

# OP-Pohjola Group

**Financial Performance for  
1 January –  
30 June 2010**

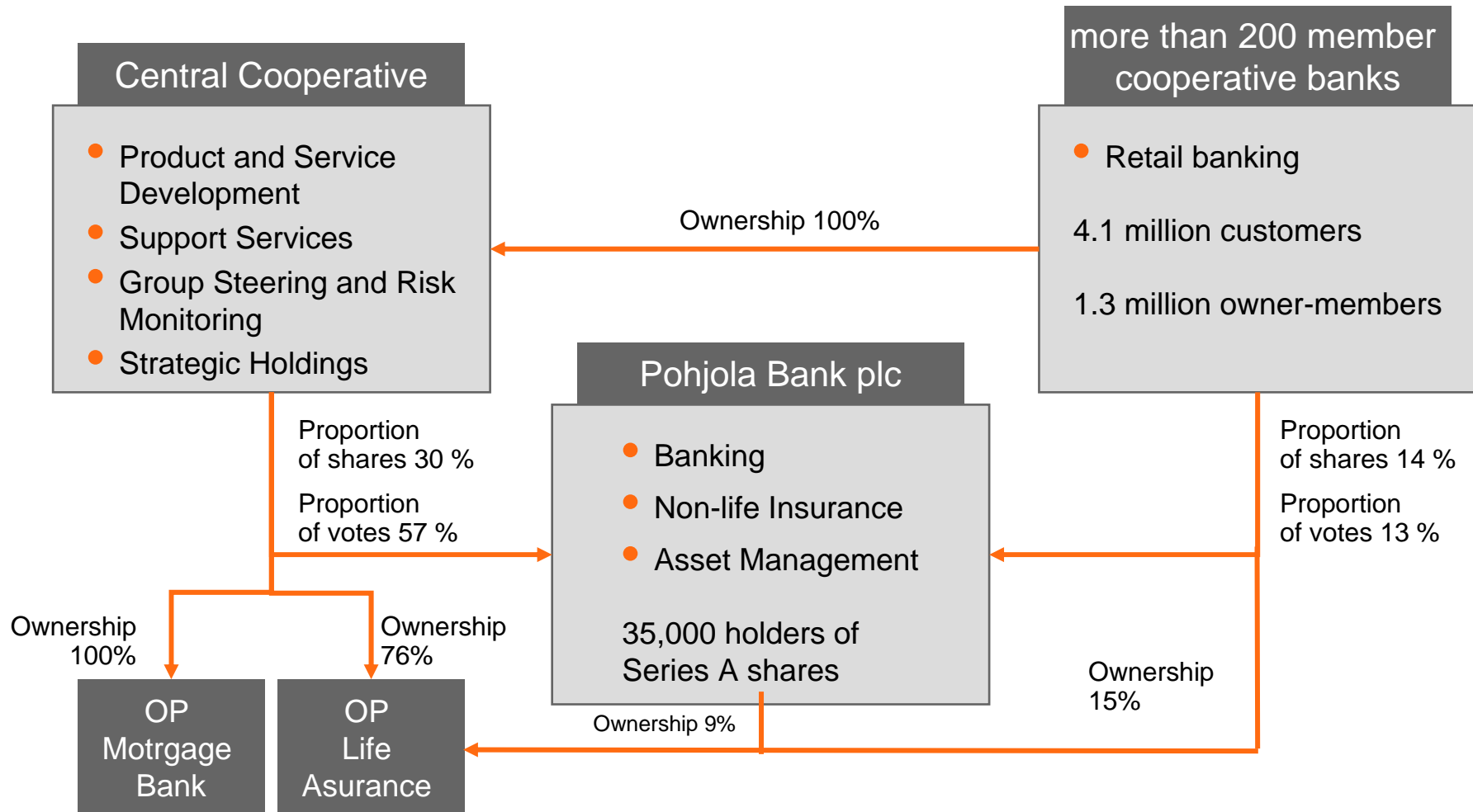


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- Customers, owner-members et c.



# OP-Pohjola Group



The Central Cooperative and the member banks are liable for each other's debts and commitments.



# OP-Pohjola Group

## Key indicators

	1-6/2010	1-6/2009	Change *
<b>Earnings before tax, EUR million</b>	266	281	-5.5
<b>Banking and Investment Services</b>	163	270	-39.8
<b>Non-Life Insurance</b>	42	46	-8.3
<b>Life Insurance</b>	20	-41	
<b>Bonuses paid to customers</b>	74	70	6.0
<b>Return on equity (ROE), %</b>	6.3	7.4	-1.1
<b>Return on equity at fair value, %</b>	8.1	12.3	-4.2
<b>Cost/income ratio, Banking and Investment Services, %</b>	59	53	6
<b>Average personnel</b>	12,482	12,713	-1.8

\* Percentage point change, except for earnings before tax, bonuses paid to customers and average number of personnel, for which the change is stated in per cent



# OP-Pohjola Group

## Key indicators

	30 June 2010	30 June 2009	Change *
Total assets, EUR billion	84.5	77.6	8.9
Capital adequacy, % **	12.4	12.0	0.4
Tier 1 ratio, % **	12.4	12.0	0.4
Ratio of capital resources to minimum of capital resources ***	1.60	1.45	0.15
Non-performing receivables/loan and guarantee portfolio	0.4	0.5	-0.1
Market share, %			
Of total loans	32.7	32.3	0.4
Of total deposits	32.3	33.2	-0.9
Of capital invested in mutual funds	23.3	23.0	0.3
	1-6/2010	1-6/2009	Change *
Life and pension insurance premiums written	39.3	23.2	16.1

\* Percentage point change, except for total assets for which the change is stated in per cent, as well as the ratio of capital resources to minimum of capital resources, for which the change is stated as a change in the ratio. \*\* Pursuant to the Credit Institutions Act.

\*\*\* Pursuant to the Act on the Supervision of Financial and Insurance Conglomerates.



# OP-Pohjola Group Year-on-year Results

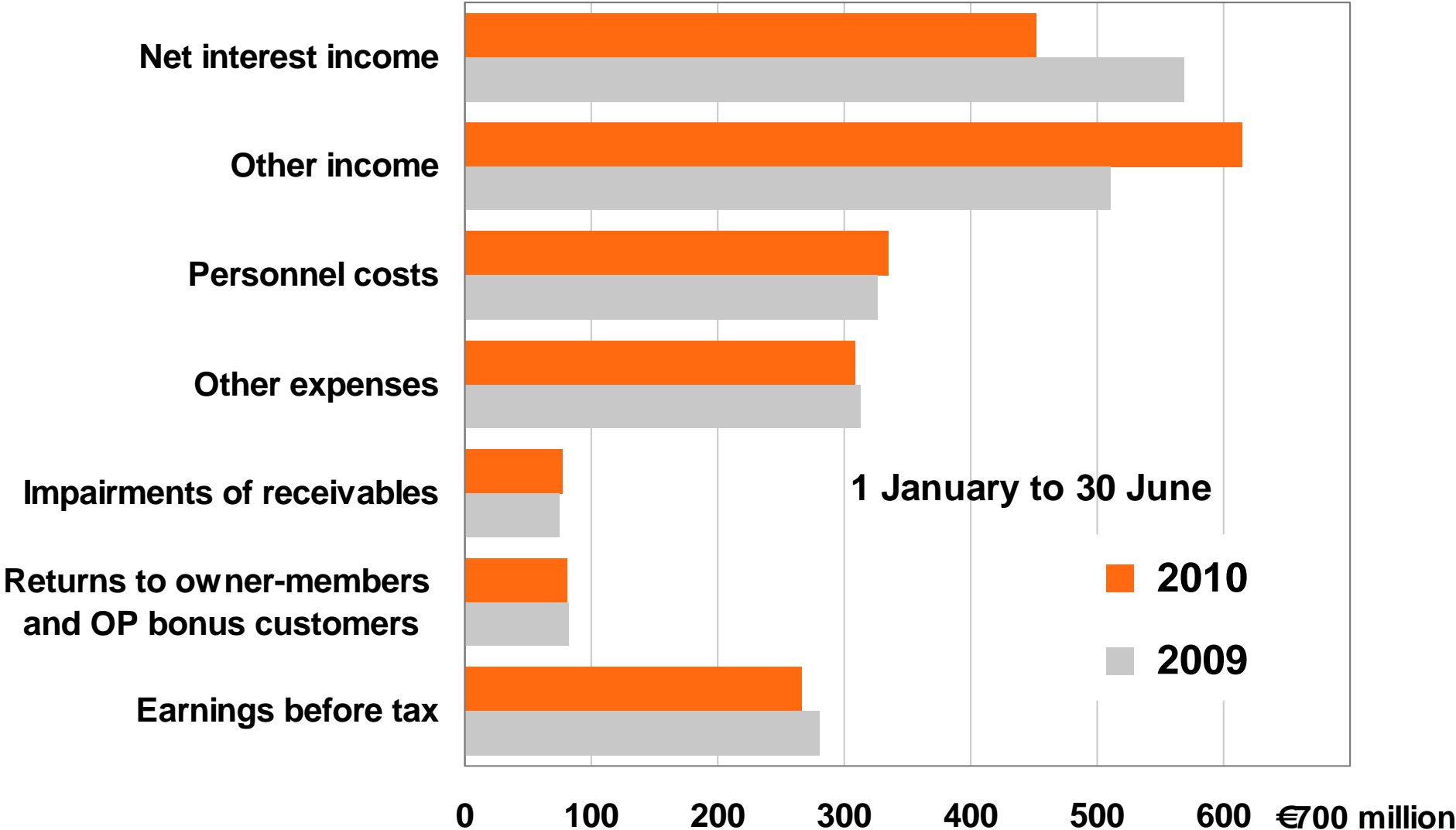


OP-Pohjola Group  
Income statement

€ million	Change			
1 January to 30 June	2010	2009	€ million	%
Net interest income	452	568	-116	-20
Other income	615	510	105	20
<b>Total income</b>	<b>1,067</b>	<b>1,079</b>	<b>-11</b>	<b>-1</b>
Personnel costs	335	327	9	3
Other expenses	308	313	-5	-2
<b>Total expenses</b>	<b>643</b>	<b>640</b>	<b>3</b>	<b>0</b>
Impairments of receivables	77	75	2	3
Returns to owner-members and OP bonus customers	81	82	-1	-1
<b>Earnings before tax</b>	<b>266</b>	<b>281</b>	<b>-16</b>	<b>-6</b>



# OP-Pohjola Group Income statement



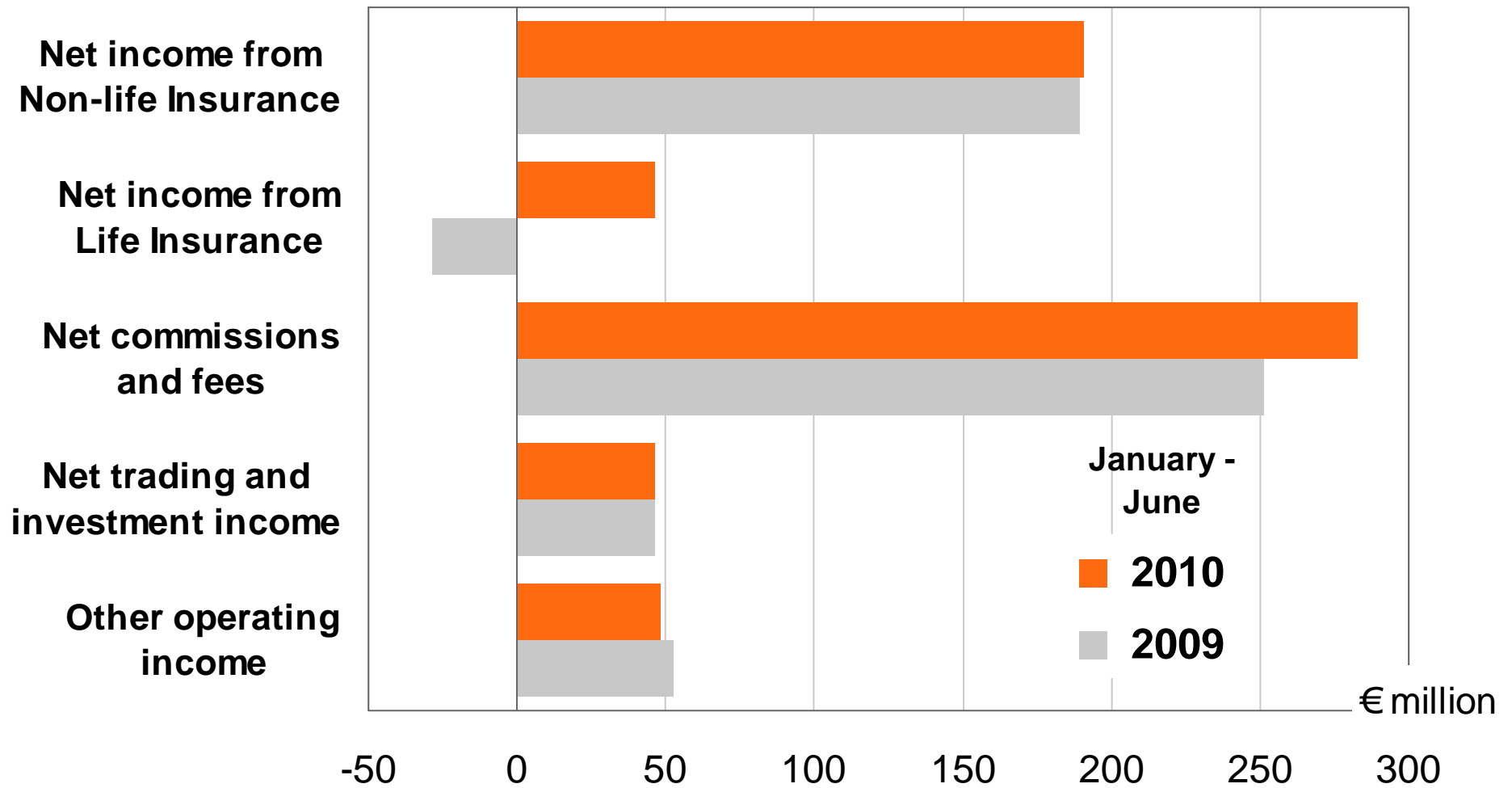


# OP-Pohjola Group Income Statement

€ million			Change	
1 January to 30 June	2010	2009	€ million	%
Interest income	1,165	1,797	-632	-35.2
Interest expenses	713	1,229	-516	-42.0
<b>Net interest income</b>	<b>452</b>	<b>568</b>	<b>-116</b>	<b>-20.4</b>
Impairments of receivables	77	75	2	2.8
<b>Net interest income after impairment losses</b>	<b>375</b>	<b>493</b>	<b>-118</b>	<b>-24.0</b>
Net income from Non-life Insurance operations	190	189	2	0.8
Net income from Life Insurance operations	46	-29	75	
Net commissions and fees	283	251	32	12.6
Net trading income	13	54	-42	-76.8
Net investment income	34	-8	42	
Other operating income	48	52	-4	-7.9
Personnel costs	335	327	9	2.6
Other administrative expenses	154	156	-2	-1.2
Other operating expenses	153	157	-3	-2.2
Returns to owner-members and OP bonus customers	81	82	-1	-1.5
Share of associates' profits/losses	1	0	1	263.0
<b>Earnings before tax</b>	<b>266</b>	<b>281</b>	<b>-16</b>	<b>-5.5</b>



# OP-Pohjola Group Other income



# OP-Pohjola Group

## Income statement by business segment

1 January to 30 June 2010

€ million	Banking and Investment Services	Non-Life Insurance	Life Insurance	Eliminations and Other Operations	Total
Net interest income	418	0	0	37	455
Net income from non-life insurance	0	192	0	-2	190
Net income from life insurance	0	0	50	-4	46
Other income	367	10	11	-9	378
<b>Total income</b>	<b>785</b>	<b>202</b>	<b>60</b>	<b>22</b>	<b>1 070</b>
Personnel costs	211	57	5	62	335
Other expenses	252	104	36	-81	310
<b>Total expenses</b>	<b>463</b>	<b>160</b>	<b>41</b>	<b>-19</b>	<b>646</b>
Impairment losses on receivables	77	0	0	0	77
Returns to owner-members	81	0	0	0	81
<b>Earnings before tax</b>	<b>163</b>	<b>42</b>	<b>20</b>	<b>41</b>	<b>266</b>



# OP-Pohjola Group

## Income statement by business segment

### Banking and Investment Services

€ million			Change	
	1-6/2010	1-6/2009	€ million	%
Net interest income	418	531	-113	-21.3
Net commissions and fees	301	268	33	12.2
Net trading income	21	51	-31	-59.4
Net investment income	17	1	17	2700.0
Other operating income	28	34	-6	-18.0
Other income	367	354	13	3.8
<b>Total income</b>	<b>785</b>	<b>885</b>	<b>-100</b>	<b>-11.3</b>
Personnel costs	211	207	4	1.8
Other expenses	252	259	-6	-2.5
<b>Total expenses</b>	<b>463</b>	<b>466</b>	<b>-3</b>	<b>-0.6</b>
Impairment losses on receivables	77	66	12	17.7
Returns to owner-members	81	82	-1	-1.5
<b>Earnings before tax</b>	<b>163</b>	<b>270</b>	<b>-108</b>	<b>-39.8</b>
Cost /income ratio, %	59	53		



# OP-Pohjola Group

## Income statement by business segment

### Non-life Insurance

€ million	1-6/2010	1-6/2009	Change € million	%
Insurance premium revenue	473	471	2	0.5
Insurance claims and benefits	300	287	13	4.5
Net investment income	42	30	12	
Unwinding of discount and other items	-23	-22	-1	-5.2
<b>Net income from non-life insurance</b>	<b>192</b>	<b>192</b>	<b>0</b>	<b>0.2</b>
Other income	7	8	-1	-9.3
<b>Total income</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>-0.2</b>
Personnel costs	57	55	2	3.6
Other expenses	101	99	1	1.5
<b>Total expenses</b>	<b>157</b>	<b>154</b>	<b>3</b>	<b>2.2</b>
<b>Earnings before tax</b>	<b>42</b>	<b>46</b>	<b>-4</b>	<b>-8.3</b>



# OP-Pohjola Group

## Income statement by business segment

### Life Insurance

€ million	1-6/2010	1-6/2009	Change	
			€ million	%
Premiums written	679	295	384	129.9
Net investment income	152	154	-1	-0.9
Claims incurred	318	251	68	27.0
Change in insurance contract liabilities	460	216	244	113.3
Other items	-3	-2	-1	-64.0
Net income from life insurance	50	-19	69	361.2
Other income	11	9	1	13.4
<b>Total income</b>	<b>60</b>	<b>-10</b>	<b>70</b>	<b>715.5</b>
Personnel costs	5	5	0	9.4
Other expenses	36	26	10	37.0
<b>Total expenses</b>	<b>41</b>	<b>31</b>	<b>10</b>	<b>32.9</b>
<b>Earnings before tax</b>	<b>20</b>	<b>-41</b>	<b>60</b>	<b>148.1</b>

# OP-Pohjola Group

## Income statement by business segment

### Other Operations

€ million	1-6/2010	1-6/2009	milj. €	%
Net interest income	33	28	5	18
Net commissions and fees	3	-3	5	193
Net trading income	-9	-4	-5	-115
Net investment income	20	-4	24	590
Other operating income	167	172	-5	-3
Share of affiliate profits/losses	0	0	0	
Other income	181	161	20	12
<b>Total income</b>	<b>214</b>	<b>189</b>	<b>25</b>	<b>13</b>
Personnel costs	62	60	2	4
Other expenses	107	116	-9	-7
<b>Total expenses</b>	<b>169</b>	<b>175</b>	<b>-6</b>	<b>-3</b>
Impairment losses on receivables	0	9	-9	-100
<b>Earnings before tax</b>	<b>45</b>	<b>4</b>	<b>41</b>	<b>995</b>



# OP-Pohjola Group Quarterly Figures





## OP-Pohjola Group Quarterly performance

€million	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net interest income</b>	<b>287</b>	<b>282</b>	<b>256</b>	<b>245</b>	<b>224</b>	<b>228</b>		
<b>Other income</b>	<b>223</b>	<b>287</b>	<b>226</b>	<b>244</b>	<b>298</b>	<b>316</b>		
<b>Total income</b>	<b>510</b>	<b>569</b>	<b>483</b>	<b>490</b>	<b>523</b>	<b>545</b>		
<b>Personnel costs</b>	<b>163</b>	<b>163</b>	<b>142</b>	<b>154</b>	<b>164</b>	<b>171</b>		
<b>Other expenses</b>	<b>156</b>	<b>158</b>	<b>138</b>	<b>174</b>	<b>153</b>	<b>155</b>		
<b>Total expenses</b>	<b>319</b>	<b>321</b>	<b>280</b>	<b>328</b>	<b>317</b>	<b>326</b>		
<b>Impairments of receivables</b>	<b>29</b>	<b>46</b>	<b>52</b>	<b>52</b>	<b>38</b>	<b>40</b>		
<b>Returns to owner-members and OP bonus customers</b>	<b>38</b>	<b>44</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>42</b>		
<b>Earnings before tax</b>	<b>124</b>	<b>157</b>	<b>112</b>	<b>70</b>	<b>128</b>	<b>137</b>		



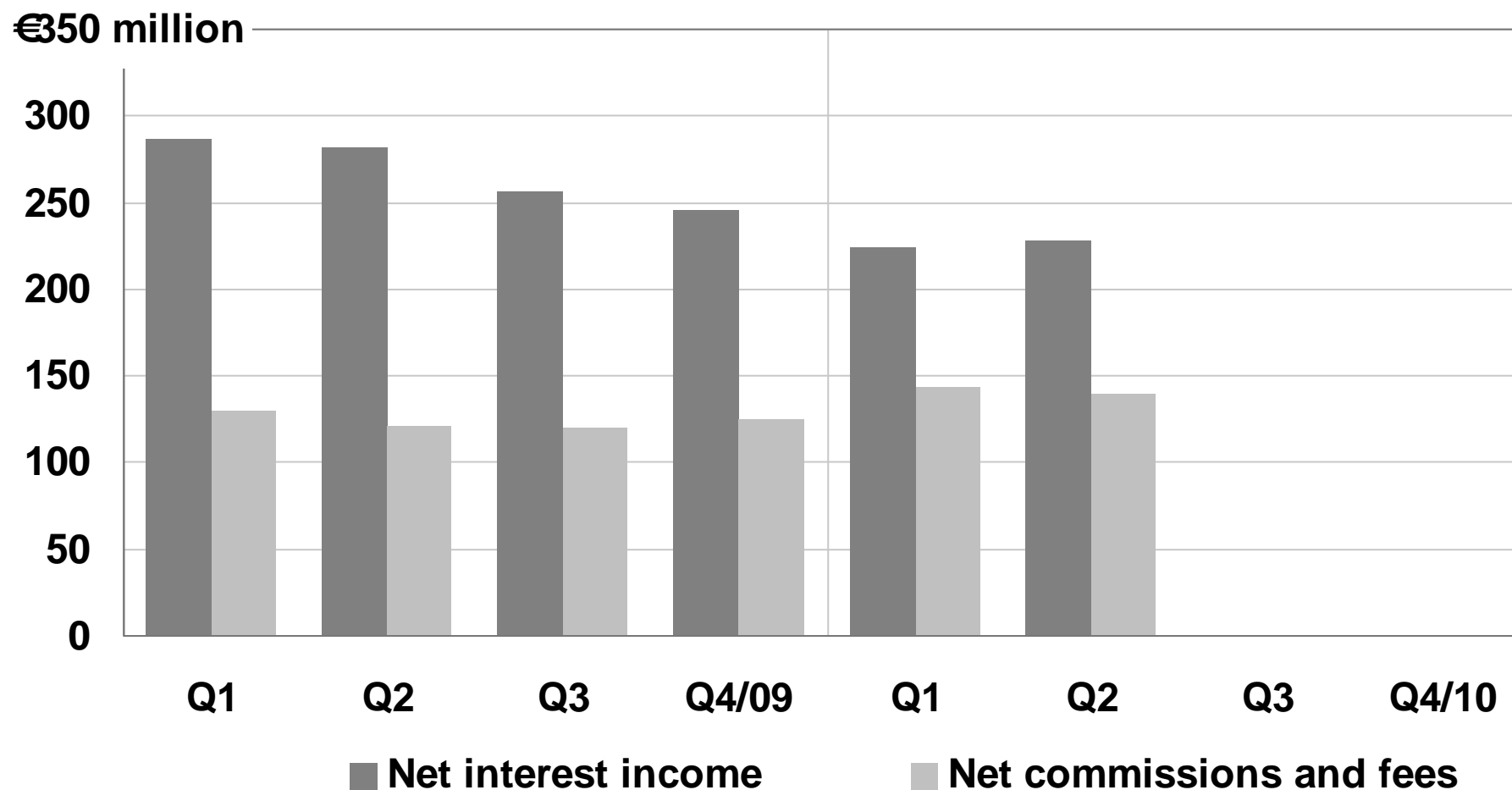
**OP-Pohjola Group**  
**Other income by quarter**

€million	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net income from non-life insurance</b>	<b>69</b>	<b>120</b>	<b>113</b>	<b>94</b>	<b>78</b>	<b>113</b>		
<b>Net income from life insurance</b>	<b>-21</b>	<b>-8</b>	<b>-60</b>	<b>-31</b>	<b>14</b>	<b>32</b>		
<b>Net commissions and fees</b>	<b>130</b>	<b>121</b>	<b>120</b>	<b>125</b>	<b>143</b>	<b>139</b>		
<b>Net income from trading and investments</b>	<b>21</b>	<b>26</b>	<b>30</b>	<b>27</b>	<b>37</b>	<b>10</b>		
<b>Other income</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>29</b>	<b>26</b>	<b>23</b>		
<b>Total</b>	<b>223</b>	<b>287</b>	<b>226</b>	<b>244</b>	<b>298</b>	<b>316</b>		



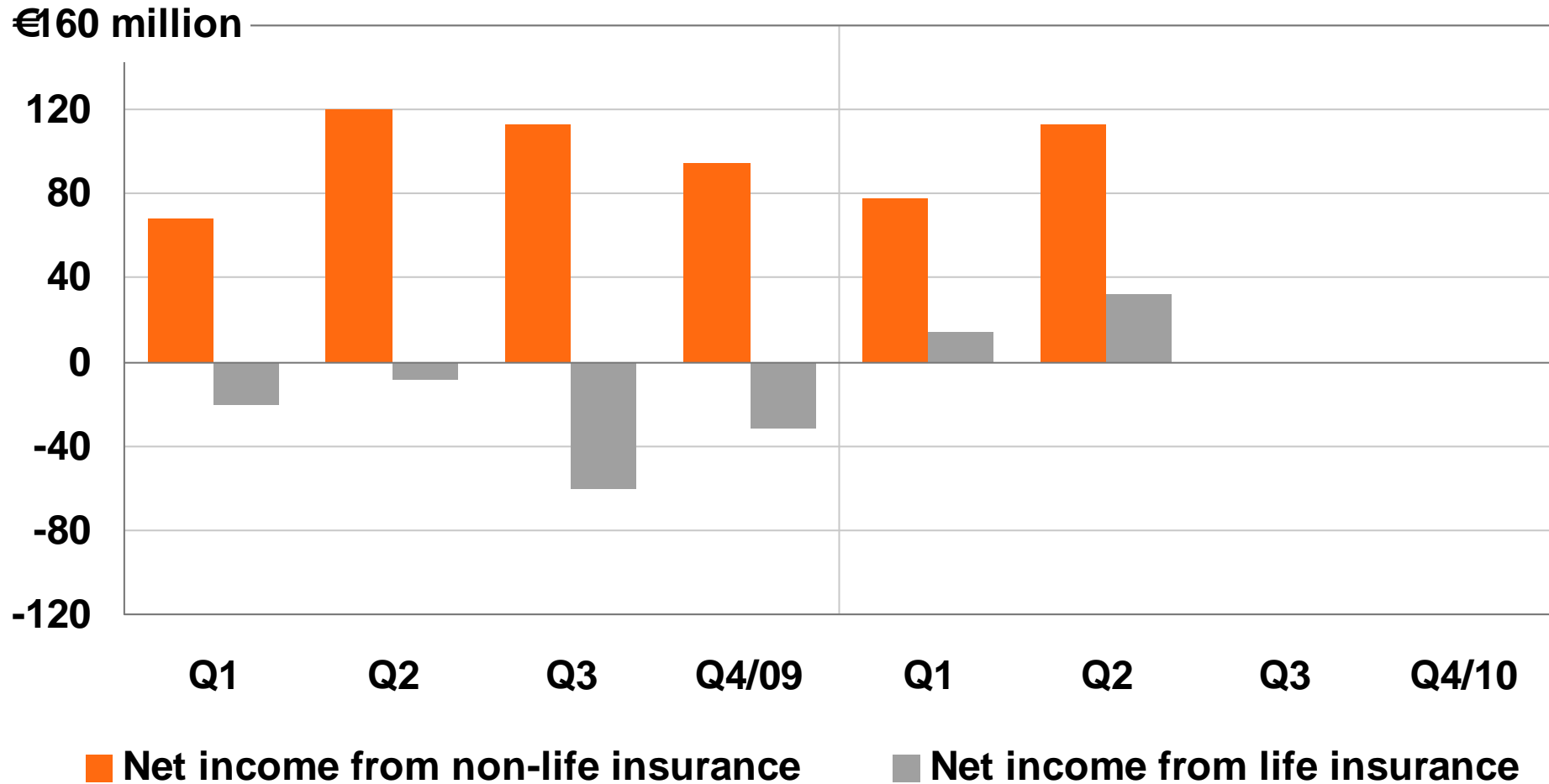
# OP-Pohjola Group

## Net interest income and net commissions and fees



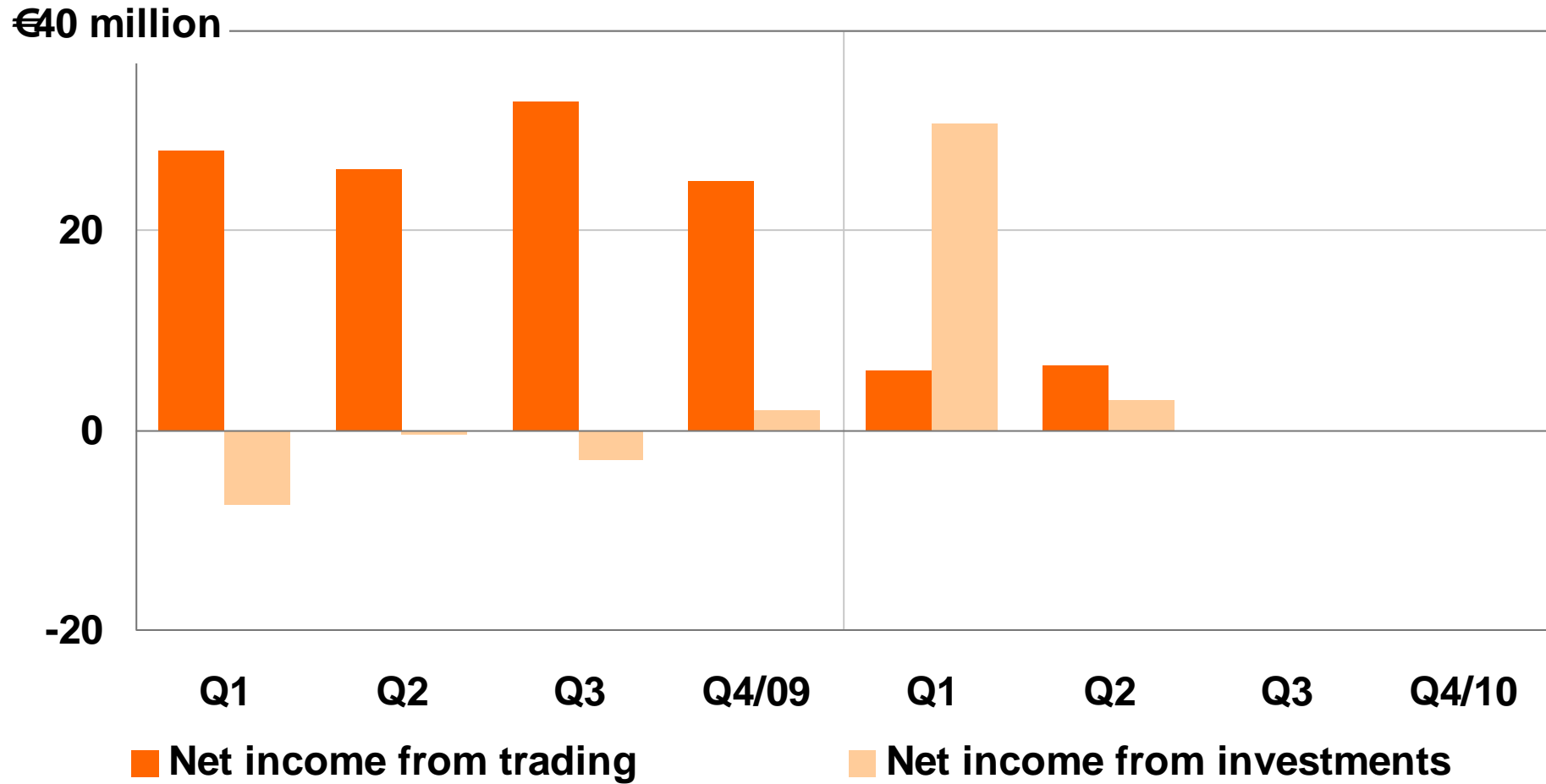
# OP-Pohjola Group

## Net income from non-life and life insurance



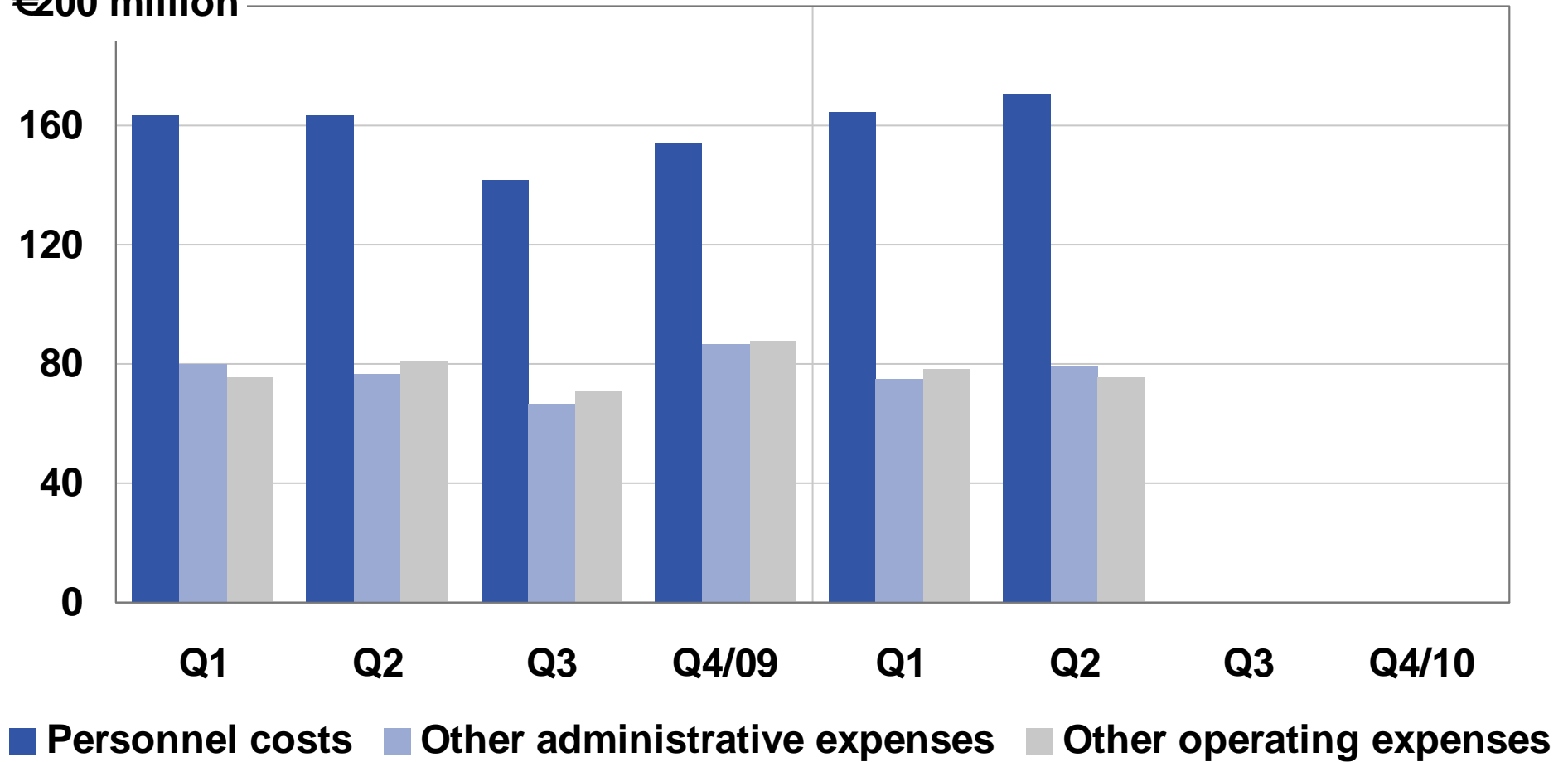
# OP-Pohjola Group

## Net income from trading and investments



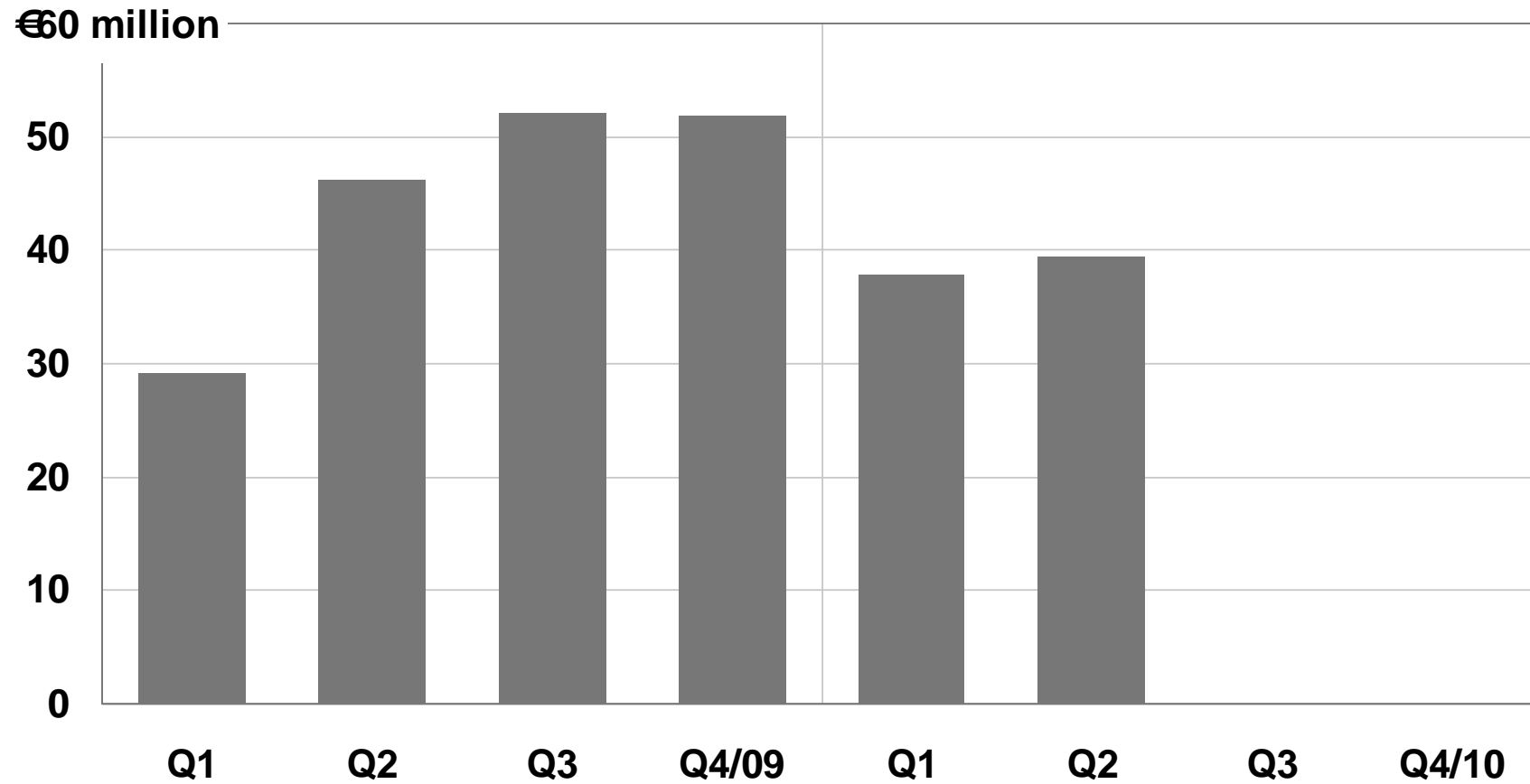
# OP-Pohjola Group Expenses

€200 million

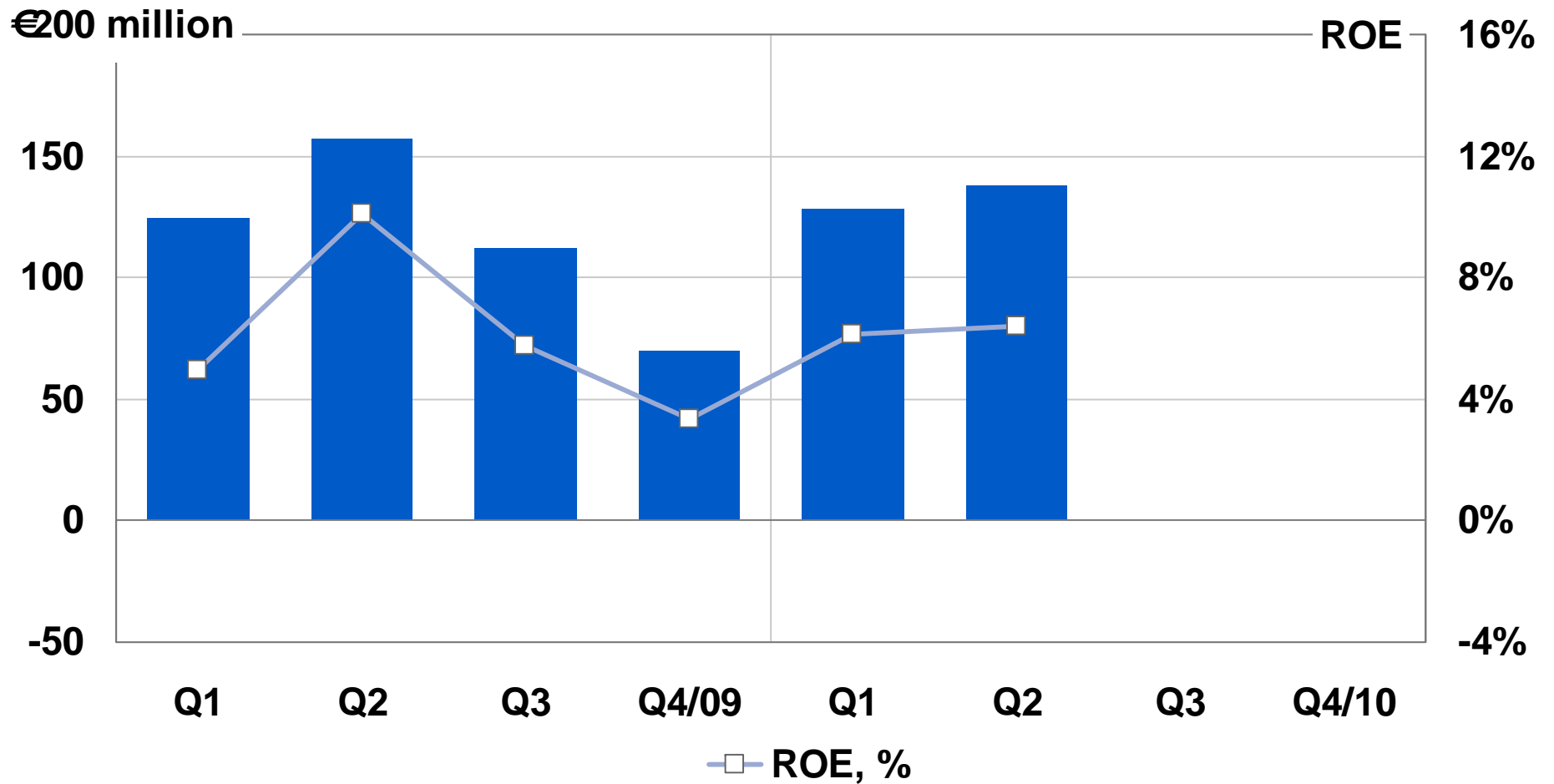


# OP-Pohjola Group

## Quarterly impairments of receivables



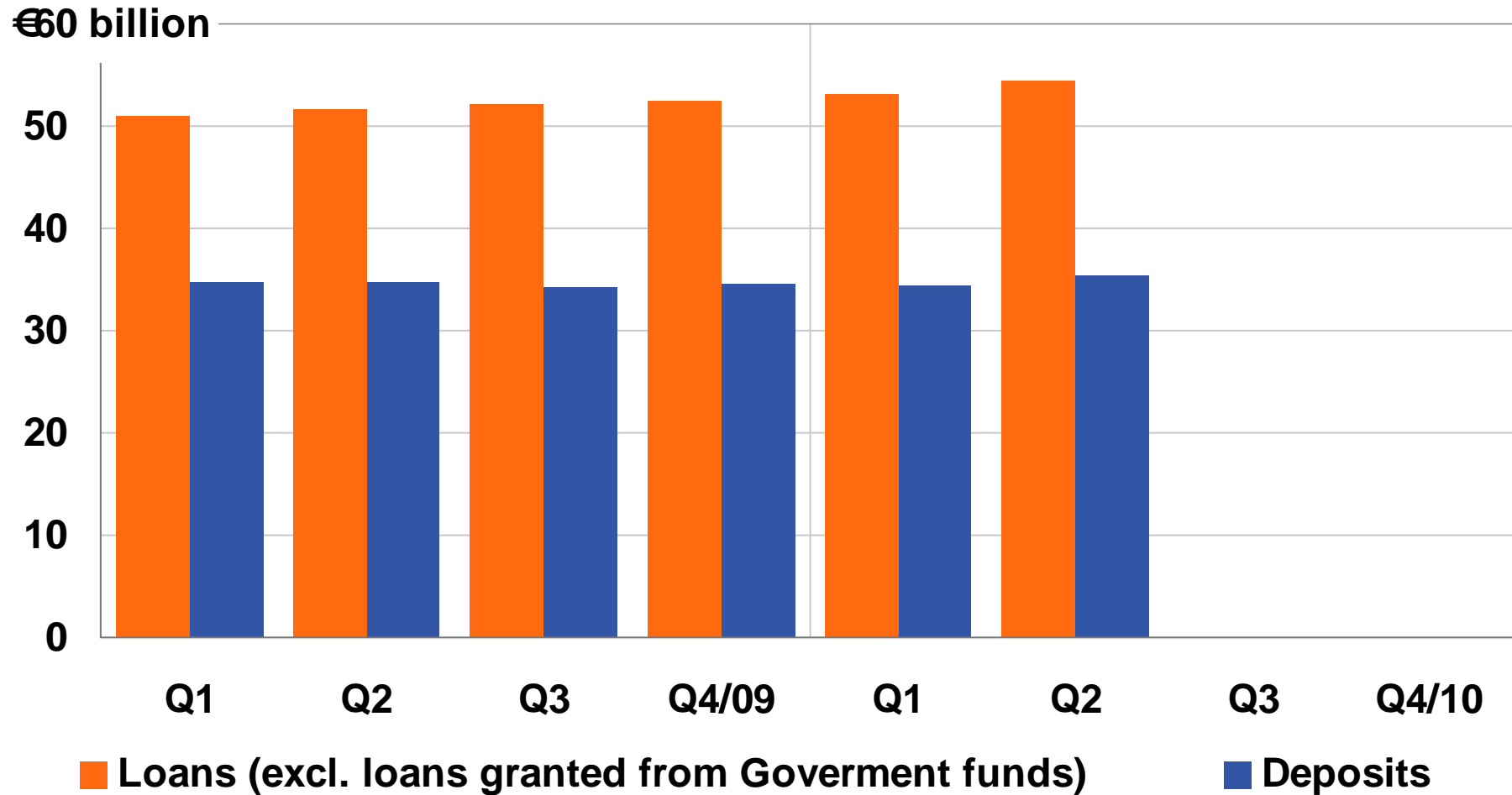
# OP-Pohjola Group Earnings before tax





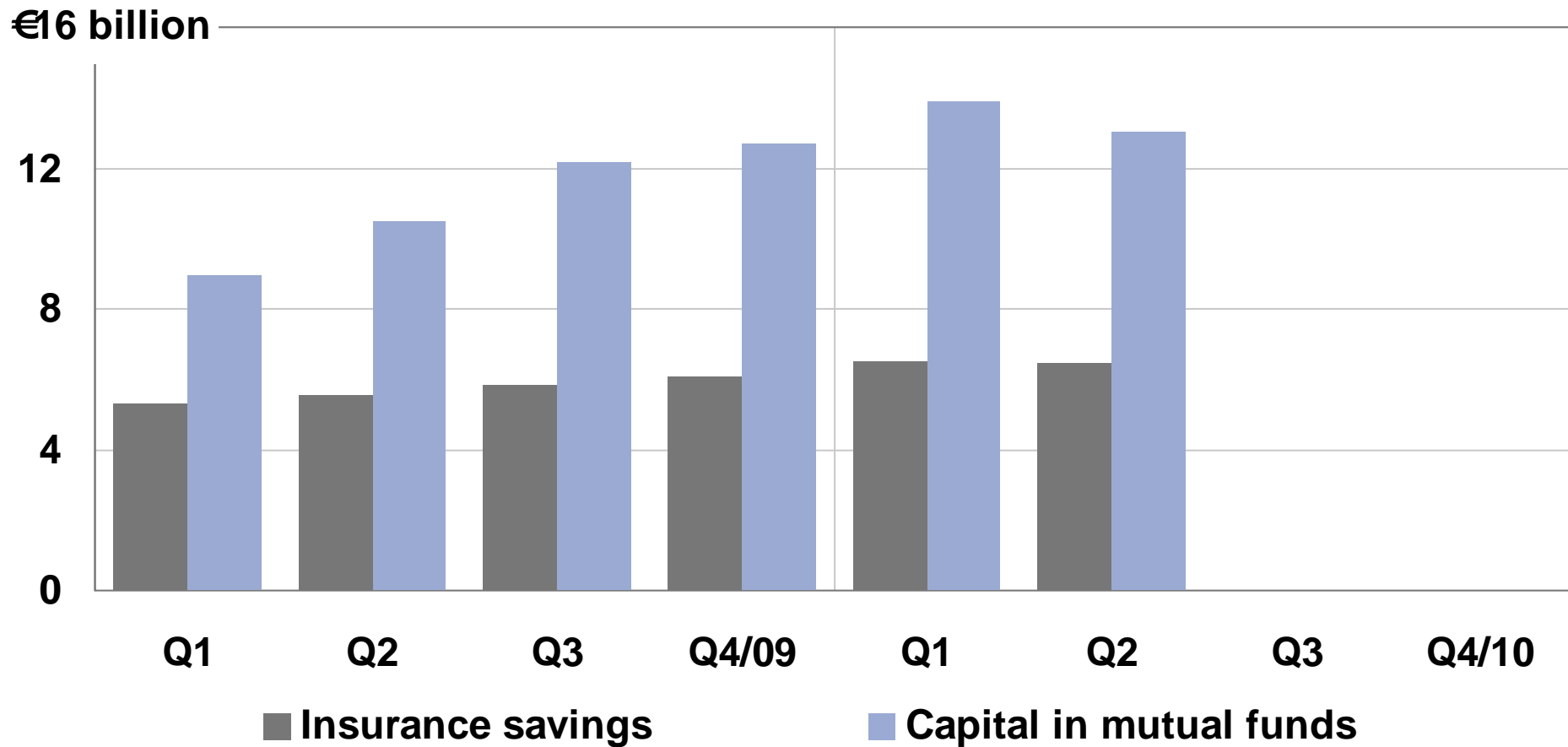
# OP-Pohjola Group

## Loans and deposits



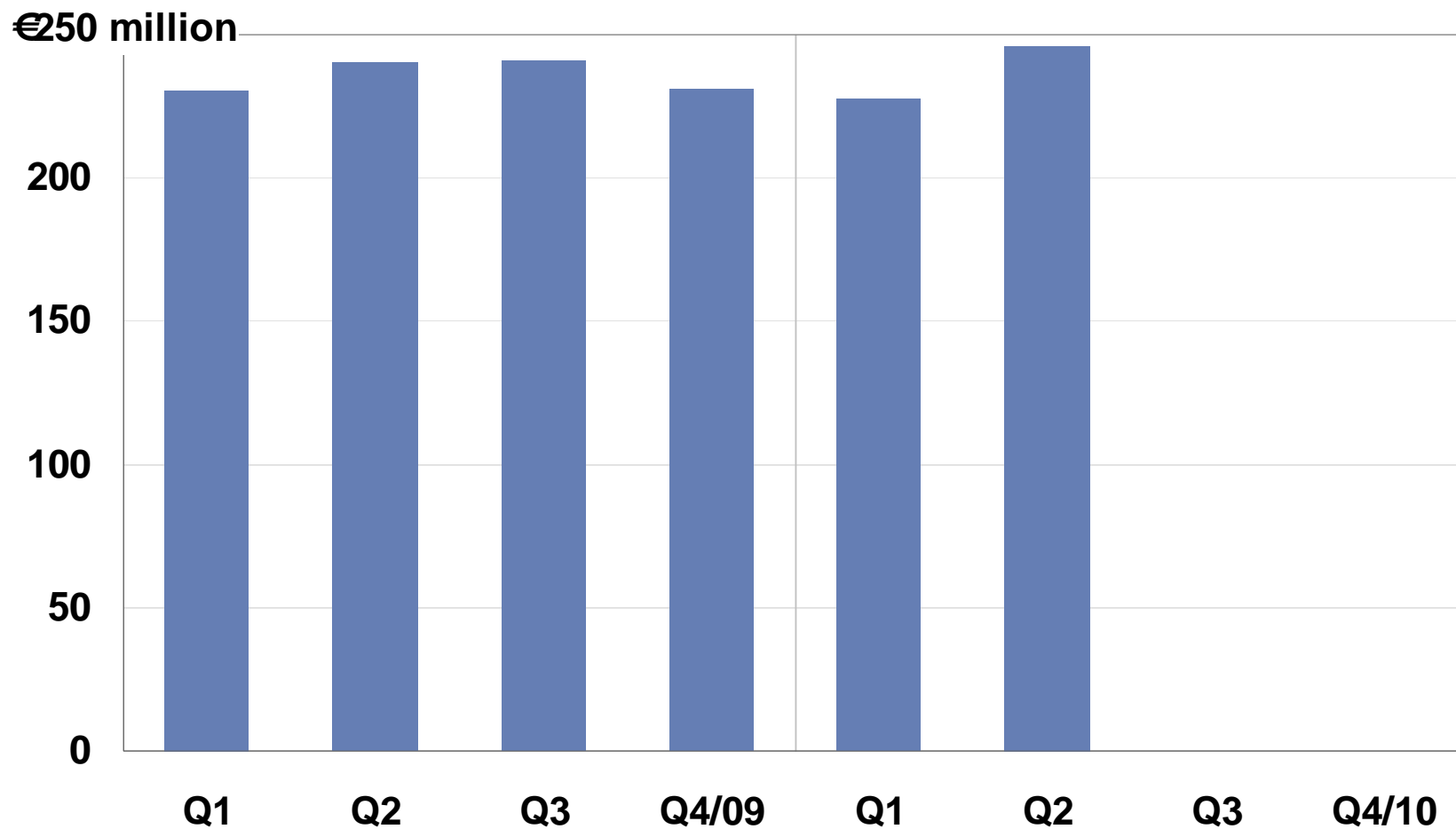
OP-Pohjola Group

# Life insurance savings and capital in mutual funds



# OP-Pohjola Group

## Non-life insurance premium revenue (IFRS)

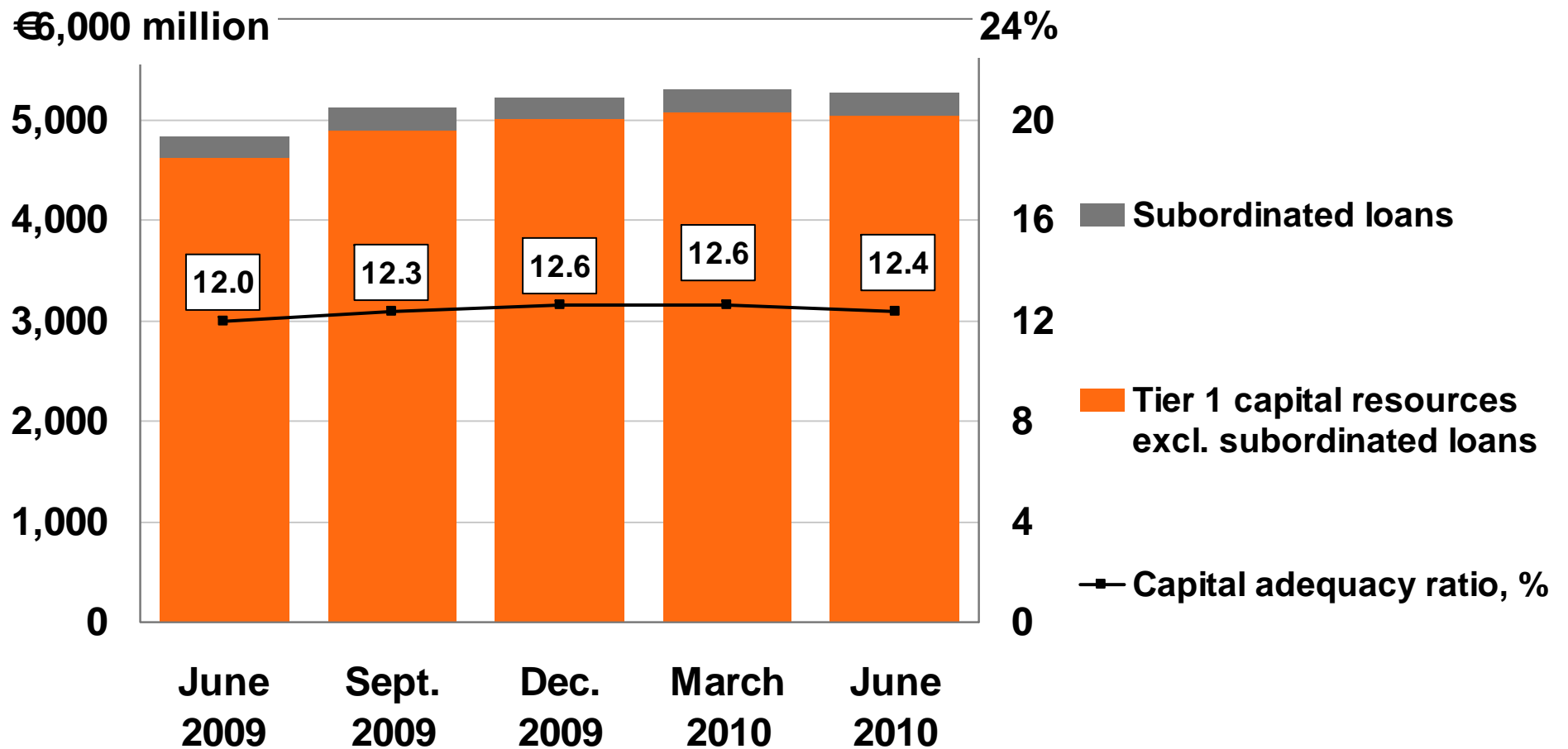


# Capital adequacy



# The amalgamation of the cooperative banks

## Capital resources and capital adequacy



The amalgamation of the cooperative banks  
**Capital adequacy**

€million	30 June 2010	31 Dec. 2009	Change, €million	Change, %	30 June 2009
<b>Capital resources</b>					
Tier 1 capital	5,264	5,227	37	0.7	4,836
Tier 2 capital	-	-			-
<b>Total capital resources</b>	<b>5,264</b>	<b>5,227</b>	<b>37</b>	<b>0.7</b>	<b>4,836</b>
<b>Risk-weighted items total</b>	<b>42,483</b>	<b>41,480</b>	<b>1,004</b>	<b>2.4</b>	<b>40,401</b>
Capital resources requirement					
Credit and counterparty risk	3,079	3,005	73	2.4	2,922
Market risk	38	36	2	5.4	33
Operational risk	<b>282</b>	277	5		277
<b>Total</b>	<b>3,399</b>	<b>3,318</b>	<b>80</b>	<b>2.4</b>	<b>3,232</b>
<b>Capital adequacy ratio, %</b>	<b>12.4</b>	<b>12.6</b>		<b>-0.2*</b>	<b>12.0</b>
<b>Ratio of Tier 1 capital to total risk-weighted assets, %</b>	<b>12.4</b>	<b>12.6</b>		<b>-0.2*</b>	<b>12.0</b>

\* percentage points



# OP-Pohjola Group

## Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

€million	30 June 2010	31 Dec. 2009	Change, €million	Change, %	30 June 2009
OP-Pohjola Group's equity capital	6,370	6,187	183	3.0	5,682
Business-segment-specific items	1,867	1,843	24	1.3	1,683
Goodwill and intangible assets	-1,075	-1,084	9	-0.9	-1,100
Equalisation provision	-534	-527	-7	1.3	-500
Other items included in equity capital and in business-segment-specific items, but not included in conglomerate's capital resources	-622	-627	5	-0.7	-579
<b>Conglomerate's capital resources, total</b>	<b>6,005</b>	<b>5,792</b>	<b>214</b>	<b>3.7</b>	<b>5,186</b>
Regulatory capital requirement for credit institutions	3,381	3,300	81	2.5	3,217
Regulatory capital requirement for insurance operations	384	371	13	3.5	363
Total minimum amount of conglomerate's capital resources	3,765	3,671	94	2.6	3,580
<b>Conglomerate's capital adequacy</b>	<b>2,241</b>	<b>2,121</b>	<b>120</b>	<b>5.7</b>	<b>1,606</b>
<b>Conglomerate's capital adequacy ratio (capital resources / minimum of capital resources)</b>	<b>1.60</b>	<b>1.58</b>		<b>0.02*</b>	<b>1.45</b>

\* change in ratio

# Balance sheet





# OP-Pohjola Group

## Key balance sheet items



# OP-Pohjola Group

## Balance sheet

€million	30 June	30 June	Change	
	2010	2009	€million	%
Receivables from credit institutions	1,304	2,199	-895	-40.7
Financial assets at fair value through profit or loss	1,136	1,646	-510	-31.0
Receivables from customers	54,882	52,384	2,499	4.8
Non-life Insurance assets	3,259	3,038	222	7.3
Life Insurance assets	6,489	5,418	1,071	19.8
Investment assets	7,741	5,232	2,509	48.0
Other items	9,712	7,727	1,985	25.7
<b>Total assets</b>	<b>84,524</b>	<b>77,643</b>	<b>6,881</b>	<b>8.9</b>
Liabilities to financial institutions	3,408	1,960	1,449	73.9
Liabilities to customers	38,438	36,750	1,688	4.6
Non-life Insurance liabilities	2,484	2,477	7	0.3
Life Insurance liabilities	6,545	5,626	919	16.3
Debt securities issued to the public	20,128	18,212	1,916	10.5
Other liabilities	7,151	6,936	215	3.1
Equity capital	6,370	5,682	688	12.1
<b>Total liabilities and equity capital</b>	<b>84,524</b>	<b>77,643</b>	<b>6,881</b>	<b>8.9</b>



OP-Pohjola Group  
**Equity capital and cooperative capital**

€ million	30 June 2010	30 June 2009	Change € million	%
<b>Share of OP-Pohjola Group's owners</b>				
Share capital	227	230	-2	-1.0
Cooperative capital	130	126	4	3.0
Fair value reserve	1	-424	425	-100.2
Other reserves	2,663	2,605	58	2.2
Retained earnings	3,349	3,146	203	6.5
Minority interest	0	0	0	-100.0
<b>Total equity capital</b>	<b>6,370</b>	<b>5,682</b>	<b>688</b>	<b>12.1</b>
<b>Cooperative capital not included in equity capital</b>	<b>664</b>	<b>617</b>	<b>47</b>	<b>7.6</b>



# Loans and customer funds



## OP-Pohjola Group Market share

	30 June 2010	30 June 2009	Change *	31 Dec. 2009
<b>Loan portfolio</b>	<b>32.7</b>	<b>32.3</b>	<b>0.4</b>	<b>32.7</b>
<b>Home mortgages</b>	<b>35.8</b>	<b>36.0</b>	<b>-0.2</b>	<b>35.9</b>
<b>Corporate loans</b>	<b>28.4</b>	<b>27.6</b>	<b>0.8</b>	<b>28.7</b>
<b>Deposit portfolio</b>	<b>32.3</b>	<b>33.2</b>	<b>-0.9</b>	<b>33.2</b>
<b>Mutual funds</b>	<b>23.3</b>	<b>23.0</b>	<b>0.3</b>	<b>23.4</b>
	<b>1-6/2010</b>	<b>1-6/2009</b>		<b>1-12/2009</b>
<b>Life and pension insurance premiums written</b>	<b>39.3</b>	<b>23.2</b>	<b>16.1</b>	<b>25.2</b>

\* Changes expressed in percentage points



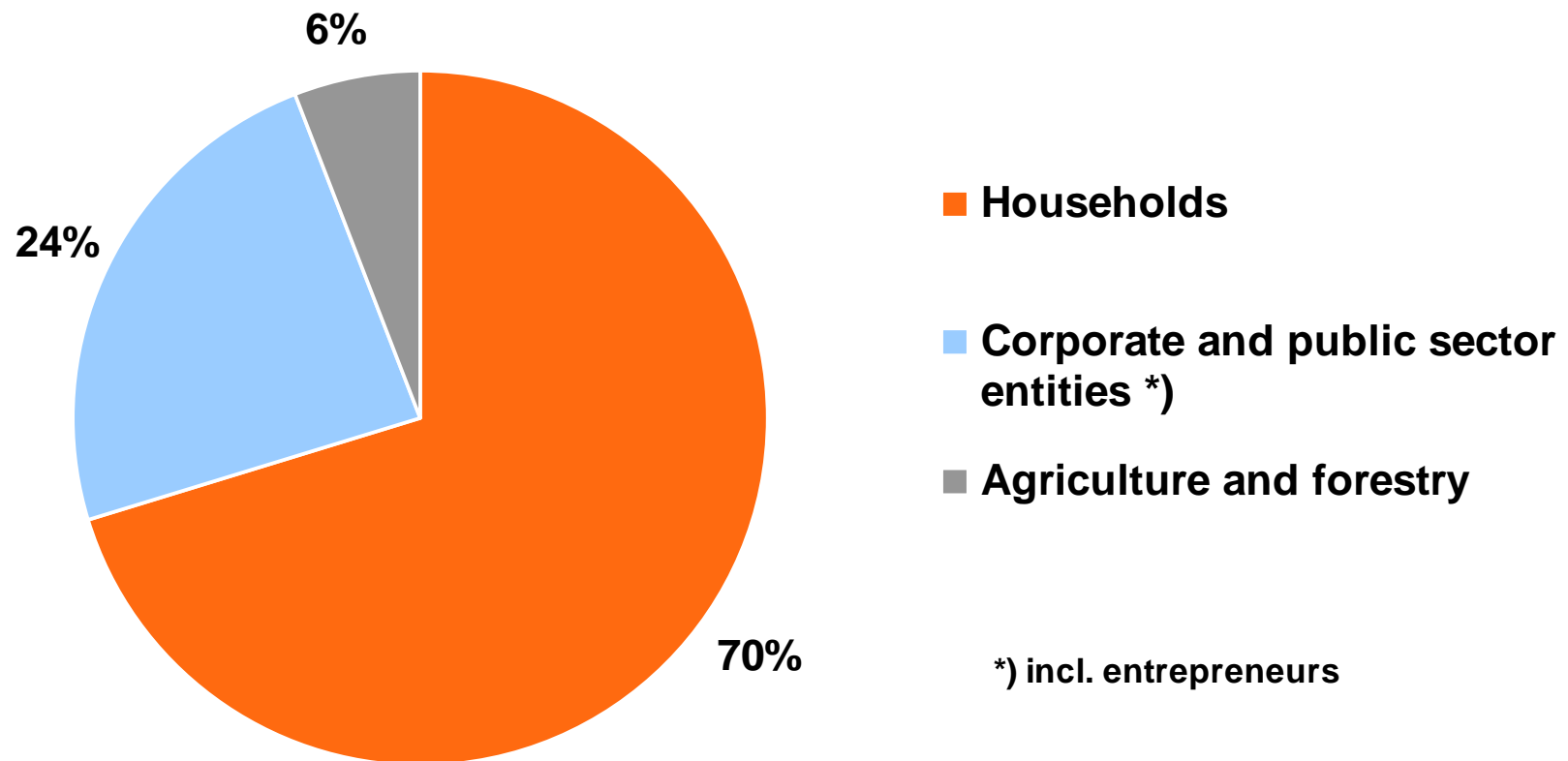
# OP-Pohjola Group

## Loans and customer funds

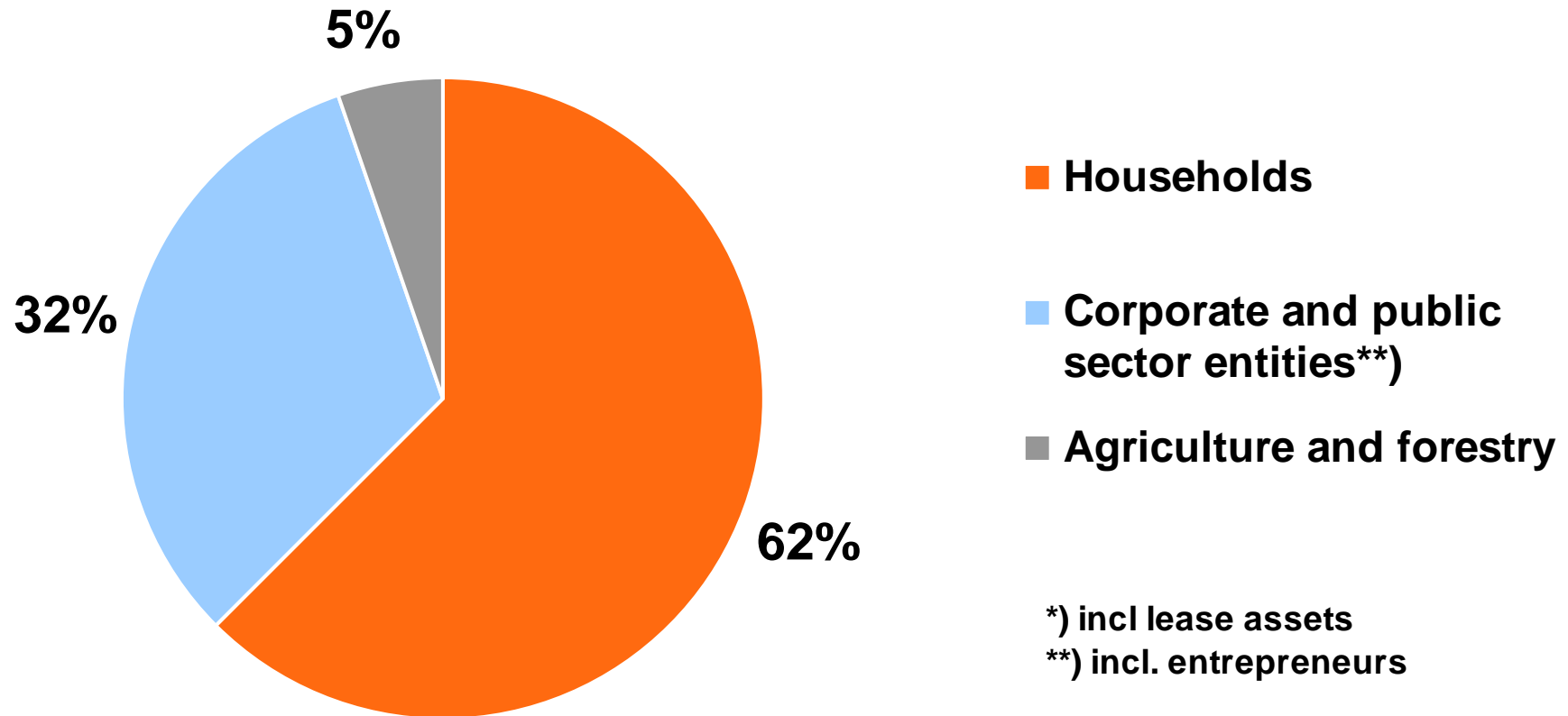
€billion	30 June 2010	12-month change		change since start of year	
		€billion	%	€billion	%
Loan portfolio	54.6	2.7	5.2 %	1.9	3.7 %
Deposits	35.4	0.6	1.6 %	0.8	2.3 %
Mutual funds	13.0	2.6	24.4 %	0.3	2.6 %
Life insurance savings	6.5	0.9	16.1 %	0.4	6.5 %
Eliminations	-3.6	-0.9		-0.1	
<b>Customer funds, total</b>	<b>51.3</b>	<b>3.1</b>	<b>6.4 %</b>	<b>1.4</b>	<b>2.8 %</b>
<b>Loans and customer funds, total</b>	<b>105.9</b>	<b>5.8</b>	<b>5.8 %</b>	<b>3.4</b>	<b>3.3 %</b>



OP-Pohjola Group  
Deposits by customer sector  
30 June 2010



OP-Pohjola Group  
**Loans\* by customer sector**  
30 June 2010





## OP-Pohjola Group

# Non-performing and zero-interest loans

€million	30 June 2010	30 June 2009	Change, %
Households	186	215	-13.5
Companies and housing associations	104	100	3.9
Others	5	15	-69.5
Impairment losses on groups of receivables	-43	-45	
<b>Total</b>	<b>251</b>	<b>285</b>	<b>-11.7</b>
Non-performing loans of loan and guarantee portfolio, %	0.4	0.5	-0.08*

\* Percentage points



## OP-Pohjola Group

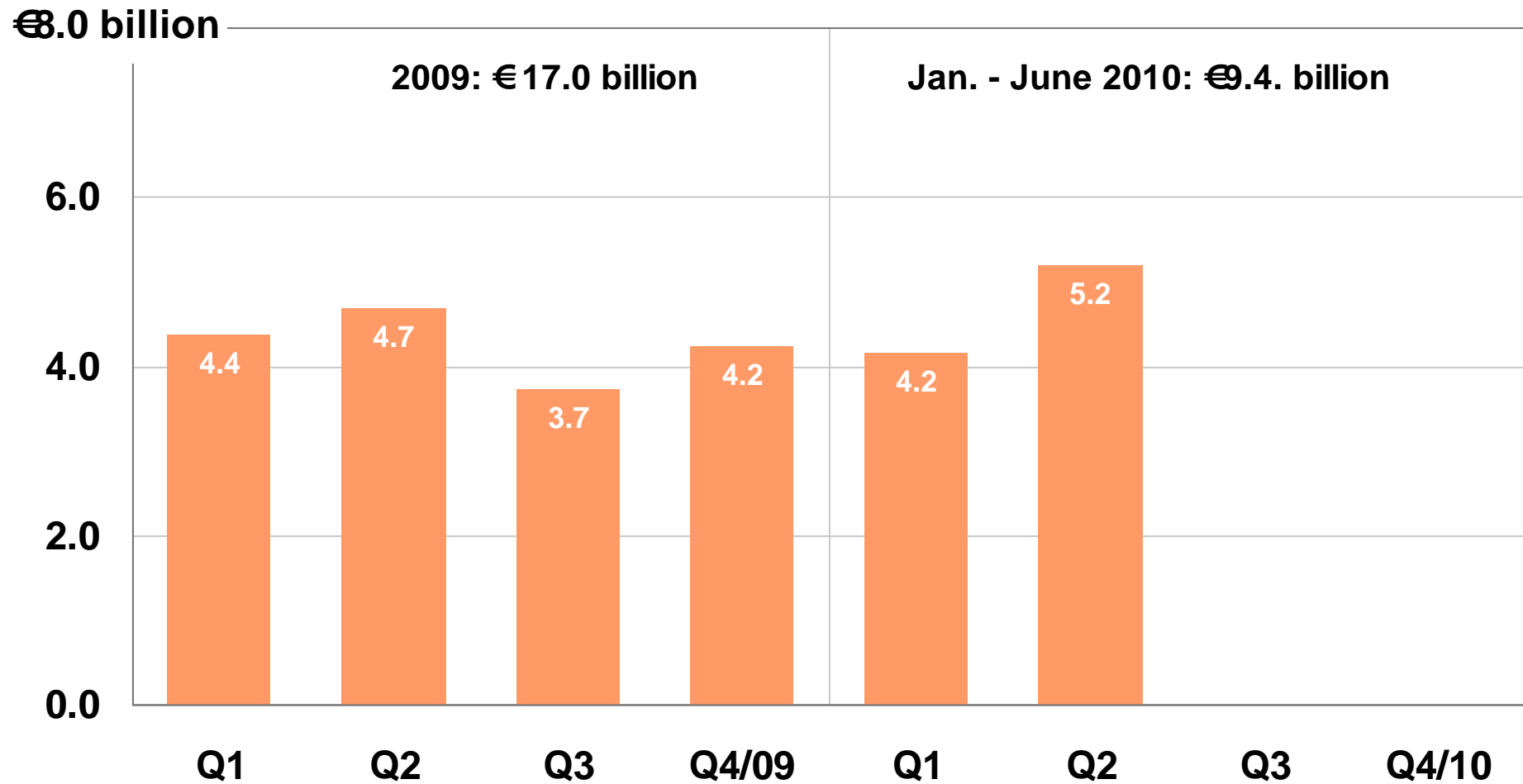
# Loan and guarantee portfolio by sector

€million	30 June 2010	30 June 2009	€million	Change, %	Non-performing and zero-interest loans	
					€million	% of loan and guarantee portfolio
<b>Enterprises and housing associations</b>	<b>19,733</b>	<b>19,080</b>	<b>653</b>	<b>3.4</b>	<b>104</b>	<b>0.5 %</b>
Renting and operation of residential real estate incl. housing associations	3,631	3,334	297	8.9	3	0.1 %
Other renting and operating of real estate	2,275	1,799	476	26.5	8	0.3 %
Wholesale and retail trade	1,970	1,998	-29	-1.4	20	1.0 %
Construction	1,563	1,698	-135	-7.9	12	0.8 %
Services	1,536	1,470	66	4.5	13	0.9 %
Transportation and storage	1,332	1,248	84	6.7	7	0.5 %
Manufacture of machinery and and equipment (incl. services)	1,114	1,315	-201	-15.3	9	0.8 %
Buying and selling of own real estate	943	908	35	3.8	1	0.1 %
Forest Industry	788	916	-129	-14.0	4	0.6 %
Metal Industry	664	632	32	5.1	7	1.1 %
Agriculture, forestry and fishing	587	539	48	8.9	7	1.2 %
Food Industry	576	587	-11	-1.9	1	0.1 %
Chemical Industry	569	561	8	1.4	0	0.0 %
Energy	539	508	31	6.2	0	0.0 %
Financial and insurance services	500	434	65	15.1	3	0.7 %
Other manufacturing	475	557	-82	-14.7	3	0.7 %
Other industries	672	575	96	16.8	5	0.7 %
<b>Public corporations and non-profit organisations</b>	<b>980</b>	<b>900</b>	<b>81</b>	<b>8.9</b>	<b>4</b>	<b>0.4 %</b>
<b>Households</b>	<b>36,785</b>	<b>34,761</b>	<b>2,024</b>	<b>5.8</b>	<b>186</b>	<b>0.5 %</b>
<b>Adjustments</b>	<b>112</b>	<b>221</b>	<b>-109</b>	<b>-49.3</b>	<b>-43</b>	
<b>Total</b>	<b>57,610</b>	<b>54,962</b>	<b>2,649</b>	<b>4.8</b>	<b>251</b>	<b>0.4 %</b>



# OP-Pohjola Group

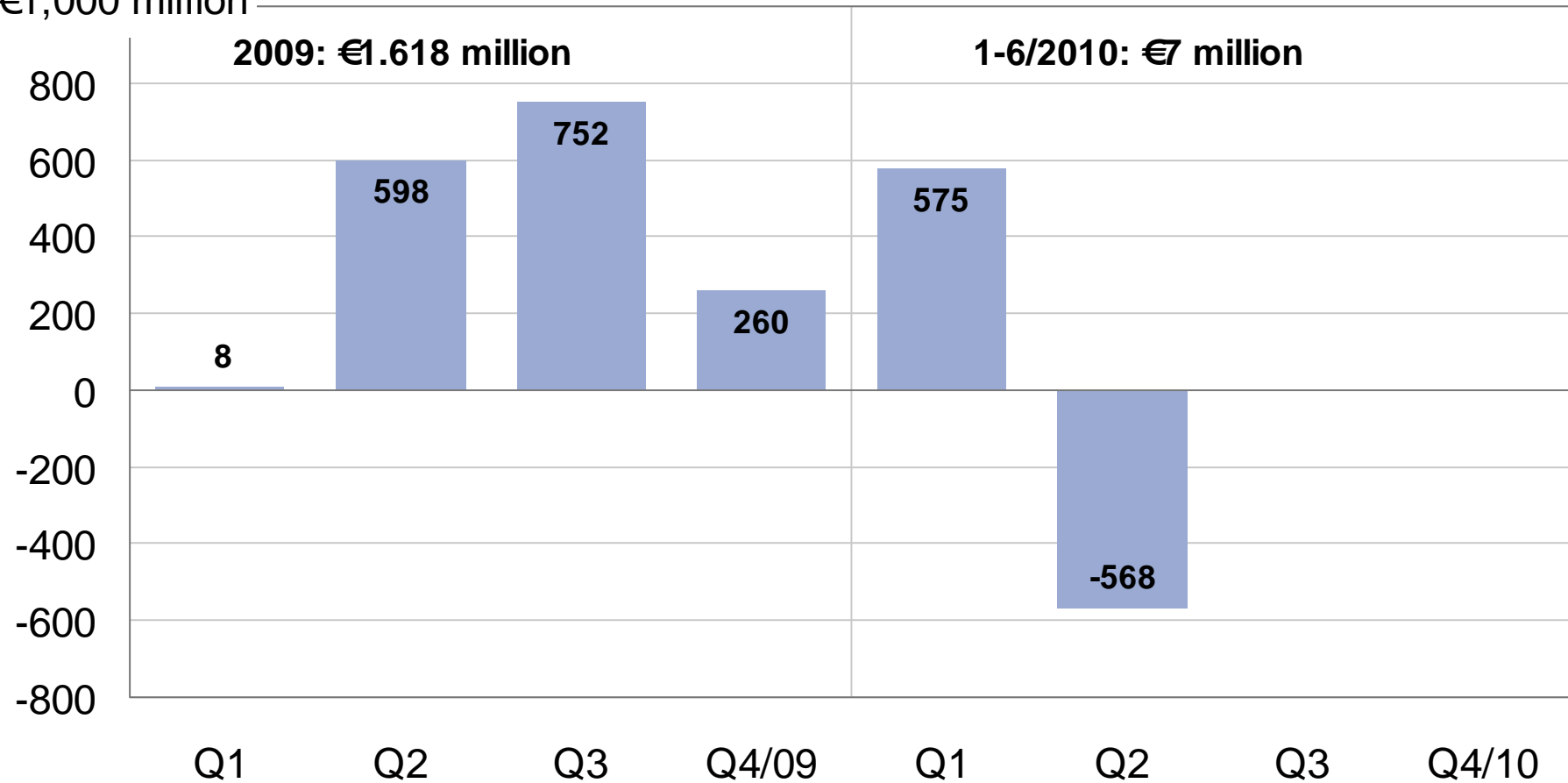
## New loans by quarter



## OP-Pohjola Group

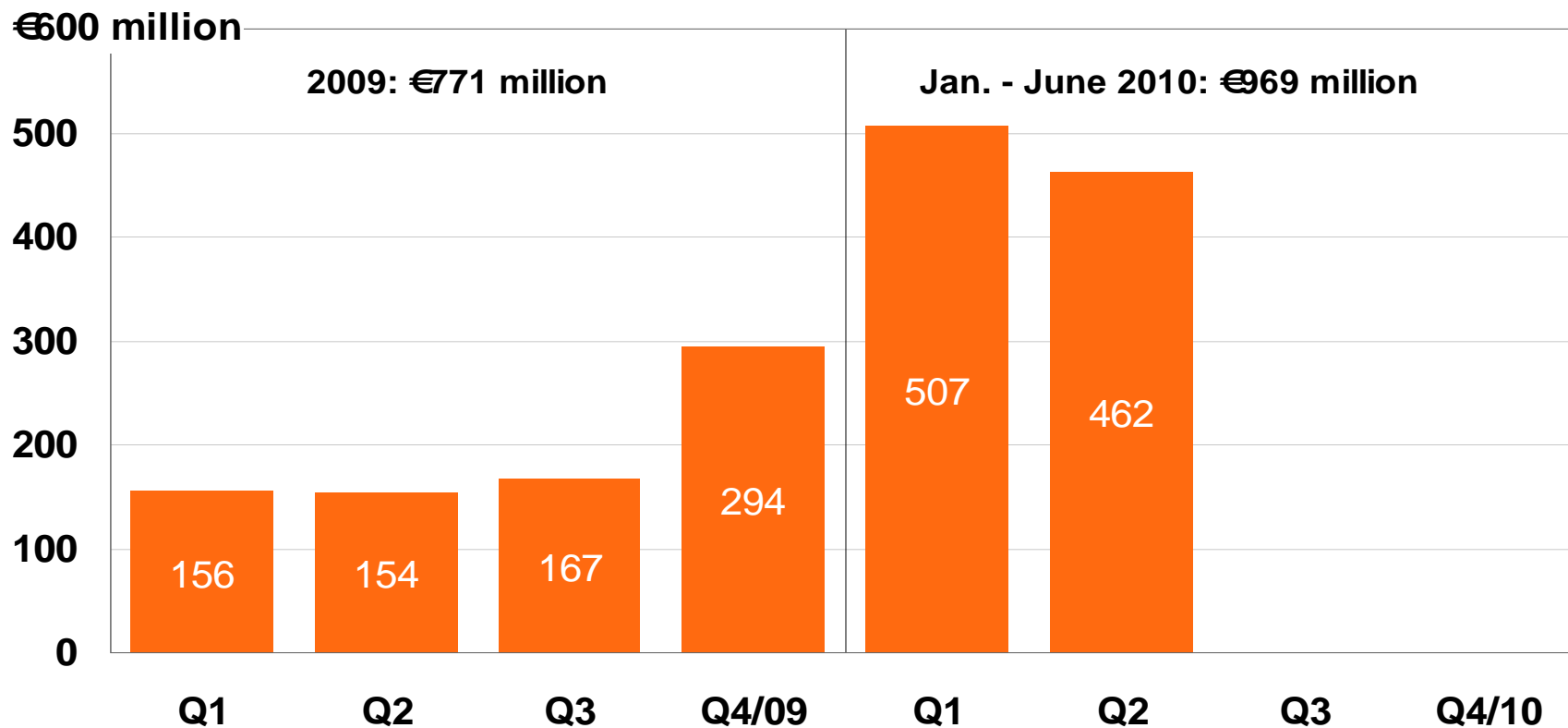
# Net sales of mutual funds by quarter

€1,000 million



# OP-Pohjola Group

## Life and pension insurance premiums written by quarter



Employees group life insurance included only at 31 Dec.



Customers, owner-members, et c.



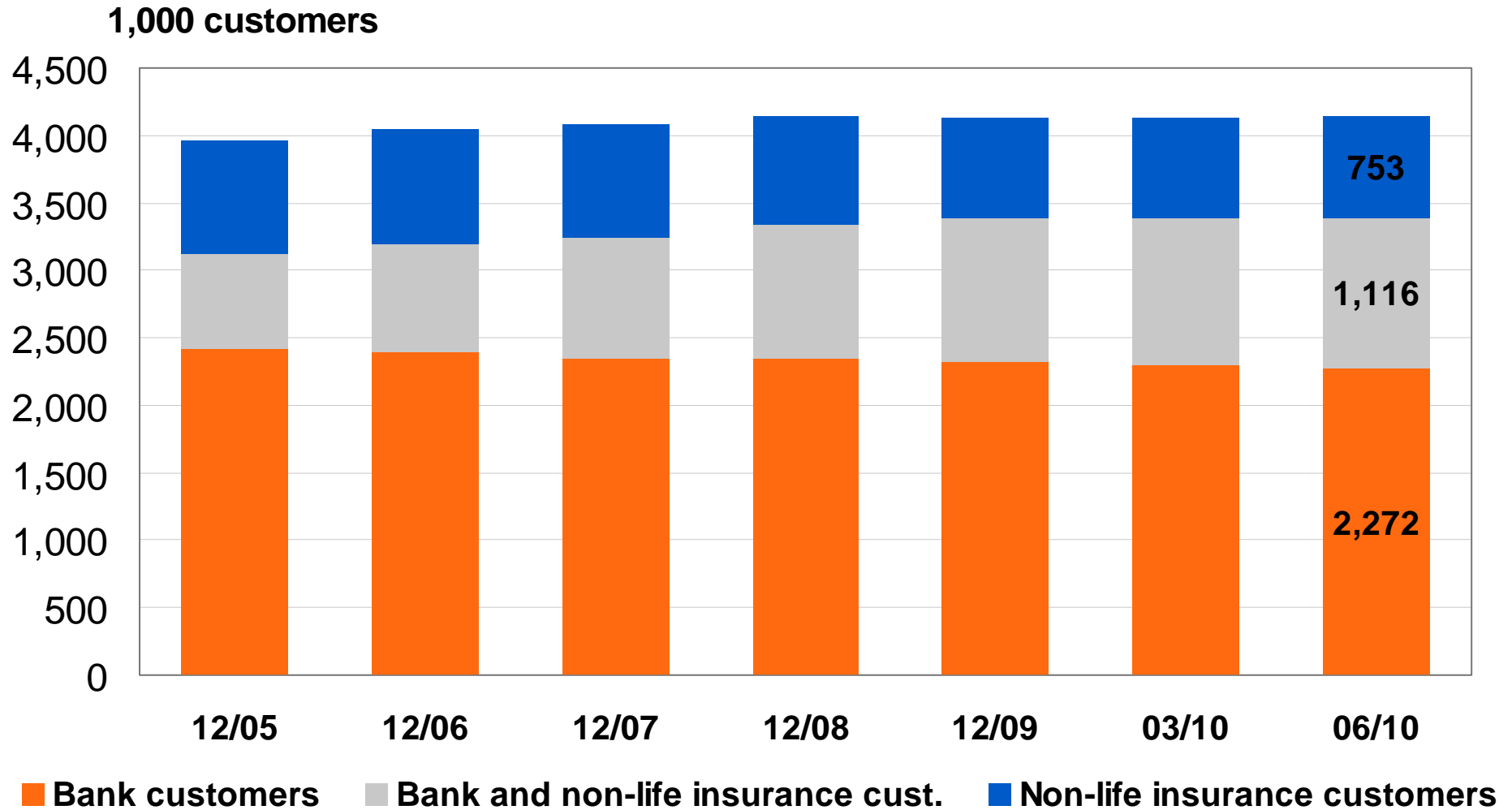
## OP-Pohjola Group Customers

	30 June 2010		12-month change	
	1000 customers	1000 customers		%
<b>OP-Pohjola Group</b>				
Customers*	4,141	20	0.5	
Owner-members	1,284	36	2.9	
<b>Pohjola</b>				
Pohjola loyal customer households*	443	39	9.7	

\* personal customers



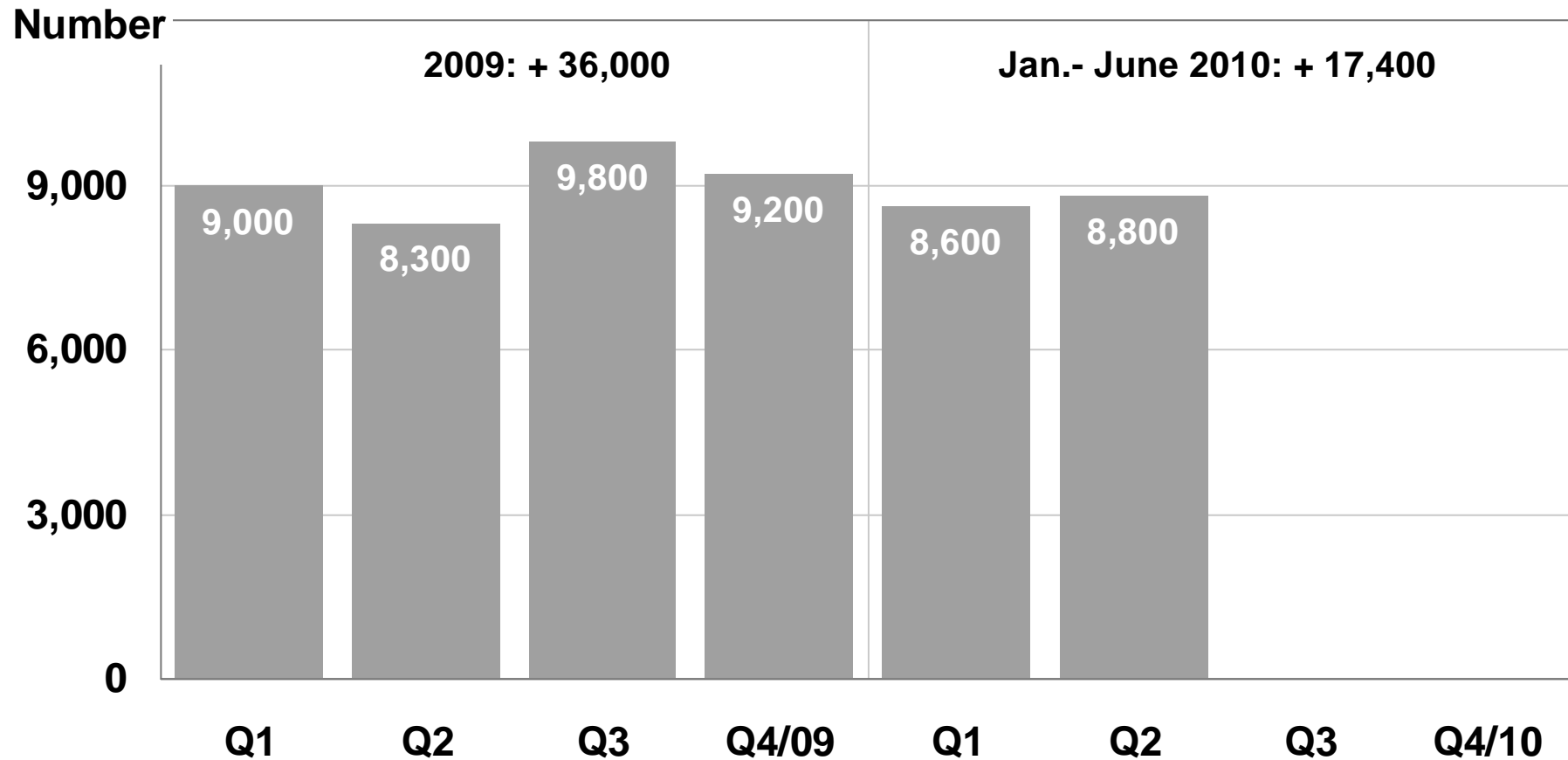
# OP-Pohjola Group Breakdown of Customer Base





# OP-Pohjola Group

## Net increase in members by quarter



## OP-Pohjola Group Personnel

	30 June 2010	30 June 2009	Change (number)
<b>Member cooperative banks</b>	<b>6,695</b>	<b>6,970</b>	<b>-275</b>
<b>Central Cooperative Consolidated *</b>	<b>5,773</b>	<b>5,751</b>	<b>22</b>
<b>Pohjola Group</b>	<b>3,012</b>	<b>2,964</b>	<b>48</b>
<b>OP-Pohjola Group</b>	<b>12,468</b>	<b>12,721</b>	<b>-253</b>

\* incl. OP Bank Group Mutual Insurance Company



# OP-Pohjola Group

## Service network

	30 June 2010	Change from year-end	12-month change
eServices Agreements	1,430,000	40,000	80,000
Locations	562	-21	-33
providing both banking and insurance services	316	3	11
Private banking locations	31	2	2
OP-Kiinteistökeskus estate agents	171	-1	-3
Online customer terminals	540	-24	-39
Payment ATMs	413	-32	-57

