



# OKO BANK

OKO OSUUSPANKKIEN KESKUSPANKKI OYJ

*(incorporated with limited liability in the Republic of Finland)*

## EUR 5,000,000,000 Programme for the Issuance of Debt Instruments

Applications have been made to admit debt instruments (the “**Instruments**”) issued under the programme (the “**Programme**”) described in this Information Memorandum during the period of twelve months from the date hereof to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the “**FSMA**”, the “**UKLA**”) and to trading on the London Stock Exchange plc (the “**London Stock Exchange**”). The Programme also permits Instruments to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Bank. This document comprises listing particulars issued in compliance with the listing rules made under Section 74 of the FSMA (the “**Listing Rules**”) by the UKLA for the purpose of giving information with regard to the issue of Instruments under the Programme. A copy of this document has been delivered for registration to the Registrar of Companies in England and Wales in accordance with Section 83 of the FSMA.

This Information Memorandum supersedes and replaces any previous Information Memorandum or Supplemental Information Memorandum relating to the Programme.

**Banc of America Securities Limited**

**Barclays Capital**

**Citigroup**

**Crédit Agricole Indosuez**

**Credit Suisse First Boston**

**Deutsche Bank**

**Merrill Lynch International**

**JPMorgan**

**Nomura International**

**OKO Osuuspankkien Keskuspankki Oyj**

**UBS Investment Bank**

*(Arranger for the Programme)*

**Citigroup**

*OKO Osuuspankkien Keskuspankki Oyj (the “Bank” or “OKO Bank”) has confirmed to the dealers (the “Dealers”) named under “Subscription and Sale” that this Information Memorandum is true and accurate in all material respects and not misleading; the opinions and intentions expressed herein are honestly held; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would make this document as a whole or the expression of any such opinions or intentions misleading; and that all reasonable care has been taken by the Bank to ensure that such is the case. The Bank has further confirmed to the Dealers that this Information Memorandum (subject to being supplemented by pricing supplements (each a “Pricing Supplement”)) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Bank and its subsidiaries taken as a whole and of the rights attaching to the relevant Instruments.*

*The Bank accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Bank which has taken all reasonable care to ensure that such is the case the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Any reference in this document to listing particulars means this document excluding all information incorporated by reference. The Bank has confirmed that any information incorporated by reference, including any such information to which readers of this documents are expressly referred, has not been and does not need to be included in the listing particulars to satisfy the requirements of the FSMA or the Listing Rules. The Bank believes that none of the information incorporated therein by reference conflicts in any material respect with the information included in the listing particulars.*

*The Bank has not authorised the making or provision of any representation or information regarding the Bank or the Instruments other than as contained or incorporated by reference in this Information Memorandum, in the Dealership Agreement (as defined herein) or any Pricing Supplement or as approved for such purpose by the Bank. Any such representation or information should not be relied upon as having been authorised by the Bank, the Dealers or any of them.*

*Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Bank since the date hereof.*

*The Bank has not authorised any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “Regulations”) of Instruments having a maturity of one year or more which have not been admitted to listing in accordance with Part VI of the FSMA. Such Instruments may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.*

*The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Bank and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on distribution of this Information Memorandum and other offering material relating to the Instruments see “Subscription and Sale”. In particular, Instruments have not been and will not be registered under the United States Securities Act of 1933 and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons.*

*Neither this Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Bank, the Dealers or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Instruments. Each recipient shall be taken to have made its own investigation and appraisal of the condition of the Bank (financial or otherwise).*

*In this Information Memorandum references to “Dollars”, “United States Dollars” and “U.S.\$” are to the currency of the United States of America, references to “euro”, “EUR” and “€” are to the single currency of participating member states of the European Union, references to “Pounds Sterling” and “£” are references to the currency of the United Kingdom and references to “Japanese Yen” and “¥” are references to the currency of Japan.*

## DOCUMENTS INCORPORATED BY REFERENCE

*The following documents shall be deemed to be incorporated in, and to form part of, this document (provided, however, that such incorporated documents do not form a part of the listing particulars given in compliance with the listing rules made under Section 74 of the FSMA):*

- (1) the most recently published annual report and financial statements of the Bank from time to time;*
- (2) all supplements to this Information Memorandum circulated by the Bank from time to time in accordance with the undertaking given by the Bank referred to below; and*
- (3) any Pricing Supplement prepared in respect of the Programme for Instruments which are listed on the Official List of the UKLA and traded on the London Stock Exchange or any other stock exchange,*

save that any statement contained herein, in the most recently published annual reports and financial statements of the Bank or in such documents as are referred to in paragraph (2) above shall be deemed to be modified or superseded for the purpose of this Information Memorandum (but not the listing particulars) to the extent that a statement contained in any such subsequent document modifies or supersedes such statement.

The Bank will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of any such person, a copy of any or all of the documents incorporated herein by reference. Written or telephone requests for such documents should be directed to the Bank, the address of which is set out at the end of this document.

If at any time the Bank shall be required to prepare supplementary listing particulars pursuant to Section 81 of the FSMA, the Bank will prepare and make available an appropriate amendment or supplement to this Information Memorandum or further document which, in respect of any subsequent issue of Instruments to be admitted to the Official List of the UKLA, shall constitute supplementary listing particulars as required by the UKLA and Section 81 of the FSMA.

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*IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS UNDER THE PROGRAMME, THE DEALER (IF ANY) WHICH IS SPECIFIED IN THE RELEVANT PRICING SUPPLEMENT AS THE STABILISING MANAGER (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER (OR ANY AGENT OF THE STABILISING MANAGER) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.*

*FOR A DESCRIPTION OF THESE ACTIVITIES IN RELATION TO ANY SERIES OF INSTRUMENTS, A PORTION OF WHICH IS OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, SEE "SUBSCRIPTION AND SALE" ON PAGE 48.*

## SUMMARY OF THE PROGRAMME

*The following is a brief summary only and should be read, in relation to any Series of Instruments, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Instruments set out on pages 7 to 25 hereof.*

Issuer:	OKO Osuuspankkien Keskuspankki Oyj
Arranger:	Citigroup Global Markets Limited
Dealers:	Banc of America Securities Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Crédit Agricole Indosuez, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, J.P. Morgan Securities Ltd., Merrill Lynch International, Nomura International plc, OKO Osuuspankkien Keskuspankki Oyj, UBS Limited and any other dealer appointed from time to time by the Bank. The Bank may also issue Instruments to any other person or institution.
Programme Amount:	EUR 5,000,000,000 (or its approximate equivalent in other currencies), subject to any duly authorised increase or decrease.
Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of Instruments issued in bearer form, the Bank will deliver a temporary global Instrument, which will be deposited on or before the relevant issue date therefor with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) and any other clearing system as may be specified in the relevant Pricing Supplement. Such temporary global Instrument will be exchangeable for a permanent global Instrument or, as the case may be, for Instruments in definitive bearer form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons attached or have a grid for recording the payment of interest endorsed thereon. Instruments in registered form may not be exchanged for Instruments in bearer form.
Status:	Instruments may be issued on a subordinated or an unsubordinated basis as specified in the relevant Pricing Supplement.
Negative Pledge:	A negative pledge will apply in respect of Instruments issued on an unsubordinated basis.
Currencies:	Instruments may be denominated in any currency (including, without limitation, euro, Japanese Yen, Pounds Sterling, and United States Dollars), subject to compliance with all applicable legal or regulatory requirements. Instruments may, subject to compliance as aforesaid, be issued as dual currency Instruments.
Issuance:	The Instruments will be issued on a syndicated or non-syndicated basis. Instruments will be issued in series (each a “Series”). The Instruments of each Series will all be subject to identical terms, whether as to currency, denomination, interest or maturity or otherwise, save that a Series may comprise Instruments in bearer form and Instruments in registered form. Further Instruments may be issued as part of an existing Series.
Issue Price:	Instruments may be issued at par or at a discount or premium to par.
Maturities:	Any maturity of not less than three months or with no fixed maturity date, subject in all cases, to compliance with all applicable legal and/or regulatory and/or central bank requirements.  Any Instruments in respect of which the issue proceeds are received by the Bank in the United Kingdom and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons

whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Bank.

Redemption:	Instruments may be redeemable at par or at such other redemption amount (linked to an index or otherwise) as may be specified in the relevant Pricing Supplement.
Interest:	Instruments may be interest-bearing or non-interest bearing or a combination of the two. Interest (if any) may accrue at a fixed or floating rate or be index-linked and may vary during the lifetime of the relevant series.
Denominations:	Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal or regulatory requirements.
Early Redemption:	Early redemption will be permitted for taxation reasons as mentioned in “Terms and Conditions of the Instruments – Early Redemption for Taxation Reasons”, but will otherwise be permitted only to the extent specified in the relevant Pricing Supplement.
Taxation:	Payments in respect of Instruments will be made without withholding or deduction in respect of any taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the Republic of Finland or any political subdivision thereof or any authority therein or thereof having power to tax, unless required by law. In such event, payments by the Bank will, subject to customary exceptions, be increased – see “Terms and Conditions of the Instruments – Taxation”.
Governing Law:	The Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law save for the subordination provisions in Condition 3B which are governed by, and shall be construed in accordance with, Finnish law.
Listing:	Each Series may be admitted to the Official List of the UKLA and admitted to trading on the London Stock Exchange, may be listed on such other stock exchange and/or quotation systems as may be agreed upon from time to time between the Bank and the relevant Dealer or may be unlisted, as specified in the relevant Pricing Supplement.
Terms and Conditions:	The Terms and Conditions applicable to each Series will be as agreed between the Bank and the relevant Dealer prior to the time of issuance of such Series, and will be specified in the relevant Pricing Supplement. The Terms and Conditions applicable to each Series will therefore be those set out on pages 7 to 25 hereof as supplemented, modified or replaced by the relevant Pricing Supplement.
Enforcement of Instruments in Global Form:	In the case of Instruments in global form, individual investors’ rights will be governed by a Deed of Covenant dated 23 April, 2004 and available for inspection at the office of the Fiscal Agent for the time being and by their arrangements with Euroclear and/or Clearstream, Luxembourg and any other clearing system as may be specified in the relevant Pricing Supplement.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and any other clearing system as may be specified in the relevant Pricing Supplement.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following are the Terms and Conditions of the Instruments which (subject to completion and amendment) will be applicable to each Series of Instruments Provided that the relevant Pricing Supplement in relation to any Series of Instruments may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Series of Instruments:*

The Instruments are issued in accordance with an amended and restated fiscal agency agreement (the “**Fiscal Agency Agreement**”, which expression shall include any amendments or supplements thereto) dated 23 April, 2004 and made between OKO Osuuspankkien Keskuspankki Oyj (the “**Bank**”), Deutsche Bank AG in its capacity as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor to Deutsche Bank AG in its capacity as such) and as second alternative registrar (the “**Second Alternative Registrar**”, which expression shall include Deutsche Bank AG or any successor to Deutsche Bank AG in its capacity as such), Deutsche Bank Trust Company Americas, New York office, in its capacity as principal registrar (the “**Principal Registrar**”, which expression shall include any successor to Deutsche Bank Trust Company Americas, New York office, in its capacity as such), Deutsche Bank Luxembourg S.A. as first alternative registrar (the “**First Alternative Registrar**”, which expression shall include any successor to Deutsche Bank Luxembourg S.A. in its capacity as such) and certain other financial institutions named therein in their capacities as paying agents (the “**Paying Agents**”, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement). Copies of the Fiscal Agency Agreement and the Deed of Covenant referred to below are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement insofar as they relate to the relevant Instruments.

The Instruments are issued in a series (each a “**Series**”), and each Series will be the subject of a pricing supplement (each a “**Pricing Supplement**”) a copy of which will be available for inspection at the specified office of each of the Fiscal Agent or, as the case may be, the Principal, First Alternative or Second Alternative Registrar and a copy of which will, in the case of a Series in relation to which application has been made for admission to the Official List of the UKLA and for admission to trading on the London Stock Exchange plc (the “**London Stock Exchange**”), be lodged with the UK Listing Authority (the “**UKLA**”) and the London Stock Exchange.

### 1. Form and Denomination

1.01 Instruments are issued in bearer form or in registered form, as specified in the relevant Pricing Supplement.

#### *Form of Bearer Instruments*

1.02 Instruments issued in bearer form (“**Bearer Instruments**”) will be represented upon issue by a temporary global instrument (a “**Temporary Global Instrument**”) in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. On or after the date (the “**Exchange Date**”) which is forty days after the completion of the distribution of the Instruments of the relevant Series and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (substantially in the form set out in the Temporary Global Instrument) has been received, interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global instrument (a “**Permanent Global Instrument**”) representing the Instruments of that Series and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement; or
- (ii) if so specified in the relevant Pricing Supplement, serially numbered definitive Instruments (“**Definitive Instruments**”) in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

1.03 If any date on which a payment of interest is due on the Instruments of a Series occurs whilst any of the Instruments of that Series are represented by the Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in the form set out in the Temporary Global Instrument) has been received by Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) or Clearstream Banking, société anonyme, Luxembourg

("Clearstream, Luxembourg") or any other clearing system, as applicable. Payments of principal or interest (if any) on a Permanent Global Instrument will be made through Euroclear and Clearstream, Luxembourg and any other clearing system as may be specified in the relevant Pricing Supplement without any requirement for such certification.

1.04 Interests in a Permanent Global Instrument will, unless the contrary is specified in the relevant Pricing Supplement, be exchangeable in whole (but not in part only), at the option of the Holder (as defined below) of such Permanent Global Instrument, for serially numbered Definitive Instruments. In order to exercise such option the Holder must, not less than forty-five days before the date on which delivery of Definitive Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent with the form of exchange notice endorsed thereon duly completed. If default is made by the Bank in the required delivery of Definitive Instruments and such default is continuing at 6.00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires, such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights of the account holders with Euroclear and Clearstream, Luxembourg and any other clearing system in relation thereto under a deed of covenant (the "**Deed of Covenant**") dated 23 April, 2004 and executed and delivered by the Bank in relation to the Instruments.

1.05 Interest-bearing Definitive Instruments will, unless otherwise specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery coupons ("Coupons"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below.

#### *Form of Registered Instruments*

1.06 Instruments issued in registered form ("**Registered Instruments**") will be in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. Registered Instruments will not be exchangeable for Bearer Instruments.

#### *Denomination of Bearer Instruments*

1.07 Bearer Instruments will be in the denomination or denominations (each of which denominations must be integrally divisible by each smaller denomination) specified in the relevant Pricing Supplement. Bearer Instruments of one denomination will not be exchangeable after their initial delivery for Bearer Instruments of any other denomination.

#### *Denomination of Registered Instruments*

1.08 Registered Instruments will be in the minimum denomination specified in the relevant Pricing Supplement or integral multiples thereof Provided that any Registered Instruments bearing the Private Placement Legend (as defined in Condition 2.07 below) will be in the denomination of not less than U.S.\$500,000 (or the U.S. dollar equivalent).

#### *Currency of Instruments*

1.09 Instruments may be denominated in any currency (including, without limitation, euro, Japanese Yen, Pounds Sterling and United States Dollars), subject to compliance with all applicable legal or regulatory requirements.

For the purposes of these Terms and Conditions, references to Instruments shall, as the context may require, be deemed to be to Temporary Global Instruments, Permanent Global Instruments, Definitive Instruments or, as the case may be, Registered Instruments.

## **2. Title**

2.01 Title to Bearer Instruments passes by delivery. References herein to the "**Holders**" of Bearer Instruments or of Coupons signify the bearers of such Bearer Instruments or such Coupons.

2.02 Title to Registered Instruments passes by registration in the register which is kept by the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar, as specified in the relevant Pricing Supplement. For the purposes of these Terms and Conditions, "**Registrar**" means, in relation to any Series of Registered Instruments, the Principal Registrar, the First Alternative Registrar, or, as the case may be, the Second Alternative Registrar. References herein to the "**Holders**" of Registered Instruments signify the persons in whose names such Instruments are so registered.

2.03 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is



overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

#### *Transfer of Registered Instruments*

2.04 A Registered Instrument may, upon the terms and subject to the terms and conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Pricing Supplement) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 Each new Registered Instrument to be issued upon the transfer of Registered Instruments will, upon the effective receipt of such form of transfer by the Registrar at its specified office, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer received by the Registrar during the period of fifteen days in New York, London or, as the case may be, Luxembourg Banking Days ending on the due date for any payment on the relevant Registered Instruments shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment.

For the purposes of these Terms and Conditions, (i) “**New York Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in New York City; (ii) “**London Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and (iii) “**Luxembourg Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Luxembourg.

2.06 The issue of new Registered Instruments on transfer will be effected without charge by or on behalf of the Bank or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

2.07 Notwithstanding the foregoing, any Instrument sold by a Dealer to a qualified institutional buyer within the meaning of Rule 144A under the Securities Act of 1933, as amended from time to time (the “**Securities Act**”) and any Instrument privately placed by a Dealer with an institutional investor that is an accredited investor within the meaning of Regulation D who is in the United States or who is a United States person (as defined by the U.S. Internal Revenue Code and regulations thereunder) will be delivered to such investor only in definitive registered form. Acceptance of any such Registered Instrument will be deemed to have been made on the basis of certain representations and warranties of such qualified institutional buyer or institutional accredited investor referred to below under “**Subscription and Sale**”. Upon the transfer, exchange or replacement of Registered Instruments of any Series bearing the private placement legend (the “**Private Placement Legend**”) set forth in the form of Registered Instrument scheduled to the Fiscal Agency Agreement, the Registrar shall deliver only Registered Instruments of such Series that also bear such legend unless either (i) such transfer, exchange or replacement occurs two or more years after the later of (1) the original issue date of Instruments of such Series or (2) the last date on which the Bank or any affiliates (as defined below) of the Bank as notified to the Registrar by the Bank as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Bank of United States counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Bank covenants and agrees that it will not acquire any beneficial interest, and will cause its “**affiliates**” (as defined in paragraph (a)(1) of Rule 144 under the Securities Act) not to acquire any beneficial interest, in any Registered Instrument bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders of Instruments shall be entitled to rely without further investigation on any such notification (or lack thereof).

2.08 For so long as any of the Registered Instruments bearing the Private Placement Legend remain outstanding and are “**restricted securities**” within the meaning of Rule 144(a)(3) under the Securities Act, the Bank covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Instruments

in connection with any sale thereof and any prospective purchaser of such Instruments from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

### 3. Status

#### 3A. Status – Unsubordinated Instruments

3A.01 This Condition 3A is applicable in relation to Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated.

3A.02 The Instruments of each Series constitute unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Bank and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present or future unsecured and unsubordinated indebtedness of the Bank, subject to statutorily preferred exceptions.

#### 3B. Status – Subordinated Instruments

3B.01 This Condition 3B is applicable in relation to Instruments specified in the relevant Pricing Supplement as being subordinated (“**Subordinated Instruments**”).

3B.02 The Subordinated Instruments constitute and will constitute indebtedness of the Bank the right to payment of which is subordinated in the event of the winding-up or bankruptcy of the Bank to the claims of depositors and other creditors of the Bank (other than the holders of Subordinated Instruments) and rank and will rank *pari passu* without any preference among themselves and at least equally with all other Subordinated Indebtedness (as defined below).

For the purposes of this Condition, “**Subordinated Instruments**” means all indebtedness of the Bank the right of which is subordinated in the event of winding up or in bankruptcy of the Bank to the claims of depositors and other unsubordinated creditors of the Bank.

Subordinated Instruments will constitute Debentures (*debentuuri*) for the purposes of the Finnish Promissory Notes Act (*Velkakirjalaki*) (622/1947), as amended relating to provisions covering loans based on mass instruments of debt by the law 746/1993.

No holder of any Subordinated Instrument to which this Condition 3B applies or related Coupon shall be entitled to exercise any right of set-off or counterclaim against moneys owned by the Bank in respect of such Instrument or Coupon.

3B.03 The principal amount of the Subordinated Instrument specified in the relevant Pricing Supplement as being “**Upper Tier 2 Subordinated Instrument**” is included in the Bank’s supplementary capital in the capital adequacy calculations and is an item comparable to the Bank’s restricted capital for the purposes of assessing the continuation of the Bank’s operations.

### 4. Negative Pledge – Unsubordinated Instruments

4A.01 This Condition 4 is applicable in relation to Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated.

4A.02 So long as any of the Instruments remains outstanding, but only up to the time all amounts of principal, interest or, as the case may be, other redemption amount shall have been placed at the disposal of the Fiscal Agent or, as the case may be the Registrar, the Bank will not create or have outstanding any Indebtedness, or grant or have outstanding any Guarantee, either of which is secured by any pledge, lien, mortgage or other charge (whether fixed or floating) upon its own assets without in any such case at the same time having the Holders share equally and rateably in such security or such other security as will have been confirmed as reasonably equivalent thereto by an independent auditor appointed by the Bank.

For this purpose:

“**Guarantee**” means any guarantee, surety or indemnity given by the Bank in relation to any Indebtedness of any other company otherwise than (a) arising by operation of law or (b) in the ordinary course of banking business (as defined below); and

“**Indebtedness**” means any present or future indebtedness under or evidenced by any bond, note, debenture or other like security which is for the time being, or is capable of being, quoted, listed or ordinarily dealt in any stock exchange, over-the-counter or other securities market and which is initially offered or distributed, directly or indirectly, primarily to persons resident outside the Republic of Finland except such indebtedness which is incurred either:

- (i) in the ordinary course of business of banking or financial leasing ordinarily carried on at the relevant time by banking institutions (directly or through subsidiaries) in Finland or elsewhere (“**banking business**”); or
- (ii) in the ordinary course of the business carried on by any subsidiary of the Bank.

## 5. Interest

Instruments may be interest-bearing or non-interest-bearing or a combination of the two, as specified in the relevant Pricing Supplement. The Pricing Supplement in relation to each Series of interest-bearing Instruments shall specify which of Conditions 5A, 5B, 5C, 5D or 5E shall be applicable. Provided that Condition 5F will be applicable as specified therein, save to the extent inconsistent with the relevant Pricing Supplement.

### 5A. Interest – Fixed Rate

Instruments in relation to which this Condition 5A is specified in the relevant Pricing Supplement as being applicable shall bear interest from their date of issue (as specified in the relevant Pricing Supplement) or from such other date as may be specified in the relevant Pricing Supplement at the rate or rates per annum specified in the relevant Pricing Supplement. Such interest will be payable in arrear on such dates as are specified in the relevant Pricing Supplement and on the date of final maturity thereof. Such interest will be calculated on such basis as may be specified in the relevant Pricing Supplement.

If interest is required to be calculated for a period other than a full year, such interest shall be calculated:

- (i) if “**Actual/Actual (ISMA)**” is so specified in the applicable Pricing Supplement, means:
  - (a) where the relevant period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the relevant period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the relevant period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such relevant period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such relevant period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if “**30/360**” is specified in the applicable Pricing Supplement, on the basis of the number of days in the period from and including the most recent Interest Payment Date to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; or
- (iii) on such other basis as may be specified in the relevant Pricing Supplement.

For the purposes of the foregoing:

- (i) the day and month (but not the year) on which any Interest Payment Date falls shall be a “**Regular Date**”; and
- (ii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall be a “**Regular Period**”.

### 5B. Interest – Floating Rate and Index-Linked

5B.01 Instruments in relation to which this Condition 5B is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rate per annum determined in accordance with this Condition 5B (the “**Rate of Interest**”).

5B.02 Instruments shall bear interest from their date of issue (as specified in the relevant Pricing Supplement) or from such other date as may be specified in the relevant Pricing Supplement (the “**Interest Commencement Date**”). Such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the relevant Pricing Supplement; or

- (ii) if no Specified Interest Payment Date(s) is/are specified in the relevant Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date; or
- (iii) on the date of final maturity of the relevant Instruments (or otherwise as provided in the relevant Pricing Supplement).

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

5B.03 Unless otherwise specified in the relevant Pricing Supplement, if any Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined in Condition 9), then, if the Business Day Convention specified is:

- (i) the “**Floating Rate Convention**”, such Interest Payment Date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred Provided that:
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; or
- (ii) the “**Following Business Day Convention**”, such Interest Payment Date shall be postponed to the next date which is a Business Day; or
- (iii) the “**Modified Following Business Day Convention**”, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding day which is a Business Day; or
- (iv) the “**Preceding Business Day Convention**”, such Interest Payment Date shall be brought forward to the immediately preceding day which is a Business Day.

5B.04 If the Instruments are specified in the relevant Pricing Supplement as Floating Rate Instruments, the Pricing Supplement shall specify which page (the “**Relevant Screen Page**”) on the Reuters Screen or Telerate or any other information vending service shall be applicable. For these purposes, “**Reuters Screen**” means the Reuter Money Market Rates Services and “**Telerate**” means the Dow Jones Telerate Service (or such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

5B.05 If the Instruments are specified in the relevant Pricing Supplement as Floating Rate Instruments, the Rate of Interest applicable to such Instruments for each Interest Period shall be determined by the Fiscal Agent on the following basis:

- (i) the Fiscal Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time, in the case of LIBOR; Brussels time, in the case of EURIBOR) on the second London Banking Day before (or, in the case of Instruments denominated in euro, on the second TARGET Settlement Day before or, in the case of Instruments denominated in Pounds Sterling, on) the first day of the relevant Interest Period (the “**Interest Determination Date**”);

- (ii) if no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Fiscal Agent will request appropriate quotations and will determine the arithmetic mean of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (or, in the case of Instruments denominated or payable in euro, the euro zone interbank market), selected by the Fiscal Agent, at approximately 11.00 a.m. (London time, in the case of LIBOR; Brussels time, in the case of EURIBOR) on the Interest Determination Date to prime banks in the London interbank market or, in the case of Instruments denominated or payable in euro, the euro zone interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time; and
- (iii) if fewer than two rates are so quoted, the Fiscal Agent will determine the arithmetic mean of the rates quoted by major banks in the Relevant Financial Centre (as defined in Condition 9) (or, in the case of Instruments denominated in euro, in such financial centre or centres within the euro zone as the Fiscal Agent may select), selected by the Fiscal Agent, at approximately 11.00 a.m. (Relevant Financial Centre (as defined in Condition 9C.03) time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Instruments during each Interest Period will be the sum of the relevant margin (the “**Relevant Margin**”) specified in the relevant Pricing Supplement and the rate (or, as the case may be, the arithmetic mean) so determined provided that, if the Fiscal Agent is unable to determine a rate (or, as the case may be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Instruments during such Interest Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Instruments in respect of a preceding Interest Period or will be determined in such other manner as may be specified in the relevant Pricing Supplement.

5B.06 If the Instruments are specified in the relevant Pricing Supplement as Index-Linked Interest Instruments, the Rate(s) of Interest applicable to the Instruments for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

5B.07 The Fiscal Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the “**Interest Amount**”) payable in respect of the principal amount of the smallest or minimum denomination of such Instruments specified in the relevant Pricing Supplement for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by the Day Count Fraction specified in the relevant Pricing Supplement and rounding the resulting figure to the nearest sub-unit of the currency in which such Instruments are denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards).

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), such day count fraction as may be specified in the Pricing Supplement and:

- (i) if “**Actual/365**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not

be considered to be shortened to a 30- day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Interest Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

#### 5C. Interest – Swap-Related (ISDA)

5C.01 Instruments in relation to which this Condition 5C is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rate or rates per annum determined in accordance with this Condition 5C.

5C.02 Each such Instrument shall bear interest from its date of issue (as specified in the relevant Pricing Supplement). Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event thereunder) by the Bank had it entered into a swap transaction (to which an Interest Rate and Currency Exchange Agreement or a Master Agreement and the 2000 ISDA Definitions (as amended and updated from time to time), each as published by the International Swaps and Derivatives Association, Inc., applied) with the Holder of such Instruments under which:

- the Bank was the Fixed Rate Payer or, as the case may be, the Floating Rate Payer;
- the Fiscal Agent (or such other person as may be specified in the relevant Pricing Supplement) was the Calculation Agent;
- such date of issue was the Effective Date;
- the principal amount of such Note was the Calculation Amount; and
- all other terms were as specified in the relevant Pricing Supplement.

#### 5D. Interest – Upper Tier 2 Subordinated Instruments

5D.01 This Condition 5D is applicable to Instruments specified in the relevant Pricing Supplement as being Upper Tier 2 Subordinated Instruments.

##### 5D.02 *Interest Deferral Option*

The Bank may elect not to make payment of the interest accrued during any Interest Period if, on the date as of which or to which the most recently published annual or interim accounts of the Bank were prepared, the Bank was in breach of the capital adequacy requirements applicable to the Bank, provided however that the Bank may not make such an election (and any election already made shall cease to have effect) if, since that date the Bank has at any time been in compliance with such applicable requirements. Any interest not then paid shall, so long as it remains unpaid, constitute “Arrears of Interest”. Arrears of Interest may at the option of the Bank be paid in whole or in part at any time on giving not less than seven days’ notice to such effect (which notice shall specify the amount of such Arrears of Interest) to the Holders of the Instruments in accordance with Condition 14.

Interest will accrue on the amount of Arrears of Interest at the Rate of Interest applicable from time to time in respect of the Instruments and will become due and payable pursuant to paragraph 5D.03 below and shall be calculated by the Fiscal Agent applying the relevant Rate of Interest to the amount of Arrears of Interest. For the purpose of calculating such interest in respect of subsequent Interest Periods, the amount of such interest accrued during any Interest Period shall be added to the amount of Arrears of Interest remaining unpaid on the Interest Payment Date in respect of that Interest Period and shall bear interest accordingly. For the purposes of these Conditions “**Interest**” includes, unless the context otherwise requires, Arrears of Interest and interest accrued pursuant to this paragraph.

##### 5D.03 *Payment of Arrears of Interest*

All Arrears of Interest on all outstanding Instruments shall (subject to Condition 3) become due and payable in full on whichever is the earliest of:

- (i) 14 days following the date on which the Bank next satisfies the capital adequacy requirements applicable to it:

- (ii) the date on which the Instruments are to be redeemed pursuant to any provision of Condition 6; and
- (iii) the commencement of a liquidation (other than in the circumstances described in Condition 7B.02(c)) or bankruptcy of the Bank.

*5D.04 Notice of Interest Deferral and Payment of Arrears of Interest*

The Bank shall in accordance with Condition 14:

- (i) give not more than 14 nor less than seven days' prior notice (or if this is not practicable, such notice as may be practicable) to the Holders of the Instruments of any Interest Payment Date on which, pursuant to the provisions of paragraph 5D.02 above, any interest will not be paid; and
- (ii) not more than seven days after satisfying the capital adequacy requirements as described in paragraph 5D.03 above, notify the Holders of the Instruments that Arrears of Interest will become due and payable on the fourteenth day after so satisfying such capital adequacy requirements.

**5E. Interest – Other Rates**

Instruments in relation to which this Condition 5E is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rates per annum or payable in the amounts and in the manner determined in accordance with the relevant Pricing Supplement.

**5F. Interest – Supplemental Provision**

5F.01 Condition 5F.02 shall be applicable in relation to Instruments in relation to which Condition 5B or, where applicable, Condition 5C, 5D or 5E is specified in the relevant Pricing Supplement as being applicable and Condition 5F.03 shall be applicable in relation to all interest-bearing Instruments.

*Notification of Rates of Interest, Interest Amounts and Interest Payment Dates*

5F.02 The Fiscal Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount or floating amount, as the case may be, determined by it to be notified to the Bank, the other Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) as soon as practicable after such determination but in any event not later than the fourth London Banking Day thereafter and, in the case of Instruments admitted to the Official List of the UKLA and admitted for trading on the London Stock Exchange, cause each such Rate of Interest, floating rate, Interest Amount or floating amount, as the case may be, to be notified to the UKLA and the London Stock Exchange. The Fiscal Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or last day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) in the event of the extension or abbreviation of the relevant Interest Period or calculation period.

5F.03 The determination by the Fiscal Agent or such other agent as is specified in the relevant Pricing Supplement of all rates of interest and amounts of interest for the purposes of this Condition 5 shall, in the absence of manifest error, be final and binding on all parties.

**6. Redemption and Purchase**

*Redemption at Maturity*

6.01 Unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the relevant Pricing Supplement as having no fixed maturity date, Instruments shall be redeemed at their principal amount (or at such other redemption amount as may be specified in the relevant Pricing Supplement) on the date or dates specified in the relevant Pricing Supplement.

*Early Redemption for Taxation Reasons*

6.02 If, in relation to any Series of Instruments, (i) the Bank has or will become obliged to pay additional amounts as referred to in Condition 8 as a result of any change in or amendment to the laws or regulations of the Republic of Finland or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Instruments or any earlier date specified in the relevant Pricing Supplement, on the occasion of the next payment due in respect of

such Instruments and (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it, then the Bank may (subject, in the case of Subordinated Instruments, to the prior approval of the Finnish Financial Supervision Authority, provided that such approval is not required where, because of the restrictions laid down in Chapter 9 Article 74 of the Credit Institution Act (1607/1993) as amended (1340/ 1997) (*L luottolaitostoininnasta*) and in Regulation J. No. 1/341/2000 of the Finnish Financial Supervision Authority, it is no longer permitted to include the whole or part only of the principal of such Instruments in the Bank's own funds calculation), on the expiry of the appropriate notice, (being in the case of Instruments which bear interest at a floating rate or an index-linked rate, a day upon which interest is payable) redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their principal amount (or at such other early redemption amount as maybe specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. Provided that (A), save in case of Instruments which bear interest at a floating rate or an index-linked rate, no such notice may be given earlier than 90 days prior to the earliest date on which the Bank would be obliged to pay such additional amounts were a payment in respect of the relevant Instruments then due and (B) prior to the publication of any notice of redemption for taxation reasons, the Bank shall deliver to the Fiscal Agent or, in the case of Registered Instruments, the Registrar a certificate signed by two duly authorised officers of the Bank stating that the Bank is entitled to effect such redemption for taxation reasons and setting forth a statement of facts showing that the conditions precedent to the right of the Bank so to redeem have occurred and an opinion of independent legal advisers of recognised standing to the effect that the Bank has or will become obliged to pay such additional amounts as a result of such change or amendment.

#### *Optional Early Redemption (Call)*

6.03 If this Condition 6.03 is specified in the relevant Pricing Supplement as being applicable, then the Bank may, upon the expiry of the appropriate notice and subject to such terms and conditions as may be specified in the relevant Pricing Supplement, redeem in whole (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, in part only), of the Instruments of the relevant Series at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. Redemption by the Issuer of Subordinated Instruments will be, however, subject to the prior approval of the Finnish Financial Supervision Authority, provided that such approval is not required where, because of the restrictions laid down in Chapter 9 Article 74 of the Credit Institution Act (1607/1993) as amended (1340/1997) (*L luottolaitostoininnasta*) and in Regulation J. No. 1/341/2000 of the Finnish Financial Supervision Authority, it is no longer permitted to include the whole or part only of the principal of such Instruments in the Bank's own funds calculation.

6.04 The appropriate notice referred to in Condition 6.02 and 6.03 is a notice given by the Bank to the Fiscal Agent, the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series, which notice shall be signed by two duly authorised officers of the Bank and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Instruments of the relevant Series which are to be redeemed; and
- the due date for such redemption, which shall be not less than thirty days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is validly given.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Bank to make the redemption therein specified.

#### *Partial Redemption*

6.05 If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 6.03:

- in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed; and



- in the case of Registered Instruments, the Instruments shall be redeemed pro rata to their principal amounts, subject always as aforesaid.

#### *Optional Early Redemption (Put)*

6.06 If this Condition 6.06 is specified in the relevant Pricing Supplement as being applicable, then the Bank shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date or the next of the dates specified in the relevant Pricing Supplement at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar.

#### *Purchase of Instruments*

6.07 The Bank may (subject, in the case of Subordinated Instruments, to the prior approval of the Finnish Financial Supervision Authority, provided that such approval is not required where, because of the restrictions laid down in Chapter 9 Article 74 of the Credit Institution Act (1607/1993) as amended (1340/ 1997) (*L luottolaitostoiminnasta*) and in Regulation J. No. 1/341/2000 of the Finnish Financial Supervision Authority, it is no longer permitted to include the whole or part only of the principal of such Instruments in the Bank's own funds calculation) at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of interest-bearing Definitive Instruments, any unmatured Coupons appertaining thereto are purchased therewith.

#### *Cancellation of Redeemed and Purchased Instruments*

6.08 All unmatured Instruments redeemed or purchased in accordance with this Condition and, in the case of interest-bearing Definitive Instruments, all unmatured Coupons attached thereto or surrendered or purchased therewith may be held, resold or cancelled. References in this Condition to the purchase of Instruments by the Bank shall not include the purchase of Notes in the ordinary course of business of dealing in securities or the purchase of Instruments otherwise than as beneficial owner.

### **7. Events of Default**

#### **7A. Events of Default – Unsubordinated Instruments**

7A.01 This Condition 7A is applicable in relation to Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated.

7A.02 Unless otherwise specified in the relevant Pricing Supplement, the following events or circumstances (each an “**Event of Default**”) shall be events of default in relation to the Instruments of any relevant Series, namely:

- (a) there is default in the payment of any principal or other redemption amount due in respect of the Instruments for more than ten business days; or
- (b) there is default in the payment of interest in respect of the Instruments for more than ten business days; or
- (c) the Bank defaults in the performance of any of its other obligations set out in the Instruments and such default is not remedied within 45 days after written notice requiring the same to be remedied shall have been given to the Bank by any Holder; or
- (d) the obligation to repay any indebtedness for money borrowed by the Bank or any Material Subsidiary and having an aggregate outstanding principal amount of at least euro 10,000,000 (or its equivalent in any other currency or currencies) is accelerated as a result of notice of an event of default or, if notice is not required, the occurrence of an event of default in accordance with its terms prior to its stated maturity (otherwise than pursuant to a provision permitting prepayment at the option of the Bank or any Material Subsidiary) or any such indebtedness is not paid at its stated maturity (or by the expiry of any applicable grace period as originally provided) (except where the obligation to make such payment is being contested in good faith);

- (e) there is default by the Bank or any Material Subsidiary in making any payment due under any guarantee and/or any indemnity (other than in the case of the Bank a guarantee or indemnity given in the ordinary course of its banking business) given by it in respect of any obligation or indebtedness for borrowed money having an aggregate outstanding principal amount of at least euro 10,000,000 (or its equivalent in any other currency or currencies) (except where the obligation to make such payment is being contested in good faith); or
- (f) a decree or order is made or issued by a court of competent jurisdiction adjudging the Bank or any Material Subsidiary to be bankrupt or insolvent, or a final decree or order is made or issued by the relevant authority, as the case may be, for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Bank or any Material Subsidiary or of all or any material part of the property of any of them, or for the winding up or liquidation of the Bank or any Material Subsidiary; or
- (g) an order is made or an effective resolution is passed for the winding-up or liquidation of the Bank or any Material Subsidiary (otherwise than in the case of the Bank in connection with or in pursuance of a reorganisation or reconstruction approved by the relevant authority, as the case may be, upon which the continuing corporation or the corporation formed as a result of such reorganisation or reconstruction effectively assumes the entire obligations of the Bank under the Instruments and any Coupons appertaining thereto and the whole or substantially the whole of the business and assets of the Bank are vested in that corporation, which shall either be a legal entity which is formed under Finnish law or shall indemnify and hold harmless the Holder of each Instrument and any Coupons appertaining thereto against any and all taxes, charges, duties, liabilities, costs and expenses of whatever nature incurred by or levied against the Holder of such Instrument or Coupon by reason of such assumption of obligations and is authorised to carry on the business of a bank in the Republic of Finland, and in the case of a Material Subsidiary, where the whole or substantially the whole of the business and assets of that Material Subsidiary are vested in a Subsidiary or Subsidiaries of the Bank or in the Bank) or the Bank or any Material Subsidiary institutes proceedings seeking adjudication of bankruptcy or seeking with respect to itself a decree of commencement of composition under applicable Finnish law or the applicable law of any other jurisdiction, or consents to the institution of any such proceedings, or consents to, or acquiesces in, the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or any material part of its property, or makes a general assignment for the benefit of its creditors; or
- (h) the Bank or any Material Subsidiary stops payment (within the meaning of the Bankruptcy Law of the Republic of Finland) or ceases, or through an official action of its Executive Board threatens to cease, to carry on its business or a substantial part thereof (otherwise than in connection with or in pursuance of such reorganisation or reconstruction as is referred to in (g) above).

For the purposes of (d) and (e), any indebtedness which is in a currency other than euro shall be translated into euro at the relevant exchange rate in the London foreign exchange market quoted by any leading bank, selected by the Fiscal Agent, at the relevant day for such translation.

“**Subsidiary**” means any company or other entity whose accounts are for the time being, or, in the case of a company or other entity acquired after the date of the Bank’s most recent accounts, will be consolidated with those of the Bank for the purposes of the consolidated accounts of the Bank issued to shareholders of the Bank.

“**Material Subsidiary**” means at any time a Subsidiary the gross assets of which (or, where the interest in the share capital of such Subsidiary is less than 100 per cent, a proportion thereof equal to the proportion of the share capital owned, directly or indirectly, by the Bank) represent more than 20 per cent of the consolidated gross assets of the Bank and its Subsidiaries (taken as a whole).

7A.03 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of any Instrument of the relevant Series may by written notice to the Bank declare such Instrument and (if the Instrument is interest bearing) all interest then accrued on such Instrument to be forthwith due and payable, whereupon the same shall become immediately due and payable at its principal amount (or, at such other amount as may be specified in the relevant Pricing Supplement) unless prior to the time when the Bank receives such notice the situation giving rise to the notice has been cured Provided, however, that in the events specified in (c), (d) and (e) any notice declaring the Instruments due shall

become effective only when the Bank has received such notices from the Holders of at least one-fifth in principal amount of the relevant Instruments then outstanding.

#### 7B. Events of Default – Subordinated Instruments

7B.01 This Condition 7B is applicable in relation to Instruments specified in the relevant Pricing Supplement as being subordinated.

7B.02 Unless otherwise specified in the relevant Pricing Supplement, the following events or circumstances (each an “**Event of Default**”) shall be events of default in relation to the Instruments of any relevant Series, namely:

- (a) there is a default in the payment of any principal or other redemption amount due in respect of the Instruments for more than ten business days; or
- (b) there is default in the payment of interest in respect of the Instruments as and when the same becomes due and payable for more than ten business days; or
- (c) an order is made or an effective resolution is passed for the winding-up or liquidation (otherwise than in connection with or in pursuance of a reorganisation or reconstruction either approved by the relevant authority, as the case may be, upon which the continuing corporation or the corporation formed as a result of such reorganisation or reconstruction effectively assumes the entire obligations of the Bank under the Instruments and any Coupons appertaining thereto and the whole or substantially the whole of the business and assets of the Bank are vested in that corporation, which shall either be a legal entity which is formed under Finnish law or shall indemnify and hold harmless the Holder of such Instrument or Coupon by reason of such assumption of obligations and is authorised to carry on the business of a bank in the Republic of Finland or approved by an Extraordinary Resolution of the holders of Subordinated Instruments) or bankruptcy of the Bank in the Republic of Finland.

7B.03 If any Event of Default shall occur in relation to any Series of Instruments:

- (i) in the case of an Event of Default described at (a) or (b) in Condition 7B.02 any Holder of any Instrument of the relevant Series may, subject as provided below, at its discretion institute such proceedings against the Bank as it may think fit to enforce the obligations of the Bank under the relevant Instrument and may institute proceedings in the Republic of Finland for the winding-up or bankruptcy of the Bank provided that the Bank shall not, by virtue of the institution of any such proceedings other than proceedings for the winding-up or bankruptcy of the Bank, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it and provided further that all payments in respect of the Instruments pursuant to this Condition 7B.03(i) are subject to the prior authorisation of the Finnish Financial Supervision Authority, provided that such approval is not required where, because the restrictions laid down in Chapter 9 Article 74 of the Credit Institution Act (1607/1993) as amended (1340/1997) (*L luottolaitostoininnasta*) and in Regulation J. No. 1/341/2000 of the Finnish Financial Supervision Authority, it is no longer permitted to include the whole or part only of the principal of such Instrument in the Bank’s own fund calculation; or
- (ii) in the case of an Event of Default described at (c) in Condition 7B.02, any Holder of any Instrument of the relevant Series may, subject as provided below, at its discretion give written notice to the Bank that such Instrument is, and it shall accordingly thereby immediately become, due and repayable at its principal amount (or such other redemption amount as may be specified in the relevant Pricing Supplement) together with accrued interest (if any) thereon.

7B.04 Any notice declaring the Instruments due under this clause 7B shall become effective only when the Bank has received such written notices from the Holders of at least one-fifth in principal amount of the relevant Instruments then outstanding.

#### 8. Taxation

8.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature

imposed or levied by or on behalf of the Republic of Finland or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Bank will pay such additional amounts as may be necessary in order that the net amounts receivable by any Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of payment of any Bearer Instrument or Coupon:

- (i) presented for payment by, or by a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bearer Instrument or Coupon by reason of his having some connection with the Republic of Finland other than the mere holding of such Bearer Instrument or Coupon; or
- (ii) presented for payment more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such thirtieth day; or
- (iii) presented for payment by or on behalf of a Holder who would not be liable or subject to such withholding or deduction if he were to make a declaration of non-residence or other claim for exemption but fails to do so; or
- (iv) presented for payment in the Republic of Finland; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Bearer Instrument or Coupon to another Paying Agent in a Member State of the EU;

and except that no such additional amounts shall be payable in respect of payment in respect of any Registered Instrument the Holder of which is liable to such taxes or duties assessments or governmental charges in respect of Registered Instruments by reason of his having some connection with the Republic of Finland other than the mere holding of such Registered Instrument or by or on behalf of a Holder who would not be liable or subject to such withholding or deduction if he were to make a declaration of non-residence or other claim for exemption but fails to do so.

8.02 For the purposes of this Condition 8, the “**Relevant Date**” means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 14.

8.03 Any reference in these Terms and Conditions to principal, redemption amount and/or interest in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8 or any undertaking given in addition thereto or in substitution therefor.

## **9. Payments**

### **9A. Payments – Bearer Instruments**

9A.01 This Condition 9A is applicable in relation to Instruments specified in the relevant Pricing Supplement as being in bearer form.

9A.02 Payment of amounts (including accrued interest) due on the redemption of Bearer Instruments will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents outside the United States.

9A.03 Payment of amounts due in respect of interest (and any other amounts due other than at final redemption) on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States.

9A.04 If the due date for payment of any amount due (whether in respect of principal, interest or otherwise) in respect of any Bearer Instruments is not a Business Day, then the Holder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions.

9A.05 Each Definitive Instrument initially delivered with Coupons attached thereto should be surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

- (i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at anytime prior to the tenth anniversary of the due date of such final redemption or, if later, the fifth anniversary of the date of maturity of such Coupon; and
- (ii) in the case of Definitive Instruments which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

## 9B. Payments – Registered Instruments

9B.01 This Condition 9B is applicable in relation to Instruments specified in the relevant Pricing Supplement as being in registered form.

9B.02 Payment of amounts (including accrued interest) due on the final redemption of Registered Instruments will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the final redemption amount of Registered Instruments is not a Business Day, the Holder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions.

9B.03 Payment of amounts (whether principal, interest or otherwise) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holders thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business in London or, as the case may be, New York or Luxembourg time) on the fifteenth London or, as the case may be, New York or Luxembourg Banking Day before the due date for such payment (the “**Record Date**”).

9B.04 Notwithstanding the provisions of Condition 9C.02, payments of principal, interest or otherwise due other than in respect of a final redemption of Registered Instruments will be made by a cheque which is drawn on a bank in the Relevant Financial Centre and which is posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint-Holders, the first-named) on the Business Day immediately preceding the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account.

## 9C. Payments – General Provisions

9C.01 Save as otherwise specified herein, this Condition 9C is applicable in relation to Instruments whether in bearer or in registered form.

9C.02 Payments of amounts due (whether in respect of principal, interest or otherwise) in respect of Instruments will be made by cheque drawn on, or by transfer to, an account maintained by the payee with, a bank in the Relevant Financial Centre. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

9C.03 For the purposes of these Terms and Conditions:

- (i) “**Business Day**” means (unless varied or restated in the relevant Pricing Supplement) a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in London and, in the case of Registered Instruments, New York City or Luxembourg and:
    - in relation to Instruments denominated or payable in euro, a day on which the TARGET System is operating;
    - in relation to Instruments denominated in any other currency, a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the Relevant Financial Centre; and
    - in relation to payments due upon presentation and/or surrender of any Instruments or Coupon, a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the relevant place of presentation and/or surrender;
  - (ii) “**EURIBOR**” means the euro zone interbank offered rate;
  - (iii) “**euro zone**” means the zone comprising the Member States of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended;
  - (iv) “**LIBOR**” means the London interbank offered rate;
  - (v) “**Relevant Financial Centre**” means:
    - in relation to Instruments denominated in Japanese Yen, Tokyo;
    - in relation to Instruments denominated in Pounds Sterling, London;
    - in relation to Instruments denominated in United States Dollars, New York City;
    - in relation to Instruments denominated in any other currency, such financial centre or centres as may be specified in relation to the relevant currency and for the purposes of the definition of “**Business Day**” in the 2000 ISDA Definitions, (as amended and updated from time to time), as published by the International Swaps and Derivatives Dealers Association, Inc.; and
    - any Additional Business Centre(s) specified in the relevant Pricing Supplement;
  - (vi) “**TARGET Settlement Day**” means a day on which the TARGET System is operating;
  - (vii) “**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System;
- and, in all cases, as the same may be modified in the relevant Pricing Supplement.

## 10. Prescription

10.01 Bearer Instruments and Coupons will become void unless presented for payment within ten years (or, in the case of Coupons and save as provided in Condition 9A.05, five years) after the due date for payment.

10.02 Claims against the Bank in respect of Registered Instruments will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the due date for payment.

## 11. The Paying Agents and the Registrars

The initial Paying Agents and Registrars and their respective initial specified offices are specified below. The Bank reserves the right at any time to vary or terminate the appointment of any Paying Agent

(including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar *provided that* it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom), (iv), so long as any Instruments are listed on the Official List of the UKLA and are admitted to trading on the London Stock Exchange, a Paying Agent and a Registrar with a specified office in London and (v) if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, it will ensure that it maintains a paying agent in a EU member state that will not be obliged to withhold or deduct tax pursuant to such directive. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Holders.

## **12. Replacement of Instruments**

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any stock exchange on which the relevant Instruments are listed, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Bank and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

## **13. Meetings of Holders; Modification**

13.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of such Series, whether or not they are present at the meeting and on all Couponholders (if any).

13.02 The Fiscal Agency Agreement may be modified or amended by the parties thereto, without the consent of the Holders of any Instruments or Coupons, in any way in which the parties thereto agree is not materially prejudicial to the interests of the Holders of such Instruments or Coupons or which is of a formal, minor or technical nature or which is necessary to correct a manifest error. The Bank may, with the consent of the Fiscal Agent, but without the consent of the Holders of any Instruments or Coupons, amend these Terms and Conditions and the Deed of Covenant insofar as they may apply to such Instruments to correct a manifest error.

## **14. Notices**

### *To Holders of Bearer Instruments*

14.01 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified in the relevant Pricing Supplement, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg and such other clearing system as may be specified in the relevant Pricing Supplement for communication by them to the persons shown in their respective records as having interests therein Provided that, in the case of Instruments admitted to the Official List of the UKLA and admitted to trading on the London Stock Exchange, the requirements of such Exchange have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery.

### *To Holders of Registered Instruments*

14.02 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first-class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

*To the Bank*

14.03 Notices to the Bank will be deemed to be validly given if delivered at P.O. Box 308, Teollisuuskatu 1b, FIN-00510 Helsinki and clearly marked on their exterior “Urgent – Attention: International Funding – Capital Markets” (or at such other address and for such other attention as may have been notified to the Holders of the Instruments in accordance with this Condition 14) and will be deemed to have been validly given at the opening of business on the next day on which the Bank’s principal office is open for business.

## **15. Further Issues**

The Bank may from time to time without the consent of the Holders of any Instruments of any Series create and issue further notes, bonds or debentures having the same terms and conditions as the Instruments of such Series in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Instruments of such Series.

## **16. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Instruments under the Contracts (Rights of Third Parties) Act 1999.

## **17. Law and Jurisdiction**

17.1 *Governing law:* The Instruments, the Fiscal Agency Agreement and the Deed of Covenant and all matters arising from or connected with the Instruments, the Fiscal Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law save for the subordination provisions set out in Condition 3B which are governed by, and shall be construed in accordance with, Finnish law.

17.2 *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with the Instruments.

17.3 *Appropriate forum:* The Bank agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

17.4 *Rights of the Holders of the Instruments to take proceeding outside England:* Clause 17.2 (*English courts*) is for the benefit of the Holders of the Instruments only. As a result, nothing in this Clause 17 (*Law and jurisdiction*) prevents any Holders of the Instruments from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Holders of the Instruments may take concurrent Proceedings in any number of jurisdictions.

17.5 *Process agent:* The Bank agrees that the documents which start any Proceedings in England and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to SH Process Agents Limited at One St. Paul’s Churchyard, London EC4M 8SH (attention: The Senior Partner, with a copy marked for the attention of the Chief Executive) or, if different, its registered office for the time being. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Bank in England, the Bank shall, on the written demand of the Fiscal Agent addressed and delivered to the Bank, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Fiscal Agent shall be entitled to appoint such a person by written notice addressed to the Bank and delivered to the Bank. Nothing in this paragraph shall affect the right of any Holder of the Instruments to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

17.6 The Bank agrees to pay any stamp, registration, documentary or other duties or taxes payable in connection with the enforcement of any Instrument or Coupon where such duties or taxes are incurred in connection with the enforcement of any such Instrument or Coupon and where such duties or taxes are incurred in connection with any Proceedings resulting in a decision in favour of the Holder of such Instrument or Coupon. In addition, the Bank hereby agrees to indemnify the Holder of any Instrument or Coupon in respect of any stamp duty incurred by such Holder as a pre-condition to the Courts of the Republic of Finland admitting any Instrument or Coupon in evidence and where such stamp duty is incurred in connection with any Proceedings resulting in a decision in favour of the Holder of such Instrument or Coupon.



## 18. Redenomination

### *Redenomination*

18.01 Where Redenomination is specified in the applicable Pricing Supplement as being applicable, the relevant Issuer may, without consent of the Holders of Instruments and Coupons, on giving at least 30 days' prior notice to the Holders of Instruments in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Instruments shall be redenominated in euro.

The election will have effect as follows:

- (i) each Specified Denomination will be deemed to be denominated in such amount of euro as is equivalent to its denomination in the relevant currency at the Established Rate, subject to such provisions (if any) as to rounding (and payments in respect of fractions consequent on rounding), as the relevant Issuer may decide, after consultation with the Fiscal Agent, and as may be specified in the notice;
- (ii) after the Redenomination Date, all payments in respect of the Instruments and the Coupons will be made solely in euro, including payments of interest in periods before the Redenomination Date, as though references in the Instruments to the relevant currency were to euro; and
- (iii) such changes shall be made to these Terms and Conditions as the relevant Issuer may decide, after consultation with the Fiscal Agent and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Instruments to be consolidated with one or more issues of other instruments, whether or not originally denominated in the relevant currency or euro.

### *Exchangeability*

18.02 Where Exchangeability is specified in the applicable Pricing Supplement as being applicable, the relevant Issuer may without the consent of the Holders of Instruments and Coupons, on giving at least 30 days' prior notice to the Holders of Instruments in accordance with Condition 14, elect that, with effect from the Redenomination Date or such later date for payment of interest under the Instruments as it may specify in the notice, the Instruments shall be exchangeable for Instruments expressed to be denominated in euro in accordance with such arrangements as the relevant Issuer may decide, after consultation with the Fiscal Agent and as may be specified in the notice, including arrangements under which Coupons unmatured at the date so specified become void.

### *Definitions*

18.03 In this Condition, the following expressions have the following meanings:

“**Established Rate**” means the rate for the conversion of the relevant currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(4) of the Treaty;

“**Redenomination Date**” means any Interest Payment Date or fixed interest date in respect of the Instruments specified by the relevant Issuer which falls on or after the date on which the country of the relevant currency participates in the third stage of economic and monetary union pursuant to the Treaty; and

“**Treaty**” means the treaty establishing the European Community, as amended from time to time.

## **USE OF PROCEEDS**

The proceeds of the issue of each Series of Instruments will be used by the Bank for general corporate purposes.

## PRO FORMA PRICING SUPPLEMENT

Pricing Supplement dated [                    ]

### OKO Osuuspankkien Keskuspankki Oyj (“OKO Bank”)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]  
under the **Euro 5,000,000,000 Programme for the Issuance of Debt Instruments**

This document constitutes the Pricing Supplement relating to the issue of Instruments described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 23 April, 2004 [and the supplemental Information Memorandum dated [●]]. This Pricing Supplement contains the final terms of the Instruments and must be read in conjunction with such Information Memorandum [as so supplemented].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Information Memorandum dated [original date]. This Pricing Supplement contains the final terms of the Instruments and must be read in conjunction with the Information Memorandum dated 23 April, 2004 [and the supplemental Information Memorandum dated [●]], save in respect of the Conditions which are extracted from the Information Memorandum [original date] and are attached hereto.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: OKO Osuuspankkien Keskuspankki Oyj
2. [(i)] Series Number: [    ]  
[(ii)] Tranche Number: [    ]  
(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible.)
3. Specified Currency or Currencies: [    ]
4. Aggregate Nominal Amount:  
[(i)] Series: [    ]  
[(ii)] Tranche: [    ]
5. [(i)] Issue Price: [    ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]  
[(ii)] Net proceeds: [    ] (Required only for listed issues)
6. Specified Denominations: [    ]  
*[Instruments (including instruments denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)]*
7. [(i)] Date of issue: [    ]  
[(ii)] Interest commencement date (if different from the Date of issue): [    ]

8. Maturity Date: *[specify date or (for Floating Rate Instruments) Interest Payment Date falling in the relevant month and year]*
9. Interest Basis:  % Fixed Rate  
*[[specify reference rate] +/-  % Floating Rate]*  
 Zero Coupon  
 Index-Linked Interest  
 Other (*specify*)  
*[Specify which of Conditions 5A. (Fixed Rate), 5B. (Floating Rate and Index-Linked), 5C. (Swap-Related (ISDA)), 5D. (Upper Tier 2 Subordinated Instruments) or 5E. (Other Rates) is applicable]*  
 (further particulars specified below)
10. Redemption/Payment Basis:  Redemption at par  
 Index-Linked Redemption  
 Dual Currency  
 Other (*specify*)
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Instruments into another interest or redemption/ payment basis]*
12. Put/Call Options:  Investor Put  
 Issuer Call  
 (further particulars specified below)
13. Status of the Instruments:  Unsubordinated/Subordinated]
14. Listing:  London/other (*specify*)/None]
15. Method of distribution:  Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. **Fixed Rate Instrument Provisions**  Applicable/Not Applicable  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable  annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount(s): [ ] per [ ] in Nominal Amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*
- (v) Day Count Fraction:  30/360/Actual/Actual [ ISMA/ISDA/other]
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Instruments:  Not Applicable/*give details*]
17. **Floating Rate Instrument Provisions**  Applicable/Not Applicable  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Specified Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ]

- (iii) Business Day Convention: [Floating Rate Convention/  
Following Business Day  
Convention/Modified  
Following Business Day  
Convention/Preceding  
Business Day Convention/  
other (*give details*)]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA  
Determination/other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [ ]
- (vii) Screen Rate Determination:  
– Reference Rate: [ ]  
– Interest Determination Date(s): [ ]  
– Relevant Screen Page: [ ]
- (viii) ISDA Determination:  
– Floating Rate Option: [ ]  
– Designated Maturity: [ ]  
– Reset Date: [ ]
- (ix) Margin(s): [+/-][ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [ ]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [ ]
18. **Index-Linked Interest Instrument Provisions** [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index/Formula: [*Give or annex details*]
- (ii) Party responsible for calculating the interest due: [ ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention: [Floating Rate Convention/  
Following Business Day  
Convention/Modified  
Following Business Day  
Convention/Preceding  
Business Day Convention/  
other (*give details*)]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum

- (viii) Maximum Rate of Interest: [ ] per cent. per annum  
 (ix) Day Count Fraction: [ ]

## PROVISIONS RELATING TO REDEMPTION

19. **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]  
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ]  
 (iii) If redeemable in part:  
 (a) Minimum Redemption Amount: [ ]  
 (b) Maximum Redemption Amount: [ ]  
 (iv) Notice period (if other than as set out in the Conditions): [ ]
20. **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]  
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ]  
 (iii) Notice period (if other than as set out in the Conditions): [ ]
21. **Final Redemption Amount** [Par/other/see Appendix]
22. **Early Redemption Amount** [ ]  
 Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

23. Form of Instruments: **Bearer Instruments:**  
 [Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments on 40 days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument.]  
 [Temporary Global Instrument exchangeable for Definitive Instruments on 40 days' notice.]  
 [Permanent Global Instrument exchangeable for Definitive Instruments on 45 days' notice/at any time/in the limited circumstances specified in the Permanent Global Instrument.]  
 [Registered Instruments]
24. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the place of payment, and not interest period end dates, to which items 16(ii), 17(iii) and 18(v) relate]
25. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes/No. If yes, give details]

26. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 18 (*Redenomination*)] [annexed to this Pricing Supplement] apply]
27. Consolidation provisions: [Not Applicable/The provisions [in Condition 15 (*Further Issues*)] [annexed to this Pricing Supplement] apply]
28. Other terms or special conditions: [Not Applicable/*give details*]

#### **DISTRIBUTION**

29. (i) If syndicated, names of Managers: [Not Applicable/*give names*]  
(ii) Stabilising Manager (if any): [Not Applicable/*give name*]
30. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
31. Additional selling restrictions: [Not Applicable/*give details*]

#### **OPERATIONAL INFORMATION**

32. ISIN Code: [ ]
33. Common Code: [ ]
34. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream, Banking, société anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
35. Delivery: Delivery [against/free of] payment
36. Additional Paying Agent(s) (if any): [ ]

#### **[LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Instruments described herein pursuant to the EUR 5,000,000,000 Programme for the Issuance of Debt Instruments of OKO Osuuspankkien Keskuspankki Oyj.]

#### **RESPONSIBILITY**

OKO Bank accepts responsibility for the information contained in this Pricing Supplement.

#### **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Instruments under the Contracts (Rights of Third Parties) Act 1999.

Signed on behalf of the Issuer:

By: .....

Duly authorised

## OP BANK GROUP

The OP Bank Group is comprised of the OP Bank Group Central Cooperative (the “**Central Cooperative**”) and its consolidated subsidiaries, OKO Osuuspankkien Keskuspankki Oyj (“**OKO Bank**” or the “**Bank**”) and its consolidated subsidiaries (together “**OKO Bank Consolidated**” or “**OKO Bank Group**”), independent local member banks (together with OKO Bank Consolidated hereinafter referred to as the “**Group Member Banks**”), the OP Bank Group Security Fund and the OP Bank Group Mutual Insurance Company (all together the “**OP Bank Group**” or the “**Group**”).

The Central Cooperative is the statutory central institution of the Group. It is a cooperative which is owned by the independent Group Member Banks. The OP Bank Group Central Cooperative functions as the Group’s know-how and service centre. For its member banks, it produces centralised services as well as controls and supervises the risk management, capital adequacy and liquidity of the Group Member Banks. In addition, it safeguards the interests of the entire OP Bank Group.

The OP Bank Group Central Cooperative is the parent company of OKO Bank. At the end of 2003 the Central Cooperative held 40.1 per cent of OKO Bank’s shares and 56.8 per cent of the voting rights.

The OP Bank Group is a single entity with respect to capital adequacy, customer risk exposure and the minimum amount of own funds. The Group Member Banks have joint and several liability for each other’s commitments. The Central Cooperative is empowered to supervise and give binding instructions and rules in order to ensure the Group Member Banks’ liquidity, capital adequacy and risk management.

OKO Bank acts as the central financial institution of the Group Member Banks and as an independent commercial bank. OKO Bank’s Series A shares are listed on the Helsinki Exchanges.

The cooperative member banks are owned and administrated by their members and offer a full range of banking services to their customers. They operate on a local basis and concentrate principally on providing financial services to customers in their own region. At the end of December 2003 there were 242 cooperative member Group Member Banks.

The OP Bank Group has over 3 million customers or approximately 60 per cent of all Finns. The Group has achieved a solid position in the corporate sector in particular as a financier of small to medium-sized companies and municipalities.

At the end of 2003 OP Bank Group’s market share of euro-denominated credits to the public was 29.8 per cent and of euro-denominated deposits from the public 31.6 per cent. Total assets stood at EUR 35 billion and the Group’s capital adequacy ratio was 15.4 per cent at the end of 2003. For the year 2003 OP Bank Group’s operating profit was EUR 515 million, the return on equity was 11.5 per cent and the cost/income ratio was 62.1 per cent.



## OKO BANK

OKO Bank is a Finnish commercial bank, established in 1902. OKO Bank's share capital amounted to EUR 202.4 million at the end of 2003. OKO Bank's Series A shares have been listed on the Helsinki Exchanges since 1989, and the number of shareholders was more than 25,000 at the end of 2003.

OKO Bank Consolidated's operations are divided into four divisions as follows: Corporate Banking, Investment Banking, Retail Banking and Group Treasury. OKO Bank Consolidated's income, expenses and capital which are not allocated within these divisions are grouped together within Group Administration.

Corporate Banking provides corporate customers with financing and cash management services as well as services connected with the money, capital and foreign exchange markets. Financial services involve granting loans and guarantees, arranging receivable and security-backed finance, arranging finance on the debt issuance market as well as engaging in venture capital investments. In 2003 Corporate Banking was conducted within the parent bank, OKO Bank and OKO Venture Capital Ltd.

OKO Bank Consolidated's investment banking is centralised within Opstock Ltd, which provides asset management services to institutional investors, private investors and corporate clients, also providing stockbroking, investment research services, arranging equity financing and acting as an adviser in M & A transactions.

Retail Banking within OKO Bank Consolidated is centralised within Okopankki Oyj and offers comprehensive banking services for retail customers within the Greater Helsinki area as well as for small and medium-sized companies. These services cover financing, investments and payment transfers.

Group Treasury is responsible for OKO Bank's central financial institution tasks, OKO Bank Consolidated's long-term funding as well as fixed income and equity investments. Central banking tasks include financing and payment transfer services for the cooperative member banks and other institutions belonging to the OP Bank Group, the management of OKO Bank's account relationships with the Bank of Finland, managing the minimum and cash reserve requirements and ensuring the member banks' liquidity. Group Treasury furthermore offers the cooperative member banks services related to the money, foreign exchange and capital markets and oversees the OP Bank Group's domestic, international bank, investor relations and international funding. In addition, real-estate property management is included in Group Treasury.

Group Administration are comprised of life insurance, pension insurance and telebanking which is carried out through the associated companies of OP Life Assurance Company (formerly Aurum Life Assurance Company) and OP-Kotipankki Oyj. Further operations include income, expenses and capital which has not been allocated to OKO Bank Consolidated's business areas.

OKO Bank has representative offices in St. Petersburg and Tallinn. OKO Bank has entered into an agreement with Förenings Sparbanken specifying that the latter will provide services to OP Bank Group's corporate customers in Sweden. In connection with restructuring of operations, OKO Bank closed its Stockholm branch office by 30 June, 2003.

### **OKO Bank Consolidated – operations and results for 2003**

The following financial information including the information on the tables are extracted from OKO Bank Consolidated's audited consolidated financial statements:

#### *Performance*

The OKO Bank Consolidated's operating profit for 2003 was EUR 174 million, up EUR 78 million from the previous year. The financial performance was influenced by the sale of OP Life Assurance Company's (formerly Aurum Life Assurance Company) shares in February, which improved profit by EUR 53 million, and the sale of Kiinteistö Oy Aleks-Hermes shares in December, which generated an operating profit of EUR 11 million. The negative impact arising from the consolidation of OP Life Assurance for the corresponding period was EUR 20 million.

The capital gain of EUR 59 million from the sale of OP Life Assurance shares was recorded in OKO Bank's financial statements under "other operating income". The share of losses from OP Life Assurance in January was EUR 6 million and was recorded in OKO Bank's financial statements under "share of affiliate profits/losses". Following the sale, OP Life Assurance is no longer an affiliate of the Bank and is not included in the consolidated financial statements.

OKO Bank's investments in Pohjola Group plc shares increased operating profit in 2002 by EUR 10 million.

The core operations comprising the OKO Bank Consolidated's business divisions generated an operating profit of EUR 131 million, up EUR 12 million on the previous year. All divisions except for retail banking saw their operating profit improve.

Return on equity increased from the previous year's figure of 10.0 per cent to 18.5 per cent and earnings per share increased from EUR 1.34 to EUR 2.66. The cost/income ratio was 45 per cent, against 56 per cent in 2002. Excluding the impact generated by the sale of OP Life Assurance shares, the ratio was 55 per cent, and return on equity was 13.0 per cent. In 2002 the corresponding figure for return on equity was 12.0 per cent. OKO Bank Consolidated's long-term target level for return on equity is 14 per cent and for the cost/income ratio it is 55 per cent.

#### Performance

	<u>2003</u>	<u>2002</u>	<u>Change (%)</u>
	(EUR million)		
Total income (including commission expenses).....	324	241	34
Total expenses (excluding commission expenses).....	139	130	7
Loan losses and write-downs .....	7	-2	-
Share of affiliate profit/losses .....	-3	-17	-
Operating profit .....	<u>174</u>	<u>96</u>	<u>81</u>

OKO Bank Consolidated's total net income from financial operations remained at the previous year's level and amounted to EUR 161 million. Net income from debt securities trading was EUR 15 million in the negative.

Net income from financial operations excluding Treasury amounted to EUR 120 million, compared to EUR 118 million in 2002.

The total profit from Treasury operations booked in net financial income and net income from debt securities trading, amounted to EUR 26 million, compared to EUR 25 million in 2002.

Net income from trading in equities amounted to a profit of EUR 6 million, compared to EUR 4 million the previous year. The EUR 2 million capital gain from OMHEX shares sold by Opstock had a significant impact on net income. The figures from the compared period included earnings worth EUR 2 million from Pohjola Group plc shares. Unrealised appreciation of listed shares amounted to EUR 26 million at the year-end, compared to EUR 3 million in the previous year. The growth was primarily attributable to the OMHEX shares held by the Bank.

Net income from foreign exchange operations amounted to EUR 6 million, a decrease of EUR 1 million from the corresponding figure for the previous year.

Dividend income amounted to EUR 9 million, or EUR 4 million less than a year earlier. It included less than EUR 4 million in additional dividends from HEX Plc. The previous year's figures included EUR 7 million in dividends from Pohjola Group plc shares.

Net commission and fees rose by more than a fifth to EUR 66 million, or EUR 11 million more than a year earlier. The increase was primarily generated by lending, payment transfers and securities issuance. Meanwhile, commissions and fees from securities brokerage decreased.

#### Net commission income

	<u>2003</u>	<u>2002</u>	<u>Change (%)</u>
	(EUR million)		
From lending .....	14	12	19
From payment transfers .....	16	13	30
From securities brokerage .....	10	11	-17
From securities issuance .....	5	1	-
From asset management .....	10	9	9
From guarantees .....	5	4	6
Other fee income .....	7	4	57
Total .....	<u>66</u>	<u>55</u>	<u>21</u>

Other operating income amounted to EUR 90 million, an increase of EUR 71 million on the figure a year earlier. The increase can be attributed to the capital gain from the sale of OP Life Assurance shares and the sale of Kiinteistö Oy Aleks-Hermes shares.

Expenses net of commission expenses totalled EUR 139 million, up EUR 9 million or almost 7 per cent on the figure a year ago.

Administrative expenses grew by 7 per cent. Staff costs accounted for approximately half of the aggregate amount of EUR 103 million in administrative costs. They increased by 9 per cent, due to an increase in the number of employees, wages and indirect personnel costs. The consolidated companies had an average payroll of 1,138 during the year, or almost 2 per cent more than a year earlier. At the end of the year, the number of staff was 1,113.

Less than EUR 6 million worth of new loan and guarantee losses and specific loan loss provisions were recorded, amounting to the same figure as in the previous year. The total amount of loan loss recoveries and adjustments of specific loan provisions was EUR 3 million, compared to EUR 8 million in the previous year. The net loan and guarantee losses totalled EUR 2 million.

The Bank holds a 19 per cent stake in Oy Realinvest Ab, a real estate investment company. The Bank lowered the value of its Oy Realinvest Ab shares by EUR 4 million to better reflect its share of Oy Realinvest Ab asset value.

The share of affiliate losses was EUR 3 million, compared to EUR 17 million in the previous year. The Bank's losses in January from OP Life Assurance, before the sale of its shares, amounted to EUR 6 million, compared to a negative figure of EUR 20 million the previous year. The Bank's share of OP-Kotipankki Oyj's profits was EUR 2 million, compared to EUR 1 million the previous year. Its share of other affiliates' profits amounted to EUR 1 million (no change on the previous year's figure).

#### *Balance sheet*

The balance sheet total was EUR 14.8 billion at the year end, showing only a 16 per cent increase since the end of last year.

#### Consolidated Balance sheet

	31 December,		
	2003	2002	Change (%)
	(EUR million)		
Loan portfolio .....	7,390	6,746	10
Receivables from financial institutions .....	2,679	1,816	47
Notes and bonds .....	2,910	3,245	-10
Other assets .....	1,775	901	97
<b>Total assets .....</b>	<b>14,754</b>	<b>12,709</b>	<b>16</b>
Deposits from the public .....	2,038	1,926	6
Liabilities to financial institutions and central banks .....	4,831	4,152	16
Notes and bonds issued to the public .....	4,779	4,144	15
Other liabilities .....	2,373	1,853	28
Shareholders' equity .....	733	633	16
<b>Total liabilities .....</b>	<b>14,754</b>	<b>12,709</b>	<b>16</b>

#### *Lending and investments*

The loan portfolio, including leasing assets, grew by less than 10 per cent to EUR 7.4 billion. The loan portfolio of Corporate Banking increased by 7 per cent, while the corresponding figure for Retail Banking increased by 17 per cent. The loan portfolio accounted for about half of the Bank's total assets.

Non-performing and interest free receivables at the end of the year amounted to EUR 18 million, compared to EUR 16 millions in the previous year. They represented, as in the previous year, 0.2 per cent of the total loan and guarantee portfolio. Specific loan loss provisions decreasing the receivables amounted to EUR 25 million at the end of 2003, compared with EUR 27 million in the previous year.

Receivables from financial institutions – mainly from member cooperative banks – grew to EUR 2.7 billion, compared to EUR 1.8 billion in the previous year. Receivables from financial institutions represented nearly a fifth of the total assets.

The amount of shares other than real estate shares was EUR 119 million at the end of the year, or EUR 31 million less than a year earlier. The largest item contributing to the decrease in share holdings was the sale of OP Life Assurance shares.

Real estate holdings were further decreased during the year. The book value of real estate and real estate holdings declined by EUR 46 million and was EUR 113 million. The amount of capital invested in real estate holdings diminished by EUR 51 million and was EUR 131 million. Capital invested in properties in the Bank's own use amounted to EUR 40 million, a decrease of EUR 2 million on the previous year's figure. Capital invested in real estate holdings accounted for less than one per cent of the balance sheet total at the end of the year. Furthermore, the Bank's investments in real estate investment companies totalled EUR 27 million.

#### *Deposits and other liabilities*

Deposits from the public increased by 6 per cent to EUR 2 billion, compared to EUR 1.9 billion in the previous year. They accounted for 14 per cent of the balance sheet total.

Liabilities to financial institutions and central banks increased by EUR 0.6 billion. Most of these were member cooperative banks' deposits with the Bank. Cooperative banks' deposits with the Bank remained at the previous year-end level, or EUR 3.2 billion. Liabilities to the Bank of Finland amounted to EUR 1.2 billion, compared to EUR 0.6 billion a year earlier. Liabilities to financial institutions and central banks amounted to 33 per cent of the balance sheet total.

Debt securities issued to the public showed an increase of EUR 0.7 billion on the figure a year earlier. Bonds accounted for approximately EUR 0.5 billion of the increase and certificates of deposit for EUR 0.2 billion. Debt securities issued to the public accounted for 32 per cent of the Bank's balance sheet total.

Subordinated liabilities were at the previous year-end level, or EUR 0.4 billion. In October, the Financial Supervision Authority authorised the Bank to repurchase a U.S.\$10 million perpetual loan considered Tier II funds. By the end of the year, half of the loan had been repurchased.

#### *Equity capital*

Equity capital at the end of the year stood at EUR 733 million, an increase of EUR 100 million since the end of the previous year. Distributable equity totalled EUR 146 million.

#### *Off-balance sheet items*

The amount of guarantees and other off-balance sheet commitments at the end of the year was EUR 3.6 billion, an increase of EUR 0.4 billion on the figure a year earlier. The amount of loan and other guarantees decreased to EUR 1.1 billion, compared to EUR 1.2 billion in the previous year. Unused standby credit facilities increased by EUR 0.5 billion and amounted to EUR 2.1 billion at the end of the year.

The credit countervalue of derivative contracts grew to EUR 149 million, an increase of EUR 28 million since the end of the previous year.

#### *Capital adequacy*

The Bank's capital adequacy ratio was 11.0 per cent. Tier I ratio to risk-weighted items was 7.0 per cent, which corresponds to the Bank's long-term target level. Risk-weighted items increased by 9 per cent while the amount of Tier I funds increased by EUR 58 million. The dividend proposed by the Executive Board has been deducted from the profit for the period. Tier II funds remained almost at the previous year-end level.

The capital adequacy ratio at the end of 2001 was 12.8 per cent; at the end of 2000, 11.4 per cent at the end of 1999, 12.5 per cent.

	31 December,	
	2003	2002
	(EUR million)	
Own funds		
Tier I .....	620	561
Tier II .....	364	366
Mandatory adjustments .....	-13	-33
Total .....	971	894
Risk-weighted receivables, investments and off-balance sheet items .....	8,792	8,039
Capital adequacy ratio, % .....	11.0	11.1
Tier I ratio, % .....	7.0	7.0

The OP Bank Group's capital adequacy ratio increased to 15.4 per cent from 15.2 per cent at the end of the previous year. The corresponding figure in 2001 was 15.1 per cent; in 2000, 13.7 per cent and in 1999, 12.4 per cent.

## Risk Exposure

### *Risk bearing ability*

At the end of 2003, our risk bearing ability was in line with the 7 per cent target level, although risk-weighted items increased by 9 per cent on the previous year.

### *Credit risk position*

Credit risk is the most significant risk for the Bank. Total exposure means the total amount of off-balance sheet items and receivables vulnerable to credit risk. Total exposure includes both the interest and the principal adjusted by specific credit loss provisions.

The OKO Bank Group's total exposure amounted to EUR 18.2 billion at the end of 2003, an increase of 19 per cent from the previous year. Receivables from the public and from public sector entities accounted for more than 40 per cent of the total exposure, an increase of EUR 0.8 billion, or 12 per cent from the previous year. Receivables from financial institutions, bonds and notes accounted for more than a third of the total exposure.

### *Total exposure*

In the breakdown of total exposure by customer group, non-profit organisations include housing corporations and the exposure in the housing and real estate management sector. In this respect, the customer grouping differs from the sector division used in official reporting, in which housing corporations are included in corporate exposure.

Corporate customers were the largest customer group, representing 36 per cent of the total exposure. Corporate exposure consisted primarily of credits and guarantees. In comparison with 2002, the growth in corporate exposure slowed. In 2003, corporate exposure was up by 6 per cent or EUR 0.4 billion. A more detailed analysis of the structure of corporate exposure is presented under the section "Corporate Exposure".

Financial and insurance institutions accounted for 26 per cent or EUR 4.7 billion of total exposure as of the end of 2003. Receivables from financial institutions and central banks also grew considerably compared to the end of 2002. Financial and insurance institutions also comprise receivables from central banks. Financial and insurance institution exposure consisted mainly of deposits and investments in their own bonds and notes. According to the credit ratings issued by Moody's counterparties rated at least A3 accounted for more than 80 per cent of exposure in the financial and insurance institution sector.

Cooperative member banks and companies in the OP Bank Group Central Cooperative represented 14 per cent of the total exposure. This customer group's exposure grew by EUR 0.7 billion to EUR 2.5 billion during the year.

The portion of private customers' total exposure remained on the previous year's level. Exposure rose by EUR 0.4 billion or 22 per cent and totalled EUR 2.1 billion as of the end of 2003. Housing loans accounted for 70 per cent of private customer exposure. Less than 15 per cent of private customer exposure was such that the customer-specific exposure exceeded EUR 200,000.

Non-profit organisation exposure rose by EUR 0.3 billion or 26 per cent and totalled EUR 1.6 billion as of the end of 2003. Housing corporations and non-profit building associations accounted for 89 per cent of the exposure. Rated non-profit building companies or housing corporations owned by municipalities or cities represented 60 per cent of this customer group's exposure.

Public sector entity exposure fell by EUR 0.1 billion from the previous year. The majority of the public sector entities' EUR 0.6 billion exposure consisted of credits granted to municipalities, and government notes and bonds.

### Total Exposure

	31 December, 2003		31 December, 2002	
	EUR billion	%	EUR billion	%
Claims on the public and public sector entities .....	7.6	42	6.8	44
Claims on credit institutions and central banks .....	3.6	20	1.9	12
Debt securities .....	2.9	16	3.3	22
Unused standby credit facilities .....	2.3	13	1.7	11
Guarantees and documentary credits .....	1.2	7	1.1	7
Derivative contracts .....	0.1	1	0.1	1
Other off-balance sheets items .....	0.5	3	0.4	3
<b>Total .....</b>	<b>18.2</b>	<b>100</b>	<b>15.3</b>	<b>100</b>

### Total Exposure by Counterparty

	31 December, 2003		31 December, 2002	
	EUR billion	%	EUR billion	%
Corporates .....	6.6	36	6.3	41
Finance and insurance .....	4.7	26	3.5	23
Cooperative banks and OP Bank Group				
Central Cooperative .....	2.5	14	1.8	12
Private customers .....	2.1	12	1.7	11
Non-profit institutions .....	1.6	9	1.3	8
Public entities .....	0.6	3	0.7	5
<b>Total .....</b>	<b>18.2</b>	<b>100</b>	<b>15.3</b>	<b>100</b>

### Large-customer exposure

Large-customer exposure refers to corporate customers whose exposure exceeds 10 per cent of the Group's own funds. As of the end of 2003, the Group's own funds totalled EUR 971 million; an increase of EUR 77 million from a year earlier.

Corporate exposure totalled EUR 1.6 billion at the end of 2003, representing 163 per cent of the Group's own funds. Large-customer exposure comprised 10 corporate customer groups, whose aggregate exposure represented 24 per cent of total corporate exposure. Large-customer exposure decreased by EUR 0.6 billion from the previous year. The reason for the decrease was that 8 customer group's exposure no longer exceeded the 10 per cent limit owing to an increase in OKO Bank's own funds.

### Corporate exposure

Exposure of investment-grade companies (ratings 1-4) totalled EUR 2.6 billion at the end of 2003, which is EUR 0.1 billion less than a year earlier. The proportion of investment-grade company exposure dropped from 43 to 40 per cent during the year, mainly as a result of changes in ratings. Meanwhile, the proportion of exposure in ratings classes 5-6 grew by 3 percentage points. In other ratings classes the relative changes in exposure were less than one percentage point. Exposure of companies in the two weakest ratings classes (ratings 11 and 12) totalled EUR 13 million, or 0.2 per cent of corporate exposure. Companies in the metal or forestry industries accounted for the bulk of exposure in the two weakest ratings classes.

The table below shows the distribution of ratings shown in accordance with counterparty ratings. Collateral or guarantees received have not been taken into account.

A large part of the EUR 0.7 billion in unclassified corporate exposure consisted of credit granted to entrepreneurs, real estate companies or small corporate customers. The average exposure of unclassified customers was less than EUR 50,000.

## Total Corporate Exposure by Credit Rating

Credit rating	S&P rating	31 December, 2003		31 December, 2002	
		EUR billion	%	EUR billion	%
1 – 2	AAA – A-	0.2	3	0.1	2
3 – 4	BBB+ – BBB-	2.4	37	2.6	41
5 – 6	BB+ – BB	1.9	29	1.6	26
7 – 8	BB- – B+	1.0	15	1.0	15
9 – 10	B – C	0.4	5	0.3	5
11 – 12	D	0.0	0	0.0	0
Non rated		0.7	11	0.7	11
<b>Total</b>		<b>6.6</b>	<b>100</b>	<b>6.3</b>	<b>100</b>

When providing funding to companies with high ratings, covenants protecting the lender's position are used actively. Meanwhile securities and guarantees are used to reduce risk when funding companies with weaker ratings.

The table below shows the total corporate exposure by industry. The metal industry was the largest industry and represented 17 per cent of corporate exposure. Investment-level companies accounted for slightly less than 60 per cent of the exposure in the metal industry. According to the Bank's corporate customers' credit risk policy, no individual industry's share of total corporate exposure may exceed 18 per cent. The four largest industries whose proportion exceeded 10 per cent of corporate exposure were once again metal industry, forest industry, retailing and wholesaling and construction. The most significant changes in the industry distribution were an increase of exposure in the retailing and wholesaling industry by EUR 0.2 billion and a decrease of EUR 0.2 billion in the food industry.

## Total Corporate Exposure by Industry

Industry	31 December, 2003		31 December, 2002	
	EUR billion	%	EUR billion	%
Metal industry .....	1.1	17	1.0	16
Forest industry .....	0.8	12	0.8	13
Retailing and wholesaling .....	0.8	12	0.6	10
Construction .....	0.7	11	0.7	11
Other industry .....	0.5	7	0.5	8
Food industry .....	0.4	7	0.6	9
Real-estate investment companies .....	0.4	6	0.3	5
Energy .....	0.4	6	0.3	6
Transport and traffic .....	0.3	5	0.3	5
Services .....	0.3	5	0.3	5
Telecommunications and electronics .....	0.3	4	0.3	4
Communications and publishing .....	0.2	3	0.2	3
Other industries .....	0.3	5	0.3	5
<b>Total .....</b>	<b>6.6</b>	<b>100</b>	<b>6.3</b>	<b>100</b>

Thirty-nine per cent of corporate exposure was EUR 10 million or less, while exposure in excess of EUR 50 million represented 30 per cent of the total.

## Total Corporate Exposure by Customers' Exposure

Customers' exposure (EUR million)	EUR billion	%
0 – 1 .....	1.2	18
1 – 10 .....	1.4	21
10 – 50 .....	2.0	30
50 – 100 .....	1.2	18
100 .....	0.8	12
<b>Total .....</b>	<b>6.6</b>	<b>100</b>

## Country risk

Secondary country risk, excluding Finland, amounted to EUR 1.6 billion as of the end of 2003, an increase of EUR 0.3 billion from the previous year. The majority of country risk consisted of deposits

in foreign banks and investments in foreign notes and bonds. Funding in the retailing and wholesaling industry and payment transfer services accounted for a small proportion of country risk. Exposure in the two highest ratings classes, 1 and 2, accounted for 96 per cent of the secondary country risk in comparison with 98 per cent a year earlier.

The secondary country risk of China, which is rated in country risk group 2, totalled EUR 28 million at the year-end. In 2003, group 4 saw the biggest relative growth in country risk, largely due to the rising risk ratings of Turkey, Brazil and Russia.

### Secondary Country Risk by Group

Country risk	Moody's rating	31 December, 2003		31 December, 2002	
		EUR billion	%	EUR billion	%
Group 1	Aaa	1,428	92	1,176	93
Group 2	Aa1 – A3	72	4	70	5
Group 3	Baa1 – Baa3	6	0	3	0
Group 4	Ba1 – B3	53	3	17	1
Group 5	Caa1 – C	0	0	2	0
Total		6.6	100	6.3	100

### Past due payments and non-performing loans

Past due payments amounted to EUR 13 million at the end of December 2003, showing an annual increase of EUR 1 million. Past due payments represented 0.2 per cent of the loan and guarantee portfolio, putting them on par with the previous year.

Non-performing and interest-free receivables grew by EUR 2 million and totalled EUR 18 million as of the end of 2003. They represented 0.2 per cent of the loan and guarantee portfolio, approximately the same as in 2002.

Specific credit loss provisions that reduce the amount of receivables totalled EUR 25 million at the end of 2003. EUR 12 million of these involved non-performing receivables. At the end of 2002, specific credit loss provisions amounted to EUR 27 million, of which EUR 14 million were allocated to non-performing receivables.

In 2003, new credit and guarantee losses and specific credit loss provisions in the amount of EUR 6 million were booked, showing no significant change from the previous year. Credit loss recoveries and revaluations of credit loss provisions totalled EUR 3 million, down EUR 5 million from 2002. Net credit and guarantee losses totalled EUR 2 million. Private customers accounted for EUR 1 million and corporate customers, mainly companies in the telecommunications and electronics industries, for EUR 5 million of new credit and guarantee losses, and specific credit loss provisions.

In 2003, net credit and guarantee losses represented 0.7 per cent. of annual income and 0.03 per cent of the loan and guarantee portfolio compared to –0.7 per cent of annual income and –0.02 per cent of the loan and guarantee portfolio a year earlier.

### Non-performing Receivables

31 December, 2003	Private customers	Corporate customers	Other	Total
	(EUR million)			
Non-performing and interest-free receivables .....	7	8	3	18
Non-performing and interest-free receivables, % of loans and guarantees .....	0.4	0.2	0.2	0.2
Specific loan-loss provisions .....	3	18	4	25
	(EUR million)			
31 December, 2002	Private customers	Corporate customers	Other	Total
	(EUR million)			
Non-performing and interest-free receivables .....	8	8	0	16
Non-performing and interest-free receivables, % of loans and guarantees .....	0.4	0.2	0	0.2
Specific loan-loss provisions .....	4	19	4	27



### *Credit risk position*

The Bank has been able to maintain a stable credit risk position.

### *Market risk position*

Market risks accounted for 6 per cent of the Group's risk-weighted items at the year-end.

Interest rate exposure in trading was minor. At the year-end, 56 per cent of the Group's interest rate exposure was in euros and 41 per cent was in US dollars. The dollar-denominated interest rate exposure consisted chiefly of trading exposure. Treasury's interest rate exposure made up 71.4 per cent of the Group's exposure. Low interest rates boosted the Group's net income from financial operations, particularly owing to the narrower spread between interest rates in retail borrowing and lending.

The market capitalisation of listed shares was EUR 56.1 million at the year-end, of which EUR 29.3 million was recorded under current assets. The three largest industries recorded under current assets by holding were as follows: forest industry 25 per cent, metal industry 22 per cent, and communications and publishing 9 per cent. OMHEX shares with a market capitalisation of EUR 26.8 million were recorded under fixed assets. Investments in venture capital funds totalled EUR 20.4 million and binding unexecuted investment commitments EUR 17.0 million.

Share prices rose during the year, resulting in good earnings from shares.

### **Market Risks of the Bank and its subsidiaries**

	<u>31 December, 2003</u>	<u>On average 2003</u>	<u>Standard deviation</u>
	(EUR million)		
Interest rate risk*			
OKO Bank Group total.....	5.8	8.9	2.5
– of which ALM.....	5.9	5.9	4.3
Market value of equity position .....	29.3	24.7	2.1
OMHEX shares .....	26.8	25.0	1.0
Venture capital funds including unexecuted investment commitments	34.7	34.0	2.5
Net currency exposure .....	<u>3.2</u>	<u>1.6</u>	<u>2.1</u>

\* The effect of 100 basis point interest rate movement on the present value of future cashflows (currencies added up in absolute values).

### **OKO Bank's Market Risk (Value at Risk)**

	<u>31 December, 2003</u>	<u>On average 2003</u>	<u>Standard deviation</u>
	(EUR million)		
Total.....	–0.47	–0.67	0.15
Interest rate risk.....	–0.39	–0.70	0.19
– of which ALM .....	–0.37	–0.51	0.15
Equity exposure .....	–0.43	–0.46	0.09
Currency exposure.....	–0.04	–0.01	0.01
Portfolio effect .....	<u>0.39</u>	<u>          </u>	<u>          </u>

### *The Bank's overall net foreign currency exposure*

The Bank's overnight currency exposure remained low throughout the year. At the year-end, net currency exposure amounted to EUR 3.2 million. Foreign exchange trading posted good results in relation to its targets that were largely based on intra-day trading.

No market risks were taken in option operations or when issuing index loans; instead, the risks were hedged.

### *Derivatives*

A large number of interest rate swaps were made to hedge against interest rate fluctuations than a year earlier. The number of equity and credit derivatives used to hedge the additional earnings linked to index loans increased following the issue of new index loans.

In trading, the volume of interest rate swaps declined owing to reduced use of short-term swaps to cover money market exposure. With the appreciation of the US dollar, customer demand for currency forward contracts has picked up.

The unrealised market capitalisation of the derivatives used to hedge the loan portfolio and liabilities against interest rate risk amounted to EUR –0.4 million. Meanwhile the unrealised market capitalisation of derivatives used to hedge the investment portfolio against interest rate risk was EUR –6.5 million. The balance sheet items hedged using derivatives include an equal positive value adjustment based on interest rate fluctuations.

### **Funding risk**

The Bank's principal funding currency is euro. Euro-denominated long-term loans totalled EUR 1.7 billion (85 per cent). Long-term loans also include those denominated in dollars (U.S.\$ 216 million), Swiss francs (CHF 45 million) and yen (JPY 10 billion). The currency risk involved in these is hedged using interest rate and currency swaps.

Member bank market-rate deposits represented approximately 21 per cent of the Group's funding. Deposits from the public accounted for 14 per cent of OKO Bank Group's funding. Current and income accounts not placed in any time class represented some 8 per cent. The proportion of long-term funding rose from 8 to 13 per cent.

OKO Bank Group's largest funding item are CDs, which are itemised by buyer group in the table below.

### **The Bank's CD and Euro CP's Issue Volume by Buyer Group and Investments in CD's of Other Banks**

	31 December, 2003	On average 2003	Standard deviation
		(EUR million)	
CD's and ECP's issued.....	3,505	3,682	747
– to banks.....	1,521	1,819	342
– to corporates .....	1,801	1,844	188
– to other customers .....	184	166	32
Investments in CD's of other banks .....	<u>1,527</u>	<u>1,476</u>	<u>48</u>

At the year-end, the short-term net capital gap was EUR –743 million. Deposits not placed in any time class consisting of current accounts and the member bank liquid reserves amounted to EUR 3,294 million. The notes and bonds included in trading portfolios are placed in the shortest time period when calculating net capital cash flow.

OKO Bank Group's liquid reserves and their minimum requirements are shown in the table. Liquid reserves comprise liquid, negotiable notes and bonds, and net interbank deposits of less than one month by counterparty.

### **The Bank's Funding Risk According to the Maturity**

Period principal gap	31 December, 2003	On average 2003	Standard deviation
		(EUR million)	
0 – 1 years.....	–743	–819	104
1 – 2 years.....	508	624	140
2 – 3 years .....	619	641	73
3 – 4 years .....	760	646	132
4 – 5 years .....	602	591	36
5 – 10 years .....	1,103	1,045	–
>10 years .....	444	470	–
Deposits not allocated to time buckets .....	<u>–3,294</u>	<u>–3,198</u>	<u>48</u>

### **OKO Bank Group's Liquidity Reserve and its Minimum Level**

	31 December, 2003	On average 2003	Standard deviation
		(EUR million)	
Liquidity reserves.....	3,684	3,048	294
– of which the liquidity reserve of OP Bank Group member banks .....	1,854	1,818	25
The minimum level of liquidity reserves .....	<u>2,971</u>	<u>2,826</u>	<u>81</u>

### ***Real estate exposure***

OKO Bank Group's capital invested in real estate holdings amounted to EUR 131 million at the end of 2003, with properties in bank use representing EUR 40 million. In addition, holdings in real estate investment companies totalled EUR 27 million. The net yield on real estate investments rose from the previous year.

### ***Operational risks***

The impact of actual operational risks on operating profit was less than EUR 0.3 million.

### ***A change in OKO Bank Consolidated's structure***

In February, the Bank decreased its shareholding in the OP Life Assurance Company from 49.9 per cent to 15 per cent. Following the sale, OP Life Assurance is no longer an affiliate of the Bank and is not included in the consolidated financial statements.

In December, the Bank sold the shares in Kiinteistö Oy Aleksi-Hermes, which was previously included in the consolidated financial statements.

### ***Share capital and shareholders***

OKO Bank's shares are divided into Series A and K. Series A shares are intended for the general public and are quoted on the Helsinki Stock Exchange, whereas the ownership of series K shares is restricted to companies and entities that are part of the OP Bank Group. At shareholders' meetings, Series A shares entitle their holders to one vote while Series K shares carry five votes each. Furthermore, Series A shares entitle their holders to an annual dividend that is at least one percentage point higher than the dividend paid on Series K shares. At the end of the year, the number of shares outstanding was 48.1 million. Series A shares represented 77 per cent of all shares.

Member cooperative banks converted 9,660 Series K shares into Series A shares under the conversion clause in OKO Bank's Articles of Association.

The A options from the 1999 share option programme were listed on the Helsinki Stock Exchange starting on 1 October, 2002. Half of the options from the option programme, or 2,080,800 options, were admitted for public trading. By the end of the year, a total of 1.6 million Series A shares were subscribed using the A stock options provided in the 1999 stock option incentive system, 1.4 million of which were registered during the year. The registrations raised OKO Bank's share capital by EUR 6 million to EUR 202.4 million. In addition, EUR 4.6 million was recorded in the share premium fund. The 215,820 A shares subscribed in the November to December period were registered on 16 January, 2004. All the shares referred to above entitle their holders to a full dividend for 2003. The subscription price was EUR 7.92 until 7 April, 2003 and EUR 7.17 thereafter.

At the end of the year, OKO Bank did not possess its own shares and the Annual General Meeting has not authorised purchase of own shares.

### ***Shareholders***

The Bank had 25,170 registered shareholders at the end of the year. Some 95 per cent of the shareholders were private persons. The largest individual shareholder was OKO Bank's parent institution, the OP Bank Group Central Cooperative, which held 40.1 per cent of OKO Bank's shares and 56.8 per cent of the voting rights. The OP Bank Group Central Cooperative and the member banks held 19.2 million shares or 51.7 per cent of the 37 million shares in Series A.

### ***Stockholm Branch Office and Representative Offices***

In accordance with a decision made in January, the Stockholm branch office was closed at the end of June. Since then, the Bank has no branch offices abroad. The Bank has representative offices in St Petersburg and in Tallinn.

## CAPITALISATION AND INDEBTEDNESS OF OKO BANK AND ITS CONSOLIDATED SUBSIDIARIES

The table below sets forth the capitalisation and indebtedness of the Bank and its consolidated subsidiaries as at 31 December, 2003<sup>(1)</sup>:

	<b>The Bank and its consolidated subsidiaries 31 December, 2003</b>
	<b>(EUR million)</b>
Share capital <sup>(2)</sup> .....	202
Other restricted capital .....	236
Profit brought forward .....	169
Profit for the financial year .....	126
Total shareholders' equity .....	733
Subordinated liabilities .....	366
Other long-term debt <sup>(3)</sup> .....	1,848
Total long-term debt .....	2,214
Short-term debt <sup>(4)</sup> .....	11,069
Total capitalisation and indebtedness .....	14,016

**Notes:**

- (1) Commitments and contingent liabilities of OKO Bank Consolidated as at 31 December, 2003 consist of guarantees and pledges given to third parties on behalf of customers aggregating EUR 1,174 million and irrevocable commitments given in favour of customers aggregating EUR 2,454 million.
- (2) The Bank's issued and fully paid share capital as entered in the Trade Register as at 31 December, 2003 stood at EUR 202.4 million. From 1 November to 31 December, 2003, a total of 215,820 new Series A shares were subscribed for on the basis of the A options for The Bank's 1999 share option programme. The share capital increase corresponding to this, totalling EUR 0.9 million, was entered in the Trade Register on 16 January, 2004. Following the increase, The Bank's share capital rose to EUR 203.3 million. The Bank's authorised share capital as entered in the Trade Register is EUR 740 million.
- (3) In March 2004, The Bank launched under its EMTN Programme a EUR 600 million bond issue. The maturity is five years and the principal will be paid back in its entirety in March, 2009. All long-term debt and short-term debt is unsecured and unguaranteed except loans from the European Investment Bank (EIB), the aggregate secured amount of which is EUR 116 million.
- (4) Short-term debt comprises liabilities to financial institutions and central banks, liabilities to the public and public sector entities and debt securities issued to the public, all with a remaining maturity of less than one year.
- (5) This table has been composed for the purpose of this Information Memorandum and the financial information in this table has been extracted from OKO Bank Consolidated's audited consolidated financial statements.

Except as disclosed above, there has been no material change in the capitalisation, indebtedness, contingent liabilities and guarantees of OKO Bank Consolidated since 31 December, 2003.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
	(EUR million)				
<b>Assets</b>					
Claims on credit institutions .....	1,784	2,082	1,542	1,816	2,679
Claims on the public and public sector entities ...	4,561	5,472	5,734	6,490	7,250
Debt securities .....	2,961	2,259	4,315	3,245	2,910
Shares and participations .....	141	217	160	149	119
Intangible and tangible assets .....	266	194	185	179	132
Other assets .....	1,122	777	714	830	1,664
<b>Total</b> .....	<u>10,836</u>	<u>11,000</u>	<u>12,650</u>	<u>12,709</u>	<u>14,754</u>
<b>Liabilities and equity capital</b>					
<b>Liabilities</b>					
Liabilities to credit institutions and central banks .....	3,513	3,833	4,897	4,152	4,831
Liabilities to the public and public sector entities .....	2,356	2,140	2,659	2,659	3,307
Debt securities issued to the public .....	3,494	3,380	3,365	4,145	4,779
Subordinated liabilities .....	404	417	473	379	366
Other liabilities .....	542	606	609	700	677
Imputed taxes due .....	13	23	27	39	59
Minority interests .....	2	2	2	2	2
Equity capital .....	513	599	618	633	733
<b>Total</b> .....	<u>10,836</u>	<u>11,000</u>	<u>12,650</u>	<u>12,709</u>	<u>14,754</u>
<b>Income statements</b>					
Net income from financial operations .....	109	124	152	161	161
Other income .....	126	196	118	94	174
Other expenses .....	115	125	126	133	141
Depreciation and write-downs .....	16	11	11	11	10
Loan and guarantee losses .....	-2	-10	-4	-2	2
Write-downs on securities held as financial fixed assets .....	-1	33	29	0	5
Share of profit/loss of undertakings included in the consolidated accounts using the equity method .....	5	5	2	-17	-3
<b>Operating profit</b> .....	<u>111</u>	<u>167</u>	<u>111</u>	<u>96</u>	<u>174</u>
Extraordinary items .....	-57	-	-	-	-
<b>Profit/loss before appropriations and taxes</b> .....	<u>54</u>	<u>167</u>	<u>111</u>	<u>96</u>	<u>174</u>
Taxes .....	-14	-47	-31	-33	-47
Minority interests .....	-1	-1	-1	-1	-1
<b>Profit for the financial year</b> .....	<u>39</u>	<u>118</u>	<u>79</u>	<u>62</u>	<u>126</u>

The financial information in this table has been extracted from OKO Bank's audited consolidated financial statements without adjustment.

## MANAGEMENT

The operations of OKO Bank and the activities of the Executive Board are supervised by the Supervisory Board consisting of at least 12 members and no more than 30 members, each elected for a three-year period by the Annual General Meeting of Shareholders. The majority of the members of the Supervisory Board shall be elected from amongst the members of the Supervisory Board of the OP Bank Group Central Cooperative.

The Supervisory Board elects the members of the Executive Board consisting of a Chairman, called the Chief Executive Officer, the President and at least three and no more than six other members and a maximum of four deputy members. The chairman of the Executive Board shall be the chairman of the Executive Board of the OP Bank Group Central Cooperative and the deputy chairman shall be the deputy chairman of the Executive Board of OP Bank Group Central Cooperative.

The affairs of OKO Bank are governed by the Executive Board whose duty is to manage the Bank's operations in accordance with the law and the Articles of Association.

The Chairman, Deputy Chairman and member of the Supervisory Board of OKO Bank at the date hereof were:

### **Supervisory Board**

#### **Members**

Seppo Penttinen	<i>Chairman</i> <i>Professor</i>
Paavo Haapakoski	<i>Deputy Chairman</i> <i>Principal</i>

### **Members elected from the OP Bank Group Central Cooperative Supervisory Board**

Ola Eklund	<i>Managing Director</i>
Mauri Hietala	<i>Business Development Director</i>
Jukka Hulkkonen	<i>Managing Director, Salon Seudun Osuuspankki</i>
Tapio Kurki	<i>Director, Central Ostrobothnia Rural Advisory Centre</i>
Jari Laaksonen	<i>Managing Director, Etelä-Päijänteiden Osuuspankki</i>
Erkki Laatikainen	<i>Professor</i>
Juhani Leminen	<i>Managing Director, Polvijärven Osuuspankki</i>
Ulf Nylund	<i>Managing Director, Vaasan Osuuspankki</i>
Heikki Oja	<i>Farmer</i>
Jaakko Ojanperä	<i>Managing Director, Kuopion Osuuspankki</i>
Jukka Ramstedt	<i>Managing Director, Porin Osuuspankki</i>
Pertti Ruotsalainen	<i>Hospital Physicist</i>
Heikki Teräväinen	<i>Managing Director, Toijalan Osuuspankki</i>
Pekka Vilhunen	<i>Managing Director, Varkauden Osuuspankki</i>
Keijo Väänänen	<i>Professor, University of Oulu</i>

#### **Other Members**

Kaarina Aho	<i>Managing Director, Liikenneyhtiö O. Aho Oy</i>
Heikki Eteläaho	<i>Managing Director, Ylitornion Osuuspankki</i>
Jussi Hautamäki	<i>Lieutenant General (ret.)</i>
Harri Kainulainen	<i>Managing Director, Lähivakuutus Keskinäinen Yhtiö</i>
Olavi Kuusela	<i>Managing Director, Valio Oy</i>
Eero Lehti	<i>Commercial Counsellor</i>
Kati Myllymäki	<i>Senior Medical Officer</i>
Seppo Paatelainen	<i>Managing Director, Atria Oyj</i>
Leena Rantanen	<i>Director for the Central Church Fund</i>
Valvatti Remes-Siik	<i>Deputy Managing Director, Polarjalostus Cooperative</i>
Astrid Thors	<i>Member of the European Parliament</i>
Timo Vallittu	<i>President, Chemical Workers Union</i>
Erkki Vähämaa	<i>Mayor</i>

At the date of this document the Chairman and Chief Executive Officer, the Deputy Chairman and members of the Executive Board were:

## **Executive Board**

### **Members**

Antti Tanskanen	<i>Chairman and Chief Executive Officer Chief Executive Officer of both OKO Bank and the OP Bank Group Central Cooperative Member of the Board of Directors of M-real Corporation Member of the UNICO Banking Group's Steering Committee Chairman of the Board of Directors of the Central Chamber of Commerce of Finland Member of the Board of Directors of the Employers' Confederation of Service Industries</i>
Reijo Karhinen	<i>Vice Chairman President of the OP Bank Group Central Cooperative Chairman of the Board of Directors of Luottokunta Deputy Chairman of the Board of Directors of Eurocard Oy, Finland Deputy Chairman of the Board of Directors of the Finnish Bankers' Association Deputy Chairman of the Board of Directors of the Finnish Housing Fair</i>
Mikael Silvennoinen	<i>President of OKO Bank Member of the Board of OP Bank Group Central Cooperative Member of the Unico Banking Group's Steering Committee</i>
Timo Ritakallio	<i>First Executive Vice President Member of the Board of Directors of HEX Integrated Markets Ltd. Member of the Board of Directors, SSH Communications Security Corp. Member of the Board of Directors, Stockholmsbörsen AB</i>
Erkki Böös	<i>Executive Vice President Member of the Executive Board of the OP Bank Group Central Cooperative</i>
Heikki Vitie	<i>Executive Vice President Member of the Executive Board of OP Bank Group Central Cooperative Member of the Board of Directors of European Association of the Cooperative Banks Deputy Chairman of the Board of Directors of the Bank Employers' Association Member of the Board of Directors of the Finnish Bankers' Association</i>
Helena Walldén	<i>Executive Vice President Member of the Supervisory Board of Lännen Tentaat plc Member of the Board of Directors of Finpro</i>

### **Deputy Members**

Jarmo Viitanen	<i>Executive Vice President</i>
Raimo Tammilehto	<i>Executive Vice President Deputy member of the Executive Board the OP Bank Group Central Cooperative</i>

### **Secretary**

Markku Koponen	<i>Senior Vice President Secretary of the Executive Board of the OP Bank Group Central Cooperative</i>
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The business address of each of the above and OKO Bank is Teollisuuskatu 1b, FIN-00510 Helsinki, Finland.

## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Bank to any one or more of Banc of America Securities Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Crédit Agricole Indosuez, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, J.P. Morgan Securities Ltd., Merrill Lynch International, Nomura International plc, OKO Osuuspankkien Keskuspankki Oyj and UBS Limited, (the “Dealers”) or to any other person or institution. The arrangements under which Instruments may from time to time be agreed to be sold by the Bank to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 23 April, 2004 (the “Dealership Agreement”, which expression shall include any supplements or amendments thereto) and made between the Bank and the Dealers. Any such agreement will *inter alia* make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Bank in respect of such purchase. The Dealership Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers.

In connection with the issue under the Programme of any Series of Instruments, a portion of which is offered or sold within the United States or to or for the account or benefit of U.S. persons, the Dealer, who is specified in the Pricing Supplement in relation to the relevant Series of Instruments, may purchase and sell the Instruments in the open market. These transactions may include over-allotment and stabilising transactions, and purchases to cover short positions created in connection with the offering of such Instruments. Stabilising transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of such Instruments and short positions involve the sale by the relevant Dealer of a greater number of Instruments than it is required to purchase from the Bank in the offering of such Instruments. The relevant Dealer also may impose a penalty bid, whereby selling concessions allowed to broker-dealers in respect of the Instruments sold in the offering for their account may be reclaimed by the relevant Dealer if such Instruments are repurchased by the relevant Dealer in stabilising or covering transactions. These activities may stabilise, maintain or otherwise affect the market price of the Instruments which may be higher than the price that might otherwise prevail in the open market. These transactions may be effected on any stock exchange on which such Instruments are listed, in the over-the-counter market or otherwise, and these activities, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

### *The United States of America*

The Instruments have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meaning given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Series, as certified to the Fiscal Agent by such Dealer (or in the case of a sale of a Series of Instruments to or through more than one Dealer by each of such Dealers as to Instruments of such Series purchased by or through it, in which case the Fiscal Agent shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and it will have sent to each Dealer to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Instruments comprising any Series, any offer or sale of Instruments of such Series within the United States by a Dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.



Notwithstanding the foregoing restrictions, a Dealer may offer Registered Instruments in the United States pursuant to Rule 144A to qualified institutional buyers who have been informed by such Dealer that the offer is being made pursuant to Rule 144A. Each purchaser of Instruments pursuant to Rule 144A will be deemed to have represented and agreed as follows:

- (i) It is a qualified institutional buyer within the meaning of Rule 144A and it is acquiring such Registered Instruments for its own account or for the account of a qualified institutional buyer over which it exercises sole investment discretion; it is aware, and each beneficial owner of such Registered Instruments has been advised, that the sale of such Registered Instruments to it is being made in reliance on Rule 144A.
- (ii) It understands that the Registered Instruments are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and that, if in the future it decides to resell, pledge or otherwise transfer such Registered Instruments purchased by it, such transaction would be subject to certain restrictions and conditions set forth in or contemplated by the Fiscal Agency Agreement.
- (iii) It understands that the Registered Instruments purchased by it will bear a legend to the following effect unless otherwise agreed to by the Bank:

THIS INSTRUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME, (THE "SECURITIES ACT") AND THE TRANSFER OF THIS INSTRUMENT IS SUBJECT TO CERTAIN CONDITIONS, INCLUDING THOSE SET FORTH IN THE FISCAL AGENCY AGREEMENT (THE "FISCAL AGENCY AGREEMENT") DATED AS OF 10 MARCH, 1992, AS AMENDED AND RESTATED ON 17 APRIL, 2003, AS AMENDED FROM TIME TO TIME, RELATING TO THE INSTRUMENTS. THE HOLDER HEREOF, BY PURCHASING THIS INSTRUMENT, AGREES FOR THE BENEFIT OF OKO OSUUSPANKKIEN KESKUSPANKKI OYJ (THE "BANK") THAT THIS INSTRUMENT MAY BE RESOLD, PLEDGED, OR OTHERWISE TRANSFERRED ONLY (1) TO THE BANK OR AN AFFILIATE OF THE BANK, (2) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO AN INSTITUTIONAL INVESTOR THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, WHO THE SELLER HAS INFORMED, IN EACH CASE, THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A AND IN CONNECTION THEREWITH A CERTIFICATE SUBSTANTIALLY IN THE FORM OF THE NINTH SCHEDULE TO THE FISCAL AGENCY AGREEMENT IS DELIVERED BY THE PURCHASER TO THE REGISTRAR (AS DEFINED IN THE FISCAL AGENCY AGREEMENT), (3) TWO YEARS AFTER THE LATER OF (i) THE ORIGINAL ISSUE DATE OF SUCH INSTRUMENT AND (ii) THE LAST DATE ON WHICH THE BANK OR ANY AFFILIATE OF THE BANK WAS THE BENEFICIAL OWNER OF SUCH INSTRUMENTS, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND IN CONNECTION THEREWITH A CERTIFICATE SUBSTANTIALLY IN THE FORM OF THE TENTH SCHEDULE TO THE FISCAL AGENCY AGREEMENT IS DELIVERED BY THE TRANSFEROR TO THE REGISTRAR, (5) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT THAT HAS DELIVERED TO THE REGISTRAR A SIGNED INVESTMENT LETTER IN THE FORM OF THE EIGHTH SCHEDULE TO THE FISCAL AGENCY AGREEMENT, OR (6) OTHERWISE AS SET FORTH IN THE FISCAL AGENCY AGREEMENT.

- (iv) It acknowledges that the Bank, the Registrar, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Registered Instruments for the account of one or more qualified institutional buyers, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, a Dealer may arrange for the placement of Registered Instruments with sophisticated U.S. institutional investors under restrictions and other circumstances designed to preclude a distribution that would require registration of the Instruments under the Securities Act. These restrictions also include the delivery of certificates containing representations and agreements as provided in the Fiscal Agency Agreement, including those set forth in the Eighth Schedule thereto referred to above.

Furthermore, each Series of Instruments will also be subject to such further United States selling restrictions as the Bank and the relevant Dealer or Dealers may agree and as indicated in the relevant Pricing Supplement.

#### *The United Kingdom*

In relation to each Series of Instruments each Dealer subscribing for or purchasing such Instruments has represented to and agreed with, or will represent to and agree with, the Issuer and each other such Dealer (if any) that:

- (a) *No offer to public – listed Instruments:* in relation to Instruments which have a maturity of one year or more and which are to be admitted to the Official List of the UK Listing Authority, it has not offered or sold and will not offer or sell any such Instruments to persons in the United Kingdom prior to admission of such Instruments to listing in accordance with Part VI of the FSMA, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the FSMA;
- (b) *No offer to public – unlisted Instruments:* in relation to Instruments which have a maturity of one year or more and which are not to be admitted to the Official List of the UK Listing Authority, it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date of such Instruments, will not offer or sell any such Instruments to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (c) *No deposit-taking:* in relation to any Instruments having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Bank;
- (d) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Bank; and
- (e) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

#### *Japan*

Each Dealer understands that the Instruments have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or

to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### *The Republic of Finland*

Each Dealer has agreed that it will not publicly offer the Instruments or bring the Instruments into general circulation in the Republic of Finland other than in compliance with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the Finnish Securities Market Act (495/89) and any regulation made thereunder, as supplemented and amended from time to time.

#### *Republic of Italy*

The offering of the Instruments has not been registered pursuant to the Italian securities legislation and, accordingly, each of the Dealers has represented and agreed that it has not offered or sold, and will not offer or sell, any Instruments in the Republic of Italy in a solicitation to the public, and that sales of the Instruments in the Republic of Italy shall be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations.

Each of the Dealers has represented that it will not offer, sell or deliver any Instruments or distribute copies of the Offering Circular or any other document relating to the Instruments in the Republic of Italy except to “**Professional investors**”, as defined in Article 31.2 of CONSOB Regulation No. 11522 of 1 July, 1998 (“**Regulation No. 11522**”), as amended, pursuant to Articles 30.2 and 100 of Legislative Decree No. 58 of 24 February, 1998 (“**Decree No. 58**”), or in any other circumstances where an express exemption from compliance with the solicitation restrictions provided by Decree No. 58 or CONSOB Regulation No. 11971 of 14 May, 1999 applies, provided however, that any such offer, sale or delivery of Instruments or distribution of copies of the Offering Circular or any other document relating to the Instruments in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1st September 1993 (“**Decree No. 385**”), Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy, pursuant to which the issue or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending *inter alia*, on the amount of the issue and the characteristics of the securities, applies; and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

#### *The Netherlands*

Each Dealer has represented and agreed (and each further Dealer appointed under the programme will be required to represent and agree) that:

- (i) it has not distributed and will not distribute the Information Memorandum in The Netherlands; and
- (ii) it has not directly or indirectly offered, sold, transferred and will not directly or indirectly offer, sell or transfer any Instruments into The Netherlands,

prior to the Bank having finalised the notification procedure in its home state as implemented pursuant to Title III of the European Commission Banking Coordination Directive (2000/12/EC) for the Bank to pursue the activities mentioned in (i) and (ii) above.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that after the Bank has finalised the relevant notification procedure as referred to above, in order to comply with the Netherlands Securities Market Supervision Act 1955 (*Wet toezicht effectenverkeer 1995*, the “**WTE**”), it will only directly or indirectly offer, sell or transfer Instruments in The Netherlands:

- (a) to individuals or legal entities who and which trade or invest in securities in the conduct of a business or profession (which includes banks, securities, intermediaries (including dealers and brokers), insurance companies, pension funds, collective investment institutions, central

governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises which as an ancillary activity regularly invest in securities, hereafter “**Professional Investors**”), provided that in the offer, in the applicable Pricing Supplement and in any documents or advertisements in which a forthcoming offering of such Notes is publicly announced (whether electronically or otherwise), it is stated that such offer is and will be exclusively made to such Professional Investors; or

- (b) if such Instruments have a denomination of at least EUR 50,000 or the equivalent in any other currency provided that if any such Instruments are issued:
  - (i) at a discount, they may only be offered if their issue price is not less than EUR 50,000 (or its equivalent in any other currency);
  - (ii) on a partly-paid basis, they may only be offered if paid-up by their initial holders to at least such amount;
  - (iii) with a denomination of precisely EUR 50,000 (or its equivalent in any other currency), they may only be offered on a fully-paid basis and at par or at a premium; or
- (c) if any other exemption from the prohibition contained in article 3 paragraph 1 of the WTE applies or if the Netherlands Authority for the Financial Markets has granted an (individual) dispensation from the above prohibition and the conditions attached to such exemption or dispensation are fully complied with.

Each Dealer further represents and agrees that it has not, directly or indirectly, offered, sold, transferred or delivered, and will not directly or indirectly, offer, sell, transfer or deliver any Zero Coupon Instruments in The Netherlands. For the purposes of this paragraph, “**Zero Coupon Instruments**” are Instruments (whether in definitive or in global form) that are to bearer and that constitute a claim for a fixed amount against the Bank and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

#### *General*

Save for having obtained the approval of this document by the UKLA and the London Stock Exchange and for having procured the delivery of a copy of this document for registration to the Registrar of Companies in England and Wales, no action has been or will be taken in any country or jurisdiction by the Bank or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Each Dealer will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Instruments or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it to purchase, offer or sale by it of the Instruments under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Bank nor any other Dealers shall have responsibility therefor. Persons into whose hands this Information Memorandum comes are required by the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by a duly convened meeting of the Executive Board of the Bank held on 14 January, 1992 and the increase to the Programme Amount was authorised by a duly convened meeting of the Executive Board of the Bank held on 16 December, 2003.

2. There are no nor have there been any legal actions or arbitration proceedings involving the Bank, or any of its consolidated subsidiaries, nor is the Bank aware of any pending or threatened proceedings, which may have or have had during the twelve months prior to the date of this Information Memorandum a significant effect on the financial position of the Bank and its consolidated subsidiaries (taken as a whole).

3. Since 31 December, 2003 there has been no material adverse change in the financial position or prospects, nor any significant change in the financial or trading position of the Bank and its consolidated subsidiaries (taken as a whole).

4. The consolidated financial statements of the Bank have been audited, without qualification, for the years ending 31 December, 2002 and 2003, by KPMG Wideri Oy Ab, Authorised Public Accountants (the responsible partner for the audit being Hannu Niilekselä), in accordance with approved auditing standards. For the three years preceding this, the consolidated financial statements of the Bank have been audited, without qualification by SVH Pricewaterhouse Coopers Oy, Authorised Public Accountants (the responsible partner for the audit being Kari Miettinen for the years ending 31 December, 1999, 2000 and 2001), in accordance with approved auditing standards. The audited financial information appearing under the heading "Selected Consolidated Financial Information" has been fairly extracted or compiled from such audited accounts.

5. On 3 June, 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 January, 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

6. For the period of fourteen days after the date of this Information Memorandum and throughout the life of the Programme copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of OKO Bank and at the offices of Deutsche Bank AG London, Winchester House, 1 Great Winchester Street, London EC2N 2DB; namely:

- (a) the Articles of Associations of the Bank;
- (b) the Fiscal Agency Agreement;
- (c) the Deed of Covenant;
- (d) the Dealership Agreement;
- (e) the audited consolidated financial statements of the Bank for the periods ending 31 December, 2002 and 31 December, 2003;
- (f) the current listing particulars in relation to the Programme, together with any amendments or supplements thereto and any documents referred to under the heading "Documents Incorporated by Reference" on page 3 of the Information Memorandum; and
- (g) any Pricing Supplement. In the case of Instruments in relation to which application has not been made to the Official List of the UKLA or for trading on the London Stock Exchange or for listing on any other stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by a Holder, or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

7. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The common code and International Securities Identification Number in relation to the Instruments of each Series will be contained in the Pricing Supplement relating thereto.

8. All amounts payable by the Bank in respect of the Instruments, the Fiscal Agency Agreement and the Deed of Covenant may be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or any political subdivision thereof or any authority therein or thereof having power to tax to the extent set out under “Terms and Conditions of the Instruments – 8. Taxation”.

9. The admission of the Programme to listing on the Official List of the UKLA and to trading on the London Stock Exchange is expected to take effect on or around 27 April, 2004. The listing of the Instruments on the Official List of the UKLA will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Series of Instruments intended to be admitted to listing on the Official List of the UKLA and admitted to trading on the London Stock Exchange will be so admitted to listing and trading upon submission to the UKLA and the London Stock Exchange of the relevant Pricing Supplement and any other information required by the UKLA and the London Stock Exchange, subject in each case to the issue of the relevant Instruments. Prior to official listing, dealing will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction. However, Instruments may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the UKLA and the London Stock Exchange or any other any listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Bank and the relevant Dealer may agree.

10. Settlement arrangements will be separately agreed between the Bank, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Series.

**REGISTERED AND PRINCIPAL OFFICE OF THE BANK**

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**FISCAL AGENT, PAYING AGENT AND  
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**PRINCIPAL REGISTRAR**

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**FIRST ALTERNATIVE REGISTRAR**

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