

# OP-Pohjola Group

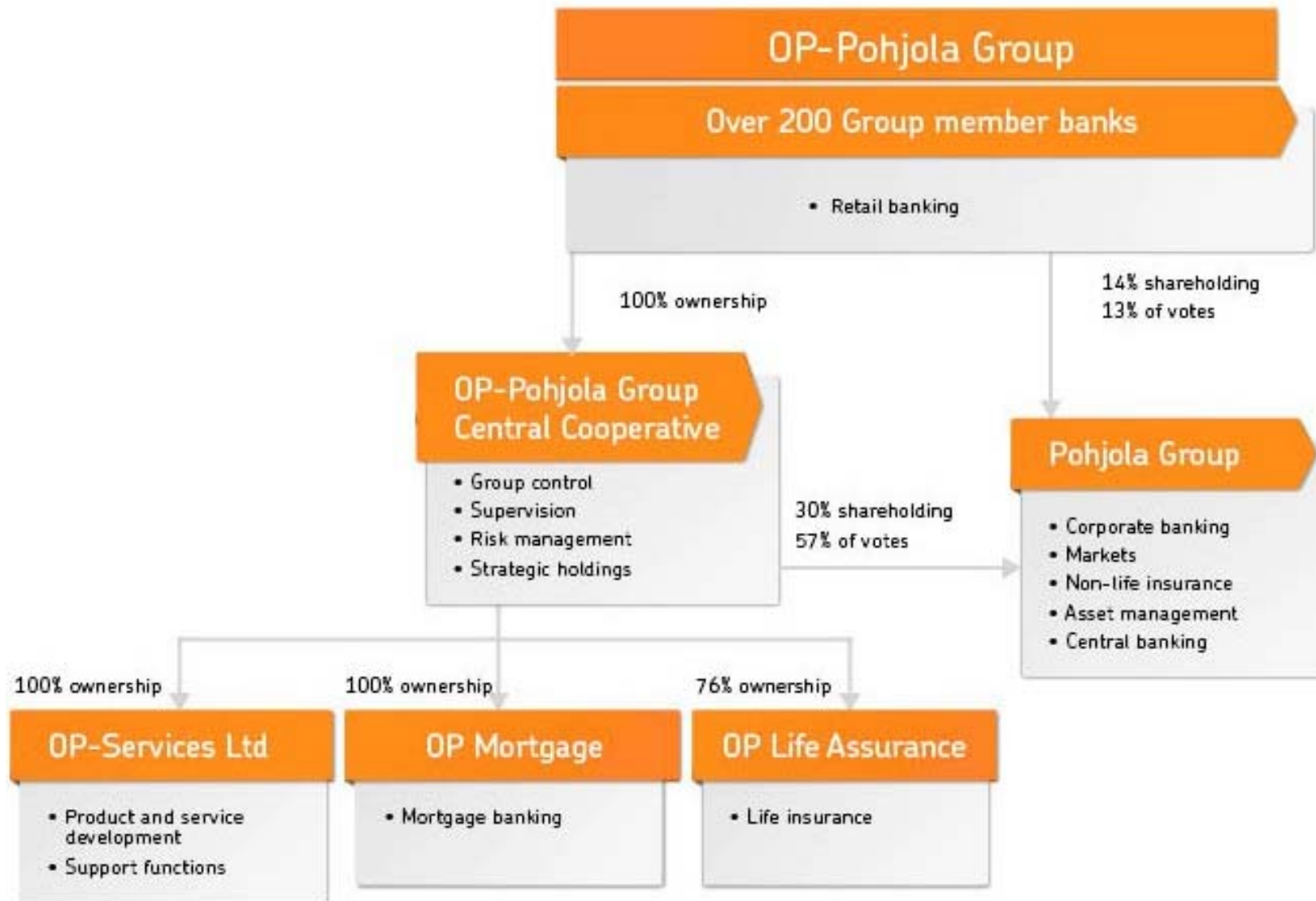
## Financial Performance for 1 January – 31 December 2010



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- OP-Pohjola Group structure
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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.



# OP-Pohjola Group

## Key indicators

	1-12/2010	1-12/2009	Change *
<b>Earnings before tax, EUR million</b>	<b>575</b>	<b>464</b>	<b>24.0</b>
<b>Banking and Investment Services</b>	<b>367</b>	<b>471</b>	<b>-22.0</b>
<b>Non-Life Insurance</b>	<b>83</b>	<b>102</b>	<b>-19.4</b>
<b>Life Insurance</b>	<b>43</b>	<b>-159</b>	
<b>Bonuses paid to customers</b>	<b>151</b>	<b>142</b>	<b>6.3</b>
<b>Return on equity (ROE), %</b>	<b>6.8</b>	<b>5.9</b>	<b>0.9</b>
<b>Return on equity at fair value, %</b>	<b>9.4</b>	<b>14.7</b>	<b>-5.3</b>
<b>Cost/income ratio, Banking and Investment Services, %</b>	<b>57</b>	<b>53</b>	<b>4</b>
<b>Average personnel</b>	<b>12,468</b>	<b>12,632</b>	<b>-1.3</b>

\* 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

	31 Dec. 2010	31 Dec. 2009	Change *
Total assets, EUR billion	84.0	80.4	4.4
Capital adequacy, % **	12.8	12.6	0.2
Tier 1 ratio, % **	12.8	12.6	0.2
Ratio of capital resources to minimum of capital resources ***	1.70	1.58	0.12
Non-performing receivables/loan and guarantee portfolio	0.3	0.4	-0.1
Market share, %			
Of total loans	33.0	32.7	0.3
Of total deposits	32.5	33.2	-0.7
Of capital invested in mutual funds	23.4	23.4	0.0
	1-12/2010	1-12/2009	Change *
Life and pension insurance premiums written	38.6	25.2	13.4

\* 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

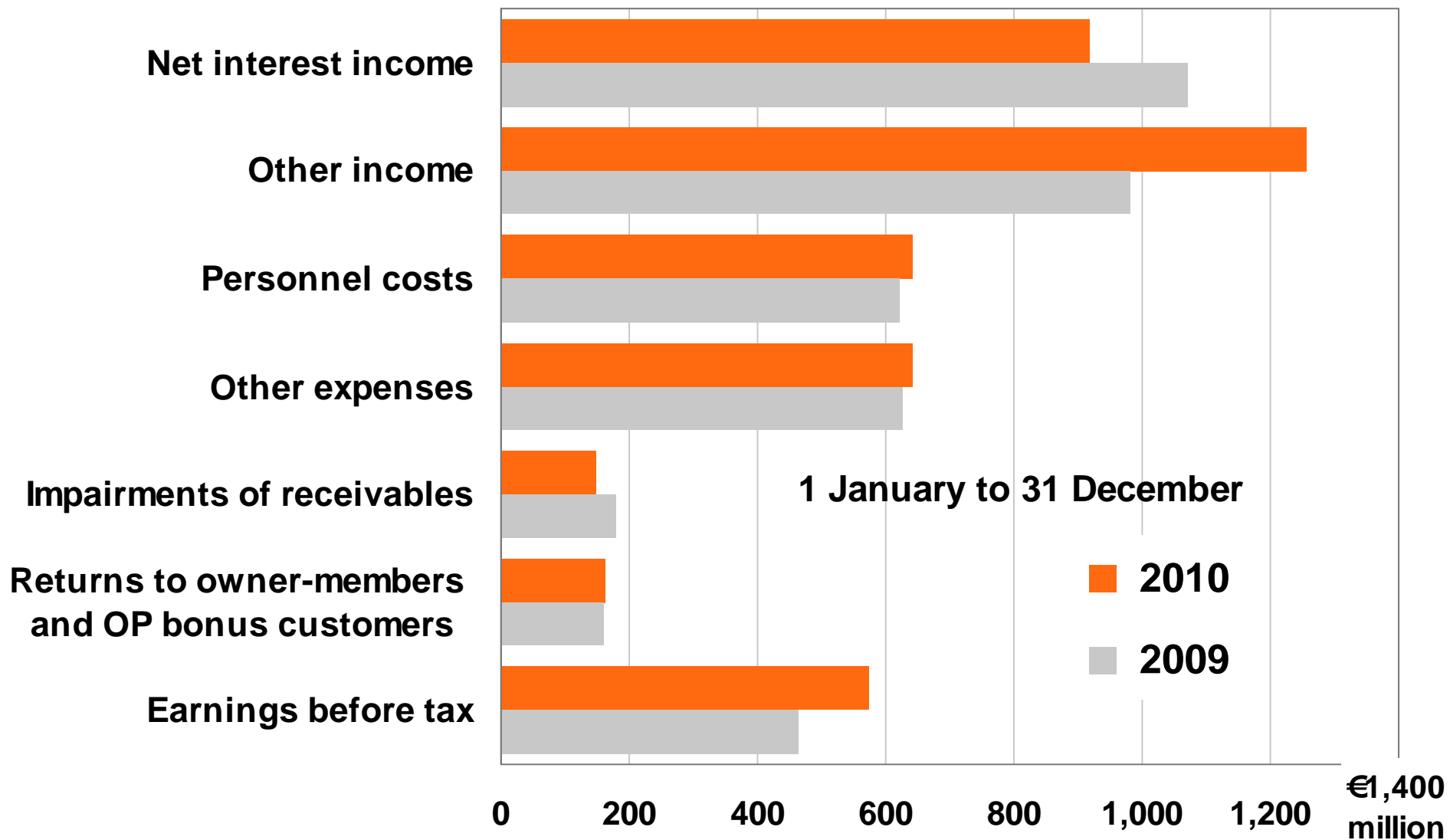


OP-Pohjola Group  
Income statement

€ million	Change			
1 January to 31 December	2010	2009	€ million	%
Net interest income	917	1,070	-154	-14
Other income	1,256	981	275	28
<b>Total income</b>	<b>2,172</b>	<b>2,051</b>	<b>122</b>	<b>6</b>
Personnel costs	643	622	21	3
Other expenses	643	625	17	3
<b>Total expenses</b>	<b>1,286</b>	<b>1,248</b>	<b>38</b>	<b>3</b>
Impairments of receivables	149	179	-31	-17
Returns to owner-members and OP bonus customers	163	160	3	2
<b>Earnings before tax</b>	<b>575</b>	<b>464</b>	<b>111</b>	<b>24</b>



# OP-Pohjola Group Income statement





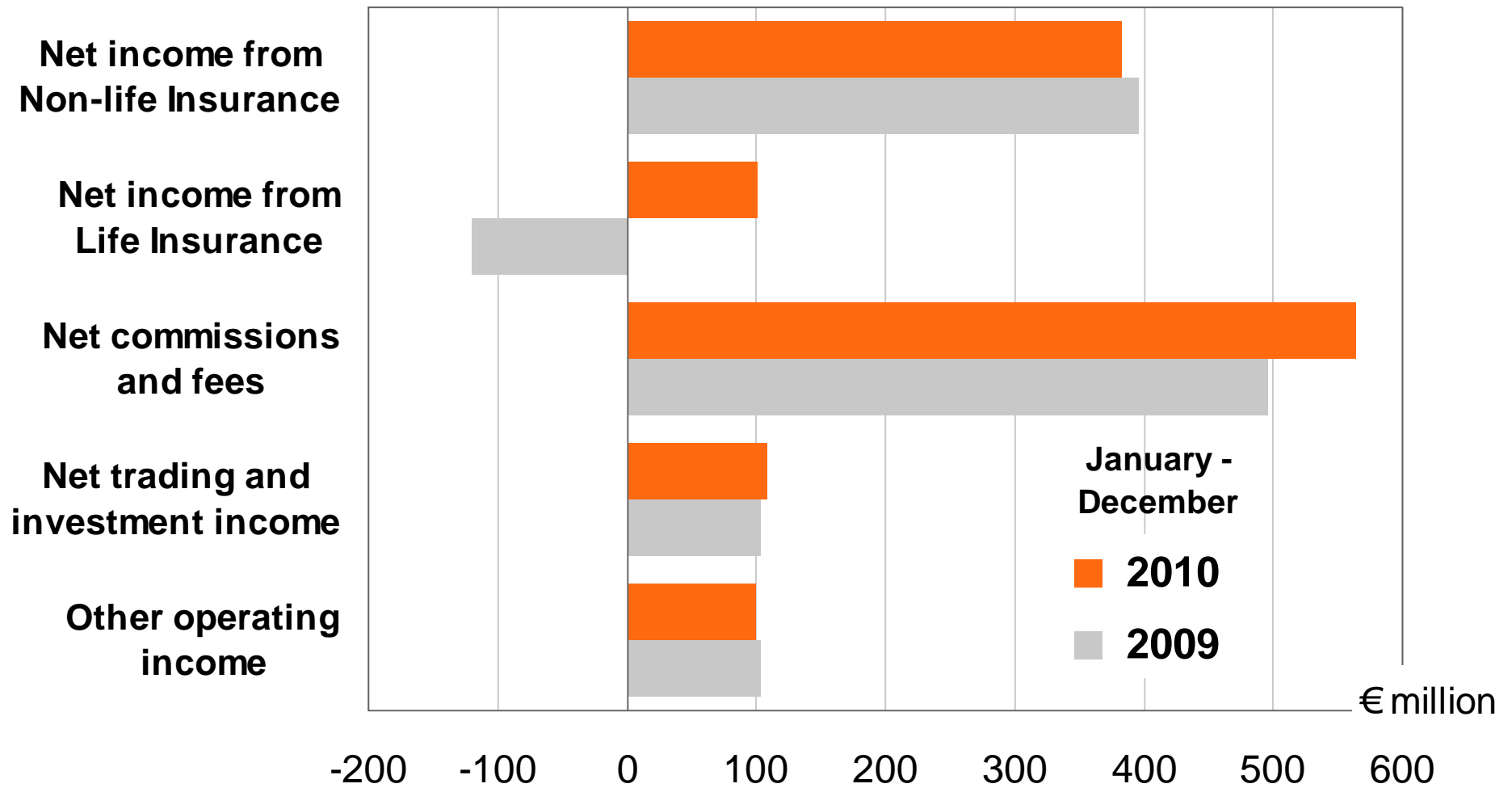
# OP-Pohjola Group

## Income Statement

€ million			Change	
1 January to 31 December	2010	2009	€ million	%
Interest income	2,412	3,072	-660	-21.5
Interest expenses	1,495	2,002	-506	-25.3
<b>Net interest income</b>	<b>917</b>	<b>1,070</b>	<b>-154</b>	<b>-14.4</b>
Impairments of receivables	149	179	-31	-17.2
<b>Net interest income after impairment losses</b>	<b>768</b>	<b>891</b>	<b>-123</b>	<b>-13.8</b>
Net income from Non-life Insurance operations	382	396	-14	-3.5
Net income from Life Insurance operations	100	-120	220	
Net commissions and fees	563	496	67	13.6
Net trading income	46	112	-66	-58.6
Net investment income	62	-9	71	
Other operating income	99	104	-5	-4.5
Personnel costs	643	622	21	3.3
Other administrative expenses	319	310	9	3.0
Other operating expenses	324	316	8	2.5
Returns to owner-members and OP bonus customers	163	160	3	1.9
Share of associates' profits/losses	2	1	1	45.2
<b>Earnings before tax</b>	<b>575</b>	<b>464</b>	<b>111</b>	<b>24.0</b>



# OP-Pohjola Group Other income



# OP-Pohjola Group

## Income statement by business segment

1 January to 31 December 2010

€ million	Banking and Investment Services	Non-Life Insurance	Life Insurance	Eliminations and Other Operations	Total
Net interest income	852	0	0	70	923
Net income from non-life insurance	0	383	0	-1	382
Net income from life insurance	0	0	109	-8	100
Other income	745	22	16	-10	773
<b>Total income</b>	<b>1,597</b>	<b>405</b>	<b>125</b>	<b>51</b>	<b>2,179</b>
Personnel costs	405	109	9	121	643
Other expenses	513	214	72	-150	649
<b>Total expenses</b>	<b>918</b>	<b>323</b>	<b>81</b>	<b>-30</b>	<b>1,292</b>
Impairment losses on receivables	149	0	0	-1	149
Returns to owner-members	163	0	0	0	163
<b>Earnings before tax</b>	<b>367</b>	<b>83</b>	<b>43</b>	<b>81</b>	<b>575</b>



# OP-Pohjola Group

## Income statement by business segment

### Banking and Investment Services

€ million			Change	
	1-12/2010	1-12/2009	€ million	%
Net interest income	852	981	-128	-13.1
Net commissions and fees	595	538	57	10.6
Net trading income	52	111	-59	-53.1
Net investment income	30	5	26	562.4
Other operating income	66	65	0	0.4
Other income	745	720	24	3.4
<b>Total income</b>	<b>1,597</b>	<b>1,701</b>	<b>-104</b>	<b>-6.1</b>
Personnel costs	405	396	9	2.3
Other expenses	513	507	6	1.1
<b>Total expenses</b>	<b>918</b>	<b>903</b>	<b>15</b>	<b>1.6</b>
Impairment losses on receivables	149	167	-18	-11.0
Returns to owner-members	163	160	3	1.9
<b>Earnings before tax</b>	<b>367</b>	<b>471</b>	<b>-103</b>	<b>-22.0</b>
Cost /income ratio, %	57	53		



# OP-Pohjola Group

## Income statement by business segment

### Non-life Insurance

€ million	1-12/2010	1-12/2009	Change € million	%
Insurance premium revenue	964	943	21	2.3
Insurance claims and benefits	637	560	77	13.8
Net investment income	87	61	26	
Unwinding of discount and other items	-30	-44	13	30.4
<b>Net income from non-life insurance</b>	<b>383</b>	<b>400</b>	<b>-17</b>	<b>-4.1</b>
Other income	16	20	-4	-18.2
<b>Total income</b>	<b>399</b>	<b>419</b>	<b>-20</b>	<b>-4.8</b>
Personnel costs	109	110	-1	-0.9
Other expenses	208	207	1	0.4
<b>Total expenses</b>	<b>316</b>	<b>317</b>	<b>0</b>	<b>-0.1</b>
<b>Earnings before tax</b>	<b>83</b>	<b>102</b>	<b>-20</b>	<b>-19.4</b>



# OP-Pohjola Group

## Income statement by business segment

### Life Insurance

€ million	1-12/2010	1-12/2009	Change	
			€ million	%
Premiums written	1,287	678	609	89.9
Net investment income	539	371	169	45.5
Claims incurred	588	499	88	17.7
Change in insurance contract liabilities	1,119	653	466	71.4
Other items	-11	-7	-4	-59.4
Net income from life insurance	109	-110	219	198.5
Other income	16	16	0	-2.7
<b>Total income</b>	<b>125</b>	<b>-94</b>	<b>219</b>	<b>232.8</b>
Personnel costs	9	9	1	6.5
Other expenses	72	57	16	27.4
<b>Total expenses</b>	<b>81</b>	<b>65</b>	<b>16</b>	<b>24.7</b>
<b>Earnings before tax</b>	<b>43</b>	<b>-159</b>	<b>203</b>	<b>127.2</b>

# OP-Pohjola Group

## Income statement by business segment

### Other Operations

€ million	1-12/2010	1-12/2009	milj. €	%
Net interest income	61	72	-11	-15
Net commissions and fees	8	-4	13	287
Net trading income	-8	-7	-1	-21
Net investment income	40	-5	45	883
Other operating income	333	341	-7	-2
Share of affiliate profits/losses	0	0	0	
Other income	373	324	49	15
<b>Total income</b>	<b>434</b>	<b>396</b>	<b>38</b>	<b>10</b>
Personnel costs	120	108	12	11
Other expenses	229	225	4	2
<b>Total expenses</b>	<b>349</b>	<b>333</b>	<b>16</b>	<b>5</b>
Impairment losses on receivables	-1	12	-12	-104
<b>Earnings before tax</b>	<b>86</b>	<b>51</b>	<b>35</b>	<b>68</b>



# OP-Pohjola Group Quarterly Figures





## OP-Pohjola Group Quarterly performance

€million	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net interest income	287	282	256	245	224	228	226	238
Other income	223	287	226	244	298	316	315	326
<b>Total income</b>	<b>510</b>	<b>569</b>	<b>483</b>	<b>490</b>	<b>523</b>	<b>545</b>	<b>541</b>	<b>564</b>
Personnel costs	163	163	142	154	164	171	142	166
Other expenses	156	158	138	174	153	155	156	179
<b>Total expenses</b>	<b>319</b>	<b>321</b>	<b>280</b>	<b>328</b>	<b>317</b>	<b>326</b>	<b>298</b>	<b>345</b>
Impairments of receivables	29	46	52	52	38	40	31	41
Returns to owner-members and OP bonus customers	38	44	39	39	39	42	41	42
<b>Earnings before tax</b>	<b>124</b>	<b>157</b>	<b>112</b>	<b>70</b>	<b>128</b>	<b>137</b>	<b>172</b>	<b>137</b>



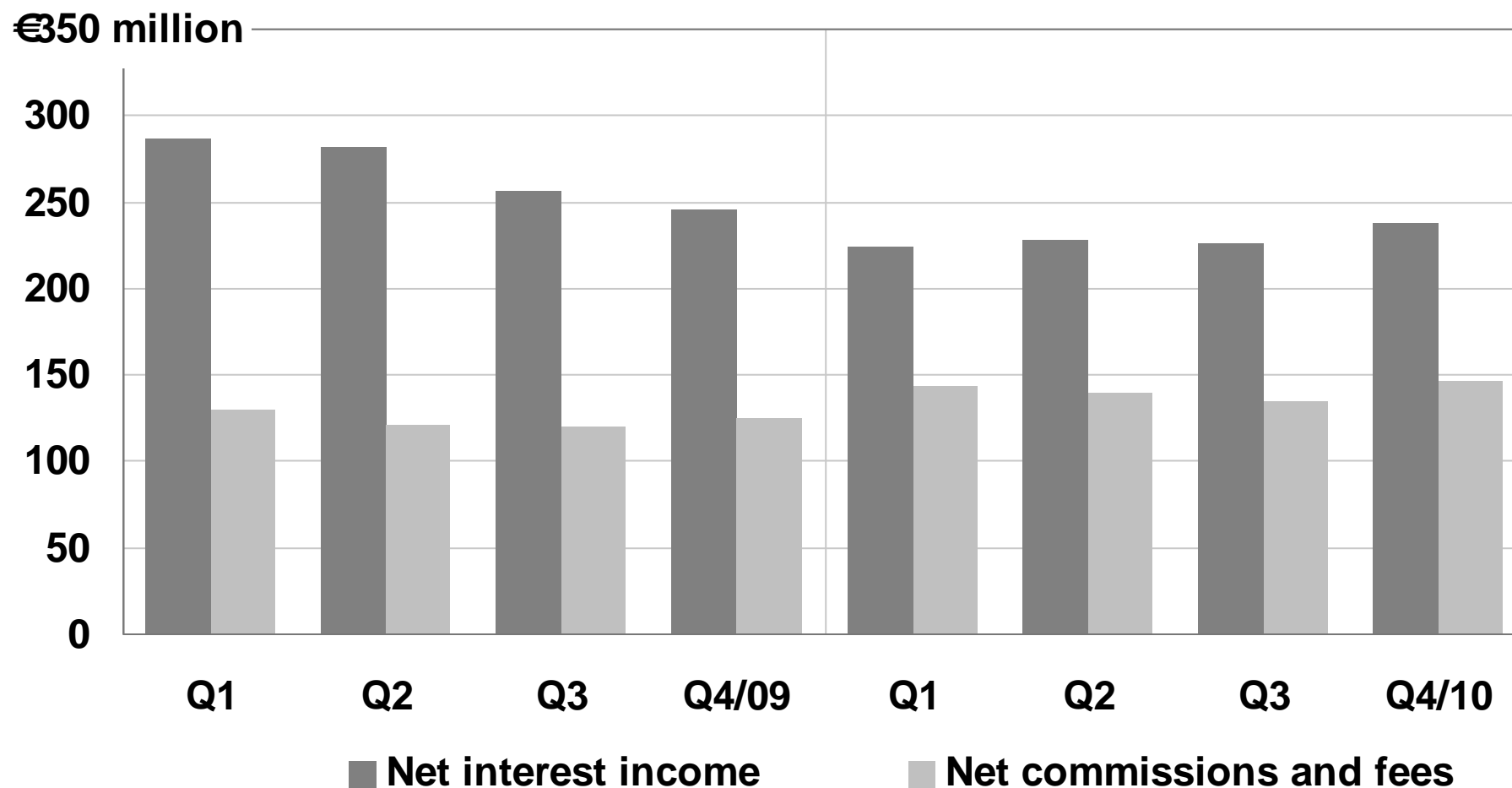
**OP-Pohjola Group**  
**Other income by quarter**

€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>119</b>	<b>73</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>15</b>	<b>39</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>135</b>	<b>146</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>26</b>	<b>37</b>
<b>Other income</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>29</b>	<b>26</b>	<b>23</b>	<b>20</b>	<b>32</b>
<b>Total</b>	<b>223</b>	<b>287</b>	<b>226</b>	<b>244</b>	<b>298</b>	<b>316</b>	<b>315</b>	<b>326</b>



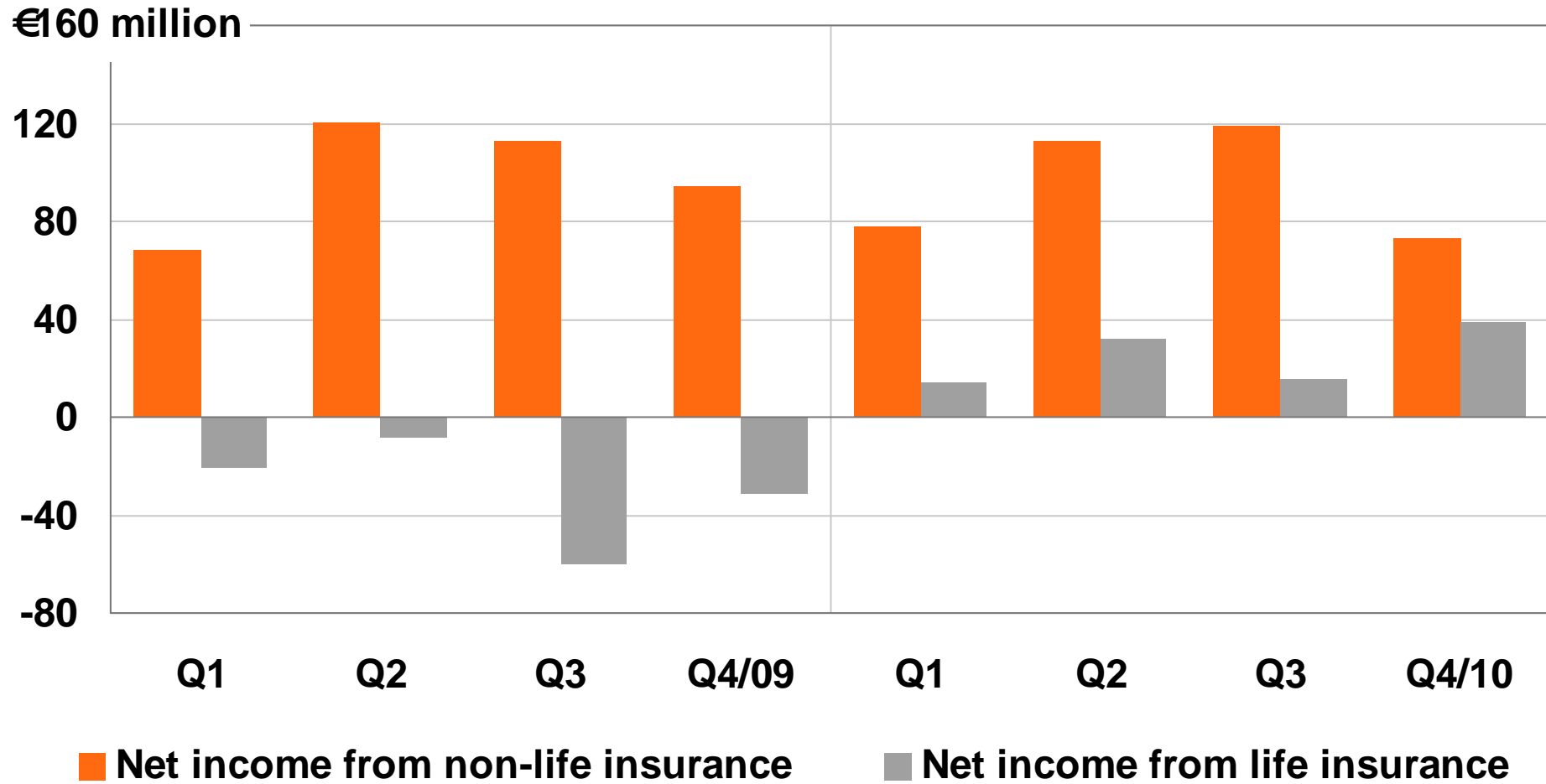
# OP-Pohjola Group

## Net interest income and net commissions and fees



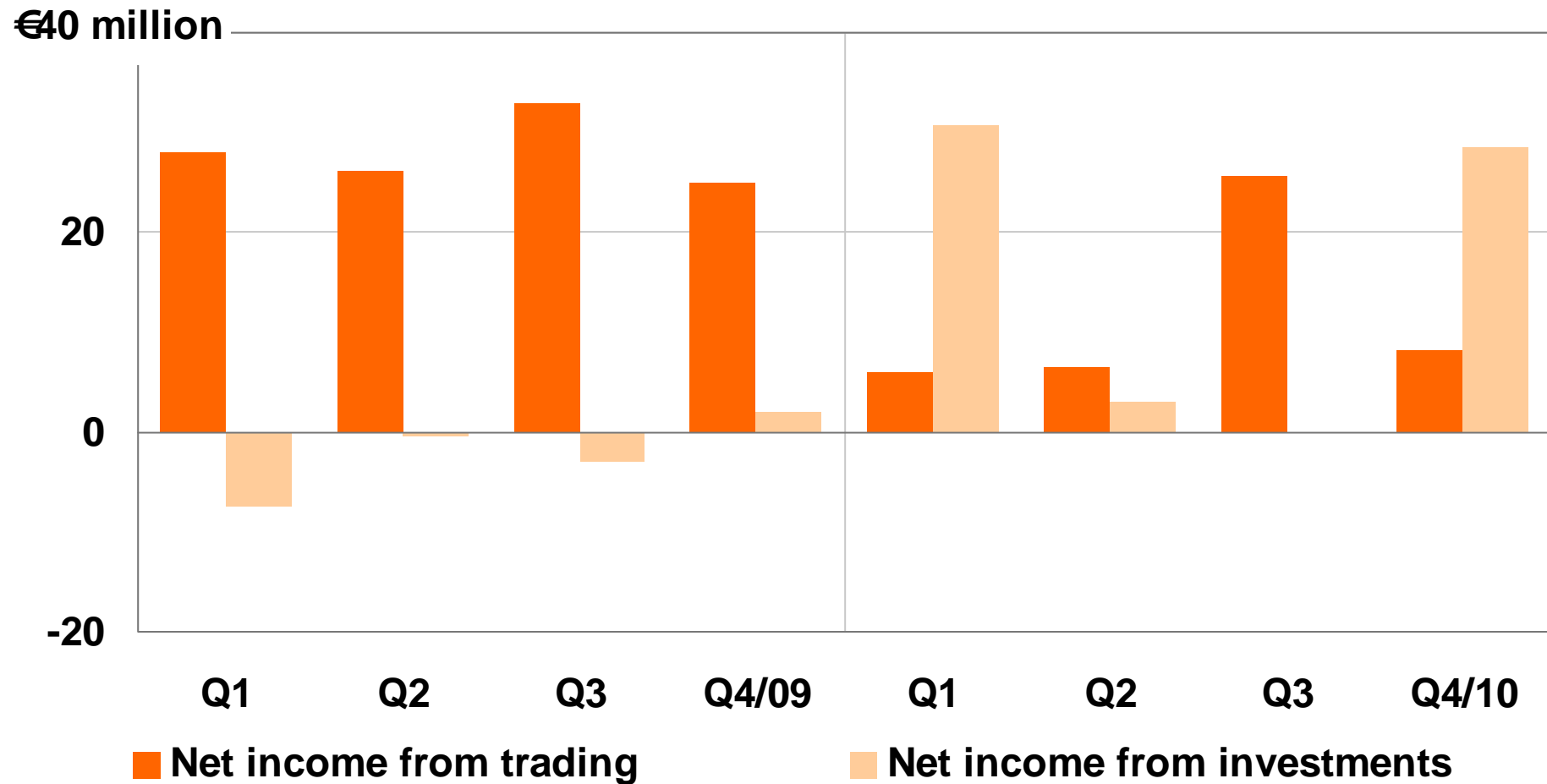
# OP-Pohjola Group

## Net income from non-life and life insurance

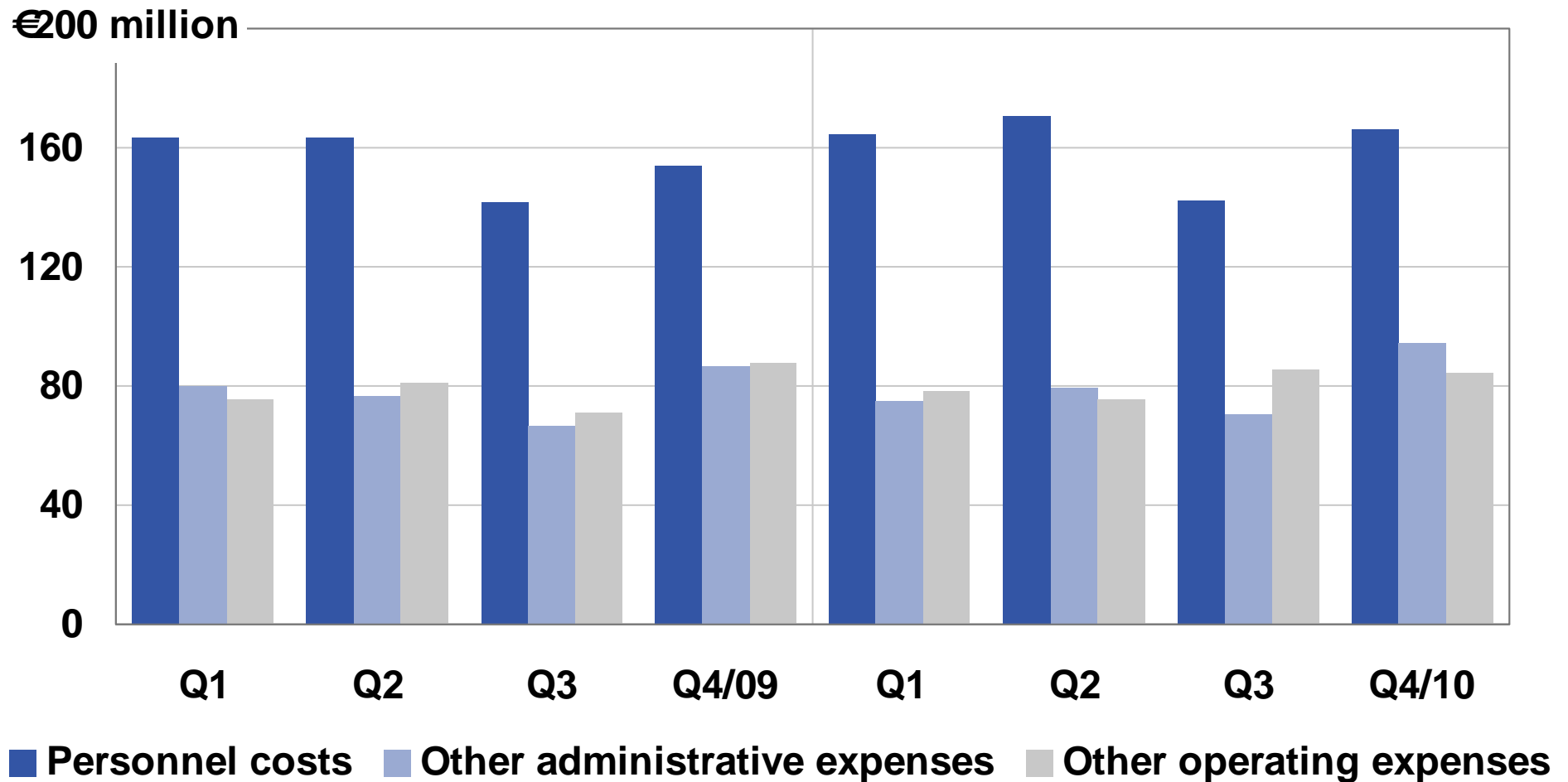


# OP-Pohjola Group

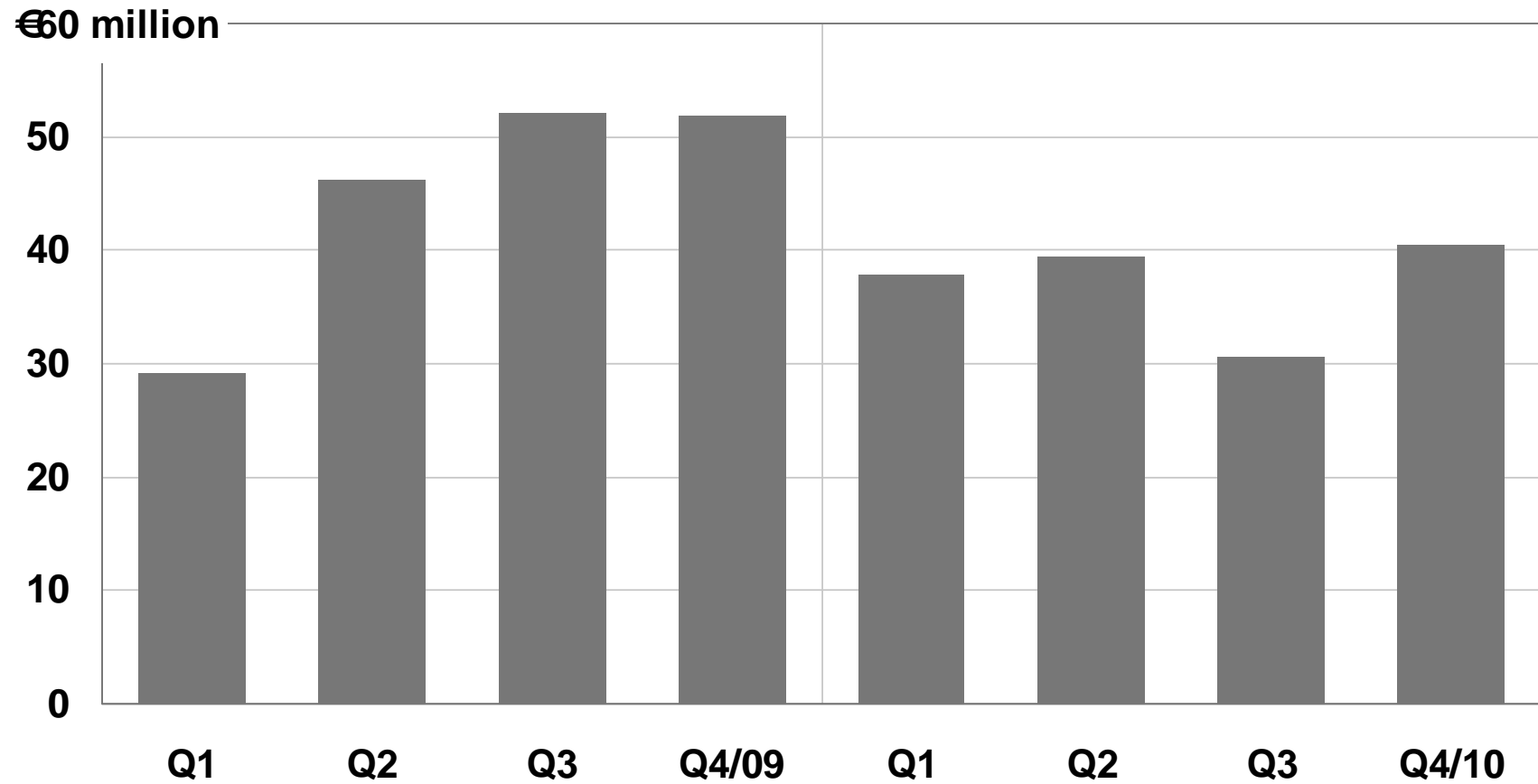
## Net income from trading and investments



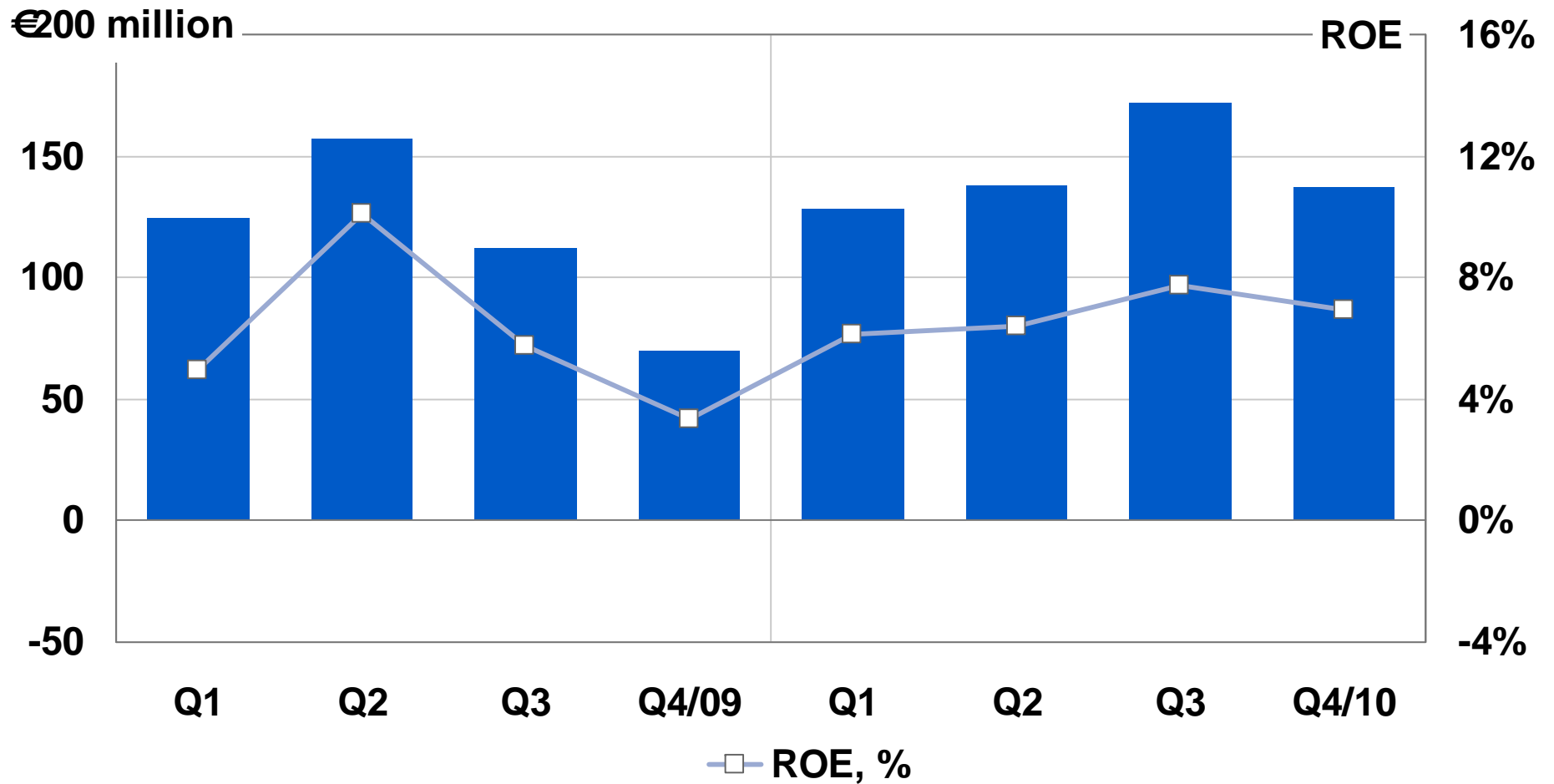
# OP-Pohjola Group Expenses



OP-Pohjola Group  
Quarterly impairments of receivables



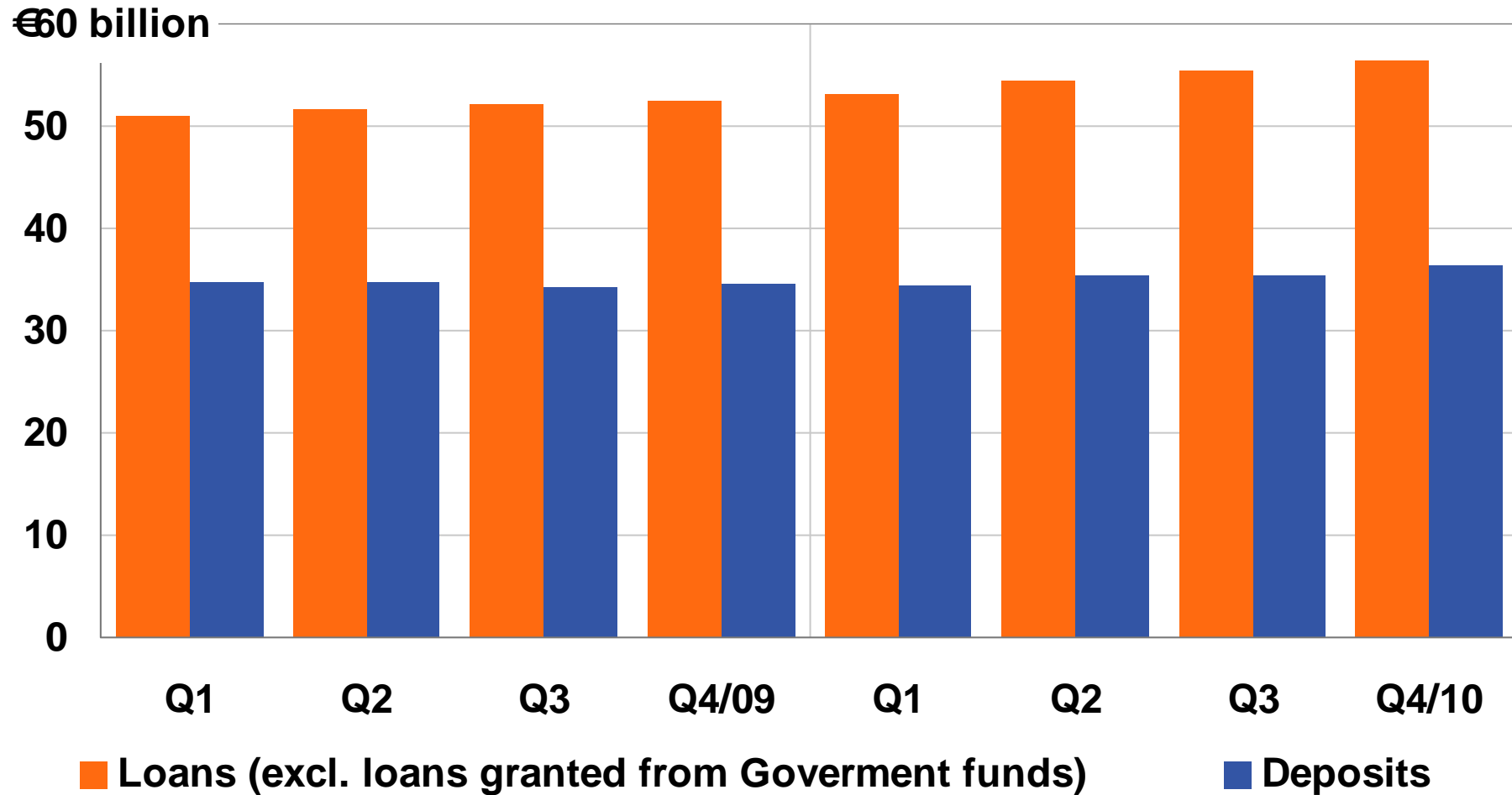
# OP-Pohjola Group Earnings before tax





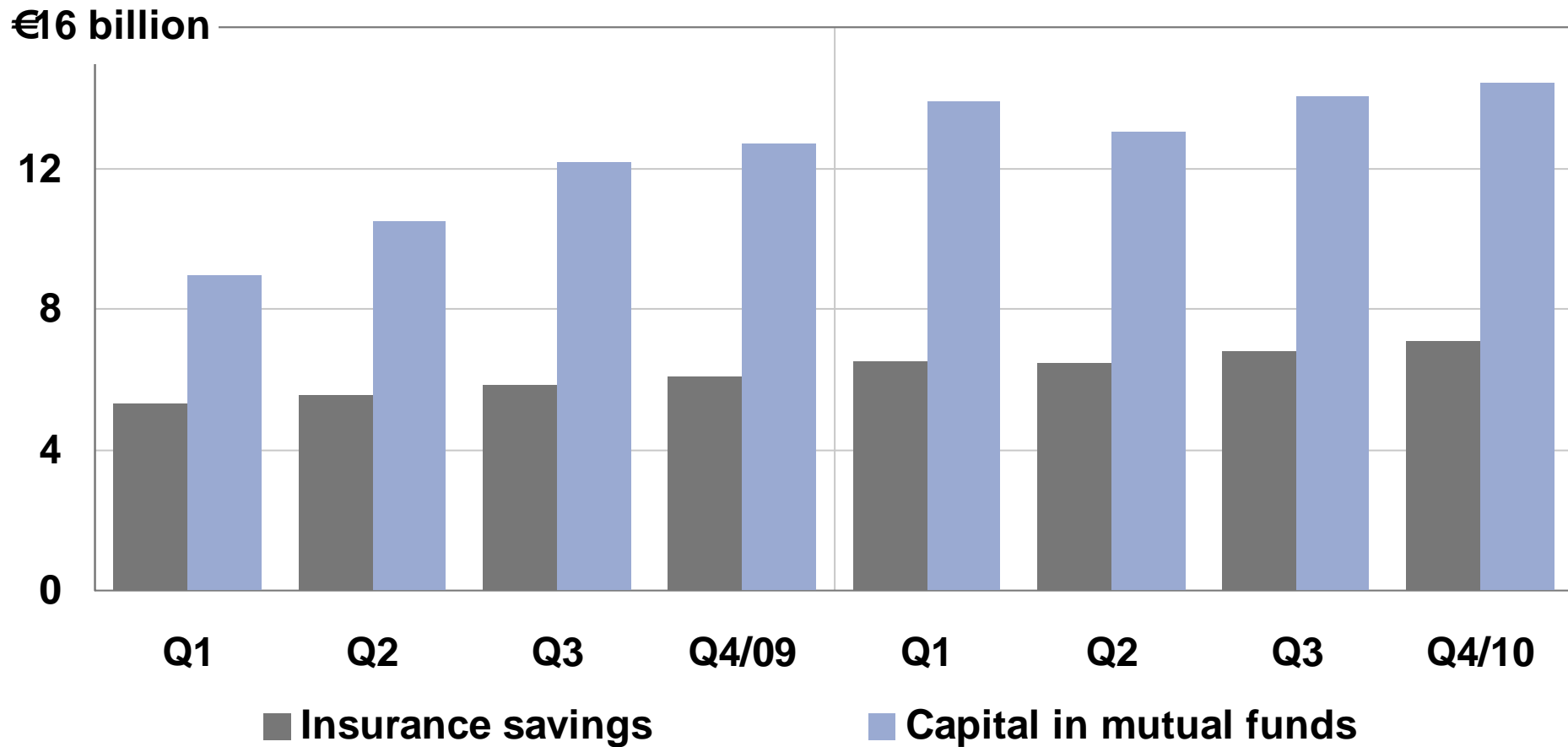
# OP-Pohjola Group

## Loans and deposits



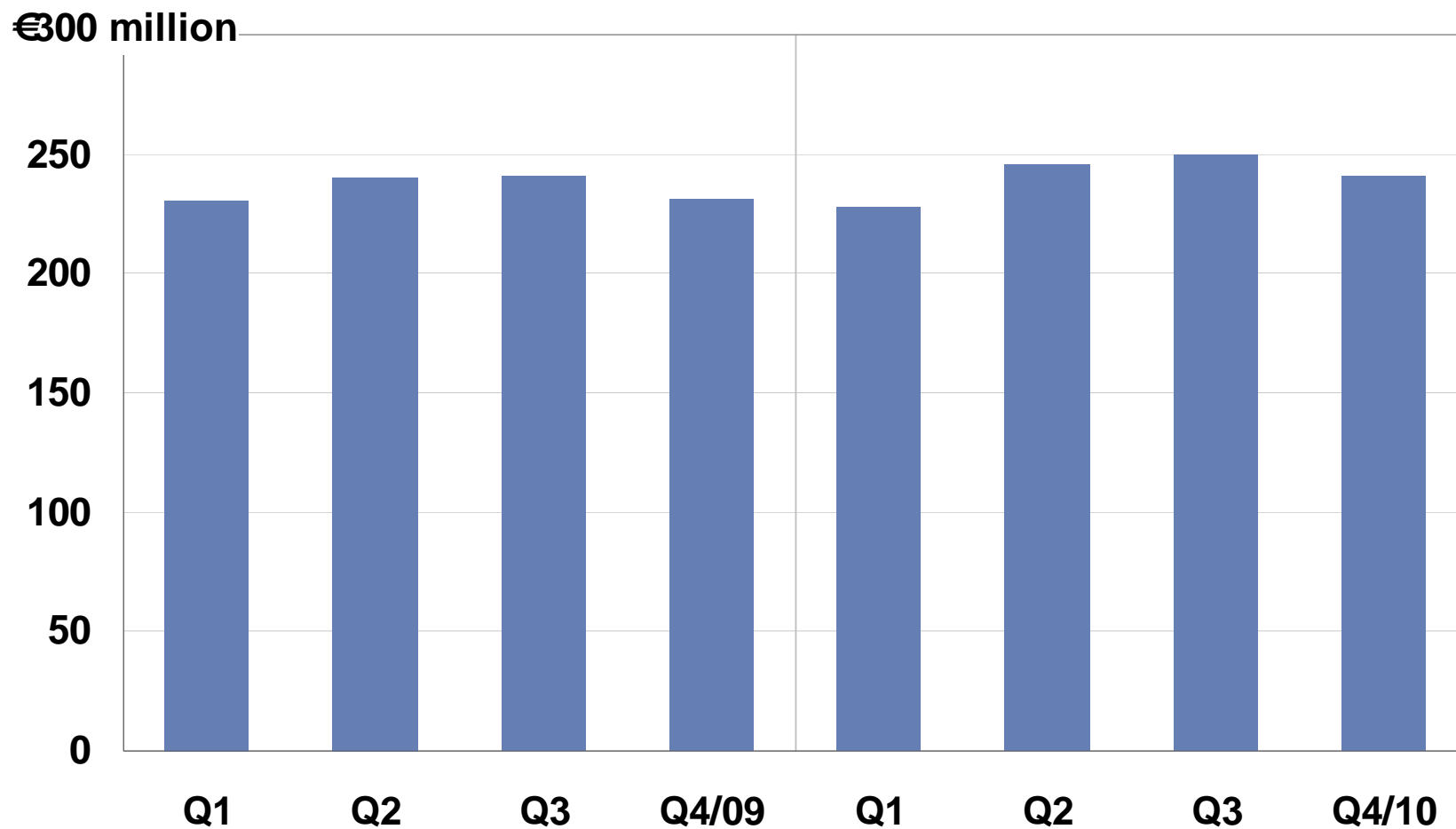
OP-Pohjola Group

# Life insurance savings and capital in mutual funds



# OP-Pohjola Group

## Non-life insurance premium revenue (IFRS)

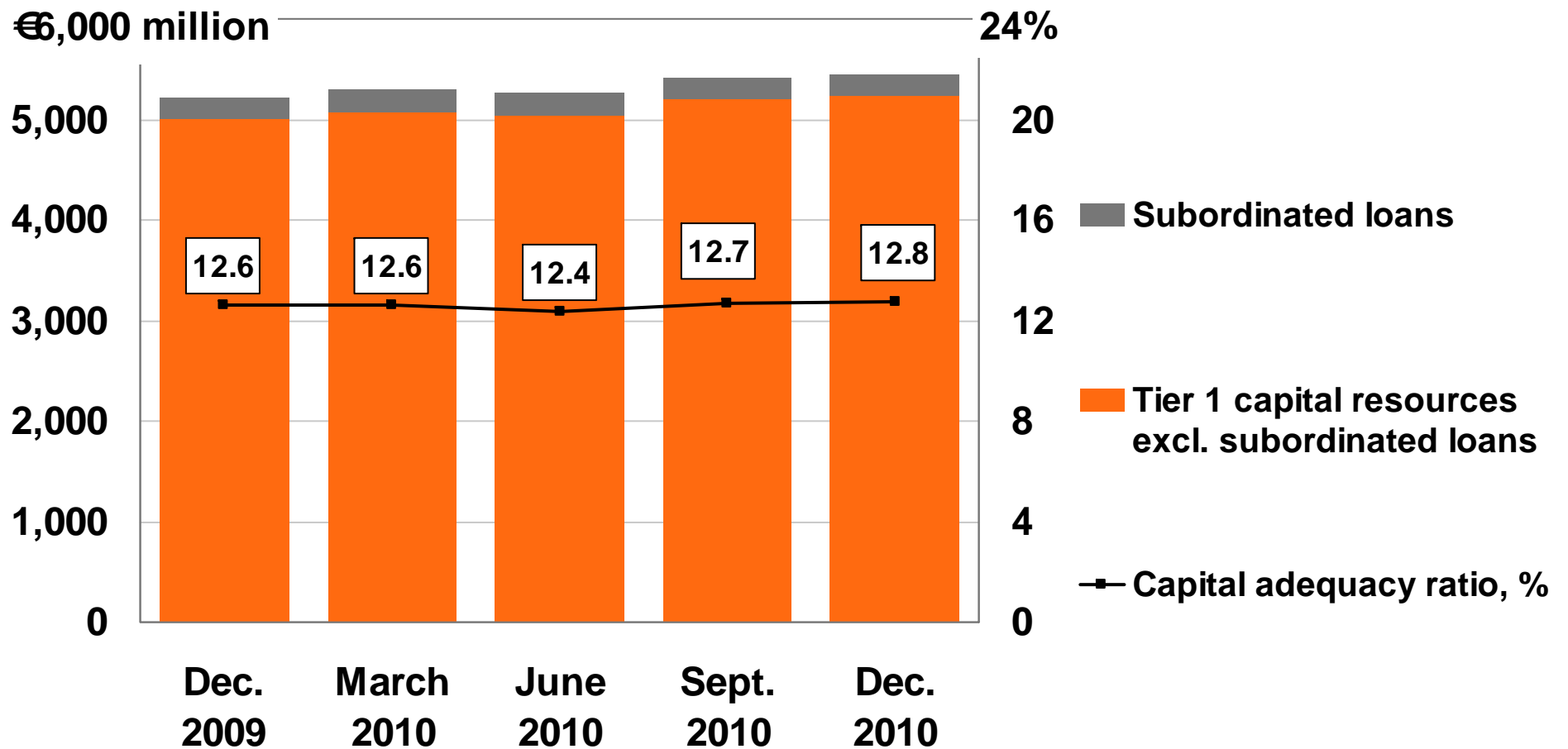


# Capital adequacy



# The amalgamation of the cooperative banks

## Capital resources and capital adequacy



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

€million	31 Dec. 2010	31 Dec. 2009	Change, €million	Change, %
<b>Capital resources</b>				
Tier 1 capital	5,454	5,227	227	4.3
Tier 2 capital	-	-		
<b>Total capital resources</b>	5,454	5,227	227	4.3
<b>Risk-weighted items total</b>	42,728	41,480	1,249	3.0
Capital resources requirement				
Credit and counterparty risk	3,153	3,005	148	4.9
Market risk	37	36	2	4.2
Operational risk	228	277	-49	
<b>Total</b>	3,418	3,318	100	3.0
<b>Capital adequacy ratio, %</b>	12.8	12.6		0.2*
<b>Ratio of Tier 1 capital to total risk-weighted assets, %</b>	12.8	12.6		0.2*

\* percentage points



# OP-Pohjola Group

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

€million	31 Dec. 2010	31 Dec. 2009	Change, €million	Change, %
OP-Pohjola Group's equity capital	6,726	6,187	539	8.7
Business-segment-specific items	1,783	1,843	-60	-3.2
Goodwill and intangible assets	-1,094	-1,084	-10	0.9
Equalisation provision	-331	-527	197	-37.3
Other items included in equity capital and in business-segment-specific items, but not included in conglomerate's capital resources	-604	-627	23	0.0
<b>Conglomerate's capital resources, total</b>	<b>6,480</b>	<b>5,792</b>	<b>689</b>	<b>11.9</b>
Regulatory capital requirement for credit institutions	3,418	3,300	118	3.6
Regulatory capital requirement for insurance operations	396	371	24	6.6
Total minimum amount of conglomerate's capital resources	3,814	3,671	143	3.9
<b>Conglomerate's capital adequacy</b>	<b>2,666</b>	<b>2,121</b>	<b>546</b>	<b>25.7</b>
<b>Conglomerate's capital adequacy ratio (capital resources / minimum of capital resources)</b>	<b>1.70</b>	<b>1.58</b>		<b>0.12*</b>

\* change in ratio



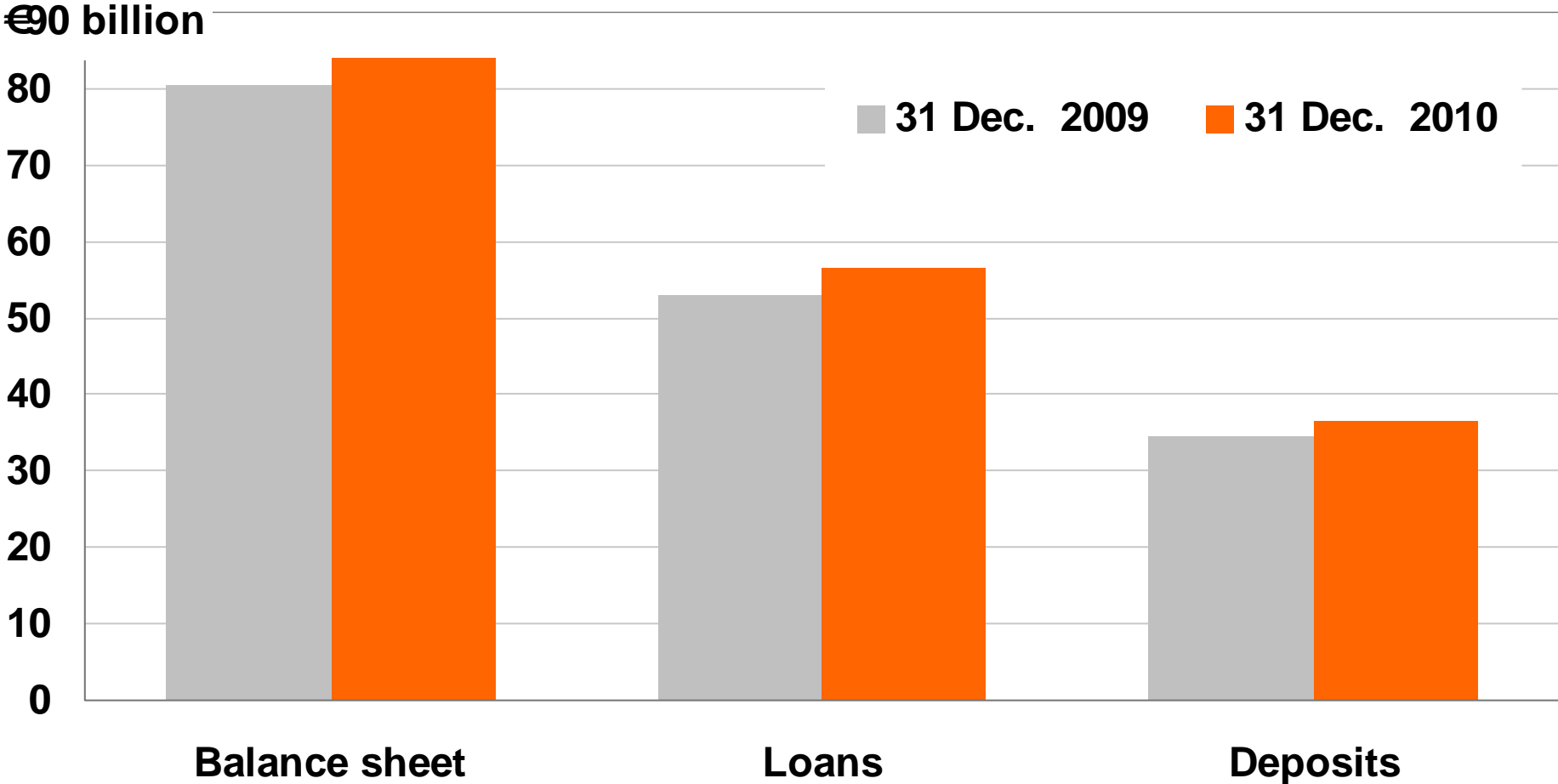
# Balance sheet





# OP-Pohjola Group

## Key balance sheet items



# OP-Pohjola Group Balance sheet

€million	31 Dec.	31 Dec.	Change	
	2010	2009	€million	%
Receivables from credit institutions	1,121	1,982	-861	-43.5
Financial assets at fair value through profit or loss	519	1,263	-743	-58.9
Receivables from customers	56,834	52,992	3,842	7.2
Non-life Insurance assets	3,164	3,101	63	2.0
Life Insurance assets	7,544	6,331	1,214	19.2
Investment assets	7,438	6,468	970	15.0
Other items	7,348	8,294	-946	-11.4
<b>Total assets</b>	<b>83,969</b>	<b>80,430</b>	<b>3,539</b>	<b>4.4</b>
Liabilities to credit institutions	1,696	2,174	-477	-22.0
Liabilities to customers	39,205	37,606	1,598	4.3
Non-life Insurance liabilities	2,350	2,279	72	3.1
Life Insurance liabilities	7,290	6,179	1,112	18.0
Debt securities issued to the public	19,577	19,945	-367	-1.8
Other liabilities	7,123	6,061	1,063	17.5
Equity capital	6,726	6,187	539	8.7
<b>Total liabilities and equity capital</b>	<b>83,969</b>	<b>80,430</b>	<b>3,539</b>	<b>4.4</b>



OP-Pohjola Group  
Equity capital and cooperative capital

€ million	31 Dec. 2010	31 Dec. 2009	Change € million	%
<b>Share of OP-Pohjola Group's owners</b>				
Share capital	236	230	6	2.8
Cooperative capital	132	128	4	2.8
Fair value reserve	112	-54	167	-306.0
Other reserves	2,656	2,604	52	2.0
Retained earnings	3,590	3,280	310	9.5
Minority interest	0	0	0	-69.1
<b>Total equity capital</b>	<b>6,726</b>	<b>6,187</b>	<b>539</b>	<b>8.7</b>
<b>Cooperative capital not included in equity capital</b>				
	647	622	25	4.0



# Loans and customer funds



## OP-Pohjola Group Market share

	31 Dec. 2010	31 Dec. 2009	Change *
<b>Loan portfolio</b>	<b>33.0</b>	<b>32.7</b>	<b>0.3</b>
<b>Home mortgages</b>	<b>35.8</b>	<b>35.9</b>	<b>-0.1</b>
<b>Corporate loans</b>	<b>29.2</b>	<b>28.7</b>	<b>0.5</b>
<b>Deposit portfolio</b>	<b>32.5</b>	<b>33.2</b>	<b>-0.7</b>
<b>Mutual funds</b>	<b>23.4</b>	<b>23.4</b>	<b>0.0</b>
	<b>1-12/2010</b>	<b>1-12/2009</b>	
<b>Life and pension insurance premiums written</b>	<b>38.6</b>	<b>25.2</b>	<b>13.4</b>

\* Changes expressed in percentage points



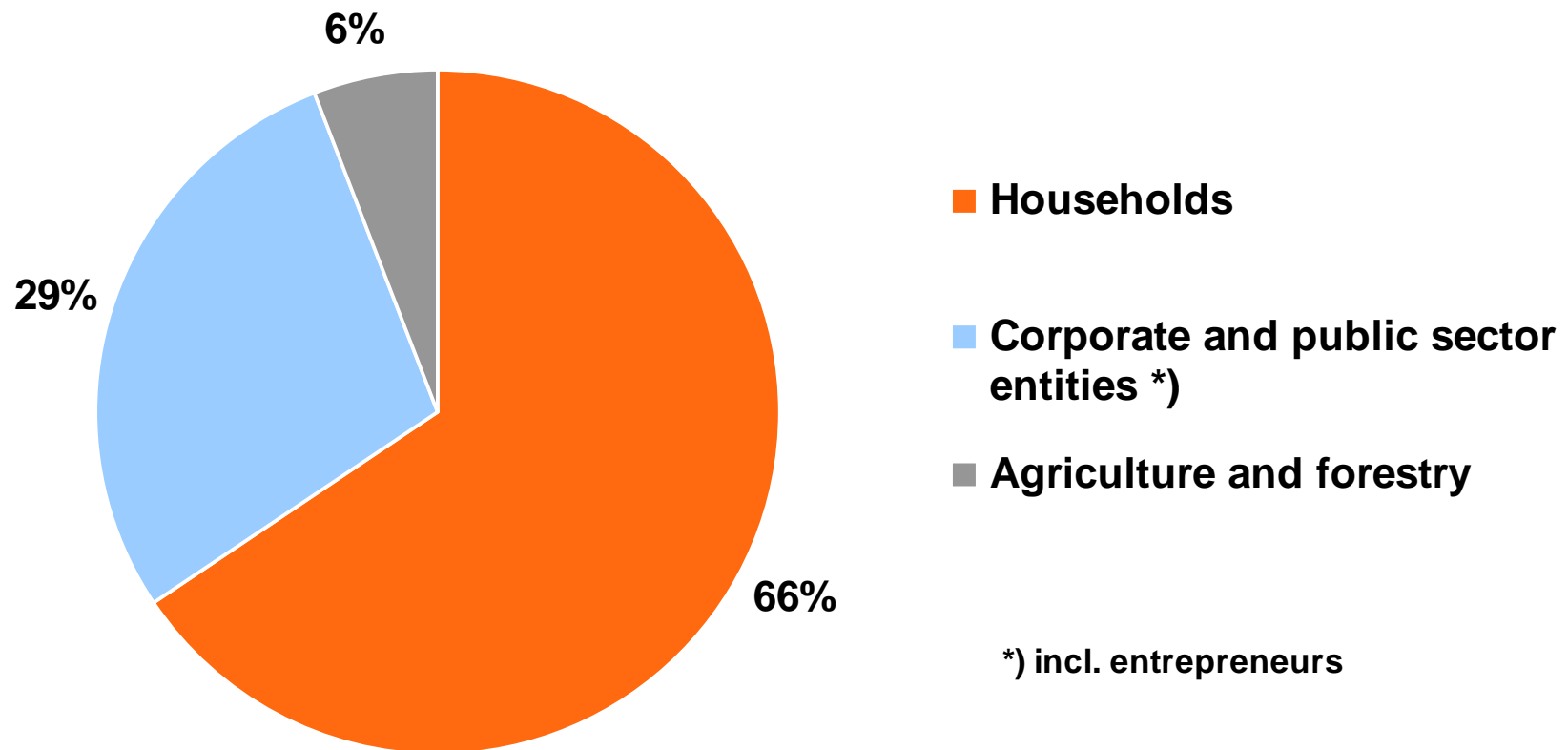
# OP-Pohjola Group

## Loans and customer funds

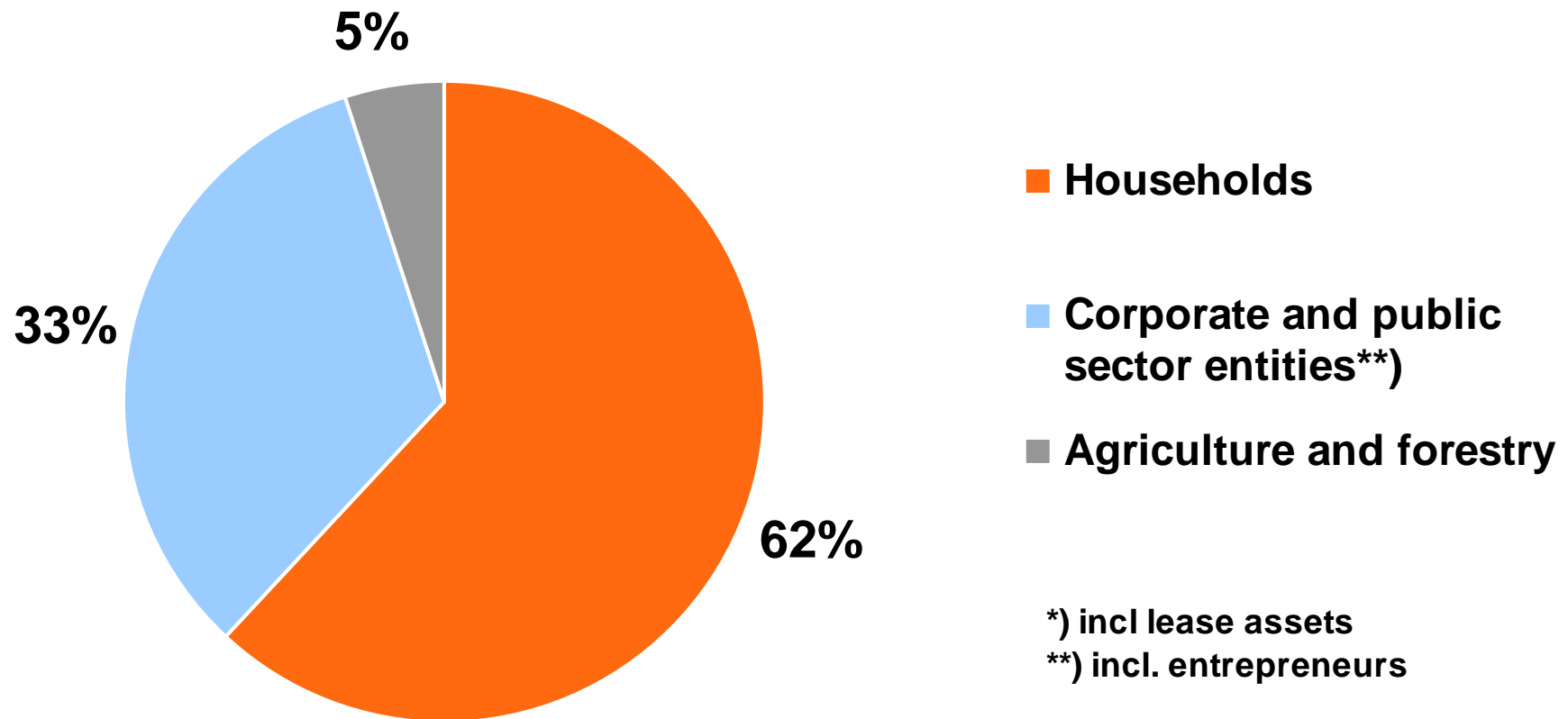
€billion	31 Dec. 2010	12-month change	
		€billion	%
Loan portfolio	56.5	3.9	7.4 %
Deposits	36.4	1.8	5.3 %
Mutual funds	14.4	1.7	13.4 %
Life insurance savings	7.1	1.0	16.7 %
Eliminations	-4.2	-0.7	
<b>Customer funds, total</b>	<b>53.7</b>	<b>3.9</b>	<b>7.7 %</b>
<b>Loans and customer funds, total</b>	<b>110.3</b>	<b>7.8</b>	<b>7.6 %</b>



OP-Pohjola Group  
**Deposits by customer sector**  
31 December 2010



OP-Pohjola Group  
**Loans\* by customer sector**  
31 December 2010





## OP-Pohjola Group

# Non-performing and zero-interest loans

€million	31 Dec. 2010	31 Dec. 2009	Change, %
Households	164	175	-6.0
Companies and housing associations	86	92	-6.4
Others	3	3	-3.9
Impairment losses on groups of receivables	-50	-47	
<b>Total</b>	<b>204</b>	<b>223</b>	<b>-8.7</b>
Non-performing loans of loan and guarantee portfolio, %	0.3	0.4	-0.1*

\* Percentage points



## OP-Pohjola Group

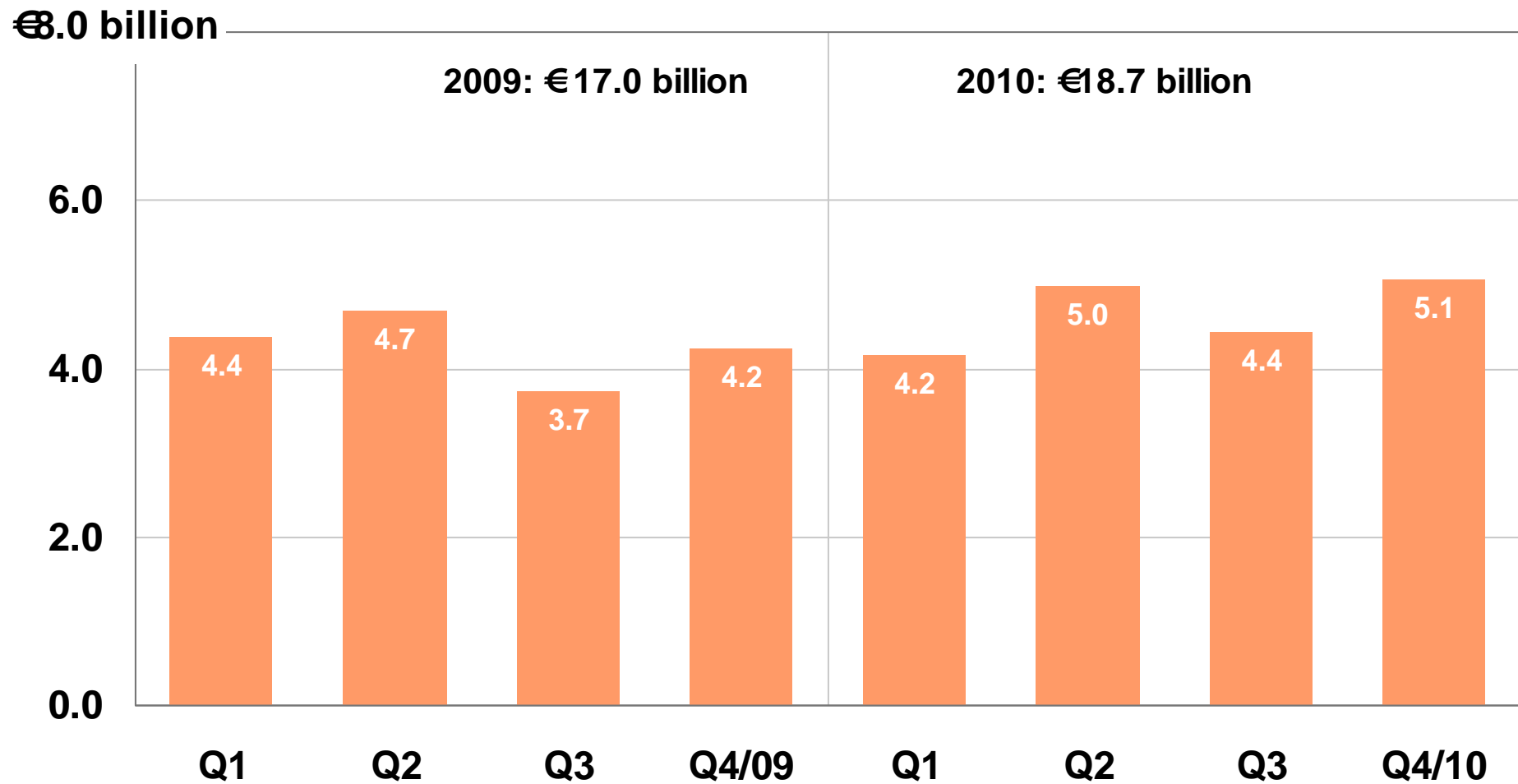
# Loan and guarantee portfolio by sector

€million	31 Dec. 2010	31 Dec. 2009	€million	Change, %	Non-performing and zero-interest loans	
					€million	% of loan and guarantee portfolio
<b>Enterprises and housing associations</b>	<b>20,103</b>	<b>19,010</b>	<b>1,092</b>	<b>5.7</b>	<b>86</b>	<b>0.4 %</b>
Renting and operation of residential real estate incl. housing associations	3,859	3,411	448	13.1	2	0.1 %
Other renting and operating of real estate	2,448	1,947	501	25.8	4	0.2 %
Wholesale and retail trade	2,092	2,050	42	2.1	9	0.4 %
Services	1,524	1,472	52	3.5	11	0.7 %
Construction	1,497	1,544	-47	-3.0	13	0.9 %
Transportation and storage	1,311	1,223	88	7.2	5	0.4 %
Manufacture of machinery and and equipment (incl. services)	1,199	1,009	190	18.8	7	0.6 %
Buying and selling of own real estate	888	876	12	1.4	1	0.1 %
Forest Industry	711	824	-114	-13.8	14	2.0 %
Metal Industry	628	654	-26	-3.9	5	0.7 %
Agriculture, forestry and fishing	625	581	44	7.6	4	0.7 %
Financial and insurance services	666	632	34	5.4	4	0.6 %
Food Industry	598	562	36	6.4	1	0.2 %
Chemical Industry	513	523	-10	-2.0	0	0.1 %
Energy	479	562	-84	-14.9	0	0.0 %
Other manufacturing	440	515	-75	-14.5	2	0.6 %
Other industries	625	625	0	0.0	2	0.4 %
<b>Public corporations and non-profit organisations</b>	<b>1,068</b>	<b>992</b>	<b>76</b>	<b>7.7</b>	<b>3</b>	<b>0.3 %</b>
<b>Households</b>	<b>37,735</b>	<b>35,719</b>	<b>2,016</b>	<b>5.6</b>	<b>164</b>	<b>0.4 %</b>
<b>Adjustments</b>	<b>473</b>	<b>-162</b>	<b>635</b>	<b>-392.4</b>	<b>-50</b>	
<b>Total</b>	<b>59,379</b>	<b>55,559</b>	<b>3,820</b>	<b>6.9</b>	<b>204</b>	<b>0.3 %</b>



# OP-Pohjola Group

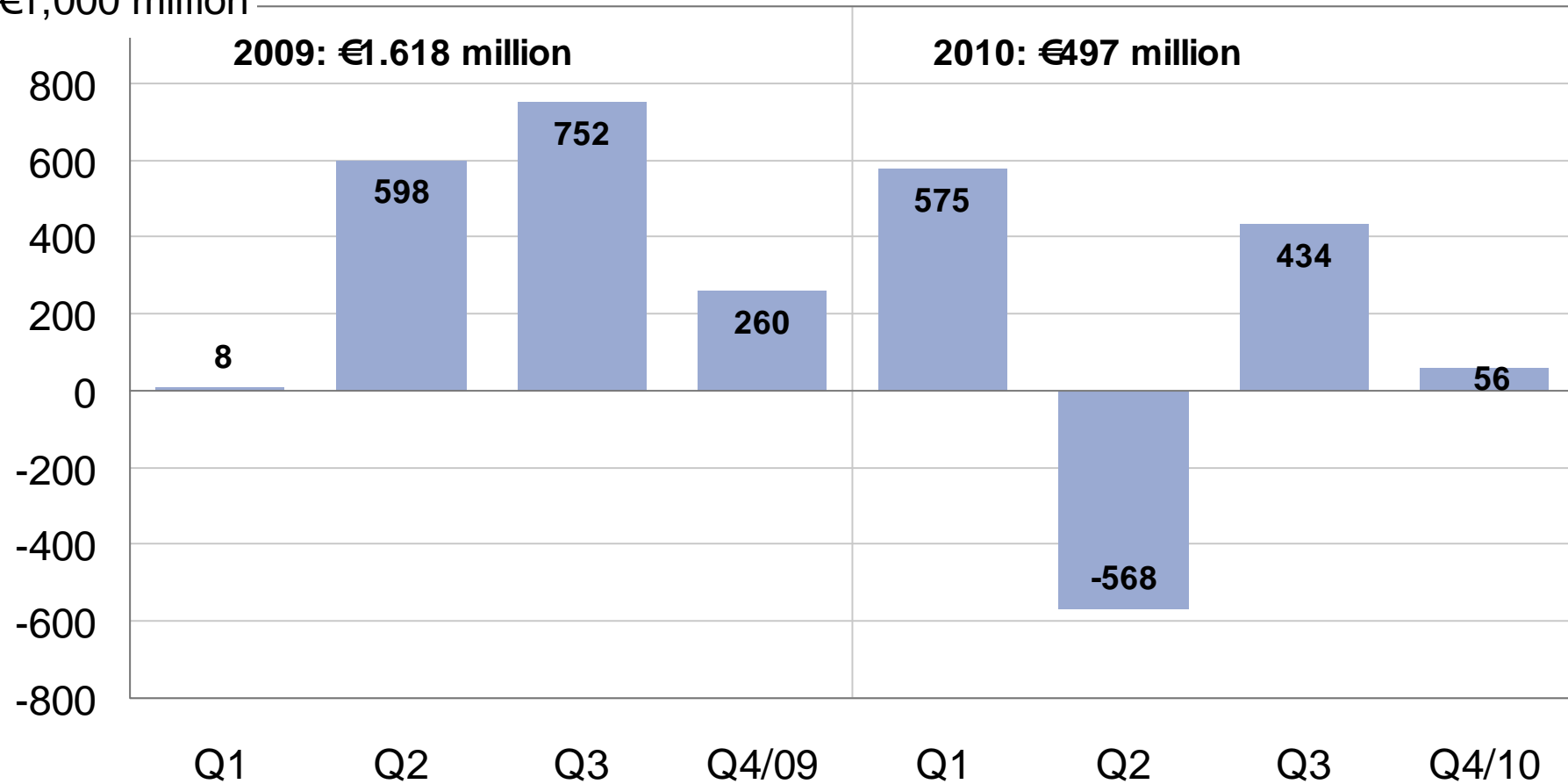
## New loans by quarter



## OP-Pohjola Group

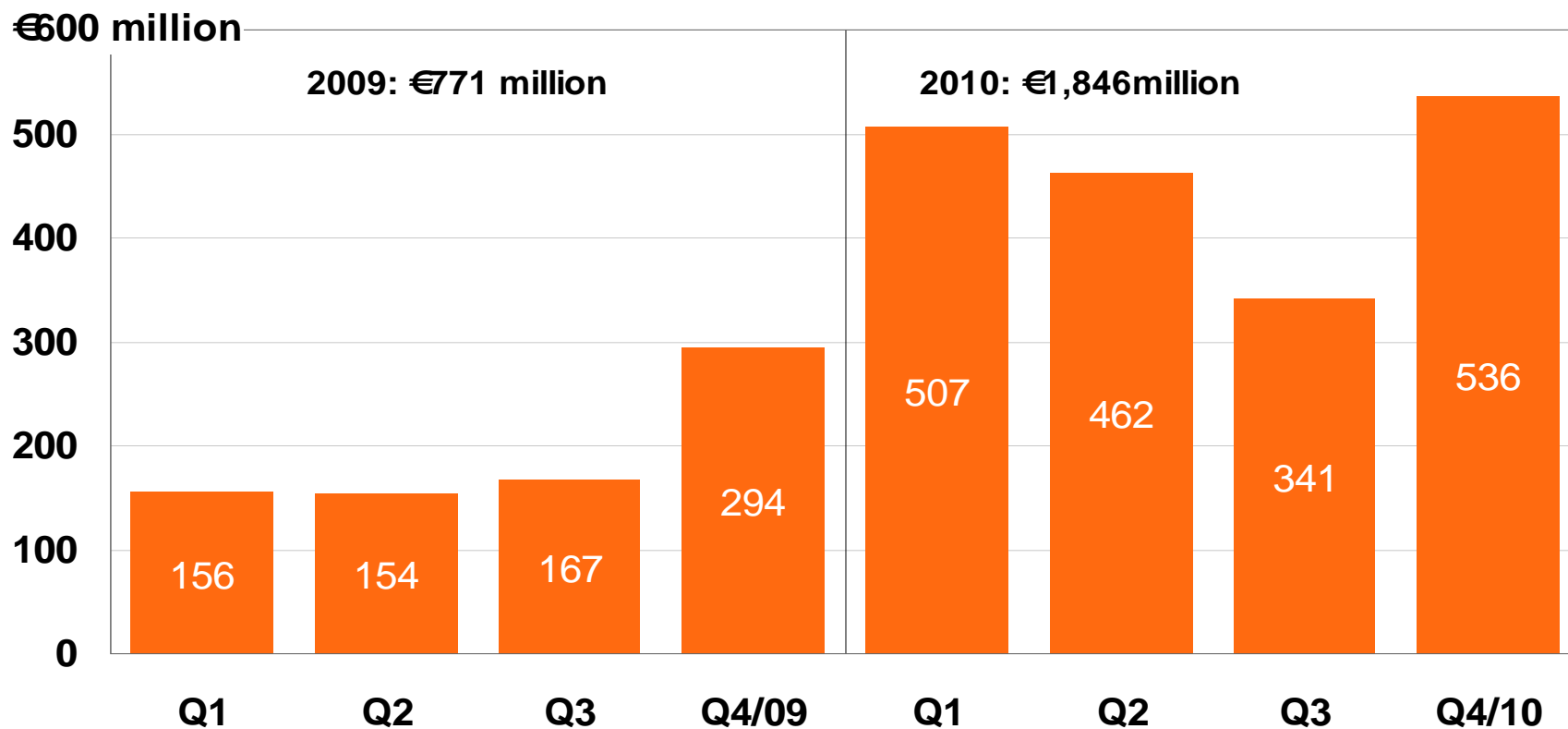
# Net sales of mutual funds by quarter

€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

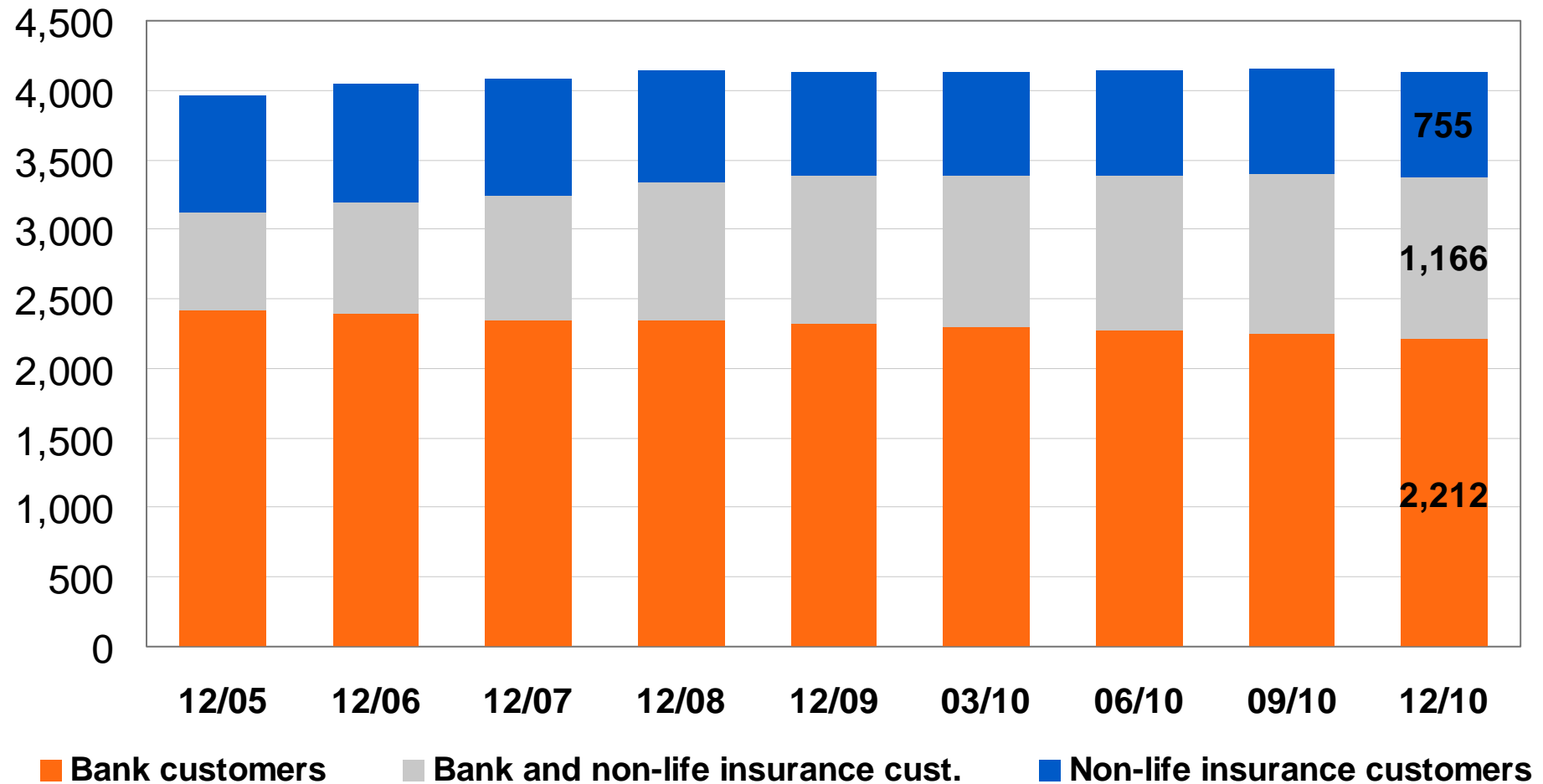
	31 Dec. 2010	12-month change	
	1000 customers	1000 customers	%
<b>OP-Pohjola Group</b>			
Customers*	4,133	-1	0.0
Owner-members	1,300	34	2.7
<b>Pohjola</b>			
Pohjola loyal customer households*	471	46	10.9

\* personal customers



# OP-Pohjola Group Breakdown of Customer Base

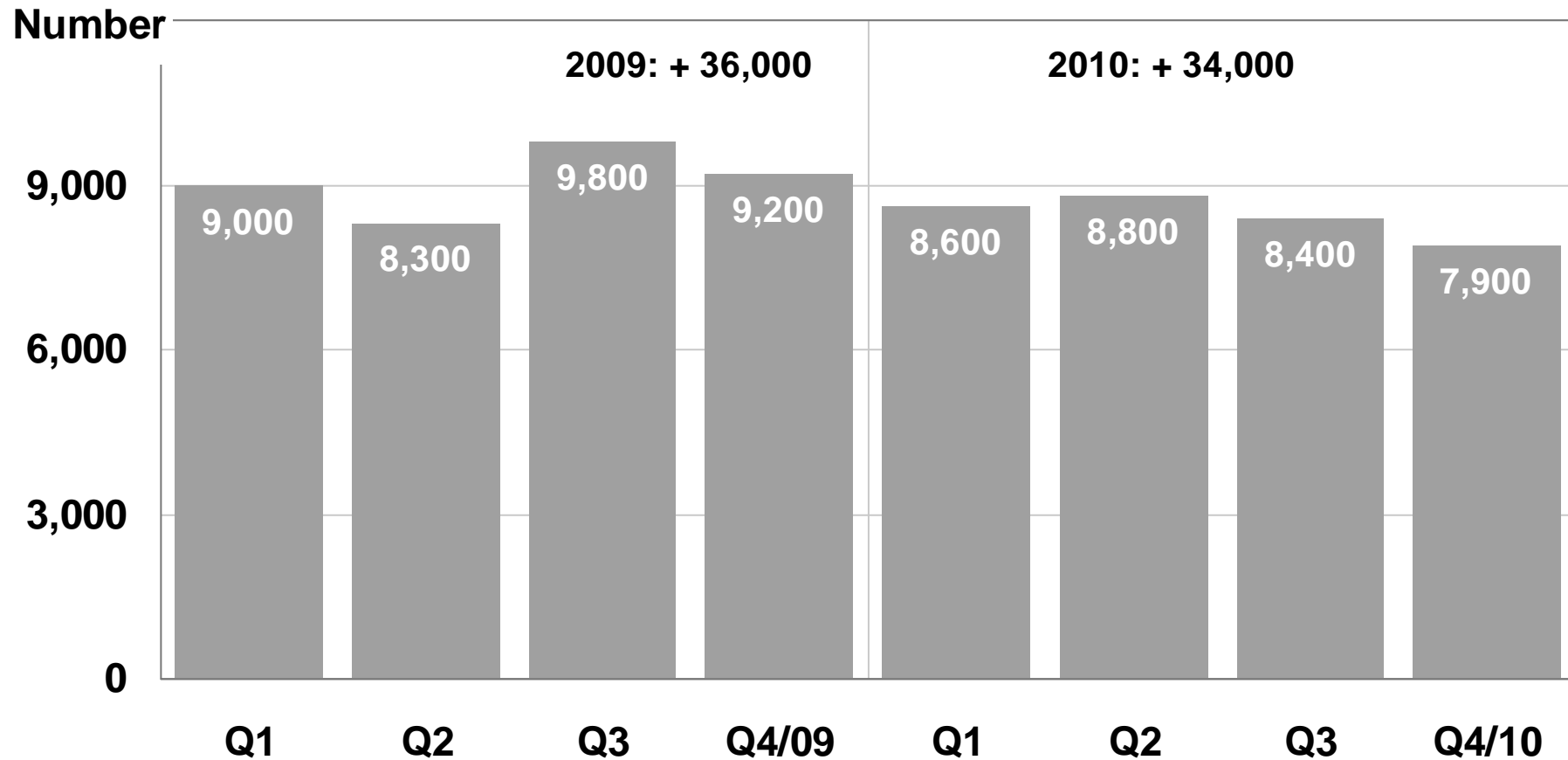
1,000 customers





# OP-Pohjola Group

## Net increase in members by quarter



## OP-Pohjola Group Personnel

	31 Dec. 2010	31 Dec. 2009	Change (number)
<b>Member cooperative banks</b>	<b>6,661</b>	<b>6,796</b>	<b>-135</b>
<b>Central Cooperative Consolidated *</b>	<b>5,843</b>	<b>5,708</b>	<b>135</b>
<b>Pohjola Group</b>	<b>3,016</b>	<b>2,975</b>	<b>41</b>
<b>OP-Pohjola Group</b>	<b>12,504</b>	<b>12,504</b>	<b>0</b>

\* incl. OP Bank Group Mutual Insurance Company



# OP-Pohjola Group

## Service network

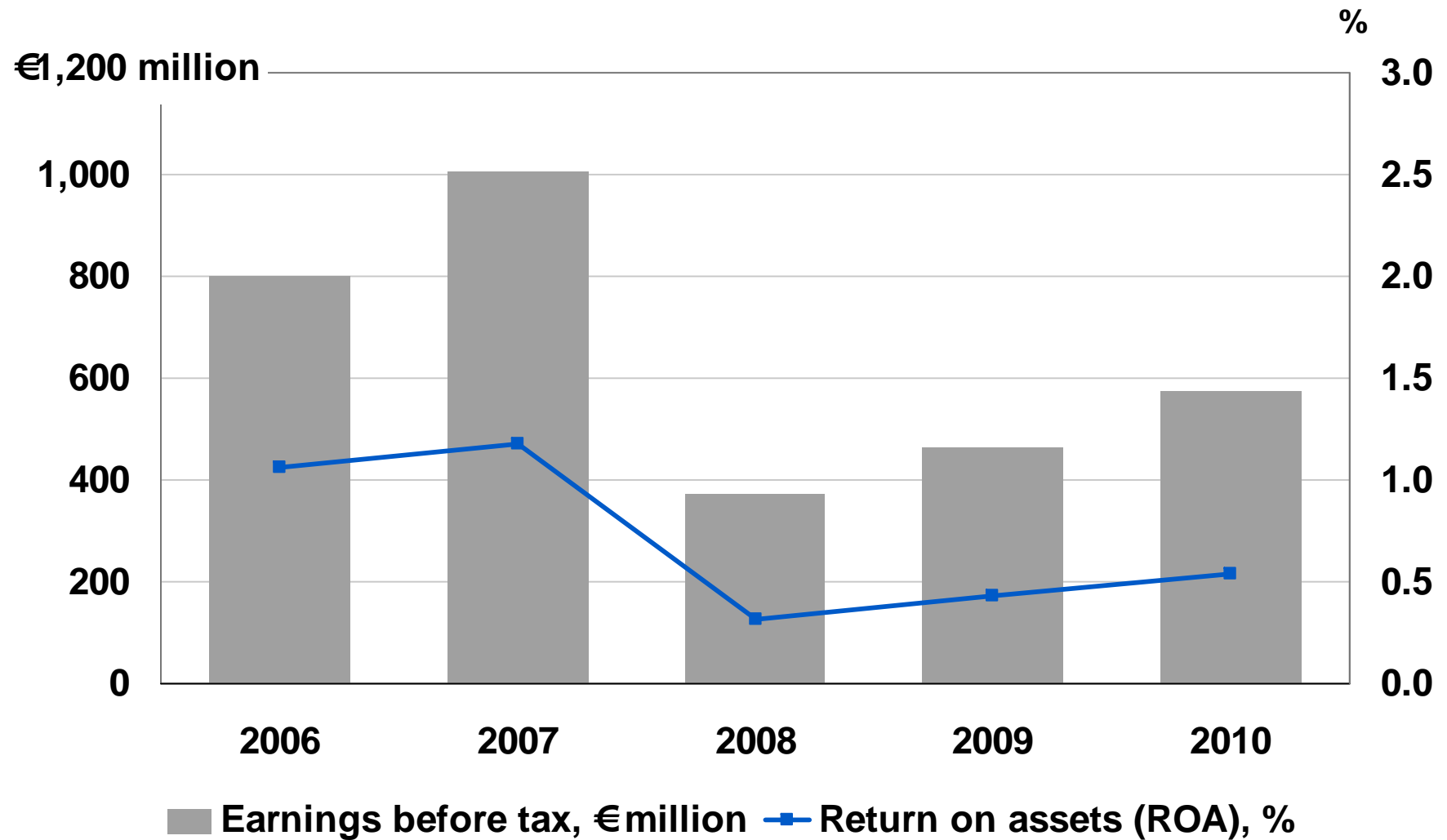
	31 Dec. 2010	12-month change
eServices Agreements	1,480,000	90,000
Locations	554	-29
providing both banking and insurance services	323	10
Private banking locations	33	4
OP-Kiinteistökeskus estate agents	172	0
Online customer terminals	538	-26
Payment ATMs	394	-51



## 5-year trend

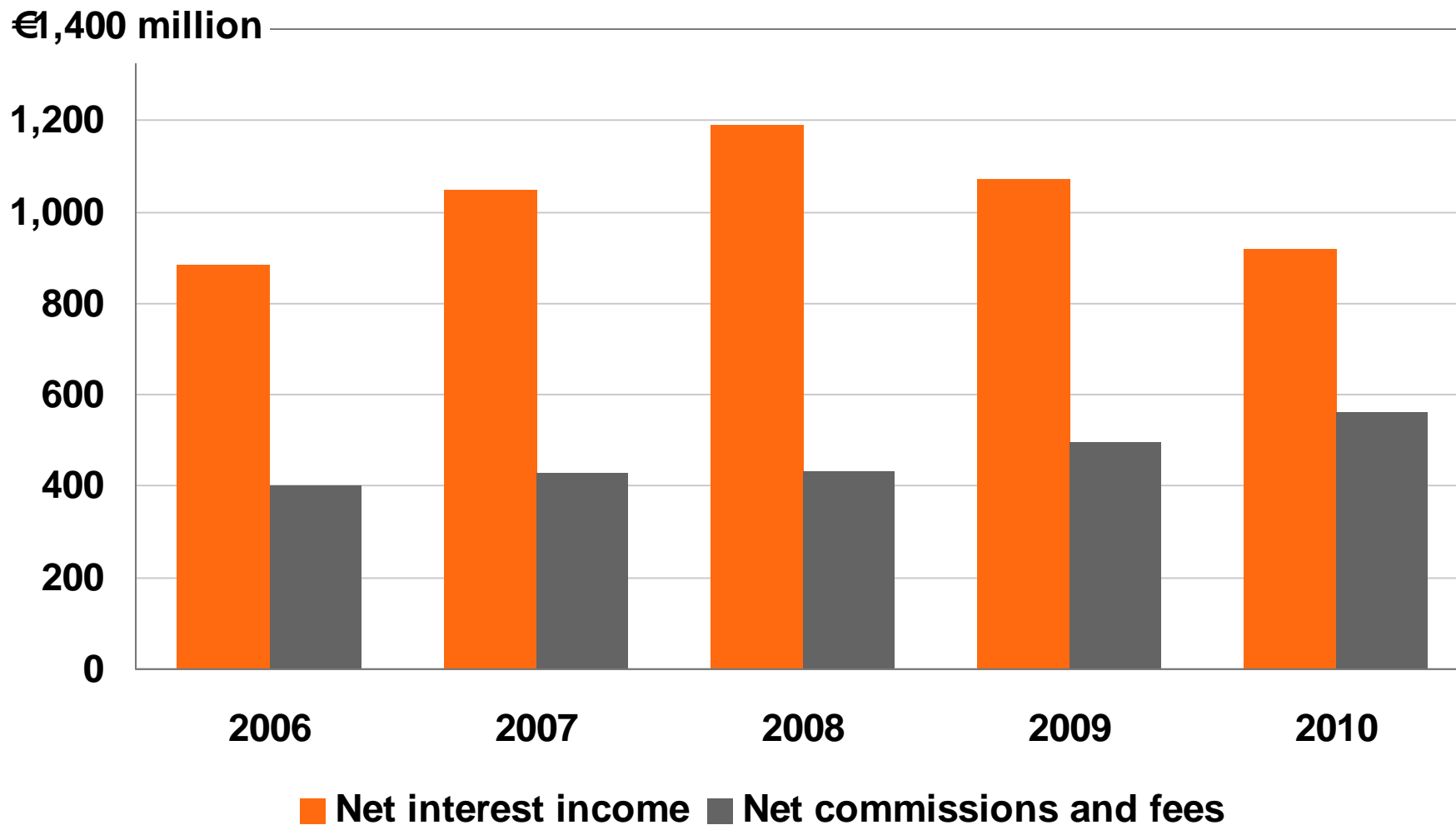
# OP-Pohjola Group

## Earnings before tax and return on assets



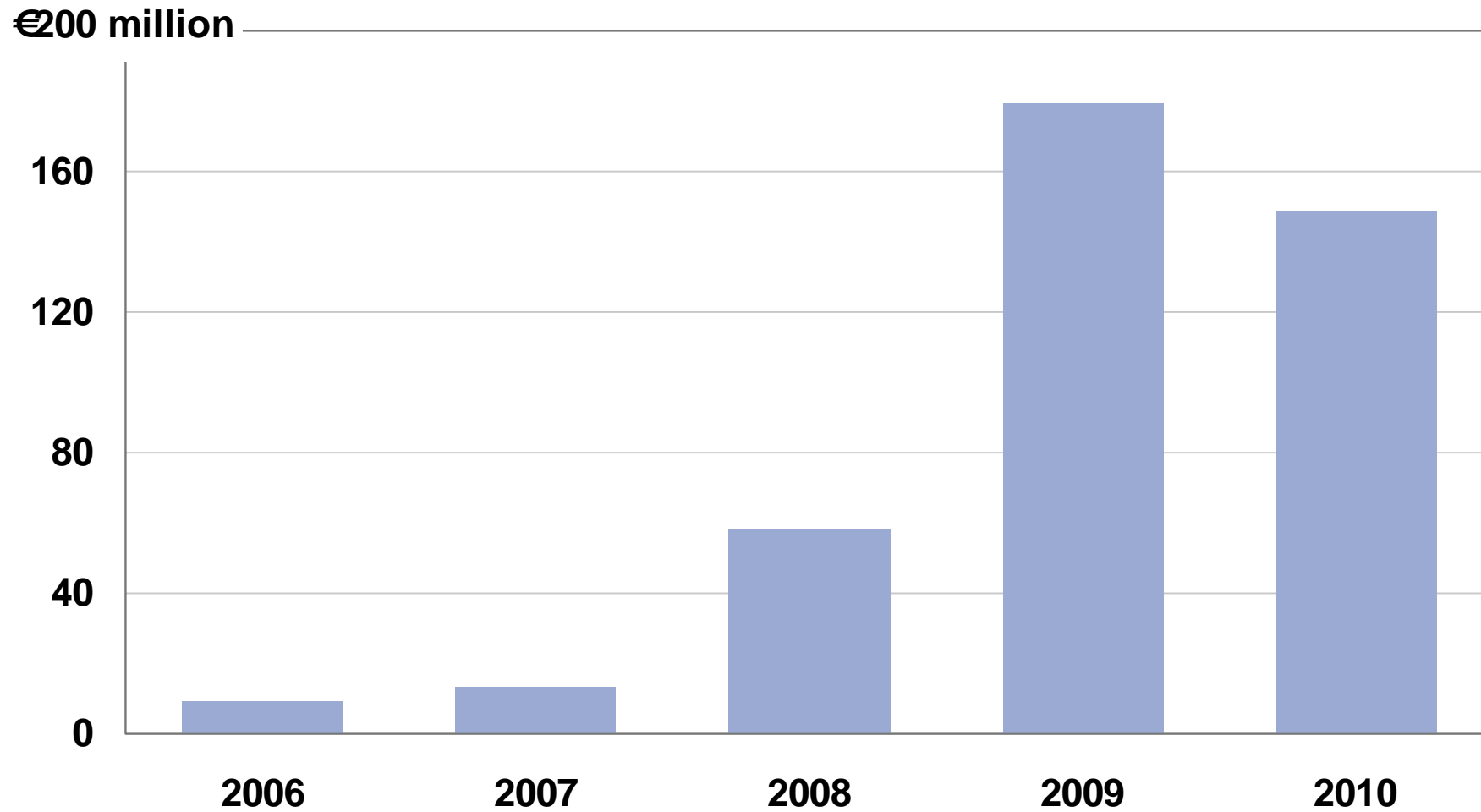
# OP-Pohjola Group

## Net interest income and net commissions and fees

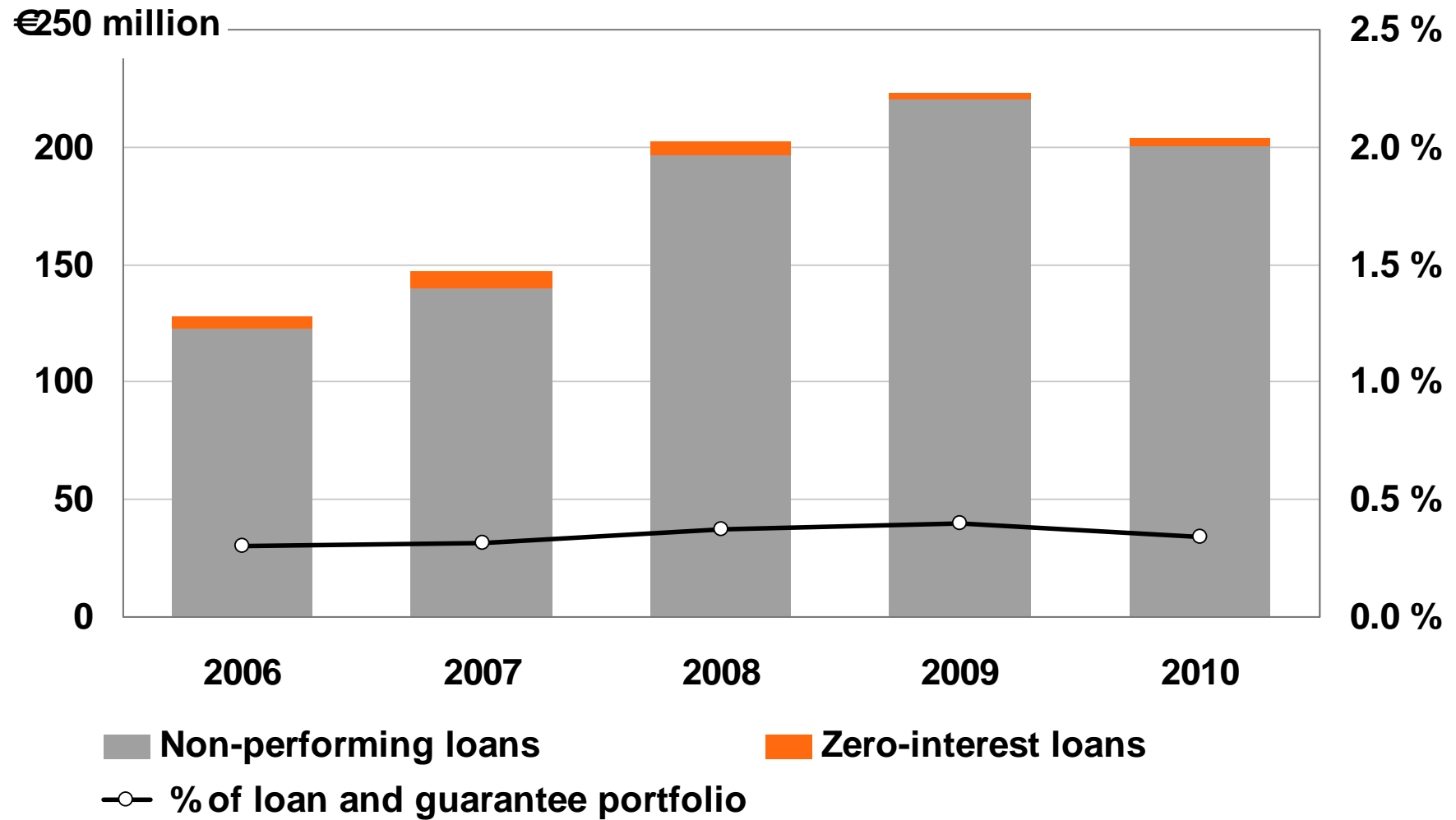


# OP-Pohjola Group

## Impairments of receivables



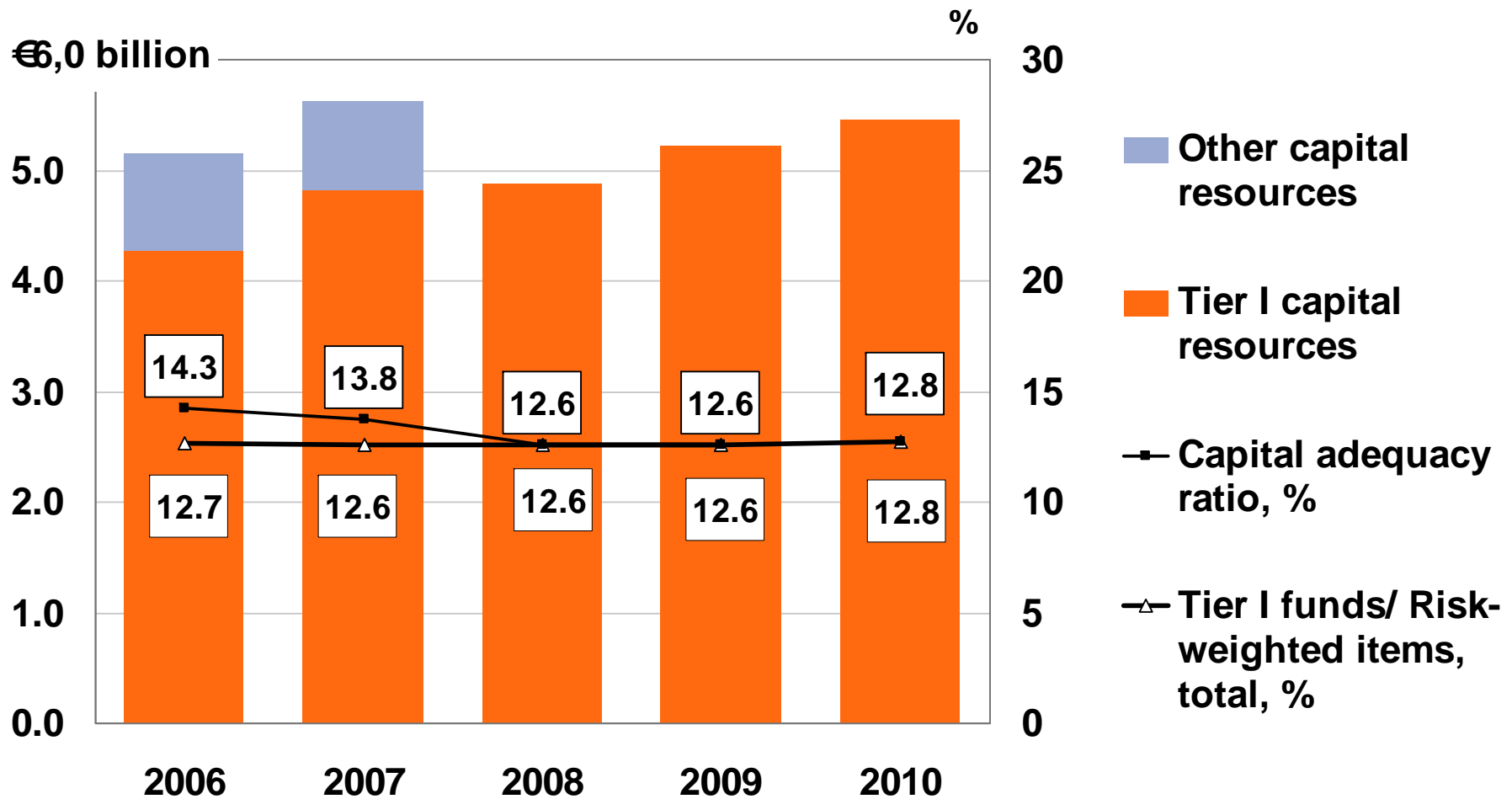
# OP-Pohjola Group Non-performing loans



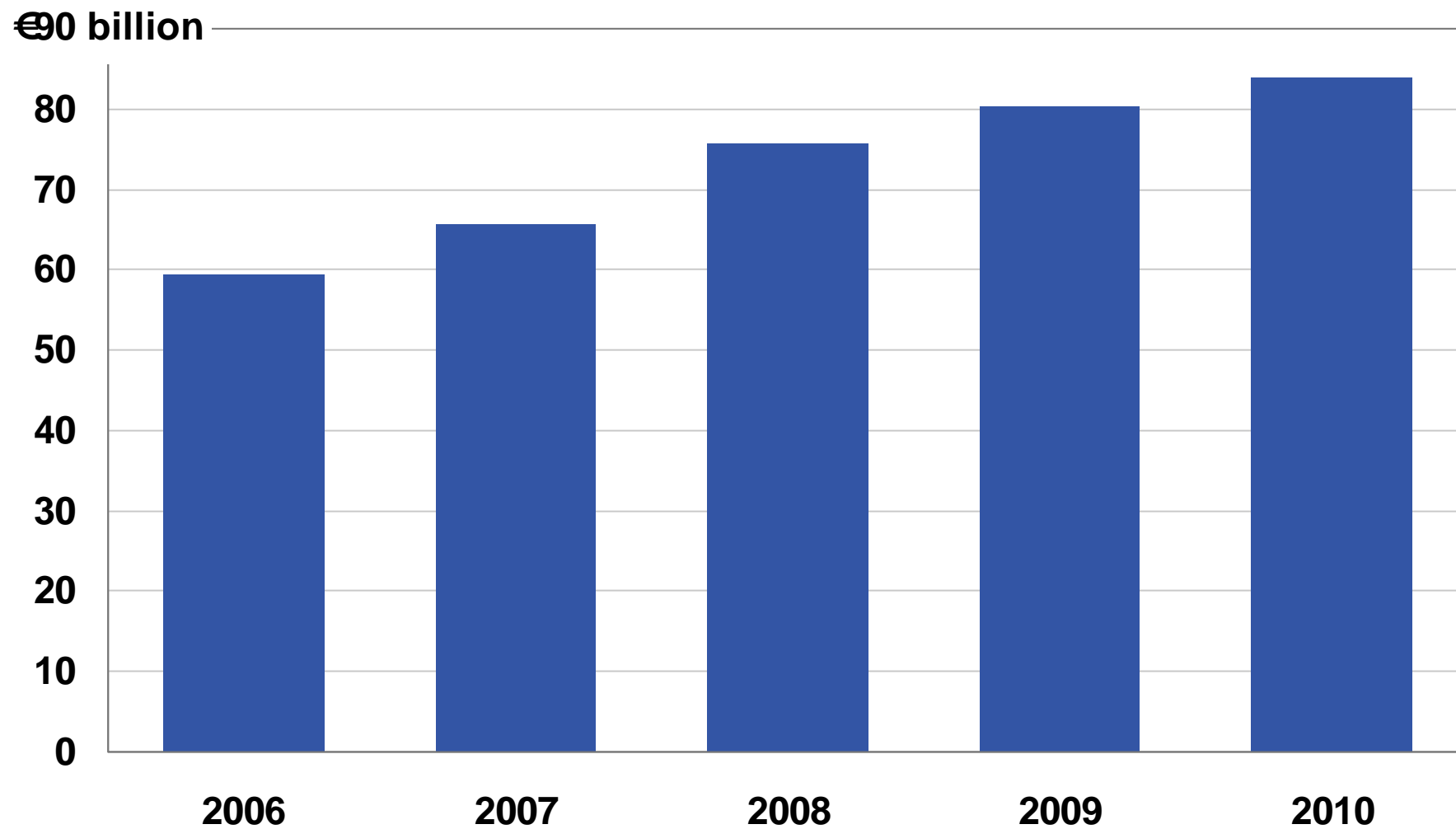


# The amalgamation of the cooperative banks

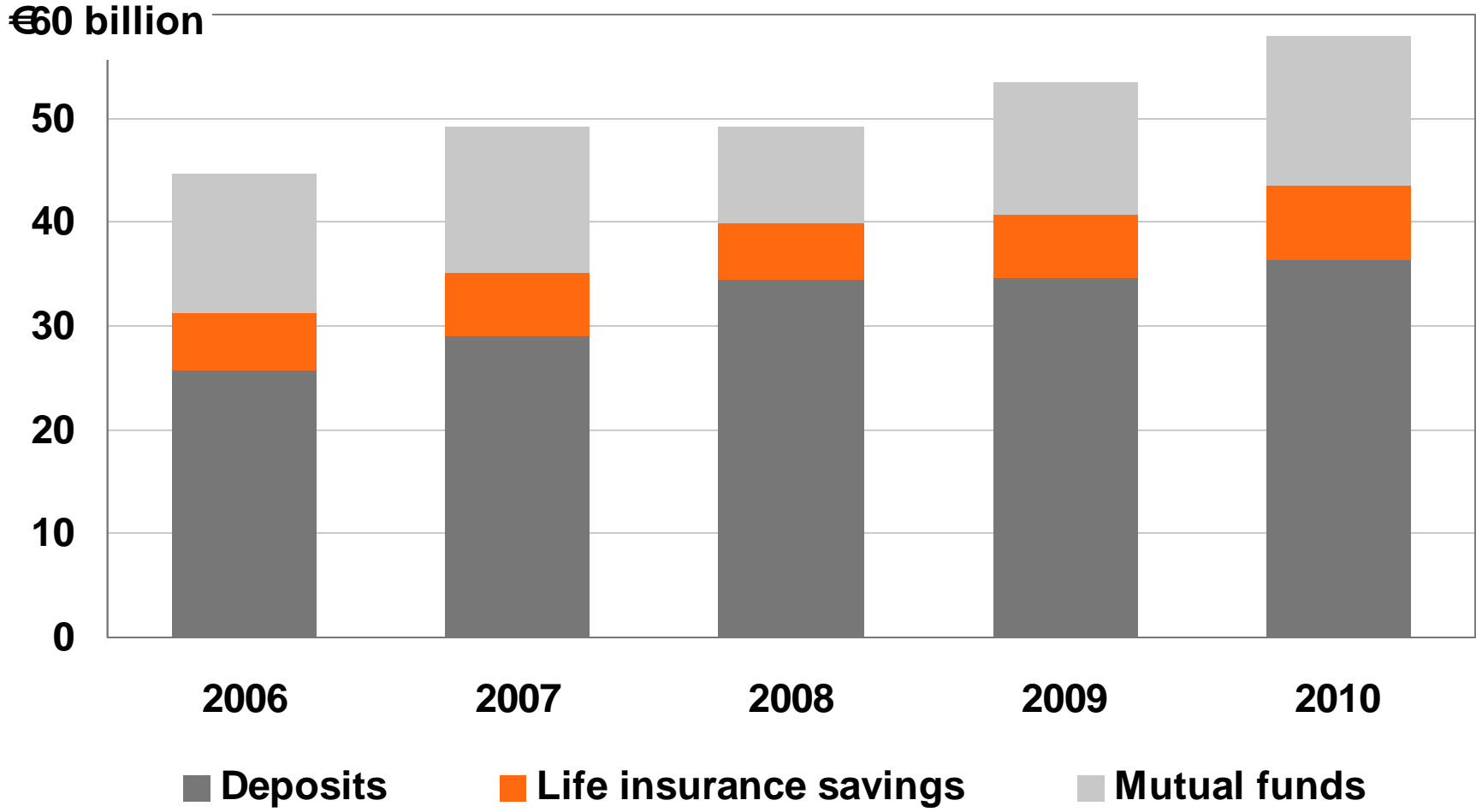
## Capital resources and capital adequacy ratio



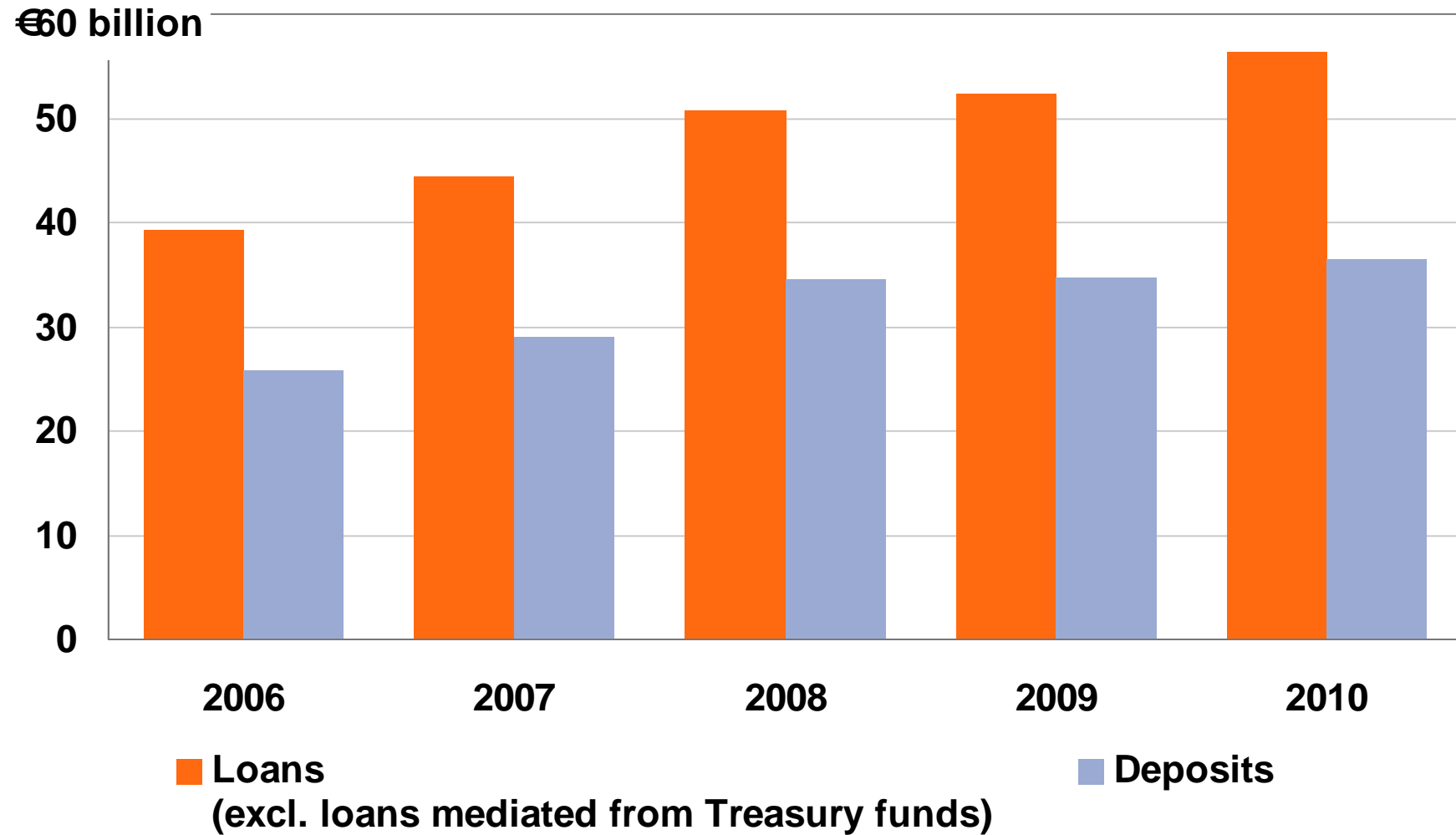
# OP-Pohjola Group Balance sheet



# OP-Pohjola Group Customer funds

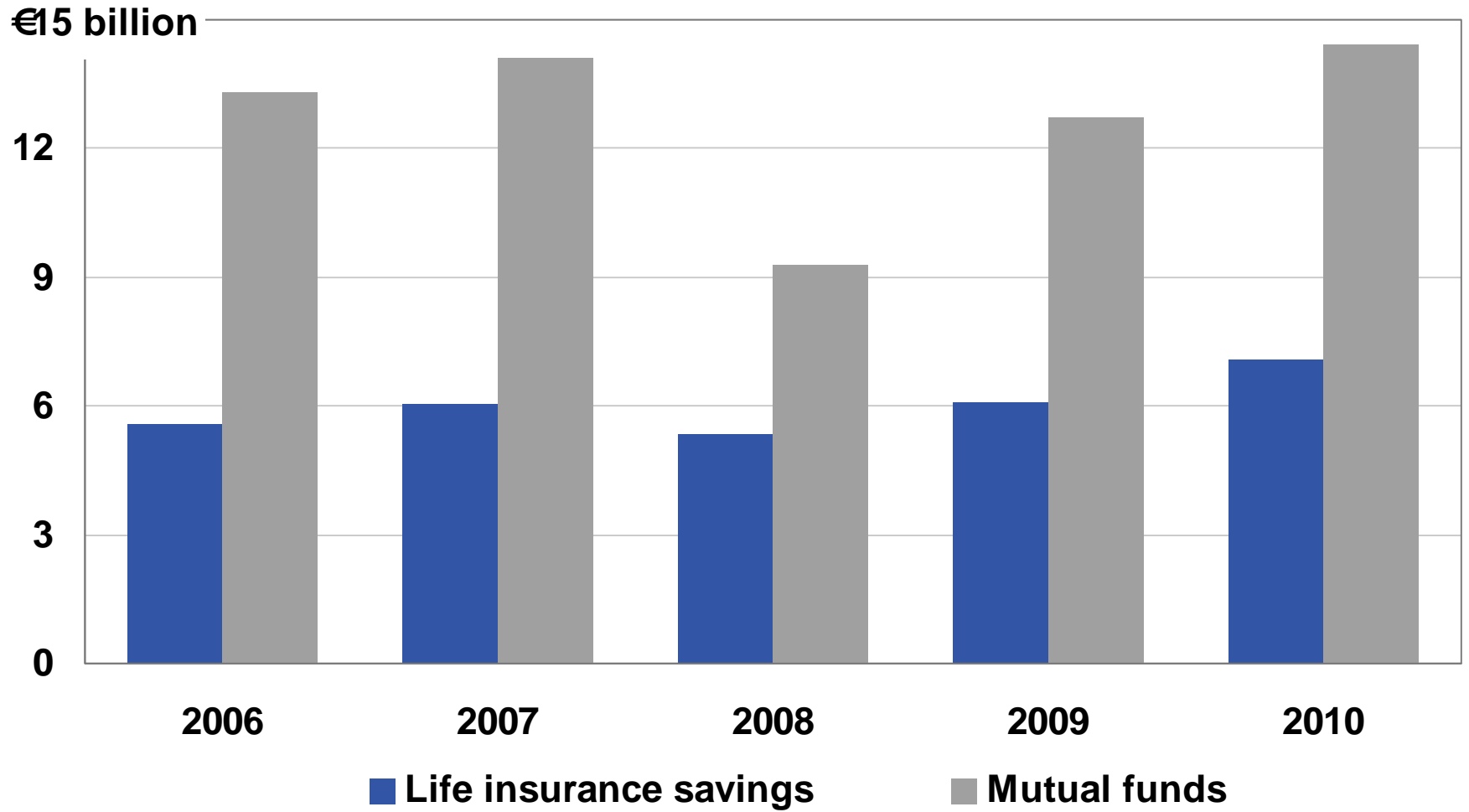


# OP-Pohjola Group Loans and deposits



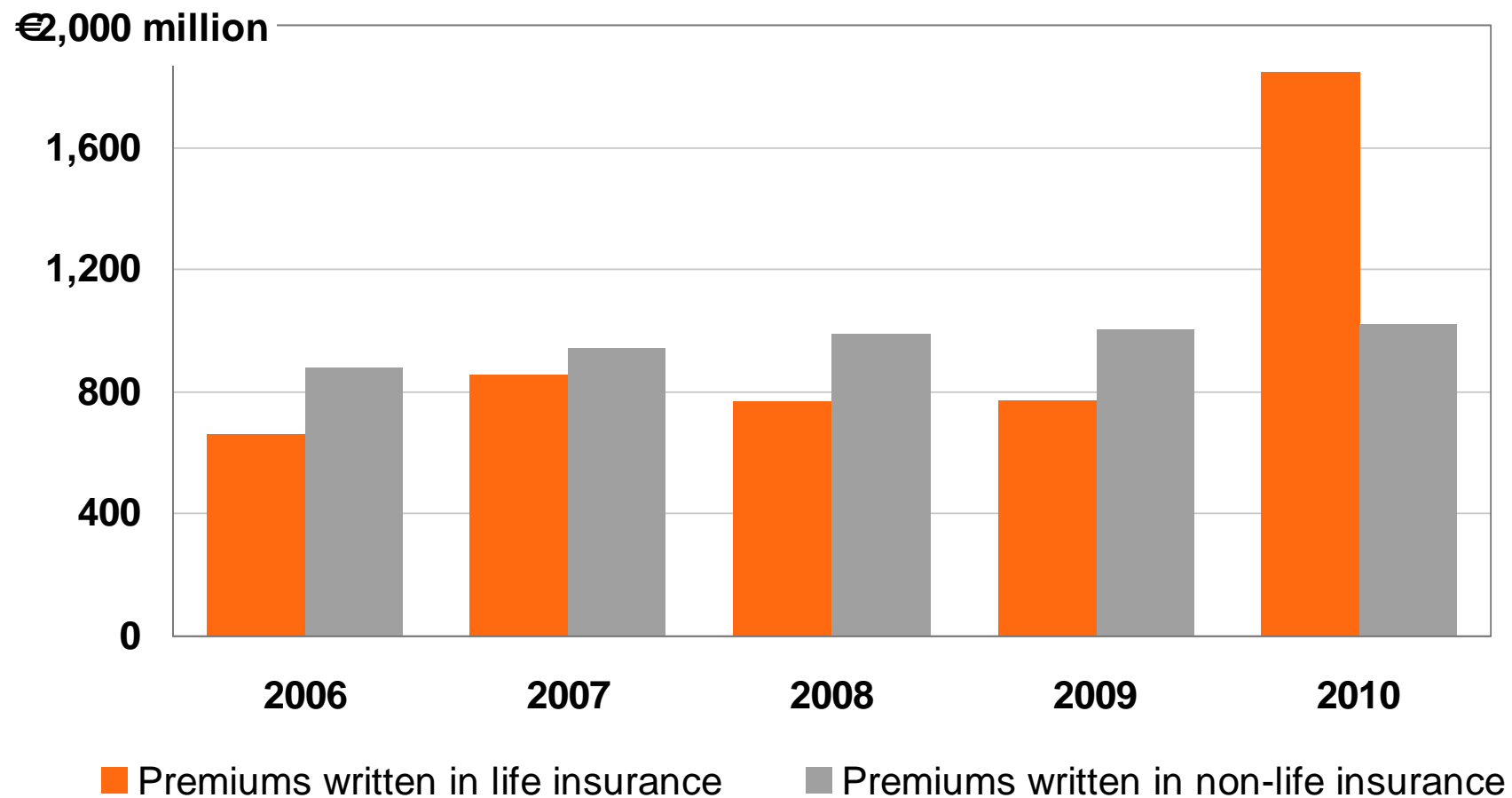
# OP-Pohjola Group

## Life insurance savings and capital in mutual funds



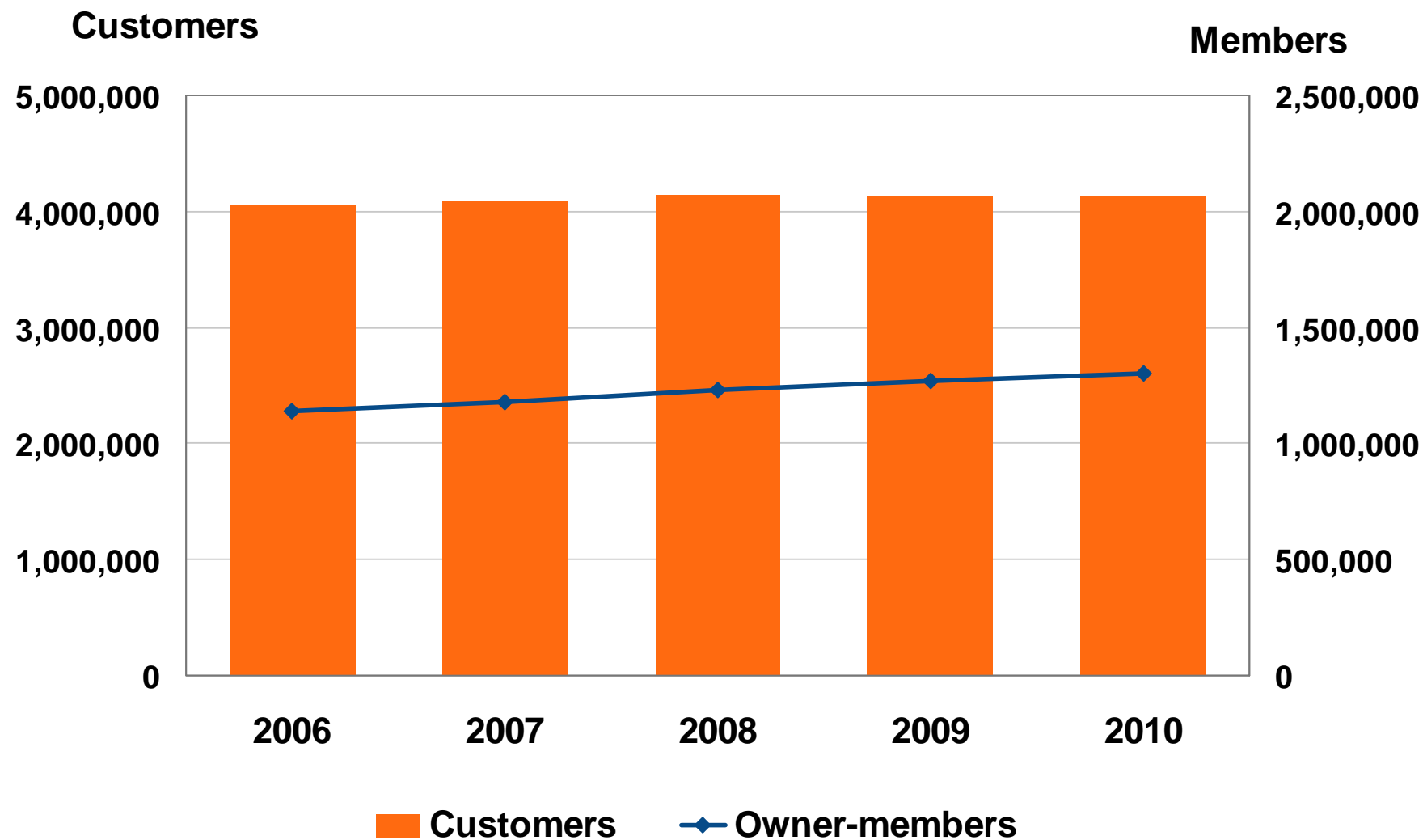
# OP-Pohjola Group

## Premiums written in life and non-life insurance

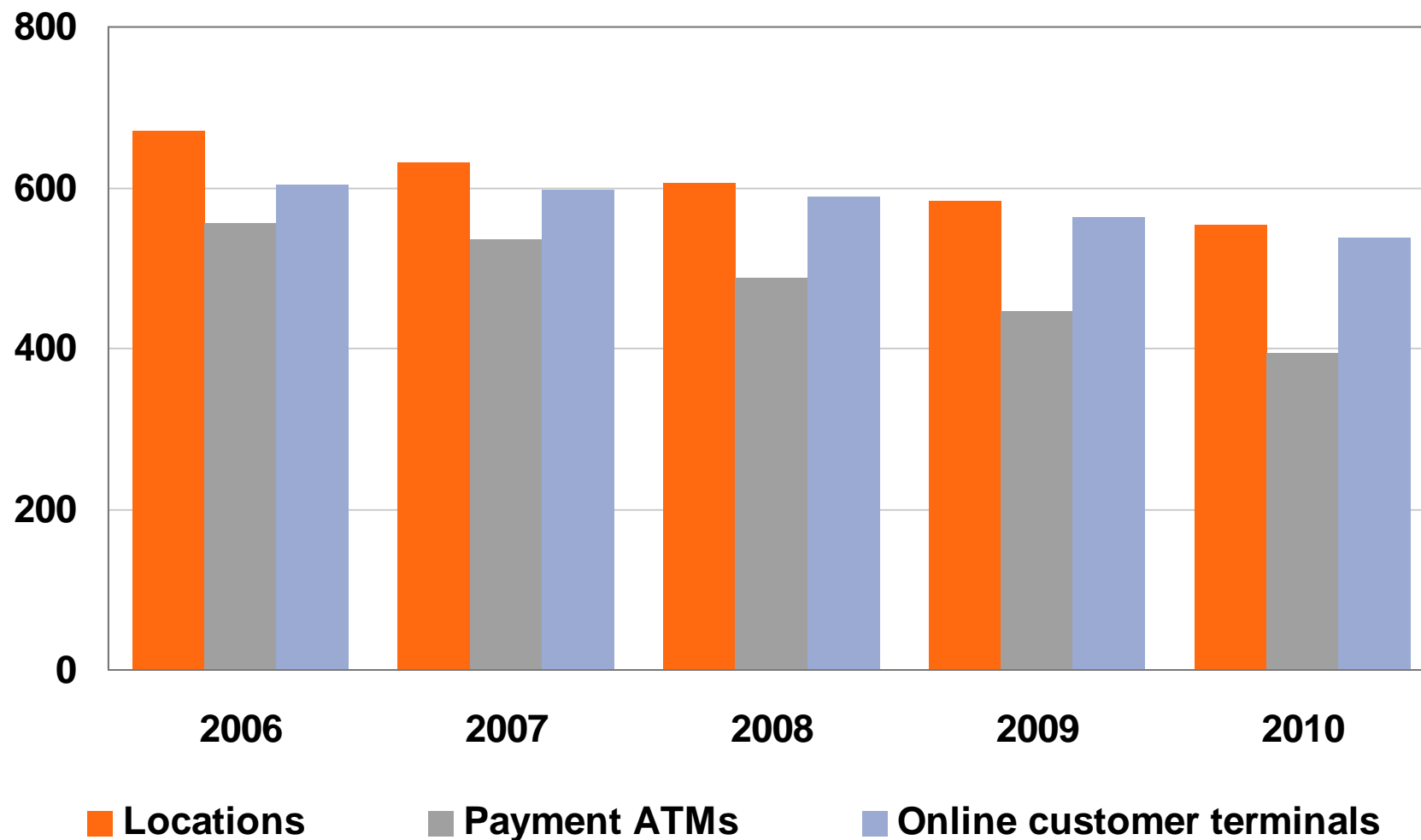


# OP-Pohjola Group

## Customers and owner-members



# OP-Pohjola Group Service network





## OP-Pohjola Group Personnel

