



# Pohjola

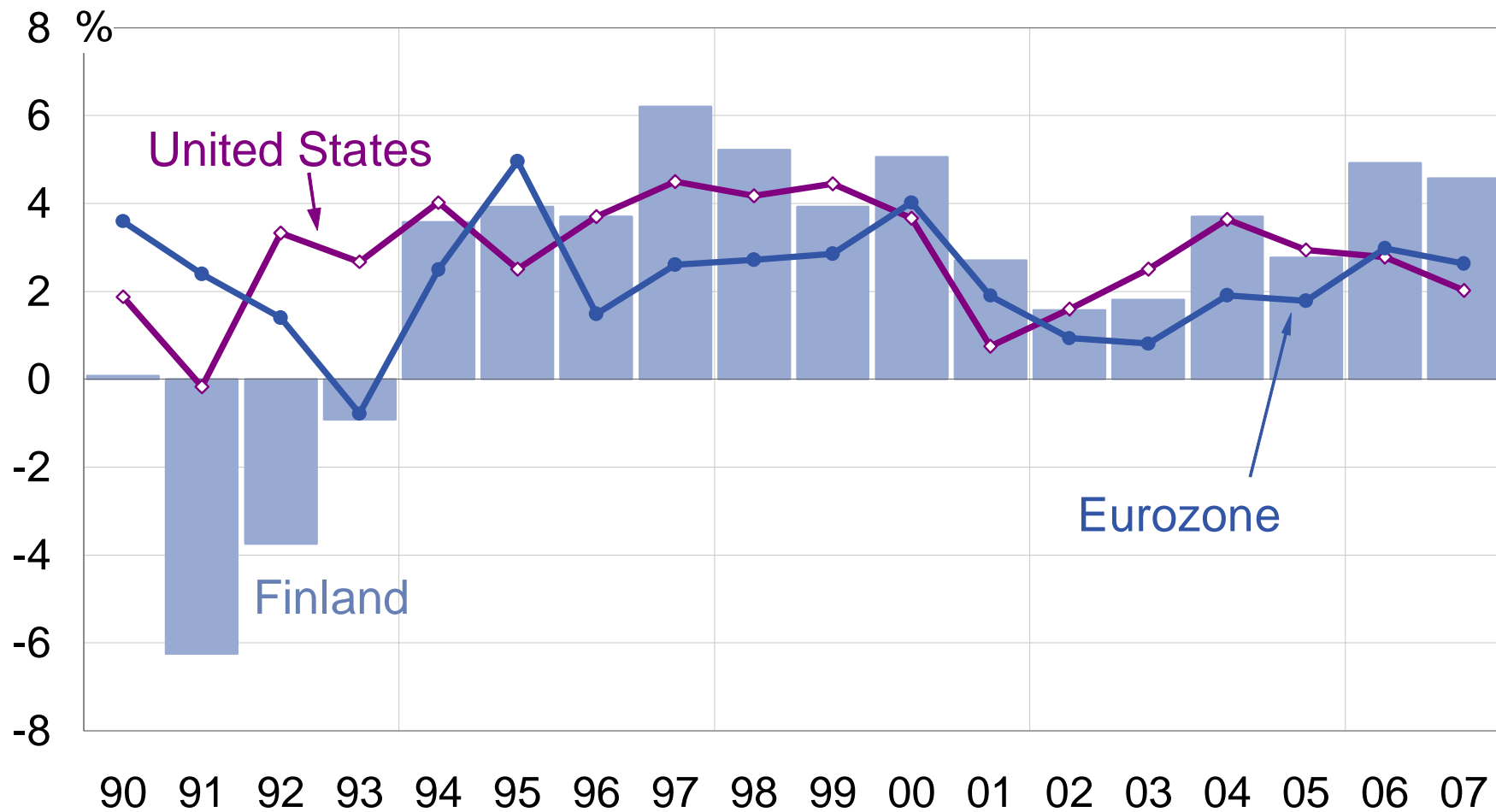
## February 2009

# OP-Pohjola Group & Pohjola Bank in brief

- The leading financial services company in Finland - with a strong diversified presence in
  - Retail and corporate banking
  - Insurance
  - Mutual Funds and Asset Management
- Market position 1. or 2. in all key areas
- One of the highest rated banks in Europe (AA-/Aa1/AA-; all stable)
- Characterised by
  - a strong capital position
  - stable earnings
  - strong liquidity
  - low loan loss provisions
  - no SIV exposure, low risk exposure in bond portfolios

# Finnish Economy

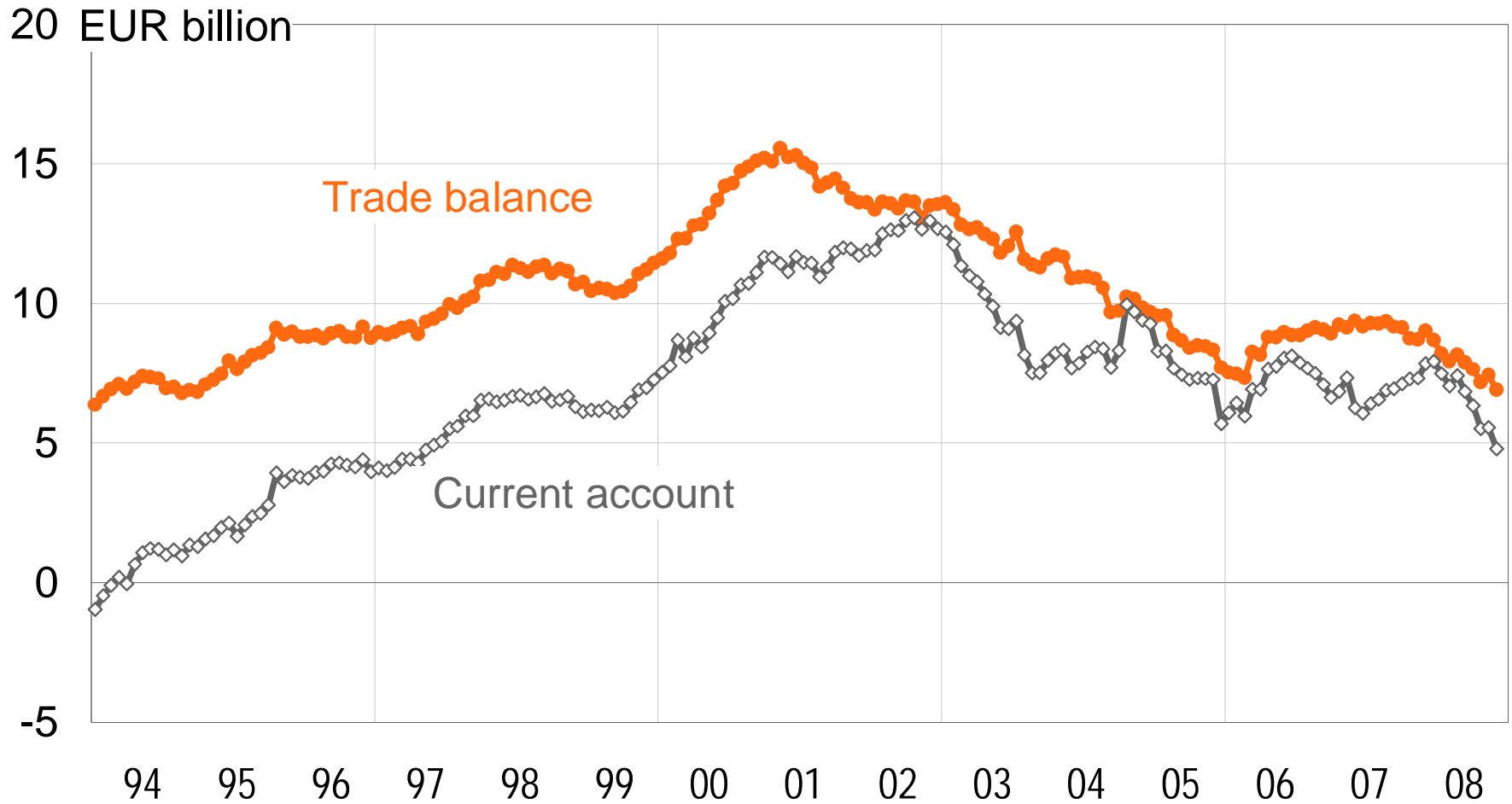
# Change in GDP volume



Source: Reuters EcoWin

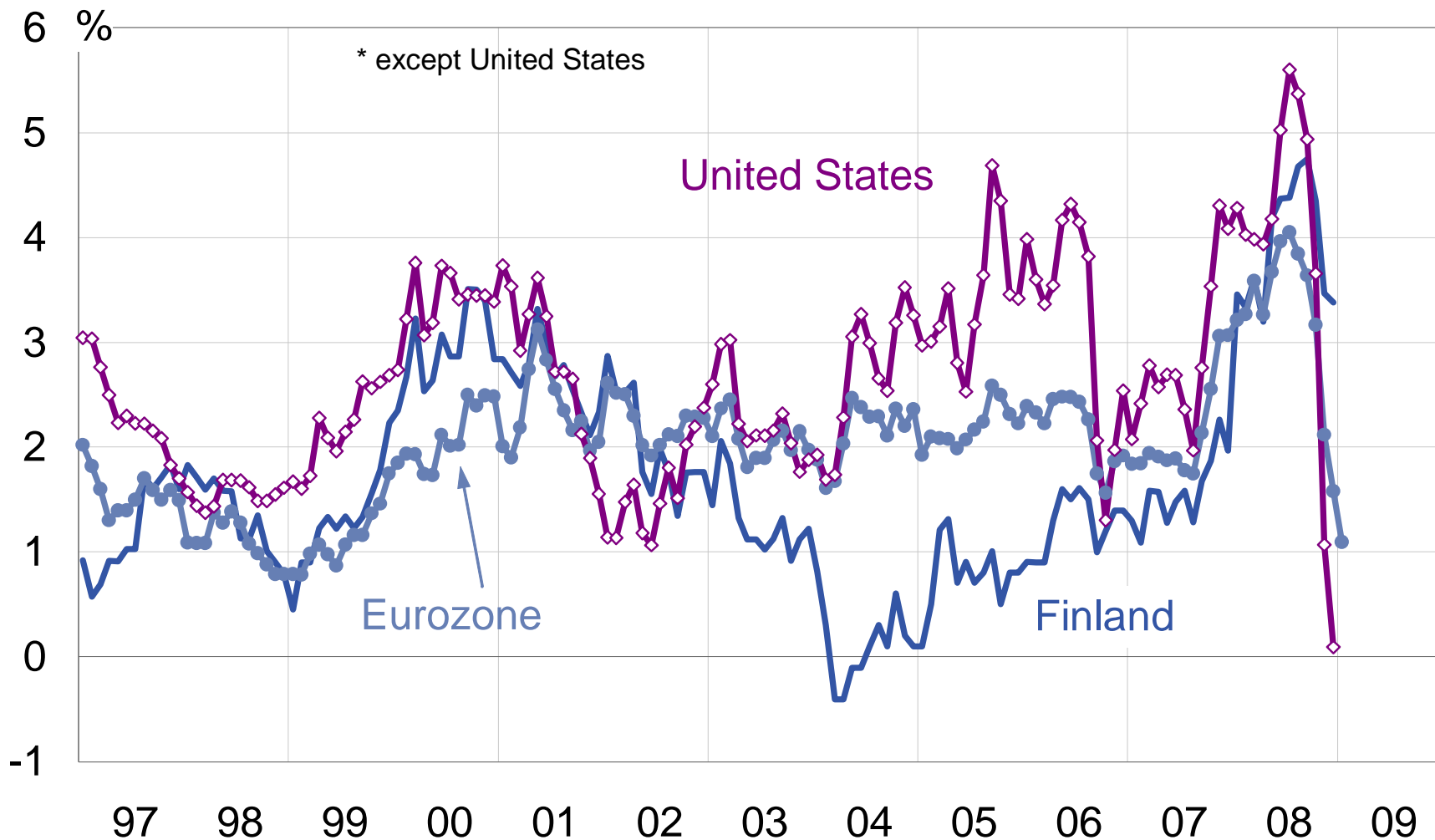
# Trade balance and current account in Finland

## 12-month moving total



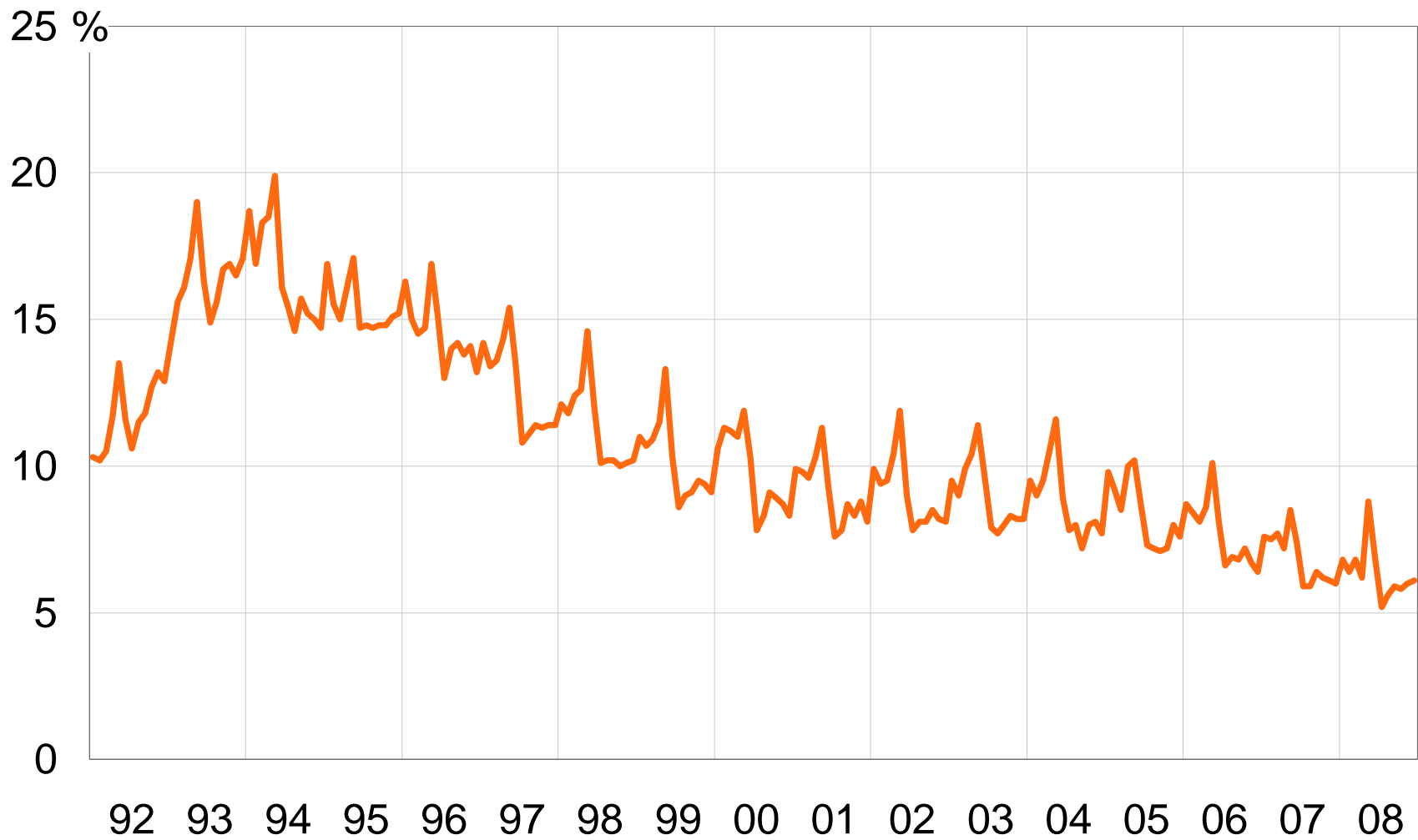
Source: Bank of Finland

# Harmonized index\* of consumer prices annual change



Source: Reuters EcoWin

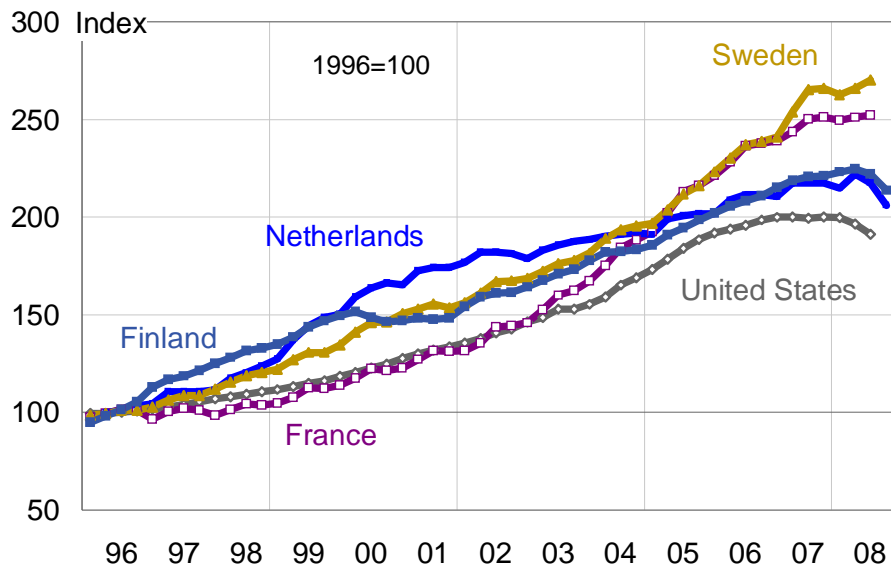
# Unemployment rate in Finland



Source: Statistics Finland

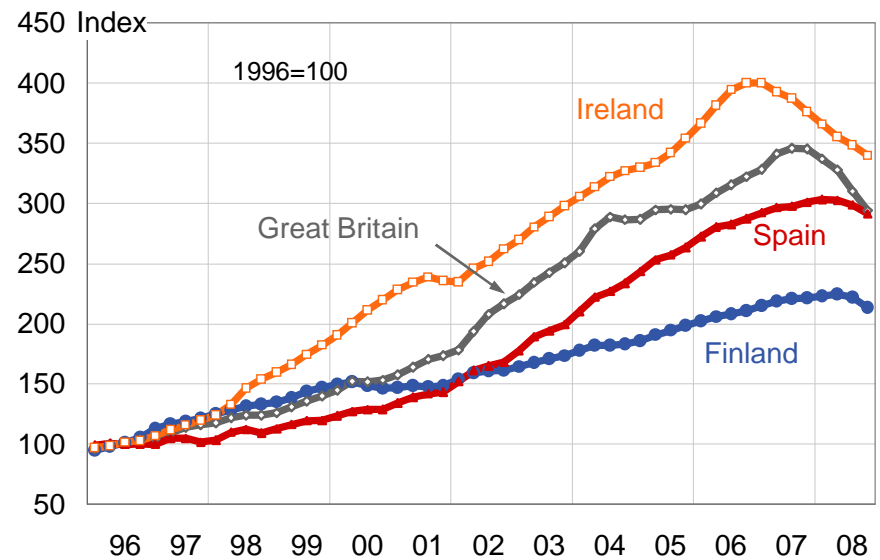
# Average House Prices

## Average house prices



Sources: Reuters EcoWin, Statistics Sweden

## Average house prices

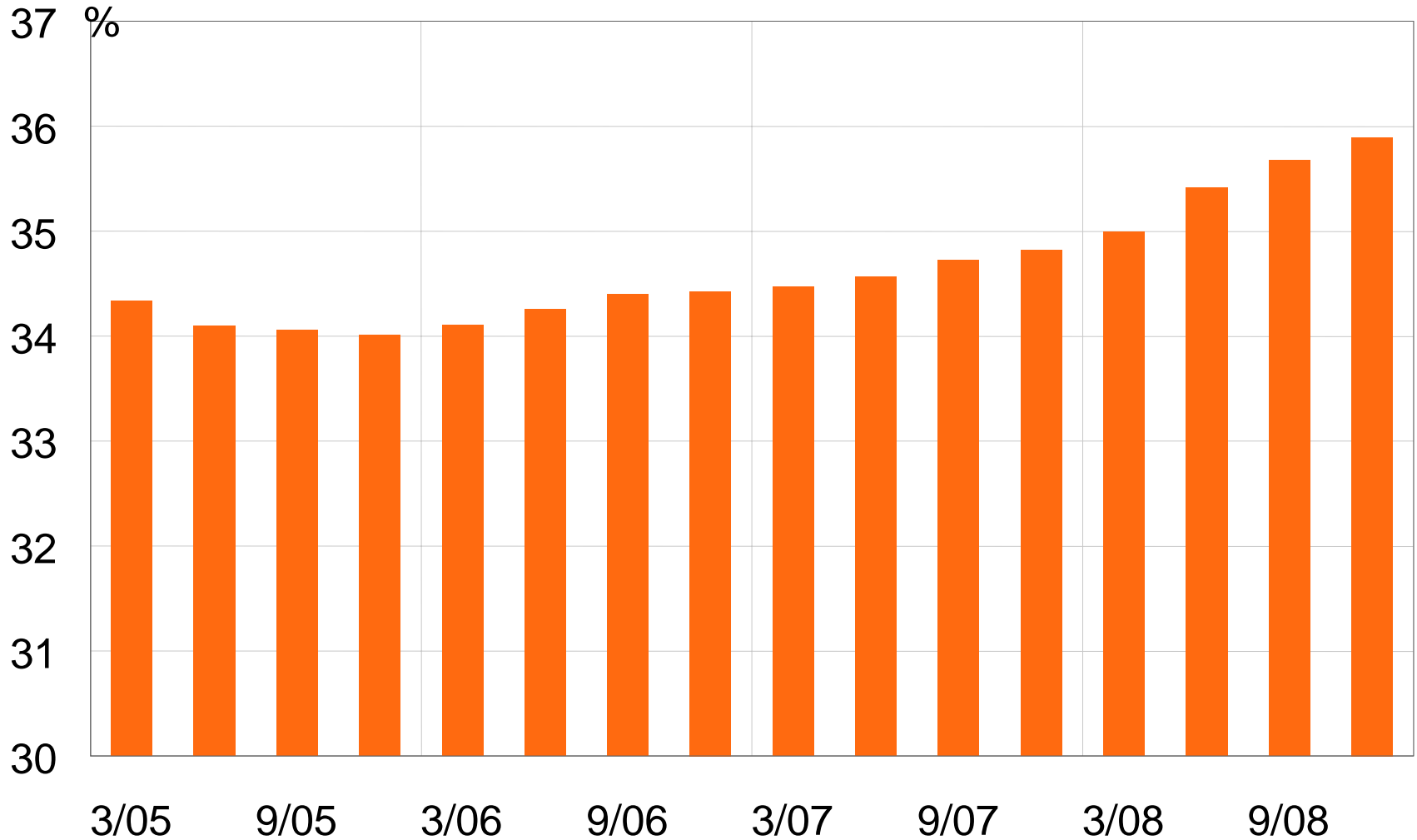


Source: Reuters EcoWin



# Finnish Financial Industry

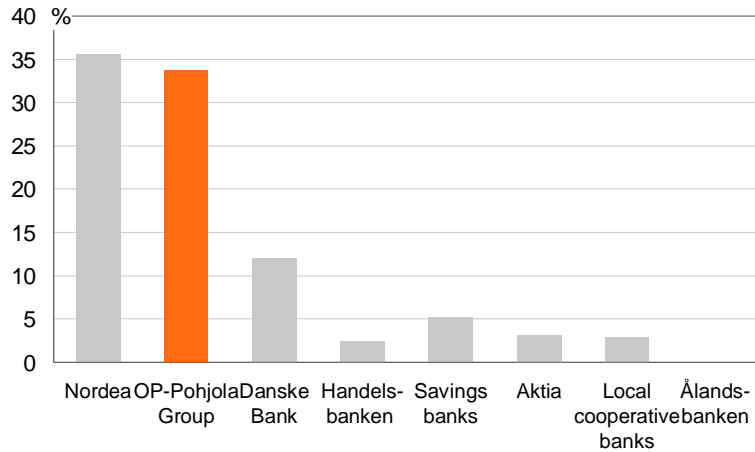
# OP-Pohjola Group's market share of households' housing loans



# Market Shares

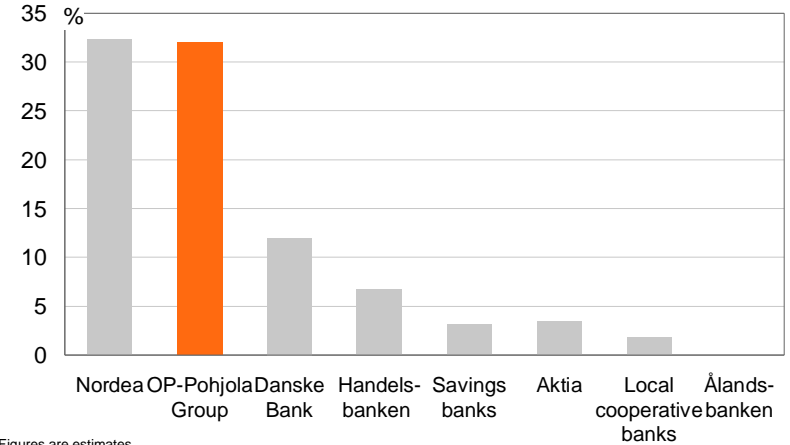
## 31 December 2008

Market Share in Deposits  
31 December 2008



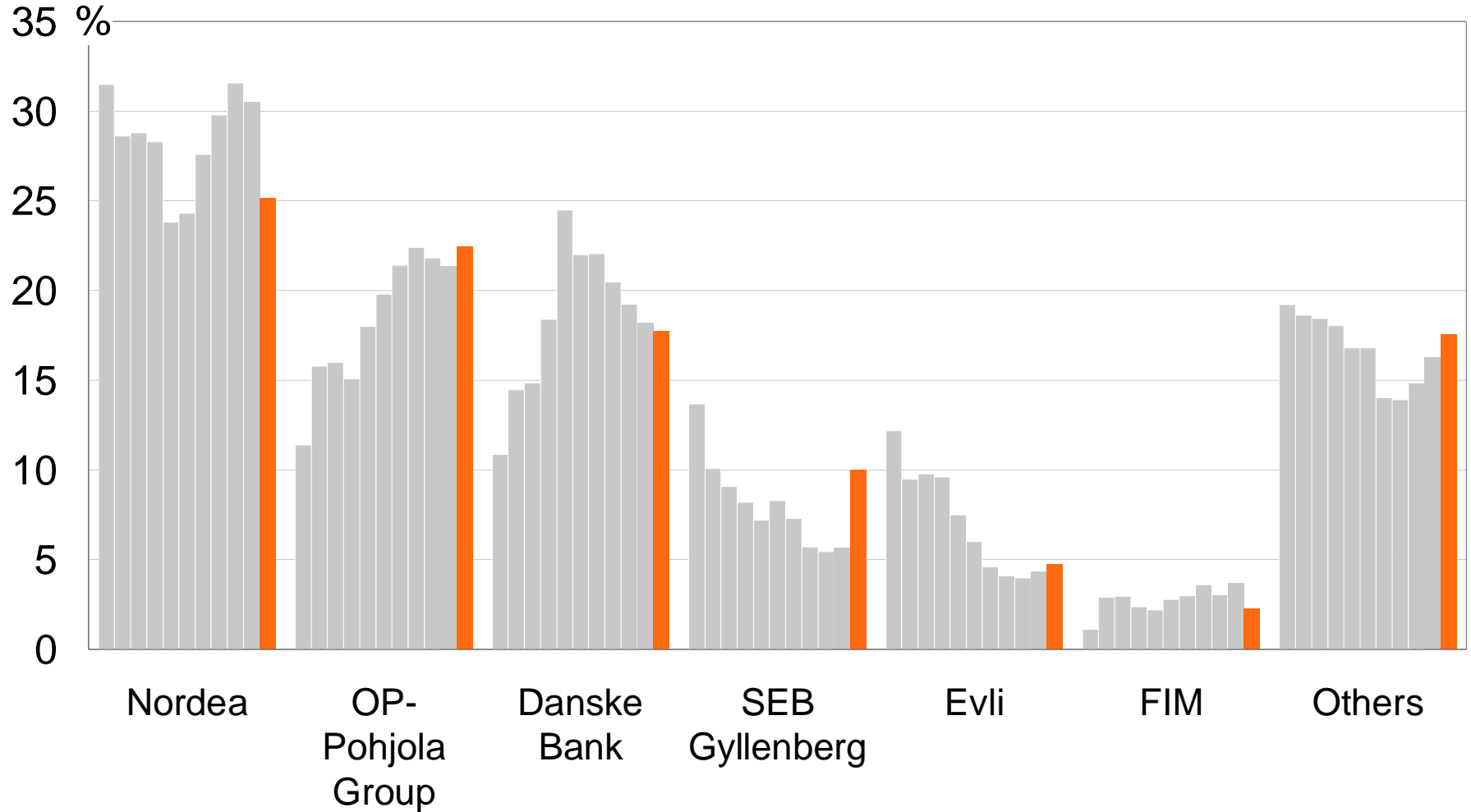
Figures are estimates  
Sources: Bank of Finland, banks

Market Share in Loans  
31 December 2008



Figures are estimates  
Sources: Bank of Finland, banks

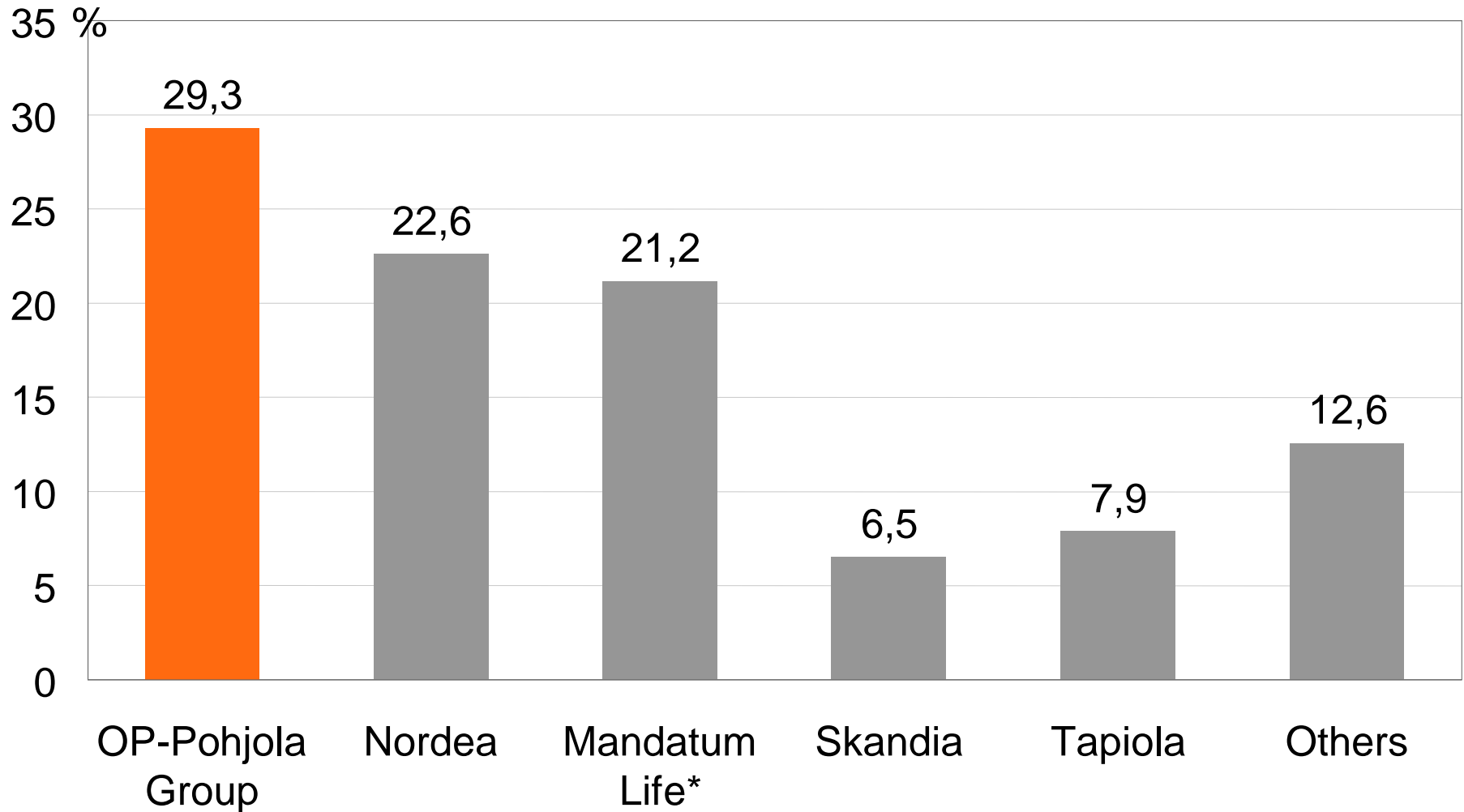
# Mutual fund companies' market shares 1998 - 2008



Source: Finnish Association of Mutual Funds

# Market shares in life insurance

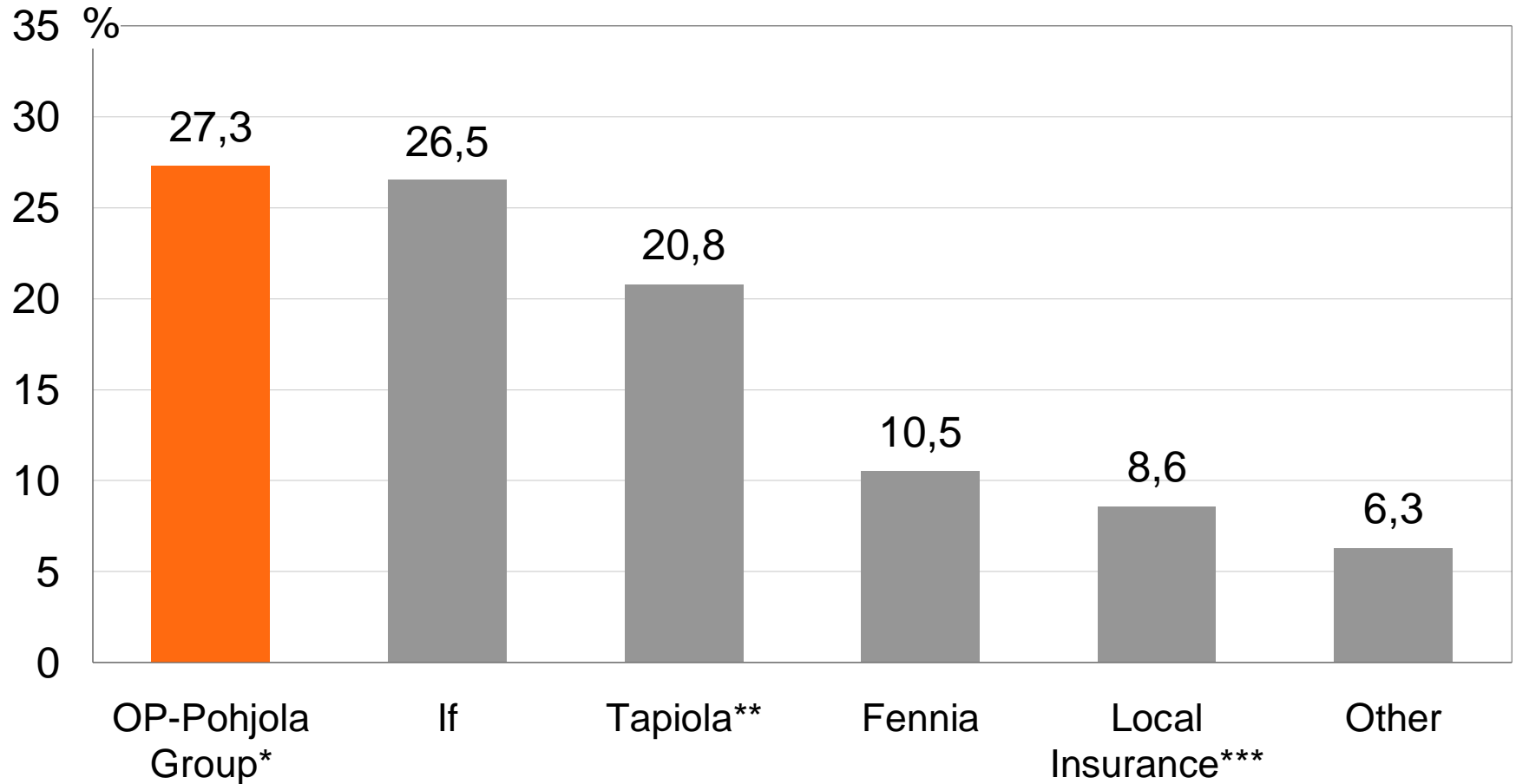
## Gross premiums written 2008



\* Mandatum Life and Kaleva

# Market shares of non-life insurance premiums written 2007

Domestic direct insurance



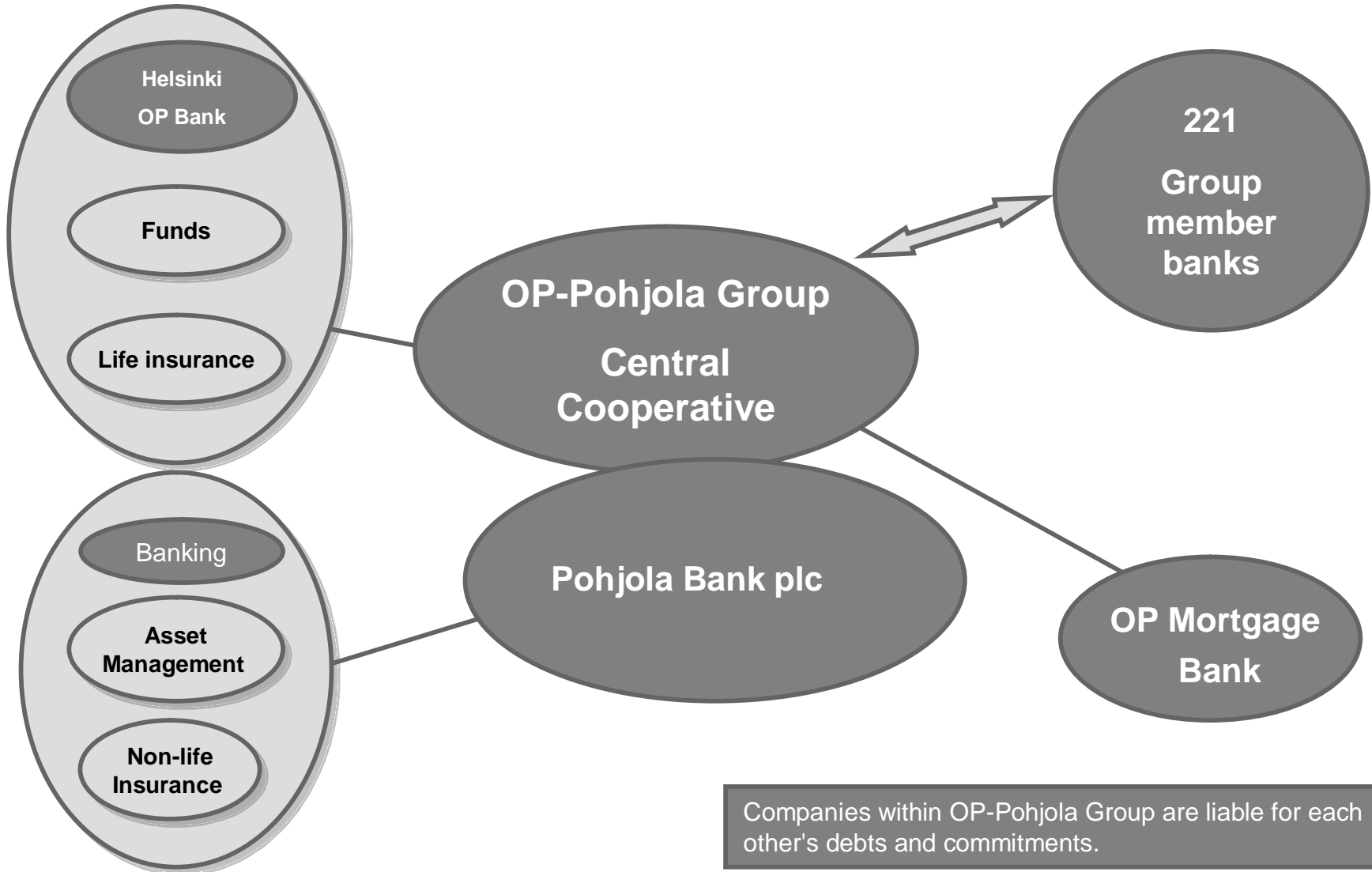
\* Pohjola Non-Life, A-Insurance, Eurooppalainen and OVY \*\* incl. Turva \*\*\* incl. Palonvara

Source: Federation of  
Finnish Financial Services

# OP-Pohjola Group

Structure, strategies and financial performance

# Joint responsibility of OP-Pohjola Group

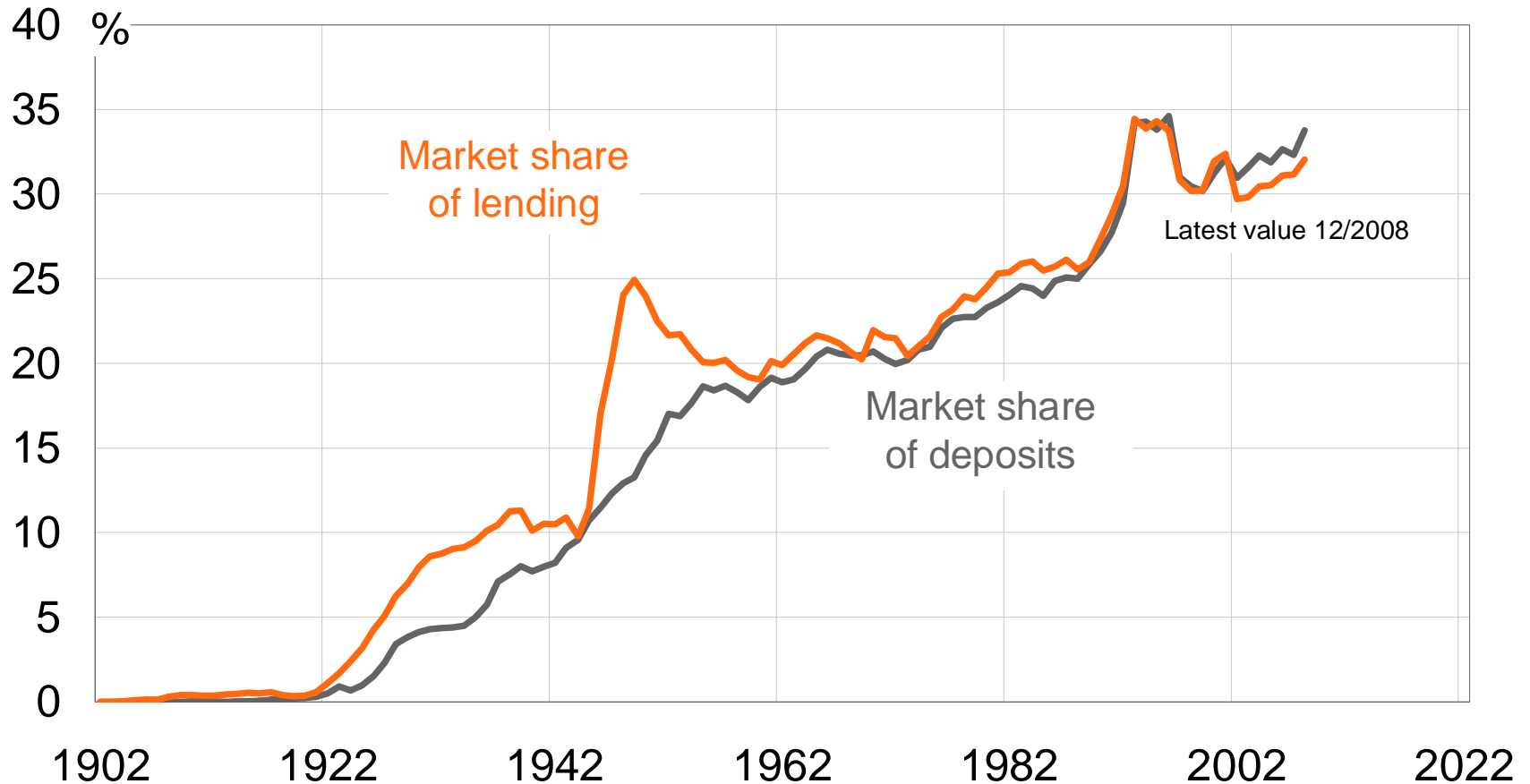




# Joint Responsibility for Liability

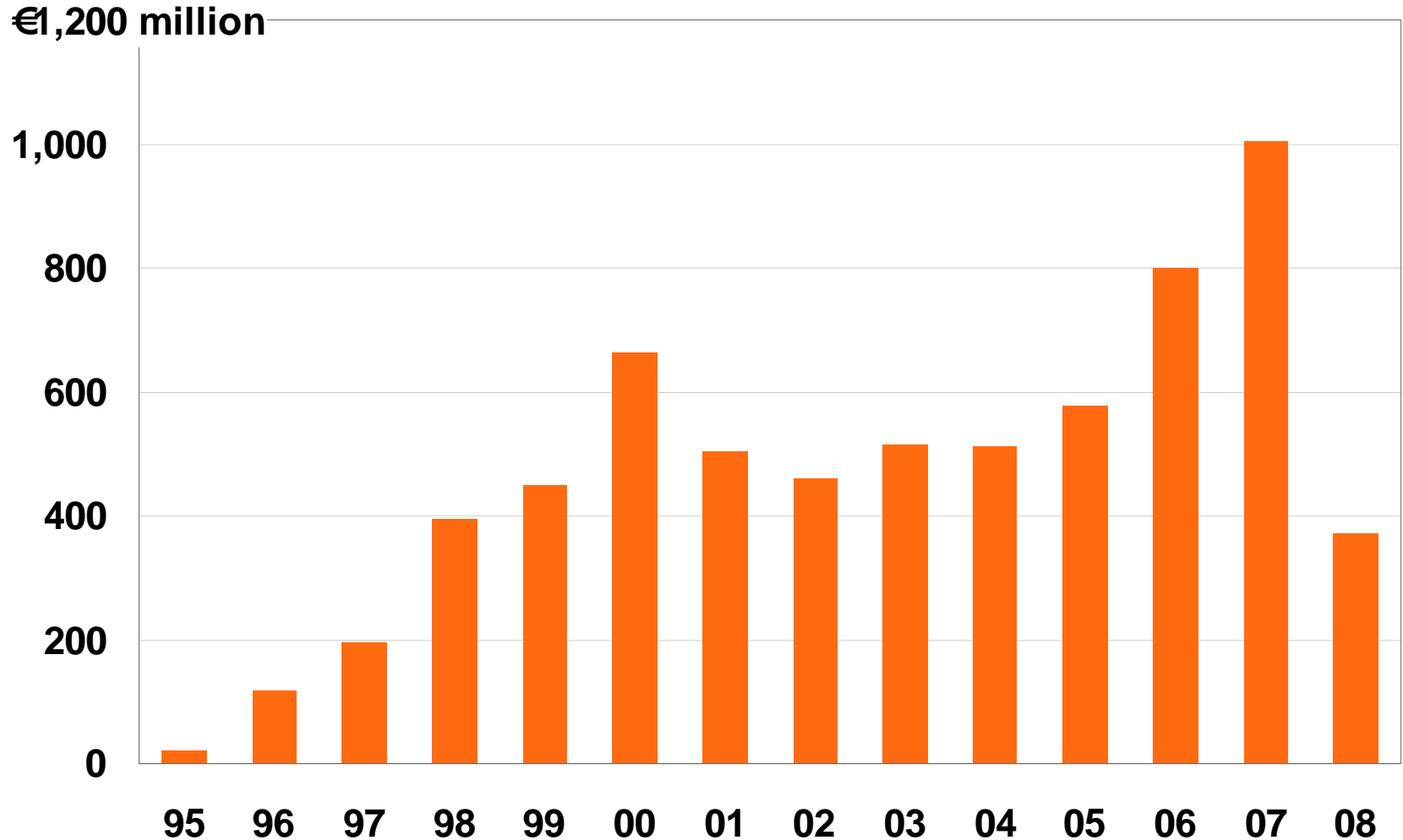
- Joint responsibility within the OP-Pohjola Group is based on the Cooperative Bank Act and the Member Credit Institutions are committed to the joint responsibility in their articles of association (commercial banks) or statutes (Member Cooperative Banks)
  - In the event that a Member Credit Institution or the Central Cooperative is unable to pay any debts owed the other Member Credit Institutions/ Central Cooperative are jointly and severally responsible for paying that debt
    - The outstanding debt is apportioned among the Central Cooperative and the Member Credit Institutions in proportion to their assets as a percentage of the total group assets from the most recently adopted balance sheets
- The joint responsibility under the cooperative system includes the Central Cooperative and its Member Credit Institutions
  - The Member Cooperative Banks of the OP-Pohjola Group, Pohjola Bank plc Helsinki OP Bank Plc, OP-Kotipankki Oyj and OP Mortgage Bank
- Insurance companies within the OP-Pohjola Group are not included in the cooperative joint responsibility

# OP-Pohjola Group on the deposit and lending markets\*



\* Up until 12/2002 deposit banks' loans to and deposits placed by Finnish non-MFI's;  
since 1/2003 MFI's loans to and deposits placed by euro area non-MFI's

OP-Pohjola Group  
Earnings before tax, 12 month moving total  
1995-2003 FAS



## OP-Pohjola Group

# Income statement

<b>€ million</b>	<b>Change</b>			
<b>1 January to 31 December</b>	<b>2008</b>	<b>2007</b>	<b>€ million</b>	<b>%</b>
<b>Net interest income</b>	<b>1,189</b>	<b>1,048</b>	<b>141</b>	<b>13</b>
<b>Other income</b>	<b>634</b>	<b>1,206</b>	<b>-572</b>	<b>-47</b>
<b>Total income</b>	<b>1,823</b>	<b>2,254</b>	<b>-431</b>	<b>-19</b>
<b>Personnel costs</b>	<b>598</b>	<b>553</b>	<b>46</b>	<b>8</b>
<b>Other expenses</b>	<b>640</b>	<b>576</b>	<b>64</b>	<b>11</b>
<b>Total expenses</b>	<b>1,238</b>	<b>1,129</b>	<b>110</b>	<b>10</b>
<b>Impairments of receivables</b>	<b>58</b>	<b>13</b>	<b>45</b>	
<b>Returns to owner-members and OP bonus customers</b>	<b>154</b>	<b>107</b>	<b>47</b>	<b>44</b>
<b>Earnings before tax</b>	<b>372</b>	<b>1,005</b>	<b>-633</b>	<b>-63</b>

# OP-Pohjola Group

## Balance sheet items

€million	12/2008	12/2007
<b>Total assets</b>	<b>75 746</b>	<b>65 716</b>
<b>Receivables from customers</b>	<b>51 708</b>	<b>44 776</b>
<b>Non-performing and zero-interest claims</b>	<b>203</b>	<b>147</b>
<b>Deposits</b>	<b>34 533</b>	<b>29 001</b>
<b>Equity capital</b>	<b>5 215</b>	<b>5 638</b>

## OP-Pohjola Group

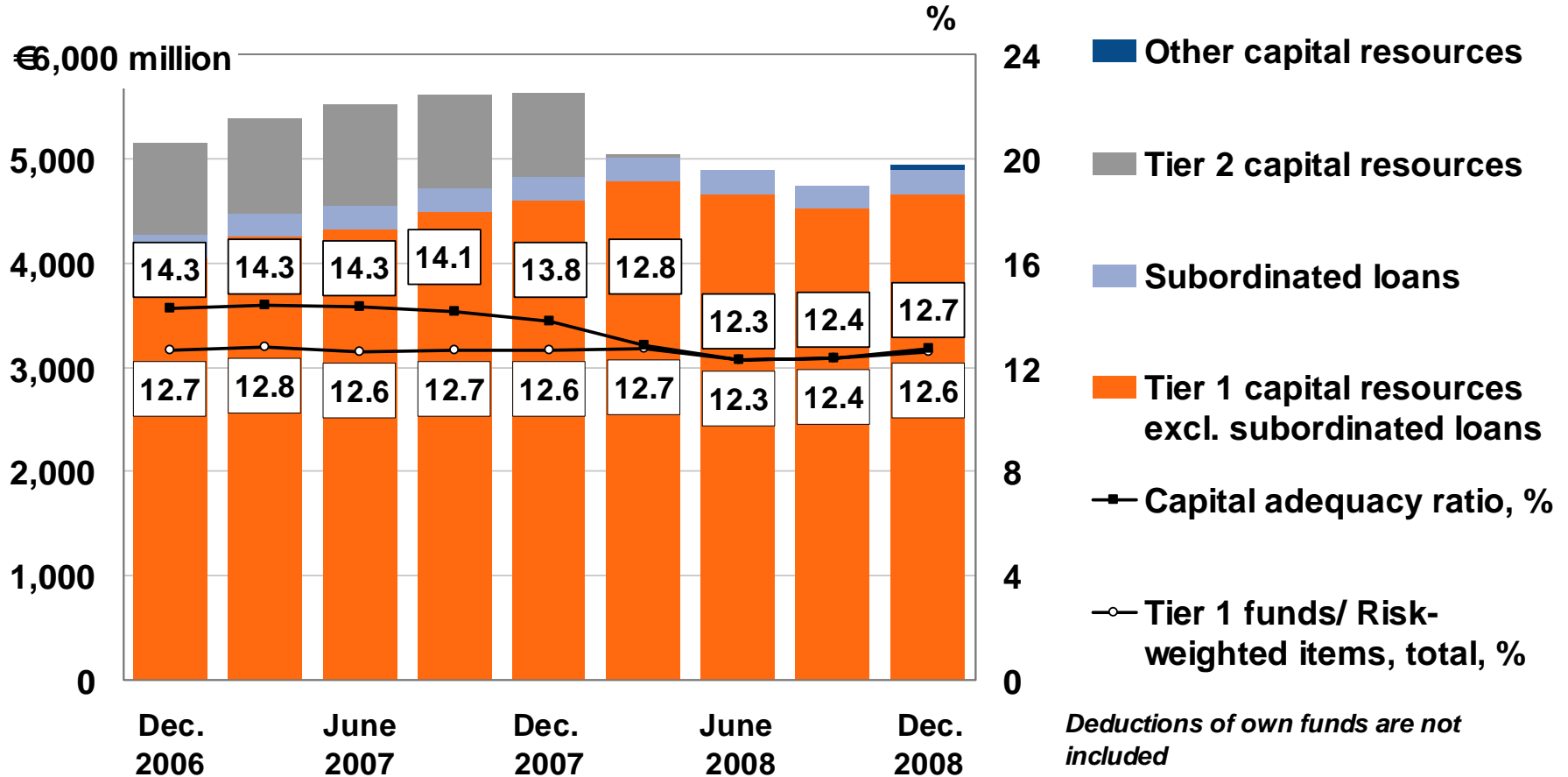
# Ratios

	12/2008	12/2007
<b>Net interest margin, % *</b>	<b>1.7</b>	<b>1.7</b>
<b>Cost/ income ratio, Banking and Investment Services, %</b>	<b>54</b>	<b>49</b>
<b>Return on equity (ROE), %</b>	<b>4.1</b>	<b>13.7</b>
<b>Return on equity at fair value, %</b>	<b>-6.0</b>	<b>10.9</b>
<b>Return on assets (ROA), %</b>	<b>0.31</b>	<b>1.18</b>
<b>Non-performing and zero-interest bearing receivables of loans and guarantees, %</b>	<b>0.4</b>	<b>0.3</b>
<b>Tier 1 ratio, %</b>	<b>12.6</b>	<b>12.6</b>
<b>Capital adequacy ratio, %</b>	<b>12.7</b>	<b>13.8</b>

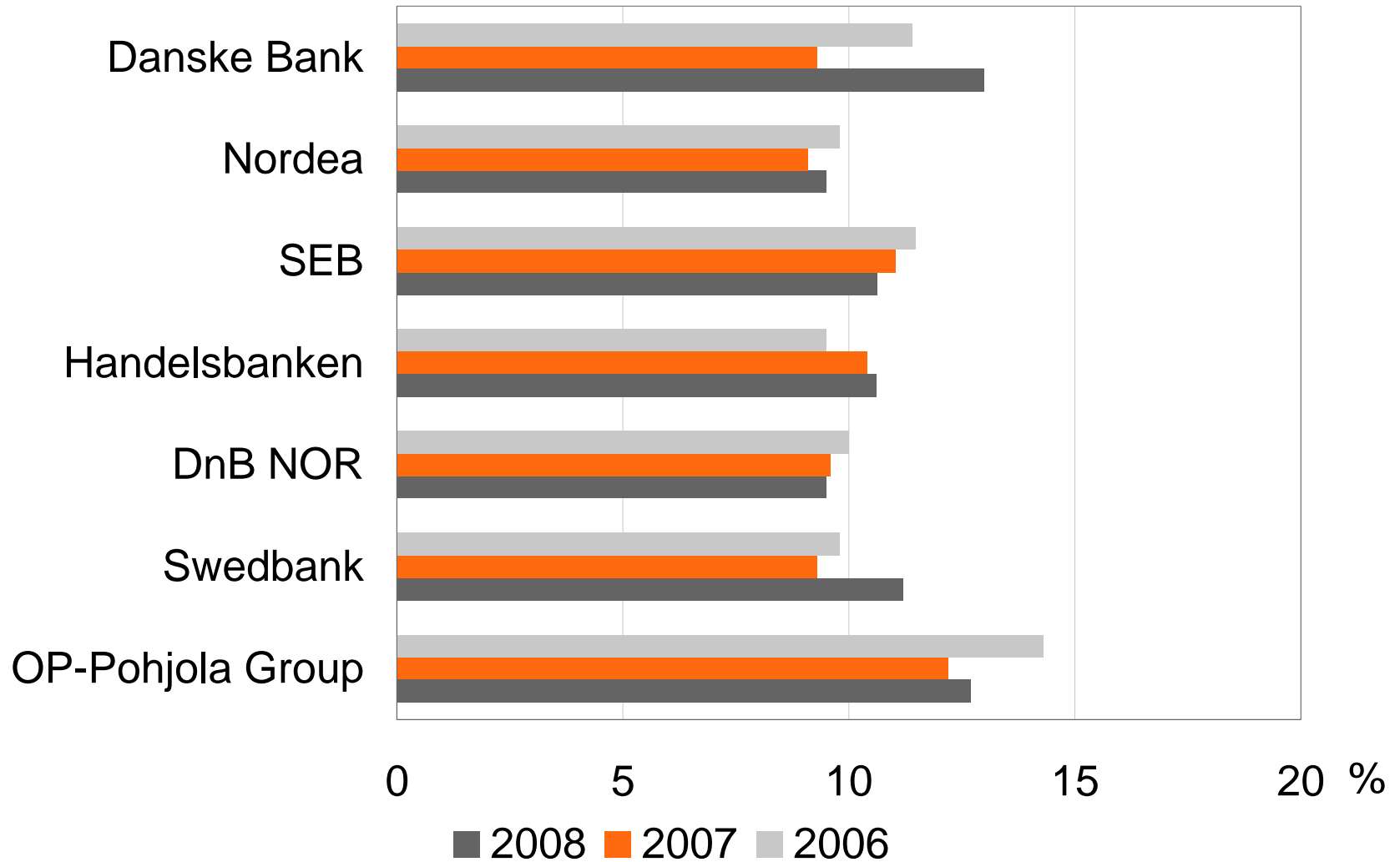
\* Net interest income as a % of average total assets

## The amalgamation of the cooperative banks

# Capital resources and capital adequacy



# Nordic banks: Total capital ratio

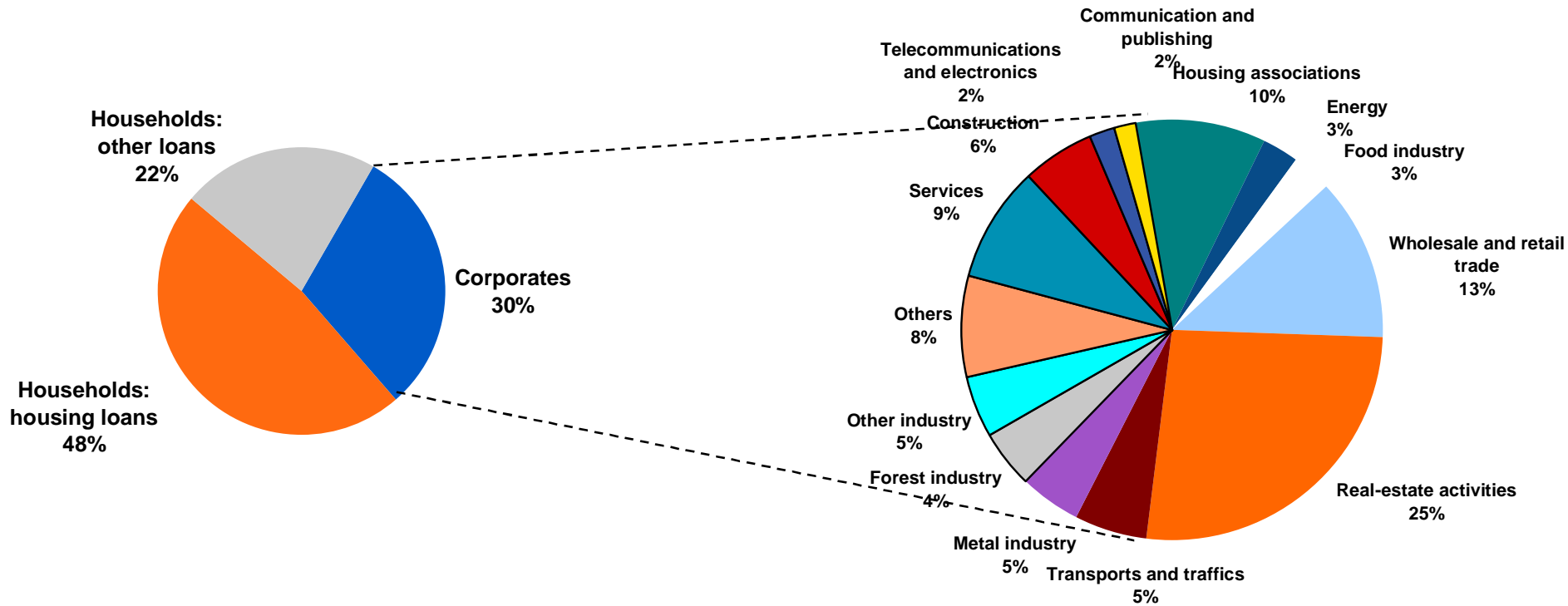




# Asset Mix OP-Pohjola Group

## Loans and leasing assets by sector

December 31, 2008



## OP-Pohjola Group

# Loan portfolio by sector

€million	31 Dec. 2008		31 Dec. 2007		Change		Non-performing and zero-interest loans	
					€million	%	31 Dec. 2008	Of loans
<b>Non-banking corporate sector and housing associations</b>	<b>15,457</b>	<b>30%</b>	<b>12,822</b>	<b>29%</b>	<b>2,635</b>	<b>21%</b>	<b>63</b>	<b>0.4%</b>
Industry	2,944	6%	2,310	5%	633	27%	15	0.5%
Construction	856	2%	803	2%	53	7%	10	1.2%
Trade and catering	2,181	4%	1,936	4%	245	13%	11	0.5%
Property investment	4,086	8%	3,287	7%	799	24%	15	0.4%
Other companies	3,831	8%	3,057	7%	774	25%	11	0.3%
Housing associations	1,560	3%	1,429	3%	131	9%	1	0.1%
<b>Finance and insurance</b>	<b>16</b>	<b>0%</b>	<b>12</b>	<b>0%</b>	<b>4</b>	<b>35%</b>	<b>0</b>	<b>0.7%</b>
<b>Public corporations and non-profit organisations</b>	<b>864</b>	<b>2%</b>	<b>854</b>	<b>2%</b>	<b>11</b>	<b>1%</b>	<b>3</b>	<b>0.3%</b>
<b>Households</b>	<b>33,842</b>	<b>66%</b>	<b>30,560</b>	<b>68%</b>	<b>3,283</b>	<b>11%</b>	<b>122</b>	<b>0.4%</b>
Home mortgages	24,156	47%	21,547	48%	2,610	12%	71	0.3%
<b>Foreign</b>	<b>884</b>	<b>2%</b>	<b>589</b>	<b>1%</b>	<b>295</b>	<b>50%</b>	<b>15</b>	<b>1.7%</b>
<b>Other items, net</b>	<b>-97</b>	<b>0%</b>	<b>-62</b>		<b>-35</b>			
<b>Total</b>	<b>50,967</b>	<b>100%</b>	<b>44,774</b>	<b>100%</b>	<b>6,193</b>	<b>14%</b>	<b>203</b>	<b>0.4%</b>

## OP-Pohjola Group

# Non-performing and zero-interest loans

€million	31 Dec. 2008	31 Dec. 2007	Change, %
Households	122	92	32.7
Companies	62	52	19.5
Housing associations and others	19	3	
<b>Total</b>	<b>203</b>	<b>147</b>	<b>37.8</b>
Non-performing loans of loan and guarantee portfolio, %	0.4	0.3	0.06*

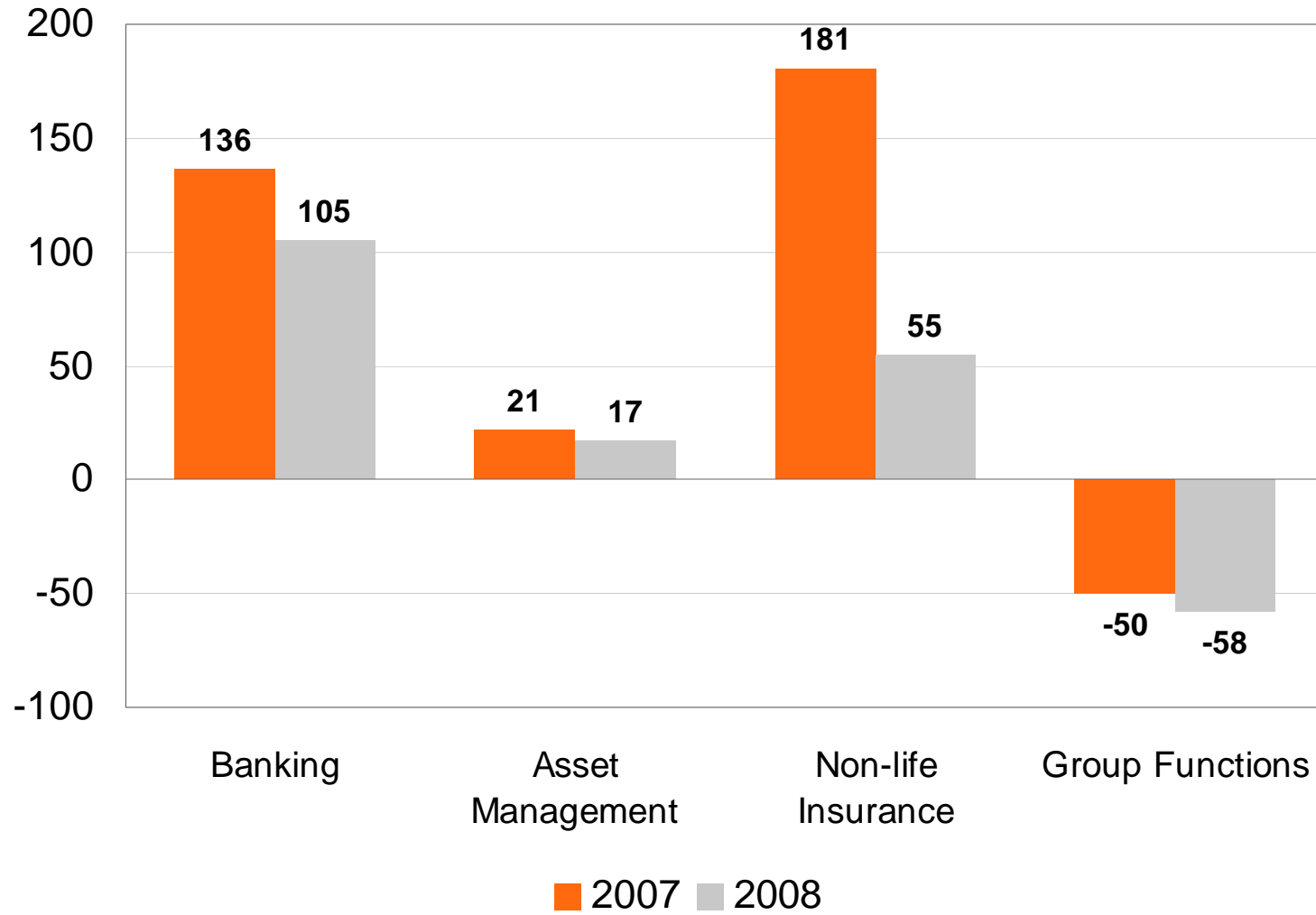
\* Percentage points

# Pohjola Bank plc

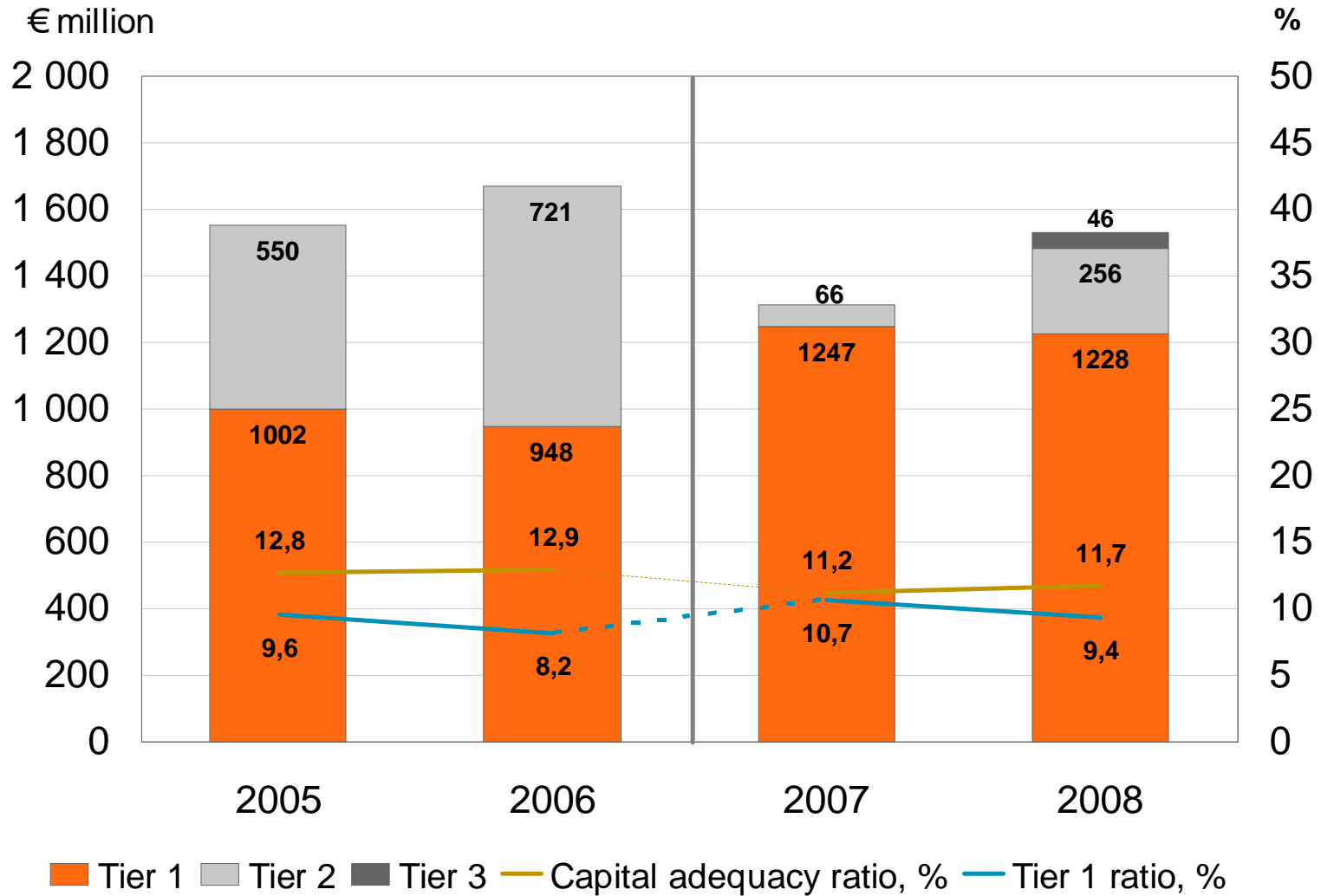
# Earnings before Tax by Business Segment

## January–December

€ million



# Own Funds and Capital Adequacy



\* For capital adequacy measurement, treatment of insurance company holdings changed as of 2007

# Income Statement

€million	10-12/08	10-12/07	1-12/08	1-12/07
Net interest income	54	30	174	115
Impairments	21	-1	28	1
Net interest income after impairments	33	31	146	114
Net income from non-life insurance	74	123	353	433
Net commissions and fees	29	32	108	115
Net trading income	-9	-27	-81	-34
Net investment income	-3	1	6	28
Other operating income	14	20	56	71
Total income	139	179	589	728
Total expenses	134	112	470	440
Earnings before tax	5	67	119	288
Earnings per share, €	0,03	0,24	0,44	1,04

# Funding Profile



# Long-term Credit Ratings\*)

	Moody's Investors Service	Standard & Poor's	Fitch Ratings
Pohjola Bank	Aa1	AA-	AA-
Handelsbanken	Aa1	AA-	AA-
Nordea	Aa1	AA-	AA-
DnB NOR	Aa1	AA-	-
Danske Bank	Aa3	A	A+
SEB	A1	A+	A+
Swedbank	A1	A	A+
Pohjola Insurance Ltd**) If **)	A1 A2	A+ A	- -
Finnish sovereign	Aaa	AAA	AAA

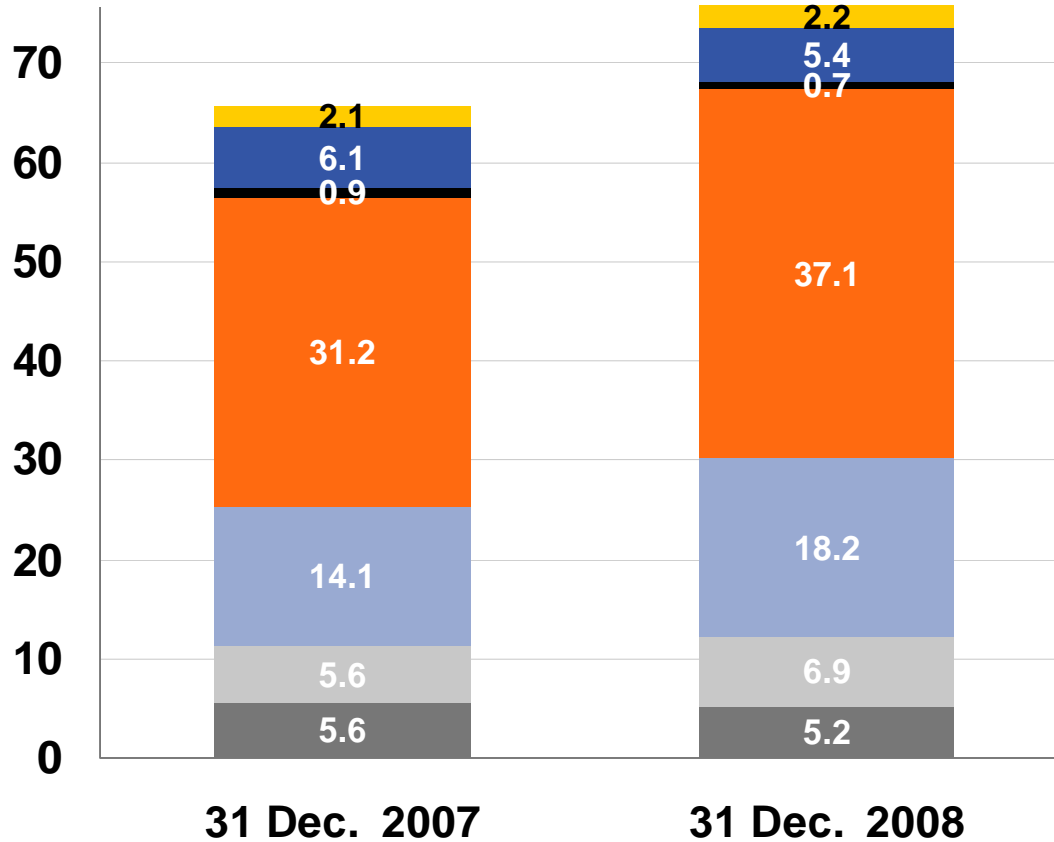
\*) Long-term debt

\*\*) Insurer financial strength

3.4.2009

# OP-Pohjola Group Funding Profile

€80 billion



■ Non-life insurance liabilities

■ Life insurance liabilities

■ Liabilities to financial institutions

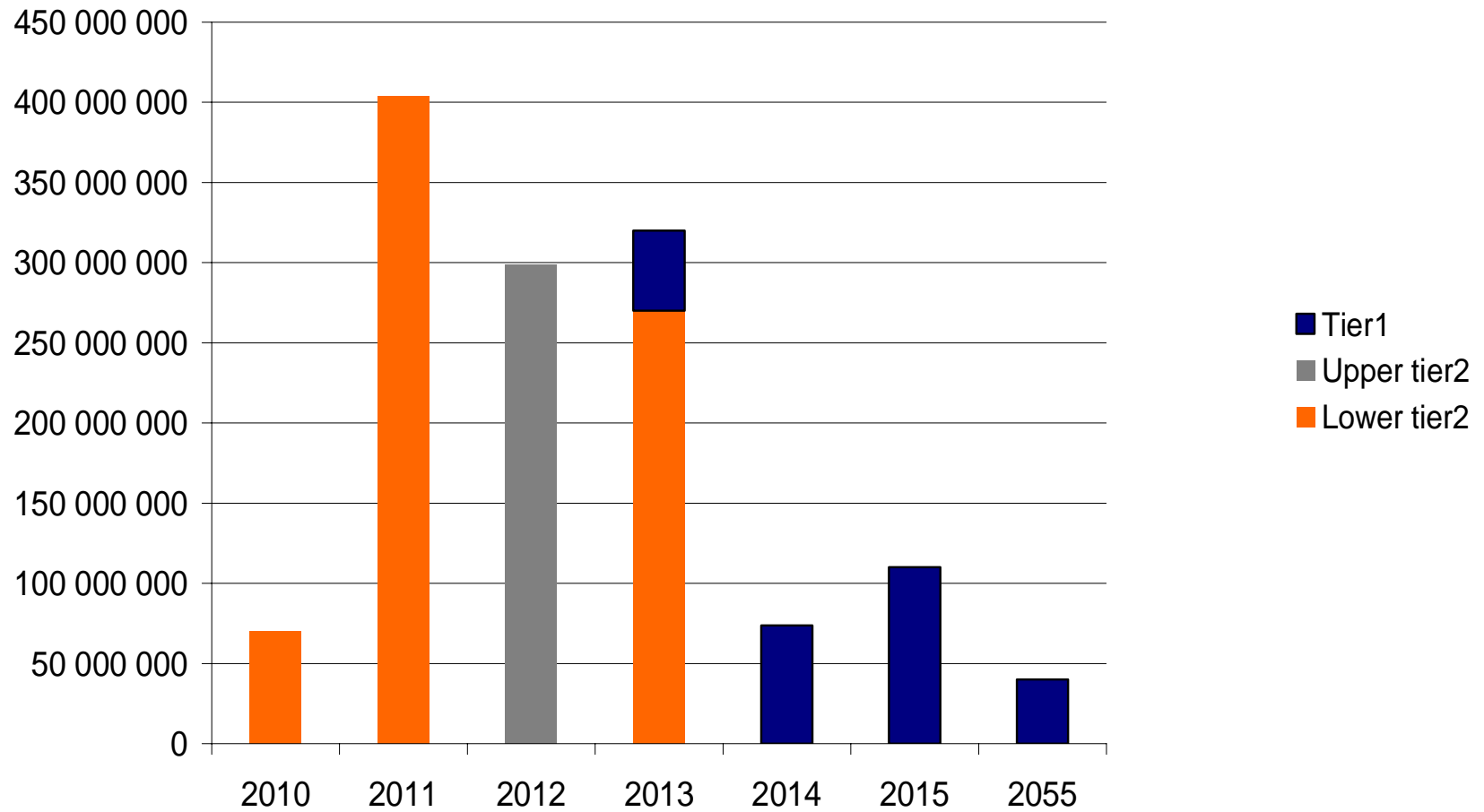
■ Liabilities to customers

■ Debt securities issued to the public

■ Other liabilities

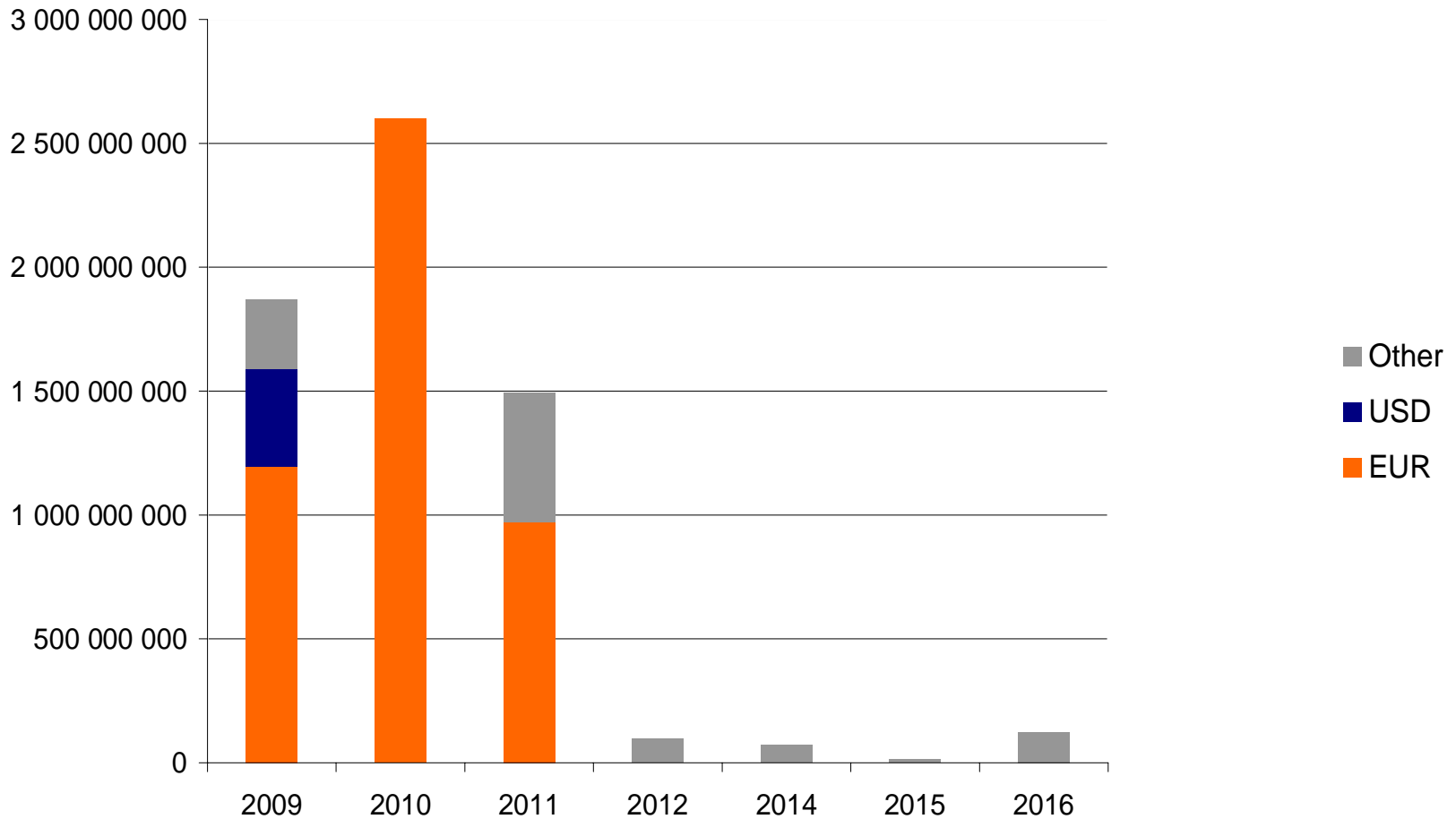
■ Equity capital

## LT2, UT2 and Tier 1 by Call Date



21.4.2008

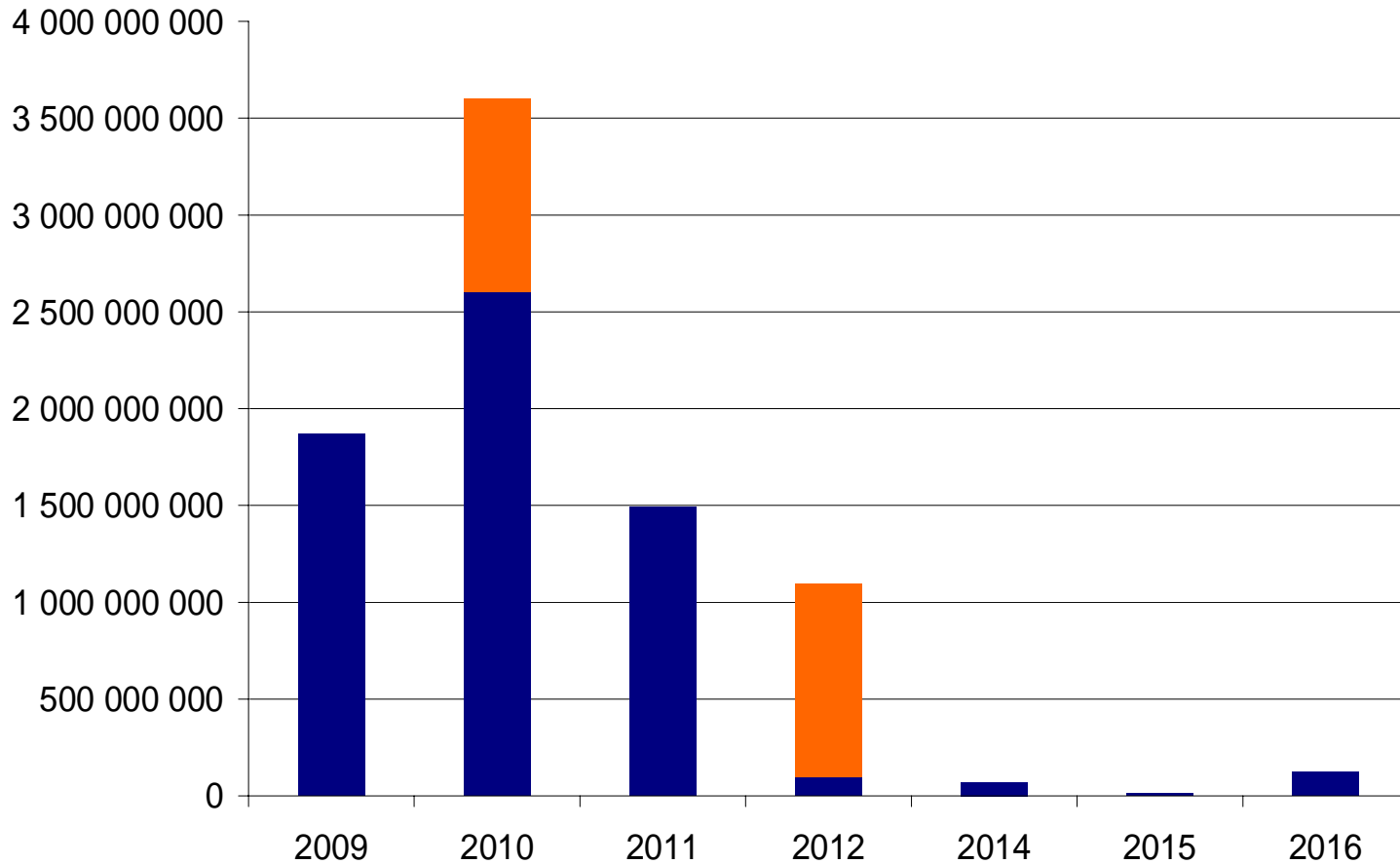
## Issued Senior Debt by Maturity



21.4.2008

## Issued Senior Debt by Maturity

■ Pohjola ■ OP-Mortgage Bank



# Contact Information

Jouko Pölönen

CFO, Pohjola Group

tel. +358 10 252 3405

mobile +358 50 350 8226

[jouko.polonen@pohjola.com](mailto:jouko.polonen@pohjola.com)



Hanno Hirvinen

Executive Vice President

Head of Group Treasury

tel. +358 10 252 2221

mobile +358 50 522 8322

[hanno.hirvinen@pohjola.com](mailto:hanno.hirvinen@pohjola.com)





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