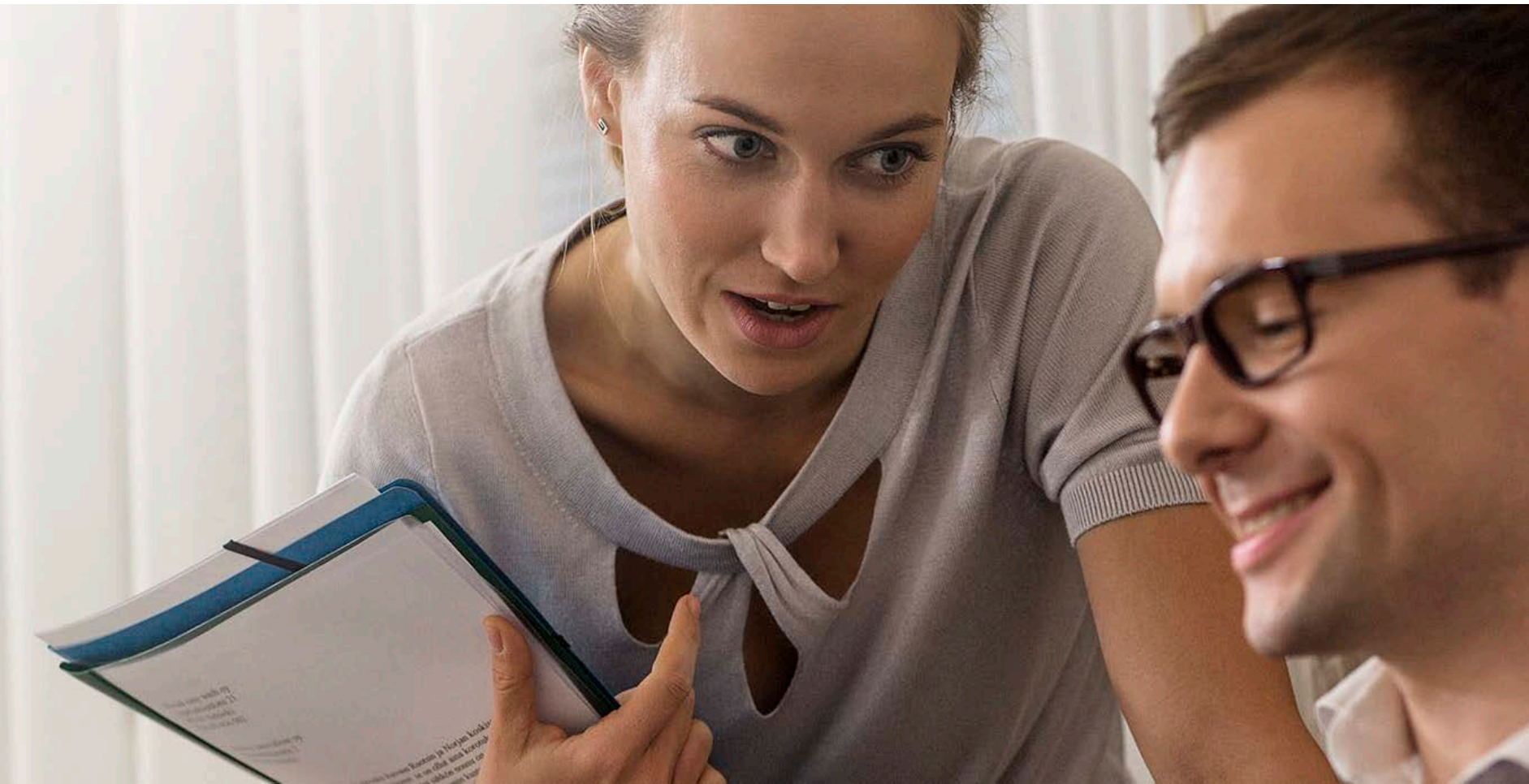


A close-up photograph of a person's hands holding a pair of dark-rimmed glasses. The person is wearing a purple long-sleeved shirt. The background is a light-colored, textured surface, possibly a wall or a piece of fabric. The text is overlaid on the left side of the image.

**OP-Pohjola**  
**Interim Report for**  
**1 January – 30 September 2013**

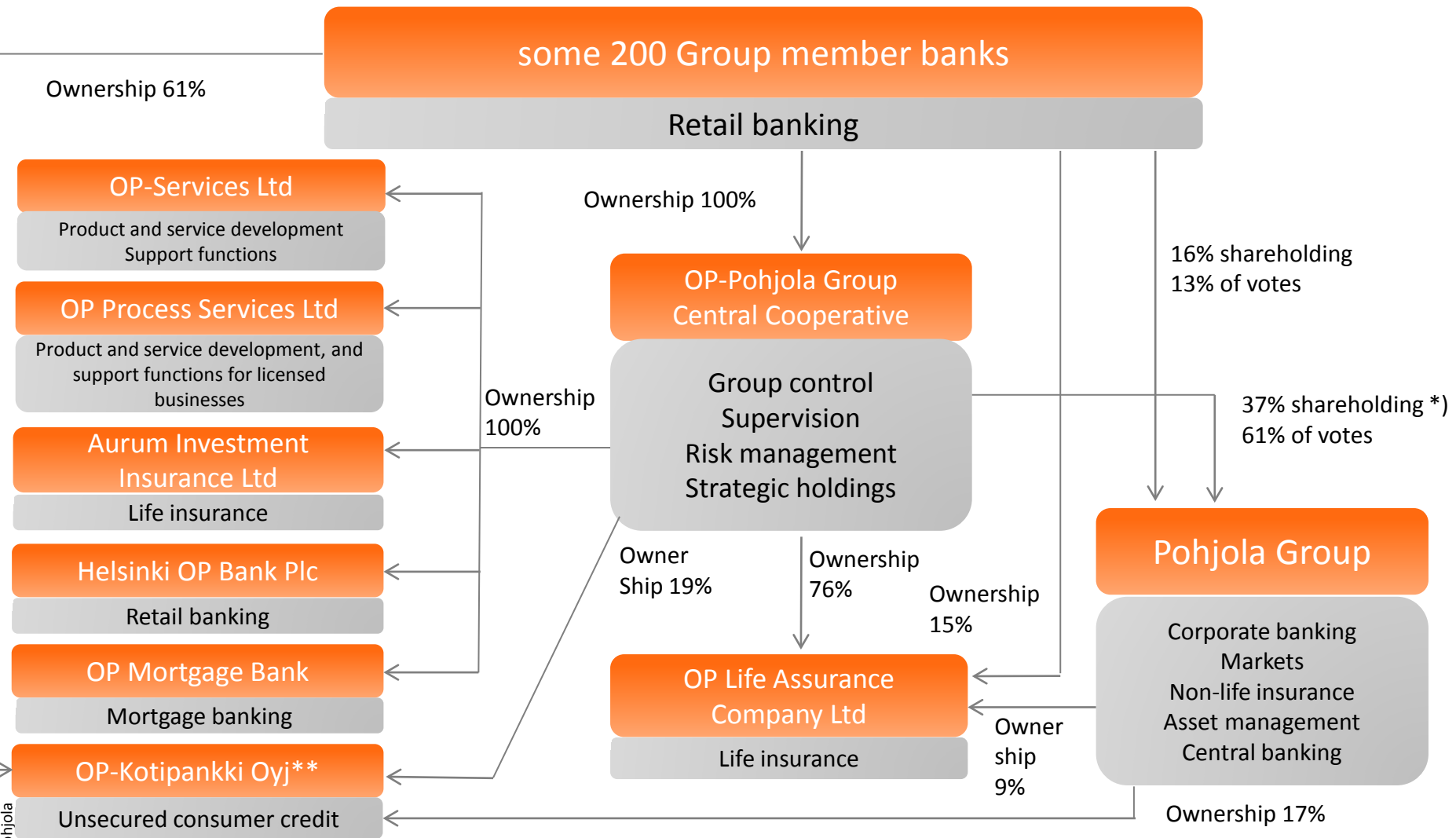
# Contents

- **OP-Pohjola Group**
- **Year-on-year results**
- **Quarterly figures**
- **Capital adequacy**
- **Balance sheet**
- **Loans and customer funds**
- **Customers, owner-members etc.**
- **5-year trends**



# OP-Pohjola Group

# Structure, Ownership Base and Division of Responsibilities OP-Pohjola Group



Credit institutions within OP-Pohjola Group are liable for each other's debts and commitments. OP-Pohjola Group is supervised by FSA on a consolidated basis.

\*) Includes shareholding of 0.26% by OP-Pohjola Group Central Cooperative's subsidiary, OP Life Assurance Company Ltd

\*\*\*) OP-Pohjola Group's shareholding 100%, of which OP-Pohjola Group Central Cooperative Consolidated's shareholding 39%.

© OP-Pohjola

# OP-Pohjola Group Business Segments

## Banking

- Cooperative banks, Helsinki OP Bank Plc, OP-Kotipankki Oyj and OP Mortgage Bank.
- Pohjola Group's Banking segment
- OP Bank Group Mutual Insurance Company

## Non-life Insurance

- Pohjola Insurance Ltd, Eurooppalainen Insurance Company Ltd, A-Insurance Ltd, Seesam Insurance AS, Omasairaala Oy and Pohjola Health Ltd

## Wealth Management

- Pohjola Group's Asset Management segment
- OP Life Assurance Company Ltd, OP Fund Management Company Ltd and Aurum Investment Insurance Ltd

## Other operations

- OP-Pohjola Group Central Cooperative, OP-Services Ltd, OP Process Services Ltd and Pohjola's Group functions

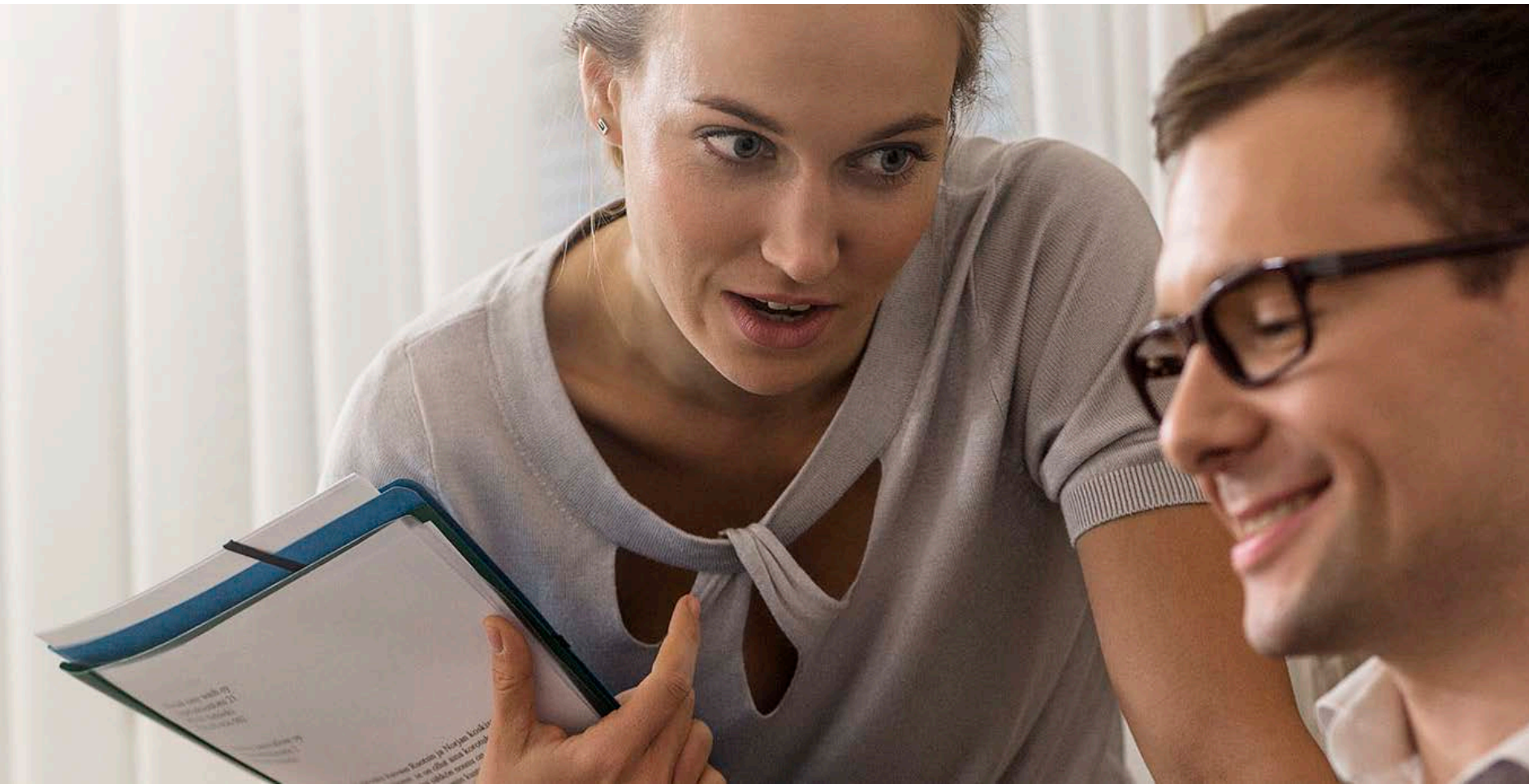
# OP-Pohjola Group Key Indicators

	Q1-Q3/2013	Q1-Q3/2012	Change, %	Q1-Q4/2012
<b>Earnings before tax, € million</b>	<b>614</b>	<b>481</b>	<b>27.5</b>	<b>586</b>
<b>Banking</b>	<b>323</b>	<b>345</b>	<b>-6.5</b>	<b>424</b>
<b>Non-life Insurance</b>	<b>162</b>	<b>82</b>	<b>97.6</b>	<b>92</b>
<b>Wealth Management</b>	<b>98</b>	<b>74</b>	<b>32.2</b>	<b>101</b>
<b>Returns to owner-members and OP-bonus customers, € million</b>	<b>145</b>	<b>142</b>	<b>1.6</b>	<b>192</b>
	30 Sep 2013	30 Sep 2012	Change, %	31 Dec. 2012
<b>Core Tier 1, excl. transition provisions, %</b>	<b>14.9</b>	<b>15.1</b>	<b>-0.22 *</b>	<b>14.8</b>
<b>Core Tier 1 ratio, %</b>	<b>13.9</b>	<b>14.8</b>	<b>-0.9 *</b>	<b>14.1</b>
<b>Ratio of capital base to minimum amount of capital base (under the Act on the Supervision of Financial and Insurance Conglomerates)</b>	<b>1.86</b>	<b>2.01</b>	<b>-0.2 *</b>	<b>1.90</b>
<b>Non-performing receivables/ loan and guarantee portfolio</b>	<b>0.49</b>	<b>0.55</b>	<b>-0.06 *</b>	<b>0.46</b>
<b>Joint banking and insurance customers (1000)</b>	<b>1,491</b>	<b>1,388</b>	<b>7.4</b>	<b>1,425</b>

\*Change in ratio

# Joint Liability, Deposit Insurance and Investors' Compensation

- Under the Laki talletuspankkien yhteenliittymästä Act (the Act on the Amalgamation of Deposit Banks), the amalgamation of the cooperative banks comprises the organisation's central institution (OP-Pohjola Group Central Cooperative), its member credit institutions and the companies belonging to their consolidation groups as well as credit and financial institutions and service companies in which the above-mentioned entities together hold more than half of the total votes.
- The central institution's members at the end of the report period comprised OP-Pohjola Group's member cooperative banks as well as Pohjola Bank plc, Helsinki OP Bank Plc, OP Mortgage Bank , OP-Kotipankki Oyj and OP Process Services Ltd.
- By virtue of the Act on the Amalgamation of Deposit Banks, the central institution has both the right to control its credit institutions and the obligation to supervise their operations. The amalgamation of deposit banks is supervised on a consolidated basis. As laid down in applicable law, the member credit institutions and OP-Pohjola Group Central Cooperative are ultimately jointly and severally liable for each other's debts and commitments. OP-Pohjola Group's insurance companies, for example, do not therefore fall within the scope of joint liability.
- Deposit banks belonging to OP-Pohjola Group, i.e. its member cooperative banks, Pohjola Bank plc, Helsinki OP Bank Plc and OP-Kotipankki Oyj, are regarded as a single bank with respect to deposit insurance. Under legislation governing the Investors' Compensation Fund, OP-Pohjola Group is also considered a single entity in respect of investors' compensation.

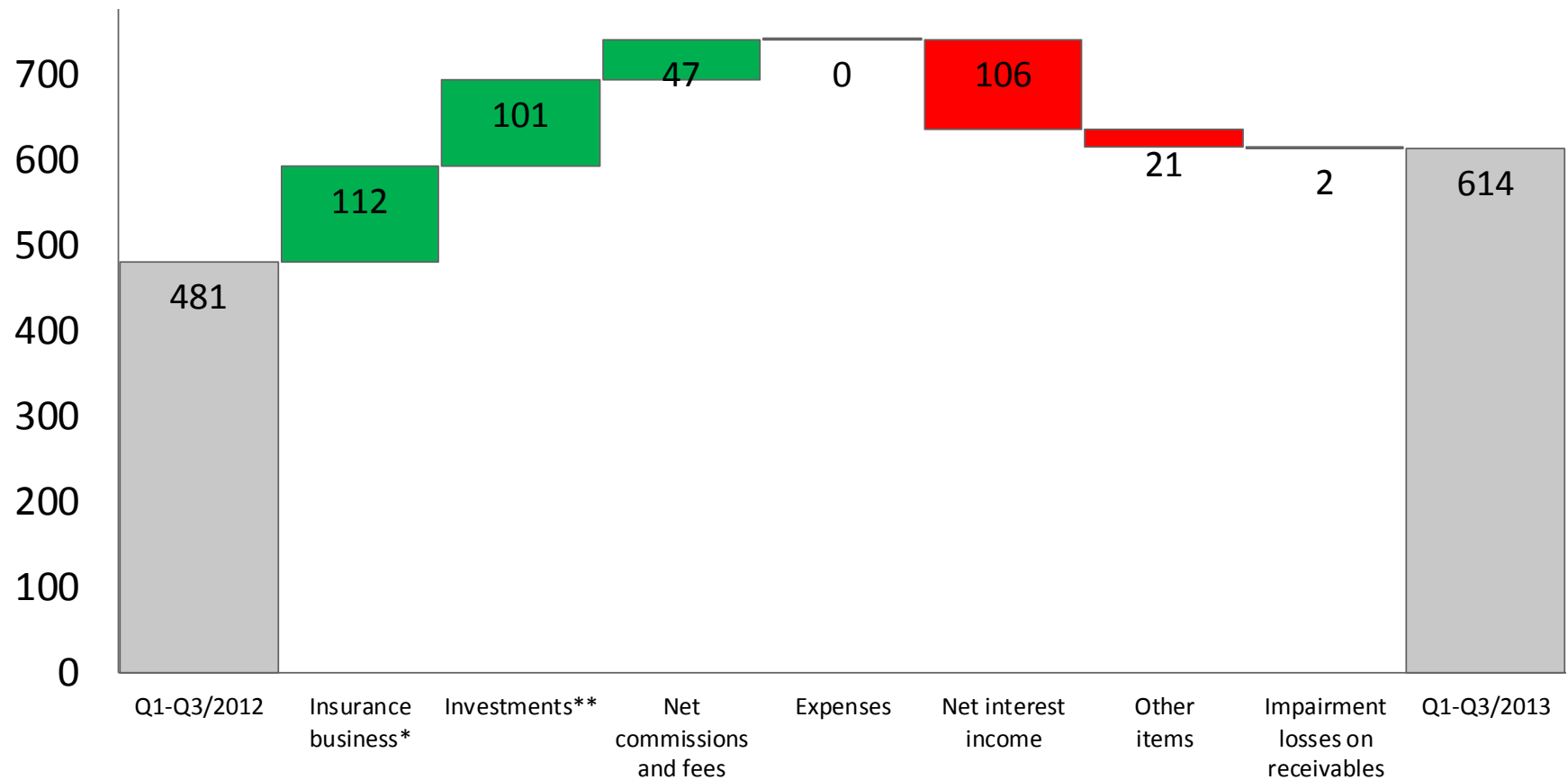


## Year-on-year Results



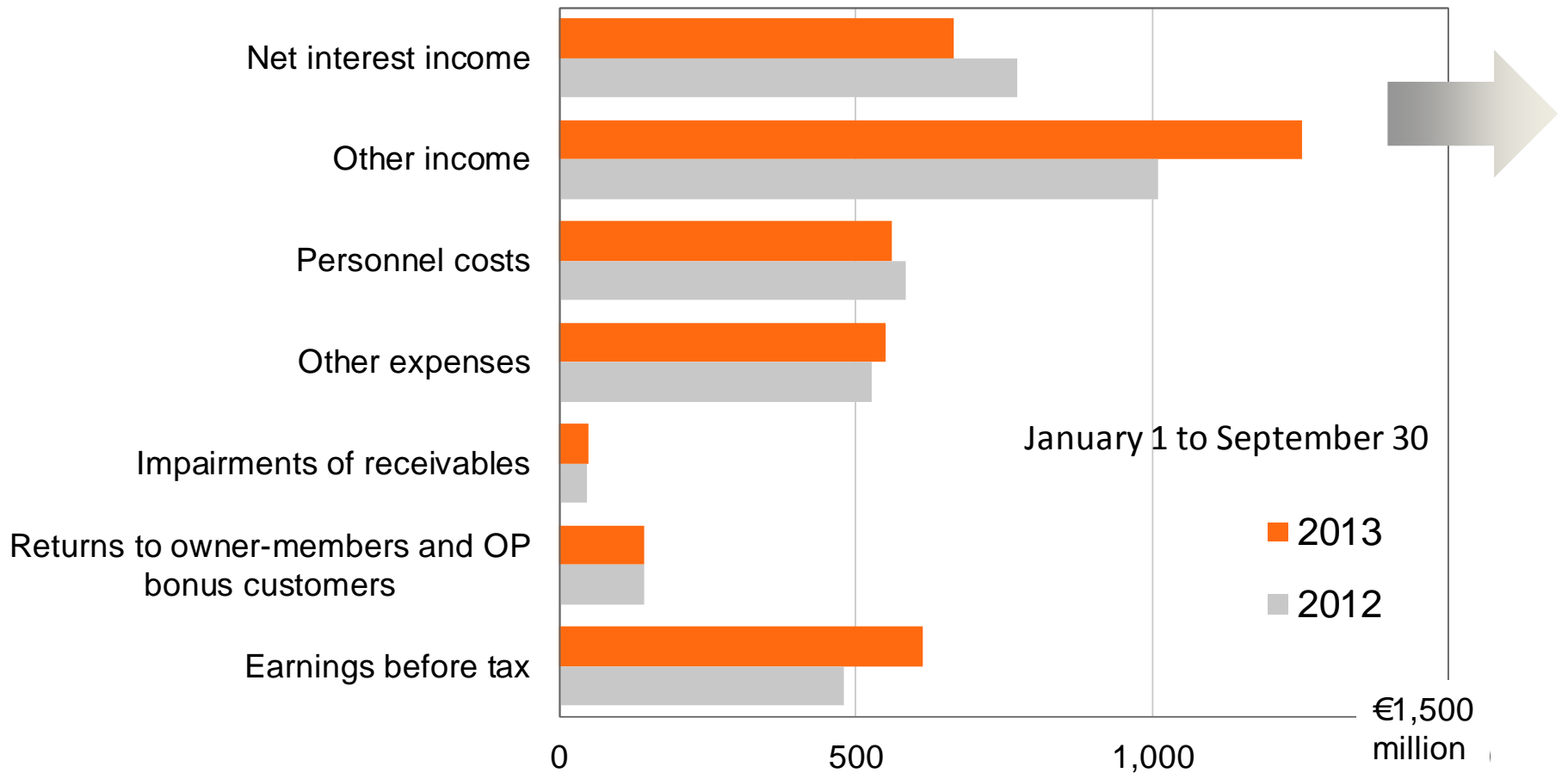
# OP-Pohjola Group Earnings before Tax

€800 million



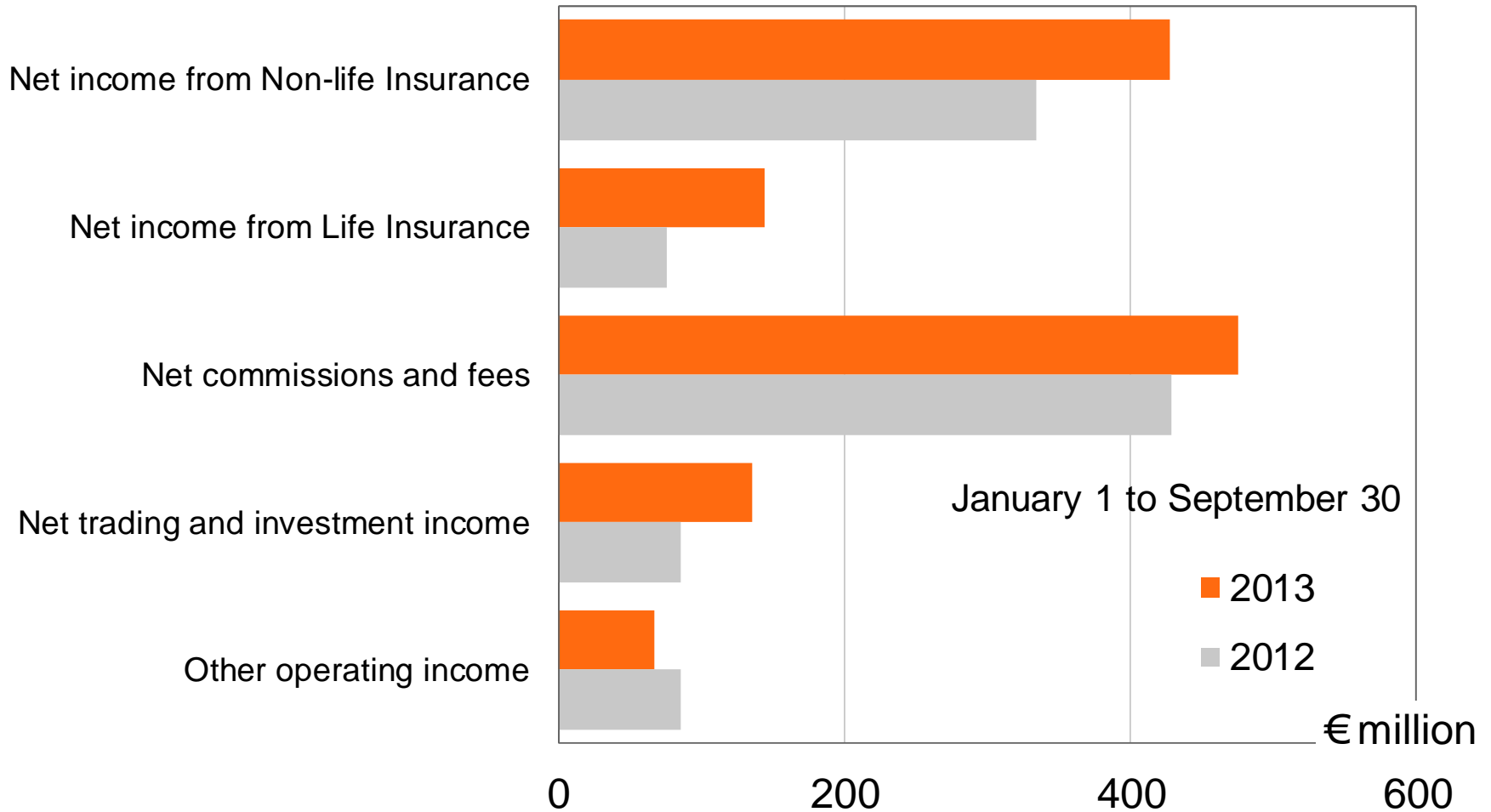
\*) Life and Non-life Insurance \*\*) Investments = Life insurance's investment income ((excl. derivatives hedging technical provisions) and Non-life insurance investment income + Net trading and investment income

# OP-Pohjola Group Income statement





## OP-Pohjola Group Other Income



## OP-Pohjola Group

## Income statement

January 1 to September 30 € million	2013	2012	Change	
			€ million	%
Interest income	1,869	2,499	-631	-25.2
Interest expenses	1,202	1,727	-525	-30.4
Net interest income	666	772	-106	-13.7
Impairments of receivables	49	47	2	4.0
Net interest income after impairment losses	617	725	-107	-14.8
Net income from Non-life Insurance operations	428	334	94	28.1
Net income from Life Insurance operations	144	75	69	91.0
Net commissions and fees	476	428	47	11.1
Net trading income	80	59	21	36.2
Net investment income	55	26	29	
Other operating income	67	86	-18	-21.3
Personnel costs	561	585	-24	-4.1
Other administrative expenses	259	275	-16	-5.9
Other operating expenses	291	252	40	15.7
Returns to owner-members and OP bonus customers	145	142	2	1.6
Share of associates' profits/losses	2	2	0	1.5
Earnings before tax	614	481	133	27.5

# OP-Pohjola Group

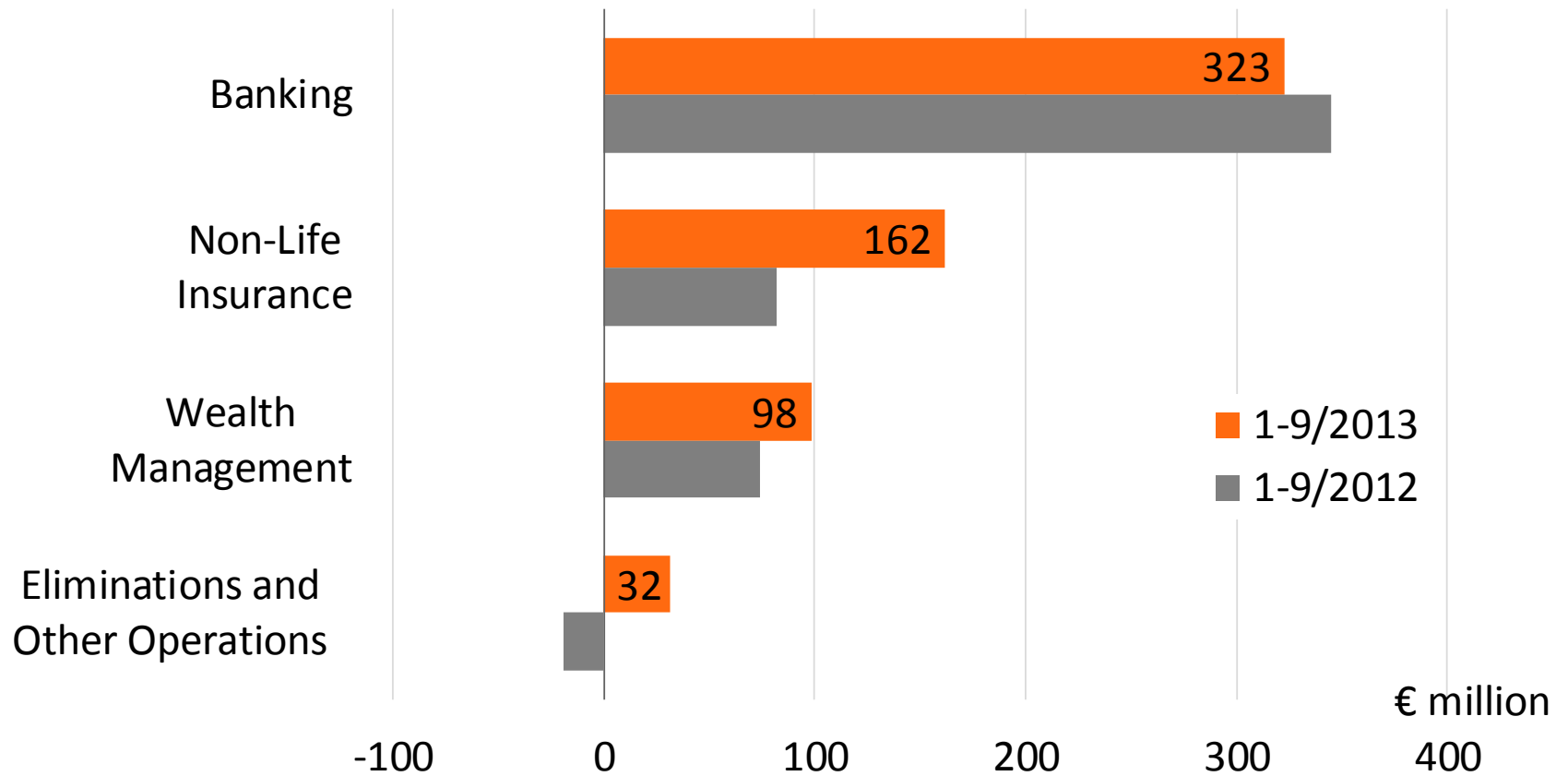
## Income Statement by Business Segment

1 January to 30 September 2013

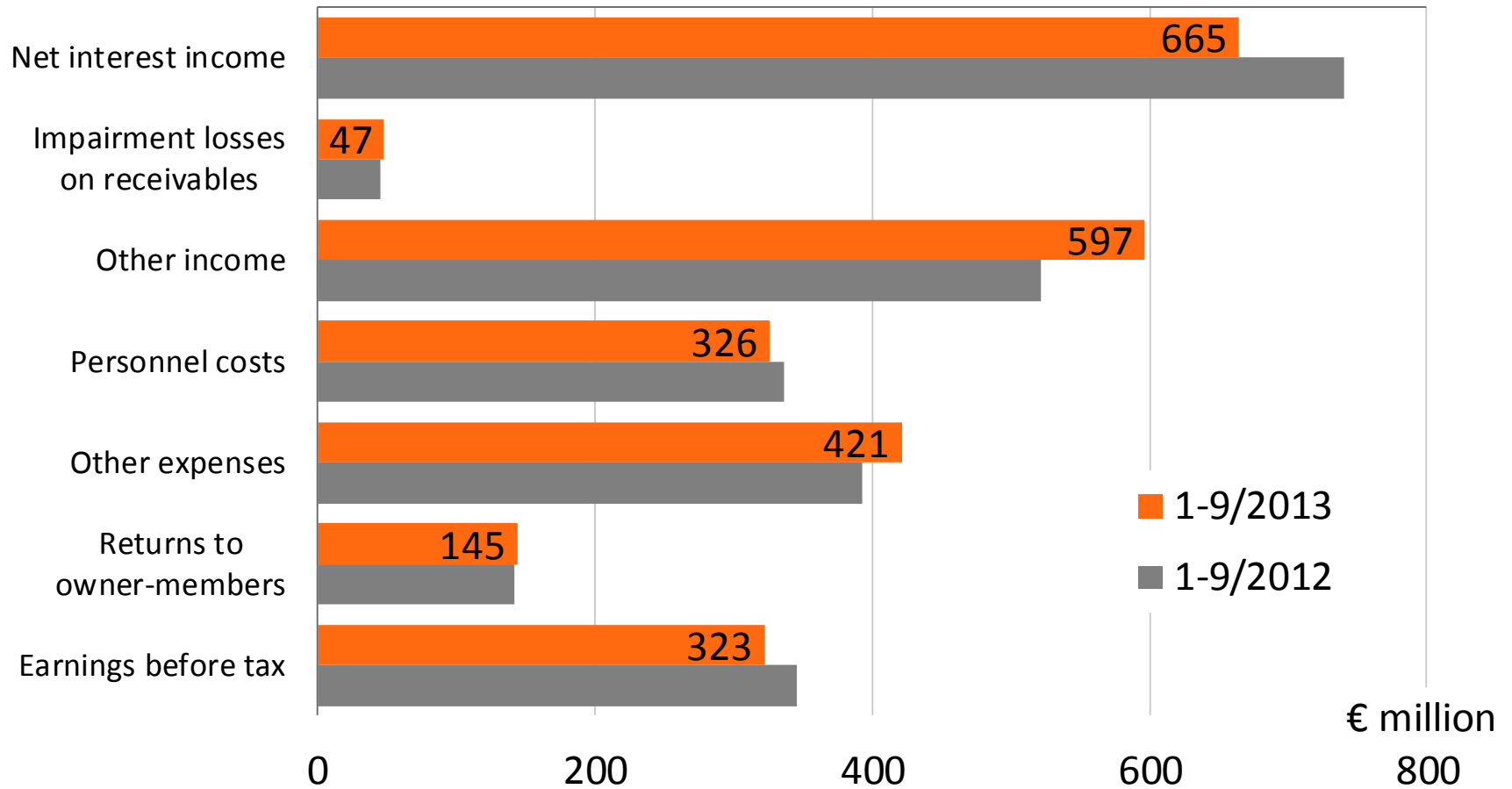
€ million	Banking	Non-Life Insurance	Wealth Management	Eliminations and Other Operations	Total
Net interest income	665	-18	2	18	666
Net income from non-life insurance	0	428	0	-1	428
Net income from life insurance	0	0	53	91	144
Net commissions and fees	456	13	145	-139	476
Other income	597	0	18	41	656
<b>Total income</b>	<b>1,261</b>	<b>429</b>	<b>217</b>	<b>11</b>	<b>1,919</b>
Personnel costs	326	79	18	138	561
Other expenses	421	188	101	-160	550
<b>Total expenses</b>	<b>747</b>	<b>267</b>	<b>119</b>	<b>-23</b>	<b>1,111</b>
Impairment losses on receivables	47	0	0	-2	45
Returns to owner-members	145	0	0	0	145
<b>Earnings before tax</b>	<b>323</b>	<b>162</b>	<b>98</b>	<b>32</b>	<b>614</b>
Cost /income ratio, %	59				

# OP-Pohjola Group

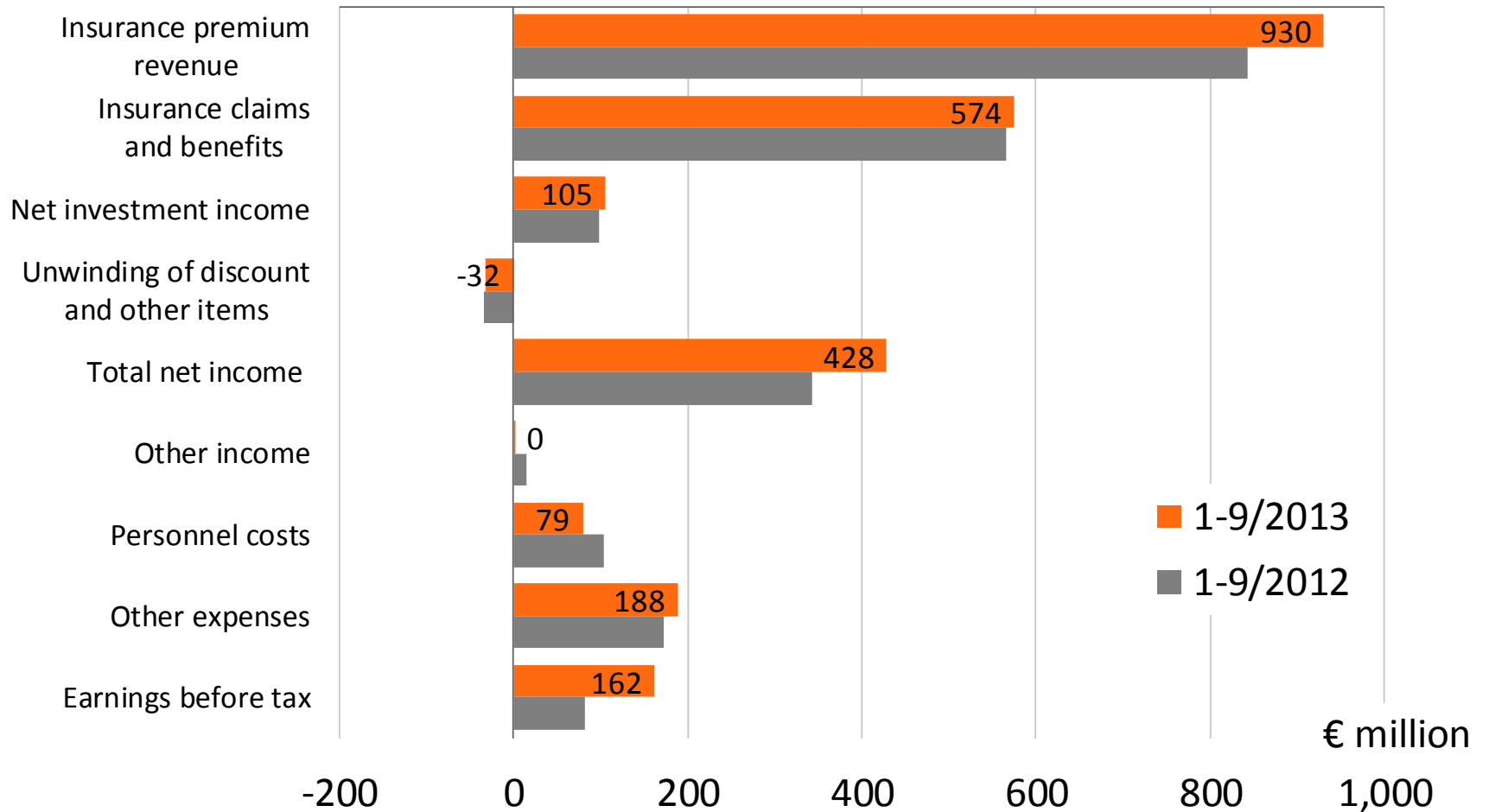
## Earnings before tax by Business Segment



# OP-Pohjola Group Banking

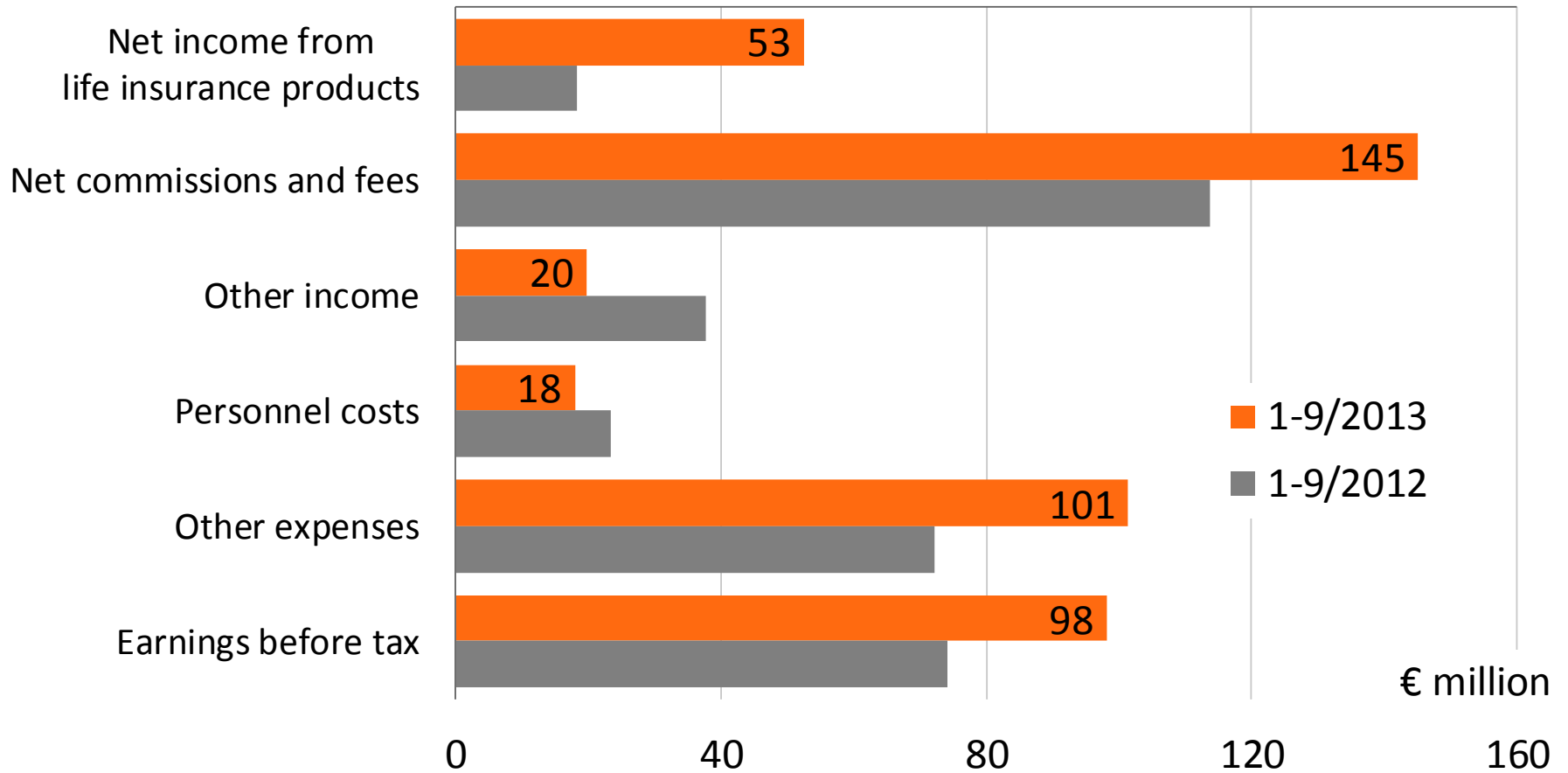


# OP-Pohjola Group Non-Life Insurance



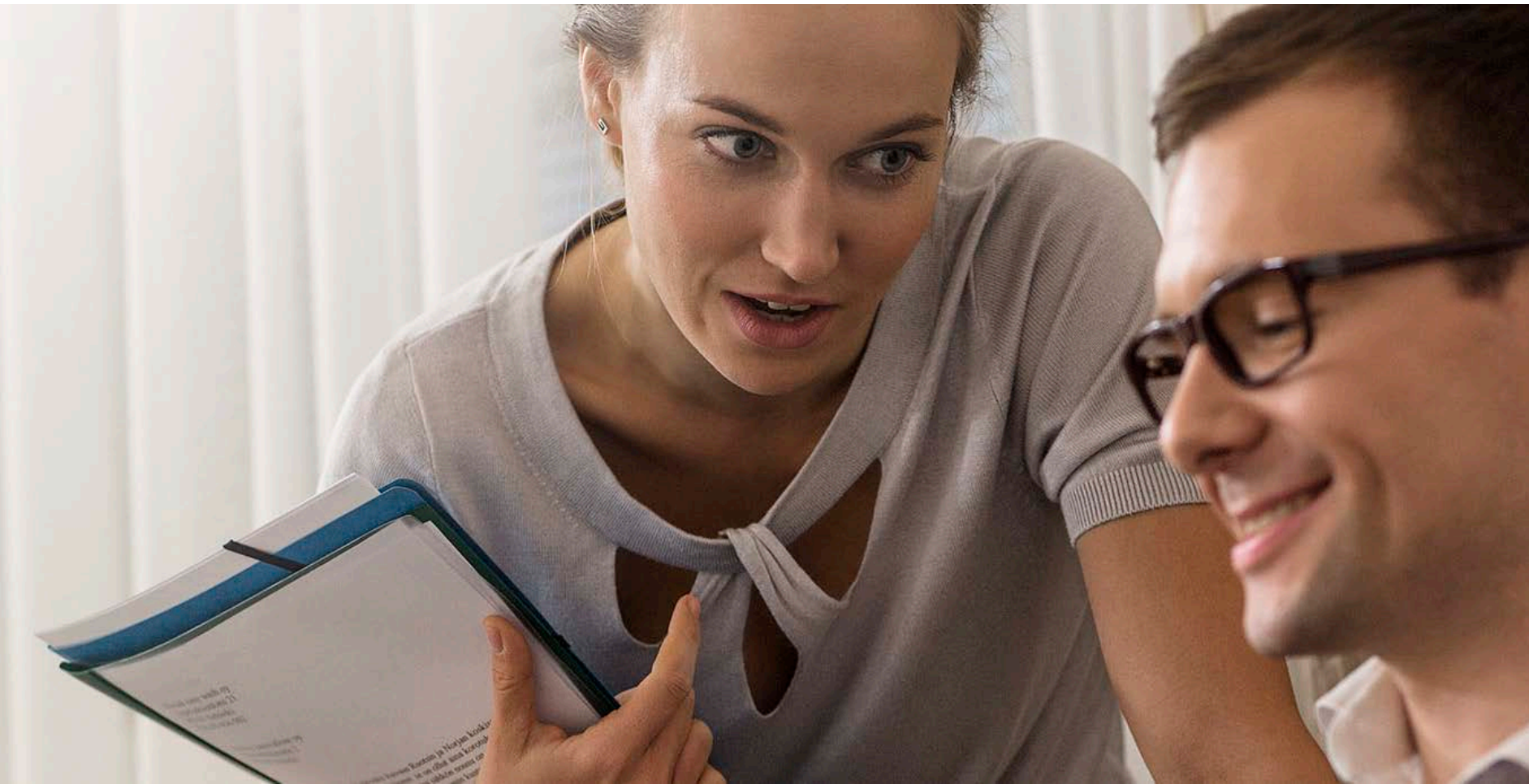


# OP-Pohjola Group Wealth Management



€ million

0 40 80 120 160



# Quarterly Figures

OP-Pohjola Group  
Quarterly Performance

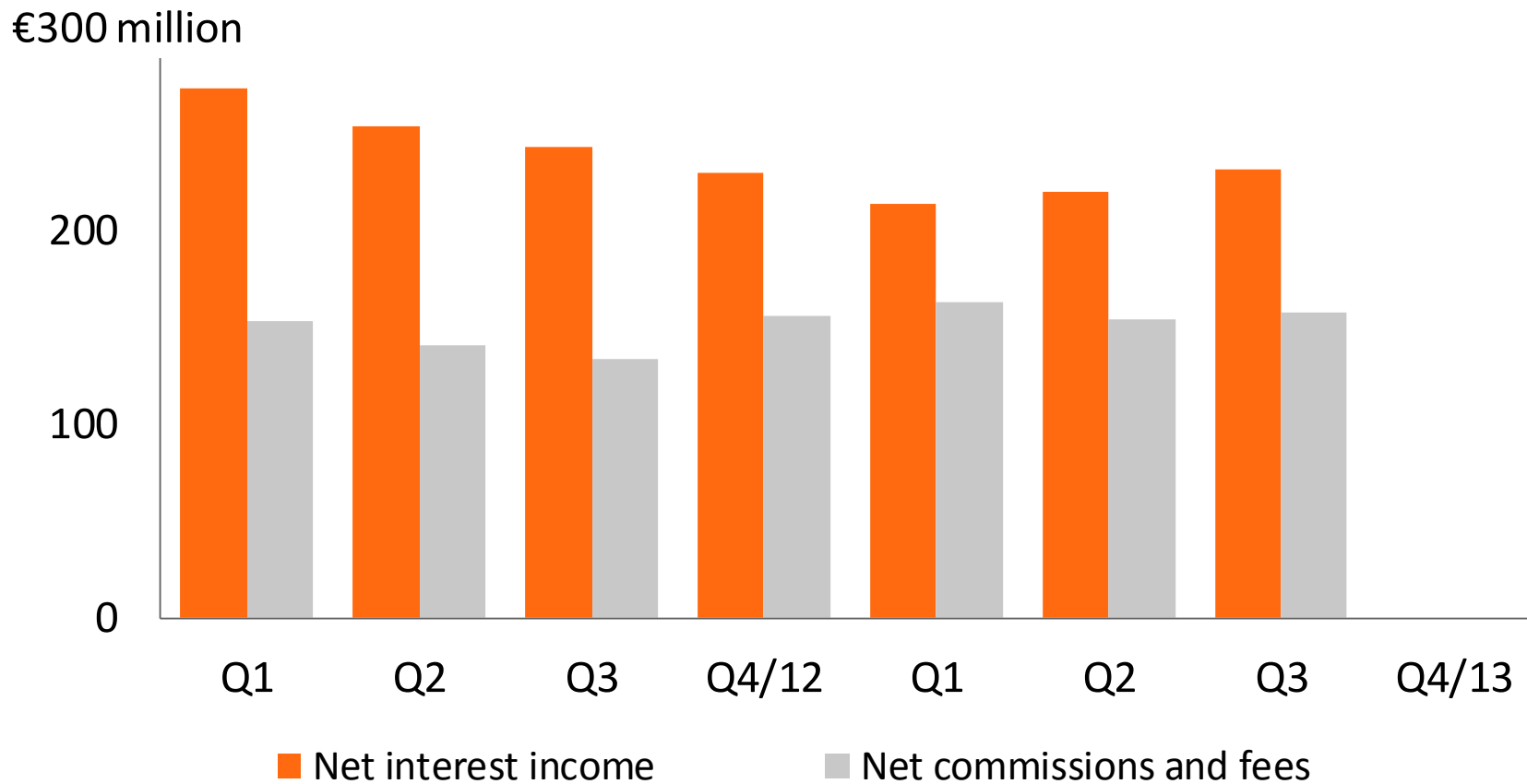
€ million	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net interest income	274	255	243	231	214	221	232	
Other income	363	321	326	358	458	400	395	
Total income	637	576	569	588	672	621	626	
Personnel costs	203	194	188	180	201	194	166	
Other expenses	180	183	163	203	181	192	178	
Total expenses	383	377	351	383	382	385	344	
Impairments of receivables	11	17	19	51	9	23	17	
Returns to owner-members and OP bonus customers	44	52	46	50	48	48	49	
Earnings before tax	199	130	153	104	234	164	216	

OP-Pohjola Group  
Other Income by Quarter

€ million	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net income from non-life insurance	100	129	105	99	143	137	148	
Net income from life insurance	32	16	27	33	70	37	37	
Net commissions and fees	153	141	134	156	163	154	158	
Net income from trading and investments	52	13	19	47	54	48	34	
Other income	25	22	41	23	27	24	18	
Total	363	321	326	358	458	400	395	

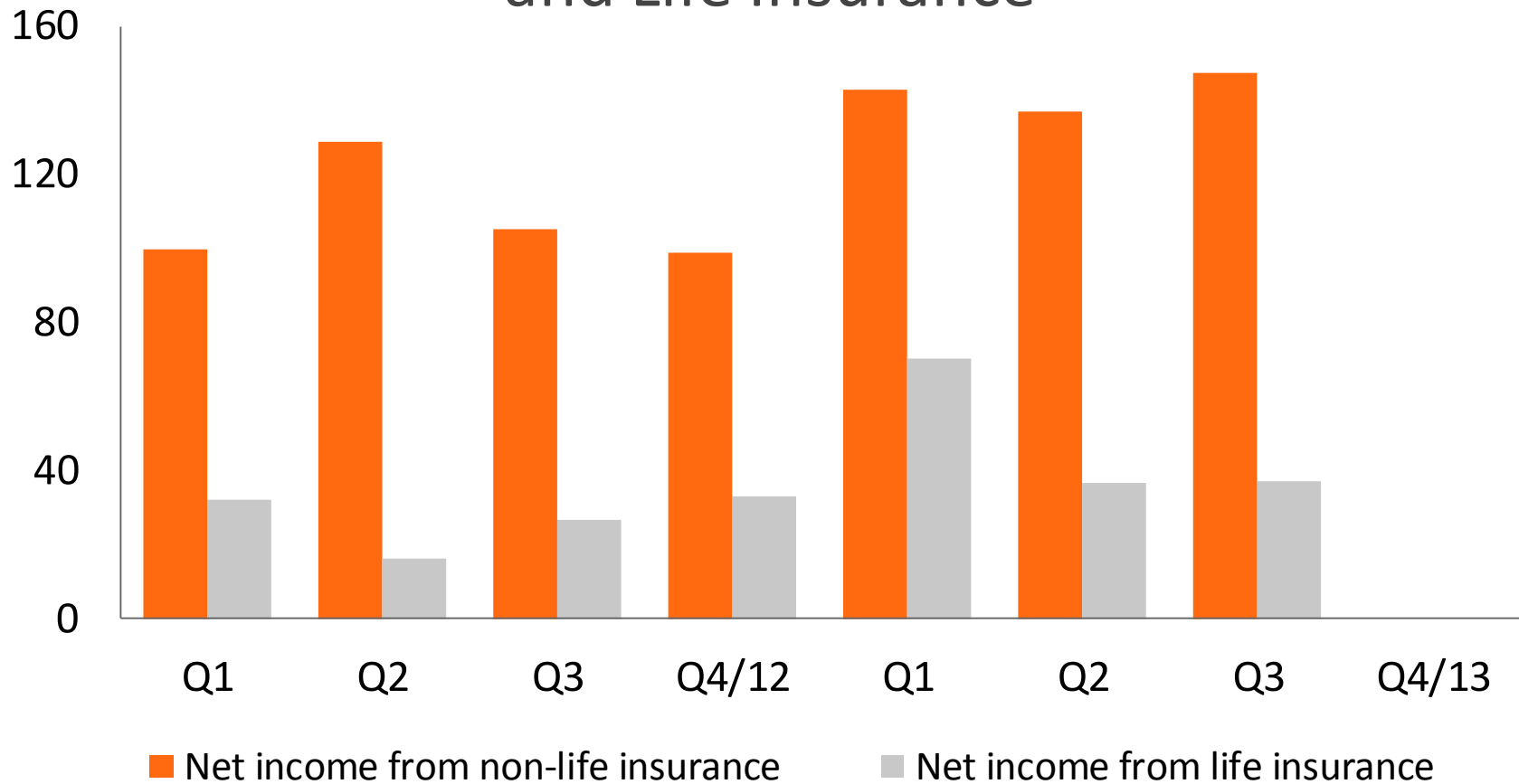
# OP-Pohjola Group

## Net Interest Income and Net Commissions and Fees

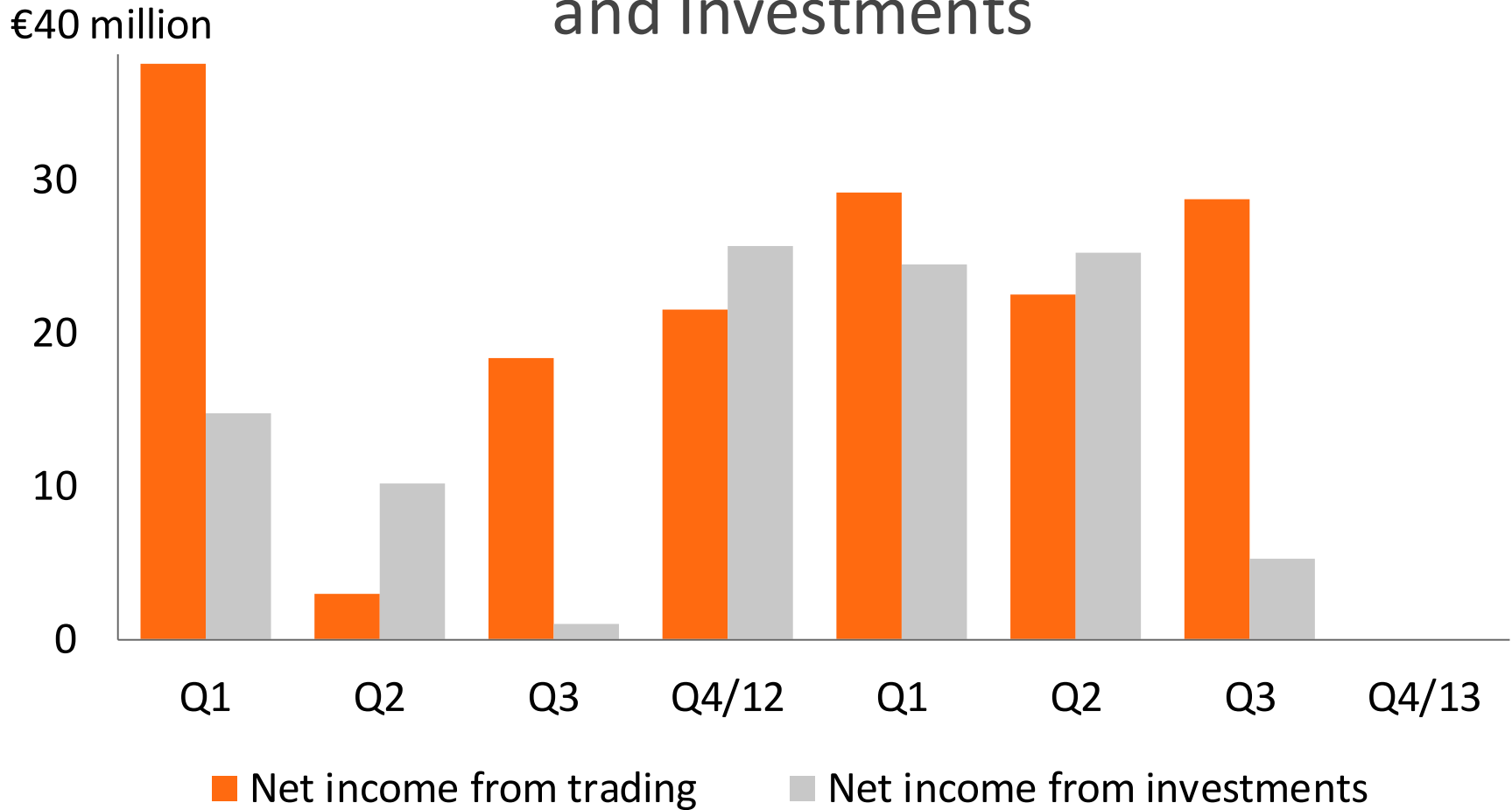


# OP-Pohjola Group Net Income from Non-life and Life Insurance

€ million

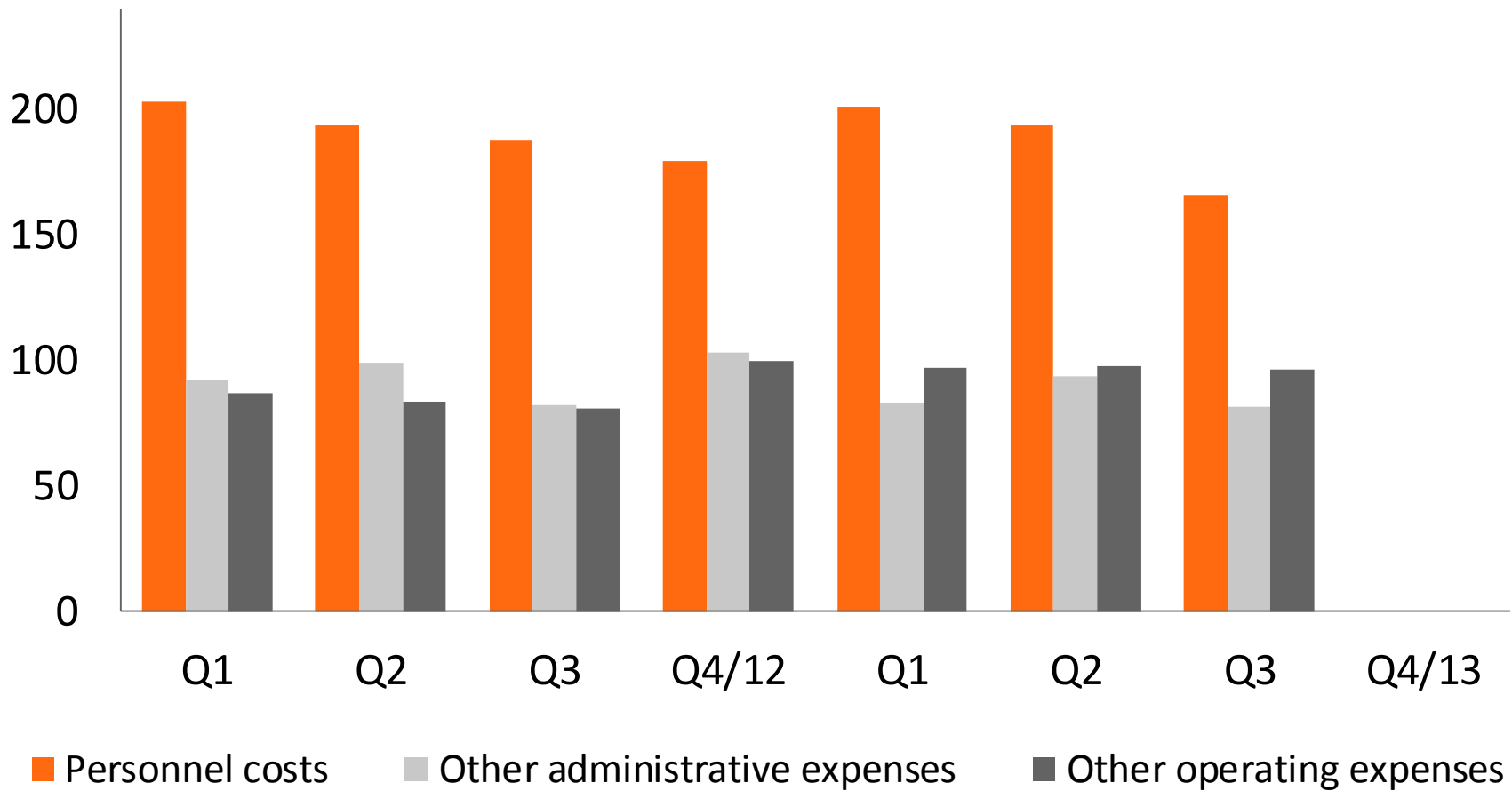


# OP-Pohjola Group Net Income from Trading and Investments



# OP-Pohjola Group Expenses

€250 million

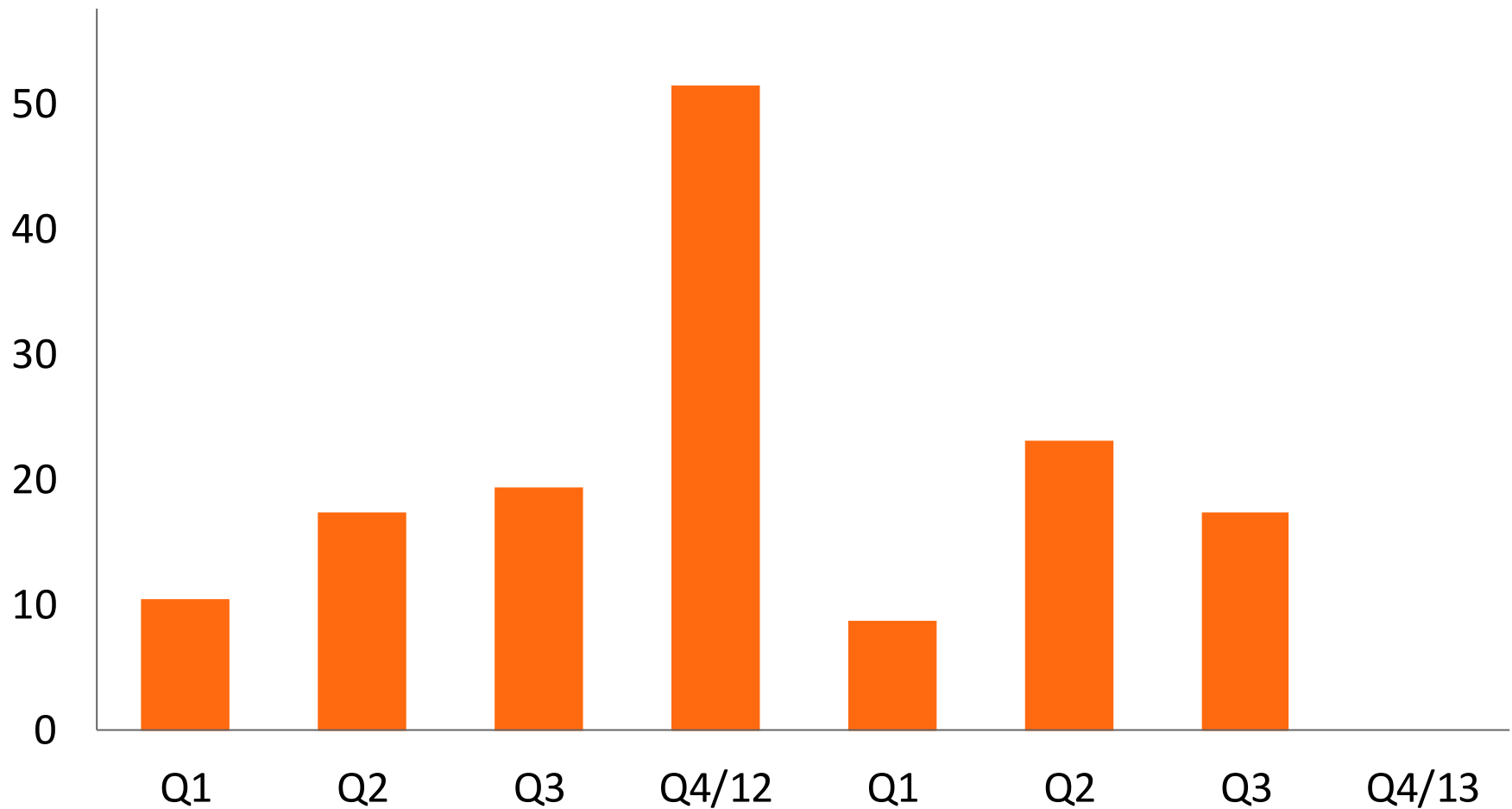




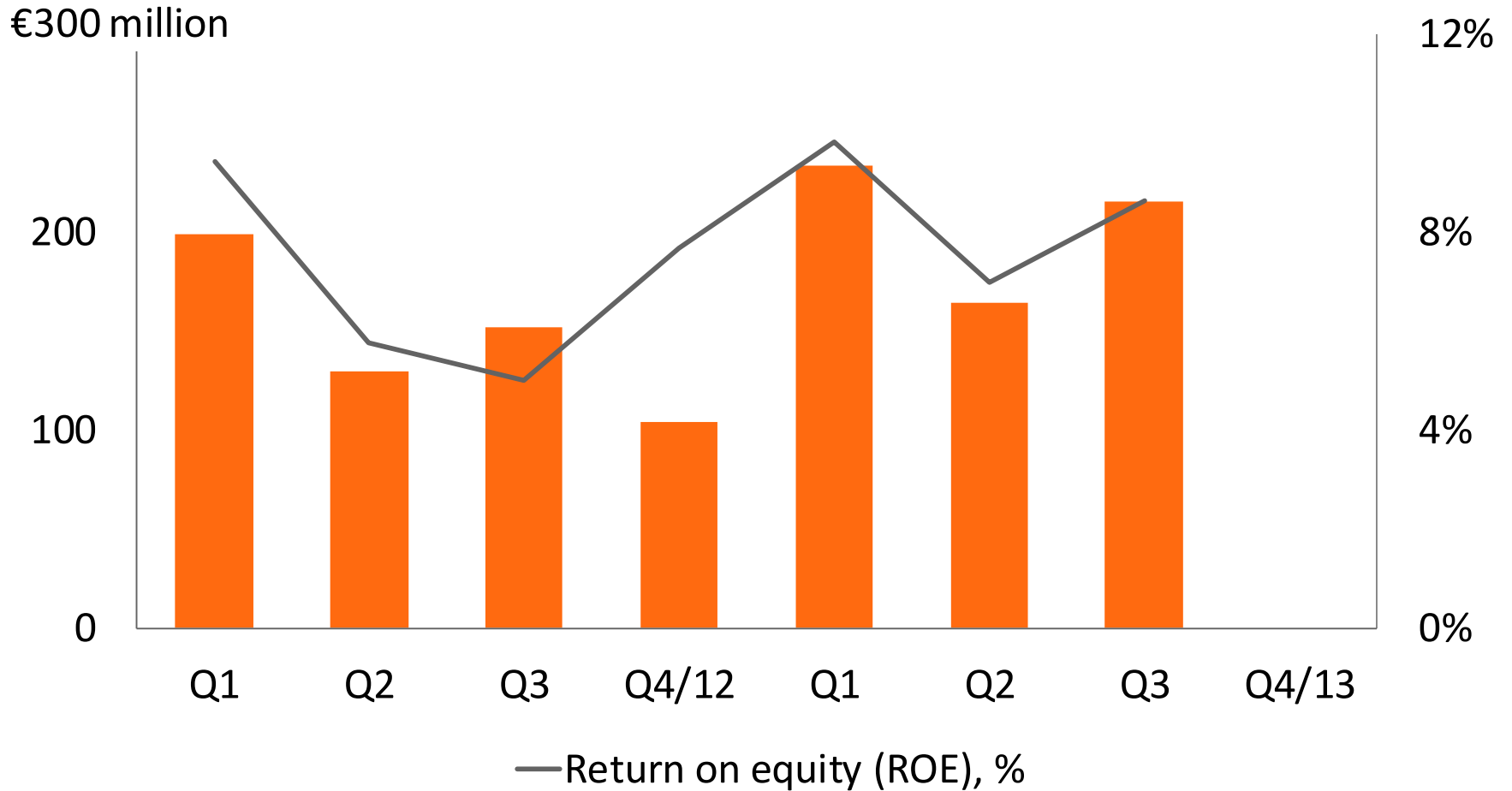
# OP-Pohjola Group

## Quarterly Impairments of Receivables

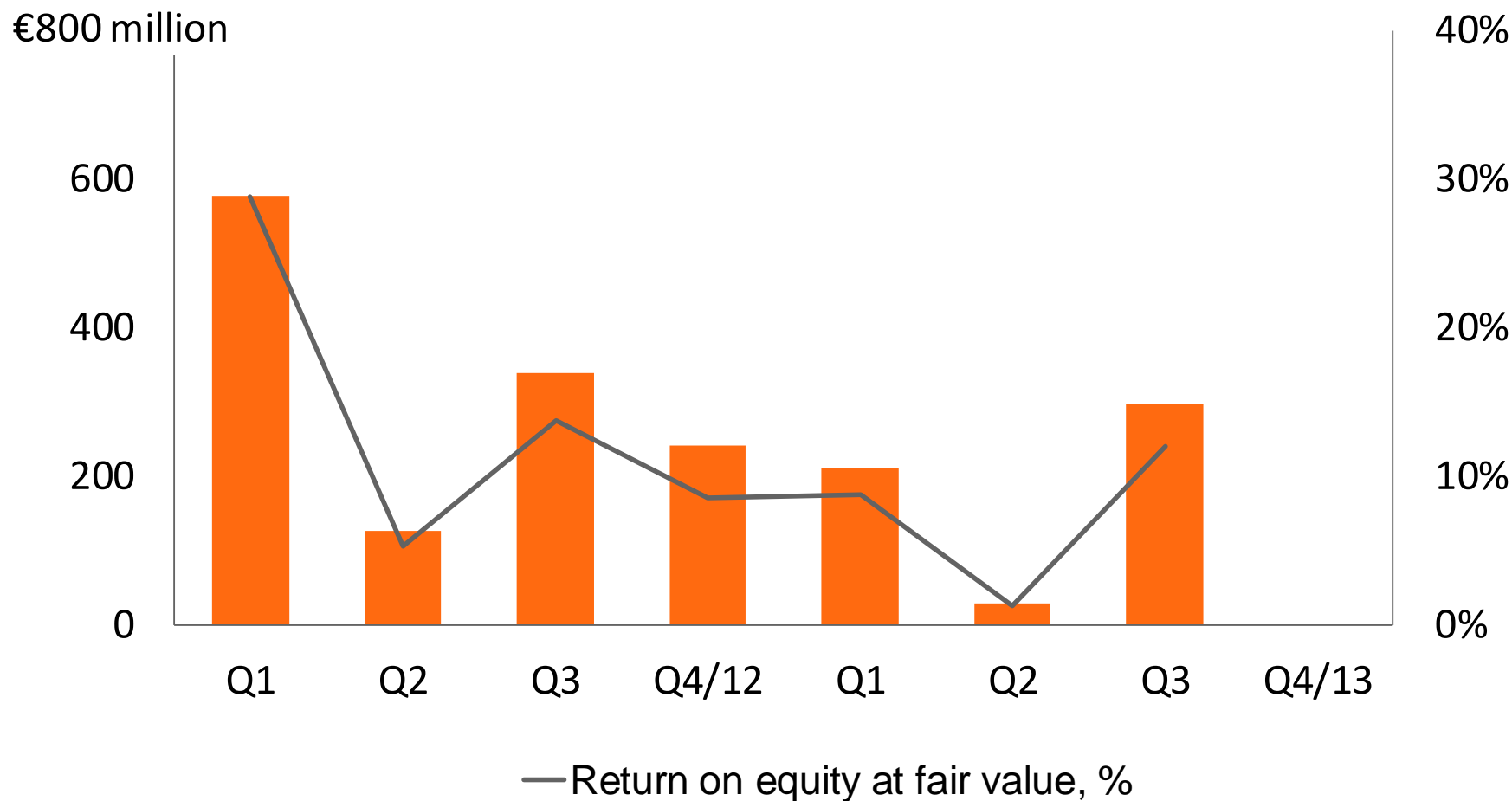
€60 million



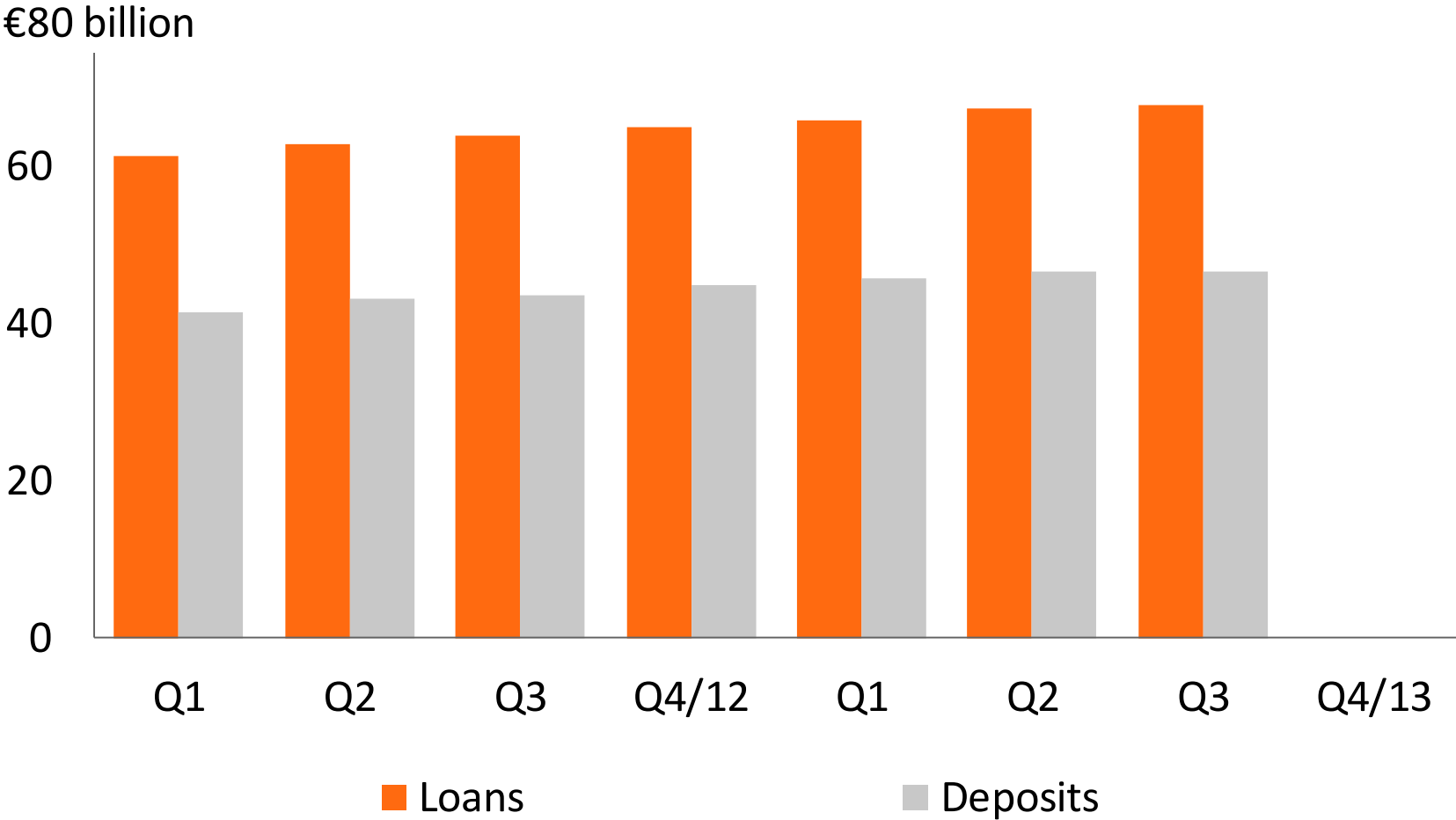
# OP-Pohjola Group Earnings before Tax



# OP-Pohjola Group Earnings before Tax at Fair Value

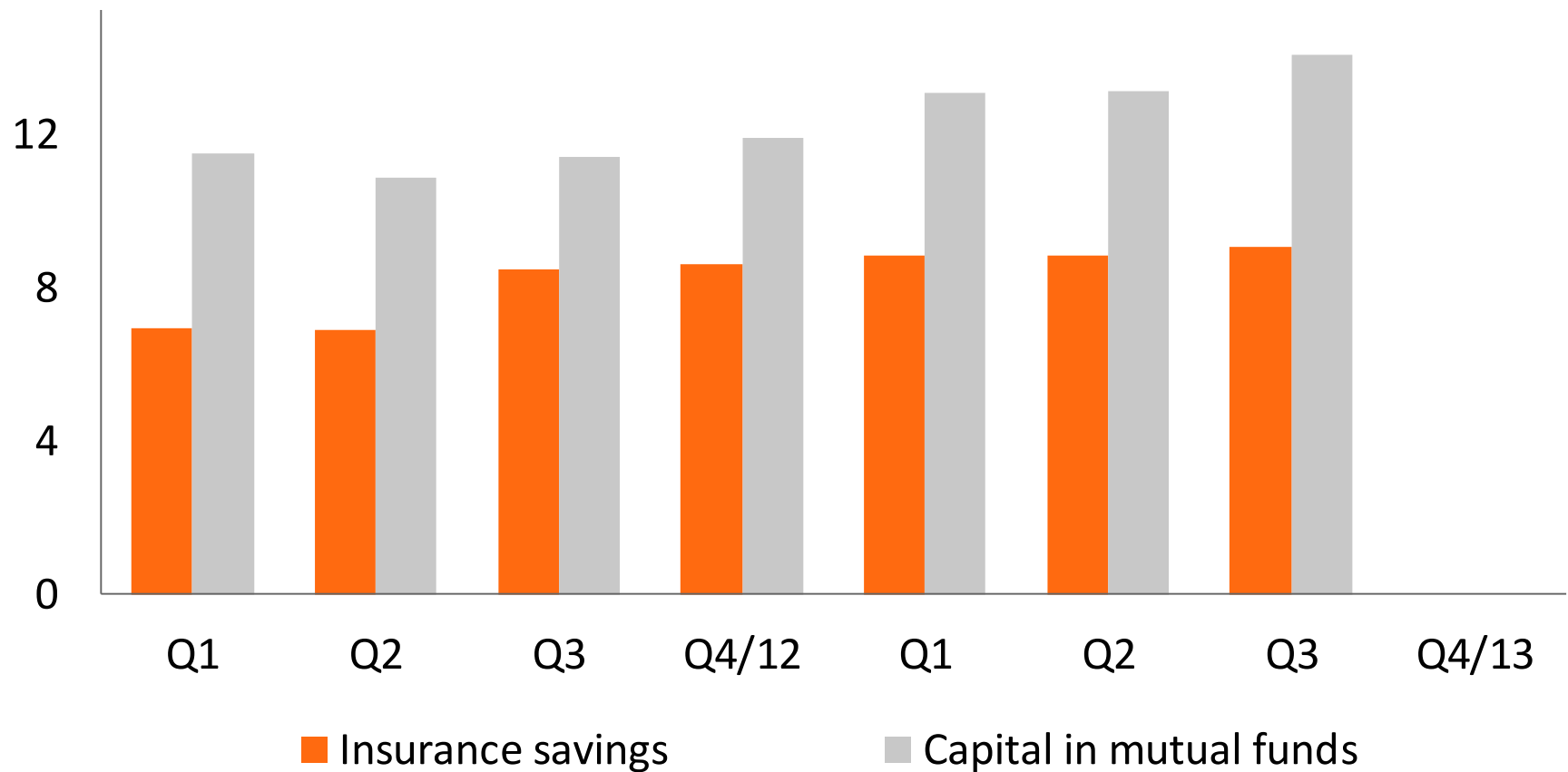


# OP-Pohjola Group Loans and Deposits



# OP-Pohjola Group Life Insurance Savings and Capital in Mutual Funds

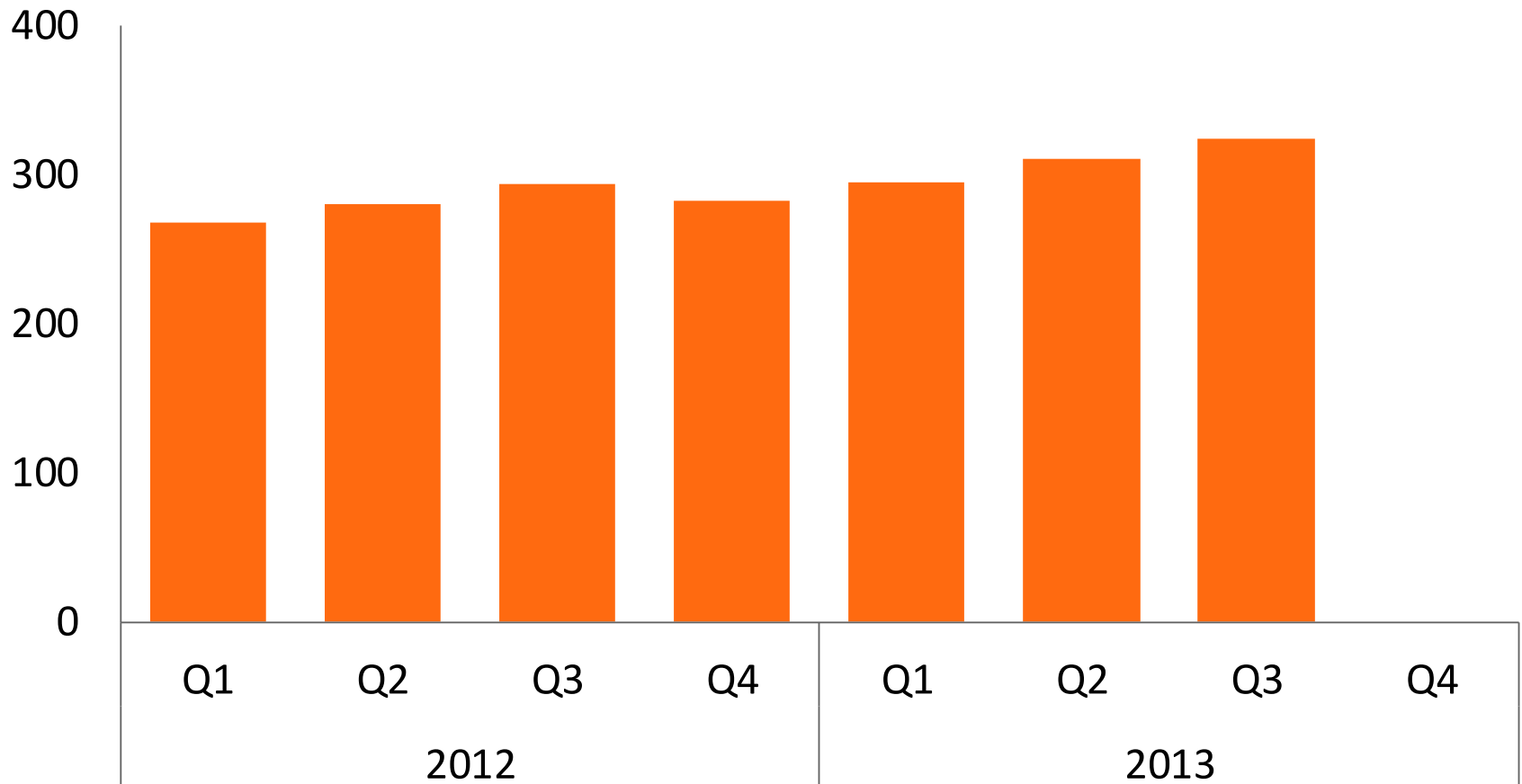
€16 billion

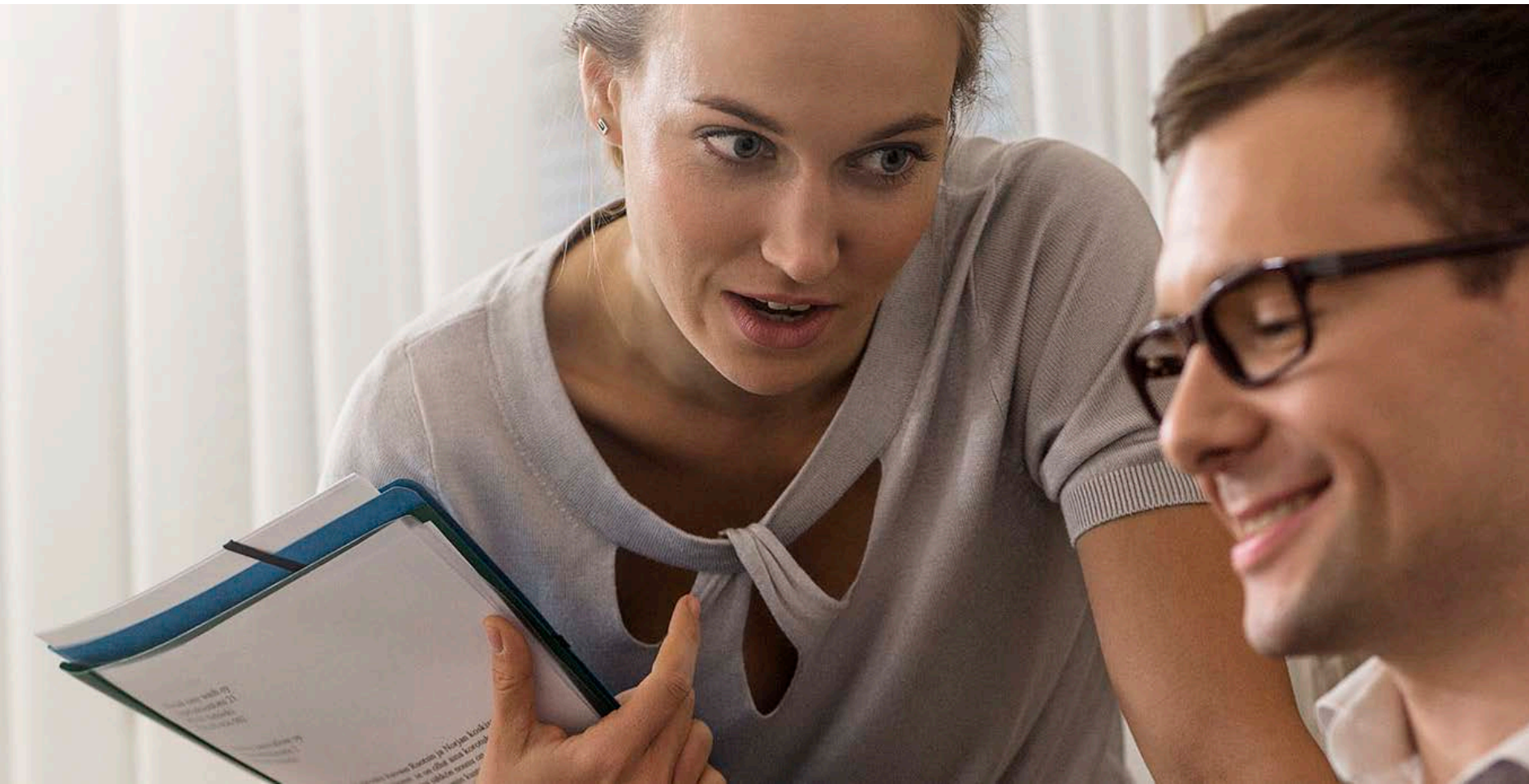


# OP-Pohjola Group

## Non-life Insurance Premium Revenue (IFRS)

€million





# Capital Adequacy

# Two Capital Adequacy Ratios

Consolidated capital adequacy = capital adequacy of the amalgamation of cooperative banks

- The Group's operations are based on the Act on the Amalgamation of Deposit Banks
- The Act on the Amalgamation of Deposit Banks prescribes a minimum capital requirement for an amalgamation of cooperative banks. This is calculated using the provisions in the Act on Credit Institutions.
- The amalgamation of cooperative banks consists of the amalgamation's central institution (OP-Pohjola Group Central Cooperative), its member credit institutions and the companies belonging to their consolidation groups. Although OP-Pohjola Group's insurance companies do not belong to the amalgamation of the cooperative banks, investments made in them have a major impact on capital adequacy calculated in accordance with the capital adequacy regulations for credit institutions.

Capital adequacy ratio (under the Act on the Supervision of Financial and Insurance Conglomerates) = OP-Pohjola Group's capital adequacy

- OP-Pohjola Group is a financial conglomerate, pursuant to the Act on the Supervision of Financial and Insurance Conglomerates. The conglomerate is governed by specific provisions of the capital adequacy requirement.
- OP-Pohjola Group's capital adequacy pursuant to the Act on the Supervision of Financial and Insurance Conglomerates is calculated using the consolidation method, whereby assets included in capital resources but not included in equity capital, under the regulations for the banking or insurance industry, are added to the equity capital in the conglomerate's balance sheet.
  - Capital resources may not include items not available for covering the losses of other companies belonging to the conglomerate.
- The financial conglomerate's minimum capital requirement consists of the credit institutions' consolidated minimum capital requirement and the insurance companies' joint minimum operating capital.

In view of both capital adequacy requirements,  
OP-Pohjola Group's risk-bearing capacity is strong.

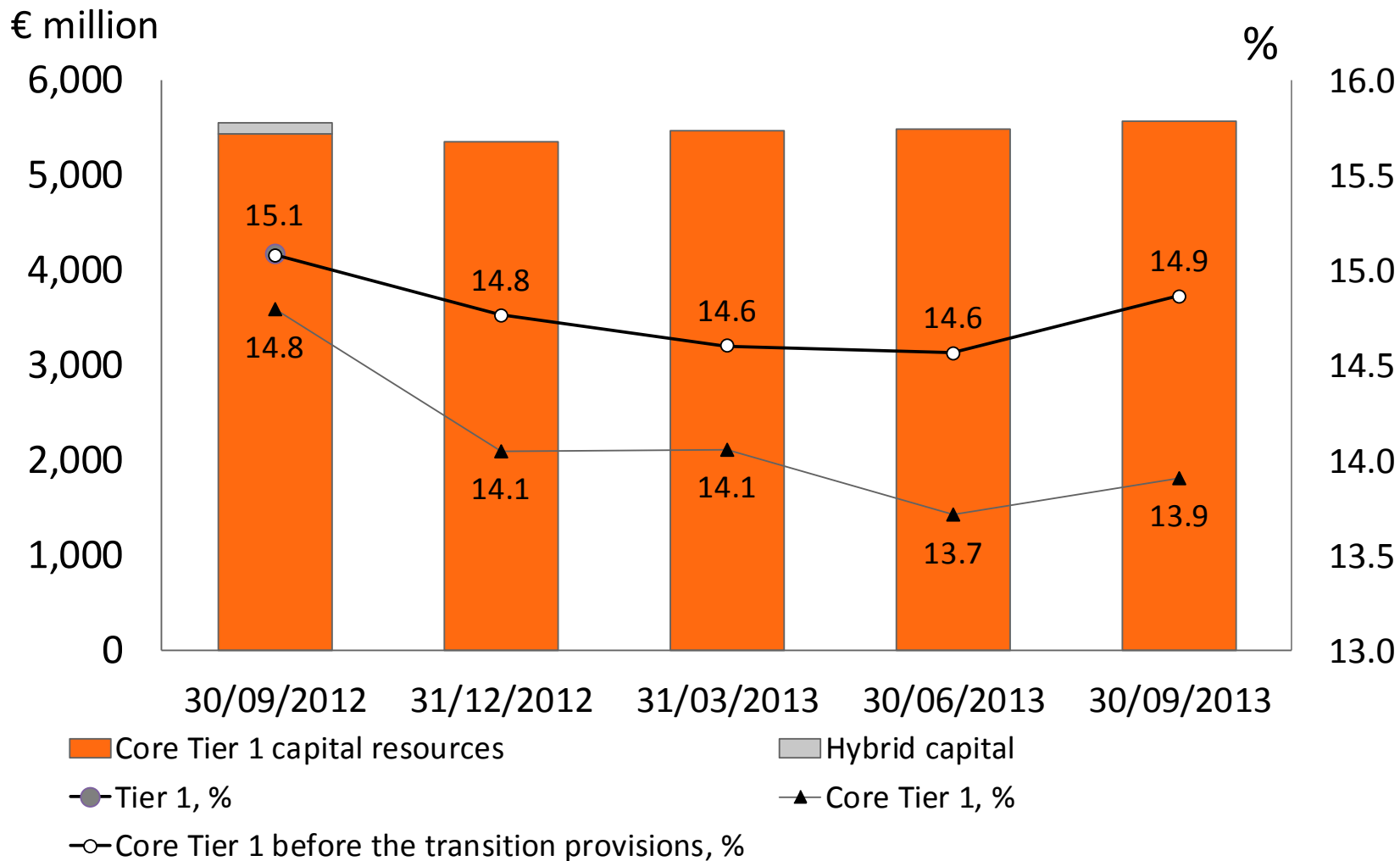


# The credit risk of the capital adequacy of the Amalgamation of the Cooperative Banks is calculated using the Internal Ratings Based Approach (IRBA)

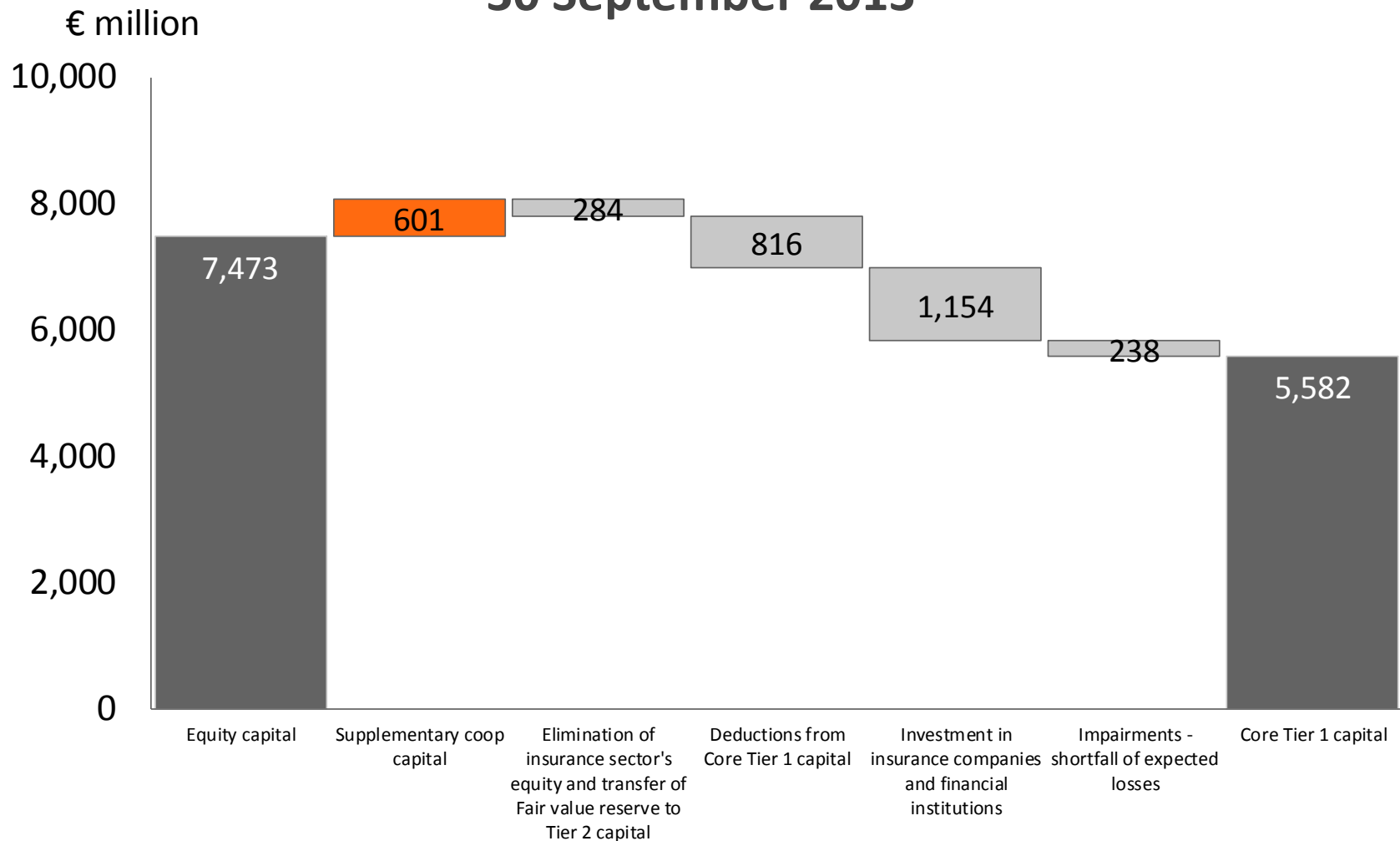
- The Internal Ratings Based Approach (IRBA) is applied to the following types of exposure
  - Retail exposure
  - Corporate exposure (FIRB)
  - Credit institution exposure (FIRB)
- The Standardised Approach (SA) is applied to government exposure
- A simple and PD/LGD method are applied to equity investments

# The amalgamation of the cooperative banks

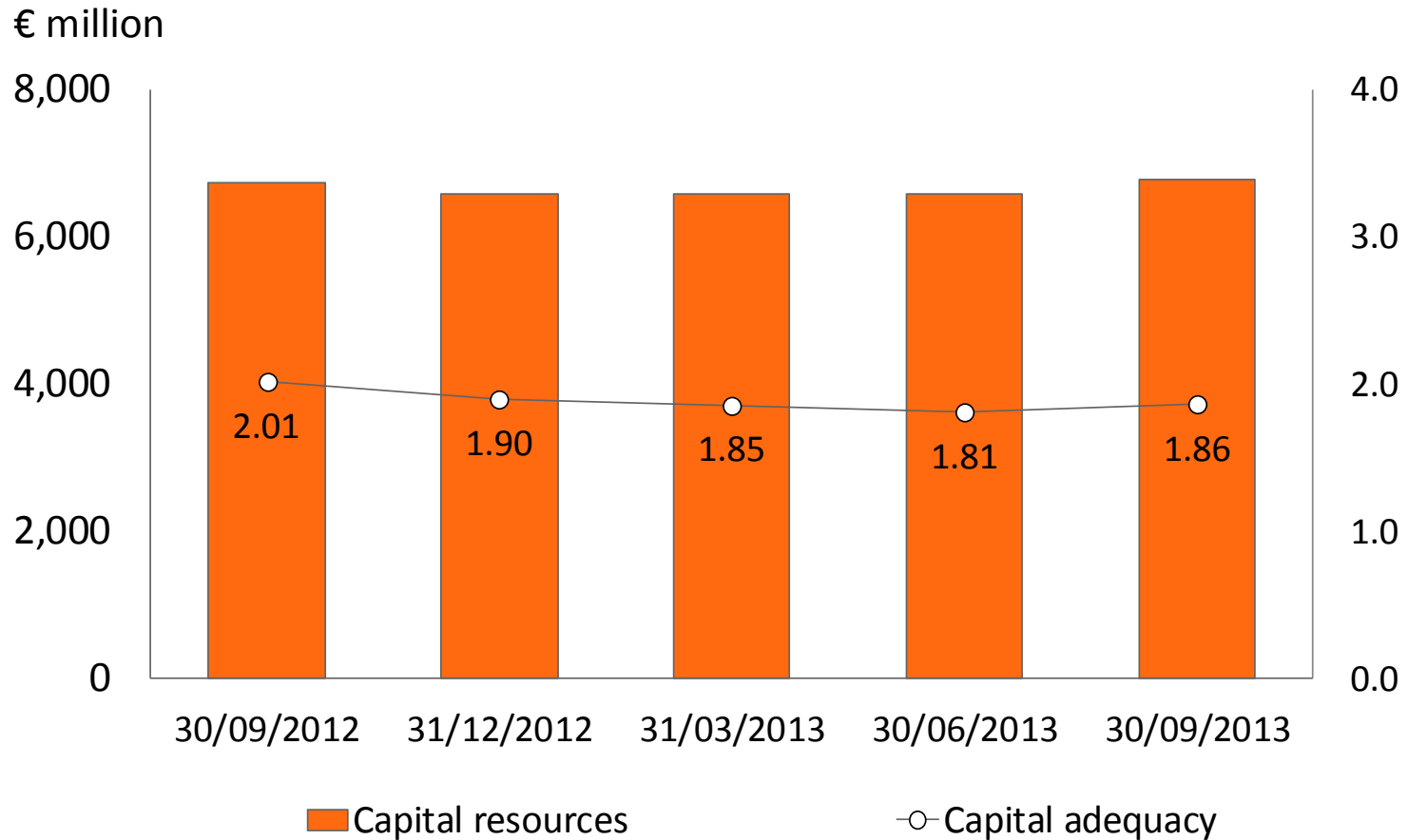
## Capital Resources and Capital Adequacy



# Tier 1 Capital under the Act on Credit Institutions 30 September 2013

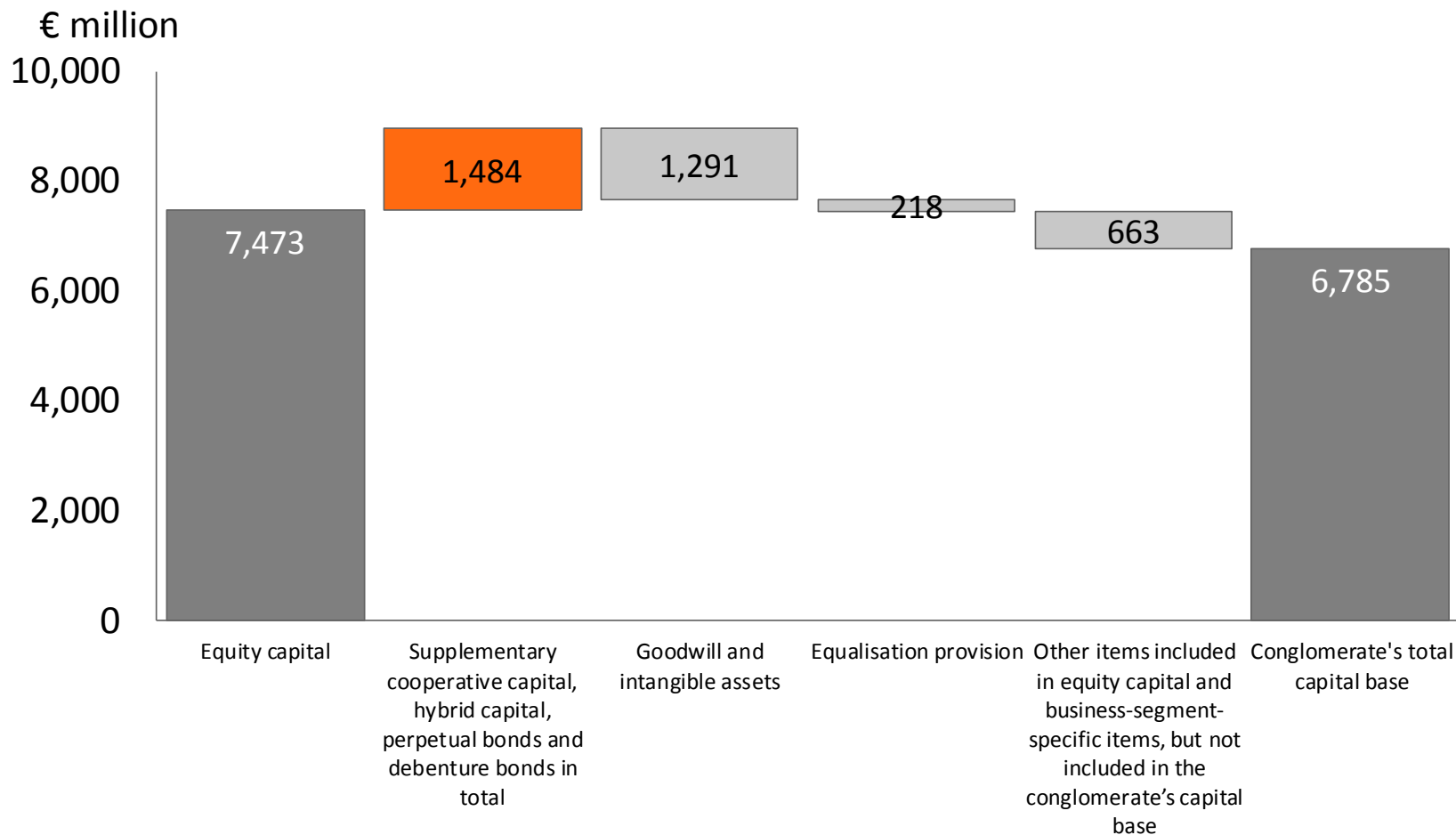


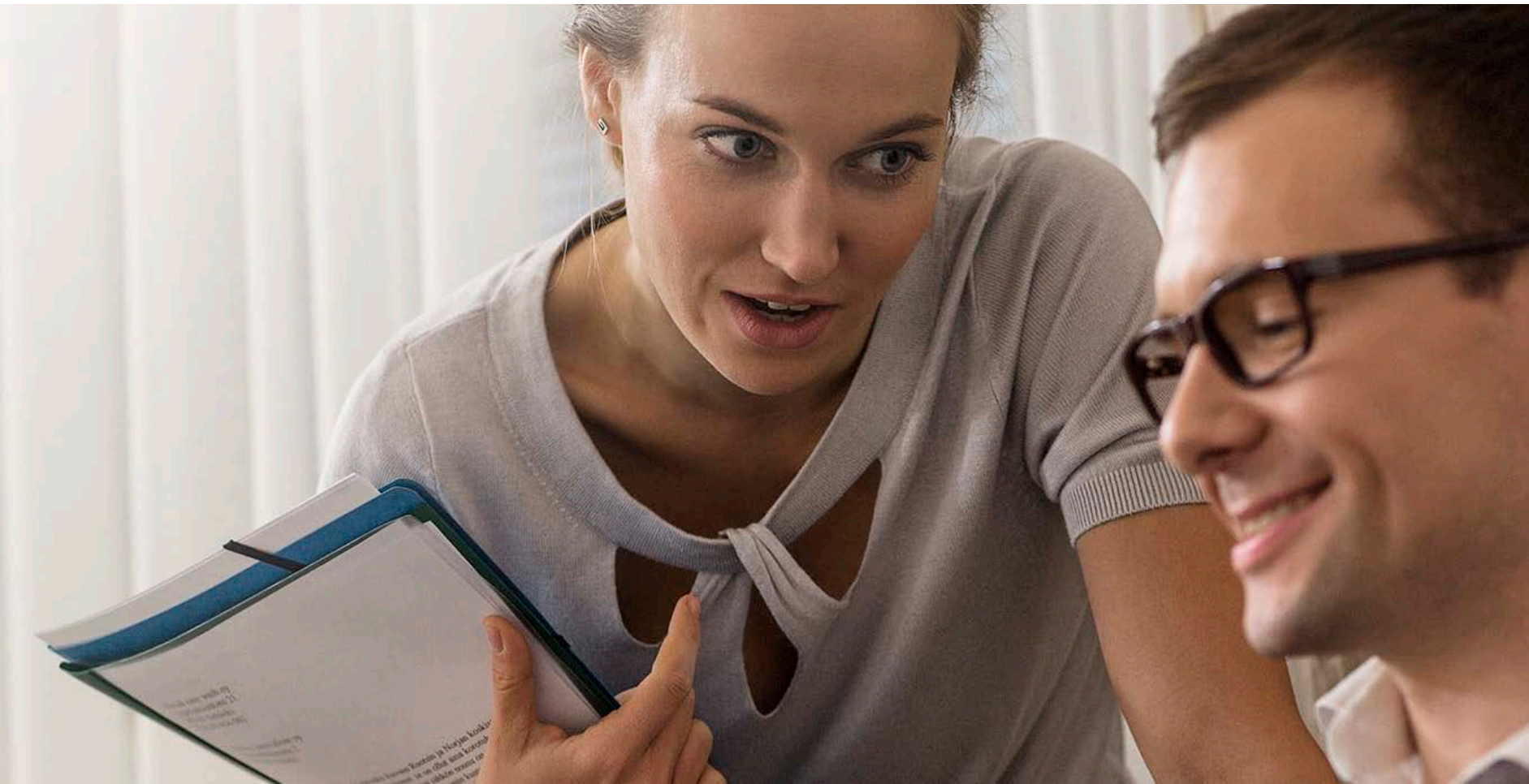
# OP-Pohjola Group Conglomerate's Capital Adequacy



# Total Capital Base under the Act on the Supervision of Financial and Insurance Conglomerates

## 30 September 2013

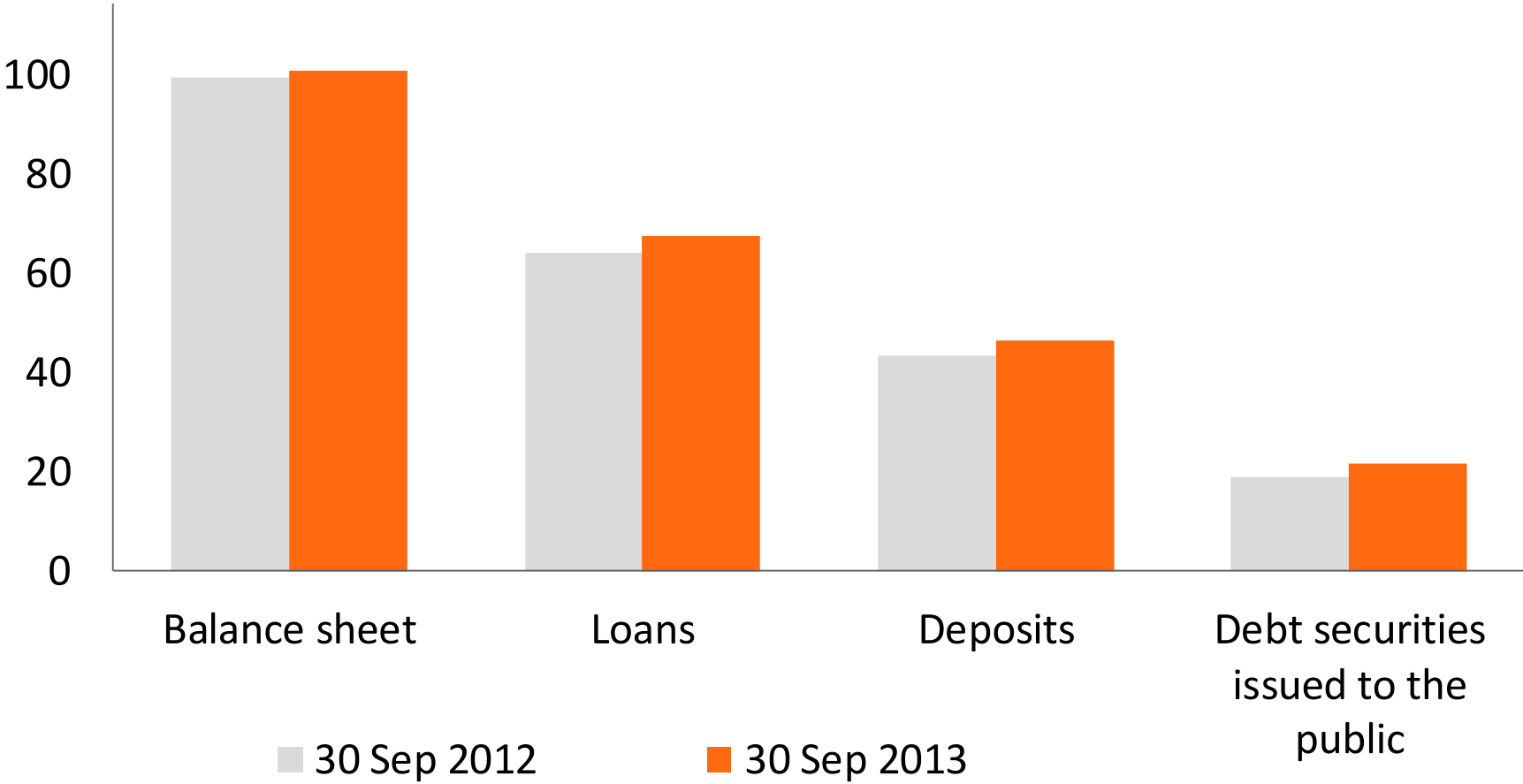




# Balance Sheet

# OP-Pohjola Group Key Balance Sheet Items

€120 billion



# OP-Pohjola Group

## Balance sheet

€ million			Change	
	30 Sep 2013	30 Sep 2012	€ million	%
Receivables from credit institutions	3,265	934	2,331	
Financial assets at fair value through profit or loss	417	388	29	7.6
Receivables from customers	67,866	64,174	3,692	5.8
Non-life Insurance assets	3,592	3,603	-11	-0.3
Life Insurance assets	9,504	8,843	660	7.5
Investment assets	7,979	6,191	1,788	28.9
Other items	8,523	15,593	-7,071	-45.3
Total assets	101,145	99,725	1,420	1.4
Liabilities to credit institutions	1,679	2,961	-1,282	-43.3
Liabilities to customers	49,132	48,935	197	0.4
Non-life Insurance liabilities	2,811	2,843	-32	-1.1
Life Insurance liabilities	9,472	8,849	623	7.0
Debt securities issued to the public	21,775	18,928	2,848	15.0
Other liabilities	8,803	10,190	-1,387	-13.6
Equity capital	7,473	7,019	453	6.5
Total liabilities and equity capital	101,145	99,725	1,420	1.4

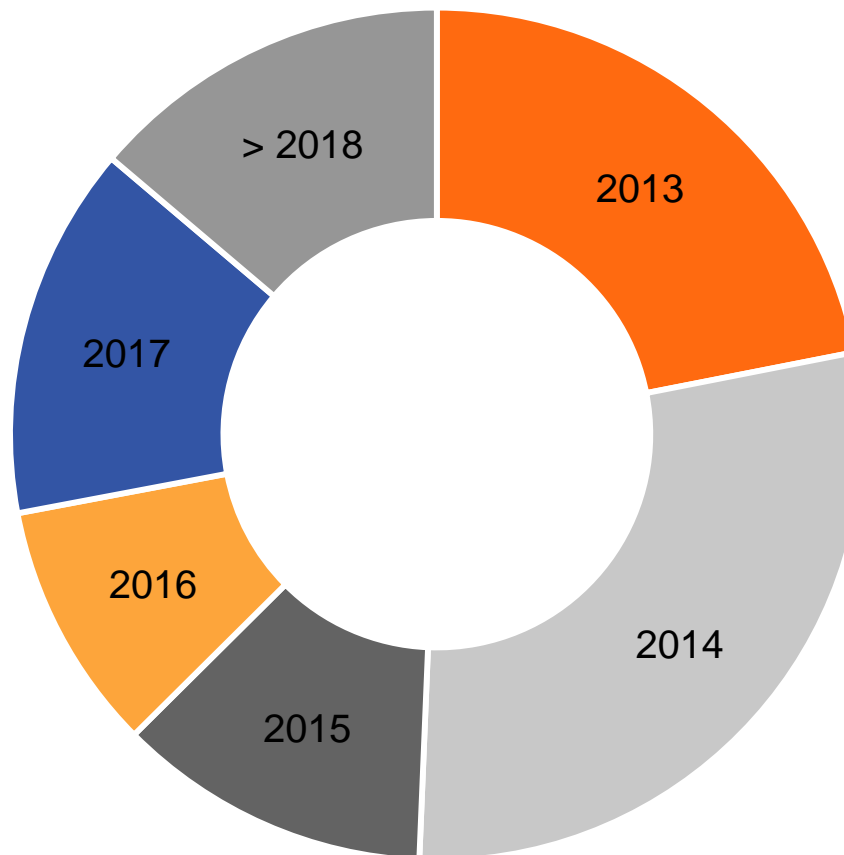


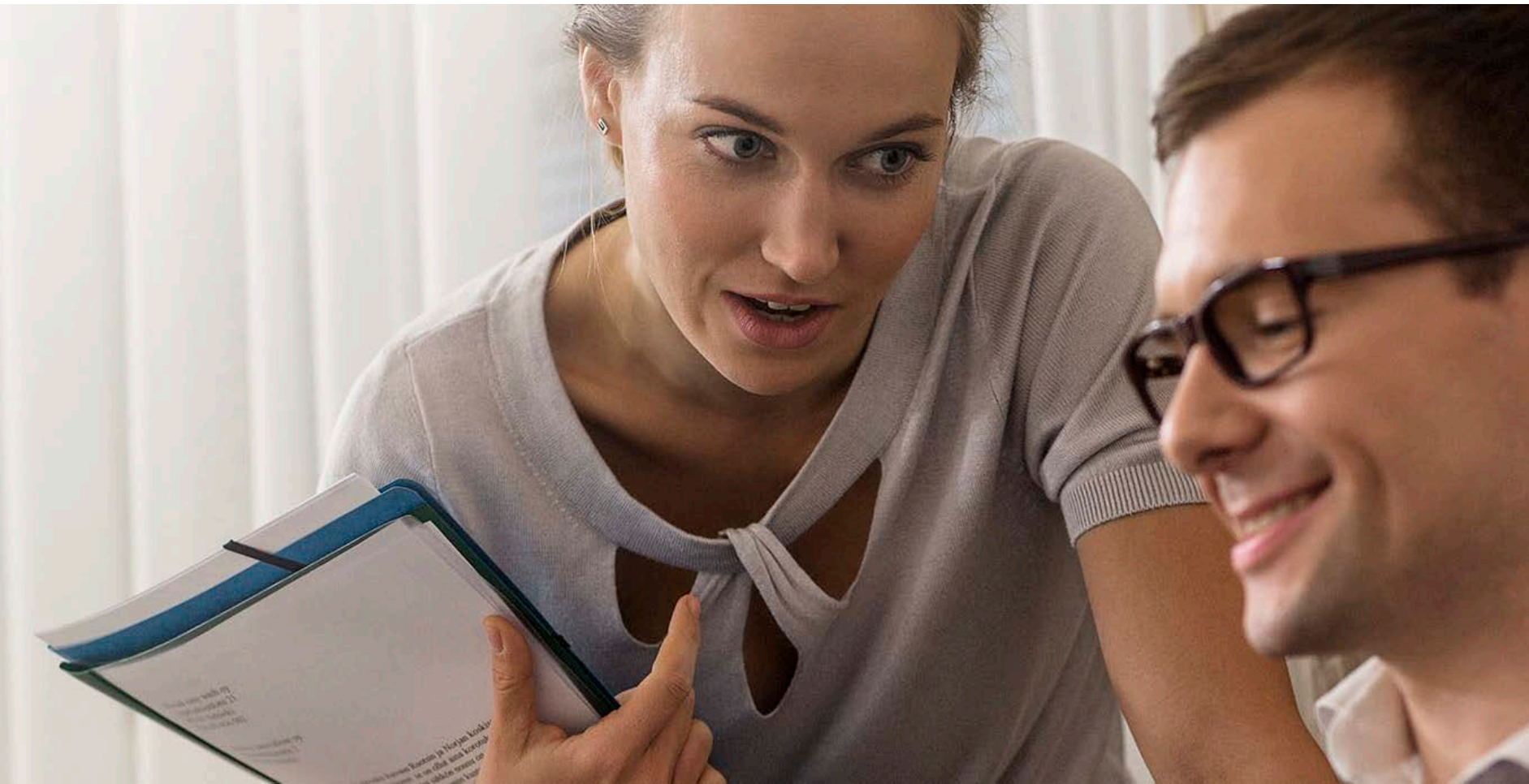
# OP-Pohjola Group

## Equity Capital and Cooperative Capital

€ million	30 Sep 2013	30 Sep 2012	Change € million	%
Share of OP-Pohjola Group's owners				
Share capital	200	200	0	-0.2
Cooperative capital	140	135	5	3.4
Fair value reserve	281	235	45	19.3
Other reserves	2,731	2,682	48	1.8
Retained earnings	4,085	3,744	341	9.1
Minority interest	37	23	14	
<b>Total equity capital</b>	<b>7,473</b>	<b>7,019</b>	<b>453</b>	<b>6.5</b>
Cooperative capital not included in equity capital	601	666	-65	-9.7

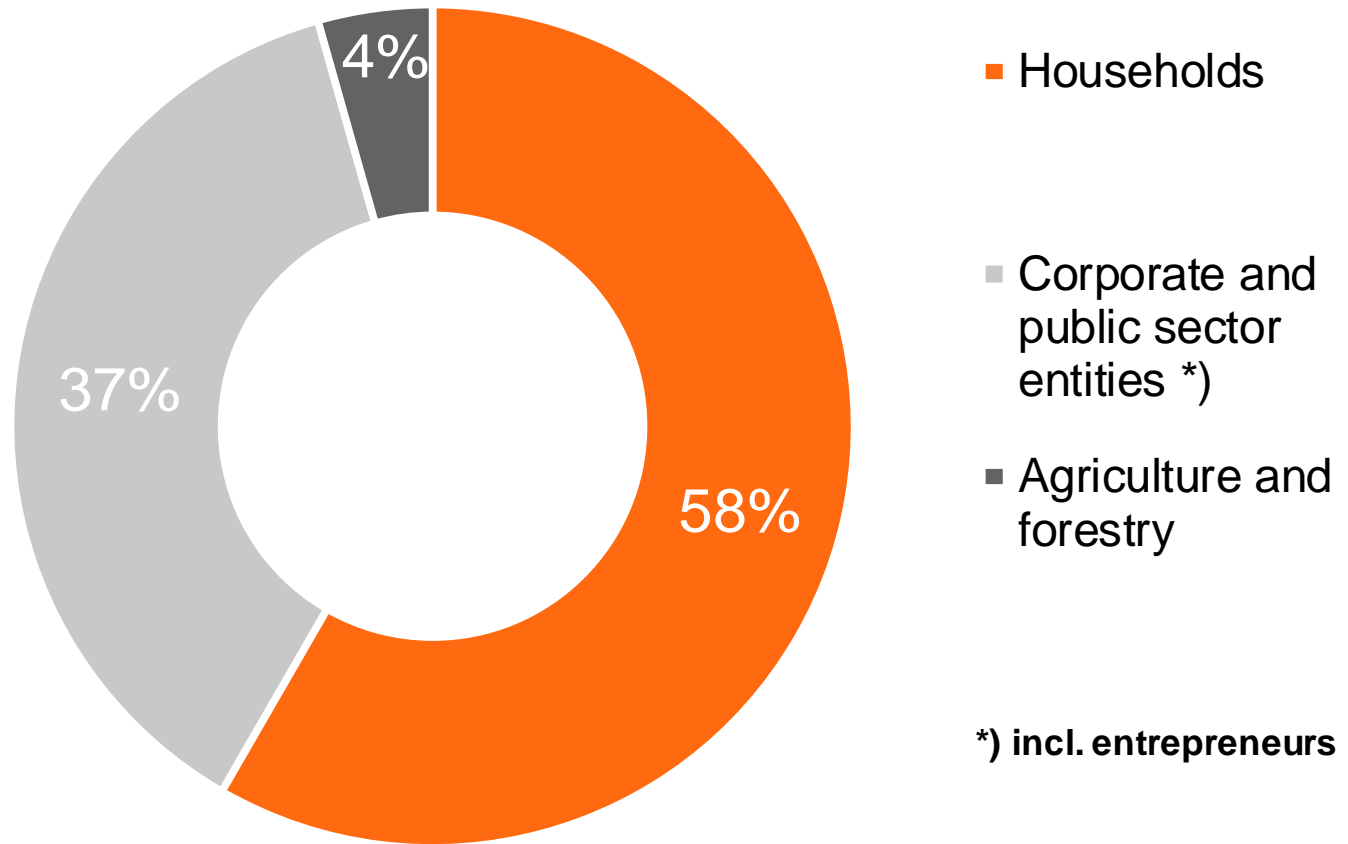
OP-Pohjola Group  
Debt Securities Issued to the Public  
Maturity 30 September 2013  
total of €21.8 billion



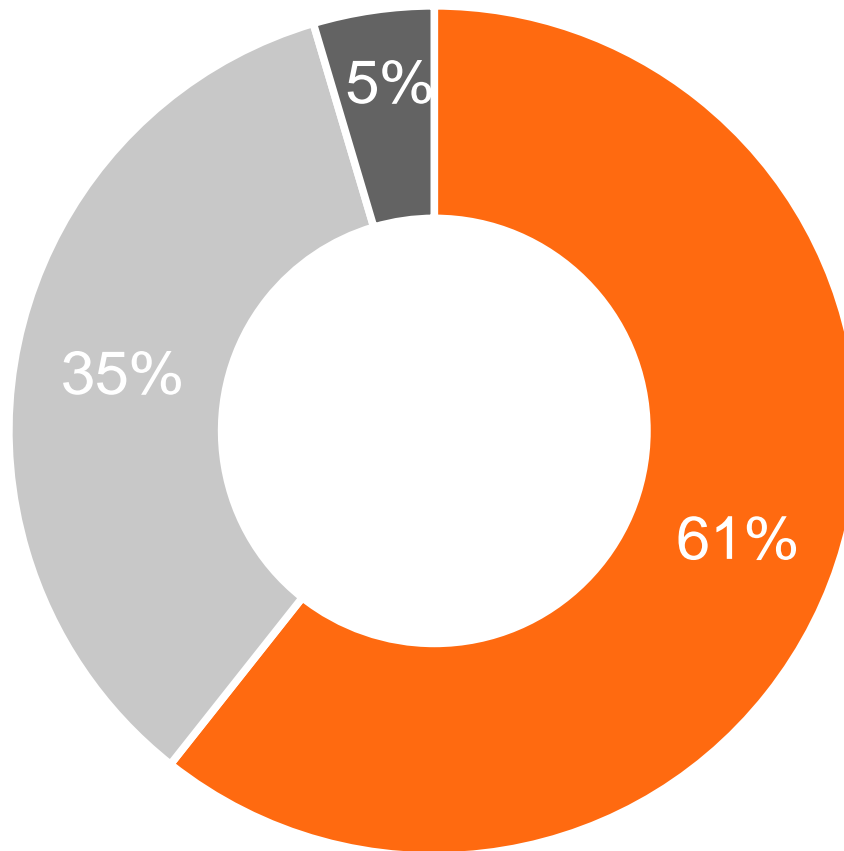


# Loans and Customer Funds

# OP-Pohjola Group Deposits by Customer Sector 30 September 2013



# OP-Pohjola Group Loans\* by Customer Sector 30 September 2013



- Households
- Corporate and public sector entities\*\*)
- Agriculture and forestry

**\*) incl lease assets**

**\*\*\*) incl. entrepreneurs**

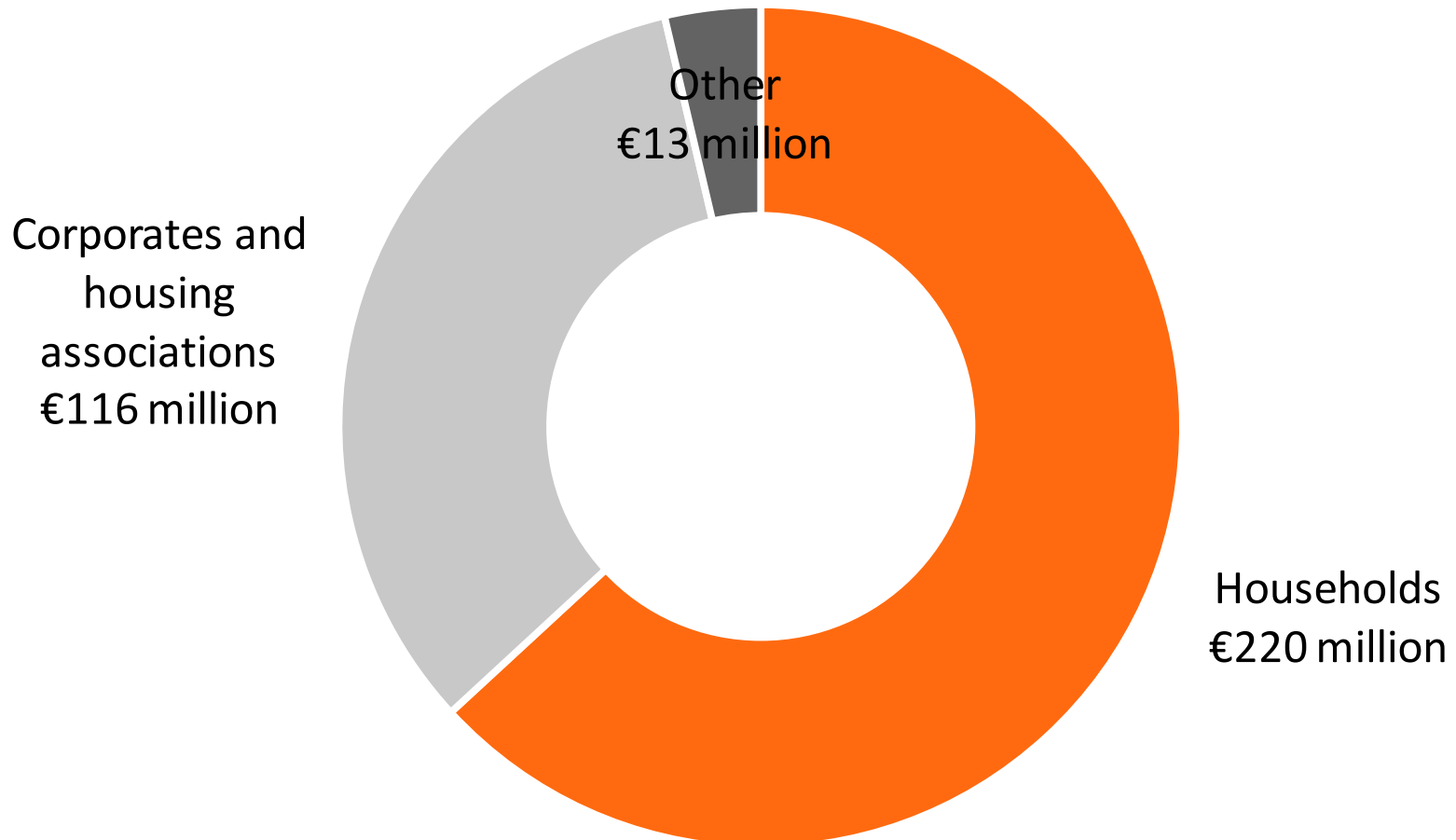


# OP-Pohjola Group

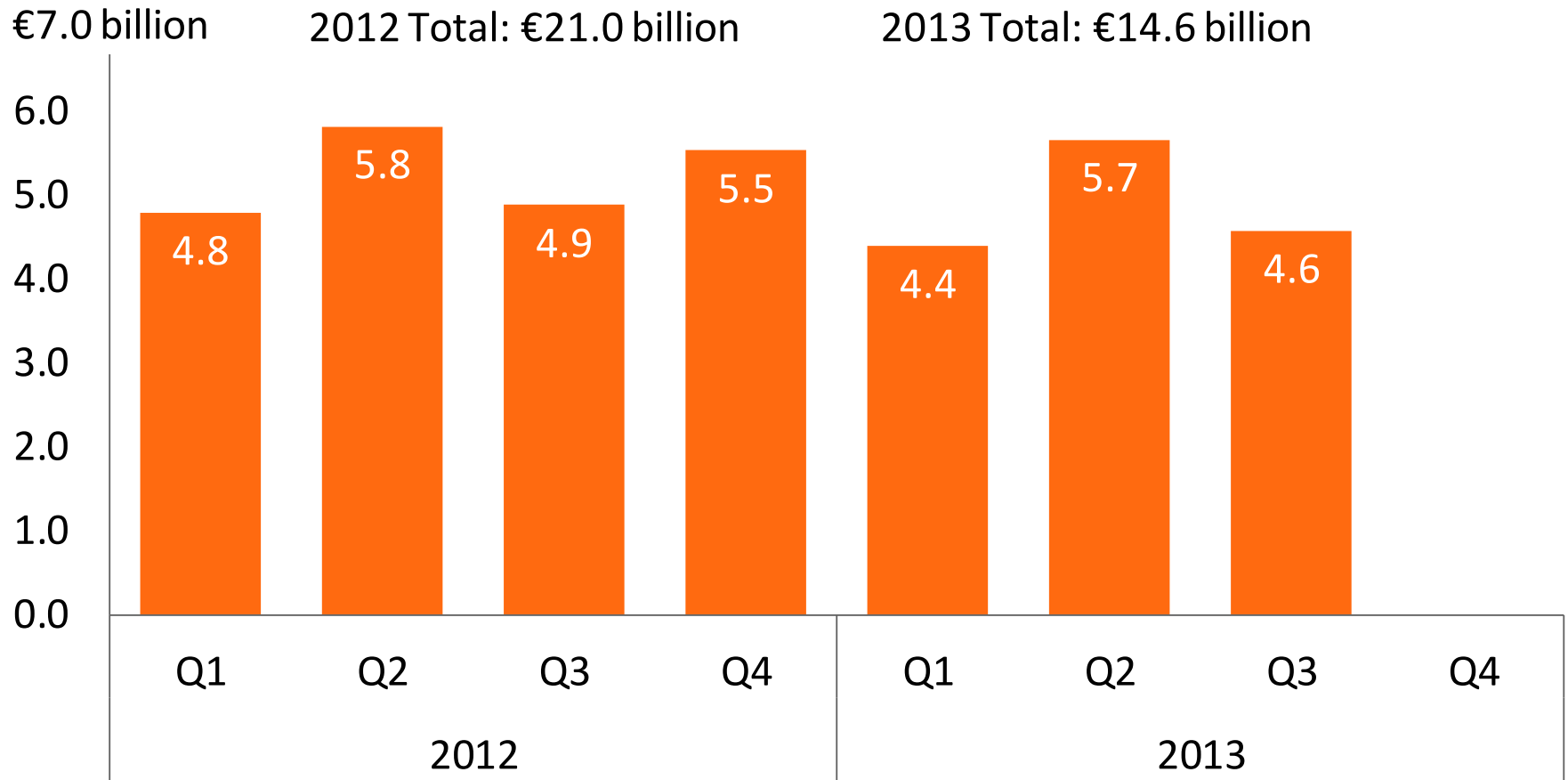
## Loan and Guarantee Portfolio by Sector

€ million	30 Sep 2013	30 Sep 2012	€ million	Change, %
<b>Enterprises and housing associations</b>	<b>25,420</b>	<b>23,414</b>	<b>2,006</b>	<b>8.6</b>
Renting and operating of residential real estate	5,369	4,775	595	12.5
Renting and operating of other real estate	3,128	2,976	152	5.1
Wholesale and retail trade	2,698	2,432	267	11.0
Construction	1,817	1,688	129	7.6
Services	1,746	1,695	51	3.0
Transportation and storage	1,533	1,510	24	1.6
Energy	1,401	611	790	129.2
Manufacture of machinery and equipment (incl. services)	1,347	1,268	79	6.2
Financial and insurance services	967	944	23	2.4
Real estate investments	929	1,045	-116	-11.1
Agriculture, forestry and fishing	895	836	59	7.0
Forest Industry	766	745	21	2.8
Metal Industry	594	625	-31	-5.0
Food Industry	569	645	-76	-11.7
Chemical Industry	363	361	2	0.6
Other manufacturing	310	398	-89	-22.2
Other industries	987	861	126	14.7
<b>Public corporations and non-profit organisations</b>	<b>1,300</b>	<b>1,215</b>	<b>85</b>	<b>7.0</b>
<b>Households</b>	<b>44,221</b>	<b>42,071</b>	<b>2,150</b>	<b>5.1</b>
<b>Adjustments</b>	<b>-10</b>	<b>99</b>	<b>-109</b>	<b>0.0</b>
<b>Total</b>	<b>70,931</b>	<b>66,799</b>	<b>4,132</b>	<b>6.2</b>

OP-Pohjola Group  
Non-performing and Zero-interest Receivables  
30 September 2013  
€349 million



# OP-Pohjola Group New Loans by Quarter

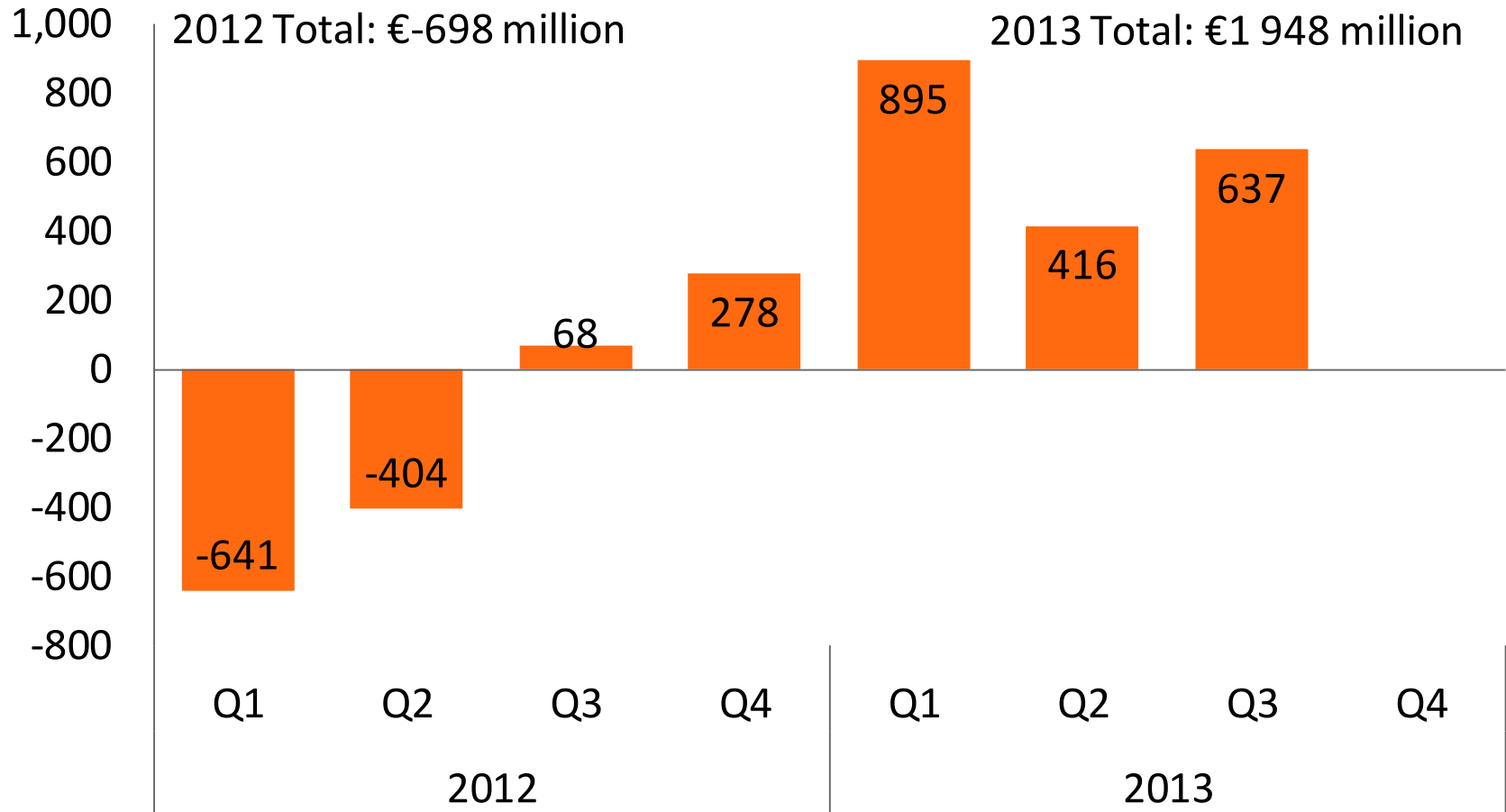




# OP-Pohjola Group

## Net Sales Inflow of Mutual Funds by Quarter

€million

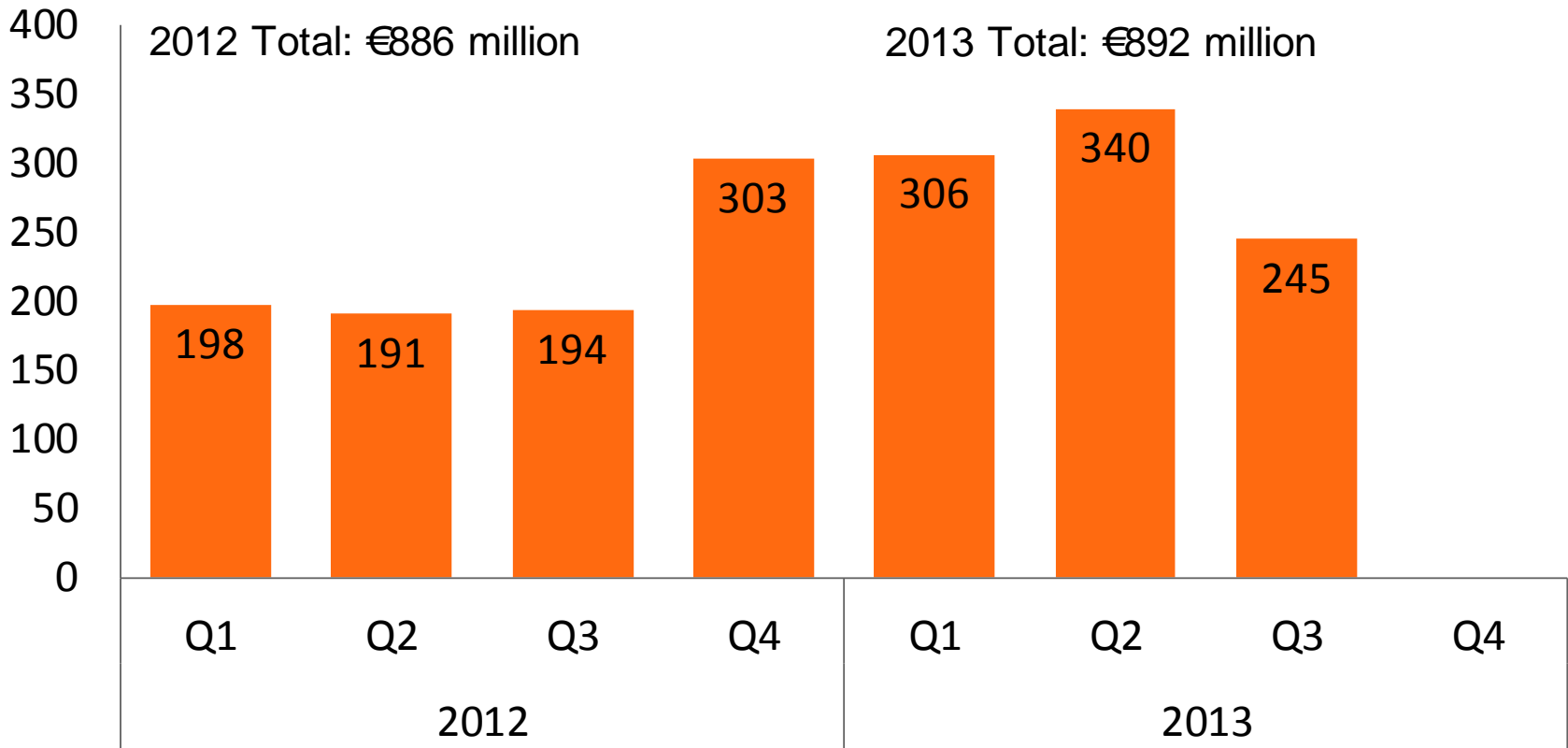


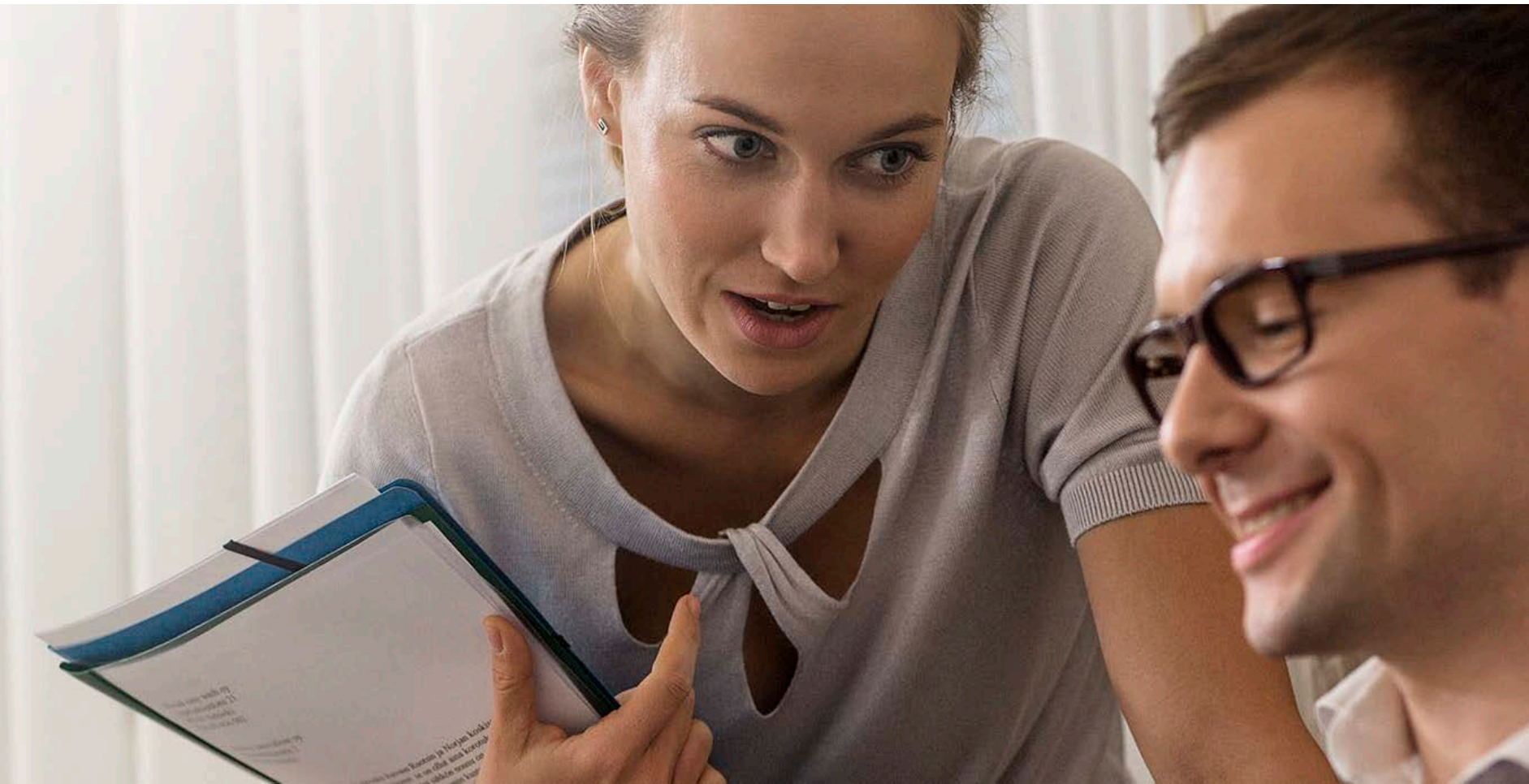
# OP-Pohjola Group

## Life and Pension Insurance Premiums

### Written by Quarter

€million



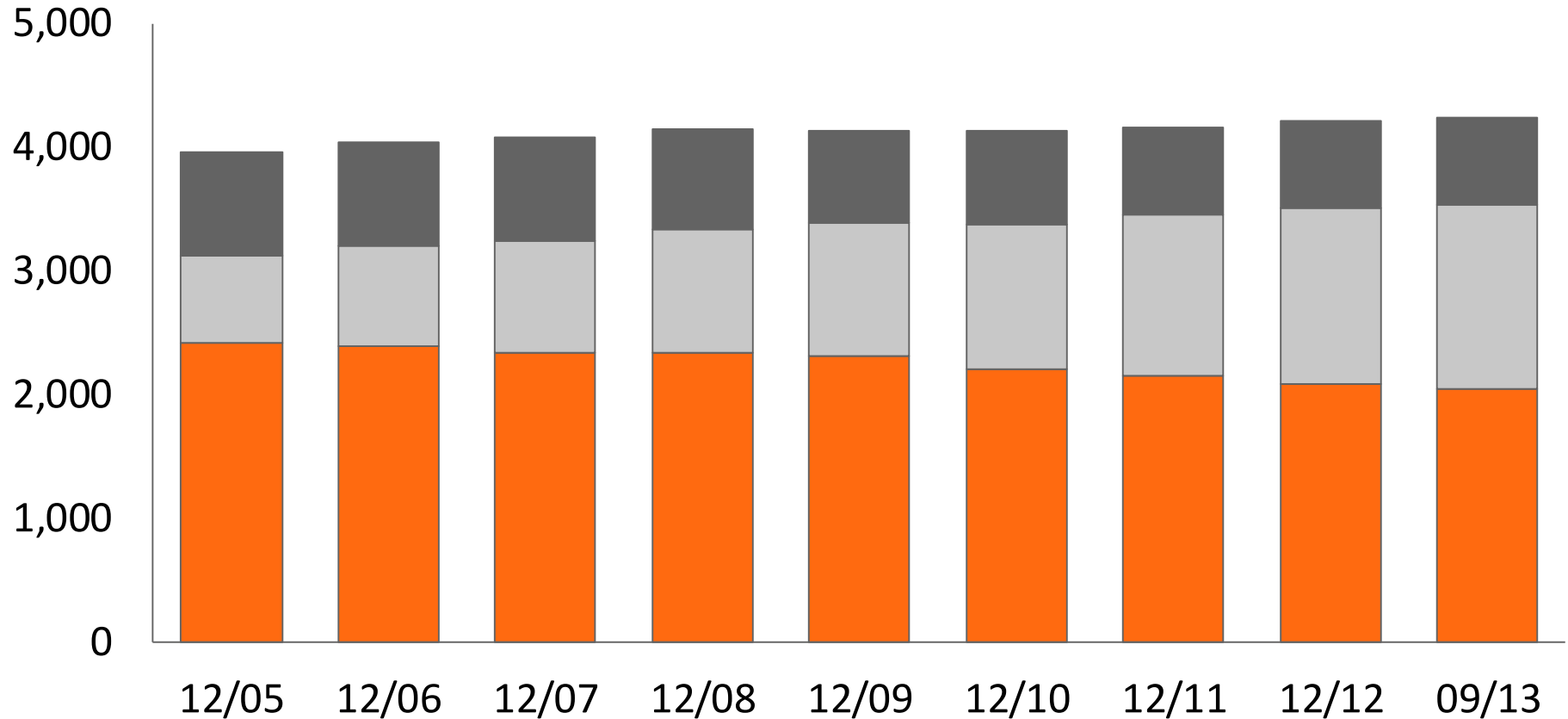


**Customers, Owner-members, etc.**

# OP-Pohjola Group

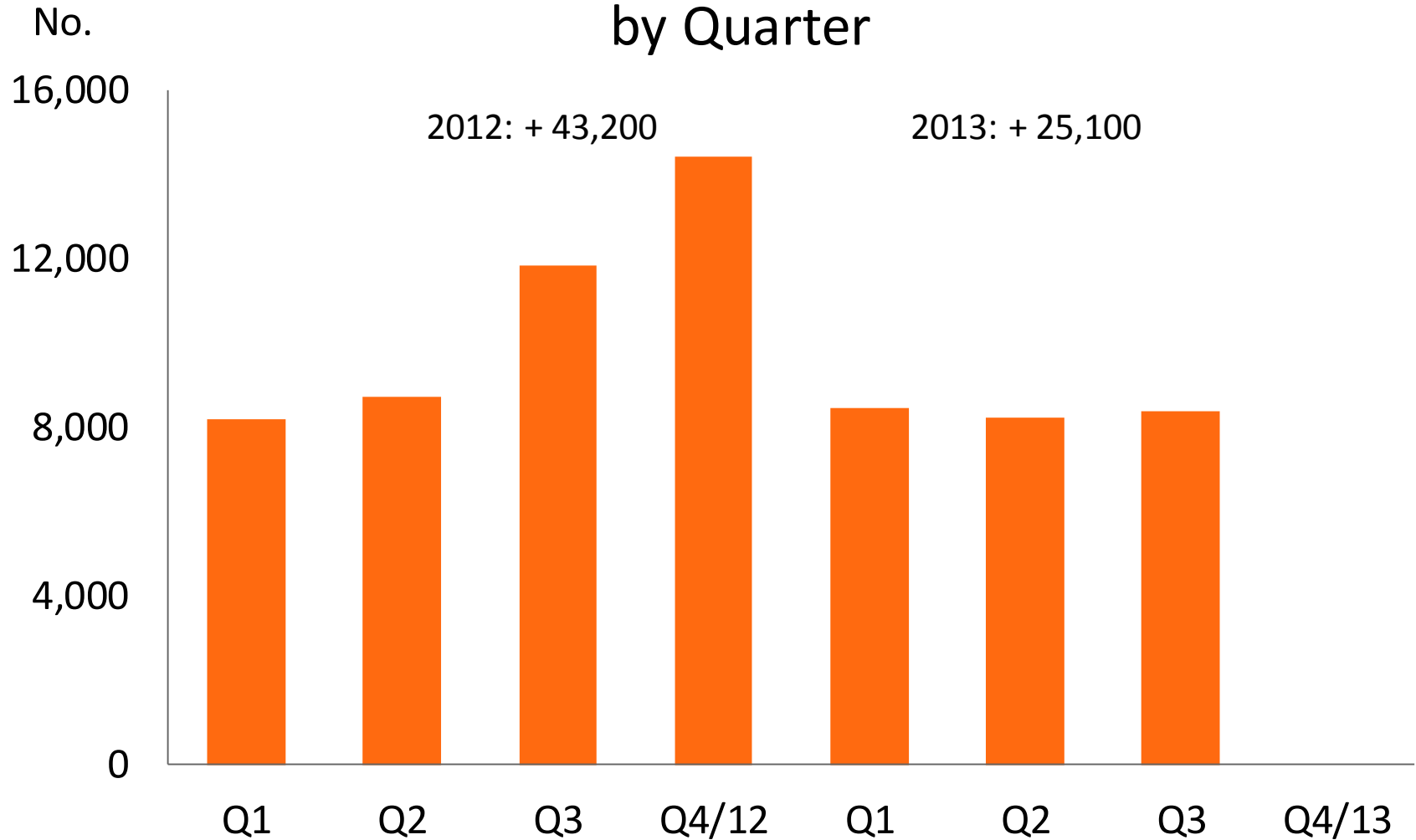
## Breakdown of Customer Base

1,000 customers



Bank customers    Bank and non-life insurance cust.    Non-life insurance customers

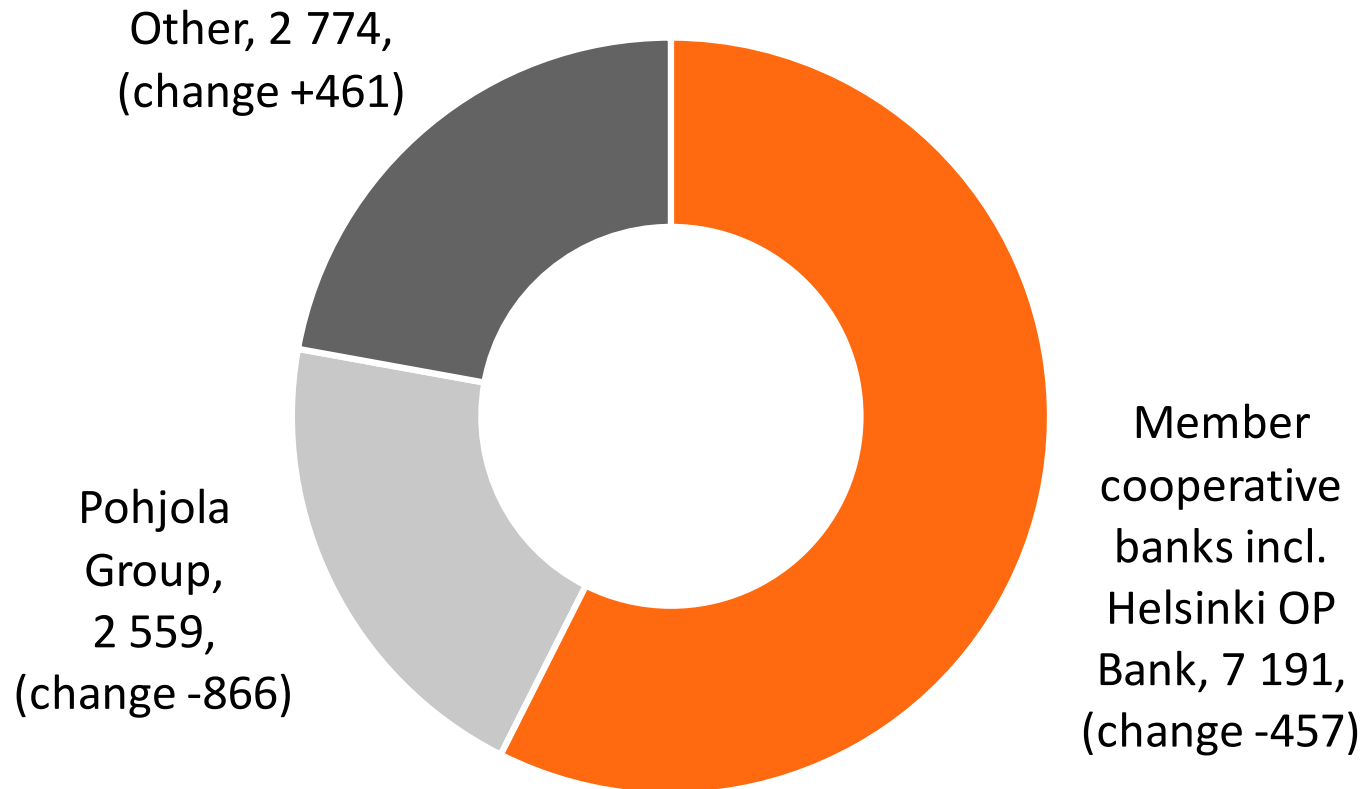
# OP-Pohjola Group Net Increase in Owner-members by Quarter



# OP-Pohjola Group's Personnel

## 30 September 2013

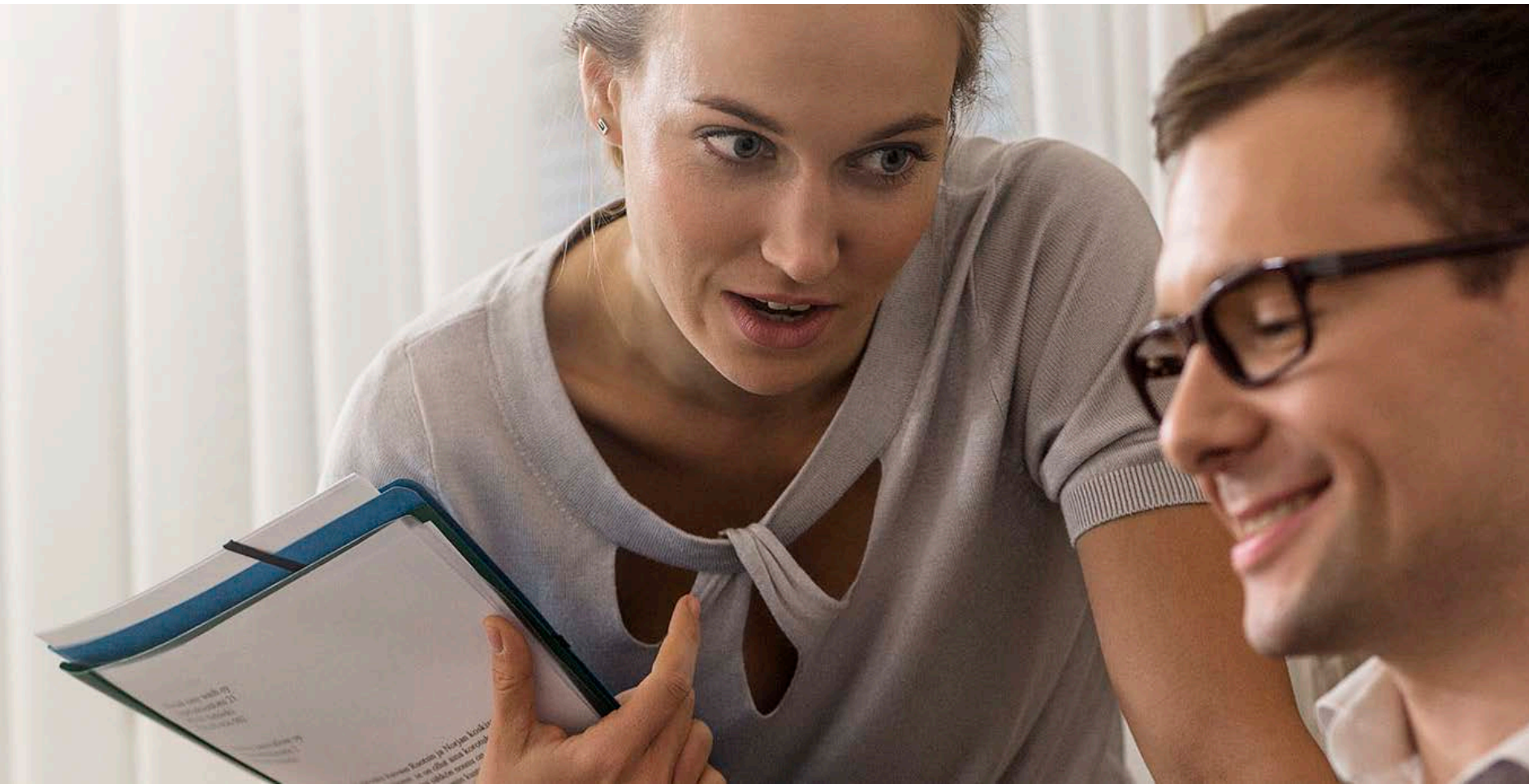
12,524 (-862 within 12 months)



# OP-Pohjola Group

## Service Network

	30 Sep 2013	Change from year- end	12-month change
eServices Agreements	1,637,000	26,000	38,000
Locations	496	-23	-27
providing both banking and insurance services	355	5	5
Private banking locations	38	1	1
Online customer terminals	505	-25	-35

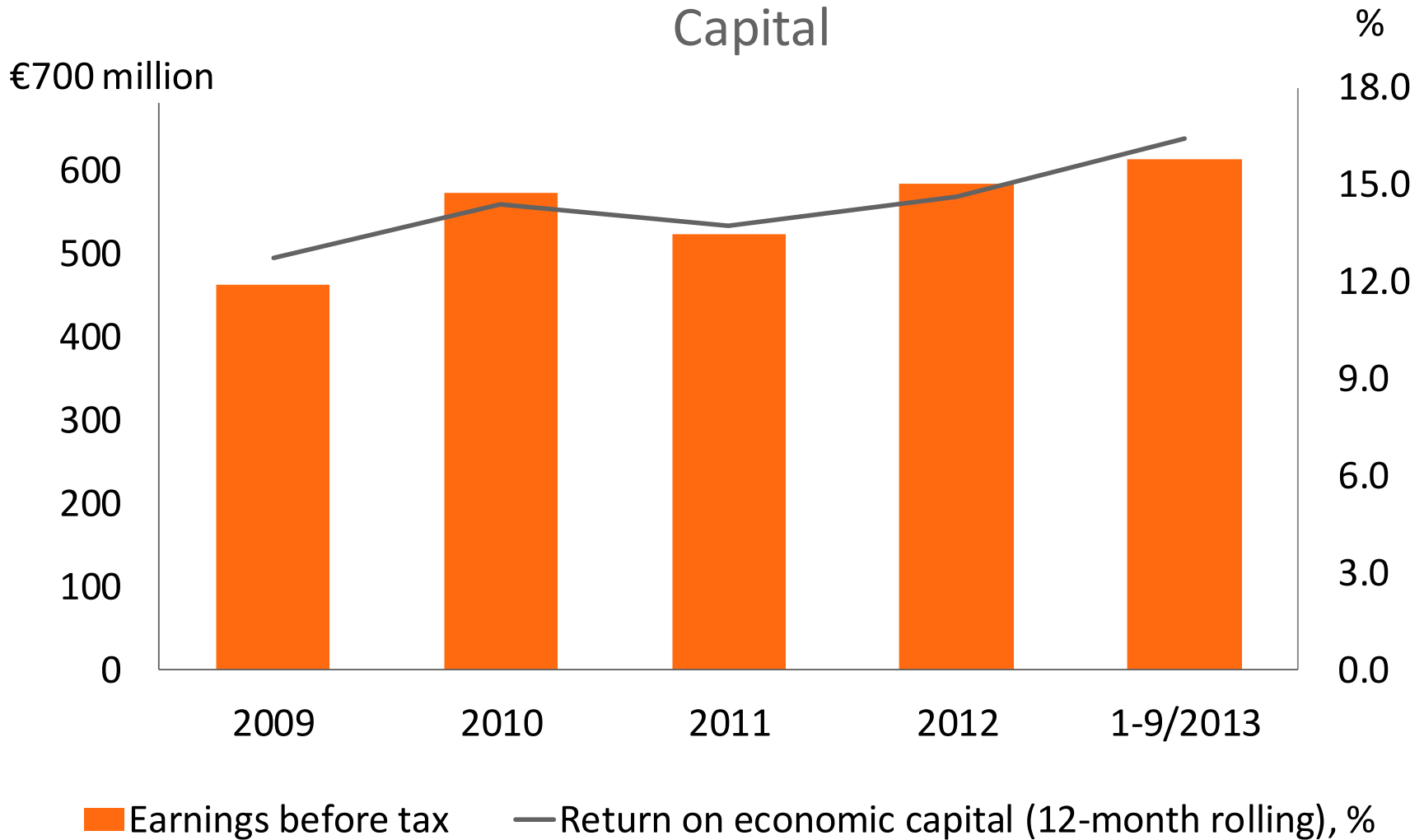


## 5-year Trends



# OP-Pohjola Group

## Earnings before Tax and Return on Economic Capital

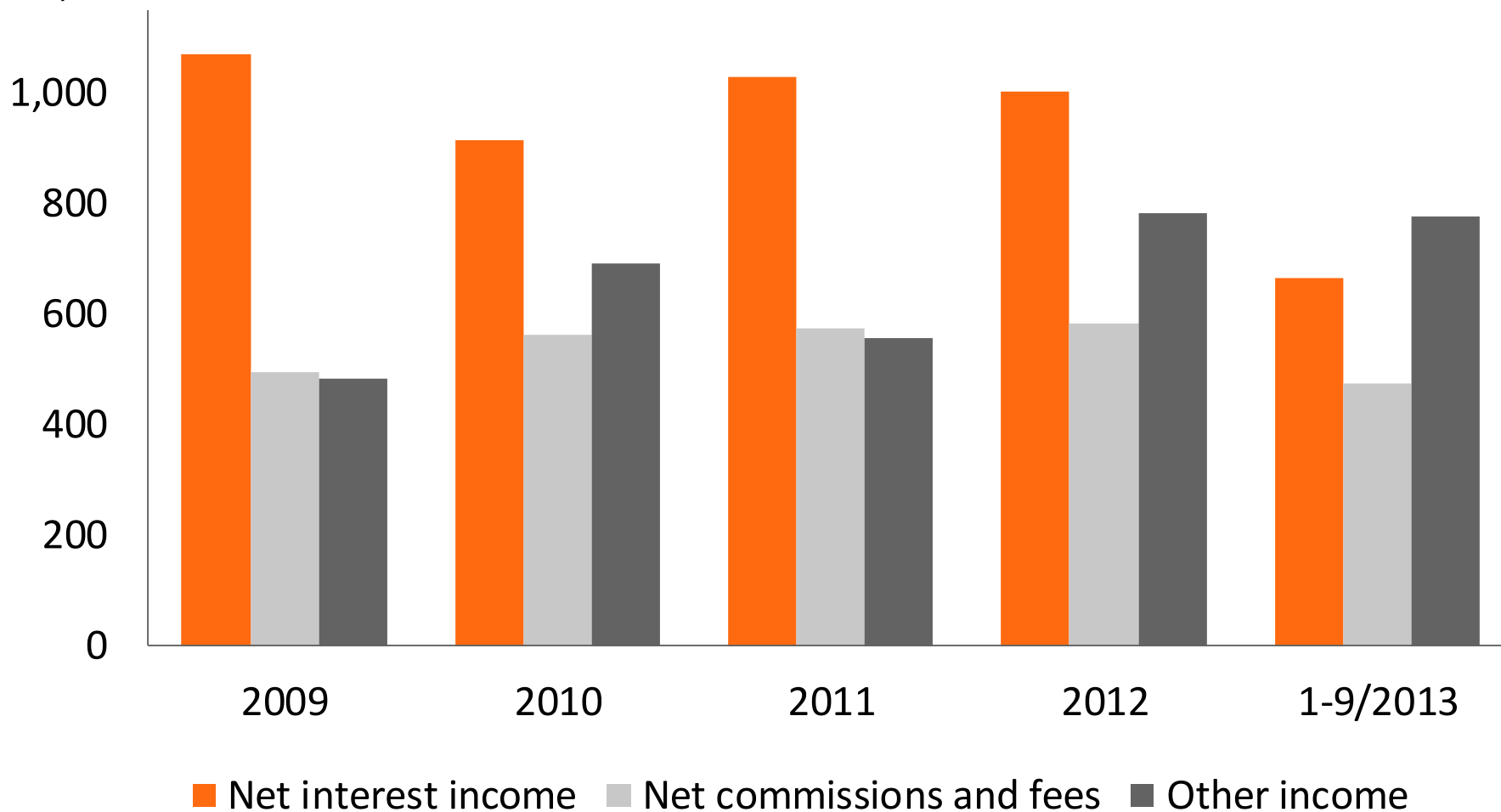


# OP-Pohjola Group Earnings before Tax

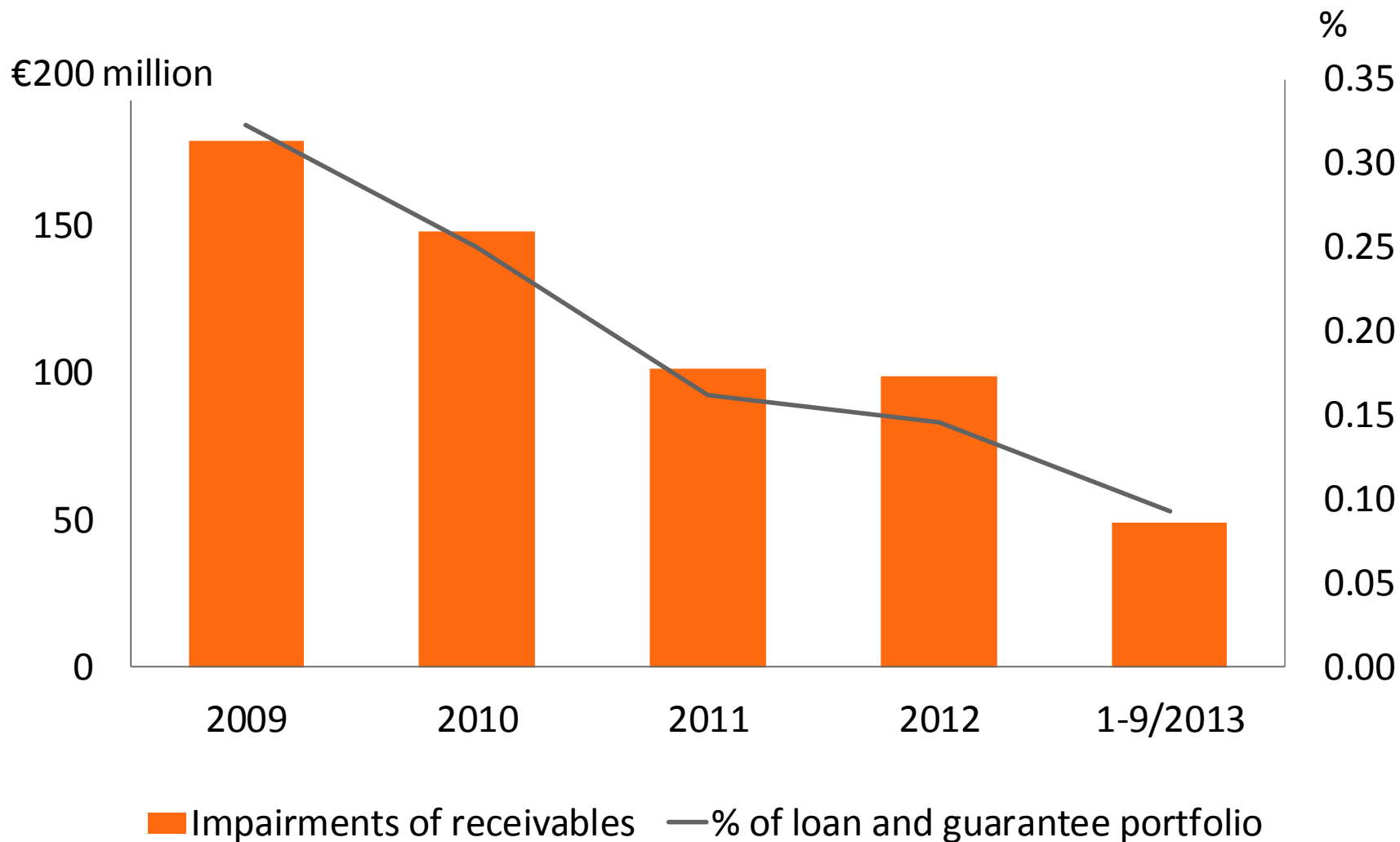


# OP-Pohjola Group Income

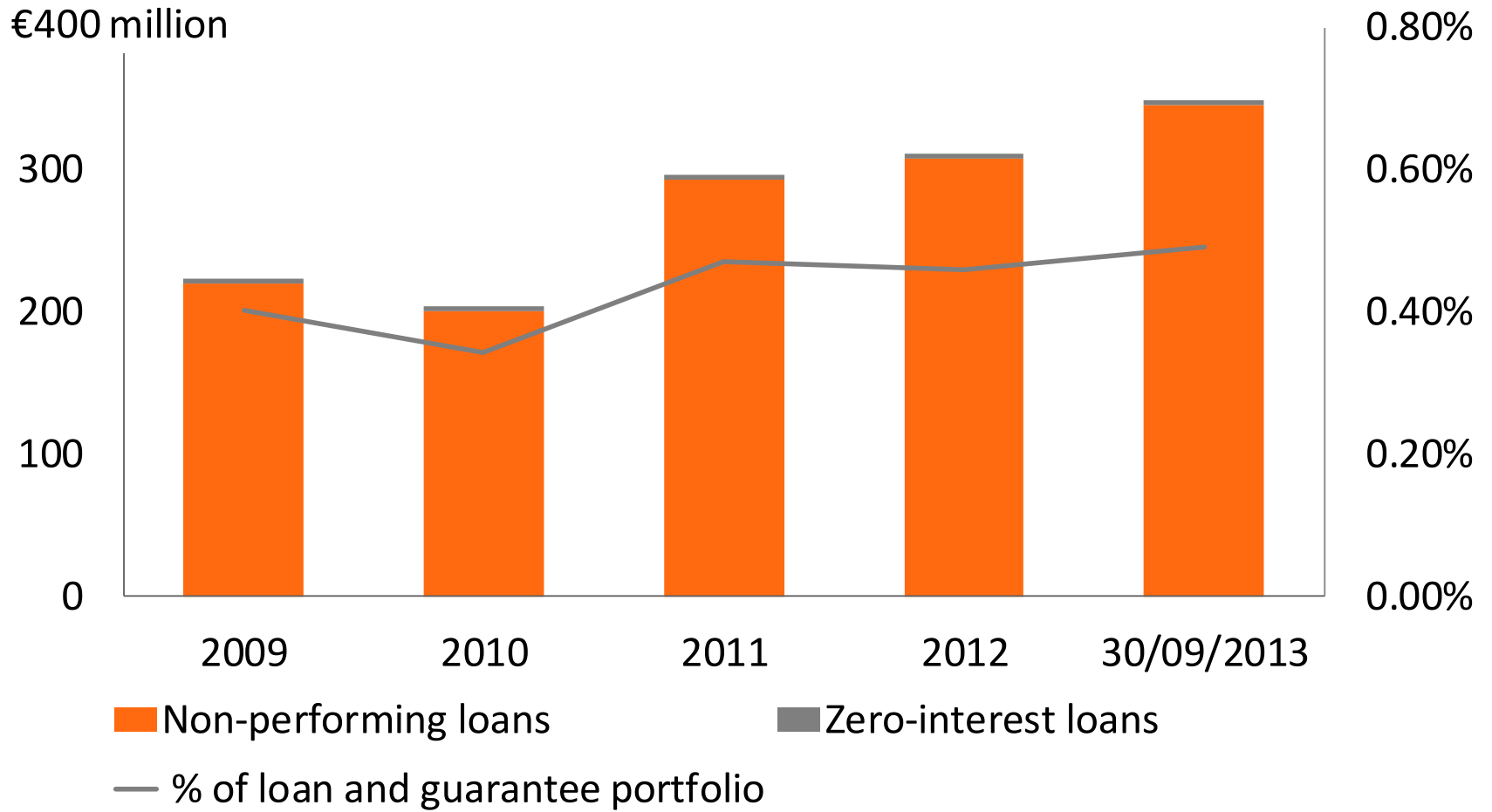
€1,200 million



# OP-Pohjola Group Impairments of Receivables

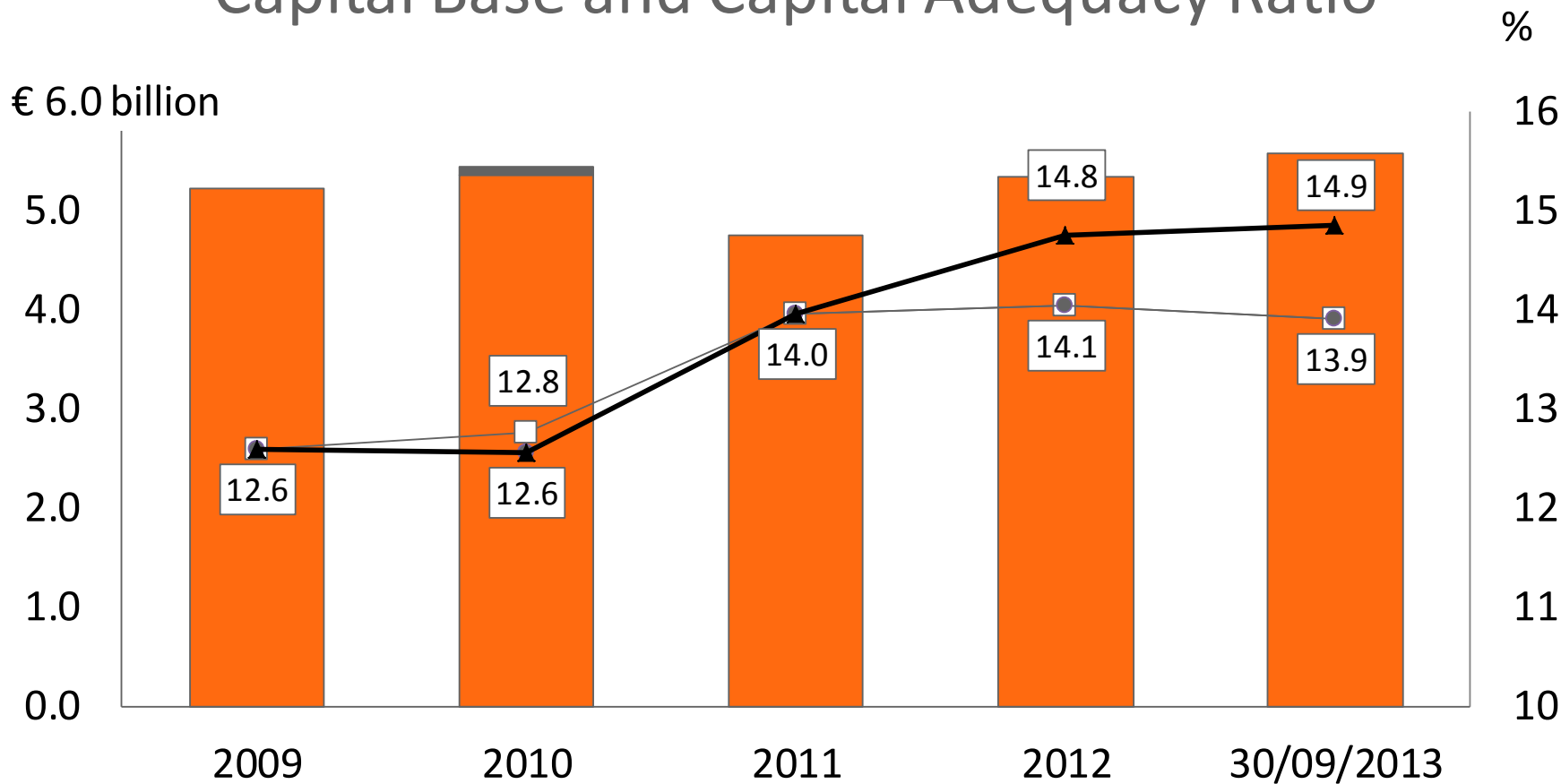


# OP-Pohjola Group Non-performing loans



# The amalgamation of the cooperative banks

## Capital Base and Capital Adequacy Ratio



Core Tier 1 Capital Resources

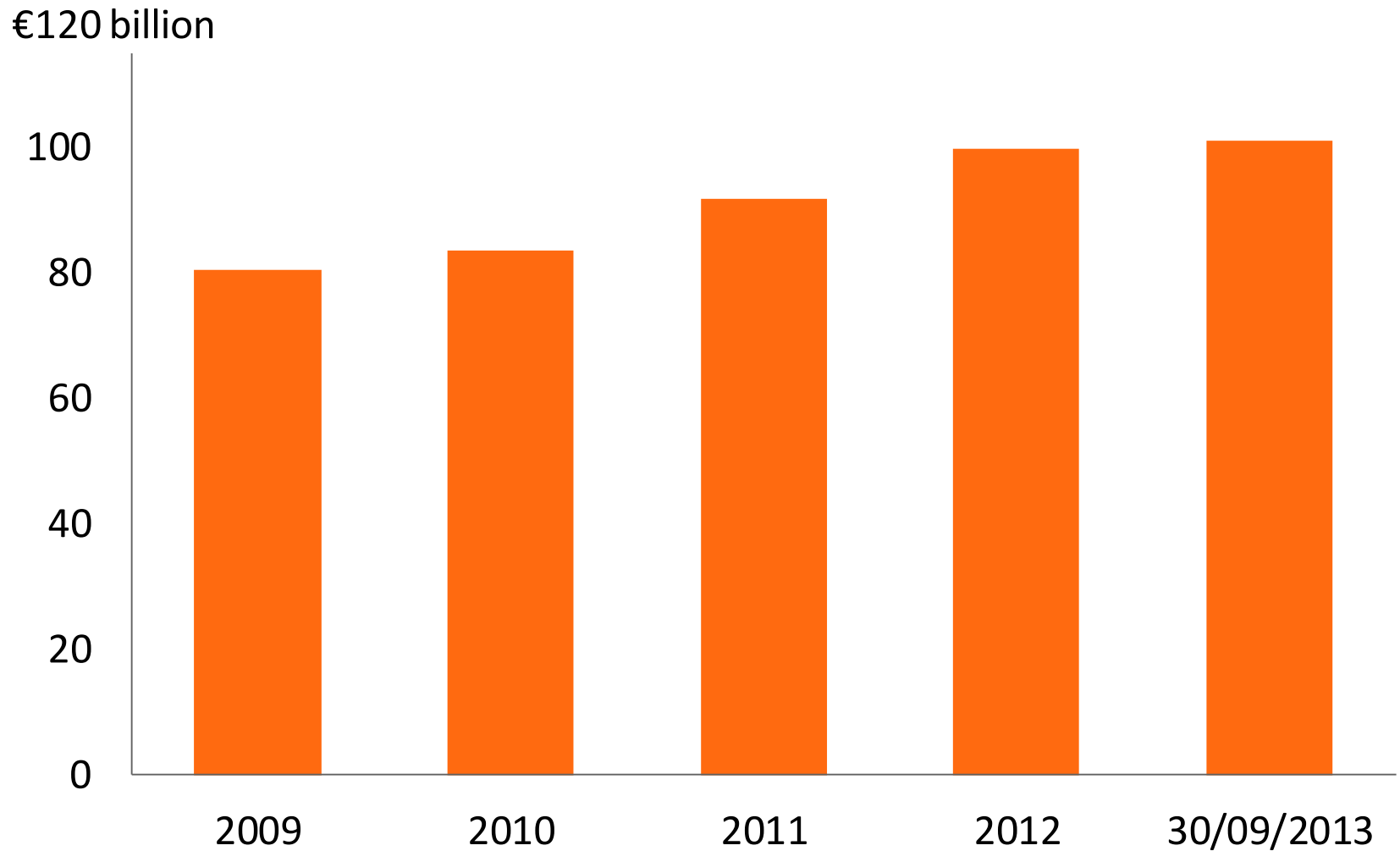
Hybrid capital

Tier 1 ratio, %

Core Tier 1, %

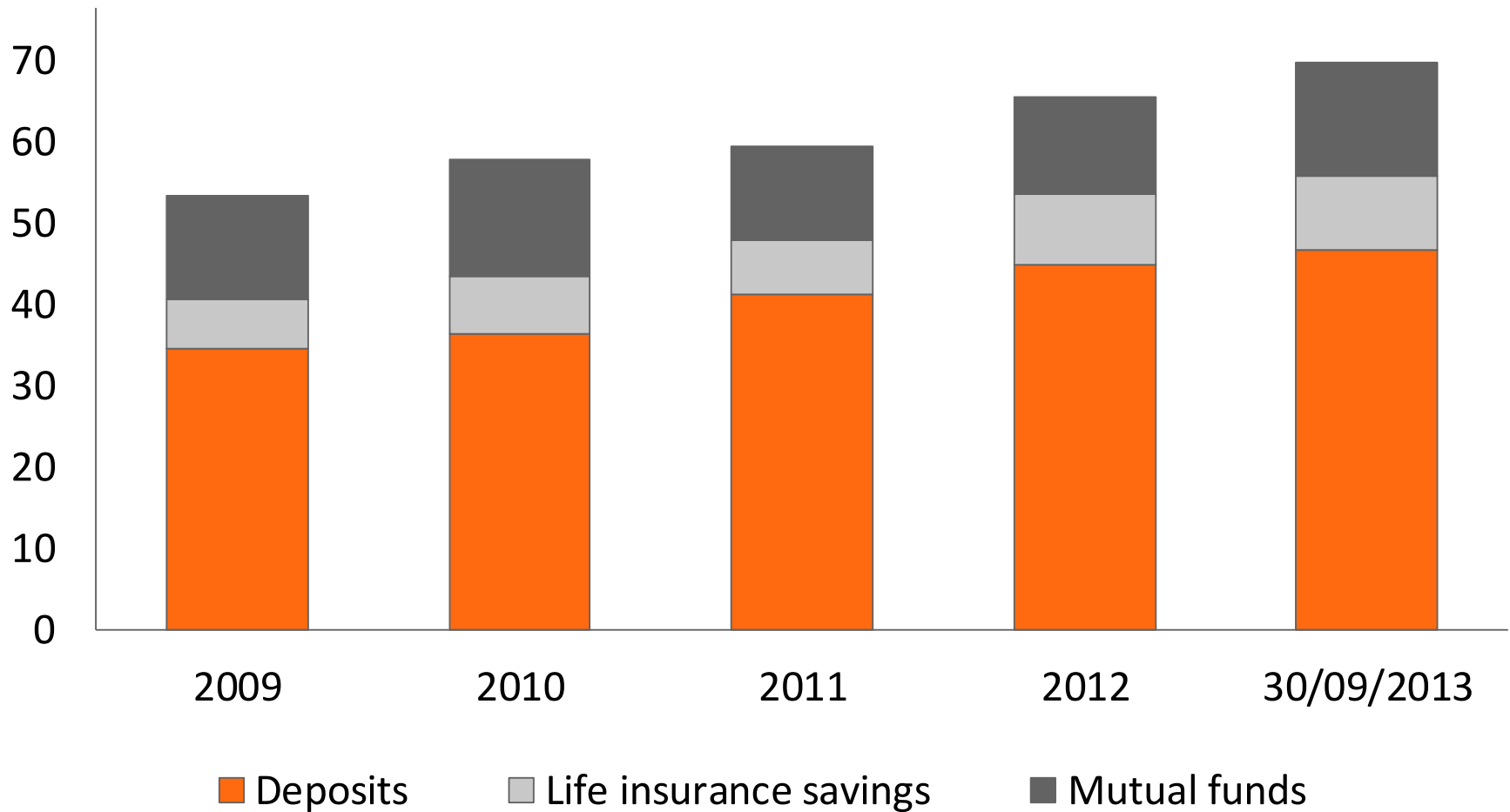
Core Tier 1 ratio before the transition provisions, %

# OP-Pohjola Group Balance Sheet



# OP-Pohjola Group Customer Funds

€80 billion





# OP-Pohjola Group Loans and Deposits

€80 billion

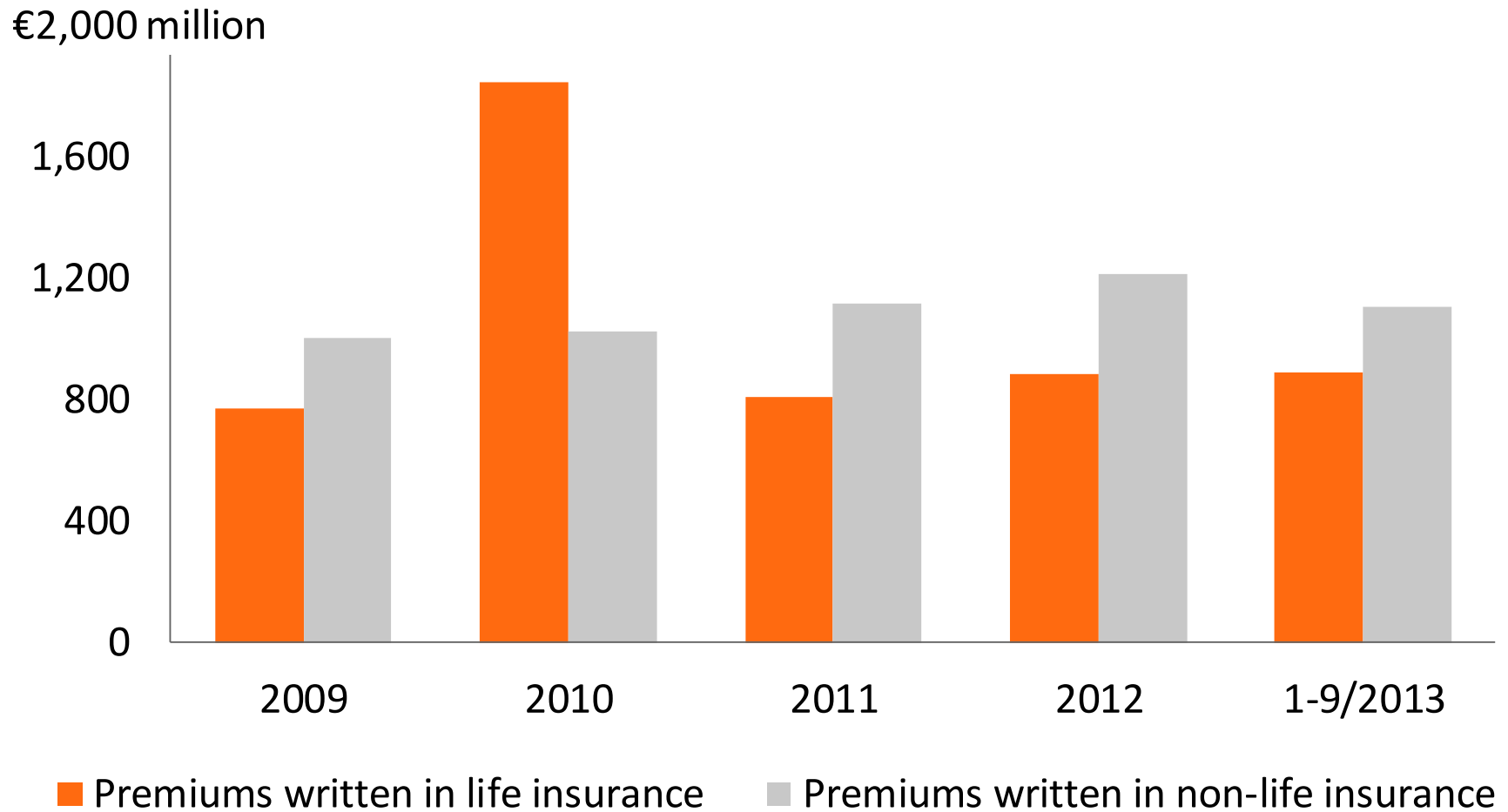


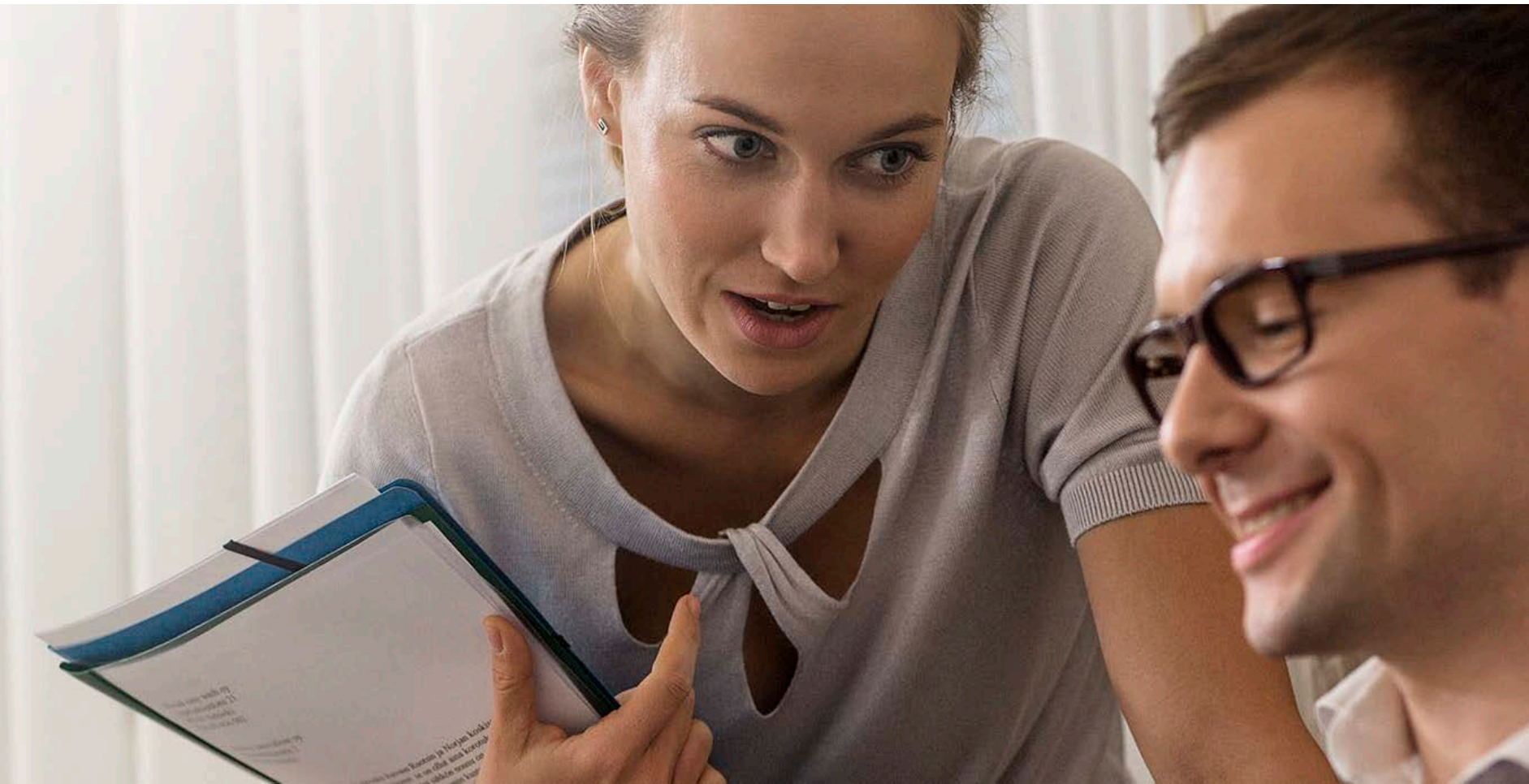
Loans

Deposits



# OP-Pohjola Group Premiums Written in Life and Non-life Insurance





Thank you