

OP-Pohjola Group's Financial Statements Bulletin 1 January–31 December 2011



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- OP-Pohjola Group
- Year-on-year results
- Quarterly figures
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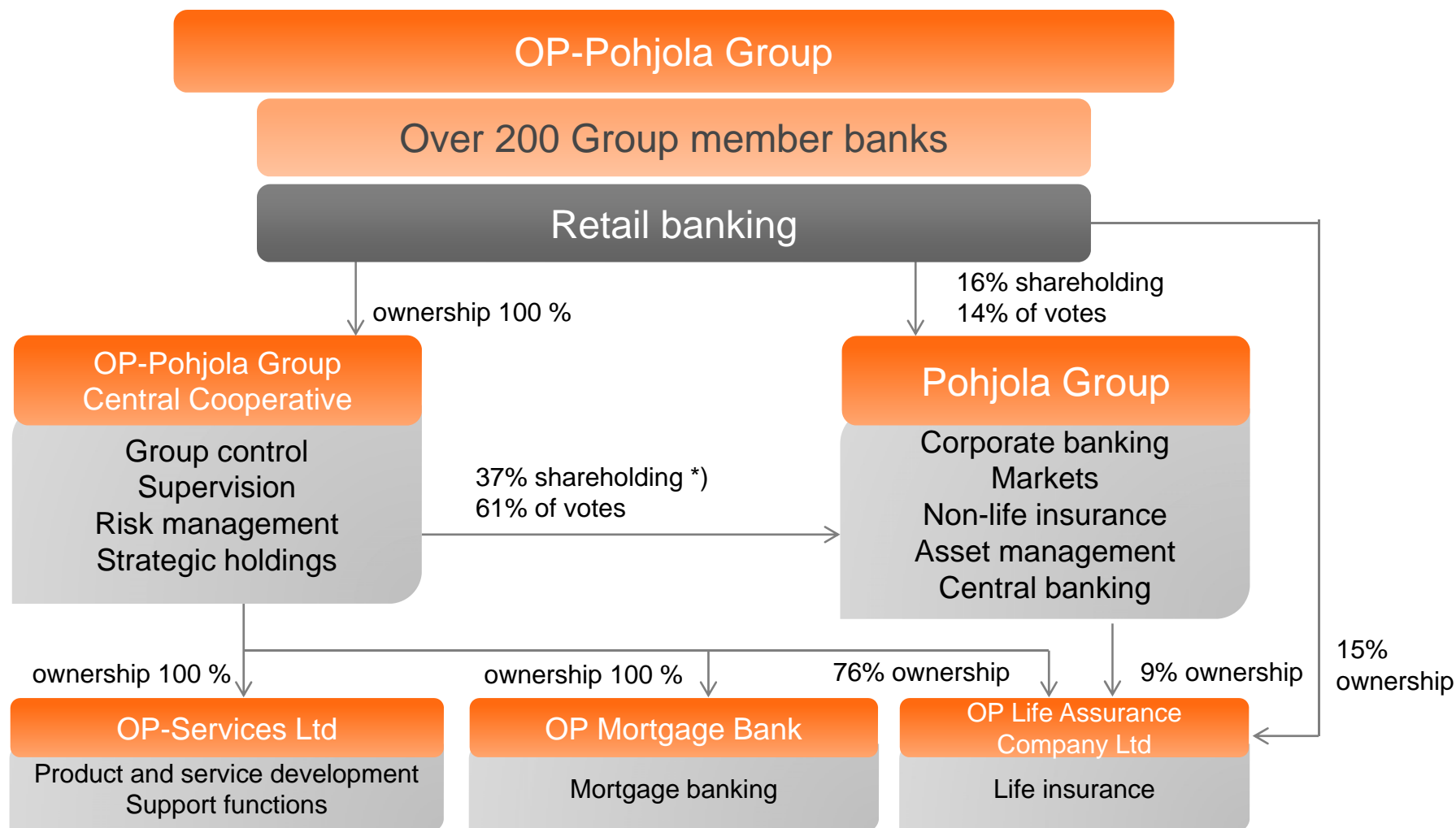


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OP-Pohjola Group



OP-Pohjola Group Structure, Ownership Base and Division of Responsibilities



Credit institutions within OP-Pohjola Group are liable for each other's debts and commitments.

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

*) Includes shareholding of 0.26% by OP-Pohjola Group Central Cooperative's subsidiary, OP Life Assurance Company Ltd

OP-Pohjola Group Business Segments

Banking

- Cooperative banks, Helsinki OP Bank Plc, OP-Kotipankki Oyj, OP Mortgage Bank and OP Fund Management Company Ltd.
- Pohjola Group's Banking and Asset Management segments
- OP Bank Group Mutual Insurance Company

Non-life Insurance

- Pohjola Insurance Ltd, Eurooppalainen Insurance Company Ltd, A-Insurance Ltd and Seesam insurance companies in the Baltic countries

Life Insurance

- OP Life Assurance Company Limited

Other operations

- OP-Pohjola Group Central Cooperative, OP-Services Ltd and Pohjola's Group management



OP-Pohjola Group Key Indicators

	Q1-Q4/2011	Q1-Q4/2010	Change, %
Earnings before tax, €million	518	575	-9.9
Banking	478	367	30.0
Non-life Insurance	8	83	-90.5
Life Insurance	10	43	-76.4
Returns to owner-members and OP-bonus customers, €million	176	163	8.1
	31 Dec. 2011	31 Dec. 2010	Change, %
Ratio of capital base to minimum of capital base	1.80	1.70	0.10 *
Core Tier 1 ratio, %	14.0	12.6	1.4 *
Non-performing receivables/ loan and guarantee portfolio	0.47	0.34	0.13 *
Joint banking and insurance customers (1000)	1,299	1,197	8.5

*Change in ratio



Joint Liability, Deposit Insurance and Investors' Compensation

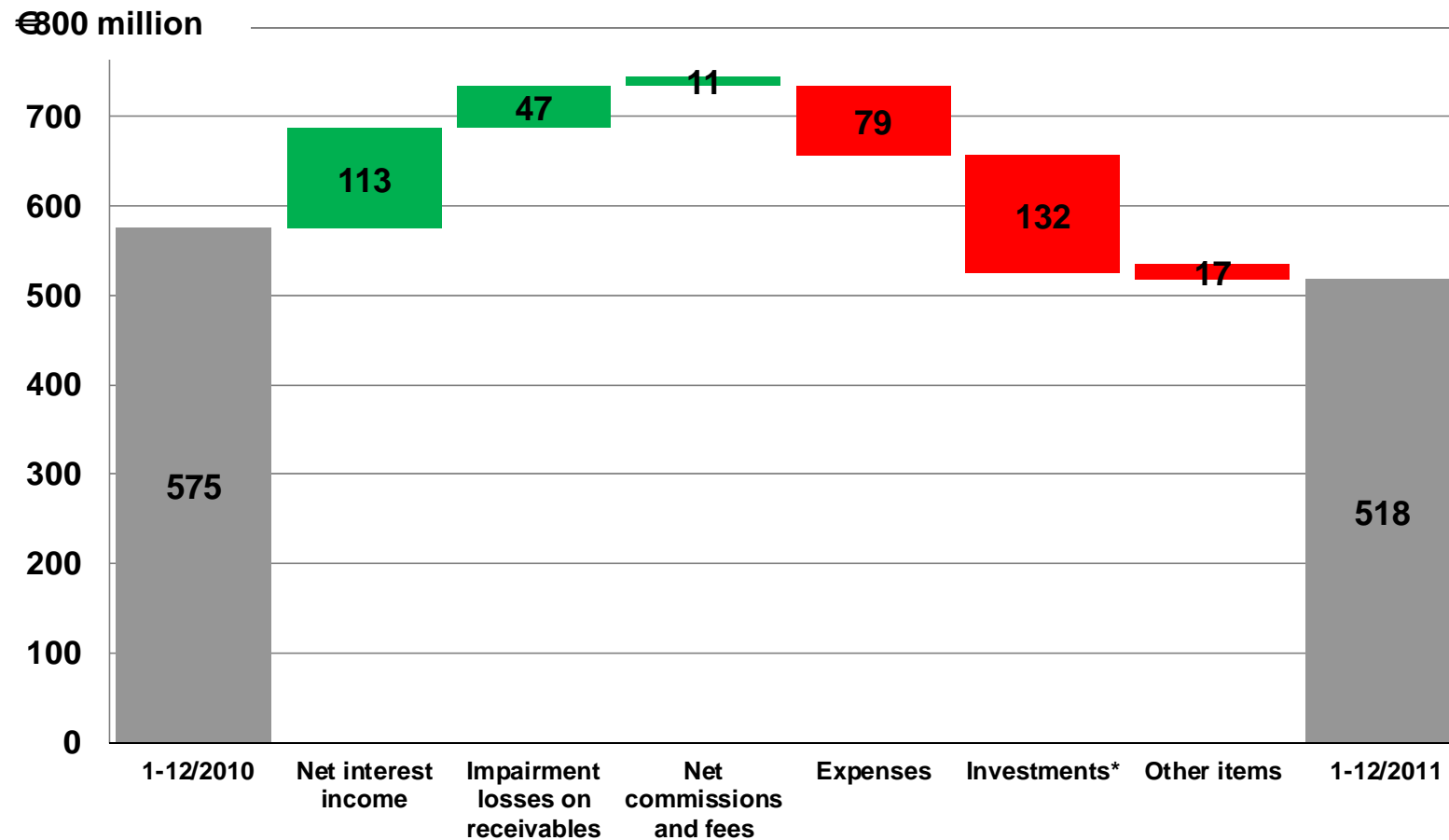
- Under the Laki talletuspankkien yhteenliittymästä Act (the Act on the Amalgamation of Deposit Banks), the amalgamation of the cooperative banks comprises the organisation's central institution (OP-Pohjola Group Central Cooperative), its member credit institutions and the companies belonging to their consolidation groups as well as credit and financial institutions and service companies in which the above-mentioned entities together hold more than half of the total votes.
- The central institution's members at the end of the report period comprised OP-Pohjola Group's member cooperative banks as well as Pohjola Bank plc, Helsinki OP Bank Plc, OP Mortgage Bank and OP-Kotipankki Oyj. OP-Pohjola Group's insurance companies and OP-Services Ltd do not fall within the scope of joint liability.
- By virtue of the Act on the Amalgamation of Deposit Banks, the central institution has both the right to control its credit institutions and the obligation to supervise their operations. The amalgamation of deposit banks is supervised on a consolidated basis. As laid down in applicable law, the member credit institutions and OP-Pohjola Group Central Cooperative are ultimately jointly and severally liable for each other's debts and commitments
- Deposit banks belonging to OP-Pohjola Group, i.e. its member cooperative banks, Pohjola Bank plc, Helsinki OP Bank Plc and OP-Kotipankki Oyj, are regarded as a single bank with respect to deposit insurance. Under legislation governing the Investors' Compensation Fund, OP-Pohjola Group is also considered a single entity in respect of investors' compensation.

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Year-on-year Results



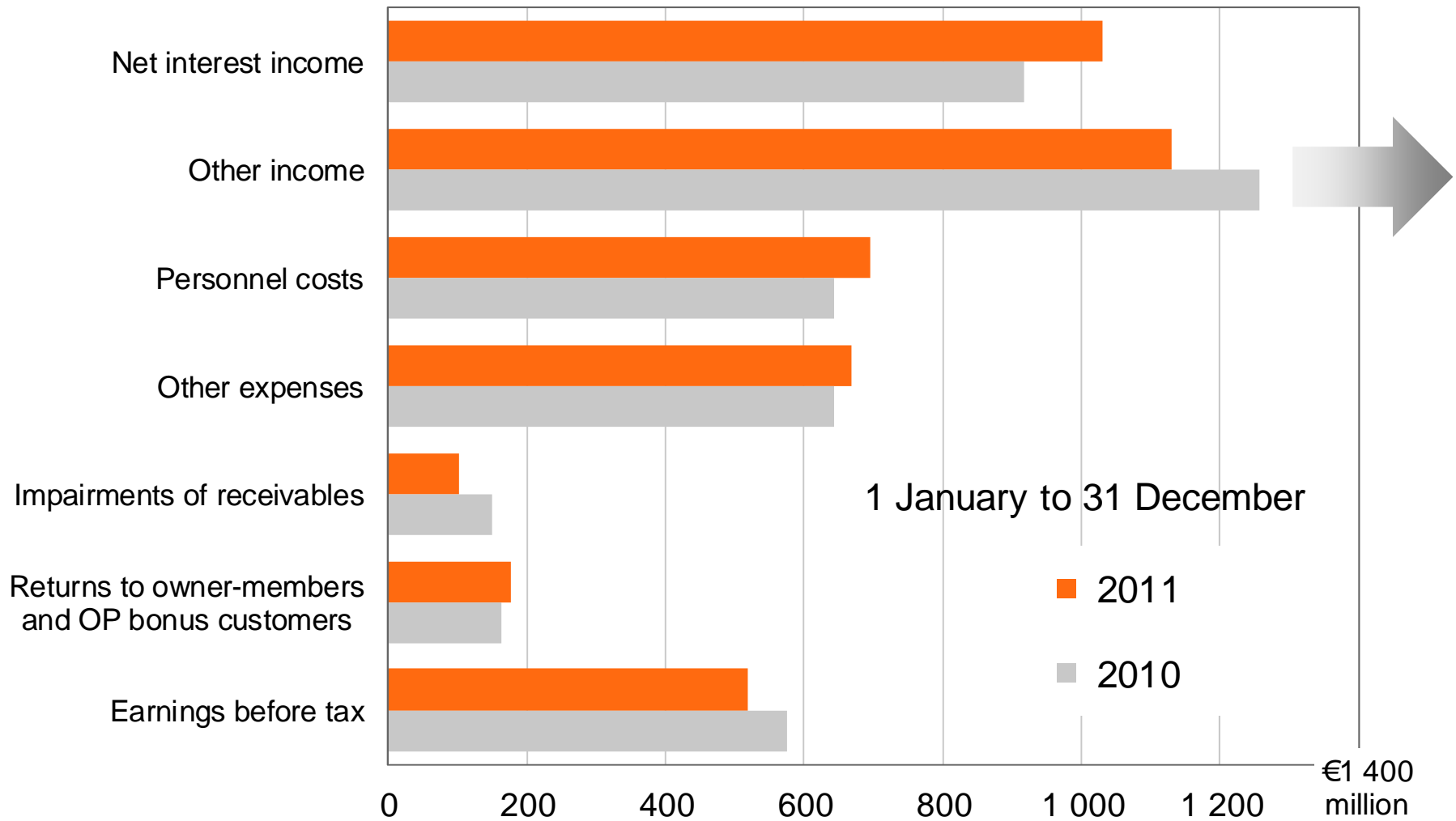
OP-Pohjola Group Earnings before Tax

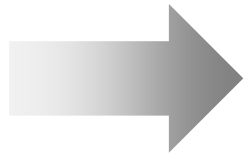


*) Investments = Life insurance's investment income ((excl. derivatives hedging technical provisions) and Non-life insurance investment income + Net trading and investment income

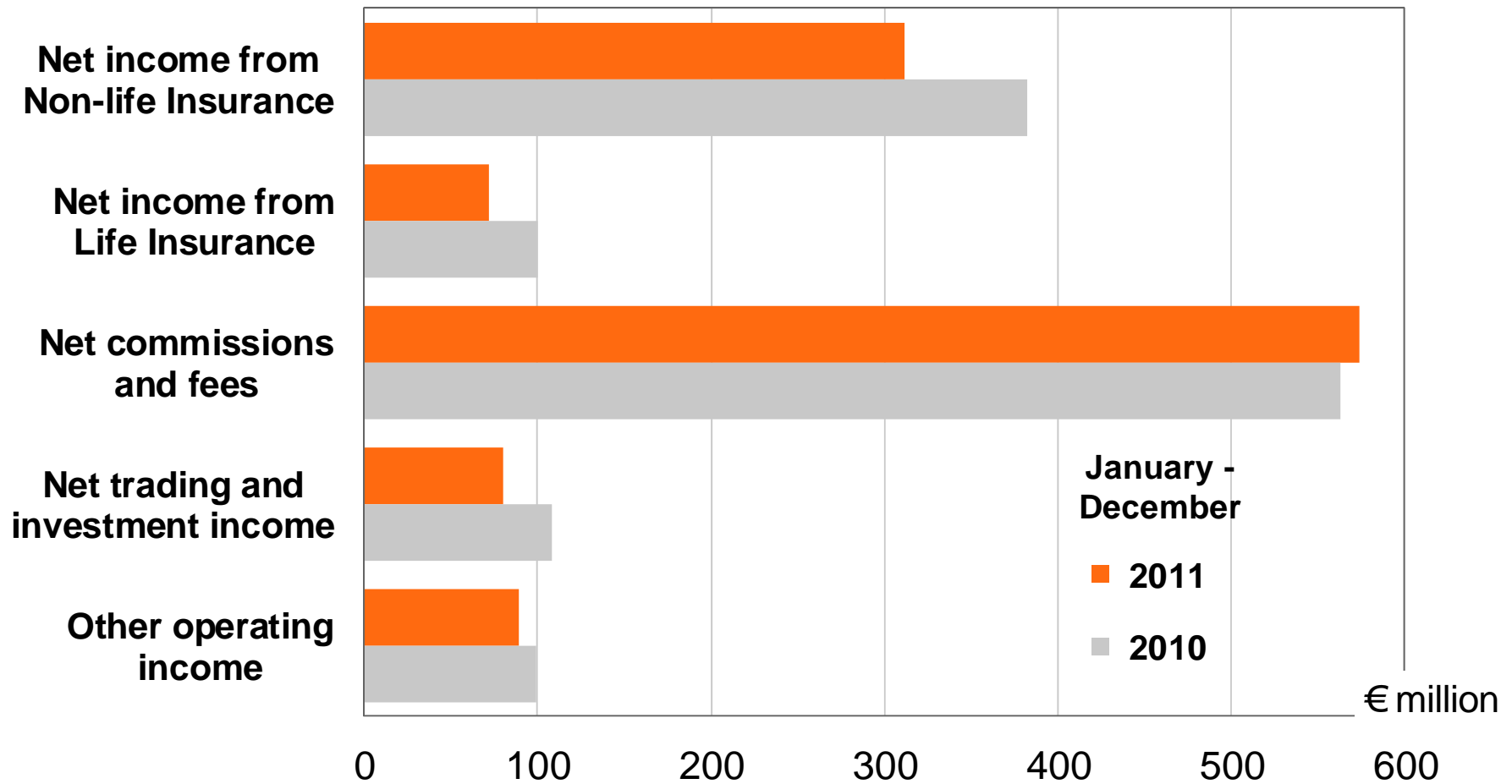


OP-Pohjola Group Income Statement





OP-Pohjola Group Other Income



OP-Pohjola Group Income Statement

€million			Change	
1 January to 31 December	2011	2010	€million	%
Interest income	3,294	2,412	882	36.6
Interest expenses	2,264	1,495	769	51.4
Net interest income	1,030	917	113	12.3
Impairments of receivables	101	149	-47	-31.7
Net interest income after impairment losses	928	768	160	20.9
Net income from Non-life Insurance operations	312	382	-71	-18.5
Net income from Life Insurance operations	72	100	-29	-28.7
Net commissions and fees	574	563	11	1.9
Net trading income	17	46	-29	-62.6
Net investment income	63	62	0	0.4
Other operating income	90	99	-10	-9.8
Personnel costs	696	643	53	8.2
Other administrative expenses	351	319	32	10.0
Other operating expenses	318	324	-6	-1.8
Returns to owner-members and OP bonus customers	176	163	13	8.1
Share of associates' profits/losses	4	2	2	98.7
Earnings before tax	518	575	-57	-9.9



OP-Pohjola Group

Income Statement by Business Segment

1 January to 31 December 2011

€ million	Banking	Non-Life Insurance	Life Insurance	Eliminations and Other Operations	Total
Net interest income	988	0	0	45	1,032
Net income from non-life insurance	0	321	0	-9	312
Net income from life insurance	0	0	87	-16	72
Other income	721	25	17	-16	747
Total income	1,708	346	105	4	2,163
Personnel costs	430	125	10	130	696
Other expenses	533	213	84	-159	671
Total expenses	964	339	94	-30	1,367
Impairment losses on receivables	90	0	0	11	101
Returns to owner-members	176	0	0	0	176
Earnings before tax	478	8	10	22	518

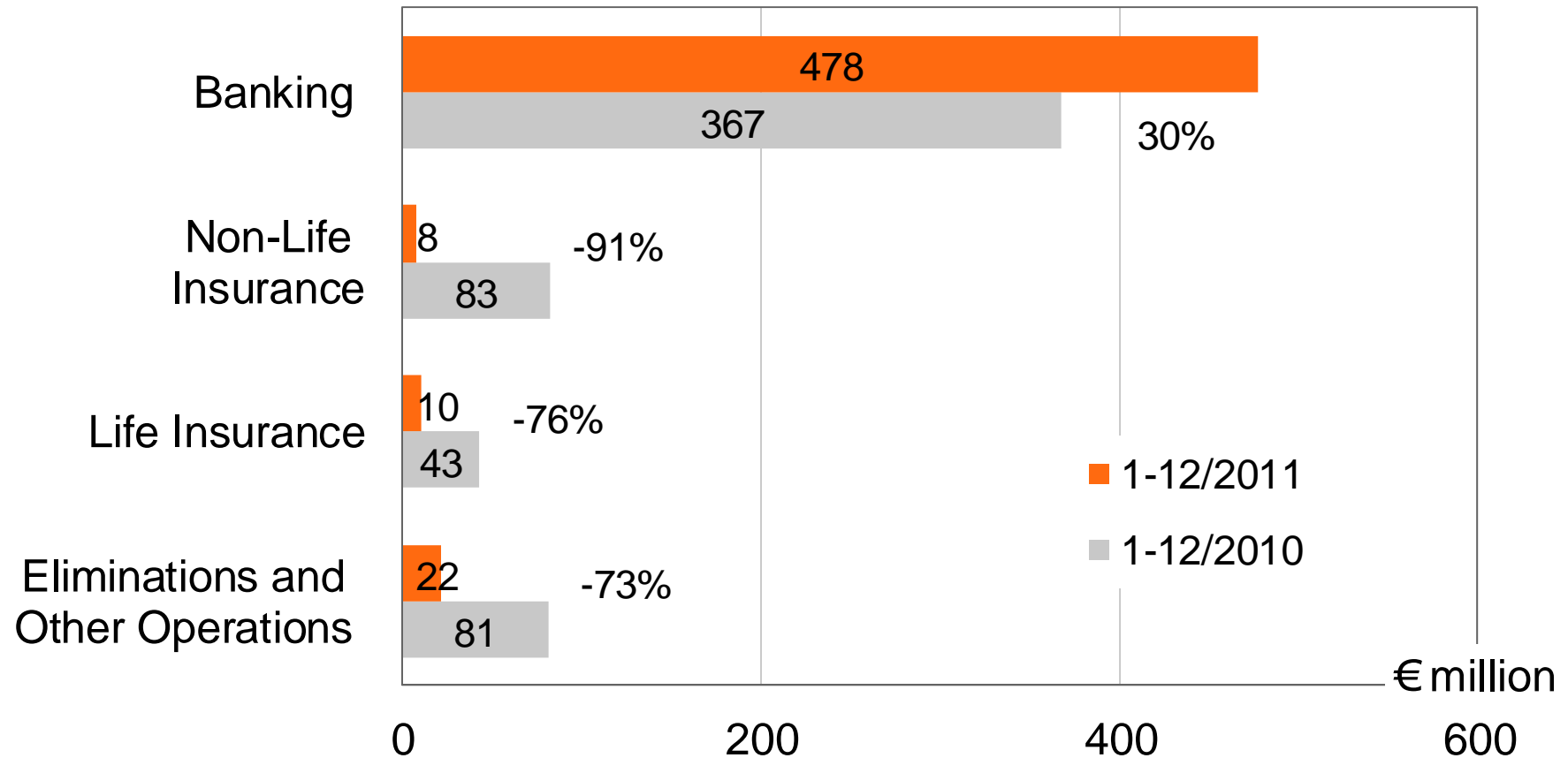
Cost /income ratio, %

56

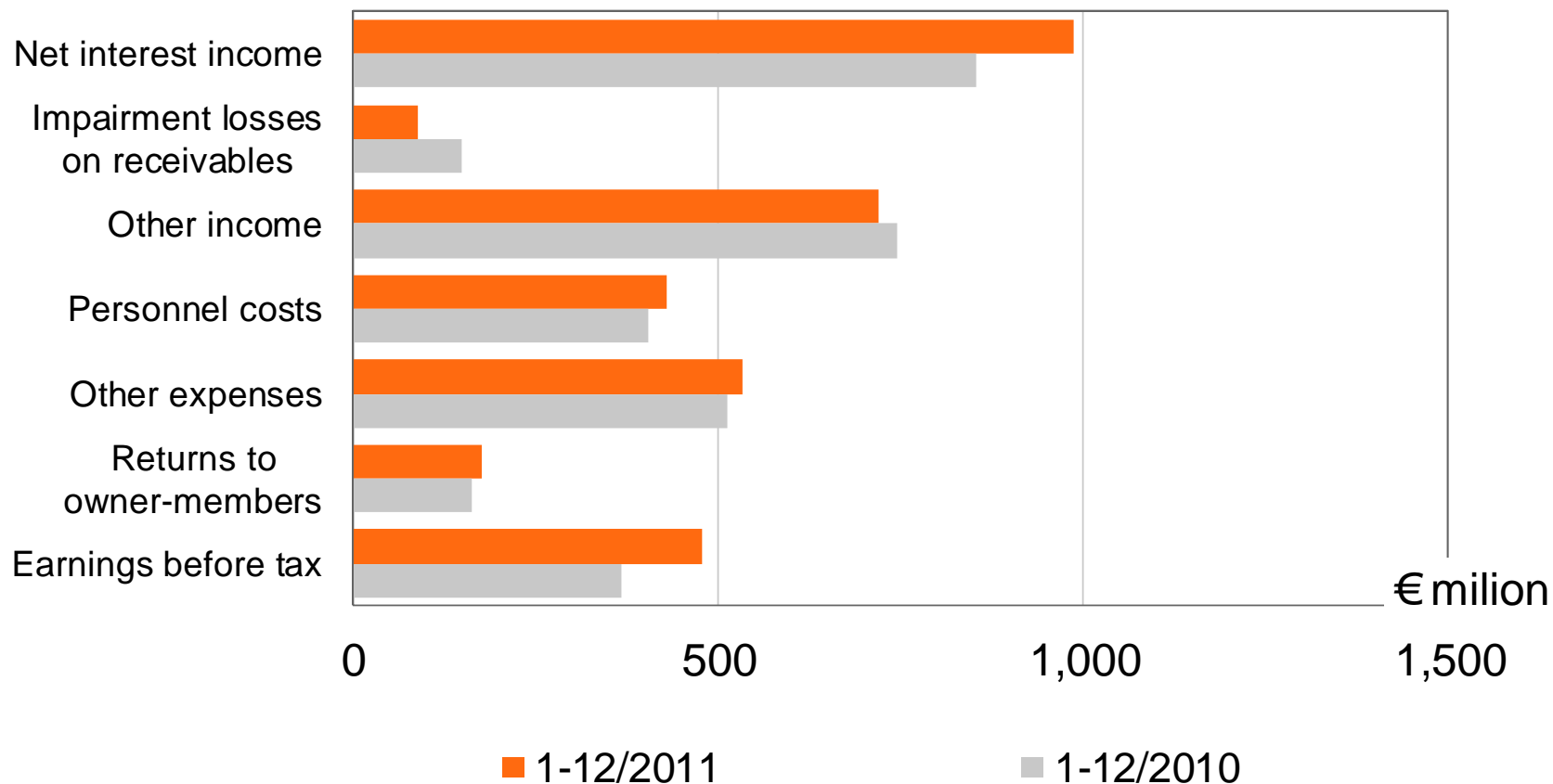


OP-Pohjola Group

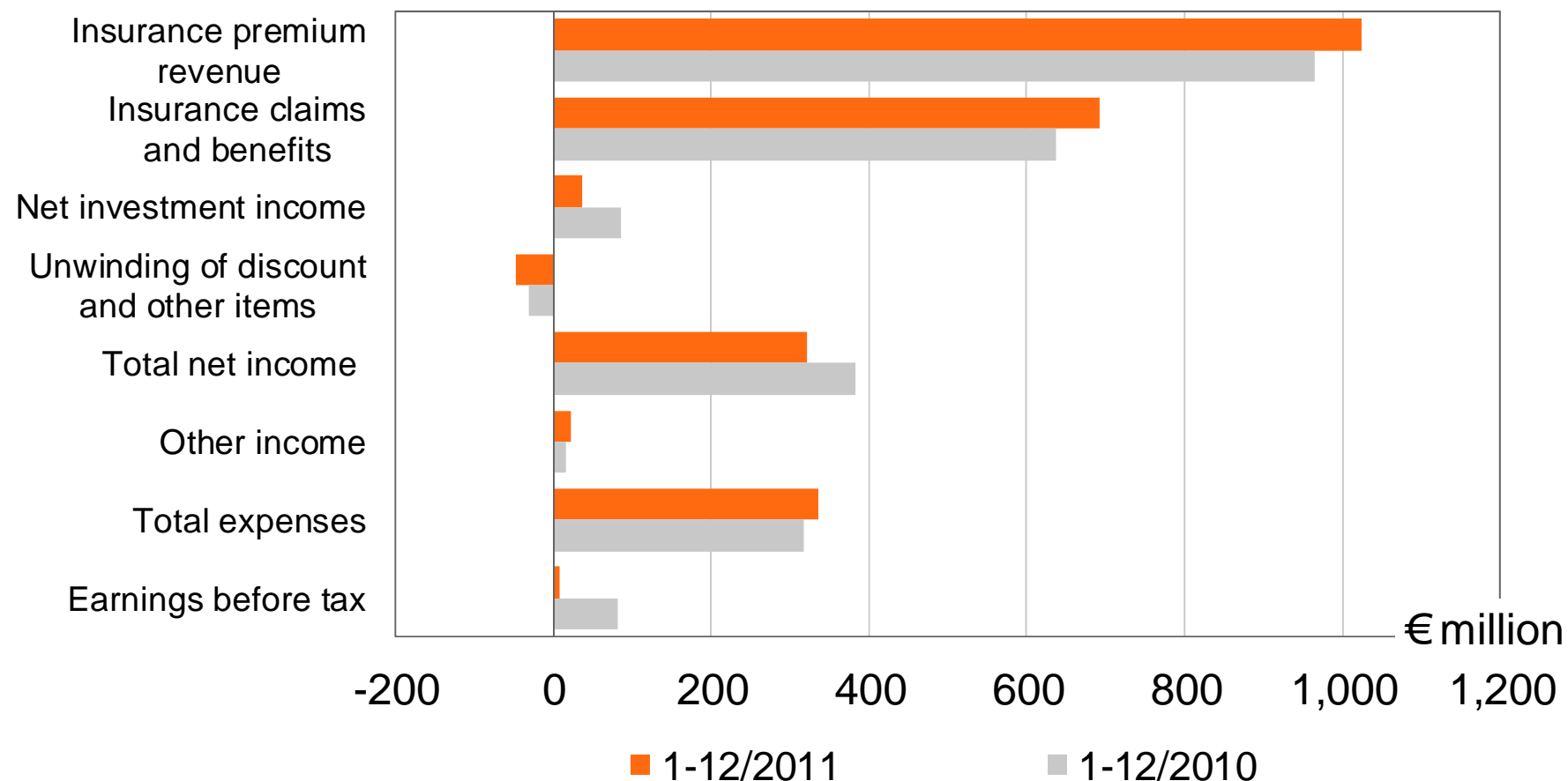
Earnings before tax by Business Segment



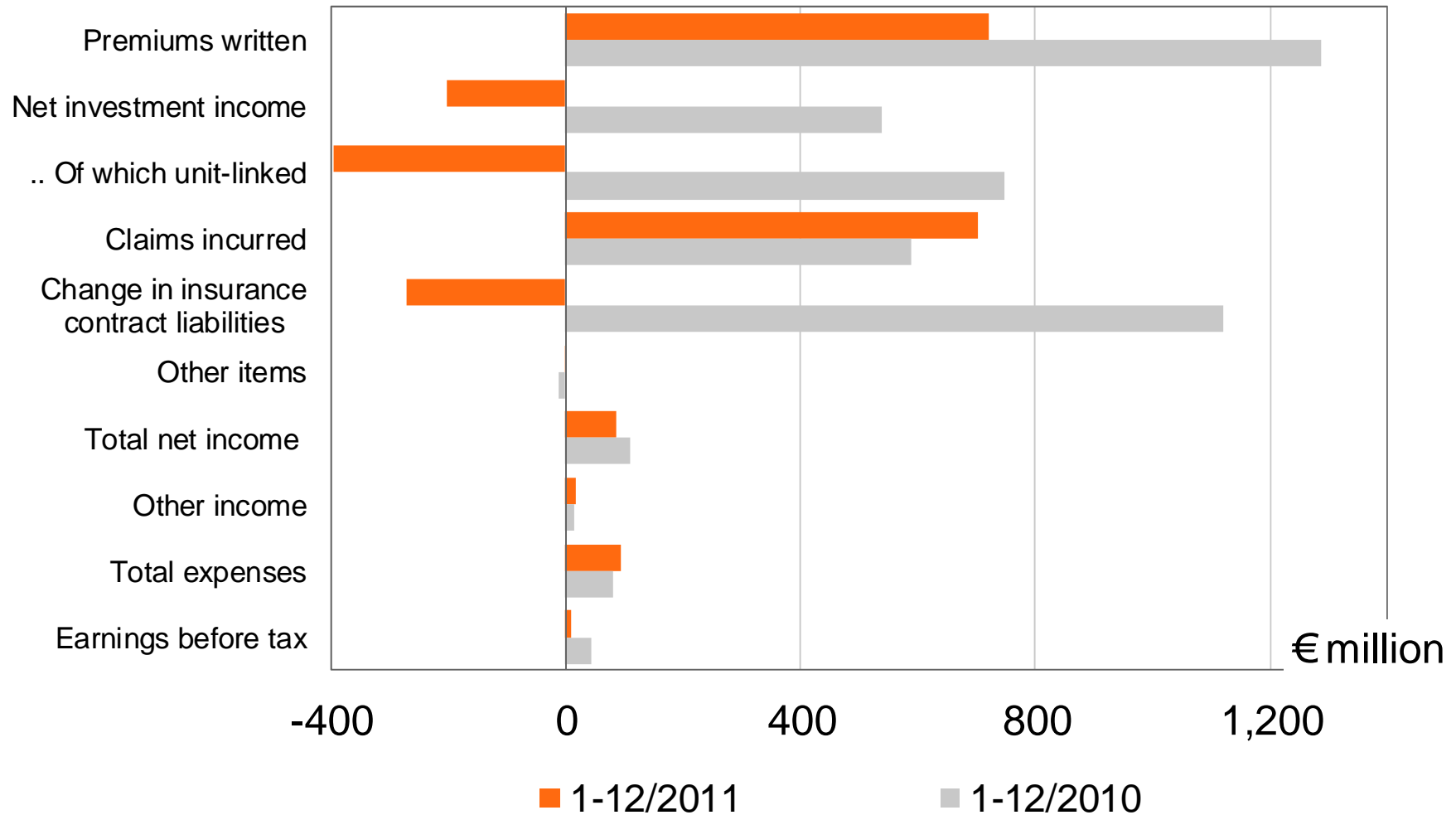
OP-Pohjola Group Banking



OP-Pohjola Group Non-life Insurance



OP-Pohjola Group Life Insurance



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Quarterly Figures



OP-Pohjola Group Quarterly Performance

€million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net interest income	224	228	226	238	238	255	261	275
Other income	298	316	315	326	371	330	214	215
Total income	523	545	541	564	609	585	476	490
Personnel costs	164	171	142	166	178	188	149	181
Other expenses	153	155	156	179	158	165	154	192
Total expenses	317	326	298	345	336	352	303	374
Impairments of receivables	38	40	31	41	23	31	10	37
Returns to owner-members and OP bonus customers	39	42	41	42	42	47	43	44
Earnings before tax	128	137	172	137	208	155	120	35

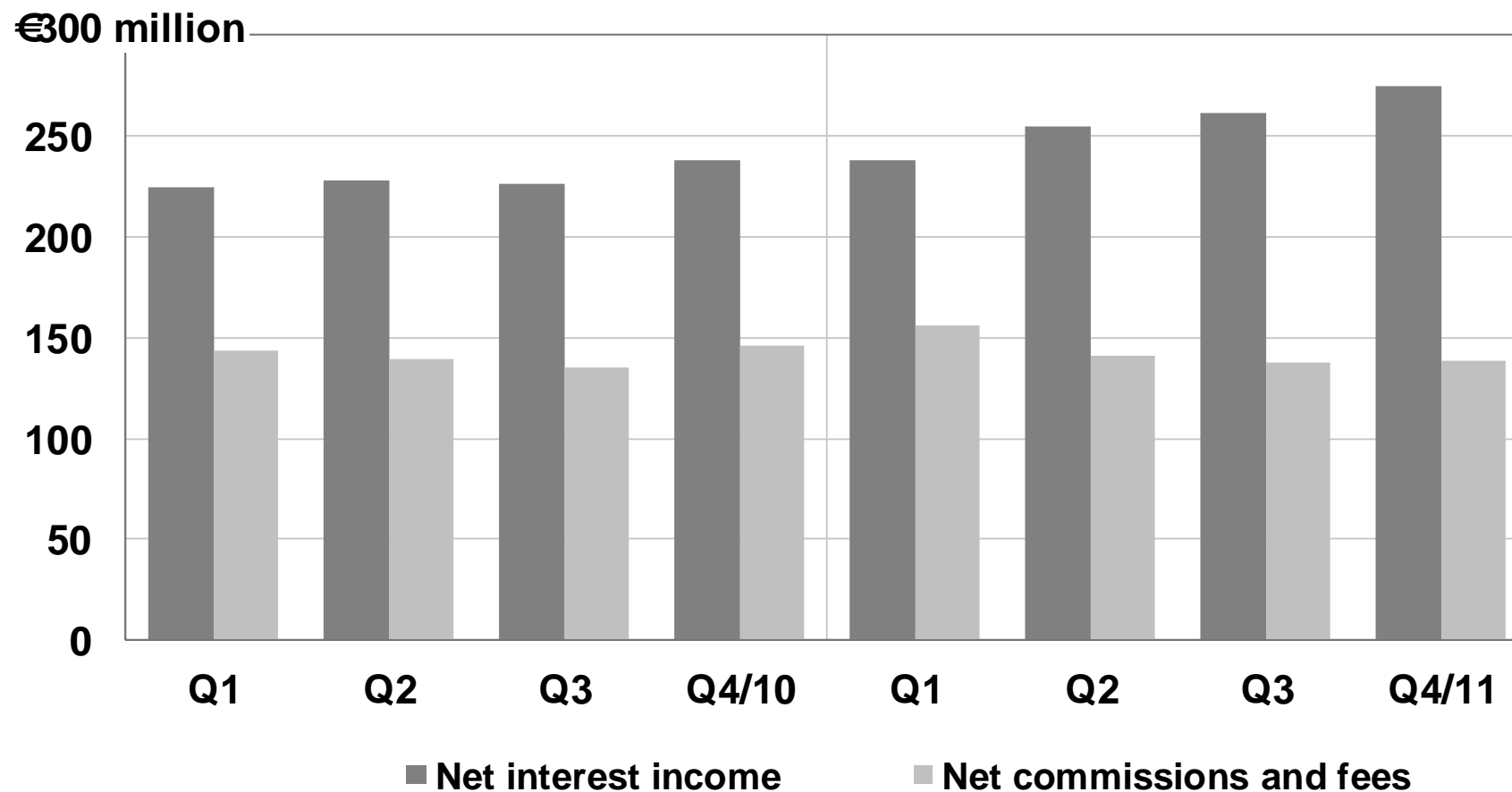


OP-Pohjola Group Other Income by Quarter

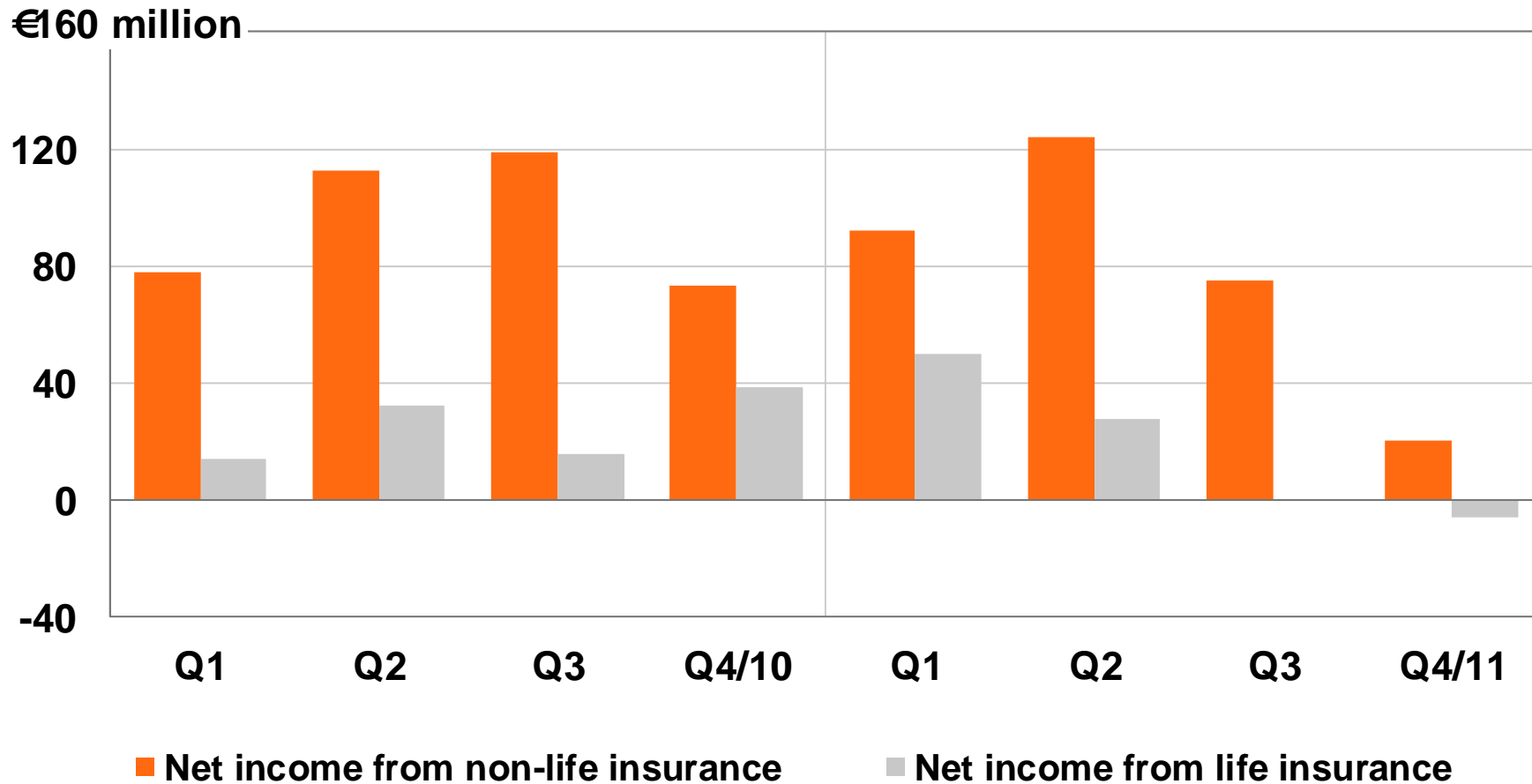
€million	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net income from non-life insurance	78	113	119	73	92	124	75	20
Net income from life insurance	14	32	15	39	50	28	0	-6
Net commissions and fees	143	139	135	146	156	141	138	138
Net income from trading and investments	37	10	26	37	46	15	-19	38
Other income	26	23	20	32	27	22	20	25
Total	298	316	315	326	371	330	214	215



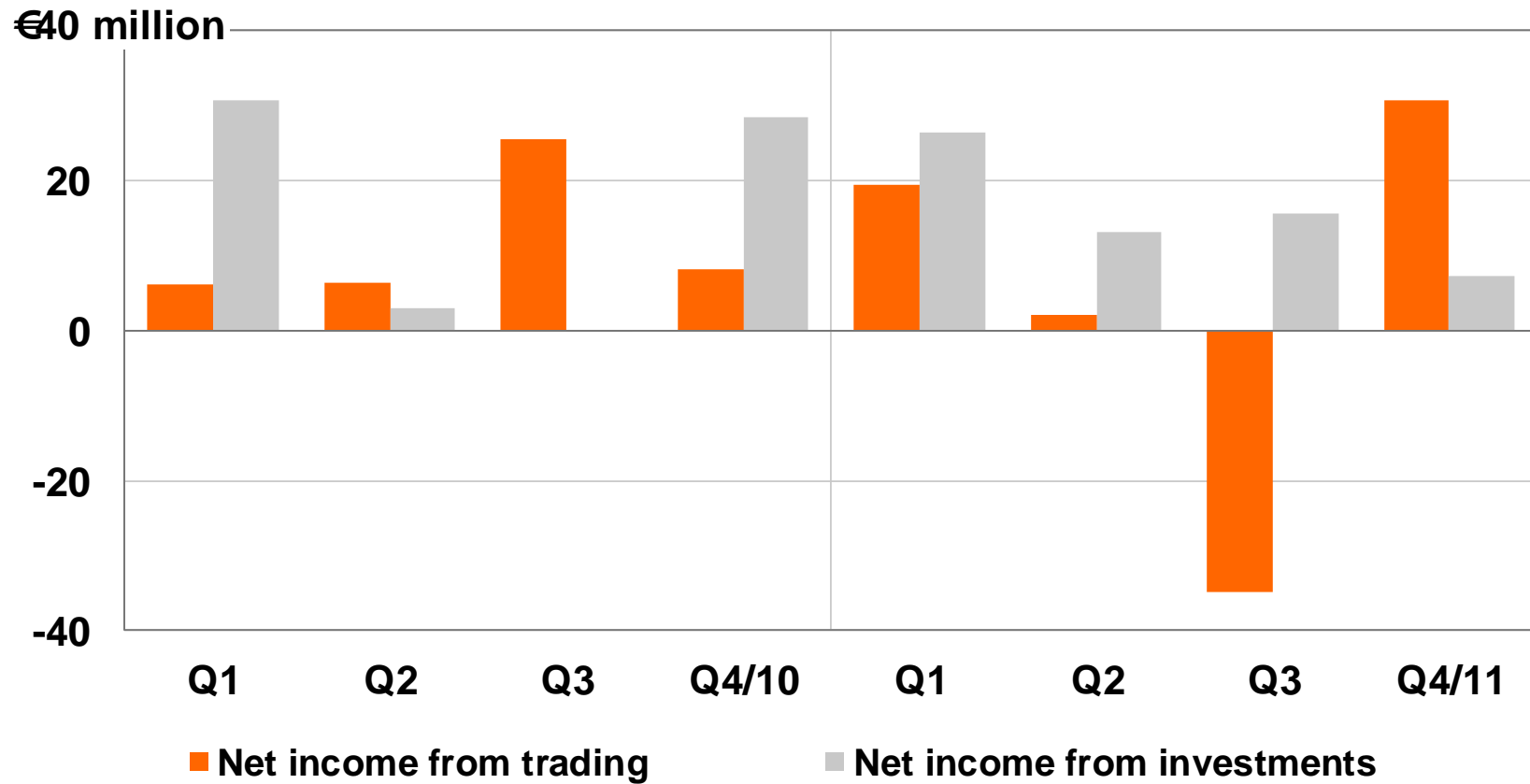
OP-Pohjola Group Net Interest Income and Net Commissions and Fees



OP-Pohjola Group Net Income from Non-life and Life Insurance

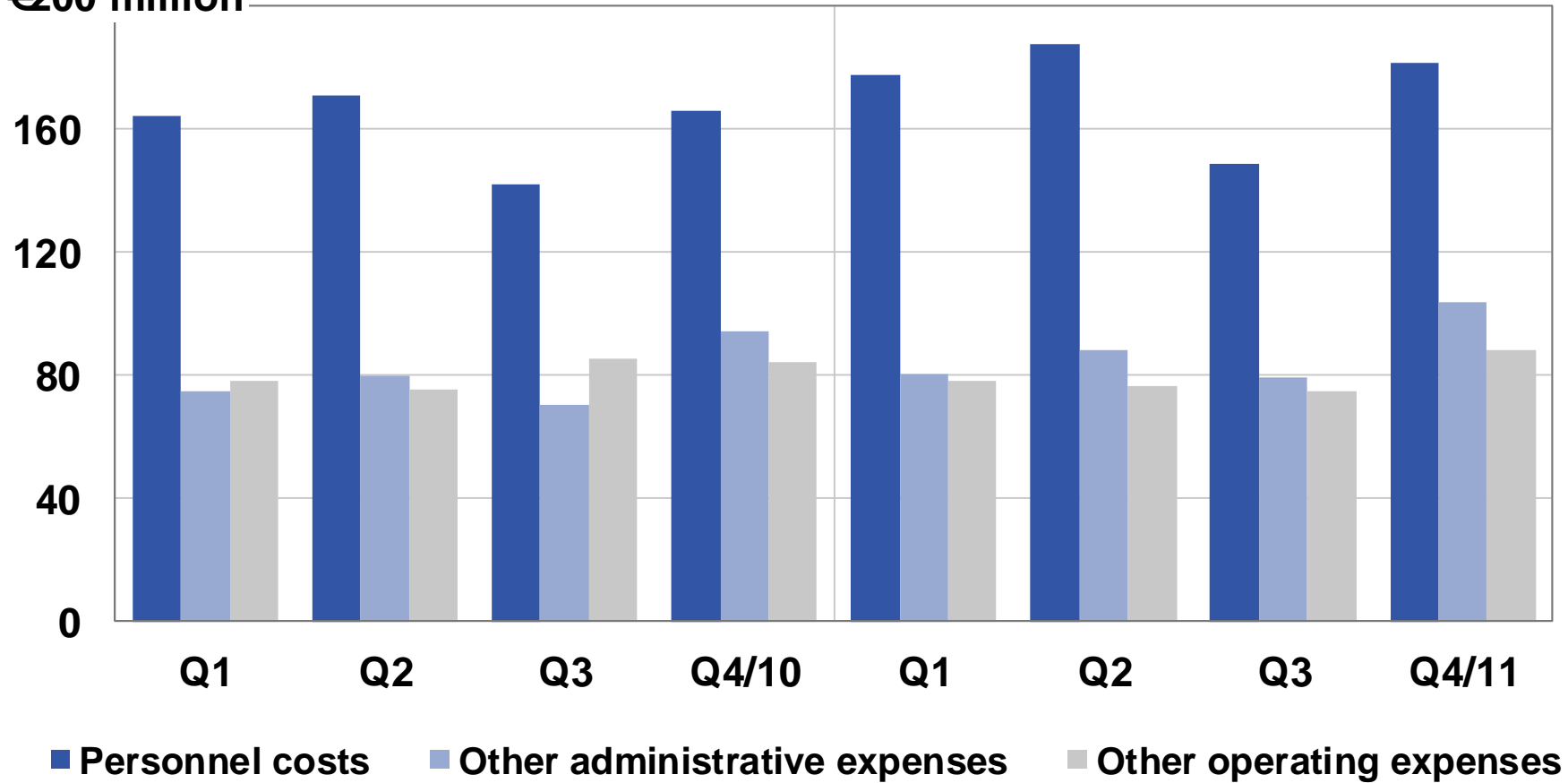


OP-Pohjola Group Net Income from Trading and Investments



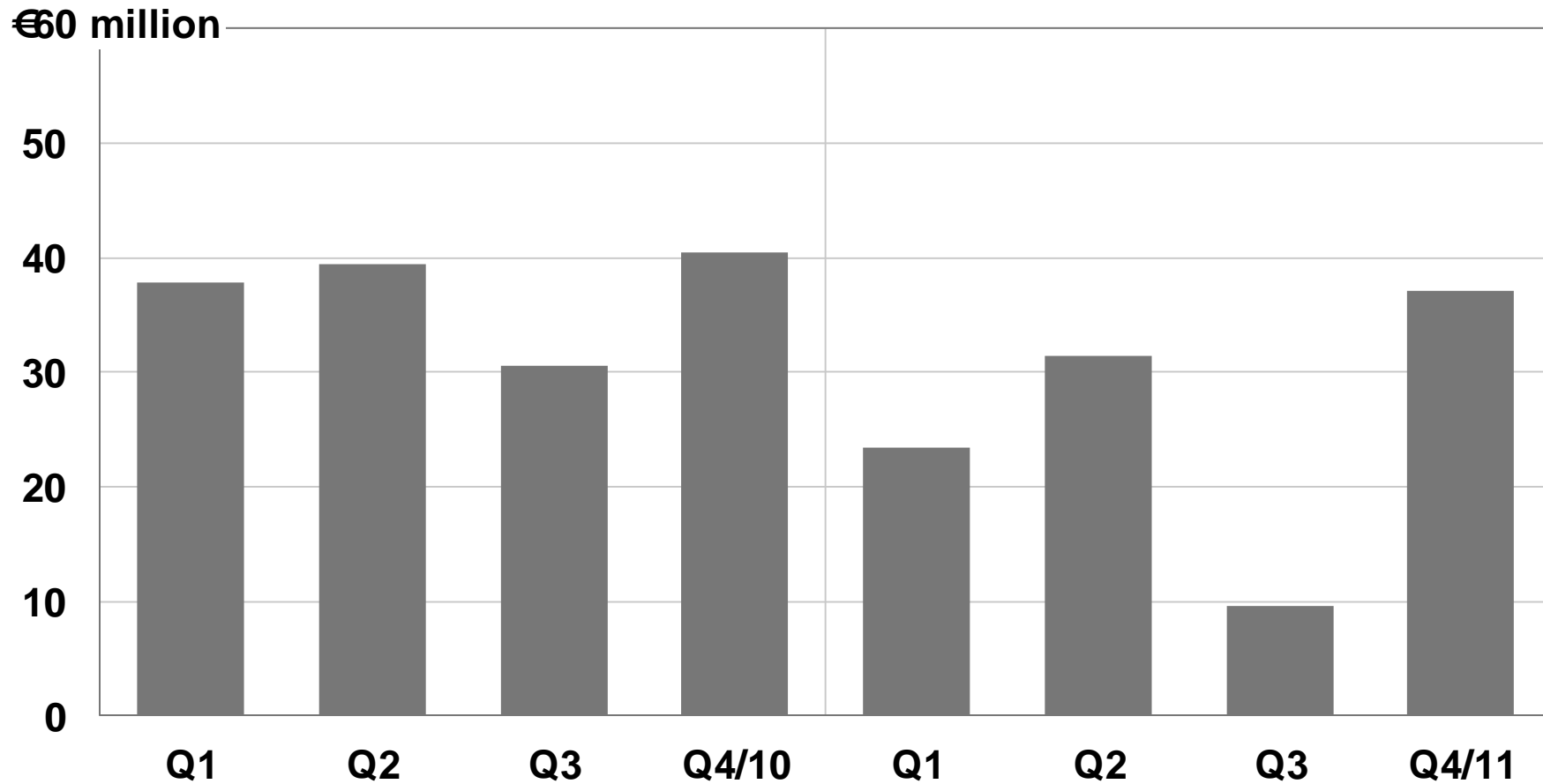
OP-Pohjola Group Expenses

€200 million

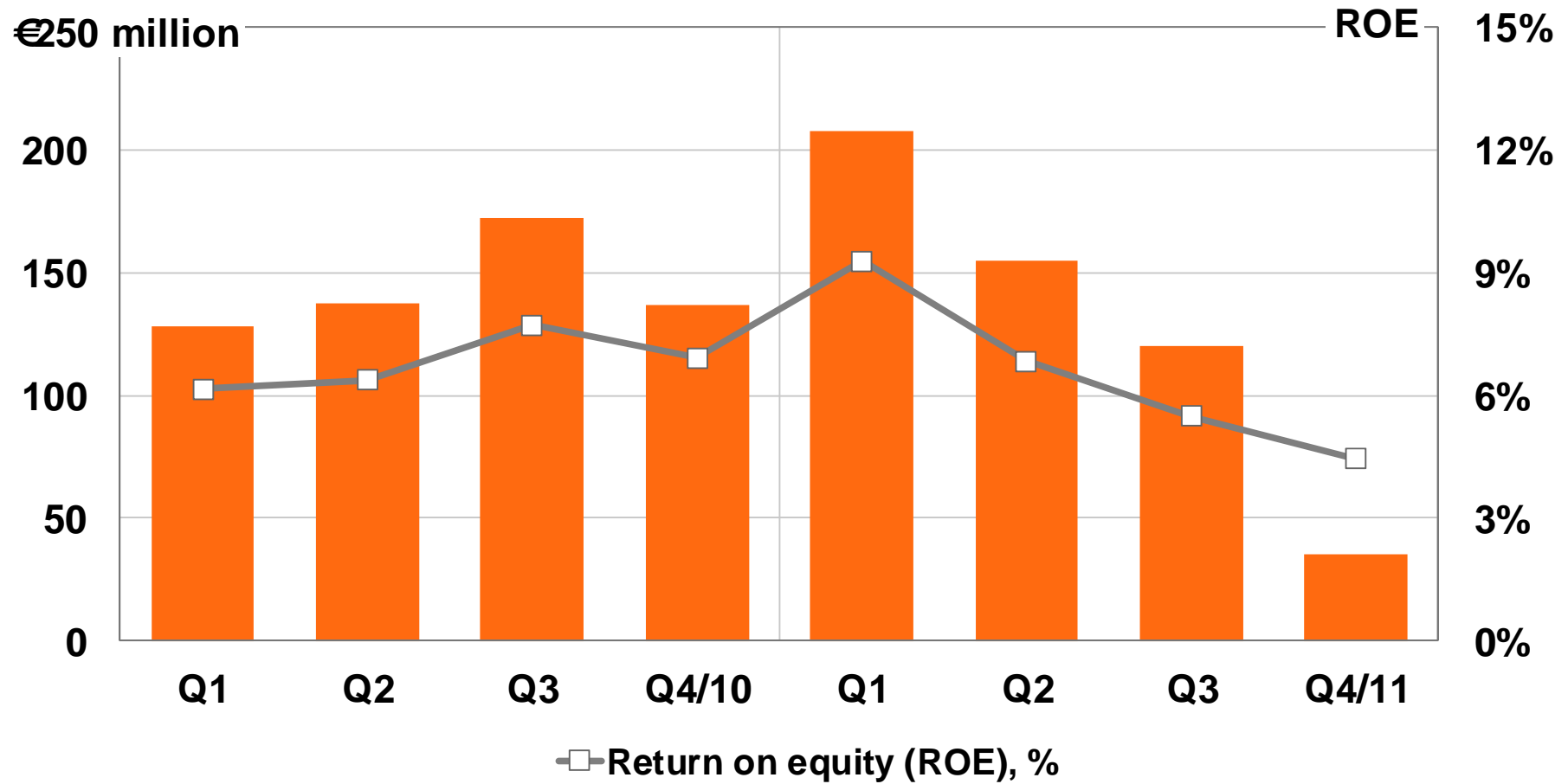


OP-Pohjola Group

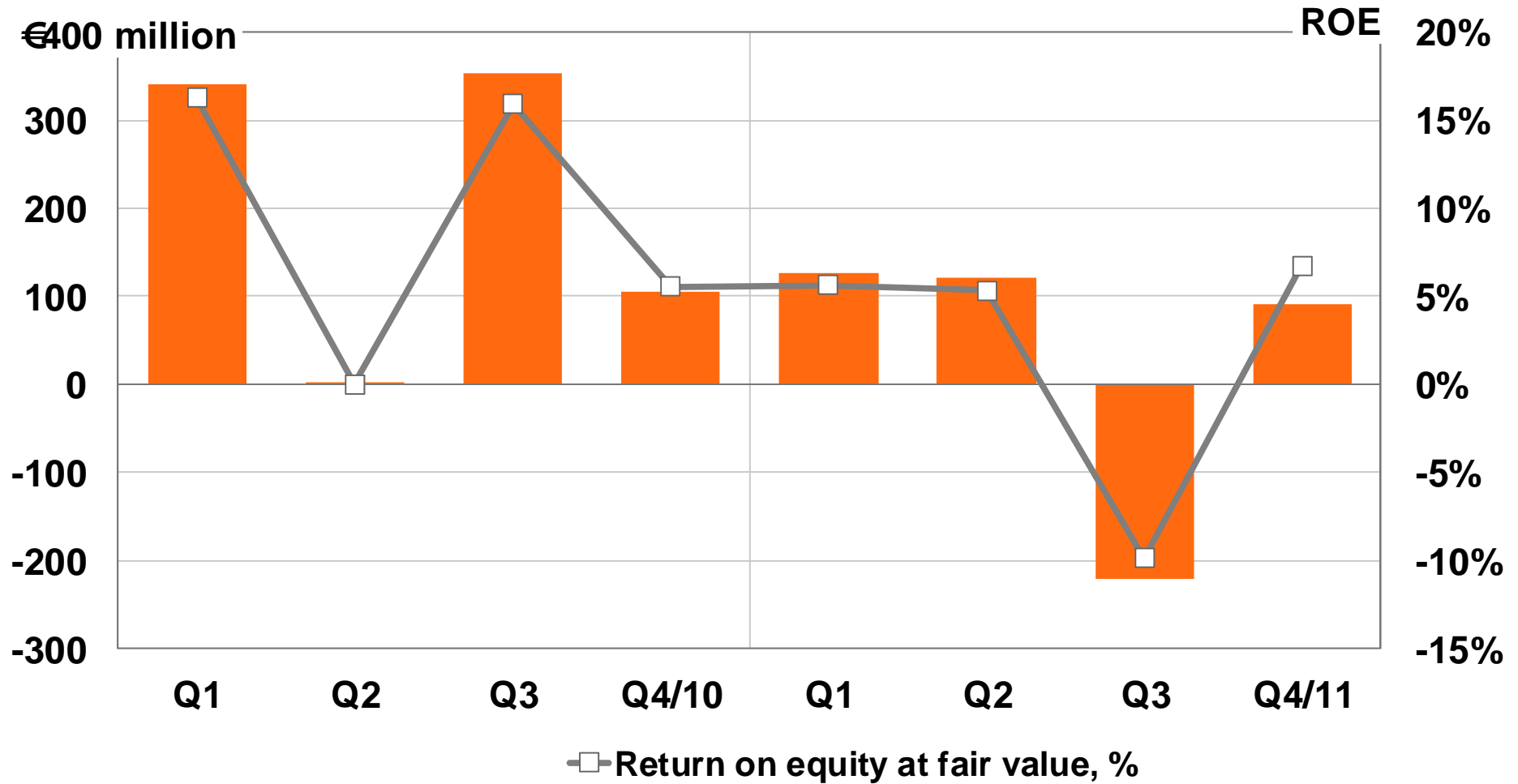
Quarterly Impairments of Receivables



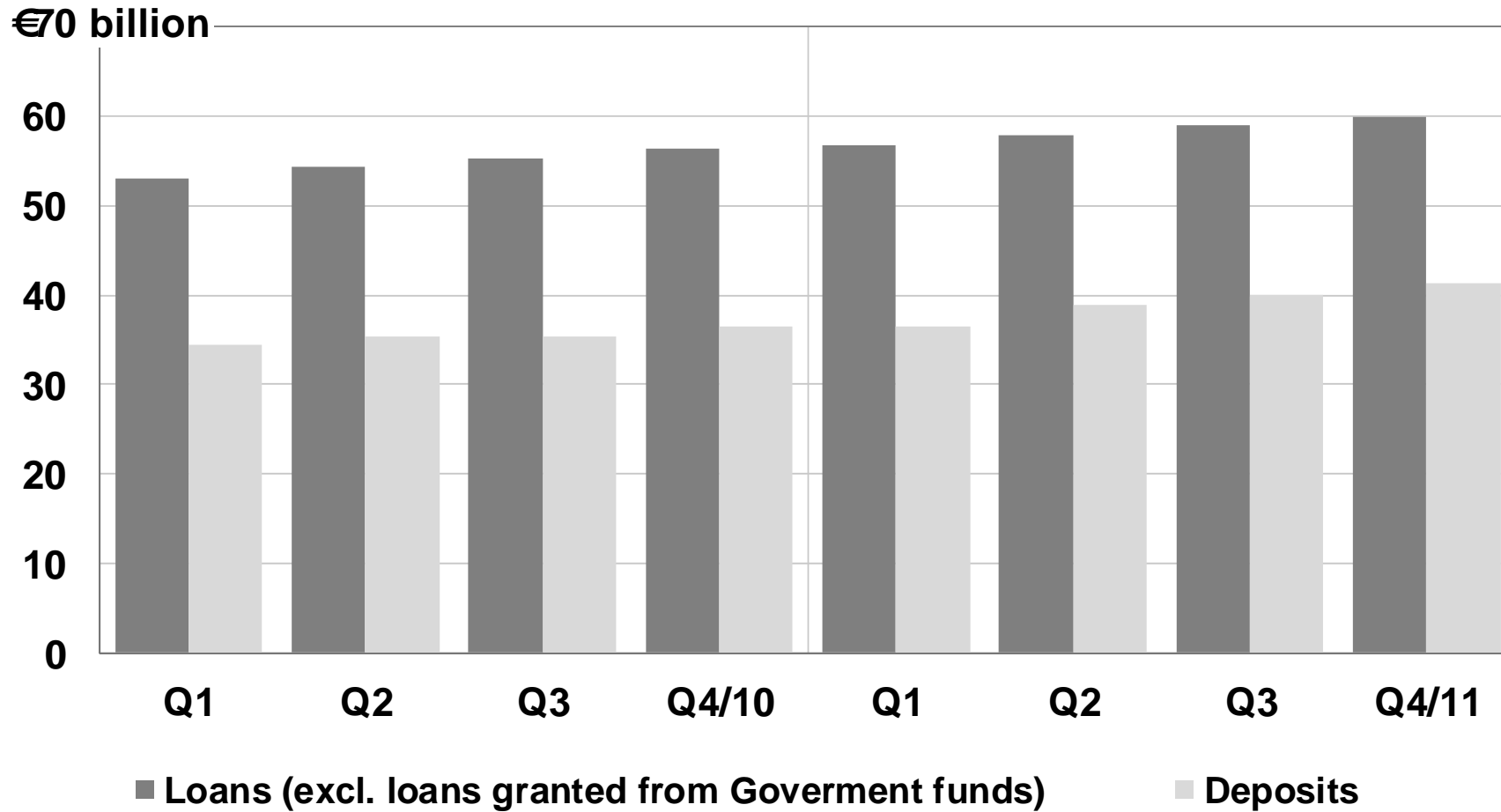
OP-Pohjola Group Earnings before Tax



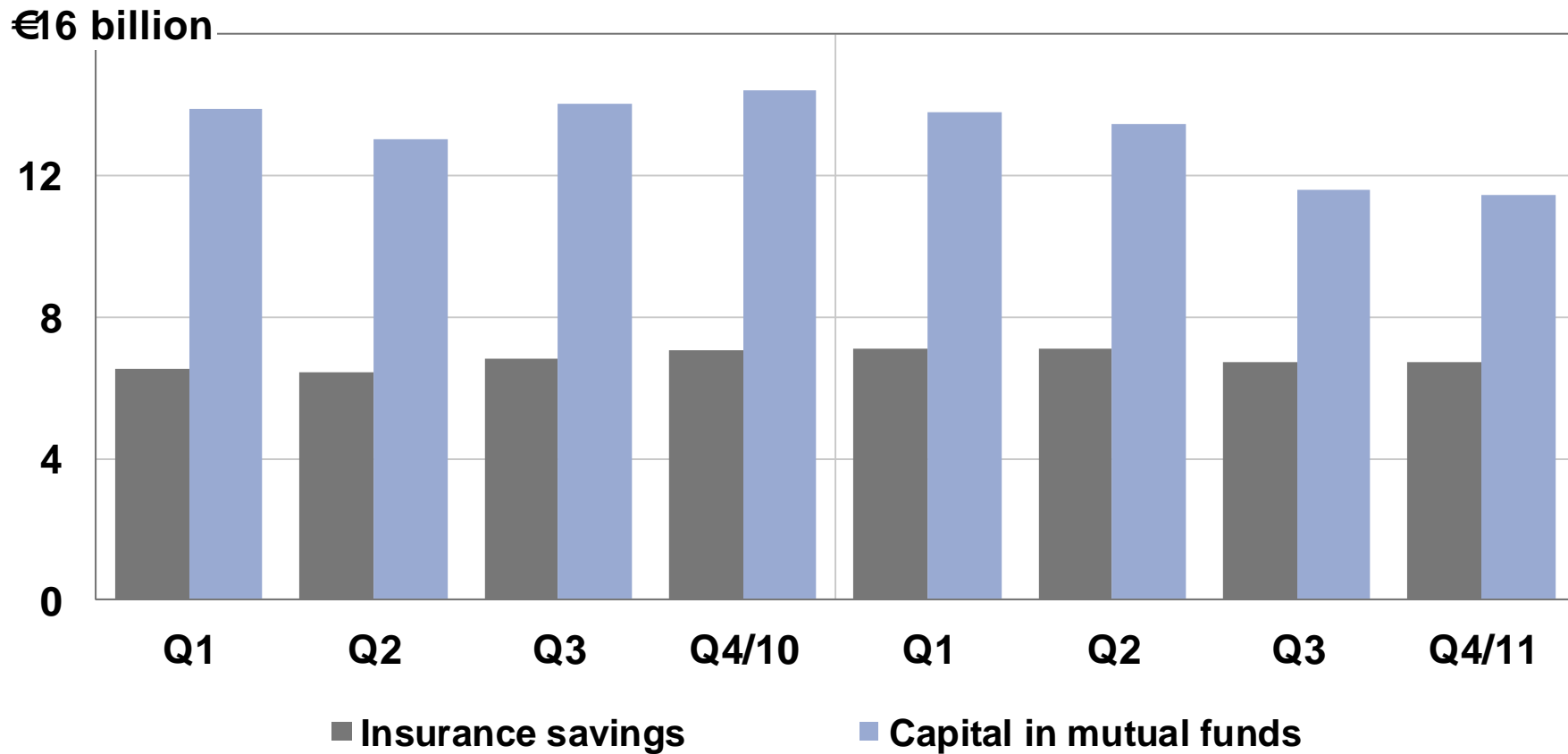
OP-Pohjola Group Earnings before Tax at Fair Value



OP-Pohjola Group Loans and Deposits

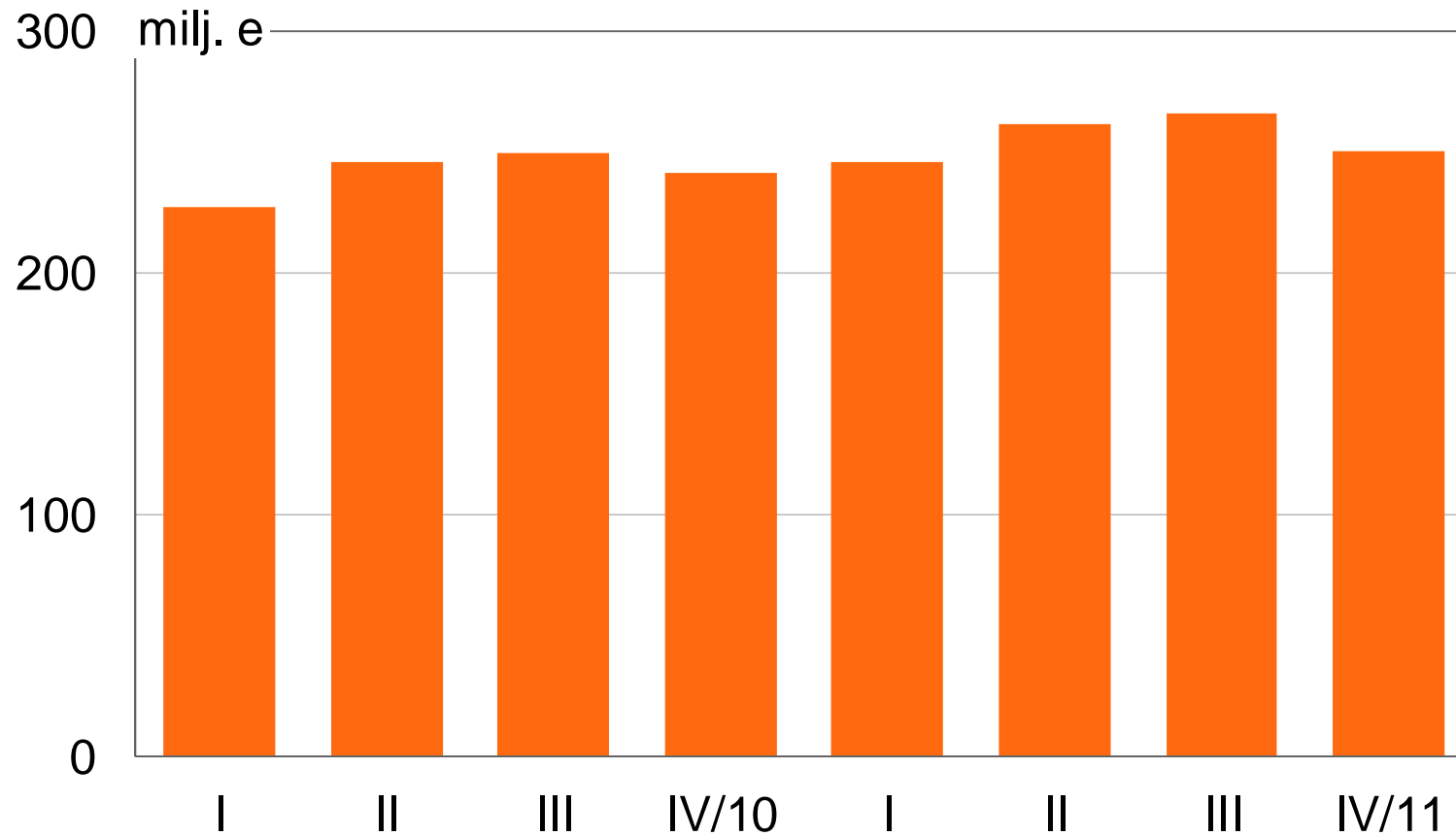


OP-Pohjola Group Life Insurance Savings and Capital in Mutual Funds



OP-Pohjola-ryhmä

Vahinkovakuutuksen vakuutusmaksutuotot vuosineljänneksittäin (IFRS)



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Capital Adequacy



Two Capital Adequacy Ratios

Consolidated capital adequacy = capital adequacy of the amalgamation of cooperative banks

- The Group's operations are based on the Act on the Amalgamation of Deposit Banks that came into effect on 1 July 2010. In the first half of 2010, the Group's operations were still regulated by provisions in the Act on Cooperative Banks and Other Cooperative Institutions.
- The Act on the Amalgamation of Deposit Banks prescribes a minimum capital requirement for an amalgamation of cooperative banks. This is calculated using the provisions in the Act on Credit Institutions.
- The amalgamation of cooperative banks consists of the amalgamation's central institution (OP-Pohjola Group Central Cooperative), its member credit institutions and the companies belonging to their consolidation groups. Although OP-Pohjola Group's insurance companies do not belong to the amalgamation of the cooperative banks, investments made in them have a major impact on capital adequacy calculated in accordance with the capital adequacy regulations for credit institutions.

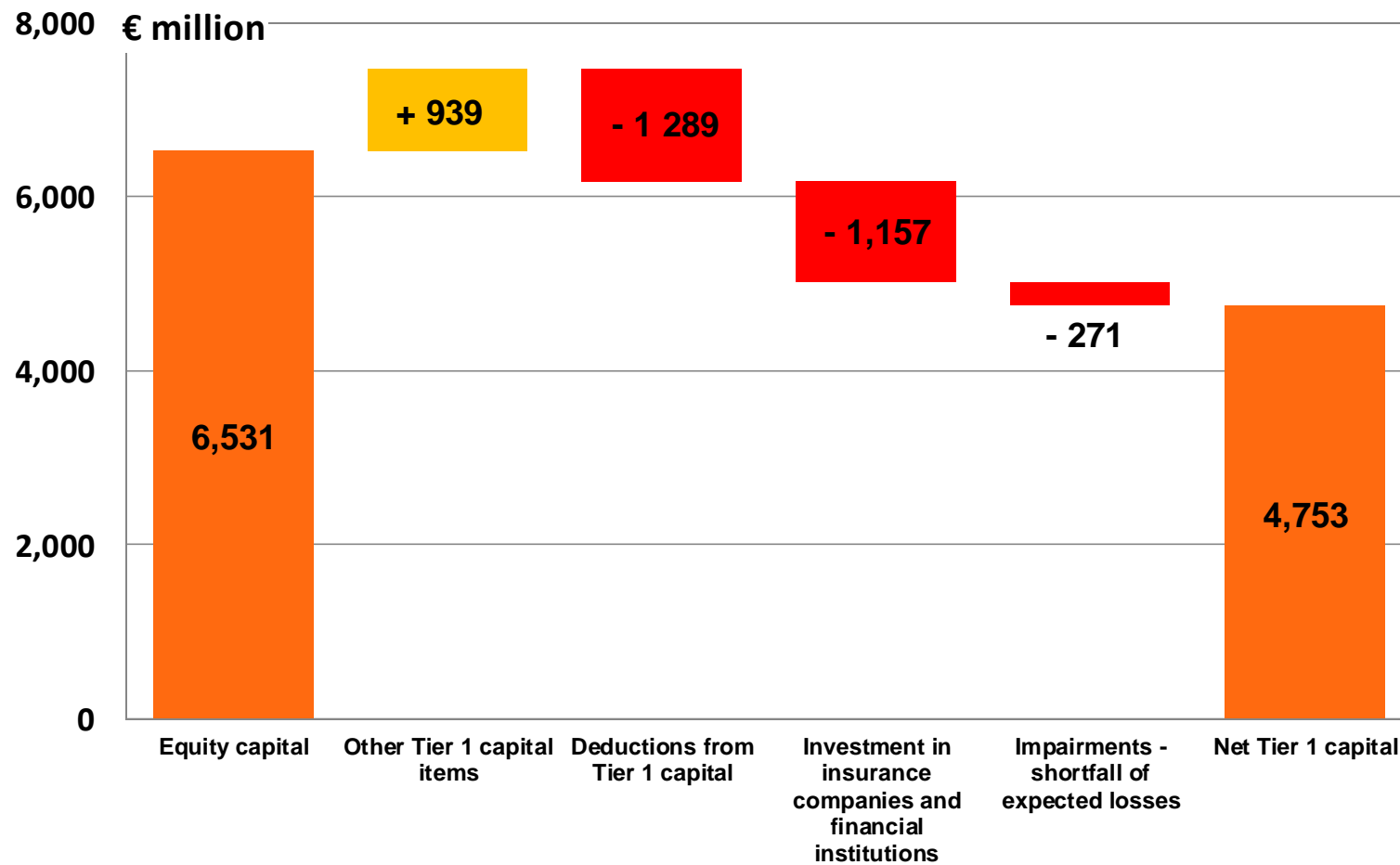
Capital adequacy ratio (under the Act on the Supervision of Financial and Insurance Conglomerates) = OP-Pohjola Group's capital adequacy

- OP-Pohjola Group is a financial and insurance conglomerate, pursuant to the Act on the Supervision of Financial and Insurance Conglomerates. The conglomerate is governed by specific provisions of the capital adequacy requirement.
- OP-Pohjola Group's capital adequacy pursuant to the Act on the Supervision of Financial and Insurance Conglomerates is calculated using the consolidation method, whereby assets included in capital resources but not included in equity capital, under the regulations for the banking or insurance industry, are added to the equity capital in the conglomerate's balance sheet.
 - Capital resources may not include items not available for covering the losses of other companies belonging to the conglomerate.
- The financial and insurance conglomerate's minimum capital requirement consists of the credit institutions' consolidated minimum capital requirement and the insurance companies' joint minimum operating capital.

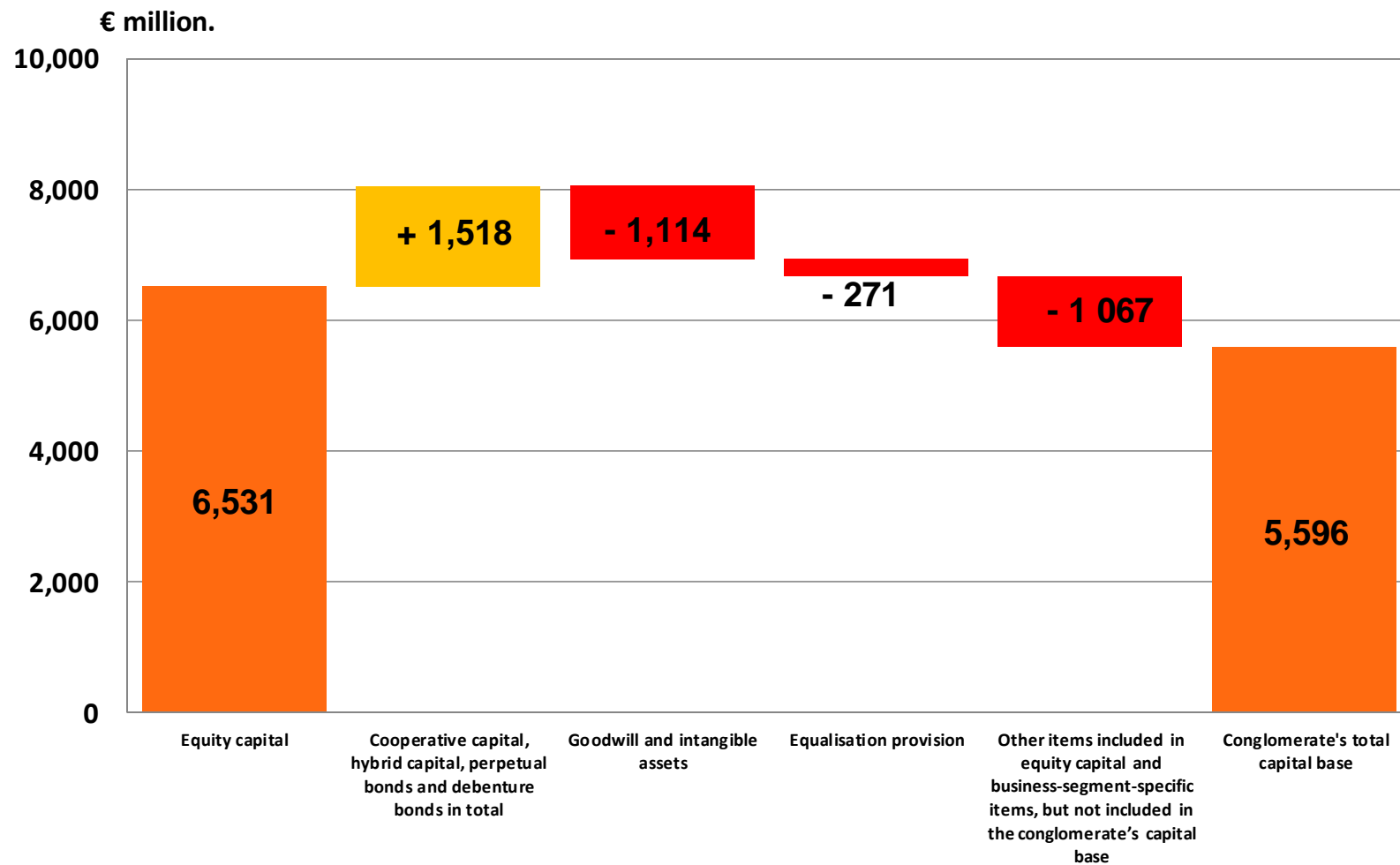
In view of both capital adequacy requirements,
OP-Pohjola Group's risk-bearing capacity is strong.



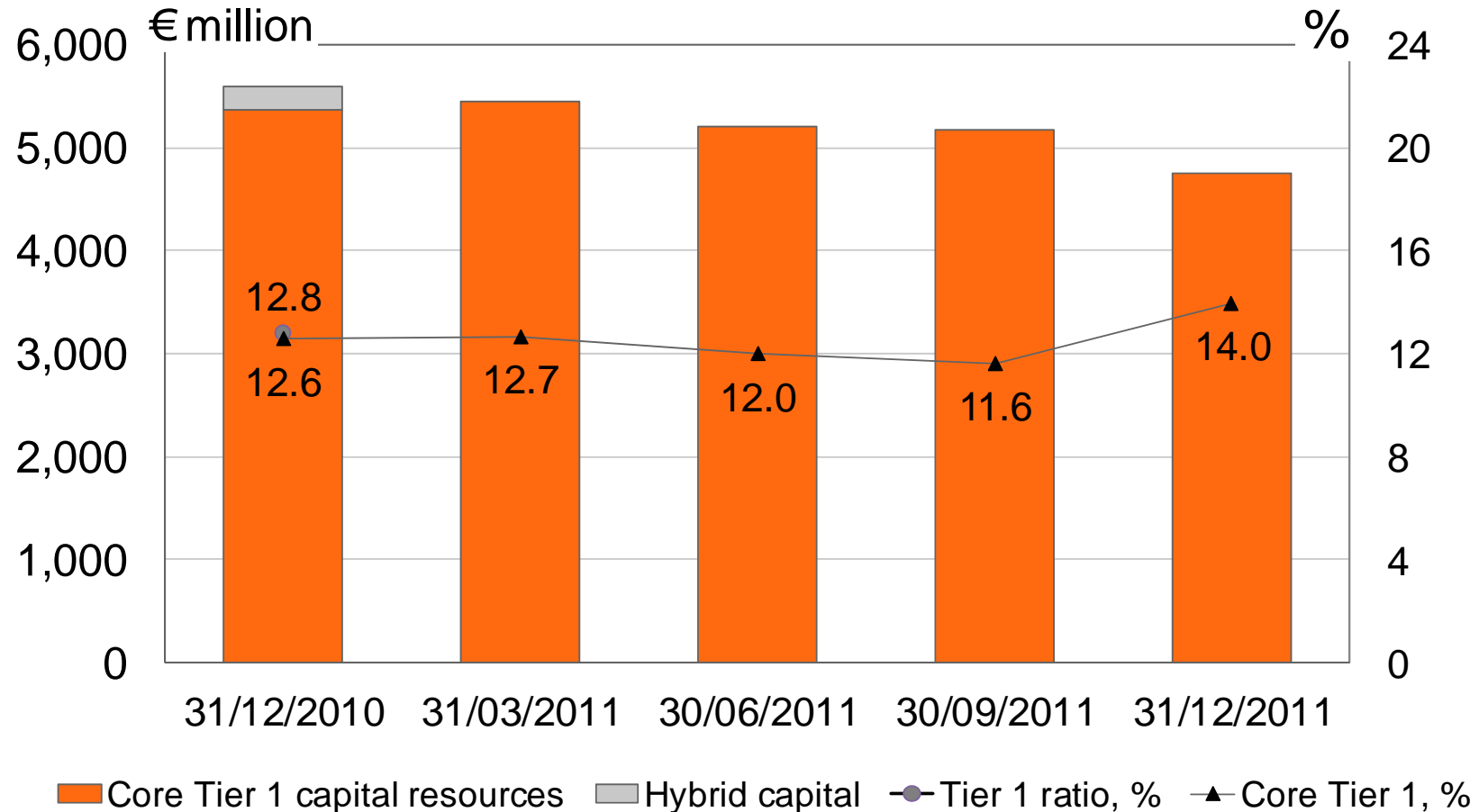
Tier 1 Capital under the Act on Credit Institutions 31 December 2011



Total Capital Base under the Act on the Supervision of Financial and Insurance Conglomerates 31 December 2011



The amalgamation of the cooperative banks Capital Resources and Capital Adequacy



2011: Effect of IRBA adoption around 2.6 percentage points



Adopting the Internal Ratings Based Approach

- In its calculation of capital requirement for credit risk, OP-Pohjola Group phased in the Internal Ratings Based Approach (IRBA).
 - Pohjola Bank plc has used IRBA in its capital adequacy measurement for corporate and institutional customers' credit risks since 30 September 2008.
 - OP-Pohjola adopted IRBA to credit risk for other exposures in December 2011.
- The capital requirement for credit risk concerning state and central banks will continue to be calculated using the Standardised Approach.
- The same will apply to market risks.
- The use of the Internal Ratings Based Approach reduces the Group's capital requirement, but makes it more susceptible to market fluctuations.
- Adoption of IRBA improved capital adequacy under the Act on Credit Institutions by 2.6 percentage points.

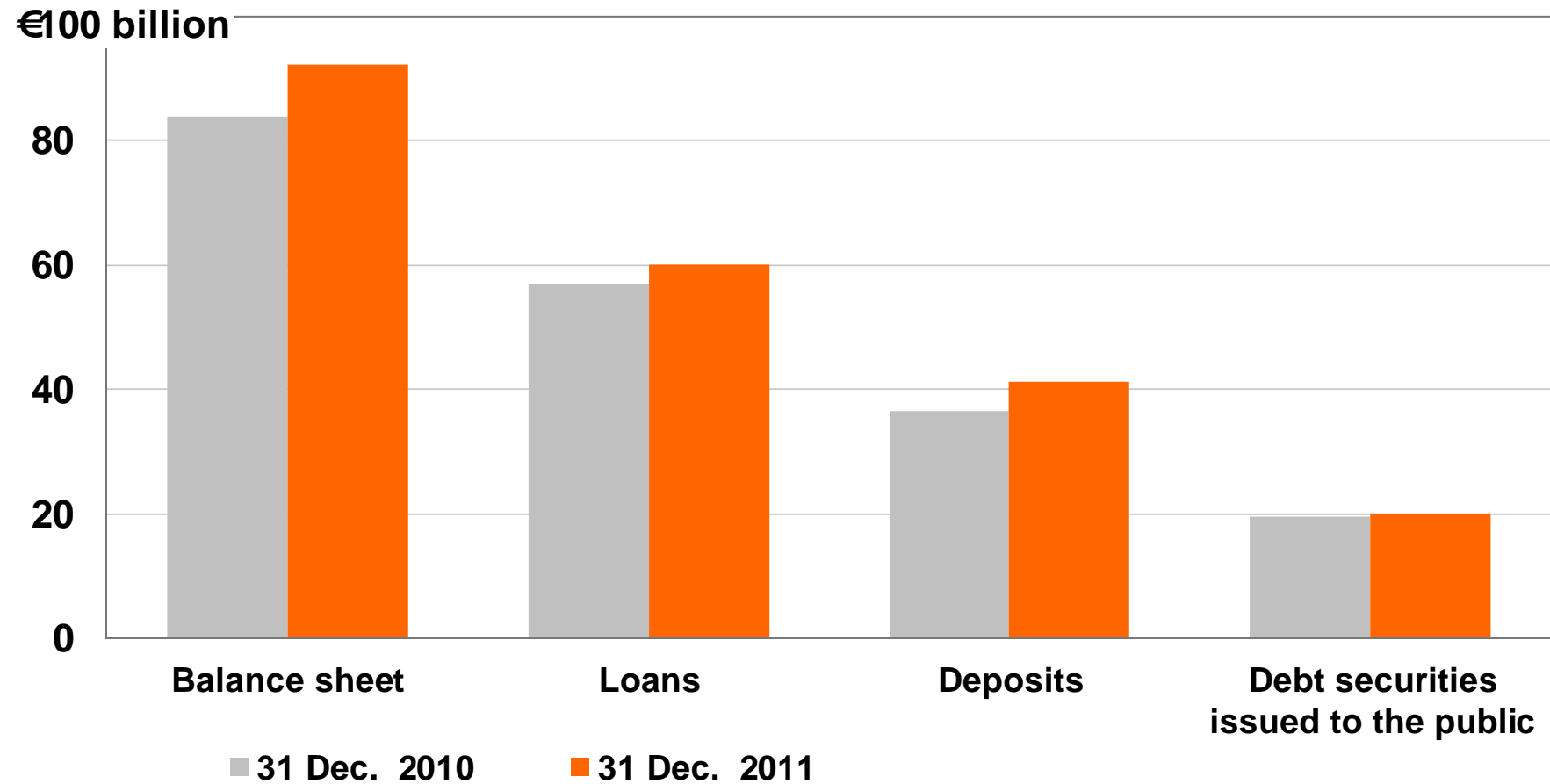


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Balance Sheet



OP-Pohjola Group Key Balance Sheet Items



OP-Pohjola Group Balance Sheet

€million			Change	
	31 Dec. 2011	31 Dec. 2010	€million	%
Receivables from credit institutions	1,104	1,121	-17	-1.5
Financial assets at fair value through profit or loss	281	519	-238	-45.8
Receivables from customers	60,331	56,834	3,497	6.2
Non-life Insurance assets	3,205	3,164	41	1.3
Life Insurance assets	7,006	7,544	-539	-7.1
Investment assets	8,343	7,438	905	12.2
Other items	12,017	7,348	4,669	63.5
Total assets	92,287	83,969	8,318	9.9
Liabilities to credit institutions	1,783	1,696	86	5.1
Liabilities to customers	45,974	39,205	6,769	17.3
Non-life Insurance liabilities	2,508	2,350	157	6.7
Life Insurance liabilities	6,932	7,290	-358	-4.9
Debt securities issued to the public	20,005	19,577	428	2.2
Other liabilities	8,554	7,123	1,431	20.1
Equity capital	6,531	6,726	-195	-2.9
Total liabilities and equity capital	92,287	83,969	8,318	9.9



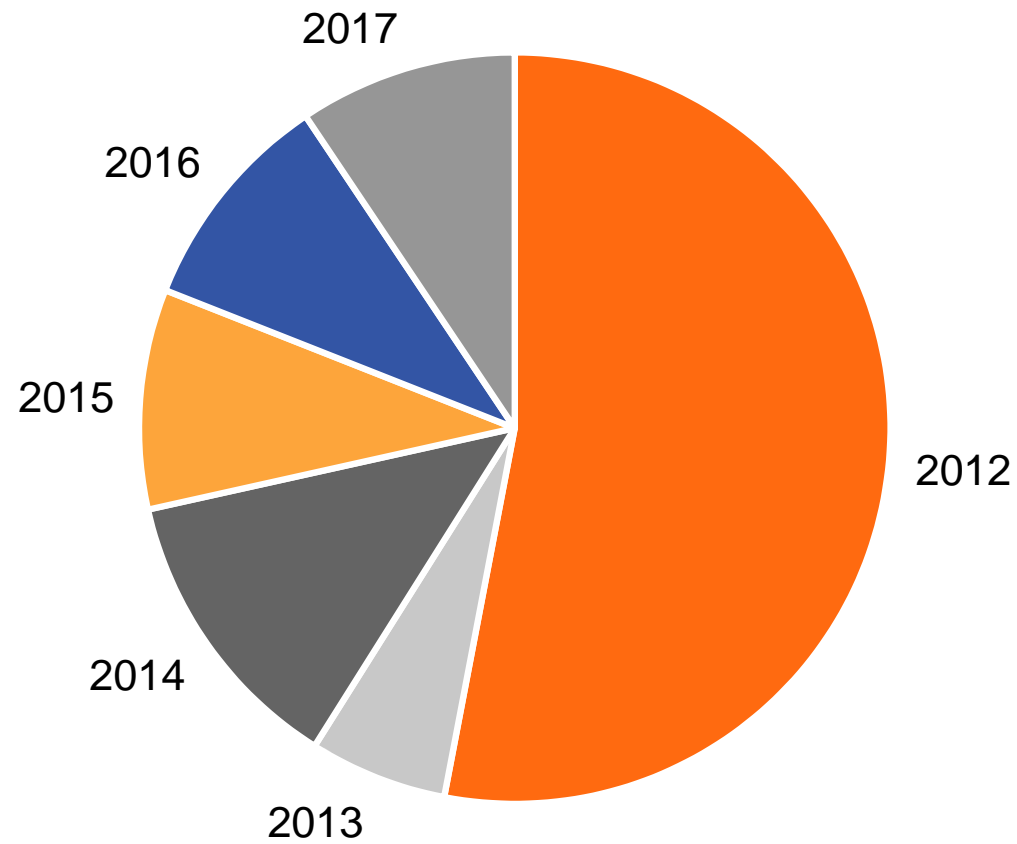
OP-Pohjola Group

Equity Capital and Cooperative Capital

€ million	31 Dec. 2011	31 Dec. 2010	Change € million	%
Share of OP-Pohjola Group's owners				
Share capital	201	236	-36	-15.0
Cooperative capital	132	132	1	0.4
Fair value reserve	-188	112	-300	
Other reserves	2,621	2,656	-35	-1.3
Retained earnings	3,763	3,590	173	4.8
Minority interest	3	0	3	
Total equity capital	6,531	6,726	-195	-2.9
Cooperative capital not included in equity capital				
	624	647	-22	-3.5



OP-Pohjola Group
Debt Securities Issued to the Public
Maturity 31 December 2011
total of €20.0 billion

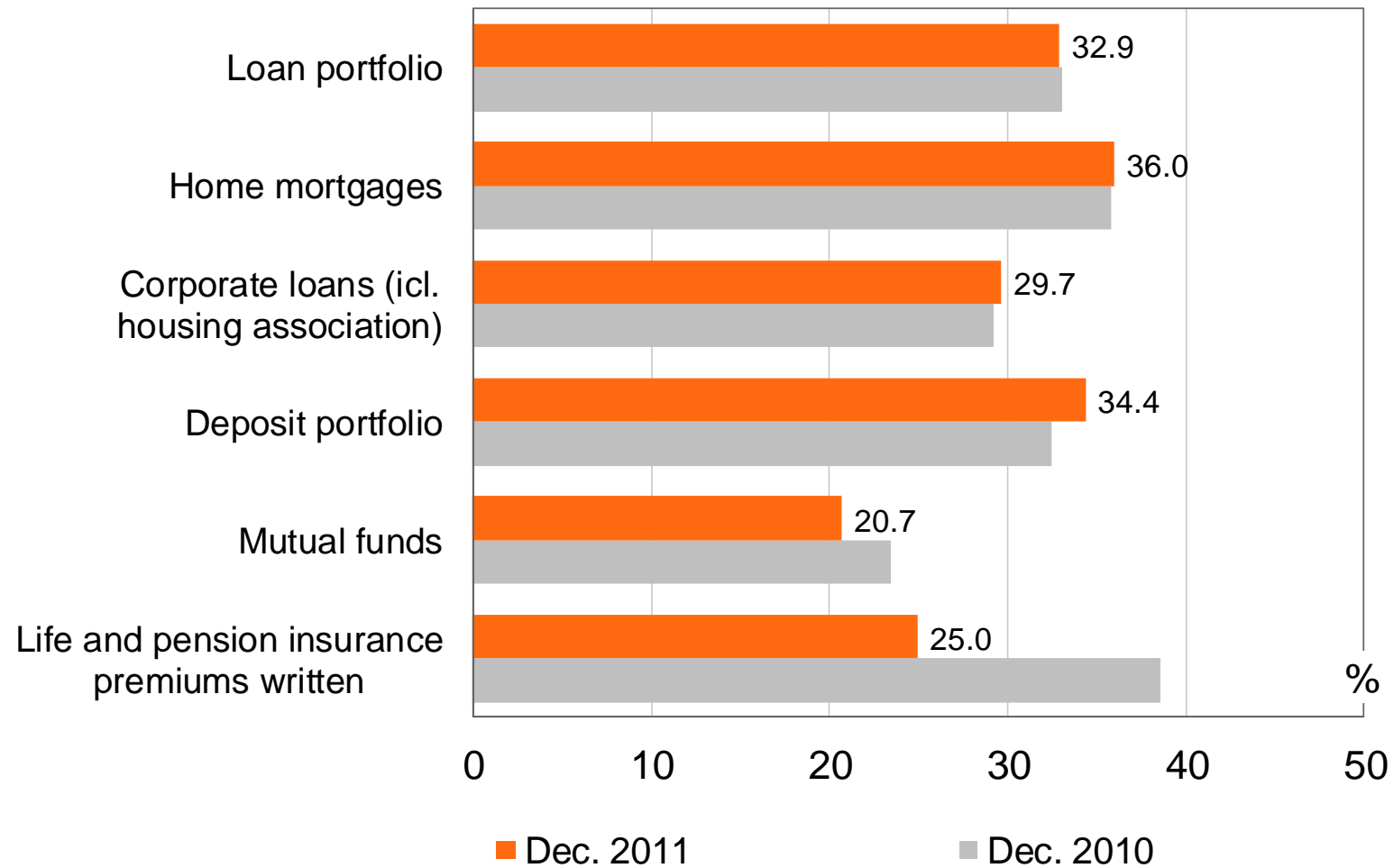


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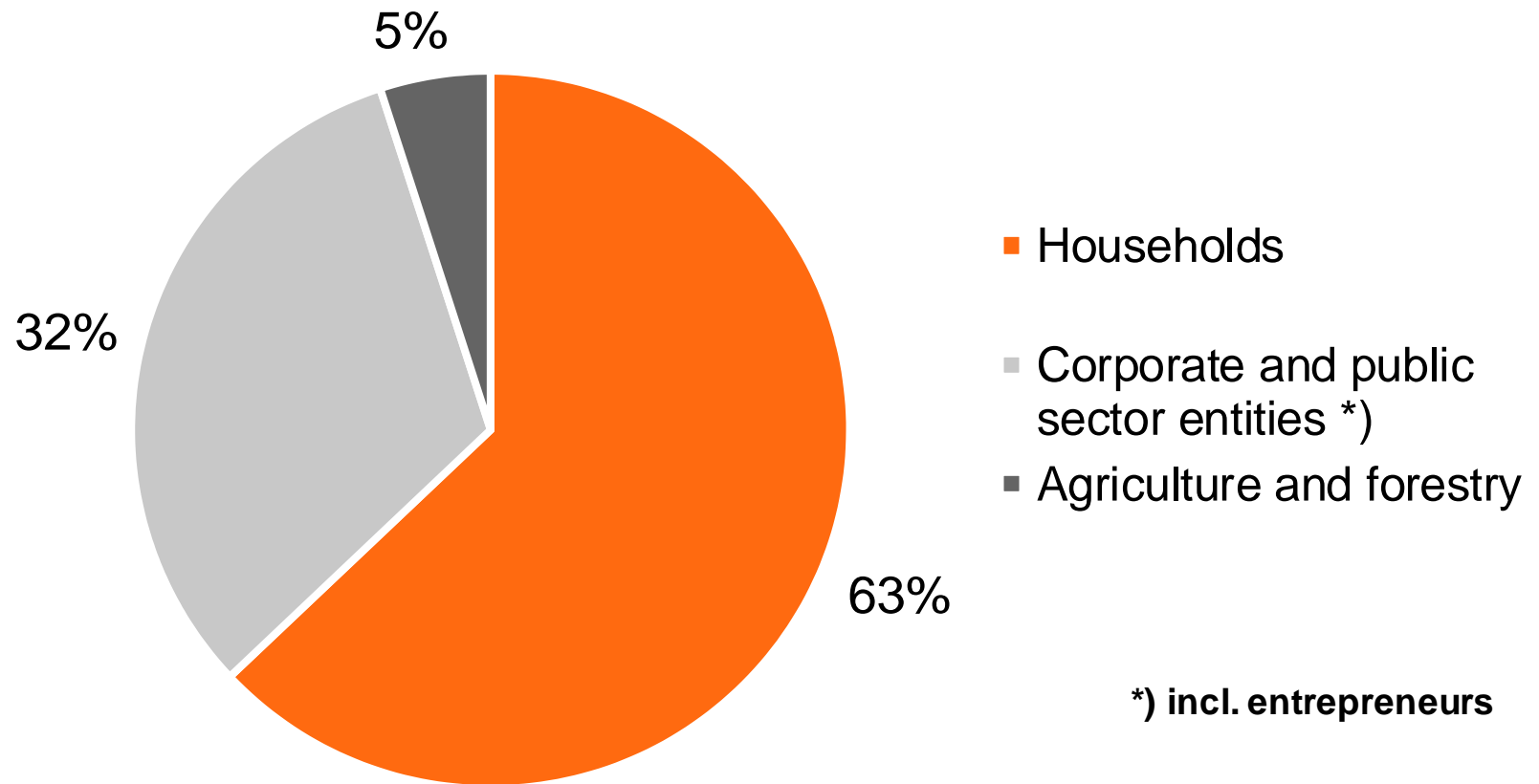
Loans and Customer Funds



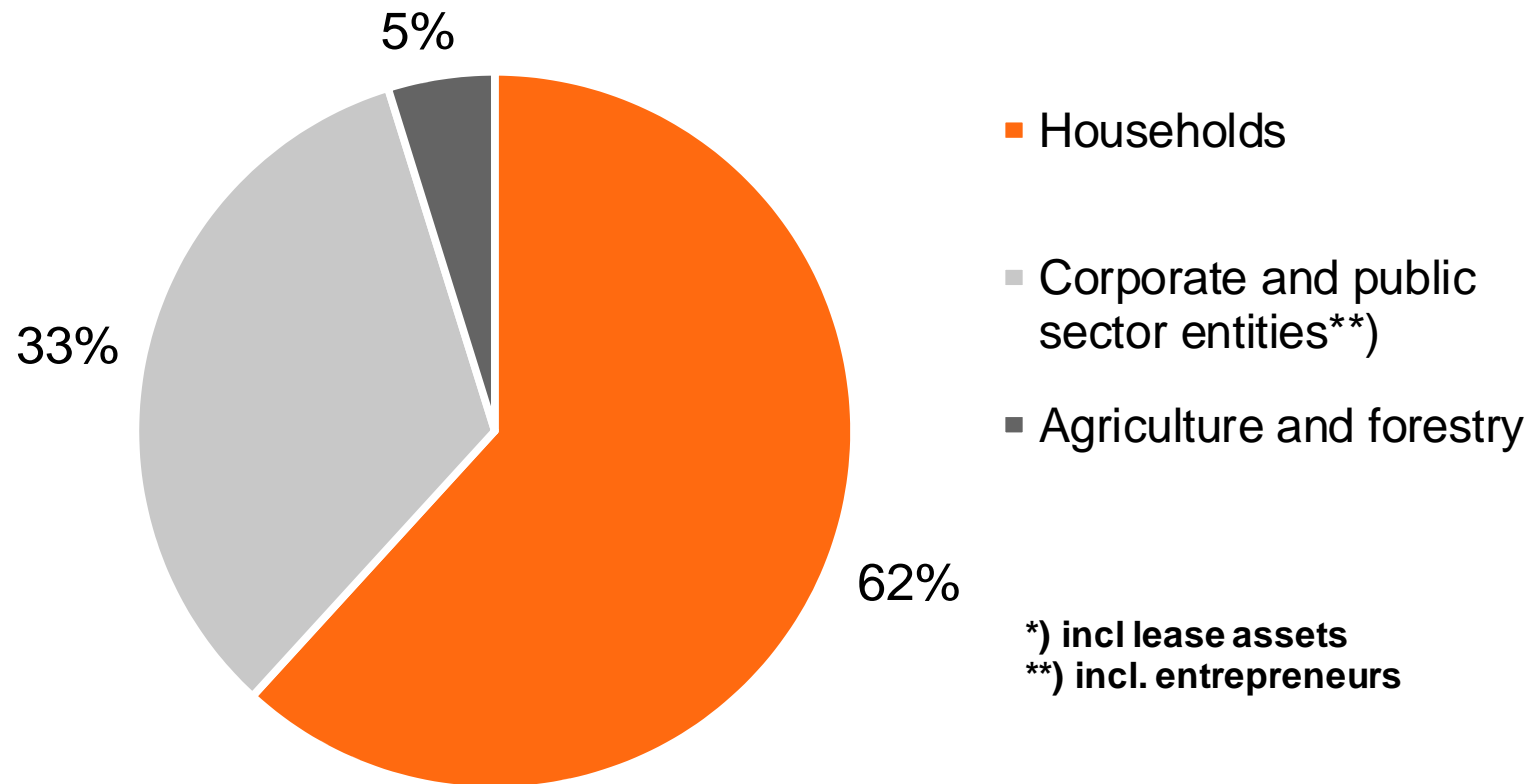
OP-Pohjola Group Market share



OP-Pohjola Group Deposits by Customer Sector 31 December 2011



OP-Pohjola Group Loans* by Customer Sector 31 December 2011



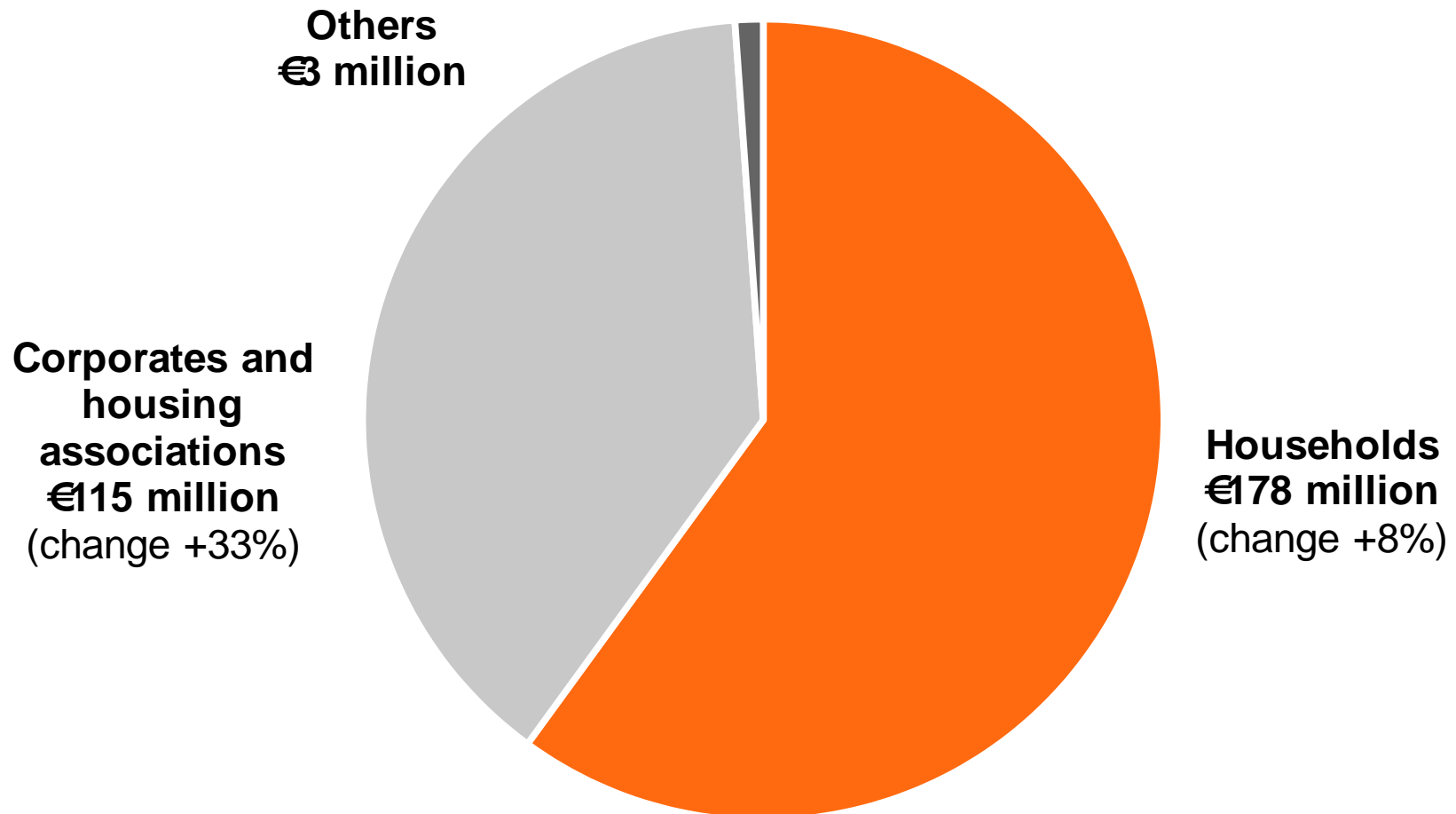
OP-Pohjola Group

Loan and Guarantee Portfolio by Sector

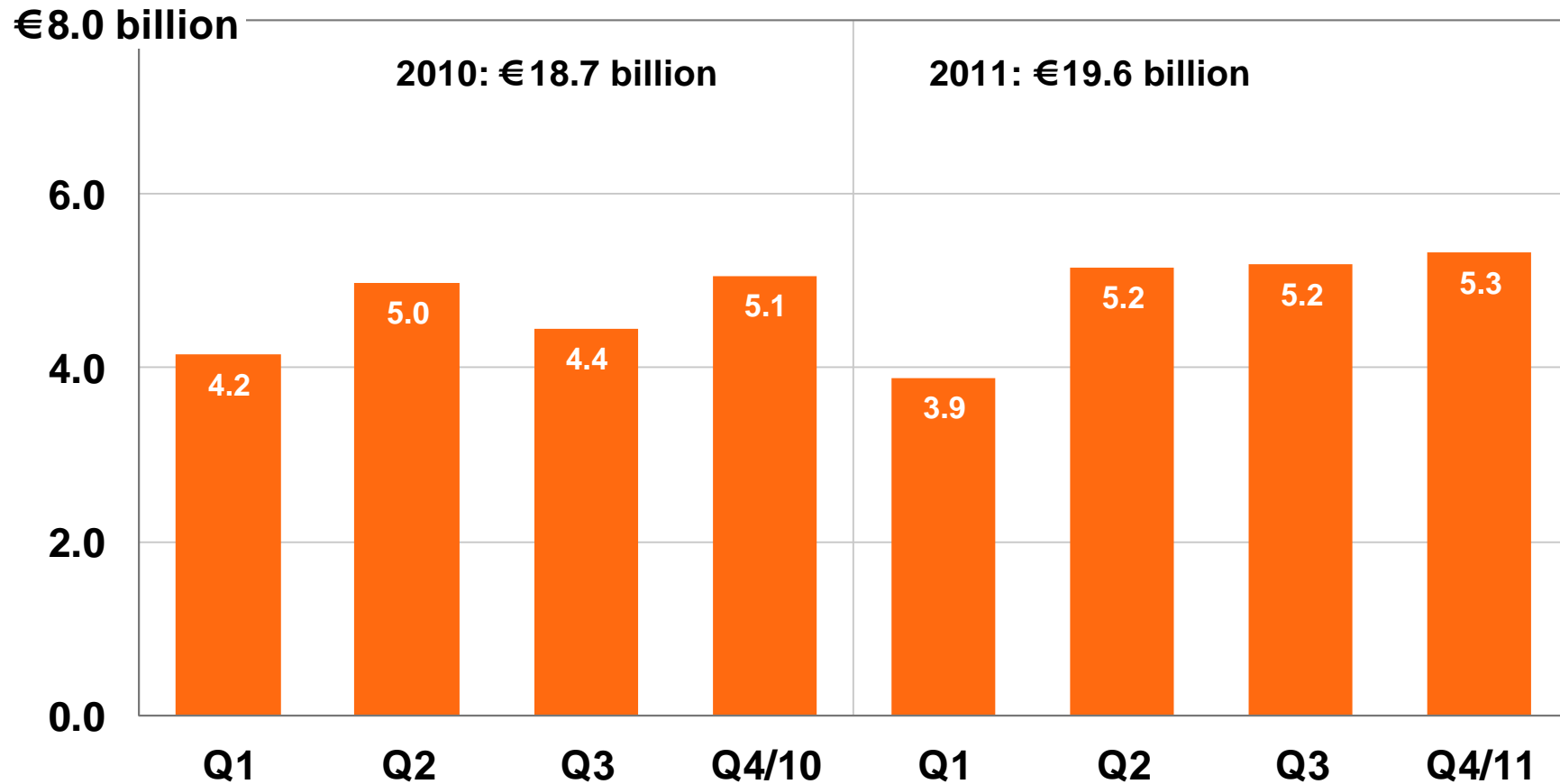
€million	31 Dec. 2011	31 Dec. 2010	€million	Change, %	Non-performing and zero-interest loans	
					€million	% of loan and guarantee portfolio
Enterprises and housing associations	21,709	20,103	1,607	8.0	115	0.5 %
Renting and operation of residential real estate						
incl. housing associations	4,195	3,859	337	8.7	3	0.1 %
Other renting and operating of real estate	2,761	2,448	313	12.8	3	0.1 %
Wholesale and retail trade	2,314	2,092	222	10.6	11	0.5 %
Construction	1,637	1,497	139	9.3	14	0.9 %
Services	1,571	1,524	47	3.1	12	0.8 %
Transportation and storage	1,411	1,311	100	7.6	7	0.5 %
Manufacture of machinery and equipment (incl. services)	1,324	1,199	125	10.4	22	1.7 %
Buying and selling of own real estate	1,034	888	146	16.4	0	0.0 %
Agriculture, forestry and fishing	773	625	148	23.8	5	0.7 %
Forest Industry	718	711	7	1.0	14	1.9 %
Financial and insurance services	695	666	29	4.4	1	0.2 %
Metal Industry	645	628	17	2.8	6	0.9 %
Food Industry	626	598	28	4.7	4	0.7 %
Energy	476	479	-2	-0.5	0	0.0 %
Other manufacturing	425	440	-15	-3.5	3	0.8 %
Chemical Industry	382	513	-130	-25.4	0	0.1 %
Other industries	721	625	96	15.4	8	1.1 %
Public corporations and non-profit organisations	1,132	1,068	64	6.0	4	0.4 %
Households	39,909	37,735	2,174	5.8	178	0.4 %
Adjustments	37	473	-436	-92.1	-1	
Total	62,788	59,379	3,409	5.7	296	0.47%



OP-Pohjola Group
Non-performing and Zero-interest Receivables
December 31 2011
€296 million (12-month change +45.4%)

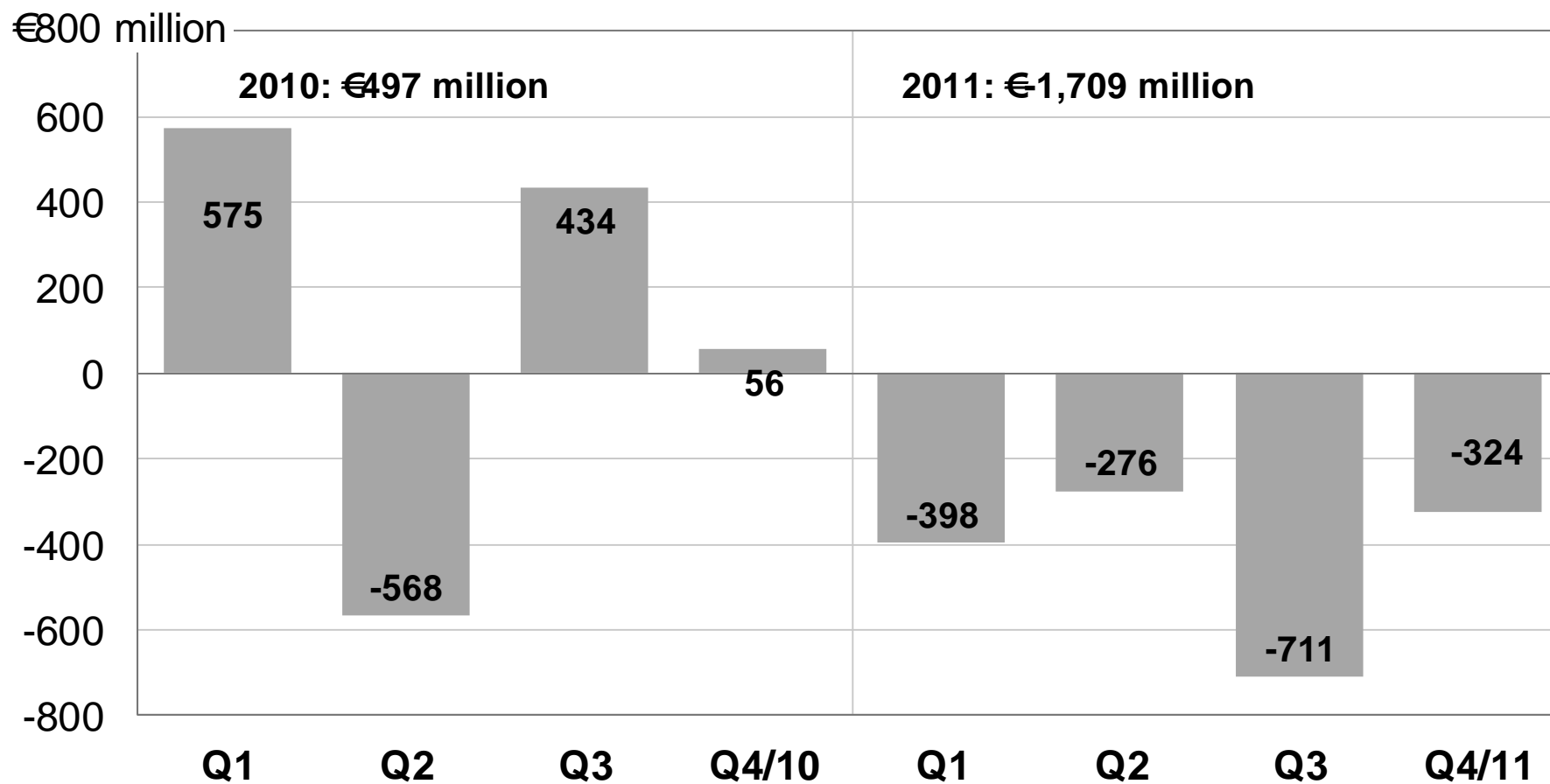


OP-Pohjola Group New Loans by Quarter

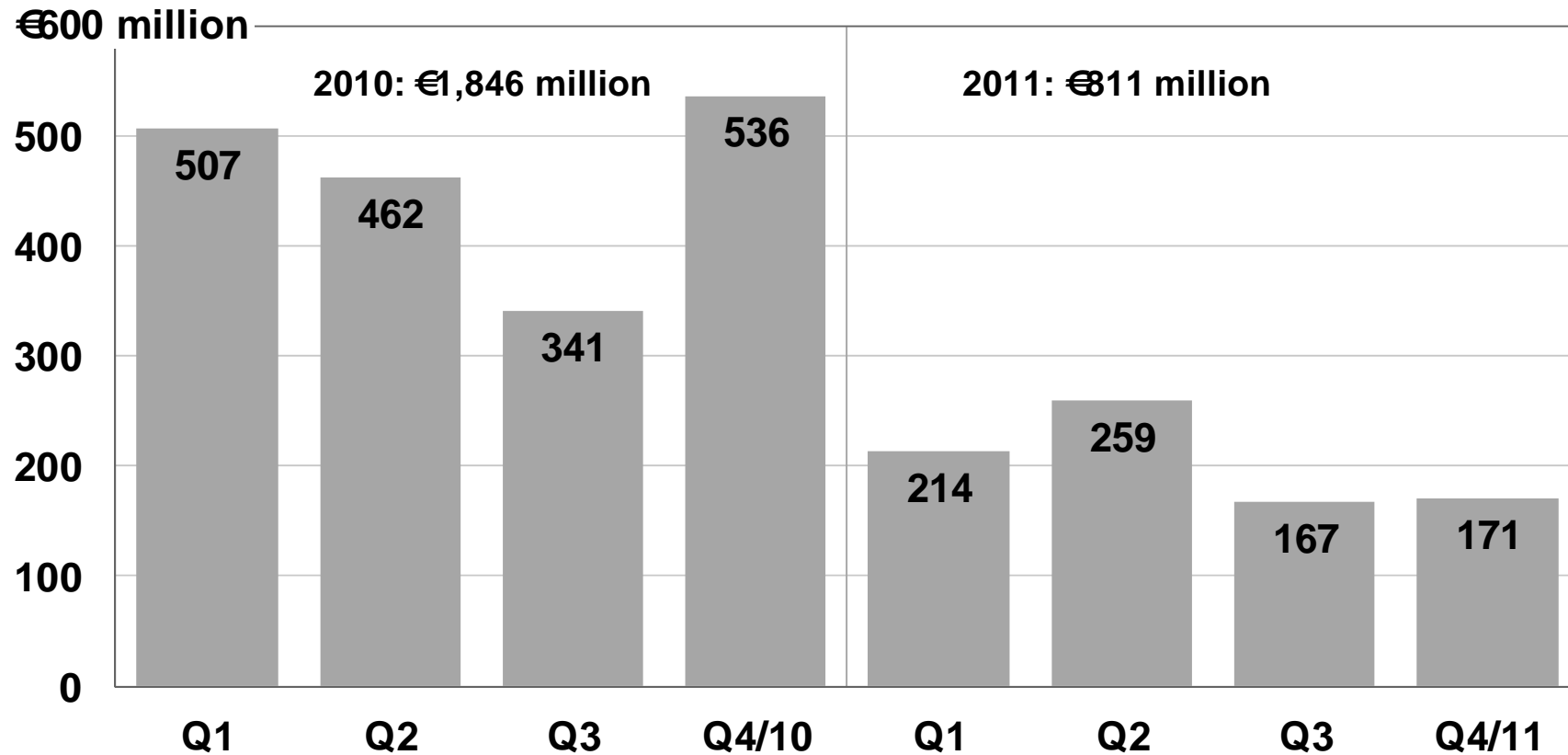


OP-Pohjola Group

Net Sales Inflow of Mutual Funds by Quarter



OP-Pohjola Group Life and Pension Insurance Premiums Written by Quarter

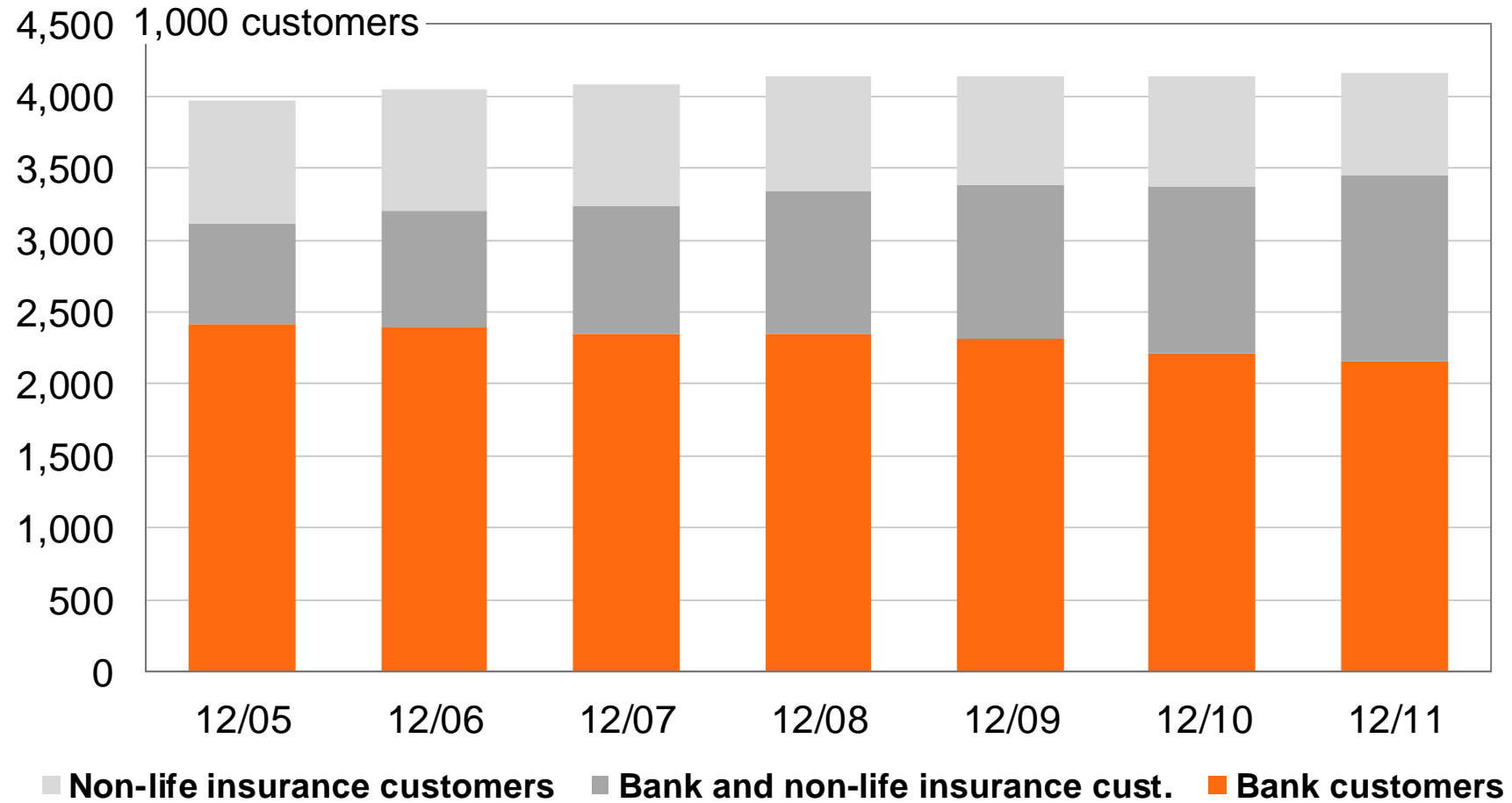


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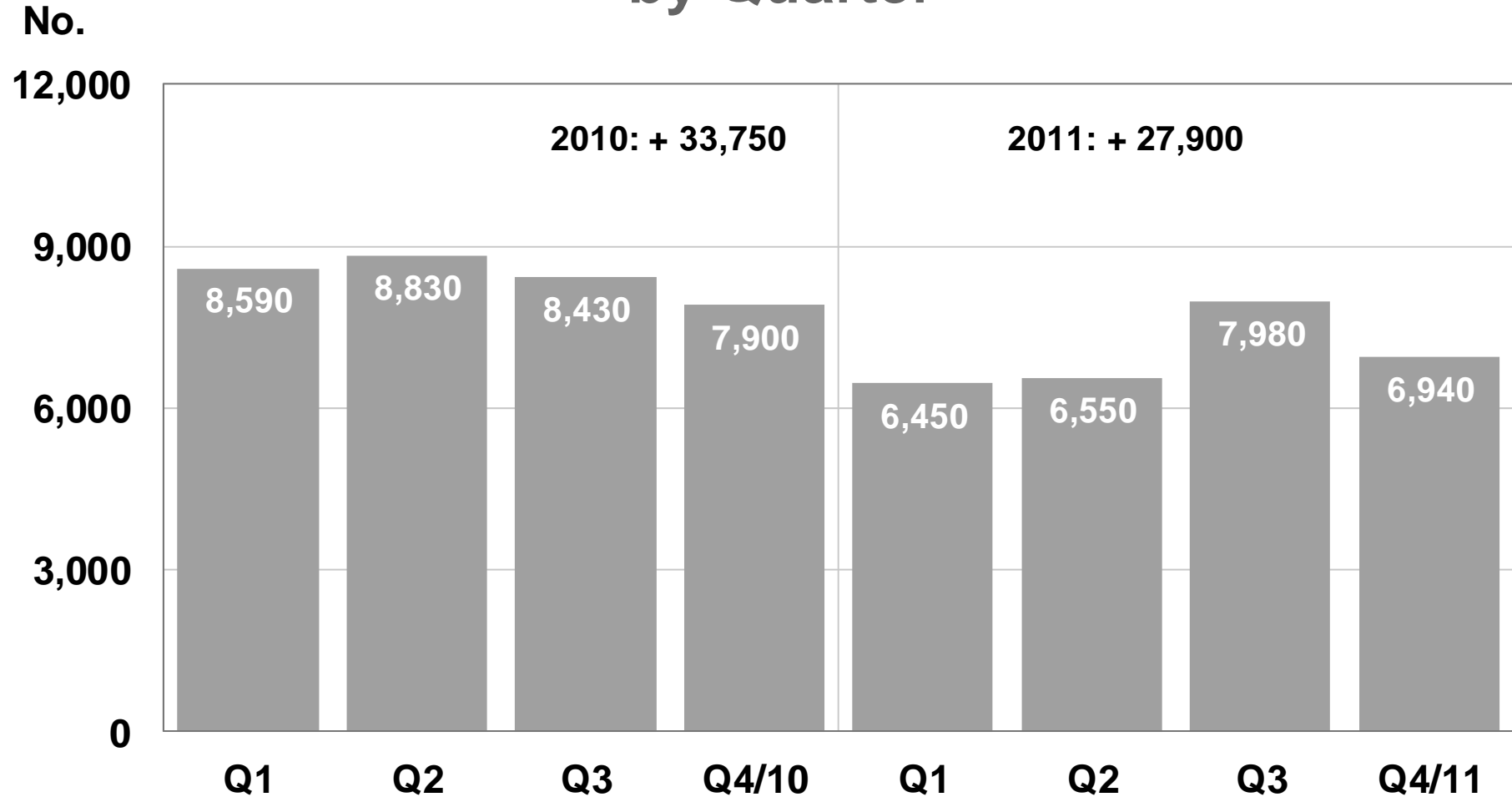
Customers, Owner-members etc.



OP-Pohjola Group Breakdown of Customer Base



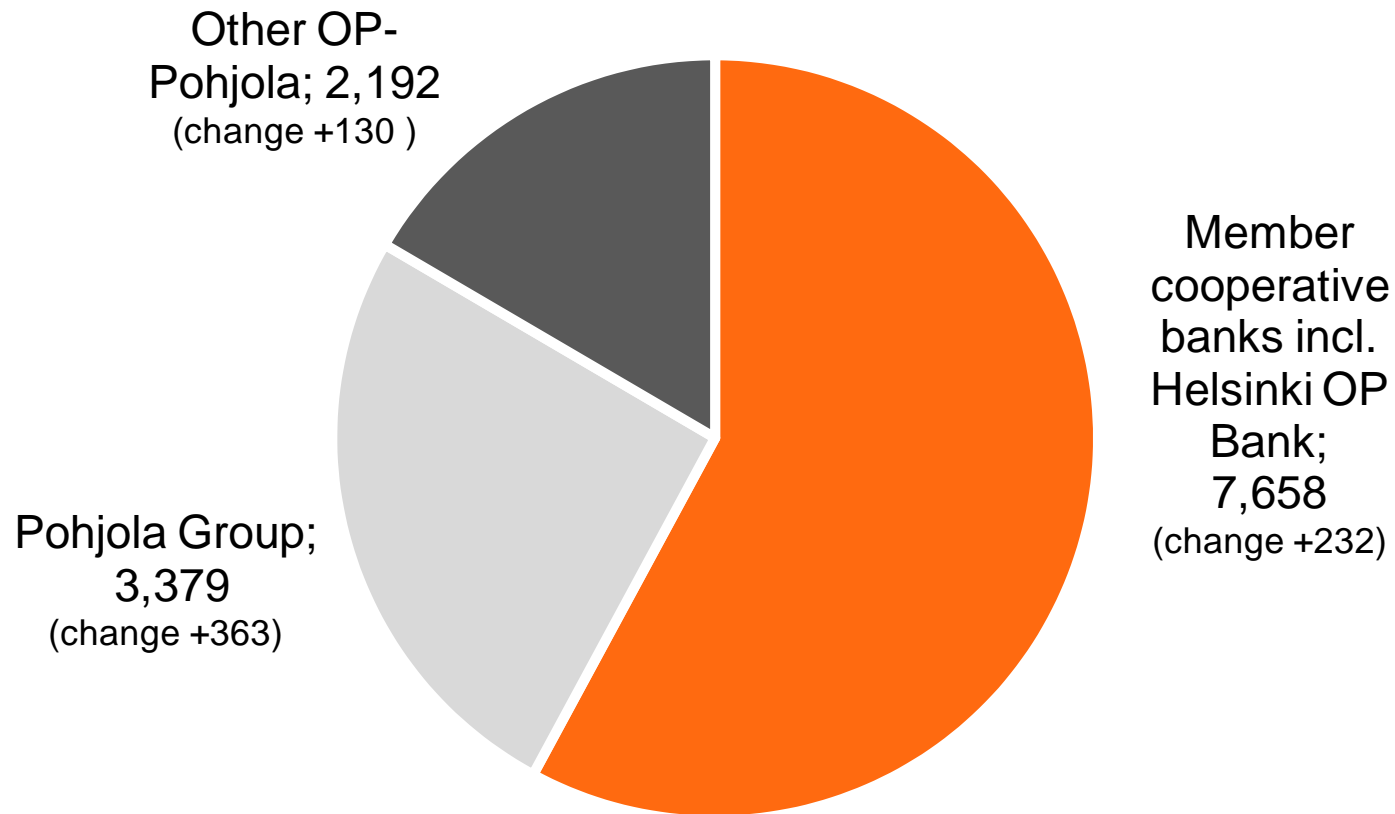
OP-Pohjola Group Net Increase in Owner-members by Quarter



OP-Pohjola Group's Personnel

31 December 2011

13,229 (+ 725 within 12 months)



OP-Pohjola Group Service Network

	31 Dec. 2011	12-month change
eServices Agreements	1,558,696	83,091
Locations	535	-19
providing both banking and insurance services	345	22
Private banking locations	35	2
OP-Kiinteistökeskus estate agents	174	2
Online customer terminals	547	9

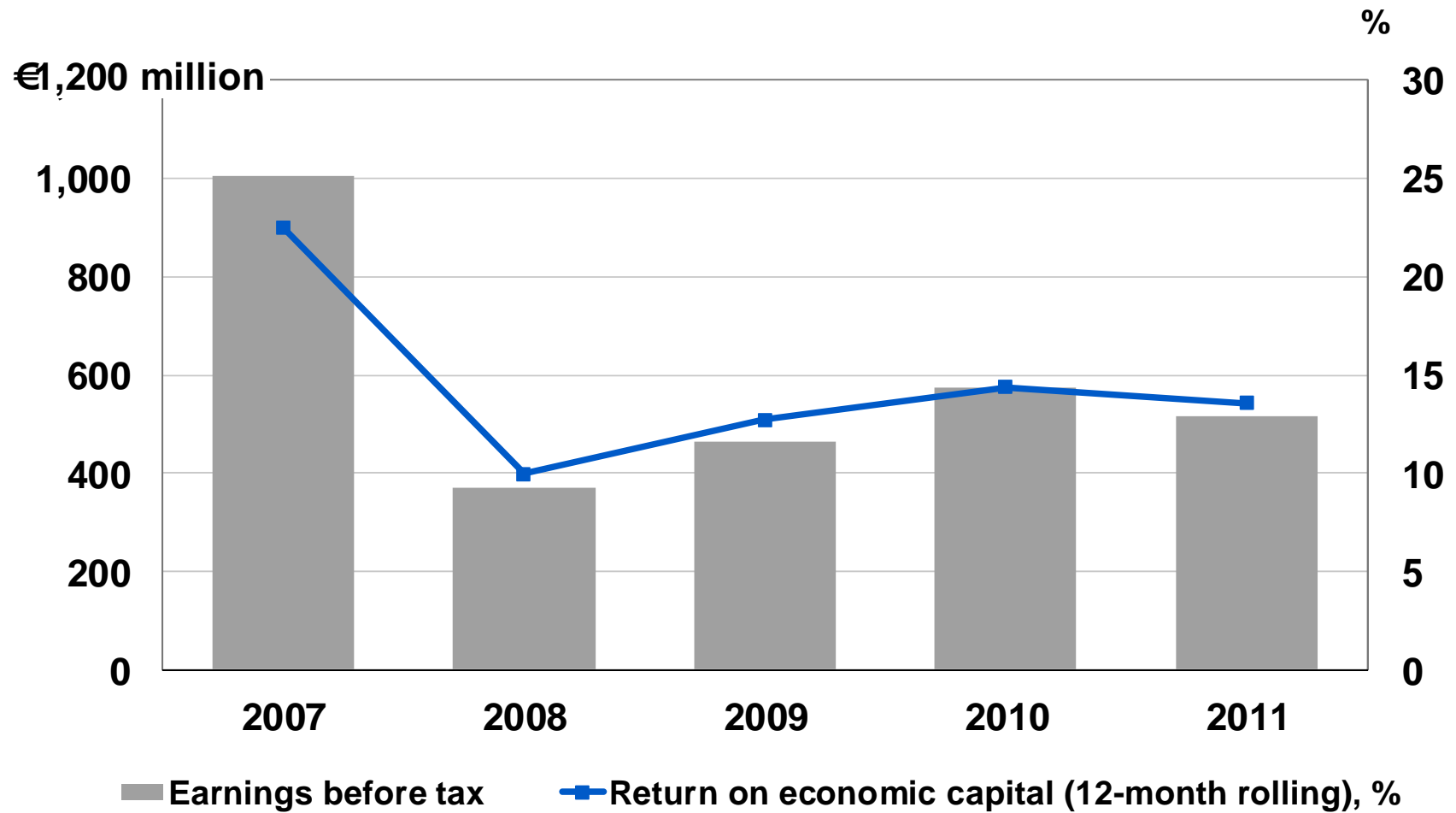


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5-year Trends



OP-Pohjola Group Earnings before Tax and Return on Economic Capital



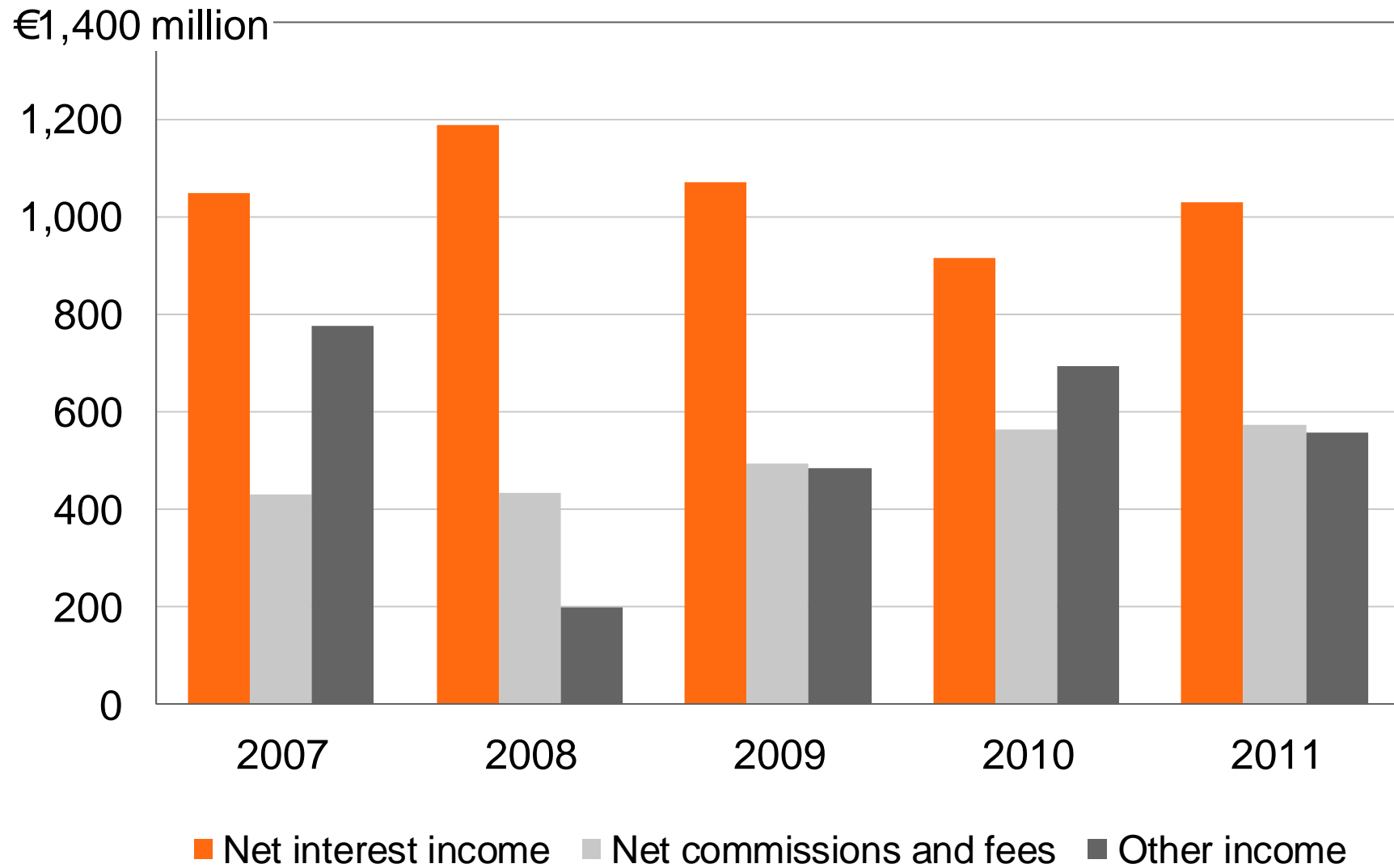
Calculation principles of economic capital have been changed between 2007 and 2008



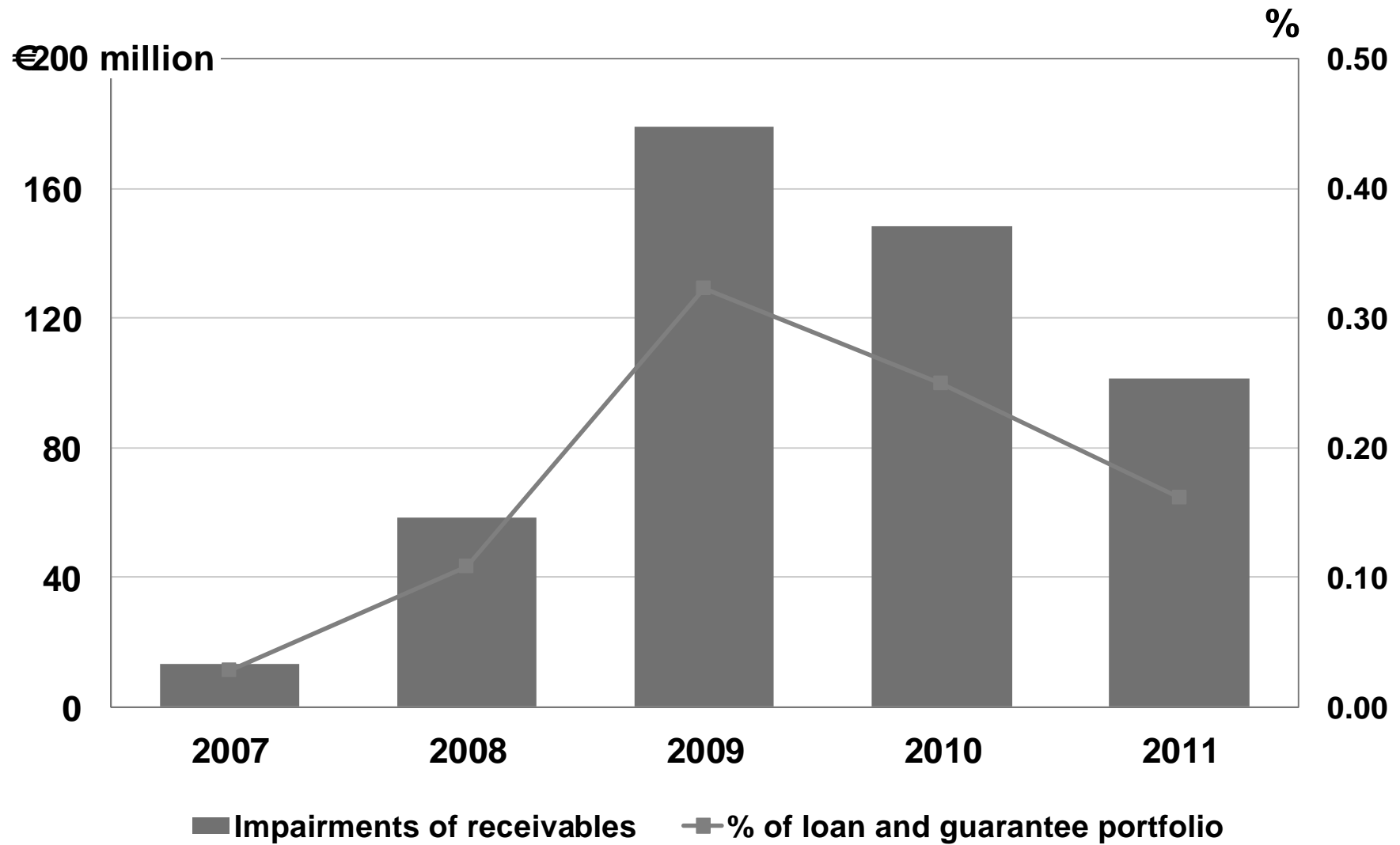
OP-Pohjola Group Earnings before Tax



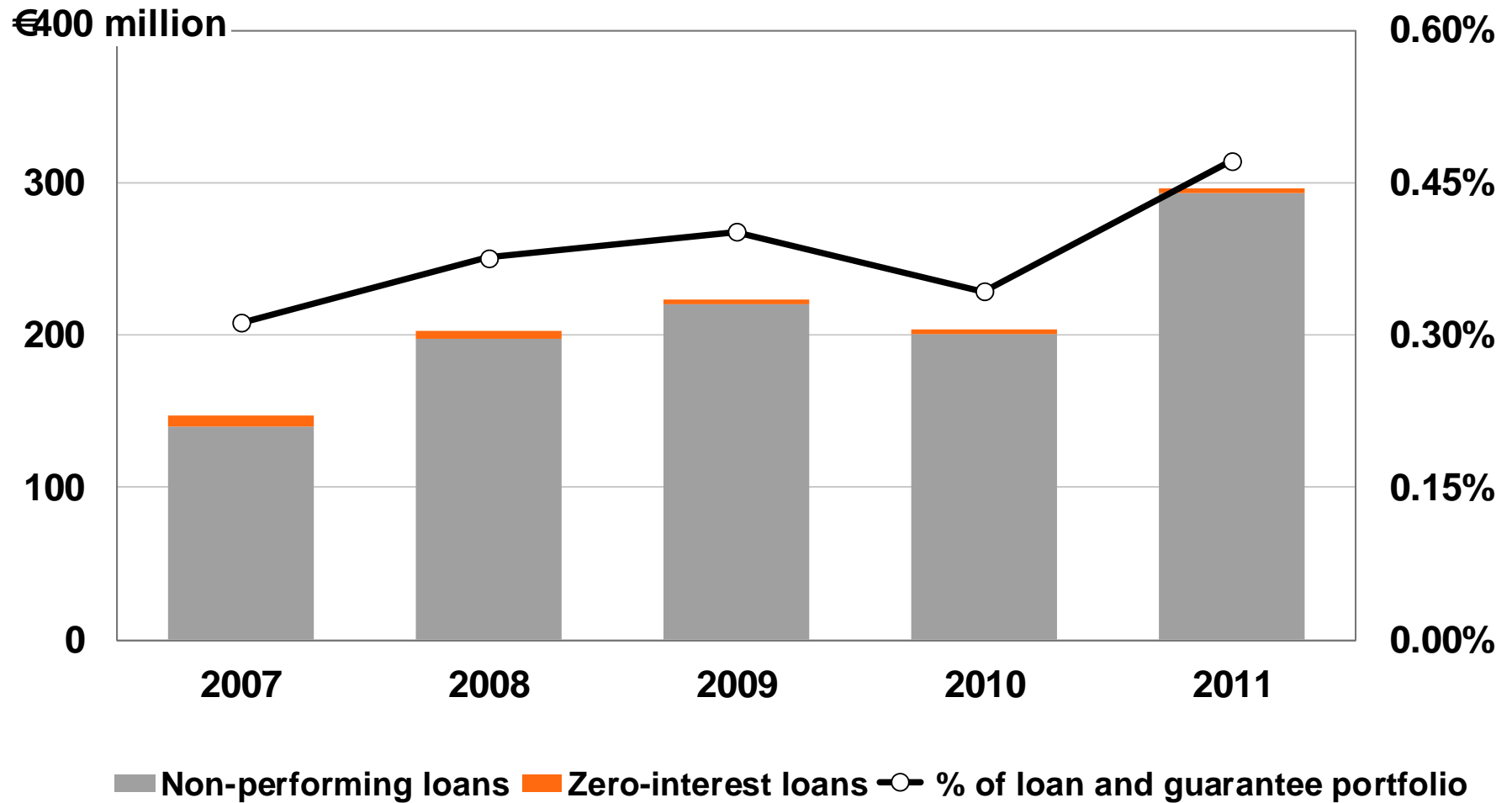
OP-Pohjola Group Income



OP-Pohjola Group Impairments of Receivables

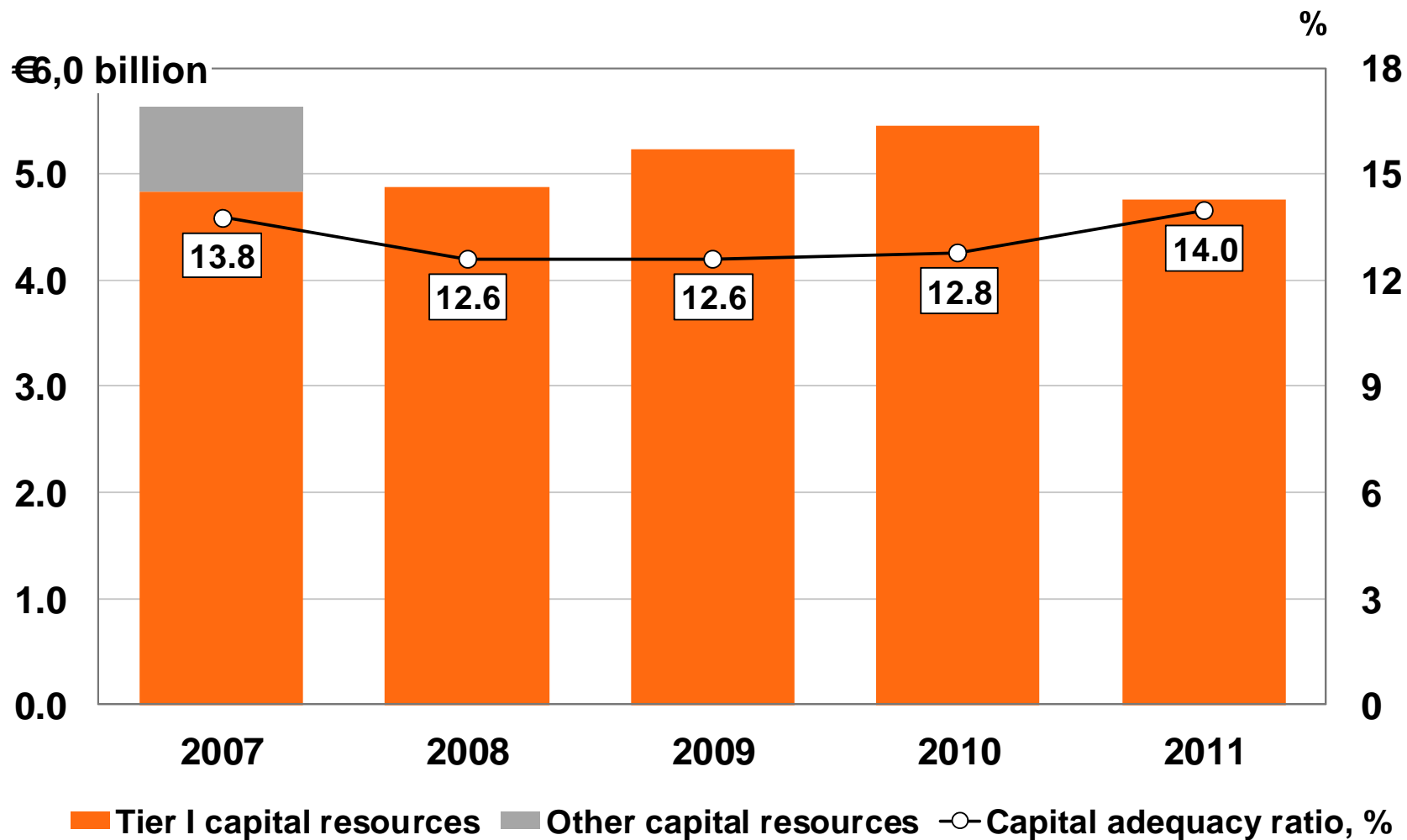


OP-Pohjola Group Non-performing Loans

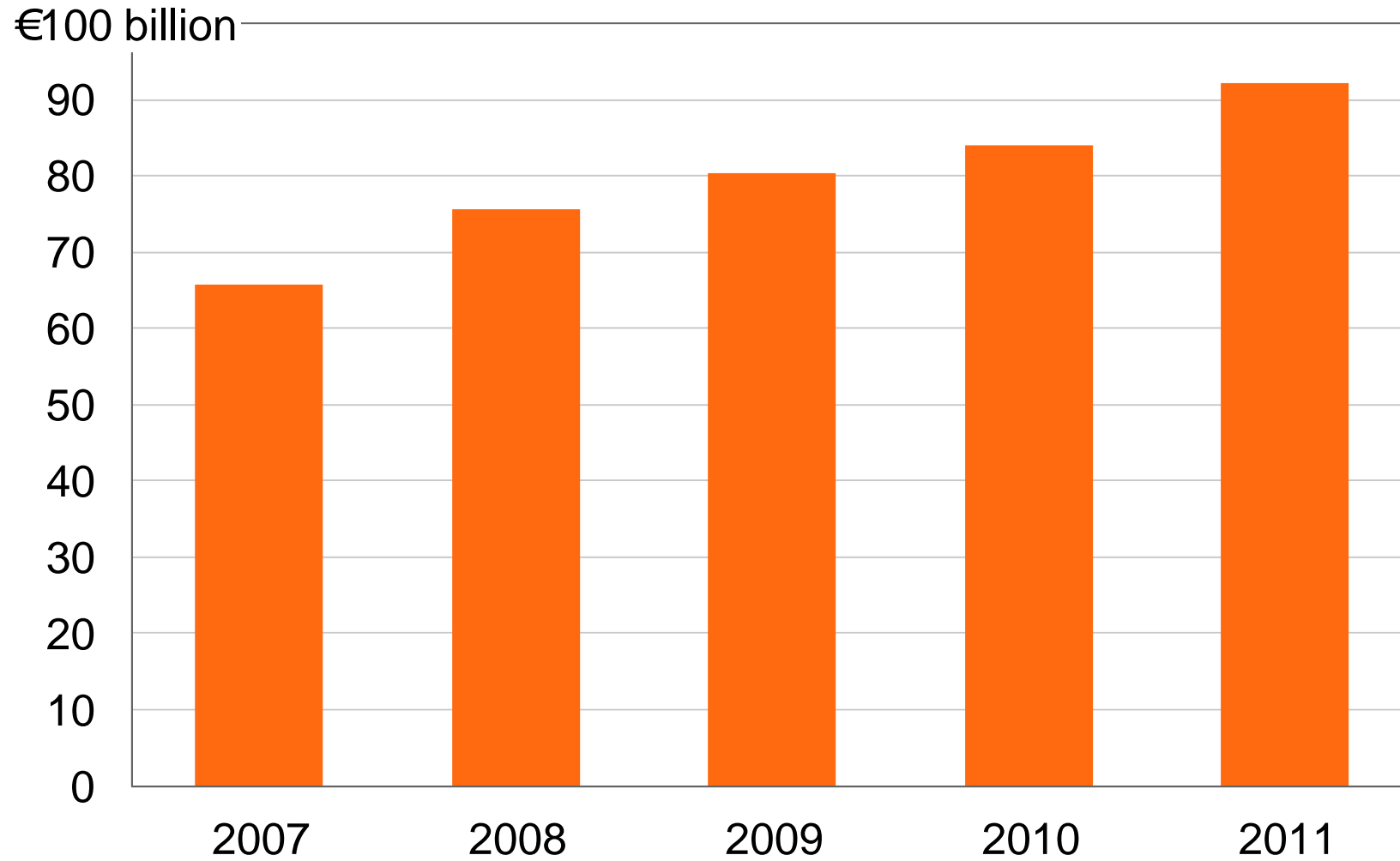


The amalgamation of the cooperative banks

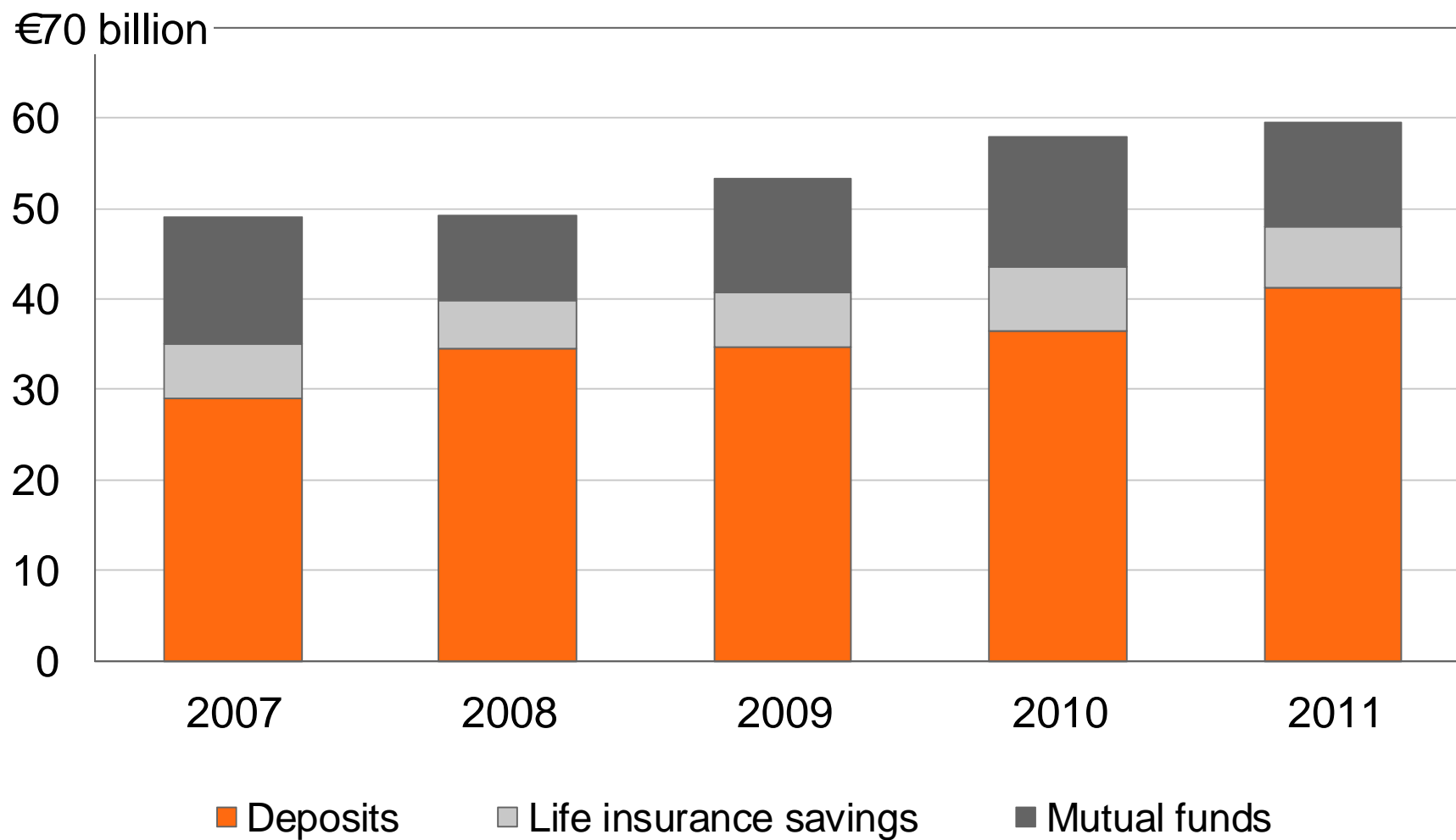
Capital Base and Capital Adequacy Ratio



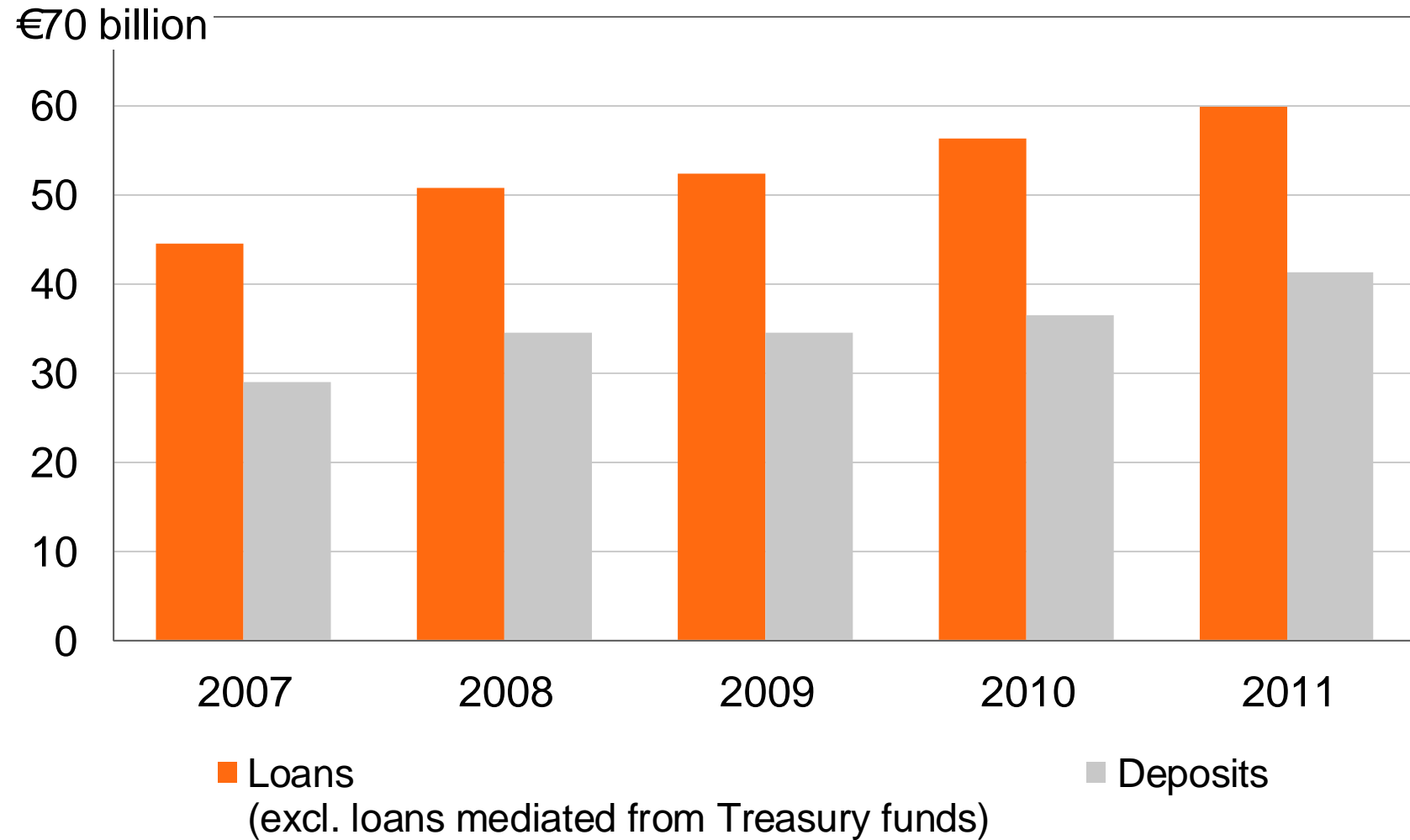
OP-Pohjola Group Balance Sheet



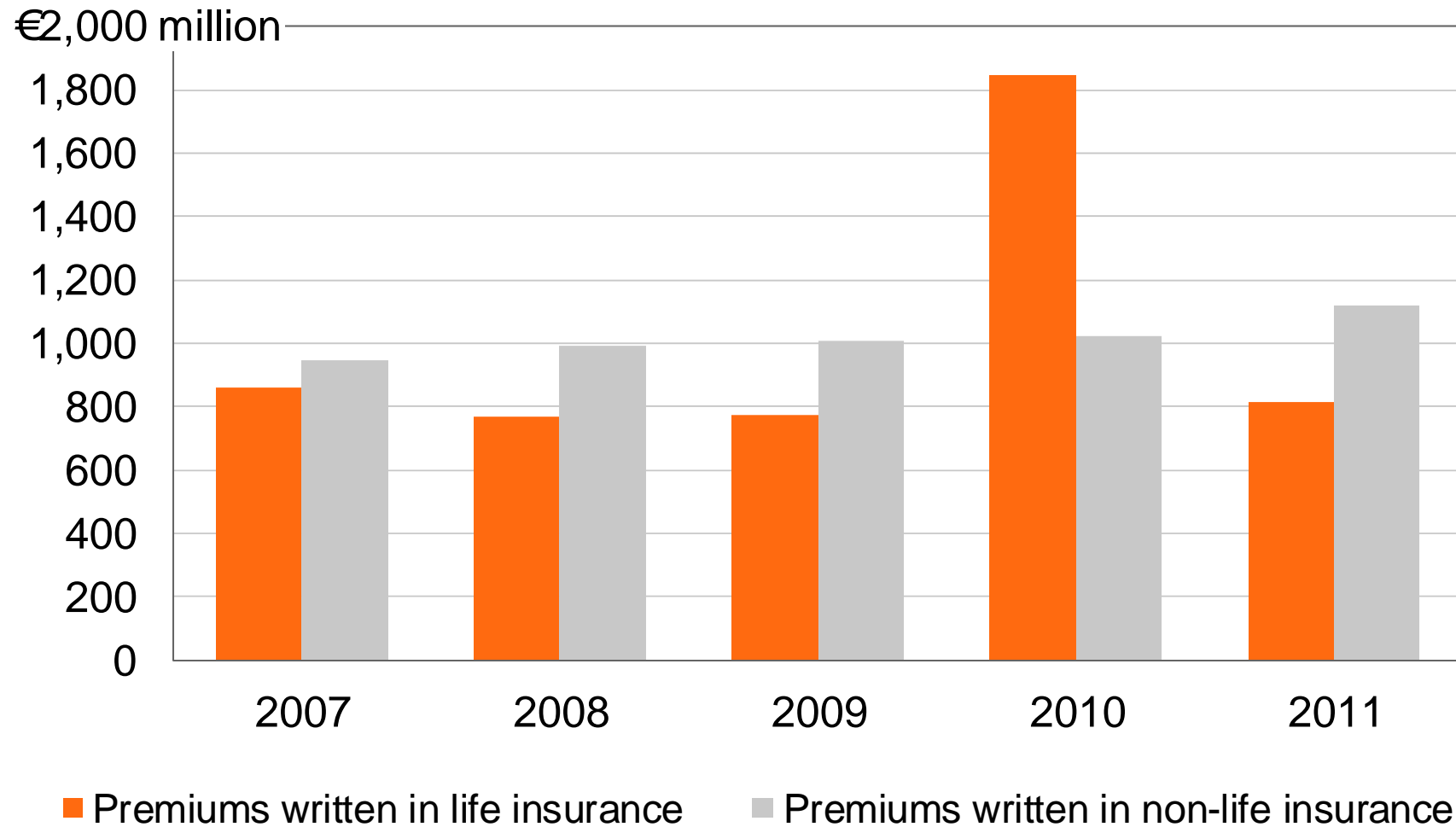
OP-Pohjola Group Customer Funds



OP-Pohjola Group Loans and Deposits



OP-Pohjola Group Premiums Written in Life and Non-life Insurance



Thank you

