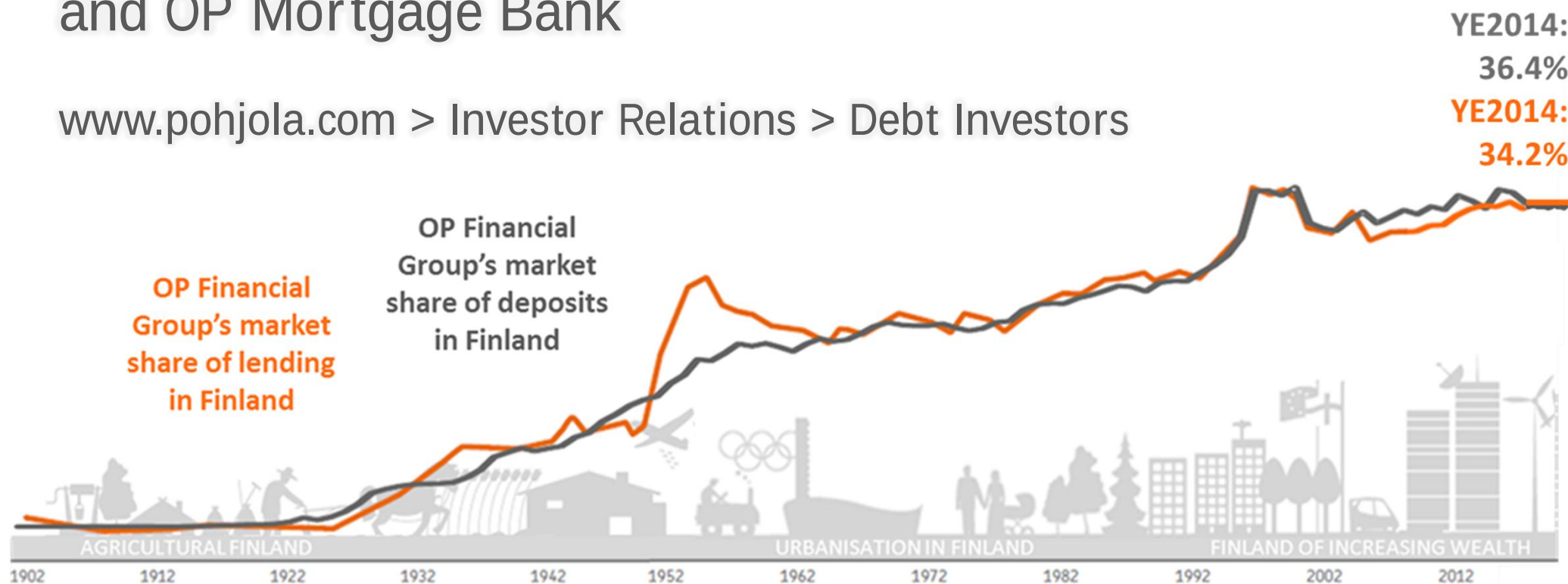


Debt Investor Presentation

H1/2015

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.

Contents

1. OP – Leading Financial Group in Finland
2. Finnish Economy
3. OP Financial Group
 - Structure
 - Strategy and competitive advantages
 - Joint liability
 - Market shares and growth potential
 - Capitalisation
 - Financial performance
 - Asset quality
 - Credit ratings
 - Liquidity and funding
4. OP Mortgage Bank
 - OPMB Cover Asset Pool Characteristics
5. Debt IR Contacts
6. Appendices





Leading Financial Group in Finland

Issuing entities: Pohjola Bank plc and OP Mortgage Bank

€116 bn Total assets as of 30 June 2015

SOLID CAPITAL POSITION

18.1%

CET1 as of 30 June 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

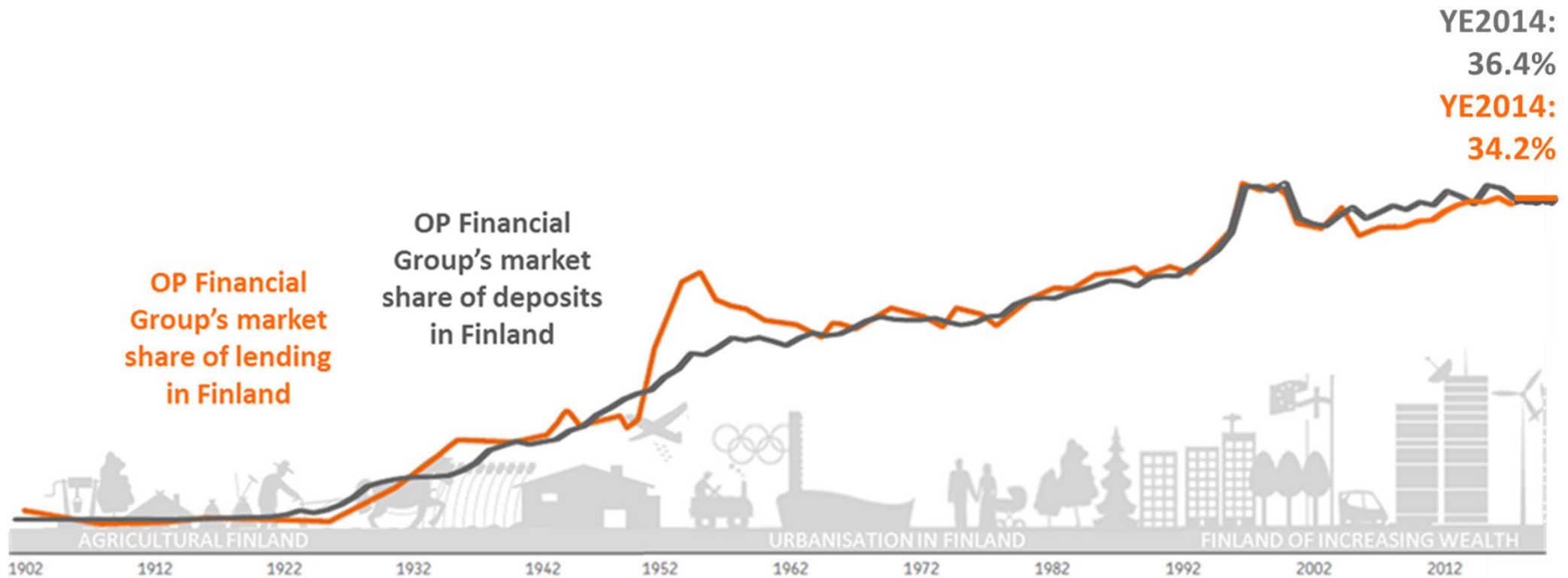
HIGH CREDIT RATINGS

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

Pohjola Bank plc

Moody's Aaa / S&P AAA

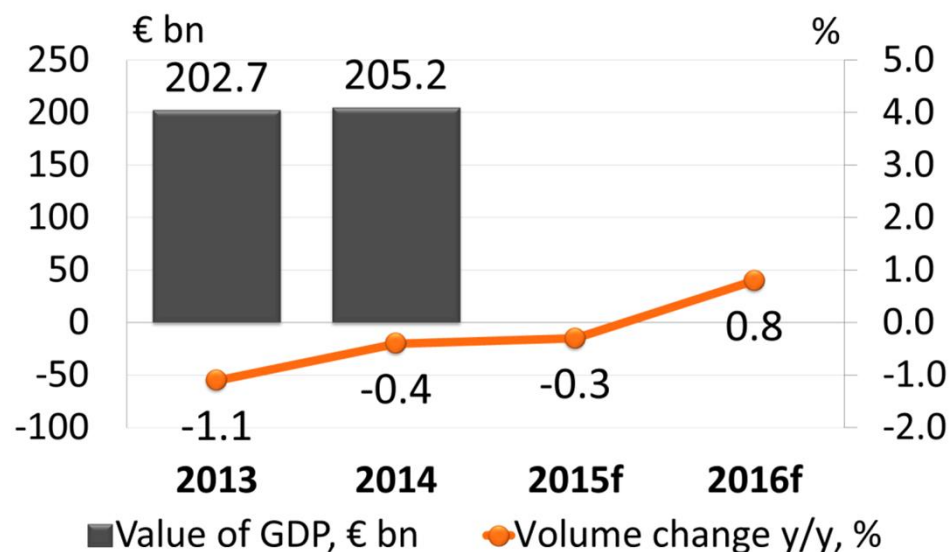
OP Mortgage Bank



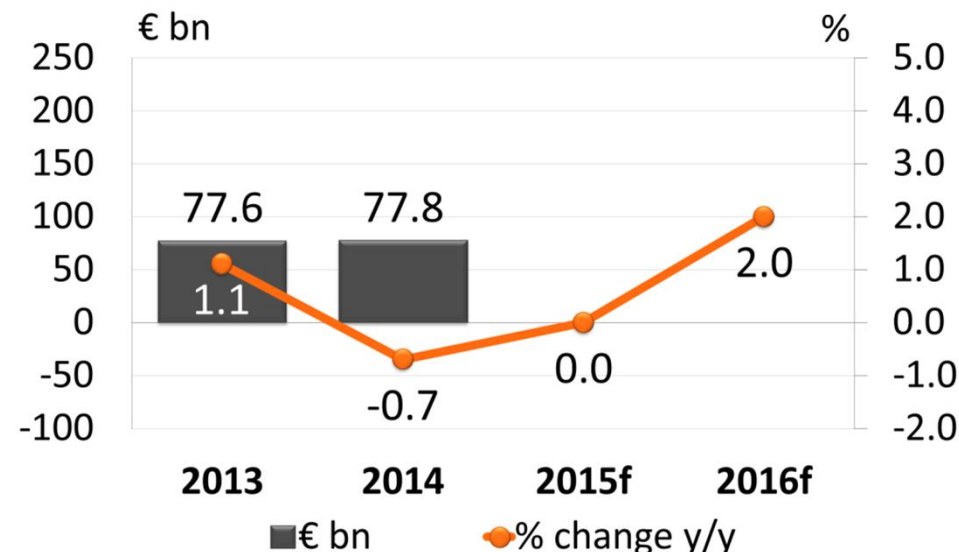
Finnish Economy

Forecasts for the Finnish Economy

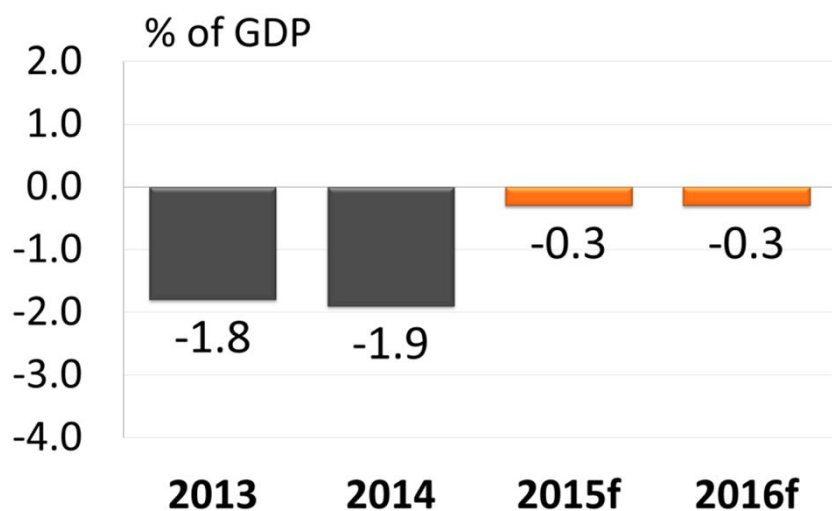
Value of GDP, € bn and volume change y/y, %



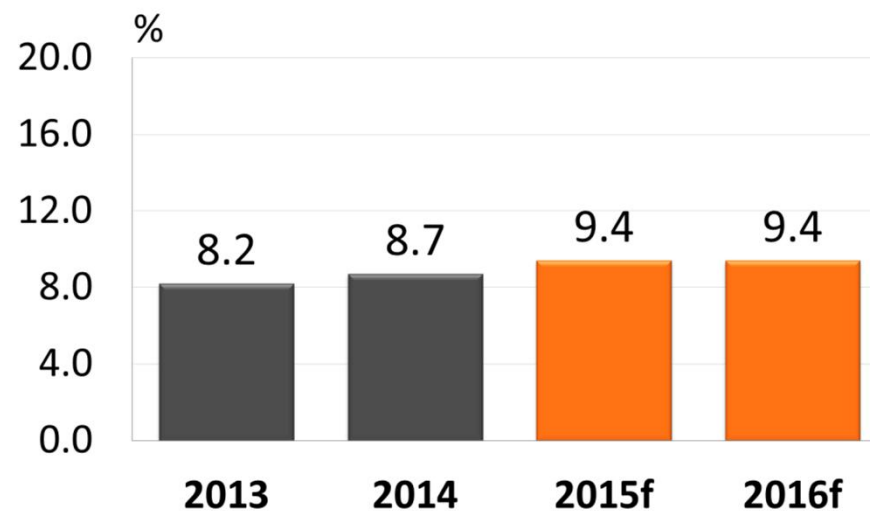
Exports, € bn and % change y/y



Current account balance, % of GDP

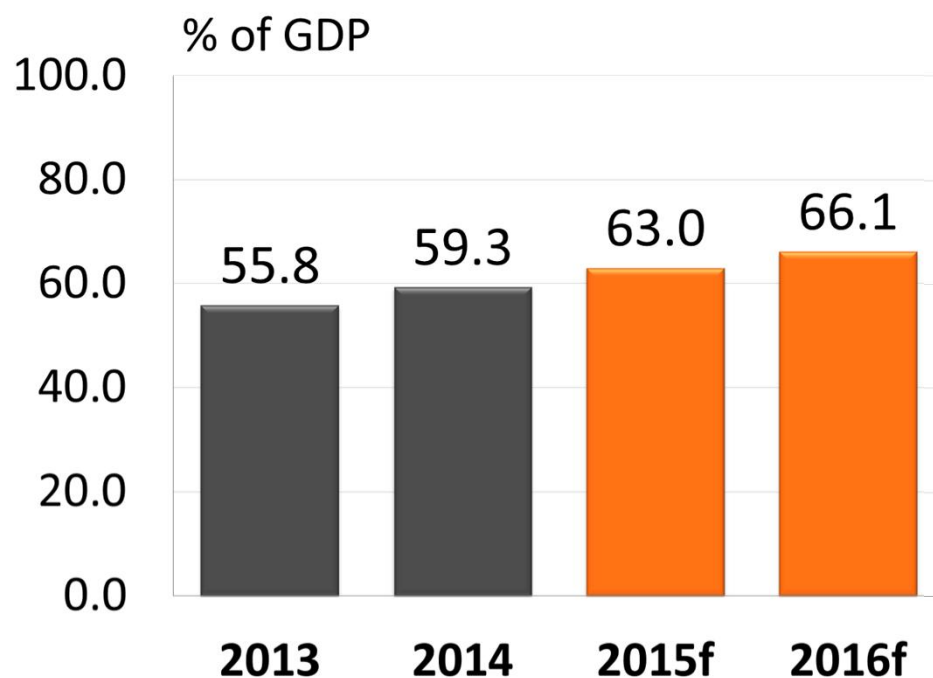


Unemployment rate, %

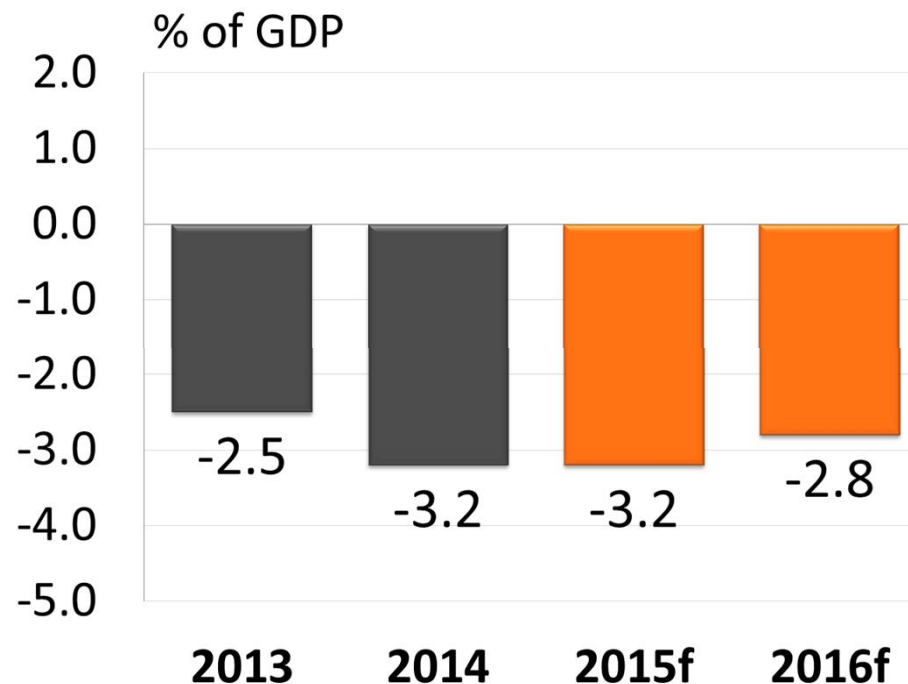


Forecasts for the Finnish Economy

General government debt, % of GDP

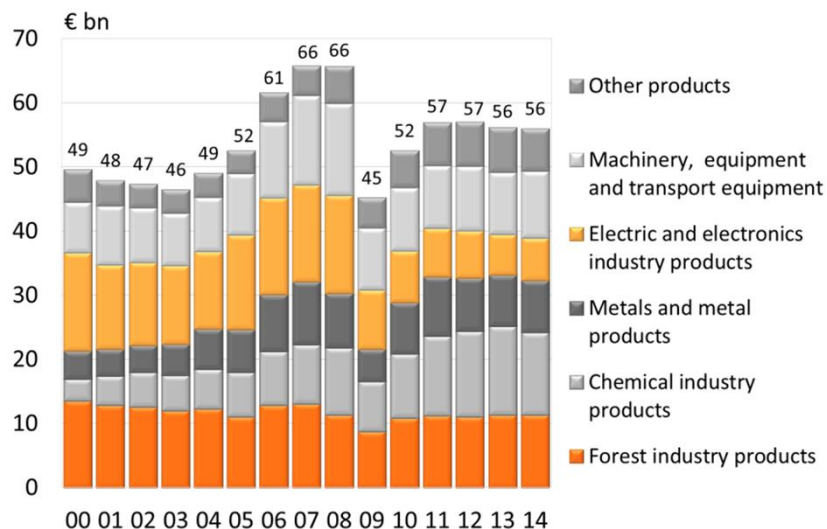


General government deficit, % of GDP



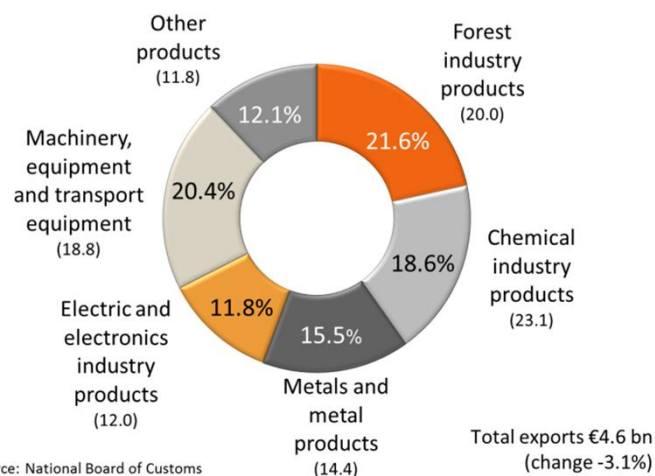
Goods Exports by Product Group and by Country**

Exports by commodity group



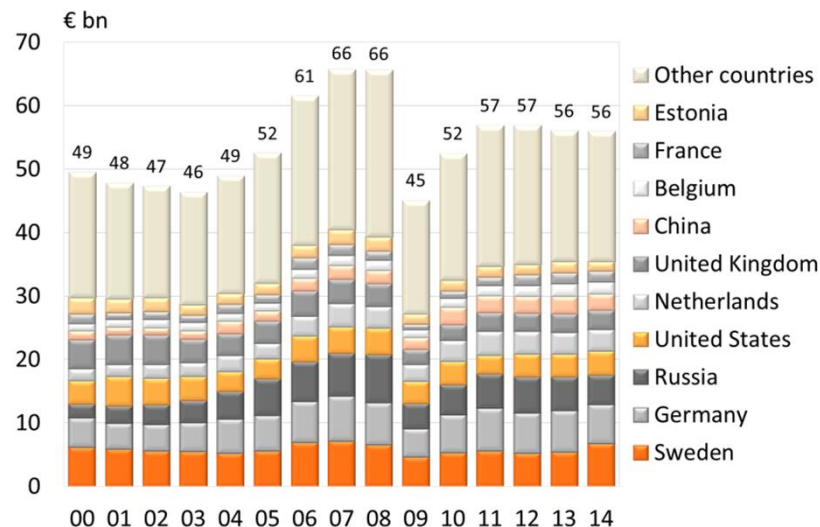
Source: National Board of Customs

Goods exports by product group
January-May 2015 (2014 in brackets)



Source: National Board of Customs

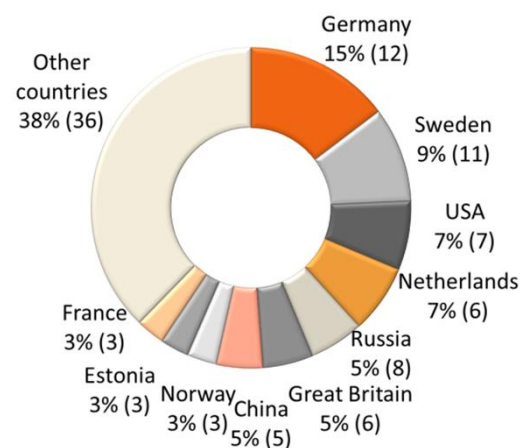
Finlands' largest* export countries



Source: National Board of Customs

* Top 10 of 2014

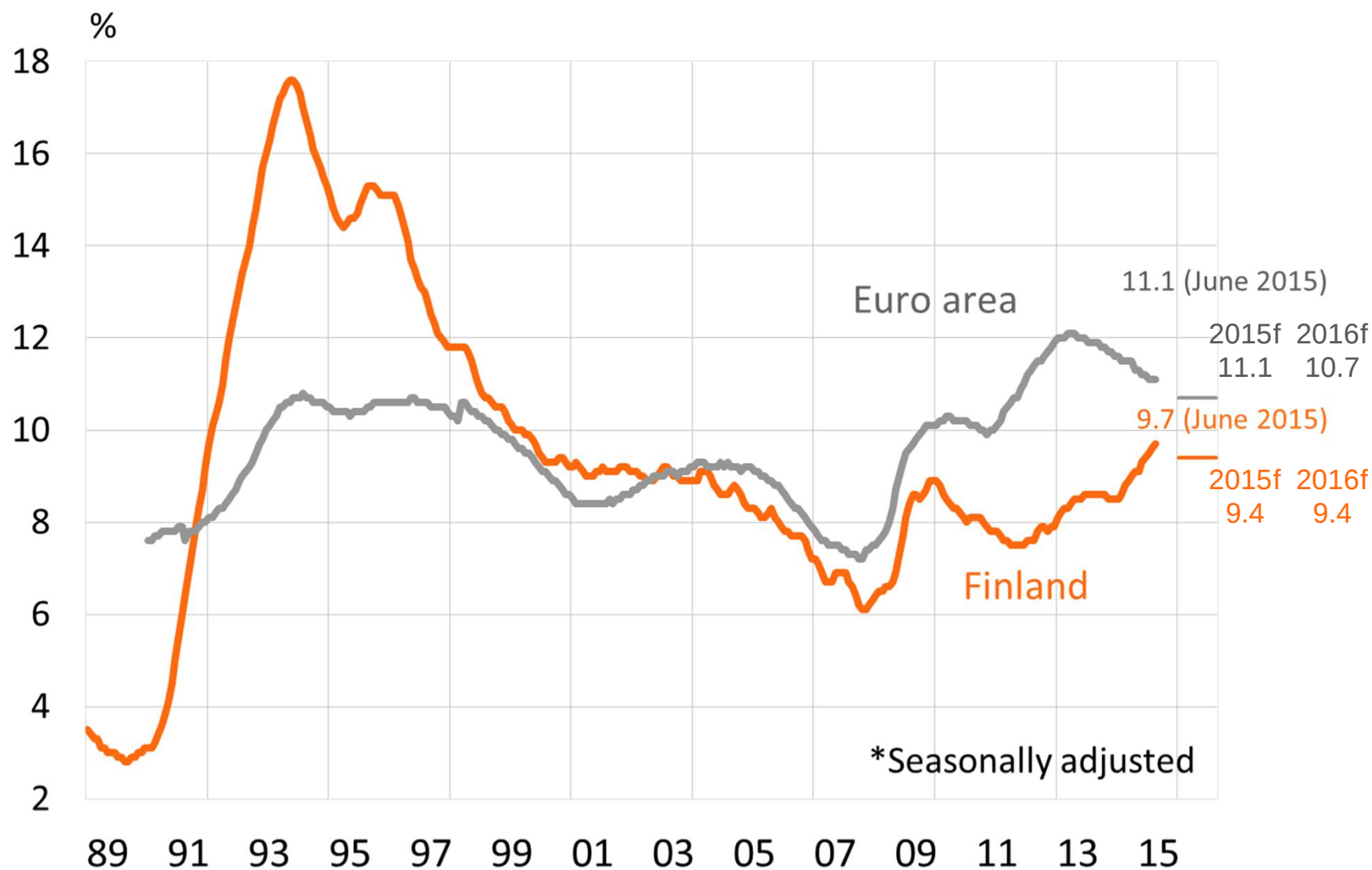
Goods exports by country
January-May 2015 (2014 in brackets)



Source: National Board of Customs

** In January-May 2015, EU member countries' share of goods exports was 59%

Unemployment Rate* in Finland and Euro Area

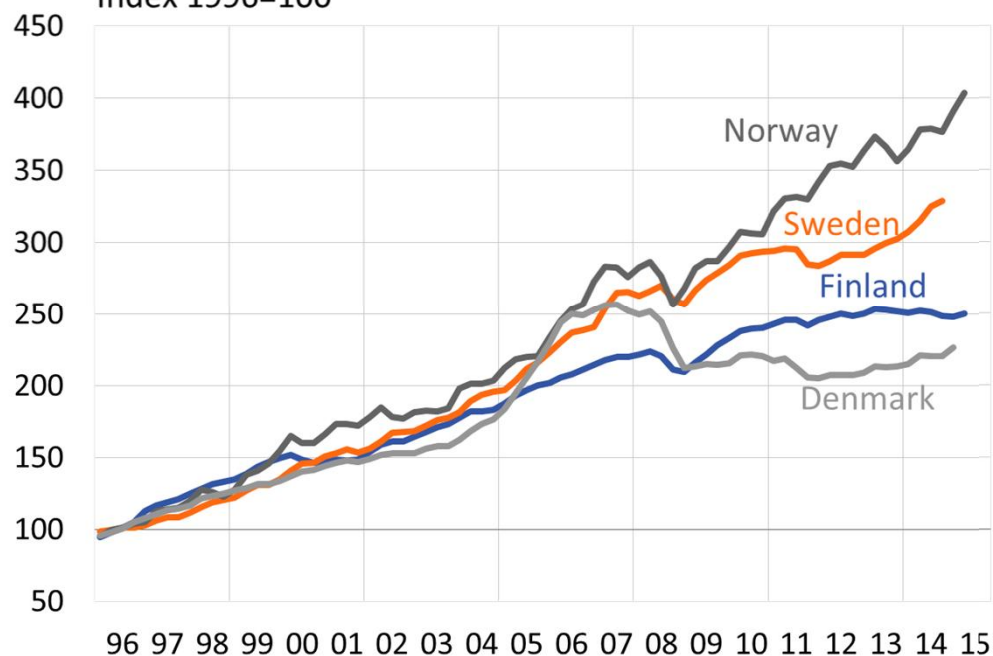


Sources: Statistics Finland, Eurostat, OP Financial Group (24 August 2015)

Average House Prices and Households' Debt

Average house prices

Index 1996=100

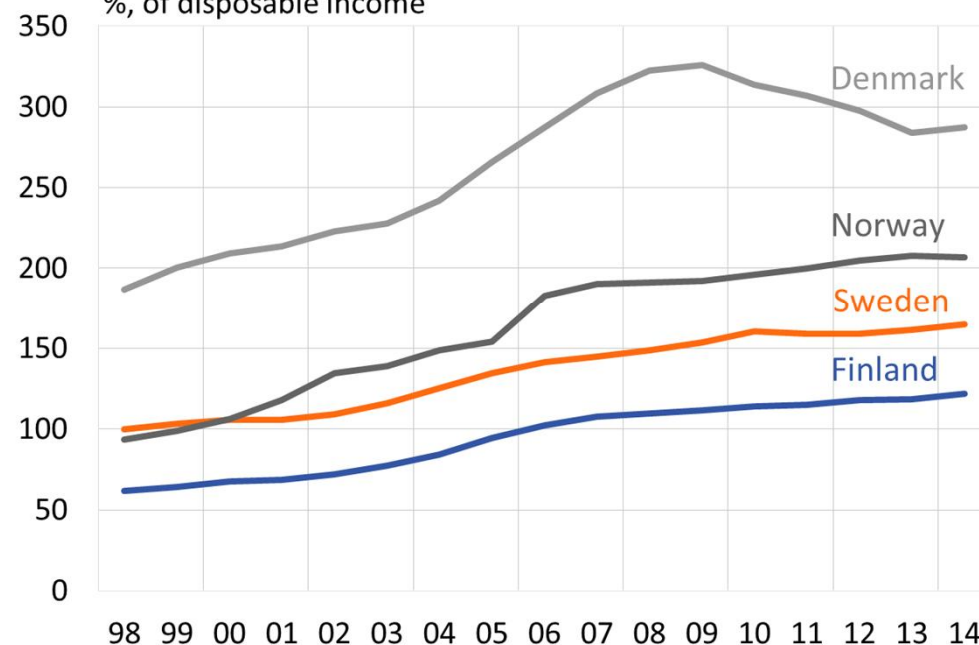


Sources: Macrobond, Statistics Sweden

Latest values: Finland and Norway Q2/2015, Denmark Q1/2015 and Sweden Q4/2014.

Households' debt ratio

% of disposable income



Sources: Central Banks, Statistics Finland

Latest value: 2014

Overview: Finnish Housing Market

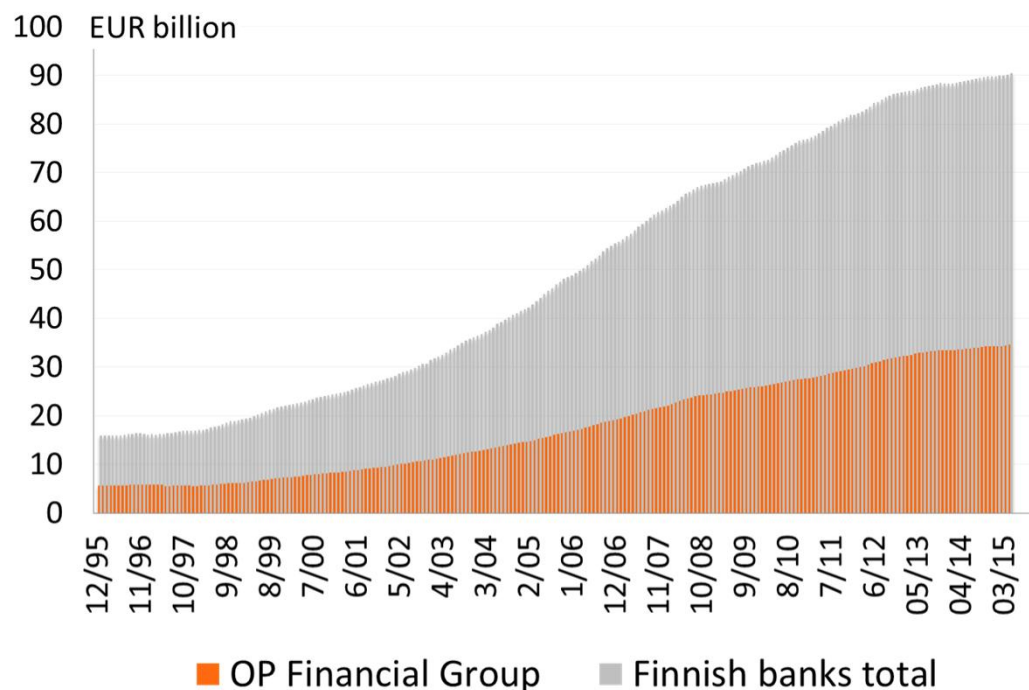
- Ownership ratio of households around 70%
- Average size of homes 80.0 m²
- Typical maturity of new loans 20 years
- Variable interest rates: around 94% of loans to households
- Fully-amortizing market
- Interest relief in taxation (max. €3,600 / household)
- Capital gains tax-exempt after 2 years

As of 4 June 2015

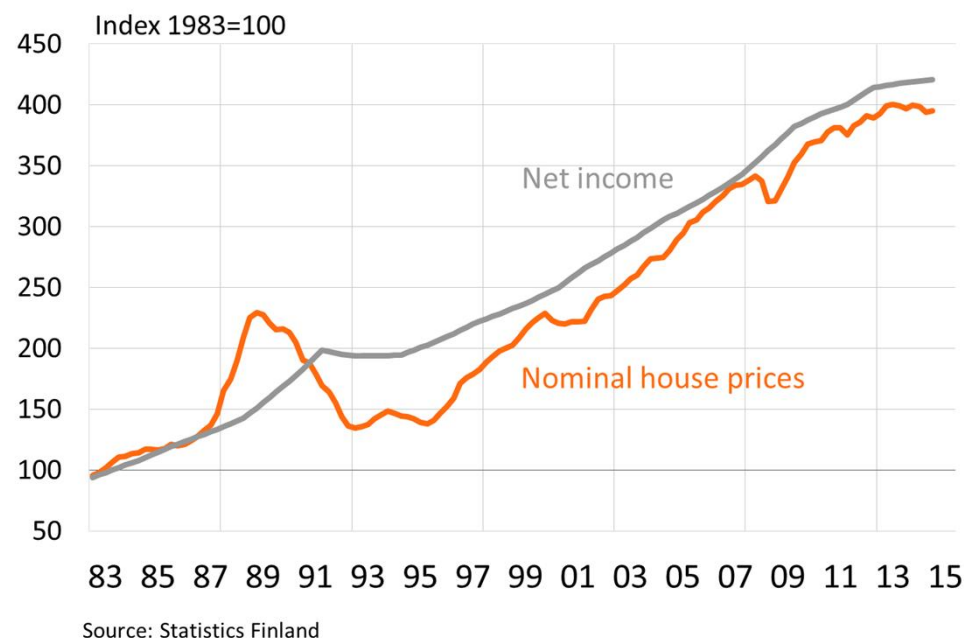
Mortgage Market and Changes in House Prices

- 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

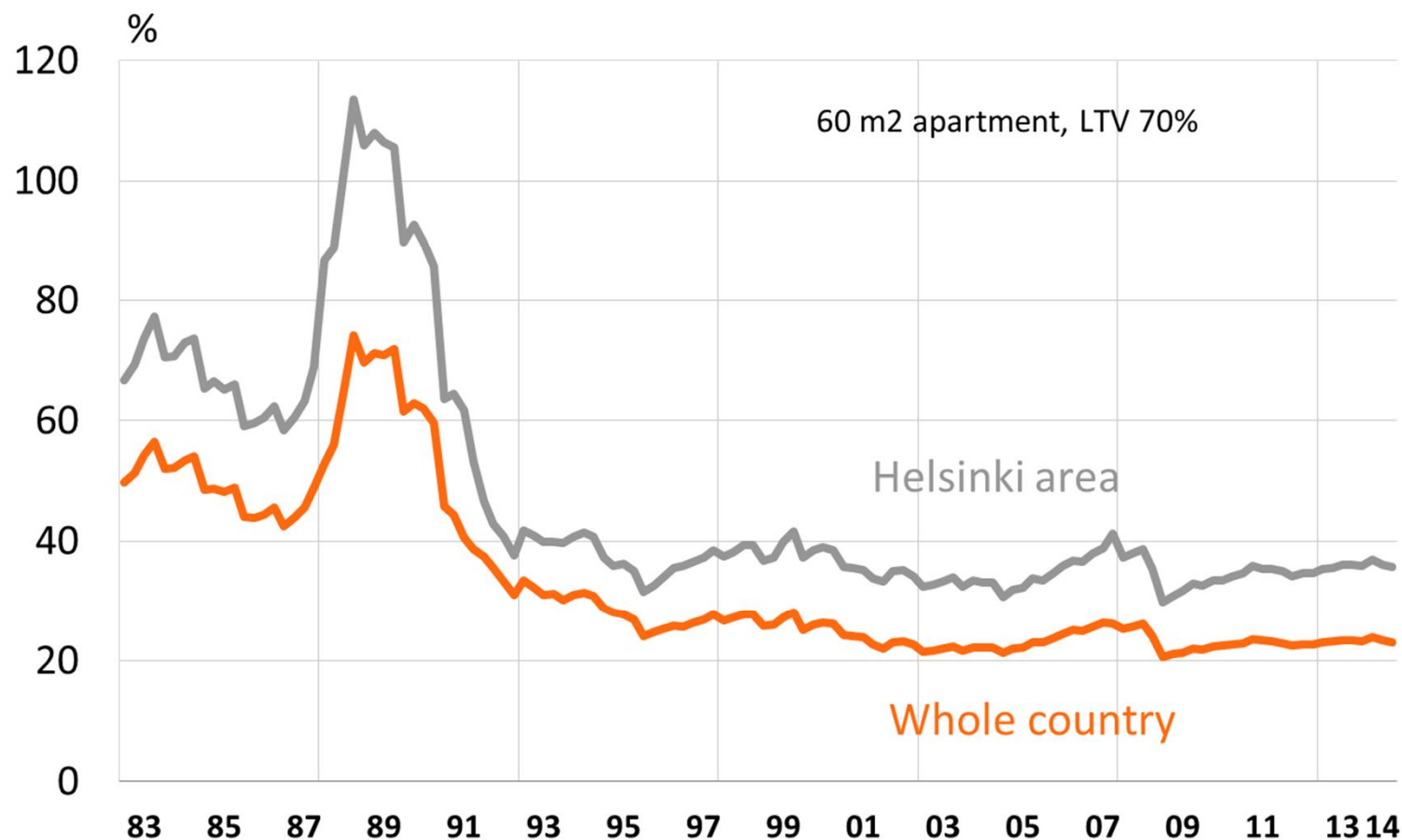


Changes in house prices and net income



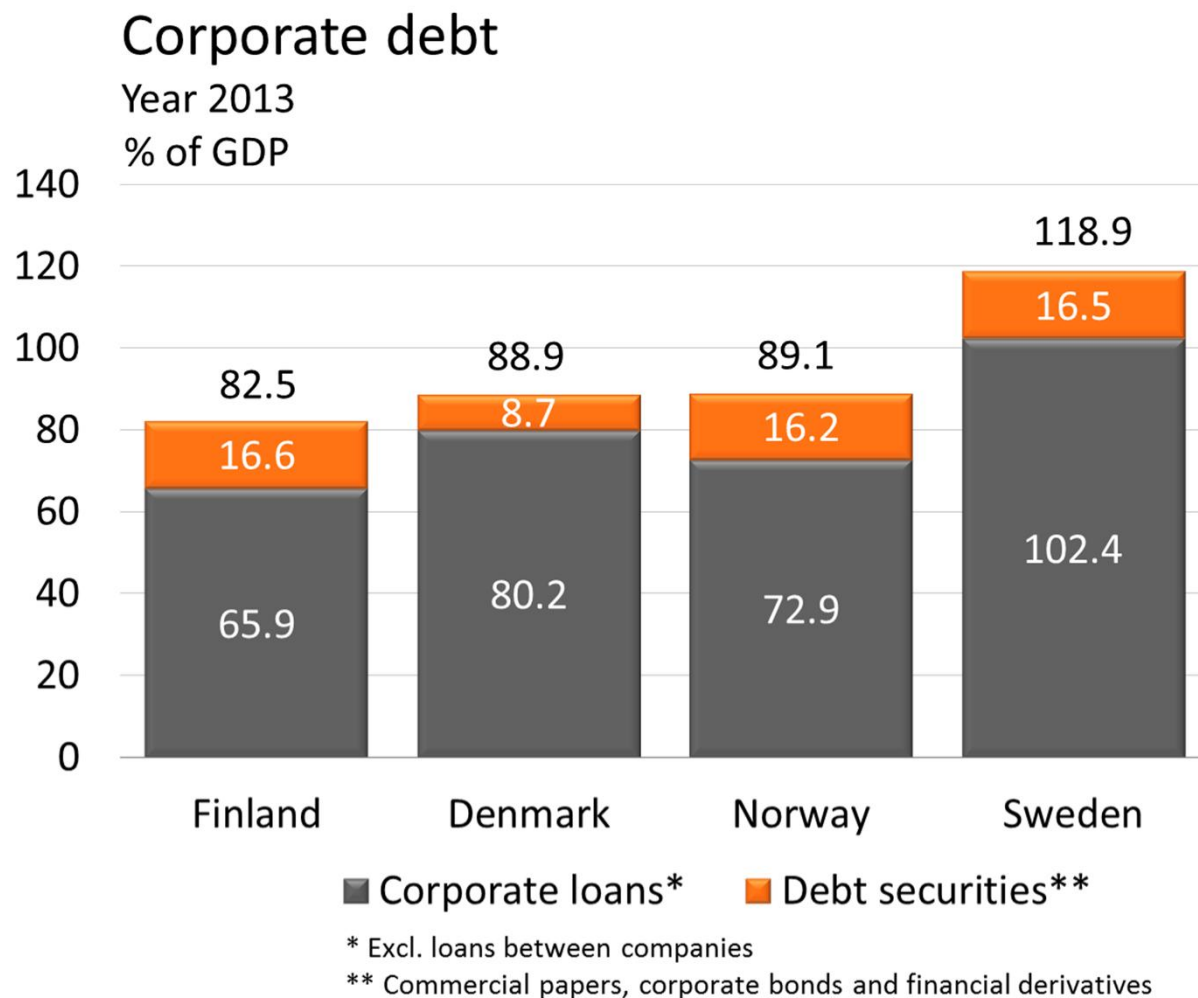
Loan Servicing Costs in Relation to Net Income

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

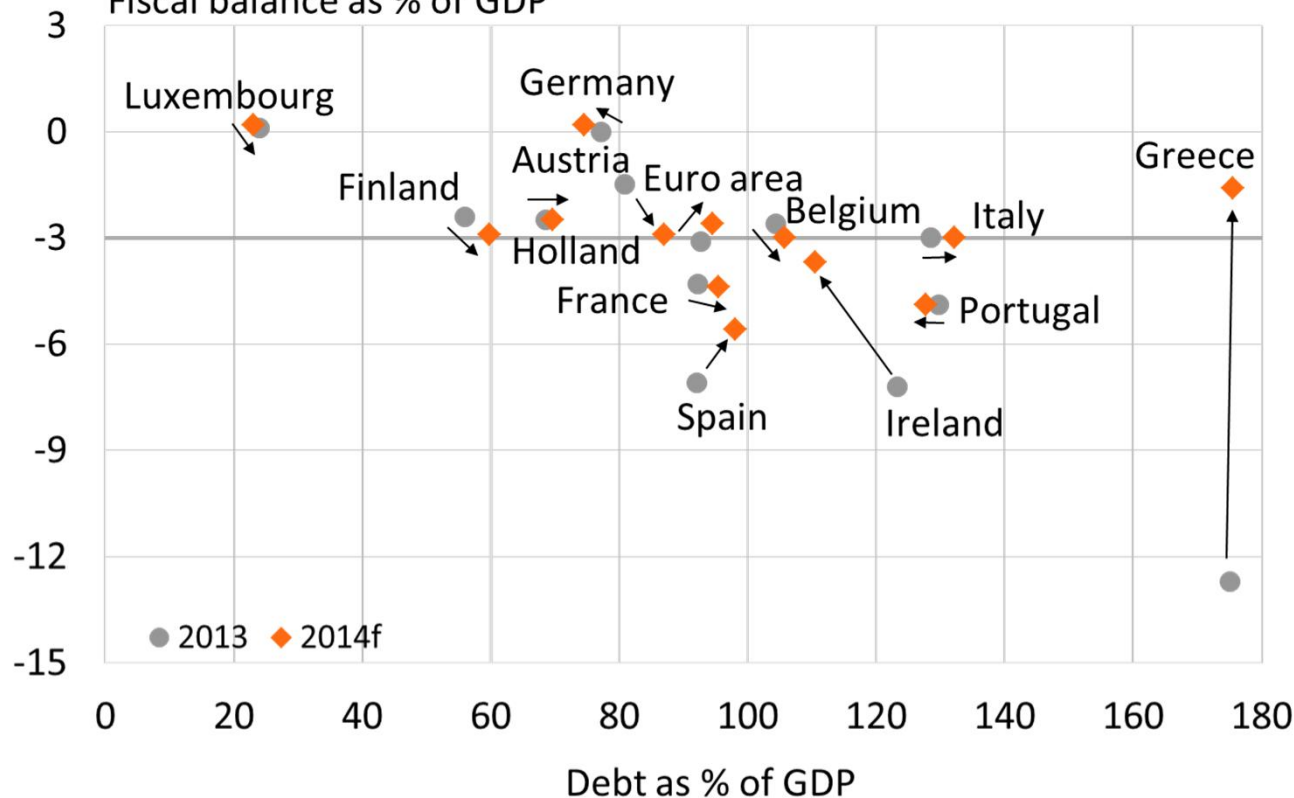
Source: Eurostat, Consolidated Financial Accounts

Fiscal Balance and Sovereign Ratings for Euro Area

Fiscal Balance,

Realized for 2013 and forecast for 2014

Fiscal balance as % of GDP



Sources: Statistics Finland, European Commission, November 2014

Long-term credit ratings

27 July 2015

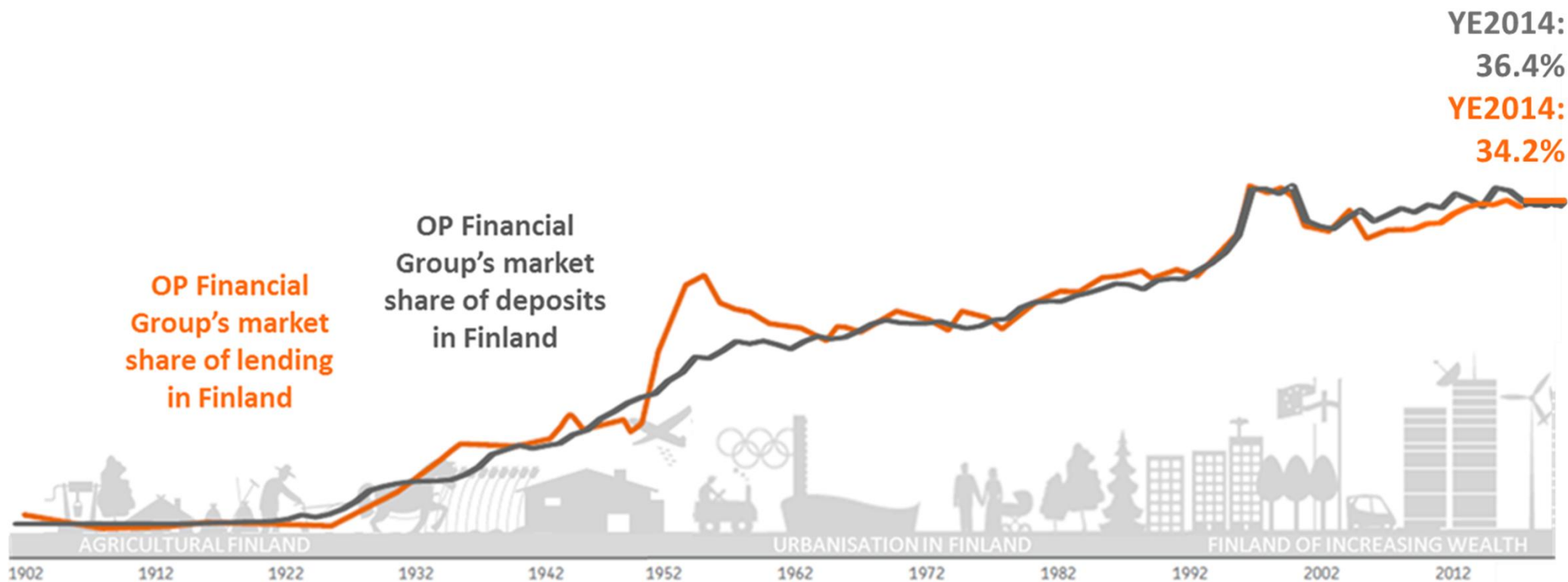
Country	Moody's	S&P	Fitch
Germany	Aaa	AAA	AAA
Luxembourg	Aaa	AAA	AAA
Finland	Aaa*	AA+	AAA*
Netherlands	Aaa	AA+**	AAA
Austria	Aaa	AA+	AA+
France	Aa1*	AA*	AA
Belgium	Aa3	AA	AA*
Estonia	A1	AA-	A+
Slovakia	A2	A**	A+
Malta	A3	BBB+**	A
Latvia	A3	A-	A-
Ireland	Baa1	A+	A-
Lithuania	A3	A-	A-
Spain	Baa2**	BBB	BBB+
Italy	Baa2	BBB-	BBB+
Slovenia	Baa3	A-**	BBB+
Portugal	Ba1	BB**	BB+**
Cyprus	B3	B+**	B-**
Greece	Caa3***	CCC+	CC

* 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 banking

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

Leading the way in home-related services and consumer finance

Non-life Insurance

Maintaining the market leadership

- Cross-selling and growth potential among private and SME customers
- Renewal of products and pricing
- Claims handling as competitive advantage

Wealth Management

Intensified efforts to become leading wealth manager

- Growth at a rate above the market in unit-linked policies
- Improved customer satisfaction
- Increased number of customers

Group-level strategic initiatives require investments in product and service development, technology and expertise

New digital OP Financial Group



- Digital customer interaction; online loan negotiations, social media, mobile apps etc.
- Sales in digital channels; active digital services offering in mobile devices, digital channels as part of sales management
 - Up to 94% of OP's daily service encounters take already place in digital service channels.
 - 1.6 mn eServices agreements as of 30 June 2015 and 7.6 mn visits to OP Mobile App by a total of 628,000 users in June 2015
 - In H1/15, OP introduced fingerprint authentication on OP Mobile App and launched contactless payment for the Pivo Mobile Wallet App
 - Within Non-life Insurance, a new loss report service was launched on OP Mobile App in H1/15. Over up to 50% of loss reports are filed online and over up to 75% of loss reports on personal injuries under voluntary insurance are filed online. During the last 12 months, the number of customers receiving their insurance-related mail electronically has risen to over 500,000 (317,000).
 - Within Wealth Management, electronic channels accounted for 40% (27) of mutual fund sales in H1/15.

Group-level strategic initiatives require investments in product and service development, technology and expertise

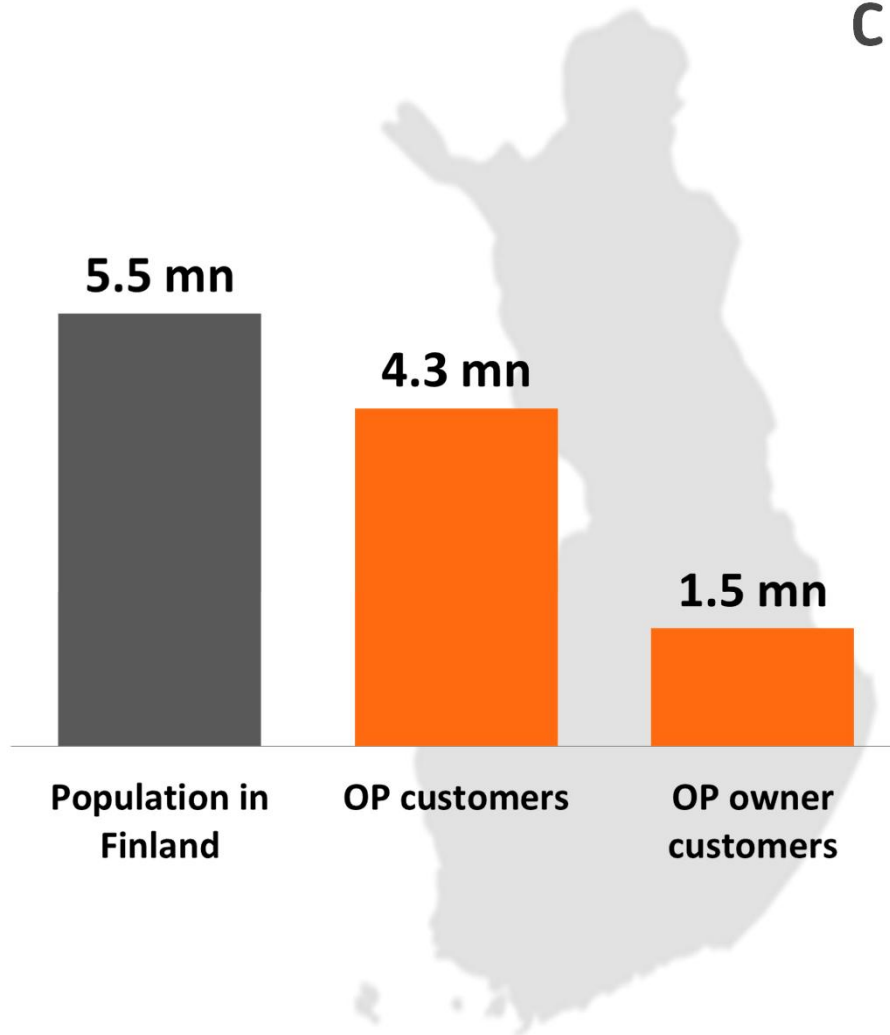
Expansion of health and wellbeing business



- New innovative services, new fields of specialised medicine and occupational health
- Incomparable customer satisfaction thanks to effective clinical pathway
- Omasairaala was founded in Helsinki in 2013 and four new hospitals will be opened: in Tampere in summer 2016 and later on in Oulu, Kuopio and Turku

Customer-owned OP Financial Group

– over 120 years of stable growth together with customers



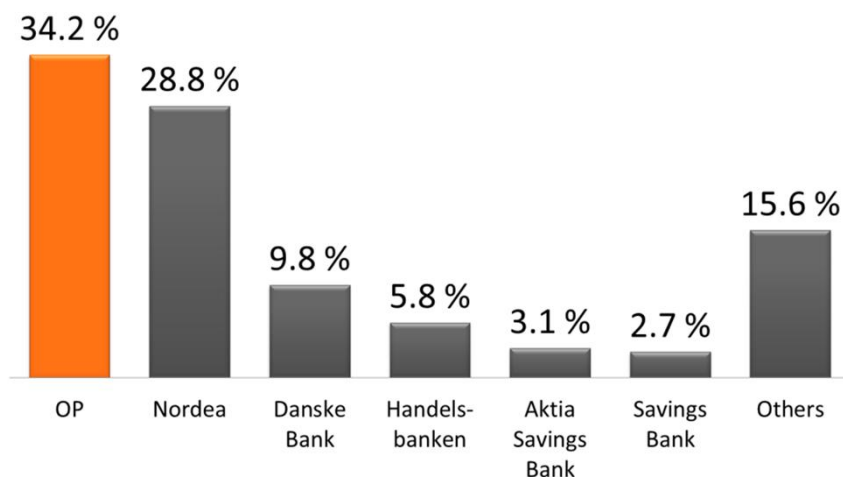
- ✓ Comprehensive financial services offering under strong and well-known OP brand
- ✓ Best loyalty benefits, OP bonuses, supporting cross-selling
- ✓ Close to customers through the most extensive service network
 - 186 member cooperative banks
 - In H1/15, 5 POP Group banks became OP Financial Group member cooperative banks and 1 POP Group bank merged into a member cooperative bank
 - 445 branches, of which 347 providing both banking and non-life insurance services
 - 12,286 employees and around 270 tied insurance agents

Joint Liability within OP Financial Group

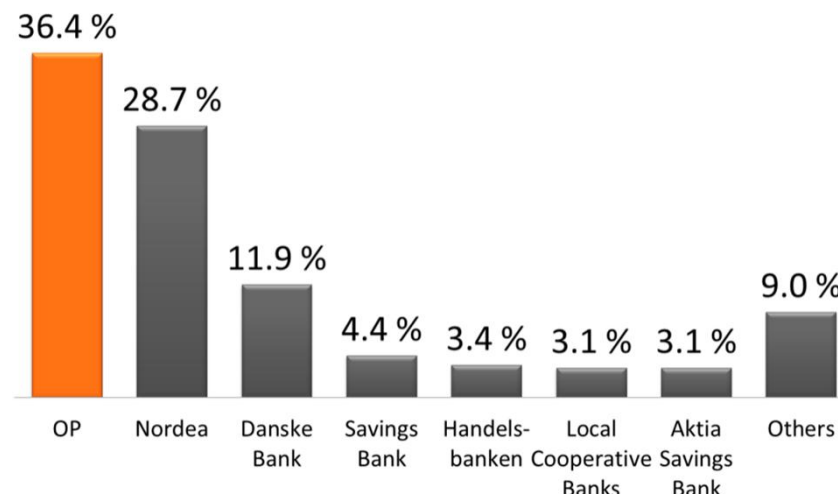
- Under the Act on the Amalgamation of Deposit Banks (Laki talletuspankkien yhteenliittymästä 599/2010), OP Cooperative and the member credit institutions are jointly liable for each others' debts.
- If a creditor has not received payment from a member credit institution on a due debt, the creditor may 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)

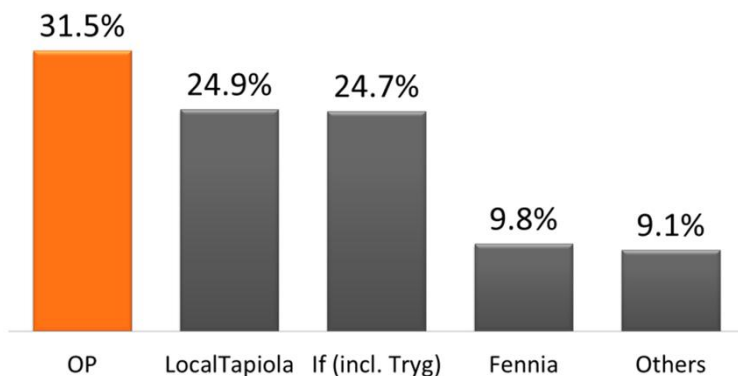


Deposits 2014 (Finland: €133 bn)



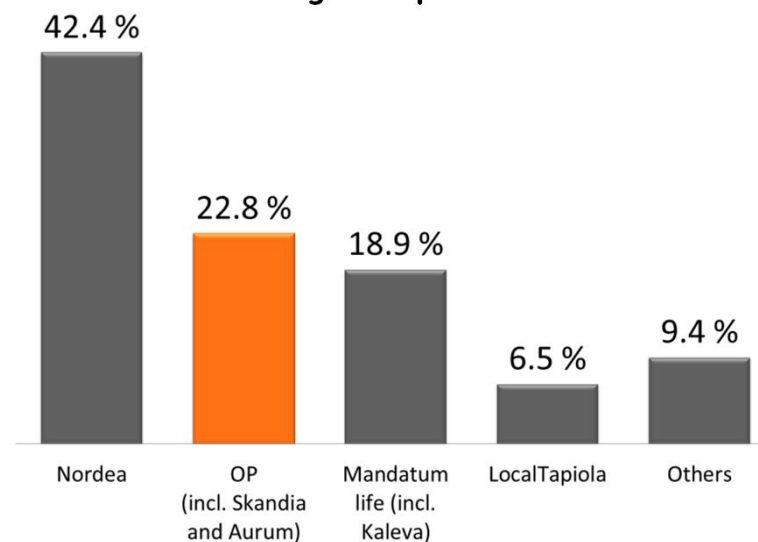
Non-life Insurance 2014 (Finland: €4.4 bn)

Market share of premiums written under Finnish direct insurance



Life Insurance 2014 (Finland: €6.0 bn)

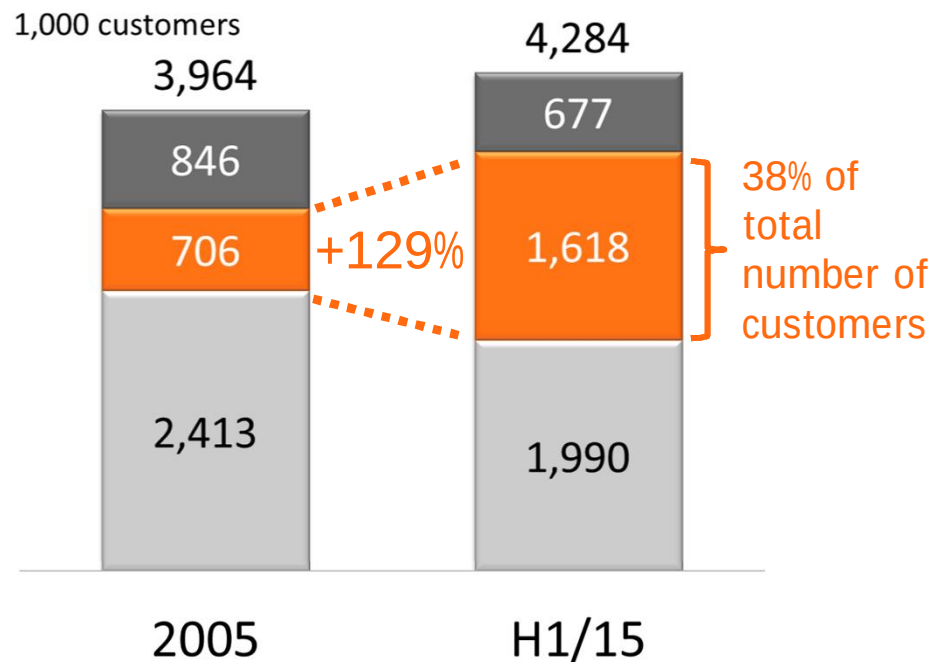
Market share of gross premiums written



Significant Customer Potential

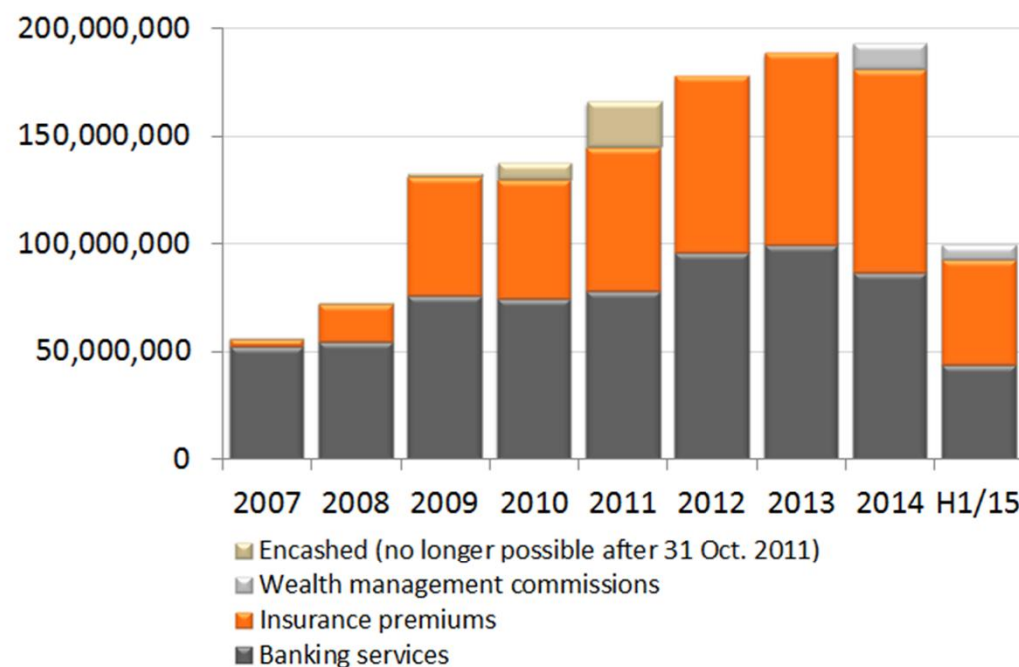
Cross-selling between OP Financial Group member cooperative banks and Non-life Insurance based on strong bancassurance business model

Number of customers shared by Banking and Non-life Insurance increased by 28,000 in H1/15



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

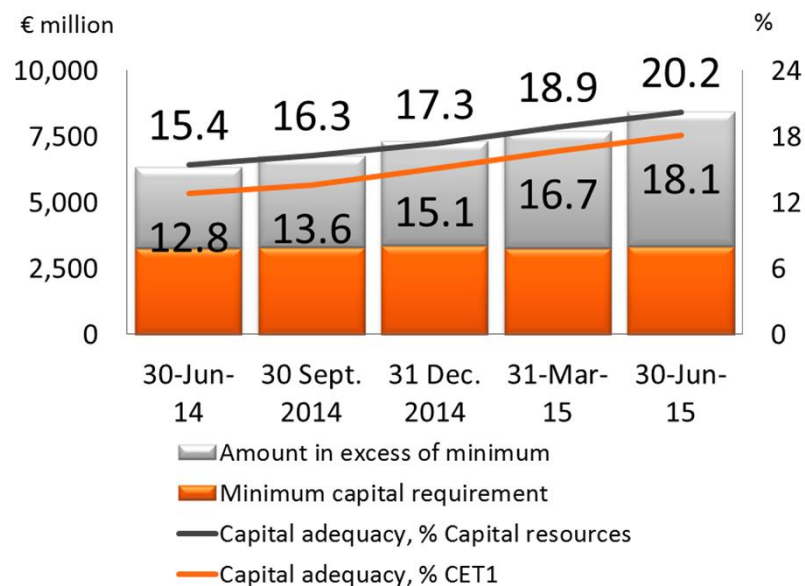
In 2014, OP bonuses to customers €189 mn (2005: €42 mn). In H1/15, OP bonuses to customers €97 mn and use of bonuses €100 mn.



In H1/15, insurance premiums paid using bonuses totaled €49 million and OP bonuses were used to pay 994,000 insurance premiums, with 129,000 paid in full using bonuses only.

CET1 ratio 18.1% thanks to strong EBT

Capital base and CET1 ratio (CRR/CRD4)



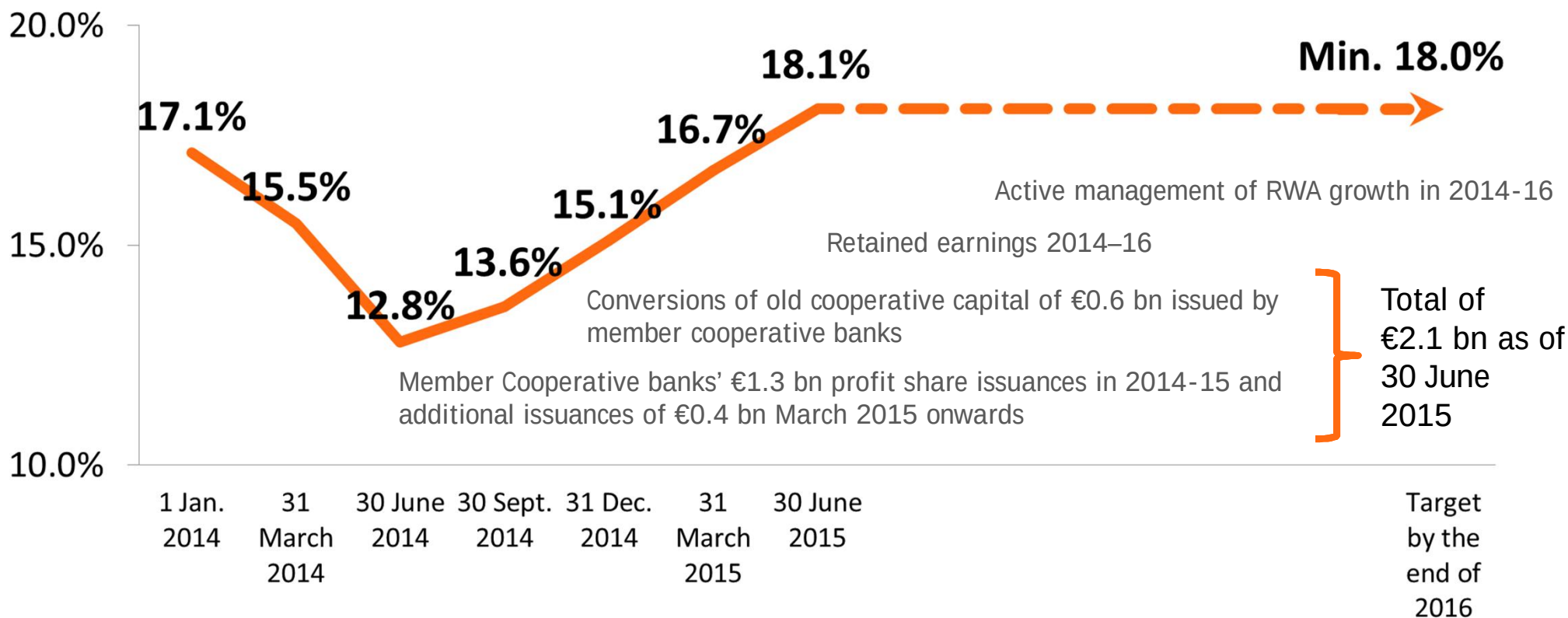
- Leverage ratio of banking operations is, according to the current interpretations of the new regulations, 7.1% as of 30 June 2015 (6.4 as of 31 Dec. 2014), while the minimum requirement is 3.0%.
- At YE2014, average risk weight for retail exposures was 8.5% (8.8) and for corporate exposures 70.7% (74.0). 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.

- OP Financial Group received temporary permission defined in the EU capital requirement regulation and directive EU 575/2013 (CRR/CRD4, entered into force on 1 Jan. 2014) from the Fin-FSA to treat insurance holdings as RWA (RW approx. 280%) on 27 Nov. 2013 and it was valid 1 Jan.–31 Dec. 2014. A request for an extended permission is being processed by the ECB. Meanwhile, OP Financial Group applies the treatment of insurance holdings based on the previous permission from the Fin-FSA. OP Financial Group's CET1 ratio would decrease by no more than 0.8 pps if the special permission was not extended and OP Financial Group transferred to the deduction treatment of insurance holdings.
- Since the beginning of 2015, the capital conservation buffer requirement has been 2.5% of RWA. In July 2015, Fin-FSA set the requirement for the O-SII buffer for OP Financial Group at 2%, effective as of 7 Jan. 2016. In June 2015, Fin-FSA decided not for the time being to impose a countercyclical capital buffer requirement on banks, nor has it otherwise tightened macroprudential policy.

Actions to maintain strong capital adequacy and strengthen profitability

In H1/15, CET1 ratio was improved by profit share issuances (+1.3 pps), adoption of updated PD model (+0.8 pps) and gains arising from the remeasurement of defined benefit pension plans (IAS19, +0.4 pps)

CET1 capital adequacy, target 18.0%



Return on economic capital*, target 20.0% (12-mth rolling): 20.1% as of 30 June 2015

Maintaining the target level requires EBT of more than €1 billion within the next few years

EBT improved by 29% to €627 mn (488) in H1/15

Income were up by 8% and expenses down by 3% in H1/15

Banking

EBT, € mn	356 (+23%) H1/14: 289
Net interest income, € mn	541 H1/14: 524
Net commissions and fees, € mn	349 H1/14: 330
Impairments of receivables, € mn	37 H1/14: 32
Loan portfolio, € bn	73.3 31 Dec. 2014: 70.7
Deposits, € bn	51.2 31 Dec. 2014: 48.8
Cost/Income ratio, %	52.0 H1/14: 56.6

Non-Life Insurance

EBT, € mn	144 (+8%) H1/14: 133
Insurance premium revenue, € mn	681 H1/14: 651
Operating combined ratio, %	87.8 H1/14: 84.5
Operating expense ratio, %	18.2 H1/14: 18.1
Return on investments at fair value, %	1.3 H1/14: 3.4
Solvency II ratio*, %	137 31 Dec. 2014: 117

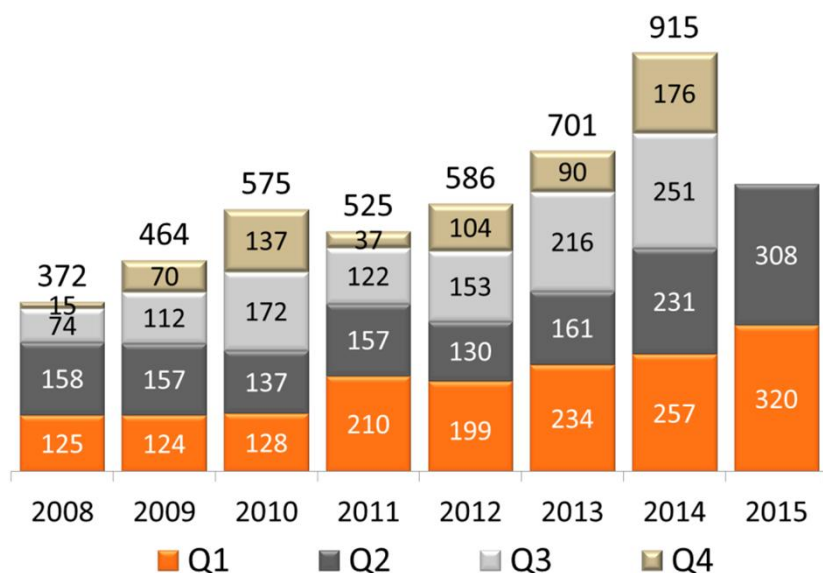
Wealth Management

EBT, € mn	128 (+25%) H1/14: 102
Net commissions and fees, € mn	106 H1/14: 98
Assets under management, € bn	66.3 31 Dec. 2014: 61.3
Cost/Income ratio, %	42.6 H1/14: 49.7
Return on investments at fair value within Life Insurance, %	1.2 H1/14: 3.5
Solvency II ratio* within Life Insurance, %	137 31 Dec. 2014: 100

Upgraded outlook following steadily improved EBT: OP Financial Group's EBT for 2015 are expected to be higher than in 2014

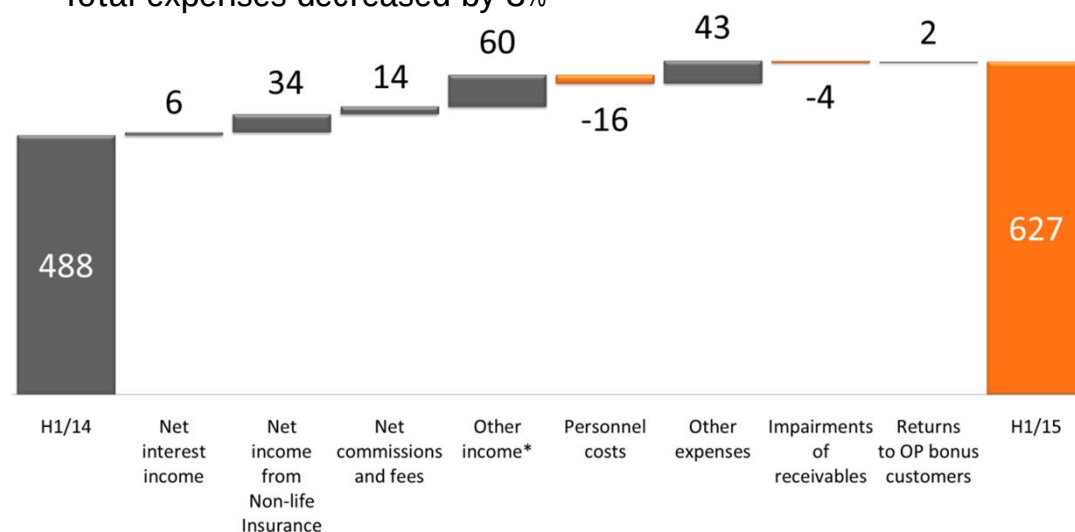
EBT in H1/15 were best half-year-results ever recorded

EBT by quarter 2008–15, € mn



EBT, y-o-y change H1/15 vs. H1/14, € mn

- Thanks to improved profitability and higher investment income, net income from Non-life and Life Insurance was up by 12% and 30%, respectively. Net commissions and fees improved thanks to mutual fund-related commissions.
- Total expenses decreased by 3%

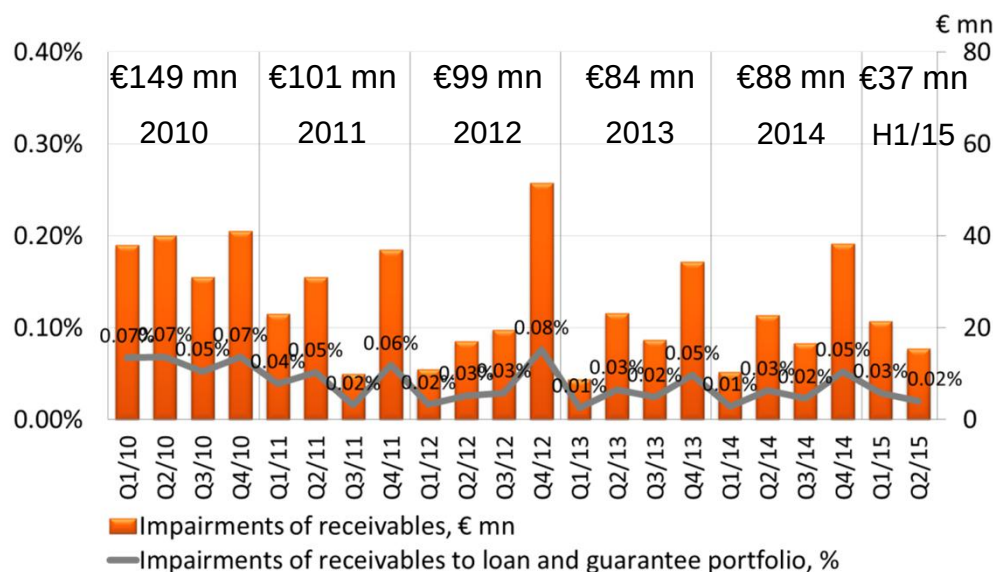


* Other income includes net income from Life Insurance, net trading income, net investment income and other operating income

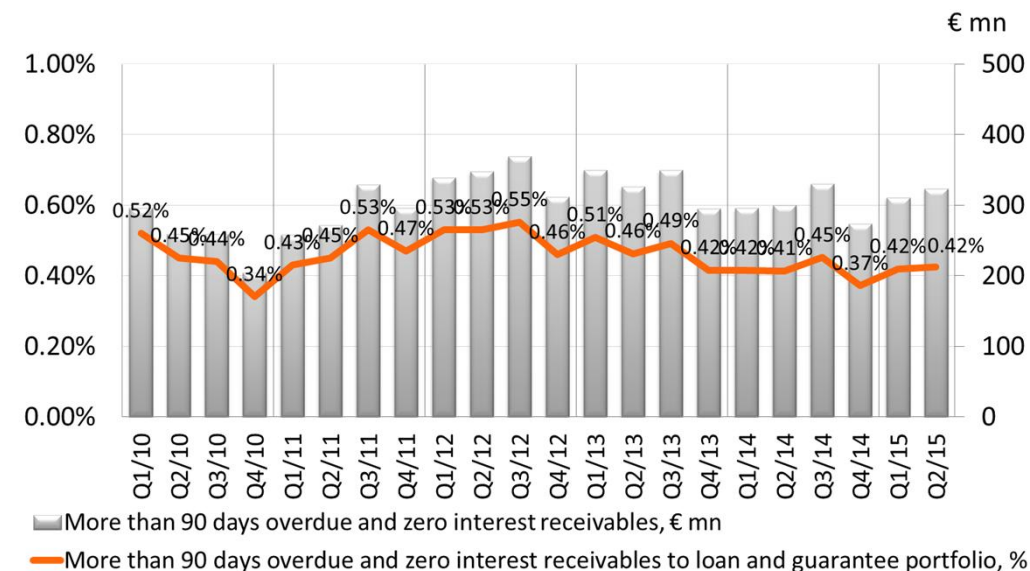
H1/15 impairments of receivables 0.10% to loan and guarantee portfolio (0.09)

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 30 June 2015, ratio of exposures individually assessed for impairment to doubtful receivables

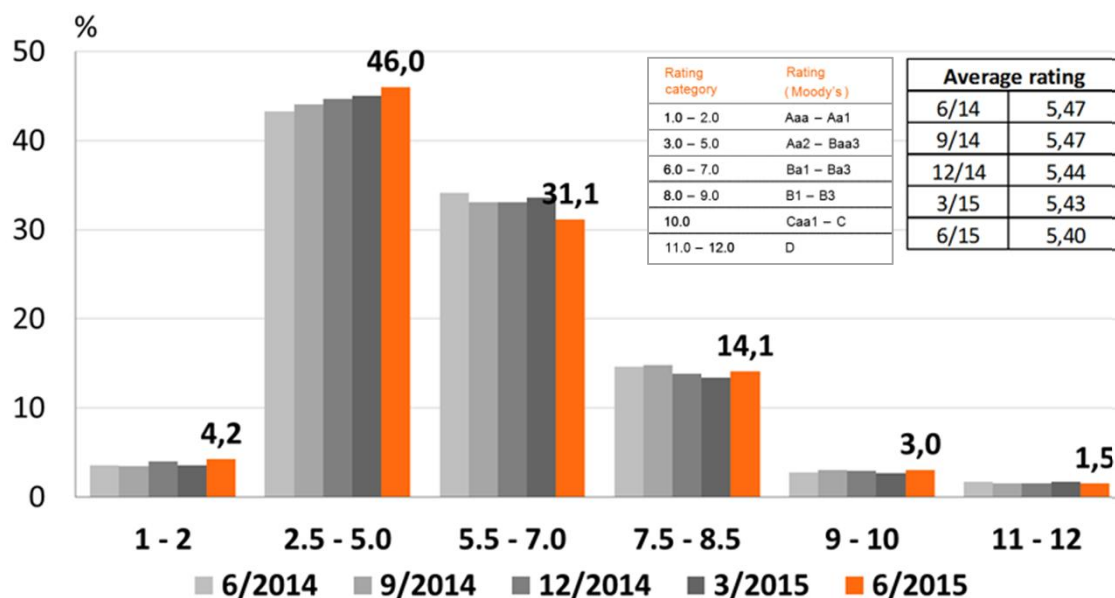
18.0% (20.3)*

*) 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 50% as of 30 June 2015 (49)

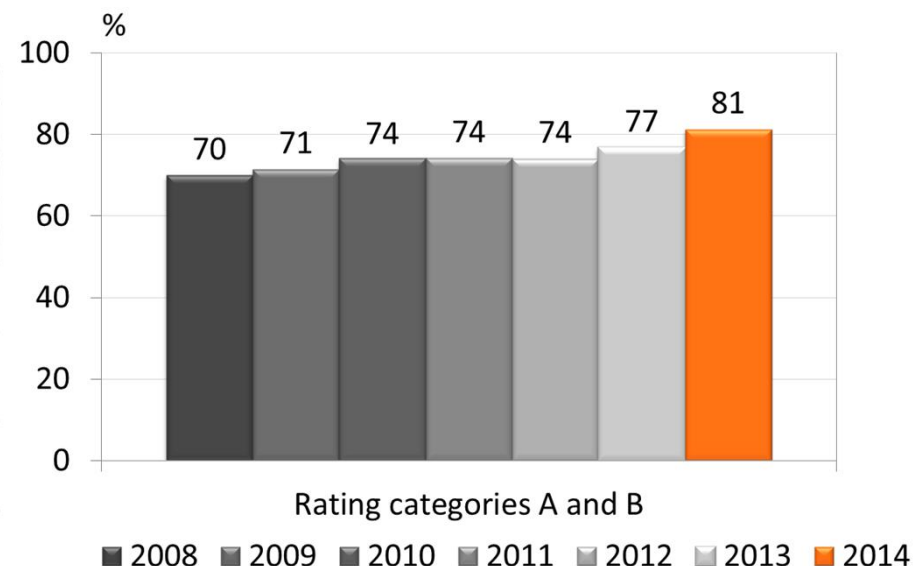
Exposures from the Non-financial Corporations and Housing Corporations Sector by credit rating category (€34.2 bn as of 30 June 2015)



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)

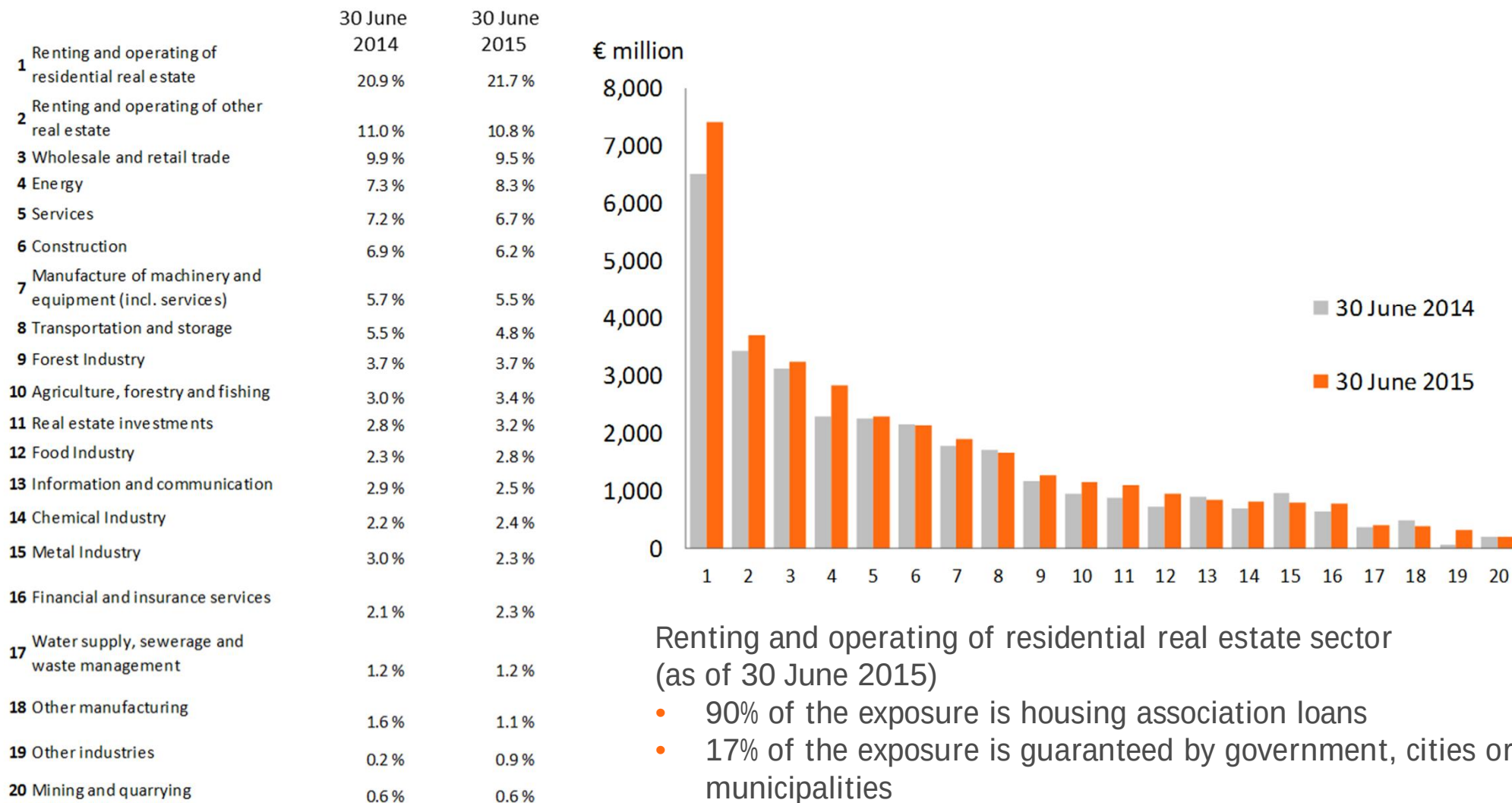


At year-end 2014, average PD of private customer exposures (Pillar III) with a credit rating of A and B a maximum of

0.1% (0.1)

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

€34.2 billion as of 30 June 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	Aa2	AA-*	AA-
Nordea	Aa3	AA-*	AA-
DNB	Aa2	A+*	-
SEB	Aa3	A+*	A+**
Swedbank	Aa3	A+	A+**
Danske Bank	A2	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

*** Covered bond rating

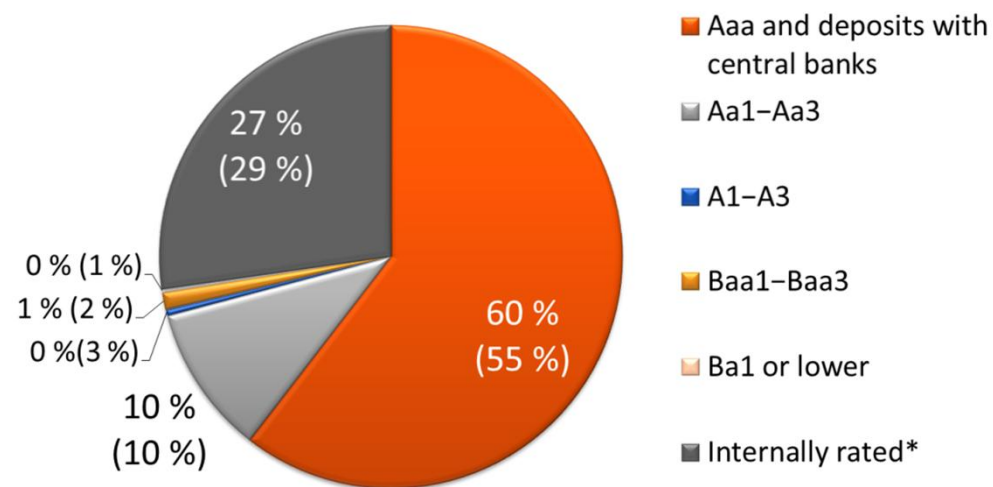
Updated: 29 July 2015

- S&P affirmed AA- rating with negative outlook for Pohjola Bank plc and Pohjola Insurance Ltd and AAA rating with stable outlook for OP Mortgage Bank in July 2015.
- Moody's affirmed Aa3 rating with stable outlook for Pohjola Bank plc on 29 June 2015 and A3 rating with stable outlook for Pohjola Insurance Ltd on 15 May 2015.
- Fitch affirmed A+ rating with stable outlook for OP Financial Group and Pohjola Bank plc on 9 June 2015.

Liquidity Buffer

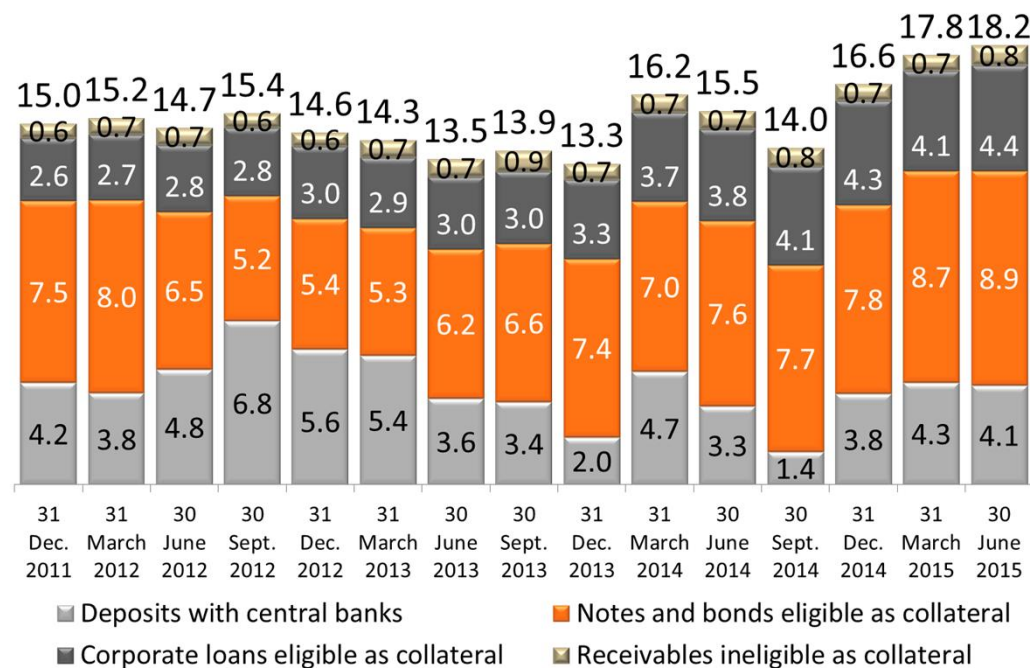
According to the transitional provisions, the LCR must be at least 60% during the fourth quarter of 2015 and at least 100% as of 2018. In accordance with the European Commission Liquidity Delegated Act, the calculated estimate of OP Financial Group's LCR ratio is at the level required as of 2018.

Liquidity buffer (€18.2 bn) by credit rating as of 30 June 2015 (31 Dec. 2014)



*) Internally rated: corporate loans (88%) and the remainder externally non-rated notes and bonds issued by public-sector entities and companies, both eligible as ECB collateral.

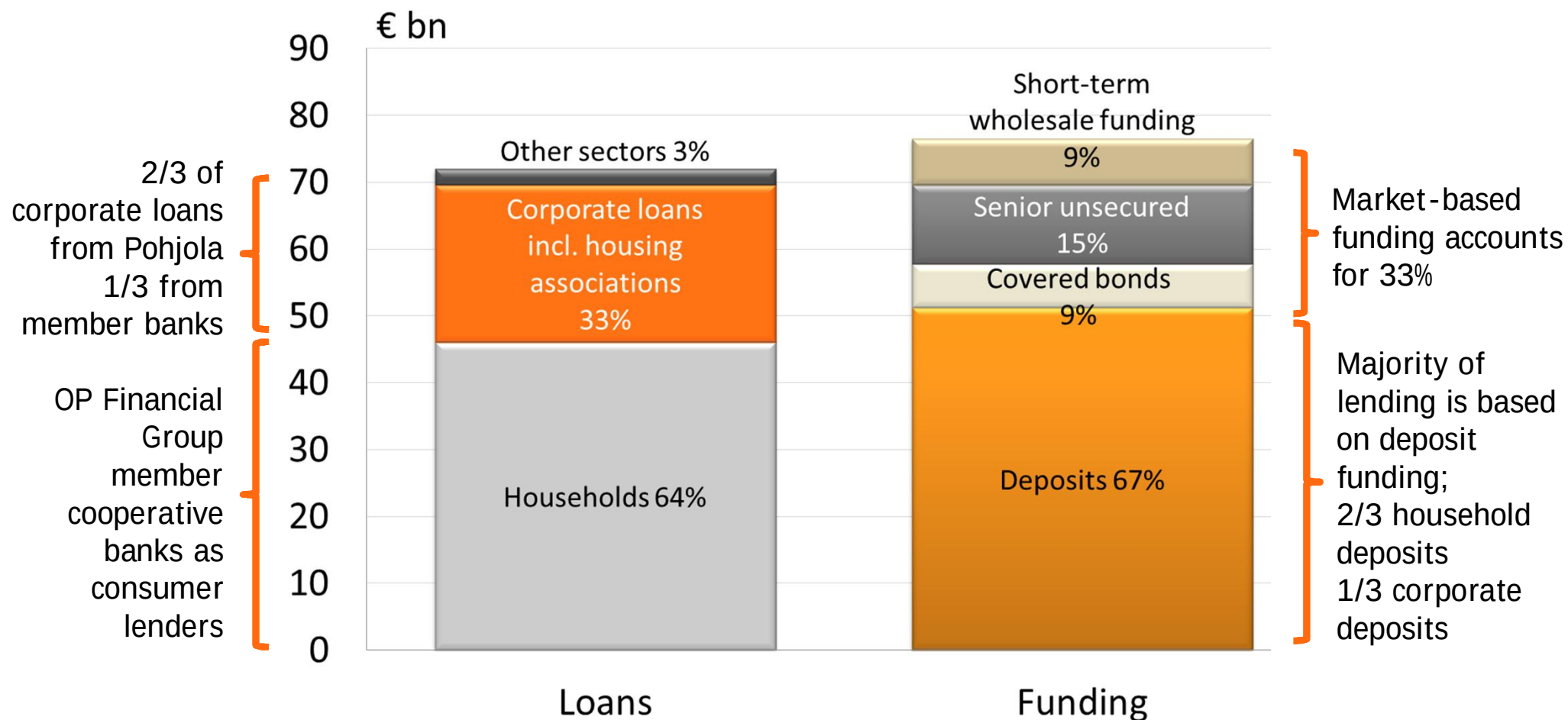
Liquidity buffer by product, € bn



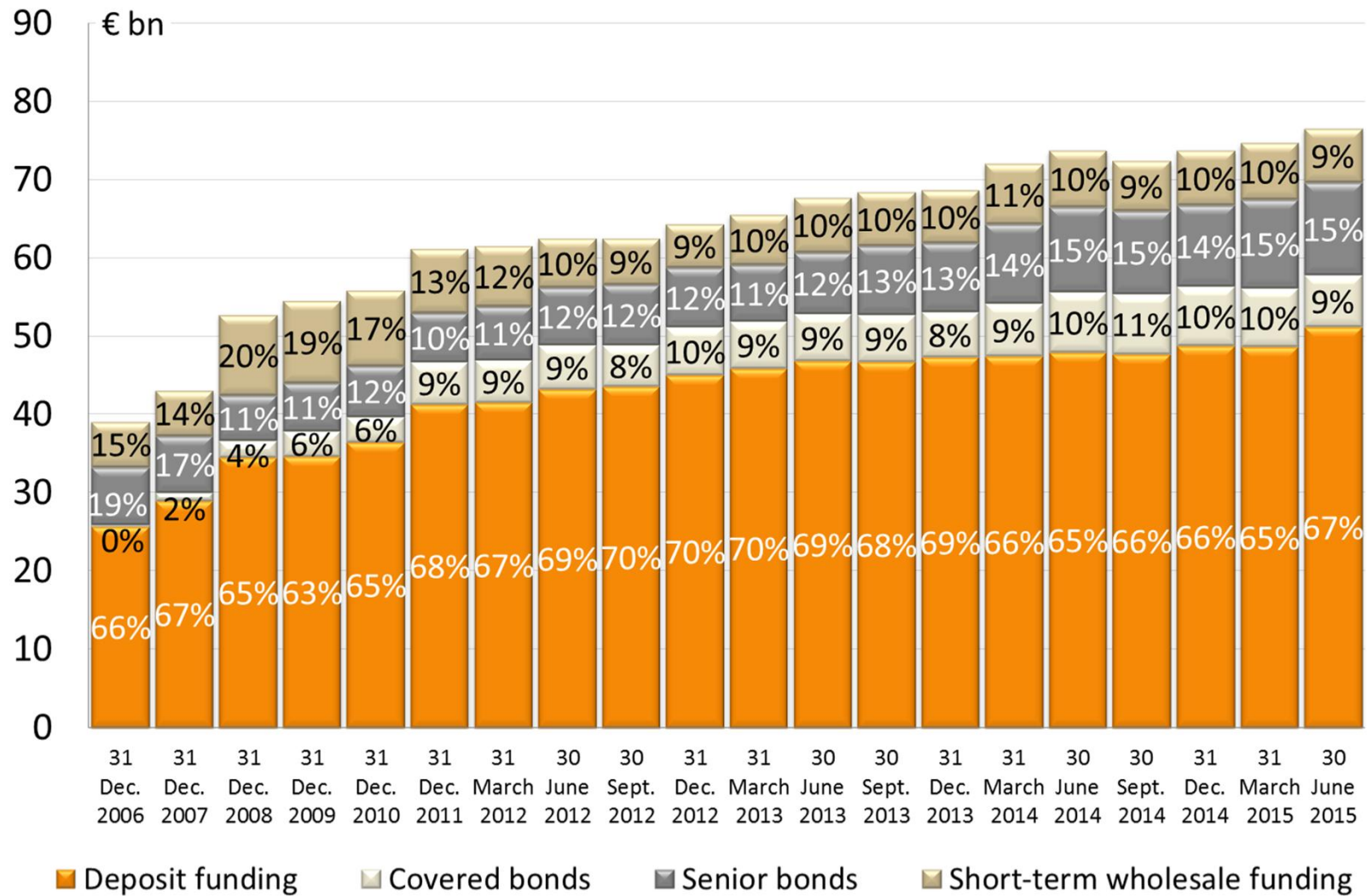
The liquidity buffer plus other items based on OP Financial Group's contingency funding plan can be used to cover the Group's maturing wholesale funding for at least 24 months.

Loans and Funding Structure

30 June 2015

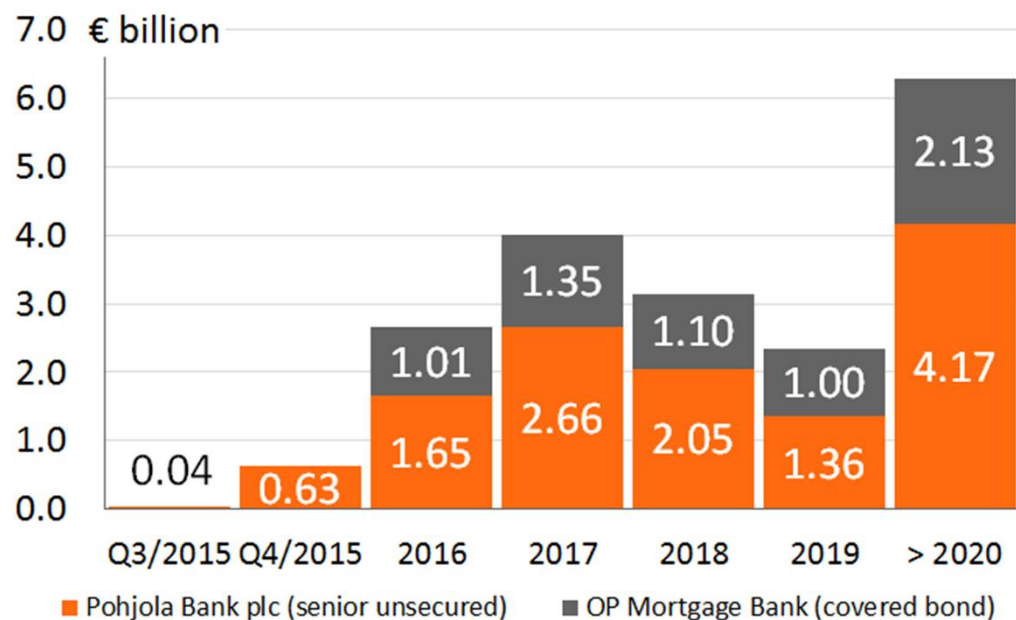


Funding Structure Development 2006–15



Issued Senior Debt and Covered Bonds

Issued senior unsecured and covered bonds by maturity, 30 June 2015

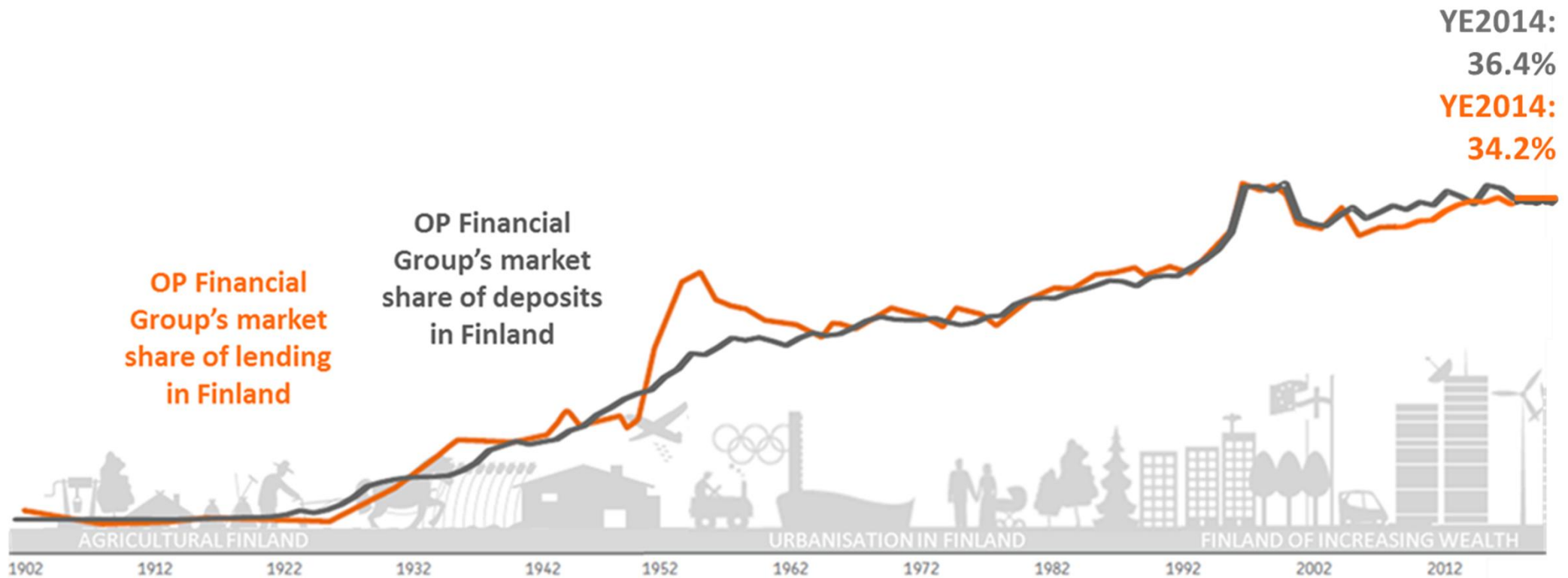


Pohjola Bank plc's senior unsecured benchmark bonds 2014–15

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

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 + 5 bps
2014	March	€1 bn	7 yrs	m/s + 14 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 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.

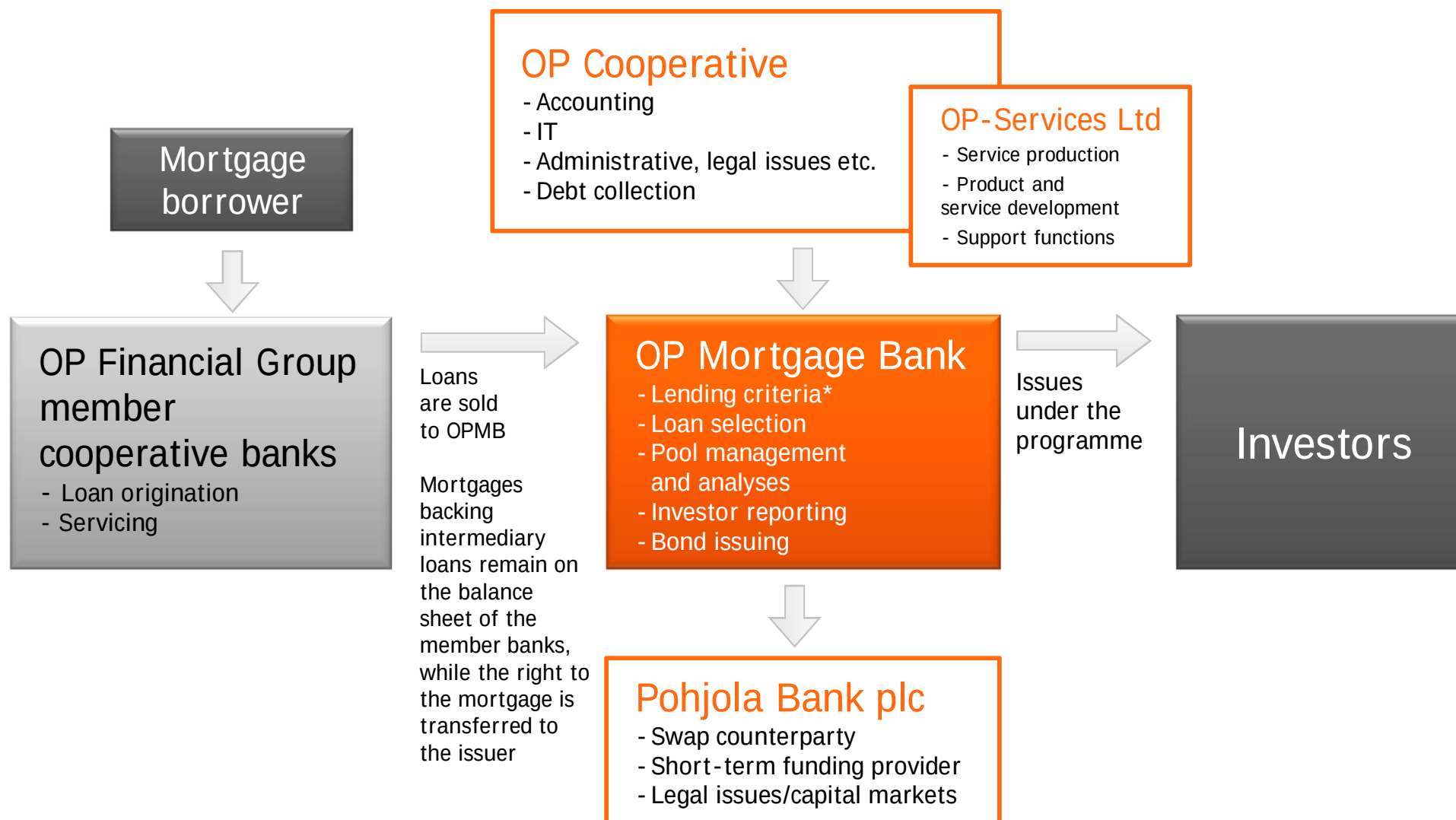


Read more about ECBC's covered bond label at www.coveredbondlabel.com

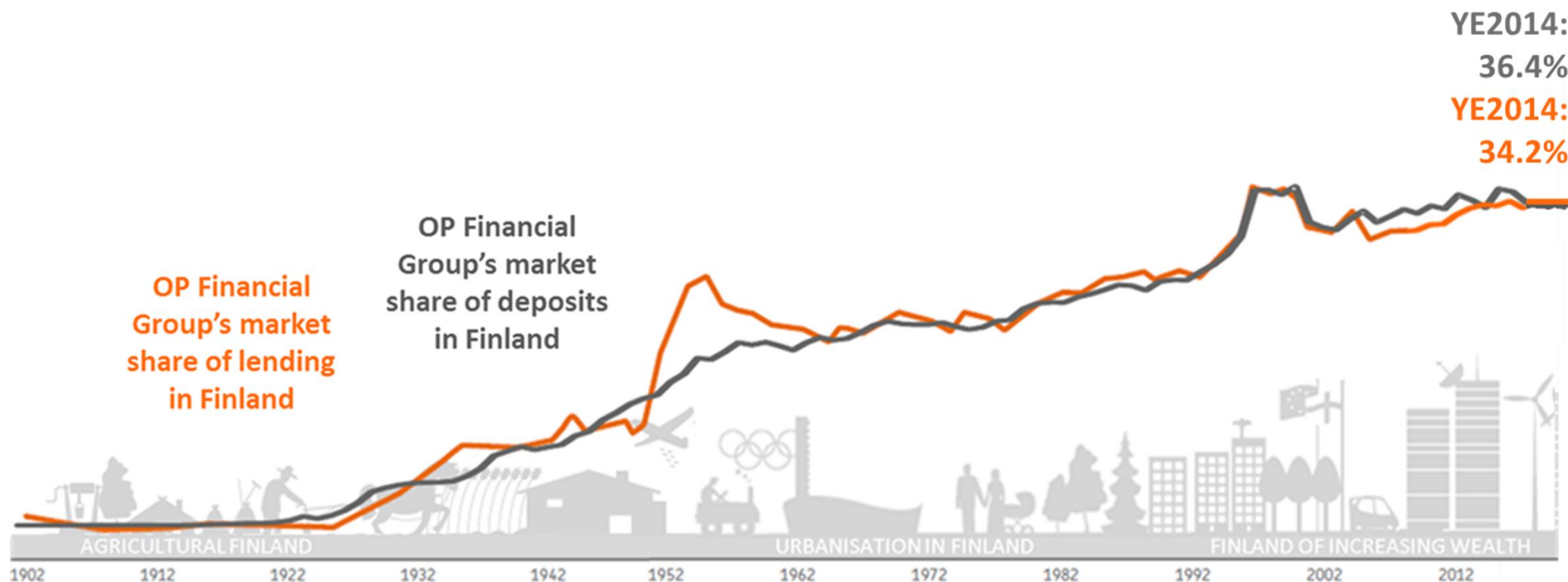
OPMB Operating Model

- OPMB is a funding vehicle for the member banks:
 - Subject to strict eligibility criteria:
 - Existing loans may be transferred from member banks to OPMB. Mortgages backing intermediary loans remain on the balance sheet of the member banks, while the right to the mortgage is transferred to the issuer.
 - 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 Cover Asset Pool Characteristics

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

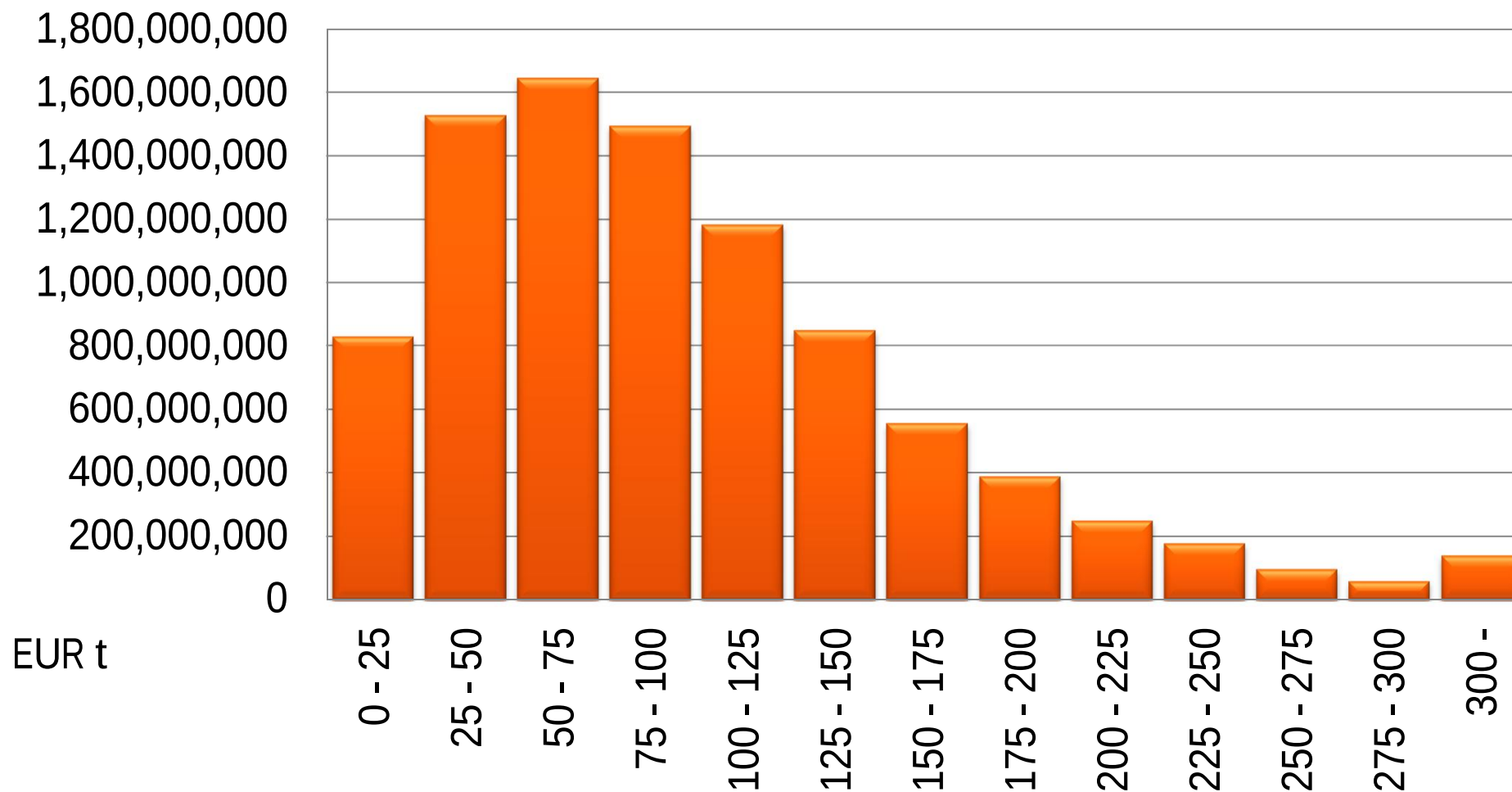
Main Features of OP Mortgage Bank's Cover Asset Pool as of 30 June 2015

- Collateralized by Finnish mortgages
- Current balance EUR 9.2 billion
- Weighted Average indexed LTV of 47%
- Average loan size of approximately EUR 52,328
- 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 6.595 billion

OPMB Cover Asset Pool Characteristics

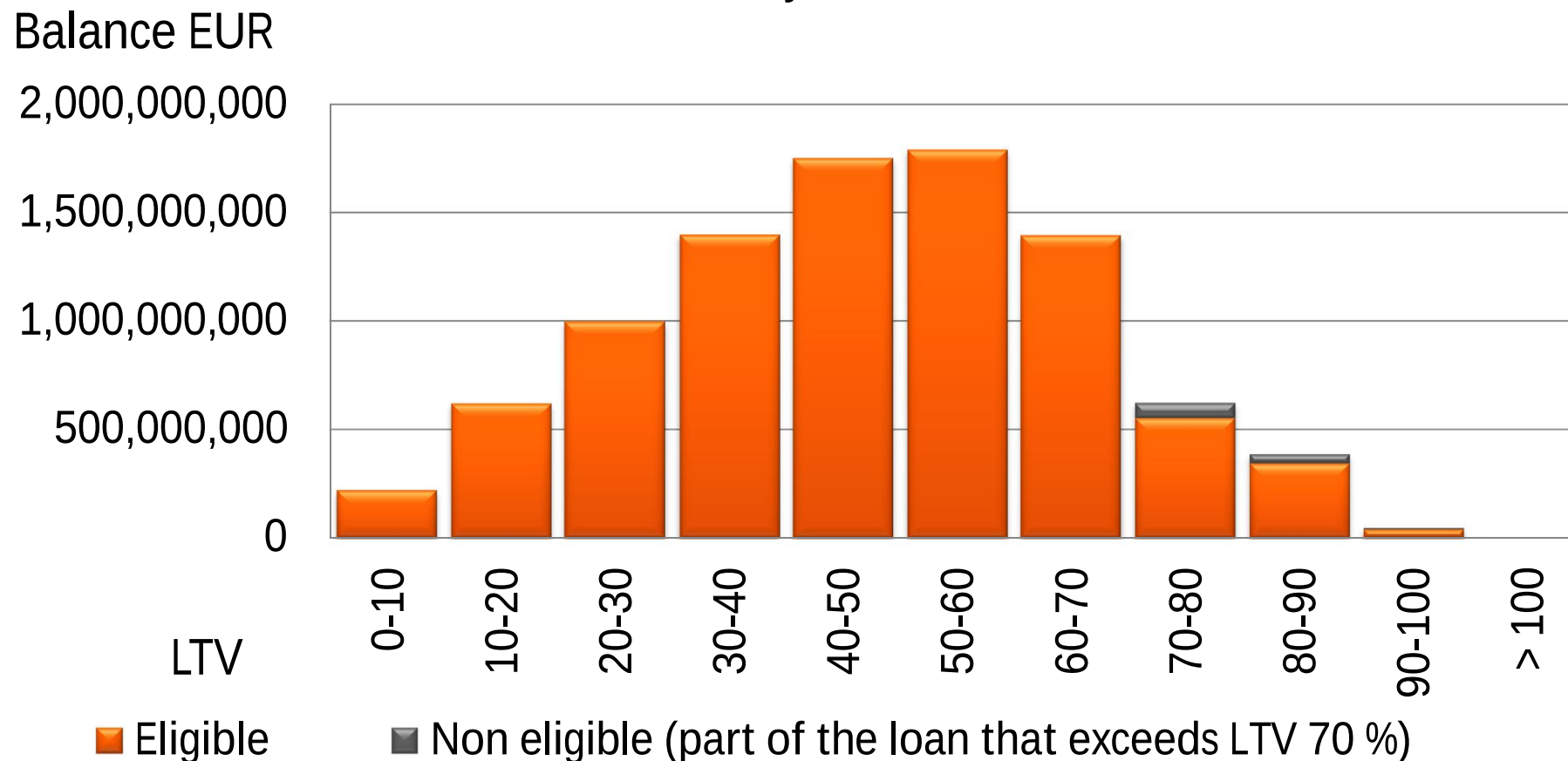
Loans by size

Balance EUR



OPMB Cover Asset Pool Characteristics

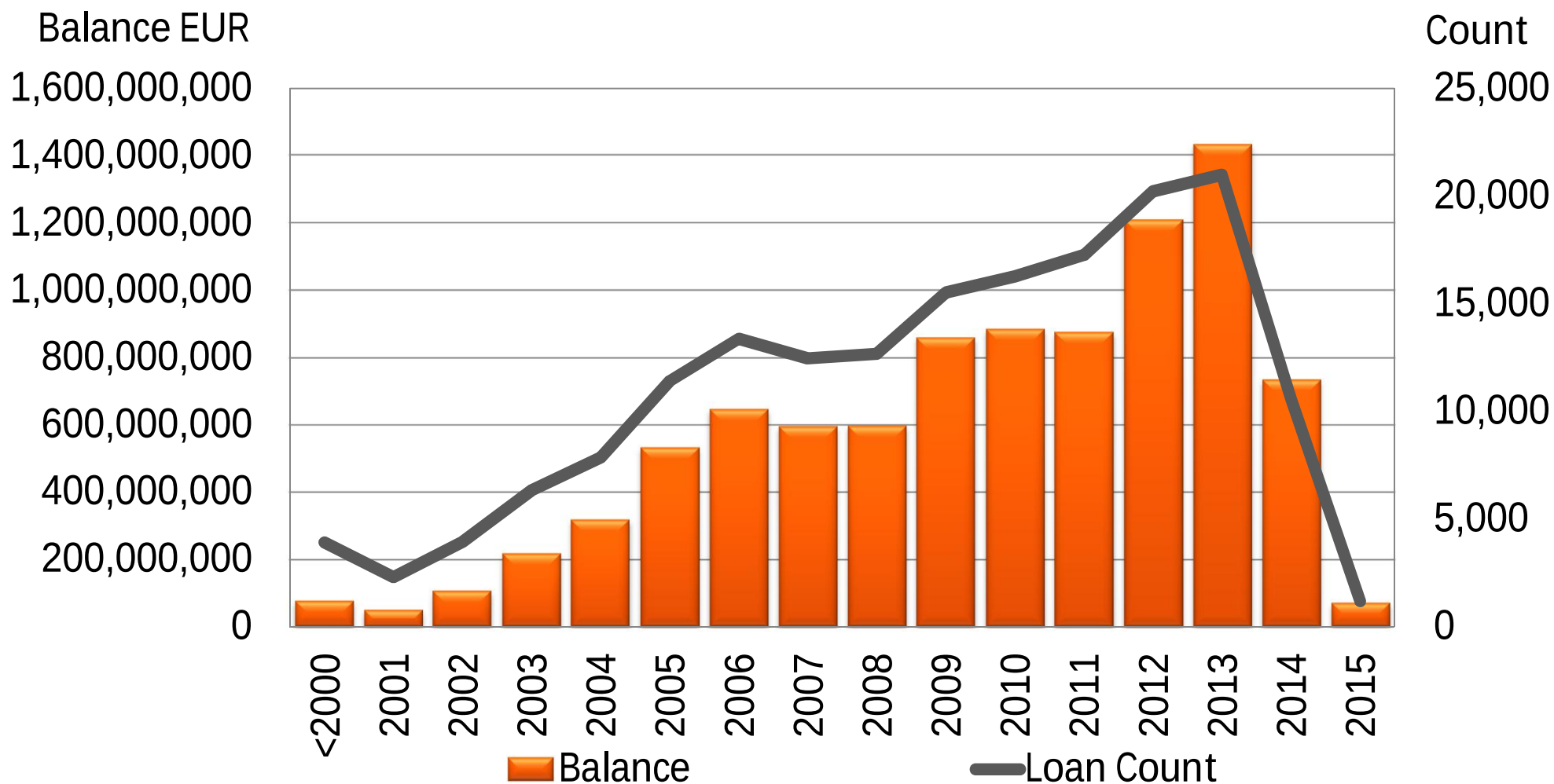
Loans by LTV



- Total assets EUR 9.2 billion
- Eligible Cover Pool assets EUR 8.9 billion
- Weighted Average indexed LTV of 47%
- Over-collateralisation 39.9%

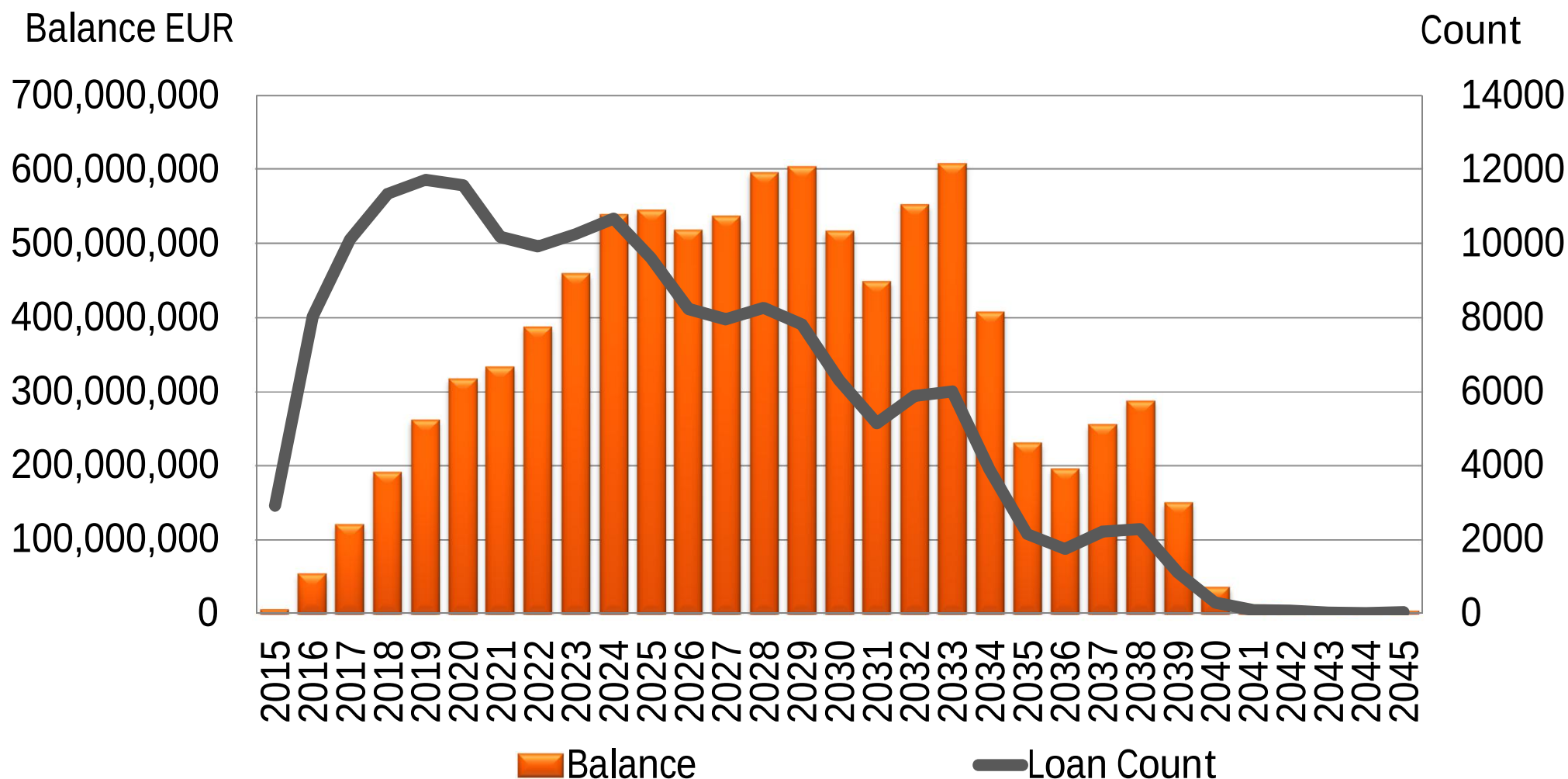
OPMB Cover Asset Pool Characteristics

Loans by origination year



OPMB Cover Asset Pool Characteristics

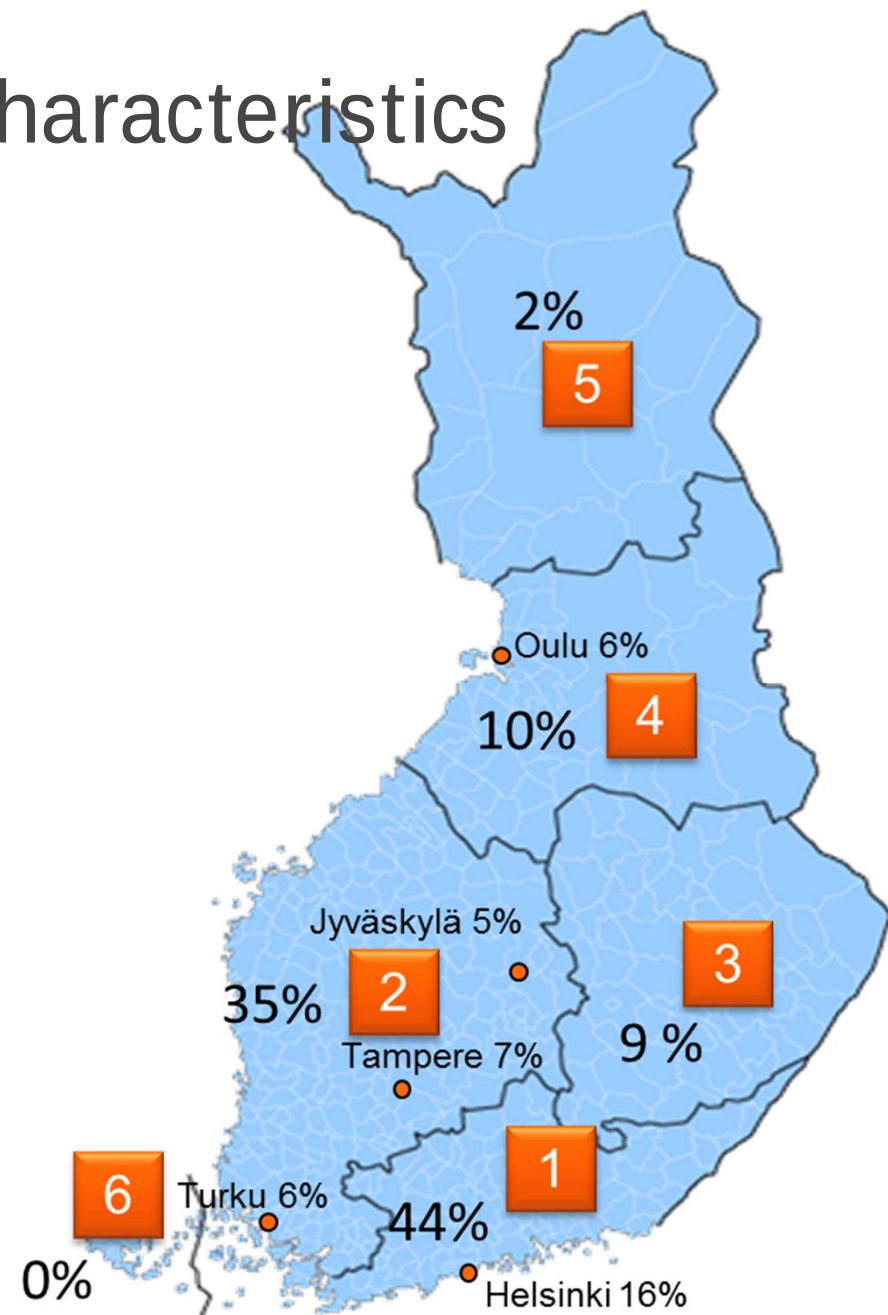
Loans by maturity



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 as of 30 June 2015

Issuer and rating

Issuer:	OP Mortgage Bank
Owner:	OP Mortgage Bank
Pool ID:	Cover Asset Pool
Supervisory authority:	ECB, FFSA
Reporting date:	30/06/2015

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	01/04/2011	01/04/2016	3.25%	Fix
XS0646202407	1,000	EUR	11/07/2011	11/07/2018	3.50%	Fix
XS0785351213	1,250	EUR	23/05/2012	23/05/2017	1.63%	Fix
XS1045726699	1,000	EUR	17/03/2014	17/03/2021	1.50%	Fix
XS1076088001	1,000	EUR	11/06/2014	11/06/2019	0.75%	Fix
XS1144844583	1,000	EUR	28/11/2014	28/11/2024	1.00%	Fix

	MEUR
Non-benchmark bonds	345
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	1,350	1,100	1,000	20	1,000			1,115		6,595

Source: OP Mortgage Bank Cover Asset Pool, Finnish National Template as of 30 June 2015

OPMB Cover Asset Pool as of 30 June 2015

Cover Pool

Cover pool assets (MEUR)	Volume	%
Loans (up to LTV limit)	9,227	100%
Substitute assets		
Other	0	0
Eligible assets (*)	9,000	0.97537
Other eligible assets	0	0
Total assets	9,227	

* calculated according to section 16 in MCBA

Cover pool items	
Number of loans	176,327
Number of clients	226,481
Number of properties	142,204
Average loan size (EUR)	52,328

Type of loan collateral (MEUR)	Volume	%
Single-family housing	5,089	55%
Flats	4,138	45%
Multi-family housing	0	%
Commercial	0	%
Forest & agricultural	0	%
Public sector	0	0%
Sum	9,227	100%

Interest rate type on loans, MEUR	Volume	%
Floating	9,163	99%
Fixed	64	1%
Sum	9,227	100%

Repayments, MEUR	Volume	%
Amortizing	9,211	100%
Interest only (*)	16	0%
Sum	9,227	100%

*) Contract-level information, not customer-level information

LTV distribution (indexed)	<=10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	Eligible assets	>70% up to 100%	Total loans
Loan volume, MEUR	220	620	1,000	1,398	1,751	1,791	1,395	8,175	1,052	9,227
Percentage	2%	7%	11%	15%	19%	19%	15%	89%	11%	100%

Source: OP Mortgage Bank Cover Asset Pool, Finnish National Template as of 30 June 2015

OPMB Cover Asset Pool as of 30 June 2015

Cover Pool

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-	Sum
Contractual amortizations	498	936	888	828	738	663	598	534	489	439	2,616	9,227
Percentage	0.00%	5.42%	10.18%	9.66%	9.01%	8.03%	7.21%	6.50%	5.81%	5.32%	32.87%	100%

Seasoning	0-12 M	12-24 M	24-36 M	36-60 M	> 60 M	Sum
Loan volume, MEUR	425	1,124	1,420	1,829	4,429	9,227
Percentage	5%	12%	15%	20%	48%	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%	0.00%	100.00%

Impaired Loans	
Impaired loans, %*	0.00%

Source: OP Mortgage Bank Cover Asset Pool, Finnish National Template as of 30 June 2015

OPMB Cover Asset Pool as of 30 June 2015

Key ratios

Key ratios	
OC, accounting	38.2%
OC, nominal	39.9%
OC, NPV	67.3%
WALTV (indexed)	46.9%
WALTV total (indexed)	47.3%

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		6.5
Liabilities		4.0

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 Cover Asset Pool, Finnish National Template as of 30 June 2015

OPMB Cover Asset Pool as of 30 June 2015

Key ratios

	Before hedges		Hedges		After hedges	
	Pool assets	Covered bonds	Pool assets	Covered bonds	Pool assets	Covered bonds
Interest rate risk						
Floating	8911	200	8975	6595	8975	6595
Fixed	64	6395			0	0
Capped floating	252		252		252	
Sum	9227	6595	9227	6595	9227	6595

Accrued interest cash flows, MEUR	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	9Y	10Y
Interest income	99	93	93	107	107	109	105	99	92	82
Interest expense	24	25	31	41	36	36	32	22	24	24
Net	75	68	62	66	71	73	73	77	68	58

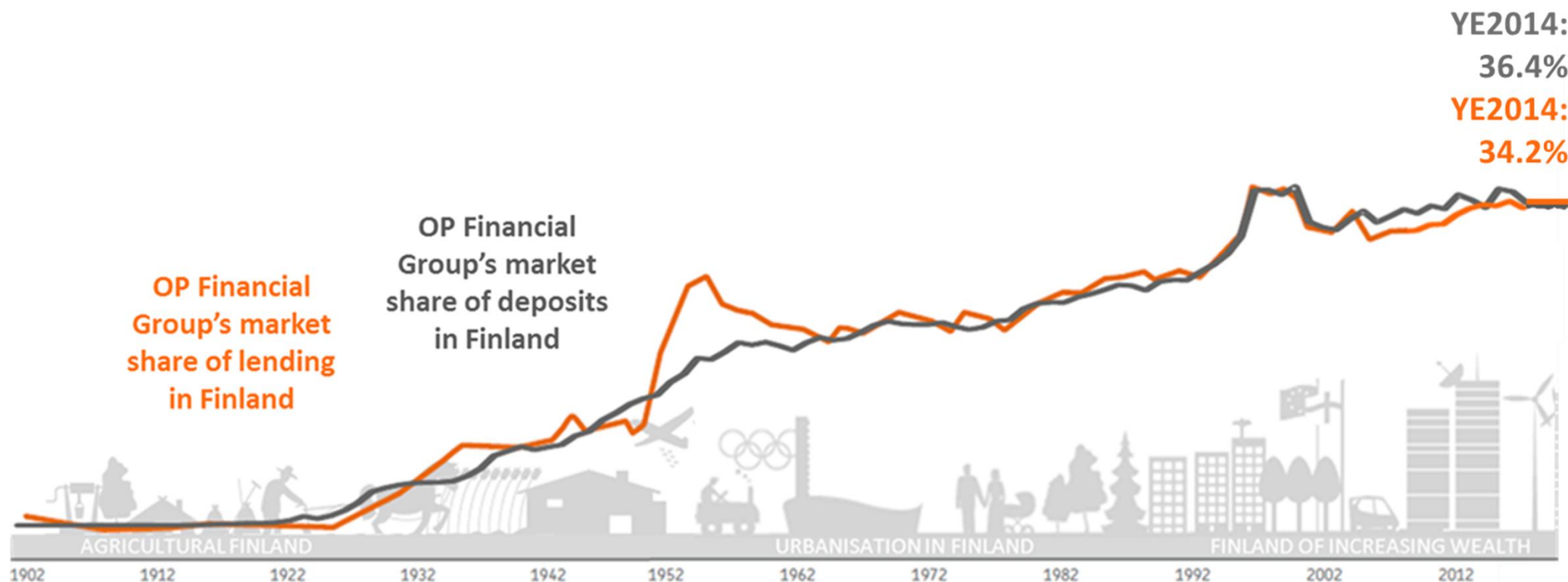
Calculation method used:	Contractual maturities
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Calculated according to:

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 Cover Asset Pool, Finnish National Template as of 30 June 2015



Debt Investor Relations Contacts

Debt Investor Relations Contacts



Head of ALM and Group
Treasury
Ms Elina Ronkanen-Minogue
Tel. +358 10 252 8767
elina.ronkanen-minogue@op.fi



Head of Group Funding
Mr Lauri Iloniemi
Tel. +358 10 252 3541
lauri.iloniemi@op.fi



Group Treasurer
Mr Hanno Hirvinen
Tel. +358 10 252 2221
hanno.hirvinen@pohjola.fi



IR Officer,
Debt IR and Ratings
Mr Eerikki Holst
Tel. +358 10 252
4455
eerikki.holst@op.fi



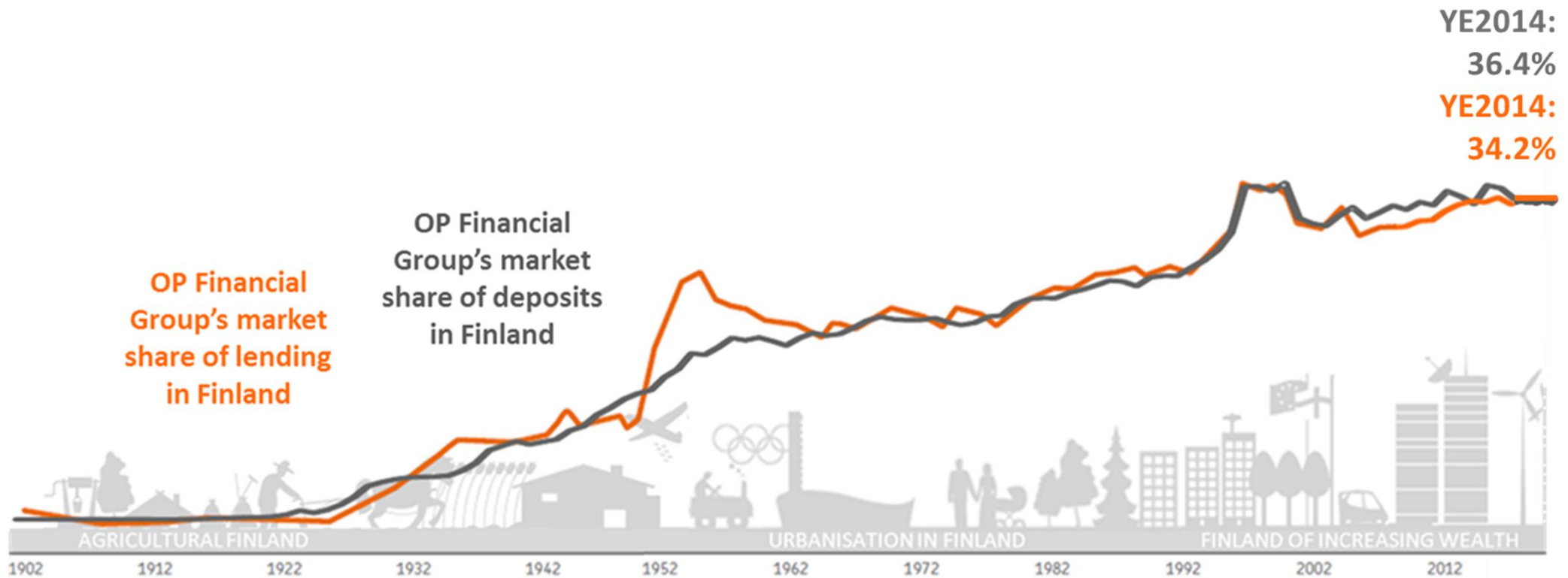
Senior IR Specialist,
Debt IR and Ratings
Ms Jaana Mauro
Tel. +358 10 252 8426
jaana.mauro@op.fi



Treasury Manager
Mr Tom Alanen
Tel. +358 10 252
4705
tom.alanen@pohjola.fi

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%

**** 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 Pohjola Bank plc

OP Financial Group's Long-term Financial Targets

		Target	H1/15	2014	2013	2012
Group level	Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates, %	≥ 160	178	189	219*	190
	Common Equity Tier 1 ratio (CET1), %	18.0 by the end of 2016	18.1	15.1	17.1*	14.1**
	Return on economic capital, %****	20.0	20.1	16.5	15.2	14.7
	Growth differential between income and expenses, pps***	> 0	25.7	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	8.1			
Wealth Management	Growth differential between income and expenses, pps****	> 0	21.6			
Non-life Insurance	Operating combined ratio, %	< 92	87.8	84.7	86.9	90.5

* As of 1 Jan. 2014

** Core Tier 1 capital adequacy

*** During 3 years

**** 12 mth rolling

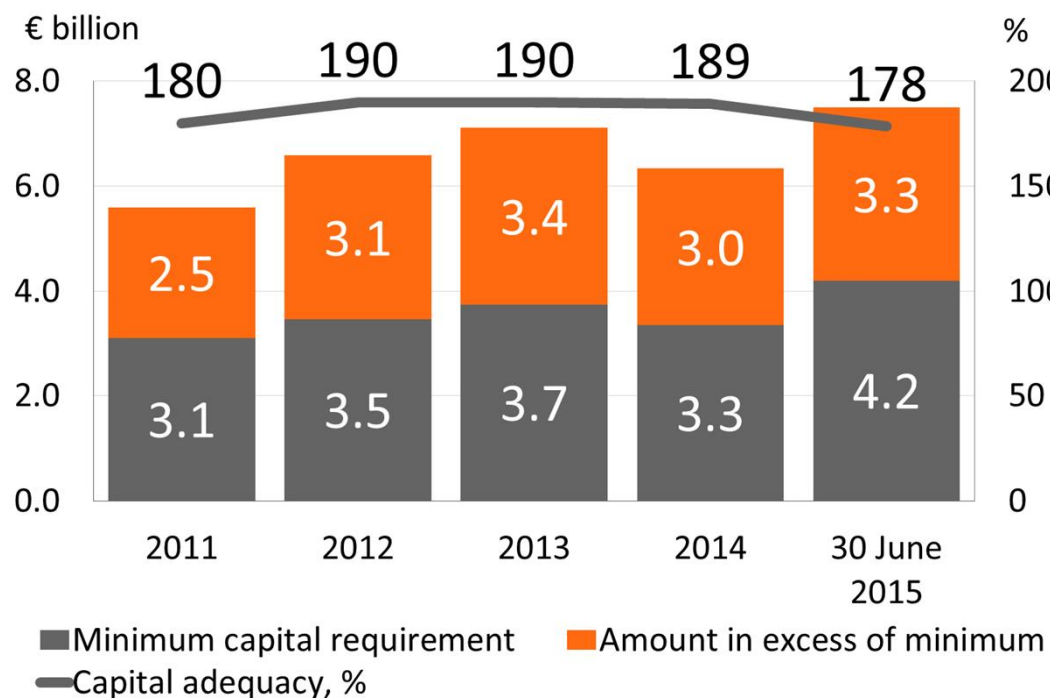
Profit Share Issuances by OP Financial Group Member Cooperative Banks

- To achieve and maintain OP Financial Group's minimum 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 30 June 2015 totalled €2.1 billion, which constitutes 89% of new total target of €2.3 billion.
- **Issuance capacity**
 - Profit shares are sold in almost all 186 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



- Statutory minimum requirement for capital adequacy under the Act on the supervision of FICOs is 100%, while OP Financial Group's minimum target is 160%
- In H1/15, capital adequacy buffer was increased by earnings, profit share issuances and decreased RWA and, on the other hand, decreased by 47 pps by the capital conservation buffer of 2.5% adopted in consolidated capital adequacy in Finland at the beginning of 2015.
- The capital conservation buffer increased the consolidated capital adequacy requirement from 8% to 10.5%, calculated as percentage of risk-weighted assets.
- Upon entry into force as of 7 Jan. 2016, the O-SII buffer will reduce the capital adequacy ratio under the Act on the Supervision of FICOs by around 26 pps.

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	H1/2015	2014	2013	2012	2011	2010
Net interest income	511	1 043	915	1 002	1 030	917
Net income from Non-Life insurance	342	593	524	433	312	382
Net income from Life Insurance	148	197	175	108	72	100
Net commissions and fees	374	727	694	584	574	563
Other income	159	229	267	243	173	210
Total income	1 534	2 789	2 575	2 371	2 160	2 172
Total expenses	774	1 592	1 598	1 494	1 358	1 286
Returns to OP bonus customers	96*	195*	193*	192*	176*	163*
Earnings before impairment loss on receivables	664	1 002	784	684	626	723
Impairment loss on receivables	37	88	84	99	101	149
Earnings before tax	627	915	701	586	525	575
Change in fair value reserve	-123	152	-39	698	-400	225
Earnings before tax at fair value	505	1 067	662	1 283	125	800

* Returns to customer-owners and OP bonus customers

OP Financial Group's key figures

	30 June 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011	31 Dec. 2010
Total assets, € million	116 149	110 427	100 991	99 769	91 905	83 969
Receivables from customers, € million	73 304	70 683	68 142	65 161	60 331	56 834
Liabilities to customers, € million	54 042	51 163	50 157	49 650	41 304	36 443
Equity capital, € million	8 394	7 213	7 724	7 134	6 242	6 726
CET1 ratio, %	18.1	15.1	17.1 ^a	14.1 ^b	14.0 ^b	12.6 ^b
Capital adequacy ratio, %	20.2	17.3	19.8 ^a	14.1	14.0	12.8
More than 90 days overdue receivables, € million	323	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	76.1	73.6	71.0	67.7	62.8	59.4
Impairment loss on receivables, € million	37 ^d	88 ^c	84 ^c	99 ^c	101 ^c	149 ^c
Impairment loss on receivables / loan and guarantee portfolio, %	0.10 ^d	0.12 ^c	0.12 ^c	0.15 ^c	0.16 ^c	0.25 ^c
Personnel	12 286	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-June

OP Financial Group's key ratios

	H1/2015	2014	2013	2012	2011	2010
Average corporate loan margin, % ^a	1.42	1.44	1.57	1.52	1.34	1.36
Cost/income ratio, %	50	56	62	63	63	59
Return on equity (ROE), %	12.2	8.1	8.9	7.0	6.8	6.9
Return on assets (ROA), %	0.8	0.6	0.7	0.5	0.5	0.5
Solvency ratio (Solvency II), Non-life Insurance, % ^b	137	117	125	n/a	n/a	n/a
Solvency ratio (Solvency II), Life Insurance, % ^b	137	100	99	n/a	n/a	n/a
Operating combined ratio, Non-life Insurance, %	87.8	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) excl. effects of transitional provisions. Use of transitional provisions is subject to permission from the Finnish FSA.

Forecasts for the Finnish Economy

Published 24 August 2015

	2014 € bn	2013 Volume, % change on previous year	2014 Volume, % change on previous year	2015f Volume, % change on previous year	2016f Volume, % change on previous year
GDP	205.2	-1.1	-0.4	-0.3	0.8
Imports	79.4	0.0	0.0	0.3	2.1
Exports	77.8	1.1	-0.7	0.0	2.0
Consumption	164.5	0.0	0.3	0.5	0.5
Private consumption	113.6	-0.3	0.5	0.8	0.8
Public consumption	50.9	0.8	-0.2	-0.2	-0.3
Fixed investment	41.6	-4.8	-3.3	-2.2	3.0

Other key indicators

	2013	2014	2015f	2016f
Consumer price index, % change y/y	1.5	1.0	-0.2	0.6
Unemployment rate, %	8.2	8.7	9.4	9.4
Current account balance, % of GDP	-1.8	-1.9	-0.3	-0.3
General government debt, % of GDP	55.8	59.3	63.0	66.1
General government deficit, % of GDP	-2.5	-3.2	-3.2	-2.8

Sources: Statistics Finland and OP