

A young man and woman are sitting on a wooden pier, looking out at the ocean. The man is in the foreground, wearing a white patterned shirt, and the woman is behind him, wearing a pink top. The sun is bright in the sky, creating a lens flare effect. The text "OP Financial Group's Interim Report for 1 January–30 June 2015" is overlaid in white on the image.

OP Financial Group's Interim Report for 1 January–30 June 2015

Contents

1. OP Financial Group
2. Year-on-year results
3. Quarterly figures
4. Capital adequacy
5. Balance sheet
6. Loans and customer funds
7. Customers, owner-customers etc.
8. 5-year trends



OP Financial Group

OP Financial Group

1.4 MILLION OWNER-CUSTOMERS

SOME 180 GROUP MEMBER BANKS



BANKING

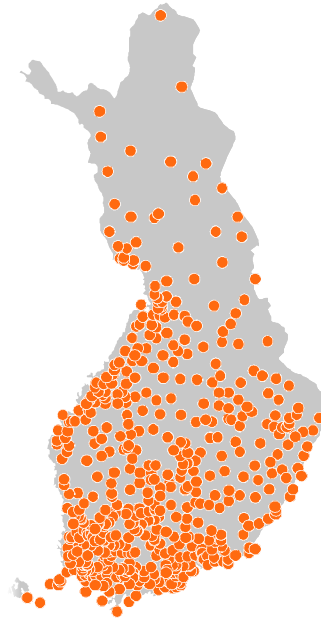
NON-LIFE INSURANCE

WEALTH MANAGEMENT

OP in a Nutshell



1.4 million
owner-customers



About 180
Group member cooperative banks



Hyperlocal digital
financial services group

OP Financial Group Key Indicators

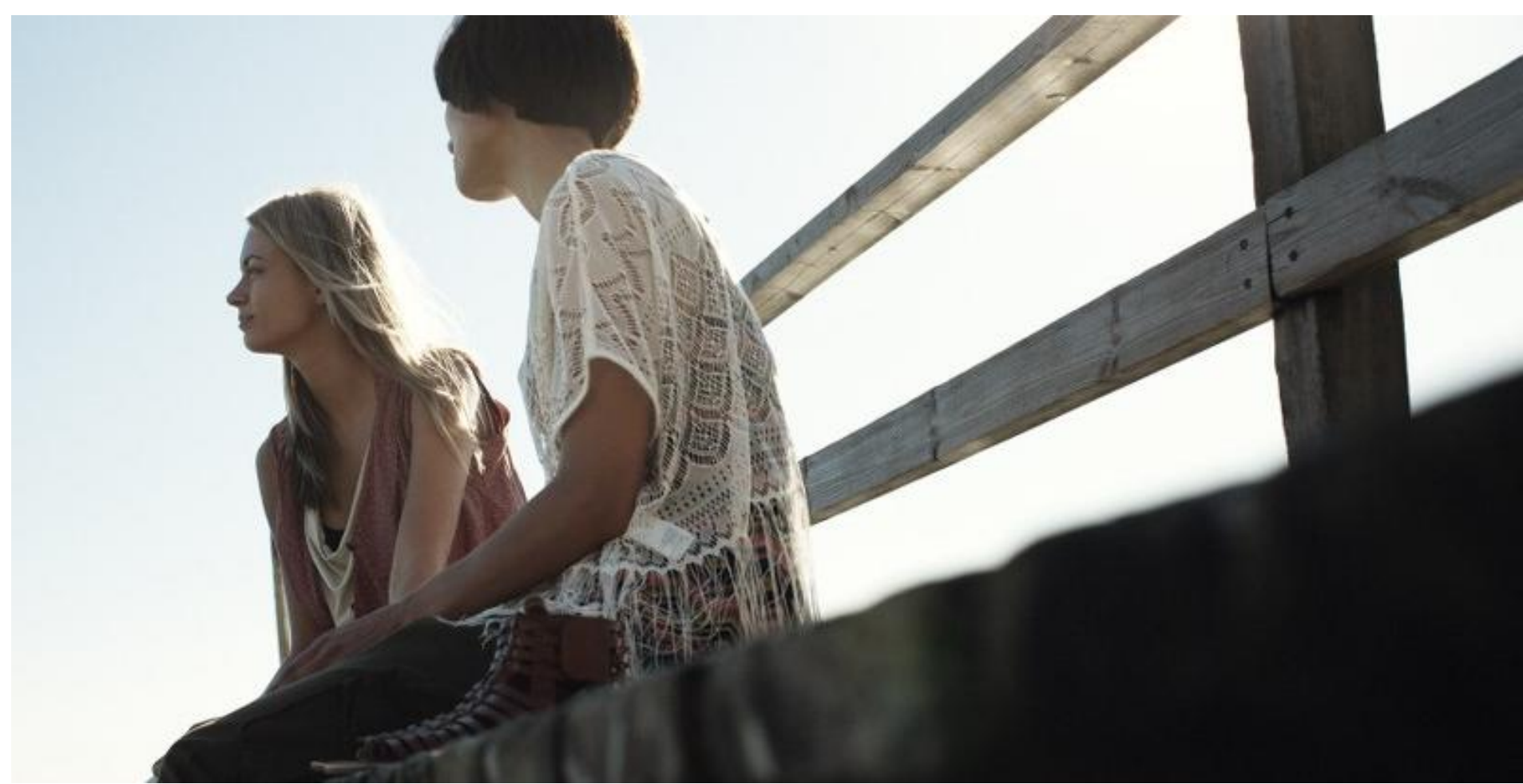
| | H1/2015 | H1/2014 | Change, % | Q1-Q4/2014 |
|----------------------------------|---------|---------|-----------|------------|
| Earnings before tax, EUR million | 627 | 488 | 28.5 | 915 |
| Banking | 356 | 289 | 23.2 | 571 |
| Non-life Insurance | 144 | 133 | 8.1 | 223 |
| Wealth Management | 128 | 102 | 24.9 | 167 |
| New accrued customer bonuses | 97 | 93 | 4.5 | 189 |

| | 30 June 2015 | 30 June 2014 | Change, % | 31 December 2014 |
|---|--------------|--------------|-----------|------------------|
| Common Equity Tier 1 (CET1) ratio, % | 18.1 | 12.8 | 5.3 * | 15.1 |
| Ratio of capital base to minimum amount of capital base (under the Act on the Supervision of Financial and Insurance Conglomerates) % | 178 | 169 | 10 * | 189 |
| Ratio of receivables more than 90 days overdue to loan and guarantee portfolio, % | 0.42 | 0.41 | 0.01 * | 0.37 |
| Joint banking and insurance customers (1,000) | 1,618 | 1,554 | 4.1 | 1590 |

* Change in ratio

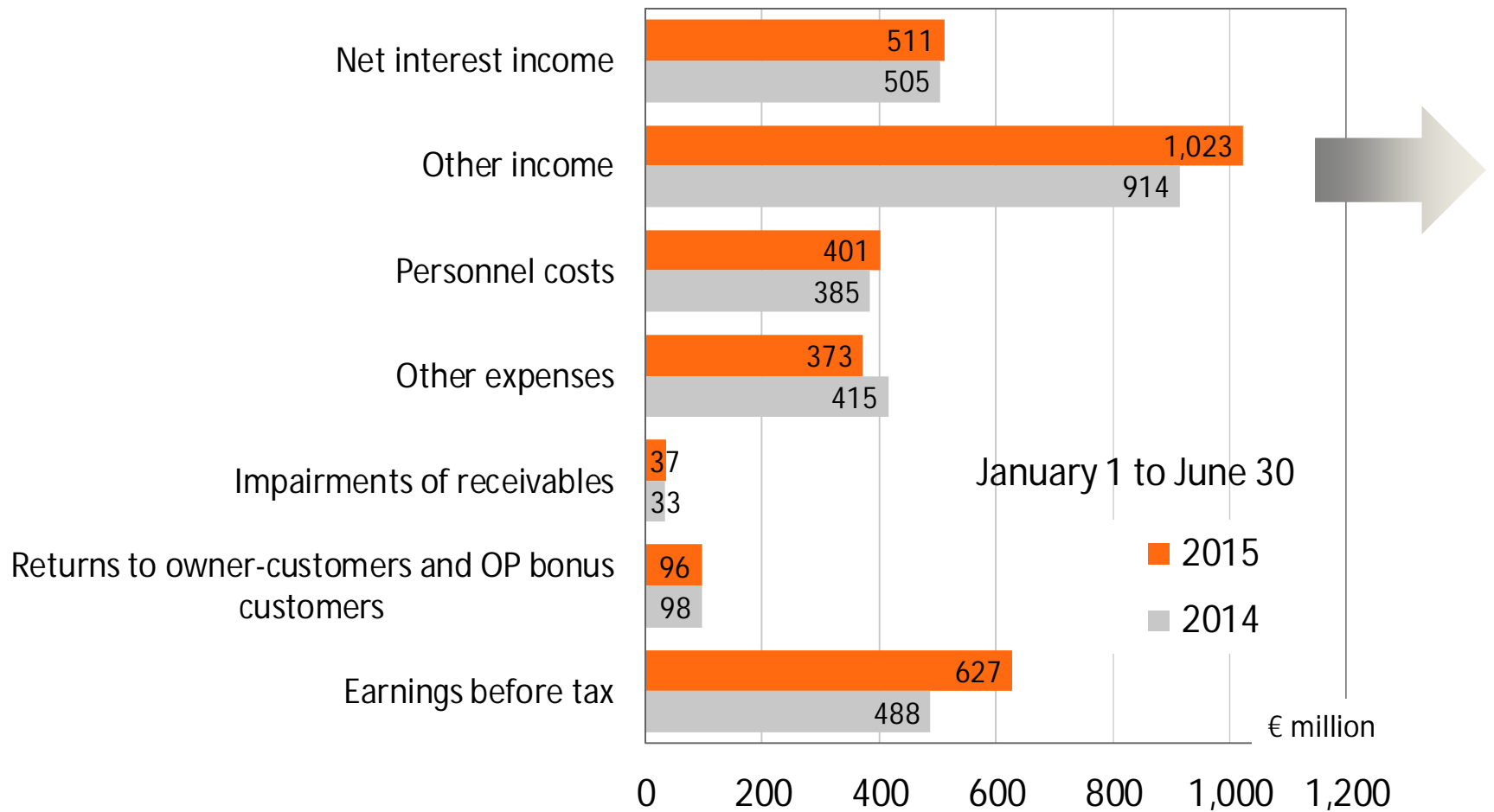
Joint Liability, Deposit Insurance and Investors' Compensation

- 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 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 Financial Group's member cooperative banks as well as Pohjola Bank plc, Helsinki OP Bank Plc, OP Mortgage Bank , OP Card Company Plc 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 Cooperative are ultimately jointly and severally liable for each other's debts and commitments. OP Financial Group's insurance companies, for example, do not therefore fall within the scope of joint liability.
- Deposit banks belonging to OP Financial Group, i.e. its member cooperative banks, Pohjola Bank plc and Helsinki OP Bank Plc , are regarded as a single bank with respect to deposit insurance. Under legislation governing the Investors' Compensation Fund, OP Financial Group is also considered a single entity in respect of investors ' compensation.



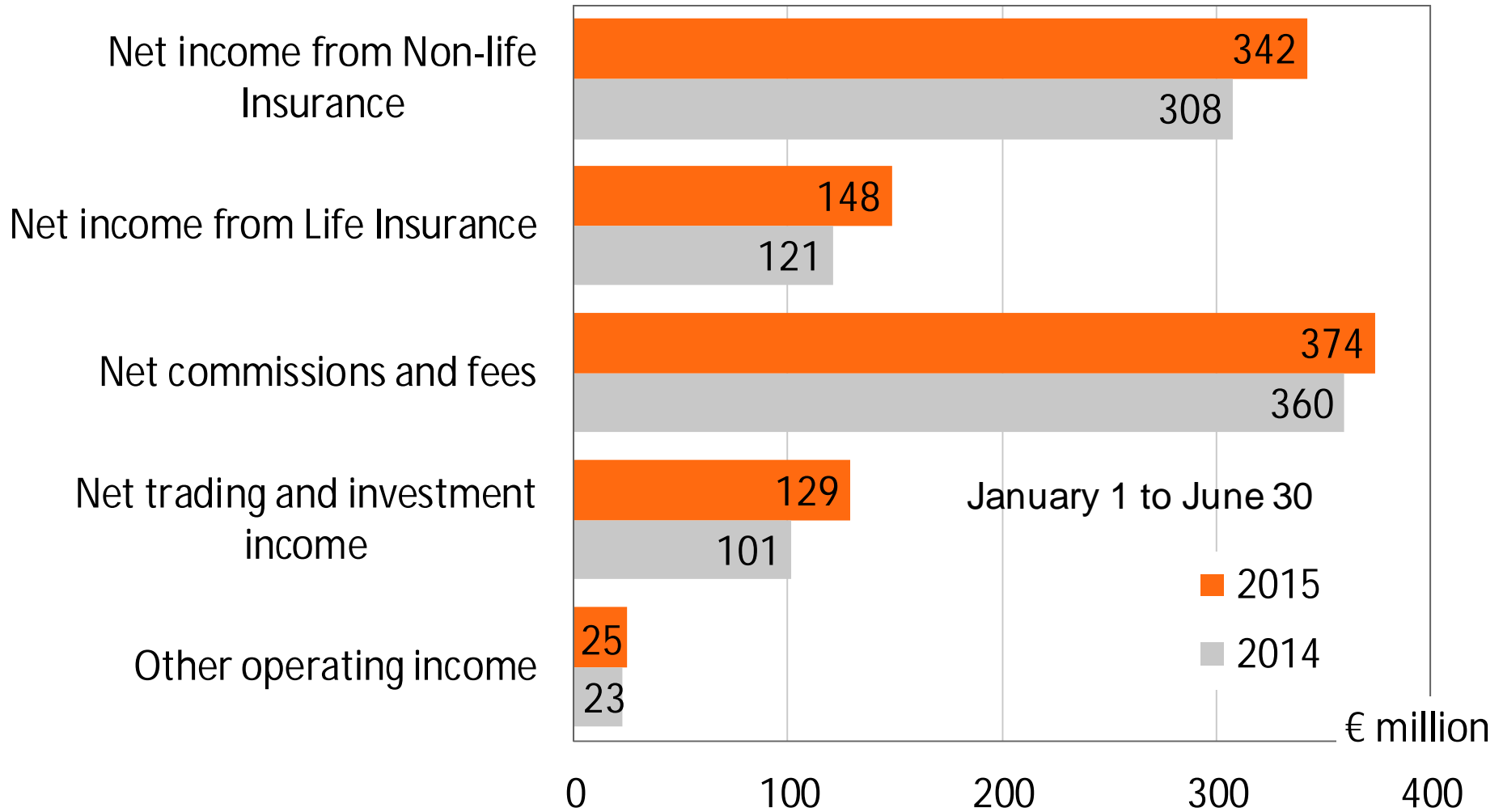
Year-on-year Results

OP Financial Group's Income Statement





OP Financial Group's Other Income

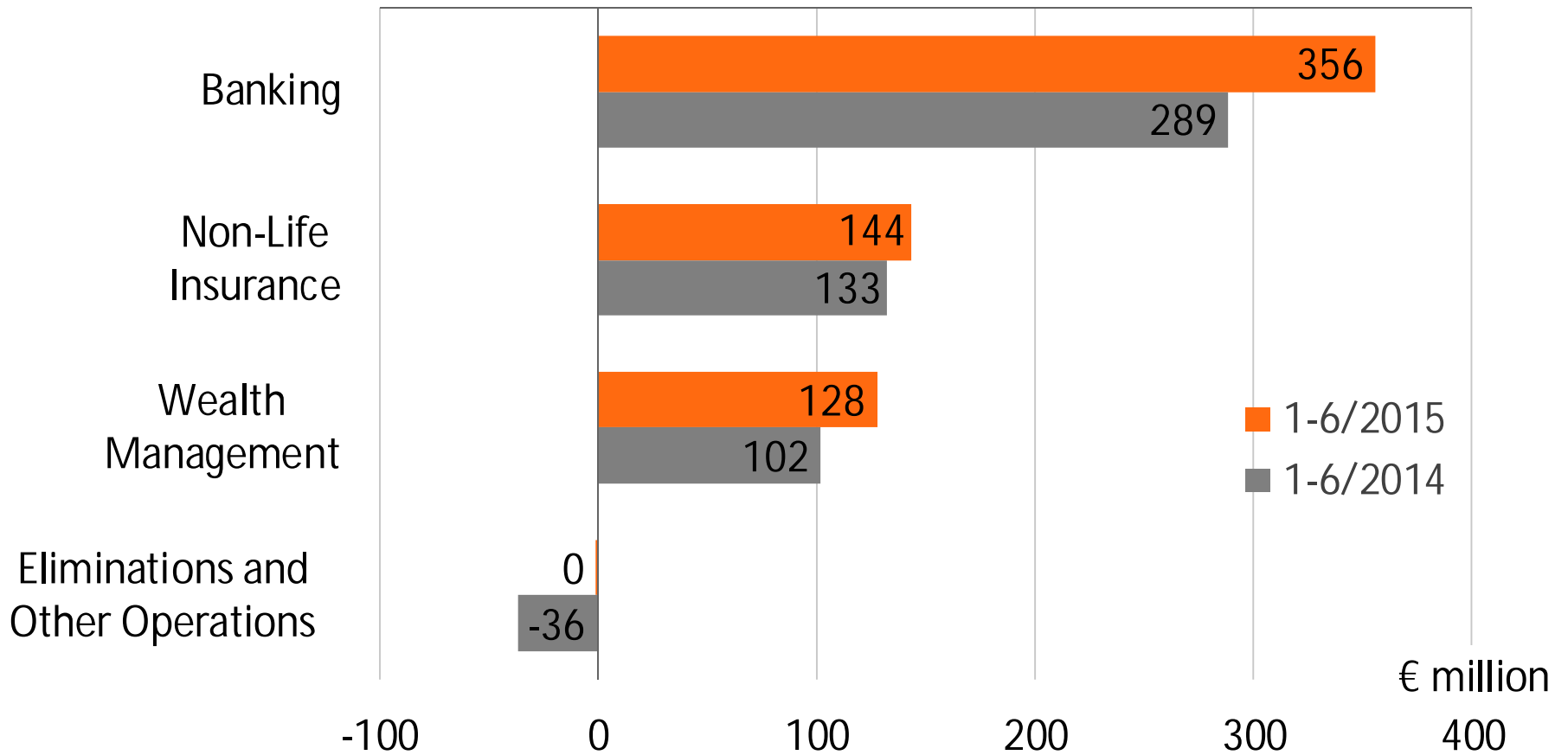


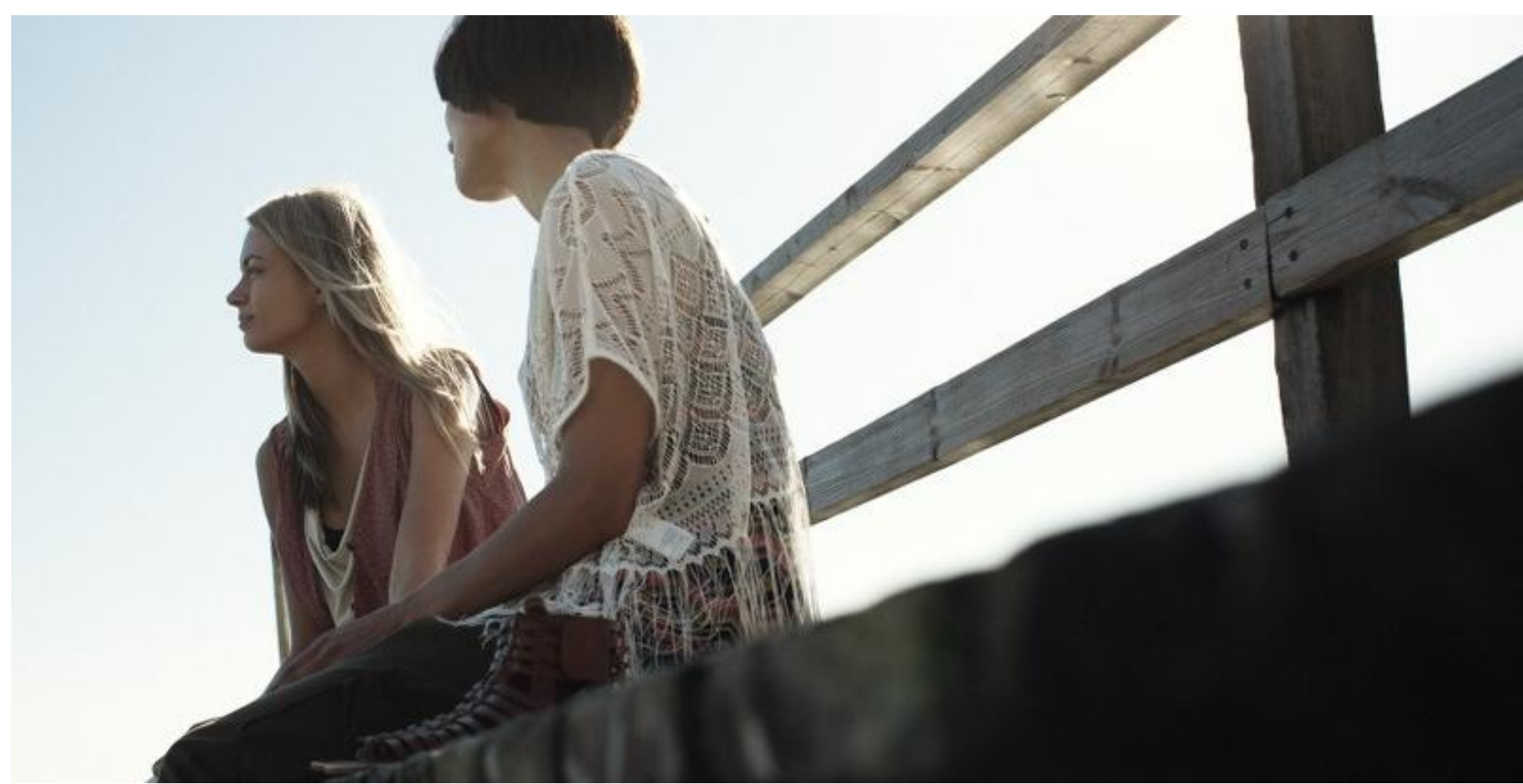
OP Financial Group's Income Statement

| January 1 to June 30 € million | 2015 | 2014 | Change | |
|---|-------|-------|-----------|-------|
| | | | € million | % |
| Interest income | 1,264 | 1,333 | -69 | -5.2 |
| Interest expenses | 753 | 828 | -75 | -9.1 |
| Net interest income | 511 | 505 | 6 | 1.2 |
| Impairments of receivables | 37 | 33 | 4 | 10.9 |
| Net interest income after impairment losses | 474 | 472 | 2 | 0.5 |
| Net income from Non-life Insurance operations | 342 | 308 | 34 | 11.2 |
| Net income from Life Insurance operations | 148 | 121 | 28 | 22.8 |
| Net commissions and fees | 374 | 360 | 14 | 3.9 |
| Net trading income | 63 | 55 | 8 | 14.6 |
| Net investment income | 66 | 46 | 20 | 42.6 |
| Other operating income | 25 | 23 | 2 | 8.5 |
| Personnel costs | 401 | 385 | 16 | 4.2 |
| Other administrative expenses | 203 | 215 | -11 | -5.3 |
| Other operating expenses | 169 | 201 | -32 | -15.7 |
| Returns to owner-customers and OP bonus customers | 96 | 98 | -2 | -1.7 |
| Share of associates' profits/losses | 4 | 1 | 3 | |
| Earnings before tax | 627 | 488 | 139 | 28.5 |

OP Financial Group

Earnings before tax by Business Segment





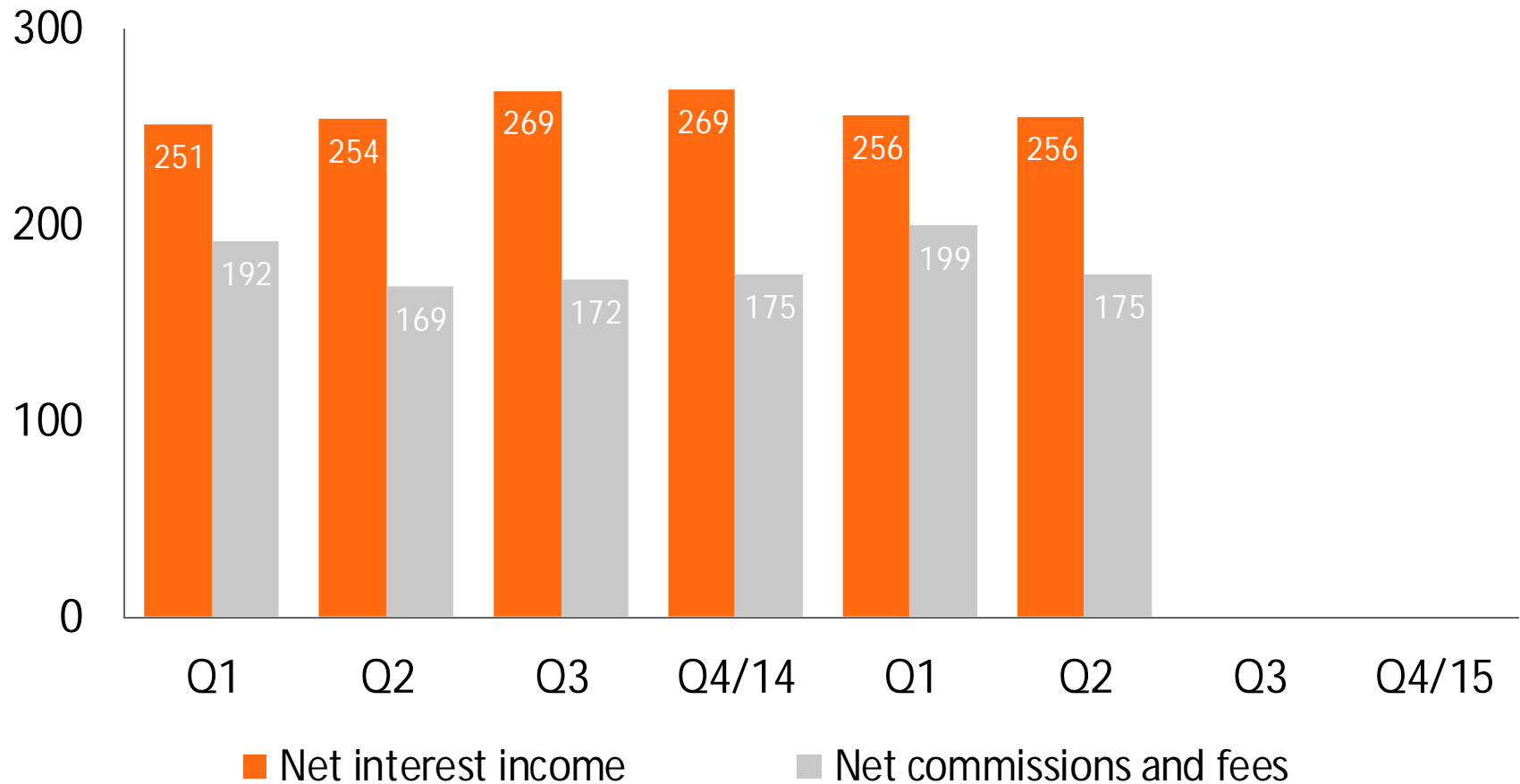
Quarterly Figures

OP Financial Group's Quarterly Performance

| € million | 2014 | | | | 2015 | | | |
|---|------|-----|-----|-----|------|-----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Net interest income | 251 | 254 | 269 | 269 | 256 | 256 | | |
| Net income from non-life insurance | 150 | 158 | 142 | 138 | 169 | 174 | | |
| Net income from life insurance | 80 | 41 | 47 | 29 | 104 | 45 | | |
| Net commissions and fees | 192 | 169 | 172 | 175 | 199 | 175 | | |
| Net income from trading and investments | 43 | 58 | 34 | 27 | 42 | 87 | | |
| Other income | 10 | 14 | 14 | 17 | 15 | 14 | | |
| Total income | 726 | 694 | 679 | 654 | 785 | 749 | | |
| Personnel costs | 195 | 190 | 166 | 190 | 214 | 187 | | |
| Other expenses | 215 | 201 | 195 | 203 | 184 | 188 | | |
| Total expenses | 410 | 391 | 361 | 393 | 399 | 375 | | |
| Impairments of receivables | 10 | 23 | 17 | 38 | 21 | 15 | | |
| Returns to owner-customers and OP bonus customers | 49 | 49 | 49 | 48 | 46 | 51 | | |
| Earnings before tax | 257 | 231 | 251 | 176 | 320 | 308 | | |

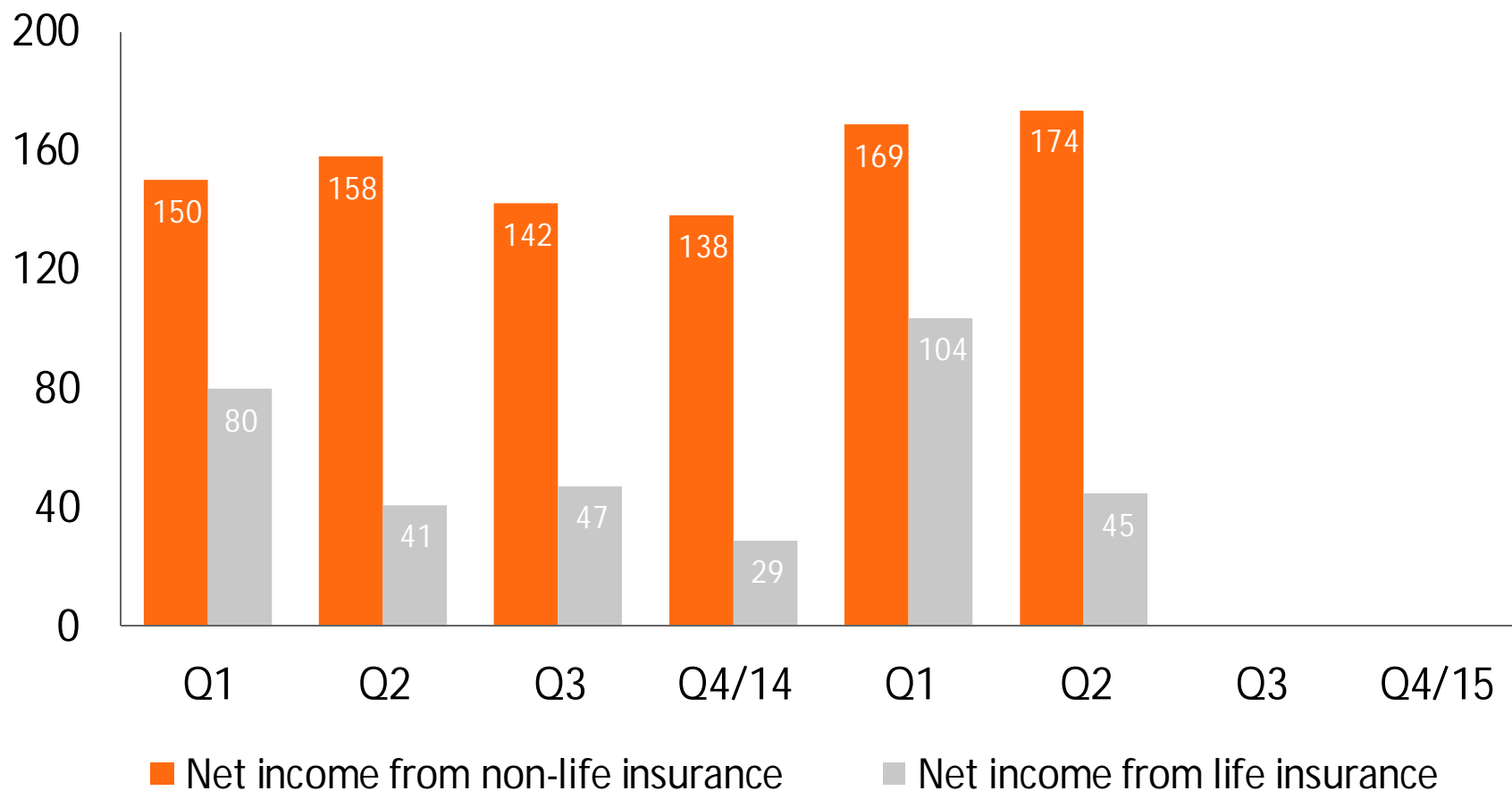
OP Financial Group's Net Interest Income and Net Commissions and Fees

€ million



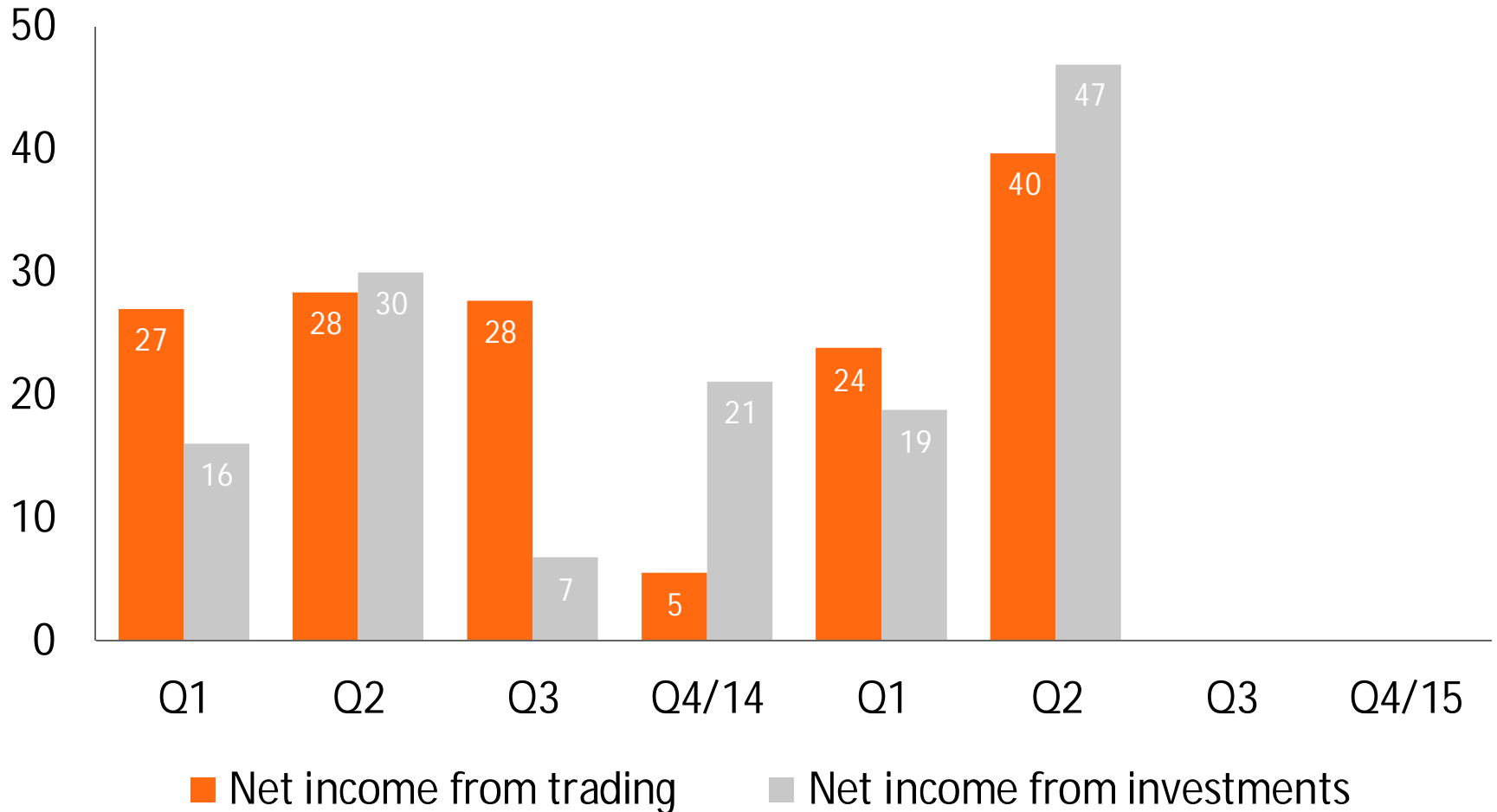
OP Financial Group's Net Income from Non-life and Life Insurance

€ million



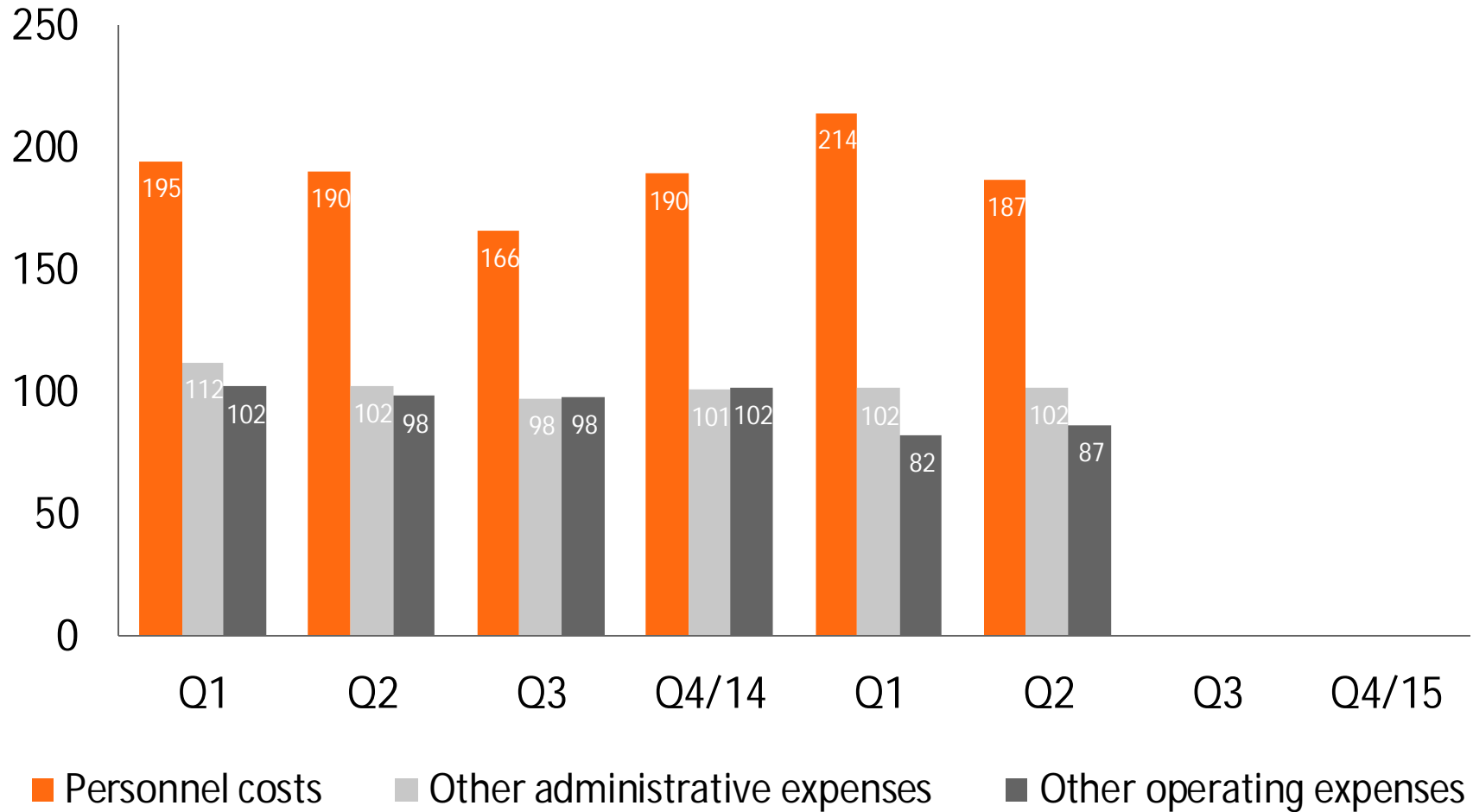
OP Financial Group's Net Income from Trading and Investments

€ million



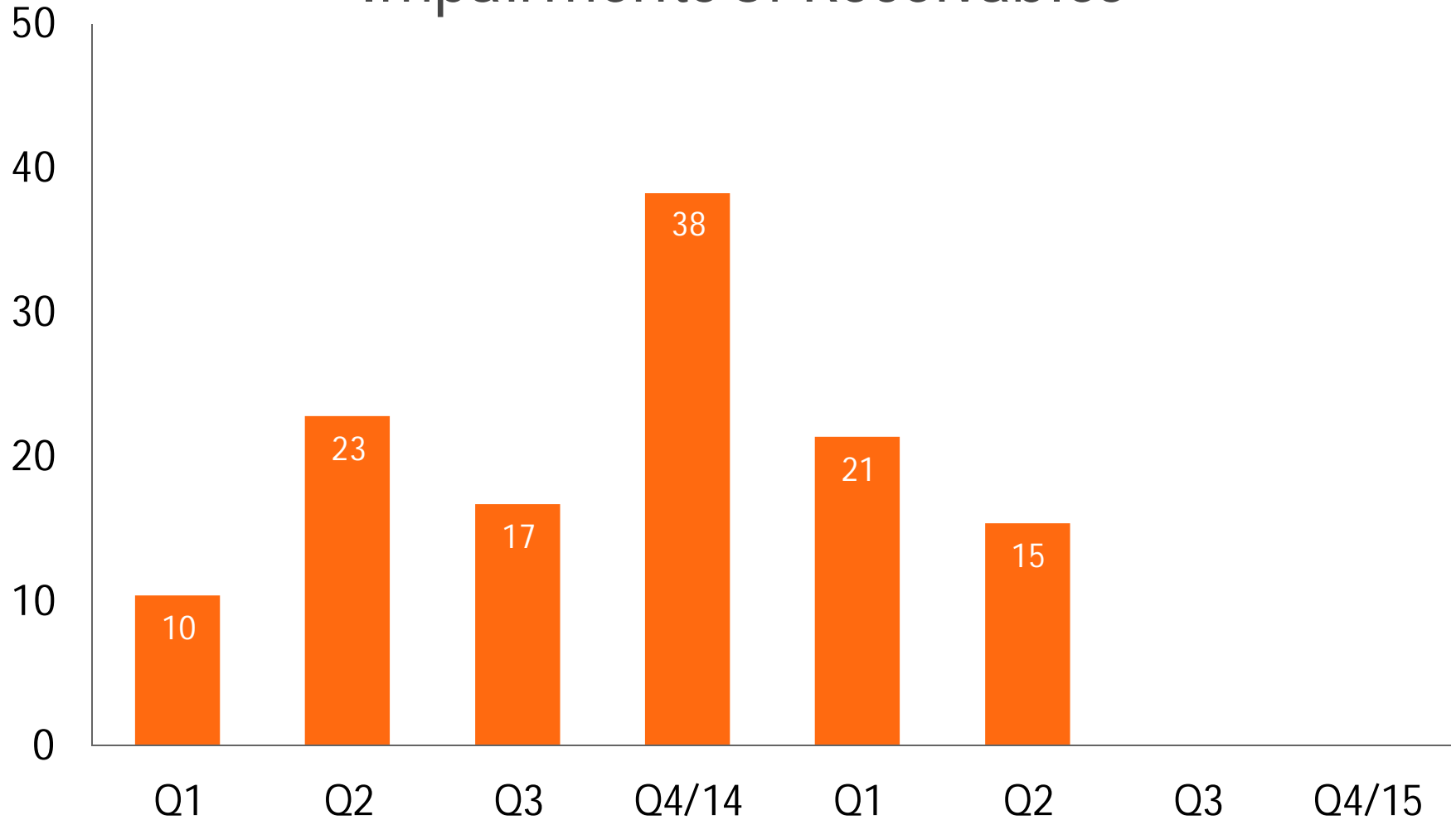
OP Financial Group's expenses

€ million

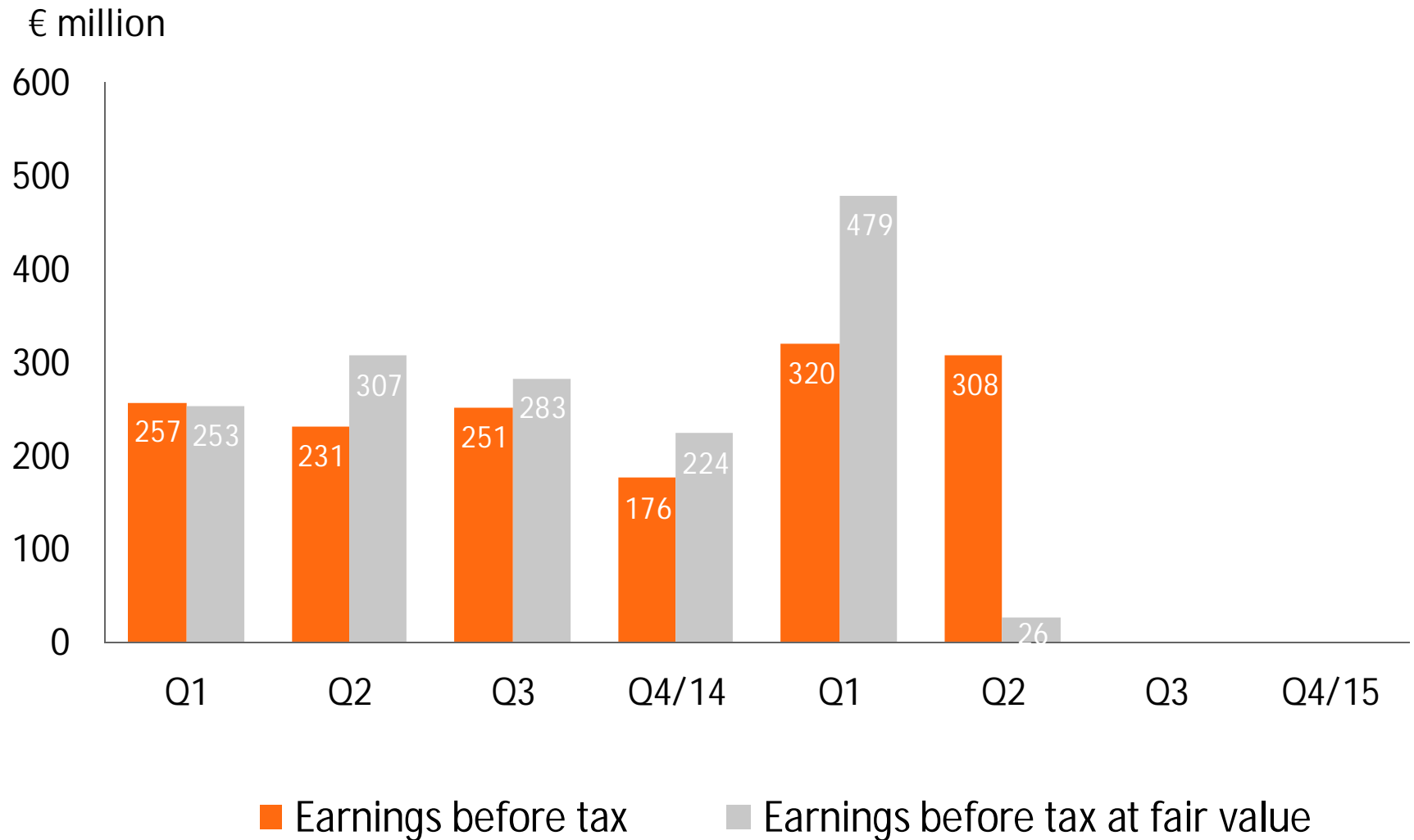


OP Financial Group's Quarterly Impairments of Receivables

€ million

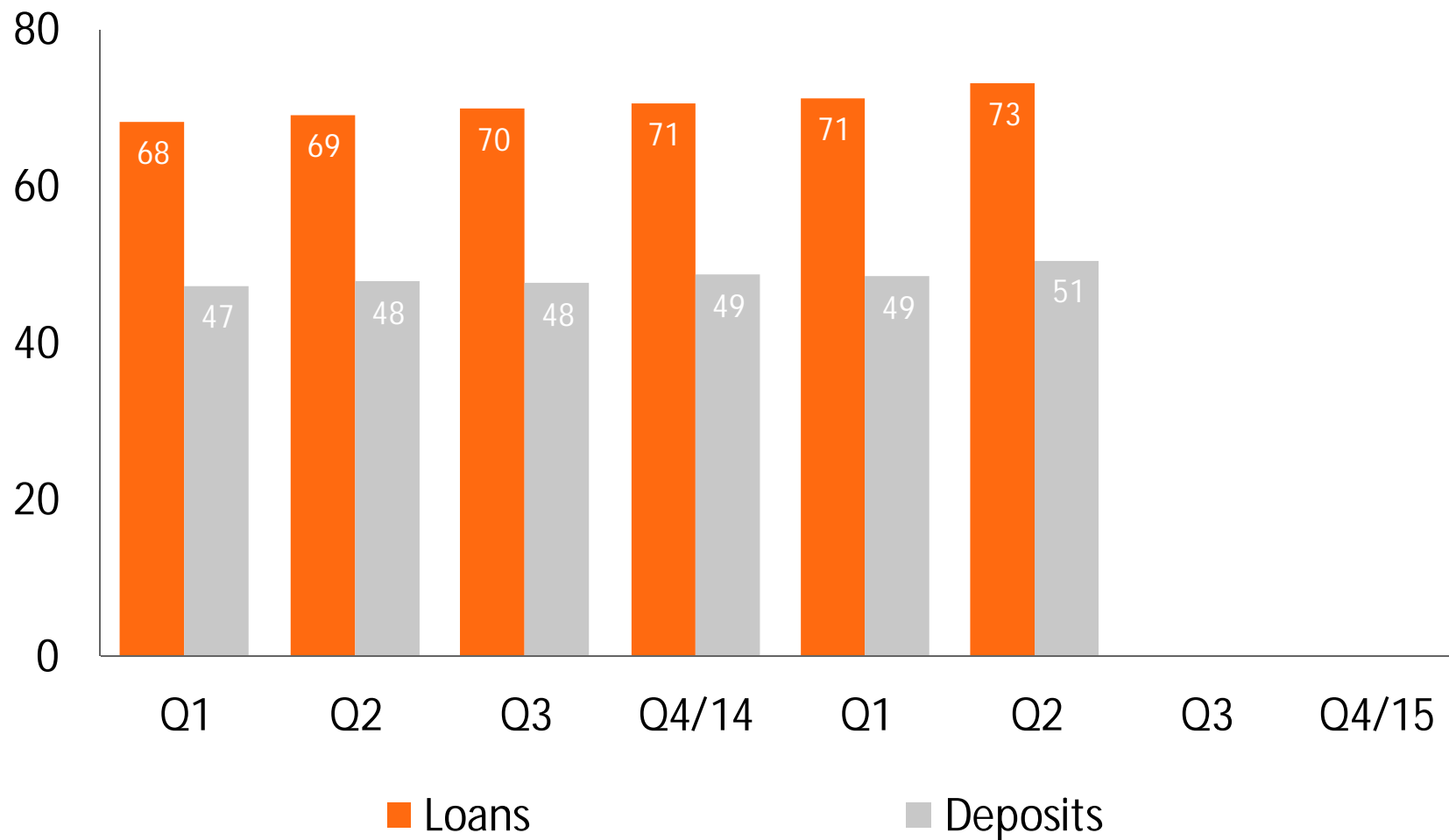


OP Financial Group's Earnings before Tax

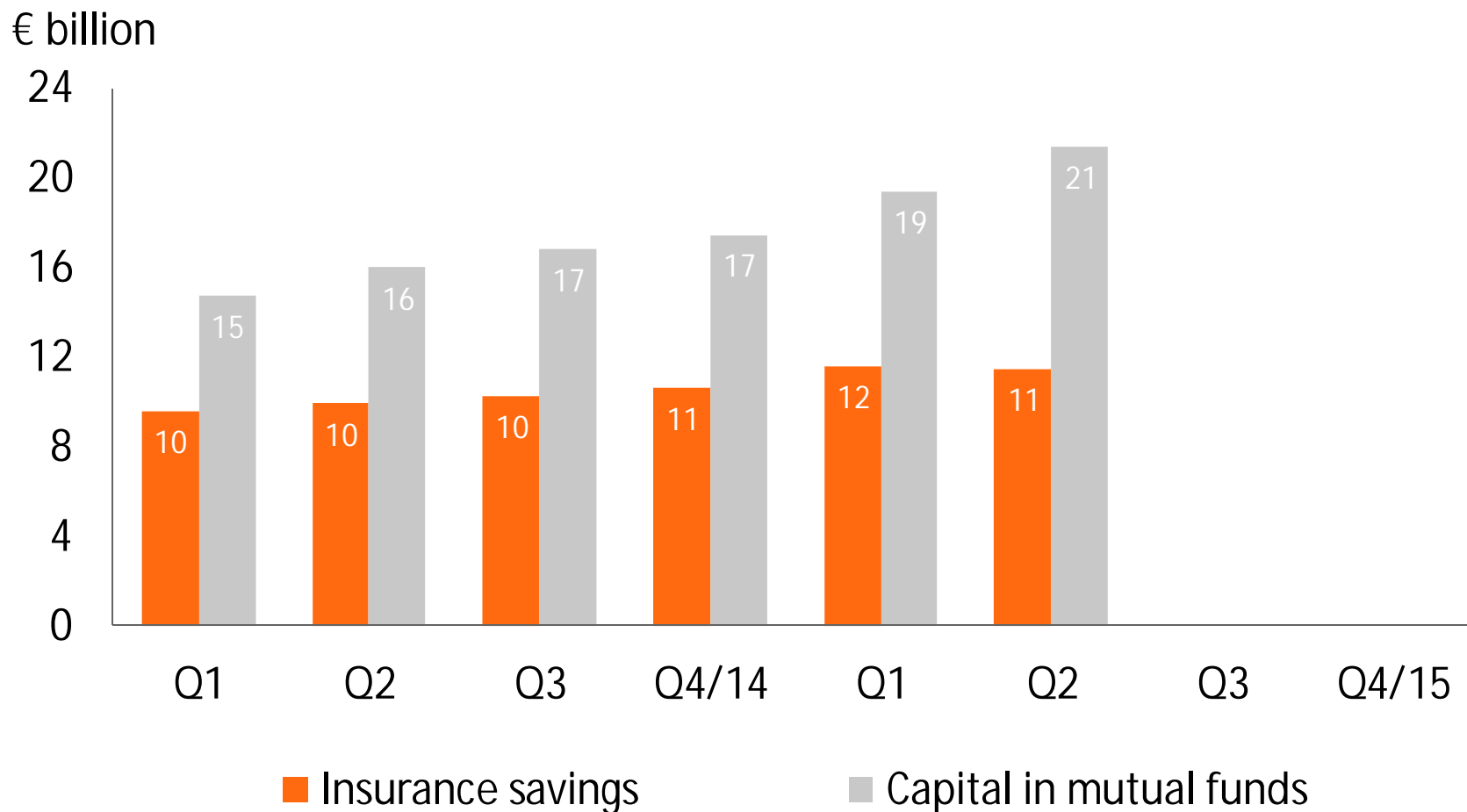


OP Financial Group's Loans and Deposits

€ billion

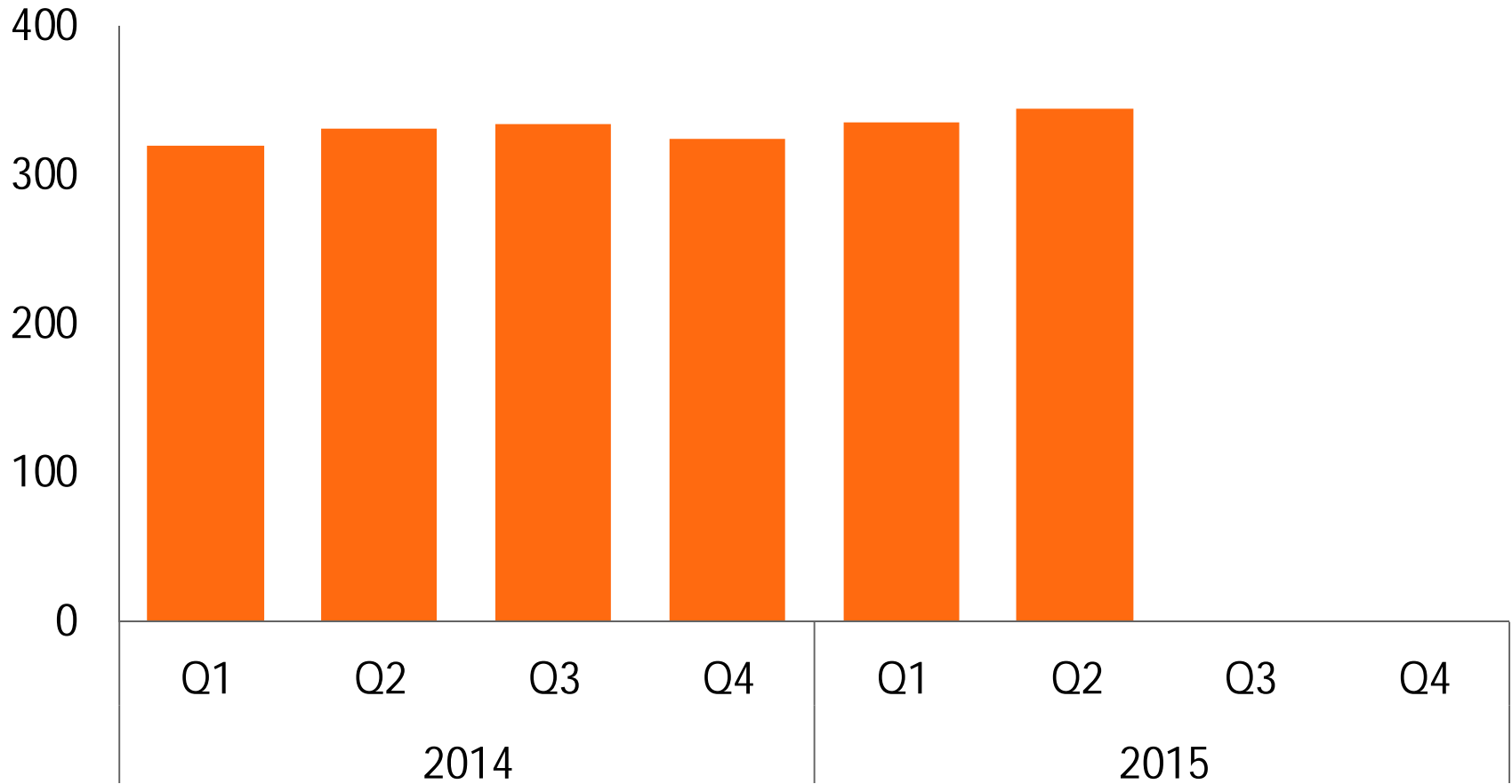


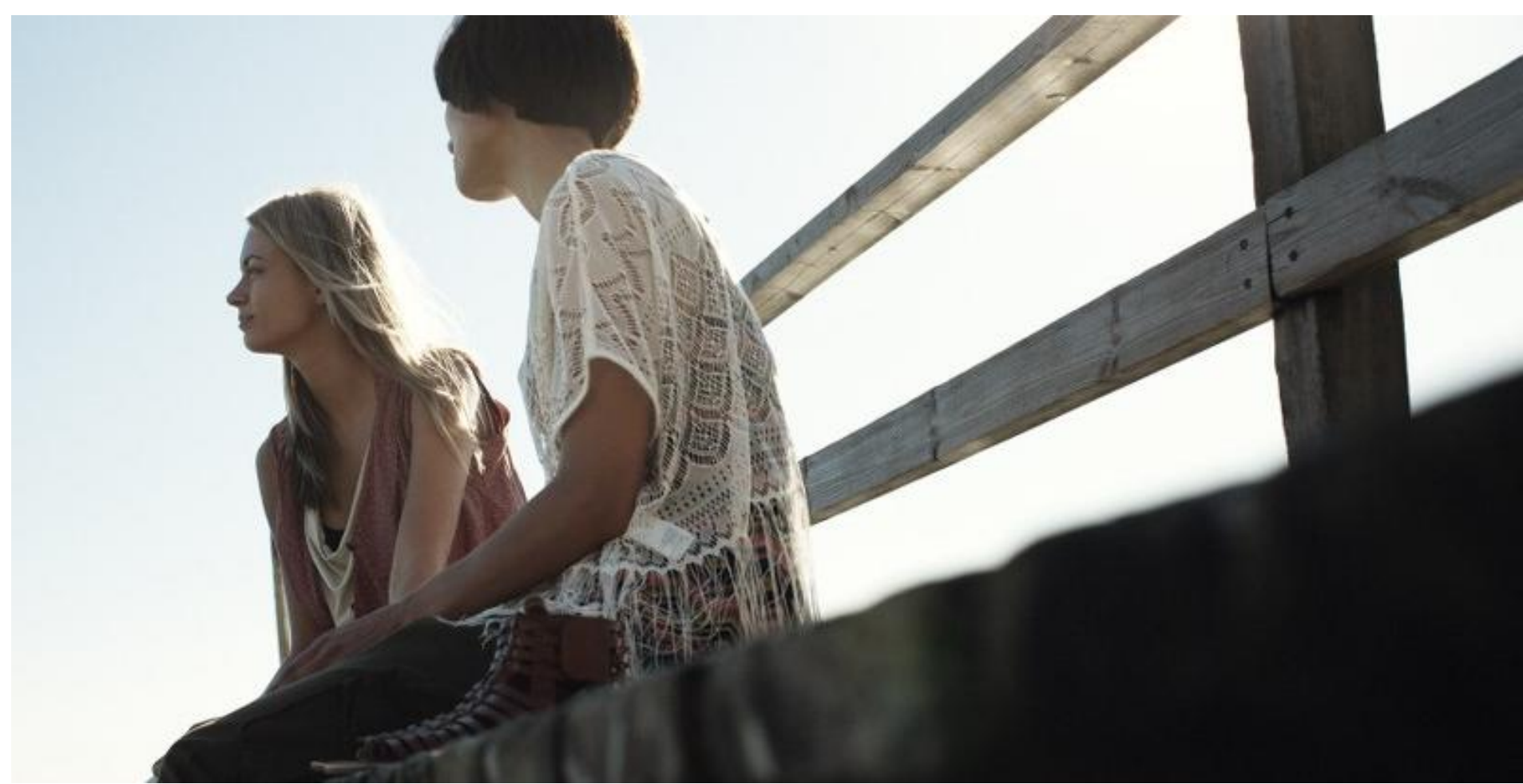
OP Financial Group's Life Insurance Savings and Capital in Mutual Funds



OP Financial Group's 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 sets the minimum capital for the amalgamation of cooperative banks, which is calculated according to the CRR rules and the Act on Credit Institutions.
- The amalgamation of cooperative banks consists of the amalgamation's central institution (OP Cooperative), its member credit institutions and the companies belonging to their consolidation groups. Although OP Financial 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 Financial Group's capital adequacy

- OP Financial 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 Financial 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 including buffers and the insurance companies' joint minimum operating capital.

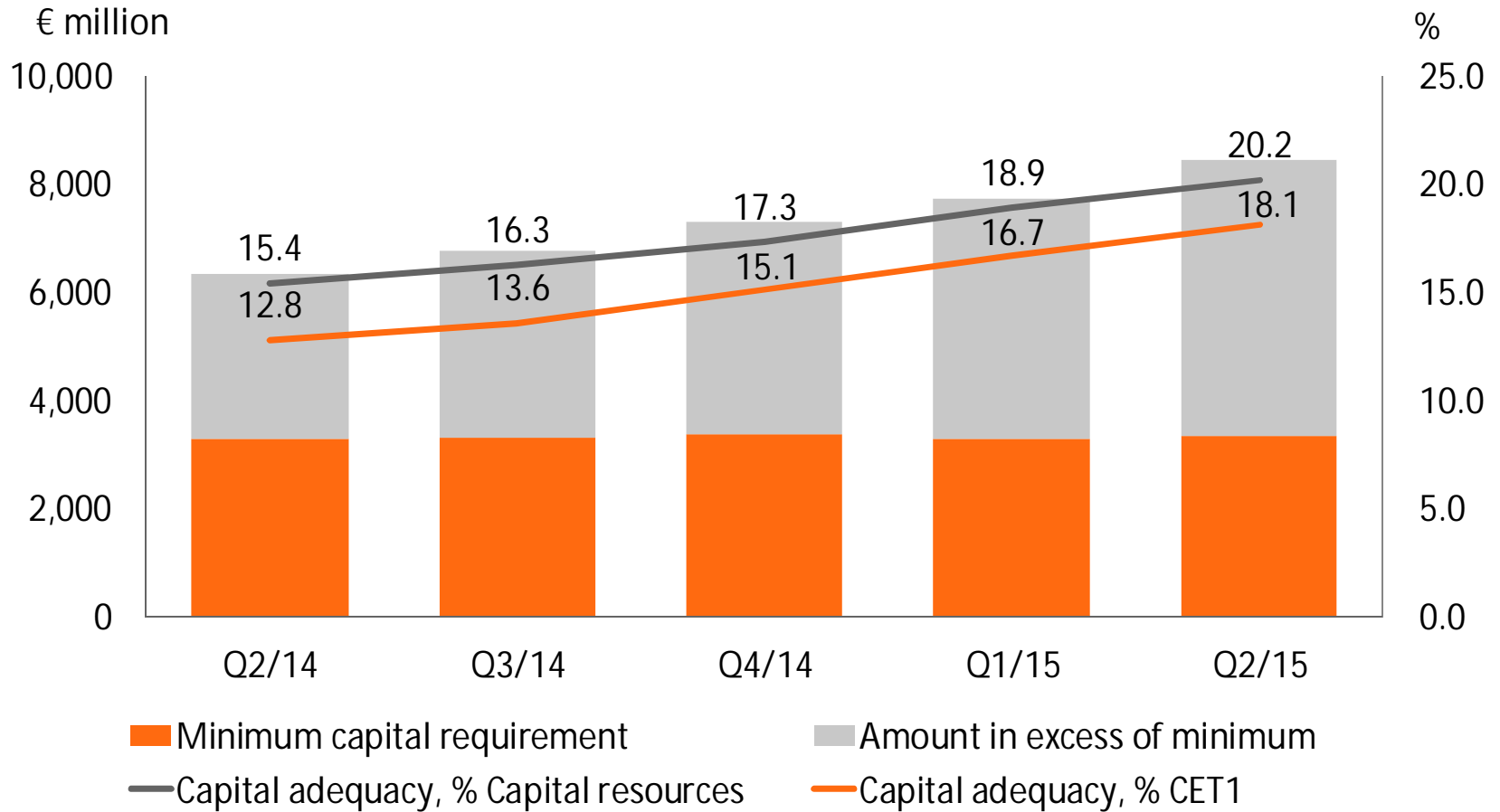
In view of both capital adequacy requirements,
OP Financial Group's risk-bearing capacity is strong.

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

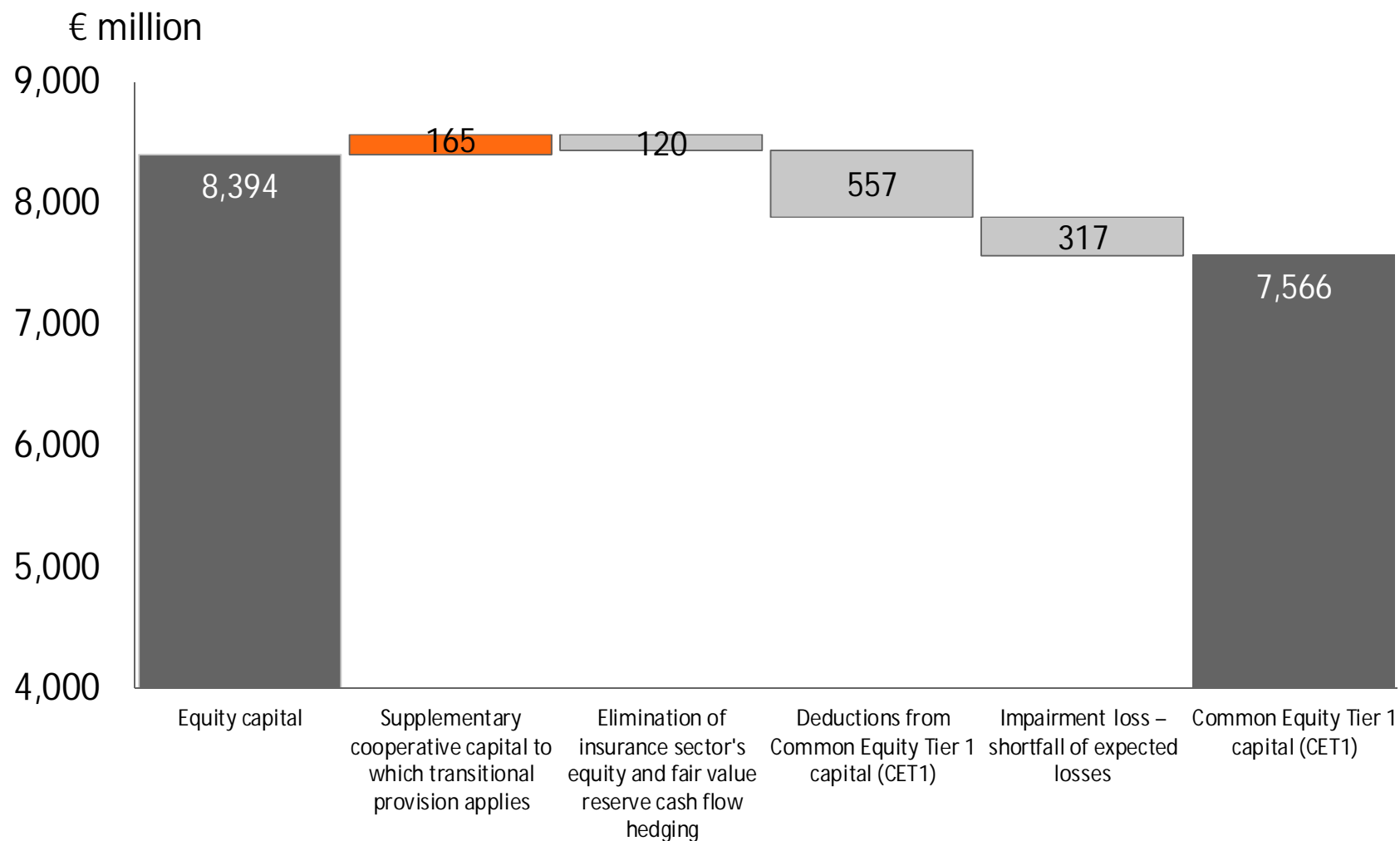
The amalgamation of the cooperative banks

Capital Resources and Capital Adequacy

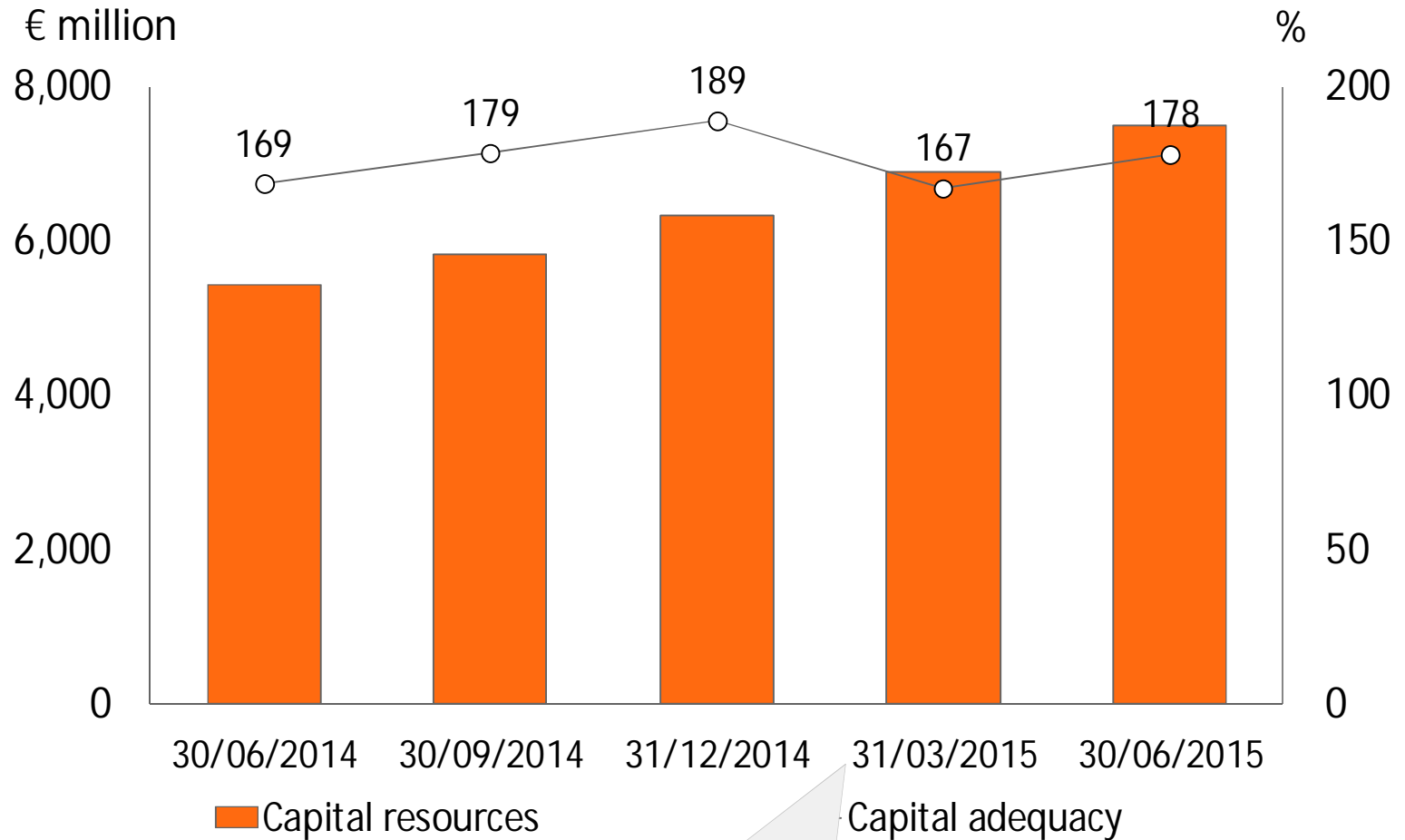


Common Equity Tier 1 (CET1)

30 June 2015



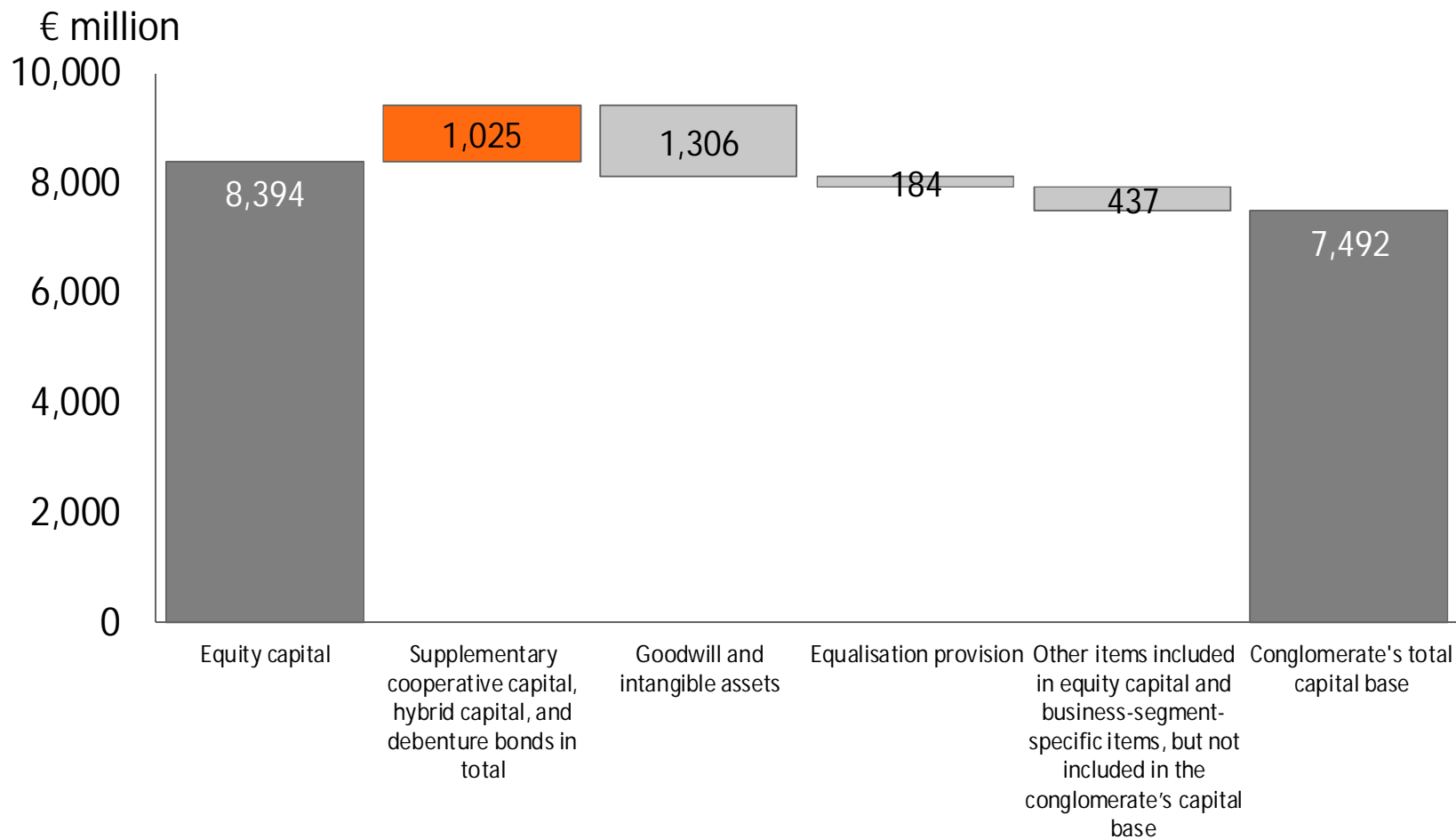
OP Financial Group Conglomerate's Capital Adequacy



Requirement for the new capital conservation buffer under the Act on Credit Institutions reduced the capital adequacy ratio by 44 percentage points

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

30 June 2015

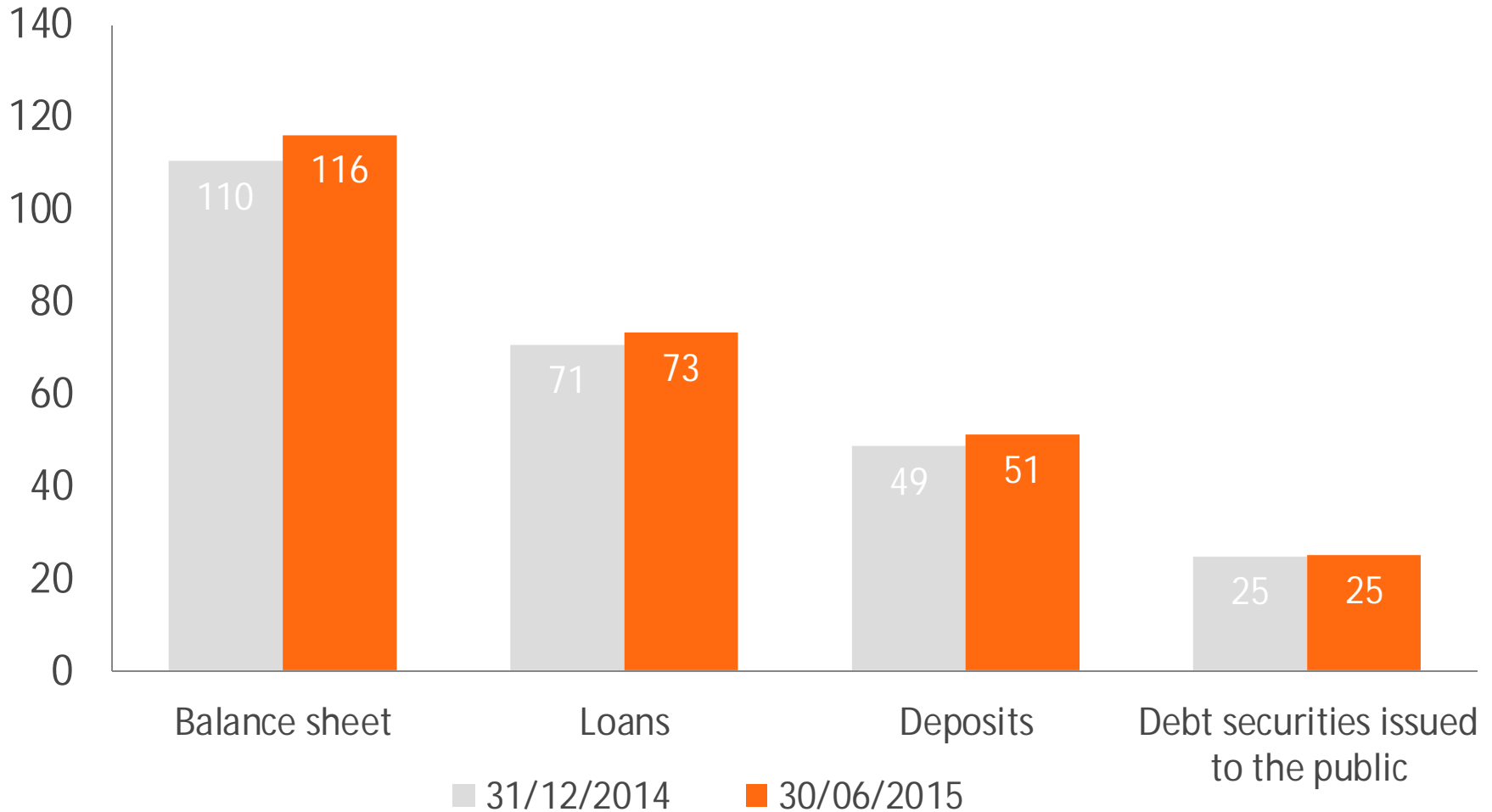




Balance Sheet

OP Financial Group's Key Balance Sheet Items

€ billion



OP Financial Group's Balance Sheet

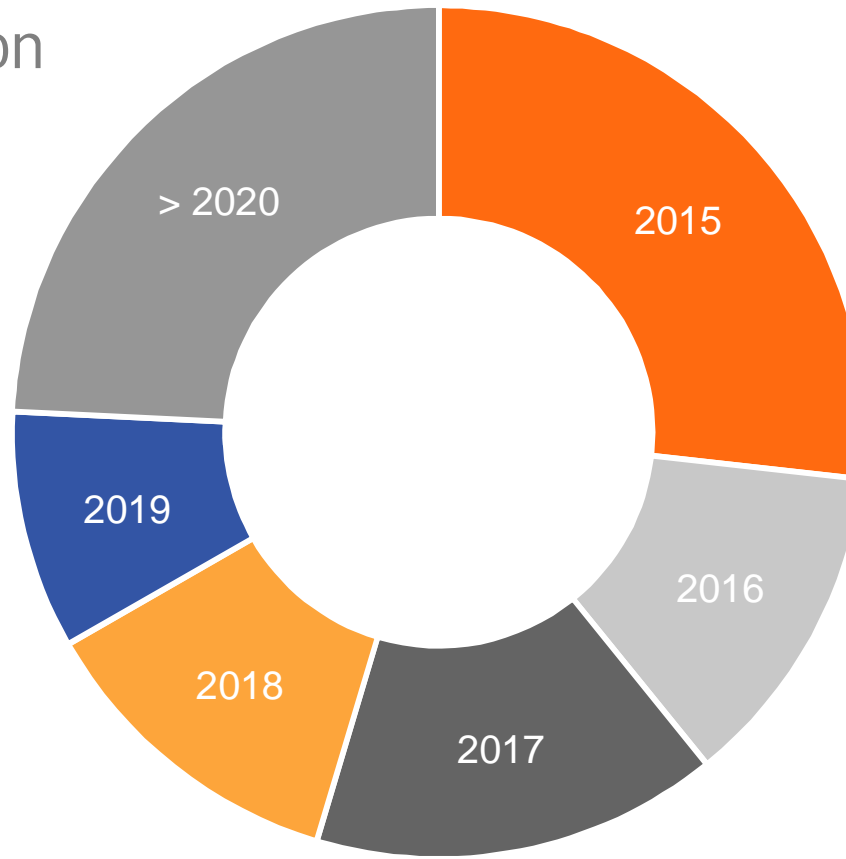
| € million | 30/06/2015 | 31/12/2014 | Change | |
|---|----------------|----------------|--------------|------------|
| | | | € mill. | % |
| Receivables from credit institutions | 539 | 686 | -147 | -21.4 |
| Financial assets at fair value through profit or loss | 988 | 427 | 561 | |
| Receivables from customers | 73,304 | 70,683 | 2,621 | 3.7 |
| Non-life Insurance assets | 4,125 | 3,797 | 328 | 8.6 |
| Life Insurance assets | 12,417 | 11,238 | 1,179 | 10.5 |
| Investment assets | 11,001 | 9,500 | 1,501 | 15.8 |
| Other items | 13,775 | 14,096 | -321 | -2.3 |
| Total assets | 116,149 | 110,427 | 5,722 | 5.2 |
| Liabilities to credit institutions | 2,037 | 1,776 | 260 | 14.7 |
| Liabilities to customers | 54,042 | 51,163 | 2,879 | 5.6 |
| Non-life Insurance liabilities | 3,304 | 2,972 | 332 | 11.2 |
| Life Insurance liabilities | 12,005 | 11,230 | 775 | 6.9 |
| Debt securities issued to the public | 25,300 | 24,956 | 344 | 1.4 |
| Other liabilities | 11,067 | 11,116 | -49 | -0.4 |
| Equity capital | 8,394 | 7,213 | 1,181 | 16.4 |
| Total liabilities and equity capital | 116,149 | 110,427 | 5,722 | 5.2 |

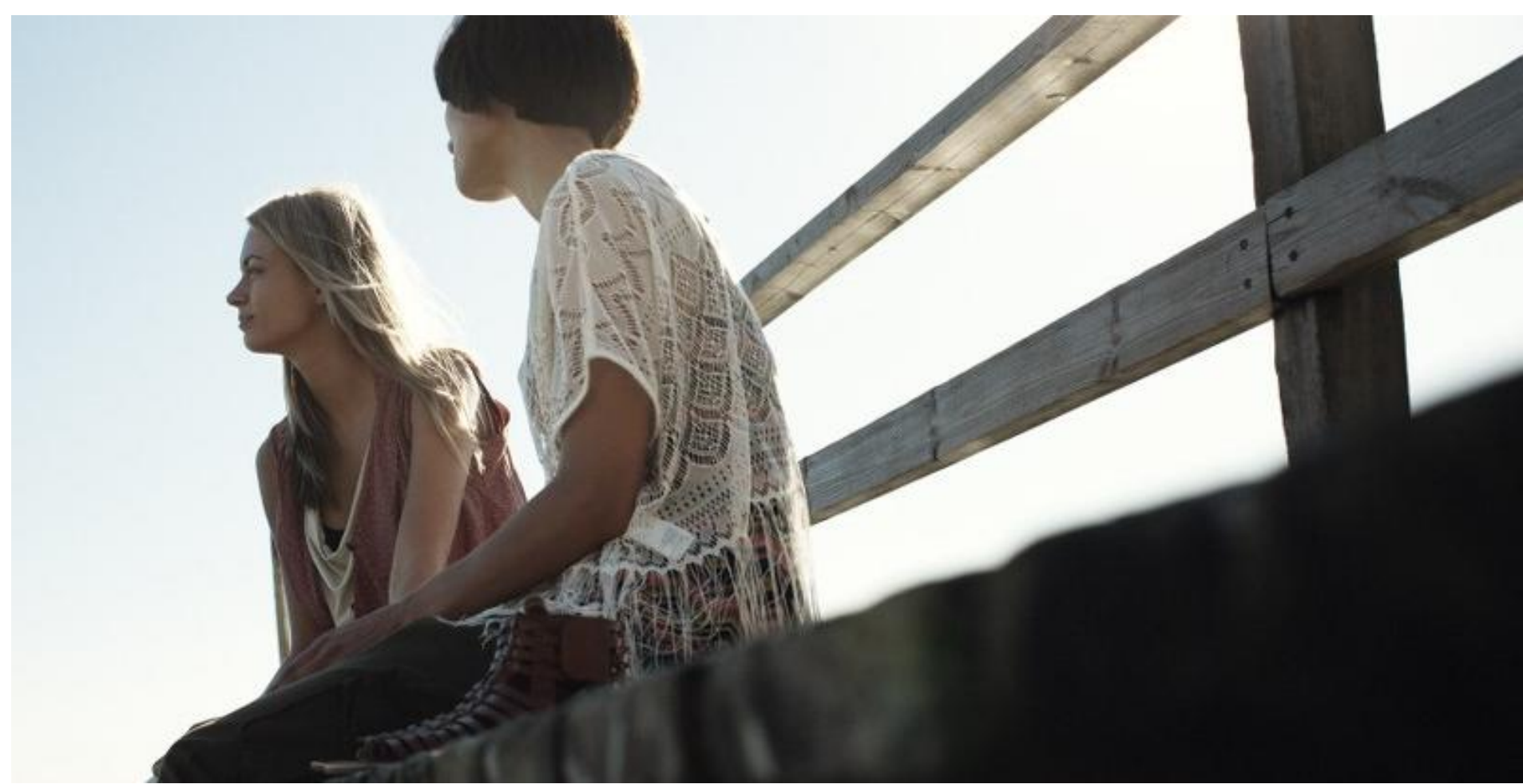
OP Financial Group's Equity Capital and Cooperative Capital

| € million | 30 June 2015 | 31 December 2014 | Change € million | % |
|--------------------------------------|--------------|------------------|---------------------|-------------|
| Share of OP Financial Group's owners | 8,319 | 7,144 | 1,175 | 16.5 |
| Share and cooperative capital | 2,206 | 1,709 | 497 | 29.1 |
| Membership capital contributions | 151 | 148 | 3 | 1.8 |
| Profit shares | 2,055 | 1,561 | 494 | 31.7 |
| Fair value reserve | 315 | 425 | -110 | -25.9 |
| Other reserves | 2,308 | 1,996 | 312 | 15.6 |
| Retained earnings | 3,491 | 3,014 | 477 | 15.8 |
| Non-controlling interests | 75 | 69 | 6 | 8.3 |
| Total equity capital | 8,394 | 7,213 | 1,181 | 16.4 |
| Supplementary cooperative capital | 173 | 192 | -19 | -10.0 |

OP Financial Group's Debt Securities Issued to the Public Maturity 30 June 2015

Total of €25.3 billion



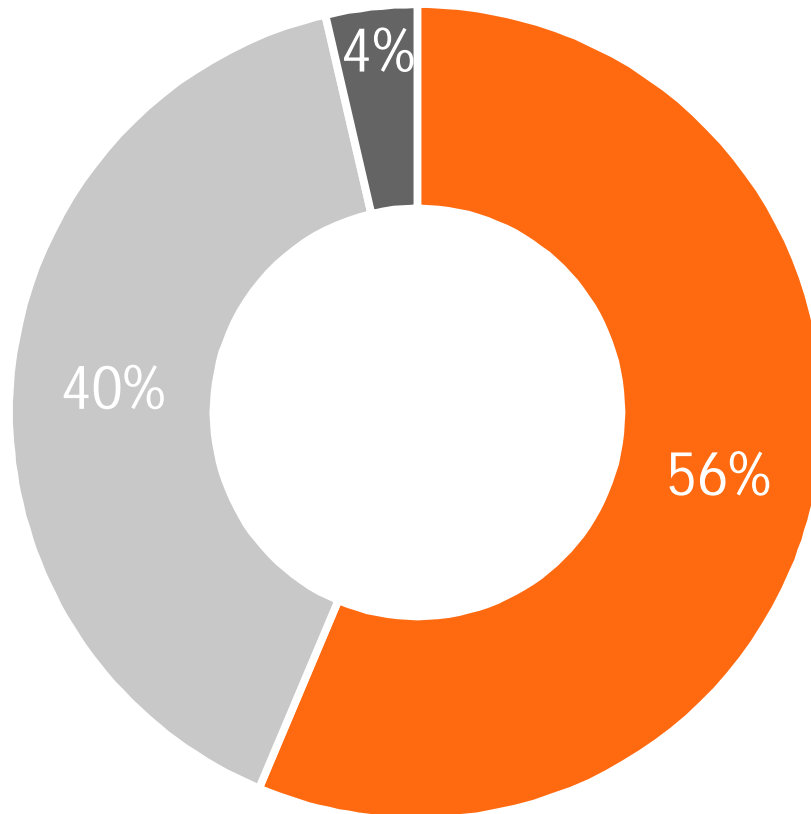


Loans and Customer Funds

OP Financial Group's Deposits

30 June 2015

Total: €51 billion



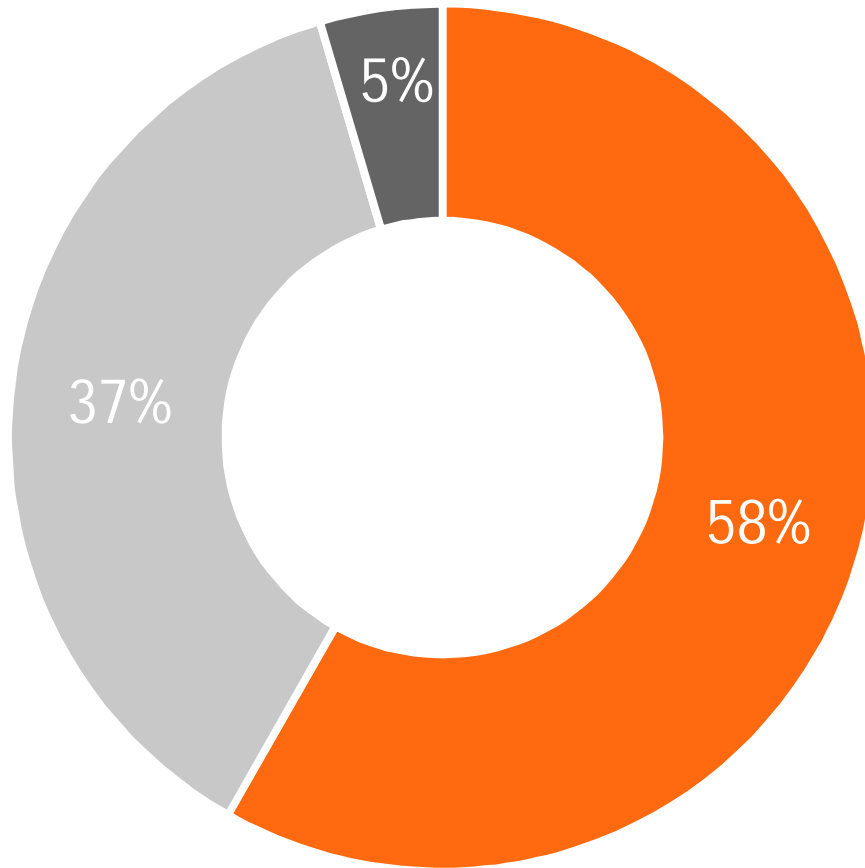
- Households
- Corporate and public sector entities *)
- Agriculture and forestry

*) incl. entrepreneurs

OP Financial Group's loans*

30 June 2015

Total: €73 billion



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

*) incl lease assets

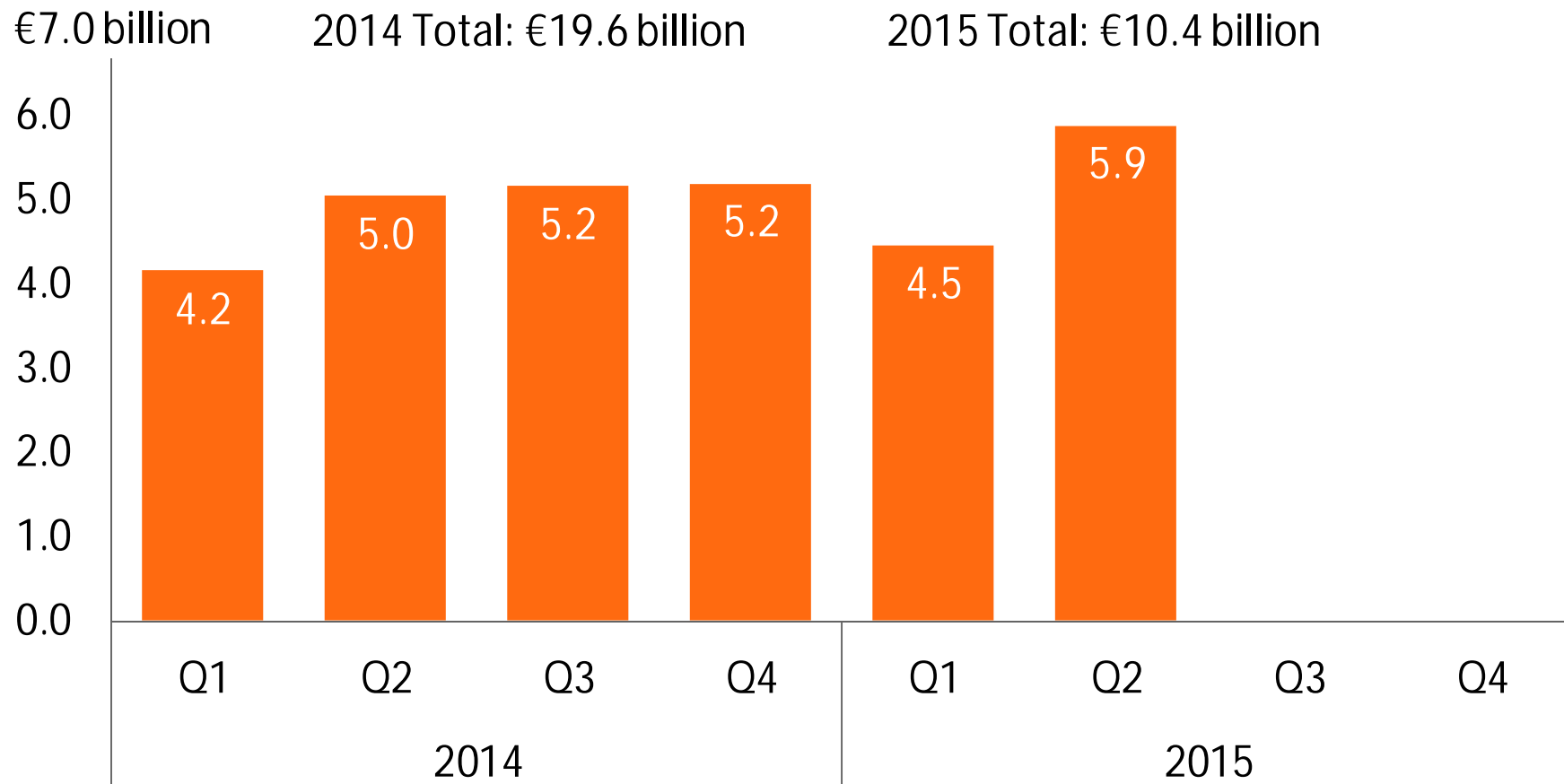
***) incl. entrepreneurs

OP Financial Group

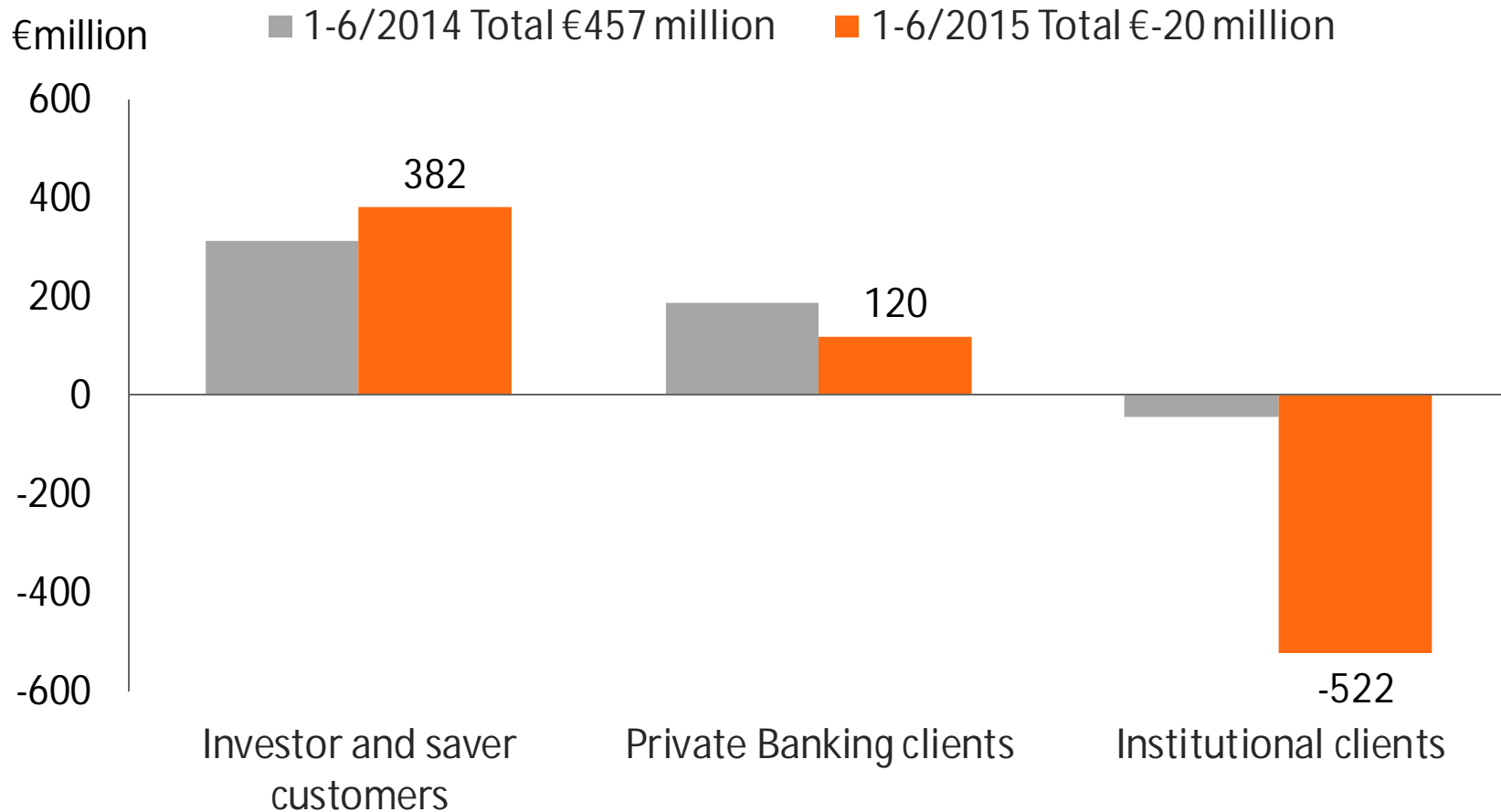
Loan and Guarantee Portfolio by Sector

| € million | 30 June 2015 | 30 June 2014 | € million | Change, % |
|---|---------------|---------------|--------------|------------|
| Enterprises and housing associations | 27,495 | 25,626 | 1,869 | 7.3 |
| Renting and operating of residential real estate | 5,963 | 5,862 | 101 | 1.7 |
| Renting and operating of other real estate | 3,748 | 3,256 | 491 | 15.1 |
| Wholesale and retail trade | 2,839 | 2,769 | 70 | 2.5 |
| Services | 1,992 | 1,935 | 56 | 2.9 |
| Construction | 1,971 | 1,758 | 213 | 12.1 |
| Energy | 1,983 | 1,600 | 383 | 23.9 |
| Transportation and storage | 1,420 | 1,509 | -89 | -5.9 |
| Manufacture of machinery and equipment (incl. services) | 1,364 | 1,380 | -17 | -1.2 |
| Agriculture, forestry and fishing | 972 | 818 | 153 | 18.8 |
| Financial and insurance services | 678 | 609 | 69 | 11.3 |
| Forest Industry | 837 | 745 | 92 | 12.4 |
| Food Industry | 685 | 499 | 186 | 37.3 |
| Real estate investments | 617 | 640 | -23 | -3.7 |
| Metal Industry | 547 | 546 | 0 | 0.1 |
| Chemical Industry | 394 | 335 | 59 | 17.7 |
| Other manufacturing | 259 | 277 | -18 | -6.5 |
| Other industries | 1,229 | 1,088 | 141 | 13.0 |
| Public corporations and non-profit organisations | 1,362 | 1,259 | 103 | 8.2 |
| Households | 46,005 | 44,950 | 1,055 | 2.3 |
| Adjustments | 1,230 | 533 | 697 | 0.0 |
| Total | 76,093 | 72,369 | 3,724 | 5.1 |

OP Financial Group's New Loans by Quarter



OP Financial Group Wealth Management Net inflows

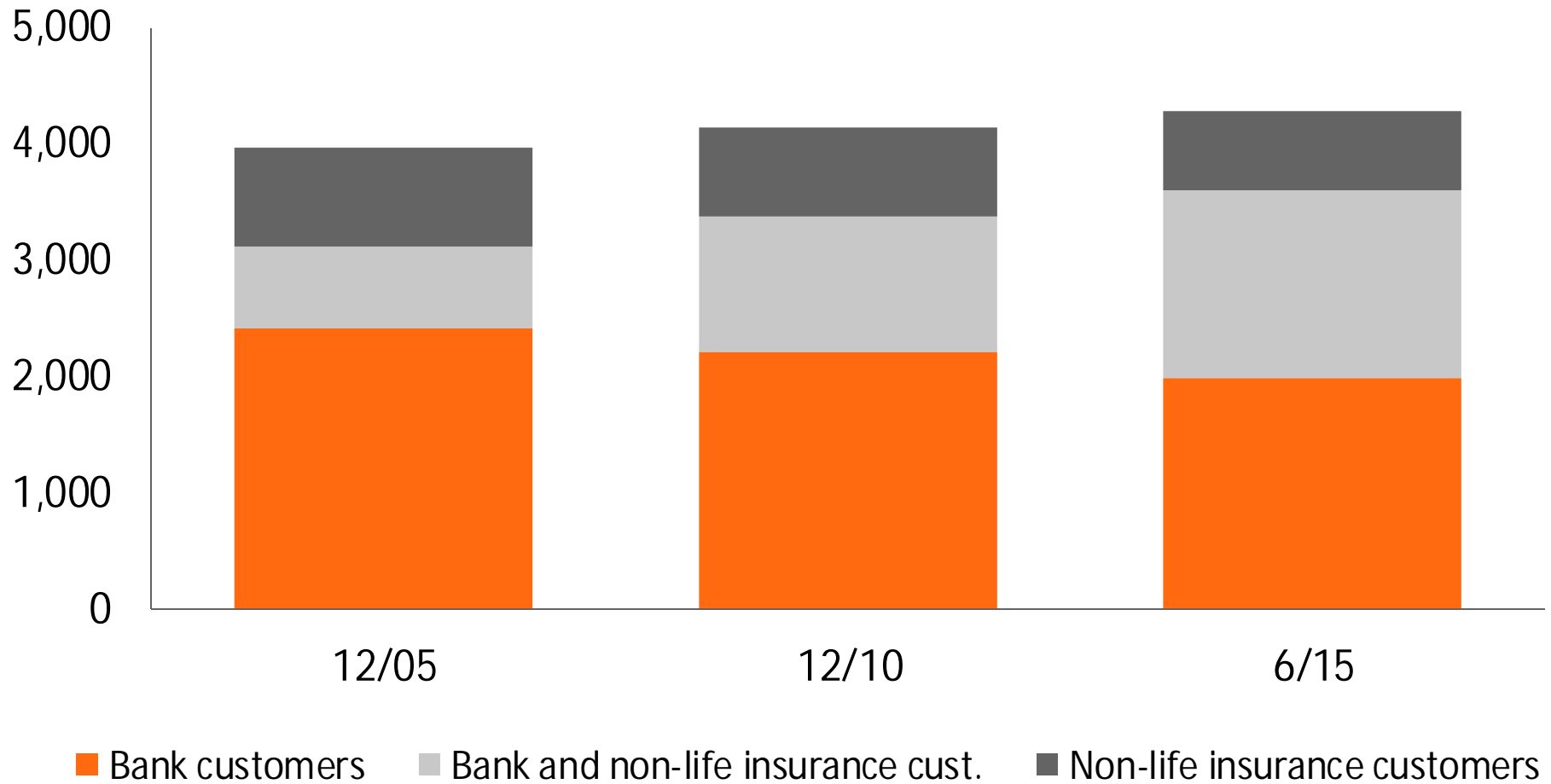




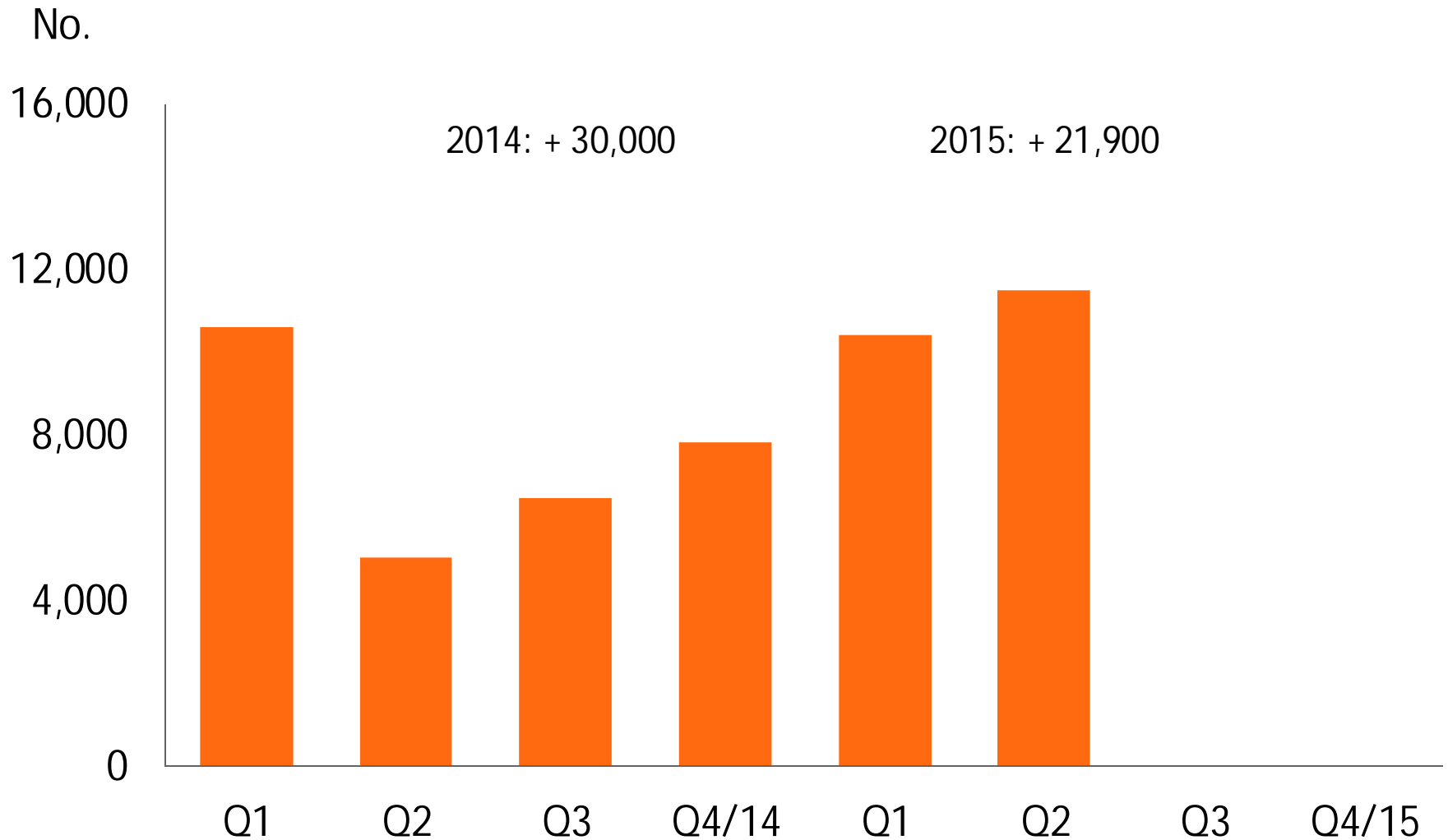
Customers, Owner-customers, etc.

OP Financial Group's Breakdown of Customer Base

1,000 customers



OP Financial Group's Net Increase in Owner-Customers by Quarter



OP Financial Group's Service Network

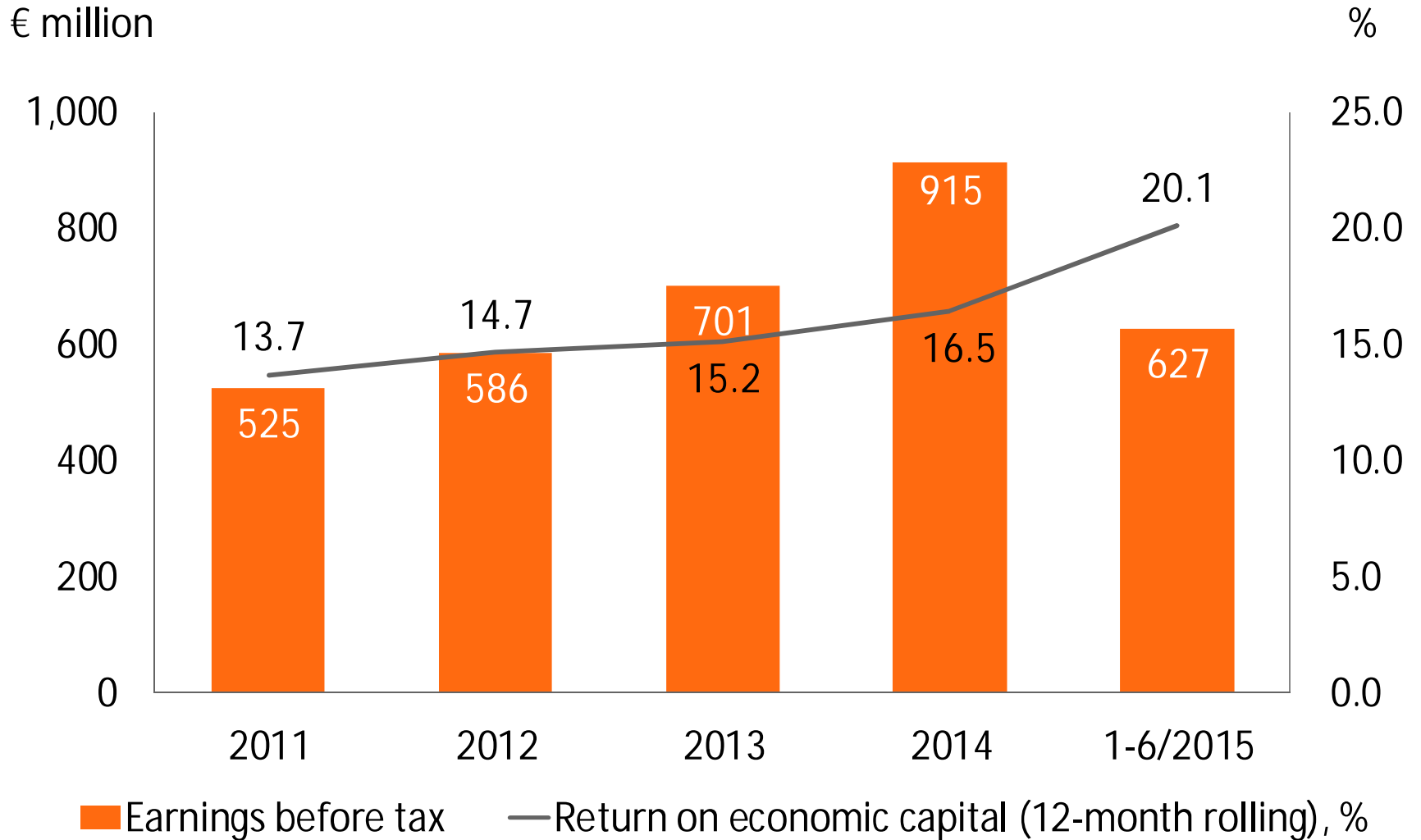
| | June 2015 | 12-month change |
|---|-----------------|-----------------|
| Visits to op.fi | 10,289,234 | -3% |
| Visits to OP-mobile | 7,562,288 | + 1,658% |
| Pivo application uploads (cum.) | approx. 650 000 | approx. 117% |
| eServices Agreements | 1,617,859 | +5,439 |
| Bank branches | 445 | -14 |
| Providing both non-life insurance and banking services | 347 | -3 |
| Private Banking branches | 40 | +/-0 |
| OP-Kiinteistökeskus real estate agencies | 162 | +/-0 |
| Followers of Facebook (OP Financial Group and OP Financial Group member cooperative bank) | 171,896 | +45,458 |
| Followers on Twitter | 16,195 | +12,331 |
| Followers on LinkedIn (OP Financial Group and Pohjola in total) | 8,379 | +2,788 |
| Customer contacts in telephone service in June 2015 | 245,540 | +6,396* |

*Calculation basis changed in 2015.



5-year Trends

OP Financial Group's Earnings before Tax and Return on Economic Capital

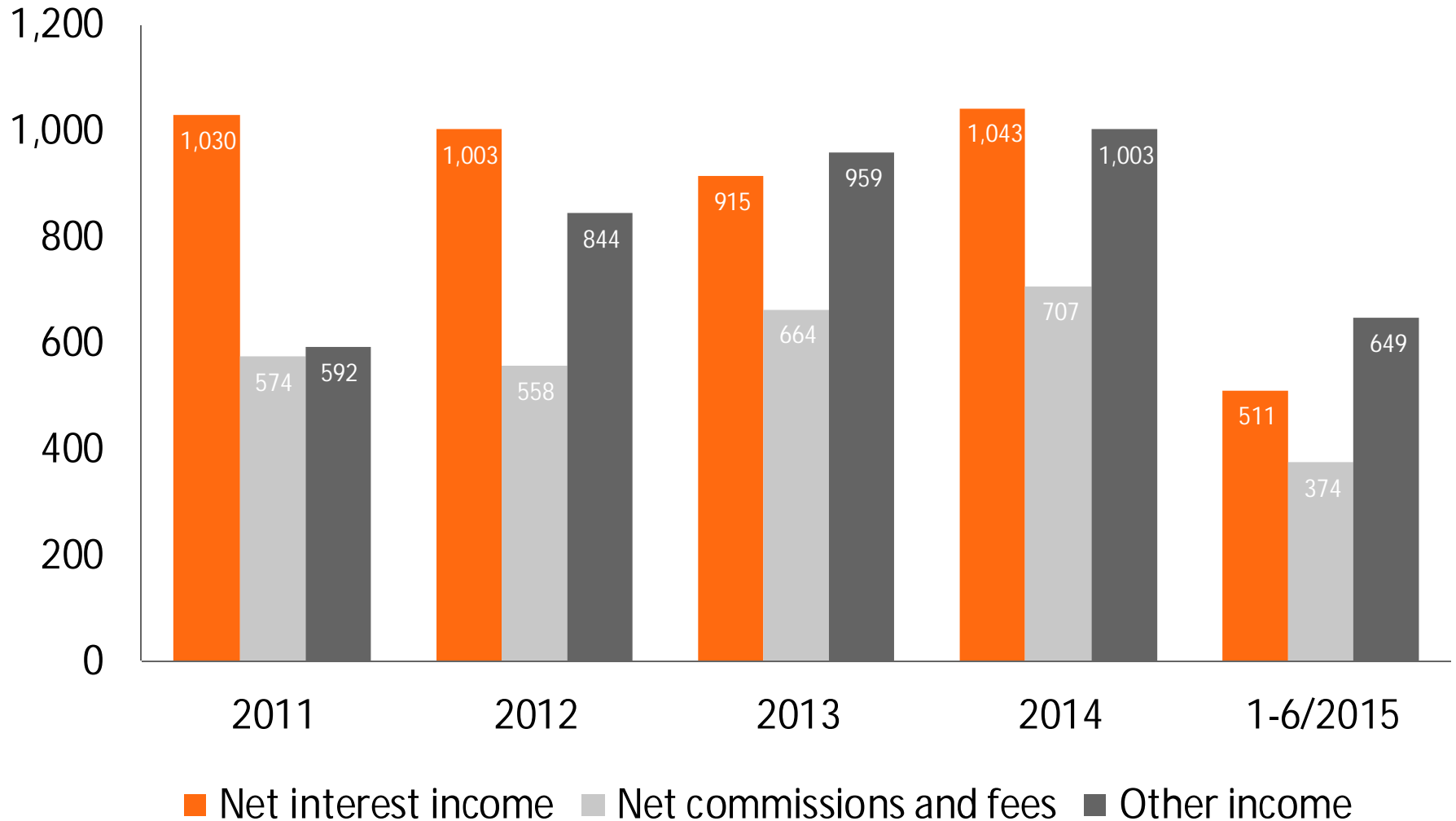


OP Financial Group's Earnings before Tax

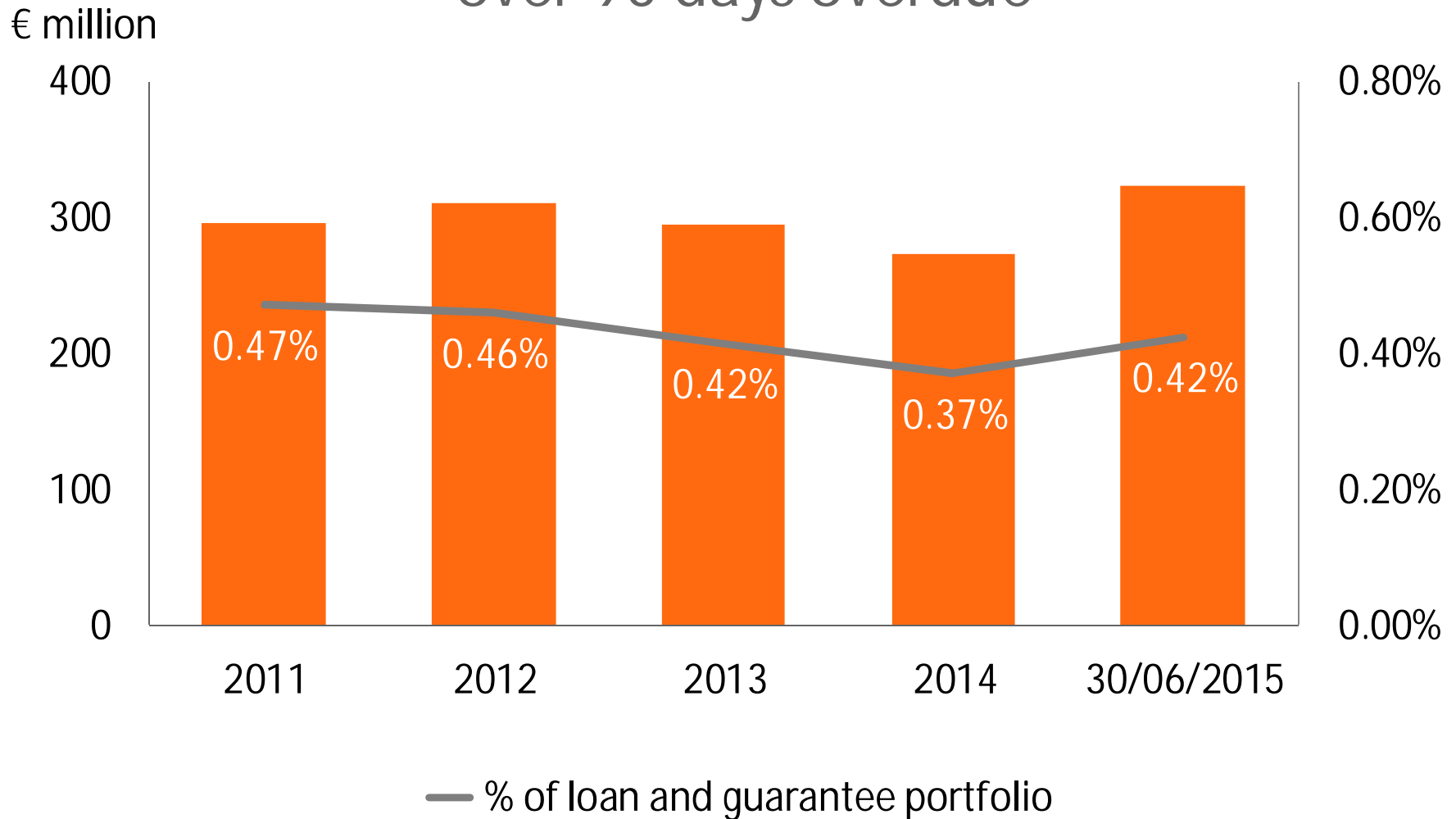


OP Financial Group's Income

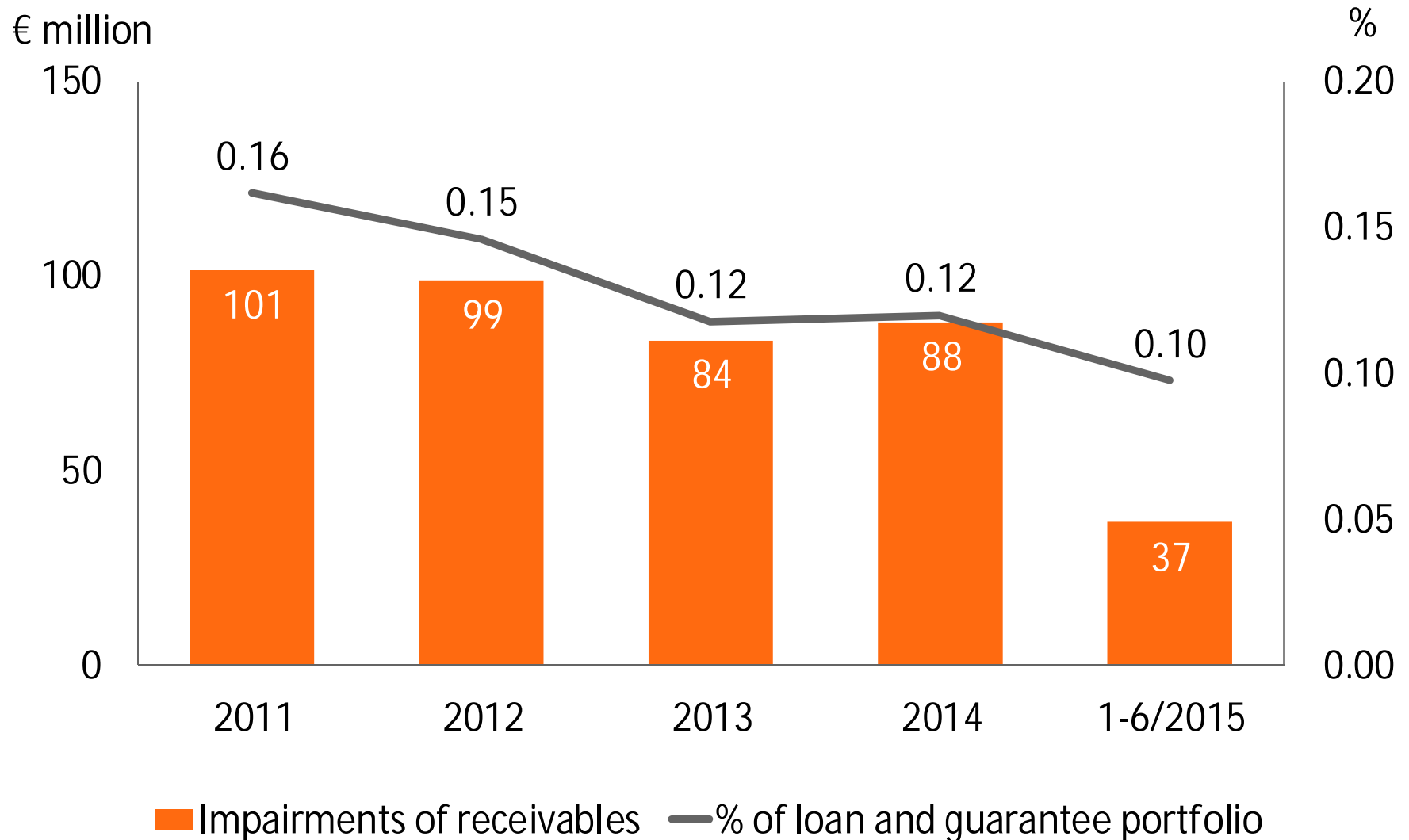
€ million



OP Financial Group's receivables over 90 days overdue

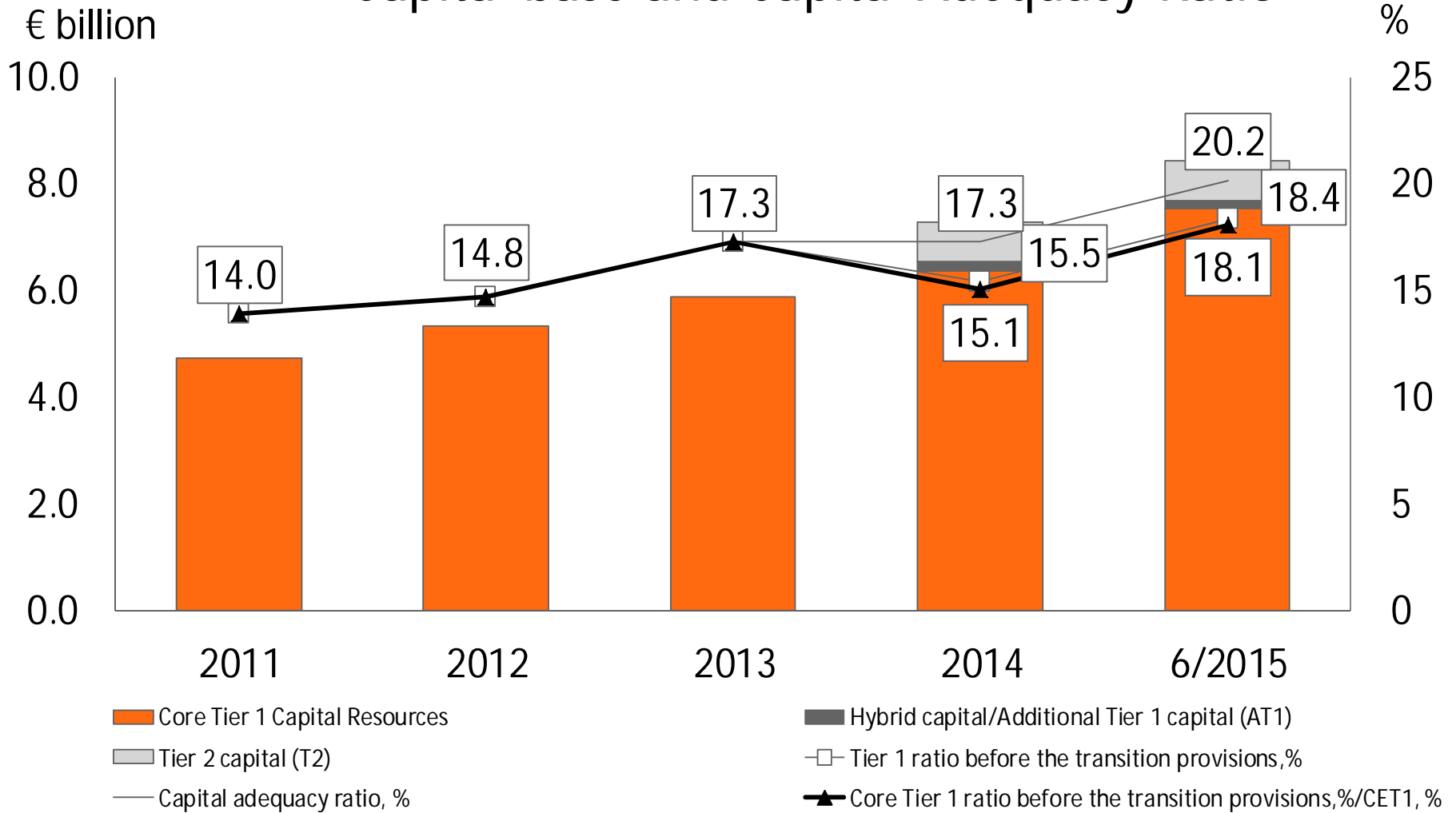


OP Financial Group's Impairments of Receivables



The Amalgamation of the cooperative banks

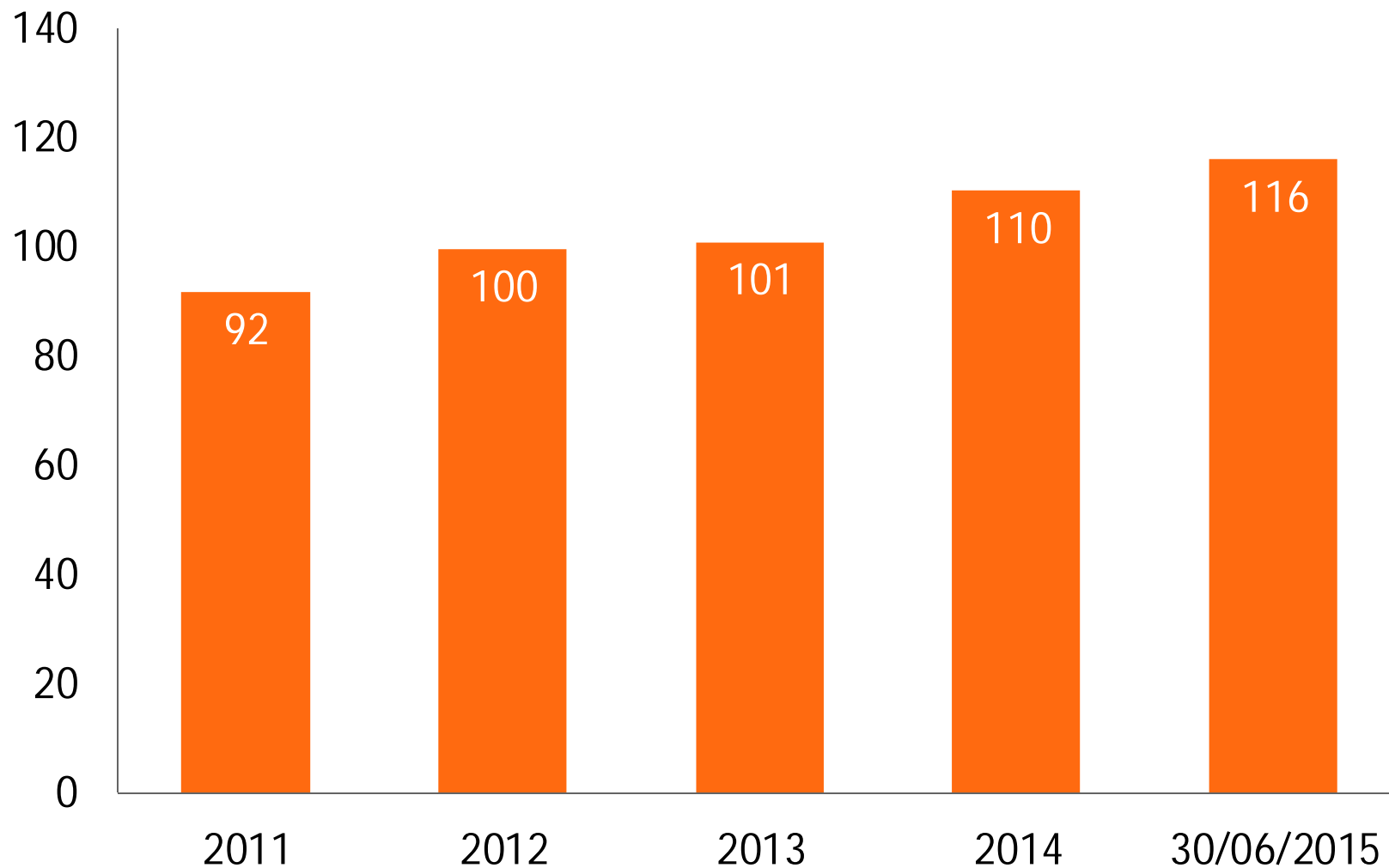
Capital base and Capital Adequacy Ratio



Until 2013 according to CRD3 before IRBA transitional provisions (Basel I floor)

OP Financial Group's Balance Sheet

€ billion

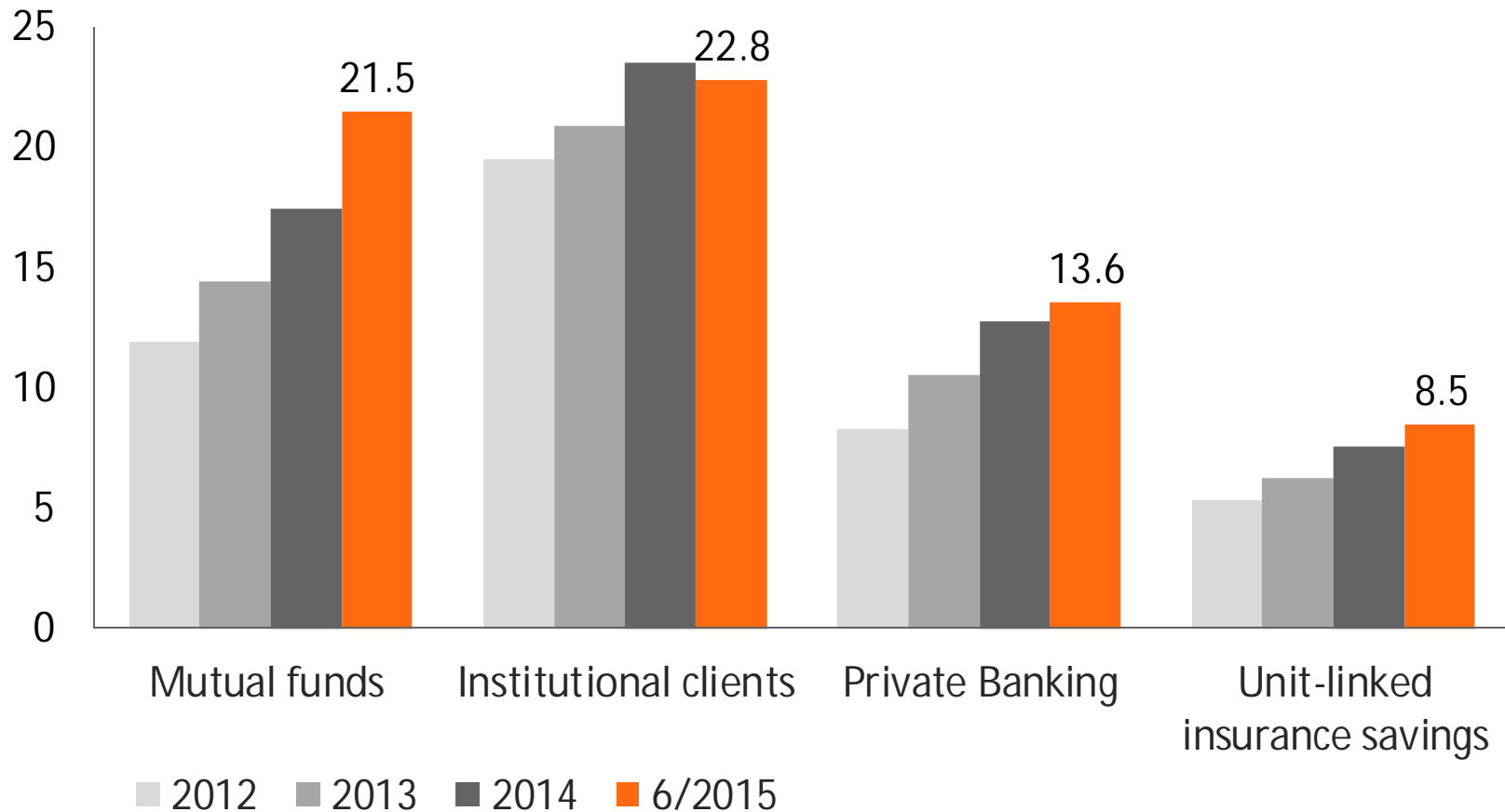


OP Financial Group Wealth Management

Assets under management (gross)

€ billion

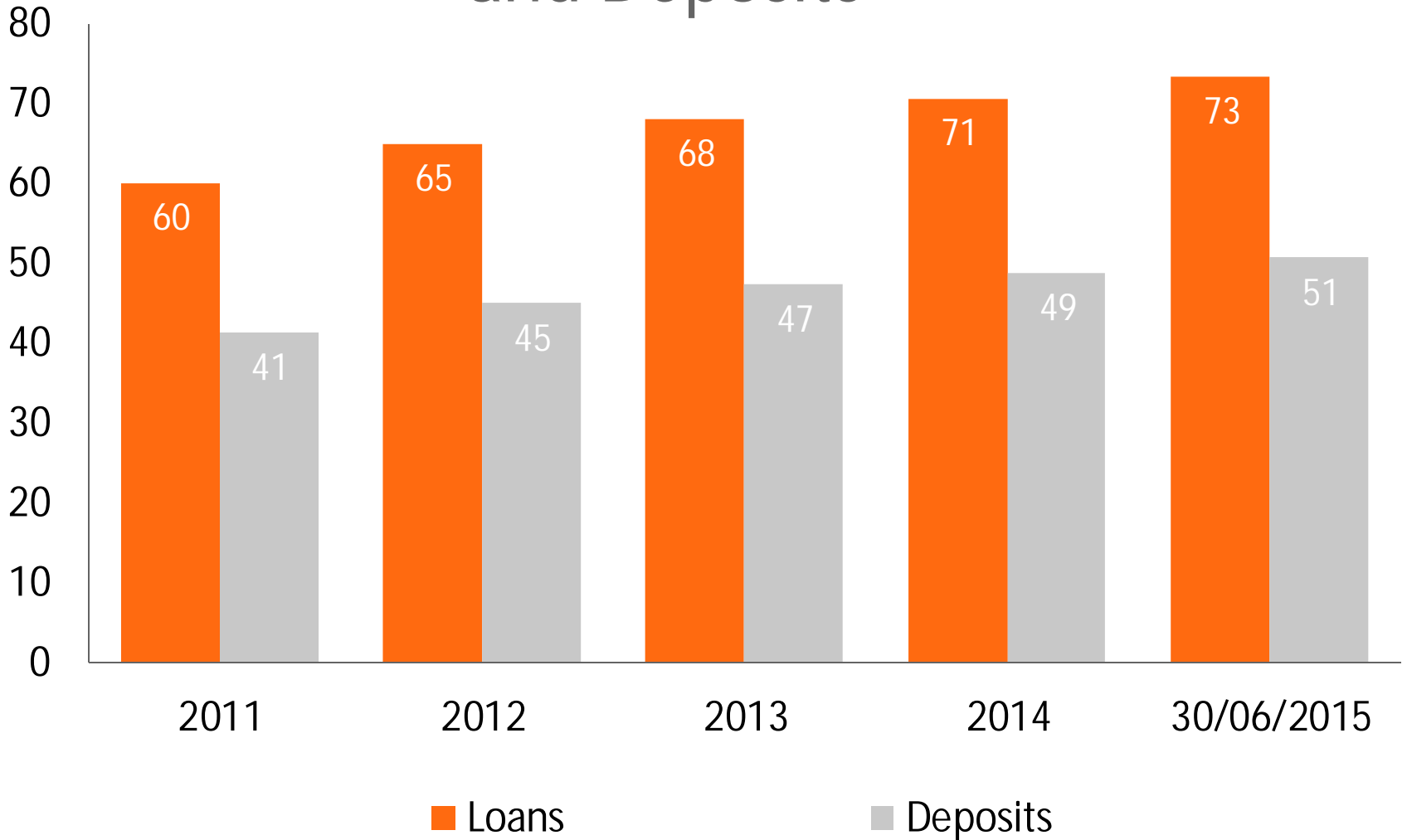
Total 6/2015: €66,3 billion



■ 2012 ■ 2013 ■ 2014 ■ 6/2015

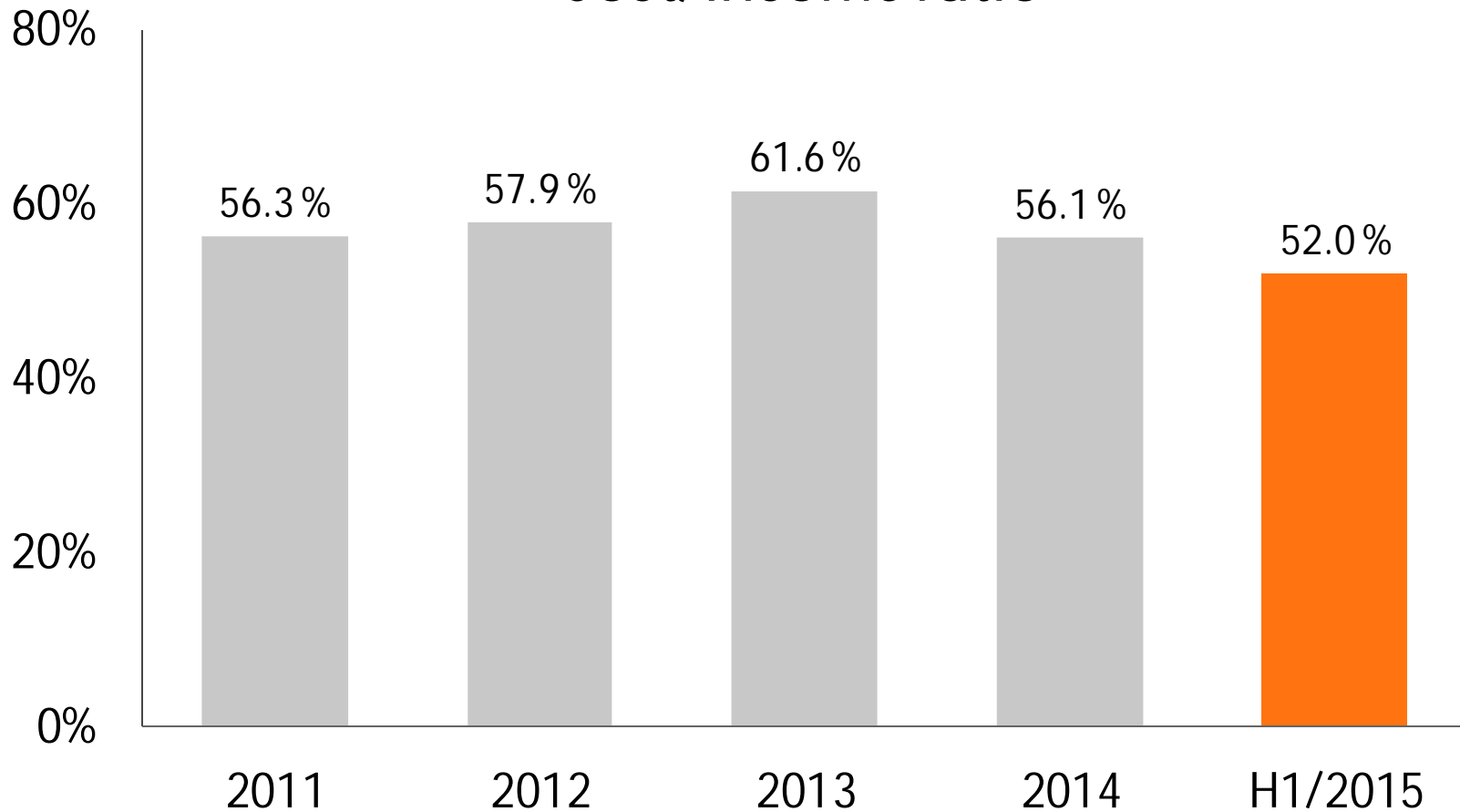
OP Financial Group's Loans and Deposits

€ billion



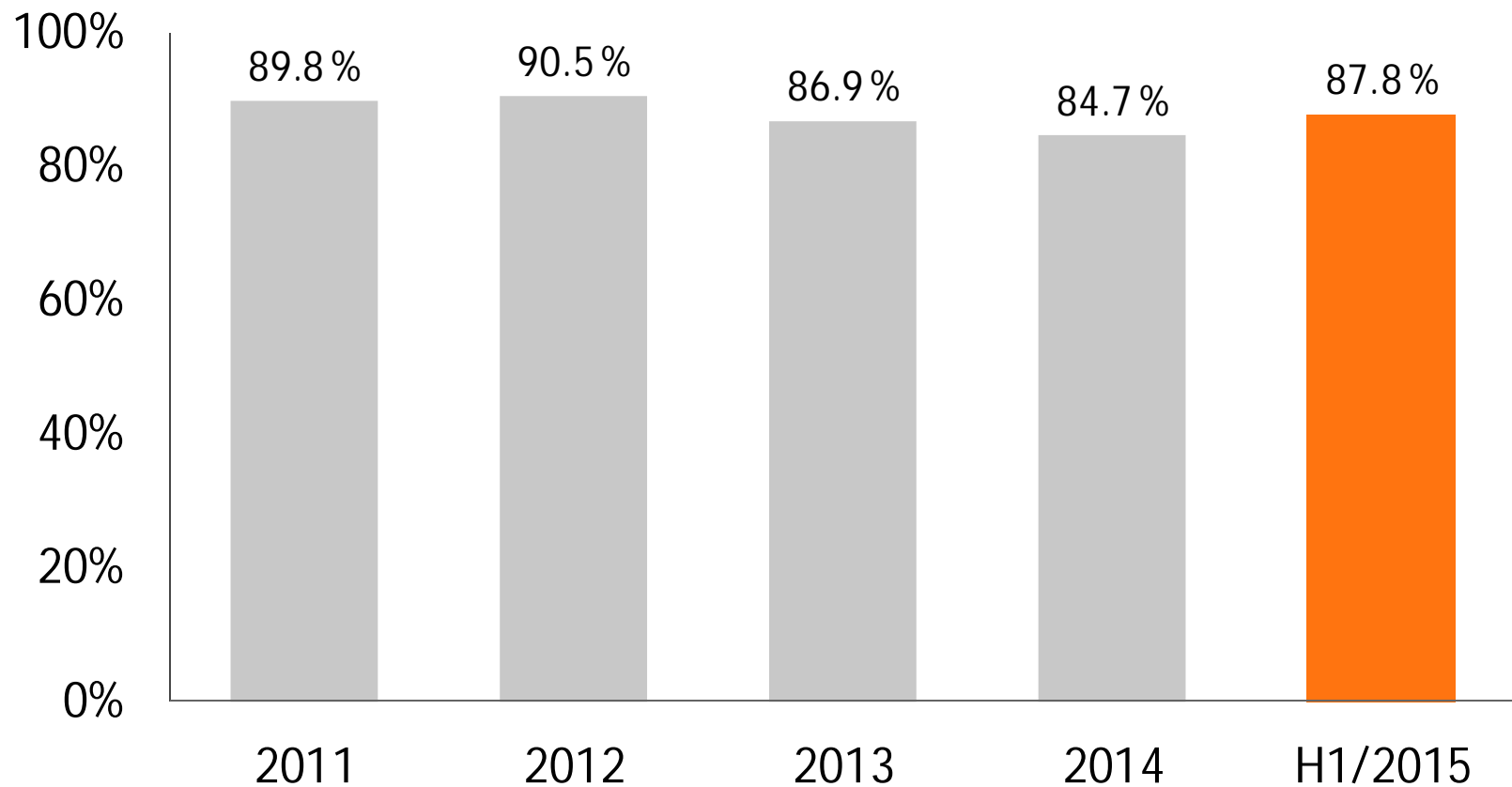
OP Financial Group Banking

Cost/income ratio



OP Financial Group Non-Life Insurance

Operating combined ratio





Thank you