

Pohjola Bank plc's Interim Report 1 January–30 September 2012



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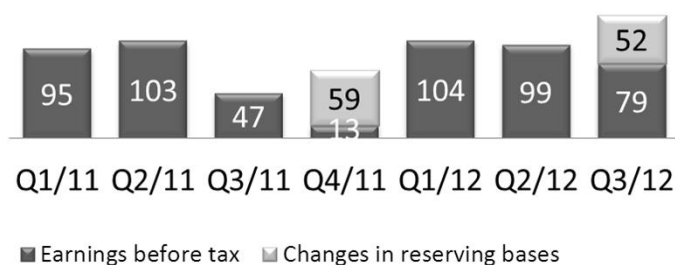
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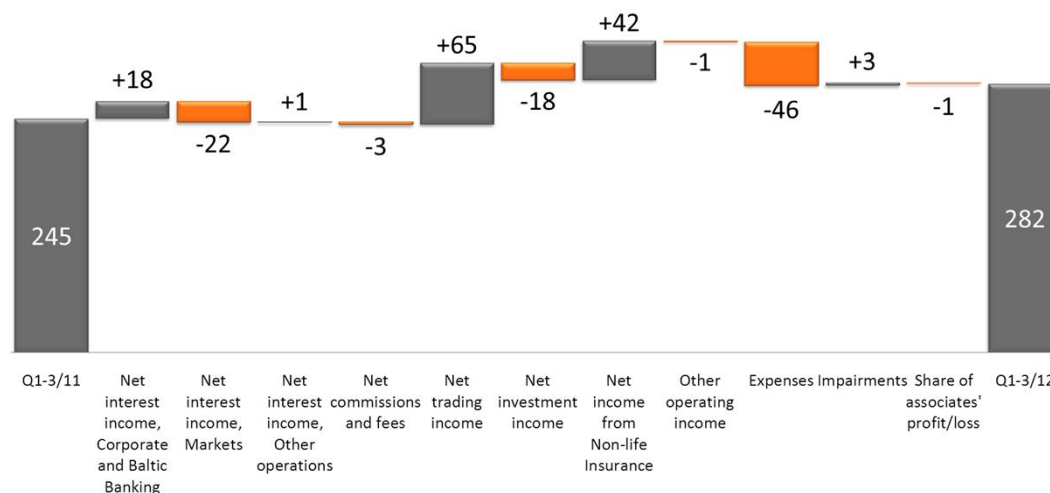
Pohjola Group Q3/2012

Good Earnings

Earnings before tax, € mn
By quarter



Earnings before tax, € mn
Year-on-year change, Q1–3

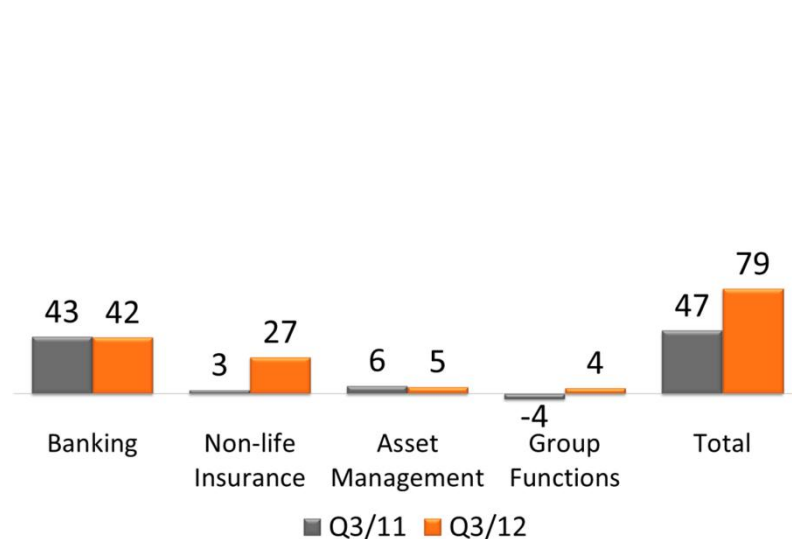


Earnings were eroded by a reduction in the discount rate within Non-life Insurance, €52 mn, and non-recurring expenses related to the reorganisation programme, €6 mn.

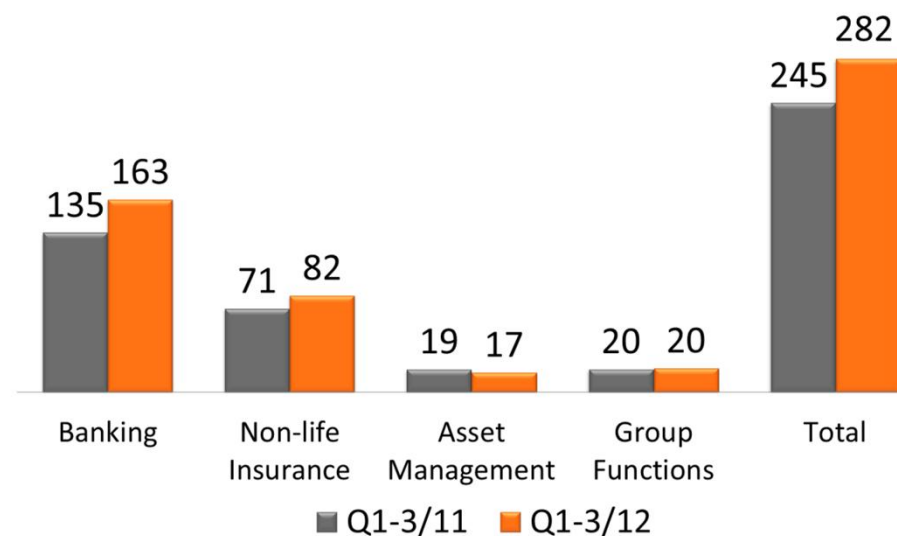
Banking Q3/12 Earnings before Tax at Previous Year's Level

Strong Earnings Performance of Non-life Insurance

Earnings before tax, € mn
By business line, year-on-year change
Q3



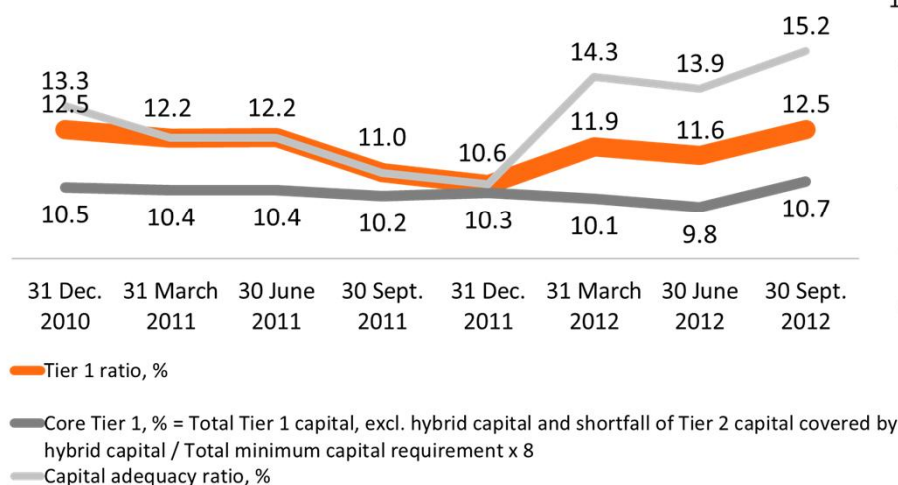
Earnings before tax, € mn
By business line, year-on-year change
Q1-3



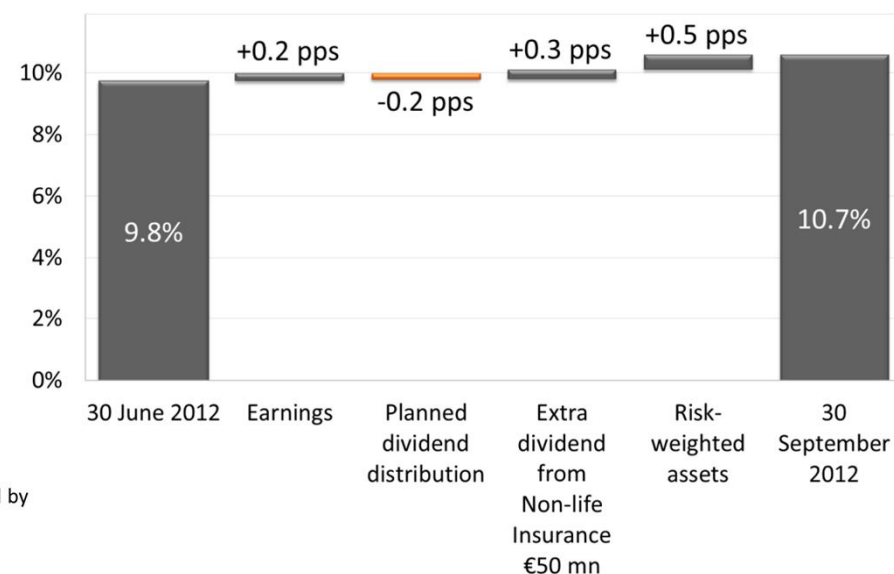
Core Tier 1 Ratio Improved by Almost 1 Percentage Point in Q3/12

- Capital adequacy improved as a result of dividends distributed by Non-life Insurance and a reduction in risk-weighted assets.
- Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates, 1.90 (1.41) was clearly above the statutory minimum requirement.
- In Q4/2012, redemption of Upper Tier 2 perpetual subordinated notes of EUR 150 mn and GBP 100 mn will reduce Pohjola Group's capital adequacy ratio (pro forma, 30 Sept. 2012) under the Act on Credit Institutions by 2.0 pps and that under the Act on the Supervision of Financial and Insurance Conglomerates by 0.22.

Capital adequacy ratio under the Act on Credit Institutions, %



Changes in Core Tier 1 ratio in Q3/12



OP-Pohjola Group's Core Tier 1 ratio 14.8% as of 30 September 2012 (14.0% on 31 Dec. 2011)

OP-Pohjola Group's Core Tier 1 ratio target is 15%.

Financial targets over the economic cycle

Strategy 2009 – Value through integration

	Target	Q3/12	Q1-3/12	2011	2010	2009
Group						
Return on equity at fair value, %	13	20.4	25.0	3.1	9.3	19.2
Tier 1 ratio, %	> 9.5	12.5	12.5	10.6	12.5	11.8
Core Tier 1 ratio, %		10.7	10.7	10.3	10.5	9.7
Banking						
Operating cost/income ratio, %	< 40	38	35	35	35	35
Non-life Insurance						
Operating combined ratio, %	92.0	82.3	89.0	89.8	89.7	87.7
Operating expense ratio, %	< 20	19.4	21.8	21.8	21.3	22.2
Solvency ratio, %	70	85	85	77	86	88
Asset Management						
Operating cost/income ratio, %	< 50	54	54	49	53*	53
Rating target						
AA rating affirmed by at least two credit rating agencies	2	2	2	2	3	3
Dividend policy						
Dividend payout ratio 50%, provided that Tier 1 ratio ≥ 9.5%	≥ 50	-	-	60	55	51

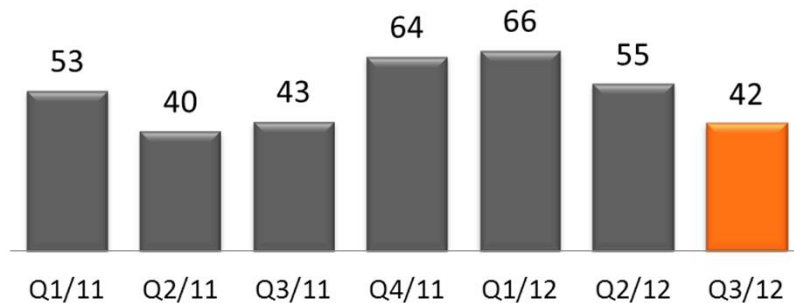
* excl. items related to corporate transactions



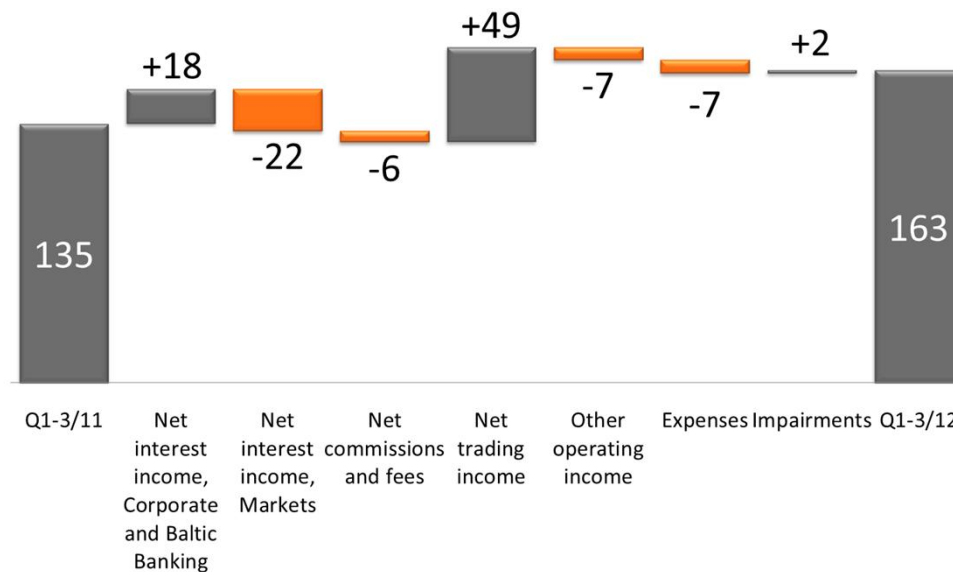
Banking Q3/2012

Cumulative Earnings Improved YoY

Earnings before tax, € mn
By quarter

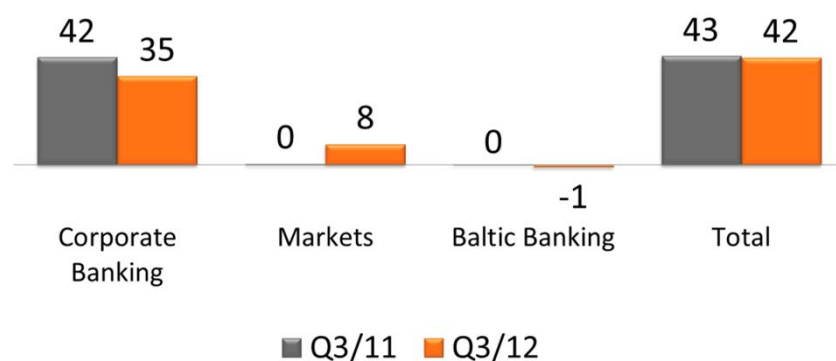


Earnings before tax, € mn
Year-on-year change, Q1–3

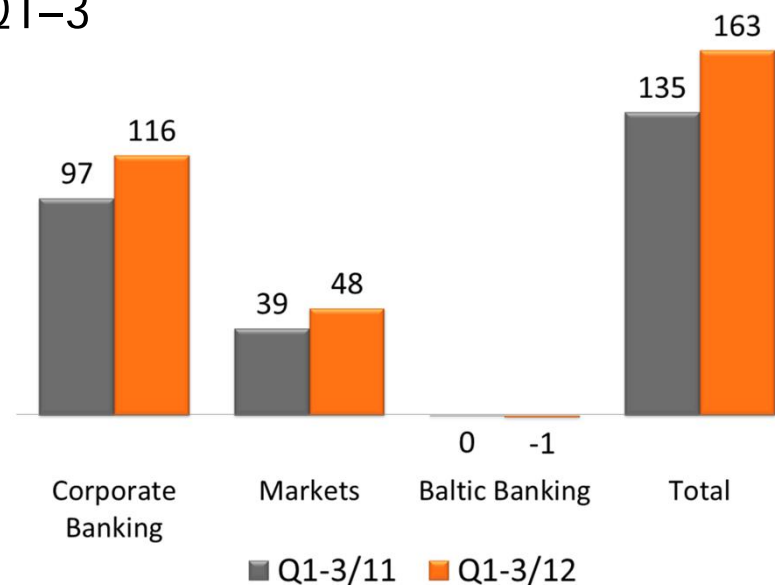


Q1–3/12 Net Interest Income from Corporate Banking Rose by 14% and Impairment Charges at Previous Year's Level

Earnings before tax, € mn
By division, year-on-year change
Q3



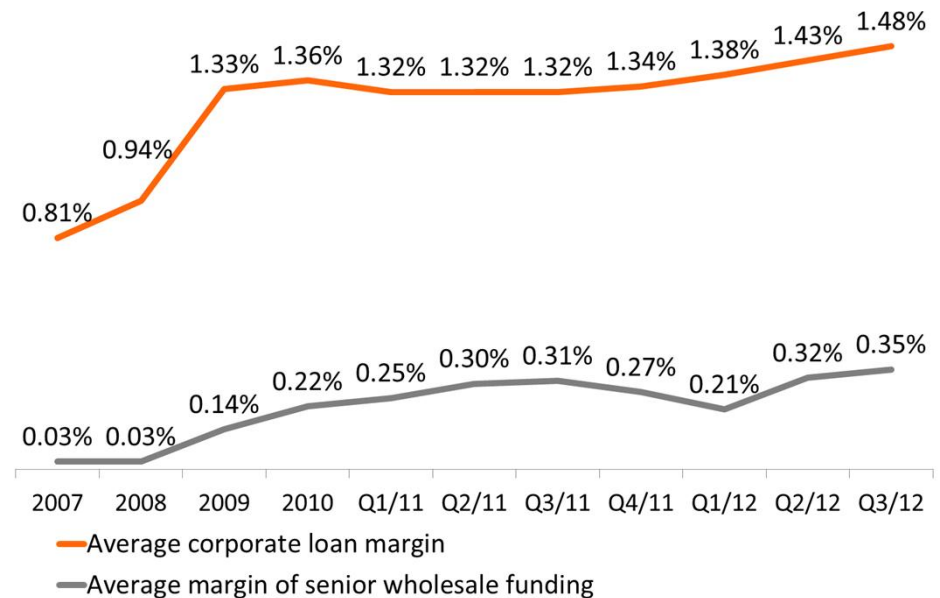
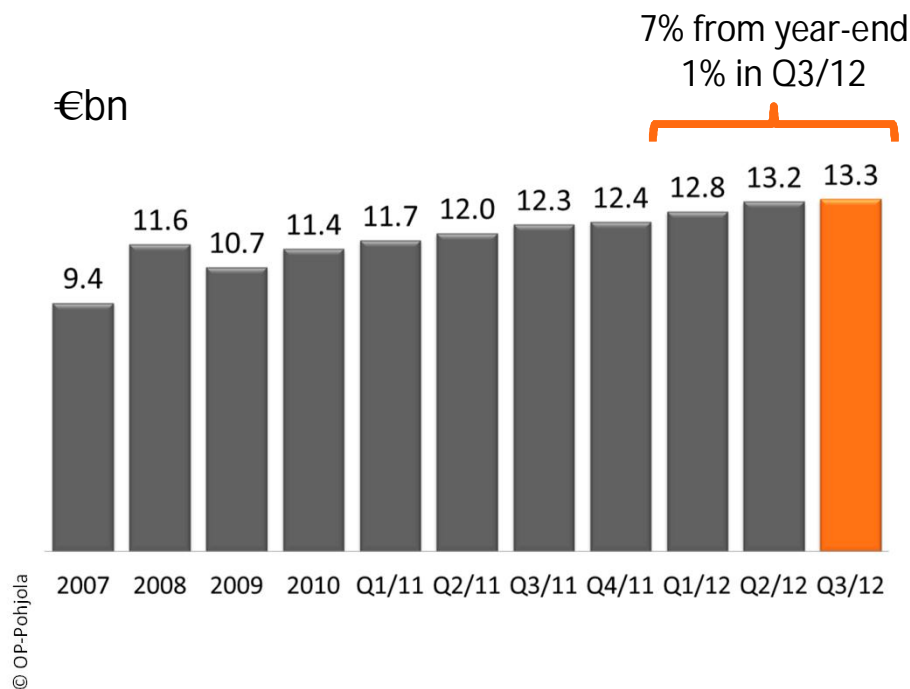
Earnings before tax, € mn
By division, year-on-year change
Q1–3



Loan Portfolio Up by 8% and Average Margin Up by 16 Basis Points in the Year to September

Slowdown in the loan portfolio growth
in Q3/12 Market share of corporate
loans unchanged, 20.7% (Aug/2012)

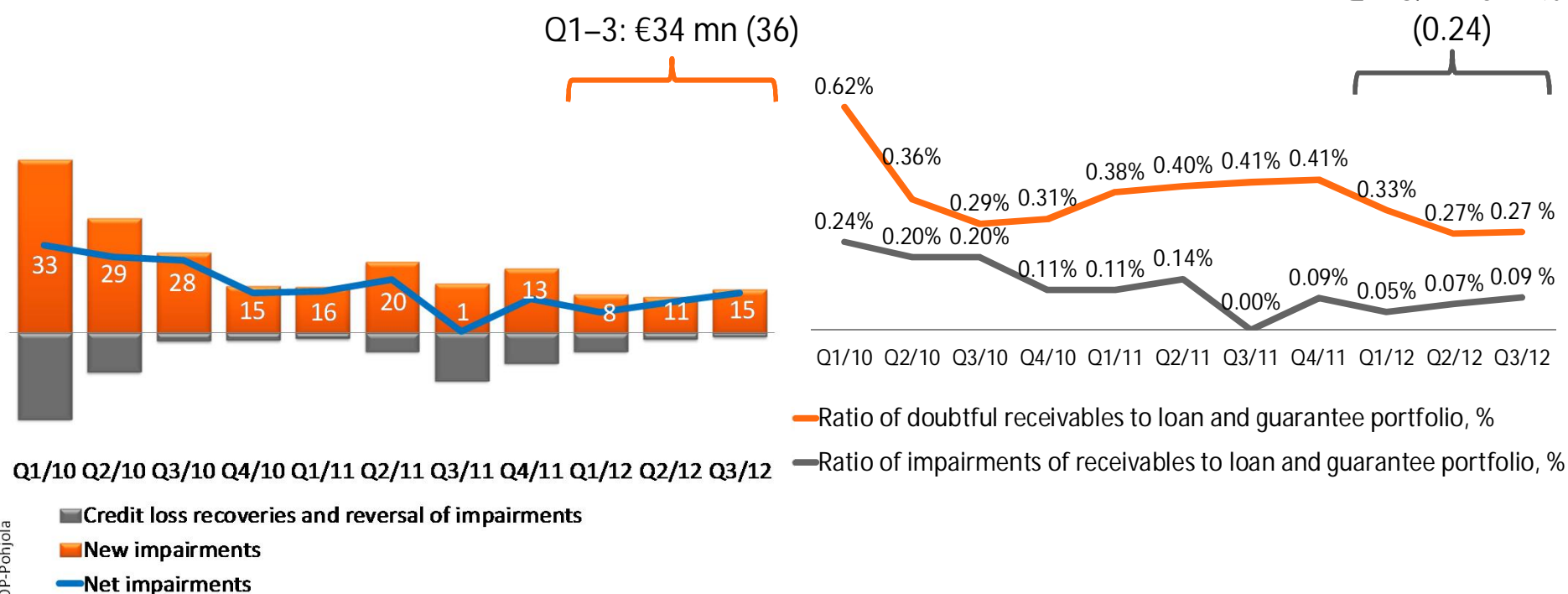
Average corporate loan portfolio
margin rose, funding costs went up



Loan Portfolio Quality Remained Good

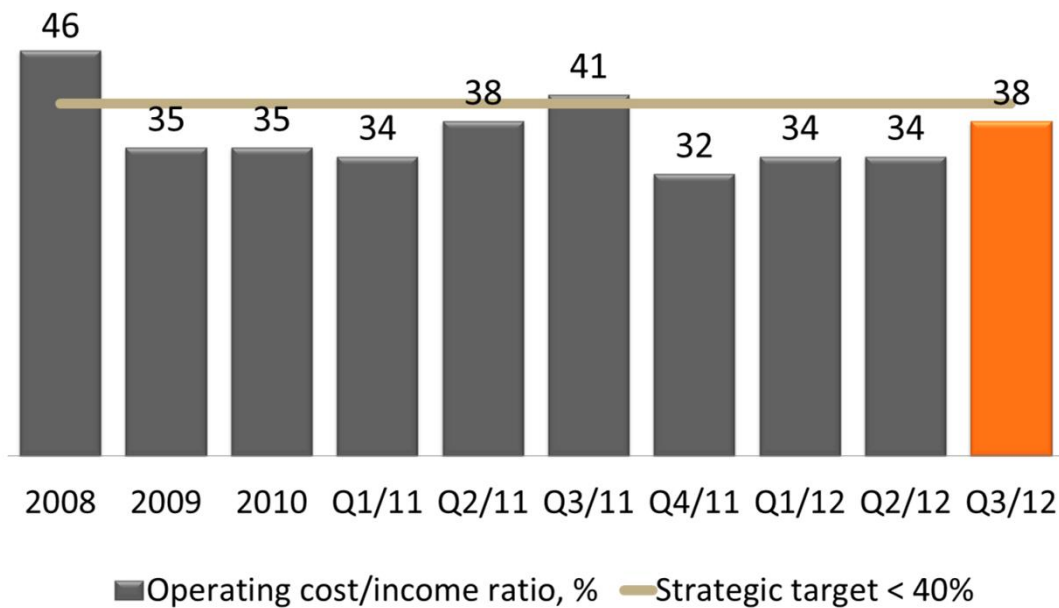
Net impairment loss on receivables
Q3/12: €15 mn (1)

Impairment losses and doubtful
receivables at low levels



Banking Efficiency at Targeted Level

Operating cost/income ratio, %



Earnings before
impairment loss on
receivables Q3/12:
€57 mn (44)

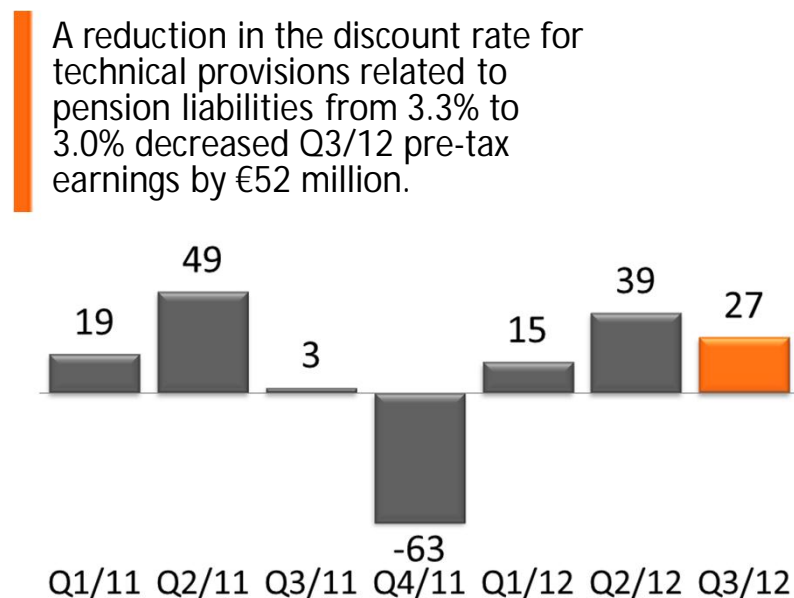


Non-life Insurance Q3/2012

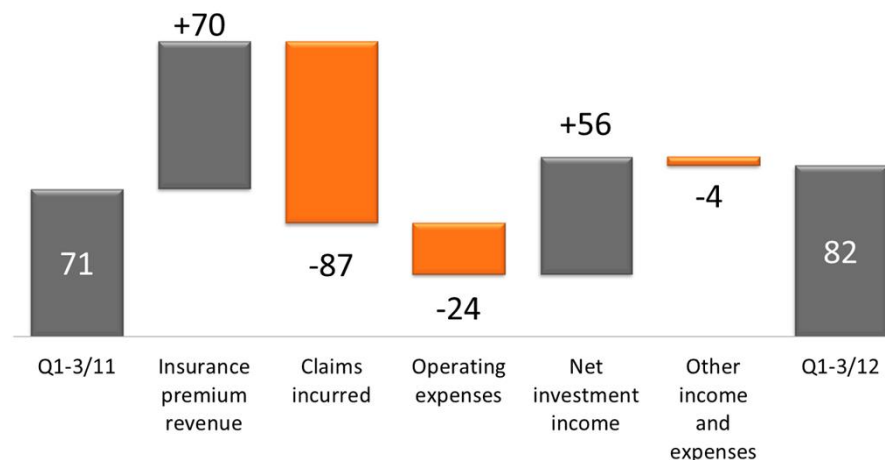
Operating Balance on Technical Account at Good Level

Q1–3/12: 89.0% (89.4%) and Q3/12: 82.3% (85.2%)

Earnings before tax, € mn
By quarter



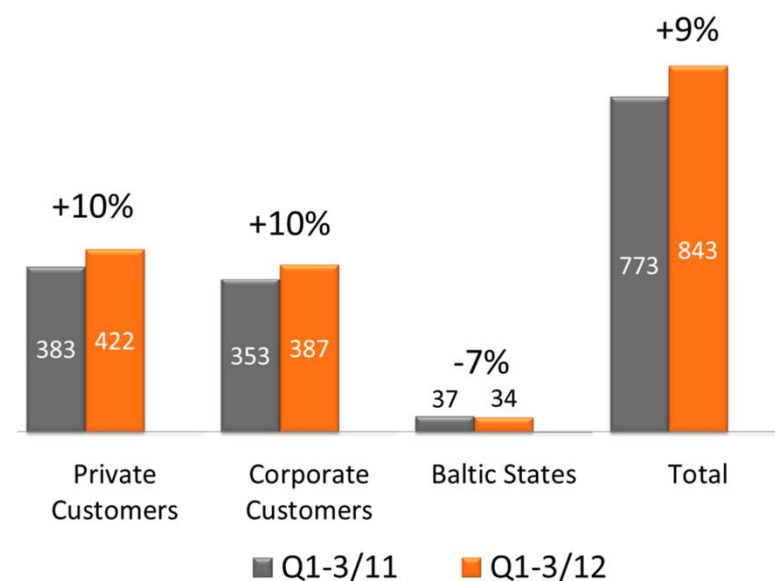
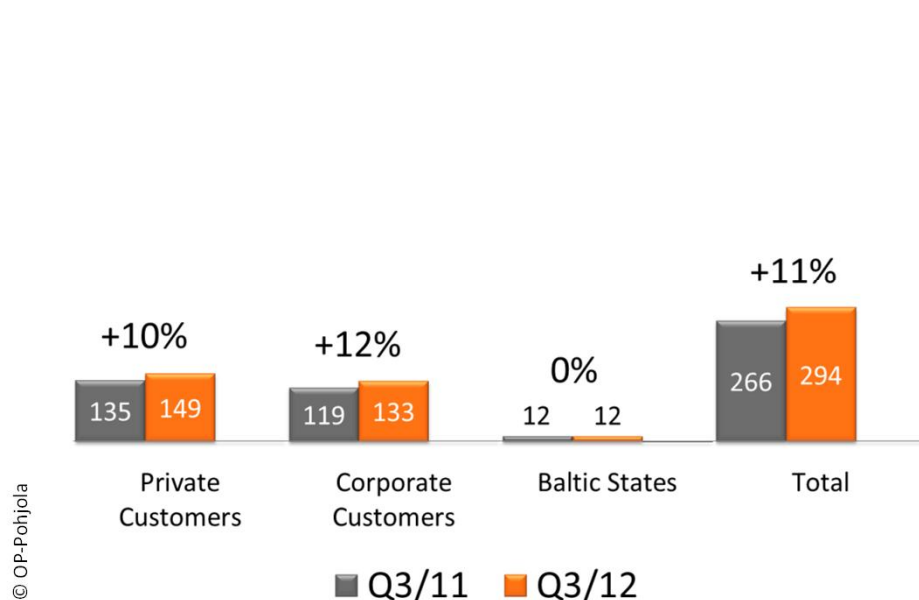
Earnings before tax, € mn
Year-on-year change, Q1–3



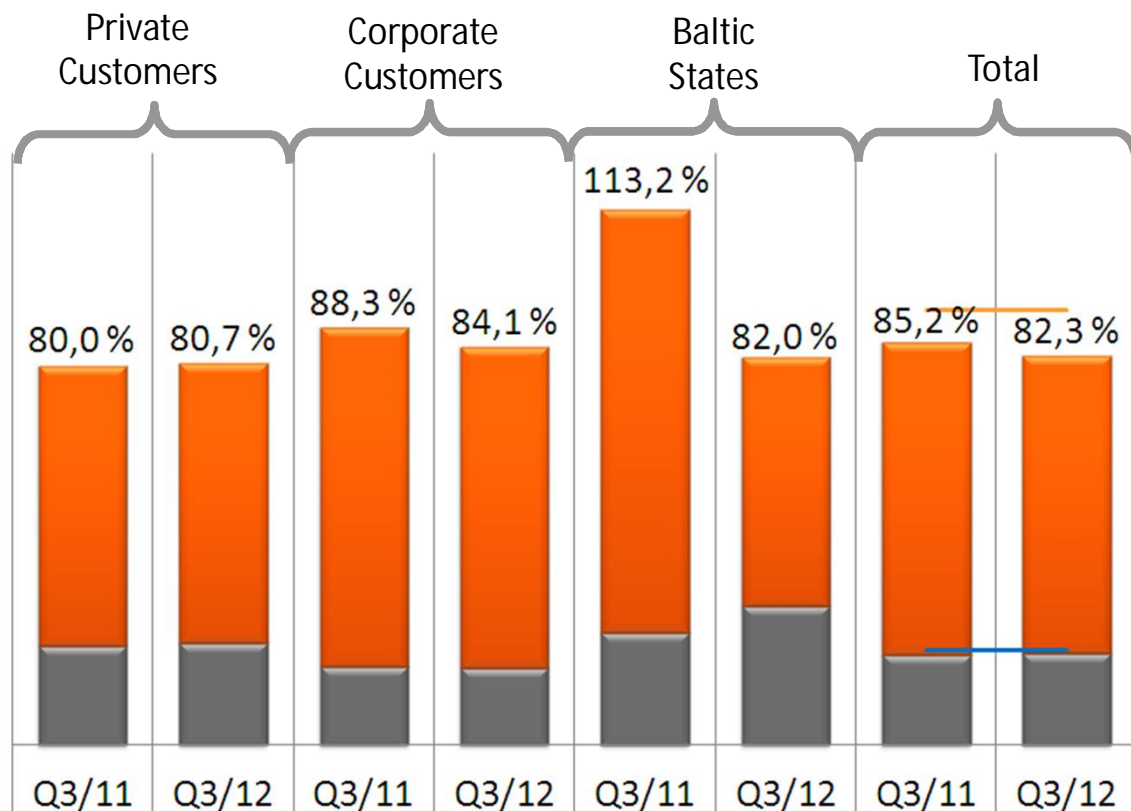
Insurance Premium Revenue from Private Customers Continued to Grow Strongly and Growth in Revenue from Corporate Customers Intensified Further

Insurance premium revenue by division, € mn and year-on-year change, Q3

Insurance premium revenue by division, € mn and year-on-year change, Q1–3



Operating Combined Ratio at Good Level in All Divisions

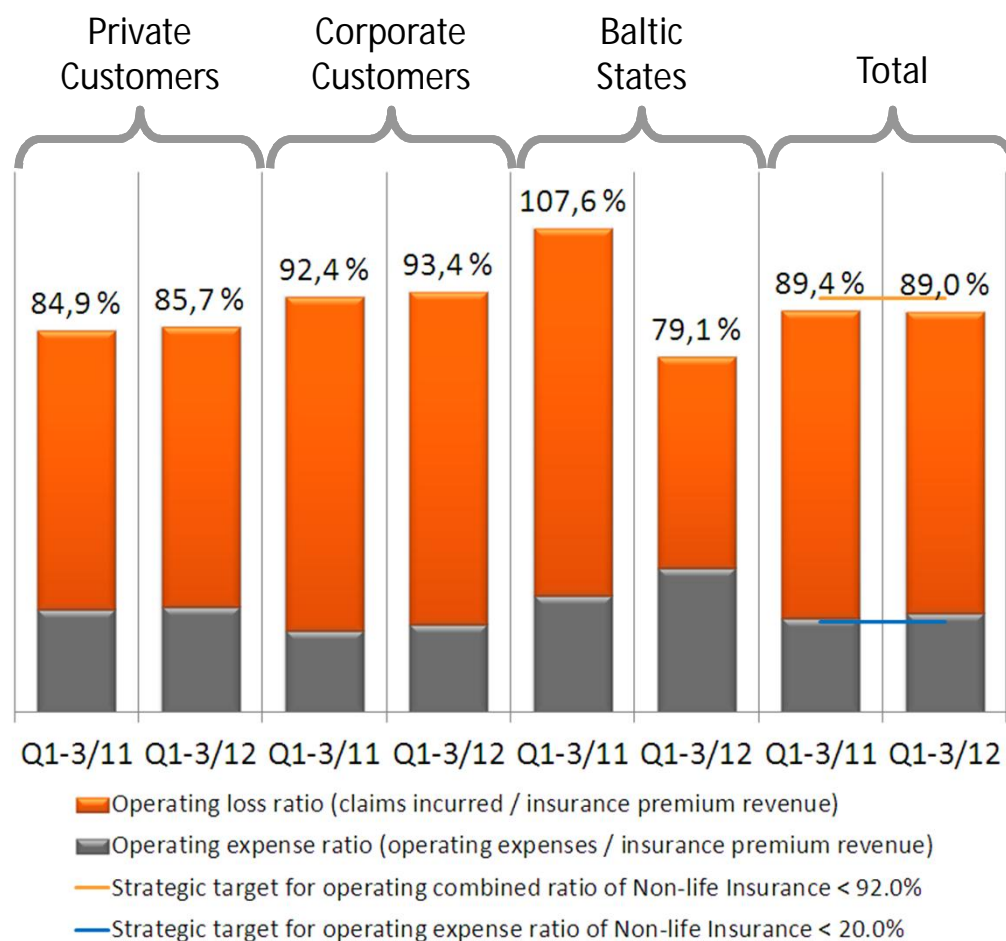


Amount released from technical provisions relating to prior year gains improved the balance on technical account by €16 mn more than a year ago (excl. the effect of change in reserving basis)

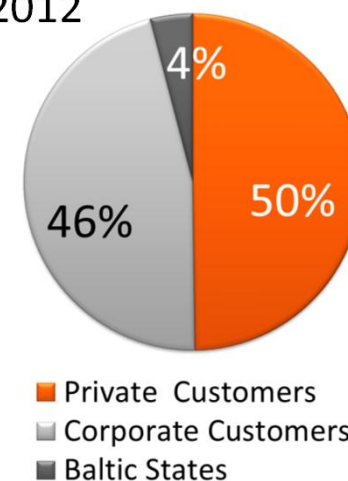
- Operating loss ratio (claims incurred / insurance premium revenue)
- Operating expense ratio (operating expenses / insurance premium revenue)
- Strategic target for operating combined ratio of Non-life Insurance < 92.0%
- Strategic target for operating expense ratio of Non-life Insurance < 20.0%

Operating Combined Ratio at Good Level in All Divisions

Operating combined ratio by division

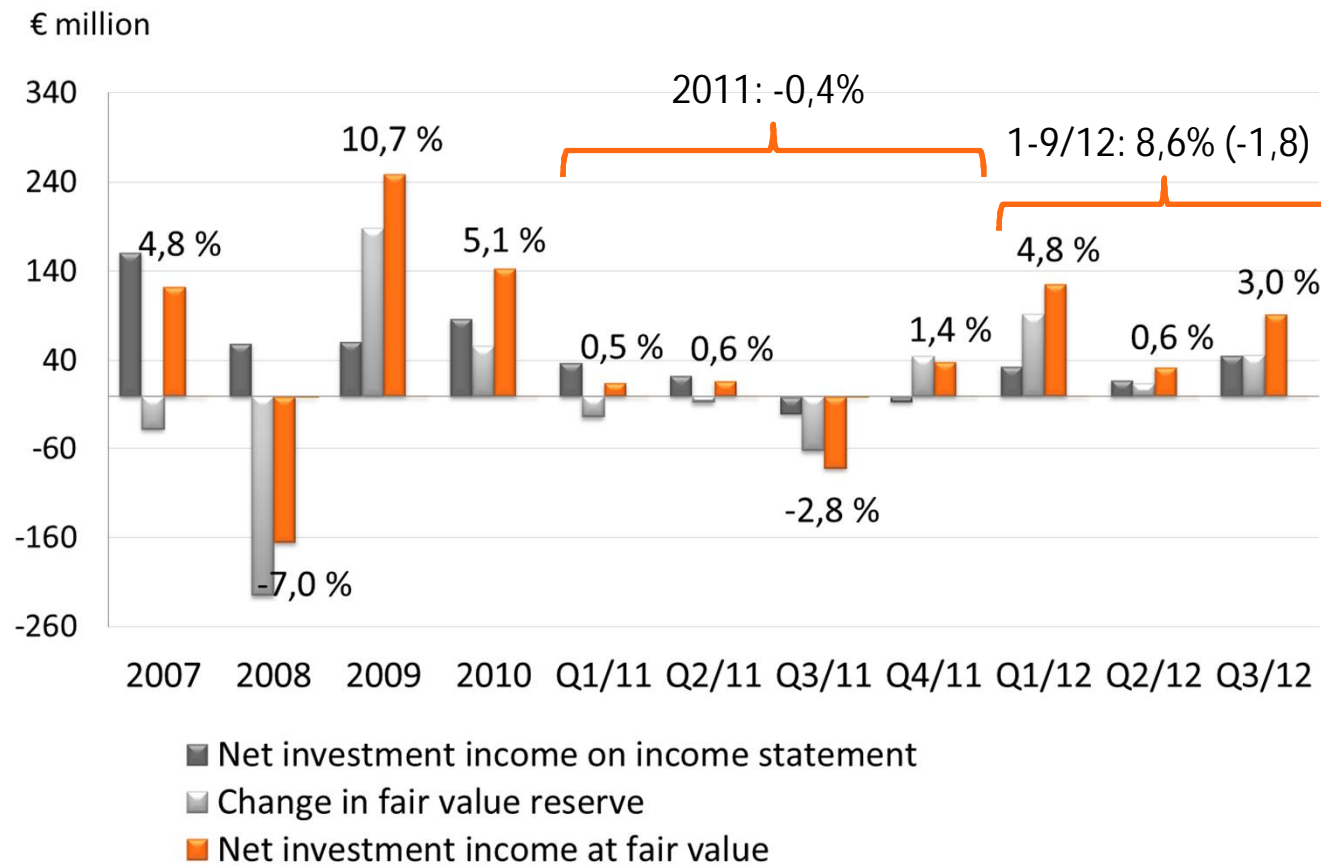


Sources of insurance premium revenue total Q1-3/2012



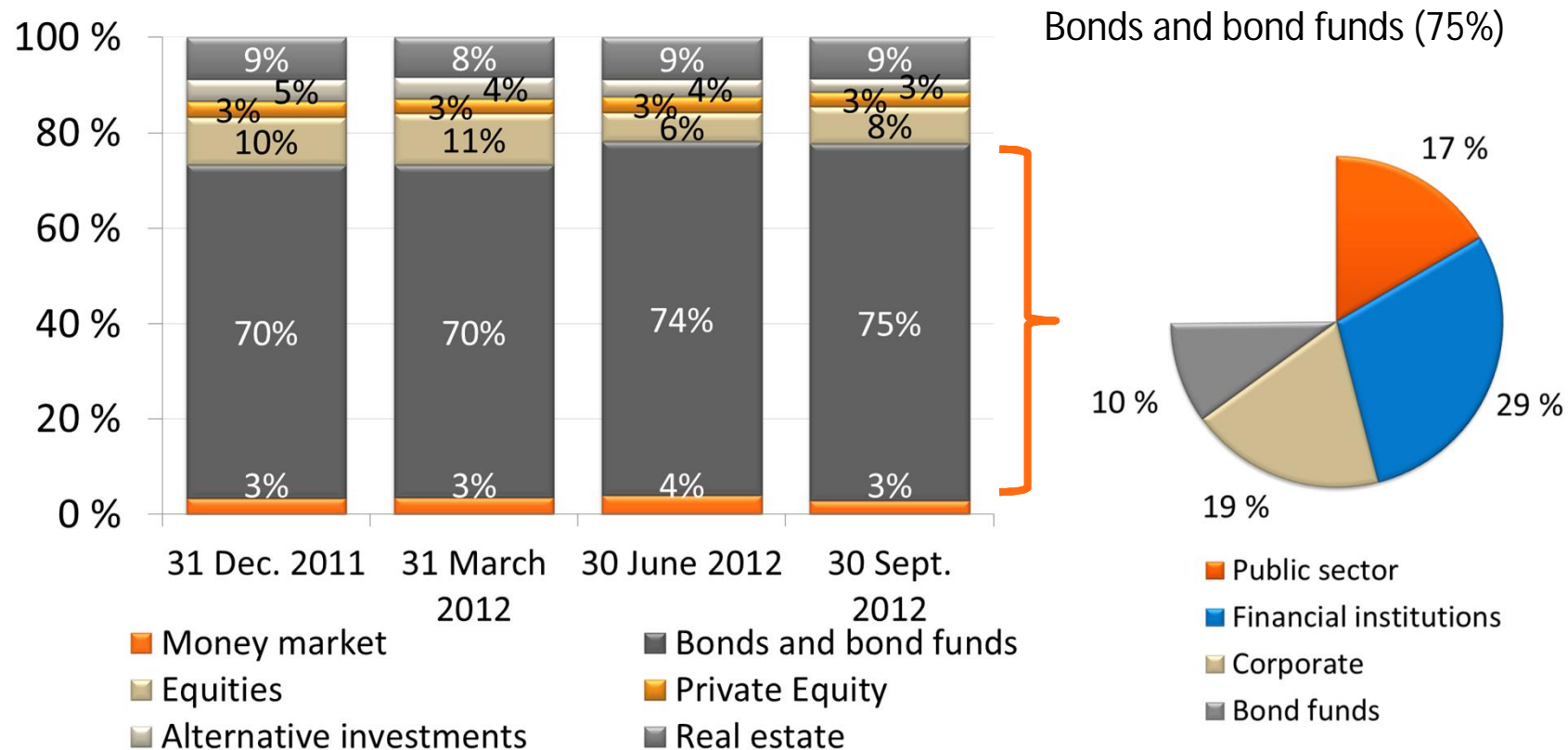
Amount released from technical provisions relating to prior year gains improved the balance on technical account by €15 mn more than a year ago (excl. the effect of change in reserving basis)

Investment Income at Good Level



Increase in Equity Allocation in Investment Portfolio in Q3/12

Investment portfolio (€3.2 bn) by asset class
as of 30 September 2012

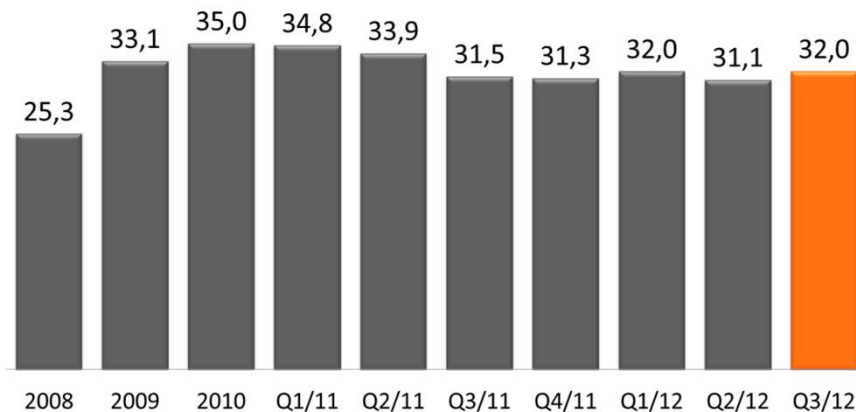




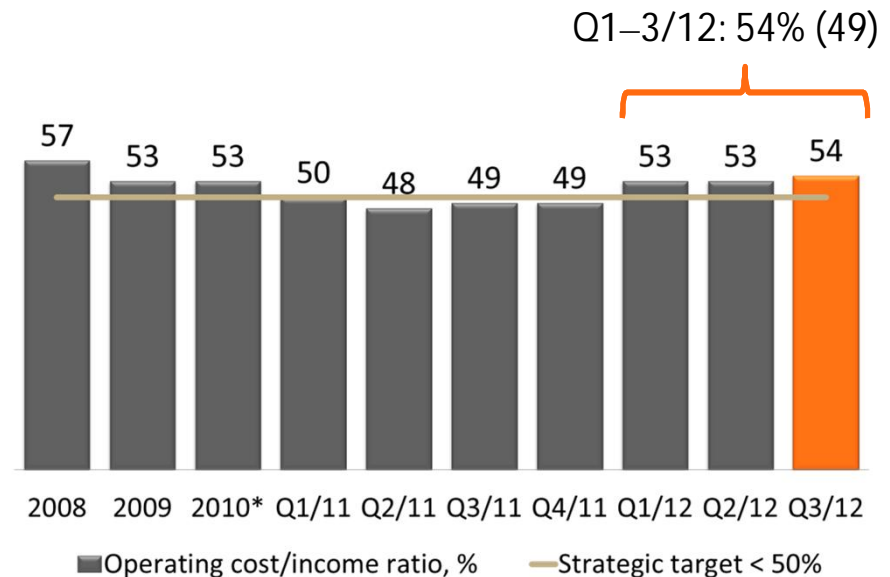
Asset Management Q3/2012

Q1–3/12 Earnings before Tax €17 mn (19)

Assets under management, €bn



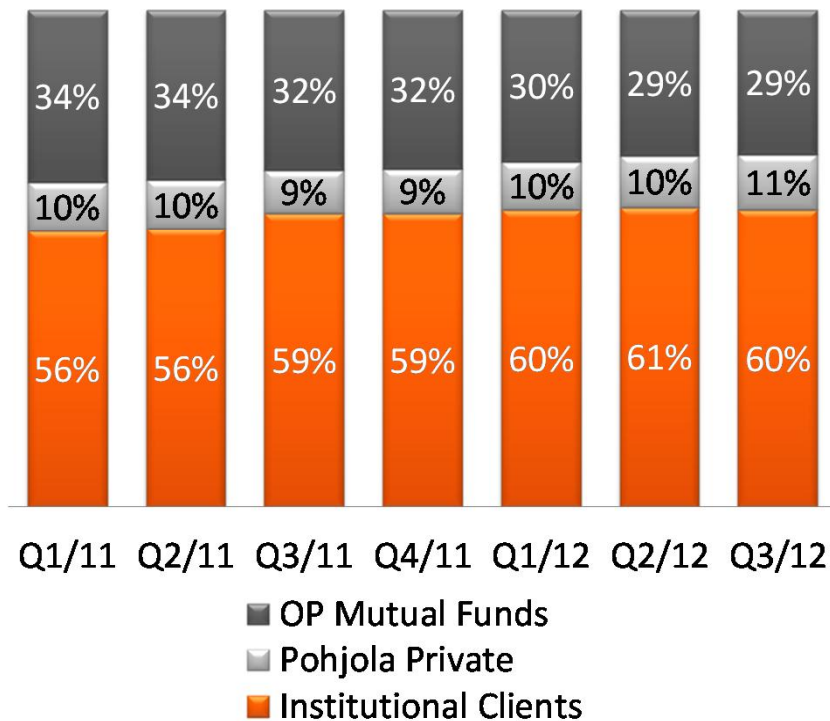
Operating cost/income ratio, %



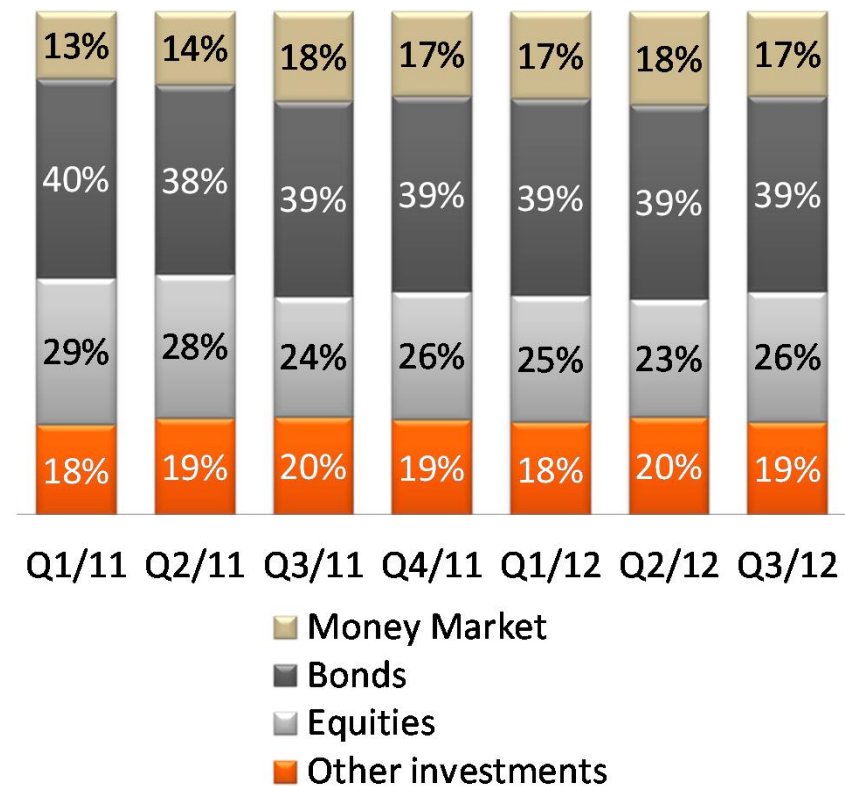
* excl. items related to corporate transactions

Increase of Share of Equities of Assets under Management

Assets under management by client group



Assets under management by asset class





Group Functions Q3/2012

Availability of Funding Remained Good

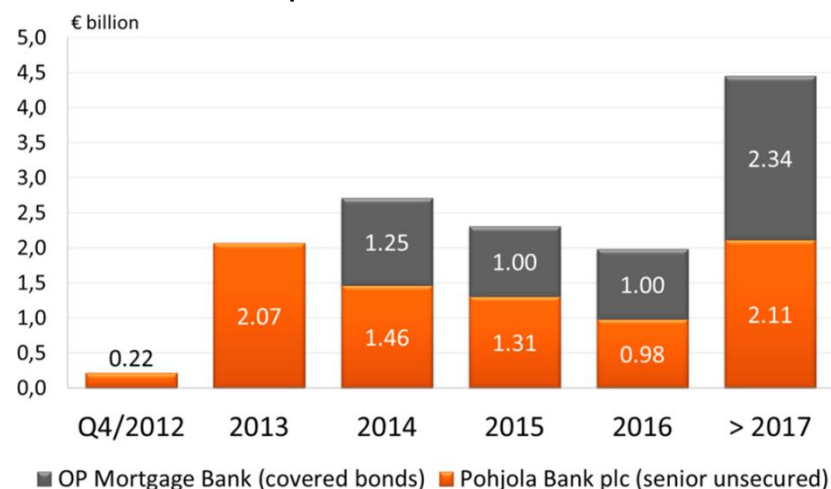
Pohjola Bank plc, senior debt issues

Year	Month	Amount	Maturity	Interest rate
2012	March	€750 mn	5 yrs	m/s+118bp
2011	January	€500 mn	5 yrs	m/s+80bp

OP Mortgage Bank, covered bond issues

Year	Month	Amount	Maturity	Interest rate
2012	May	€1.25 bn	5 yrs	m/s+32bp
2011	July	€1 bn	7 yrs	m/s+48bp

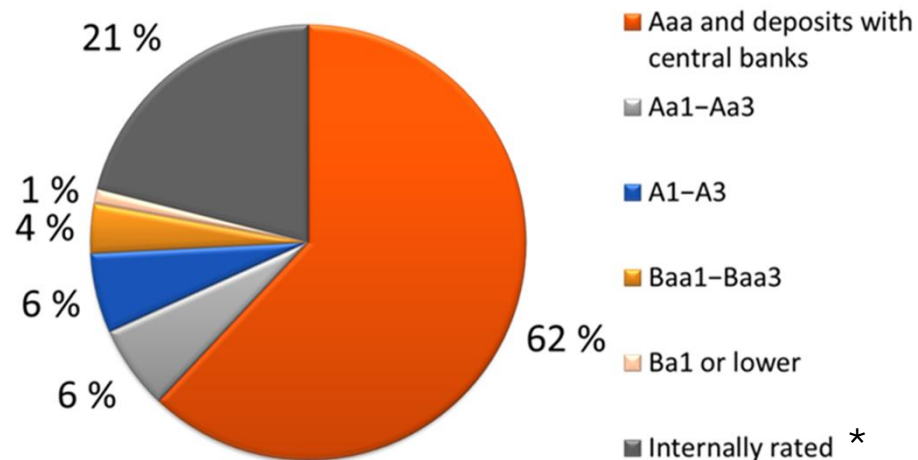
Maturing long-term funding, €bn as of 30 September 2012



- Funding was performed in a pre-emptive fashion during Q1-3/12. In Q3/12, funding was based on issuing private placement bonds.
- Fitch affirmed long-term debt rating at A+ and kept the outlook stable.
- The Group Functions reported Q1-3/12 earnings of €20 mn (20).

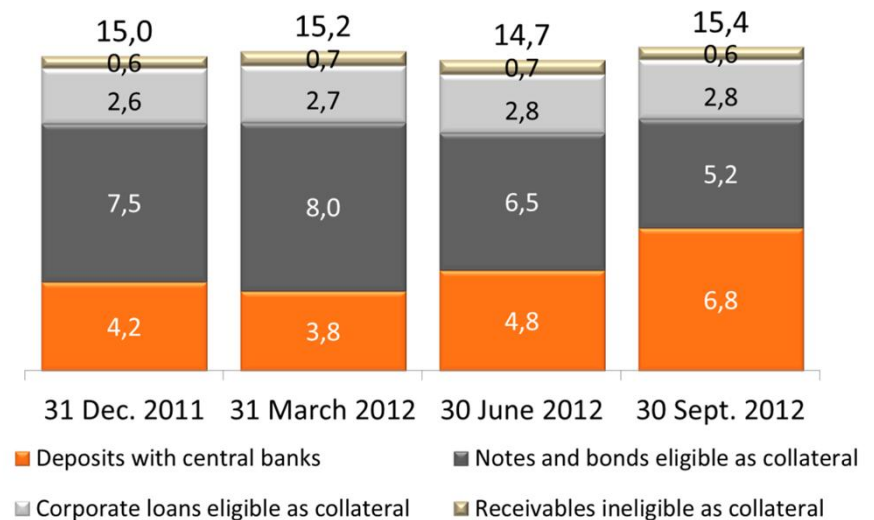
Increase in Cash in the Liquidity Buffer

Liquidity buffer (€15.4 bn) by credit rating as of 30 September 2012



*) Internally rated: corporate loans (87%), the remainder consists of externally non-rated notes and bonds issued by public-sector entities and companies

Liquidity buffer by product, € bn



The liquidity buffer plus other items based on OP-Pohjola Group's contingency funding plan can be used to cover wholesale funding for at least 24 months.



Outlook towards the end of 2012

Pohjola Group's outlook towards the end of 2012

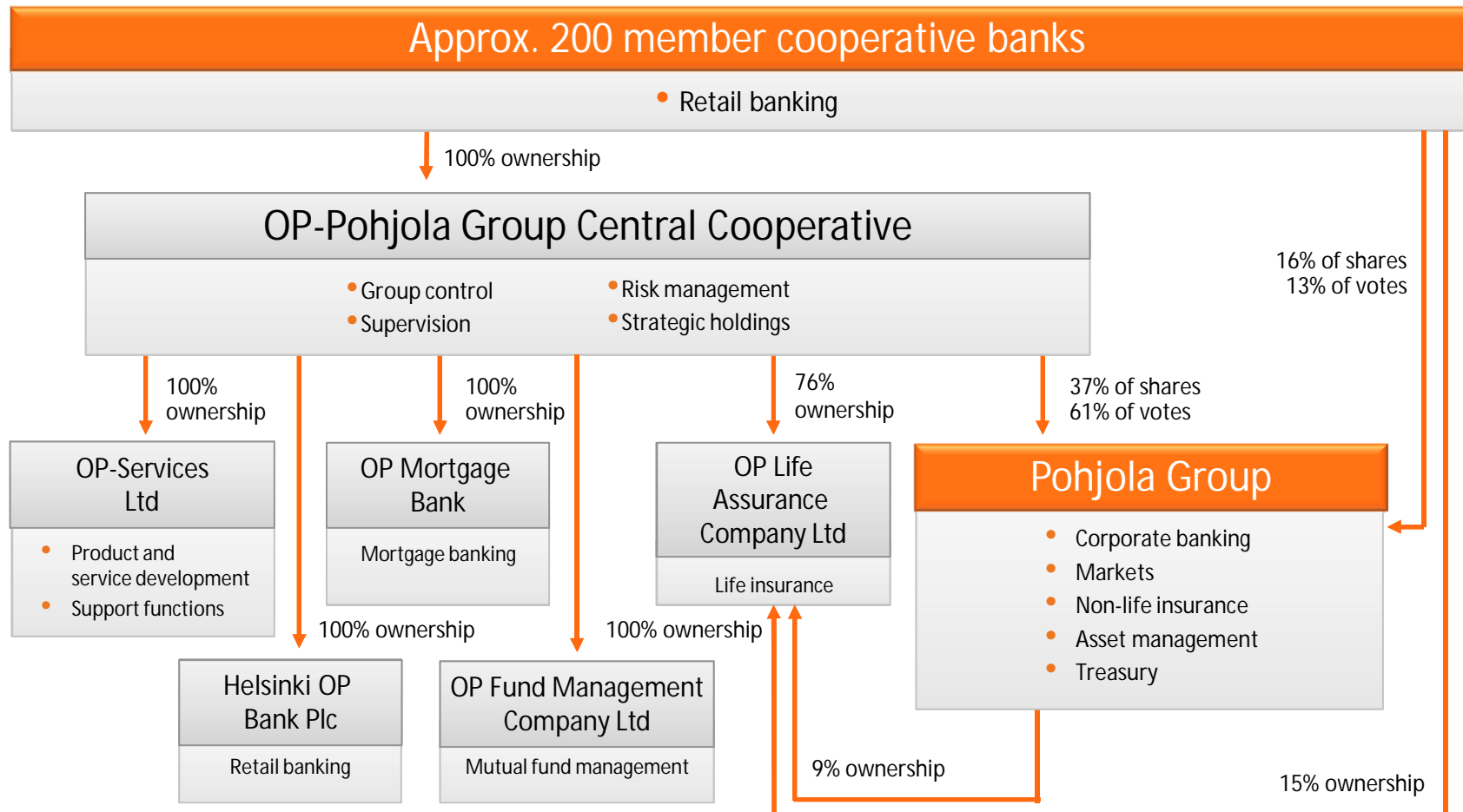
- Consolidated earnings before tax in 2012 are expected to be markedly higher than in 2011.
- The Banking loan portfolio is expected to grow at the same rate as in 2011 when the rate was 9%. The average corporate loan portfolio margin is expected to remain at least at its current level.
- Within Non-life Insurance, the operating combined ratio for the full year 2012 is estimated to vary between 89% and 92% (previously: between 89% and 94%), if the number of large claims is not much higher than in 2011.
- There is still great uncertainty about the economic outlook and the operating environment.
- The full version of “Outlook” can be found in the Interim Report.

Background Material

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OP-Pohjola Group's Ownership Structure and the Roles of Group Entities

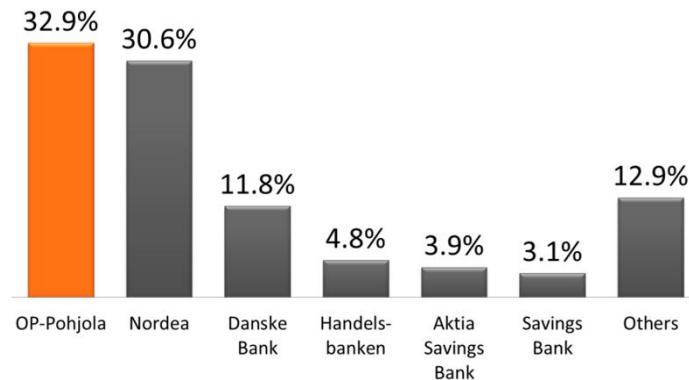
OP-Pohjola Group Central Cooperative and the member banks are liable for each other's debts and commitments. Insurance companies do not fall within the scope of joint liability. OP-Pohjola Group is monitored on a consolidated basis by Finnish FSA.



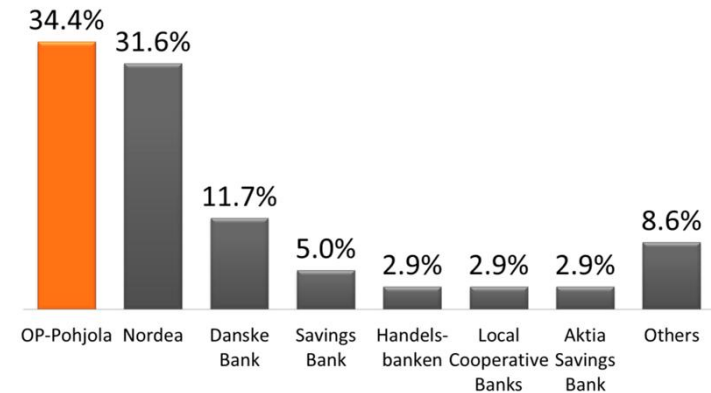
OP-Pohjola Group – Market Leader in Finland

Market shares

Loans 2011

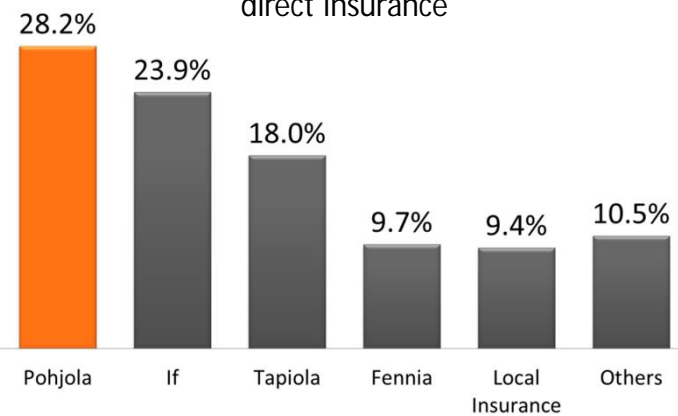


Deposits 2011



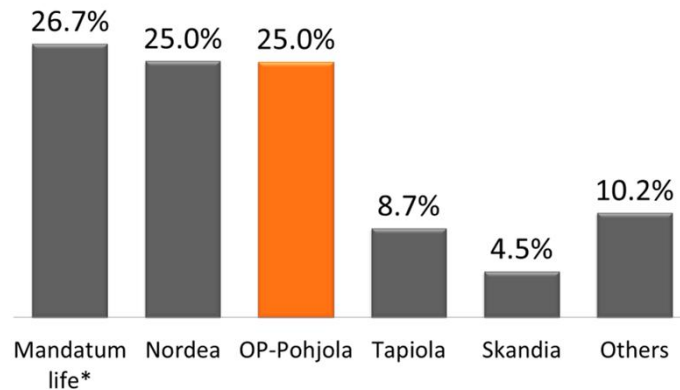
Non-life Insurance 2011

Market share of premiums written under Finnish direct insurance



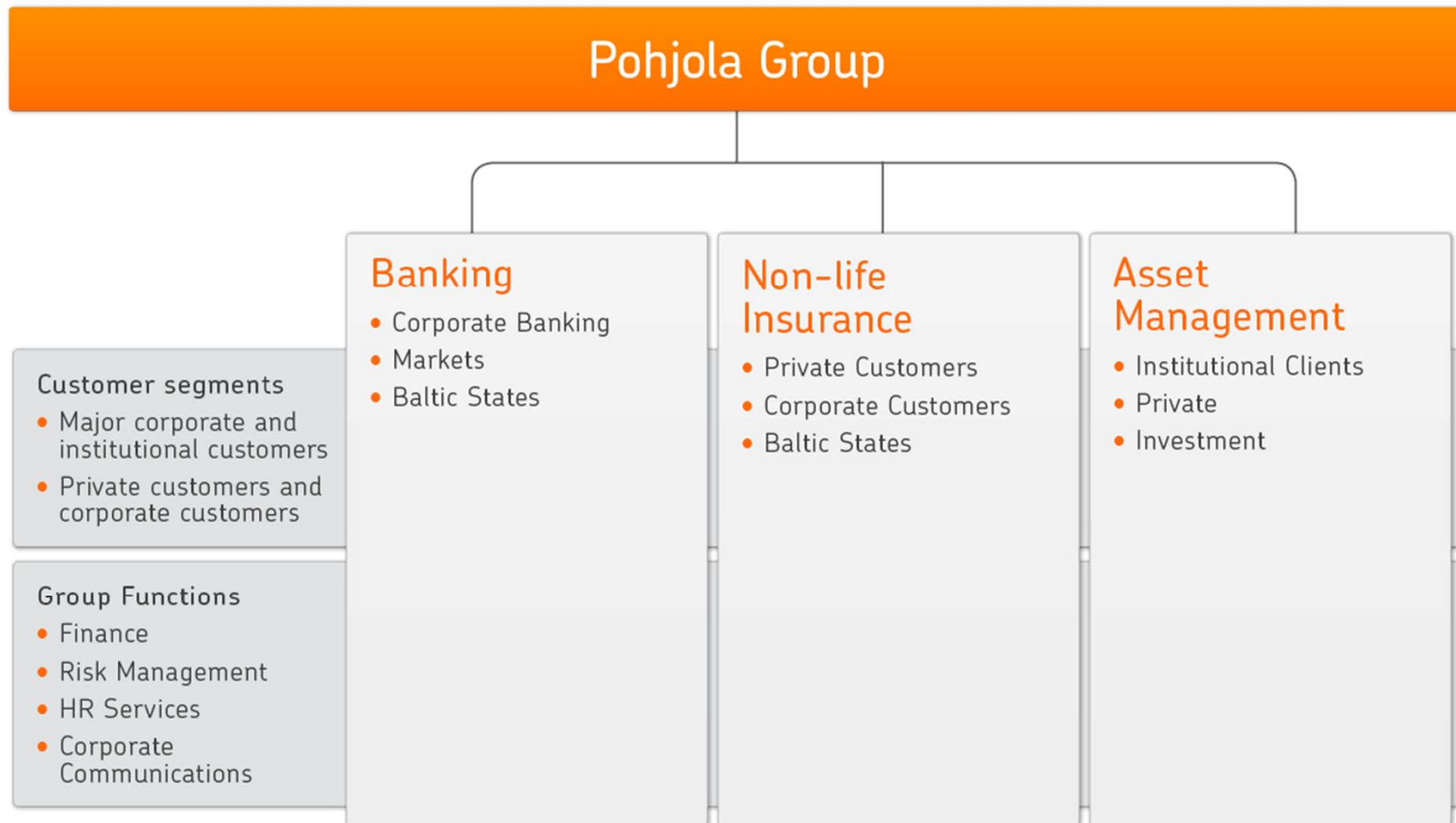
Life Insurance 2011

Market share of gross premiums written



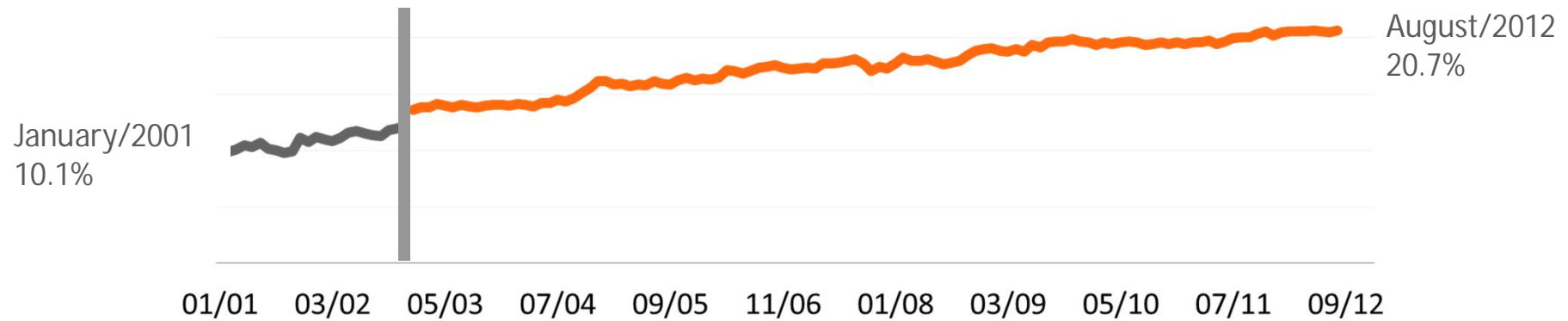
* Mandatum Life + Kaleva

Pohjola Group's Business Structure

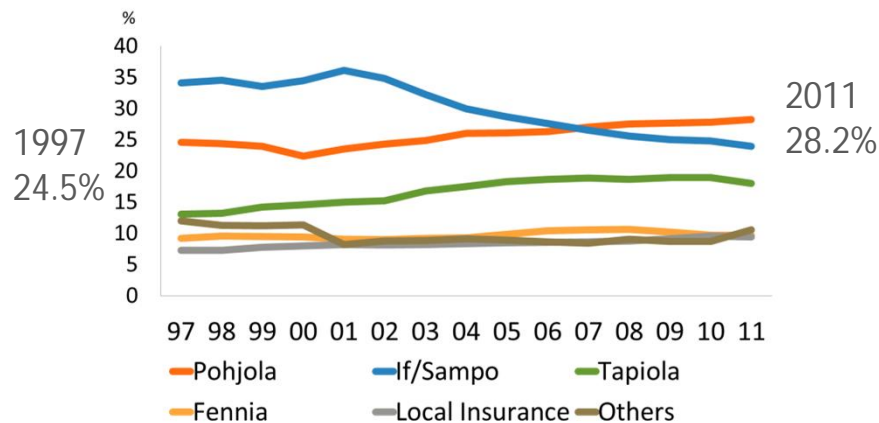


Pohjola's Market Position and Targets

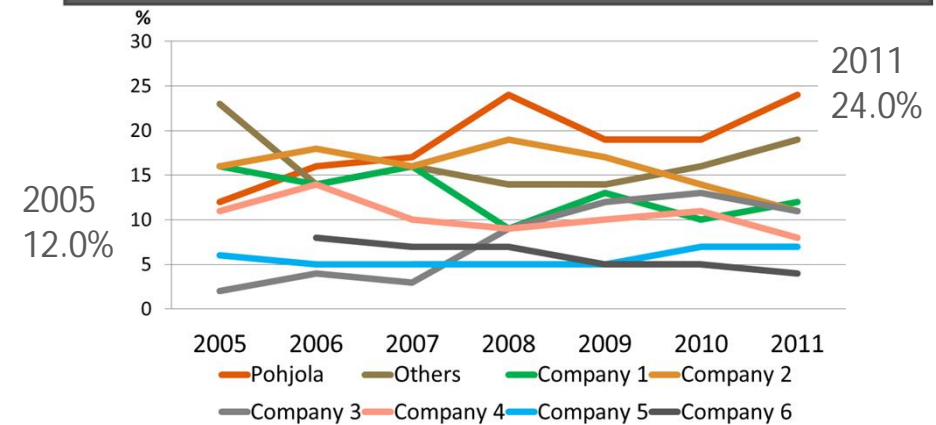
Banking 2nd, Target 1st



Non-life Insurance 1st, Target 1st



Asset Management 1st, Target 1st



Source: Federation of Finnish Insurance Companies

Source: SFR, Based on interviews and answers by institutional investors with disclosed investment size.

Pohjola



Joint Liability

- Joint liability within OP-Pohjola Group is based on the Act on the Amalgamation of Deposit Banks.
- OP-Pohjola Group Central Cooperative and its member credit institutions are liable for each other's debts and commitments in accordance with the Act.
 - The Central Cooperative is responsible for the payments of any debts of a member credit institution that cannot be paid using such member credit institution's own funds.
 - A member credit institution must pay the Central Cooperative a proportionate share of the amount which the Central Cooperative has paid either to another member credit institution as part of the support action described above, or to a creditor of such member credit institution as payment of a due debt for which the creditor has not received payment from his debtor.
 - Each member credit institution's liability, for the amount which the Central Cooperative has paid on behalf of one member credit institution to its creditors, is divided between the member credit institutions in proportion to their last adopted balance sheet totals.
- OP-Pohjola Group Group's insurance companies do not fall within the scope of joint liability.

Pohjola's Credit Ratings

Rating target: Rating AA affirmed by at least 2 credit rating agencies
 Moody's and S&P affirmed AA-level ratings and stable outlook for Pohjola during Q2/2012,
 Fitch affirmed the A+ rating and stable outlook during Q3/2012

	Moody's	S&P	Fitch
Handelsbanken	Aa3	AA-	AA-
Nordea	Aa3	AA-	AA-
Pohjola Bank plc	Aa3	AA-	A+
DNB NOR	A1	A+	A+
SEB	A1	A+	A+
Swedbank	A2	A+	A+
Danske Bank	Baa1	A-	A*
OP Mortgage Bank**	Aaa	AAA	-
Pohjola Insurance Ltd	A3	AA-	-
If	A2	A	-
Finnish government	Aaa	AAA*	AAA

* Rating outlook is negative

** Covered bond rating

22 October 2012

CSR at OP-Pohjola Group

Corporate social responsibility is responsibility for the economic, social and environmental impacts of business operations. The financial sector also plays a key role in promoting the stability of the whole of society.

Corporate social responsibility programme



International commitments



Pohjola Asset Management Ltd and OP Fund Management Ltd signed the UN Principles for Responsible Investment (UNPRI) in 2009, among the first Finnish asset managers.

CARBON DISCLOSURE PROJECT

Reporting



OP-Pohjola Group has prepared its Corporate Social Responsibility Report in compliance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

OP-Pohjola Group and Pohjola Bank plc

Earnings analysis, € million

	OP-Pohjola Group Q1-3/2012	Pohjola Bank plc Q1-3/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Net interest income	772	201	1 030	276
Net income from Non-Life insurance	334	338	312	318
Net income from Life Insurance	75		72	
Net commissions and fees	428	116	574	161
Other income	173	88	173	89
Total income	1 782	743	2 160	843
Total expenses	1 099	425	1 358	527
Returns to owner-members and OP-bonus customers	142		176	
Earnings before impairment loss on receivables	541	317	626	316
Impairment loss on receivables	47	36	101	60
Earnings before tax	493	282	525	258
Change in fair value reserve	560	324	-400	-180
Earnings before tax at fair value	1 053	606	125	78

OP-Pohjola Group and Pohjola Bank plc

Key figures and ratios

	OP-Pohjola Group Q1-3/2012	Pohjola Bank plc Q1-3/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Total assets, € million	99 725	45 408	91 905	41 111
Receivables from customers, € million	64 174	13 702	60 331	12 701
Deposits, € million	43 565	10 049	41 304	8 025
Equity capital, € million	7 019	2 641	6 242	2 306
Tier 1 ratio, %	15.1	12.5	14.0	10.6
Core Tier 1 ratio, %	14.8	10.7	14.0	10.3
Doubtful receivables, € million	369	43	296	62
Ratio of doubtful receivables and zero-interest bearing receivables to loans and guarantees, %	0.55	0.26	0.47	0.41
Loan and guarantee portfolio, € billion	66.8	16.4	62.8	15.0
Impairment loss on receivables, € million	47	36	101	60
Impairment loss on receivables / loan and guarantee portfolio, %	0.09	0.22	0.16	0.40
Personnel	13 386	3 425	13 229	3 380

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1-3/2012	Pohjola Bank plc Q1-3/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Net interest margin, %	1.1*	1.48**	1.2*	1.34**
Cost/Income ratio, %	62	35***	63	35***
Return on equity (ROE) at fair value, %	16.6	25.0	0.4	3.1
Return on assets, (ROA) at fair value, %	1.1		0.0	
Non-Life Insurance, solvency ratio, %		85		77
Life Insurance, solvency ratio, %	17.2****		12.9****	
Operating combined ratio, %		89.0		89.8

* Net interest income as a percentage of average total assets

** Average margin for corporate lending

*** Cost / Income ratio in Banking

**** Solvency capital / (net technical provisions for own account - equalisation provision - 0.75 * technical provisions on unit-linked insurance) * 100

Strategy 2012

Value and Efficiency through Integration

Strategy guided by external factors

- Operating environment
- Competition
- Regulation

What will change?

- We will make customer experience our competitive advantage.
- We will seek more targeted growth with the aim of improving the return on capital.
- We will use more efficiently OP-Pohjola Group's competitive advantages and strengths.
- We will raise efficiency and capital adequacy to a new level.

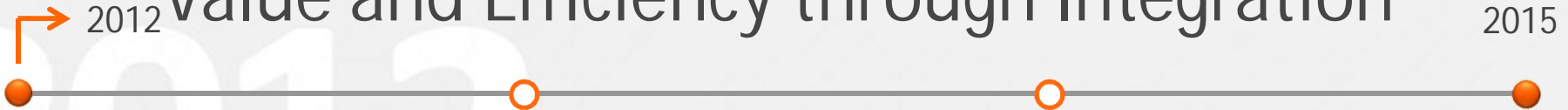
We will put a higher premium on efficiency, profitability and capital adequacy, and will grow in a controlled way.

What will remain unchanged?

- Our mission, vision and core values will remain unchanged.
- We will ensure the best overall competencies in the sector.
- We aim at a top-level Total Shareholder Return among our peer group.

Strategy 2012

Value and Efficiency through Integration



Successful implementation of the strategy will show

within the Group as follows:

- Increased company value and top-level Total Shareholder Return among the peer group
- Considerable improvement in efficiency and earnings
- Stronger capital base
- Improved market position of our businesses

within the business segments as follows:

- Deeper customer relationships and higher capital efficiency within Banking
- Successfully continued cross-selling and marked improvement in efficiency within Non-life Insurance
- Competitive investment returns of OP Mutual Funds and support for OP-Pohjola Group's goal of becoming Finland's leading wealth manager

Financial targets

Strategy 2012 – Value and efficiency through integration

		Target	Q1-3/12	2011	2010	2009
Financial targets over the economic cycle	Group					
	ROE, %	13	11.7	9.2	9.9	10.0
	Core Tier 1, %	≥ 11.0	10.7	10.3	10.5	9.7
	Banking					
	Operating cost/income ratio, %	< 35	35	35	35	35
	Non-life Insurance					
	Operating combined ratio, %	< 92	89.0	89.8	89.7	87.7
	Operating expense ratio, %	18	21.8	21.8	21.3	22.2
	Solvency ratio, %	70	85	77	86	88
	Asset Management					
	Operating cost/income ratio, %	< 45	54	49	53*	53
Target for total expenses	Total expenses at end of 2015	At 2012-end level	-	-	-	-
Rating target	AA rating affirmed by at least two credit rating agencies (or at least at the main competitors' level)	2	2	2	3	3
Dividend policy	Aim: distributing a minimum of 50% of earnings for the financial year in dividends, provided that Core Tier 1 remains at least 10%.	≥ 50	-	60	55	51

* excl. items related to corporate transactions

Strategy and Competitive Advantages

Strategy 2012 – Value and efficiency through integration



Strategy in a Nutshell

Strategy 2012 – Value and efficiency through integration

Mission	We promote the sustainable prosperity, security and wellbeing of our customers
Vision	We are the most preferred financial services partner
Key objectives	<ul style="list-style-type: none"> • Increasing company value • Strengthening market position profitably
Critical success factors	<ul style="list-style-type: none"> • Exploiting customer potential • Risk anticipation, selection and pricing • Highly skilled personnel and high-profile partnerships • Competitive solutions • Cost-efficiency, flexibility and promptness • Strong capitalisation
Competitive advantages	<ul style="list-style-type: none"> • Comprehensive financial services • Part of OP-Pohjola Group – Strong brand and stability • Close to customers – Firmly rooted in Finland
Core values	<ul style="list-style-type: none"> • People-first approach • Responsibility • Prospering together

Promises to Stakeholders

Strategy 2012 – Value and efficiency through integration

Customers

- We provide the best comprehensive financial solutions and loyalty benefits

Personnel

- We foster a motivating organisational climate and create excellent opportunities for skill development

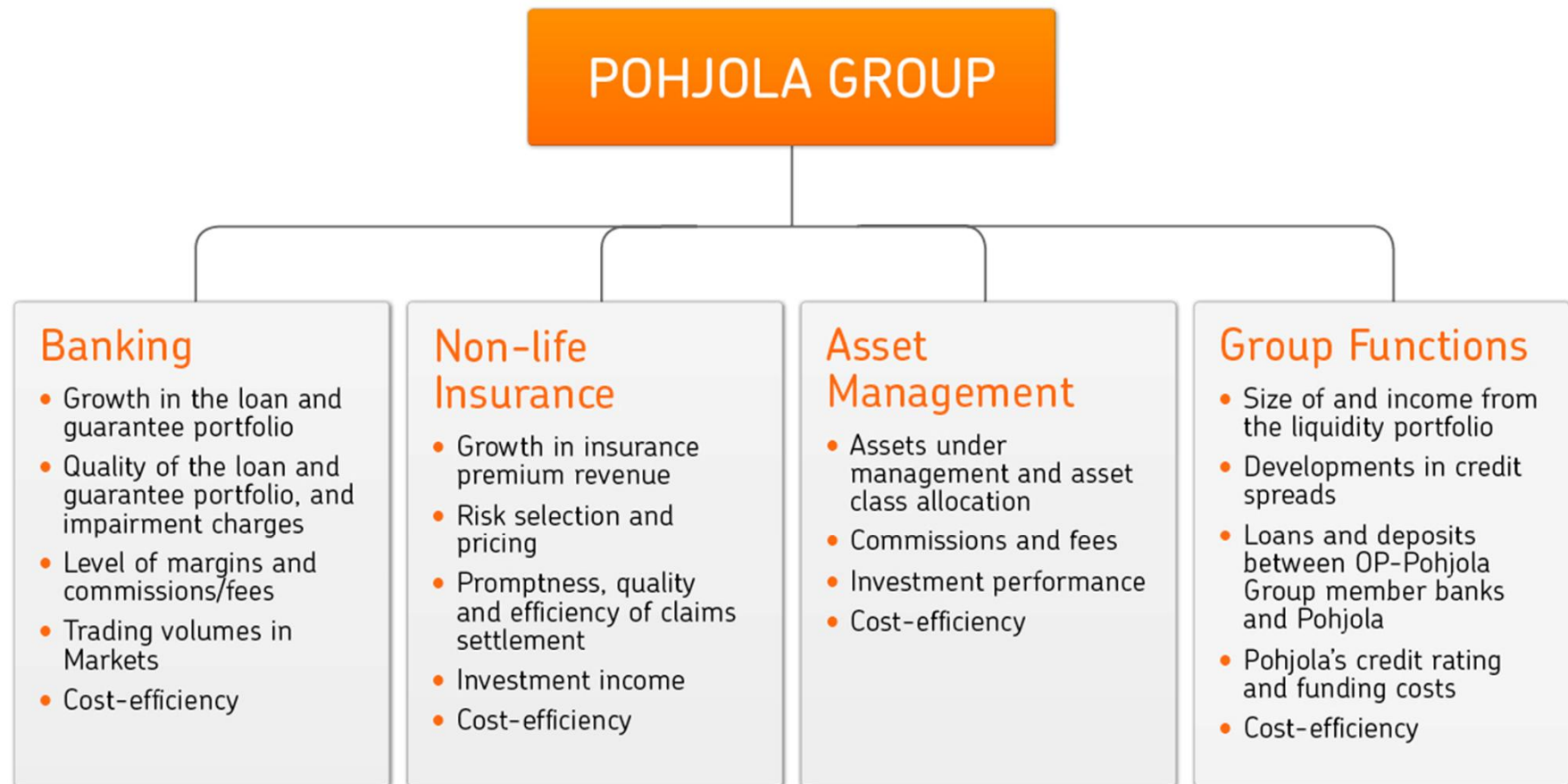
Shareholders

- Our Total Shareholder Return is at the top level among Nordic peer banks and insurers

Society

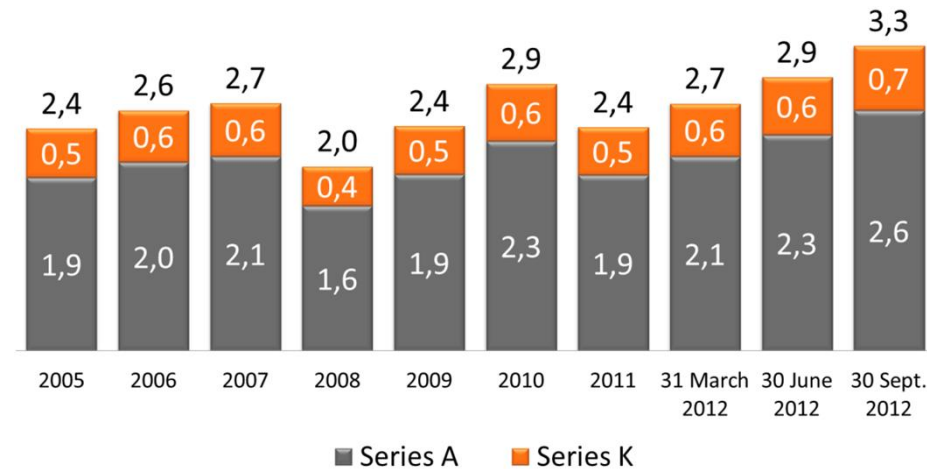
- We promote the sustainable prosperity and wellbeing of our operating regions

Key Value Drivers

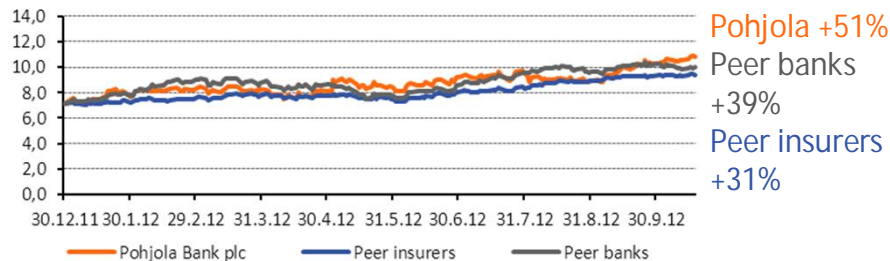


Pohjola Share and Total Shareholder Return

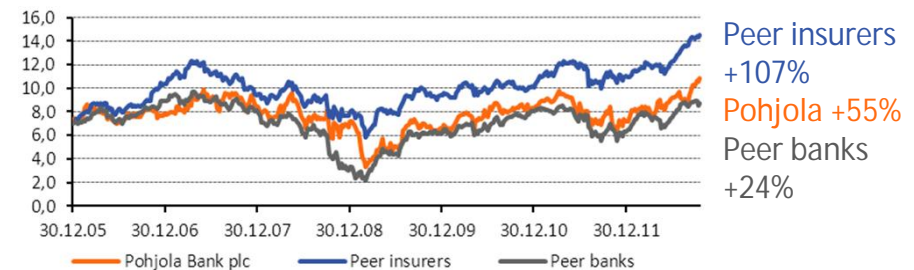
MCAP of Pohjola Series A and K shares totalled €3.3 bn as of 30 September 2012



TSR 1 Jan. 2012–18 October 2012



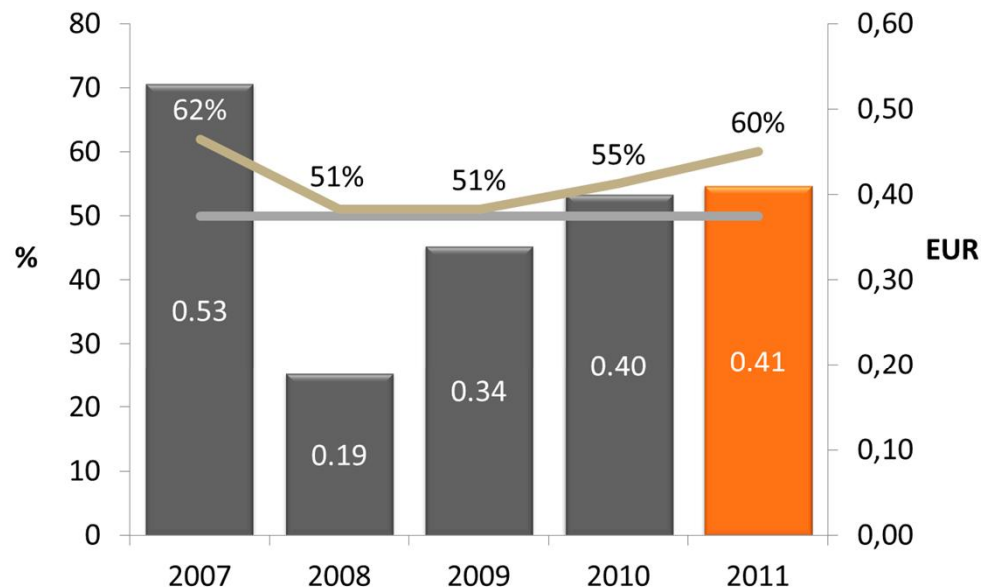
TSR 1 Jan. 2006–18 October 2012



Peer banks: Danske, DnB NOR, Nordea, SEB, SHB, Swedbank Peer insurers: AlmBrand, Sampo/If, TopDanmark, Tryg

Dividend Policy

We revised our dividend policy during strategy updates as follows:
we aim to distribute a minimum of 50% of our earnings for the financial year in dividends, provided that Core Tier 1 ratio remains at least 10% (previously: Tier 1 ratio of at least 9.5%)



- Dividend payout ratio 60% in 2011
 - €0.41 on Series A shares
 - €0.38 on Series K shares
- Dividend payout ratio averaged 56% during 2007–11
- Dividend/share in 2011: €0.40

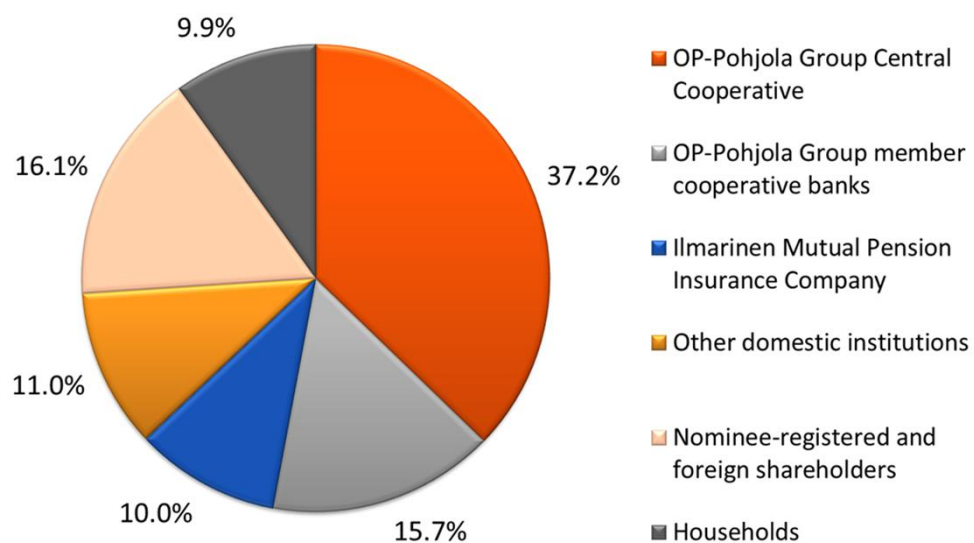
■ Dividend/Series A share *
— Target dividend payout ratio 50%
— Dividend payout ratio, %

* Share-issue-adjusted dividend for 2007–09

	2007	2008	2009	2010	2011
Dividends distributed, € mn	130.9	45.5	106.6	125.8	129.0
Effective dividend yield (Series A share), %	5.0	2.4	4.5	4.5	5.5

Ownership Structure

Holdings of Series A and K Shares as of 30 September 2012



© OP-Pohjola

Major shareholders as of 30 September 2012

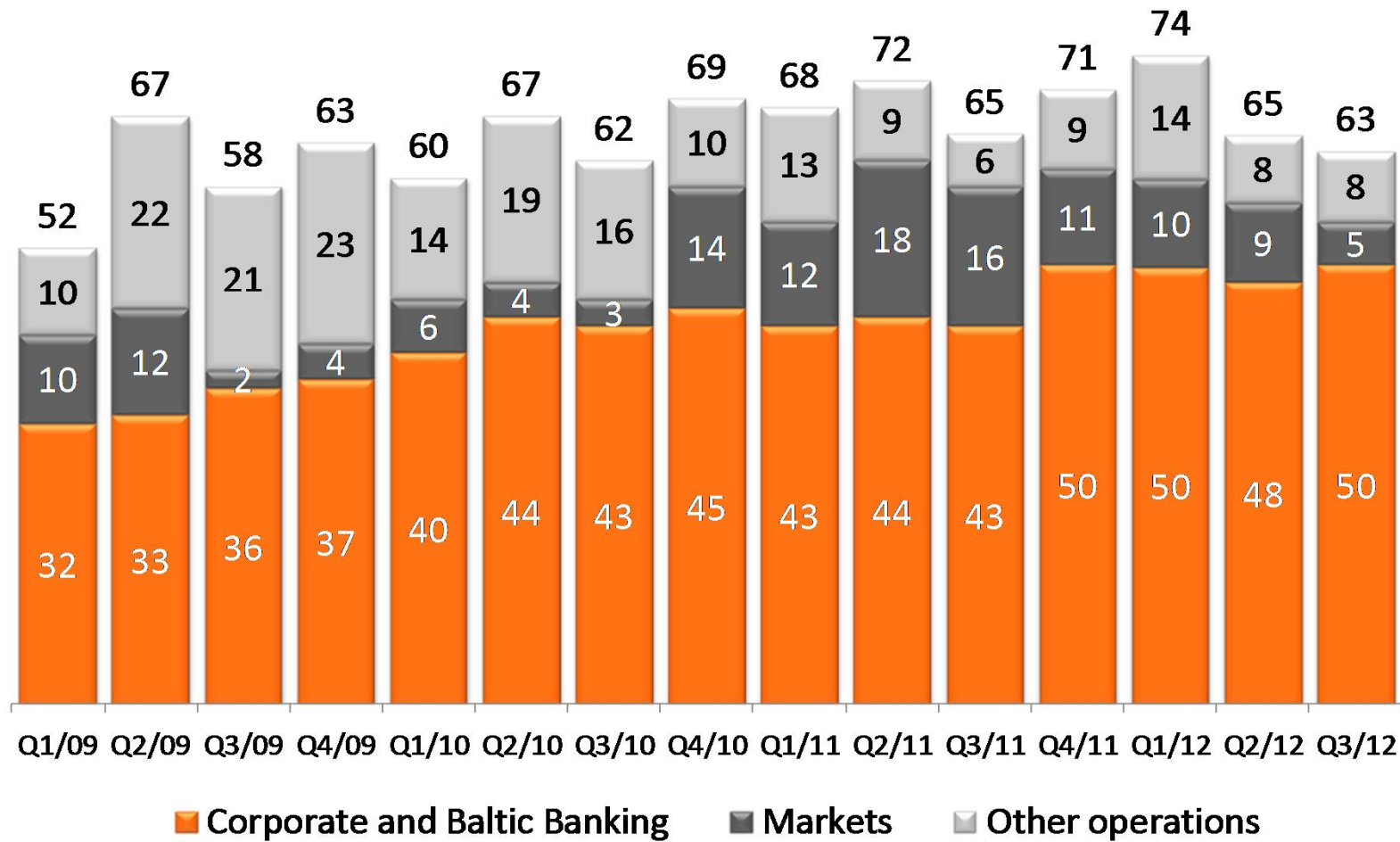
30 September 2012	% of all shares	% of Series A shares	% of Series K shares	% of votes
1. OP-Pohjola Group Central Cooperative	37.24	23.16	89.69	61.28
2. Ilmarinen Mutual Pension Insurance Company	10.00	12.68	-	5.42
3. Oulun Osuuspankki	1.37	1.10	2.35	1.82
4. OP Bank Group Pension Fund	1.08	1.37	-	0.59
5. Varma Mutual Pension Insurance Company	0.90	1.14	-	0.49
6. State Pension Fund	0.78	0.99	-	0.42
7. OP Bank Group Pension Foundation	0.73	0.92	-	0.39
8. Turun Seudun Osuuspankki	0.57	0.71	0.05	0.33
9. Tampereen Seudun Osuuspankki	0.51	0.60	0.15	0.34
10. Suur-Savon Osuuspankki	0.47	0.54	0.24	0.37
Nominee-registered shares, total	15.16	19.22	-	8.21
Others	31.19	37.55	7.51	20.34
Total	100.00	100.00	100.00	100.00

Background Material on Group and Business Segments

1.	Group	51
2.	Banking	53
3.	Non-life Insurance	55
4.	Group Functions	73

Pohjola Group

Net interest income 2009–Q3/2012, €million



Pohjola Group

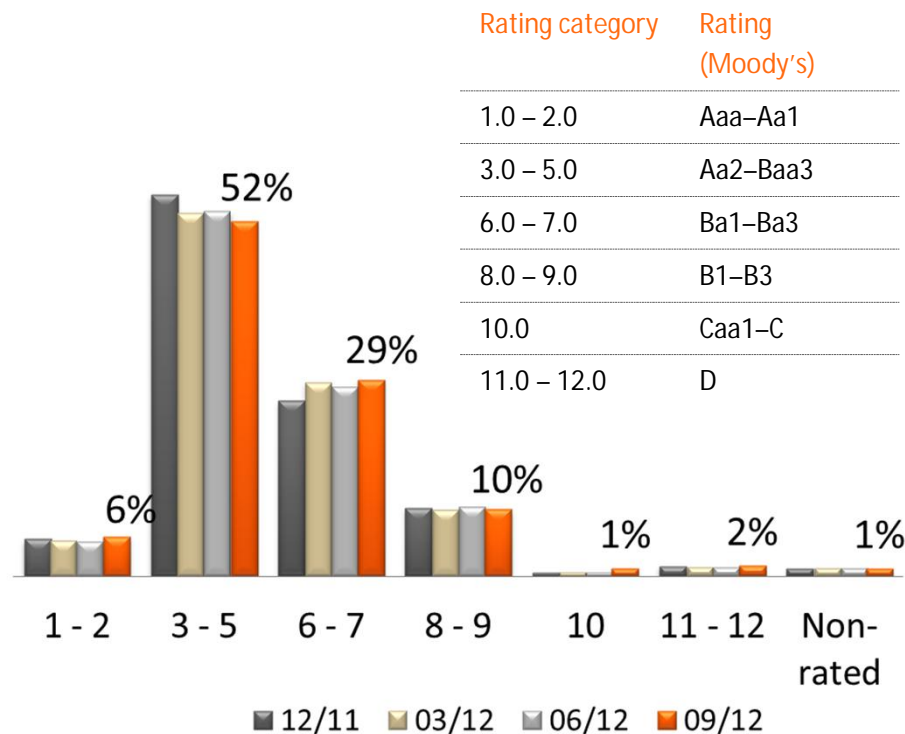
Direct Exposures to Sovereign Debt in GIIPS Countries as of 30 September 2012 at market value

€ million	Banking	Non-life Insurance	Group Functions	Total
Greece	-	3	-	3
Italy	-	15	-	15
Ireland	0	-	-	0
Portugal	0	7	-	7
Spain	-	-	-	-
Total	0	25	-	25

Banking

Banking exposures from the Non-financial Corporations and Housing Corporations Sector (total €19.4 bn in September 2012)

Investment-grade (ratings 1–5) exposure accounts for 58% of total exposure
(June/12: 59%, March/12: 58% and Dec/11: 61%)

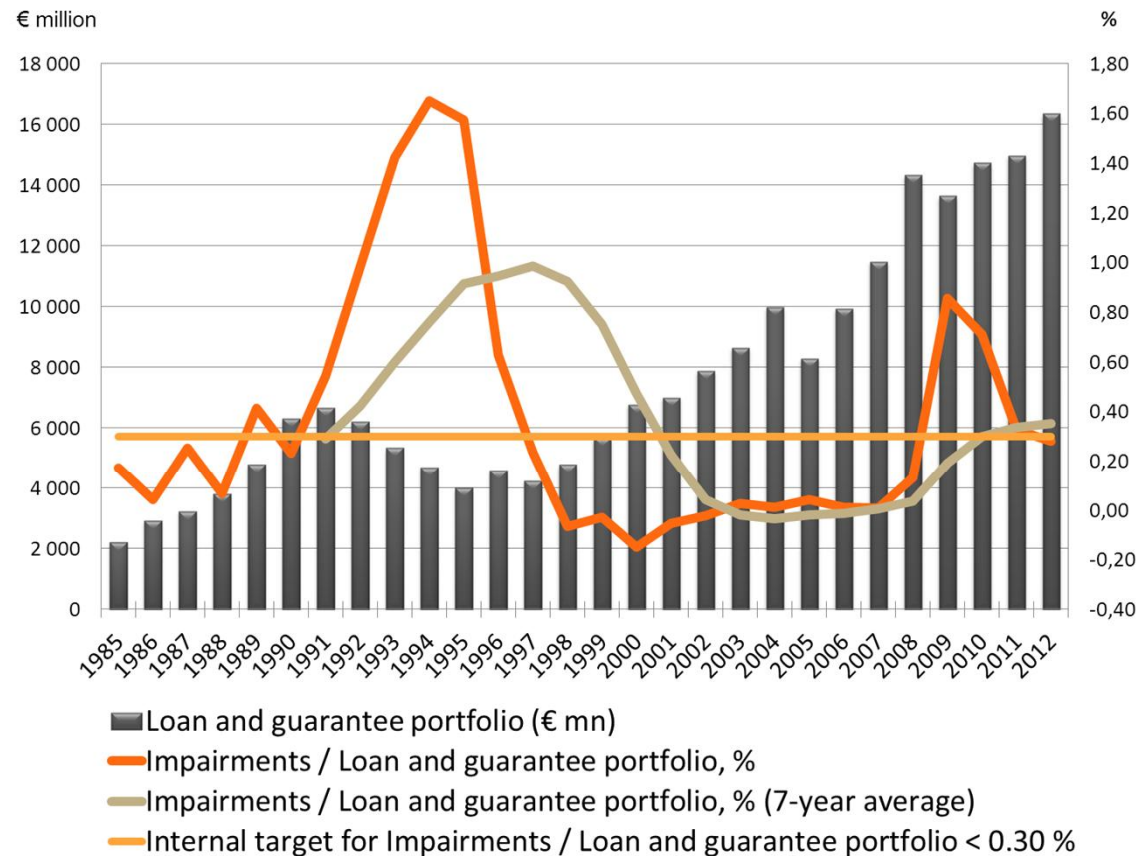


Industry	09/2012 € mn	09/2012 Percentage	06/2012 € mn
Renting and operating of residential real estate*	2 156	11,1 %	2 070
Wholesale and retail trade	1 781	9,2 %	1 802
Manufacture of machinery and equipment (incl. services)	1 757	9,0 %	1 876
Renting and operating of other real estate*	1 645	8,5 %	1 646
Construction	1 471	7,6 %	1 457
Transportation and storage	1 372	7,1 %	1 353
Buying and selling of own real estate	1 221	6,3 %	1 206
Energy	1 099	5,7 %	1 025
Forest industry	1 039	5,3 %	1 045
Services	849	4,4 %	838
Metal industry	806	4,2 %	853
Information and communication	793	4,1 %	688
Food industry	764	3,9 %	810
Chemical industry	715	3,7 %	740
Financial and insurance activities	600	3,1 %	594
Agriculture, forestry and fishing	498	2,6 %	479
Other manufacturing	421	2,2 %	382
Mining and quarrying	222	1,1 %	257
Water supply, sewerage and waste management	179	0,9 %	172
Other industries	36	0,2 %	34
Total	19 424	100,0 %	19 328

*) 09/2012: 51% (€1,092 mn) of the exposures in the "Renting and operating of residential real estate" -industry and 17% (€277 mn) of the exposures in "Renting and operating of other real estate" -industry are guaranteed by government, cities or municipalities.

Banking

Ratio of impairments of receivables to loan and guarantee portfolio*

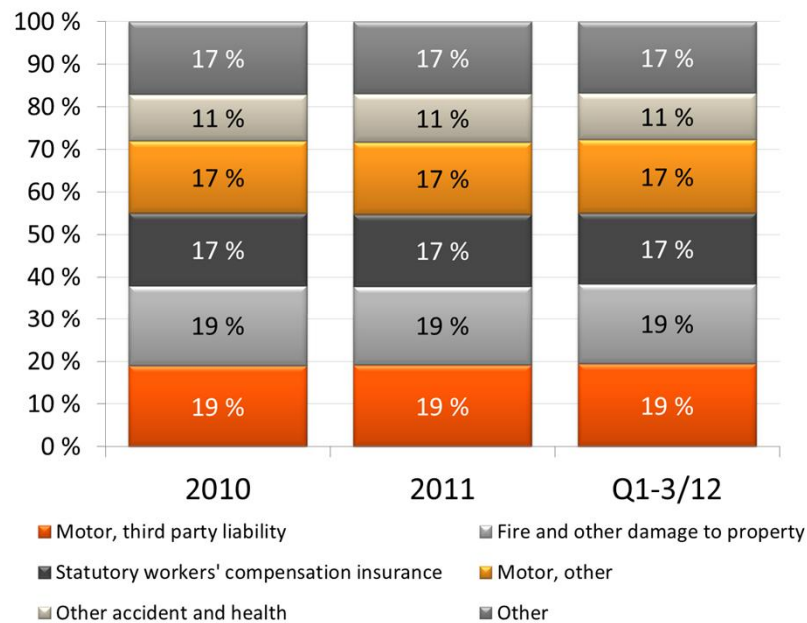


Share of loan and guarantee portfolio does not include the impairments of notes and bonds in the liquidity buffer

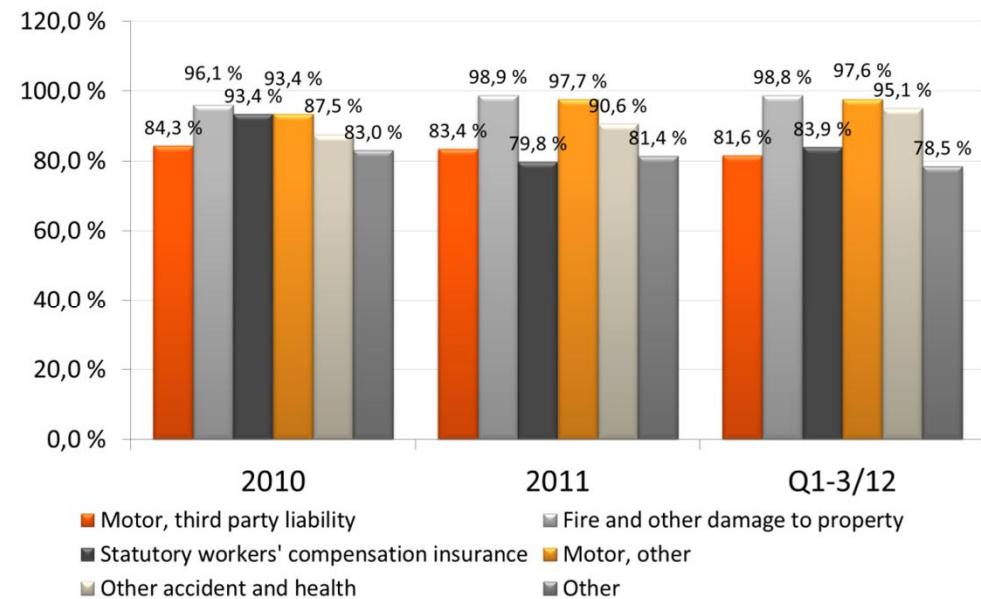
* For 2012, impairment losses have been annualised by dividing the Q1-3/12 figure by 3 and multiplying it by 4.

Non-life Insurance

Insurance premium revenue
by insurance line

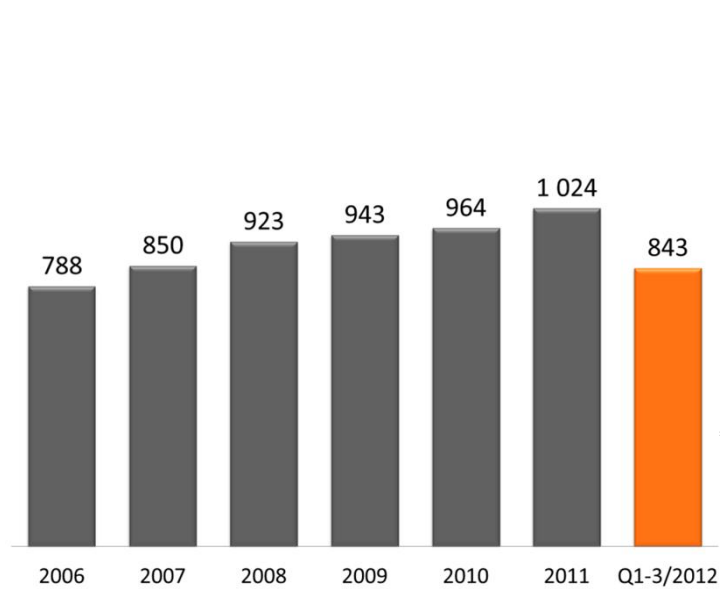


Operating combined ratio
by insurance line

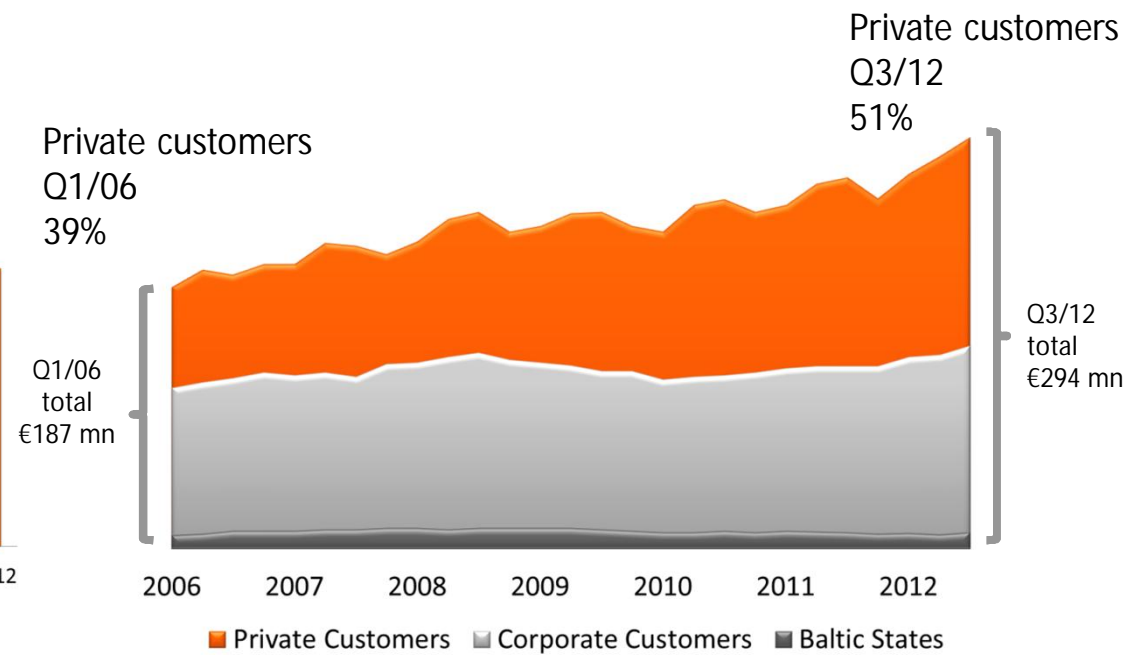


Non-life Insurance

Insurance premium revenue
between 2006 and Q1-3/2012

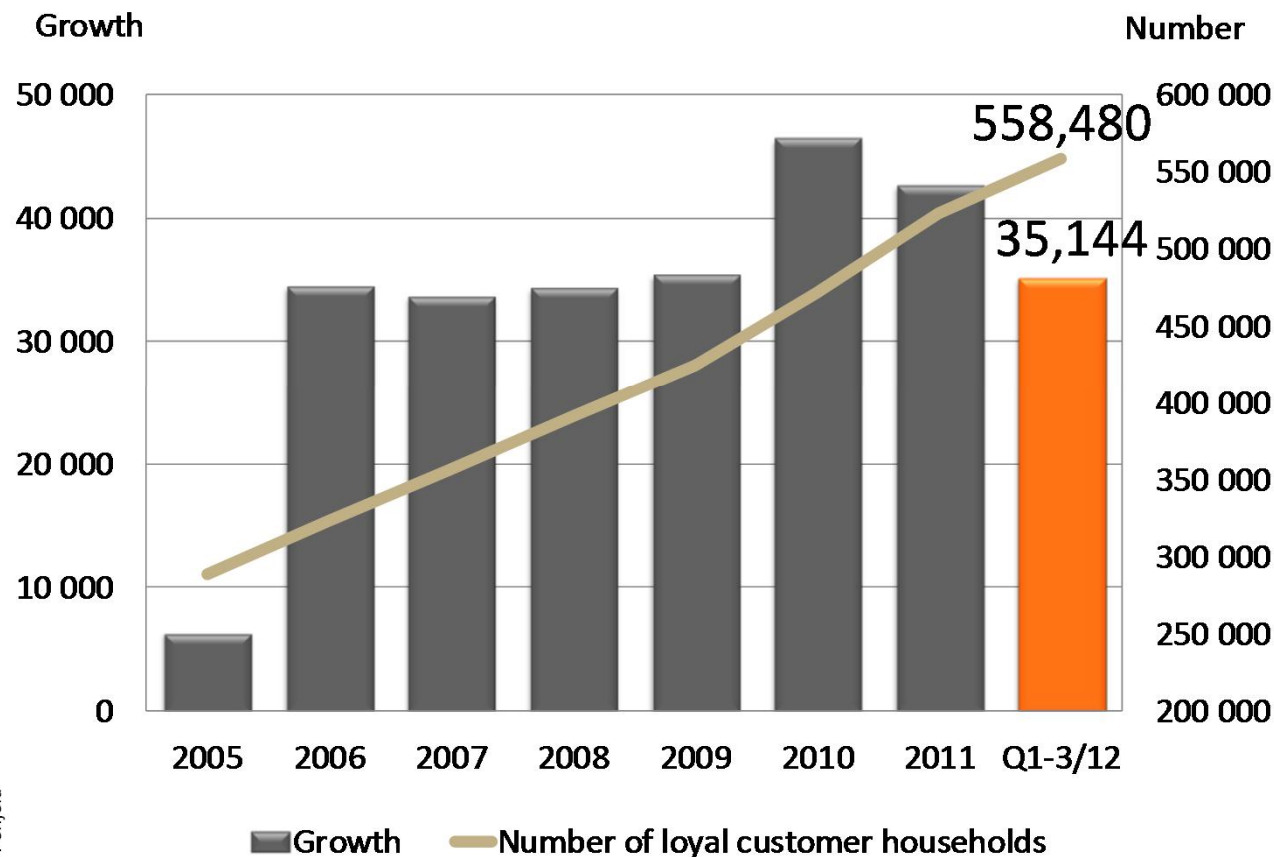


Insurance premium revenue
by customer group 2006–Q3/2012



Non-life Insurance

The number of loyal customer households totals over 550,000

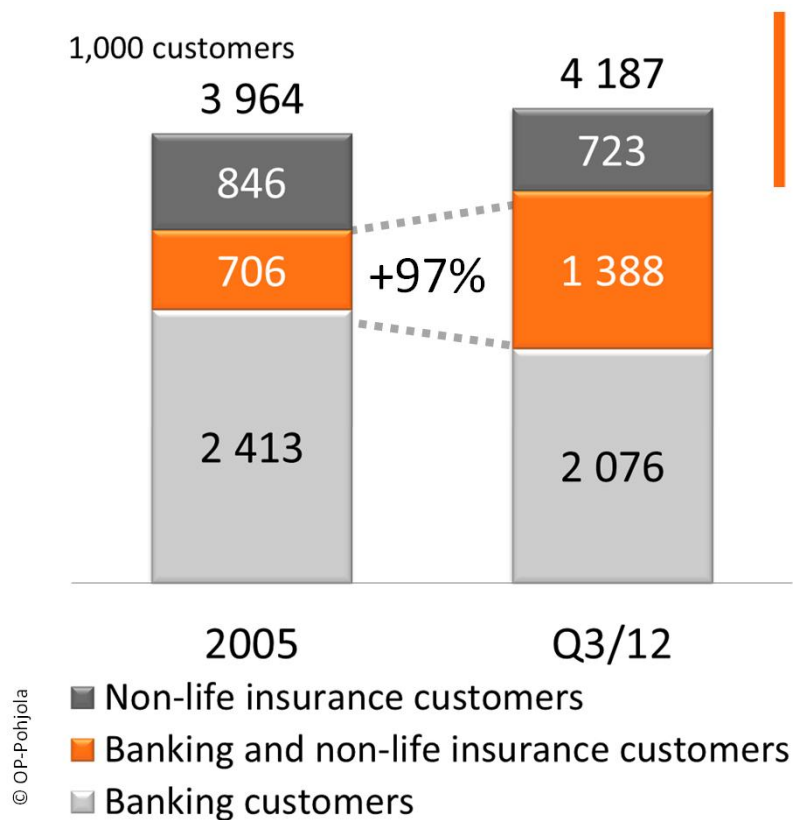


- ✓ Loyal customer households account for approx. 80% of premiums written among private customers.
- ✓ An annual insurance premium paid by a loyal customer household averages approx. €1,000.
- ✓ Insurance premiums annually paid by other customers average approx. €250.
- ✓ Loyal customer has at least 3 policies with Pohjola.

Broadest Customer Base in Finland

Cross-selling potential between Pohjola and OP-Pohjola Group member banks

Pohjola Insurance sales resources
30 September 2012



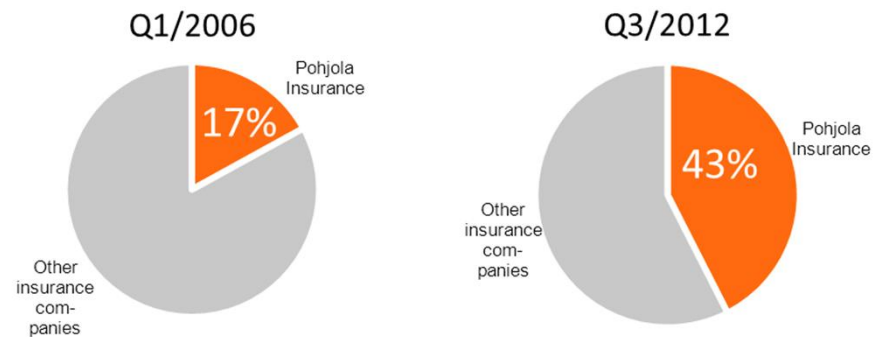
The number of customers shared by Banking and Non-life Insurance increased by 89,000 from the year-end 2011.



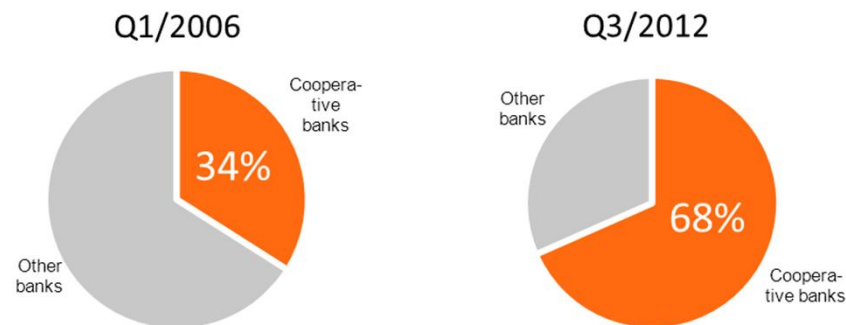
Comprehensive Financial Services Offering

The Bank Insurance Model has proved effective and efficient cross-selling pays dividends

OP-Pohjola Group member bank customers and their main insurer



Pohjola Insurance customers and their main bank

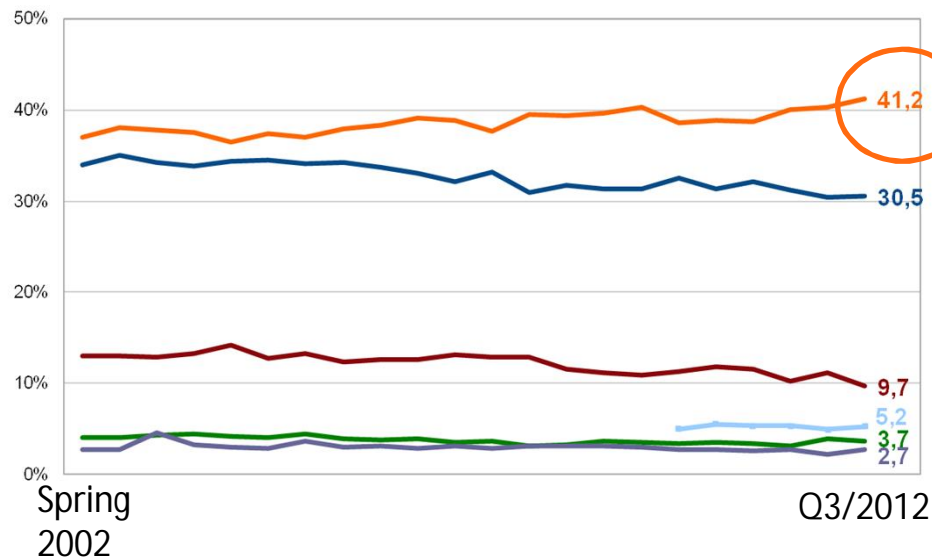


Source: Consumer survey on bank and insurance company switch by TNS Gallup; main customer relationship

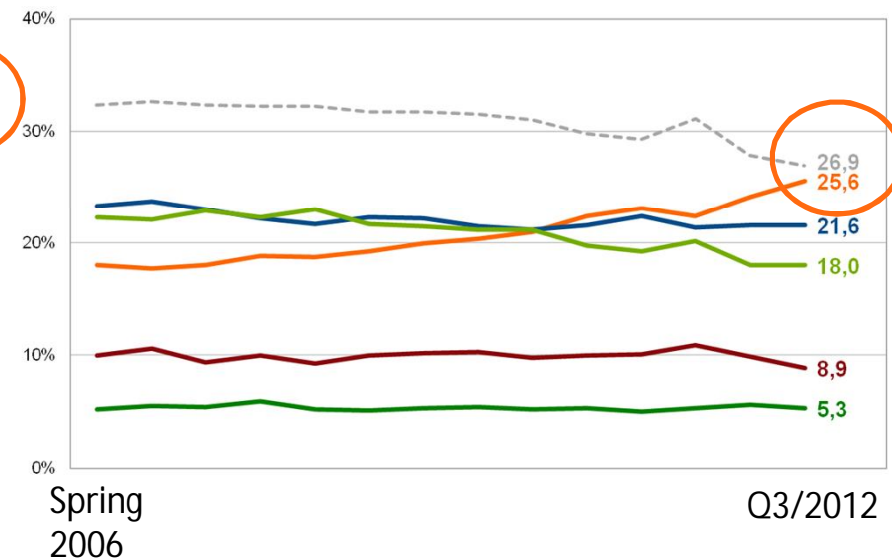
Growth Potential in Total Customer Relationships

Pohjola has great growth potential as non-life insurer for private customers

Market share by bank
Main bank



Market share by insurer
Main insurer



— OP-Pohjola Group

— Pohjola Insurance Ltd

Best Loyal Customer Benefits for Private Customers

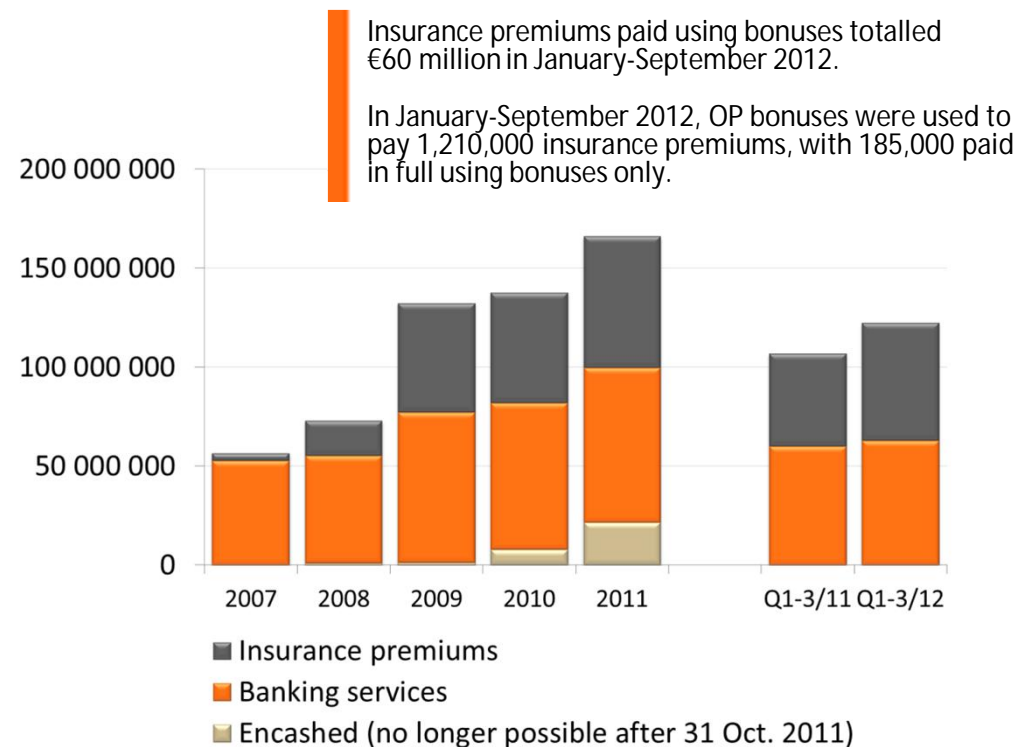
OP bonuses to customers reached a new high in 2011, €163 mn (2005: €42 mn)

Bonuses accrue from banking and insurance services



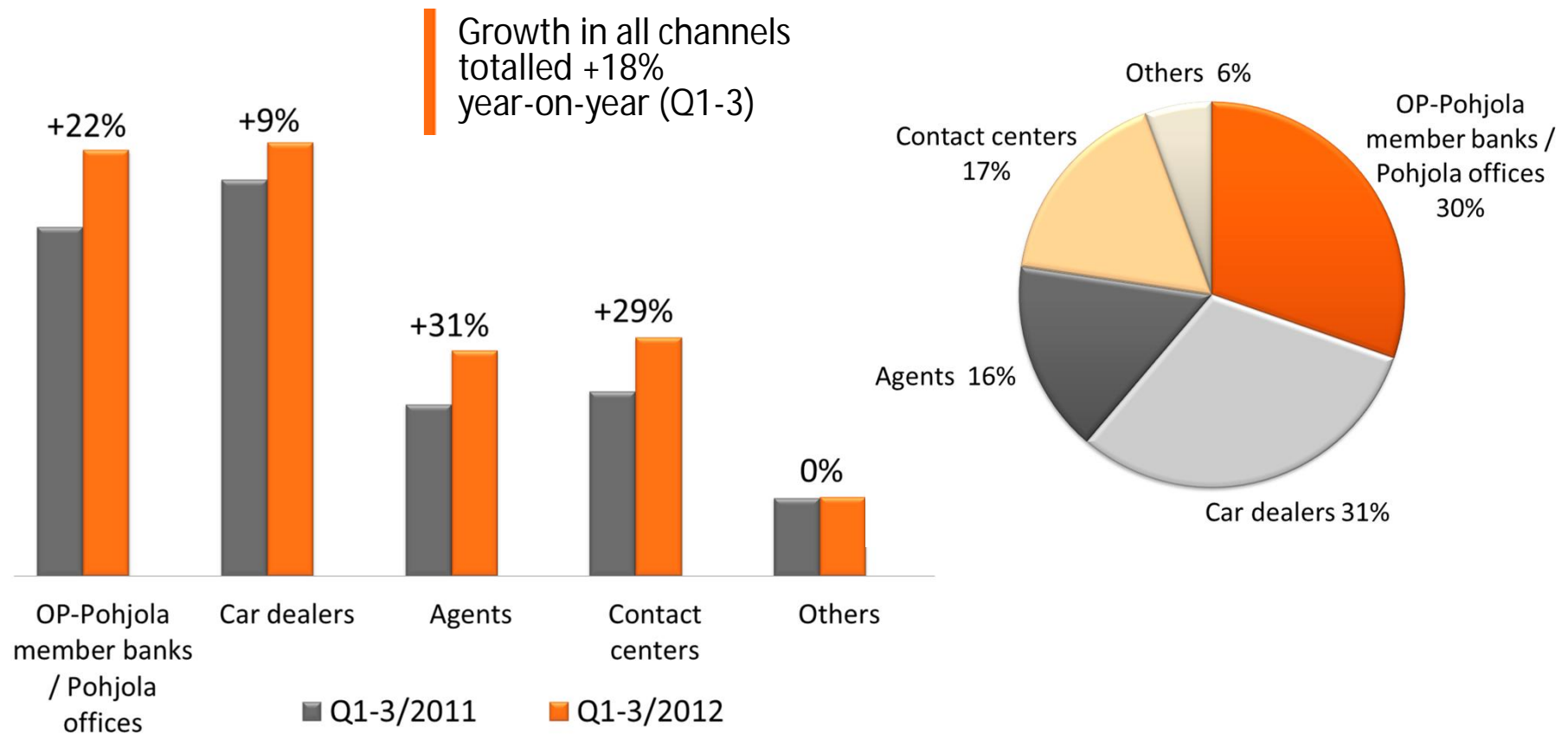
© OP-Pohjola

Use of bonuses Jan.-Sept. 2012: €123 mn
OP bonuses accrued Jan.-Sept. 2012: €129 mn



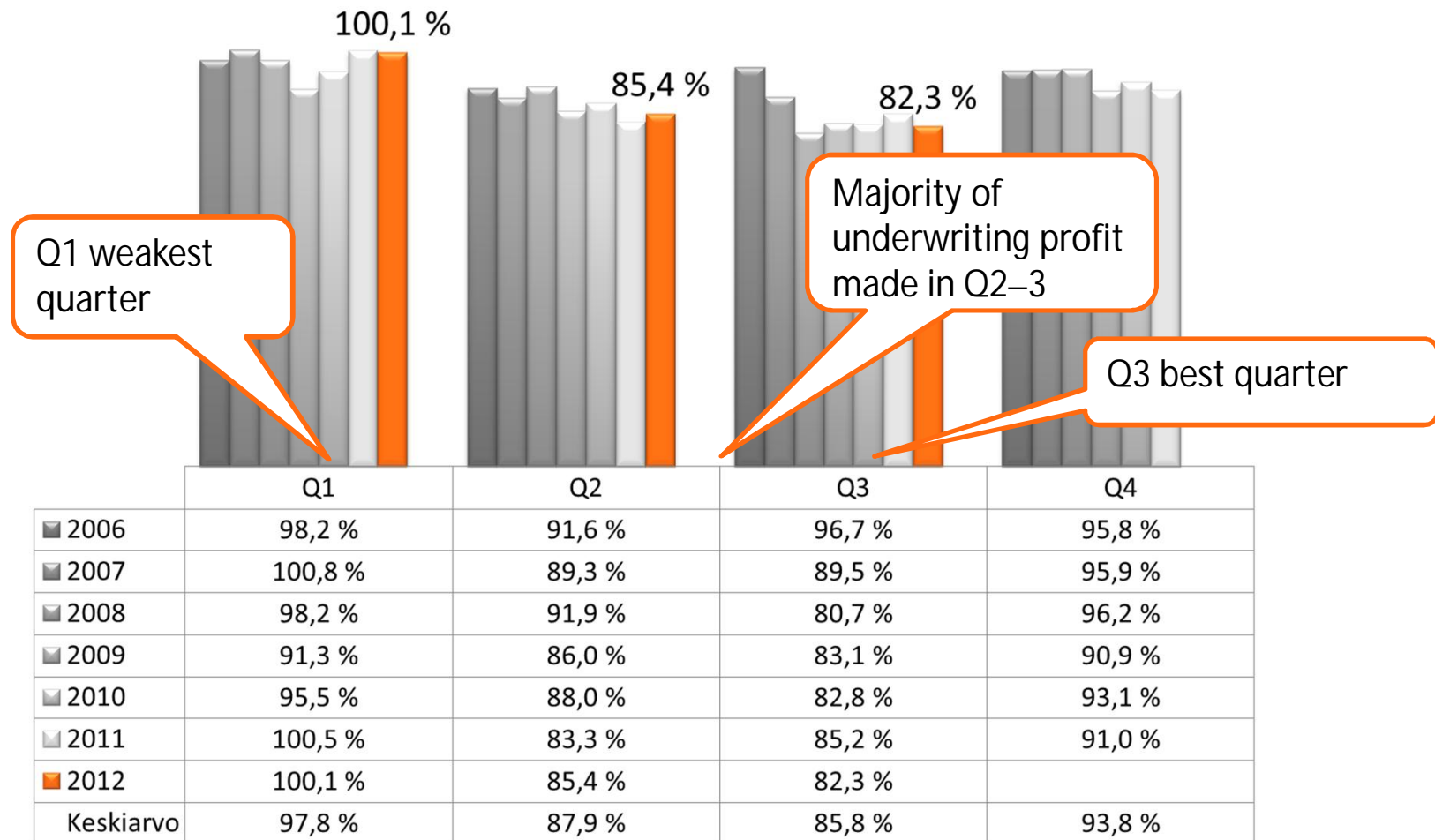
Non-life Insurance Q1-3/12

Sales to private customers by channel



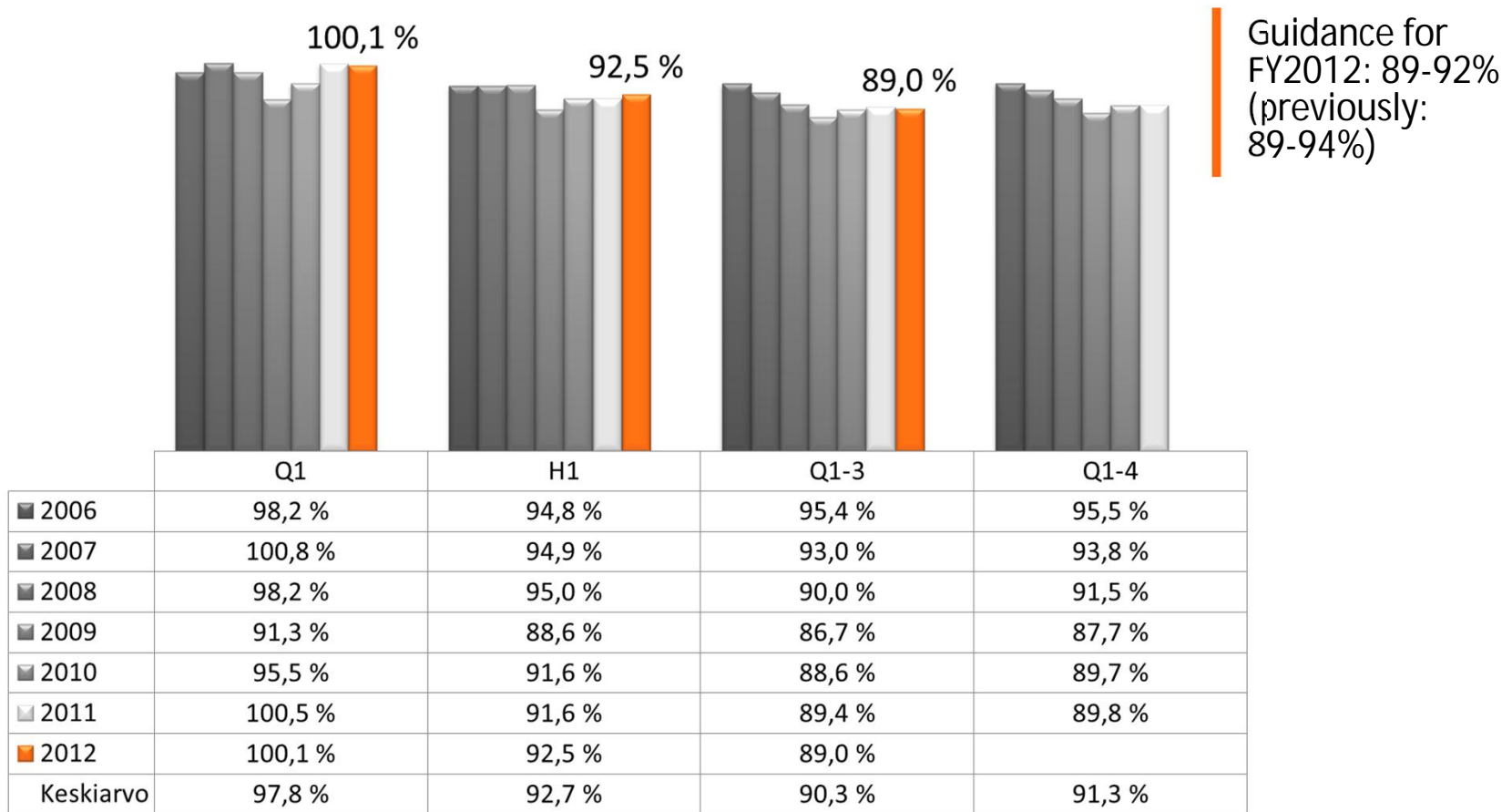
Non-life Insurance Q3/12

Operating combined ratio by quarter, %



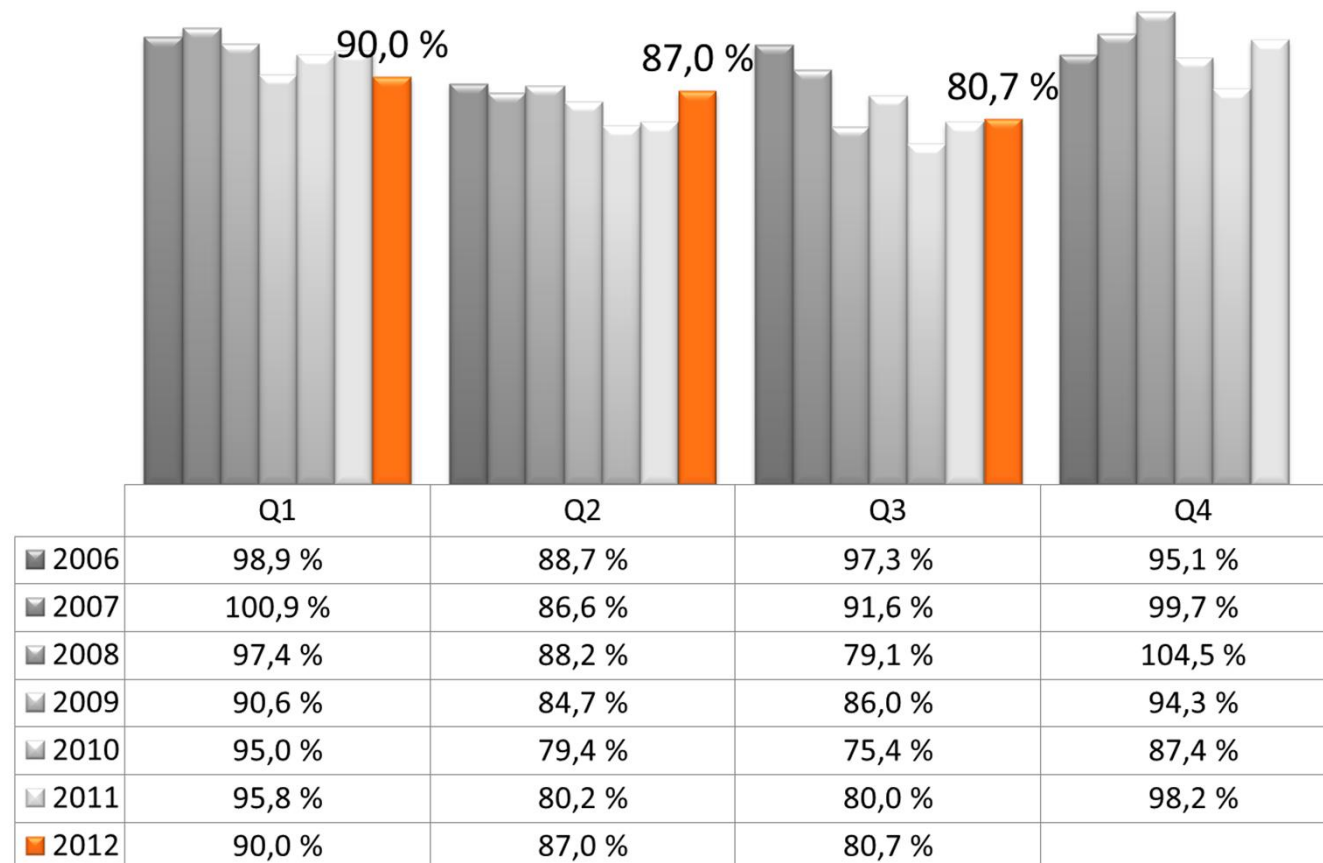
Non-life Insurance Q1-3/12

Operating combined ratio, %, cumulative



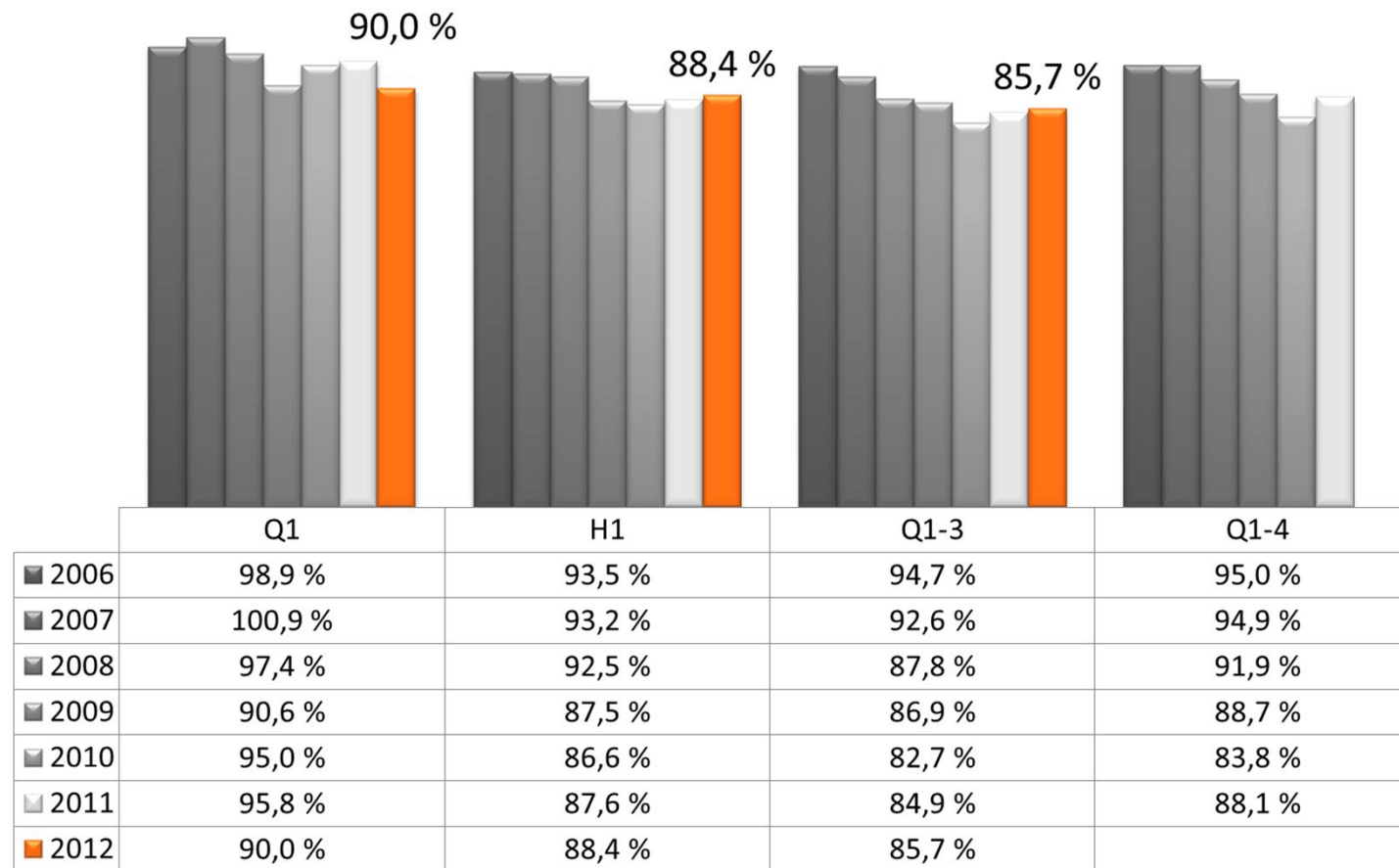
Non-life Insurance Q3/12

Private Customers: operating combined ratio by quarter



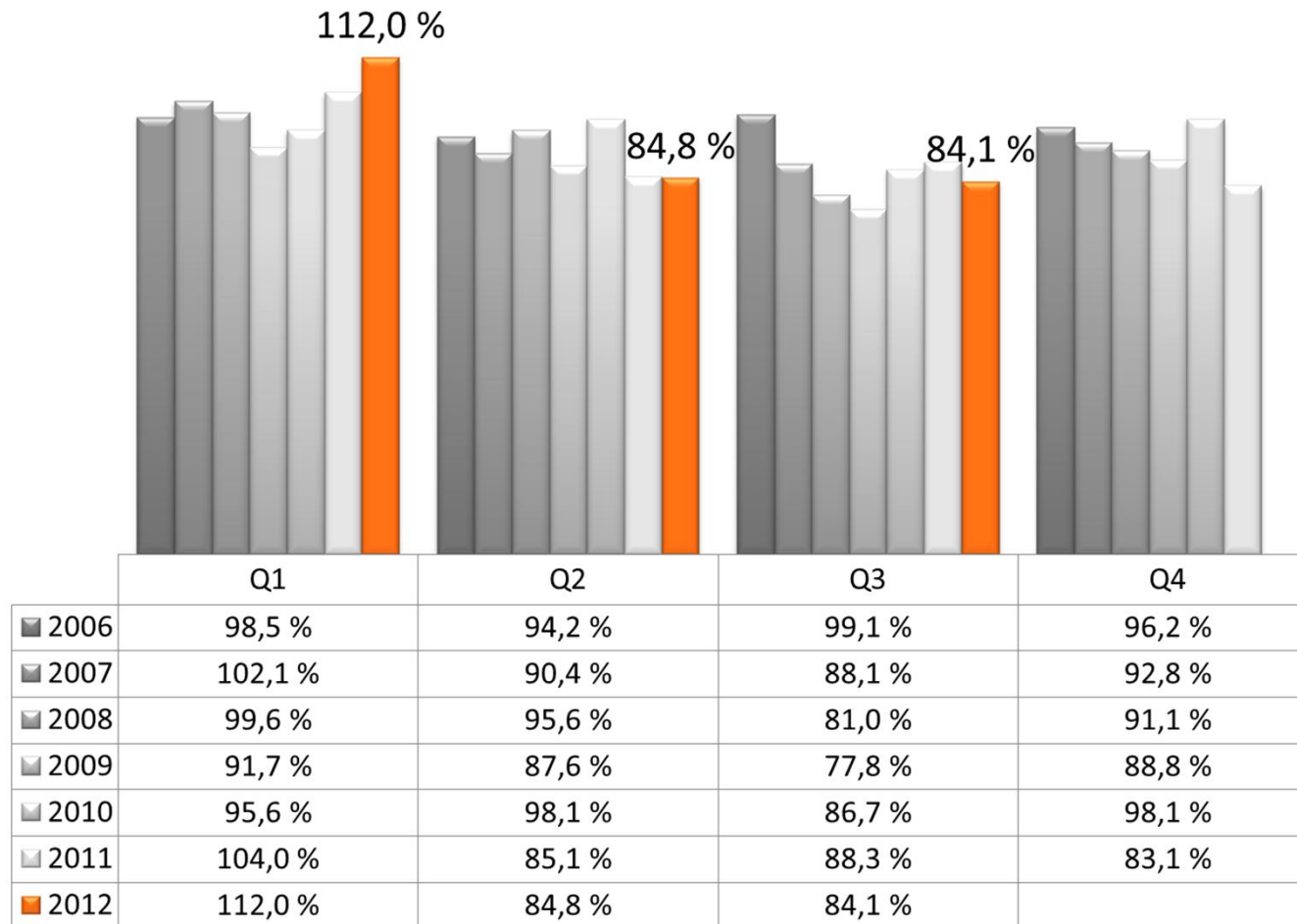
Non-life Insurance Q1-3/12

Private Customers: operating combined ratio, cumulative



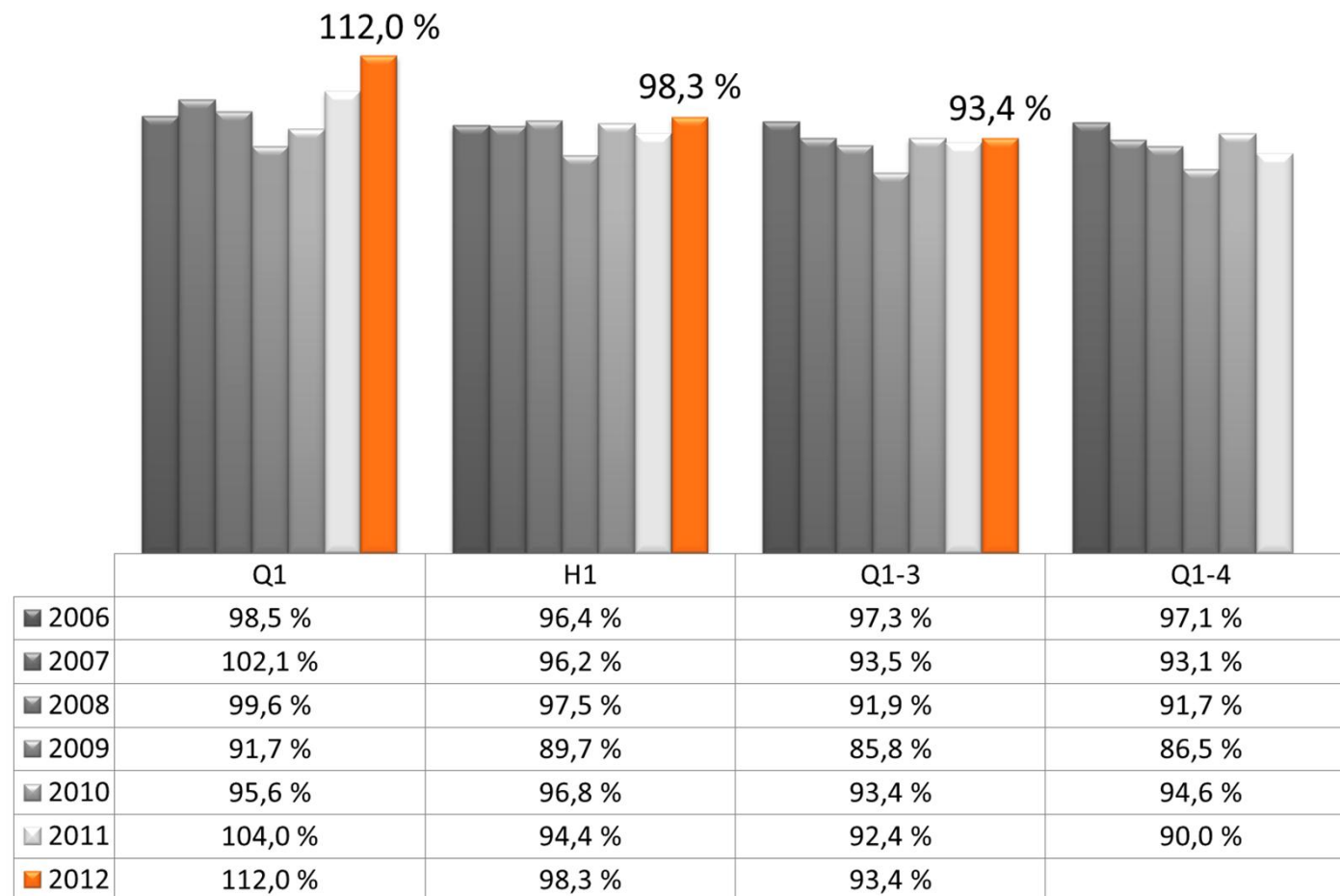
Non-life Insurance Q3/12

Corporate Customers: operating combined ratio by quarter



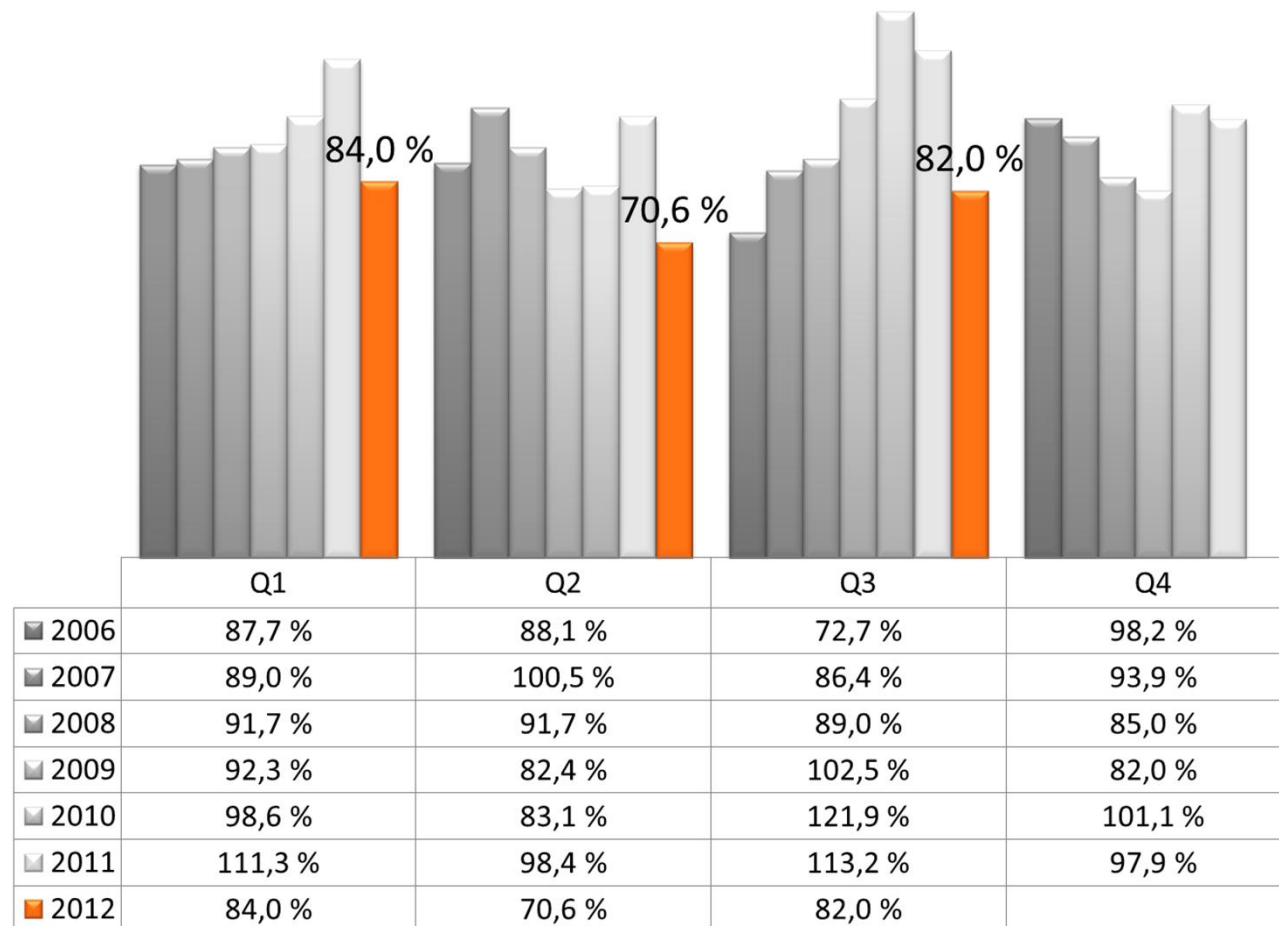
Non-life Insurance Q1-3/12

Corporate Customers: operating combined ratio, cumulative



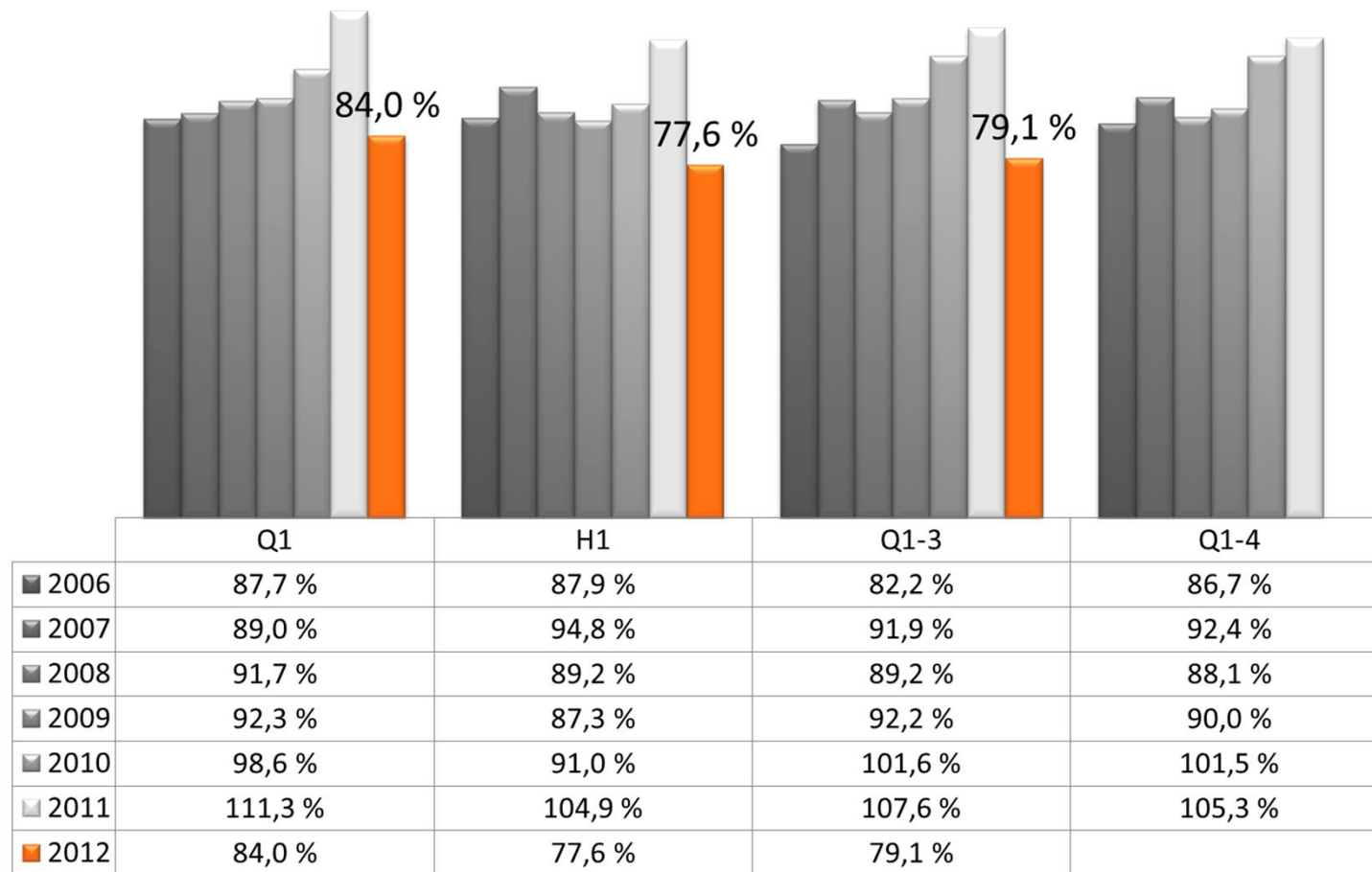
Non-life Insurance Q3/12

Baltic States: operating combined ratio by quarter



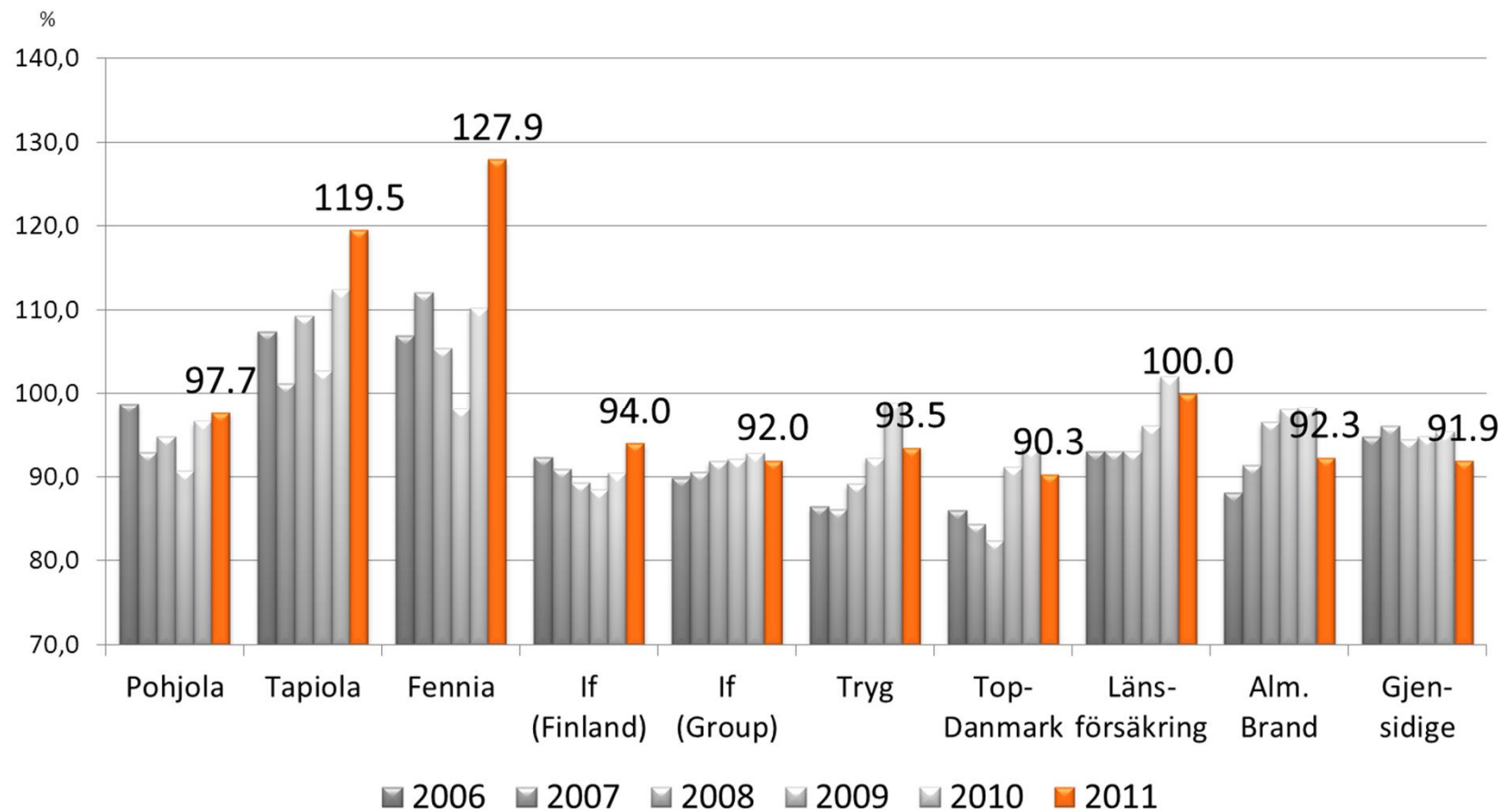
Non-life Insurance Q1-3/12

Baltic States: operating combined ratio, cumulative



Profitability of Nordic Insurers

Combined ratio 2006–11



Non-life Insurance

Fixed-income portfolio by maturity and credit rating 30 September 2012

Investments under the “investment grade” accounted for 92 % (91) of the portfolio

76 % of investments rated at least A-

Average residual term to maturity 4.5 years (4.8) and duration 3.9 years (3.9)

Non-life Insurance fixed-income portfolio by maturity and credit rating on 30 September 2012*, EUR million

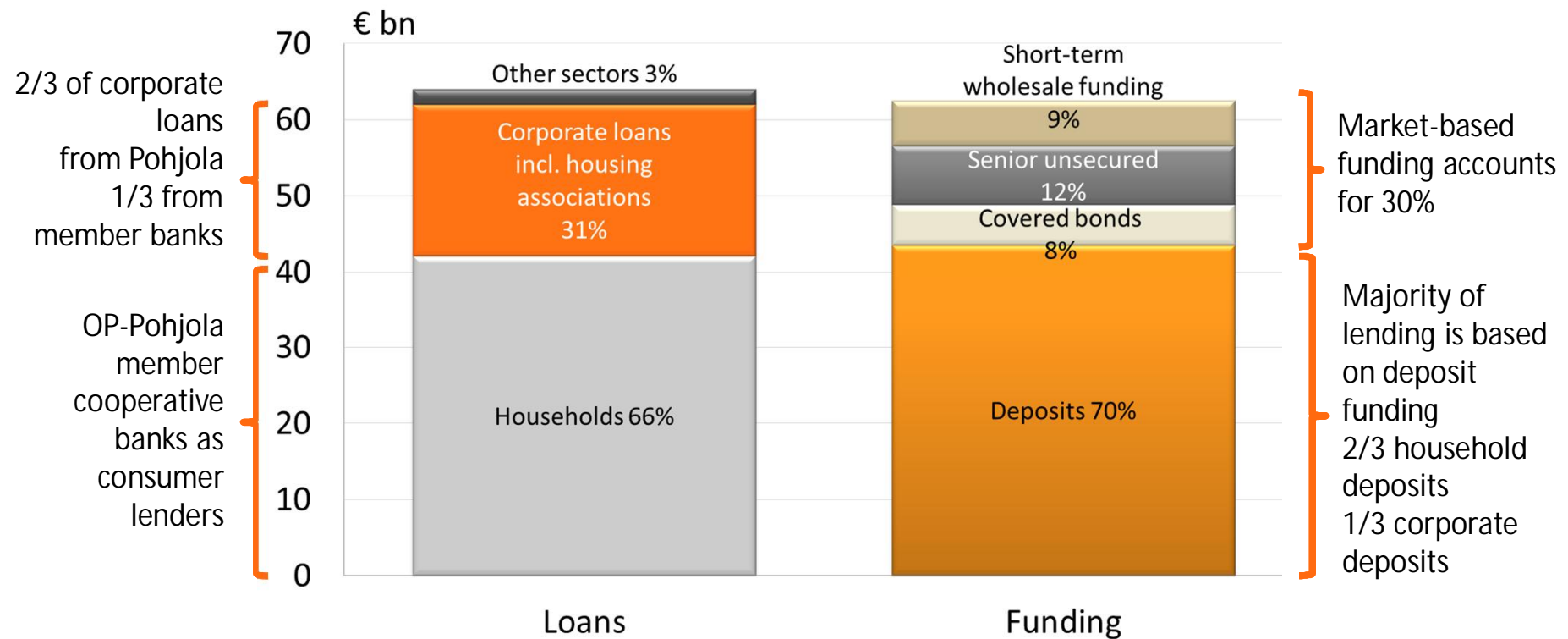
Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	31	169	320	204	111	72	907	38 %
Aa1–Aa3	105	52	117	26	11	25	337	14 %
A1–A3	34	206	235	74	32	1	582	24 %
Baa1–Baa3	22	117	85	95	41	24	383	16 %
Ba1 or lower	22	103	33	22	8	10	199	8 %
Internally rated	0	0	1		0		1	0 %
Total	214	646	792	421	203	133	2 410	100 %

* Excludes credit derivatives.

Group Functions

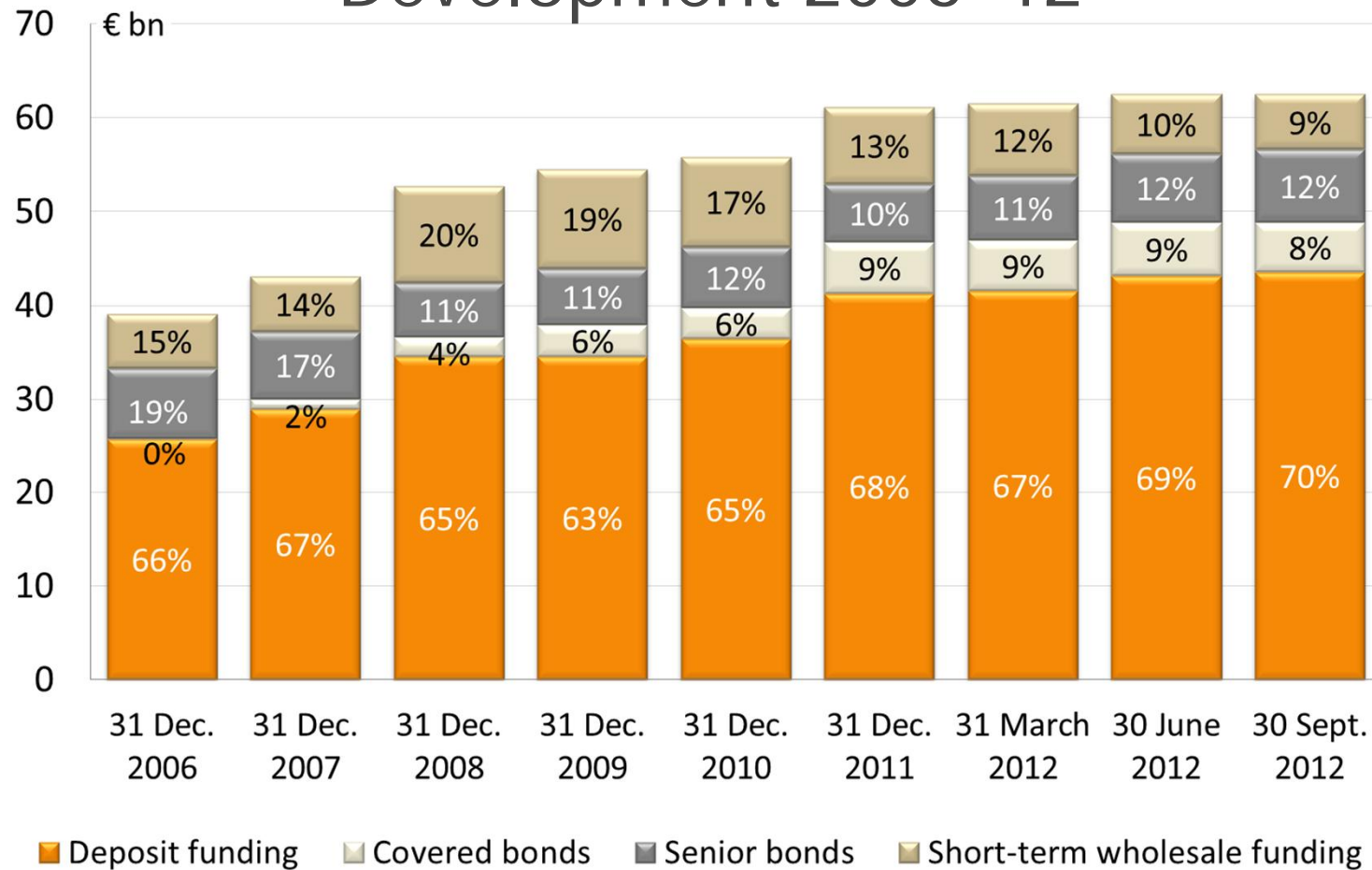
OP-Pohjola Group's Loans and Funding Structure

30 September 2012



Group Functions

OP-Pohjola Group's Funding Structure Development 2006–12



Group Functions

Financial assets included in the liquidity buffer by maturity and credit rating on 30 September 2012

Liquidity buffer by maturity and credit rating on 30 September 2012, EUR million

Year	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa*	6 876	725	731	412	773	22	9 539	62 %
Aa1–Aa3	87	213	177	232	248		956	6 %
A1–A3	187	443	244	6	28	1	909	6 %
Baa1–Baa3	164	249	143	2	8		566	4 %
Ba1 or lower	53	31	34	19	28	0	165	1 %
Internally rated**	606	698	873	331	239	491	3 238	21 %
Total	7 973	2 359	2 202	1 002	1 324	513	15 373	100 %

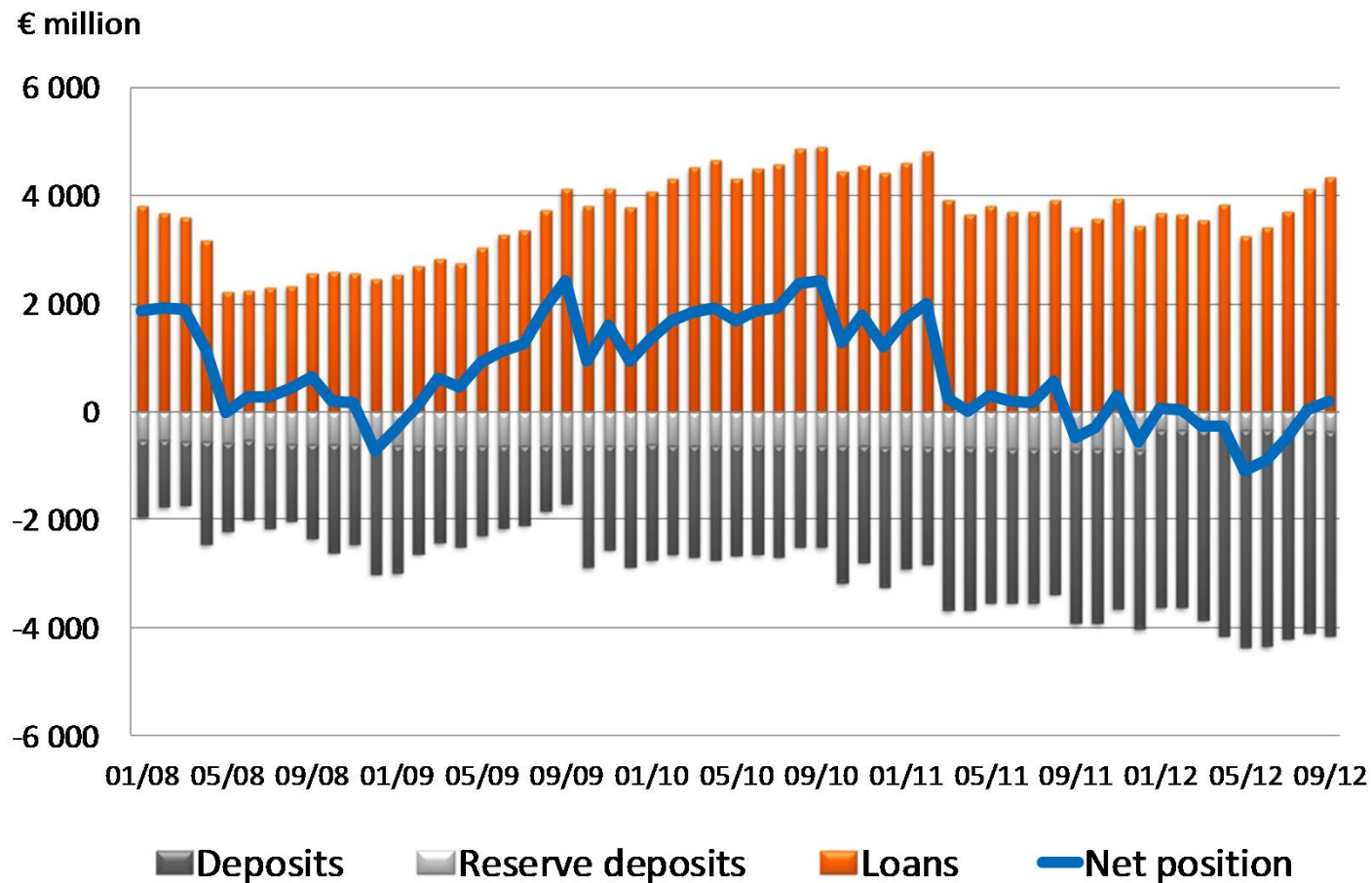
* incl. deposits with the central bank

** PD \leq 0.40%

The liquidity buffer's (excl. deposits with the central bank) residual term to maturity averages 4.6 years.

Group Functions

Receivables and liabilities between Pohjola and OP-Pohjola Group member banks





Finnish Economy

Forecasts for the Finnish Economy

Published in August 2012

	2011 EUR bn	2010 Volume, % change on previous year	2011	2012f	2013f
GDP	189.4	3.3	2.7	0.7	1.4
Imports	78.3	6.9	5.7	-0.8	1.5
Exports	77.1	7.5	2.6	-0.8	2.2
Consumption	151.2	2.1	1.8	1.6	1.2
Private consumption	105.2	3.3	2.5	1.9	1.5
Public consumption	46.0	-0.3	0.4	0.9	0.4
Fixed investment	37.1	1.9	6.8	-2.4	1.4

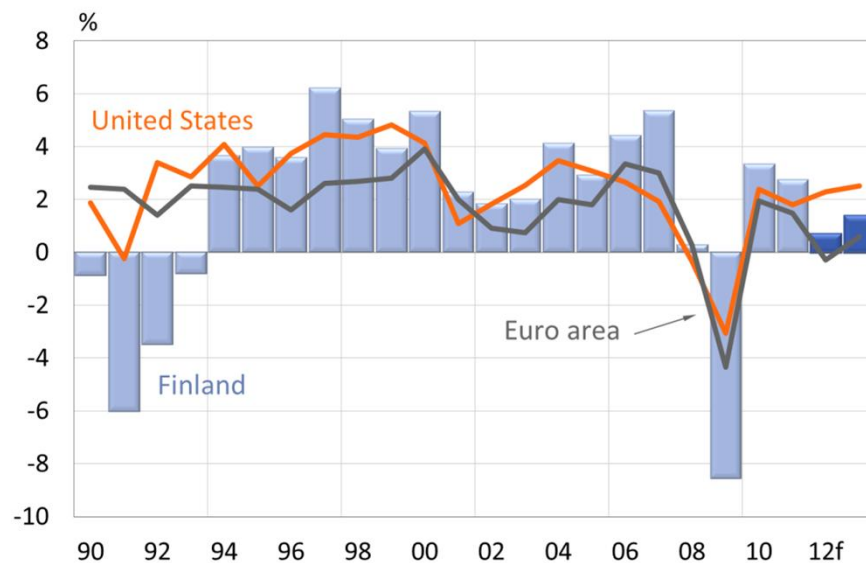
Other key indicators

	2010	2011	2012f	2013f
Consumer price index, % change y/y	1.2	3.4	2.9	2.7
Unemployment rate, %	8.4	7.8	7.6	7.5
Current account balance, % of GDP	1.4	-1.2	-1.5	-1.3
General government debt, % of GDP	48.6	49.0	51.3	52.2
General government deficit, % of GDP	-2.5	-0.6	-0.9	-0.5

Sources: Statistics Finland and OP-Pohjola Group

GDP and Demand Components

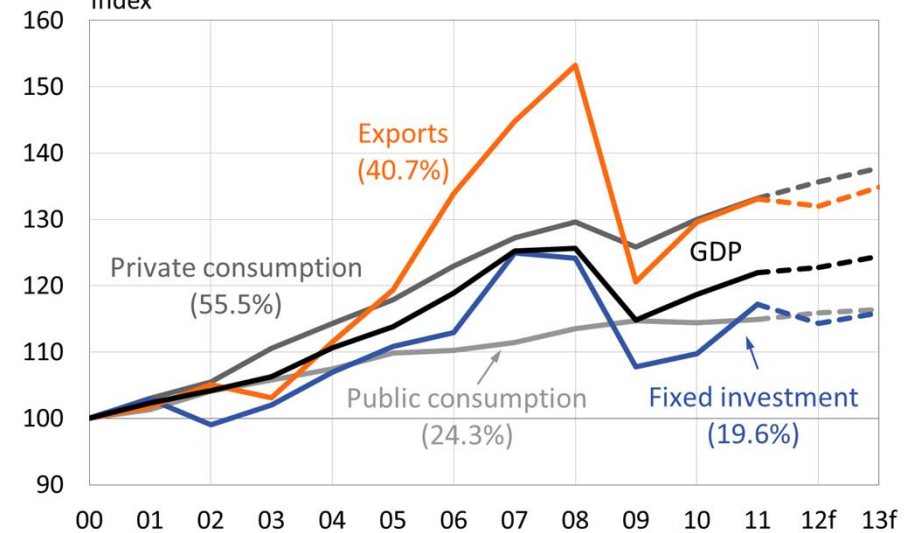
Change in GDP volume



Sources: Reuters EcoWin, forecasts OP-Pohjola Group (August 2012)

GDP and demand components

2011 GDP shares in brackets
Index

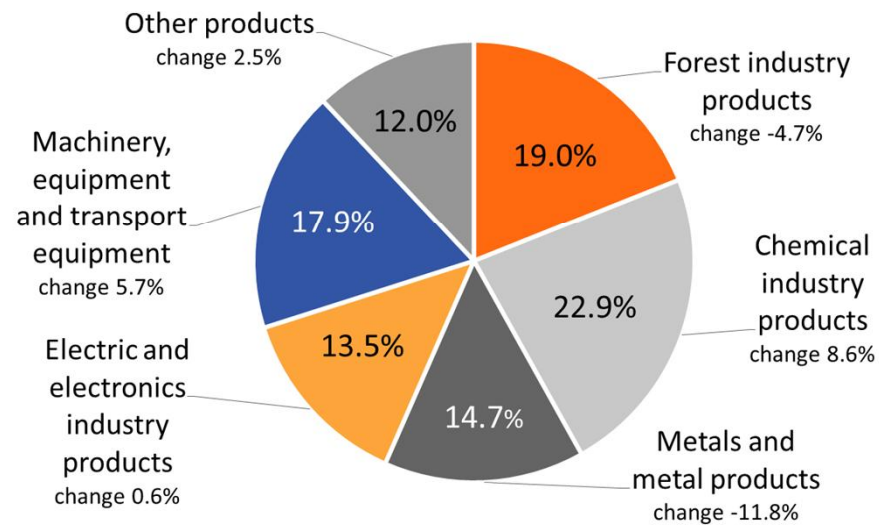


Sources: Statistics Finland, forecasts OP-Pohjola Group, August 2012

Goods Exports by Product Group and by Country

Goods exports by product group

Share of total exports and annual change
1-7/2012

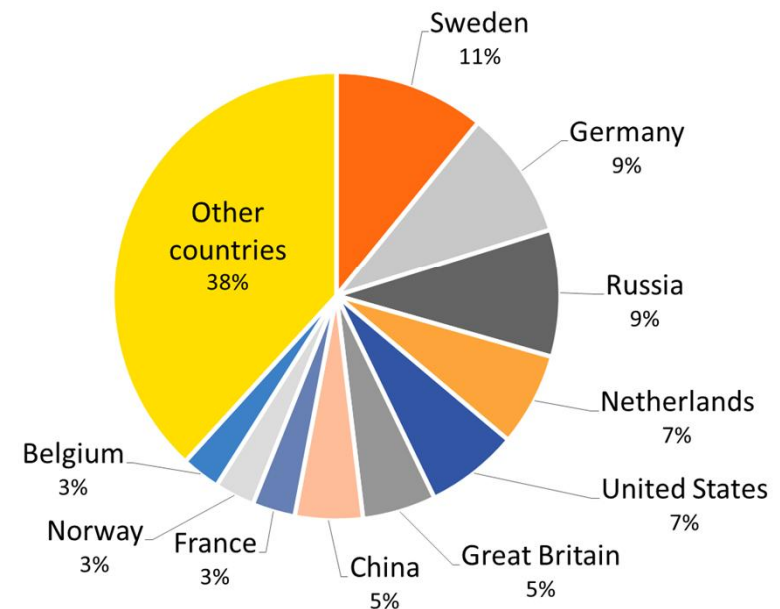


Source: National Board of Customs

Total exports 33.1 EUR Billion (change, 0.3%)

Goods exports by country

1-7/2012

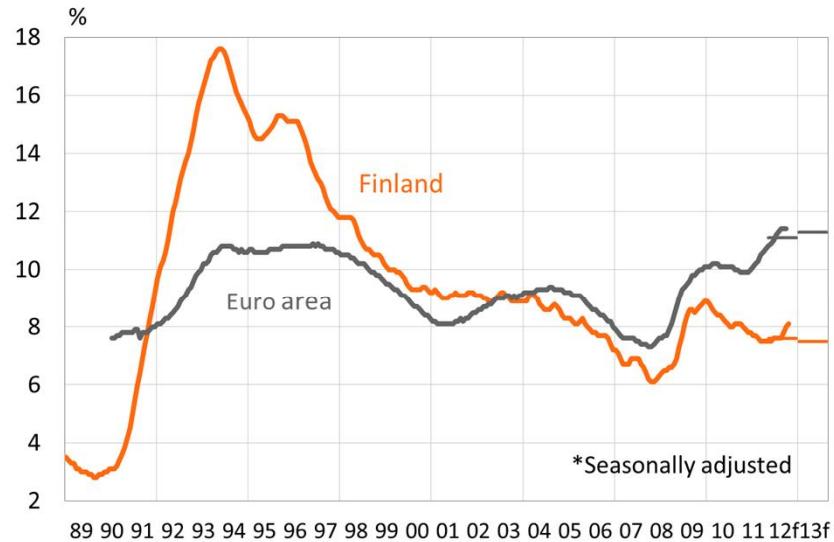


Source: National Board of Customs

In January–July 2012, approx. 40 % of Finnish exports to growing economies (Sweden, Germany, Russia, USA, China)

Unemployment Rate and Corporate Debt

Unemployment rate* in Finland and Euro area

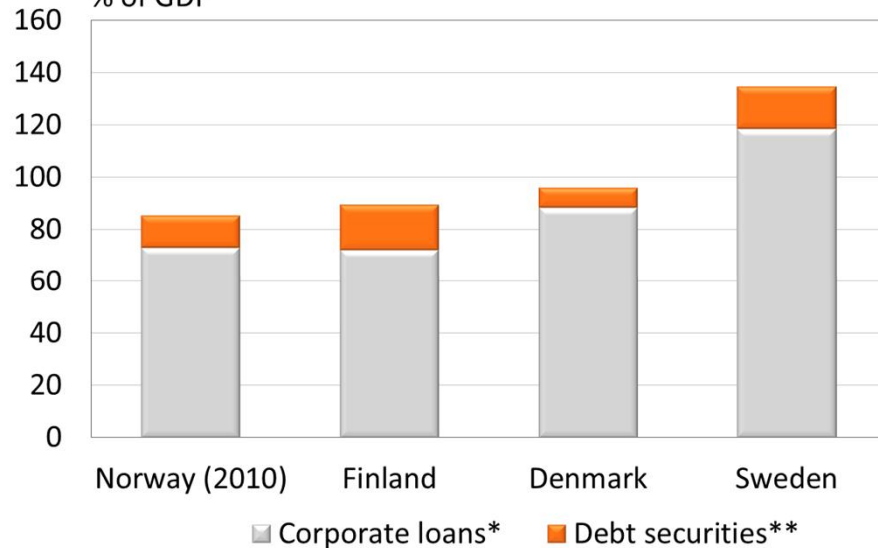


Sources: Statistics Finland, Eurostat, forecasts OP-Pohjola Group, August 2012

Corporate debt

Year 2011

% of GDP



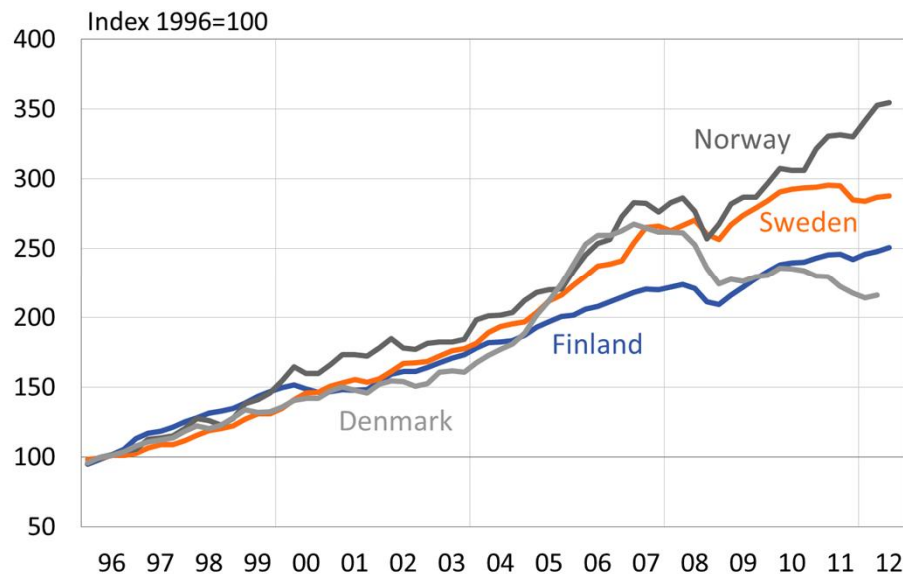
* Excl. loans between companies

** Commercial papers, corporate bonds and financial derivatives

Source: Eurostat, Consolidated Financial Accounts

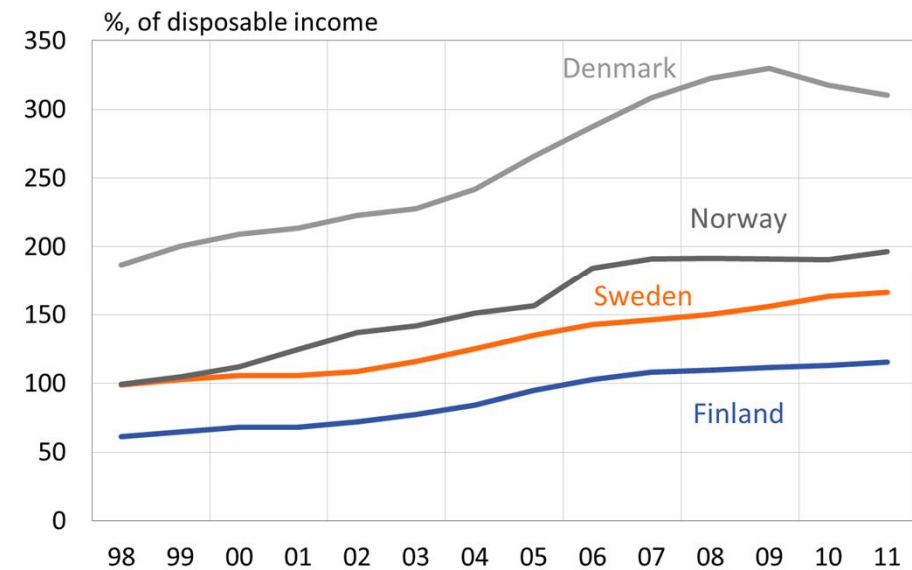
Average House Prices and Households' Debt

Average house prices



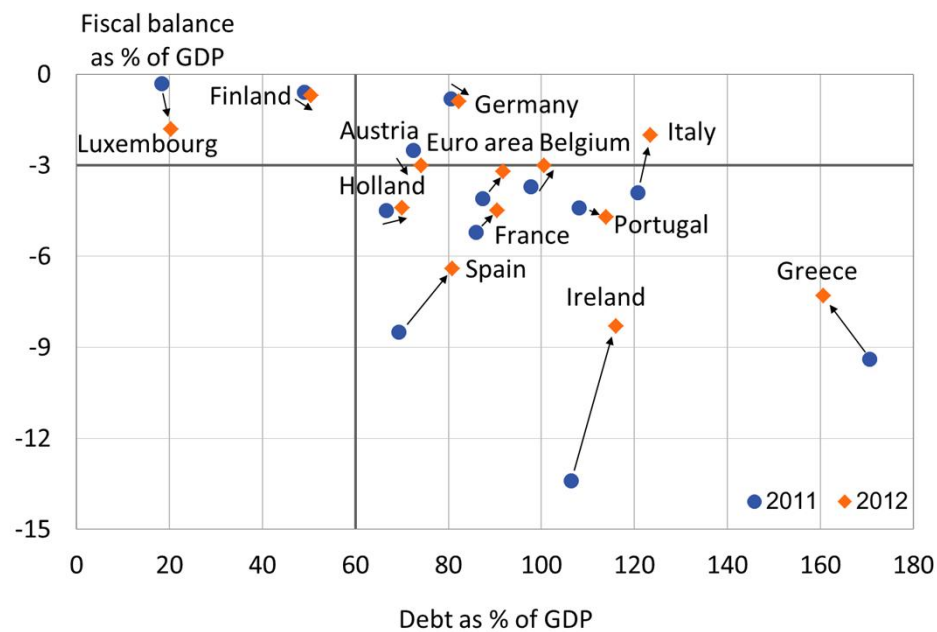
Sources: Reuters EcoWin, Statistics Sweden

Households' debt ratio



Sources: Central Banks, Statistics Finland

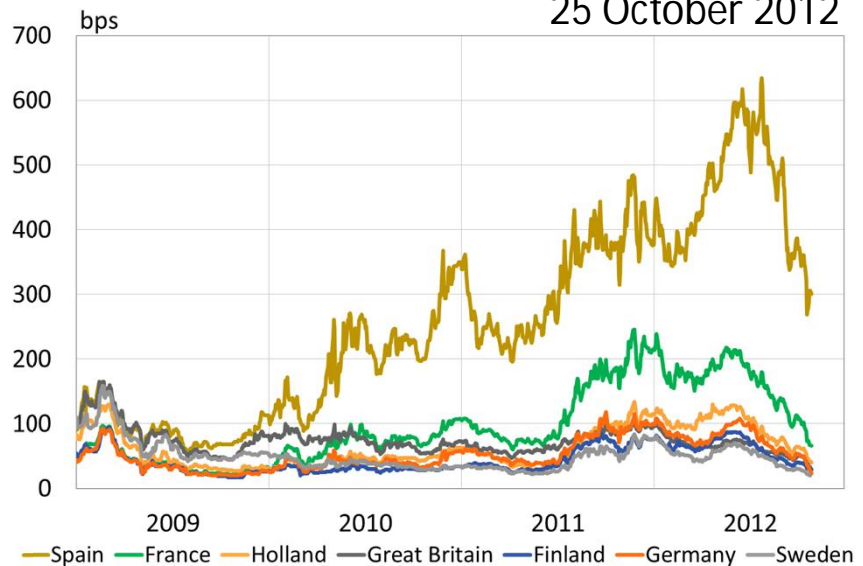
Fiscal Balance and 5-year CDS by Country



Sources: Eurostat, forecasts European Commission, May 2012

5yr CDS 2009-2012 by country

25 October 2012



Source: Reuters EcoWin



Pohjola IR team

Pohjola IR team



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Pohjola Bank plc Capital Markets Day 2012

Pohjola will hold its Capital Markets Day for analysts and investors in London on Wednesday, 21 November 2012. The event will cover Pohjola's updated strategy and financial targets. The CMD event can also be viewed as live webcast via the internet on the Investor Relations page. More information on the CMD can be found at www.pohjola.com > Investor Relations.

Pohjola

