

# Consolidated financial statements, IFRS

## Financial statements

### Consolidated income statement

EUR million	Note	2014	2013 Restated*
<b>Continuing operations</b>			
Net interest income	4	257	230
Impairment of receivables	5	25	37
<b>Net interest income after impairments</b>		<b>231</b>	<b>193</b>
Net income from Non-life Insurance	6	597	528
Net commissions and fees	7	114	111
Net trading income	8	77	93
Net investment income	9	64	46
Other operating income	10	32	36
<b>Total income</b>		<b>1,116</b>	<b>1,008</b>
Personnel costs	11	163	170
ICT costs		94	87
Depreciation/amortisation	12	52	52
Other expenses	13	258	241
<b>Total expenses</b>		<b>567</b>	<b>550</b>
Share of associates' profits/losses accounted for using the equity method		0	0
<b>Earnings before tax</b>		<b>548</b>	<b>458</b>
Income tax expense	14	107	43
<b>Results of continuing operations</b>		<b>441</b>	<b>415</b>
<b>Discontinued operations</b>			
Results of discontinued operations	15	29	15
<b>Profit for the period</b>		<b>470</b>	<b>430</b>
<b>Attributable to:</b>			
Attributable to owners of the Parent		461	426
Attributable to non-controlling interest		9	4
<b>Profit for the period</b>		<b>470</b>	<b>430</b>

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

## Consolidated statement of comprehensive income

EUR million	Note	2014	2013
			Restated*
<b>Profit for the period</b>		<b>470</b>	<b>430</b>
Items that will not be reclassified to profit or loss			
Gains/(losses) arising from remeasurement of defined benefit plans		-50	0
Items that may be reclassified to profit or loss			
Change in fair value reserve			
Measurement at fair value		73	1
Cash flow hedge		7	-16
Translation differences		0	0
Income tax on other comprehensive income			
Items that will not be reclassified to profit or loss			
Gains/(losses) arising from remeasurement of defined benefit plans		10	-2
Items that may be reclassified to profit or loss			
Measurement at fair value		-14	9
Cash flow hedge		-1	5
<b>Total comprehensive income for the period</b>		<b>493</b>	<b>426</b>
<b>Attributable to:</b>			
Total comprehensive income attributable to owners of the Parent		484	421
Total comprehensive income attributable to non-controlling interest		9	6
<b>Total comprehensive income for the period</b>		<b>493</b>	<b>426</b>
<b>Comprehensive income attributable to owners of the parent is divided as follows:</b>			
Continuing operations		455	405
Discontinued operations		28	15
<b>Total</b>		<b>484</b>	<b>421</b>

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

## Consolidated balance sheet

		31 Dec. 2014	31 Dec. 2013	1 Jan. 2013
EUR million	Note		Restated*	Restated*
Liquid assets	16	3,774	2,046	5,643
Receivables from financial institutions	17	10,257	9,899	8,816
Financial assets at fair value through profit or loss	18			
Financial assets held for trading		360	435	246
Financial assets at fair value through profit or loss at inception		0	9	9
Derivative contracts	19	5,946	3,444	4,462
Receivables from customers	20	15,513	14,510	13,834
Non-life Insurance assets	21	3,854	3,502	3,500
Investment assets	22	8,112	7,574	5,548
Investment accounted for using the equity method	24	2	29	26
Intangible assets	25	786	910	922
Property, plant and equipment (PPE)	26	72	82	67
Other assets	27	1,789	1,369	1,598
Tax assets	28	34	15	37
<b>Total</b>		<b>50,498</b>	<b>43,824</b>	<b>44,710</b>
Assets classified as held for distribution to owners	15	205		
<b>Total assets</b>		<b>50,703</b>	<b>43,824</b>	<b>44,710</b>
		31 Dec. 2014	31 Dec. 2013	1 Jan. 2013
EUR million	Note		Restated*	Restated*
Liabilities to financial institutions	29	5,241	4,789	5,840
Financial liabilities at fair value through profit or loss	30			
Financial liabilities held for trading		4	4	3
Derivative contracts	31	5,889	3,420	4,557
Liabilities to customers	32	11,442	10,183	10,767
Non-life Insurance liabilities	33	2,972	2,746	2,599
Debt securities issued to the public	34	17,587	16,097	13,769
Provisions and other liabilities	35	2,479	2,076	2,572
Tax liabilities	36	391	378	487
Subordinated liabilities	37	1,084	984	1,275
<b>Total</b>		<b>47,090</b>	<b>40,675</b>	<b>41,869</b>
Liabilities associated with assets classified held as distribution to owners	15	205		
<b>Total liabilities</b>		<b>47,295</b>	<b>40,675</b>	<b>41,869</b>
<b>Shareholders' equity</b>	38			
<b>Capital and reserves attributable to owners of the Parent</b>				
Share capital		428	428	428
Reserves		1,324	1,261	1,264
Retained earnings		1,564	1,358	1,080
<b>Non-controlling interest</b>		<b>92</b>	<b>103</b>	<b>69</b>
<b>Total shareholders' equity</b>		<b>3,408</b>	<b>3,150</b>	<b>2,841</b>
<b>Total liabilities and shareholder's equity</b>		<b>50,703</b>	<b>43,824</b>	<b>44,710</b>

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

## Consolidated statement of changes in equity

EUR million	Attributable to owners of Pohjola Group					Non-controlling interests	Total equity
	Share capital	Fair value reserve	Other reserves	Retained earnings	Total		
<b>Balance at 1 Jan. 2013</b>	<b>428</b>	<b>167</b>	<b>1,093</b>	<b>1,081</b>	<b>2,769</b>		<b>2,769</b>
Effect of the adoption of IFRS 10 Consolidated Financial Statements, less taxes		4	0	-1	2	69	72
<b>Restated shareholders' equity 1 Jan. 2013</b>	<b>428</b>	<b>171</b>	<b>1,093</b>	<b>1,080</b>	<b>2,771</b>	<b>69</b>	<b>2,841</b>
Total comprehensive income for the period		-3		424	421	6	427
Profit for the period				426	426	4	430
Other comprehensive income		-3		-2	-5	1	-3
Profit distribution				-145	-145		-145
EUR 0.46 per Series A share				-116	-116		-116
EUR 0.43 per Series K share				-29	-29		-29
Equity-settled share-based transactions				-1	-1		-1
Other			0	0	0	28	28
<b>Balance at 31 December 2013</b>	<b>428</b>	<b>168</b>	<b>1,093</b>	<b>1,358</b>	<b>3,047</b>	<b>103</b>	<b>3,150</b>

EUR million	Attributable to owners of Pohjola Group					Non-controlling interests	Total equity
	Share capital	Fair value reserve	Other reserves	Retained earnings	Total		
<b>Restated shareholders' equity 1 Jan. 2014</b>	<b>428</b>	<b>168</b>	<b>1,093</b>	<b>1,358</b>	<b>3,047</b>	<b>103</b>	<b>3,150</b>
Total comprehensive income for the period		63		421	484	9	493
Profit for the period				461	461	9	470
Other comprehensive income		63		-40	23	0	23
Profit distribution				-212	-212		-212
EUR 0.67 per Series A share				-169	-169		-169
EUR 0.64 per Series K share				-43	-43		-43
Equity-settled share-based transactions							
Other			0	-2	-2	-20	-22
<b>Balance at 31 December 2014</b>	<b>428</b>	<b>231</b>	<b>1,093</b>	<b>1,564</b>	<b>3,316</b>	<b>92</b>	<b>3,408</b>

## Consolidated cash flow statement incl. discontinued operations

EUR million	2014	2013
		Restated*
<b>Cash flow from operating activities</b>		
Profit for the period	461	426
Adjustments to profit for the period	97	159
<b>Increase (-) or decrease (+) in operating assets</b>	<b>-2,133</b>	<b>-4,135</b>
Receivables from financial institutions	-494	-986
Financial asset at fair value through profit or loss	405	-338
Derivative contracts	63	28
Receivables from customers	-1,008	-736
Non-life Insurance assets	-232	-62
Investment assets	-281	-2,285
Other assets	-584	244
<b>Increase (+) or decrease (-) in operating liabilities</b>	<b>2,323</b>	<b>-2,058</b>
Liabilities to financial institutions	447	-1,031
Financial liabilities at fair value through profit or loss	0	1
Derivative contracts	70	-10
Liabilities to customers	1,259	-584
Non-life Insurance liabilities	149	48
Provisions and other liabilities	396	-482
Income tax paid	-92	-126
Dividends received	63	55
<b>A. Net cash from operating activities</b>	<b>719</b>	<b>-5,680</b>
<b>Cash flow from investing activities</b>		
Increases in held-to-maturity financial assets	-10	
Decreases in held-to-maturity financial assets	69	129
Acquisition of subsidiaries and associates, net of cash acquired	0	-4
Purchase of PPE and intangible assets	-28	-45
Proceeds from sale of PPE and intangible assets	3	3
<b>B. Net cash used in investing activities</b>	<b>34</b>	<b>83</b>
<b>Cash flow from financing activities</b>		
Increases in subordinated liabilities		
Decreases in subordinated liabilities		-271
Increases in debt securities issued to the public	34,709	24,340
Decreases in debt securities issued to the public	-33,616	-21,833
Dividends paid	-212	-145
Other monetary decreases in equity items		0
<b>C. Net cash provided by (used in) financing activities</b>	<b>881</b>	<b>2,092</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>1,634</b>	<b>-3,506</b>
<b>Cash and cash equivalents at year-start</b>	<b>2,672</b>	<b>6,177</b>
<b>Cash and cash equivalents at year-end</b>	<b>4,306</b>	<b>2,672</b>
<b>Interest received</b>	<b>2,000</b>	<b>1,790</b>
<b>Interest paid</b>	<b>-1,722</b>	<b>-1,582</b>

EUR million

**Adjustments to profit for the financial year**

**Non-cash items and other adjustments**

Impairment losses on receivables	26	40
Unrealised net earnings in Non-life Insurance	50	108
Change in fair value for trading	160	-199
Unrealised net gains on foreign exchange operations	79	2
Change in fair value for investment assets	2	-3
Planned amortisation/depreciation	55	55
Share of associates' profits	0	1
Other	-275	156

**Items presented outside cash flow from operating activities**

Capital gains, share of cash flow from investing activities		-1
<b>Total adjustments</b>	<b>97</b>	<b>159</b>

**Cash and cash equivalents**

Liquid assets**	3,815	2,051
Receivables from financial institutions payable on demand	491	621
<b>Total</b>	<b>4,306</b>	<b>2,672</b>

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

\*\* Of which EUR 41 million (11) consists of Non-life Insurance cash and cash equivalents.

## Segment information

The segment analysis has been prepared in accordance with IFRS 8 Operating Segments. Financial information serves as the basis of this standard, which the executive in charge monitors regularly. Defining segments and presentation are based on management reporting.

Pohjola Group is organised into three business segments – Banking, Non-life Insurance and Asset Management – and the Group Functions which together constitute the Group's operating segments. The Board of Directors is the executive body in charge of deciding on the Group's operations, which allocates resources to the reportable segments and assesses their performance.

Following the realisation of OP Cooperative's public voluntary bid, Pohjola Group is planning structural changes, meaning for example, that the Asset Management segment would be transferred from Pohjola Group to be directly owned by OP Cooperative during 2015. For this reason, the Asset Management segment is reported, according to IFRS 5, as discontinued operations in the income statement and assets and liabilities classified as held for distribution to owners in the balance sheet. Banking, Non-life and the Group Functions segments are reported under continuing operations.

### Segment accounting policies

Segment reporting conforms to the accounting policies applied to the consolidated financial statements. Income, expenses, assets and liabilities which are 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 the business segments are reported under the Group Functions. Inter-segment Group eliminations are reported under the "Eliminations" column. Intra-Group transfer prices are based on market prices. The acquisition costs of intangible and PPE assets are presented as investments. The number of employees in each segment is presented as the number of employees at the end of the period.

Capitalisation of Banking, Asset Management and the Group Functions is based on Pohjola Group's capital adequacy measurement under the Act on Credit Institutions. Capital requirements according to this measurement are allocated among the operating segments. The Group has allocated capital to its operating segments in such a way that the Core Tier 1 ratio stands at 11%.

Non-life Insurance capitalisation is based on the solvency capital requirement (SCR) within the proposed Solvency II framework plus intangible assets and goodwill arising from company acquisition. The SCR for Non-life Insurance has been covered by Core Tier 1 capital and the solvency requirement for intangible assets and goodwill by Tier 2 notes/bonds.

### Banking

Pohjola's Banking provides corporate and institutional customers with solutions for their financing and financial management needs. Banking consists of the following divisions: Corporate Banking, Markets and Baltic Banking.

Corporate Banking provides corporate and institutional customers with financing and cash management services and financing services for foreign trade, and grants loans and guarantees as well as leasing and factoring services. Its income derives mainly from lending margins and commissions and fees resulting from the arrangement of financing and the management of payment transactions.

The Markets division's services range from the arrangement of debt issues, corporate finance services and custody, equity, foreign exchange, money market and derivative products to investment research. The division executes both its clients' and the Bank's orders in international financial markets and is also an active player in international derivatives markets, the government bond market in the euro area and corporate bond markets. Its income derives from net commissions and fees and income from trading. Pohjola Corporate Finance Ltd merged with Pohjola Bank plc on 31 December 2013 and is part of the Markets division.

Baltic Banking provides finance-company products in Estonia, Latvia and Lithuania. Pohjola has established itself in Estonia, Latvia and Lithuania through its own branch offices.

### Non-life Insurance

The following three Group companies conduct Non-life Insurance business in Finland: Pohjola Insurance Ltd is a general non-life insurance company, A-Insurance Ltd focuses on non-life insurance for commercial transport and Eurooppalainen Insurance Company Ltd specialises in travel insurance. Non-life insurance business in Estonia is conducted by Seesam Insurance AS with a branch in both Latvia and Lithuania. On 30 October 2014, Pohjola Health Ltd merged with Pohjola Insurance Ltd.

The Non-life Insurance segment also includes Omasairaala Oy which started its business in early 2013.

The range of Non-life Insurance products includes non-life policies for corporate and private customers. In addition, the domestic service network provides corporate customers with OP Financial Group's life and pension policies and Ilmarinen Mutual Pension Insurance Company's employment pension policies while being in charge of customer service for Suomi Mutual Life Assurance Company and Ilmarinen. Furthermore, commissions and fees come from managing certain statutory charges and from risk management services.

Non-life Insurance pre-tax earnings consist of the balance on technical account, investment income and other income and expenses. The balance on technical account refers to insurance premium revenue less claims incurred and operating expenses. The most important profitability indicator is the combined ratio showing the proportion of claims incurred and operating expenses to insurance premium revenue. With respect to investment operations, Non-life Insurance is tasked with investing assets covering insurance liabilities and equity in a safe and profitable way conducting a policy of sufficient risk diversification.

### **Asset Management**

The Asset Management business line comprises Pohjola Asset Management Ltd, Pohjola Asset Management Execution Services Ltd, Pohjola Property Management Ltd and the associated company Access Capital Partners Group SA. Pohjola Asset Management Ltd provides Finnish institutional clients and wealthy private individuals with discretionary and advisory investment management services. Furthermore, the portfolio management of OP Fund Management Company Ltd's mutual funds is mainly centralised within Pohjola Asset Management. In addition to its own portfolio management, Pohjola Asset Management has some 30 international partners boasting a wide range of funds for the needs of both institutional and private clients. Pohjola Property Management Ltd focuses on real property investment in Finland and on the selection of real estate funds in international markets. The division's income comes mainly from management commissions and fees.

### **Group Functions**

Group Functions supports Pohjola Group's and its business segments financing.

It is responsible for the management of financing and liquidity for OP Financial Group's retail banks and Pohjola Group, as well as for OP Financial Group's wholesale funding. Income, expenses, investments and capital which have not been allocated to the business segments are reported under the Group Functions. Group taxes are allocated to the Group Functions in their entirety.

### **Eliminations**

Inter-segment eliminations are presented under the "Eliminations" column.



## Segment information

2014, EUR million	Continuing operations			Discon- tinued operations	Elimi- nations	Group total
	Banking	Group Functions	Non-life Insurance	Asset Manage- ment		
Net interest income						
Corporate Banking and Baltic Banking	255					255
Markets	28					28
Other operations		-3	-26	2	1	-26
Total	283	-3	-26	2	1	257
Net commissions and fees	103	4	15	64	-8	178
Net trading income	84	-8	0	0	1	77
Net investment income	5	55		0	4	64
Net income from Non-life Insurance						
From insurance operations			466		0	466
From investment operations			171		2	173
From other items			-42			-42
Total			595		2	597
Other operating income	13	9	11	1	-1	33
<b>Total income</b>	<b>488</b>	<b>56</b>	<b>595</b>	<b>67</b>	<b>-1</b>	<b>1,206</b>
Personnel costs	55	6	102	14	0	177
ICT costs	34	5	53	3	1	97
Amortisation on intangible assets related to company acquisitions			21	2		24
Other depreciation/amortisation and impairments	14	1	16	1		31
Other expenses	57	24	180	11	-2	269
<b>Total expenses</b>	<b>160</b>	<b>36</b>	<b>372</b>	<b>31</b>	<b>-1</b>	<b>598</b>
<b>Earnings/loss before impairment of receivables</b>	<b>328</b>	<b>20</b>	<b>223</b>	<b>36</b>	<b>0</b>	<b>608</b>
Impairments of receivables	25					25
Share of associates' profits/losses			0	1	0	2
<b>Earnings before tax</b>	<b>303</b>	<b>20</b>	<b>223</b>	<b>38</b>	<b>0</b>	<b>584</b>
Change in fair value reserve	-1	33	49	0	-1	79
Gains/(losses) arising from remeasurement of defined benefit plans	-42	-5	-2	0		-50
<b>Total comprehensive income for the period, before tax</b>	<b>259</b>	<b>48</b>	<b>270</b>	<b>37</b>	<b>-1</b>	<b>613</b>

2013, EUR million	Continuing operations			Discon- tinued operations	Elimi- nations	Group total
	Banking	Group Functions	Non-life Insurance	Asset Manage- ment		
Net interest income						
Corporate Banking and Baltic Banking Markets	227					227
Other operations	-3	27	-24	3	1	-3
<b>Total</b>	<b>224</b>	<b>27</b>	<b>-24</b>	<b>3</b>	<b>1</b>	<b>230</b>
Net commissions and fees	100	-1	17	51	-4	162
Net trading income	101	-12	0	0	3	93
Net investment income	0	46		0		46
Net income from Non-life Insurance						
From insurance operations			440			440
From investment operations			131		-1	131
From other items			-43			-43
<b>Total</b>			<b>529</b>		<b>-1</b>	<b>528</b>
Other operating income	17	9	10	1	0	38
<b>Total income</b>	<b>443</b>	<b>69</b>	<b>532</b>	<b>55</b>	<b>-1</b>	<b>1,097</b>
Personnel costs	57	6	107	14		184
ICT costs	31	5	50	3	1	90
Amortisation on intangible assets related to company acquisitions			21	2		24
Other depreciation/amortisation and impairments	15	1	14	1		31
Other expenses	54	15	174	11	-2	252
<b>Total expenses</b>	<b>157</b>	<b>27</b>	<b>366</b>	<b>32</b>	<b>-1</b>	<b>581</b>
<b>Earnings/loss before impairment of receivables</b>	<b>285</b>	<b>41</b>	<b>166</b>	<b>24</b>	<b>0</b>	<b>516</b>
Impairments of receivables	35	2				37
Share of associates' profits/losses			0	0	0	0
<b>Earnings before tax</b>	<b>251</b>	<b>39</b>	<b>166</b>	<b>24</b>	<b>0</b>	<b>479</b>
Change in fair value reserve	9	-6	-17	0	-1	-15
Gains/(losses) arising from remeasurement of defined benefit plans	0	0	0	0		
<b>Total comprehensive income for the period, before tax</b>	<b>260</b>	<b>33</b>	<b>149</b>	<b>24</b>	<b>-1</b>	<b>465</b>

31 Dec 2014, EUR million	Banking	Group Functions	Non-life Insurance	For distri- bution to owners	Elimi- nations	Group total
				Asset Manage- ment		
Receivables from customers	15,222	537			-246	15,513
Receivables from credit institutions	483	13,566	5	7	-24	14,037
Financial assets at fair value through profit or loss	373	-13				360
Non-life Insurance assets			4,150		-297	3,854
Investment assets	553	7,581	16	9	-9	8,151
Investments in associates			2	27		29
Other assets	6,335	1,721	732	136	-165	8,759
<b>Total assets</b>	<b>22,968</b>	<b>23,392</b>	<b>4,905</b>	<b>180</b>	<b>-741</b>	<b>50,703</b>
Liabilities to customers	8,434	3,233			-226	11,442
Liabilities to credit institutions	609	4,878			-246	5,241
Non-life Insurance liabilities			3,116		-144	2,972
Debt securities issued to the public	1,672	16,157			-46	17,782
Subordinated liabilities	-20	1,054	50			1,084
Other liabilities	7,043	1,685	79	10	-44	8,773
<b>Total liabilities</b>	<b>17,738</b>	<b>27,007</b>	<b>3,245</b>	<b>10</b>	<b>-705</b>	<b>47,295</b>
<b>Shareholders' equity</b>						<b>3,408</b>
Average personnel	616	33	1,766	88		2503
Capital expenditure, EUR million	10	2	14	2		28

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



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## AUDITOR'S REPORT

### *To the Annual General Meeting of Pohjola Bank plc*

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Pohjola Bank plc for the year ended 31 December 2014. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

### *Responsibility of the Board of Directors and the President and CEO*

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act, Act on Credit Institutions or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion on the consolidated financial statements*

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

*Opinion on the company's financial statements and the report of the Board of Directors*

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 10 February 2015

KPMG OY AB

[signed]

Raija-Leena Hankonen

*Authorized Public Accountant in Finland*