

Pohjola Group



Q3



Interim Report for Q3/11

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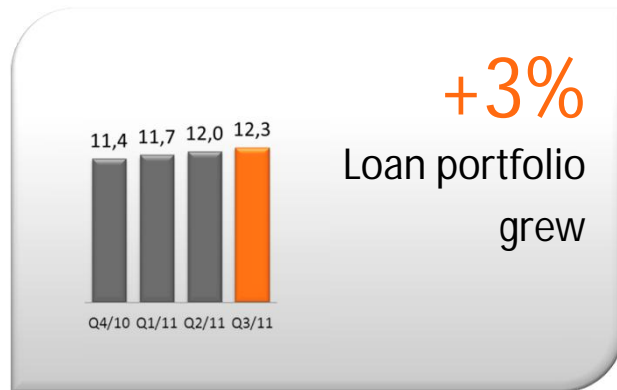
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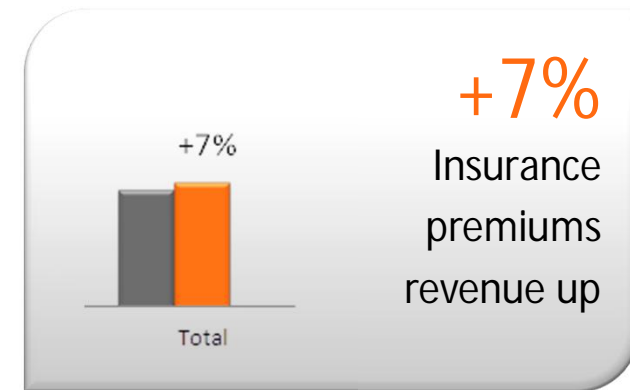
Q3/11 in Brief

Customer business performed well

Banking



Non-life Insurance



Enhanced competitive situation and stronger market position

Steady average margin on corporate loan portfolio

1.32%
1,32% 1,32% 1,32%

Q1/11 Q2/11 Q3/11
and potential for wider margins

Pohjola market share of corporate loans

>20%

to a new high

Impairments within Banking decreased

Net
€1 mn

16 20 1
Q1/11 Q2/11 Q3/11

Good operating combined ratio

85.2%

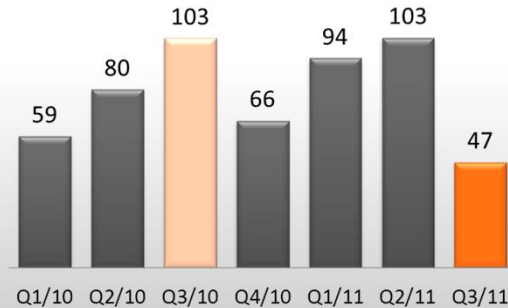
Q3 average for 2006–11
86.3%



Q3/11 in Brief

The euro area's debt crisis and the resulting weak developments in capital markets reduced earnings before tax posted by investment operations and the Markets division by a total of over € 60 million, year on year.

Consolidated earnings before tax, € mn

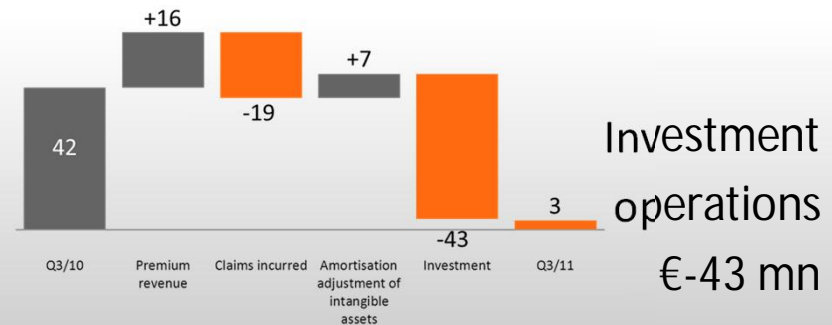


Banking earnings before tax, € mn
by division



Markets
€-19 mn

Non-life Insurance earnings before tax, € mn
Year-on-year change

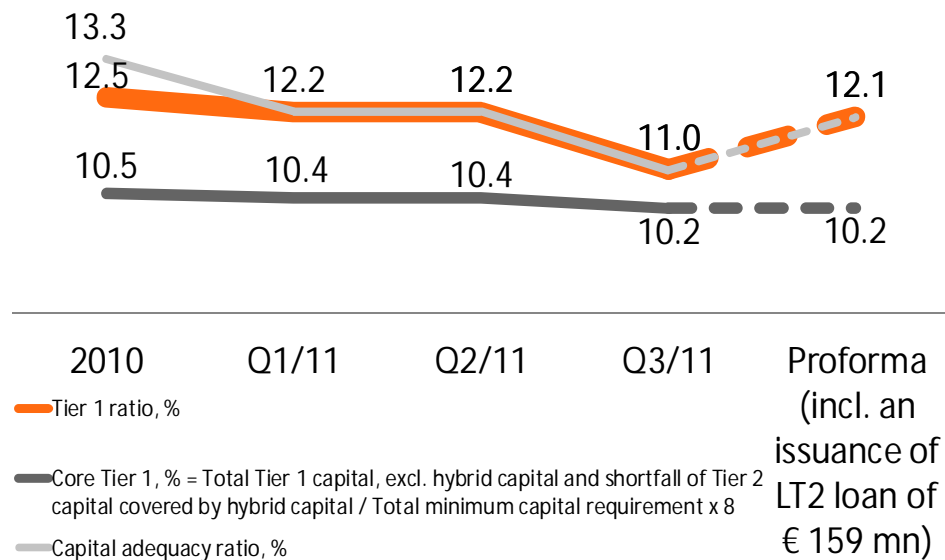


Investment
operations
€-43 mn

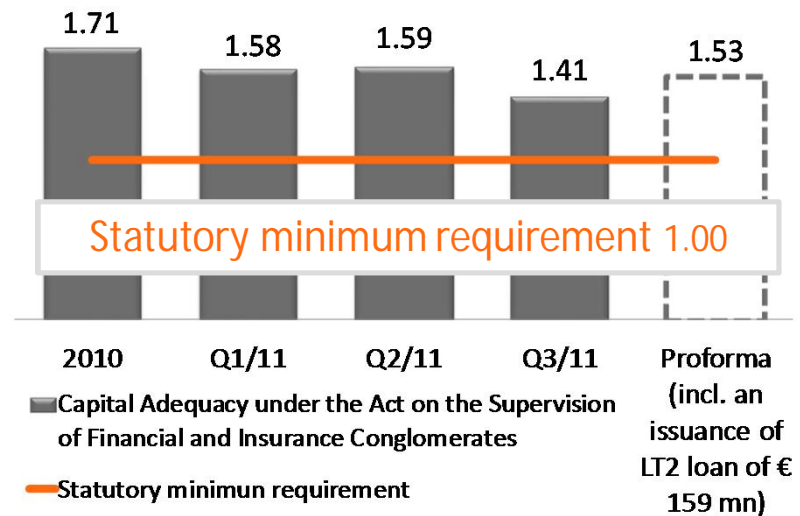
Q3/11 in Brief: Pohjola's Capital Adequacy

EUR 159 million were deducted from Tier 1 capital to cover the shortfall of Tier 2 capital.

Capital adequacy ratio under the Act on Credit Institutions, %



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



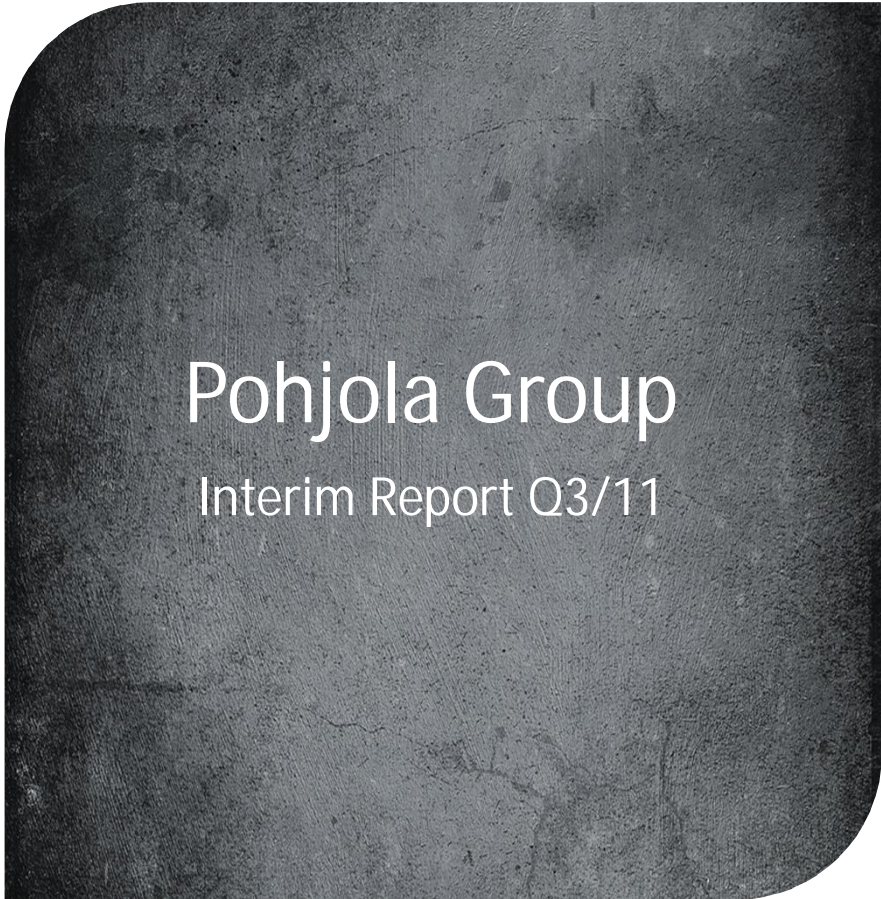
OP-Pohjola Group has been granted permission to adopt IRBA to credit risk in capital adequacy measurement. This adoption is expected to increase OP-Pohjola Group's Tier 1 ratio by 2.6 percentage points (11.6% on 30 Sept. 2011). OP-Pohjola Group raised its Core Tier 1 ratio target to 15%.

Q3

1 Customer business performed well
→ Enhanced competitive situation and stronger market position

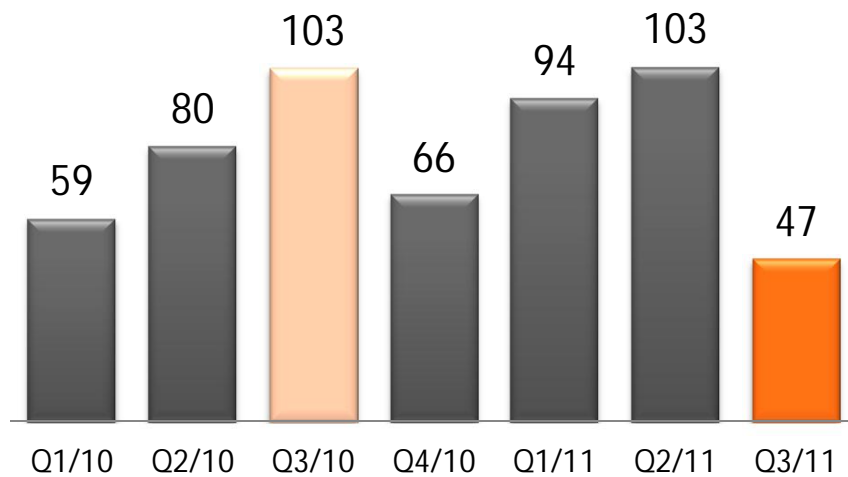
2 Weak developments in capital markets reduced earnings before tax posted by investment operations and the Markets division

3 Outlook towards the year end

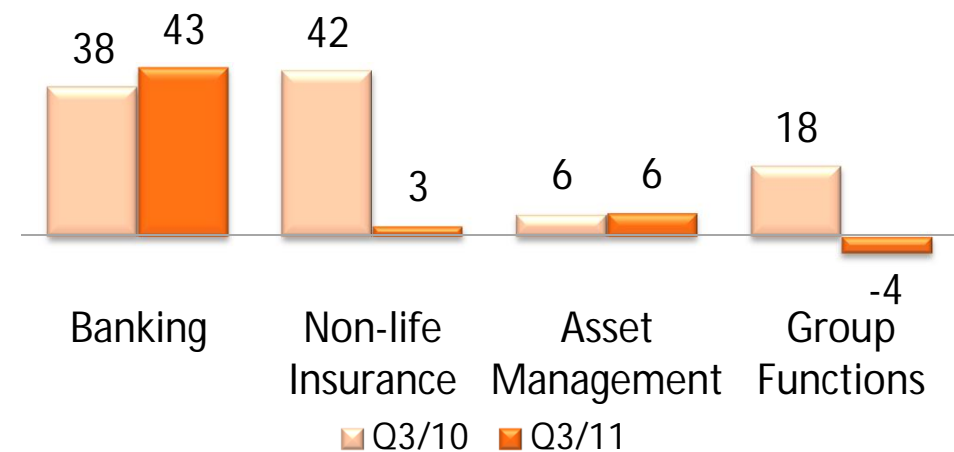


Pohjola Group Q3/11

Earnings before tax, €mn
By quarter

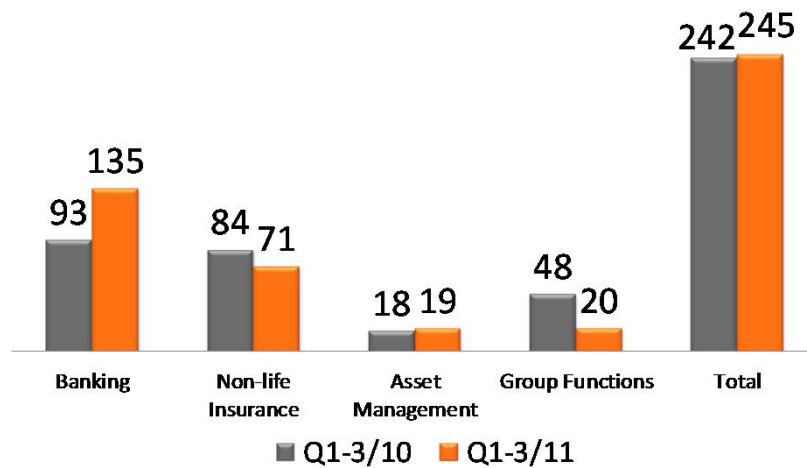


Earnings before tax, €mn
By business line, year-on-year change

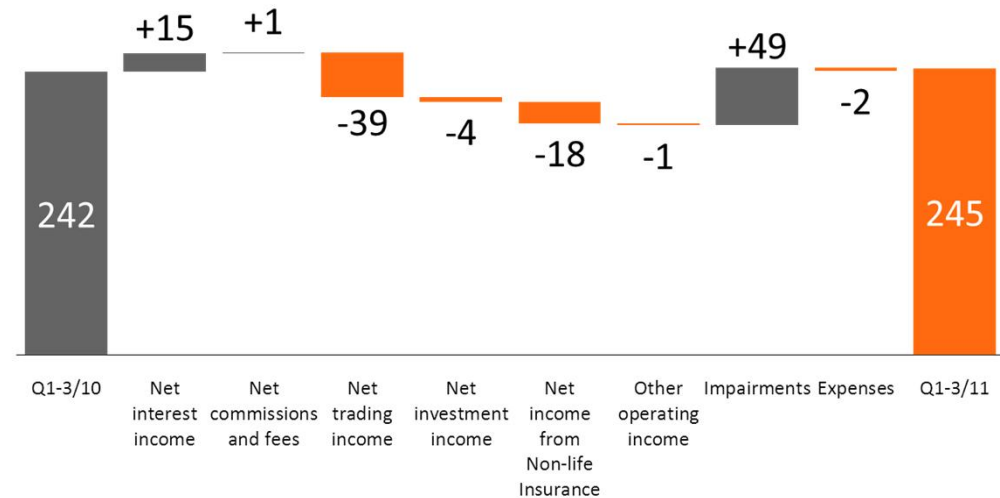


Pohjola Group Q1–3/11

Earnings before tax, €mn
By business line



Earnings before tax, €mn
Year-on-year change



Pohjola Group

Financial Targets over the Economic Cycle



	Target	Q3/11	Q1-3/11	2010
Group				
Return on equity at fair value, %	13	-12.7	2.8	9.3
Tier 1 ratio, %	> 9.5	11.0	11.0	12.5
Banking				
Operating cost/income ratio, %	< 40	41	37	35
Non-life Insurance				
Operating combined ratio, %	92.0	85.2	89.4	89.7
Operating expense ratio, %	< 20	21.1	20.6	21.3
Solvency ratio, %	70	81	81	86
Asset Management				
Operating cost/income ratio, %	< 50	49	49	53

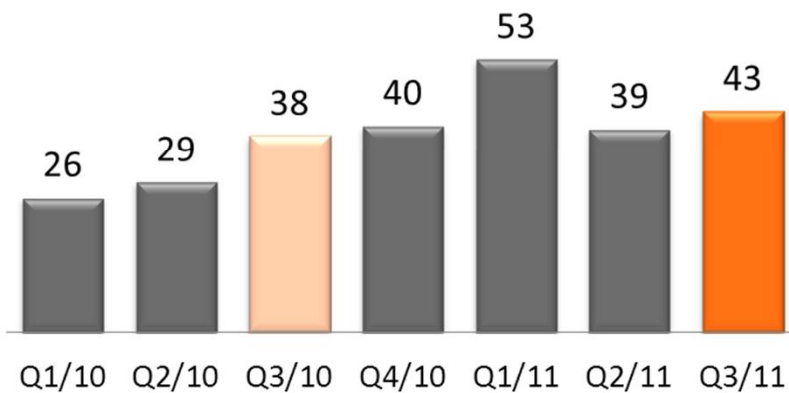
Banking

Interim Report Q3/11

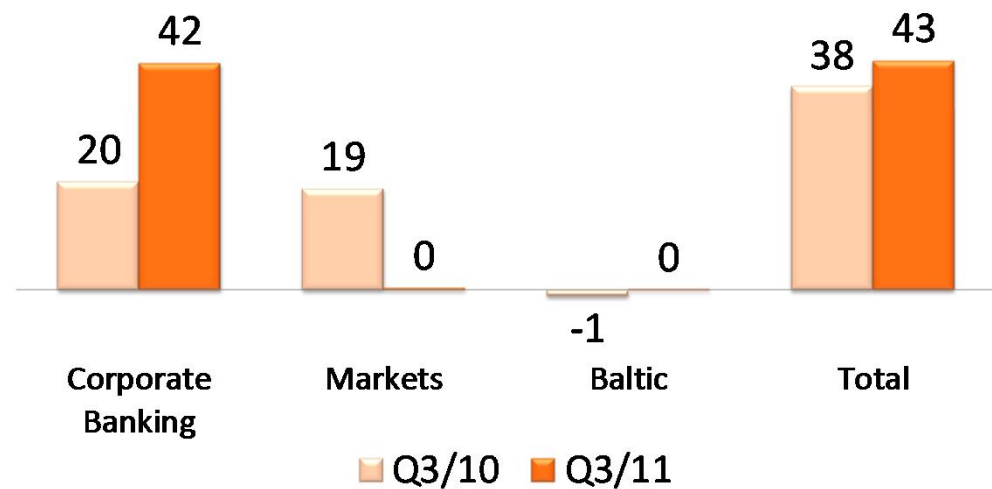


Banking Q3/11

Earnings before tax, € mn
By quarter

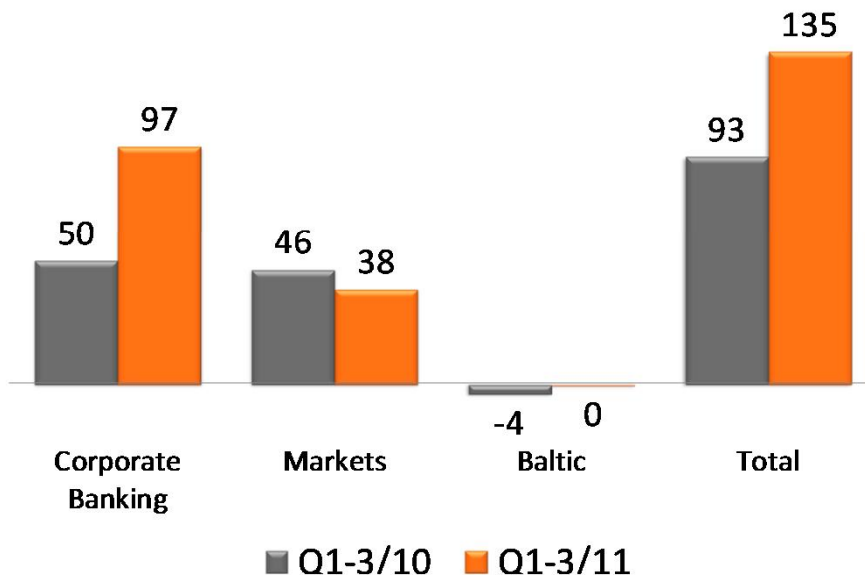


Earnings before tax, € mn
By division

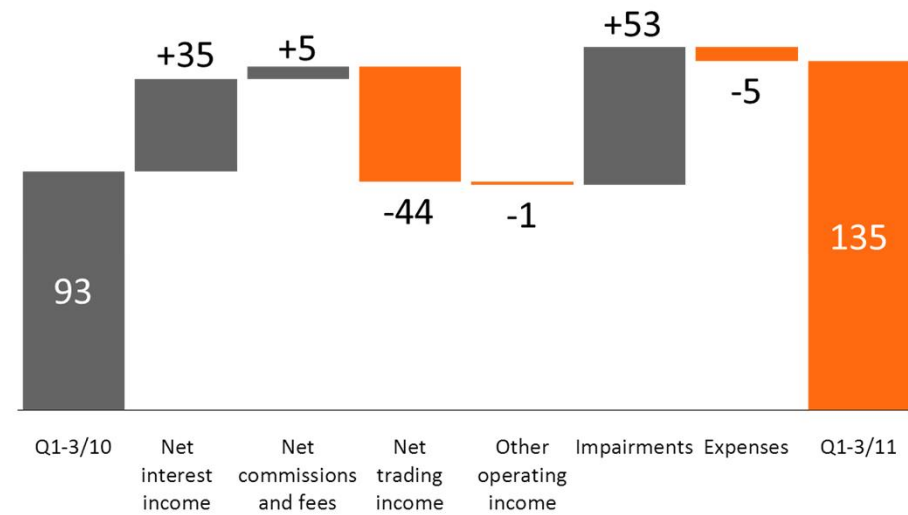


Banking Q1–3/11

Earnings before tax, €mn
By division

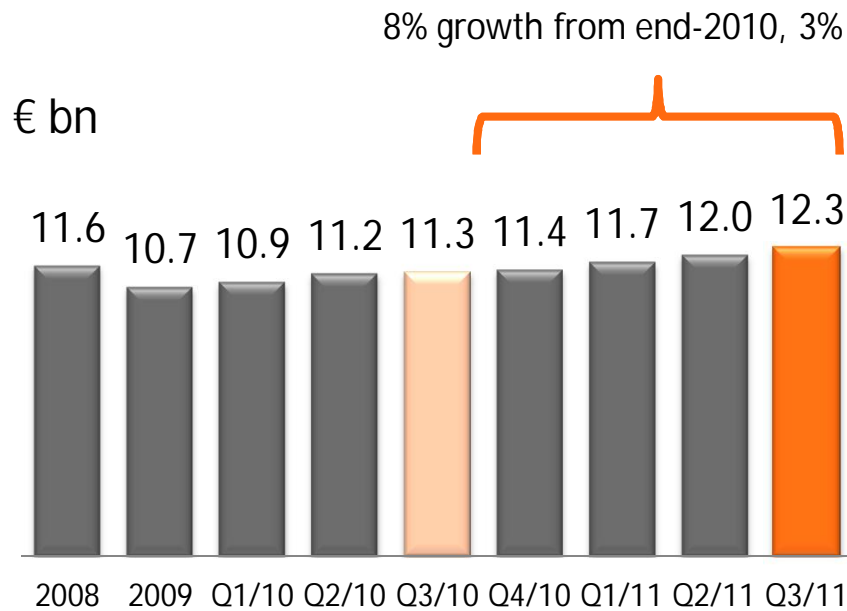


Earnings before tax, €mn
Year-on-year change

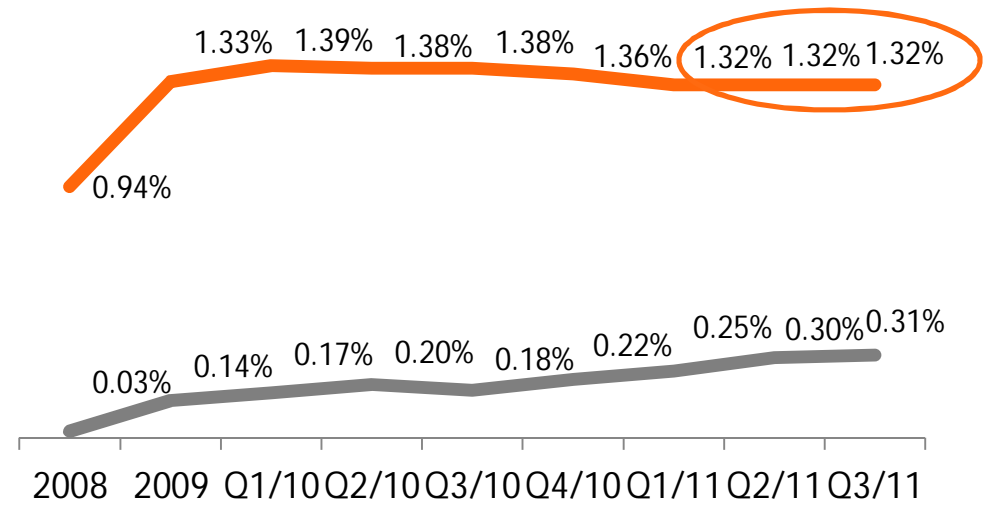


Banking

Loan portfolio continued its growth



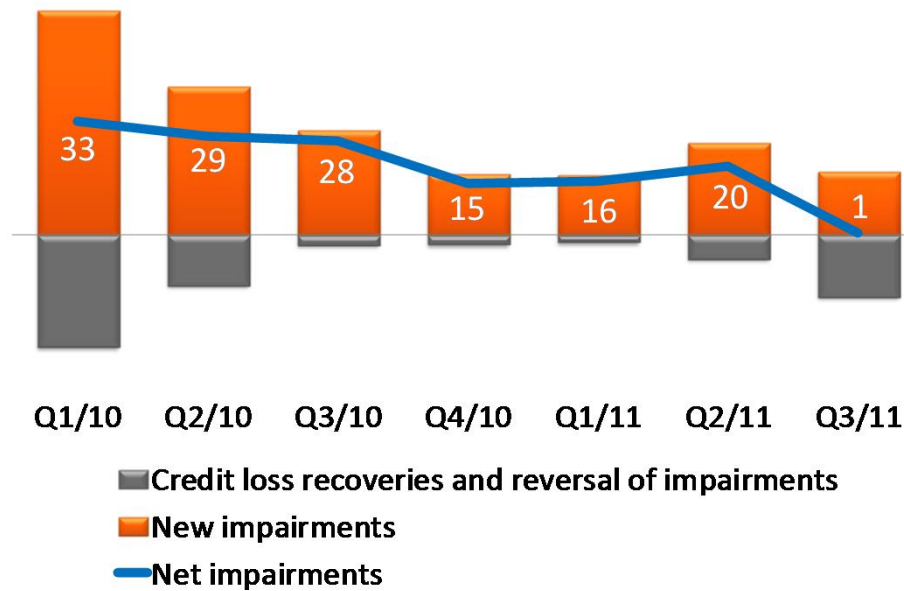
Corporate loan portfolio margin remained steady



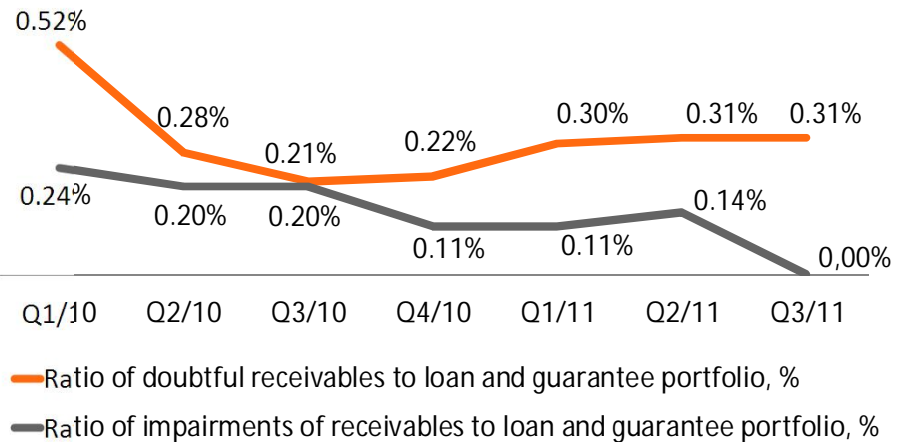
— Average corporate loan margin
 — Average margin of wholesale funding

Banking

Net impairment charges on receivables Q1–3/11
 €36 mn (89)



Ratio of impairments to loan and guarantee portfolio Q1–3/11, 0.24% (0.64)



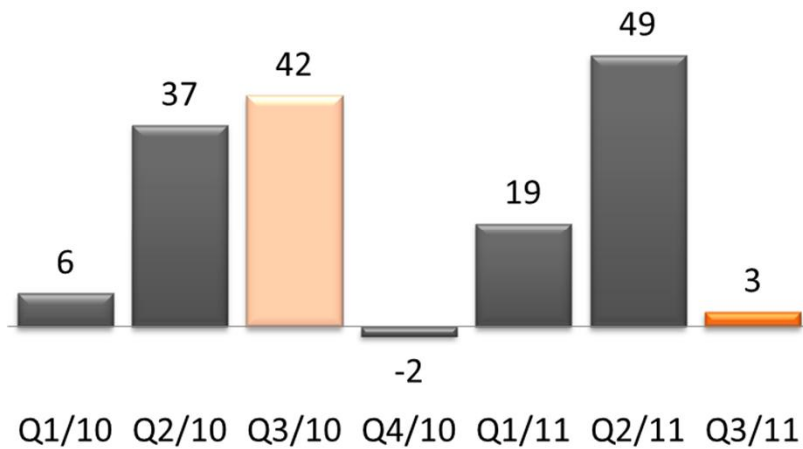
Non-life Insurance

Interim Report Q3/11

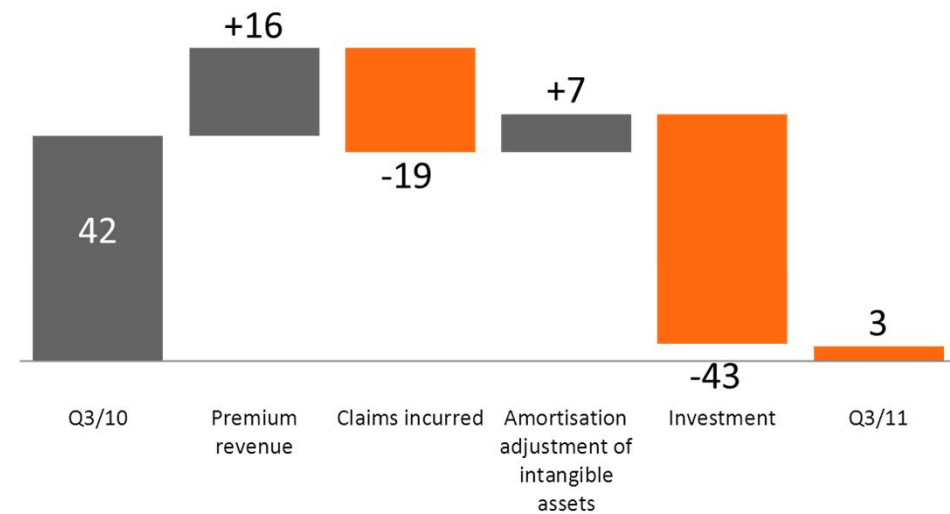


Non-life Insurance Q3/11

Earnings before tax, €mn
By quarter

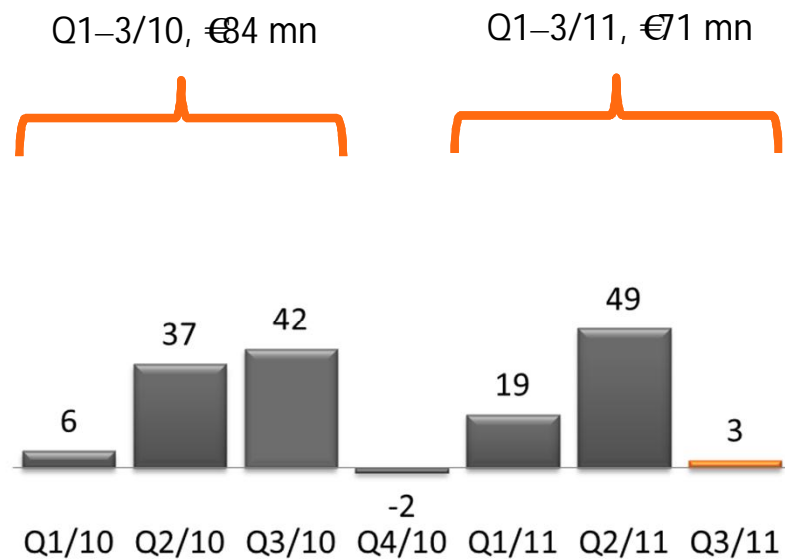


Earnings before tax, €mn
Year-on-year change

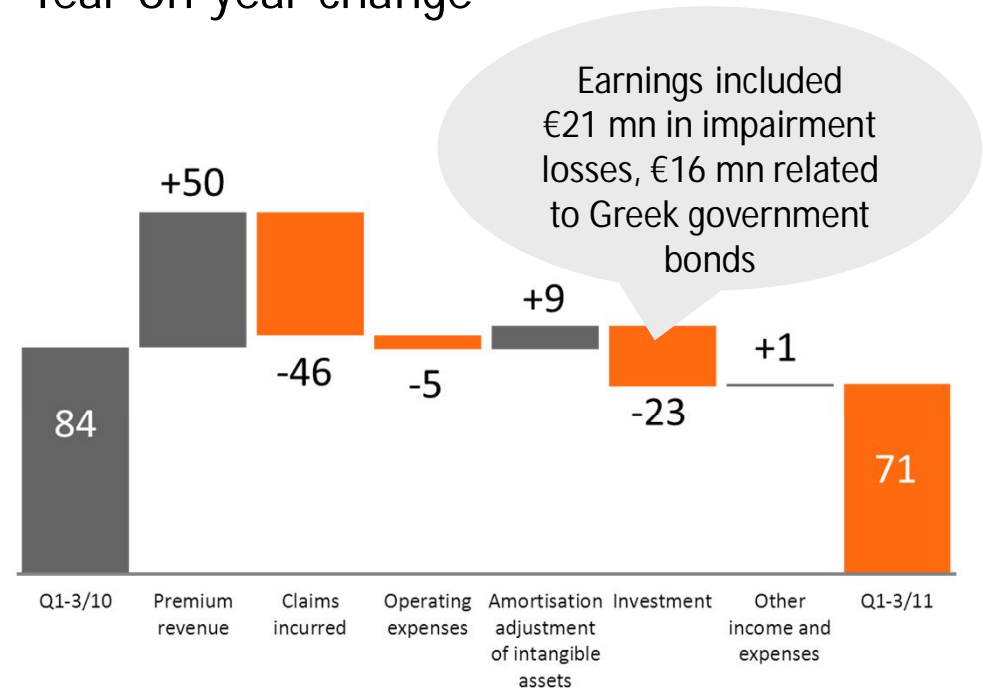


Non-life Insurance Q1–3/11

Earnings before tax, €mn
By quarter



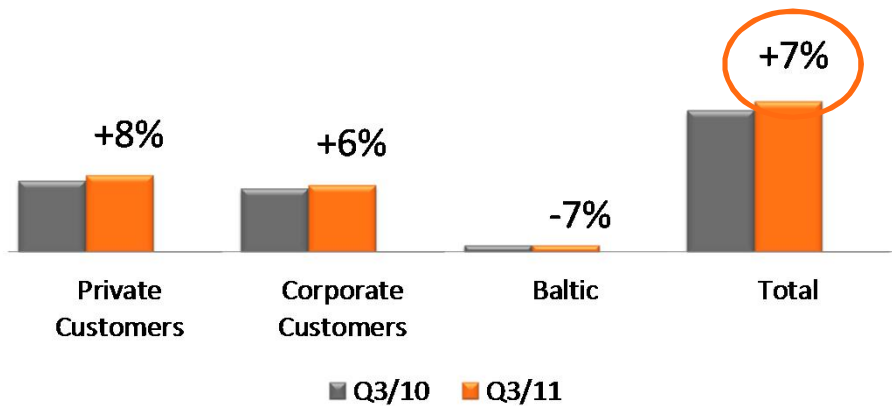
Earnings before tax, €mn
Year-on-year change



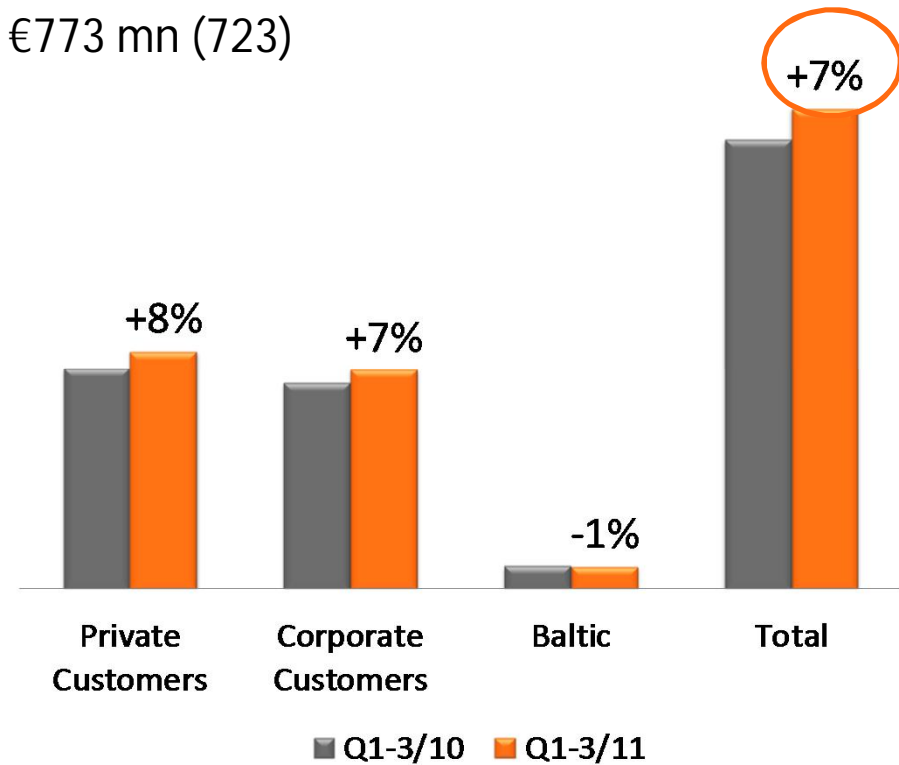
Non-life Insurance Q3/11 and Q1–3/11

Growth in insurance premium revenue, %

Insurance premium revenue Q3/11
€266 mn (250)

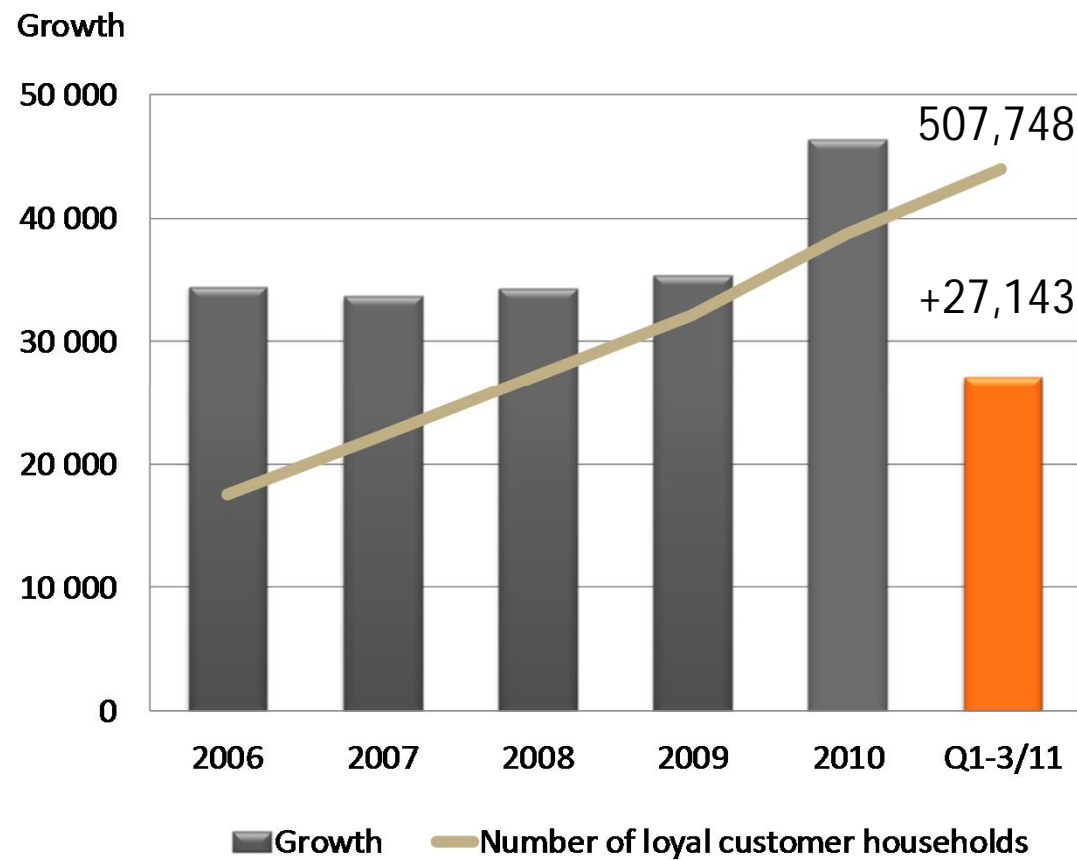


Insurance premium revenue Q1–3/11
€773 mn (723)



Non-life Insurance

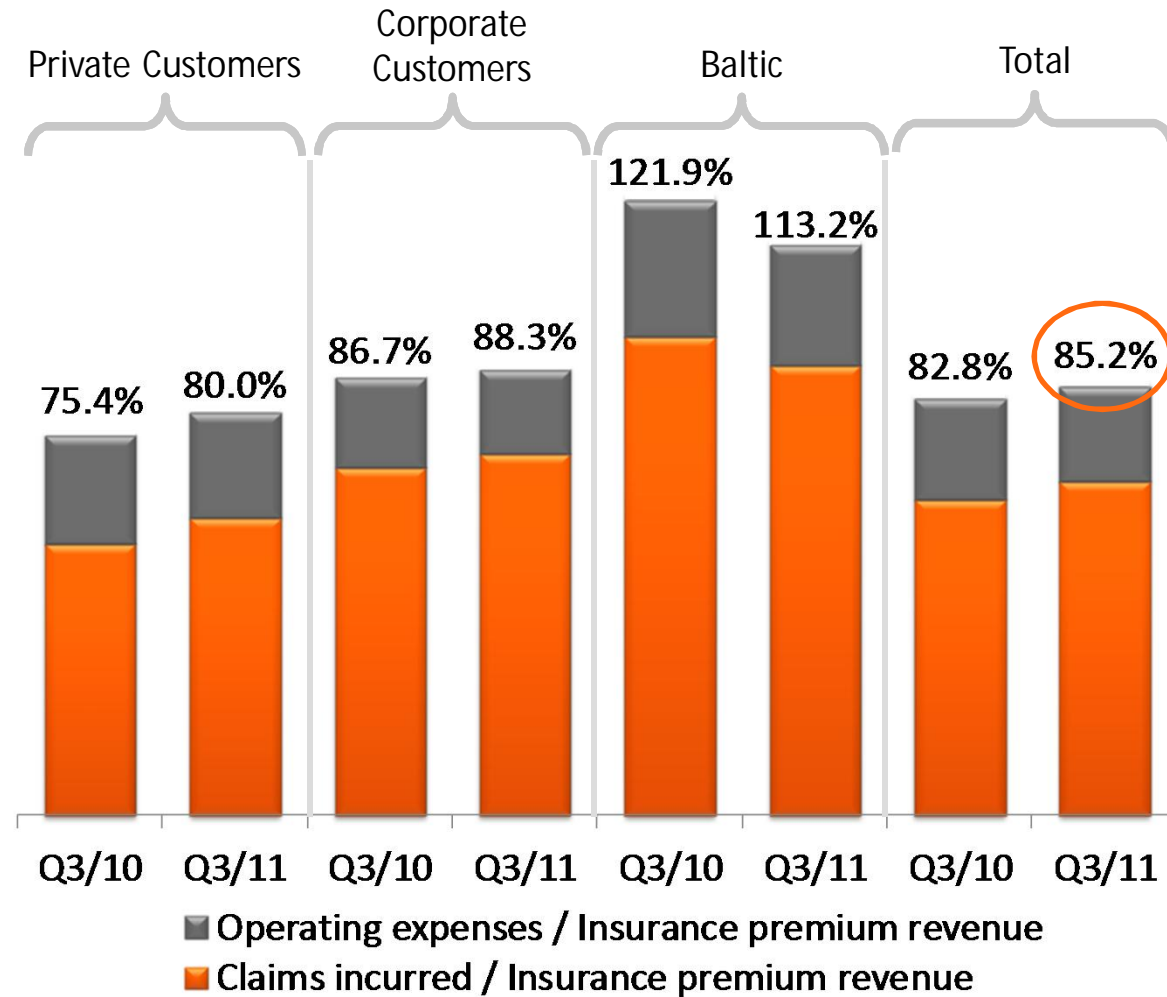
The number of loyal customer households totals over 500,000



- ✓ Loyal customer households account for approx. 80% of premiums written among private customers.
- ✓ An annual insurance premium paid by a loyal customer household averages approx. €1,000.
- ✓ Insurance premiums annually paid by other customers average approx. €250.

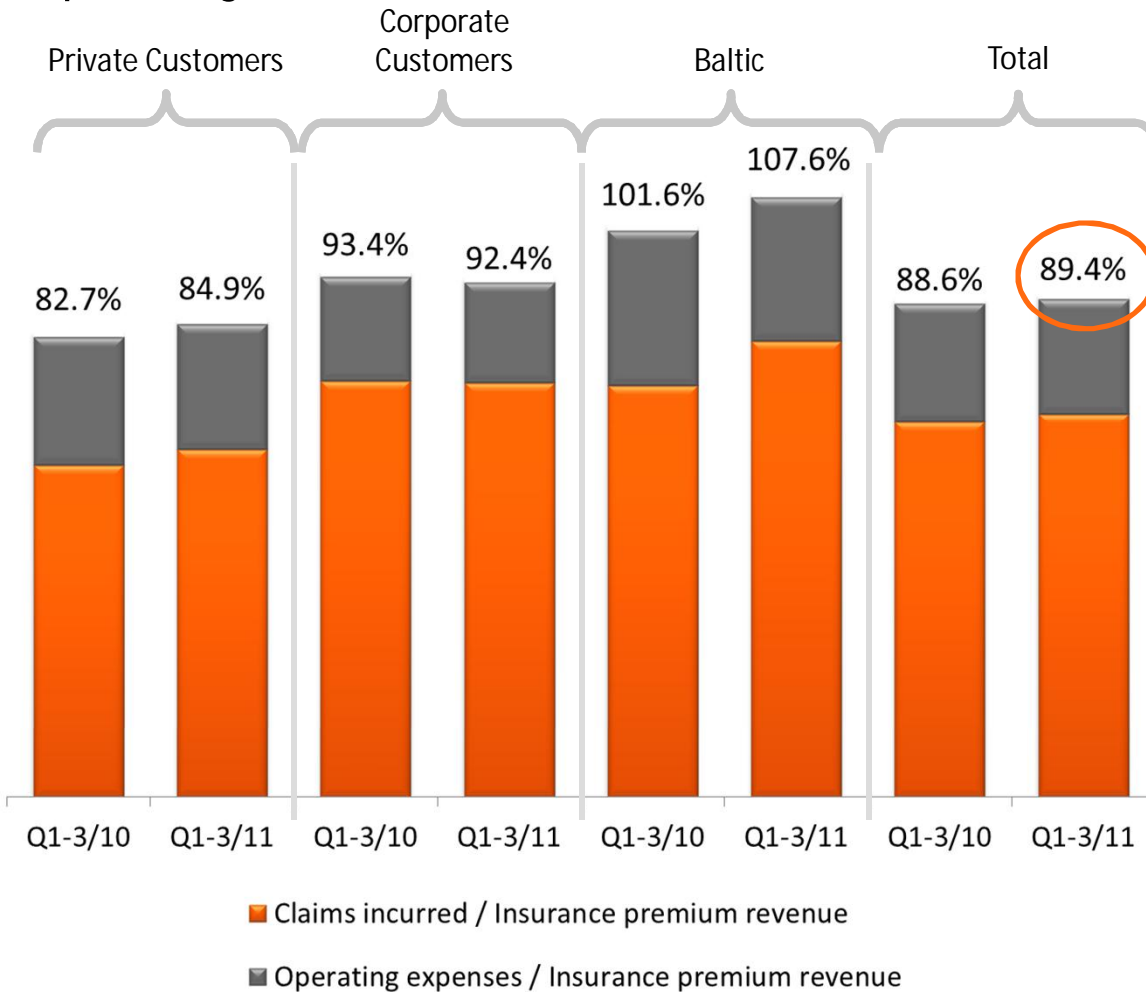
Non-life Insurance Q3/11

Operating combined ratio

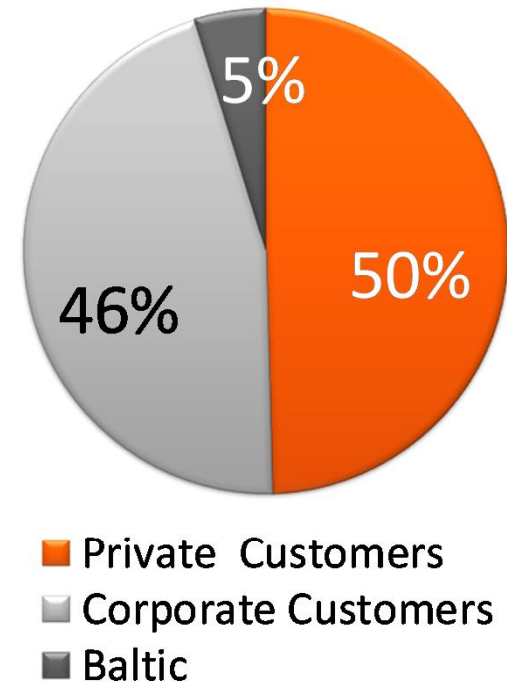


Non-life Insurance Q1–3/11

Operating combined ratio

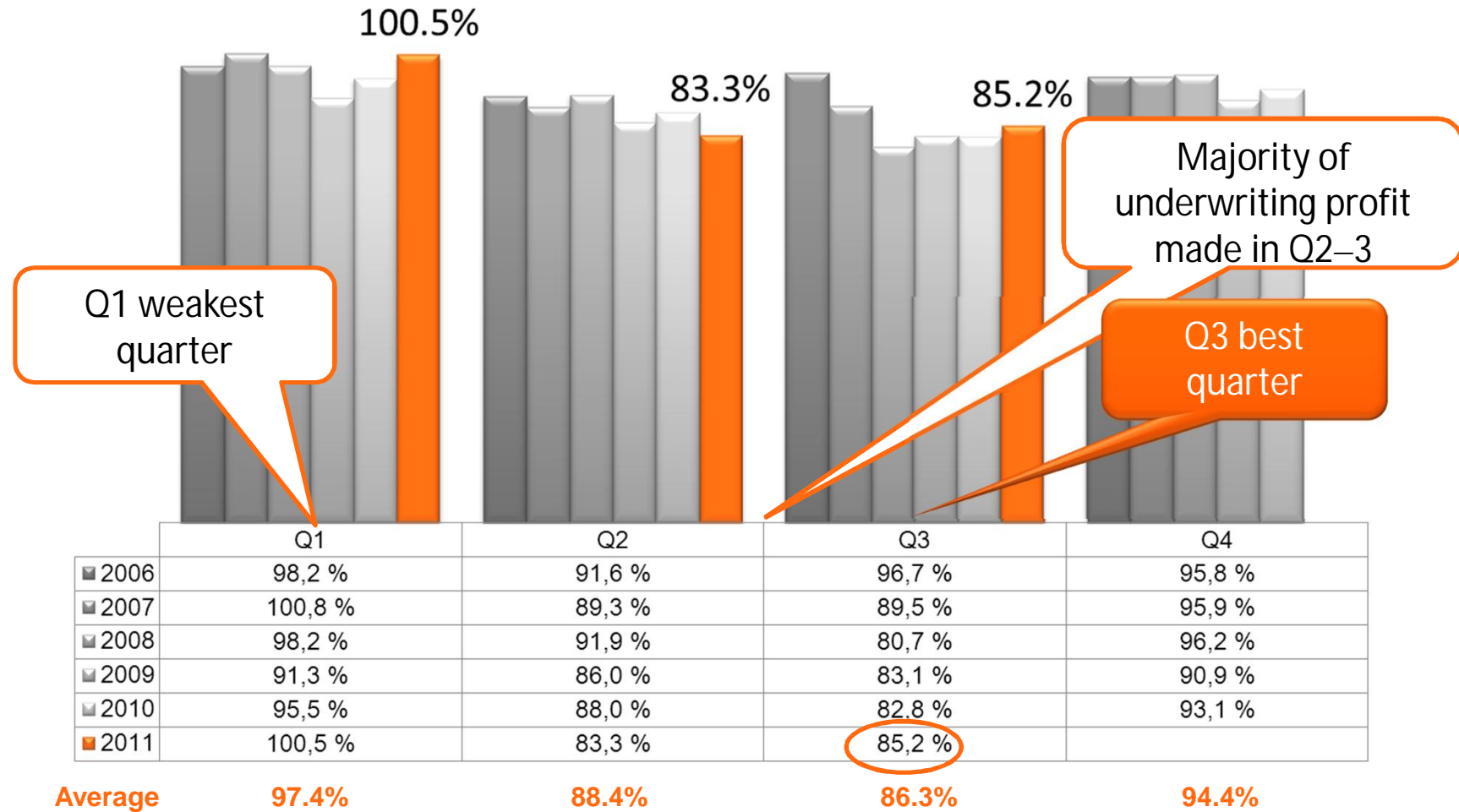


Sources of insurance premium revenue total



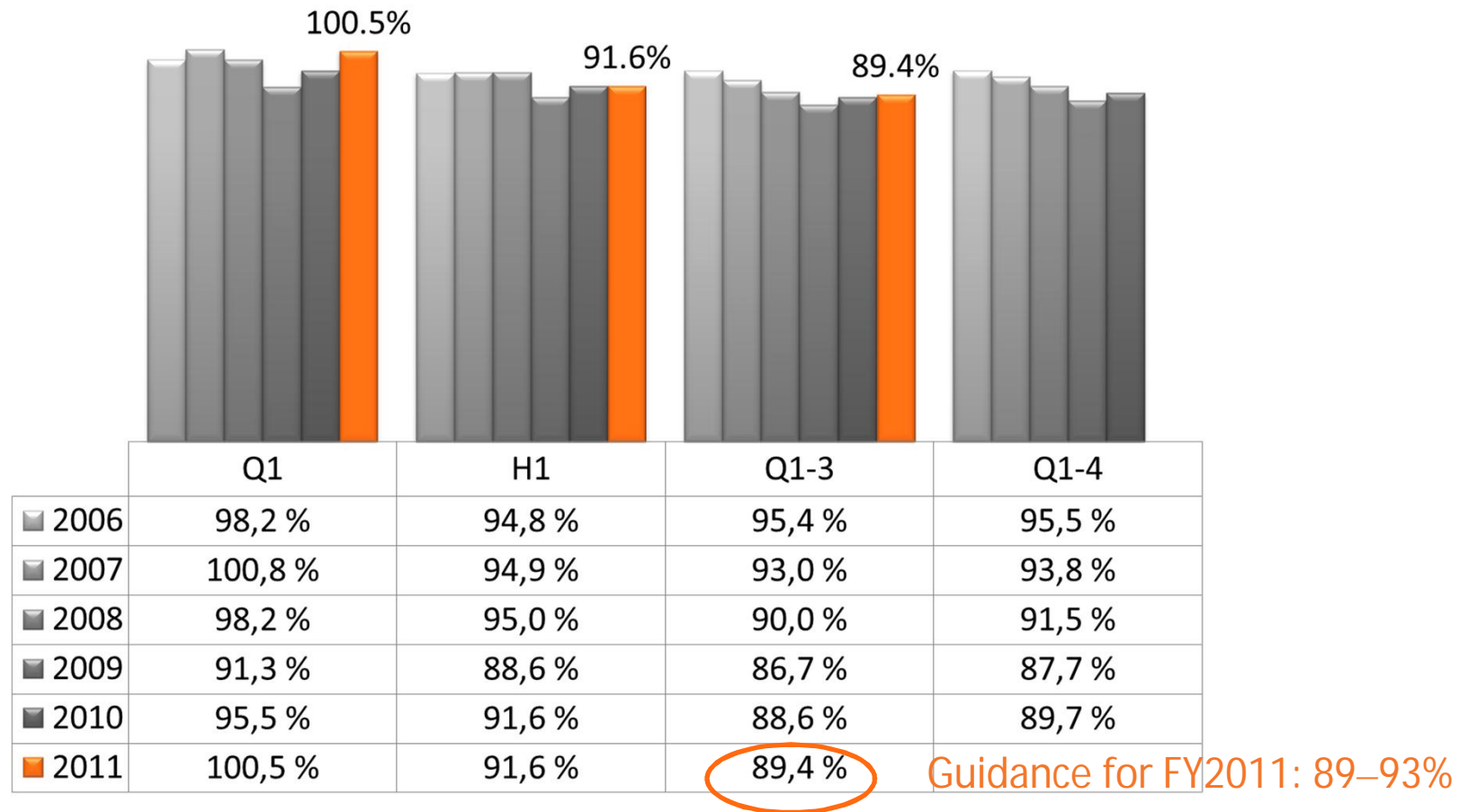
Non-life Insurance Q3/11

Operating combined ratio by quarter



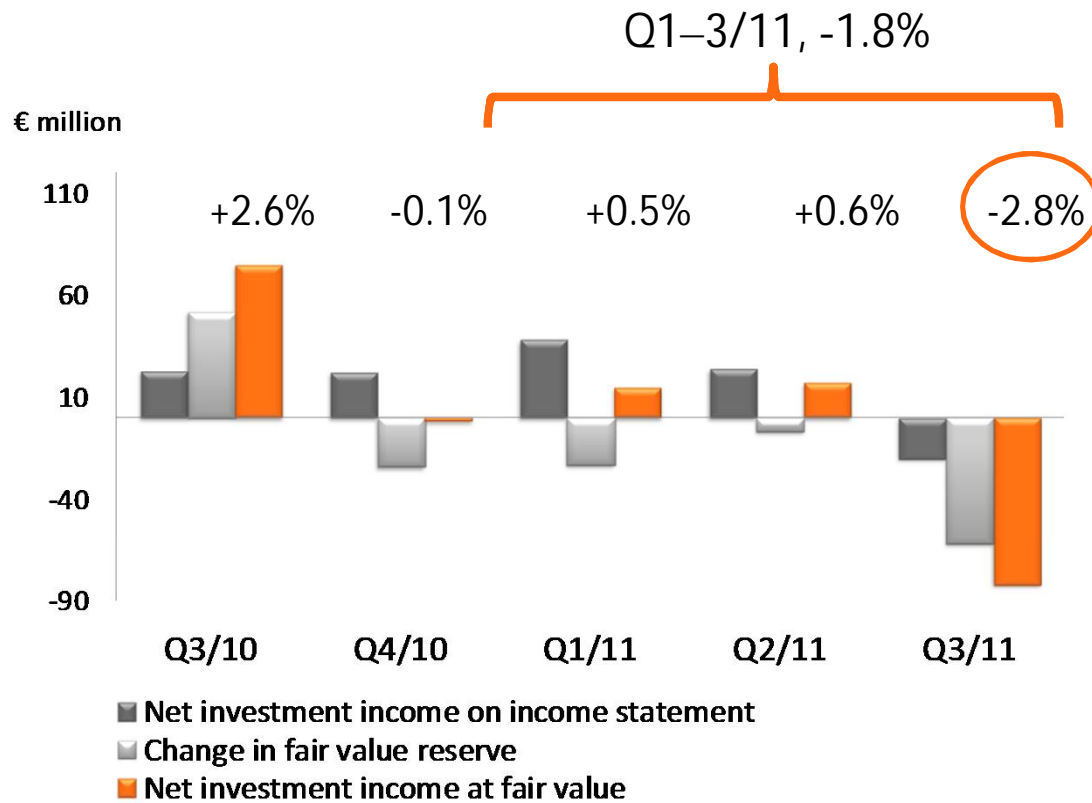
Non-life Insurance Q1–3/11

Operating combined ratio, cumulative

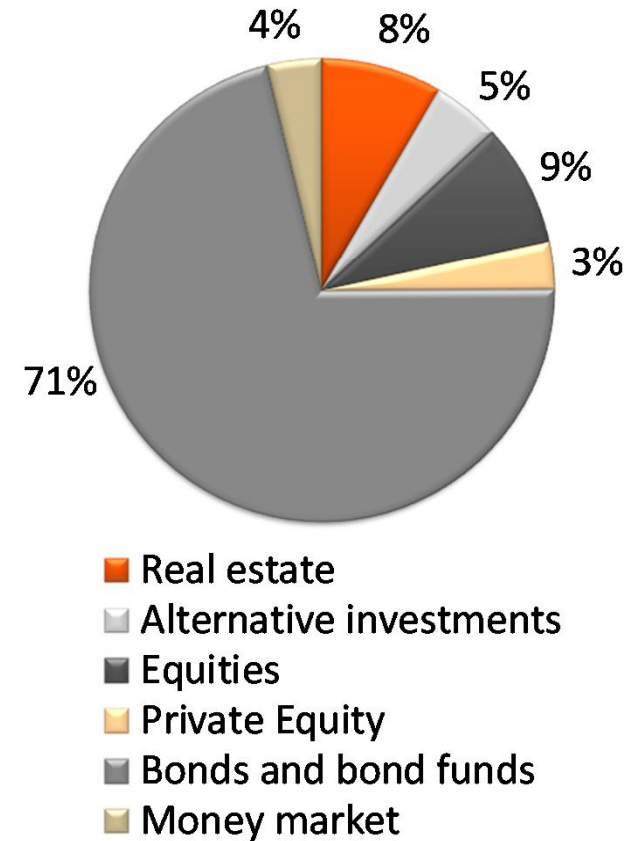


Non-life Insurance

Return on investments at fair value



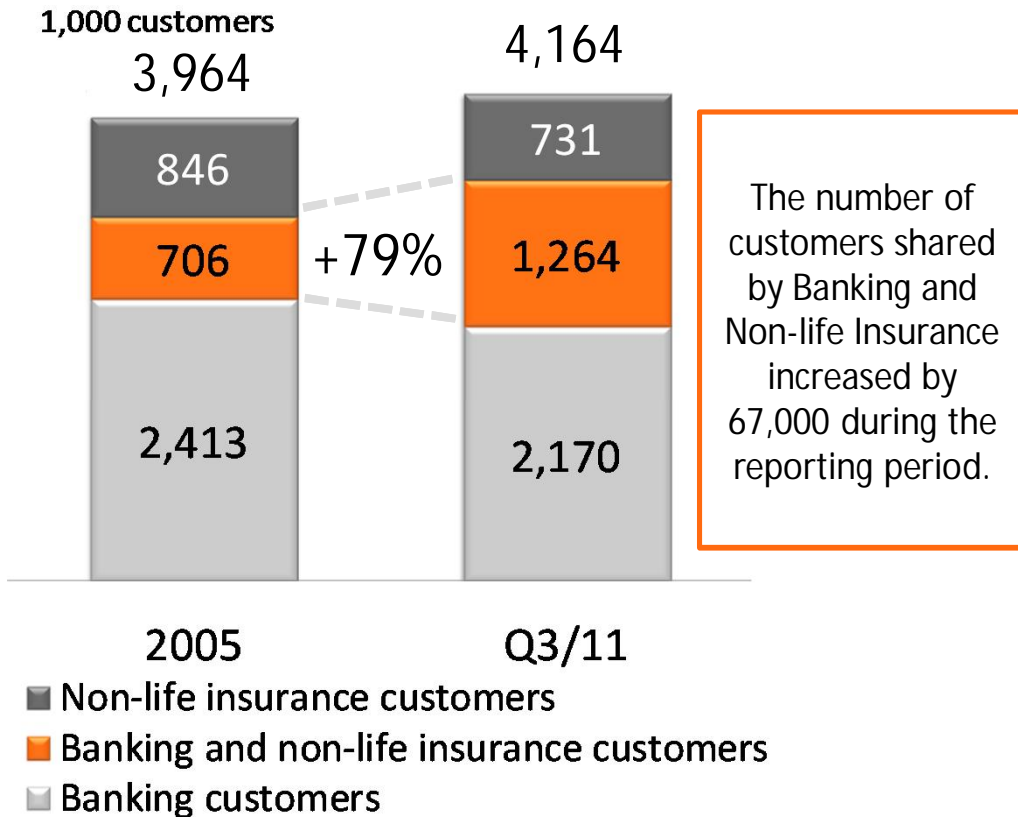
Investment portfolio (€2.9bn) by asset class as of 30 Sept. 2011



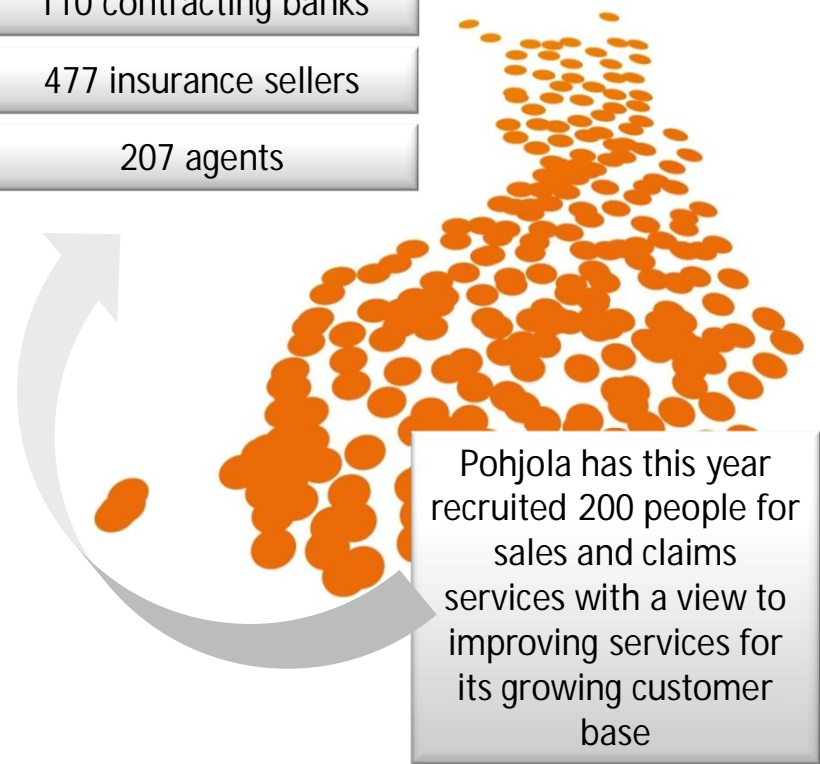
The Broadest Customer Base in Finland

Cross-selling potential between Pohjola and OP-Pohjola Group member banks

Pohjola insurance sales resources



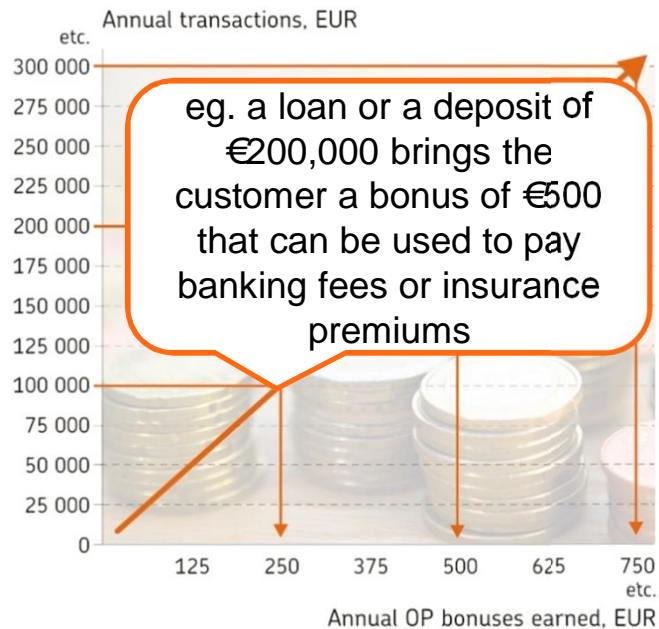
- 337 outlets
- 110 contracting banks
- 477 insurance sellers
- 207 agents



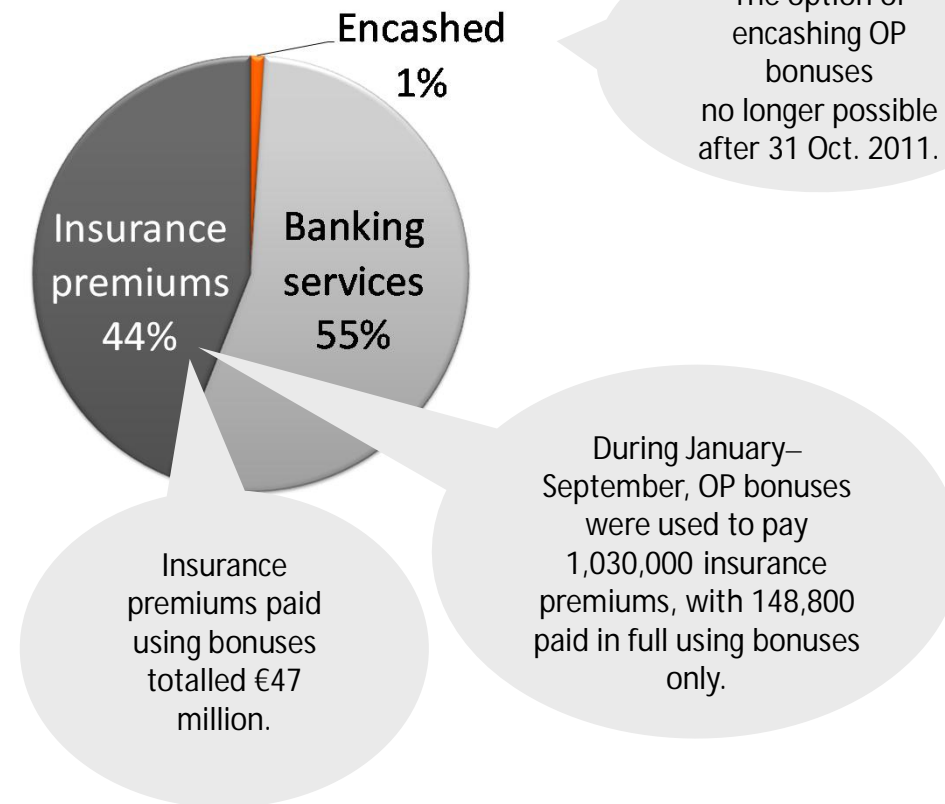
The Best Loyal Customer Benefits for Private Customers

OP bonuses to customers reached a new high in 2010, €151 mn (2005: €42 mn)

Bonuses accrue from banking and insurance services



Use of bonus Q1–3/11



Asset Management

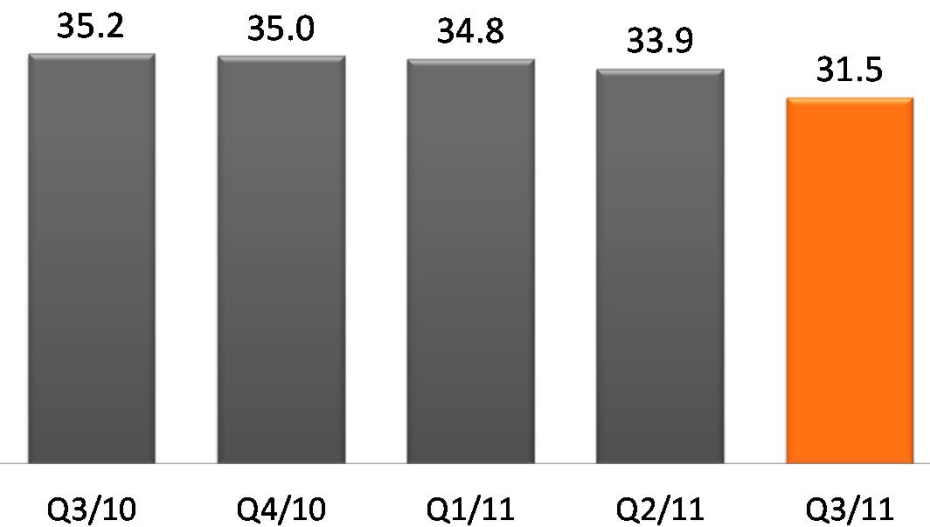
Interim Report Q3/11



Asset Management

Earnings before tax Q1–3/11 improved by 11% to €19.5 million (17.6)

Assets under management, €bn

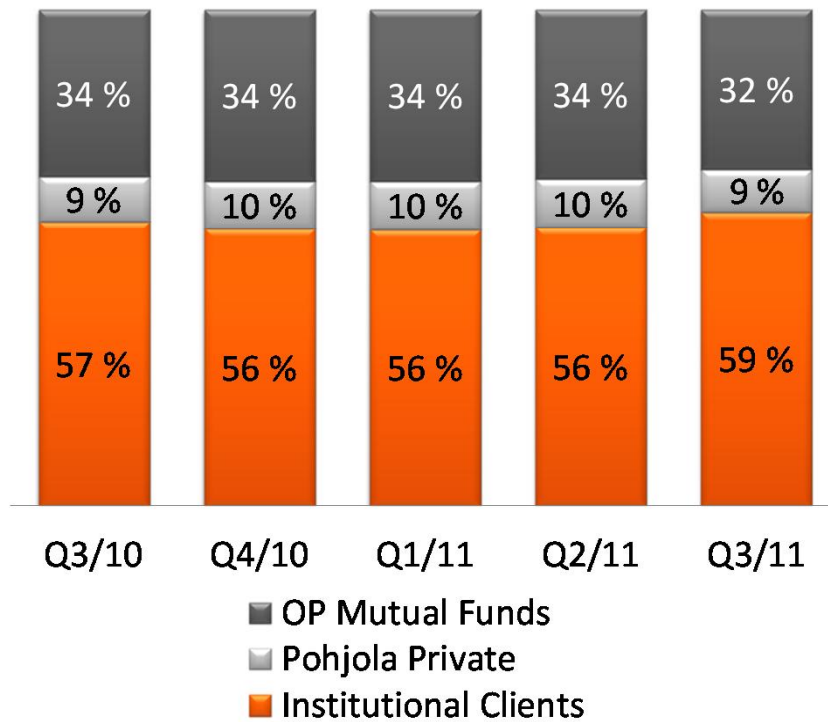


Operating cost/income ratio better than targeted (<50%)

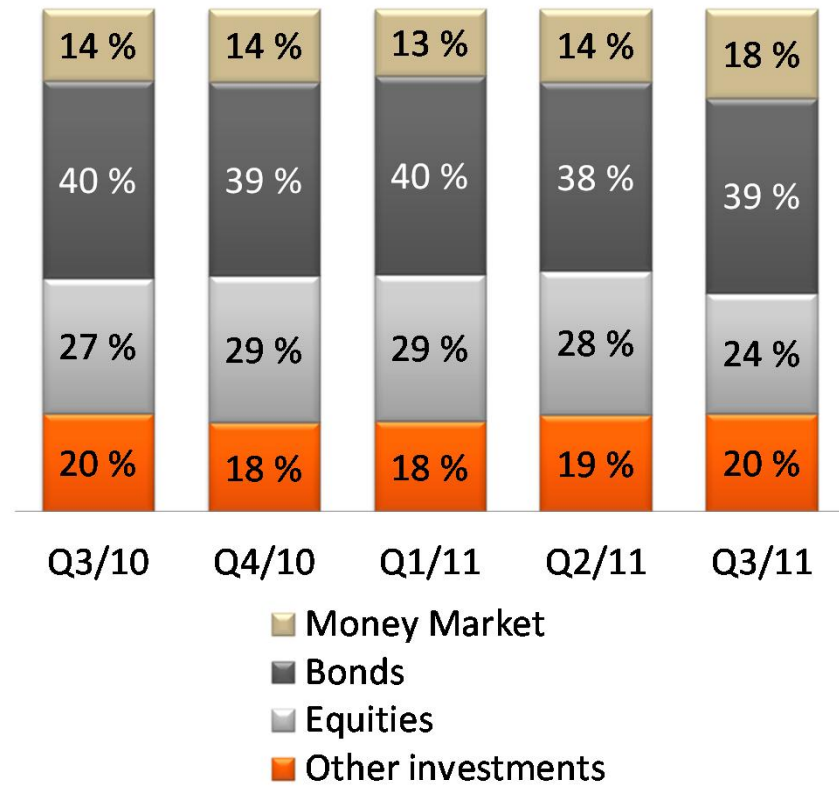
Operating cost/income ratio	2011	2010
Q3	49%	51%
Q1-3	49%	52%

Asset Management

Assets under management by client group



Assets under management by asset class



Group Functions

Interim Report Q3/11

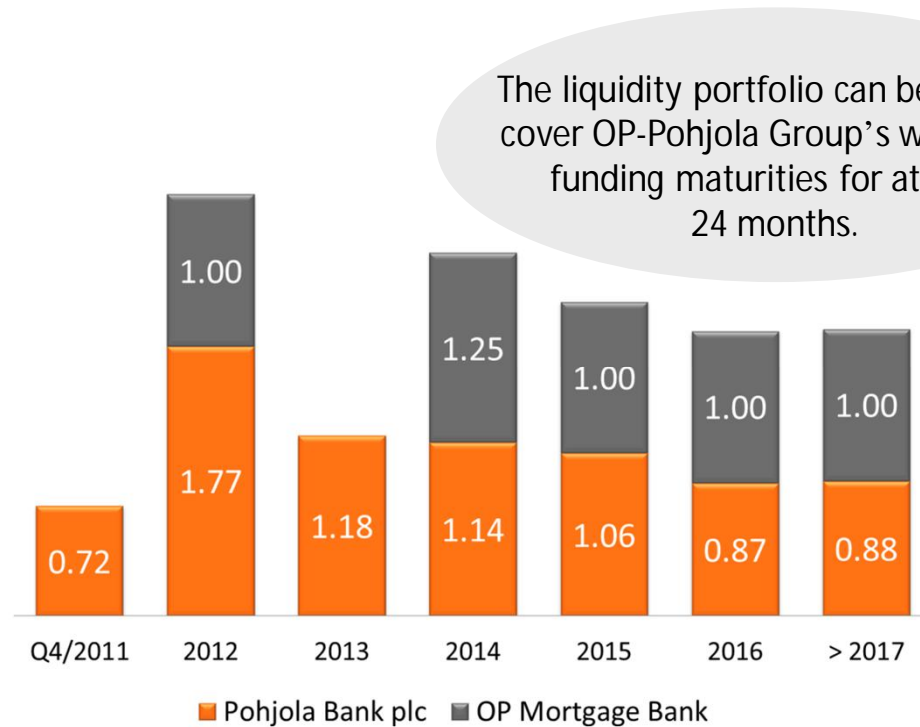


Group Functions

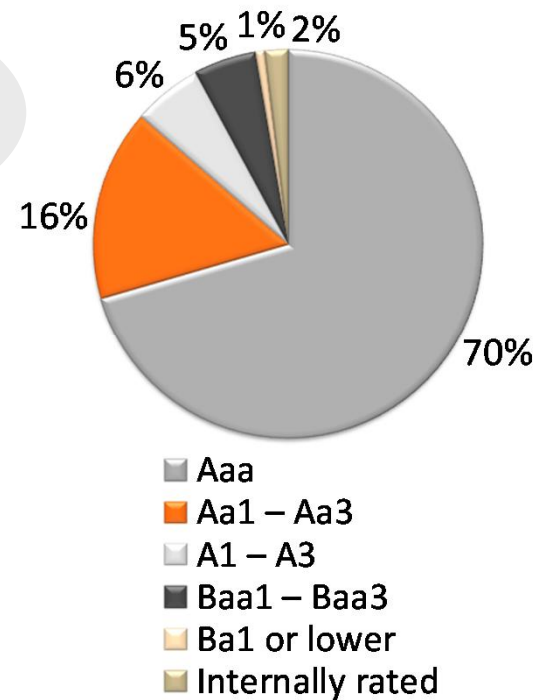
Earnings before tax for Q1–3/11 were €20 million (48)

Maturing long-term funding, €bn as of 30 Sept. 2011

Liquidity portfolio (€12.8 bn) by credit rating as of 30 Sept. 2011



The liquidity portfolio can be used to cover OP-Pohjola Group's wholesale funding maturities for at least 24 months.



Outlook towards
the year end



Pohjola Group's Outlook towards the Year End

- The Group's operational profitability is expected to remain good during the rest of the year.
- However, fourth-quarter consolidated earnings will be eroded by a reduction of an estimated 0.1–0.3 percentage points in the discount rate and higher technical provisions due to a change in the mortality model. The growth in the amount of technical provisions will become clear towards the end of this year.
- Consolidated earnings before these non-recurring items and tax are expected to be at somewhat the same level in 2011 as in 2010 (Previous estimate: Consolidated earnings before tax in 2011 are expected to be higher than in 2010.)
- It is estimated that Non-life Insurance's operating combined ratio will vary between 89 and 93% (unchanged).
- More detailed information on the outlook can be found in the Interim Report.

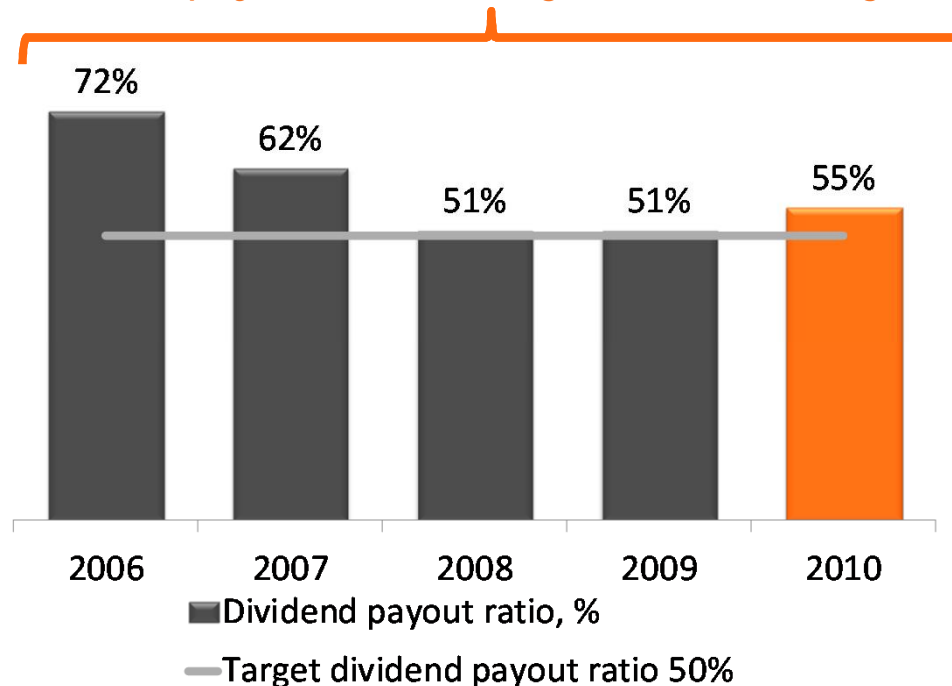
Dividend policy



Dividend Policy

We aim to distribute a minimum of 50% of earnings per share in dividends, provided that Tier 1 stands at a minimum of 9.5%

Dividend payout ratio during 2006–10 averaged 58%



Dividends for 2010 represents 55% of earnings

- on one Series A share
€0.40
- on one Series K share
€0.37

€ million	2006	2007	2008	2009	2010
Dividends paid out	130.9	130.9	45.5	106.6	125.8

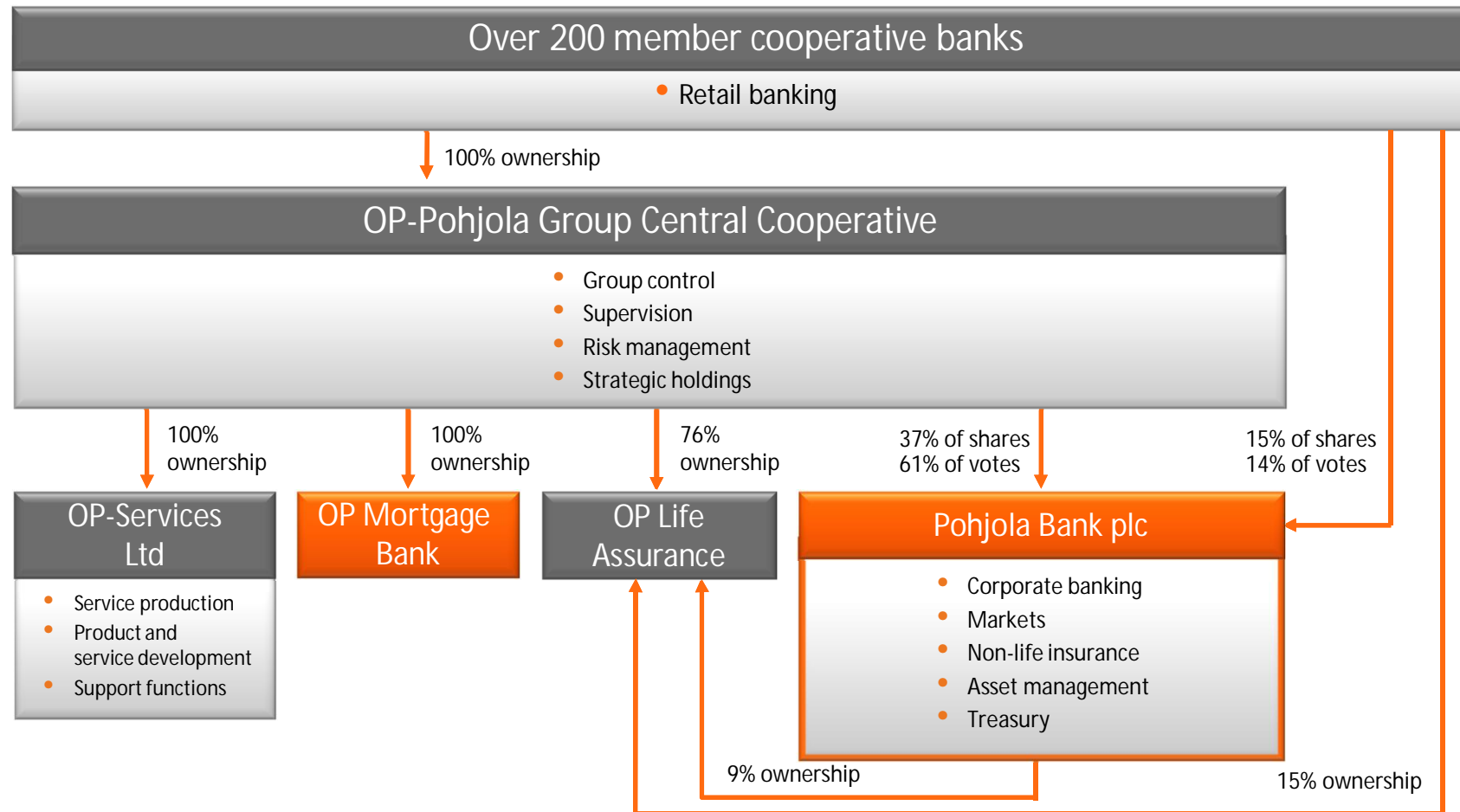
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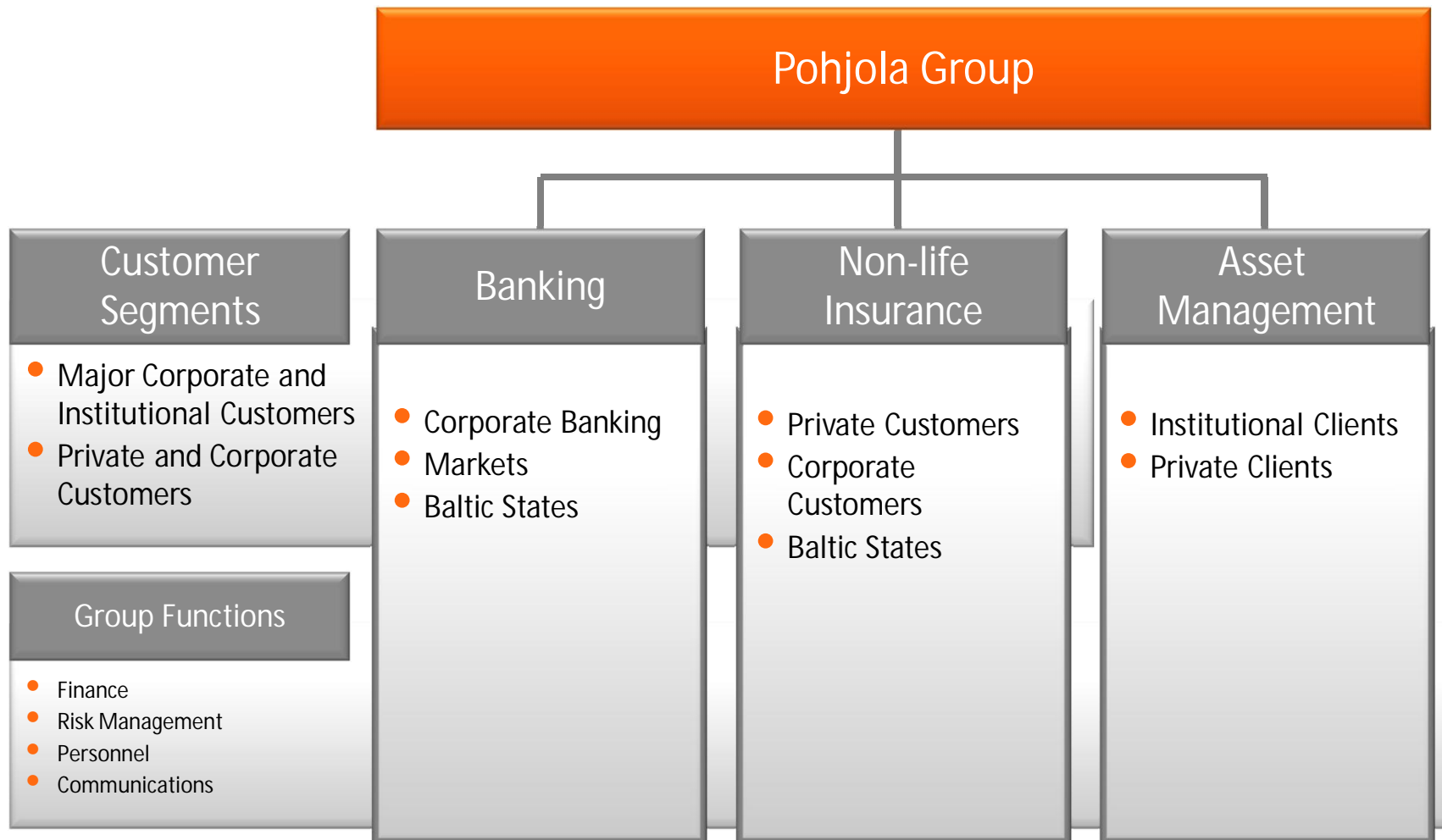


OP-Pohjola Group's Ownership Structure and the Roles of Group Entities

The Central Cooperative and the member banks are liable for each other's debts and commitments. Insurance companies do not fall within the scope of joint liability. OP-Pohjola Group is monitored on a consolidated basis by Finnish FSA.

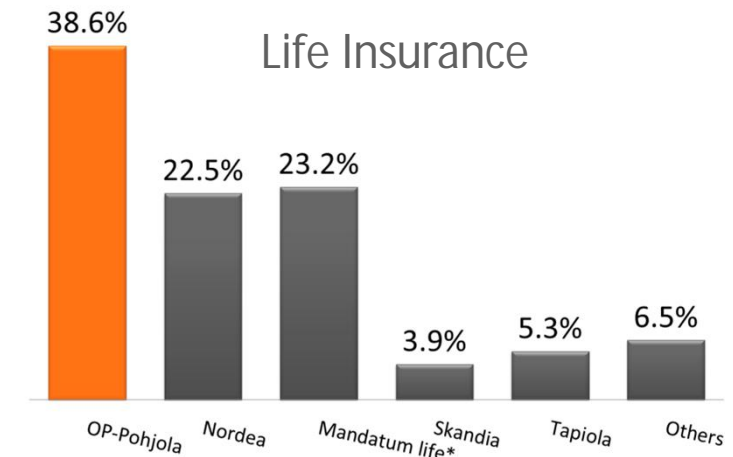
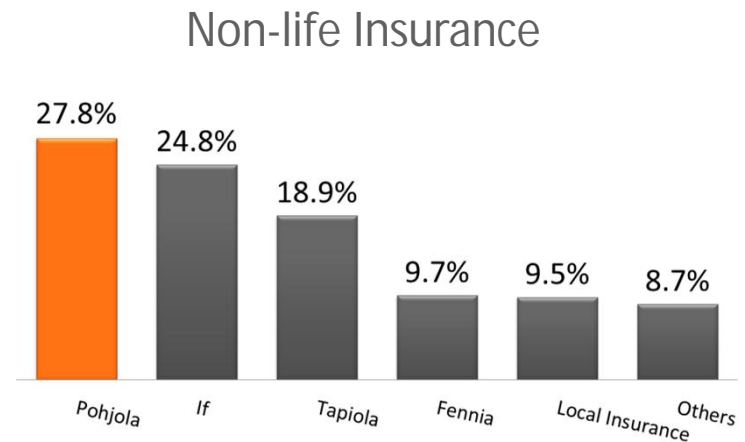
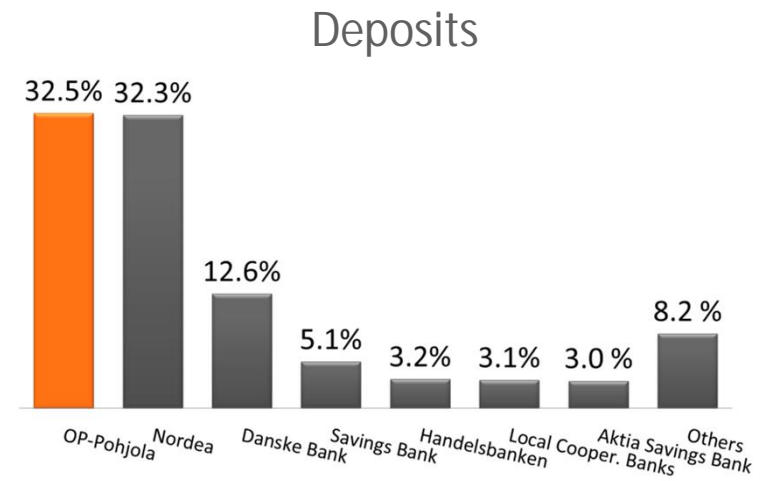
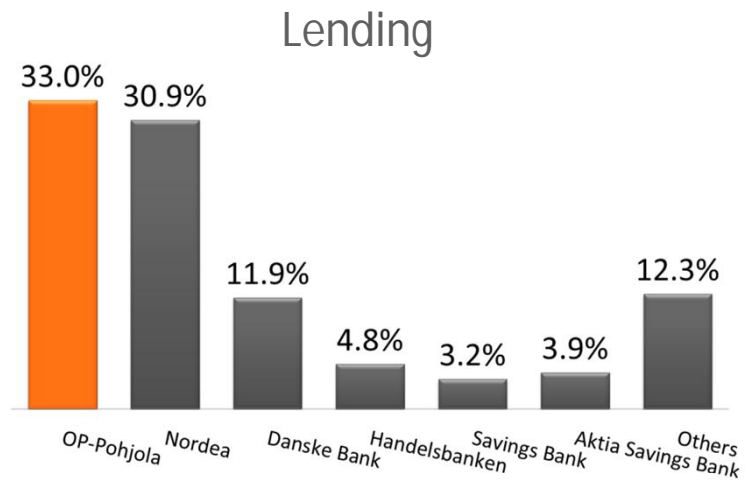


Pohjola Group's Business Structure



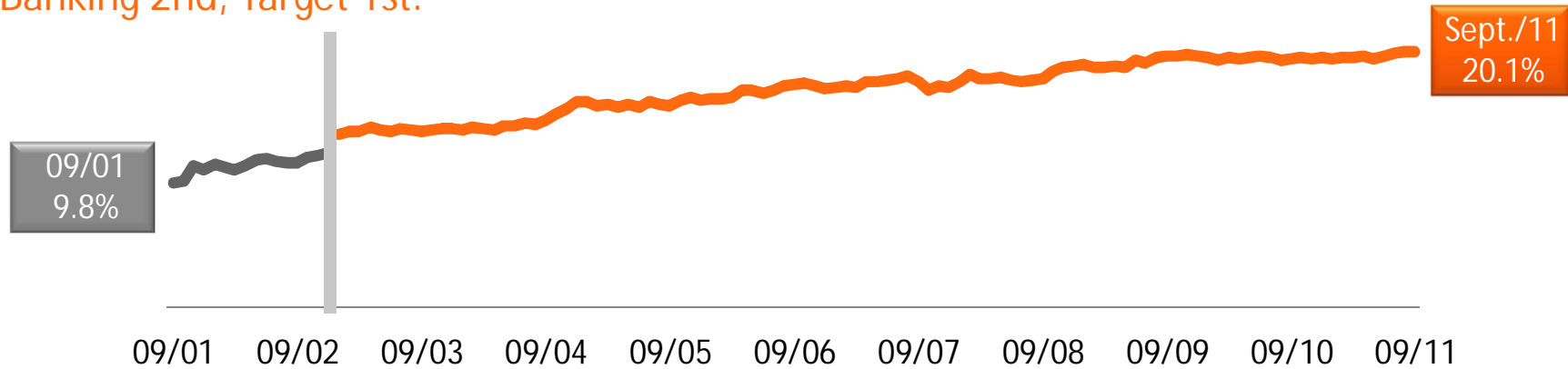
OP-Pohjola-Group – Market Leader in Finland

Market shares in 2010

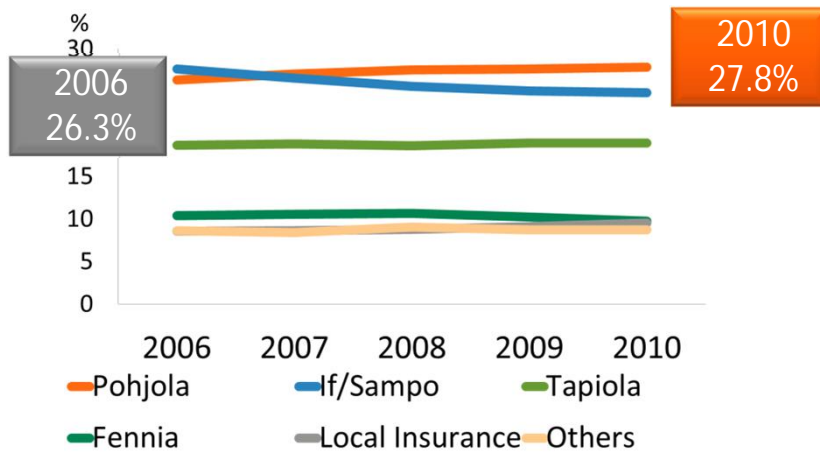


Pohjola's Market Position and Targets

Banking 2nd, Target 1st.

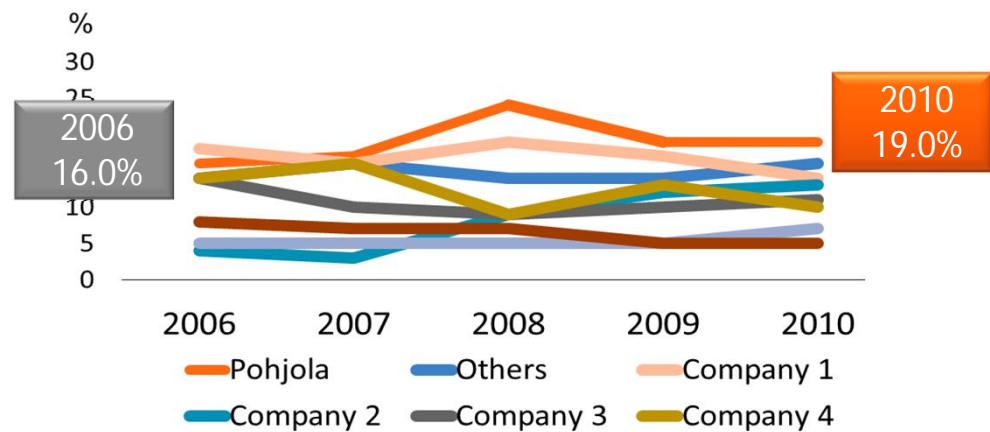


Non-life Insurance 1st, Target 1st.



Source: Federation of Finnish Insurance Companies

Asset Management 1st, Target 1st.



Source: SFR, Based on interviews and answers by institutional investors with disclosed investment size.

Joint Liability

- Joint liability within OP-Pohjola Group is based on the Act on the Amalgamation of Deposit Banks.
- OP-Pohjola Group Central Cooperative and its member credit institutions are liable for each other's debts and commitments in accordance with the Act.
 - The Central Cooperative is responsible for the payments of any debts of a member credit institution that cannot be paid using such member credit institution's own funds.
 - A member credit institution must pay the Central Cooperative a proportionate share of the amount which the Central Cooperative has paid either to another member credit institution as part of the support action described above, or to a creditor of such member credit institution as payment of a due debt for which the creditor has not received payment from his debtor.
 - Each member credit institution's liability, for the amount which the Central Cooperative has paid on behalf of one member credit institution to its creditors, is divided between the member credit institutions in proportion to their last adopted balance sheet totals.
- OP-Pohjola Group Group's insurance companies do not fall within the scope of joint liability.

Pohjola's Credit Ratings

Rating target: Rating AA issued by at least 2 credit rating agencies

	Moody's	S & P	Fitch
Pohjola Bank	Aa2*	AA-	AA-*
Handelsbanken	Aa2	AA-	AA-
Nordea	Aa2	AA-	AA-
DnB NOR	Aa3	A+	A+
Danske Bank	A2**	A**	A+*
SEB	A1	A	A+
Swedbank	A2	A	A
OP Mortgage Bank***	Aaa	AAA	-
Pohjola Insurance Ltd	A2*	A+	-
If	A2	A	-
Finnish government	Aaa	AAA	AAA

* Credit rating under review

** Credit rating outlook is negative

*** Covered bond rating

31 October 2011

OP-Pohjola Group and Pohjola Bank plc

Income statement, € million

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Net interest income	755	205	917	258
Net income from Non-Life insurance	291	296	382	388
Net income from Life Insurance	78		100	
Net commissions and fees	435	119	563	164
Other income	111	43	210	116
Total income	1 670	663	2 172	926
Total expenses	991	380	1 286	514
Earnings before impairments of receivables	547	283	723	412
Impairments of receivables	64	40	149	104
Returns to owner-members and OP-bonus customers	132		163	
Earnings before tax	482	245	575	308
Change in fair value reserve	-456	-180	225	-17
Earnings/loss before tax at fair value	26	65	800	291

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Total assets, € million	91 191	41 080	83 969	36 184
Receivables from customers, € million	59 387	12 622	56 834	12 433
Deposits, € million	39 931	6 968	36 443	4 231
Equity capital, € million	6 421	2 301	6 726	2 377
Tier 1 ratio, %	11.6	11.0	12.8	12.5
Doubtful receivables, € million	329	46	204	31
Doubtful receivables and zero-interest bearing receivables of loans and guarantees, %	0.53	0.31	0.34	0.22
Loan and guarantee portfolio, € billion	61.9	14.8	59.4	14.0
Impairments of receivables, € million	64	40	149	104
Impairments of receivables / loan and guarantee portfolio, %	0.14	0.27	0.25	0.73
Personnel	13 020	3 310	12 504	3 016

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Net interest margin, %	1.1*	1.32**	1.1*	1.36**
Cost / Income ratio, %	59	37***	59	35***
Return on equity (ROE) at fair value, %	0.4	2.8	9.4	9.3
Return on assets, (ROA) at fair value, %	0.0		0.7	
Non-Life Insurance, Solvency ratio, %		81		86
Life Insurance, Solvency ratio, %	12.1****		15.9****	
Operating Combined ratio, %		89.4		89.7

* Net interest income as a percentage of average total assets

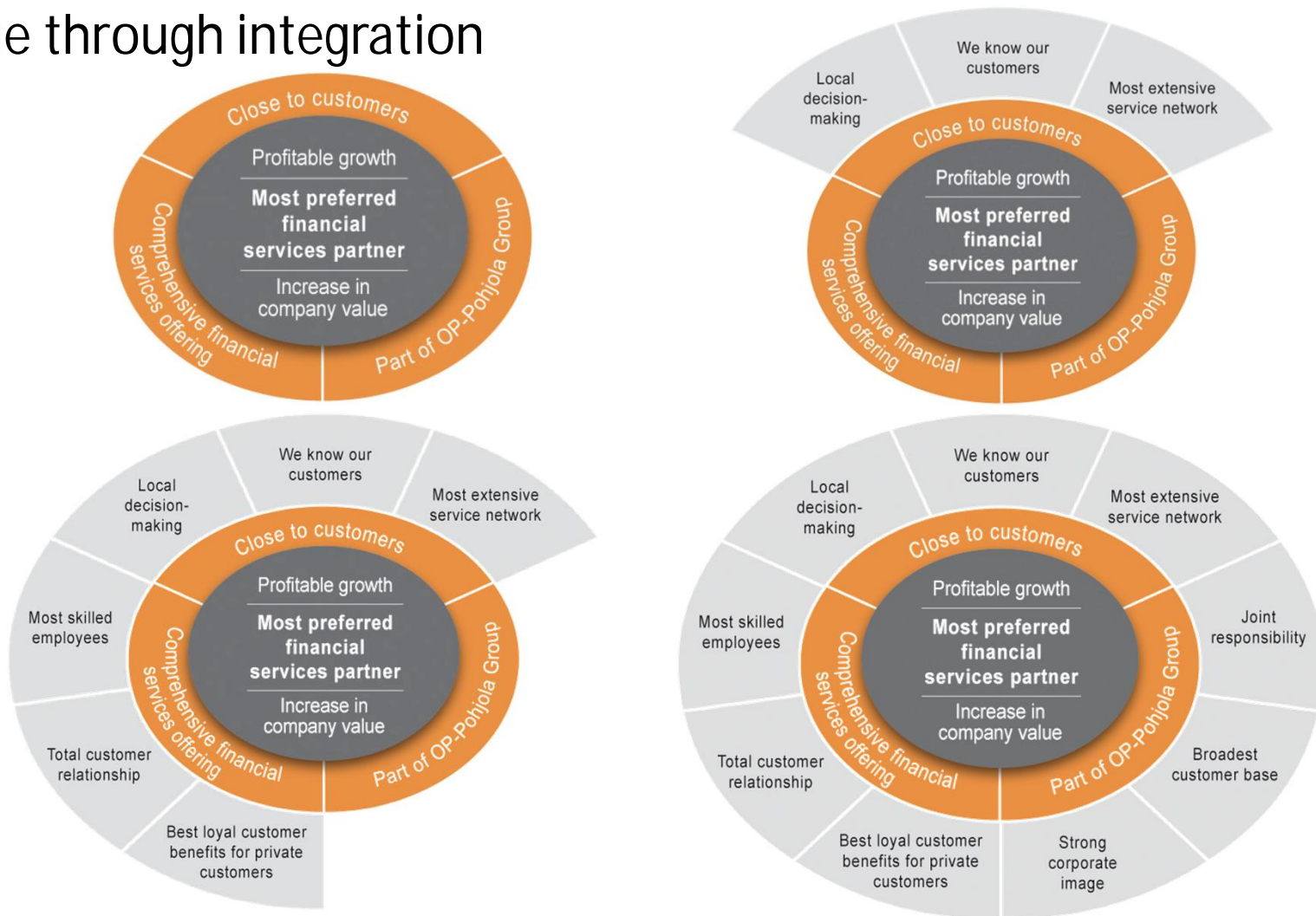
** Average margin for corporate lending

*** Operating cost / income ratio in Banking

**** Solvency capital / (net technical provisions for own account - equalisation provisions - 0.75 * technical provisions on unit-linked insurance) * 100

Strategy and Competitive Advantages

Value through integration



Strategic Initiatives

1. Upgrading business for corporate and institutional customers

2. Intensifying integration between Banking and Non-life Insurance

3. Improving international service capabilities

4. Enhancing the Group's intellectual capital

Implementation of Strategic Initiatives

Banking and Non-life Insurance

Upgrading business
for corporate and
institutional customers

- Mid-size corporate customers
- Roles, responsibilities, practices

Intensifying business
integration between
banking and
non-life insurance

- New CRM organisations
- Exploiting shared customer data

Improving international
service
capabilities

- Branch network in the Baltic countries
- International partner network

Implementation of Strategic Initiatives Asset Management

Improving international
service capabilities

- Enhancing international sales
- Private equity fund business focus
- International partner network



Implementation of Strategic Initiatives Personnel

Enhancing the Group's intellectual capital

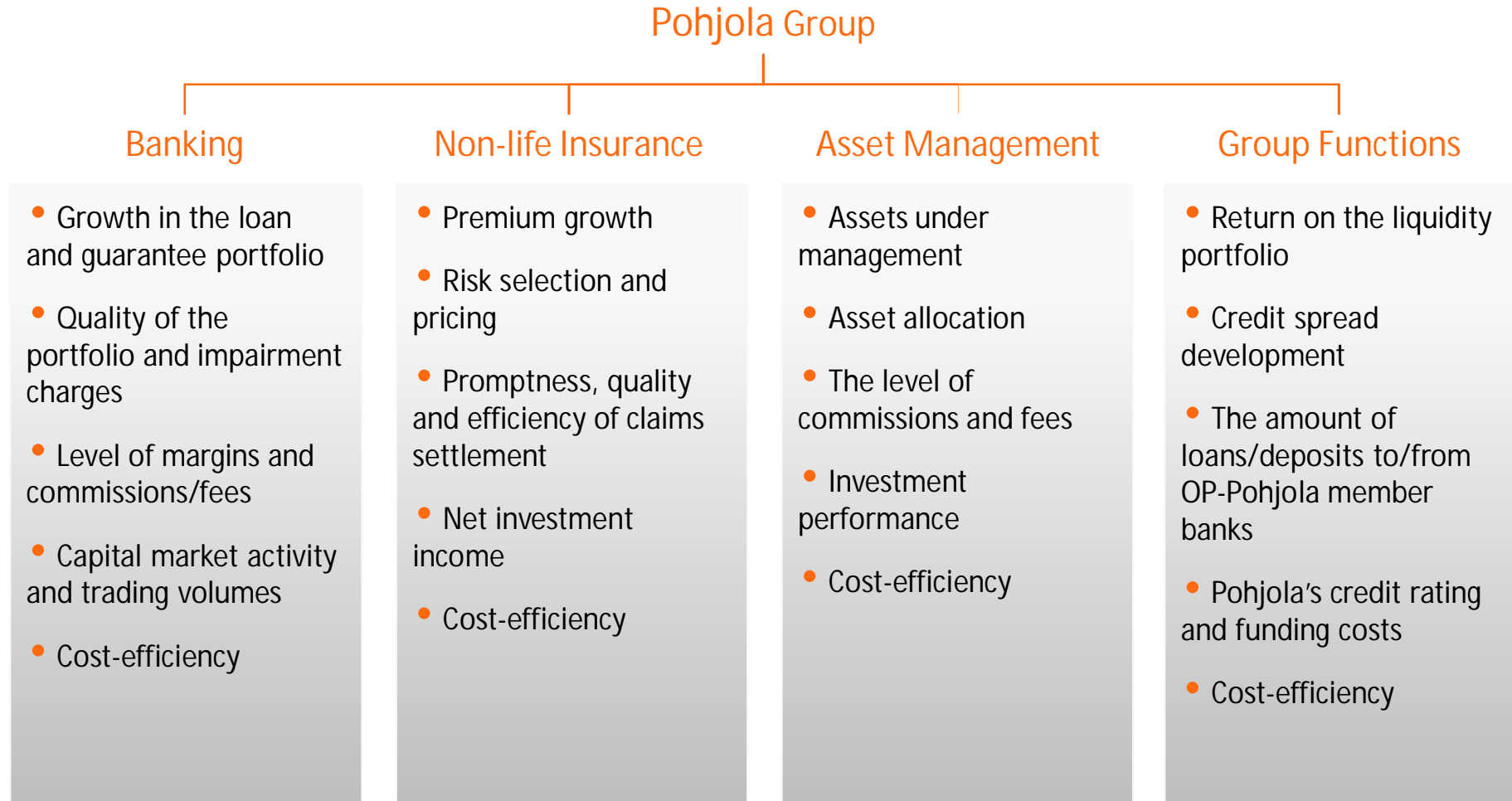
- Competence surveys and strategy-based job requirements
- Personal development plans
- Group key employee programme
- Job motivation, employee wellbeing and incentive schemes



Strategy Implementation in 2011 and Next Few Years

- ✓ Developing sales channels
- ✓ Economic Profit/Economic Capital
- ✓ Exploiting the information advantage
- ✓ Expanding our Baltic business, and further developing international cash management services and international partnerships
- ✓ Talent Programme and the competence survey process
- ✓ Further developing the Markets division business
- ✓ Further developing claims services
- ✓ Enhancing electronic transactions

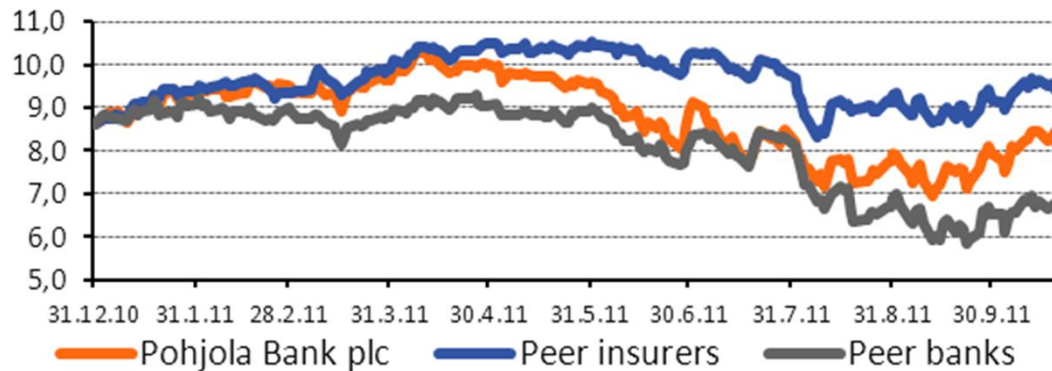
Key Value Drivers



Pohjola Share and Total Shareholder Return

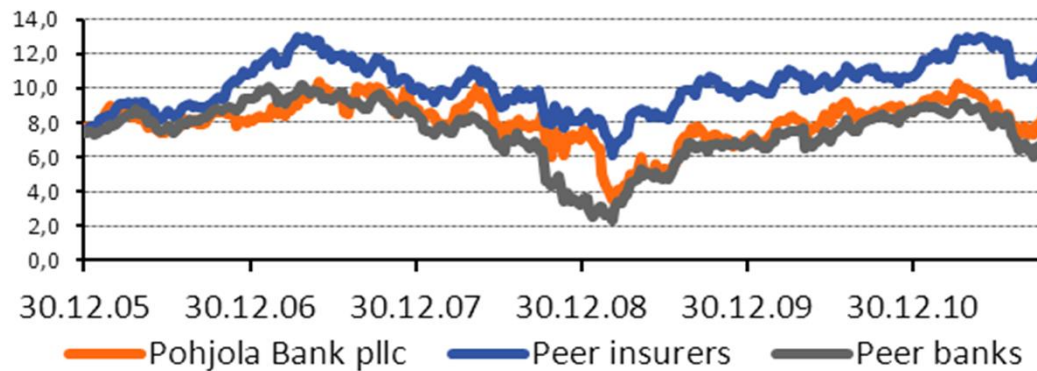
MCAP of Pohjola Series A and K shares totalled €2.5 bn as of 30 September 2011

TSR 1 Jan.–21 Oct. 2011



Peer insurers +9%
 Pohjola -4%
 Peer banks -19%

TSR 2006–21 Oct. 2011

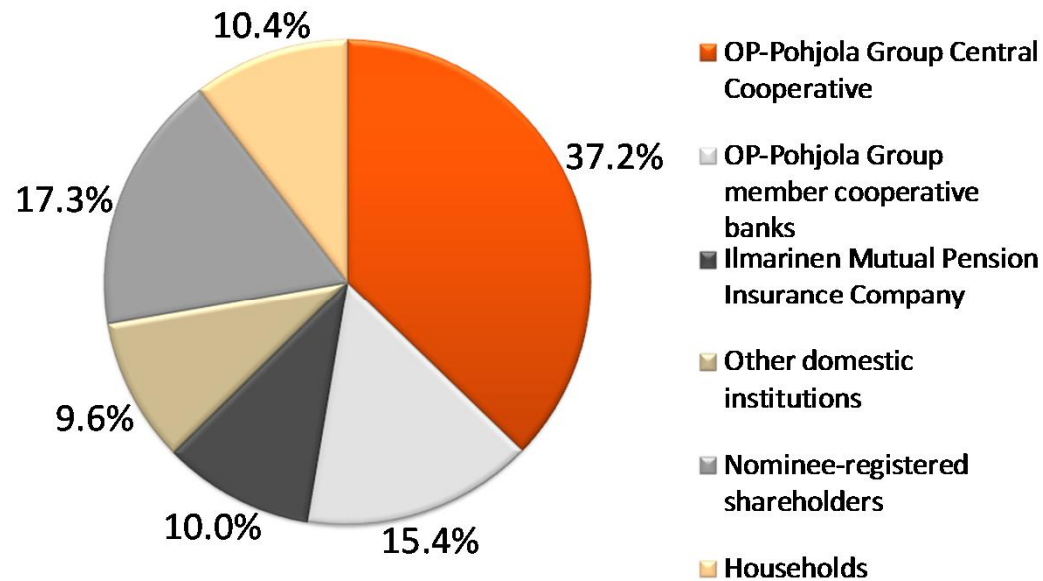


Peer insurers +57%
 Pohjola +12%
 Peer banks -4%

Peer banks: Danske, DnB NOR, Nordea, SEB, SHB, Swedbank Peer insurers: AlmBrand, Sampo/If, TopDanmark, Tryg

Ownership Structure

Shareholdings of Series A and K Shares as of 30 Sept. 2011



Largest shareholders as of 30 Sept. 2011

30 Sept. 2011	% of all shares	% of Series A shares	% of votes
1. OP-Pohjola Group Central Cooperative	37.24	23.23	60.96
2. Ilmarinen Mutual Pension Insurance Company	10.00	12.72	5.39
3. Oulun Osuuspankki	1.37	1.11	1.81
4. OP Bank Group Pension Fund	1.08	1.38	0.58
5. OP Bank Group Pension Foundation	0.73	0.93	0.39
6. State Pension Fund	0.63	0.80	0.34
7. Turun Seudun Osuuspankki	0.57	0.72	0.33
8. Varma Mutual Pension Insurance Company	0.55	0.71	0.30
9. Tampereen Seudun Osuuspankki	0.51	0.61	0.34
10. Suur-Savon Osuuspankki	0.47	0.53	0.36
Nominee-registered shares, total	16.20	20.61	8.73
Other	30.65	36.65	20.47
Total	100.00	100.00	100.00

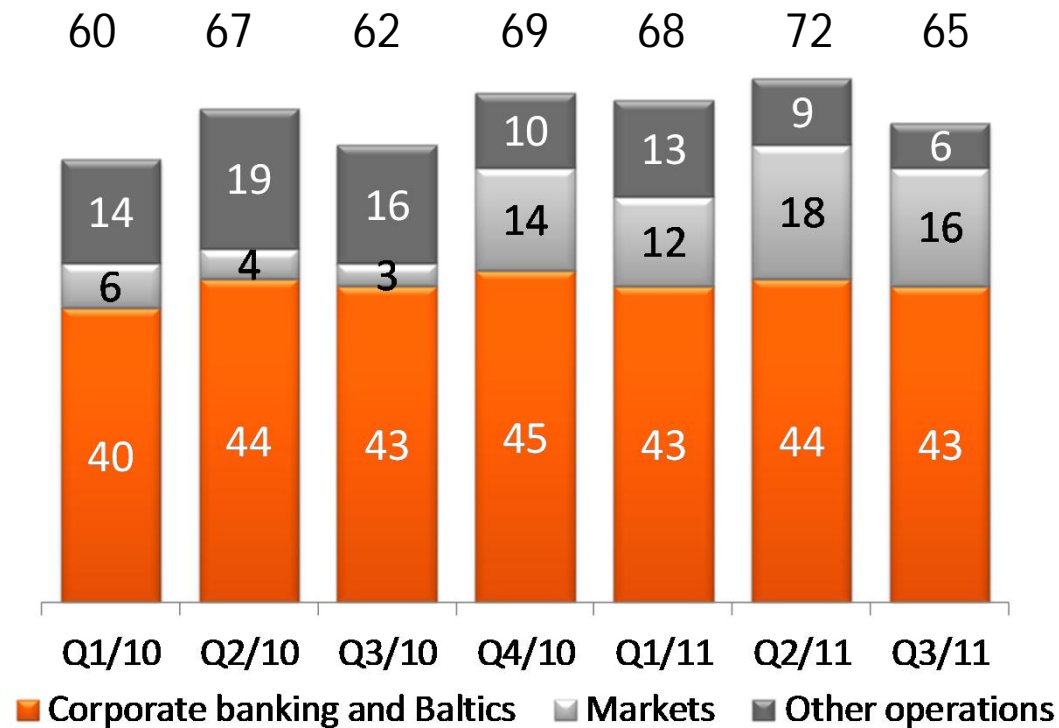
Background Material on Business Segments

- Group 57
- Banking 60
- Non-life Insurance 63
- Group Functions 76



Pohjola Group

Net interest income 2010–11, €million



Stress Test

July 2011

- OP-Pohjola Group operating under the principle of joint liability was included in the EBA stress test. Pohjola's figures are included in OP-Pohjola Group's results.
- According to the stress scenario, OP-Pohjola Group's Core Tier 1 ratio stands at 11.6% at the end of 2012. Lower capital adequacy is due mainly to an increase in risk-weighted assets as a result of the weakening loan portfolio. OP-Pohjola's risks associated with sovereign holdings are moderate, with the resultant losses remaining very small in the test.

October 2011

- The European Banking Authority (EBA) has come up with a new requirement concerning banks' capital buffers
- According to EBA's estimate, OP-Pohjola Group is not required to take any action to improve its capital adequacy because the Group's Core Tier 1 ratio is high and the sovereign bond risks are low. OP-Pohjola Group's Core Tier 1 ratio was 11.5% on 30 June 2011, which was clearly above the minimum level of 9% set by the EBA.

STRESS TEST RESULTS 2011		CORE TIER1 (31 December 2012)	Ranking 2010	
1.	Banca March	Spain	23.5%	1.
2.	Irish Life and Permanent	Ireland	20.4%	(-)
3.	OTP Bank	Hungary	13.6%	2.
4.	Sydbank	Denmark	13.6%	6.
5.	BCEE	Luxembourg	13.3%	10.
6.	Danske Bank	Denmark	13.0%	22.
7.	Jyske Bank	Denmark	12.8%	7.
8.	PKO BP	Poland	12.2%	3.
9.	OP-Pohjola Group	Finland	11.6%	9.
10.	Rabobank	Holland	10.8%	8.

Source: Goldman Sachs

According to EBA's stress test results, OP-Pohjola ranked 9th among the 90 banks included in the exercise.

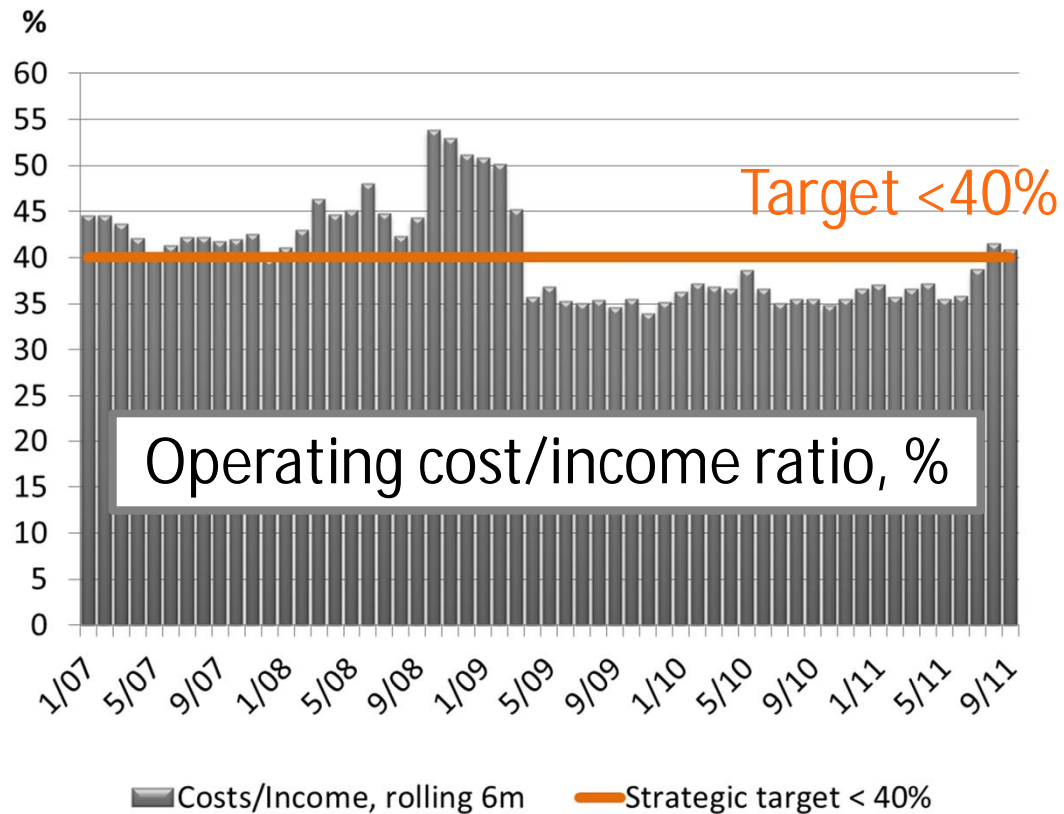
Direct Exposures to Sovereign Debt in GIIPS Countries

Pohjola Group's exposures to sovereign debt in GIIPS countries as of 30 September 2011

€ million	Banking	Non-Life Insurance	Group Functions	Total
Greece	0	20	0	20
Italy	0	30	0	30
Ireland	0	5	41	46
Portugal	0	17	0	17
Spain	0	16	0	16
Total	0	88	41	129

Banking

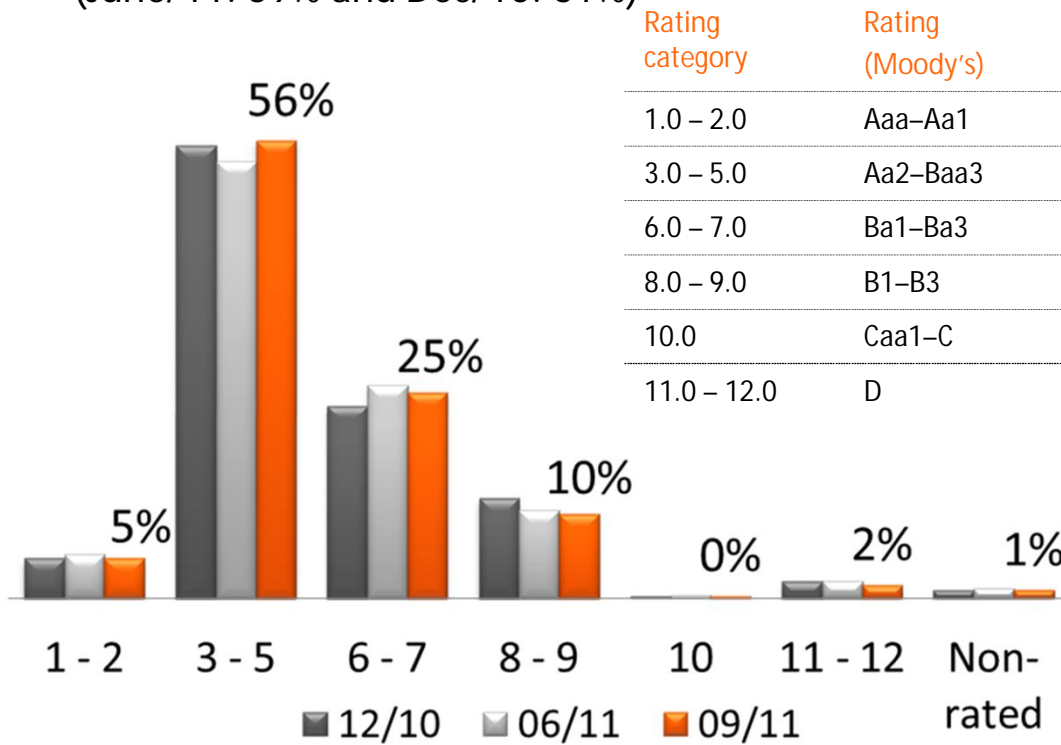
Q1-3/11 earnings before impairments of receivables €171 mn (182)
 Cumulative operating cost/income ratio for Q1-3/11 at 37% (Q3/11 at 41%)



Banking

Banking exposures from the Non-financial Corporations and Housing Corporations Sector (total €17.2 bn in Sept/11)

Investment-grade (ratings 1–5) Exposure Accounts for 61% of total exposure (June/11: 59% and Dec/10: 61%)

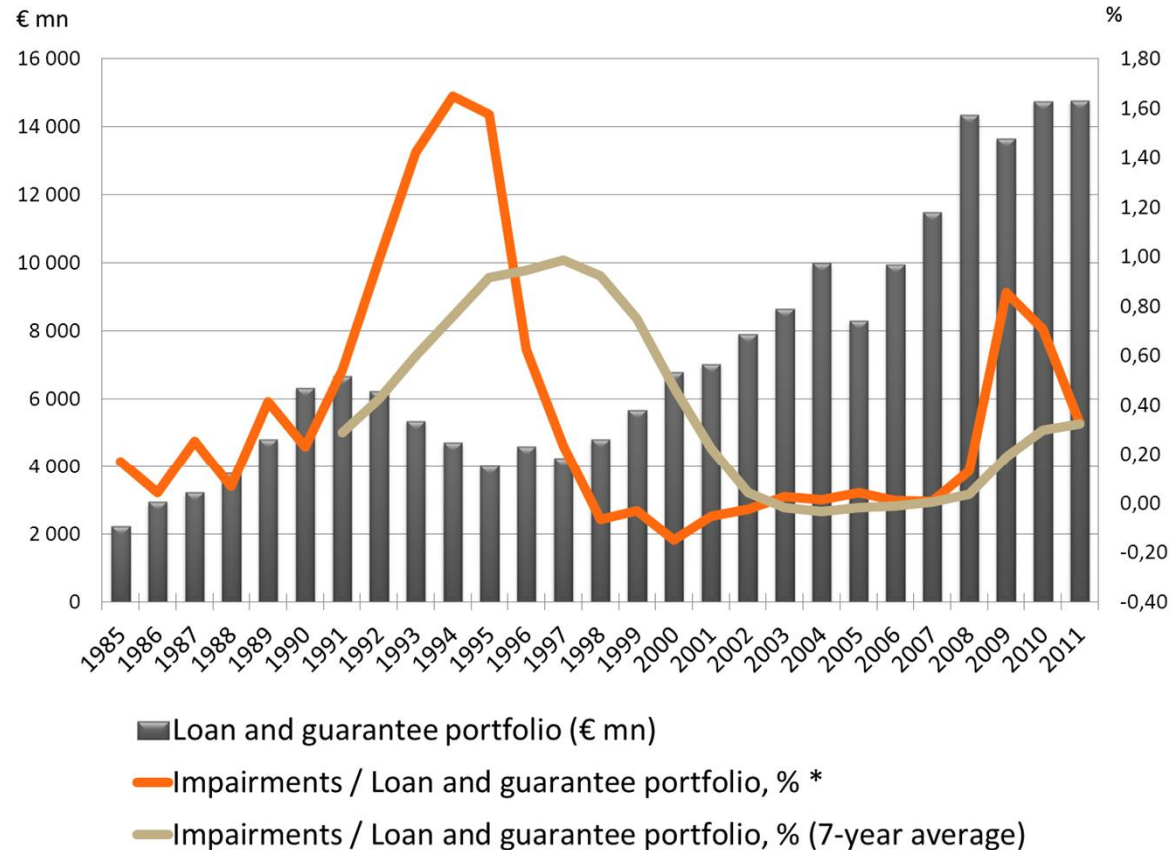


Industry	09/11 €bn	Percentage
Renting and operating of residential real estate*	1800	10,5 %
Manufacture of machinery and equipment (incl. services)	1629	9,5 %
Renting and operating of other real estate*	1576	9,2 %
Wholesale and retail trade	1570	9,2 %
Transportation and storage	1364	8,0 %
Construction	1277	7,4 %
Buying and selling of own real estate	1120	6,5 %
Forest industry	975	5,7 %
Metal industry	806	4,7 %
Services	782	4,6 %
Energy	728	4,2 %
Food industry	723	4,2 %
Chemical industry	646	3,8 %
Information and communication	559	3,3 %
Financial and insurance activities	404	2,4 %
Other manufacturing	398	2,3 %
Agriculture, forestry and fishing	355	2,1 %
Mining and quarrying	271	1,6 %
Water supply, sewerage and waste management	121	0,7 %
Other industries	48	0,3 %
Total	17154	100,0 %

*) 09/2011: 51% (€919 mn) of the exposures in the "Renting and operating of residential real estate" -industry and 20% (€316 mn) of the exposures in "Renting and operating of other real estate" -industry are guaranteed by government, cities or municipalities.

Banking

Ratio of impairments of receivables to loan and guarantee portfolio

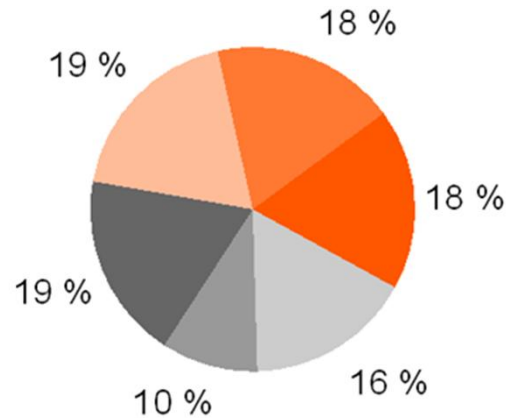


*) For 2011, impairment charges have been annualised by dividing the Q1–3/2011 figure by 3 and multiplying it by 4.

Non-life Insurance

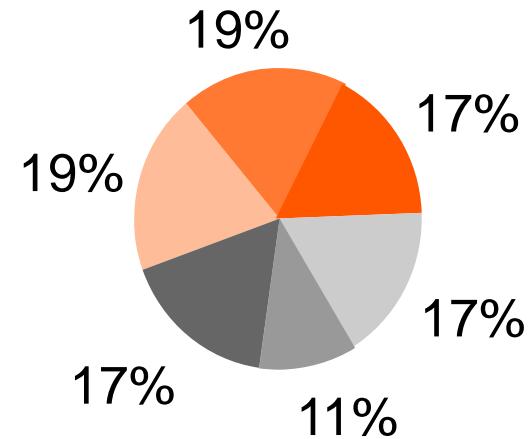
Insurance premium revenue and operating combined ratio by insurance line

Insurance premium revenue in 2009
(€943 mn)



Insurance Line	2009
Motor, third party liability	88.0
Fire and other damage to property	88.0
Statutory workers' compensation insurance	87.8
Motor, other	92.0
Other accident and health	93.1
Other	71.3

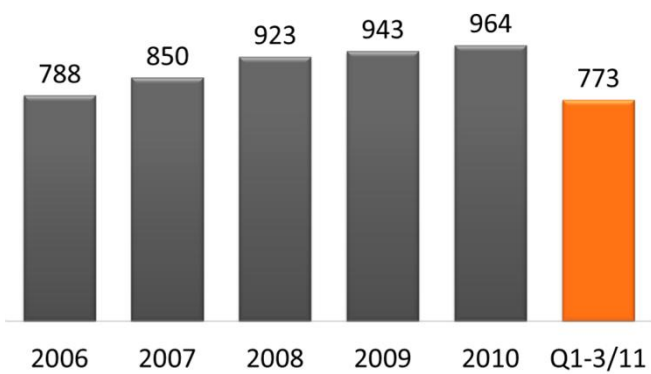
Insurance premium revenue in 2010
(€964 mn)



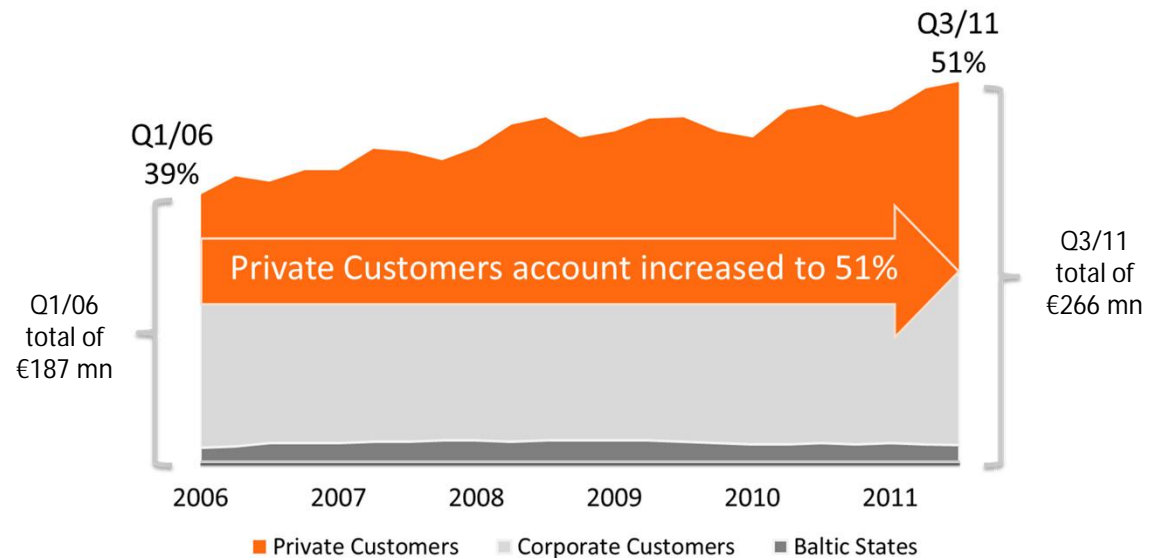
Insurance Line	2010
Motor, third party liability	84.3
Fire and other damage to property	96.1
Statutory workers' compensation insurance	93.4
Motor, other	93.4
Other accident and health	87.5
Other	83.0

Non-life Insurance

Insurance premium revenue between 2006 and Q1-3/2011



Insurance premium revenue from Private Customers on the rise



Non-life Insurance

Fixed-income portfolio by maturity and credit rating* 30 September 2011

- Investments under the “investment grade” accounted for 90% (91) of the portfolio.
- 76% of investments rated at least A-

Year(s)	0-1	1-3	3-5	5-7	7-10	10-	Total	%
Aaa	29	199	193	94	159	89	763	36 %
Aa1-Aa3	181	46	57	36	16	63	400	19 %
A1-A3	29	156	158	55	33	16	447	21 %
Baa1-Baa3	39	124	56	64	15	5	302	14 %
Ba1 or lower	24	53	56	29	6	5	173	8 %
Internally rated	4	2	1	8	10	3	28	1 %
Total	306	580	520	286	238	182	2 112	100 %

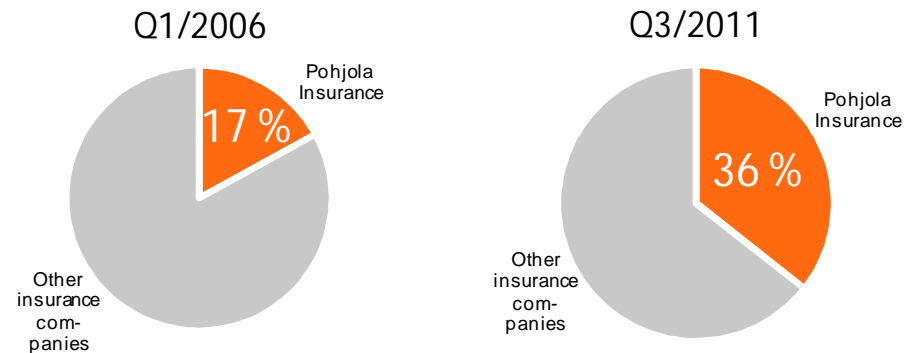
* Excludes credit derivatives.

Average residual term to maturity 5.0 years (5.3) and duration 4.0 years (4.1)

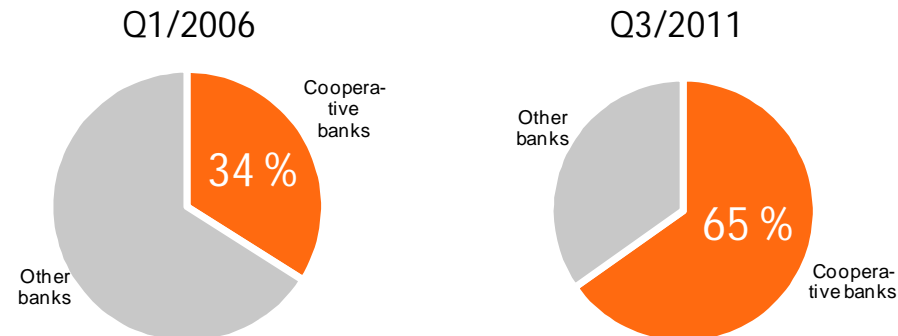
Comprehensive Financial Offering

The Bank Insurance Model has proved effective and efficient cross-selling pays dividends

OP-Pohjola Group member bank customers and their main insurer



Pohjola Insurance customers and their main bank

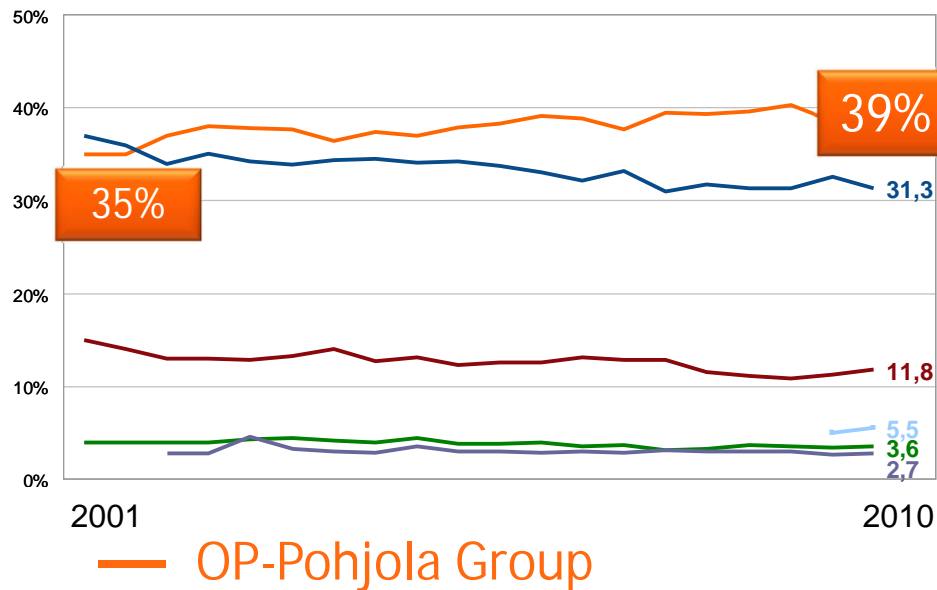


Source: Consumer survey on bank and insurance company switch by TNS Gallup; main customer relationship

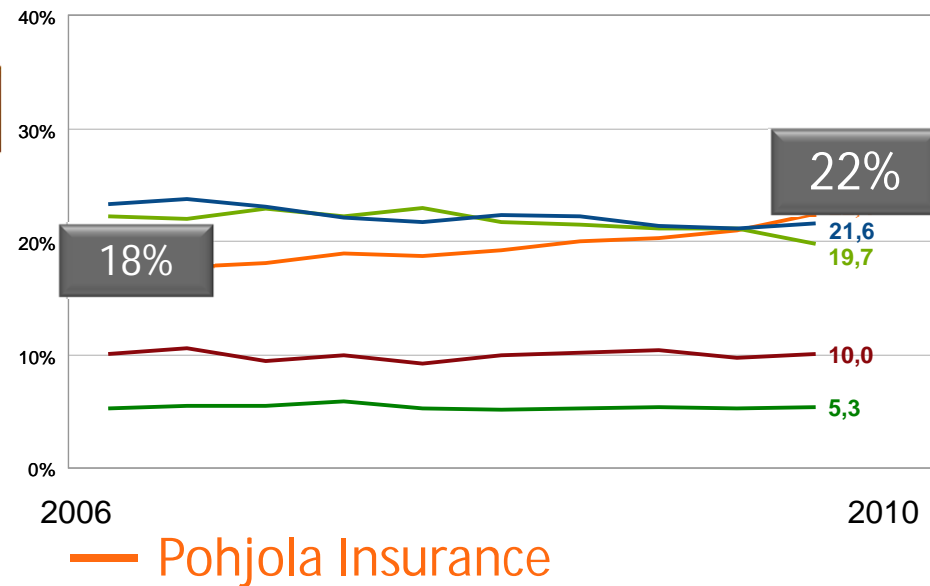
Growth Potential in Total Customer Relationships

Pohjola has great growth potential as non-life insurer for private customers

Market share by bank
Main bank



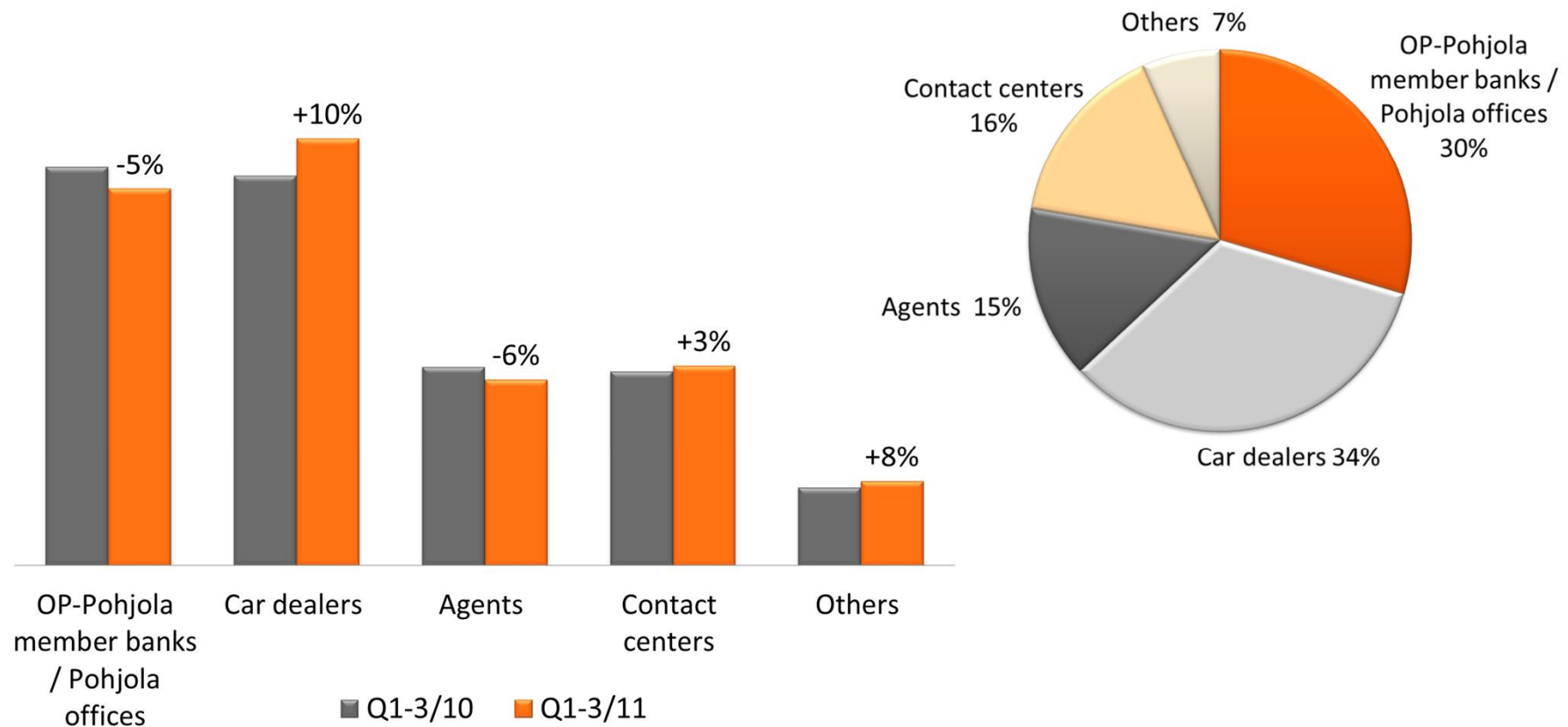
Market share by insurer
Main insurer



Source: Survey on bank and insurance company switch 2010 by TNS Gallup Oy

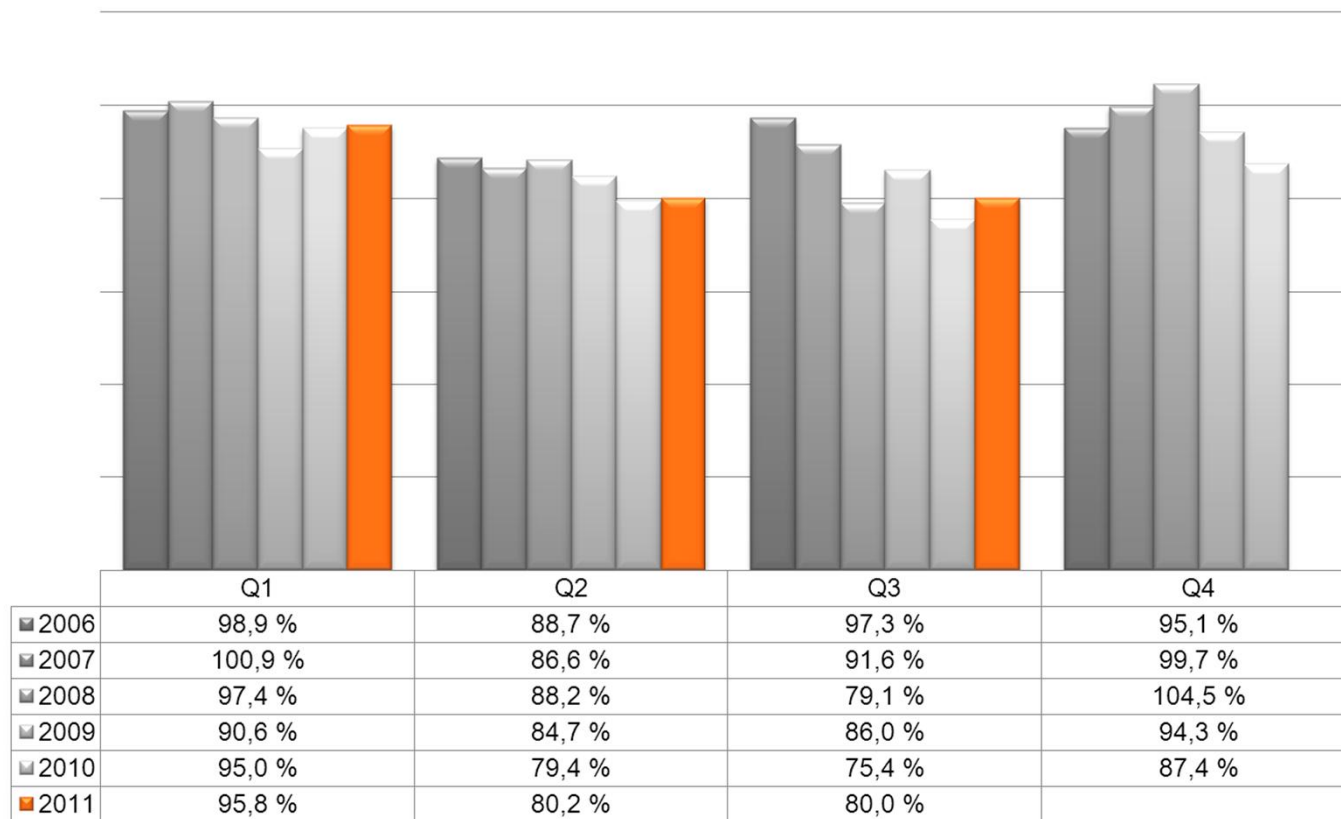
Non-life Insurance Q1-3/11

Sales to private customers by channel



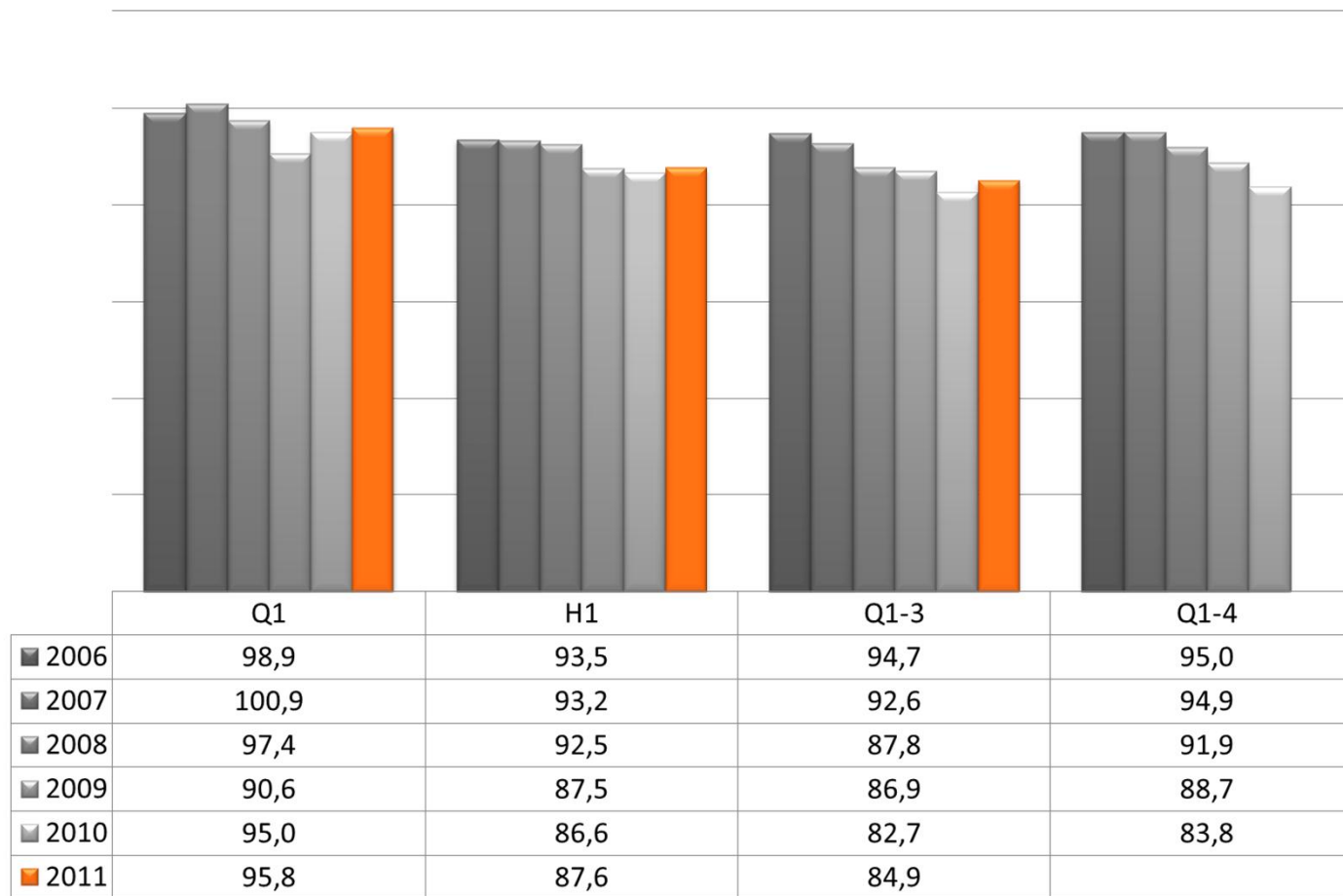
Non-life Insurance Q3/11

Private Customers: operating combined ratio by quarter



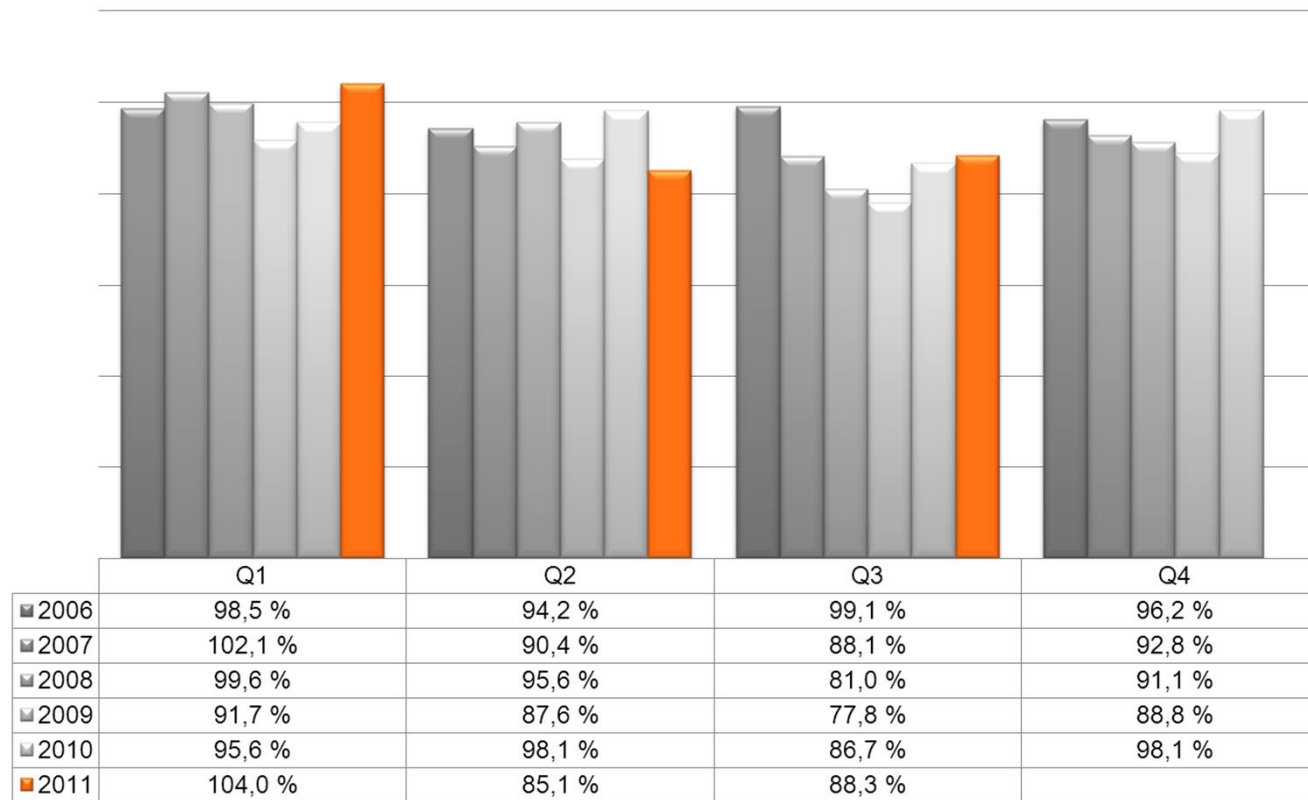
Non-life Insurance Q1-3/11

Private Customers: operating combined ratio %, cumulative



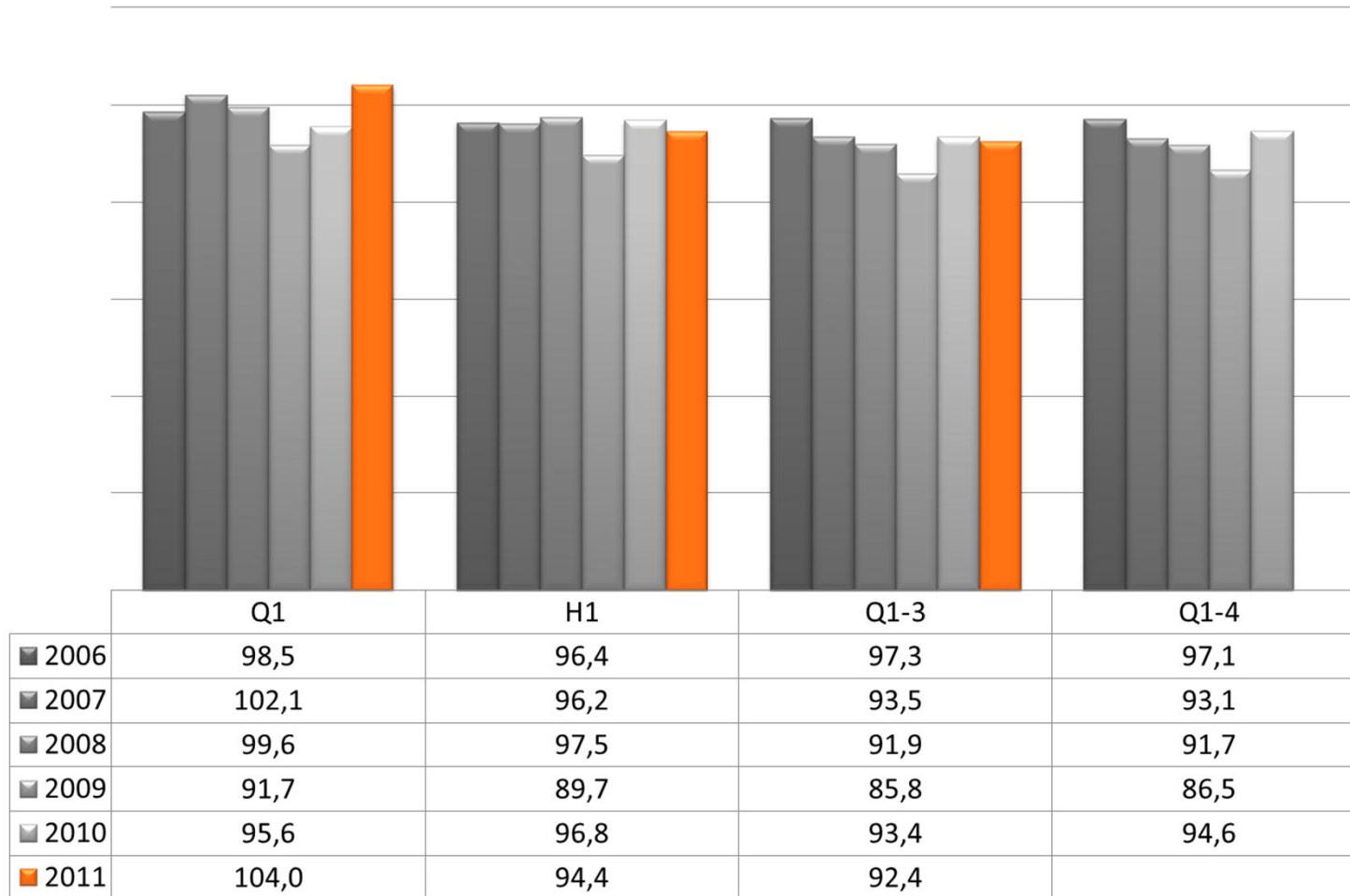
Non-life Insurance Q3/11

Corporate Customers: operating combined ratio by quarter



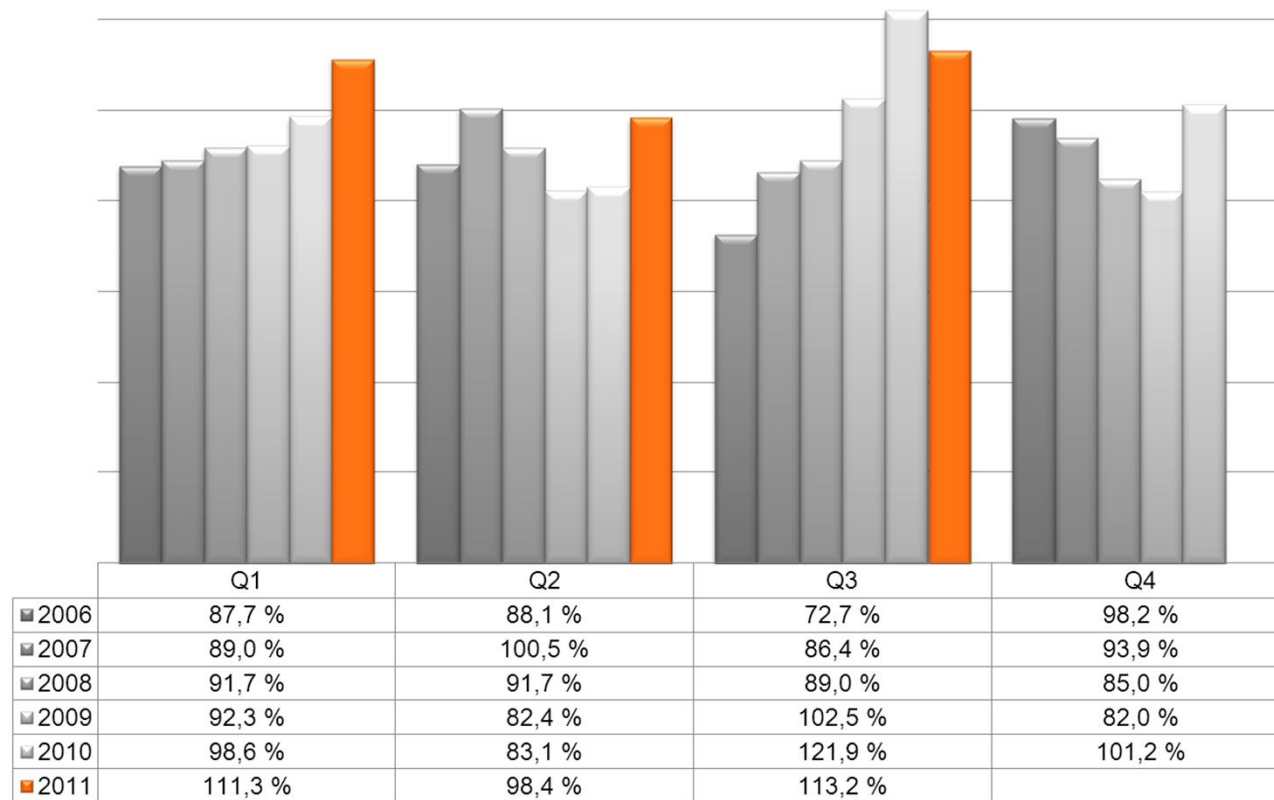
Non-life Insurance Q1–3/11

Corporate Customers: operating combined ratio %, cumulative



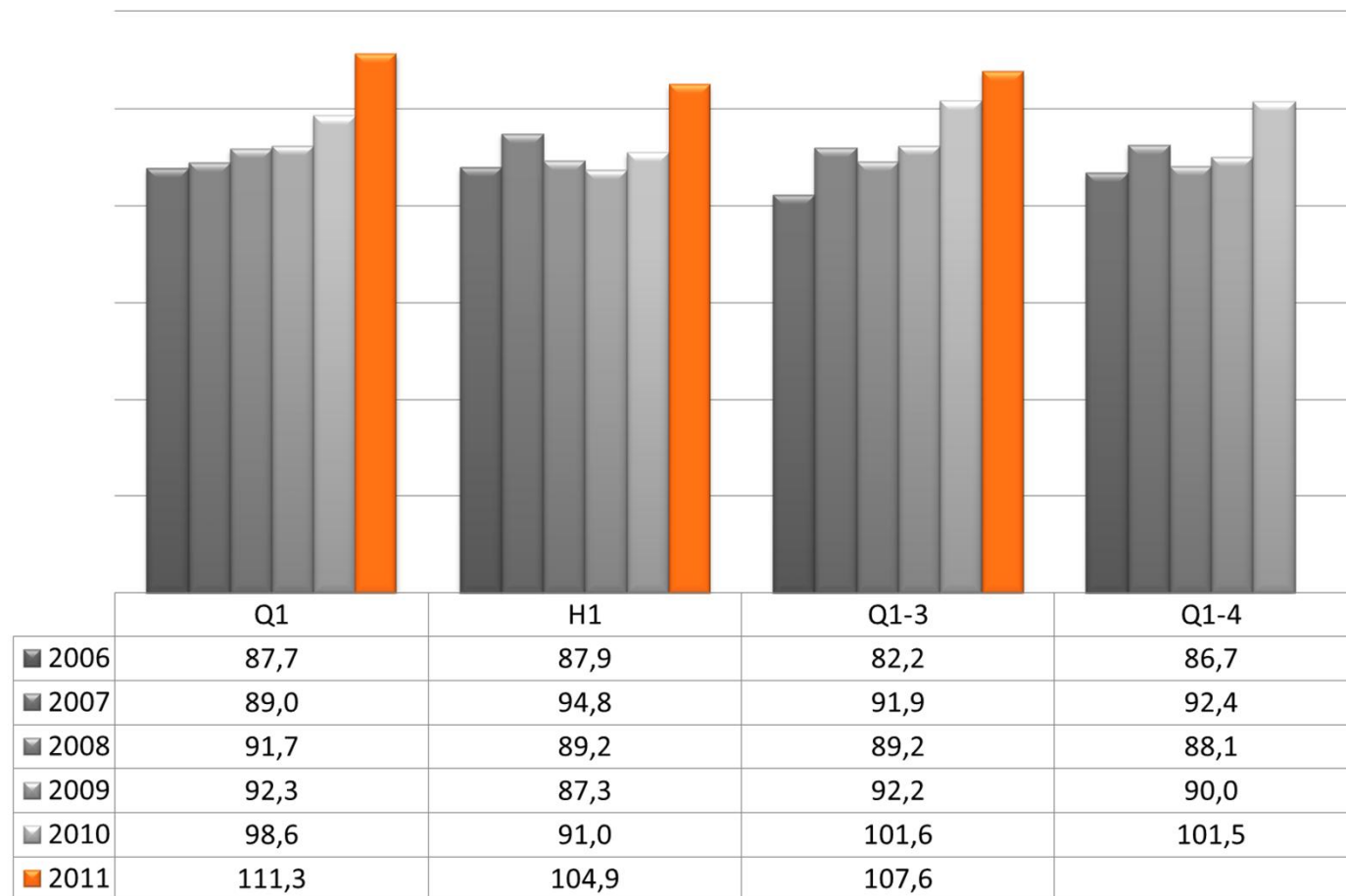
Non-life Insurance Q3/11

Baltic States: operating combined ratio by quarter



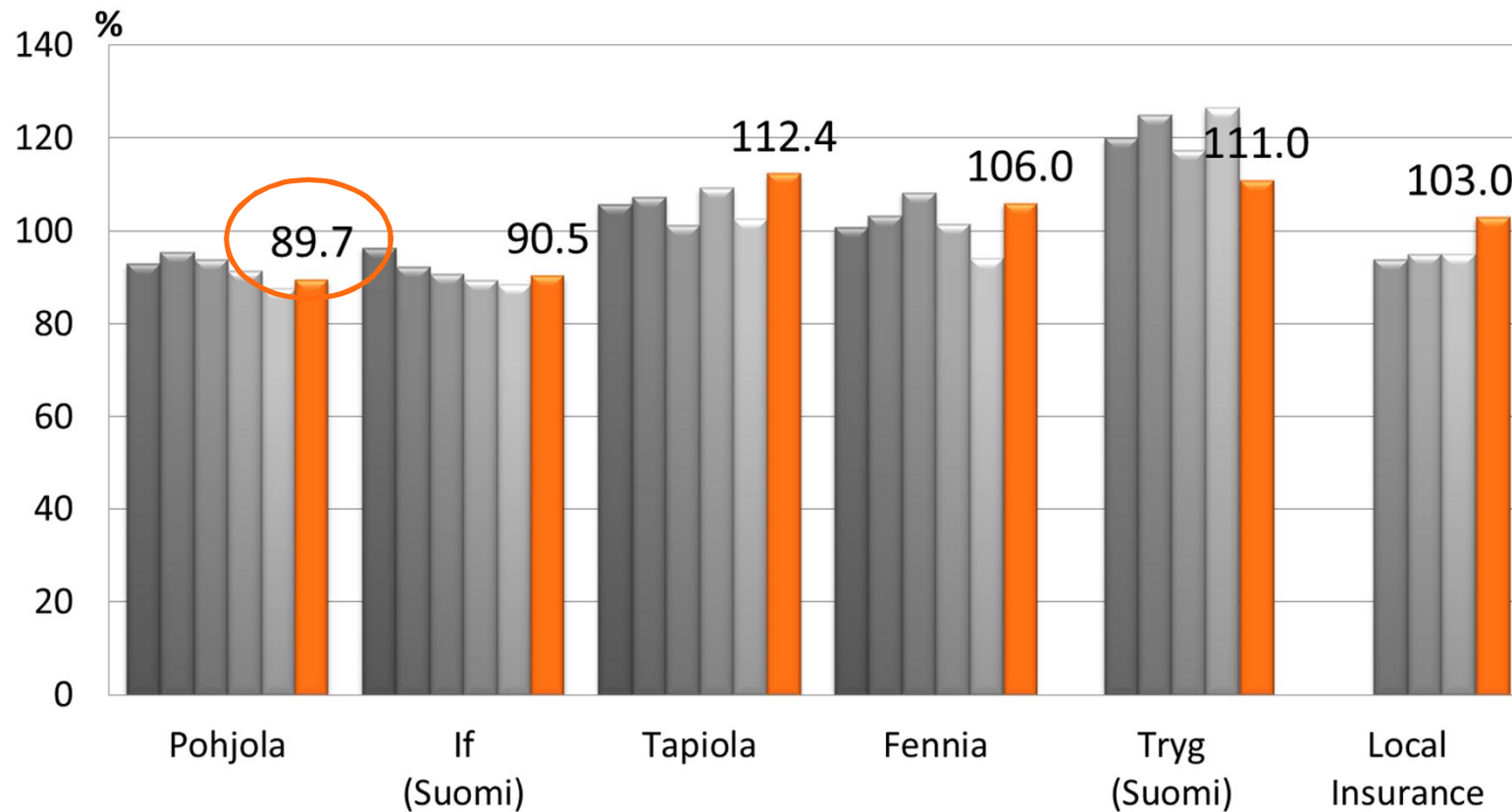
Non-life Insurance Q1–3/11

Baltic States: operating combined ratio by quarter %, cumulative



Profitability by Finnish Insurance Company

Combined ratio 2005–10



Group Functions

Financial assets included in the liquidity portfolio by maturity and credit rating* on 30 September 2011, € million

Year	0-1	1-3	3-5	5-7	7-10	10-	Total	%
Aaa	4 422	950	1 932	1 079	577	27	8 988	70 %
Aa1-Aa3	143	1 101	489	76	221		2 029	16 %
A1-A3	202	353	171	0	10		736	6 %
Baa1-Baa3	248	162	213	34	0	0	657	5 %
Ba1 or lower	33	22	18	24			97	1 %
Internally rated	79	43	58	65			244	2 %
Total	5 127	2 630	2 880	1 278	808	27	12 751	100 %

The residual maturity of liquidity reserves averages 3.8 years.

* Based on carrying amounts

Group Functions

Issued senior debt and covered bonds in 2010–11

Pohjola Bank plc Senior issues

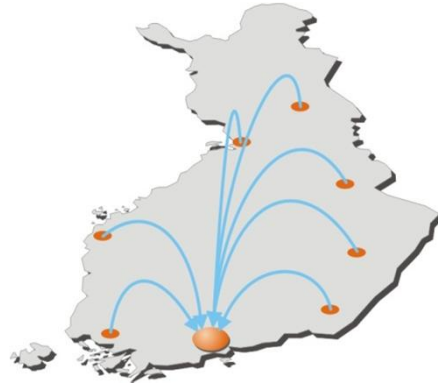
Year	Month	Amount	Maturity	Interest rate
2011	January	€500 mn	5 yrs	m/s+80bp
2010	September	€750 mn	7 yrs	m/s +88bp
2010	March	€750 mn	5 yrs	m/s+78bp
2010	February	€750 mn	3 yrs	3mEuribor +53bp

OP Mortgage Bank Covered bond issues

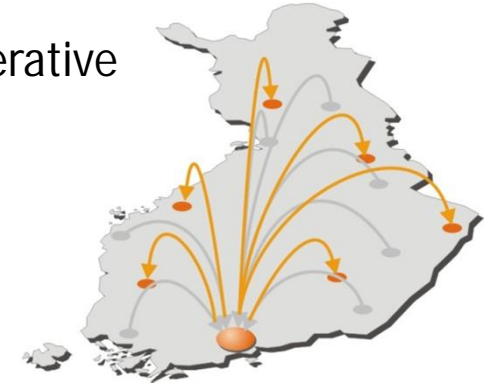
Year	Month	Amount	Maturity	Interest rate
2011	July	€1 bn	7 yrs	m/s+48bp
2011	April	€1 bn	5 yrs	m/s+35bp
2010	June	€1 bn	5 yrs	m/s+40bp

Pohjola acts as OP-Pohjola Group's Central Bank

1 Member cooperative banks place their surplus liquidity in Pohjola



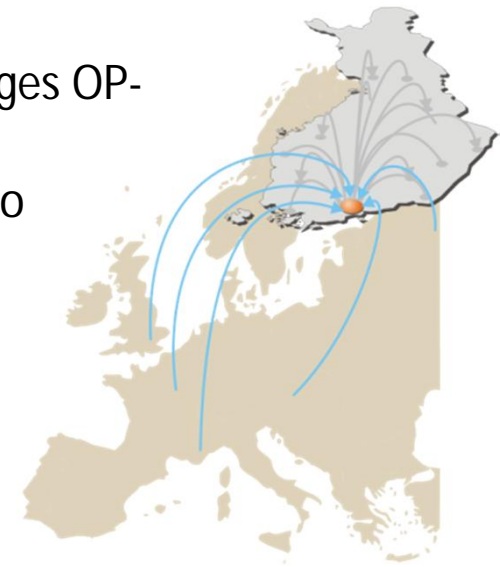
2 Member cooperative banks borrow from Pohjola



3 Pohjola borrows from domestic and international capital and money markets

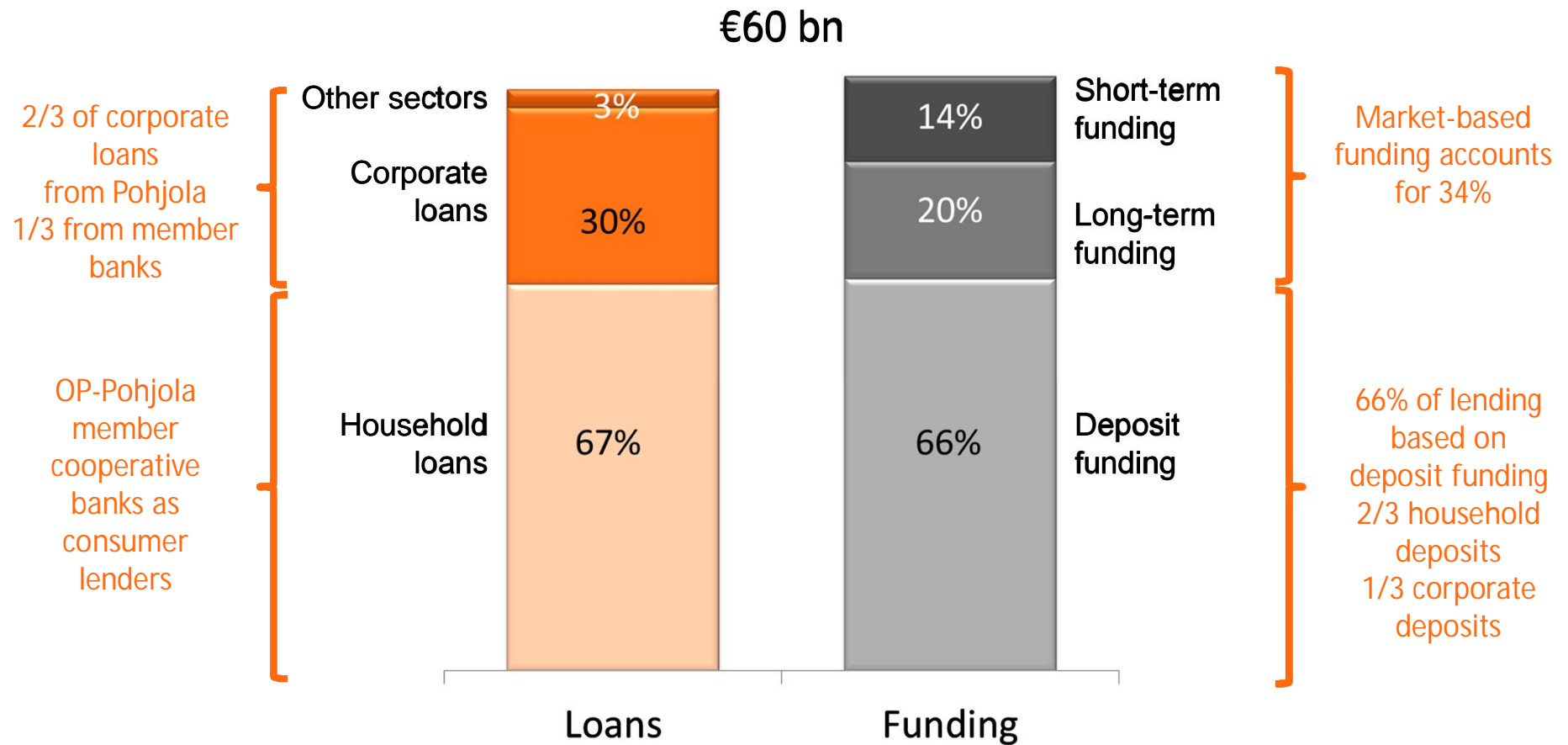


4 Pohjola manages OP-Pohjola Group's liquidity portfolio



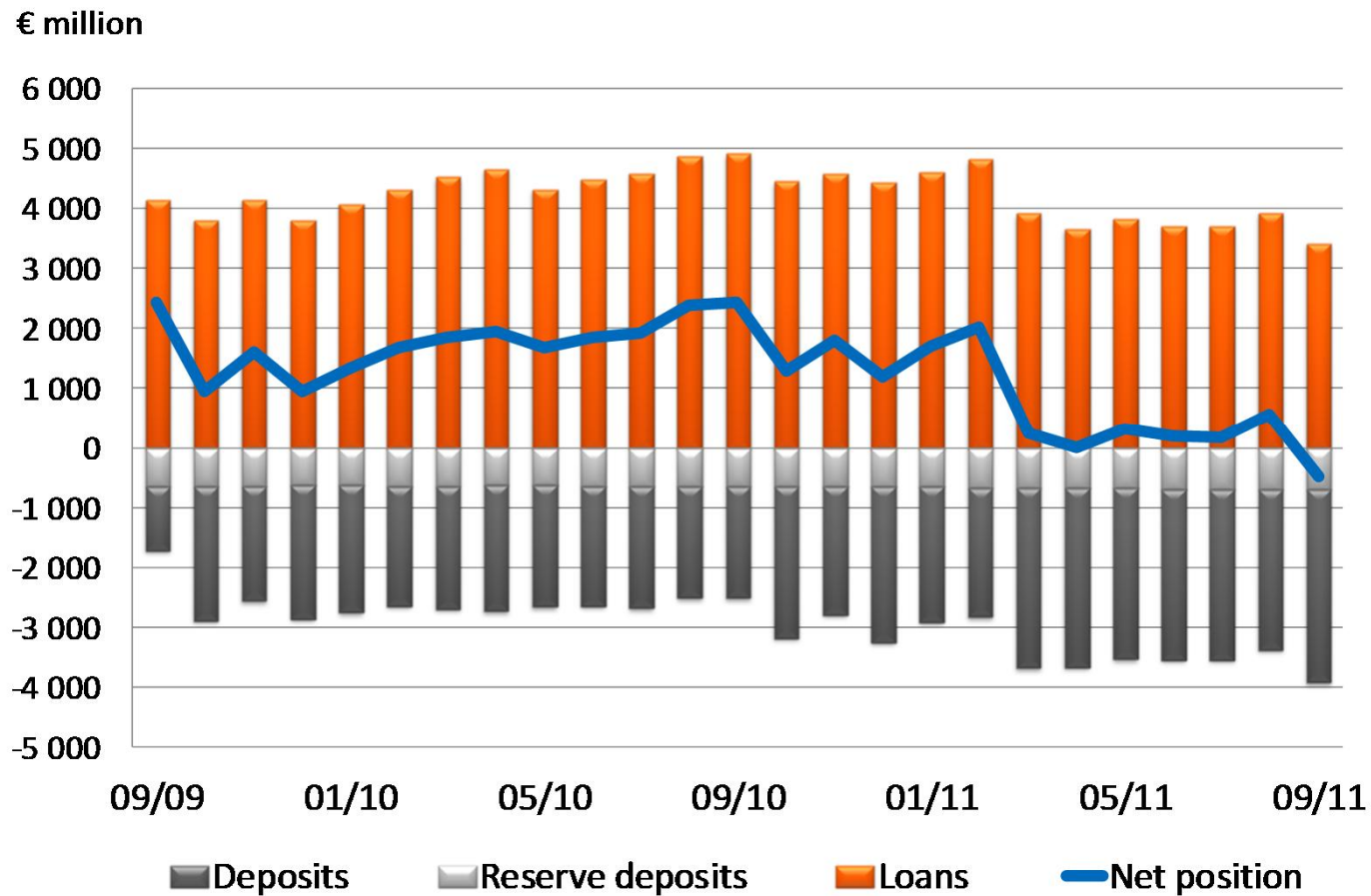
OP-Pohjola Group's loans and Funding

30 September 2011



Group Functions

Receivables and liabilities between Pohjola and OP-Pohjola Group member banks



Finnish Economy



Forecasts for the Finnish Economy

Published on 29 August, 2011

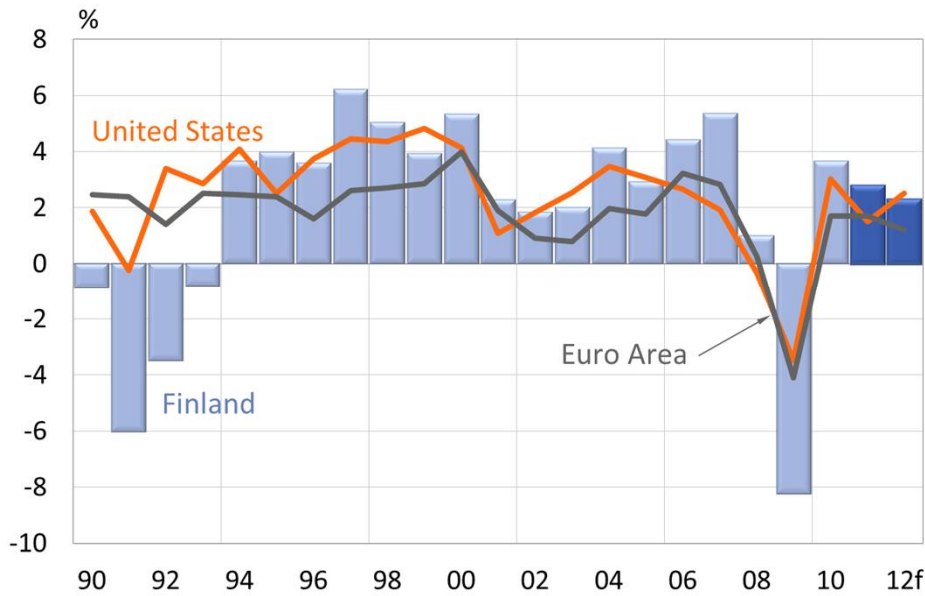
	2010 € bn	2009 Volume, % change on previous year	2010	2011f	2012f
GDP	180.3	-8.2	3.6	2.8	2.3
Imports	70.3	-16.1	7.4	3.1	4.0
Exports	72.6	-21.5	8.6	3.7	5.0
Consumption	142.8	-1.9	2.1	1.7	1.8
Private consumption	98.5	-3.1	2.7	2.2	2.3
Public consumption	44.3	0.9	0.6	0.6	0.5
Fixed investment	33.9	-13.5	2.8	6.3	2.1

Other key indicators

	2009	2010	2011f	2012f
Consumer price index, % change y/y	0.0	1.2	3.4	2.0
Unemployment rate, %	8.2	8.4	7.9	7.6
Current account balance, % of GDP	2.3	3.1	1.9	1.9
General government debt, % of GDP	43.3	48.3	50.0	51.0
General government net lending, % of GDP	-2.5	-2.5	-1.0	0.0

GDP and Demand Components

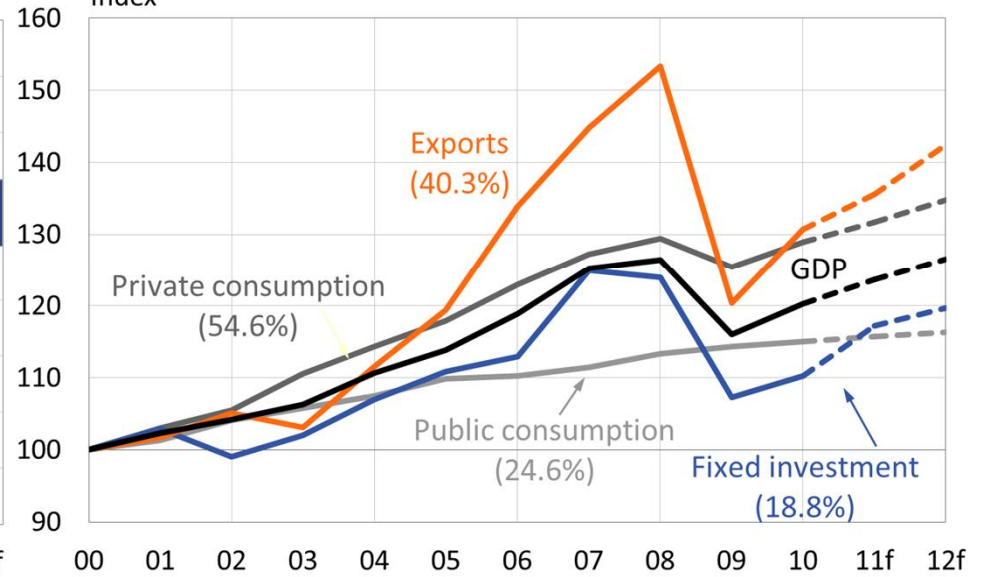
Change in GDP volume



Sources: Reuters EcoWin, forecasts OP-Pohjola Group (August 2011)

GDP and demand components

2010 GDP shares in brackets
Index

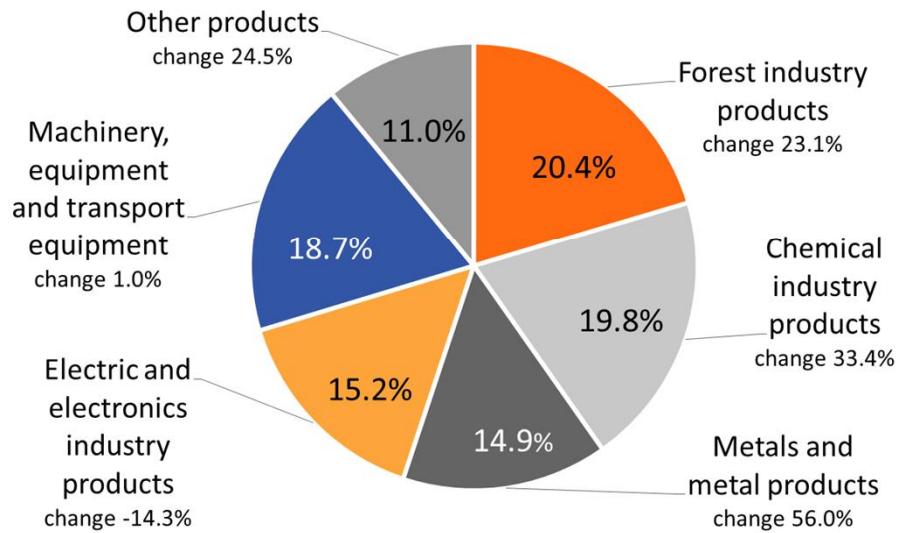


Sources: Statistics Finland, forecasts OP-Pohjola Group, August 2011

Goods Exports by Product Group and by Country

Goods exports by product group

Share of total exports and annual change 2010

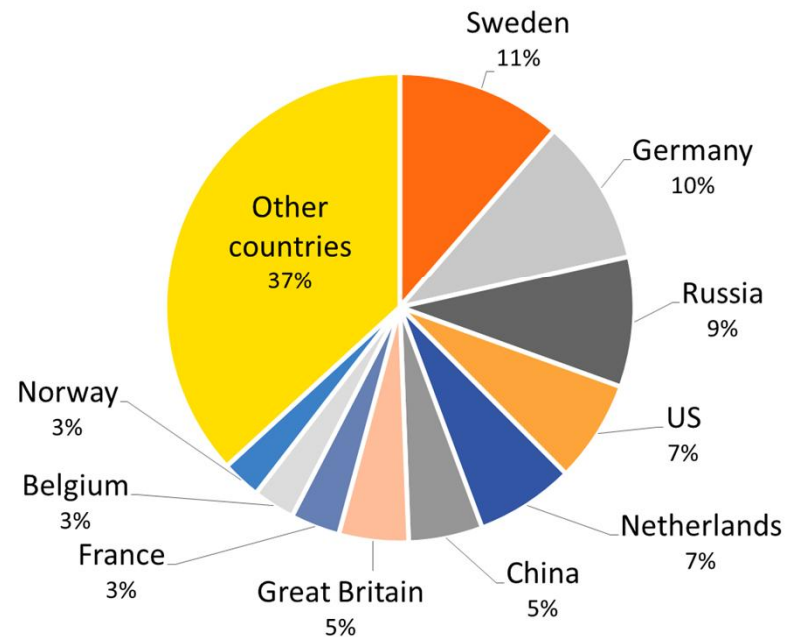


Source: National Board of Customs

Total exports 52.4 EUR Billion (change, 16.2%)

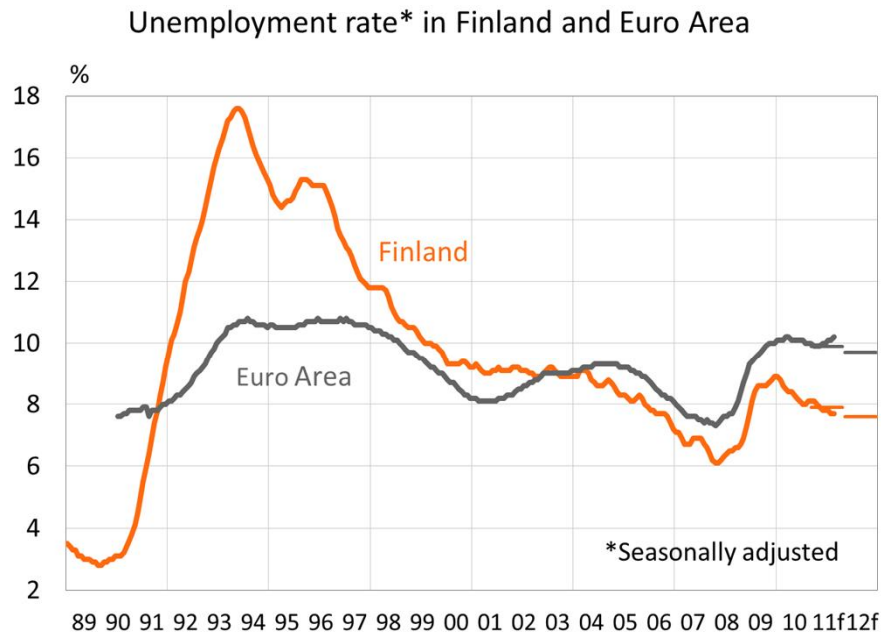
Goods exports by countries

2010

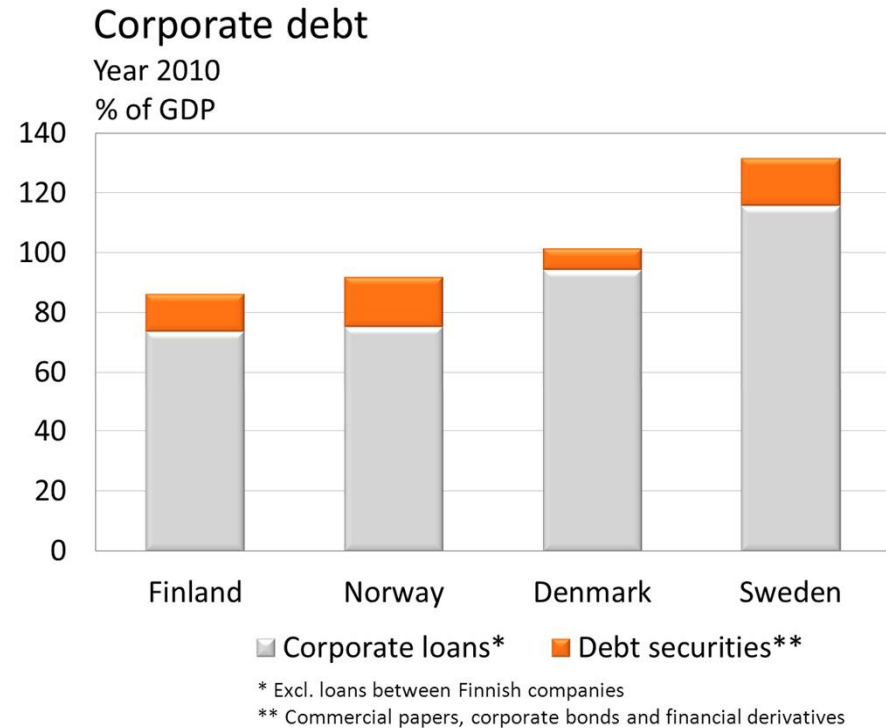


Source: National Board of Customs

Unemployment Rate and Corporate Debt



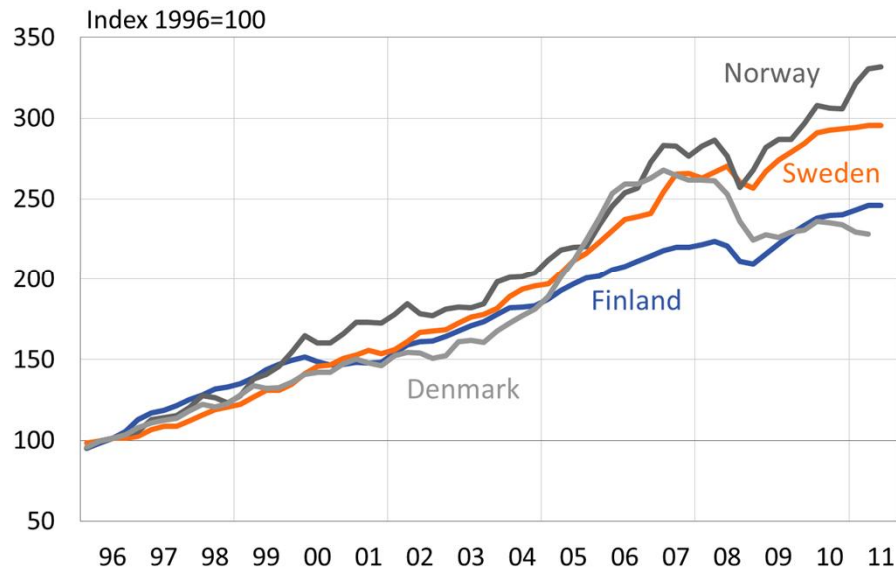
Sources: Statistics Finland, Eurostat, forecasts OP-Pohjola Group, August 2011



Source: Eurostat, Consolidated Financial Accounts

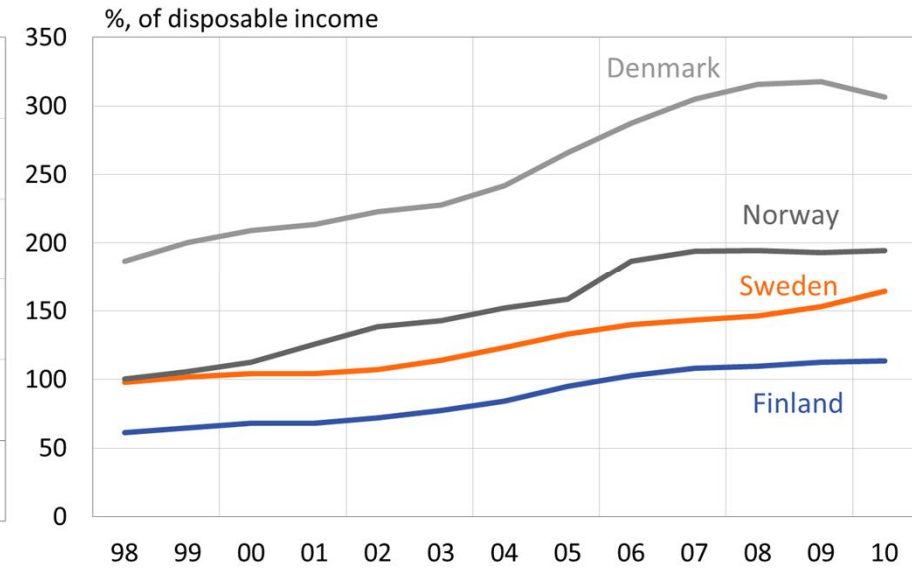
Average House Prices and Households' Debt

Average house prices



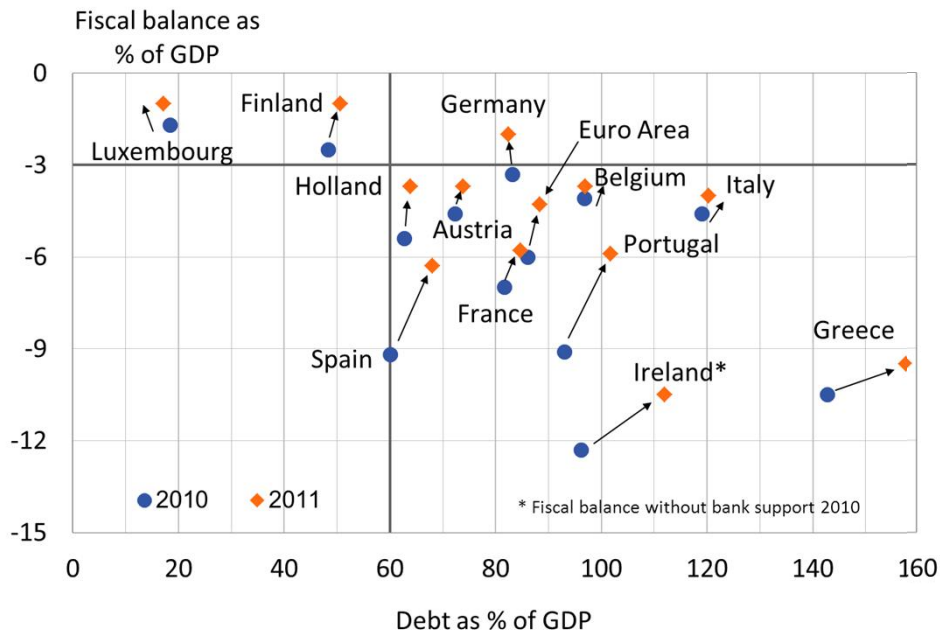
Sources: Reuters EcoWin, Statistics Sweden

Households' debt ratio

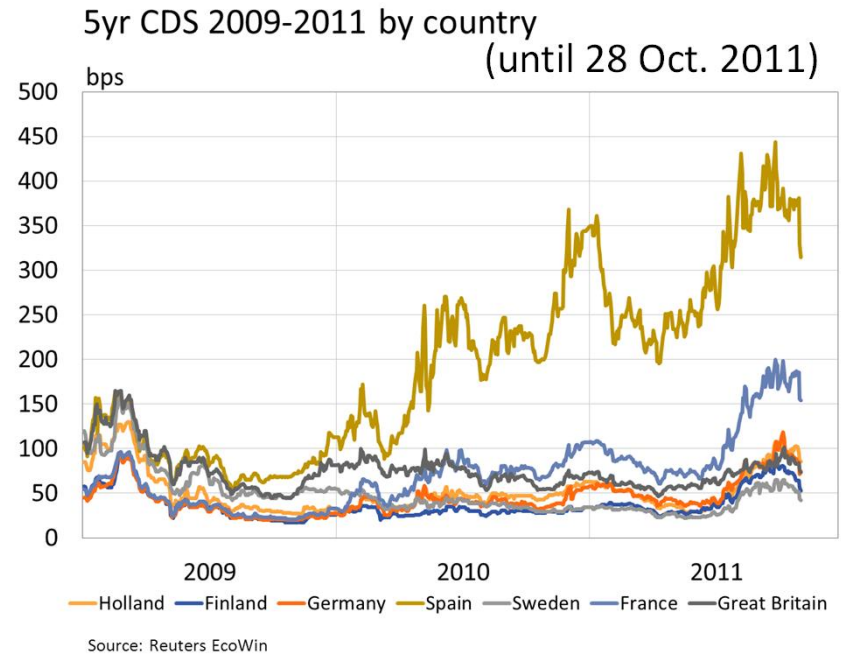


Sources: Central Banks, Statistics Finland

Fiscal Balance and 5-year CDS by Country



Source: European Commission, May 2011



Pohjola Factbook: Earnings Analyses

Factbook will be published at
www.pohjola.com > Media >
Material Service



Pohjola Group

Earnings analysis

€ million	Q3/11	Q3/10	change %	1-9 2011	1-9 2010	rolling 12- month	2010
Net Interest Income	65	62	4	205	189	273	258
Corporate Banking incl. Baltics	43	43	0	130	128	175	172
Markets	16	3	421	46	13	60	27
Other operations	6	16	-63	28	48	39	59
Net Commissions and fees	39	37	5	119	118	165	164
Net trading income	-24	18	-	-5	34	-3	35
Net investment income	3	6	-45	17	21	27	31
Net income from Non-life Insurance	76	120	-36	296	314	371	388
Insurance operations	105	106	-1	287	279	334	327
Investment operations	-17	26	-	43	69	67	92
Other items	-12	-11	2	-35	-34	-31	-30
Other operating income	10	11	-8	30	32	48	50
Net income	170	255	-33	663	708	881	926
Total expenses	119	125	-5	380	378	517	514
Earnings before impairments of receivables	51	130	-61	283	330	364	412
Impairments of receivables	4	27	-84	40	88	55	104
Share of associates' profits/losses	1	-	-	2	-	2	0
Earnings before tax	47	103	-54	245	242	310	308
Change in fair value reserve	-148	62	-	-180	31	-227	-17
Earnings/loss before tax at fair value	-101	165	-	65	273	83	291
Earnings per share, €	0.11	0.24	-	0.57	0.56	-	0.72

Pohjola Group

Earnings analysis by quarter

€ million	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10
Net Interest Income	65	72	68	69	62
Corporate Banking incl. Baltics	43	44	43	45	43
Markets	16	18	12	14	3
Other operations	6	9	13	10	16
Net Commissions and fees	39	40	41	46	37
Net trading income	-24	5	14	2	18
Net investment income	3	2	11	10	6
Net income from Non-life Insurance	76	126	94	75	120
Insurance operations	105	115	68	47	106
Investment operations	-17	23	37	24	26
Other items	-12	-12	-12	4	-11
Other operating income	10	10	11	18	11
Net income	170	254	239	218	255
Total expenses	119	132	129	137	125
Earnings before impairments of receivables	51	122	110	81	130
Impairments of receivables	4	20	15	16	27
Share of associates' profits/losses	1	1	0	0	0
Earnings before tax	47	103	94	66	103
Change in fair value reserve	-148	-11	-21	-47	62
Earnings/loss before tax at fair value	-101	92	74	18	165
Earnings per share, €	0.11	0.23	0.23	0.16	0.24

Banking

Earnings analysis

€ million	Q3/11	Q3/10	change %	1-9 2011	1-9 2010	rolling 12- month	2010
Net interest income	59	46	27	176	141	235	199
Corporate Banking incl. Baltics	43	43	0	130	128	175	172
Markets	16	3	421	46	13	60	27
Net Commissions and fees	24	21	15	74	69	98	93
Net trading income	-16	21	-175	1	45	3	47
Other operating income	6	8	307	21	22	28	29
Total income	74	97	-24	272	277	363	368
Operating expenses	30	31	-4	101	95	136	130
Earnings before impairments of receivables	43	65	-34	171	182	227	238
Impairments of receivables	1	28	-98	36	89	52	105
Earnings before tax	43	38	13	135	93	175	133
Operating cost/income ratio, %	41	33		37	34	37	35

Banking

Earnings analysis by quarter

€ million	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10
Net interest income	59	63	55	58	46
Corporate Banking incl. Baltics	43	44	43	45	43
Markets	16	18	12	14	3
Net Commissions and fees	24	24	25	24	21
Net trading income	-16	2	15	2	21
Other operating income	6	7	7	6	8
Total income	74	95	103	91	97
Operating expenses	30	36	34	35	31
Earnings before impairments of receivables	43	59	68	56	65
Impairments of receivables	1	20	16	15	28
Earnings before tax	43	39	53	40	38
Operating cost/income ratio, %	41	38	34	39	33

Non-life Insurance

Earnings analysis

€ million	Q3/11	Q3/10	change %	1-9 2011	1-9 2010	rolling 12-month	2010
Insurance premium revenue	266	250	7	773	723	1014	964
Claims incurred	-176	-157	12	-532	-486	-740	-694
Operating expenses	-50	-50	1	-159	-154	-210	-205
Amortisation/adjustment on intangible assets*	-5	-12	-57	-16	-25	-22	-31
Balance on technical account	34	30	12	66	58	41	33
Net investment income	-20	23	-186	42	65	64	87
Other income and expenses	-12	-11	1	-37	-38	-36	-37
Earnings/loss before tax	3	42	-94	71	84	70	83
Earnings/loss before tax at fair value	-59	94	-163	-21	164	-46	139
Operating claims ratio, %	66.3	62.8		68.8	67.2	72.9	68.4
Operating expense ratio, %	18.9	20.0		20.6	21.3	20.7	21.3
Operating combined ratio, %	85.2	82.8		89.4	88.6	93.6	89.7
Return on investment, %	-2.8	2.6		-1.8	5.2		5.1

* Due to amortisation on intangible assets arising from company acquisition

Non-life Insurance

Earnings analysis by quarter

€ million	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10
Insurance premium revenue	266	261	246	241	250
Claims incurred	-176	-163	-193	-208	-157
Operating expenses	-50	-55	-54	-51	-50
Amortisation/adjustment on intangible assets*	-5	-5	-5	-6	-12
Balance on technical account	34	38	-6	-25	30
Net investment income	-20	24	38	22	23
Other income and expenses	-12	-13	-13	1	-11
Earnings/loss before tax	3	49	19	-2	42
Earnings/loss before tax at fair value	-59	43	-4	-26	94
Operating claims ratio, %	66,3	62.2	78.5	71.8	62.8
Operating expense ratio, %	18.9	21.1	21.9	21.3	20.0
Operating combined ratio, %	85.2	83.3	100.5	93.1	82.8
Return on investment, %	-2.8	0.6	0.5	-0.1	2.6

* Due to amortisation on intangible assets arising from company acquisition

Asset Management

Earnings analysis

€ million	Q3/11	Q3/10	change %	1-9 2011	1-9 2010	rolling 12-month	2010
Net commissions and fees	11	12	-7	37	39	56	58
Other income	1	1	75	3	2	10	9
Total net income	12	13	-3	40	41	66	67
Total expenses	7	7	-3	22	24	33	35
Share of associates' profits/losses	1	-	-	2	-	2	0
Earnings before tax	6	6	6	19	18	32	31
Operating cost/income ratio, %	49	51	-	49	52	-	53

Asset Management

Earnings analysis by quarter

€ million	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10
Net commissions and fees	11	13	12	18	12
Other income	1	1	1	7	1
Total net income	12	14	13	26	13
Total expenses	7	8	7	12	7
Share of associates' profits/losses	1	1	0	0	0
Earnings before tax	6	7	6	14	6
Operating cost/income ratio, %	49	48	50	55	51

Group Functions

Earnings analysis

€ million	Q3/11	Q3/10	change %	1-9 2011	1-9 2010	rolling 12-month	2010
Net interest income	5	17	-70	27	51	40	64
Net trading income	-5	0	-	-5	-9	-5	-9
Net investment income	3	6	-45	16	21	26	31
Other income	2	2	20	8	9	11	12
Total income	6	25	-75	45	72	71	98
Operating expenses	7	8	-15	22	25	35	38
Impairments of receivables	4	-1	-	3	-1	3	-1
Earnings before tax	-4	18	-	20	48	33	61
Earnings/loss before tax at fair value	-82	28	-	-59	-1	-70	-12

Group Functions

Earnings analysis by quarter

€ million	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10
Net interest income	5	9	13	12	17
Net trading income	-5	2	-2	1	0
Net investment income	3	1	11	10	6
Other income	2	3	3	3	2
Total income	6	14	24	26	25
Operating expenses	7	7	8	13	8
Impairments of receivables	4	0	0	0	-1
Earnings before tax	-4	7	17	13	18
Earnings/loss before tax at fair value	-82	4	18	-11	28



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