

Debt Investor Presentation



Q3



OP-Pohjola Group and issuing entities
Pohjola Bank plc and OP Mortgage Bank
www.pohjola.com > Investor Relations > Debt Investors

Contents

- OP-Pohjola Group in Brief 3
- Finnish Economy 4
- OP-Pohjola Group 12
- OP Mortgage Bank 34
- OPMB Cover Asset Pool A Characteristics 42
- OPMB Cover Asset Pool B Characteristics 49
- Debt Investor Contacts 56



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 all three Rating Agencies
- Strong capital position and deposit funding base
- Liquidity buffer to cover 24 months of maturing wholesale funding
- Finnish risk exposure



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

Published on 29 August, 2011

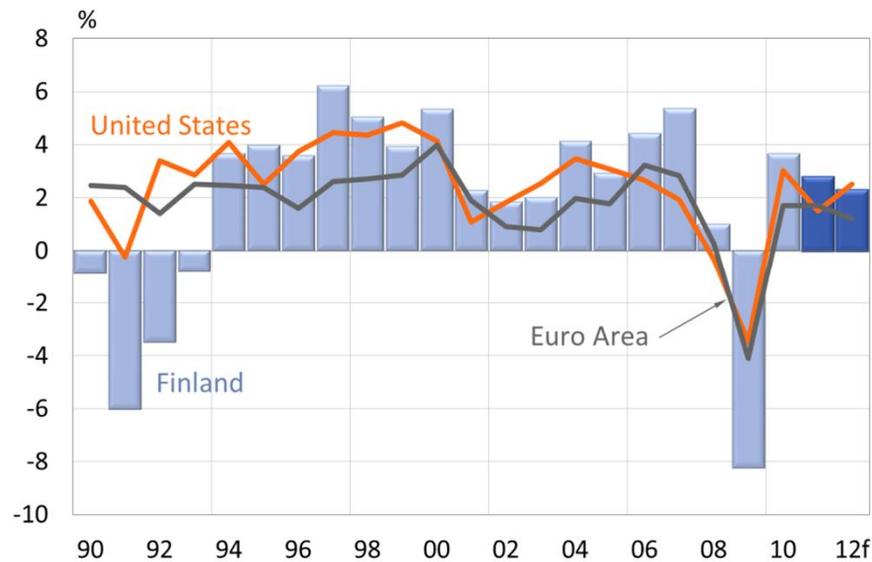
	2010 € bn	2009 Volume, % change on previous year	2010	2011f	2012f
GDP	180.3	-8.2	3.6	2.8	2.3
Imports	70.3	-16.1	7.4	3.1	4.0
Exports	72.6	-21.5	8.6	3.7	5.0
Consumption	142.8	-1.9	2.1	1.7	1.8
Private consumption	98.5	-3.1	2.7	2.2	2.3
Public consumption	44.3	0.9	0.6	0.6	0.5
Fixed investment	33.9	-13.5	2.8	6.3	2.1

Other key indicators

	2009	2010	2011f	2012f
Consumer price index, % change y/y	0.0	1.2	3.4	2.0
Unemployment rate, %	8.2	8.4	7.9	7.6
Current account balance, % of GDP	2.3	3.1	1.9	1.9
General government debt, % of GDP	43.3	48.3	50.0	51.0
General government net lending, % of GDP	-2.5	-2.5	-1.0	0.0

GDP and Demand Components

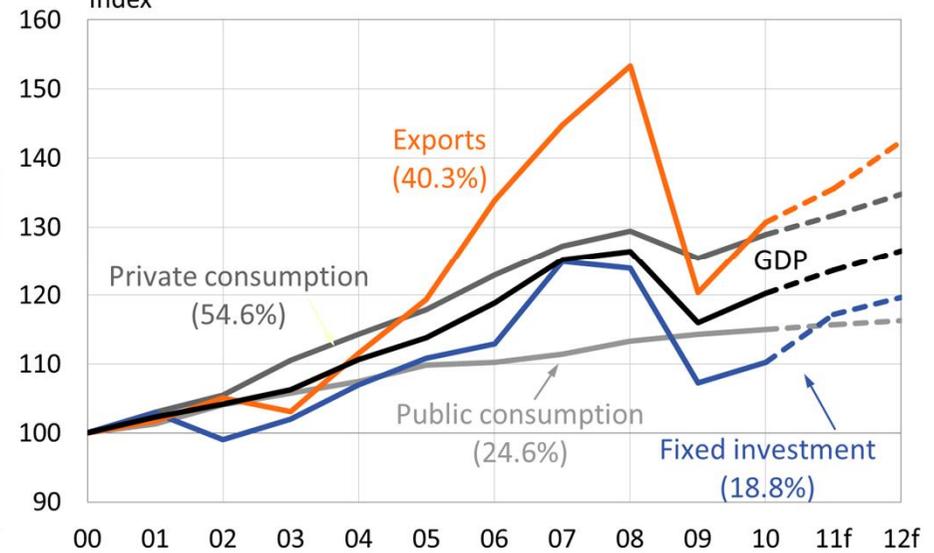
Change in GDP volume



Sources: Reuters EcoWin, forecasts OP-Pohjola Group (August 2011)

GDP and demand components

2010 GDP shares in brackets
Index

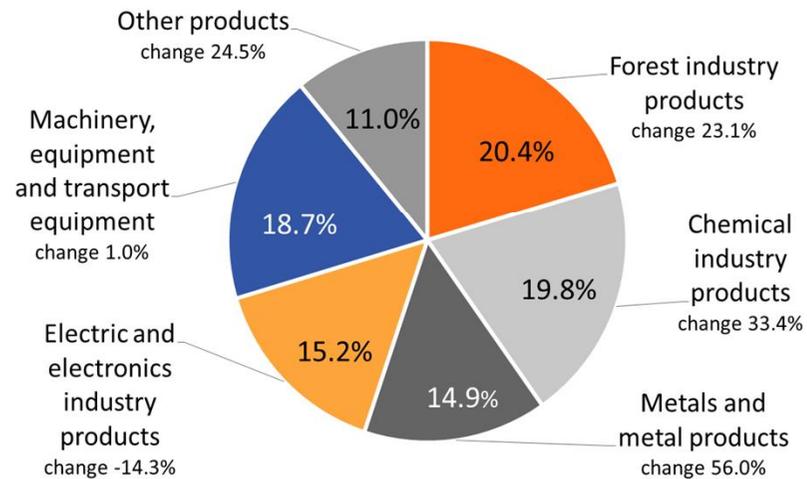


Sources: Statistics Finland, forecasts OP-Pohjola Group (August 2011)

Goods Exports by Product Group and by Country

Goods exports by product group

Share of total exports and annual change
2010

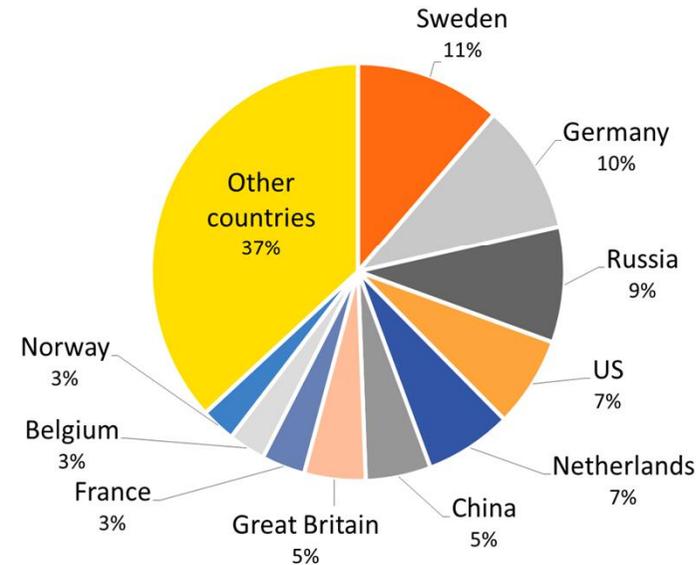


Source: National Board of Customs

Total exports 52.4 EUR Billion (change, 16.2%)

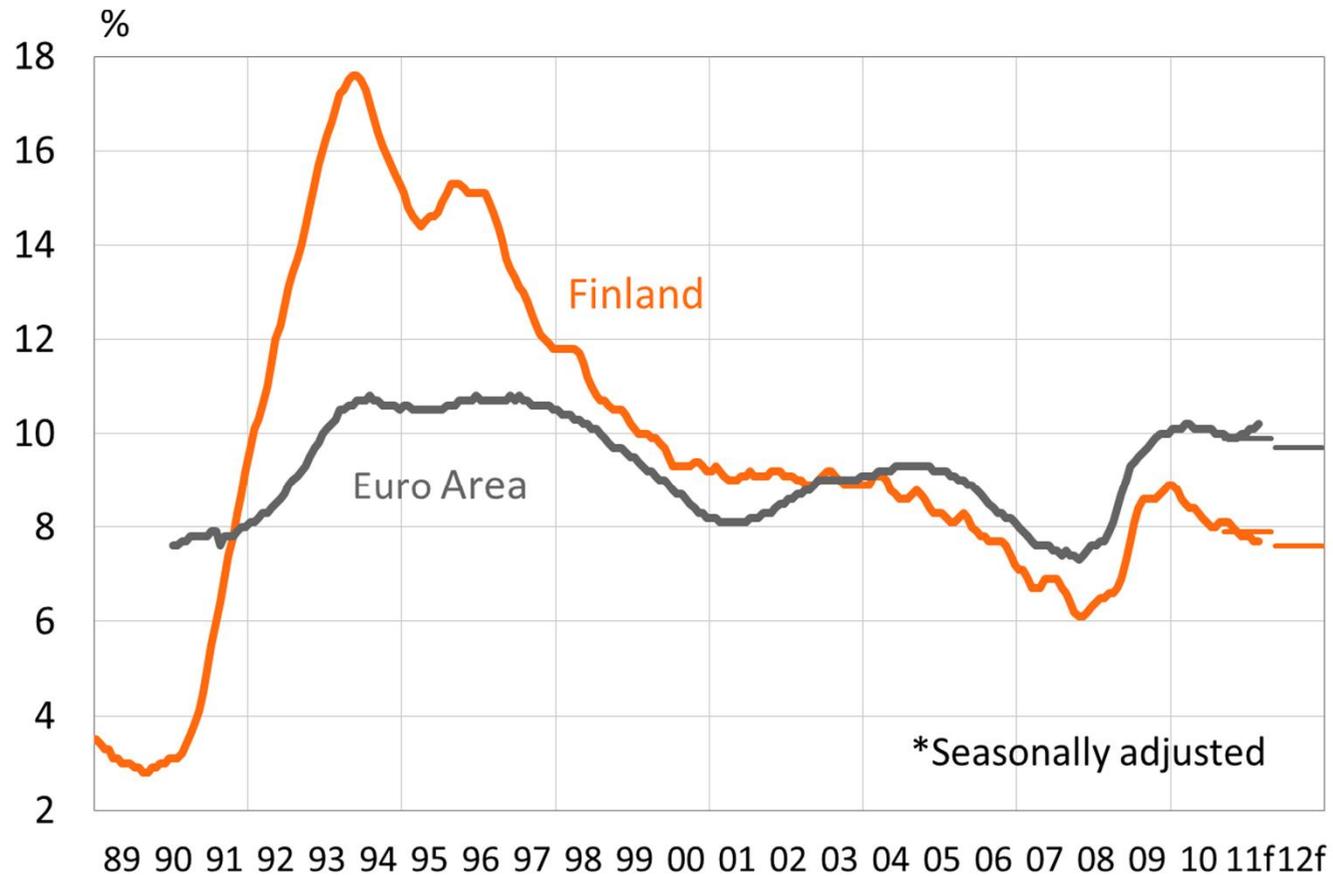
Goods exports by countries

2010



Source: National Board of Customs

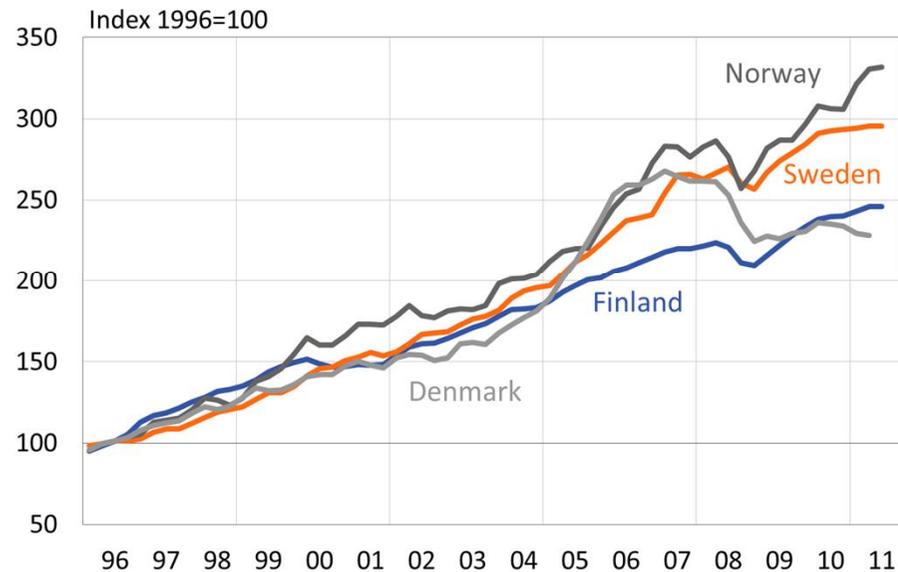
Unemployment Rate* in Finland and Euro Area



Sources: Statistics Finland, Eurostat, forecasts OP-Pohjola Group, August 2011

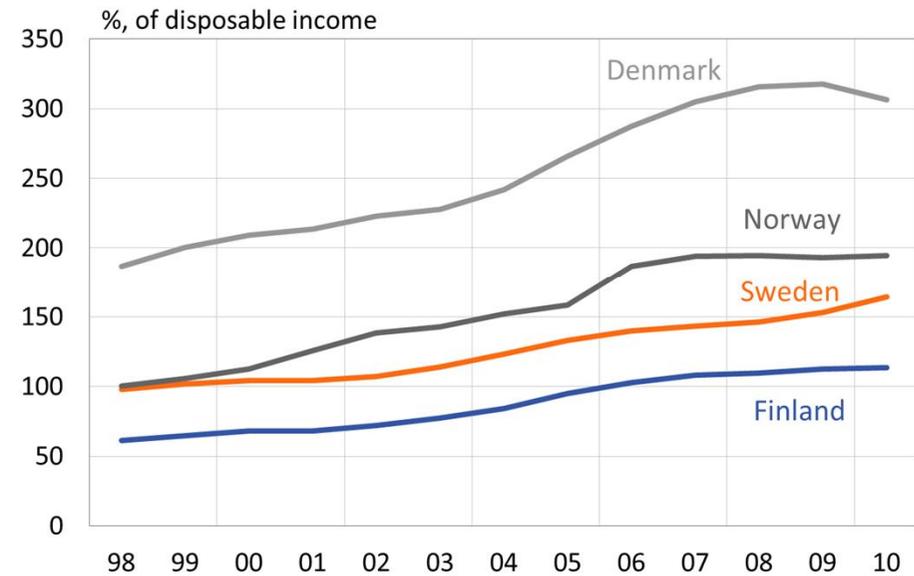
Average House Prices and Households' Debt

Average house prices



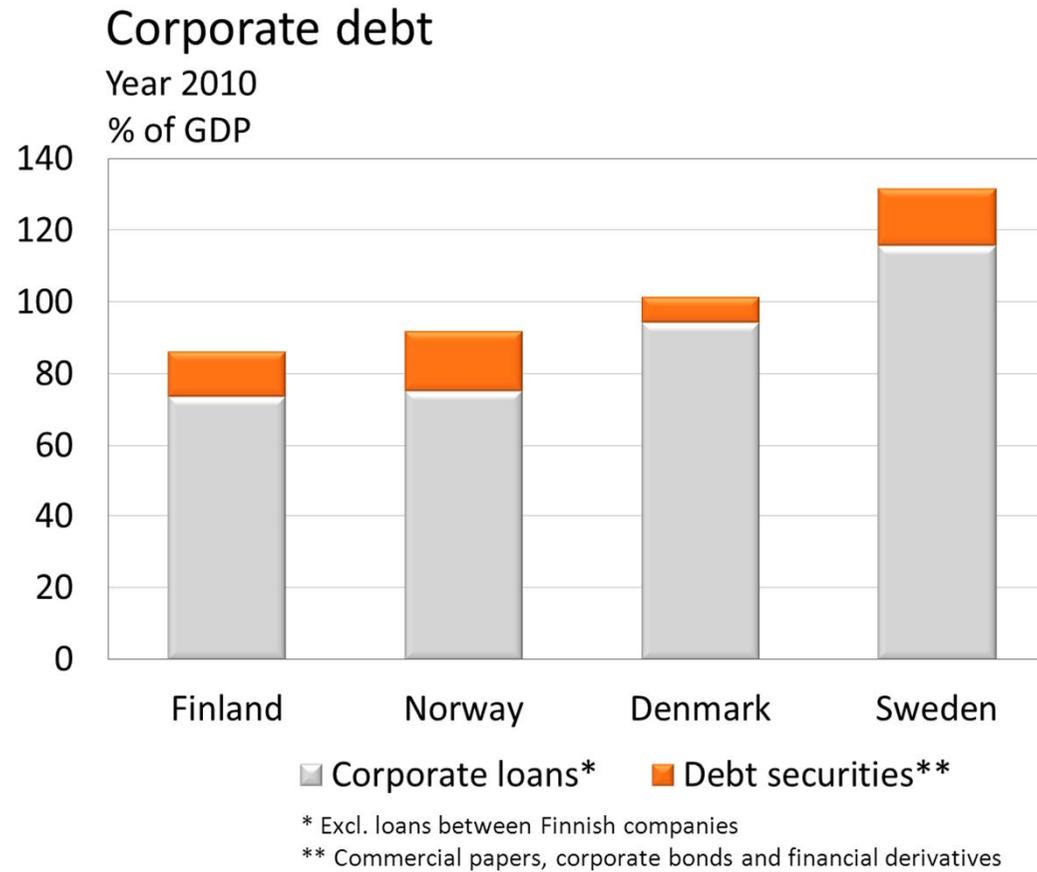
Sources: Reuters EcoWin, Statistics Sweden

Households' debt ratio



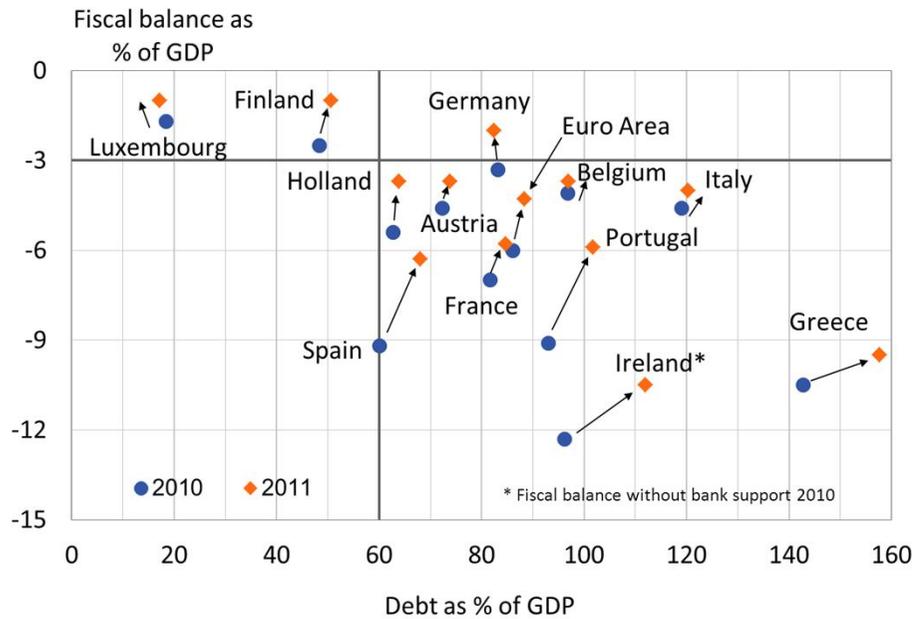
Sources: Central Banks, Statistics Finland

Corporate Debt 2010



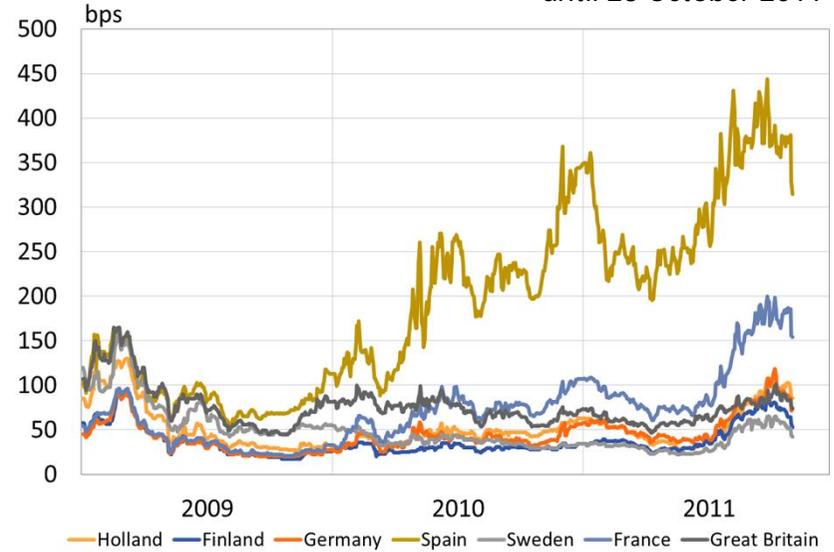
Source: Eurostat, Consolidated Financial Accounts

Fiscal Balance 5-year CDS by Country



Source: European Commission, May 2011

5yr CDS 2009-2011 by country until 28 October 2011



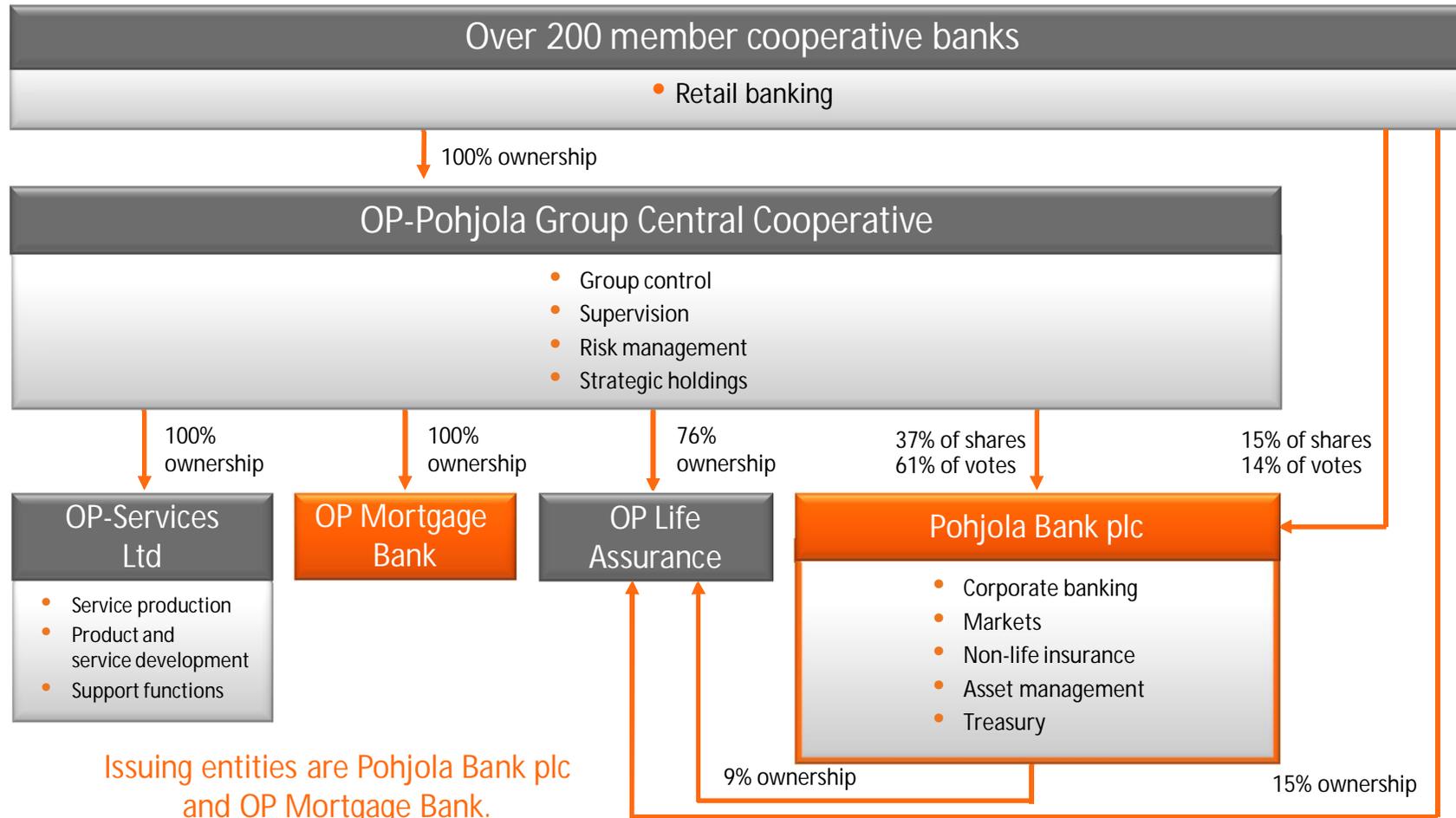
Source: Reuters EcoWin

OP-Pohjola Group



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

The 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.

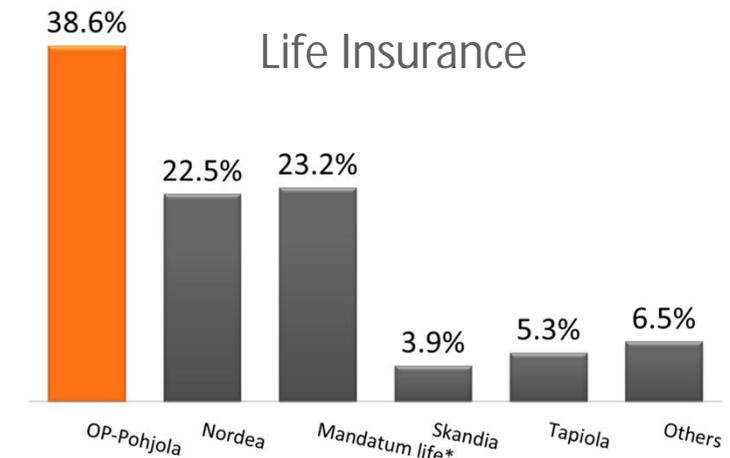
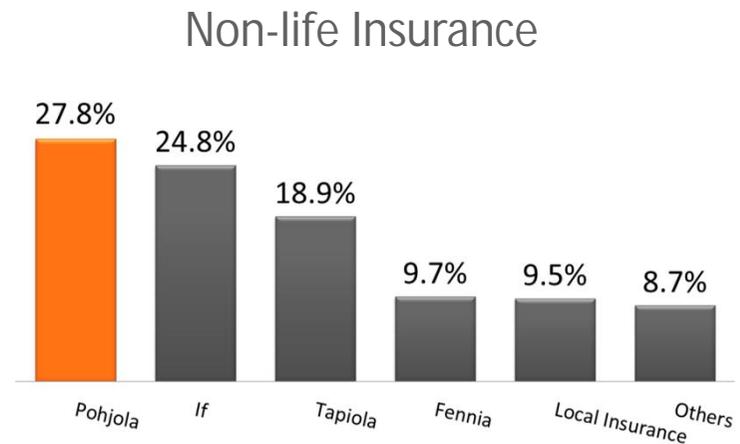
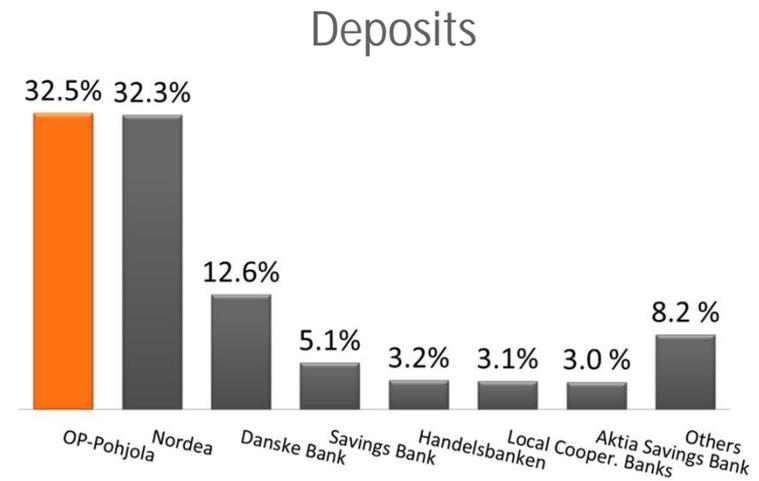
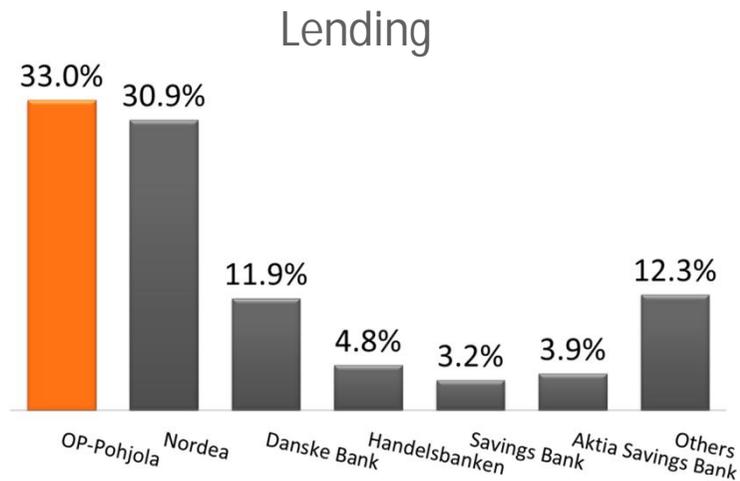


Joint Liability

- 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.

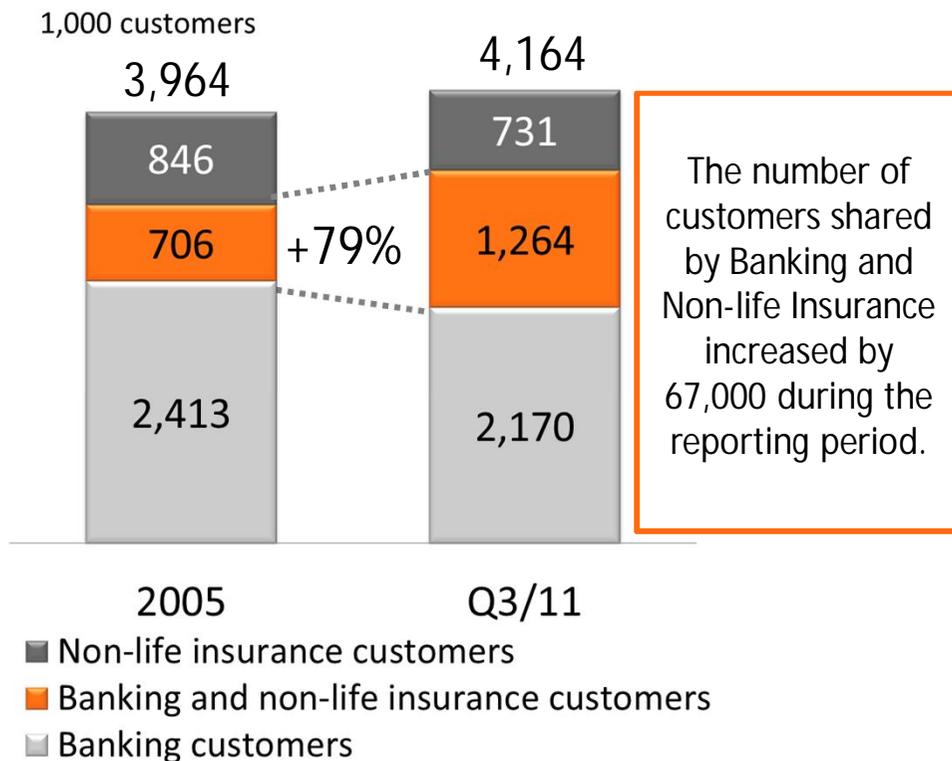
OP-Pohjola Group – Market Leader in Finland

Market share in 2010

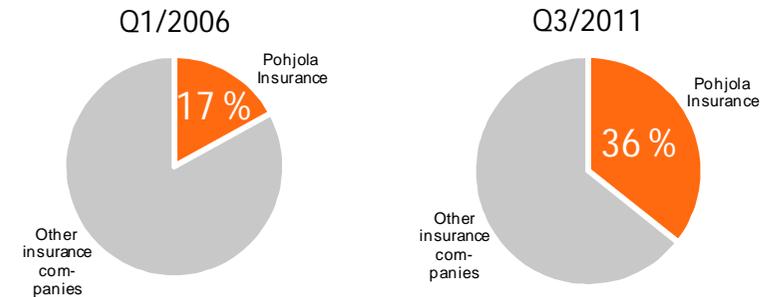


OP-Pohjola Group's Huge Customer Potential

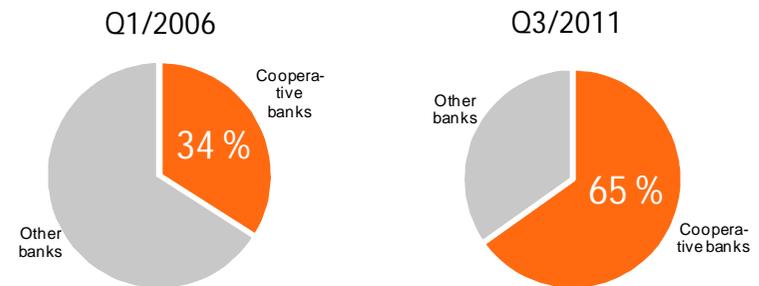
Cross-selling between OP-Pohjola Group member banks and Pohjola Insurance works well



OP-Pohjola Group member bank customers and their main insurer



Pohjola Insurance customers and their main bank

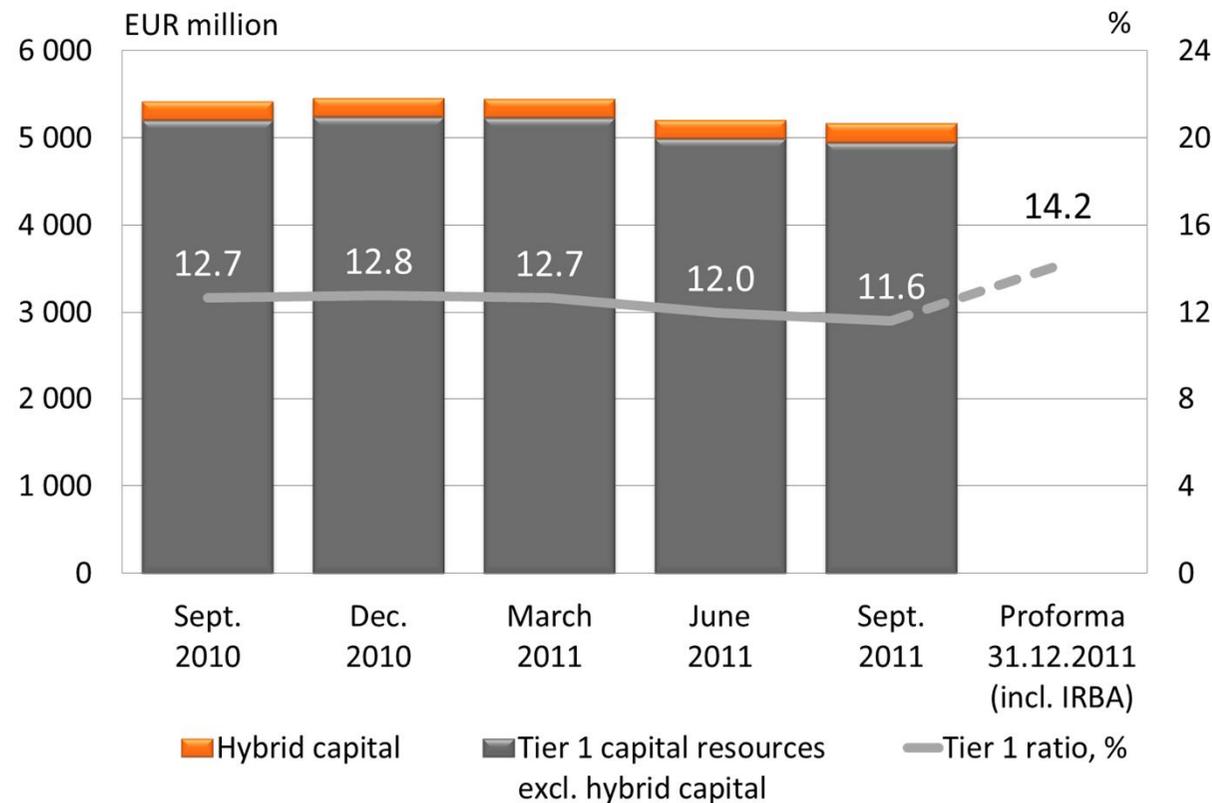


Source: Consumer survey on bank and insurance company switch by TNS Gallup; main customer relationship

OP-Pohjola Group

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

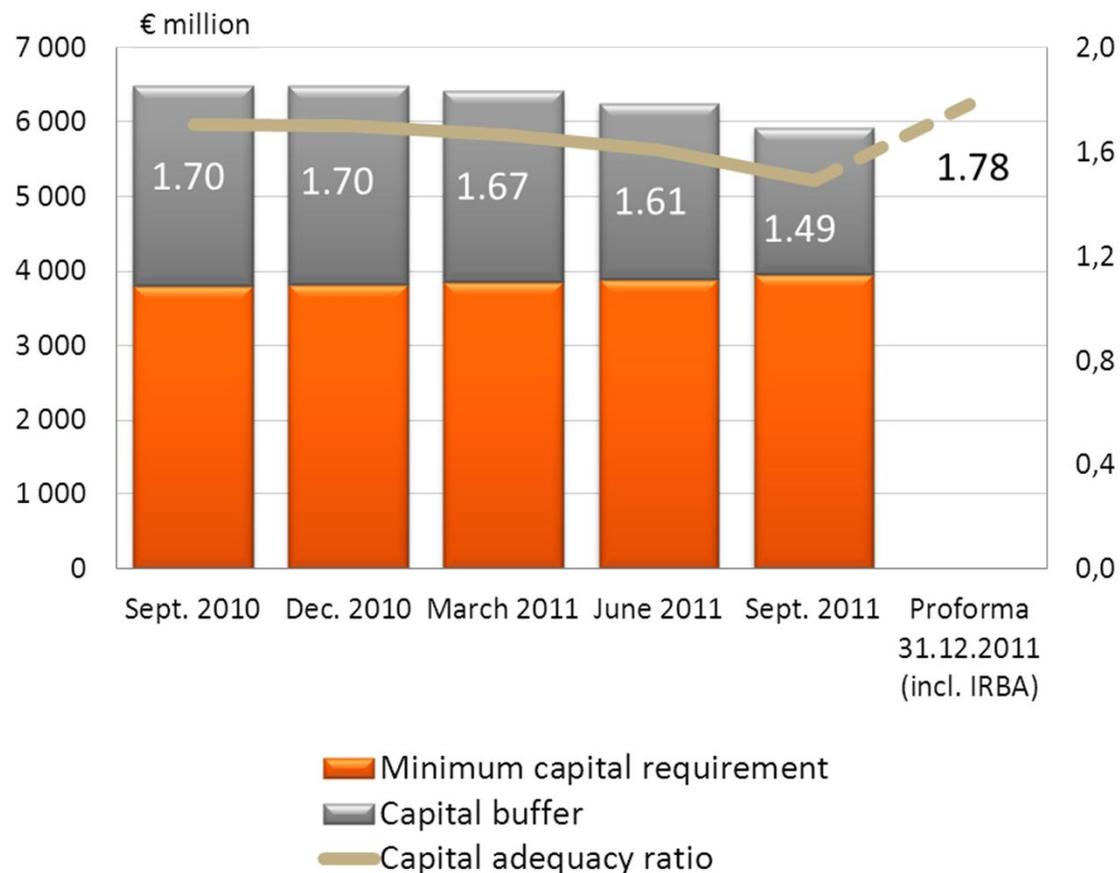
Capital resources and Tier 1 capital adequacy



IRBA (Internal Ratings-based Approach to credit risk in capital adequacy measurement) adoption as of 31 December 2011 will improve capital adequacy with 2.6 percentage points

OP-Pohjola Group

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



IRBA (Internal Ratings-based Approach to credit risk in capital adequacy measurement) adoption as of 31 December 2011 will improve conglomerate's capital adequacy with 0.3 percentage points

Statutory minimum requirement is 1.0

Pohjola Has the 3rd Best Estimated RAC by S&P

Standard & Poor's Estimated RAC Ratios As Of June 30, 2010 For 75 Large Global Banks

Bank	Estimated RAC ratio as of June 2010--after diversification/concentration (%)	Estimated RAC ratio as of June 2010--before diversification/concentration (%)	Basel Tier 1 ratio as of June 2010 (%)	Current ratings*	Current stand-alone credit profile*
Bank of China (Hong Kong) Ltd.	13.4	13.5	11.3	A-/Positive/A-2	a-
Cooperative Banking Sector Germany (1)	12.1	10.1	N.A.	A+/Stable/A-1	a+
Pohjola Bank PLC (2)	11.9	11.3	12.4	AA-/Stable/A-1+	aa-
Dexia S.A.*	11.8	9.7	11.3	A/Negative/A-1	bbb
ING Bank N.V.	11.1	8.5	11.2	A+/Stable/A-1	a
Oversea-Chinese Banking Corp. Ltd.	10.9	10.7	15.3	A+/Stable/A-1	a+
Westpac Banking Corp. (3)	10.5	9.1	8.9	AA/Stable/A-1+	aa
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)	10.1	8.3	14.9	AAA/Negative/A-1+	aaa
National Australia Bank Ltd. (3)	10.1	8.1	8.8	AA/Stable/A-1+	aa
Australia and New Zealand Banking Group Ltd. (3)	9.7	8.2	10.3	AA/Stable/A-1+	aa

Stress Test

July 2011

- OP-Pohjola Group operating under the principle of joint liability was included in the EBA stress test. Pohjola's figures are included in OP-Pohjola Group's results.
- According to the stress scenario, OP-Pohjola Group's Core Tier 1 ratio stands at 11.6% at the end of 2012. Lower capital adequacy is due mainly to an increase in risk-weighted assets as a result of the weakening loan portfolio. OP-Pohjola's risks associated with sovereign holdings are moderate, with the resultant losses remaining very small in the test.

October 2011

- The European Banking Authority (EBA) has come up with a new requirement concerning banks' capital buffers
- According to EBA's estimate, OP-Pohjola Group is not required to take any action to improve its capital adequacy because the Group's Core Tier 1 ratio is high and the sovereign bond risks are low. OP-Pohjola Group's Core Tier 1 ratio was 11.5% on 30 June 2011, which was clearly above the minimum level of 9% set by the EBA.

STRESS TEST RESULTS 2011		CORE TIER1 (31 December 2012)	Ranking 2010	
1.	Banca March	Spain	23.5%	1.
2.	Irish Life and Permanent	Ireland	20.4%	(-)
3.	OTP Bank	Hungary	13.6%	2.
4.	Sydbank	Denmark	13.6%	6.
5.	BCEE	Luxembourg	13.3%	10.
6.	Danske Bank	Denmark	13.0%	22.
7.	Jyske Bank	Denmark	12.8%	7.
8.	PKO BP	Poland	12.2%	3.
9.	OP-Pohjola Group	Finland	11.6%	9.
10.	Rabobank	Holland	10.8%	8.

Source: Goldman Sachs

According to EBA's stress test results, OP-Pohjola ranked 9th among the 90 banks included in the exercise.

Direct Exposures to Sovereign Debt in GIIPS Countries

OP-Pohjola Group's exposures to sovereign debt in GIIPS countries as of 30 September 2011

€ million	Life Assurance	Non-life Insurance	Banking and other operations	Total
Greece	6	20	1	26
Italy	28	30	0	58
Ireland	0	5	41	47
Portugal	0	17	0	17
Spain	30	16	0	47
Total	64	88	42	194

Credit Ratings

Pohjola's rating target: AA rating issued by at least two credit rating agencies

	Moody's	S & P	Fitch
Pohjola Bank plc	Aa2*	AA-	AA-*
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*	A+	-
If	A2	A	-
Finnish government	Aaa	AAA	AAA

* Credit rating under review

** Credit rating outlook is negative

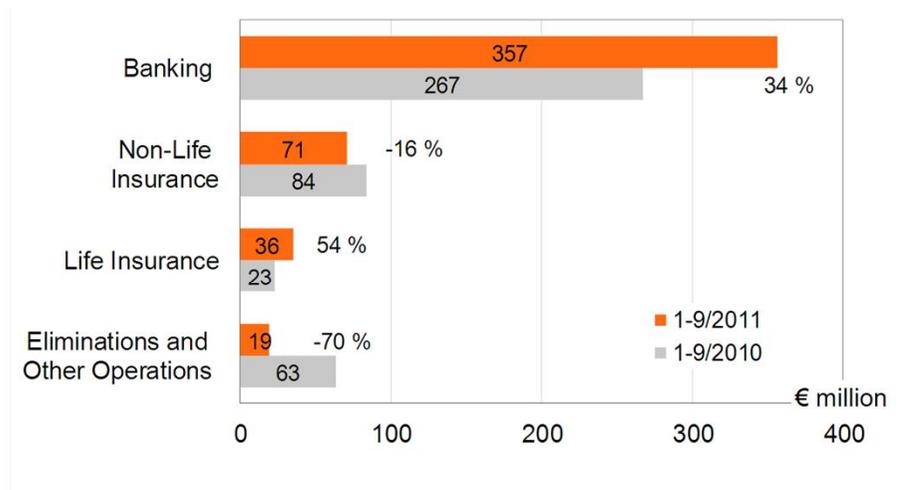
*** Covered bond rating

31 October 2011

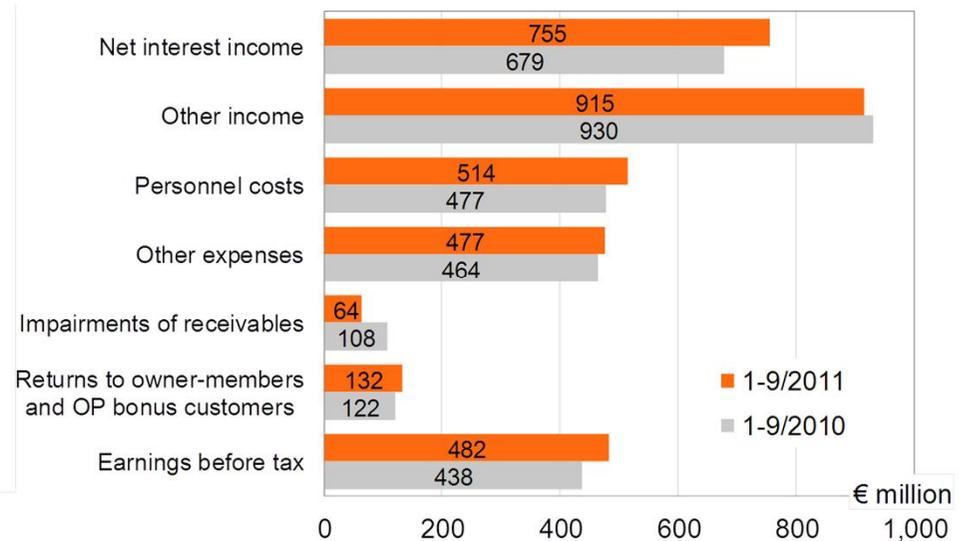
OP-Pohjola Group

Earnings before tax for Q1–3/11 €482 million (438)

Earnings before tax by business segment, € million



Income statement, € million



OP-Pohjola Group and Pohjola Bank plc

Income statement, € million

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Net interest income	755	205	917	258
Net income from Non-Life insurance	291	296	382	388
Net income from Life Insurance	78		100	
Net commissions and fees	435	119	563	164
Other income	111	43	210	116
Total income	1 670	663	2 172	926
Total expenses	991	380	1 286	514
Earnings before impairments of receivables	547	283	723	412
Impairments of receivables	64	40	149	104
Returns to owner-members and OP-bonus customers	132		163	
Earnings before tax	482	245	575	308
Change in fair value reserve	-456	-180	225	-17
Earnings/loss before tax at fair value	26	65	800	291

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Total assets, € million	91 191	41 080	83 969	36 184
Receivables from customers, € million	59 387	12 622	56 834	12 433
Deposits, € million	39 931	6 968	36 443	4 231
Equity capital, € million	6 421	2 301	6 726	2 377
Tier 1 ratio, %	11.6	11.0	12.8	12.5
Doubtful receivables, € million	329	46	204	31
Doubtful receivables and zero-interest bearing receivables of loans and guarantees, %	0.53	0.31	0.34	0.22
Loan and guarantee portfolio, € billion	61.9	14.8	59.4	14.0
Impairments of receivables, € million	64	40	149	104
Impairments of receivables / loan and guarantee portfolio, %	0.14	0.27	0.25	0.73
Personnel	13 020	3 310	12 504	3 016

OP-Pohjola Group and Pohjola Bank plc

Key figures

	OP-Pohjola Group Q1-3/11	Pohjola Bank plc Q1-3/11	OP-Pohjola Group 2010	Pohjola Bank plc 2010
Net interest margin, %	1.1*	1.32**	1.1*	1.36**
Cost/income ratio, %	59	37***	59	35***
Return on equity (ROE) at fair value, %	0.4	2.8	9.4	9.3
Return on assets, (ROA) at fair value, %	0.0		0.7	
Non-Life Insurance, solvency ratio, %		81		86
Life Insurance, solvency ratio, %	12.1****		15.9****	
Operating combined ratio, %		89.4		89.7

* Net interest income as a percentage of average total assets

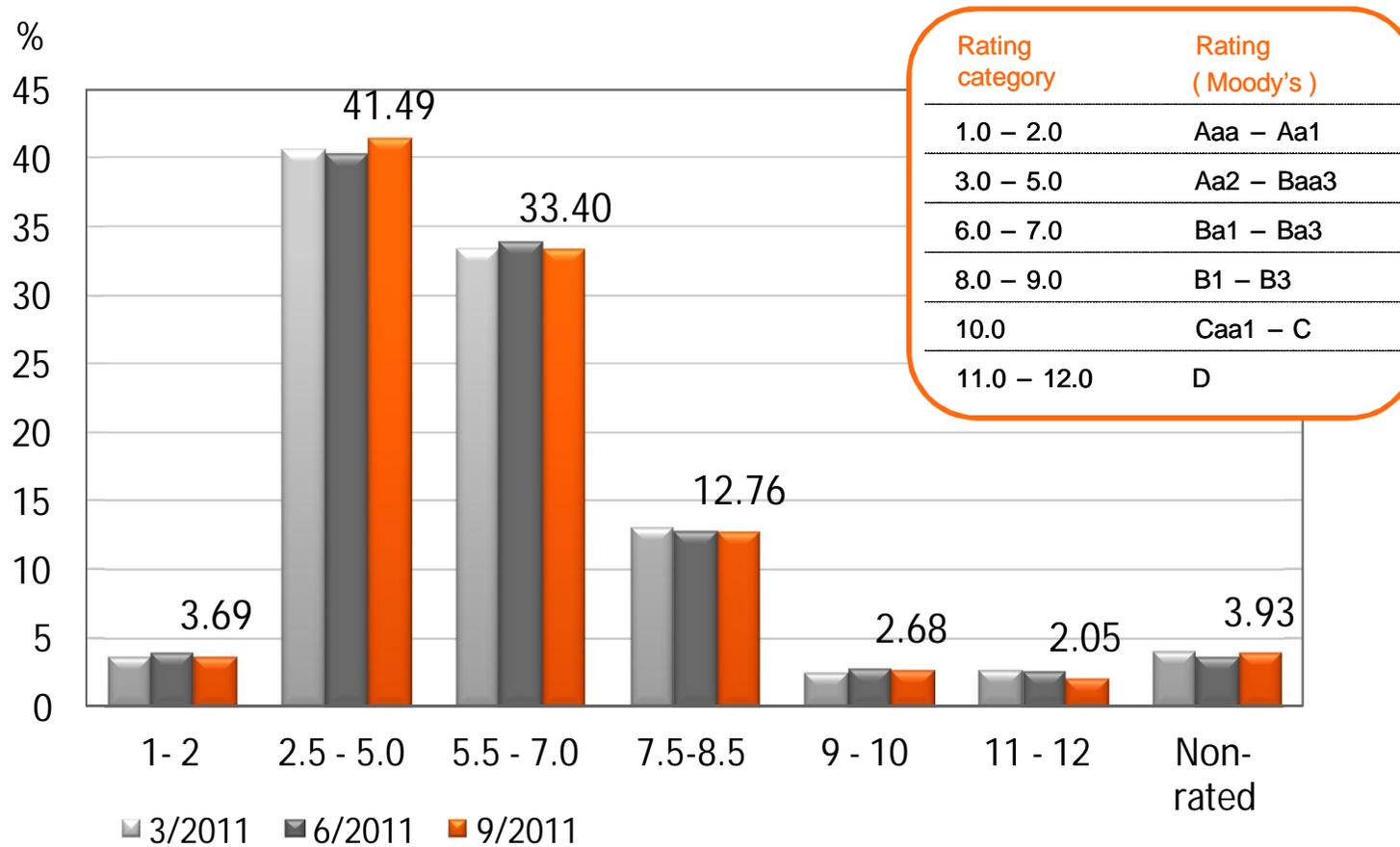
** Average margin for corporate lending

*** Operating cost / income ratio in Banking

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

OP-Pohjola Group

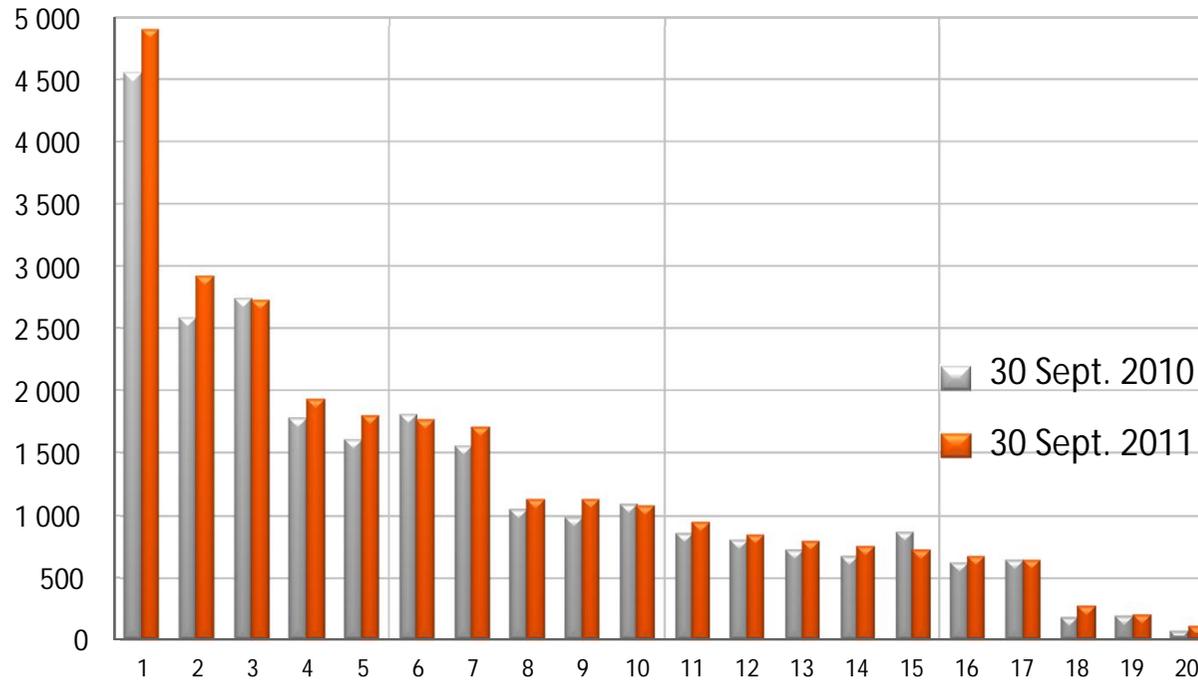
Corporate exposure by credit rating category



OP-Pohjola Group

Corporate exposure by sector 30 September 2011

Corporate exposure totalled EUR 27.1 billion in Q3/2011
 € million

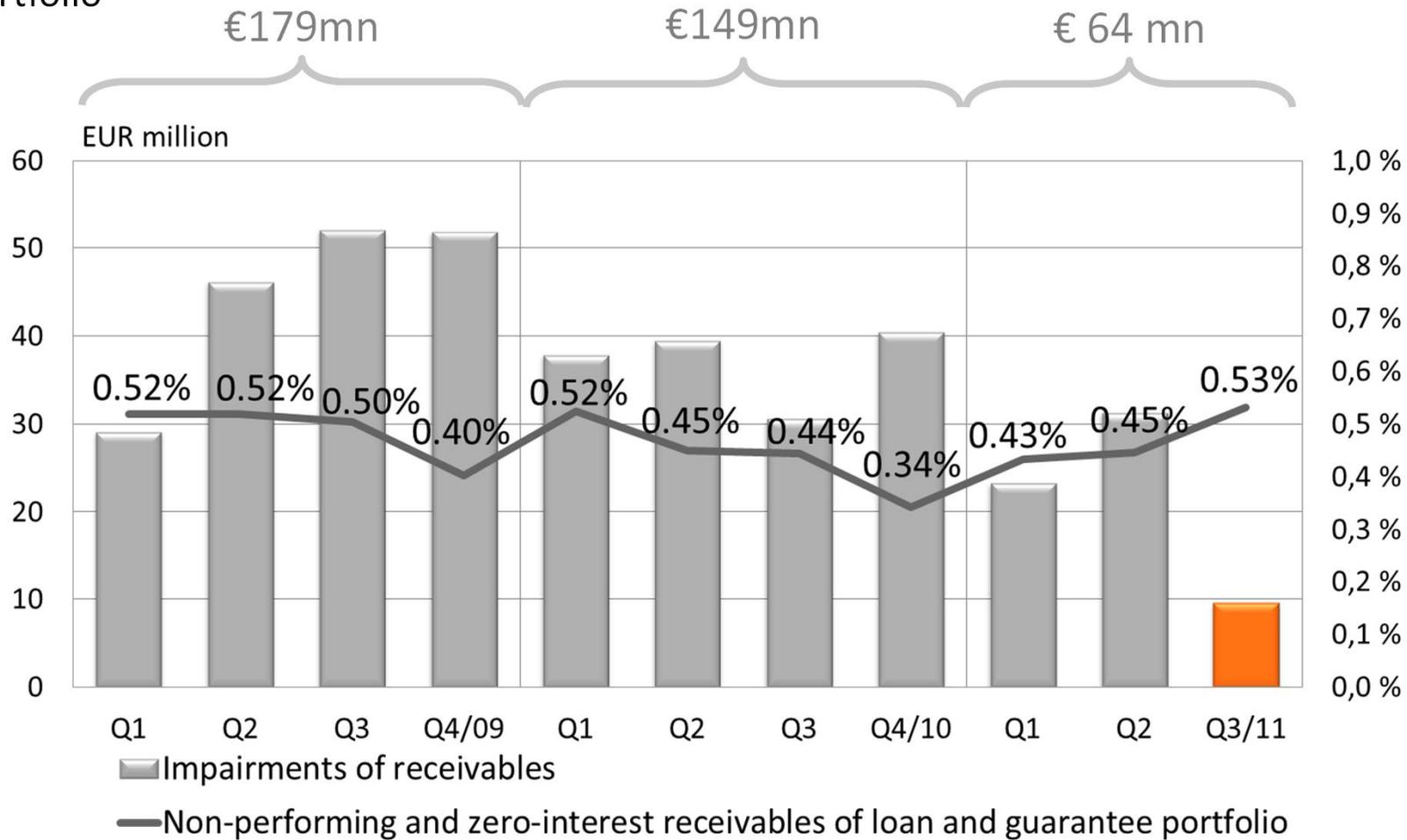


1	Renting and operating of residential real estate *	18,1 %
2	Renting and operating of other real estate	10,8 %
3	Wholesale and retail trade	10,1 %
4	Construction	7,2 %
5	Manufacture of machinery and and equipment (incl. services)	6,6 %
6	Services	6,6 %
7	Transportation and storage	6,3 %
8	Buying and selling of own real estate	4,2 %
9	Forest Industry	4,2 %
10	Metal Industry	4,0 %
11	Energy	3,5 %
12	Food Industry	3,1 %
13	Financial and insurance activities	2,9 %
14	Agriculture, forestry and fishing	2,8 %
15	Chemical Industry	2,7 %
16	Information and communication	2,5 %
17	Other manufacturing	2,4 %
18	Mining and quarrying	1,0 %
19	Water supply, sewerage and waste management	0,8 %
20	Other industries	0,4 %

*) 23% of the exposure in the renting and operating of residential real estate sector is guaranteed by government, cities or municipalities (12/2010)

OP-Pohjola Group

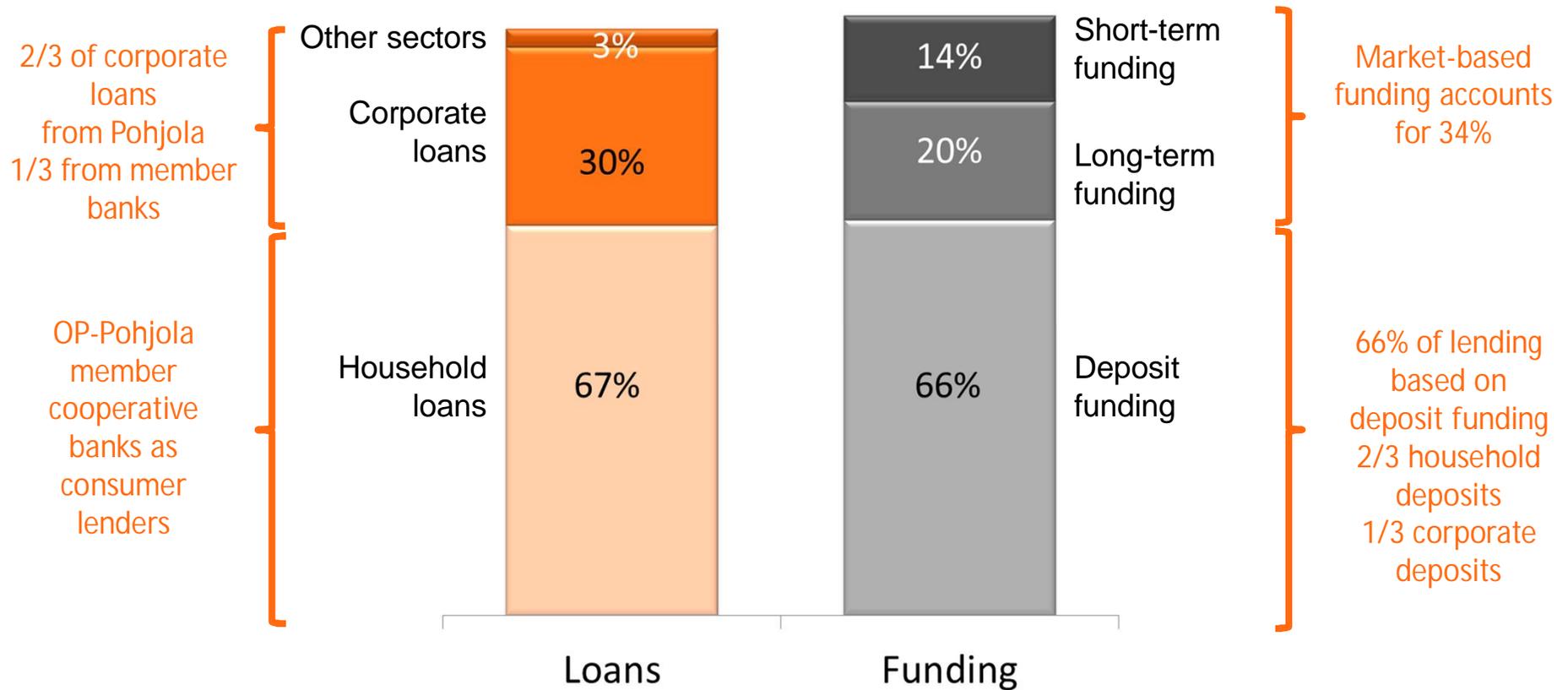
Ratio of impairments of receivables and doubtful receivables to loan and guarantee portfolio



OP-Pohjola Group

Loans and funding structure (30 September 2011)

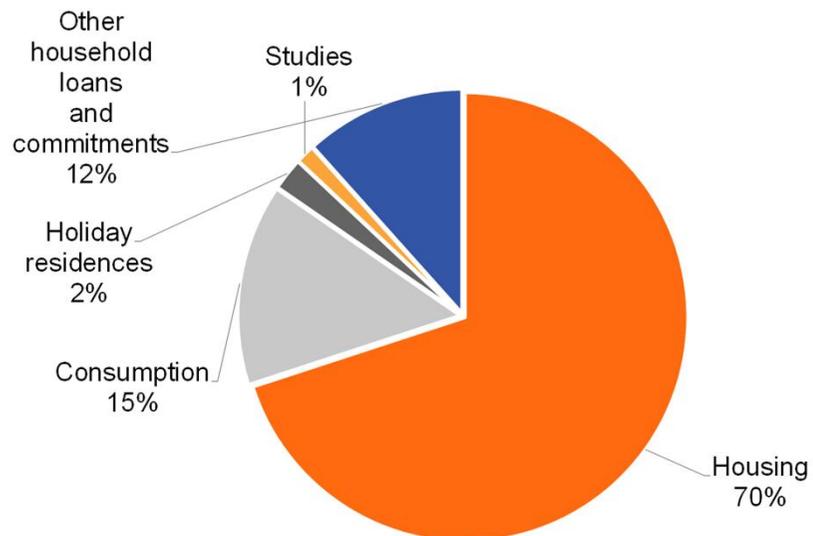
€60 bn



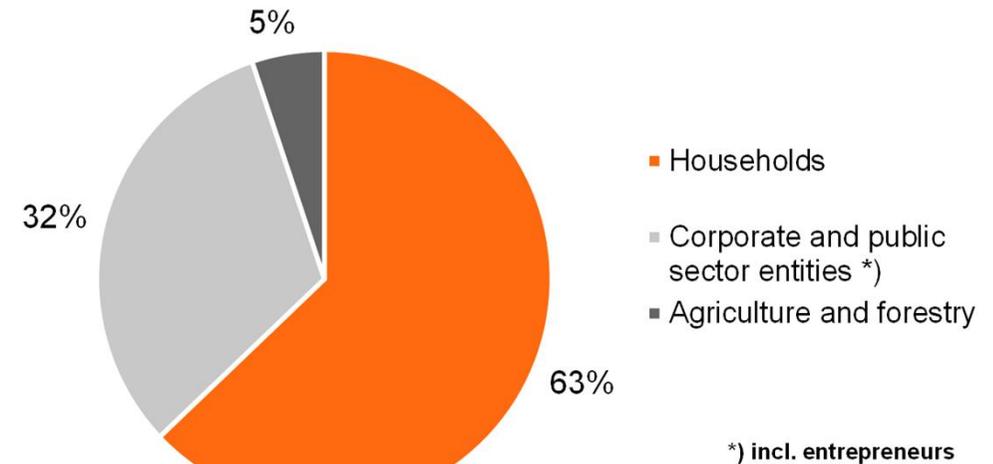
OP-Pohjola Group

Households' loans and deposits by customer sector 30 September 2011

Households' loans
€43.2 bn

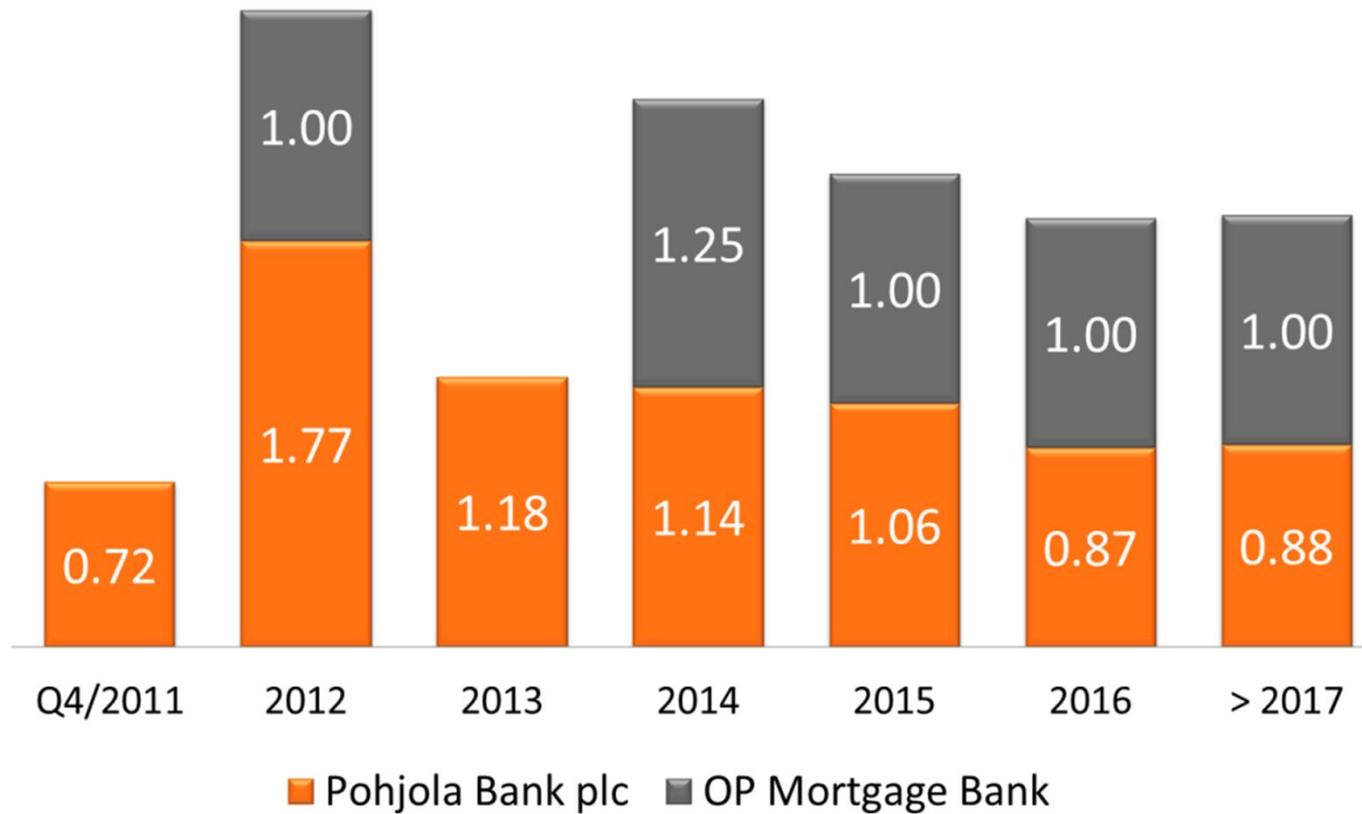


Deposits by customer sector



OP-Pohjola Group

Issued senior debt and covered bonds by maturity, € billion
30 September 2011



OP-Pohjola Group

Issued senior debt and covered bonds in 2010–11

Pohjola Bank plc Senior issues

Year	Month	Amount	Maturity	Interest rate
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

OP Mortgage Bank



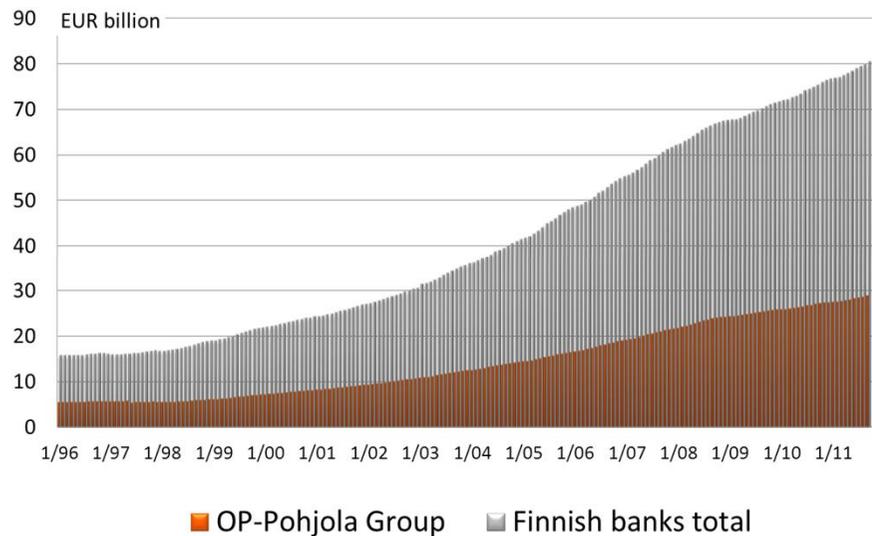
Overview: Finnish Housing Market

- Ownership ratio of households around 66%
- Average size of homes 79 m²
- Floor space per occupant 38.6 m²
- Typical maturity in new loans 20 years
- Variable interest rates: over 95% of all loans
- Average annual housing starts around 30,000
- 28% interest relief in taxation (limited)
- Capital gains tax-exempt after 2 years

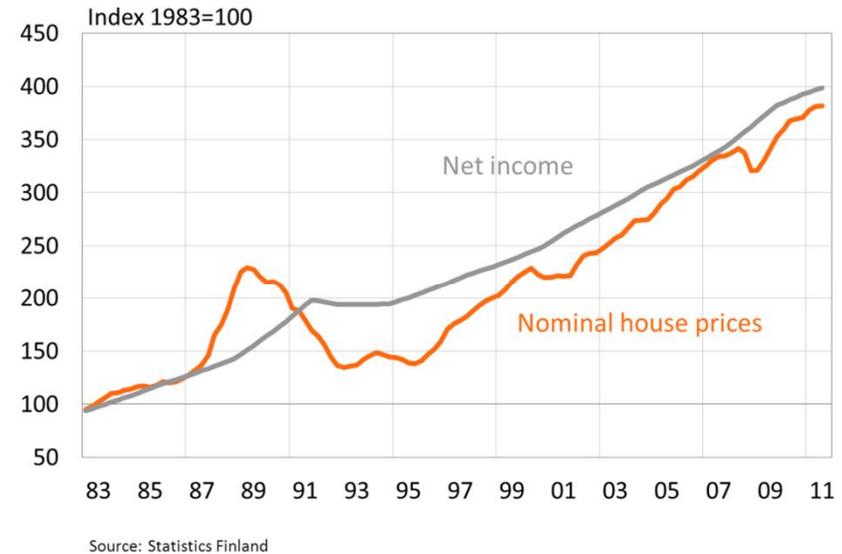
Mortgage Market and House Price Growth

- 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

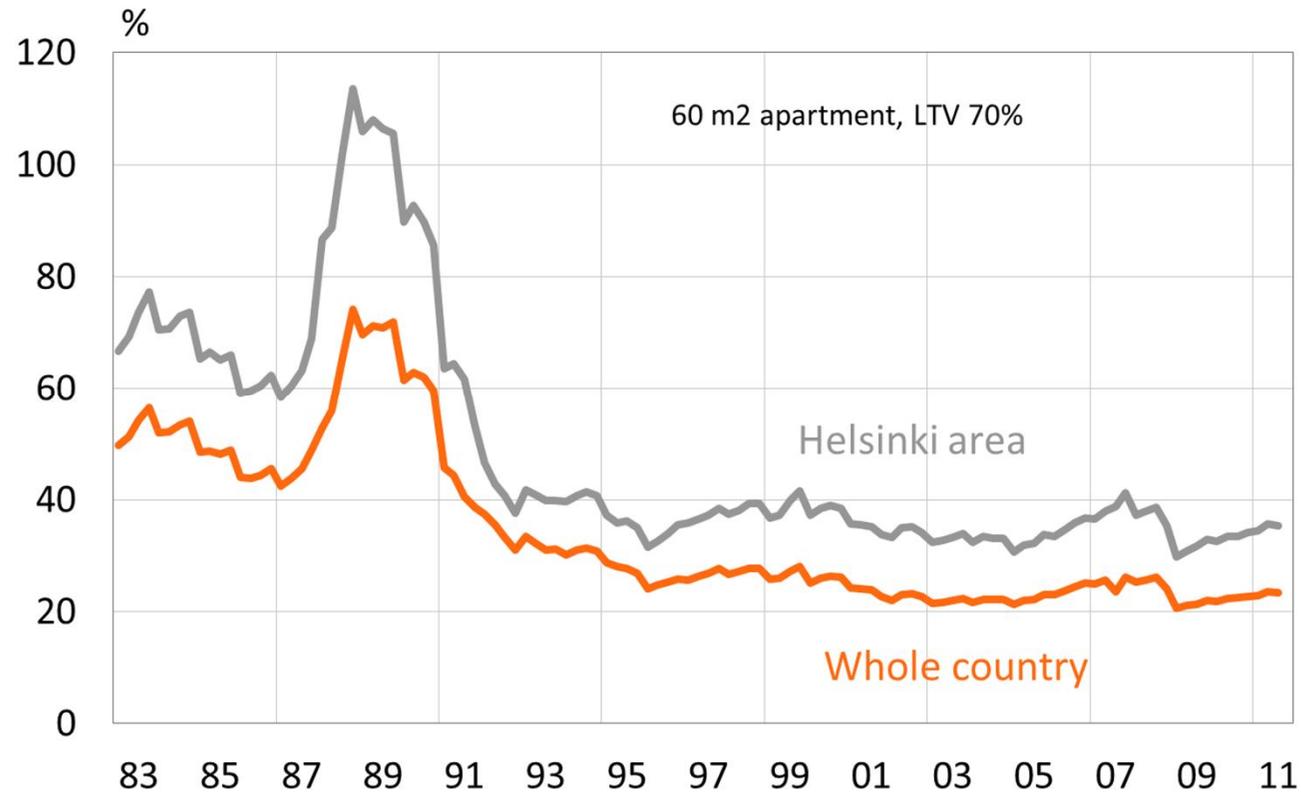


Changes in house prices and net income



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

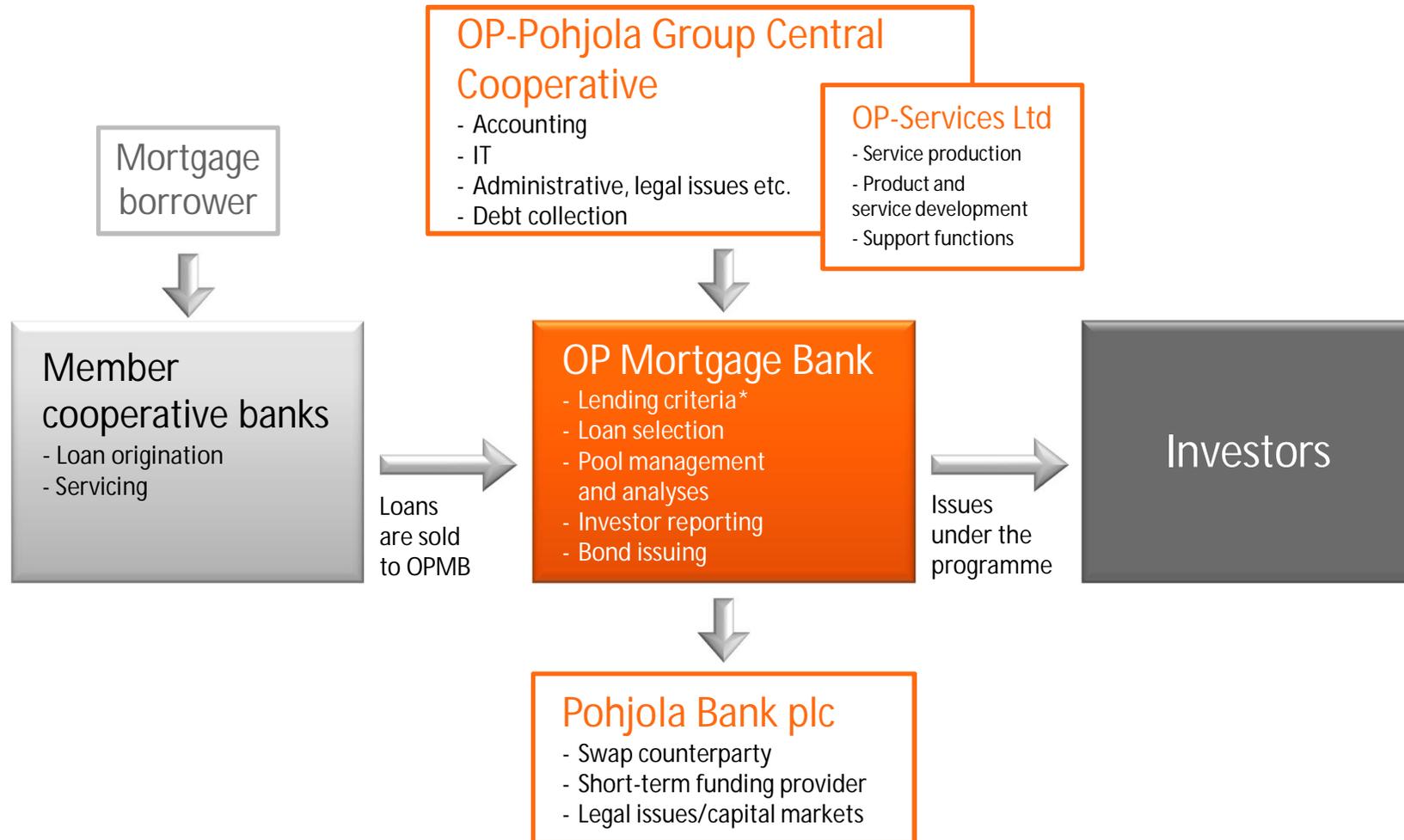
OP Mortgage Bank (OPMB) in Brief

- 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 a 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 done 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 the 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

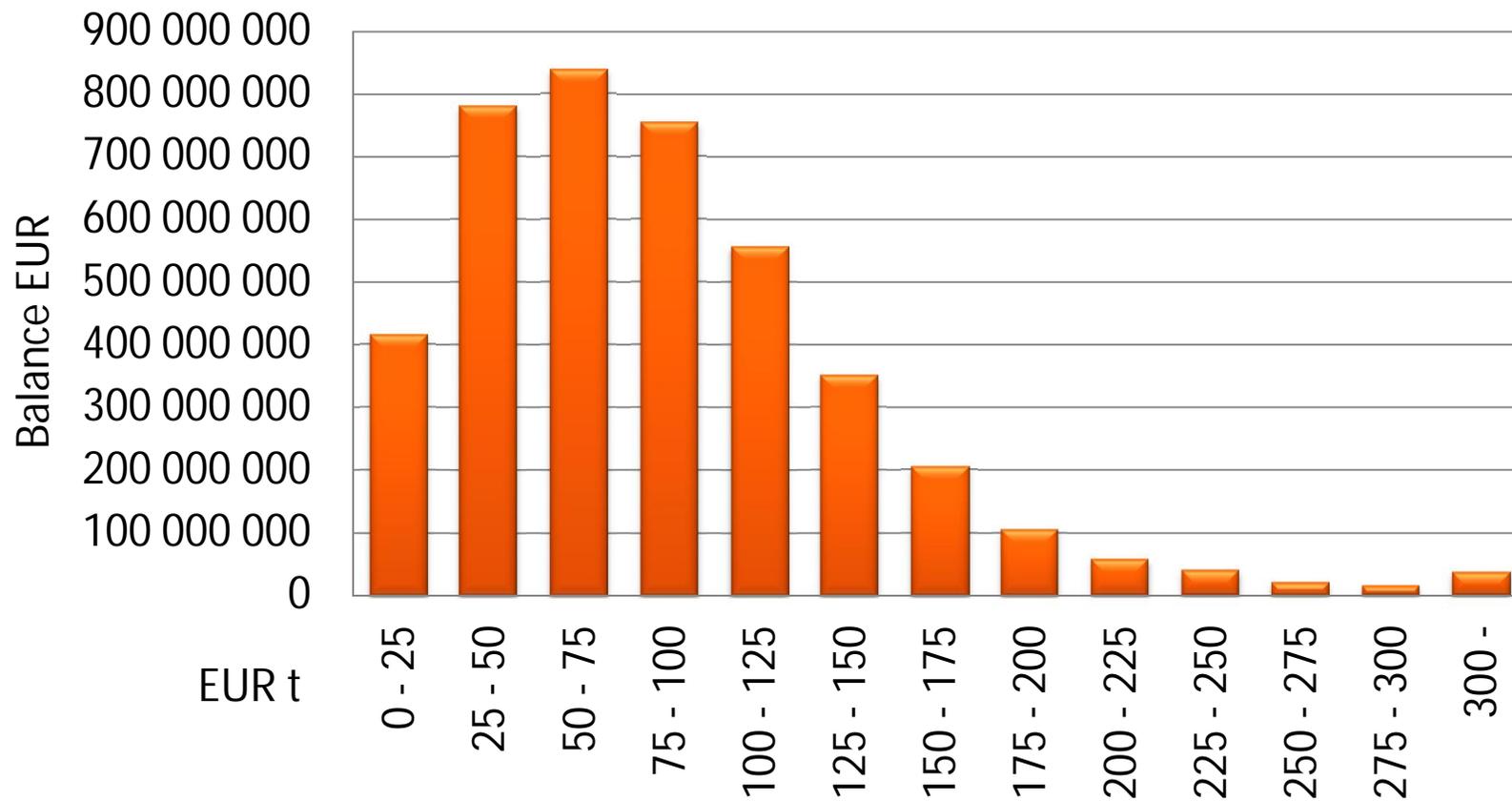


Main Features of OP Mortgage Bank Cover Asset Pool A as of September 2011

- Collateralized 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.

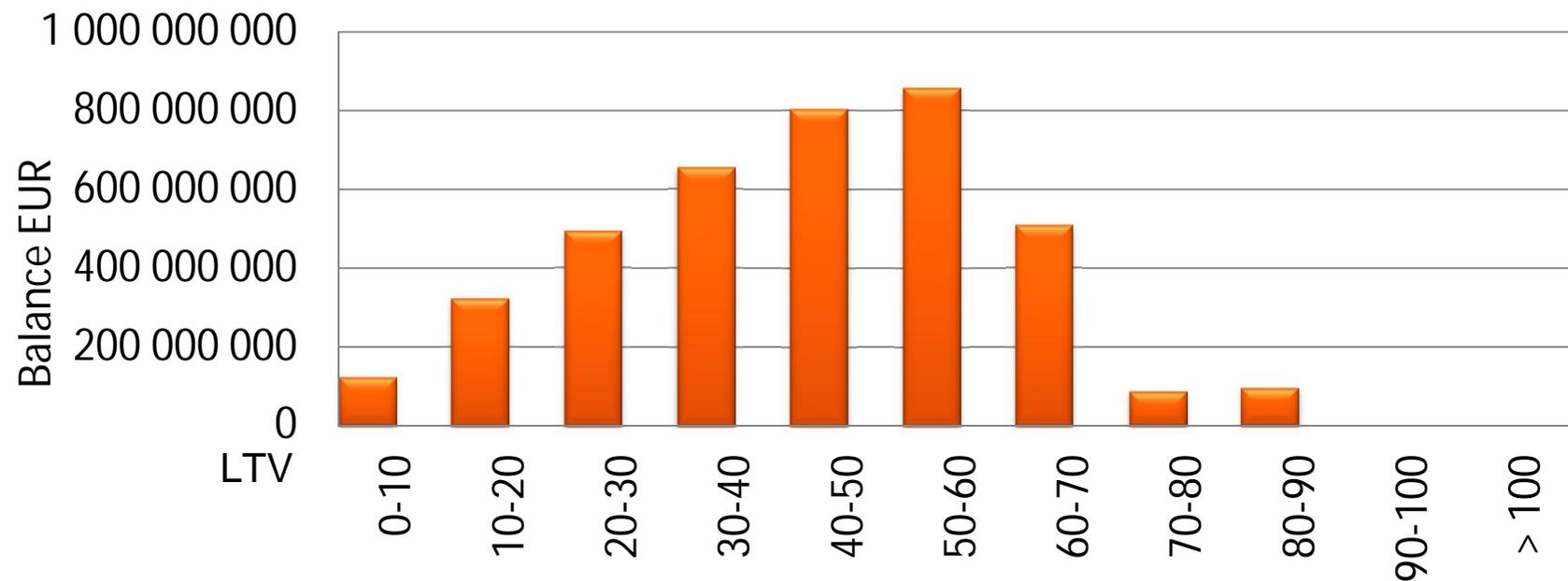
OPMB Asset Pool A Characteristics

Loans by size



OPMB Asset Pool A Characteristics

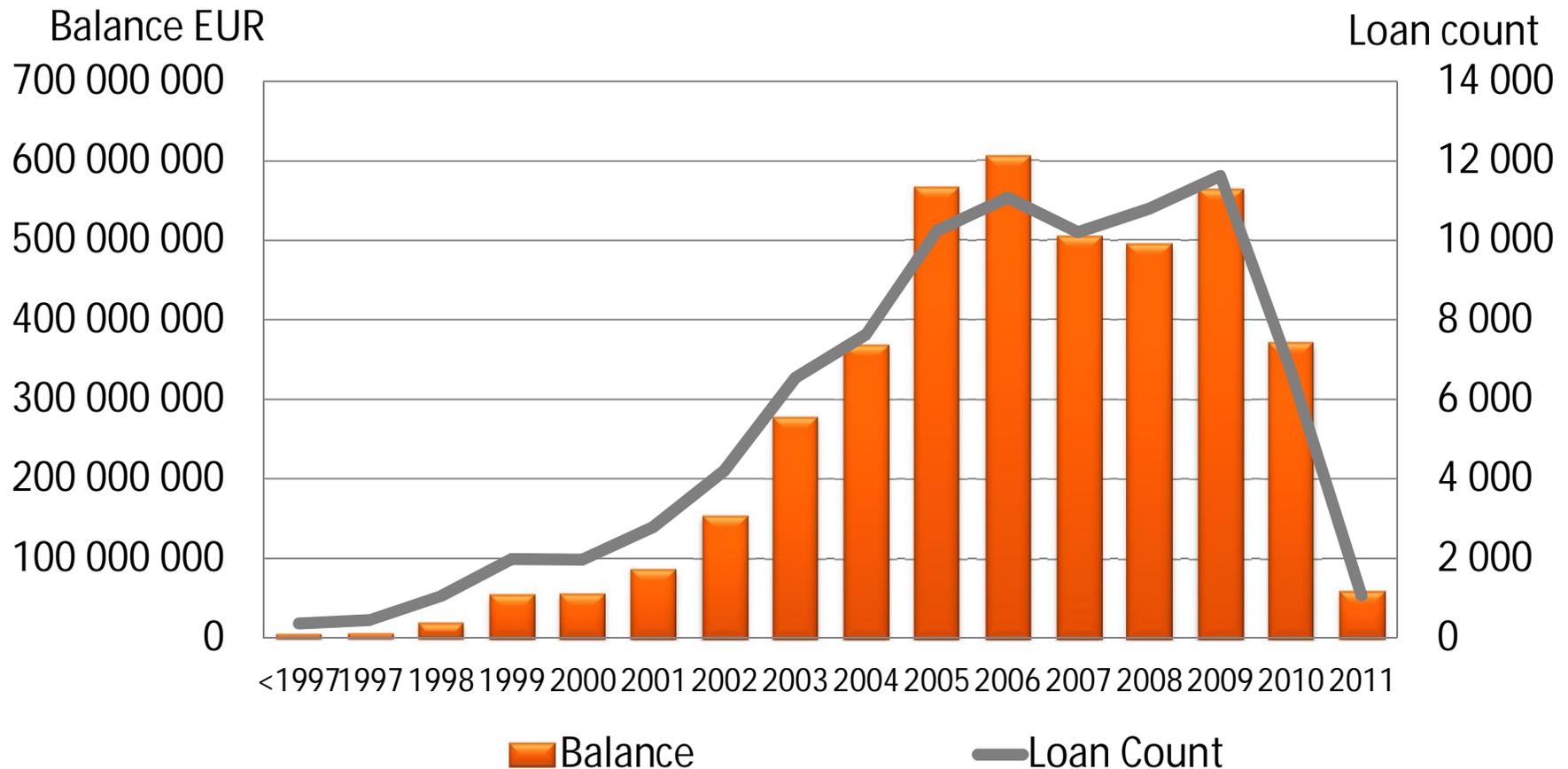
Loans by LTV



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

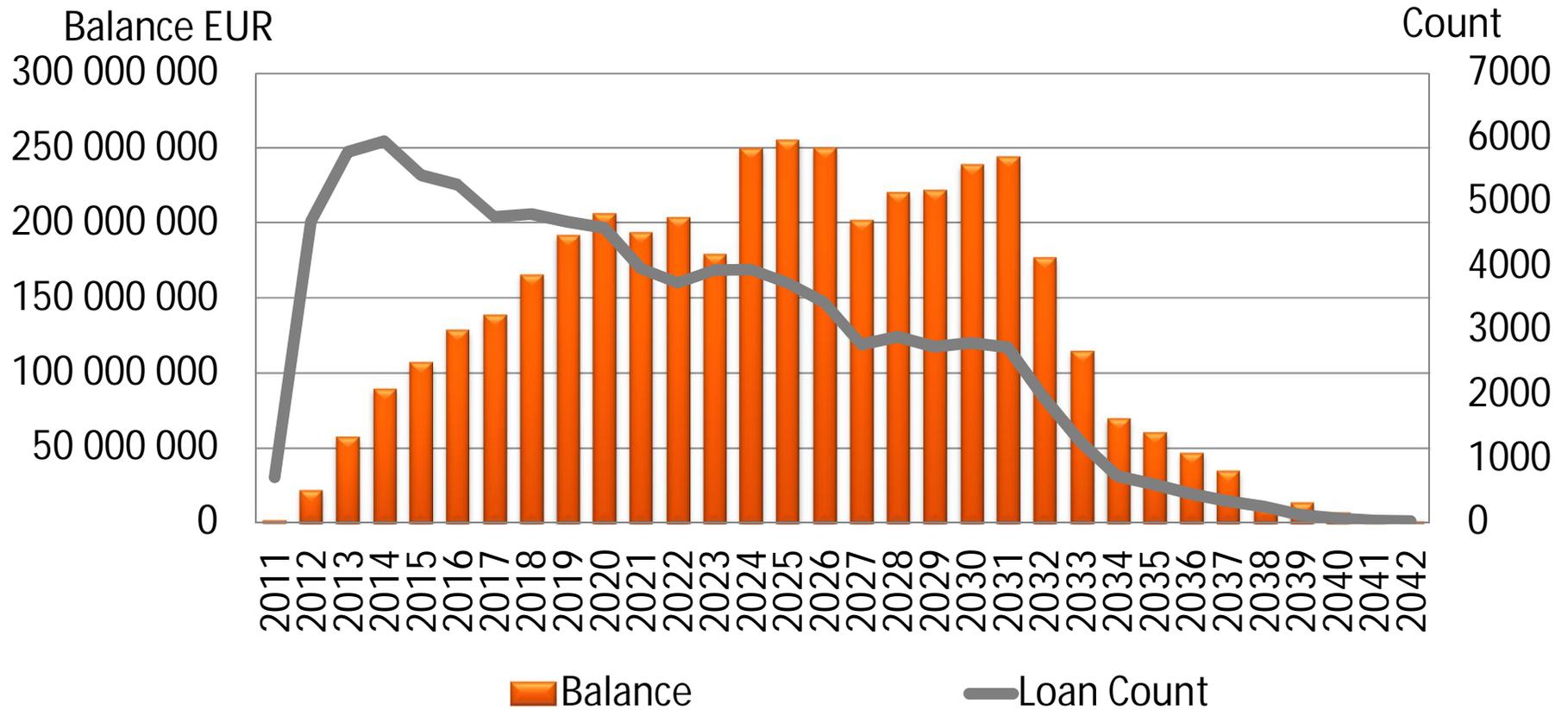
OPMB Asset Pool A Characteristics

Loans by origination year



OPMB Asset Pool A Characteristics

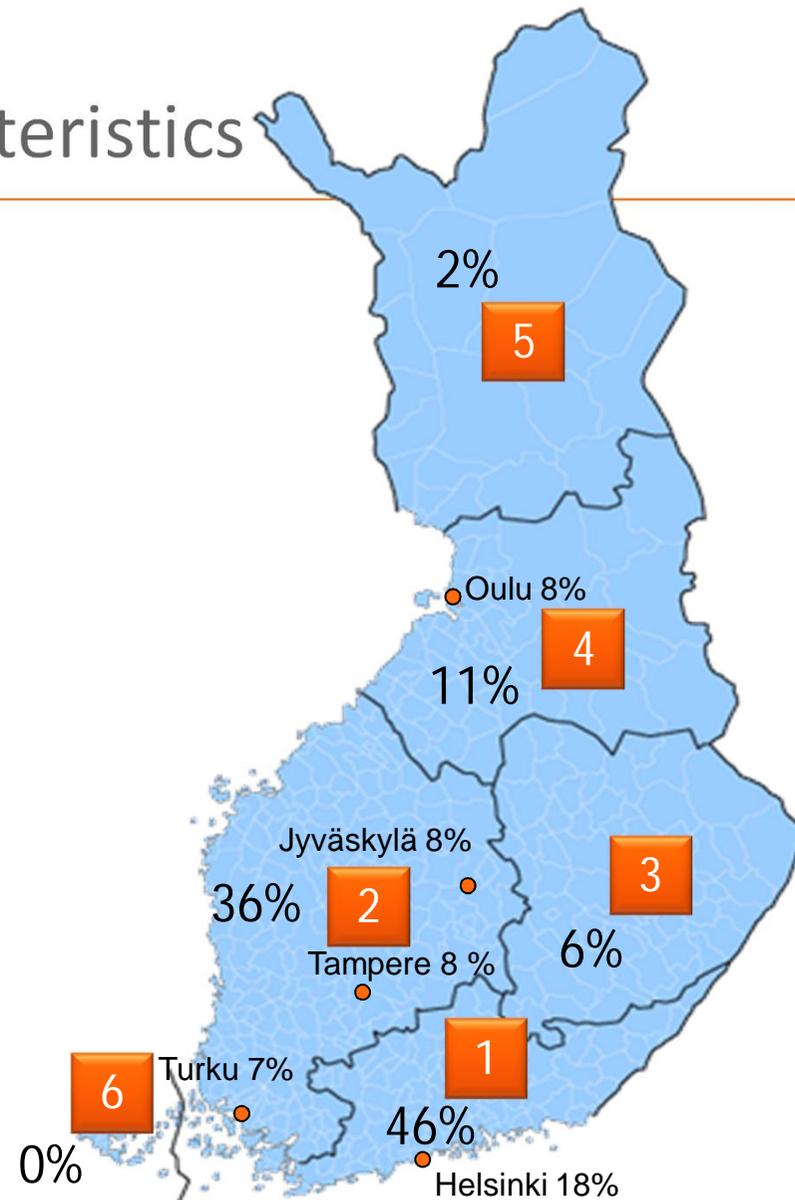
Loans by maturity



OPMB Asset Pool A Characteristics

Geographical distribution

- 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

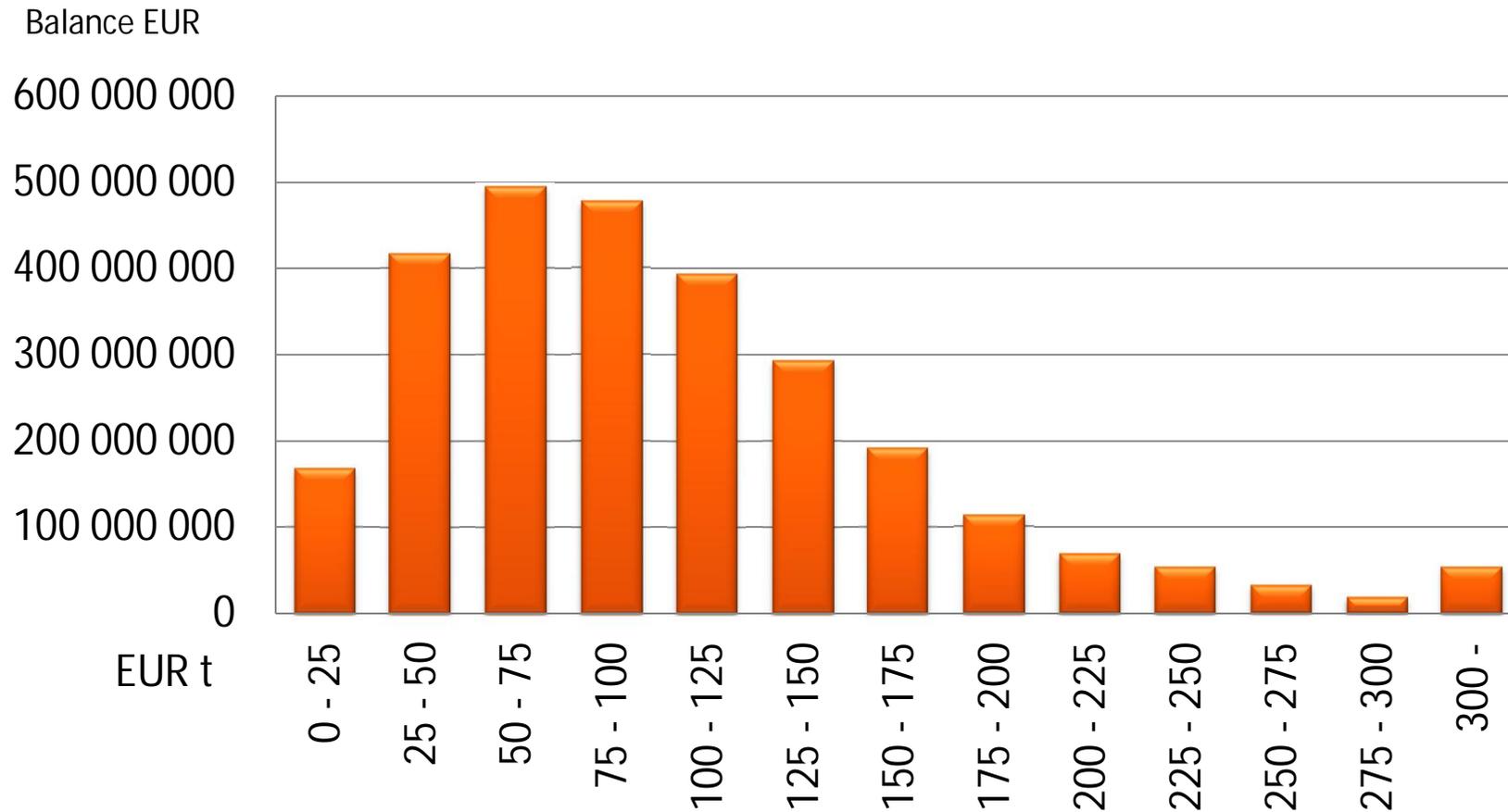


Main Features of OP Mortgage Bank Cover Asset Pool B as of September 2011

- Collateralized by first ranking Finnish mortgages
- Current balance EUR 2.8 billion
- Weighted Average indexed LTV of 54%
- Average loan size of approximately EUR 64,000
- 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

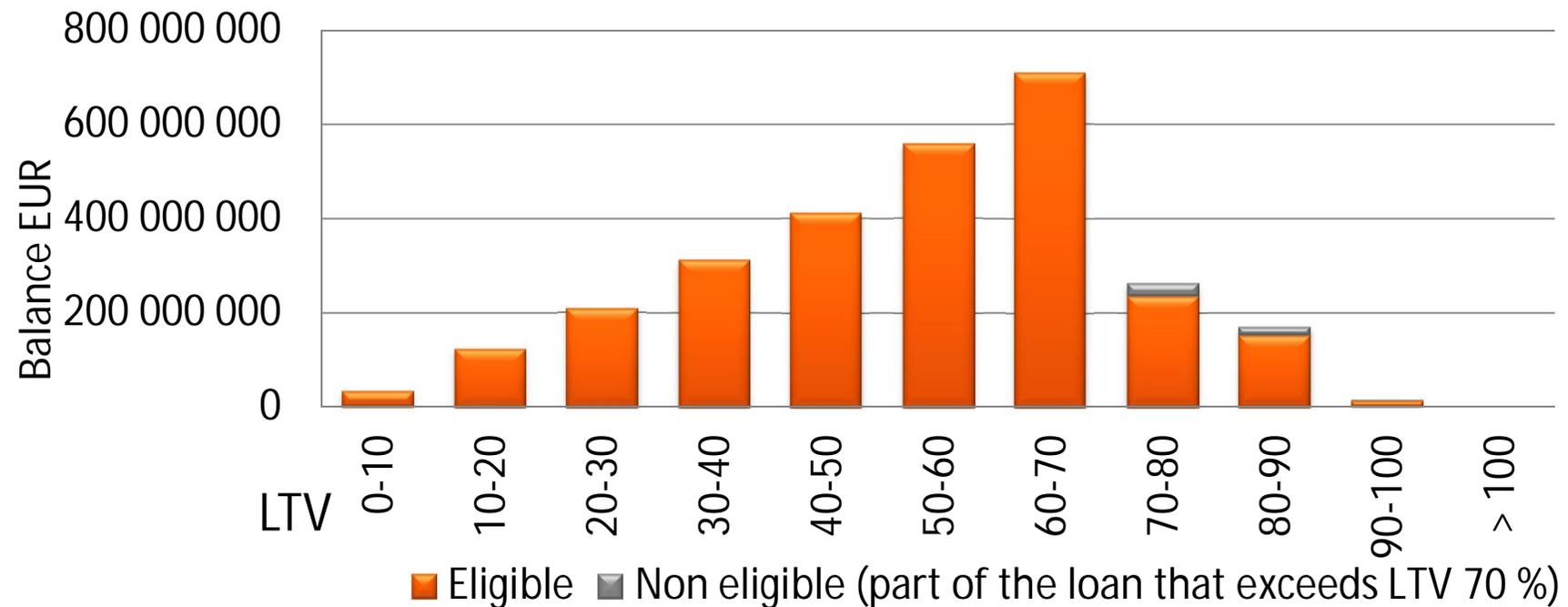
OPMB Asset Pool B Characteristics

Loans by size



OPMB Asset Pool B Characteristics

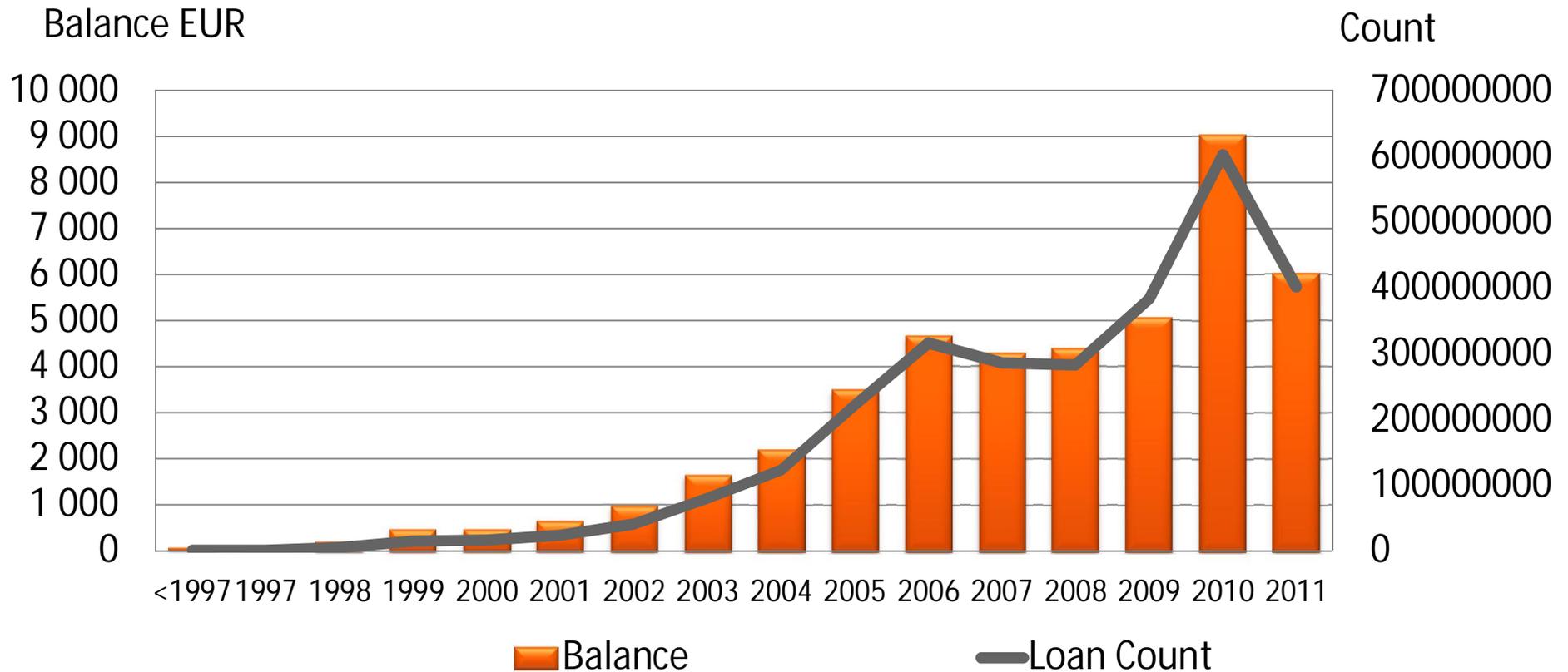
Loans by LTV



- Total assets EUR 2.8 billion
- Eligible Cover Pool assets EUR 2.75 billion
- Weighted Average indexed LTV of 54%
- Over collateralisation 37.7%

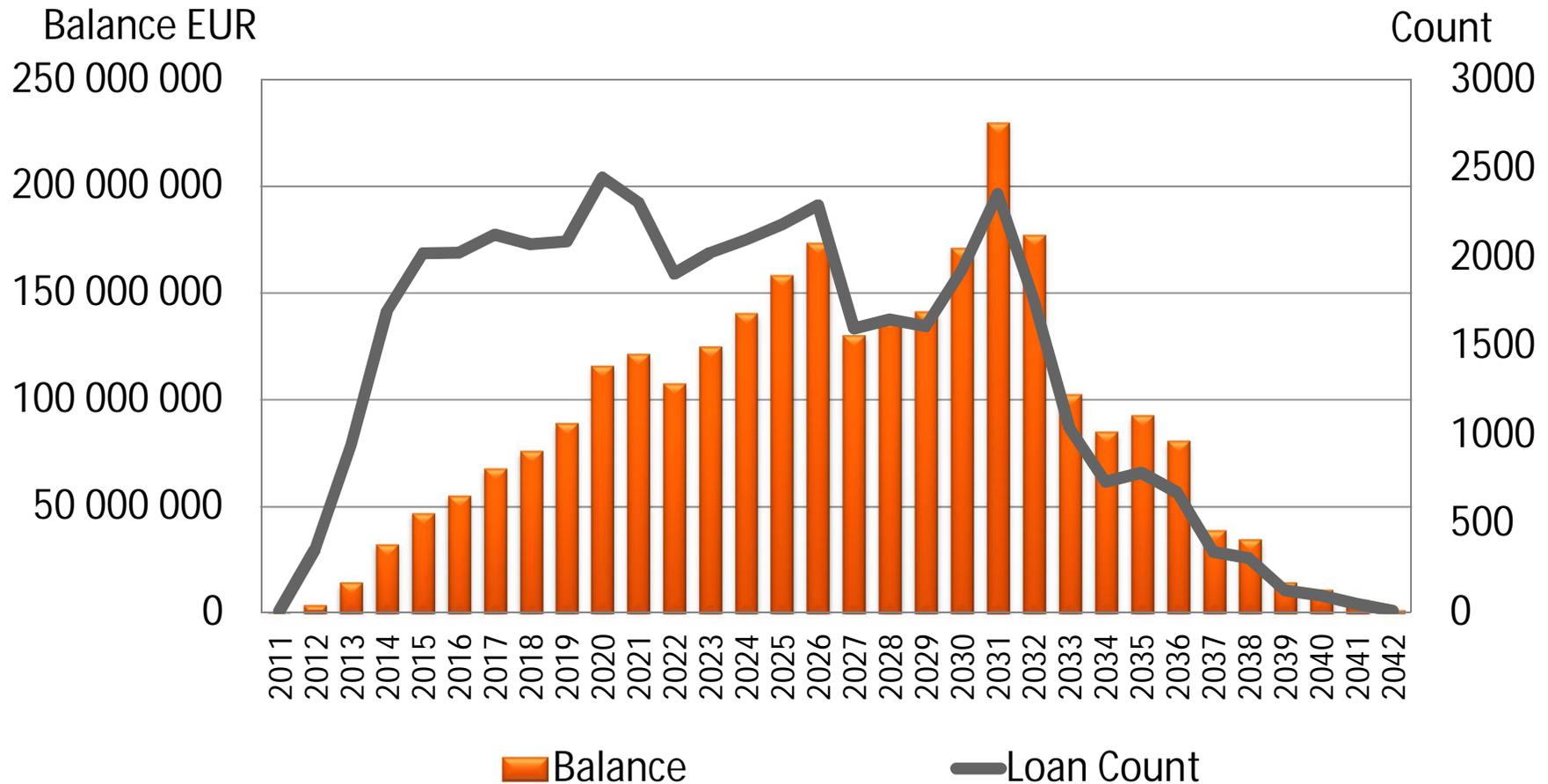
OPMB Asset Pool B Characteristics

Loans by origination year



OPMB Asset Pool B Characteristics

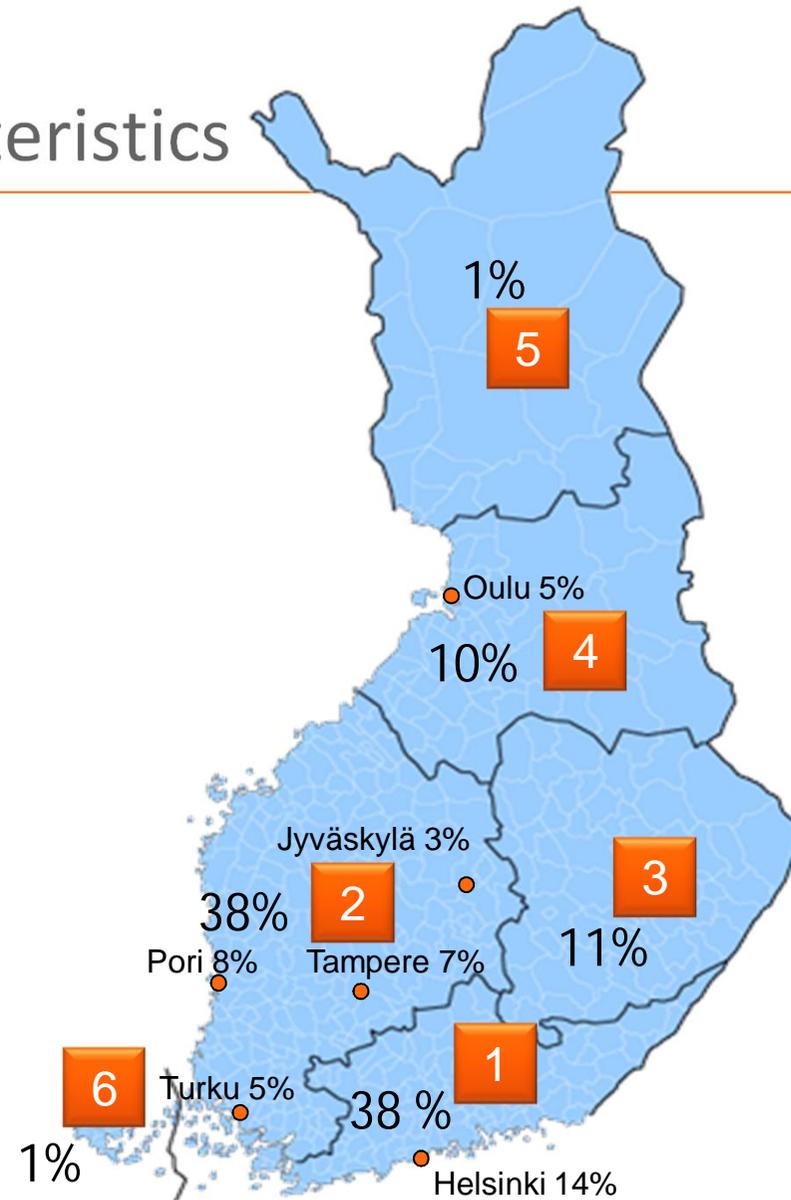
Loans by maturity



OPMB Asset Pool B Characteristics

Geographical distribution

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



Debt Investor Contacts



Investor Relations Contacts



Head of Group Treasury

Mr Hanno Hirvinen

Tel. +358 10 252 2221

hanno.hirvinen@pohjola.com



Head of Group Funding

Mr Lauri Iloniemi

Tel. +358 10 252 3541

lauri.iloniemi@pohjola.com



SVP, Investor Relations

Ms Tarja Ollilainen

Tel. +358 10 252 4494

tarja.ollilainen@pohjola.com



IR Controller

Ms Jaana Mauro

Tel. +358 10 252 8426

jaana.mauro@pohjola.fi