Pohjola Bank plc’s Annual General Meeting

Helsinki Exhibition & Convention Centre
29 March 2011, 2.00 pm
1. Opening of the Meeting

Chairman of the Board of Directors

Reijo Karhinen
Fixed Investments Prompting Rebound in Demand for Credits

Sources: Statistics Finland, OP-Pohjola Group

* On fourth quarter moving sums

Source: Bank of Finland

Pohjola IR / AGM 2011
Group Member Banks
an Important Sales Channel for Pohjola
Sales of non-life policies to private and corporate customers

Entire sector

- Own salespeople: 5%
- Telephone: 6%
- Banks: 17%
- Car dealers: 38%
- Agents: 8%
- Other: 26%

Pohjola

- Own salespeople: 3%
- Telephone: 17%
- Banks: 21%
- Car dealers: 26%
- Agents: 11%
- Other: 22%

Source: Federation of Finnish Financial Services
Pohjola Group Earnings before Tax
Increased to EUR 308 million in 2010 –
The Best Ever Figure

€ million

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>223</td>
</tr>
<tr>
<td>2007</td>
<td>288</td>
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<tr>
<td>2008</td>
<td>119</td>
</tr>
<tr>
<td>2009</td>
<td>265</td>
</tr>
<tr>
<td>2010</td>
<td>308</td>
</tr>
</tbody>
</table>
The mark of a good group
2. Calling the Meeting to Order
3. Election of Persons Checking the Minutes and Supervising Vote Counting
4. Legality of Meeting
5. Recording of Those Present and Confirmation of Voters List
6. Presenting the Financial Statements, Report by the Board of Directors and Auditor’s Report for 2010
   • Review by President and CEO Mikael Silvennoinen
Review by President and CEO

- Business Performance 2010
- Implementation of Strategic Initiatives in 2010
- Financial Performance for 2010 and Outlook for 2011
- Balance Sheet, Capital Adequacy and Credit Ratings
- Pohjola Share and Proposed Dividend Distribution
Business Performance 2010
Banking

Reima Rytsölä, b. 1969
M.Soc.Sc.,
CEFA
Loan Portfolio up 6%
Market Share of Corporate Loans Almost Unchanged

* Until the end of 2002, the corporate loan portfolio of deposit banks, since 2003 the proportion based on a new statistical basis of the Bank of Finland.
Rise in Margin on Corporate Loan Portfolio Came to an End

Percentage points

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.87</td>
<td>0.81</td>
<td>0.94</td>
<td>1.33</td>
<td>1.36</td>
</tr>
</tbody>
</table>
Loan Portfolio and Average Margin on Corporate Loan Portfolio and Wholesale Funding

€ billion

- Loan portfolio
- Average corporate loan margin
- Average margin of wholesale funding

Pohjola IR / AGM 2011
Growth Potential among Corporate Banking Customers for Markets Division

Banking, Earnings before tax by business line, € mn

€ million

82
55
-4
133

Corporate Banking
Markets
Baltic
Total
2009
2010
Non-life Insurance

Jouko Pölönen, b. 1970
M.Sc. (Econ. & Bus. Adm.),
emBA
Growth in Insurance Premium Revenue

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltic States</td>
<td></td>
<td></td>
<td>-14%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>+2%</td>
</tr>
</tbody>
</table>

€ million

0  200  400  600  800  1,000

Pohjola IR / AGM 2011
Even Premium Revenue Distribution by Insurance Line
2010 Premium Revenue €964 Million

- Motor, third party liability: 17%
- Fire and other damage to property: 17%
- Statutory workers' compensation insurance: 17%
- Motor, other: 17%
- Other accident and health: 11%
- Other: 19%
Pohjola Strengthened Its Leading Market Position

Pohjola’s 2010 preliminary information 27.8%
OP-Pohjola Group’s Great Customer Potential as Source of Sustained Growth

1,000 customers

- 2005: Total 3,964
  - Non-life insurance customers: 846
  - Banking and non-life insurance customers: 2,413

- 2010: Total 4,133
  - Non-life insurance customers: 755
  - Banking and non-life insurance customers: 2,212

+ 65%
Target of 450,000 Loyal Customer Households Set in Connection with Pohjola Insurance Acquisition. We Reached the Target.
Balance on Technical Account
the Second Best Ever

Operating combined ratios

<table>
<thead>
<tr>
<th></th>
<th>09</th>
<th>10</th>
<th>09</th>
<th>10</th>
<th>09</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private customers</td>
<td>88.7</td>
<td>83.8</td>
<td>86.5</td>
<td>94.6</td>
<td>90.0</td>
<td>101.5</td>
</tr>
<tr>
<td>Corporate customers</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Baltic States</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- Operating expenses/insurance premium revenue, %
- Claims incurred/insurance premium revenue, %
Profitability of Insurers in the Nordic Countries

Combined ratio 2006–10

Combined ratio per period

Profitability of Insurers in the Nordic Countries

Combined ratio 2006–10

Pohjola IR / AGM 2011
Greater Equity Weighting in Non-life Insurance
Investment Portfolio Allocation

2010
- Real estate: 7%
- Alternative investments: 7%
- Equities: 12%
- Private Equity: 2%
- Bonds and bond funds: 2%
- Money market: 72%

2009
- Real estate: 4%
- Alternative investments: 6%
- Equities: 5%
- Private Equity: 10%
- Bonds and bond funds: 2%
- Money market: 72%
Return on Investment at Fair Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (%)</th>
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<tbody>
<tr>
<td>2006</td>
<td>5.2%</td>
</tr>
<tr>
<td>2007</td>
<td>4.8%</td>
</tr>
<tr>
<td>2008</td>
<td>-7.0%</td>
</tr>
<tr>
<td>2009</td>
<td>10.7%</td>
</tr>
<tr>
<td>2010</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
Asset Management

Mikko Koskimies, b. 1967
M.Sc. (Econ. & Bus. Adm.)
Assets under Management Reached a New High

€ billion

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>31.4</td>
<td>31.5</td>
<td>25.3</td>
<td>33.1</td>
<td>35.0</td>
</tr>
</tbody>
</table>
Pohjola Private Assets under Management Grew Most in Relative Terms
Assets under management by client group

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP-Mutual funds</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>Pohjola Private</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Institutional clients</td>
<td>58%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Implementation of Strategic Initiatives in 2010
HR Services
Eva Valkama, b. 1949
M.Sc. (Econ. & Bus. Adm.)

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
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
Asset Management

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

Improving international service capabilities
Strategy Implementation in 2011 and the Next Few Years

- Further developing and securing sales channels’ operations
- Adopting the Economic Profit/Economic Capital model in business control
- Exploiting the information advantage in segmentation, marketing, risk selection and pricing
- Expanding our Baltic business and further developing international cash management services and international partnerships
- Implementing the Talent programme and creating an effective competence survey process
- Further developing the Markets division business
- Further developing the claims operating model and creating an excellent claims settlement service concept
- Enhancing electronic transactions
Financial Performance for 2010 and Outlook for 2011
Finance

Vesa Aho, b. 1974
M.Sc. (Econ. & Bus. Adm.)
Consolidated Earnings before Tax Increased to €308 Million

€ million

2006  2007  2008  2009  2010
223  288  119  265  308
Year-on-year Earnings Performance 2010

€ million

- 265
- 17
  21
- 36
  44
- 14
- 13
  25
  308

2009
Net interest income
Net commissions and fees
Net trading income
Net investment income
Net income from Non-life Insurance
Expenses
Impairment losses on receivables
2010

Pohjola IR / AGM 2011
All Business Lines Improved Their Earnings before Tax, Excluding Non-recurring Items

Earnings before tax by division
€ million

- Banking: 133
- Non-life Insurance: 83
- Asset Management: 31
- Group Functions: 61
- Total: 308

2010 vs 2009
Impairment Charges Remained Higher than Usual

€ million

- New impairment charges
- Reversal of impairment losses and recoveries from loan losses
- Net impairments

2006 2007 2008 2009 2010
## Financial Targets and Actuals

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on equity at fair value, %</td>
<td>13</td>
<td>9.3</td>
<td>19.2</td>
</tr>
<tr>
<td>Tier 1 ratio, %</td>
<td>&gt; 9.5</td>
<td>12.5</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Banking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cost/income ratio, %</td>
<td>&lt; 40</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td><strong>Non-life Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating combined ratio, %</td>
<td>92</td>
<td>89.7</td>
<td>87.7</td>
</tr>
<tr>
<td>Operating expense ratio, %</td>
<td>&lt; 20</td>
<td>21.3</td>
<td>22.2</td>
</tr>
<tr>
<td>Solvency ratio, %</td>
<td>70</td>
<td>86</td>
<td>88</td>
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<tr>
<td><strong>Asset Management</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Operating cost/income ratio, %</td>
<td>&lt; 50</td>
<td>53*</td>
<td>53</td>
</tr>
</tbody>
</table>

*Excl. items related to corporate transaction
Outlook for 2011

• Consolidated earnings before tax in 2011 are expected to be higher than in 2010.
• Enabled by the economic recovery, the operating environment is expected to improve in the corporate sector and impairment charges to decrease.
• In Non-life Insurance, the operating combined ratio is estimated to vary between 89% and 94% if the number of major losses is not much larger than in 2010.
• Capital gains on notes and bonds are expected to decrease.
• The full version of outlook is available from the Financial Statements Bulletin.
Balance Sheet, Capital Adequacy and Credit Ratings
Risk Management

Petri Viertiö, b. 1962
M.Sc. (Tech.)
Balance Sheet Total Increased to €36.2 Billion

Balance sheet total

€ billion

2006 2007 2008 2009 2010

24.2 25.9 32.4 35.5 36.2
Improved Capital Adequacy under the Act on Credit Institutions

* Tier 1 capital excl. hybrid capital in relation to total risk-weighted assets.
Capital Adequacy Ratio under the Act on the Supervision of Financial and Insurance Conglomerates Remained Strong

- 2008: 1.26
- 2009: 1.73
- 2010: 1.71

*Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates
Statutory minimum requirement 1.00*
**Pohjola Credit Rating among the Best in the Nordic Countries**

<table>
<thead>
<tr>
<th></th>
<th>Moody’s</th>
<th>S &amp; P</th>
<th>Fitch</th>
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<tbody>
<tr>
<td>Pohjola Bank plc</td>
<td>Aa2*</td>
<td>AA-</td>
<td>AA-*</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>Aa2</td>
<td>AA-</td>
<td>AA-</td>
</tr>
<tr>
<td>Nordea</td>
<td>Aa2</td>
<td>AA-</td>
<td>AA-</td>
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<tr>
<td>DnB NOR</td>
<td>Aa3</td>
<td>A+</td>
<td>A+</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>Aa3</td>
<td>A*</td>
<td>A+</td>
</tr>
<tr>
<td>SEB</td>
<td>A1</td>
<td>A</td>
<td>A+</td>
</tr>
<tr>
<td>Swedbank</td>
<td>A2</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>OP Mortgage Bank**</td>
<td>Aaa</td>
<td>Aaa</td>
<td>-</td>
</tr>
<tr>
<td>Pohjola Insurance Ltd</td>
<td>A2*</td>
<td>A+</td>
<td>-</td>
</tr>
<tr>
<td>If</td>
<td>A2</td>
<td>A</td>
<td>-</td>
</tr>
<tr>
<td>Finnish State</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
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</table>

*) The credit rating outlook is negative  
**) Rating for covered bonds
Pohjola Share and Proposed Dividend Distribution
Peer insurers: AlmBrand, Sampo, TopDanmark and Tryg
Peer banks: Danske, DnB Nor, Nordea, SEB, SHB and Swedbank

Pohjola Share
TSR 2006–10

Pohjola +31%
(25 March 2011: €10.01)

Peer insurers +65%
Peer banks +14%
Proposed Dividend for 2010
€0.40 per Series A share and €0.37 per Series K share

In line with the dividend policy, the proposed dividend accounts for 55% of earnings per share.

Dividend payout ratio during 2006–10 averaged 58%.

* Share-issue adjusted dividend during 2006–2008
** Board’s proposal
7. Adoption of the Financial Statements
8. Allocation of Profit Shown by the Balance Sheet and Decision on Dividend Distribution
8. Board Proposal for Profit Distribution 1/4

• On 31 December 2010, the shareholders’ equity of Pohjola Bank plc totalled €1,605,505,584.07, €490,106,196.36 of which represented distributable equity.

• The following funds are at the AGM’s disposal for profit distribution:
  • Profit for 2010 €193,705,180.62
  • Retained earnings €1,899,747.73
  • Reserve for invested non-restricted equity €307,931,364.75
  • Other non-restricted reserves €23,449,472.31
  • less negative fair value reserve –€36,879,569.05
  • Total €490,106,196.36
8. Board Proposal for Profit Distribution 2/4

- The Company has €582 million in voluntary provisions in its balance sheet, and their reversal enables an increase of distributable funds by around €431 million.

- The Board of Directors proposes that the Company's distributable funds be distributed as follows:
  - €0.40 per share payable on 251,169,770 Series A shares, totalling €100,467,908.00, and
  - €0.37 per share payable on 68,381,645 Series K shares, totalling €25,301,208.65, i.e.

the proposed total dividend distribution amounts to €125,769,116.65.
8. Board Proposal for Profit Distribution 3/4

- The Board of Directors proposes that €125,769,116.65 out of the profit be allocated for profit distribution.

- Accordingly, €364,337,079.71 remains in the Company’s distributable equity.

- In addition, the Board of Directors proposes that a maximum of €200,000 be available to the Board of Directors reserved from the distributable funds for donations and other contributions to the public good.
8. Board Proposal for Profit Distribution 4/4

- The Company's financial position has not undergone any material changes since the end of the financial year 2010. The Company's liquidity is good and will not be jeopardised by the proposed profit distribution, in the Board of Directors' view.

- The proposed dividend record date is 1 April 2011 and the payment date 12 April 2011.
8. Report on Donations and Other Contributions to the Public Good in 2010

- On 26 March 2010, the AGM reserved a maximum of €500,000 for use by the Board of Directors for donations and other contributions to the public good.

- In 2010, the Board of Directors made such donations and contributions to:
  - the Pohjola Bank Art Foundation worth €140,000
  - the Aalto University Foundation worth €300,000
9. Decision on Discharge from Liability of the Members of the Board of Directors and the President and CEO
10. Decision on Emoluments Payable to the Board of Directors
10. Proposal by OP-Pohjola Group Central Cooperative for Board Emoluments

- Monthly Board emoluments
  - Chairman, €7,000 (unchanged)
  - Vice Chairman, €5,000 (unchanged)
  - Other members, €4,000 (unchanged)
    - An additional monthly emolument of €1,000 will be paid to such Board committee chairs who are not the Chairman or Vice Chairman of the Board of Directors (new)
  - Monthly emoluments are treated as pensionable salary

- In addition, the Board members receive an attendance allowance of €500 for each meeting (unchanged). An attendance allowance also applies to the meetings of Board Committees. Daily allowances and compensation for travel expenses are payable in accordance with the Group’s Travel Expenses Regulations (unchanged)
11. Decision on the Number of Members of the Board of Directors
11. Decision on the Number of Members of the Board of Directors
Proposal by OP-Pohjola Group Central Cooperative

- The Board of Directors comprises eight members, six of whom are elected by the AGM.
12. Election of Members of the Board of Directors
12. Election of Members of the Board of Directors
Proposal by OP-Pohjola Group Central Cooperative 1/3

**Merja Auvinen**
b. 1960  
M.Sc. (Econ. & Bus. Adm.), eMBA  
Managing Director, Savonlinnan Osuuspankki

**Jukka Hienonen**
b. 1961  
M.Sc. (Econ. & Bus. Adm.)  
President and CEO, SRV Group Plc
12. Election of Members of the Board of Directors
Proposal by OP-Pohjola Group Central Cooperative 2/3

Simo Kauppi
b. 1954
M.Sc. (Econ. & Bus. Adm.), eMBA
Managing Director, Länsi-Suomen Osuuspankki

Satu Lähteenmäki
b. 1956
D.Sc. (Econ. & Bus. Adm.)
Director, Turku School of Economics
12. Election of Members of the Board of Directors
Proposal by OP-Pohjola Group Central Cooperative 3/3

Harri Sailas  
b. 1951  
M.Sc. (Econ. & Bus. Adm.)  
President and CEO, Ilmarinen Mutual Pension Insurance Company

Tom von Weymarn  
s. 1944  
M.Sc. (Eng.)  
Board professional
12. Chairman and Vice Chairman of the Board of Directors

Pursuant to law and/or the Articles of Association, the Board of Directors also comprises:

**Reijo Karhinen**
b. 1955  
M.Sc. (Econ. & Bus. Adm.), vuorineuvos (Finnish honorary title)

Executive Chairman, OP-Pohjola Group  
Executive Chairman and CEO, OP-Pohjola Group Central Cooperative  
Chairman, Pohjola Bank plc’s Board of Directors

**Tony Vepsäläinen**
b. 1959  
LL.M., eMBA

CBDO and Deputy Executive Chairman and CEO, OP-Pohjola Group Central Cooperative; Vice Chairman, OP-Pohjola Group Central Cooperative’s Executive Board; Vice Chairman, Pohjola Bank plc’s Board of Directors
13. Decision on Auditors’ Remuneration
13. Decision on Auditors’ Remuneration
Proposal by OP-Pohjola Group Central Cooperative

- Auditors’ remuneration is based on a reasonable invoiced amount (unchanged)
  - Remuneration (Group-level) in 2010 €370,948
  - Fees for non-audit services paid to KPMG Oy Ab in 2010 €533,611.
14. Election of Auditors
14. Election of Auditors
Proposal by OP-Pohjola Group Central Cooperative

- Re-electing KPMG Oy Ab to act as the auditor
  - Oy KPMG Ab is (also) the auditor of OP-Pohjola Group Central Cooperative, the parent institution
15. Decision on Alteration of §3, 5, 10 and 12 of the Articles of Association
15. Decision on Alteration of §3, 5, 10 and 12 of the Articles of Association
Proposal by the Board of Directors

- §3: altering this article to conform to the provision under §6 of the new Act on the Amalgamation of Deposit Banks effective since 1 July 2010
  - Pohjola is an OP-Pohjola Group Central Cooperative member credit institution
  - No factual change
- §5 and 12: formal change related to reference to applicable law
- §10: method of publication of notice of General Meeting
  - (official) notice of General Meeting to be published on the Company’s website
  - at its discretion, the Board of Directors may publish notice of General Meeting in one or several newspapers
16. Authorisation Given to the Board of Directors to Decide on a Share Issue
16. Authorisation Given to the Board of Directors to Decide on a Share Issue 1/2

- The Board of Directors proposes to the AGM that the AGM authorise the Board of Directors to decide on one or several rights issues.

- The total number of Series A and Series K shares offered for subscription in such a rights issue may not exceed 24,000,000 and 6,000,000, respectively. This accounts for around 9% of the current number of shares.
16. Authorisation Given to the Board of Directors to Decide on a Share Issue 2/2

- The Board of Directors is also authorised to waive the shareholders' pre-emptive right (private placement), should there be, from the Company's perspective, a financially cogent reason to do so, in accordance with the Limited Liability Companies Act. In such a case, this authorisation may be exercised for the purpose of financing and executing company acquisitions or other transactions relating to the Company's business.

- The authorisation contains the Board of Directors' right of stipulating the terms and conditions of a share issue and on other matters relating to these measures. Based on the proposal, the Board of Directors also has the right to decide on whether the subscription price will be entered in full or in part in the reserve for invested non-restricted equity or share capital.

- It is proposed that the Board authorisation be valid until 29 March 2012.
17. Closing of the Meeting
17. Closing of the Meeting

- The Minutes of the Meeting will be available for inspection by shareholders at the Company’s head office and on the Company’s website as of 12 April 2011, at the latest
Pohjola Bank plc’s Annual General Meeting

Thank you for your presence