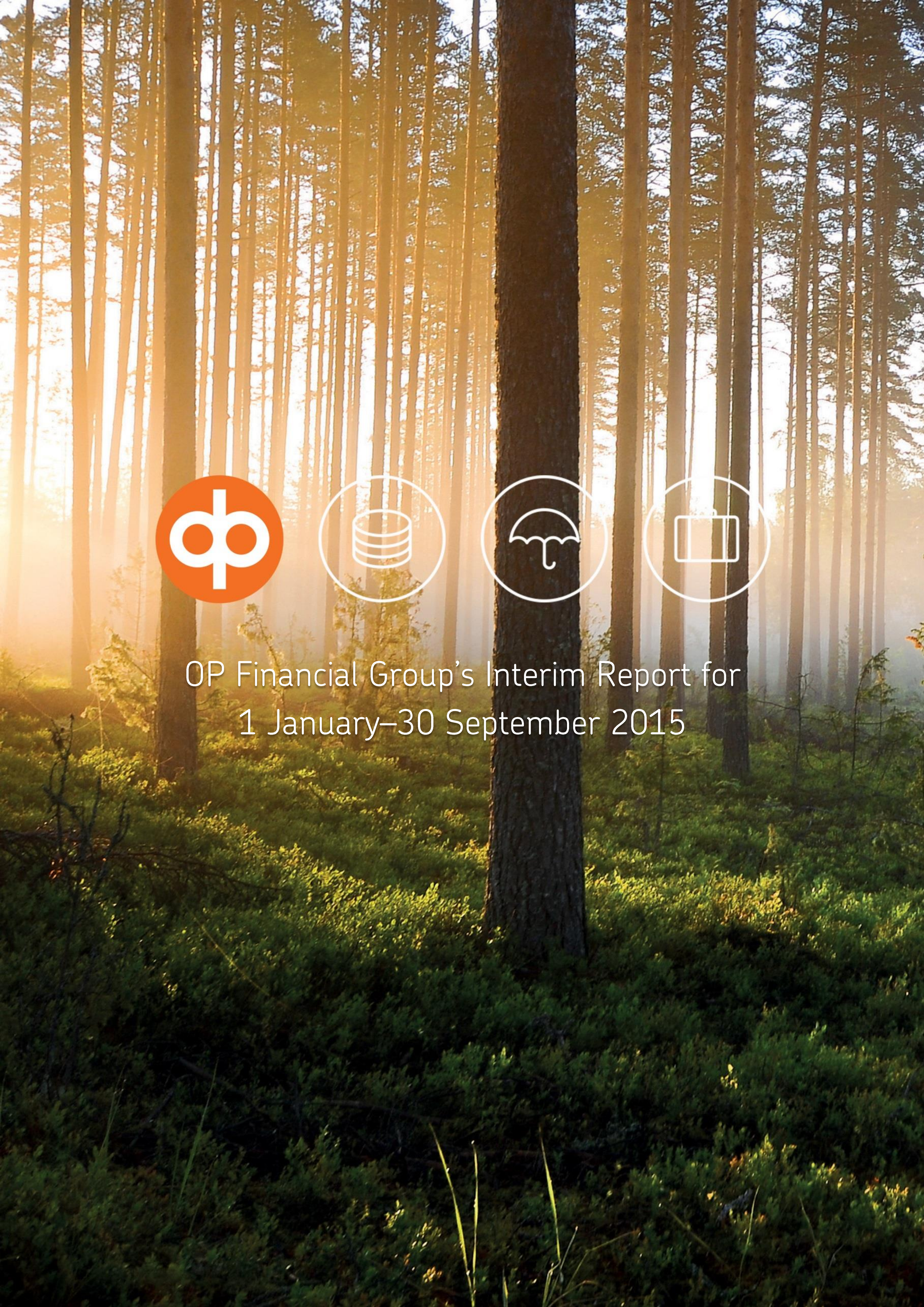


OP Financial Group's Interim Report for 1 January–30 September 2015

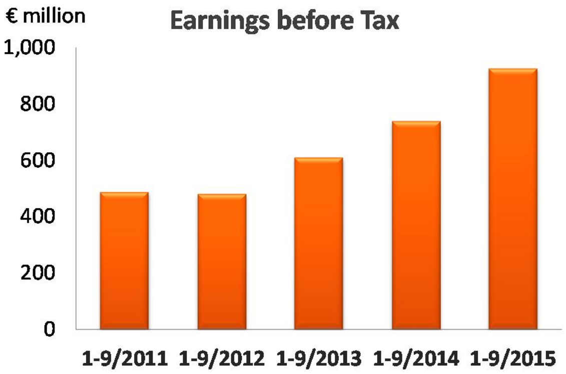
OP Financial Group's Interim Report for January–September 2015: Strong capital base and growth rate of lending markedly above market average

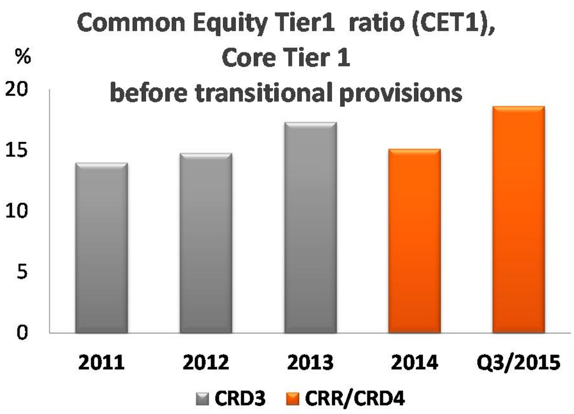
- The Group's earnings before tax increased by 25% to EUR 926 million (739). Earnings for the nine-month period were higher than those for full year 2014.
- Total income increased by 6% and expenses decreased by 5% year on year.
- The CET1 ratio improved to 18.6% (15.1) supported by strong earnings. The ratio has increased by 5.1 percentage points in the year to September although the Group's lending has increased markedly above the market average:
    - The home loan portfolio grew by 3.5% in the year to September
    - The corporate loan portfolio increased by 7.2%
    - The total loan portfolio increased by 6.0% and the number of loans drawn down by 10.4%
- New customer bonuses totalled EUR 147 million, up 4.2% year on year.
- Equity investments by owner-customers increased to EUR 2.5 billion (1.9).
- Each of the three business segments improved its performance markedly:
    - Banking earnings before tax increased by 16% to EUR 531 million (459). The cost/income ratio improved by 3 percentage points to 52%. The deposit portfolio grew by 8.1%. Impairment loss on receivables remained low at 0.08% of the loan and guarantee portfolio.
    - Earnings before tax by Non-life Insurance increased by 15% to EUR 218 million (190). The operating combined ratio was 86.3%. Insurance premium revenue rose by 5.2%.
    - Wealth Management earnings before tax increased by 16% to EUR 168 million (145). Assets under management grew by 9.2% to EUR 64 billion.
- OP Financial Group has appointed an Executive Vice President to be in charge of heading OP Financial Group's change from a conventional financial services provider to a digital actor
- Change in the outlook: Full-year earnings for 2015 are expected to be clearly higher than in 2014. (Previous estimate: "to be higher"). For more detailed information on the change, see "Outlook towards the year end".

OP Financial Group's key indicators

	Q1–3/2015	Q1–3/2014	Change, %	2014
Earnings before tax, € million	926	739	25.3	915
Banking	531	459	15.5	571
Non-life Insurance	218	190	14.6	223
Wealth Management	168	145	15.5	167
New accrued customer bonuses	147	141	4.4	189
	30 Sept. 2015	**30 Sept. 2014**	**Change, %**	**31 Dec. 2014**
Common Equity Tier 1 (CET1) ratio, %	18.6	13.6	5.1*	15.1
Ratio of capital base to minimum amount of capital base (under the Act on the Supervision of Financial and Insurance Conglomerates), %	197	179	18*	189
Ratio of receivables more than 90 days past due to loan and guarantee portfolio, %	0.44	0.45	-0.01*	0.37
Joint banking and insurance customers (1,000)	1,637	1,570	4.3	1,590

Comparatives deriving from the income statement are based on figures reported for the corresponding period in 2014. Unless otherwise specified, balance-sheet and other cross-sectional figures on 31 December 2014 are used as comparatives.
* Change in ratio





Comments by Reijo Karhinen, President and Group Executive Chairman

OP Financial Group's performance for 2015 is characterised by strong growth and renewal. We have continued to markedly increase our market share of corporate and home loans. Thanks to our stronger capital base, we have been able to provide our customers with access to financing. A 7% increase in corporate financing and 6% growth in our loan portfolio are proof of our responsibility to actors in our operating environment. Putting Finland on a new growth path is the theme to which we are committed.

Our growth rate above the market average that we have witnessed for a long time is also clearly reflected in our improved profit performance. Our strong volume growth has compensated for the strain on earnings caused by the interest rate environment. Furthermore, we have been determined to improve our price competitiveness by streamlining our operations and putting an end to a prolonged period of an increase in expenses. Achieving the best ever nine-month earnings would not have been possible without our performing successfully as a financial services group. The Non-life Insurance earnings performance has remained very good. Investment income too has played a significant role in a long-term earnings improvement. Low loan losses indicate that our customers have strong balance sheets and also their being cautious in making investments.

Rapid digitisation and swift changes in customer behaviour are adding fuel to financial-sector transformation. Amid this historically major transformation and faced by new opportunities, we can boast good financial indicators. We have prepared for the future by strengthening our financial basis, reforming our operations and increasing our development expenditure. Our opportunities and capabilities for developing new services for our customers are good. At the same time, the need to streamline and improve existing business processes becomes pronounced.

Our concern applies to the ability of Finland – OP's operating environment – to make reforms. We live on Finland and Finnish success stories. In our society, there is still more talk than action. We have come to a standstill in a dangerous way without a solution-seeking approach. We will pay a high price for indecision and a slow response. We are a small country with solid intellectual capital, though, for which agility could be a competitive advantage in a fast-changing digitising environment.

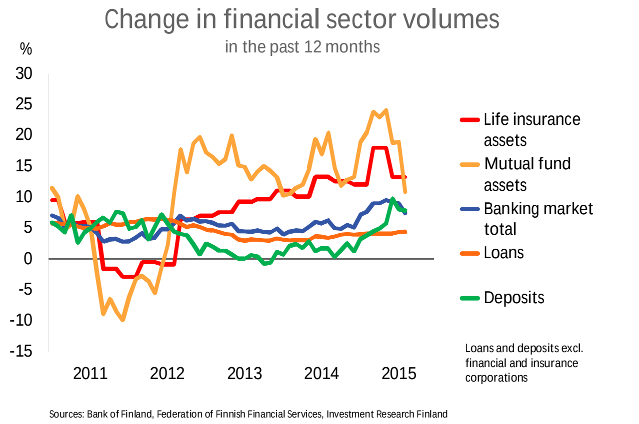
We need to have the courage to reform structures. A positive attitude is the foundation of our new beginning.

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

Contents

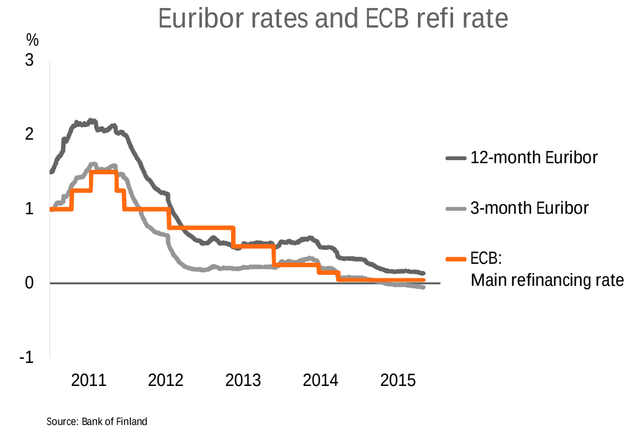
Operating environment

World economic growth continued to be sluggish in the summer. In China, stock prices plummeted and economic growth slowed down. Global financial markets were characterised by increasing fluctuations and the world economic outlook became weaker. Euro-area economic confidence remained stable and economic growth remained moderate.



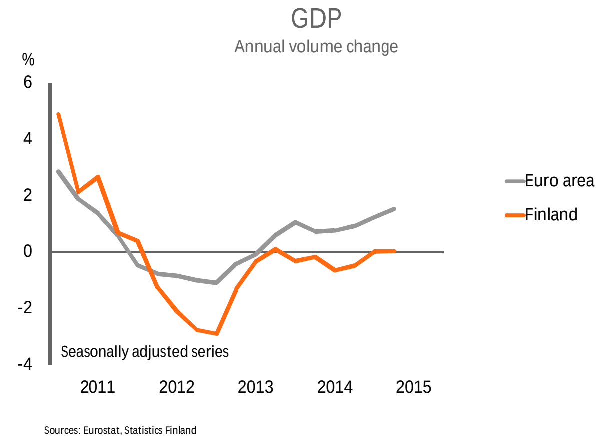
The European Central Bank (ECB) continued to buy bonds during the third quarter according to its asset purchase programme. Within the framework of the extended asset purchase programme, the ECB will buy bonds worth EUR 60 billion per month at least until September 2016.

The Euribor rates and interest rate expectations decreased slightly. One- and three-month Euribor rates were negative. A new bailout package was granted to Greece and the situation in the Greek financial market stabilised. Investor confidence remained good in the government bonds of other peripheral countries.



The Finnish economy remained weak in the third quarter, with the unemployment rate continuing to increase over the previous year and consumer confidence weakening. Exports and industrial production remained sluggish. On the positive side, manufacturing industry order volumes increased.

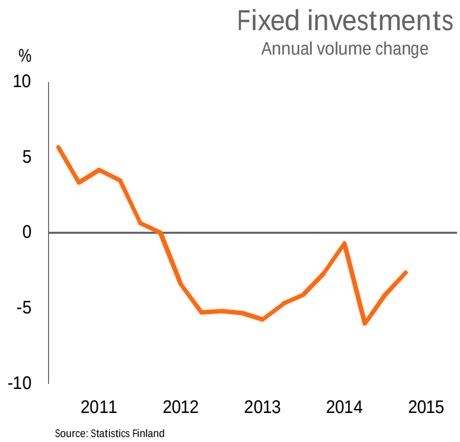
The euro-area economy should grow at a slightly faster rate than last year. World economic growth is expected to remain weaker than last year and no major recovery can be seen on the horizon. Finnish economic growth is expected to remain weak. Not only the inflation rate but also interest rates should remain very low.



Banks' total consumer loan volumes grew by about 2% in the third quarter over the previous year. In euro terms, new home loans were drawn down as much as a year earlier. The total volume of corporate and housing corporation loans increased at an annual rate of 7%. Household demand for loans is expected remain heavier than in the corresponding period a year ago.

Bank deposits increased at an annual rate of 8% as a result of strong growth in the total volume of deposits by public-sector entities and corporations. Total household deposits remained, however, at the previous year's level. Term deposits continued to be allocated to current accounts.

Instability in capital markets increased as a result of a weaker outlook for emerging economies. However, mutual fund assets were 11% higher than a year ago. Market woes reduced net asset inflows of mutual funds. Growth in life insurance premiums slowed down slightly during the third quarter.



Non-life insurance premiums written increased at an annual rate of around 2% in January–September. Nevertheless, statutory workers' compensation insurance experienced a decline year on year as a result of subdued economic activity. Claims paid out decreased by well over 2% on the previous year.

Earnings analysis, € million	Q1–3/2015	Q1–3/2014	Change, %	Q3/2015	Q3/2014	Change, %	2014
Banking	531	459	15.5	174	170	2.4	571
Non-life Insurance	218	190	14.6	74	57	29.8	223
Wealth Management	168	145	15.5	40	43	-6.9	167
Earnings before tax	**926**	**739**	**25.3**	**299**	**251**	**19.0**	**915**
Gross change in fair value reserve	-229	103		-107	32		152
Earnings before tax at fair value	**697**	**843**	**-17.3**	**192**	**283**	**-32.0**	**1,067**
Return on economic capital, % *)	21.2	14.8	6.4*				16.5
Return on economic capital at fair value, % *)	18.1	17.7	0.5*				19.1
Income							
Net interest income	767	774	-0.9	256	269	-4.9	1,043
Net income from Non-life Insurance	496	450	10.2	154	142	8.2	589
Net income from Life Insurance	210	168	24.8	61	47	29.8	197
Net commissions and fees	543	532	2.0	169	172	-1.8	707
Net trading and investment income	169	136	24.5	40	34	16.3	162
Other operating income	39	38	3.1	10	14	-27.8	55
Other income, total	**1,457**	**1,324**	**10.0**	**434**	**410**	**5.9**	**1,710**
Total income	**2,224**	**2,098**	**6.0**	**690**	**679**	**1.7**	**2,753**
Expenses							
Personnel costs	573	551	4.0	172	166	3.5	741
Other administrative expenses	293	312	-6.1	90	98	-7.8	414
Other operating expenses	238	299	-20.3	69	98	-29.6	401
Total expenses	**1,105**	**1,162**	**-5.0**	**331**	**361**	**-8.5**	**1,555**
Impairment loss on receivables	**47**	**50**	**-6.0**	**10**	**17**	**-39.5**	**88**
New accrued customer bonuses	**147**	**141**	**4.4**	**50**	**48**	**4.0**	**189**

*) 12-month rolling, change in percentage

Other key indicators, € million	30 Sept. 2015	30 Sept. 2014	Change, %	31 Dec. 2014
Receivables from customers	74,186	70,003	6.0	70,683
Life Insurance assets	12,054	10,694	12.7	11,238
Non-life Insurance assets	3,988	3,922	1.7	3,797
Liabilities to customers	55,598	49,434	12.5	51,163
Debt securities issued to the public	25,877	24,651	5.0	24,956
Equity capital	8,690	6,715	29.4	7,213
Total assets	118,242	106,265	11.3	110,427

OP Financial Group's operational bases

OP Financial Group's operations are based on cooperative values, a strong capital base, capable risk management and customer respect. Cooperative values include People-first approach, Responsibility and Prospering together. Based on its mission, OP Financial Group creates sustainable prosperity, security and wellbeing for its owner-customers and in its operating region by means of its strong capital base and efficiency.

OP Financial Group's customer interests guide all of the Group's operations. Ongoing and active efforts to operate in the interests of customers are crystallised in the Group's customer promise: "We exist to serve our customers". Customers always come first and deserve undivided attention. Customer respect shows in the Group personnel's service attitude. The Group's administrative staff enables a powerful voice of customers in decision-making and the development of operations.

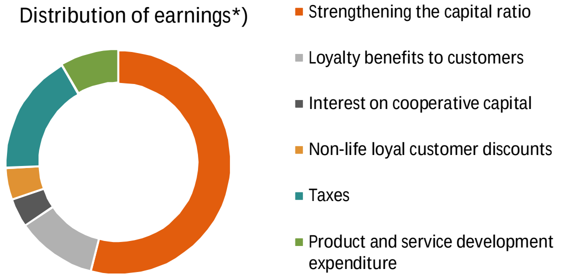
A long-term customer-driven approach is reflected in OP Financial Group's continuous renewal. The Group develops its services and products to meet customer needs. The Group takes different customer groups as well as the regional coverage and availability of financial services effectively into consideration. Group member cooperative banks and their offices across Finland, together with user-friendly electronic services, enable effective interaction with customers and the local community.

As a financial services provider owned by its customers, OP Financial Group has not only its business role but also another significant role, or a social role. In its business role, the Group provides competitive services needed by its customers and ensures its operating efficiency and strong capital base that generates competitive advantage. A cooperative as a type of business organisation creates community spirit and continuity in the Group's operating region. In its social role, the Group assumes responsibility for both its owner-customers and, on a more comprehensive basis, for society and local communities. Successful performance in the business role enables the Group to lead its social role.

The strong capital base enables OP Financial Group to successfully lead its double role. The Group maintains its capital adequacy markedly above the regulated level to secure its role as a finance and insurance provider for businesses and even during a prolonged recession. Meanwhile, according to the Group strategy, the Group will keep risk-taking moderate vis-à-vis the risk-bearing capacity.

OP Financial Group is owned by its customers. Being a customer and owner is combined in OP Financial Group. OP Financial Group with a cooperative foundation aims not to maximise profits for its owners but to provide, as efficiently as possible, the services which the cooperative's owner-customers need. A substantial amount of earnings returns to owner-customers while the rest is used to strengthen the Group's balance sheet and secure lending. In addition to financial benefits, owner-customers have a genuine opportunity to contribute to their own cooperative bank's decisions and, thus, influence developments in their neighbourhood.

OP Financial Group's benefit and added value of the business operations are channelled, via customer relationships, to owner-customers and customers. Member cooperative banks use their profits for the benefit of their customers by providing loyalty benefits and other financial benefits and by developing their service capabilities. Cooperative banks are often among the largest taxpayers in their localities. After expenses required for business, OP Financial Group allocated its earnings during the reporting period, as follows:



*) Estimate of the allocation of period earnings, which is confirmed after the end of the reporting period

The Group's operations also have other, larger indirect impacts on both local and nationwide economic vitality.

OP Financial Group's earnings analysis and balance sheet

January–September

Earnings before tax increased by 25% to EUR 926 million (739), being higher than those for full year 2014. This improvement was due especially to strong growth in income. Net income posted by Life Insurance and Non-life Insurance increased as a result of improved insurance profitability. Net commissions and fees were higher due chiefly to higher fees from mutual funds. Capital gains on securities added to net trading and investment income.

Total expenses decreased by 5.0%, being EUR 58 million lower than a year ago. Higher personnel costs were explained by a EUR 17-million increase in pension costs and a EUR 9-million provision for personnel costs related to the reorganisation of the central cooperative consolidated. In addition to business expansion, the non-recurring expenses of EUR 18 million related to intra-Group ownership reorganisation and the reconstruction of the Vallila premises increased other expenses. A year ago, statutory contributions to the Deposit Guarantee Fund and the bank levy, totalling EUR 54 million, and non-recurring expenses of EUR 21 million increased other expenses.

Impairment losses recognised under various income statement items that reduced earnings amounted to EUR 73 million (63), of which EUR 47 million (50) concerned loans and receivables. Greater impairment loss was due to investments made by the Group's insurance companies. Net impairment loss on loans and receivables were low, at 0.08% (0.09) of the loan and guarantee portfolio.

The Group's income tax amounted to EUR 215 million (272). The effective tax rate was increased by the capital gains tax of EUR 37 million arising from intra-Group transactions related to ownership reorganisation. A year ago, capital gains tax arising from intra-Group transactions totalled EUR 109 million.

Earnings before tax recorded by Banking amounted to EUR 531 million (459). The earnings performance by Banking was supported by higher income and lower expenses. Higher net interest income was due to growth in the loan portfolio and a rise in its average margin as well as a decrease in deposit funding costs. Net commissions and fees increased as a result of higher fees from Wealth Management and Non-life Insurance. Expenses decreased by 3.7% to EUR 756 million. Statutory government charges, totalling EUR 52 million in Banking, increased other operating expenses a year ago.

Non-life Insurance recorded an operating combined ratio of 86.3% (89.4). Premiums written increased faster than claims incurred. During the reporting period, the change in the discount rate valuation model for insurance liability increased claims incurred by EUR 48 million (62), which weakened the operating combined ratio by 4.5 percentage points. The expense ratio was at the previous year's level. Net investment income recognised in the income statement decreased by EUR 11 million year on year.

Earnings before tax posted by Wealth Management improved year on year as a result of improved Life Insurance profitability. The segment's net commissions and fees were at the level reported a year ago.

On 19 May 2015, six former POP Group member banks joined OP Financial Group. Their accounts have been consolidated into the Group's accounts since they joined the Group. As a result of the consolidation, both the Group's interest income and expenses grew by EUR 5 million, and their effect on earnings was slightly positive as a whole. As a result of the consolidation, the Group's loan portfolio grew by EUR 643 million and deposit portfolio by EUR 694 million.

Earnings before tax at fair value amounted to EUR 697 million (843). OP Financial Group's fair value reserve before tax totalled EUR 287 million (531) on 30 September.

Equity capital amounted to EUR 8.7 billion (7.2) on 30 September. This increase was due to both Group earnings and the issues of Profit Shares. On 30 September, EUR 2.2 billion (1.6) in Profit Shares were included in equity. In March 2015, the central cooperative's Supervisory Board decided to raise the target level of Profit Shares by EUR 0.4 billion to EUR 2.3 billion.

July–September

Third-quarter earnings before tax amounted to EUR 299 million, as against EUR 251 million a year ago. Earnings performance was especially supported by lower expenses and higher net income from Life and Non-life Insurance. Capital gains on securities added to net trading and investment income. Expenses decreased by EUR 30 million to EUR 331 million. Non-recurring expenses and statutory contributions to the Deposit Guarantee Fund and the bank levy, totalling EUR 30 million, increased other operating expenses a year ago.

In comparison with the previous quarter, third-quarter earnings were supported by an increase in Life Insurance net income and a partly seasonal decrease in expenses. Net interest income was at the same level as in the previous quarter. Other key income items decreased as a result of which third-quarter earnings were slightly lower than those of the second quarter. Net investment income was lower than in the previous quarter as a result of lower capital gains.

OP Financial Group's financial targets

OP Financial Group achieved all of its key financial targets at the end of the reporting period.

OP Financial Group's financial targets	30 Sept. 2015	30 Sept. 2014	Target
Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates, %	197	179	160%
CET1 ratio, %	18.6	13.6	18%*
Return on economic capital, % (12-month rolling)	21.2	14.8	20%
Growth differential between income and expenses, Group level, pps (for 3 years)	26.3	3.0	> 0
Growth differential between income and expenses, Banking, pps (12-month rolling)	6.2	6.2	> 0
Growth differential between income and expenses, Wealth Management, pps (12-month rolling)	10.7	16.7	> 0
Operating combined ratio by Non-life Insurance, %	86.3	89.4	< 92%

* By end 2016

Customer relationships and customer benefits

On 30 September, Group member cooperative banks had almost 1.5 million owner-customers, or over 40,000 more than at the turn of the year. Contributions made by member cooperative banks' owner-customers to the banks' Profit Shares, ordinary cooperative capital and supplementary cooperative capital totalled EUR 2.5 billion (1.9) on 30 September.

On 30 September, OP Financial Group had 4,290,000 customers (excluding the customers of POP Group banks that joined the Group) in Finland.The number of private customers totalled 3,852,000 and that of corporate customers 438,000. The number of joint banking and non-life insurance customers increased in the year to September by 67,000 to 1,637,000, as a result of cross-selling. The POP Group banks that joined the Group had approximately 88,000 customers.

Member cooperative banks' owner-customers and Helsinki OP Bank customers earn OP bonuses through banking and insurance transactions. The combined amount of new bonuses earned by OP bonus customers in January–September for using OP as their main bank and insurer was worth EUR 147 million (141). A total of EUR 64 million (65) of bonuses were used to pay for banking services, EUR 75 million (70) non-life insurance premiums and EUR 11 million (9) million for wealth management services. Bonuses were used to pay 1,517,000 insurance bills (1,438,000), with 202,000 (189,000) of them paid in full using bonuses.

Non-life Insurance loyal customer households were provided with EUR 57 million (53) in loyalty discounts during the reporting period.

Member cooperative banks paid EUR 27 million (11) in interest on Profit Shares and supplementary cooperative capital contributions for 2014. Interest payable on the Profit Shares and supplementary cooperative capital contributions accrued during the reporting period is estimated to total EUR 47 million (16). The return target for Profit Shares is 3.25%, calculated from the date the investment was made.

Service channels

OP Financial Group's service network consists of multichannel online and mobile services, telephone services and the country's most extensive branch network. The Group's own service network is also supported by a comprehensive agency and partnership network, which is particularly important in terms of the sale of non-life insurance policies.

A change in customer behaviour and the general trend of digitisation of a number of aspects in people's daily lives will considerably change the way how financial services providers meet their customers. OP Financial Group is prepared for this change in many ways. There is a clear shift in the use of financial services: they are accessed more and more through digital channels. Digital channels accounted for around 94% of customer touchpoints during the reporting period.

OP Financial Group has made significant investments in the development of mobile and online services. In particular, mobile services are playing an increasing role in services used by both private and corporate customers. OP is at the cutting edge of development by introducing new and innovative digital services to customers. During the reporting period, OP launched fingerprint authentication to iOS devices. This increased considerably the use of OP-mobile and the number of its visits already nudges those of op.fi. The number of OP-mobile visits is projected to exceed that of op.fi as early as next year, and it will become the main channel for daily transactions.

Customers were highly satisfied with OP-mobile. Measured by the Net Promoter Score (NPS), it is one of the most recommended mobile applications in Finland. The monthly number of visits on OP-mobile has increased to over 8 million, or by 76%, in the year to September. The monthly number of Pivo mobile wallet application visits has increased to almost 2 million, or by 39%, in the year to September. The number of visits at op.fi remained at a steady high level, or some 10 million visits per month.

The Group has Finland's most extensive branch network, the figure at the end of September being 445 (456). In September, OP Helsinki opened a new type of a future branch in the Vallila office block. The Vallila branch seeks to offer the best possible customer experience and promote digitality across the board. It also acts as the entire Group's test laboratory for new operating models and tools.

OP Financial Group should open its second private hospital in Tampere in the summer of 2016. Establishing the hospital forms part of the health and wellbeing development programme whereby the Group will expand its hospital network nationwide and branch out from orthopaedics into other medical specialties.

Squeeze-out procedure related to Pohjola Bank plc shares

The Arbitral Tribunal appointed by the Redemption Committee of the Finland Chamber of Commerce issued its award on 20 February 2015 regarding the squeeze-out of Pohjola's minority shareholders. Based on the award, the squeeze-out price was EUR 16.13 per share which equals the price offered by OP Cooperative for Pohjola shares in the public voluntary bid. The arbitration award was not appealed, i.e. the squeeze-out price based on the award was final.

Capital base and capital adequacy

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

On 30 September, OP Financial Group's capital base, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates, exceeded the minimum amount specified in the Act by EUR 4,050 million (2,984). The buffer under the Act was increased by the Group's earnings, Profit Share issues and a decrease in the risk-weighted assets under consolidated capital adequacy and, on the other hand, the buffer was decreased by the capital conservation buffer of 2.5% adopted in consolidated capital adequacy in Finland at the beginning of 2015. The capital conservation buffer increased the consolidated capital adequacy requirement from 8% to 10.5%, calculated as percentage of risk-weighted assets. The ratio of the Group capital base to the minimum capital requirement was 197% (189), with the requirement for the capital conservation buffer reducing the ratio by 52 percentage points. As a result of the buffer requirements, the capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates does no longer reflect the minimum level of capital base of the conglomerate under the Act but the level within which the conglomerate can operate without regulatory obligations resulting from buffers below the required level. The former POP Group banks which joined the Group had a minor effect on capital adequacy. The entry into force of the Capital Requirements Directive and Regulation (CRD IV/CRR) on 1 January 2014 tightened the capital adequacy regime for banks. The changes that implement the standards under Basel III will be phased in by 2019. The most significant effects of the changes on OP Financial Group's capital adequacy under the abovementioned Act will depend on the level of the credit institutions' capital buffer requirements.

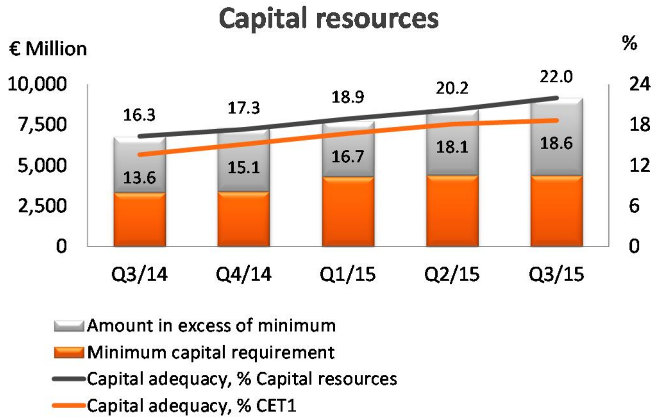
The solvency regulations of the insurance sector are changing, too. Effective from the beginning of 2016, the regulations will on the one hand increase capital requirements, and on the other increase the capital base, which will decrease the capital adequacy ratio on a net basis under the Act on the Supervision of Financial and Insurance Conglomerates.

According to the current estimate, capital adequacy under the Act will, however, remain on a solid basis.

Consolidated capital adequacy for credit institutions

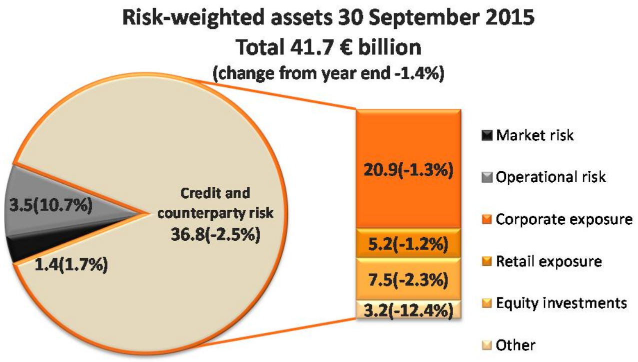
The Group's CET1 ratio was 18.6% (15.1) on 30 September. The issues of Profit Shares increased the CET1 ratio by about 1.7 percentage points. In the first quarter, OP adopted updated probabilities of default (PD) according to permission from the supervisor. This adoption improved the CET1 ratio by about 0.8 percentage points. Gains arising from the remeasurement of defined benefit pension plans (IAS 19) increased the Group's CET1 ratio by around 0.4 percentage points in the reporting period. This increase results from changes in the long-term interest rate used as the discount rate.

OP Financial Group's consolidated capital adequacy is on a solid basis compared to the statutory requirements and those set by the authorities. The statutory minimum for the capital adequacy ratio is 8% and for the CET1 ratio 4.5%. The requirement for the capital conservation buffer of 2.5% under the Act on Credit Institutions increases in practice the minimum capital adequacy ratio to 10.5% and the CET1 ratio to 7%.



The Group's consolidated CET1 capital was EUR 7,759 (6,384) million on 30 September. CET1 capital was increased by the issue of Profit Shares, Banking performance for the period, IAS 19 items and dividends from the Group's insurance institutions. Profit shares accounted for EUR 2,235 million of CET1 capital at the end of September.

On 30 September, risk-weighted assets totalled EUR 41,661 million (42,252), or 1.4% lower than on 31 December 2014. The updated PD values for corporate exposure reduced risk-weighted assets by around 4.2%. The average risk weights of corporate exposures increased slightly at the end of the reporting period. Average risk weights of other major exposure classes went down slightly.



Equity investments include EUR 6,516 million in risk-weighted assets of the Group's internal insurance holdings.

In October 2015, OP Financial Group received permission from the ECB to treat insurance holdings within the conglomerate as risk-weighted assets according to the previous practice. The method applied to insurance holdings leads to a risk weight of approximately 280%. However, the ECB has the option of cancelling the permission as part of the harmonisation of supervisory options. OP Financial Group's CET1 ratio would decrease by about 0.8 percentage points if the special permission were cancelled and OP transferred to the deduction treatment of insurance holdings. Such a change in treatment would not, however, have any effect on OP Financial Group's real risk-bearing capacity. The requirements for capital buffers implemented through national legislation will add to capital requirements further. Since the beginning of 2015, the capital conservation buffer requirement has been 2.5% of risk-weighted assets. In July 2015, the Financial Supervisory Authority set the requirement for the O-SII buffer for OP Financial Group as an Other Systemically Important Institution at 2%, effective as of 7 January 2016. Upon entry into force, the O-SII buffer will reduce the capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates by an estimated 22 percentage points. The Group already fulfils the capital conservation buffer requirement. In September 2015, the Financial Supervisory Authority decided not for the time being to impose a countercyclical capital buffer requirement on banks, nor has it otherwise tightened macroprudential policy. The Financial Supervisory Authority makes a macroprudential policy decision on a quarterly basis.

The upcoming regulations include a ratio of the degree of indebtedness, the leverage ratio. The leverage ratio of OP Financial Group's Banking is estimated at about 7.2% based on the existing interpretations, calculated using the September-end figures, with the minimum level in the draft regulations being 3%.

Non-life and Life Insurance

The solvency regulations of the insurance sector will change in early 2016. 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.

On 30 September, the preliminary Non-life Insurance capital base under Solvency II was EUR 1,041 million (804) and the solvency capital requirement EUR 685 million (685). The solvency ratio conforming to Solvency II was 152% (117). These figures do not include the effects of any possible transitional provisions.

On September 30, the preliminary Life Insurance capital base under Solvency II amounted to EUR 1,055 million (804) and the preliminary solvency capital requirement to EUR 695million (806). The solvency ratio conforming to Solvency II was 152% (100). These figures do not include the effects of any possible transitional provisions.

ECB banking supervision

OP Financial Group is supervised by the ECB. Owing to the transfer of supervisory responsibility, the ECB conducted a comprehensive assessment, which consisted of risk assessment, asset quality review (AQR) and a stress test on OP Financial Group as a credit institution during 2014.

On the basis of the comprehensive risk assessment, the ECB has imposed on OP Financial Group a discretionary capital requirement buffer as part of the supervisory review and evaluation process (SREP) . When taking account of this discretionary buffer, the requirement for CET1 capital is 8.3%. In view of OP Financial Group's strong capital base and national capital buffer requirements, the discretionary capital buffer requirement has no practical implications for the Group's capital adequacy position or business. To OP Financial Group's knowledge, the ECB has imposed on all banks under its supervision a comparable discretionary capital buffer requirement based on the results of the comprehensive assessment.

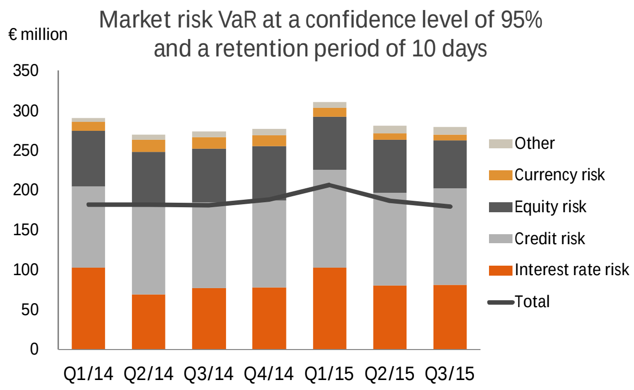
Risk exposure

OP Financial Group's risk exposure has remained stable. The Group has a strong risk-bearing capacity that secures business continuity.

The credit risk exposure remained stable despite the weak economic situation.

OP Financial Group's funding and liquidity position is strong. OP Financial Group has had good access to funding. During the reporting period, the Group issued long-term bonds worth EUR 5.0 billion. The loan-to-deposit ratio remained stable during the reporting period.

OP Financial Group's market risk exposure was stable during the reporting period. The Group's VaR, a measure of market risk, was EUR 180 million (188) on 30 September. The Group has changed the review period for the measure. The Group's VaR includes the balance sheet total of the insurance institutions, trading, liquidity buffer and the Group Treasury's interest rate risk exposure.



The Group expects its operational risks to be moderate although operational risks are still associated with the operational reorganisation and the management of outsourced functions. The Group seeks to minimise risks by ensuring process performance in cooperation with partners.

Key risks associated with the Group's defined benefit pension plans relate to the discount rate for pension obligation and return on investment assets covering the pension obligation. The decrease in net liabilities related to defined benefit pension plans recognised in other comprehensive income during the reporting period improved comprehensive income before tax by EUR 233 million.

Banking

Major risks within Banking include credit risk and market risk.

Banking's credit risk exposure remained stable, at a moderate risk level. During the reporting period, the loan and guarantee portfolio increased by EUR 3.3 billion to EUR 76.9 billion. Doubtful receivables totalled EUR 2.0 billion (1.7). Doubtful receivables refer to receivables that are more than 90 days past due, other receivables classified as risky and forborne receivables due to the customer's financial difficulties. Forbearance measures consist of concessions agreed at customers' initiative to contractual payment terms towards the customer s to make it easier for them to manage through temporary payment difficulties. Member cooperative banks make every effort to find solutions to overcome customers' temporary financial difficulties.

Corporate customers' (including housing corporations) exposures represented 36% (36) of the loan and guarantee portfolio. Of corporate exposure, investment-grade exposure represented 50% (49) and the exposure of the lowest two rating categories amounted to EUR 487 million (501), accounting for 1.4% (1.5) of the total corporate exposure.

Of the six main categories for private customer exposure, 82% (81) of the exposures belonged to the top two categories, and 3% (4) to the two lowest.

The Banking capital base covering major customer exposure amounted to EUR 9.2 billion (7.3). No single customer's exposure exceeded 10% of the capital base.

Banking's interest rate risk measured as a one-percentage point decrease on 12-month net interest income was EUR 14 million (30) on 30 September.

Non-life Insurance

Major risks within Non-life Insurance include underwriting risks associated with claims developments, market risks associated with investments covering insurance liabilities, interest rates used in insurance liability valuation and the difference between the discount rate applied to insurance liabilities and market interest rates.

No significant changes took place in Non-life Insurance's underwriting risks. Non-life Insurance's most significant market risk is associated with increasing insurance liability value and capital requirement resulting from lower market interest rates. Despite volatile long-term market interest rates, the solvency position under Solvency II was clearly stronger at the end of the reporting period than at the turn of the year. The investment risk level (VaR with 95% confidence) at the end of the reporting period was at the same level as at the turn of the year. OP has reduced equity risk associated with the investment portfolio and has moderately increased credit risk. OP has moderately increased the portfolio duration with respect to hedging insurance liability against interest rate risks. OP has also used interest rate derivatives to hedge against interest rate risk associated with insurance liability.

Wealth Management

The key risks associated with Wealth Management are the market risks of Life Insurance's investment assets, the interest rate used for the valuation of insurance liabilities and the faster-than-expected life expectancy increase.

No major changes took place in Life Insurance's underwriting. The Life Insurance solvency position under Solvency II was clearly stronger at the end of the reporting period than at the turn of the year. The investment risk level (VaR with 95% confidence) at the end of the reporting period was at the same level as at the turn of the year. OP has reduced equity risk associated with the investment portfolio and has moderately increased credit risk. OP has moderately increased the portfolio duration with respect to hedging insurance liability against interest rate risks. OP has also used interest rate derivatives to hedge against interest rate risk associated with insurance liability.

Other Operations

Major risks exposed by Other Operations include credit and market risks associated with the liquidity buffer, and liquidity risks. The market risk is highest in notes and bonds included in the liquidity buffer.

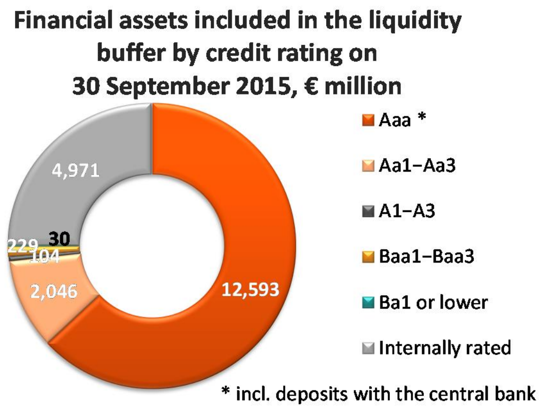
Despite an increase in investments in the liquidity buffer, market risks (VaR with 95% confidence) decreased slightly during the reporting period as a result of allocation changes. OP Financial Group secures its liquidity through a liquidity buffer which consists mainly of deposits with central banks and receivables eligible as collateral for central bank refinancing. The liquidity buffer and other sources of additional funding based on the contingency funding plan are sufficient to cover funding for at least 24 months in the event wholesale funding becomes unavailable and total deposits decrease at a moderate rate.

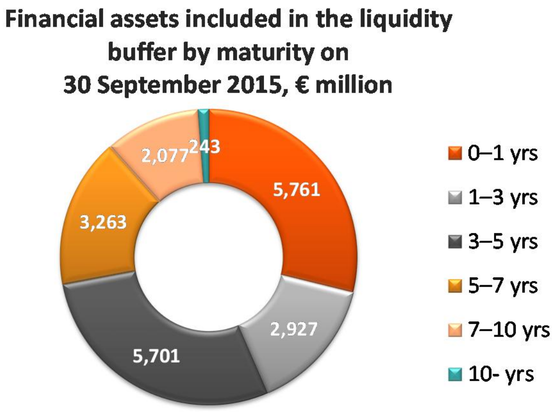
OP Financial Group monitors its liquidity and the adequacy of its liquidity buffer using the LCR (Liquidity Coverage Ratio). According to the transitional provisions, the LCR must be at least 60% during the fourth quarter of 2015 and at least 100% from the beginning of 2018. In accordance with the European Commission Liquidity Delegated Act, the calculated estimate of OP Financial Group's LCR ratio was 98% at the end of September.

Liquidity buffer

€ billion	30 Sept. 2015	31 Dec. 2014	Change, %
Deposits with central banks	4.9	3.8	29
Notes and bonds eligible as collateral	9.7	7.8	24
Corporate loans eligible as collateral	4.4	4.3	1
Total	**18.9**	**15.9**	**19**
Receivables ineligible as collateral	1.0	0.7	49
Liquidity buffer at market value	**20.0**	**16.6**	**20**
Collateral haircut	-1.2	-1.1	11
Liquidity buffer at collateral value	**18.7**	**15.5**	**21**

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





Credit ratings

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

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

The credit ratings of OP Financial Group and Pohjola did not change in January–September 2015.

On 29 September 2015, Standard & Poor's affirmed Pohjola Bank plc's long-term debt rating at AA- and short-term debt rating at A-1+ while keeping the outlook negative.

Strategic development programmes

In June, the Supervisory Board of OP Cooperative confirmed five new development programmes for the Group in response to the drastically changing operating environment and the need for reforms stemming from changing customer behaviour.

The development programmes address the efforts to strengthen the customer ownership-based foundation of the Group, to tap the opportunities and meet the challenges entailed by digitisation and to develop the three business segments on a broad scope. Moreover, OP has approved and initiated a health and wellbeing development project.

These programmes will require significant investments in the development of products, services, technology and expertise.

Outlook towards the year end

World economic growth will this year be slightly weaker than last year. Economic growth in the euro-area will recover slightly over last year but will still be sluggish. The Finnish economy is still waiting for recovery and no clear turn for the better is on the horizon. Export demand will remain weak and price competitiveness has not improved to the extent that it can help the export sector which has been suffering from structural changes. Implementing the required measures in turn strain the political situation, which poses a risk on the revival of home markets.

On the whole, growth expectations in the financial sector are still more moderate than the long-term average. Low interest rates will erode banks' net interest income and weaken insurance institutions' investment income. Then again, low interest rates support customers' loan repayment capacity that has remained stable despite the prolonged period of slow growth. Capital adequacy and profitability in the financial sector have come to play an ever-increasing role because of the unstable operating environment and the tighter regulatory framework.

In spite of the weak economic environment, OP Financial Group expects its earnings before tax for 2015 to be markedly higher than in 2014 (previous estimate: "to be higher"). The most significant uncertainty associated with the earnings estimate is related to unfavourable changes in the investment 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 developments in the economy, and actual results may differ materially from those expressed in the forward-looking statements.

Operations and earnings by business segment

OP Financial Group's business segments are Banking, Non-life Insurance and Wealth Management. Non-segment operations are presented under "Other Operations". OP Financial Group's segment reporting is based on accounting policies applied in its financial statements.

Summary of earnings by business segment

€ million	Income	Expenses	Other items *)	Earnings before tax Q1–3/2015	Earnings before tax Q1–3/2014	Change, %
Banking	1,462	756	-176	531	459	15.5
Non-life Insurance	440	221	0	218	190	14.6
Wealth Management	249	81	0	168	145	15.5
Other Operations	416	401	0	16	-45	
Eliminations	-343	-354	-17	-6	-10	-43.1
Total	**2,224**	**1,105**	**-193**	**926**	**739**	**25.3**

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

Banking

- Earnings before tax increased by 16% to EUR 531 million (459) as a result of higher income and lower expenses.
- The cost/income ratio improved by 3 percentage points to 52%.
- The loan portfolio grew by 6.0% in the year to September.
- Impairment losses, EUR 47 million (48), remained low, accounting for 0.08% of the loan and guarantee portfolio.

Banking: key figures and ratios

€ million	Q1–3/2015	Q1–3/2014	Change, %	2014
Income				
Net interest income	822	811	1.3	1,092
Net commissions and fees	511	484	5.5	655
Net trading and investment income	105	107	-1.8	115
Other operating income	25	24	2.8	34
Total income	**1,462**	**1,426**	**2.5**	**1,896**
Expenses				
Personnel costs	348	333	4.5	446
Other administrative expenses	268	252	6.5	345
Other operating expenses	139	200	-30.2	272
Total expenses	**756**	**785**	**-3.7**	**1,063**
Impairment loss on receivables	47	48	-3.3	86
Returns to owner-customers and accrued customer bonuses	129	133	-3.4	176
Earnings before tax	**531**	**459**	**15.5**	**571**
Cost/income ratio, %	**51.7**	**55.1**	**-3.3**	**56.1**
€ million				
Home loans drawn down	4,848	4,420	9.7	5,977
Corporate loans drawn down	4,644	4,735	-1.9	6,468
No. of brokered property transactions	9,171	9,500	-3.5	12,341
€ billion	**30 Sept. 2015**	**30 Sept. 2014**	**Change, %**	**31 Dec. 2014**
Loan portfolio				
Home loans	34.9	33.7	3.5	34.0
Corporate loans	17.8	16.6	7.2	16.9
Other loans	21.5	19.7	9.3	19.8
Total	**74.2**	**70.0**	**6.0**	**70.7**
Guarantee portfolio	2.7	3.1	-11.2	2.9
Deposits				
Current and payment transfer	33.9	28.1	20.9	29.8
Investment deposits	17.6	19.6	-10.2	19.0
Total deposits	**51.6**	**47.7**	**8.1**	**48.8**

Market share, %	31 Aug. 2015	31 Aug. 2014	Change, %	31 Dec. 2014
Loans	34.7	34.5	0.2*	34.4
Deposits	33.3	34.1	-0.8*	37.6

* Change in ratio

Despite weaker economic growth, demand for loans perked up after the dull first half. The loan portfolio grew by 6.0% in the year to September as a result of the greater volumes of corprorate and housing corporation loans and of home loans drawn down by households. The loan portfolio grew by 5.0% in the reporting period. The volume of new home loans drawn down increased year on year by 10%.

The deposit portfolio increased by 8.1% in year to September and by 5.8% during January–September. The volume of investment deposits continued to decline in January–September, due to low interest rates and lower term deposit margins. However, the volume of deposits in payment transaction accounts grew in the year to September by 21% and by 14% during January–September due mainly to growth in corporate and institutional deposits.

The Group's market share of home loans increased in the year to September by 0.6 percentage points, standing at 38.4% at the end August. The market share of corporate loans increased during the same period by 1.6 percentage points to 36.5% (34.9). The Group's market share of the total euro-denominated deposits decreased by 0.8 percentage points to 33.3%. Adjusted by financial and insurance institutions, the market share was 36.4% (37.6).

The combined amount of Profit Shares, ordinary and supplementary cooperative contributions of the member cooperative banks increased by EUR 0.6 billion in January–September, amounting to EUR 2.5 billion on 30 September.

The housing market remained cautious during the reporting period, with the volume of homes sold and bought through the OP Kiinteistökeskus real estate agents decreasing by 3.5% over the previous year.

The home loan repayment grace period offered by OP Financial Group as part of its "Putting Finland on a new growth path" campaign was used for almost 100,000 loans during the February–July campaign period. The deferred repayment of these loans totals around EUR 450 million.

In April, OP announced a new single financing process model for companies that need both bank loan and risk financing but are not ready to abandon their current ownership. This financing package is targeted at companies with net sales of EUR 10–50 million.

Earnings

Earnings before tax increased to EUR 531 million (459). Income increased by 2.5% and expenses decreased by 3.7%, as a result of which the cost/income ratio improved by 3.3 percentage points. Impairment loss, EUR 47 million (48), was low, accounting for 0.08 % of the loan and guarantee portfolio.

Net interest income rose to EUR 822 million (811) as a result of an increase in the loan portfolio and a higher average loan portfolio margin and lower deposit funding costs. As a result of a decrease in the Markets division's net interest income, Banking net interest income increased, however, by only 1.3%.

Net commissions and fees increased by EUR 26 million to EUR 511 million (484). Commissions and fees related to Wealth Management increased by EUR 16 million and those to Non-life Insurance by EUR 13 million.

Net trading and investment income decreased by a total of EUR 2 million year on year. Customer income in the Markets division increased.

Expenses decreased by 3.7% to EUR 756 million (785). Statutory contributions to the Deposit Guarantee Fund and the bank levy, totalling EUR 52 million, increased other operating expenses during the reporting period a year ago.

Personnel costs increased by EUR 15 million to EUR 348 million (333) due mainly to higher social expenses.

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Non-life Insurance

- Earnings before tax amounted to EUR 218 million (190). Earnings before tax at fair value were EUR 110 million (202).
- Return on investments at fair value was 1.0% (4.9).
- Insurance premium revenue increased by 5% (6).
- The balance on technical account was good. The operating combined ratio was 86.3% (89.4*) and operating expense ratio 17.4% (17.4). The combined ratio was 87.9% (91.0).

Non-life Insurance: key figures and ratios

€ million	Q1–3/2015	Q1–3/2014	Change, %	2014
Insurance premium revenue	1,037	986	5,2	1,310
Claims incurred	-715	-709	0,8	-930
Operating expenses	-181	-172	5,4	-242
Amortisation adjustment of intangible assets	-16	-16	0,0	-21
Balance on technical account	**126**	**89**	**41,8**	**117**
Net investment income	139	150	-7,2	171
Other income and expenses	-47	-48	-3,4	-66
Earnings before tax	**218**	**190**	**14,6**	**223**
Change in fair value reserve, gross	-108	12		49
Earnings before tax at fair value	**110**	**202**	**- 45,6**	**272**
Combined ratio, %	87.9	91.0		91.0
Operating combined ratio, %*	86.3	89.4		89.4
Operating loss ratio, %*	68.9	72.0		71.0
Operating expense ratio, %	17.4	17.4		18.4
Operating risk ratio, %*	63.6	65.9		65.0
Operating cost ratio, %	22.7	23.4		24.4
Return on investments at fair value, %	1.0	4.9		6.7
Solvency ratio , %	78.5	81.2		75.4
Solvency ratio (Solvency II), %**	152.0	137.5		117.3
Large claims incurred retained for own account	- 36	- 65		-79
Changes in claims for provisions of previous years (run-off result)	15	15		27

* The ratio for the corresponding period a year ago has been changed to correspond to the treatment of change of the discount rate applied since the beginning of 2015
** The figure is shown without the effect of transitional provisions.

Insurance premium revenue from Private Customers continued to grow. Insurance premium revenue from Corporate Customers increased despite the recession. Insurance sales increased slightly year on year. Claims expenditure developed favourably due to the mild winter and lower large claims.

OP Financial Group's market share of non-life insurance premiums written in 2014 was 31.5% (30.3). Measured by this market share, OP Financial Group is clearly Finland's largest non-life insurer.

The number of loyal customer households increased in the year to September by 19,000 to 663,000 (644,000), of which up to 75% (74) also use OP Financial Group member cooperative banks as their main bank.

Developing claims services further has been one of the Non-life Insurance priorities. In particular, Non-life Insurance has developed its electronic services in both online and mobile services. The reporting period saw the launch of a new loss report service on OP-mobile. Over up to 50% of loss reports are filed online and over up to 75% of loss reports on personal injuries under voluntary insurance are filed online.

Using electronic services in managing non-life policies and claims has increased considerably. During the last 12 months, the number of customers receiving their insurance-related mail electronically has risen to over 529,000 (365,291).

Earnings

Earnings before tax increased to EUR 218 million (190). The balance on technical account was good. Net investment income recognised in the income statement decreased by EUR 11 million. Earnings before tax at fair value amounted to EUR 110 million (202).

At the beginning of the reporting period, OP Financial Group changed the valuation model for non-life insurance liability in such a way that it takes account of a change in the discount rate as one continuously updated variable of an accounting estimate. On 30 September, the average discount rate was 2.28%. The reduced discount rate increased claims incurred by EUR 48 million. A year ago, the reduced rate increased claims incurred by EUR 62 million. According to the new valuation model, a change in the discount rate also affects the calculation of operating ratios. The operating ratios for the corresponding period a year ago have been changed accordingly. The changed discount rate weakened the operating combined ratio by 4.5 percentage points (6.3).

The operating combined ratio was 86.3% (89.4). These operating ratios exclude amortisation on intangible assets arising from the corporate acquisition.

Insurance premium revenue

€ million	Q1–3/2015	Q1–3/2014	Change, %
Private Customers	548	514	6.7
Corporate Customers	447	431	3.8
Baltics	42	41	2.0
Total	**1,037**	**986**	**5.2**

Claims incurred, excluding the reduction in the discount rate, increased by 3% on a year earlier. Developments in large claims were favourable. Claims incurred arising from new large claims were lower 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 54 (69) in January–September, with their claims incurred retained for own account totalling EUR 36 million (65). However, the change in provisions for unpaid claims under statutory pension increased year on year, being EUR 6 million (2) between January and September.

Changes in claims for previous years, excluding the effect of changes on the discount rate, improved the balance on technical account by EUR 15 million (15). The operating loss ratio was 68.9% (72.0). The operating risk ratio excluding indirect loss adjustment expenses was 63.6% (65.9).

Operating expenses grew by 5%, being EUR 9 million higher than a year ago, due to higher sales commissions and portfolio management fees. The operating expense ratio was 17.4% (17.4). The operating cost ratio (including indirect loss adjustment expenses) was 22.7% (23.4).

Operating balance on technical account and combined ratio (CR)

	Q1–3/2015		Q1–3/2014	
	Balance, € million	CR, %	Balance, € million	CR, %
Private Customers	110	80.0	100	80.4
Corporate Customers	29	93.6	-1	100.1
Baltics	3	92.3	5	88.5
Total	**142**	**86.3**	**105**	**89.4**

Private Customer profitability remained good as a result of continued growth in premium revenue. Claims developments among Corporate Customers were more favourable than a year ago. The reduced discount rate is reflected in Corporate Customer profitability in particular. In Baltics, profitability weakened because of large claims.

Investment

Return on investments at fair value totalled EUR 31 million (162), or 1.0% (4.9). The third-quarter return on investments was negative due to higher long-term interest rates and lower equity prices. Net investment income recognised in the income statement amounted to EUR 139 million (150).

Investment portfolio by asset class

%	30 Sept. 2015	31 Dec. 2014
Bonds and bond funds	76	73
Alternative investments	1	1
Equities	6	7
Private equity	3	3
Real property	10	11
Money markets	4	5
Total	**100**	**100**

In 30 September, the Non-life Insurance investment portfolio totalled to EUR 3,642 million (3,522). The fixed-income portfolio by credit rating remained healthy, considering that investments within the “investment-grade” category accounted for 94% (94), and 66% (71) of the investments were rated at least A–. The average residual term to maturity of the fixed-income portfolio was 5.5 years (4.5) and the duration 5.2 years (4.3).

The running yield for direct bond investments averaged 1.65% (2.02) at the end of September.

Wealth Management

- Earnings before tax amounted to EUR 168 million (145). Earnings before tax at fair value were EUR 103 million (175).
- Return on investments at fair value was 1.1% (4.8).
- The gross amount of assets under management increased by 9.2% in the year to September, totalling EUR 64.2 billion on 30 September.
- Electronic channels accounted for 40% (25) of mutual fund subscriptions.

Wealth Management: key figures and ratios

€ million	Q1–3/2015	Q1–3/2014	Change, %	2014
Net commissions and fees				
Funds and asset management	140	124	12.6	175
Life insurance	127	123	3.4	166
Expenses	117	98	19.0	133
of which accrued customer bonuses	17	13	29.2	18
Total net commissions and fees	**150**	**149**	**0.7**	**208**
Life Insurance's net risk results	16	15	5.6	20
Net investment income from Life Insurance	84	65	29.5	47
Other income	0	0		1
Personnel costs	24	23	3.1	32
Other expenses	57	60	-4.5	80
Earnings before tax	**168**	**145**	**15.5**	**167**
Change in fair value reserve, gross	-65	30	-318.0	51
Earnings before tax at fair value	**103**	**175**	**-41.0**	**218**
€ billion	**30 Sept. 2015**	**30 Sept. 2014**	**Change, %**	**31 Dec. 2014**
Assets under management (gross)				
Mutual funds	20.7	16.8	23.1	17.5
Institutional clients	22.2	23.6	-6.3	23.5
Private Banking	13.2	11.2	18.4	12.8
Unit-linked insurance savings	8.1	7.2	12.8	7.6
Total assets under management (gross)	**64.2**	**58.8**	**9.2**	**61.3**
€ million	**Q1–3/2015**	**Q1–3/2014**	**Change, %**	**1-12/2014**
Net inflows				
Investor and saver customers	440	477	-7.8	674
Private Banking clients	203	385	-47.2	1 411
Institutional clients	-495	-2		454
Total net inflows	**149**	**859**	**-82.7**	**2 539**
Market share, %	**30 Sept. 2015**	**30 Sept. 2014**	**Change, %**	**31 Dec. 2014**
Mutual funds	22.3	19.3	3.0*	20.5

* Change in ratio

Worries about the world economic outlook mounted after the summer holiday season, which was reflected negatively on the capital market and demand for Wealth Management products. Net asset inflows for the reportig period fell in all client segments to EUR 149 million (859). The gross amount of assets under management increased by 4.7% to EUR 64.2 billion (61.3) during the reporting period. This amount includes EUR 9.5 billion in assets of the companies belonging to OP Financial Group.

The number of investor and saver customers grew by 21,000 in the reporting period, totalling 750,000 on 30 September. In particular, the number of clients of savings funds made good progress, with the number of unitholders increasing by 39,000 from the end of 2014.

Suomi Mutual Life Assurance Company and OP have agreed to transfer the former's individual life insurance portfolio worth around EUR 1.3 billion to the latter. The planned date for the transfer is 31 December 2015. The transfer requires consent from the Finnish Financial Supervisory Authority.

The risk-adjusted return of OP Mutual Funds remained good in the reporting period. The Morningstar rating for OP Mutual Funds was 3.11 (3.14).

During the reporting period, the Group continued to further develop electronic sales and transactions for Wealth Management. Electronic channels accounted for 40% (25) of mutual fund subscriptions.

Earnings

Earnings before tax rose to EUR 168 million (145). Earnings before tax at fair value were EUR 103 million (175).

Net commissions and fees increased by almost 1%, owing to growth in wealth under management year on year, to EUR 150 million (149). Net commissions and fees accounted for 0.32% (0.35) of the gross amount of the assets under management.

Life Insurance's return on investments at fair value was 1.1% (4.8). The third-quarter return on investments was negative as a result of higher long-term interest rates and lower equity prices. Life Insurance's net investment income, excluding the performance of derivatives that hedge the interest rate risk of insurance liabilities and the technical rate of interest, totalled EUR 125 million (154).

Expenses were EUR 2 million lower than a year ago. Wealth Management's operating cost/income ratio improved to 45.7% (46.8). Expenses accounted for 0.14% (0.16) of the gross amount of the assets under management.

Interest-rate risk associated with insurance liability has been hedged through supplementary interest rate provisions and interest rate derivatives. Accrued supplementary interest rate provisions related to insurance liabilities totalled EUR 419 million (379) on 30 September. Short-term supplementary interest rate provisions made for 12 months accounted for EUR 45 million (35) of these provisions.

Life Insurance's investment assets, excluding assets covering unit-linked insurance, amounted to EUR 4,080 million (4,148). Investments within the “investment-grade” category accounted for 95% (93) of the fixed-income portfolio. On 30 September, the portfolio’s modified duration was 4.5 (2.7).

Investment portfolio by asset class

%	**30 Sept. 2015**	**31 Dec. 2014**
Bonds and bond funds	80	68
Alternative investments	7	6
Equities and equity funds	5	7
Real property	7	6
Money markets	1	12
Total	**100**	**100**

Other Operations

Other Operations: key figures and ratios

€ million	Q1–3/2015	Q1–3/2014	Change, %	2014
Net interest income	-34	-26	30,3	-33
Net trading income	1	-7		-9
Net investment income	76	39	95,2	59
Other income	374	345	8,3	473
Expenses	401	396	1,2	524
Earnings before tax	**16**	**-45**		**-34**
€ billion	**30 Sept. 2015**	**30 Sept. 2014**	**Change, %**	**31 Dec. 2014**
Receivables from credit institutions	11	11	1.2	10
Investment assets	16	13	23.9	13
Liabilities to credit institutions	4	5	-17.6	5
Debt securities issued to the public	17	17	2.8	17

Earnings

Earnings before tax reported by Other Operations amounted to EUR 16 million (–45). Growth in investment operations and net trading income as well other income contributed to the improved earnings. Total expenses increased slightly year on year.

Net interest income of EUR –34 million was reduced by persistently low interest rates, narrower credit spreads of bonds included in the liquidity buffer and the Group's preparation for tighter liquidity regulation. On 30 September, the average margin of senior wholesale funding was 40 basis points (41).

Net investment and trading income increased by EUR 45 million to EUR 77 million as a result of higher capital gains on securities. Dividend income included in net investment income fell by EUR 12 million to EUR 15 million.

Other income increased to EUR 374 million, being EUR 29 million larger than a year ago. Other income consists to a large extent of intra-Group service charges, which are presented as business segment expenses.

Expenses rose by EUR 5 million to EUR 401 million. Personnel costs increased by EUR 10 million to EUR 128 million. Intra-Group ownership reorganisation and the non-recurring expenses of EUR 16 million related to the reconstruction of the Vallila premises increased other operating expenses. A year ago, a total of EUR 28 million of non-recurring expenses were recognised in other operating expenses.

Changes in OP Financial Group's structure

OP Financial Group's consolidated financial statements include the accounts of 181 member cooperative banks (181) including Group companies, OP Cooperative Consolidated and OP Bank Group Mutual Insurance Company. During the reporting period, mergers of member cooperative banks reduced the number of member cooperative banks and the six former POP Group banks that joined OP Financial Group added to the number of member cooperative banks.

The Supervisory Board of OP Financial Group's central cooperative has made a decision in principle whereby Helsinki OP Bank Ltd will be converted from a limited liability company to a cooperative bank during 2016. The new bank will be renamed Helsinki Area Cooperative Bank (Helsingin Seudun Osuuspankki) (OP Helsinki). This decision has made customer ownership within OP Financial Group possible across Finland.

OP Helsinki as subsidiary will be part of OP Financial Group central cooperative consolidated according to plan. Since the central cooperative will continue to play a major role in capitalising the new bank, the bank's bylaws are meant to be formulated in such a way that OP Financial Group has a controlling interest of 2/3 in the bank.

The abovementioned planned changes require regulatory approval from the relevant authorities.

Pohjola Bank plc will be renamed OP Corporate Bank plc in the spring of 2016. Omasairaala Oy will be renamed Pohjola Health Ltd in the summer of 2016 when the Tampere hospital unit is opened.

The process of planning and examination of different options regarding the restructuring of OP Financial Group central cooperative consolidated and the implementation of legal structures of the organisation is still underway. There is a plan to transfer, for example, the Non-life Insurance and Wealth Management segments from Pohjola Group to direct ownership of the central cooperative. The transfer of Wealth Management is scheduled for 2015. At the same time, the transfer of OP Financial Group's central banking operations, being presently part of Pohjola Bank plc, to another subsidiary wholly owned by OP Cooperative, is also under consideration. OP has not yet made decisions on the implementation method of the separation of central banking and the transfer of Non-life Insurance and the related schedule.

As part of internal restructuring, OP Cooperative purchased in June 2015 all OP Life Assurance Company Ltd and OP Card Company Plc shares held by member cooperative banks and Helsinki OP Bank Ltd. As a result, the central cooperative consolidated holds all OP Life Assurance Company Ltd and OP Card Company Plc shares.

OP Life Assurance Company Ltd and Aurum Investment Insurance Ltd have accepted a merger plan whereby the latter will merge into the former. The merging company's insurance portfolio and other assets and liabilities will transfer to the acquiring company without any liquidation procedure. The planned date for the merger is 31 December 2015.

Osuuspankki Poppia, Laihian Osuuspankki, Multian Osuuspankki, Petäjäveden Osuuspankki, Keiteleen Osuuspankki and Tuusniemen Osuuspankki, which were part of POP Group, have decided to join OP Financial Group as independent cooperative banks. Since 19 May 2015, these banks have officially been Group member cooperative banks and their customers have fallen within the scope of OP Financial Group's deposit insurance.

Sotkamon Osuuspankki merged into Kainuun Osuuspankki on 31 May 2015.

On July 2015, Itä-Uudenmaan Osuuspankki merged into Porvoon Osuuspankki that was renamed Itä-Uudenmaan Osuuspankki.

Mynämäen Osuuspankki merged into Nousiaisten Osuuspankki on 31 August 2015 that was renamed Mynämäen-Nousiaisten Osuuspankki.

Hartolan Osuuspankki and Sysmän Osuuspankki merged into Etelä-Päijänteen Osuuspankki on 31 August 2015 that was renamed Järvi-Hämeen Osuuspankki.

Myrskylän Osuuspankki merged into Orimattilan Osuuspankki on 30 September 2015.

Karkun Osuuspankki and Tampereen Seudun Osuuspankki have accepted a merger plan, according to which the former will merge into the latter. The planned date for registration of the merger execution is 31 October 2015.

Pyhälaakson Osuuspankki and Suomenselän Osuuspankki have accepted a merger plan, according to which the former will merge into the latter. The planned date for registration of the merger execution is 31 December 2015.

Ylivieskan Osuuspankki and Kokkolan Osuuspankki have accepted a merger plan, according to which the former will merge into the latter to be renamed Keski-Pohjanmaan Osuuspankki. The planned date for registration of the merger execution is 31 December 2015.

Keiteleen Osuuspankki and Pielaveden Osuuspankki have accepted a merger plan, according to which the former will merge into latter, being renamed Nilakan Seudun Osuuspankki. The planned date for registration of the merger execution is 30 April 2016.

Personnel and remuneration

On 30 September, OP Financial Group had 12,092 employees (12,356). The number of employees averaged 12,195 (12,548). The reorganisation and streamlining measures carried out in OP Cooperative and member cooperative banks and their subsidiaries reduced the number of employees during the reporting period. Six POP Group banks that have been OP Financial Group member cooperative banks since 19 May 2015 increased the number of employees by 133.

During the reporting period, 186 OP Financial Group employees (235) retired, at an average age of 61.6 years (61.7).

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

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

The long-term management incentive scheme has been confirmed for 2014–2016. OP Financial Group's personnel fund remuneration scheme will also be extended by one-year performance periods.

In drawing up the Group's incentive schemes, OP has taken account of the regulation regarding the financial sector's remuneration schemes. As a rule, the remuneration scheme for 2014–2016 follows the principles observed during the previous three-year performance period.

OP Cooperative's Supervisory Board has set the following long-term target performance indicators: OP Financial Group's earnings before tax, the Group's CET1 ratio and the growth rate of customers using OP as their main bank and insurer. The Group-level targets are the same both in the management incentive scheme and OP Financial Group’s Personnel Fund.

OP Bank Group Pension Fund and Ilmarinen Mutual Pension Insurance Company have agreed to transfer OP Financial Group's policies under TyEL (Employees Pensions Act) with Ilmarinen to the Pension Fund. The transfer of the policies of around EUR 90 million is scheduled for 31 December 2015 provided that the required regulatory approval can be received.

Governance of OP Cooperative

OP Financial Group's central cooperative (OP Cooperative) held its Annual Cooperative Meeting on 19 March 2015. The Meeting elected for the term of 2015–2018 the following members to the Supervisory Board to replace those who were due to resign: Managing Director Jari Anttila, R&D Director Ilmo Aronen, Managing Director Kalle Arvio, Managing Director Tapani Eskola, Professor Jarna Heinonen, BSc(Econ) Jorma Hyrskyluoto, Senior Lecturer Ulla Järvi, Executive Director Jukka-Pekka Kataja, Managing Director Simo Kauppi, Director Jaakko Kiander, farmer Seppo Kietäväinen, Headmaster Juha Kiiskinen, Lecturer Jaakko Korkonen, Managing Director Tuomas Kupsala, Managing Director Petri Krohns, Assistant Director Jukka Kääriäinen, Director Ari Mikkola, Managing Director Esko Mononen, Director, Administration Annukka Nikola, Managing Director Juha Pullinen, Managing Director Olli Tarkkanen, and Managing Director Ari Väänänen. In addition, Lecturer Sirkka Keuru was elected for the remaining term of 2015–2017 to replace Marita Marttila, Senior Nursing Officer, who had requested resignation from the Supervisory Board. The Supervisory Board comprises 34 members.

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

Supervisory Board member Jukka-Pekka Kataja has been appointed special adviser to Kimmo Tiilikainen, Minister of Agriculture and the Environment, which is why he has notified of not participating for the time being in OP Cooperative Supervisory Board work as of 29 June 2015.

At its meeting on 23 September, the Supervisory Board decided on changes in the composition of the Executive Board. Harri Nummela will be in charge of digital business and customer experience. Karri Alameri was appointed a new Executive Vice President, Wealth Management. Outi Taivainen was appointed a new Executive Vice President, Human Resources.

The Annual Cooperative Meeting re-elected KPMG Oy Ab, a firm of authorised public accountants, to act as the auditor, with Raija-Leena Hankonen, APA, acting as the chief auditor, appointed by KPMG Oy Ab.

OP Financial Group's efficiency-enhancement programme

OP Financial Group decided towards the end of 2012 on an efficiency-enhancement programme, the objective of which was to achieve annual cost savings of EUR 150 million until the end of 2015.

Based on the actions completed by the end of September, annualised savings reached about EUR 144 million, of which personnel-related costs account for EUR 55 million.

Capital expenditure and service development

OP Cooperative with its subsidiaries is responsible for OP Financial Group's service development. ICT capital expenditure and related specifications make up a significant portion of the costs of developing these services.

OP Cooperative Consolidated's development expenditure for January–September totalled EUR 103 million (80). These include licence fees, purchased services and capitalised expenses for development work within OP Cooperative Consolidated.

ICT capital expenditure for the reporting period capitalised in the balance sheet totalled EUR 84 million (53). Banking accounted for the most of the capital expenditure.

The first stage of the reconstruction of the Vallila premises started by OP Financial Group in 2012 has been completed and the premises are now fully operational. The revised costs of the project total approximately EUR 240 million. By the end of the reporting period, realised costs totalled EUR 235 million. The second stage of the project has begun and is to be completed in autumn 2017.

OP Financial Group income statement

EUR million	Note	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Interest income		1,876	2,026	-7	2,685
Interest expenses		1,109	1,252	-11	1,642
Net interest income before impairment losses	5	**767**	**774**	**-1**	**1,043**
Impairments of receivables	6	47	50	-6	88
Net interest income after impairments		**720**	**724**	**-1**	**955**
Net income from Non-life Insurance operations	7	496	450	10	589
Net income from Life Insurance operations	8	210	168	25	197
Net commissions and fees	9	543	532	2	707
Net trading income	10	85	83	2	88
Net investment income	11	84	53	59	74
Other operating income	12	33	37	-11	52
Total net income		**2,171**	**2,048**	**6**	**2,662**
Personnel costs		573	551	4	741
Other administrative expenses		293	312	-6	414
Other operating expenses		238	299	-20	401
Total expenses		**1,105**	**1,162**	**-5**	**1,555**
Returns to owner-customers and accrued customer bonuses		146	147	0	195
Share of associates' profits/losses accounted for using the equity method		6	1		3
Earnings before tax for the period		**926**	**739**	**25**	**915**
Income tax expense		215	272	-21	308
Profit for the period		**712**	**467**	**52**	**607**
Attributable to, EUR million					
Profit for the period attributable to owners		708	462	53	599
Profit for the period attributable to non-controlling interest		4	5		8
Total		**712**	**467**	**52**	**607**

OP Financial Group statement of comprehensive income

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Profit for the period	**712**	**467**	**52**	**607**
Items that will not be reclassified to profit or loss				
Gains/(losses) arising from remeasurement of defined benefit plans	233	-227		-380
Items that may be reclassified to profit or loss				
Change in fair value reserve				
Measurement at fair value	-217	44		85
Cash flow hedge	-13	59		67
Translation differences	0	0	-96	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	-47	45		76
Items that may be reclassified to profit or loss				
Measurement at fair value	43	-9		-17
Cash flow hedge	3	-12		-13
Total comprehensive income for the period	**714**	**369**	**94**	**424**
Attributable to, EUR million				
Profit for the period attributable to owners	711	364	95	393
Profit for the period attributable to non-controlling interest	4	5		32
Total	**714**	**369**	**94**	**424**

OP Financial Group balance sheet

EUR million	Note	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Cash and cash equivalents		4,958	1,527		3,888
Receivables from credit institutions		591	706	-16	686
Financial assets at fair value through profit or loss		730	492	48	427
Derivative contracts		5,829	5,369	9	5,920
Receivables from customers		74,186	70,003	6	70,683
Non-life Insurance assets	15	3,988	3,922	2	3,797
Life Insurance assets	16	12,054	10,694	13	11,238
Investment assets		11,798	9,383	26	9,500
Investment accounted for using the equity method		88	52	68	56
Intangible assets		1,353	1,330	2	1,332
Property, plant and equipment (PPE)		839	765	10	781
Other assets		1,685	1,869	-10	1,951
Tax assets		143	152	-6	168
Total assets		**118,242**	**106,265**	**11**	**110,427**
Liabilities to credit institutions		1,525	737		1,776
Financial liabilities at fair value through profit or loss		0	9	-97	4
Derivative contracts		5,620	4,815	17	5,489
Liabilities to customers		55,598	49,434	12	51,163
Non-life Insurance liabilities	17	3,225	3,222	0	2,972
Life Insurance liabilities	18	11,695	11,016	6	11,230
Debt securities issued to the public	19	25,877	24,651	5	24,956
Provisions and other liabilities		3,457	3,501	-1	3,447
Tax liabilities		862	1,018	-15	964
Supplementary cooperative capital		114	241	-53	192
Subordinated liabilities		1,577	906	74	1,020
Total liabilities		**109,551**	**99,550**	**10**	**103,214**
Equity capital					
Share of OP Financial Group's owners					
Share and cooperative capital		2,387	1,259	90	1,709
Share capital		0	0	27	0
Membership capital contributions		153	146	4	148
Profit shares		2,235	1,113		1,561
Fair value reserve	20	230	382	-40	425
Other reserves		2,085	2,179	-4	1,996
Retained earnings		3,911	2,817	39	3,014
Non-controlling interests		77	78	-2	69
Total equity capital		**8,690**	**6,715**	29	**7,213**
Total liabilities and equity capital		**118,242**	**106,265**	**11**	**110,427**

Changes in OP Financial Group's equity capital

EUR million	Share and cooperative capital	Fair value reserve**	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity capital
Balance at 1 January 2014	**339**	**328**	**2,739**	**4,218**	**7,625**	**100**	**7,724**
Total comprehensive income for the period	-	132	-	264	**397**	34	**430**
Profit for the period				462	**462**	5	**467**
Other comprehensive income	-	132	-	-198	**-66**	29	**-37**
Holdings in Pohjola Bank plc purchased from non-controlling interests*	-199	-78	-512	-1,631	**-2,421**	-	**-2,421**
Increase in cooperative capital	1,119	-	-	-	**1,119**	-	**1,119**
Transfer of reserves	-	-	26	-26	**-**	-	-
Profit distribution	-	-	-	-75	**-75**	-	**-75**
Share-based payments	-	-	-	-2	**-2**	-	**-2**
Other	0	-	-74	69	**-6**	-55	**-60**
Balance at 30 Sep 2014	**1,259**	**382**	**2,178**	**2,817**	**6,636**	**78**	**6,715**

EUR million	Share and cooperative capital	Fair value reserve**	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity capital
Balance at 1 January 2015	**1,709**	**425**	**1,996**	**3,014**	**7,144**	**69**	**7,213**
Total comprehensive income for the period	-	-197	-	894	**698**	15	**713**
Profit for the period				708	**708**	4	**712**
Other comprehensive income	-	-197	-	186	**-10**	12	**1**
One-off effect of transfer of POP Group banks to OP Financial Group	2	1	67	48	**118**	-	118
Increase in cooperative capital	677		-	-	**677**	-	**677**
Transfer of reserves	-	-	22	-22	**-**	-	-
Profit distribution	-	-	-	-21	**-21**	-	**-21**
Other	-	-	-	-2	**-2**	-8	**-9**
Balance at 30 Sep 2015	**2,387**	**230**	**2,085**	**3,911**	**8,613**	**77**	**8,690**

* The total purchase price paid by OP Cooperative for Pohjola Bank plc shares based on the tender offer has been subtracted from equity capital.

** Note 20.

OP Financial Group cash flow statement

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014
Cash flow from operating activities		
Profit for the period	712	467
Adjustments to profit for the period	1,177	-470
Increase (-) or decrease (+) in operating assets	**-5,810**	**-2,959**
Receivables from credit institutions	204	128
Financial assets at fair value through profit or loss	326	257
Derivative contracts	-11	33
Receivables from customers	-2,954	-1,900
Non-life Insurance assets	-306	-350
Life Insurance assets	-1,003	-154
Investment assets	-2,405	-301
Other assets	338	-672
Increase (+) or decrease (-) in operating liabilities	**3,626**	**1,650**
Liabilities to credit institutions	-271	-309
Financial liabilities at fair value through profit or loss	-4	5
Derivative contracts	16	49
Liabilities to customers	3,739	-723
Non-life Insurance liabilities	62	298
Life Insurance liabilities	-19	1,472
Provisions and other liabilities	104	859
Income tax paid	-295	-116
Dividends received	73	80
A. Net cash from operating activities	**-517**	**-1,347**
Cash flow from investing activities		
Increases in held-to-maturity financial assets	-1	-
Decreases in held-to-maturity financial assets	83	65
Acquisition of subsidiaries, net of cash acquired	0	-1
Disposal of subsidiaries, net of cash disposed	0	-
Purchase of PPE and intangible assets	-194	-141
Proceeds from sale of PPE and intangible assets	5	3
B. Net cash used in investing activities	**-108**	**-74**
Cash flow from financing activities		
Increases in subordinated liabilities	1,242	41
Decreases in subordinated liabilities	-697	-12
Increases in debt securities issued to the public	22,269	33,185
Decreases in debt securities issued to the public	-21,684	-30,666
Increases in cooperative and share capital	2,807	1,539
Decreases in cooperative and share capital	-2,226	-785
Dividends paid and interest on cooperative capital	-30	-75
Holdings in Pohjola Bank plc purchased from non-controlling interests	-	-2,421
Other	0	-
C. Net cash from financing activities	**1,681**	**806**
Net change in cash and cash equivalents (A+B+C)	**1,057**	**-615**
POP Group banks' cash and cash equivalents	**47**	**-**
Total change in cash and cash equivalents	**1,104**	**-615**
Cash and cash equivalents at period-start	**4,176**	**2,476**
Cash and cash equivalents at period-end	**5,280**	**1,862**
Interest received	**1,966**	**2,088**
Interest paid	**-1,235**	**-1,332**
Cash and cash equivalents		
Liquid assets*	4,989	1,579
Receivables from credit institutions payable on demand	291	282
Total	**5,280**	**1,862**

*Of which Non-life Insurance liquid assets amount to 4 million euros (41) and Life Insurance liquid assets 27 million euros (11).

OP Financial Group segment reporting

The management system of the OP Financial Group is founded on the following three business segments: Banking, Non-life Insurance, and Wealth Management. As a result of the new organisations, OP Financial Group has made the following changes in its segment reporting, on 1 January 2015: Pohjola Markets Equities has been transferred from Banking to be reported in the Wealth Management segment. In addition, Pivo Wallet Oy, Checkout Finland Oy and OP Bank Group Mutual Insurance Company have been transferred from Banking to be reported in the Other Operations segment. Other Operations support the business segments. The segment information has been restated for the previous periods to correspond to the new segments. These transfers had no substantial impact on segment reporting.

OP Financial Group's segment reporting is based on accounting policies applied in its financial statements. Income, expenses, assets and liabilities which have been considered to relate directly to and be reasonably attributable to the segments are allocated to the segments. Income, expenses, investments and capital which have not been allocated to segments and inter-segment Group eliminations are reported under 'Group eliminations'. The segments' earnings and profitability are assessed in terms of EBT.

Segment capitalisation is based on OP Financial Group's capital adequacy measurement in accordance with the Act on Credit Institutions. Capital requirements according to this measurement are allocated among the operating segments. Capital has been allocated to retail banking in such a way that the CET1 ratio is 18% (11%). Capital has been allocated to Insurance operations in such a way that the Solvency ratio (SII) is 120%. Capital allocation has an effect on the Group's internal interest amounts paid by the segment concerned.

Income statement and balance sheet by segment 1 Jan.–30 Sep 2015

Income statement, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi- nations	OP Financial Group
Interest income	2,027	0	2	262	-416	1,876
Interest expenses	1,205	17	5	297	-414	1,109
Net interest income before impairment losses	**822**	**-17**	**-3**	**-34**	**-2**	**767**
- of which internal net income before tax	-20	-15	2	33	0	**0**
Impairment losses on receivables	47	0	-	0	0	47
Net interest income after impairment losses	**775**	**-17**	**-3**	**-34**	**-2**	**720**
Net income from Non-life Insurance	-	492	-	-2	6	496
Net income from Life Insurance	-	-	-	-	210	210
Life Insurance’s net interest and risk result	-	-	99	-	-99	0
Net commissions and fees	511	-40	-	15	57	543
Commissions and fees from fund and asset management	-	-	122	-	-122	0
Commissions and fees from life insurance	-	-	127	-	-127	0
Commission expenses	-	-	-117	-	117	0
Net trading income	92	0	0	1	-7	85
Net investment income	13	-	0	76	-6	84
Other operating income	21	4	1	360	-352	33
Personnel costs	348	73	24	128	0	573
Other administrative expenses	268	89	30	192	-286	293
Other operating expenses	139	59	27	81	-69	238
Returns to owner-customers and accrued customer bonuses	129	-	0	-	17	146
Share of associates' profits/losses	4	0	2	-	0	6
Earning before tax	**531**	**218**	**168**	**16**	**-6**	**926**
Income tax expense						215
Profit for the period						**712**

Balance sheet 30 Sep 2015, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi-nations	OP Financial Group
Liquid assets	125	0	-	4,833	-	4,958
Receivables from credit institutions	4,290	5	39	10,911	-14,654	591
Financial assets at fair value through profit or loss	823	-	-	-74	-19	730
Derivative contracts	5,865	-	-	345	-380	5,829
Receivables from customers	74,832	-	-	576	-1,221	74,186
Non-life Insurance assets	-	4,335	-	0	-348	3,988
Life Insurance assets	-	-	12,449	-	-395	12,054
Investment assets	6,218	16	0	15,655	-10,092	11,798
Investment in associates	37	2	28	-	21	88
Intangible assets	65	696	357	238	-3	1,353
Property, plant and equipment	495	48	9	299	-13	839
Other assets	1,152	7	38	703	-215	1,685
Tax assets	64	5	9	36	29	143
Total assets	**93,966**	**5,115**	**12,929**	**33,523**	**-27,291**	**118,242**

Balance sheet 30 Sep 2015, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi-nations	OP Financial Group
Liabilities to credit institutions	11,191	-	-	4,156	-13,822	1,525
Financial liabilities at fair value through profit or loss	0	-	0	-	0	0
Derivative contracts	5,669	-	-	328	-377	5,620
Liabilities to customers	52,697	-	0	4,178	-1,277	55,598
Non-life Insurance liabilities	-	3,239	-	-	-14	3,225
Life Insurance liabilities	-	-	11,714	-	-19	11,695
Debt securities issued to the public	9,571	-	-	17,380	-1,074	25,877
Provisions and other liabilities	2,342	81	28	1,287	-280	3,457
Tax liabilities	413	81	67	293	8	862
Cooperative capital	262	-	-	5,563	-5,711	114
Subordinated liabilities	66	135	281	1,592	-497	1,577
Total liabilities	**82,211**	**3,537**	**12,090**	**34,776**	**-23,063**	**109,551**
Equity capital						**8,690**

Income statement and balance sheet by segment 1 Jan.–30 Sep 2014

Income statement, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi- nations	OP Financial Group
Interest income	2,163	0	2	454	-594	2,026
Interest expenses	1,352	19	3	481	-603	1,252
Net interest income before impairment losses	**811**	**-19**	**-2**	**-26**	**10**	**774**
- of which internal net income before tax	-15	-18	1	31	**0**	**0**
Impairment losses on receivables	48	-	-	-	1	50
Net interest income after impairment losses	**763**	**-19**	**-2**	**-26**	**8**	**724**
Net income from Non-life Insurance	-	455	-	-3	-2	450
Net income from Life Insurance	-	-	-	-	168	168
Life Insurance's net interest and risk result	-	-	80	-	-80	-
Net commissions and fees	484	-27	-	13	62	532
Commissions and fees from fund and asset management	-	-	107	-	-107	-
Commissions and fees from life insurance	-	-	123	-	-123	-
Commission expenses	-	-	-98	-	98	-
Net trading income	89	0	0	-7	2	83
Net investment income	18	-	0	39	-5	53
Other operating income	25	7	0	335	-329	37
Personnel costs	333	76	23	118	0	551
Other administrative expenses	252	91	32	192	-254	312
Other operating expenses	200	58	28	85	-73	299
Returns to owner-customers and accrued customer bonuses	133	-	-	-	14	147
Share of associates' profits/losses	-1	0	1	0	0	1
Earning before tax	**459**	**190**	**145**	**-45**	**-10**	**739**
Income tax expense						272
Profit for the period						**467**

Balance sheet 30 Sep 2014, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi- nations	OP Financial Group
Liquid assets	149	0	-	1,379	-	1,527
Receivables from credit institutions	4,974	5	30	10,779	-15,081	706
Financial assets at fair value through profit or loss	553	-	0	-44	-17	492
Derivative contracts	5,478	-	-	313	-422	5,369
Receivables from customers	70,613	-	-	537	-1,147	70,003
Non-life Insurance assets	-	4,315	-	-	-394	3,922
Life Insurance assets	-	-	11,749	-	-1,055	10,694
Investment assets	4,985	16	15	12,635	-8,268	9,383
Investment in associates	21	2	27	1	1	52
Intangible assets	66	707	375	186	-4	1,330
Property, plant and equipment	503	53	9	213	-13	765
Other assets	1,033	4	42	1,083	-293	1,869
Tax assets	72	4	7	47	23	152
Total assets	**88,447**	**5,106**	**12,253**	**27,129**	**-26,670**	**106,265**

Balance sheet 30 Sep 2014, EUR million	Banking	Non-life Insurance	Wealth Management	Other operations	Elimi- nations	OP Financial Group
Liabilities to credit institutions	10,578	-	-	4,981	-14,821	737
Financial liabilities at fair value through profit or loss	9	-	-	-	-	9
Derivative contracts	4,938	-	-	346	-468	4,815
Liabilities to customers	48,163	-	-	2,808	-1,536	49,434
Non-life Insurance liabilities	-	3,228	-	-	-6	3,222
Life Insurance liabilities	-	-	11,071	-	-55	11,016
Debt securities issued to the public	8,946	-	-	17,001	-1,296	24,651
Provisions and other liabilities	2,362	97	31	1,199	-188	3,501
Tax liabilities	454	101	76	383	3	1,018
Cooperative capital	383	-	-	3,972	-4,114	241
Subordinated liabilities	211	50	91	967	-413	906
Total liabilities	**76,043**	**3,476**	**11,269**	**31,656**	**-22,894**	**99,550**
Equity capital						**6,715**

Note 1. Accounting policies

The Interim Report for 1 January–30 Sep 2015 has been prepared in accordance with the accounting policies of IAS 34 (Interim Financial Reporting) and with those presented in the Consolidated Financial Statements 2014, with the exception of changes in the accounting policies described below.

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

Change in accounting policies

Amortisation of the effect of a reduction in the discount rate

OP Financial Group has changed the valuation model for non-life insurance liability in such a way that it takes account of a change in the discount rate as one continuously updated variable of an accounting estimate. Previously, the discount rate was subject to quarterly assessment in which case the effect of the change deteriorated the comparability between reporting periods. As a result of the change, OP has since 1 January 2015 assessed changes in the discount rate on a monthly basis and their effects on financial results are spread evenly over the financial year thereby providing more reliable and relevant information on the Group's financial results in accordance with IFRS 4.22.

Presentation of Non-life Insurance commission income and expenses

The presentation of the consolidated financial statements has changed as of the beginning of 2015 with respect to certain sales and reinsurance commissions related to Non-life Insurance. Items previously presented under "Other operating income" have been, according to its nature, transferred to be presented under "Net commission income". In addition, impairment loss related to non-life insurance has been transferred to "Net income from Non-life Insurance". Likewise, Life Insurance management fees previously presented under "Other operating income" have been transferred to be presented under "Net commissions and fees". These changes will harmonise accounting for commissions and fees related to non-life insurance operations in OP Financial Group and give a more accurate picture of the nature of the items. The changes will have no impact on earnings and segment reporting. OP has applied the changes retrospectively, providing more reliable and relevant information on the Group's financial results.

Effect on consolidated income statement for 1 Jan.−31 Dec. 2014

EUR million	1 Jan.−30 Sep 2014 (as presented previously)	Effect of change in accounting policy	1 Jan.−30 Sep 2014 (restated)	1 Jan.–31 Dec. 2014 (as presented previously)	Effect of change in accounting policy	1 Jan.−31 Dec. 2014 (restated)
Interest income	2,026		2,026	2,685		2,685
Interest expenses	1,252		1,252	1,642		1,642
Net interest income before impairment losses	**774**		**774**	**1,043**		**1,043**
Impairments of receivables	50		50	88		88
Net interest income after impairments	**724**		**724**	**955**		**955**
Net income from Non-life Insurance operations	454	-4	450	593	-4	589
Net income from Life Insurance operations	168		168	197		197
Net commissions and fees	549	-17	532	727	-20	707
Net trading income	83		83	88		88
Net investment income	53		53	74		74
Other operating income	46	-9	37	64	-12	52
Total net income	**2,077**	**-30**	**2,048**	**2,698**	**-37**	**2,662**
Personnel costs	551		551	741		741
Other administrative expenses	312		312	414		414
Other operating expenses	328	-30	299	437	-37	401
Total expenses	**1,192**	**-30**	**1,162**	**1,592**	**-37**	**1,555**
Returns to owner-customers and accrued customer bonuses	147		147	195		195
Share of associates' profits/losses	1		1	3		3
Earnings before tax for the period	**739**		**739**	**915**		**915**
Income tax expense	272		272	308		308
Profit for the period	**467**		**467**	**607**		**607**
Attributable to, EUR million						
Owners	462		462	599		599
Non-controlling interests	5		5	8		8
Total	**467**		**467**	**607**		**607**

Critical accounting estimates and judgements

Collective assessment for impairment

OP Financial Group has used an updated model for collective assessment for impairment on May 2015. The model is still based on the statistical model used in the measurement of the economic capital requirement. Through-the-cycle component has been eliminated from the PD and LGD estimates used in the economic capital requirement model to better reflect the point in time approach and current economic cycle. The model has changed measurement method for the identification of loss event that is calculated by means of the so-called emergence period in the new model (the calculation was previously based on past loss experience). In addition, the receivables have been grouped more accurately on the basis of shared similar credit risk characteristics in the new model. This model update did not cause any substantial change to the collective impairment loss amount.

Impairment loss on equity instruments

OP Financial Group has revised the previous determination of impairment loss on equity instruments as of 1 May 2015. Impairment loss will be recognised at the latest when the maximum limits specified for each instrument are exceeded with respect to the prolonged criteria (an average of 12 months) or the significant criteria of 30% (previously: an average of 18 months and 40%, respectively). This change increased slightly impairment loss on equity instruments in the first half.

Note 2. Changes in OP Financial Group’s structure

Six POP Group cooperative banks, or Osuuspankki Poppia, Keiteleen Osuuspankki, Laihian Osuuspankki, Multian Osuuspankki, Petäjäveden Osuuspankki and Tuusniemen Osuuspankki became OP Financial Group member cooperative banks on 19 May 2015 since when they have been consolidated into OP Financial Group's financial statements. The tables below show the effects of this consolidation on the Group's income statement and balance sheet on 30 Sep 2015. As a result, OP Financial Group's equity increased by EUR 118 million as the POP Group banks' equity capital is included as part of the equity of the technical parent company of OP Financial Group. Combining the operations into the shared information systems is in progress.

Effect on income statement	**Other OP Financial Group**	**POP Group banks total**	**OP Financial Group total**
EUR million	**1 Jan.–30 Sep 2015**	**19 May–30 Sep 2015**	**1 Jan.–30 Sep 2015**
Interest income	1,869	7	1,876
Interest expenses	1,107	2	1,109
Net interest income before impairment losses	**762**	**5**	**767**
Impairments of receivables	47	0	47
Net interest income after impairments	**715**	**5**	**720**
Net income from Non-life Insurance operations	496	-	496
Net income from Life Insurance operations	210	-	210
Net commissions and fees	541	2	543
Net trading income	86	0	85
Net investment income	84	0	84
Other operating income	33	1	33
Total net income	**2,164**	**7**	**2,171**
Personnel costs	571	2	573
Other administrative expenses	291	2	293
Other operating expenses	237	1	238
Total expenses	**1,099**	**5**	**1,105**
Returns to owner-customers and accrued customer bonuses	146	-	146
Share of associates' profits/losses	6	-	6
Earnings before tax for the period	**925**	**1**	**926**
Income tax expense	214	0	215
Profit for the period	**711**	**1**	**712**

Effect on balance sheet EUR million	Other OP Financial Group 30 Sep 2015	POP Group banks total 30 Sep 2015	OP Financial Group total 30 Sep 2015
Cash and cash equivalents	4,955	3	4,958
Receivables from credit institutions	518	73	591
Financial assets at fair value through profit or loss	725	5	730
Derivative contracts	5,825	4	5,829
Receivables from customers	73,540	646	74,186
Non-life Insurance assets	3,988	-	3,988
Life Insurance assets	12,054	-	12,054
Investment assets	11,623	175	11,798
Investment accounted for using the equity method	88	-	88
Intangible assets	1,353	0	1,353
Property, plant and equipment (PPE)	833	6	839
Other assets	1,681	4	1,685
Tax assets	142	1	143
Total assets	**117,325**	**917**	**118,242**
Liabilities to credit institutions	1,473	52	1,525
Financial liabilities at fair value through profit or loss	0	-	0
Derivative contracts	5,620 -		5,620
Liabilities to customers	54,892	706	55,598
Non-life Insurance liabilities	3,225	-	3,225
Life Insurance liabilities	11,695	-	11,695
Debt securities issued to the public	25,866	12	25,877
Provisions and other liabilities	3,449	9	3,457
Tax liabilities	857	5	862
Supplementary cooperative capital	98	16	114
Subordinated liabilities	1,577	-	1,577
Total liabilities	**108,752**	**799**	**109,551**
Equity capital			
Share of OP Financial Group's owners			
Share and cooperative capital	2,386	2	2,387
Share capital	0	-	0
Membership capital contributions	151	2	153
Profit shares	2,235	-	2,235
Fair value reserve	230	0	230
Other reserves	2,018	67	2,085
Retained earnings	3,862	49	3,911
Non-controlling interests	77	-	77
Total equity capital	**8,573**	**118**	**8,690**
Total liabilities and equity capital	**117,325**	**917**	**118,242**

Note 3. OP Financial Group's formulas for key figures and ratios

	Q1–Q3/ 2015	Q1–Q3/ 2014	Q1–Q4/ 2014
Return on equity, %	12.0	8.7	8.1
Return on equity at fair value, %	12.0	6.8	5.7
Return on assets, %	0.83	0.60	0.57
Cost/income ratio, %	50	55	56
Average personnel	12,195	12,605	12,548
Full-time	11,364	11,739	11,663
Part-time	831	866	885

Return on equity (ROE), %

$$\frac{\text{Profit for the period}}{\text{Equity capital (average of the beginning and end of the period)}} \times 100$$

Return on equity at fair value, %

$$\frac{\text{Total comprehensive income for the period}}{\text{Equity capital (average of the beginning and end of the period)}} \times 100$$

Return on assets (ROA), %

$$\frac{\text{Profit for the period}}{\text{Average balance sheet total (average of the beginning and end of the period)}} \times 100$$

Equity ratio, %

$$\frac{\text{Equity capital}}{\text{Total assets}} \times 100$$

Cost/income ratio, %

$$\frac{\text{Personnel costs + other administrative expenses + other operating expenses}}{\text{Net interest income + net income from Non-life Insurance operations + net income from Life Insurance operations + net commissions and fees + net trading income + net investment income + other operating income + share of associates' profits/losses}} \times 100$$

Common Equity Tier 1 ratio, % (CET1)*

$$\frac{\text{Common Equity Tier 1 (CET1)}}{\text{Total risk-weighted assets}} \times 100$$

*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.

Tier 1 ratio, %

$$\frac{\text{Total Tier 1 capital}}{\text{Total risk-weighted assets}} \times 100$$

Capital adequacy ratio, %

$$\frac{\text{Total capital}}{\text{Total risk-weighted assets}} \times 100$$

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

$$\frac{\text{Conglomerate's total capital}}{\text{Conglomerate's total minimum capital requirement}} \times 100$$

Return on economic capital, %

$$\frac{\text{Earnings + customer bonuses after tax (value rolling 12 month)}}{\text{Average economic capital}} \times 100$$

Non-life Insurance:

Combined ratio (excl. unwinding of discount), %	Loss ratio + expense ratio Risk ratio + cost ratio	
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
Risk ratio (excl. unwinding of discount), %	Claims excl. loss adjustment expenses / Net insurance premium revenue	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 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
Cost ratio, %	Operating expenses and loss adjustment expenses / Net insurance premium revenue	x 100
Operating cost ratio	Operating expenses and loss adjustment expenses / Net insurance premium revenue excl. changes in reserving bases	x 100
Solvency ratio, %	Solvency capital / Insurance premium revenue	x 100
Solvency ratio, %*)	Capital base / Capital requirement (SCR)	x 100

*) According to the proposed Solvency II framework

Life Insurance:

Operating cost ratio, %	Operating expenses before change in deferred acquisitions costs + loss adjustment expenses / Expense loading x 100	x 100

Note 4. OP Financial Group quarterly performance

	2014		2015		
EUR million	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Interest income	692	660	644	620	612
Interest expenses	424	391	388	365	356
Net interest income	**269**	**269**	**256**	**256**	**256**
Impairments of receivables	17	38	21	15	10
Net interest income after impairments	**252**	**231**	**234**	**240**	**245**
Net income from Non-life Insurance operations	142	138	169	174	154
Net income from Life Insurance operations	47	29	104	45	61
Net commissions and fees	172	175	199	175	169
Net trading income	28	5	24	40	22
Net investment income	7	21	19	47	18
Other operating income	14	14	12	13	8
Personnel costs	166	190	214	187	172
Other administrative expenses	98	101	102	102	90
Other operating expenses	98	102	82	87	69
Returns to owner-customers and accrued customer bonuses	49	48	46	51	50
Share of associates' profits/losses	0	2	4	0	2
Earnings before tax for the period	**251**	**176**	**320**	**308**	**299**
Income tax expense	56	36	63	93	59
Profit for the period	**196**	**140**	**257**	**215**	**240**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains/(losses) arising from remeasurement of defined benefit plans	-162	-153	-175	458	-51
Items that may be reclassified to profit or loss					
Change in fair value reserve					
Measurement at fair value	14	41	152	-253	-115
Cash flow hedge	17	7	7	-28	9
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	32	31	35	-92	10
Items that may be reclassified to profit or loss					
Measurement at fair value	-3	-8	-30	51	23
Cash flow hedge	-3	-1	-1	6	-2
Total comprehensive income for the period	**91**	**56**	**245**	**355**	**114**

Note 5. Net interest income

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Loans and other receivables	952	1,000	-5	1,328
Receivables from credit institutions and central banks	-3	4		4
Notes and bonds	129	150	-14	198
Derivatives (net)				
Derivatives held for trading	69	98	-29	133
Derivatives under hedge accounting	45	53	-15	64
Ineffective portion of cash flow hedge	-1	2		2
Liabilities to credit institutions	-3	-3	-2	-3
Liabilities to customers	-117	-166	-30	-210
Debt securities issued to the public	-267	-327	-18	-424
Subordinated debt	-30	-27	13	-36
Hybrid capital	-5	-5	9	-6
Financial liabilities held for trading	0	0	-69	0
Other (net)	-2	-7	-63	-4
Net interest income before fair value adjustment under hedge accounting	**767**	**775**	**-1**	**1,045**
Hedging derivatives	-61	-95	-36	-121
Value change of hedged items	61	94	-36	119
Total net interest income	**767**	**774**	**-1**	**1,043**

Note 6. Impairments of receivables

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Receivables eliminated as loan or guarantee losses	43	58	-26	71
Recoveries of receivables written off	-11	-10	-13	-13
Increase in impairment losses on individually assessed receivables	65	67	-3	110
Decrease in impairment losses on individually assessed receivables	-44	-68	35	-87
Collectively assessed impairment losses	-6	2		7
Total	**47**	**50**	**-6**	**88**

Note 7. Net income from Non-life Insurance

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Net insurance premium revenue				
Premiums written	1,196	1,163	3	1,393
Insurance premiums ceded to reinsurers	-47	-54	14	-54
Change in provision for unearned premiums	-122	-137	11	-29
Reinsurers' share	10	13	-28	1
Total	**1,037**	**986**	**5**	**1,310**
Net Non-life Insurance claims				
Claims paid	597	616	-3	828
Insurance claims recovered from reinsurers	-24	-23	-2	-29
Change in provision for unpaid claims	70	65	8	61
Reinsurers' share	8	-13		-15
Total	**652**	**646**	**1**	**845**
Net investment income, Non-life Insurance				
Interest income	34	42	-19	55
Dividend income	22	16	35	18
Property	4	2		5
Capital gains and losses				
Notes and bonds	15	55	-72	60
Shares and participations	72	48	50	53
Loans and receivables	-	0		0
Property	0	0	100	0
Derivatives	-1	-21	94	-22
Fair value gains and losses				
Notes and bonds	-1	1		2
Shares and participations	-2	0		-1
Loans and receivables	1	1	-23	1
Property	1	3	-71	2
Derivatives	6	-1		-2
Impairments	-7	-2		-2
Other	0	1	-38	1
Total	**143**	**145**	-1	**169**
Unwinding of discount	-29	-31	7	-41
Other	-3	-4	13	-5
Net income from Non-life Insurance	**496**	**450**	**10**	**589**

Note 8. Net income from Life Insurance

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Premiums written	1,015	880	15	1,230
Reinsurers' share	-17	-17	-3	-23
Total	**998**	**863**	**16**	**1,207**
Claims incurred				
Benefits paid	-604	-551	-10	-738
Change in provision for unpaid claims	-6	-4	-56	-9
Reinsurers' share	7	6	21	9
Change in insurance liabilities				
Change in life insurance provision	-481	229		-168
Reinsurers' share	3	1		1
Total	**-1,080**	**-319**		**-905**
Other	107	-1,193		-1,215
Total	**24**	**-648**		**-914**
Net investment income, Life Insurance				
Interest income	37	37	0	50
Dividend income	34	34	2	42
Property	2	-1		0
Capital gains and losses				
Notes and bonds	12	28	-56	33
Shares and participations	63	58	7	63
Loans and receivables	1	1	-18	1
Property	0	0		0
Derivatives	-16	-7		249
Fair value gains and losses				
Notes and bonds	-1	1		1
Shares and participations	-	-1		-1
Loans and receivables	0	0	-63	1
Property	1	3	-66	1
Derivatives	-23	219		40
Impairments	-12	-9	-30	-13
Other	0	1	-50	1
Assets serving as cover for unit-linked policies				
Shares and participations				
Capital gains and losses	202	61		81
Fair value gains and losses	-143	354		511
Other	26	36	-29	51
Total	**186**	**816**	**-77**	**1,111**
Net income from Life Insurance	**210**	**168**	**25**	**197**

Note 9. Net commissions and fees

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Commission income				
Lending	152	157	-4	207
Deposits	4	4	-3	5
Payment transfers	188	177	6	238
Securities brokerage	17	17	0	23
Securities issuance	11	9	20	11
Mutual funds brokerage	93	78	19	109
Asset management and legal services	60	60	0	82
Insurance brokerage	52	55	-5	67
Guarantees	16	17	-7	22
Other	70	70	0	95
Total	**663**	**645**	**3**	**859**
Commission expenses	120	113	6	152
Net commissions and fees	**543**	**532**	**2**	**707**

Note 10. Net trading income

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Capital gains and losses				
Notes and bonds	-6	8		7
Shares and participations	5	3	69	4
Derivatives	71	16		25
Changes in fair value				
Notes and bonds	-5	2		2
Shares and participations	-4	1		1
Derivatives	10	34	-72	21
Dividend income	0	0	-19	1
Net income from foreign exchange operations	15	19	-21	28
Total	**85**	**83**	**2**	**88**

Note 11. Net investment income

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds	28	11		15
Shares and participations	39	8		23
Dividend income	14	27	-48	39
Impairment losses	-1	-3	-83	-4
Carried at amortised cost				
Capital gains and losses	-1	1		0
Total	**79**	**44**	**81**	**73**
Investment property				
Rental income	32	32	-1	43
Maintenance charges and expenses	-22	-23	6	-36
Changes in fair value, capital gains and losses	-5	0		-6
Other	0	0	-36	0
Total	**5**	**9**	**-50**	**1**
Other	-	0	-100	0
Net investment income	**84**	**53**	**59**	**74**

Note 12. Other operating income

EUR million	Q1–Q3/ 2015	Q1–Q3/ 2014	Change, %	Q1–Q4/ 2014
Income from property and business premises in own use	11	13	-16	15
Rental income from assets rented under operating lease	3	3	20	3
Other	19	22	-12	33
Total	**33**	**37**	**-11**	**52**

Note 13. Classification of financial assets and liabilities

EUR million	Loans and other receivables	Invest-ments held to maturity	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives	Total
Assets						
Cash and cash equivalents	4,958	-	-	-	-	4,958
Receivables from credit institutions	591	-	-	-	-	591
Derivative contracts	-	-	5,276	-	554	5,829
Receivables from customers	74,186	-	-	-	-	74,186
Non-life Insurance assets	709	-	179	3,099	-	3,988
Life Insurance assets	210	-	8,204	3,640	-	12,054
Notes and bonds	-	110	660	10,641	-	11,412
Shares and participations	-	-	70	515	-	584
Other financial assets	1,685	-	-	-	-	1,685
Financial assets	**82,339**	**110**	**14,388**	**17,896**	**554**	**115,287**
Other than financial instruments						2,955
Total 30 Sep 2015	**82,339**	**110**	**14,388**	**17,896**	**554**	**118,242**
Total 30 Sep 2014	**77,893**	**206**	**13,003**	**14,601**	**562**	**106,265**
Total 31 Dec. 2014	**80,915**	**191**	**13,620**	**15,129**	**572**	**110,427**

EUR million	Financial liabilities at fair value through profit or loss	Other liabilities	Hedging derivatives	Total
Liabilities				
Liabilities to credit institutions	-	1,525	-	1,525
Financial liabilities held for trading (excl. derivatives)	0	-	-	0
Derivative contracts	5,271	-	350	5,620
Liabilities to customers	-	55,598	-	55,598
Non-life Insurance liabilities	2	3,223	-	3,225
Life Insurance liabilities	8,069	3,626	-	11,695
Debt securities issued to the public	-	25,877	-	25,877
Subordinated loans	-	1,577	-	1,577
Other financial liabilities	-	2,726	-	2,726
Financial liabilities	**13,342**	**94,152**	**350**	**107,844**
Other than financial liabilities				1,708
Total 30 Sep 2015	**13,342**	**94,152**	**350**	**109,551**
Total 30 Sep 2014	**11,595**	**87,579**	**376**	**99,550**
Total 31 Dec. 2014	**12,630**	**90,198**	**386**	**103,214**

Bonds included in debt securities issued to the public are carried at amortised cost. On 30 Sep, the fair value of these debt instruments was approximately EUR 419 million higher than their carrying amount, based on information available in markets and employing commonly used valuation techniques. Subordinated liabilities are carried at amortised cost. Their fair values are higher than their amortised costs, but determining reliable fair values involves uncertainty.

Note 14. Recurring fair value measurements by valuation technique

Fair value of assets on 30 Sep 2015, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	403	327	-	730
Non-life Insurance	-	8	-	8
Life Insurance*	6,086	1,948	-	8,033
Derivative financial instruments				
Banking	5	5,682	142	5,829
Non-life Insurance -		10	-	10
Life Insurance	-	68	-	68
Available-for-sale				
Banking	8,521	2,622	13	11,156
Non-life Insurance	1,535	1,337	228	3,099
Life Insurance	1,915	1,371	355	3,640
Total	**18,465**	**13,373**	**737**	**32,575**

*Includes 8,032 million euros in the fair value of assets covering unit-linked policies, with Level 1 accounting for 6,086 million and Level 2 for 1,946 million euros.

Fair value of assets on 31 Dec 2014, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	183	244	0	427
Non-life Insurance	-	7	-	7
Life Insurance*	7,202	289	7	7,499
Derivative financial instruments				
Banking	7	5,711	202	5,920
Non-life Insurance	1	11	-	12
Life Insurance	-	66	-	66
Available-for-sale				
Banking	6,631	2,150	27	8,807
Non-life Insurance	1,546	1,156	258	2,960
Life Insurance	1,944	1,076	341	3,362
Total	**17,514**	**10,710**	**835**	**29,060**

*Includes 7,492 million euros in the fair value of assets covering unit-linked policies, with Level 1 accounting for 7,202 million euros and Level 2 for 289 million euros.

Fair value of liabilities on 30 Sep 2015, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	-	0	-	0
Life Insurance*	6,107	1,954	-	8,061
Derivative financial instruments				
Banking	58	5,448	114	5,620
Non-life Insurance	0	2	-	2
Life Insurance	-	8	-	8
Total	**6,165**	**7,412**	**114**	**13,692**

Fair value of liabilities on 31 Dec 2014, EUR million	Level 1	Level 2	Level 3	Total
Recognised at fair value through profit or loss				
Banking	-	4	-	4
Life Insurance*	7,223	290	-	7,513
Derivative financial instruments				
Banking	57	5,303	130	5,489
Non-life Insurance	2	0	-	2
Life Insurance	-	8	-	8
Total	**7,282**	**5,604**	**130**	**13,016**

*Includes the fair value of liabilities of unit-linked policies and unit-linked investment contracts.

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 2015, EUR 19.4 million were transferred from level 1 to 2 and EUR 2.9 million in bonds were transferred from level 2 to level 1, due to changes in credit ratings.

Reconciliation of Level 3 items

Specification of financial assets and liabilities

	Financial assets at fair value through profit or loss		Derivative contracts		Available-for-sale financial assets		
Financial assets, EUR million	**Banking**	**Insurance**	**Banking**	**Insurance**	**Banking**	**Insurance**	**Total assets**
Opening balance 1 Jan 2015	0	7	202	-	27	599	835
Total gains/losses in profit or loss	0	-	-60	-	3	-57	-114
Total gains/losses in other comprehensive income	-	-	-	-	-2	53	51
Purchases	-	-	-	-	-2	77	76
Sales		-	-	-	-13	-91	-104
Settlements	-	-7	-	-		-	-
Closing balance 30 Sep 2015	**-**	**0**	**142**	**-**	**13**	**583**	**737**

	Financial assets at fair value through profit or loss		Derivative contracts		
Financial liabilities, EUR million	**Banking**	**Insurance**	**Banking**	**Insurance**	**Total assets**
Opening balance 1 Jan 2015	-	-	130	-	130
Total gains/losses in profit or loss	-	-	-15	-	-15
Closing balance 30 Sep 2015	**-**	**-**	**114**	**-**	**114**

Total gains/losses included in profit or loss by item on 30 Sep 2015

EUR Million	**Net interest income or net trading income**	**Net investment income**	**Net income from Non-life Insurance**	**Net income from Life Insurance**	**Statement of comprehensive income/ Change in fair value reserve**	**Net gains/losses on assets and liabilities held on 30 Sep**
Realised net gains (losses)	0	-	-40	-17	-	**-57**
Unrealised net gains (losses)	-45	3	13	40	51	**62**
Total net gains (losses)	**-45**	**3**	**-27**	**23**	**51**	**6**

Derivatives included in Level 3 comprise structured derivatives for customer needs, whose market risk is covered by a corresponding derivatives contract. Level 3 derivatives relate to structured bonds issued by Pohjola, whose return is determined by the value performance of an embedded derivative instrument. The 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 2015.

Note 15. Non-life Insurance assets

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Investments				
Loan and other receivables	12	61	-80	14
Shares and participations	398	450	-11	463
Property	161	163	-1	161
Notes and bonds	2,521	2,273	11	2,297
Derivatives	10	5		12
Other participations	189	254	-26	207
Total	**3,290**	**3,205**	**3**	**3,154**
Other assets				
Prepayments and accrued income	30	29	2	33
Other				
Arising from direct insurance operations	450	374	20	404
Arising from reinsurance operations	120	123	-2	100
Cash in hand and at bank	4	41	-90	41
Other receivables	93	149	-37	66
Total	**697**	**716**	**-3**	**643**
Non-life Insurance assets	**3,988**	**3,922**	**2**	**3,797**

Note 16. Life Insurance assets

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Investments				
Loan and other receivables	47	60	-22	59
Shares and participations	887	1,188	-25	1,160
Property	102	104	-1	101
Notes and bonds	2,754	1,791	54	2,209
Derivatives	68	290	-76	66
Total	**3,859**	**3,433**	**12**	**3,594**
Assets covering unit-linked insurance contracts				
Shares, participations and other investments	8,032	7,127	13	7,492
Other assets				
Prepayments and accrued income	53	42	25	49
Other				
Arising from direct insurance operations	3	3	-6	11
Arising from reinsurance operations	80	77	4	79
Cash in hand and at bank	27	11		13
Total	**163**	**134**	**22**	**153**
Life Insurance assets	**12,054**	**10,694**	**13**	**11,238**

Note 17. Non-life Insurance liabilities

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Provision for unpaid claims				
Provision for unpaid claims for annuities	1,344	1,310	3	1,316
Other provision for unpaid claims	956	886	8	886
Reserve for decreased discount rate*	2	4	-51	12
Total	2,302	2,200	5	2,213
Provisions for unearned premiums	646	613	5	523
Other liabilities	277	408	-32	235
Total	**3,225**	**3,222**	**0**	**2,972**

*Value of hedges of insurance liability.

Note 18. Life Insurance liabilities

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Liabilities for unit-linked insurance	6,678	5,828	15	6,164
Investment contracts	1,383	1,309	6	1,349
Insurance liabilities	3,549	3,576	-1	3,649
Other liabilities	84	303	-72	68
Total	**11,695**	**11,016**	**6**	**11,230**

Supplementary interest rate provisions related to insurance liabilities totalled EUR 419 million (379) on 30 Sep. A one percentage-point increase in interest rates reduces insurance liabilities by EUR 240 million.

Note 19. Debt securities issued to the public

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Bonds	11,923	10,384	15	10,100
Covered bonds	7,771	7,943	-2	7,811
Certificates of deposit, commercial papers and ECPs	6,169	6,288	-2	7,031
Other	15	36	-59	14
Total	**25,877**	**24,651**	**5**	**24,956**

Note 20. Fair value reserve after income tax

EUR million	Available-for-sale financial assets Notes and bonds	Shares, participations and mutual funds	Cash flow hedging	Total
Opening balance 1 Jan. 2014	**63**	**238**	**27**	**328**
Fair value changes	144	88	90	321
Capital gains transferred to income statement	-35	-98	-	-133
Impairment loss transferred to income statement	0	1	-	1
Transfers to net interest income	-	-	-24	-24
Holdings in Pohjola Bank plc purchased from non-controlling interests	-25	-65	-7	-97
Deferred tax	-17	15	-12	-14
Closing balance 30 Sep 2014	**130**	**178**	**74**	**382**

EUR million	Available-for-sale financial assets Notes and bonds	Shares, participations and mutual funds	Cash flow hedging	Total
Opening balance 1 Jan. 2015	**139**	**206**	**80**	**425**
Fair value changes	-118	37	10	-71
Capital gains transferred to income statement	-29	-132	-	-160
Impairment loss transferred to income statement	0	10	-	10
Transfers to net interest income	-	-	-24	-24
One-off effect of transfer of POP Group banks to OP Financial Group	0	1	1	2
Deferred tax	29	17	3	49
Closing balance 30 Sep 2015	**22**	**138**	**70**	**230**

The fair value reserve before tax amounted to EUR 287 million (531) and the related deferred tax liability amounted to EUR 57 million (106). On 30 Sep, positive mark-to-market valuations of equity instruments in the fair value reserve totalled EUR 246 million (315) million and negative mark-to-market valuations EUR 25 million (15).

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

Note 21. Impairment loss and doubtful receivables

Receivables from credit institutions and customers, and impairment loss, EUR million	30 Sep 2015	31 Dec 2014
Receivables from credit institutions and customers (gross)	75,281	71,851
Total impairment loss, of which	503	483
Individually assessed	443	417
Collectively assessed	60	65
Receivables from credit institutions and customers (net)	**74,777**	**71,369**

Doubtful receivables 30 Sep 2015, EUR million	Performing receivables from credit institutions and customers (gross)	Non-performing receivables from credit institutions and customers (gross)	Receivables from credit institutions and customers, total (gross)	Individually assessed	Receivables from credit institutions and customers (net)
More than 90 days past due		599	599	254	344
Classified as defaulted		540	540	153	388
Forborne receivables					
Renegotiated	1,182	158	1,340	37	1,303
Total	**1,182**	**1,297**	**2,479**	**443**	**2,035**

Doubtful receivables 31 Dec 2014, EUR million	Performing receivables from credit institutions and customers (gross)	Non-performing receivables from credit institutions and customers (gross)	Receivables from credit institutions and customers, total (gross)	Individually assessed	Receivables from credit institutions and customers (net)
More than 90 days past due		511	511	241	270
Classified as defaulted		507	507	149	358
Forborne receivables					
Renegotiated	836	205	1,041	27	1,014
Total	**836**	**1,223**	**2,059**	**417**	**1,642**

Key ratio, %	30 Sep 2015	31 Dec 2014
Exposures individually assessed for impairment, % of doubtful receivables	17.9 %	20.3 %

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 more than three months. Contracts with the lowest two credit ratings (11–12) are reported as defaulted. Forborne receivables include receivables that have been renegotiated due to the customer's financial difficulties. The loan terms and conditions of renegotiated receivables have been eased due to the customer's financial difficulties for example by transferring to interest only terms for a period of 6–12 months. Underpriced and zero-interest receivables previously reported under doubtful receivables have been removed from the definition of forborne loans.

Note 22. Capital structure and capital adequacy

The Group has presented its capital base and capital adequacy in accordance with the EU capital requirement regulation and directive (EU 575/2013) (CRR).

Capital structure and capital adequacy, EUR million	**30 Sep 2015**	**30 Sep 2014**	**Change, %**	**31 Dec 2014**
OP Financial Group's equity capital	8,690	6,715	29	7,213
The effect of insurance companies on the Group's shareholders' equity is excluded	-109	-314	65	-40
Fair value reserve, cash flow hedging	-70	-74	6	-80
Supplementary cooperative capital to which transitional provision applies	151	241		192
Common Equity Tier 1 (CET1) before deductions	**8,661**	**6,567**	**32**	**7,285**
Intangible assets	-493	-446	-11	-450
Excess funding of pension liability and valuation adjustments	-43	-30	-41	-1
Planned profit distribution and profit distribution unpaid for the previous period	-47	-11		-22
Unrealised gains under transitional provisions	-	-91		-90
Shortfall of impairments – expected losses	-319	-353	10	-339
Common Equity Tier 1 (CET1)	**7,759**	**5,637**	**38**	**6,384**
Subordinated loans to which transitional provision applies	141	161		161
Additional Tier 1 capital (AT1)	**141**	**161**		**161**
Tier 1 capital (T1)	**7,900**	**5,797**	**36**	**6,544**
Debenture loans	1,252	697	80	708
OVY's equalisation provision	-	235	-100	35
Unrealised gains under transitional provisions	-	33		29
Tier 2 Capital (T2)	**1,252**	**965**	**30**	**772**
Total capital base	**9,152**	**6,762**	**35**	**7,316**
Risk-weighted assets				
Credit and counterparty risk	36,739	37,122	-1	37,693
Central government and central banks exposure	27	30	-13	30
Credit institution exposure	1,197	1,301	-8	1,275
Corporate exposure	20,909	20,331	3	21,173
Retail exposure	5,169	5,355	-3	5,234
Equity investments*)	7,487	7,766	-4	7,663
Other**)	1,950	2,339	-17	2,318
Market risk	1,401	1,227	14	1,377
Operational risk	3,521	3,182	11	3,182
Total	**41,661**	**41,531**	**0**	**42,252**

Ratios, %	30 Sep 2015	30 Sep 2014	Change, percentage point	31 Dec 2014
CET1 capital ratio	18.6	13.6	5.1	15.1
Tier 1 ratio	19.0	14.0	5.0	15.5
Capital adequacy ratio	22.0	16.3	5.7	17.3

Basel I floor, EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Capital base	9,152	6,762	35	7,316
Basel I capital requirements floor	3,853	3,620	6	3,642
Capital buffer for Basel I floor	5,300	3,142	69	3,674

Leverage ratio

EUR million	30 Sep 2015	31 Dec 2014
Tier 1 capital (T1)	7,900	6,544
Total exposure	110,294	102,050
Leverage ratio, %	7.2	6.4

*) The risk weight of equity investments includes EUR 6.5 billion in insurance holdings within OP Financial Group.

**) EUR 215 million of Other exposures represent deferred tax assets that are treated with a risk weight of 250% instead of a deduction from common equity tier 1 capital.

OP Financial Group has applied transitional provisions regarding old capital instruments to supplementary cooperative capital and subordinated loans A total of 70% of the amounts outstanding on 31 December 2012 are included in the capital base.

Unrealised valuations are included in CET1 capital. Negative unrealised valuations a year ago were included in CET1 capital and positive unrealised valuations in tier 2 capital according to a statement issued by the Financial Supervisory Authority.

The leverage ratio that describes a company's debt levels is presented in accordance with the new draft rules. According to these rules, the minimum leverage ratio is three per cent. The calculated leverage ratio is based on Sep-end figures.

Capital base and risk-weighted assets include the capital adequacy ratios of the POP Group banks becoming members of the Amalgamation on 19 May 2015. The effect of the POP Group banks on the capital base was EUR 126 million and on risk-weighted assets EUR 481 million. Exposures under the leverage ratio include EUR 867 million in exposures of the transferred POP Group banks.

Note 23. Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
OP Financial Group's equity capital	8,690	6,715	29	7,213
Cooperative capital, hybrid instruments, perpetual bonds and debenture bonds	1,554	1,109	40	1,072
Other sector-specific items excluded from capital base	-79	-75	-6	-72
Goodwill and intangible assets	-1,313	-1,303	-1	-1,286
Equalisation provisions	-231	-172	-34	-179
Proposed profit distribution	-47	-11		-22
Items under IFRS deducted from capital base*	-46	-109	58	-79
Shortfall of impairments – expected losses	-293	-327	10	-313
Conglomerate's capital base, total	**8,236**	**5,828**	**41**	**6,334**
Regulatory capital requirement for credit institutions**	3,690	2,807	31	2,864
Regulatory capital requirement for insurance operations***	496	456	9	485
Conglomerate's total minimum capital requirement	**4,186**	**3,263**	**28**	**3,350**
Conglomerate's capital adequacy	**4,050**	**2,565**	**58**	**2,984**
Conglomerate's capital adequacy ratio (capital base/minimum of capital base) (%)	**197**	**179**		**189**

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

** Risk-weighted assets x 10.5%.

*** Minimum solvency margin.

The effect of the transferred POP Group banks on the amalgamation's capital adequacy ratio was 0.7 percentage points.

Note 24. Collateral given

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Collateral given on behalf of own liabilities and commitments				
Mortgages	1	1		1
Pledges	3	107	-98	6
Loans (as collateral for covered bonds)	8,839	9,145	-3	8,937
Other	744	795	-6	999
Other collateral given				
Pledges*	4,240	6,629	-36	6,273
Total	**13,826**	**16,676**	**-17**	**16,216**
Other secured liabilities	471	492	-4	474
Covered bonds	7,771	7,943	-2	7,811
Total secured liabilities	**8,241**	**8,435**	**-2**	**8,285**

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

Note 25. Off-balance-sheet items

EUR million	30 Sep 2015	30 Sep 2014	Change, %	31 Dec 2014
Guarantees	822	876	-6	878
Other guarantee liabilities	1,909	2,200	-13	2,007
Pledges	1	103		3
Loan commitments	10,428	8,901	17	8,839
Commitments related to short-term trade transactions	215	353	-39	319
Other	586	531	10	522
Total off-balance-sheet items	**13,961**	**12,963**	**8**	**12,567**

Note 26. Derivative contracts

	Nominal values / remaining term to maturity				Fair values*	
30 Sep 2015, EUR million	**<1 year**	**1–5 years**	**>5 years**	**Total**	**Assets**	**Liabilities**
Interest rate derivatives	44,886	86,495	58,789	190,170	4,629	4,181
Cleared by the central counterparty	6,513	24,462	24,289	55,264	895	854
Currency derivatives	27,836	9,564	6,653	44,053	1,347	1,455
Equity and index derivatives	255	66	-	321	14	0
Credit derivatives	-	144	70	214	8	12
Other derivatives	291	705	18	1,013	70	85
Total derivatives	**73,266**	**96,975**	**65,529**	**235,771**	**6,069**	**5,734**

	Nominal values / remaining term to maturity				Fair values*	
31 Dec 2014, EUR million	**<1 year**	**1–5 years**	**>5 years**	**Total**	**Assets**	**Liabilities**
Interest rate derivatives	52,318	94,284	48,599	195,201	5,144	4,719
Cleared by the central counterparty	4,370	24,526	15,008	43,904	876	867
Currency derivatives	16,170	9,028	5,639	30,837	1,034	975
Equity and index-linked derivatives	266	285	-	551	37	1
Credit derivatives	9	73	102	184	12	5
Other derivatives	232	840	56	1,129	73	67
Total derivatives	**68,995**	**104,510**	**54,396**	**227,901**	**6,301**	**5,766**

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

Note 27. Financial assets and liabilities offset in the balance sheet or subject to enforceable master netting arrangements or similar agreements

Financial assets

30 Sep 2015, 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	6,718	-888	5,829	-3,405	-813	1,612
Life Insurance derivatives	68	-	68	-8	-	60
Non-life Insurance derivatives	10	-	10	-2	-	8
Total derivatives	**6,796**	**-888**	**5,907**	**-3,415**	**-813**	**1,680**

Financial liabilities

30 Sep 2015, 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	6,468	-848	5,620	-3,405	-508	1,708
Life Insurance derivatives	8	-	8	-8	-	0
Non-life Insurance derivatives	2	-	2	-2	-	0
Total derivatives	**6,478**	**-848**	**5,630**	**-3,415**	**-508**	**1,708**

Financial assets

31 Dec 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	6,791	-871	5,920	-3,956	-722	1,242
Life Insurance derivatives	66	-	66	-8	-	58
Non-life Insurance derivatives	12	-	12	-1	-	11
Total derivatives	**6,869**	**-871**	**5,998**	**-3,965**	**-722**	**1,311**

Financial liabilities

31 Dec 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	6,351	-862	5,489	-3,956	-862	671
Life Insurance derivatives	8	-	8	-8	-	0
Non-life Insurance derivatives	2	-	2	-1	-	2
Total derivatives	**6,361**	**-862**	**5,499**	**-3,965**	**-862**	**672**

* Incl. daily cleared derivatives on a net basis included in cash and cash equivalents, totalling 40 (9) million euros.

**Fair values excluding accrued interest.

***It is OP Financial Group's practice to enter into master agreements for derivative transactions with all derivative counterparties.

Central counterparty clearing for OTC derivatives

In February 2013, OP Financial Group adopted central counterparty clearing in accordance with EMIR (Regulation (EU) No 648/2012). Standardised OTC derivative transactions entered into with financial counterparties are cleared in London Clearing House. 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 OP Financial Group will apply to derivative transactions between OP Financial Group 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 28. Related-party transactions

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

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

OP Cooperative purchased in June 2015 all OP Life Assurance Company Ltd and OP Card Company Plc shares held by member

cooperative banks and Helsinki OP Bank Ltd. The price paid for the shares was based on the opinions of external appraisers.

In other respects, related-party transactions have not undergone any substantial changes since 31 December 2014.

OP Financial Group's financial performance will be presented to the media by President and Group Executive Chairman Reijo Karhinen in a press conference on 28 October 2015 at 11 am at Gebhardinaukio 1, Vallila, Helsinki.

Pohjola Bank plc will publish its own Interim Report.

Financial reporting in 2016

Schedule for Financial Statements Bulletin for 2015 and Interim Reports in 2016:

Financial Statements Bulletin 2015	4 February 2016
Interim Report Q1/2016	27 April 2016
Interim Report H1/2016	3 August 2016
Interim Report Q1−3/2016	2 November 2016

OP Cooperative
Executive Board

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