

## CREDIT OPINION

14 December 2018

Update

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### RATINGS

#### OP Corporate Bank plc

Domicile	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 following affirmation of OP Corporate Bank's Aa3 ratings; stable outlook

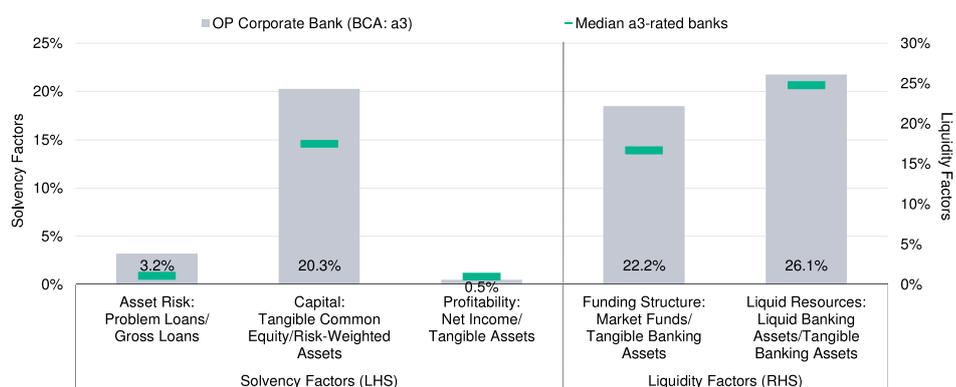
### Summary

Moody's Aa3 rating on OP Corporate bank reflects its key role within the OP Financial Group (OPFG), which is an amalgamation of member banks, and credit institutions, who are all part of 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 Plc's Aa3/Prime-1 deposit and senior unsecured debt ratings reflect: (1) the bank's standalone baseline credit assessment (BCA) and the adjusted BCA of a3, which fully incorporates the credit implications arising from the joint liability agreement shared by the key credit institutions operating under the OPFG, because the agreement effectively links these entities and align the BCA of the bank with that of the group, (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. The bank's Counterparty Risk Assessment (CR Assessment) is Aa2(cr)/Prime-1(cr) and the bank's Counterparty Risk Rating (CRR) is Aa2/P-1.

Exhibit 1

### Rating Scorecard - Key Financial Ratios as of Q3 2018



The bank's problem loan 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

OP Corporate Bank's BCA of a3 is supported by [Finland's Macro Profile of Strong+](#), and reflects the group's: 1) very strong capitalization with CET 1 of 20.0% at end-September 2018, 2) low asset risk with a problem loan ratio at 1.54% at end-September 2018, and 3) stable earnings due to good business growth and low provisioning needs. These strengths remain balanced against a modest reliance on market funding.

### Credit Strengths

- » High capitalisation, with strong leverage ratio of the OPFG and good capital position of the bank.
- » The group is market leader within bank and insurance with successful cross-selling
- » 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.
- » Sound profitability aided by business growth and stable costs

### Credit Challenges

- » Group wide asset quality expected to stabilise because of lower levels of forbearance
- » The group has a certain reliance on wholesale funding, although with extended maturity profile

### Rating Outlook

The stable outlook on the long-term ratings incorporate Moody's view that over the next 12 to 18 months, OP Financial group will maintain stable asset risk, keep building capital through steady recurring profitability and keep its current share of market funding.

### Factors that Could Lead to an Upgrade

Factors that could lead to an upgrade 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.

### Factors that Could Lead to a Downgrade

Factors that could lead to a downgrade include: (1) a deterioration of the group's funding conditions; (2) a weakening of asset quality beyond our current expectations; and (3) a significant lower recurring profitability. Furthermore, if the volumes of outstanding loss absorbing obligations protecting creditors and depositors in case of failure decline 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 ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 3

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

	9-18 <sup>2</sup>	12-17 <sup>2</sup>	12-16 <sup>2</sup>	12-15 <sup>2</sup>	12-14 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (EUR million)	137,434	134,185	129,013	121,066	104,887	7.5 <sup>4</sup>
Total Assets (USD million)	159,629	161,129	136,077	131,513	126,919	6.3 <sup>4</sup>
Tangible Common Equity (EUR million)	10,498	9,288	8,343	7,617	5,386	19.5 <sup>4</sup>
Tangible Common Equity (USD million)	12,193	11,153	8,800	8,274	6,517	18.2 <sup>4</sup>
Problem Loans / Gross Loans (%)	1.5	4.0	3.9	3.4	2.9	3.1 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	20.3	18.9	18.9	18.2	12.7	17.8 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	12.0	34.1	34.7	31.3	35.2	29.5 <sup>5</sup>
Net Interest Margin (%)	0.9	0.9	0.9	0.9	1.1	0.9 <sup>5</sup>
PPI / Average RWA (%)	1.9	2.4	2.7	3.2	2.4	2.5 <sup>6</sup>
Net Income / Tangible Assets (%)	0.5	0.7	0.7	0.8	0.7	0.7 <sup>5</sup>
Cost / Income Ratio (%)	68.1	62.5	60.8	53.9	63.2	61.7 <sup>5</sup>
Market Funds / Tangible Banking Assets (%)	24.5	22.2	24.6	23.8	26.8	24.4 <sup>5</sup>
Liquid Banking Assets / Tangible Banking Assets (%)	19.7	26.1	25.7	27.0	15.6	22.8 <sup>5</sup>
Gross Loans / Due to Customers (%)	129.2	126.2	131.7	130.0	139.1	131.2 <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 due to scale of reported amounts. [4] Compound Annual Growth Rate (%) based on time period presented for the latest accounting regime. [5] Simple average of periods presented for the latest accounting regime. [6] Simple average of Basel III periods presented.

Source: Moody's Financial Metrics

## Profile

OP Financial Group is Finland's largest financial and insurance conglomerate that provides banking, non-life insurance and wealth management services to private individuals and corporate and institutional customers. The products and services offered by the group include retail banking, corporate and investment banking, asset management, insurance products and health services.

[As of 30 June 2018, OPFG held Finnish market shares of 35.5% in terms of loans and 38.9% in terms of deposits.](#) As of 30 September 2018, it operated mainly in Finland through a nationwide service network of 371 branches. As of the same date, the group reported a consolidated asset base of €140.3 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 end-September 2018, the OPFG comprised 156 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 almost 1.9 million owner-customers. Each member is entitled to one vote.

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

For further information on the bank's profile see [OPFG Key Facts and Statistics - H1 2017](#).

## Detailed Credit Considerations

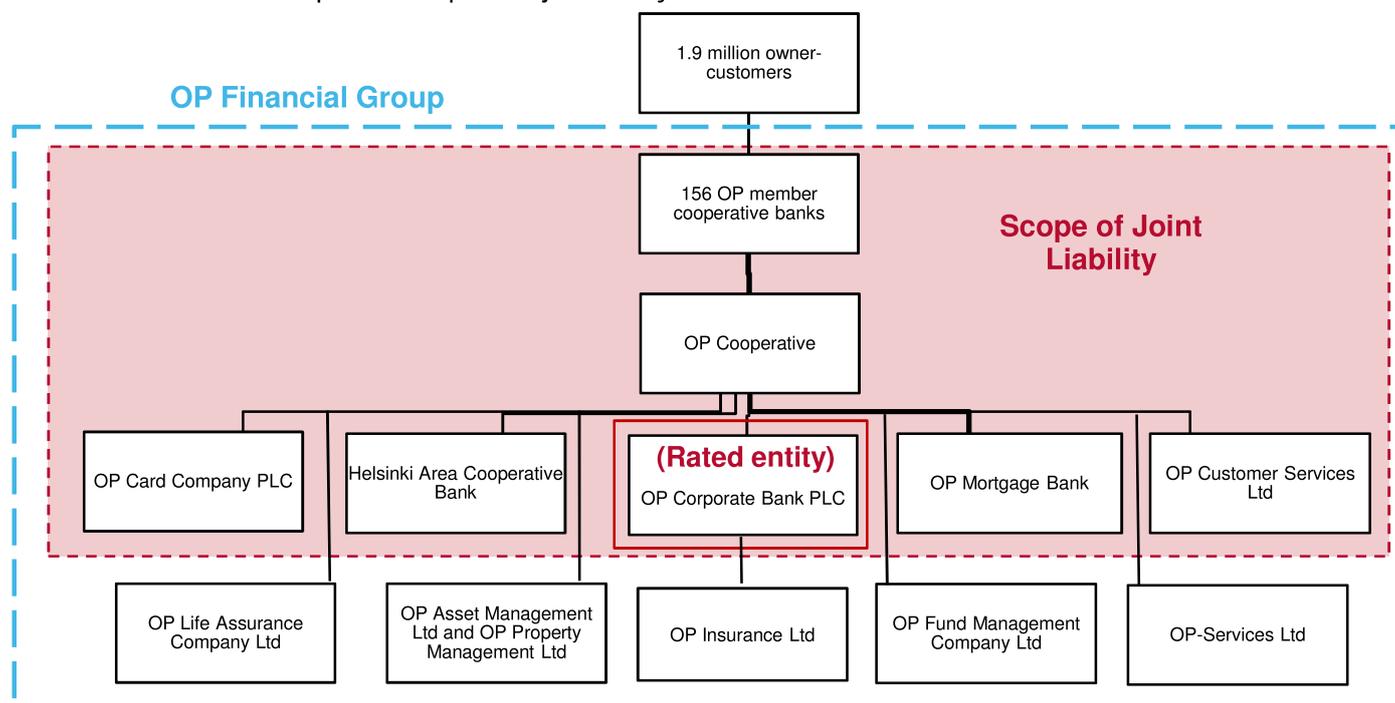
### OP Financial Group benefits from a joint liability amongst member credit institutions

Under Finland's Cooperative Bank Act, the OP Cooperative, OP Corporate Bank, Helsinki Area Cooperative Bank, OP Card Company Plc, OP Mortgage Bank, OP Customer Services Ltd 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.

As OP Corporate Bank and other member credit institutions of OPFG are responsible for each other's liabilities, as outlined in the Act on the Amalgamation of Deposit Banks, OP Corporate Bank can issue debt at more advantageous interest rates, a credit positive.

Exhibit 4

## Structure of OP Financial Group and the scope of the joint liability.



Source: OP Financial Group, Moody's Investors Service

### Asset risk is stable, but coverage is low and some sector concentration risks exist

Due to implementation of IFRS 9 from 1 January 2018, the problem loan to gross loan ratio for OP will be presented differently in Moody's adjusted figures. We previously included the forbore performing loans in our asset risk ratio calculation, however, going forward, the ratio will be based on Stage 3 exposures in order to increase comparability. In the third quarter 2018 OPFG reported Stage 3 (on and off balance sheet) represented 1.54% of gross loans compared to 4.01% as of December 2017. For OP Corporate Bank the Stage 3 exposures remained on a similar level at 1.85% of gross loans as of Q3 2018 compared to 1.9% as of YE2017.

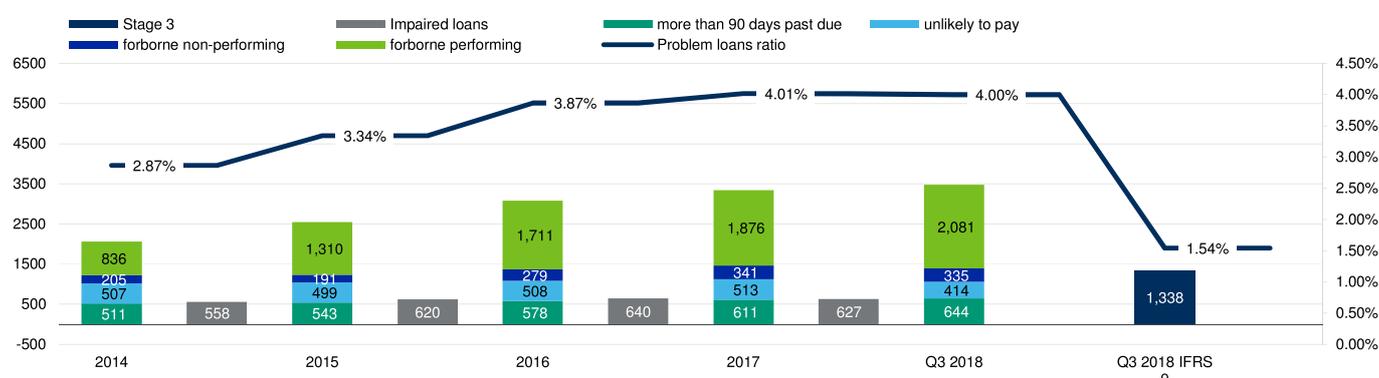
The change in calculation does not imply a change in our assessment of asset risk of the group. As can be seen in the problem loans exhibit (Exhibit 4), the amount of stage 3 exposures is at a comparable level as non-performing loans including non-performing forbore loans in previous periods.

OPFG's problem loans including performing forbore loans amounted to 4.0% of gross loans as of end-September 2018, comparable to year-end 2017, however increased from 3.9% in 2016, 3.4% in 2015, 2.9% in 2014, and 2.3% in 2013, primarily because of increased reporting of performing forbore loans (Exhibit 4). We partly attribute the increase to a lag in reporting forbore loans according to the [EBA definitions](#), implemented in 2015. We expect that performing forbore loans will gradually be reclassified as performing loans during the coming quarters, due to the 2 year probation period once classified as performing forbore loan.

The Group has a relatively low coverage with loan loss reserves over problem loans of 39.6% as of end-September 2018. However, the group has a large portfolio of housing loans (45% of loans) that we consider to be well covered by collateral.

Exhibit 5

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



Source: OP Financial Group, Moody's Investors Service

The group is exposed to some concentration risks mainly owing to its large corporate lending book, which includes more volatile sectors. Exposure to the construction, renting and operating of residential or other real estate accounted for 35.7% of all corporate exposures as of September 2018, which is broadly in line with last year's contribution. 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. OP's Asset Risk at a3 score reflects the above-mentioned constraints and sector concentration.

### High capitalisation, with strong leverage ratio of the OP Financial group and good capital position of the bank.

We expect OPFG to be very well capitalised going forward. OPFG reported strong capital ratios in Q3 2018 with a stable CET1 of 20% (the CET1 ratio captures the capitalization of the amalgamation of credit institutions, excluding equity in the insurance companies) and TCR of 22.1%. In addition the group maintained a strong leverage ratio of 7.9% as of end-September 2018. However, the capital is constrained by the introduction of a 15.4% risk weight on housing loans and 32.7% for other private customer exposures set by the ECB in February 2017. The impact of this was a 2.0% decline in the CET1 ratio at year-end 2017. In addition, the ECB has set a capital requirement for OP Financial Group based on the supervisory review and evaluation process (SREP). The new capital buffer requirement (P2R) set by the ECB and effective as of 1 January 2018 was 1.75%. In addition, the ECB has set on OP Financial Group a capital adequacy guidance (P2G) which was 1.0%. Failure to meet this guidance would not affect, for example profit distribution. The capital requirements set by the ECB are at the same level as last year.

To meet the CET1 management target of 22% by 2019, and in order to build its capital base, the Group has been issuing profit shares. Contributions made by OP cooperative banks' owner-customers to the banks' Profit Shares and cooperative shares equalled to EUR 3.2 billion as of 30 September 2018. The assigned score of aa2 reflects OPFG's strong capital position and expected trends.

[The Finnish Financial Supervisory Authority issued a macroprudential decision on March 28, 2017](#), introducing a 15% risk weight on housing loans for banks that have adopted the Internal Ratings Based (IRB) Approach, which was implemented January 1 2018 (an increase from the initially announced level at 10%). However, [OP had already received information from the European Central Bank \(ECB\) on February 2, 2017](#) to raise risk weights on certain retail exposures for an 18 month period due to shortcomings in capital adequacy measurement (delayed validations). The impact of this was a 2 percentage point decline in the CET1 ratio at year-end 2017. Thus the ECB's action largely upfronted the impact of the 15% floor introduced by the Finnish FSA.

[In June 2018 the Finnish FSA has taken a macroprudential policy decision](#) to set a 2% systemic risk buffer on OP Financial Group, or a capital buffer requirement that will enter into force on 1 July 2019. At the same time, it also confirmed OP Financial Group's O-SII buffer requirement at 2%. Considering that these capital buffer requirements are parallel buffers and the larger one is applied, the decision will have no effect on OP Financial Group's total capital adequacy requirement. In September 2018, the Finnish FSA reiterated its decision not to impose a countercyclical capital buffer requirement on banks.

### Sound profitability within the group aided by business growth while costs expected to increase

OPFG has a track record of consistent profitability. With the positive momentum in GDP growth in 2018 and 2019, OPFG is well positioned to increase its business volumes to largely offset increased costs due to investments in digitalisation, with annualised net income to tangible assets remained stable at 0.69% during 2017, compared to 0.70% during 2016. OPFG's net income to tangible assets has decreased slightly to 0.64% in the third quarter 2018, comparing to 0.69% as of the third quarter 2017 due mainly to lower net investment income and some non-recurring items in other operating income while expenses increased as higher development costs were recognised. This was partly offset by increasing net interest income and insurance income, which increased by 3.5% and 93.7% respectively, and commissions which increased 4.4% compared to the same period in 2017.

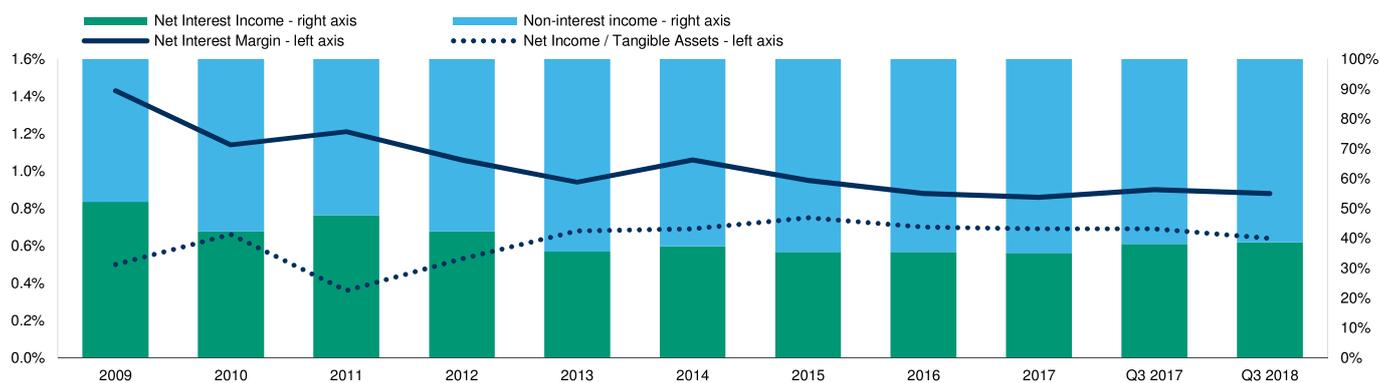
We expect that the strategy of investment in development including improvement of its IT platforms will involve significant spending, which will constrain improvement in the group's cost structure in the next two to three years, while on a longer-term, digitalisation investments will lead to efficiency gains.

We forecast that net income to tangible assets for the FY 2018 at the group level will improve back to the previous years' level of 0.6%-0.7%, largely based on increases in its recurring income, reflecting Moody's expectation that both net interest income and commissions will perform in line with the first six months of 2018.

We recognise that OPFG has a well-diversified stream of income, and has successfully increased the contribution of non-interest income (mostly from its insurance operations) to the overall total income. As a result, the group has managed to keep the return on assets at a relatively stable level in recent years, despite notable decline in margins (see Exhibit 5).

Exhibit 6

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



Source: Bank reports, Moody's Investors Service

### High reliance on short-term 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 24.5% of tangible banking assets at end of September 2018, largely stable compared to 2015 and 2016. Covered bonds, which we deem a stable source of funding, issued via OP Mortgage Bank (a specialised group subsidiary), accounted for approximately 37% of all issued debt securities. We note positively that the proportion of long-term debt over market funds has increased over the last few years.

OPFG's liquidity buffer at market value and after collateral haircuts amounted to EUR22.2 billion at end of September 2018, which compares well to debt maturing in the remaining part of 2018. We calculate that the liquid assets to tangible assets are 19.7% as of end-September 2018. OPFG monitors its liquidity and the adequacy of its liquidity buffer using the LCR (Liquidity Coverage Ratio). According to regulation, the LCR must be at least 100% from the beginning of 2018 and on 30 September 2018, OPFG's LCR stood at 143%.

Pursuant to the Act on the Amalgamation of Deposit Banks, the consolidated capital base and liquidity of the companies within the amalgamation are controlled on a consolidated basis. 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.

Under regulation applied to crisis resolution of credit institutions and investment firms, the resolution authority is authorised to intervene in the terms and conditions of investment products issued by a bank in a way that affects an investor's position. The EU's Single Resolution Board (SRB) is OPFG's resolution authority, and has set the Minimum Requirement for own funds and Eligible Liabilities (MREL) at EUR12.2 billion, accounting for 27.6% of the total risk exposure amount at the end of 2016. OPFG's MREL ratio stood at 35% at YE 2017. In the same connection, the SRB confirmed a resolution strategy for OP Financial Group whereby the resolution measures would apply to OP Corporate Bank acting as a Single Point of Entry. OP Financial Group aims to meet the requirements under the MREL with its capital base and other subordinated debt.

## 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. Moody's expects a single point of entry resolution for OP Amalgamation.

This 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 junior securities issued by OP Corporate Bank, our advanced 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 and preference share instruments reflecting the coupon features.

### Government Support

The implementation of an operational resolution regime in Finland has caused us to reconsider the potential for government support to benefit certain creditors. 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 other junior securities, we continue to assume that potential government support is low and as such these ratings do not include any related uplift. As a result, we assign a Baa1 rating for the bank's "plain vanilla" junior subordinated debt and Baa3(hyb) for the preference shares it is Baa3(hyb). The ratings are one and three notches, respectively below the bank's adjusted BCA of a3.

### Counterparty Risk Assessment

Counterparty Risk (CR) Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss suffered in the event of default and (2) apply to counterparty obligations and contractual commitments

rather than debt or deposit instruments. The CR assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

The CR Assessment of OP Corporate Bank is positioned at Aa2(cr)/Prime-1(cr), three notches above the adjusted BCA of a3, 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 are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralized portion of payables arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements.

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 7

### OP Corporate Bank plc

#### Macro Factors

<b>Weighted Macro Profile</b>	<b>Strong +</b>	<b>100%</b>
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Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
<b>Solvency</b>						
<b>Asset Risk</b>						
Problem Loans / Gross Loans	3.2%	a3	← →	a3	Quality of assets	
<b>Capital</b>						
TCE / RWA	20.3%	aa1	← →	aa1	Expected trend	
<b>Profitability</b>						
Net Income / Tangible Assets	0.5%	baa2	← →	baa2	Expected trend	
Combined Solvency Score		a2		a2		
<b>Liquidity</b>						
<b>Funding Structure</b>						
Market Funds / Tangible Banking Assets	22.2%	baa1	← →	baa1	Extent of market funding reliance	
<b>Liquid Resources</b>						
Liquid Banking Assets / Tangible Banking Assets	26.1%	a3	← →	a3	Stock of liquid assets	
Combined Liquidity Score		baa1		baa1		
<b>Financial Profile</b>						
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint:				Aa1		
Scorecard Calculated BCA range				a2-baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (EUR million)	% in-scope	at-failure (EUR million)	% at-failure
Other liabilities	40,780	35.0%	47,063	40.4%
Deposits	61,600	52.9%	55,317	47.5%
Preferred deposits	45,584	39.1%	43,305	37.2%
Junior Deposits	16,016	13.8%	12,012	10.3%
Senior unsecured bank debt	9,221	7.9%	9,221	7.9%
Dated subordinated bank debt	1,263	1.1%	1,263	1.1%
Preference shares (bank)	90	0.1%	90	0.1%
Equity	3,493	3.0%	3,493	3.0%
Total Tangible Banking Assets	116,447	100%	116,447	100%

Debt class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	22.4%	22.4%	22.4%	22.4%	3	3	3	3	0	aa3
Counterparty Risk Assessment	22.4%	22.4%	22.4%	22.4%	3	3	3	3	0	aa3 (cr)
Deposits	22.4%	4.2%	22.4%	12.1%	2	3	2	2	0	a1
Senior unsecured bank debt	22.4%		12.1%	4.2%	2	1	2	2	0	a1
Dated subordinated bank debt	4.2%	3.1%	4.2%	3.1%	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	3.1%	3.0%	3.1%	3.0%	-1	-1	-1	-1	-2	baa3 (hyb)

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	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
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1	-2	baa3 (hyb)	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 Financial Metrics

## Ratings

Exhibit 8

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
Subordinate	Baa1
Pref. Stock Non-cumulative	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1
<b>OP INSURANCE LTD</b>	
Outlook	Stable
Insurance Financial Strength	A3

Source: Moody's Investors Service

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