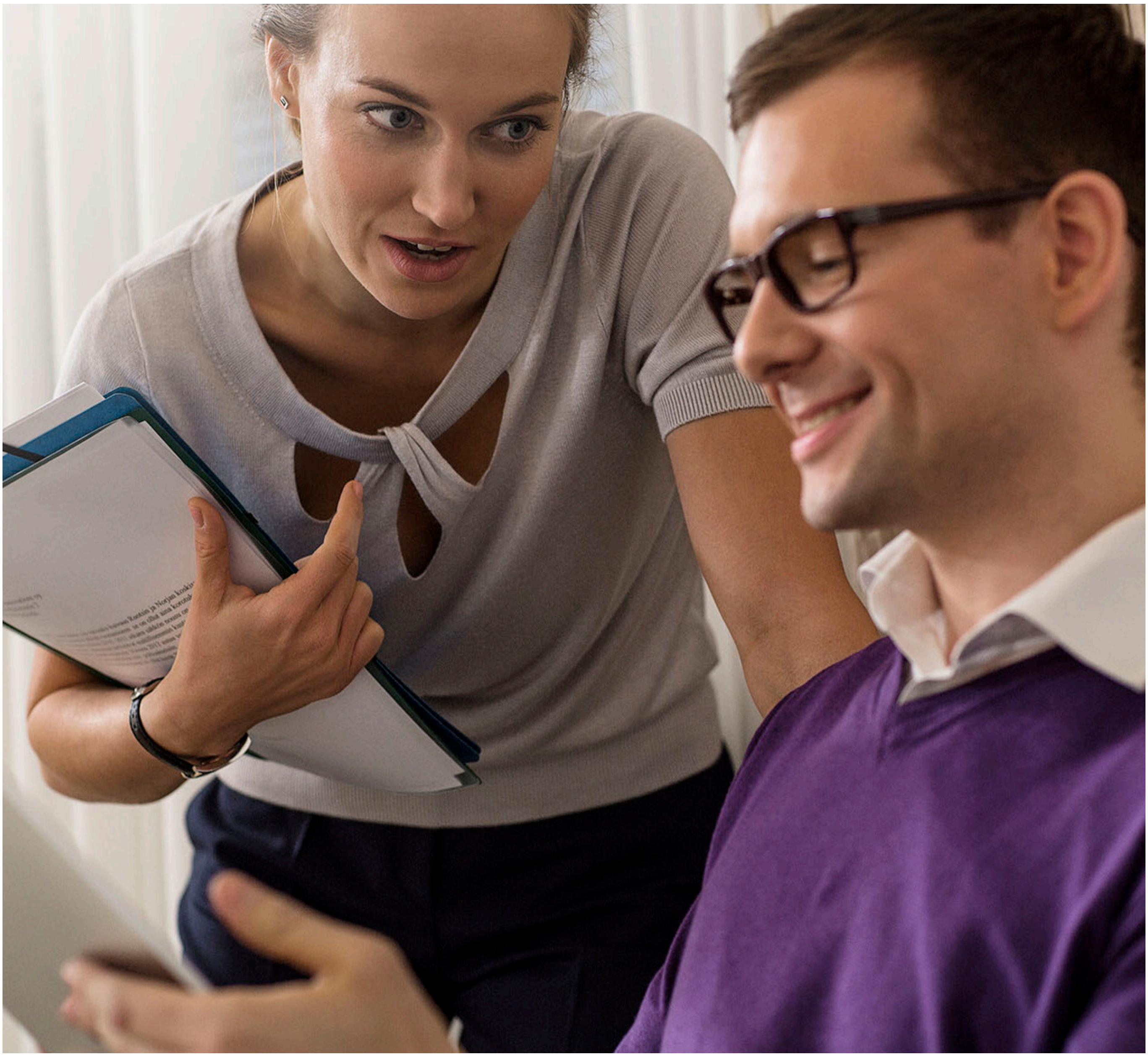


OP-Pohjola Group´s

Interim Report for 1 January—30 September 2013

OP-Pohjola

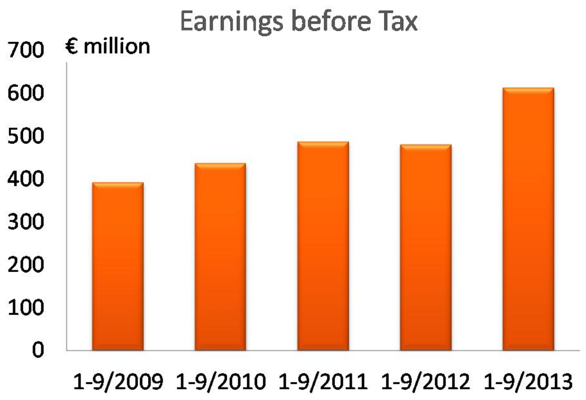
Strong growth in OP-Pohjola Group's earnings and market position

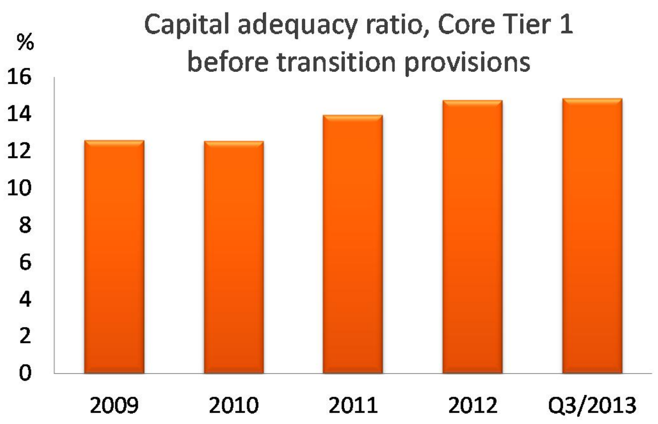
- Earnings before tax increased by 28% to EUR 614 million (481). Earnings before tax for January–September already exceeded those for the full year 2012. Earnings before tax for the third quarter were €216 million (153), an increase of 42 per cent on the year-ago figure.
- Total income increased by 8%. Net interest income continued its growth path.
- Total expenses remained at the previous year's level. Excluding the bank levy, expenses would have decreased by 3%.
- Core Tier 1 ratio improved to 14.9% (14.8).
- The Group continued to strengthen its market position. In the year to September, the loan portfolio grew by 5.9%, deposits by 7.2%, mutual fund assets by 23% and Non-life Insurance premiums written by 10%.
- The number of joint banking and non-life insurance customers increased by 103,000 in the year to September.
- Change in the outlook: Earnings before tax for full 2013 are expected to be markedly better than a year ago. For more information, see "Outlook for the rest of 2013".

OP-Pohjola Group's key indicators

	Q1–Q3/2013	Q1–Q3/2012	Change, %	2012
Earnings before tax, € million	614	481	27.5	586
Banking	323	345	-6.5	424
Non-life Insurance	162	82	97.6	92
Wealth Management	98	74	32.2	101
Returns to owner-members and OP bonus customers	145	142	1.6	192
	30 Sep 2013	**30 Sep 2012**	**Change, %**	**31 Dec 2012**
Core Tier 1 ratio before the transition provisions, %	14.9	15.1	-0.2*	14.8
Core Tier 1 ratio, %	13.9	14.8	-0.9*	14.1
Ratio of capital base to minimum amount of capital base (under the Act on the Supervision of Financial and Insurance Conglomerates)	1.86	2.01	-0.15*	1.90
Ratio of non-performing receivables to loan and guarantee portfolio, %	0.49	0.55	-0.06*	0.46
Joint banking and insurance customers (1,000)	1,491	1,388	7.4	1,425

* Change in ratio





Comments by Reijo Karhinen, Executive chairman and CEO

OP-Pohjola Group's key figures are again a sign of our very strong performance this year. Our capital adequacy, earnings and growth figures are high in terms of their level and are well-balanced. Thanks to our considerably better earnings than we expected, our strong capital adequacy has even improved slightly, although growth that ties up our capital has continued at a rate faster than the market average. From the viewpoint of a customer-owned financial services group, I would describe our performance so far this year as optimal.

Following a good third quarter, we estimate that our full-year results will be clearly better than a year ago. This estimate, using figures available so far this year, is based on the performance that is already better than the full year 2012 performance, continued strict control of expenses and net interest income that has begun to increase. We have a solid risk exposure and low loan losses.

The upcoming regulatory framework will highlight the importance of capital adequacy in banking, which is automatically reflected in the increasing role of profit performance. However, we are not seeking profit at the expense of growth but in order to ensure it on a long-term basis. We will maintain our profit performance and price competitiveness primarily by making our operations and processes more efficient. We cannot afford to increase our expenses in the next few years.

OP-Pohjola Group has continued to increase its particularly strong market position of recent years, and this trend has also continued this year. Again, within the last 12 months, we managed to obtain over 100,000 new joint banking and non-life insurance customers thanks to successful cross-selling. Already more than 70 per cent of Pohjola Insurance's customers also use OP-Pohjola Group's banking services.

Another key reason for our success, arising particularly in the recent uncertain operating environment, is the fact that we carry our responsibility for the financial management of Finnish households and businesses. That the growth in euro terms of OP-Pohjola Group's housing loans represented 80 per cent of the growth within the sector is strong proof that what we do is in line with our promises. And in terms of on-balance-sheet corporate financing, we came close to 100 per cent.

Our strong profit performance and market position development during January–September have shown that we have had the desire and ability to work on a long-term basis and to listen to our customers. What our customers need on a daily basis is still at the heart of how we operate. According to our mission, we must be able to offer our customers genuine added value. We should also be able to see our own operations from the viewpoint of our customers. Easy use of our services and the right service attitude form the basis of a good customer experience.

Our success story gives us the opportunity to look into the future with confidence and with a positive approach. We will continue to put unprecedented efforts into product and service development. OP Mobile's growth into becoming the primary point of access for private banking customers is ongoing. Users value our mobile services very highly, and the innovative Pivo service is a forerunner in smart wallets. With Omasairaala hospital, we are leading the way in the development of healthcare processes.

OP-Pohjola Group is firmly rooted in Finland, so it is delightful to see that the country's economic policy is finally being adjusted. Now Finland needs to proceed with determination. The journey has only begun. Economic confidence has improved markedly in the rest of Europe, but deteriorated in Finland. Finland has to be aware of the crisis to take the necessary decisions, but this stage must be passed quickly, because the uncertainty and consequent low confidence and negative atmosphere are eating up consumer spending and capital spending. To improve overall sentiment, Finland not only needs a successful collective agreement but also systematic implementation of the Government's structural programme.

OP-Pohjola Group's interim report for 1 January–30 September 2013

Contents

Operating environment

Confidence in the global economy improved in the third quarter of 2013. According to preliminary information, economic growth remained slow.

The euro-area economy returned to slow growth last spring and, based on economic indicators, also continued to grow slightly in July–September. Economic surveys suggest that both consumer confidence and business confidence have improved but the economic situation has remained weak as a whole.

The European Central Bank (ECB) has announced that it will keep its key interest rates at their current levels or lower for an extended period. The ECB has kept its main refinancing rate at 0.50% Euribor rates remained relatively stable.

In the USA, the Federal Reserve monetary policy decisions caused uncertainty. Fluctuations in US bond yields were also reflected in euro-area longer term interest rates. The euro-area government bond market remained otherwise calm.

Economic development in Finland remained weak but there were more signs of a gradual recovery. GDP has begun to grow slowly and growth in unemployment has levelled off. The inflation rate continued to decelerate. In the context of economic policy, negotiations have started on moderate wage increases and on structural changes.

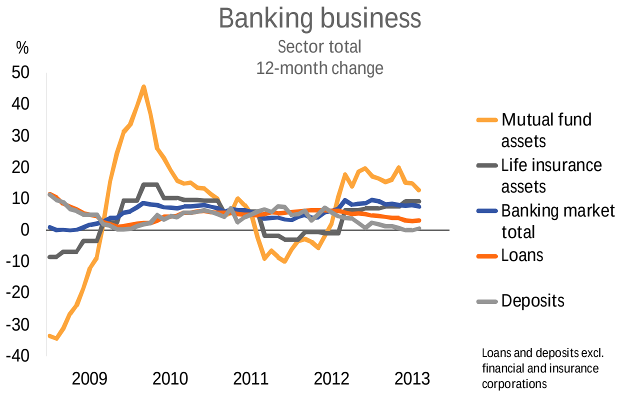
The world economy is expected to continue its gradual revival. Industrial countries in particular have shown improved trust in economic recovery. Yet, risks are higher than usual and developments may shake financial markets and economies in the future too. The Finnish economy is expected to grow slowly during the rest of 2013. The ECB is anticipated to adhere to its monetary stimulus policy and the Euribor rates are expected to remain record low.

The third quarter saw a continued slowdown in the growth rate of the total consumer loan volumes of banks. The annual growth rate of total home loan volumes decelerated to 3% and total consumer credit volumes continued to decrease slightly. Total corporate loan volumes continued to grow at an annual rate of 3%. Demand for loans is expected to remain sluggish during the rest of the year.

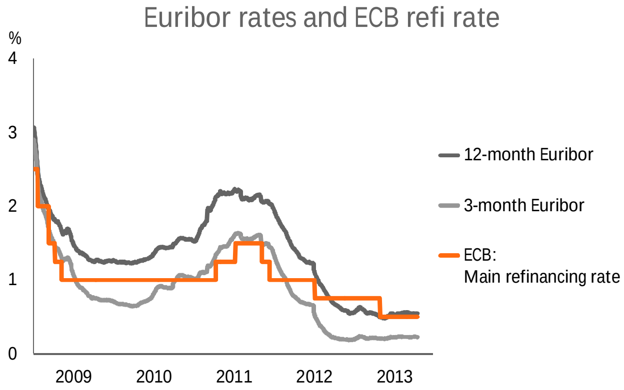
In August, the total deposit volumes of banks continued to grow at an annual rate of 6%, due largely to deposits made by financial institutions and insurance companies. The total deposits made by private and corporate customers were slightly down from their level a year ago, as assets were allocated to savings products with higher investment risks.

The third quarter saw a continued brisk growth in mutual fund assets and insurance savings as a result of positive developments in financial markets. Equity fund returns increased and net inflows remained strong. Life insurance premiums written for January–August improved by over 50% on a year earlier. The trend in insurance savings continued away from products with guaranteed technical interest to unit-linked products.

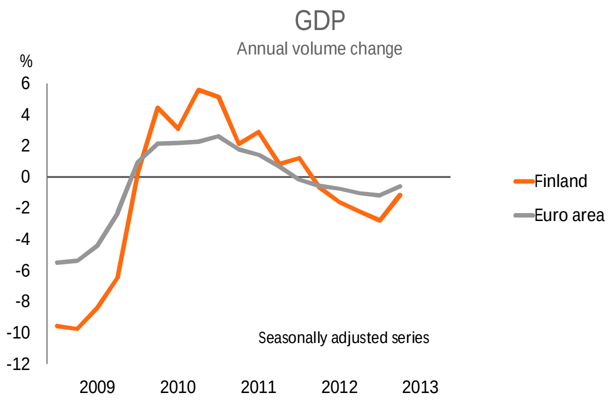
In the non-life insurance sector, the growth rate of premiums written slowed down slightly, suggesting an annual growth rate of 4–5% this year. Due to favourable claims developments, claims paid out increased more slowly than premiums written.



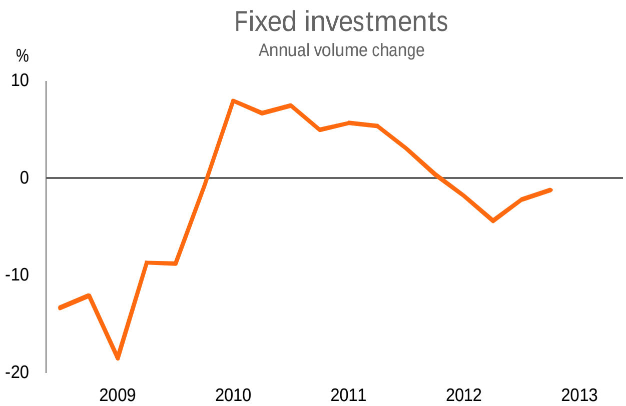
Sources: Bank of Finland, Federation of Finnish Financial Services, Investment Research Finland



Source: Bank of Finland



Sources: Eurostat, Statistics Finland



Source: Statistics Finland

OP-Pohjola Group's earnings analysis and some key balance sheet indicators

Earnings analysis, € million	Q1–Q3/2013	Q1–Q3/2012	Change, %	Q3/2013	Q3/2012	Change, %	Q2/2013
Banking	323	345	-6.5	130	98	32.2	94
Non-life Insurance	162	82	97.6	63	27		43
Wealth Management	98	74	32.2	21	40	-47.7	20
Earnings before tax	614	481	27.5	216	153	41.6	164
Gross change in fair value reserve	-77	560		83	186	-55.5	-136
Earnings before tax at fair value	536	1,042	-48.5	299	338	-11.7	28
Return on economic capital, % *)	16.4	13.9	2.5 *				
Return on economic capital at fair value, % *)	17.5	25.2	-7.7*				
Income							
Net interest income	666	772	-13.7	232	243	-4.7	221
Net income from Non-life Insurance	428	334	28.1	148	105	40.0	137
Net income from Life Insurance	144	75	91.0	37	27	37.5	37
Net commissions and fees	476	428	11.1	158	134	18.3	154
Net trading and investment income	136	85	59.5	34	19	75.3	48
Other operating income	69	88	-20.8	18	41	-55.9	24
Other income, total	1,252	1,010	24.0	395	326	21.1	400
Total income	1,919	1,782	7.7	626	569	10.1	621
Expenses							
Personnel costs	561	585	-4.1	166	188	-11.5	194
Other administrative expenses	259	275	-5.9	82	82	-1.1	94
Other operating expenses	291	252	15.7	96	81	19.2	98
Total expenses	1,111	1,111	0.0	344	351	-2.0	385
Impairment loss on receivables	49	47	4.0	17	19	-10.8	23
Returns to owner-members and OP bonus customers							
Bonuses	136	129	5.4	46	44	5.4	45
Interest on ordinary and supplementary cooperative capital	9	14	-33.9	3	2	24.5	3
Total returns	145	142	1.6	49	46	6.3	48

*) 12-month rolling, change in percentage

Other key indicators, € million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012	Change, %
Receivables from customers	67,866	64,174	5.8	65,161	4.2
Life Insurance assets	9,504	8,843	7.6	9,173	3.7
Non-life Insurance assets	3,592	3,603	0.0	3,492	3.2
Liabilities to customers	49,132	48,935	0.4	49,650	-1.0
Debt securities issued to the public	21,775	18,928	15.0	19,270	13.0
Equity capital	7,473	7,019	6.5	7,134	4.7
Balance sheet total	101,145	99,725	1.4	99,769	1.4
Tier 1 capital	5,582	5,553	0.5	5,352	4.3

Comparatives deriving from the income statement are based on figures reported for the corresponding period a year ago. Unless otherwise specified, balance-sheet and other cross-sectional figures on 31 December 2012 are used as comparatives. As a result of change in the recognition of defined benefit pension plans, the comparatives have been restated.

January–September

OP-Pohjola Group's earnings before tax were EUR 614 million (481). Earnings were improved especially because of a solid increase in investment income due to capital gains on securities, the good financial performance of Non-Life Insurance and an increase in net commissions and fees. The good performance of Non-life Insurance was the result of premiums written that have been increasing for a long time and of lower operating expenses. Life Insurance's performance was better than a year ago thanks to capital gains and the acquisition of Aurum Investment Insurance Ltd. The fact that growth in expenses has come to a halt has contributed to the improved results of the entire Group.

Due to low interest rates, net interest income decreased by 14% year on year. The decrease in net interest income slowed down in the second quarter and net interest income began to increase slightly during the third quarter.

The Group's expenses were at the same level as last year despite the EUR 35 million bank levy and the growth and expansion of business. Without the effect of the bank levy, total expenses would have decreased by more than 3%. Thanks to measures taken in the efficiency-enhancement programme, wages and salaries decreased by more than 6% in net terms. Because pension costs increased, personnel costs as a whole decreased by 4%. A non-recurring provision for expenses of EUR 20 million related to the efficiency-enhancement programme of OP-Pohjola Group Central Cooperative Consolidated increased personnel costs a year ago. Other administrative expenses were almost 6% lower than a year ago.

Impairment losses recognised under various income statement items that eroded earnings amounted to EUR 85 million (75), of which EUR 49 million (47) concerned loans and receivables. Annualised net impairment loss on loans and receivables accounted for 0.09% (0.09) of the loan and guarantee portfolio.

Earnings before tax by Banking amounted to EUR 323 million (345). Financial performance by Banking was weakened by low interest rates and the bank levy. Net commissions and fees increased by 16% to EUR 456 million (394) as they were higher year on year with regard to lending, payment services and wealth management.

The operating combined ratio of Non-life Insurance was 86.6% (89.0) as a result of lower operating expenses. Pre-tax earnings by Non-life Insurance increased year on year mainly as a result of higher net investment income and growth of the balance on technical account. Changes in reserving bases recorded a year ago decreased Non-life Insurance's earnings by a total of EUR 52 million.

Earnings before tax by the Wealth Management segment improved as net investment income by Life Insurance increased year on year. The improved year-on-year performance of Life Insurance was also supported by the earnings of Aurum Investment Insurance, as its accounts were not consolidated until September 2012.

OP-Pohjola Group's fair value reserve before tax totalled EUR 371 million (449) on 30 September. Earnings before tax at fair value were EUR 536 million (1,042).

Equity capital was EUR 7.5 billion (7.1) on 30 September. Equity capital was increased by the reporting period's earnings, but reduced by profit distribution and a reduction in the fair value reserve.

On 30 September, the cooperative capital investments and supplementary cooperative capital investments of the cooperative banks' owner-members totalled EUR 741 million (759).

OP-Pohjola Group had 4,246,000 customers in Finland at the end of September. The number of private customers totalled 3,813,000 and that of corporate customers 432,000. The number of joint banking and non-life insurance customers increased by 66,000 from its 2012-end level to 1,491,000, as a result of cross-selling. The number of joint customers increased by 103,000 in the year to September.

Bonuses to owner-members and OP bonus customers recognised in the income statement increased by 5.4% year on year to EUR 136 million.

July–September

Earnings before tax were EUR 216 million (153). The earnings were improved by an increase in net commissions and fees and the Non-life Insurance balance on technical account, as well as the changes in reserving bases that reduced Non-life Insurance earnings a year ago. As a whole, net interest income decreased by 4.7%; net interest income from Banking was at the previous year's level. Total expenses were 2.0% lower than the year before as a result of lower personnel costs. Personnel costs were increased a year ago by a non-recurring provision for expenses of EUR 20 million. Other operating income a year ago was increased by a non-recurring item related to income and expense synergies, EUR 19 million, recognised in connection with the acquisition of the operations of Aurum Investment Insurance Ltd.

In the third quarter, net interest income increased by 5.1% to EUR 232 million (221) compared to the second quarter; this was because loan margins increased and the loan portfolio grew. Total expenses decreased from those reported for the previous quarter as a result of lower personnel costs and administrative expenses. Total earnings before tax in the third quarter, EUR 216 million, were 31% higher than those in the second quarter (164).

OP-Pohjola Group's long-term financial targets	**30 Sep 2013**	**30 Sep 2012**	**Target**
Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates	1.86	2.01	1.6
Return on economic capital, % (12-month rolling)	16.4	13.9	18%
Growth differential between income and expenses, pps (within 3 years)	1.8	-3.1	> 0

Capital adequacy, risk exposure and credit ratings

Capital base

On 30 September, OP-Pohjola Group's capital base, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates, exceeded the minimum amount specified in the Act by EUR 3,134 million (3,112). This buffer was reduced by Pohjola Bank plc's redemption in March 2013 of a Lower Tier 2 subordinated note of EUR 170 million and the higher capital requirement set by the Act. On the other hand, the buffer was increased by the Group's earnings.

As a result of the financial crisis, the regulatory framework for banks' capital adequacy requirements became more rigorous in an effort, for example, to improve the quality of their capital base, to increase capital buffers, to reduce the cyclic nature of capital requirements, to decrease banks' indebtedness and to set quantitative limits to liquidity risk. These changes will take effect in 2014–2019. The effects of the changes on OP-Pohjola Group's capital adequacy under the abovementioned Act will depend on the level of credit institutions' capital buffer requirements and calculation methods. The effects of the changes on capital adequacy specified in the Act on Credit Institutions is discussed in more detail below under Banking, Capital adequacy.

The solvency regulations of the insurance sector are changing, too. Changes in the insurance sector's Solvency II regulations aim to improve the quality of insurance companies' capital base, improve their risk management, increase the risk-based capital adequacy requirements and harmonise insurance sector solvency requirements in Europe. The regulations are still being processed, and are estimated to come into effect at the beginning of 2016, at the earliest. The rules and regulations will on the one hand increase capital requirements, and increase the capital base on the other, which will decrease the capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates. According to the current estimate, capital adequacy under the Act will remain strong.

OP-Pohjola Group estimates that its non-life insurance business already fulfils the solvency capital requirement under the proposed Solvency II. Life Insurance should fulfil the solvency requirements under the proposed Solvency II when the adjustments related to the risk levels of investment assets and insurance liabilities that have already been initiated are taken into consideration.

Risk exposure

OP-Pohjola Group's risk exposure remained stable in the report period. The Group has a strong risk-bearing capacity sufficient to secure business continuity.

No major changes occurred in credit risk exposure despite the poor economic development in Finland and the rest of the euro area. See below in the section dealing with business segments for details on the Banking risk exposure.

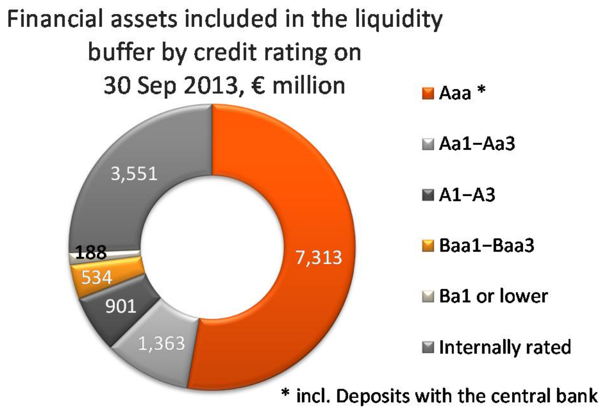
No major changes took place in the report period in Non-life Insurance's or Life Insurance's underwriting risks. See below in the section dealing with business segments for details on the risk exposure of Non-life and Life Insurance.

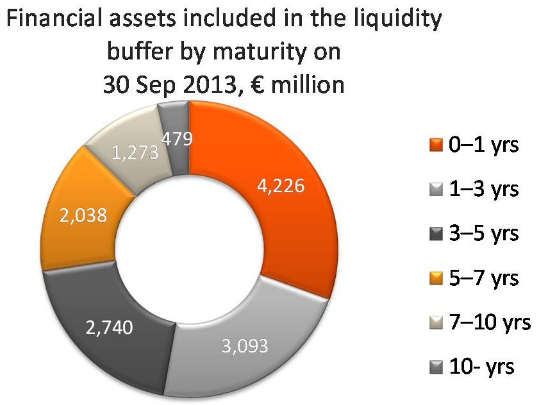
OP-Pohjola Group's funding and liquidity position is strong. The share of deposits of the loan portfolio remained stable throughout the report period. Pohjola Bank plc, which acts as the Group's central bank, issued long-term bonds worth EUR 1.8 billion during the report period. In order to increase the geographic diversification of wholesale funding, some of the above bonds were issued in Japan. OP-Pohjola Group had good access to short-term wholesale funding during the report period.

OP-Pohjola Group secures its liquidity with a liquidity buffer which mainly consists of deposits with central banks and receivables eligible as collateral for central bank refinancing. Although the liquidity buffer reduced, the Group's liquidity position improved in the report period. The liquidity buffer and other sources of additional funding based on the contingency funding plan are sufficient to cover funding for at least 24 months in the event wholesale funding becomes unavailable and total deposits decrease at a moderate rate.

Liquidity buffer, € billion	30 Sep 2013	31 Dec 2012	Change, %
Deposits with central banks	3.4	5.6	-38.7
Notes and bonds eligible as collateral	6.6	5.4	21.6
Corporate loans eligible as collateral	3.0	3.0	-0.3
Total	**13.0**	**14.0**	**-7.2**
Receivables ineligible as collateral	0.9	0.6	44.0
Liquidity buffer at market value	**13.9**	**14.6**	**-5.1**
Collateral haircut	-1.0	-0.9	6.0
Liquidity buffer at collateral value	**12.9**	**13.7**	**-5.9**

The liquidity buffer comprises notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, securitised assets and loans eligible as collateral. The notes and bonds included in the liquidity buffer are based on mark-to-market valuations.





OP-Pohjola Group's market risk exposure was within the set limits in the report period.

The interest rate risk by Banking measured as the effect of a 1-percentage point decrease on a 12-month net interest income continued to decrease slightly during the report period. Within Banking, credit spread risk is highest in notes and bonds included in the liquidity buffer. The credit spread risk within Banking increased as the volume of notes and bonds included in the liquidity buffer went up. The report period saw a moderate increase in the equity allocation of Life Insurance's investment portfolio. At the same time, the share of alternative investments was reduced. As a whole, the market risk of Life Insurance decreased from its level at the beginning of 2013. The allocation of Non-life Insurance's investment portfolio did not undergo any major change.

Investment assets, € million	**30 Sep 2013**	**31 Dec 2012**	**Change**
Pohjola Bank plc	10,236	11,866	-1,630
Non-life Insurance	3,188	3,078	110
Life Insurance	3,548	3,624	-76
Group member cooperative banks	949	901	48
OP-Pohjola Group Mutual Insurance Company	392	373	19
Total	18,312	19,842	-1,530

OP-Pohjola Group has funded assets of its pension schemes through OP Bank Group Pension Fund, OP Bank Group Pension Foundation and insurance companies. Key risks associated with defined benefit pension plans relate to the discount rate for pension obligation and return on investment assets covering the pension obligation. Under the present IAS 19, the abovementioned items must be recognised in other items in the statement of comprehensive income in the period in which they occur. In the report period, no substantial changes occurred in the risk exposure of the defined benefit pension plans.

Credit ratings

OP-Pohjola Group's credit ratings on 30 September 2013

Rating agency	Short-term debt	Outlook	Long-term debt	Outlook
Fitch	F1	Stable	A+	Stable
Standard & Poor's	A-1+	Negative	AA-	Negative
Moody's	P-1	Stable	Aa3	Stable

Fitch Ratings affirms a rating for both OP-Pohjola Group and Pohjola Bank plc. OP-Pohjola Group's financial position also affects credit ratings affirmed for Pohjola Bank plc.

Credit ratings or outlooks on credit ratings for OP-Pohjola Group or Pohjola remained unchanged during January–September.

Standard & Poor's affirmed Pohjola Bank plc's long-term debt rating at AA- and short-term debt rating at A-1+ on 31 July 2013 while keeping its outlook negative.

Outlook for the rest of 2013

The world economy is recovering but growth is expected to remain slower than usual. Not only the euro-area economy but also the Finnish economy has shown a slight improvement. As a result of the actions taken by the ECB, financial markets have remained relatively stable. Despite the slight improvement, risks associated with economic development are higher than usual, and the economy may turn for worse than expected in quite a short period.

The operating environment in the financial sector is gradually improving although historically low interest rates are eroding banks' net interest income and will weaken insurance institutions' investment income. The economic recession has not increased loan losses in the banking sector by more than a fraction. The bank levy confirmed at the end of last year has caused major new costs to Finnish banks. Changes in the operating environment and the more rigorous regulatory framework will highlight the role of measures to strengthen the capital base and improve profitability.

Unless the operating environment turns out to be considerably weaker than expected, OP-Pohjola Group's earnings before tax for 2013 are expected to be markedly better (previous estimate: better) than in 2012. The most significant factors that may affect earnings in the rest of the year concern changes in capital markets.

All forward-looking statements in this report expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of developments in the economy, and actual results may differ materially from those expressed in the forward-looking statements.

Events after the balance sheet date

Pohjola Insurance Ltd decided to reduce the discount rate for Non-life Insurance pension liabilities by 0.2 percentage points from 3.0% to 2.8% as a result of low interest rates. This non-cash-flow-based change in the technical basis will lower the Group’s earnings by roughly EUR 39 million in the fourth quarter, taken into account in " Outlook for the rest of 2013" above.

On 23 October 2013, the European Central Bank (ECB) announced that it would conduct a comprehensive assessment of large banks. The exercise will start in November 2013 and take 12 months to complete. This assessment will consist of risk assessment, asset quality review and stress test. The comprehensive outcome will be published prior to the ECB assuming its supervisory role in November 2014. OP-Pohjola Group will be involved in the assessment.

Operations and earnings by business segment

OP-Pohjola Group's business segments are Banking, Non-life Insurance and Wealth Management. Non-segment operations are presented under "Other Operations". OP-Pohjola Group's segment reporting is based on the Group's accounting policies.

Summary of earnings by business segment

€ million	Income	Expenses	Other items*)	Earnings before tax Q1–Q3/2013	Earnings before tax Q1–Q3/2012	Change, %
Banking	1,261	747	-192	323	345	-6.5
Non-life Insurance	429	267	0	162	82	97.6
Wealth Management	217	119	0	98	74	32.2
Other Operations	366	341	-2	23	-5	
Eliminations	-355	-363	0	9	-14	
Total	**1,919**	**1,111**	**-194**	**614**	**481**	**27.5**

*) Other items contain returns to owner-members and OP bonus customers, and impairment loss on receivables.

Banking

- Earnings before tax for the third quarter increased by EUR 32 million year on year; net interest income remained at the previous year's level. However, earnings before tax for January–September decreased by 6%, year on year, to EUR 323 million (345) due to lower net interest income and the bank levy.
- The bank levy reduced the segment's earnings by EUR 33 million – total expenses, excluding the bank levy, were lower than a year ago.
- The growth rate of the loan and deposit portfolio without loans taken out and deposits made by financial institutions and insurance companies was higher than the industry average.
- Credit risk exposure was stable – impairment losses remained low.

Banking: key figures and ratios

€ million	Q1–Q3/2013	Q1–Q3/2012	Change, %	2012
Net interest income	665	740	-10.2	969
Impairment loss on receivables	47	45	3.4	96
Other income	597	522	14.4	722
Personnel costs	326	337	-3.1	446
Other expenses	421	392	7.3	534
Returns to owner-members and OP bonus customers	145	142	1.6	192
Earnings before tax	**323**	**345**	**-6.5**	**424**
Cost/income ratio, %	**59.2**	**57.8**	**1.5**	**57.9**
€ million				
Home loans drawn down	4,917	5,734	-14.2	7,601
Corporate loans drawn down	5,088	5,213	-2.4	7,375
Net asset inflows of mutual funds	1,948	-976		-698
No. of brokered property transactions	10,603	12,322	-14.0	16,291
€ billion	**30 Sep 2013**	**30 Sep 2012**	**Change, %**	**31 Dec 2012**
Loan portfolio				
Home loans	32.9	31.1	5.7	31.7
Corporate loans	17.8	16.7	6.2	17.0
Other loans	17.1	16.2	5.8	16.4
Total	**67.8**	**64.0**	**5.9**	**65.1**
Guarantee portfolio	3.1	2.7	13.7	2.6
Deposits				
Current and payment transfer	25.7	21.5	19.5	23.7
Investment deposits	21.0	22.0	-4.7	21.3
Total deposits	**46.7**	**43.6**	**7.2**	**45.0**
Market share, %				
Of loans	33.1 *)	33.1	0.0	33.4
Of deposits (Bank of Finland definition)	33.8 *)	33.4	0.4	34.1

*) Status in August 2013

Banking has continued to grow at a steady rate, although economic uncertainty has resulted in a slower rate of loan portfolio growth than the year before. The annual growth rate of deposits has remained faster than that of loans.

OP-Pohjola Group's deposits increased by 7.2% in the year to September and by 3.8% during the report period. Because of persistently low interest rates and lower term deposit margins, investment deposits decreased by 4.7% in the year to September. The growth of deposits has shifted towards payment transaction accounts, which increased by 20% in the year to September.

The loan portfolio grew by 5.9% in the year to September and by 4.2% during the report period. Year on year, the volume of new corporate loans drawn down decreased by 2.4% and that of home loans by 14%. The margins of new corporate and home loans have been rising considerably in the last 12 months.

OP-Pohjola Group has strengthened its market position further, especially in terms of home loans, corporate financing and deposits. The market share in home loans increased by 0.9 percentage points between September 2012 and August 2013, amounting to 37.6% (36.7) at the end of August. During the same period, the market share in corporate euro loans increased by 2.0 percentage points to 36.7% (34.7).

The housing market is still sluggish, with the volume of homes sold and bought through the Group's real estate agents decreasing by 14% over the previous year.

On 30 September, the cooperative member banks had 1.4 million owner-members, up by 39,500 year on year. The member banks and Helsinki OP Bank Plc, which operates in the Helsinki Metropolitan Area, had a total of 1,312,000 OP bonus customers at the end of September.

The combined amount of bonuses earned by OP bonus customers during the first three quarters for using OP-Pohjola as their main bank was worth EUR 136 million (129). A total of EUR 70 million (63) of the bonuses were used to pay for banking services, and EUR 65 million (60) for non-life insurance premiums.

Earnings and risk exposure

Earnings before tax amounted to EUR 323 million (345). An increase in net commissions and fees and net trading income compensated the reduced net interest income caused by low interest rates. Total expenses increased to EUR 747 million (729) because of the bank levy, without which they would have decreased by 2%.

The prolonged and exceptionally low level of market interest rates resulted in lower net interest income. Net interest income decreased by 10% to EUR 665 million (740).

Net commissions and fees were EUR 62 million higher than a year ago as a result of higher commissions from lending, payment transfers and wealth management.

Net trading and investment income increased by a total of EUR 13 million year on year, or by 14%.

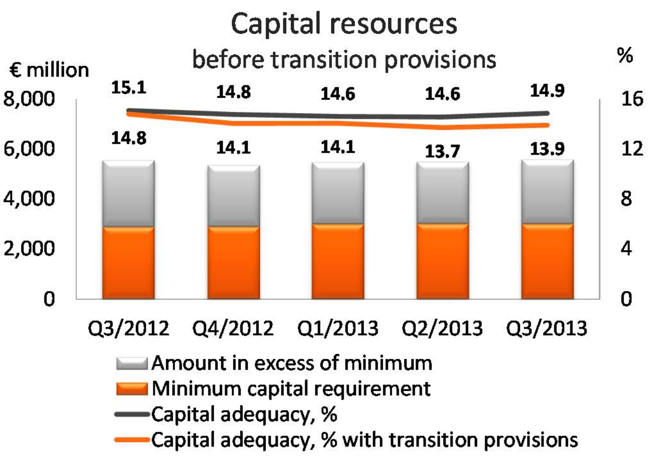
Major risks within Banking include credit risk, market risks and liquidity risk.

Banking's credit risk exposure remained stable with a moderate risk level. The loan and guarantee portfolio increased in January–September by EUR 3.2 billion to EUR 70.9 billion. The ratio of investment-grade exposure to all corporate exposure has remained stable. Impairment loss on receivables remained low. The ratio of non-performing and zero-interest loans to the loan and guarantee portfolio was slightly lower than a year ago.

OP-Pohjola Group's doubtful receivables as percentage of loan and guarantee portfolio	**30 Sep 2013**		**30 Sep 2012**		**31 Dec 2012**	
	€ million	**%**	**€ million**	**%**	**€ million**	**%**
Non-performing and zero-interest receivables, net	349	0.49	369	0.55	311	0.46
Impairment loss on receivables since 1 January, net	49	0.09	47	0.09	99	0.15

Capital adequacy

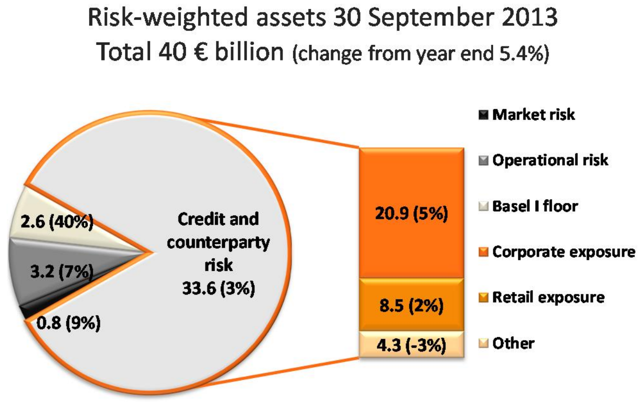
OP-Pohjola Group's capital adequacy is strong compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8%. Moreover, the European Banking Authority (EBA) has set the minimum requirement for the Core Tier 1 ratio at 9% applying to major European banks.



The Group's Tier 1 capital amounted to EUR 5,582 million (5,352) on 30 September. The key factors affecting the capital base were the redemption of a lower Tier 2 subordinated note worth EUR 170 million issued by Pohjola Bank plc, Q1–3 earnings by Banking and dividends and capital refunds from the Group's insurance companies.

Insurance company investments, deducted in equal proportions from Tier 1 and 2 capital, amounted to EUR 2,309 million (2,419). A total of EUR 476 million (498) were deducted from equity capital as a shortfall of expected losses and impairment losses. Deductions from Tier 2 capital exceeded Tier 2 capital by EUR 454 million (364), which were deducted from Tier 1 capital. The effect of the deduction on the Core Tier 1 ratio is 1.1 percentage points.

The minimum capital requirement was EUR 3,210 million (3,047) on 30 September, or 5.4% higher than at the turn of the year. The average risk weight of the total exposure portfolio increased slightly as the risk weight of home loans decreased and that of corporate loans increased. The Group is updating its rating models for retail and corporate exposures. The Group expects to adopt the updated rating models for retail exposures during the current year and those for corporate exposures next year pending approval by the Financial Supervisory Authority. These updates are estimated to have a positive effect on capital adequacy ratios.



The new Capital Requirement Directive and Regulation (CRD IV/CRR) was published in the EU Official Journal on 27 June 2013. These new rules and regulations will be phased in from 1 January 2014 and will implement the Basel III standards within the EU during 2014–19.

From OP-Pohjola Group's perspective, the most important individual change in the regulations relates to the special treatment of insurance holdings within a banking-led financial and insurance conglomerate. Accordingly, insurance holdings within such a financial and insurance conglomerate can also be counted as risk-weighted assets in capital adequacy measurement. Currently, such holdings are deducted from the capital base. The new, alternative approach and the details of its application require permission from the regulator. The Group expects its Common Equity Tier 1 (CET1) to be at least 1 percentage point higher than the current Core Tier 1 ratio. The risk weight set for insurance holdings will have a material effect on the change to the capital adequacy ratio, on which the authorities are expected to take a stand towards the end of the year.

Considering that the upcoming rules and regulations will result in higher capital requirements and increase liquidity management costs, profitability will play a key role when preparing for regulatory changes.

The new regulations include an indicator on the degree of indebtedness, leverage ratio. The leverage ratio of OP-Pohjola Group's Banking is, according to the current interpretations, about double the 3% minimum.

Non-life Insurance

- Earnings before tax improved to EUR 162 million (82). Earnings before tax at fair value were EUR 126 million (234).
- Insurance premium revenue increased by 10% (9).
- The balance on technical account was better. Operating combined ratio was 86.6% (89.0) and operating expense ratio 18.4% (21.8).
- Return on investments at fair value was 2.1% (8.6).
- The number of loyal customer households grew in the report period by 30,500 (35,100).

Non-life Insurance: key figures and ratios

€ million	Q1–Q3/2013	Q1–Q3/2012	Change, %	2012
Insurance premium revenue	930	843	10.2	1 126
Insurance claims and benefits**	574	566	1.5	759
Net investment income	105	98	6.4	115
Unwinding of discount and other items included in net income	-32	-34	5.9	-45
Net income from Non-life Insurance	**428**	**342**	**25.3**	**438**
Other net income	0	15	-97.2	20
Personnel costs	79	103	-22.8	135
Other expenses	188	172	9.0	231
Earnings before tax	**162**	**82**	**97.6**	**92**
Gross change in fair value reserve	-36	152		191
Earnings before tax at fair value	**126**	**234**	**-46.4**	**283**
Insurance premium revenue				
Private Customers	471	422	11.4	566
Corporate and institutional customers	421	387	8.8	513
Baltic States	38	34	12.4	46
Total insurance premium revenue	**930**	**843**	**10.2**	**1,126**
Key ratios, %				
Return on investments at fair value*, %	2.1	8.6		10.8
Operating combined ratio*, %	86.6	89.0	-2.4	90.5
Operating expense ratio*, %	18.4	21.8	-3.4	21.5
Operating loss ratio*, %	68.2	67.2	1.0	69.0

* These operating figures exclude changes in reserving bases and amortisation on intangible assets arising from corporate acquisition.
** Insurance claims and benefits do not include loss adjustment expenses.

Insurance premiums continued to increase strongly in all customer segments. Sales of policies increased by 2% over the previous year.

OP-Pohjola Group's market share of non-life insurance premiums written in 2012 was 29.1% (28.2). Measured in terms of the market share of premiums written, OP-Pohjola Group is Finland's largest non-life insurer. The market share is expected to have strengthened during the report period.

On 30 September, the number of loyal customer households totalled 600,500 (558,500), of which up to 71% (68) also use OP-Pohjola Group cooperative banks as their main bank. OP-Pohjola Group member cooperative banks' and Helsinki OP Bank's customers used OP bonuses that they had earned through the use of banking and insurance services to pay 1,325,000 insurance bills (1,210,000) with 186,000 (185,000) paid in full using bonuses. Insurance premiums paid using bonuses totalled EUR 65 million (60). The number of loyal customer households increased by 30,500 (35,100) from its 2012-end level.

Earnings and risk exposure

The balance on technical account was better than a year ago. The operating combined ratio improved to 86.6% (89.0) year on year. The balance on technical account improved as a result of a strong increase in insurance premium revenue and a decrease in operating expenses. Profitability improved the most in the private customer segment.

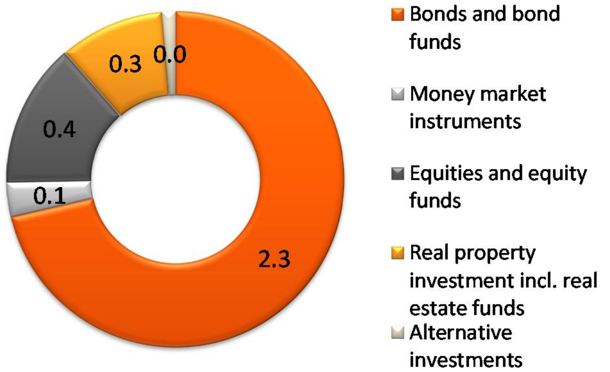
Claims incurred increased by 12%, excluding the reduction in the discount rate for pension liabilitiesa year ago, i.e. they increased at a slightly faster rate than insurance premium revenue. Claims incurred arising from new large claims were slightly higher than a year ago. The reported number of large or medium-sized claims (in excess of EUR 0.3 million) amounted to 149 (130) in January–September, with their claims incurred retained for own account totalling EUR 92 million (89). Changes in claims for previous years improved the balance on technical account by EUR 16 million (36). The risk ratio excluding indirect loss adjustment expenses was 62.1% (60.9).

Operating expenses decreased by 7% and the operating expense ratio improved to 18.4% (21.8). The efficiency-enhancement programme launched last year decreased costs, which together with strong growth in income improved efficiency. The operating cost ratio (incl. indirect loss adjustment expenses) was 24.4% (28.0).

Because of the unfavourable interest rate environment, investment income was lower than the year before. Return on investments at fair value was 2.1% (8.6). Net investment income was EUR 105 million (98). Capital gains of EUR 37 million (34) added to investment income. Impairment losses recognised in the income statement totalled EUR 7 million (8). Net investment income at fair value was EUR 69 million (251).

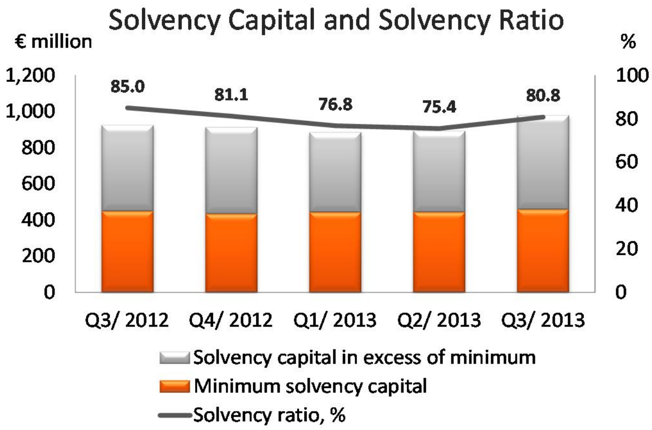
On 30 September, the investment portfolio of Non-life Insurance totalled EUR 3,237 million (3,149). The credit rating of the fixed-income portfolio remained healthy as investments in the “investment-grade” category accounted for 90% (92), and 73% of the investments were rated at least A–. The average residual term to maturity of the fixed-income portfolio was 4.6 years (4.2) and the duration 4.2 years (4.2).

Investment assets €3.2 billion, 30 Sep 2013



Major risks within Non-life Insurance include underwriting risks associated with claims developments, market risks associated with investment portfolios covering insurance liabilities and the discount rate applied to insurance liabilities. The discount interest rate has been adjusted after the report period. In other respects, no major changes occurred in the Non-life Insurance risk exposure.

The solvency capital of Non-life Insurance amounted to EUR 979 million (914) at the end of September. The ratio between solvency capital and insurance premium revenue (solvency ratio) was 81% (81). The equalisation provision increased to EUR 281 million (273).



Wealth Management

- Earnings before tax in the report period increased to EUR 98 million (74); earnings before tax at fair value were EUR 65 million (254).
- Return on investments by Life Insurance at fair value was 2.5% (7.3).
- Assets under management was EUR 50.2 billion (45.1) on 30 September.
- The market share of OP-Pohjola Group's mutual funds improved from 1 January to 30 September by 1.3 percentage points to 19.3%.
- Unit-linked insurance savings increased in the year to September by 15%, and the share of unit-linked insurance savings increased to 65% of all insurance savings.

Wealth Management: key figures and ratios

€ million	Q1–Q3/2013	Q1–Q3/2012	Change, %	2012
Life Insurance's net interest and risk result	53	18	189.3	19
Net commissions and fees				
Funds and asset management	76	68	11.3	99
Life insurance	97	64	50.7	98
Expenses	-27	-19	47.6	-25
Total net commissions and fees	145	114	27.6	172
Other income	20	38	-47.7	45
Personnel costs	18	23	-23.1	32
Other expenses	101	72	40.4	104
Earnings before tax	**98**	**74**	**32.2**	**101**
Gross change in fair value reserve	-34	180	-118.7	214
Earnings before tax at fair value	**65**	**254**	**-74.6**	**315**
€ billion	**30 Sep 2013**	**30 Sep 2012**	**Change, %**	**31 Dec 2012**
Insurance savings	9.1	8.5	7.4	8.6
Assets under management (gross)				
Mutual funds	14.1	11.4	23.3	11.9
Institutional Customers	20.2	19.2	5.4	19.5
Private Banking	9.9	7.7	27.4	8.3
Unit-linked insurance savings	5.9	5.2	15.2	5.3
Total assets under management (gross)	50.2	43.5	15.2	45.1
Market share, %				
Insurance savings	24.7	25.2	-0.5	25.0
Unit-linked insurance savings	29.7	32.7	-3.0	31.8
Mutual fund assets	19.3	18.0	1.3	18.0

Assets under management was EUR 50.2 billion (45.1). This amount contains EUR 11.6 billion in assets of the companies belonging to OP-Pohjola Group.

Life Insurance has the strategic goal of increasing unit-linked insurance savings. Unit-linked insurance savings increased between 1 January and 30 September by 9% to EUR 5.9 billion and by 15% in the year to September. Their share of all insurance savings increased to 65% (61).

Assets of the mutual funds managed by OP-Pohjola Group increased in the report period by 18% to EUR 14.1 billion (11.9). Net asset inflows to OP-Pohjola Group's mutual funds totalled EUR 1.9 billion (-1.0).

Earnings and risk exposure

Earnings before tax increased to EUR 98 million year on year (74). Earnings after a change in the fair value reserve amounted to EUR 65 million (254).

Net commission and fees increased by 28% to EUR 145 million (114). Aurum Investment Insurance Ltd accounted for 26 percentage points of this increase. Investment income without the valuation of derivatives that hedge the interest rate risk of insurance liabilities totalled EUR 132 million (101).

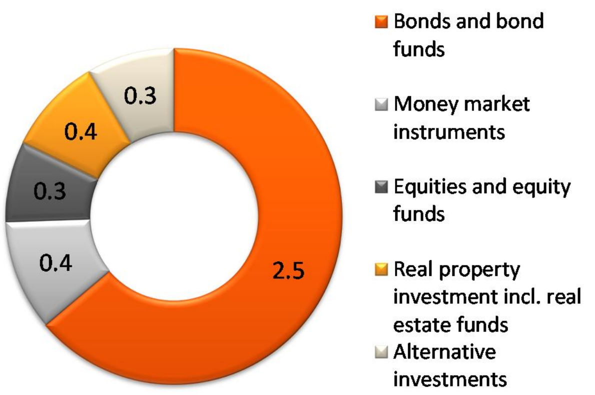
For the purpose of preparing for lower interest rates for an extended period, the Group made a EUR 20 million supplementary technical interest rate provision for the insurance liability, reducing the discount rate to less than 2.5% for 12 months.

Reported expenses increased by EUR 24 million year on year. A total of EUR 15 million of the increase of expenses is related to the acquisition of Aurum Investment Insurance Ltd and EUR 9 million to an increase of Life Insurance's sales commissions. Personnel costs decreased by more than EUR 5 million. The Life Insurance cost ratio, which includes all income to cover business expenses and in which sales channel fees are excluded, was 33.4% (39.9).

Life Insurance's return on investments at fair value, excluding that from derivatives designated as hedging instruments for interest rate risk related to insurance liabilities, was 2.5% (7.3).

Life Insurance's investment assets, excluding assets covering unit-linked insurance, amounted to EUR 3.9 billion (4.2), and were divided as follows:

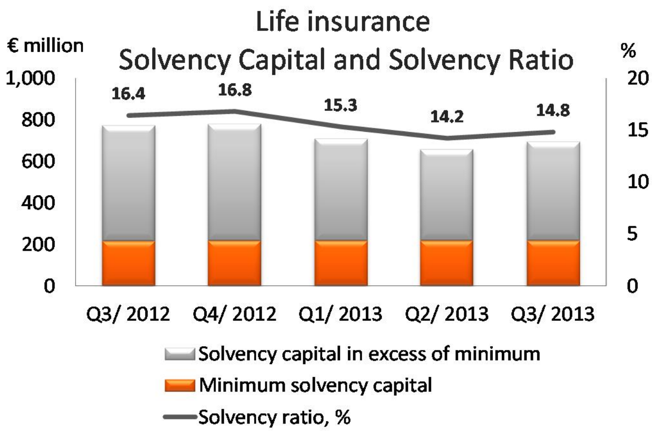
Life Insurance’s investment assets
€3.9 billion, 30 Sep 2013



Investments within the “investment-grade” category accounted for 90% (90) of the fixed-income portfolio. The portfolio’s modified duration was 3.2 (3.2) on 30 September 2013.

The key risks associated with Life Insurance are the market risks of investment assets and the interest rate used for the discounting of insurance liabilities. The greatest underwriting risk associated with Life Insurance is people's higher life expectancy. The level of Life Insurance's market risk was reduced in 2013.

Life Insurance’s solvency margin was EUR 694 million, which was three times the required minimum. The solvency ratio, or the ratio of solvency capital to weighted insurance liabilities, was 14.8% (16.8).



Other Operations

Other Operations: key figures and ratios

€ million	Q1–Q3/2013	Q1–Q3/2012	Change, %	2012
Net interest income	10	25	-58.9	24
Net trading income	-10	4		1
Net investment income	34	-5		7
Other income	331	305	8.7	409
Expenses	341	333	2.3	451
Impairment loss on receivables	2	2	18.2	3
Earnings before tax	**23**	**-5**		**-13**
€ billion	**30 Sep 2013**	**30 Sep 2012**	**Change, %**	**31 Dec 2012**
Receivables from credit institutions	12.0	8.4	42.7	8.5
Investment assets	7.9	6.1	28.5	6.5
Liabilities to credit institutions	4.6	6.4	-28.6	4.9
Debt securities issued to the public	17.1	14.2	19.9	14.4

Earnings before tax were EUR 23 million (-5) in the report period.

Net interest income decreased to EUR 10 million (25) because of structural changes to the liquidity buffer within the last 12 months. Net investment income increased to EUR 34 million (-5). Capital gains in the report period improved net investment income by EUR 13.1 million, while investment income was eroded a year ago by net capital losses of EUR 4.7 million. Dividend income totalled EUR 18.8 million (7.5) in the report period. Other Income consists to a large extent of intra-Group service charges, which are presented as business segment expenses. Of the Other Operations expenses, EUR 138 million (122) were personnel costs and EUR 93 million (90) ICT costs.

Changes in OP-Pohjola Group's structure

OP-Pohjola Group's consolidated financial statements include the accounts of 188 member cooperative banks (196), OP-Pohjola Group Central Cooperative Consolidated and OP Bank Group Mutual Insurance Company.

Forssan Seudun Osuuspankki, Somerniemen Osuuspankki and Someron Osuuspankki merged into Salon Osuuspankki on 31 August 2013, changing its name to Lounaismaan Osuuspankki.

Keikyän Osuuspankki merged into Satakunnan Osuuspankki on 30 September 2013.

Uukuniemen Osuuspankki merged into Kesälahden Osuuspankki on 30 September 2013.

Ähtärin Osuuspankki merged into Etelä-Pohjanmaan Osuuspankki on 30 September 2013.

Sideby Andelsbank and Övermark Andelsbank merged into Korsnäs Andelsbank on 30 September 2013.

Ikaalisten Osuuspankki and Karvian Osuuspankki have decided to merge into Parkanon Osuuspankki, which will change its name to Satapirkan Osuuspankki, planned to be realised on 31 December 2013.

Hauhon Osuuspankki, Hämeenlinna Seudun Osuuspankki and Lopen Osuuspankki have decided to merge into Riihimäen Seudun Osuuspankki, which will at the same time change its name to Etelä-Hämeen Osuuspankki. The planned date for this is 31 December 2013.

Koillis-Savon Seudun Osuuspankki has decided to merge into Pohjois-Savon Osuuspankki, planned to be realised on 28 February 2014.

Juuan Osuuspankki has decided to merge into Joensuun Seudun Osuuspankki, which will change its name to Pohjois-Karjalan Osuuspankki. The planned date for this is 31 March 2014.

OP IT Procurement Ltd and OP-Services Ltd have reached a decision for the former to merge into the latter, planned to take place on 31 October 2013.

OP-Pohjola Group's fully owned hospital, Omasairaala Oy began operations at the beginning of 2013.

Personnel and remuneration

On 30 September, OP-Pohjola Group had 12,524 employees (13,290). The staff averaged 12,730 employees (13,411). This reduction in staff was mainly related to the efficiency-enhancement programme in OP-Pohjola Group Central Cooperative Consolidated. During the report period, 256 employees (241) retired at an average age of 61.7 years (61.4).

OP-Pohjola Group’s scheme for variable remuneration comprises short-term company-specific incentives and long-term Group-wide incentives.

The long-term incentive scheme for the entire OP-Pohjola Group consists of a management incentive scheme and a personnel fund for other staff.

The management incentive scheme consists of consecutive three-year performance periods, the first of which is 2011–13. Those persons included in the scheme will be entitled to receive a certain number of Pohjola Bank plc Series A shares, if OP-Pohjola Group reaches the strategy-based targets set for the respective performance period. The bonus based on the scheme will be paid out to the beneficiary in terms of shares and cash and in three instalments in 2015–2017 after the vesting period, provided that the Group's capital adequacy is higher than the internal minimum requirements on the payout date. Bonus payout includes conditions relating to the duration of employment or executive contracts.

Governance of OP-Pohjola Group Central Cooperative

OP-Pohjola Group Central Cooperative's Annual Cooperative Meeting was held on 22 March 2013. Of the members who were due to resign from the Supervisory Board for the term ending 2016, Product Group Director Ola Eklund, Planner Hannu Simi and Senior Lecturer Mervi Väisänen were re-elected. The new members elected were Chairman of the Board of Directors Leif Enberg, Chairman of the Board of Directors Kalevi Korhonen and Export Coordinator Kaija Tölli. Jari Himanen, Managing Director, was elected for the remaining term of 2013–15 to replace Professor Jarmo Partanen who had requested resignation from the Supervisory Board. Moreover, Senior Lecturer Ulla Järvi was elected a new member for the term 2013–2015.

The Supervisory Board comprises 33 members.
At its first meeting following election, the Supervisory Board elected Professor Jaakko Pehkonen Chairman and Senior Lecturer Mervi Väisänen and Managing Director Vesa Lehikoinen Vice Chairmen.

OP-Pohjola Group's efficiency-enhancement programme

OP-Pohjola Group completed in late 2012 an Information and Consultation of Employees process related to the efficiency-enhancement programme of OP-Pohjola Group Central Cooperative Consolidated, resulting in personnel reductions of 561 employees and 150 jobs being outsourced.

The efficiency-enhancement programme's objective has been to achieve annual savings of EUR 150 million until the end of 2015. Within the framework of the programme, the production of services for OP-Pohjola Group Central Cooperative Consolidated and OP-Pohjola Group member cooperative banks was centralised in OP-Services Ltd that is undergoing a major transformation. Job cuts account for a third of the total cost savings targets.

Based on the actions completed by 30 September 2013, annualised savings reach about EUR 106 million, of which personnel-related costs account for EUR 55 million.

OP-Pohjola Group's efficiency-enhancement programme was expanded in autumn 2013 when the operating model of ICT services was updated by outsourcing part of application development and maintenance to Accenture and CGI. This means that a total of 496 personnel will be moving to the joint ventures to be established with Accenture and GCI. OP-Pohjola Group seeks to achieve annual cost savings of over EUR 20 million through this outsourcing after the transitional period.

Capital expenditure and service development

The Central Cooperative and its subsidiaries are responsible for developing OP-Pohjola Group's services. ICT capital expenditure and related specifications make up a significant portion of costs of developing these services.

The Central Cooperative's development expenditure totalled EUR 81 million (80) in January–September. This includes licence fees, purchased services and the payroll costs of its staff.

ICT capital expenditure capitalised in the balance sheet totalled EUR 68 million (61) in the report period. Of the capital expenditure in report period , EUR 53 million (41) was related to Banking, EUR 11 million (15) to Non-life Insurance and EUR 5 million (6) to Wealth Management.

OP-Pohjola Group began to rebuild its premises in the Vallila campus, due to be completed by summer 2015. The total costs will be almost EUR 250 million. By the end of the report period, realised costs totalled some EUR 66 million.

OP-Pohjola Group income statement

EUR million	Note	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Interest income		1,869	2,499	-25	3,174
Interest expenses		1,202	1,727	-30	2,171
Net interest income before impairment losses	4	**666**	**772**	**-14**	**1,003**
Impairments of receivables	5	49	47	4	99
Net interest income after impairments		**617**	**725**	**-15**	**904**
Net income from Non-life Insurance operations	6	428	334	28	433
Net income from Life Insurance operations	7	144	75	91	108
Net commissions and fees	8	476	428	11	584
Net trading income	9	80	59	36	81
Net investment income	10	55	26		52
Other operating income	11	67	86	-21	109
Personnel costs		561	585	-4	764
Other administrative expenses		259	275	-6	378
Other operating expenses		291	252	16	352
Returns to owner-members		145	142	2	192
Share of associates' profits/losses		2	2	1	2
Earnings before tax for the period		**614**	**481**	**28**	**586**
Income tax expense		154	114	36	115
Profit for the period		**460**	**368**	**25**	**471**

Attributable to, EUR million				
Profit for the period attributable to owners	459	367	25	470
Profit for the period attributable to non-controlling interest	1	1		1
Total	**460**	**368**	**25**	**471**

OP-Pohjola Group statement of comprehensive income

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Profit for the period	**460**	**368**	**25**	**471**
Items that will not be reclassified to profit or loss				
Gains/(losses) arising from remeasurement of defined benefit plans	-	42		-75
Items that may be reclassified to profit or loss				
Change in fair value reserve				
Measurement at fair value	-51	516		648
Cash flow hedge	-26	45		50
Translation differences	0	0		0
Income tax on other comprehensive income				
Items that will not be reclassified to profit or loss				
Gains/(losses) arising from remeasurement of defined benefit plans	-	10		-18
Items that may be reclassified to profit or loss				
Measurement at fair value	-13	126		158
Cash flow hedge	-6	11		12
Total comprehensive income for the period	**401**	**823**	**-51**	**942**

Attributable to, EUR million				
Profit for the period attributable to owners	400	822	-51	941
Profit for the period attributable to non-controlling interest	1	1		1
Total	**401**	**823**	**-51**	**942**

OP-Pohjola Group balance sheet

EUR million	Liite	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Cash and cash equivalents		1,089	6,901	-84	5,784
Receivables from credit institutions		3,265	934		840
Financial assets at fair value through profit or loss		417	388	8	358
Derivative contracts		3,578	4,303	-17	4,436
Receivables from customers		67,866	64,174	6	65,161
Non-life Insurance assets	14	3,592	3,603	0	3,492
Life Insurance assets	15	9,504	8,843	7	9,173
Investment assets		7,979	6,191	29	6,596
Investments in associates		42	39	9	39
Intangible assets		1,330	1,311	1	1,320
Property, plant and equipment (PPE)		776	726	7	710
Other assets		1,615	2,220	-27	1,745
Tax assets		92	93	-2	115
Total assets		**101,145**	**99,725**	**1**	**99,769**
Liabilities to credit institutions		1,679	2,961	-43	1,965
Financial liabilities at fair value through profit or loss		3	9	-67	3
Derivative contracts		3,302	4,100	-19	4,162
Liabilities to customers		49,132	48,935	0	49,650
Non-life Insurance liabilities	16	2,811	2,843	-1	2,592
Life Insurance liabilities	17	9,472	8,849	7	8,970
Debt securities issued to the public	18	21,775	18,928	15	19,270
Provisions and other liabilities		2,952	3,091	-5	3,297
Tax liabilities		980	988	-1	990
Cooperative capital		601	608	-1	622
Subordinated liabilities		966	1,395	-31	1,114
Total liabilities		**93,672**	**92,706**	**1**	**92,635**
Equity capital					
Share of OP-Pohjola Group's owners					
Share and cooperative capital		340	335	1	336
Fair value reserve	19	281	235	19	339
Other reserves		2,731	2,682	2	2,683
Retained earnings		4,085	3,744	9	3,752
Non-controlling interests		37	23		24
Total equity capital		**7,473**	**7,019**	**6**	**7,134**
Total liabilities and equity capital		**101,145**	**99,725**	**1**	**99,769**

Changes in OP-Pohjola Group's equity capital

EUR million	Share and cooperative capital	Fair value reserve: Fair value measure-ment	Fair value reserve: Cash flow hedging	Other reserves	Retained earnings	Non-control-ling interests	Total equity capital
Balance at 1 January 2012	**333**	**-198**	**10**	**2,621**	**3,474**	**3**	**6,242**
Increase of share capital	-	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	3	-	-	-	-	-	**3**
Transfer of reserves	-	-	-	61	-61	-	-
Profit distribution	-	-	-	-	-62	-	**-62**
Total comprehensive income for the period	-	389	34	-	399	1	**823**
Share-based payments	-	-	-	-	0		**0**
Other	0	-	-	1	-6	19	**13**
Balance at 30 Sep 2012	**335**	**191**	**44**	**2,682**	**3,744**	**23**	**7,019**

EUR million	Share and cooperative capital	Fair value reserve: Fair value measure-ment	Fair value reserve: Cash flow hedging	Other reserves	Retained earnings	Non-control-ling interests	Total equity capital
Balance at 1 January 2013	**336**	**291**	**48**	**2,682**	**3,752**	**24**	**7,134**
Increase of share capital	-	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	3	-	-	-	-	-	**3**
Transfer of reserves	-	-	-	37	-37	-	-
Profit distribution	-	-	-	-	-69	-	**-69**
Total comprehensive income for the period	-	-39	-20	-	458	1	**401**
Share-based payments	-	-	-	-	-1	-	**-1**
Other	0	-	-	11	-19	11	**4**
Balance at 30 Sep 2013	**340**	**253**	**28**	**2,730**	**4,085**	**37**	**7,473**

Cash flow statement

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012
Cash flow from operating activities		
Profit for the period	460	368
Adjustments to profit for the period	665	745
Increase (-) or decrease (+) in operating assets	**-7,232**	**-2,110**
Receivables from credit institutions	-2,397	204
Financial assets at fair value through profit or loss	-203	203
Derivative contracts	15	9
Receivables from customers	-2,798	-3,895
Non-life Insurance assets	-175	-689
Life Insurance assets	-170	-65
Investment assets	-1,670	2,472
Other assets	167	-349
Increase (+) or decrease (-) in operating liabilities	**-994**	**4,486**
Liabilities to credit institutions	-267	1,152
Financial liabilities at fair value through profit or loss	0	8
Derivative contracts	4	6
Liabilities to customers	-518	2,961
Non-life Insurance liabilities	69	198
Life Insurance liabilities	171	68
Provisions and other liabilities	-451	93
Income tax paid	-126	-71
Dividends received	77	79
A. Net cash from operating activities	**-7,150**	**3,496**
Cash flow from investing activities		
Increases in held-to-maturity financial assets	-4	-51
Decreases in held-to-maturity financial assets	99	321
Acquisition of subsidiaries, net of cash acquired	-5	-75
Disposal of subsidiaries, net of cash disposed	-	0
Purchase of PPE and intangible assets	-154	-150
Proceeds from sale of PPE and intangible assets	7	4
B. Net cash used in investing activities	**-57**	**49**
Cash flow from financing activities		
Increases in subordinated liabilities	-	493
Decreases in subordinated liabilities	-134	-38
Increases in debt securities issued to the public	19,142	20,567
Decreases in debt securities issued to the public	-16,369	-21,923
Increases in cooperative and share capital	141	158
Decreases in cooperative and share capital	-158	-172
Dividends paid and interest on cooperative capital	-81	-78
Returns to owner-members	-	-
Holdings in Pohjola Bank plc purchased from non-controlling interests	-	-
Other	-	-
C. Net cash from financing activities	**2,540**	**-993**
Net change in cash and cash equivalents (A+B+C)	**-4,667**	**2,552**
Cash and cash equivalents at period-start	**5,872**	**4,465**
Cash and cash equivalents at period-end	**1,204**	**7,018**
Interest received	**1,884**	**2,516**
Interest paid	**-1,293**	**-1,718**
Cash and cash equivalents		
Liquid assets	1,103	6,908
Receivables from credit institutions payable on demand	102	109
Total	**1,204**	**7,018**

Note 1. Accounting policies

The Interim Report for 1 January–30 September 2013 has been prepared in accordance with IAS 34 (Interim Financial Reporting).

In the preparation of its Interim Report, OP-Pohjola Group has applied substantially the same accounting policies as in the preparation of its Financial Statements 2012, with the exception of the changes stated below.

The Interim Report is based on unaudited information. Since all figures in this Interim Report have been rounded off, the sum of single figures may differ from the presented sum total.

Change in accounting policies

IAS 19 Employee Benefits

Since 1 January 2013, OP-Pohjola Group has applied the amendments to IAS 19 Employee Benefits. The revised standard removes the option for entities to apply the so-called corridor method in the recognition of actual gains and losses and changes the calculation of net interest income on the net defined benefit liability. Under the revised standard, the expected return on plan assets used in the calculation of net interest income is calculated based on the discount rate of the plan liability.

The table below shows the effect of the change in the accounting policy on personnel costs for Q1/2012 and financial year 2012 and on other items in comprehensive income. OP-Pohjola Group voluntarily stopped using the corridor method from the beginning of 2012.

EUR million	Previous accounting policy	New accounting policy	Effect of change in accounting policy
Income statement 2012			
Personnel costs	749	764	16
Income tax expense	119	115	-4
Statement of comprehensive income 2012			
Gains/(losses) arising from remeasurement of defined benefit plans	-90	-75	16
Income tax on gains/(losses) arising from remeasurement of defined benefit plans	-22	-18	4

EUR million	Previous accounting policy	New accounting policy	Effect of change in accounting policy
Income statement Q1-Q3/ 2012			
Personnel costs	573	585	12
Income tax expense	116	114	-3
Statement of comprehensive income Q1-Q3/2012			
Gains/(losses) arising from remeasurement of defined benefit plans	30	42	12
Income tax on gains/(losses) arising from remeasurement of defined benefit plans	7	10	3

Other changes

Since the beginning of 2013, Pohjola Group has applied the following changed accounting policies presented in its Financial Statements for 2012:

1.5 Financial instruments

1.5.4 Classification and recognition

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet only if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Pohjola exercises the right of set-off to central counterparty clearing for OTC interest rate derivatives. London Clearing House is the central counterparty.

1.5.7 Derivative contracts

The fair value of OTC interest rate derivatives for central counterparty clearing is cleared in cash on a daily basis. In the balance sheet, these cleared derivatives are shown as a net change in cash. Other derivatives are presented on a gross basis, in which case positive value changes are presented as Derivative contracts under assets and negative value changes as Derivative contracts under liabilities.

Note 2. OP-Pohjola Group's formulas for key figures and ratios

	Q1-Q3/ 2013	Q1-Q3/ 2012	2012
Return on equity, %	8.4	7.4	7.0
Return on equity at fair value, %	7.4	16.6	14.1
Return on assets, %	0.61	0.51	0.49
Cost/income ratio, %	58	62	63
Average personnel	12,730	13,439	13,411
Full-time	11,813	12,456	12,393
Part-time	917	983	1,018

Return on equity (ROE), %	Profit for the period / Shareholders' equity (average of the beginning and end of the period)	x 100
Return on equity at fair value, %	Total comprehensive income for the period / Shareholders' equity (average of the beginning and end of the period)	x 100
Return on assets (ROA), %	Profit for the period / Balance sheet total (average of the beginning and end of the period)	x 100
Cost/income ratio, %	(Personnel costs + other administrative expenses + other operating expenses) / (Net interest income + net income from Non-life Insurance operations + net income from Life Insurance operations + net commissions and fees + net trading income + net investment income + other operating income + share of associates' profits/losses)	x 100
Return on economic capital, %	Earnings + customer bonuses after tax (value rolling 12 month) / Average economic capital	x 100
Exposures individually assessed for impairment, % of doubtful receivables	Impairment loss on receivables assessed individually in balance sheet / Doubtful receivables	x 100
Operating loss ratio	Claims incurred excl. Change in technical interest / Insurance premium revenue excl. Change in technical interest (net)	x 100
Operating expense ratio	Operating expenses / Insurance premium revenue excl. Change in technical interest (net)	x 100
Operating combined ratio, %	Operating loss ratio + operating expense ratio	
Risk ratio (excl. unwinding of discount), %	Claims excl. loss adjustment expenses / Net insurance premium revenue	x 100
Cost ratio, %	Operating expenses and loss adjustment expenses / Net insurance premium revenue	x 100
Operating cost ratio, %	Operating expenses before change in deferred acquisitions costs + loss adjustment expenses / Expense loading x 100	x 100
Solvency ratio, %	Solvency capital / Insurance premium revenue	x 100

Note 3. OP-Pohjola Group quarterly performance

EUR million	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
Interest income	764	674	615	625	629
Interest expenses	521	444	401	405	397
Net interest income	**243**	**231**	**214**	**221**	**232**
Impairments of receivables	19	51	9	23	17
Net interest income after impairments	**224**	**179**	**205**	**197**	**214**
Net income from Non-life Insurance operation	105	99	143	137	148
Net income from Life Insurance operations	27	33	70	37	37
Net commissions and fees	134	156	163	154	158
Net trading income	18	22	29	23	29
Net investment income	1	26	25	25	5
Other operating income	39	23	27	23	17
Personnel costs	188	180	201	194	166
Other administrative expenses	82	104	83	94	82
Other operating expenses	81	100	98	98	96
Returns to owner-members	46	50	48	48	49
Share of associates' profits/losses	1	0	0	1	1
Earnings before tax for the period	**153**	**104**	**234**	**164**	**216**
Income tax expense	32	1	60	38	56
Profit for the period	**120**	**103**	**174**	**126**	**160**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans	14	-116	-	-	-
Items that may be reclassified to profit or loss					
Change in fair value reserve					
Measurement at fair value	166	132	-13	-116	78
Cash flow hedge	20	5	-11	-20	4
Translation differences	0	0	0	0	0
Income tax on other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans	3	-29	-	-	-
Items that may be reclassified to profit or loss					
Measurement at fair value	40	32	-3	-28	19
Cash flow hedge	5	1	-3	-5	1
Total comprehensive income for the period	**271**	**119**	**155**	**23**	**223**

Note 4. Net interest income

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Loans and other receivables	936	1,188	-21	1,524
Receivables from credit institutions and central banks	9	17	-47	20
Notes and bonds	134	186	-28	232
Derivatives (net)				
Derivatives held for trading	30	61	-51	70
Derivatives under hedge accounting	59	29		49
Liabilities to credit institutions	-4	-7	-45	-9
Liabilities to customers	-208	-319	-35	-406
Debt securities issued to the public	-255	-334	-24	-415
Subordinated debt	-29	-43	-32	-58
Hybrid capital	-5	-6	-20	-8
Financial liabilities held for trading	0	0	-15	0
Other (net)	0	1	-60	3
Net interest income before fair value adjustment under hedge accounting	**666**	**772**	**-14**	**1,002**
Hedging derivatives	-233	246		270
Value change of hedged items	233	-246		-269
Total net interest income	**666**	**772**	**-14**	**1,003**

Note 5. Impairments of receivables

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Receivables eliminated as loan or guarantee losses	51	55	-7	67
Receoveries of eliminated receivables	-9	-10	10	-14
Increase in impairment losses on individually assessed receivables	74	61	23	108
Decrease in impairment losses on individually assessed receivables	-67	-56	-20	-60
Collectively assessed impairment losses	0	-2		-2
Total	**49**	**47**	**4**	**99**

Note 6. Net income from Non-life Insurance

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Net insurance premium revenue				
Premiums written	1,108	1,004	10	1,215
Insurance premiums ceded to reinsurers	-52	-44	-17	-49
Change in provision for unearned premiums	-135	-120	-13	-32
Reinsurers' share	8	4		-7
Total	**930**	**843**	**10**	**1,126**
Net Non-life Insurance claims				
Claims paid	584	579	1	786
Insurance claims recovered from reinsurers	-31	-34	9	-61
Change in provision for unpaid claims	9	12	-23	6
Reinsurers' share	12	9	35	28
Total	**574**	**566**	**1**	**759**
Net investment income, Non-life Insurance				
Interest income	43	45	-6	60
Dividend income	20	24	-14	29
Property	5	3	67	1
Capital gains and losses				
Notes and bonds	16	22	-26	27
Shares and participations	20	12	69	14
Loans and receivables	-	-2		-2
Property	-1	0		0
Derivatives	3	-10		-11
Fair value gains and losses				
Notes and bonds	2	-2		0
Shares and participations	-6	-7	20	-11
Loans and receivables	-1	0		0
Property	1	2	-41	3
Derivatives	-2	1		-2
Other	1	1	17	2
Total	**104**	**90**	**15**	**110**
Unwinding of discount	-32	-34	4	-44
Other	0	0		0
Net income from Non-life Insurance	**428**	**334**	**28**	**433**

Note 7. Net income from Life Insurance

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Premiums written	803	570	41	848
Reinsurers' share	-19	-20	6	-27
Total	**785**	**550**	**43**	**821**
Claims incurred				
Benefits paid	-572	-453	-26	-644
Change in provision for unpaid claims	-7	3		-42
Reinsurers' share	8	8	-5	11
Change in insurance contract liabilities				
Change in life insurance provision	-326	-495	34	-619
Reinsurers' share	0	5	-100	6
Total	**-898**	**-932**	**4**	**-1,289**
Other	-50	-22		-58
Total	**-163**	**-404**	**-60**	**-527**
Net investment income, Life Insurance				
Interest income	37	38	-2	52
Dividend income	37	54	-32	61
Property	4	3	45	-3
Capital gains and losses				
Notes and bonds	6	2		3
Shares and participations	52	25		36
Loans and receivables	6	0		0
Property	2	-1		-1
Derivatives	1	-16		-17
Fair value gains and losses				
Notes and bonds	-4	3		4
Shares and participations	-20	-22	10	-31
Loans and receivables	-1	-1	24	-1
Property	5	1		2
Derivatives	-75	83		129
Other	0	4		3
Assets serving as cover for unit-linked policies				
Shares and participations				
Capital gains and losses	62	51	22	70
Fair value gains and losses	166	239	-31	303
Other	28	17	70	24
Total	**307**	**480**	**-36**	**635**
Net income from Non-life Insurance	**144**	**75**	**91**	**108**

Note 8. Net commissions and fees

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Commission income				
Lending	147	130	13	176
Deposits	4	4	12	5
Payment transfers	155	128	21	175
Securities brokerage	16	16	0	21
Securities issuance	9	8	13	15
Mutual funds brokerage	65	54	20	74
Asset management and legal services	53	49	9	70
Insurance brokerage	46	46	0	54
Guarantees	16	17	-4	22
Other	32	30	8	44
Total	**544**	**481**	**13**	**656**
Commission expenses	69	53	30	72
Net commissions and fees	**476**	**428**	**11**	**584**

Note 9. Net trading income

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Capital gains and losses				
Notes and bonds	3	11	-71	13
Shares and participations	4	0		1
Derivatives	52	20		-20
Changes in fair value				
Notes and bonds	0	2	-100	2
Shares and participations	1	5	-79	6
Derivatives	3	11	-73	63
Financial assets and liabilities amortised at cost				
Capital gains and losses				
Loans and other receivables	-	-		-
Dividend income	1	1	4	1
Net income from foreign exchange operations	16	9	90	14
Total	**80**	**59**	**36**	**81**

Note 10. Net investment income

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds	15	15	-3	17
Shares and participations	3	6	-58	8
Dividend income	23	11		24
Impairment losses	-1	-11	-87	-11
Carried at amortised cost				
Capital gains and losses	1	-15		-12
Total	**39**	**6**		**26**
Investment property				
Rental income	30	30	3	38
Maintenance charges and expenses	-22	-22	-1	-28
Changes in fair value, capital gains and losses	7	12	-37	15
Other	0	0	-16	1
Total	**16**	**20**	**-18**	**26**
Other	-	-		-
Net investment income	**55**	**26**		**52**

Note 11. Other operating income

EUR million	Q1-Q3/ 2013	Q1-Q3/ 2012	Change, %	2012
Income from property and business premises in own use	12	11	8	16
Rental income from assets rented under operating lease	6	8	-19	10
Other	49	67	-27	82
Total	**67**	**86**	**-21**	**109**

Note 12. Classification of financial instruments

EUR million	Loans and other receivables	Invest-ments held to maturity	Financial assets at fair value through profit or loss*	Available-for-sale financial assets	Hedging derivatives	Total
Assets						
Cash and balances with central banks	1,089	-	-	-	-	1,089
Receivables from credit institutions ** and central banks	3,265	-	-	-	-	3,265
Derivative contracts	-	-	3,065	-	513	3,578
Receivables from customers	67,866	-	-	-	-	67,866
Non-life Insurance assets***	654	-	117	2,820	-	3,592
Life Insurance assets****	238	-	6,184	3,082	-	9,504
Notes and bonds	-	306	324	6,920	-	7,550
Shares and participations	-	-	93	308	-	401
Other receivables	3,855	-	445	-	-	4,299
Total 30 September 2013	**76,967**	**306**	**10,228**	**13,130**	**513**	**101,145**
Total 30 September 2012	**77,333**	**416**	**10,049**	**11,248**	**679**	**99,725**
Total 31 December 2012	**76,577**	**401**	**10,392**	**11,696**	**703**	**99,769**

EUR million			Financial liabilities at fair value through profit or loss*******	Other liabilities	Hedging derivatives	Total
Liabilities						
Liabilities to credit institutions	-	-	-	1,679	-	1,679
Financial liabilities held for trading (excl. derivatives)	-	-	3	-	-	3
Derivative contracts	-	-	3,014	-	288	3,302
Liabilities to customers	-	-	-	49,132	-	49,132
Non-life Insurance liabilities*****	-	-	5	2,806	-	2,811
Life Insurance liabilities******	-	-	5,979	3,493	-	9,472
Debt securities issued to the public	-	-	-	21,775	-	21,775
Subordinated loans	-	-	-	966	-	966
Other liabilities	-	-	-	4,533	-	4,533
Total 30 September 2013	-	-	**9,000**	**84,384**	**288**	**93,672**
Total 30 September 2012	-	-	**8,883**	**83,413**	**410**	**92,706**
Total 31 December 2012	-	-	**9,119**	**83,097**	**419**	**92,635**

*Assets at fair value through profit or loss include financial assets for trading, financial assets at fair value through profit or loss at inception, and investments and investment property covering unit-linked insurance policies and investment contracts.

** Include EUR 2,500 million in a one-week deposit facility with the central bank.

***Non-life Insurance assets are specified in Note 14.

****Life Insurance assets are specified in Note 15.

*****Non-life Insurance liabilities are specified in Note 16.

******Life Insurance liabilities are specified in Note 17.

*******Includes the balance sheet value of insurance liabilities related to unit-linked policies.

Debt securities issued to the public are carried at amortised cost.

On 30 September, the fair value of these debt instruments was approximately EUR 456 million higher than their carrying amount, based on information available in markets and employing commonly used valuation techniques.

Subordinated liabilities are carried at amortised cost.

Note 13. Recurring fair value measurements by valuation technique

Fair value of assets on 30 Sep 2013, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	79	337	1	417
Non-life Insurance	-	11	-	11
Life Insurance	-	-	15	15
Derivative financial instruments				
Banking	15	3,519	45	3,578
Non-life Insurance	3	0	-	3
Life Insurance	-	74	-	74
Available-for-sale				
Banking	5,510	1,676	42	7,228
Non-life Insurance	1,740	855	225	2,820
Life Insurance	1,742	887	453	3,082
Total	**9,089**	**7,359**	**781**	**17,230**

Fair value of assets on 31 Dec 2012, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	125	209	23	358
Non-life Insurance	-	13	6	19
Life Insurance	-	7	80	87
Derivative financial instruments				
Banking	7	4,400	28	4,436
Non-life Insurance	1	0	-	1
Life Insurance	-	130	-	130
Available-for-sale				
Banking	4,517	1,209	46	5,772
Non-life Insurance	1,799	759	244	2,802
Life Insurance	1,626	789	707	3,122
Total	**8,075**	**7,517**	**1,136**	**16,727**

Fair value of liabilities on 30 Sep 2013, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	-	3	-	3
Non-life Insurance	-	-	-	-
Life Insurance	-	-	-	-
Derivative financial instruments				
Banking	19	3,218	65	3,302
Non-life Insurance	5	0	-	5
Life Insurance	1	5	-	6
Total	**24**	**3,226**	**65**	**3,315**

Fair value of liabilities on 31 Dec 2012, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	-	3	-	3
Non-life Insurance	-	-	-	-
Life Insurance	-	-	-	-
Derivative financial instruments				
Banking	21	4,056	85	4,162
Non-life Insurance	3	0	-	3
Life Insurance	-	-	-	-
Total	**23**	**4,059**	**85**	**4,168**

* This level includes equities listed on major stock exchanges, quoted corporate debt instruments, bonds issued by governments and financial institutions with credit rating of at least A-, and exchange-traded derivatives. The fair value of these instruments is determined on the basis of market quotes.

** Valuation techniques based on observable input parameters. The fair value of the instruments included within this level means value derived from the market price of a financial instrument's components or similar financial instruments; or value which can be determined using commonly used valuation models and techniques if the inputs significant to the fair value measurement are based on observable market data. The fair value hierarchy level at Pohjola Group includes OTC derivatives, treasury bills/notes, debt instruments issued by companies and financial institutions, repo agreements, and securities lent or borrowed.

*** Valuation techniques whose input parameters involve special uncertainty. The fair value determination of the financial instruments included within this level contains inputs not based on observable market data (unobservable inputs). This level includes the most complex OTC derivatives, certain private equity investments, and illiquid bonds, structured bonds, including securitised bonds and structured debt securities, and hedge funds.

Transfers between levels of the fair value hierarchy

During 2013, EUR 109 million in bonds were transferred from level 1 to level 2, due to changes in credit ratings. Transfers between the levels of the fair value hierarchy are considered to take place on the date when an event causes such transfer or when circumstances change.

Reconciliation of Level 3 items

Specification of financial assets and liabilities

Financial assets, EUR million	Financial assets at fair value through profit or loss		Derivative contracts		Available-for-sale financial assets		
	Banking	Insurance	Banking	Insurance	Banking	Insurance	Total assets
Opening balance 1.1.2013	23	87	28	-	46	951	1,136
Total gains/losses in profit or loss	-16	0	17	-	0	-14	-13
Total gains/losses in other comprehensive income	-	0	-	-	2	17	19
Purchases	-	1	-	-	0	41	42
Sales	-5	-50	-	-	-6	-254	-314
Issues	-	0	-	-	-	0	0
Settlements	-2	-22	-	-	0	0	-24
Transfers into Level 3	-	-	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-	-65	-65
Closing balance 30 Sep 2013	**1**	**15**	**45**	**-**	**42**	**677**	**781**

Financial liabilities, EUR million	Financial assets at fair value through profit or loss		Derivative contracts		
	Banking	Insurance	Banking	Insurance	Total assets
Opening balance 1.1.2013	-	-	85	-	85
Total gains/losses in profit or loss	-	-	-20	-	-20
Total gains/losses in other comprehensive income	-	-	-	-	-
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Closing balance 30 Sep 2013	-	-	65	-	65

Total gains/losses included in profit or loss by item for the financial year on 30 September 2013

EUR Million	Net interest income or net trading income	Net investment income	Net income from Non-life Insurance	Net income from Life Insurance	Statement of comprehensive income	Total gains/ losses for the financial year included in profit or loss for assets/ liabilities held at year-end
Total gains/losses in profit or loss	**-19**	**0**	**-2**	**-11**	**19**	**-14**

Derivatives included in Level 3 comprise structured derivatives for customer needs, whose market risk is covered by a corresponding derivatives contract. Level 3 derivatives relate to structured bonds issued by Pohjola, whose return is determined by the value performance of an embedded derivative instrument. The value change of embedded derivatives are also presented in the itemised income statement.

Changes in the levels of hierarchy

The Group did not change classification between the levels of hierarchy in 2013.

Note 14. Non-life Insurance assets

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Investments				
Loan and other receivables	147	107	38	104
Shares and participations	490	392	25	409
Property	103	106	-3	112
Notes and bonds	2,009	2,014	0	1,960
Derivatives	3	3	1	1
Other participations	332	463	-28	452
Total	**3,084**	**3,084**	**0**	**3,038**
Other assets				
Prepayments and accrued income	37	37	-2	41
Other				
Arising from direct insurance operations	343	313	10	290
Arising from reinsurance operations	91	123	-26	91
Cash in hand and at bank	11	7	45	10
Other receivables	27	38	-30	20
Total	**508**	**519**	**-2**	**454**
Non-life Insurance assets	**3,592**	**3,603**	**0**	**3,492**

Note 15. Life Insurance assets

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Investments				
Loan and other receivables	108	191	-43	168
Shares and participations	1,405	1,905	-26	1,702
Property	112	152	-26	156
Notes and bonds	1,692	1,213	39	1,506
Derivatives	74	91	-18	130
Total	**3,392**	**3,552**	**-5**	**3,663**
Assets covering unit-linked insurance contracts				
Shares, participations and other investments	5,983	5,173	16	5,373
Other assets				
Prepayments and accrued income	46	40	17	44
Other				
Arising from direct insurance operations	3	3	-1	12
Arising from reinsurance operations	77	76	2	77
Cash in hand and at bank	3	0		3
Total	**129**	**119**	**9**	**137**
Life Insurance assets	**9,504**	**8,843**	**7**	**9,173**

Note 16. Non-life Insurance liabilities

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Provision for unpaid claims				
Provision for unpaid claims for annuities	1,221	1,203	1	1,205
Other provision for unpaid claims	812	785	3	788
Total	2,034	1,989	2	1,993
Provisions for unearned premiums	591	542	9	455
Other liabilities	187	312	-40	144
Total	**2,811**	**2,843**	**-1**	**2,592**

Note 17. Life Insurance liabilities

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Liabilities for unit-linked insurance	4,785	4,081	17	4,288
Investment contracts	1,189	1,101	8	1,082
Insurance contract liabilities	3,417	3,587	-5	3,578
Other liabilities	82	79	3	21
Total	**9,472**	**8,849**	**7**	**8,970**

Insurance liabilities include EUR 92 (163) million in a change in the fair value of secured interest rate swaps.

Note 18. Debt securities issued to the public

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Bonds	8,988	7,412	21	7,920
Covered bonds	5,697	5,476	4	5,692
Certificates of deposit, commercial papers and ECPs	6,950	5,869	18	5,514
Other	141	171	-18	144
Total	**21,775**	**18,928**	**15**	**19,270**

Note 19. Fair value reserve after income tax

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Notes and bonds	61	35	77	85
Shares and participations	192	157	22	207
Other	28	44	-36	48
Total	**281**	**235**	19	**339**

A negative fair value reserve may recover by means of asset appreciation and recognised impairments.

The fair value reserve before tax amounted to EUR 371 million (449) and the related deferred tax liability amounted to EUR 91 million (110). On 30 September, positive mark-to-market valuations of equity instruments in the fair value reserve totalled EUR 261 million (260) million and negative mark-to-market valuations EUR 29 million (21).

Note 20. Impairment loss and doubtful receivables

Receivables from credit institutions and customers, and impairment loss, EUR million	30 Sep 2013	31 Dec 2012
Receivables from credit institutions and customers (gross)	71,551	66,416
Total impairment loss, of which	420	413
Individually assessed	361	355
Collectively assessed	59	58
Receivables from credit institutions and customers (net)	**71,131**	**66,003**

Doubtful receivables 30 Sep 2013, EUR million	Receivables from credit institutions and customers (gross)	Individually assessed	Receivables from credit institutions and customers (net)
Non-performing	495	149	346
Zero-interest	11	8	3
Underpriced	149	1	149
Other	312	203	108
Total	**967**	**361**	**606**

Doubtful receivables 31 Dec 2012, EUR million	Receivables from credit institutions and customers (gross)	Individually assessed	Receivables from credit institutions and customers (net)
Non-performing	456	149	307
Zero-interest	12	8	4
Underpriced	130	1	129
Other	305	197	108
Total	**903**	**355**	**549**

Key ratio, %	30 Sep 2013	31 Dec 2012
Exposures individually assessed for impairment, % of doubtful receivables	37.3 %	39.3 %

Doubtful receivables include non-performing, zero-interest and under-priced receivables as well as other doubtful receivables. Interest on or principal of non-performing receivables has been due for payment and outstanding for three months. Zero-interest receivables have been agreed to carry zero interest for the purpose of securing customer payment capacity. Under-priced receivables have been priced below market prices to secure customer payment capacity. Other doubtful receivables include those that are subject to impairment but cannot be classified under any of the above categories, and overdrafts.

Note 21. Capital structure and capital adequacy

Capital structure and capital adequacy, EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Tier 1 capital				
OP-Pohjola Group's equity capital	7,473	7,019	6	7,134
The effect of insurance companies on the Group's shareholders' equity is excluded (incl. OVY's technical provisions)	-208	-124	68	-160
Fair value reserve, transfer to Tier 2	-76	-33		-82
Supplementary cooperative capital not included in equity capital	601	608	-1	620
Core Tier 1 capital before deductions and hybrid capital	**7,790**	**7,470**	**4**	**7,513**
Intangible assets	-404	-362	12	-372
Excess funding of pension liability and fair value measurement of investment property and deferred tax assets on previous losses	-92	-152	-39	-100
Planned profit distribution / profit distribution as proposed by the Board	-68	-50	35	-68
Investments in insurance companies and financial institutions	-1,154	-1,210	-5	-1,210
Shortfall of impairments – expected losses	-238	-251	-5	-249
Shortfall of other Tier 1 capital	-252	-		-163
Core Tier 1 capital	**5,582**	**5,444**	**3**	**5,352**
Hybrid capital	202	216	-7	201
Shortfall of Tier 2 capital	-454	-107		-364
Transfer to Core Tier 1 capital	252	-		163
Tier 1 capital	**5,582**	**5,553**	**1**	**5,352**
Tier 2 capital				
Fair value reserve (excl. cash flow hedge valuation)	48	-11		34
Perpetual bonds	0	282	-100	0
OVY's equalisation provision	221	220	1	218
Debenture loans	669	863	-22	842
Investments in insurance companies and financial institutions	-1,154	-1,210	-5	-1,210
Shortfall of impairments – expected losses	-238	-251	-5	-249
Transfer to Tier 1 capital	454	107		364
Tier 2 capital	**0**	**0**		**0**
Total capital base	**5,582**	**5,553**	**1**	**5,352**

Risk-weighted assets				
Credit and counterparty risk	33,598	32,487	3	32,575
Central government and central banks exposure	41	32	28	46
Credit institution exposure	1,112	1,167	-5	1,208
Corporate exposure	20,859	20,167	3	19,870
Retail exposure	8,452	8,235	3	8,298
Other	3,133	2,886	9	3,153
Market risk	788	654	20	723
Operational risk	3,165	2,954	7	2,954
Other	2,580	706		1,841
Total	**40,131**	**36,802**	**9**	**38,093**
Risk-weighted assets, excl. transition provisions	**37,551**	**36,095**	**4**	**36,252**
Minimum capital requirement				
Credit and counterparty risk	2,688	2,599	3	2,606
Market risk	63	52	20	58
Operational risk	253	236	7	236
Other	206	56		147
Total	**3,210**	**2,944**	**9**	**3,047**
Minimum capital requirement, excl. transition provisions	**3,004**	**2,888**	**4**	**2,900**

Ratios, %	**30 Sep 2013**	**30 Sep 2012**	**Change, percentage point**	**31 Dec 2012**
Ratios under transition provisions				
Capital adequacy ratio	13.9	15.1	-1.2	14.1
Tier 1 capital ratio	13.9	15.1	-1.2	14.1
Core Tier 1 capital ratio	13.9	14.8	-0.9	14.1
Ratios excl. transition provisions				
Capital adequacy ratio	14.9	15.4	-0.5	14.8
Tier 1 capital ratio	14.9	15.4	-0.5	14.8
Core Tier 1 capital ratio	14.9	15.1	-0.2	14.8

Capital base*, EUR million	**30 Sep 2013**	**30 Sep 2012**	**Change, %**	**31 Dec 2012**
Capital base under transition provisions	2,371	2,609	-9	2,305
Capital base excl. transition provisions	2,578	2,666	-3	2,452

*Capital base above minimum capital requirement

Note 22. Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
OP-Pohjola Group's equity capital	7,473	7,019	6	7,134
Cooperative capital, hybrid instruments, perpetual bonds and debenture bonds	1,484	1,980	-25	1,676
Other sector-specific items excluded from capital base	0	-1		-1
Goodwill and intangible assets	-1,291	-1,262	2	-1,272
Equalisation provisions	-218	-225	-3	-212
Proposed profit distribution	-68	-50	35	-68
Items under IFRS deducted from capital base*	-120	-224	-46	-179
Shortfall of impairments – expected losses	-476	-502	-5	-498
Conglomerate's capital base, total	**6,785**	**6,735**	**1**	**6,581**
Regulatory capital requirement for credit institutions**	3,210	2,944	9	3,047
Regulatory capital requirement for insurance operations***	440	404	9	421
Conglomerate's total minimum capital requirement	**3,651**	**3,348**	**9**	**3,468**
Conglomerate's capital adequacy	**3,134**	**3,387**	**-7**	**3,112**
Conglomerate's capital adequacy ratio (capital base/minimum of capital base)	**1.86**	**2.01**	**-8**	**1.90**

* Excess funding of pension liability, Fair value measurement of investment property, Portion of cash flow hedge of fair value reserve

** Risk-weighted assets x 8%

*** Minimum solvency margin

Note 23. Collateral given

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Collateral given on behalf of own liabilities and commitments				
Mortgages	1	1		1
Pledges	10	14	-26	14
Loans (as collateral for covered bonds)	7,790	7,986	-2	8,135
Other	456	551	-17	584
Other collateral given				
Pledges*	5,054	4,456	13	4,618
Total	**13,311**	**13,008**	**2**	**13,352**
Other secured liabilities	495	672	-26	592
Covered bonds	5,697	5,476	4	5,692
Total secured liabilities	**6,192**	**6,148**	**1**	**6,284**

*) of which EUR 2,100 million in intraday settlement collateral and the rest pledged but unencumbered

Note 24. Off-balance-sheet items

EUR million	30 Sep 2013	30 Sep 2012	Change, %	31 Dec 2012
Guarantees	1,053	1,106	-5	948
Other guarantee liabilities	2,075	1,644	26	1,688
Pledges	4	3	26	3
Loan commitments	10,317	11,061	-7	10,855
Commitments related to short-term trade transactions	233	494	-53	455
Other	509	487	5	479
Total off-balance-sheet items	**14,191**	**14,795**	**-4**	**14,428**

Note 25. Derivative contracts

	Nominal values / remaining term to maturity				Fair values*	
30 September 2013, EUR million	**<1 year**	**1-5 years**	**>5 years**	**Total**	**Assets**	**Liabilities**
Interest rate derivatives	52,136	96,942	40,769	189,847	3,200	2,653
cleared by the central counterparty	400	6,493	3,607	10,500	53	38
Currency derivatives	19,516	2,760	1,072	23,348	333	365
Equity and index-linked derivatives	264	657	-	920	62	-
Credit derivatives	33	102	25	159	11	0
Other derivatives	309	616	167	1,091	47	40
Total derivatives	**72,657**	**101,077**	**42,032**	**205,267**	**3,653**	**3,058**

	Nominal values / remaining term to maturity				Fair values*	
31 December 2012, EUR million	**<1 year**	**1-5 years**	**>5 years**	**Total**	**Assets**	**Liabilities**
Interest rate derivatives	42,348	77,038	37,815	157,202	4,356	3,715
Currency derivatives	19,859	2,746	517	23,122	294	340
Equity and index-linked derivatives	303	819	6	1,127	50	0
Credit derivatives	122	92	-	214	10	2
Other derivatives	244	561	78	883	36	37
Total derivatives	**62,876**	**81,256**	**38,416**	**182,548**	**4,746**	**4,093**

*Fair values include accrued interest which is shown under other assets or provisions and other liabilities in the balance sheet.

Central counterparty clearing for OTC derivatives

In anticipation of entry into force of central counterparty clearing required by the European Market Infrastructure Regulation (Regulation (EU) No. 648/2012), Pohjola Bank plc started in February 2013 central counterparty clearing in London Clearing House for new interest rate derivatives covering standardised OTC derivative transactions entered into with financial counterparties. Since Pohjola Bank plc is not a direct member of London Clearing House, it will manage central counterparty clearing for OTC derivative transactions with a few, separately selected clearing brokers with which it has concluded clearing agreements. The central counterparty will become the derivatives counterparty at the end of the daily clearing process. Based on this operating model, daily payments for derivatives are netted. In addition, collateral is paid or received daily, which corresponds to the change in the fair value of open positions (variation margin). As a result of the change in the operating model, interest rate derivatives cleared by the central counterparty are presented on a net basis in the balance sheet. This change has not yet had any substantial effect on the consolidated balance sheet.

Other bilaterally cleared OTC derivative contracts

The ISDA Master Agreement or the Master Agreement of the Federation of Finnish Financial Services or Pohjola Bank plc will apply to derivative transactions between Pohjola Bank plc and other clients and to derivative transactions to which central counterparty clearing in accordance with the Regulation does not pertain. On the basis of these agreements, derivative payments may be netted per transaction on each payment date and in the event of counterparty default and bankruptcy. It is also possible to agree on collateral on a counterparty-specific basis in the terms and conditions of the agreement. Such derivatives are presented on a gross basis in the balance sheet.

Note 26. Related-party transactions

The related parties of OP-Pohjola Group include associates, administrative personnel and other related party companies. The administrative personnel comprise OP-Pohjola Group's Executive Chairman (Chairman of the Executive Board of OP-Pohjola Group Central Cooperative), President of OP-Pohjola Group Central Cooperative, members and deputy members of the Executive and Supervisory Boards and their close relatives. Related parties also include companies over which a person among administrative personnel or his close family member exercises significant influence. Other communities considered as related parties include OP Bank Group Pension Fund and OP Bank Group Pension Foundation.

Standard terms and conditions for credit are applied to loans granted to the related parties. Loans are tied to generally used reference rates.

Related-party transactions have not undergone any substantial changes since 31 December 2012.

OP-Pohjola Group's financial performance will be presented to the media by Executive Chairman and CEO Reijo Karhinen in a press conference on 30 October 2013, starting at noon at Vääksyntie 4, Vallila, Helsinki.

Pohjola Bank plc will publish its own interim report.

Financial reporting in 2014

Schedule for Financial Statements Bulletin for 2013 and Interim Reports in 2014:

Financial Statements Bulletin 2013	6 February 2014
Interim Report Q1/2014	29 April 2014
Interim Report H1/2014	6 August 2014
Interim Report Q1−3/2014	29 October 2014

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