Pohjola Bank plc´s

Interim Report for

1 January—30 September 2014

Pohjola

Pohjola Group Performance for January–September[1)]

- Consolidated earnings before tax amounted to EUR 467 million (384) and consolidated earnings before tax at fair value to EUR 519 million (352). The return on equity was 15.5% (13.5). The Common Equity Tier 1 (CET1) ratio was 12.0% (11.9*) as against the target of 15%.
- Strong growth in income improved Banking earnings. The loan portfolio grew by 3% to EUR 14.6 billion (14.2). The average corporate loan portfolio margin was 1.49% (1.57). Earnings included EUR 18 million (29) in impairment loss on receivables.
- Within Non-life Insurance, insurance premium revenue increased by 6% (10). The combined ratio was 91.0% (88.3). A reduction in the discount rate for pension liabilities reduced earnings by EUR 62 million (0). Excluding changes in reserving bases and amortisation on intangible assets arising from company acquisition, the operating combined ratio improved to 83.1% (86.6). Return on investments at fair value was 4.9% (2.1).
- Within Asset Management, assets under management increased by 9% to EUR 41.5 billion (37.9).
- OP-Pohjola Group Central Cooperative completed its public voluntary bid announced in February 2014 and obtained ownership of all Pohjola Bank plc shares by decision of the arbitral tribunal. Pohjola's series A shares were delisted from the Helsinki Stock Exchange on 30 September 2014. OP-Pohjola Group Central Cooperative was entered as the only shareholder in Pohjola's shareholder register on 7 October 2014.
- Outlook for the remainder of 2014: Consolidated earnings before tax in 2014 are expected to be higher than in 2013. The growth of the Banking loan portfolio is expected to fall short of that achieved in 2013 (previous estimate: at the same level as 2013). It is estimated that the Non-life Insurance combined ratio will vary between 85 and 88% (previous estimate: 87–91). For more detailed information on the outlook, see “Outlook towards the end of 2014” below.

July–September

- Consolidated earnings before tax amounted to EUR 131 million (131) and consolidated earnings before tax at fair value to EUR 126 million (173).
- Banking showed considerable improvement in its earnings before tax. Net interest income grew by 29% year on year. The loan portfolio increased slightly and the average corporate loan portfolio margin decreased by two basis points. Earnings included EUR 10 million (10) in impairment loss on receivables.
- Within Non-life Insurance, insurance premium revenue increased by 3% (10). The combined ratio was 100.6% (83.3). A reduction in the discount rate for pension liabilities reduced earnings by EUR 62 million (0). The operating combined ratio was 80.5% (81.6). Return on investments at fair value was 1.4% (1.7).

Earnings before tax, € million	Q1–3/2014	Q1-3/2013	Change %	Q3/2014	Q3/2013	2013
Banking	248	175	41	80	64	251
Group Functions	9	29	-69	-13	-2	39
Non-life Insurance	191	162	18	58	63	166
Asset Management	20	18	8	6	7	24
Group total	**467**	**384**	**22**	**131**	**131**	**479**
Change in fair value reserve	52	-32		-5	42	-16
Earnings before tax at fair value	**519**	**352**	**47**	**126**	**173**	**463**
Equity per share, €	10.06	9.05				9.54
Average personnel	2,579	2,637		2,589	2,543	2,632

The above figures describe Pohjola Group as a whole without the division into continuing and discontinued operations.

Financial targets	Q1-3 /2014	Q1-3 /2013	Q3/ 2014	Q3/ 2013	2013	Target
Return on equity, %	15.5	13.5	12.4	13.4	14.4	13
Common Equity Tier 1 ratio (CET1), % *)	12.0				11.9	15
Operating cost/income ratio by Banking, %	31	36	29	33	36	< 35
Operating combined ratio by Non-life Insurance, %	83.1	86.6	80.5	81.6	86.9	< 92
Operating expense ratio by Non-life Insurance, %	17.4	18.4	16.1	16.2	18.7	18
Non-life Insurance solvency ratio (under Solvency II framework), % **)	135	132			125	120
Operating cost/income ratio by Asset Management, %	49	52	51	47	53	< 45
Total expenses in 2015 at the same level as at the end of 2012	448	427	151	135	581	569
AA rating affirmed by at least two credit rating agencies or credit ratings at least at the main competitors' level	2	2			2	2
Dividend payout ratio at least 50%, provided that CET 1 ratio is at least 15%. Dividend payout ratio is 30% until CET1 ratio of 15% has been achieved.					50	≥ 50 (30)

1) 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 2013 are used as comparatives. Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.
*) In accordance with the EU capital requirement regulation and directive (EU 575/2013) (CRR) entered into force on 1 January 2014.
**) According to the Solvency II draft (EU 138/2009

Pohjola Group Interim Report for 1 January–30 September 2014

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Operating environment

The world economy continued to grow at a slow pace in the summer, and the prices of commodities sank. Global price pressures reduced even further. In September, euro area inflation slowed down to 0.3%.

Confidence in the euro area economy suffered in the period from July to September, with hardly any economic growth in the area. The growth of and confidence in the US economy remained positive. The Federal Reserve decreased its buying of government bonds as expected.

The European Central Bank eased its financial policy in July–September. In September, the ECB lowered its interest rate to 0.05% and the deposit rate to -0.20%. The ECB also executed the first long-term financing operation targeted at European banks, in order to rejuvenate corporate financing. Towards the end of 2014, the ECB will launch security purchase programmes.

The actions of the Central Bank have lowered the Euribor rates to an unprecedented level. The euro has weakened.

Economic development in Finland remained weak. The production graphs for July and August showed a downward trend. Unemployment remained at its high level and retail trading decreased. One positive indicator was the continued growth of new industrial orders. Inflation remained slow.

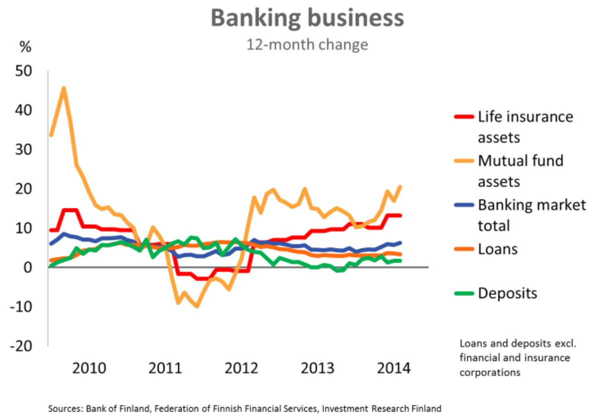
The world economy is not showing any clear signs of perking up later this year. Finland's economic situation remains poor and the export market outlook uncertain. Euribor rates will remain low.

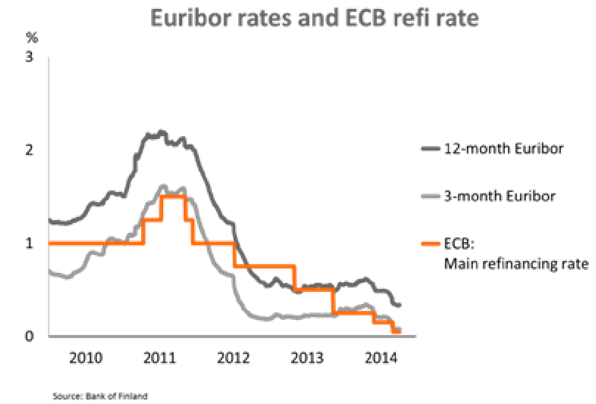
Demand for loans declined further in the period between July and September. The annual growth rate of total housing loans slowed down to slightly under 2% in August. This year, the number of home sales has fallen by 8% and that of new mortgages taken out by 4%. The growth of corporate loans continued to grow a little more briskly than that of housing loans. Confidence barometers predicting demand for loans and economic growth expectations have nevertheless declined slightly during the autumn.

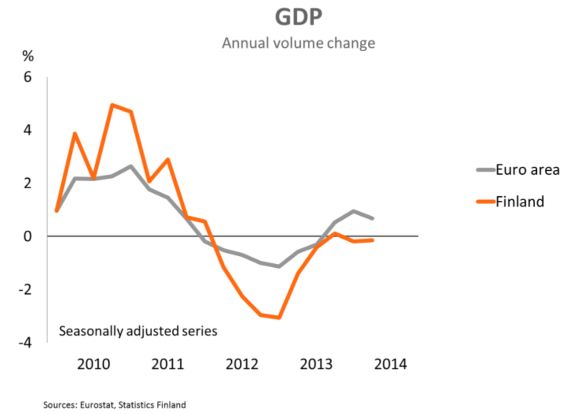
Deposits increased in August still at an annual rate of 2%. The total term deposits continued to decrease vigorously, as assets were allocated to current accounts and riskier savings and investments.

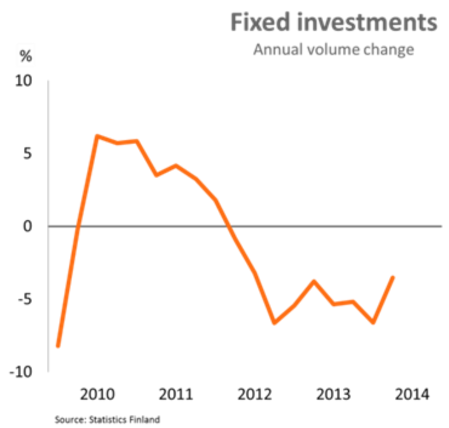
Mutual fund assets increased at an annual rate of more than 15%. Net asset inflows increased between January and September by an impressive 67% year on year. New capital was invested in rated corporate bond funds in particular. Life Insurance's premiums written increased in January–September at an annual rate of 9% thanks to a steep rise in unit-linked products. However, risk indicators that have been rising in recent weeks tell us that both the equity and bond markets are becoming more cautious.

In the non-life insurance sector, premiums written continued to increase at a steady rate of 4–5% per year. Thanks to favourable claims developments, the number of paid claims increased by less than the premiums written.









Consolidated earnings analysis

€ million	2014 Q1-3	2013 Q1-3	Change %	2014 Q3	2013 Q3	Change %	Rolling 12-month	2013
Continuing operations*)								
Net interest income								
Corporate and Baltic Banking	188	166	13	65	58	13	248	227
Markets	22	-4		8	-1		24	-3
Other operations	-16	7		-11	1		-16	7
Total	194	169	15	62	57	9	256	231
Net commissions and fees	82	69	18	25	24	1	107	94
Net trading income	75	61	24	23	21	11	107	93
Net investment income	40	32	25	9	0		47	39
Other operating income	15	20	-21	6	6	-13	22	26
Total income	**406**	**350**	**16**	**125**	**109**	**14**	**539**	**483**
Personnel costs	47	48	-3	15	15	1	62	63
ICT costs	30	26	14	9	8	10	40	37
Depreciation and amortisation	12	12	-2	4	4	-4	16	16
Other expenses	66	50	32	29	16	83	82	66
Total expenses	**154**	**136**	**13**	**57**	**43**	**33**	**200**	**182**
Earnings before impairment loss on receivables	**253**	**215**	**18**	**68**	**67**	**2**	**338**	**300**
Impairment loss on receivables	18	31	-42	10	12	-11	24	37
Earnings of continuing operations before tax	**234**	**183**	**28**	**58**	**55**	**5**	**315**	**264**
Discontinued operations*)								
Net income from Non-life Insurance								
Insurance operations	340	356	-4	78	133	-41	425	440
Investment operations	149	107	39	77	26		172	131
Other items	-32	-32	-2	-11	-11	-3	-42	-43
Total	457	431	6	144	148	-3	555	528
Other Non-life Insurance income and expenses, net	-251	-249	1	-82	-81	2	-344	-340
Asset Management net income								
Net commissions and fees	39	38	3	12	13	-4	52	51
Share of associates' profit/loss	1	1	14	0	0		0	0
Other Asset Management income and expenses, net	-22	-22	-2	-7	-7	-4	-29	-30
Other	9	4		5	2		14	7
Earnings of discontinued operations before tax	**233**	**201**	**16**	**73**	**76**	**-3**	**248**	**216**
Total earnings before tax	**467**	**384**	**22**	**131**	**131**	**0**	**562**	**479**
Change in fair value reserve	52	-32		-5	42		69	-16
Earnings before tax at fair value	**519**	**352**	**47**	**126**	**173**	**-27**	**631**	**463**

*) As a result of the completion of OP-Pohjola Group Central Cooperative's public voluntary bid for Pohjola Bank, Pohjola Group is planning to make structural changes whereby, for example, the Non-life Insurance and Asset Management segments will be transferred from Pohjola Group to OP-Pohjola Group Central Cooperative's direct ownership. As a result, these segments are reported, according to IFRS 5, as discontinued operations in the income statement and as assets and liabilities classified as held for distribution to owners in the balance sheet. Banking and the Group Functions are reported as continuing operations in the income statement.

January–September earnings

Consolidated earnings before tax improved by EUR 83 million to EUR 467 million (384). Total income and total expenses rose by 13% and 5%, respectively. Impairment loss on receivables decreased to EUR 18 million (31).

The fair value reserve before tax increased by EUR 52 million, amounting to EUR 260 million on 30 June. Earnings before tax at fair value were EUR 519 million (352).

Continuing operations

Earnings of continuing operations before tax improved by EUR 51 million to EUR 234 million (183).

Net interest income from continuing operations increased by a total of EUR 25 million, or by 15%. Combined net interest income from Corporate Banking and Baltic Banking grew by 13% year on year. The loan portfolio grew by 3% to EUR 14.6 billion and the growth rate was 3% in the year to

September. The average corporate loan portfolio margin decreased by eight basis points to 1.49% (1.57).

Net interest income from Markets and net trading income improved as a result of growth in client trading and income from trading.

In the Group Functions, net interest income from the liquidity buffer was reduced by persistently low interest rates and as the Group was preparing for tighter liquidity regulation.

Net commissions and fees increased by EUR 13 million, or by 18%. This increase came from commissions and fees related to lending and securities issuance.

Net investment income increased by EUR 8 million, or 25%. Capital gains on notes and bonds amounted to EUR 9 million (13) and dividend income to EUR 29 million (18). Dividend income included EUR 14 million in interest paid on cooperative capital by Suomen Luotto-osuuskunta (12) and EUR 12 million of dividends paid by OP Life Assurance Company Ltd (5).

Other operating income declined by EUR 4 million, due mainly to lower income related to maintenance lease.

Total expenses grew by 13%, or EUR 18 million. Other expenses were increased in the report period by non-recurring expenses relating to advisory fees to the bid for Pohjola's shares and tax penalty payment totalling EUR 14 million. Excluding non-recurring items, expenses increased by 3%.

Discontinued operations

Earnings of discontinued operations before tax improved by EUR 32 million to EUR 233 million (201).

Net income from Non-life Insurance improved by 6%. Insurance premium revenue increased by 6% and claims incurred by 12%. The reduction in the discount rate for pension liabilities increased claims incurred by EUR 62 million. Excluding this reduction, claims incurred would have increased by 2%. Investment income was EUR 41 million higher than the year before. Investment income included EUR 102 million (37) in capital gains and EUR 2 million (7) in impairment loss on investments. Return on investments at fair value was 4.9% (2.1).

Asset Management net commissions and fees increased by EUR 1 million over the previous year.

July–September earnings

Consolidated earnings before tax were at the same level as the previous year, at EUR 131 million (131). Income and expenses increased by 6% and 11%, respectively. Without tax-related penalty interest, expenses increased by 2%. Impairment loss on receivables decreased to EUR 10 million (12).

In the third quarter, the fair value reserve before tax was down by EUR 5 million (grew by 42). Earnings before tax at fair value were EUR 126 million (173).

Continuing operations

Earnings of continuing operations before tax improved by EUR 3 million to EUR 58 million (55).

Combined net interest income from Corporate Banking and Baltic Banking grew by 13% year on year. The loan portfolio increased slightly and the average corporate loan portfolio margin decreased by two basis points.

Net interest income from Markets and net trading income improved as a result of growth in client trading and income from trading.

Net commissions and fees increased slightly year on year due to commission and fee income from lending.

The additional EUR 9 million dividend paid by OP Life Assurance Company Ltd increased net investment income.

Total expenses grew by EUR 14 million. Other expenses included EUR 12 million of tax-related penalty interest. Personnel costs remained unchanged and ICT costs increased slightly year on year.

Discontinued operations

Earnings of discontinued operations before tax decreased by EUR 3 million to EUR 73 million (76).

Net income from Non-life insurance decreased by EUR 4 million from its level a year ago. Insurance premium revenue increased by 3% and claims incurred by 31%. The reduction in the discount rate for pension liabilities from 2.8% to 2.5% increased claims incurred by EUR 62 million. Excluding this reduction, claims incurred would have increased by 2%.

Investment income increased by EUR 51 million. Return on investments at fair value was 1.4% (1.7).

The net commissions and fees of Asset Management were at around the same level as the year before.

Group risk exposure

Economic development in Finland remained weak. The Group's risk-bearing capacity and risk exposure remained stable.

No major changes occurred in credit risk exposure. Investment-grade exposures remained high. Doubtful receivables increased slightly, but nevertheless remained low, and impairment losses decreased.

	Q1-3/ 2014	Q1-3/ 2013	2013
Net loan losses and impairment losses, € million	18	31	37
% of the loan and guarantee portfolio	0.10	0.18	0.21
Doubtful receivables*), € million	51	38	40
% of the loan and guarantee portfolio	0.29	0.22	0.23
Past due payments, € million	18	17	27
% of the loan and guarantee portfolio	0.10	0.10	0.16

*) Receivables more than 90 days past due, zero-interest and under-priced receivables

The final loan losses recognised amounted to EUR 34 million (26) and impairment losses to EUR 28 million (50). Loan loss recoveries and reversal of allowances for impairment losses totalled EUR 43 million (44).

No major changes took place in the Non-life Insurance underwriting risk exposure. Pohjola reduced slightly equity risk associated with the investment portfolio.

The Group's funding and liquidity position remained strong and the Group had good access to funding.

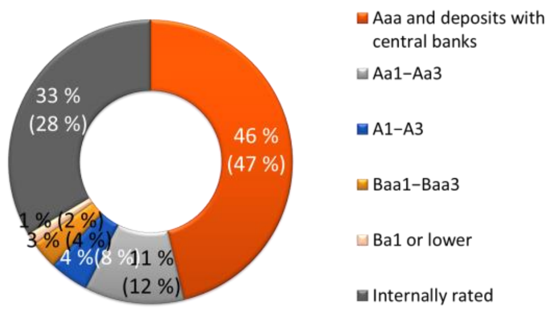
Liquidity buffer **€ billion**	**30 Sept. 2014**	**31 Dec. 2013**	**Change, %**
Deposits with central banks	1.4	2.0	-30
Notes and bonds eligible as collateral	7.7	7.4	4
Corporate loans eligible as collateral	4.1	3.3	25
Total	**13.2**	**12.7**	**4**
Receivables ineligible as collateral	0.8	0.7	17
Liquidity buffer at market value	**14.0**	**13.3**	**5**
Collateral haircut	-1.1	-1.0	13
Liquidity buffer at collateral value	**12.9**	**12.3**	**4**

As OP-Pohjola Group's central bank, Pohjola maintains a liquidity buffer which consists mainly of deposits with the ECB, and notes, bonds and loans eligible for central bank refinancing. The liquidity buffer comprises notes and bonds issued by governments, municipalities, financial institutions and companies with all showing good credit ratings, securitised assets and corporate loans eligible as collateral.

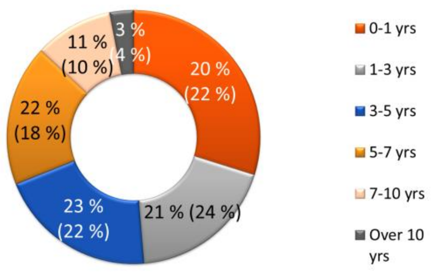
Measurement of the notes and bonds included in the liquidity buffer is based on market-to-market valuations.

The liquidity buffer maintained by Pohjola plus other items based on OP-Pohjola Group's contingency funding plan can be used to cover wholesale funding for at least 24 months in the event wholesale funding becomes unavailable and total deposits decrease at a moderate rate.

Financial assets included in the liquidity buffer by credit rating 30 Sep. 2014, % (31 Dec. 2013, %)



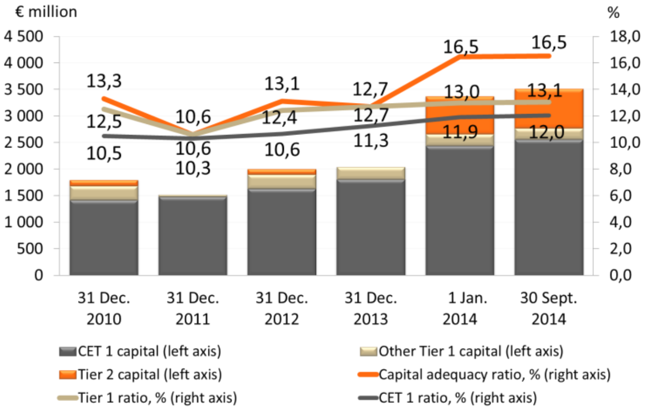
Financial assets included in the liquidity buffer by maturity on 30 Sep. 2014, % (31 Dec. 2013, %)



Major risks related to the Group's business are associated with developments in the overall economic environment and capital markets, as well as upcoming regulatory changes in the financial sector.

Group's capital adequacy

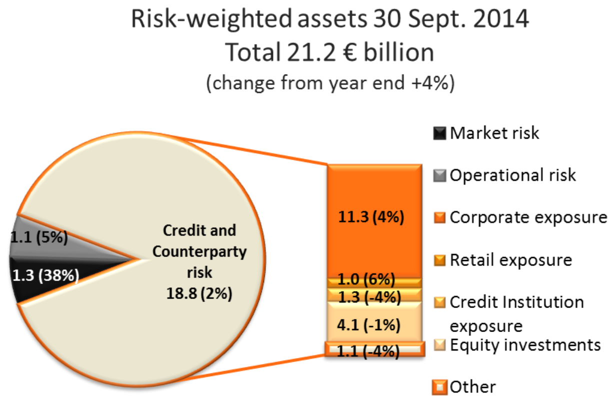
Capital base and capital adequacy



Pohjola Group's Common Equity Tier 1 (CET1) ratio was 12.0% (11.9) on 30 September. Pohjola Group's minimum CET1 target is 15% by the end of 2016. The capital adequacy ratio was 16.5% (16.5), as against the minimum regulatory requirement of 8%. The capital adequacy ratios have been presented in accordance with the new Capital Requirements Regulation (CRR) since 1 January 2014, and the comparatives have not been restated.

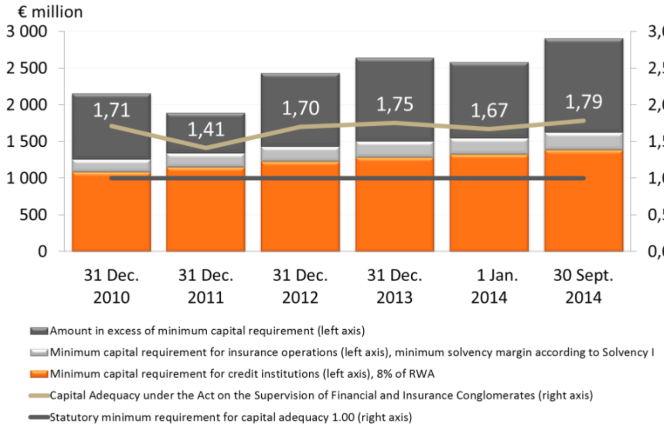
The CET1 capital increased by EUR 115 million to EUR 2,556 million because of strong earnings performance.

Risk-weighted assets increased by EUR 738 million to EUR 21 billion at the end of September, thanks to growth in the loan portfolio and additional requirement for market risk set by EBA. Of the risk-weighted assets, EUR 3.9 billion included intra-Group insurance holdings.



Pohjola Group belongs to OP-Pohjola Group, whose capital adequacy is supervised in accordance with the Act on the Supervision of Financial and Insurance Conglomerates. Pohjola Group's capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerate was 1.79 (1.67) on 30 September.

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



Regulatory changes under Basel III and Solvency II

As a result of the financial crisis, the regulatory framework for banks' capital adequacy requirements became more rigorous. The Capital Requirements Directive and Regulation (CRD IV/CRR) was published in the EU Official Journal on 27 June 2013. These new rules and regulations entered into force on 1 January 2014, implementing the Basel III standards in phases within the EU during 2014–19. These regulatory changes are aimed, for example, at improving the quality of the capital base of banks, reducing the cyclic nature of capital requirements, decreasing banks' indebtedness and setting quantitative limits on liquidity risk.

From Pohjola's perspective, the most important individual change in the regulations relates to the treatment of insurance holdings within a banking-led financial and insurance conglomerate. On 27 November 2013, Pohjola and OP-Pohjola Group received permission from the Finnish Financial Supervisory Authority to treat insurance holdings within the conglomerate as risk-weighted assets. The method applied to insurance holdings leads to a risk weight of approximately 280%. The permission will be valid from 1 January 2014 until 31 December 2014 at the latest. As a result of the European Central Bank taking over supervisory responsibilities for OP-Pohjola Group as credit institution, the ECB will decide on whether any further special permission is given to OP-Pohjola Group.

The requirements for capital buffers implemented through national legislation will add to capital requirements in 2015–2016. The upcoming liquidity regulation will add to liquidity management costs. Profitability will play a key role when preparing for regulatory changes.

As part of OP-Pohjola Group, Pohjola as a credit institution will be subject to direct supervision by the ECB in November 2014 . The ECB has conducted a comprehensive asset quality review (AQR) and stress test on OP-Pohjola Group as a credit institution during 2014, which Pohjola has participated.

The AQRs and stress tests are in place to make European banks more transparent and to ensure that they have sufficient capital. A total of 130 European banks will take part in the new type of review carried out using uniform principles and a tight schedule.

OP-Pohjola Group has submitted the information required for the ECB's comprehensive AQR to the Financial Supervisory Authority. The supervisory authorities will assess the information and conclude their evaluation by the end of October. According to the schedule provided by the ECB, the detailed results for each bank will be published on 26 October.

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 requirements and harmonise insurance sector solvency requirements in Europe. The regulations are still being processed, and are scheduled to come into effect at the beginning of 2016.

The estimated solvency ratio on 30 September, under the Solvency II framework, was 135% (125). The estimated buffer relative to the solvency capital requirement under Solvency II was EUR 253 million (181).

Non-life Insurance capital base and solvency ratio*) under Solvency II

€ million	30 Sept. 2014	31 Dec.2013	Target
Tier 1	917	844	
Tier 2	50	50	
Capital base (Solvency II)	967	894	
Solvency capital requirement (SCR)	714	713	
Solvency ratio (Solvency II), % *)	135	125	120

*) According to the Solvency II draft (EU 138/2009)

Credit ratings

Pohjola Bank plc's credit ratings on 30 September 2014

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

Pohjola Insurance Ltd's financial strength ratings on 30 September 2014

Rating agency	Rating	Outlook
Standard & Poor's	AA-	Negative
Moody's	A3	Stable

From January to September, no changes occurred in the credit rating of Pohjola Bank plc and the financial strength rating of Pohjola Insurance Ltd affirmed by Fitch Ratings Limited, Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Services Ltd.

Pohjola's efficiency-enhancement programme

The efficiency-enhancement programme launched within Pohjola in late 2012 is aimed at achieving annual cost savings of around EUR 50 million by the end of 2015, with job cuts accounting for around 40% of the estimated cost savings. The remaining cost savings will arise from eliminating overlapping activities and standardising practices within the framework of OP-Pohjola Group Central Cooperative Consolidated's efficiency-enhancement programme. The programme aims at annual cost savings of EUR 150 million within OP-Pohjola Group Central Cooperative Consolidated by the end of 2015.

A total of 55% of the annual savings target of EUR 50 million was achieved in 2013. Roughly 24% of the remaining amount is estimated to be achieved this year and the remainder by the end of 2015. Non-life Insurance is anticipated to account for over 60% of the cost savings, Banking for slightly over 30% and Asset Management for the rest.

As its financial target, Pohjola Group aims to keep its total expenses at the end of 2015 at the levels recorded at the end of 2012. Cost savings out of the EUR 12 million estimated for 2014 based on the efficiency-enhancement programme amounted to EUR 8 million in January–September. Non-life Insurance accounted for 60% of the cost savings, Banking for 35% and Asset Management for 5%.

Financial performance and risk exposure by business segment

Continuing operations

Banking

- Earnings before tax improved to EUR 248 million (175) because of strong growth in income and a reduction in impairment losses.
- The loan portfolio grew by 3% to EUR 14.6 billion (14.2) and the average corporate loan portfolio margin decreased by eight basis points to 1.49%.
- Impairment loss on receivables decreased to EUR 18 million (29), accounting for 0.10% of the loan and guarantee portfolio (0.17).
- The operating cost/income ratio was 31% (36).

Banking: financial results and key figures and ratios

€ million	Q1-3/2014	Q1-3/2013	Change, %	Q3/2014	Q3/2013	Change, %	2013
Net interest income							
Corporate and Baltic Banking	188	166	13	65	58	13	227
Markets	22	-4		8	-1		-3
Total	210	162	30	73	56	29	224
Net commissions and fees	80	73	9	25	26	-1	100
Net trading income	81	72	12	26	23	11	101
Other income	15	14	8	3	5	-27	17
Total income	**385**	**321**	**20**	**127**	**110**	16	**443**
Expenses							
Personnel costs	41	43	-5	12	13	-7	57
ICT costs	25	22	16	8	7	16	31
Depreciation and amortisation	11	11	-2	4	4	-3	15
Other expenses	42	40	5	14	13	7	54
Total expenses	**119**	**116**	**3**	**37**	**36**	3	**157**
Earnings before impairment loss on receivables	**266**	**204**	**30**	**91**	**74**	22	**285**
Impairment loss on receivables	18	29	-37	10	10	0	35
Earnings before tax	**248**	**175**	**41**	**80**	**64**	26	**251**
Earnings before tax at fair value	246	180	36	78	65	20	260
Loan portfolio, € billion	14.6	14.1	3				14.2
Guarantee portfolio, € billion	3.0	2.9	2				2.7
Risk-weighted assets, € billion *)	15.3	13.7					14.3
Margin on corporate loan portfolio, %	1.49	1.57	-5				1,57
Ratio of doubtful receivables**) to loan and guarantee portfolio, %	0.29	0.22					0.23
The ratio of impairment loss on receivables to loan and guarantee portfolio, %	0.10	0.17					0.20
Operating cost/income ratio, %	31	36		29	33		36
Personnel	622	634	-2				634

*) In accordance with the EU capital requirements regulation and directive (EU 575/2013) (CRR) entered into force on 1 January 2014
**) Receivables more than 90 days past due, zero-interest and under-priced receivables

January–September earnings

Earnings before tax improved to EUR 248 million (175). Income and expenses increased by 20% and 3%, respectively. Impairment loss on receivables decreased to EUR 18 million (29).

The loan portfolio grew by 3% to EUR 14.6 billion and the annual growth rate was 3% in the year to September. Demand remained weak, and as a result of toughening competition, the average corporate loan portfolio margin decreased by eight basis points to 1.49% (1.57).

Net interest income from Markets and net trading income improved as a result of growth in client trading and income from trading.

The guarantee portfolio increased to EUR 3.0 billion (2.7). Committed standby credit facilities amounted to EUR 3.8 billion (3.1).

Net commissions and fees increased by EUR 7 million, or by 9%. Commissions and fees from lending increased by EUR 4 million and those from securities issuance and custody by EUR 4 million.

Total expenses increased by 3%, due to higher ICT costs.

€ million	Q1-3/2014	Q1-3/2013	Change, %
Corporate Banking	164	132	24
Markets	83	43	92
Baltic Banking	1	0	
Total	**248**	**175**	**41**

Risk exposure by Banking

Within Banking, key risks are associated with credit risk arising from customer business, and market risks.

Total exposure increased by EUR 1.3 billion to EUR 26.4 billion. The ratio of investment-grade exposure – i.e. rating categories 1–5 – to total exposure, excluding households, remained at a healthy level, standing at 64% (62). The proportion of rating categories 11–12 was 1.0% (1.3).

Corporate customer (including housing corporations) exposures represented 79% (81) of total Banking exposures. Of corporate customer exposure, the investment-grade exposure accounted for 58% (56) and the exposure of the lowest two rating categories amounted to EUR 246 million (310), representing 1.2% (1.5) of the total corporate exposure.

Pohjola's own funds covering the Group's large customer exposure increased to EUR 3.5 billion (2.1). No single customer's exposure exceeded 10% of the Group's own funds and thus there were no large customer exposures on 30 September.

Corporate exposure by industry remained highly diversified. The most significant industries included Energy 10.4% (7.5), Wholesale and Retail Trade 10.2% (10.2) and Renting and Operating of Residential Real Estate 9.9% (9.9). A total of 51% of exposures within Renting and Operating of Residential Real Estate were guaranteed by general government.

Net loan losses and impairment losses within Banking amounted to EUR 18 million (29), accounting for 0.10% (0.17) of the loan and guarantee portfolio. The final loan losses recognised amounted to EUR 34 million (16) and impairment losses to EUR 28 million (50). Loan loss recoveries and reversal of allowances for impairment losses totalled EUR 43 million (37).

Baltic Banking exposures totalled EUR 1.1 billion (0.8), accounting for 4.2% (3.2) of total Banking exposures.

The Baltic Banking net loan losses and impairment losses amounted to EUR -0.2 million (-0.8), improving the result.

The interest rate risk by Banking in the event of a one percentage-point change in the interest rate averaged EUR 13.4 million (13.1) during January–September.

Group Functions

- Earnings before tax amounted to EUR 9 million (29). These included EUR 7 million (13) in capital gains on notes and bonds, EUR 34 million (21) in dividend income and EUR 12 million (-) in tax-related penalty interest.
- Earnings before tax at fair value were EUR 50 million (28).
- Liquidity and access to funding remained good.

Group Functions: financial results and key figures and ratios

€ million	Q1-3/2014	Q1-3/2013	Change, %	Q3/2014	Q3/2013	Change, %	2013
Net interest income	0	22		-4	6		27
Net commissions and fees	4	-1		0	0	-72	-1
Net trading income	-6	-10	-41	-2	-4	-57	-12
Net investment income	41	36	15	11	2		46
Other income	6	7	-6	2	2	6	9
Total income	**45**	**53**	**-14**	**7**	**6**	**15**	**69**
Personnel costs	6	5	14	3	2	62	6
Other expenses	30	16	91	17	5		21
Total expenses	**36**	**21**	**72**	**20**	**7**		**27**
Earnings before impairment loss on receivables	**9**	**32**	**-71**	**-13**	**-1**		**41**
Impairment loss on receivables		2			1		2
Earnings before tax	**9**	**29**	**-69**	**-13**	**-2**		**39**
Earnings before tax at fair value	50	28	79	11	11	-3	31
Liquidity buffer, € billion	14.0	13.8	1				13.3
Risk-weighted assets, € billion *)	5.8						6,0
Receivables and liabilities from/to OP-Pohjola Group entities, net position, € billion	3.5	4.5	-23				4.7
Central Banking earnings, € million	14	6	118	3	3	14	9
Personnel	23	30	-23				26

*) In accordance with the EU capital requirements regulation and directive (EU 575/2013) (CRR) entered into force on 1 January 2014

January–September earnings

Earnings before tax were EUR 9 million, or EUR 20 million lower than a year ago. Earnings before tax at fair value totalled EUR 50 million, or EUR 22 million higher than the year before.

Net interest income was reduced by persistently low interest rates and a reduction in investment risk associated with the liquidity buffer as the Group was preparing for tighter liquidity regulation.

A credit limit granted to OP-Pohjola Group Central Cooperative relating to financing for the bid for Pohjola shares added to net commissions and fees.

Net investment income included EUR 7 million in capital gains on notes and bonds (13) and EUR 34 million (21) in dividend income. Dividend income includes EUR 14 million in interest paid on cooperative capital by Suomen Luotto-osuuskunta (12) and EUR 12 million of dividends paid by OP Life Assurance Company Ltd (5).

Other expenses were increased by EUR 12 million in tax-related penalty interest, and the advisory fees related to the public voluntary bid for Pohjola shares.

Pohjola's access to funding remained good. During the reporting period, Pohjola issued long-term bonds worth EUR 3.5 billion. In March, Pohjola issued two senior bonds in the international capital market, each worth EUR 750 million with a maturity of three and seven years. In June, it issued a EUR 750 million senior bond with a maturity of five years, and two Samurai bonds worth a total of 60 billion yen (EUR 432 million).
OP Mortgage Bank, which is part of OP-Pohjola Group, issued two covered bonds each worth EUR 1.0 billion. The maturity of the bond issued in March is 7 years, and that of the bond issued in June 5 years.

On 30 September, the average margin of senior wholesale funding was 40 basis points (40).

Risk exposure by Group Functions

Major risks exposed by the Group Functions include credit and market risks associated with the liquidity buffer, and liquidity risks.

The share of central bank deposits in liquidity buffer investments was reduced and that of notes and bonds eligible as collateral increased.

The Group Functions exposure totalled EUR 21.0 billion (19.8), consisting of notes and bonds to secure OP-Pohjola Group's liquidity, deposits with central banks and receivables from OP-Pohjola Group cooperative banks.

The interest rate risk by Group Functions in the event of a one percentage-point change in the interest rate averaged EUR 14.5 million (26.1) in July–September.

Financial performance and risk exposure by business segment

Discontinued operations

Non-life Insurance

- Earnings before tax amounted to EUR 191 million (162). Earnings before tax at fair value were EUR 203 million (126). A reduction in the discount rate for pension liabilities reduced earnings by EUR 62 million (0).
- Insurance premium revenue increased by 6% (10). The number of loyal customer households increased by 28,706 (30,483).
- Operating profitability improved from the previous year. The operating combined ratio was 83.1% (86.6) and operating expense ratio 17.4% (18.4).
- Return on investments at fair value was 4.9% (2.1).

Non-life Insurance: financial results and key figures and ratios

€ million	Q1-3/2014	Q1-3/2013	Change, %	Q3/2014	Q3/2013	Change, %	2013
Insurance premium revenue	986	930	6	335	324	3	1,249
Claims incurred	-709	-634	12	-277	-212	31	-889
Operating expenses	-172	-171	0	-54	-52	3	-234
Amortisation adjustment of intangible assets	-16	-16	0	-5	-5	0	-21
Balance on technical account	**89**	**109**		**-2**	**54**		**104**
Net investment income	151	104	44	77	27	183	131
Other income and expenses	-48	-52	-6	-17	-19	-8	-70
Earnings before tax	**191**	**162**	**18**	**58**	**63**	**-8**	**166**
Earnings before tax at fair value	203	126	62	30	90	-66	149
Combined ratio, %	91.0	88.3		100.6	83.3		91.6
Operating combined ratio, %	83.1	86.6		80.5	81.6		86.9
Operating loss ratio, %	65.7	68.2		64.4	65.5		68.2
Operating expense ratio, %	17.4	18.4		16.1	16.2		18.7
Operating risk ratio, %	59.7	62.1		58.7	59.4		61.7
Operating cost ratio, %	23.4	24.4		21.7	22.3		25.2
Return on investments at fair value, %	4.9	2.1		1.4	1.7		3.5
Solvency ratio , %	81	81					73
Solvency ratio (Solvency II), % *)	135	132					125
Large claims incurred retained for own account	-65	-44		-27	-18		-138
Changes in claims for previous years (run off result)	15	16		-4	14		10
Personnel	1,808	1,881					1,872

*) According to the Solvency II draft (EU 138/2009)

January–September earnings

Earnings before tax improved to EUR 191 million (162) as a result of investment activities and an improved operating balance on technical account. The reduction in the discount rate for pension liabilities from 2.8% to 2.5% increased claims incurred by EUR 62 million.

Insurance premium revenue grew by 6% (10), while operating expenses remained at the same level as year ago. The operating balance on technical account totalled EUR 167 million (125) and the operating combined ratio was 83.1% (86.6). These key operating figures exclude changes in reserving bases and amortisation on intangible assets arising from the corporate acquisition. The combined ratio, including the above-mentioned items, was 91.0% (88.3).

Insurance premium revenue

€ million	Q1-3/2014	Q1-3/2013	Change, %
Private Customers	514	471	9
Corporate Customers	431	421	2
Baltics	41	38	8
Total	**986**	**930**	**6**

Growth in insurance premium revenue remained strong among private customers and in the Baltic States. Growth in corporate customers remained slower.

In 2013, Pohjola's market share in terms of Non-life insurance premiums written was 30.3% (29.1). Measured in terms of the market share in premiums written, Pohjola is Finland's largest non-life insurer.

The number of loyal customer households increased by 28,706 (30,483) from the levels recorded at the end of 2013. On 30 September, the number of loyal customer households totalled 644,312 (600,477), of which up to 74% (71) also use OP-Pohjola Group cooperative banks as their main bank. Customers of OP-Pohjola Group member cooperative banks and Helsinki OP Bank used OP bonuses that they had earned through the use of banking and insurance services to pay 1,438,000 insurance bills (1,325,000), with 189,000 (187,000) paid in full using bonuses. Insurance premiums paid using bonuses totalled EUR 70 million (65).

Sales of policies to private and corporate customers grew, being 1% higher than a year ago.

Claims incurred increased by 12%. The growth of claims incurred, excluding the effect of the reduction in the discount rate for pension liabilities, was 2%, and thus slower than the growth of insurance premium revenue. Pensions and frequency claims developed favourably.
Claims incurred arising from new large claims were higher than a year ago. The reported number of large claims under property and business liability insurance (in excess of EUR 0.3 million) amounted to 69 (53) during January–September, with their claims incurred retained for own account totalling EUR 65 million (44).. The change in provisions for unpaid claims under statutory pensions was smaller year on year, being EUR 40 million (44) between January and September.

Changes in claims for previous years, excluding the effect of changes to the discount rate , improved the balance on technical account by EUR 15 million (16). The operating loss ratio was 65.7% (68.2) and the risk ratio (excluding indirect loss adjustment expenses) 59.7% (62.1).

The operating expense ratio improved to 17.4% (18.4). Efficiency improved as a result of strong growth in income and the moderate increase in operating expenses. The operating cost ratio (including indirect loss adjustment expenses) was 23.4% (24.4).

Other income and expenses decreased by EUR 6 million, which improved the financial results.

Operating balance on technical account and combined ratio (CR)

	Q1-3 /2014 Balance, € million	CR, %	Q1-3 /2013 Balance, € million	CR, %
Private Customers	116	77,5	90	80,9
Corporate Customers	46	89,3	29	93,0
Baltics	5	88,5	5	85,8
Total	**167**	**83,1**	**125**	**86,6**

Profitability was improved by the strong growth in premium income from personal customers and the favourable development of losses. The earnings for corporate customers were improved by the favourable development of pension damages. The Baltic States showed a slight decline in profitability.

Investment

Investment income at fair value was better than the previous year because of a significant decline in interest rates. Investment income at fair value amounted to EUR 163 million (69), or 4.9% (2.1). Net investment income recognised in the income statement amounted to EUR 151 million (104).

Investment portfolio by asset class

%	30 Sept. 2014	31 Dec. 2013
Bonds and bond funds	73	72
Alternative investments	1	1
Equities	8	10
Private equity	3	3
Real property	10	10
Money market instruments	4	4
Total	**100**	**100**

On 30 September 2014, the investment portfolio totalled EUR 3,495 million (3,219). The fixed-income portfolio by credit rating remained healthy, considering that investments within the "investment-grade" category represented 94% (91), and 72% (74) of the investments were rated at least A–. The average residual term to maturity of the fixed-income portfolio was 4.6 years (4.4) and the duration 4.0 years (3.7).

The running yield for direct bond investments averaged 2.0% (2.7) at the end of September.

Risk exposure of Non-life Insurance

Major risks within Non-life Insurance include underwriting risks associated with claims developments, market risks associated with investments covering insurance liabilities, and the discount rate applied to insurance liabilities.

On 30 September, the Non-life Insurance capital base under Solvency II totalled EUR 967 million (894) and capital requirement EUR 714 million (713). The solvency ratio under Solvency II was 135% (125).

The solvency capital of Non-life Insurance amounted to EUR 1,060 million (913) at the end of September. The ratio between solvency capital and insurance premium revenue (solvency ratio) was 81% (73). Equalisation provisions were EUR 206 million (248).

No major changes took place in Non-life Insurance's underwriting risks.

The equity risk level of the investment portfolio was slightly reduced .

Asset Management

- Earnings before tax amounted to EUR 20 million (18).
- Assets under management increased by 9% to EUR 41.5 billion (37.9) from their 2013-end level.
- The operating cost/income ratio was 49% (52).

Asset Management: financial results and key figures and ratios

€ million	Q1-3/2014	Q1-3/2013	Change, %	Q3/2014	Q3/2013	Change, %	2013
Net commissions and fees	39	38	3	12	13	-4	51
Other income	2	3	-18	1	1	-18	4
Total income	**42**	**41**	**2**	**13**	**14**	**-5**	**55**
Personnel costs	10	10	0	3	3	1	14
Other expenses	12	13	-4	4	4	2	17
Total expenses	**23**	**23**	**-2**	**7**	**7**	**2**	**32**
Share of associate's profit/loss	1	1	14	0	0	-35	0
Earnings before tax	**20**	**18**	**8**	**6**	**7**	**-14**	**24**
Earnings before tax at fair value	20	18	8	6	7	-14	24
Assets under management, € billion	41.5	36.6	14	41.5	36.6	14	37.9
Operating cost/income ratio, %	49	52		51	47		53
Personnel	87	88	-1				88

January–September earnings

Earnings before tax amounted to EUR 20 million (18). Earnings included EUR 0.4 million (2.8) in performance-based management fees. Earnings before tax include net profit shown by Access Capital Partners Group SA, an associated company, in proportion to Pohjola's shareholding.

The operating cost/income ratio was 49% (52).

Assets under management increased by 9% during the period, amounting to EUR 41.5 billion (36.6) on 30 September.

€ billion	30 Sept. 2014	31 Dec. 2013
Institutional clients	24	21
OP Mutual Funds	13	12
Private	5	5
Total	42	38

%	30 Sept. 2014	31 Dec. 2013
Money market investments	16	15
Notes and bonds	38	37
Equities	32	32
Other	14	15
Total	**100**	**100**

Assets under management

The increase in assets under management was based on brisk growth in Private assets under management and improved market values. A total of 54% of mutual funds managed by Asset Management outperformed their benchmark index during the first half.

Personnel and remuneration

On 30 September 2014, the Group had a staff of 2,540, or 80 fewer than on 31 December 2013.

Personnel by segment

	30 Sept. 2014	31 Dec. 2013
Banking	622	634
Non-life Insurance	1,808	1,872
Asset Management	87	88
Group Functions	23	26
Total	**2,540**	**2,620**

*) Personnel includes 70 agents based in the Baltic countries.

A total of 442 Group employees (462) worked abroad.

The scheme for variable remuneration within OP-Pohjola Group and Pohjola consists of short-term, company-specific incentives and OP-Pohjola Group-wide long-term incentives.

Management

On 23 September 2014, Pohjola Bank plc's Board of Directors gave its approval to the plans to change OP-Pohjola Group's management system and to reform the organisation of OP-Pohjola Group Central Cooperative Consolidated.

The procedures for information and consultation of employees that started on 12 August 2014 in the Central Cooperative Consolidated relating to this have been brought to a conclusion. These concerned 52 directors in Pohjola Group, excluding operations abroad. As a result eight left either through layoffs or other arrangements.

The new organisation of OP-Pohjola Group Central Cooperative Consolidated entered into force on 1 October 2014. OP-Pohjola Group's new management system will be founded on three business segments: Banking, Non-life Insurance and Wealth Management. As part of the reorganisation, Pohjola's Board of Directors decided to dissolve Pohjola Bank's Executive Committee, and Pohjola's operations will be managed in the future in accordance with the new management system through three business segments.

OP-Pohjola Group Central Cooperative has obtained ownership of all Pohjola Bank plc shares

OP-Pohjola Group Central Cooperative has completed its public voluntary bid announced in February 2014 and obtained ownership of all Pohjola Bank plc shares by decision of the Arbitral Tribunal in accordance with Chapter 18, Section 6 of the Finnish Limited Liability Companies Act. As a result of the decision of the Arbitration Court, trading in the series A shares of Pohjola Bank plc ceased on 29 September 2014, and the shares were delisted from the Helsinki Stock Exchange on 30 September 2014. OP-Pohjola Group Central Cooperative has been entered as the only shareholder in Pohjola Bank plc's shareholder register on 7 October 2014.

According to the Redemption Committee, the arbitration procedure will last an average of approximately six months. On this basis, the overall redemption proceedings pertaining to Pohjola's minority shares are expected to last until the first half of 2015.

Pohjola Group plans to undergo structural changes, according to the bid submitted by OP-Pohjola Group Central Cooperative, whereby, for example, the Non-life Insurance and Asset Management segments will be transferred from Pohjola Group to OP-Pohjola Group Central Cooperative's direct ownership. In addition, the businesses of Helsinki OP Bank Plc and Pohjola Bank plc will be combined.

Shares and shareholders

No changes in the numbers of Pohjola's series A and K shares occurred in January-September 2014. OP-Pohjola Group Central Cooperative has been entered as the only shareholder in Pohjola Bank plc's shareholder register on 7 October 2014.

Number of shares

Share series 30 Sept. 2014	Number of shares	% of all shares	% of votes
Pohjola A (POH1S)	252,009,866	78.86	42.73
Pohjola K (POHKS)	67,541,549	21.14	57.27
Total	**319,551,415**	**100.00**	**100.00 %**

Number of shareholders

	7 Oct.2014	30 Sept.2014	31 Dec.2013
Holders of Series A shares	1	2,286	32,260
Holders of Series K shares	1	1	104
Total*	1	2,286	32,267

*The combined number of holders of Series A and K shares differs from the total number of shareholders since some of the holders of Series K shares also hold Series A shares.

Events after the balance sheet date

Changes to Pohjola Bank plc's Articles of Association and appointment of new Board Members

On 7 October 2014, OP-Pohjola Group Central Cooperative was entered as the only shareholder in Pohjola Bank plc's shareholder register. The following day, OP-Pohjola Group Central Cooperative made a unanimous decision, as referred to in Chapter 5, Subsection 1(2) of the Limited Liability Companies Act, to change Pohjola Bank plc's Articles of Association so that the Board's Chairman will be the Chairman of the Board of the amalgamation's central organisation, with at least two but no more than three other members appointed by the Annual General Meeting. Pohjola Bank plc's Chairman of the Board is OP-Pohjola Group's Executive Chairman Reijo Karhinen, and OP-Pohjola Group's Executive Vice President of Operations Tony Vepsäläinen, OP-Pohjola's Chief Financial Officer Harri Luhtala and OP-Pohjola's Chief Risk Officer Erik Palmén were appointed as Board members

OP-Pohjola Group to renew brand: OP-Pohjola becomes simply OP

Financial services provider OP-Pohjola Group is continuing its revamp – this time the focus is on its brand. The changes under way form part of the creation of a new financial services group fully owned by its customers. The group will soon go by the new name of OP.

In the future, the banking, Non-life insurance and asset management businesses will all come under the OP brand. There are no plans to dispose of the Pohjola brand, and a separate announcement will be made later on its future use.

In addition, Pohjola Bank Plc and Helsinki OP Bank will come together to form a new bank for the Helsinki region: OP Bank Plc. Pohjola Insurance will become OP Insurance.

The new name of the OP-Pohjola Group, OP Financial Group, will be adopted on 1 January 2015.

Credit ratings

Standard & Poor's affirmed on 22 October 2014 Pohjola Bank plc’s current credit ratings and retained the outlook negative.

Outlook towards the end of 2014

The growth of the Banking loan portfolio is expected to fall short of that achieved in 2013 (previous estimate: at the same level as 2013). Due to the operating environment, corporate investments are expected to remain below their normal level. The greatest uncertainties related to Banking’s financial performance are associated with volume developments and future impairment loss on the loan portfolio.

Insurance premium revenue is expected to increase at a rate above the market average. In Non-life Insurance, the operating combined ratio for the full year 2013 is estimated to vary between 85% and 88% (previous estimate: 87–91%) if the number of large claims is not much higher than in 2013. Expected investment returns will largely depend on developments in the investment environment. The most significant uncertainties related to Non-life Insurance’s financial performance pertain to developments in bond and investment markets and to the effect of large claims on claims expenditure.

The greatest uncertainties related to Asset Management’s financial performance are associated with the actual performance-based commissions and fees tied to the success of investments and the amount of assets under management.

The key determinants affecting the Group Functions’ financial performance include net interest income arising from assets in the liquidity buffer, any capital gains or losses on notes and bonds, and any impairment loss that may be recognised on notes and bonds in the income statement.

Consolidated earnings before tax in 2014 are expected to be higher than in 2013.

There is still great uncertainty about the economic outlook and the operating environment.

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 the future development in the operating environment and the future financial performance of Pohjola Group and its various functions, and actual results may differ materially from those expressed in the forward-looking statements.

Consolidated income statement

EUR million	Note	Q3/ 2014	Q3/ 2013 Restated*	Q1–3/ 2014	Q1–3/ 2013 Restated*	Q1–4/ 2013 Restated*
Continuing operations						
Net interest income	3	62	57	194	169	231
Impairments of receivables	4	10	12	18	31	37
Net interest income after impairments		**52**	**46**	**176**	**137**	**194**
Net commissions and fees	5	25	24	82	69	94
Net trading income	6	23	21	75	61	93
Net investment income	7	9	0	40	32	39
Other operating income	8	6	6	15	20	26
Total income		**115**	**98**	**388**	**319**	**446**
Personnel costs		15	15	47	48	63
ICT costs		9	8	30	26	37
Depreciation/amortisation		4	4	12	12	16
Other expenses		29	16	66	50	66
Total expenses		**57**	**43**	**154**	**136**	**182**
Share of associates' profits/losses		0	0	0	0	0
Earnings before tax		**58**	**55**	**234**	**183**	**264**
Income tax expense		15	13	48	40	7
Results of continuing operations		**43**	**42**	**186**	**143**	**256**
Discontinued operations						
Results of discontinued operations	9	59	56	188	151	174
Profit for the period		**102**	**99**	**374**	**294**	**430**
Attributable to:						
Owners of the parent		100	97	368	292	426
Non-controlling interests		2	1	6	3	4
Profit for the period		**102**	**99**	**374**	**294**	**430**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Consolidated statement of comprehensive income

EUR million	Q3/ 2014	Q3/ 2013 Restated*	Q1–3/ 2014	Q1–3/ 2013 Restated*	Q1–4/ 2013 Restated*
Profit for the period	**102**	**99**	**374**	**294**	**430**
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans	-20		-30		0
Items that may be reclassified to profit or loss					
Change in fair value reserve					
Measurement at fair value	-7	43	43	-19	1
Cash flow hedge	2	0	8	-13	-16
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	4		6		-2
Items that may be reclassified to profit or loss					
Measurement at fair value	1	-10	-9	5	9
Cash flow hedge	0	0	-2	3	5
Total comprehensive income for the period	**82**	**131**	**391**	**270**	**426**
Attributable to:					
Owners of the parent	80	129	384	266	421
Non-controlling interests	2	2	8	3	6
Total comprehensive income for the period	**82**	**131**	**391**	**270**	**426**
Comprehensive income attributable to owners of the parent is divided as follows:					
Continuing operations	42	53	188	144	256
Discontinued operations	39	76	196	122	164
Total	**80**	**129**	**384**	**266**	**421**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Consolidated balance sheet

EUR million	Note	30 Sept 2014	31 Dec 2013 Restated*	1 Jan 2013 Restated*
Cash and cash equivalents		1,420	2,046	5,643
Receivables from credit institutions		10,634	9,899	8,816
Financial assets at fair value through profit or loss				
Financial assets held for trading		412	435	246
Financial assets at fair value through profit or loss at inception		0	9	9
Derivative contracts		5,387	3,444	4,462
Receivables from customers		15,123	14,510	13,834
Non-life Insurance assets	9		3,502	3,500
Investment assets		7,934	7,574	5,548
Investment in associates		0	29	26
Intangible assets	12	81	910	922
Property, plant and equipment (PPE)		24	82	67
Other assets		1,620	1,369	1,598
Tax assets		30	15	37
Total		**42,665**	**43,824**	**44,710**
Assets classified as held for distribution to owners	9	5,073		
Total assets		**47,738**	**43,824**	**44,710**
Liabilities to credit institutions		4,984	4,789	5,840
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading		9	4	3
Derivative contracts		5,205	3,420	4,557
Liabilities to customers		9,830	10,183	10,767
Non-life Insurance liabilities	9		2,746	2,599
Debt securities issued to the public	13	15,906	16,097	13,769
Provisions and other liabilities		2,444	2,076	2,572
Tax liabilities		313	378	487
Subordinated liabilities		951	984	1,275
Total		**39,643**	**40,675**	**41,869**
Liabilities associated with assets classified held as distribution to owners	9	4,782		
Total liabilities		**44,425**	**40,675**	**41,869**
Shareholders' equity				
Capital and reserves attributable to owners of the Parent				
Share capital		428	428	428
Fair value reserve	14	68	168	171
Other reserves		1,093	1,093	1,093
Retained earnings		1,337	1,358	1,080
Equity items associated with assets classified as held for distribution to owners	9	290		
Non-controlling interest		97	103	69
Total shareholders' equity		**3,313**	**3,150**	**2,841**
Total liabilities and shareholders' equity		**47,738**	**43,824**	**44,710**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Consolidated statement of changes in equity

	Attributable to owners of Pohjola Group						
EUR million	**Share capital**	**Fair value reserve***	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2013	**428**	**167**	**1,093**	**1,081**	**2,769**		**2,769**
Effect of the adoption of IFRS 10 Cosolidated Financial Statements, less taxes		4	0	-1	2	69	72
Restated shareholders' equity 1 Jan. 2013	**428**	**171**	**1,093**	**1,080**	**2,771**	**69**	**2,841**
Total comprehensive income for the period		-25		292	267	3	270
Profit for the period				292	292	3	294
Other comprehensive income		-25			-25	1	-24
Profit distribution				-145	-145		-145
EUR 0.46 per Series A share				-116	-116		-116
EUR 0.43 per Series K share				-29	-29		-29
Equity-settled share-based payment transactions				-1	-1		-1
Other			0	0	-1	28	27
Balance at 30 September 2013	**428**	**146**	**1,093**	**1,226**	**2,892**	**100**	**2,992**

* Note 14.

	Attributable to owners of Pohjola Group						
EUR million	**Share capital**	**Fair value reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Restated shareholders' equity 1 January 2014	**428**	**168**	**1,093**	**1,358**	**3,047**	**103**	**3,150**
Total comprehensive income for the period		40		344	384	8	391
Profit for the period				368	368	6	374
Other comprehensive income		40		-24	16	2	17
Profit distribution				-212	-212		-212
EUR 0.67 per Series A share				-169	-169		-169
EUR 0.64 per Series K share				-43	-43		-43
Equity-settled share-based payment transactions							
Other			0	-2	-3	-13	-16
Balance at 30 September 2014	**428**	**208**	**1,093**	**1,487**	**3,216**	**97**	**3,313**

Consolidated cash flow statement incl. discontinued operations

EUR million	Q1–3/ 2014	Q1–3/ 2013 Restated*
Cash flow from operating activities		
Profit for the period	368	292
Adjustments to profit for the period	189	250
Increase (-) or decrease (+) in operating assets	**-2,248**	**-5,994**
Receivables from credit institutions	-927	-3,549
Financial assets at fair value through profit or loss	242	-197
Derivative contracts	35	18
Receivables from customers	-618	-593
Non-life Insurance assets	-374	-172
Investment assets	-221	-1,672
Other assets	-386	172
Increase (+) or decrease (-) in operating liabilities	**663**	**-1,862**
Liabilities to credit institutions	188	-493
Financial liabilities at fair value through profit or loss	5	0
Derivative contracts	49	8
Liabilities to customers	-353	-1,257
Non-life Insurance liabilities	298	69
Provisions and other liabilities	475	-188
Income tax paid	-77	-92
Dividends received	52	42
A. Net cash from operating activities	**-1,054**	**-7,364**
Cash flow from investing activities		
Decreases in held-to-maturity financial assets	54	94
Acquisition of subsidiaries and associates, net of cash acquired		-4
Purchase of PPE and intangible assets	-22	-26
Proceeds from sale of PPE and intangible assets	2	1
B. Net cash used in investing activities	**34**	**65**
Cash flow from financing activities		
Increases in subordinated liabilities	12	
Decreases in subordinated liabilities	-12	-171
Increases in debt securities issued to the public	29,422	19,008
Decreases in debt securities issued to the public	-28,957	-16,151
Dividends paid	-212	-145
Other decreases in equity items		
C. Net cash used in financing activities	**252**	**2,542**
Net increase/decrease in cash and cash equivalents (A+B+C)	**-767**	**-4,757**
Cash and cash equivalents at period-start	**2,672**	**6,177**
Cash and cash equivalents at period-end	**1,905**	**1,420**
Cash and cash equivalents		
Liquid assets**	1,461	983
Receivables from credit institutions payable on demand	444	438
Total	**1,905**	**1,420**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.
** Of which EUR 41 million (11) consist of Non-life Insurance cash and cash equivalents.

Segment information

Q3 earnings 2014, EUR million	Banking	Group Functions	Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
	Continuing operations		Discontinued operations			
Net interest income						
Corporate Banking and Baltic Banking	65					65
Markets	8					8
Other operations		-4	-7	1	0	-11
Total	73	-4	-7	1	0	62
Net commissions and fees	25	0	4	12	-1	41
Net trading income	26	-2		0	-1	23
Net investment income	0	11		0	1	12
Net income from Non-life Insurance						
From insurance operations			78			78
From investment operations			77		0	77
From other items			-11			-11
Total			144		0	144
Other operating income	4	2	3	0	0	8
Total income	**127**	**7**	**144**	**13**	**0**	**291**
Personnel costs	12	3	22	3	0	40
ICT costs	8	1	14	1	0	24
Amortisation on intangible assets related to company acquisitions			5	1		6
Other depreciation/amortisation and impairments	4	0	4	0		8
Other expenses	14	16	41	3	-1	73
Total expenses	**37**	**20**	**86**	**7**	**0**	**151**
Earnings/loss before impairment of receivables	**91**	**-13**	**58**	**6**	**0**	**141**
Impairments of receivables	10					10
Share of associates' profits/losses			0	0	0	0
Earnings before tax	**80**	**-13**	**58**	**6**	**0**	**131**
Change in fair value reserve	-2	24	-28	0	0	-5
Gains/(losses) arising from remeasurement of defined benefit plans	-18	-2				-20
Total comprehensive income for the period, before tax	**61**	**9**	**30**	**6**	**0**	**106**

Q3 earnings 2013, EUR million	Banking	Group Functions	Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
	Continuing operations		Discontinued operations			
Net interest income						
Corporate Banking and Baltic Banking	58					58
Markets	-1					-1
Other operations		6	-6	1	0	1
Total	56	6	-6	1	0	57
Net commissions and fees	26	0	5	13	-1	42
Net trading income	23	-4	0	0	2	21
Net investment income		2		0		2
Net income from Non-life Insurance						
From insurance operations			133			133
From investment operations			27		-1	26
From other items			-11			-11
Total			149		-1	148
Other operating income	5	2	0	0	0	7
Total income	**110**	**6**	**148**	**14**	**0**	**277**
Personnel costs	13	2	23	3		41
ICT costs	7	1	13	1	0	21
Amortisation on intangible assets related to company acquisitions			5	1		6
Other depreciation/amortisation and impairments	4	0	5	0		9
Other expenses	13	4	39	3	-1	58
Total expenses	**36**	**7**	**85**	**7**	**0**	**135**
Earnings/loss before impairment of receivables	**74**	**-1**	**62**	**7**	**0**	**142**
Impairments of receivables	10	1				12
Share of associates' profits/losses			0	0	0	1
Earnings before tax	**64**	**-2**	**63**	**7**	**0**	**131**
Change in fair value reserve	1	14	27	0	0	42
Gains/(losses) arising from remeasurement of defined benefit plans						
Total comprehensive income for the period, before tax	**65**	**11**	**90**	**7**	**0**	**173**

Q1-3 earnings 2014, EUR million	Continuing operations Banking	Group Functions	Discontinued operations Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	188					188
Markets	22					22
Other operations		0	-19	2	1	-17
Total	210	0	-19	2	1	193
Net commissions and fees	80	4	12	39	-2	133
Net trading income	81	-6	0	0	0	75
Net investment income	5	41		0	3	49
Net income from Non-life Insurance						
From insurance operations			340		0	340
From investment operations			151		-2	149
From other items			-32			-32
Total			459		-2	457
Other operating income	10	6	8	1	0	24
Total income	**385**	**45**	**461**	**42**	**-1**	**932**
Personnel costs	41	6	76	10	0	133
ICT costs	25	4	39	2	1	71
Amortisation on intangible assets related to company acquisitions			16	2		18
Other depreciation/amortisation and impairments	11	1	11	1		23
Other expenses	42	26	128	8	-2	203
Total expenses	**119**	**36**	**270**	**23**	**-1**	**448**
Earnings/loss before impairment of receivables	**266**	**9**	**191**	**19**	**0**	**484**
Impairments of receivables	18					18
Share of associates' profits/losses			0	1	0	1
Earnings before tax	**248**	**9**	**191**	**20**	**0**	**467**
Change in fair value reserve	-1	41	12	0	-1	52
Gains/(losses) arising from remeasurement of defined benefit plans	-27	-3				-30
Total comprehensive income for the period, before tax	**220**	**47**	**203**	**20**	**-1**	**489**

Q1-3 earnings 2013, EUR million	Continuing operations Banking	Group Functions	Discontinued operations Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	166					166
Markets	-4					-4
Other operations		22	-18	2	1	6
Total	162	22	-18	2	1	168
Net commissions and fees	73	-1	13	38	-3	120
Net trading income	72	-10	0	0	-1	61
Net investment income	0	36		0		36
Net income from Non-life Insurance						
From insurance operations			356			356
From investment operations			104		3	107
From other items			-32			-32
Total			428		3	431
Other operating income	13	7	5	1	0	26
Total income	**321**	**53**	**428**	**41**	**-1**	**841**
Personnel costs	43	5	79	10		138
ICT costs	22	4	37	2	1	65
Amortisation on intangible assets related to company acquisitions			16	2		18
Other depreciation/amortisation and impairments	11	1	10	1		22
Other expenses	40	12	124	9	-2	183
Total expenses	**116**	**21**	**267**	**23**	**-1**	**427**
Earnings/loss before impairment of receivables	**204**	**32**	**162**	**17**	**0**	**415**
Impairments of receivables	29	2				31
Share of associates' profits/losses			0	1	0	1
Earnings before tax	**175**	**29**	**162**	**18**	**0**	**384**
Change in fair value reserve	5	-1	-36	0	0	-32
Gains/(losses) arising from remeasurement of defined benefit plans						
Total comprehensive income for the period, before tax	**180**	**28**	**126**	**18**	**0**	**352**

Balance sheet 30 Sept 2014, EUR million	Banking	Group Functions	Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
			For distribution to owners			
Receivables from customers	14,843	535			-255	15,123
Receivables from credit institutions	403	11,674	5	6	-19	12,069
Financial assets at fair value through profit or loss	458	-46				412
Non-life Insurance assets			4,316		-348	3,968
Investment assets	580	7,462	16	10	-9	8,060
Investments in associates			2	27		29
Other assets	5,828	1,388	768	121	-29	8,076
Total assets	**22,112**	**21,014**	**5,107**	**164**	**-659**	**47,738**
Liabilities to customers	7,345	2,763			-278	9,830
Liabilities to credit institutions	429	4,811			-255	4,984
Non-life Insurance liabilities			3,228		-6	3,222
Debt securities issued to the public	1,738	15,515			-46	17,207
Subordinated liabilities	-16	967	50			1,001
Other liabilities	6,442	1,570	198	8	-38	8,181
Total liabilities	**15,937**	**25,626**	**3,476**	**8**	**-622**	**44,425**
Shareholders' equity						**3,313**
Average personnel	622	23	1,808	87		2,540
Capital expenditure, EUR million	8	2	11	1		22

Balance sheet 31 Dec 2013, EUR million	Banking	Group Functions	Non-life Insurance	Asset Manage-ment	Elimi-nations	Group total
Receivables from customers	14,432	291			-213	14,510
Receivables from credit institutions	659	11,300	4	3	-21	11,945
Financial assets at fair value through profit or loss	487	-42				444
Non-life Insurance assets			3,750		-248	3,502
Investment assets	524	7,025	16	22	-14	7,574
Investments in associates			2	27		29
Other assets	3,792	1,242	780	114	-109	5,819
Total assets	**19,894**	**19,816**	**4,552**	**166**	**-604**	**43,824**
Liabilities to customers	7,035	3,309			-160	10,183
Liabilities to credit institutions	614	4,387			-213	4,789
Non-life Insurance liabilities			2,844		-98	2,746
Debt securities issued to the public		16,159			-62	16,097
Subordinated liabilities		934	50			984
Other liabilities	4,381	1,463	56	9	-33	5,877
Total liabilities	**12,029**	**26,252**	**2,950**	**9**	**-566**	**40,675**
Shareholders' equity						**3,150**
Average personnel	634	26	1,872	88		2,620
Capital expenditure, EUR million	15	1	27	2		45

Note 1. Accounting policies

The Interim Report for 1 January–30 September 2014 has been prepared in accordance with the accounting policies of IAS 34 (Interim Financial Reporting) and with those presented in the Consolidated Financial Statements 2013, with the exception of changes in the accounting policies described below.

OP-Pohjola Group Central Cooperative has executed a public voluntary bid for Pohjola Bank plc shares that it announced on 6 February 2014. This will result in structural changes where, according to plans, Pohjola Group's Non-life Insurance segment and Asset Management segment will be transferred to OP-Pohjola Group Central Cooperative's direct ownership. The Non-life Insurance segment, the Asset Management segment and certain other holdings heve been reported, according to IFRS 5 from 30 June 2014, as assets and liabilities distributed to owners in the balance sheet and as discontinued operations in the income statement. Banking and the Group functions will be reported as continuing operations. A more detailed description of the effects can be found in Note 9.

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

Consolidated financial statements

Pohjola Group has applied the following standards since 1 January 2014: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" revised as a result of the standards. According to IFRS 10, control determines whether the parent company consolidates an entity. The Group has control over an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. As a result of the adoption of the standards, the accounts of two property investment funds have been included in Pohjola Group's financial statements as new subsidiaries. In addition, 42 property companies are now reported as joint operations to which proportionate consolidation applies. The new companies are reported under the Group Functions and Non-life Insurance operating segments. In addition, the proportion of the owners of non-controlling interests has increased.

The table below shows the effect of the change in the accounting policy on the income statement for the reporting period a year ago and for the financial year 2013, statement of comprehensive income, balance sheet and the EPS figures calculated for profit attributable to owners of the parent. Changes in the accounting policy also include discontinued operations.

Effect on the consolidated income statement for 1 Jan.−30 Sept. 2013 and 1 Jan.−31 Dec. 2013

EUR million	1 Jan.–30 Sept. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan.−30 Sept. 2013 (restated)	1 Jan.–31 Dec. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan.−31 Dec. 2013 (restated)
Net interest income	168	0	168	229	1	230
Impairment of receivables	31		31	37		37
Net interest income after impairments	**136**	**0**	**137**	**193**	**1**	**193**
Net income from Non-life Insurance	431	0	431	529	0	528
Net commissions and fees	120	0	120	162	0	162
Net trading income	61	0	61	93	0	93
Net investment income	32	4	36	39	7	46
Other operating income	26	0	26	38	0	38
Total income	**806**	**4**	**810**	**1,053**	**7**	**1,060**
Personnel costs	138		138	184		184
ICT costs	65		65	90		90
Depreciation/amortisation	40	0	40	55	0	55
Other expenses	183	1	183	251	1	252
Total expenses	**426**	**0**	**427**	**580**	**1**	**581**
Share of associates' profits/losses	1		1	0		0
Earnings before tax	**381**	**4**	**384**	**473**	**6**	**479**
Income tax expense	90	0	90	49	1	49
Profit for the period	**291**	**4**	**294**	**424**	**6**	**430**
Attributable to:						
Owners of the parent	291	1	292	424	1	426
Non-controlling interests		3	3		4	4
Total	**291**	**4**	**294**	**424**	**6**	**430**
EPS calculated for profit attributable to owners of the parent, €						
Series A	0.92		0.92	1.33	0.01	1.34
Series K	0.89		0.89	1.30	0.01	1.31

Effect on the consolidated statement of comprehensive income for 1 Jan.−30 Sept. 2013 and 1 Jan.−31 Dec. 2013

EUR million	1 Jan.–30 Sept. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan.−30 Sept. 2013 (restated)	1 Jan.–31 Dec. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan.−31 Dec. 2013 (restated)
Profit for the period	291	4	294	424	6	430
Items that will not be reclassified to profit or loss						
Gains/(losses) arising from remeasurement of defined benefit plans				0		0
Items that may be reclassified to profit or loss						
Change in fair value reserve						
Measurement at fair value	-20	1	-19	-1	2	1
Cash flow hedge	-13		-13	-16		-16
Translation differences	0	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				-2		-2
Items that may be reclassified to profit or loss						
Measurement at fair value	5	0	5	9	0	9
Cash flow hedge	3		3	5		5
Total comprehensive income for the period	**265**	**5**	**270**	**419**	**7**	**426**
Attributable to:						
Owners of the parent	265	1	266	419	2	421
Non-controlling interests		3	3		6	6
Total	**265**	**5**	**270**	**419**	**7**	**426**

Effect on the consolidated balance sheet on 1 Jan. 2013 and 31 Dec. 2013

EUR million	1 Jan. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan. 2013 (restated)	31 Dec. 2013 (as presented previously)	Effect of change in accounting policy	31 Dec. 2013 (restated)
Cash and cash equivalents	5,643		5,643	2,046		2,046
Receivables from credit institutions	8,815	1	8,816	9,899	0	9,899
Financial assets at fair value through profit or loss						
Financial assets held for trading	246		246	435		435
Financial assets at fair value through profit or loss at inception	9		9	9		9
Derivative contracts	4,462		4,462	3,444		3,444
Receivables from customers	13,839	-5	13,834	14,515	-5	14,510
Non-life Insurance assets	3,523	-23	3,500	3,539	-37	3,502
Investment assets	5,431	117	5,548	7,427	147	7,574
Investment in associates	26		26	29		29
Intangible assets	922		922	910		910
Property, plant and equipment (PPE)	69	-2	67	84	-2	82
Other assets	1,600	-1	1,598	1,367	2	1,369
Tax assets	36	1	37	15	0	15
Total assets	**44,623**	**87**	**44,710**	**43,720**	**105**	**43,824**
Liabilities to credit institutions	5,840		5,840	4,789		4,789
Financial liabilities at fair value through profit or loss						
Financial liabilities held for trading	3		3	4		4
Derivative contracts	4,557		4,557	3,420		3,420
Liabilities to customers	10,775	-8	10,767	10,188	-5	10,183
Non-life Insurance liabilities	2,599		2,599	2,746		2,746
Debt securities issued to the public	13,769		13,769	16,097		16,097
Provisions and other liabilities	2,550	22	2,572	2,075	0	2,076
Tax liabilities	485	2	487	375	3	378
Subordinated liabilities	1,275		1,275	984		984
Total liabilities	**41,854**	**16**	**41,869**	**40,677**	**-2**	**40,675**
Shareholders' equity						
Capital and reserves attributable to						
Share capital	428		428	428		428
Fair value reserve	167	4	171	164	4	168
Other reserves	1,093	0	1,093	1,093	0	1,093
Retained earnings	1,081	-1	1,080	1,358	0	1,358
Non-controlling interest		**69**	**69**		**103**	**103**
Total shareholders' equity	**2,769**	**72**	**2,841**	**3,043**	**107**	**3,150**
Total liabilities and shareholders' equity	**44,623**	**87**	**44,710**	**43,720**	**105**	**43,824**

Effect on the consolidated cash flow statement 1 Jan.–30 Sept. 2013

EUR million	1 Jan.–30 Sept. 2013 (as presented previously)	Effect of change in accounting policy	1 Jan.–30 Sept. 2013 (restated)
Cash flow from operating activities			
Profit for the period	291	1	292
Adjustments to profit for the period	250	0	250
Increase (-) or decrease (+) in operating assets	**-6,007**	**13**	**-5,994**
Receivables from credit institutions	-3,549		-3,549
Financial assets at fair value through profit or loss	-197		-197
Derivative contracts	18		18
Receivables from customers	-593		-593
Non-life Insurance assets	-186	14	-172
Investment assets	-1,673	1	-1,672
Other assets	173	-1	172
Increase (+) or decrease (-) in operating liabilities	**-1,845**	**-17**	**-1,862**
Liabilities to credit institutions	-493		-493
Financial liabilities at fair value through profit or loss	0		0
Derivative contracts	8		8
Liabilities to customers	-1,262	5	-1,257
Non-life Insurance liabilities	69		69
Provisions and other liabilities	-167	-22	-188
Income tax paid	-92		-92
Dividends received	40	2	42
A. Net cash from operating activities	**-7,364**	**0**	**-7,364**
Cash flow from investing activities			
Increases in held-to-maturity financial assets			
Decreases in held-to-maturity financial assets	94		94
Acquisition of subsidiaries and associates, net	-4		-4
Disposal of subsidiaries and associates, net of cash disposed			
Purchase of investment securities			
Proceeds from sale of investment securities			
Purchase of PPE and intangible assets	-26		-26
Proceeds from sale of PPE and intangible assets	1		1
B. Net cash used in investing activities	**65**		**65**
Cash flow from financing activities			
Increases in subordinated liabilities			
Decreases in subordinated liabilities	-171		-171
Increases in debt securities issued to the public	19,008		19,008
Decreases in debt securities issued to the public	-16,151		-16,151
Increases in invested unrestricted equity			
Dividends paid	-145		-145
Other decreases in equity items	0		0
C. Net cash used in financing activities	**2,542**		**2,542**
Net increase/decrease in cash and cash	**-4,757**	**0**	**-4,757**
Cash and cash equivalents at period-start	**6,177**	**1**	**6,177**
Cash and cash equivalents at period-end	**1,420**	**1**	**1,420**
Cash and cash equivalents			
Liquid assets**	983		983
Receivables from credit institutions payable on demand	437	1	438
Total	**1,420**	**1**	**1,420**

Other changes

Levies

In addition, the Group has used IFRIC interpretation 21: Levies since the beginning of 2014 before its entry into force and EU approval. According to the interpretation, the bank levy liability and the liability arising from contributions to the Deposit Guarantee Fund are recognised in full in accrued income and prepaid expenses and accrued expenses and deferred income in the balance sheet when the levy is imposed under said legislation, or on 1 January 2014. The change in the accounting policy does not change the recognition principle applied to these expenses through profit or loss.

Note 2. Formulas for key figures and ratios

Return on equity (ROE), %
Profit for the period /
Shareholders' equity (average of the beginning and end of period) x 100

Return on equity (ROE) at fair value, %
Total comprehensive income for the period /
Shareholders' equity (average of the beginning and end of period) x 100

Return on assets (ROA), %
Profit for the period /
Average balance sheet total (average of the beginning and end of period) x 100

Earnings/share (EPS)
Profit for the period attributable to owners of the Parent / Average share-issue adjusted number of shares during the period

Equity/share
Shareholders' equity / Share-issue adjusted number of shares on the balance sheet date

Dividend per share (DPS)
Dividends paid for the financial year/ Share-issue adjusted number of shares on the balance sheet date

Market capitalisation
Number of shares x closing price on the balance sheet date

Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates
Conglomerate's total capital / Conglomerate's total minimum capital requirement

Capital adequacy ratio, %
Total capital / Total minimum capital requirement x 8

Tier 1 ratio, %
Total Tier 1 capital / Total minimum capital requirement x 8

Core Tier 1, %
Total Tier 1 capital, excl. hybrid capital and shortfall of Tier 2 capital covered by hybrid capital /
Total minimum capital requirement x 8

Common Equity Tier 1 ratio, % (CET1)*
Common Equity Tier 1 (CET1)/Total risk exposure amount x 100

* Common Equity Tier 1 capital (CET1) as defined in Article 26 of EU Regulation 575/2013 and total risk exposure amount as defined in Article 92.

KEY RATIOS FOR NON-LIFE INSURANCE

The key ratio formulas for Non-life Insurance are based on regulations issued by the Finnish Financial Supervisory Authority, using the corresponding IFRS sections to the extent applicable. The ratios are calculated using expenses by function applied by non-life insurance companies, which are not presented on the same principle as in the Consolidated Income Statement.

Loss ratio (excl. unwinding of discount)
Claims and loss adjustment expenses / Net insurance premium revenue x 100

Expense ratio
Operating expenses + Amortisation/adjustment of intangible assets related to company acquisition /
Net insurance premium revenue x 100

Combined ratio (excl. unwinding of discount)
Loss ratio + expense ratio
Risk ratio + cost ratio

Solvency ratio
(+ Non-life Insurance net assets
+ Subordinated loans
+ Net tax liability for the period
- Deferred tax to be realised in the near future and other items deducted from the solvency margin
- Intangible assets)/
Insurance premium revenue x 100

Solvency ratio, %*)
Capital base/Solvency capital requirement (SCR)

*) According to the proposed Solvency II framework

OPERATING KEY RATIOS

Operating cost/income ratio
(+ Personnel costs
+ Other administrative expenses
+ Other operating expenses excl. amortisation on intangible assets and goodwill related to Pohjola acquisition) /
(+ Net interest income
+ Net income from Non-life Insurance
+ Net commissions and fees
+ Net trading income
+ Net investment income
+ Other operating income) x 100

Operating loss ratio, %
Claims incurred, excl. changes in reserving bases/
Insurance premium revenue, excl. net changes in reserving bases x 100

Operating expense ratio
Operating expenses / Insurance premium revenue, excl. net changes in reserving bases x 100

Operating combined ratio, %
Operating loss ratio + Operating expense ratio
Operating risk ratio + operating cost ratio

Operating risk ratio (excl. unwinding of discount)
Claims excl. loss adjustment expenses and changes in reserving bases / Net insurance premium revenue excl. changes in reserving bases x 100

Operating cost ratio
Operating expenses and loss adjustment expenses / Net insurance premium revenue excl. changes in reserving bases x 100

Values used in calculating the ratios

EUR million	30 Sept 2014	31 Dec 2013
Non-life Insurance		
Non-life Insurance net assets	1,728	1,603
Net tax liabilities for the period	-21	-8
Own subordinated loans	50	50
Deferred tax to be realised in the near future and other items deducted from the solvency margin of the companies	1	4
Intangible assets	-707	-728

EUR million	30 Sept 2014	30 Sept 2013	31 Dec 2013
Changes in reserving bases and other non-recurring items			
Change in discount rate	-62		-38

Note 3. Net interest income

EUR million	Q3/ 2014	Q3/ 2013*	Q1–3/ 2014	Q1–3/ 2013*
Loans and other receivables	80	77	240	225
Receivables from credit institutions and central banks	16	17	55	47
Notes and bonds	42	38	124	113
Derivatives (net)				
Derivatives held for trading	10	-6	31	-14
Derivatives under hedge accounting	4	16	34	48
Ineffective portion of cash flow hedge	0		0	
Liabilities to credit institutions	-15	-16	-46	-52
Liabilities to customers	-6	-7	-21	-20
Debt securities issued to the public	-57	-50	-192	-140
Subordinated debt	-9	-10	-28	-32
Hybrid capital	-2	-2	-5	-5
Financial liabilities held for trading	0	0	0	0
Other (net)	0	0	2	0
Net interest income before fair value adjustment under hedge accounting	**63**	**57**	**195**	**169**
Hedging derivatives	-36	-3	-149	-129
Value change of hedged items	36	3	148	129
Total net interest income	**62**	**57**	**194**	**169**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 4. Impairments of receivables

EUR million	Q3/ 2014	Q3/ 2013	Q1–3/ 2014	Q1–3/ 2013
Receivables eliminated as loan or guarantee losses	29	18	34	26
Receoveries of eliminated receivables	0	0	-1	-1
Increase in impairment losses on individually assessed receivables	13	15	28	49
Decrease in impairment losses on individually assessed receivables	-32	-22	-42	-43
Collectively assessed impairment losses	0	1	-1	1
Total impairments of receivables	**10**	**12**	**18**	**31**

Note 5. Net commissions and fees

EUR million	Q3/ 2014	Q3/ 2013*	Q1–3/ 2014	Q1–3/ 2013*
Commission income				
Lending	12	11	41	33
Payment transfers	9	8	26	22
Securities brokerage	5	5	16	15
Securities issuance	2	2	9	7
Asset management and legal services	2	1	5	2
Insurance operations				
Guarantees	4	4	11	11
Other	1	2	4	5
Total commission income	**36**	**33**	**113**	**95**
Commission expenses				
Payment transfers	5	4	15	9
Securities brokerage	2	2	6	6
Securities issuance	1	1	2	3
Asset management and legal services	1	1	2	2
Other	2	1	6	6
Total commission expenses	**11**	**8**	**32**	**26**
Total net commissions and fees	**25**	**24**	**82**	**69**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 6. Net trading income

EUR million	Q3/ 2014	Q3/ 2013*	Q1–3/ 2014	Q1–3/ 2013*
Financial assets and liabilities held for trading				
Capital gains and losses				
Notes and bonds	1	-1	5	2
Shares and participations	0	0	0	0
Derivatives	51	25	43	71
Fair value gains and losses				
Notes and bonds	0	3	3	0
Shares and participations	0			0
Derivatives	-38	-11	6	-28
Financial assets and liabilities at fair value through profit or loss				
Capital gains and losses				
Notes and bonds			0	
Fair value gains and losses				
Notes and bonds		0	-1	0
Net income from foreign exchange operations	9	4	20	16
Total net trading income	**23**	**21**	**75**	**61**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 7. Net investment income

EUR million	Q3/ 2014	Q3/ 2013*	Q1–3/ 2014	Q1–3/ 2013*
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds	0	0	9	13
Shares and participations	0	0	3	1
Dividend income	9	0	29	18
Impairments	0	0	-1	0
Carried at amortised cost				
Capital gains and losses	0	0	0	0
Total	**9**	**0**	**40**	**33**
Investment property	0	0	0	-1
Total net investment income	**9**	**0**	**40**	**32**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 8. Other operating income

EUR million	Q3/ 2014	Q3/ 2013*	Q1–3/ 2014	Q1–3/ 2013*
Central banking service fees	2	2	6	6
Rental income from assets rented under operating lease	2	2	5	8
Other	2	2	5	6
Total	**6**	**6**	**15**	**20**

*Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 9. Assets and liabilities classified as held for distribution to owners and discontinued operations

As a result of OP-Pohjola Group Central Cooperative's execution of the public voluntary bid for Pohjola Bank plc shares, Pohjola Group is planning to make structural changes. In the plan OP-Pohjola Group Central Cooperative will become the owner of the Non-life Insurance segment and the Asset Management segment and the transfer will be implemented as a demerger at carrying amounts. The schedule of the demerger will be specified when the planning progresses. As a result, the assets and liabilities of the Non-life Insurance segment and the Asset Management segment have been presented from 30 June 2014 separately in the balance sheet as assets and liabilities classified as held for distribution to owners and in the income statement as discontinued operations, in accordance with IFRS 5

a) Results of discontinued operations

Non-life Insurance **EUR million**	**Q3/ 2014**	**Q3/ 2013**	**Q1–3/ 2014**	**Q1–3/ 2013**
Net insurance premium revenue				
Premiums written	239	241	1,163	1,108
Insurance premiums ceded to reinsurers	-7	-4	-54	-52
Change in provision for unearned premiums	109	99	-137	-135
Reinsurers' share	-6	-13	13	8
Total	**335**	**324**	**986**	**930**
Net Non-life Insurance claims				
Claims paid	198	193	616	584
Insurance claims recovered from reinsurers	-7	-14	-23	-31
Change in provision for unpaid claims	79	-5	65	9
Reinsurers' share	-13	17	-13	12
Total	**257**	**191**	**646**	**574**
Net investment income, Non-life Insurance				
Interest income	12	14	43	43
Dividend income	1	3	16	20
Investment property	1	2	3	6
Capital gains and losses				
Notes and bonds	45	1	55	16
Shares and participations	18	4	48	20
Loans and receivables	0		0	
Investment property	0	0	0	-1
Derivatives	-5	1	-21	3
Fair value gains and losses				
Notes and bonds	1	1	1	1
Shares and participations				
Loans and receivables	1	0	1	0
Investment property	2	1	3	1
Derivatives	1	-2	-1	-2
Impairments	-1	0	-2	-5
Other	1	1	2	3
Total	**77**	**26**	**149**	**107**
Unwinding of discount	-10	-11	-31	-32
Other	0	0	0	0
Total net income from Non-life Insurance	**144**	**148**	**457**	**431**
Other income and expenses,	-80	-81	-251	-249
Earnings before tax	**65**	**68**	**206**	**181**
Taxes	13	18	42	46
Non-life Insurance earnings after tax	**52**	**50**	**165**	**136**

Asset Management **EUR million**	**Q3/ 2014**	**Q3/ 2013**	**Q1–3/ 2014**	**Q1–3/ 2013**
Net commissions and fees	12	13	39	38
Share of associates' profit/loss	0	0	1	1
Other income and expenses,	-7	-7	-22	-22
Earnings before tax	**5**	**6**	**18**	**16**
Taxes	1	2	4	4
Asset Management earnings after tax	**4**	**5**	**15**	**12**
Other income and expenses, net	**3**	**2**	**8**	**4**
Results of discontinued operations	**59**	**56**	**188**	**151**
Attributable to:				
Owners of the parent	57	55	182	149
Non-controlling interests	2	1	6	3
Results of discontinued operatons for the period	**59**	**56**	**188**	**151**

b) Assets classified as held for distribution to owners and associated liabilities

Non-life Insurance segment assets

EUR million	**30 Sept 2014**	**31 Dec 2013***
Investments		
Loans and other receivables	62	16
Shares and participations	450	471
Property	163	152
Notes and bonds	2,296	2,035
Derivatives	5	4
Other participations	277	300
Total	**3,252**	**2,979**
Other assets		
Prepayments and accrued income	29	40
Other		
From direct insurance	374	324
From reinsurance	123	90
Cash in hand and at bank	41	4
Other receivables	149	64
Total	**716**	**523**
Total Non-life insurance assets	**3,968**	**3,502**
Other Non-life Insurance segment assets		
Intangible assets	707	
Property, plant and equipment (PPE)	53	
Other assets	15	
Total Non-life Insurance segment assets	**4,743**	

Asset Management segment assets

EUR million	**30 Sept 2014**
Receivables from credit institutions	6
Investment assets	1
Investment in associates	27
Intangible assets	103
Property, plant and equipment (PPE)	0
Other assets	18
Total Asset Management segment assets	**155**
Other holdings	
Other assets classified as held for distribution to owners	**174**
Total assets classified as held for distribution to owners	**5,073**

* Reported as continuing operations a year ago. In addition, comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Non-life Insurance segment liabilities

EUR million	**30 Sept 2014**	**31 Dec 2013***
Provision for unpaid claims		
Provision for unpaid claims for annuities	1,310	1,253
Other provision for unpaid claims	886	847
Reserve for decreased discount rate**	4	
Total	2,200	2,100
Provision for unearned premiums	613	493
Derivatives	2	
Other liabilities	407	153
Total	**3,222**	**2,746**
Other Non-life Insurance segment liabilities		
Provisions and other liabilities	248	
Total Non-life Insurance segment liabilities	**3,470**	

**Value of hedges of insurance liability

Asset Management Segment liabilities

EUR million	30 Sept 2014
Provisions and other liabilities	8
Total Asset Management segment liabilities	**8**

Óther liabilities for transfer	
Liabilities allocated in demerger	1,302
Other liabilities	3
Total liabilities associated with assets classified as held for distribution to owners	**4,782**

Shareholder's equity associated with assets classified as held for distribution to owners

EUR million	30 Sept 2014
Fair value reserve	140
Retained earnings	150
Total	**290**

The equity transferred in the planned demerger will reduced the Group's capital adequacy under the Act on Credit Institutions. The effect of this on the Group's capital base will be compensated for the effect of assets transferred in the demerger on the Group's risk-weighted assets. The combined effect of these two items is expected to improve the capital base slightly when the demerger will be executed.

* Reported as continuing operations a year ago.

c) Non-life Insurance segment financial instruments classification, grouped by valuation technique

Assets on 30 Sept 2014, EUR million	Loans and receivables	Held to maturity	At fair value through profit or loss*	Available for sale	Hedging derivatives	Total
Non-life Insurance assets	778		175	3,015		3,968

Liabilities on 30 Sept 2014, EUR million	At fair value through profit or loss	Other liabilities	Hedging derivatives	Total
Non-life Insurance liabilities	2	3,220		3,222

* Assets at fair value through profit or loss include financial assets held for trading, financial assets at fair value through profit or loss at inception and investment property.

Fair value of assets on 30 Sept 2014, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss		8		8
Derivative financial instruments	1	4		5
Available-for-sale	1,694	1,081	239	3,015
Total	**1,695**	**1,093**	**239**	**3,027**

Fair value of liabilities on 30 Sept 2014, EUR million	Level 1	Level 2	Level 3	Total
Derivative financial instruments	2	0		2
Total	**2**	**0**		**2**

Specification of financial assets and liabilities

Financial assets, EUR million	At fair value through profit or loss*	Derivative financial instruments	Available for sale	Total assets
Opening balance 1 Jan. 2014			214	214
Total gains/losses in profit or loss			7	7
Total gains/losses in other comprehensive income			14	14
Purchases			26	26
Sales			-22	-22
Closing balance 30 September 2014			**239**	**239**

Total gains/losses included in profit or loss by item for the financial year on 30 September 2014

EUR million	Net interest income or net trading income	Net investment income	Net income from Non-life Insurance	Statement of comprehensive income/ Change in fair value	Net gains/ losses on assets and liabilities held at year-end
Realised net gains (losses)			7		7
Unrealised net gains (losses)				14	14
Total net gains (losses)			**7**	**14**	**21**

Note 10. Classification of financial assets and liabilities

Assets, EUR million	Loans and receivables	Held to maturity	At fair value through profit or loss*	Available for sale	Hedging derivatives	Total
Cash and cash equivalents	1,420					1,420
Receivables from credit institutions	10,634					10,634
Derivative contracts			5,080		307	5,387
Receivables from customers	15,123					15,123
Notes and bonds**		148	412	7,664		8,224
Shares and participations			1	42		43
Other financial assets	1,606					1,606
Financial assets	**28,784**	**148**	**5,492**	**7,707**	**307**	**42,438**
Other than financial instruments						227
Total 30 Sept. 2014	**28,784**	**148**	**5,492**	**7,707**	**307**	**42,665**
Total 31 Dec. 2013 restated* **	**29,400**	**202**	**3,777**	**10,084**	**273**	**43,824**

Liabilities, EUR million	At fair value through profit or loss	Other liabilities	Hedging derivatives	Total
Liabilities to credit institutions		4,984		4,984
Financial liabilities held for trading (excl. derivatives)	9			9
Derivative contracts	4,842		363	5,205
Liabilities to customers		9,830		9,830
Debt instruments issued to the public		15,906		15,906
Subordinated liabilities		951		951
Other financial liabilities		2,349		2,349
Financial liabilities	**4,851**	**34,020**	**363**	**39,234**
Other than financial liabilities				409
Total 30 Sept. 2014	**4,851**	**34,020**	**363**	**39,643**
Total 31 Dec. 2013 restated* **	**3,190**	**37,251**	**234**	**40,675**

* Assets at fair value through profit or loss include financial assets held for trading, financial assets at fair value through profit or loss at inception.

**The notes as of 30 September 2014 did not include notes recognised in accordance with the Fair Value Option. The notes as of 31 December 2013 recognised in accordance with the Fair Value Option totalled EUR 9 million.

*** Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Debt securities issued to the public are carried at amortised cost. On 30 September 2014, the fair value of these debt instruments was EUR 287 million (147) higher than their carrying amount, based on information available in markets and employing commonly used valuation techniques. Subordinated liabilities are carried at amortised cost. Their fair values are higher than their carrying amount, but determining reliable fair values involves uncertainty.

Note 11. Recurring fair value measurements by valuation technique

Fair value of assets on 30 Sept. 2014, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	77	335		412
Derivative financial instruments				
Banking	6	5,197	184	5,387
Available-for-sale				
Banking	5,882	1,801	23	7,707
Total	**5,965**	**7,334**	**207**	**13,506**

Fair value of assets on 31 Dec. 2013, EUR million *	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	152	292		444
Non-life Insurance		6		6
Derivative financial instruments				
Banking	10	3,222	212	3,444
Non-life Insurance	4	0		4
Available-for-sale				
Banking	5,632	1,631	21	7,283
Non-life Insurance	1,670	917	214	2,800
Total	**7,468**	**6,067**	**446**	**13,981**

* Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Fair value of liabilities on 30 Sept. 2014, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking		9		9
Derivative financial instruments				
Banking	36	5,062	107	5,205
Total	**36**	**5,071**	**107**	**5,214**

Fair value of liabilities 31 Dec. 2013, EUR million*	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking		4		4
Derivative financial instruments				
Banking	35	3,254	131	3,420
Non-life Insurance				
Total	**35**	**3,258**	**131**	**3,423**

* Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Level 1: Quoted prices in active markets

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 quotes in active markets.

Level 2: Valuation techniques using observable inputs

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.

Level 3: Valuation techniques using unobservable inputs

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. In many cases, the Level 3 fair value is based on pricing information from a third party.

Transfers between levels of the fair value hierarchy

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.

During 2014, EUR 54 million in bonds were transferred from level 2 to level 1, due to changes in credit ratings.

Valuation techniques whose input parameters involve uncertainty

Specification of financial assets and liabilities

Financial assets, EUR million	**At fair value through profit or loss**	**Derivative financial instruments**	**Available for sale**	**Total assets**
Opening balance 1 Jan. 2014*		212	21	232
Total gains/losses in profit or loss		-28	3	-25
Closing balance 30 September 2014		**184**	**23**	**207**

Financial liabilities, EUR million	**At fair value through profit or loss**	**Derivative financial instruments**	**Total liabilities**
Opening balance 1 Jan. 2014*		131	131
Total gains/losses in profit or loss		-24	-24
Closing balance 30 September 2014		**107**	**107**

* Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Total gains/losses included in profit or loss by item for the financial year on 30 September 2014

EUR million	**Net interest income or net trading income**	**Net investment income**	**Statement of comprehensive income/ Change in fair value reserve**	**Net gains/ losses on assets and liabilities held at year-end**
Realised net gains (losses)				
Unrealised net gains (losses)	-4	3		-2
Total net gains (losses)	**-4**	**3**		**-2**

Derivatives included in Level 3 comprise structured derivatives for customer needs, whose market risk is covered by a corresponding derivatives contract. The uncovered market risk does not have any effect on earnings. Level 3 derivatives relate to structured bonds issued by Pohjola, whose return is determined by the value performance of an embedded derivative instrument. The fair value change of these embedded derivatives is not presented in the above table.

Changes in the levels of hierarchy
No major changes occurred in valuation techniques in 2014.

Note 12. Intangible assets

EUR million	**30 Sept 2014**	**31 Dec 2013**
Goodwill	13	519
Brands		172
Customer relationships		108
Other	68	111
Total	**81**	**910**

Note 13. Debt securities issued to the public

EUR million	30 Sept 2014	31 Dec 2013
Bonds	10,891	9,226
Certificates of deposit, commercial papers and ECPs	6,279	6,769
Other	36	101
Liabilities allocated to assets for distribution to owners as part of demerger	-1,302	
Total	**15,906**	**16,097**

Note 14. Fair value reserve after income tax

EUR million	Available-for-sale financial assets: Notes and bonds	Available-for-sale financial assets: Shares, partici-pations and mutual funds	Cash flow hedging	Total
Opening balance 1 Jan. 2013 restated*	50	97	23	171
Fair value changes	-11	24	-3	10
Transfers to net interest income			-10	-10
Capital gains transferred to income statement		-34		-34
Impairment loss transferred to income statement		1		1
Deferred tax	3	2	3	8
Closing balance 30 September 2013	**42**	**91**	**13**	**146**

EUR million	Available-for-sale financial assets: Notes and bonds	Available-for-sale financial assets: Shares, partici-pations and mutual funds	Cash flow hedging	Total
Opening balance 1 Jan. 2014	44	113	11	168
Fair value changes	63	43	17	122
Transfers to net interest income			-8	-8
Capital gains transferred to income statement		-65		-65
Impairment loss transferred to income statement		0		0
Deferred tax	-13	4	-2	-10
Closing balance 30 September 2014	**94**	**96**	**18**	**208**

Fair value reserve after tax is as follows:	
Continuing operations	68
Discontinued operations	140
Total	**208**

The fair value reserve before tax totalled EUR 260 million (210) and the related deferred tax liability EUR 52 million (42). On 30 September, positive mark-to-market valuations of equity instruments before tax in the fair value reserve totalled EUR 126 million (152) and negative mark-to-market valuations EUR 8 million (13). In January–September, impairment losses recognised through profit or loss in the fair value reserve totalled EUR 3 million (1), of which equity instruments accounted for EUR 0 million (1).

The negative fair value reserve may recover by means of asset appreciation, capital losses and recognised impairments.

* Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 15. Risk exposure by Banking

Total exposure by rating category*, EUR billion

Rating category	30 Sept 2014	31 Dec 2013	Change
1–2	2.5	2.4	0.1
3–5	13.5	12.3	1.1
6–7	6.4	6.5	-0.1
8–9	2.4	2.2	0.2
10	0.1	0.2	-0.1
11–12	0.2	0.3	-0.1
Total	**25.2**	**24.0**	**1.2**

* excl. private customers

Sensitivity analysis of market risk

			30 Sept 2014		31 Dec 2013	
Banking, EUR million	Risk parameter	Change	Effect on results	Effect on shareholders' equity	Effect on results	Effect on shareholders' equity
Interest-rate risk	Interest	1 percentage point	13		12	
Currency risk	Market value	10%	6		3	
Volatility risk						
Interest-rate volatility	Volatility	10 basis points	2		2	
Currency volatility	Volatility	10 percentage points	1		1	
Credit risk premium*	Credit spread	0.1 percentage points	1	1	1	1

Sensitivity figures have been calculated as the sum of the currencies' intrinsic value.
* The credit risk premium has been calculated on notes and bonds at fair value through profit or loss and available for sale, included in liquidity buffer.

Note 16. Risk exposure by Non-life Insurance

Risk parameter	Total amount 30 Sept 2014, EUR million	Change in risk parameter	Effect on combined ratio	Effect on share-holders' equity, EUR million
Insurance portfolio or insurance premium revenue*	1,305	Up 1%	Up 0.9 percentage points	13
Claims incurred*	957	Up 1%	Down 0.7 percentage points	-10
Major loss of over EUR 5 million		1 loss	Down 0.4 percentage points	-5
Personnel costs*	104	Up 8%	Down 0.7 percentage points	-8
Expenses by function*/**	315	Up 4%	Down 1.0 percentage points	-13
Inflation for collective liability	603	Up 0.25 percentage points	Down 0.3 percentage points	-4
Life expectancy for discounted insurance liability	1,651	Up 1 year	Down 3.0 percentage points	-40
Discount rate for discounted insurance liability	1,651	Down 0.1 percentage point	Down 1.6 percentage points	-21

* Moving 12-month
** Expenses by function in Non-life Insurance excluding expenses for investment management and expenses for other services rendered

Non-life Insurance investment portfolio by allocation

Portfolio allocation, EUR million	Fair value 30 Sept 2014	%	Fair value 31 Dec 2013	%
Money market instruments	145	4 %	113	4 %
Bonds and bond funds	2,563	73 %	2,309	72 %
Public sector	651	19 %	573	18 %
Financial institutions	1,134	32 %	1,130	35 %
Corporate	677	19 %	533	17 %
Bond funds	62	2 %	46	1 %
Other	39	1 %	27	1 %
Equities	288	8 %	330	10 %
Private equity investments	116	3 %	95	3 %
Alternative investments	36	1 %	41	1 %
Real property	347	10 %	329	10 %
Total	**3,495**	**100 %**	**3,219**	**100 %**

Non-life Insurance fixed-income portfolio by maturity and credit rating on 30 September 2014*, EUR million

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	40	197	197	260	28	48	770	29 %
Aa1−Aa3	154	57	100	40	38	16	404	15 %
A1−A3	34	224	236	164	66	20	744	28 %
Baa1−Baa3	34	79	224	163	65	23	589	22 %
Ba1 or lower	40	68	23	22	4	4	163	6 %
Internally rated	2	0	0	0	0		2	0 %
Total	**304**	**626**	**780**	**650**	**202**	**111**	**2,671**	**100 %**

* Excludes credit derivatives.

The table below shows the sensitivity of investment risks and their effect on shareholders' equity:

Non-life Insurance	Risk parameter	Change	Effect on shareholders' equity, EUR million 30 Sept 2014	31 Dec 2013
Bonds and bond funds1)	Interest rate	1 percentage point	108	72
Equities 2)	Market value	10%	31	35
Venture capital funds and unquoted equities	Market value	10%	12	10
Commodities	Market value	10%	0	1
Real property	Market value	10%	35	33
Currency	Value of currency	10%	21	14
Credit risk premium 3)	Credit spread	0.1 percentage points	10	8
Derivatives	Volatility	10 percentage points	1	2

1) Include money-market investments, convertible bonds and interest-rate derivatives
2) Include hedge funds and equity derivatives
3) Includes bonds and money-market investments, including government bonds and interest-rate derivatives issued by developed countries

Note 17. Risk exposure by Group Functions

Total exposure by rating category, EUR billion

Rating category	30 Sept 2014	31 Dec 2013	Change
1–2	17.8	16.8	0.9
3–5	3.0	2.7	0.2
6–7	0.1	0.1	0.0
8–9	0.1	0.1	0.0
10	0.0		0.0
Total	**21.0**	**19.8**	**1.1**

Sensitivity analysis of market risk

Group Functions, EUR million	Risk parameter	Change	30 Sept 2014 Effect on results	30 Sept 2014 Effect on shareholders' equity	31 Dec 2013 Effect on results	31 Dec 2013 Effect on shareholders' equity
Interest-rate risk	Interest rate	1 percentage point	15		27	
Interest-rate volatility	Volatility	10 basis points	0		0	
Credit risk premium*	Credit spread	0.1 percentage points		33		30
Price risk						
Equity portfolio	Market value	10%		0		0
Private equity funds	Market value	10%		3		3
Property risk	Market value	10%	3		3	

Sensitivity figures have been calculated as the sum of the currencies' intrinsic value.
* The credit risk premium has been calculated on notes and bonds at fair value through profit or loss and available for sale, included in liquidity buffer.

Note 18. Impairment loss and doubtful receivables

Receivables from credit institutions and customers, and impairment loss, EUR million	**30 Sept 2014**	**31 Dec 2013***
Receivables from credit institutions and customers (gross)	26,018	24,668
Total impairment loss, of which	246	259
Individually assessed	229	241
Collectively assessed	17	17
Receivables from credit institutions and customers (net)	**25,772**	**24,409**

Doubtful receivables 30 Sept 2014, EUR million	**Receivables from credit institutions and customers (gross)**	**Individually assessed**	**Receivables from credit institutions and customers (net)**
Receivables more than 90 days past due	154	110	45
Zero-interest	6		6
Underpriced	0	0	
Renegotiated	39		39
Impaired	135	119	16
Total	**336**	**229**	**107**

Doubtful receivables 31 Dec 2013, EUR million	**Receivables from credit institutions and customers (gross)**	**Individually assessed**	**Receivables from credit institutions and customers (net)**
Receivables more than 90 days past due	99	59	40
Zero-interest	6	6	0
Underpriced	0	0	
Renegotiated	18		18
Impaired	209	175	34
Total	**333**	**241**	**92**

Key ratio, %	**30 Sept 2014**	**31 Dec 2013**
Exposures individually assessed for impairment, % of doubtful receivables	68.2 %	72.4 %

Doubtful receivables include receivables more than 90 days past due, zero-interest and under-priced receivables as well as receivables that are subject to individually assessed impairment or receivables that have been renegotiated due to customer's financial difficulties. The Group reports as the amount of a receivable that is more than 90 days past due, whose interest or principal amount has been past due and outstanding for over 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. Impaired receivables include those that are subject to impairment but cannot be classified under any of the above categories. In addition, receivables which have not been classified under any of the above categories but the terms and conditions of the contract have been renegotiated to allow the borrower sufficient ability to service the debt are reported as renegotiated receivables. Renegotiated receivables were added to the definition of doubtful receivables in 2013 to also cover forborne receivables.

* Comparative figures have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements.

Note 19. Liquidity buffer

Liquidity buffer by maturity and credit rating on 30 September 2014, EUR million

Year	**0–1**	**1–3**	**3–5**	**5–7**	**7–10**	**10–**	**Total**	**%**
Aaa*	1,756	535	1,392	1,960	787	24	6,453	46 %
Aa1−Aa3	103	32	412	582	458		1,588	11 %
A1−A3	165	332	103	20	0	1	621	4 %
Baa1−Baa3	122	148	36	70	70	1	446	3 %
Ba1 or lower	11	112	33	1	27	0	184	1 %
Internally rated**	600	1,764	1,247	477	147	441	4,675	33 %
Total	**2,757**	**2,922**	**3,223**	**3,109**	**1,489**	**467**	**13,968**	**100 %**

* incl. deposits with the central bank
** PD </= 0.40%
The liquidity buffer’s (excl. deposits with the central bank) residual term to maturity averages 4.6 years.

Note 20. Capital base and capital adequacy

The Group has presented its capital base and capital adequacy of 30 September 2014 in accordance with the EU capital requirement regulation and directive (EU 575/2013) (CRR) entered into force on 1 January 2014. Comparatives for 2013 are presented according to CRD III in force on 31 December 2013. In addition, an estimate of the figures a year ago under CRR is presented in column CRR 1 Jan. 2014.

EUR million	CRR 30 Sept 2014	CRR 1 Jan 2014	CRD3 31 Dec 2013
Shareholders' equity	3,313	3,150	3,150
Elimination of insurance companies' effect in equity capital (equity capital and Group eliminations)	-259	-137	-137
Fair value reserve, cash flow hedging	-18	-11	-11
Common Equity Tier 1 (CET1) before deductions	**3,036**	**3,001**	**3,001**
Intangible assets	-194	-193	-193
Excess funding of pension liability, valuation adjustments, indirect holdings and deferred tax assets for losses	0	-8	-4
Planned profit distribution / profit distribution as proposed by the Board	-112	-212	-212
Unrealised gains under transitional provisions	-54	-31	-31
Investments in insurance companies and financial institutions			-703
Shortfall of impairments – expected losses	-120	-115	-50
Common Equity Tier 1 (CET1)*)	**2,556**	**2,441**	**1,808**
Subordinated loans to which transitional provision applies	219	219	274
Shortfall of Tier 2 capital			-38
Additional Tier 1 capital (AT1)	**219**	**219**	**235**
Tier 1 capital (T1)	**2,774**	**2,660**	**2,043**
Debenture loans	683	683	683
Unrealised gains under transitional provisions	54	31	31
Investments in insurance companies and financial institutions			-703
Shortfall of impairments – expected losses			-50
Reclassification into AT1			38
Tier 2 Capital (T2)	**737**	**714**	
Total capital base	**3,512**	**3,375**	**2,043**
Risk-weighted assets			
Credit and counterparty risk			
Central government and central banks exposure***)	98	106	82
Credit institution exposure	1,314	1,368	1,140
Corporate exposure	11,264	10,848	10,965
Retail exposure	997	941	941
Equity investments**)	4,147	4,205	195
Other	958	989	684
Market risk	1,322	958	958
Operational risk	1,137	1,083	1,083
Total	**21,237**	**20,499**	**16,048**
Ratios, %			
CET1 capital ratio	12.0	11.9	11.3
Tier 1 ratio	13.1	13.0	12.7
Capital adequacy ratio	16.5	16.5	12.7
Basel I floor, EUR million			
Capital base	3,512	3,375	
Basel I capital requirements floor	1,397	1,239	
Capital buffer for Basel I floor	2,115	2,136	

*) The row of CET1 based on CRD III figures shows Core Tier as defined by the EBA

**) The risk weight of equity investments includes EUR 4,1 billion in insurance holdings within OP-Pohjola Group. Based on permission from the Financial Supervisory Authority, OP-Pohjola treats insurance holdings as risk-weighted assets according to the PD/LGD method.

***) Of the risk weight of "Central government and central banks' exposure", EUR 72 million represent deferred tax assets that are treated with a risk weight of 250% instead of a deduction from common equity tier 1 capital.

Pohjola has applied transitional provisions regarding old capital instruments to subordinated loans. A total of 80% of the amounts outstanding on 31 December 2012 are included in the capital base.

Negative unrealised valuations are included in common equity tier 1 capital. Positive unrealised valuations are included in tier 2 capital according to a statement issued by the Financial Supervisory Authority.

Under CRR, the Basel I floor does not apply to RWAs and becomes a minimum capital requirement. The table above shows capital resources that exceed the Basel I floor.

Note 21. Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

EUR million	30 Sept 2014	1 Jan 2014	31 Dec 2013
Pohjola Group's equity capital	3,313	3,150	3,150
Hybrid instruments, perpetual bonds and debenture bonds	952	952	1,007
Other sector-specific items excluded from capital base	-96	-107	-5
Goodwill and intangible assets	-865	-880	-880
Equalisation provision	-165	-198	-198
Proposed profit distribution	-112	-212	-212
Items under IFRS deducted from capital base*	-20	-24	-122
Shortfall of impairments – expected losses	-104	-99	-99
Conglomerate's capital base, total	**2,903**	**2,581**	**2,639**
Regulatory capital requirement for credit institutions**	1,385	1,326	1,284
Regulatory capital requirement for insurance operations**	241	222	222
Conglomerate's total minimum capital requirement	**1,626**	**1,548**	**1,506**
Conglomerate's capital adequacy	**1,278**	**1,033**	**1,134**
Conglomerate's capital adequacy ratio (capital resources/minimum of capital resources)	**1.79**	**1.67**	**1.75**

* 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

OP-Pohjola Group's capital adequacy ratio was 1.79 (1.90).

Note 22. Collateral given

EUR million	30 Sept 2014	31 Dec 2013
Given on behalf of own liabilities and commitments		
Mortgages	1	1
Pledges	4	5
Other	795	485
Other collateral given		
Pledges*	6,629	5,705
Total collateral given	**7,429**	**6,196**
Total collateralised liabilities	**492**	**490**

* Of which EUR 2,000 million in intraday settlement collateral.

Note 23. Off-balance-sheet commitments

EUR million	30 Sept 2014	31 Dec 2013
Guarantees	868	914
Other guarantee liabilities	1,757	1,568
Loan commitments	4,044	4,728
Commitments related to short-term trade transactions	331	247
Other*	339	359
Total off-balance-sheet commitments	**7,339**	**7,816**

* Of which Non-life Insurance commitments to private equity funds amount to EUR 73 million (98).

Note 24. Derivative contracts

30 Sept 2014, EUR million	<1 year	1–5 years	>5 years	Total	Fair values* Assets	Liabilities
	Nominal values/residual term to maturity					
Interest rate derivatives	68,835	109,072	50,982	228,889	4,521	4,500
Cleared by the central counterparty	4,777	21,906	12,314	38,997	632	590
Currency derivatives	16,393	9,719	5,559	31,671	979	789
Equity and index derivatives	261	362		623	52	1
Credit derivatives	9	92	74	175	9	3
Other derivatives	214	902	85	1,202	57	43
Total derivatives	**85,712**	**120,147**	**56,700**	**262,559**	**5,616**	**5,335**

31 Dec 2013, EUR million	<1 year	1–5 years	>5 years	Total	Fair values* Assets	Liabilities
	Nominal values/residual term to maturity					
Interest rate derivatives	43,525	112,782	43,071	199,378	2,997	2,821
Cleared by the central counterparty	2,390	10,634	5,020	18,044	76	69
Currency derivatives	16,270	2,522	1,524	20,317	342	412
Equity and index derivatives	194	582		776	77	
Credit derivatives	4	99	15	118	13	0
Other derivatives	390	652	172	1,214	65	64
Total derivatives	**60,383**	**116,637**	**44,783**	**221,803**	**3,494**	**3,297**

* Fair values include accrued interest which is shown under other assets or provisions and other liabilities. In addition, the fair value of derivatives for central counterparty clearing is offset in the balance sheet.

Note 25. Financial assets and liabilities offset in the balance sheet or subject to enforceable master netting arrangements or similar agreements

Financial assets

30 Sept. 2014, EUR million	Gross amount of financial assets	Gross amount of financial liabilities deducted from financial assets*	Net amount presented in the balance sheet**	Financial assets not set off in the balance sheet: Financial assets***	Collateral received	Net amount
Banking derivatives	6,010	-623	5,387	-3,578	-708	1,100
Total derivatives	**6,010**	**-623**	**5,387**	**-3,578**	**-708**	**1,100**

31 Dec. 2013, EUR million	Gross amount of financial assets	Gross amount of financial liabilities deducted from financial assets*	Net amount presented in the balance sheet**	Financial assets not set off in the balance sheet: Financial assets***	Collateral received	Net amount
Banking derivatives	3,515	-71	3,444	-2,393	-359	691
Non-life Insurance derivatives	4		4			4
Total derivatives	**3,518**	**-71**	**3,447**	**-2,393**	**-359**	**695**

Financial liabilities

30 Sept. 2014, EUR million	Gross amount of financial liabilities	Gross amount of financial assets deducted from financial liabilities*	Net amount presented in the balance sheet**	Financial liabilities not set off in the balance sheet: Financial liabilities***	Collateral given	Net amount
Banking derivatives	5,788	-583	5,205	-3,578	-697	929
Total derivatives	**5,788**	**-583**	**5,205**	**-3,578**	**-697**	**929**

31 Dec. 2013, EUR million	Gross amount of financial liabilities	Gross amount of financial assets deducted from financial liabilities*	Net amount presented in the balance sheet**	Financial liabilities not set off in the balance sheet: Financial liabilities***	Collateral given	Net amount
Banking derivatives	3,484	-64	3,420	-2,393	-408	619
Total derivatives	**3,484**	**-64**	**3,420**	**-2,393**	**-408**	**619**

* Incl. daily cleared derivatives on a net basis included in cash and cash equivalents, totalling 41 (8) million euros.

** Fair values excluding accrued interest.

*** It is Pohjola Bank plc's practice to enter into master agreements for derivative transactions with all derivative counterparties.

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 adopted 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. Based on this model, the central counterparty will become the derivatives counterparty at the end of the daily clearing process, with whom 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). Interest rate derivatives cleared by the central counterparty are presented on a net basis in the 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. Other contingent liabilities and commitments

On 30 September 2014, the Group Functions commitments to venture capital funds amounted to EUR 9 million (9) and Non-Life Insurance commitments to EUR 73 million (98). They are included in the section 'Off-balance-sheet commitments'.

Note 27. Related-party transactions

Pohjola Group's related parties comprise its parent company OP-Pohjola Group Central Cooperative, subsidiaries consolidated into the Group, associates and administrative personnel and other related-party entities. Pohjola Group's administrative personnel comprises Pohjola Bank plc's President and CEO, members of the Board of Directors and their close family members. Related parties also include companies over which a person among administrative personnel or his close family member exercises significant influence. Other related-party entities include OP Pension Fund, OP Pension Foundation and sister companies within OP-Pohjola Group Central Cooperative Consolidated.

Normal loan terms and conditions apply to loans granted to related parties. These loans are tied to generally used reference rates.

Related-party transactions have not undergone any substantial changes since 31 December 2013.

Helsinki, 24 October 2014

Pohjola Bank plc
Board of Directors

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Financial reporting in 2015

Pohjola Bank plc publishes the following financial information pursuant to the regular disclosure obligation of a securities issuer:

Schedule for Financial Statements Bulletin for 2014 and Interim Reports in 2015:

Financial Statements Bulletin 2014	5 February 2015
Interim Report Q1/2015	29 April 2015
Interim Report H1/2015	5 August 2015
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