



## OKO BANK

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### **OKO BANK ANNUAL REPORT BULLETIN 2005 AND THE PRESIDENT'S COMMENTS**

#### **The President's Comments:**

“OKO Bank’s banking business proceeded well last year. The financial performance exceeded our objectives and was also better than the previous year. The group’s operating profit before tax amounted to €150 million and, taking into account the capital gains from the sale of Retail Banking, to slightly more than €300 million.

Earnings before tax for the last quarter of the year amounted to €35 million. €15 million from Pohjola was consolidated in earnings. Earnings before tax for the last quarter, adjusted by the effects of the Pohjola transaction, the sale of Retail Banking and some other earnings items, amounted to €27 million. The adjusted earnings were at the same level as in the corresponding period last year.

Corporate Banking, in particular, was at its best last year. It succeeded in increasing its business without compromising on margins – even in a fierce competition situation. The earnings result was the all time high for Corporate Banking.

For Investment Banking 2005 was also a good year. Business operations increased rapidly and earnings improved on the previous year.

The risk situation continued to be good during the end of the year. I estimate that it will continue to be good this year as well.

OKO Bank is now a bank and an insurance company. In the future, Banking and Securities Services and Non-life Insurance will each generate about half of the group’s earnings. In the new structure the accumulated earnings for the group are more diversified than earlier, but due to the investment risks of insurance operations, earnings may be more volatile than what we are used to during the past few years. The importance of good risk management will be emphasised in the new business structure.

During this spring we will draw up a new strategy for the OKO Bank Group and confirm the long-term financial targets. These will be introduced to investors before the summer holiday season. The greatest challenge in 2006 will be to integrate OKO Bank’s and Pohjola’s operations so that the whole functions seamlessly and efficiently for the benefit of customers and shareholders. There is a lot of work to do, but the starting points are good.”

Helsinki, February 17, 2006

Mikael Silvennoinen

## ANNUAL REPORT BULLETIN 2005

### *OKO Bank's Business Expanded to Non-life Insurance*

- In September, OKO Bank acquired a majority holding in Pohjola Group plc, which became OKO Bank's subsidiary in October. The acquisition expands OKO Bank's business into the non-life insurance market and reinforces the Bank's position as an asset manager. As part of the financing of the transaction, OKO Bank sold its Retail Banking operations.

### *Earnings Doubled by the Sale of Retail Banking*

- OKO Bank Group's earnings before tax, including the capital gains from Okopankki, amounted to €304 million (138)<sup>1</sup>. The capital gains from Okopankki Oyj shares amounted to €153 million. The consolidated share of Pohjola was €15 million. The profit for the fiscal period amounted to €271 million (108).
- The comparable earnings before tax increased by 17 per cent. In the calculation of comparable earnings, the consolidated earnings share of Pohjola, non-recurring capital gains from shares, profit shares from sold affiliates and the earnings of Retail Banking for the November–December period in 2004 have been eliminated.
- Return on equity was 19.8 per cent (13.9).
- Earnings per share totalled €1.96 (0.86).
- The capital adequacy ratio was 12.8 per cent (11.0), while the Tier I ratio was 9.6 per cent (7.6). The capital adequacy ratio according to the Act on the Supervision of Financial and Insurance Conglomerates was 1.23.
- The Executive Board proposes a dividend of €0.60 for Series A shares and €0.57 for Series K shares. With the proposed dividend distribution, the effective dividend yield is 5.1 per cent.

### *Business Increased Rapidly*

- The loan portfolio at the end of 2005 amounted to €6.8 billion (8.7). The sale of the Retail Banking reduced the loan portfolio by €2.9 billion. In Corporate Banking, the loan portfolio increased by 13 per cent and its position as a corporate bank was strengthened.
- The gross underwriting reserves of Non-life Insurance amounted to €1.9 billion, of which the share of pension-type liabilities was €1.2 billion.
- The amount of client funds under management was €27.5 billion (10.9) at the end of the year under review. Customer funds under management by Opstock Asset Management increased by 24 per cent to €13.6 billion. The client funds under management by Pohjola Asset Management were €14.0 billion.

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<sup>1</sup> The comparison figure for 2004 is included in brackets. In the case of income statement and other accrual type figures, the comparison is with the figure for 2004. In the case of balance sheet and other cross section type figures, the comparison is with the figure for the previous closing date of the accounts (December 31, 2004).

## **Operating Environment**

Output growth slowed down in the western industrial countries in 2005. In the USA, growth nevertheless remained moderate. By contrast, economic growth in the eurozone was very modest, because exports were not able to offset sluggish domestic demand. The fastest growth was registered in Asia and eastern Europe.

The already low interest rates in the eurozone declined slightly in the first half of 2005. In the latter half of the year, euribor rates headed upwards, portending a tightening in monetary policy. For example, the 12-month euribor rose from 2.1 per cent in June to 2.8 per cent by the end of the year. The European Central Bank did raise its main lending rate in December, from 2.0 per cent to 2.25 per cent, citing inflationary pressures. Long interest rates nevertheless remained nearly unchanged because high oil prices were thought to slow down economic growth.

In Finland, output grew by just under 2 per cent. A factor that exerted a big drag on output growth was the labour dispute in the paper industry in the early summer. Growth in consumption expenditure held steady. Consumption was bolstered by the rise in disposable income and an improvement in employment. Capital expenditures decreased in the first half of the year, but rebounded in the latter part of the year thanks to brisk construction activity. The price level remained stable. Consumer prices rose on average by just under a per cent compared with the previous year. House prices, however, climbed by 9 per cent.

The robust demand for home mortgages that has continued for several years now gathered ever greater pace. The 17 per cent growth in the home mortgage portfolio was supported by the rise in incomes and low interest rates. As a counterweight to weak capital expenditure activity, M&A arrangements stoked the approximately 8 per cent growth in the corporate loan portfolio. Deposits increased by about 5 per cent, on a par with the figure a year earlier. The interest rate spread between loans and deposits narrowed to 2.4 percentage points. Buoyant equity prices increased the popularity of long-term saving. Mutual fund capital continued its 40 per cent-plus growth for the third year running.

## **Transition to IFRS Reporting**

OKO Bank Group made the transition from Finnish accounting standards (FAS) to the international IFRS standard on January 1, 2005. The date of transition to the IFRS standard was January 1, 2004, although standards IAS 39 (Financial Instruments: Recognition and Measurement) and IAS 32 (Financial Instruments: Disclosure and Presentation) were adopted only on January 1, 2005.

The transition to IFRS reporting changed the accounting principles and financial statements. The most significant effects of the transition to IFRS were associated with defined-benefit pension plans (IAS 19, Employee Benefits); changes to the management of investment properties, which were due to the fair valuation of investments (IAS 40, Investment Properties); and changes to the method of combining mutual real estate companies (IAS 16, Property, Plant and Equipment, and IAS 31, Interests in Joint Ventures). Other adjustments had a negligible effect.

## Key Figures

	2001 FAS	2002 FAS	2003	2004 FAS	2004 IFRS	2005 IFRS	Long- term target <sup>1)</sup>
Earnings before tax, € million	79	62	126	102	108	271	
Return on equity, %	13.0	10.0	18.5	13.9	13.9	19.8	12.0
Return on assets, %	0.67	0.50	0.92	0.66	0.69	1.40	
Total income, € million	270	255	335	291	271	360	
Cost/income ratio in Banking and Securities Services, %	50	53	50	51	47	46	40
Balance sheet total, € billion	12.6	12.7	14.8	16.4	16.5	22.3	
Risk-weighted items, € billion	7.2	8.0	8.8	9.9	10.0	10.5	
Loan portfolio, € billion	5.9	6.7	7.4	8.7	8.7	6.8	
Proportion of problem receivables to loans and quarantees, %	0.3	0.2	0.2	0.2	0.2	0.3	
Proportion of impairment losses to loans and quarantees, %	-0.1	0.0	0.0	0.0	0.0	0.0	
Client funds, € billion <sup>2)</sup>	7.4	8.0	10.4	13.3	13.3	28.0	
Capital adequacy ratio, %	12.8	11.1	11.0	10.8	11.0	12.8	
Tier I ratio, %	7.4	7.0	7.0	7.1	7.6	9.6	
Insurance contract liabilities							
Gross, € million						1 883	
Net, € million						1 810	
Earnings per share, € <sup>3)</sup>	0.65	0.52	1.03	0.81	0.86	1.96	
Earnings per share, diluted, € <sup>3)</sup>	0.62	0.49	1.00	0.79	0.84	1.94	
Equity per share, € <sup>3)</sup>	5.15	5.27	5.93	5.84	6.15	8.76	
Dividend per share, € <sup>3)</sup>	0.43	0.29	0.85	0.41	0.41	0.59 <sup>4)</sup>	
Dividend payout ratio, % <sup>3)</sup>	65	55	82	50	48	30 <sup>4)</sup>	50
Effective dividend yield (OKO A), % <sup>3)</sup>	7.8	5.2	12.2	5.1	5.1	5.1 <sup>4)</sup>	
Market capitalisation (A and K), € million <sup>3)</sup>	659	675	871	1 022	1 022	2 386	
Average personnel	1 070	1 117	1 138	1 246	1 246	1 668	

1) Following the Pohjola transaction, OKO Bank published new financial targets:

– OKO Bank Group: ROE 12%.

– Banking and Securities Services: ROE 14% and C/I ratio below 40%

– Non-life Insurance: ROE 12% and COR below 99% in all phases of economic cycle.

2) Client funds = deposits and amount of assets under management in Asset Management

3) Per-share key ratios have been issue adjusted

4) Executive Board's dividend proposal: €0.60 for Series A shares and €0.57 for Series K shares

## Earnings Doubled by the Sale of Retail Banking

OKO Bank Group's earnings before tax, including the capital gain from Okopankki, amounted to €304 million (138). The figure includes almost €153 million of capital gains from Okopankki Oyj shares. The consolidated earnings of Pohjola for the November–December period were €15 million.

Return on equity was 19.8 per cent (13.9) and earnings per share €1.96 (0.86). In Banking and Securities Services the cost/income ratio was 46 per cent (47).

The earnings from Retail Banking were consolidated with the Group for the January–October period and the earnings of the Pohjola Group from November–December 2005.

## Financial Performance

€ million	2005				2005	2004	Change, %
	Q1	Q2	Q3	Q4			
Net interest income	38	40	38	26	143	147	-3
Impairment losses on receivables	1	0	1	2	4	1	-
<b>Net interest income after impairment losses</b>	<b>37</b>	<b>40</b>	<b>38</b>	<b>24</b>	<b>139</b>	<b>145</b>	<b>-4</b>
Net income from Non-life Insurance	-	-	-	69	69	-	-
Net income from Life Insurance	-	-	-	-2	-2	-	-
Net commissions and fees	24	24	24	24	96	85	13
Net trading income	3	-1	7	6	16	2	-
Net income from investments	11	7	3	-2	19	31	-40
Other operating income	2	3	2	16	23	7	-
<b>Total income</b>	<b>77</b>	<b>73</b>	<b>74</b>	<b>135</b>	<b>360</b>	<b>271</b>	<b>33</b>
Personnel costs	17	16	14	39	86	59	46
IT expenses	7	7	6	9	29	25	19
Depreciation	3	3	3	13	21	10	-
Other expenses	12	13	11	39	75	46	63
<b>Total expenses</b>	<b>38</b>	<b>38</b>	<b>34</b>	<b>100</b>	<b>211</b>	<b>139</b>	<b>51</b>
Share of affiliate profits	0	1	0	0	1	6	-79
<b>Earnings before tax</b>	<b>39</b>	<b>36</b>	<b>40</b>	<b>35</b>	<b>150</b>	<b>138</b>	<b>9</b>
Income tax	8	9	11	5	33	30	8
Capital gains from discontinued operations after tax	-	-	-	153	153	0	-
<b>Profit for the period</b>	<b>31</b>	<b>26</b>	<b>29</b>	<b>184</b>	<b>271</b>	<b>108</b>	<b>-</b>

## Pro forma Income Statement

In order to make it easier to compare earnings items, the following pro forma income statement, from which the earnings affects of the Pohjola transaction have been eliminated and the earnings of Retail Banking have only been included for the January-October period in both years. In addition, non-recurring capital gains from shares and consolidated profit shares from sold affiliates have been deducted from both periods.

	2005	2004	Change , %	Q4/ 2005	Q4/ 2004
<i>€ million</i>					
Net interest income	150	138	9	33	31
Impairment losses on receivables	4	1	-	2	1
<b>Net interest income after impairment losses</b>	<b>147</b>	<b>137</b>	<b>7</b>	<b>31</b>	<b>29</b>
Net income from Non-life Insurance	-	-	-	-	-
Net income from Life Insurance	-	-	-	-	-
Net commissions and fees	94	79	18	22	20
Net trading income	15	2	-	5	-1
Net income from investments	14	21	-34	-3	4
Other operating income	11	7	57	4	4
<b>Total income</b>	<b>280</b>	<b>247</b>	<b>14</b>	<b>59</b>	<b>56</b>
Personnel costs	61	55	11	14	13
IT expenses	25	23	7	5	5
Depreciation	12	9	24	4	2
Other expenses	46	43	8	10	9
<b>Total expenses</b>	<b>144</b>	<b>131</b>	<b>10</b>	<b>33</b>	<b>29</b>
<b>Earnings before tax</b>	<b>137</b>	<b>116</b>	<b>17</b>	<b>27</b>	<b>27</b>
Cost/income ratio, %	51	53		54	50

## Growth of Business Continued

Growth continued in all areas of Banking and Securities Services.

OKO Bank's loan portfolio amounted to €6.8 billion (8.7). The sale of Retail Banking reduced the loan portfolio by €2.9 billion. In Corporate Banking, the loan portfolio increased by 13 per cent. The risk exposure remained good and impairment losses on receivables were minor.

Unused standby credit facilities increased by 12 per cent. Their amount was €2.6 billion at the end of the year under review. The sale of Retail Banking reduced the amount by approximately €0.4 billion. The aggregate amount of loan and other guarantees increased by 8 per cent to €1.4 billion.

Even though price competition remained intense, the level of margins on corporate loans during the year under review was higher than the 2004 average. However, the margins on loans granted to municipalities, other institutions and private customers continued to decrease.

Payment transfer volumes continued to grow. The number of outgoing and incoming payment transactions in Corporate Banking was 10 per cent higher than a year earlier. Due to price competition, commission income from payment transactions only increased by 3 per cent on the comparison year.

The cash reserve deposit system of the OP Bank Group was abolished in November, when OKO Bank repaid the member cooperative banks their cash reserve deposits of €2.1 billion. With the assets received, the member cooperative banks made a premature repayment of €0.9 million for the financing loans granted by OKO Bank. OKO Bank retains ultimate responsibility for maintaining the liquidity of the OP Bank Group and the member cooperative banks. In the future, the costs incurred for maintaining liquidity will be covered by a central bank service fee instead of cash reserve deposit margins.

In spite of the liquid assets received in connection with the abolishment of the cash reserve deposit system, the financing requirements of the member cooperative banks from OKO Bank increased. At the end of the year, OKO Bank's net receivables from the member cooperative banks amounted to €2.0 billion. A year previously the situation was the opposite, in other words OKO Bank's net debt to the member cooperative banks was €0.5 billion.

In order to fund the increased lending, OKO Bank issued a €1 billion bond and a €50 million capital loan to the international market in the first quarter of the year. The demand was a record-setting high and the level of margins was favourable. In November, as part of the financing arrangements of the Pohjola transaction, OKO Bank issued capital loans of €100 million and a bond of €150 million, which is considered upper Tier II funds. In addition, a bond of €1.1 billion was issued during the end of the year primarily for the acquisition of Pohjola's shares.

The amount of client funds under management by the Group was €27.5 billion at the end of the year under review. Client funds under management by Opstock Asset Management increased by 24 per cent to €13.6 billion. OP mutual funds, in particular, succeeded in increasing their capital. The client funds under management by Pohjola Asset Management were €14.0 billion.

### **Income Increased Significantly**

Income totalled €360 million (271). The consolidated income of Pohjola for the November–December period amounted to €82 million.

Net interest income amounted to € 143 million (147). The comparable net interest income according to the pro forma income statement increased by almost 9 per cent. Consolidated net interest income from Retail Banking totalled €40 million (47). In Corporate Banking, net interest income increased by 14 per cent to €85 million. The increase was mainly attributable to the increased loan portfolio of Corporate Banking and wider loan margins. Net interest income from Treasury operations amounted to €22 million (23), resulting in a consolidated net interest income of €121 million (123) from operations other than Treasury. The financial costs incurred for the acquisition of Pohjola's shares burdened net interest income in the September–December period by about €7 million. Impairment losses on receivables were €3.6 million (1.2), so net interest income after impairment losses was €139 million (145). (Notes 1 and 2 to the Income Statement.)

Net income from the Non-life Insurance operations of Pohjola consolidated with the Group for the November–December period amounted to €69 million. The corresponding net income from Life insurance operations was €2 million negative. (Note 3 to the Income Statement.)

Of the capital gains on securities available for sale included in the income from the investment activities of both Non-life and Life Insurance, that part of the realised gains in the November–December period which arose as a difference between the selling price and the fair value at the end of October has been consolidated in the earnings of the OKO Bank Group.

Net commission income rose by 13 per cent to €96 million. The comparable net commission income increased by 18 per cent. The increase was primarily generated from lending, asset management, securities brokerage and housing brokerage. (Note 4 to the Income Statement.)

Net income from trading amounted to €16 million (2). The improvement was primarily attributable to the appreciation of notes and bonds and derivatives income. (Note 5 to the Income Statement.)

Net income from investment operations decreased to €19 million (31). Equity investment income totalled €13 million (22). In December, OKO Bank booked a write-down of €3.2 million on its shareholding in Oy Realinvest Ab on the basis of further specified real-estate-specific values. The income for 2004 included capital gains of €10.4 million for the Stock Exchange Group OMX shares. Net income from fixed income investments totalled € 1 million (6). The earnings of the comparison period included €3.1 million of changes in the value of notes and bonds, which were no longer recognised on the income statement in 2005 but in the fair value reserve of shareholders' equity according to IFRS financial statement principles.

Income from real estate investments amounted to €4 million (3). The amount of real estate holdings was reduced according to plan. Capital invested in real estate holdings was down to €48 million (134). Net capital gains from real estate investments totalled €2.5 million. (Note 6 to the Income Statement.)

Other operating income amounted to €23 million (7). Pohjola's consolidated other income amounted to €12 million. In addition, €4.7 million of capital gains from the sale of shares in Automatia Pankkiautomaatit Oy, Suomen Asiakastieto Oy and a number of other companies to the OP Bank Group Central Cooperative were recognised as income. (Note 7 to the Income Statement.)

### **The Growth and Expansion of Business Operations Increased Expenses**

Expenses totalled €211 million (139). The comparable expenses according to the pro forma income statement increased by 10 per cent. The consolidated expenses of Pohjola for the November–December period were €67 million. The share of expenses of Retail Banking, which was consolidated with the Group until October, amounted to €46 million (46).

Personnel costs represented slightly more than 40 per cent of the expenses, amounting to €86 million (59). The consolidated personnel costs of Pohjola amounted to €25 million and the personnel costs of Retail Banking to €20 million (22).

Comparable personnel costs increased by 11 per cent. The growth was due to the increased number of personnel, increased level of salaries and the accrual of costs for new long-term incentive systems. OKO Bank Group employed a total of 3,254 people (1,242) at the end of 2005. The comparable average amount of personnel increased by 8 per cent. (Note 8 to the Income Statement.)

IT expenses totalled €29 million (25). The consolidated IT expenses of Pohjola were €4 million. The IT expenses of Retail Banking totalled €8 million (9).

The amount of depreciation increased to €21 million (10). The consolidated depreciation of Pohjola amounted to €9 million, including the depreciation on intangible assets of €6 million arisen in connection with the Pohjola transaction. The amount of depreciation in Retail Banking was €2 million (2). (Note 9 to the Income Statement.)

Other expenses totalled €75 million (46). Pohjola's other consolidated expenses amounted to €29 million and the other expenses of Retail Banking to €17 million (20). (Note 10 to the Income Statement.)

## **Investments**

The investments in 2005 totalled slightly more than €13 million, of which slightly more than €3 million consisted of the investments of the consolidated parts of Pohjola. The investments of Banking and Securities Services amounted to slightly less than €10 million, of which slightly less than one-third was used for renewing retail banking offices and improving the service level. Other investments in Banking and Securities Services were associated with IT system development in order to improve the efficiency of customer service and internal processes.

## **Business Expands to Non-life Insurance**

In September, OKO Bank acquired a majority holding in the shares of Pohjola Group plc. The acquisition expands OKO Bank's business into the non-life insurance market and reinforces the Bank's position as an asset manager. Pohjola is the second largest non-life insurer in Finland. Pohjola's other business area was investment services, consisting of life insurance, mutual funds and asset management operations.

In the future, a substantial proportion of OKO Bank Group's earnings will derive from Non-life Insurance. In addition, the amount of client funds under management by the Group doubled when Pohjola's asset management was joined with OKO Bank.

### *Acquisition of Pohjola's Shares*

On September 12, 2005, OKO Bank acquired the holdings in Pohjola's shares of Suomi Mutual Life Assurance Company and Ilmarinen Mutual Pension Insurance Company for approximately €1.2 billion in cash. After the acquisition, OKO Bank owned approximately 58.5 per cent of Pohjola's shares and votes. The realisation of the acquisition was conditional on OKO Bank's Extraordinary General Meeting approving the terms and conditions of the OKO Bank share issue associated with it and the necessary amendment to the Articles of Association, as well as on obtaining the regulatory approvals for the transaction. OKO Bank's Extraordinary General Meeting made the necessary decisions on October 14, 2005 and the regulatory approvals were received on October 18, 2005.

In connection with the acquisition, OKO Bank announced its intention to make a public tender offer for Pohjola's remaining outstanding shares. In connection with the arrangement, Pohjola's entire stock is estimated to be worth approximately €2.075 billion, while full dilution is taken into consideration. The next day, September 13, 2005, OKO Bank raised its holding of Pohjola shares and votes to 64.5 per cent by purchasing Pohjola shares through the Helsinki Stock Exchange.

On October 19, 2005, OKO Bank made a public tender offer for Pohjola's remaining shares at a price of € 13.35 per share. The share of those accepting the offer of Pohjola's shares and votes was 13.1 per cent. After the tender offer expired on November 18, 2005, OKO Bank's share of the holding and votes had risen to 83 per cent.

On December 1, 2005, OKO Bank made a redemption offer according to Chapter 6, Section 6, of the Securities Markets Act for Pohjola's remaining outstanding shares and option rights. The offer expired on January 1, 2006. The share of those accepting the offer of Pohjola's shares and votes was 4.4 per cent. At that time, OKO Bank's share of the holding and votes had risen to 89.96 per cent. On January 10, 2006, OKO Bank announced that it had acquired a number of shares from the market that increased OKO Bank's share of the holding and votes to more than 90 per cent.

OKO Bank has presented a demand to redeem the shares of other Pohjola's shareholders and begun the redemption procedure according to the Finnish Companies Act to acquire the remaining shares.

#### *Financing of the Transaction*

The transaction was financed by a share issue, sale of asset items, debt issue and other liquid assets.

A share issue was directed to OKO Bank's old shareholders, which began on October 24, 2005 and ended on November 15, 2005. All the shares, just over 100 million, were subscribed in the share issue, and assets of €724.2 million were accumulated by the issue.

By sale of asset items the transaction was financed by a total of €692 million. OKO Bank sold the entire stock of Okopankki Oyj to the OP Bank Group Central Cooperative for €325 million. In addition, Pohjola sold Pohjola Life Insurance Company Ltd, Pohjola Fund Management Ltd and Pohjolan Systeemipalvelu Oy (an IT-company) included in the transaction to the OP Bank Group Central Cooperative. The aggregate selling price of the companies in question was €367 million. Of these, the acquisition of Pohjola Fund Management Company and Pohjola Systeemipalvelu took place on December 30, 2005 and that of Pohjola Life Insurance Company on January 16, 2006.

OKO Bank issued capital loans of a total of €100 million and a bond of €150 million, which is considered as Tier II funds, and financed the rest of the acquisition price by other bonds and internal liquid assets.

#### *Effects of the Transaction on OKO Bank's Financial Position*

Thanks to the Pohjola transaction, the financial performance of the OKO Bank Group is estimated to improve significantly. The earnings will be increased by the anticipated earnings of Non-life Insurance and the expected income and expenses synergies. The synergy benefits are estimated at approximately €50 million before taxes. It is estimated that they will be gained in full in five years.

OKO Bank's holding in Pohjola was 86.3 per cent at the end of 2005. The acquisition price of the shares was slightly more than €1,773 million. At the end of 2005, the aggregate sale price of Pohjola Fund Management Company and Pohjola Systeemipalvelut sold by OKO Bank was €86 million, with the net acquisition price of the shares being €1,687 million at year-end. This was €780 million greater than the share of Pohjola's shareholders' equity corresponding to OKO Bank's holding on

October 31, 2005 when Pohjola's figures were included in the consolidated financial statements. Of the difference between the net acquisition price and Pohjola's shareholders' equity corresponding to the holding, €11 million was allocated to real estate holdings, €335 million to intangible assets, and €435 million remained of unallocated goodwill at the end of 2005. In the capital adequacy calculation, the aggregate amount of intangible assets and unallocated goodwill, €770 million, is deducted from own funds. The difference between fair value allocated to real estate and book value has not been taken into account in risk-weighted commitments and own funds.

Of the €335 million allocated to intangible assets, customer relationships represented €309 million. This amount will be depreciated as straight-line depreciation in ten to thirteen years. €75 million was allocated to information systems, whose depreciation time is five years. The amount depreciated in 2005 was €6 million before taxes. (Note 13 to the Balance Sheet.)

Interest expenses totalling €7 million arose from the acquisition of Pohjola's shares.

### *Progress of the Integration*

The sales of Pohjola Fund Management Ltd, Pohjolan Systeemipalvelu Oy and Pohjola Life Insurance Company Ltd to the OP Bank Group Central Cooperative have been implemented according to the integration plan published in September. In addition, OKO Bank acquired Pohjola Asset Management Ltd in January. The transaction is related to the reorganisation of OKO Bank's asset management.

A cooperation negotiation proposal concerning overlapping asset management functions was given to the personnel of Opstock Ltd and Pohjola Asset Management Ltd on January 31, 2006. The negotiations started on February 6, 2006. The reduction need in these companies is estimated to concern about 30 people. The negotiations also concern about ten investment service sales persons working at Pohjola's offices. In addition, a negotiation proposal was issued in OKO Bank's and Pohjola's Group functions, aiming at the reorganisation of functions, which probably will not lead to any reduction of personnel in the negotiations now in progress.

After the transaction, before the negotiation proposal was issued, a net reduction of 18 people took place in the Group functions, in asset management and the sales network.

The plan for combining Pohjola's sales offices with the offices of member banks is ready. Integration into the same premises has already been implemented at fifteen localities. According to the plan, about 50 offices will be integrated by the end of June and more than 70 offices by the end of the year.

The earnings for 2005 only included a minor amount of integration costs.

## **Capital Adequacy**

### *Capital Adequacy Strengthened*

OKO Bank's capital adequacy ratio according to the Credit Institutions Act was 12.8 per cent (11.0), when the statutory minimum requirement is 8 per cent. The Tier I ratio on risk-weighted items was 9.6 per cent (7.6). The risk-weighted items increased from €9,951 million to €10,489 million, or by 5.4 per cent. Own funds increased from €1,092 million to €1,339 million, or by 22.6 per cent.

The share issue of €724 million arranged for financing the Pohjola transaction, the capital loan of €100 million, the bond of €150 million and the capital gains of €153 million from the sale of Okopankki attributed significantly to the strengthening of capital adequacy and own funds. In February, OKO Bank issued a capital loan of €50 million, so in total the capital loans increased by €150 million to €224 million during 2005, and their share of Tier I funds was 22 per cent (10).

OKO Bank's Tier I funds increased from €751 million to €1,002 million during the year despite the fact that intangible assets and goodwill of a total of €794, which were almost entirely generated by the Pohjola transaction, were deducted from Tier I funds. The Pohjola holding was 86.3 per cent at the end of the year, so the amount of intangible items will increase during 2006 when the holding rises to 100 per cent, but correspondingly the amount of intangible items will decrease through the sale of Pohjola Life Insurance Company Ltd, implemented on January 16, 2006. The aggregate amount of intangible items is anticipated to increase slightly during 2006, which will probably slightly decrease the amount of Tier I funds and capital adequacy.

The amount of Tier II funds was €550 million (356). At the end of the year, €48 million of unrealised appreciation recognised in the fair value reserve was included in Tier II funds. The fair value reserve has been adjusted by deferred tax liability. The fair value reserve was established for the first time at the beginning of 2005, and an adjustment caused by it has not been made in the comparison figures for 2004.

The amount of deductions made from own funds increased from €15 million to €213 million due to the Pohjola transaction, as a share corresponding to the holding of the insurance companies' operating equity minimum must be deducted from the aggregate amount of own funds. The requirement for own funds for covering market risk was €69 million (45). The growth of the loan portfolio and the acquisition of Pohjola increased the amount of risk-weighted receivables and investments, but correspondingly the sale of Retail Banking reduced them, so the amount of risk-weighted receivables and investments remained at the same level as a year earlier. The amounts of risk-weighted off-balance sheet items and risk-weighted market risk items increased due to the increase in unused loans and binding credit facilities and the increase in the amount of notes and bonds and derivatives contracts.

The shareholders' equity shown by OKO Bank's balance sheet amounted to €1,961 million (777), of which the share of owners of the parent company was €1,762 million (775). The difference between the shareholders' equity shown by the balance sheet and the amount of Tier I funds used in capital adequacy calculation is due to the fact that in capital adequacy calculation, intangible assets must be deducted from Tier I funds and the minority interest generated from Pohjola and the unrealised appreciation recognised according to IFRS have not been included in Tier I funds. The dividend distribution proposed by the Executive Board has also been deducted from own funds. Capital loans are included in own funds. In the financial statements they are booked as liabilities.

## Own Funds and Capital Adequacy

€ million	31 Dec. 2005	31 Dec. 2004	Change, € million
<b>Own funds</b>			
Equity capital	1 961	777	1 184
Pohjola's minority interest	-197	-	-197
<b>Subordinated capital notes</b>	224	74	150
Intangible assets	-794	-10	-784
Fair value reserve and excess margin on pension liabilities	-72	-38	-34
Dividend distribution proposed by the Executive Board	-120	- 52	-68
<b>Tier I</b>	<b>1 002</b>	<b>751</b>	<b>251</b>
Fair value reserve	48	-	48
Subordinated liabilities considered upper Tier II funds	200	50	150
Subordinated liabilities considered Tier II funds	302	306	-4
<b>Tier II, total</b>	<b>550</b>	<b>356</b>	<b>194</b>
Investments in insurance institutions	-202	- 13	-189
Other mandatory adjustments	-11	- 2	-9
<b>Mandatory adjustments, total</b>	<b>-213</b>	<b>- 15</b>	<b>-198</b>
<b>Own funds, total *</b>	<b>1 339</b>	<b>1 092</b>	<b>247</b>
<b>Risk-weighted receivables, investments and off-balance sheet items</b>			
Receivables and investments	7 598	7 598	0
Off-Balance Sheet Items	2 024	1 788	236
Market risk	867	565	302
<b>Risk-weighted receivables, investments and off-balance sheet items, total</b>	<b>10 489</b>	<b>9 951</b>	<b>538</b>
<b>Capital adequacy ratio, % **</b>	<b>12.8</b>	<b>11.0</b>	<b>1.8</b>
<b>Tier I ratio, % **</b>	<b>9.6</b>	<b>7.6</b>	<b>2.0</b>

\*) The following investments in venture capital funds, totalling € 8 million and managed by OKO Venture Capital Ltd have not been deducted according to the exception provided by the Financial Inspection in line with the order in 75 §, clause 5 of the Credit Institution Act: Promotion Equity I Ky, Promotion Capital I Ky, Promotion Rahasto II Ky and Promotion Bridge I Ky.

\*\*) Percentage points

The capital adequacy ratio of the OP Bank Group was 14.6 per cent, while it was 15.5 per cent at the end of 2004.

Due to the Pohjola transaction, the share of insurance business of the business operations of OKO Bank and the OP Bank Group increased significantly. OKO bank is not supervised on the basis of the Act on the Supervision of Financial and Insurance Conglomerates; such supervision concerns the OP Bank Group. The OP Bank Group reports the capital adequacy ratio provided for in the Act in question for the first time at the end of 2005 calculated according to the consolidation method. OKO Bank has also calculated a corresponding capital adequacy figure.

At the end of the year, the OP Bank Group's own funds calculated according to the Act on the Supervision of Financial and Insurance Conglomerates exceeded the minimum amount specified in the act by € 1 799 million. The ratio of the OP Bank Group's own funds to the minimum amount of own funds was 1.69. The corresponding figures for OKO Bank were €233 million and 1.23.

€ million	OP Bank Group Dec.31, 2005	OKO Bank Dec. 31,2005
Equity capital	4 757	1 961
Business segment specific items	1 518	726
Goodwill and intangible assets	-1 059	-913
Items included in equity capital and in business segment specific items, which can not be included in conglomerate's own funds	-828	-544
<b>Conglomerate's own funds, total</b>	<b>4 388</b>	<b>1 230</b>
<b>Minimum amount of conglomerate's own funds (= required own funds)</b>	<b>2 589</b>	<b>997</b>
<b>Solvency of the conglomerate</b>	<b>1 799</b>	<b>233</b>
<b>Solvency ratio of the conglomerate (own funds / required own funds)</b>	<b>1.69</b>	<b>1.23</b>

## The Risk Exposure of Banking and Securities Services

### Credit Risk Exposure

When reviewing credit risks, the focus is on the development of total exposure and the customers' creditworthiness. Total exposure means the total amount of off-balance sheet items and receivables vulnerable to credit risk. Total exposure includes both the interest and the principal adjusted with receivable-specific write-downs. In the following tables describing the risk exposure of Banking and Securities Services, comparable (pro forma) information has been used for 2004, which no longer includes the figures for Retail Banking sold in October.

<b>Total Exposure, € billion</b>	<b>31 Dec. 2005</b>	<b>31 Dec. 2004</b>	<b>Change, %</b>
Claims on the public	6.9	6.1	13
Claims on credit institutions and central banks	5.1	4.7	9
Debt securities	3.8	3.1	22
Unused standby credit facilities	2.9	2.1	36
Guarantees and documentary credits	1.5	1.4	11
Derivative contracts	0.4	0.2	90
Other off-balance sheet items	0.3	0.3	0
<b>Total</b>	<b>20.9</b>	<b>18.0</b>	<b>16</b>

<b>Total Exposure by Counterparty, € billion</b>	<b>31 Dec. 2005</b>	<b>31 Dec. 2004</b>	<b>Change, %</b>
Corporates	8.6	7.5	16
Finance and insurance	5.0	4.1	21
Cooperative banks and OP Bank Group Central Cooperative	4.6	4.0	13
Private customers	0.4	0.3	23
Non-profit institutions	1.6	1.4	14
Public entities	0.7	0.6	17
<b>Total</b>	<b>20.9</b>	<b>18.0</b>	<b>16</b>

### The Credit Ratings of Exposure Improved

In spite of the 16 per cent increase in total exposure, the credit risk exposure remained stable. The share of risk-weighted items used in capital adequacy calculations of the total exposure was 50 per cent. The relative share of investment-grade exposure – that is, ratings 1 to 4, excluding private customers – in total exposure was 72 per cent (67), the share of ratings 11–12 was 0.4 per cent (0.2) and that of non-rated exposure was 3 per cent (9).

<i>Total exposure by Credit Rating, € billion *)</i>	<i>31 Dec. 2005</i>	<i>31 Dec. 2004</i>	<i>Change, € billion</i>
1–2	10.2	8.4	1.8
3–4	4.7	3.4	1.3
5–6	2.4	2.5	-0.1
7–8	2.1	1.3	0.8
9–10	0.5	0.4	0.1
11–12	0.1	0.0	0.0
Non-rated	0.7	1.6	-1.0
Total	20.5	17.6	2.9

\*) excl. private customers

The credit ratings of corporate customers and the rating distribution of corporate exposure improved clearly during the year. The relative share of investment-grade corporate exposure in corporate exposure was 48 per cent or less than seven percentage points higher than a year earlier. The exposure of the two lowest ratings increased by €49 million due to the decrease of credit ratings, and they amounted to €80 million or 0.9 per cent of the corporate exposure.

<i>Corporate exposure by Credit Rating, € million</i>	<i>31 Dec. 2005</i>	<i>31 Dec. 2004</i>	<i>Change, € billion</i>
1–2	373	144	229
3–4	3 770	2 942	828
5–6	2 135	2 236	-99
7–8	1 718	1 163	553
9–10	328	341	-15
11–12	80	32	49
Non-rated	228	599	-371
Total	8 632	7 459	1 173

The increase in corporate exposure originated in several different sectors, which further improved the extensive diversification of corporate exposure by industry. Corporate exposure is also well diversified in terms of amounts of exposure. The largest sector was the metal industry, the share of which increased by one percentage point to 15 per cent of corporate exposure during the year. Three other industries where exposure exceeded 10 per cent of corporate exposure were trade, the forest industry and the construction industry. The largest increases in euro were seen in the metal industry, energy production and trade.

#### *The Relative Share of Problem Receivables Remained Small*

Past due payments increased by €3 million to €10 million but represented 0.1 per cent of the total loan and guarantee portfolio as they did a year earlier. Problem receivables, or non-performing and interest-free receivables increased by €8 million to €21 million. In spite of the growth of problem receivables, their share of the loan and guarantee portfolio remains low, or 0.3 per cent (0.2).

A total of €9 million (5) worth of new loan and guarantee losses and impairment losses were recognised. The total amount of loan loss recoveries and adjustments of impairment losses was €6 million (3). The net impact of credit and guarantee losses and impairment losses on earnings was € 3 million (1). (Note 2 to the Income Statement.)

In 2006 the amount of loan losses and impairment losses is anticipated to remain minor in relation to the loan and guarantee portfolio if no sudden changes take place in the operating environment or the financial situation of customers. This forecast is based on the small number of non-performing loans, and the moderate credit risk level in terms of total exposure.

### *Moderate Market Risks*

Market risks accounted for 8 per cent (6) of the risk-weighted items at year-end. The growth was attributable to the increase in the amount of notes and bonds. Market risks remained on a moderate level the whole year.

The market value of equity and venture capital funds was €80 million (84) at year-end, of which the equity portfolio formed €45 million and the venture capital funds with their investment commitments €35 million.

Capital invested in real estate holdings amounted to €48 million (134) at the end of 2005, with properties in own use representing €4 million (45). In addition, holdings in real estate investment companies totalled €20 million (24). Net income from real estate investments amounted to 6.6 per cent (6.1). According to our estimates, real estate risks are small.

### *The Earnings Impact of Operative Risks is Very Slight*

The operative risks impaired earnings by €0.2 million (0.6) in 2005.

## **Risk position of Insurance Operations**

### *Risk Carrying Capacity Strengthened*

The risk carrying capacity of Non-life Insurance depends on the amount of solvency capital. In general, the risk carrying capacity is presented in proportion to insurance premium revenue or insurance contract liabilities.

The risk carrying capacity describes the amount of solvency capital which a company has in proportion to different profit and balance sheet items. Solvency capital proportioned to claims incurred and insurance premium revenue describes the company's ability to cope with underwriting risks.

The solvency capital of Non-life Insurance at the end of 2005 totalled €836 million (670), or in proportion to insurance premium revenue 112 per cent (104). The Board of Directors of Pohjola has set the credit rating class A as the target for Non-life Insurance. The insurance financial strength rating affirmed by Standard & Poor's for Pohjola Non-Life is A+.

### *Insurance Risk Position*

The reinsurance of Non-life Insurance has been arranged on a centralised basis. Pohjola's retention in risk-specific reinsurance is a maximum of €5 million and retention in catastrophe reinsurance a maximum of €7.5 million.

### *Proportion of Interest-bearing Instruments was Increased in Investment Allocation*

The investment portfolio of Non-life Insurance totalled €2,562 million at the end of 2005, compared to €2,382 million a year earlier. The investment portfolio includes both the insurance contract liabilities and the solvency capital. The largest asset class consists of bonds, which account for 70 per cent of the investment portfolio of Non-life Insurance. Compared to the previous year, the proportion of bonds increased by nearly 10 percentage points when money-marked instruments were allocated to bonds. The proportion of shares was reduced by around four percentage points to 16 per cent.

## Allocation of investment portfolio in Non-life Insurance, € million

	Fair value 2005, € million	%	Fair value 2004, € million	%
Money market	213	8	284	12
Bonds and bond funds	1 788	70	1 438	60
Shares	407	16	470	20
Alternative investments	65	3	35	1
Properties	88	3	154	6
Total	2 562	100	2 382	100

Return on the investment portfolio was good. In 2005, share prices rose and long-term interest rates fell, as a result of which return on investments was 8.5 per cent, compared to 8.7 per cent in 2004. Return on investments exceeded the expected long-term return requirement by three percentage points.

In addition, Pohjola Group plc has an investment portfolio not related to Non-life Insurance business (€131 million), consisting of money-market instruments (€78 million), equity investments (€52 million) and property investments (€1 million).

### *Credit risk of bond portfolio in Non-life Insurance is fairly conservative*

The average credit rating of the fixed-income portfolio of Non-life Insurance in accordance with Standard & Poor's was AA, which is almost the same as a year earlier. In order to obtain extra return, loans rated under the level eligible for investment were increased by around €50 million in the portfolio, but they still accounted for a small portion, less than 4 per cent, in the fixed-income portfolio. The portion of non-rated investments in the fixed-income portfolio was around 10 per cent, most of them consisting of money-market investments in domestic companies.

### *Open Currency Risk Decreased*

The open currency position in Non-life Insurance was €54 million or somewhat more than 2 per cent of the investment portfolio. The open currency risk was small compared to the solvency capital and the limit set by the authorities, which is 20 per cent of the insurance contract liabilities, i.e. around €400 million.

## **Joint Responsibility**

OKO Bank is a subsidiary of the OP Bank Group Central Cooperative, which is based on the OP Bank Group's co-operation model. The Central Cooperative with its subsidiaries and 238 member cooperative banks form the amalgamation of the cooperative banks. Under the co-operation model, the resources of the OP Bank Group serve as a safety net for all the member banks because under the Cooperative Bank Act (Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative), the Central Cooperative and its member credit institutions are jointly responsible for one another's liabilities and commitments which cannot be met from the funds of the Central Cooperative or one member credit institution. If a member credit institution's own funds are depleted by losses such that its operations cannot be sustained, the Central Institution of the amalgamation, the OP Bank Group Central Cooperative, has the right to collect supplementary payments from the member credit institutions in proportion to their most recently confirmed balance sheets.

The Central Cooperative has an obligation to issue the member credit institutions instructions on safeguarding their activities, liquidity, capital adequacy and risk

management. Furthermore, the Central Cooperative issues instructions on accounting principles and oversees the banks' operations. The monitoring task is supported by continuous inspections carried out by the Internal Audit.

### **Deposit and Investor Protection**

According to the legislation concerning the Deposit Guarantee Fund the deposit banks must belong to the Deposit Guarantee Fund. In respect of deposit guarantee the deposit banks belonging to the OP Bank Group are considered as a single bank and depositors' claims on the member banks of the OP Bank Group are compensated from the Deposit Guarantee Fund up to a maximum amount of €25,000. The deposit banks within the OP Bank Group are the member cooperative banks, OKO Bank, Okopankki Oyj and OP-Kotipankki Oyj.

OKO Bank and its subsidiary Opstock Ltd belong to the Investor Compensation Fund. The Compensation Fund safeguards the payment of investors' uncontested and due receivables in the event that the investment service company or credit institution is not able, owing to a reason other than temporary insolvency, to pay the investors' receivables within a certain period. An investor is paid 90 per cent of his receivable, up to a maximum of €20,000. The Compensation Fund does not compensate losses due to a fall in share prices or incorrect investment decisions. The Compensation Fund only compensates the receivables of non-professional investors.

### **OKO Bank's Ratings**

Standard & Poor's upgraded OKO Bank's international ratings on July 27, 2005. The upgrade was based on the consistency of both revenues and earnings reported by OKO Bank supported by the well-entrenched market position of the OP Bank Group. The upgrade also acknowledged the fact that the successful trend in profitability has been achieved without jeopardizing OKO Bank's and OP Bank Group's moderate risk profile and conservative capital adequacy levels.

OKO Bank's ratings are as follows:

<i>Rating Agency</i>	<i>Short-term debt</i>	<i>Long-term debt</i>
Standard & Poor's	A-1+	AA-
Moody's Investors Service	P-1	Aa2
Fitch Ratings	F1+	AA-

Following the acquisition of a majority in Pohjola on September 12, 2005, all of the above-mentioned credit rating agencies maintained OKO Bank's ratings unchanged. However, Standard & Poor's and Moody's put OKO Bank's credit rating under supervision and changed the outlook from stable to negative.

The rating which Pohjola Non-life Insurance Company received from Standard & Poor's on October 19, 2005, is A+ (with a negative outlook).

## **The Capital Adequacy Reform and its Adoption**

In June 2004, the Basel Committee of Banking Supervision published a final version of the recommendations on the capital adequacy calculation and supervision of credit institutions. The European Commission has prepared a new capital adequacy directive on the basis of the Basel recommendations, which was approved by the European Parliament and Council of Ministers in the autumn of 2005. The new capital adequacy regulations will enter into force in the EU at the beginning of 2007.

OKO Bank's Executive Board has outlined the objectives for calculation of capital adequacy. According to the outline, the minimum capital requirement for the credit risks of retail exposure is calculated using the internal rating method, the capital requirement of the credit risks of other exposure using the basic internal rating method and the capital requirement of operative risks using the standard method. The capital requirement of market risks is calculated using the basic method, as currently.

In February 2005, OKO Bank's Executive Board confirmed the outlines made earlier for the methods to be taken into use and decided that OKO Bank will utilise the transitional rules related to the capital adequacy reform. OKO Bank will adopt the internal rating methods in the calculation of the capital requirement of credit risks by stages so that the capital requirement for the first portfolios, including corporate exposure, will be calculated using the internal rating method from the beginning of 2008.

## **The Group Structure Changed Significantly**

In February, OKO Bank sold its holding in Automatia Pankkiautomaatit Oy. Toimiraha Oy was dissolved in June. Automatia Pankkiautomaatit and Toimiraha used to be associated companies included in the consolidated financial statements. OKO Bank owned one-third of both companies. The sale of Automatia shares had an effect of € 0.3 million on consolidated earnings, while the dissolution of Toimiraha had no earnings effect.

In June, OKO Bank sold the stock of the real estate companies Kiinteistö Oy Arkadiankatu 23 and Kiinteistö Oy Dagmarinkatu 14, which were previously included in the consolidated financial statements. Approximately €2.7 million of capital gains were recognised in the Group on the sales of these shares. In September, OKO Bank sold its holding in the stock of Kiinteistö Oy Lahden Trio. The company used to be an associated company included in the consolidated financial statements. Approximately € 2.5 million of capital gains were recognised on the sales of its shares.

In July, the name of the subsidiary OP-Sijoitus Oy, fully owned by OKO Bank, was changed to OKO Capital East Ltd. ZAO OKO Capital Vostok was established as its subsidiary. The domicile of the last-mentioned company is Moscow. The company offers services related to corporate arrangements and structured financing to Finnish companies in Russia. The OKO Capital East Subgroup has been consolidated with the OKO Bank Group since October.

In September, OKO Bank sold its 100 per cent holding in Okopankki Oyj to the OP Bank Group Central Cooperative for €325 million as part of the financing for the Pohjola transaction. The transaction was confirmed on October 18, 2005, when regulatory approvals were obtained for the Pohjola transaction. Okopankki was included in the consolidated financial statements until October 31, 2005. Capital gains of € 153 million were recognised in the Group for the sale of Okopankki.

As a consequence of the sale of Okopankki shares, OKO Bank Group's holding in OP-Kotipankki Oyj decreased to 16.9 per cent of the shares and 8.9 per cent of the voting rights. This means that OP-Kotipankki is no longer an affiliate of OKO Bank and its share of profit will not be consolidated with the Group as of November 1, 2005. The consolidated share of profit of OP-Kotipankki in the OKO Bank Group was slight.

On October 18, 2005, Pohjola became a subsidiary of OKO Bank. On the balance sheet date, OKO Bank owned 86.3 per cent of Pohjola's shares and the book value of the shares was about €1.8 billion. Pohjola's earnings have been included in the consolidated income statement since the beginning of November. The consolidated earnings for the November–December period were €15 million.

In December, OKO Corporate Finance Ltd was established as OKO Bank's subsidiary, to which it is intended to transfer those of Opstock Ltd's Corporate Finance operations in which it engages in Finland as part of the rearrangement of OKO Bank Group's Investment Banking operations.

Just before year-end, Pohjola sold its 100% holding in Pohjola Fund Management Company Ltd to the OP Bank Group Central Cooperative for €73 million and Pohjola Systeempalvelu Oy for €13 million. These transactions did not have an effect on the financial performance of the OKO Bank Group.

### **Post-fiscal Events**

The redemption offer for Pohjola's remaining shares and the use of the redemption right has been accounted for in the section "Acquisition of Pohjola's shares" of this bulletin.

According to what was announced in September, Pohjola sold Pohjola Life Insurance Company Ltd to the OP Bank Group Central Cooperative for €281 million on January 16, 2006. This transaction did not have an effect on the financial performance of OKO Bank Group. On the same day, Pohjola sold Pohjola Asset Management Ltd to OKO Bank for €118.5 million. The sale is part of the rearrangement of the investment service operations of the OKO Bank Group.

Pohjola's Extraordinary General Meeting held on January 19, 2006 approved the above-mentioned transactions.

The asset management operations of Opstock Ltd will be transferred to Pohjola Asset Management Ltd by a business operations transfer at the end of February, and the Corporate Finance operations to OKO Corporate Finance Ltd during the spring. Opstock Ltd, which only engages in securities brokerage after the business operations transfers, will be merged with its parent company, OKO Bank. The agreement on merger was signed on February 14, 2006. According to plan, the merger will enter into force at the end of September.

## Prospects of the Group

In 2006, the operating environment of Banking and Securities Services is estimated to remain as it was last year. The annual growth of the corporate credit market is estimated to continue at the same level. The interest rate level is expected to remain low, which will support the demand for loans. The financial situation of companies is expected to remain good. Competition will continue to be intense, but lending margins are no longer expected to decrease. However, competition may decrease the service fees.

The development of the equity and fixed income markets will have a significant effect on the earnings of capital market operations and Treasury. The rise in share prices is estimated to slow down. Investing in mutual funds is expected to remain popular, which will increase the amount of assets under management. The growth of lending of the OP Bank Group retail banks is expected to exceed the growth of deposits, which will increase the banks' funding need from OKO Bank.

OKO Bank's corporate loan portfolio is expected to continue to grow faster than the market. The objective is also to increase commissions and fees significantly, both in corporate banking and capital market operations and asset management, and deal with the control of growing of expenses. The risk situation will seemingly continue to be good, and the amount of loan losses is not expected to grow significantly. In 2006, the asset management operations of Pohjola and OKO Bank will be integrated, which will reinforce OKO Bank's position as an asset manager.

In 2006, the Retail Banking sold in the autumn of last year is no longer included in OKO Bank's Banking and Securities Services. The earnings of the Banking and Securities Services adjusted with the earnings of Retail Banking amounted to €137 million in 2005. The corresponding earnings before tax are expected to be at least at the same level in 2006 as in 2005.

Demand for Non-life Insurance cover is expected to increase by a growing number of storms and other natural catastrophes. Premiums written per capita from voluntary insurance policies in Finland and the Baltic States are still low compared with other neighbouring markets, which supports the growth in demand for protection and well-being services. Price competition is expected to remain unchanged. Developments in equity and bond markets will have a major impact on investment income in Non-life Insurance.

Cooperation with the other parts of the OP Bank Group will open up new opportunities for Pohjola especially to increase the number of household customers. Because of the changes in reserving bases last year and the rate decreases in statutory workers' compensation insurance effective as of 2006, the growth in insurance premium revenue is expected to remain at 2 to 4 per cent this year. Comparable growth in insurance premium revenue is forecast to exceed the GDP in 2006, as in the previous year. Operating expenses will increase because of the implementation of new basic systems, when maintenance and application costs and depreciation expenses increase before the retirement of old systems from production. The combined ratio is forecast at 90.0 to 95.0 per cent before amortisation of intangible assets. The effect which the unwinding of discount of insurance contract liabilities will have on profits is estimated to be about the same as in 2005.

The 2006 equity allocation target in Non-life Insurance is set at around 14 per cent. The overall return on the investment portfolio is expected to be less in 2006 than in 2005. The amount of realised gains and losses on disposals will have an impact on

investment income in the income statement. However, it has no effect on the amount of equity capital. In OKO Bank Group, the date of acquisition of the Pohjola investment portfolio was October 31, 2005, from which date Pohjola has been included in the consolidated accounts of the OKO Bank Group.

The financing costs for the acquisition of the Pohjola shares and amortisation of intangible assets will burden the OKO Bank Group's profits for 2006 by around €50 million in total.

The management of the Group has no influence on the general operating environment of business. However, the management may influence the effects of interest rate changes and the equity market on investments and trading by investing assets securely and diversifying risks and by taking care of the professional skill of its personnel and effective risk management. In addition, the management may influence the appropriate pricing of customer-specific risk and due to it the financial performance of the Group.

All of the forecasts and estimates presented in this financial statements bulletin are based on the current understanding of the financial development of the Group and its different operations; actual performance may vary significantly.

## **Divisions**

Until the end of 2005, OKO Bank's divisions included Corporate Banking, Investment Banking, Retail Banking<sup>2</sup> and Group Treasury. The income, expenses, investments and equity that were not allocated to business divisions were integrated under Group Administration.

The financial results of the divisions have been calculated by allocating the income and expenses to the division in question. Capital allocated to each division equals 7 per cent of the division's risk-weighted items. The capital that is not allocated to divisions has been allocated to Group Administration. However, the equity for Investment Banking is equal to the equity indicated on the balance sheet of Opstock Ltd.

After the Pohjola transaction, new long-term financial objectives were published and the business operations of the Group were grouped in a new way. As of the beginning of 2006, the OKO Bank Group's business operations are divided into Banking and Securities Services and Non-life Insurance operations. The targeted return on equity for the Group was set at 12 per cent, that for Banking and Securities Services at 14 per cent and that for Non-life Insurance at 12 per cent. When the return objectives were calculated, 7 per cent of the risk-weighted commitments were used as the capital in banking operations. The asset management company's shareholders' equity added by the capital required by the goodwill generated in the acquisition of Pohjola Asset Management Ltd was used as the capital of the investment service operations. The capital of Non-life Insurance operations was defined as the sum of a double amount of the minimum capital and the intangible assets and goodwill generated in the transaction.

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<sup>2</sup> As a part of the Pohjola acquisition, OKO Bank sold Okopankki Oyj to OP Bank Group Central Cooperative thereby discontinuing retail banking operations.

Division	Earnings before tax, € million *)		Return on equity, %			Cost/ income ratio, %		
	2005	2004	Target	2005	2004	Target	2005	2004
Corporate Banking	81	68	12	11.8	10.9	40	40	40
Investment Banking	15	8	-	60.2	40.3	-	55	66
Retail Banking	20	21	>15	14.3	13.1	<60	69	71
Central Banking Operations	17	15	14	14.5	14.0	-	35	37
Treasury	26	34	30	69.8	66.1	-	12	10
Group Administration	-23	-8	-	-	-	-	-	-
Share consolidated from Pohjola	15	-		-	-	-	-	-
Capital gain from Okopankki	154							
Total	304	138						

\*) Incl. the capital gain from Okopankki

### Corporate Banking

In 2005, Corporate Banking offered its corporate customers and institutions financing and cash management services, as well as money market, debt capital market and foreign exchange services. It granted loans, guarantees and leasing and factoring, arranged financing from the debt capital market and engaged in venture capital investment operations.

Its income was primarily generated from lending margins, trading in the money, foreign exchange and debt capital markets, and commissions and fees from financing and payment transfer services. The net interest margin from the lending was not sensitive to interest rate fluctuations because the funding of the lending was market rate-driven.

The tasks between OKO Bank's divisions was changed at the beginning of 2006. The most important change from the point of view of Corporate Banking was the transfer of money market, debt capital market and foreign exchange services to the new OKO Markets Division.

OKO Bank's aim is to become the leading Finnish Corporate Bank by strengthening its market position as a bank for large, small and medium-sized companies, as a provider of financing in the capital market and as a corporate cash management services and payment transfer services provider.

€ million	2005				2005	2004	Change, %
	Q1	Q2	Q3	Q4			
Net interest income	19	22	21	22	85	75	14
Impairment losses on receivables	1	1	0	2	5	2	-
<b>Net interest income after impairment losses</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>20</b>	<b>80</b>	<b>73</b>	<b>10</b>
Net commissions and fees	9	10	10	11	39	36	10
Net trading income	2	0	6	4	11	3	-
Other operating income	2	1	1	3	7	3	-
<b>Total income</b>	<b>31</b>	<b>31</b>	<b>38</b>	<b>37</b>	<b>137</b>	<b>115</b>	<b>19</b>
Personnel costs	6	6	5	7	24	21	14
IT expenses	2	2	2	2	8	7	20
Depreciation	1	2	2	3	7	5	39
Other expenses	4	5	3	5	17	14	20
<b>Total expenses</b>	<b>14</b>	<b>14</b>	<b>12</b>	<b>16</b>	<b>56</b>	<b>47</b>	<b>19</b>
<b>Earnings before tax</b>	<b>17</b>	<b>17</b>	<b>26</b>	<b>21</b>	<b>81</b>	<b>68</b>	<b>19</b>
<b>Key figures and ratios</b>							
Return on equity, %					11.8	10.9	
Cost/income ratio, %					40	40	
					<i>31 Dec.</i>	<i>31 Dec.</i>	
Personnel					431	395	
<b>Important balance sheet items</b>							
Receivables from customers, € million					6 672	5 931	
Notes and bonds, € million					1 031	602	
Liabilities to customers, € million					1 836	1 917	
<b>Other items</b>							
Unused standby credit facilities, € million					2 093	1 483	
Guarantees, € million					1 222	1 199	
Risk-weighted items, € million					7 766	6 699	
Problem receivables, € million					17	13	
Proportion of problem receivables to receivables from customers and guarantees, %					0.21	0.19	
<b>Average margins</b>							
Margin on corporate loan stock, %					0.91	0.90	
Margin on institutional loan stock, %					0.28	0.33	

### Significant Improvement in Financial Performance

The earnings before tax amounted to €80.6 million, an increase of €12.9 million on the previous year. The considerable improvement in financial performance was due to the significant increase in net interest margin, and net trading income in particular. Income before impairment losses on receivables increased by €24.9 million, while expenses rose by €9.2 million. The impairment losses on receivables amounted to €4.7 million, compared to €1.9 million in the previous year. The return on equity improved from 10.9 per cent last year to 11.8 per cent.

### *Commitment Portfolio Exceeded €10 billion*

OKO Bank's market position as a corporate bank is estimated to have strengthened. The aggregate amount of loans, binding standby credit facilities and guarantees increased by €1.4 billion, or 16 per cent, to slightly more than €10 billion.

The loan portfolio increased by slightly less than 13 per cent to €6.7 billion in a year. The leasing and factoring increased by 17 per cent, institutional loans by less than 14 per cent and corporate loans by 9 per cent. Unused binding standby credit facilities increased by more than 40 per cent, amounting to €2.1 billion. The guarantee portfolio was €1.2 billion, in other words on the same level as a year earlier. OKO Bank's market share of the corporate loan portfolio increased slightly.

Companies were provided with €2.2 billion (1.6) of new long-term financing and €1.1 billion (1.0) of new leasing and factoring. OKO Bank participated in financing a number of significant M&A arrangements and acted as the lead manager in seven substantial syndicated loans. OKO Bank was also able to strengthen its market position as a bank for medium-sized companies in the Greater Helsinki area.

In spite of the intense price competition, the marginal level of OKO Bank's corporate loan portfolio was higher than last year on average. However, the margins on loans granted to municipalities and other institutions continued to decrease. OKO Bank strengthened its position as a bank for corporates, as a result of which nearly 30 per cent more commissions and fees from lending were accumulated than in 2004.

The risk exposure is estimated as having continued to be good. The amount of problem receivables increased from the end of the previous year, but their share in the loan and guarantee portfolio was low. The earnings impact of the impairment losses on receivables was minor.

### *A Stable Position in the Debt Capital Market*

OKO Bank retained its position as a leading arranger of Finnish debt issues. The Bank acted as lead manager in six bond issues. These generated funding to clients totalling €375 million (404).

OKO Bank continued to be a major player in the trade carried out in the money and capital markets. The customer trading volume of money market products, bonds and foreign exchange products totalled €205 billion, or one-quarter up on the previous year. Operations in these markets were profitable, and the net trading income more than trebled on the previous year.

### *Payment Transfer Volumes Continued to Grow*

The number of outgoing and incoming payment transfers was 142 million, which was 10 per cent more than in the previous year. Owing to the continuing intense price competition, growth in commissions and fees from payment transfers remained at 3 per cent. During the year, OKO Bank significantly strengthened its position as a financier of its customers' foreign trade.

For a third time in a row, OKO bank was the winner in competitive bidding arranged by the European Commission and will continue as the Commission's Primary Bank in Finland from 2005 to 2009. All of the Commission's money transactions directed towards Finland are arranged through OKO Bank, including, among other things, EU subsidies through Government agencies and salaries to personnel.

## **Investment Banking**

In 2005, OKO Bank's Investment Banking services were provided by Opstock Ltd, which offered private and institutional investors individual asset management services and securities brokerage. In addition, Opstock carried out investment research, arranged equity financing and acted as an adviser in M&A transactions.

In partnership with member cooperative banks and Okopankki, Opstock offered retail customers high-quality banking and asset management services tailored to customers' needs.

Earnings consisted of portfolio management and trading fees and commissions of mutual fund trading, proceeds from Corporate Finance services, and securities brokerage commissions.

In 2006, Opstock's and Pohjola's asset management operations will be combined into a separate business division. Securities brokerage, investment research and Corporate Finance operations will be integrated with the OKO Markets Division.

€ million	2005				2005	2004	Change, %
	Q1	Q2	Q3	Q4			
Net interest income	0	0	0	0	0	0	7
Impairment losses on receivables	0	0	0	0	0	0	-
<b>Net interest income after impairment losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Net commissions and fees	6	7	7	13	33	23	40
Net trading income	0	0	0	0	0	0	-
Net income from investments	0	0	0	0	0	0	-
Other operating income	0	0	0	1	1	0	-
<b>Total income</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>13</b>	<b>33</b>	<b>24</b>	<b>40</b>
Personnel costs	2	2	2	3	9	8	12
IT expenses	1	1	1	1	3	3	22
Depreciation	0	0	0	0	1	1	27
Other expenses	1	1	1	1	5	4	22
<b>Total expenses</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>18</b>	<b>16</b>	<b>17</b>
<b>Earnings before tax</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>15</b>	<b>8</b>	<b>84</b>
<b>Key figures and ratios</b>							
Return on equity, %					60.2	40.3	
Cost/income ratio, %					55	66	
					<i>31 Dec.</i>	<i>31 Dec.</i>	
Personnel					131	134	
<b>Important balance sheet items</b>							
Receivables from securities sold, € million					2	12	
Liabilities from securities purchased, € million					1	23	
<b>Other items</b>							
Client funds under management*, € million					13 563	10 906	
Risk-weighted items, € million					16	14	
Brokerage of international investment funds, € million					1 152	1 037	
Value of brokerage on the Helsinki Stock Exchange, € million					11 723	7 720	
<b>Margins</b>							
Margin on discretionary portfolios, %					0.14	0.14	

\*) brokered international funds are not included

### *Earnings Almost Doubled*

Earnings before tax amounted to €15.1 million (8.2). Income increased by €9.6 million in one year and expenses by €2.7 million. The earnings performance of brokerage and Corporate Finance operations improved clearly on the previous year.

### *Client Funds under Management Continued to Increase*

In asset management, OKO Bank's competitive strength is based on its high level of expertise, customer-oriented thinking and product development. The goal is to strengthen OKO Bank's market position and make the Bank the largest asset managers in Finland. The integration of Opstock and Pohjola Asset Management Ltd's operations will support the achievement of this goal.

Client funds managed by Opstock increased by 24 per cent in the period, amounting to €13.6 billion at year-end. Growth was strong for the third year in a row. The assets managed under full power of attorney amounted to €10 billion, most of which was made up of the capital of OP mutual funds.

The capital of OP mutual funds administered by Opstock increased by €2.3 billion to €7.2 billion, or 50 per cent. The total capital of fund management companies operating in Finland saw an increase of 44 per cent. The majority of this increase was placed in fixed-income funds. Net subscriptions to mutual funds amounted to €1.8 billion, with fixed income funds representing almost 70 per cent of the amount. The combined market share of OP mutual funds was 17.2 per cent (16.5).

All of the OP mutual funds managed by Opstock achieved a positive income, judged by both three-year and one-year income. Investments in fixed-income funds paid off, as according to the Mutual Fund Report published by the Finnish Association of Mutual Funds, OP-High Yield was ranked number two in its group in the one-year yield comparison, and OP-Euro Bond Index was ranked number one in its group in the three and five-year yield comparison.

The range of foreign funds offered to institutional investors expanded as Opstock entered into cooperation agreements with three new parties. The capital for foreign funds brokered was €1.2 billion at year-end, or €0.2 billion more than a year earlier.

#### *Lively Brokerage*

The amount in euro of equity trades brokered by Opstock increased by 52 per cent and their number by 24 per cent. The trading volume increased due to OKO Bank's acquisition of Pohjola, in connection with which Opstock managed several trading assignments, including OKO Bank's equity trades with Suomi Mutual and Ilmarinen on September 12. OKO Bank's tender offer and redemption offer for Pohjola's shares also increased the trading volume. The euro-denominated trading volume of other trades brokered by Opstock at the Helsinki Stock Exchange increased by 15 per cent. Opstock's market share of brokerage at the Helsinki Stock Exchange was 2.6 per cent (2.1) of the amount in euro and 4.8 per cent (5.1) of the number of trades.

The number of equity trades brokered for households was 409,000, which is 44 per cent more than a year earlier. Seventy-two per cent (68) of investors' assignments were handled through the Bank's online service.

#### *Corporate Finance Operations on the Increase*

Commission income from Opstock Corporate Finance increased substantially. The largest assignment of the year was related to OKO Bank's acquisition of Pohjola. Opstock acted as manager in OKO Bank's share issue, as financial advisor in the tender and redemption offer, together with JPMorgan, and as manager in the tender and redemption offer. The income also included commissions from Technopolis plc's share issue and sale, as well as the initial public offering of AffectoGenimap Oyj.

OKO Capital East, a subsidiary of OKO Bank, and its subsidiary ZAO OKO Capital Vostok, have been consolidated since the beginning of November. ZAO OKO Capital Vostok offers advisory services related to corporate arrangements and structured financing in Moscow.

## Retail Banking

OKO Bank sold its subsidiary Okopankki Oyj, engaging in Retail Banking operations, to the OP Bank Group Central Cooperative as part of the financing of the Pohjola transaction. The selling price was €325 million, for which OKO Bank recognised tax-free capital gains of €153 million as income. The sale of Okopankki was confirmed in October, at the same time that the regulatory approvals necessary for the Pohjola transaction were obtained. The earnings of Retail Banking operations were consolidated with the OKO Bank Group for the January–October period 2005.

€ million	2005				Jan.-Oct./2005	Jan.- Dec./2004
	Q1	Q2	Q3	October		
Net interest income	12	12	12	4	40	47
Impairment losses on receivables	0	0	0	0	0	0
<b>Net interest income after impairment losses</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>40</b>	<b>47</b>
Net commissions and fees	8	7	7	3	25	25
Net trading income	0	0	0	0	0	0
Net income from investments	0	0	0	0	0	1
Other operating income	0	0	0	0	0	0
<b>Total income</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>7</b>	<b>66</b>	<b>74</b>
Personnel costs	6	6	5	2	20	22
IT expenses	2	2	2	1	8	9
Depreciation	1	1	1	0	2	2
Other expenses	5	5	5	2	17	20
<b>Total expenses</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>5</b>	<b>46</b>	<b>52</b>
<b>Earnings before tax</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>20</b>	<b>21</b>
<b>Key figures and ratios</b>						
Return on equity, %					14.3	13.1
Cost/income ratio, %					69	71
					31 Oct.	31 Dec.
Personnel					661	585
<b>Important balance sheet items</b>						
Loan portfolio, € million					2 904	2 658
Liabilities to depositors, € million					1 829	1 822
<b>Other items</b>						
Customer funds, € million					2 718	2 449
Risk-weighted items, € million					1 949	1 760
Problem receivables, € million					8	11
Proportion of problem receivables to receivables from customers and quarantees, %					0.29	0.40
Number of customers, thousands					270	267
<b>Margins</b>						
Margin on corporate loan stock, %					0.75	0.81
Margin on loan stock to private customers, %					0.78	0.88
Margin on mortgage stock, %					0.69	0.78

### *Improved Performance*

The earnings before tax consolidated with the OKO Bank Group for the January-October period 2005 totalled € 20 million (16). In spite of the low interest level and further decreased customer margins, the interest margin started to increase. Income from Retail Banking increased by €6 million and expenses by €2.4 million on the comparison period. The increase in commission income was the main reason for improved income. A major part of the increase in expenses was due to increased personnel costs. Rolling 12-month return on equity increased from 13.1 per cent to 14.3 per cent.

### *Continued Growth in Lending*

Okopankki's loan portfolio has grown rapidly since the bank was established. Growth slowed down to some extent in 2005. In the January-October period, the loan portfolio increased by 9 per cent. During the whole of 2004, the growth totalled 14 per cent. The loan portfolio amounted to €2.9 billion at the end of October. New lending totalled €1.0 billion.

The housing loan portfolio increased by 11 per cent in the January-October period. At the same time, the housing loan portfolio of deposit banks operating in Finland increased by 14 per cent. Okopankki's new housing loans amounted to €624 million, or almost 16 per cent more than during a corresponding period a year earlier. Housing loans made up two-thirds of the bank's total loan portfolio. The average margin of new loans granted in the January–October period was 0.55 per cent or 0.18 percentage points lower than a year earlier.

Okopankki's subsidiary Helsingin Seudun OP-Kiinteistökeskus Oy (real estate brokerage company) supports the sales of housing loans. It sold 1,634 housing units in the January-October period, which is 40 per cent more than a year earlier. The income from real estate brokerage was slightly more than €7 million, a third more than a year ago.

Okopankki granted €202 million in corporate loans. The corporate loan portfolio increased by €37 million to €636 million.

The credit risk situation continued to be fair. The amount of problem receivables was 0.3 per cent (0.4) of all receivables.

### *Asset Management Another Focus Area*

Client funds – deposits, insurance savings and mutual fund investments – increased by €0.3 billion to €2.7 billion from year-end. There was the same amount of deposits as at year-end, while the market value of brokered life insurance policies increased by 21 per cent and that of mutual funds by 55 per cent. In 2004, client funds increased by 16 per cent. The market value portfolio of brokered life insurance policies amounted to €0.3 billion at the end of October and that of mutual fund investments to €0.6 billion.

## **Group Treasury**

OKO Bank's central bank functions in the OP Bank Group and the bank's own asset management have been centralised in the Group Treasury Division.

As the central financial institution, OKO Bank is responsible for maintaining the liquidity of member cooperative banks and for accepting deposits. OKO Bank is also responsible for acquiring the collateral required by the payment transfer system and for providing the member cooperative banks with services associated with money, currency and capital markets. Central banking income originates in operations associated with maintaining the liquidity and funding of the OP Bank Group.

Treasury engages in fixed income, equity and real estate investment activities. It is also responsible for the Group's long-term funding and relationships with banks and debt capital investors. The objective of the investment activities is to generate long-term benefit from the appreciation of interest rates, exchange rates and stock prices, as well as from dividends and other income. The funds are invested securely, aiming at maximum return. Investment portfolios are diversified by instrument, country and industry. Derivative agreements are used to hedge against market risks.

The Group Treasury's earnings before tax amounted to €42.9 million, a decrease of €5.8 million on the previous year. The figure for the comparison period included €10.4 million of capital gains from the Stock Exchange Group OMX AB shares.

## Central Banking

€ million	2005				2005	2004	Change, %
	Q1	Q2	Q3	Q4			
Net interest income	5	5	5	6	20	19	4
Impairment losses on receivables	0	0	0	0	0	0	-
<b>Net interest income after impairment losses</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>20</b>	<b>19</b>	<b>4</b>
Net commissions and fees	0	1	1	1	2	1	52
Net trading income	0	0	0	1	2	2	-5
Net income from investments	0	0	0	0	0	0	-
Other operating income	0	1	0	1	3	1	92
<b>Total income</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>26</b>	<b>24</b>	<b>11</b>
Personnel costs	1	1	1	1	3	4	-9
IT expenses	1	1	1	1	3	3	-1
Depreciation	0	0	0	0	1	1	-19
Other expenses	1	1	1	1	3	2	26
<b>Total expenses</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>9</b>	<b>9</b>	<b>0</b>
<b>Earnings before tax</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>17</b>	<b>14</b>	<b>18</b>
<b>Key figures and ratios</b>							
Return on equity, %					14.5	14.0	
Cost/income ratio, %					35	37	
					31 Dec.	31 Dec.	
Personnel					65	66	
<b>Important balance sheet items</b>							
Receivables from member cooperative banks, € million					3 671	2 608	
Receivables from others, € million					812	828	
Notes and bonds, € million					1 952	1 931	
Liabilities to member cooperative banks, € million					1 645	3 129	
Liabilities to others, € million					176	21	
<b>Other items</b>							
Risk-weighted items, € million					1 371	1 122	
<b>Average margins*</b>							
Margin on loan stock, %					0.15	0.14	
Margin on deposits, %					0.19	0.32	

\*) The average margin on loans and deposits has been calculated on the basis of loans granted to member banks and member banks' deposits in OKO Bank. For comparability, the margins do not contain Okopankki's share.

### *Earnings Before Tax Increased*

Central banking's earnings before tax amounted to €17.0 million, an increase of €2.5 million on the previous year. The targeted return on equity – 14 per cent – was

achieved. The net interest income and the fees and commissions from custody services increased, while expenses remained at the level of the comparison period.

#### *The Cash Reserve Deposit System was Abolished*

The cooperative banks have taken care of their cash reserve requirement by making a cash reserve deposit with OKO Bank. The provisions on cash reserves were removed from the Credit Institution Act and the regulations of the Financial Supervision Authority in the summer of 2004. However, a general provision remained in the Act by which the liquidity of a credit institution must be sufficiently secured with regard to its operations.

The Executive Boards of the OP Bank Group Central Cooperative and OKO Bank decided in June that the liquidity reserves of the OP Bank Group would be centralised to OKO Bank, which is ultimately responsible for the liquidity of the OP Bank Group and the member cooperative banks. The costs incurred by maintaining the liquidity reserves are divided between the OP Bank Group organisations as part of the new central bank service fee.

The cash reserve deposit system was abolished in November, which significantly reduced OKO Bank's receivables and debts from the member cooperative banks. OKO Bank repaid the cash reserve deposits of €2.1 billion to the member cooperative banks. With the funds received, the member cooperative banks prepaid €0.9 billion for the financing loans granted by OKO Bank.

The earnings effect of the dissolution of cash reserve deposits on OKO Bank is minor, as the central bank service fee will compensate for the cash reserve deposit margin lost. The central bank service fee was collected from the member cooperative banks for the first time in December.

#### *Funding Requirements of the Member Cooperative Banks Continued to Increase*

In spite of the liquid assets received in connection with the abolishment of the cash reserve deposit system, the financing needs of the member cooperative banks from OKO Bank continued to increase. OKO Bank's receivables from the member cooperative banks increased by €1.0 billion to €3.7 billion. The amount of deposits decreased by €1.5 billion to €1.5 billion. At the end of December, OKO Bank's net receivables from the member cooperative banks amounted to €2.0 billion. A year earlier the situation was the opposite, that is to say OKO Bank's net debt to the member cooperative banks was €0.5 billion.

## Treasury

€ million	2005				2005	2004	Change, %
	Q1	Q2	Q3	Q4			
Net interest income	2	2	2	1	8	8	-7
Impairment losses on receivables	0	-1	0	0	-1	0	-
<b>Net interest income after impairment losses</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>8</b>	<b>3</b>
Net commissions and fees	0	0	0	0	0	0	-2
Net trading income	2	-1	1	1	3	-4	-
Net income from investments	9	7	3	-3	16	31	-47
Other operating income	0	2	0	0	2	3	-31
<b>Total income</b>	<b>13</b>	<b>11</b>	<b>6</b>	<b>-1</b>	<b>29</b>	<b>38</b>	<b>-23</b>
Personnel costs	0	0	0	0	1	1	-3
IT expenses	0	0	0	0	1	1	-8
Depreciation	0	0	0	0	0	0	-18
Other expenses	0	0	0	0	1	1	-12
<b>Total expenses</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>-9</b>
<b>Earnings before tax</b>	<b>12</b>	<b>10</b>	<b>6</b>	<b>-1</b>	<b>26</b>	<b>34</b>	<b>-24</b>
<b>Key figures and ratios</b>							
Return on equity, %					69.8	66.1	
Cost/income ratio, %					12	10	
					<i>31 Dec.</i>	<i>31 Dec.</i>	
Personnel					15	17	
Net income from real estate investments, %					6.6	6.1	
<b>Important balance sheet items</b>							
Receivables from financial institutions and central banks, € million					5	812	
Trading assets, € million					716	405	
Investment assets, € million					152	231	
Liabilities to financial institutions and central banks, € million					8	50	
Debt securities issued to the public, € million					9	6	
Subordinated liabilities, € million					070	103	
Capital loans, € million					534	390	
					215	72	
<b>Other items</b>							
Risk-weighted items, € million					263	522	

### *Return on Equity Exceptionally High*

Treasury's earnings before tax amounted to €25.9 million, a decrease of €8.3 million on the previous year. The income from trading and real estate investments increased, but the income from fixed income and equity investments remained lower than the previous year. Treasury's total income amounted to €29.3 million (37.9). Expenses remained at the level of the comparison period. The return on equity improved by 3.8 percentage points to 69.8 per cent.

### *Income from Trading Increased – Income from Investments Diminished*

Net income from trading amounted to €2.7 million. It increased by €6.5 million, mainly driven by the improved market valuations of securities and derivatives.

Investment income totalled €16.5 million (31.1).

Capital gains on shares and dividend income amounted to €15.3 million (21.1). In February, the Bank sold its holdings in Suomen Asiakastieto Oy and a number of other companies, recognising capital gains of €4.5 million. A write-down of €3.2 million was booked for Realinvest shares on the basis of the company's further specified real-estate-specific values. The income from shares in the comparison period included €1.6 million of avoifiscal tax credits and €10.4 million of capital gains on OMX shares.

Revenues from fixed income investments totalled €0.1 million (6.4). The earnings of the comparison period included €3.1 million of changes in the fair value of securities, which were no longer recorded in the income statement in 2005 but in the fair value reserve of shareholders' equity according to IFRS financial statement principles.

Income from real estate investments amounted to €4.3 million (3.7). When the dissolution of an impairment loss reserve of €0.8 million in connection with the sale of certain real estate is taken into account, income from real estate investments was €1.4 million greater than in the comparison period. Net income from real estate investments increased to 6.6 per cent (6.1) at the end of December.

Capital invested in real estate holdings decreased by €86 million to €48 million. The sale of Okopankki decreased the amount of capital invested in facilities in own use by €30 million. In June, the Bank sold the real estate company Kiinteistö Oy Dagmarinkatu 14. The effect of the sale on the financial performance of the Group was minor. In June, the Bank also sold the real estate company Kiinteistöosakeyhtiö Arkadiankatu 23 to OP Life Assurance Company Ltd. The calculated capital gain on the part in own use, €1.4 million, was recorded in other operating income, while the calculated capital gain on investment assets, €1.2 million, was recorded in net income from investments. In September, the Bank sold its shares in the investment property Kiinteistö Oy Lahden Trio and recorded €2.5 million in capital gains. The net capital gains from real estate investments totalled €2.5 million.

#### *Growth was Financed by Increasing Long-term Funding*

At the end of December, the amount of debt securities issued to the public was €9.1 billion, while it was €6.1 billion a year earlier. Long-term funding was increased by a total of €2.6 billion during the fiscal period.

Within the scope of its EMTN programme, OKO Bank issued a bond of €1 billion in March. Demand for the bond was record high. Towards the end of 2005, bonds of €1.1 billion were issued to finance growth and the Pohjola transaction.

During the fiscal period, three new capital loans were issued of an aggregate amount of €150 million. The book value of the capital loans was €215 million at year-end, compared to €72 million a year earlier. The loans of €100 million issued in the autumn were part of the financing of the Pohjola transaction.

Short-term bonds issued under the Euro Commercial Paper scheme and OKO Bank certificates of deposit increased to a total of €4.4 billion from the €3.1 billion of the previous year.

## Consolidation of Pohjola figures

The figures of Pohjola Non-life and Life Insurance and Pohjola Asset Management Limited were included in the consolidated accounts of the OKO Bank Group for November–December 2005. Pohjola issued an annual accounts release on the whole of 2005 on 17 February 2006.

Pohjola transacts non-life insurance business in Finland through three companies. Pohjola Non-Life Insurance Company Ltd is a general insurance company. A-Insurance Ltd specialises in non-life insurance for professional transport and Eurooppalainen Insurance Company Ltd in travel insurance. In the Baltic States, non-life insurance is transacted by local Seesam companies.

The asset management and life insurance functions of Pohjola provide private customers and institutional investors with investment services. In the area of saving and investment, Pohjola offers private banking and discretionary asset management services comprising the company's own mutual fund and life insurance products and cooperating partners' complementing investment services. Pohjola Fund Management Company Limited, which manages mutual funds, was sold on December 30, 2005. Its figures for November-December have not been included in the consolidated accounts 2005 of OKO Bank Group because of their small effect on profits. Pohjola Life Insurance Company was sold on January 16, 2006. Its results have been consolidated for November-December.

	<i>Nov.-Dec. 2005</i>
Net interest income	0
Impairment losses on receivables	0
<b>Net interest income after impairment losses</b>	<b>0</b>
Net income from Non-life Insurance	69
Net income from Life Insurance	-2
Net commissions and fees	2
Net trading income	1
Net income from investments	0
Other operating income	12
<b>Total income</b>	<b>82</b>
Personnel costs	25
IT expenses	4
Depreciation	9
Other expenses	29
<b>Total expenses</b>	<b>67</b>
<b>Earnings before tax</b>	<b>15</b>

<b>Key figures</b>	
<b>Non-life Insurance</b>	<i>Nov.-Dec./2005</i>
Insurance premium revenue, € million	133
Balance on technical account, € million	26
Risk ratio, %	51.5
Cost ratio, %	28.9
Combined ratio, %	80.4
	<b>Dec. 31</b>
Insurance contract liabilities	
Gross, € million	1 883
Net, € million	1 810
<b>Asset Management</b>	
Assets under management, € milj. €	13 968
Margin on portfolios, %	0.13
Average number of employees	2 570

Net income from Non-life Insurance operations included €63 million in net income from insurance business and €6 million in net investment income. A change in reserving bases improved net income by a total of €8.7 million. Net loss from life insurance business was €2 million. The changed reserving bases impaired net income by €12 million.

Of the realised gains on available-for-sale financial assets included in investment income in both non-life and life insurance, that part of the November-December realised gains arising from the difference between the sales price and the fair value at the end of October was included in the OKO Bank consolidated accounts. Because OKO Bank acquired Pohjola at fair value, the unrealised gains in the fair value reserve were included in the transaction. The realisation of the unrealised gains which accumulated before the end of October does not, therefore, represent realised gains from OKO Bank's viewpoint.

Other operating income includes fee income from reinsurance operations and income accumulated from the management of cooperating partners' distribution network and insurance portfolio.

At the end of 2005, Pohjola Asset Management had €14 billion in assets under management. When these assets are added to the assets managed by OKO Bank, the total amount of assets managed by the OKO Bank Group rose to nearly €27.5 billion.

### **Group Administration**

Income, expenses, investments and capitals not allocated to divisions and the eliminations between divisions are combined in Group Administration. The investments include the shares of OP Life Assurance Company Ltd, OP-Kotipankki Oyj and Pohjola Group plc, among others.

The earnings comprise dividends from investments, Group Administration expenses and shares in affiliate profits or losses. Earnings before tax were €23 million in the red (€8 million in the red). The income included a dividend of €1.5 million paid by OP Life Assurance. In the September–December period, net interest income was burdened by the financial costs of the Pohjola transaction. The total expenses of Group

Administration were smaller than in 2004. The share of affiliate profits decreased to €1.3 million (6.1) due to the sale and dissolution of affiliate companies.

## **Shares and shareholders**

### *The Number of Shares More than Doubled*

OKO Bank's shares are divided into Series A and K. Series A shares are intended for the general public and are quoted on the Helsinki Stock Exchange, whereas the ownership of series K shares is restricted to companies and entities that are part of the OP Bank Group. The share series also differ in other respects: At shareholders' meetings, Series A shares entitle their holders to one vote while Series K shares carry five votes each. Furthermore, Series A shares entitle their holders to an annual dividend that is at least one percentage point higher than the dividend paid on Series K shares.

On October 14, 2005, the Extraordinary General Meeting decided on increasing the share capital through a new share issue according to the Executive Board's proposal, as part of the financing of the Pohjola transaction. The new shares were primarily offered for subscription by the company's shareholders so that one Series A or K share entitled to subscription of one corresponding new share. The subscription price was €7.20 per share. In the share issue all the shares offered, just over 100 million, were subscribed. The increase in the share capital of €211.5 million was registered with the Trade Register on November 23, 2005. In addition, €512.7 million were recorded in the share premium account, so a total of €724 million in funds was accumulated by the share issue.

The Extraordinary General Meeting also decided to change the terms and conditions of OKO Bank's option scheme of 1999 in order to ensure the equality of shareholders and owners of stock option rights so that one stock option right entitles to subscription of four Series A shares instead of the earlier two shares. The Executive Board decided that the subscription price of a share is €4.6525.

Slightly less than 2.6 million shares were registered of the Series A shares subscribed by stock option rights. The 0.5 million shares subscribed in November and December were registered with the Trade Register on January 12, 2006. All the above-mentioned shares entitle to full dividend for 2005. The subscription price of a share was €2.485 until April 5, 2005 and after that €2.105 until the share issue.

In accordance with the conversion clause in OKO Bank's Articles of Association, the member cooperative banks converted 83,600 Series K shares into an equivalent number of Series A shares. The share conversion did not have an effect on the share capital, the amount of which increased by a total of €217 million to €423 million in the year under review.

At the end of the year, there were a total of 201 million shares, or 103 million more than a year earlier. Series A shares represented 78.1 per cent of all shares.

At year-end, OKO bank had no own shares and the General Meeting has not given an authorisation to acquire own shares.

### *The Number of Shareholders Increased*

OKO had about 29,700 registered shareholders at the end of the year. The number is 3,800 higher than a year earlier. About 95 per cent of the shareholders were private

individuals. The largest individual shareholder was OKO Bank's parent corporation, the OP Bank Group Central Cooperative, which held 30.2 per cent of all shares and 57 per cent of the votes. Some significant changes took place in the largest owners of Series A shares. The OP Bank Group Central Cooperative reduced its holding from 29 per cent at year-end to 14.1 per cent. Suomi Mutual Life Assurance Company became the second largest owner of Series A shares with a holding of 13.3 per cent and Ilmarinen Mutual Pension Insurance Company became third with a holding of 12.8 per cent. The share of nominee registered shares among Series A shares decreased by slightly more than two percentage points to 19.5 per cent.

Of the total of 157 million Series A shares, the OP Bank Group Central Cooperative and its member cooperative banks own slightly less than 42 million shares, or 26.5 per cent. At the end of 2004, the corresponding share was 50.4 per cent.

#### *Increased Price and More Trading Volume*

The weighted index of the Helsinki Stock Exchange (OMX Helsinki CAP) was up by 30 per cent in a year while the share-issue adjusted price of OKO Bank's Series A share rose by 46 per cent. The share price at year-end was €11.86 while the share-issue adjusted price was €8.11 a year earlier. The share price reached a high of €12.34 during the year and a low of €8.09.

Trading volume increased significantly. About 79 million shares changed owners during the year. In the previous year the corresponding number was 55 million.

The market value of the Series A stock more than doubled from €791 million at the end of 2004 to €1,864 million.

#### **Administration**

At the OKO Bank Annual General Meeting, held on March 31, 2005, the shareholders approved the Financial Statements of the year 2004 and discharged the members and deputy members of the Supervisory Board and the Executive Board, as well as the President from liability. In accordance with the proposal of the Executive Board, the shareholders approved the payment of a dividend totalling €0.53 on each Series A share and €0.50 on each Series K share.

The members of the Supervisory Board are listed in the Annual Report. There is also a description of the Board's main duties.

In accordance with the Articles of Association, the shareholders elected new members to the Supervisory Board at the Annual General Meeting. At its meeting, held on the same day, the Supervisory Board re-elected Mr Seppo Penttinen as its chairman and likewise re-elected Mr Paavo Haapakoski as its vice-chairman.

The regular auditors elected were the firm of chartered public accountants KPMG Oy Ab and Mr Raimo Saarikivi, Authorised Public Accountant.

On October 14, 2005, the Extraordinary General Meeting decided to increase OKO Bank's share capital by a new share issue and to change the terms and conditions of the option scheme of 1999 in the way described above in the section "Shares and shareholders", in accordance with the proposal of the Executive Board. In addition, it decided on a change to OKO Bank's Articles of Association so that that a new paragraph, according to which the company may own and control shares and holdings

in financing and insurance companies and other organisations, as well as engage in investment activities, be added to the "Line of Business" section.

The Chairman of the Executive Board and the CEO of the OP Bank Group, Mr Antti Tanskanen, has announced that he will retire as of the beginning of 2007.

### **Reform of Corporate Governance**

OKO Bank's Executive Board initiated a survey of reforming the Bank's corporate governance in September 2004. The survey is based on the Corporate Governance recommendation for listed companies published in December 2003. The survey examined the possibility to abolish OKO Bank's Supervisory Board and replace the internal Board of Directors (Executive Board) with an external Board of Directors.

On April 15, 2005, an amendment to the Act on Cooperative Banks and Other Cooperative Credit Institutions was ratified. As a result of this, the Supervisory Board is no longer a mandatory body within OKO Bank. The Supervisory Board of the OP Bank Group Central Cooperative, the main owner of OKO Bank, decided on September 12, 2005 that the OP Bank Group Central Cooperative will support the change of the administrative structure at the OKO Bank General Meeting to be held in spring so that the company's Supervisory Board be abolished and the internal Executive Board be replaced by an external Board of Directors. According to the plan, the new Board of Directors will be composed of ten members,

### **Short-term and Long-term Incentives**

OKO Bank Group applies short-term and long-term incentive systems. Short-term incentives are based on the achievement of targets set for each year. The annual incentive systems are customised for each division. The total amounts of bonuses to be paid are based on the earnings of the divisions.

The long-term incentive system includes the stock option scheme that has been valid for five years and expires at the end of October 2006. A personnel fund has been established to replace the stock option scheme, and a new management incentive system with OKO Bank's shares paid out as bonuses has been confirmed. The incentives in both systems are based on the Bank's strategic targets. The incentive period in the personnel fund is 5 years and in the management system 3 years. Since the beginning of 2006 the management of Non-life Insurance operations has been associated with the management system. Strategic objectives of Non-life Insurance operations have been included in the meters of the system.

In the asset management company and OKO Corporate Finance Ltd the personnel has the possibility of becoming a shareholder in the company.

## OKO Bank Group Income Statement

€ million	2005			2006			Change, %
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total	
Interest income	686	74	761	328	88	416	83
Interest expenses	600	18	618	248	21	269	
<b>Net interest income (Note 1)</b>	87	56	<b>143</b>	80	66	<b>147</b>	-3
Impairment losses on receivables (Note 2)	3	0	4	2	0	1	
<b>Net interest income after impairment losses</b>	83	56	<b>139</b>	79	66	<b>145</b>	-4
Net income from Non-life Insurance (Note 3)	69	-	69	-	-	-	
Net income from Life Insurance	0	-2	-2	-	-	-	
Net commissions and fees (Note 4)	71	25	96	63	23	85	13
Net trading income (Note 5)	16	0	16	2	0	2	
Net income from investments (Note 6)	18	0	19	31	1	31	-40
Other operating income (Note 7)	21	2	23	7	0	7	
<b>Total income</b>	278	82	<b>360</b>	181	90	<b>271</b>	33
Personnel costs (Note 8)	64	22	86	37	23	59	46
Other administrative expenses (Note 9)	54	18	72	32	17	49	46
Other operating expenses (Note 10)	41	11	52	21	9	31	70
<b>Total expenses</b>	159	52	<b>211</b>	90	49	<b>139</b>	51
Share of affiliate profits/losses	1	0	1	6	-	6	-79
<b>Earnings before tax</b>	120	30	<b>150</b>	98	40	<b>138</b>	9
Income tax	27	6	33	26	4	30	8
Capital gains from discontinued operations after tax	-	153	153	-	-	-	
<b>Profit for the period</b>	93	178	<b>271</b>	71	36	<b>108</b>	
Attributable to:							
Equity holders of the parent	89	178	267	70	36	107	
...Minority interest	4	-	4	1	-	1	
<b>Total</b>	93	178	<b>271</b>	71	36	<b>108</b>	
Basic earnings per share, € *)	0.65	1.31	1.96	0.56	0.29	0.86	
Diluted earnings per share, € *)	0.65	1.30	1.94	0.55	0.29	0.84	

Due to changes in the recognition and presentation, interest income and expenses are not comparable in 2004 and 2005. The figures for discontinued operations have been presented as eliminated.

## OKO Bank Group Income Statement, 1 October to 31 December 2005

€ million	Q3/2005	Q3/2004	Change, %
Interest income	219	112	95
Interest expenses	193	73	
<b>Net interest income</b>	<b>26</b>	<b>39</b>	<b>-33</b>
Impairment losses on receivables	2	1	35
<b>Net interest income after impairment losses</b>	<b>24</b>	<b>38</b>	<b>-35</b>
Net income in Non-Life Insurance	69	-	
Net income in Life Insurance	-2	-	
Net commissions and fees	24	26	-6
Net trading income	6	-1	
Net income from investments	-2	6	
Other operating income	16	4	
<b>Total income</b>	<b>135</b>	<b>72</b>	<b>87</b>
Personnel costs	39	17	
Other administrative expenses	33	13	
Other operating expenses	28	8	
<b>Total expenses</b>	<b>100</b>	<b>38</b>	
Share of affiliate profits/losses	0	3	
<b>Earnings before tax</b>	<b>35</b>	<b>38</b>	<b>-6</b>
Income tax	5	9	-41
Capital gains from discontinued operations after tax	153	-	
<b>Profit for the period</b>	<b>184</b>	<b>29</b>	
Basic earnings per share, € *)	1.13	0.23	
Diluted earnings per share, € *)	1.12	0.22	

### Reconciliation of OKO Bank's Consolidated FAS and IFRS Income Statements 1 January to 31 December 31 2004 and 1 October to 31 December 2004

€ million	2004	Q3/2004
<b>Share of parent company's owners in the period's earnings, FAS</b>	<b>101.5</b>	<b>27.0</b>
Effects from transition to IFRS		
IAS 12, Income taxes	1.0	-0.1
IAS 18, Revenue	-0.7	0.0
IAS 19, Employee benefits	3.3	0.5
IAS 36, Impairment of assets	0.5	0.1
IAS 40, 16, 31 Valuation and consolidation of real estate	1.1	1.0
Other	0.0	0.0
<b>IFRS adjustments, total</b>	<b>5.2</b>	<b>1.5</b>
<b>Share of parent company's owners in the period's earnings, IFRS</b>	<b>106.7</b>	<b>28.5</b>

## OKO Bank Group Balance Sheet

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Liquid assets	479	297	61
Receivables from financial institutions	4 617	3 548	30
Financial assets for trading (Note 11)	3 692	3 085	20
Derivative contracts	123	93	32
Receivables from customers	6 755	8 664	-22
Assets of Non-life Insurance (Note 12)	2 742	-	
Investment assets (Note 14)	326	339	-4
Investments in affiliates	7	25	-74
Intangible assets	942	10	
Tangible assets	89	64	40
Other assets	512	356	44
Tax receivables	33	7	
Assets of life insurance classified as available for sale	1 873	-	
Other assets items classified available for sale	81	-	
<b>Total assets</b>	<b>22 270</b>	<b>16 490</b>	<b>35</b>
Liabilities to financial institutions	3 563	4 310	-17
Financial liabilities for trading	4	-	
Derivative contracts	123	99	25
Liabilities to customers	2 058	4 072	-49
Liabilities of non-life insurance (Note 15)	1 926	-	
Debt securities issued to the public (Note 16)	9 033	6 103	48
Reserves and other liabilities	827	578	43
Tax liabilities	371	88	
Subordinated liabilities (Note 17)	749	462	62
Liabilities of life insurance classified as available for sale	1 609	-	
Liabilities related to other asset items classified available for sale	48	-	
<b>Total liabilities</b>	<b>20 310</b>	<b>15 713</b>	<b>29</b>
<b>Shareholders' equity</b>			
<b>Share of parent company's owners</b>			
Share capital	423	206	
Share issue account	1	3	
Reserves	791	234	
Retained earnings	548	332	
<b>Minority interest</b>	<b>199</b>	<b>2</b>	
<b>Total shareholders' equity</b>	<b>1 961</b>	<b>777</b>	
<b>Total liabilities and shareholders' equity</b>	<b>22 270</b>	<b>16 490</b>	<b>35</b>

## Changes in Shareholders' Equity

€ million	Share capital	Reserves and share issue	Retained earnings	Minority interest	Total shareholders' equity
<b>Shareholders' equity on 1 January 2004</b>	<b>202</b>	<b>234</b>	<b>331</b>	<b>2</b>	<b>770</b>
Increase in the share capital	4	3	-	-	7
Fair value reserve	-	-	-	-	0
Changes of reserves	-	-	-	-	0
Profit distribution	-	-	-106	-1	-107
Profit for the period	-	-	107	1	108
<b>Shareholders' equity on 31 December 2004</b>	<b>206</b>	<b>237</b>	<b>332</b>	<b>2</b>	<b>777</b>
<b>Shareholders' equity on 1 January 2005</b>	<b>206</b>	<b>237</b>	<b>332</b>	<b>2</b>	<b>777</b>
Transition to IAS 32/39 standards	-	13	2	-	14
Translation differences from foreign units	-	0	-1	-	-1
Increase in the share capital	217	507	-	-	724
Fair value reserve	-	35	-	-	35
Changes of reserves	-	-	-	-	-
Profit distribution	-	-	-52	-1	-53
Profit for the period	-	-	267	4	271
Acquisitions of subsidiaries *)	-	-	-	193	193
<b>Shareholders' equity on 31 December 2005</b>	<b>423</b>	<b>791</b>	<b>548</b>	<b>199</b>	<b>1 961</b>

\*) OKO bank acquired a majority in the shares of Pohjola Group plc on September 12, 2005. Companies included in the consolidated financial statements of Pohjola Group plc have been included in the consolidated financial statements of OKO Bank Group as of 31 October, 2005.

## Reconciliation of Changes to OKO Bank's Consolidated Shareholder's Equity due to IFRS Transition on 31 December 2004

€ million	31 Dec. 2004
<b>Shareholders' equity (FAS)</b>	<b>738</b>
Effects from transition to IFRS	
IAS 19, Employee benefits	47
IAS 40, 16, 31 Valuation and consolidation of real estate	8
IAS 18, Revenue	-10
IAS 12, Income taxes	-6
IAS 36, Impairment of assets	-1
Other	1
<b>IFRS adjustments, total</b>	<b>40</b>
<b>Shareholders' equity (IFRS)</b>	<b>777</b>

## Capital Adequacy

€ million	31 Dec. 2005	Share of own funds, %	31 Dec. 2004
Own funds			
Tier I	1 002	75	751
of which capital loans *)	224	17	74
Tier II	550	41	356
Mandatory adjustments **)	-213	-16	-15
Total	1 339	100	1 092
Risk-weighted receivables, investments and off-balance sheet items	10 489		9 951
Capital adequacy ratio, %	12.8		11.0
Tier I ratio, %	9.6		7.6

\*) OKO Bank has four capital loans that are allowed to be included in own funds:

Capital loan of 10 billion Japanese yen, €74 million of which is considered Tier I funds. Interest on the loan is fixed at 4.23% until 2034, and thereafter variable 6-month Yen LIBOR +1.58%. If interest cannot be paid for a given interest period, the obligation to pay interest will lapse. The loan may be called in at the earliest in 2014.

Capital loan of €50 million, which is a perpetual loan without interest rate step-ups with 8 per cent interest rate cap. The loan was issued on March 31, 2005, and the interest rate for the first year is 6.5%. Thereafter, the interest rate will be CMS 10 years + 0.1%. Interest payments are annual. The loan may be called in at the earliest in 2010, subject to authorisation by the Financial Supervision Authority.

Capital loan of €60 million, which is a perpetual loan. The loan was issued on March 31, 2005, and the interest rate is variable 3-month EURIBOR + 0.65% until 2015 and thereafter variable 3-month EURIBOR +1.65%. Interest payments are quarterly. If interest cannot be paid for a given interest period, the obligation to pay interest will lapse. The loan may be called in at the earliest in 2015, subject to authorisation by the Financial Supervision Authority.

Capital loan of €40 million, which is a perpetual loan. The loan was issued on November 30, 2005, and the interest rate is variable 3-month EURIBOR + 1.25%. Interest payments are quarterly. If interest cannot be paid for a given interest period, the obligation to pay interest will lapse. The loan may be called in at the earliest in 2010, subject to authorisation by the Financial Supervision Authority.

\*\*\*) The following investments in venture capital funds, totalling € 8million and managed by OKO Venture Capital Ltd have not been deducted according to the exception provided by the Financial Inspection in line with the order in 75 §, clause 5 of the Credit Institution Act: Promotion Equity I Ky, Promotion Capital I Ky, Promotion Rahasto II Ky and Promotion Bridge I Ky.

## Cash Flow Statement

	Note	2005	2004
€ million			
<b>Cash Flows from operating activities</b>			
Profit for the period		267	107
Adjustments to reconcile profit for the period to cash used in operating activities		-62	31
<b>Increase (+) or decrease (-) in operating assets</b>		<b>-2849</b>	<b>-2266</b>
Receivables from financial institutions		-1089	-843
Financial assets for trading		-585	-440
Receivables from customers		-1007	-1144
Assets in Non-life Insurance		28	-
Assets in Life Insurance		-100	-
Investment assets		106	103
Other assets		-202	58
<b>Increase (+) or decrease (-) in operating liabilities</b>		<b>288</b>	<b>225</b>
Liabilities to financial institutions		167	-520
Financial liabilities for trading		3	-
Liabilities to customers		-167	765
Liabilities to Non-life Insurance		-1	-
Liabilities to Life Insurance		17	-
Reserves and other liabilities		269	-20
Income taxes paid		-31	-18
<b>A. Net Cash provided by (used in) operating activities</b>		<b>-2387</b>	<b>-1921</b>
<b>Cash Flows from investing activities</b>			
Acquisition of subsidiaries net of cash acquired		-1675	0
Disposal of subsidiaries net of cash disposed of		402	4
Acquisition of tangible and intangible assets		-20	-10
Disposal of tangible and intangible assets		11	1
<b>B. Net Cash provided by (used in) investing activities</b>		<b>-1282</b>	<b>-5</b>
<b>Cash Flow from financing activities</b>			
Increase in subordinated loans		323	154
Decrease in subordinated loans		-6	-58
Increase in debt securities issued to the public		3310	23425
Decrease in debt securities issued to the public		-365	-22101
Increase in share capital		214	5
Decrease in share capital		-	-
Dividends paid		-52	-106
Increase in other items of share capital in cash		509	1
<b>C. Net Cash provided by (used in) financing activities</b>		<b>3933</b>	<b>1320</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>		<b>264</b>	<b>-606</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>350</b>	<b>956</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>614</b>	<b>350</b>
<b>Interest received</b>		<b>697</b>	<b>353</b>
<b>Interest paid</b>		<b>-560</b>	<b>-195</b>
<b>Adjustments to earnings for the period</b>			

<b>Items not associated with payment and other adjustments</b>			
	Impairment losses on receivables	4	3
	Unrealised net earnings in Non-life Insurance	-55	-
	Unrealised net earnings in Life Insurance	147	-
	Change in fair value for trading	6	1
	Unrealised net gains on foreign exchange operations	-23	1
	Change in fair value of derivatives contracts	-5	-9
	Change in fair value of investment properties	-2	-
	Other impairment losses and their reversals	-	-2
	Depreciations	21	10
	Defined benefit plans	-4	3
	Share in affiliate profits	-1	-6
	Dividend income from affiliates	3	1
	Income taxes	2	29
<b>Items presented outside of cash flow from business</b>			
	Capital gains, share of cash flow from investing activities	-155	0
<b>Adjustments, total</b>		<b>-62</b>	<b>31</b>

The cash flow statement presents the cash flows of the period on the cash basis, divided into cash flows from operational, investing and financing activities. Cash flows from operational activities include cash flows originating from day-to-day operations. Cash flows from investing activities include payments associated with tangible and intangible assets, investments held to maturity and shares that are not considered as belonging to cash flows from operational activities. Cash flows from financing activities include cash flows originating in the financing of operations either on equity terms or liability terms from the money or capital market. Liquid assets include cash in hand and receivables from financial institutions payable on demand. The calculation is based on a so-called indirect way of presentation.

#### Changes in 2005

The most essential changes in the cash flows from operational activities concern receivables from customers as well as liabilities to financial institutions and to customers, which have decreased by €0.8 billion. The changes in cash flows from operational and investing activities have been covered by an increase in debt securities issued to the public within cash flows from financing activities.

#### Changes in 2004

The most essential changes in cash flows from operational activities concern receivables from financial institutions and from customers as well as liabilities to financial institutions and to customers, which have decreased by €2.2 billion. The change in cash flow from operational activities has been covered by an increase in debt securities issued to the public within cash flows from financing activities.

## Notes

### 1) Net interest income

€ million	1-12/05	1-12/04	Change, %
Interest income			
From receivables from financial institutions	114.3	83.5	37
From receivables from customers	284.7	274.0	4
From others	361.9	58.3	
Total	760.9	415.7	83
Interest expenses			
From liabilities to financial institutions	93.3	81.5	15
From liabilities to customers	51.5	40.3	28
From others	473.2	147.3	
Total	618.1	269.1	
Net interest income	142.7	146.6	-3

Due to changes in the recognition and presentation, interest income and expenses are not comparable in 2004 and 2005.

### 2) Impairment losses on receivables

€ million	1-12/05	1-12/04	Change, %
Loan and guarantee losses of the period	2.5	0.9	
Recoveries on loan and guarantee losses recognised earlier	-0.6	-2.2	-73
Impairment loss provision of the period	6.8	3.8	81
Revaluation of impairment loss provisions recognised earlier	-5.1	-1.1	
Total	3.6	1.2	

### 3) Net income from non-life insurance

€ million	Nov.-Dec./05	Nov.-Dec./04	Change-%
Net insurance premium revenue			
Premiums written	68.1	-	
Insurance premiums ceded to reinsurers	-2.0	-	
Change in insurance contract liabilities	72.7	-	
Reinsurers' share	-1.1	-	
Total	137.8	-	
Net non-life insurance claims			
Claims paid	67.6	-	
Insurance claims recovered from reinsurers	6.0	-	
Change in insurance contract liabilities	-3.2	-	
Reinsurers' share	-1.5	-	
Total	69.0	-	
Net investment income, non-life insurance			
Notes and bonds	8.4	-	
Equity securities	3.4	-	
Other	0.3	-	
Total	12.1	-	
Other	-12.2	-	
Net income from non-life insurance	68.7	-	

#### 4) Net commissions and fees

€ million	1-12/05	1-12/04	Change, %
Commission income			
From lending	22.1	18.0	23
From deposits	0.4	0.5	-19
From payment transfers	21.6	22.5	-4
From securities brokerage	29.5	21.7	36
From securities issuance	6.0	5.9	1
From asset management and legal services	16.9	13.8	22
From insurance brokerage	4.1	3.9	5
From guarantees	4.9	5.1	-4
From real estate brokerage	7.2	6.5	11
Customer bonus provision	-3.3	-3.6	-8
Other	5.1	4.8	5
Total	114.4	99.2	15
Commission expenses			
On payment transfers	5.3	5.1	5
On securities brokerage	7.0	4.7	50
On securities issuance	2.0	1.0	99
On asset management and legal services	2.9	2.1	41
Other	1.1	1.3	-14
Total	18.3	14.1	30
Net commissions and fees	96.0	85.1	13

#### 5) Net trading income

€ million	1-12/05	1-12/04	Change, %
Capital gains, losses and realised changes in value			
Notes and bonds	3.1	7.7	-60
Shares and holdings	-1.2	-5.5	-78
Derivatives	0.8	-11.8	
Unrealised changes in value			
Notes and bonds	-6.0	-1.4	
Shares and holdings	0.4	0.4	-5
Derivatives	10.5	6.7	57
Dividend income	-	0.1	
Net income from foreign exchange operations	8.2	5.8	41
Total	15.8	2.1	

6) Net income from investments

€ million	1-12/05	1-12/04	Change, %
Financial assets available for sale			
Capital gains and losses			
Notes and bonds	1.3	3.6	-65
Shares and holdings	12.1	15.0	-19
Other			
Net income from hedge accounting			
Net income from hedging instruments	0.0	-	
Net income from hedged instruments	-	-	
Dividend income	5.4	7.3	-25
Impairment losses	-4.2	2.5	
Total	14.6	28.3	-48
Investment properties			
Rental income	6.8	8.7	-22
Maintenance charges and expenses	-4.7	-6.1	-22
Capital gains and losses	2.5	-0.1	
Changes in value	-0.7	-0.2	
Other	0.4	1.1	-58
Total	4.3	3.4	27
Other	-	-0.3	
Net income from investments	18.9	31.4	-40

7) Other operating income

€ million	1-12/05	1-12/04	Change, %
Income from real estate holdings in own use	1.7	1.2	43
Other	21.4	6.1	
Total	23.1	7.3	

8) Personnel costs

€ million	1-12/05	1-12/04	Change, %
Salaries and remunerations	72.9	51.1	43
Pension costs	7.8	4.2	87
Other indirect personnel costs	5.5	4.0	38
Total	86.2	59.2	46

9) Other administrative expenses

€ million	1-12/05	1-12/04	Change, %
Office expenses	15.3	9.0	70
IT expenses	29.2	24.6	19
Telecommunications expenses	5.1	3.4	49
Marketing expenses	9.0	6.2	45
Other administrative expenses	13.8	6.3	
Total	72.4	49.5	46

10) Other operating expenses

€ million	1-12/05	1-12/04	Change, %
Expenses from real estate holdings and offices in own use	15.5	9.5	63
Depreciation	20.6	9.6	
Other	16.3	11.7	39
Total	52.4	30.7	70

11) Financial assets for trading

€ million	31 Dec.2005	31 Dec. 2004	Change, %
Notes and bonds	3 686.0	3 082.7	20
Shares and holdings	5.8	2.4	
Total	3 691.8	3 085.1	20

12) Assets of Non-life Insurance

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Notes and bonds	1 626.0	-	
Shares and holdings	694.8	-	
Investment properties	62.7	-	
Other	358.9	-	
Total	2 742.4	-	

13) Handling of the acquisition price of Pohjola's shares

€ million	Continuing operations	Operations to be sold *)	OKO Bank's balance sheet 31 Dec. 2005	Depreciation time	Depreciation 2005	Annual depreciation
Acquisition cost of Pohjola's shares (68.43 % / 86.28 % holding)	1451	236	1773			
Selling prices received from sales			-86			
Net acquisition price			1687			
OKO Bank's share (86.28 %) of Pohjola's shareholders' equity on October 31, 2005	772	135	907			
Goodwill before allocation	679	101	780			
Allocation of goodwill						
- trademarks	179		179			
- customer relationships	301	7	309	10-13 yrs.	4.0	23.8
- insurance contracts		46	46			
- information systems	61	14	75	5 yrs.	2.0	12.1
- valuation difference on real estate	11		11			
- tax liabilities and goodwill in Pohjola's balance sheet	-187	-32	-218			
Goodwill allocated in total	365	36	401			
OKO Bank's share (86.28 %) of the allocated goodwill	315	31	346			
OKO Bank's share (86.28 %) of Pohjola's shareholders' equity on December 31, 2005	772	135	907			
Acquired assets in total	1087	166	1253			
Net acquisition cost of Pohjola's shares (86.28 % holding)	1451	236	1687			
Acquired assets in total	1087	166	1253			
Unallocated goodwill	365	70	435			
Depreciation in total					6.0	35.9
Depreciation taking into account deferred taxes					4.6	27.6
EPS effect (in euro)					0.02	0.14

\*) A capital loan of €45 million was included in the selling price of Pohjola Life Insurance Company.

14) Investment assets

€ million	Dec. 31, 2005	Dec. 31, 2004	Change, %
Financial assets available for sale			
Notes and bonds	140.1	166.5	-16
Shares and holdings	150.3	90.9	65
Financial assets to be held to maturity	-	-	
Investment properties	35.1	81.9	-57
Total	325.6	339.4	-4

15) Non-life insurance liabilities

€ million	Dec. 31, 2005	Dec. 31, 2004	Change-%
<b>Insurance contract liabilities</b>			
Provisions for unearned premiums	249.0	-	
Provision for unpaid claims	1 594.9	-	
<b>Total</b>	<b>1 843.9</b>	<b>-</b>	
<b>Other</b>	<b>82.2</b>	<b>-</b>	
<b>Total</b>	<b>1 926.1</b>	<b>-</b>	

16) Debt securities issued to the public

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Bonds	4 508.1	2 837.7	59
Certificates of deposit	4 400.3	2 775.4	59
Other	124.6	489.9	-75
<b>Total</b>	<b>9 033.0</b>	<b>6 103.0</b>	<b>48</b>

17) Subordinated liabilities

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Capital loans	215.4	71.6	
Other	533.8	390.2	37
<b>Total</b>	<b>749.1</b>	<b>461.8</b>	<b>62</b>

**Assets Given as Collateral on Own and Others' Behalf as well as Liabilities and Commitments for Which They Were Pledged**

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
<b>Collateral for Bank liabilities and commitments</b>			
Pledges	1 518	1 287	18
Mortgages	1	-	
Other	15	15	0
<b>Collateralised liabilities</b>			
Liabilities to financial institutions	1 402	961	46
Liabilities to customers	437	325	34
Other liabilities	8	-	
<b>Collateral pledged on behalf of group companies</b>			
Pledges	-	-	
Mortgages	-	-	
<b>Collateral pledged on behalf of others</b>			
Pledges	-	1	
Mortgages	-	-	

### Off-balance Sheet Items

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Commitments given to a third party on behalf of customers			
Guarantees and pledges	310	293	6
Other guarantees	1 108	1 019	9
On behalf of affiliates	-	2	
Other commitments	130	98	33
Irrevocable commitments given on behalf of a customer			
Unused standby credit facilities	2 643	2 352	12
To affiliates	-	-	
Other commitments	475	367	29
<b>Total commitments,</b>	<b>4 666</b>	<b>4 130</b>	<b>13</b>
of which to affiliates or commitments given on their behalf	-	2	

### Accounts Receivable and Payable from Sale or Purchase of Assets on Behalf of Customers

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
Accounts receivable	98	52	90
Accounts payable	126	57	

### Derivative Contracts

€ million	31 Dec. 2005	31 Dec. 2004	Change, %
<b>Values of the underlying instruments</b>			
Futures and forwards	6 423	4 148	55
Options			
Purchased	4 338	896	
Written	5 808	827	
Interest rate swaps	18 622	10 430	79
<b>Interest rate derivatives, total</b>	<b>35 191</b>	<b>16 300</b>	
Futures and forwards	2 929	1 915	53
Options			
Purchased	108	1	
Written	113	1	
Interest rate and currency swaps	860	679	27
<b>Currency derivatives, total</b>	<b>4 009</b>	<b>2 595</b>	<b>55</b>
<b>Equity derivatives</b>	<b>110</b>	<b>71</b>	<b>55</b>
<b>Other derivatives</b>	<b>256</b>	<b>105</b>	
<b>Total</b>	<b>39 566</b>	<b>19 071</b>	
<b>Positive fair value of derivative contracts</b>	<b>194</b>	<b>133</b>	<b>46</b>
<b>Negative fair value of derivative contracts</b>	<b>175</b>	<b>200</b>	<b>-12</b>
<b>Credit counter values of contracts</b>			
Interest rate derivatives	205	112	84
Currency derivatives	142	104	36
Equity derivatives	-	-	
Other derivatives	40	18	
<b>Total</b>	<b>387</b>	<b>234</b>	<b>65</b>

### Other Contingent Liabilities and Commitments

At the end of the year 2005, OKO Bank's commitments to venture capital funds amounted to €15.7 million, Pohjola Group plc's to €8 million and Non-life Insurance Company Pohjola's to €55.6 million. They are included in the section "Off-Balance Sheet Commitments".

## Calculation of Financial Ratios

### Earnings per share, €

FAS:

Operating profit/loss less/plus the minority interest share of the profit for the financial period less taxes divided by the share issue-adjusted average number of shares during the financial period.

IFRS:

Profit adjusted by minority share of profit or loss divided by the adjusted number of shares on average during the report period.

### Earnings per share, diluted, €

The denominator is the average share-issue adjusted number of shares during the period plus the number of shares which is obtained if all options are converted into shares. Subtracted from the figure thus obtained is the number of shares that can be obtained through the exercise of options multiplied by the share subscription price and divided by the average price of the share during the report period.

### Equity per share, €

FAS:

Equity capital and voluntary provisions and the depreciation difference less imputed taxes due and minority interest at the end of the financial period divided by the share issue-adjusted number of shares at the end of the financial period.

IFRS:

Equity attributable to equity holders of the parent at the end of the period

Average number of shares on the balance sheet date, adjusted for share issues

### Return on equity, %

FAS:

Operating profit/loss less taxes divided by the total amount of the average equity capital, minority interests as well as voluntary provisions and the depreciation difference less imputed taxes due at the beginning and end of the period.

IFRS:

Annualised profit x 100  
Shareholders' equity (average at the beginning and end of the period)

### Return on assets, %

FAS:

Operating profit/loss less taxes divided by the average total assets at the beginning and end of the period.

IFRS:

Annualised profit x 100  
Balance sheet total (average at the beginning and end of the period)

### Cost income ratio, %

FAS:

The sum, shown in the profit and loss account, of commission expenses, administrative expenses, depreciation and other operating expenses divided by the sum of net interest income, income from equity investments, commissions and fees, net income from securities transactions and foreign exchange dealing as well as other operating income.

IFRS:

Personnel costs + other administrative expenses + other operating expenses x 100  
Net interest income + net commissions and fees + net trading income  
+ net income from investments + other operating income

This Interim Report has been prepared in accordance with the directive of the Finnish Financial Supervision agency entitled "Guideline on interim reports of credit institutions whose shares are subject to public trading" (46/429/98) in an exemption from the decision of the Ministry of Finance on the obligation of an issuer of securities to publish information on a regular basis. The Finnish Accounting Board has granted an industry-specific exemption (2002/538) enabling observance of the directive mentioned above.

The figures in this bulletin are unaudited.

### **Annual General Meeting and Financial Reporting 2006**

The Annual General Meeting will be held on March 30, 2006. The meeting is open to all shareholders:

- registered as shareholders of the company in the list of shareholders maintained by the Finnish Central Securities Depository Ltd on March 20, 2006, or holders of nominee-registered shares temporarily registered in the company's register of shareholders on the said day, and
- registered for the meeting no later than Monday, March 27, 2006 at 4:00 pm.

The Bank's Executive Board proposes to the Annual General Meeting that a dividend of €0.60 be paid to each Series A share and €0.57 to each Series K share. The dividend will be paid to shareholders who are inscribed as shareholders in the register of shareholders maintained by Finnish Central Securities Depository Ltd on the record date which is April 4, 2006. The Executive Board proposes that the dividend be paid on April 11, 2006.

OKO Bank Annual Report, Report of the Executive Board and Financial Statements 2005 will be published in week 12. During 2006 the Bank will publish three Interim Reports as follows: for January-March on May 12, 2006, for January-June on August 11, 2006, and for January-September on November 2, 2006.

Helsinki, February 17, 2006

### **OKO Bank The Executive Board**

This Annual Report Bulletin, as well as its background material, is available at the Internet address [www.oko.fi/english](http://www.oko.fi/english) > Press.

### **Meeting for Analysts and Webcasting**

The meeting for analysts is held in English on Friday February 17, 2006 starting at 8:30 am. It is videoed as a direct webcasting broadcast. The broadcast can be watched on the web at [ww.oko.fi](http://ww.oko.fi) (Equity Investors). The broadcast can be watched taped after the meeting from about 1 pm at the addresses [www.oko.fi](http://www.oko.fi) (Equity Investors) and from the Kauppalehti Live service at [www.kauppalehti.fi/live](http://www.kauppalehti.fi/live).

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