

Debt Investor Presentation

Q1/2015

OP Financial Group and issuing entities
Pohjola Bank plc (to be OP Corporate Bank plc during 2016)
and OP Mortgage Bank

www.pohjola.com > Investor Relations > Debt Investors



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 Pohjola 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. Pohjola 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. Pohjola 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: Pohjola Bank plc and OP Mortgage Bank

€116 bn Total assets as of 31 March 2015

SOLID CAPITAL POSITION

16.7%

CET1 as of 31 March 2015

FINNISH RISK EXPOSURE

96%

of retail and corporate exposures in Finland as of 31 Dec. 2014

MARKET LEADER IN FINLAND

>30%

Market share in loans, deposits and non-life insurance

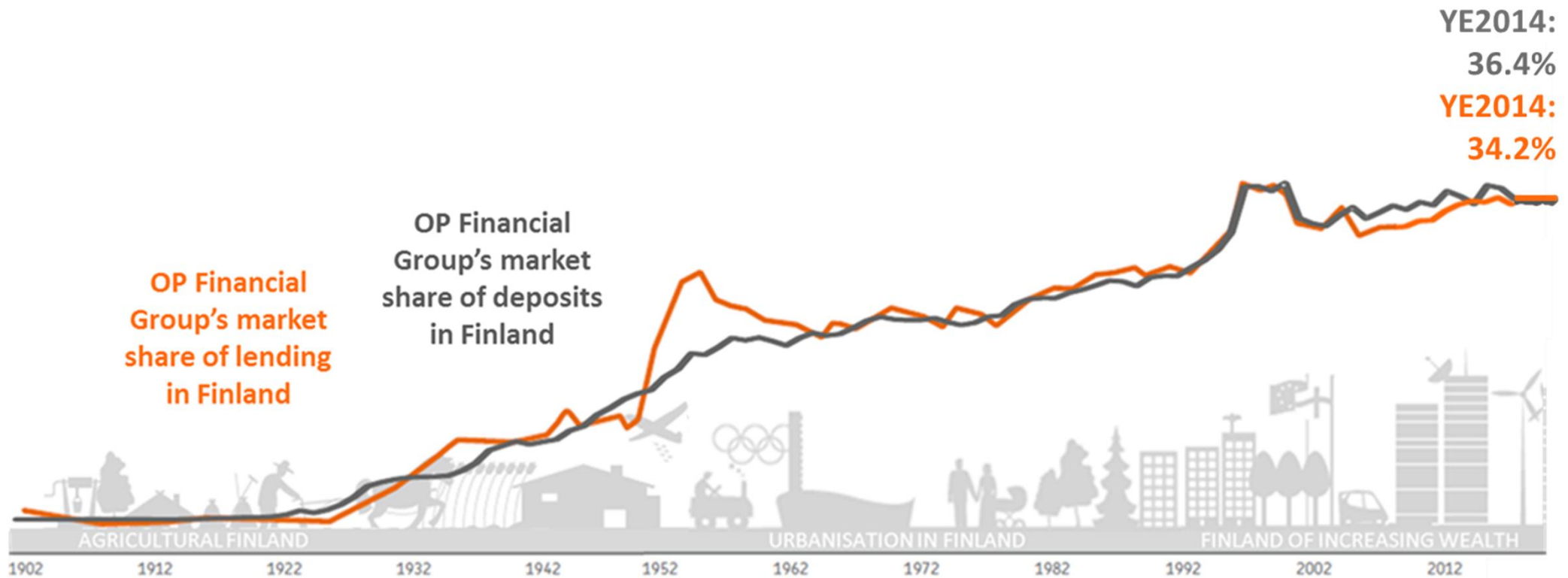
HIGH CREDIT RATINGS

Moody's Aa3 / S&P AA- / Fitch A+

Pohjola Bank plc

Moody's Aaa / S&P AAA

OP Mortgage Bank



Finnish Economy

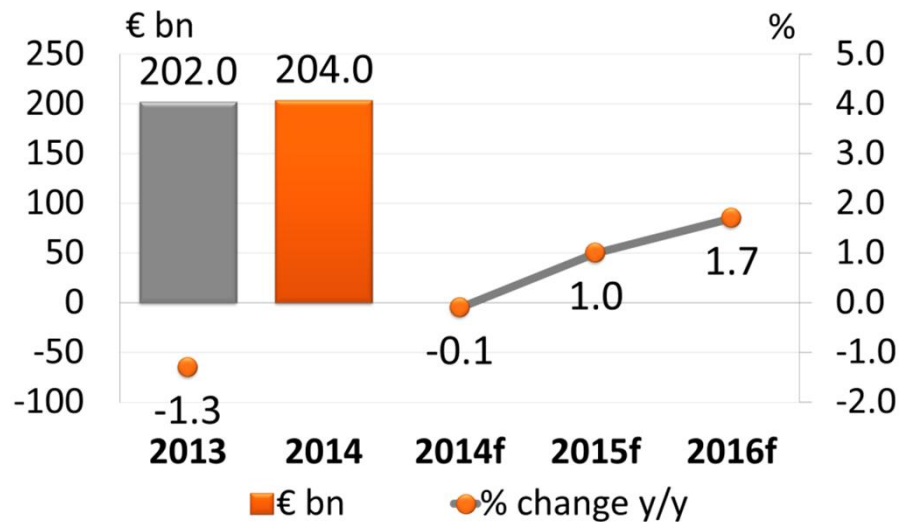
The new Finnish government's measures to balance public finances

- 1.6 billion euro package of infrastructure spending and measures to enhance economic growth will be introduced
- Labour income taxes will be reduced slightly over the government term
- The government is committed to close the 10 billion euro sustainability gap

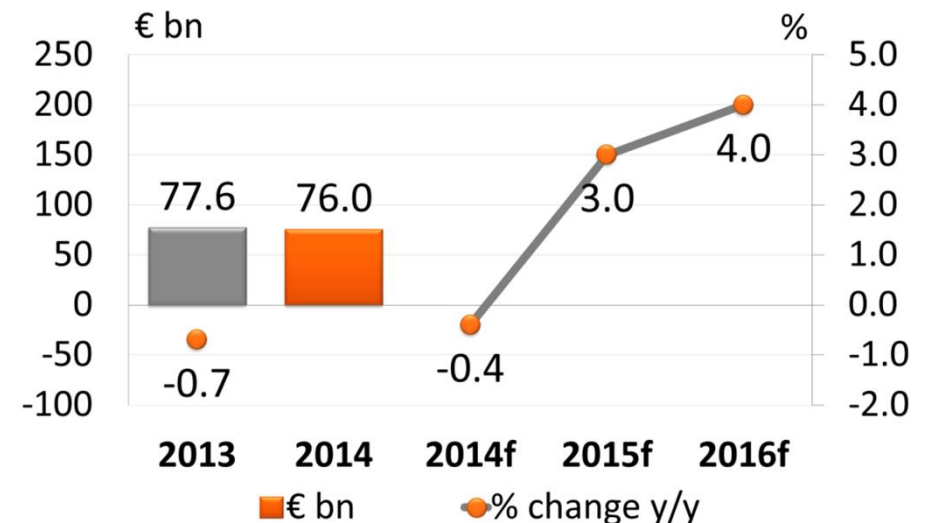
Employment and growth (effective if no social contract agreement)	1.5 billion euros
Expenditure cuts and structural reforms	4.5 billion euros
Social and health care reform and higher productivity	3.0 billion euros
Reduction local governments tasks and expenditures	1.0 billion euros

Forecasts for the Finnish Economy

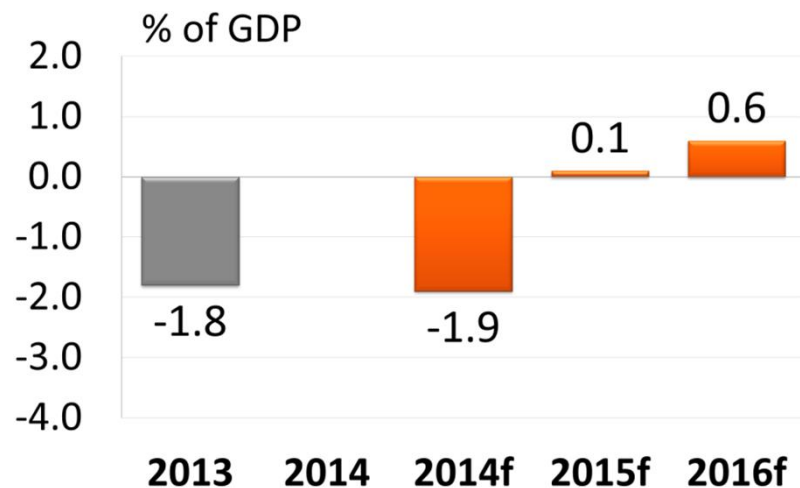
GDP, € bn and % change y/y



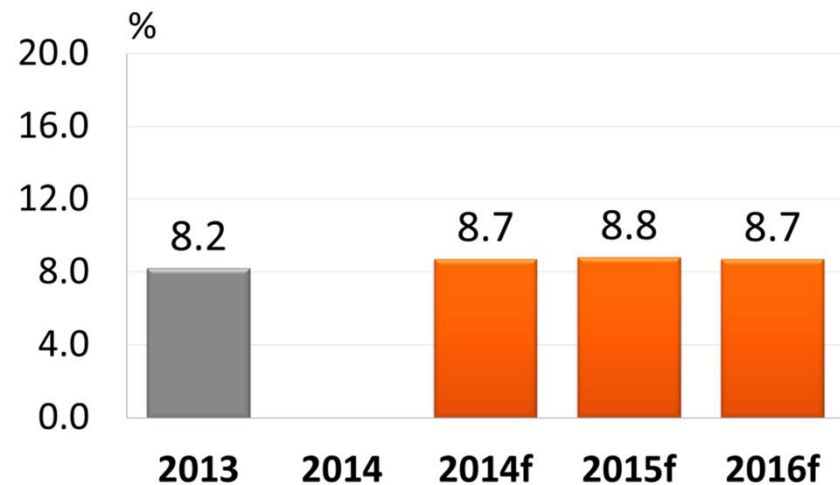
Exports, € bn and % change y/y



Current account balance, % of GDP

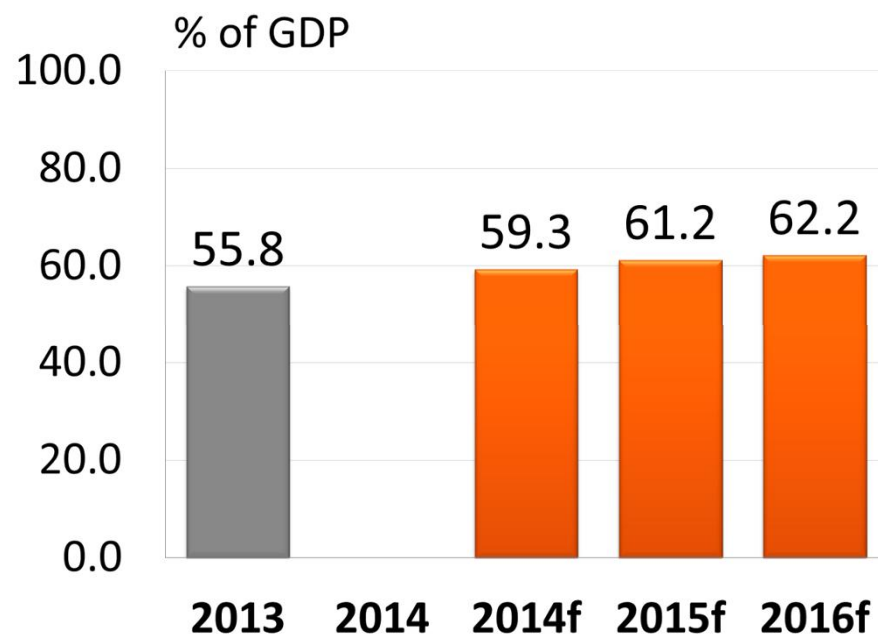


Unemployment rate, %

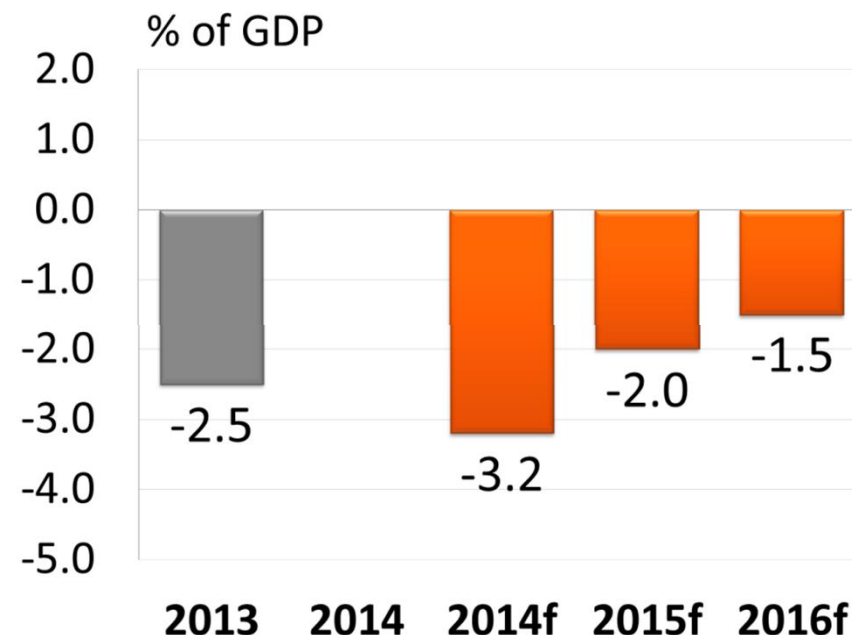


Forecasts for the Finnish Economy

General government debt, % of GDP

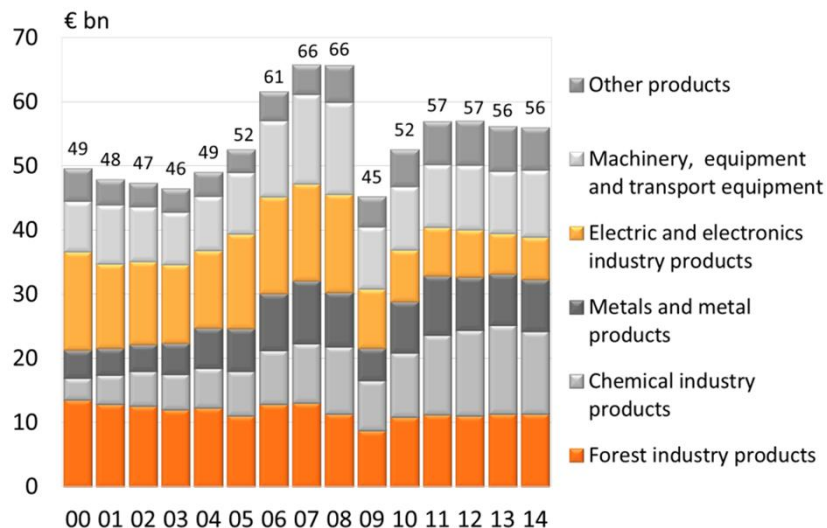


General government deficit, % of GDP



Goods Exports by Product Group and by Country**

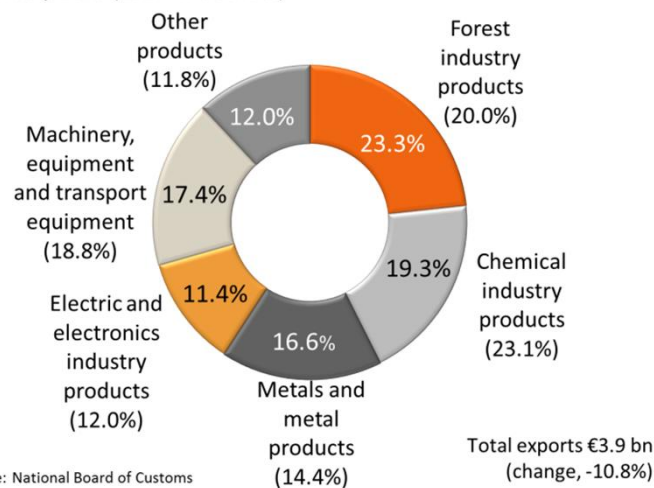
Exports by commodity group



Source: National Board of Customs

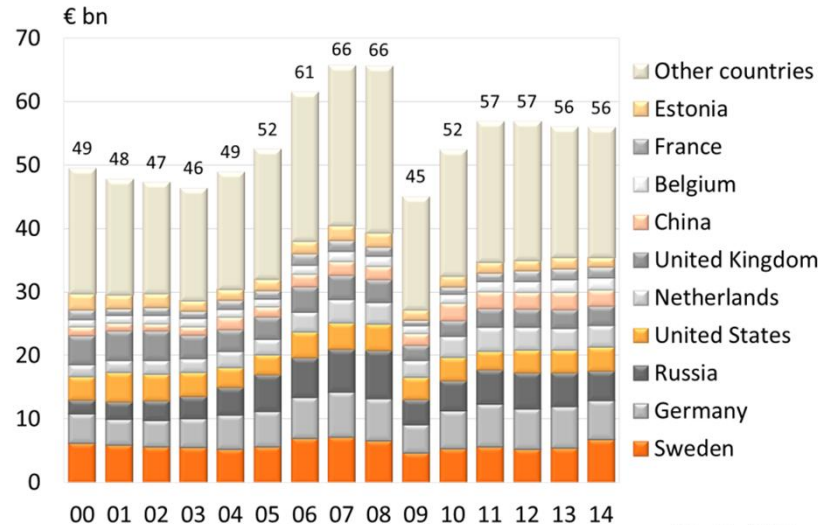
Goods exports by product group

Share of total exports
January 2015 (2014 in brackets)



Source: National Board of Customs

Finlands' largest* export countries

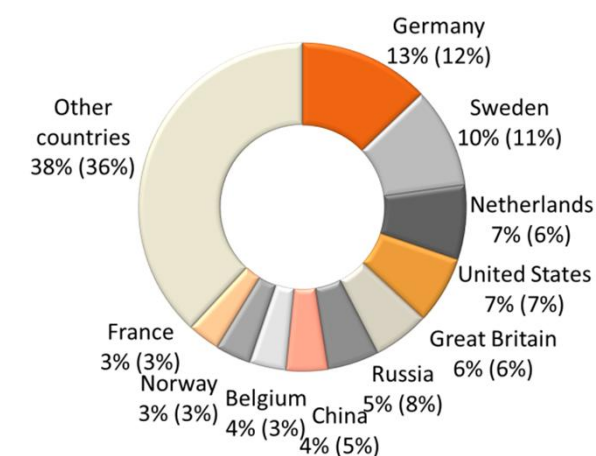


Source: National Board of Customs

* Top 10 of 2014

Goods exports by country

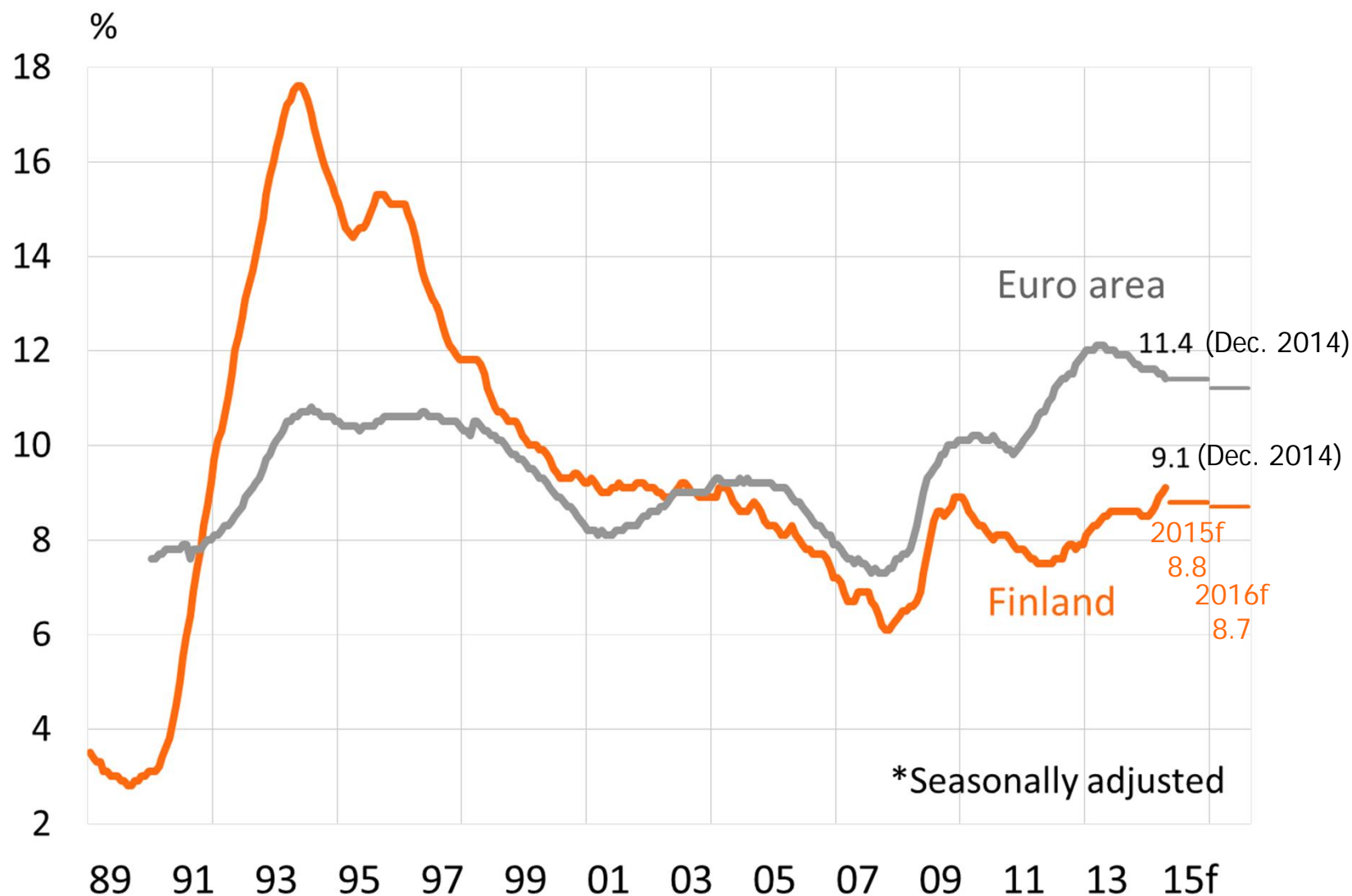
January 2015 (2014 in brackets)



Source: National Board of Customs

** In January 2015, EU member countries' share of goods exports was 60%

Unemployment Rate* in Finland and Euro Area

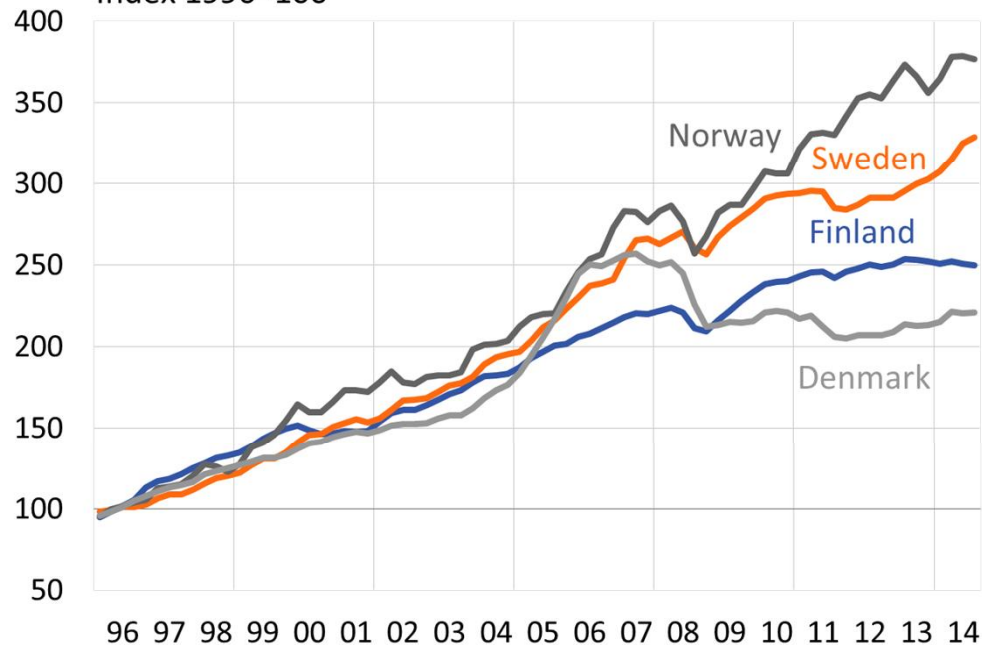


Sources: Statistics Finland, Eurostat, forecasts OP Financial Group, January 2015

Average House Prices and Households' Debt

Average house prices

Index 1996=100

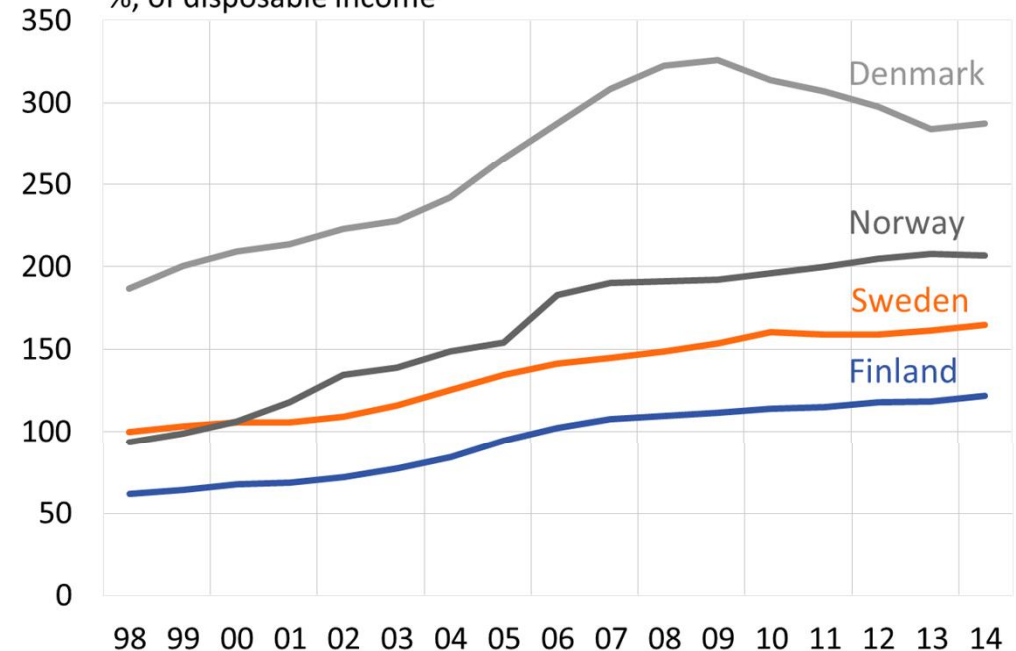


Sources: Macrobond, Statistics Sweden

Latest value: April 2014

Households' debt ratio

%, of disposable income



Sources: Central Banks, Statistics Finland

Latest value: 2014

Overview: Finnish Housing Market

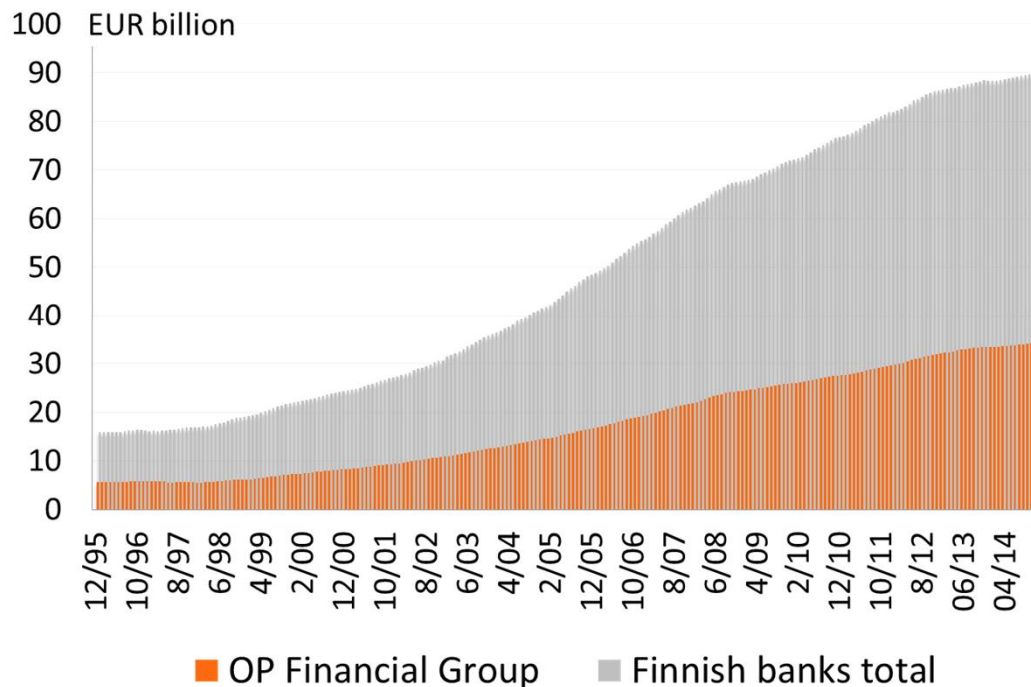
- Ownership ratio of households around 70%
- Average size of homes 79.9 m²
- Floor space per occupant 39.8 m²
- Typical maturity of new loans 20 years
- Variable interest rates: around 94% of loans to households
- Average annual housing starts around 27,000
- Interest relief in taxation (max. €3,600 / household)
- Capital gains tax-exempt after 2 years

As of 15 April 2015

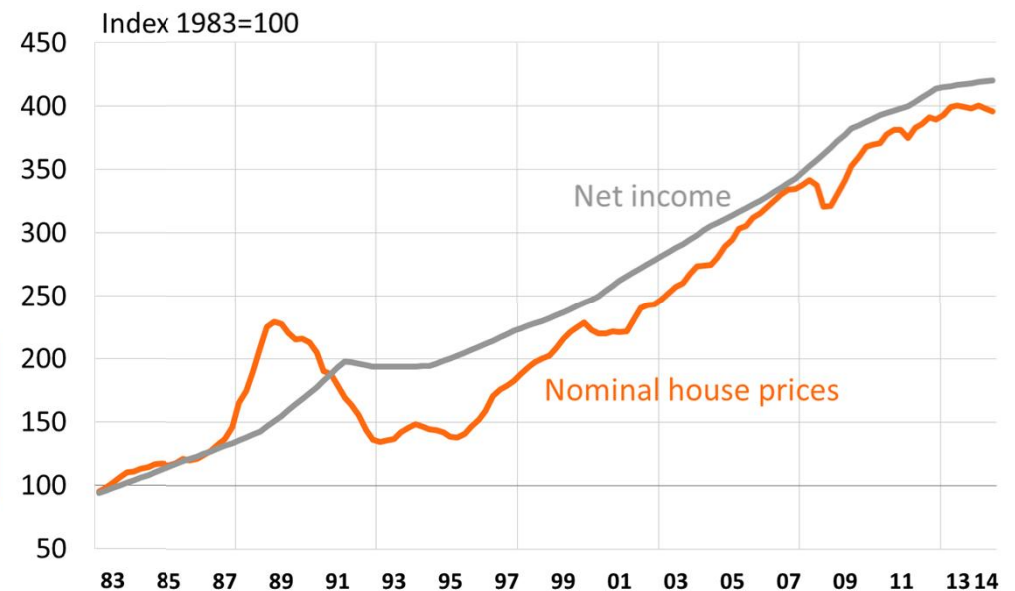
Mortgage Market and Changes in House Prices

- The lending volume in the Finnish mortgage market has increased over the past years, which has driven up nominal house prices.
- In real terms, house prices have risen more gently and as per the average net income the increase in house prices has been very stable over a long period of time.

Mortgage lending volume



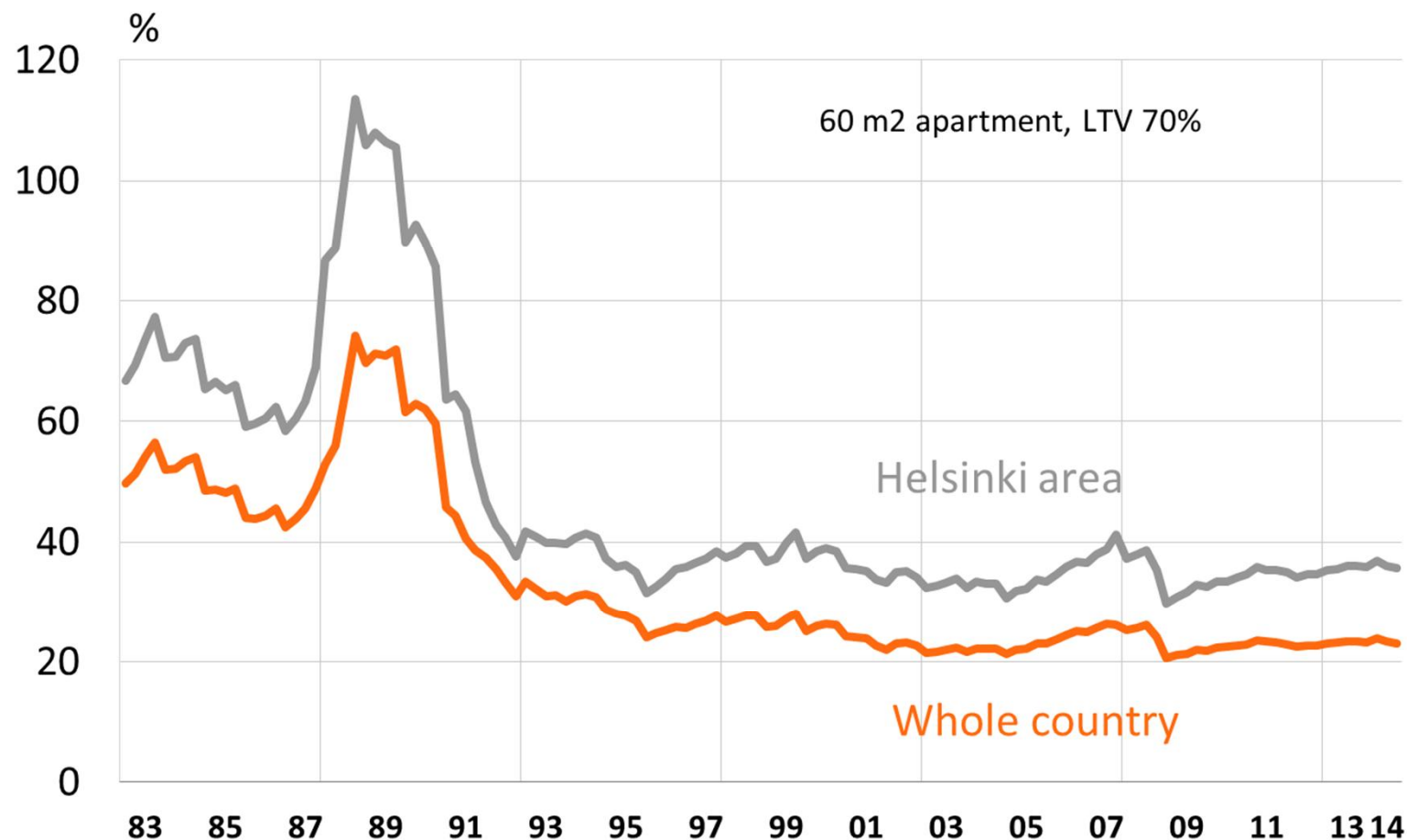
Changes in house prices and net income



Source: Statistics Finland

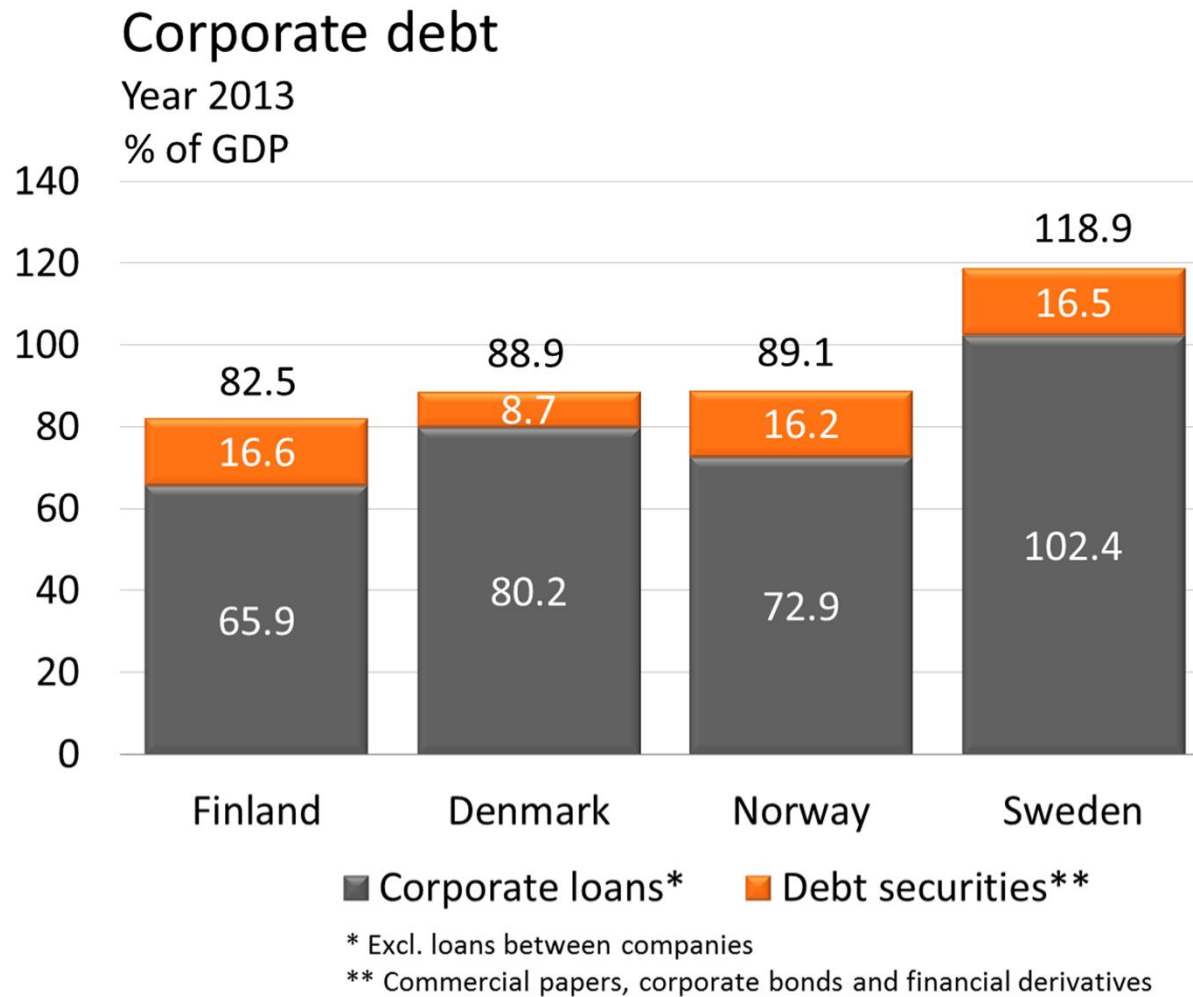
Loan Servicing Costs in Relation to Net Income

Annuity payment during the first year



Sources: Statistics Finland, Taxpayers' Association of Finland

Corporate Debt to GDP



Average equity ratio of Finnish companies was 41.8% in 2013

Source: Statistics Finland

Source: Eurostat, Consolidated Financial Accounts

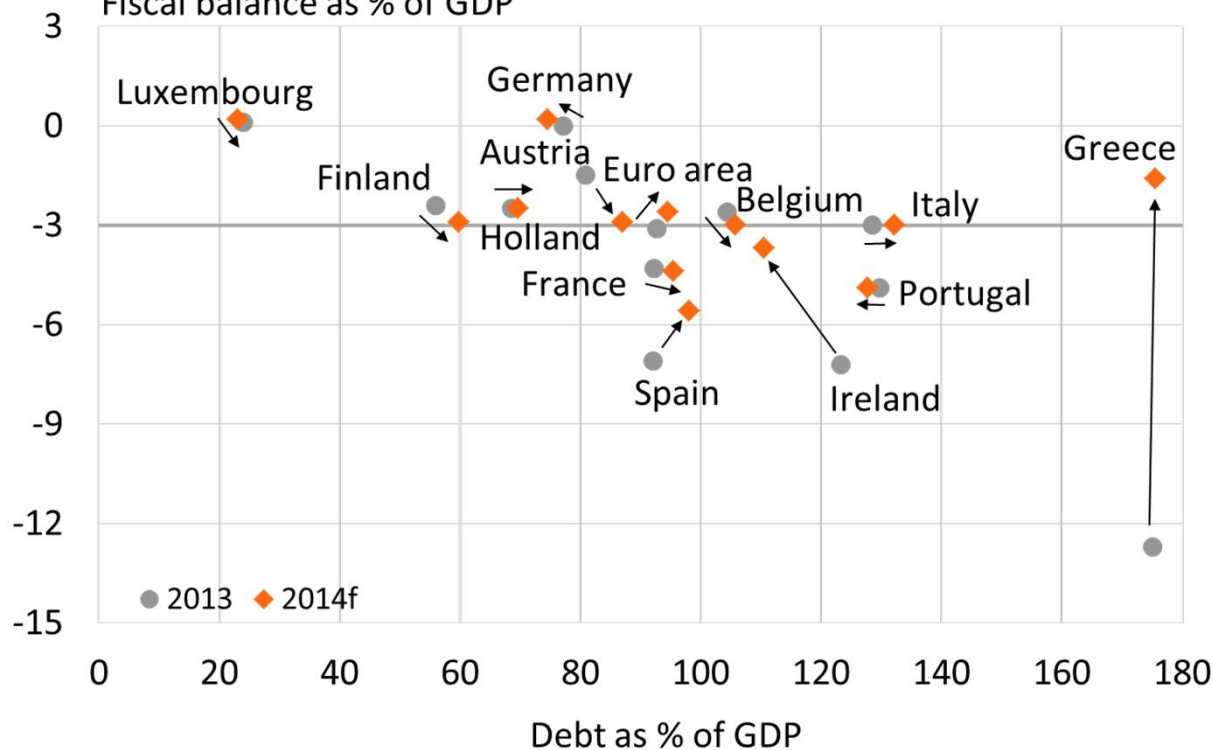
Fiscal Balance and Sovereign Ratings for Euro Area

Long-term credit ratings
27-May-15

Fiscal Balance,

Realized for 2013 and forecast for 2014

Fiscal balance as % of GDP



Sources: Statistics Finland, European Commission, November 2014

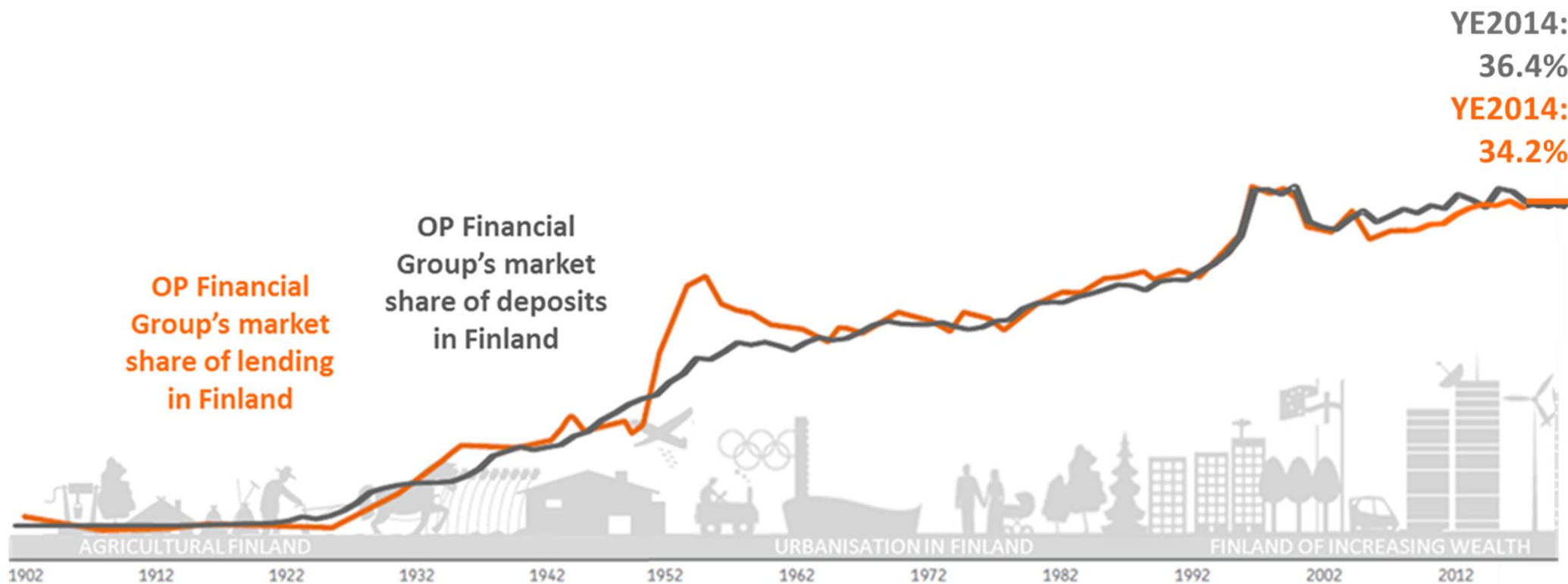
Country	Moody's	S&P	Fitch
Germany	Aaa	AAA	AAA
Luxembourg	Aaa	AAA	AAA
Netherlands	Aaa	AA+**	AAA
Finland	Aaa	AA+	AAA*
Austria	Aaa	AA+	AA+
France	Aa1*	AA*	AA
Belgium	Aa3	AA	AA*
Estonia	A1	AA-	A+
Slovakia	A2	A**	A+
Latvia	A3	A-	A-
Lithuania	A3	A-	A-
Malta	A3	BBB+	A
Ireland	Baa1	A	A-
Slovenia	Baa3	A-	BBB+
Spain	Baa2**	BBB	BBB+
Italy	Baa2	BBB-	BBB+
Portugal	Ba1	BB**	BB+**
Cyprus	B3	B+**	B-**
Greece	Caa2*	CCC+*	CCC

* Negative outlook

** Positive outlook

*** Rating under review

Sources: Rating agencies' websites



OP Financial Group

OP Financial Group



1.4 million customer-owners,
of which 90% households

Some 180 OP Financial Group member cooperative banks

OP Cooperative

Central institution of the Group in charge of overall supervision and steering

Banking

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

Non-life Insurance

- Private customers
- Corporate customers
- Baltic States
- Health & well-being

Wealth Management

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

- Finance & Treasury (incl. central bank)
- Risk Management
- Group Steering
- etc.

Strategic focus areas within business segments

Group-level emphasis on integration between business segments, capital adequacy, cost-efficiency, profitable growth and digitalisation

Banking

Retail banking

- Leading position in the Helsinki metropolitan area by 2025

Corporate banking

- Increasing market share among medium-sized companies through regional banks

Non-life Insurance

Maintaining the market leadership

- Cross-selling and growth potential among private and SME customers

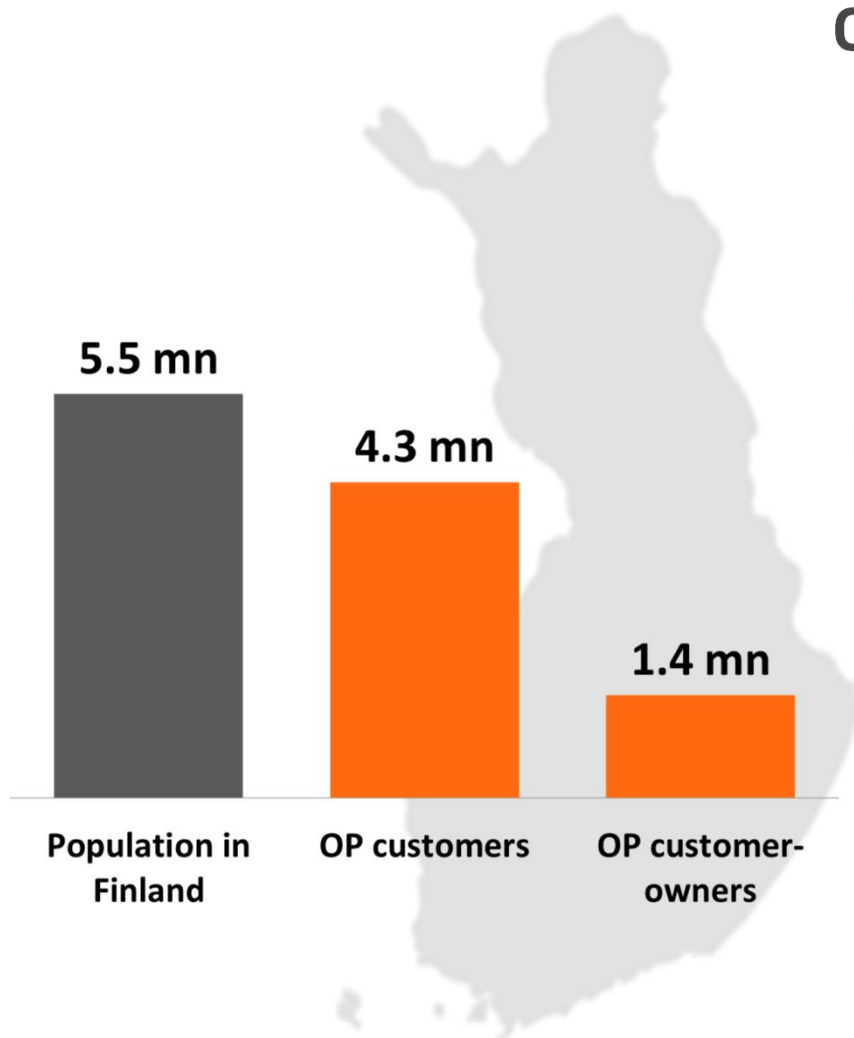
Wealth Management

Intensified efforts to become leading wealth manager

- Growth at a rate above the market in unit-linked policies

Customer-owned OP Financial Group

– over 120 years of stable growth together with customers



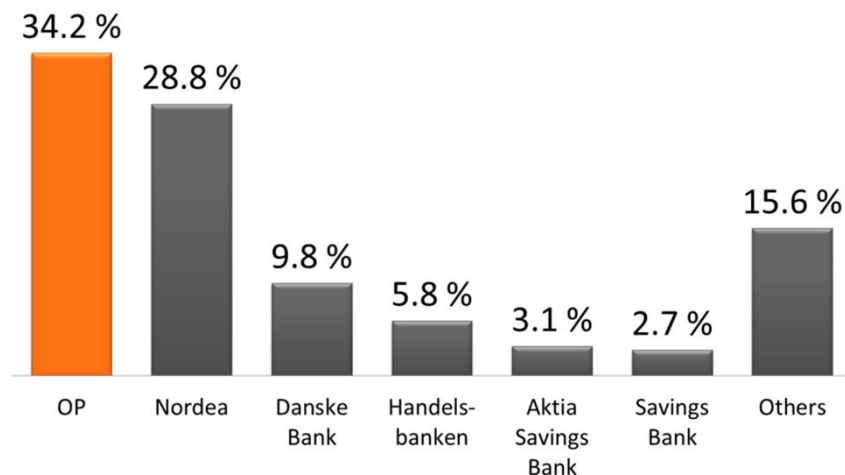
- ✓ Comprehensive financial services offering under strong and well-known OP brand
- ✓ Best loyalty benefits, OP bonuses, supporting cross-selling
- ✓ Close to customers through the most extensive service network
 - 181 member cooperative banks
 - 5 POP Group banks to join OP Financial Group as independent cooperative banks and 1 POP Group bank to merge into a member cooperative bank during 2015-16
 - 454 branches, of which 348 providing both banking and non-life insurance services
 - 12,185 employees and around 270 tied insurance agents
 - 1.6 mn eServices agreements
 - 6.6 mn visits to OP-Mobile App in March 2015

Joint Liability within OP Financial Group

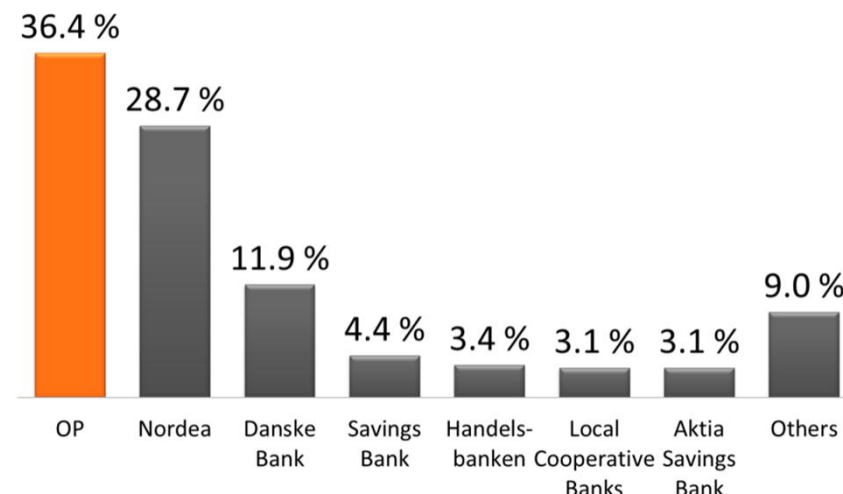
- Under the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010), OP Cooperative and the member credit institutions are jointly liable for each others' debts.
- If a creditor has not received payment from a member credit institution on a due debt, the creditor may 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.
- The member credit institutions include Pohjola Bank plc, Helsinki OP Bank plc, 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.
- Further information on the joint liability is available in the EMTN Base Prospectus.

OP – Leading Financial Group in Finland

Loans 2014 (Finland: €206 bn)

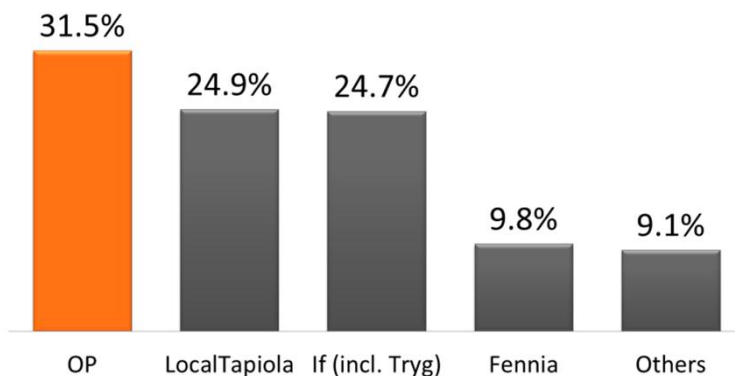


Deposits 2014 (Finland: €133 bn)



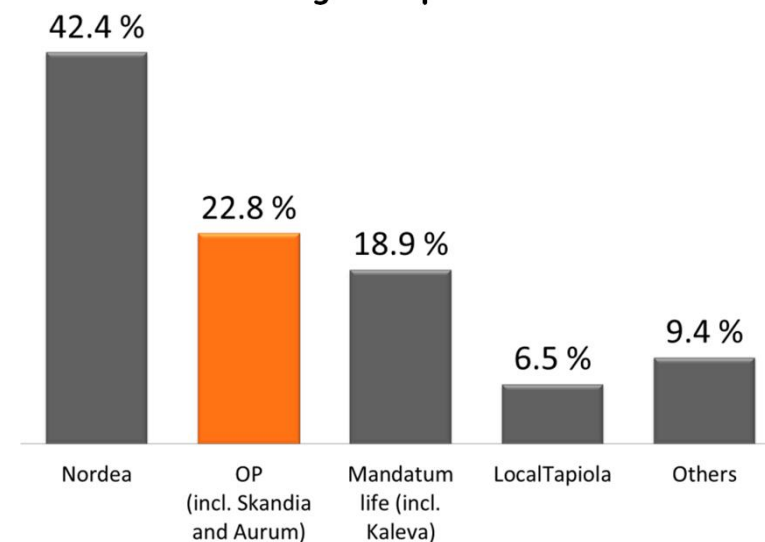
Non-life Insurance 2014 (Finland: €4.4 bn)

Market share of premiums written under Finnish direct insurance



Life Insurance 2014 (Finland: €6.0 bn)

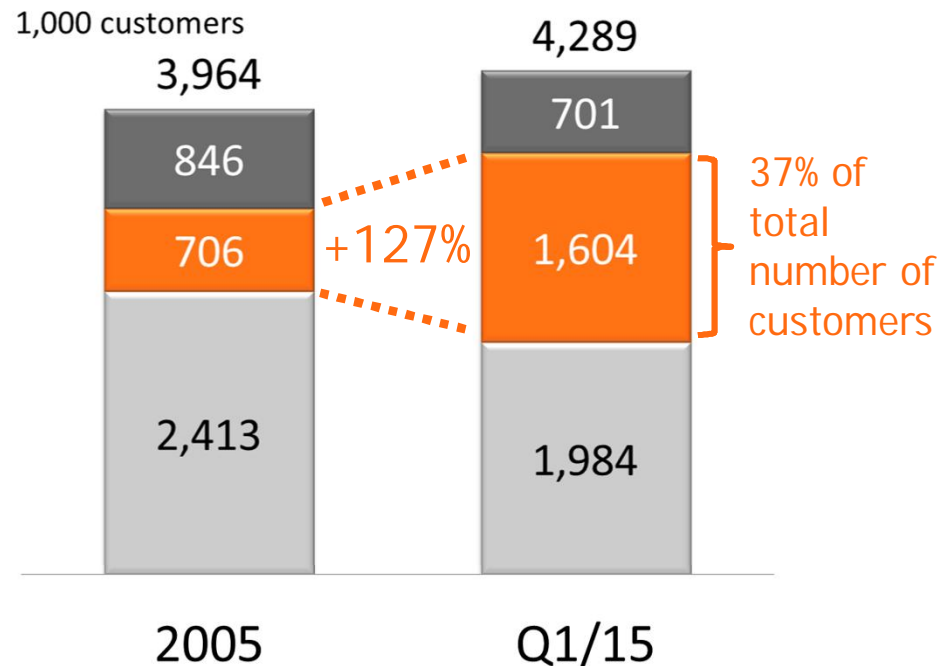
Market share of gross premiums written



Significant Customer Potential

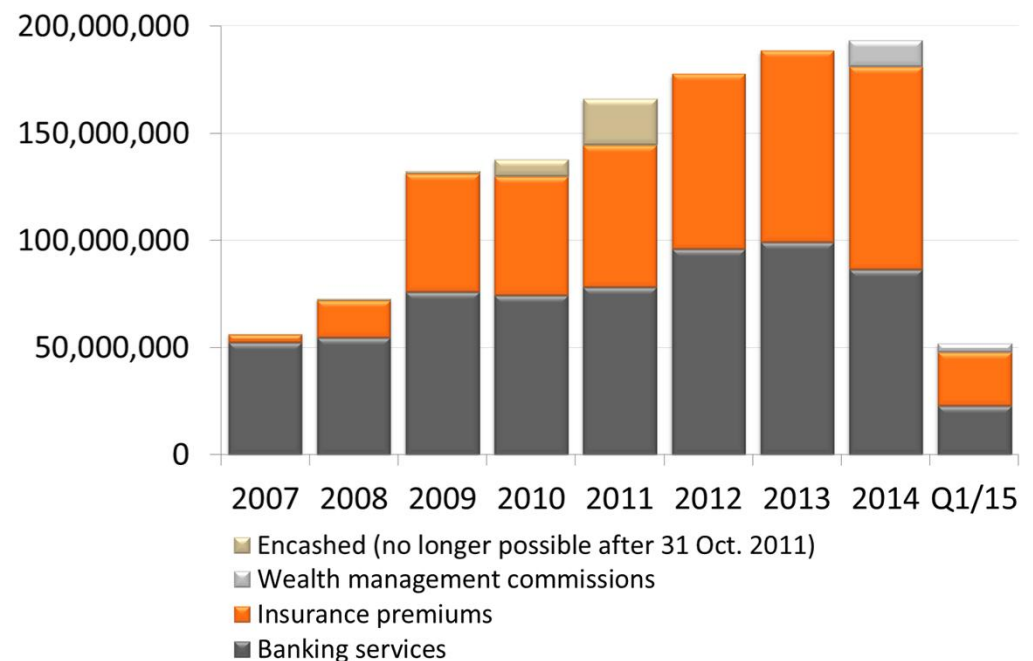
Cross-selling between OP Financial Group member cooperative banks and Non-life Insurance based on strong bancassurance business model

Number of customers shared by Banking and Non-life Insurance increased by 14,000 in Q1/15



- Non-life insurance customers
- Banking and non-life insurance customers
- Banking customers

In 2014, OP bonuses to customers €189 mn (2005: €42 mn). In Q1/15, OP bonuses to customers €48 mn and use of bonuses €52 mn.

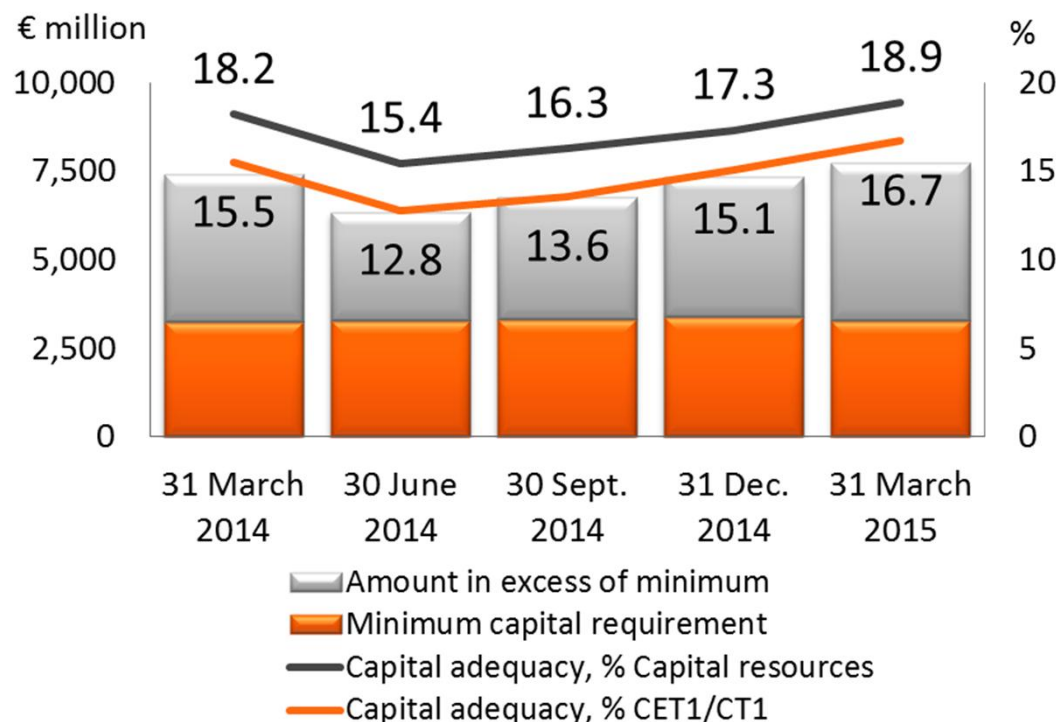


Insurance premiums paid using bonuses totaled €25 million in Q1/15. In Q1/15, OP bonuses were used to pay 500,000 insurance premiums, with 64,000 paid in full using bonuses only.

Common Equity Tier 1 ratio 16.7%*

CET1 target to be achieved by the end of 2016: 18.0%

Capital base and CET1 ratio (CRR/CRD4)



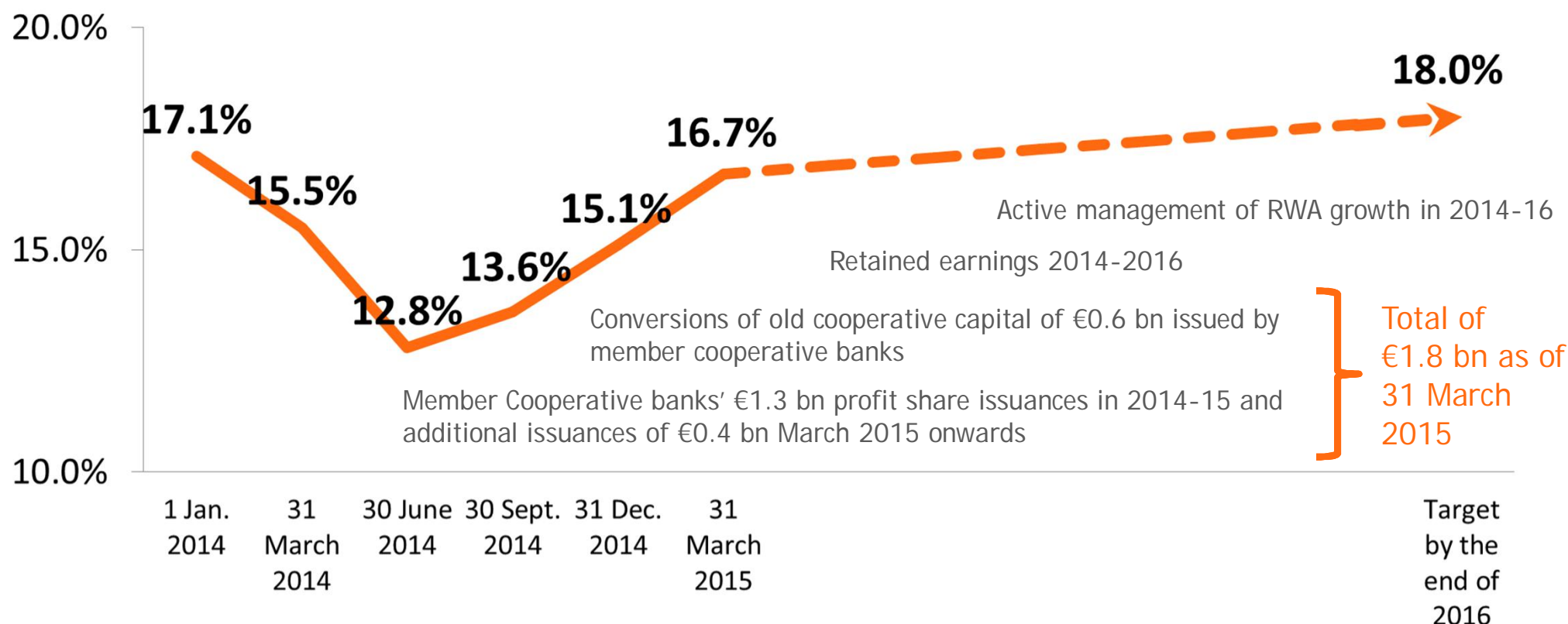
- Leverage ratio of OP Financial Group's banking operations is, according to the current interpretations of the new regulations, 6.6% as of 31 March 2015 (6.4 as if 31 Dec. 2014), while the minimum requirement is 3.0%.
- Internal Ratings Based Approach (IRBA) applied to retail and some corporate and credit institution exposures since December 2011. Foundations Internal Ratings Based Approach (FIRBA) applied to corporate and credit institution exposures. At YE2014, average risk weight for retail exposures was 8.5% (8.8) and for corporate exposures 70.7% (74.0).

*) In accordance with the EU capital requirement regulation and directive (EU 575/2013) (CRR/CRD4) entered into force on 1 January 2014. OP Financial Group received temporary permission defined in the Capital Requirements Directive and Regulation (CRD IV/CRR) from the Finnish FSA to treat insurance holdings as risk-weighted assets (RW approx. 280%) on 27 November 2013. The permission was valid between 1 January and 31 December 2014. The European Central Bank took over supervisory responsibilities for OP Financial Group as credit institution in November 2014. A request for an extension is being processed by the ECB. OP Financial Group applies the treatment of insurance holdings based on the previous permission from the Financial Supervisory Authority. Any potential change in the treatment of insurance holdings would neither jeopardise OP Financial Group's capital adequacy position nor impact the CET1 target.

Actions to Strengthen Capital Adequacy and Profitability

In Q1/15, profit shares increased CET1 ratio by 0.7 pps

Indicative path to restored CET1 capital adequacy



Target of 20% (12-mth rolling) for return on economic capital* (17.1% as of 31 March 2015)

Requires OP Financial Group to record earnings before tax above €1 billion within the next few years

* Return on economic capital, %

$$\frac{\text{Earnings + customer bonuses after tax (value rolling 12 month)}}{\text{Average economic capital}} \times 100$$

EBT improved by 24% to €320 mn (257) in Q1/15

Income were up by 8% and expenses down by 3% in Q1/15

Banking

EBT, € mn	192 Q1/14: 158
Net interest income, € mn	272 Q1/14: 267
Net commissions and fees, € mn	184 Q1/14: 177
Impairments of receivables, € mn	21 Q1/14: 10
Loan portfolio, € bn	71.3 31 Dec. 2014: 70.7
Deposits, € bn	48.6 31 Dec. 2014: 48.8
Cost/Income –ratio, %	51.0 Q1/14: 56.1

Non-Life Insurance

EBT, € mn	66 Q1/14: 62
Insurance premium revenue, € mn	336 Q1/14: 320
Operating combined ratio, %	87.2 Q1/14: 89.3
Operating expense ratio, %	17.9 Q1/14: 18.5
Return on investments at fair value, %	2.6 Q1/14: 1.4
Solvency II ratio*, %	109 31 Dec. 2014: 117

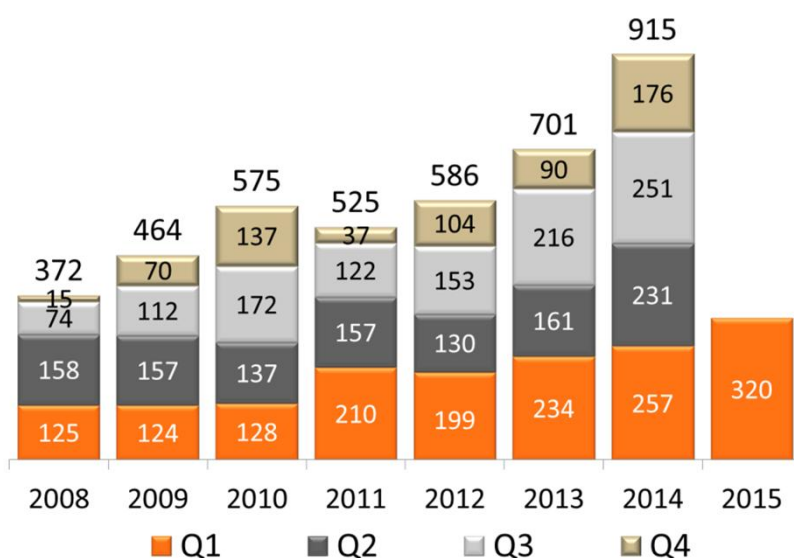
Wealth Management

EBT, € mn	93 Q1/14: 69
Net commissions and fees, € mn	55 Q1/14: 49
Assets under management, € bn	67.0 31 Dec. 2014: 61.3
Cost/Income –ratio, %	42.5 Q1/14: 51.1
Return on investments at fair value within Life Insurance, %	2.4 Q1/14: 1.4
Solvency II ratio* within Life Insurance, %	91 31 Dec. 2014: 100

OP has steadily improved its EBT and aims at annual earnings of more than €1 bn within the next few years

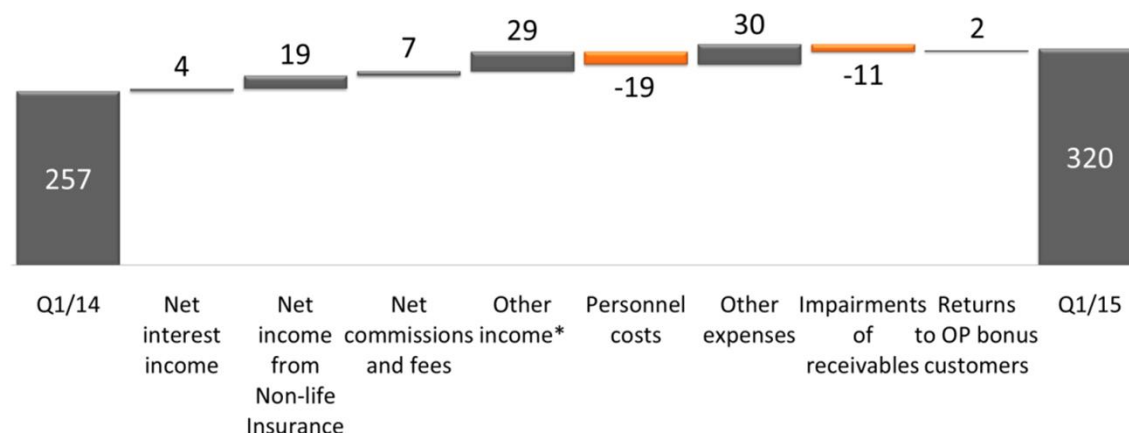
EBT in Q1/15 were best quarterly results ever recorded

EBT by quarter 2008–15, € mn



EBT, y-o-y change Q1/15 vs. Q1/14, € mn

- Thanks to improved profitability and higher investment income, net income from Non-life and Life Insurance was up by 12% and 30%, respectively
- Total expenses decreased by 3%



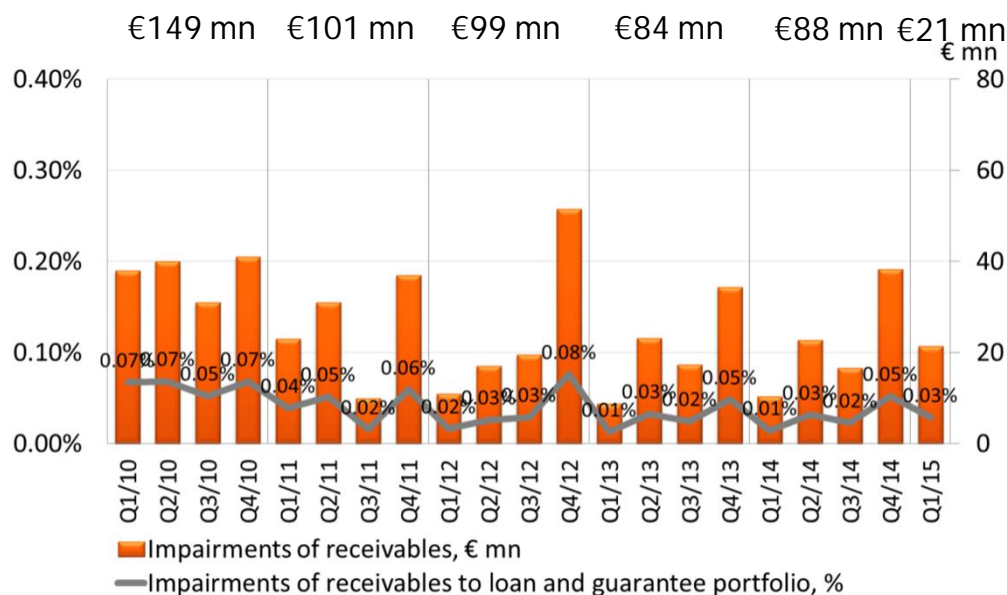
* Other income includes net income from Life Insurance, net trading income, net investment income and other operating income

“ Despite the challenging operating environment, OP Financial Group’s earnings before tax for 2015 are expected to be at the same level or higher than in 2014. ”

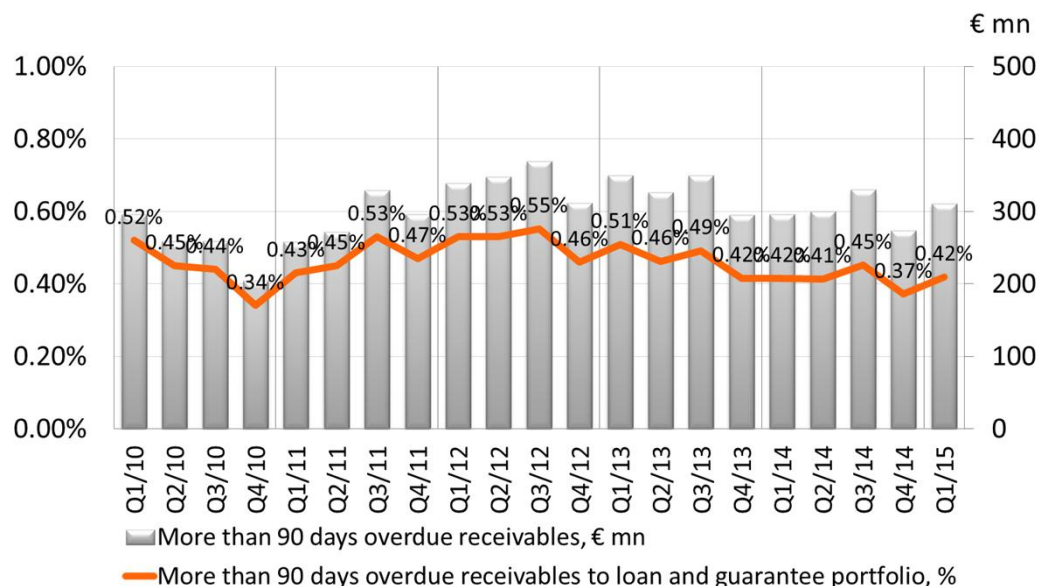
Q1/15 Impairments of Receivables 0.12% to Loan and Guarantee Portfolio (0.06)

Ratio of more than 90 days overdue receivables to loan and guarantee portfolio at a low level

Ratio of impairment loss on receivables to loan and guarantee portfolio (%) and € mn



Ratio of more than 90 days overdue receivables to loan and guarantee portfolio (%) and € mn



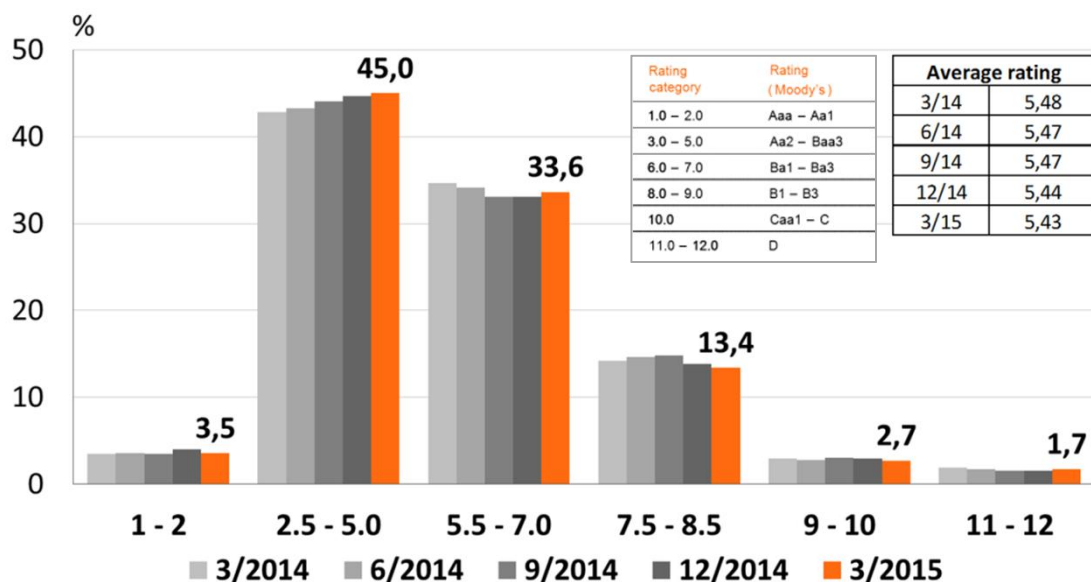
As of 31 March 2015, ratio of exposures individually assessed for impairment to doubtful receivables
18.3% (20.2)*

*) Doubtful receivables refer to receivables that are more than 90 days overdue, other receivables classified as risky and forborne receivables. The definitions of non-performing and renegotiated receivables in the 2014 financial statements have been changed to correspond with the European Banking Authority's guidelines on forborne and non-performing receivables. According to the new definition, for example, the probation period of forborne receivables has been extended considerably, increasing the level of doubtful receivables compared to the previous definition. Comparative information has been restated accordingly. Additionally, comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Exposures by Credit Rating Category

IG exposure to total exposure from the Non-financial Corporations and Housing Associations Sector was 49% as of 31 March 2015 (49)

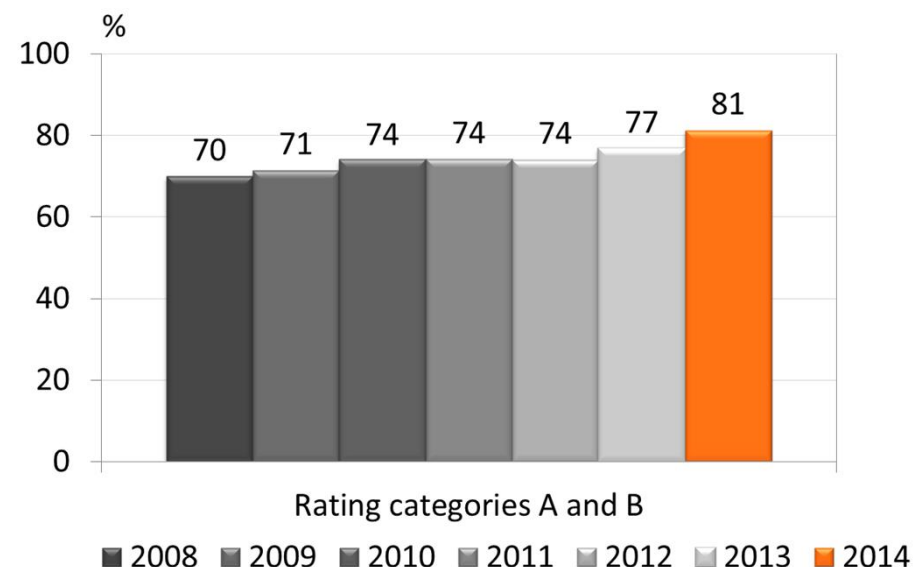
Exposures from the Non-financial Corporations and Housing Corporations Sector by credit rating category (€32.5 bn as of 31 March 2015)



Largest single counterparty-related customer risk to Group's own funds covering customer risk at year-end 2014

6.6% (5.8)

Private Customer exposures of credit rating categories A and B (€39.8 bn, total private customer exposures €49.1 bn as of 31 Dec. 2014)

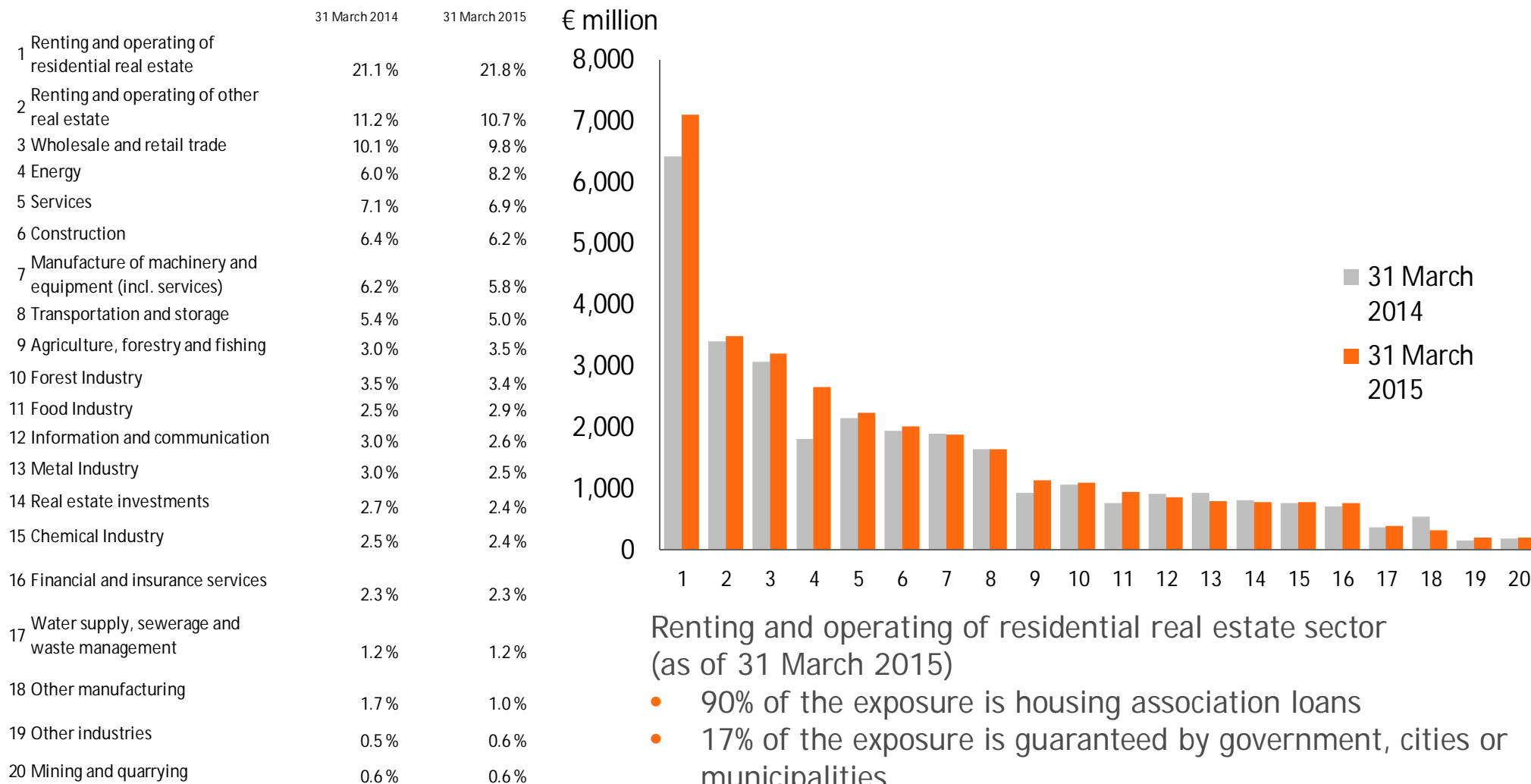


At year-end 2014, average PD of private customer exposures (Pillar III) with a credit rating of A and B a maximum of

0.1% (0.1)

Exposures from the Non-financial Corporations and Housing Associations Sector by Industry

€32.5 billion as of 31 March 2015



Funding Based on Strong Credit Ratings

Rating target: AA rating affirmed by at least 2 credit rating agencies
(or at least at the main competitors' level)

	Moody's	S&P	Fitch
Pohjola Bank plc	Aa3	AA-*	A+
Handelsbanken	Aa3***	AA-*	AA-
Nordea	Aa3***	AA-*	AA-
DNB	A1***	A+	-
SEB	A1***	A+*	A+**
Swedbank	A1***	A+*	A+**
Danske Bank	A3***	A*	A
OP Mortgage Bank****	Aaa	AAA	-
Pohjola Insurance Ltd	A3	AA-*	-
If	A2	A	-
Finnish government	Aaa	AA+	AAA*

* Outlook is negative

** Outlook is positive

*** Rating under review

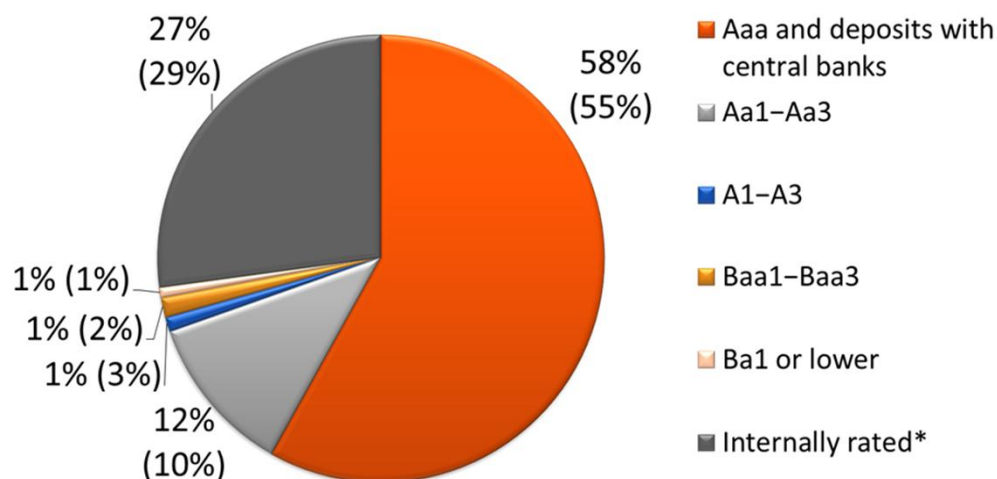
**** Covered bond rating

Updated: 27 May 2015

- Moody's affirmed Aa3 rating for Pohjola Bank plc and revised outlook from negative to stable on 17 March 2015 and affirmed A3 rating and stable outlook for Pohjola Insurance Ltd on 15 May 2015.
- S&P affirmed AA- rating for Pohjola Bank plc's on 22 October 2014 and for Pohjola Insurance Ltd on 31 October 2014. Outlook remained negative for both entities.
- Fitch affirmed A+ rating and stable outlook for OP Financial Group and Pohjola Bank plc on 19 May 2015.

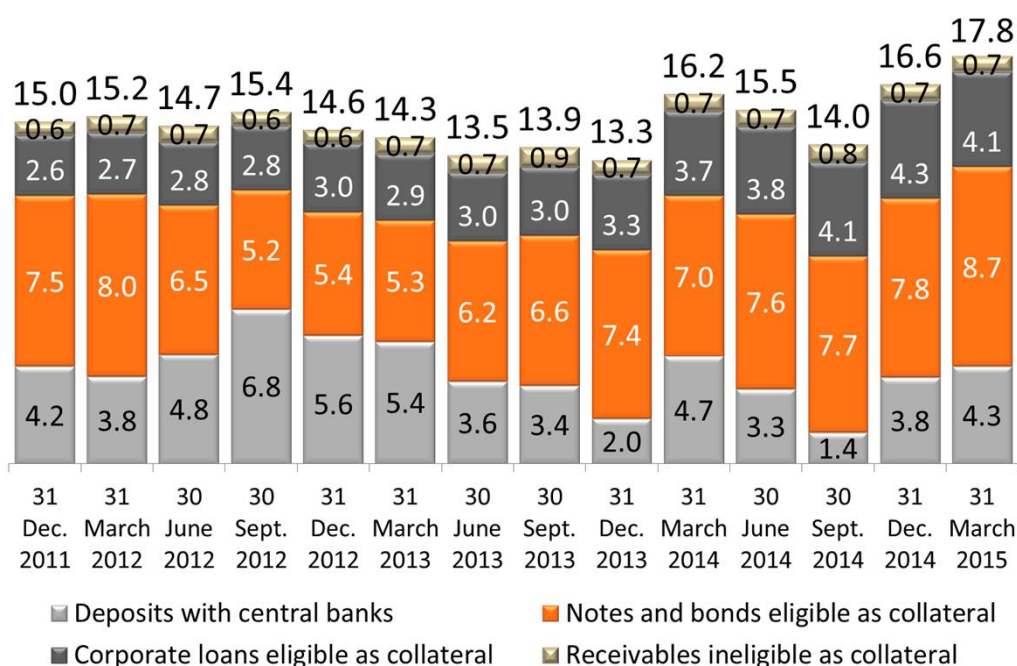
Liquidity Buffer

Liquidity buffer (€17.8 bn) by credit rating as of 31 March 2015
(31 Dec. 2014)



*) Internally rated: corporate loans (86%) and the remainder externally non-rated notes and bonds issued by public-sector entities and companies, both eligible as ECB collateral.

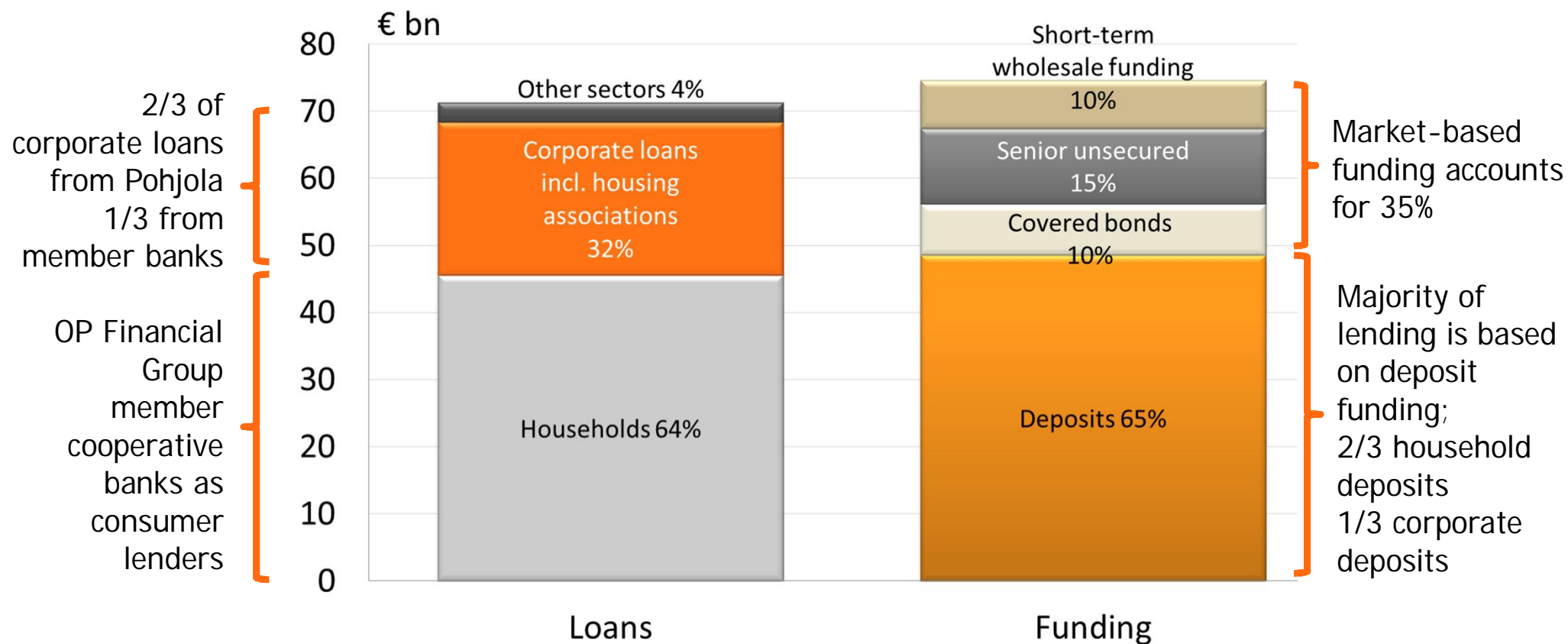
Liquidity buffer by product, € bn



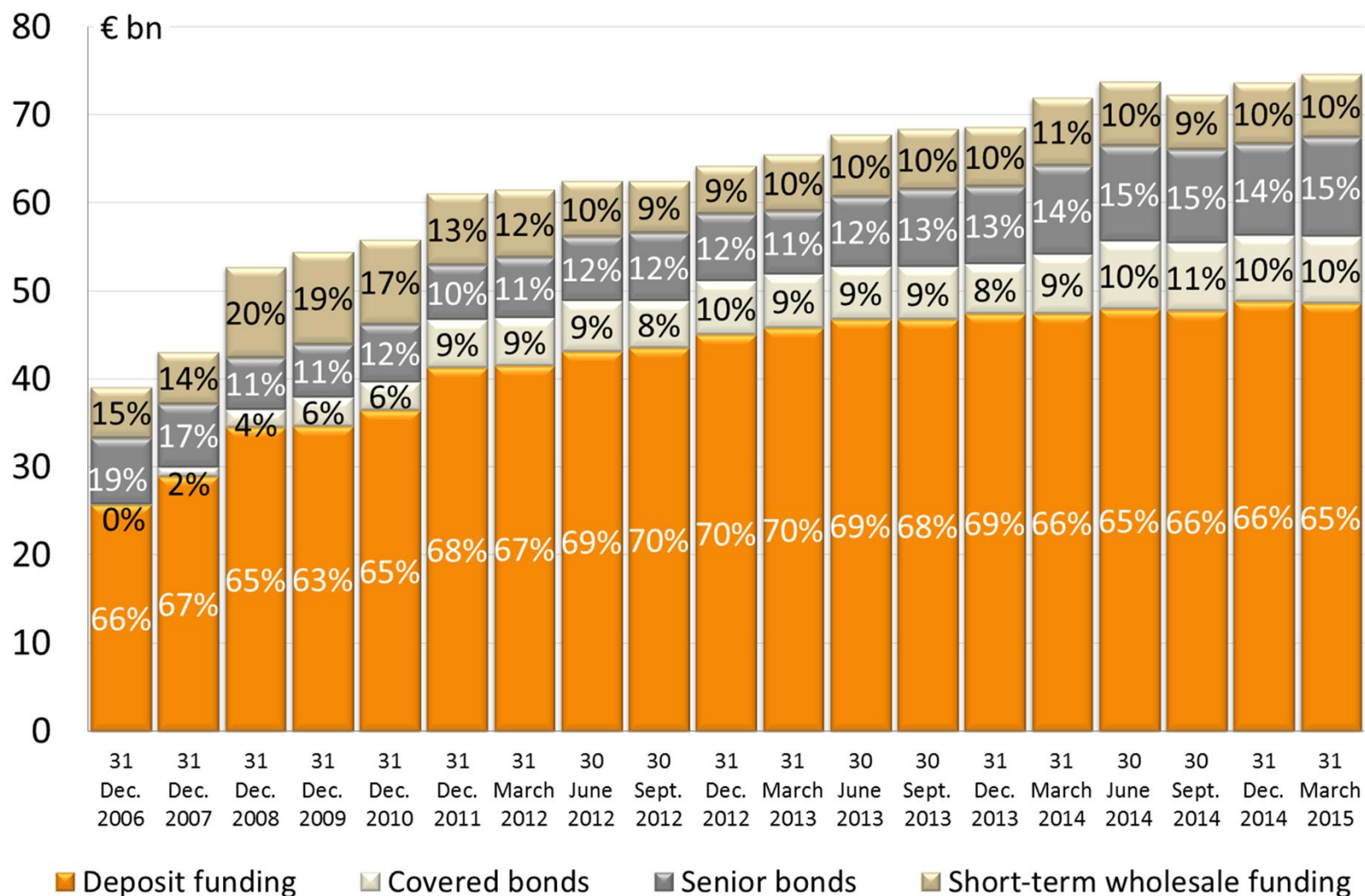
The liquidity buffer plus other items based on OP Financial Group's contingency funding plan can be used to cover the Group's maturing wholesale funding for at least 24 months.

Loans and Funding Structure

31 March 2015

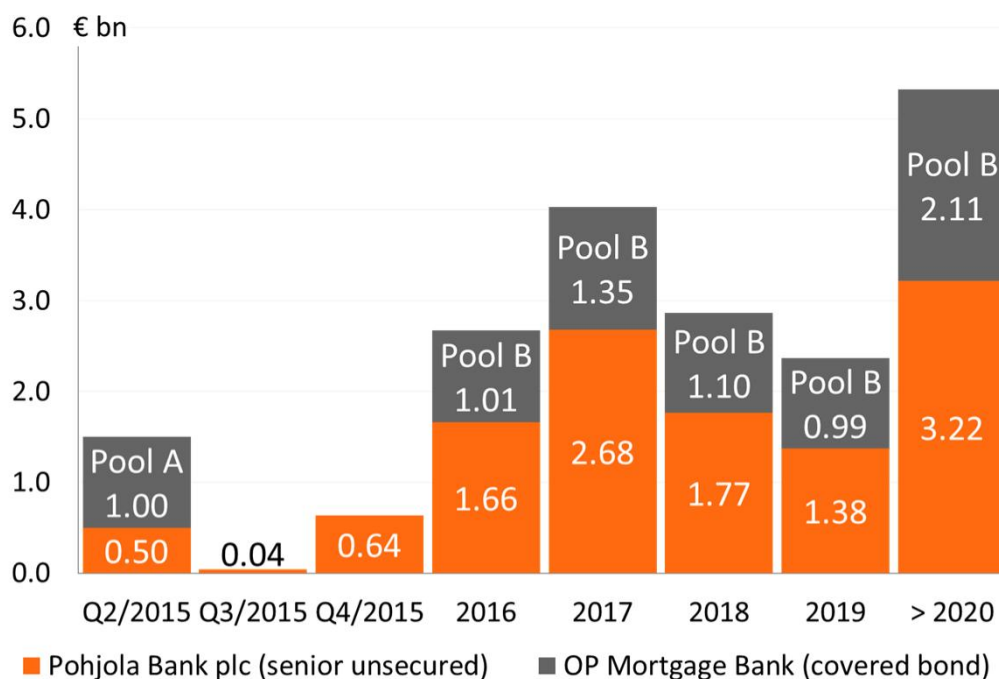


Funding Structure Development 2006–15



Issued Senior Debt and Covered Bonds

Issued senior unsecured and covered bonds by maturity, 31 March 2015

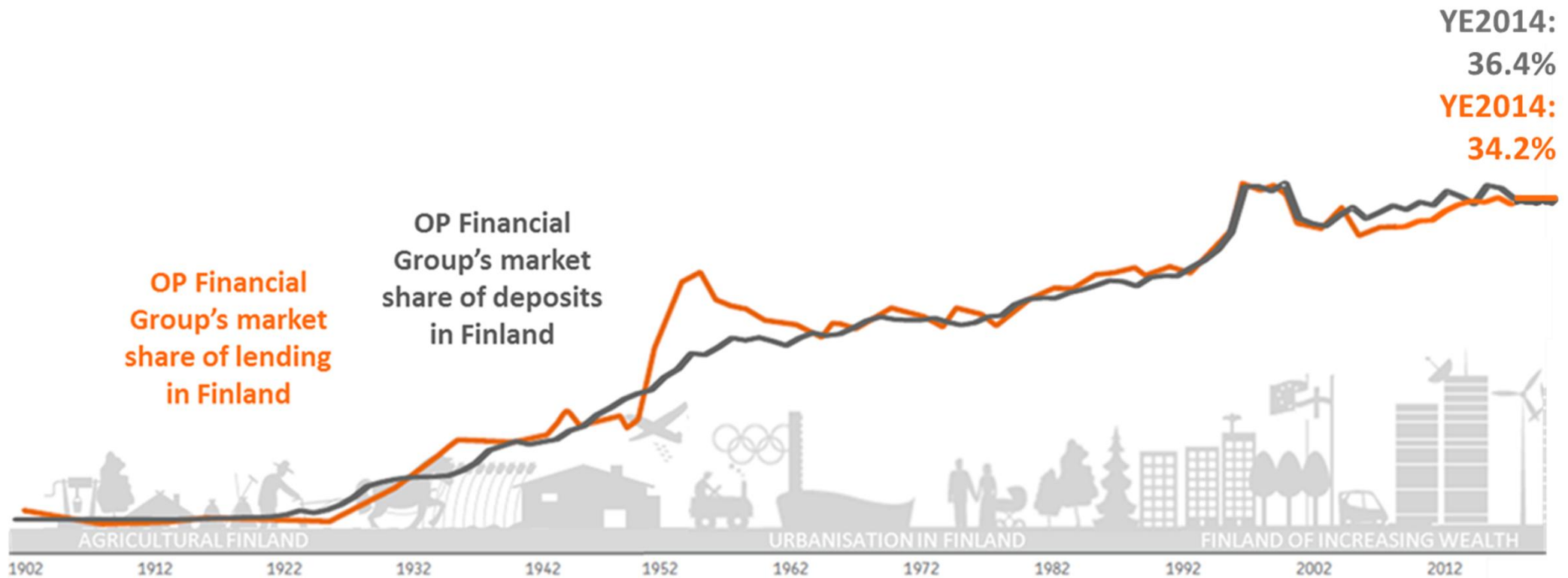


Pohjola Bank plc's senior unsecured bonds 2014–15

Year	Month	Amount	Maturity	Interest rate
2015	February	€1 bn	7 yrs	m/s + 33 bps
2014	June	CHF300 mn	7 yrs	CHFm/s + 30bps
2014	June	¥60 bn (€432 mn)	3-5 yrs	m/s + 28.6-48.4bps
2014	June	€750 mn	5 yrs	m/s + 48bps
2014	March	€750 mn	7 yrs	m/s + 67bps
2014	March	€750 mn	3 yrs	Eb3 + 36bps

OP Mortgage Bank's covered bonds 2014–15

Year	Month	Amount	Maturity	Interest rate
2014	November	€1 bn	10 yrs	m/s + 4 bps
2014	June	€1 bn	5 yrs	m/s + 5bps
2014	March	€1 bn	7 yrs	m/s + 14bps



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 the 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.

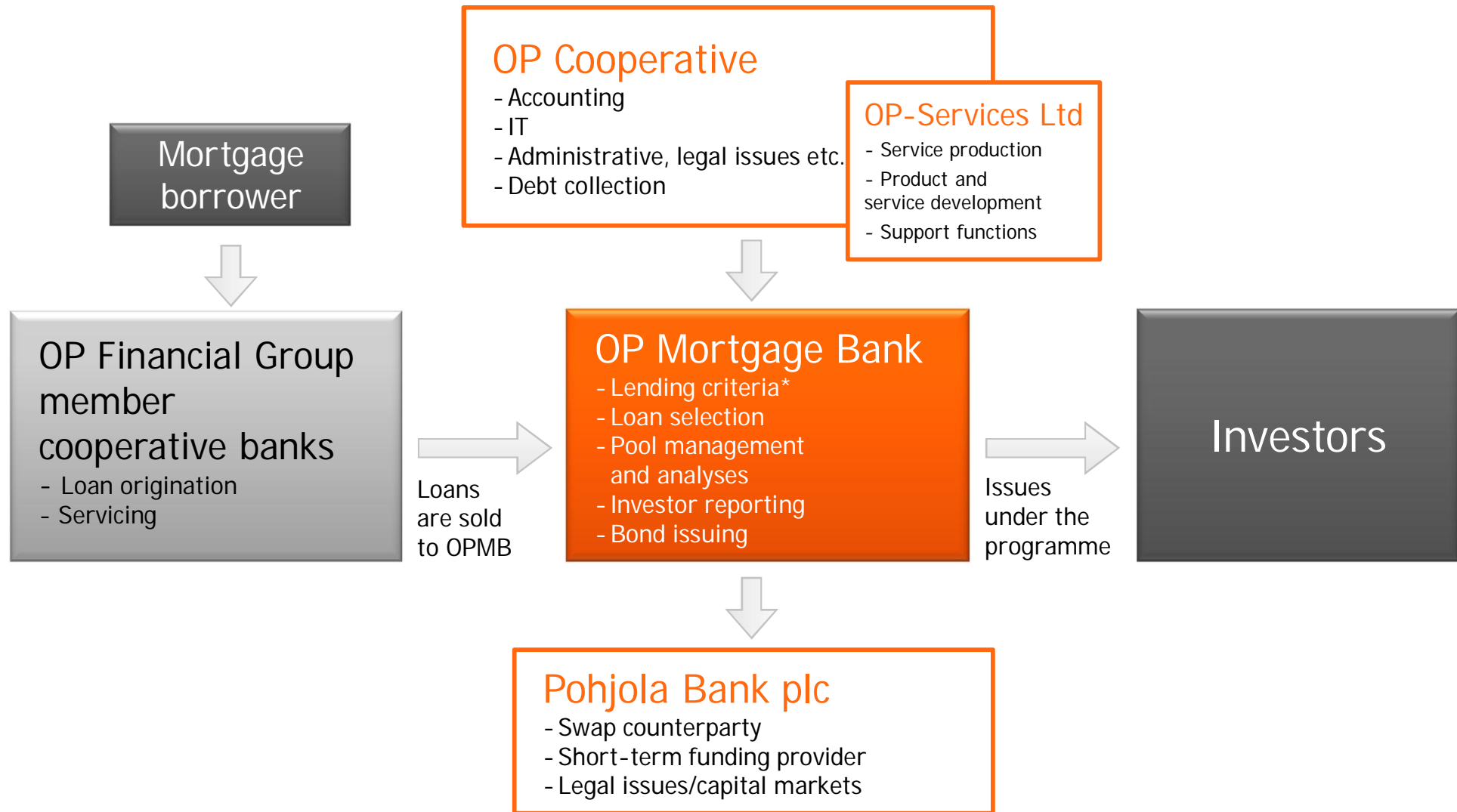


Read more about ECBC's covered bond label at www.coveredbondlabel.com

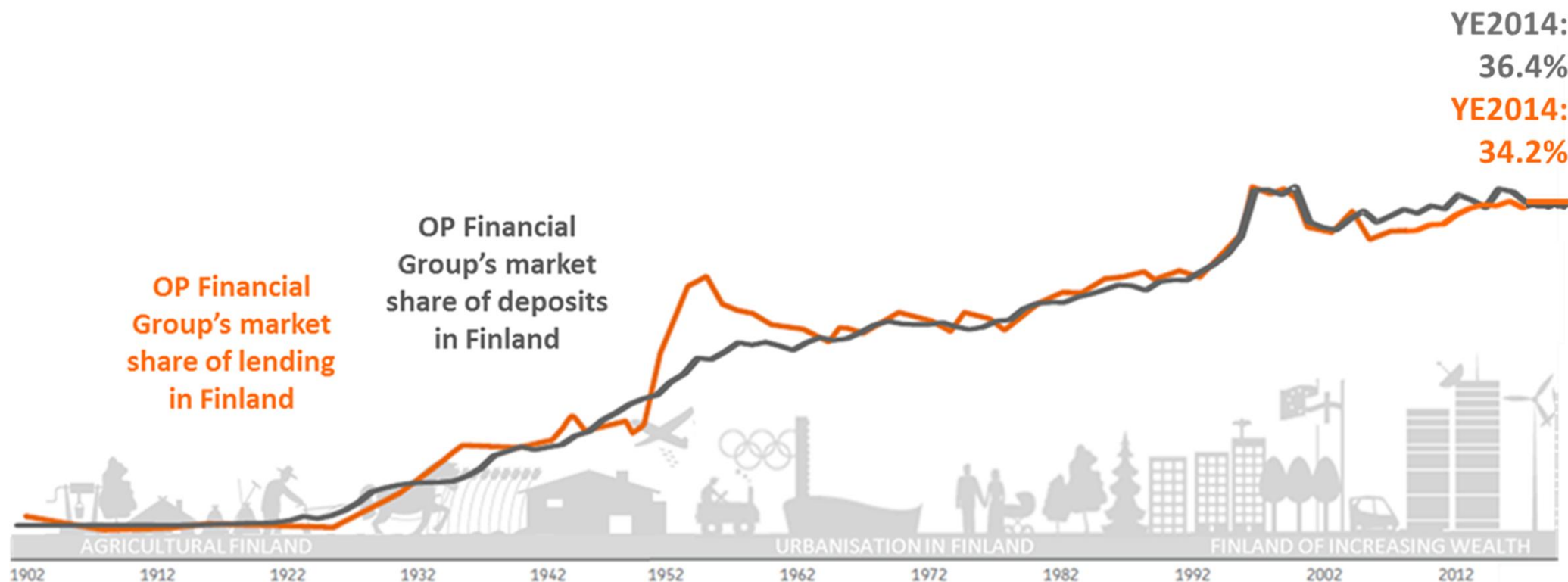
OPMB Operating Model

- OPMB is a funding vehicle for the member banks:
 - Subject to strict eligibility criteria:
 - Existing loans may be transferred from member banks to OPMB.
 - Origination can be performed directly into OPMB where the member cooperative bank will act 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 Pohjola Bank plc

Operating Model and Roles



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



OPMB Asset Pool Characteristics; Pool B

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

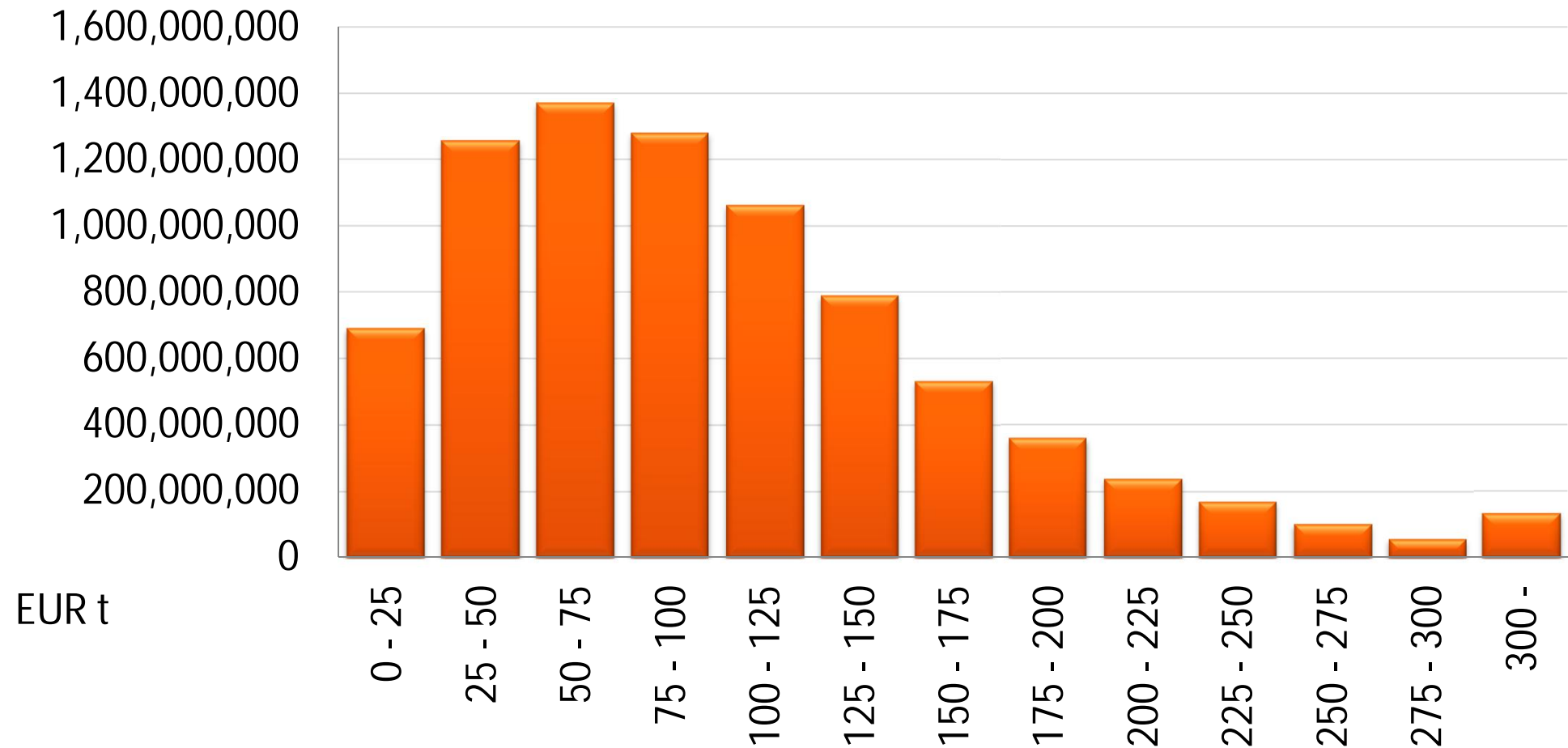
Main Features of OP Mortgage Bank Cover Asset Pool B as of 31 March 2015

- Collateralized by Finnish mortgages
- Current balance EUR 8.0 billion
- Weighted Average indexed LTV of 49%
- Average loan size of approximately EUR 54,340
- 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 6.575 billion

OPMB Asset Pool B Characteristics

Loans by size

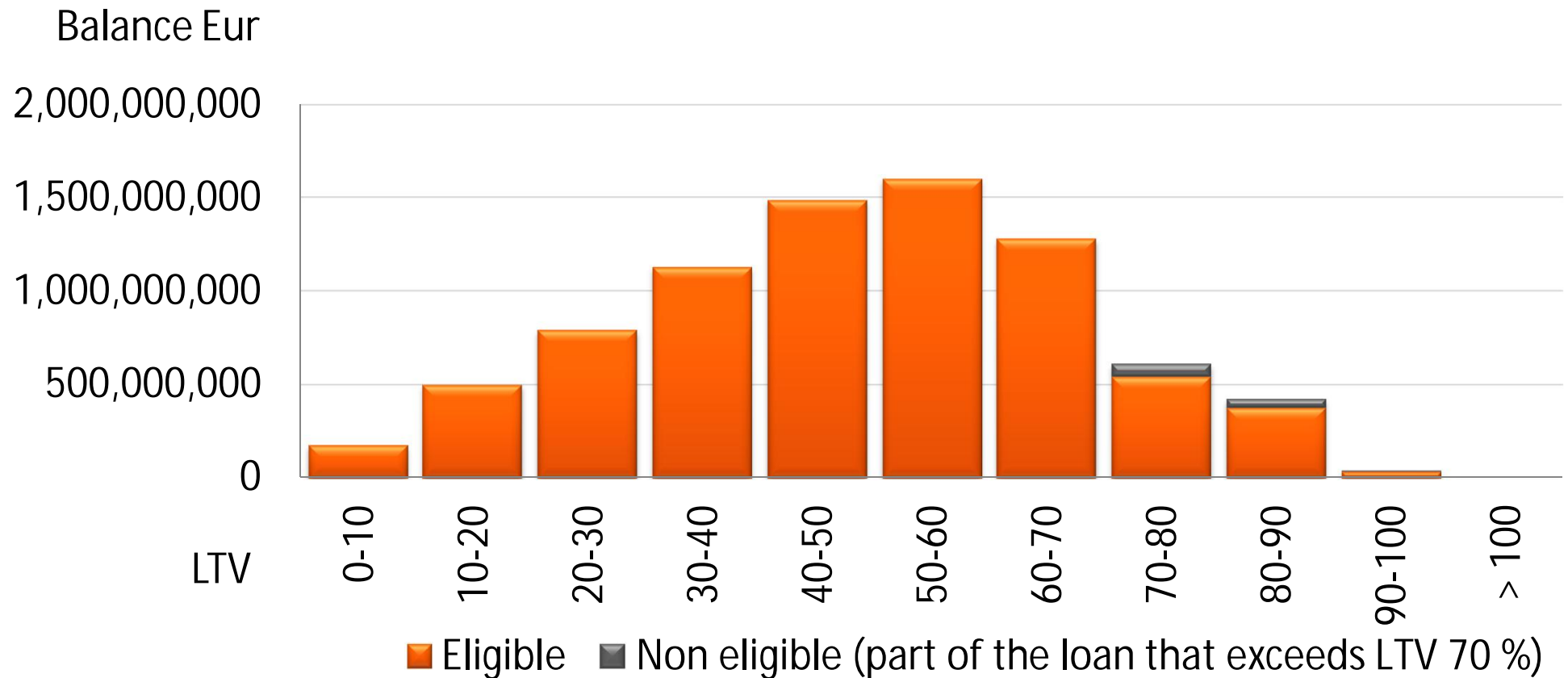
Balance Eur



EUR t

OPMB Asset Pool B Characteristics

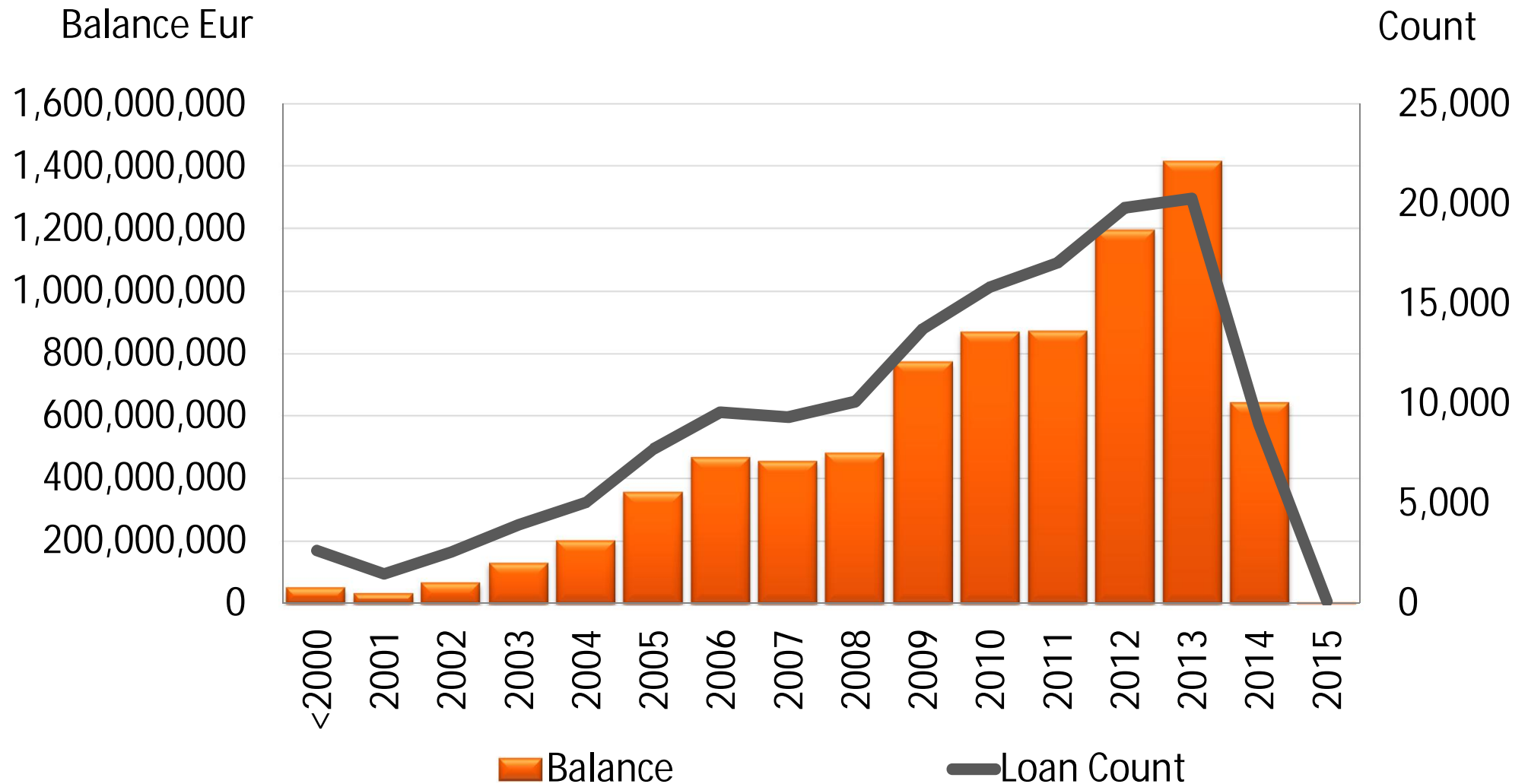
Loans by LTV



- Total assets EUR 8.0 billion
- Eligible Cover Pool assets EUR 7.8 billion
- Weighted Average indexed LTV of 49%
- Over-collateralisation 22.2%

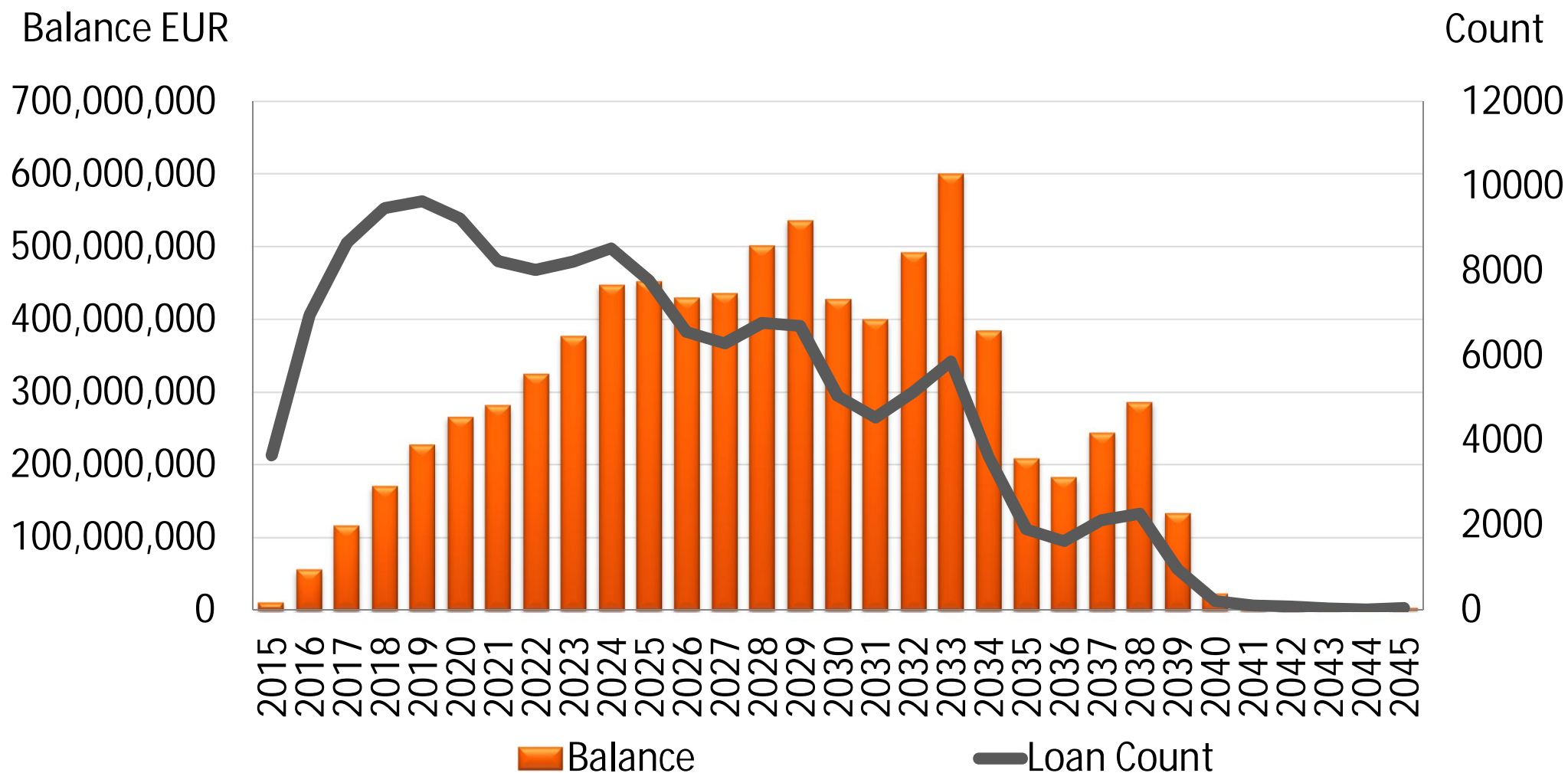
OPMB Asset Pool B Characteristics

Loans by origination year



OPMB Asset Pool B Characteristics

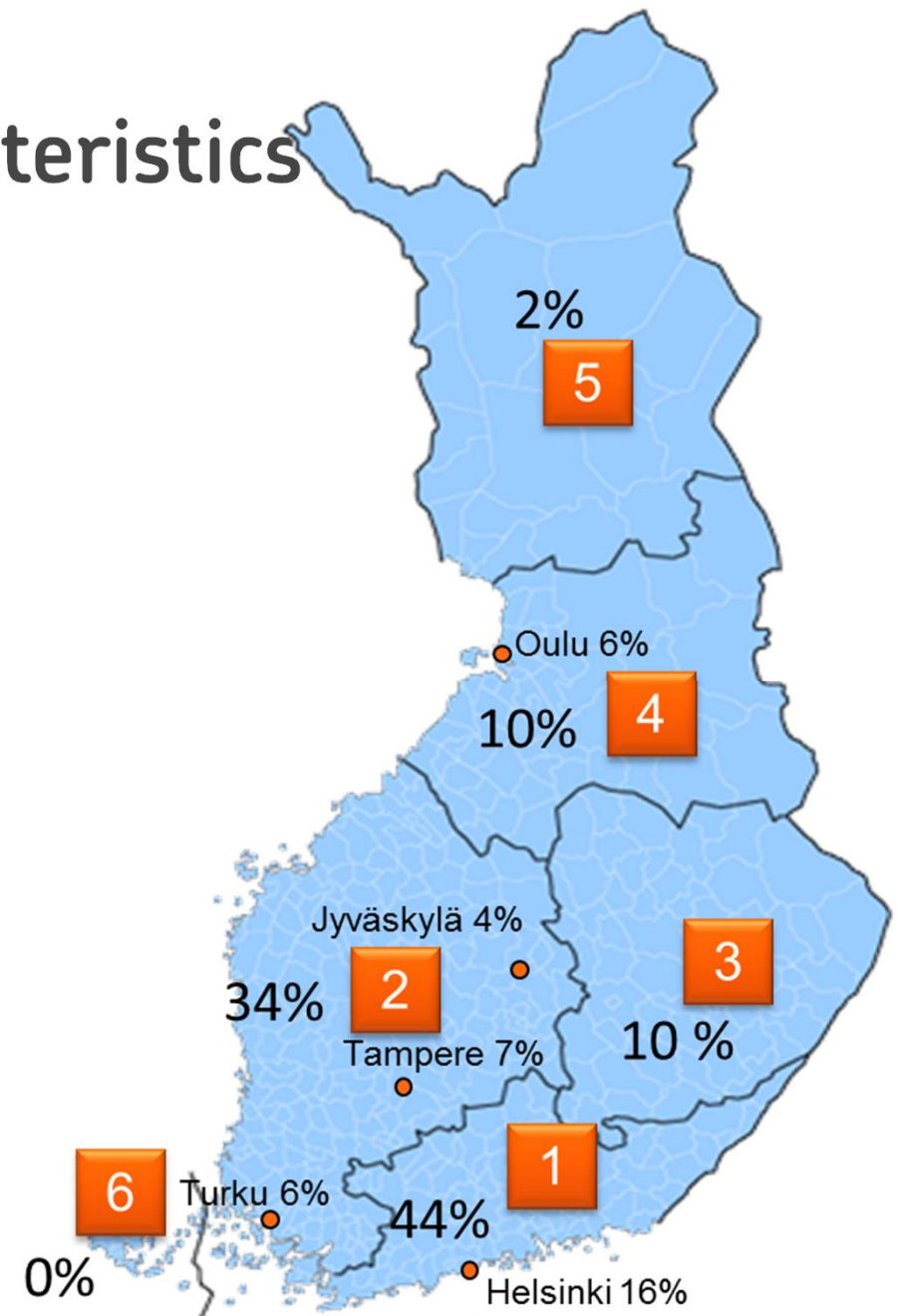
Loans by maturity



OPMB Asset Pool B Characteristics

Geographical distribution

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



OP Mortgage Bank Cover Asset Pool B

as of 31 March 2015

Issuer and rating

Issuer:	OP Mortgage Bank
Owner:	OP Mortgage Bank,
Pool ID:	Pool B
Supervisory authority:	ECB
Reporting date:	31/03/2015

CRD-compliant
Yes

Long Term Rating	S&P	Moody's	Fitch
Covered bond	AAA	Aaa	
Issuer			
Owner	AA-	Aa3	A+

Outstanding covered bonds

Outstanding benchmark covered bonds*						
ISIN	MEUR	Currency	Issue date	Maturity	Coupon	Fix/FRN
XS0611353086	1,000	Eur	01 April 2011	01 April 2016	3.25%	Fix
XS0646202407	1,000	Eur	11 July 2011	11 July 2018	3.50%	Fix
XS0785351213	1,250	Eur	23 May 2012	23 May 2017	1.63%	Fix
XS1045726699	1,000	Eur	17 March 2014	17 March 2021	1.50%	Fix
XS1076088001	1,000	Eur	11 June 2014	11 June 2019	0.75%	Fix
XS1144844583	1,000	Eur	27 November 2014	28 November 2024	1.00%	Fix

	MEUR
Non-benchmark bonds	325
Total of outstanding bonds	6,250
of which repos	0

*) All benchmark covered bonds issued by OP Mortgage Bank fulfill the eligibility criteria for their classification as a Level 1 or Level 2 asset in accordance with Chapter 2 of the LCR delegated act.

Bond redemptions (MEUR)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-	Sum
Total		1,010	1350	1,100	1,000	0	1,000	0	0	1,115	0	6,575

Source: OP Mortgage Bank, Pool B, Finnish National Template as of 31 March 2015

OP Mortgage Bank Cover Asset Pool B

as of 31 March 2015

Cover Pool

Cover pool assets (MEUR)	Volume	%
Loans (up to LTV limit)	8,041	100%
Substitute assets	0	
Other	0	
Eligible assets (*)	7,920	98.50%
Other eligible assets	0	
Total assets	8,041	

* calculated according to section 16 in MCBA

Cover pool items	
Number of loans	147,972
Number of clients	194,526
Number of properties	154,485
Average loan size (EUR)	54,340

Type of loan collateral (MEUR)	Volume	%
Single-family housing	4,123	53%
Flats	3,689	47%
Multi-family housing	0	%
Commercial	0	%
Forest & agricultural	0	%
Public sector	0	%
Sum	7,811	100%

Interest rate type on loans, MEUR	Volume	%
Floating	7,680	98%
Fixed	132	2%
Sum	7,811	100%

Repayments, MEUR	Volume	%
Amortizing	7,764	99%
Interest only (*)	47	1%
Sum	7,811	

*) Contract level information, grace period > 2 years is reported as interest only

LTV distribution (indexed)	<=10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	total <70%	>70% up to 100%	Total loans
Loan volume, MEUR	177	499	793	1,128	1,486	1,600	1,282	6,964	955	7,920
Percentage	2%	6%	10%	14%	19%	20%	16%	88%	12%	100%

Source: OP Mortgage Bank, Pool B, Finnish National Template as of 31 March 2015

OP Mortgage Bank Cover Asset Pool B

as of 31 March 2015

Cover Pool

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-	Sum
Contractual amortizations	558	773	730	676	621	567	519	477	434	390	2,173	7,920
Percentage	7.05%	9.77%	9.22%	8.53%	7.84%	7.16%	6.56%	6.02%	5.48%	4.93%	27.44%	100%

Seasoning	0-12 M	12-24 M	24-36 M	36-60 M	> 60 M	Sum
Loan volume, MEUR	454	1,197	1,264	1,733	3,164	7,811
Percentage	6%	15%	16%	22%	41%	100%

Credit quality	31-60 d	60-90 d	>90 d	Sum
Past due				
Loan volume, MEUR	0	0	0	0
Percentage	0.00%	0.00%	%	%

Impaired Loans	
Impaired loans, %*	0.00%

Source: OP Mortgage Bank, Pool B, Finnish National Template as of 31 March 2015

OP Mortgage Bank Cover Asset Pool B as of 31 March 2015

Key ratios

Key ratios	
OC, accounting	20.5%
OC, nominal	22.3%
OC, NPV	49.7%
WALTV (indexed)	48.2%
WALTV total (indexed)	48.9%

Calculated according to:

*Eligible assets, section 16 in Mortgage Credit Bank Act
Total assets, including loan balances up to 100% LTV limit*

Eligible assets, section 16 in Mortgage Credit Bank Act

*Eligible assets, section 16 in Mortgage Credit Bank Act
Total assets, including loan balances up to 100% LTV limit*

Remaining average maturity (MCBA)	Years
Assets	7.0
Liabilities	4.2

Calculated according to:

*Section 17 in Mortgage Credit Bank Act
Section 5.4.3 Finnish FSA regulation and guidelines 6/2012 Mortgage bank
authorisation procedure and risk management*

	Before hedges		Hedges		After hedges	
	Pool assets	Covered bonds	Pool assets	Covered bonds	Pool assets	Covered bonds
Currency risk						
SEK						
EUR						
USD						
Other						
Sum	0	0	0	0	0	0

According to Section 13 of the MCBA, collateral entered in the register of covered bonds must be in the same currency as the covered bond.

This also applies to derivatives contracts concluded to hedge against risks relating to covered bonds and the assets placed as collateral for them.

Source: OP Mortgage Bank, Pool B, Finnish National Template as of 31 March 2015

OP Mortgage Bank Cover Asset Pool B

as of 31 March 2015

Key ratios

	Before hedges		Hedges		After hedges	
	Pool assets	Covered bonds	Pool assets	Covered bonds	Pool assets	Covered bonds
Interest rate risk						
Floating	7,714	200	7,770	6,575	7,770	6,575
Fixed	56	6375				
Capped floating	271		271		271	
Sum	8,041	6575	8,041	6,575	8,041	6,575

Accrued interest cash flows, MEUR	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	9Y	10Y
Interest income	91	82	78	77	75	72	67	62	56	50
Interest expense	26	21	23	23	21	17	17	11	12	15
Net	61	53	49	44	47	49	45	50	47	41

Calculation method used: Contractual maturities

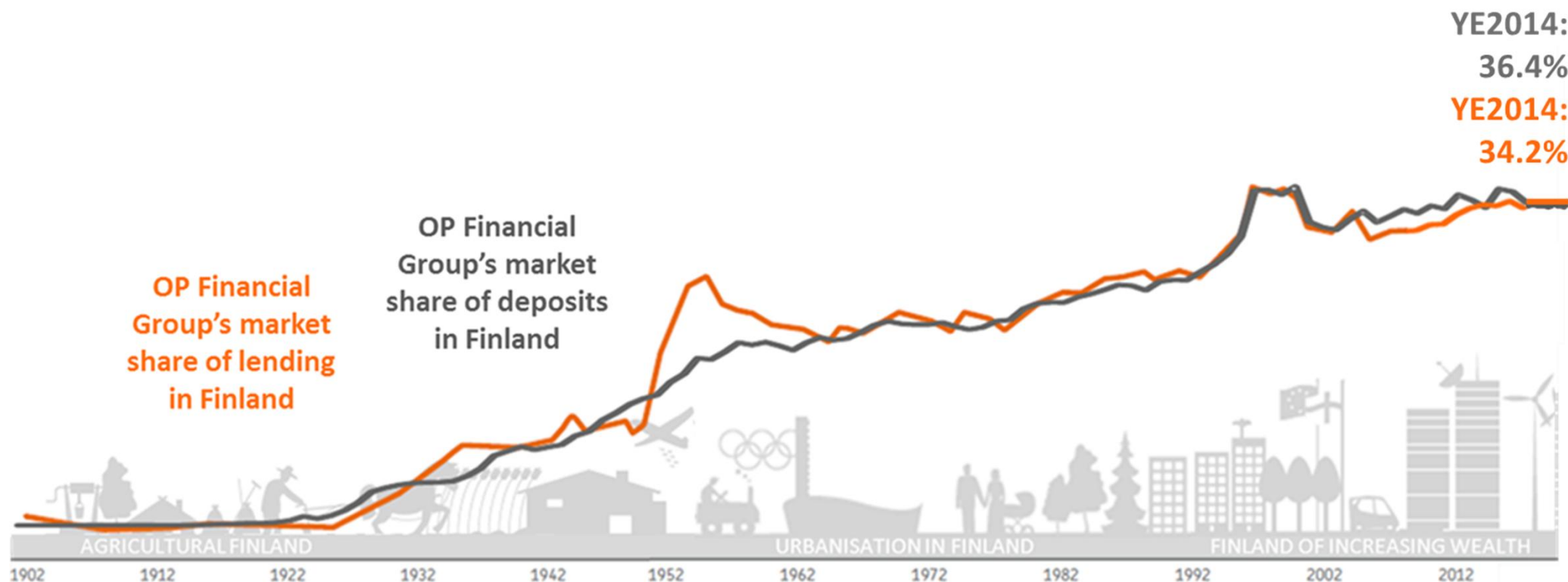
Calculated according to:

Section 17 in Mortgage Credit Bank

Act

Section 5.4.4 Finnish FSA regulation and guidelines 6/2012 Mortgage bank authorisation procedure and risk management

Source: OP Mortgage Bank, Pool B, Finnish National Template as of 31 March 2015



OPMB Asset Pool Characteristics; Pool A

Covered bonds issued before 1 Aug. 2010,
under the Finnish Act on Mortgage Credit Banks 1240/1999

Main Features of OP Mortgage Bank Cover Asset Pool A as of 31 March 2015

- Collateralized by Finnish mortgages
- Current balance EUR 1.2 billion
- Weighted Average indexed LTV of 39 %
- Average loan size of approximately EUR 42,520
- 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 1.0 billion (Maturity date 15th of June 2015)

OPMB Asset Pool A Characteristics

Loans by size

Balance EUR

300,000,000

250,000,000

200,000,000

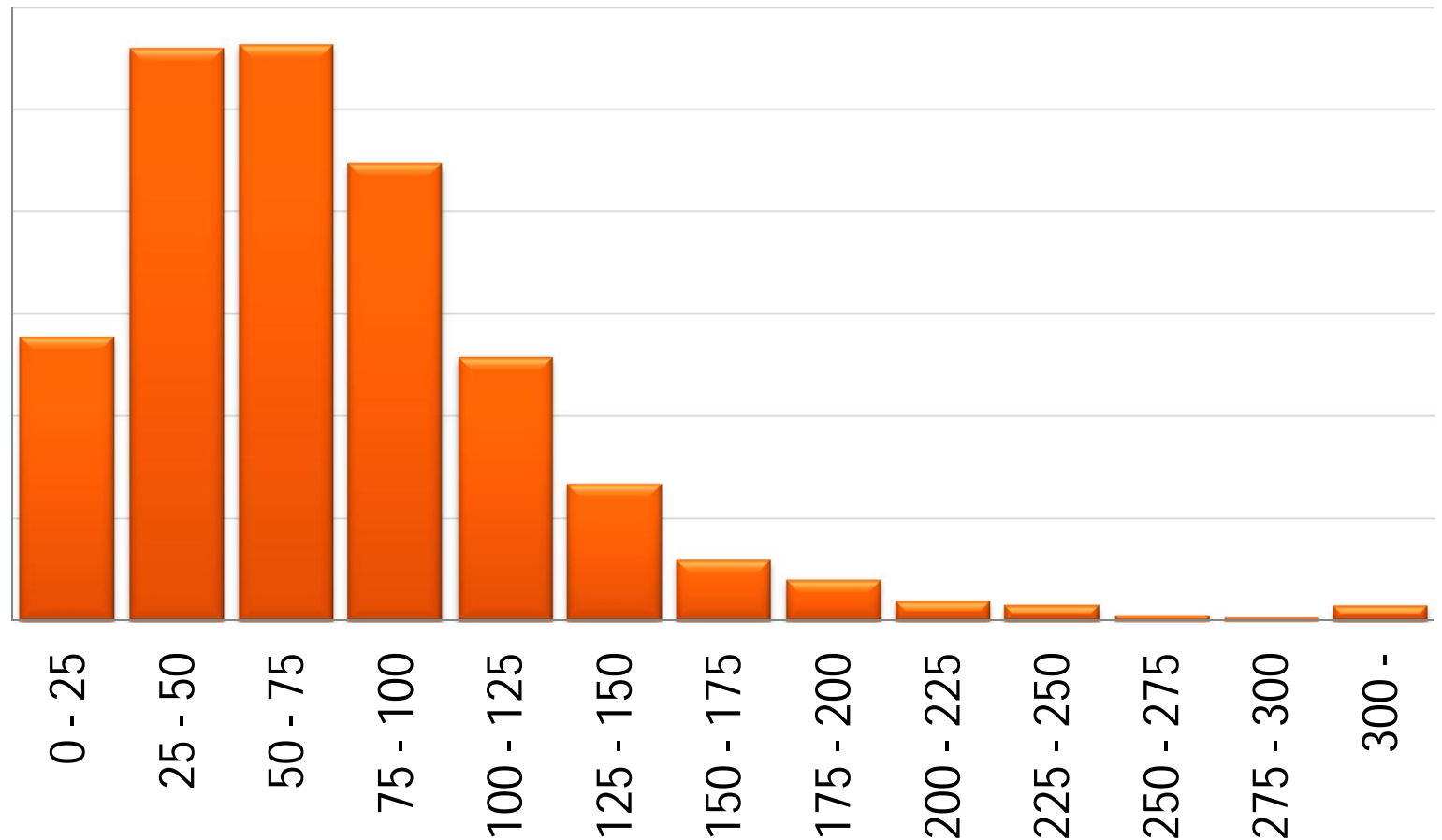
150,000,000

100,000,000

50,000,000

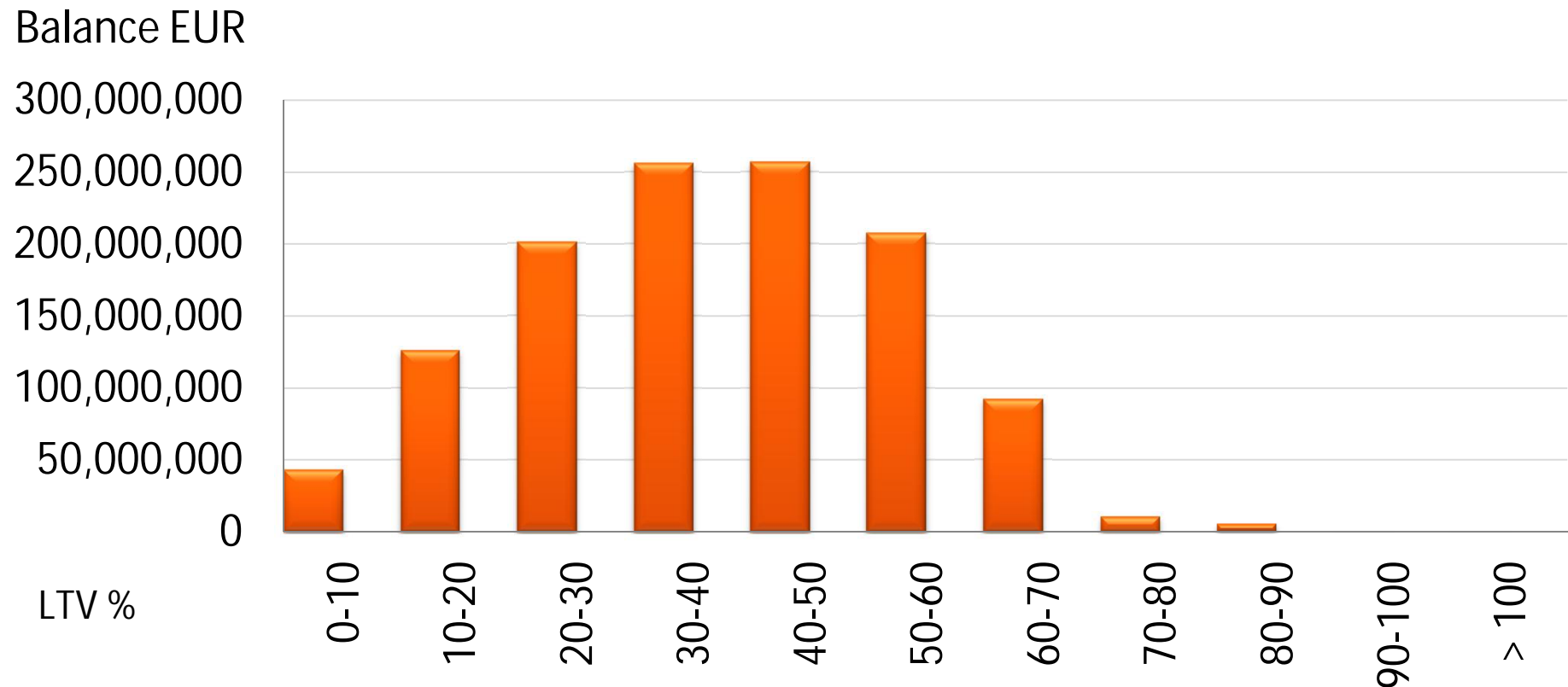
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EUR t



OPMB Asset Pool A Characteristics

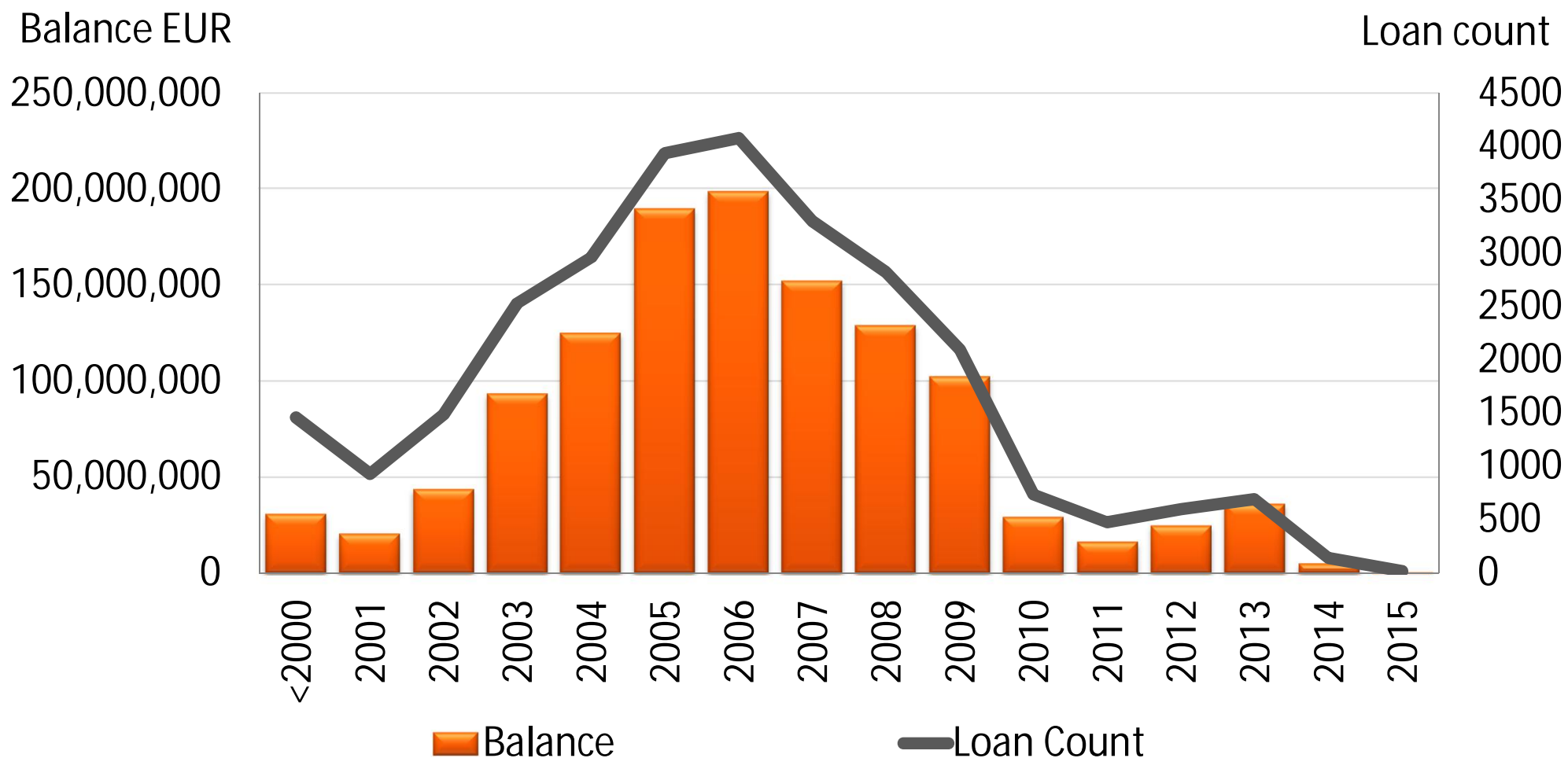
Loans by LTV



- Total assets EUR 1.2 billion
- Eligible Cover Pool assets EUR 1.2 billion
- Weighted Average indexed LTV of 39.0%
- Over collateralization 20.0%

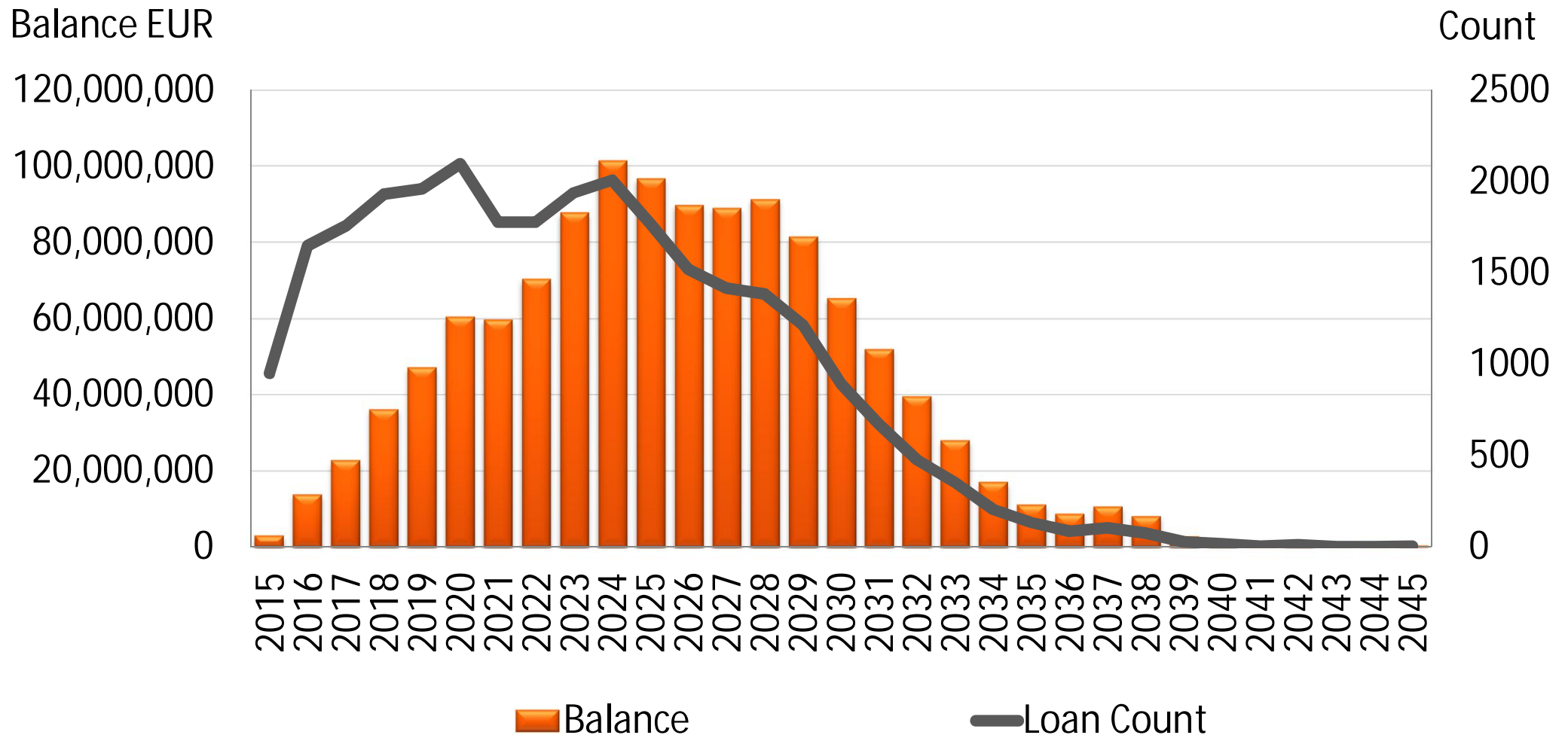
OPMB Asset Pool A Characteristics

Loans by origination year



OPMB Asset Pool A Characteristics

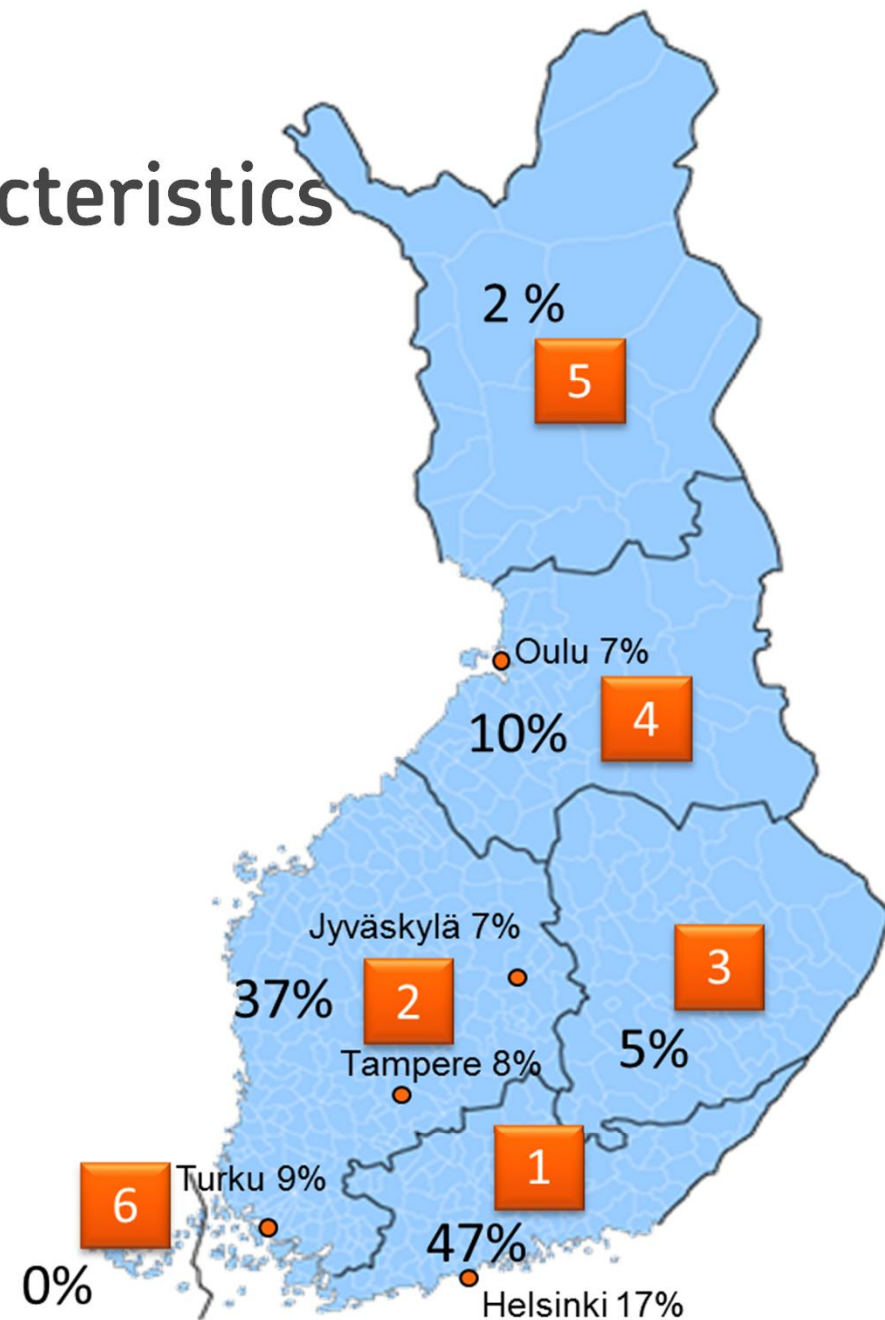
Loans by maturity

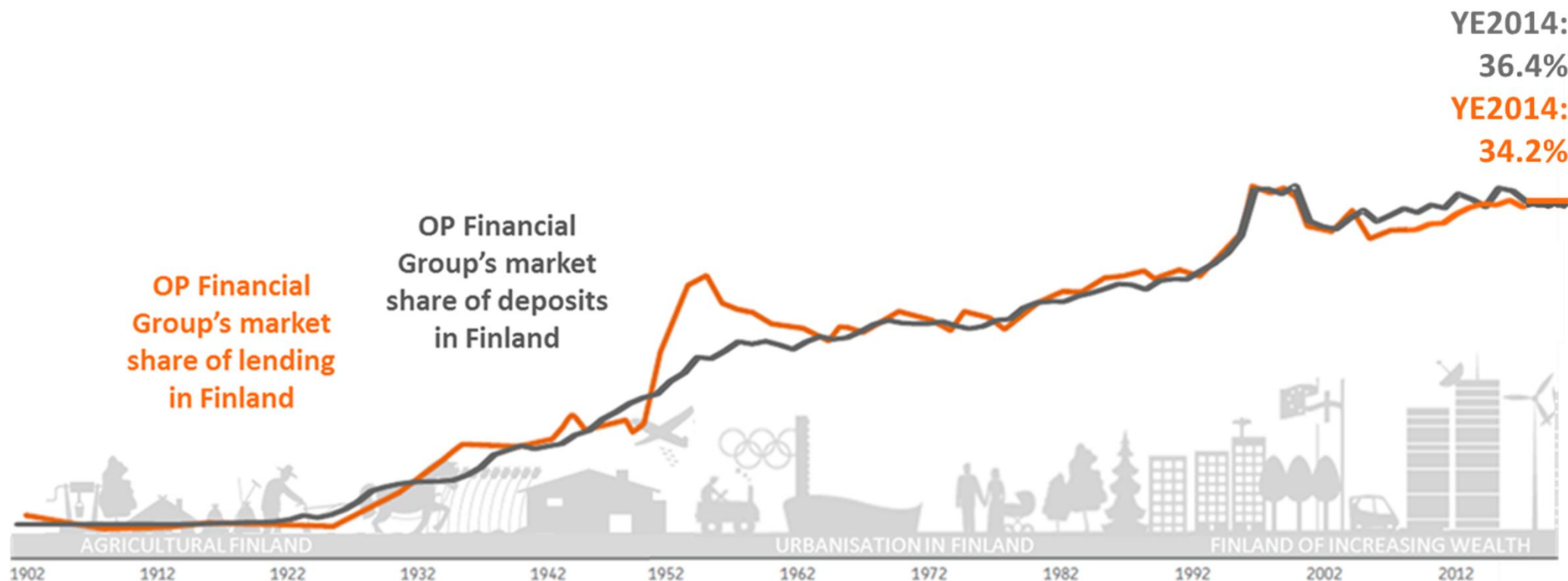


OPMB Asset Pool A Characteristics

Geographical distribution

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





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Debt Investor Relations Contacts



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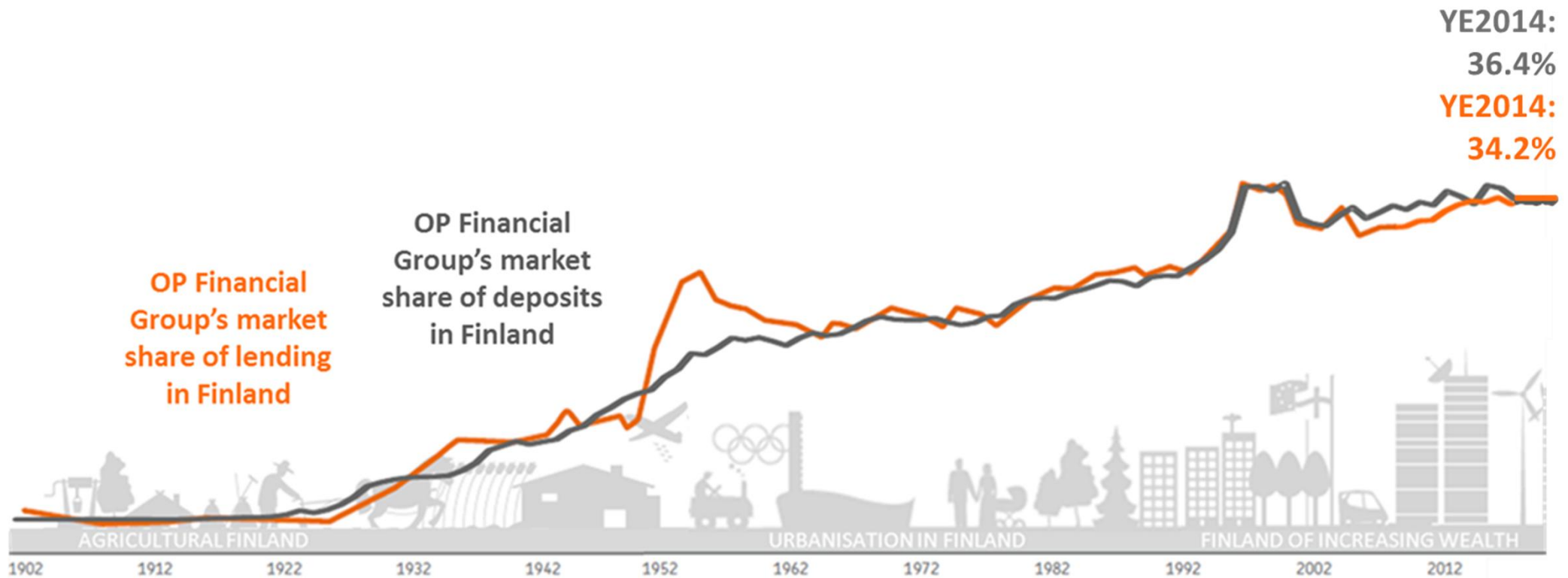
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Financial reports and background material online

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



Appendices

Structure of OP Financial Group incl. OP Cooperative's main subsidiaries



1.4 million customer-owners, of which 90% households

Some 180 OP Financial Group member cooperative banks

OP Cooperative

Banking

- Pohjola Bank plc* (OP Corporate Bank plc)
- Helsinki OP Bank plc* (OP Helsinki)
- OP Mortgage Bank*
- OP Card Company Plc***

Non-life Insurance

- Pohjola Insurance Ltd**** (OP Insurance) with its subsidiaries

Wealth Management

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

- Finance & Treasury
- Risk Management
- Group Steering
- etc.

* OP Cooperative's ownership 100%

** OP Cooperative's ownership 76%

*** OP Cooperative's ownership 22.5%

**** Will 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 Pohjola Bank plc

OP Financial Group's Long-term Strategic Targets

LONG-TERM GROWTH AND MARKET SHARE TARGETS

- Growth rate above the market average in the long run.
- Market leadership in banking, wealth management and non-life insurance.
- Market leadership in private customers and small, mid-size and large companies.

LONG-TERM QUALITATIVE TARGETS

- Best comprehensive solutions and loyalty benefits
- Superior customer experience
- Industry forerunner of corporate social responsibility in Finland
- Most attractive employer in the financial sector
- Most active and innovative player in the Finnish financial sector

OP Financial Group's Long-term Financial Targets

		Target	Q1/15	2014	2013	2012
Group level	Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates, %	≥ 160	167	189	219*	190
	Common Equity Tier 1 ratio (CET1), %	18.0 by the end of 2016	16.7	15.1	17.1*	14.1**
	Return on economic capital, %****	20.0	17.1	16.5	15.2	14.7
	Growth differential between income and expenses, pps***	> 0	19.6	13.8	-2.8	-4.2*****
	Rating: AA rating affirmed by at least 2 credit rating agencies (or at least at the main competitors' level)	2	2	2	2	2
Banking	Growth differential between income and expenses, pps****	> 0	8.4			
Wealth Management	Growth differential between income and expenses, pps****	> 0	26.0			
Non-life Insurance	Operating combined ratio, %	< 92	87.2	84.7	86.9	90.5

* As of 1 Jan. 2014

** Core Tier 1 capital adequacy

*** During 3 years

**** 12 mth rolling

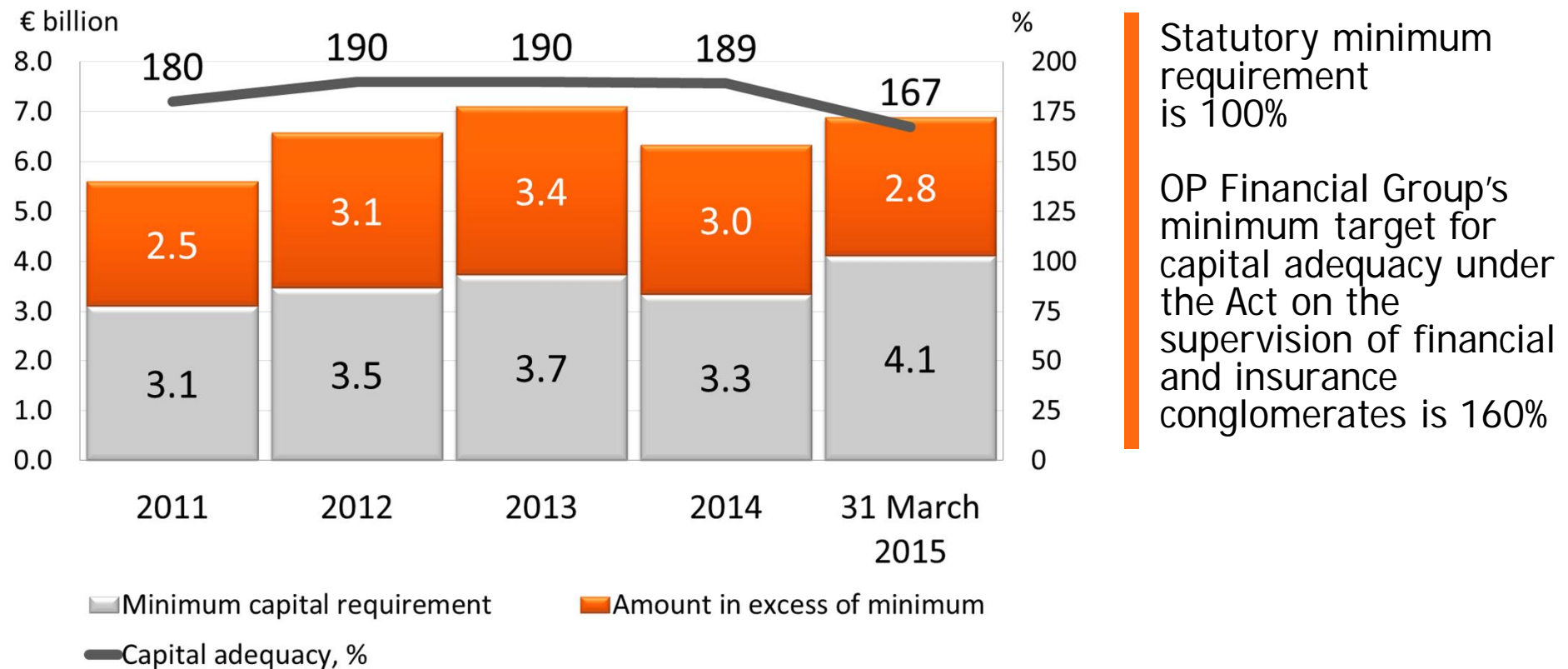
Profit Share Issuances by OP Financial Group Member Cooperative Banks

- To achieve OP Financial Group's CET1 target of 18%, OP Financial Group member cooperative banks began to issue profit shares* in March 2014.
- In March 2015, OP Cooperative's Executive Board decided to continue profit share issuances until the target level of €2.3 billion is achieved.
- **Issuance supported by nationwide marketing campaign**
 - Profit share issuances by 31 March 2015 totalled €1.8 billion, which constitutes 78% of new total target of €2.3 billion.
- **Issuance capacity**
 - Profit shares are sold in almost all 181 OP Financial Group member cooperative banks.



*) A profit share is, as stated in the OP Financial Group Bylaws, an customer-owner's voluntary capital contribution to the Group cooperative bank's equity.

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



CSR at OP Financial Group

Corporate social responsibility is responsibility for the economic, social and environmental impacts of business operations. The financial sector also plays a key role in promoting the stability of the whole of society.

Corporate social responsibility programme



International commitments



Pohjola Asset Management Ltd and OP Fund Management Ltd signed the UN Principles for Responsible Investment (UNPRI) in 2009, among the first Finnish asset managers.

CARBON DISCLOSURE PROJECT

Reporting



OP Financial Group has prepared its Corporate Social Responsibility Report in compliance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

OP Financial Group's earnings analysis

€ million	Q1/2015	2014	2013	2012	2011	2010
Net interest income	255	1 043	915	1 002	1 030	917
Net income from Non-Life insurance	169	593	524	433	312	382
Net income from Life Insurance	104	197	175	108	72	100
Net commissions and fees	199	727	694	584	574	563
Other income	58	229	267	243	173	210
Total income	785	2 789	2 575	2 371	2 160	2 172
Total expenses	399	1 592	1 598	1 494	1 358	1 286
Returns to OP bonus customers	44	195*	193*	192*	176*	163*
Earnings before impairment loss on receivables	341	1 002	784	684	626	723
Impairment loss on receivables	21	88	84	99	101	149
Earnings before tax	320	915	701	586	525	575
Change in fair value reserve	159	152	-39	698	-400	225
Earnings before tax at fair value	479	1 067	662	1 283	125	800

* Returns to customer-owners and OP bonus customers

OP Financial Group's key figures

	31 March 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011	31 Dec. 2010
Total assets, € million	116 389	110 427	100 991	99 769	91 905	83 969
Receivables from customers, € million	71 357	70 683	68 142	65 161	60 331	56 834
Liabilities to customers, € million	51 429	51 163	50 157	49 650	41 304	36 443
Equity capital, € million	7 711	7 213	7 724	7 134	6 242	6 726
Common Equity Tier 1 ratio, %	16.7	15.1	17.1 ^a	14.1 ^b	14.0 ^b	12.6 ^b
Capital adequacy ratio, %	18.9	17.3	19.8 ^a	14.1	14.0	12.8
More than 90 days overdue receivables, € million	311	273	295	311	296	204
Ratio of more than 90 days overdue receivables to loan and guarantee portfolio, %	0.42	0.37	0.42	0.46	0.47	0.34
Loan and guarantee portfolio, € billion	74.2	73.6	71.0	67.7	62.8	59.4
Impairment loss on receivables, € million	21 ^d	88 ^c	84 ^c	99 ^c	101 ^c	149 ^c
Impairment loss on receivables / loan and guarantee portfolio, %	0.12 ^d	0.12 ^c	0.12 ^c	0.15 ^c	0.16 ^c	0.25 ^c
Personnel	12 185	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

	Q1/2015	2014	2013	2012	2011	2010
Average corporate loan margin, % ^a	1.43	1.44	1.57	1.52	1.34	1.36
Cost/income ratio, %	51	56	62	63	63	59
Return on equity (ROE), %	14.0	8.1	8.9	7.0	6.8	6.9
Return on assets (ROA), %	0.9	0.6	0.7	0.5	0.5	0.5
Solvency ratio (Solvency II), Non-life Insurance, % ^b	109	117	125	n/a	n/a	n/a
Solvency ratio (Solvency II), Life Insurance, % ^b	91	100	99	n/a	n/a	n/a
Operating combined ratio, Non-life Insurance, %	87.2	84.7	86.9	90.5	89.8	89.7

a) Pohjola Bank's corporate loan portfolio

b) According to Solvency II draft (EU 138/2009)

Forecasts for the Finnish Economy

Published in January 2015

	2014 € bn	2013 Volume, % change on previous year	2014f	2015f	2016f
GDP	204,0	-1,3	-0,1	1,0	1,7
Imports	76,9	-1,6	-1,4	0,9	2,5
Exports	76,0	-0,7	-0,4	3,0	4,0
Consumption	163,7	-0,2	-0,1	0,5	0,8
Private consumption	112,7	-0,6	-0,2	0,6	1,0
Public consumption	51,0	0,6	0,2	0,2	0,3
Fixed investment	40,8	-5,3	-5,1	-1,7	2,0

Other key indicators

	2013	2014f	2015f	2016f
Consumer price index, % change y/y	1,5	1,0	0,2	0,6
Unemployment rate, %	8,2	8,7	8,8	8,7
Current account balance, % of GDP	-1,8	-1,9	0,1	0,6
General government debt, % of GDP	55,8	59,3	61,2	62,2
General government deficit, % of GDP	-2,5	-3,2	-2,0	-1,5

Sources: Statistics Finland and OP