



OP BANK GROUP

Interim Report January 1-March 31, 2006

The report period in brief

- The OP Bank Group's operations continued to grow strongly in the first quarter of 2006. The Group's market position strengthened, particularly within life and pension insurance and deposits. Market shares in lending also increased.
- The OP Bank Group's market share of premium income from life and pension insurance was 30.3 per cent in January-March, a gain of 9.6 percentage points on the figure a year earlier. Excluding Pohjola, the growth would have been 4.3 percentage points. The OP Bank Group's market share of capital invested in mutual funds was 21.3 per cent at the end of March, up 5.6 percentage points on the year-ago figure.
- Since March 2005 the OP Bank Group's loan portfolio has increased by 13.3 per cent and total deposits by 6.5 per cent. The market share of loans grew by 0.3 percentage point a year and was 30.8 per cent at the end of March. Market share increased within corporate loans and also headed upward in home mortgages during the report period. The market share of deposits grew by 0.6 percentage point a year and was 32.8 per cent at the end of March.
- The OP Bank Group's earnings before tax were €211 million, an increase of 45 per cent on the year-ago figure (145). Pohjola's result is not included in earnings for the comparison period. Comparative earnings before taxes, adjusted for the effect of Pohjola, grew by 28 per cent. Comparable net interest income as well as expenses grew by just over 3 per cent, and other income by about 26 per cent.
- The OP Bank Group's risk-bearing capacity is strong. Capital adequacy as measured by Tier I own funds was 12.8 per cent. The risk position remained stable. The amount of non-performing loans contracted from the level a year earlier.
- The integration of Pohjola into the OP Bank Group has moved ahead according to plan. During the report period, the first combined benefit was launched for banking and insurance customers. Cross-selling of banking and insurance services has been started and growth in the number of non-life insurance customers has accelerated. By the end of March, 31 locations had been combined. Merging of overlapping Group functions and streamlining of the Group structure are well under way.
- The OP Bank Group's market position has strengthened for a number of years now. The Group's target is to reinforce its market position further. Following its expansion into the non-life insurance business, the OP Bank Group's profit before taxes for 2006 is estimated to be substantially higher than in 2005.

OP Bank Group Key Indicators

	1-3/2006	1-3/2005	Change	Long term target
Earnings before tax, € million	211	145	45.4*	
Cost/income ratio, %	55	54	1.6	Max 55 %
Impairment losses of loan and guarantee portfolio, %	-0.02	0.03	-0.05	Max 0.25 %
ROE, %	12.3	13.7	-1.4	Over 10 %

	31 March 2006	Change from year end	12 month change
Total assets, € billion	56.1	6.2*	30.4*
Market share, %			
Loans	30.8	0.3	0.3
Deposits	32.8	0.9	0.6
Mutual funds	21.3	-1.1	5.6
Insurance savings	18.4	0.6	7.1
Tier I ratio, %	12.8	-0.3	-1.1

* Percentages. Other change figures percentage points.

Operating environment

Global economic growth was geographically more broad-based in January-March. The Japanese economy has finally swung to growth. In the eurozone too, the economy is on a firmer footing. Growth in the USA has remained moderate. For the EMU countries, exports have underpinned growth despite the comparatively strong euro. Over the longer term, higher oil prices can nevertheless weaken international demand.

In March, the European Central Bank continued the rate tightening it had started in December. The main lending rate was raised from 2.25 per cent to 2.50 per cent. The markets are expecting the central bank to raise its main interest rates further this year. The rate hikes will nevertheless probably be fairly minor because the eurozone's economic growth is gaining pace only slightly, and inflation – apart from energy prices – is fairly moderate. Higher main lending rate has been anticipated in the short market rates, and a significant change from the present level is not expected.

Finland's economic growth also picked up in January-March. The outlook for exports and investment is more favourable than a year ago. Business confidence has been stronger than usual in all the main sectors. Households feel that their own finances and ability to save are now clearly better than the long-term average. This has been supported by the positive trend in household income and higher employment. Private consumption has continued to grow steadily.

Positive sentiment prevailed in the equity markets. The rise in share prices even accelerated from the last quarter of 2005. Rising share prices were supported by expectations of increased corporate earnings, which for the most part also came through. First-quarter earnings of listed companies rose to a record level. Share trade volume also picked up substantially.

In spite of the slight rise in interest rates, bank lending expanded during the first quarter. Capital invested in mutual funds also continued to grow buoyantly. By contrast, the increase in premium income from life insurance was slightly smaller in January-March than in the same period a year ago. Price competition between the banks hotted up further, especially in mortgage lending.

The operating environment for non-life insurance was favourable during the first quarter. The industry showed stable growth, and the trend in major loss claims was moderate. The pricing for private customers has been revised and is increasingly based on a customer-specific risk assessment. Growth is expected to continue, and non-life insurance as a share of gross domestic product is estimated to gradually approach the Nordic level in coming years.

Result of the OP Bank Group

The OP Bank Group's earnings before tax in the first quarter of 2006 were €211 million, an increase of 45 per cent on the same period a year earlier (145)¹. The growth derived in large part from the Pohjola transaction, but the OP Bank Group's like-for-like earnings also grew substantially, up 28 per cent on the figure a year earlier.

The Pohjola transaction has a significant effect on the comparability of the OP Bank Group's earnings figures for the report period (January-March 2006) and for the comparison period (January-March 2005). Because OP Bank Group acquired a controlling interest in the shares of Pohjola Group plc in autumn 2005, the results of Pohjola and its subsidiaries are not included in the OP Bank Group's result for the comparison period. For certain of the income statement figures, an estimate of the change in the comparable percentage is presented as additional information. This represents the change in the OP Bank Group's income statement item (excluding the effect of the Pohjola companies and the costs of financing the Pohjola transaction) in respect of the corresponding item in the comparison period.

Net interest income

Net interest income in January-March totalled € 199 million, an increase of 0.6 per cent on the figure a year earlier (198). The comparable growth in net interest income was just over 3 per cent. Net interest income grew by 1.8 per cent compared with the last quarter of 2005.

The growth in net interest income was supported by the increase in the loan portfolio and total deposits as well as equity capital. The spread on total lending and deposits narrowed by 0.1 percentage point compared with the first quarter of 2005. The narrowing in the interest rate spread nevertheless came to a halt at the end of 2005, and in January-March the spread was slightly higher than it was in the previous quarter.

Other income

Total income amounted to € 502 million (347). Comparable income grew by 13 per cent. Owing to the Pohjola transaction, the proportion of net interest income within total income decreased from 57 per cent to 40 per cent. Other income doubled from € 150 million to € 303 million.

Net income from non-life insurance operations, € 86 million in total amount (-), was generated entirely by Pohjola Group. Net income from life insurance operations was € 34 million (15). Comparable net income from life insurance operations increased by 62 per cent. Net commissions and fees during the report period amounted to € 110 million (91). Comparable commission and fee income grew by 8 per cent. Healthy increases were registered in commissions on stockbroking, mutual funds and insurance operations. Net investment income increased to € 39 million (22), with growth coming mainly from capital gains on available-for-sale shares. In the report period OKO Bank booked a total of over € 10 million of capital gains on the sale of shares in the OMX stock exchange group and of Eurocard. Pohjola had only a minor effect on net investment income.

Expenses

The OP Bank Group's expenses in January-March amounted to € 278 million (187). Comparable expenses were up just over 3 per cent on the figure a year earlier. Significant arrangement costs for the Pohjola transaction were not booked to the report period.

Personnel costs came to € 134 million (97) and other administrative expenses to € 72 million (49). Comparable personnel costs were up just over one per cent and other administrative expenses by nearly 4 per cent. Other operating expenses totalled € 72 million (41). Other operating expenses include € 12 million of amortisation of intangible assets arising in connection with the Pohjola transaction. Comparable other operating expenses increased by 9 per cent.

¹ The comparative figure for 2005 is given in brackets. For income statement and other aggregated figures, the point of comparison is the figure for January-March 2005. For balance sheet and other cross-sectional figures, the point of comparison is the figure at the previous balance sheet date (December 31, 2005).

Impairment losses on receivables

Reversals of impairment losses booked on receivables exceeded new impairments by €1.6 million. In the comparison period, the net amount of impairment losses was €2.5 million. The proportion of group-specific impairment losses was €0.6 million in the report period and €4.9 million in the comparison period.

OP Bank Group Earnings Analysis

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Earnings before tax	211	145	45.4	579
ROE, %	12.3	13.7	-1.4*	11.2
Income				
Net interest income	199	198	0.6	794
Net income from non-life insurance operations	86			68
Net income from life insurance operations	34	15		67
Net commissions and fees	110	91	20.7	340
Net trading and investment income	51	28	81.5	90
Other operating income	23	15	49.7	68
Share of affiliate profits/losses	-1	0		0
Other income, total	303	150		633
Total income	502	347	44.4	1 427
Expenses				
Personnel costs	134	97	38.0	387
Other administrative expenses	72	49	47.2	220
Other operating expenses	72	41	75.9	183
Total expenses	278	187	48.7	790
Cost/income ratio, %	55	54	1.6*	55
Impairment losses				
Receivables	-2	2		6
Consolidated goodwill				
Total	-2	2		6
Returns to owner-members				
Bonuses	10	9	14.9	38
Interest on cooperative capital	4	4	-0.8	15
Total	14	13	10.1	53

* Percentage points.

Total assets and off-balance sheet items

The OP Bank Group's total assets at the end of March stood at €56.1 billion, an increase of €3.3 billion since the end of 2005.

In the report period, the loan portfolio grew by 3.0 per cent to €35.9 billion and it represented 64 per cent of total assets at the end of March (66). Non-life insurance assets totalled €3.1 billion (2.7) and life insurance assets €5.7 billion (5.4). The amount of deposits grew to €24.2 billion during the report period. Debt securities issued to the public amounted to €11.5 billion (8.9) and liabilities to financial institutions totalled €2.1 billion (2.0).

Equity capital at the end of March stood at €4.6 billion (4.8). In the financial statements for 2005, a minority interest of €198 million attributable to Pohjola's other shareholders than OKO Bank was separated out from equity capital. In January 2006, OKO Bank's shareholding and voting rights in Pohjola exceeded 90 per cent, after which OKO Bank became both entitled and obligated to redeem the shares of Pohjola's other shareholders. Thereafter, Pohjola has been treated as a wholly-owned subsidiary of OKO Bank, and the minority interest corresponding to the shares subject to the redemption procedure has not been separated out from equity capital.

Earnings for the report period increased equity capital by €141 million. The fair value reserve resulting from the difference between the value at the balance sheet date of available-for-sale financial assets and their acquisition cost, adjusted for deferred taxes, decreased by €33 million to €144 million.

Important Balance Sheet and Liability Items

€ billion	31 March 2006	Change from year end, %	12 month change
Total assets	56.1	6.2	30.4
Loan portfolio	35.9	3.0	13.3
Deposits	24.2	-0.2	6.5
Non-life insurance liabilities	2.3	19.0	
Life insurance liabilities	5.2	6.4	86.8
Equity capital	4.6	-3.6	30.6
Off-balance sheet items	8.4	5.6	21.5
Derivative contracts	52.6	33.6	

The cooperative capital investments and supplementary cooperative capital investments of the member cooperative banks' owner members totalled €724 million at the end of March (717). The member cooperative banks will pay a total of about €16 million in interest on the cooperative capital for the 2005 financial year (16). Dividends paid on OKO Bank shares for the 2005 financial year totalled €120 million (52), of which €0.60 per share was paid on Series A shares (0.53) and €0.57 per share on Series K shares (0.50).

The OP Bank Group's consolidated financial statements include the 236 member cooperative banks, OP Bank Group Central Cooperative Consolidated and the OP Bank Group Mutual Insurance Company as well as four subsidiaries of the member cooperative banks. Changes that have taken place in the OP Bank Group's structure are presented in the sections "Pohjola Transaction and Combining of Operations / Encouraging Results in Realising Estimated Synergies" and "Divisions / Growth in Retail Banking".

Risk-bearing capacity and risk management

Strong capital adequacy

The OP Bank Group's capital adequacy is strong. Capital adequacy according to the Credit Institutions Act was 13.9 per cent at the end of March. Primarily due to the progress of the Pohjola transaction, capital adequacy declined by 0.7 percentage point from the end of 2005. The ratio of Tier I own funds to risk-weighted receivables, investments and off-balance sheet items was 12.8 per cent at the end of March (13.1).

In January 2006, OKO Bank became entitled to redeem the Pohjola shares of Pohjola Group plc's other shareholders. Because OKO Bank has presented a demand for redemption of the shares, calculations of the OP Bank Group's capital adequacy are made on the assumption that Pohjola is a wholly-owned company within the OP Bank Group, in spite of the fact that the redemption process has not yet been completed. The imputed cost of the shares is taken to be the price according to OKO Bank's tender offer (€13.35 per share). The rise in the shareholding from 86.3 per cent to 100 per cent has increased the amount of intangible assets to be deducted from Tier I own funds by about €140 million as well as the amount of insurance company investments to be deducted from the aggregate amount of Tier I and Tier II own funds by €30 million.

The OP Bank Group's Tier I own funds at the end of March amounted to €3 963 million, an increase of 0.3 per cent on the figure at the end of 2005. The amount of Tier I own funds was reduced by the growth in the OP Bank Group's holding in Pohjola and the consequent increase in intangible assets that are to be deducted from Tier I own funds. The profit for the report period less the forecast dividend payout and taking account of other adjustments has been included in own funds, resulting in an increase in own funds of €120 million.

At the end of March 2006, the ratio of capital loans to Tier I own funds was 5.6 per cent, as against 3.3 per cent a year earlier. Own funds included €724 million of the member cooperative banks' cooperative capital (727). These amounts of cooperative capital included €95 million of

terminated cooperative capital (88). The Group has not included in Tier I own funds the increase in equity capital resulting from the measurement, in line with IFRS, of pension liabilities and the assets covering them as well as from the measurement at fair value of investment real estate. In March the OP Bank Group Pension Foundation returned a total of €56 million of excess funding to the companies combined within the OP Bank Group's financial statements. The return of the excess funding reduced the above-mentioned asset item that arose on the measurement, according to IFRS, of pension liabilities and the assets covering them, and, correspondingly, it increased the amount of equity capital included in own funds.

At the end of March, the amount of Tier II own funds was €658 million, or €102 million smaller than at the end of 2005. At the end of March, Tier II own funds included €144 million of the unrealised increase in value that was recorded in the fair value reserve. At the end of 2005, €178 million of the fair value reserve was included in own funds. Own funds include a portion of the fair value reserve from which deferred taxes have been deducted.

Investments in insurance companies, which are to be deducted from the aggregate amount of Tier I and Tier II own funds, totalled €323 million at the end of March. The amount to be deducted at the end of 2005 was €34 million smaller. The OP Bank Group has deducted a portion corresponding to its ownership stake and representing insurance company investments from the minimum amount of the solvency margin of the insurance companies it owns.

Own Funds and Capital Adequacy

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Own funds				
Equity capital	4 587	3 511	31	4 757
Pohjola minority interest				-196
Cooperative capital	724	727	-1	715
Subordinated capital notes	224	124	81	224
Intangible assets	-1 094	-84		-941
Fair value reserve and other reserves	-144	-98	47	-183
Proposed dividend and interest pay-out	-15	-12	26	-71
Earnings for the period (not incl. in own funds 31 March 2005)		-115		
Other items (eg. assets covering pension liabilities and fair value valuation of investment property)	-317	-301	5	-353
Tier I own funds	3 963	3 752	6	3 951
Fair value reserve and other reserves	144	98	47	183
Subordinated liabilities in upper Tier II own funds	200	50		203
Subordinated liabilities in lower Tier II own funds	314	366	-14	374
Tier II own funds	658	515	28	760
Investments in insurance institutions	-323	-92		-290
Other deductions	-2	-3	-27	-13
Total deductions	-326	-95		-302
Own funds, total	4 296	4 171	3	4 409
Risk grouping of assets in capital adequacy calculation (before risk weight rates)				
Risk group I (risk weight 0%)	10 640	7 884	35	8 677
Risk group V (risk weight 10%)	4	3	22	3
Risk group II (risk weight 20%)	545	943	-42	680
Risk group III (risk weight 50%)	17 561	14 666	20	16 878
Risk group IV (risk weight 100%)	17 811	16 107	11	17 775
Deductions from own funds	326	95		302
Other items (eg. insurance assets)	9 231	3 343		8 528
Balance sheet, total	56 118	43 041	30	52 845
Risk-weighted receivables, investments and off-balance sheet items				
Receivables and investments	26 701	23 629	13	26 350
Off-balance sheet items	3 156	2 544	24	2 973

Market risk	1 151	814	41	871
Risk weighted receivables, investments and off balance sheet items, total	31 008	26 987	15	30 194
Capital adequacy ratio, %	13.9	15.5	-1.6*	14.6
Tier I ratio, %	12.8	13.9	-1.1*	13.1

* Percentage points.

Following the Pohjola transaction, the OP Bank Group became a financial and insurance conglomerate pursuant to the Act on the Supervision of Financial and Insurance Conglomerates. The OP Bank Group will report the solvency ratio specified in this act for the first time as from the end of 2005. Solvency will be reported in accordance with the consolidation method. This requires adding to the equity capital according to the conglomerate's balance sheet those items which are included in own funds according to the regulations for the banking or insurance industry and are not included in equity capital. Own funds may not, however, include items that are not available for covering the losses of other companies belonging to the conglomerate.

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 €1 585 million (1 799). The ratio of the OP Bank Group's own funds to the minimum amount of own funds was 1.58.

<i>€ million</i>	<i>31 March 2006</i>	<i>31 Dec. 2005</i>	<i>Change, %</i>
Equity capital of OP Bank Group	4 587	4 757	-4
Business segment specific items	1 461	1 518	-4
Goodwill and intangible assets	-1 146	-1 059	8
Items included in equity capital and in business segment specific items, which can not be included in conglomerate's own funds	-596	-828	-28
Conglomerate's own funds, total	4 305	4 388	-2
Minimum amount of conglomerate's own funds (= required own funds)	2 721	2 589	5
Solvency of the conglomerate	1 585	1 799	-12
Solvency ratio of the conglomerate (own funds / required own funds)	1.58	1.69	-0.1*

* Percentage points.

No changes in the OP Bank Group's risk position

At the end of March, the OP Bank Group had a total of €163 million of non-performing and interest-free loans, or 7 per cent less than a year ago. From the end of 2005, the amount of non-performing and interest-free loans grew by 25 per cent. Non-performing and interest-free loans are stated net of impairment losses on specific receivables and groups of receivables, which amounted to €91 million (95). The ratio of non-performing and interest-free loans to the portfolio of loans and guarantees at the end of the report period was 0.4 per cent, or 0.1 percentage point less than a year earlier. Impairment losses on receivables again remained at a low level. In January-March, they were booked to a gross amount of €7.1 million (13), which is an annualised 0.08 per cent of the loan and guarantee portfolio (0.16). The OP Bank Group's credit risk situation is still stable, and credit risks have remained at a low level.

The growth in the loan portfolio at a faster rate than total deposits coupled with the financing requirement for the Pohjola transaction has increased the OP Bank Group's amount of wholesale funding on market terms as well as the proportion of this in total funding. The OP Bank Group's (excl. Pohjola) risk limit for funding risk was at 0.0 per cent at the end of March (0.6), which is 3.0 percentage points higher than the minimum value which the Group has internally set for the limit on funding risk. At the end of March, the OP Bank Group's (excl. Pohjola) interest rate risk measure stood at 0.6 per cent (1.0). The OP Bank Group's interest rate risk must remain within the range of ±2 per cent of the OP Bank Group's risk limits.

OP Bank Group Credit Risk Indicators

€ million	31 March 2006	Change from year end, %	12 month change, %
Non-performing loans			
Households	92	34,0	-12,6
Companies	69	13,7	7,7
Housing corporations and others	2	32,8	-59,6
Total	163	24,6	-6,5
Non-performing loans of loan and guarantee portfolio, %	0.4	0.1*	-0.1*
	1-3/2006		Change from a year earlier, %
Impairment losses of loan and guarantee portfolio, %	-0.02		-0.05*

* Percentage points.

Credit ratings at a good level

Of the international credit rating institutions, Fitch Ratings provides a rating for both the OP Bank Group and its central bank, OKO Bank. The OP Bank Group's financial position also has a considerable impact on the credit ratings issued for OKO Bank alone.

The credit ratings at the end of March were the following:

Rating Agency	Short-term debt	Long-term debt
Fitch Ratings (OP Bank Group and OKO Bank)	F1+	AA-
Standard & Poor's (OKO Bank)	A-1+	AA-
Moody's (OKO Bank)	P-1	Aa2

Following the acquisition of a majority holding in Pohjola, all the above-mentioned credit rating institutions kept OKO Bank's ratings unchanged. Standard & Poor's and Moody's, however, placed OKO Bank's credit rating on Credit Watch and changed the outlook from stable to negative.

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

Owner-members and customers

The number of the cooperative banks' owner-members grew by 6 600 in January-March, reaching 1 140 000. Owing to its company form, Helsinki OP Bank Plc, which operates in the Greater Helsinki area, does not have owner-members. The Bank has 124 000 preferred customers, who are granted bonuses on the same basis as they are granted to the member cooperative banks' owner-members.

The value of the bonuses earned by owner-members and Helsinki OP Bank's preferred customers in January-March for their patronage of the Group's banking services was €12 million. In the OP Bank Group's income statement, bonuses earned by the owner-members have been booked under the item "Returns to Owner-Members". During the report period, owner-members and preferred customers used the bonuses to pay for bank services to a total amount of €9 million, and they received cash payments for bonuses earned in previous years to a total amount of €9 million.

The OP Bank Group's number of customers grew by 17 000 during the report period and totalled about 4 million at the end of March. Pohjola's share of the clientele was about 1.6 million customers, 46 per cent of whom were also customers of the rest of the OP Bank Group.

Market shares

The OP Bank Group gained the position of Finland's largest life assurer by premium income in 2005 when the premium income of OP Life Assurance Company Ltd and Pohjola Life Insurance Company Ltd are added together for the full year. Calculated in this way, the OP Bank Group's market share of premium income from life and pension insurance was 30.4 per cent, compared with a share of 28.4 per cent for the next largest player.

The OP Bank Group's market share of premium income from life and pension insurance was 30.3 per cent in January-March of the current year, a gain of 9.6 percentage points on the figure a year earlier. The market share was 2.5 percentage points greater than the aggregate market share of premium income for OP Life Assurance Company Ltd and Pohjola Life Insurance Company Ltd in January-March, 2005. OP Life Assurance Company's market share of premium income increased by 4.3 percentage points to 25.0 per cent. Pohjola Life Insurance Company's market share, however, decreased by 1.7 percentage point to 5.3 per cent.

The OP Bank Group's market share of the capital invested in mutual funds registered in Finland was 21.3 per cent at the end of March, or 5.6 percentage points higher than a year earlier. The growth in market share was attributable mainly to the inclusion of the Pohjola funds in the OP Bank Group's market share. The OP Bank Group's market share of capital invested in mutual funds was 0.5 percentage point greater than the aggregate market share of OP Mutual Fund Company and Pohjola Mutual Fund Company Ltd at the end of March, 2005.

The OP Bank Group's market share of loans was 30.8 per cent at the end of March, an increase of 0.3 percentage point on the figure a year ago. From the end of March of last year, the market share of corporate loans grew by 0.5 percentage point and the market share of home mortgages contracted by 0.2 percentage point. In January-March, the market share of home mortgages nevertheless grew by 0.1 percentage point. The market share of deposits grew by 0.6 percentage point from the end of March 2005 and was 32.8 per cent.

With the Pohjola transaction, non-life insurance became a new business area for the OP Bank Group. Pohjola's market share of premium income from non-life insurance in 2005 was 26.0 per cent, on a par with the previous year.

Market Shares

	<i>Date</i>	<i>Market share, %</i>	<i>Change from year end</i>	<i>12 month change</i>
Loan portfolio	31 March 2006	30.8	0.3	0.3
Housing loans	31 March 2006	34.1	0.1	-0.2
Corporate loans	31 March 2006	25.2	0.3	0.5
Deposit portfolio	31 March 2006	32.8	0.9	0.6
Mutual funds	31 March 2006	21.3	-1.1	5.6
Life insurance savings	31 March 2006	18.4	0.6	7.1
OP Life Assurance Company Ltd	31 March 2006	12.7	0.6	1.5
Pohjola Life Insurance Company Ltd	31 March 2006	5.7	0.1	0.6
Life and pension insurance premium income	1-3/2006	30.3	-	9.6*
OP Life Assurance Company Ltd	1-3/2006	25.0	-	4.3*
Pohjola Life Insurance Company Ltd	1-3/2006	5.3	-	-1.7*
Non-life insurance premium income, Pohjola	1-12/2005	26.0	-	0.0**

Changes expressed in percentage points.

* Change from a year earlier. ** Latest available data.

Service network

The OP Bank Group's multichannel service network comprises locations, online services and contact centre activities.

At the end of March, the cooperative banks and Helsinki OP Bank had a total of 665 locations, or 43 less than a year earlier. As a consequence of the Pohjola transaction, over a hundred

Pohjola outlets were added to the OP Bank Group's network of outlets. By the end of March, the functions of 31 Pohjola outlets had been transferred to an OP Bank Group branch office. In addition, Pohjola has established 37 new insurance agent outlets at the member banks' branch offices. At the end of the report period, the OP Bank Group had a total of 743 locations.

In January-March, the number of payment ATMs decreased by 21 to 585 and the number of Internet customer terminals decreased by 14 to 617. The volume of bills paid at payment ATMs decreased by 17.6 per cent from the volume a year ago.

A further increase was registered in bank customers' online service agreements. At the end of March, there were 1 023 000 online service contract customers, more than 80 per cent of whom use the service actively each month. During the first quarter, nearly 9 per cent more bills were paid on the Internet than a year ago. Already nearly 70 per cent of all the bills paid by the OP Bank Group's customers were handled via the Internet. Only about 4 per cent of bills were still paid using direct customer service at branch offices.

The Contact Centre is the OP Bank Group's centralised service channel offering personal service for customers and sales support for the member cooperative banks. There were 236 000 customer contacts that were handled via the Contact Centre by phone or using electronic channels, an increase of 41 per cent on the figure a year earlier.

Pohjola's Call Centre offers corporate and retail customers comprehensive insurance and claims services. During the first quarter of 2006, Pohjola's Call Service handled more than 330 000 customer contacts.

OP Bank Group Service Network

	<i>31 March 2006</i>	<i>Change from year end</i>	<i>12 month change</i>
Branch offices	743	-40	35
banking services only	597	-77	-111
insurance services only	78	-25	78
banking and insurance services	68	62	68
Payment ATMs	585	-21	-43
Internet client terminals	617	-14	-9
Cash dispensers	1 686	-3	-32
Online service agreements	1 023 000	27 300	93 000

Personnel

At the end of March, the OP Bank Group had a staff (excluding seasonal interns) of 12 129 employees, or 155 more than at the end of 2005. The member cooperative banks had a total payroll at the end of March of 6 708 employees, the Central Cooperative Consolidated had 5 406 employees and OKO Bank Group, which belongs to it, had a staff of 3 084 employees. The member cooperative banks increased their personnel from March 2005 by 110 employees, and from the end of 2005 by 148.

At the end of March 2006, the OP Bank Group's personnel fund, which went into operation from the beginning of 2005, covered 276 OP Bank Group companies and had about 9 200 members, or about 93 per cent of the OP Bank Group's (excl. Pohjola) personnel. Bonuses payable to the personnel fund for its first year in operation amounted to about €5.8 million.

Likewise at the end of March, 134 OP Bank Group companies had adopted the reward system for management that was introduced in 2005. Under the system, a total of about €2.2 million of bonuses will be paid for last year to employees of OP Bank Group companies. The bonus will be paid in spring 2008 to those who are eligible to receive it and are employed by the Group at the time the bonus is payable. The final amount of the bonus is dependent on the trend in the price of OKO Bank's Series A share.

Joint responsibility and joint security

Under the Cooperative Bank Act, the OP Bank Group (the amalgamation of the cooperative banks) is monitored on a consolidated basis, and the OP Bank Group Central Cooperative – the

Group's central institution – and its 240 member banks are ultimately responsible for each others' liabilities and commitments. The Central Cooperative's members at the end of March were the OP Bank Group's 236 member banks as well as OKO Bank, Helsinki OP Bank Plc, OP Bank Group Mortgage Bank plc and OP-Kotipankki Oyj. The OP Bank Group's insurance companies do not come within the scope of joint responsibility.

Under the Credit Institutions Act, the deposit banks must belong to the Deposit Protection Fund. In respect of deposit protection, the deposit banks belonging to the OP Bank Group are considered as a single bank. Depositors' claims on the member banks of the OP Bank Group are compensated from the Deposit Protection Fund up to a maximum amount of €25 000. The deposit banks within the OP Bank Group are the member cooperative banks, OKO Bank, Helsinki OP Bank Plc and OP-Kotipankki Oyj.

Under legislation concerning the Investor Compensation Fund, the OP Bank Group is also considered as a single bank for purposes of compensation protection. The Investor Compensation Fund's assets may be used to compensate an investor's receivable from companies belonging to the OP Bank Group up to a maximum amount of €20 000.

Pohjola is subject to the provisions of the joint guarantee set out in the Employment Accidents Act, the Motor Liability Insurance Act and the Patient Injury Act. Under the joint guarantee principle, the insurance companies carrying on said operations are jointly liable for customers' claims that are left unpaid because of the liquidation or bankruptcy of any of the above-mentioned insurance companies. The insurance companies bear a statutory obligation for setting up a joint guarantee reserve in their balance sheets. The joint guarantee reserve cannot be discharged otherwise than by applying it for the designated purpose or by transferring it to another insurance company when conveying an insurance portfolio.

Pohjola Transaction and Combining of Operations

OKO Bank obtains the right to redeem Pohjola shares – the redemption price is to be determined by an arbitration tribunal

In September 2005, the OP Bank Group's central bank, OKO Bank, acquired a majority holding in the shares of Pohjola Group plc. In January 2006, OKO Bank's proportion of Pohjola's shares and voting rights exceeded 90 per cent. Immediately thereafter, OKO Bank presented a demand, in accordance with the Companies Act, to redeem the shares of Pohjola's other shareholders at a price of €13.35 per share and initiated arbitration proceedings to redeem the Pohjola shares. On 20 March 2006, the Redemption Committee of the Finnish Central Chamber of Commerce appointed Raimo Immonen, LL.D., Seppo Ikäheimo, D.Sc. (Econ.) and Professor Kari S. Tikka as arbitrators. On 23 January 2006, upon an application by Pohjola, the Helsinki District Court appointed Joakim Rehn, Authorised Public Accountant, as trustee to oversee the interests, in the redemption procedure, of absentee shareholders.

It is anticipated that the arbitration tribunal will hand down a decision, in the early summer, according to which OKO Bank has acquired the right, under the Companies Act, to redeem the shares of minority shareholders. In the same connection, the arbitration tribunal will set a security which OKO Bank must lodge for payment of the redemption price. Thereafter, OKO Bank will submit to the Helsinki Stock Exchange an application for delisting Pohjola. It is estimated that Pohjola will be delisted from the stock exchange during the second quarter of 2006. The decision of the arbitration tribunal on the redemption price is expected in the autumn, at the earliest.

Encouraging results in realising estimated synergies

The integration of operations is moving ahead according to plans. During the report period, planning for the integration of operations has been continued on a broad front. The more detailed planning has not changed the estimates of revenue and expense synergies that were announced in the autumn and are estimated to reach more than €91 million before taxes by 2010. The actual process of integrating business functions has been launched and the first results of it have already been achieved. The results are encouraging and are in line with the previously announced estimates of the synergies that can be obtained. Revenue synergies were nevertheless not yet included in the results for the report period. The integration costs booked in the report period are minor.

The asset management and mutual fund functions of the OP Bank Group and Pohjola have been combined. Combining of life-insurance operations has also in practice been carried out to a large extent. Group functions will be reorganised before the summer. The decisions taken so far are estimated to generate savings across the OP Bank Group of about €10 million in 2005, and just over €20 million annually from 2007 onward. In practice, the savings in 2006 will be realised in their entirety by OKO Bank Group, but from 2007 on, the OP Bank Group's savings will be greater than OKO's. To date, precise estimates have not been made of the savings obtainable from combining the ICT functions and the investments required for bringing this about. Accordingly, the expense synergies to be obtained from combining the ICT functions are not included in the figures presented above.

The report period saw the launch of marketing of the first loyal customer benefit offered in connection with the combination of business functions: customers who handle their banking and insurance through the OP Bank Group will receive, as a loyal customer benefit, household contents policy for a year free of charge. The value to customers of the benefit is estimated to be over €5 million. Customers were notified of the loyal customer benefit and combination of operations in a letter, which was sent to 3.7 million customers of the member banks, Helsinki OP Bank and Pohjola.

Cross-selling of banking and insurance services has also been started. Significantly, the number of Pohjola's non-life insurance customers has grown at a clearly faster rate than a year ago. In the report period, the number of new bonus households grew by a net 7 600 households, as against 16 000 for the full year in 2005. The corresponding growth figure in 2004 was 7 500.

The plan for combining Pohjola's sales offices with the outlets of the OP Bank Group has been completed. By the end of March, 31 outlets had been combined, and the number of combined outlets is estimated to reach 70 by the end of 2006. In addition, Pohjola has established 37 new insurance agent outlets at the member cooperative banks' branch offices.

In order to streamline the Group structure and combine overlapping functions, in January the Central Cooperative purchased from Pohjola Group plc the entire shares outstanding in Pohjola Life Insurance Company and the capital loan that had been issued by the company. The total purchase price was €281 million. At the same time, OKO Bank purchased the total shares in Pohjola Asset Management Company Ltd from Pohjola Group plc for a price of €118.5 million. An extraordinary general meeting of Pohjola's shareholders on January 19, 2006, approved these transactions as well as the purchases of the outstanding shares in Pohjola Fund Management Company Ltd and Pohjolan Systeemipalvelu Oy, which had been carried out previously towards the end of 2005.

The purchase of Pohjola Life Insurance Company required approval by the Insurance Supervisory Authority and the purchase of Pohjola Asset Management Company Ltd was subject to approval by the Finnish Financial Supervision Authority. Both regulatory approvals have been obtained.

According to plans, Pohjolan Systeemipalvelu Oy will be merged into the Central Cooperative and Pohjola Life Insurance Company into OP Life Assurance Company Ltd during 2006. Pohjola Fund Management Company Ltd has transferred the business operations and the management of the mutual funds it runs to OP Fund Management Ltd. Pohjola Fund Management Company Ltd will merge into OP Fund Management Company at the end of 2006. OKO Bank's subsidiary Opstock Ltd, which carried on investment banking operations, will merge into OKO Bank during 2006. During the report period, Opstock Ltd's Corporate Finance functions were transferred to OKO Corporate Finance Ltd and its asset management operations to Pohjola Asset Management Ltd, whose name was changed to OKO Asset Management Ltd.

Co-determination negotiations concerning overlapping functions were started in the report period. The negotiation proposal set out a staff reduction requirement of 50 employees within the asset management, mutual fund and life insurance functions and a further requirement of about 30 redundancies for the other asset management sales staff. After the co-determination negotiations, a total of 20 permanent staff in overlapping functions became redundant. No more than three employment relationships will be terminated by giving notice. The negotiations concerning sales personnel did not lead to terminations. The vast majority of the investment

products sales staff were relocated to corresponding positions with the member banks. In other respects, the co-determination procedure dealt with combining and reorganising the Group functions of the OP Bank Group Central Cooperative and Pohjola, and it did not involve the need to cut staff.

Outlook for 2006

The OP Bank Group's market position has strengthened for a number of years now. The Group's target is to reinforce its market position further.

The OP Bank Group's earnings from banking operations for 2006 are estimated to exceed the result for 2005. In 2006, the non-life insurance business will be consolidated as a new division within the OP Bank Group for the first time on a full-year basis. As a result of this, the Group's aggregate profit before taxes is estimated to be markedly higher than in 2005.

All the forecasts and estimates presented in this Interim Report are based on the current view of the trend in the finances of the OP Bank Group and its different functions, and actual results may be significantly different.

Divisions

The OP Bank Group's divisions are Retail Banking, Asset Management, Corporate Banking, Non-Life Insurance and Group Treasury. Retail Banking comprises the other customer business of the member banks and Helsinki OP Bank Plc (financing, payment transfers and cash management services) apart from asset management services. Retail Banking also includes the operations of OP-Kotipankki Oyj, OP Bank Group Mortgage Bank plc and the OP Bank Group Mutual Insurance Company in their entirety.

Asset Management comprises the operations of the OP Bank Group's life insurance companies (OP Life Assurance Company Ltd and Pohjola Life Insurance Company), the mutual fund management companies (OP Fund Management Company Ltd and Pohjola Fund Management Company) and Pohjola Asset Management Ltd in their entirety, OKO Asset Management Ltd as well as the asset management services of the member cooperative banks and Helsinki OP Bank Plc.

Corporate Banking includes OKO Bank Consolidated's corporate banking operations and its corporate finance services. In practice, Corporate Banking comprises the services offered to the OP Bank Group's largest corporate customers as well as leasing and hire-purchase financing.

Non-life insurance is a new division that was created as a result of the Pohjola transaction. It encompasses the operations of the OP Bank Group's non-life insurance companies, i.e. Pohjola Non-Life Insurance Company Ltd, Eurooppalainen Insurance Company Ltd, A-Insurance Ltd, the Seesam companies that operate in the Baltic area, the business of the run-off companies belonging to the Pohjola Group as well as the operations of service companies that support non-life insurance.

Group Treasury comprises the proprietary investment activities of the Central Cooperative, OKO Bank, the member cooperative banks and Helsinki OP Bank Plc as well as operations in the capital and money markets. Of OKO Bank's divisions, Group Treasury covers central banking and treasury management.

Functions falling outside the divisions are the bulk of the Central Cooperative's operations, FD Finanssidata Oy and certain of Pohjola's service companies in their entirety, OKO Bank's Group Administration as well as the member cooperative banks' segment assets that are mainly attributable to the bank's administration and business support functions and which are not allocated to the divisions. The cost of the services which the Central Cooperative and FD Finanssidata Oy provide for the divisions is allocated to the divisions in the form of internal service charges.

An amount of equity capital corresponding to 11 per cent of risk-weighted commitments according to the Credit Institutions Act is allocated to banking operations. Unallocated equity capital is attributed to "Other operations" and is not included in the divisions.

The OP Bank Group's divisions and the definitions of them will be reviewed in June on the basis of the new business strategy that will be adopted during 2006.

Divisions January 1 to March 31, 2006, Summary

<i>€ million</i>	<i>Income</i>	<i>Expenses</i>	<i>Impairments</i>	<i>Other items</i>
Retail Banking	234	100	-1	7
Asset Management	84	58	0	3
of which life and pension insurance	38	19	0	0
Corporate Banking	36	14	-1	0
Non-life Insurance	104	79	0	0
Group Treasury	35	12	0	0
Others, incl. eliminations	-4	5	0	4
Total	490	266	-2	14

<i>Earnings before tax, € million</i>	<i>1–3/2006</i>	<i>1–3/2005</i>	<i>Change, %</i>
Retail Banking	128	125	3.0
Asset Management	24	6	
of which life and pension insurance	19	7	
Corporate Banking	23	19	21.7
Non-life Insurance	25	-	
Group Treasury	23	20	19.4
Others, incl. eliminations	-12	-24	-49.3
Total	211	145	45.4

Growth in Retail Banking

Demand for home mortgages remained strong. Households who are customers of the OP Bank Group drew down €1.4 billion in home mortgages during the report period, an increase of 17 per cent on the figure a year earlier. The volume of loans granted was nevertheless 4.2 per cent less than in the last quarter of 2005. The average margin on new home mortgages dropped further and was nearly 0.1 percentage point lower during the report period than on average in 2005. The OP Bank Group's portfolio of home mortgages at the end of March was €16.9 billion. From the end of March 2005, the portfolio of home mortgages grew by 16 per cent, and by 2.9 per cent from the end of 2005. During the report period, the OP Kiinteistökeskus estate agents brokered a total of 3 600 house purchases, or 2 per cent less than a year ago. The total amount of households' consumer loans increased by 14 per cent from the end of March 2005 and amounted to €2.5 billion at the end of the report period.

Households' current and payment transfer deposits increased by 3.1 per cent to €10.6 billion. At the end of March, customers held 2 million cards. Cards with a payment facility accounted for 92 per cent of all cards. The share of international cards was 58 per cent.

The corporate loan portfolio, which is part of the Retail Banking division, amounted to €3.6 billion at the end of March, an increase of 5.5 per cent year on year. Retail Banking's business customers drew down €400 million of new euro-denominated loans, an increase of 6.6 per cent on the figure a year earlier. Companies' payment transfer deposits grew by 10 per cent from March of last year and totalled €2.3 billion at the end of March.

Earnings before tax in Retail Banking were €128 million, up 3.0 per cent on January-March of 2005. Net interest income grew by 3.5 per cent and other income by 1.3 per cent. Expenses were up 3.4 per cent.

The bulk of the earnings of the member banks and Helsinki OP Bank Plc is generated by the Retail Banking division. All the member banks (incl. Helsinki OP Bank) that are consolidated within the OP Bank Group's financial statements posted an operating profit in January-March, 2006. In the report period, their aggregate operating profit calculated according to Finnish Accounting Standards (FAS) was €184 million. The operating profit, adjusted for the non-recurring items included in the report period and the comparison period, grew by 19 per cent. Net interest income was up 1.9 per cent to €172 million (169). Comparable commission and fee income increased by 15 per cent to €79 million. Other income amounted to €178 million (101). Other operating income includes €42 million of a return on excess funding from the OP Bank Group Pension Foundation (-) and €36 million of income on equity investments (27). Expenses were up 4.6 per cent to €168 million. Personnel costs rose by 1.7 per cent and other administrative expenses by 5.4 per cent. Impairment losses on loans and other commitments amounted to a charge of €1.4 million. Comparable impairment losses a year earlier were €2.0 million.

Retail Banking

<i>€ million</i>	<i>1–3/2006</i>	<i>Change from a year earlier, %</i>	<i>1-12/2005</i>
Net interest income	168	3.5	665
Impairment losses from receivables	-1		2
Other income	66	-0.3	227
Personnel costs	43	-1.8	163
Other expenses	56	7.8	225

Returns to owner-members	7	18.1	27
Earnings before tax	128	3.0	474
New housing loans	1 433	16.9	6 288
New corporate loans	399	6.6	1 515
Number of real estate transactions brokered	3 589	-1.9	16 489
<i>€ billion</i>	<i>31 March 2006</i>	<i>Change from year end, %</i>	<i>12 month change, %</i>
Loan portfolio			
Housing loans	16.9	2.9	15.6
Other household loans	7.2	2.1	9.5
Corporate loans	3.6	2.7	5.5
Other loans	1.0	4.0	18.1
Total	28.8	2.7	12.7
Guarantee portfolio	0.7	35.6	82.1
Current accounts and payment accounts			
Households	10.6	-1.6	3.1
Businesses	2.3	-5.8	10.3
Other	1.1	7.5	1.0
Total	14.0	-1.7	4.1

In the report period the number of member cooperative banks belonging to the OP Bank Group decreased by two when the merger of Hämeenkosken Osuuspankki into Päijät-Hämeen Osuuspankki and the merger of Viekin Osuuspankki into Lieksan Osuuspankki were registered. The merger of Loimaan Seudun Osuuspankki and Loimaan Osuuspankki into the new Loimaan Seudun Osuuspankki was approved by the Cooperative Meetings of both banks in April.

Strong growth in premium income from life insurance

Premium income from the OP Bank Group's life and pension policies in January-March amounted to €265 million, up 68 per cent on the previous year. Of the growth in premium income, 35 percentage points are attributable to the fact that premium income for Pohjola Life Insurance Company was not included in the comparative figure for 2005. At the end of the report period, the OP Bank Group's insurance savings totalled €5.2 billion, an increase of €0.3 billion since the end of 2005.

Net subscriptions to the OP Bank Group's mutual funds totalled €565 million in the report period, down 13 per cent on the aggregate net subscriptions to mutual funds managed by OP Fund Management Company Ltd and Pohjola Fund Management Company Ltd a year earlier (653).

The capital invested in the OP Bank Group's mutual funds totalled €10.9 billion at the end of March, an increase of 45 per cent on the aggregate capital of OP Fund Management Company and Pohjola Fund Management Company Ltd a year earlier (7.5). The increase in capital from the turn of last year was 9.3 per cent. At the end of March, the OP Bank Group's share of mutual fund customers was 22 per cent (22). The Group had 71 mutual funds under management at the end of March.

At the end of March, Pohjola Fund Management Company Ltd transferred its operations and the management of the Pohjola mutual funds to OP Fund Management Company Ltd. According to plans, Pohjola Fund Management Ltd will be merged into OP Fund Management Company Ltd before the end of 2006. The OP Bank Group's range of mutual funds is to be developed energetically during 2006.

Pre-tax earnings generated by Asset Management totalled €24 million, as against €6 million a year earlier. The information for Pohjola Life Insurance Company and Pohjola Fund Management Company Ltd is not included in the figures for the comparison period.

OP Life Assurance Company Ltd, which is part of the division, posted earnings before tax of €17 million that were included in the OP Bank Group's IFRS financial statements (7). The unrealised change in the value of financial assets available for sale has been entered in the fair value reserve under equity capital after deduction of deferred taxes. At the end of March, the

fair value reserve, taking into account the tax liability, was € 91 million, a decrease of € 15 million since the end of 2005. The company's result before taxes at fair values was a loss of € 3.1 million. The fair values of financial assets diminished owing to the rise in interest rates.

OP Life Assurance Company Ltd's premium income increased by 33 per cent to € 210 million. Premium income grew considerably more than the industry average. The share of unit-linked premium income increased to 58 per cent (41). Premium income from savings life insurance policies was € 192 million (141), from pension insurance € 17 million (16), and from other policies € 1.2 million (1.3). Unit-linked policies accounted for 63 per cent of total premiums written in pension insurance. The gross expense ratio calculated on the loading income was 82 per cent (85). Net investment income more than doubled to € 141 million. During the report period, the company's return on investment assets at fair values was 0.6 per cent, as against 1.6 per cent a year earlier.

Pohjola Life Insurance Company's profit before taxes, which was consolidated within the OP Bank Group's IFRS financial statements, was € 5.2 million (a loss of 1.6 million). The company's profit before taxes at fair values was € 4.0 million (3.1). The company's premium income decreased by 14 per cent to € 55 million. The gross expense ratio calculated on the loading income was 71 per cent (87). During the report period the company's return on investment assets at fair values was 0.7 per cent, as against 1.0 per cent a year earlier. According to plans, the company will merge into OP Life Assurance Company Ltd at the end of 2006.

Earnings Analysis of OP Bank Group's Life Insurance Companies (IFRS)

€ million	OP Life Assurance Company			Pohjola Life Insurance Company
	1-3/2006	1-3/2005	Change, %	1-3/2006
Premium income	210	158	32.9	55
Investment income	141	59		70
Compensation paid	-76	-55	38.7	-45
Change in technical provisions before supplementary benefits	-246	-155	58.3	-70
Supplementary benefits	-4	7		0
Operating expenses	-8	-7	14.8	-5
Profit before tax	17	7		5

The aggregate technical provisions of the OP Bank Group's life insurance companies stood at 5.3 billion at the end of March, an increase of 86 per cent on the figure a year earlier. From the end of the year, technical provisions grew by 6.4 per cent. From March of last year, OP Life Assurance Company Ltd's technical provisions increased by 28 per cent to € 3.6 billion. Pohjola Life Insurance Company's technical provisions at the end of March amounted to € 1.6 billion (1.3). The proportion of unit-linked policies within the OP Bank Group's aggregate technical provisions for life and pension insurance was 35 per cent. The companies' aggregate investment assets, excluding assets providing cover for unit-linked policies, was € 3.9 billion, of which unit-linked policies accounted for 75 per cent at the end of March, shares and equity funds for 13 per cent, real-estate investments for 4.9 per cent and alternative investments for 7.4 per cent.

Combining OKO Bank's and Pohjola's asset management doubled the amount of capital under management, which totalled € 28,9 billion at the end of March (27,5). Of this amount, the proportion of capital in the OP Bank Group's mutual funds, was € 10.6 billion

The volume of households' stockbroking grew by 55 per cent on the previous year, reaching 96 000 trades. Orders executed online accounted for 72 per cent of total stockbroking (60).

Asset Management

€ million	1-3/2006	Change from a year earlier, %	1-12/2005
Net interest income	15	18.7	44
Net income from life insurance operations	35		67

Other income	34		85
Personnel costs	19	29.3	60
Other expenses	38	82.2	87
Returns to owner-members	3	8.4	12
Earnings before tax	24		37
Insurance premium income	265	68.3	788
Net subscriptions in mutual funds	565	43.0	1 845
<i>€ billion</i>	<i>31 March 2006</i>	<i>Change from year end, %</i>	<i>12 month change, %</i>
Investment deposits	9.7	1.9	10.7
Endowment insurance	3.0	-16.2	26.3
Pension insurance	0.5	-58.9	38.0
Capital redemption policies	0.1	-37.8	13.1
Total insurance savings	3.6	-27.0	27.3
of which unit-linked	1.2	-8.4	76.6
Equity and hedge funds	1.7	-51.2	-9.7
Balanced funds	2.6	99.1	197.5
Bond funds	2.7	12.1	179.1
Money market funds	2.7	-3.6	38.2
Total value of mutual funds	9.6	-3.7	69.8

The Corporate Banking loan portfolio grows

The portfolio of Corporate Banking loans and guarantees (incl. binding undrawn credit facilities) grew by just under 5 per cent from the end of 2005, rising to €10.5 billion. Loans and guarantees to corporate and institutional customers in the report period grew by 6 per cent to €8.4 billion. The growth was weighted towards syndicated loans. During the report period, €0.8 billion of long-term financing was arranged for customers. OKO Bank acted as the lead manager in two syndicated loan arrangements. The level of margins on the corporate loan portfolio was on average higher than a year ago. Margins on institutional loans continued to narrow.

Corporate Banking generated earnings before tax of €23 million, an increase of 21.7 per cent on the previous year. Income was up 6.4 per cent to €36 million. Expenses were down 3.4 per cent.

Corporate Banking

<i>€ million</i>	<i>1-3/2006</i>	<i>Change from a year earlier, %</i>	<i>1-12/2005</i>
Net interest income	23	9.3	93
Impairment losses on receivables	-1		5
Other income	13	1.4	64
Personnel costs	6	-7.6	24
Other expenses	8	-0.2	33
Returns to owner members	0		0
Earnings before tax	23	21.7	94
<i>€ billion</i>	<i>31 March 2006</i>	<i>Change from year end, %</i>	<i>12 month change, %</i>
Loan portfolio	7.0	4.4	15.9
Guarantee portfolio	1.4	12.5	18.1
Deposit portfolio	0.3	15.6	11.8

Growth in the number of bonus households for non-life insurance and improved profitability

The OP Bank Group's non-life insurance business comprises the insurance companies owned by Pohjola Group plc, i.e. Pohjola Non-Life Insurance Company, A-Insurance Ltd, Eurooppalainen Insurance Company Ltd as well as the Seesam companies, which operate in the Baltic countries. Non-life insurance is a new business area that was acquired in September 2005, and the figures for it have not been consolidated in the result for the comparison period. In order to

convey the trend in these operations, the comparative information is the earnings figures for Pohjola's non-life insurance operations in January-March 2005.

At the end of the report period, Pohjola had more than a million customer households, of which 340 000 were bonus households who take out all or most of their insurance policies with Pohjola. The new motor vehicle cover and the impetus gained from working with the OP Bank Group accelerated the growth in the number of bonus households. In the report period, the number of new bonus households grew by 7 600 households, as against 16 000 for the full year in 2005. The corresponding growth figure in 2004 was 7 500. Premium income from private customers was up 7 per cent. Premium income from corporate customers amounted to €327 million (334).

The result and profitability of non-life insurance operations improved on last year thanks to the growth in income and the favourable trend in claims. The balance on technical account before amortisation of the intangible assets arising on the acquisition was €3 million (9 million negative) and the combined ratio was 98 per cent (105). Premium income was up 7 per cent to €187 million (175) and claims expenses diminished by 5 per cent to €139 million (147). Income from non-life investments, at fair values, in the report period was 1.5 per cent. At the end of the report period, equities made up 16 per cent of investment assets.

Group Treasury reports lower earnings

Notes and bonds issued to the public, which were allocated to Group Treasury, came to €12 billion in total amount, an increase of 61 per cent on the figure a year ago. In the report period, OKO Bank issued notes and bonds to a total amount of €1.6 billion.

The value of investment properties included in Group Treasury's operations at the end of March was €464 million, down 3.5 per cent since the end of 2005. The net yield on capital invested in properties was 7.0 per cent and the properties had an occupancy rate of 88 per cent. Notes and bonds allocated to Group Treasury amounted to €5.3 billion at the end of March (3.1) and shareholdings to €2.0 billion (2.2).

Earnings before tax in Group Treasury were €23 million, an increase of 19 per cent on the previous year. Income increased by 35 per cent to €35 million. Expenses were up 81 per cent.

OP Bank Group Central Cooperative Consolidated

OP Bank Group Central Cooperative Consolidated's earnings before tax in the report period, as stated according to IFRS principles, were €96 million (49). Because OKO Bank acquired a controlling interest in Pohjola Group plc in autumn 2005, the results of Pohjola and its subsidiaries are not included in the result of OP Bank Group Central Cooperative Consolidated for the comparison period. The comparable January-March result before taxes was €65 million, an increase of just under a third on the figure a year earlier.

Net interest income decreased year on year by 3.1 per cent to €40 million (42). In January-March, Central Cooperative Consolidated recorded €86 million of net income from non-life insurance operations (-). Net income from life insurance operations was €33 million (14). The comparable growth in net income from life insurance operations was 62 per cent. Net commission and fee income was up 49 per cent to €38 million, representing like-for-like growth of 4 per cent. A major growth item within commission and fee income was commissions and fees earned in mutual fund operations and asset management. Net investment income increased to €18 million (5.3), mainly owing to capital gains on the sale of available-for-sale shares. Other operating income amounted to €63 million (51), or 24 per cent more than a year earlier. Comparable growth was 10 per cent.

Total expenses increased to €179 million (90). Comparable expenses were up 5.4 per cent. Personnel costs grew to €73 million (35), with comparable expenses increasing by 5.6 per cent. OP Bank Group Central Cooperative Consolidated had a staff of 5 406 employees at the end of March, or 2 804 more than a year earlier. The net effect of impairment losses on receivables and reversals on them was a gain of €0.8 million (a loss of 1.0 million).

OP Bank Group Central Cooperative Consolidated Income Statement

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Interest income	267	178	50.3	792
Interest expenses	227	136	66.8	623
Net interest income	40	42	-3.1	169
Impairment losses on receivables	-1	1		2
Net interest income after impairment losses	41	41	1.3	167
Net income from non-life insurance operations	86			68
Net income from life insurance operations	33	14		55
Net commissions and fees	38	25	49.4	105
Net trading income	7	3	96.6	16
Net investment income	18	5		13
Net income from life insurance operations	63	51	23.6	300
Other operating income	73	35		156
Personnel costs	54	31	70.9	144
Other administrative expenses	52	23		114
Other operating expenses	9	1		10
Returns to owner-members	-1	0		0
Share of affiliate profits/losses	96	49	96.6	301

From the turn of the year, total assets grew by 11 per cent to €31.6 billion (28.5). The loan portfolio grew by 4.0 per cent to €10.6 billion (10.2). Total deposits remained unchanged at €2.4 billion. Debt securities issued to the public totalled €11.6 billion (8.9). Equity capital at the end of March stood at €1.9 billion (2.2). The OP Bank Group Central Cooperative's €0.7 billion of cooperative capital was still ranked as borrowed capital at the end of March. At the end of March, the Cooperative Meeting approved the amendments to the Central Cooperative's Statutes, after registration of which the Central Cooperative's cooperative capital will meet the conditions set for equity according to IFRS.

OP Bank Group Central Cooperative Consolidated's capital adequacy ratio at the end of March was 12.3 per cent (14.7) and own funds totalled €1.7 billion (1.9). Capital adequacy measured with Tier I own funds was 10.3 per cent (11.8). The net profit generated during the report period, less the estimated dividend payout, is included in own funds. The Central Cooperative's cooperative capital and its consolidation group's own funds do not include terminated cooperative contributions. The amount of OP Bank Group Central Cooperative Consolidated's risk-weighted loans, investments and off-balance sheet items grew by 6.2 per cent to €13.6 billion.

The consolidated financial statements of OP Bank Group Central Cooperative Consolidated include the financial statements of the parent institution, the OP Bank Group Central Cooperative, as well as the financial statements of OKO Bank Group, OP Life Assurance Company Ltd, Pohjola Life Insurance Company, OP-Kotipankki Oyj, OP Fund Management Company Ltd, Pohjola Fund Management Company Limited, FD Finanssidata Oy, Pohjolan Systeemipalvelu Oy, OP Bank Group Mortgage Bank plc and Helsinki OP Bank Plc. In addition, the financial statements of the real-estate investment company Oy Realinvest Ab and cash dispenser company Automatia Pankkiautomaatit Oy are consolidated according to the equity method within the consolidated financial statements. The results of Pohjola Group and its subsidiaries are not included in the figures for January-March, 2005.

OP Bank Group Central Cooperative

OP Bank Group Central Cooperative Consolidated's parent institution, the OP Bank Group Central Cooperative, reported an operating profit (FAS) of €58 million (43). Operating profit in January-March was increased by the greater amount of dividend income from subsidiaries compared with the previous year as well as by other operating income. Other operating income was increased by the €6.1 million return of excess funding by the OP Bank Group Pension Foundation. The Central Cooperative's expenses totalled €54 million, an increase of 10 per cent on the previous year. At the end of March, the Central Cooperative had a staff of 1 024 employees, or 6 more than a year ago.

The Annual Cooperative Meeting of the OP Bank Group Central Cooperative was held on 30 March 2006. Of the members due to resign, the meeting re-elected for the term of office 2006-2009 Mr Seppo Penttinen, Mr Pekka Vilhunen, Mr Jukka Hulkkonen, Mr Seppo Junttila, Mr Markku Lappalainen, Mr Timo Levo, Mr Pentti Mäkelä, Mr Teuvo Mäkinen, Mr Matti Niemelä, Mr Jukka Ramstedt, Mr Heikki Rosti and Mr Juhani Suoramaa to seats on the Supervisory Board.

The new members who were elected to the Supervisory Board for the term office 2006-2009 were Mr Keijo Sulkko, Ms Päivi Nerg, Mr Kari Puro, Mr Kyösti Harju, Mr Markku Salomaa, Ms Marjo Partio, Mr Antti Hult, Mr Mauri Kontu, Mr Markku Lehtosaari, Ms Irma Hirsnummi and Mr Timo Viitanen. Ms Marita Marttila was elected in place of Jorma Pere, who had tendered his resignation, for the term of office 2006-2008. The Supervisory Board has a total of 36 members.

At its organisation meeting, the Supervisory Board re-elected Mr Seppo Penttinen chairman. Mr Paavo Haapakoski and Mr Jukka Hulkkonen were elected as the vice chairmen.

At the Annual Cooperative Meeting, the firm of independent public accountants KPMG Oy Ab was elected auditor of the OP Bank Group Central Cooperative for the 2006 financial year.

On 10 March 2006, the Central Cooperative's Supervisory Board appointed the Central Cooperative's president, Mr Reijo Karhinen, M.Sc. (Econ.), chief executive officer of the OP Bank Group, effective January 1, 2007, when Mr Antti Tanskanen, the current CEO, retires, as previously announced. In the same connection, the Central Cooperative's Supervisory Board appointed a working group under the direction of its chairman to prepare the appointment of a new president for the Central Cooperative. The working group will have up until September to prepare the nomination.

OKO Bank

The Central Cooperative's most important subsidiary is OKO Bank, which together with its subsidiaries comprises OKO Bank Group. At the end of 2005, Pohjola Group plc became a subsidiary of OKO Bank. In January, OKO Bank sold the entire shares outstanding in Pohjola Life Insurance Company Ltd to its parent institution, the Central Cooperative.

OKO Bank Group's profit before taxes, calculated according to IFRS, was €69 million, compared with €39 million a year ago. The comparable profit before taxes, adjusted for the effect on earnings of the retail banking business divested in 2005 (comparison period) as well as for the non-recurring capital gains and the proportions of the earnings of divested affiliates (report and comparison period), increased from €28 million to €59 million.

Earnings per share were €0.26 (0.24). Loan portfolio grew from €6.8 billion to €7.1 billion in the report period. Premium income from non-life insurance totalled €187 million, representing an increase of 7 per cent on Pohjola's premium income from non-life insurance a year earlier. The volume of customer assets managed by OKO Bank Group was €28.9 billion at the end of the report period (27.5).

OKO Bank Group's capital adequacy ratio as measured by Tier I own funds in accordance with the Credit Institutions Act was 8.8 per cent at the end of March (9.6). OKO Bank has published its own interim report for the January-March period on 11 May 2006.

OP Bank Group Income Statement

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Interest income	478	372	29	1 575
Interest expenses	279	174	60	780
Net interest income (Note 1)	199	198	1	794
Impairment losses on receivables (Note 2)	-2	2		6
Net interest income after impairment losses	200	195	3	789
Net income from non-life insurance operations (Note 3)	86	-		68
Net income from life insurance operations (Note 4)	34	15		67
Net commissions and fees (Note 5)	110	91	21	340
Net trading income (Note 6)	12	6	91	27
Net investment income (Note 7)	39	22	79	62
Other operating income (Note 8)	23	15	50	68
Personnel costs (Note 9)	134	97	38	387
Other administrative expenses (Note 10)	72	49	47	220
Other operating expenses (Note 11)	72	41	76	183
Returns to owner-members (Note 12)	14	13	10	53
Share of affiliate profits/losses	-1	0		0
Earnings before tax for the period	211	145	45	579
Income tax	70	30		125
Profit for the period	141	115	23	454
Share of OP Bank Group's owners in the period's earnings	141	115	23	450
Share of minority interest in the period's earnings	0	1		4
Total	141	115	23	454

Key Figures and Ratios

	1-3/2006	1-3/2005	1-12/2005
Return on equity, %	12.3	13.7	11.2
Return on assets, %	1.05	1.11	0.96
Cost/income ratio, %	55	54	55
Average personnel	12 085	9 188	9 839
Full-time	11 407	8 812	9 446
Part-time	678	376	393

Return on equity, % = Profit for the period / Equity capital (average at the beginning and end of the period) x 100

Return on assets, % = Profit for the period / Balance sheet total (average at the beginning and end of the period) x 100

Cost/income ratio, % = Personnel costs + other administrative expenses + other operating expenses / Net interest income + net income from non-life insurance operations + net income from life insurance operations + net commissions and fees + net trading income + net income from investments + other operating income + share of affiliate profits/losses x 100

OP Bank Group Quarterly Performance

€ million	2005				2006
	1-3	4-6	7-9	10-12	1-3
Interest income	372	380	389	434	478
Interest expenses	174	177	191	239	279
Net interest income	198	204	198	195	199
Impairment losses on receivables	2	-1	2	3	-2
Net interest income after impairment losses	195	205	196	193	200
Net income from non-life insurance operations	-	-	-	68	86
Net income from life insurance operations	15	16	14	22	34
Net commissions and fees	91	79	81	88	110
Net trading income	6	2	11	9	12
Net investment income	22	24	15	2	39

Other operating income	15	11	17	24	23
Personnel costs	97	88	82	121	134
Other administrative expenses	49	51	42	78	72
Other operating expenses	41	37	38	67	72
Returns to owner-members	13	13	14	14	14
Share of affiliate profits/ losses	0	0	0	0	-1
Earnings before tax for the period	145	148	158	127	211
Income tax	30	45	44	6	70
Profit for the period	115	103	115	121	141

OP Bank Group Balance Sheet

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Liquid assets	1 071	708	51	613
Receivables from financial institutions	187	735	-74	666
Financial assets for trading (Note 13)	5 001	3 441	45	3 841
Derivative contracts	180	90		126
Receivables from customers	35 859	31 648	13	34 814
Non-life insurance assets (Note 14)	3 101	-		2 742
Life insurance assets (Note 15)	5 672	3 081	84	5 385
Investment assets (Note 16)	1 714	1 593	8	1 652
Investments in affiliates	40	11		40
Intangible assets	1 281	86		1 199
Tangible assets	693	622	12	690
Other assets	1 134	926	22	879
Tax receivables	123	101	22	117
Assets classified as held for sale	60	-		81
Total assets	56 118	43 041	30	52 845
Liabilities to financial institutions	2 062	1 620	27	2 025
Financial liabilities for trading	3	3	-5	4
Derivative contracts	178	114	56	124
Liabilities to customers	26 131	24 144	8	26 475
Non-life insurance liabilities (Note 17)	2 292	-		1 926
Life insurance liabilities (Note 18)	5 232	2 800	87	4 918
Debt securities issued to the public (Note 19)	11 469	7 799	47	8 891
Provisions and other liabilities	1 720	1 218	41	1 280
Tax liabilities	845	437	93	801
Cooperative capital	724	727	-1	717
Subordinated liabilities (Note 20)	830	666	25	879
Liabilities directly associated with assets classified as held for sale	46	-		48
Total liabilities	51 531	39 530	30	48 087
Equity capital				
Share of OP Bank Group's owners				
Share capital	245	81		244
Share issue account	0	0		1
Reserves	2 233	1 634	37	2 249
Retained earnings	2 106	1 790	18	2 061
Minority interest	4	5	-34	203
Total equity capital	4 587	3 511	31	4 757
Total liabilities and equity capital	56 118	43 041	30	52 845

Changes in Equity Capital

€ million	Share capital	Reserves	Retained earnings	Minority interest	Total equity capital
Equity capital 1 January 2005	78	1 535	1 718	6	3 337
Changes in accounting principles	-	85	-8	-	77
Change in share capital	2	-3	-	-	0
Fair value reserve	-	8	-	-	8
Transfer of reserves	-	15	-15	-	-
Distribution of profit	-	-	-25	-1	-26

Profit for the period	-	-	115	1	115
Other	1	-6	5	-	-
Equity capital 31 March 2005	81	1 634	1 790	5	3 511
Equity capital 1 January 2006	244	2 250	2 061	203	4 757
Change in share capital	1	-1	-	-	0
Fair value reserve	-	-33	-	-	-33
Transfer of reserves	-	15	-15	-	-
Distribution of profit	-	-	-73	-1	-74
Profit for the period	-	-	141	0	141
Other	0	1	-8	-198	-205
Equity capital 31 March 2006	245	2 233	2 106	4	4 587

The division of equity capital into reserves and retained earnings at 1 January 2006 has been changed in this interim report from what was presented in the annual financial statements at 31 December 2005. The amount of retained earnings is €174 million larger and the amount of reserves is €174 million smaller at 1 January 2006 than at 31 December 2005. The total amount of equity capital remains unaltered. The change is due to improved elimination procedures within the OP Bank Group.

Cash flow statement

<i>€ million</i>	1–3/2006	1–3/2005
Liquid assets 1 January	729	450
Cash flows from operations	-1 919	-971
Cash flows from investments	-107	21
Cash flows from financing	2 463	1 505
Liquid assets 31 December	1 166	1 005

The cash flow statement presents the cash flows of the period on the cash basis, divided into cash flows from operations, investments and financing. Cash flows from operations include cash flows originating from day-to-day operations. Cash flow from investments includes payments associated with tangible and intangible assets, investments held to maturity and shares that are not considered as belonging to cash flow from operations. Cash flow from financing includes 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. Calculation has been prepared using the indirect method.

Notes

Note 1 Net interest income

<i>€ million</i>	1–3/2006	1–3/2005	Change, %	1-12/2005
Interest income				
Receivables from financial institutions	7	6	13	23
Receivables from customers	305	284	7	1 168
Other	167	82		384
Total	478	372	29	1 575
Interest expenses				
Liabilities to financial institutions	15	8	78	38
Liabilities to customers	74	63	17	261
Other	190	103	85	481
Total	279	174	60	780
Net interest income	199	198	1	794

Note 2 Impairment losses on receivables

<i>€ million</i>	1–3/2006	1–3/2005	Change, %	1-12/2005
Impairment losses on receivables	7	8	14	48
Reversals of impairment losses	-8	-9	12	-40
Payments on impaired receivables depreciated from balance sheet	-1	-1	27	-6
Net change in group-specific impairment losses	1	5	88	4
Total	-2	2	164	6

Note 3 Net income from non-life insurance

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Net insurance premium revenue				
Premiums written	405	-		68
Insurance premiums ceded to reinsurers	-28	-		-2
Change in insurance contract liabilities	-206	-		73
Reinsurers' share	16	-		-1
Total	187	-		138
Net non-life insurance claims				
Claims paid	-119	-		-68
Insurance claims recovered from reinsurers	-6	-		-6
Change in insurance contract liabilities	0	-		3
Reinsurers' share	-4	-		1
Total	-129	-		-69
Net investment income, non-life insurance				
Interest income	18	-		11
Net realised gains and realised fair value gains and losses				
Notes and bonds	-1	-		0
Equity securities	4	-		5
Investment properties	1	-		0
Other	2	-		-
Unrealised fair value gains and losses				
Notes and bonds	0	-		-2
Shares and holdings	0	-		-2
Investment properties	0	-		0
Other	0	-		-1
Dividend income	14	-		1
Total	36	-		11
Unwinding of discount	-9	-		-6
Other	0	-		-5
Net income from non-life insurance	86	-		68

Note 4 Net income from life insurance

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Premium income	265	158	68	788
Reinsurer's share	0	-		-1
Investment income	209	59		351
Claims incurred				
Claims paid	-114	-62	85	-214
Change in provision for outstanding claims	-6	-		-94
Reinsurer's share	0	-		0
Change in provision for unearned premiums				
Change in provision for unearned premiums	-310	-140		-741
Reinsurer's share	-1	-		2
Other	-8	-		-23
Net income from life insurance	34	15	130	67

Note 5 Commissions and fees

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Commission income				
Lending	21	22	-4	89
Deposits	2	2	-10	7
Payment transfers	29	26	14	103
Securities brokerage	7	5	43	26
Securities issuance	1	2	-25	6
Mutual funds brokerage	22	10		48
Asset management and legal services	15	7		31
Insurance brokerage	23	20	13	38

Guarantees	3	2	4	10
Other	7	5	48	21
Total	130	102	28	380
Commission expenses	20	10	97	40
Net commissions and fees	110	91	21	340

Note 6 Net trading income

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Capital gains and losses				
Notes and bonds	-3	0		4
Shares and holdings	-1	1		3
Derivatives	4	2		1
Changes in fair value				
Notes and bonds	-27	1		-4
Shares and holdings	7	0		5
Derivatives	25	0		9
Net income from hedge accounting				
Net income from hedging contracts	-	-		-
Net income from hedged contracts	-	-		-
Dividend income	0	0	5	2
Net income from foreign exchange operations	6	2		8
Total	12	6	91	27

Note 7 Net income from investments

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Financial assets available for sale				
Capital gains and losses				
Notes and bonds	0	1		7
Shares and holdings	21	5		13
Other	-	-		-
Net income from hedge accounting				
Net income from hedging contracts	-	0		0
Net income from hedged contracts	-	-		-
Dividend income	6	5	1	8
Impairment losses	-	0		-5
Total	27	12		23
Investment properties				
Rental income	14	16	-10	61
Maintenance charges and expenses	-8	-9	-10	-37
Changes in fair value, capital gains and losses	6	3		14
Other	0	0		2
Total	12	10	20	39
Other	-	0		0
Net income from investments	39	22	79	62

Note 8 Other operating income

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Income from real estate holdings in own use	3	4	-8	13
Other	20	12	67	55
Total	23	15	50	68

Note 9 Personnel costs

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Salaries and remuneration	116	84	38	348
Pension costs	8	6	40	16
Other indirect personnel costs	9	7	31	22
Total	134	97	38	387

Note 10 Other administrative expenses

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Office expenses	13	9	41	41
IT expenses	23	15	56	63
Telecommunications expenses	10	9	17	31
Marketing expenses	14	9	52	44
Other administrative expenses	12	7	66	41
Total	72	49	47	220

Note 11 Other operating expenses

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Expenses on real estate and business premises in own use	18	12	47	60
Depreciation	32	16	99	77
Other	22	12	74	46
Total	72	41	76	183

Note 12 Returns to owner-members

€ million	1-3/2006	1-3/2005	Change, %	1-12/2005
Bonuses	10	9	15	38
Interest on cooperative capital	4	4	-1	15
Total	14	13	10	53

Note 13 Financial assets for trading

€ million	31.3.2006	31.3.2005	Change, %	31 Dec. 2005
Notes and bonds	4 929	3 379	46	3 742
Shares and holdings	72	62	17	99
Purchased loans and other receivables	-	-	-	-
Total	5 001	3 441	45	3 841

Note 14 Non-life insurance assets

€ million	31.3.2006	31.3.2005	Change, %	31 Dec. 2005
Investments				
Loan and other receivables	53	-		68
Shares and participations	680	-		695
Real-estate investments	60	-		63
Debt securities	1 919	-		1 626
Other	1	-		1
Total	2 713	-		2 452
Other assets				
Accrued income	-26	-		-1
Other				
Arising from direct insurance operations	303	-		184
Arising from reinsurance operations	92	-		75
Cash in hand and at bank	18	-		32
Total	388	-		290
Non-life insurance assets	3 101	-		2 742

Note 15 Life insurance assets

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Investments				
Loan and other receivables	5	10	-48	8
Shares and participations	1 320	669	97	1 241

Real-estate investments	100	69	45	100
Debt securities	2 350	1 605	46	2 419
Other	1	-		0
Total	3 776	2 352	61	3 768
Assets				
Shares and participations	1 836	701		1 539
Other assets				
Accrued income	44	29	53	52
Other				
Arising from direct insurance operations	0	-		1
Arising from reinsurance operations	5	-		7
Cash in hand and at bank	11	-		18
Total	60	29		78
Life insurance assets	5 672	3 081	84	5 385

Note 16 Investment assets

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Financial assets available for sale				
Notes and bonds	717	593	21	660
Shares and holdings	292	213	37	276
Other	-	-		-
Financial assets held to maturity	194	181	8	198
Investment properties	501	587	-15	508
Subsidiaries and affiliates not consolidated	9	19	-50	10
Total	1 714	1 593	8	1 652

Note 17 Non-life insurance liabilities

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Technical provision				
Provision for unearned premiums	456	-		249
Claims outstanding	1 604	-		1 595
Total	2 060	-		1 844
Other	231	-		82
Non-life insurance liabilities	2 292	-		1 926

Note 18 Life insurance liabilities

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Technical provision	3 244	2 100	54	3 310
Provisions for unit-linked policies	1 757	694		1 505
Other liabilities				
Accrued income	3	2	91	1
Other				
Arising from direct insurance operations	-	-		-
Arising from reinsurance operations	-	-		-
Other	227	5		101
Total	230	6		102
Life insurance liabilities	5 232	2 800	87	4 918

Note 19 Debt securities issued to the public

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Bonds	5 525	3 932	41	4 633
Certificates of deposit	6 217	3 000		4 134
Other	-274	868		125
Total	11 469	7 799	47	8 891

Note 20 Subordinated liabilities

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Capital loans	216	127	70	226
Other	615	539	14	653
Total	830	666	25	879

Off-balance sheet items

€ million	31 March 2006	31 March 2005	Change, %	31 Dec. 2005
Guarantees	426	335	27	375
Guarantee liabilities	1 443	1 202	20	1 348
Bill liabilities	-	-	-	-
Letters of credit	135	115	17	146
Pledges	1	1	-6	1
Loan commitments	5 800	4 693	24	5 424
Commitments related to short-term trade transactions	135	115	17	146
Other	459	452	1	516
Total off-balance sheet items	8 399	6 915	21	7 956

Derivative contracts

Derivatives held for trading 31 March 2006

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1–5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives							
Interest rate swaps	11 525	8 481	1 875	21 881	109	-113	180
Forward rate agreements	938	-	-	938	0	0	0
Interest rate options	14 169	4 881	1 939	20 989	43	-42	69
Interest rate futures	1 065	-	-	1 065	2	0	-
Total	27 697	13 362	3 814	44 873	155	-155	249
Currency derivatives							
Forward exchange agreements	3 970	93	-	4 063	15	-26	60
Interest rate and currency swaps	-	25	-	25	0	0	2
Currency options	356	-	-	356	1	-1	3
Currency futures	-	-	-	-	-	-	-
Total	4 325	118	-	4 444	17	-27	65
Share and index derivatives	151	111	-	262	23	0	34
Credit derivatives	-	150	-	150	0	-1	3
Other derivatives	79	15	-	94	6	-	12
Trading derivatives, total	32 253	13 756	3 814	49 824	201	-182	363

Derivatives held for trading 31 March 2005

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1–5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives							
Interest rate swaps	3 501	3 057	948	7 507	54	-93	84
Forward rate agreements	1 775	437	-	2 212	1	-1	3
Interest rate options	2 290	1 329	780	4 400	5	-6	14
Interest rate futures	2 937	440	-	3 377	1	-1	-
Total	10 503	5 264	1 729	17 495	61	-100	100

Currency derivatives							
Forward exchange agreements	2 192	42	-	2 234	25	-20	49
Interest rate and currency swaps	-	-	-	-	-	-	-
Currency options	19	-	-	19	0	0	0
Currency futures	-	-	-	-	-	-	-
Total	2 211	42	-	2 253	25	-20	49
Share and index derivatives	-	96	-	96	9	-	17
Credit derivatives	5	69	10	84	1	0	2
Other derivatives	-	17	-	17	0	-	1
Trading derivatives, total	12 718	5 488	1 739	19 946	96	-120	169

Derivative contracts held for hedging purposes - fair value hedging 31 March 2006

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1-5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives							
Interest rate swaps	638	916	251	1 805	9	-14	18
Forward rate agreements	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-
Total	638	916	251	1 805	9	-14	18
Currency derivatives							
Forward exchange agreements	-	-	-	-	-	-	-
Interest rate and currency swaps	46	569	372	987	27	-25	84
Currency options	-	-	-	-	-	-	-
Currency futures	-	-	-	-	-	-	-
Total	46	569	372	987	27	-25	84
Share and index derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-
Derivative contracts held for hedging purposes, total	684	1 485	623	2 791	36	-39	101

Derivative contracts held for hedging purposes - fair value hedging 31 March 2005

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1-5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives							
Interest rate swaps	1 366	789	128	2 282	6	-25	12
Forward rate agreements	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-	-
Total	1 366	789	128	2 282	6	-25	12
Currency derivatives							
Forward exchange agreements	-	-	-	-	-	-	-
Interest rate and currency swaps	98	501	179	778	9	-21	48
Currency options	-	-	-	-	-	-	-
Currency futures	-	-	-	-	-	-	-
Total	98	501	179	778	9	-21	48

Share and index derivatives	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-
Derivative contracts held for hedging purposes, total	1 464	1 290	307	3 060	15	-45	60

Trading and hedging derivatives, 31 March 2006

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1–5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives	28 335	14 278	4 065	46 678	164	-168	266
Currency derivatives	4 371	687	372	5 430	43	-52	148
Share and index-linked derivatives	151	111	-	262	23	0	34
Credit derivatives	-	150	-	150	0	-1	3
Other derivatives	79	15	-	94	6	-	12
Total derivatives	32 937	15 241	4 437	52 615	237	-221	464

Trading and hedging derivatives, 31 March 2005

€ million	Nominal values/remaining maturity				Fair values		Potential future exposure
	<1 year	1–5 years	>5 years	Total	Assets	Liabilities	
Interest rate derivatives	11 868	6 053	1 857	19 778	67	-125	112
Currency derivatives	2 309	543	179	3 031	34	-41	98
Share and index-linked derivatives	-	96	-	96	9	-	17
Credit derivatives	5	69	10	84	1	0	2
Other derivatives	-	17	-	17	0	-	1
Total derivatives	14 182	6 778	2 046	23 006	111	-166	230

Related party transactions 31 March 2006

The administrative personnel of OP Bank Group includes the OP Bank Group Chairman and CEO, CEO of OP Bank Group Central Cooperative, members and deputy members of the Executive and Supervisory Board and their close relatives. Other communities considered as related parties include OP Bank Group Pension Fund and Pension Foundation. Standard terms and conditions for credits are applied to credit granted to the management. Loans are tied to generally used reference rates.

€ million	Affiliates	Management	Others*
Credits	100	4	-
Other receivables	0	0	0
Deposits	3	7	25
Other liabilities	-	-	-
Interest income	0	0	-
Interest expenses	0	0	0
Dividend income	-	-	-
Commissions and fees	0	0	0
Commission expenses	0	0	0
Other operating income	-	-	-
Write-downs	-	-	-
Write-downs at the end of the period	-	-	-
Off-balance sheet items			
Guarantees	-	-	-
Irrevocable commitments	-	-	-
Other off-balance sheet commitments	-	-	-
Salaries and remuneration and result-based bonuses			
Salaries and remunerations	-	2	-
Result-based bonuses	-	-	-

Ownership of close affiliates			
Number of share options	-	-	-
Number of shares	-	62 199	-
Number of holdings	-	3 723	-

*Includes subsidiaries, OP Bank Group Pension Fund Pension Foundation.

Related party transactions 31 March 2005

<i>€ million</i>	Affiliates	Management	Others*
Credits	271	3	-
Other receivables	2	-	0
Deposits	0	6	9
Other liabilities	-	-	-
Interest income	0	0	-
Interest expenses	0	0	-
Dividend income	-	-	-
Commissions and fees	-	-	-
Commission expenses	-	-	-
Other operating income	-	-	-
Write-downs	-	-	-
Write-downs at the end of the period	-	-	-
Off-balance sheet items			
Guarantees	-	-	-
Irrevocable commitments	-	-	-
Other off-balance sheet commitments	-	-	-
Salaries and remuneration and result-based bonuses			
Salaries and remunerations	-	2	-
Result-based bonuses	-	-	-
Ownership of close affiliates			
Number of share options	-	45 500	-
Number of shares	-	55 794	-
Number of holdings	-	-	-

*Includes subsidiaries, OP Bank Group Pension Fund Pension Foundation.

This Interim Report has been prepared in accordance with IAS 34 (Interim Financial Reporting). The accounting policies applied are described in the 2005 financial statements. As a departure from the information given in them, IFRS 7, which concerns the information on financial instruments, will be adopted by the OP Bank Group on 1 January 2007, instead of on 1 January 2006, as previously stated.

The figures in this Interim Report are unaudited.

Contrary to previous announcements, the OP Bank Group's Interim Report for January-June will be published on 17 August 2006, and the Interim Report for January-September on 9 November 2006.

Helsinki, 11 May 2006

**OP Bank Group Central Cooperative
Executive Board**