



Pohjola Bank plc's Interim Report for  
1 January–31 March 2014

Background Material

# Disclaimer

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*Pictured in this background material are Martina Lilius, Tanja Martin and Heikki Pelto-Arvo of OP-Pohjola Group.*



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## 2. Background Material

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- Background material on Pohjola Group and Business Lines
- OP-Pohjola Group's and Pohjola Bank plc's results and key figures
- Finnish Economy
- Pohjola IR team

# Consolidated EBT improved by €27 million to €159 million and ROE was 16.5% (14.5)

Income and expenses increased by 11% and 4%, respectively

## 1

### Banking EBT €83 million (54)

- All business divisions improved their EBT.
- Net interest income increased to €68 million (52) and net commissions and fees to €28 million (21).
- During the reporting period, demand for loans was weak and the loan portfolio remained at the 2013-end level. The average corporate loan portfolio margin dropped by 3 basis points during the period.
- Impairment losses fell to €4 million (6).

## 2

### Non-life Insurance EBT €62 million (56)

- Insurance premium revenue was up by 8%.
- The balance on technical account improved as a result of the mild winter. Operating combined ratio stood at 89.3% (92.4) and expense ratio at 18.5% (19.9).
- Return on investments at fair value was 1.4% (1.1).

## 3

### Asset Management EBT €6 million (5)

- Assets under management were up by 3% to €39.2 billion.
- The operating cost/income ratio was 51% (58).

## 4

### Group Functions EBT €8 million (18)

- EBT include €7 million in capital gains on notes and (12) and €5 million in net commissions and fees related to finance for bid for Pohjola shares (0).
- In March, Pohjola issued two senior bonds each worth €750 million with a maturity of three and seven years. OP Mortgage Bank, which is part of OP-Pohjola Group, issued in March a covered bond of €1.0 billion with a maturity of seven years.

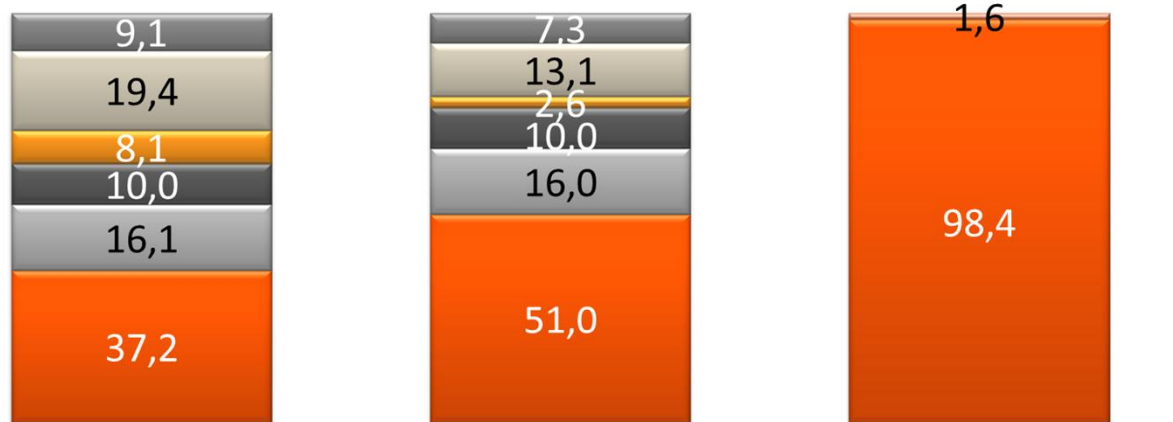
Common Equity Tier 1 (CET1) ratio improved to 12.0% on 31 March 2014 (11.9% on 1 January 2014)



# OP-Pohjola Group Central Cooperative has executed the public voluntary bid for Pohjola shares and its holding in Pohjola shares has increased to 98.4%\*

OP-Pohjola Group Central Cooperative has filed an application with the Redemption Committee of the Central Chamber of Commerce for instituting arbitration proceedings related to the redemption of minority shares

Holdings by type of shareholder, Series A and K shares, %



OP-Pohjola Group Central Cooperative's proportion of total votes at expiry of the bid **99.1%\***

- OP-Pohjola Group Central Cooperative
- OP-Pohjola Group member cooperative banks
- Ilmarinen Mutual Pension Insurance Company
- Other domestic institutions
- Nominee-registered and foreign shareholders
- Households
- Others

\*) Final result of the extra offer period, as of 25 April 2014

# Pohjola Bank plc's Board of Directors confirmed updated financial targets on 17 March 2014

Capital adequacy target was increased and dividend policy revised as a result of tighter regulation. Other financial targets remained unchanged.

## Previous targets

Core Tier 1 ratio, %

11%

Dividend payout

ratio is 50%,  
provided that Core  
Tier 1 is at least 10%

Solvency ratio, %

70%

## New targets

Common Equity Tier 1  
ratio, CET1, %

15%

Dividend payout ratio is 50%,  
provided that CET1 is at least  
15%. Dividend payout ratio is  
30% until the 15% CET1 will  
be achieved.

Solvency ratio  
(Solvency II), %

120%



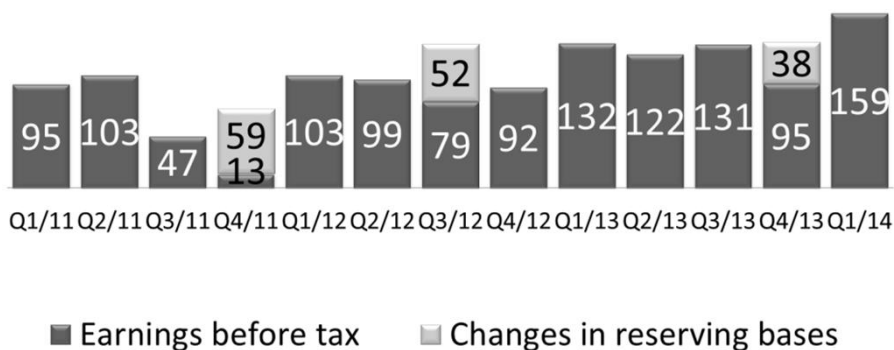


# Pohjola Group Q1/2014

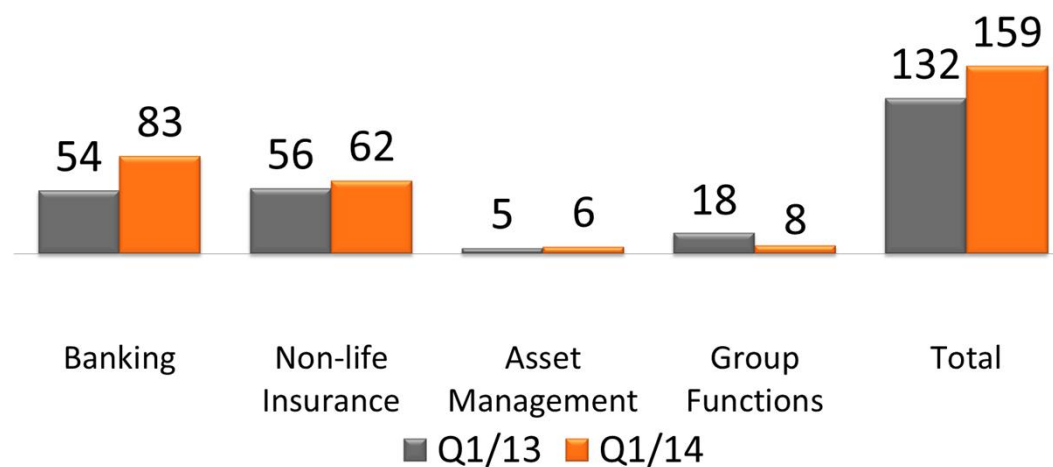
# Q1/14 EBT Improved by €27 mn to €159 mn

Year-on-year, Banking earnings before tax Q1/14 up by 55% and Non-life Insurance by 12%, respectively

Earnings before tax, € mn  
by quarter



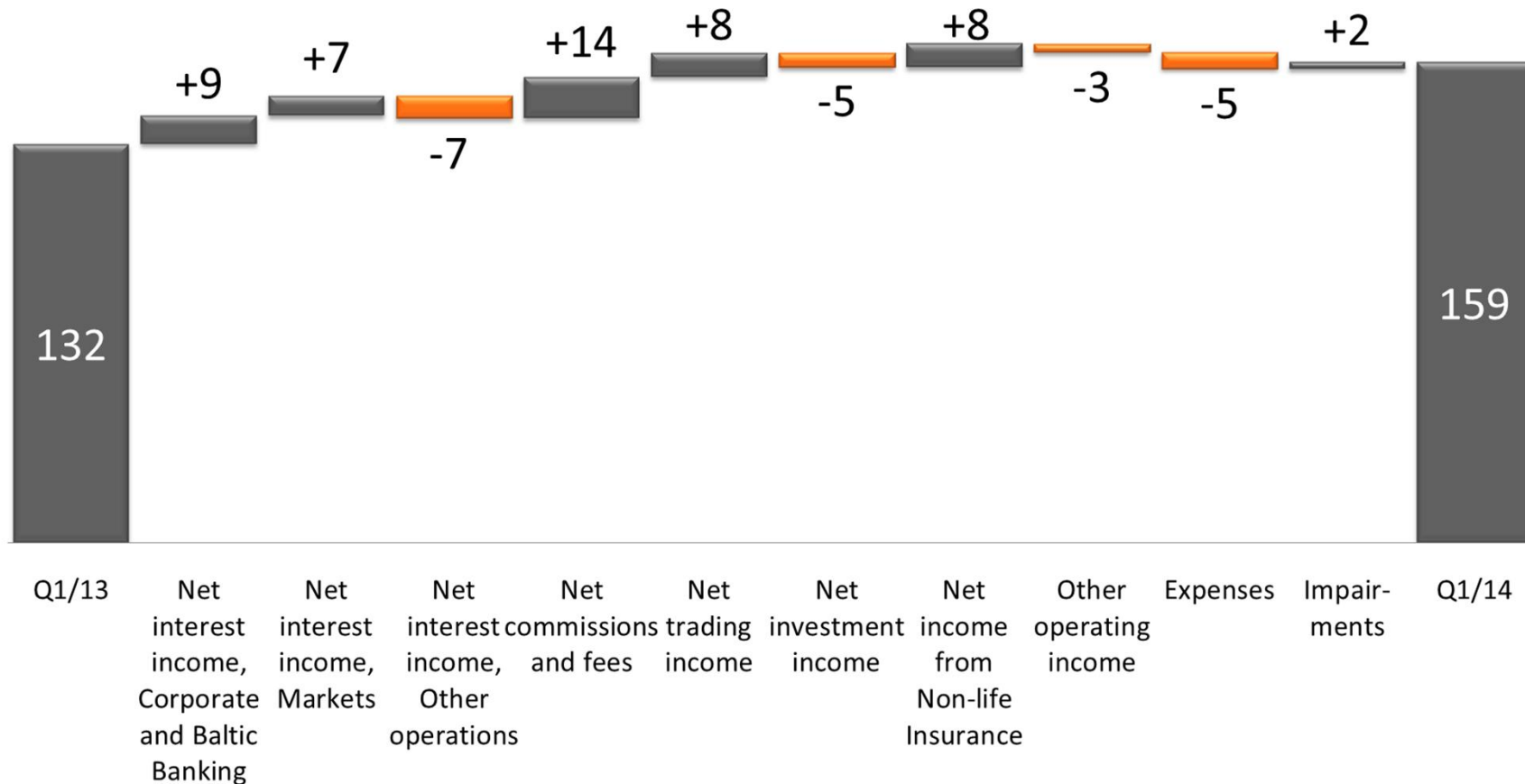
Earnings before tax, € mn  
by business line Q1/14 vs. Q1/13





# Strong increase in total income improved Group's EBT in Q1/14

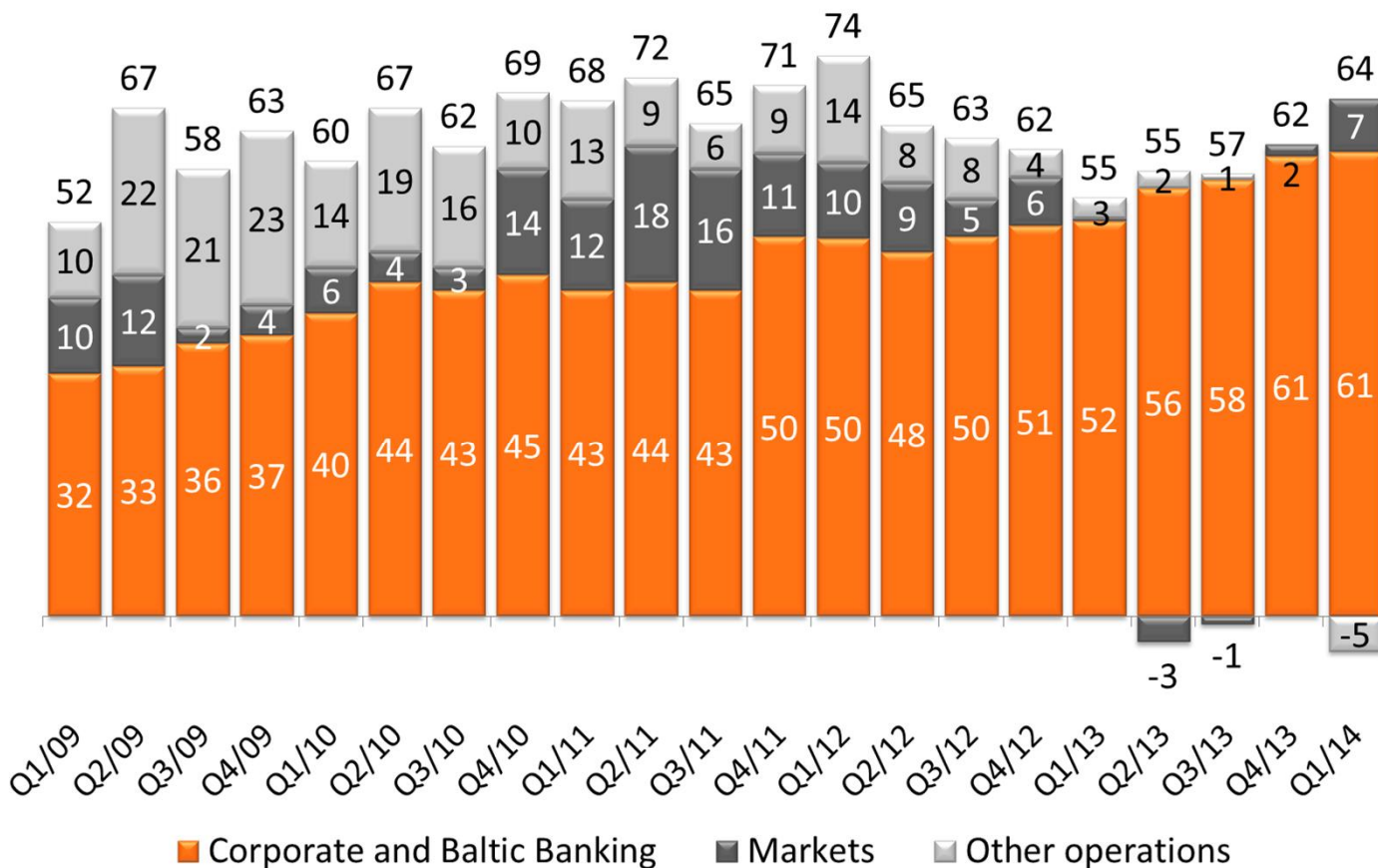
Earnings before tax, € mn, change Q1/14 vs. Q1/13



# Group's Net Interest Income Up by 15% Y-o-Y in Q1/14

Net interest income from Corporate and Baltic Banking continued to grow steadily.  
Net interest income from Markets improved by client trading and increased trading income.

Q1/2009–Q1/2014, € million



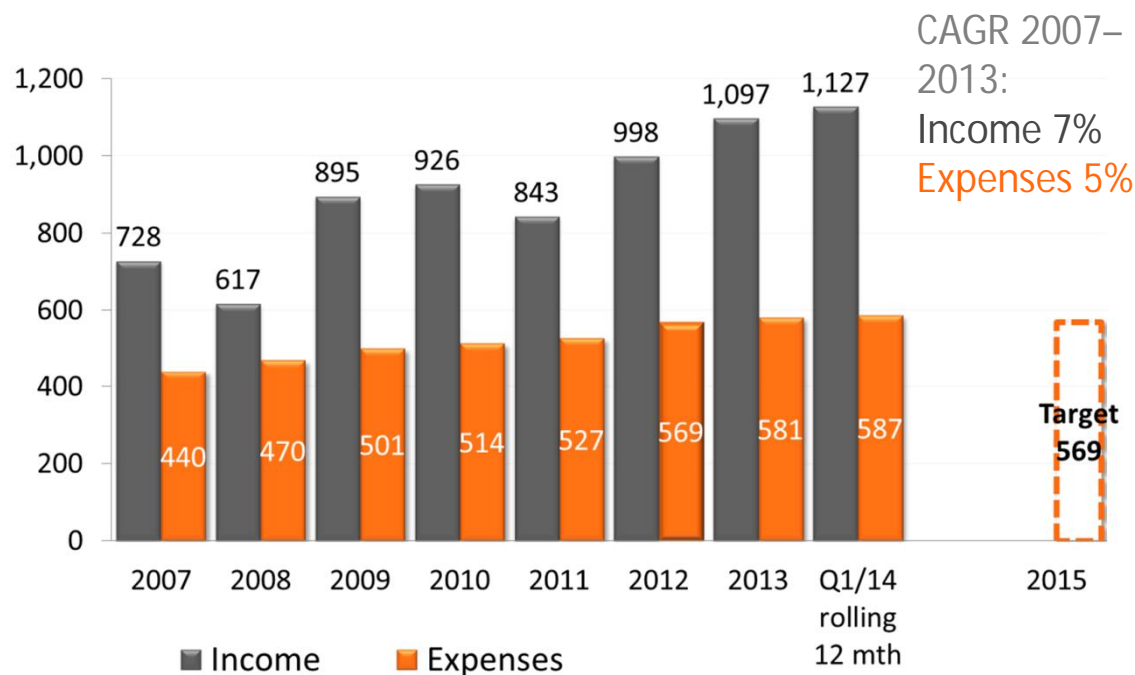
Within Group Functions, net interest income arising from the liquidity buffer decreased year-on-year as the Group is preparing for tighter liquidity rules.



# Q1/14 Income Up by 11% and Expenses by 4%

Achieving the target for total expenses will require improvement in efficiency.

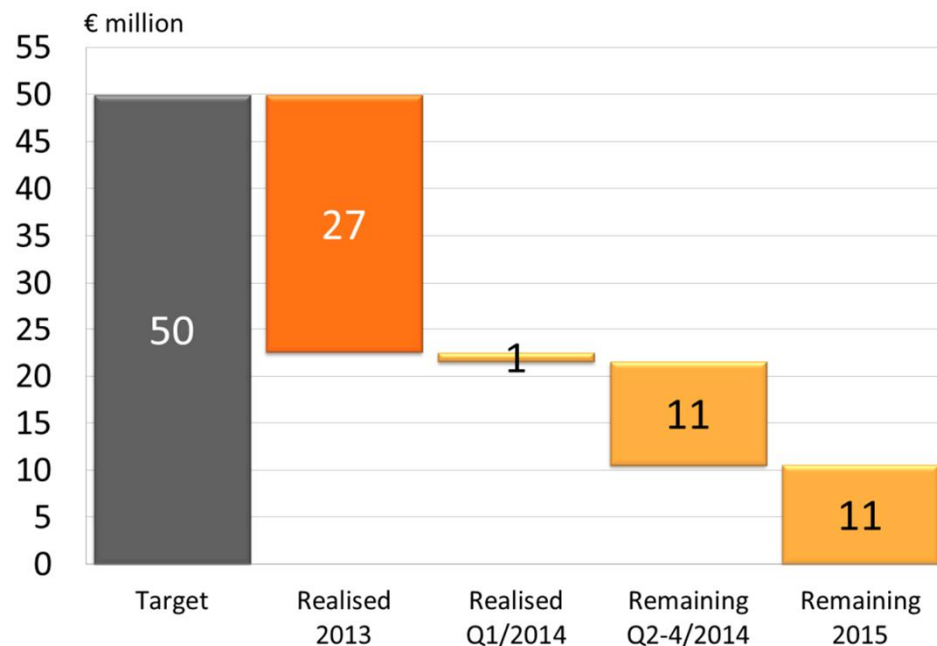
Income and cost developments, € million  
2007–Q1/2014 (rolling 12 mth)



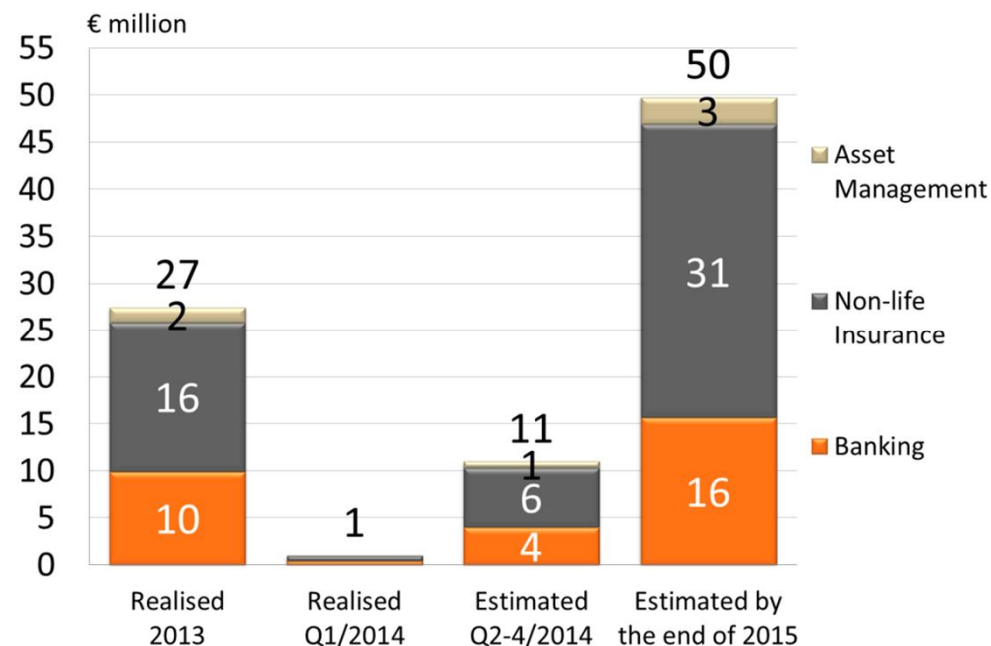
Target for total expenses:  
Total expenses at end of  
2015 at 2012-end level

# Cost Savings of €1 mn Reported for Q1/14

Realised and remaining cost savings  
2013–2015, € mn



Realised and estimated cost savings by  
business line  
2013–2015, € mn



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NB 1: Estimated cost savings are based on the figures published in the stock exchange release dated 19 September 2012, "Pohjola to Initiate an Information and Consultation Process"

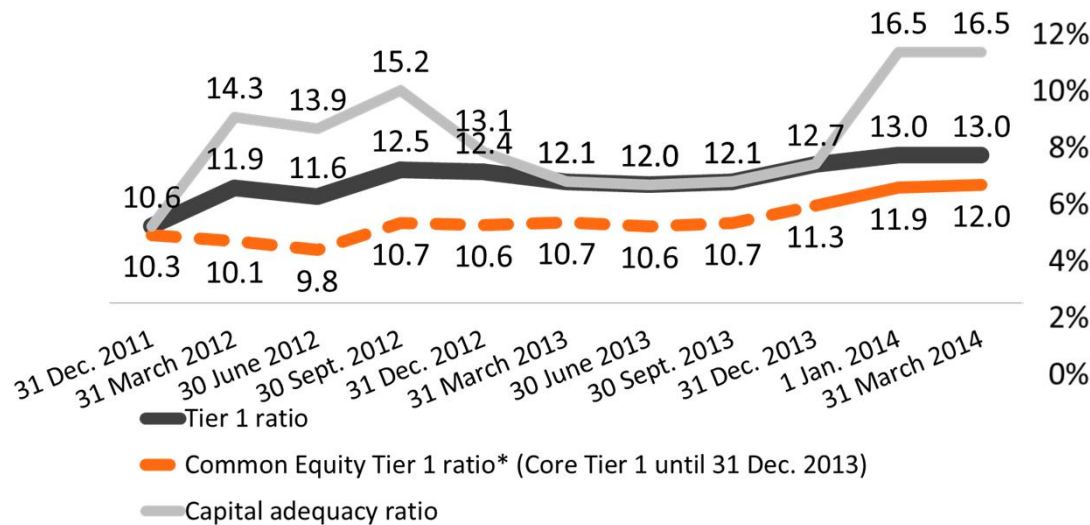
NB 2: The estimated cost savings are on a gross basis and do not include investments necessary to implement the efficiency-enhancement programme.

# Common Equity Tier 1 ratio (CET1) 12.0% (11.9\*)

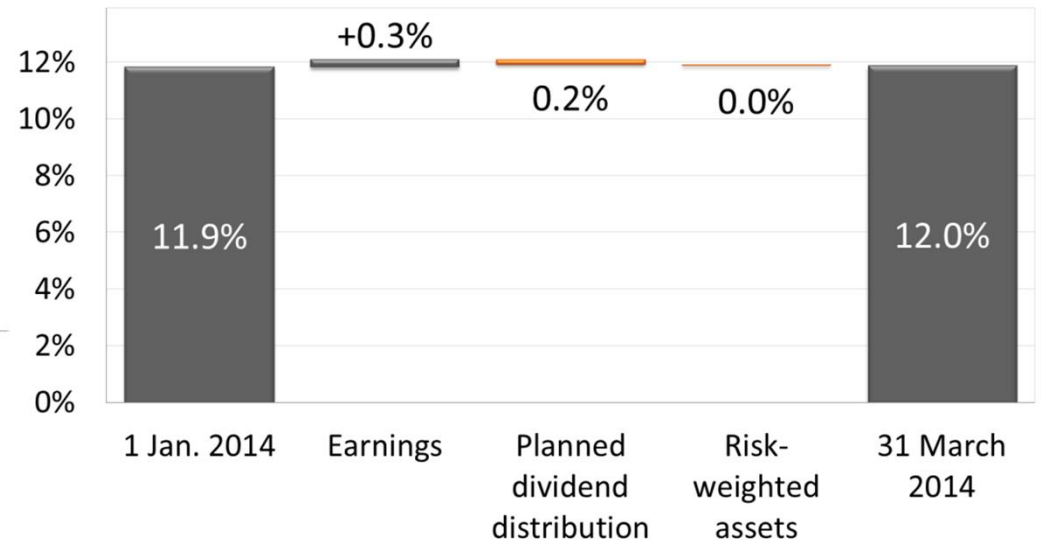
Risk-weighted assets totalled €20.5 billion, or at the 2013-end level.

RWAs include €3.9 billion in intra-Group insurance holdings with a risk weight of roughly 280%.

Capital adequacy ratio under the Act on Credit Institutions, %



Changes in CET1 in Q1/14



1.70

(1 Jan 2014: 1.67)

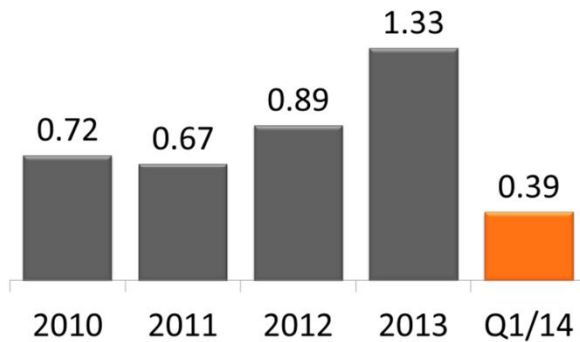
Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates was clearly above the statutory minimum requirement.

OP-Pohjola Group's Common Equity Tier 1 ratio (CET1) as of 31 March 2014: 15.5% (1 Jan 2014: 17.1 %). Following the execution of the bid for Pohjola Bank plc shares, OP-Pohjola's CET1 ratio is an estimated 11.3%. OP-Pohjola Group's target for CET1 ratio is 18%.

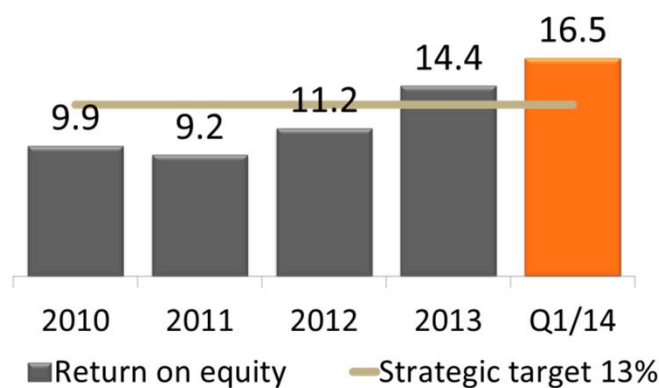
\*) In accordance with the EU capital requirement regulation (EU 575/2013) (CRR) entered into force on 1 January 2014.

# ROE in Q1/14: 16.5% (14.5)

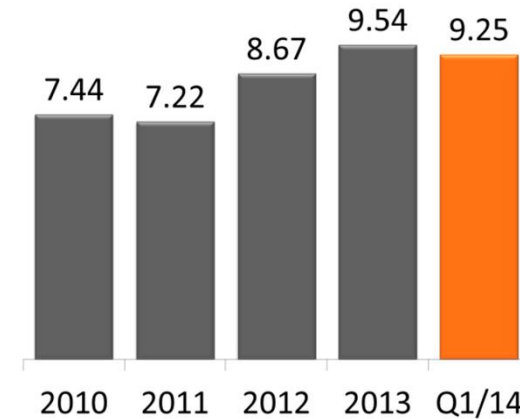
Earnings per share, €



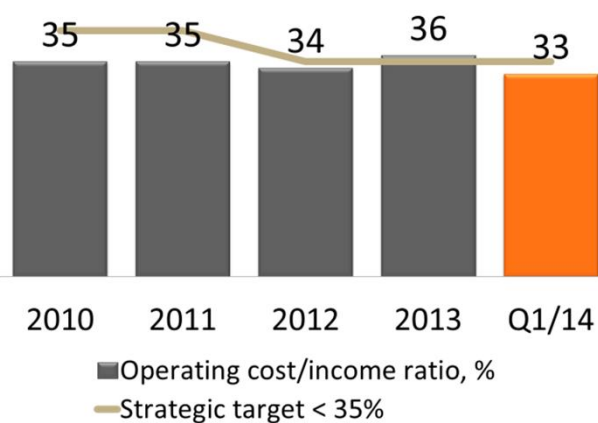
ROE, %



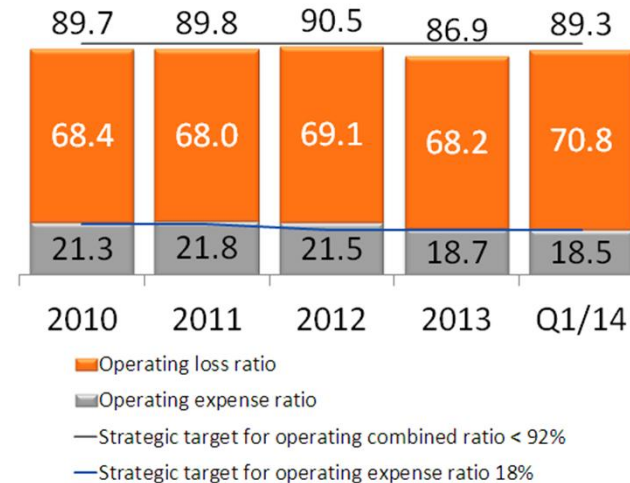
Equity per share, €



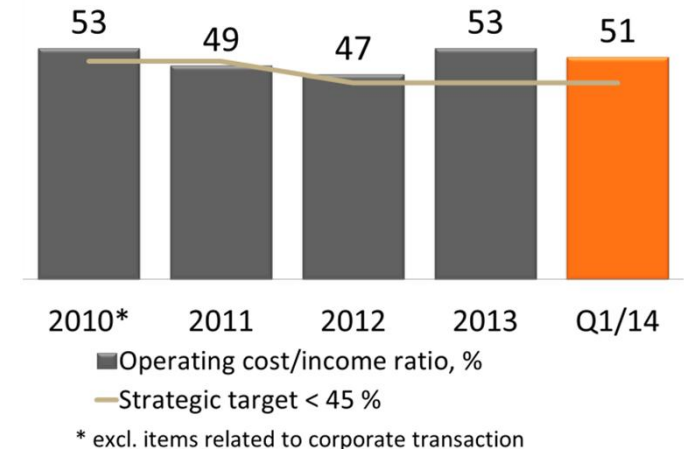
Operating cost/income ratio by Banking, %



Operating combined ratio by Non-life Insurance, %



Operating cost/income ratio by Asset Management, %



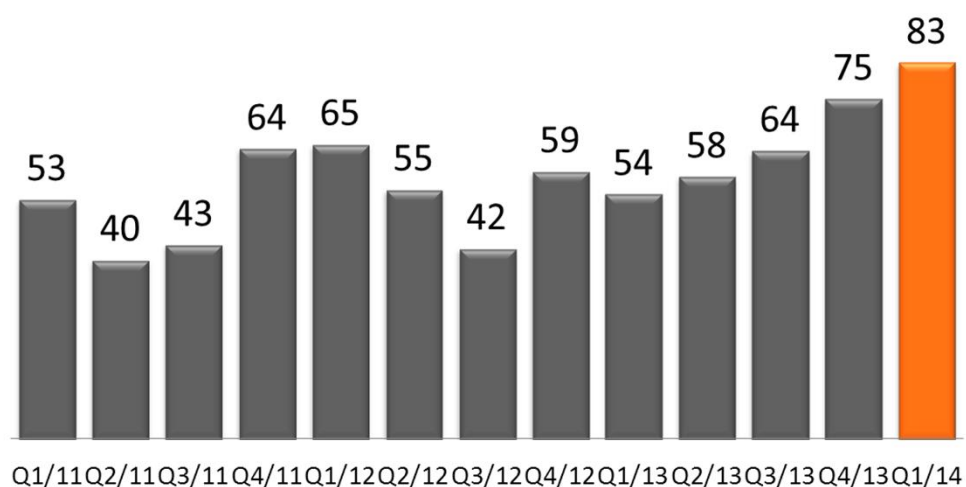




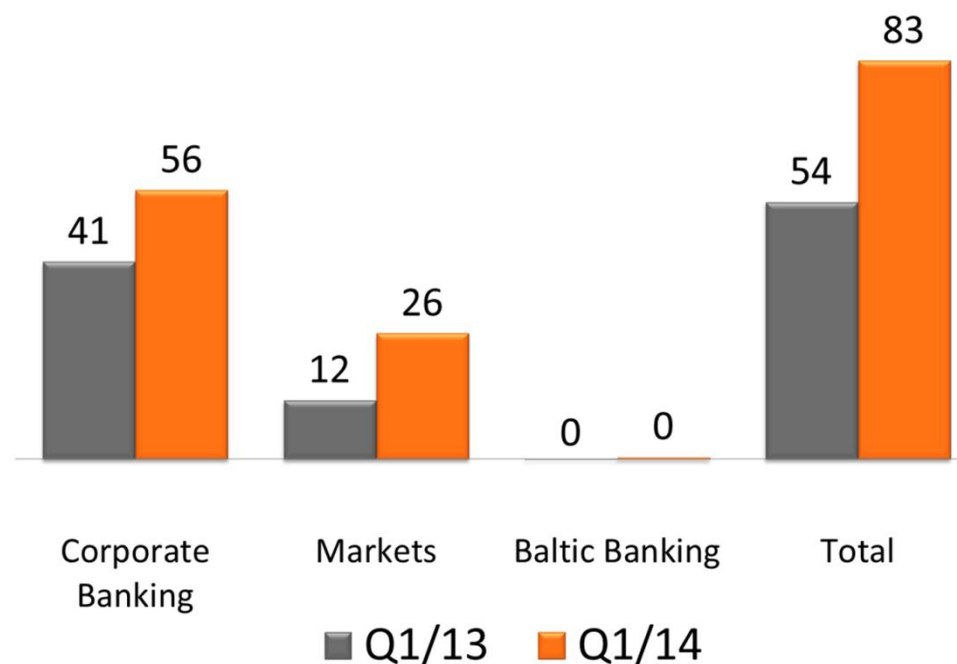
# Banking Q1/2014

# EBT improved markedly within all business divisions

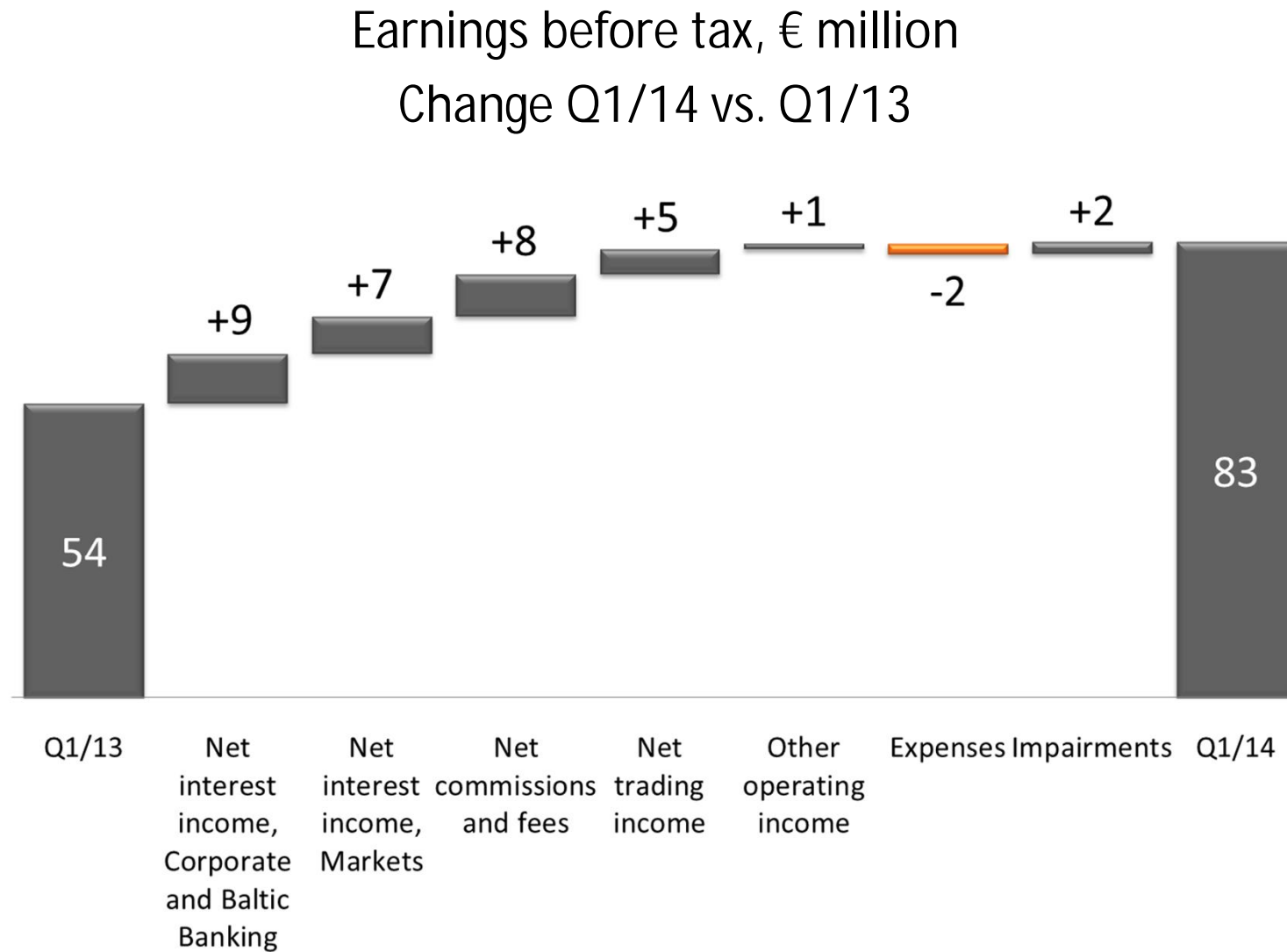
Earnings before tax, € mn  
by quarter



Earnings before tax, € mn  
by business division Q1/14 vs. Q1/13

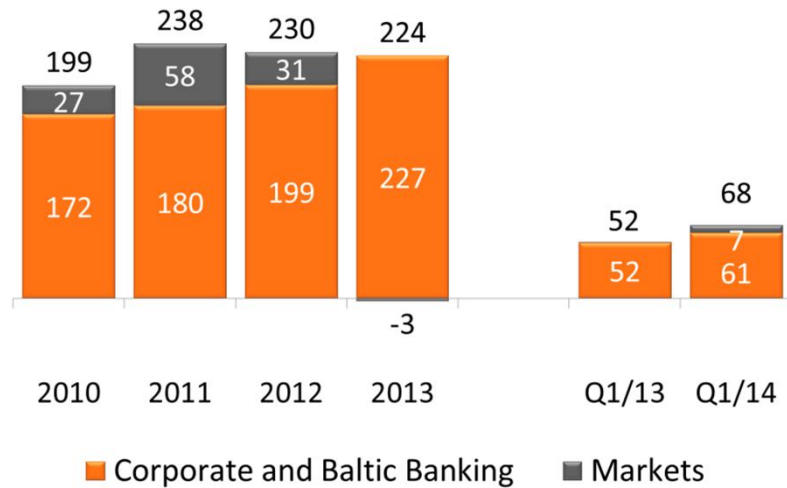


# Income Up by 29% and Expenses by 4%

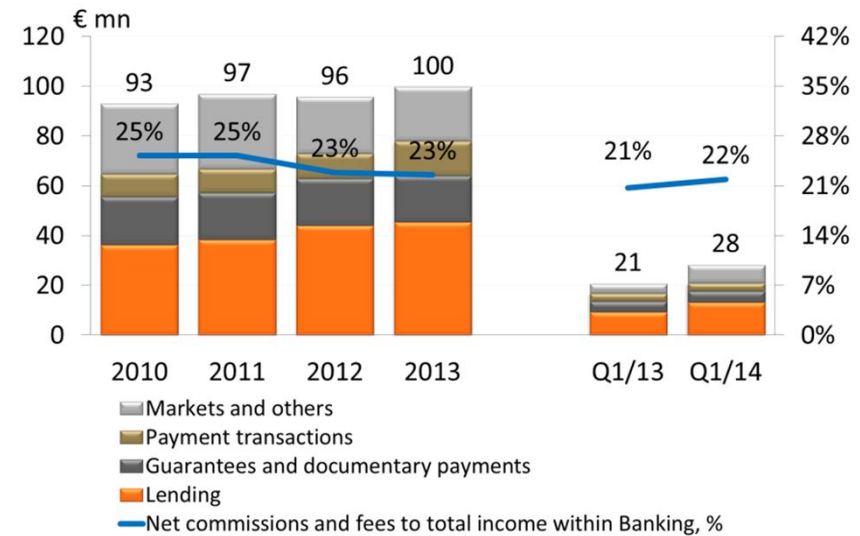


# Increased Income in both Corporate Banking and Markets

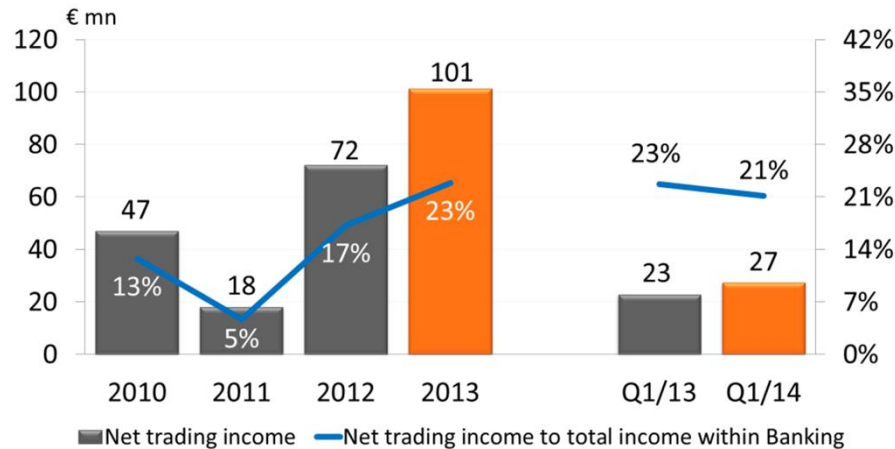
Net interest income, € million



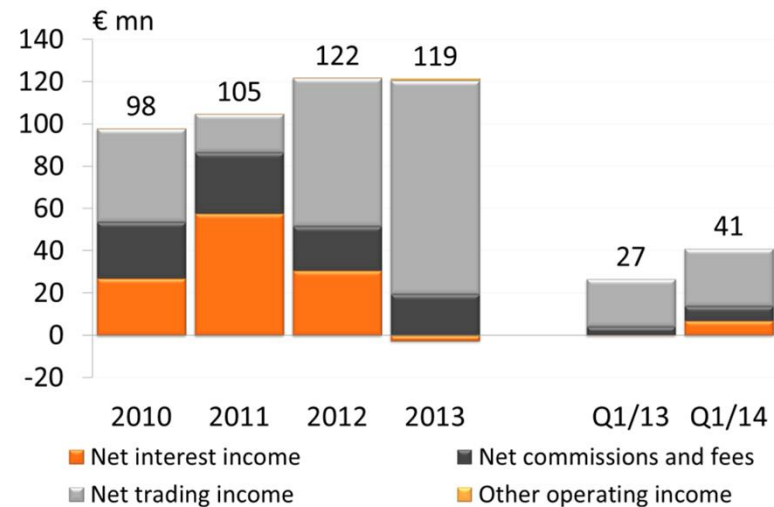
Net commissions and fees, € million



Net trading income, € million



Income items by Markets, € million



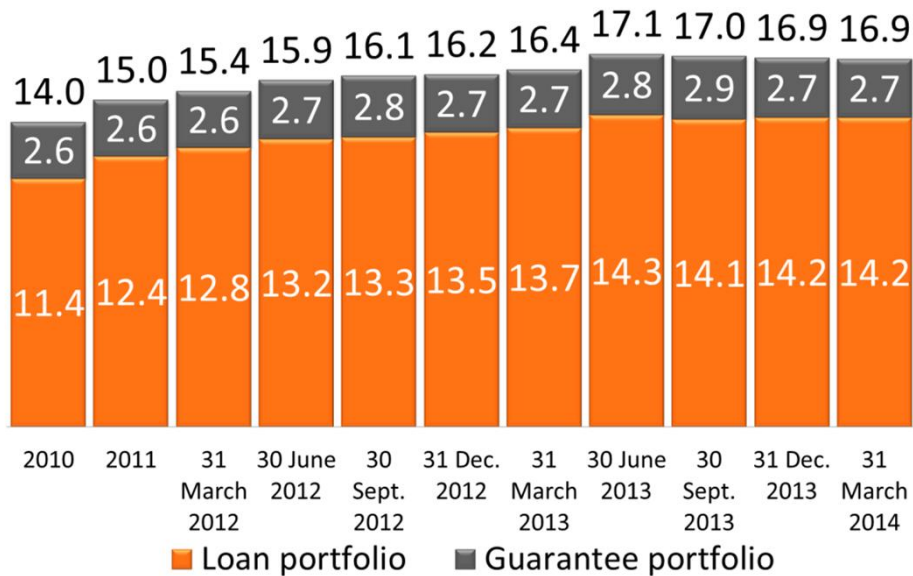


# Demand for loans was sluggish and the loan portfolio remained at the 2013-end level

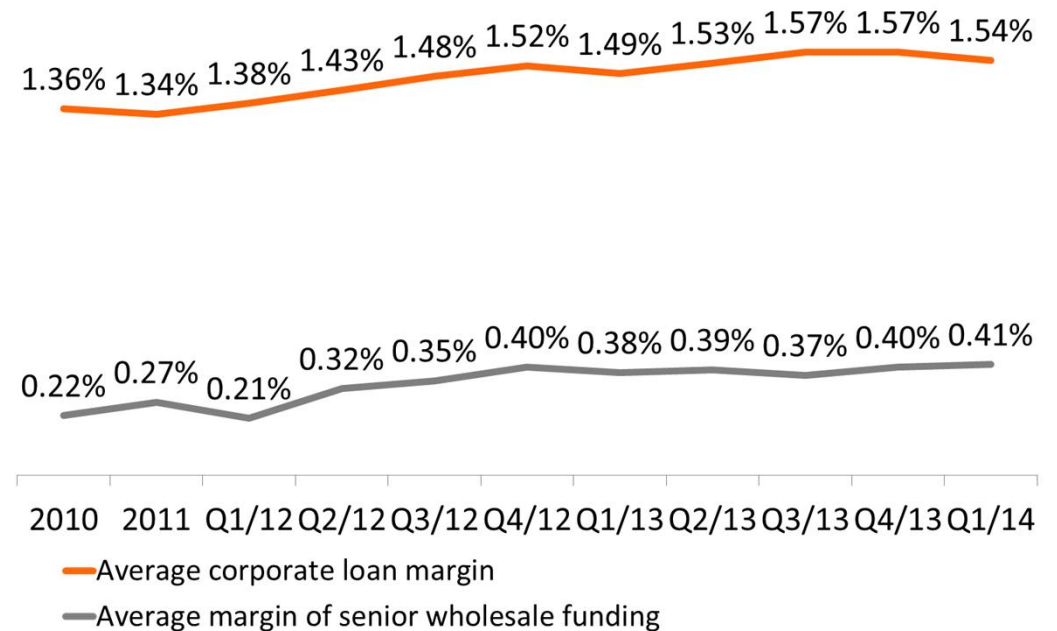
The average margin on the corporate loan portfolio decreased by 3 basis points during Q1 and increased by 5 basis points in the year to March.

## Loan and guarantee portfolio, € bn

The loan and guarantee portfolio increased by 3% year-on-year and by 0% in Q1/14



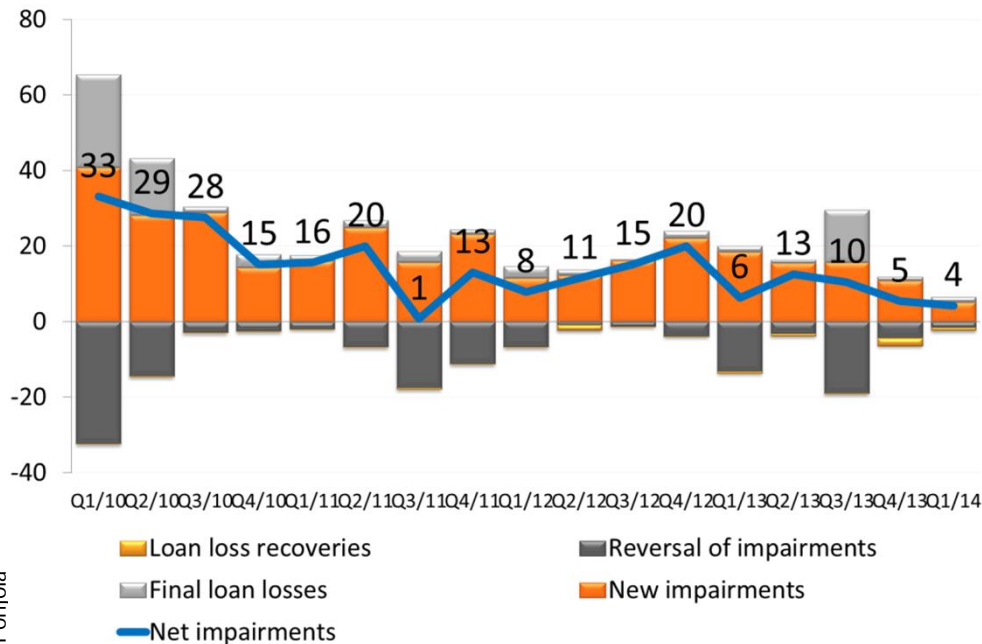
## Average corporate loan margin and margin of senior wholesale funding, %



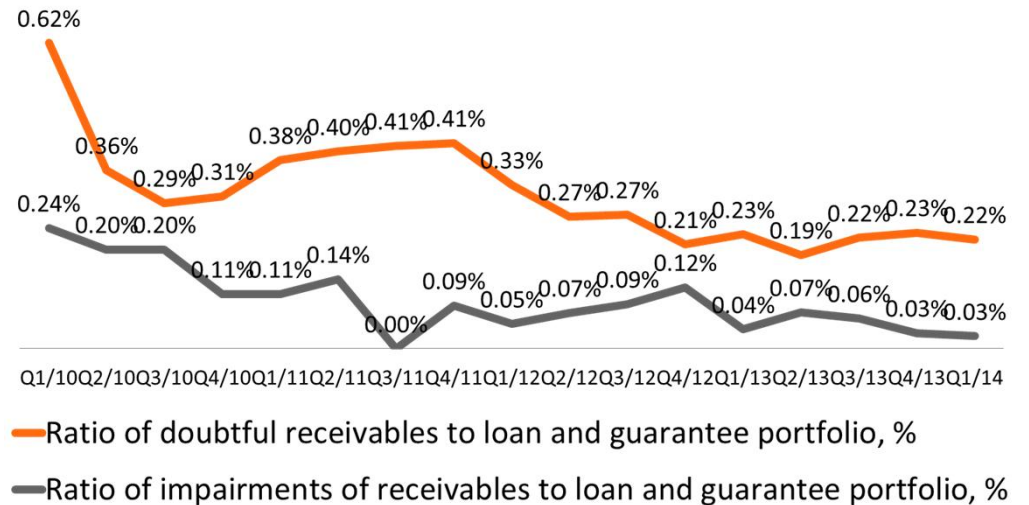
# Quality of loan portfolio remained good and impairment losses decreased to € 4 mn (6)

Impairment loss on receivables was 0.03% to loan and guarantee portfolio (0.04)

Net impairment loss on receivables  
Q1/14: €4 mn (6)



Impairment losses and doubtful receivables at low levels

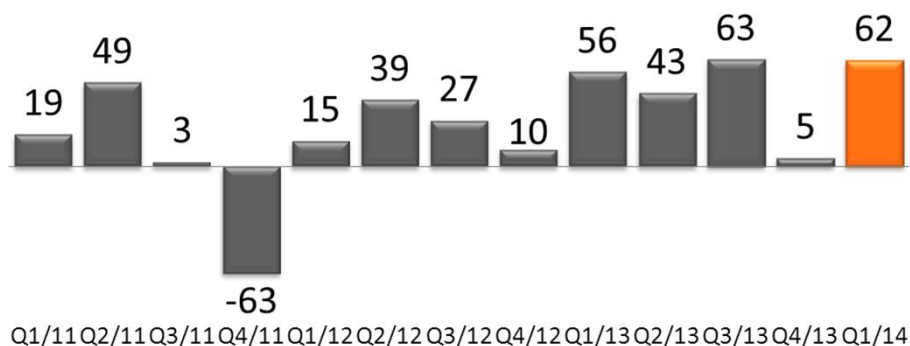




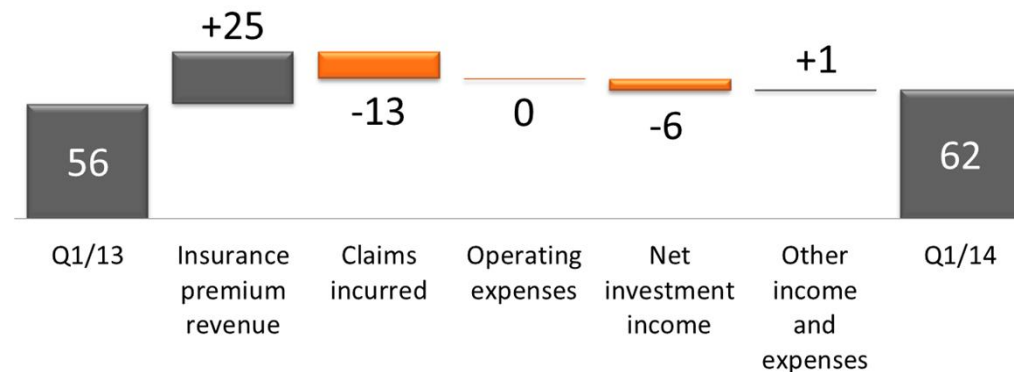
# Non-life Insurance Q1/2014

# Higher insurance premium revenue and the mild winter improved the balance on technical account

Earnings before tax, € mn  
by quarter



Earnings before tax, € mn  
change Q1/14 vs. Q1/13

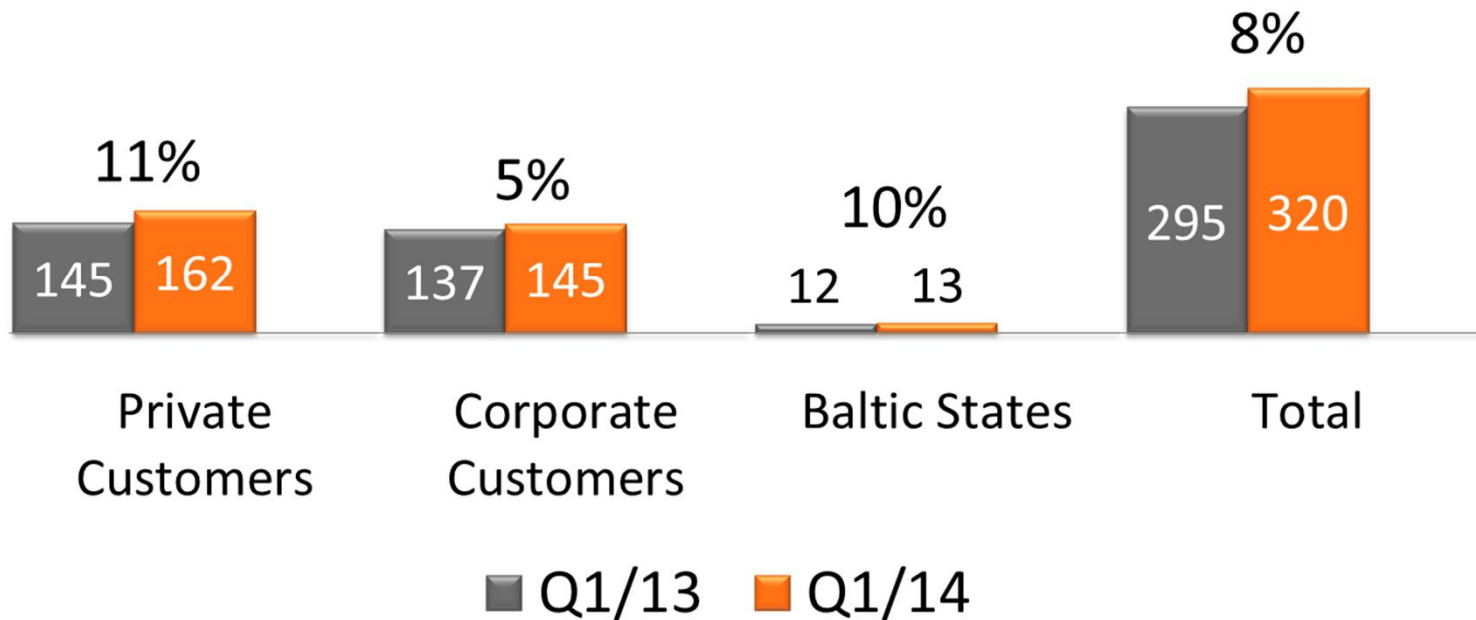


Changes in claims for previous years improved the balance on technical account by €5 million (1).



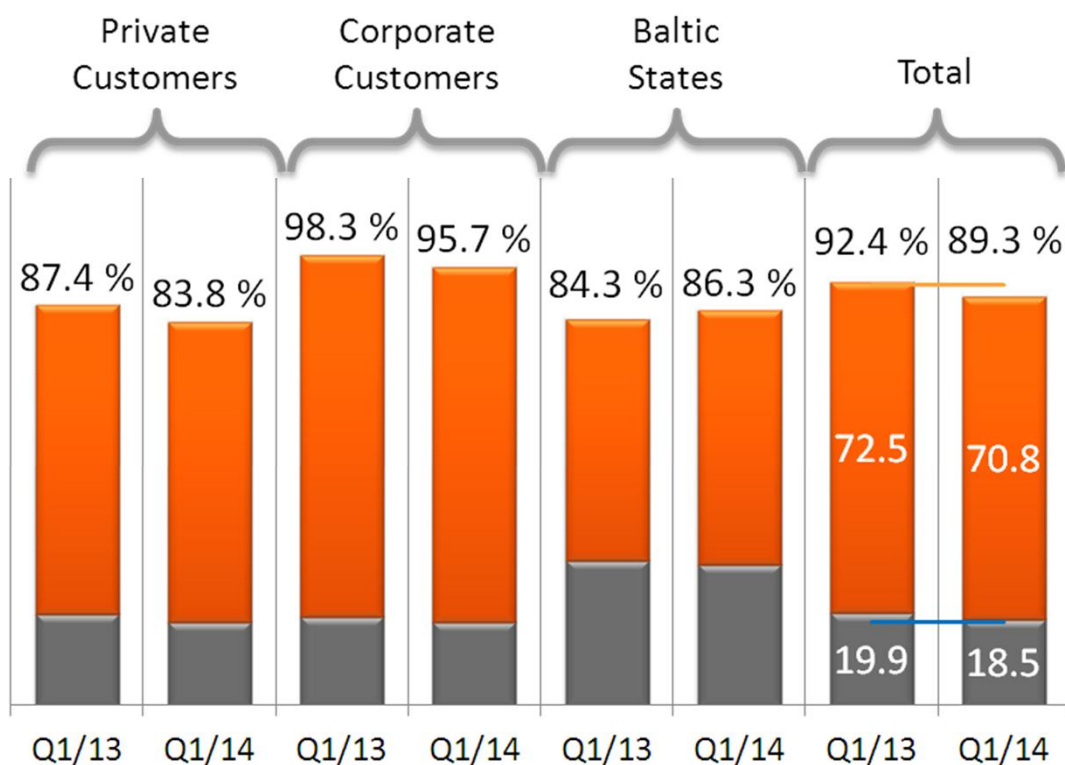
# Growth in insurance premium revenue continued within all business divisions

Insurance premium revenue, € mn and change by division Q1/14 vs. Q1/13



# Improvement in operating combined ratio

Operating combined ratio by division, Q1/14 vs. Q1/13, %



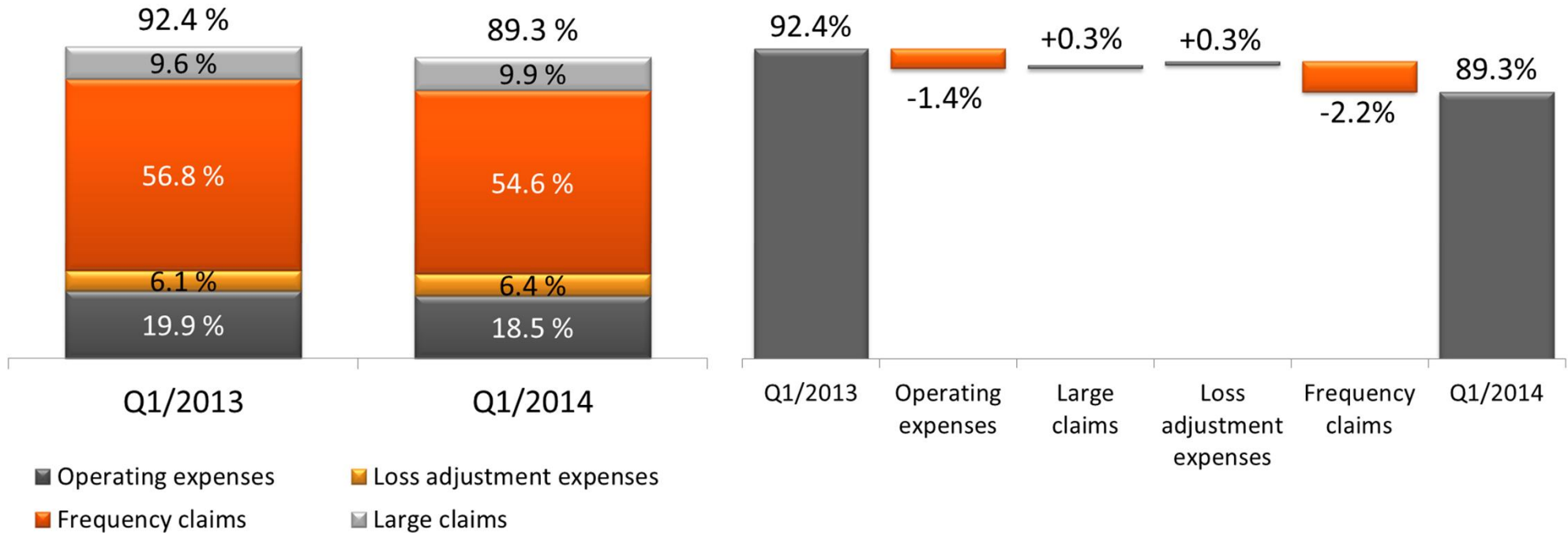
As a result of the unusually mild winter, claims incurred increased more slowly than insurance premium revenue and the balance on technical account improved.

- Operating loss ratio (claims incurred / insurance premium revenue)
- Operating expense ratio (operating expenses / insurance premium revenue)
- Strategic target for operating combined ratio of Non-life Insurance < 92%
- Strategic target for operating expense ratio of Non-life Insurance 18%

# Less frequency claims as a result of the mild winter

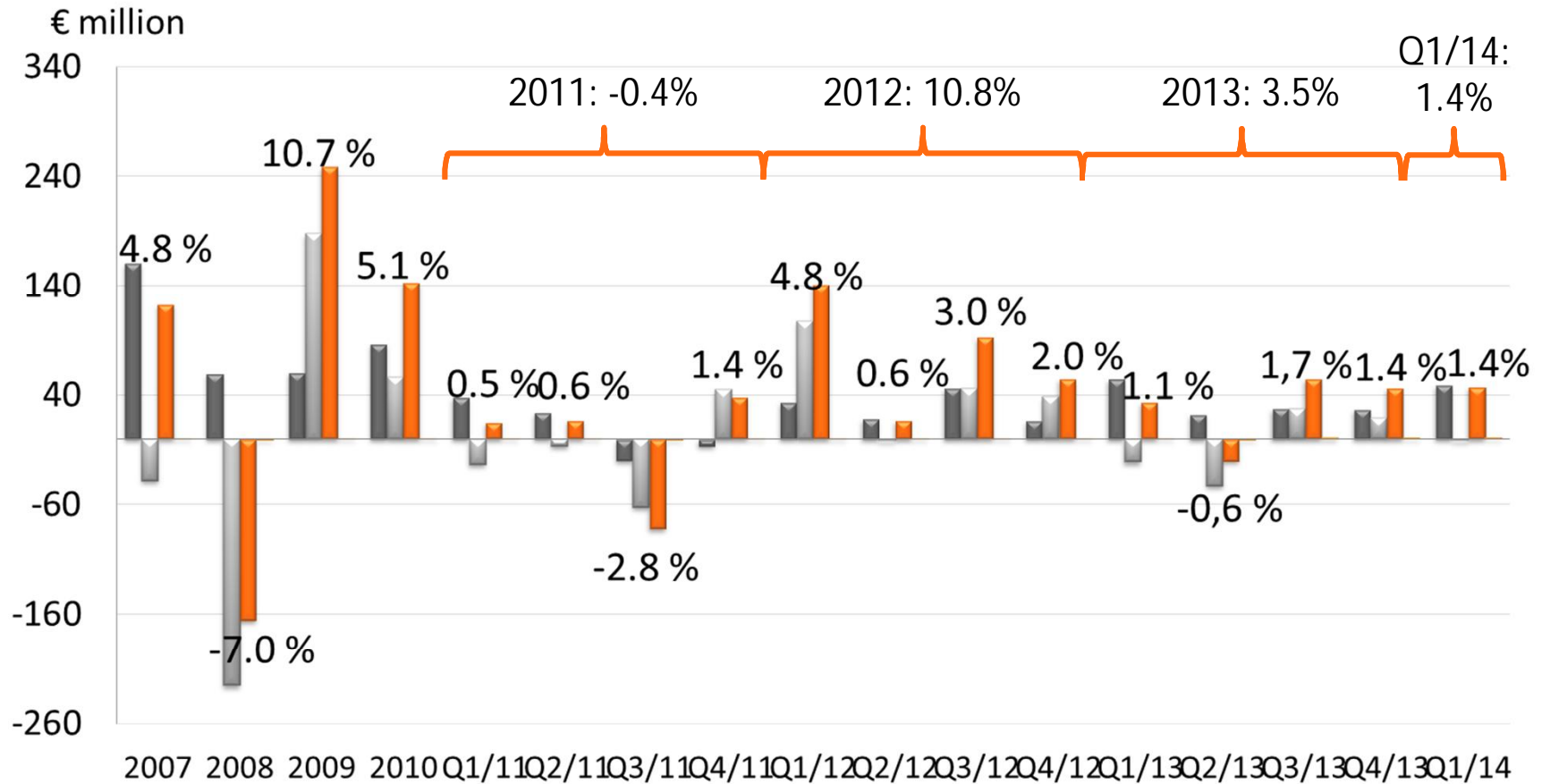
Operating combined ratio  
by component  
Q1/14 vs. Q1/13, %

Change in operating combined ratio  
Q1/14 vs. Q1/13, %



# Q1/14 ROI at Fair Value 1.4% (1.1)

Investment income at fair value was better than a year ago because of lower interest rates

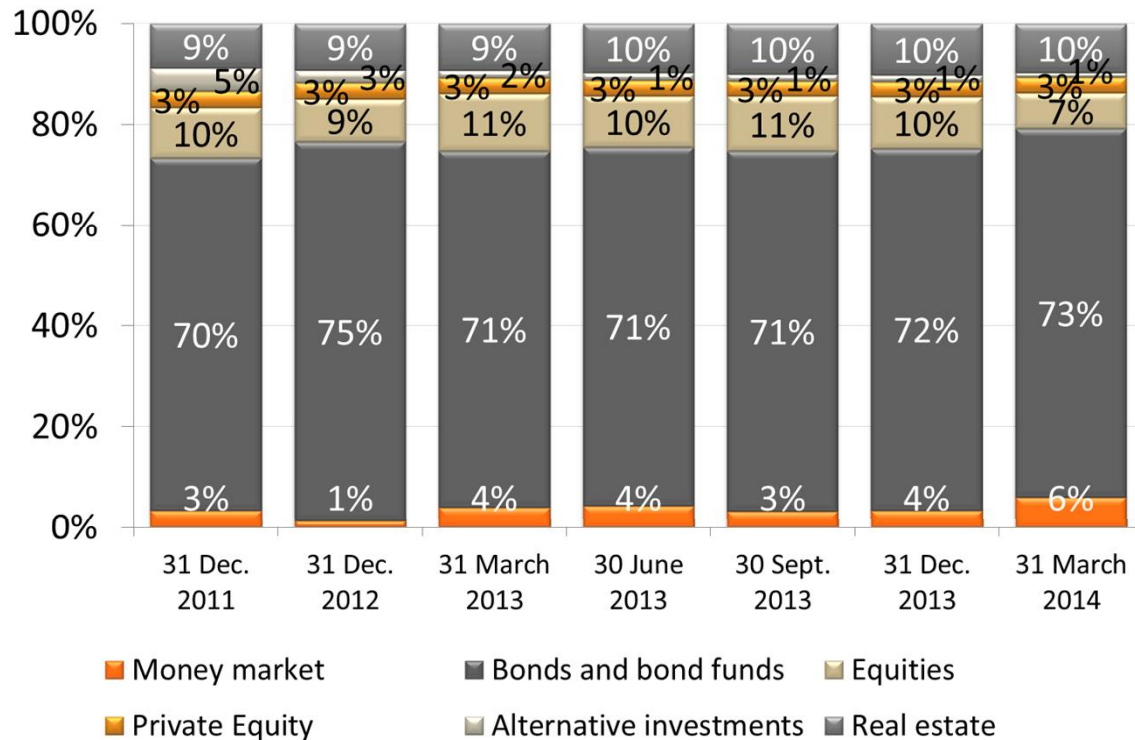


- Net investment income on income statement
- Change in fair value reserve
- Net investment income at fair value

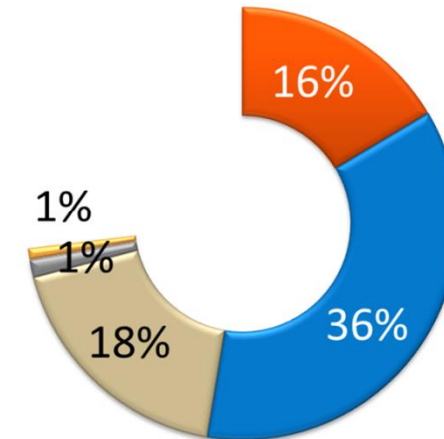


# Share of equities was decreased in the investment portfolio

Investment portfolio (€3.4 bn) by asset class as of 31 March 2014



Bonds and bond funds (73%)



- Public sector
- Financial institutions
- Corporate
- Bond funds
- Other

The average residual term to maturity of the fixed-income portfolio was 4.3 years (4.4) and the duration 3.5 years (3.7). The running yield for direct bond investments averaged 2.6% (2.6) at the end of March.

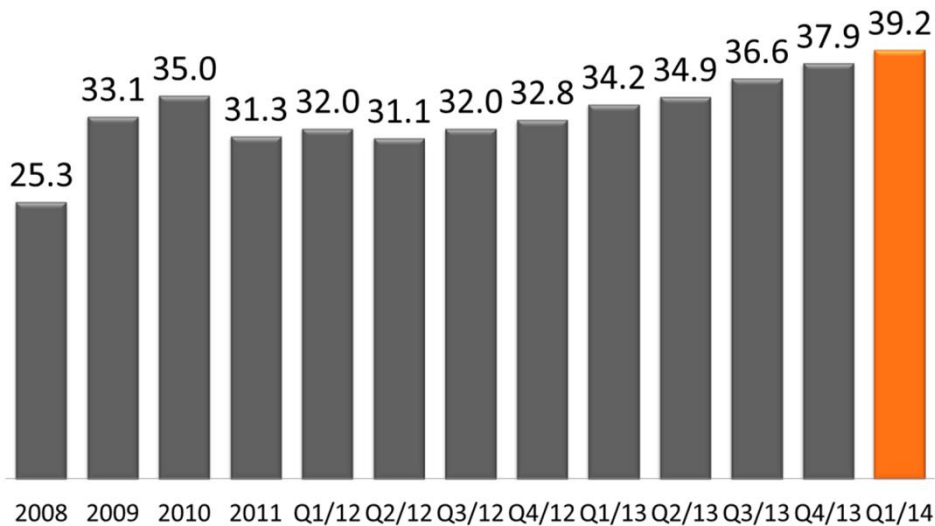


# Asset Management Q1/2014

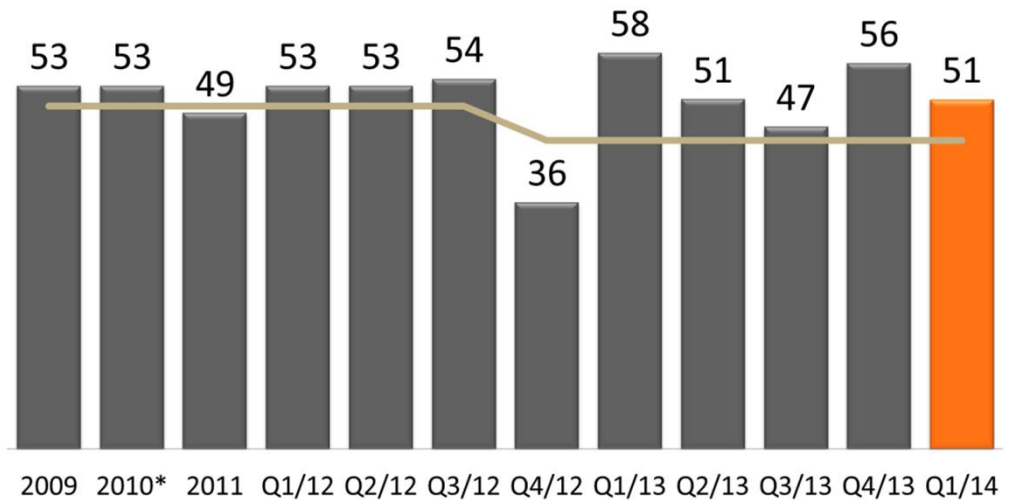
# Asset Management's Q1/14 EBT improved to €6 mn (5) thanks to growth in net commissions and fees

AUM increased by 3% to €39.2 bn

Assets under management, € bn



Operating cost/income ratio, %

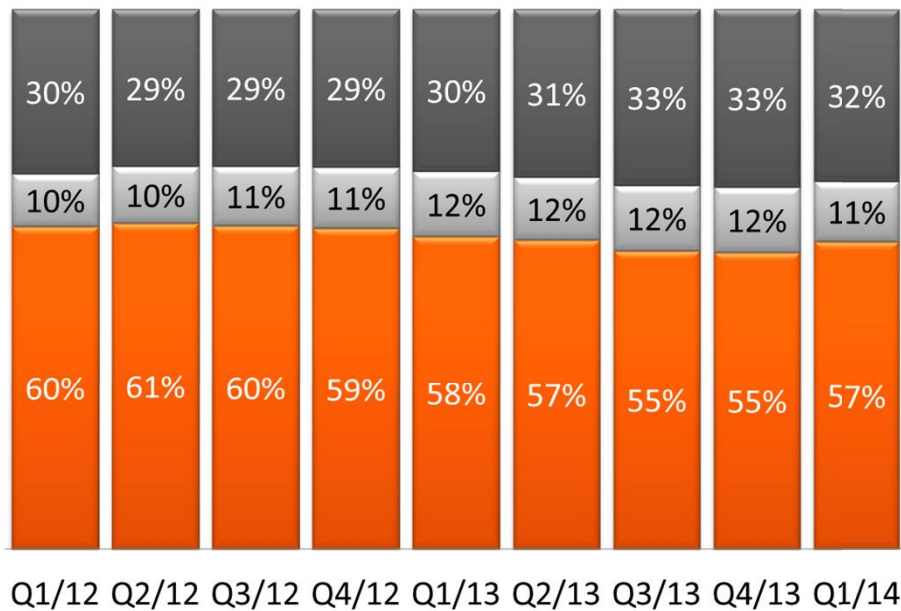


■ Operating cost/income ratio, %    — Strategic target < 45 %

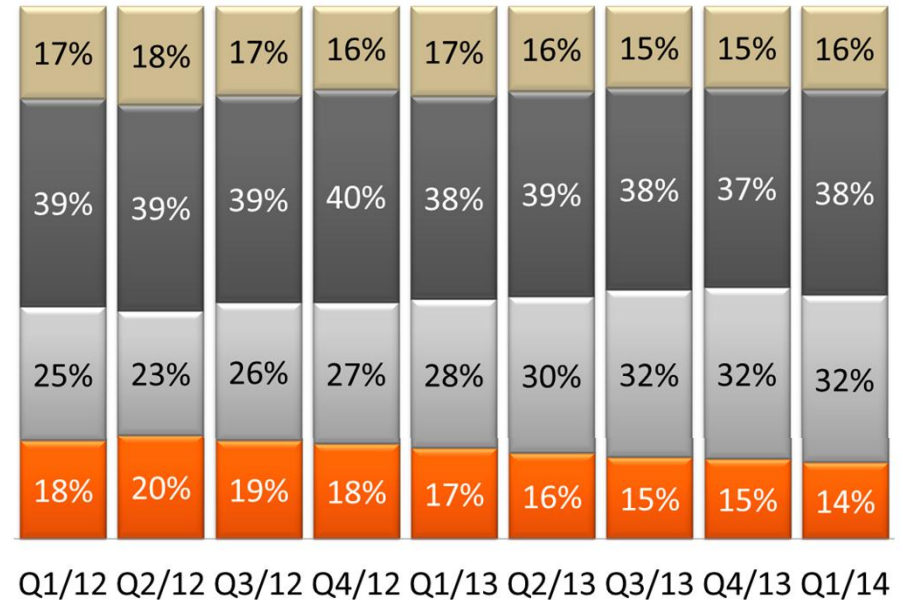
\* excl. items related to corporate transactions

# Institutional clients increased their proportion of assets under management in Q1/14

Assets under management by client group



Assets under management by asset class



- OP Mutual Funds
- Pohjola Private
- Institutional Clients

- Money Market
- Bonds
- Equities
- Other investments





# Group Functions Q1/2014



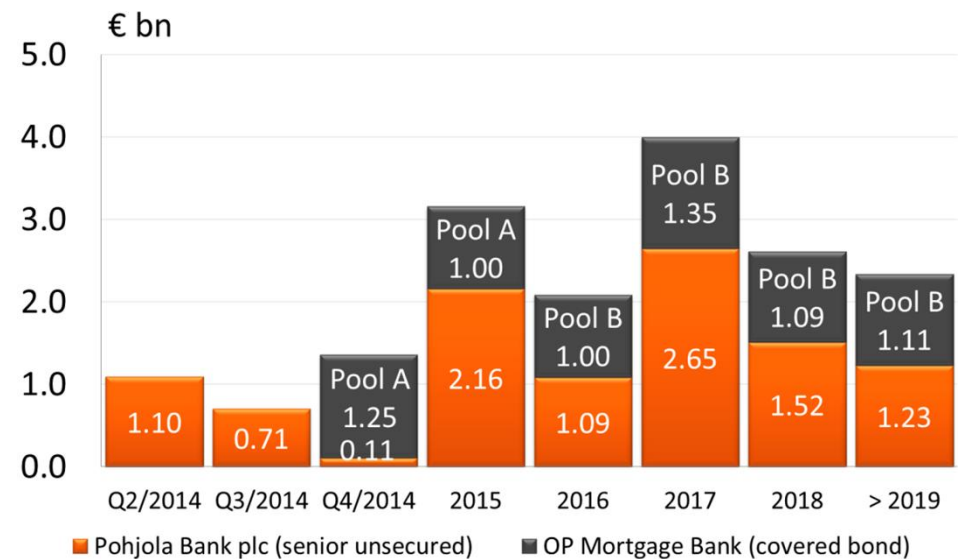
# Access to Funding Remained Good

## Pohjola Bank plc, senior unsecured issues

Year	Month	Amount	Maturity	Interest rate
2014	March	€750 mn	7 yrs	m/s+67bps
2014	March	€750 mn	3 yrs	Eb3+36bps
2013	August	€750 mn	5 yrs	m/s+46bps
2013	June	¥30 bn (€237 mn)	3–5 yrs	m/s+50–73 bps, Eb3+90bps
2013	May	€500 mn	5 yrs	m/s+50bps
2012	March	€750 mn	5 yrs	m/s+118bps

- Q1/14 earnings before tax amounted to EUR 8 million (18).
- Earnings included EUR 7 million (12) in capital gains on notes and bonds and EUR 5 million (0) in net commissions and fees related to finance for bid for Pohjola shares.

## Maturing long-term funding, € bn as of 31 March 2014



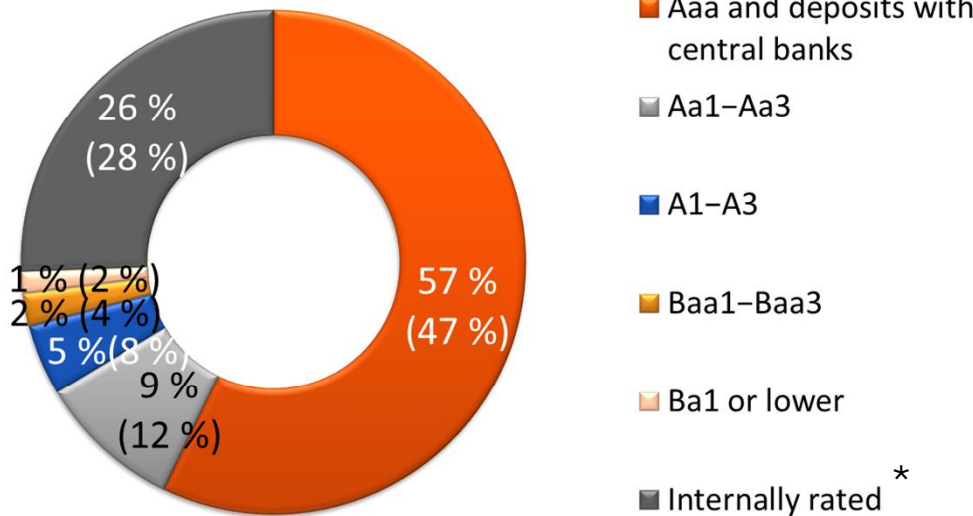
## OP Mortgage Bank, covered bond issues

Year	Month	Amount	Maturity	Interest rate
2014	March	€1 bn	7 yrs	m/s+14bps
2012	May	€1.25 bn	5 yrs	m/s+32bps

Funding based on strong credit ratings (Aa2/AA-/A+)

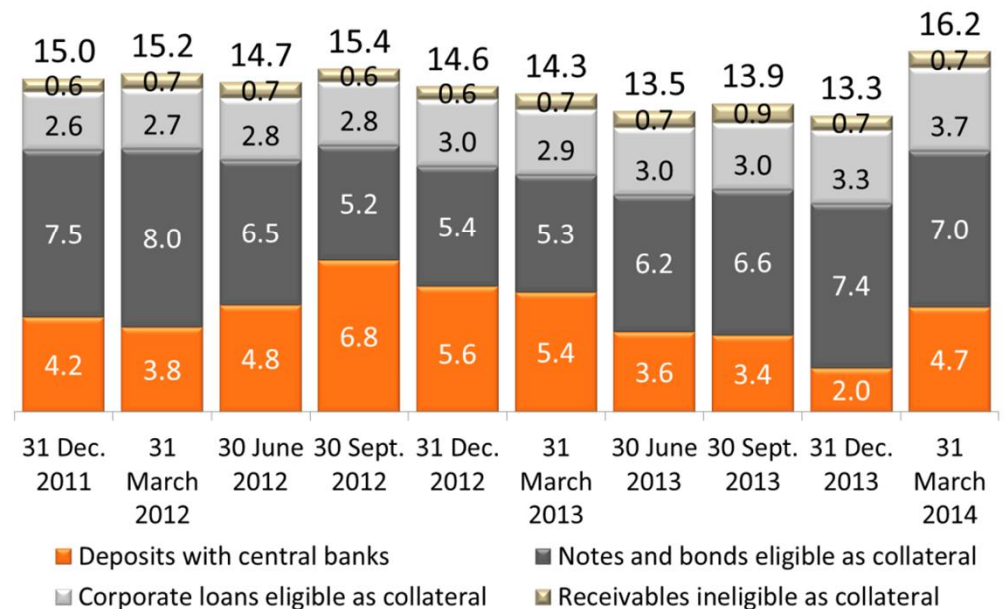
# Proportion of deposits with central banks in the liquidity buffer was raised in Q1/14

Liquidity buffer (€16.2 bn) by credit rating as of 31 March 2014 (31 Dec. 2013, %)



\*) Internally rated: corporate loans (90%), the remainder consists of externally non-rated notes and bonds issued by public-sector entities and companies

Liquidity buffer by product, € bn



The liquidity buffer plus other items based on OP-Pohjola Group Group's contingency funding plan can be used to cover maturing wholesale funding for at least 24 months.



# Pohjola Group's Outlook Towards the Year End

# Pohjola Group's Outlook Towards the Year End

## Pohjola Group

- Consolidated EBT in 2014 are expected to be higher than in 2013.

## Banking

- Loan portfolio is expected to grow at the same rate as in 2013. Banking earnings before tax in 2014 are expected to be at the same level as or higher than in 2013.

## Non-life Insurance

- Operating COR for 2014 is estimated to vary between 87% and 91% if the number of large claims is not much higher than in 2013. Non-life Insurance earnings before tax in 2014 are expected to be higher than in 2013.

## Asset Management

- The greatest uncertainties related to financial performance are associated with the actual performance-based commissions and fees tied to the success of investments and the amount of assets under management. Asset Management earnings before tax in 2014 are expected to be at the same level as or higher than in 2013.

## Group Functions

- The key determinants affecting the financial performance include net interest income arising from assets in the liquidity buffer, any capital gains or losses on notes and bonds and any impairment loss that may be recognised on notes and bonds in the income statement. Group Functions earnings before tax in 2014 are expected to be lower than in 2013 due to low interest rates and tighter liquidity regulation.

Still great uncertainty about the economic outlook and the operating environment.  
The full version of "Outlook for 2014" can be found in the Interim Report.





## OP-Pohjola Group Central Cooperative's Public Voluntary Bid for all Pohjola Bank plc Shares



# OP-Pohjola Group Central Cooperative has executed the bid

As a result of the execution of the trades on 8 April 2014 and of the shares tendered during the extra offer period, OP-Pohjola Group Central Cooperative's ownership of the shares has increased to 98.41% and to 99.14% of the votes.

- The offer period for the public voluntary bid announced by OP-Pohjola Group Central Cooperative on 6 February 2014 for all Pohjola Bank plc shares expired on 1 April 2014 and the extra offer period on 22 April 2014.
  - Offer price €16.80 per share, from which the amount of distributed dividends for each share (€0.67 per Series A share and €0.64 per Series K share) was deducted.
  - A premium was 18.1% compared to the closing price on 5 February 2014 and 23.3% compared to the volume-weighted average trading price during the 6-month period preceding the announcement of the bid (30.5%/12-month).
- All of the conditions for completion of the bid were fulfilled and OP-Pohjola Group Central Cooperative has executed the tender offer in accordance with its terms and conditions.
- As a result of the execution of the trades on 8 April 2014 and of the shares tendered during the extra offer period, OP-Pohjola Group Central Cooperative's ownership of the shares will increase to 98.41% and to 99.14% of the votes.
- OP-Pohjola Group Central Cooperative with more than nine tenths (9/10) of all shares and votes in Pohjola Bank plc has the right, under Chapter 18, Section 1 of the Limited Liability Companies Act, to redeem (right of squeeze-out) all of the shares held by Pohjola's remaining shareholders at the current market price. On 11 April 2014, OP-Pohjola Group Central Cooperative announced that it would exercise its right of squeeze-out and institute arbitration proceedings referred to in the Limited Liability Companies Act.
  - The redemption price of €16.13 corresponds to the consideration offered during the offer period, which OP-Pohjola Group Central Cooperative considers to be a current market price, by virtue of the Limited Liability Companies Act, in the arbitration proceedings.

# Aim: a more efficient and competitive OP-Pohjola Group wholly owned by its customers

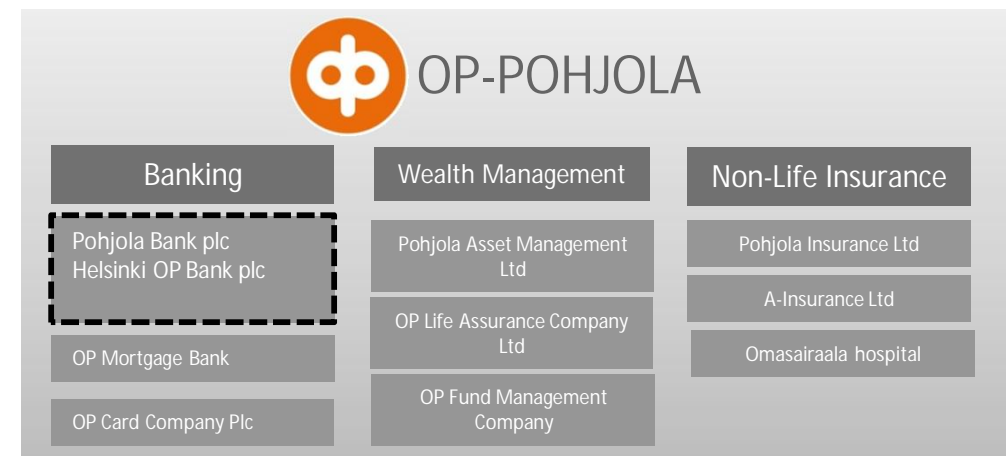
## Strategic plans

1. More efficient in terms of control and a more dynamic and competitive Group in terms of business
2. More streamlined OP-Pohjola Group Central Cooperative Consolidated in terms of structure and decision-making
3. More unified customer experience through more intensified integration between Banking and Non-life Insurance
4. New strong player in the Helsinki Metropolitan Area
5. Profits will fully benefit the Group and its customers
6. Synergies
7. Position of company management and employees in the future

## OP-Pohjola Group

1,4 million owner members

Some 180 member cooperative banks



# Background Material

## 1. Pohjola in brief

- Pohjola Group's business structure and market position
- Pohjola as part of OP-Pohjola Group
- Pohjola Group's ownership structure
- OP-Pohjola Group's market position
- Pohjola's credit ratings
- Pohjola's financial targets, key value drivers, total shareholder return and strategy
- CSR at OP-Pohjola Group

## 2. Background Material on Pohjola Group and Business Lines

- Pohjola Group
- Banking
- Non-life Insurance
- Group Functions

## 3. OP-Pohjola Group's and Pohjola Bank plc's results and key figures

## 4. Finnish Economy

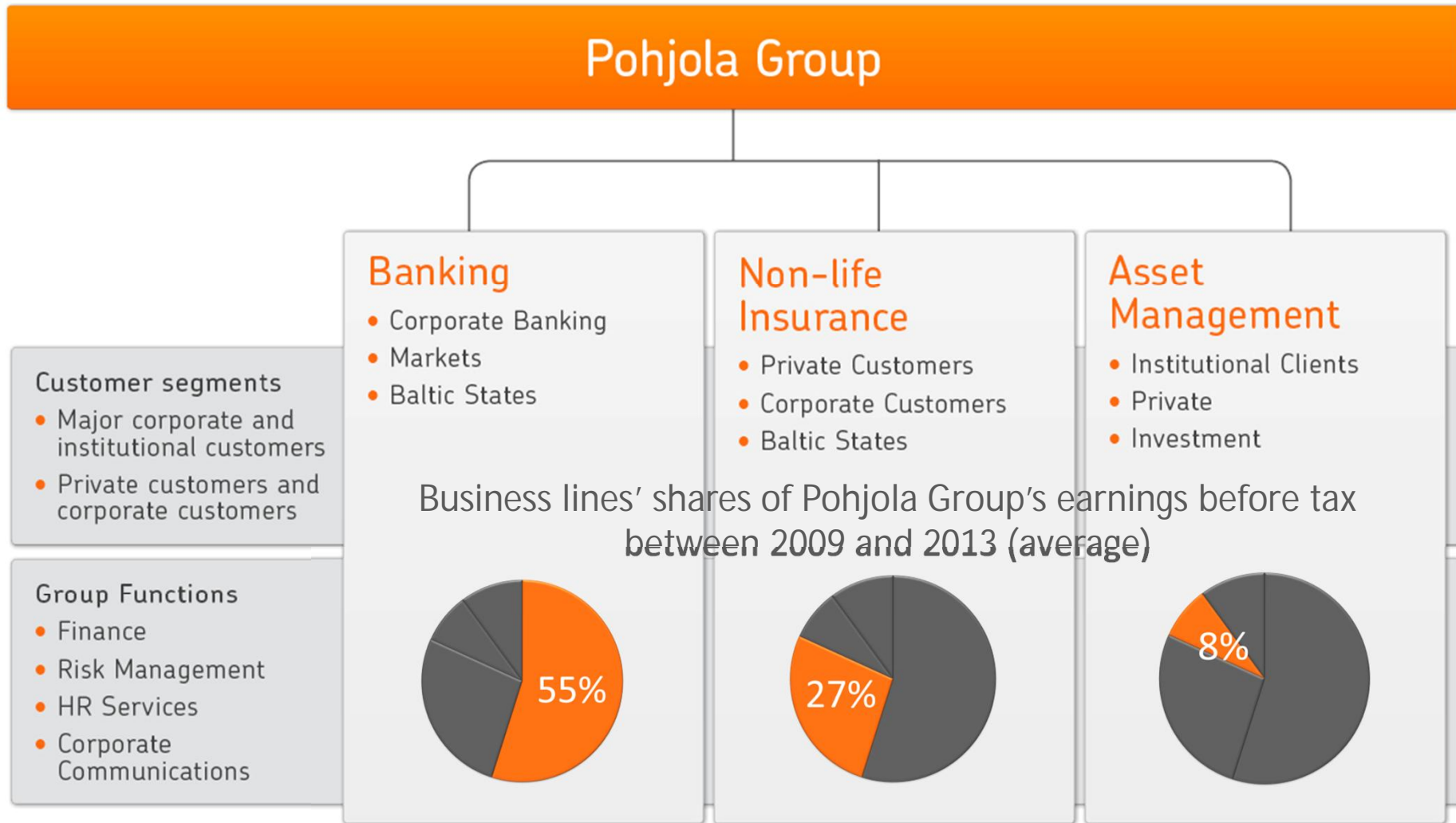
## 5. Pohjola IR team





## Pohjola in Brief

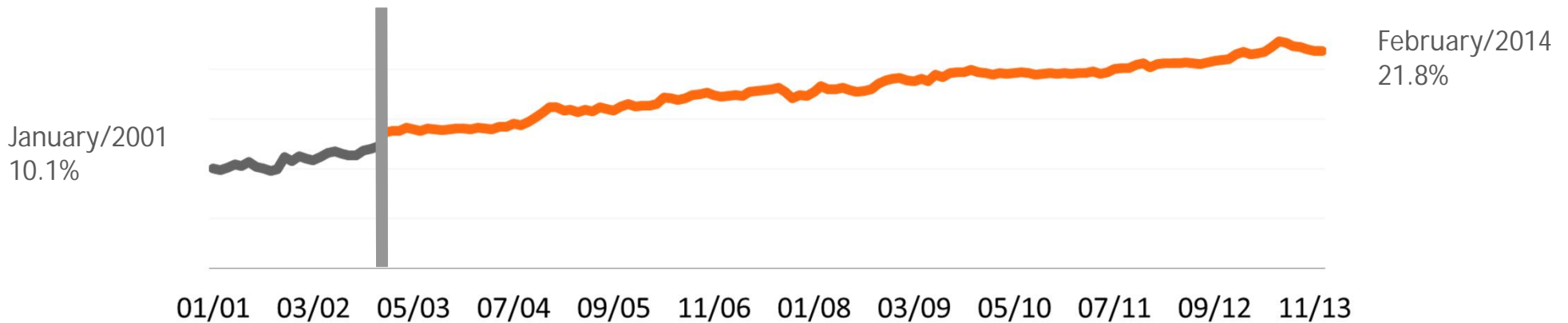
# Pohjola Group's Business Structure



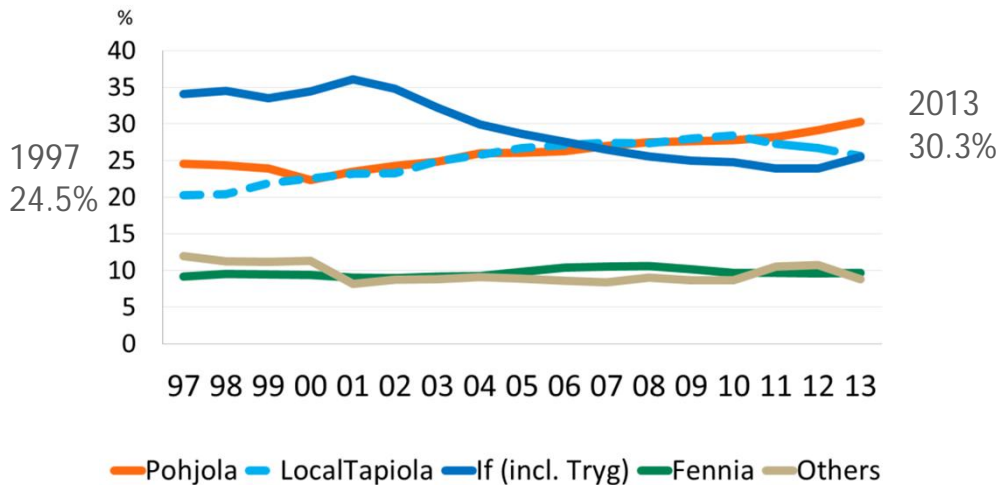


# Pohjola's Market Position and Targets

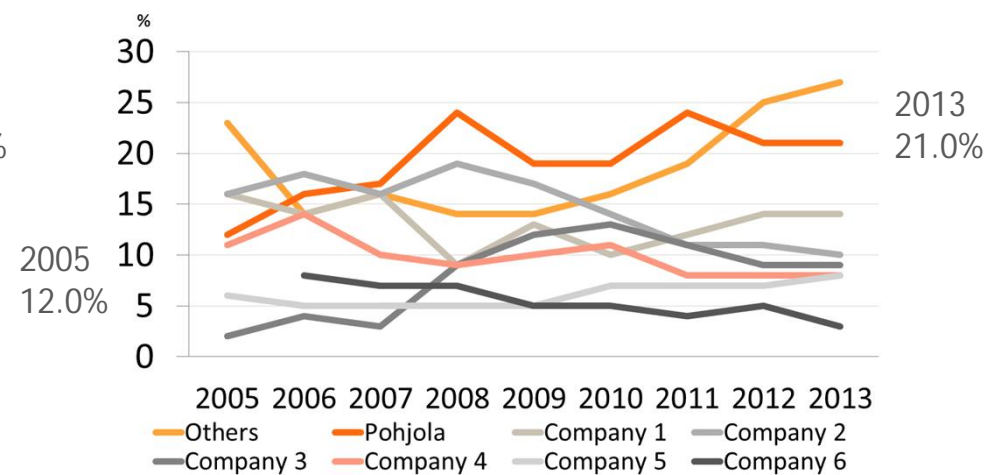
Banking: Market share of corporate lending, position 2nd, target 1st



Non-life Insurance: Market share of premiums written under Finnish direct insurance, position 1st, target 1st

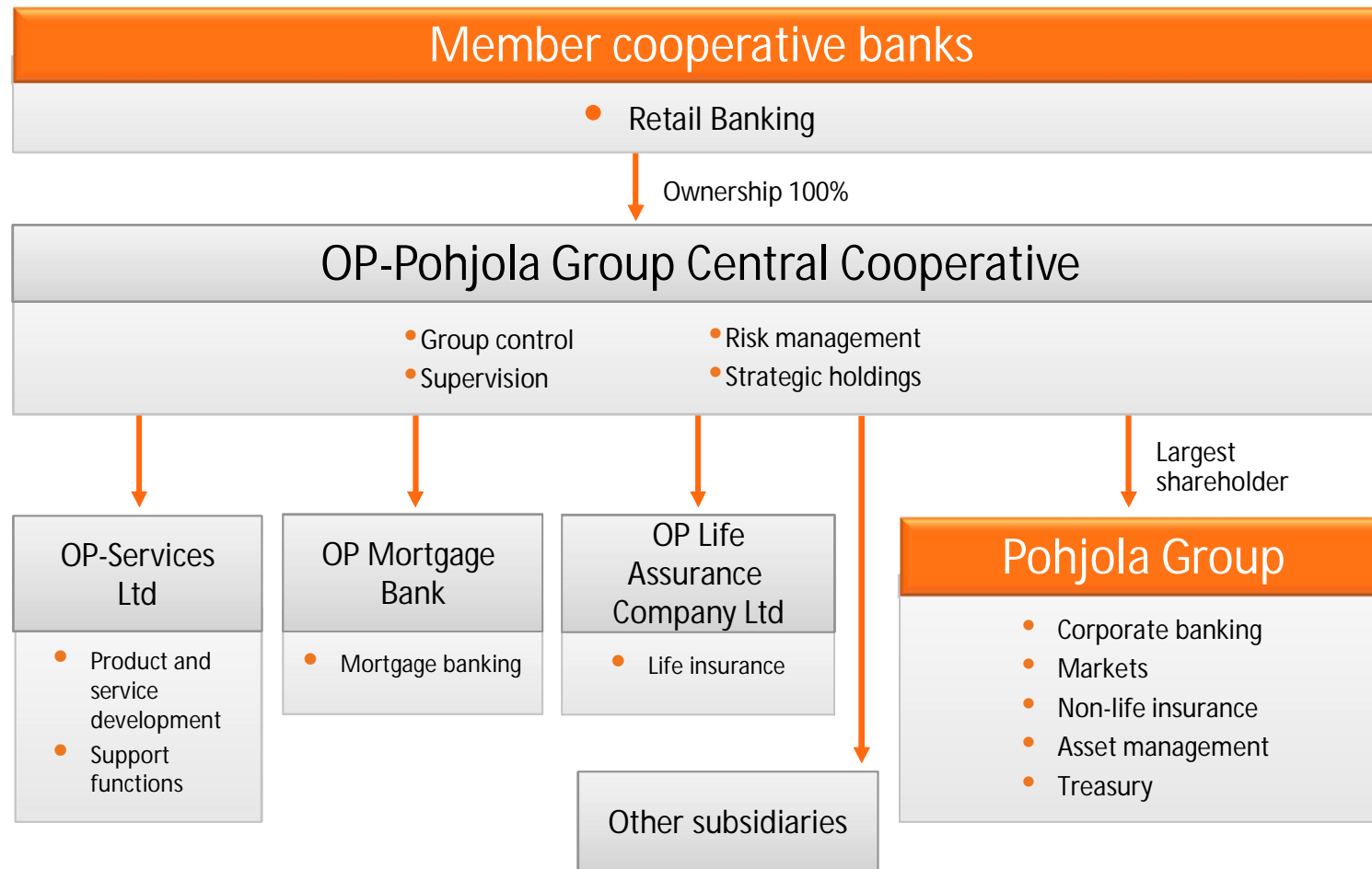


Asset Management: Market share of institutional asset management, position 1st, target 1st



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

# Pohjola as Part of OP-Pohjola Group

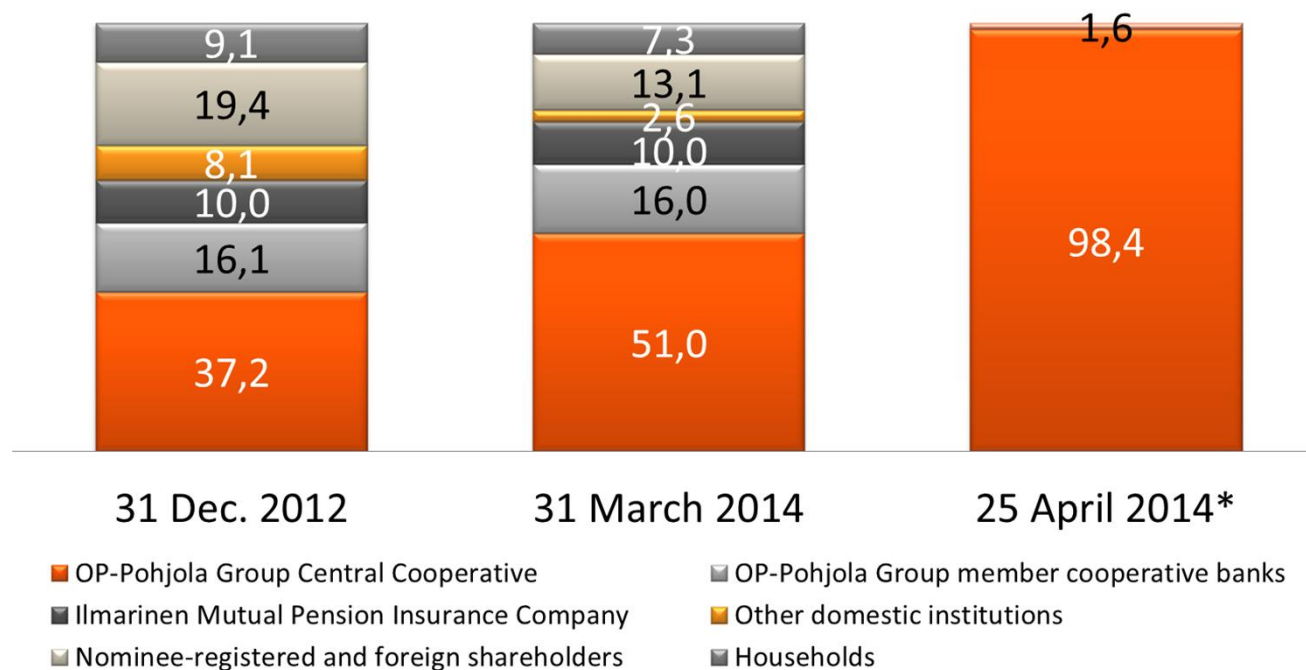


OP-Pohjola Group Central Cooperative and the member credit institutions are liable for each other's debts and commitments. Insurance companies do not fall within the scope of joint liability.

OP-Pohjola Group is monitored on a consolidated basis by Finnish FSA.

# Ownership Structure

Holdings by type of shareholder,  
Series A and K shares, %



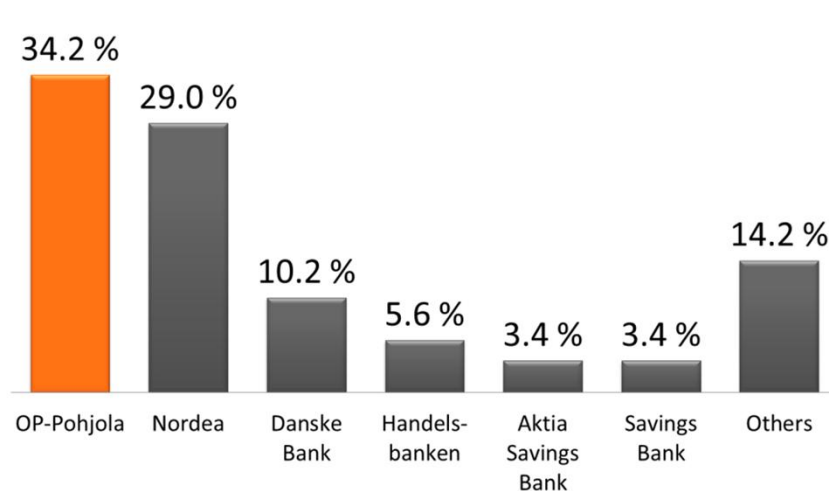
OP-Pohjola  
Group Central  
Cooperative's  
share of votes  
after execution  
of the public  
tender offer  
**99.1%\***

\*) Final result of the extra offer period, as of 25 April 2014

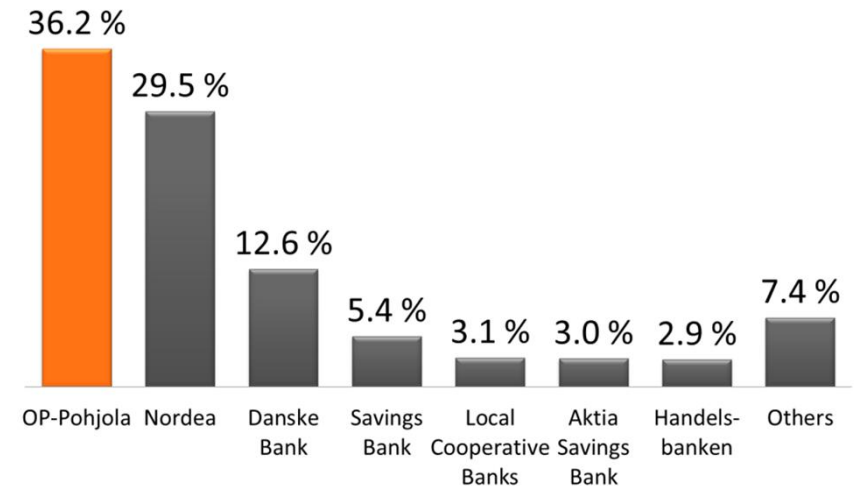
# OP-Pohjola Group - Market Leader in Finland

## Market shares

### Loans 2013

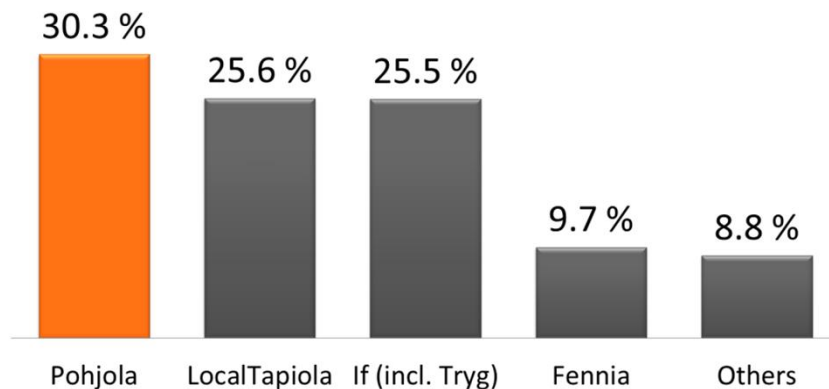


### Deposits 2013



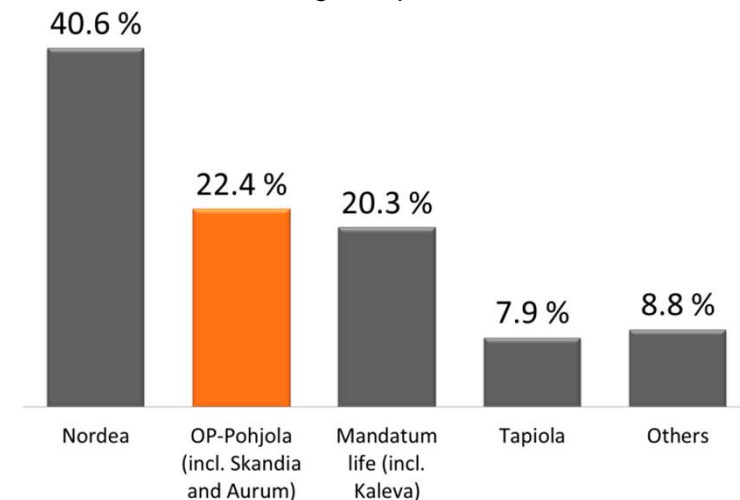
### Non-life Insurance 2013

Market share of premiums written under Finnish direct insurance



### Life Insurance 2013

Market share of gross premiums written



Source: Federation of Finnish Financial Services

# Pohjola's Credit Ratings

Rating target: AA rating affirmed by at least 2 credit rating agencies  
(or at least at the main competitors' level)

	Moody's	S&P	Fitch
Handelsbanken	Aa3	AA-*	AA-
Nordea	Aa3	AA-*	AA-
Pohjola Bank plc	Aa3	AA-***	A+
DNB	A1	A+	-
SEB	A1	A+*	A+
Swedbank	A1	A+	A+
Danske Bank	Baa1**	A-	A
OP Mortgage Bank****	Aaa	AAA	-
Pohjola Insurance Ltd	A3	AA-***	-
If	A2	A	-
Finnish government	Aaa	AAA*	AAA

- Moody's affirmed Aa3 rating and stable outlook for Pohjola Bank plc on 7 February 2014
- Fitch affirmed A+ rating and stable outlook for Pohjola Bank plc on 6 February 2014
- S&P placed Pohjola Bank plc's and Pohjola Insurance Ltd's AA- ratings on Credit Watch Negative on 6 February 2014

\* Outlook is negative

\*\* Outlook is positive

\*\*\* Credit Watch Negative

\*\*\*\* Covered bond rating

Updated: 21 April 2014



# Financial Targets

Pohjola Bank plc's Board of Directors confirmed updated financial targets on 17 March 2014

		Target	Q1/14	2013	2012	2011	2010	2009
Financial targets over the economic cycle	<b>Group</b>							
	ROE, %	13	16.5	14.4	11.2	9.2	9.9	10.0
	Common Equity Tier 1, %	15	12.0	11,9****	n/a	n/a	n/a	n/a
	<b>Banking</b>							
	Operating cost/income ratio, %	< 35	33	36	34	35	35	35
	<b>Non-life Insurance</b>							
	Operating combined ratio, %	< 92	89.3	86.9	90.5	89.8	89.7	87,7
	Operating expense ratio, %	18	18.5	18.7	21.5	21.8	21.3	22,2
	Solvency ratio (Solvency II), %	120*	134*	125*	n/a	n/a	n/a	n/a
	<b>Asset Management</b>							
	Operating cost/income ratio, %	< 45	51	53	47	49	53**	53
Target for total expenses	Total expenses at end of 2015, € million	At 2012-end level	587***	581	569	527	514	501
Rating target	AA rating affirmed by at least two credit rating agencies (or at least at the main competitors' level)	2	2	2	2	2	3	3
Dividend policy	Aim: distributing a minimum of 50% of earnings for the financial year in dividends, provided that Common Equity Tier 1 is 15%. Dividend payout ratio is 30 % of earnings for the financial year until CET1 of 15% has been achieved.	≥ 50 (30)	-	50	51	n/a	n/a	n/a

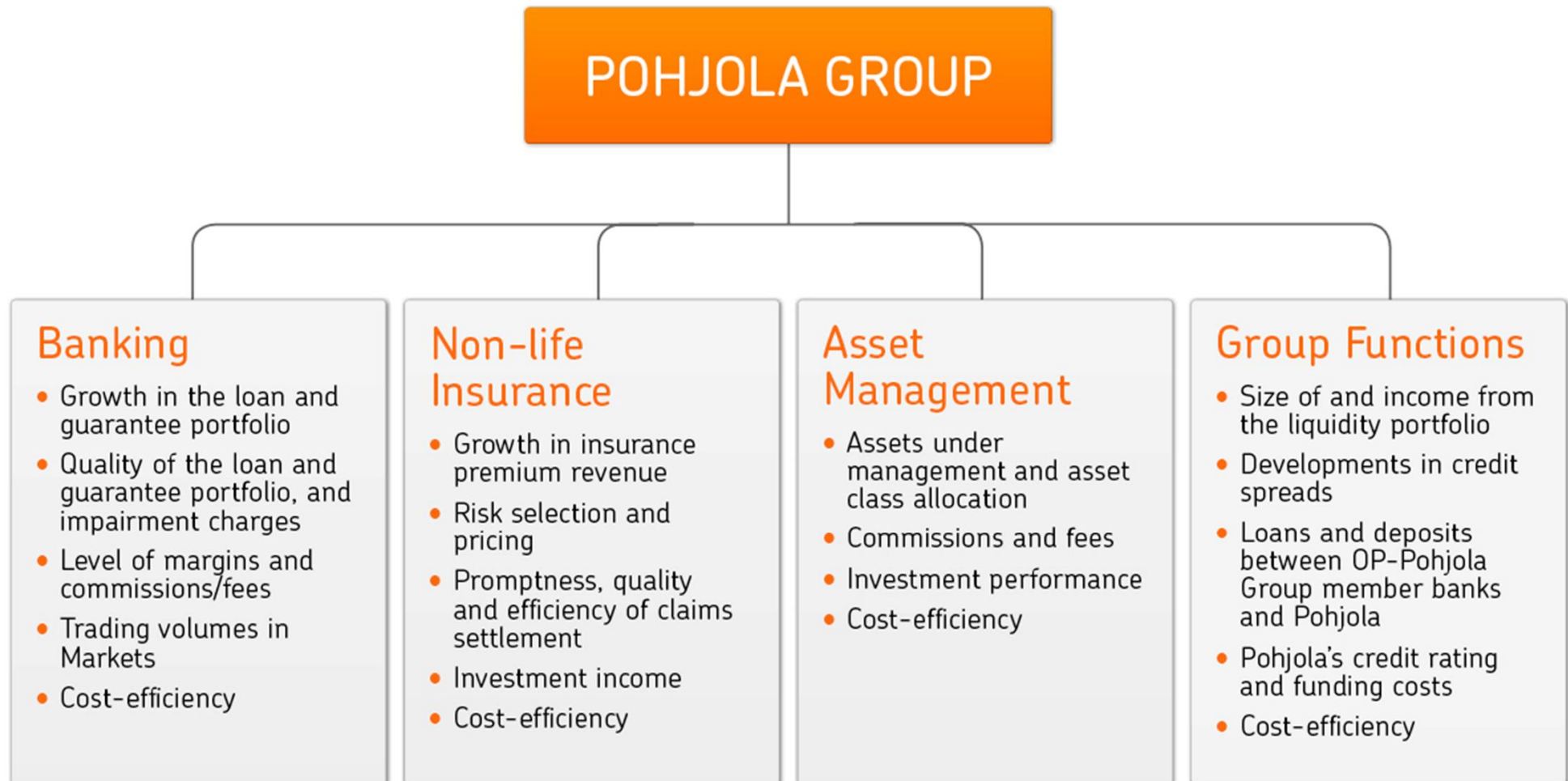
\* Estimate, Solvency II regulations are still partly unfinished

\*\* Excl. items related to corporate transaction

\*\*\* Rolling 12 months

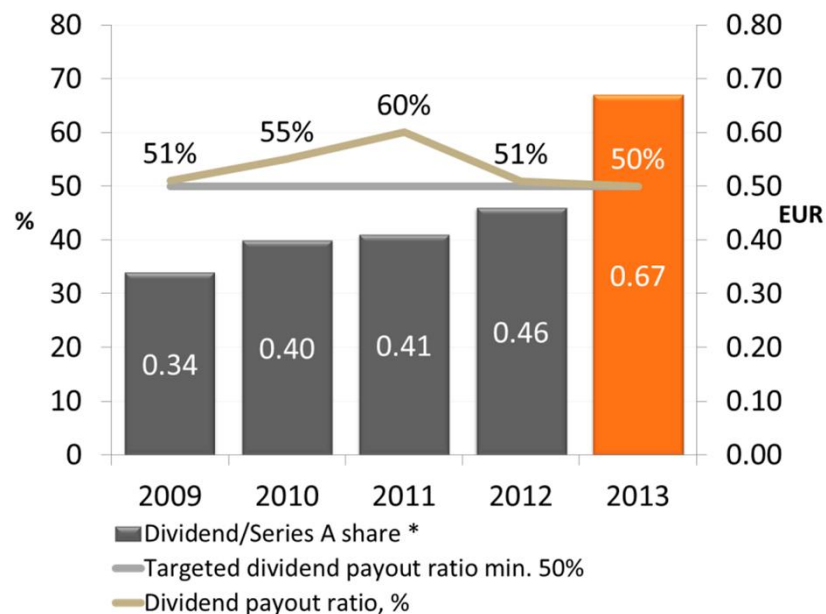
\*\*\*\* As of 1 Jan. 2014

# Key Value Drivers



# Dividend Policy

Aim: distributing a minimum of 50% of earnings for the financial year in dividends, provided that Common Equity Tier 1 is 15%. Dividend payout ratio is 30 % of earnings for the financial year until CET1 of 15% has been achieved.



\* Share-issue-adjusted dividend for 2009

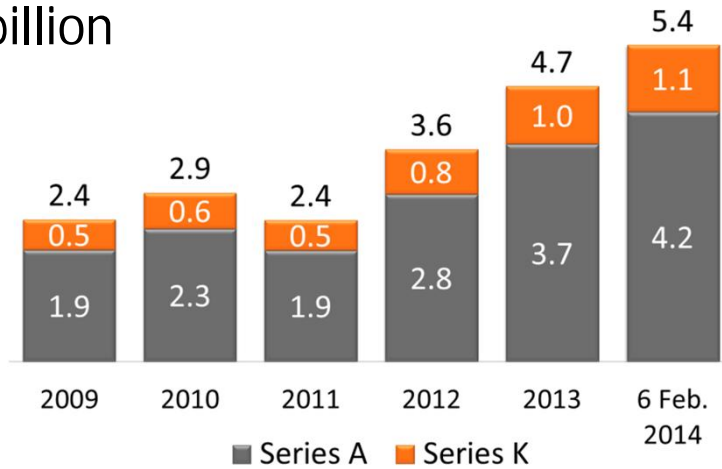
- Dividend payout ratio 50% of earnings for the financial year 2013
  - €0.67 on Series A shares (0.46)
  - €0.64 on Series K shares (0.43)
- Dividend payout ratio averaged 53% during 2009–2013

	2009	2010	2011	2012	2013
Dividends distributed, € mn	106.6	125.8	129.0	145.0	212.1
Effective dividend yield (Series A share), %	4.5	4.5	5.5	4.1	4.6

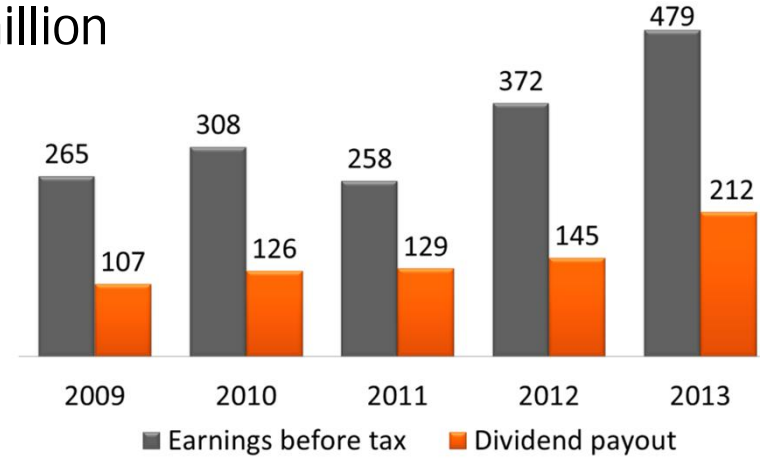
# Pohjola Share, Dividends and TSR

Stakeholder promise to shareholders: Our Total Shareholder Return is at the top level among Nordic peer banks and insurers

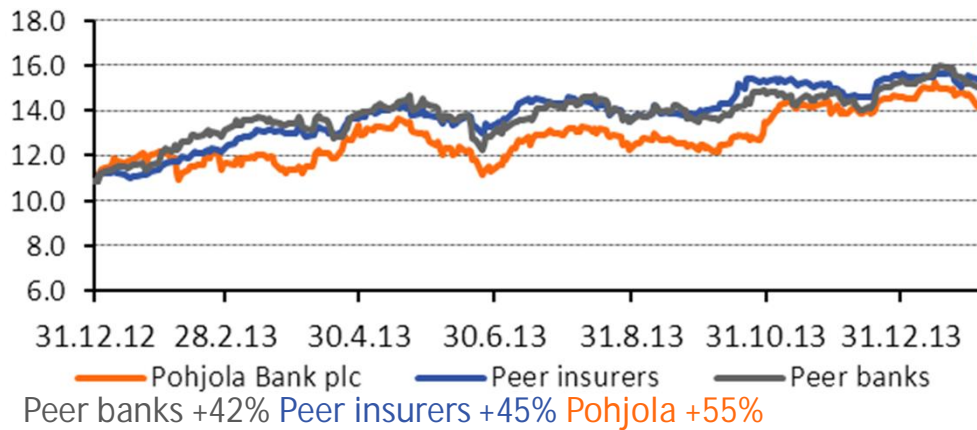
MCAP of Pohjola Series A and K shares, € billion



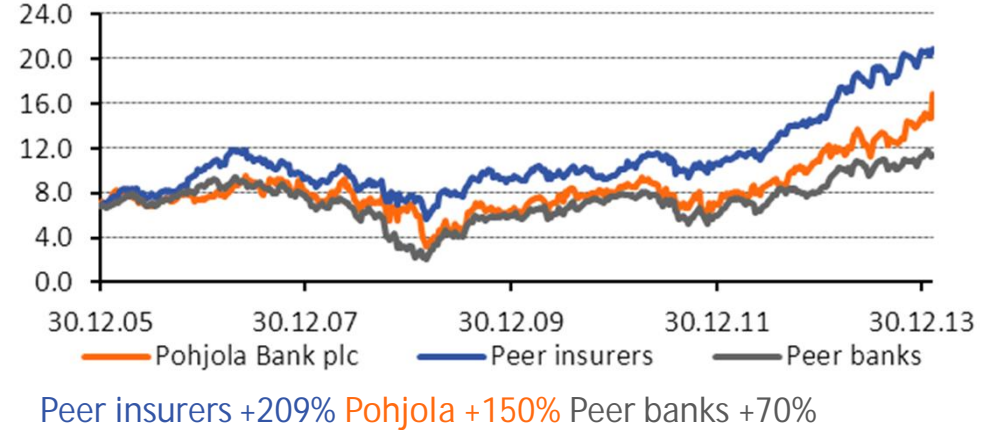
Pohjola Group's EBT and dividend payout, € million



TSR 1 Jan. 2013–6 Feb. 2014, €



TSR 1 Jan. 2006–6 Feb. 2014, €



© OP-Pohjola

Peer banks: Danske Bank, DNB, Nordea, SEB, SHB, Swedbank Peer insurers: Alm.Brand, Gjensidige, Sampo, Topdanmark, Tryg



# Strategy and Competitive Advantages

Strategy 2012 – Value and efficiency through integration



# Strategy 2012

## Value and Efficiency through Integration

### Strategy guided by external factors

- Operating environment
- Competition
- Regulation

### What will change?

- We will make customer experience our competitive advantage.
- We will seek more targeted growth with the aim of improving the return on capital.
- We will use more efficiently OP-Pohjola Group's competitive advantages and strengths.
- We will raise efficiency and capital adequacy to a new level.

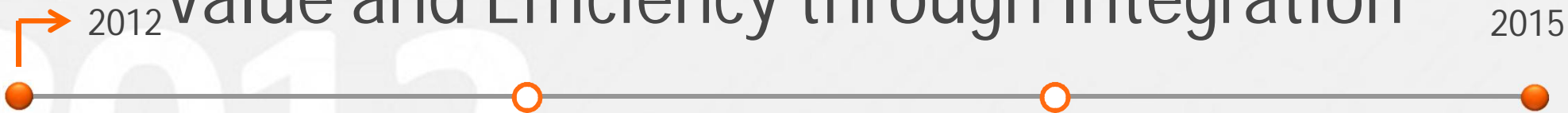
We will put a higher premium on efficiency, profitability and capital adequacy, and will grow in a controlled way.

### What will remain unchanged?

- Our mission, vision and core values will remain unchanged.
- We will ensure the best overall competencies in the sector.
- We aim at a top-level Total Shareholder Return among our peer group.

# Strategy 2012

## Value and Efficiency through Integration



Successful implementation of the strategy will show

within the Group as follows:

- Increased company value and top-level Total Shareholder Return among the peer group
- Considerable improvement in efficiency and earnings
- Stronger capital base
- Improved market position of our businesses

within the business lines as follows:

- Deeper customer relationships and higher capital efficiency within Banking
- Successfully continued cross-selling and marked improvement in efficiency within Non-life Insurance
- Competitive investment returns of OP Mutual Funds and support for OP-Pohjola Group's goal of becoming Finland's leading wealth manager

# CSR at OP-Pohjola Group

Corporate social responsibility is responsibility for the economic, social and environmental impacts of business operations. The financial sector also plays a key role in promoting the stability of the whole of society.

## Corporate social responsibility programme



## International commitments



Pohjola Asset Management Ltd and OP Fund Management Ltd signed the UN Principles for Responsible Investment (UNPRI) in 2009, among the first Finnish asset managers.

### CARBON DISCLOSURE PROJECT

## Reporting



OP-Pohjola Group has prepared its Corporate Social Responsibility Report in compliance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

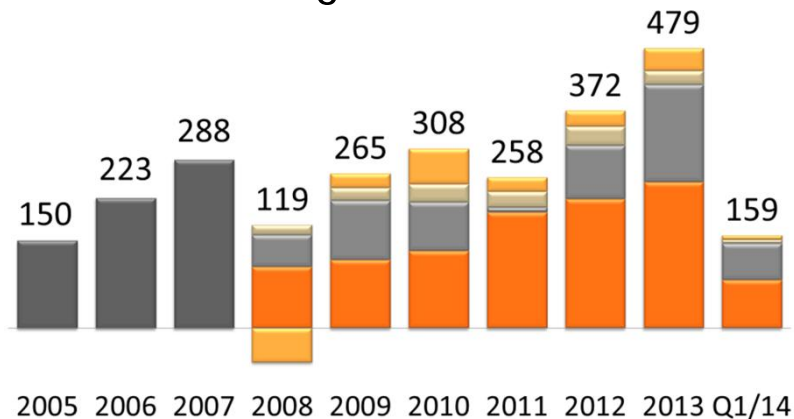




## Background Material on Pohjola Group and Business Lines

# Earnings and Their Components

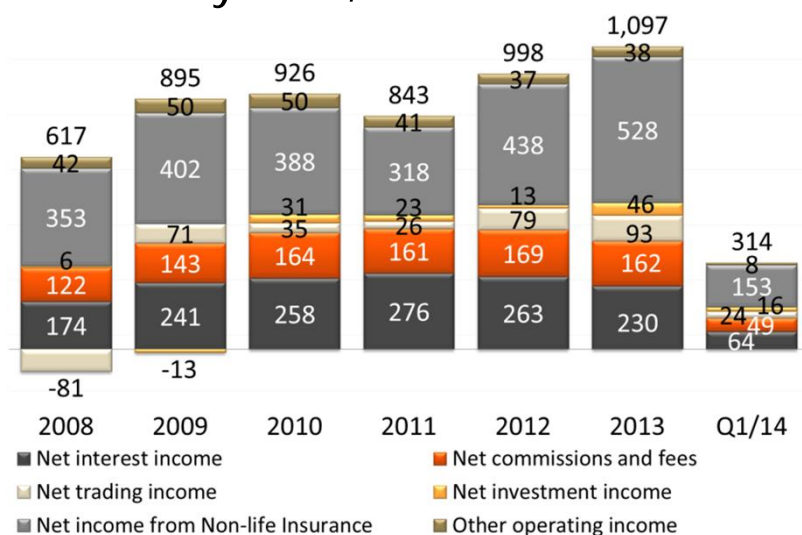
Earnings before tax, € million



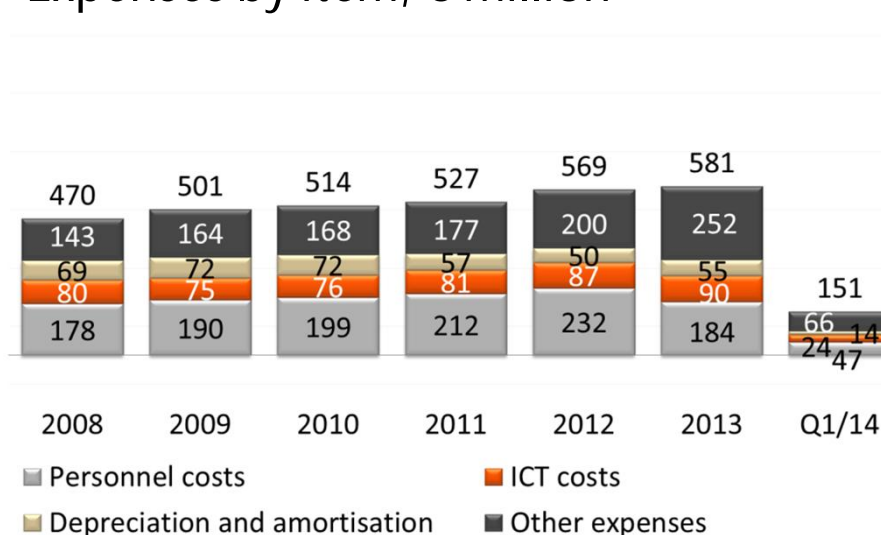
CAGR  
2005–2013:  
16%

- Banking
- Asset Management
- Total earnings before tax
- Non-life Insurance
- Group Functions

Income by item, € million



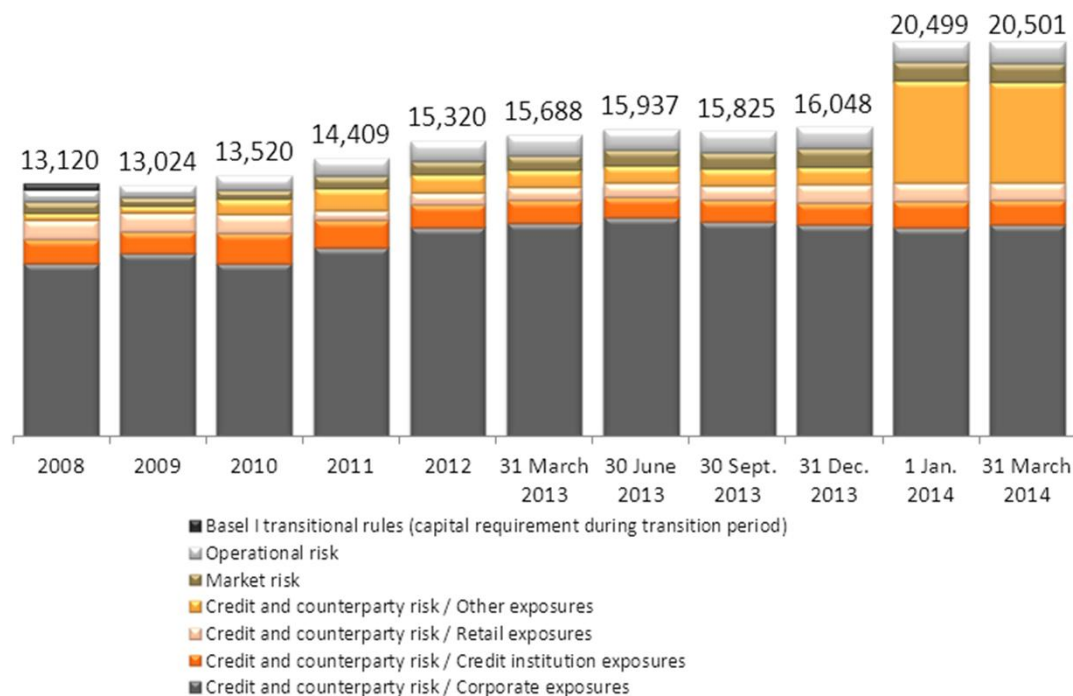
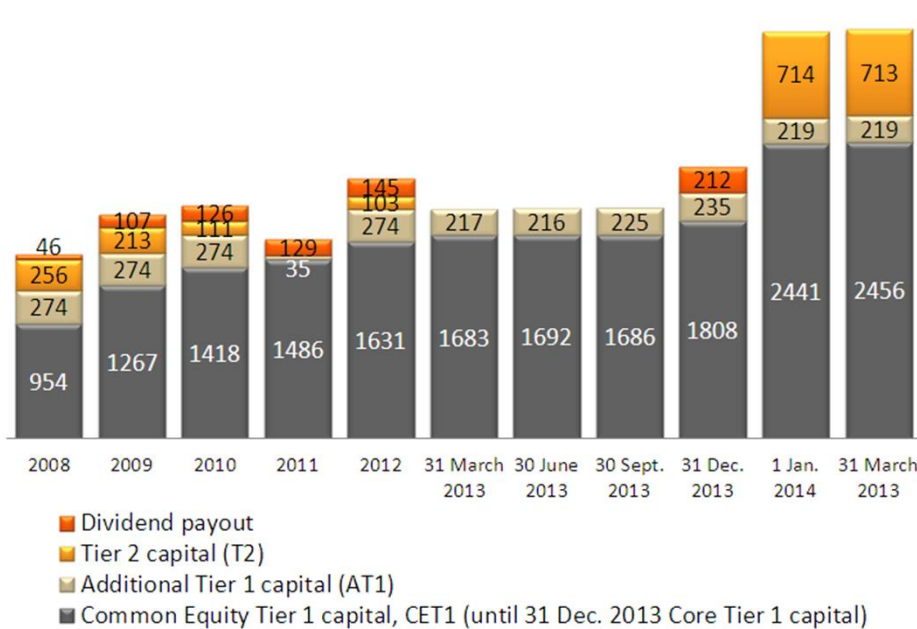
Expenses by item, € million



# Structure of Capital Base and Risk-weighted Assets

Capital base and dividend payout\*, € mn

RWAs by risk type\*, € mn



© OP-Pohjola

\*) From Pohjola's perspective, the most important individual change in the EU capital requirement regulation (EU 575/2013, CRR), entered into force on 1 January 2014, relates to the treatment of insurance holdings within a banking-led financial and insurance conglomerate. On 27 November 2013, Pohjola and OP-Pohjola Group received temporary permission from the Finnish Financial Supervisory Authority to treat insurance holdings within the conglomerate as risk-weighted assets with a risk weight of approximately 280%, whereas the holdings were earlier deducted from the capital base.

# Pohjola has been given temporary permission by the Finnish FSA to treat insurance holdings as risk-weighted assets – risk weight approx. 280%

The permission is valid between 1 January and 31 December 2014. After that, treatment of insurance holdings depends on the decisions made in the European Central Bank as the ECB will take over supervisory responsibilities for OP-Pohjola Group as credit institution in November 2014.

Treatment of Insurance Holdings under CRD IV/CRR\* Officially Published on 27 June 2013

\* Capital Requirements Directive and Regulation – Basel 3 framework implementation through EU law

## Step 1:

Ownership <> 10%

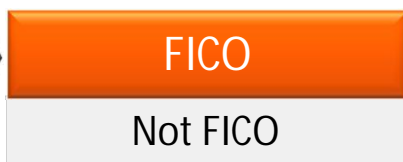


As RWAs

- Not listed with a risk weight of 370%
- Listed with a risk weight of 290%
- PD/LGD

## Step 2:

FICO



Deduction from Common Equity Tier 1 capital (amount of investment exceeding 10% of CET1 capital) and as RWAs with a risk weight of 250% (the rest of investment that is not deducted from CET1 capital)

## Step 3:

\*\* Approach to Credit Risk



As RWAs with a risk weight of 100%

## Step 4:

Nature of Investment



As RWAs

- Not listed with a risk weight of 370%
- Listed with a risk weight of 290%



\*\* On 27 November 2013, Pohjola received temporary permission from the Finnish FSA to treat insurance holdings as risk-weighted assets. The permission is valid between 1 January and 31 December 2014.

\*\*\* OP-Pohjola Group uses the PD/LGD approach to calculate its capital adequacy requirement for credit risk of strategic equity investments. Condition for the permission given by the Finnish FSA is that the lowest possible PD is 1.25%. This will lead to a risk weight of approx. 280%.

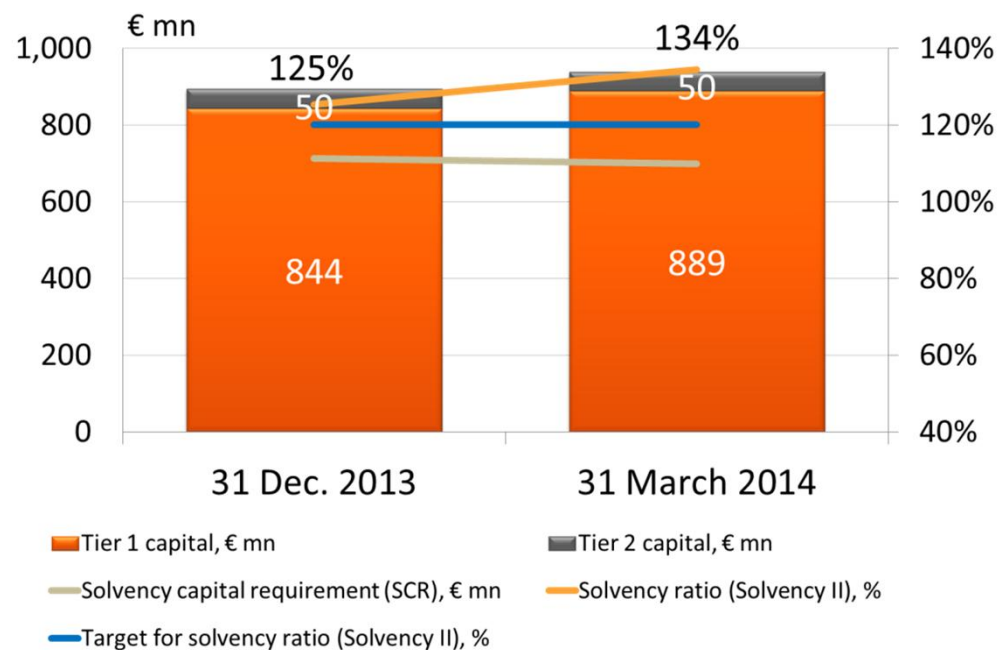
NB: Scenarios in this presentation are based on the beliefs of Pohjola's management about the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published on 27 June 2013 and the temporary permission given by the Finnish Financial Supervisory Authority on 27 November 2013. These regulatory changes will be implemented nationally during 2013 and they are estimated to be effective between 2014 and 2019. For now, it is too early to predict precisely what their effects will be.



# Solvency requirements under Solvency II already fulfilled\*

Solvency capital requirement and solvency ratio under Solvency II 31 Dec. 2013 and 31 March 2014, € mn and %

Tools for increasing dividend distribution from Pohjola Insurance Ltd to Pohjola Bank plc

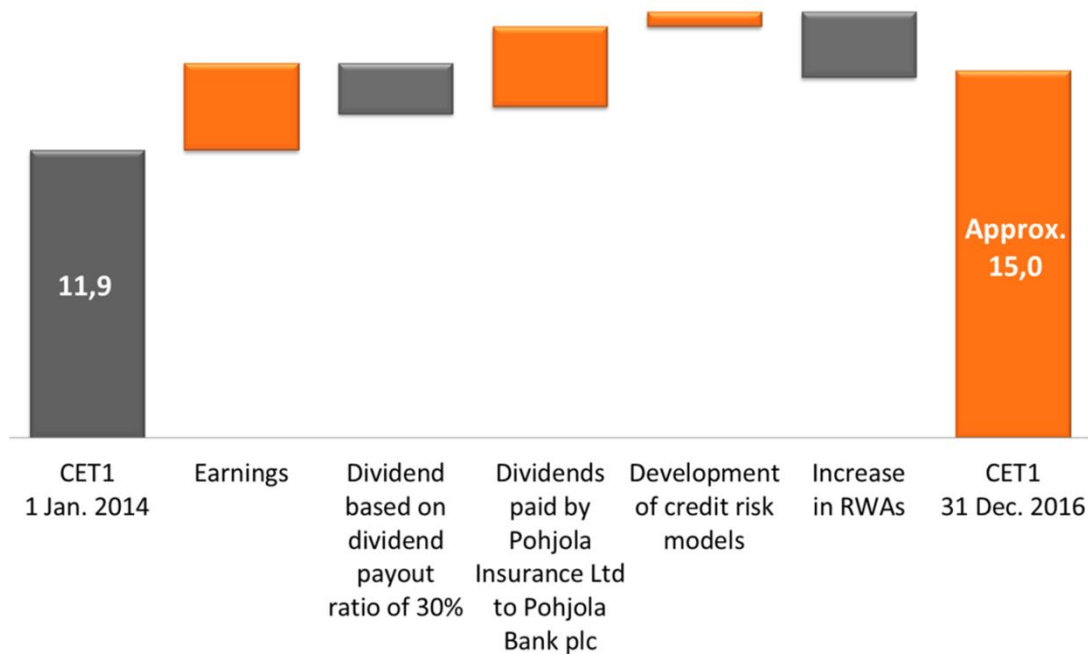


- Optimising the capital structure
  - Under Solvency II, 50% of SCR can be covered by Tier 2 capital
- Reducing market risk
  - Reducing equity, private equity or alternative investments by 1 percentage point in the Non-life Insurance investment portfolio will decrease the Solvency II requirement by around €15–20 million

\*Estimate; Solvency II regulations are still in progress and should come into effect at the beginning of 2016

# Achieving the new capital adequacy ratio target enabled by a stronger capital base and the management of risk-weighted assets

Increasing CET1 ratio  
2014–2016, % (estimate)



## Example 1: Developing credit-risk models

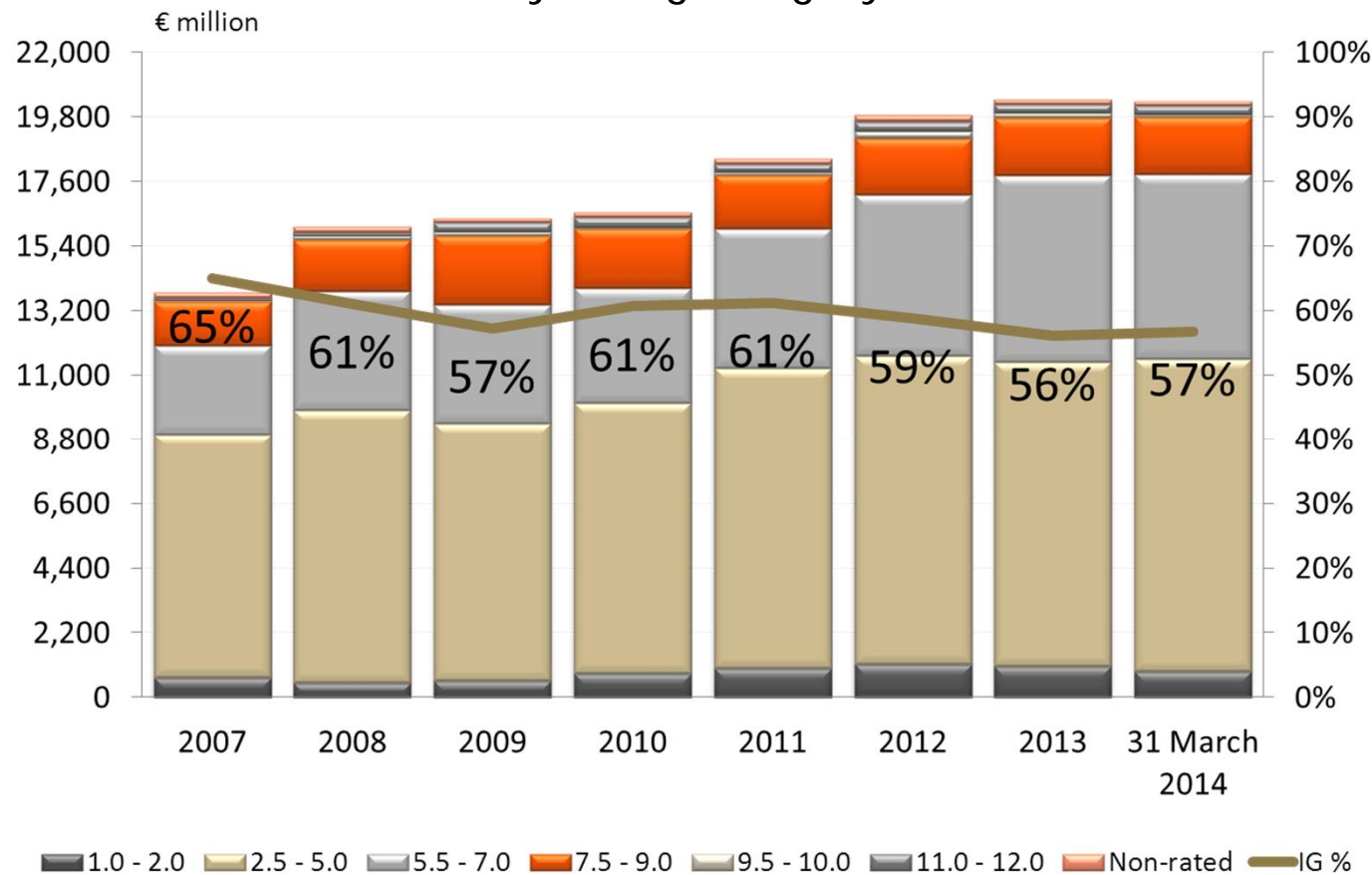
- A 5 percentage point reduction in the average risk weight of corporate exposures (31 Dec. 2013: 64.6%) would improve the CET1 ratio by 0.5 percentage points (pro forma 31 March 2014).
- For example, corporate exposure PD parameter calibration is awaiting approval from the Financial Supervisory Authority.

## Example 2: Dividends paid by Pohjola Insurance Ltd to Pohjola Bank plc

- Dividends worth €100 million paid by Pohjola Insurance Ltd to Pohjola Bank plc would improve the CET1 ratio by 0.5 percentage points (pro forma 31 March 2014)
- For example, Non-life Insurance profit performance and Other tools, see page 59 (Solvency II)

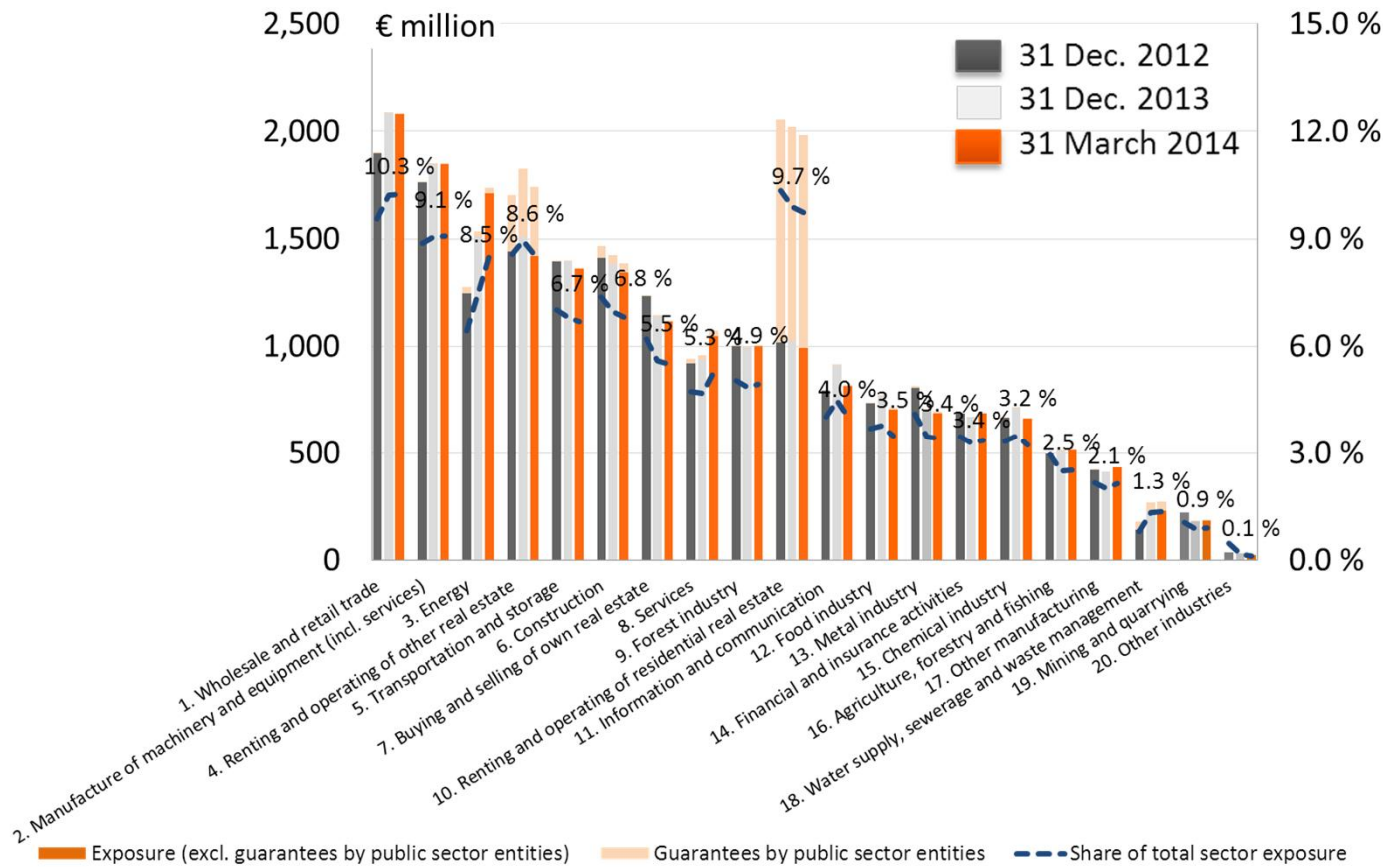
# Ratio of Investment-grade (rating categories 1–5) Exposure to Total Exposure from the Non-financial Corporations and Housing Associations Sector 57% (56%)

Exposure from the Non-financial Corporations and Housing Associations Sector (€20.3 bn)  
by rating category



# Non-financial Corporations and Housing Associations Exposures Diversified by Industry

Exposure from the Non-financial Corporations and Housing Associations sector by industry (excl. guarantees by public-sector entities), €20.3 bn

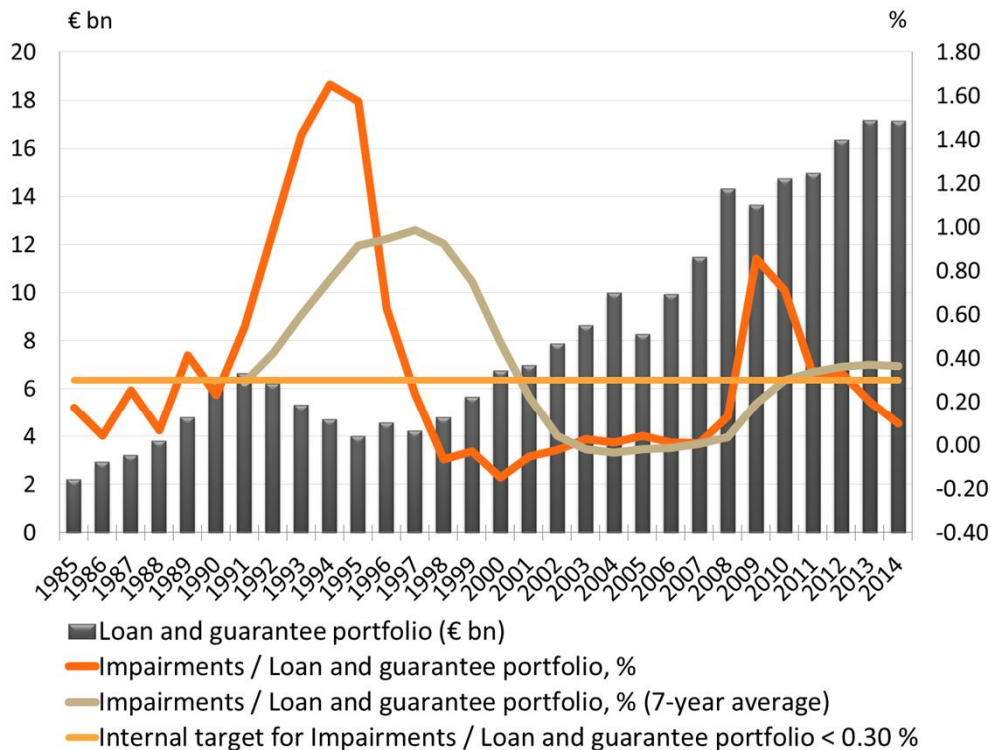


31 March 2014: 50% (€990 mn) of the exposures in the “Renting and operating of residential real estate” industry and 18% (€322 mn) of the exposures in “Renting and operating of other real estate” industry were guaranteed by government, cities or municipalities.

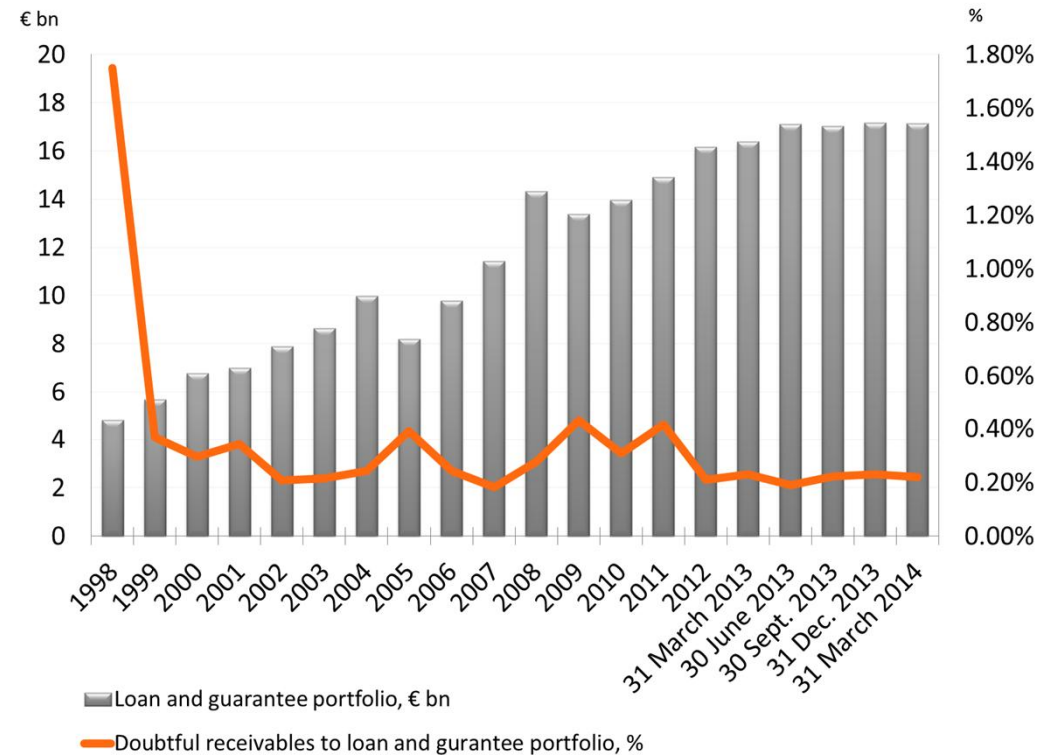


# Ratio of Impairments and Doubtful Receivables to Loan and Guarantee Portfolio

## Ratio of impairments to loan and guarantee portfolio



## Ratio of doubtful receivables to loan and guarantee portfolio



Impairments for 2014 have been calculated by multiplying Q1/14 impairments by 4.  
Share of loan and guarantee portfolio does not include the impairments of notes and bonds in the liquidity buffer.

# Pohjola as Syndicated Loan Bank and in Debt Capital Markets

## Leading Finnish syndicated loan banks in 2013\*

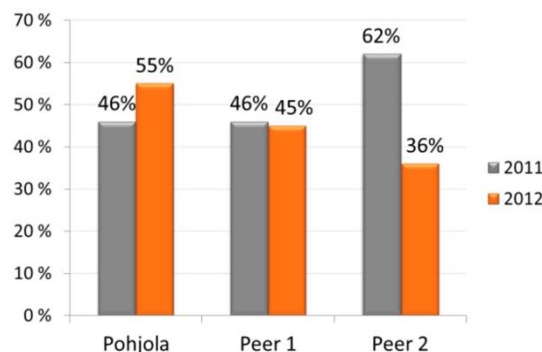
Banks	EURm	Share	Issues	Participation
Nordea	1,343	17.2 %	18	82%
SEB	1,196	15.3 %	14	64%
<b>Pohjola</b>	<b>794</b>	<b>10.2 %</b>	<b>14</b>	<b>64%</b>
Danske	735	9.4 %	12	55%
JP Morgan	503	6.5 %	2	9%
Credit Agricole	462	5.9 %	5	23%
Citi	265	3.4 %	4	18%
Swedbank	247	3.2 %	5	23%
HSBC	233	3.0 %	4	18%
RBS	208	2.7 %	3	14%
<b>Total</b>	<b>7,797</b>		<b>22</b>	

\* Non-LBO syndicated loans in Finland.  
EURm stands for MLA credit.

Source: Bloomberg

## Debt issues: Top banks

% of corporate citing the bank as one of their top 5 banks



Source: SFR 2012

## Lead manager performance in Finnish EUR-denominated corporate bond issues 2013

Lead Manager	Total raised (EUR million)	Lead Manager	Number of deals
<b>Pohjola Bank</b>	<b>984</b>	<b>Pohjola Bank</b>	<b>16</b>
Nordea Bank	538	Nordea Bank	9
Danske Bank	458	Danske Bank	8
Deutsche Bank	329	SEB	4
SEB	300	Deutsche Bank	3
RBS	275	Alexander CF	2
UBS	229	Barclays	2
Credit Agricole	148	Credit Agricole	2
Credit Suisse	148	Credit Suisse	2
HSBC	125	RBS	2
<b>Total</b>	<b>3,896</b>	<b>Total</b>	<b>35</b>

## 2011-2012

Lead Manager	Total raised (MEUR)	Lead Manager	Number of deals
<b>Pohjola Bank</b>	<b>1 760</b>	<b>Pohjola Bank</b>	<b>22</b>
Nordea Bank	1 667	Nordea Bank	19
Danske Bank	1 480	Danske Bank	16
Citigroup	600	Citigroup	5
Deutsche Bank	600	SEB	5
SEB	525	Deutsche Bank	4
BNP Paribas	492	Barclays	3
Barclays	450	BNP Paribas	3
ING	317	ING	3
Goldman Sachs	125	Handesbanken	2
<b>Total</b>	<b>9 116</b>	<b>Total</b>	<b>43</b>

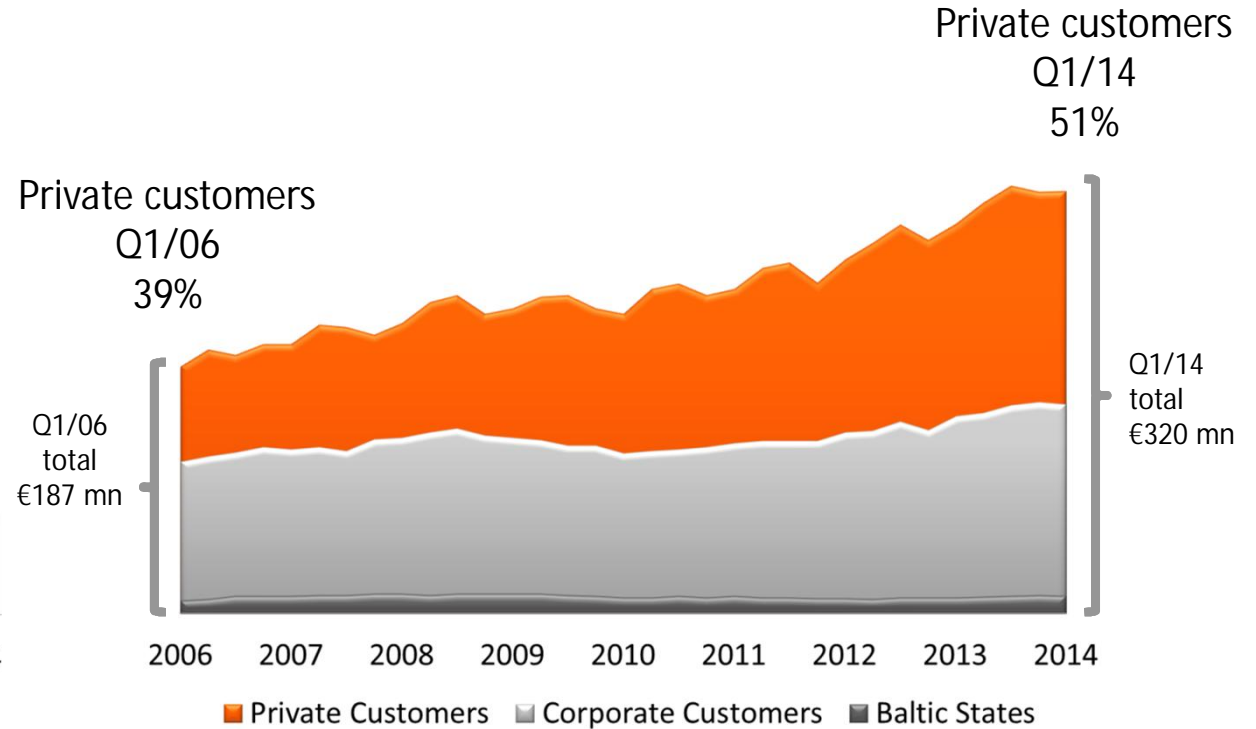
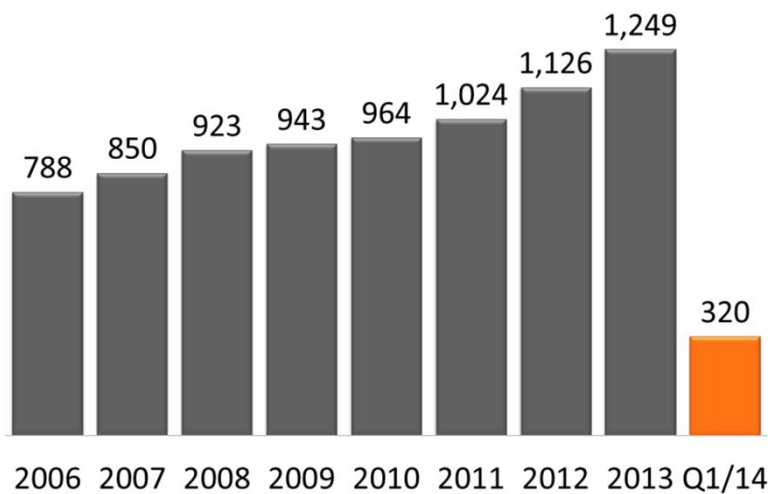
Source: Bloomberg and Pohjola Markets

# Insurance Premium Revenue by Customer Group

Insurance premium revenue between 2006 and Q1/2014

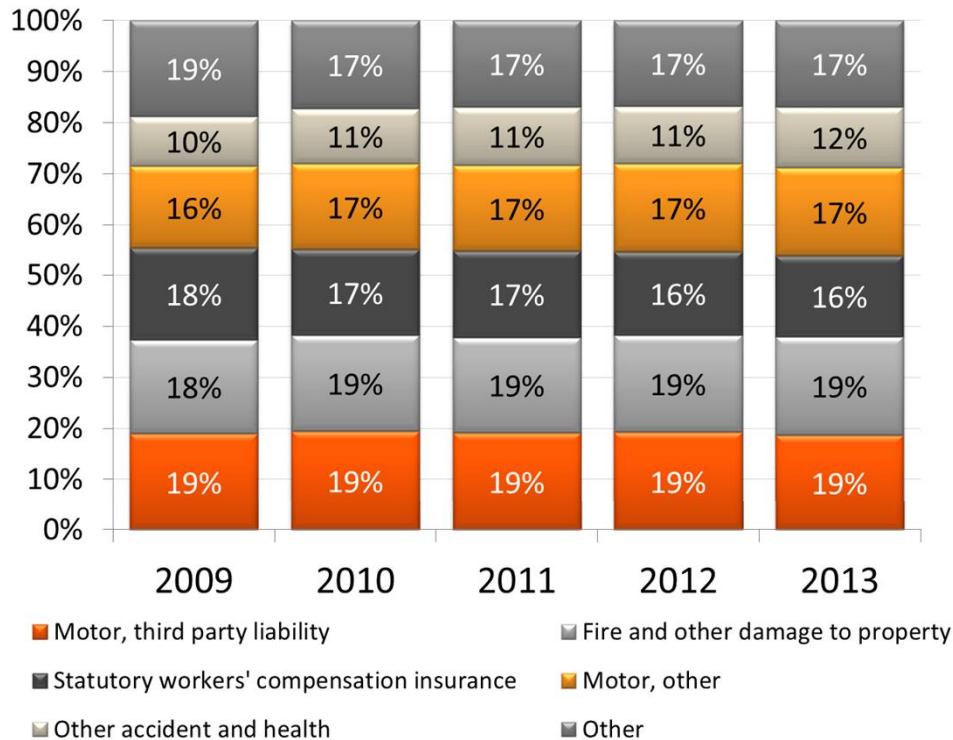
Insurance premium revenue by customer group Q1/2006–Q1/2014

CAGR 2006–2013: 7%

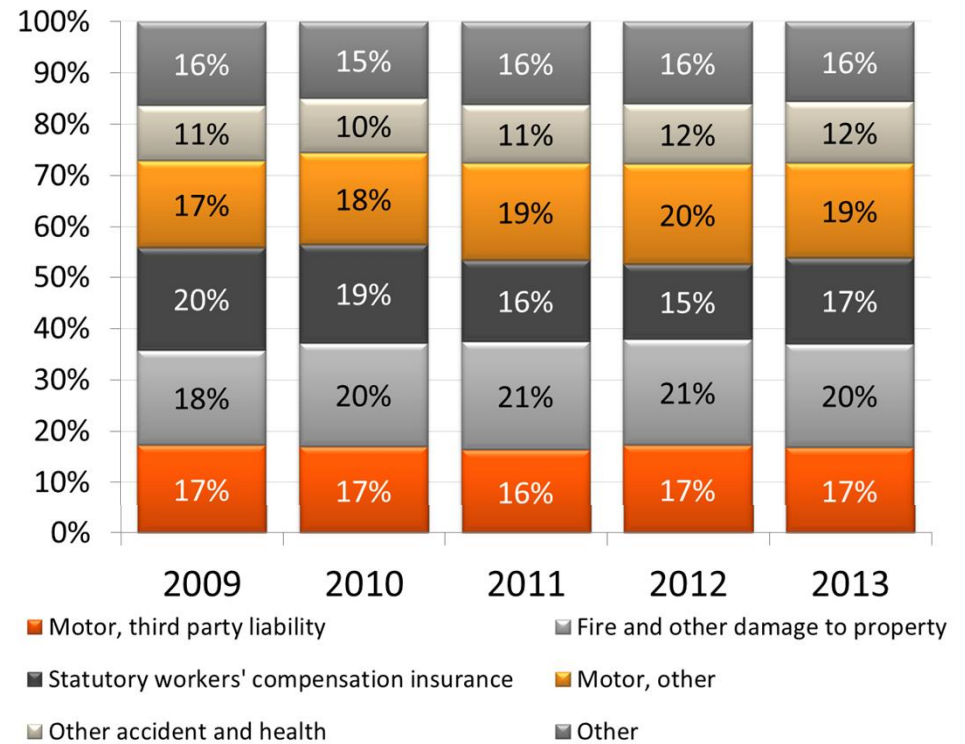


# Insurance Premium Revenue and Claims Incurred by Insurance Line

Insurance premium revenue by insurance line



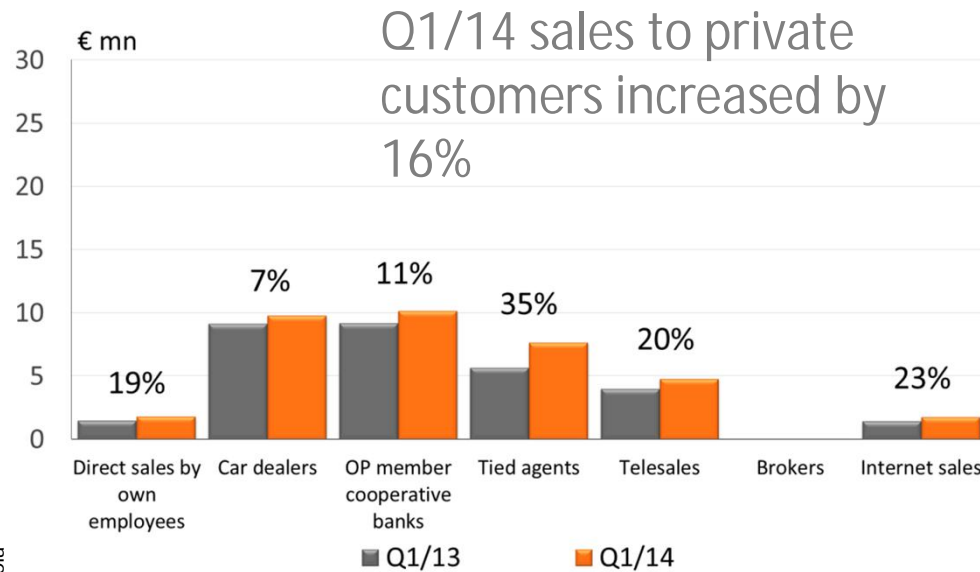
Claims incurred by insurance line



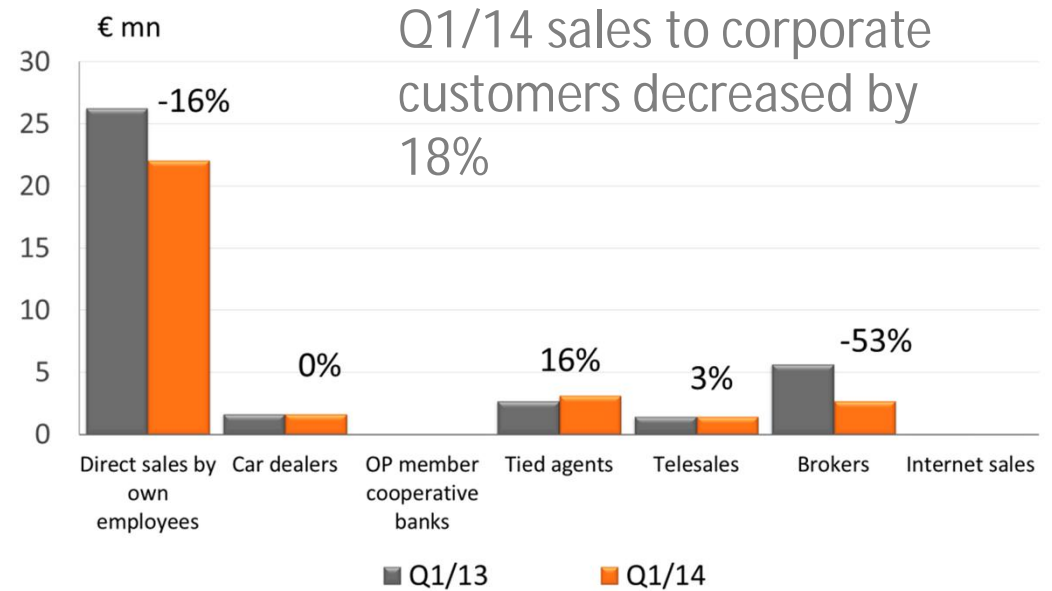
# Growth in Sales to Private and Corporate Customers by Channel

Q1/14 sales of policies to corporate customers down by 18% and to private customers up by 16%. Y-o-Y, total sales down by 2% in Q1/14.

Sales to private customers by channel, Q1/14 vs. Q1/13, € million



Sales to corporate customers by channel, Q1/14 vs. Q1/13, € million

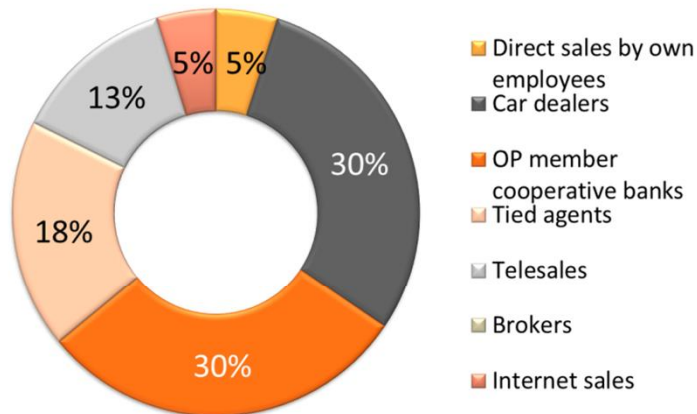




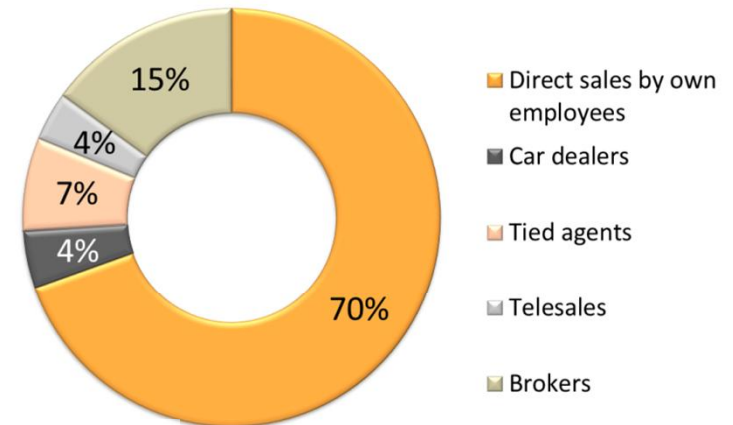
# Sales Channels in Non-life Insurance

OP-Pohjola Group cooperative banks and car dealers as the main channels for private customer sales and our own sales people as the main channel for corporate customer sales. Banks as channels play an important role in Pohjola sales compared with its Finnish peer insurers.

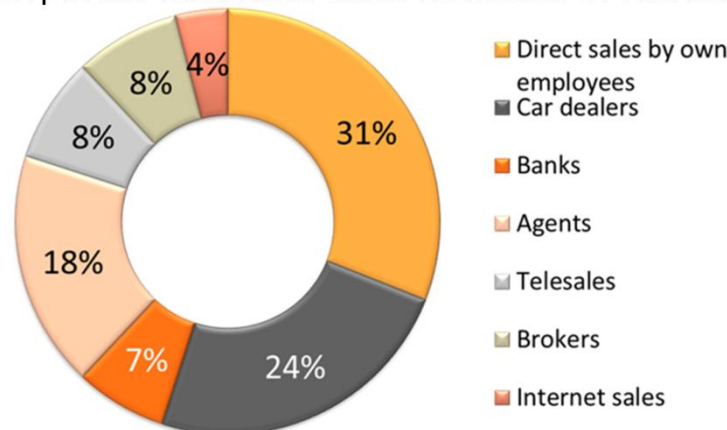
Pohjola Insurance sales channels for private customers Q1/2014



Pohjola Insurance sales channels for corporate customers in Q1/2014



Private and corporate customer sales channels of Finnish insurers in 2013

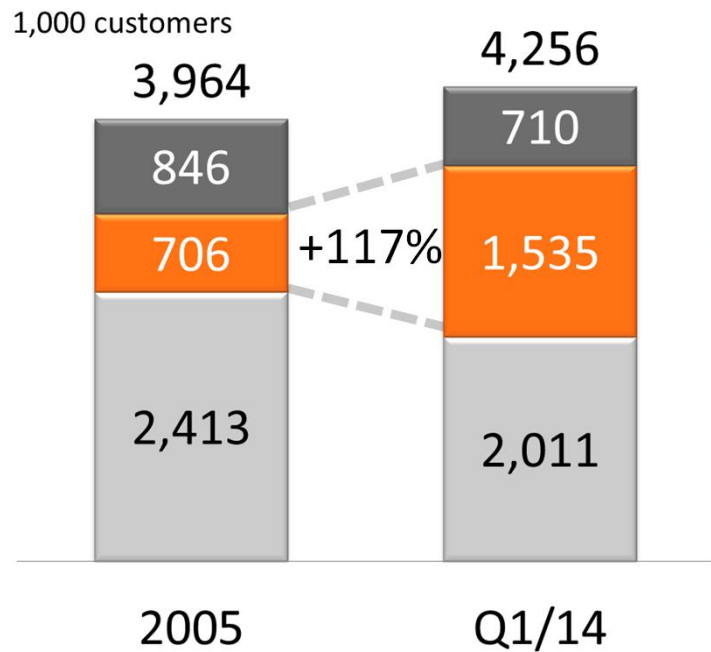


Source: Federation of Finnish Financial Services

# Broadest Customer Base in Finland

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

Pohjola Insurance sales resources  
31 March 2014

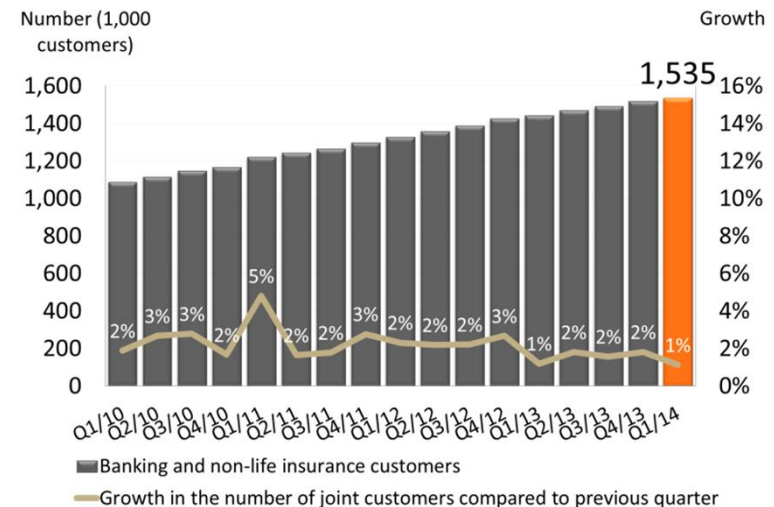


The number of customers shared by Banking and Non-life Insurance increased by 17,000 in Q1/14

- 350 outlets
- 126 contracting banks
- 493 insurance sellers
- 245 tied agents



## Number of customers shared by Banking and Non-life Insurance



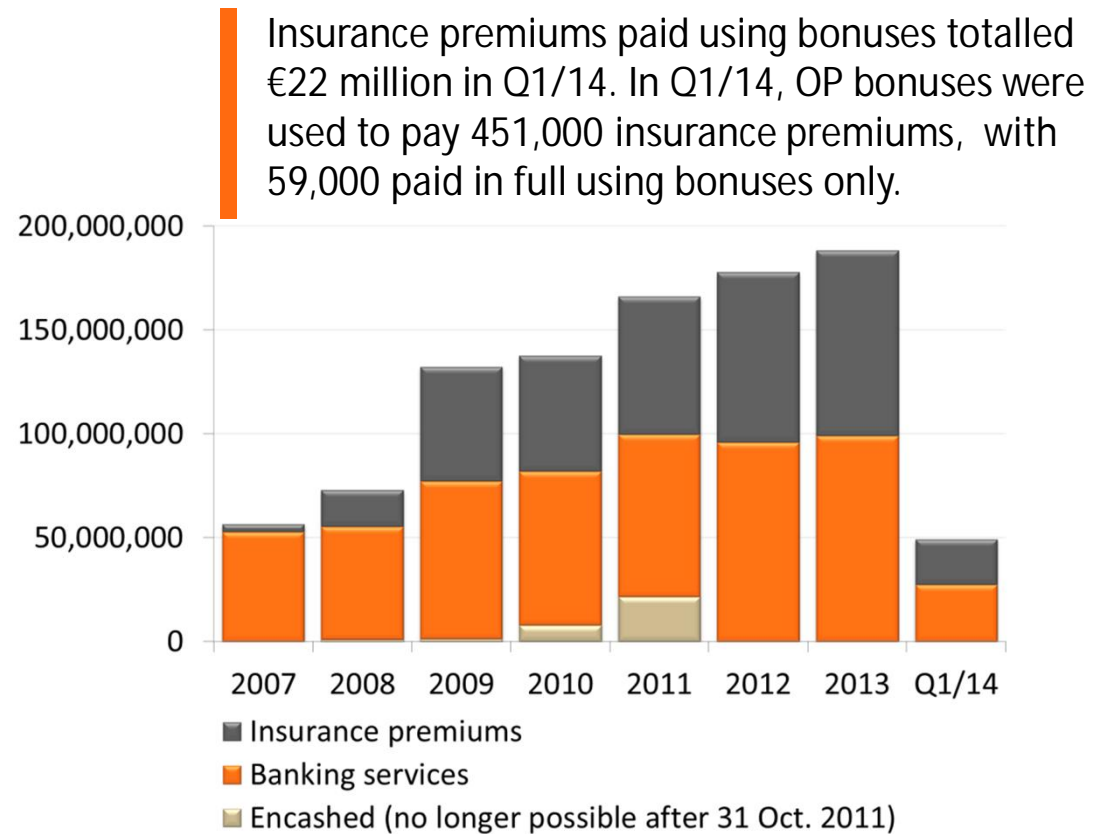
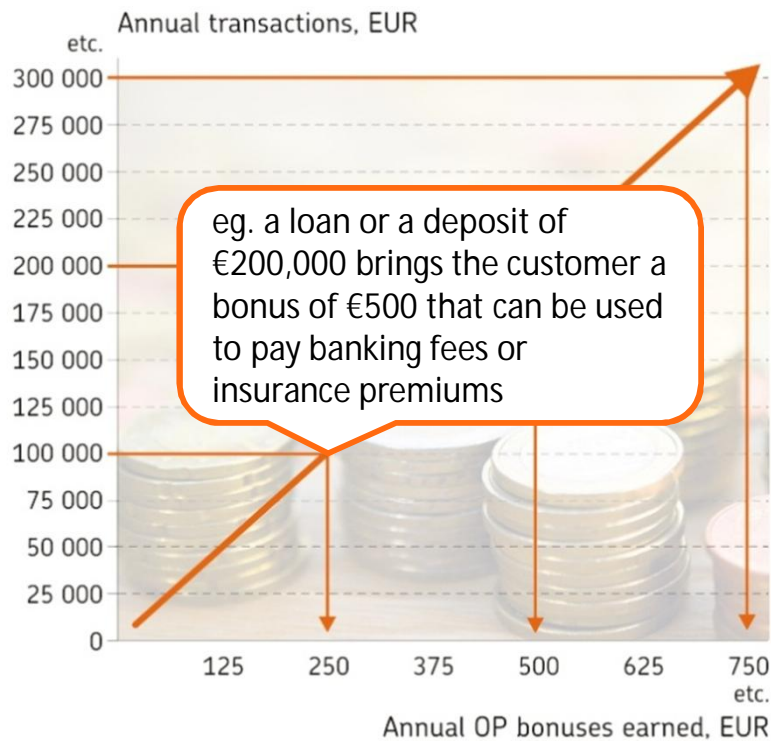
- Non-life insurance customers
- Banking and non-life insurance customers
- Banking customers

# Best Loyal Customer Benefits for Private Customers

OP bonuses to customers reached a new high in 2013, €182 mn  
(2012: €173mn, 2005: €42 mn)

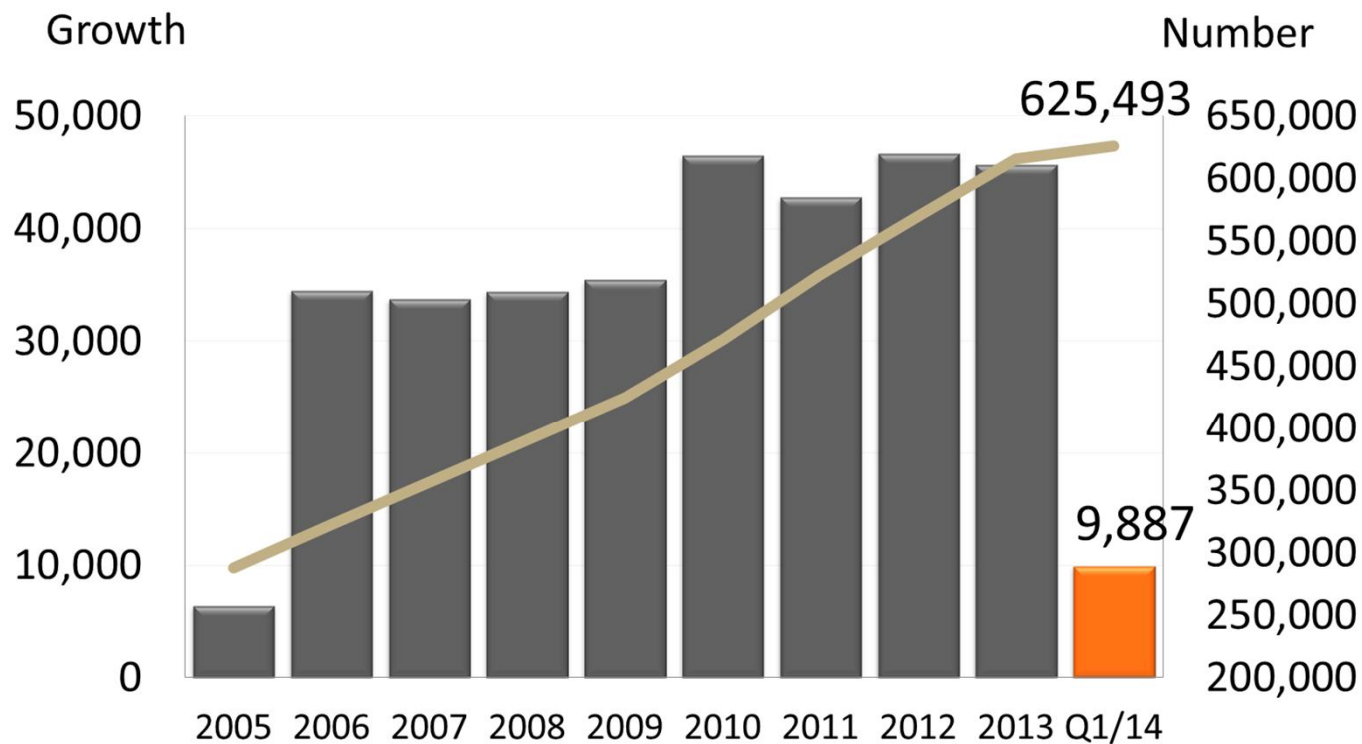
Bonuses accrue from banking and insurance services

Use of bonuses in Q1/14: €49 mn



# Number of Loyal Customer Households\* over 620,000

## Number and growth of loyal customer households



- Loyal customer households account for approx. 85% 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.
- Churn rate of loyal customer households 3.7% in 2013 (2012: 3.7%)

© OP-Pohjola

■ Growth of loyal customer households    — Number of loyal customer households

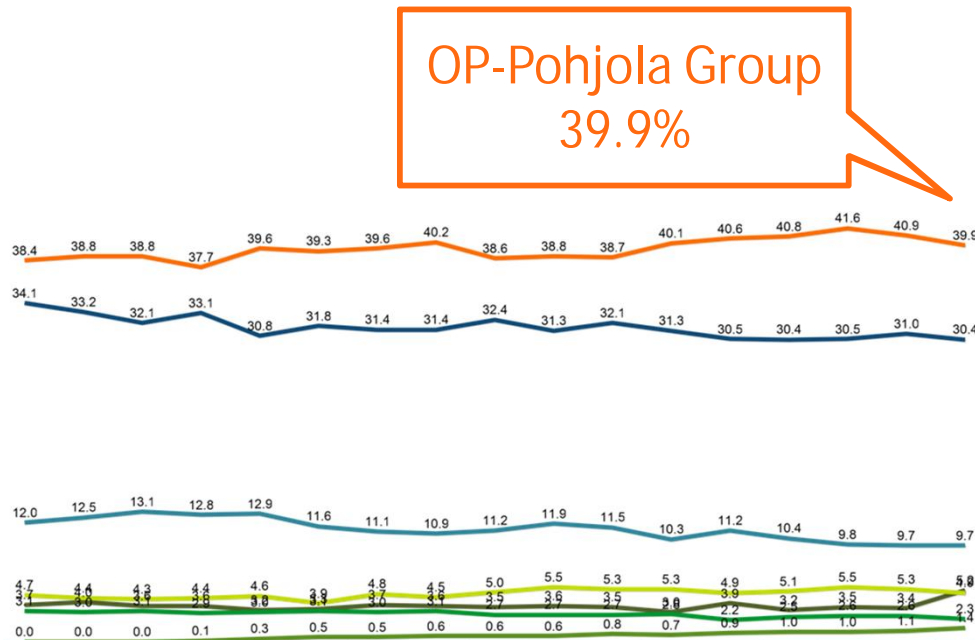
\* ) Loyal customer has at least 3 policies with Pohjola.

# Growth Potential in Total Customer Relationships

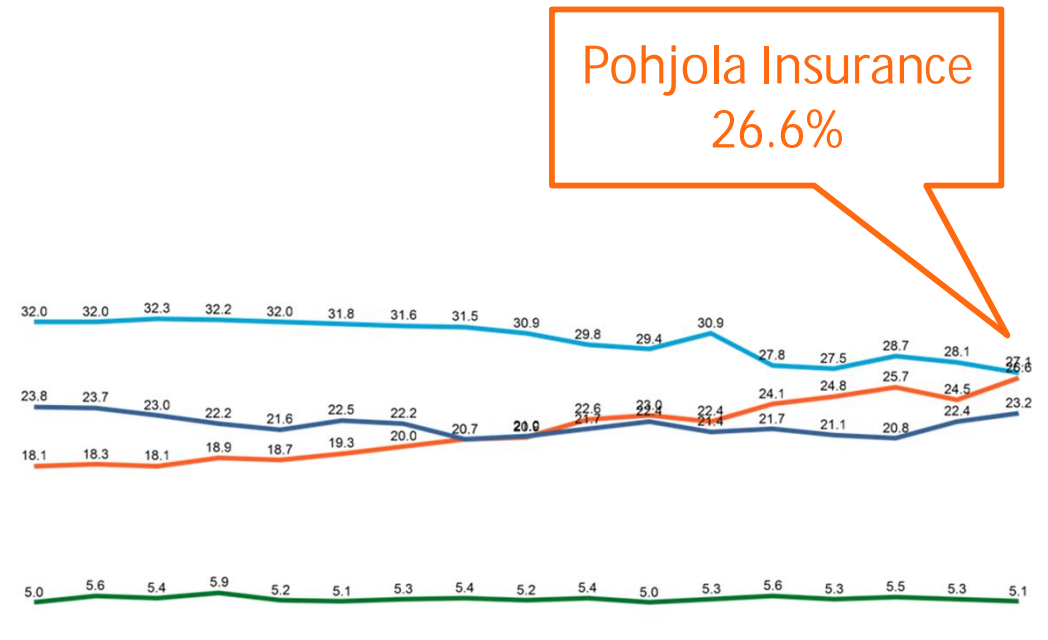
Pohjola has great growth potential as non-life insurer for private customers

Market share by bank, %  
Main bank

Market share by insurer, %  
Main insurer



Spring 2006 Q1/14  
OP-Pohjola Group



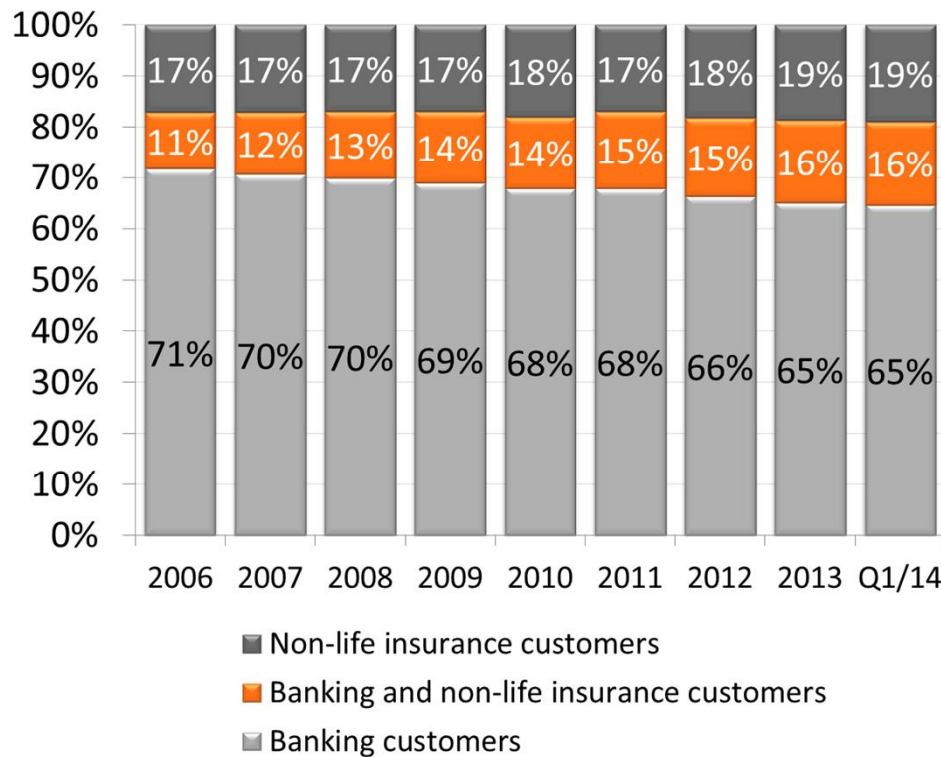
Spring 2006 Q1/14  
Pohjola Insurance Ltd

© OP-Pohjola  
Source: Survey on bank and insurance company switch by TNS Gallup Oy

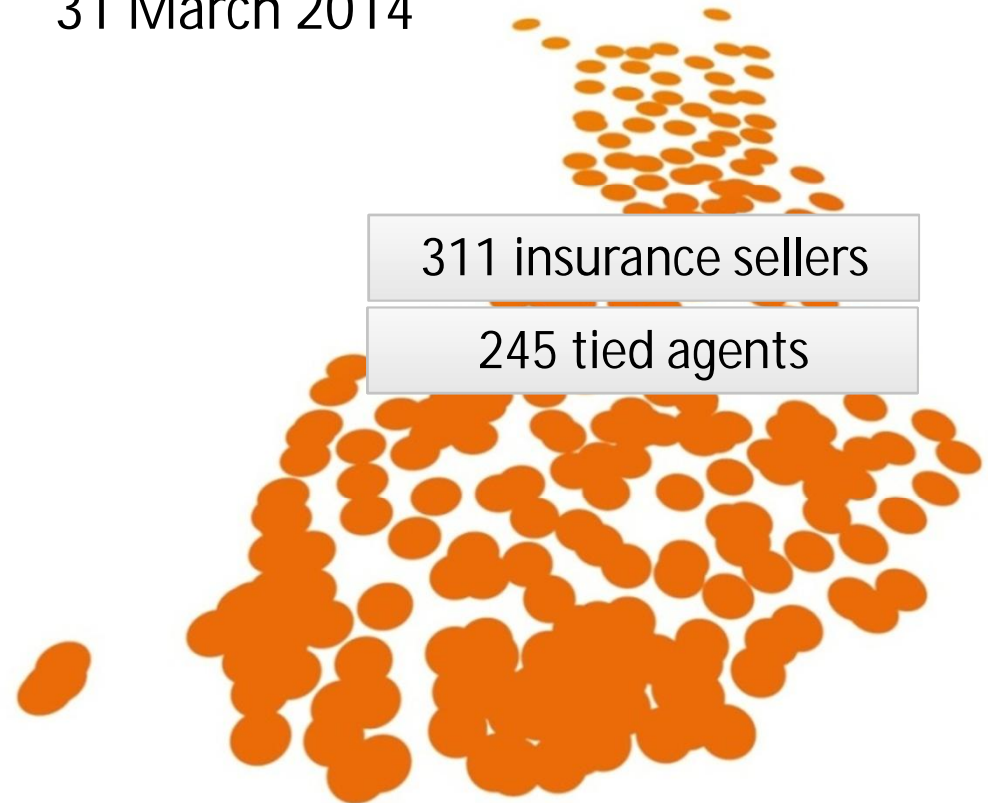


# Cross-selling Expanded to SME Customers by Deepening Integration in Customer Relationship Management

OP-Pohjola Group's corporate customers

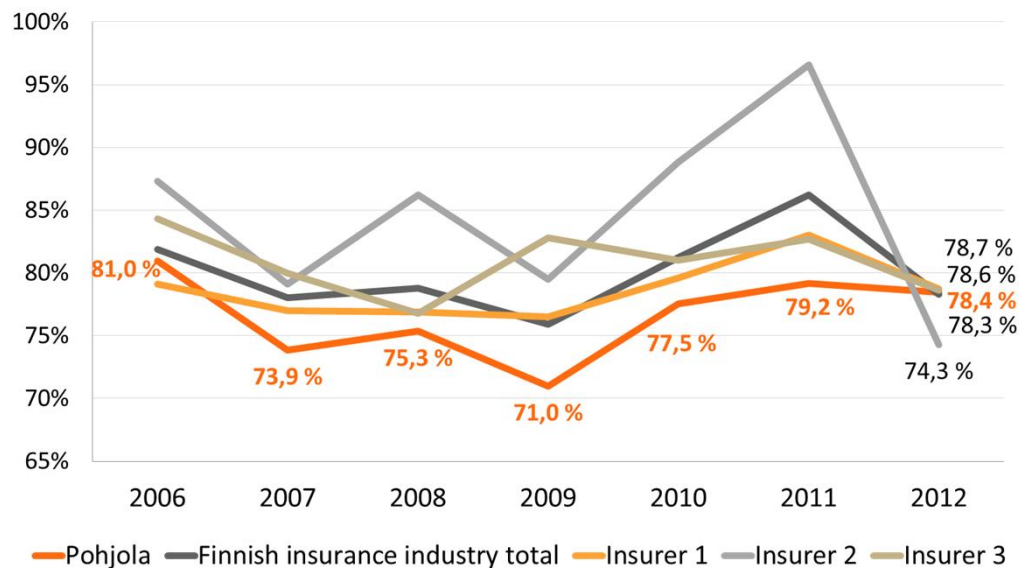


Pohjola Insurance sales resources among corporate customers  
31 March 2014



# Risk Selection and Pricing – Tools to Manage Good Underwriting Performance

Loss ratio of Finnish insurance companies in 2006-2012, FAS



Source: Federation of Finnish Financial Services

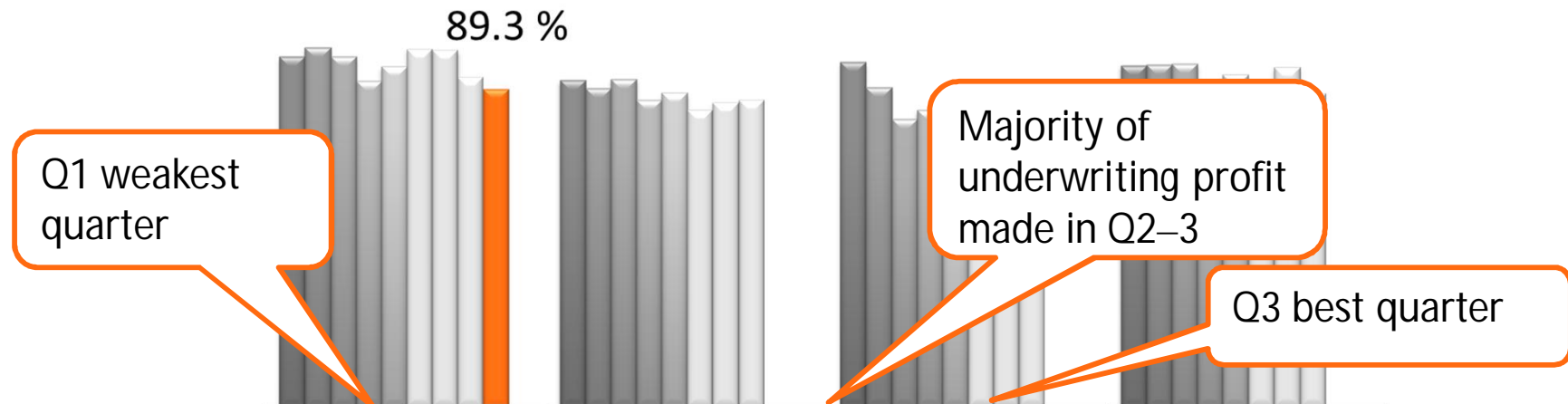
## Risk-based pricing

- Competitive advantage through well-built data warehouse and monitoring systems
- Break-even method in pricing takes account of operating and financial costs in addition to risk

## Active management of customer accounts

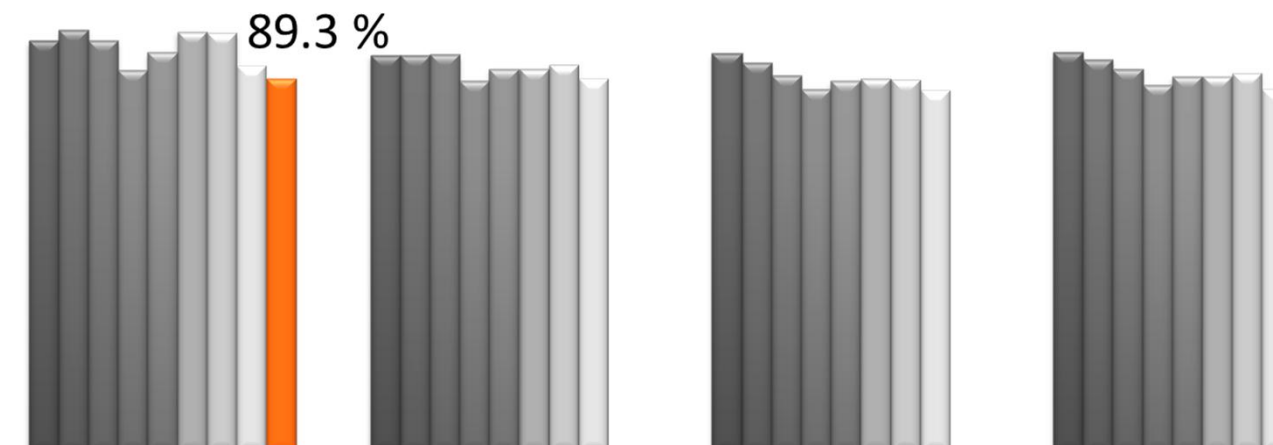
- Model for estimating the value of the customer
- Development programmes for unprofitable customers

# Operating Combined Ratio by Quarter within Non-life Insurance



	Q1	Q2	Q3	Q4
■ 2006	98.2 %	91.6 %	96.7 %	95.8 %
■ 2007	100.8 %	89.3 %	89.5 %	95.9 %
■ 2008	98.2 %	91.9 %	80.7 %	96.2 %
■ 2009	91.3 %	86.0 %	83.1 %	90.9 %
■ 2010	95.5 %	88.0 %	82.8 %	93.1 %
■ 2011	100.5 %	83.3 %	85.2 %	91.0 %
■ 2012	100.1 %	85.5 %	82.2 %	95.3 %
■ 2013	92.4 %	86.2 %	81.6 %	87.9 %
■ 2014	89.3 %			
Average	96.3 %	87.7 %	85.2 %	93.3 %

# Cumulative Operating Combined Ratio within Non-life Insurance

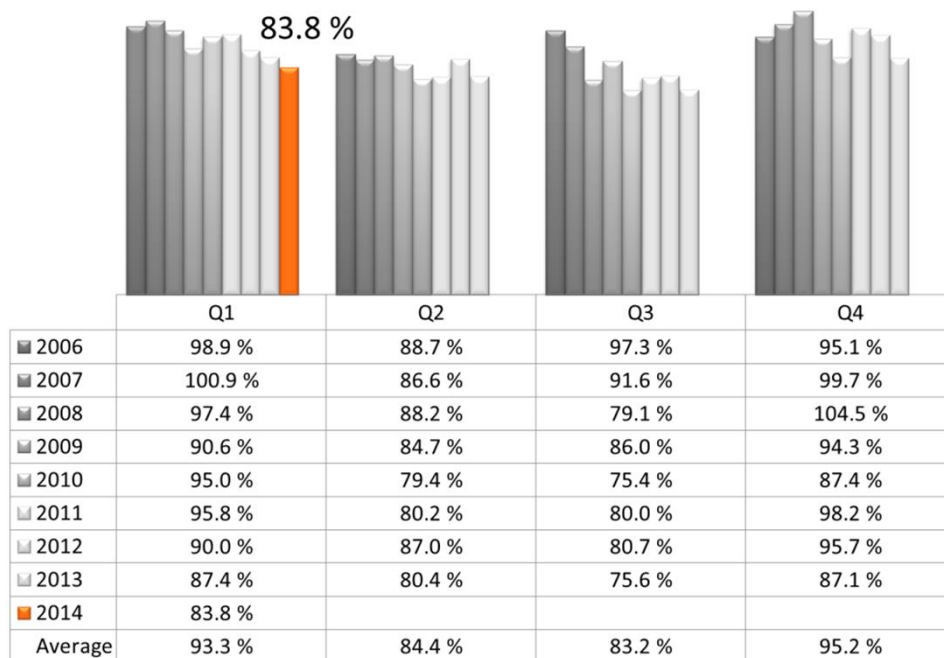


	Q1	H1	Q1-3	Q1-4
■ 2006	98.2 %	94.8 %	95.4 %	95.5 %
■ 2007	100.8 %	94.9 %	93.0 %	93.8 %
■ 2008	98.2 %	95.0 %	90.0 %	91.5 %
■ 2009	91.3 %	88.6 %	86.7 %	87.7 %
■ 2010	95.5 %	91.6 %	88.6 %	89.7 %
■ 2011	100.5 %	91.6 %	89.4 %	89.8 %
■ 2012	100.1 %	92.6 %	89.0 %	90.5 %
■ 2013	92.4 %	89.2 %	86.6 %	86.9 %
■ 2014	89.3 %			
Average	96.3 %	92.3 %	89.8 %	90.7 %

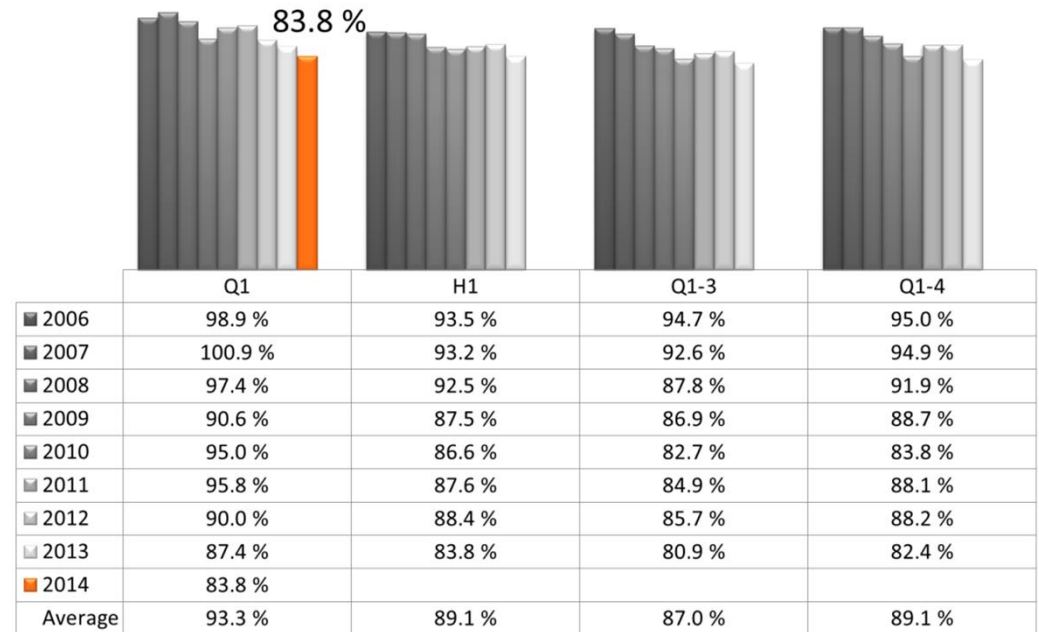
Guidance for FY2014: 87–91%, if the number of large claims is not much higher than in 2013

# Private Customers' Operating Combined Ratio

## By quarter



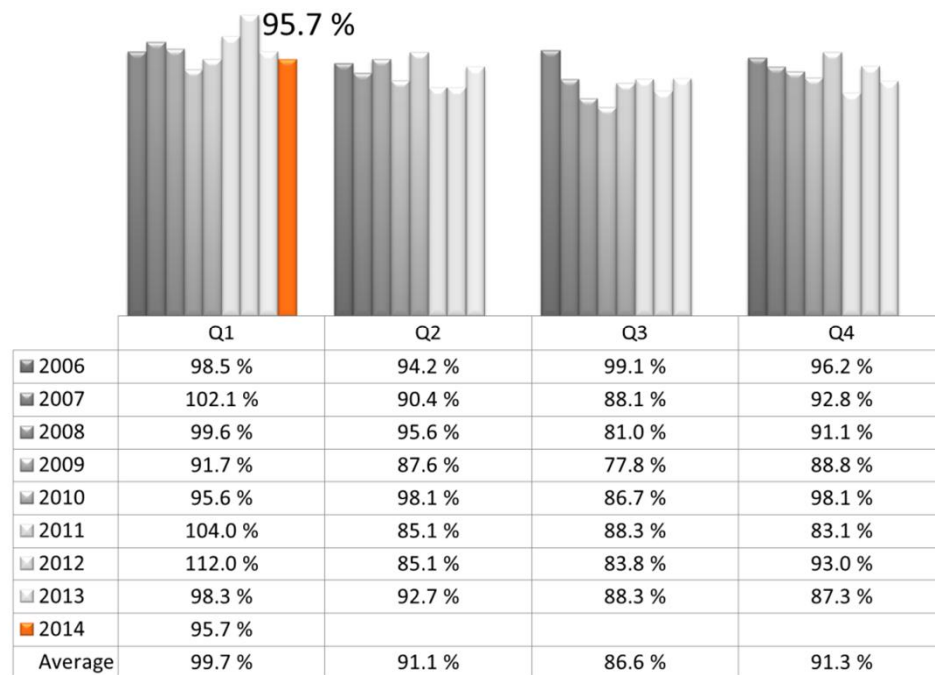
## Cumulative



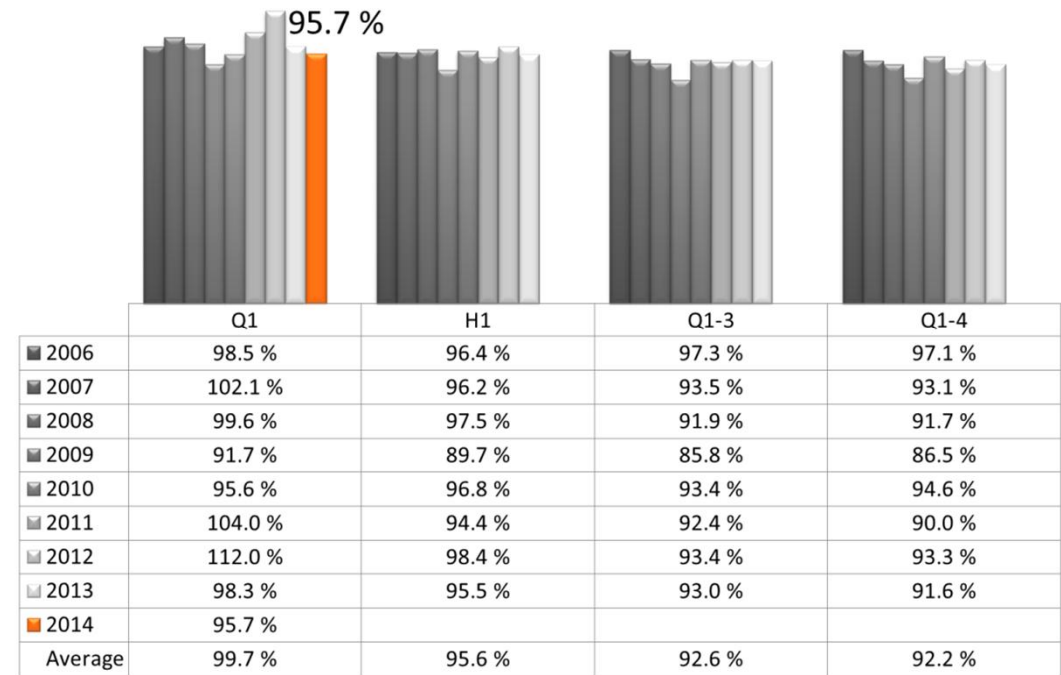


# Corporate Customers' Operating Combined Ratio

## By quarter



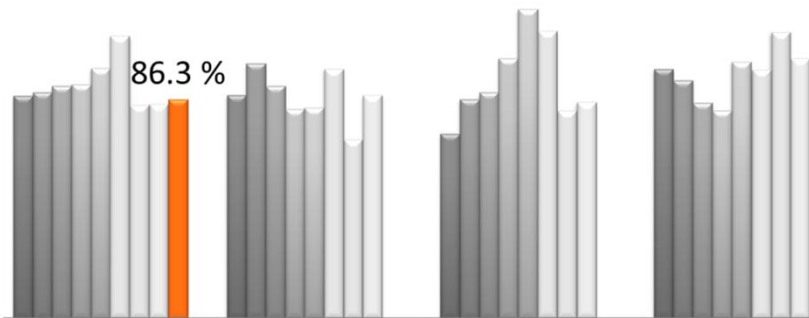
## Cumulative



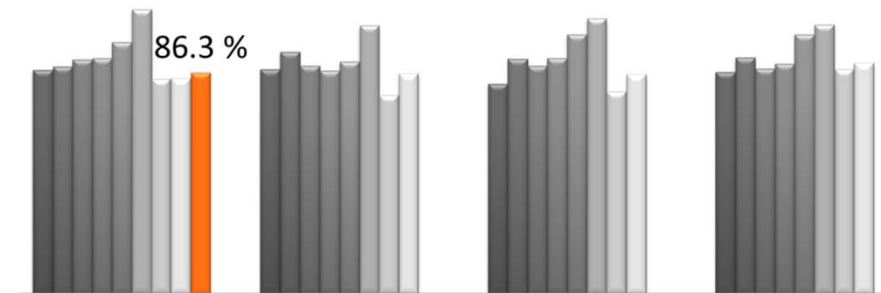
# Baltic States' Operating Combined Ratio

## By quarter

## Cumulative



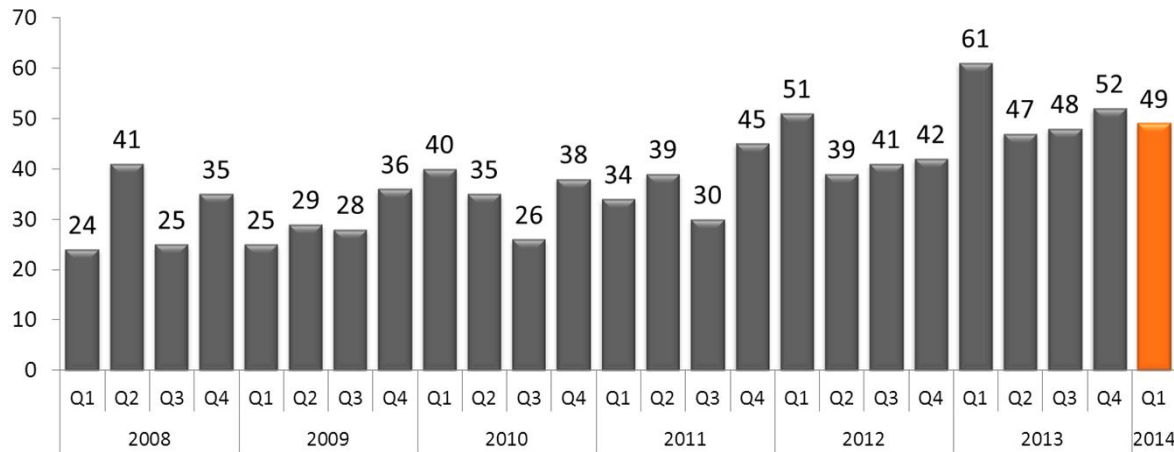
	Q1	Q2	Q3	Q4
2006	87.7 %	88.1 %	72.7 %	98.2 %
2007	89.0 %	100.5 %	86.4 %	93.9 %
2008	91.7 %	91.7 %	89.0 %	85.0 %
2009	92.3 %	82.4 %	102.5 %	82.0 %
2010	98.6 %	83.1 %	121.9 %	101.1 %
2011	111.3 %	98.4 %	113.2 %	97.9 %
2012	84.0 %	70.6 %	82.0 %	112.8 %
2013	84.3 %	87.9 %	85.1 %	102.5 %
2014	86.3 %			
Average	91.7 %	87.8 %	94.1 %	96.7 %



	Q1	H1	Q1-3	Q1-4
2006	87.7 %	87.9 %	82.2 %	86.7 %
2007	89.0 %	94.8 %	91.9 %	92.4 %
2008	91.7 %	89.2 %	89.2 %	88.1 %
2009	92.3 %	87.3 %	92.2 %	90.0 %
2010	98.6 %	91.0 %	101.6 %	101.5 %
2011	111.3 %	104.9 %	107.6 %	105.3 %
2012	84.0 %	77.6 %	79.1 %	87.9 %
2013	84.3 %	86.2 %	85.8 %	90.2 %
2014	86.3 %			
Average	91.7 %	89.9 %	91.2 %	92.8 %

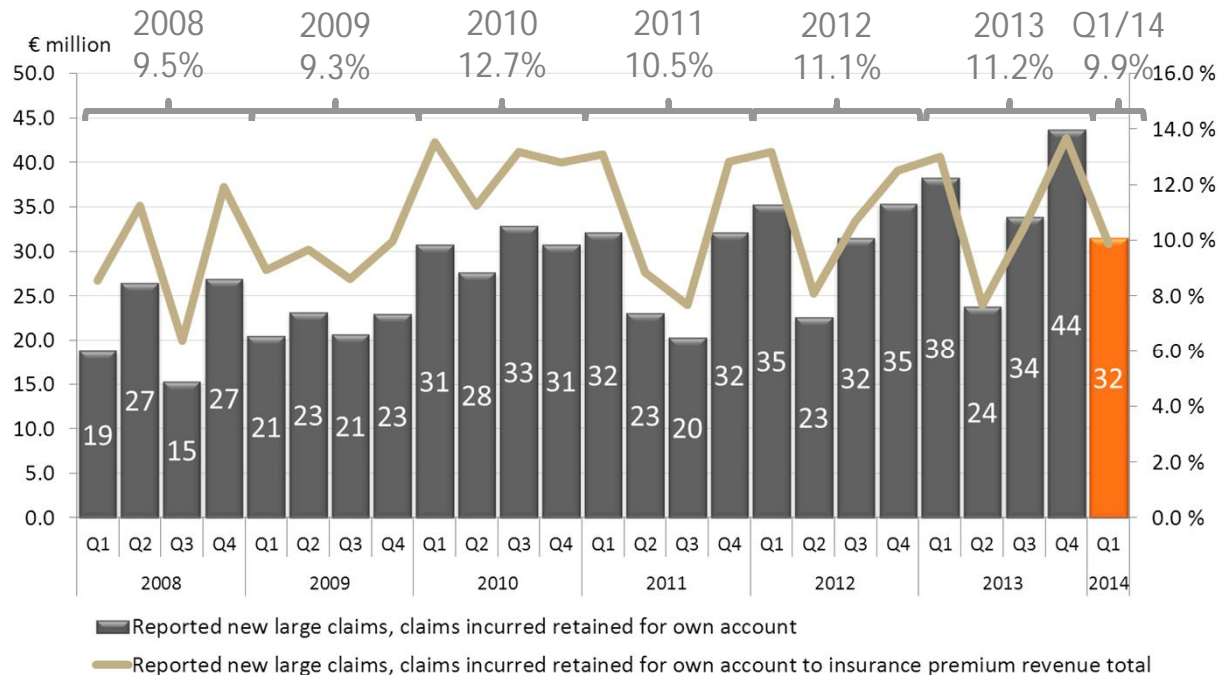
# Large Claims 2008–Q1/2014

Number of reported new large claims



Large claim means an individual claim of over €0.3 million.

Reported new large claims, claims incurred retained for own account (€ mn) and its relation to insurance premium revenue (%)



# Fixed-income Portfolio by Maturity and Credit Rating as of 31 March 2014

Investments under the “investment grade” accounted for 93% (91) of the portfolio  
74% (74) of investments rated at least A–

Average residual term to maturity 4.3 years (4.4) and duration 3.5 years (3.7)

The running yield for direct bond investments averaged 2.6% (2.6) at the end of March.

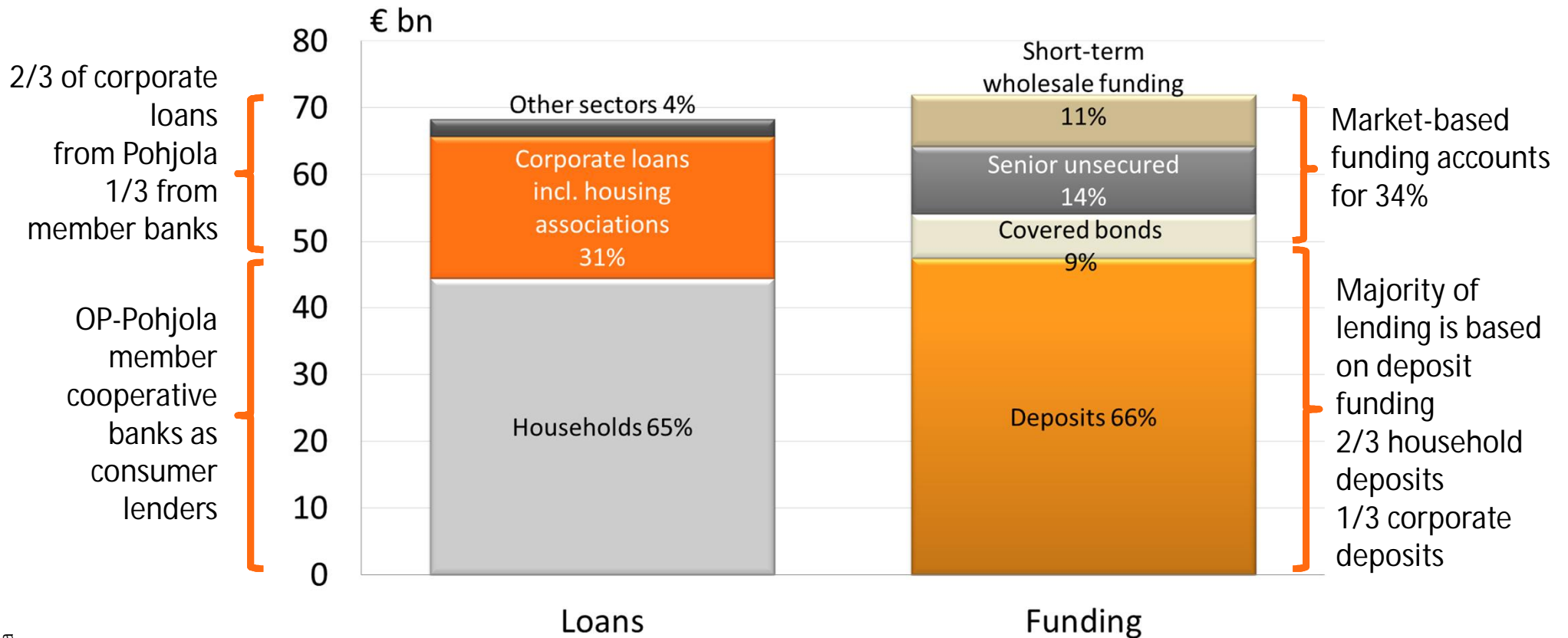
Non-life Insurance fixed-income portfolio by maturity and credit rating on 31 March 2014\*, EUR million

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	28	249	249	89	154	76	845	32 %
Aa1–Aa3	237	71	68	16	22	33	448	17 %
A1–A3	80	225	234	115	23	0	677	25 %
Baa1–Baa3	28	60	151	163	63	38	504	19 %
Ba1 or lower	47	66	47	10	11	3	185	7 %
Internally rated	7		0	0			8	0 %
<b>Total</b>	<b>427</b>	<b>671</b>	<b>750</b>	<b>394</b>	<b>273</b>	<b>151</b>	<b>2,666</b>	<b>100 %</b>

\* Excludes credit derivatives.

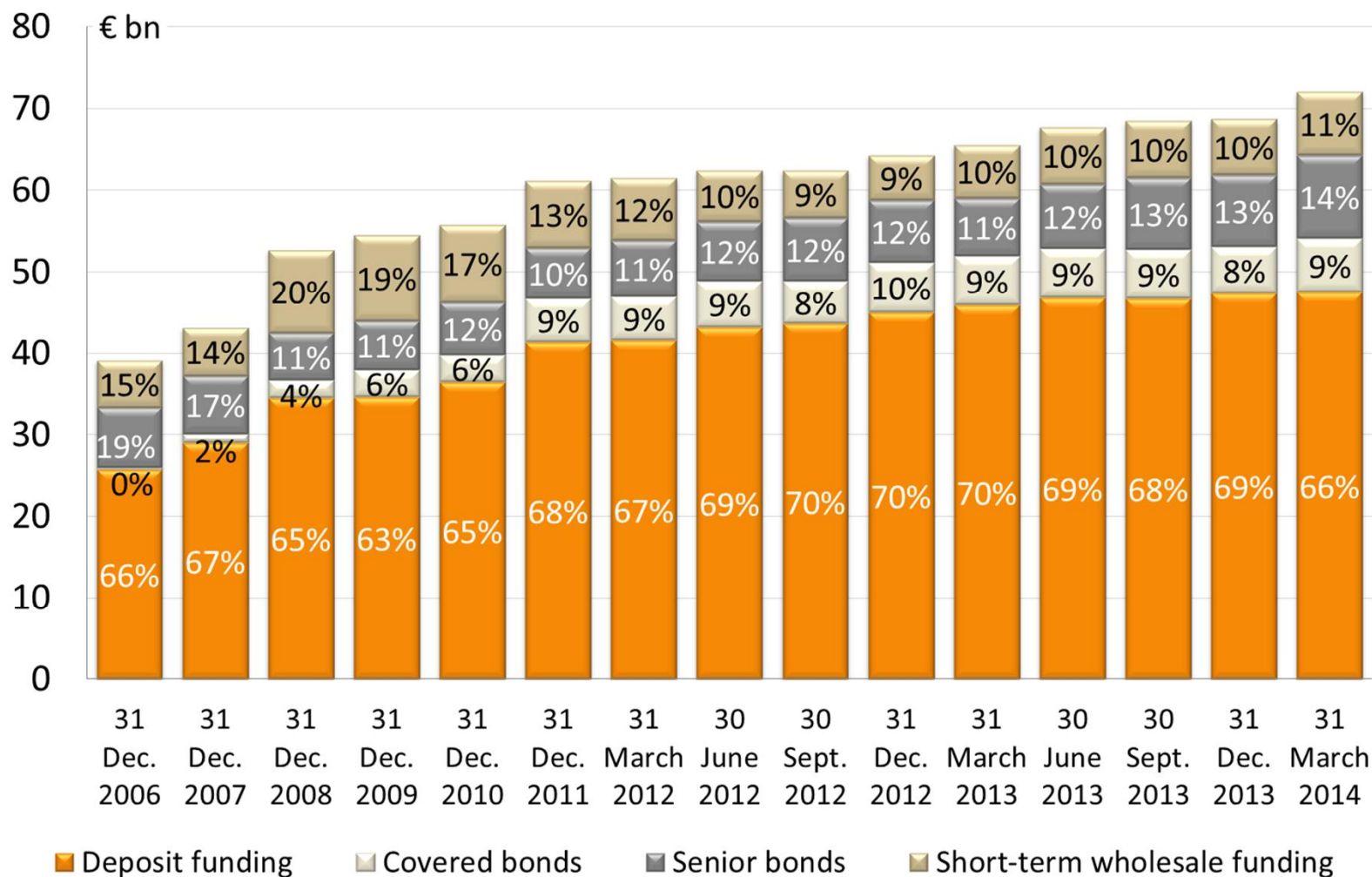
# OP-Pohjola Group's Loans and Funding Structure

31 March 2014





# OP-Pohjola Group's Funding Structure Development 2006–31 March 2014



# Financial Assets Included in the Liquidity Buffer by Maturity and Credit Rating as of 31 March 2014

Liquidity buffer by maturity and credit rating on 31 March 2014, EUR million

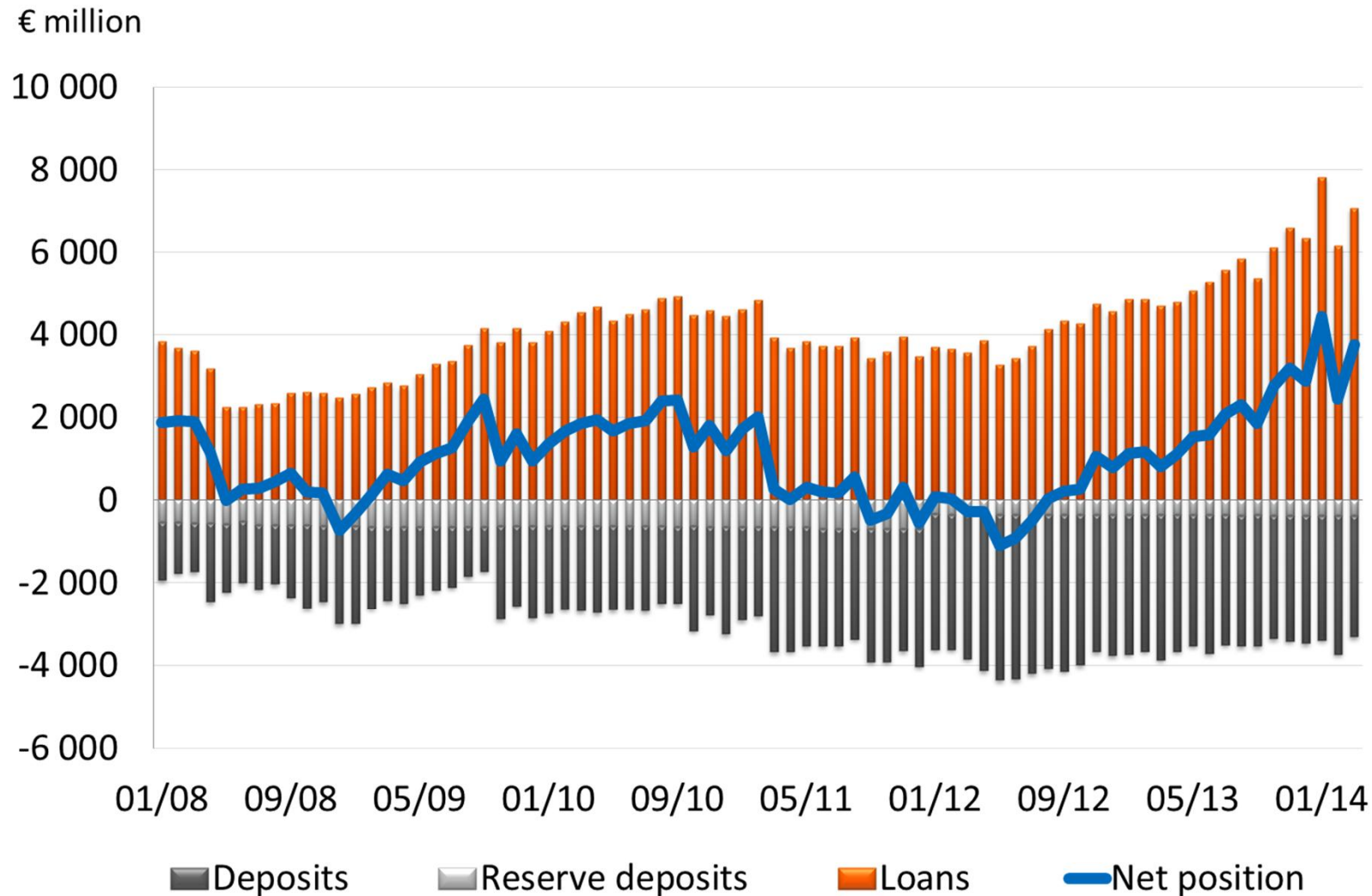
Year	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa*	4,908	672	1,338	1,618	624	82	9,241	57 %
Aa1–Aa3	54	90	404	562	381	1	1,492	9 %
A1–A3	165	443	113	14	1	2	738	5 %
Baa1–Baa3	105	143	35	44	11	1	339	2 %
Ba1 or lower	22	132	23	1	44	0	222	1 %
Internally rated**	435	1,596	1,158	358	139	451	4,137	26 %
<b>Total</b>	<b>5,689</b>	<b>3,076</b>	<b>3,073</b>	<b>2,597</b>	<b>1,199</b>	<b>536</b>	<b>16,169</b>	<b>100 %</b>

\* incl. deposits with the central bank

\*\* PD  $\leq$  0.40%

The liquidity buffer's (excl. deposits with the central bank) residual term to maturity averages 4.8 years.

# Receivables and Liabilities between Pohjola and OP-Pohjola Group Member Banks





# OP-Pohjola Group's and Pohjola Bank plc's Results and Key Figures



# OP-Pohjola Group and Pohjola Bank plc

## Earnings analysis, € million

	OP-Pohjola Group Q1/2014	Pohjola Bank plc Q1/2014	OP-Pohjola Group 2013	Pohjola Bank plc 2013
Net interest income	251	64	915	230
Net income from Non-Life insurance	151	153	524	528
Net income from Life Insurance	80		175	
Net commissions and fees	198	49	694	162
Other income	56	48	267	177
Total income	737	314	2 575	1 097
Total expenses	420	151	1 598	581
Returns to owner-members and OP-bonus customers	49		193	
Earnings before impairment loss on receivables	268	163	784	516
Impairment loss on receivables	10	4	84	37
Earnings before tax	257	159	701	479
Change in fair value reserve	-7	4	-39	-16
Earnings before tax at fair value	251	163	662	463



# OP-Pohjola Group and Pohjola Bank plc

## Key figures and ratios

	OP-Pohjola Group 31 March 2014	Pohjola Bank plc 31 March 2014	OP-Pohjola Group 31 Dec. 2013	Pohjola Bank plc 31 Dec. 2013
Total assets, € million	104 584	48 941	100 991	43 824
Receivables from customers, € million	68 392	14 520	68 142	14 510
Liabilities to customers, € million	49 581	11 794	50 157	10 183
Equity capital, € million	7 078	3 056	7 724	3 150
Tier 1 ratio, %	15.9	13.0	14.3	12.7
Common Equity Tier 1 ratio, %	15.5	12.0	17.1 <sup>e</sup>	11.9 <sup>e</sup>
Doubtful receivables, € million	294 <sup>a</sup>	38 <sup>b</sup>	295 <sup>a</sup>	40 <sup>b</sup>
Ratio of doubtful receivables to loan and guarantee portfolio, %	0.41	0.22	0.42	0.23
Loan and guarantee portfolio, € billion	71.3	17.1	71.0	17.2
Impairment loss on receivables, € million	10 <sup>d</sup>	4 <sup>d</sup>	84 <sup>c</sup>	37 <sup>c</sup>
Impairment loss on receivables / loan and guarantee portfolio, %	0.06 <sup>d</sup>	0.02 <sup>d</sup>	0.12 <sup>c</sup>	0.21 <sup>c</sup>
Personnel	12 647	2 587	12 856	2 620

a) More than 90 days overdue and zero-interest receivables

b) More than 90 days overdue, zero-interest and under-priced receivables

c) Full year

d) January-March

e) As of 1 Jan. 2014

# OP-Pohjola Group and Pohjola Bank plc

## Key ratios

	OP-Pohjola Group Q1/2014	Pohjola Bank plc Q1/2014	OP-Pohjola Group 2013	Pohjola Bank plc 2013
Net interest margin, %	1.0 <sup>a</sup>	1.54 <sup>b</sup>	0.9 <sup>a</sup>	1.57 <sup>b</sup>
Cost/Income ratio, %	57	33 <sup>c</sup>	62	36 <sup>c</sup>
Return on equity (ROE), %	8.3 <sup>d</sup>	16.5	8.7 <sup>d</sup>	14.4
Return on assets, (ROA) at fair value, %	0.6		0.6	
Non-Life Insurance, solvency ratio (Solvency II), %		134 <sup>f</sup>		125 <sup>f</sup>
Life Insurance, solvency ratio, %	14.7 <sup>e</sup>		14.0 <sup>e</sup>	
Operating combined ratio, %		89.3		86.9

a) Net interest income as a percentage of average total assets

b) Average margin for corporate lending

c) Cost / Income ratio in Banking

d) At fair value

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

f) Estimate, Solvency II regulations are still partly unfinished



# Finnish Economy

# Forecasts for the Finnish Economy

Published in March 2014

	2013 € bn	2012 Volume, % change on previous year	2013 Volume, % change on previous year	2014f	2015f
GDP	193.4	-1.0	-1.4	1.0	2.0
Imports	77.8	-0.7	-1.8	1.0	3.5
Exports	77.6	-0.2	0.3	3.2	4.9
Consumption	159.2	0.4	-0.3	0.3	0.8
Private consumption	109.4	0.3	-0.8	0.2	1.0
Public consumption	49.7	0.5	0.8	0.4	0.3
Fixed investment	36.3	-0.8	-4.6	-1.0	3.2

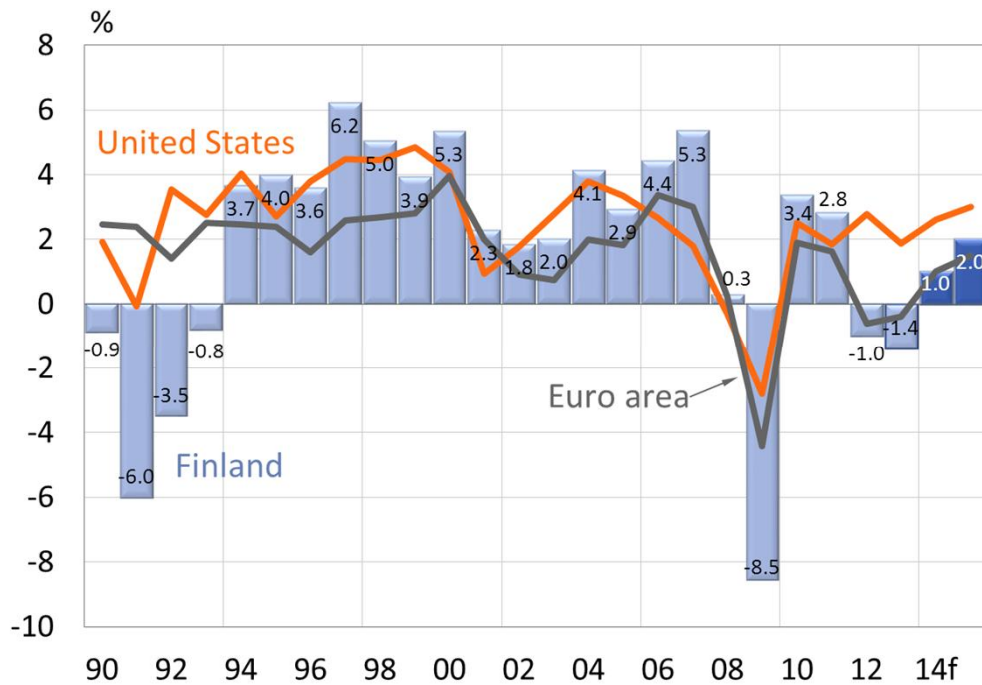
## Other key indicators

	2012	2013	2014f	2015f
Consumer price index, % change y/y	2.8	1.5	1.3	1.8
Unemployment rate, %	7.7	8.2	8.3	8.1
Current account balance, % of GDP	-1.4	-1.1	0.3	0.4
General government debt, % of GDP	53.6	57.0	59.6	59.8
General government deficit, % of GDP	-1.8	-2.1	-2.0	-0.5

Sources: Statistics Finland and OP-Pohjola Group

# GDP and Demand Components

Change in GDP volume

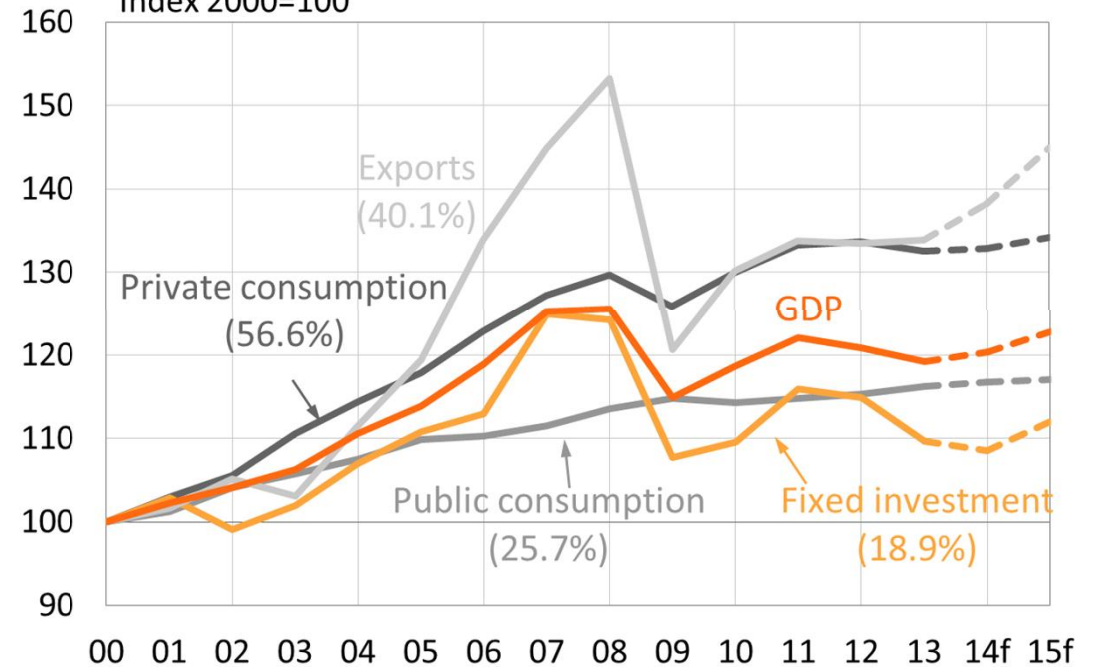


Sources: Reuters EcoWin, forecasts OP-Pohjola Group, January and March 2014

GDP and demand components

2013 GDP shares in brackets

Index 2000=100

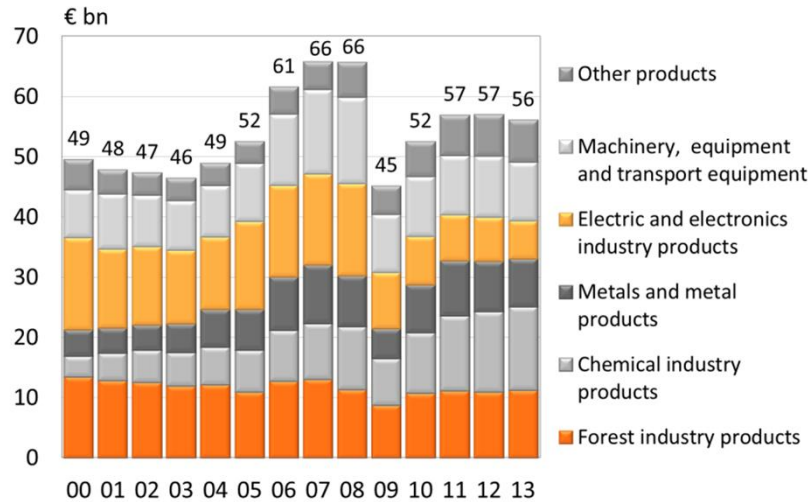


Sources: Statistics Finland, forecasts OP-Pohjola Group, March 2014



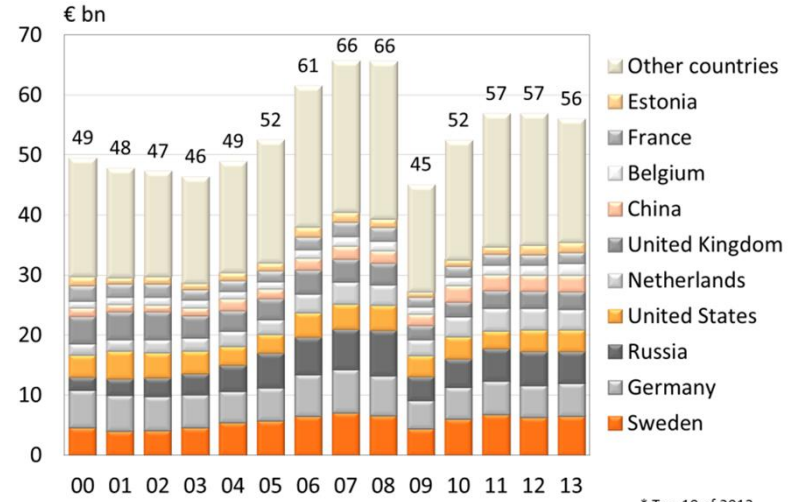
# Goods Exports by Product Group and by Country

Exports by commodity group



Source: National Board of Customs

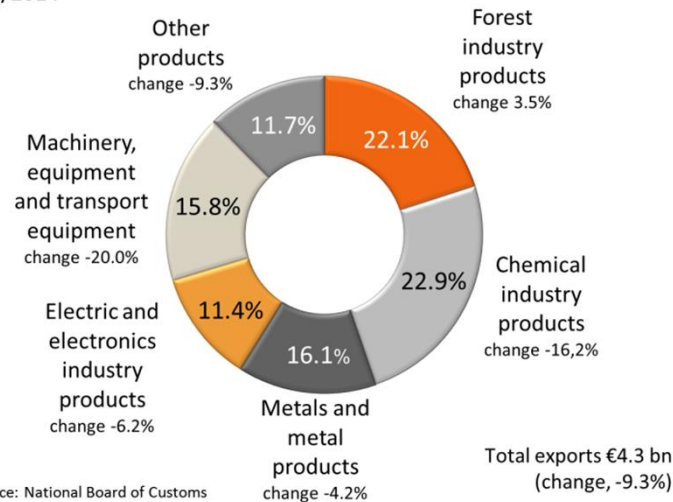
Finlands' largest\* export countries



Source: National Board of Customs

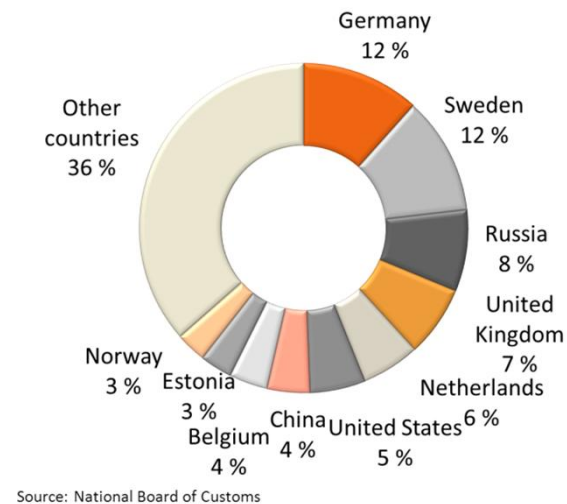
\* Top 10 of 2013

Goods exports by product group  
Share of total exports and annual change  
1/2014



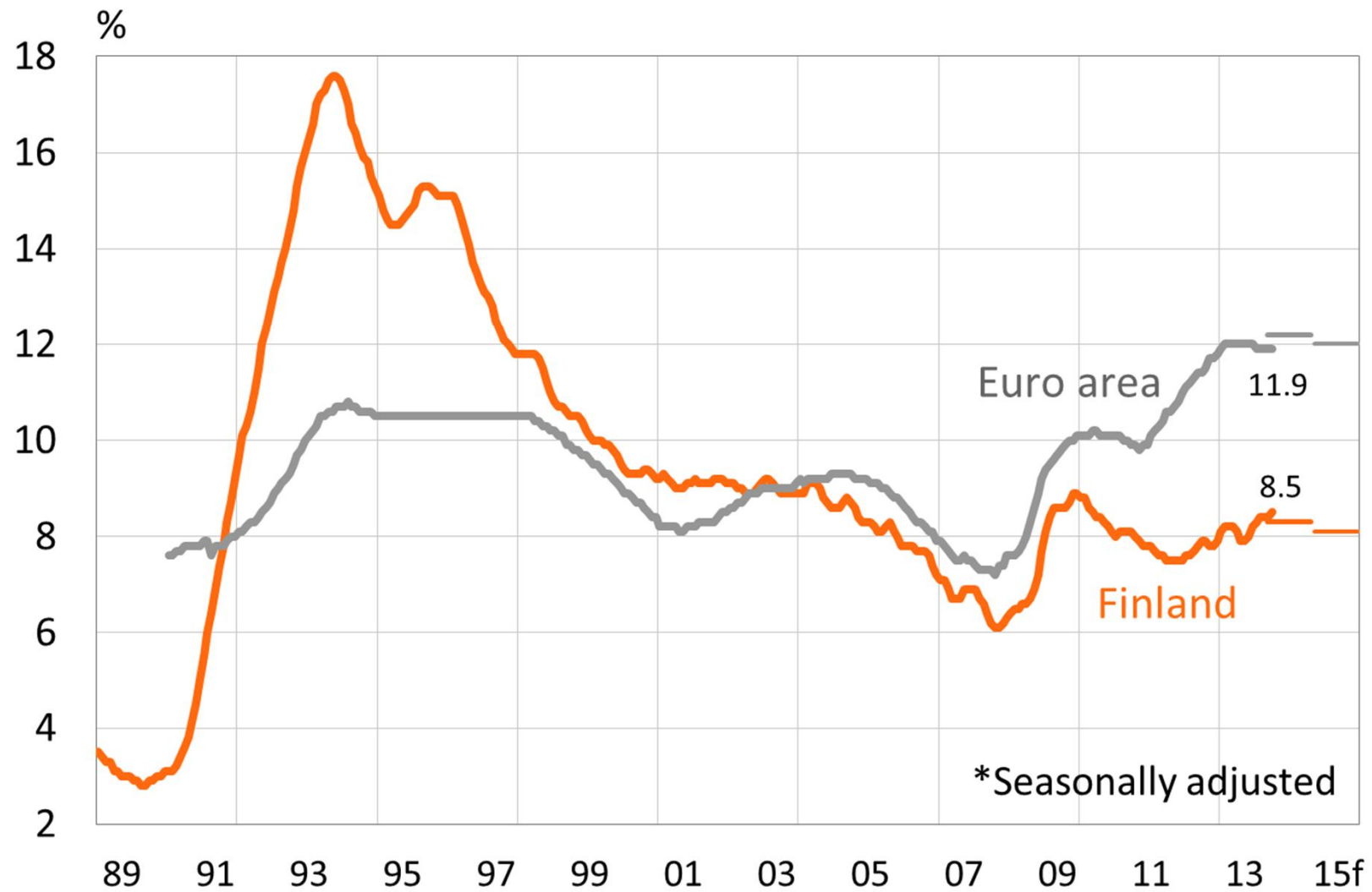
Source: National Board of Customs

Goods exports by country  
1/2014



Source: National Board of Customs

# Unemployment Rate\* in Finland and Euro Area

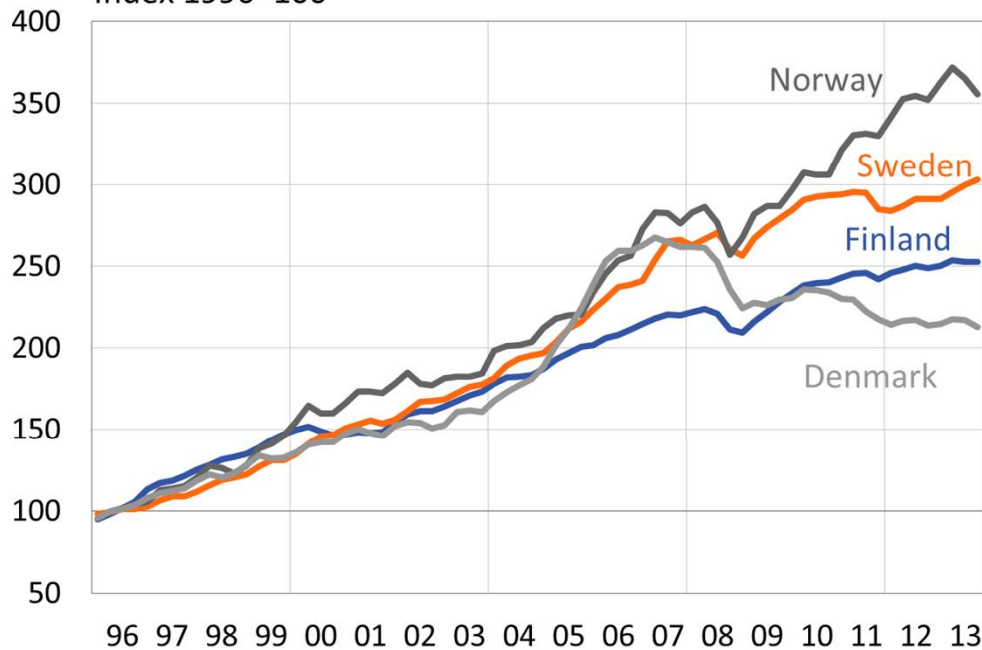


Sources: Statistics Finland, Eurostat, forecasts OP-Pohjola Group, January and March 2014

# Average House Prices and Households' Debt

Average house prices

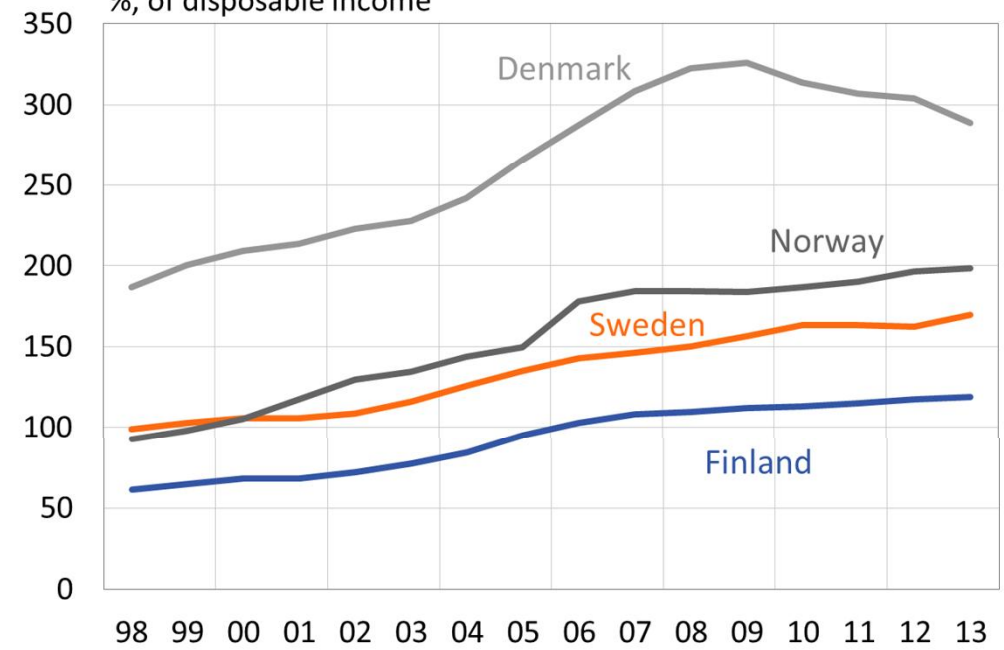
Index 1996=100



Sources: Reuters EcoWin, Statistics Sweden

Households' debt ratio

%, of disposable income



Sources: Central Banks, Statistics Finland

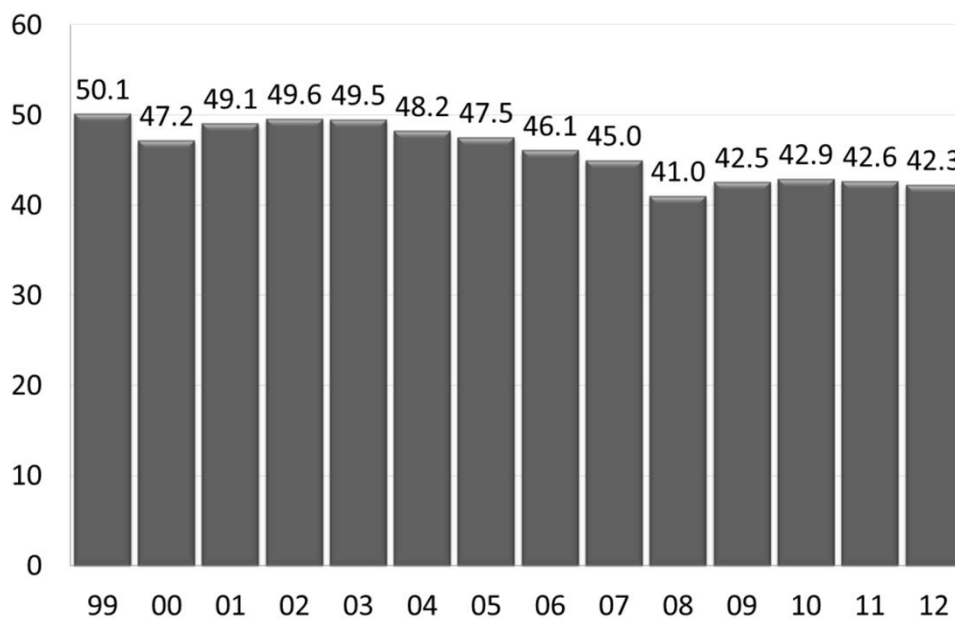
# Structure and Financial Condition of the Finnish Corporate Sector

Top 650 companies account for 45% of the turnover in the Finnish corporate sector:

The number of companies in Finland totals approx. 320,000, of which 99.1% are small (personnel < 50), 0.70% medium-sized (personnel 50–249) and 0.20% large (personnel > 249)

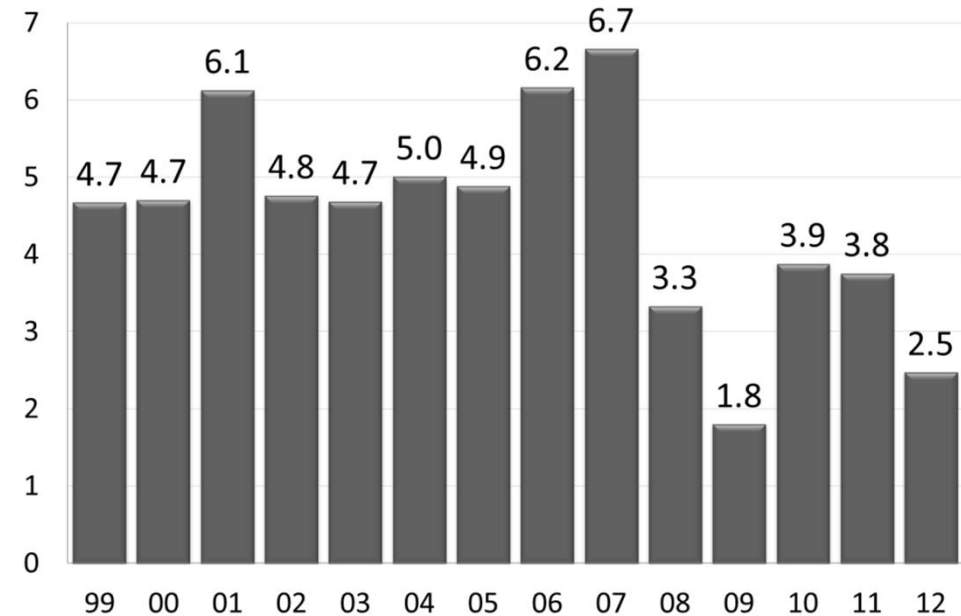
Source: Statistics Finland

Corporate equity ratio 1999-2012, %



Source: Statistics Finland

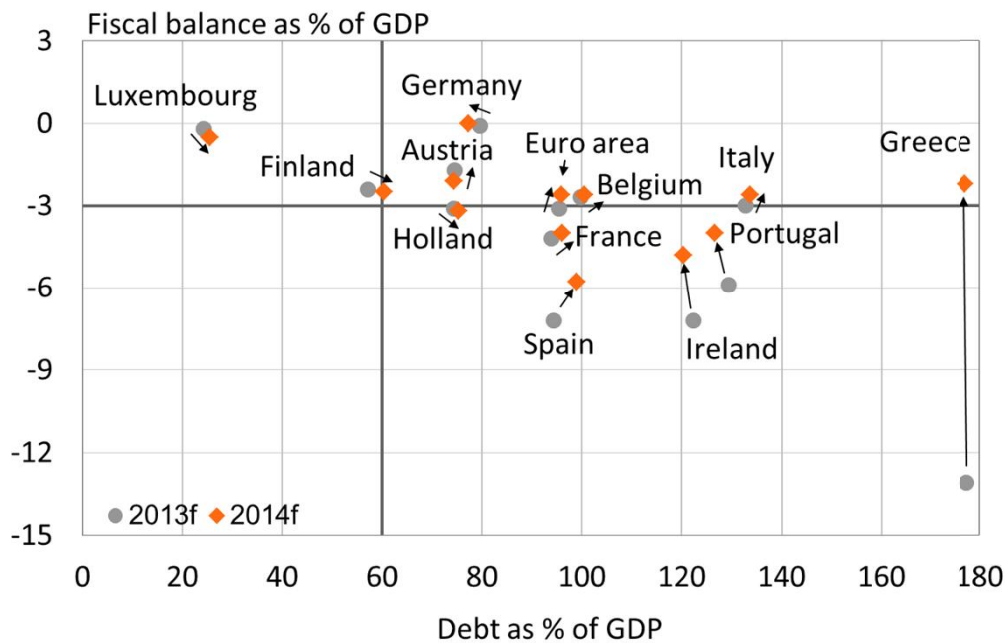
Corporate net profit ratio 1999-2012, %



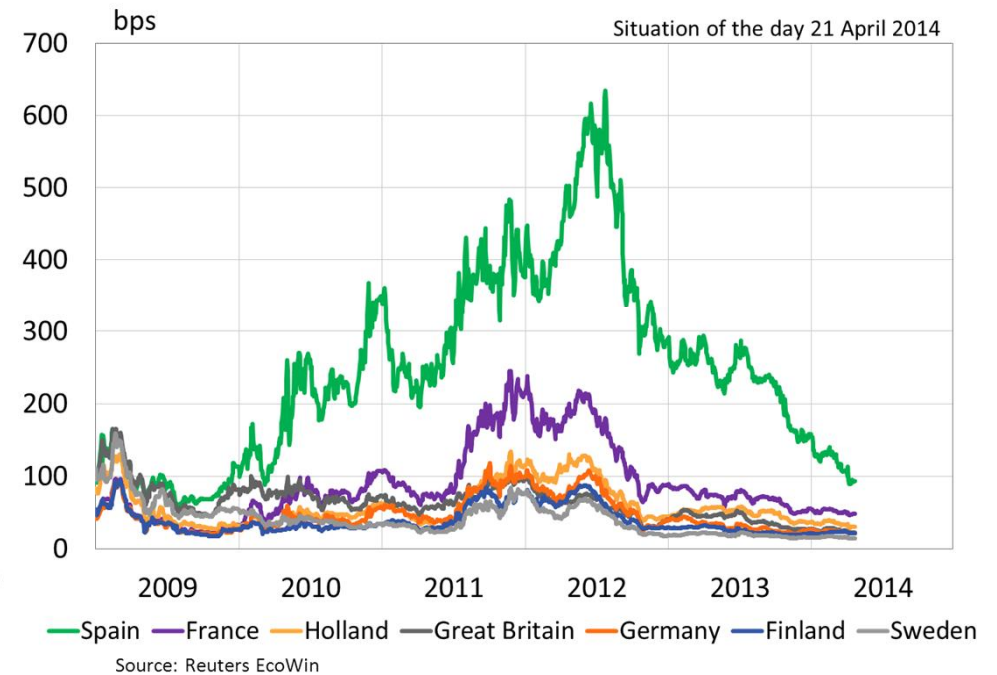
Source: Statistics Finland

# Fiscal Balance and 5-year CDS by Country

Fiscal Balance, forecasts for 2013 and 2014



5yr CDS 2009-2014 by country







## Pohjola IR team

# Pohjola IR team



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# Thank you

Pohjola will hold a briefing in English for analysts and investors on 29 April starting at 3.00 pm Finnish time, EET (2.00 pm CET, 1.00 pm UK time, 8am US EST). The briefing is a combined analyst meeting, conference call and live webcast.

Due to OP-Pohjola Group Central Cooperative's tender offer this will be Pohjola's last results release related briefing to analysts and investors.