	81.3	77.8	73.6	71.0	67.7	62.8	59.4
Impairment loss on receivables, € million	8 ^d	77 ^c	78 ^c	88 ^c	84 ^c	99 ^c	101 ^c	149 ^c
Impairment loss on receivables / loan and guarantee portfolio, %	0.04 ^d	0.09 ^c	0.10 ^c	0.12 ^c	0.12 ^c	0.15 ^c	0.16 ^c	0.25 ^c
Personnel	12 079	12 227	12 130	12 356	12 856	13 290	13 229	12 504

a) As of 1 January 2014

b) Core Tier 1 ratio

c) January–December

d) January–March

OP Financial Group's key ratios

	Q1/2017	2016	2015	2014	2013	2012	2011	2010
Average corporate loan margin, % ^a	1.44	1.41	1.38	1.44	1.57	1.52	1.34	1.36
Cost/income ratio, %	54	52	53	56	62	63	63	59
Return on equity (ROE), %	9.4	9.4	10.3	8.1	8.9	7.0	6.8	6.9
Return on assets (ROA), %	0.7	0.7	0.7	0.6	0.7	0.5	0.5	0.5

a) OP Corporate Bank's corporate loan portfolio