Pohjola Bank plc's Interim Report for 1 January–30 September 2013

Background Material

Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. All forward-looking statements in this presentation expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future development in the operating environment and the future financial performance of Pohjola Group and its various functions. No assurance can be given that such expectations will prove to have been correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of various factors. Pohjola has used sources of information which it considers to be reliable, and the accuracy and reliability of which it has sought to establish to the best of its ability, but it can nevertheless not guarantee their accuracy or reliability.

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Past performance is no guide to future performance. Persons needing advice should consult an independent financial, legal or tax adviser.

Pictured in this background material are Janne Antila, Tanja Martin, Jere Mäki-Pirilä, Heikki Pelto-Arvo and Riitta Soininen of OP-Pohjola Group.

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   - OP-Pohjola Group’s and Pohjola Bank plc’s results and key figures
   - Finnish Economy
   - Pohjola IR team

Q3/13 Consolidated Earnings before Tax €129 mn (79) Were Good Thanks to Strong Progress in Customer Business

1 Banking earnings €64 million (42)

- Combined net interest income from Corporate Banking and Baltic Banking was up by 14%.
- Loan portfolio was down by 1% and average margin rose by 4 basis points to 1.57%
- Net commissions and fees showed strong growth.
- Impairment loss on receivables decreased to EUR 10 million (15).

2 Non-life Insurance earnings €63 million (27)

- Balance on technical account was the best ever recorded.
- Insurance premium revenue was up by 10%.
- Operating combined ratio 81.6% (82.2) and expense ratio 16.2% (19.2).
- Return on investments at fair value 1.7% (3.0).
- Pohjola decided to reduce the discount rate for pension liabilities from 3.0% to 2.8%, which will lower Q4/13 consolidated earnings by around €39 million.

3 Asset Management earnings €7 million (5)

- Assets under management up by 5% to €36.6 billion.
- Operating cost/income ratio was 47% (54).

4 Group Functions earnings €–4 million (4)

- Lower net interest income and the fair value changes of derivatives resulted in the weaker earnings.
- In August, Pohjola issued a senior bond of €750 million with a maturity of 5 years.
- S&P affirmed Pohjola Bank plc's long-term debt rating at AA-.

Core Tier 1 was 10.7% (10.6). The Capital Requirements Directive and Regulation (CRD IV/CRR) was officially published in 27 June 2013, but the treatment of insurance holdings as RWAs and its details require approval from the regulator. Pohjola Group expects its Common Equity Tier 1 (CET1) ratio to be at least at the current level of the Core Tier 1 ratio or to improve slightly.

Q1–3/13 Consolidated Earnings before Tax, €381 mn (281) Were Markedly Better than the Year Before and ROE 13.7% (11.6)

Income up 13% and expenses at the previous year's level (excl. bank levy, expenses down by 4%)

1 Banking earnings €175 million (162)

- Higher customer business volumes and margins and lower impairment losses contributed to this improvement.
- Loan portfolio up by 5% and average margin by 5 basis points to 1.57%.
- Impairment loss on receivables decreased to EUR 29 million (34).

2 Non-life Insurance earnings €162 million (82)

- Insurance premium revenue increased by 10% and claims incurred by 3%. Without the reduction in the discount rate for pension liabilities a year earlier, claims incurred would have increased by 12%
- Operating combined ratio 86.6% (89.0) and expense ratio 18.4% (21.8).
- Return on investments at fair value 2.1% (8.6).

3 Asset Management earnings €18 million (17)

- Assets under management up by 11% to €36.6 billion.
- Operating cost/income ratio was 52% (54).

4 Group Functions earnings €26 million (20)

- Earnings include €13 million (–5) in capital gains on notes and bonds and €18 million in dividend income (4), incl. €12 million interest on cooperative capital from Suomen Luotto-osuuskunta.
- Lower net interest income and the fair value changes of derivatives resulted in the weaker earnings.

Core Tier 1 was 10.7% (10.6). The Capital Requirements Directive and Regulation (CRD IV/CRR) was officially published in 27 June 2013, but the treatment of insurance holdings as RWAs and its details require approval from the regulator. Pohjola Group expects its Common Equity Tier 1 (CET1) ratio to be at least at the current level of the Core Tier 1 ratio or to improve slightly.

Pohjola Group
Q3/2013

Q3/13 Consolidated Earning before Tax Were Good Thanks to Strong Progress in Customer Business

Q1–3/2013 earnings before tax increased markedly thanks to improved net interest income from Corporate Banking and net income from investments and Non-life Insurance

The reduction in the discount rate for pension liabilities reduced earnings a year earlier by €52 million

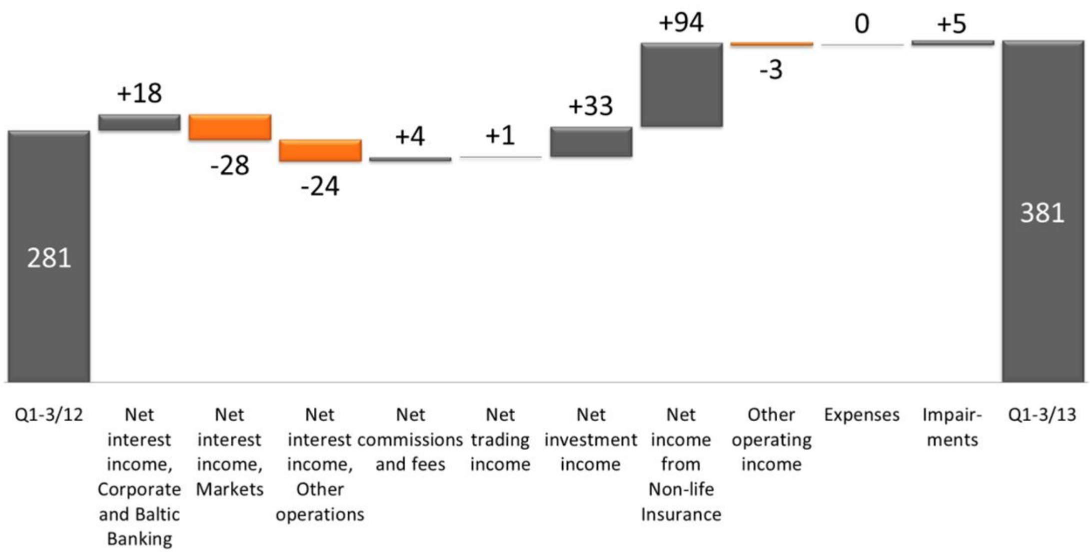
Earnings before tax, € mn

By quarter

Earnings before tax, € mn

By business line, year-on-year change

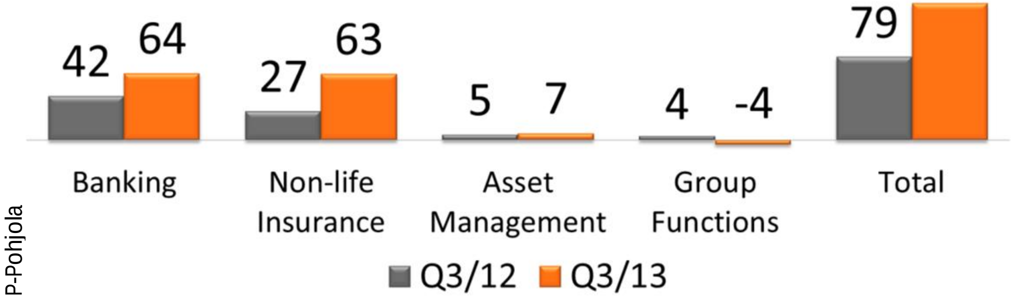
Q1-3/13 vs. Q1-3/12



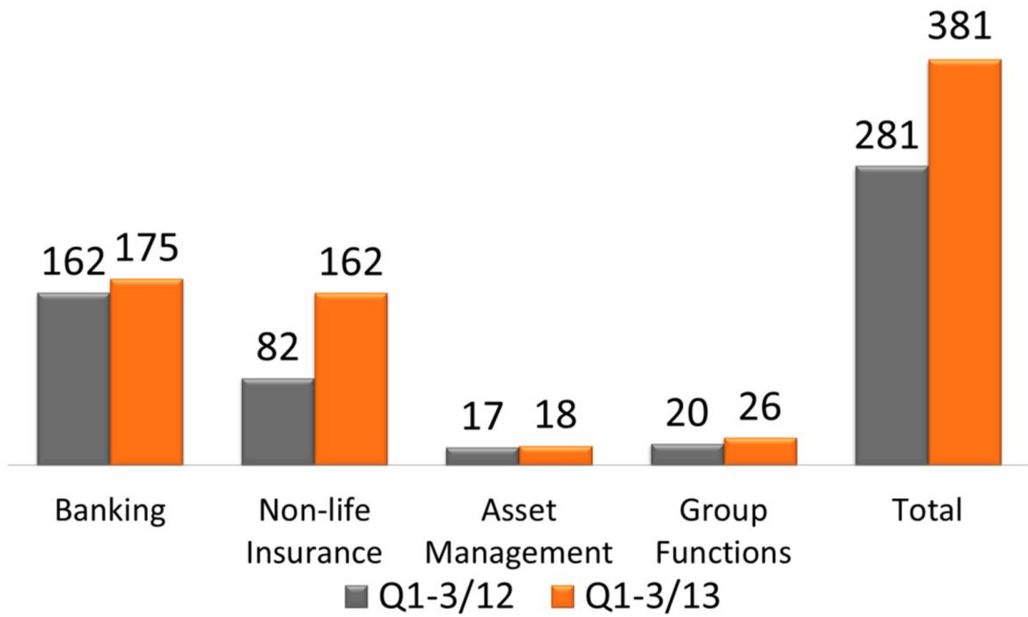
Improvement in Customer Business Earnings in Q3/13

Improvement in all business lines' Q1–3/13 financial performance

Earnings before tax, € mn
By business line, year-on-year change
Q3/13 vs. Q3/12



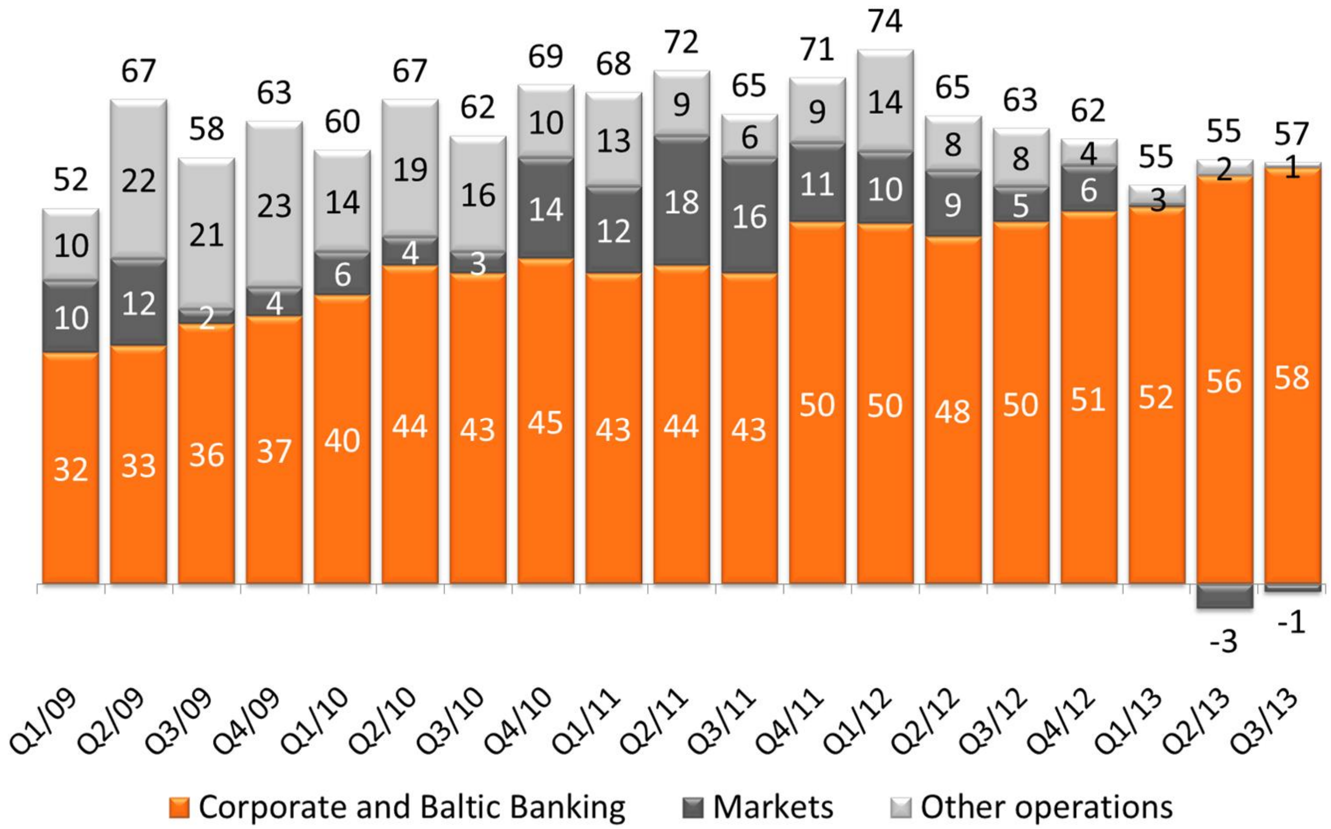
Earnings before tax, € mn
By business line, year-on-year change
Q1-3/13 vs. Q1-3/12



Q3/13 Combined Net Interest Income from Corporate Banking and Baltic Banking Up by 14%

Q1-3/13 Combined net interest income from Corporate Banking and Baltic Banking up by 12%

Q1/2009–Q3/2013, € million

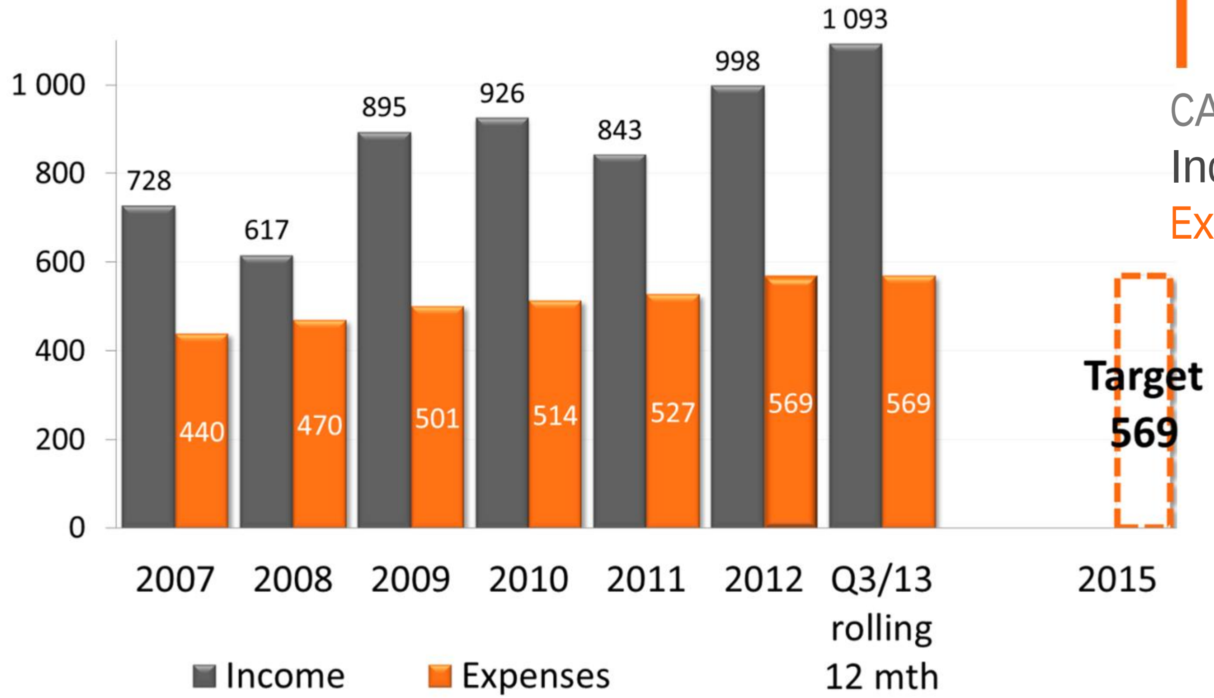


Changes made in the liquidity buffer in the last 12 months decreased the Group Functions' net interest income

Q1–3/13 Total Income Increased by 13% and Total Expenses Remained at the Previous Year's Level (excl. bank levy expenses down by 4%)

A year ago, total income was reduced by €52 million resulting from the reduction in the discount rate for pension liabilities and expenses were increased due to a non-recurring provision for expenses of €6 million related to the efficiency-enhancement programme

Income and cost developments, € million
2007–Q3/2013 (rolling 12mth)



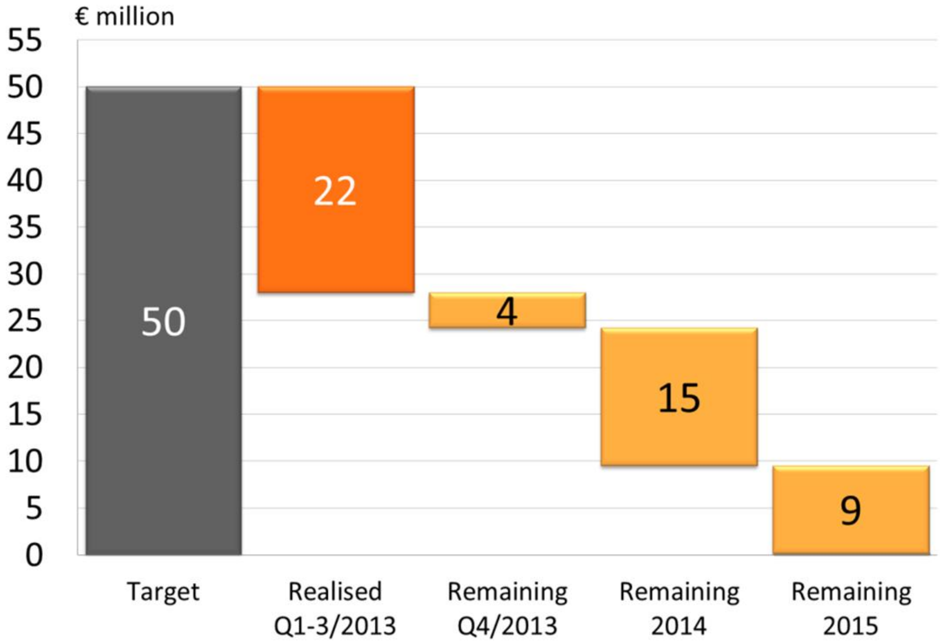
Target for total expenses: Total expenses at end of 2015 at 2012-end level

CAGR 2007–2012:
Income 7%
Expenses 5%

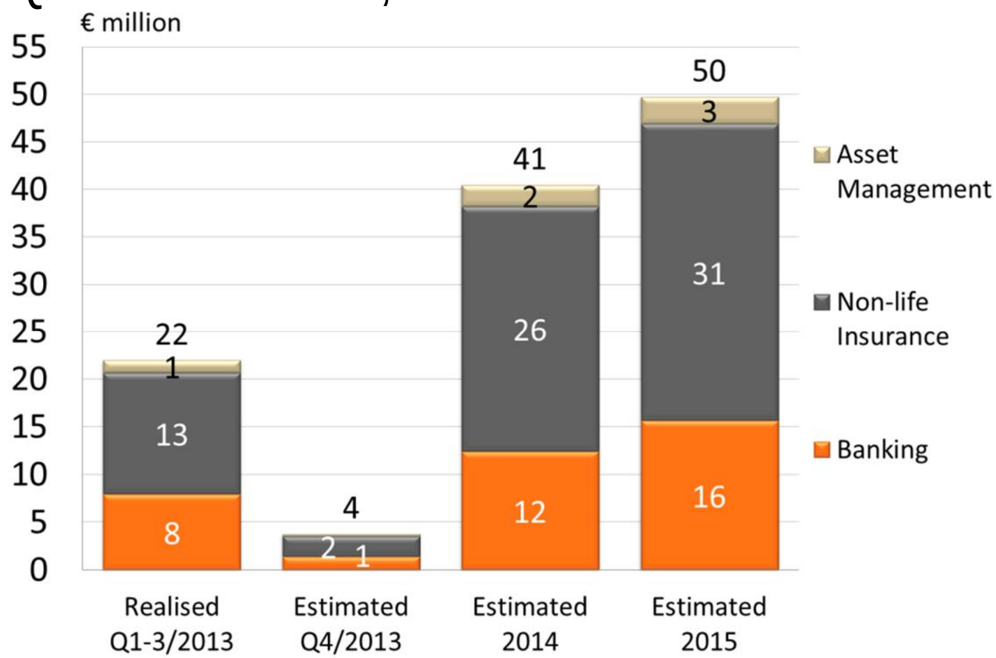
Reported Cost Savings for Q3/13 Totalled €7 mn

Reported cost savings for Q1-3/13 under the efficiency-enhancement programme amounted to €22 million

Realised and remaining cost savings Q1-3/2013–2015, € mn



Realised and estimated cost savings by business line Q1-3/2013–2015, € mn



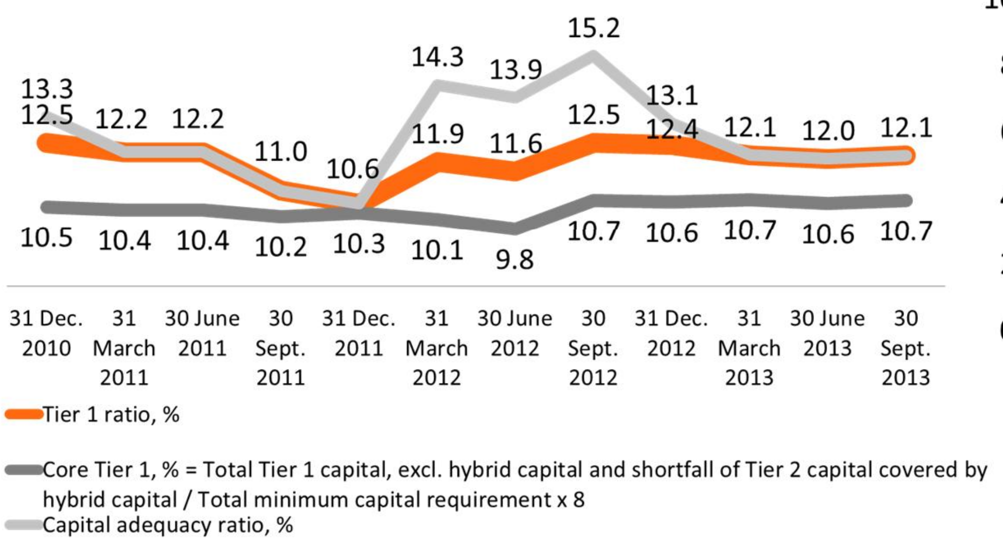
NB 1: Estimated cost savings are based on the figures published in the stock exchange release dated 19 September 2012 , ”Pohjola to Initiate an Information and Consultation Process”

NB 2: The estimated cost savings are on a gross basis and do not include investments necessary to implement the efficiency-enhancement programme.

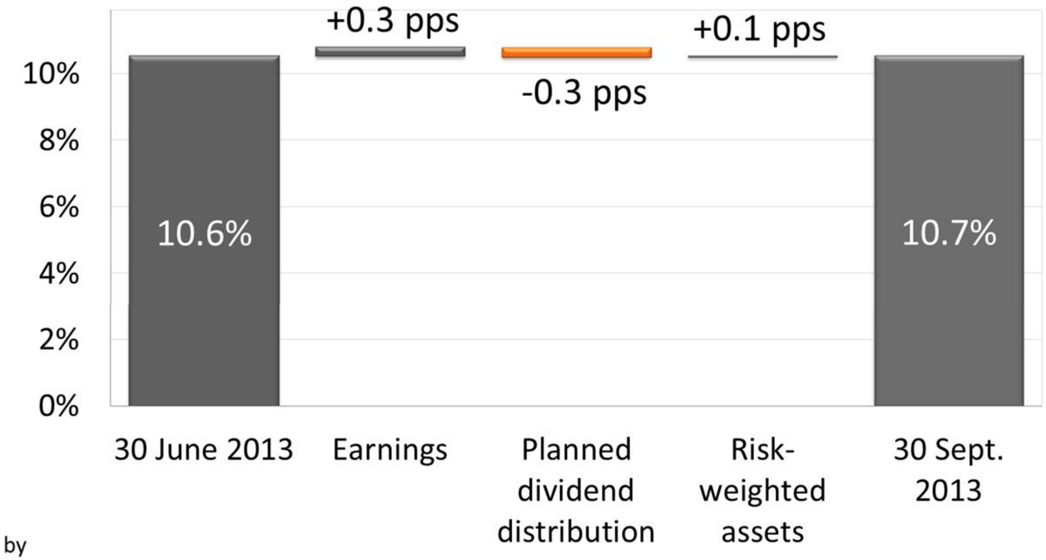
Core Tier 1 ratio 10.7%

The Capital Requirements Directive and Regulation (CRD IV/CRR) was officially published in 27 June 2013. The treatment of insurance holdings as RWAs and the details of its application require approval from the regulator. Pohjola Group expects its Common Equity Tier 1 (CET1) ratio to be at least at the current level of the Core Tier 1 ratio or to improve slightly.

Capital adequacy ratio under the Act on Credit Institutions, %



Changes in Core Tier 1 ratio in Q3/13



1.71

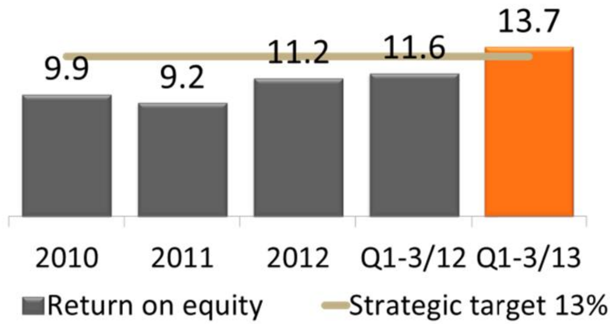
(31 Dec. 2012: 1.70)

Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates was clearly above the statutory minimum requirement.

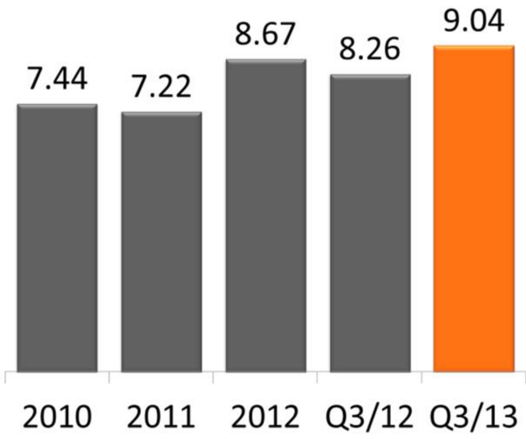
OP-Pohjola Group Group's Core Tier 1 ratio as of 30 Sept. 2013: 13.9% (31 Dec. 2012: 14.1%). OP-Pohjola Group's Core Tier 1 ratio target is 15%.

EPS 0.91 (0.67)

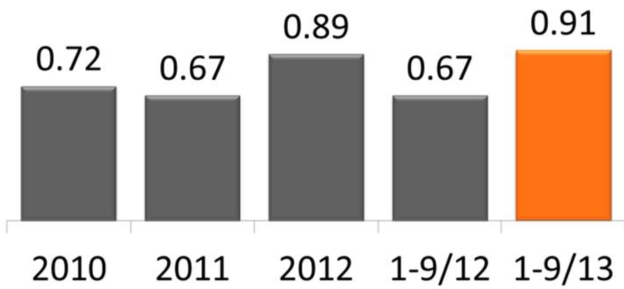
ROE, %



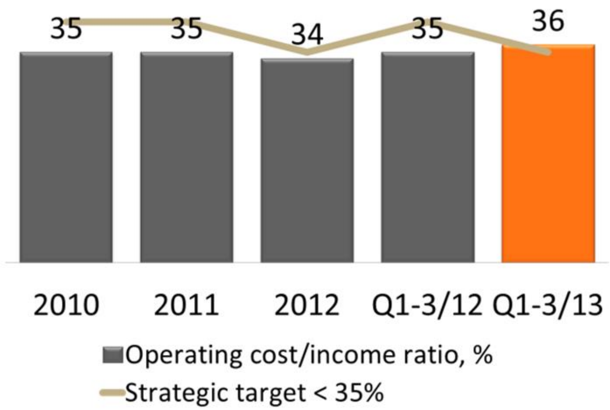
Equity per share, €



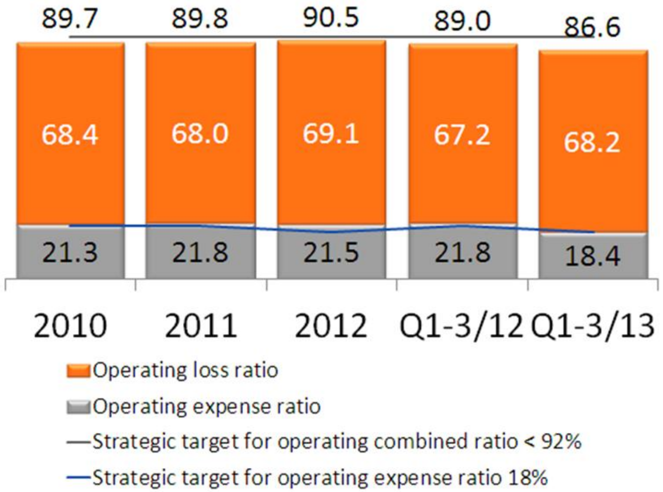
Earnings per share, €



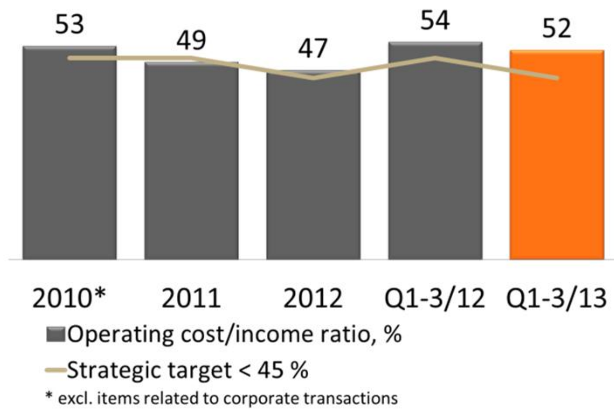
Operating cost/income ratio by Banking, %



Operating combined ratio by Non-life Insurance, %



Operating cost/income ratio by Asset Management, %



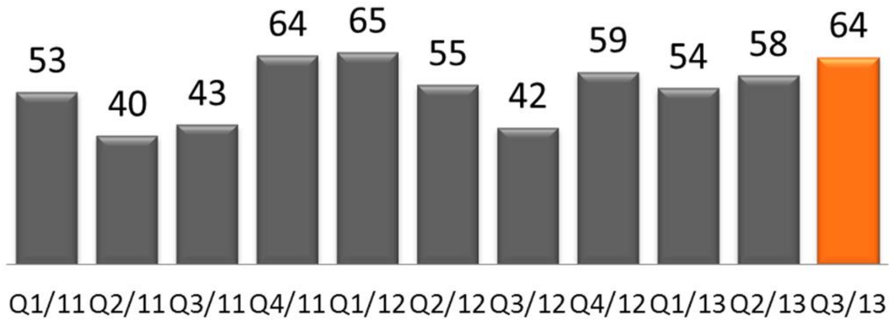
Banking Q3/2013

Q3/13 Earnings Improved Markedly Thanks to Strong Growth in Income and a Reduction in Impairment Loss

Higher customer business volumes and margins and lower impairment losses contributed to this improvement in Q1–3/2013

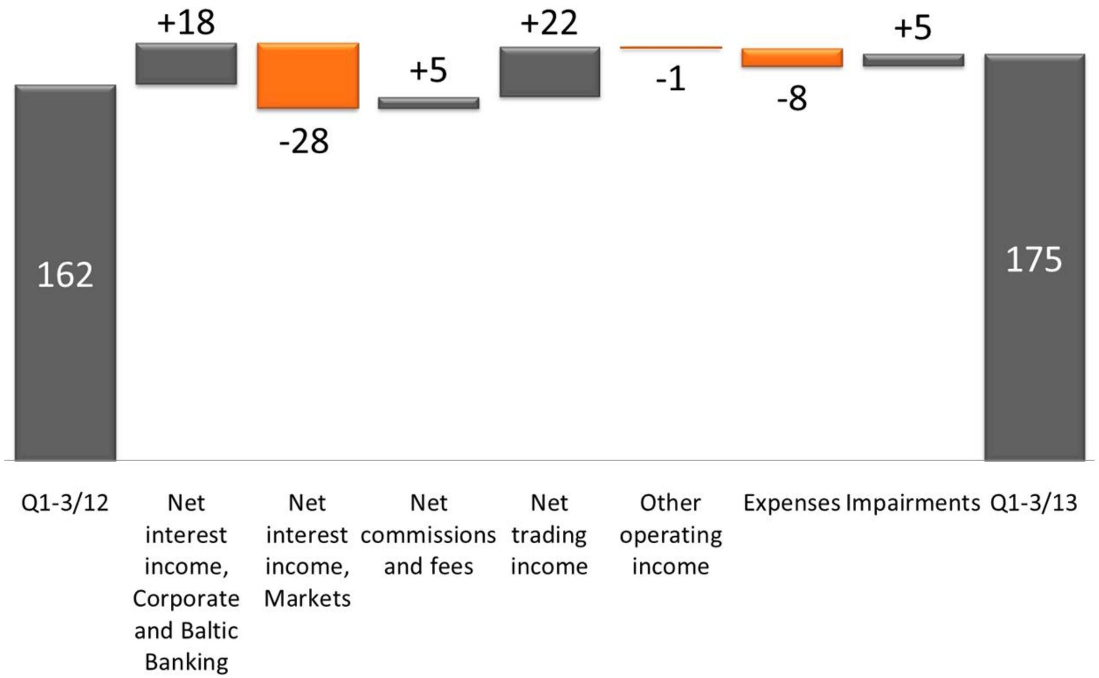
Earnings before tax, € mn

By quarter



Earnings before tax, € mn,

Year-on-year change, Q1-3/13 vs. Q1-3/12



Corporate Banking and Markets Showed Improved Financial Performance in Q3/13

Net interest income and net commissions and fees recorded by Corporate Banking increased in Q1–3/2013, but the Markets earnings were eroded by lower trading income

Earnings before tax, € mn

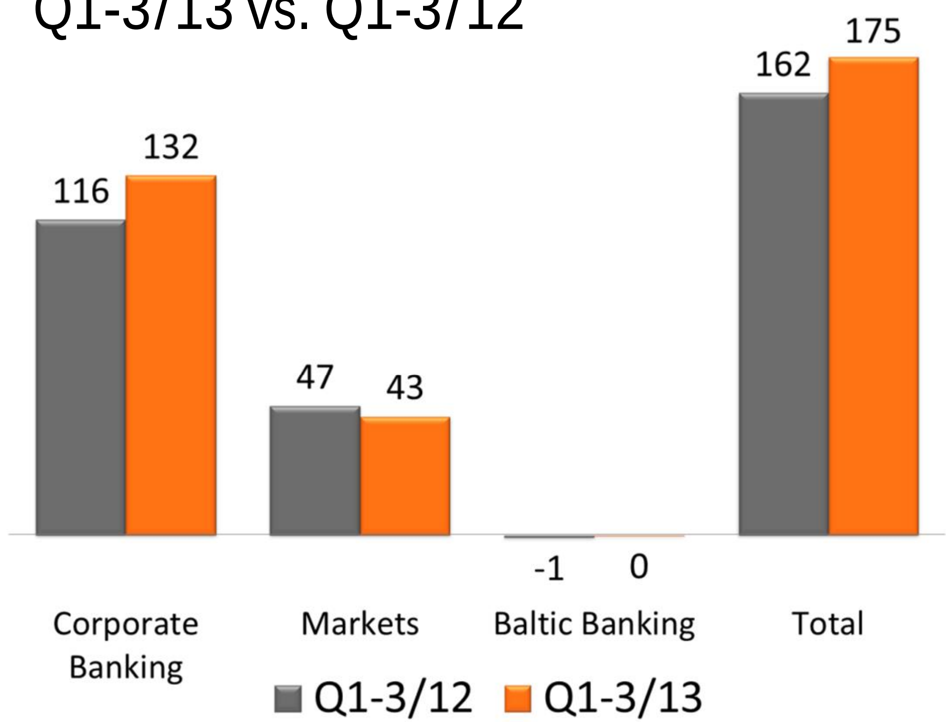
By division, year-on-year change

Q3/13 vs. Q3/12

Earnings before tax, € mn

By division, year-on-year change

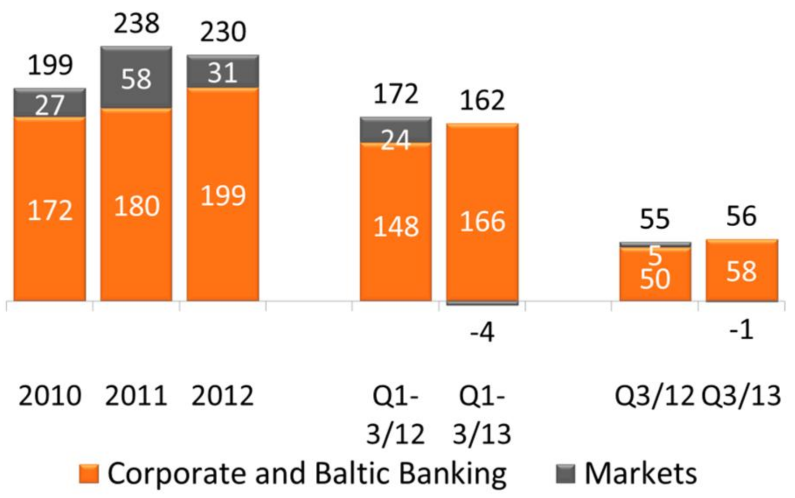
Q1-3/13 vs. Q1-3/12



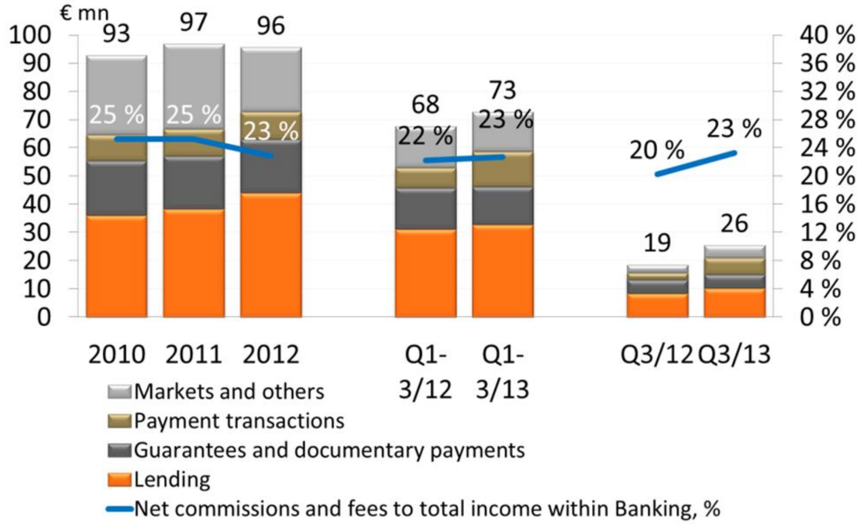
18% Growth in Q3/13 Income

Q1-3/13 income up by 5%

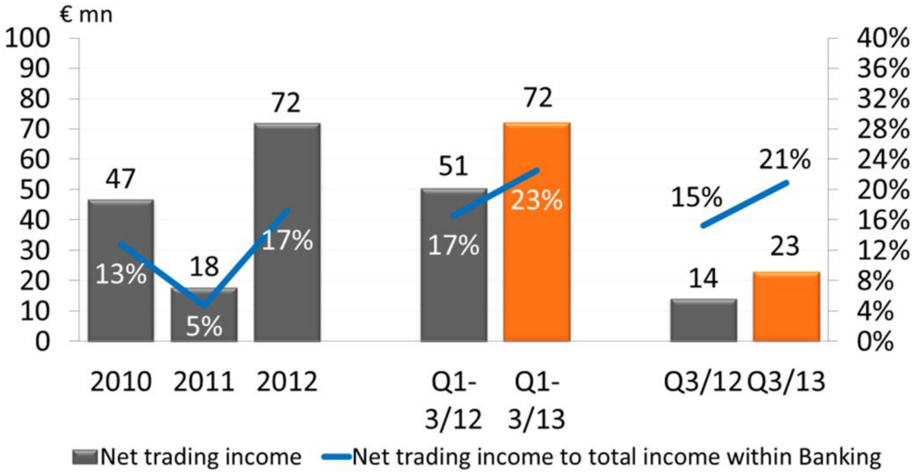
Net interest income, € million



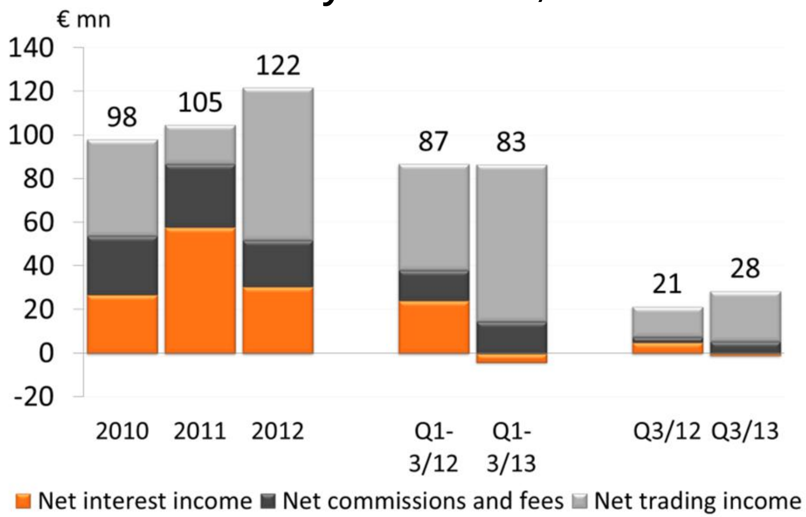
Net commissions and fees, € million



Net trading income, € million



Income items by Markets, € million

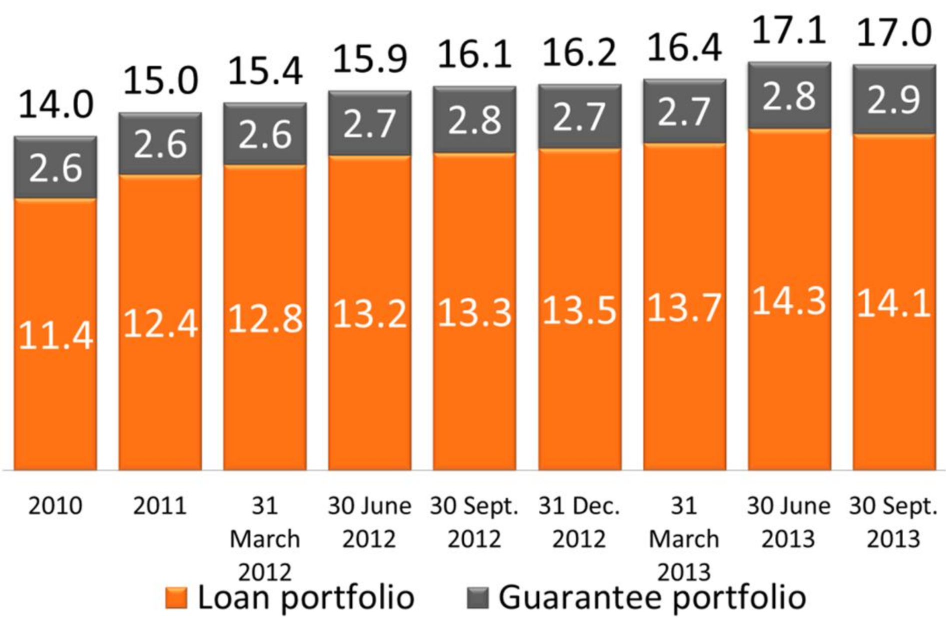


Q3/2013 Loan Portfolio Decreased, but the Average Margin on the Corporate Loan Portfolio Was Up

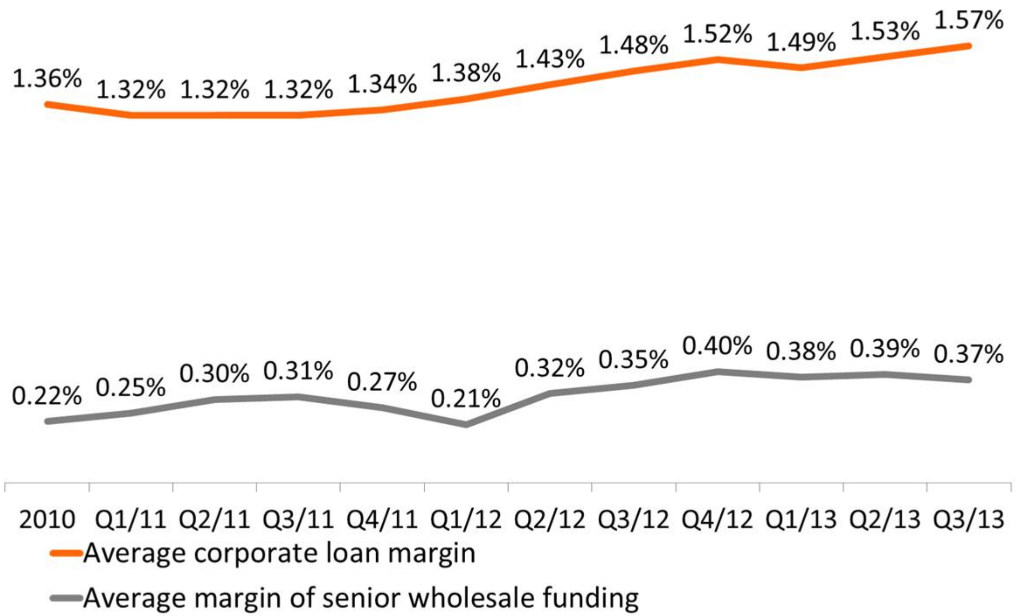
Funding costs were lower than in 2012-end as a result of an increase in short-term funding

Loan and guarantee portfolio, € bn

The loan and guarantee portfolio increased by 5% since year-end and decreased by 1% in Q3/2013



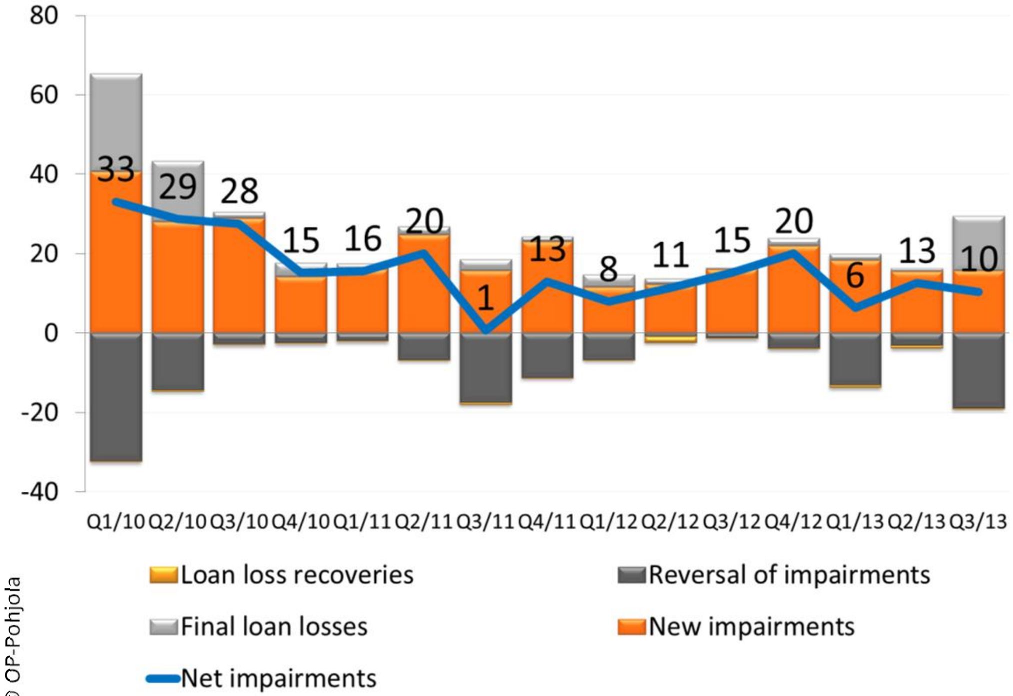
Average corporate loan margin and margin of senior wholesale funding, %



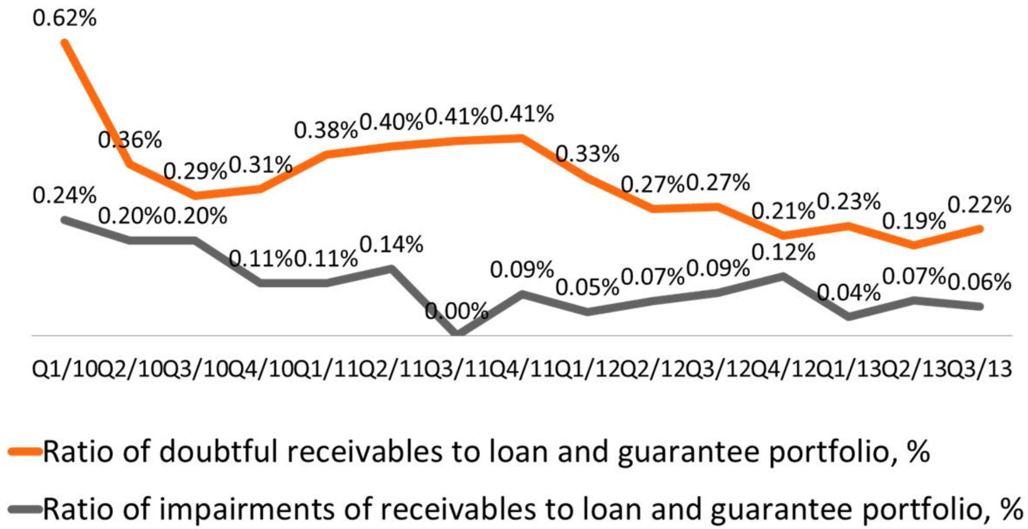
Good Quality Loan Portfolio

Impairment loss on receivables was EUR 5 million lower than in Q3/13 and Q1–3/13

Net impairment loss on receivables Q1-3/13: €29 mn (34)



Impairment losses and doubtful receivables at low levels



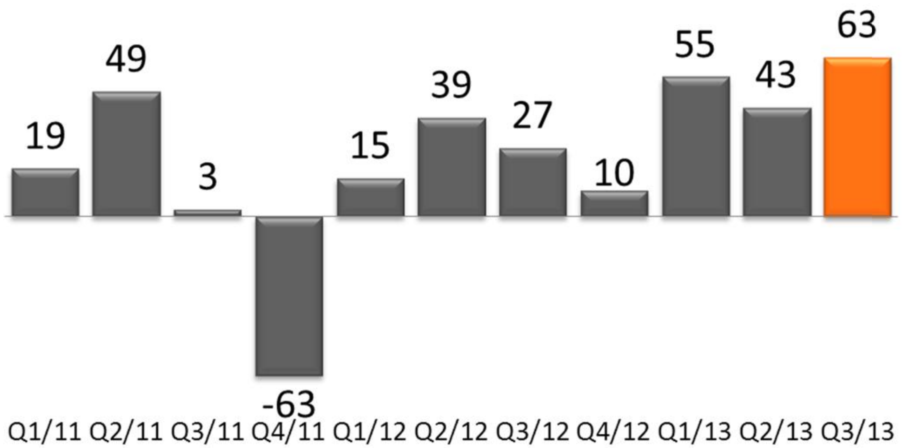
Non-life Insurance
Q3/2013

Q3/13 Balance on Technical Account Was the Best Ever Recorded

Non-life Insurance earnings improved as a result of an increase in insurance premium revenue and a decrease in operating expenses

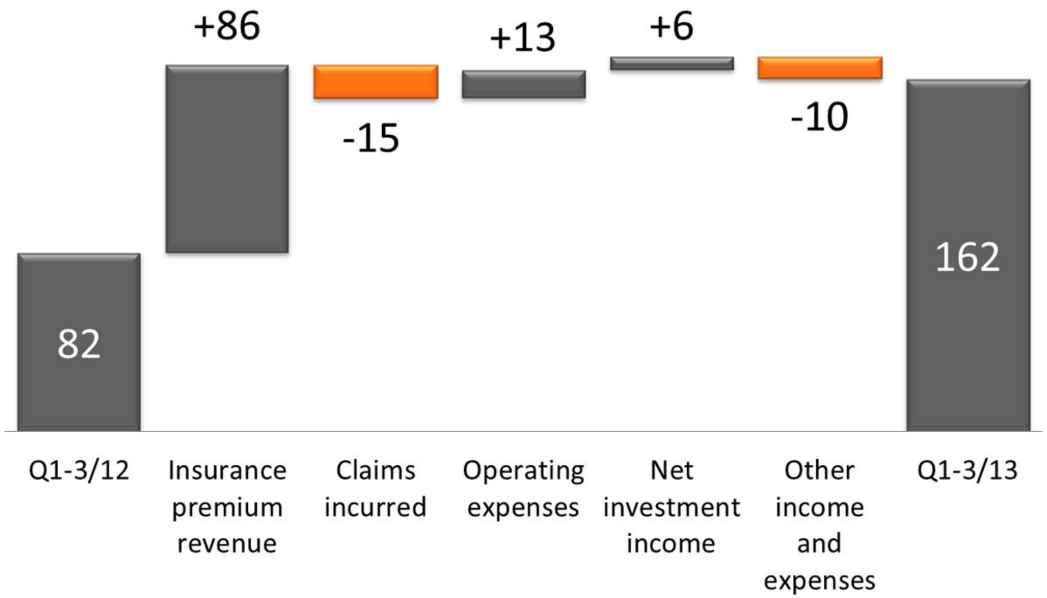
Earnings before tax, € mn

By quarter



Earnings before tax, € mn

Year-on-year change, Q1-3/13 vs. Q1-3/12



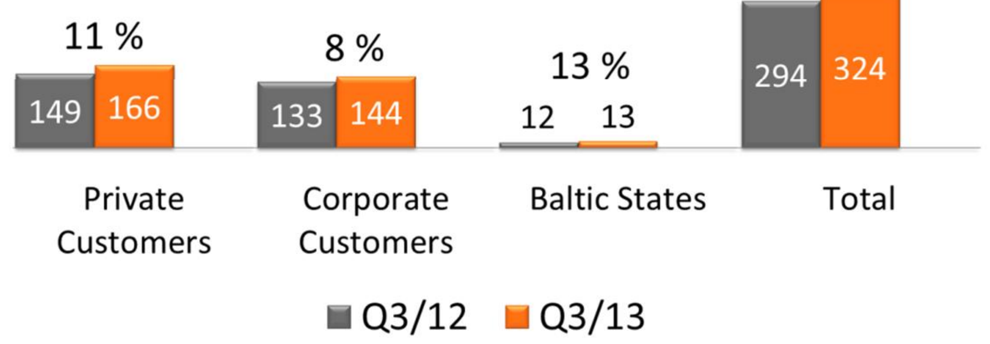
The reduction in the discount rate for pension liabilities decreased earnings by €52 million a year ago. Changes in provisions for claims for previous years improved balance on technical account by EUR 16 million (36) in Q1-3/13 and by EUR 14 million in Q3/13 (20).

Insurance Premium Revenue Continued to Grow Vigorously

Sales of policies to private and corporate customers down by 1% in Q3/13 and up by 2% in Q1-3/13

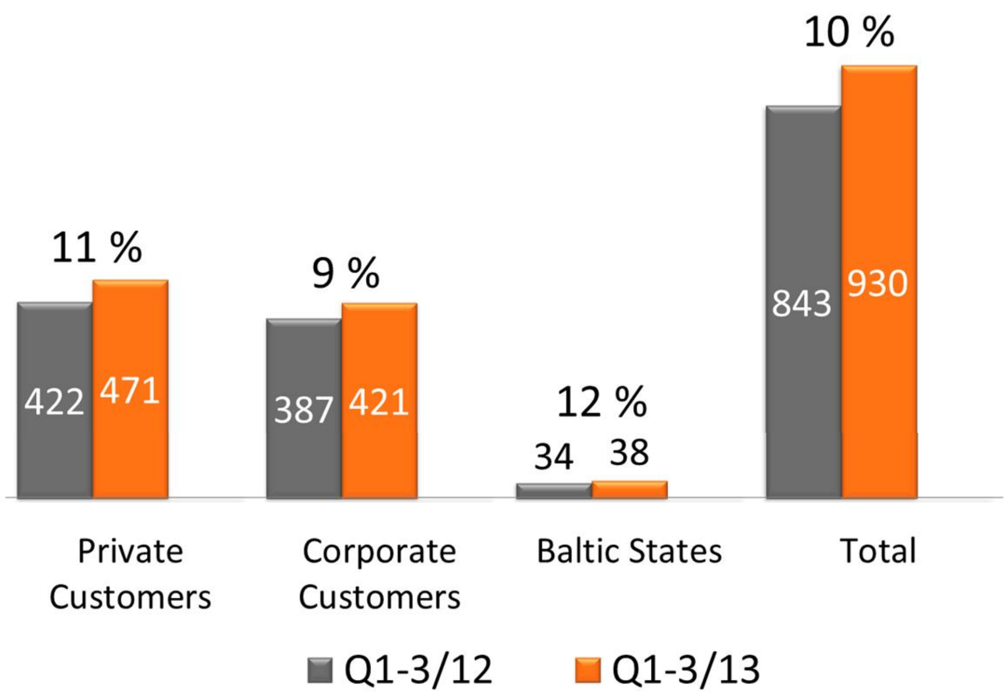
Insurance premium revenue by division, € mn

Year-on-year change, Q3/13 vs. Q3/12



Insurance premium revenue by division, € mn

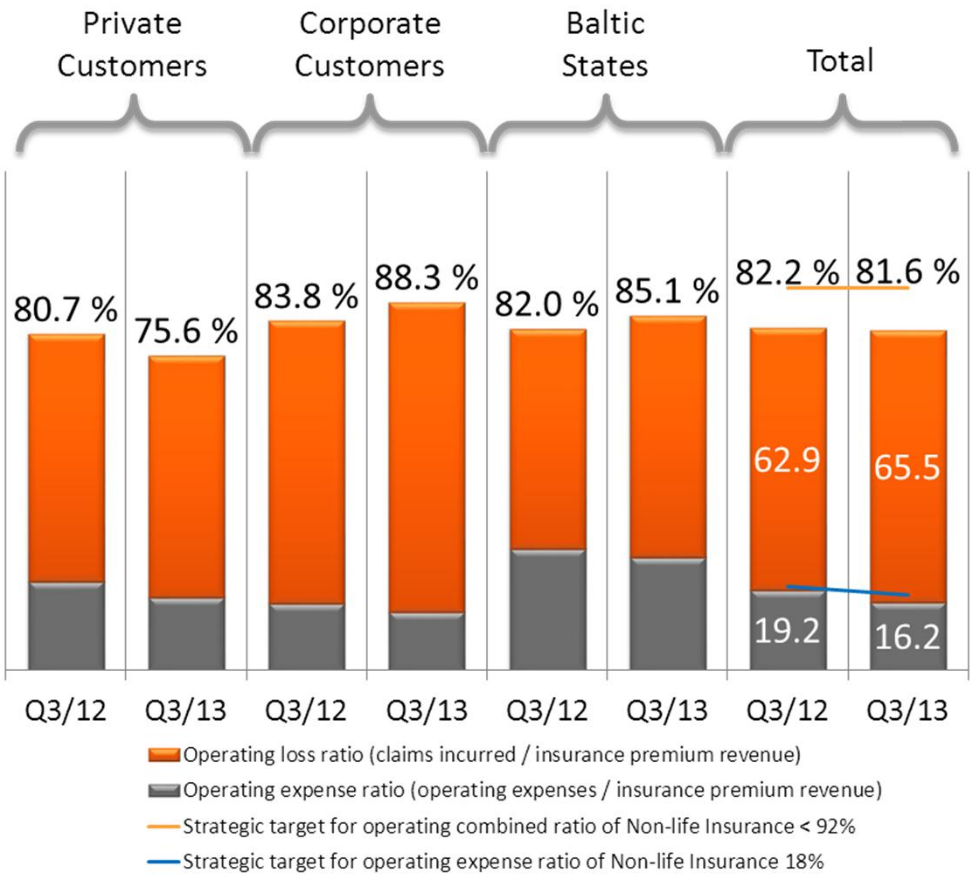
Year-on-year change, Q1-3/13 vs. Q1-3/12



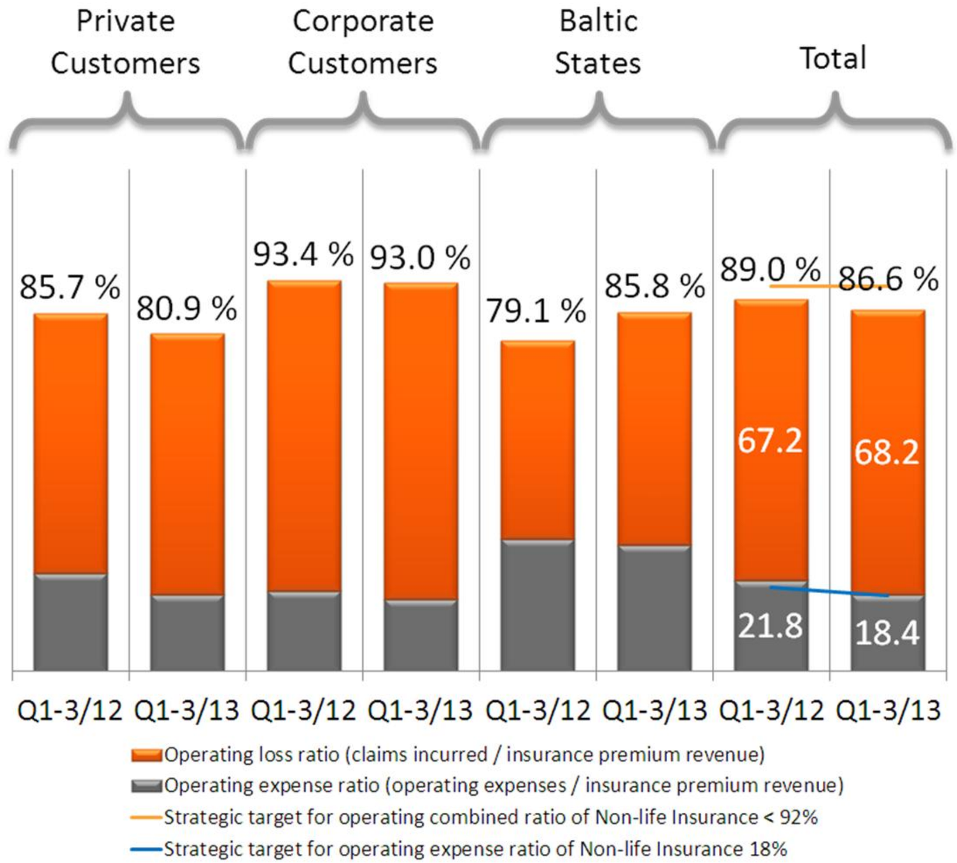
Good Operating Combined Ratio

Expense ratio improved markedly in Q3/13 and Q1–3/13

Operating combined ratio by division, Q3/13 vs. Q3/12

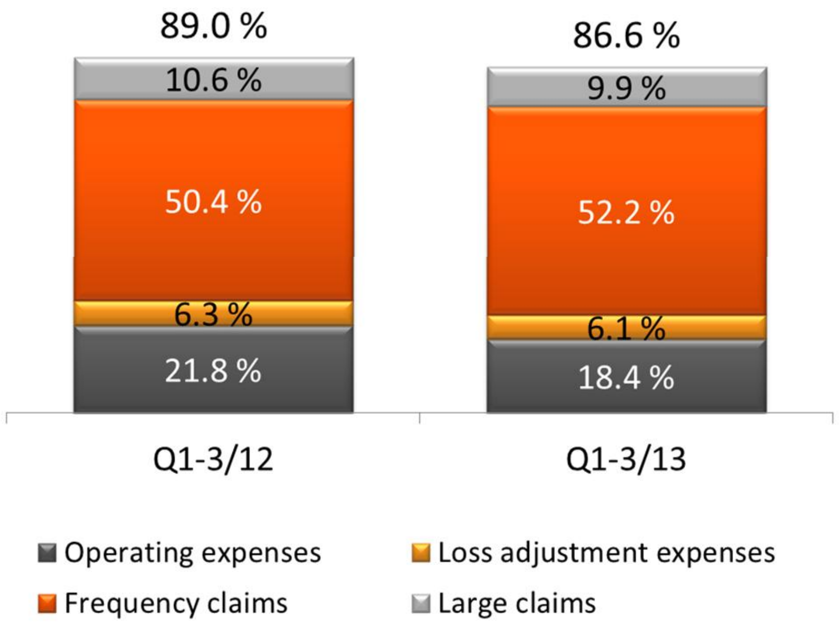


Operating combined ratio by division, Q1-3/13 vs. Q1-3/12

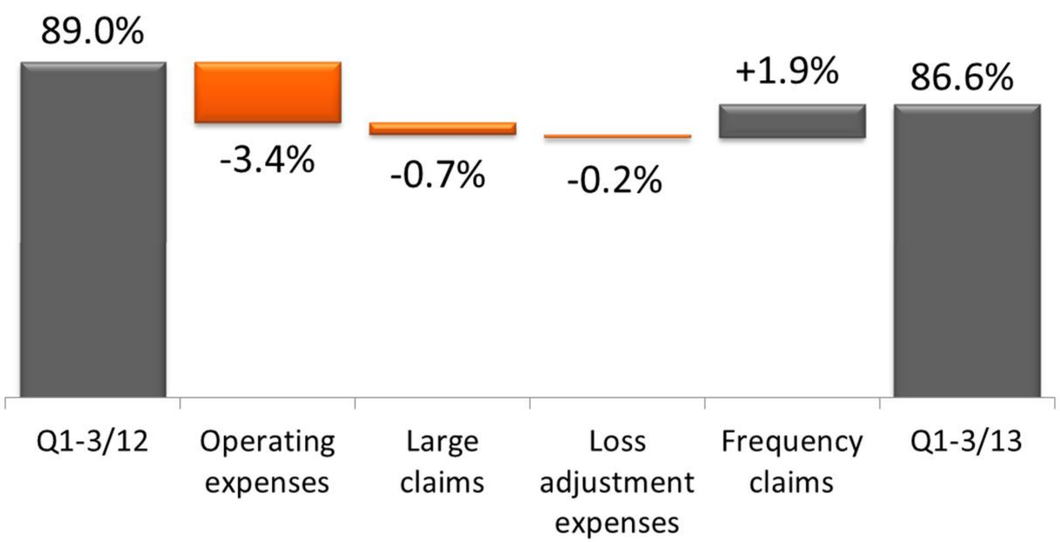


Fall in Operating Expenses Improved Operating Profitability

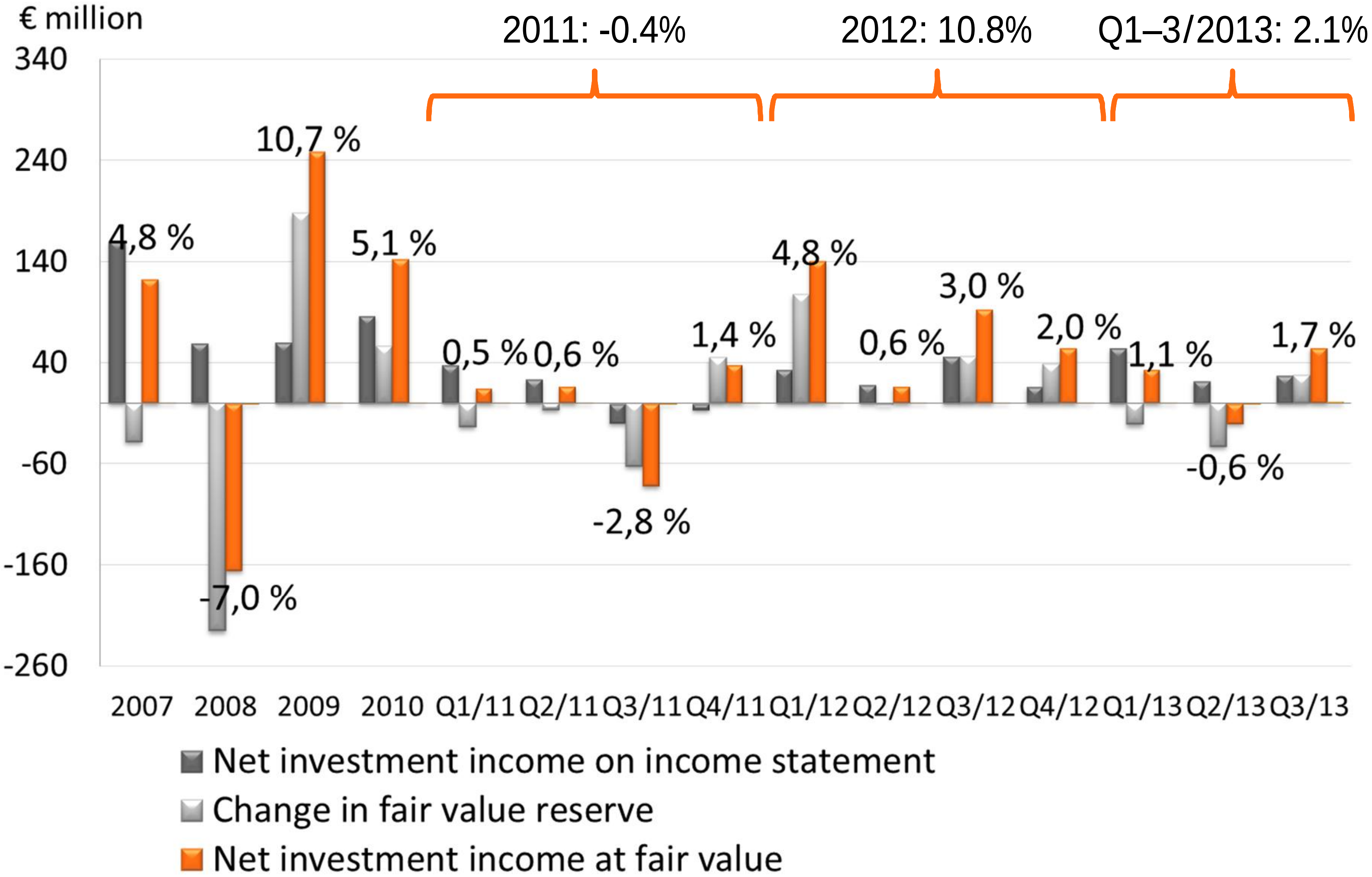
Operating combined ratio by component Q1-3/13 vs. Q1-3/12, %



Change in operating combined ratio Q1-3/13 vs. Q1-3/12, %

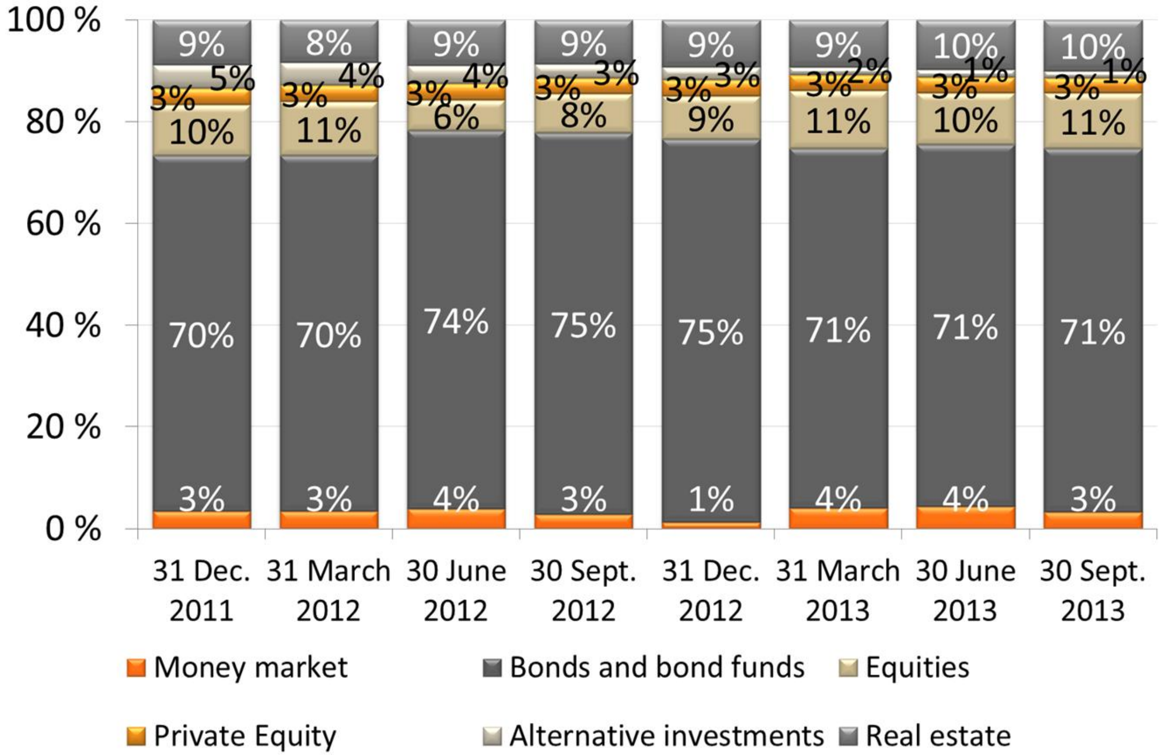


Return on Investments at Fair Value 1.7% (3.0) in Q3/13 and 2.1% (8.6) in Q1–3/13

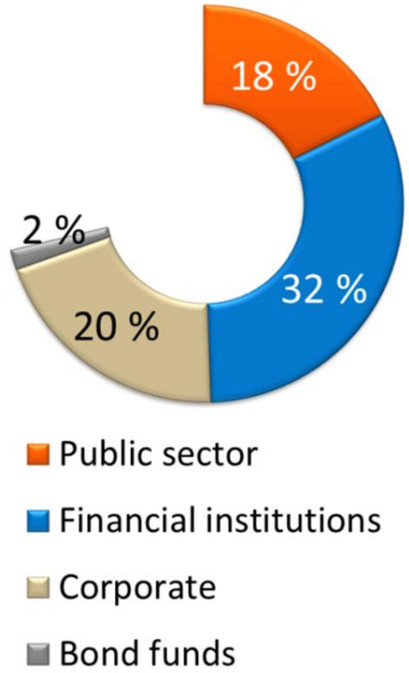


Allocation of Investment Portfolio Unchanged

Investment portfolio (€3.2 bn) by asset class as of 30 Sept. 2013



Bonds and bond funds (71%)



The average residual term to maturity of the fixed-income portfolio was 4.6 years (4.2) and the duration 4.2 years (4.2). The running yield for direct bond investments averaged 2.7% (2.9) at the end of September.

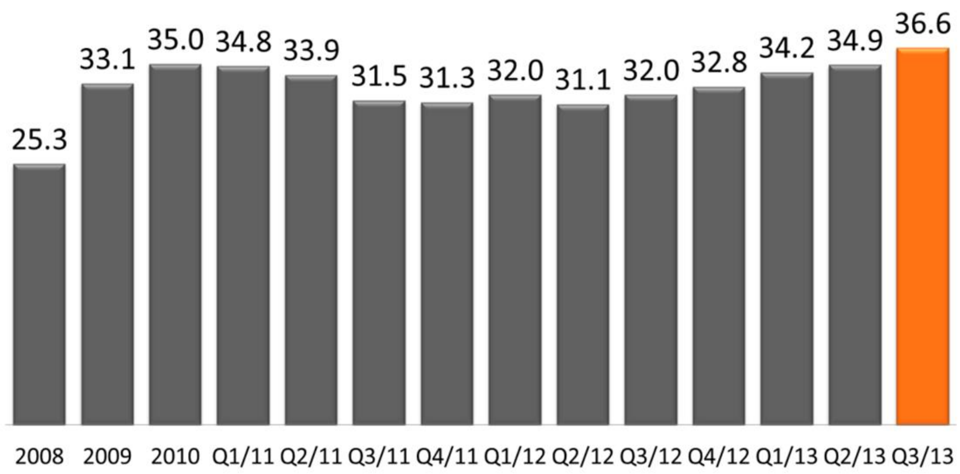
Asset Management
Q3/2013

Pohjola

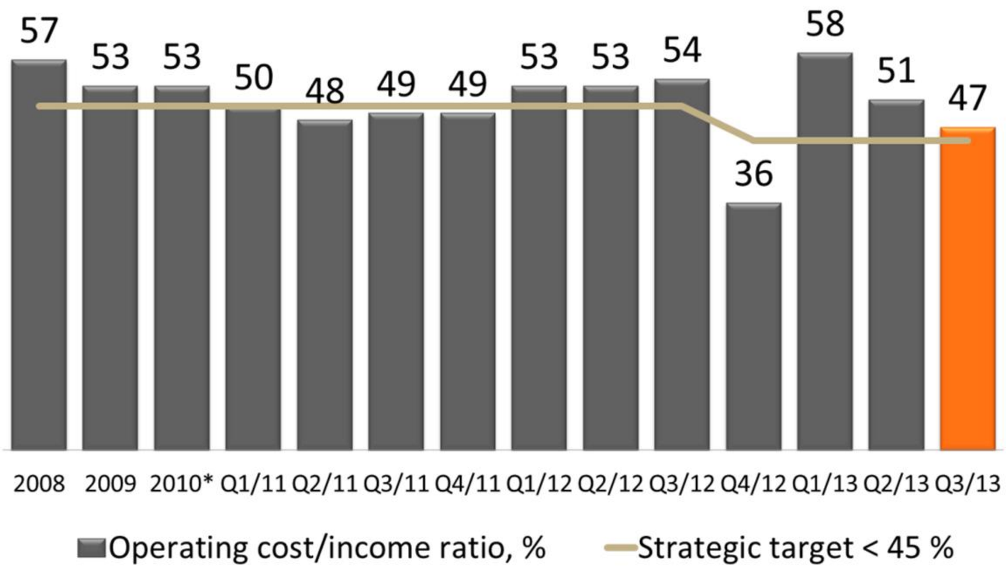
Asset Management Earnings before Tax €7 mn (5) in Q3/13 and €18 mn (17) in Q1–3/13

Assets under management were up by 11% from their 2013-start level and 5% in Q3/13

Assets under management, € bn



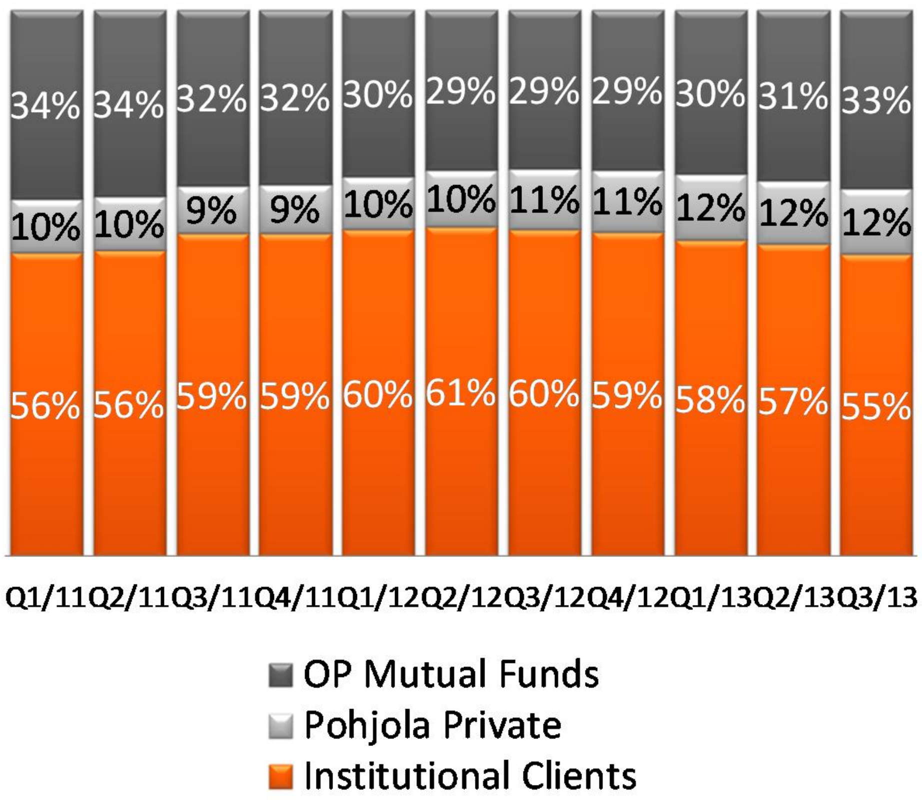
Operating cost/income ratio, %



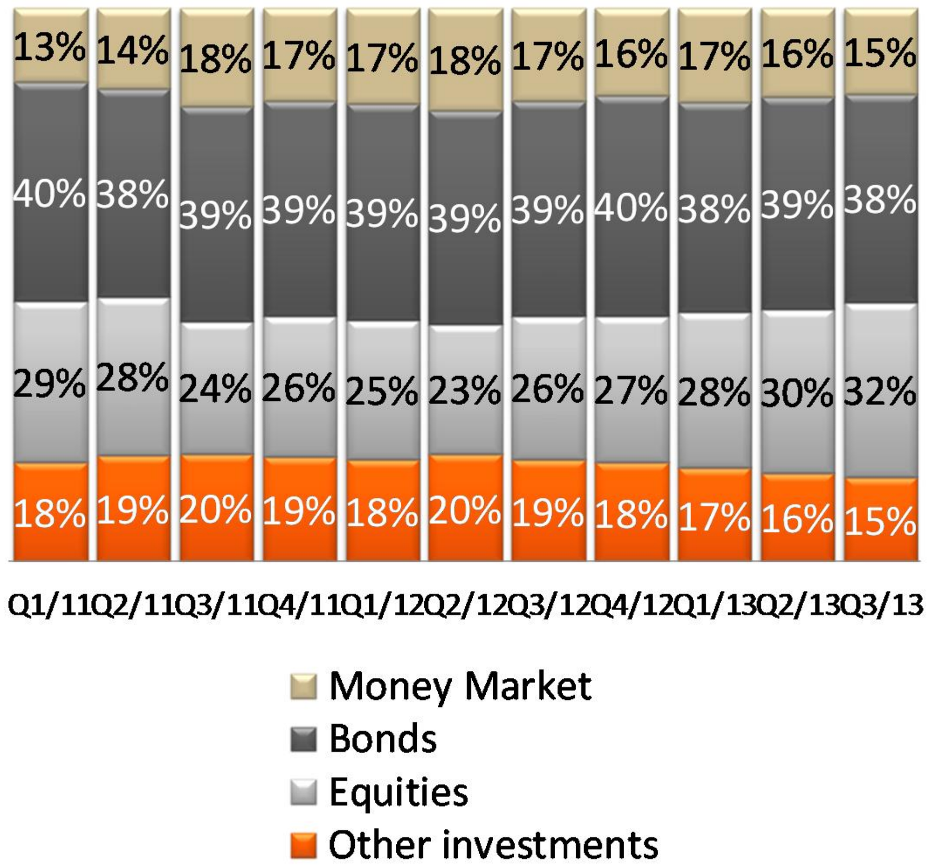
* excl. items related to corporate transactions

Greater Share of OP Mutual Funds and Equities of Assets under Management

Assets under management by client group



Assets under management by asset class



Group Functions Q3/2013

Availability of Funding Remained Good

Funding based on strong credit ratings (Aa2/AA-/A+)

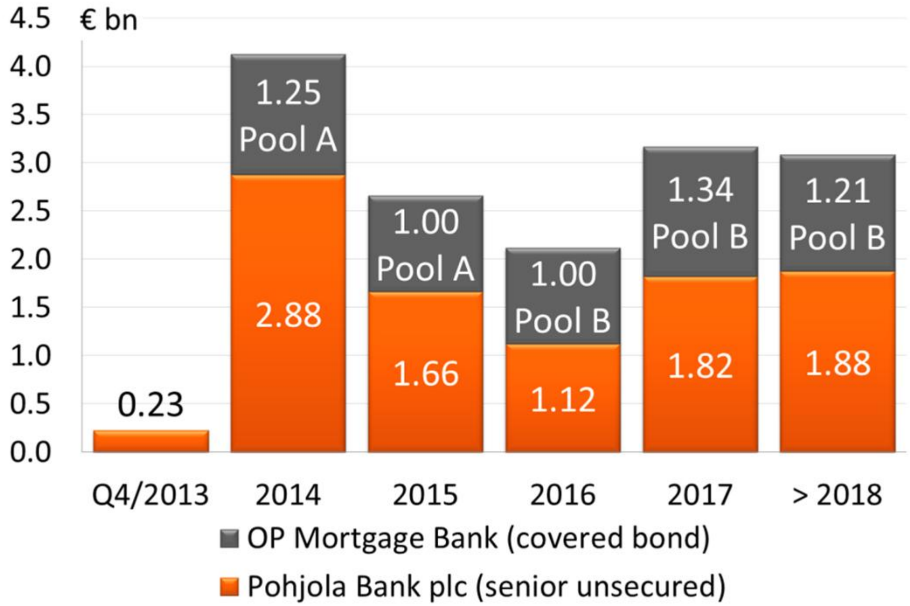
Pohjola Bank plc, senior debt issues

Year	Month	Amount	Maturity	Interest rate
2013	August	€750 mn	5 yrs	m/s+46bps
2013	June	¥30 bn (€237 mn)	3–5 yrs	m/s+50–73 bps, Eb3+90bps
2013	May	€500 mn	5 yrs	m/s+50bps
2012	March	€750 mn	5 yrs	m/s+118bps

OP Mortgage Bank, covered bond issues

Year	Month	Amount	Maturity	Interest rate
2012	May	€1.25 bn	5 yrs	m/s+32bps

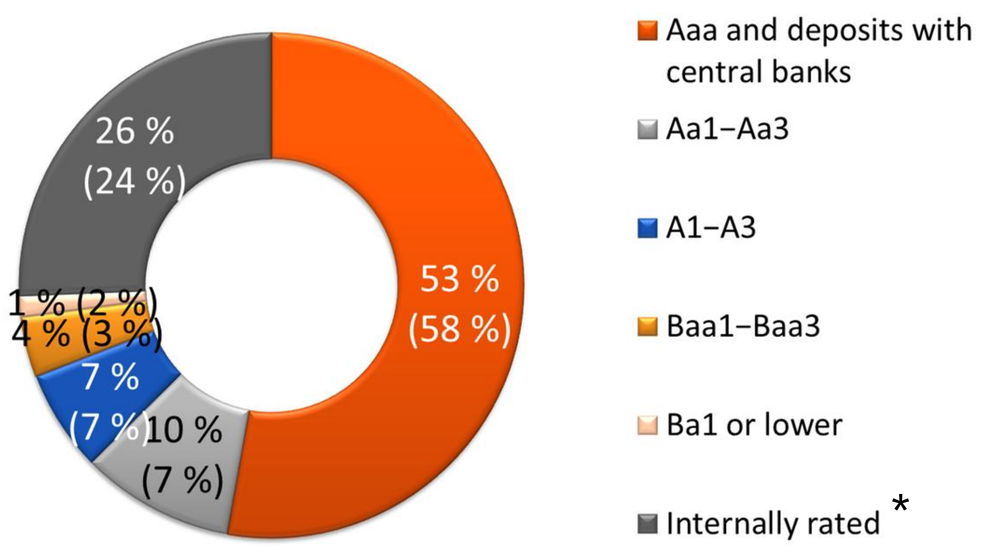
Maturing long-term funding, € bn as of 30 Sept. 2013



- The Group Functions reported earnings before tax of €26 million in Q1-3/13 (20), which include €13 million (–5) in capital gains on notes and bonds and €18 million (4) in dividend income. Dividend income includes €12 million in interest on cooperative capital from Suomen Luotto-osuuskunta.
- Q3/13 earnings before tax were €-4 million (4). Lower net interest income and the fair value changes of derivatives resulted in the weaker earnings.

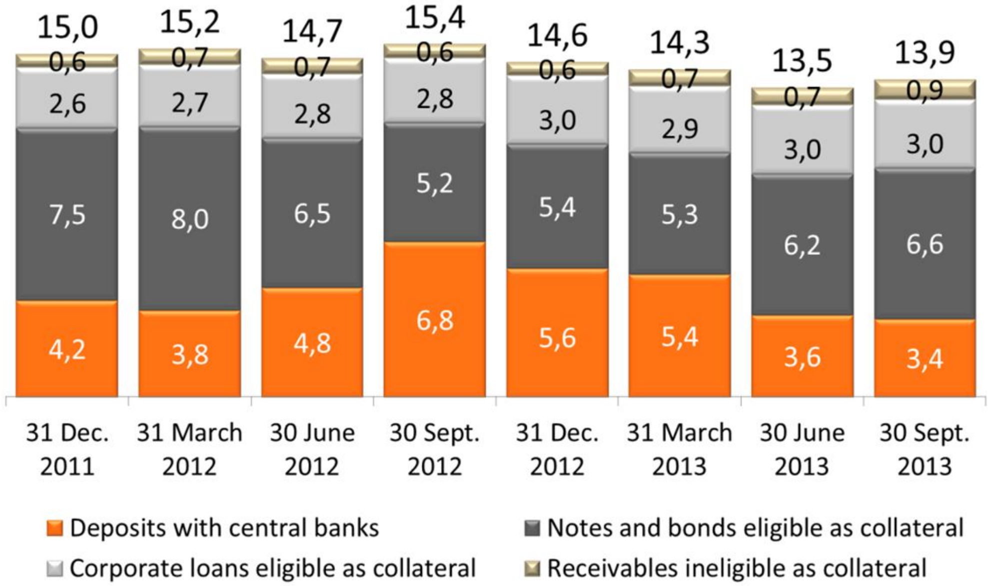
Share of Notes and Bonds Eligible as Collateral in Liquidity Buffer Increased in Q3/13

Liquidity buffer (€13.9 bn) by credit rating as of 30 Sept. 2013 (31.12.2012, %)



*) Internally rated: corporate loans (84%), 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 Group's contingency funding plan can be used to cover maturing wholesale funding for at least 24 months.

Outlook for the Rest of 2013 and Events after the Reporting Period

Pohjola Group's Outlook for the Rest of 2013 and Events after the Reporting Period

- ## Pohjola Group
  - Consolidated earnings before tax in 2013 are expected to be higher than in 2012.
  - The Finnish government has planned to cut the corporate tax rate from 24.5% to 20% as of 1 January 2014. Such a change would bring a one-off positive effect that would be recognised in the earnings for the fourth quarter of 2013. The change is expected to improve Pohjola Group's earnings for 2013 after tax by an estimated EUR 60 million.
- ## Banking
  - Loan portfolio growth rate is expected remain below the 2012 rate of 9% (previous estimate: at the same rate as in 2012).
- ## Non-life Insurance
  - Operating COR for 2013 is estimated to vary between 87% and 90% (previous estimate: 88–92%) if the number of large claims is not much higher than in 2012.
- ## Asset Management
  - Performance-based management fees in 2013 are expected to remain below the exceptionally high level reported a year ago (previous estimate: no previous estimate).
- ## Group Functions
  - Net interest income is estimated to be lower than in 2012.

- Still great uncertainty about the economic outlook and the operating environment
- The full version of "Outlook for the Rest of 2013" can be found in the Interim Report

Discount rate

Pohjola Group decided to reduce the discount rate of Non-life Insurance pension liabilities by 0.2 percentage points from 3.0% to 2.8% as a result of low interest rates. This non-cash-flow-based change in the technical basis will lower consolidated earnings by roughly EUR 39 million in the fourth quarter.

2013

Background Material

1. Background Material for New Investors
   - Pohjola Group's business structure and market position
   - Pohjola as part of OP-Pohjola Group
   - Pohjola Group's ownership structure
   - OP-Pohjola Group's market position
   - Pohjola's credit ratings
   - Pohjola's financial targets, key value drivers, total shareholder return and strategy
   - CSR at OP-Pohjola Group
2. Background Material on Pohjola Group and Business Lines
   - Pohjola Group
   - Banking
   - Non-life Insurance
   - Group Functions
3. OP-Pohjola Group's and Pohjola Bank plc's results and key figures
4. Finnish Economy
5. Pohjola IR team

Background Material for New Investors

Pohjola

Pohjola Group's Business Structure

Pohjola Group

Banking
- Corporate Banking
- Markets
- Baltic States

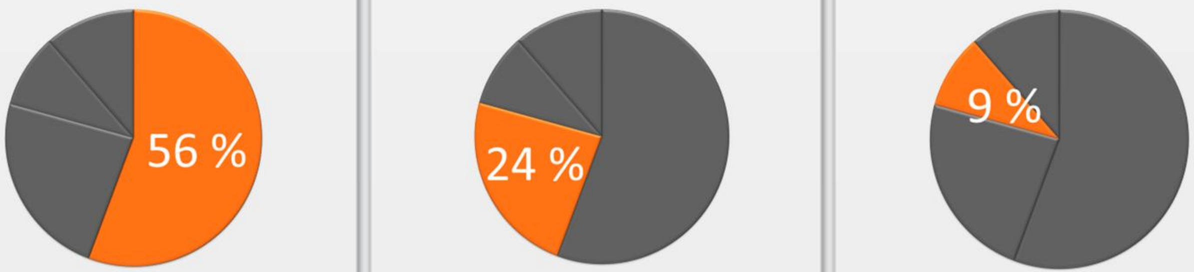
Non-life Insurance
- Private Customers
- Corporate Customers
- Baltic States

Asset Management
- Institutional Clients
- Private
- Investment

Customer segments
- Major corporate and institutional customers
- Private customers and corporate customers

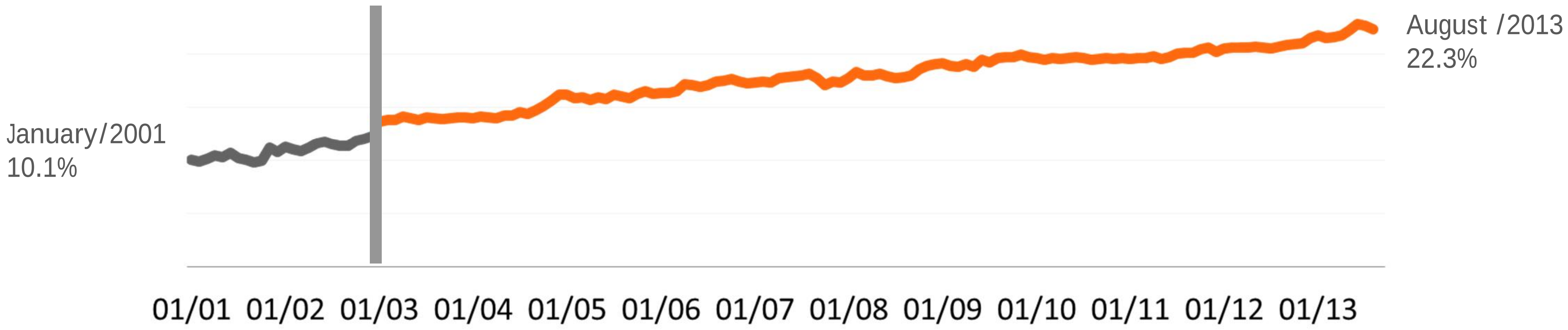
Group Functions
- Finance
- Risk Management
- HR Services
- Corporate Communications

Business lines' shares of Pohjola Group's earnings before tax between 2009 and 2012 (average)

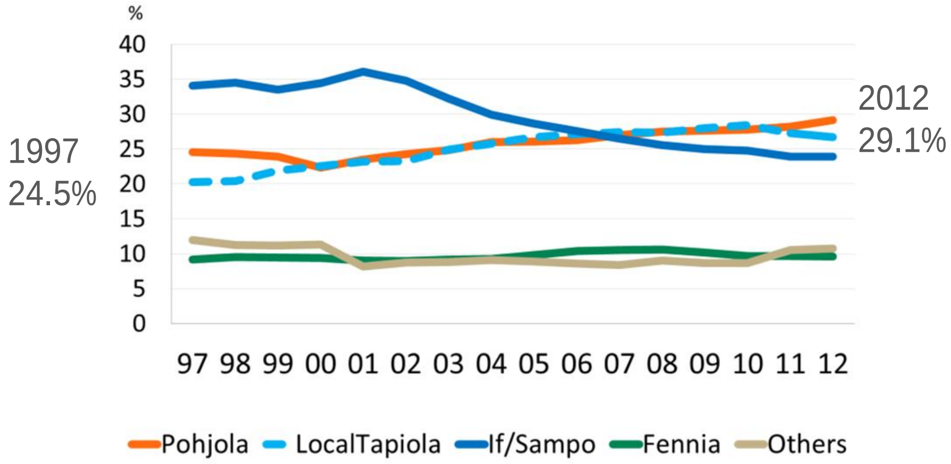


Pohjola's Market Position and Targets

Banking: Market share of corporate lending, position 2nd, target 1st

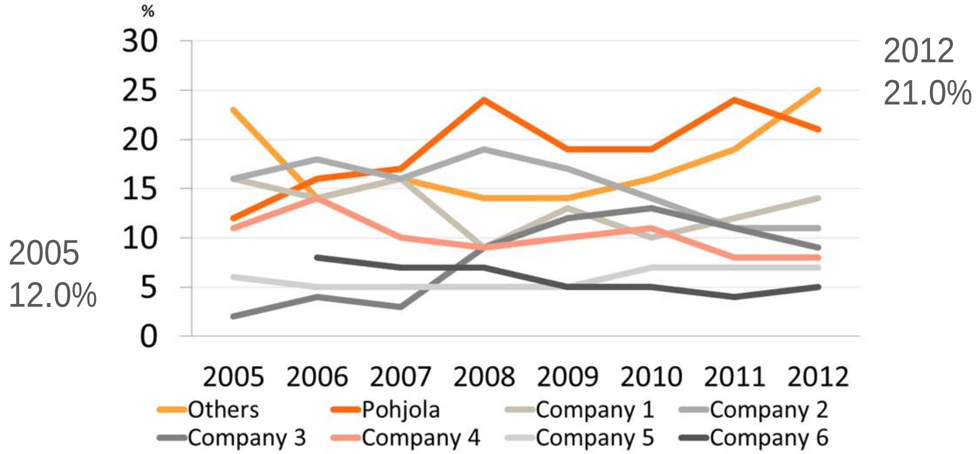


Non-life Insurance: Market share of premiums written under Finnish direct insurance, position 1st, target 1st



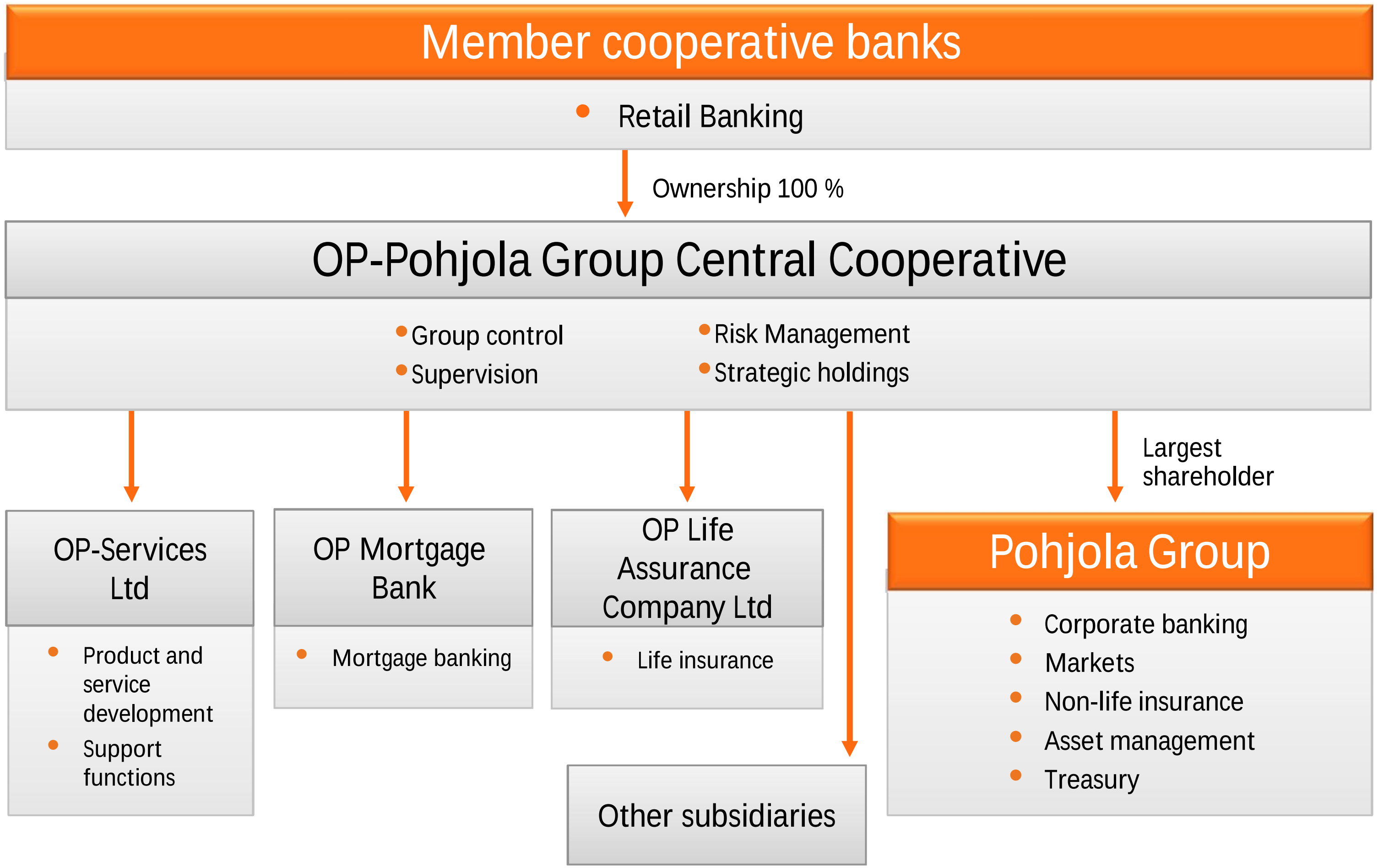
Source: Federation of Finnish Insurance Companies

Asset Management: Market share of institutional asset management, position 1st, target 1st



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

Pohjola as Part of OP-Pohjola Group

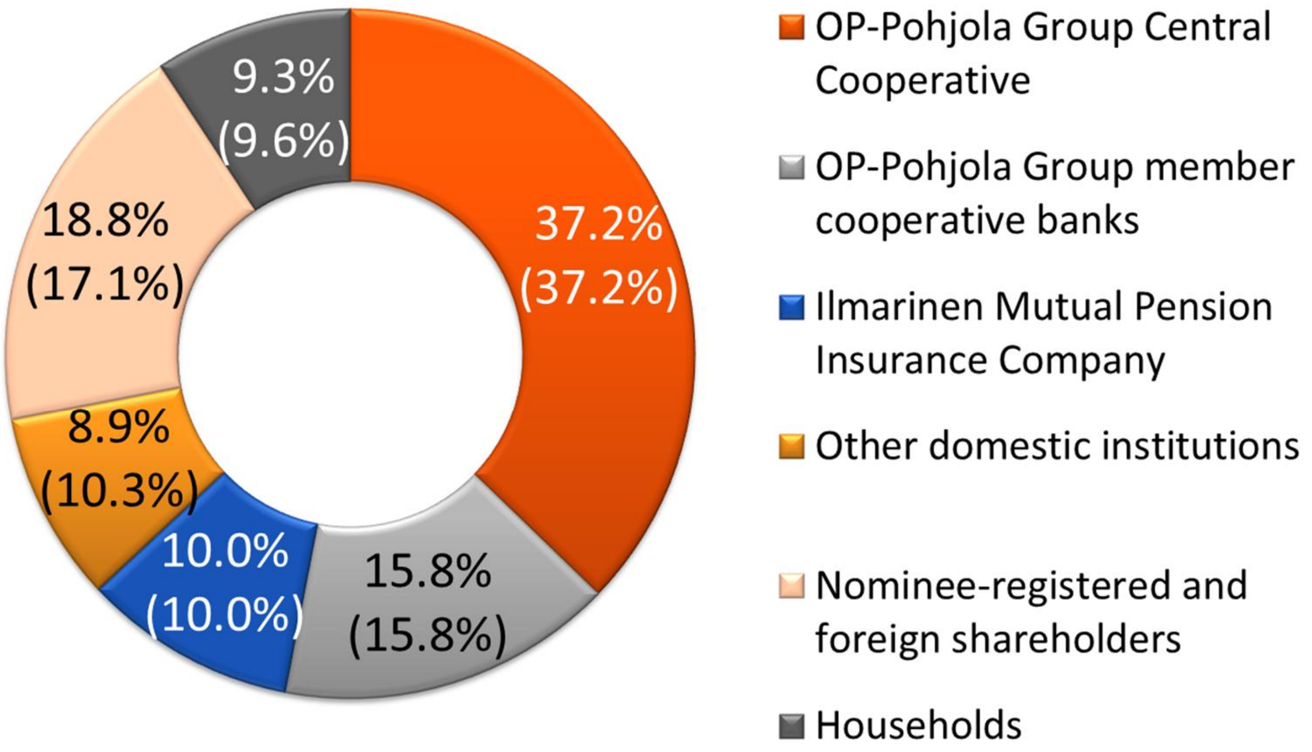


OP-Pohjola Group Central Cooperative and the member credit institutions are liable for each other's debts and commitments. Insurance companies do not fall within the scope of joint liability.

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

Ownership Structure

Holdings of Series A and K Shares as of 30 September 2013, % (31 Dec. 2012, %)



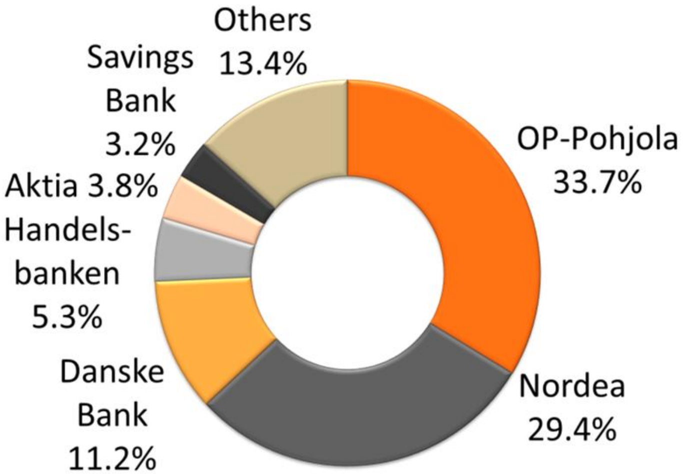
OP-Pohjola Group Central Cooperative's share of total votes

61 %

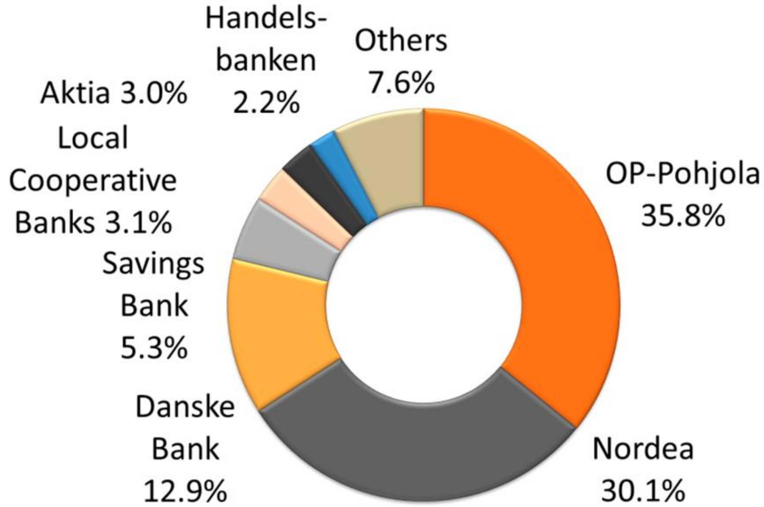
OP-Pohjola Group – Market Leader in Finland

Market shares in 2012

Loans

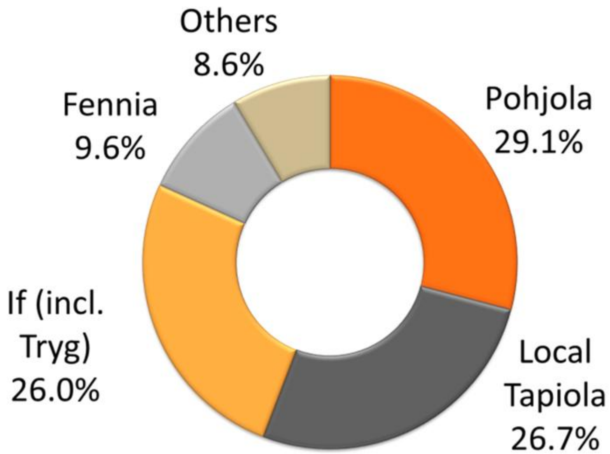


Deposits



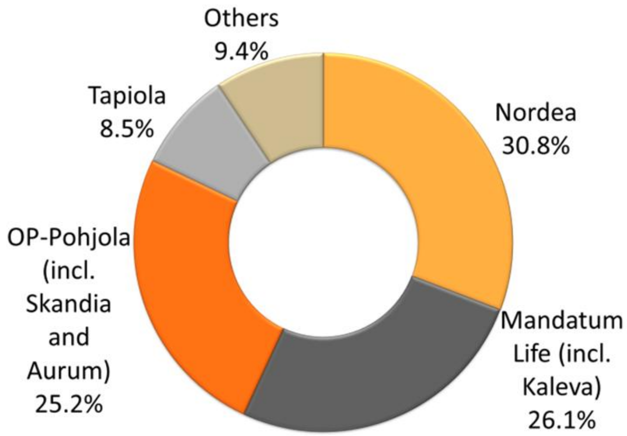
Non-life Insurance

Market share of premiums written under Finnish direct insurance



Life Insurance

Market share of gross premiums written



Source: Federation of Finnish Financial Services

Pohjola's Credit Ratings

Rating target: AA rating affirmed by at least 2 credit rating agencies (or at least at the main competitors' level)

	Moody's	S&P	Fitch
Handelsbanken	Aa3	AA-*	AA-
Nordea	Aa3	AA-*	AA-
Pohjola Bank plc	Aa3	AA-*	A+
DNB	A1	A+	A+
SEB	A1	A+*	A+
Swedbank	A1	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

* Outlook is negative
** Covered bond rating
Updated: 20 October 2013

- S&P affirmed AA- rating and negative outlook for Pohjola Bank plc on 31 July 2013
- Fitch affirmed A+ rating and stable outlook for Pohjola Bank plc on 4 April 2013
- Moody's affirmed Aa3 rating and stable outlook for Pohjola Bank plc during Q2/2012

Financial Targets

Strategy 2012 – Value and efficiency through integration

		Target 2015	Q3/13	Q1-3/13	2012	2011	2010	2009
Financial targets over the economic cycle	Group							
	ROE, %	13	13.6	13.7	11.2	9.2	9.9	10.0
	Core Tier 1, %	≥ 11.0	10.7	10.7	10.6	10.3	10.5	9.7
	Banking							
	Operating cost/income ratio, %	< 35	33	36	34	35	35	35
	Non-life Insurance							
	Operating combined ratio, %	< 92	81.6	86.6	90.5	89.8	89.7	87.7
	Operating expense ratio, %	18	16.2	18.4	21.5	21.8	21.3	22.2
	Solvency ratio, %	70	81	81	81	77	86	88
	Asset Management							
	Operating cost/income ratio, %	< 45	47	52	47	49	53*	53
Target for total expenses	Total expenses at end of 2015, € million	At 2012-end level	569**	569**	569	527	514	501
Rating target	AA rating affirmed by at least two credit rating agencies (or at least at the main competitors' level)	2	2	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	-	-	51	60	55	51

* excl. items related to corporate transactions

** rolling 12mth

Key Value Drivers

POHJOLA GROUP

Banking

- Growth in the loan and guarantee portfolio
- Quality of the loan and guarantee portfolio, and impairment charges
- Level of margins and commissions/fees
- Trading volumes in Markets
- Cost-efficiency

Non-life Insurance

- Growth in insurance premium revenue
- Risk selection and pricing
- Promptness, quality and efficiency of claims settlement
- Investment income
- Cost-efficiency

Asset Management

- Assets under management and asset class allocation
- Commissions and fees
- Investment performance
- Cost-efficiency

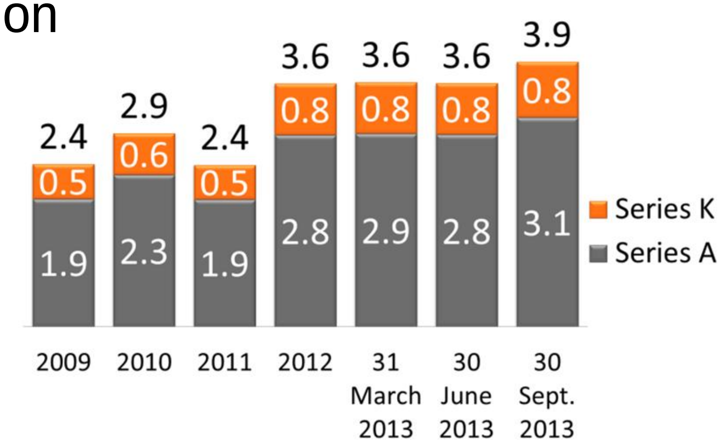
Group Functions

- Size of and income from the liquidity portfolio
- Developments in credit spreads
- Loans and deposits between OP-Pohjola Group member banks and Pohjola
- Pohjola's credit rating and funding costs
- Cost-efficiency

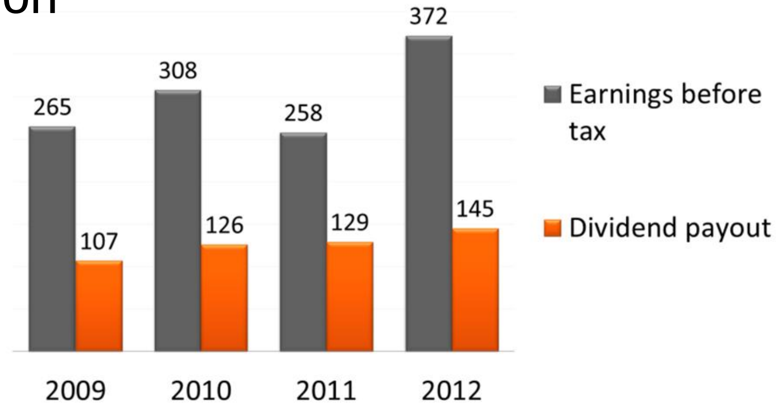
Pohjola Share, Dividends and TSR

Stakeholder promise to shareholders: Our Total Shareholder Return is at the top level among Nordic peer banks and insurers

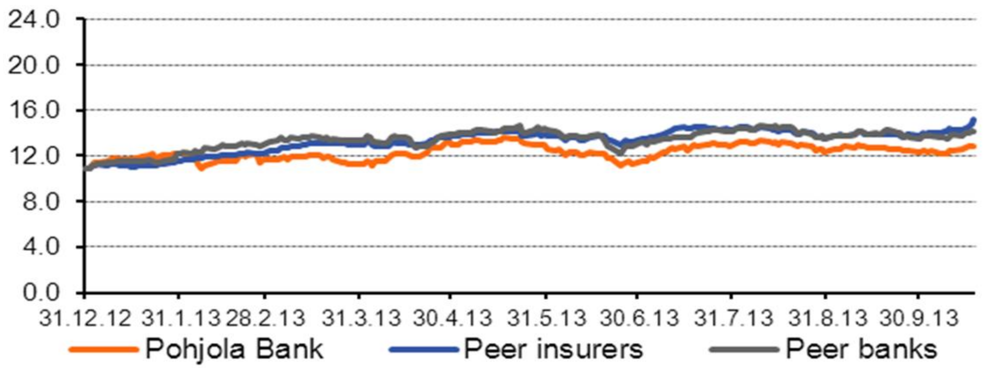
MCAP of Pohjola Series A and K shares, € billion



Pohjola Group's EBT and dividend payout, € million

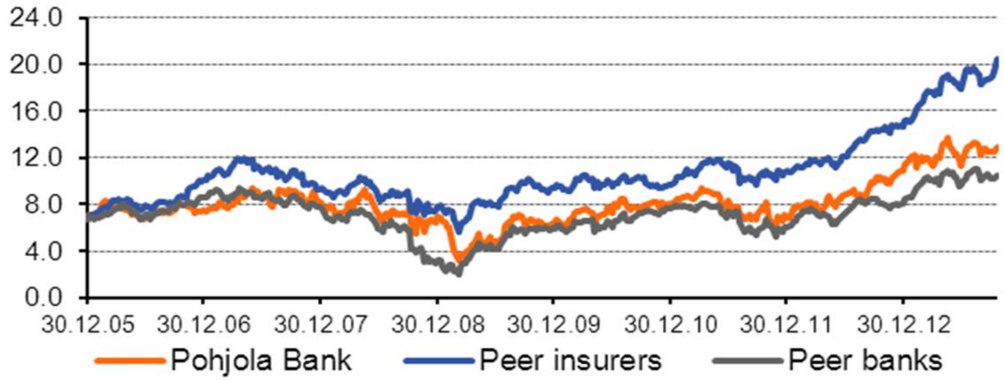


TSR 1 Jan. 2013–18 Oct. 2013, €



Peer insurers +40% Peer banks +31% Pohjola +19%

TSR 1 Jan. 2006–18 Oct. 2013, €

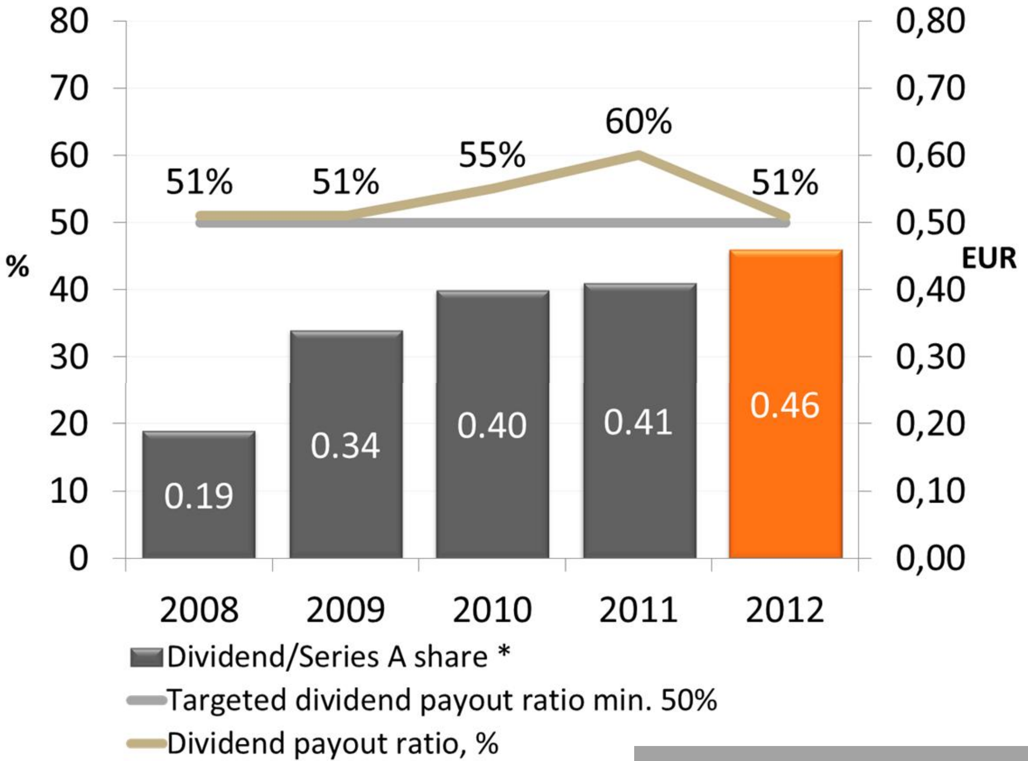


Peer insurers +205% Pohjola +92% Peer banks +56%

Peer banks: Danske Bank, DNB, Nordea, SEB, SHB, Swedbank Peer insurers: Alm.Brand, Gjensidige, Sampo, Topdanmark, Tryg

Dividend Policy

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%



- Dividend payout ratio 51% of earnings for the financial year 2012
  - €0.46 on Series A shares (0.41)
  - €0.43 on Series K shares (0.38)
- Dividend payout ratio averaged 54% during 2008-2012

* Share-issue-adjusted dividend for 2008–09

	2008	2009	2010	2011	2012
Dividends distributed, € mn	45.5	106.6	125.8	129.0	145.0
Effective dividend yield (Series A share), %	2.4	4.5	4.5	5.5	4.1

Strategy and Competitive Advantages

Strategy 2012 – Value and efficiency through integration

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

2012 2015

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

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

THE GLOBAL COMPACT

WE SUPPORT

PRI

An investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact

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

GRI REPORT

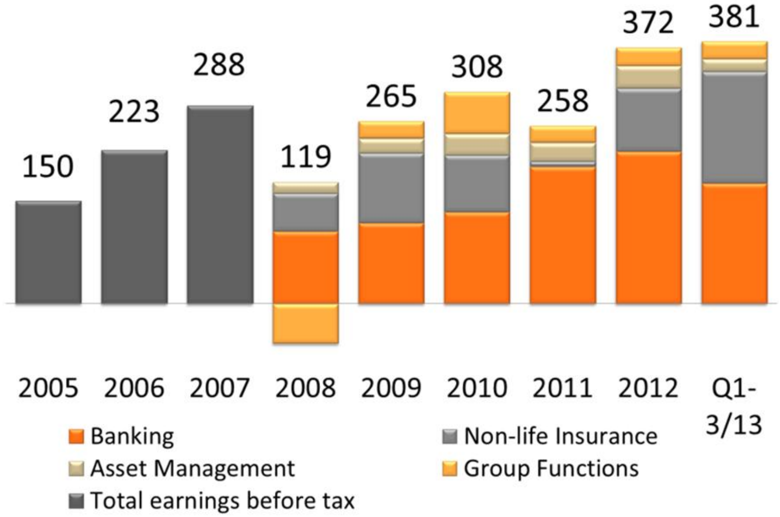
GRI CHECKED

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

Background Material on Pohjola Group and Business Lines

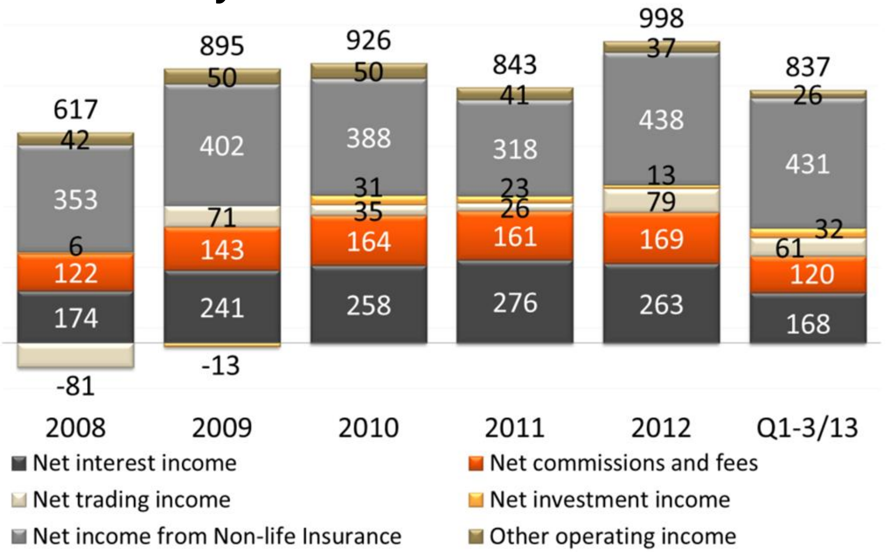
Earnings and Their Components

Earnings before tax, € million

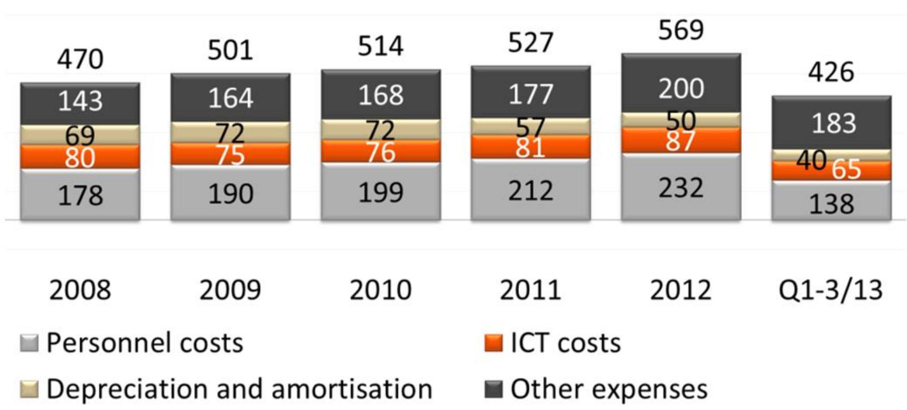


CAGR 2005–2012: 14%

Income by item, € million

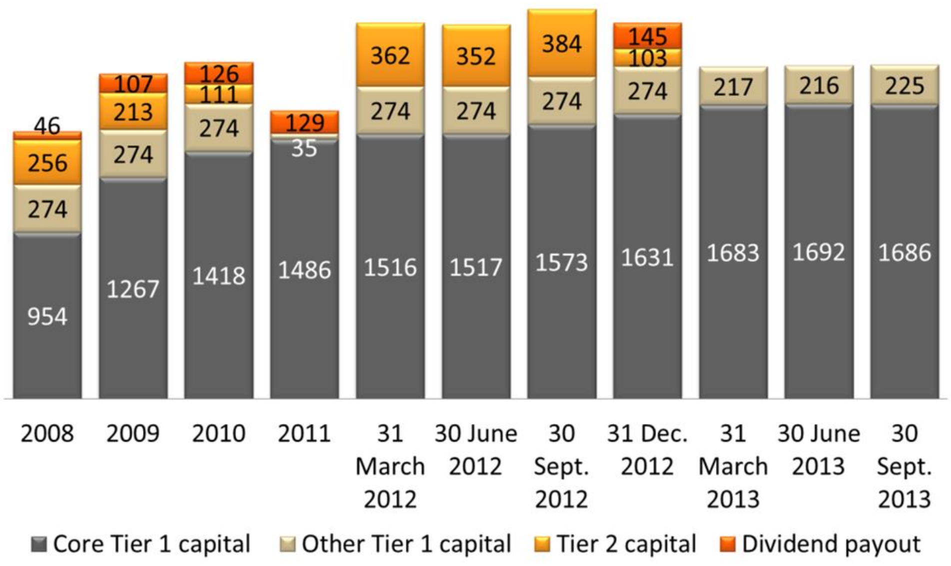


Expenses by item, € million

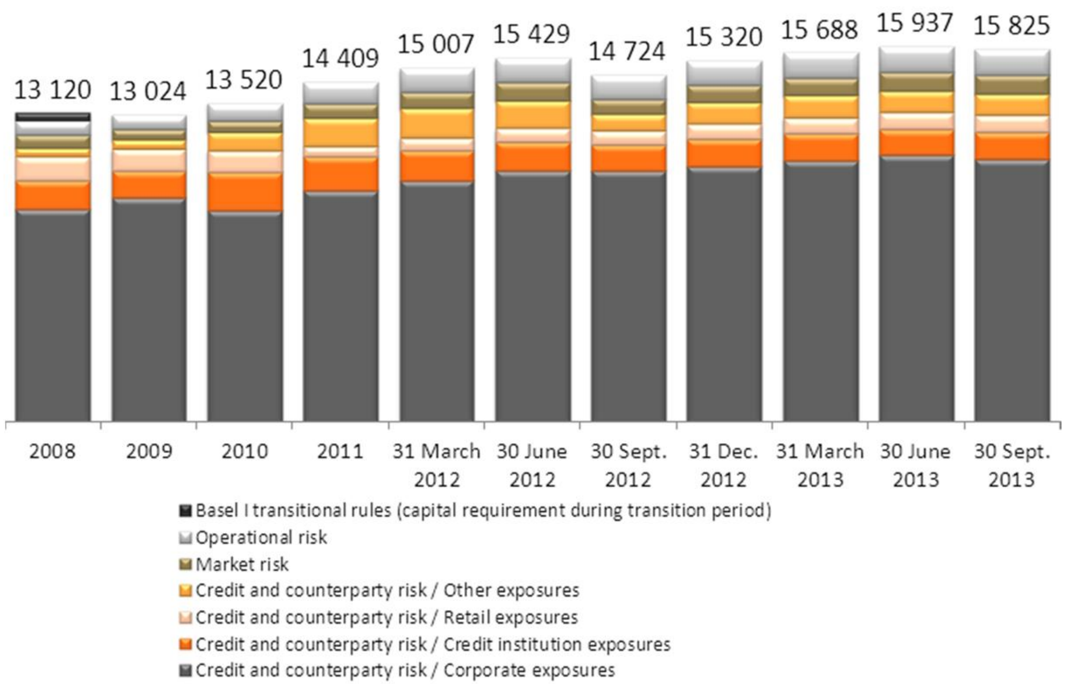


Structure of Capital Base and Risk-weighted Assets

Capital base and dividend payout, € mn



RWAs by risk type, € mn



Treatment of Insurance Holdings under CRD IV/CRR* Officially Published on 27 June 2013

* Capital Requirements Directive and Regulation – Basel 3 framework implementation through EU law

Implementation through national law during 2013, new rules will be phased in from 1 January 2014

Step 1:
Ownership <> 10%

- Ownership > 10%
- Ownership <= 10%

As RWAs
- Not listed with a risk weight of 370%
- Listed with a risk weight of 290%
- PD/LGD

Step 2:
FICO

- FICO
- Not FICO

Deduction from Common Equity Tier 1 capital (amount of investment exceeding 10% of CET1 capital) and as RWAs with a risk weight of 250% (the rest of investment that is not deducted from CET1 capital)

Step 3:
Approach to Credit Risk **)

- IRBA
- Standardised

As RWAs with a risk weight of 100%

Step 4:
Nature of Investment

- Strategic
- Non-Strategic

As RWAs
- Not listed with a risk weight of 370%
- Listed with a risk weight of 290%

As IRBA-RWAs according to PD/LGD approach ***)

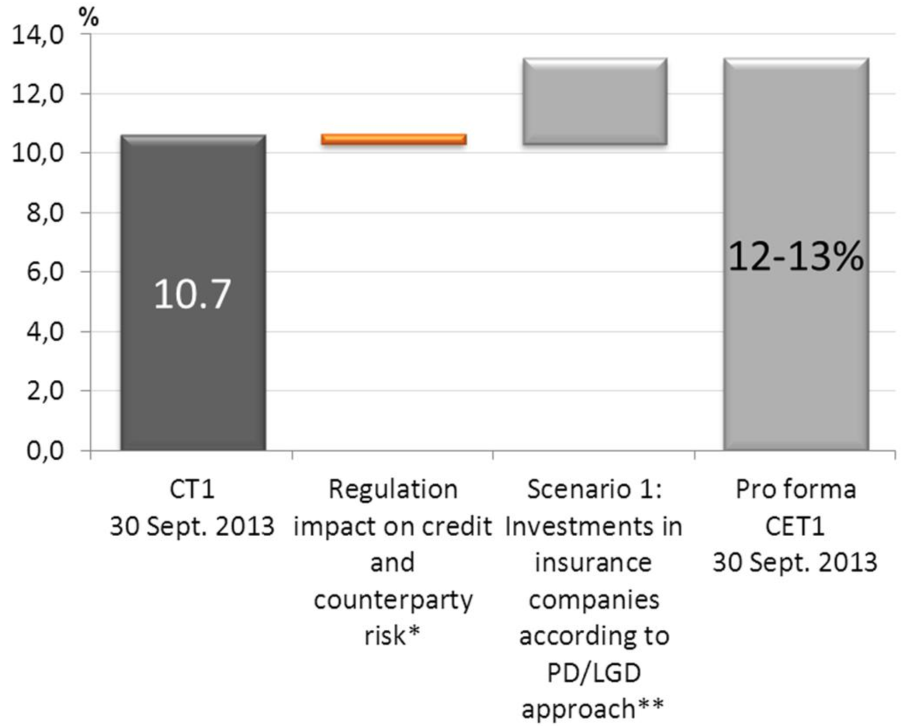
**) Local FSA may allow

***) OP-Pohjola Group uses the PD/LGD approach to calculate its capital adequacy requirement for credit risk of strategic equity investments

NB: Scenarios in this presentation are based on the beliefs of Pohjola's management about the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published on 27 June 2013. These regulatory changes will be implemented nationally during 2013 and they are estimated to be effective between 2014 and 2019. The treatment of insurance holdings as RWAs and the details of its application require approval from the regulator. For now, it is too early to predict precisely what their effects will be.

Estimated Regulation Impacts on Common Equity Tier 1 Ratio, pro forma 30 September 2013

Scenario 1: Risk weight of investments in insurance companies according to PD/LGD approach



Scenario assumptions based on the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published by European Parliament on 27 June 2013:

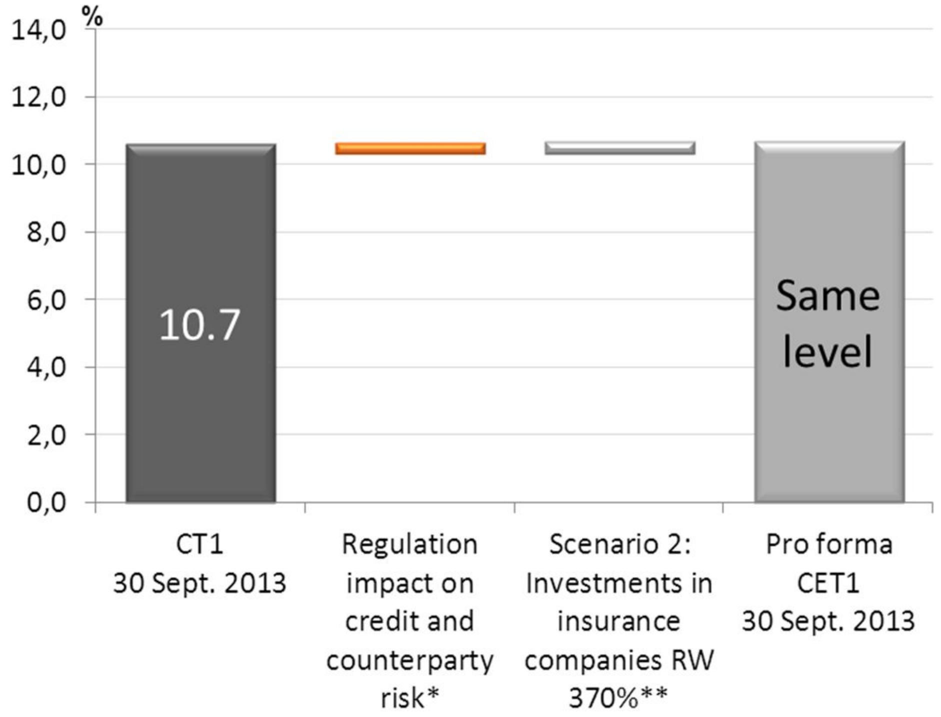
*) Regulation impact on credit and counterparty risk (Article 153, 384, 501): Higher risk weight for large financial sector entities' exposures, and for derivatives (CVA, Credit Valuation Adjustment) and lower risk weight for SME customer exposures.

**) Risk weight of an insurance holding allowed (Article 49): risk weighted under the PD/LGD approach (Article 155.3). Estimated risk weight dependent on the internal rating of the investee company.

NB: Scenarios in this presentation are based on the beliefs of Pohjola's management about the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published on 27 June 2013. These regulatory changes will be implemented nationally during 2013 and they are estimated to be effective between 2014 and 2019. The treatment of insurance holdings as RWAs and the details of its application require approval from the regulator. For now, it is too early to predict precisely what their effects will be.

Estimated Regulation Impacts on Common Equity Tier 1 Ratio, pro forma 30 September 2013

Scenario 2: Risk weight of investments in insurance companies 370%



Scenario assumptions based on the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published by European Parliament on 27 June 2013:

*) Regulation impact on credit and counterparty risk (Article 153, 384, 501): Higher risk weight for large financial sector entities' exposures, and for derivatives (CVA, Credit Valuation Adjustment) and lower risk weight for SME customer exposures.

**) Risk weight of an insurance holding allowed (Article 49): Risk weighted under the simple risk weight approach for non-listed equity investments (Article 155.2)

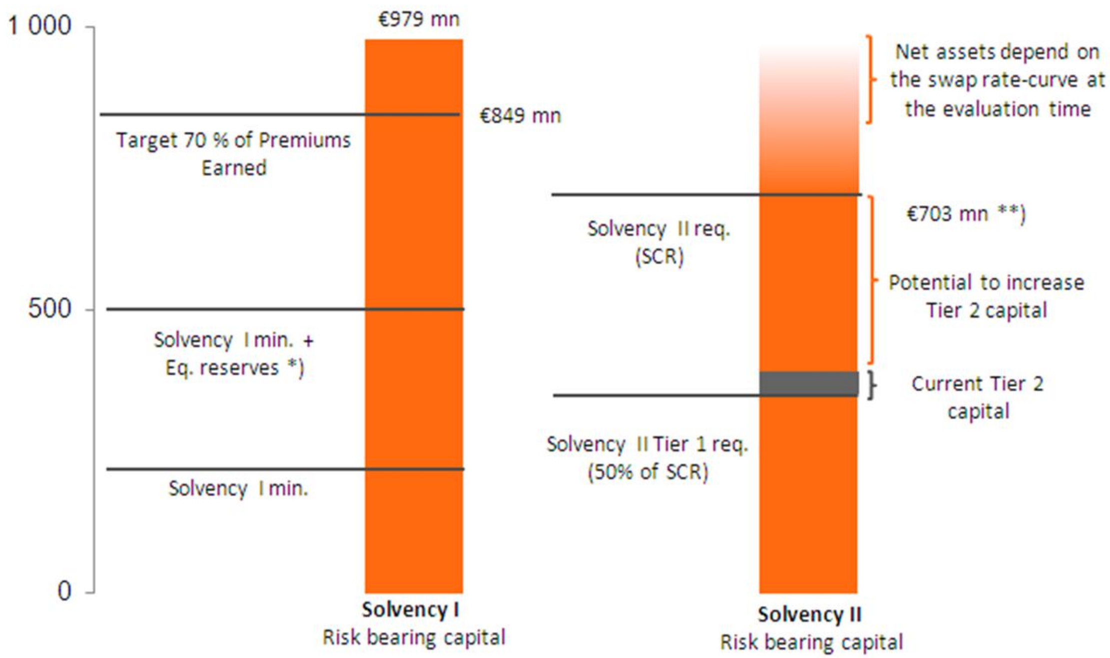
NB: Scenarios in this presentation are based on the beliefs of Pohjola's management about the Capital Requirements Directive and Regulation (CRD IV/CRR) officially published on 27 June 2013. These regulatory changes will be implemented nationally during 2013 and they are estimated to be effective between 2014 and 2019. The treatment of insurance holdings as RWAs and the details of its application require approval from the regulator. For now, it is too early to predict precisely what their effects will be.

Solvency II Requirements Already Met

Major changes in Solvency II

- Market-consistent valuation of assets and liabilities:
  - The main effect is due to discounting insurance liabilities using a swap-rate curve
  - Assets are mainly measured as specified in IFRS
- Finnish equalisation reserve classified as Tier 1 capital
- A risk sensitive capital requirement (SCR) covering unexpected loss at 99.5% confidence level over a one-year period
- The date on which the Solvency II framework will come into force is still uncertain

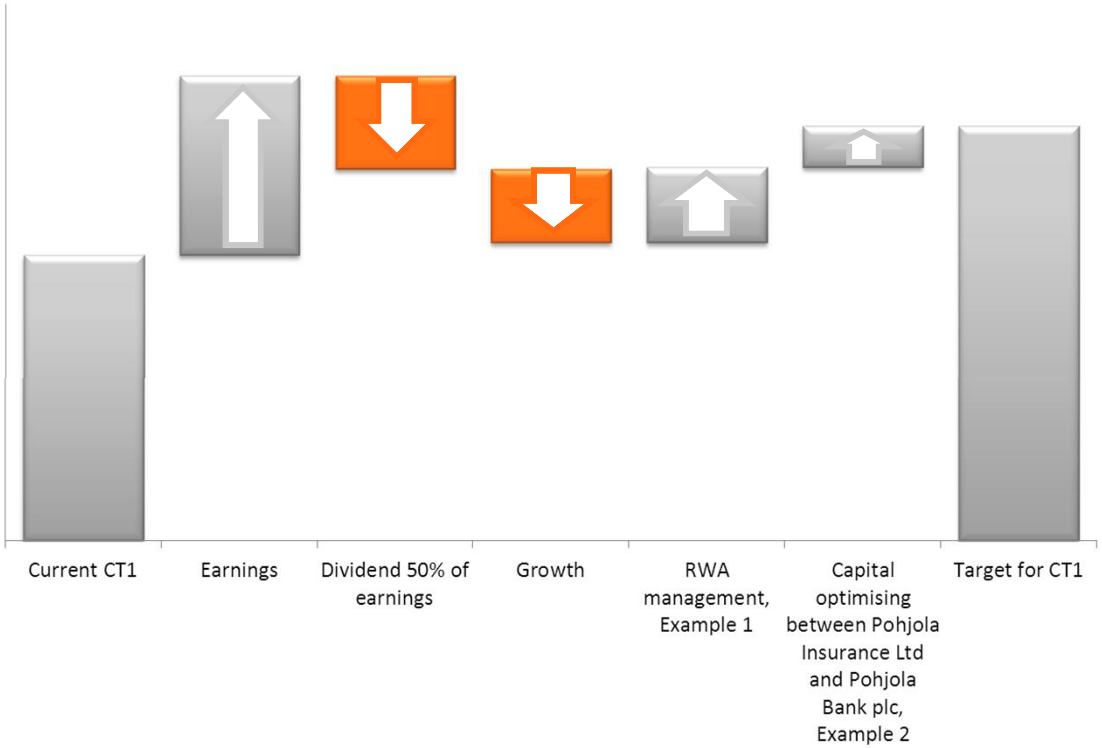
Solvency I and estimated Solvency II requirements, 30 Sept. 2013



*) Solvency I minimum requirement €221 mn + Finnish Equalization Reserve requirement
**) Solvency II requirement based on current level 2 guidance and on investment portfolio and insurance liabilities as of 30 September 2013.

Multiple Tools to Manage Core Tier 1 Ratio

Tools to manage CT1



Example 1: RWA Management

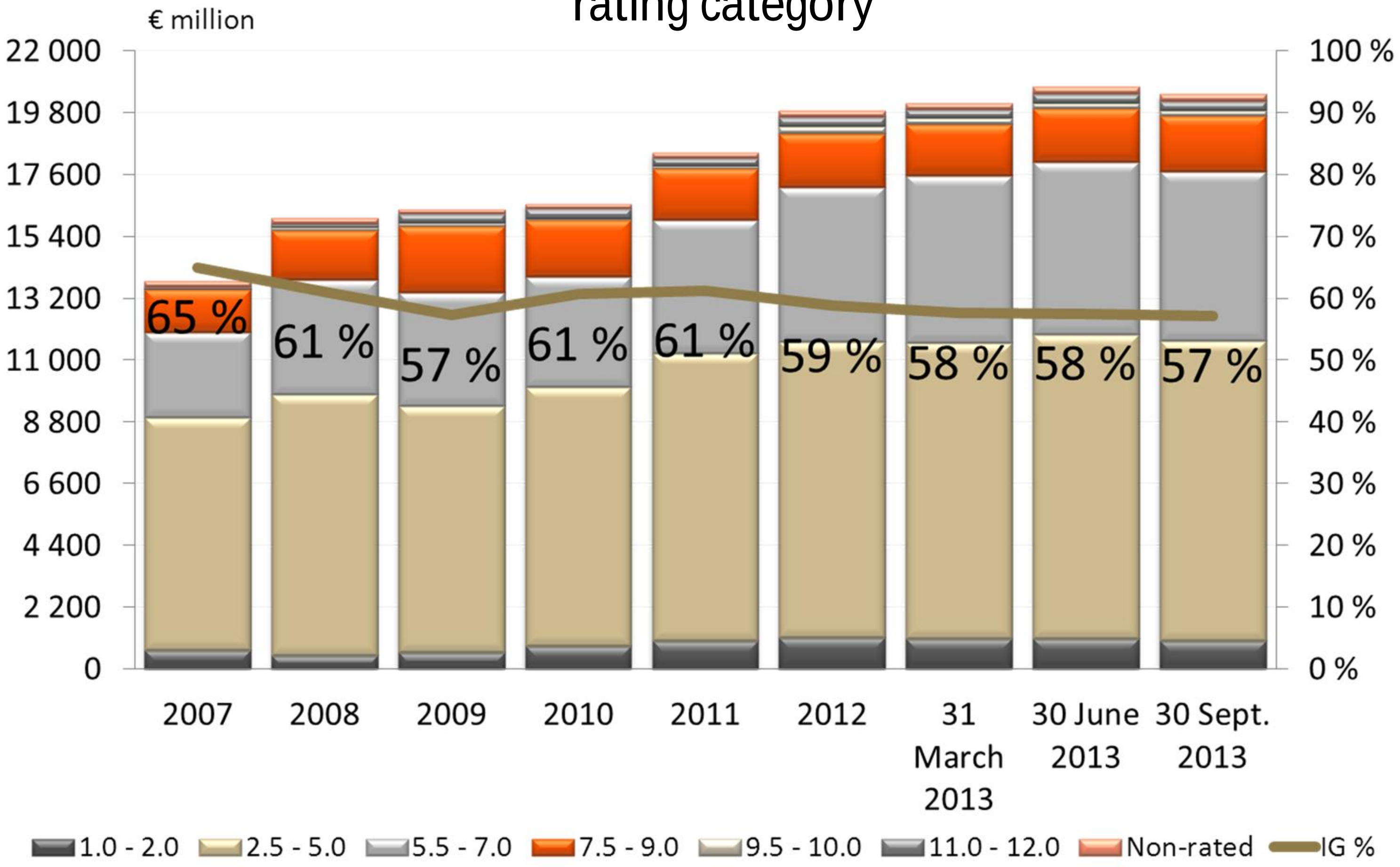
- Reduction of 5 pps in the average risk weight of corporate exposures (end-2012: 65.0%), would improve Core Tier 1 ratio by 0.6 pps (pro forma 30 September 2013).

Example 2: Capital optimising (Solvency II)

- In Non-life Insurance, halving the share of equity, private equity and alternative investments from their current 14% to 7% would decrease the solvency requirement by approx. €80-110 million.
- Dividend of €100 million from Pohjola Insurance Ltd to Pohjola Bank plc would increase Core Tier 1 ratio by 0.6 pps (pro forma 30 September 2013)

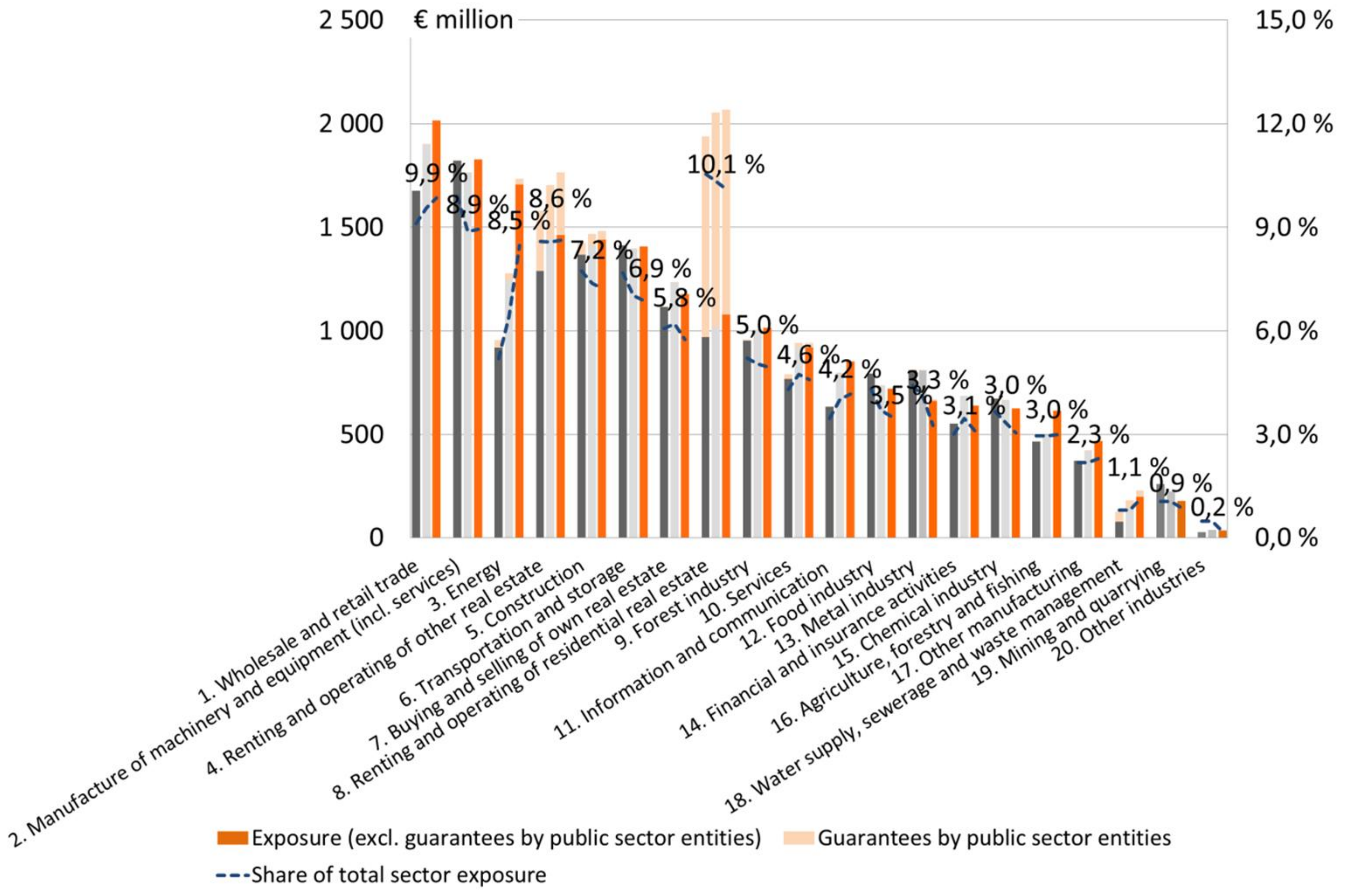
Share of Investment-grade (rating categories 1–5) Exposure to Total Exposure from the Non-financial Corporations and Housing Associations Sector 57% (59%)

Exposure from the Non-financial Corporations and Housing Associations Sector (€20.5 bn) by rating category



Non-financial Corporations and Housing Associations Exposures Diversified by Industry

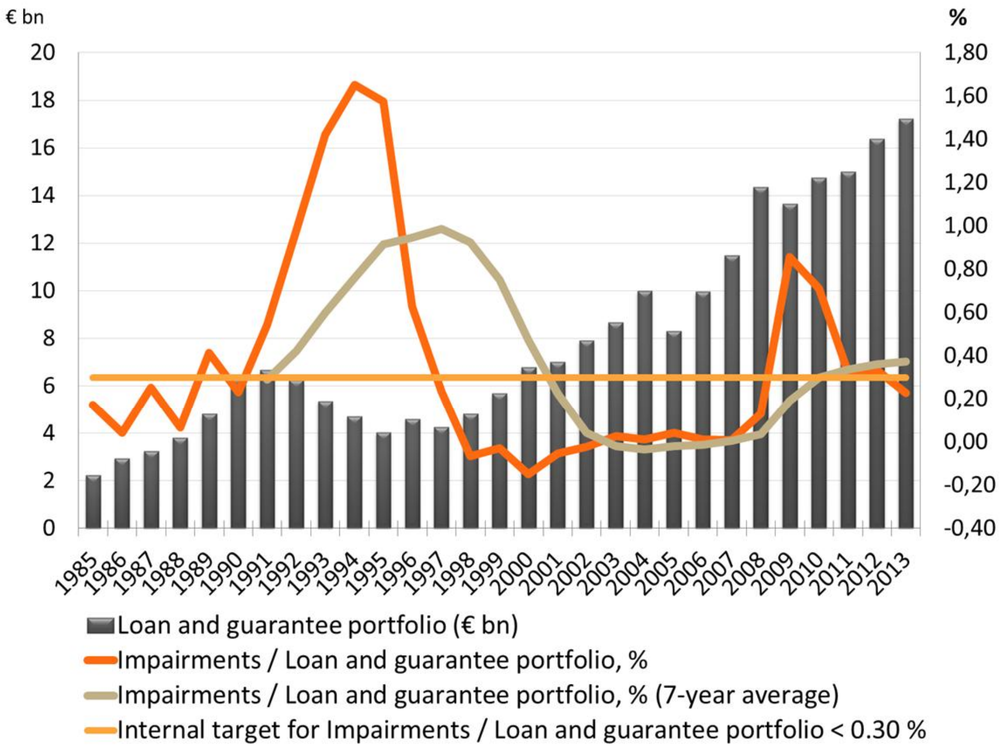
Exposure from the Non-financial Corporations and Housing Associations sector by industry (excl. guarantees by public-sector entities), €20.5 bn



30 September 2013: 48% (€990 mn) of the exposures in the “Renting and operating of residential real estate” industry and 17% (€304 mn) of the exposures in “Renting and operating of other real estate” industry were guaranteed by government, cities or municipalities.

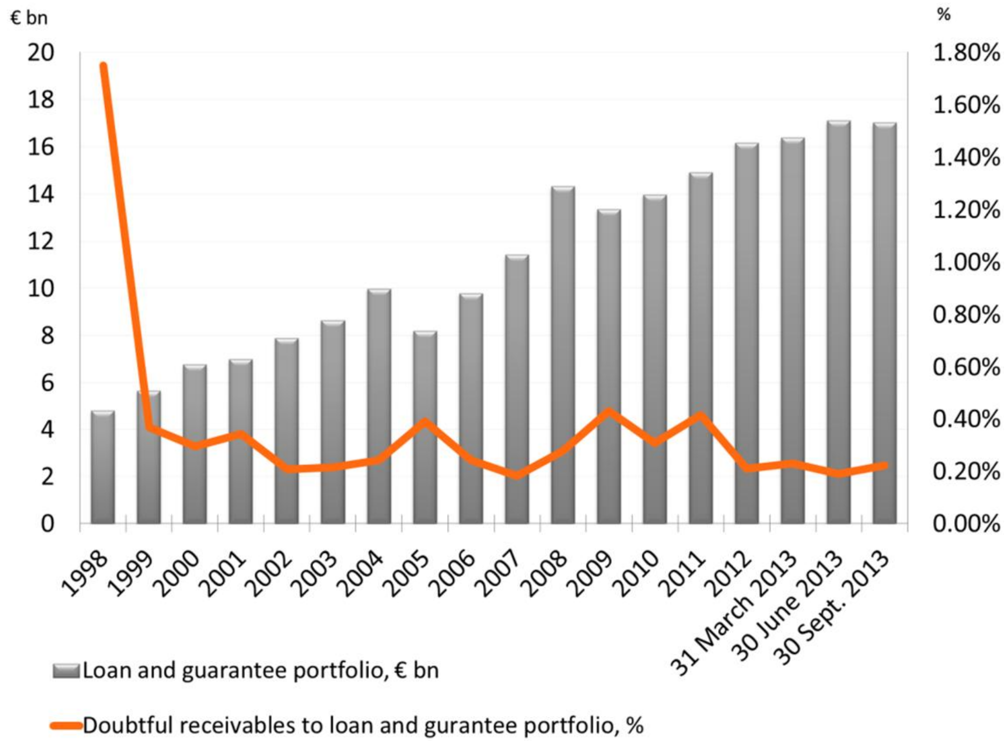
Impairments and Doubtful Receivables to Loan and Guarantee Portfolio, %

Impairments to loan and guarantee portfolio



Impairments for 2013 are calculated by dividing Q1-3/13 impairments by 3 and multiplying it by 4.
Share of loan and guarantee portfolio does not include the impairments of notes and bonds in the liquidity buffer.

Doubtful receivables to loan and guarantee portfolio



Pohjola as Syndicated Loan Bank and in Debt Capital Markets

Leading Finnish syndicated loan banks in 2012*

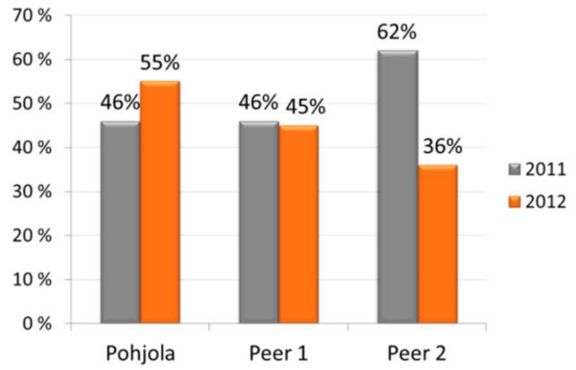
Banks	EURm	Share	Issues	Participation
Pohjola	761	22.6%	10	91%
SEB	617	18.3%	7	64%
Nordea	595	17.7%	9	82%
Danske	528	15.7%	8	73%
Handelsbanken	395	11.7%	5	45%
Swedbank	221	6.6%	4	36%
ING	142	4.2%	2	18%
JP Morgan	67	2.0%	1	9%
Barclays	42	1.2%	1	9%
Total	3 367		11	

* EURm stands for MLA credit

Source: Bloomberg

Debt issues: Top banks

% of corporate citing the bank as one of their top 5 banks



Source: SFR 2012

Lead manager performance in Finnish EUR-denominated corporate bond issues Q1-3/2013

Lead Manager	Total raised (MEUR)	Lead Manager	Number of deals
Pohjola Bank	922	Pohjola Bank	14
Nordea Bank	388	Nordea Bank	7
Deutsche Bank	329	Danske Bank	5
Danske Bank	313	Deutsche Bank	3
UBS	229	SEB	3
SEB	225	Barclays	2
Goldman Sachs	75	UBS	2
Barclays	55	Credit Agricole	1
Credit Agricole	23	Credit Suisse	1
Total	2,675	Total	23

2011–2012

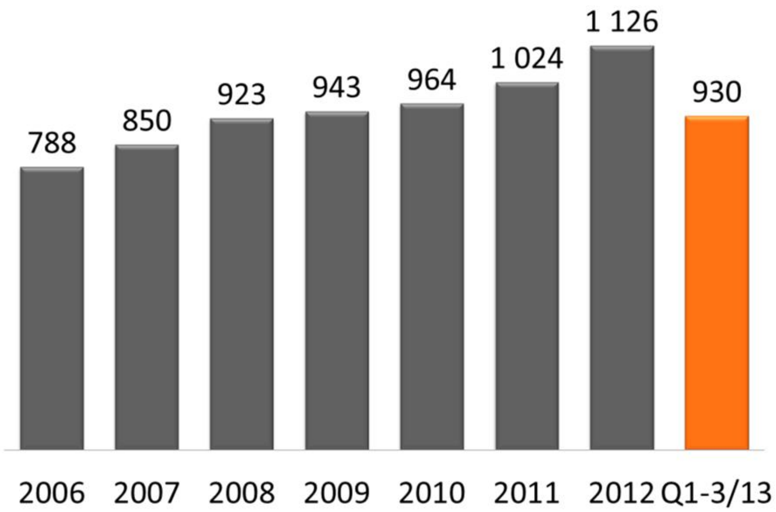
Lead Manager	Total raised (MEUR)	Lead Manager	Number of deals
Pohjola Bank	1 760	Pohjola Bank	22
Nordea Bank	1 667	Nordea Bank	19
Danske Bank	1 480	Danske Bank	16
Citigroup	600	Citigroup	5
Deutsche Bank	600	SEB	5
SEB	525	Deutsche Bank	4
BNP Paribas	492	Barclays	3
Barclays	450	BNP Paribas	3
ING	317	ING	3
Goldman Sachs	125	Handesbanken	2
Total	9 116	Total	43

Source: Bloomberg and Pohjola Markets

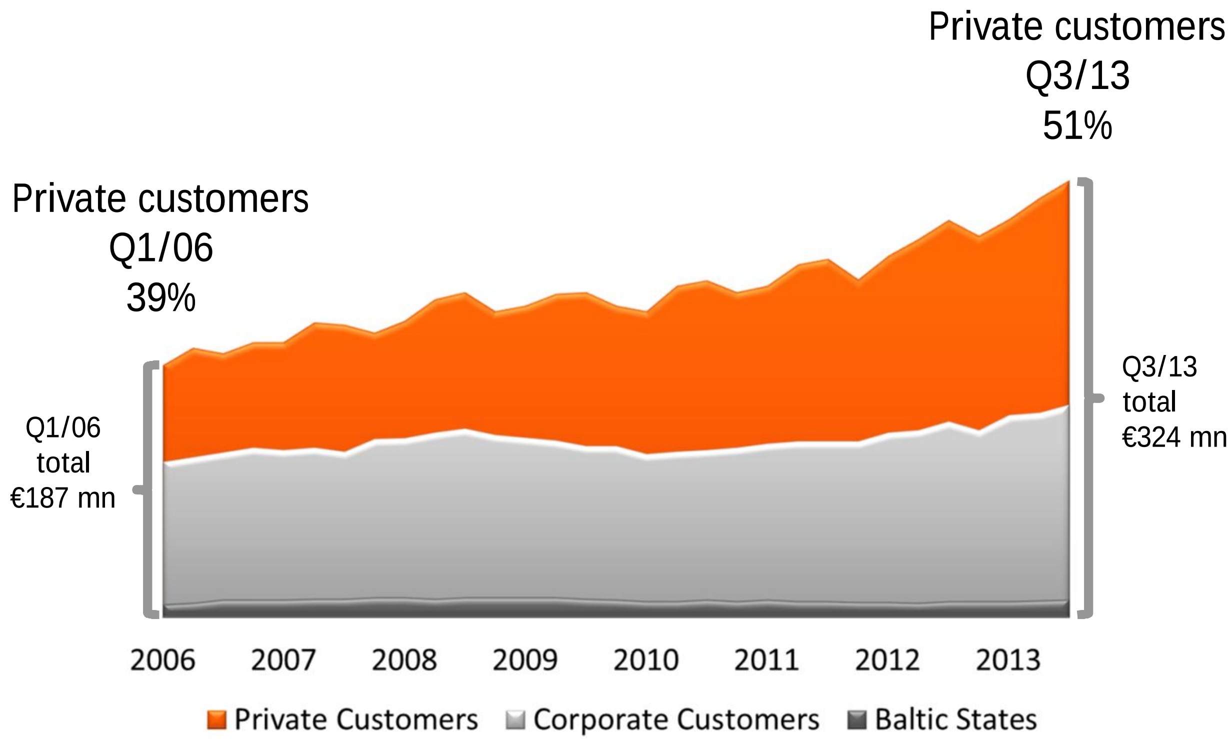
Insurance Premium Revenue by Customer Group

Insurance premium revenue between 2006 and Q1-3/2013

CAGR 2006-2012: 6%

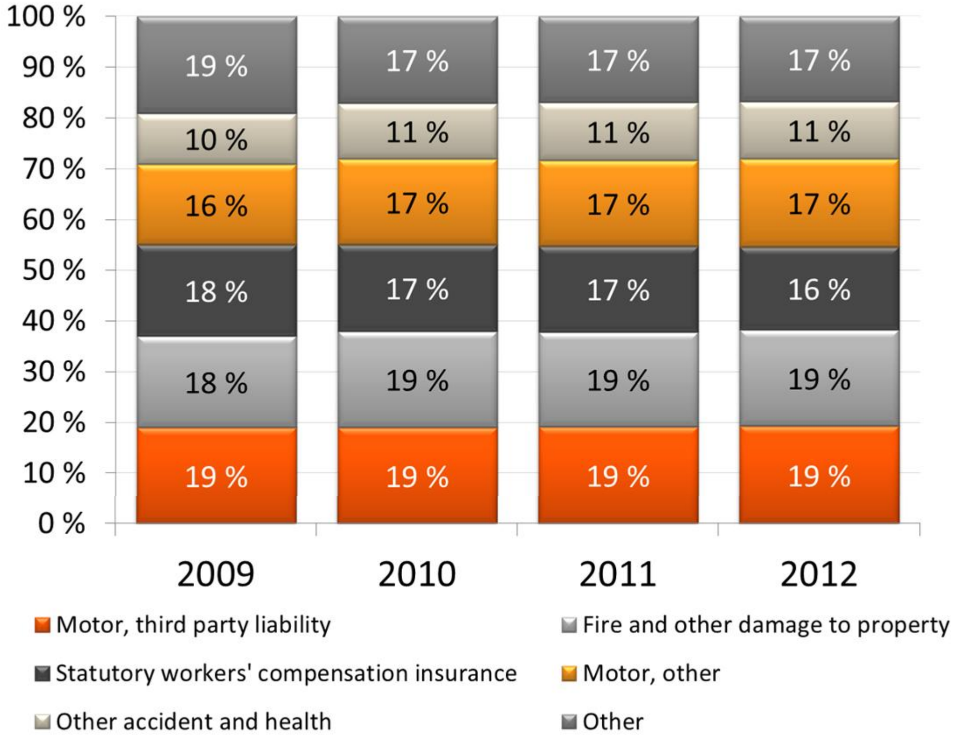


Insurance premium revenue by customer group Q1/2006–Q3/2013

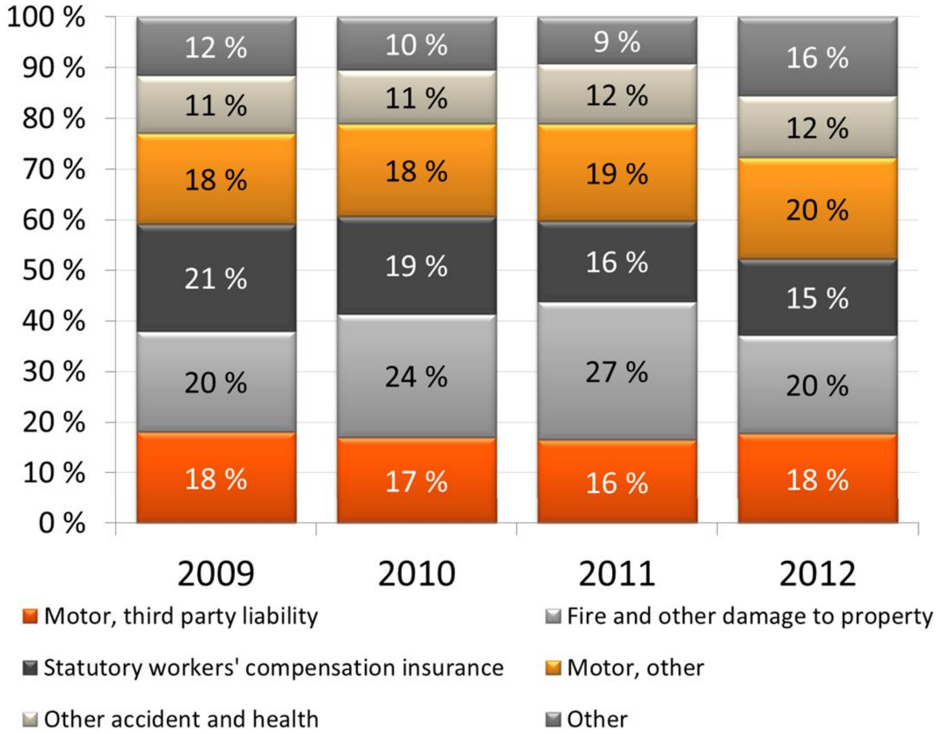


Insurance Premium Revenue and Claims Incurred by Insurance Line

Insurance premium revenue by insurance line



Claims incurred by insurance line

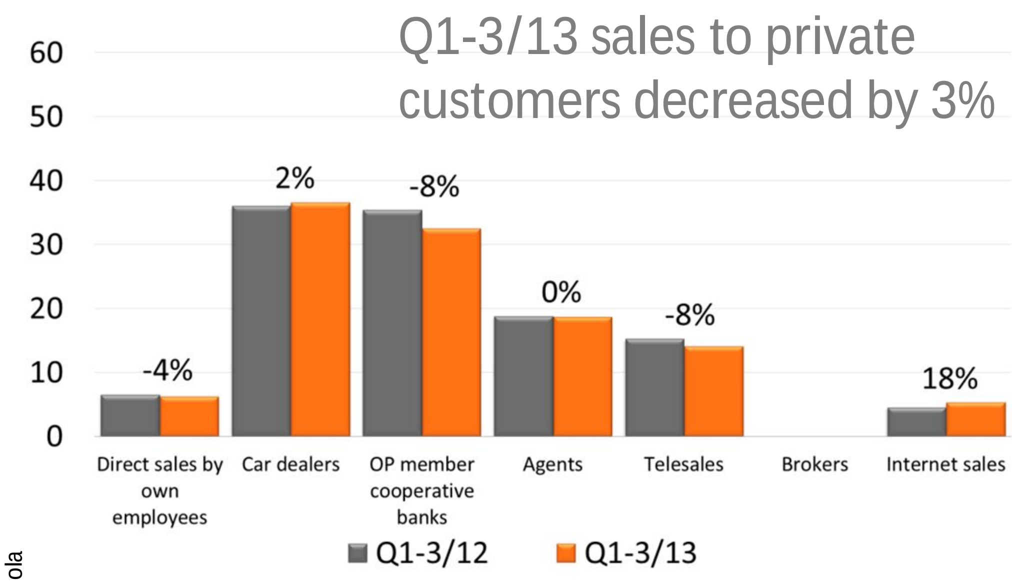


Growth in Sales to Private and Corporate Customers by Channel

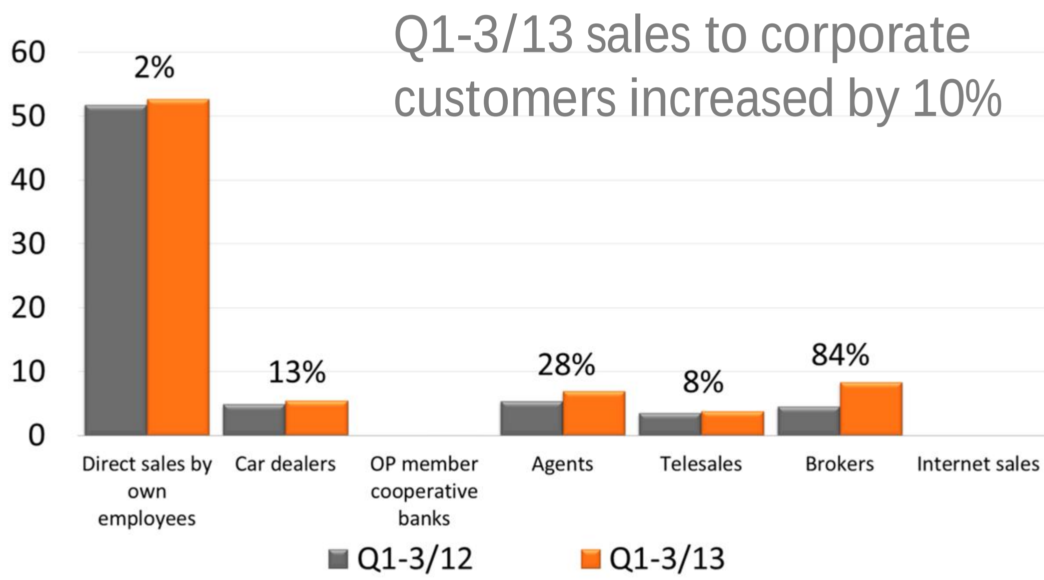
Q3/13 sales of policies to corporate customers down by 13% and private customers up by 4%

YoY, total sales were down 1% in Q3/13

Sales to private customers by channel, Q1-3/13 vs. Q1-3/12, € million



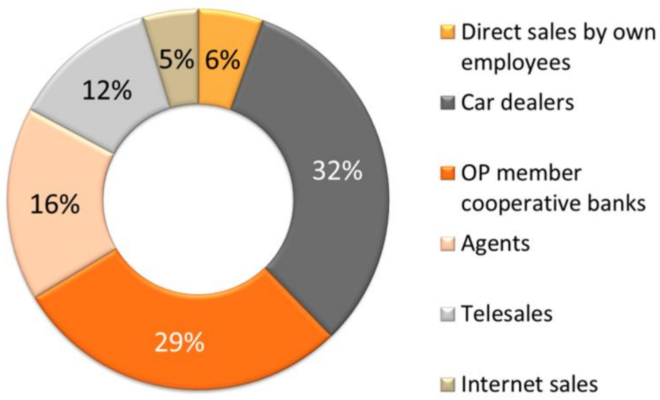
Sales to corporate customers by channel, Q1-3/13 vs. Q1-3/12, € million



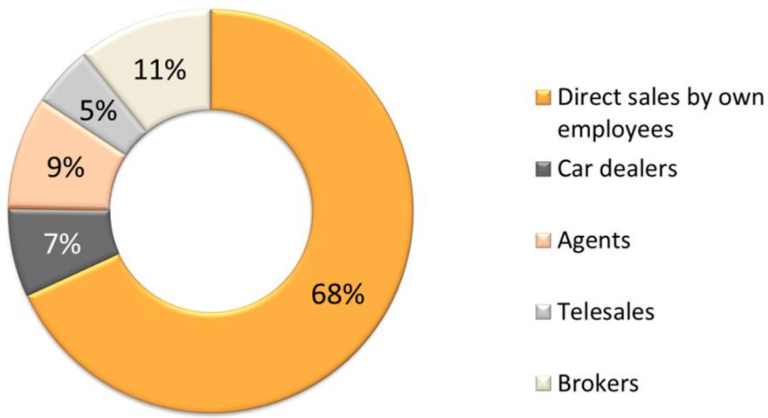
Sales Channels in Non-life Insurance

OP-Pohjola Group cooperative banks and car dealers as the main channels for private customer sales and our own sales people as the main channel for corporate customer sales. Banks as channels play an important role in Pohjola sales compared with its Finnish peer insurers.

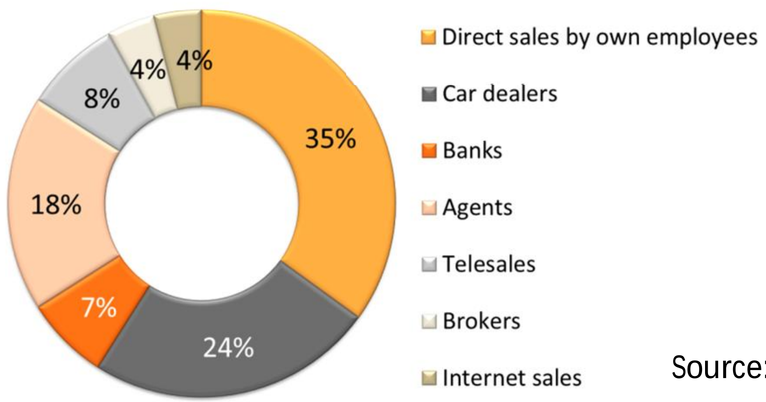
Pohjola Insurance sales channels for private customers Q1-3/2013



Pohjola Insurance sales channels for corporate customers in Q1-3/2013



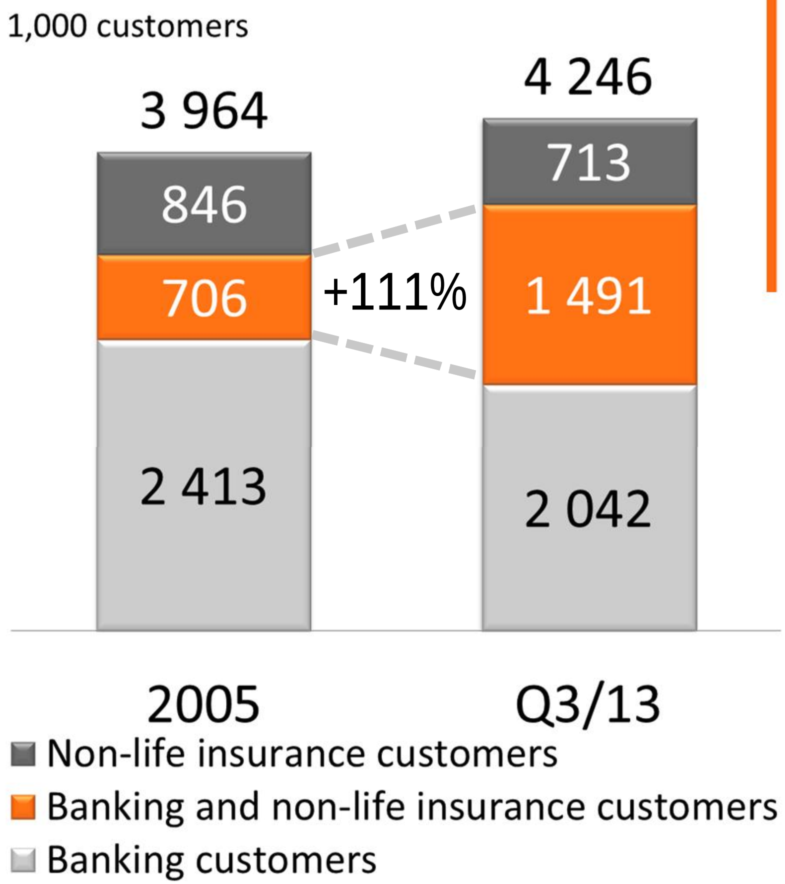
Private and corporate customer sales channels of Finnish insurers in 2012



Source: Federation of Finnish Financial Services

Broadest Customer Base in Finland

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

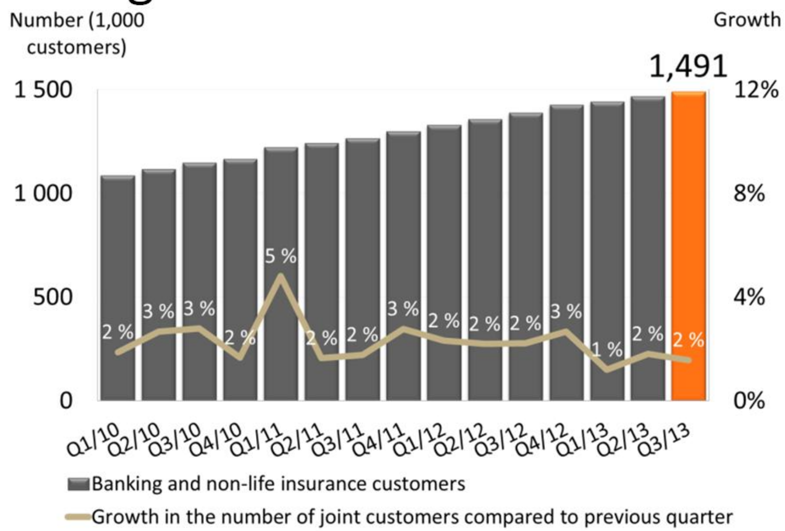


The number of customers shared by Banking and Non-life Insurance increased by 66,000 in Q1-3/13

Pohjola Insurance sales resources 30 September 2013

- 355 outlets
- 122 contracting banks
- 539 insurance sellers
- 236 agents

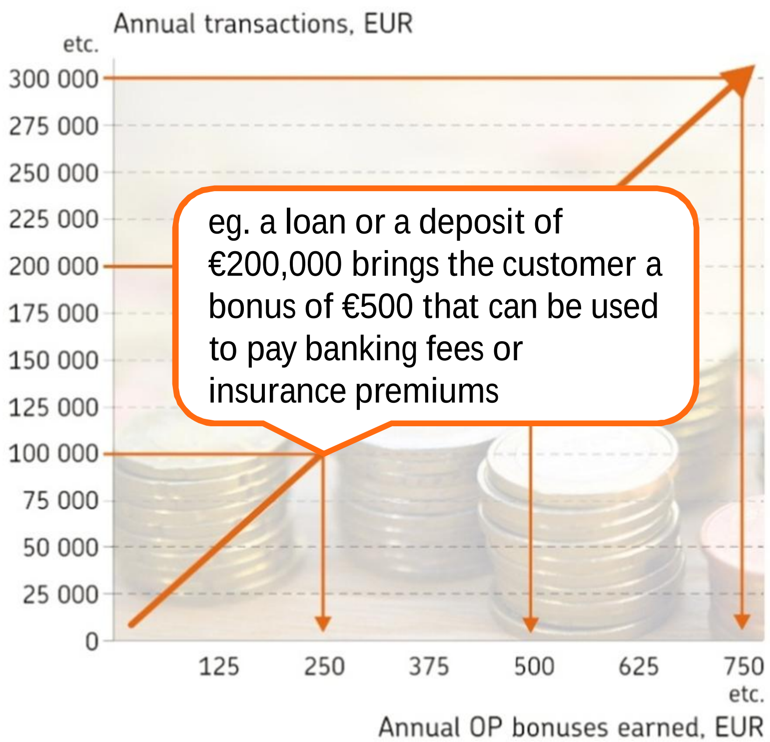
Number of customers shared by Banking and Non-life Insurance



Best Loyal Customer Benefits for Private Customers

OP bonuses to customers reached a new high in 2012, €173 mn (2011: €163mn, 2005: €42 mn)

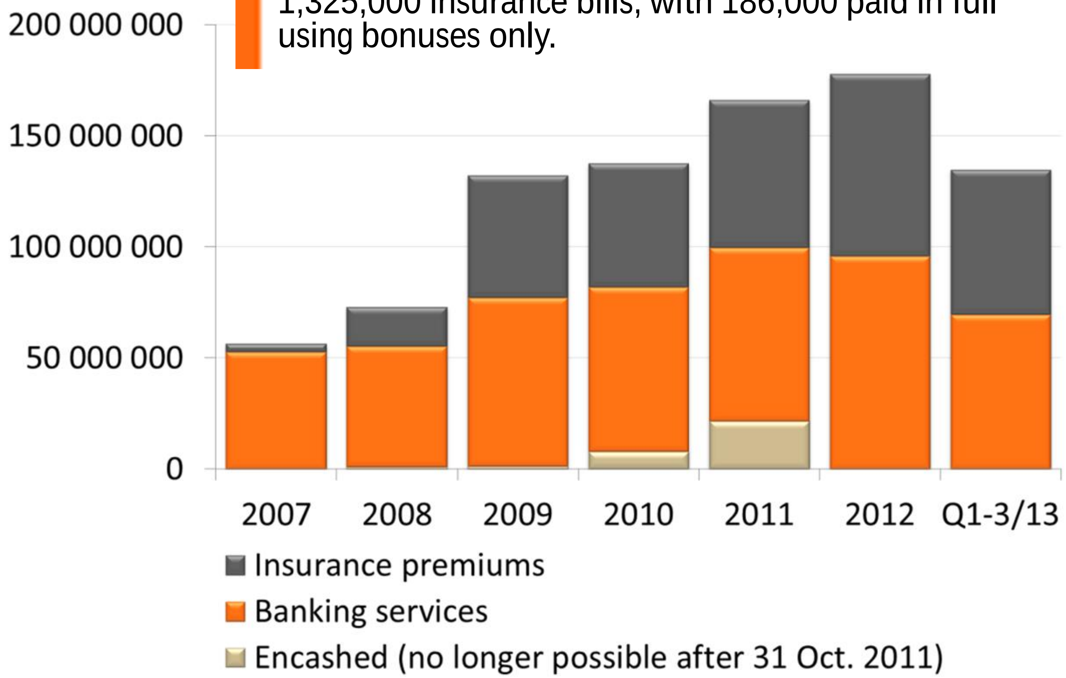
Bonuses accrue from banking and insurance services



OP bonuses to customers in Q1-3/13: €136 mn
Use of bonuses in Q1-3/13: €135 mn

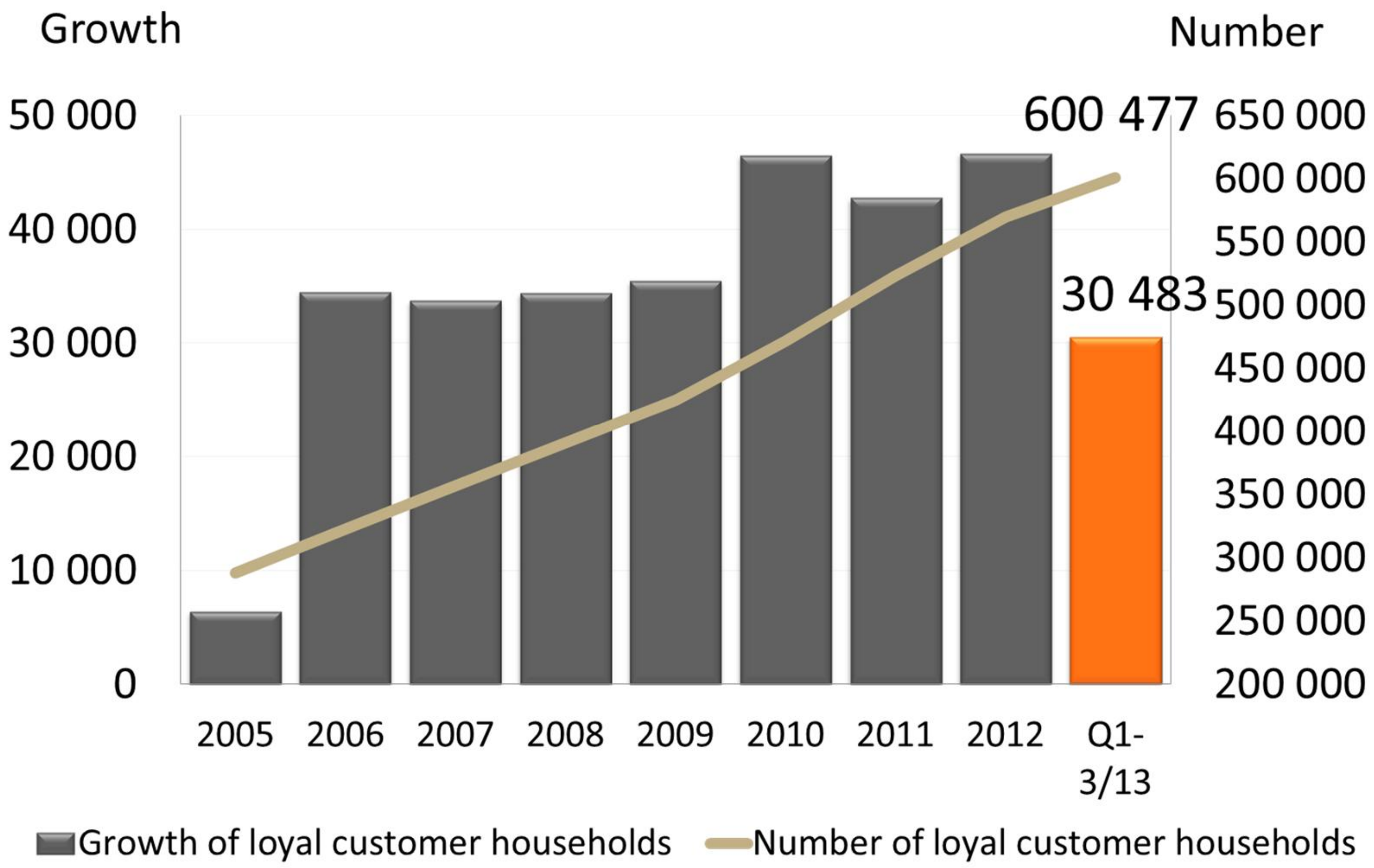
Insurance premiums paid using bonuses totalled €65 million in Q1-3/2013.

In Q1-3/2013, OP bonuses were used to pay 1,325,000 insurance bills, with 186,000 paid in full using bonuses only.



Number of Loyal Customer Households* over 600,000

Number and growth of loyal customer households



- Loyal customer households account for approx. 85% 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.
- Churn rate of loyal customer households 2.7% in Q1-3/13.

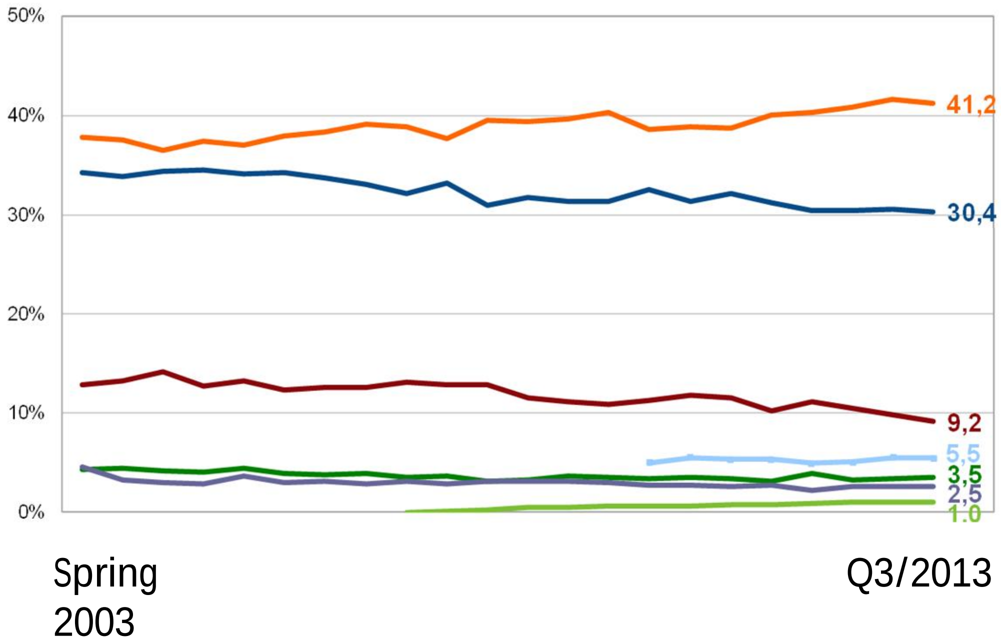
*) Loyal customer has at least 3 policies with Pohjola.

Growth Potential in Total Customer Relationships

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

Market share by bank

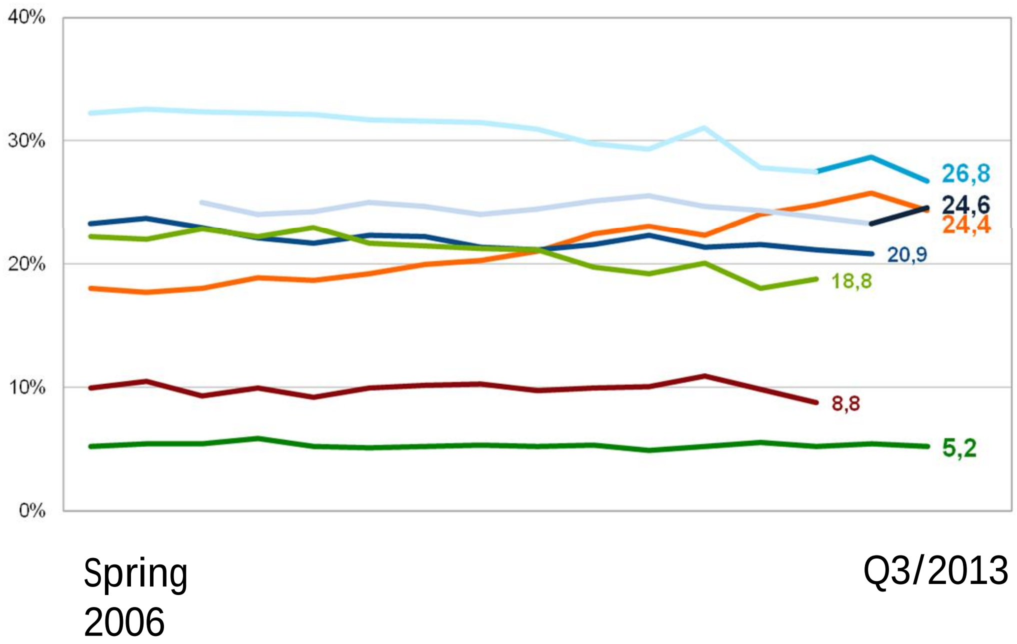
Main bank



OP-Pohjola Group

Market share by insurer

Main insurer

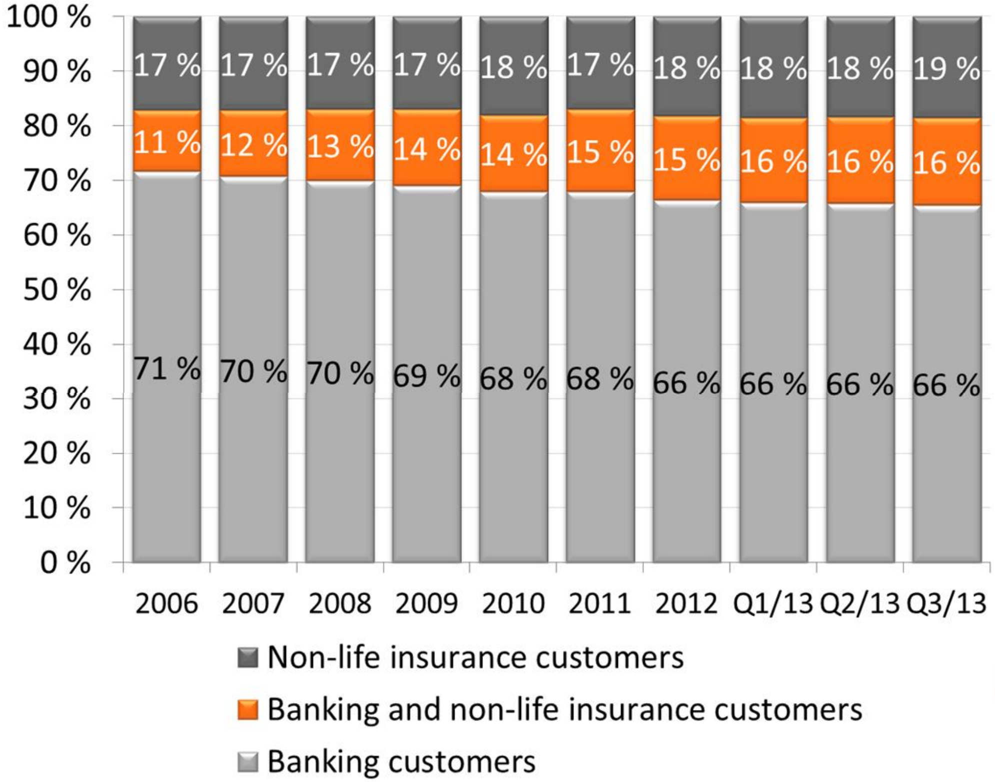


Pohjola Insurance Ltd

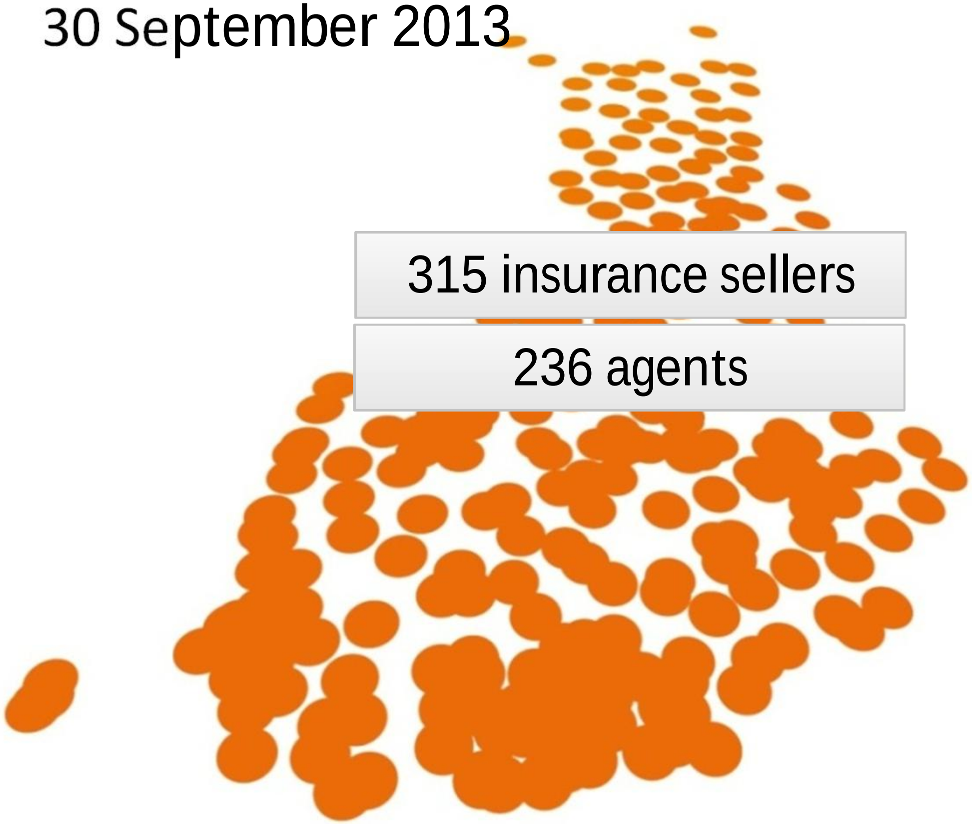
Source: Survey on bank and insurance company switch by TNS Gallup Oy

Cross-selling Expanded to SME Customers by Deepening Integration in Customer Relationship Management

OP-Pohjola Group's corporate customers

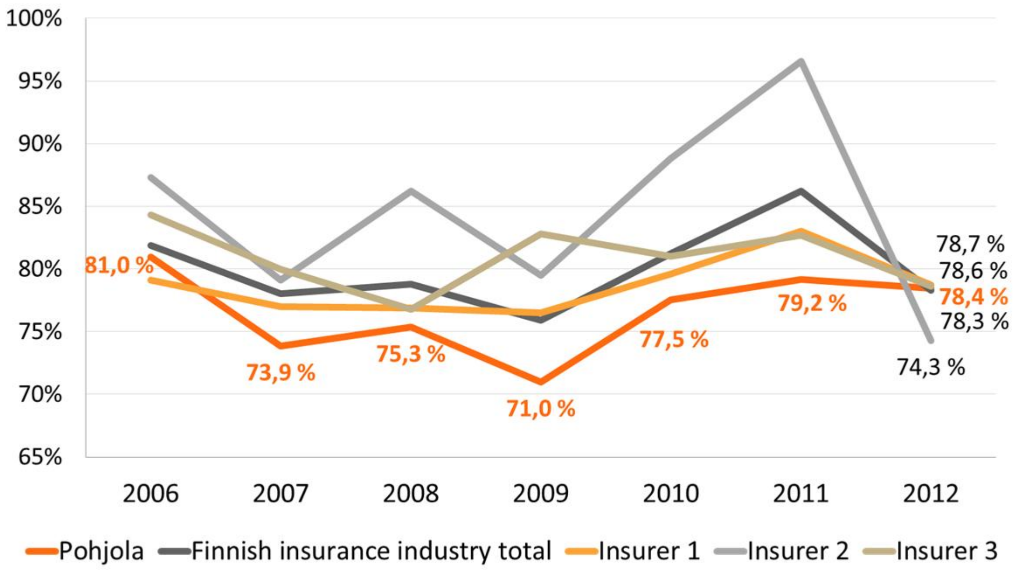


Pohjola Insurance sales resources among corporate customers 30 September 2013



Risk Selection and Pricing – Tools to Manage Good Underwriting Performance

Loss ratio of Finnish insurance companies in 2006-2012, FAS



Source: Federation of Finnish Financial Services

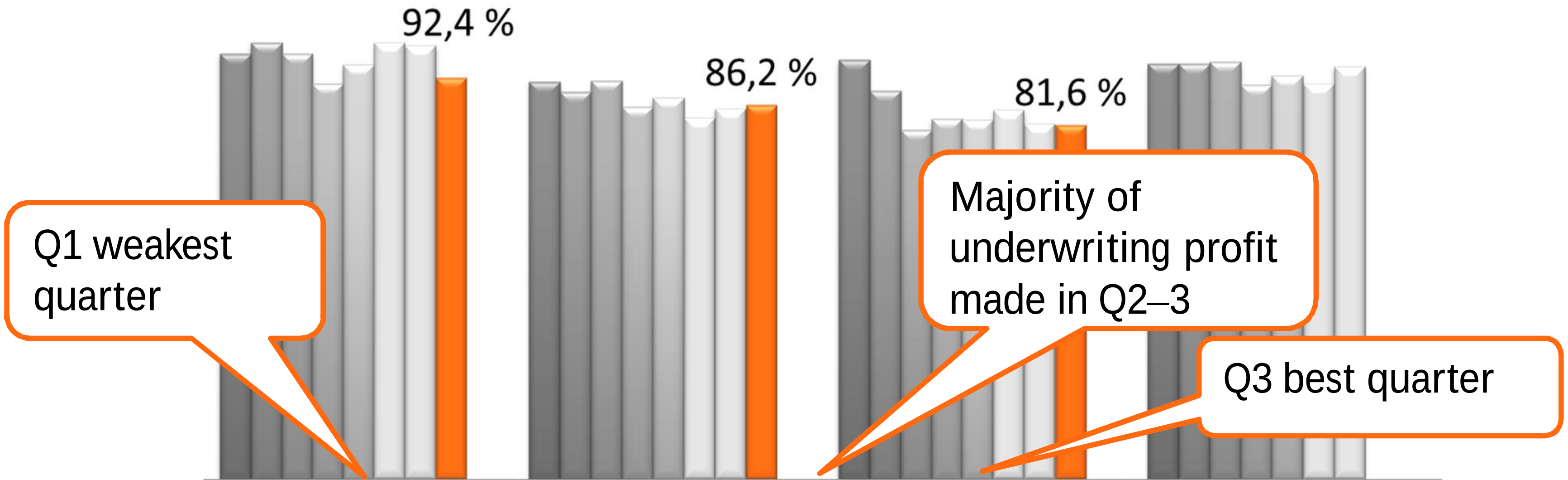
Risk-based pricing

- Competitive advantage through well-built data warehouse and monitoring systems
- Break-even method in pricing takes account of operating and financial costs in addition to risk

Active management of customer accounts

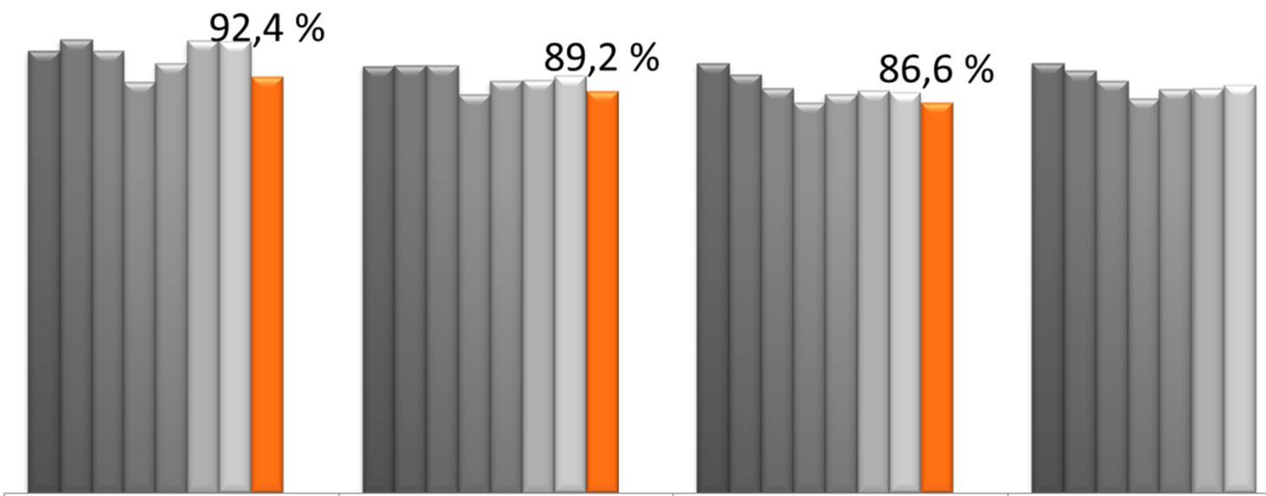
- Model for estimating the value of the customer
- Development programmes for unprofitable customers

Operating Combined Ratio by Quarter within Non-life Insurance



	Q1	Q2	Q3	Q4
2006	98,2 %	91,6 %	96,7 %	95,8 %
2007	100,8 %	89,3 %	89,5 %	95,9 %
2008	98,2 %	91,9 %	80,7 %	96,2 %
2009	91,3 %	86,0 %	83,1 %	90,9 %
2010	95,5 %	88,0 %	82,8 %	93,1 %
2011	100,5 %	83,3 %	85,2 %	91,0 %
2012	100,1 %	85,5 %	82,2 %	95,3 %
2013	92,4 %	86,2 %	81,6 %	
Average	97,1 %	87,7 %	85,2 %	94,0 %

Cumulative Operating Combined Ratio within Non-life Insurance

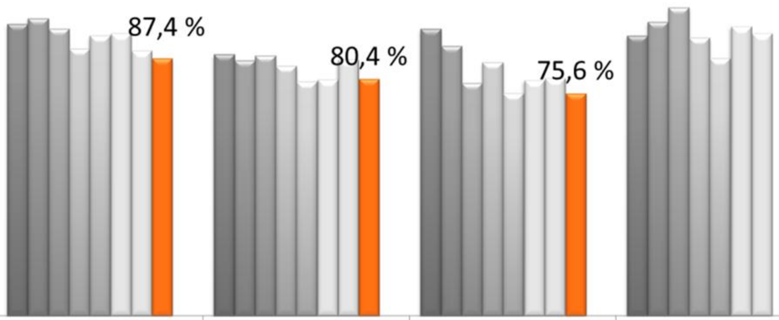


	Q1	H1	Q1-3	Q1-4
2006	98,2 %	94,8 %	95,4 %	95,5 %
2007	100,8 %	94,9 %	93,0 %	93,8 %
2008	98,2 %	95,0 %	90,0 %	91,5 %
2009	91,3 %	88,6 %	86,7 %	87,7 %
2010	95,5 %	91,6 %	88,6 %	89,7 %
2011	100,5 %	91,6 %	89,4 %	89,8 %
2012	100,1 %	92,6 %	89,0 %	90,5 %
2013	92,4 %	89,2 %	86,6 %	
Average	97,1 %	92,3 %	89,8 %	91,2 %

Guidance for FY2013: 87-90%, if the number of large claims is not much higher than in 2012

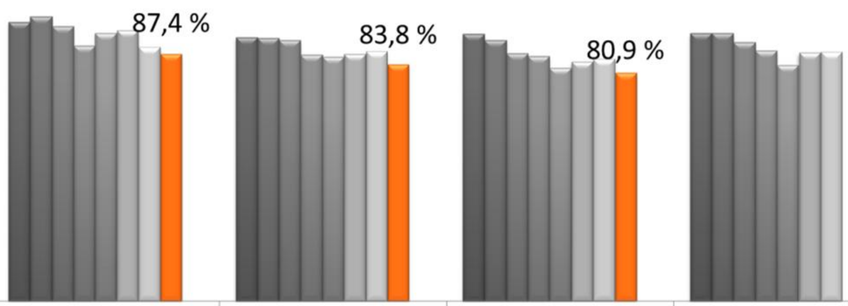
Private Customers' Operating Combined Ratio

By quarter



	Q1	Q2	Q3	Q4
2006	98,9 %	88,7 %	97,3 %	95,1 %
2007	100,9 %	86,6 %	91,6 %	99,7 %
2008	97,4 %	88,2 %	79,1 %	104,5 %
2009	90,6 %	84,7 %	86,0 %	94,3 %
2010	95,0 %	79,4 %	75,4 %	87,4 %
2011	95,8 %	80,2 %	80,0 %	98,2 %
2012	90,0 %	87,0 %	80,7 %	95,7 %
2013	87,4 %	80,4 %	75,6 %	
Average	94,5 %	84,4 %	83,2 %	96,4 %

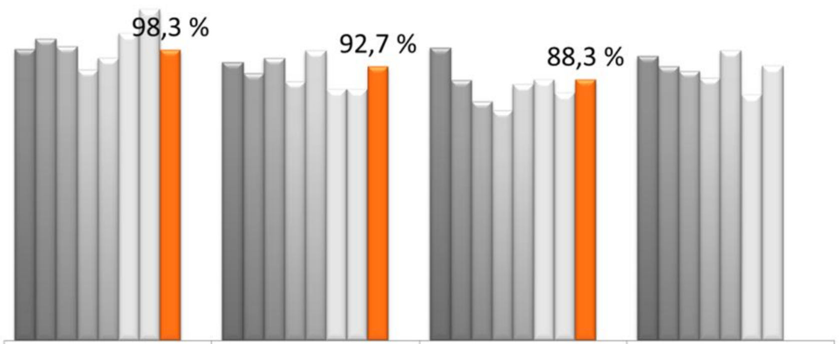
Cumulative



	Q1	H1	Q1-3	Q1-4
2006	98,9 %	93,5 %	94,7 %	95,0 %
2007	100,9 %	93,2 %	92,6 %	94,9 %
2008	97,4 %	92,5 %	87,8 %	91,9 %
2009	90,6 %	87,5 %	86,9 %	88,7 %
2010	95,0 %	86,6 %	82,7 %	83,8 %
2011	95,8 %	87,6 %	84,9 %	88,1 %
2012	90,0 %	88,4 %	85,7 %	88,2 %
2013	87,4 %	83,8 %	80,9 %	
Average	94,5 %	89,1 %	87,0 %	90,1 %

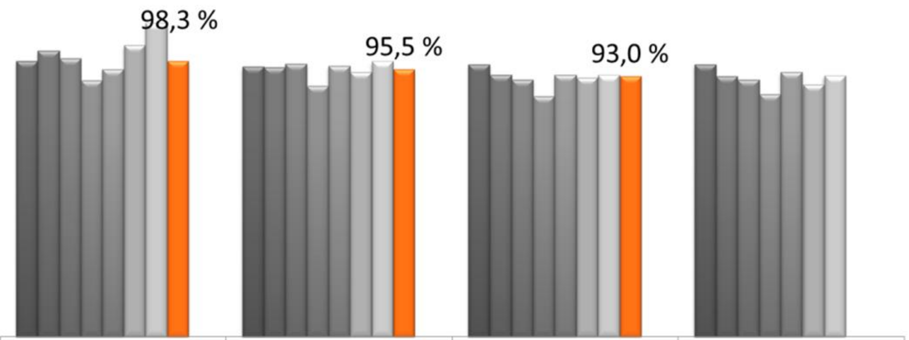
Corporate Customers' Operating Combined Ratio

By quarter



	Q1	Q2	Q3	Q4
2006	98,5 %	94,2 %	99,1 %	96,2 %
2007	102,1 %	90,4 %	88,1 %	92,8 %
2008	99,6 %	95,6 %	81,0 %	91,1 %
2009	91,7 %	87,6 %	77,8 %	88,8 %
2010	95,6 %	98,1 %	86,7 %	98,1 %
2011	104,0 %	85,1 %	88,3 %	83,1 %
2012	112,0 %	85,1 %	83,8 %	93,0 %
2013	98,3 %	92,7 %	88,3 %	
Average	100,2 %	91,1 %	86,6 %	91,9 %

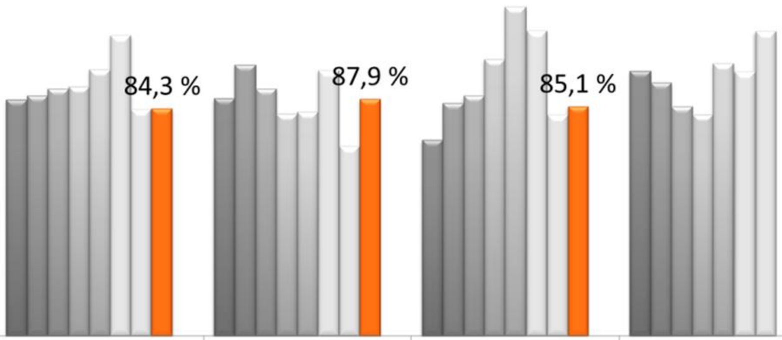
Cumulative



	Q1	H1	Q1-3	Q1-4
2006	98,5 %	96,4 %	97,3 %	97,1 %
2007	102,1 %	96,2 %	93,5 %	93,1 %
2008	99,6 %	97,5 %	91,9 %	91,7 %
2009	91,7 %	89,7 %	85,8 %	86,5 %
2010	95,6 %	96,8 %	93,4 %	94,6 %
2011	104,0 %	94,4 %	92,4 %	90,0 %
2012	112,0 %	98,4 %	93,4 %	93,3 %
2013	98,3 %	95,5 %	93,0 %	
Average	100,2 %	95,6 %	92,6 %	92,3 %

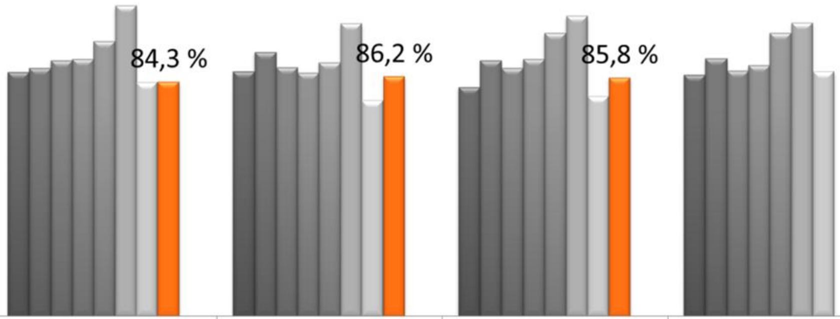
Baltic States' Operating Combined Ratio

By quarter



	Q1	Q2	Q3	Q4
2006	87,7 %	88,1 %	72,7 %	98,2 %
2007	89,0 %	100,5 %	86,4 %	93,9 %
2008	91,7 %	91,7 %	89,0 %	85,0 %
2009	92,3 %	82,4 %	102,5 %	82,0 %
2010	98,6 %	83,1 %	121,9 %	101,1 %
2011	111,3 %	98,4 %	113,2 %	97,9 %
2012	84,0 %	70,6 %	82,0 %	112,8 %
2013	84,3 %	87,9 %	85,1 %	
Average	92,4 %	87,8 %	94,1 %	95,8 %

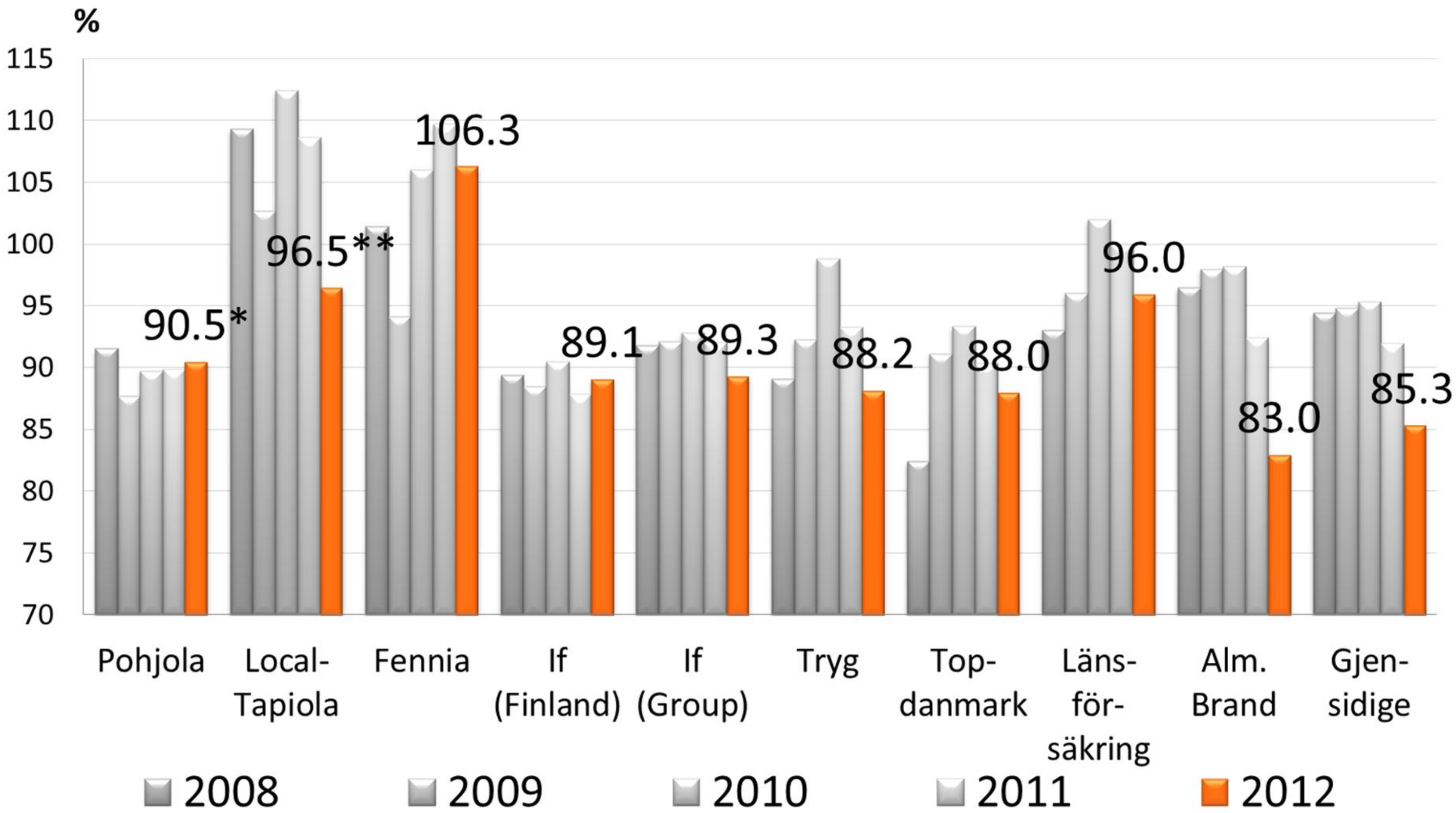
Cumulative



	Q1	H1	Q1-3	Q1-4
2006	87,7 %	87,9 %	82,2 %	86,7 %
2007	89,0 %	94,8 %	91,9 %	92,4 %
2008	91,7 %	89,2 %	89,2 %	88,1 %
2009	92,3 %	87,3 %	92,2 %	90,0 %
2010	98,6 %	91,0 %	101,6 %	101,5 %
2011	111,3 %	104,9 %	107,6 %	105,3 %
2012	84,0 %	77,6 %	79,1 %	87,9 %
2013	84,3 %	86,2 %	85,8 %	
Average	92,4 %	89,9 %	91,2 %	93,1 %

Profitability of Nordic Insurers

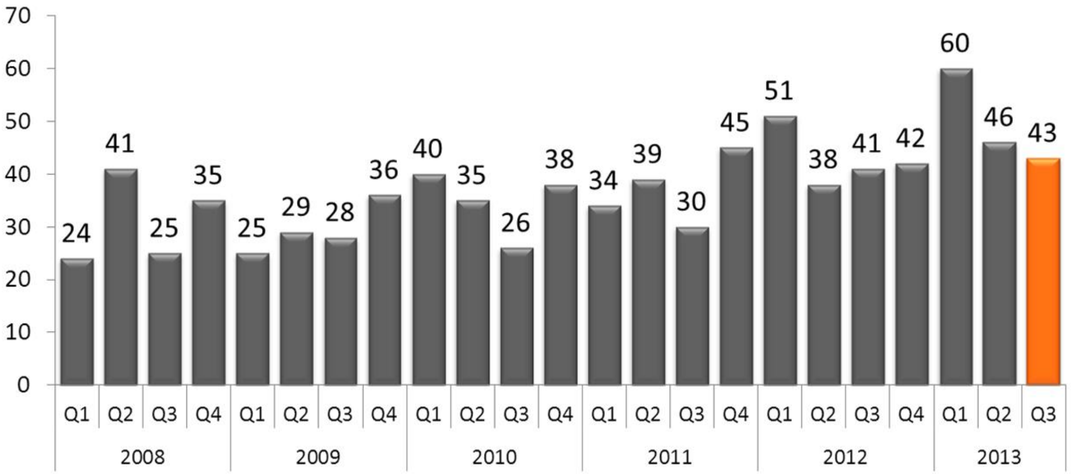
Operating combined ratio 2008–12



* Excl. changes in reserving bases and amortisation of intangible assets
** Tapiola's figures between 2008-2010

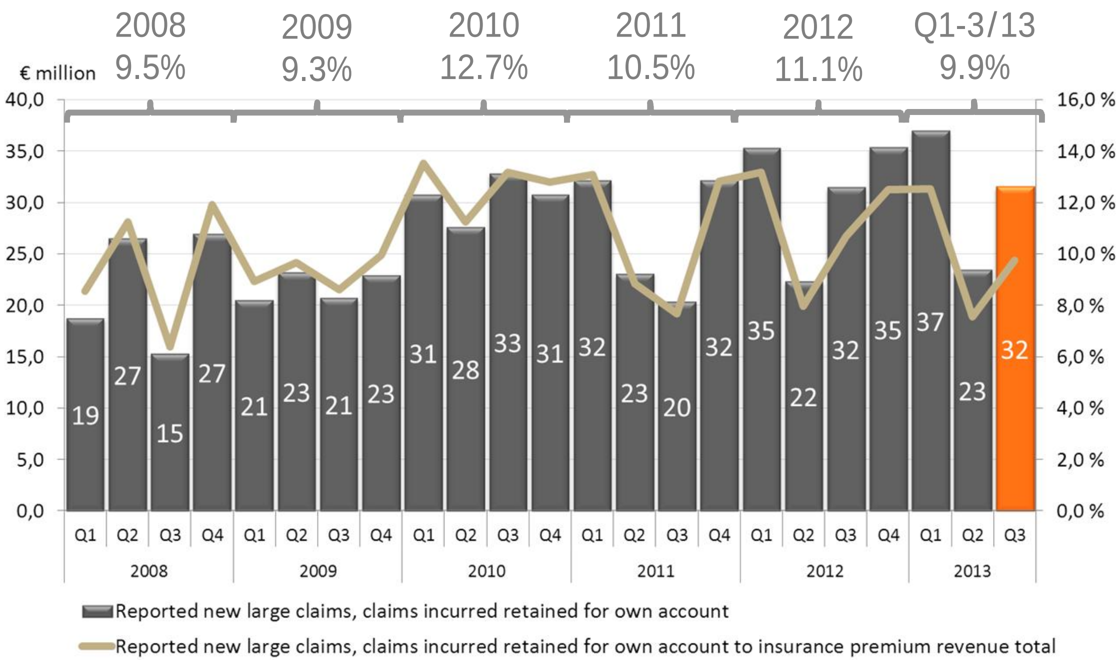
Large Claims 2008–Q3/2013

Number of reported new large claims



Large claim means an individual claim of over €0.3 million.

Reported new large claims, claims incurred retained for own account and its relation to insurance premium revenue



Fixed-income Portfolio by Maturity and Credit Rating as of 30 September 2013

Investments under the “investment grade” accounted for 90% (92) of the portfolio
73% of investments rated at least A–.
Average residual term to maturity 4.6 years (4.2) and duration 4.2 years (4.2).
The running yield for direct bond investments averaged 2.7% (2.9) at the end of September.

Non-life Insurance fixed-income portfolio by maturity and credit rating on 30 September 2013*, EUR million

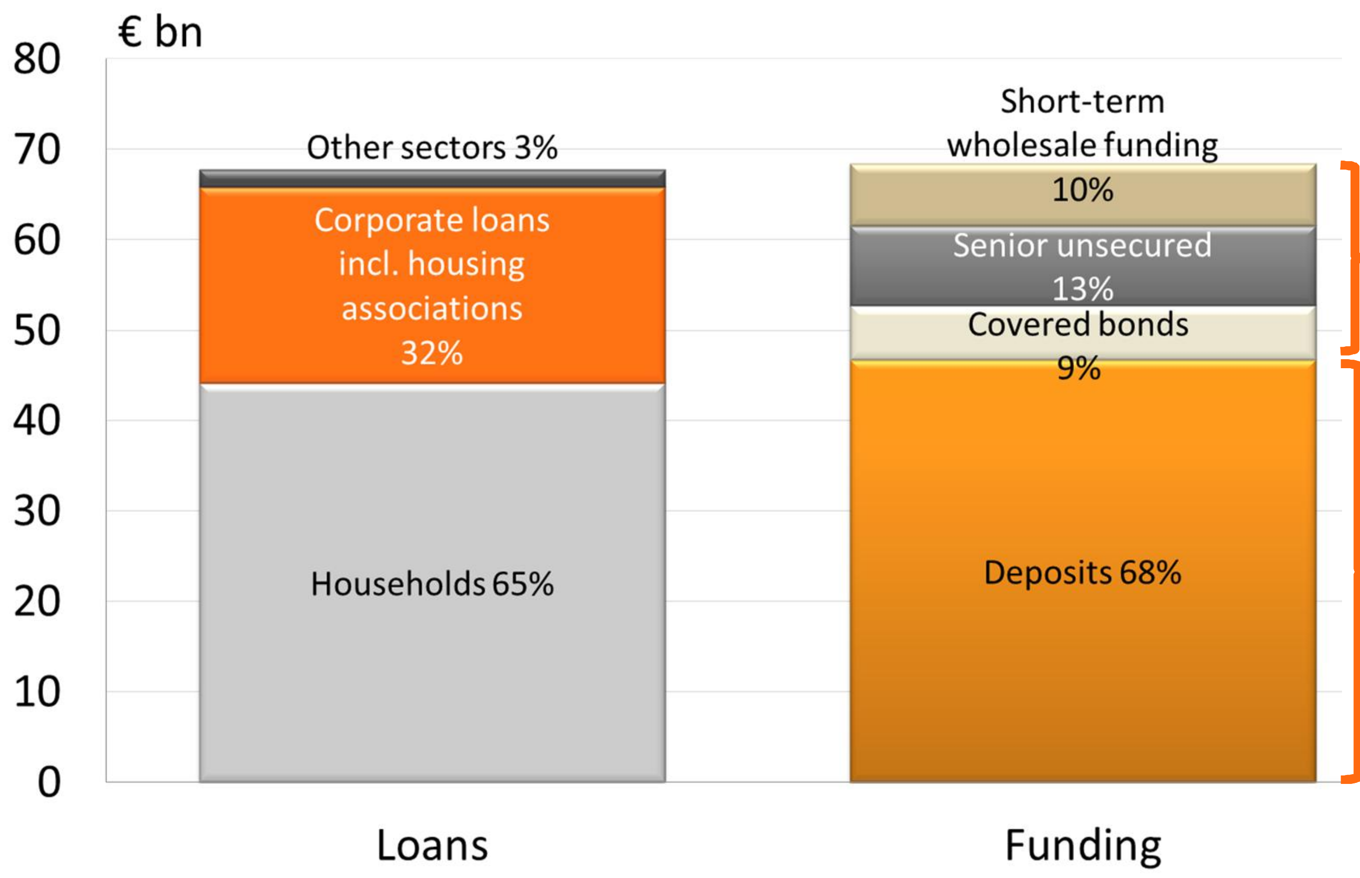
Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	27	157	347	108	134	84	857	36 %
Aa1–Aa3	100	79	74	15	9	34	311	13 %
A1–A3	47	197	194	103	36	0	578	24 %
Baa1–Baa3	37	55	110	170	36	21	428	18 %
Ba1 or lower	51	73	56	11	5	4	200	8 %
Internally rated	30	0	0	0			30	1 %
Total	293	562	781	407	220	143	2 405	100 %

* Excludes credit derivatives.

OP-Pohjola Group's Loans and Funding Structure 30 September 2013

2/3 of corporate loans from Pohjola 1/3 from member banks

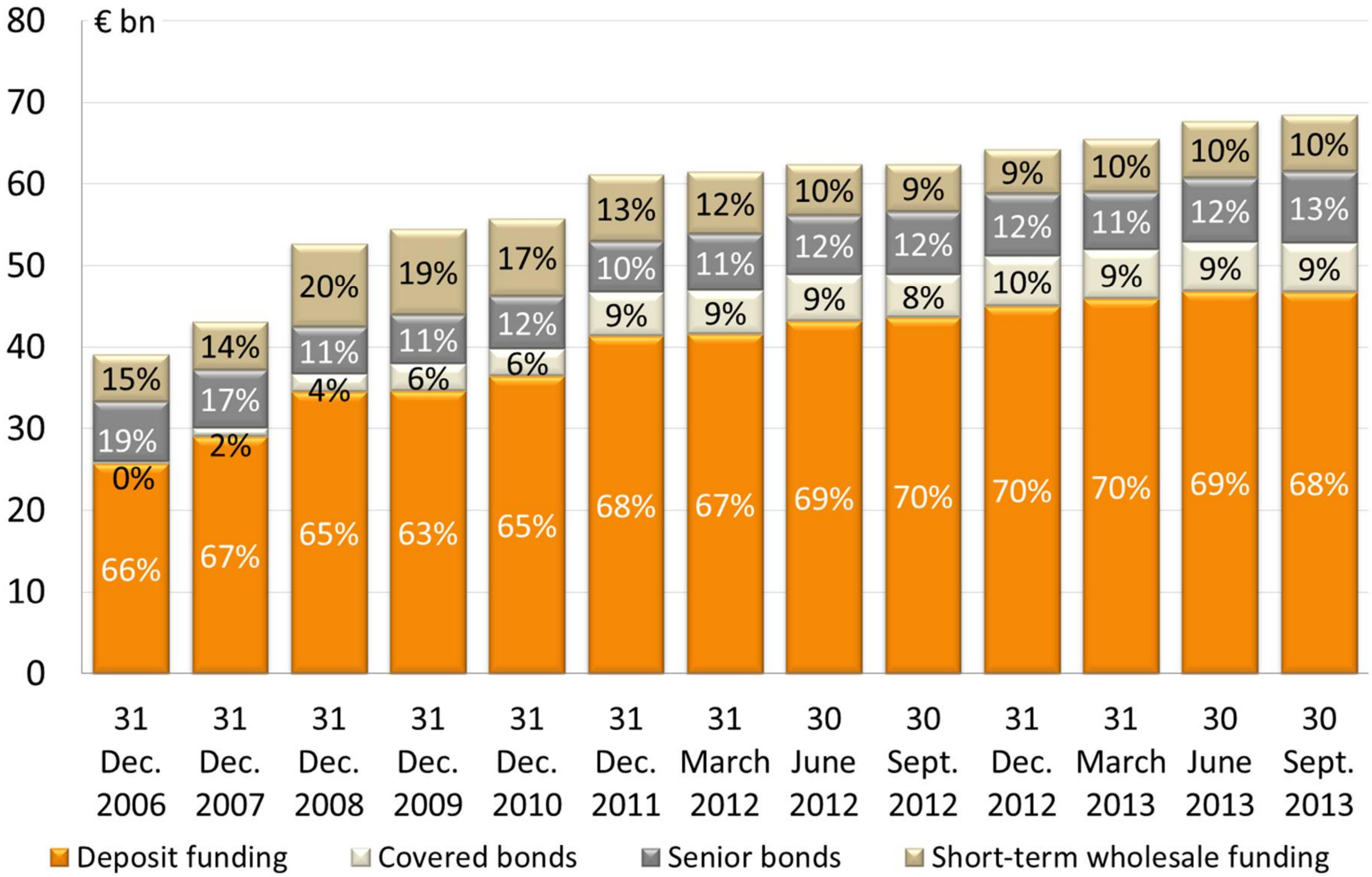
OP-Pohjola member cooperative banks as consumer lenders



Market-based funding accounts for 32%

Majority of lending is based on deposit funding 2/3 household deposits 1/3 corporate deposits

OP-Pohjola Group's Funding Structure Development 2006–30 Sept. 2013



Financial Assets Included in the Liquidity Buffer by Maturity and Credit Rating as of 30 September 2013

Liquidity buffer by maturity and credit rating on 30 September 2013, EUR million

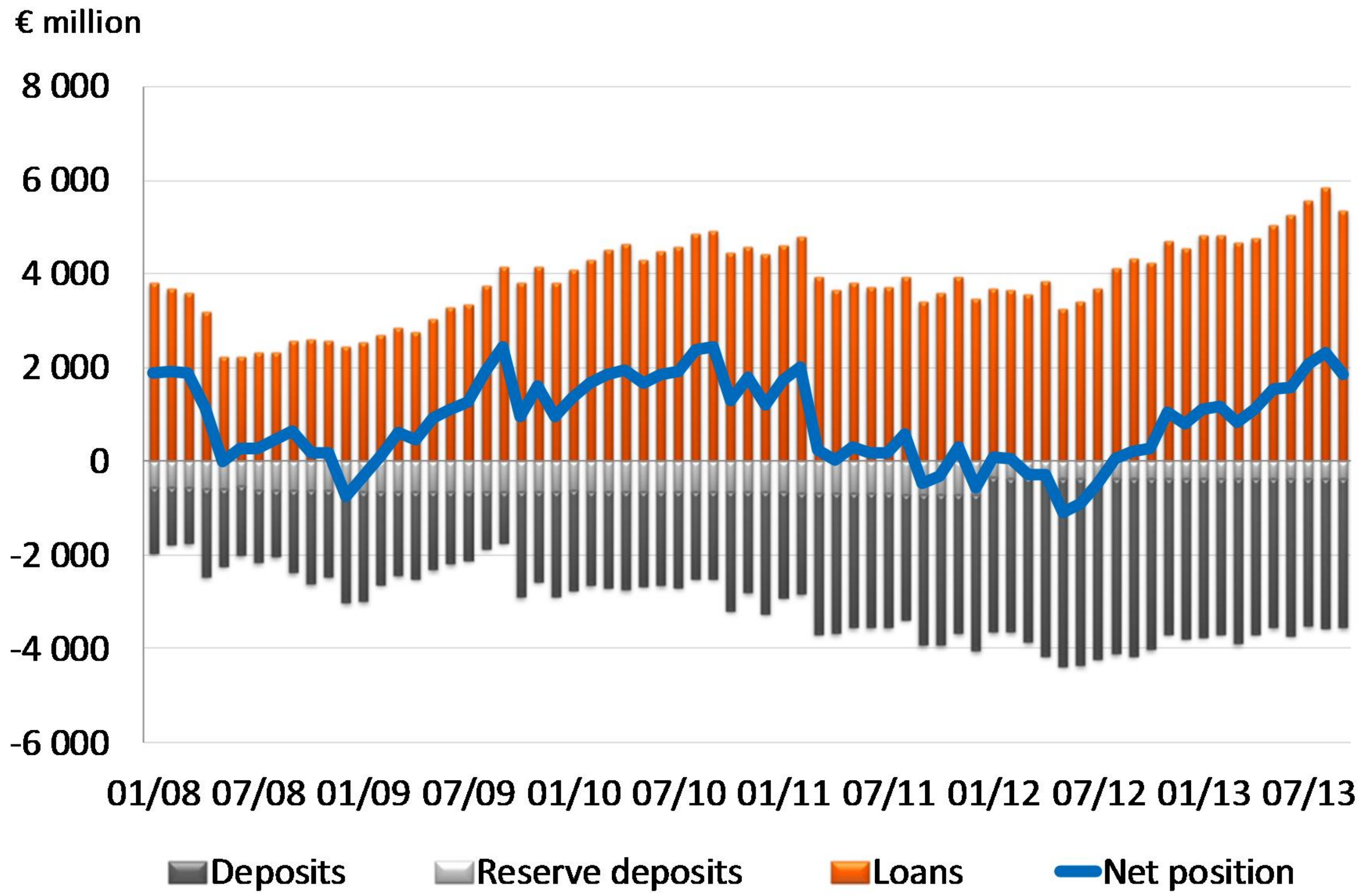
Year	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa*	3 550	898	915	1 237	691	21	7 313	53 %
Aa1–Aa3	2	295	328	406	333		1 363	10 %
A1–A3	139	613	103	34	9	3	901	7 %
Baa1–Baa3	112	267	107	6	42	1	534	4 %
Ba1 or lower	20	59	58	8	42	1	188	1 %
Internally rated**	403	961	1 229	348	156	454	3 551	26 %
Total	4 226	3 093	2 740	2 038	1 273	479	13 851	100 %

* incl. deposits with the central bank

** PD </= 0.40%

The liquidity buffer's (excl. deposits with the central bank) residual term to maturity averages 4.8 years.

Receivables and Liabilities between Pohjola and OP-Pohjola Group Member Banks



OP-Pohjola Group's and Pohjola Bank plc's Results and Key Figures

Pohjola

OP-Pohjola Group and Pohjola Bank plc

Earnings analysis, € million

	OP-Pohjola Group Q1-3/2013	Pohjola Bank plc Q1-3/2013	OP-Pohjola Group 2012	Pohjola Bank plc 2012
Net interest income	666	168	1 003	263
Net income from Non-Life insurance	428	431	433	438
Net income from Life Insurance	144		108	
Net commissions and fees	476	120	584	169
Other income	205	119	243	129
Total income	1 919	837	2 371	998
Total expenses	1 111	426	1 494	569
Returns to owner-members and OP-bonus customers	145		192	
Earnings before impairment loss on receivables	663	411	684	429
Impairment loss on receivables	49	31	99	57
Earnings before tax	614	381	586	372
Change in fair value reserve	-77	-34	698	418
Earnings before tax at fair value	536	347	1 283	790

OP-Pohjola Group and Pohjola Bank plc

Key figures and ratios

	OP-Pohjola Group 30 Sept. 2013	Pohjola Bank plc 30 Sept. 2013	OP-Pohjola Group 31 Dec. 2012	Pohjola Bank plc 31 Dec. 2012
Total assets, € million	101 145	44 526	99 769	44 623
Receivables from customers, € million	67 866	14 379	65 161	13 839
Liabilities to customers, € million	49 132	9 513	49 650	10 775
Equity capital, € million	7 473	2 888	7 134	2 769
Tier 1 ratio, %	13.9	12.1	14.1	12.4
Core Tier 1 ratio, %	13.9	10.7	14.1	10.6
Doubtful receivables, € million	349[a]	38[b]	311[a]	34[b]
Ratio of doubtful receivables to loan and guarantee portfolio, %	0.49	0.22	0.46	0.21
Loan and guarantee portfolio, € billion	70.9	17.2	67.7	16.4
Impairment loss on receivables, € million	49[c]	31[c]	99[d]	57[d]
Impairment loss on receivables / loan and guarantee portfolio, %	0.09[c]	0.18[c]	0.15[d]	0.35[d]
Personnel	12 524	2 559	13 290	3 404

a) Non-performing and zero-interest receivables
b) Non-performing, zero-interest and under-priced receivables
c) Q1-3
d) Full year

OP-Pohjola Group and Pohjola Bank plc

Key ratios

	OP-Pohjola Group Q1-3/2013	Pohjola Bank plc Q1-3/2013	OP-Pohjola Group 2012	Pohjola Bank plc 2012
Net interest margin, %	0.9[a]	1.57[b]	1.0[a]	1.52[b]
Cost/Income ratio, %	58	36[c]	63	34[c]
Return on equity (ROE), %	7.4[d]	13.7	14.1[d]	11.2
Return on assets, (ROA) at fair value, %	0.5		1.0	
Non-Life Insurance, solvency ratio, %		81		81
Life Insurance, solvency ratio, %	14.8[e]		16.8[e]	
Operating combined ratio, %		86.6		90.5

a) Net interest income as a percentage of average total assets
b) Average margin for corporate lending
c) Cost / Income ratio in Banking
d) At fair value
e) Solvency capital / (net technical provisions for own account - equalisation provision - 0.75 * technical provisions on unit-linked insurance) * 100

Finnish Economy

Forecasts for the Finnish Economy

Published in August 2013

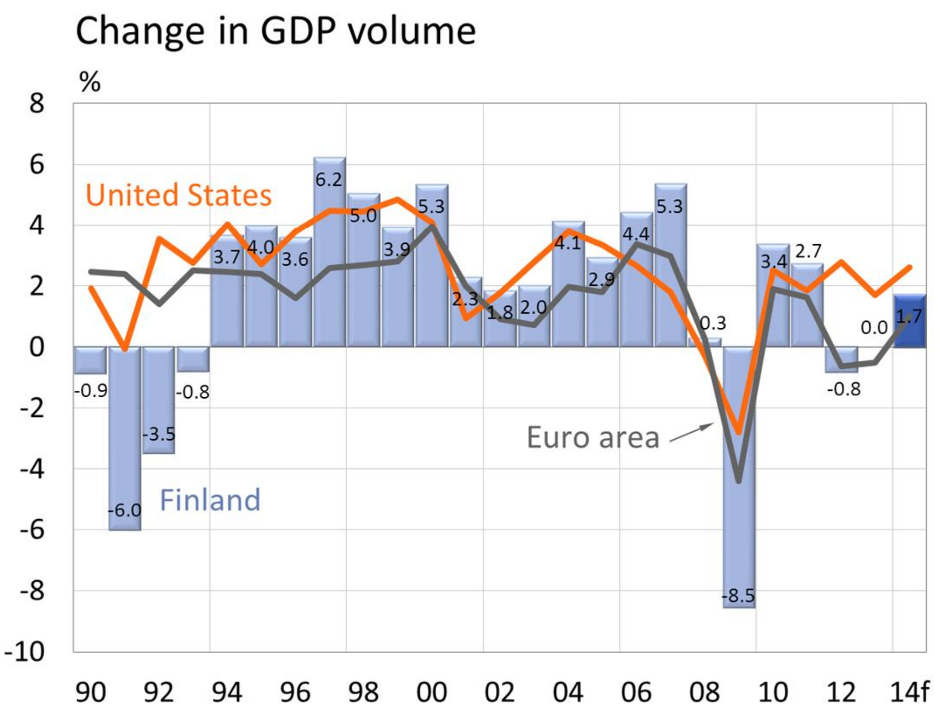
	2012 € bn	2011 Volume, % change on previous year	2012	2013f	2014f
GDP	192.5	2.7	-0.8	0.0	1.7
Imports	79.8	6.2	-1.0	-3.0	2.0
Exports	78.1	2.7	-0.2	-1.1	3.3
Consumption	156.9	1.9	0.3	0.4	0.8
Private consumption	108.5	2.6	0.2	0.3	1.0
Public consumption	48.3	0.5	0.6	0.6	0.4
Fixed investment	37.7	5.7	-1.0	-3.0	1.0

Other key indicators

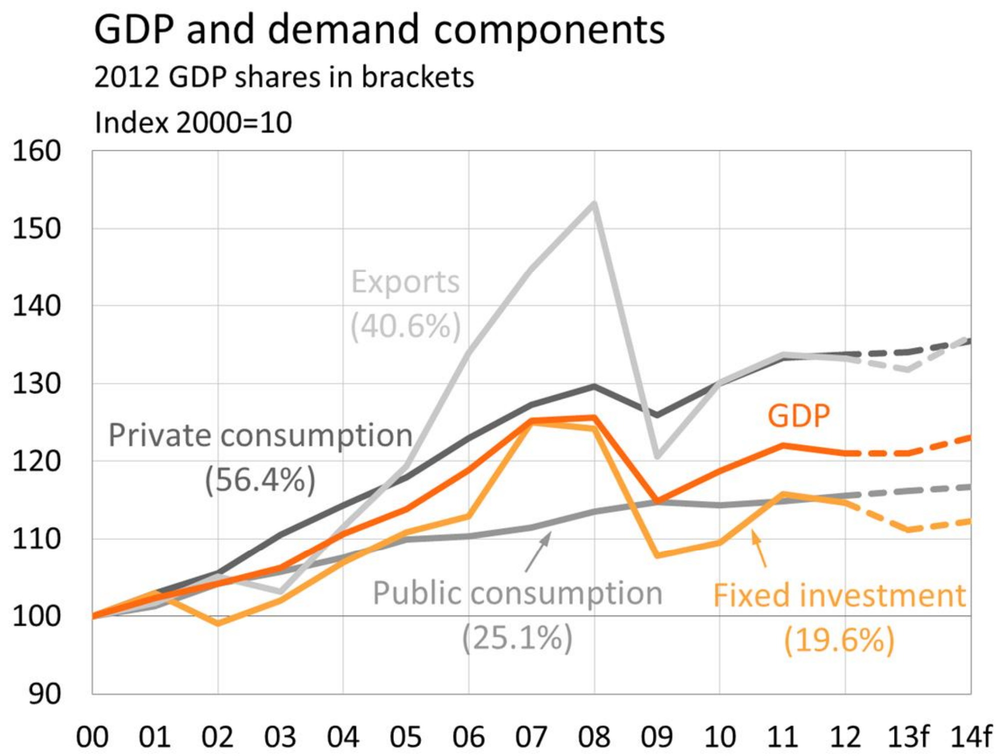
	2011	2012	2013f	2014f
Consumer price index, % change y/y	3.4	2.8	1.6	1.3
Unemployment rate, %	7.8	7.7	8.2	8.2
Current account balance, % of GDP	-1.5	-1.7	-0.5	0.3
General government debt, % of GDP	49.2	53.6	57.6	59.5
General government deficit, % of GDP	-0.7	-1.8	-1.8	-1.3

Sources: Statistics Finland and OP-Pohjola Group

GDP and Demand Components



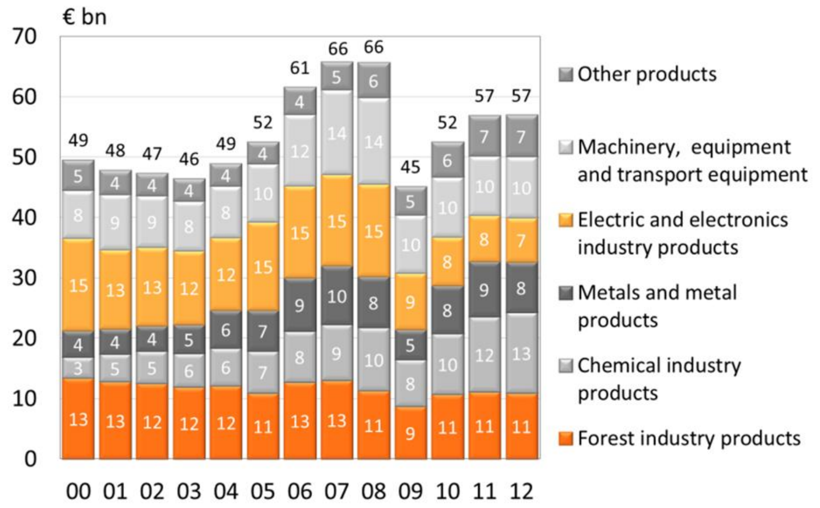
Sources: Reuters EcoWin, forecasts OP-Pohjola Group, August 2013



Sources: Statistics Finland, forecasts OP-Pohjola Group, August 2013

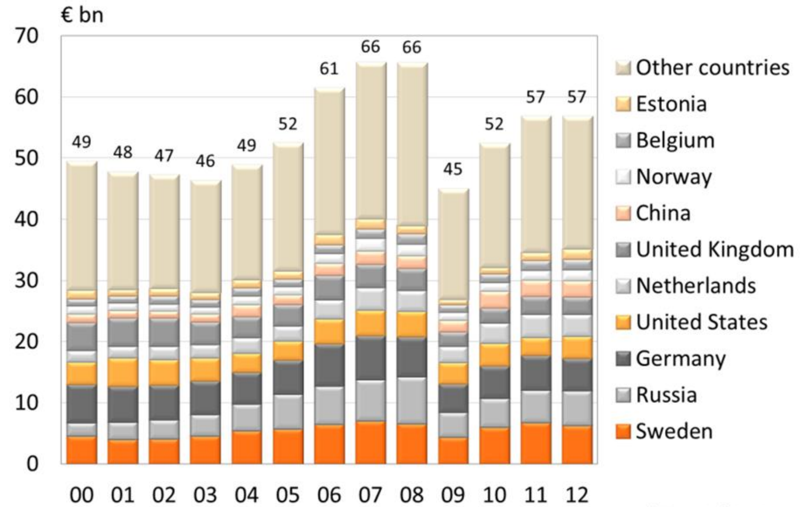
Goods Exports by Product Group and by Country

Exports by product group



Source: National Board of Customs

Finlands' largest* export countries



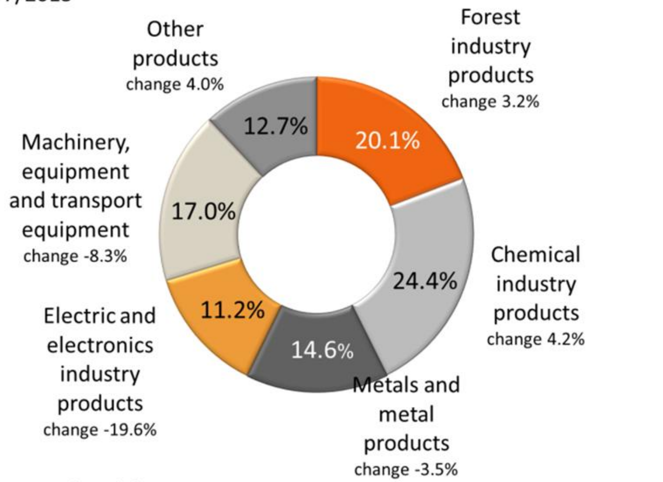
Source: National Board of Customs

* Top 10 of 2012

Goods exports by product group

Share of total exports and annual change

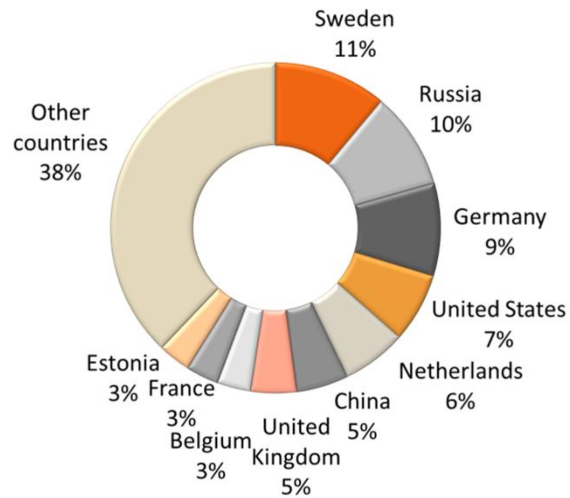
1-7/2013



Source: National Board of Customs

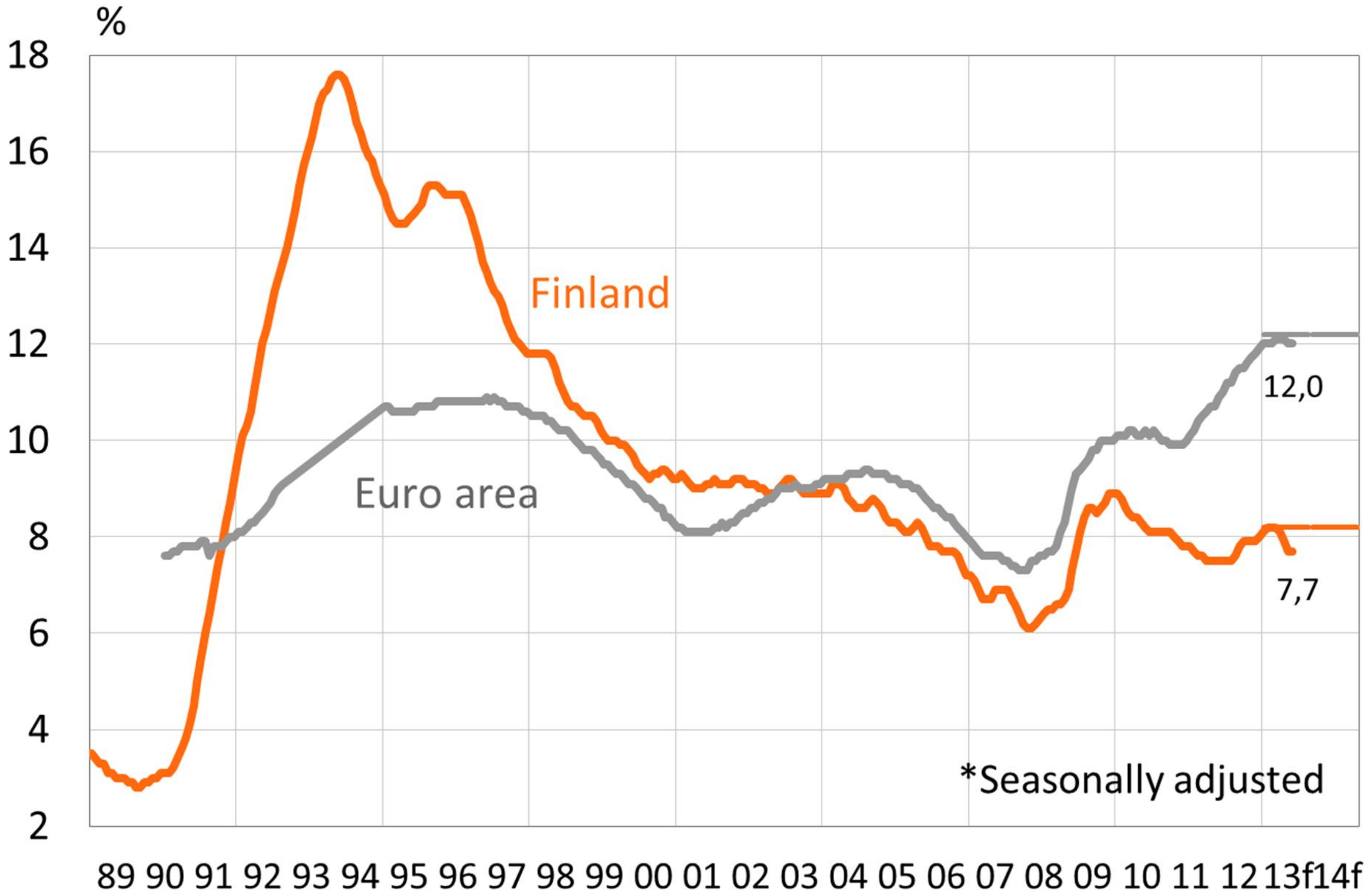
Total exports €32.4 bn (change, -2.6%)

Goods exports by country 1-7/2013



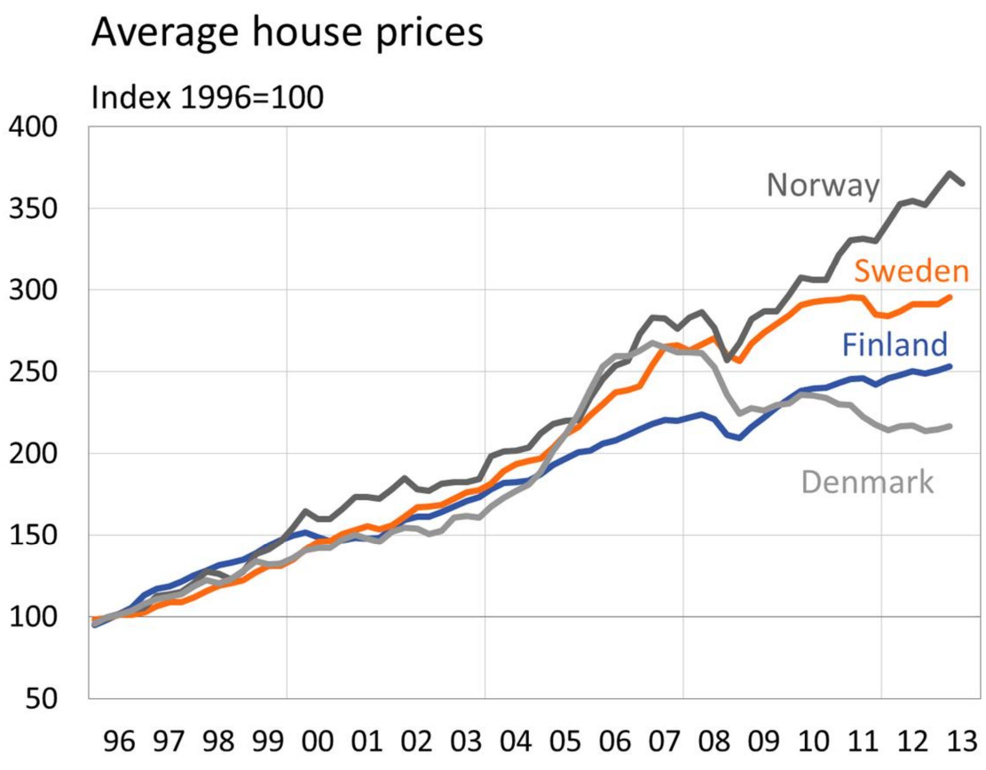
Source: National Board of Customs

Unemployment Rate* in Finland and Euro Area

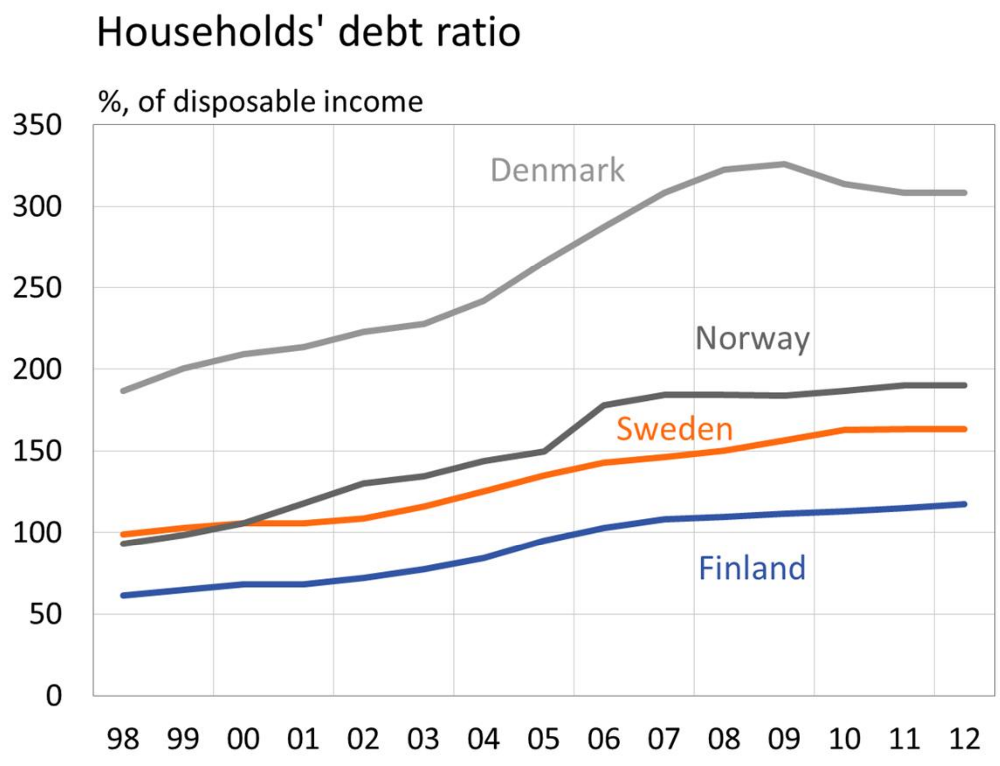


Sources: Statistics Finland, Eurostat, forecasts OP-Pohjola Group, August 2013

Average House Prices and Households' Debt



Sources: Reuters EcoWin, Statistics Sweden



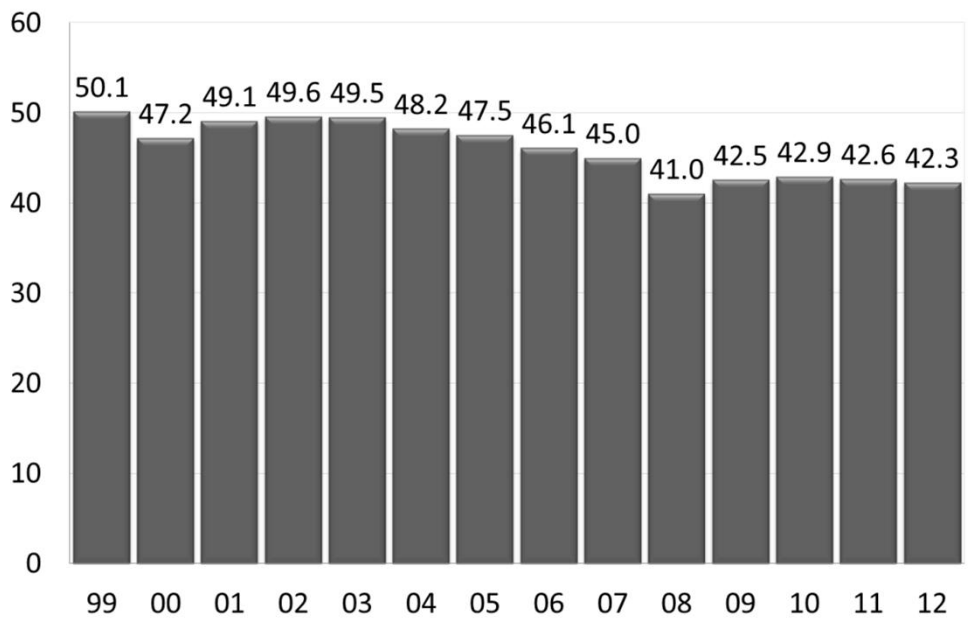
Sources: Central Banks, Statistics Finland

Structure and Financial Condition of the Finnish Corporate Sector

Top 650 companies account for 45% of the turnover in the Finnish corporate sector:

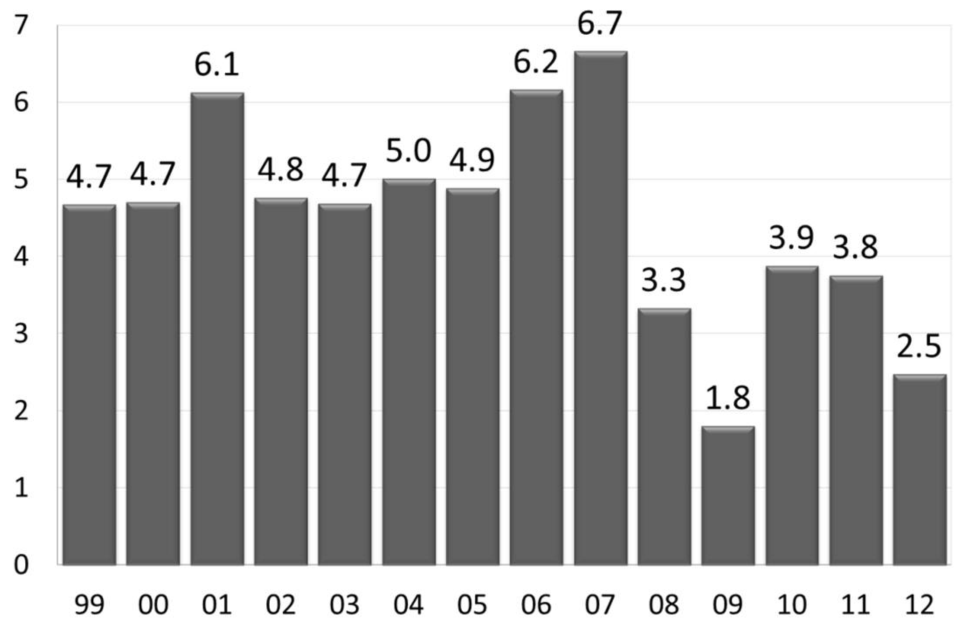
The number of companies in Finland totals approx. 320,000, of which 99.1% are small (personnel < 50), 0.70% medium-sized (personnel 50–249) and 0.20% large (personnel > 249)
Source: Statistics Finland

Corporate equity ratio 1999-2012, %



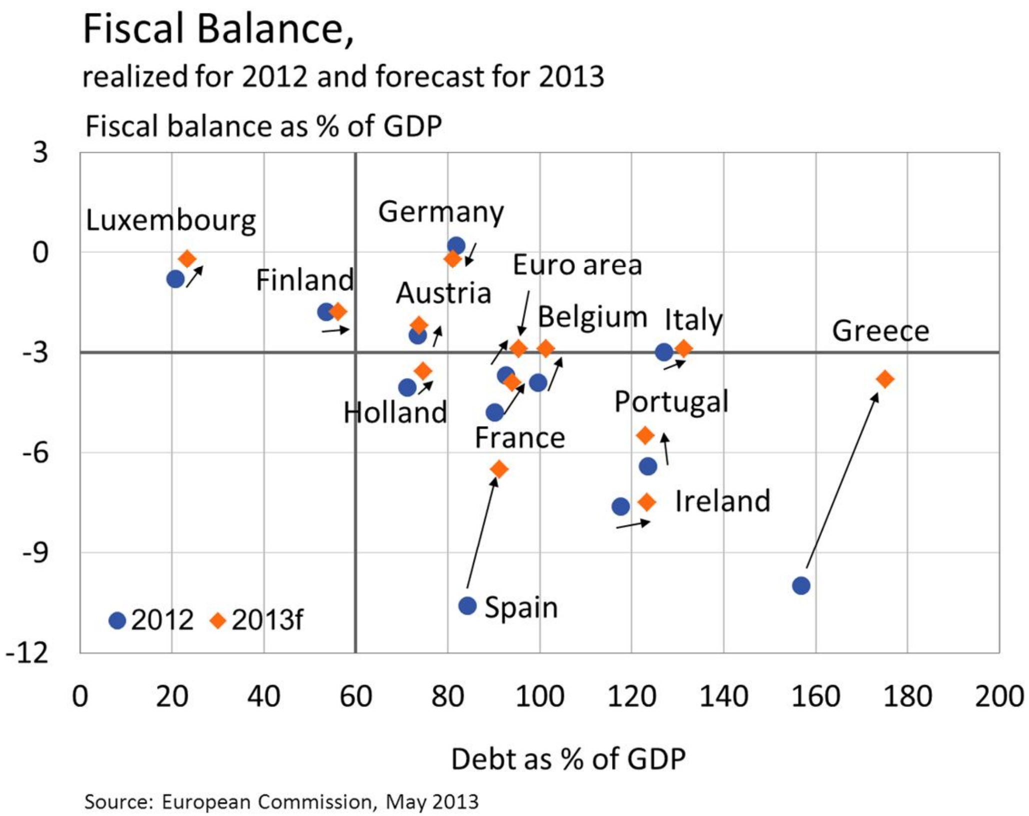
Source: Statistics Finland

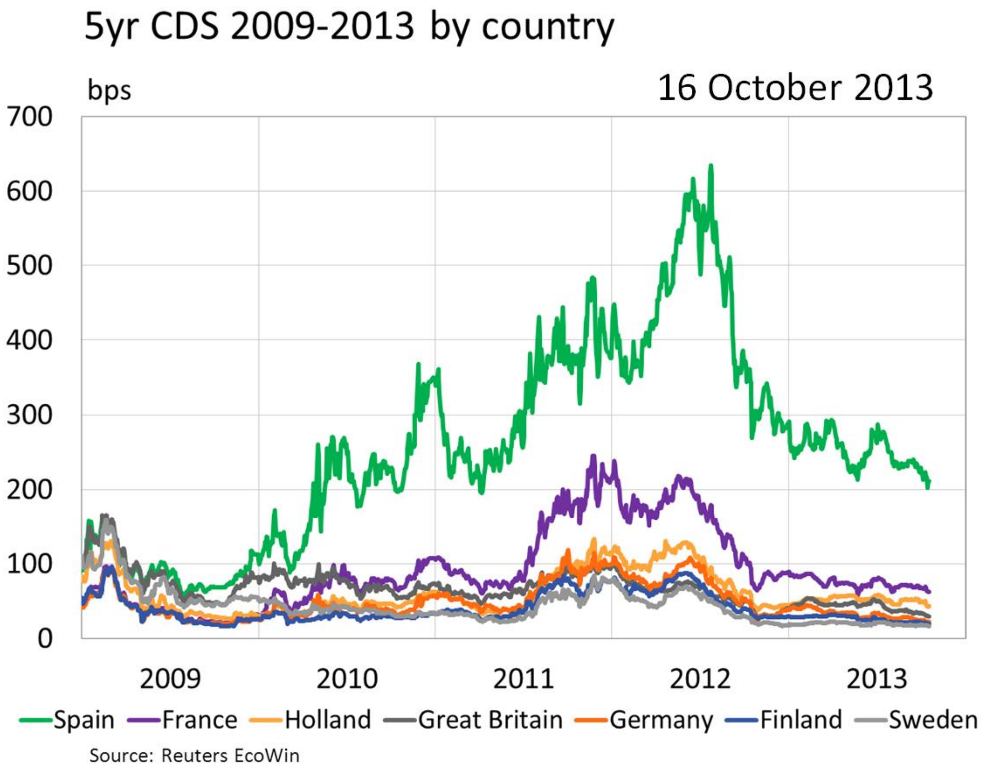
Corporate net profit ratio 1999-2012, %



Source: Statistics Finland

Fiscal Balance and 5-year CDS by Country





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