

Debt Investor Presentation

Q1/2012



OP-Pohjola Group
and issuing entities
Pohjola Bank plc and
OP Mortgage Bank

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> Investor Relations
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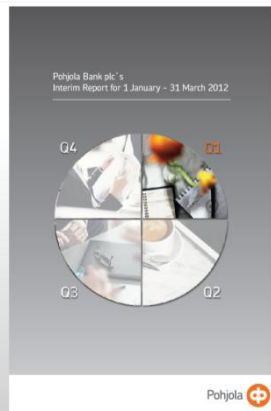
Contents

• OP-Pohjola Group in Brief	3
• Finnish Economy	4
• OP-Pohjola Group	13
• OP Mortgage Bank	33
• OPMB Cover Asset Pool A Characteristics	41
• OPMB Cover Asset Pool B Characteristics	48
• Debt Investor Contacts	55

OP-Pohjola Group in Brief

Issuing entities Pohjola Bank plc and OP Mortgage Bank

- Leading financial services provider in Finland
- Pohjola Bank plc is rated double A by S&P and Moody's
- Strong capital position and deposit funding base
- Liquidity buffer and other items included in OP-Pohjola Group's Contingency Funding Plan to cover 24 months of maturing wholesale funding
- Finnish risk exposure



Interim Reports of OP-Pohjola Group, Pohjola Bank plc and OP Mortgage Bank online

OP-Pohjola Group

<https://www.op.fi/op/op-pohjola-group/media/material-service/op-pohjola-group-publications?id=86002&kielikoodi=en>

Pohjola Bank plc

<https://www.pohjola.fi/pohjola/media/material-service?id=342000&kielikoodi=en>

OP Mortgage Bank

<https://www.op.fi/op/op-pohjola-group/media/material-service/subsidiaries'-publications?id=86004&kielikoodi=en>

Finnish Economy

Forecasts for the Finnish Economy*

31 January 2012

	2011 EUR bn	2010 Volume, % change on previous year	2011	2012f	2013f
GDP	191.6	3.7	2.9	1.0	2.0
Imports	75.9	7.7	0.1	2.3	3.7
Exports	74.9	7.8	-0.8	3.0	4.5
Consumption	151.0	2.1	2.6	1.6	1.7
Private consumption	105.3	3.0	3.3	2.1	2.3
Public consumption	45.7	0.2	0.8	0.4	0.3
Fixed investment	36.7	2.6	4.6	-1.8	1.5

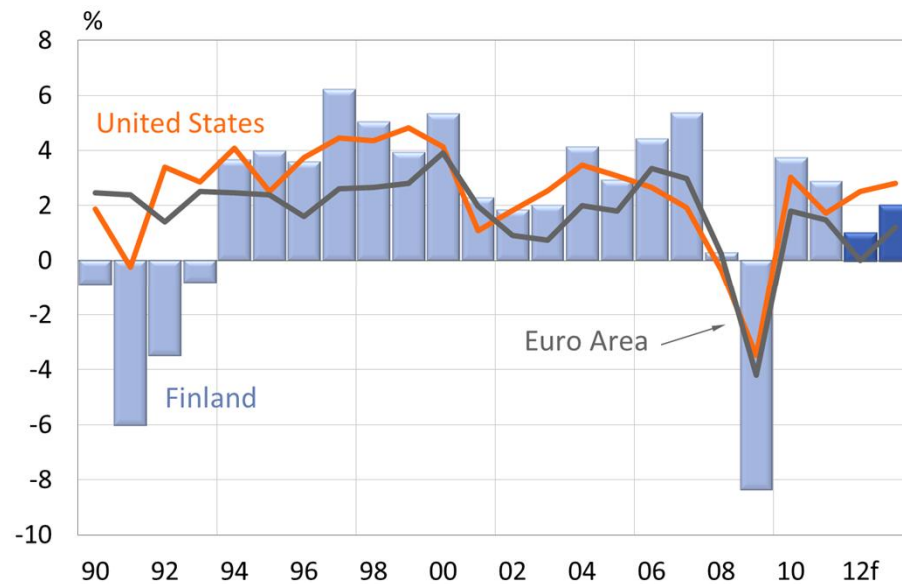
Other key indicators

	2010	2011	2012f	2013f
Consumer price index, % change y/y	1.2	3.4	2.4	2.0
Unemployment rate, %	8.4	7.8	7.8	7.6
Current account balance, % of GDP	1.4	-0.7	-0.2	-0.2
General government EDP debt, % of GDP	48.4	48.6	50.4	51.4
General government EDP deficit, % of GDP	-2.5	-0.5	-1.0	-0.5

* Source: OP-Pohjola Group / Strategic Planning

GDP and Demand Components

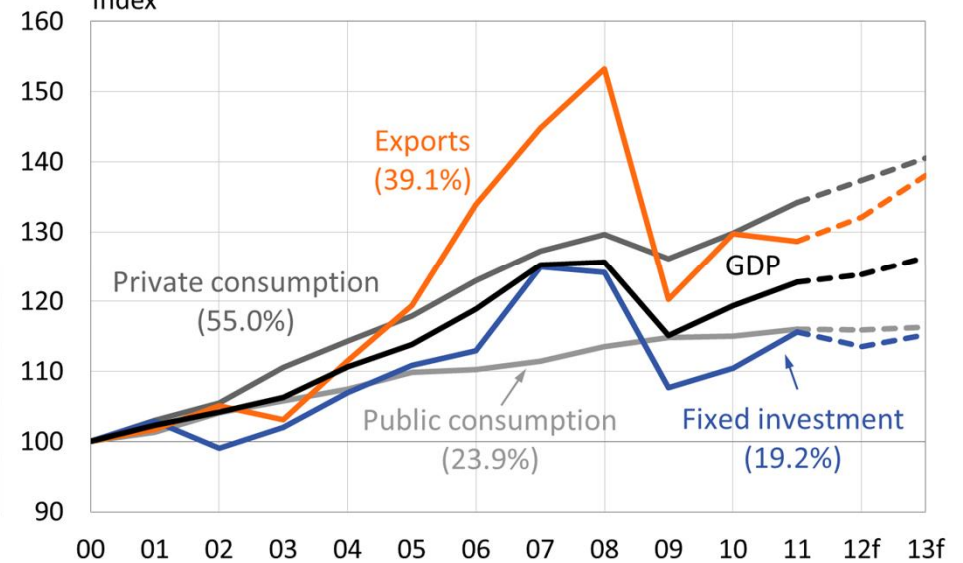
Change in GDP volume



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

GDP and demand components

2011 GDP shares in brackets
Index

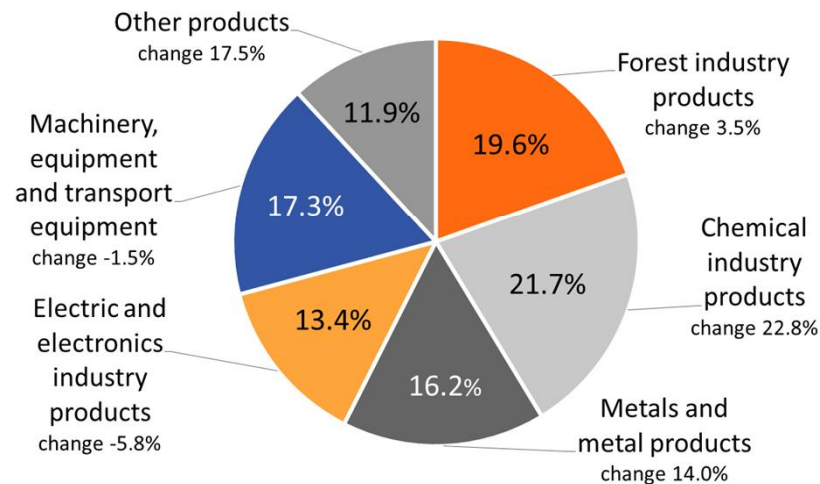


Sources: Statistics Finland, forecasts OP-Pohjola Group, January 2012

Goods Exports by Product Group and by Country

Goods exports by product group

Share of total exports and annual change
2011

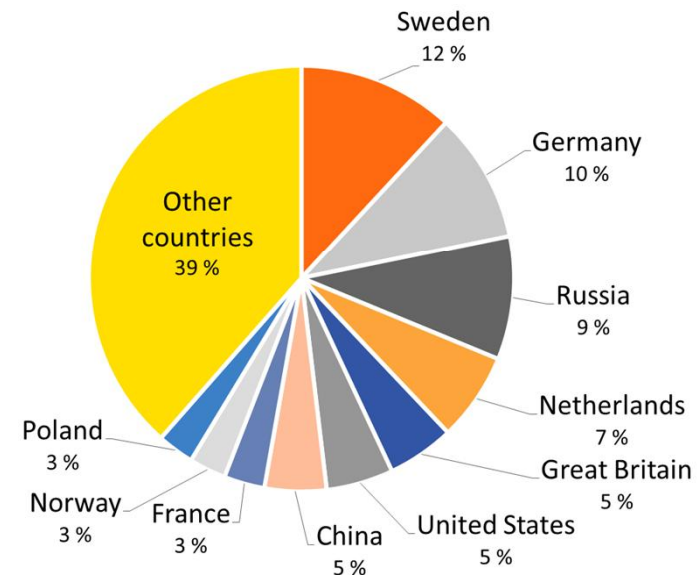


Source: National Board of Customs

Total exports 56.6 EUR Billion (change, 8.0%)

Goods exports by countries

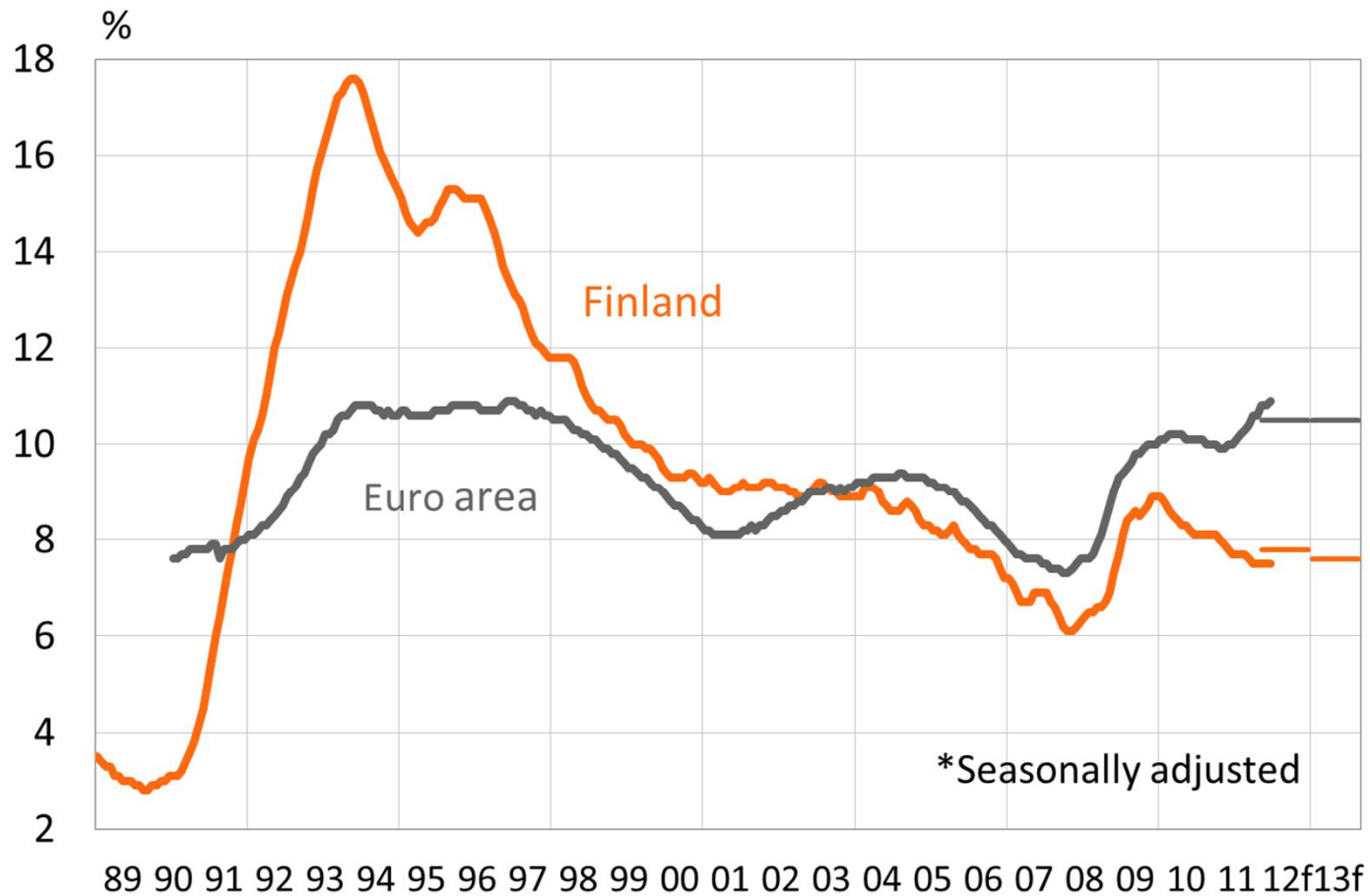
2011



Source: National Board of Customs

In 2011 approx. 40 % of Finnish exports to growing economies (Sweden, Germany, Russia, USA, China)

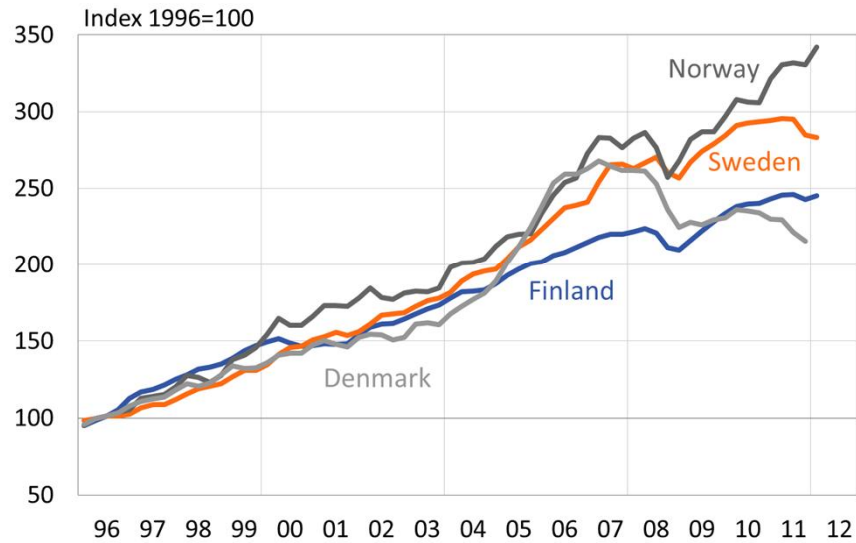
Unemployment Rate* in Finland and Euro Area



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

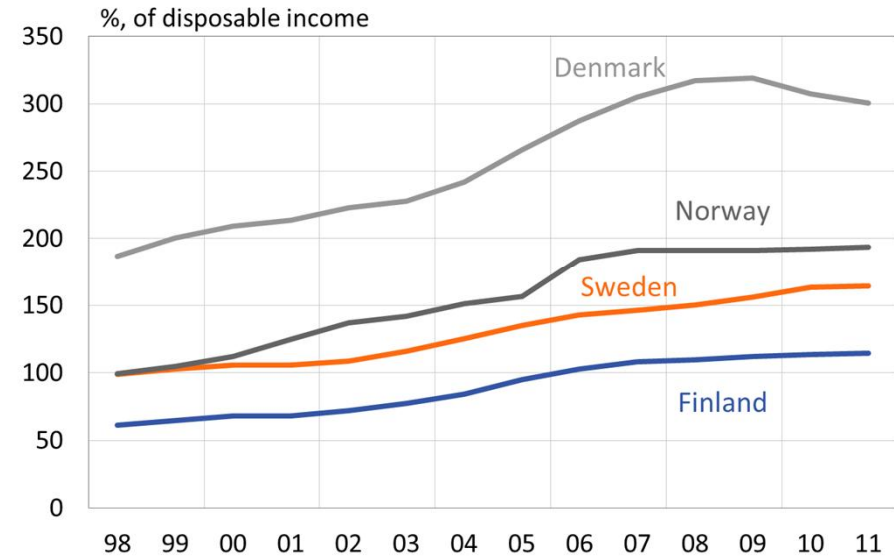
Average House Prices and Households' Debt

Average house prices



Sources: Reuters EcoWin, Statistics Sweden

Households' debt ratio



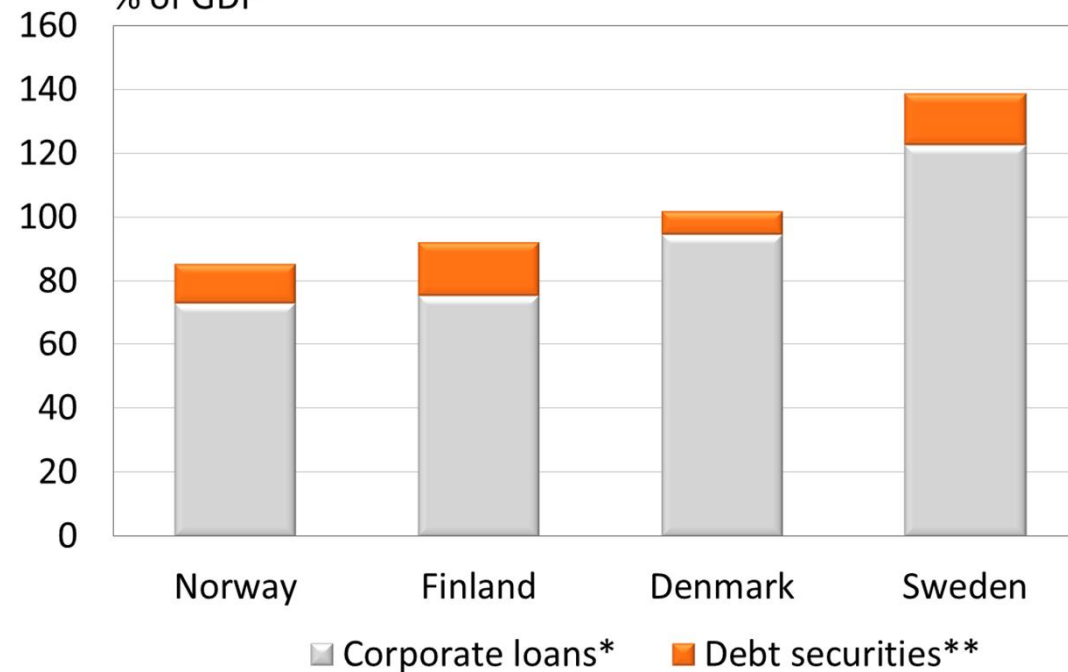
Sources: Central Banks, Statistics Finland

Corporate Debt 2010

Corporate debt

Year 2010

% of GDP

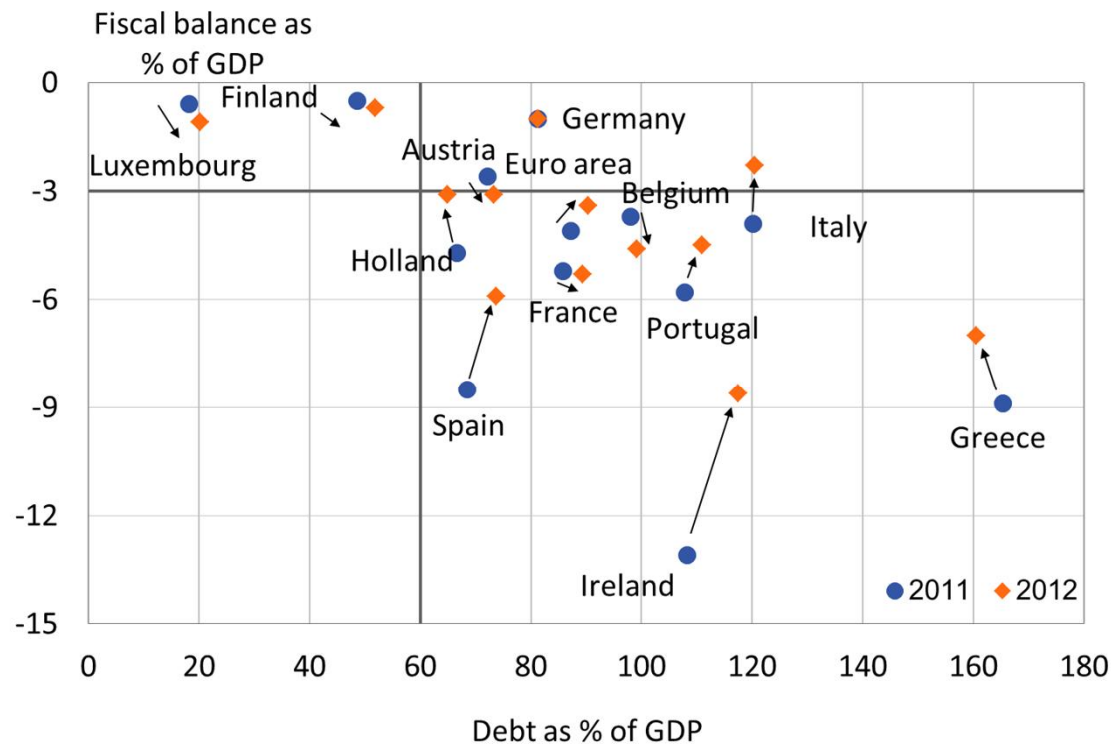


* Excl. loans between companies

** Commercial papers, corporate bonds and financial derivatives

Source: Eurostat, Consolidated Financial Accounts

Fiscal Balance and Sovereign Ratings for Euro Area



Sources: Eurostat, forecasts European Commission, November 2011

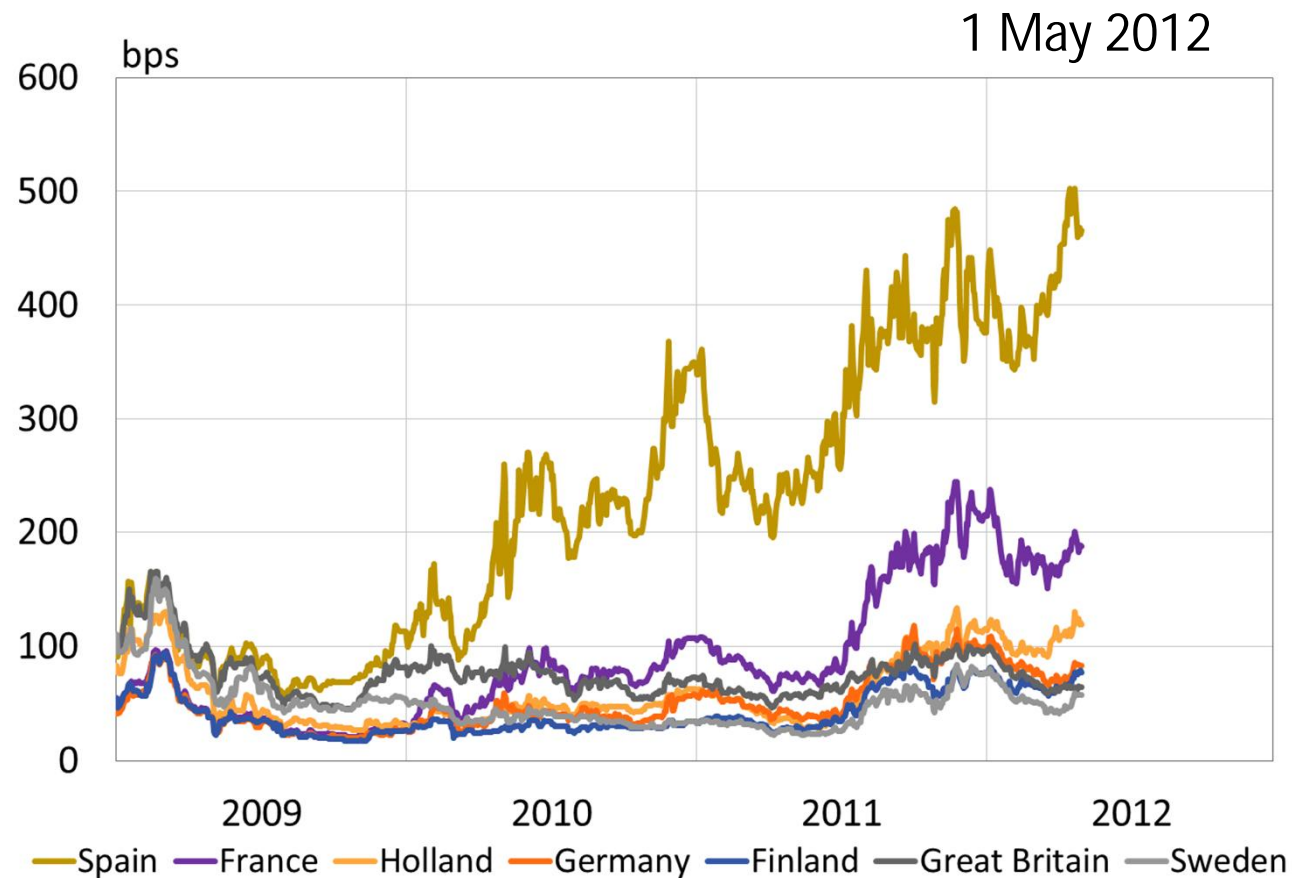
1 May 2012

Country	S&P rating
Germany	AAA
Finland	AAA*
Luxembourg	AAA*
Netherlands	AAA*
Austria	AA+*
France	AA+*
Belgium	AA*
Estonia	AA-*
Slovenia	A+*
Slovakia	A
Malta	A-*
Spain	BBB+*
Ireland	BBB+*
Italy	BBB+*
Cyprus	BB+*
Portugal	BB*
Greece	CCC

* Outlook negative

Source: Standard & Poor's website

5-year CDS 2009–12 by Country

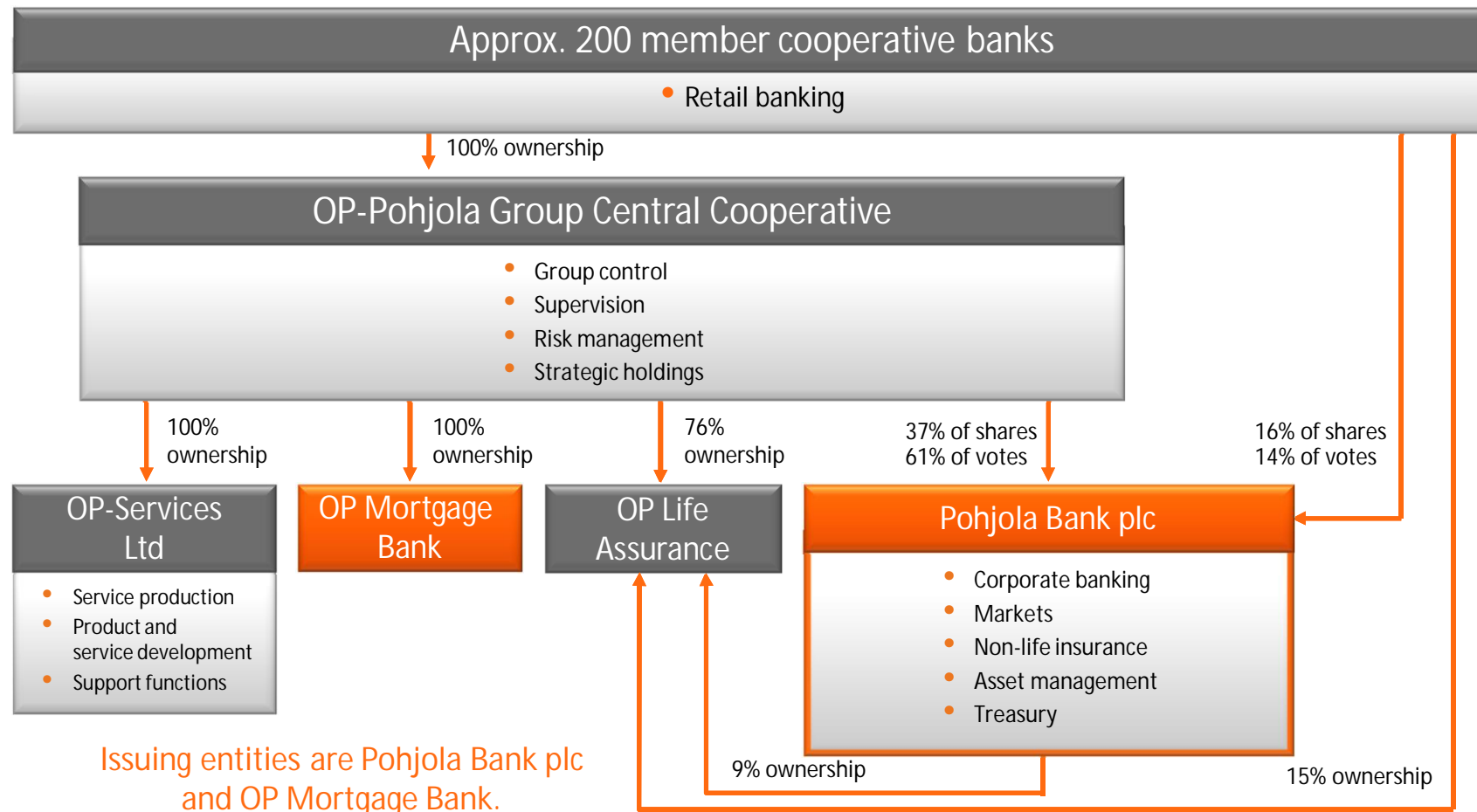


Source: Reuters EcoWin

OP-Pohjola Group

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.

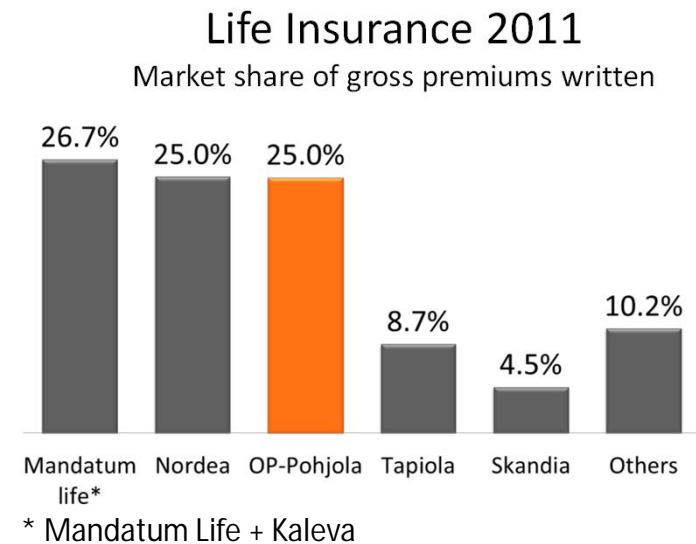
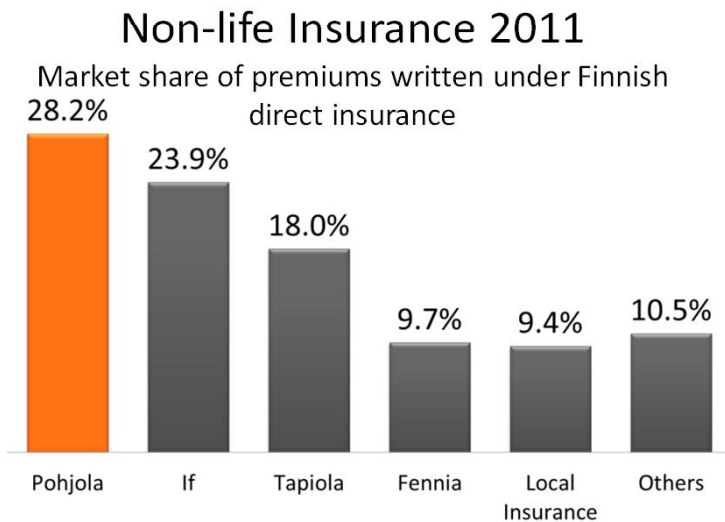
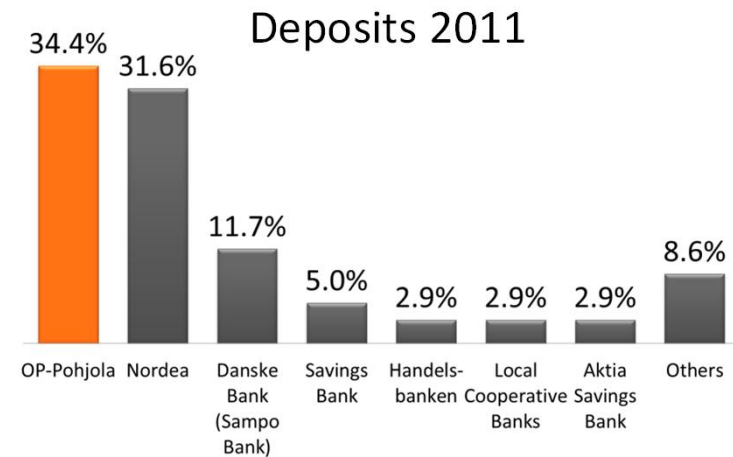
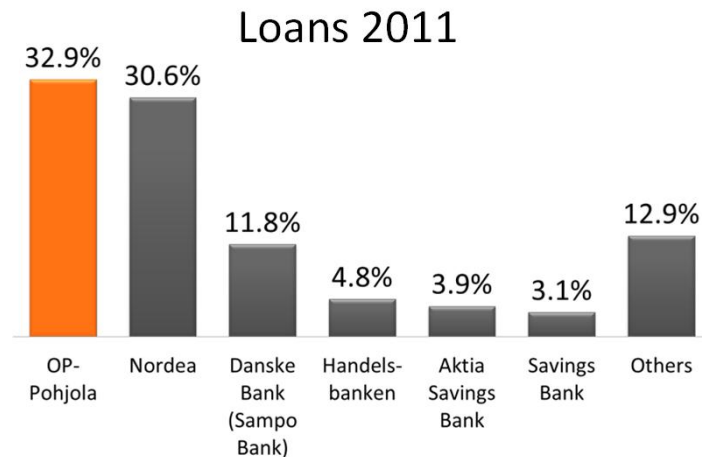


Joint Liability

- Under the Act on the Amalgamation of Deposit Banks (*Laki talletuspankkien yhteenliittymästä 599/2010*), OP-Pohjola Group Central Cooperative and the member credit institutions are jointly liable for each others' debts
- If a creditor has not received payment from a member credit institution on a due debt, the creditor may demand payment from the Central Cooperative
- The member credit institutions must pay proportionate shares of the amount the Central Cooperative has paid, and upon insolvency of the Central Cooperative they have an unlimited liability to pay the debts of the Central Cooperative
- The Central Cooperative and the member credit institutions are under an obligation to take support actions to prevent a member credit institution's liquidation
- The member credit institutions include Pohjola Bank plc, Helsinki OP Bank plc, OP-Kotipankki Oyj, OP Mortgage Bank and the member cooperative banks
- Further information on the joint liability is available in the EMTN Base Prospectus.

OP-Pohjola Group – Market Leader in Finland

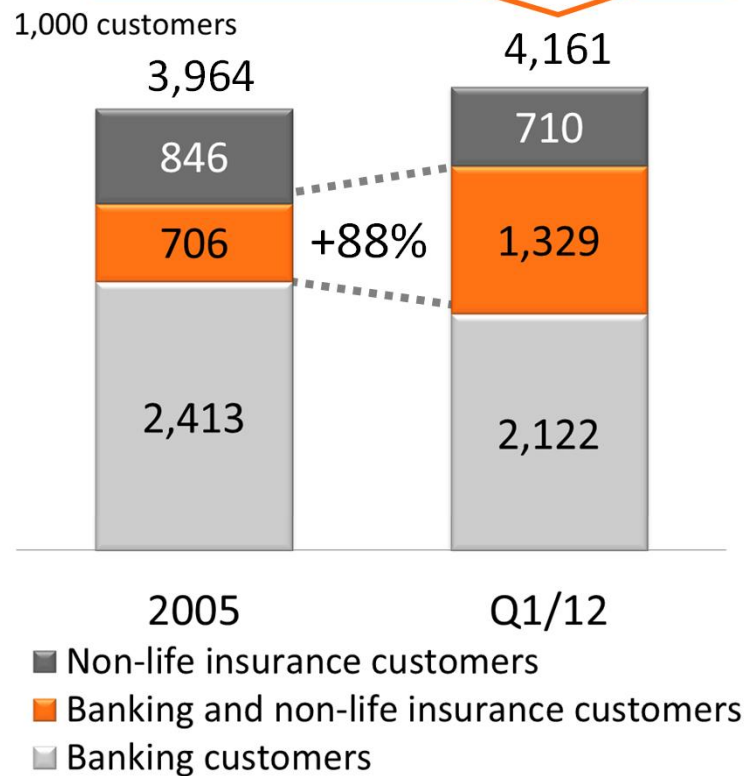
Market shares



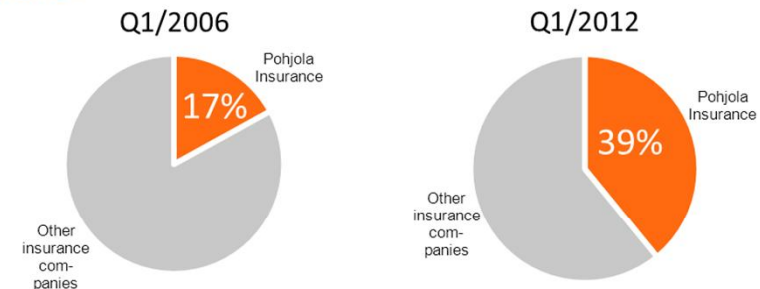
OP-Pohjola Group's Huge Customer Potential

Cross-selling between OP-Pohjola Group member banks and Pohjola Insurance works well

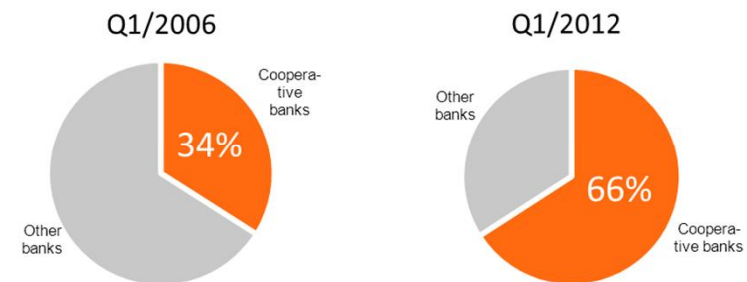
The number of customers shared by Banking and Non-life Insurance increased by **31,000** from the year-end 2011.



OP-Pohjola Group member bank customers and their main insurer



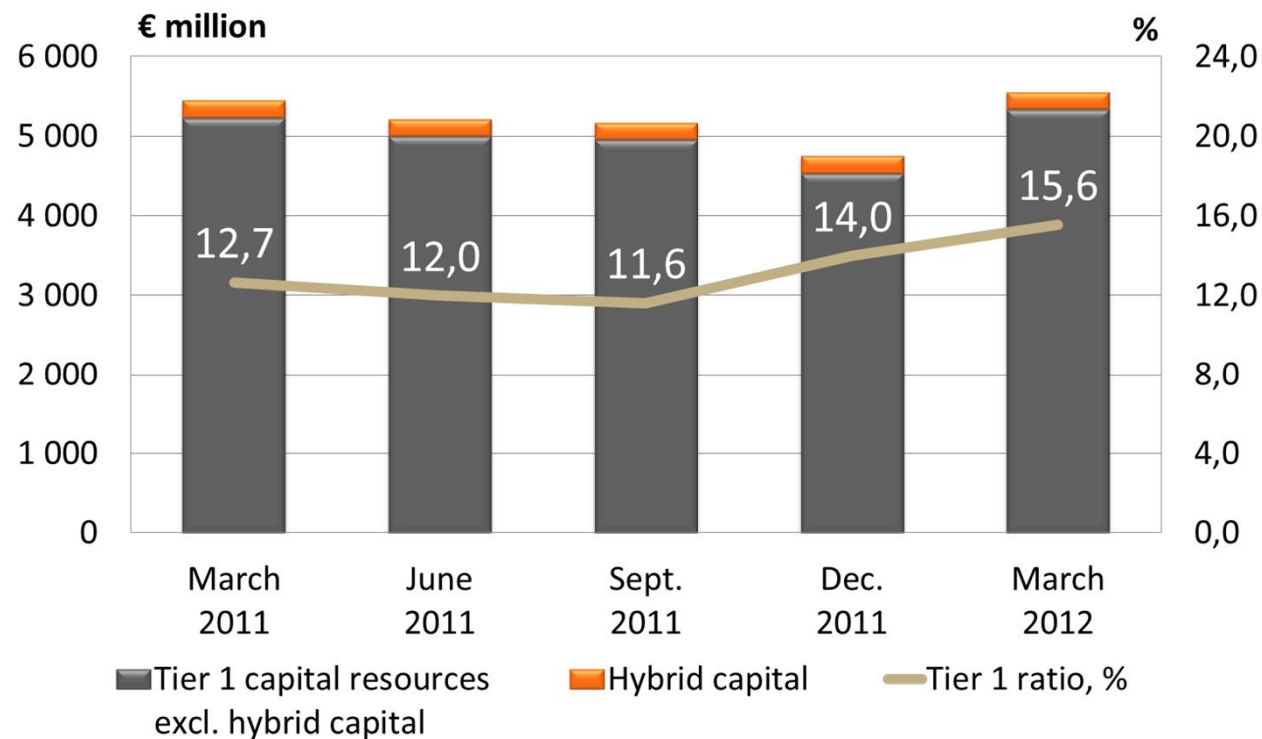
Pohjola Insurance customers and their main bank



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

OP-Pohjola Group

Capital resources, € mn and Tier 1 ratio, %



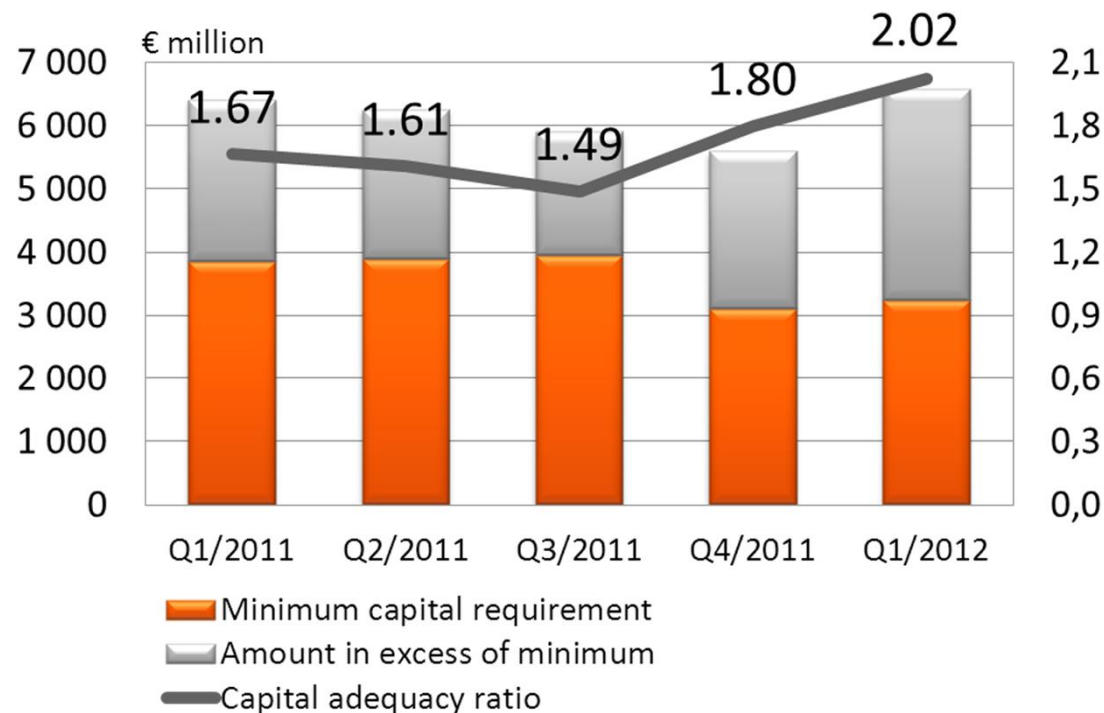
OP-Pohjola Group's target for Core Tier 1 ratio is 15%

31 March 2012: 15.1%

IRBA (Internal Ratings-based Approach to credit risk in capital adequacy measurement) for retail and banking exposures adopted as of 31 December 2011 .

OP-Pohjola Group

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



Statutory minimum requirement is 1.0

IRBA (Internal Ratings-based Approach to credit risk in capital adequacy measurement) for retail and banking exposures adopted as of 31 December 2011 .

Direct Exposures to Sovereign Debt in GIIPS Countries

OP-Pohjola Group's exposures to sovereign debt in GIIPS countries as of
31 March 2012

€ million	Life Assurance	Non-life Insurance	Banking and other operations	Total
Greece	1	3	0	4
Italy	9	26	0	35
Ireland	0	0	0	0
Portugal	0	16	0	16
Spain	0	0	0	0
Total	9	45	0	55

Pohjola's Credit Ratings

Rating target: Rating AA issued by at least 2 credit rating agencies

	Moody's	S & P	Fitch
Pohjola Bank plc	Aa2*	AA-	A+
Handelsbanken	Aa2*	AA-	AA-
Nordea	Aa2*	AA-	AA-
DnB NOR	Aa3*	A+	A+
Danske Bank	A2*	A**	A**
SEB	A1*	A+	A+
Swedbank	A2*	A+	A
OP Mortgage Bank***	Aaa	AAA	-
Pohjola Insurance Ltd	A2*	AA-	-
If	A2	A	-
Finnish government	Aaa	AAA**	AAA

* Credit rating under review for a possible downgrade

** Credit rating outlook is negative

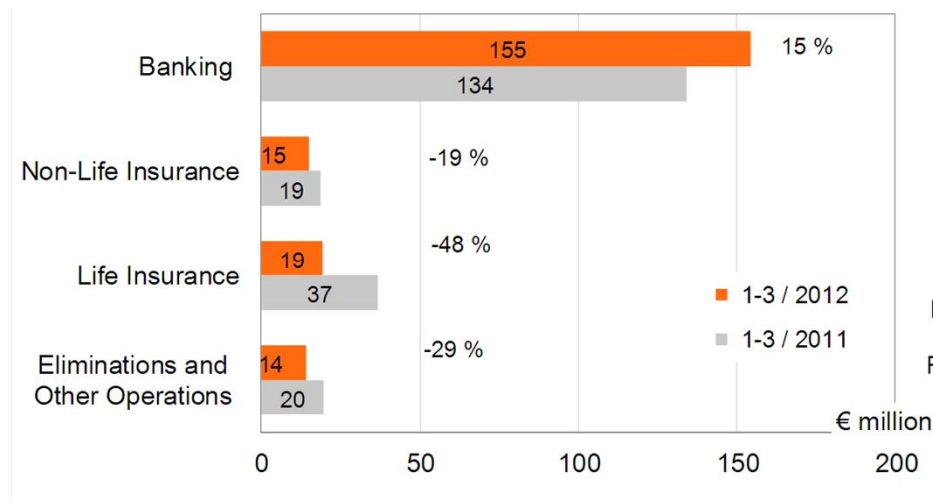
*** Covered bond rating

1 May 2012

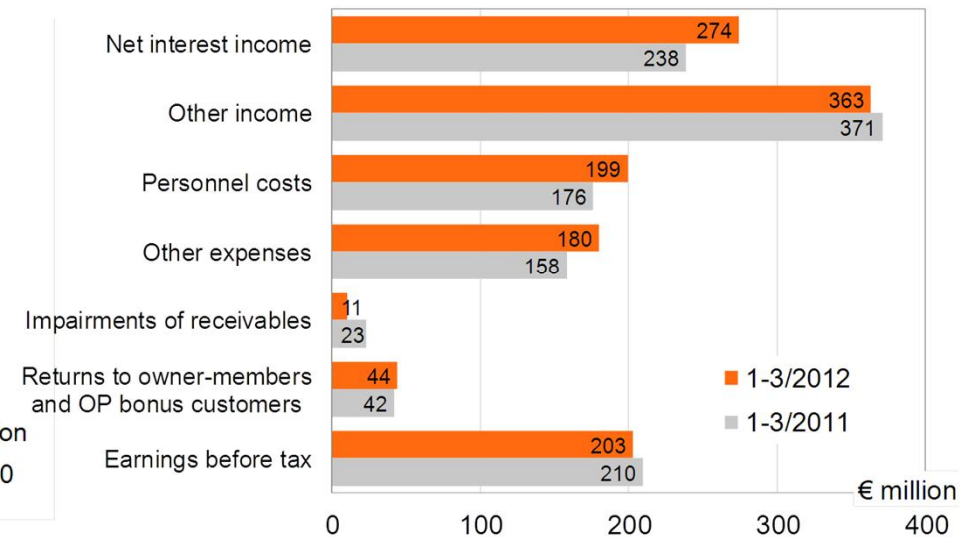
OP-Pohjola Group

Earnings before tax for Q1/12 €203 million (210)

Earnings before tax by business segment, € million



Income statement, € million



OP-Pohjola Group and Pohjola Bank plc

Earnings analysis, € million

	OP-Pohjola Group Q1/2012	Pohjola Bank plc Q1/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Net interest income	274	74	1,030	276
Net income from Non-Life insurance	100	101	312	318
Net income from Life Insurance	32		72	
Net commissions and fees	153	42	574	161
Other income	78	44	173	89
Total income	637	261	2,160	843
Total expenses	379	147	1,358	527
Returns to owner-members and OP-bonus customers	44		176	
Earnings before impairment loss on receivables	213	113	626	316
Impairment loss on receivables	11	10	101	60
Earnings before tax	203	104	525	258
Change in fair value reserve	378	233	-400	-180
Earnings before tax at fair value	581	337	125	78

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1/2012	Pohjola Bank plc Q1/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Total assets, € million	94,063	42,638	91,905	41,111
Receivables from customers, € million	61,646	13,210	60,331	12,701
Deposits, € million	41,512	7,822	41,304	8,025
Equity capital, € million	6,642	2,436	6,242	2,306
Tier 1 ratio, %	15.6	11.9	14.0	10.6
Core Tier 1 ratio, %	15.1	10.1	14.0	10.3
Doubtful receivables, € million	339	50	296	62
Ratio of doubtful receivables and zero-interest bearing receivables to loans and guarantees, %	0.53	0.32	0.47	0.41
Loan and guarantee portfolio, € billion	64.2	15.6	62.8	15.0
Impairment loss on receivables, € million	11	10	101	60
Impairment loss on receivables / loan and guarantee portfolio, %	0.07	0.06	0.16	0.40
Personnel	13,412	3,410	13,229	3,380

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1/2012	Pohjola Bank plc Q1/2012	OP-Pohjola Group 2011	Pohjola Bank plc 2011
Net interest margin, %	1.2*	1.38**	1.2*	1.34**
Cost/Income ratio, %	60	34***	63	35***
Return on equity (ROE) at fair value, %	27.5	43.9	2.1	3.1
Return on assets, (ROA) at fair value, %	1.9		0.2	
Non-Life Insurance, solvency ratio, %		85		77
Life Insurance, solvency ratio, %	15.9****		12.9****	
Operating combined ratio, %		100.1		89.8

* Net interest income as a percentage of average total assets

** Average margin for corporate lending

*** Cost / Income ratio in Banking

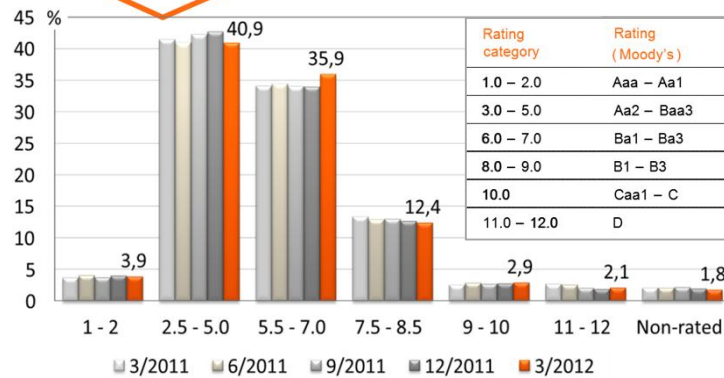
**** Solvency capital / (net technical provisions for own account - equalisation provision - 0.75 * technical provisions on unit-linked insurance) * 100

OP-Pohjola Group

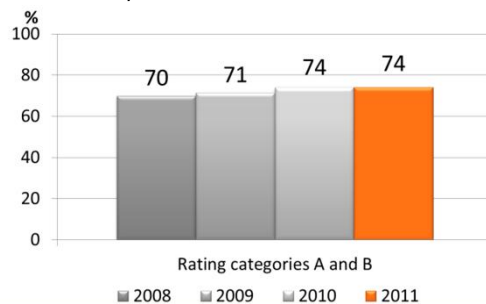
Asset Quality

Exposures from the Non-financial Corporations and Housing Corporations Sector by credit rating category, %

Investment-grade (1-5) exposures 45%



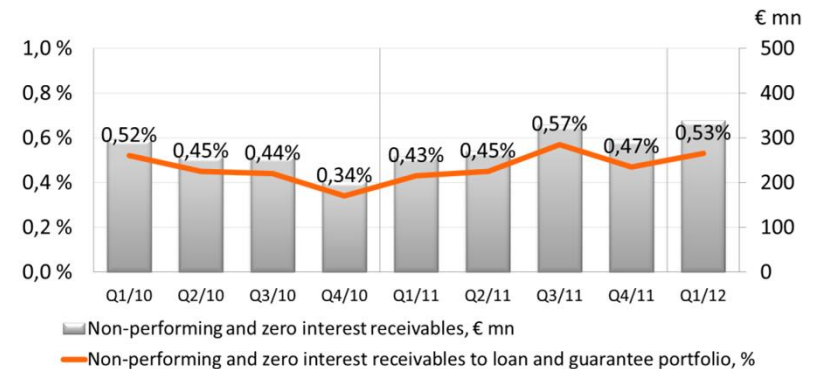
Private Customer exposures of credit rating categories A and B, %



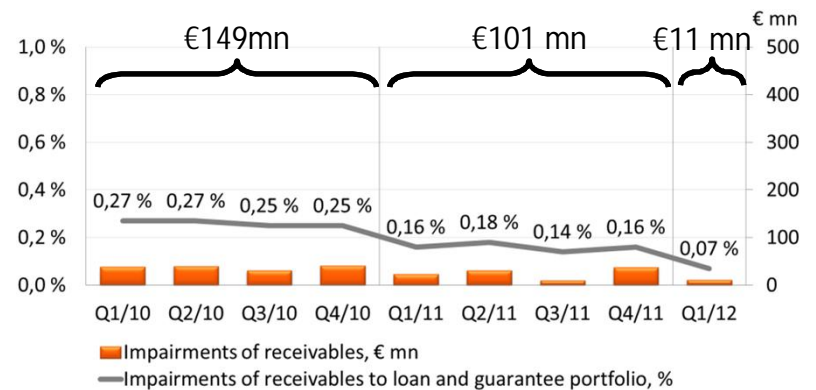
Largest single counterparty-related customer risk to Group's capital resources in 2011, %

7.1% (6.5)

Non-performing and zero-interest receivables to loan and guarantee portfolio (%) and € mn



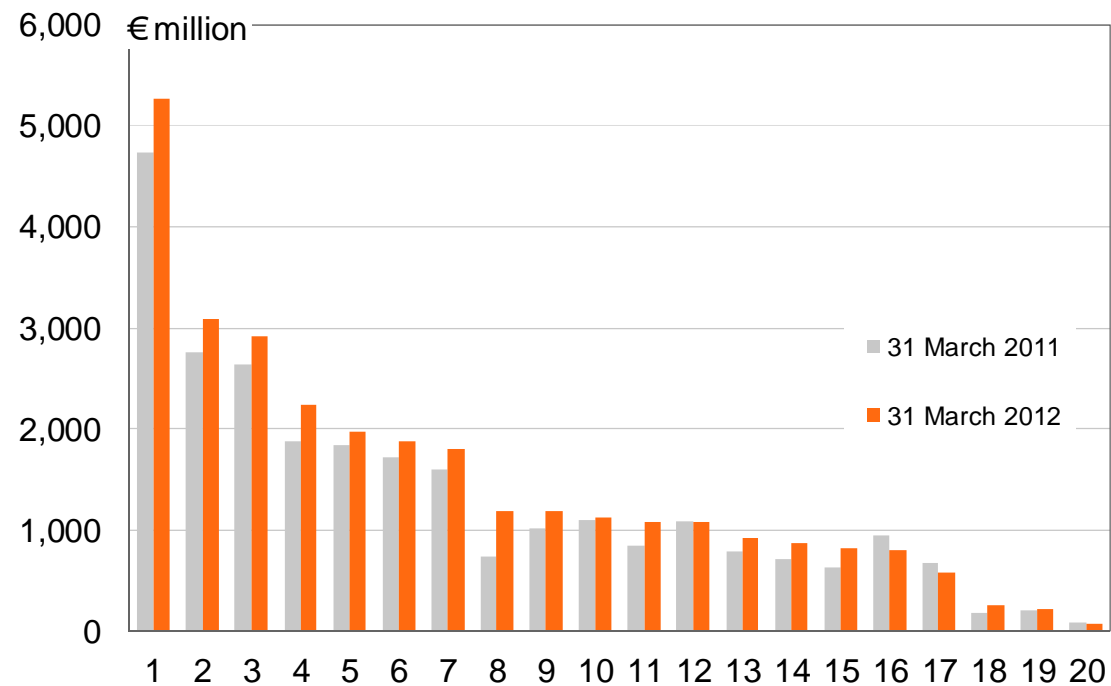
Ratio of impairment loss on receivables to loan and guarantee portfolio (%) and € mn



OP-Pohjola Group

Exposures from the Non-financial Corporations and Housing Corporations Sector by industry totaled €29.3 billion as of 31 March 2012

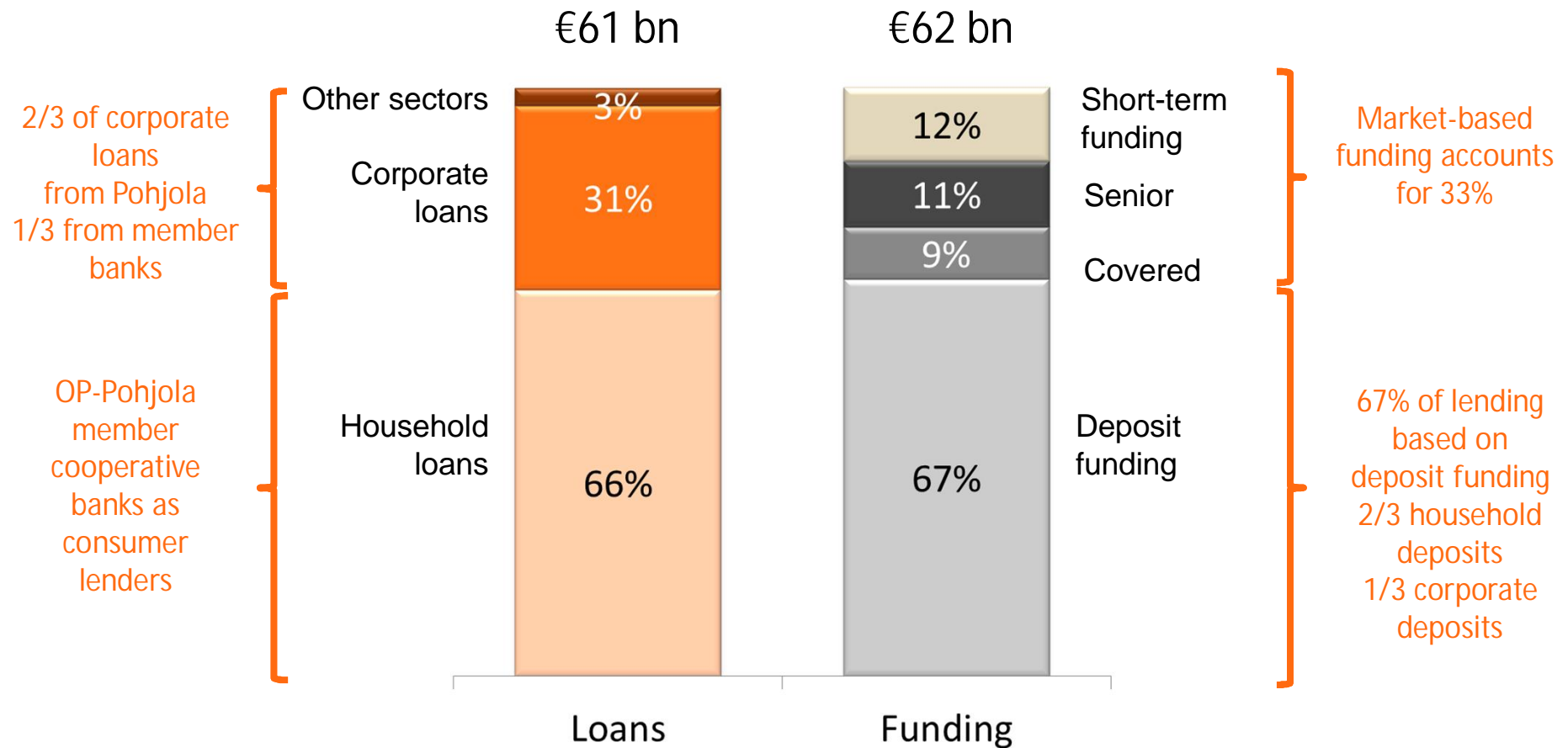
1 Renting and operating of residential real estate *	17.9 %
2 Renting and operating of other real estate	10.5 %
3 Wholesale and retail trade	10.0 %
4 Construction	7.6 %
5 Services	6.7 %
6 Manufacture of machinery and equipment (incl. services)	6.4 %
7 Transportation and storage	6.2 %
8 Financial and insurance activities	4.1 %
9 Buying and selling of own real estate	4.0 %
10 Metal Industry	3.8 %
11 Energy	3.7 %
12 Forest Industry	3.7 %
13 Food Industry	3.1 %
14 Agriculture, forestry and fishing	3.0 %
15 Information and communication	2.8 %
16 Chemical Industry	2.7 %
17 Other manufacturing	2.0 %
18 Mining and quarrying	0.9 %
19 Water supply, sewerage and waste management	0.7 %
20 Other industries	0.2 %



* 23% of the exposure in the renting and operating of residential real estate sector is guaranteed by government, cities or municipalities (03/2012)

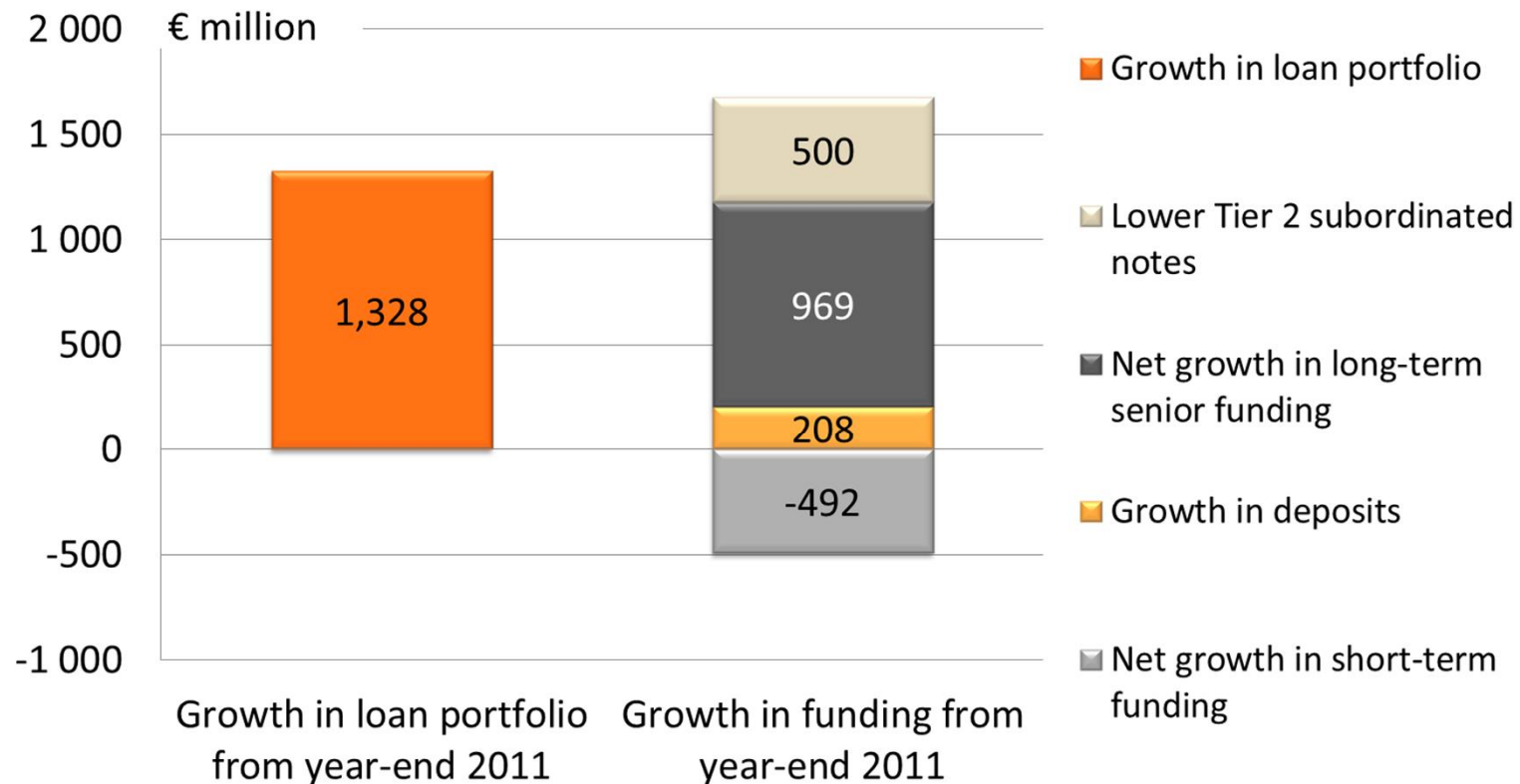
OP-Pohjola Group

Loans and funding structure
31 March 2012



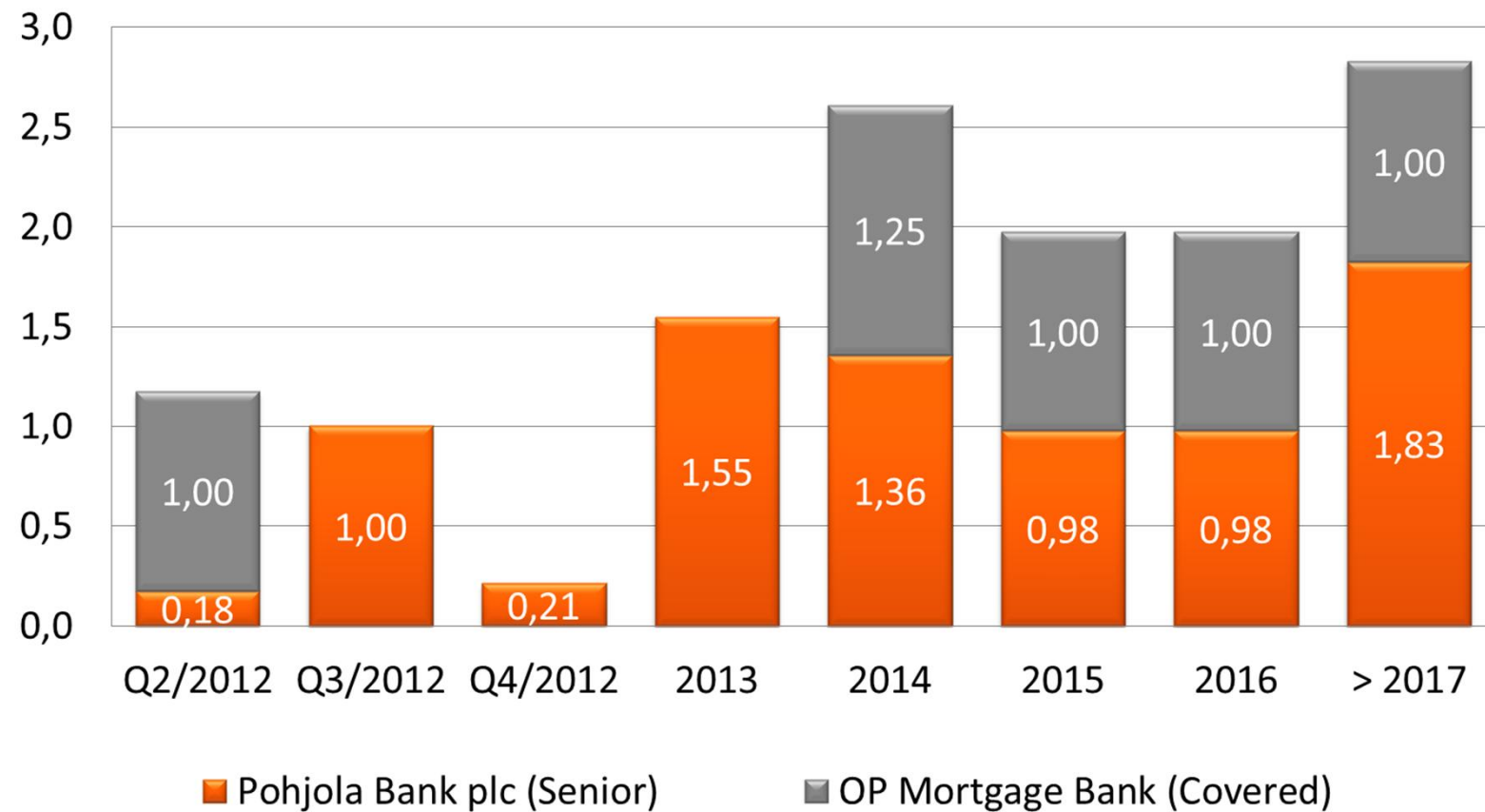
OP-Pohjola Group's Funding Development from Year-end 2011

31 March 2012



OP-Pohjola Group

Issued senior debt and covered bonds by maturity, € billion
31 March 2012



OP-Pohjola Group

Issued senior debt and covered bonds in 2010–12

Pohjola Bank plc Senior 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
2010	September	€750 mn	7 yrs	m/s+88bp
2010	March	€750 mn	5 yrs	m/s+78bp
2010	February	€750 mn	3 yrs	3mEuribor +53bp

OP Mortgage Bank Covered bond issues

Year	Month	Amount	Maturity	Interest rate
2011	July	€1 bn	7 yrs	m/s+48bp
2011	April	€1 bn	5 yrs	m/s+35bp
2010	June	€1 bn	5 yrs	m/s+40bp

In addition, Pohjola issued
LT2 subordinated notes of
EUR 500 million in February 2012

OP Mortgage Bank

Overview: Finnish Housing Market

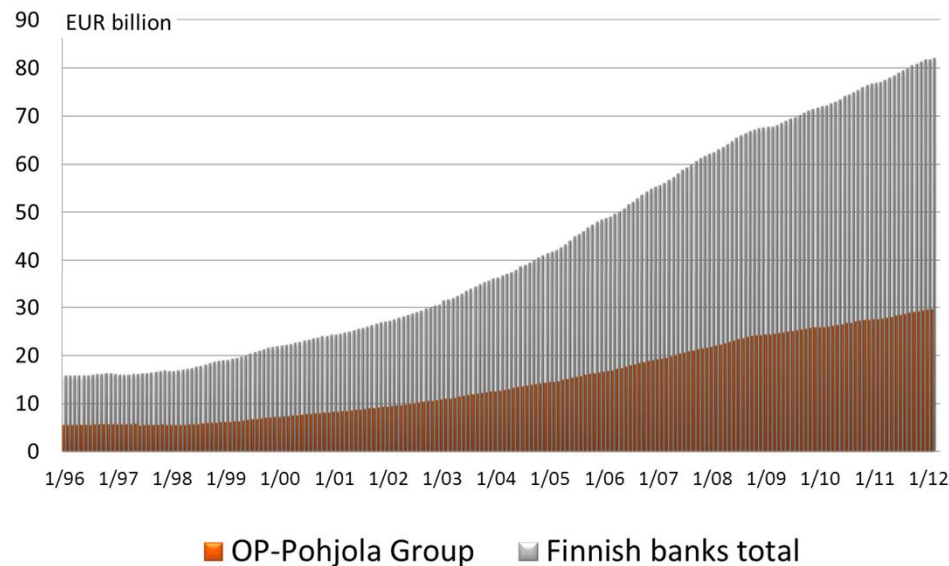
- Ownership ratio of households around 66%
- Average size of homes 79.5 m²
- Floor space per occupant 39.1 m²
- Typical maturity of new loans 20 years
- Variable interest rates: over 95% of all loans
- Average annual housing starts around 28,000
- Interest relief in taxation (max. 3,600 € / household)
- Capital gains tax-exempt after 2 years

Updated: February 2012

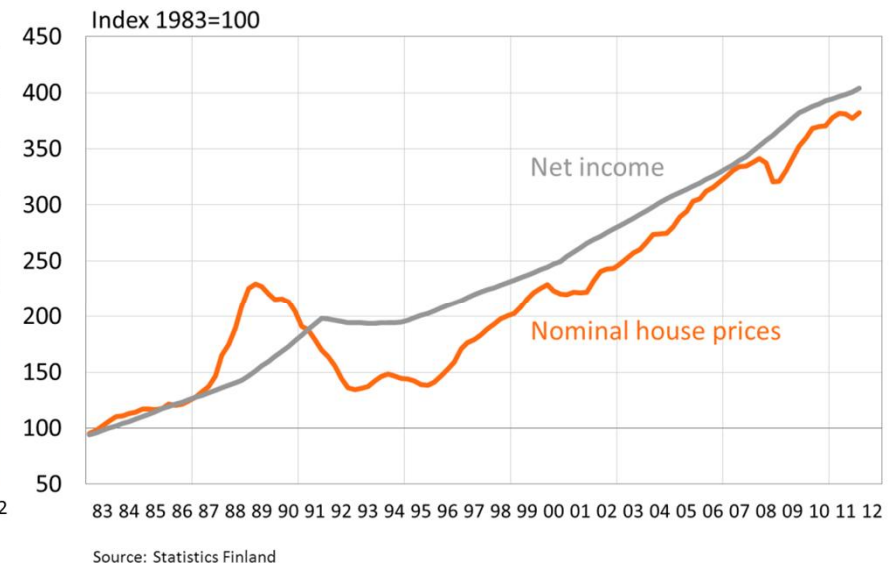
Mortgage Market and House Price Growth

- The lending volume in the Finnish mortgage market has increased over the past few years, which has driven up nominal house prices.
- In real terms, house prices have risen more gently and as per the average net income the increase in house prices has been very stable over a long period of time.

Mortgage lending volume

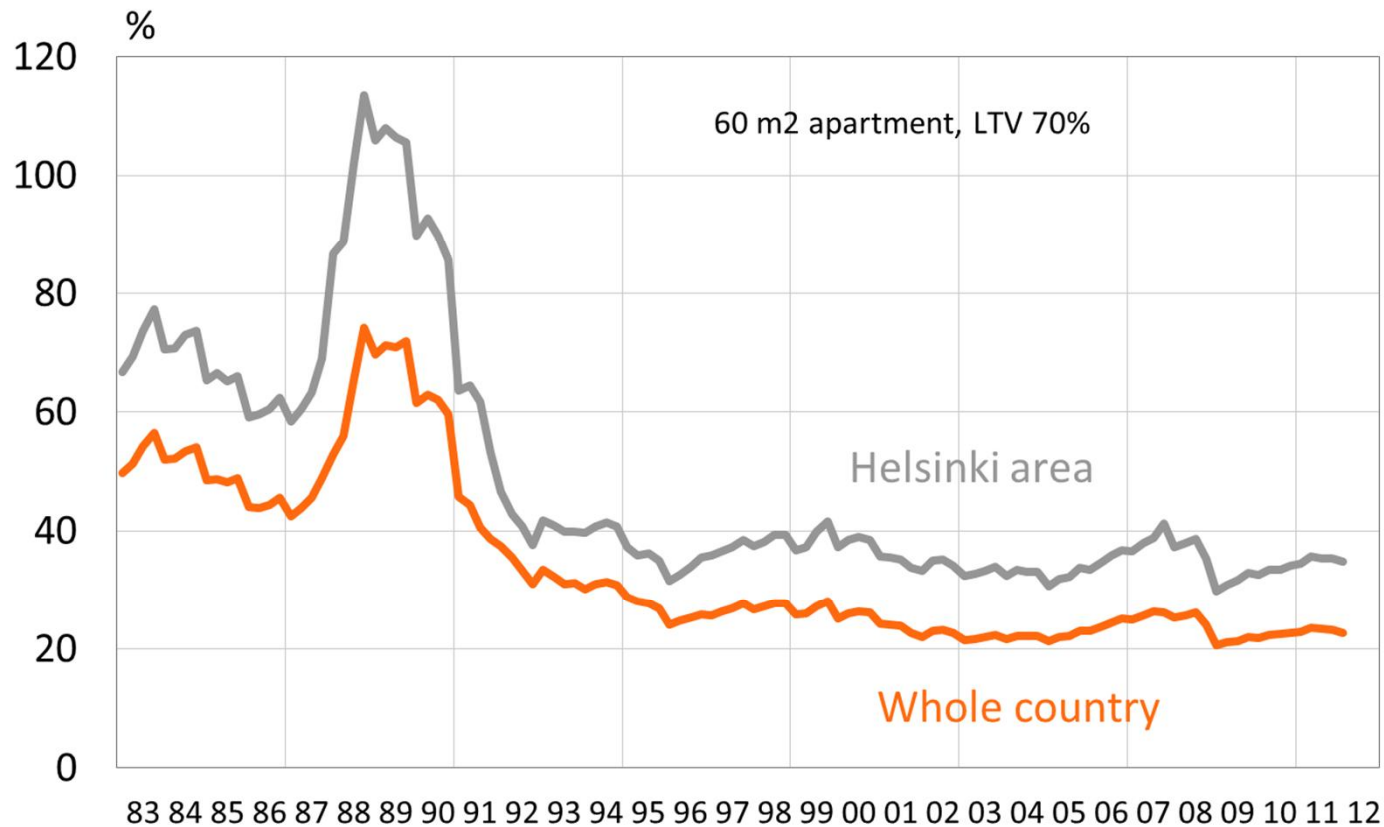


Changes in house prices and net income



Loan Servicing Costs in Relation to Net Income

Annuity payment during the first year



Sources: Statistics Finland, Taxpayers' Association of Finland

Highlights of the Act on Mortgage Credit Bank Operations

- Segregation of assets in Covered Register
- Tight LTV restrictions on eligible assets (70% LTV on housing loans)
- Over collateralisation requirement of 2%
- Continuity of Cover Pool and Covered Bonds in the event of liquidation and bankruptcy of the issuer
- Regulated by Finnish FSA

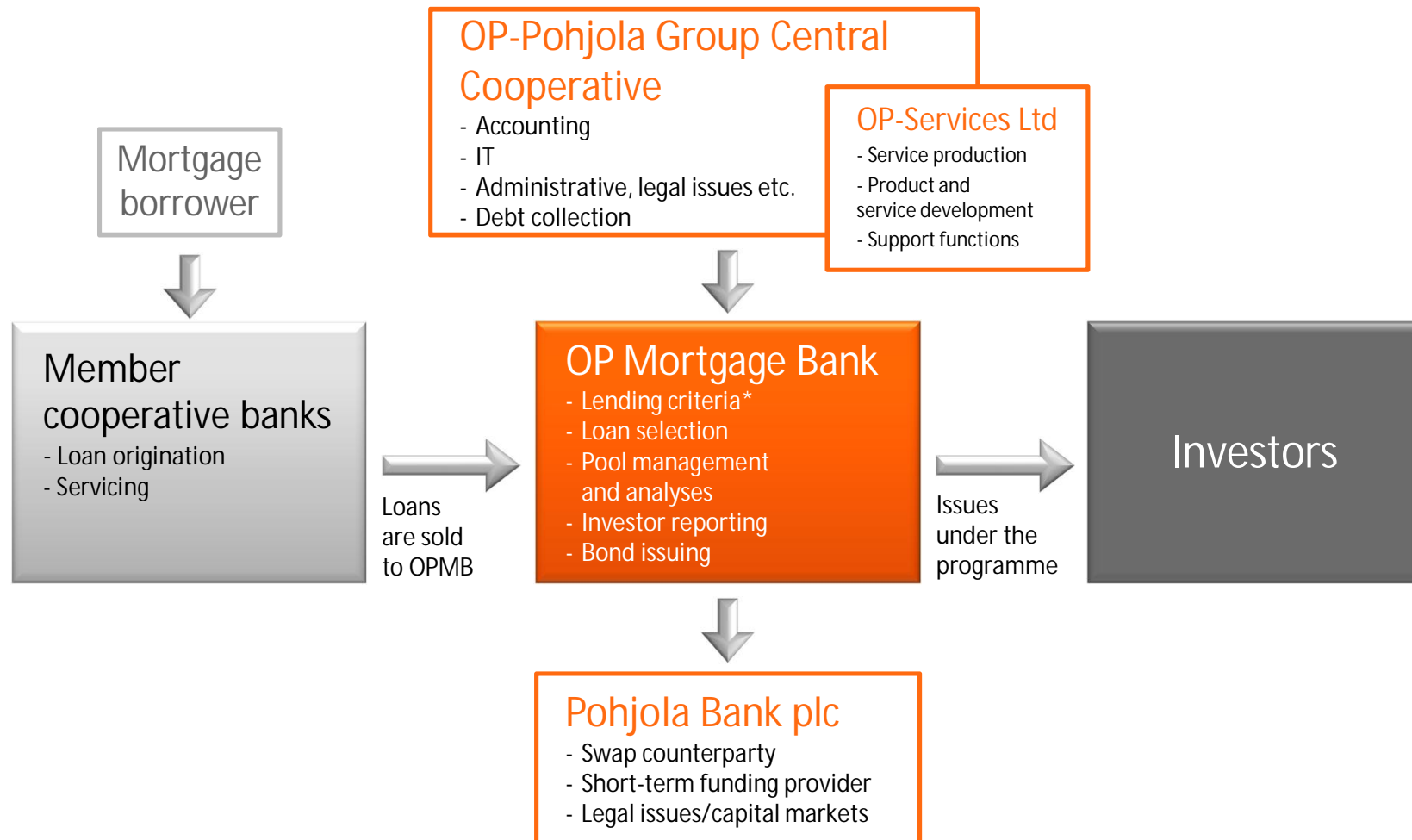
OP Mortgage Bank (OPMB) in Brief

- OP Mortgage Bank is a special-purpose bank operating under the Act on Mortgage Credit Bank Operations.
- Its sole purpose is to raise funds for OP-Pohjola Group member banks by issuing covered bonds with mortgage collateral.
- The outstanding covered bonds of OP Mortgage Bank are rated AAA by S&P and Aaa by Moody's.
- OP Mortgage Bank is a wholly-owned subsidiary of OP-Pohjola Group Central Cooperative.
- OP Mortgage Bank fully benefits from the joint liability based on the Act on the Amalgamation of Deposit Banks. However, since assets in its Cover Asset Pool are ring-fenced, the noteholders have the right to receive what is due to them before all other creditors.

OPMB Operating Model

- OPMB is a funding vehicle for the member banks:
 - Subject to strict eligibility criteria:
 - Existing loans may be transferred from member banks to OPMB.
 - Origination can be performed directly into OPMB where the member cooperative bank will act as a broker agent.
- OPMB utilises the current structure of the cooperative and outsource, for example:
 - origination and servicing of assets to member cooperative banks
 - risk management, IT services, accounting etc. to the Central Cooperative
 - interest rate risk management in cooperation with Pohjola Bank plc

Operating Model and Roles



*Basic lending criteria for the Group are set by the Central Cooperative. OP Mortgage Bank can set additional limits.

OPMB Asset Pool Characteristics; Pool A

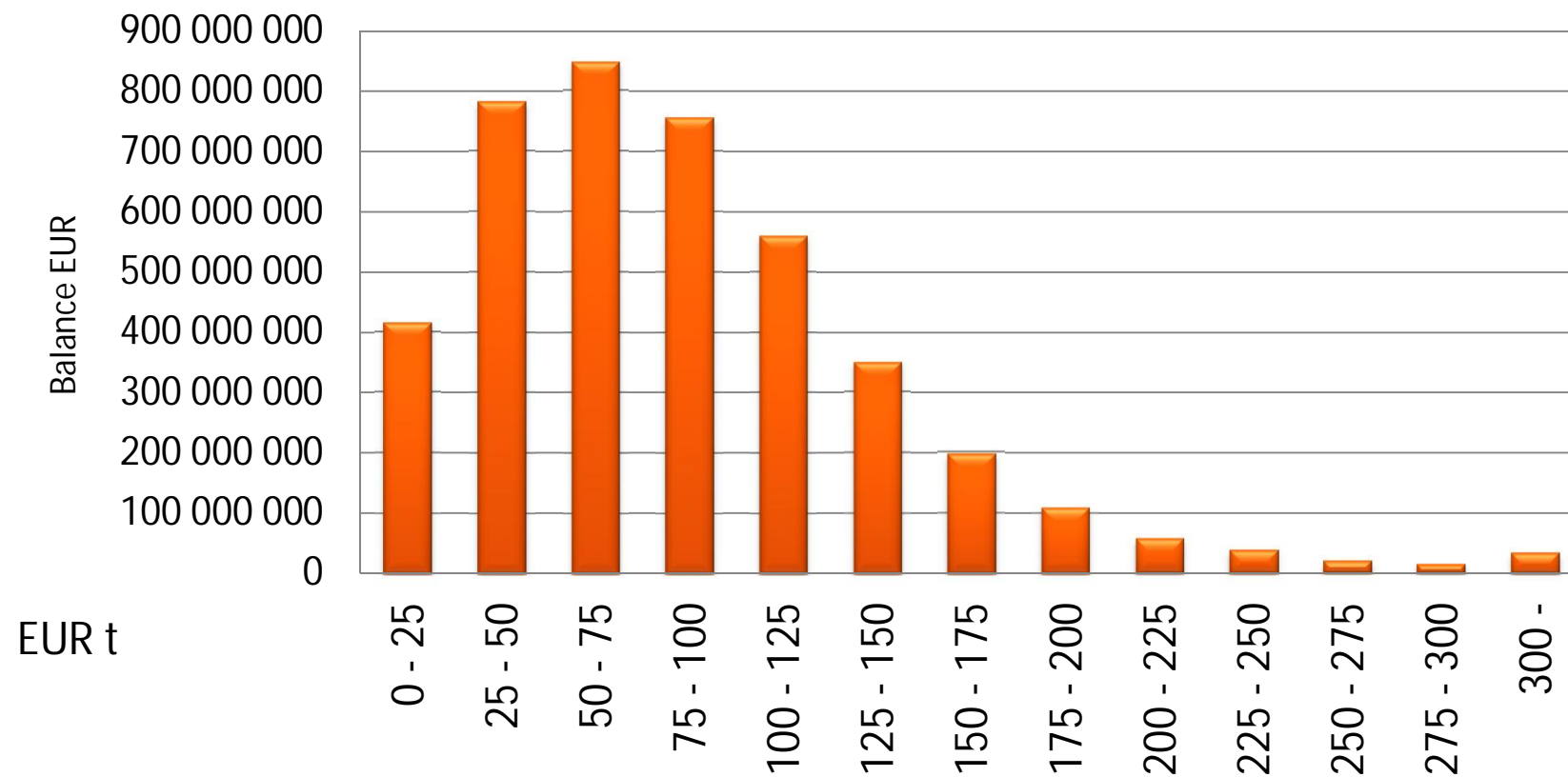
Covered bonds issued before 1 Aug. 2010,
under the Finnish Act on Mortgage Credit Banks 1240/1999

Main Features of OP Mortgage Bank Cover Asset Pool A as of March 2012

- Collateralised by first-ranking Finnish mortgages.
- Current balance EUR 4.2 billion
- Weighted Average indexed LTV of 45%
- Average loan size of approximately EUR 47,000
- No loans over 90 days in arrears ongoing
- Variable interest rates: over 95% of all loans
- Hedging agreements in place in order to mitigate interest rate risk.
- Total amount of covered bonds issued EUR 3.25 billion

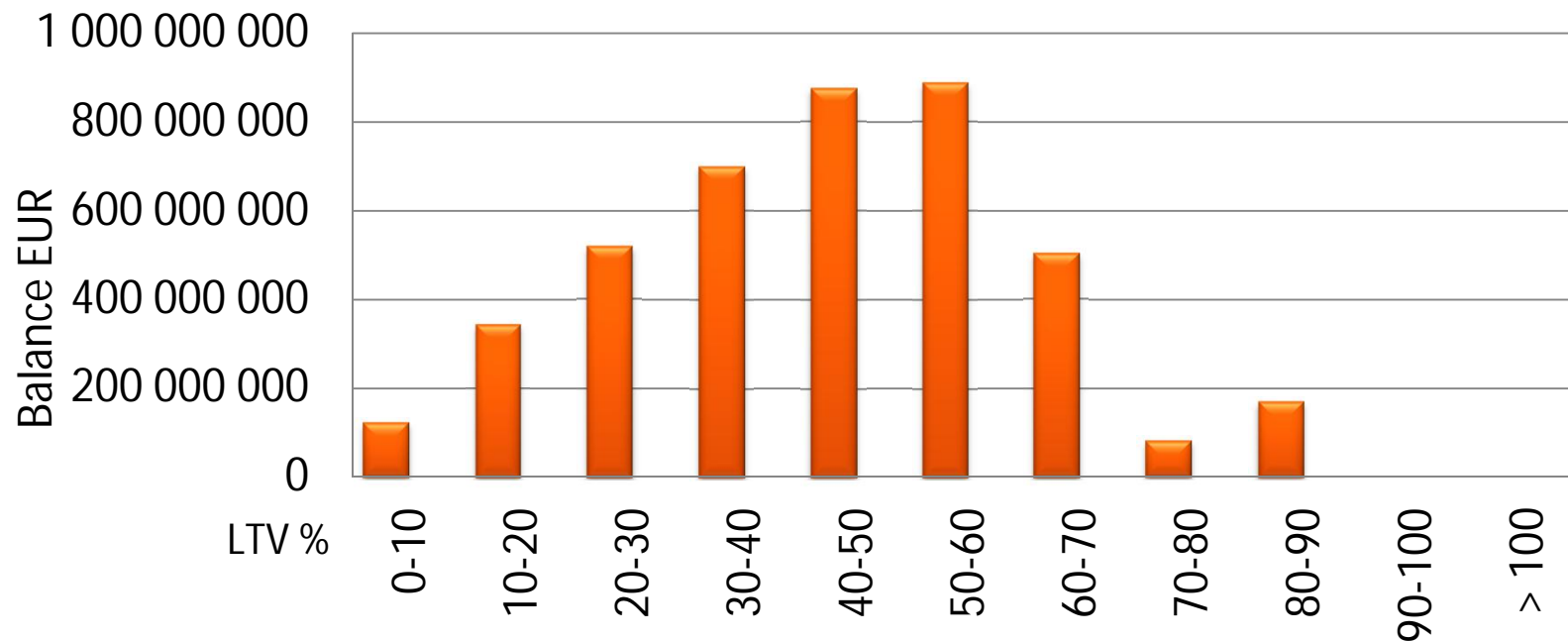
OPMB Asset Pool A Characteristics

Loans by size



OPMB Asset Pool A Characteristics

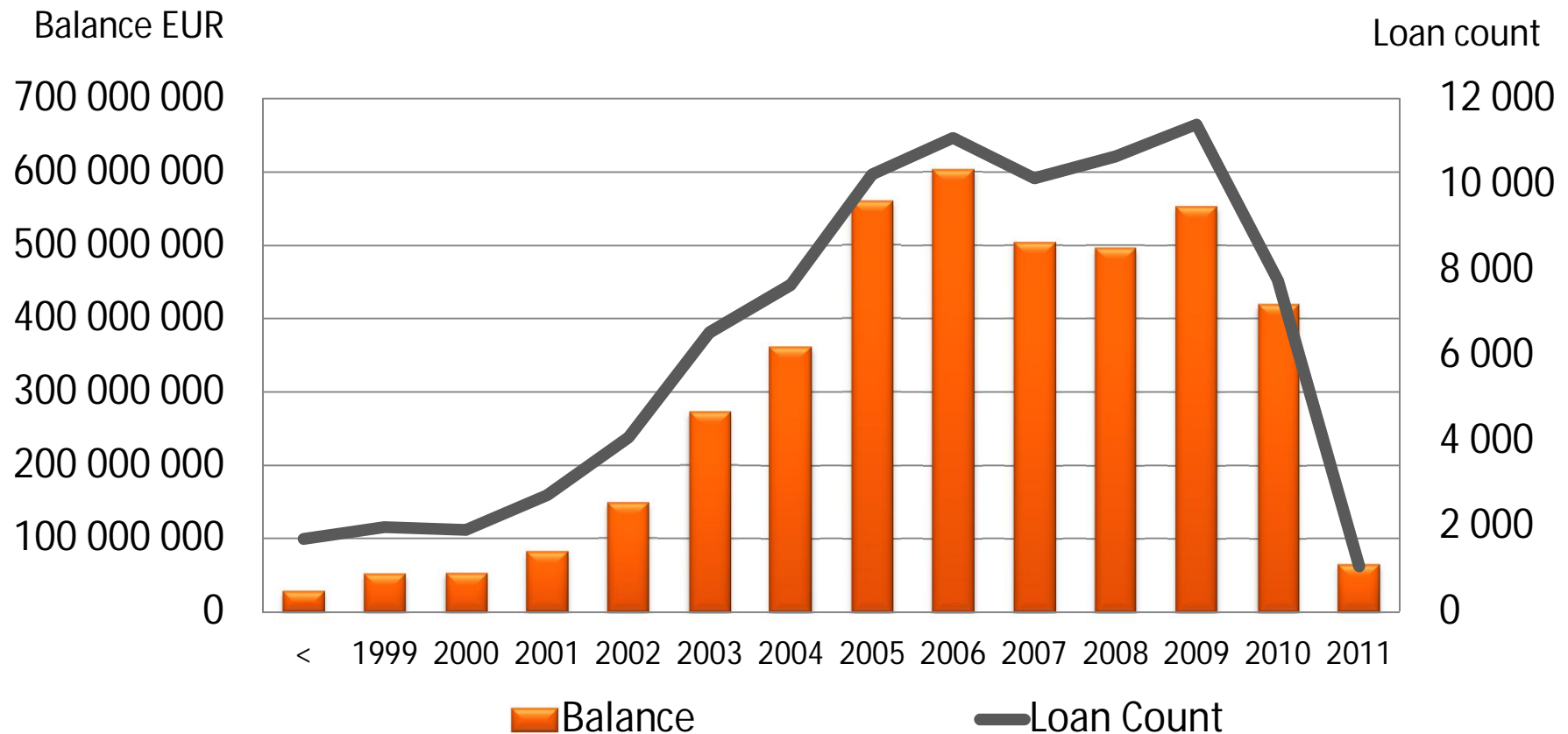
Loans by LTV



- Total assets EUR 4.2 billion
- Eligible Cover Pool assets EUR 4.2 billion
- Weighted Average indexed LTV of 45 %
- Over collateralization 29.2 %

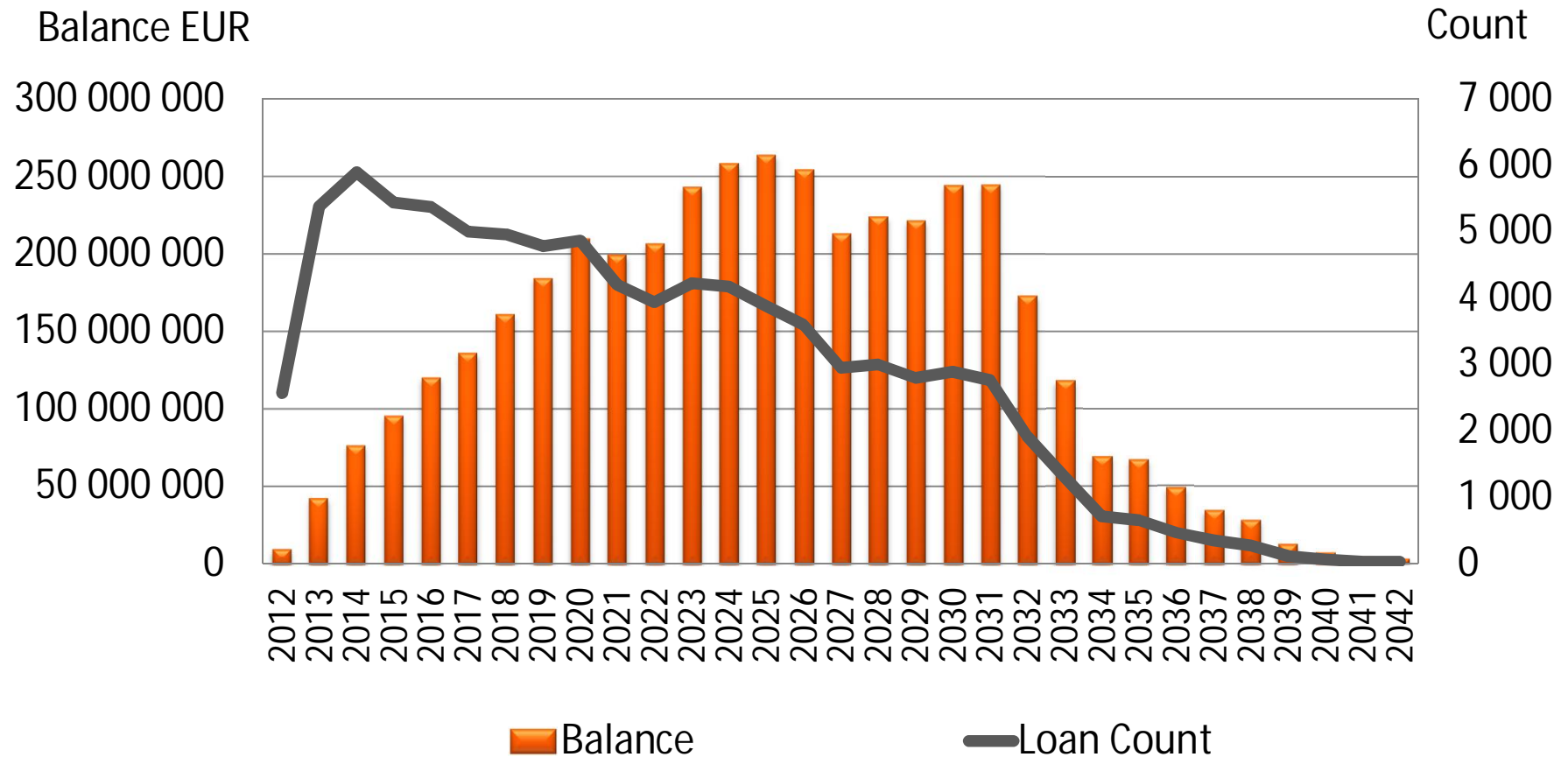
OPMB Asset Pool A Characteristics

Loans by origination year



OPMB Asset Pool A Characteristics

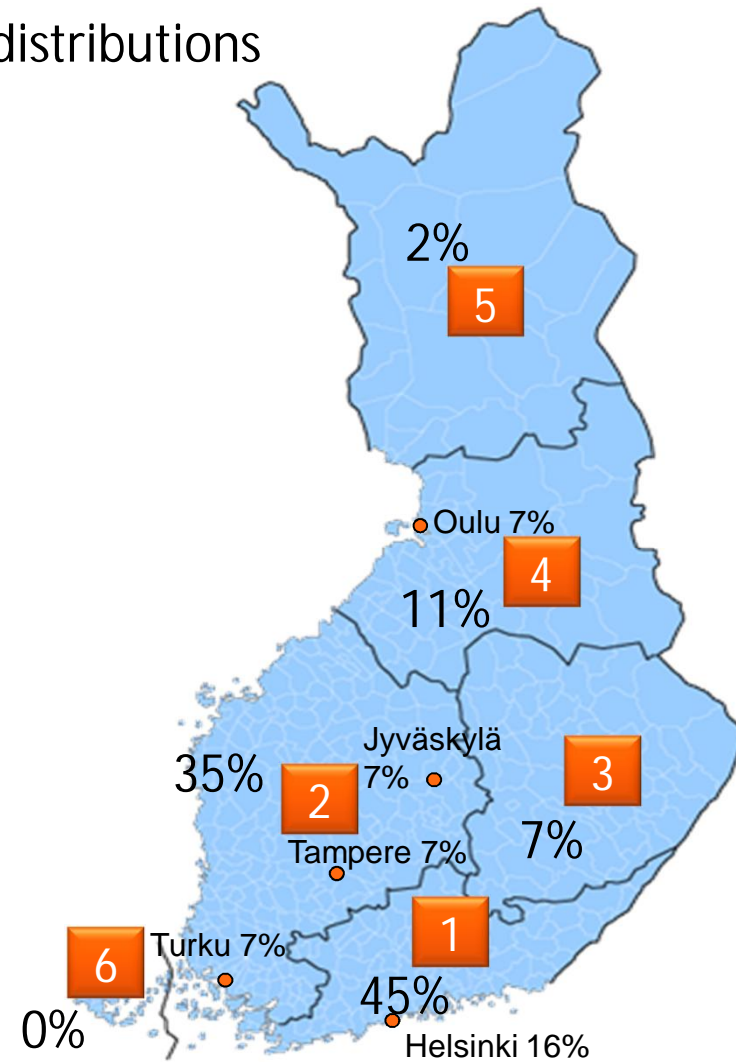
Loans by maturity



OPMB Asset Pool A Characteristics

Geographical distributions

- 1 Southern Finland
- 2 Western Finland
- 3 Eastern Finland
- 4 Oulu region
- 5 Lapland
- 6 Åland



OPMB Asset Pool Characteristics; Pool B

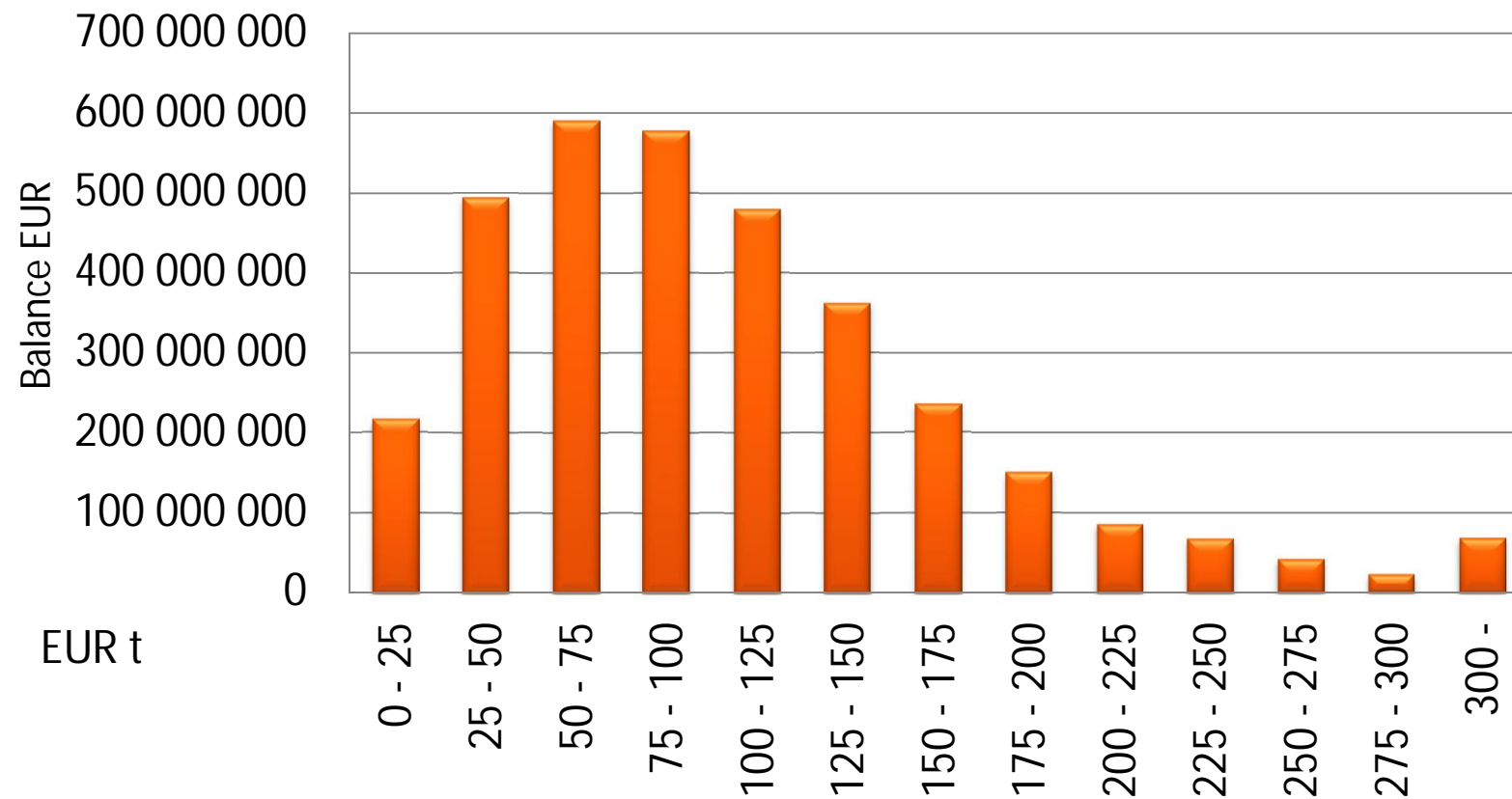
Covered bonds issued after 1 Aug. 2010,
under the Finnish Act on Mortgage Credit Banks 680/2010

Main Features of OP Mortgage Bank Cover Asset Pool B as of March 2012

- Collateralised by first-ranking Finnish mortgages
- Current balance EUR 3.4 billion
- Weighted Average indexed LTV of 54%
- Average loan size of approximately EUR 63,000
- No loans over 90 days in arrears ongoing
- Variable interest rates: over 95% of all loans
- Hedging agreements in place in order to mitigate interest rate risk
- Total amount of covered bonds issued EUR 2.0 billion

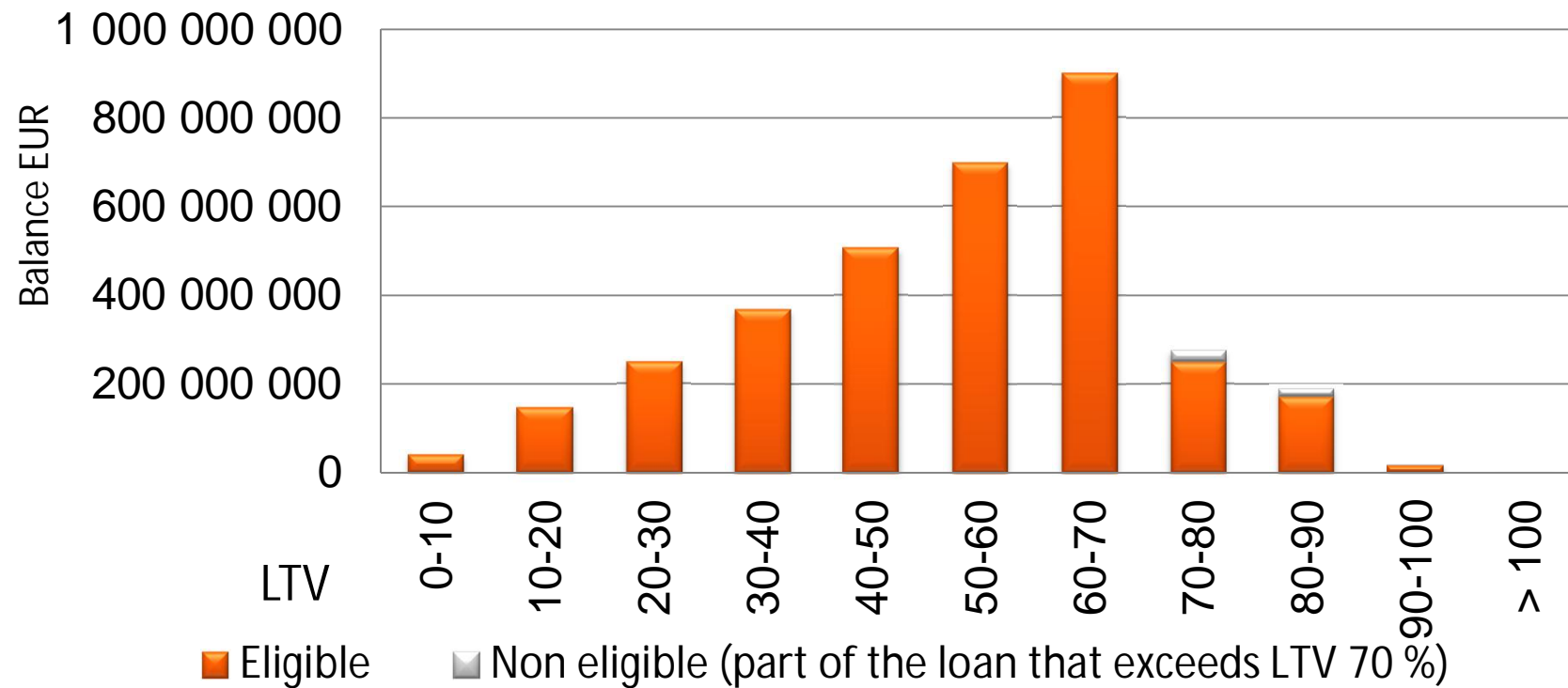
OPMB Asset Pool B Characteristics

Loans by size



OPMB Asset Pool B Characteristics

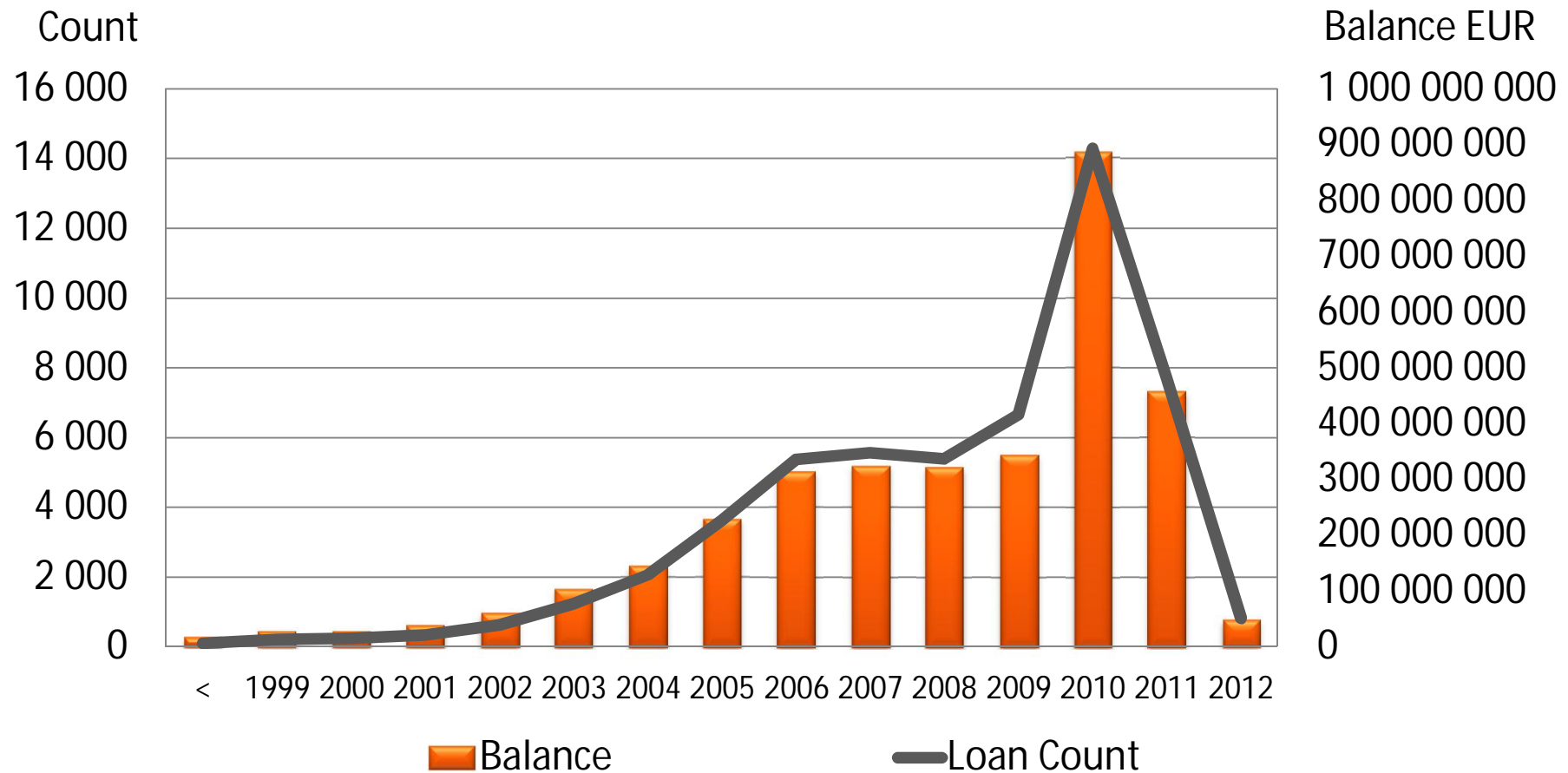
Loans by LTV



- Total assets EUR 3,4 billion
- Eligible Cover Pool assets EUR 3,3 billion
- Weighted Average indexed LTV of 54%
- Over collateralisation 67,0 %

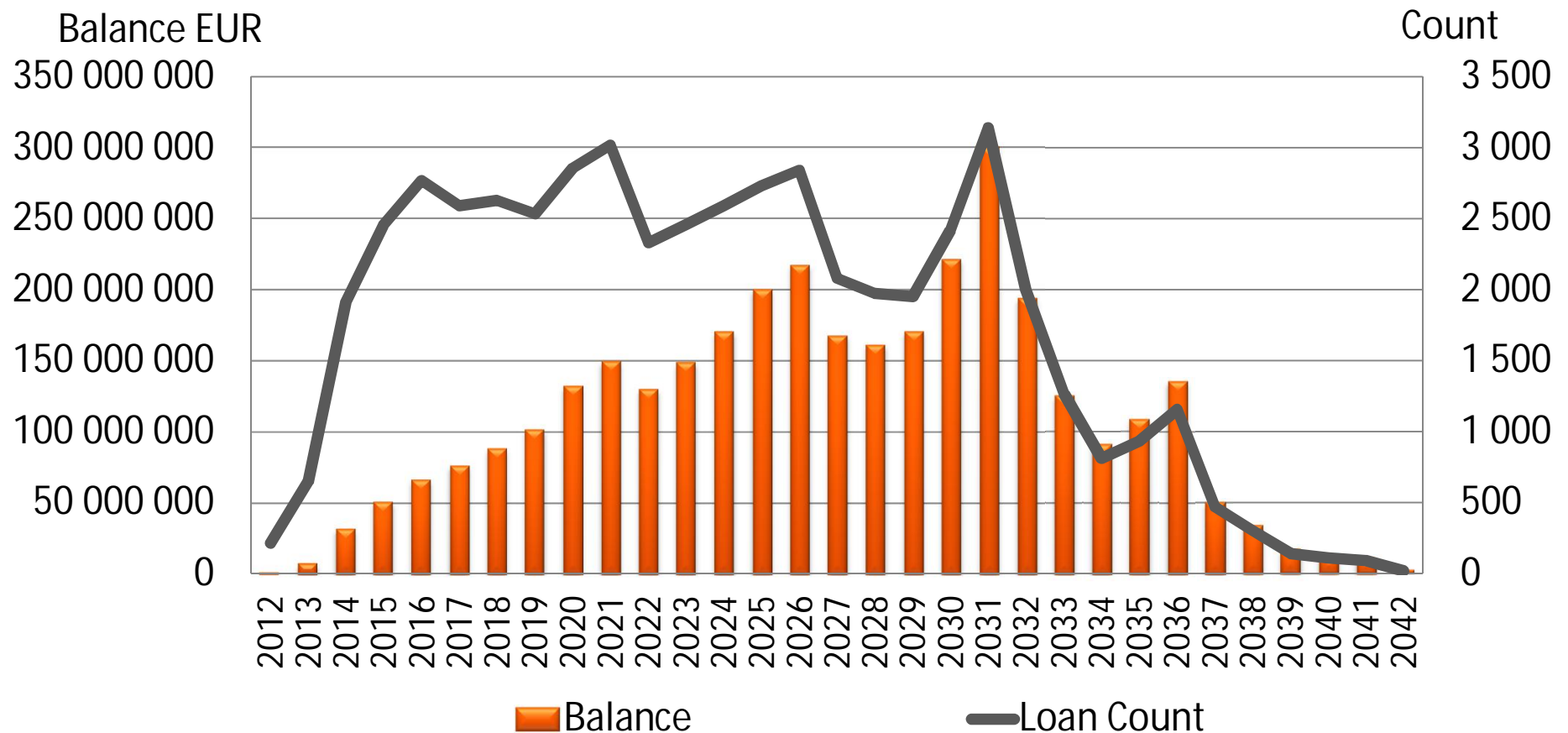
OPMB Asset Pool B Characteristics

Loans by origination year



OPMB Asset Pool B Characteristics

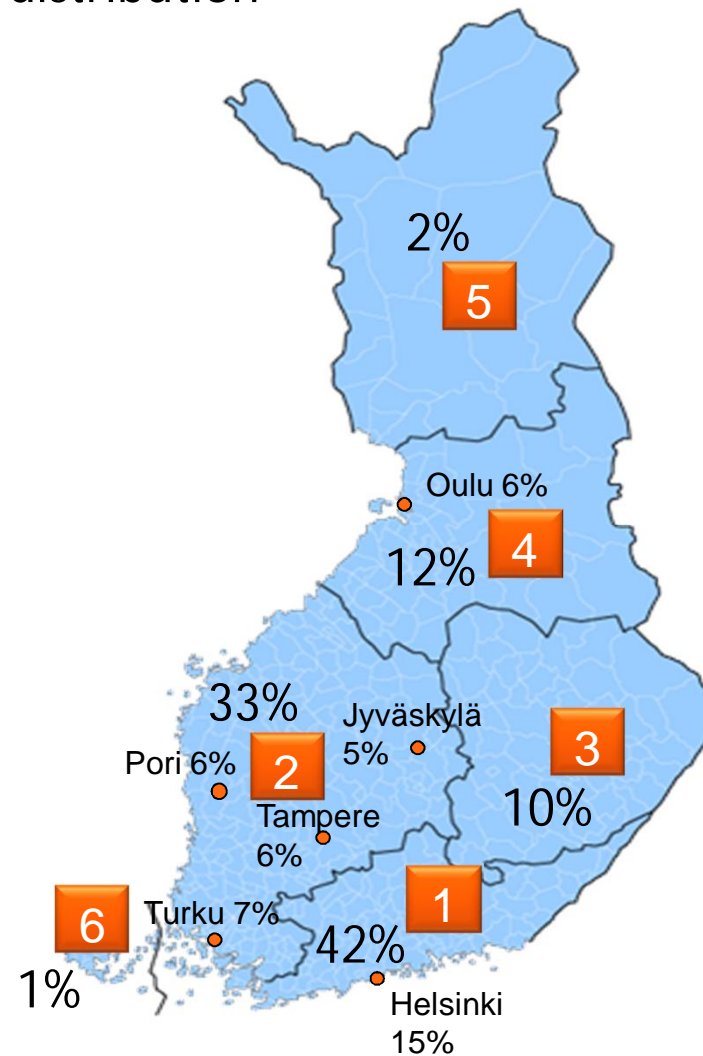
Loans by maturity



OPMB Asset Pool B Characteristics

Geographical distribution

- 1 Southern Finland
- 2 Western Finland
- 3 Eastern Finland
- 4 Oulu region
- 5 Lapland
- 6 Åland



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