

### CREDIT OPINION

25 July 2022

Update



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#### RATINGS

##### OP Corporate Bank plc

Domicile	Helsinki, Finland
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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## OP Corporate Bank plc

### Update to credit analysis

#### Summary

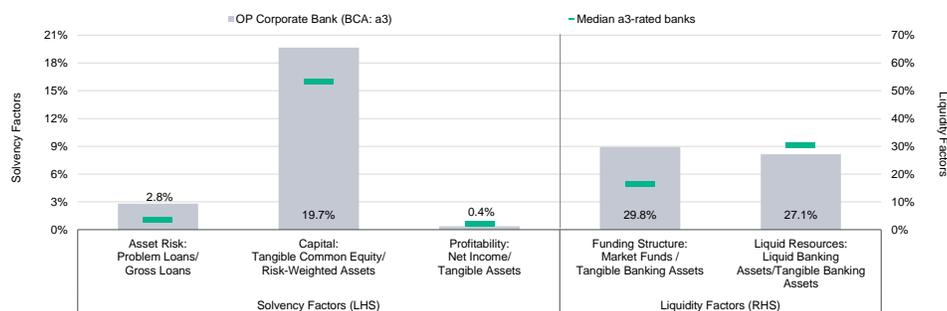
OP Corporate Bank's (OP) ratings reflect its key role within the OP Financial Group (OPFG), which is an amalgamation of member banks, and credit institutions, bound by a joint liability. This credit opinion primarily reflects Moody's view on the creditworthiness of the OPFG, with OP Corporate Bank being the unsecured debt issuing entity within the group and acting as the group's treasury.

OP Corporate Bank's BCA and adjusted BCA of a3 reflects the group's: 1) strong capitalization with a Tangible Common Equity (TCE) ratio of 19.7% at the end of March 2022, 2) low asset risk, with a problem loan ratio at 2.8% at the end of March 2022; as well as 3) moderate earnings, and 4) modest reliance on market funding. The joint liability agreement effectively links the key credit institutions operating under the OPFG and align the BCA of the bank with that of the group.

OP Corporate Bank Plc's Aa3 deposit and senior unsecured debt ratings reflect: (1) the bank's baseline credit assessment (BCA) and the adjusted BCA of a3, (2) the results from our Advanced Loss Given Failure (LGF) analysis, which takes into account the severity of loss faced by the different liability classes in resolution, and which leads to two notches of rating uplift for OP Corporate Bank's deposit and senior unsecured ratings, and (3) our assumption of moderate likelihood of support from the [Finnish Government](#) (Aa1, stable) in case of need, which results in one notch of additional uplift.

Exhibit 1

#### Rating Scorecard - Key Financial Ratios



Note: The ratios represent the financials of OPFG. The group's asset risk and profitability ratios are the weaker out of the average of the latest three year-end ratios or the latest reported ratio. The capital ratio is the latest reported figure. The funding structure and liquid asset ratios are the latest year-end figures.

Source: Moody's Financial Metrics

## Credit Strengths

- » The group is a market leader in Finland within both bank and insurance with successful cross-selling
- » High capitalisation, with strong leverage ratio of the OPFG and good capital position of the bank, although TCE and Common Equity Tier 1 (CET1) are trending downward due to prudential measures
- » The joint liability amongst OP Cooperative and member credit institutions ensures that OP corporate bank's obligations are backed by all other credit institutions of the group

## Credit Challenges

- » Moderate efficiency with income under pressure from high IT investment
- » The group has a certain reliance on wholesale funding, although with extended maturity profile

## Outlook

The stable outlook on the long-term ratings incorporates our view that OP Financial Group's fundamentals will remain overall stable over the next 12 to 18 months.

## Factors that Could Lead to an Upgrade

Factors that could lead to an upgrade of the BCA include a combination of: (1) sustained improvements in asset risk; (2) stronger recurring profitability; (3) reduction in the overall wholesale funding dependence in favour for a higher proportion of deposit funding for the group. The deposit and senior ratings could also be upgraded due to significant issuances of more junior obligations resulting in additional buffers of loss absorbing liabilities in case of failure.

## Factors that Could Lead to a Downgrade

Factors that could lead to a downgrade of the BCA include: (1) a deterioration of the group's funding conditions; (2) a weakening of asset quality, with the problem loan ratio deteriorating to above 4%; and (3) a significant lower recurring profitability (4) permanent weakening of capitalisation, both in terms of risk-based capitalisation and leverage.

Furthermore, if the volumes of outstanding loss absorbing obligations protecting creditors and depositors in case of failure decline significantly in relation to tangible banking assets of the group, it could lead to a downgrade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### OP Financial Group (Consolidated Financials) [1]

	03-22 <sup>2</sup>	12-21 <sup>2</sup>	12-20 <sup>2</sup>	12-19 <sup>2</sup>	12-18 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (EUR Million)	169,418.0	174,110.0	157,103.0	143,516.0	137,278.0	6.7 <sup>4</sup>
Total Assets (USD Million)	188,501.9	197,285.1	192,224.3	161,096.5	156,928.6	5.8 <sup>4</sup>
Tangible Common Equity (EUR Million)	12,857.0	13,289.0	12,065.0	11,538.0	10,897.0	5.2 <sup>4</sup>
Tangible Common Equity (USD Million)	14,305.3	15,057.8	14,762.2	12,951.4	12,456.8	4.3 <sup>4</sup>
Problem Loans / Gross Loans (%)	2.8	2.7	2.7	1.6	1.6	2.3 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	19.7	20.2	20.2	20.8	20.9	20.4 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	20.3	18.6	20.1	12.0	11.9	16.6 <sup>5</sup>
Net Interest Margin (%)	0.8	0.9	0.9	0.9	0.9	0.9 <sup>5</sup>
PPI / Average RWA (%)	1.3	2.2	1.5	2.0	1.5	1.7 <sup>6</sup>
Net Income / Tangible Assets (%)	0.4	0.6	0.4	0.5	0.4	0.4 <sup>5</sup>
Cost / Income Ratio (%)	73.1	61.1	70.2	66.4	72.8	68.7 <sup>5</sup>
Market Funds / Tangible Banking Assets (%)	28.8	29.8	26.8	25.7	26.8	27.6 <sup>5</sup>
Liquid Banking Assets / Tangible Banking Assets (%)	25.0	27.1	22.4	16.2	17.0	21.5 <sup>5</sup>
Gross Loans / Due to Customers (%)	130.4	125.4	128.4	134.7	132.4	130.3 <sup>5</sup>

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

## Profile

OP Financial Group is Finland's second largest banking and insurance group by assets, and largest by market share in Finland. The products and services by the group include retail banking, corporate- and investment banking, asset management, and insurance products to private individuals and corporate and institutional customers.

As of 31 March 2022, OPFG held Finnish market shares of 35% in terms of loans and 38% in terms of deposits. The bank mainly operates in Finland through a nationwide service network of 314 branches. As of 31 March 2022, the group reported a consolidated asset base of €169.4 billion.

The group originated in 1902 as the Central Lending Fund of the Cooperative Credit Societies Limited Company. In 1970, cooperative societies became cooperative banks. As of the end of March 2022, the OPFG comprised 119 independent cooperative banks, their central management body (OP Cooperative, or "the Central Cooperative") and its subsidiaries. As of that date, the cooperative member banks reported 2 million owner-customers, of which approximately 90% are households. Each member is entitled to one vote.

OP Corporate Bank Plc (formerly, Pohjola Bank Plc) is part of the OPFG and in addition to conducting corporate lending and capital markets activities it acts as the central treasury within the group and issuer of unsecured debt.

## Recent developments

We have lowered our [global growth projections](#) and raised inflation forecasts for 2022 and 2023 on account of several negative factors. The main drivers of the slowing economic momentum are ongoing supply shocks that are stoking inflation and eroding consumer purchasing power, and a shift toward more hawkish monetary policy globally, accompanied by financial market volatility, asset repricing and tighter credit conditions.

Our banking system [outlook](#) for Finland remains stable, while we expect that Finland's economic growth will slow in 2022, however, it will remain sufficiently strong to drive an increase in the banking sector's commission income. This will help offset continued pressure on Finnish banks' net interest income from still low interest rates and intense competition. The sector's problem loans will remain stable, and its strong capitalization will decline modestly as shareholder distributions resume. There is a significant risk to GDP forecast from Russia's invasion of Ukraine, which has exacerbated inflationary pressure and added to supply chain constraints.

During 2021 there has been consolidation through mergers of OP cooperative Banks around Finland. We view this as credit positive as the OPFG aims to increase its efficiency and become more competitive in the Helsinki and other growth areas.

## Detailed Credit Considerations

### OP Financial Group benefits from a joint liability amongst member credit institutions

Under Finland's Cooperative Bank Act, the OP Cooperative, OP Corporate Bank, Helsinki Area Cooperative Bank, OP Retail Customers Plc, OP Mortgage Bank and the member cooperative banks (combined, the bulk of OPFG's member credit institutions excluding insurance companies and other Group entities) are jointly responsible for each other's liabilities. Creditors can claim payment from the central cooperative if any member institution is unable to pay. Each member institution has an unlimited obligation to pay the debts of the central cooperative if the latter is unable to do so independently.

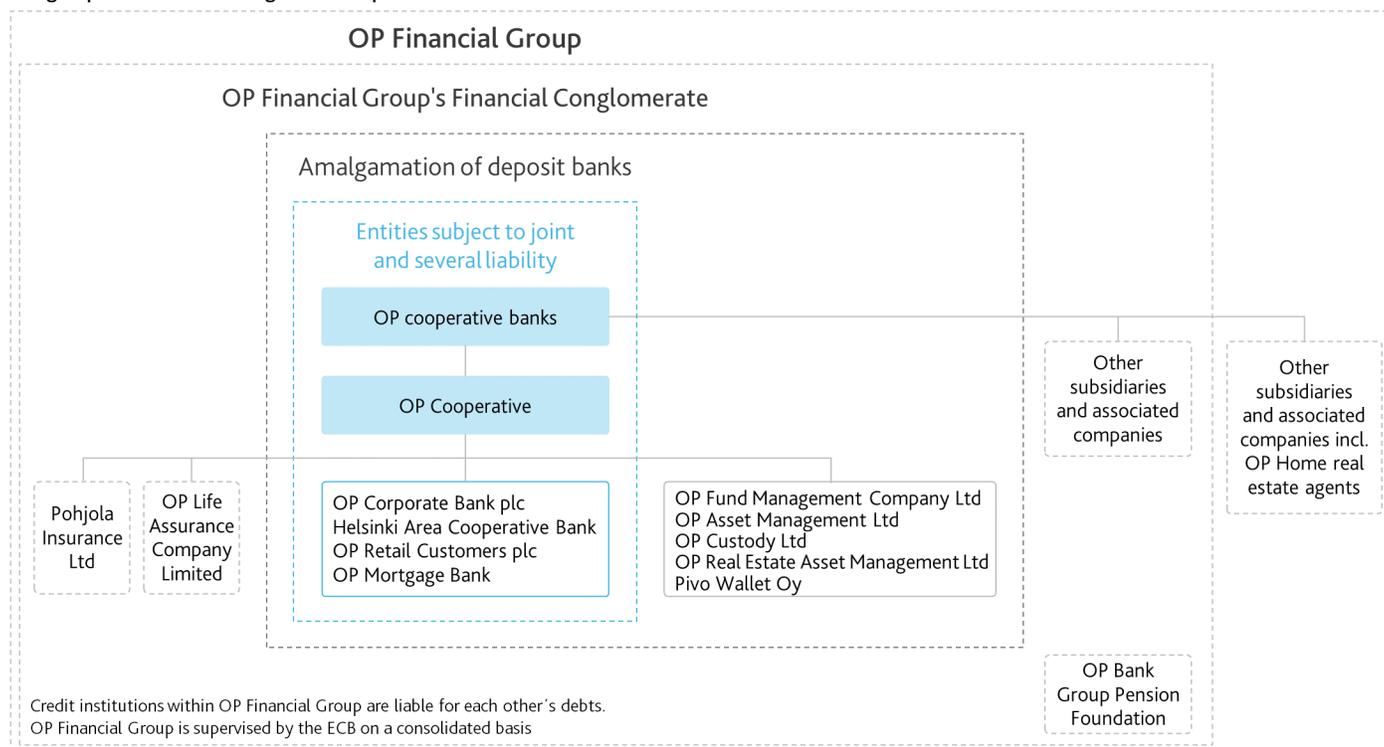
The central cooperative is under an obligation to supervise its member credit institutions, issue instructions to them on risk management, good corporate governance, and internal control to secure liquidity and capital adequacy, as well as instructions on compliance with standardised accounting policies in the preparation of the consolidated financial statements. Thus, we assess that it is very unlikely that a single entity within the joint liability would default on a payment before the group.

As OP Corporate Bank and other member credit institutions of OPFG are responsible for each other's liabilities OP Corporate Bank can issue debt at more advantageous interest rates, a credit positive.

Exhibit 3

### Structure of OP Financial Group and the scope of the joint liability as of the end of March 2022

The group structure has changed since September 2021



\* OP Corporate Bank plc is the rated entity

Sources: OP Financial Group, Moody's Investors Service

### Asset risk will remain stable

We expect OPFG's asset risk to remain broadly stable over the next 12-18 months, as it remained resilient during the pandemic because of government support measures and the Finnish economy also benefits from comparatively strong social safety nets.

OPFG has taken higher loan loss provisions, €83 million in Q1 2022 compared to €22 million during the year earlier period, because of the indirect effects of Russia's invasion of Ukraine and increased uncertainty in market conditions in general. Sectors particularly affected included agriculture, construction, transport and energy. As of the end of March 2022 OPFG reported Stage 3 loans (on and off

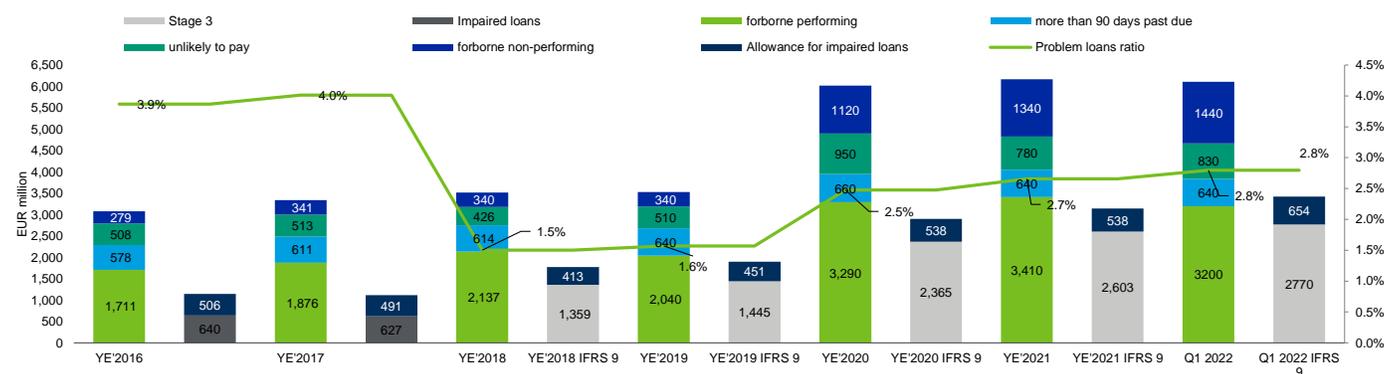
balance sheet) was 2.80% of gross loans, slightly up from 2.66% at year-end 2021. In 2020 both loans loss provisions and stage 3 loans were also affected somewhat negatively by the implementation of a new definition of default.

Since the implementation of IFRS 9 on 1 January 2018, the problem loan to gross loan ratio is based on Stage 3 exposures in order to increase peer comparability. We previously included the forbore performing loans in our asset risk ratio calculation, explaining the difference to the higher problem loan ratio in previous years (4.0% as of end of year 2017). The comparable figure at end of March 2022 was 6.2%.

The Group has a relatively low coverage with loan loss reserves over problem loans of 28.3% as of end of March 2022. However, the group has a large portfolio of housing loans (43% of loans) that we consider to be well covered by collateral.

Exhibit 4

#### Problem loan increase is primarily due to increase in performing forbore loans



Source: OPFG, Moody's Investors Service

The group is exposed to some concentration risks mainly owing to its large corporate lending book which also includes more volatile sectors. Exposure to the construction, renting and operating of residential or other real estate accounted for 23.0% of all corporate exposures as of December 2021. As a mitigating factor, we note the group's conservative borrower concentration limits which are well below regulatory requirements that no single customer exceeds 10% of the group's capital base after allowances and other credit risk mitigation.

The assigned asset risk score of a3 incorporates the above-mentioned constraints and sector concentration. An a3 score is equivalent to a problem loan ratio of below 4% under the [Finland Macro Profile](#) of Strong +.

#### OP Financial Group has the strongest Tier 1 leverage ratio among Nordic peers

We expect OPFG to remain well capitalised, but with a downward trend in risk adjusted capital due to higher risk weights. The bank reported a solid CET1 of 18.4% at the end of March 2022 (the CET1 ratio captures the capitalisation of the amalgamation of credit institutions, excluding equity in the insurance companies) and a tangible common equity (TCE) to risk-weighted assets of 19.7%. In addition the group maintained a very strong reported Tier 1 leverage ratio of 7.6% as of end-March 2022, the highest among its Nordic peers.

As of the end of March 2022, the bank has decided to apply a risk-weighted assets floor based on the standardised approach, in the calculation of its capital adequacy ratios. The application of the floor is expected to decrease the bank's CET1 ratio by up to 3 percentage points in the second quarter of 2022.

In 2020 and 2021 several regulatory changes decreased OPFG's capital ratios due to increased risk weights, albeit mitigated by the banks strong internal earnings capacity. While capital ratios will fall due to regulatory changes to risk weights we expect the buffers to remain prudently high, a reflection of the co-operative nature of the group. Since March 2020 the Finnish Financial Supervisory Authority (FIN-FSA) has set a 0% systemic risk buffer on OP Financial Group and an O-SII buffer requirement at 1%. The current regulatory CET1 requirement is 9.7% and the total capital requirement is 13.8%, including a Pillar 2 requirement of 2.25% set by the European Central Bank (ECB).

OP Cooperative's Board of Directors has decided that the group's long-term CET1 ratio target should be at least the regulatory CET1 capital requirement including a 400 basis point management buffer, which was 13.7% as of the end March 2022.

The assigned capital score of aa2 reflects OPFG's strong capital position, especially considering its strong leverage ratio, as well as the expected trend.

### Improved profitability in 2021 as the effects of the pandemic eased, earnings are expected to be lower in 2022

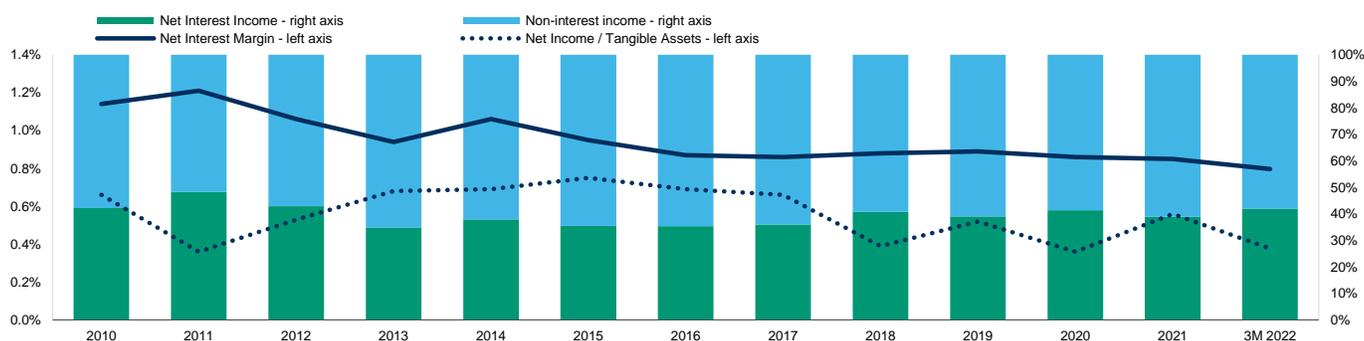
OPFG has a track record of consistent profitability, and 2021 was a strong year regarding improvements in profitability and cost efficiency, compared to 2020 where the expectation of a spike in pandemic-related credit losses drove a surge in loan loss provisions, straining profitability. In 2022 we expect earnings to be lower compared to 2021, yet remain moderate. Efforts to reduce costs and the repricing of loan portfolios will partly offset continued high IT investments.

The group's net income to tangible assets ratio decreased to 0.38% as of March 2022, compared to 0.52% during the same period a year earlier. This was primarily because net investment income, assets under management, and insurance income was affected negatively by the increased uncertainty in the operating environment and volatility in financial markets caused by Russia's invasion of Ukraine. Comparatively Q1 2021 was a record quarter with an extremely strong development in financial markets. Net insurance income and net investment income decreased to €18 million compared to €146 million a year earlier. Furthermore, higher loan loss provisions had a negative impact while we note that net interest income and net commission and fees, which are important revenue drivers, remained stable.

We recognise that OPFG has well-diversified income streams, and has successfully increased the contribution of non-interest income from its insurance operations and asset management to the overall total income (see Exhibit 5).

Exhibit 5

### Non-interest income is a large contributor for the total income of OP Financial Group



Source: OPFG, Moody's Investors Service

Total expenses increased to €329 million in Q1 2022 compared to €316 million in the same period previous year, because of a higher fee to the stability fund, while the ICT- and personnel costs remained stable. The bank's cost to income ratio increased to 73.1% as of March 2022, compared to 62.5% in the year-earlier period.

We expect the group's efficiency efforts, such as staff reductions at central functions and consolidating the number of branches, and IT developments to eventually lead to an improvement in OPFG's profitability. However, we expect profitability to be lower in 2022 compared to 2021 and expect the net income to tangible assets ratio remain below 0.5%.

### High reliance on wholesale funding, although mitigated by liquidity buffer

OP Corporate Bank currently has the role of central treasury for OPFG. Among other things, the bank is responsible for issuing senior unsecured debt and short-term debt as well as managing the group's liquidity buffer.

The group continues to be reliant on market funding, which expose them to swings in investor sentiment. Market funding of the group amounted to approximately 29.8% of tangible banking assets at the end of March 2022. Covered bonds, which we deem a stable source of funding, issued via OP Mortgage Bank (a specialised group subsidiary), accounted for approximately 34% of all issued debt securities.

In February 2022 the EU's Single Resolution Board (SRB), OPFG's resolution authority, updated OPFG's Minimum Requirement for own funds and Eligible Liabilities (MREL) to 9.9% of total liabilities and own funds, equivalent to 26.1% of the total risk exposure amount.

The subordination requirement supplementing the MREL will account for 22% of the total risk exposure amount from the beginning of 2022 and for 9.9% of the leverage ratio exposure amount. From the beginning of 2024 the subordination requirement will account for 24% of the total risk exposure amount and for 9.9% of the leverage ratio exposure amount. The subordination requirement can be fulfilled with capital and senior non-preferred debt.

OPFG currently complies with both requirements but will need to issue more senior non preferred debt before 2024 as the requirement increases. It has not yet communicated an updated funding plan to reflect the updated requirements.

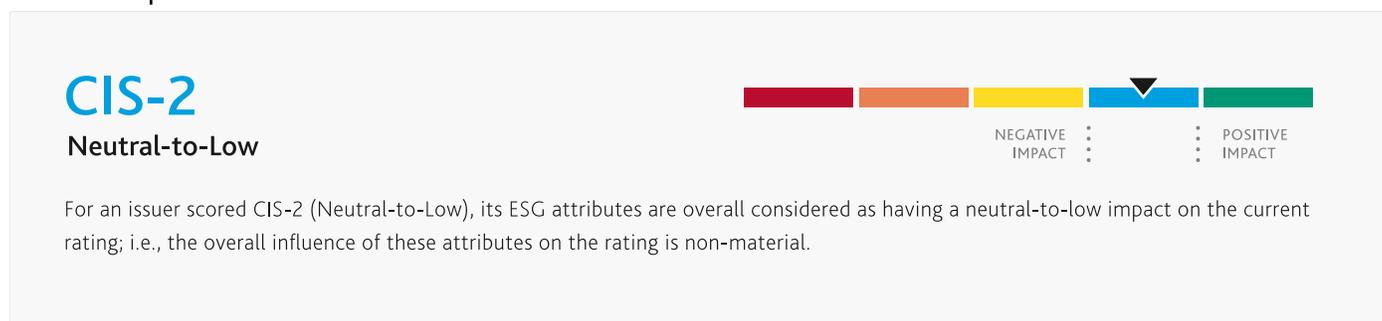
OPFG's liquidity buffer at market value and after collateral haircuts amounted to €31.7 billion at end of March 2022, and was sufficient to cover the short-term funding needs and predictable payment flows in a liquidity stressed scenario. We calculate the liquid banking assets to tangible assets at 27.1% as of the end of March 2021. OPFG monitors its liquidity and the adequacy of its liquidity buffer using the LCR (Liquidity Coverage Ratio) and on 31 March 2022, OPFG's LCR stood at 221%.

## ESG considerations

### OP CORPORATE BANK PLC's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 6

#### ESG Credit Impact Score



Source: Moody's Investors Service

OP's ESG Credit Impact Score is neutral-to-low (**CIS-2**). This reflects the limited credit impact of environmental and social risk factors on the rating to date, and the neutral-to-low governance risks. The bank's corporate governance framework is good, but there is some complexity in the group's structure that is mitigated by a low-risk appetite and a good track record.

Exhibit 7

#### ESG Issuer Profile Scores



Source: Moody's Investors Service

## Environmental

OP faces moderate environmental risks primarily because of its portfolio exposure to carbon transition risk as a diversified banking group. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, the bank is developing its climate risk and portfolio management capabilities.

## Social

OP faces moderate social risks related to regulatory and litigation risks, requiring high compliance standards. The exposure to customer relation risks is lower than that of its peers, given the bank's untarnished customer conduct track record. Cyber and personal data risks are mitigated by a strong IT and cyber framework, supported by good cooperation with other domestic and Nordic organisations.

## Governance

OP has neutral-to-low governance risks. OP has a strong compliance and risk management function with generally conservative financial policies and a favorable track record. However, the group's cooperative structure is more complex than those of its peers, which creates opacity that makes oversight more difficult.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Notching Considerations

### Loss Given Failure

Finland is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider to be an Operational Resolution Regime. We assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits, a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. In line with large European banks, we assume 26% of deposits are junior. These are in line with our standard assumptions.

Our advanced LGF analysis is based on the balance sheet of the entire OP Financial Group (excluding insurance assets), because all member credit institutions in OP Financial Group (excluding insurance companies and some other group companies) are liable for each other's obligations, in accordance with the Amalgamations Act.

Our LGF analysis, incorporating MREL requirements, results in a Preliminary Rating Assessment (PRA) of a1 for the deposits and senior unsecured debt, two notches above the Adjusted BCA, reflecting a very low loss-given failure. For the bank's junior senior debt our advanced LGF analysis result in a PRA of A3, in line with the adjusted BCA, reflecting a moderate loss-given failure.

For junior securities issued by OPFG, our LGF analysis confirms a high loss given failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity. We also incorporate additional notching for junior subordinated instruments, reflecting the coupon suspension risk ahead of a potential failure.

### Government Support

Following the introduction of BRRD, we believe the probability of government support for OP Corporate Bank's long-term and deposits ratings to be moderate, translating into one notch of uplift from its unsupported rating level, reflecting OP Corporate Bank's profile as one of the leading financial institutions in Finland. This results in one notch of uplift for the deposit and senior unsecured debt ratings to Aa3.

For senior non-preferred, Tier 2 debt securities, and AT1 debt, we assume that potential government support is low and as such these ratings do not include any related uplift.

### Counterparty Risk (CR) Assessment

**OP Corporate Bank's CR Assessment is Aa2(cr)/P-1(cr).**

The CR Assessment of OP Corporate Bank is positioned at Aa2(cr)/Prime-1(cr). Three of the notches above the adjusted BCA of a3 is based on the cushion against default provided to the senior obligations. In addition, the moderate probability of government support results in one notch uplift.

### Counterparty risk ratings (CRRs)

**OP Corporate Bank's CRRs are Aa2/P-1.**

The counterparty risk rating of Aa2 reflects the adjusted BCA of a3, three notches of uplift reflecting the extremely low loss-given failure from the high volume of instruments that are subordinated to CRR liabilities and one notch of uplift due to moderate probability of government support. The short-term CRR is P-1.

### About Moody's Bank Scorecard

Our Scorecard is designed to capture, express and explain in summary form our rating committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our Scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The Scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

## Rating methodology and scorecard factors

Exhibit 8

### OP Financial Group

MACRO FACTORS						
WEIGHTED MACRO PROFILE	STRONG +	100%				
FACTOR	HISTORIC RATIO	INITIAL SCORE	EXPECTED TREND	ASSIGNED SCORE	KEY DRIVER #1	KEY DRIVER #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2,8%	a2	↔	a3	Sector concentration	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19,7%	aa2	↓	aa2	Nominal leverage	
Profitability						
Net Income / Tangible Assets	0,4%	ba1	↑	baa3	Expected trend	
Combined Solvency Score		a2		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	29,8%	baa2	↔	baa2	Extent of market funding reliance	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	27,1%	a3	↔	a3	Stock of liquid assets	
Combined Liquidity Score		baa1		baa1		
Financial Profile						
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aa1		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		
<b>BALANCE SHEET</b>						
		<b>IN-SCOPE (EUR MILLION)</b>	<b>% IN-SCOPE</b>	<b>AT-FAILURE (EUR MILLION)</b>	<b>% AT-FAILURE</b>	
Other liabilities		48 991	34,1%	56 651	39,5%	
Deposits		75 096	52,3%	67 436	47,0%	
Preferred deposits		55 571	38,7%	52 792	36,8%	
Junior deposits		19 525	13,6%	14 644	10,2%	
Senior unsecured bank debt		9 304	6,5%	9 304	6,5%	
Junior senior unsecured bank debt		4 390	3,1%	4 390	3,1%	
Dated subordinated bank debt		1 468	1,0%	1 468	1,0%	
Equity		4 307	3,0%	4 307	3,0%	
Total Tangible Banking Assets		143 556	100,0%	143 556	100,0%	

DEBT CLASS	DE JURE WATERFALL		DE FACTO WATERFALL		NOTCHING		LGF NOTCHING VS. ADJUSTED BCA	LGF NOTCHING	ASSIGNED ADDITIONAL PRELIMINARY RATING ASSESSMENT	
	INSTRUMENT VOLUME SUBORDINATION	SUB-ORDINATION	INSTRUMENT VOLUME SUBORDINATION	SUB-ORDINATION	DE JURE	DE FACTO				
Counterparty Risk Rating	23,8%	23,8%	23,8%	23,8%	3	3	3	3	0	aa3
Counterparty Risk Assessment	23,8%	23,8%	23,8%	23,8%	3	3	3	3	0	aa3 (cr)
Deposits	23,8%	7,1%	23,8%	13,6%	2	3	2	2	0	a1
Senior unsecured bank debt	23,8%	7,1%	13,6%	7,1%	2	1	2	2	0	a1
Junior senior unsecured bank debt	7,1%	4,0%	7,1%	4,0%	0	0	0	0	0	a3
Dated subordinated bank debt	4,0%	3,0%	4,0%	3,0%	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	3,0%	3,0%	3,0%	3,0%	-1	-1	-1	-1	-2	baa3

INSTRUMENT CLASS	LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
	Counterparty Risk Rating	3	0	aa3	1	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	2	0	a1	1	Aa3	Aa3
Senior unsecured bank debt	2	0	a1	1	Aa3	Aa3
Junior senior unsecured bank debt	0	0	a3	0	A3	A3
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	Baa3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Investors Service

## Ratings

Exhibit 9

Category	Moody's Rating
<b>OP CORPORATE BANK PLC</b>	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured	Aa3
Junior Senior Unsecured	A3
Junior Senior Unsecured MTN	(P)A3
Subordinate	Baa1
Pref. Stock Non-cumulative	Baa3 (hyb)
Commercial Paper	P-1
<b>POHJOLA INSURANCE LTD</b>	
Outlook	Stable
Insurance Financial Strength	A2

Source: Moody's Investors Service

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