OP-Pohjola Group Central Cooperative
Company release 7 May 2009, at 8 am 1 (35)
Release category: Interim Report

OP-Pohjola Group's January–March 2009

Good first quarter under challenging conditions – pre-tax earnings at last year's level

– OP-Pohjola Group's earnings before tax came to EUR 124 million (125).
– Of the business segments, Banking improved its pre-tax earnings by 3% to EUR 164 million (160).
– Non-life insurance's balance on technical account was good. The operating combined ratio was 91.3%. However, since investment income shrank, pre-tax earnings were zero.
– Life insurance results were eroded by impairments, bringing losses before tax to EUR 26 million (0).

Lower demand for banking services – market position improved also during slower growth

– Growth in the deposit and loan portfolio slowed down clearly in the first quarter. The deposit portfolio's 12-month growth slowed from a record level to 13% – the market share grew by 0.7 percentage points.
– The loan portfolio growth was 9.4% and that of home mortgages 10.4% and corporate loans 11%. The market share of credits increased by 0.8 percentage points.
– Non-life insurance premium revenue rose by 4.9% and that from private customers by 12%.
– The market share of insurance savings fell by 0.4 percentage points.
– The market share of mutual fund capital rose by 1.1 percentage points.
– In the year to March, the number of joint banking and non-life insurance customers increased by 98,000 to 1,013,000 as a result of cross-selling.

Group's high capital adequacy – increasingly important as competitive edge

– OP-Pohjola Group's capital adequacy is high. Tier 1 ratio stood at 12.1% (12.6).
– Impairments on receivables increased to EUR 29 million (2), but were still very low in relation to the loan and guarantee portfolio. Non-performing loan losses increased by 38% year on year, with their share of the loan and guarantee portfolio standing at 0.5% (0.4).
– It is still exceptionally difficult to predict how the financial sector's operating environment will be affected in the future. OP-Pohjola Group's high capital adequacy will act as a stabilising buffer to ensure continuity.

Comments by Reijo Karhinen, Executive Chairman

"OP-Pohjola Group had a strong start to the year. Despite the difficult economic situation, we made a good result and maintained solid capital adequacy.

Our market share continued to grow in our key business divisions. We managed to keep up with our challenging target of cross-selling banking and non-life insurance services. Our rise into the market leader in terms of deposits and loans particularly at a time like this is strong evidence that our long-term work is paying off and that we have our customers' confidence. Thanks to our successful funding, we can continue to finance our customers' viable projects without changes even amid such turbulent economic times.

It is promising and encouraging that we are finally seeing some weak positive signs in the economic environment. But Finland is still greatly dependent on exports, and the overall outlook for 2009 is quite poor: the investment environment will continue to be unstable and the market rates will remain exceptionally low. All of these factors together create a challenging environment for the financial sector in terms of financial performance and growth.

Credit losses are unavoidable at this stage of the economic cycle, and there is nothing exceptional about rising credit losses, for which OP-Pohjola Group is well prepared. Our strong capital base enables us to cushion the effects of the recession and help our customers over the crisis much better than in the early 1990s."

* Changes are based on a year-on-year comparison.

OP-Pohjola Group's Interim Report for 1 January–31 March 2009

OP-Pohjola Group's key indicators

	Q1/ 2009	*Q1/ 2008*	*Change**	*2008*
Earnings before tax, EUR million	124	125	-0.4	372
Banking and Investment Services	164	160	2.7	532
Non-life Insurance	-1	22		55
Life insurance	-26	0		-162
Bonuses paid to customers	35	31	11.5	132
Return on equity (ROE), %	4.9	6.6	-1.6*	4.1
Return on equity at fair value, %	2.7	-3.9	6.6*	-6.0
Cost/income, % (Banking and Investment Services)	52	51	0	54
Average personnel	12,693	12,514	1.4	12,615

	31 Mar 2009	*31 Mar 2008*	*Change**	*31 Dec 2008*
Total assets, EUR billion	75.8	70.4	7.7	75.7
Capital adequacy **	12.1	12.8	-0.7	12.7
Tier 1 ratio, %**	12.1	12.7	-0.7	12.6
Ratio of capital base to minimum amount of capital base***	1.38	1.49	-0.12	1.40
Ratio of non-performing loan losses to the loan and guarantee portfolio, %	0.5	0.4	0.1	0.4
Market share, %				
Total loans	32.2	31.4	0.8	32.1
Total deposits	33.8	33.1	0.7	33.8
Capital invested in mutual funds	22.1	21.0	1.1	22.5
Of insurance savings through life and pension insurance, %	19.3	19.7	-0.4	19.4
	Q1/ 2009	*Q1/ 2008*	*Change**	*2008*
Of premiums written in life and pension insurance, %	24.0	36.5	12.5	29.3

* Percentage point change, except for earnings before tax, customer bonuses, total assets and average number of personnel, for which the change is stated in percentages, as well as the ratio of capital resources to the minimum amount of capital resources, for which the change is stated as a change in the ratio.
** Pursuant to the Act on Credit Institutions.
*** Pursuant to the Act on the Supervision of Financial and Insurance Conglomerates.

Operating environment

World economic prospects continued to weaken in the first quarter of 2009. In the USA and Europe, production figures have plummeted, while Asia's economic growth has slowed down substantially. Massive stimulus packages have been put in place, but no improvement is expected until the end of the year at the earliest when the US economy is forecast to move into recovery.

Central banks have tried to fight the recession by reducing benchmark interest rates. The European Central Bank reduced its benchmark interest rate to 1.25%, its lowest level since the introduction of the euro. Central banks have also supported the banking system's liquidity through loans. Some unusual measures, such as purchase of companies' and public-sector entities' debt instruments straight from the market, have also been adopted. These measures by the central banks have helped the financial markets over the worst crisis, and it is a sign of improved confidence that risk premiums have become narrower.

Finland is also in a deep recession. Exports are falling sharply as world trade is shrinking. The downfall of investments is made worse by the low capacity utilisation rate and dismal construction industry outlook. The spending power of households is rising, but consumption will fall as unemployment rises and people become more cautious. Therefore the forecast for manufacturing, construction and services is bleak.

Although interest rates are now lower, people have been less inclined to take out loans and this will continue throughout the year with the current uncertainty of future prospects. Demand for home mortgages has also fallen.

Share prices fell in Finland too in the first quarter until they picked up again in April, but a certain amount of equity market instability is still to be expected. The poor investment atmosphere eroded mutual fund capital in the first quarter to a less extent than previously. Premiums written in life insurance have been in decline, and the growth rate of deposits has slowed down.

As to non-life insurance, so far the recession has affected it in the form of lower investment income. Premiums written in the sector have not reduced considerably, but a small decline is expected towards the end of the year. Claims paid, however, are expected to fall more than premiums written.

OP-Pohjola Group's earnings and total assets

January–March

Earnings before tax came to EUR 124 million (125)*. Banking and Investment Services earnings before tax were still good despite the challenging market situation, actually improving somewhat year on year. Poor investment performance affected non-life insurance earnings before tax, although the balance on technical account was good. Continued poor return on investment also weakened life insurance results, ending in a loss.

The Group's revenues increased by 7.2% to EUR 510 million (476). Net interest income increased by 5.5% to EUR 287 million (272) and other income rose by 9.6% to EUR 223 million (204). Net commissions, totalling EUR 130 million, were higher than last year, despite diminished asset management commissions. The net income of life and non-life operations was still eroded by poor investment markets. Year on year, net investment income from life insurance fell by EUR 12 million and from non-life insurance by EUR 39 million. Year on year, net income from investments by Banking fell by EUR 26 million. Net trading income increased by EUR 86 million, which was partly thanks to impairments of EUR 49 million on the liquidity reserve.

During the financial crisis, there has been no properly active market for a number of investment instruments, which has made market price sources less reliable. However, OP-Pohjola Group did not apply any of its own market valuation models.

Expenses stood at EUR 319 million (311), up by 2.4% year on year, a significant part of this increase being due to higher personnel costs. The 7.2% rise in personnel costs resulted from an increase in staff numbers and the payroll bill.

Bonuses paid to owner-members and OP bonus customers rose by 11% to EUR 35 million (31).

Net impairments on loans and receivables increased to EUR 29 million (2.2). New impairments in gross terms totalled EUR 42 million, or up by EUR 30 million from last year. Value readjustments and reversals of impairments totalled EUR 13 million, or 26% more than the year before. Impairments on receivables remained low, at 0.21% of the loan and guarantee portfolio in annual terms.

Return on equity stood at 4.9%, down from last year's 6.6%. Earnings before tax came to EUR 85 million (-71).

Banking and Investment Services reported a pre-tax profit of EUR 164 million (160). Non-life Insurance recorded a pre-tax loss of EUR 1 million (earnings of EUR 22 million). Non-life Insurance's operating combined ratio improved to 91.3% (98.2). Life Insurance recorded pre-tax losses of EUR 26 million (0). The results of both life and non-life insurance operations were weakened by declining net investment income.

The Q1/2009 net interest income contracted by EUR 29 million from Q4/2008. Impairments on receivables were EUR 2 million less than in October–December 2008. Pre-tax earnings were EUR 124 million as opposed to a loss of EUR 15 million in the preceding quarter. Pre-tax earnings at fair value were EUR 85 million as opposed to a loss of EUR 285 in the preceding quarter.

* Comparatives for 2008 are given in brackets. For balance sheet and other cross-sectional figures, the point of comparison is the January–March 2008 figure. For balance-sheet and other cross-sectional figures, figures at the end of the previous reporting period (31 December 2008) serve as comparatives.
**The combined cost ratio excluding amortisation on intangible assets arising from the Pohjola acquisition and allocated to the business segment without the effect of changes in reserving bases.

Earnings analysis

EUR million	*Q1/ 2009*	*Q1/ 2008*	*Change, EUR million*	*Change, %*	*2008*
Earnings before tax	**124**	**125**	**-1**	**-0.4**	**372**
Gross change in fair value reserve	-40	-196	156	-79.8	-737
Earnings/loss before tax at fair value	**85**	**-71**	**156**		**-365**
Return on equity (ROE), %	**4.9**	**6.6**		**-1.6***	**4.1**
Return on equity at fair value, %	**2.7**	**-3.9**		**6.6***	**-6.0**
Income					
Net interest income	287	272	15	5.5	1,189
Net income from Non-life Insurance	69	89	-21	-23.1	345
Net income from Life Insurance	-21	8	-28		-139
Net commissions and fees	130	124	6	4.5	433
Net trading and investment income	20	-40	61		-99
Other operating income	25	23	2	8.1	93
Share of associates' profits/losses	0	0	0	-97.5	1
Other income, total	223	204	19	9.6	634
Total income	**510**	**476**	**34**	**7.2**	**1,823**
Expenses					
Personnel costs	163	152	11	7.2	598
Other administrative expenses	80	82	-2	-3.0	328
Other operating expenses	76	77	-1	-1.5	312
Total expenses	**319**	**311**	**7**	**2.4**	**1,238**
Impairment losses on receivables	**29**	**2**	**27**		**58**
Returns to owner-members and OP bonus customers					
Bonuses	35	31	4	11.5	132
Interest on ordinary and supplementary cooperative capital	3	6	-3	-46.8	22
Total returns	**38**	**37**	**1**	**1.9**	**154**

* Percentage points

OP-Pohjola Group's total assets amounted to EUR 75.8 billion (75.7) on 31 March 2009. During the review period, receivables from customers stood at EUR 51.9 billion (51.7) and deposits at EUR 34.8 billion (34.5). Debt securities issued to the public declined by 3.6% to EUR 17.5 billion.

Equity capital decreased by 0.1% to EUR 5.2 billion (5.2). The fair value reserve, adjusted for deferred tax assets, was EUR 585 million in the negative (minus EUR 556 million). The main reason for the decrease in the fair value reserve during the report period was the dip in securities' market values.

The cooperative capital investments and supplementary cooperative capital investments made by the member cooperative banks' owner members totalled EUR 715 million (695) on 31 March 2009. Member banks' interest on the ordinary and supplementary cooperative capital recognised in the 2008 financial statements totalled EUR 22 million. The Annual General Meeting of Pohjola Bank plc decided that the company would pay a dividend of EUR 0.23 for each Series A share and EUR 0.20 for each Series K share for 2008, totalling EUR 45 million (131).

Capital adequacy

Two sets of capital adequacy ratios are calculated for OP-Pohjola Group. OP-Pohjola Group operates in compliance with the Act on Cooperative Banks and other Cooperative Institutions. Owing to the regulations on joint responsibility and security conditions prescribed in the Act, a minimum amount of capital resources has been set for the amalgamation of the cooperative banks calculated according to the regulations for capital adequacy specified in the Act on Credit

Institutions. The amalgamation of the cooperative banks comprises its central institution (OP-Pohjola Group Central Cooperative), the central institution's member credit institutions and companies belonging to their consolidation groups. Although OP-Pohjola Group's insurance companies do not belong to the amalgamation of the cooperative banks, investments made in them have a major impact on capital adequacy calculated in accordance with the capital adequacy regulations for credit institutions. This capital adequacy figure is called the amalgamation of cooperative banks' capital adequacy.

OP-Pohjola Group is also a financial and insurance conglomerate, pursuant to the Act on the Supervision of Financial and Insurance Conglomerates. The conglomerate is governed by specific provisions of the capital adequacy requirement.

In view of both capital adequacy requirements, OP-Pohjola Group's risk-bearing capacity is strong.

OP-Pohjola Group Central Cooperative will publish annually, as part of the financial statements, the full information required by Pillar III of the capital adequacy framework and the Financial Supervisory Authority standards.

In its calculation of capital requirement for credit risk, OP-Pohjola Group will phase in the Internal Rating-based Approach (IRBA). The Financial Supervisory Authority granted OP-Pohjola Group permission to use IRBA in its calculation of capital adequacy requirements for credit risks as of 30 September 2008. This permission concerns liabilities granted to Pohjola Bank plc's corporate and institutional customers. Otherwise the capital requirement is calculated using the Standardised Approach. The adoption of IRBA will reduce OP-Pohjola Group's capital requirement, but is expected to make the requirement more susceptible to market fluctuations. As to market risks, OP-Pohjola Group will continue to use the Standardised Approach. The capital requirement for operational risks will be calculated using the Basic Indicator Approach (BIA), with the objective of adopting the Standardised Approach in 2010.

Capital adequacy of the amalgamation of cooperative banks

At the end of March, OP-Pohjola Group's capital adequacy according to the Act on Credit Institutions and Tier 1 ratio was 12.1%. Capital adequacy ratio according to the 31 December 2008 financial statements stood at 12.7%, while Tier 1 ratio was 12.6%.

Capital base					
EUR million	*31 Mar 2009*	*31 Dec 2008*	*Change, EUR million*	*Change, %*	*31 Mar 2008*
Capital base					
Tier 1 capital	4,804	4,884	-79	-1.6	5,006
Tier 2 capital	0	0			34
Tier 3 capital	34	47	-12	-26.2	
Total capital base	**4,839**	**4,931**	**-92**	**-1.9**	**5,040**

Tier 1 capital amounted to EUR 4,804 million on 31 March. The result for the report period less the estimated dividend payout is included in Tier 1 capital. OP-Pohjola Group's Tier 1 capital fell by 1.6% during the report period.

Tier 2 capital came to zero following allowances for the item during the report period. Any allowances in excess of Tier 2 capital were made from Tier 1 capital. At the end of the report period, the capital base was reduced by the consolidation group's fair value reserve that was EUR 87 million in the red. On 31 December 2008, the comparable fair value reserve reduced the consolidation group's capital resources by EUR 84 million.

On 31 March, insurance company investments, deducted in equal proportions from Tier 1 and 2 capital, came to EUR 2,329 million (2,159). On the basis of the exemptions granted by the Financial Supervisory Authority, investments by OP-Pohjola Group entities in venture capital funds, managed by Pohjola Capital Partners, are treated in the capital adequacy calculation in the same way as investments in shares in business or industrial corporations.

On 31 March, the ratio of hybrid capital to Tier 1 capital before allowances was 3.5% (3.6). Tier 1 capital does not include equity capital growth resulting from the IFRS-compliant measurement of pension liabilities and the assets covering them, and from the measurement at fair value of investment property.

Capital adequacy					
EUR million	*31 Mar 2009*	*31 Dec 2008*	*Change, EUR mill.*	*Change. %*	*31 Mar 2008*
Risk-weighted assets, total	**39,858**	**38,746**	**1,113**	**2.9**	**39,329**
Minimum capital requirement					
Credit and counterparty risk	2,877	2,832	45	1.6	2,883
Market risk	34	47	-12	-26.2	42
Operational risks	277	221	56	25.3	221
Total	**3,189**	**3,100**	**89**	**2.9**	**3,146**
Capital adequacy ratio, %	**12.1**	**12.7**		**-0.6**	**12.8**
Tier 1 ratio, %	**12.1**	**12.6**		**-0.6**	**12.7**

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

OP-Pohjola Group's capital adequacy pursuant to the Act on the Supervision of Financial and Insurance Conglomerates is calculated using the consolidation method, whereby assets included in the capital base but not included in equity capital, under the regulations for the banking or insurance industry, are added to the equity capital in the conglomerate's balance sheet. The capital base may not include items not available for covering the losses of other companies belonging to the conglomerate.

At the end of On 31 March, OP-Pohjola Group's capital base, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates, exceeded the minimum regulatory capital specified in the Act by EUR 1,335 million (1, 406).

The insurance companies' equalisation provision is not included in the financial and insurance conglomerate's capital base. On 31 March 2009, the combined equalisation provision less the non-life and life insurance tax liabilities stood at EUR 486 million. The equalisation provision acts as a buffer for insurance companies in case of years with heavy losses and is therefore part of the financial services group's actual buffer against losses.

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

EUR million	*31 Mar 2009*	*31 Dec 2008*	*Change. EUR mill.*	*Change. %*	*31 Mar 2008*
OP-Pohjola Group's equity capital	5,208	5,215	-7	-0.1	5,506
Business-segment-specific items	1,928	1,873	55	2.9	1,792
Goodwill and intangible assets	-1,101	-1,106	5	-0.4	-1,125
Equalisation provision	-486	-481	-5	1.0	-449
Other items included in equity capital and business-segment-specific items, but not included in the conglomerate's capital base	-673	-619	-54	8.7	-448
Conglomerate's capital base, total	**4,875**	**4,882**	**-6**	**-0.1**	**5,276**
Regulatory capital requirement for credit institutions	3,175	3,115	60	1.9	3,170
Regulatory capital requirement for insurance operations	366	361	5	1.4	362
Total minimum amount of conglomerate's capital base	3,541	3,476	65	1.9	3,531
Conglomerate's capital adequacy	**1,335**	**1,406**	**-71**	**-5.1**	**1,745**

Conglomerate's capital adequacy ratio (capital base/minimum regulatory capital base)	**1.38**	**1.40**		**-0.03***	**1.49**

* Change in ratio

Capital adequacy management and risk exposure

OP-Pohjola Group's credit risk status is stable and credit risks low, although the fact that recession has hit Finland and affected our customers' financial situation. Non-performing and zero-interest receivables came to EUR 282 million (203) on 31 March, which was 0.5% (0.4) of the loan and guarantee portfolio. The ratio of non-performing and zero-interest receivables increased by 38% in the year to March, but remained low in proportion to the loan and guarantee portfolio. Customers' poorer liquidity also increased the volume of impairments of receivables. Gross impairment losses of EUR 42 million (12) were recorded in the report period, which was 0.31% (0.10) of the loan and guarantee portfolio.

OP-Pohjola Group's financial position and liquidity remained strong despite the market situation. Short-term funding has performed well and long-term funding markets have also shown signs of recovery. The liquidity reserve maintained by Pohjola Bank plc amounted to EUR 8.8 billion on 31 March 2009. Thanks to OP-Pohjola Group's high liquidity reserve, the entire Group's wholesale funding maturities can be covered for some 24 months.

On 31 March, life insurance investment assets amounted to EUR 3.9 billion (3.9). The allocation of investments in Non-life Insurance has remained almost unchanged during the first quarter. Fixed-income instruments accounted for 75% (73%) of the investment assets. Some 79% (77%) of fixed-income investments belonged to the top three rating categories. The average maturity of the fixed-income portfolio was 3.5 years (3.6) and the return on investment in the report period was -1.8% (-2.7). Owing to uncertainty in the financial markets, credit spread became exceptionally wide, reducing the value of fixed-income investments.

There has been no significant change in non-life insurance's investment portfolio during the first quarter. The fixed-income portfolio by credit rating remained healthy, considering that 82% of the fixed-income instruments were rated at least A–. The average residual maturity of the fixed-income portfolio was 4.6 years and the duration 3.4 years (4.3). The January–March loss on investments was 0.4% (loss of 0.6).

Credit ratings

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

The credit ratings are as follows:

Rating agency	*Short-term debt*	*Long-term debt*
Fitch Rating (OP-Pohjola Group and Pohjola Bank plc)	F1+	AA-
Standard & Poor's (Pohjola Bank)	A-1+	AA-
Moody's (Pohjola Bank)	P-1	Aa1

Both Fitch and Standard & Poor's forecast a stable credit rating outlook for OP-Pohjola Group and Pohjola Bank plc, but Moody's has put Pohjola Bank on its watchlist.

OP-Pohjola Group's long-term financial targets

OP-Pohjola Group's business strategy adopted in June 2006 describes the Group’s long-term financial targets for risk-bearing capacity, profitability, risk appetite and efficiency.

Due to the fall in financial instruments' market values, OP-Pohjola Group did not reach its long-term profitability target. The cost/income efficiency weakened from last year's 51% to 52%. The values for risk-bearing capacity and risk appetite were higher than the target levels.

Long-term performance indicators

	Indicator	Target	31 Mar 2009	31 Mar 2008
Risk-bearing capacity	Non-current own funds/economic capital	Min. 1.0	1.05	1.13
	Indicator	**Target**	**Q1/ 2009**	**Q1/ 2009**
Profitability	Return on economic capital	Min. 17%	7.2%	19.5%
Risk appetite	Impairment losses on receivables/loan and guarantee portfolio	Max. 0.25%	0.21%	0.02%
Efficiency (Banking and Investment Services)	Cost/income,%	Max. 50%	52%	51%

Changes in OP-Pohjola Group's structure

OP-Pohjola Group's consolidated financial statements include 227 member cooperative banks, OP-Pohjola Group Central Cooperative Consolidated and OP Bank Group Mutual Insurance Company.

Kuusjoen Osuuspankki, Kiikalan Rekijoen Osuuspankki, Kiskon Osuuspankki, Perniön Osuuspankki and Salon Seudun Osuuspankki merged to create Salon Osuuspankki. In another combination merger, Lieksan Osuuspankki, Nurmeksen Osuuspankki and Valtimon Osuuspankki became Pielisen Osuuspankki. The mergers were entered in the Trade Register on 30 April 2009. Following the mergers, member cooperative banks number 221.

In December 2008, OP-Pohjola Group Central Cooperative offered its member cooperative banks to subscribe to its supplementary cooperative capital. The subscription period ended on 2 February 2009, resulting in new capital totalling EUR 444 million.

The Boards of Directors of Pohjola Bank plc and Pohjola Finance Ltd have approved a plan whereby Pohjola Finance Ltd is expected to merge with its parent company by the end of 2009.

Owner-members and customers

On 31 March, the cooperative member banks had 1,262,000 owner-members, up by 50,000 year on year. On the same date, Group member banks and Helsinki OP Bank Plc, which operates in the Greater Helsinki Metropolitan Area, had a total of 1,066,000 OP bonus customers.

Loyal customer bonuses earned by OP bonus customers totalled EUR 35 million, up by 11% on the previous year. Bonuses earned by owner-members are stated in OP-Pohjola Group's income statement under 'Returns to owner-members'. OP bonus customers used a total of EUR 20 million (13) in bonuses on banking services in the January–March period. Bonuses can also be used to pay for Pohjola's non-life insurance products. In January–March, bonuses worth EUR 16 million were used to pay for insurance premiums.

OP-Pohjola Group had a total of 4,143,000 customers in Finland at the end of March, or 56,000 more than a year earlier. There were 3,740,000 private customers, up by 40,000 year on year, and 407,400 corporate customers, up by 12,400. In addition, OP-Pohjola Group has approximately 200,000 non-life insurance customers in the Baltic countries. In the year from March 2008, the number of joint banking and non-life insurance customers increased by 98,000 to 1,013,000 as a result of cross-selling.

The number of Pohjola's loyal customer households totalled 395,000, up by 31,800 in the year to 31 March 2009.

Personnel and incentive system

On 31 March, OP-Pohjola Group had a staff of 12,724, or 28 less than on 31 December 2008 and 150 more than on 31 March 2008. About 94% of OP-Pohjola Group's personnel are members in the Group's Personnel Fund. A management incentive scheme is also in place within the Group.

Central Cooperative's corporate governance

OP-Pohjola Group Central Cooperative is the central institution of the amalgamation of the cooperative banks, the parent company of OP-Pohjola Group Central Cooperative Consolidated and the company heading the financial and insurance conglomerate formed by OP-Pohjola Group. Acting as a development and service centre for OP-Pohjola Group and as a strategic owner institution, the Central Cooperative plays a pivotal role in developing and steering OP-Pohjola Group’s business.

The Annual Cooperative Meeting of OP-Pohjola Group Central Cooperative was held on 27 March 2009. The new members elected to the Supervisory Board for 2009–2012 were as follows: Kari Manninen, Managing Director; Jarmo Partanen, Professor; Jorma Vierula, Forest Officer; Tomi Korpisaari, Managing Director; Paavo Pelkonen, Professor; Jorma Pitkälä, maakuntaneuvos (Finnish honorary title); and Jarmo Tuovinen, Managing Director. The Meeting elected Leif Laine, Managing Director, to replace Jari Laaksonen, Managing Director, until 2011. The Supervisory Board comprises 34 members.

At is first meeting after the Annual Cooperative Meeting, Supervisory Board elected Paavo Haapakoski Chairman. Jaakko Pehkonen, Professor in economics, and President Jukka Hulkkonen were elected as Vice Chairmen.

The Annual Cooperative Meeting re-elected KPMG Oy Ab, a firm of authorised public accountants, the auditor of OP-Pohjola Group Central Cooperative and OP-Pohjola Group for the financial year 2009.

Capital expenditure

The Central Cooperative, together with its subsidiaries, is responsible for developing OP-Pohjola Group's services. ICT investments and related specifications make up a significant portion of costs of developing these services. ICT procurement capitalised in the balance sheet totalled EUR 14 million (10). Of these investments, EUR 9 million (5) was allocated to banking and investment operations, EUR 3 million (2) to non-life insurance operations and EUR 2 million (3) to life insurance operations.

Joint responsibility and joint security

Under the Act on Cooperative Banks and Other Cooperative Credit Institutions, the amalgamation of the cooperative banks comprises the organisation’s central institution (OP-Pohjola Group Central Cooperative), the Central Cooperative’s member credit institutions and the companies belonging to their consolidation groups. This amalgamation is monitored on a consolidated basis. The Central Cooperative and its member banks are ultimately responsible for each other's liabilities and commitments. The Central Cooperative's members at the end of the report period comprised OP-Pohjola Group's 227 member banks as well as Pohjola Bank plc, Helsinki OP Bank

Plc, OP Mortgage Bank and OP-Kotipankki Oyj. OP-Pohjola Group's insurance companies do not fall within the scope of joint responsibility.

Deposit banks belonging to OP-Pohjola Group, i.e. its member cooperative banks, Pohjola Bank plc, Helsinki OP Bank Plc and OP-Kotipankki Oyj, are regarded as a single bank with respect to deposit protection. Under legislation governing the Investor Compensation Fund, OP-Pohjola Group is also considered a single entity for purposes of compensation protection.

Events after the balance sheet date

On the basis of the authorisation given by the Annual General Meeting, the Board of Directors of Pohjola Bank plc, a subsidiary of OP-Pohjola Group Central Cooperative, arranged a rights offering of EUR 308 million between 7 and 24 April 2009, which was eventually oversubscribed. Accordingly, the Central Cooperative did not have to underwrite the issue. The issue further strengthened Pohjola's capital base and its capacity to secure its customer companies' funding.

Outlook towards the year end

The operating environment during the first quarter of 2009 was still burdened by unstable financial markets, major asset price fluctuations, steep fall of short-term market rates and the fact that the costs for long-term funding seem to remain high. The negative effects of the financial crisis are also affecting the real economy more and more.

It is exceptionally difficult to predict how the financial sector's operating environment will be affected in the future, but what seems sure is that it will become more and more challenging. Market instability will continue in the months to come, with the financial sector growth slowing down even more, and credit losses increasing on last year. Interest rates are likely to remain exceptionally low throughout 2009, which will affect banks' net interest income.

As trends in the operating environment are so difficult to predict, so will any prediction on OP-Pohjola Group's performance in 2009. Nevertheless, the Group's high capital adequacy forms a sound basis to develop our business even under these circumstances. Our strong capital base will also act as a buffer against any credit losses brought about by the recession.

All forward-looking statements in this Interim Report expressing the management's expectations, beliefs, estimates, forecasts, projections and assumptions are based on the current view of the future financial performance of OP-Pohjola Group and its various functions, and actual results may differ materially from those expressed in the forward-looking statements.

Operations and earnings by business segment

OP-Pohjola Group's business segments are Banking and Investment Services, Non-life Insurance and Life Insurance. Non-segment operations are presented in 'Other Operations'. OP-Pohjola Group's segment reporting is based on accounting policies applied in its financial statements. Amortisation on intangible assets arising from the Pohjola acquisition is allocated to the business segments.

Companies within the Banking and Investment Services segment are the member banks, Helsinki OP Bank Plc, OP-Kotipankki Oyj, OP Mortgage Bank, OP Fund Management Company Ltd, Pohjola Asset Management Limited, Pohjola Corporate Finance Ltd, Pohjola Capital Partners Ltd, as well as certain smaller companies supporting banking and investment services in their entirety. Pohjola Group's banking and asset management segments are also included in the Banking and Investment Services segment as are the operations of OP-Pohjola Group Mutual Insurance Company, because most of the company's business consists of credit insurance granted to the Group’s retail banks.

The Non-life Insurance segment encompasses the operations of OP-Pohjola Group's non-life insurance companies, i.e. Pohjola Insurance Ltd, Eurooppalainen Insurance Company Ltd, A-Insurance Ltd, the Seesam companies operating in the Baltic countries, as well as the operations of service companies supporting non-life insurance.

The Life Insurance segment comprises OP Life Assurance Company Ltd engaged in the Group's life and pension insurance business.

Other Operations includes operations that support all business segments, particularly the operations of OP-Pohjola Group Central Cooperative and Pohjola's Group management. Up until May 2008, FD Finanssidata was included as well. Costs of the services for the business segments are allocated to the segments in the form of internal service charges. The allocation of own capital to the business segments is carried out through an internal bank under Other Operations, which means that any positive results in excess of the target level will be shown under Other Operations.

Summary of performance by business segment

EUR million	*Income*	*Expenses*	*Other items*	*Earnings/loss before tax Q1/2009*	*Earnings/loss before tax Q1/2008*	*Earnings/loss before tax 2008*
Banking and Investment Services	457	236	-58	164	160	532
Non-life Insurance	75	76	0	-1	22	55
Life insurance	-12	13	0	-26	0	-162
Other Operations	88	88	-9	-9	-39	-24
Eliminations	-97	-94	0	-3	-18	-29
Total	**511**	**319**	**-67**	**124**	**125**	**372**

Banking and Investment Services

The investment environment of Banking and Investment Services was more challenging in the report period. The effects of the financial crisis were becoming more pronounced, as more and more customers suffered from weakened liquidity and declining growth. Low interest rate levels erode net interest income. OP-Pohjola Group's market position has been reinforced in such conditions.

OP-Pohjola Group's March-end loan portfolio stood at EUR 51.2 billion (51.0), and the guarantee portfolio totalled EUR 3.1 billion (3.0). The loan portfolio expanded by 9.4% (13.8) in the year to Q1 and by 0.5% in January–March 2009. The market share of the loan portfolio increased year on year by 0.8 percentage points to 32.2%.

The rise in credit margins accelerated in January–March. The margins of new home mortgages have grown clearly since summer 2008, chiefly as a result of the higher price of long-term funding. Margins are expected to spread even further. The percentage of fixed-rate home mortgages of all home mortgages remained low at 2.4% (2.4).

The portfolio of home mortgages at the end of March amounted to EUR 24.4 billion (24.2). During the past year, home mortgages increased by 10.4% (12.1) and in the report period by 1.2%. OP-Pohjola Group held 36.0% of the home mortgage portfolio on 31 March 2009, up by 1.0 percentage point year on year.

On 31 March, the consumer credit portfolio amounted to EUR 3.7 billion (3.7), showing an increase of 8.5% (11) year on year and 0.8% in the report period (2.8).

The corporate loan portfolio at the end of March stood at EUR 13.7 billion (13.8), and the guarantee portfolio totalled EUR 2.8 billion (2.6). The corporate loan portfolio rose by 11% year on year, but shrank by 0.9% (8.8) during the report period. Demand for corporate loans slowed down clearly in the first quarter of 2009 as a result of lower customer company investments. On the other hand, guarantees and other off-balance-sheet commitments increased in the report period by 2.1%.March-end market share of corporate loans was 26.7%, or 0.4 percentage points higher than a year ago.

On 31 March, deposits totalled EUR 34.8 billion (34.5), up by 13% year on year, and 0.6% during the first quarter. The growth took place mainly in investment deposits, which shot up by 20% to EUR 19.0 billion (19.0). The Group's market share of deposits was 33.8% on 31 March, or 0.7

percentage points higher year on year. On 31 March, OP-Pohjola Group was also the largest financial services group measured in terms of deposits.

Capital invested in OP-Pohjola Group's mutual funds stood at EUR 9.0 billion (9.3) billion. The amount of capital fell with the market trends by 3.6% during the report period and by 27% year on year. On 31 March, OP-Pohjola Group held a 22.1% market share of the capital of mutual funds registered in Finland, up by 1.1 percentage points year on year. Net subscriptions to OP-Pohjola Group's mutual funds totalled EUR 7.9 million (minus 1,089).

Pohjola's Asset Management managed a total of EUR 24.9 billion at the end of March (25.3), of which capital in OP-Pohjola Group's mutual funds accounted for EUR 8.2 billion (8.5). OP-Pohjola Group companies accounted for EUR 6.5 billion of managed assets.

Assets managed in accordance with the OP-Private operating model totalled EUR 2.8 billion (2.7). Stockbroking for households totalled some 211,000 trades during the report period, or up by 44.6% year on year.

Earnings and risk exposure

Banking and Investment Services reported earnings of EUR 164 million before tax for January–March, showing a 2.7% increase on last year (160). Bonuses given out in the first quarter of 2009 rose by 11% to EUR 35 million (31).

Net interest income increased by 3.4% to EUR 274 million and net commissions and fees by 8.2% to EUR 139 million, the net interest income increase stemming from business growth. Net trading and investment income totalled EUR 26 million (2). Trading income in the report period developed extremely favourably, but on the other hand, revaluation losses were recorded of securities from the comparison period. The report period's return of investments was burdened by EUR 10 million impairment losses related to available-for-sale investments. Personnel costs rose by 12.2% and other expenses by 10.7%. A quarter of the rise in personnel costs was the result of the insurance sales personnel joining the payroll of Group member banks on 1 October 2008. On the other hand, insurance sales bonuses are included under net commissions and fees. The cost/income ratio stood at 51.6% (51.5).

Impairment losses on receivables came to EUR 20 million (3), the increase being the result of a clear fall in the real economy compared with last year. The amount of impairment losses was still moderate in relation to the business volumes, and below the maximum target the Group set itself.

The Group's non-performing and zero-interest receivables increased but remained low, totalling EUR 282 million on 31 March 2009, up by 38% on 31 December 2008. Non-performing and zero-interest loans are stated net of impairments of specific receivables and groups of receivables, which amounted to EUR 109 million (85). The ratio of non-performing and zero-interest receivables to the loan and guarantee portfolio was 0.5%, or slightly higher than a year ago (0.4).

Banking and Investment Services: key figures

EUR million	*Q1/2009*	*Q1/2008*	*Change, %*	*2008*
Net interest income	274	265	3.4	1,121
Impairment losses on receivables	20	3		48
Other income	183	147	25.0	489
Personnel costs	106	94	12.2	381
Other expenses	130	117	10.7	494
Returns to owner-members and OP bonus customers	38	37	1.9	154
Earnings before tax	**164**	**160**	**2.7**	**532**

EUR million	*Q1/2009*	*Q1/2008*	*Change, %*	*2008*
Home mortgages drawn down	1,308	1,690	-22.6	7,041
Corporate loans drawn down	1,591	2,127	-25.2	8,271
Net subscriptions to mutual funds	8	-1,089		-2,308

No. of brokered property transactions	2,988	3,916	-23.7	14,569
EUR billion	*31 Mar 2009*	*31 Mar 2008*	*Change, %*	*31 Dec 2008*
Outstanding credit				
Home loans	24	22	10.4	24
Other loans to households	10	9	6.4	10
Corporate loans	14	12	11.0	14
Other loans	3	3	4.4	3
Total	**51**	**47**	**9.4**	**51**
Guarantee portfolio	3.1	2.5	24.1	3
Deposits				
Total current and payment transfer				
Households	10	10	1.2	10
Companies	4	3	20.1	4
Others	2	2	4.2	2
Total current and payment transfer Total	16	15	5.4	16
Investment deposits	19	16	20.2	19
Total deposits	**35**	**31**	**13.0**	**35**
Mutual funds				
Equity and hedge funds	2.0	3.6	-44.1	2.1
Balanced funds	1.2	1.8	-30.4	1.3
Long-term bond funds	4.3	3.9	10.5	4.0
Money market funds	1.4	3.1	-54.4	1.9
Total value of mutual funds	**8.9**	**12.3**	**-27.4**	**9.3**

Market share, %	*31 Mar 2009*	*31 Mar 2008*	Change, percentage points	*31 Dec 2008*
Total loans	32.2	31.4	0.8	32.0
Home mortgages	36.0	35.0	1.0	35.9
Corporate loans	26.7	26.3	0.4	26.8
Total deposits	33.8	33.1	0.7	33.8
Capital invested in mutual funds	22.1	21.0	1.1	22.5
EUR million				
Non-performing and zero-interest receivables			Change, %	
Households	169	127	33.4	122
Companies and housing associations	88	64	36.8	63
Other	26	13	92.3	18
Total non-performing and zero-interest receivables	**282**	**204**	**38.3**	**203**
Non-performing and zero-interest receivables within loan and guarantee portfolio, %	0.5	0.4	0.1	0.4

* Percentage points

Non-life Insurance

The non-life insurance business improved well in the report period. On 31 March, the number of loyal customer households within the Non-life Insurance segment totalled 395,000, showing a year-on-year increase of 9%. Insurance premium revenue rose by 5% to EUR 230 million (220).

Insurance premium revenue from Private Customers improved by 12% to EUR 98 million. Insurance sales to private customers were transferred to Group member banks in October 2008 with good results: non-life insurance sales in Q1/2009 were 17% higher than in Q1/2008 when the policies were sold in Pohjola Insurance branch offices. In 2009 at least 17 new member banks will begin to sell non-life insurance policies independently.

The recession slowed down growth in the corporate customer sector and insurance premium revenue remained at the previous year's level, amounting to EUR 118 million. In the Baltic States, insurance premium revenue rose by 2% to EUR 15 million (14).

Pohjola Insurance is the non-life insurance market leader in Finland with a 27.8% market share, its market share increasing in 2008 by 0.5 percentage points.

More than 50% of Pohjola's loyal customer households have also concentrated their banking transactions in OP-Pohjola Group member cooperative banks. OP bonuses obtained through bank transactions were used for the payment of insurance premiums to a total of EUR 16 million in January–March 2009 (8). Bonuses were used for the payment of 200,000 bills, with over 72,000 bills paid with bonuses alone.

Earnings and risk exposure

Non-life Insurance recorded a pre-tax loss of EUR 1 million (earnings of EUR 22 million) in the report period. The balance on technical account during the report period was better than last year. Insurance premium revenue totalled EUR 230 million (220) and indemnities EUR 147 million (156). Net investment losses recognised under earnings/loss came to EUR 2 million, or down by EUR 39 million year on year (income of EUR 38 million). Investment income included EUR 16 million writedowns of available-for-sale securities.

The non-life insurance segment's expenses grew by 2% to EUR 76 million (75). Personnel costs were reduced as staff selling insurance policies to private customers moved to work for Group member banks. This arrangement had no significant effect on overall costs.

Owing to a favourable development in losses, claims incurred were smaller than last year, although the wider insurance portfolio increased the number of losses. The efficiency of claims settlement and the successful utilisation of partnerships, for instance in the form of referral to treatment and cost control, contributed to this favourable development. The risk ratio was 62.7 (70.0). The limit for major or medium-sized loss is EUR 0.1 million for non-life insurance and EUR 0.5 million for pension liabilities. There were 50 (50) such losses in January–March 2009, with their claims incurred retained for own account totalling EUR 22 million (20). Major losses of over EUR 2 million numbered 3 (2), with the claims incurred retained for Pohjola's account totalling EUR 7 million (7).

Operating expenses and loss adjustment expenses grew to EUR 63 million (60), due mainly to higher sales costs. The cost ratio was 28.6 (28.2). Profitability improved significantly within insurance operations. The operating combined ratio stood at 91.3 (98.2).

No major changes have taken place in insurance risk exposure. The solvency capital of Non-life Insurance amounted to EUR 627 million (608) at the end of March. The ratio between solvency capital and insurance premium revenue (solvency ratio) was 67% (66). Pohjola Bank plc capitalised the insurance companies it owns with EUR 20 million in January–March.

Non-life Insurance's investment portfolio totalled EUR 2.5 billion (2.4) on 31 March, with bonds and bond funds accounting for 83% (82) and equities 7% (8). The average remaining maturity of the fixed-income portfolio was 4.6 years and the duration 3.4 years (4.3). Due to unfavourable developments in the equity market, return on investment at fair value stood at -0.4% (-0.6).

Non-life Insurance: key figures

EUR million	*Q1/2009*	*Q1/2008*	*Change. %*	*2008*
Insurance premium revenue	230	220	4.9	923
Insurance claims and benefits	147	156	-5.5	591
Net investment income	-2	38	-104.9	59
Unwinding of discount and other items included in net income	-12	-10	16.8	-40
Net income from Non-life Insurance	**70**	**92**	**-23.7**	**352**
Other income	4	5	-17.0	20

Personnel costs	26	27	-2.2	111
Other expenses	50	48	3.6	206
Earnings/loss before tax	**-1**	**22**	**-106.7**	**55**
Gross change in fair value reserve	2	-55	-104.0	-214
Earnings/loss before tax at fair value	**1**	**-32**	**-102.1**	**-159**

EUR million	*Q1/2009*	*Q1/2008*	*Change. %*	*2008*
Insurance premium revenue				
Private Customers	98	87	11.8	380
Corporate Customers	118	118	0.1	485
Baltic States	15	15	2.2	58
Total insurance premium revenue	**230**	**220**	**4.9**	**923**
EUR billion	*31 Mar 2009*	*31 Mar 2009*	*Change. %*	*31 Dec 2008*
Insurance contract liabilities				
Discounted insurance contract liabilities	1.3	1.2	2.4	1.3
Other insurance contract liabilities	1.1	1.0	6.6	0.8
Total	**2.3**	**2.2**	**4.3**	**2.1**
Investment portfolio				
Bonds and bond funds	1.7	1.8	-1.9	1.7
Money market instruments	0.4	0.1	181.3	0.3
Equities and equity funds	0.2	0.4	-48.6	0.2
Real property investment *)	0.1	0.1	9.1	0.1
Alternative investments	0.1	0.2	-35.5	0.1
Total	**2.5**	**2.6**	**-0.7**	**2.4**

*) Includes real estate funds

Life insurance

The first quarter of 2009 continued to be unfavourable to life insurance operations. The uncertainty of the investment markets weakened demand for savings products, and the premiums written of the domestic life insurance market fell 5.2% short of last year.

Year on year, OP-Pohjola Group's premiums written in life and pension insurance decreased by 35% to EUR 151 million (232). The 2008 comparison data contains EUR 36 million of exceptional premiums written as a result of group insurance portfolio transfer. Premiums written in endowment insurance declined by 33%, and premiums written of personal pension plans increased by 48%. Unit-linked premiums written accounted for 52%. On 31 March 2009, OP-Pohjola Group had a market share of 24%, down by 5.4% from 31 December 2008.

Life insurance claims paid by OP-Pohjola Group totalled EUR 142 million (197), of which surrenders accounted for EUR 51 million (119). EUR 14 million in pensions (11) was paid out in the report period.

OP-Pohjola Group's market share of insurance savings through life and pension insurance policies stood at 19.3% (19.4).

Earnings and risk exposure

Life Insurance's pre-tax loss came to EUR 26 million (0). During the comparison period, a provision worth EUR 10 million for future supplementary benefits was reversed. The fair value reserve change before tax stood at EUR –40 million (–120) during the report period. Net losses from Life Insurance were EUR 15 million (income of EUR 9 million). Net loss from investment assets other than those covering unit-linked insurance stood at EUR 4 million (profit of EUR 4 million). Investment income includes EUR 61 million impairment loss of available-for-sale securities.

Personnel costs increased by 2% to EUR 2 million, while other expenses decreased by 17% to EUR 11 million (13). Other expenses include EUR 7.5 million (7.2) in commissions paid to the sales network.

At the end of March, total insurance contract liabilities within life insurance operations stood at EUR 5.3 billion (5.3), down by 0.6% from the level of 31 December 2008. Interest-bearing contract liabilities accounted for 71.2% and unit-linked 28.8% of the total liabilities.

Life insurance investment assets, excluding assets covering unit-linked insurance, amounted to EUR 3.9 billion (3.9). The investment environment remained challenging and the report period's investment losses stood at 1.8% (losses of 2.7%).

Owing to the instability of the investment market, OP-Pohjola Group Central Cooperative, being the chief owner, increased OP Life Assurance Company's operating capital during the report period by means EUR 150 million invested in a reserve for invested non-restricted equity.

Life Insurance: key figures

EUR million	*Q1/2009*	*Q1/2008*	*Change, %*	*2008*
Premiums written	151	232	-35.0	717
Unit-linked	65	86	-24.4	299
Other	85	145	-41.2	418
Net investment income	-62	-199	-68.8	-802
Unit-linked	-58	-203	-71.4	-708
Other	-4	4		-94
Change in insurance contract liabilities	-37	-171	-78.1	-590
Unit-linked	-50	-252	-80.3	-758
Other	12	82	-84.8	168
Claims incurred	142	197	-27.9	643
Other items	1	3	-72.2	12
Net income from Life Insurance	**-15**	**9**		**-126**
Other income	2	6	-57.0	16
Personnel costs	2	2	4.1	5
Other expenses	11	13	-16.7	48
Earnings/loss before tax	**-26**	**0**		**-162**
Gross change in fair value reserve	-40	-120	-66.4	-403
Earnings/loss before tax at fair value	**-66**	**-120**	**-45.0**	**-565**

EUR million	*Q1/2009*	*Q1/2008*	*Change, %*	*2008*
Premiums written				
Endowment insurance	89	133	-32.9	382
Pension insurance	39	75	-48.4	279
Term life insurance	16	19	-19.5	73
Other	1	4	-80.0	33
Total premiums written	**145**	**232**	**-37.7**	**766**
of which unit-linked	66	90	-27.1	317
Market share of premiums written in life and pension insurance, %	24.0	36.5	-12.5	29.3
EUR billion	*31 Mar 2009*	*31 Mar 2008*	*Change. %*	*31 Dec 2008*
Insurance savings				
Endowment insurance	3.7	4.1	-11.4	3.7
Pension insurance	1.5	1.5	0.1	1.5
Capital redemption contracts	0.1	0.1	-28.0	0.1
Total insurance savings	**5.3**	**5.8**	**-8.7**	**5.4**
of which unit-linked	1.6	2.1	-26.5	1.6
Investment portfolio				
Bonds and bond funds	2.2	2.5	-10.3	2.3

Money market instruments	0.7	0.1		0.6
Equities and equity funds	0.2	0.7	-77.1	0.2
Real property investment **)	0.3	0.3	3.5	0.3
Alternative investments	0.5	0.6	-7.0	0.5
Total investment portfolio	**3.9**	**4.1**	**-4.5**	**3.9**
Market share of insurance savings in life and pension insurance, %	19.3	19.7	-0.4	19.4

* Percentage points
** Includes real estate funds

Other Operations

Other Operations' pre-tax result for January–March was EUR 30 million better than last year, ending in a loss of EUR 9 million (loss of EUR 39 million). Impairments on the liquidity reserves eroded the result by EUR 49 million. In the latter half of 2008, OP-Pohjola Group revised its liquidity strategy, and reclassified the securities included in the liquidity reserve in terms of accounting. This means that changes in fair value are no longer recognised through profit or loss under Net trading income. EUR 9 million impairment losses from these securities have been recorded under Impairments of receivables.

Net investment income was EUR 8 million (4), net trading income EUR 1 million (loss of EUR 42 million) and the net investment losses EUR 6 million (income of EUR 2 million). Most of the other income in Other Operations came from within the Group as internal service charges, which are recorded as business segment expenses. Of the Other Operations expenses, EUR 29 million (29) were personnel costs and EUR 59 million (54) other costs.

Other Operations: key figures

EUR million	*Q1/2009*	*Q1/2008*	*Change, %*	*2008*
Net interest income	8	4	74.8	39
Net trading income	1	-42	-101.9	-61
Net investment income	-6	2	-388.1	10
Other income	94	85	10.5	373
Expenses	88	84	4.0	337
Impairment losses on receivables	9	-1		10
Earnings/loss before tax	**-9**	**-39**	**-76.3**	**-24**
EUR billion	*31 Mar 2009*	*31 Mar 2008*	*Change, %*	
Receivables from financial institutions	6.4	4.7	37.2	6.3
Financial assets held for trading	1.2	3.5	-66.7	2.1
Investment assets	3.9	2.4	64.4	2.5
Liabilities to credit institutions	2.7	3.6	-24.0	3.4
Debt securities issued to the public	16.0	12.9	23.9	17.1

FINANCIAL STATEMENTS AND NOTES

Notes:

Notes to the income statement and balance sheet:

Other notes:

OP-Pohjola Group income statement

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Interest income	1,003	1,113	-10	4,853
Interest expenses	716	841	-15	3,664
Net interest income (Note 2)	**287**	**272**	**5**	**1,189**
Impairments of receivables (Note 3)	29	2		58
Net interest income after impairments	**258**	**270**	**-4**	**1,131**
Net income from Non-life Insurance operations (Note 4)	69	89	-23	345
Net income from Life Insurance operations (Note 5)	-21	8		-139
Net commissions and fees (Note 6)	130	124	4	433
Net trading income (Note 7)	28	-58		-125
Net investment income (Note 8)	-8	18		25
Other operating income (Note 9)	25	23	8	93
Personnel costs (Note 10)	163	152	7	598
Other administrative expenses (Note 11)	80	82	-3	328
Other operating expenses (Note 12)	76	77	-2	312

Returns to owner-members (Note 13)	38	37	2	154
Share of associates' profits/losses	0	0	-97	1
Earnings before tax for the period	**124**	**125**	**0**	**372**
Income tax expense	61	34	78	151
Profit for the period	**63**	**91**	**-30**	**221**
Profit attributable to:				
OP-Pohjola Group's owners	63	91	-30	221
Minority interest	0	0		0
Total	**63**	**91**	**-30**	**221**

OP-Pohjola Group statement of comprehensive income

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Profit for the period	**63**	**91**	**-30**	**221**
Change in fair value reserve	-40	-196	-80	-737
Translation differences	0	0	-46	0
Income tax on other comprehensive income	10	51	-80	191
Total comprehensive income for the period	**34**	**-54**		**-324**
Total comprehensive income attributable to:	**34**	**-54**		**-324**
OP-Pohjola Group's owners	-	-		-
Minority interest	**34**	**-54**		**-324**
Total				

Key figures and ratios	Q1/ 2009	Q1/ 2008	2008
Return on equity, %	4.9	6.6	4.1
Return on equity at fair value, %	2.7	-3.9	-6.0
Return on assets, %	0.34	0.54	0.31
Cost/income ratio, %	62	65	68
Average personnel	12,693	12,514	12,615
Full-time	11,490	11,303	11,464
Part-time	1,203	1,211	1,151

Definition of key figures and ratios

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

Return on equity at fair value, % =
Profit for the period + change in fair value reserve less deferred tax liability /
equity capital (average of the beginning and end of the period) x 100

Return on assets (ROA) =
Profit for the period /
Balance sheet total (average of 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 investment income + other operating income + share of associates' profits/losses) x 100

Combined ratio (excl. unwinding of discount)
Loss ratio+expense ratio
Risk ratio+cost ratio

Loss ratio (exc. unwinding of discount)
Claims and loss adjustment expenses /
Net insurance premium revenue x 100

Expense ratio
Operating expenses + Amortisation/adjustment of intangible assets related to company acquisition /
Net insurance premium revenue x 100

Risk ratio (excl. unwinding of discount)
Claims excl. loss adjustment expenses /
Net insurance premium revenue x 100

Cost ratio
Operating expenses and loss adjustments expenses /
Net insurance premium revenue x 100

OP-Pohjola Group quarterly performance

	2008				2009
EUR million	Q1	Q2	Q3	Q4	Q1
Interest income	1,113	1,140	1,257	1,343	1,003
Interest expenses	841	844	952	1,026	716
Net interest income	**272**	**296**	**305**	**316**	**287**
Impairments of receivables	2	7	18	31	29
Net interest income after impairments	**270**	**289**	**287**	**285**	**258**
Net income from Non-life Insurance operations	89	89	96	72	69
Net income from Life Insurance operations	8	-7	-91	-49	-21
Net commissions and fees	124	107	100	102	130
Net trading income	-58	1	-37	-30	28
Net investment income	18	13	10	-16	-8
Other operating income	23	23	22	25	25
Personnel costs	152	158	130	158	163
Other administrative expenses	82	86	61	97	80
Other operating expenses	77	72	80	84	76
Returns to owner-members	37	40	42	35	38
Share of associates' profits/losses	0	0	0	0	0
Earnings before tax for the period	**125**	**158**	**74**	**15**	**124**
Income tax expense	34	44	28	45	61
Profit for the period	**91**	**114**	**46**	**-30**	**63**
Other comprehensive income					
Change in fair value reserve	-196	-108	-133	-299	-40
Translation differences	0	0	0	0	0
Income tax on other comprehensive income	51	28	34	78	10
Total comprehensive income for the period	**-54**	**34**	**-52**	**-251**	**34**

OP-Pohjola Group balance sheet

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Cash and cash equivalents	1,028	1,112	-8	2,393
Receivables from credit institutions	2,332	386		2,450
Financial assets at fair value through profit or loss (Note 13)	2,153	5,390	-60	3,313
Derivative contracts	1,594	651		1,470
Receivables from customers	51,943	46,860	11	51,708
Non-life Insurance assets (Note 14)	3,070	3,055	0	2,670
Life Insurance assets (Note 15)	5,075	6,118	-17	5,093
Investment assets (Note 16)	4,182	2,630	59	2,441
Investments in associates	16	25	-37	17
Intangible assets	1,206	1,237	-3	1,211

Property, plant and equipment (PPE)	765	738	4	762
Other assets	2,027	1,973	3	1,814
Tax assets	425	200		403
Total assets	**75,816**	**70,375**	**8**	**75,746**
Liabilities to credit institutions	760	2,681	-72	693
Financial liabilities at fair value through profit or loss	198	367	-46	138
Derivative contracts	1,690	751		1,565
Liabilities to customers	37,155	33,517	11	37,082
Non-life Insurance liabilities (Note 17)	2,676	2,559	5	2,238
Life Insurance liabilities (Note 18)	5,370	5,921	-9	5,413
Debt securities issued to the public (Note 19)	17,515	13,803	27	18,164
Provisions and other liabilities	2,327	2,586	-10	2,393
Tax liabilities	1,013	927	9	971
Cooperative capital	590	585	1	570
Subordinated liabilities (Note 20)	1,315	1,182	11	1,304
Total liabilities	**70,608**	**64,880**	**9**	**70,531**

Equity capital

Share of OP-Pohjola Group's owners				
Share and cooperative capital	361	359	1	362
Fair value reserve (Note 19)	-585	-155		-556
Other reserves	2,381	2,293	4	2,375
Retained earnings	3,050	2,996	2	3,034
Minority interest	**0**	**3**		**0**
Total equity capital	**5,208**	**5,495**	**-5**	**5,215**
Total liabilities and equity capital	**75,816**	**70,375**	**8**	**75,746**

Statement of changes in equity capital

EUR million	Share and co-operative capital	Fair va-lue re-serve	Other reserves	Retained earnings	Minority interest	Total equity capital
Balance at 1 January 2008	**359**	**-10**	**2,235**	**3,052**	**3**	**5,638**
Increase of share capital	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	1	-	-	-	-	1
Transfer of reserves	-	-	57	-57	-	-
Profit distribution	-	-	-	-80	-	-80
Total comprehensive income for the period	-	-145	-	91	0	-54
Other	-2	-	1	-9	0	-10
Balance at 31 March 2008	**359**	**-155**	**2,293**	**2,996**	**3**	**5,495**
Balance at 1 January 2009	**362**	**-556**	**2,375**	**3,034**	**0**	**5,215**
Increase of share capital	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	1	-	-	-	-	1
Transfer of reserves	-	-	6	-6	-	-
Profit distribution	-	-	-	-29	0	-29
Total comprehensive income for the period	-	-29	-	63	0	34
Other	-1	-	0	-12	0	-13
Balance at 31 March 2009	**361**	**-585**	**2,381**	**3,050**	**0**	**5,208**

Cash flow statement

EUR million	Q1/ 2009	Q1/ 2008
Cash flow from operating activities		
Profit for the period	63	91
Adjustments to profit for the period	475	382
Increase (-) or decrease (+) in operating assets	**-1,671**	**-4,078**
Receivables from credit institutions	64	-97
Financial assets at fair value through profit or loss	1,118	-603
Derivative contracts	-7	-13
Receivables from customers	-225	-1,870
Non-life Insurance assets	-432	-362
Life Insurance assets	-138	-128
Investment assets	-1,814	-616
Other assets	-235	-389
Increase (+) or decrease (-) in operating liabilities	**306**	**4,399**
Liabilities to credit institutions	67	1,553
Financial liabilities at fair value through profit or loss	59	315
Derivative contracts	14	8
Liabilities to customers	72	2,293
Non-life Insurance liabilities	244	214
Life Insurance liabilities	-5	-17
Provisions and other liabilities	-146	32
Income tax paid	15	-32
Dividends received	43	45
A. Net cash from operating activities	**-770**	**806**
Cash flow from investing activities		
Increases in held-to-maturity financial assets	-6	-16
Decreases in held-to-maturity financial assets	27	7
Acquisition of subsidiaries, net of cash acquired	0	-29
Disposal of subsidiaries, net of cash disposed	-	1
Purchase of PPE and intangible assets	-22	-31
Proceeds from sale of PPE and intangible assets	1	0
B. Net cash used in investing activities	**0**	**-69**
Cash flow from financing activities		
Increases in subordinated liabilities	148	183
Decreases in subordinated liabilities	-138	-43
Increases in debt securities issued to the public	12,597	8,170
Decreases in debt securities issued to the public	-13,286	-8,429
Increases in cooperative and share capital	37	28
Decreases in cooperative and share capital	-17	-13
Dividends paid and interest on cooperative capital	-29	-80
Returns to owner-members	-3	0
Monetary increases in other equity items	-	0
Other	-	-
C. Net cash from financing activities	**-690**	**-183**
Net change in cash and cash equivalents (A+B+C)	**-1,460**	**555**
Cash and cash equivalents at period-start	**2,538**	**700**
Cash and cash equivalents at period-end	**1,078**	**1,255**
Interest received	**1,021**	**1,113**
Interest paid	**-962**	**-841**

Adjustments to profit for the period

Non-cash transactions and other adjustments

Impairments of receivables	31	3
Unrealised net earnings in Non-life Insurance	230	206
Unrealised net earnings in Life Insurance	77	58
Change in fair value for trading	40	88
Unrealised net gains on foreign exchange operations	-7	-43
Change in fair value of investment property	3	-6
Depreciation and amortisation	32	32
Share of associates' profits/losses	1	0
Other	61	37
Items presented outside cash flow from operating activities		
Capital gains, share of cash flow from investing activities	0	0
Interest on cooperative capital	3	6
Other returns to owner-members	3	0
Total adjustments	**475**	**382**
Cash and cash equivalents		
Liquid assets	129	170
Receivables from credit institutions payable on demand	949	1,085
Total	**1,078**	**1,255**

Notes

Note 1. Accounting policies

The Financial Statements Bulletin for 1 January–31 March 2009 was prepared according to IAS 34 (Interim Financial Reporting), as approved by the EU.

The Financial Statements 2008 contain a description of the accounting policies applied by OP-Pohjola Group.

In 2009, OP-Pohjola Group adopted the revised IAS 1 according to which the Group presents the statement of comprehensive income and the statement of changes in equity.

The Interim Report is based on unaudited information. Since all figures in this report are rounded off, the sum of single figures may differ from the presented sum total.

Summary of presentation of income statement:

Net interest income	Received and paid interest on fixed-income instruments, the recognised difference between the nominal value and acquisition value, interest on interest-rate derivatives and fair value change in fair value hedging
Net income from Non-life Insurance operations	Premiums written, change in provision for unearned premiums and for unpaid claims, investment income, expenses (interest, dividends, realised capital gains and losses) and impairments
Net income from Life Insurance operations	Premiums written, change in provision for unearned premiums and for unpaid claims, investment income, expenses (interest, dividends, realised capital gains and losses) and impairments
Net commissions and fees	Commission income and expenses, and the recognition of Day 1 profit related to illiquid derivatives

Net trading income	Fair value changes in financial instruments at fair value through profit or loss, excluding accrued interest, and capital gains and losses, as well as dividends
Net investment income	Realised capital gains and losses on available-for-sale financial assets, impairments, dividends as well as fair value changes in investment property, capital gains and losses, rents and other property-related expenses
Other operating income	Other operating income
Personnel costs	Wages and salaries, pension costs, social expenses
Other administrative expenses	Office expenses, IT costs, other administrative expenses
Other operating expenses	Depreciation/amortisation, rents and other operating expenses

Notes to the income statement and balance sheet

Note 2 Net interest income

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Loans and other receivables	598	608	-2	2,723
Receivables from credit institutions and central banks	31	11		73
Notes and bonds	80	84	-4	381
Derivatives held for trading (net)	1	-1		-16
Liabilities to credit institutions	-3	-19	0	-86
Liabilities to customers	-185	-218	-15	-1,010
Debt securities issued to the public	-200	-193	4	-844
Subordinated debt	-10	-10	0	-43
Hybrid capital	-3	-2	75	-11
Financial liabilities held for trading	-2	-1		-19
Other (net)	4	6	-37	17
Net interest income before items under hedge accounting	**309**	**265**	**17**	**1,166**
Derivatives under hedge accounting (net)	-22	7		23
Total net interest income	**287**	**272**	**5**	**1,189**

Note 3 Impairments of receivables

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Impairments of receivables	34	9		73
Reversals of impairments	-11	-9	-25	-17
Payments on impaired receivables amortised from statement of financial position	-2	-1	-37	-6
Net change in group-specific impairments	8	3		8
Total	**29**	**2**		**58**

Note 4 Net income from Non-life Insurance

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Net insurance premium revenue				
Premiums written	473	448	6	991
Insurance premiums ceded to reinsurers	-41	-30	-36	-42
Change in provision for unearned premiums	-228	-217	-5	-24
Reinsurers' share	27	19	41	-1
Total	**230**	**220**	**5**	**923**
Net Non-life Insurance claims				
Claims paid	-157	-155	-1	-602
Insurance claims recovered from reinsurers	1	5	-76	14
Change in provision for unpaid claims	4	-1		-30
Reinsurers' share	4	-5		27
Total	**-147**	**-156**	**6**	**-591**
Net investment income, Non-life Insurance				
Interest income	18	17	4	70
Capital gains and losses and realised changes in fair value				
Notes and bonds	-11	-4		-16
Shares and participations	-1	2		-27
Property	0	3	-99	2
Other	10	4		-10
Unrealised changes in fair value				
Notes and bonds	-1	0		-4
Shares and participations	-23	0		4
Property	1	3	-80	3
Other	0	2		1
Dividend income	3	9	-67	26
Other	0	0		3
Total	**-4**	**35**		**53**
Unwinding of discount	-11	-10	-2	-42
Other	0	0		2
Net income from Non-life Insurance	**69**	**89**	**-23**	**345**

Note 5 Net income from Life Insurance

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Premiums written	155	240	-35	745
Reinsurers' share	-4	-8	45	-28
Net investment income	-68	-201	-66	-816
Claims incurred				
Benefits paid	-143	-197	28	-645
Change in provision for unpaid claims	-9	6		-47
Reinsurers' share	2	0		3
Change in insurance contract liabilities				
Change in life insurance provision	41	147	-72	602
Reinsurers' share	4	7	-43	25
Other	1	13	-94	22
Net income from Life Insurance	**-21**	**8**		**-139**

Note 6 Commissions and fees

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Commission income				
Lending	35	28	24	102
Deposits	1	1	-11	5
Payment transfers	30	29	6	121
Securities brokerage	4	6	-20	20
Securities issuance	2	1		4
Mutual funds brokerage	12	21	-41	67
Asset management and legal services	11	13	-9	51
Insurance brokerage	33	28	19	63
Guarantees	4	3	41	14
Other	10	11	-13	46
Total	**143**	**140**	**2**	**494**
Commission expenses				
Total	**13**	**15**	**-14**	**61**
Net commissions and fees	**130**	**124**	**4**	**433**

Note 7 Net trading income

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Capital gains and losses				
Notes and bonds	23	3		-15
Shares and participations	-1	0		-2
Derivatives	26	8		-26
Changes in fair value				
Notes and bonds	-18	-53	-65	-51
Shares and participations	1	-5		-19
Derivatives	-6	-17	-65	-11
Dividend income	0	0	-36	1
Net income from foreign exchange operations	3	5	-46	-1
Total	**28**	**-58**		**-125**

Note 8 Net investment income

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds	0	0		-5
Shares and participations	-6	0		1
Other	-	-		-
Dividend income	6	6	1	12
Impairment losses	-10	0		-6
Total	**-10**	**6**		**3**
Investment property				
Rental income	12	13	-7	49
Maintenance charges and expenses	-7	-7	1	-29
Changes in fair value, capital gains and losses	-3	6		2
Other	0	0	-7	1
Total	**2**	**12**	**-81**	**22**

Other	-	-		-
Net investment income	**-8**	**18**		**25**

Note 9 Other operating income

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Income from property and business premises in own use	4	3	41	12
Other	21	21	4	81
Total	**25**	**23**	**8**	**93**

Note 10 Personnel costs

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Wages and salaries	137	130	6	512
Pension costs	14	14	2	55
Other social expenses	12	8	40	31
Total	**163**	**152**	**7**	**598**

Note 11 Other administrative expenses

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Office expenses	17	17	2	47
IT expenses	26	25	4	110
Telecommunications expenses	9	10	-11	38
Marketing expenses	13	14	-8	61
Other administrative expenses	15	17	-9	71
Total	**80**	**82**	**-3**	**328**

Note 12 Other operating expenses

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Expenses for property and business premises in own use	19	17	6	74
Depreciation	32	32	1	134
Other	25	28	-9	104
Total	**76**	**77**	**-2**	**312**

Note 13 Returns to owner-members

EUR million	Q1/ 2009	Q1/ 2008	Change, %	2008
Bonuses	35	31	11	132
Interest on cooperative capital	3	6	-47	22
Total	**38**	**37**	**2**	**154**

Note 14. Classification of financial instruments

EUR million	Loans and other receiv-ables	Invest-ments held to maturity	Financial assets at fair value through profit or loss*	Available-for-sale financial assets	Hedging deriva-tives	Total
Assets						
Cash and balances with central banks	1,028	-	-	-	-	1,028
Receivables from credit institu-tions and central banks	2,332	-	-	-	-	2,332
Derivative contracts	-	-	1,431	-	163	1,594
Receivables from customers	51,943	-	-	-	-	51,943
Non-life Insurance assets**	920	-	89	2,061	-	3,070
Life Insurance assets***	488	-	1,849	2,737	-	5,075
Notes and bonds	-	1,179	2,109	2,235	-	5,524
Shares and participations	-	-	44	299	-	342
Other receivables	4,439	-	468	-	-	4,908
Total 31.3.2009	**61,151**	**1,179**	**5,990**	**7,331**	**163**	**75,816**
Total 31.3.2008	**53,677**	**126**	**8,334**	**8,200**	**38**	**70,375**
Total 31.12.2008	**62,545**	**1,198**	**6,661**	**5,224**	**117**	**75,746**

EUR million			Financial liabilities at fair value through profit or loss****	Other liabilities	Hedging deriva-tives	Total
Liabilities						
Liabilities to credit institutions	-	-	-	760	-	760
Financial liabilities held for trading (excl. derivatives)	-	-	198	-	-	198
Derivative contracts	-	-	1,522	-	168	1,690
Liabilities to customers	-	-	-	37,155	-	37,155
Non-life Insurance liabilities	-	-	3	2,673	-	2,676
Life Insurance liabilities	-	-	1,525	3,846	-	5,370
Debt securities issued to the public	-	-	-	17,515	-	17,515
Subordinated loans	-	-	-	1,315	-	1,315
Other liabilities	-	-	-	3,929	-	3,929
Total 31.3.2009	**-**	**-**	**3,247**	**67,192**	**168**	**70,608**
Total 31.3.2008	**-**	**-**	**3,137**	**61,681**	**62**	**64,880**
Total 31.12.2008	**-**	**-**	**3,145**	**67,257**	**129**	**70,531**

*Assets at fair value through profit or loss include financial assets for trading, financial assets at fair value through profit or loss at inception, and investments and investment property covering unit-linked insurance policies.
**Life Insurance assets are specified in Note 17.
****Includes the balance sheet value of technical provisions related to unit-linked insurance policies.
Debt securities issued to the public are carried at amortised cost.
On 31 March 2009, the fair value of these debt instruments was approximately EUR 42 million lower than their carrying amount, based on information available in markets and employing commonly used valuation techniques.
Subordinated liabilities are carried at amortised cost. Their fair value is lower than their carrying amount, but determining fair values reliably is difficult in the current market situation.

Note 15. Reclassified notes and bonds

The table below shows the carrying amounts and fair values of the reclassified notes and bonds:

31.3.2009, EUR million	Carrying amount	Fair value	Effective interest rate	Impairments arising from credit risk
Loans and other receivables	3,413	3,177	5.4	19
Investments held to maturity	926	835	4.5	-
Available-for-sale financial assets	54	54	5.1	-
Total	**4,394**	**4,066**		**19**

31.12.2008, EUR million	Carrying amount	Fair value	Effective interest rate	Impairments arising from credit risk
Loans and other receivables	3,611	3,440	5.4	10
Investments held to maturity	946	864	4.5	-
Available-for-sale financial assets	55	55	5.1	-
Total	**4,612**	**4,358**		**10**

If notes and bonds were not reclassified and had been measured using fair values available in the inactive market:

	1.1.2009–31.3.2009		31.12.2008	
EUR million	Income statement	Fair value reserve	Income statement	Fair value reserve
Banking	-11	-1	-21	-10
Non-life Insurance	1	-12	-	-24
Life Insurance	3	-29	0	-26
Group Functions	2	0	-162	-15
Total	**-5**	**-42**	**-183**	**-75**

Interest accrued on notes and bonds in the first quarter totalled EUR 36.8 million.
The price difference between the nominal value and acquisition value recognised in net interest income totalled EUR 8.6 million.
Impairments on notes and bonds totalled EUR 10 million.
The Group used derivatives to hedge against interest rate risks, applying hedge accounting from 1 October 2008.

Note 16 Non-life Insurance assets

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Investments				
Loan and other receivables	408	71		418
Shares and participations	287	860	-67	318
Property	82	84	-3	81
Notes and bonds	1,327	1,575	-16	1,075
Other	455	3		423
Total	**2,559**	**2,593**	**-1**	**2,316**
Other assets				
Prepayments and accrued income	34	32	9	33
Other				
Arising from direct insurance operations	326	322	1	218
Arising from reinsurance operations	145	99	47	100
Cash in hand and at bank	5	10	-49	4
Total	**511**	**463**	**10**	**355**
Non-life Insurance assets	**3,070**	**3,055**	**0**	**2,670**

Note 17 Life Insurance assets

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Investments				
Loan and other receivables	414	33		422
Shares and participations	2,216	2,575	-14	2,259
Property	123	121	1	123
Notes and bonds	684	1,184	-42	550
Other	0	5		0
Total	**3,437**	**3,917**	**-12**	**3,354**
Assets covering unit-linked insurance contracts				
Shares and participations	1,564	2,115	-26	1,614
Other assets				
Prepayments and accrued income	26	27	-6	23
Other				
Arising from direct insurance operations	4	5	-7	20
Arising from reinsurance operations	43	21		38
Cash in hand and at bank	2	32	-95	44
Total	**74**	**85**	**-13**	**125**
Life Insurance assets	**5,075**	**6,118**	**-17**	**5,093**

Note 18 Debt securities issued to the public

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Bonds	7,023	7,074	-1	7,654
Certificates of deposit, commercial papers and ECPs	10,286	6,582	56	10,322
Other	206	147	40	188
Total	**17,515**	**13,803**	**27**	**18,164**

Note 19 Fair value reserve after income tax

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Notes and bonds	-81	-65	25	-84
Shares and participations	-504	-90		-472
Total	**-585**	**-155**		**-556**

Other notes

Note 20 Collateral given

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Given on behalf of own liabilities and commitments				
Mortgages	1	1	0	1
Pledges	4,381	3,815	15	4,135
Other	424	216	96	400
Total	**4,806**	**4,032**	**19**	**4,536**

Note 21 Off-balance-sheet items

EUR million	31 March 2009	31 March 2008	Change, %	31. Dec 2008
Guarantees	1,494	732		1,241
Other guarantee liabilities	1,641	1,795	-9	1,794
Pledges	1	1	0	1
Loan commitments	7,710	8,094	-5	7,686
Commitments related to short-term trade transactions	157	180	-13	177
Other	535	565	-5	485
Total off-balance-sheet items	**11,539**	**11,367**	**2**	**11,384**

Note 22 Derivative contracts

	31 March 2009					
EUR million	Nominal values / remaining term to maturity				Fair values	
	<1 year	1-5 years	>5 years	Total	Assets	Liabilities
Interest rate derivatives	26,929	45,670	10,952	83,551	1,390	1,299
Currency derivatives	12,079	1,340	876	14,295	249	510
Equity and index-linked derivatives	122	606	20	749	23	6
Credit derivatives	149	167	-	316	4	19
Other derivatives	393	72	-	465	1	2
Total derivatives	**39,672**	**47,855**	**11,849**	**99,376**	**1,667**	**1,836**

	31 March 2008					
EUR million	Nominal values / remaining term to maturity				Fair values	
	<1 year	1-5 years	>5 years	Total	Assets	Liabilities
Interest rate derivatives	54,320	36,102	9,280	99,701	438	422
Currency derivatives	12,785	1,513	952	15,250	209	557
Equity and index-linked derivatives	95	285	80	460	33	-
Credit derivatives	116	230	40	386	3	8
Other derivatives	-	6	-	6	2	-
Total derivatives	**67,316**	**38,136**	**10,352**	**115,803**	**684**	**987**

Note 23 Related-party transactions

OP-Pohjola Group's related parties comprise associates, administrative personnel and other related-party companies. The administrative personnel comprises OP-Pohjola Group's Executive Chairman (Chairman of the Executive Board of OP-Pohjola Group Central Cooperative), President of OP-Pohjola Group Central Cooperative, members and deputy members of the Executive and Supervisory Boards and their family members. Other organisations considered as related parties include OP Bank Group Pension Fund and OP Bank Group Pension Foundation.

With respect to loans granted to the management, OP-Pohjola Group applies standard terms and conditions for credit. Loans are tied to generally used reference rates.

31 March 2009

EUR million	Associates	Management	Others
Loans	90	10	-
Other receivables	0	0	0
Deposits	2	12	39
Other liabilities	-	-	-
Interest income	0	0	-
Interest expenses	0	0	0
Dividend income	1	-	-
Commission income	0	0	0
Commission expenses	0	0	0
Other operating income	-	-	-
Impairments of loans	-	-	-
Impairments of loans at the end of the period	-	-	-
Off-balance-sheet items			
Guarantees	-	-	-
Irrevocable commitments	-	-	-
Other off-balance-sheet commitments	-	0	-
Wages and salaries and performance-based pay			
Wages and salaries	-	1	-
Performance-based pay	-	-	-
Holdings of related parties			
Number of share options	-	-	-
Number of shares	-	91,113	3,680,793
Number of participations	-	5,020	-

31 March 2008

EUR million	Associates	Management	Others
Loans	96	4	-
Other receivables	0	0	0
Deposits	30	7	37
Other liabilities	-	-	-
Interest income	0	0	-
Interest expenses	0	0	0
Dividend income	1	-	-
Commission income	0	0	0
Commission expenses	0	0	0
Other operating income	-	-	-
Impairments of loans	-	-	-
Impairments of loans at the end of the period	-	-	-
Off-balance-sheet items			
Guarantees	-	-	-
Irrevocable commitments	-	-	-
Other off-balance-sheet commitments	-	0	-
Wages and salaries and performance-based pay			
Wages and salaries	-	1	-
Performance-based pay	-	-	-
Holdings of related parties			
Number of share options	-	-	-
Number of shares	-	95,942	3,680,793
Number of participations	-	5,442	-

Pohjola Bank plc will publish its own interim report.

Interim reports for six and nine months will be published on 6 August and 5 November 2009, respectively.

Helsinki, 7 May 2009.

OP-Pohjola Group Central Cooperative
Executive Board

OP-Pohjola Group Central Cooperative

Carina Geber-Teir
Senior Vice President (Corporate Communications)

FURTHER INFORMATION
Reijo Karhinen, Executive Chairman, tel. +358 (0)10 252 4500
Tony Vepsäläinen, President, tel. +358 (0)10 252 4020
Harri Luhtala, CFO, tel. +358 (0)10 252 2433
Carina Geber-Teir, Executive Vice President (Corporate Communications), tel. +358 (0)10 252 8394

DISTRIBUTION
NASDAQ OMX Helsinki Ltd
London Stock Exchange
SWX Swiss Exchange
Major media