OP-Pohjola Group's Interim Report 1 January–30 September 2011

Q3

OP-Pohjola

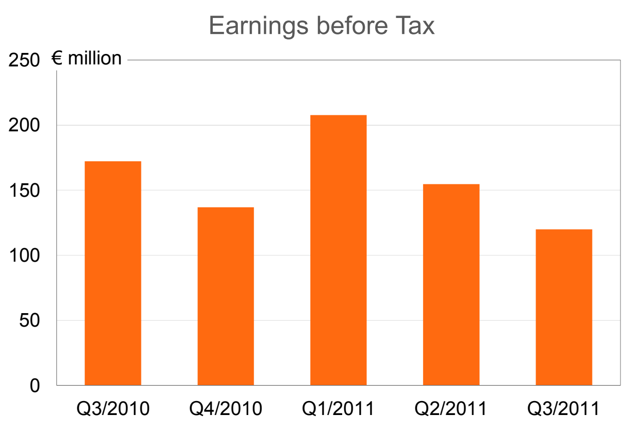
OP-Pohjola Group's earnings increased by 10% in January–September

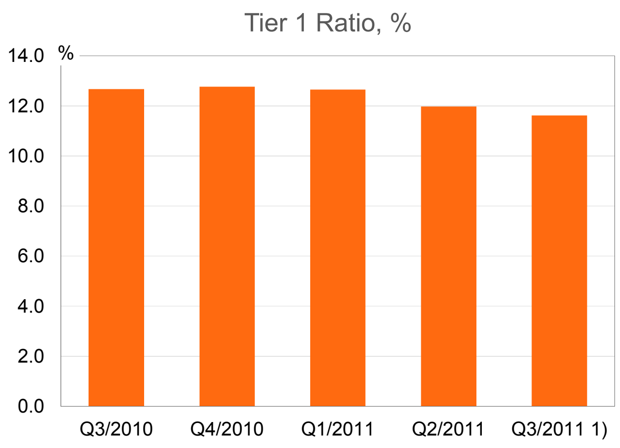
- The Group's earnings before tax grew by 10% to EUR 482 million (438) – those of Banking increased by 34%. However, pre-tax earnings in Q3 contracted year on year.
- Net interest income continued on a good growth path, coming to 11% in January–September. Total income improved by 4% year on year while expenses increased by 5%.
- Impairment losses on receivables shrank by 40% year on year, amounting to 0.14% of the loan and guarantee portfolio.
- Total deposits grew vigorously, at an annual rate of 13%, and Non-life Insurance's premium revenue experienced strong growth, too.
- Good progress was made in the strategic focus areas: OP-Pohjola Group's joint banking and insurance customers increased in the report period by 67,000 and the corporate loan portfolio by 9%.
- The Group's risk-bearing capacity is very strong. The Group's capital base exceeded the statutory minimum (EUR 4.0 billion) by EUR 2.0 billion.
- The Group has adopted a new capital adequacy target: a Core Tier 1 ratio of 15%.
- The deepening European sovereign debt crisis and non-recurring items related to technical provisions are weakening the earnings expectations of Non-life and Life Insurance. The Group's full-year pre-tax earnings for 2011 without these non-recurring items are expected to be at the same level as last year. For the outlook in full, see 'Outlook towards the year end' below.

OP-Pohjola Group's key indicators

	Q1–Q3/2011	Q1–Q3/2010	Change, %	2010
Earnings before tax, € million	482	438	10.2	575
Banking	357	267	33.5	367
Non-life Insurance	71	84	-16.0	83
Life Insurance	36	23	54.5	43
Returns to owner-members and OP bonus customers	132	122	8.7	163
	30 Sep 2011	**30 Sep 2010**	**Change, %**	**30 Dec 2010**
Ratio of capital base to minimum amount of capital base (under the Act on the Supervision of Financial and Insurance Conglomerates)	1.49	1.70	-0.21*	1.70
Tier I ratio, %	11.6	12.7	-1.1*	12.8
Non-performing receivables within loan and guarantee portfolio, %	0.53	0.44	0.09*	0.34
Joint banking and insurance customers, 1,000	1,264	1,178	7.3	1,197

* Change in ratio





1) Pohjola Bank plc's share purchase and net changes in debenture loans reduced the capital adequacy ratio by a total of 1.0 percentage point.

Comments by Reijo Karhinen, Executive Chairman

The financial sector's operating environment has suffered some major setbacks in recent months as a result of the European sovereign debt crisis and tardy political decision-making. Yet OP-Pohjola Group remained stable and continued operations on a solid basis even in such demanding conditions, indeed growing at an accelerating rate and improving its performance in the first three quarters.

Banking in particular performed really well, boosted by solid growth of net interest income and significantly lower loan losses. The performance of insurance operations was depleted in the third quarter by poor return performance of investment assets.

Financial market jitters are eroding our earnings power and undermining earnings outlook but at the same timer underlining one of our strengths: our capacity among European banks to cope with crises is right at the top with the best. Calculations made by the authorities have repeatedly shown that we are strong and tenacious. Our capital buffers are firm and the fact that our capital adequacy is high to begin with creates presence of mind.

We want to be seen as an actor with solid capital adequacy in the future too. We have decided, amid this market storm, to increase our Banking's Core Tier 1 capital ratio target to well above the highest requirements set by the authorities – to 15% – and by doing so set an example for the entire sector. Our message is very clear: We are a solid and reliable partner to our customers.

I am extremely pleased with our customer business success. Our growth rate perked up in a number of areas, most prominently in deposits. Our funding has also in other respects operated without problems even in these exceptional conditions. We can also boast a higher rate of growth in corporate financing than the market average. One thing we have been particularly pleased about all this year is that the integration of banking and non-life insurance operations has proceeded successfully. On the other hand, our mutual fund business has not lived up to our expectations.

I interpret our good growth figures in deposits and loans as a sign of confidence from our customers. It is encouraging to know how much faith our customers have in their tried and trusted Finnish actor. We in turn want to be committed to acting responsibly and pooling our resources with our customers to build a bridge over difficult times. Our ability and willingness to provide funding to our customers remain strong.

We are currently updating OP-Pohjola Group's strategy which will stress that we maintain a balance between solid capital adequacy, moderate risk-taking and healthy growth. We will also emphasise the importance of investment in business development, with our project in Oulu focusing on the development of electronic services serving as a good example.

The financial sector outlook is still overshadowed by a global economic crisis. The EU summit meeting raised some optimism and the worst market scenario was not realised, but Europe's inability to solve the sovereign debt crisis has raised doubts on the durability of the entire euro system and undermined confidence to such an extent that any failures to implement the decisions would cause the markets to react with extreme nervousness. This would wreak havoc on the financial sector and its operating environment.

The economic outlook in Finland in late autumn and the winter is moderate at best. There will be no chance for sustainable growth if people have lost confidence in the economy. Confidence in the future is only created through acts. The European sovereign debt crisis, Finland's waning price competitiveness and the widening sustainability gap will not go away if we hesitate and just wait for something to happen.

OP-Pohjola Group's Interim Report for 1 January–30 September 2011

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Operating environment

We were overshadowed by great economic uncertainty in July–September 2011. Management of the European sovereign debt crisis and the global economic situation have become a widespread concern reflected in lower consumer and business confidence.

Successful handling of the European sovereign debt crisis is vital to future economic development. Failure to handle the crisis may have dire consequences, while successful solutions can restore confidence in the euro system and thereby prevent a recession.
So far industrialised economies have done better than feared. US industrial production and consumer spending took a turn for the better in the third quarter, with industrial production also growing in the euro area. Emerging economies slowed down only marginally.

Global economic jitters have also had repercussions in Finland: households' and companies' expectations of economic growth have faded. On the other hand, statistics on industrial production and retail trade indicate that economic activity has remained relatively high throughout the summer and autumn.

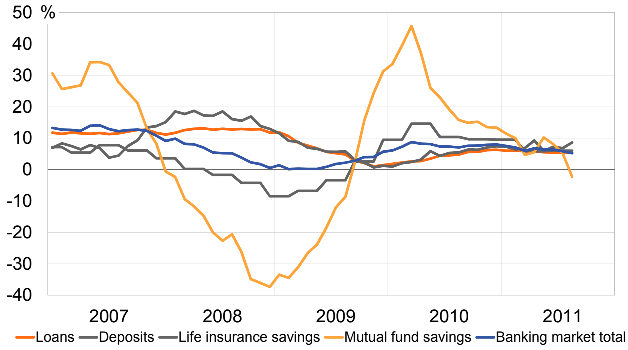
Gloomier global economic outlook and doubts concerning how the debt crisis in the euro area will be handled resulted in major movements in the money and capital markets during the third quarter. Market rates were low and key share prices fell globally by about 15% and in Finland by about 20%. This uncertainty has also increased risk premiums in the money markets. The European Central Bank has supported the markets by increasing liquidity in an attempt to boost the markets and reduce risk premiums. Interest rates will remain low or decrease slightly towards the year end.

The euro area's debt crisis has had only minor effects on the increase in the Finnish banking sector's loan portfolio. Year on year, the loan portfolio increased by about 5% in July–September. Despite lower consumer confidence, consumer loans continued to grow at a steady rate and the housing market was still lively. On the other hand, growth of the corporate loan portfolio slowed down somewhat, its annual growth remaining at about 3%.

Mutual fund and insurance savings fell even more in the third quarter owing to poor capital market performance. Net asset inflows were clearly negative and the sales of new life insurance policies were low. On the positive side, deposits increased as the number of current accounts and payment transfer accounts went up. Term deposits, which had grown at a high rate early in the year, slowed down in the third quarter as the rise in money market rates levelled off.

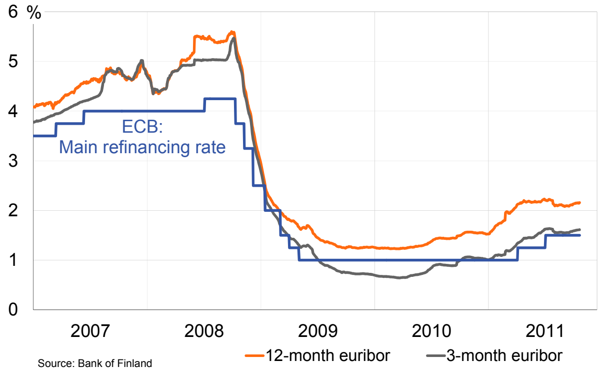
In the non-life insurance sector, premiums written for January–September increased by about 4% year on year. Claims expenditure still grew at a markedly higher rate than premiums written. Slower economic growth is nevertheless expected to offset higher claims expenditure in relation to higher premiums written. On the other hand, jitters about the investment environment and the low interest rates are expected to increase challenges related to investments by insurance companies.

Business volumes
Sector total

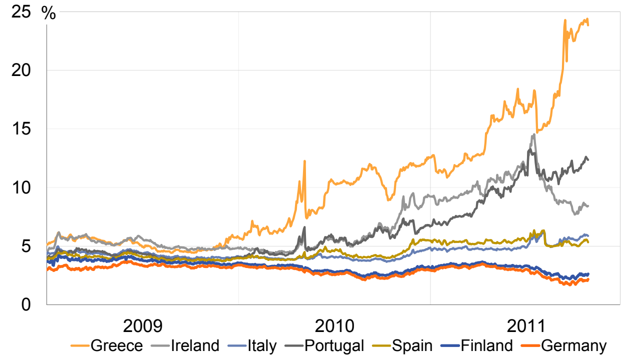


Sources: Bank of Finland, Federation of Finnish Financial Services, The Finnish Association of Mutual Funds

Euribor rates and ECB refi rate

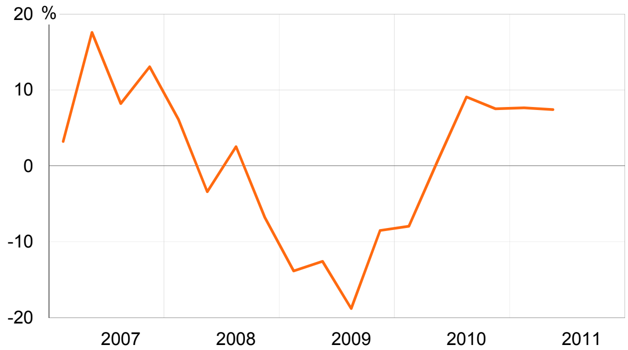


Long-term interest rates
Government bonds (10 years)



Source: Reuters EcoWin

Fixed investments
Annual change in volume



Source: Statistics Finland

OP-Pohjola Group's earnings analysis and some balance sheet key indicators

Earnings analysis, € mill.	Q1–Q3/2011	Q1–Q3/2010	Change %	Q3/2011	Q3/2010	Change %	Q2/2011
Banking	357	267	33.5	131	104	25.8	93
Non-life Insurance	71	84	-16.0	3	42	-93.6	49
Life Insurance	36	23	54.5	-17	3		16
Earnings before tax	**482**	**438**	**10.2**	**120**	**172**	**-30.4**	**155**
Gross change in fair value reserve	-456	256		-340	181		-34
Earnings/loss before tax at fair value	**26**	**694**	**-96.2**	**-220**	**353**		**121**
Return on economic capital, % *)	14.8	12.8	2.0*				
Return on economic capital at fair value, % *)	5.8	20.3	-14.5*				
Income							
Net interest income	755	679	11.2	261	226	15.5	255
Net income from Non-life Insurance	291	309	-5.8	75	119	-37.0	124
Net income from Life Insurance	78	62	26.1	0	15	-99.4	28
Net commissions and fees	435	417	4.3	138	135	2.5	141
Net trading and investment income	42	72	-41.7	-19	26		15
Other operating income	69	69	-0.9	20	20	0.3	22
Other income, total	**915**	**930**	**-1.6**	**214**	**315**	**-32.0**	**330**
Total income	**1,670**	**1,609**	**3.8**	**476**	**541**	**-12.1**	**585**
Expenses							
Personnel costs	514	477	7.8	149	142	4.8	188
Other administrative expenses	248	225	10.1	79	70	12.4	88
Other operating expenses	229	239	-4.1	75	86	-12.6	76
Total expenses	**991**	**941**	**5.3**	**303**	**298**	**1.6**	**352**
Impairment losses on receivables	**64**	**108**	**-40.4**	**10**	**31**	**-68.6**	**31**
Returns to owner-members and OP bonus customers							
Bonuses	121	112	7.6	41	38	7.8	40
Interest on ordinary and supplementary cooperative capital	11	9	21.6	2	2	-8.3	7
Total returns	**132**	**122**	**8.7**	**43**	**41**	**6.8**	**47**

*) 12-month rolling, change in percentage

Other key indicators, € mill.	30 Sep 2011	30 Sep 2010	Change, %	30 Dec 2010	Change, %
Receivables from customers	59,387	55,705	6.6	56,834	4.5
Life Insurance assets	6,900	7,049	-2.1	7,544	-8.5
Non-life Insurance assets	3,168	3,281	-3.5	3,164	0.1
Liabilities to customers	43,836	38,467	14.0	39,205	11.8
Debt securities issued to the public	20,732	19,456	6.6	19,577	5.9
Equity capital	6,421	6,632	-3.2	6,726	-4.5
Balance sheet total	91,191	82,974	9.9	83,969	8.6
Tier 1 capital	5,168	5,420	-4.6	5,454	-5.2

January–September

The Group's earnings before tax grew by 10% to EUR 482 million (438) and can be attributed to lower impairment charges, higher investment income by Life Insurance despite the difficult market situation and, as a consequence of higher market rates, growing net interest income. However, the effect of higher interest rates and investment income was lower in the third quarter than previously. Bonuses to owner-members and OP bonus customers that were recognised in the profit and loss grew by 7.6% year on year to EUR 121 million.

Earnings before tax at fair value shrank owing to falling market prices that were the result of jittery investment markets. The Group's fair value reserve shrank by EUR 338 million, while a year ago it increased by EUR 190 million.

Pre-tax earnings by Banking went up by almost 34% and income by almost 7.2%. Net commissions and fees increased especially owing to higher commissions and fees related to lending, payment transfer services and asset management.

The operative combined ratio of Non-life Insurance was 89.4% (88.6). Non-life Insurance's pre-tax earnings decreased year on year mainly due to lower net investment income. This increase in net investment income boosted pre-tax earnings by Life Insurance.

Expenses increased year on year by 5.3% mainly because of higher ICT and personnel costs. About a third of personnel cost increase resulted from increase in personnel and from non-recurring items.

Impairment losses recognised under various income statement items that eroded the report period's performance amounted to EUR 102 million (233), of which EUR 64 million (108) concerned loans and other receivables. The greatest single impairment, EUR 24 million, concerned Non-life Insurance’s and Life Insurance’s direct Greek government exposure. Net impairment losses on loans and other receivables were 0.14 % (0.25) of the loan and guarantee portfolio.

Equity capital stood at EUR 6,421 million on 30 September. Equity capital was on the one hand boosted by the report period's performance but on the other hand eroded by a shrunken fair value reserve, a higher percentage of ownership by the central institution in Pohjola Bank plc, and dividend payments.

On 30 September, the cooperative capital investments and supplementary cooperative capital investments of the member cooperative banks’ owner-members totalled EUR 746 million (778).

OP-Pohjola Group had 4,164,000 customers in Finland at the end of September: private customers totalled 3,737,000 and that of corporate customers 428,000. Since 1 January, the number of joint banking and non-life insurance customers in Finland increased by 67,000 to 1,264,000 as a result of cross-selling.

July–September

Earnings before tax for the third quarter shrank by 30% year on year. The performance by Banking improved both year on year and compared with Q2 as a result of higher net interest income and lower impairments of receivables. Net interest income was 16% higher year on year and 2.4% higher than in Q2. Non-life Insurance’s net income fell short of that in the previous quarter as net investment income fell and the operating combined ratio rose somewhat from its record level in the second quarter. Because of the uncertainty surrounding the investment environment, Life Insurance’s third-quarter net income also fell short of the figures a year ago.

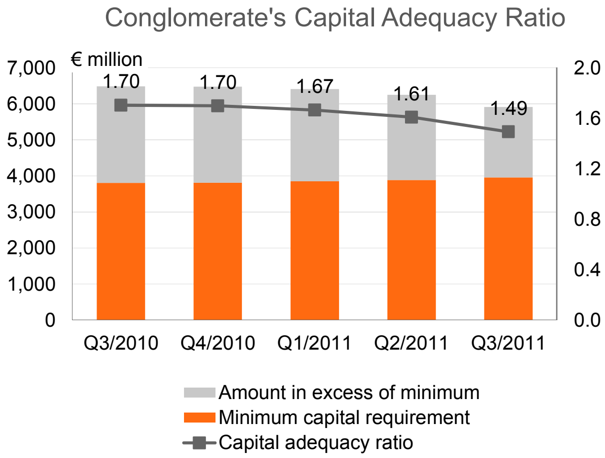
OP-Pohjola Group's long-term financial targets	**30 Sep 2011**	**30 Sep 2010**	**Target**
Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates	1.49	1.70	1.5
Return on economic capital, % (12-month rolling)	14.8	12.8	17
Growth differential between income and expenses, percentage points (12-month rolling)	1.2	5.1	> 0

Capital adequacy, risk exposure and credit ratings

Capital adequacy

On 30 September, OP-Pohjola Group's capital base, calculated according to the Act on the Supervision of Financial and Insurance Conglomerates, exceeded the minimum amount specified in the Act by EUR 1,942 million (2,666). The change in the capital buffer was mainly due to the Group’s higher percentage of holdings in Pohjola Bank plc and to changes in debenture loans. During the report period, debenture loans classified as Tier 2 capital were redeemed for a total of EUR 396 million and issued for a total of EUR 184 million. The effect of the above carried out by the Group itself caused the capital adequacy ratio to fall by 0.11 points.

The permission we received from the Financial Supervisory Authority in October 2011 enables us to extend the use of the Internal Ratings-based Approach to the capital requirement calculation concerning credit risk by Banking. This change raises the capital adequacy ratio referred to in the Act on the Supervision of Financial and Insurance Conglomerates by about 0.3 points from the figure at the end of 2011.



As a result of the financial crisis, banks' capital adequacy requirements will become tighter in an effort to improve the quality of their capital base, to increase capital conservation buffers, to reduce the cyclic nature of capital requirements, to decrease banks' indebtedness and to set quantitative limits to liquidity risk. These changes have been planned to be implemented in 2013–2019. According to OP-Pohjola Group's analysis based on the current interpretations, the Group can fulfil the capital adequacy requirements in any eventuality. From OP-Pohjola Group's viewpoint, the major changes in the new regulations are related to how insurance company investments and supplementary cooperative capital are treated in terms of capital base calculation concerning capital adequacy, to the leverage ratio and to liquidity risk requirements.

Risk exposure

Increasing uncertainty in the investment market along with weakening outlooks has raised OP-Pohjola Group’s risk exposure. The Group’s risk-bearing capacity will nevertheless remain high enough to safeguard that we can continue operating even if the jitters become even worse.

No major changes have taken place in our credit risk exposure, because the debt crisis has not reflected on customer’s repayment capacity. See below in the part dealing with business segments for details on Banking's credit risk exposure.

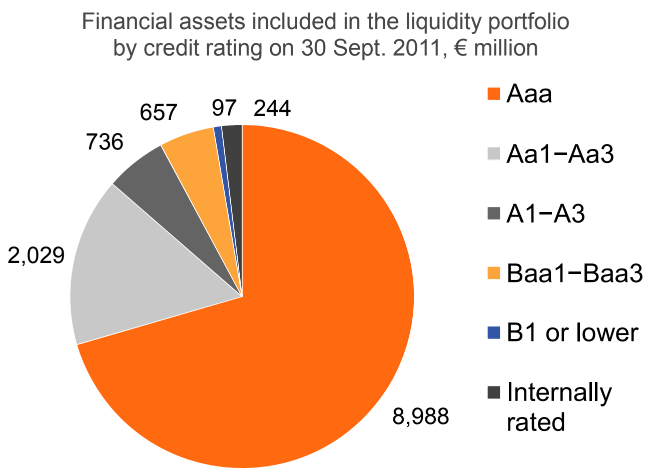
No major changes took place in the report period in Non-life Insurance's or Life Insurance's underwriting risks. The insurance companies’ capital adequacy has remained strong, albeit that the jittery markets have eroded return on investments. See below in the part dealing with business segments for details on the risk exposure.

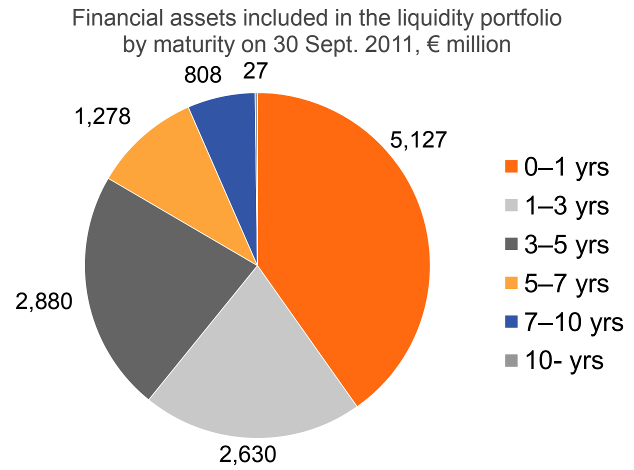
OP-Pohjola Group’s market risk exposure was, despite the increasing uncertainty in the markets, within the set limits in the report period. The Group's financial position and liquidity is good. The Group has increased its long-term funding so far this year by a total of EUR 2.6 billion. Of this amount, bonds issued by OP Mortgage Bank account for EUR 2.0 billion while Pohjola Bank plc, which acts as the Group’s central bank, accounts for EUR 0.6 billion. Pohjola's short-term funding worked well in the report period despite the difficult market situation.

OP-Pohjola Group ensures its liquidity with a liquidity reserve and other sources of finance referred to in the contingency plan. The liquidity reserve is invested primarily in notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, and in securitised assets. The liquidity reserve can be used as collateral for central bank funding. The liquidity reserve portfolio's interest rate and currency risks have been hedged.

Liquidity reserve, € mill.	**30 Sep 2011**	**30 Dec 2010**	**Change**
Nominal value/	10,458	11,274	-816
Collateral value	9,790	10,324	-534

The liquidity reserve and other sources of finance included in OP-Pohjola Group's liquidity management strategy ensure the Group's liquidity for at least 24 months if wholesale funding became unavailable and deposits fell moderately.





Investment assets, € mill.	30 Sep 2011	30 Dec 2010	Change
Pohjola Bank plc	12,691	9,487	3,204
Non-life Insurance	2,781	2,893	-112
Life Insurance	3,670	4,500	-830
Group member banks	955	991	-37
OP-Pohjola Group Mutual Insurance Company	343	375	-32
Total	20,439	18,246	2,193

On 30 September, OP-Pohjola Group's direct investments in bonds issued by GIIPS governments had a market value of EUR 194 million, representing 0.2% of the Group's balance sheet. These investments have mainly been made by Non-life and Life Insurance to cover technical provisions.

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

Stress tests

OP-Pohjola Group carries out regular stress tests of various types to ensure its business operations are on a sound basis. Regulators also conduct their own stress tests both at national and European level to find out whether both banking and insurance sectors or individual actors can cope in weaker economic conditions than have been forecast.

The European Banking Authority (EBA) published its EU-wide forward-looking stress tests in July. Just like last year, OP-Pohjola Group's capital adequacy clearly exceeded the stress test's threshold level. In the adverse scenario, the Group's capital adequacy remained on a solid basis and was clearly above the test's minimum requirement. The Group's Core Tier 1 capital ratio would fall not lower than 11.5%, with the minimum level in the test being 5%.

Credit Ratings

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

Fitch Ratings issues a rating for both OP-Pohjola Group and Pohjola Bank plc. OP-Pohjola Group's financial position also affects credit ratings issued for just Pohjola Bank plc.

Pohjola's credit rating outlook issued by Standard & Poor's is stable. Fitch Rating has issued a negative outlook for the long-term debt ratings of Pohjola, and Moody's Investor Service has affirmed a negative outlook on Pohjola's credit rating.

The credit ratings have remained unchanged in 2011, but Fitch and Moody's are reviewing our credit ratings. As part of an extensive international review of the banking sector, Fitch placed the credit ratings of OP-Pohjola Group and Pohjola Bank plc under review in October for a potential downgrade. Moody's placed OP-Pohjola Group and Pohjola Bank plc on review for a possible credit rating downgrade.

Operations and earnings by business segment

OP-Pohjola Group's business segments are Banking, Non-life Insurance and Life Insurance. Non-segment operations are presented under 'Other Operations'. OP-Pohjola Group's segment reporting is based on accounting policies applied in its financial statements.

Summary of performance by business segment

€ million	Income	Expenses	Other items *)	Earnings before tax Q1–Q3/2011	Earnings before tax Q1–Q3/2010	Change, %
Banking	1,256	707	-193	357	267	33,5
Non-life Insurance	311	241	0	71	84	-16,0
Life Insurance	105	70	0	36	23	54,5
Other Operations	304	273	-3	27	68	-60,0
Eliminations	-307	-299	0	-8	-5	69,0
Total	**1,670**	**991**	**-197**	**482**	**438**	**10,2**

*) Other items contain returns to owner-members and OP bonus customers, and impairment losses on receivables

Banking

- Earnings before tax grew by 34% to EUR 357 million.
- Income increased by a total of 7.2%. Net interest income increased by 15% and Net commissions and fees by 3.4%.
- Impairment losses on receivables reduced even more, by 44% in the report period.
- Banking's performance continued to grow at a good rate. Growth was particularly brisk in deposits and corporate loans.

Banking, key figures

€ million	Q1–Q3/2011	Q1–Q3/2010	Change, %	2010
Net interest income	724	627	15.3	852
Impairment losses on receivables	61	109	-44.1	149
Other income	533	545	-2.2	745
Personnel costs	318	301	5.5	405
Other expenses	389	373	4.1	513
Returns to owner-members and OP bonus customers	132	122	8.7	163
Earnings before tax	**357**	**267**	**33.5**	**367**
€ million				
Home mortgages drawn down	5,474	4,910	11.5	6,651
Corporate loans drawn down	4,718	4,777	-1.2	6,554
Net subscriptions to mutual funds	-1,385	441		497
No. of brokered property transactions	13,239	12,906	2.6	17,009
€ billion	**30 Sep 2011**	**30 Sep 2010**	**Change, %**	**30 Dec 2010**
Loan portfolio				
Home mortgages	28.8	26.9	6.9	27.3
Corporate loans	15.2	13.9	9.5	14.0
Other loans	15.2	14.6	4.3	14.4
Total	**59.2**	**55.4**	**6.9**	**55.7**
Guarantee portfolio	2.8	2.9	-5.0	2.8
Deposits				
Current and payment transfer	20.7	18.4	12.7	19.2
Investment deposits	19.3	17.0	13.0	17.2
Total deposits	**39.9**	**35.4**	**12.8**	**36.4**
Market share, %				
Of loan portfolio	32.9	32.6	0.3	33.0
Of deposits	33.5	32.7	0.8	32.5
Of capital invested in mutual funds	21.4	23.6	-2.2	23.4

Even though the sovereign debt crisis in the euro area has lasted long, no significant effects have been felt in Banking's operating environment in the report period. Competition continued to be tough especially in the deposits market. The key factors heating up competition for deposits are the general capital market jitters on the one hand and tightening of banks' liquidity regulations on the other.

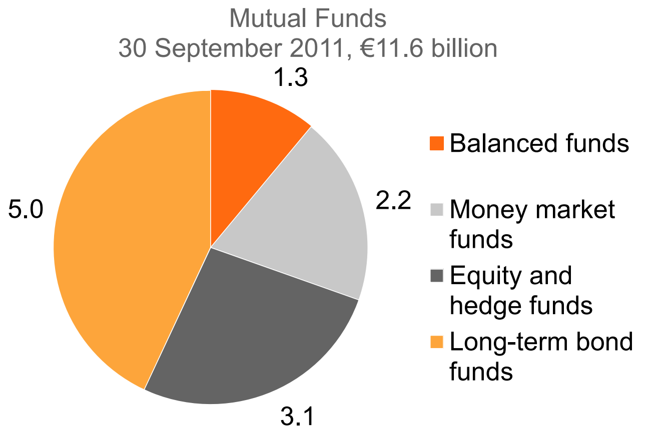
OP-Pohjola Group's deposits increased in the year to September by 13% and by 9.6% during the report period. Payment transfer accounts increased by 12.7% and investment deposits by 13%. The growth of deposits in euro terms exceeded credit growth, thereby reducing the Group's need to acquire funding from the wholesale market.

The number of housing deals brokered by OP-Kiinteistökeskus real estate agents in the report period was somewhat higher year on year. The number of deals increased in the year to September despite greater uncertainty about the economic outlook.

The volume of new home mortgages increased by 11.5% year on year. The rate at which new home mortgage margins are narrowing has slowed down, but the margins are forecast to increase again owing to tighter capital adequacy regulations and higher funding costs. The Group held 35.9% (35.8) of the home mortgage portfolio at the end of the report period. The consumer loan portfolio grow by 4.7% from last year's figure

Payment transactions handled by OP-Pohjola Group increased a fraction. The corporate loan portfolio grew in the year to September by 9.5% and by 8.8% in the report period. The Group's market share of the loan portfolio by businesses and housing corporations increased in the year to September from 28.5% to 29.4%.

Capital invested in OP-Pohjola Group's mutual funds stood at EUR 11.6 billion (14.4). Capital decreased by 17% in the year to September and 20% during the report period as a result of a lower volume of net subscriptions and lower market values.



Net subscriptions to OP-Pohjola Group's mutual funds were EUR 1,385 million in the negative as opposed to EUR 441 in the positive last year.

On 30 September, assets managed by Pohjola Bank's Asset Management were worth EUR 31.5 billion (35.0), of which EUR 10.1 billion (12.0) was invested in OP-Pohjola Group's mutual funds. OP-Pohjola Group companies accounted for EUR 8.3 billion of assets managed by Pohjola Bank plc.

On 30 September, the cooperative member banks had 1.3 million owner-members, up by 29,000 year on year. Helsinki OP Bank Plc, which operates in the Helsinki Metropolitan Area, had a total of 1,234,000 OP bonus customers at the end of September.

Loyal customer bonuses earned by OP bonus customers totalled EUR 121 million, up by 7.6% year on year. In January–September, OP bonus customers used a total of EUR 59 million (56) of bonuses on banking services and EUR 47 million (40) on Pohjola non-life insurance premiums. Bonuses were used for the payment of 1,062,000 insurance premium bills, and 14% of these were paid using solely OP bonuses.

The Finnish Tax Administration will be changing its guidelines concerning corporate bonus practices later this year. Following changes in taxation law, OP-Pohjola Group has changed its bonus system so that customers no longer have the option of selecting what their bonuses are used for and neither can they take out their bonuses as cash.

Earnings and risk exposure

Earnings before tax by Banking increased by 34% to EUR 357 million thanks to an increase in net interest income and lower impairment charges.

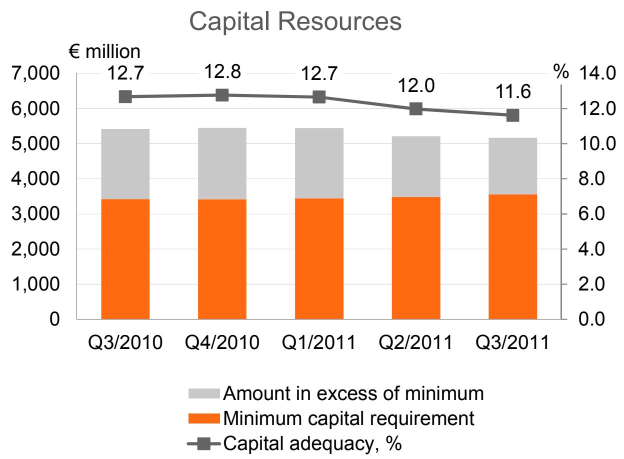
Banking income increased by 7.2% to EUR 1,256 million. Net interest income increased by 15%. Rising market rates on the previous year along with a growth of business volumes pushed up net interest income. Net commissions and fees continued to grow, by 3.4%, boosted particularly by higher volumes of asset management, stock broking and payment transactions. Net trading and investment income contracted by a total of EUR 23 million, or almost 39% year on year. Banking had a cost/income ratio of 56 (57).

Banking retained a stable credit risk exposure, because the debt crisis has not yet reflected on our customers' financial situation. Impairment losses on receivables shrank by EUR 48 million year on year and, if converted into annual figures, accounted for just 0.14% of the loan and guarantee portfolio. Non-performing and zero-interest receivables were also low in relation to the loan and guarantee portfolio, even though they increased somewhat. A considerable part of the growth can be attributed to wider allocation of collective impairments to the whole loan and guarantee portfolio. Of OP-Pohjola Group's corporate exposures, 45% fall into the top five credit categories (out of 12 categories), also known as investment grade.

OP-Pohjola Group's doubtful receivables as percentage of loan and guarantee portfolio	30 Sep 2011		30 Sep 2010		30 Dec 2010	
	€ mill.	%	€ mill.	%	€ mill.	%
Non-performing and zero-interest receivables, net	329	0.53	259	0.44	204	0.34
Impairments on receivables since 1 January, net	64	0.14	108	0.25	149	0.25

Capital adequacy

On 30 September, OP-Pohjola Group's capital adequacy ratio under the Act on Credit Institutions and the Tier 1 capital adequacy ratio both stood at 11.6% (12.8). The statutory minimum for capital adequacy ratio is 8%, and for Tier 1 ratio 4%.



The Group's Tier 1 capital amounted to EUR 5,168 million (5,454) on 30 September. The fall in this capital was primarily caused by the fact that OP-Pohjola Group Central Cooperative bought Pohjola Bank plc shares from Suomi Mutual, and by the early redemption of debenture loans. The purchase of these shares weakened the Group's capital adequacy ratio by 0.5 percentage points. The early redemption of debenture loans in the report period decreased the capital adequacy ratio figure by 0.9 percentage points, while the new debentures that were issued increased it by 0.4 percentage points. Without these measures, capital adequacy would have remained almost at the same level as on 31 December 2011.

Insurance company investments, deducted in equal proportions from Tier 1 and 2 capital, came to EUR 2,314 million (2,330). EUR 90 million have been deducted from equity capital as a shortfall of expected losses and impairments. Deductions on Tier 2 capital exceeded Tier 2 capital by EUR 425 million (135), which were deducted from Tier 1 capital.

The minimum capital requirement was EUR 3,560 million on 30 September (3,418), increasing by 4.1% in the report period. The most significant factor that contributed to this growth was the higher capital requirement concerning the loan and guarantee portfolio. Credit and counterparty risk accounted for 92.1% (92.2) of the capital requirement. Operational risk accounts for 6.5% (6.7) of the capital requirement, and market risk for 1.4% (1.1).

OP-Pohjola Group's banking operations (the conglomeration) uses the Internal Ratings Based Approach (IRBA) in its capital adequacy measurement for Pohjola Bank plc's corporate and institutional customers' credit risks. Following permission from the Financial Supervisory Authority, IRBA will be applied to the conglomerate's retail, corporate and credit institution exposures as of December 2011. Up to 30 September, the capital requirement for credit risk was still calculated using the Standardised Approach. The use of internal ratings to a larger extent than currently reduces the Group's capital requirement, but makes it more susceptible to market fluctuations. The Standardised Approach will continue to be used for exposure related to governments and public-sector entities. Adoption of internal models is estimated to improve the Group's capital adequacy under the Act on Credit Institutions by about 2.6 percentage points and the ratio under the Act on the Supervision of Financial and Insurance Conglomerates (RAVA) by about 0.3 points. As to market risks, OP-Pohjola Group will continue to use the Standardised Approach. With respect to the capital adequacy requirement for operational risks, the Standardised Approach was adopted in the last quarter of 2010.

Non-life Insurance

- Earnings before tax amounted to EUR 71 million (84). Earnings before tax at fair value contracted year on year owing to investment market jitters.
- Insurance premium revenue increased by 6.9% (1.6).
- The balance on technical account was good. The operating combined ratio stood at 89.4% (88.6).
- Loyal customer households numbered more than 500,000 on 30 September, increasing by more than 27,100 households (29,900).
- Return on investments at fair value was -1.8% (5.2).

Key figures and ratios

€ million	Q1–Q3/2011	Q1–Q3/2010	Change, %	2010
Insurance premium revenue	773	723	6.9	964
Insurance claims and benefits	486	443	9.5	637
Net investment income	42	65	-34.8	87
Unwinding of discount and other items included in net income	-35	-34	-1.8	-30
Net income from Non-life Insurance	**295**	**310**	**-4.9**	383
Other net income	16	11	46.0	16
Personnel costs	92	81	14.1	109
Other expenses	149	156	-5.1	208
Earnings before tax	**71**	**84**	**-16.1**	**83**
Gross change in fair value reserve	-92	80		56
Earnings/loss before tax at fair value	**-21**	**164**		**139**
Insurance premium revenue				
Private customers	383	355	8.0	470
Corporate customers	353	331	6.7	445
Baltic States	37	37	-1.0	49
Total insurance premium revenue	**773**	**723**	**6.9**	**964**
Key ratios for Non-life Insurance				
Return on investments at fair value*, %	-1.8	5.2		5.1
Operating combined ratio*, %	89.4	88.6		89.7
Operating expense ratio*, %	20.6	21.3		21.3
Operating loss ratio*, %	68.8	67.2		68.4

* These operating figures exclude changes in reserving bases and amortisation of intangible assets arising from the corporate acquisition.

Non-Life Insurance continued to perform favourably in the report period. We enjoyed growth in terms of private customers, and premium revenue from corporate customers rebounded as well. The strongest growth came from SMEs.

There were 507,700 loyal customer households on 30 September, increasing by 27,100 (29,900) in the report period. Up to 65% of these loyal customer households also use OP-Pohjola Group member cooperative banks as their main bank. OP-Pohjola Group member banks' owner-members and Helsinki OP Bank's bonus customers can use their OP bonuses earned through banking transactions to pay Pohjola non-life insurance premiums. Bonuses were used in the report period to pay 1,030,000 insurance bills, with 148,000 of them paid in full using bonuses. Insurance premiums paid using bonuses totalled EUR 47 million.

In terms of premiums written, OP-Pohjola Group is the non-life insurance market leader in Finland with a 27.8% market share of premiums written on 31 December 2010. Its market position improved among private customers during the report period. The Group became the market leader during the report period as insurer of private customers' vehicles.

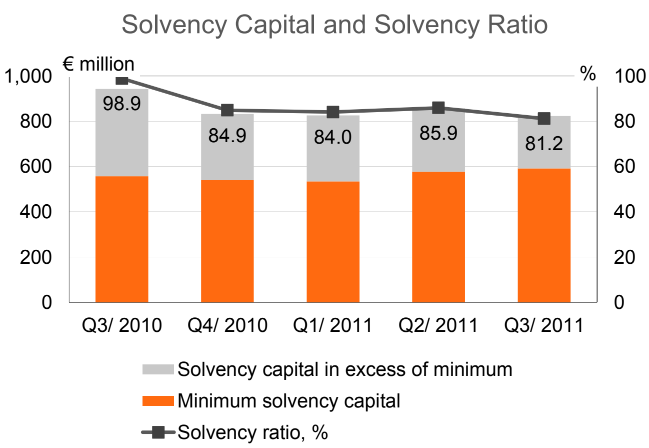
Earnings and risk exposure

Insurance premium revenue continued to grow, and the balance on technical account was good. The profitability of private customers remained good despite higher claims expenditure. The operating combined ratio of corporate customers improved year on year.

The growth of the insurance portfolio and especially the higher number of property damage increased claims expenditure. The number of losses reported increased by 8%. The risk ratio excluding loss adjustment expenses stood at 62.8% (61.4). The reported number of major or medium-sized losses (in excess of EUR 0.1 million and over EUR 0.5 million in pension liabilities) came to 174 (184) in January–September, with their claims incurred retained for own account totalling EUR 76 million (76).

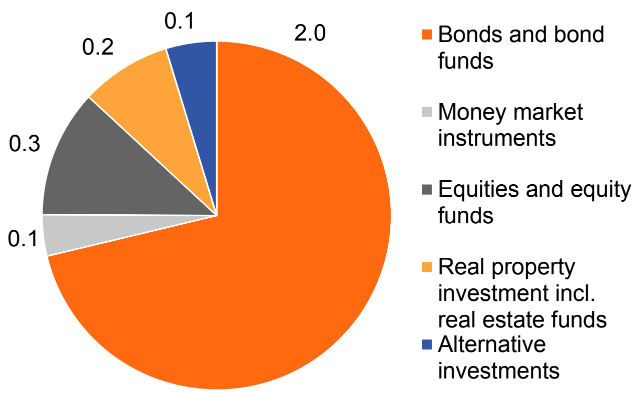
Return on investments at fair value was -1.8% (5.2). Net investment income at fair value came to EUR -50 million (145). Impairment charges recognised from the fair value reserve in the income statement totalled EUR 21 million (29), of which EUR 16 million related to Greek government bonds.

Non-life Insurance's risk-bearing capacity was still good. Non-life Insurance's solvency capital stood at EUR 823 million (832) on 30 September. The equalisation provision that is included under capital adequacy increased to EUR 441 million (424).



On 30 September, the Non-life Insurance investment portfolio totalled EUR 2.9 billion (2.9), being divided as follows:

Investment assets EUR 2.9 billion 30 September 2011



The fixed-income portfolio by credit rating was healthy, with investment-grade exposure accounting for 90% (91), and 76% of the exposure being receivables in at least category A–. The average remaining maturity of the fixed-income portfolio was 5.0 years (5.3) and the duration 4.0 years (4.1).

Life Insurance

- Earnings before tax went up to EUR 36 million (23); earnings at fair value turned clearly negative owing to investment market instability.
- Market share in unit-linked insurance savings improved since 31 December 2010 by 1 percentage point.
- The share of unit-linked insurance of insurance savings increased to 46% (44).
- Return on investments at fair value was -2.7% (7.3).

Life Insurance, key figures

€ million	Q1–Q3/2011	Q1–Q3/2010	Change, %	2010
Premiums written	558	822	-32.0	1 287
Unit-linked	396	353	12.1	508
Net investment income	-282	313		539
Unit-linked	-453	226		374
Change in insurance contract liabilities	-341	618		1119
Unit-linked	-95	497		755
Claims incurred	527	443	19.0	588
Other items	2	-6	125.2	-11
Net income from Life Insurance	91	68	34.4	109
Other income	14	13	8.2	16
Personnel costs	8	7	9.7	9
Other expenses	62	51	21.8	72
Earnings before tax	**36**	**23**	**54.5**	**43**
Gross change in fair value reserve	-237	196		152
Earnings/loss before tax at fair value	**-201**	**219**		**195**
	30 Sep 2011	**30 Sep 2010**	**Change, %**	**30 Dec 2010**
Market share of insurance savings, %	21.2	21.1	0.1	21.3
Market share of unit-linked insurance savings, %	25.5	25.2	0.3	24.5
€ billion				
Insurance savings	6.7	6.8	-1.3	7.1
Unit-linked	3.1	3.0	3.1	3.1

The turn of focus in Life Insurance to unit-linked insurance in accordance with the strategy was continued successfully despite the investment market jitters. Unit-linked insurance now account for 45.7% of the insurance portfolio, up by 1.9 percentage points year on year.

Unit-linked premiums written increased by 12.1% and unit-linked insurance savings by 3.1%.

Earnings and risk exposure

Earnings before tax amounted to EUR 36 million (23). Net investment income without the income from unit-linked insurance came to EUR 170.8 million (87.6). Investment income was improved particularly by income from derivatives, smaller impartments on investments (by EUR 58.6 million), and higher dividends.

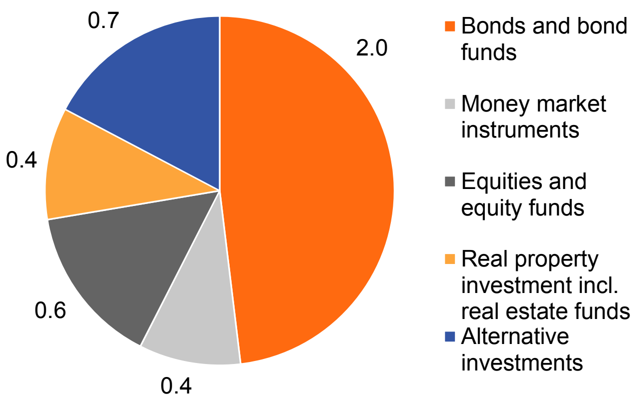
The company's balance sheet management was intensified during the report period by hedging interest rate risk associated with technical provisions by means of interest rate swaps. The hedging has no significant impact on earnings, but it increases both investment income and the change in insurance contract liabilities by about EUR 43 million.

Operating efficiency fell somewhat as expenses increased. The cost ratio, which includes all income to cover business expenses and of which sales channel fees are excluded, was 30.7% (29.4).

However, jittery investment markets created a clearly negative result at fair value. Return on investments at fair value was 2.7% in the negative (+7.3).

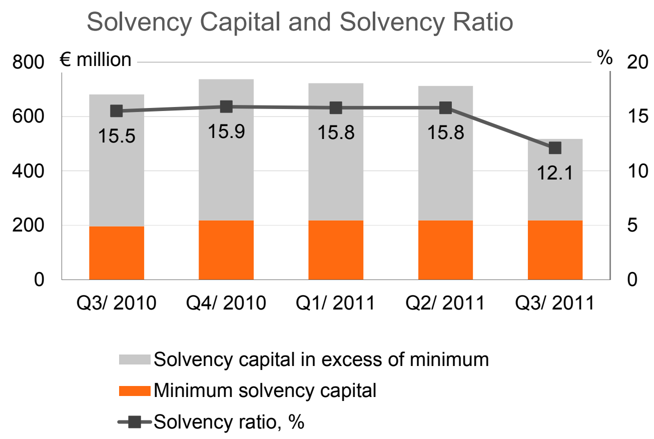
Life insurance investment assets, excluding assets covering unit-linked insurance, amounted to EUR 4.2 billion (4.7), divided as follows:

Investment assets EUR 4.2 billion 30 September 2011



Investments under the 'investment grade' accounted for 79% (72) of the fixed-income portfolio. The portfolio's modified duration was 2.7 (3.8) on 30 September.

Life Insurance's solvency declined as the market values of investment assets fell, but was nevertheless at a good level: its solvency margin was EUR 518 million, which was 2.4-fold the required minimum. The solvency ratio, meaning the ratio of solvency capital to weighted technical provisions, was 12.1% (15.9).



Other Operations

Other Operations, key figures

€ million	Q1–Q3/2011	Q1–Q3/2010	Change, %	2010
Net interest income	24	49	-50.4	61
Net trading income	-5	-9	41.2	-8
Net investment income	18	28	-34.5	40
Other income	267	250	6.7	342
Expenses	273	250	9.2	349
Impairment losses on receivables	3	-1	481.7	-1
Earnings before tax	**27**	**68**	**-60.0**	**86**
€ billion	**30 Sep 2011**	**30 Sep 2010**	**Change, %**	**30 Dec 2010**
Receivables from financial institutions	9.6	7.6	26.4	7.8
Financial assets held for trading	-0.1	0.4	-114.7	-0.1
Investment assets	8.4	7.5	12.1	7.3
Liabilities to credit institutions	5.1	3.2	61.2	4.0
Debt securities issued to the public	16.6	17.1	-3.1	17.0

Other Operations' pre–tax earnings for January–September were EUR 27 million (68).

Net interest income decreased as a result of funding costs. Investment income included EUR 8.7 million (21.8) in capital gains on notes and bonds. EUR 1.2 (4.3) million in impairment charges were recognised on shares and participations included in available-for-sale financial assets in the report period.

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 97 million (88) were personnel costs and EUR 78 million (65) ICT costs.

Outlook towards the year end

The deterioration of the sovereign debt crisis and its repercussions has turned the global and Finnish economic outlook even darker. The probability for the Finnish economy of slipping into recession has increased. The levelling off of short-term market rates, plummeting long-term market rates and a general feeling of uncertainty in the investment markets have significantly weakened the outlook in the financial sector.

The outlook for Banking has remained stable and its earnings are expected to exceed last year's figures. The exacerbation of the European sovereign debt crisis and the threat that it may become even worse, combined with the approximately 0.1–0.3 percentage point discount rate decrease and the changes about to be made to the insurance segments' mortality model, will on the other hand erode performance expectations in the Non-life and Life Insurance segments. The Group's earnings without these non-recurring items are expected to be at the same level as last year. The greatest uncertainty concerns developments in bond and equity markets.

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 actual results may differ materially from those expressed in the forward-looking statements.

Events after the balance sheet date

On 18 October 2011, the Financial Supervisory Authority granted OP-Pohjola Group permission to adopt the Internal Ratings-based Approach (IRBA) to credit risk in capital adequacy measurement as of 31 December 2011, applying to exposure amounts involving OP-Pohjola Group's retail, corporate and credit institution customers. This improves the Group's capital adequacy under the Act on Credit Institutions by about 2.6 percentage points.

OP-Pohjola Group Central Cooperative's Supervisory Board made a strategic policy decision in September 2011 that OP-Pohjola Group's operations will continue to be based on solid capital adequacy that creates a competitive advantage. The Supervisory Board also suggested that owing to tightening regulation the minimum capital base should be increased and indeed this was done as Banking's capital buffer target was increased. The new target is that the Core Tier 1 ratio will be raised to 15% in the long run. Previously Banking had a Tier 1 ratio target of 12%.

The European Banking Authority (EBA) has come up with a new assessment concerning banks' capital buffers, raising the minimum Core Tier 1 ratio from 5% to 9%. EBA's assessment takes the changed market values of European sovereign bonds fully into account in capital adequacy measurement. OP-Pohjola Group clearly exceeded the stricter requirements of this test, since it has a strong capital base and the risks associated with sovereign bonds are low. Calculated with the 30 June figures, the Group's Core Tier 1 ratio was 11.5% in EBA's tests at the time.

The Federation of Accident Insurance Institutions and the Finnish Motor Insurers' Centre published a report at the beginning of November on the mortality models typically used by insurance companies. According to the results, life expectancy has risen in Finland, and the mortality model generally used by insurance companies has been updated accordingly. As a consequence, the need for additional provisions in insurance companies belonging to OP-Pohjola Group will be entered in the last quarter under additional technical provisions.

Changes in OP-Pohjola Group's structure

OP-Pohjola Group's consolidated financial statements include the accounts of 208 member cooperative banks (213), OP-Pohjola Group Central Cooperative Consolidated and OP Bank Group Mutual Insurance Company.

OP-Pohjola Group Central Cooperative (OP-Pohjola) bought in May all Pohjola Bank plc (Pohjola) Series A shares held by Suomi Mutual Life Assurance Company, these shares accounting for 7.26% of all Pohjola shares and 3.91% of all votes conferred by the shares. As a result of this transaction, holding by OP-Pohjola, the central institution of OP-Pohjola Group, in Pohjola shares increased from 29.98% to 37.24% and votes conferred by the shares from 57.05 per cent to 60.96 per cent.

In May, Pohjola Insurance Ltd acquired Excenta, a strategic corporate wellness services provider, from its management and Elisa Corporation.

Kestilän Osuuspankki and Rantsilan Osuuspankki merged on 31 March 2011 to create Siikalatvan Osuuspankki. Pieksämäen Osuuspankki, Etelä-Savon Osuuspankki, Juvan Osuuspankki and Savonlinnan Osuuspankki merged and became Suur-Savon Osuuspankki on 31 May 2011. Varpaisjärven Osuuspankki merged with Koillis-Savon Osuuspankki on 31 August 2011. The bank changed its name to Koillis-Savon Seudun Osuuspankki.

Kokemäen Osuuspankki and Harjavallan Osuuspankki have decided to merge with Huittisten Osuuspankki on 31 December 2011. The bank’s name will be changed to Satakunnan Osuuspankki. Haapajärven Osuuspankki has decided to merge with Pyhäjärven Osuuspankki on 31 December 2011, changing its name to Suomenselän Osuuspankki. Luvian Osuuspankki has decided to merge with Nakkilan Osuuspankki on 31 March 2012, changing its name to Nakkila-Luvian Osuuspankki. Haminan Seudun Osuuspankki, Kotkan Seudun Osuuspankki, Kouvolan Seudun Osuuspankki, Kymijoen Osuuspankki and Virolahden Osuuspankki have decided to merge on 31 May 2012 to create Kymenlaakson Osuuspankki.

Personnel and remuneration

At the end of September, OP-Pohjola Group had 13,020 employees (12,504). The staff averaged 12,750 employees (12,468). 291 employees (251) retired from the Group in the third quarter at an average age of 61.4 years (61.3).

A new long-term incentive system for the entire OP-Pohjola Group consists of a management incentive scheme, and a personnel fund for other staff.

The management incentive scheme has a three-year performance period, the first one of which is 2011–13. The share-based scheme covers roughly 400 people within OP-Pohjola Group. Those covered by the scheme will be entitled to receiving a certain number of Pohjola Bank plc Series A shares, if OP-Pohjola Group attains its strategy-based targets set for the performance period in question. The bonus based on the scheme will be paid out to the beneficiary in terms of shares and cash and in three equal instalments in 2015, 2016 and 2017 after the vesting period, provided that the Group’s capital adequacy is higher than the internal minimum requirements on the payout date. Conditions related to employment or executive contracts have been attached to the bonus payout.

Senior management of OP-Pohjola Group Central Cooperative

OP-Pohjola Group Central Cooperative's Annual Cooperative Meeting was held on 29 March 2011. Of the members who were due to resign, Senior Nursing Officer Marita Marttila, Professor Jaakko Pehkonen and Chairman of the Board of Directors Timo Parmasuo, were re-appointed for the term ending 2014 as new Supervisory Board members. New members appointed for the Board were Managing Director Ari Kakkori, Principal Seppo Laaninen and Managing Director Vesa Lehikoinen. In addition, the Meeting elected Managing Director Juha Pullinen for the term ending 2012. The Supervisory Board comprises 33 members.

At is first meeting after the Annual Cooperative Meeting, the Supervisory Board re-elected Paavo Haapakoski Chairman. Professor Jaakko Pehkonen was re-elected Vice Chairman, and Managing Director Vesa Lehikoinen was elected as a new Vice Chairman.

Capital expenditure and service development

The Central Cooperative and its subsidiaries are responsible for developing OP-Pohjola Group's services. ICT investments and related specifications make up a significant portion of costs of developing these services. EUR 40 million (26) of these expenses consisted of ICT procurement capitalised in the balance sheet in the accounting period. Of these investments, EUR 24 million (18) was allocated to banking operations, EUR 13 million (5) to non-life insurance operations and EUR 4 million (2) to life insurance operations.

OP-Pohjola Group income statement

EUR million	Note	Q3/ 2011	Q3/ 2010	Change, %	2010
Interest income		2,367	1,771	34	2,412
Interest expenses		1,612	1,093	48	1,495
Net interest income before impairment losses	4	**755**	**679**	**11**	**917**
Impairments of receivables	5	64	108	-40	149
Net interest income after impairments		**690**	**571**	**21**	**768**
Net income from Non-life Insurance operations	6	291	309	-6	382
Net income from Life Insurance operations	7	78	62	26	100
Net commissions and fees	8	435	417	4	563
Net trading income	9	-13	38		46
Net investment income	10	55	34	64	62
Other operating income	11	66	68	-3	99
Personnel costs		514	477	8	643
Other administrative expenses		248	225	10	319
Other operating expenses		229	239	-4	324
Returns to owner-members		132	122	9	163
Share of associates' profits/losses		3	2	96	2
Earnings before tax for the period		**482**	**438**	**10**	**575**
Income tax expense		125	115	9	135
Profit for the period		**358**	**323**	**11**	**440**

OP-Pohjola Group statement of comprehensive income

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Profit for the period	**358**	**323**	**11**	**440**
Change in fair value reserve				
Measurement at fair value	-463	256	-9	234
Cash flow hedge	7	-		-8
Translation differences	0	0	3	0
Income tax on other comprehensive income				
Measurement at fair value	-116	67	-9	61
Cash flow hedge	-2	-		-2
Total comprehensive income for the period	**20**	**512**	**-96**	**606**

OP-Pohjola Group balance sheet

EUR million	Liite	30 Sep 2011	30 Sep 2010	Change, %	2010
Cash and cash equivalents		1,903	1,082	76	1,628
Receivables from credit institutions		3,678	1,147		1,121
Financial assets at fair value through profit or loss		350	1,060	-67	519
Derivative contracts		2,823	2,109	34	1,933
Receivables from customers		59,387	55,705	7	56,834
Non-life Insurance assets	14	3,168	3,281	-3	3,164
Life Insurance assets	15	6,900	7,049	-2	7,544
Investment assets		8,274	7,531	10	7,438
Investments in associates		40	15		38
Intangible assets		1,164	1,149	1	1,159
Property, plant and equipment (PPE)		697	741	-6	716
Other assets		2,630	2,029	30	1,749
Tax assets		178	78		125
Total assets		**91,191**	**82,974**	**10**	**83,969**
Liabilities to credit institutions		1,972	1,543	28	1,696
Financial liabilities at fair value through profit or loss		52	0		0
Derivative contracts		2,796	2,358	19	1,951
Liabilities to customers		43,836	38,467	14	39,205
Non-life Insurance liabilities	16	2,624	2,518	4	2,350
Life Insurance liabilities	17	6,970	6,900	1	7,290
Debt securities issued to the public	18	20,732	19,456	7	19,577
Provisions and other liabilities		3,257	2,237	46	2,333
Tax liabilities		979	992	-1	1,014
Cooperative capital		615	632	-3	647
Subordinated liabilities		937	1,238	-24	1,178
Total liabilities		**84,770**	**76,342**	**11**	**77,243**
Equity capital					
Share of OP-Pohjola Group's owners					
Share and cooperative capital		333	358	-7	368
Fair value reserve	19	-225	135		112
Other reserves		2,619	2,663	-2	2,656
Retained earnings		3,694	3,475	6	3,590
Total equity capital		**6,421**	**6,632**	**-3**	**6,726**
Total liabilities and equity capital		**91,191**	**82,974**	**10**	**83,969**

Changes in OP-Pohjola Group's equity capital

EUR million	Share and cooperative capital	Fair value reserve: Fair value measure-ment	Fair value reserve: Cash flow hedging	Other reserves	Retained earnings	Total equity capital
Balance at 1 January 2010	**358**	**-54**	**-**	**2,604**	**3,280**	**6,187**
Rights issue	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	3	-	-	-	-	3
Issue expenses	-	-	-	-	-	-
Transfer of reserves	-	-	-	59	-59	-
Profit distribution	-	-	-	-	-60	-60
Total comprehensive income for the period	-	190	-	-	323	513
Share-based payments	-	-	-	-	-	-
Other	-2	-	-	-	-9	-11
Balance at 30 Sep 2010	**358**	**135**	**-**	**2,663**	**3,475**	**6,632**

EUR million	Share and cooperative capital	Fair value reserve: Fair value measure-ment	Fair value reserve: Cash flow hedging	Other reserves	Retained earnings	Total equity capital
Balance at 1 January 2011	**368**	**118**	**-6**	**2,656**	**3,590**	**6,726**
Increase of share capital	-	-	-	-	-	-
Transfer of cooperative capital to equity capital	0	-	-	-	-	0
Holdings in Pohjola Bank plc purchased from non-controlling interests [1)]	-31	-	-	-79	-117	-227
Transfer of reserves	-	-	-	43	-43	-
Profit distribution	-	-	-	-	-74	-74
Total comprehensive income for the period	-	-349	12	-	358	20
Share-based payments	-	-	-	-	0	0
Other	-4	-	-	0	-20	-24
Balance at 30 Sep 2011	**333**	**-231**	**5**	**2,619**	**3,694**	**6,421**

[1)] OP-Pohjola Group Central Cooperative bought all Pohjola Bank plc Series A shares held by Suomi Mutual Life Assurance Company on 6 May 2011. These shares accounted for 7.26% of all Pohjola shares and 3.91% of all votes conferred by the shares.

Cash flow statement

EUR million	Q3/ 2011	Q3/ 2010
Cash flow from operating activities		
Profit for the period	358	323
Adjustments to profit for the period	377	995
Increase (-) or decrease (+) in operating assets	**-6,955**	**-3,623**
Receivables from credit institutions	-2,481	848
Financial assets at fair value through profit or loss	-44	546
Derivative contracts	-12	-49
Receivables from customers	-2,604	-2,851
Non-life Insurance assets	-147	-174
Life Insurance assets	98	-401
Investment assets	-879	-1,085
Other assets	-886	-458
Increase (+) or decrease (-) in operating liabilities	**5,974**	**749**
Liabilities to credit institutions	262	-642
Financial liabilities at fair value through profit or loss	52	-71
Derivative contracts	28	52
Liabilities to customers	4,631	861
Non-life Insurance liabilities	180	163
Life Insurance liabilities	21	104
Provisions and other liabilities	801	282
Income tax paid	-95	-84
Dividends received	117	78
A. Net cash from operating activities	**-225**	**-1,562**
Cash flow from investing activities		
Increases in held-to-maturity financial assets	-61	-17
Decreases in held-to-maturity financial assets	151	132
Acquisition of subsidiaries, net of cash acquired	-5	0
Disposal of subsidiaries, net of cash disposed	1	2
Purchase of PPE and intangible assets	-74	-62
Proceeds from sale of PPE and intangible assets	4	3
B. Net cash used in investing activities	**15**	**58**
Cash flow from financing activities		
Increases in subordinated liabilities	185	76
Decreases in subordinated liabilities	-420	-87
Increases in debt securities issued to the public	30,761	35,619
Decreases in debt securities issued to the public	-29,624	-36,180
Increases in cooperative and share capital	150	179
Decreases in cooperative and share capital	-182	-166
Dividends paid and interest on cooperative capital	-84	-75
Returns to owner-members	-1	-1
Holdings in Pohjola Bank plc purchased from non-controlling interests	-227	-
Other	-	-
C. Net cash from financing activities	**558**	**-635**
Net change in cash and cash equivalents (A+B+C)	**348**	**-2,138**
Cash and cash equivalents at period-start	**1,689**	**3,282**
Cash and cash equivalents at period-end	**2,038**	**1,144**
Interest received	**2,031**	**1,677**
Interest paid	**-1,253**	**-1,023**
Cash and cash equivalents		
Liquid assets	124	122
Receivables from credit institutions payable on demand	1,914	1,022
Total	**2,038**	**1,144**

Note 1. Accounting policies

The Interim Report for 1 January–30 September 2011 has been prepared in accordance with IAS 34 (Interim Financial Reporting).

In the preparation of its Interim Report, OP-Pohjola Group applied essentially the same accounting policies as in the preparation of its Financial Statements 2010 with the exception of the valuation and recognition of life insurance contracts. During 2011, the Group has shifted towards a more market-based calculation of technical provisions in terms of insurance contracts. This means that strategically hedged and secured interest rate swaps (IAS39's hedge accounting is not applied) are valued at fair value as part of technical provisions.

Information in the Financial Statements Bulletin is based on unaudited information. Since all figures in the Bulletin have been rounded off, the sum of single figures may differ from the presented sum total.

Note 2. OP-Pohjola Group's formulas for key figures and ratios

	Q3/ 2011	Q3/ 2010	2010
Return on equity, %	7.3	6.7	6.8
Return on equity at fair value, %	0.4	10.7	9.4
Return on assets, %	0.55	0.53	0.53
Cost/income ratio, %	59	58	59
Average personnel	12,750	12,410	12,468
Full-time	11,730	11,361	11,394
Part-time	1,020	1,049	1,074

Return on equity (ROE), %

$$\frac{\text{Profit for the period}}{\text{Shareholders' equity (average of the beginning and end of the period)}} \times 100$$

Return on equity at fair value, %

$$\frac{\text{Profit for the period + change in fair value reserve less deferred tax liability}}{\text{Shareholders' equity (average of the beginning and end of the period)}} \times 100$$

Return on assets (ROA), %

$$\frac{\text{Profit for the period}}{\text{Balance sheet total (average of the beginning and end of the period)}} \times 100$$

Cost/income ratio, %

$$\frac{\text{(Personnel costs + other administrative expenses + other operating expenses)}}{\text{(Net interest income + net income from Non-life Insurance operations + net income from Life Insurance operations + net commissions and fees + net trading income + net investment income + other operating income + share of associates' profits/losses)}} \times 100$$

Return on economic capital, %

$$\frac{\text{Earnings + customer bonuses after tax (value rolling 12 month)}}{\text{Average economic capital}} \times 100$$

Operating loss ratio

$$\frac{\text{Claims incurred excl. Change in technical interest}}{\text{Insurance premium revenue excl. Change in technical interest (net)}} \times 100$$

Operating expense ratio

$$\frac{\text{Operating expenses}}{\text{Insurance premium revenue excl. Change in technical interest (net)}} \times 100$$

Operating combined ratio, %

Operating loss ratio + operating expense ratio

Risk ratio (excl. unwinding of discount), %

$$\frac{\text{Claims excl. loss adjustment expenses}}{\text{Net insurance premium revenue}} \times 100$$

Cost ratio, %

$$\frac{\text{Operating expenses and loss adjustment expenses}}{\text{Net insurance premium revenue}} \times 100$$

Operating cost ratio, %

$$\frac{\text{Operating expenses before change in deferred acquisitions costs + loss adjustment expenses}}{\text{Expense loading x 100}} \times 100$$

Solvency ratio, %

$$\frac{\text{Solvency capital}}{\text{Insurance premium revenue}} \times 100$$

Note 3. OP-Pohjola Group quarterly performance

EUR million	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3
Interest income	606	641	697	779	892
Interest expenses	380	403	458	524	631
Net interest income	**226**	**238**	**238**	**255**	**261**
Impairments of receivables	31	41	23	31	10
Net interest income after impairments	**196**	**198**	**215**	**224**	**252**
Net income from Non-life Insurance operations	119	73	92	124	75
Net income from Life Insurance operations	15	39	50	28	0
Net commissions and fees	135	146	156	141	138
Net trading income	26	8	19	2	-35
Net investment income	0	28	26	13	16
Other operating income	19	31	26	20	19
Personnel costs	142	166	178	188	149
Other administrative expenses	70	94	80	88	79
Other operating expenses	86	85	78	76	75
Returns to owner-members	41	42	42	47	43
Share of associates' profits/losses	1	0	1	1	1
Earnings before tax for the period	**172**	**137**	**208**	**155**	**120**
Income tax expense	46	20	54	41	30
Profit for the period	**126**	**117**	**154**	**113**	**90**
Other comprehensive income					
Change in fair value reserve					
Measurement at fair value	182	-24	-60	-42	-362
Cash flow hedge	-1	-7	-22	8	22
Translation differences	0	0	0	0	0
Income tax on other comprehensive income					
Measurement at fair value	47	-10	15	-42	-90
Cash flow hedge	0	2	6	-10	2
Total comprehensive income for the period	**260**	**94**	**51**	**131**	**-162**

Note 4. Net interest income

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Loans and other receivables	1,153	946	22	1,285
Receivables from credit institutions and central banks	26	17	53	23
Notes and bonds	197	182	9	243
Derivatives (net)				
Derivatives held for trading	60	61	-1	86
Derivatives under hedge accounting	-15	-29	-50	-35
Liabilities to credit institutions	-13	-11	13	-16
Liabilities to customers	-280	-195	43	-270
Debt securities issued to the public	-342	-256	34	-350
Subordinated debt	-23	-24	-7	-32
Hybrid capital	-7	-6	8	-8
Financial liabilities held for trading	0	-1	-71	-1
Other (net)	0	-2		-3
Net interest income before fair value adjustment under hedge accounting	**759**	**682**	**11**	**921**
Hedging derivatives	8	-89		-75
Value change of hedged items	-12	85		70
Total net interest income	**755**	**679**	**11**	**917**

Note 5. Impairments of receivables

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Receivables eliminated as loan or guarantee losses	73	76	-3	89
Receoveries of eliminated receivables	-7	-6	-20	-10
Increase in impairment losses	75	110	-32	141
Decrease in impairment losses	-76	-72	-6	-72
Total	**64**	**108**	**-40**	**149**

Note 6. Net income from Non-life Insurance

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Net insurance premium revenue				
Premiums written	930	850	9	1,023
Insurance premiums ceded to reinsurers	-52	-38	-37	-40
Change in provision for unearned premiums	-121	-94	-28	-13
Reinsurers' share	15	4		-6
Total	**773**	**723**	**7**	**964**
Net Non-life Insurance claims				
Claims paid	526	477	10	655
Insurance claims recovered from reinsurers	-28	-19	-51	-29
Change in provision for unpaid claims	-35	-19	-84	19
Reinsurers' share	23	4		-8
Total	**486**	**443**	**10**	**637**
Net investment income, Non-life Insurance				
Interest income	46	48	-4	64
Dividend income	29	19	48	21
Property	3	3	11	1
Capital gains and losses				
Notes and bonds	-5	53		53
Shares and participations	1	-16		-2
Loans and receivables	0	-1	53	1
Property	0	2		3
Derivatives	-10	-22	56	-20
Fair value gains and losses				
Notes and bonds	-16	0		0
Shares and participations	-9	-23	62	-33
Loans and receivables	-1	-3	64	-4
Property	1	1	80	1
Derivatives	-1	4		0
Other	1	0		1
Total	**39**	**64**	**-39**	**86**
Unwinding of discount	-35	-34	-4	-45
Other	0	-1		14
Net income from Non-life Insurance	**291**	**309**	**-6**	**382**

Note 7. Net income from Life Insurance

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Premiums written	579	842	-31	1,315
Reinsurers' share	-21	-21	0	-28
Total	**558**	**822**	**-32**	**1,287**
Claims incurred				
Benefits paid	-533	-449	-19	-595
Change in provision for unpaid claims	8	-25		-414
Reinsurers' share	6	5	8	7
Change in insurance contract liabilities				
Change in life insurance provision	322	-612		-698
Reinsurers' share	9	9	4	10
Total	**-188**	**-1,071**	82	**-1,689**
Other	3	4	-19	-29
Total	**373**	**-246**		**-431**
Net investment income, Llife Insurance				
Interest income	40	34	16	47
Dividend income	61	44	39	49
Property	3	3	-2	2
Capital gains and losses				
Notes and bonds	8	8	5	6
Shares and participations	14	56	-75	128
Loans and receivables	3	1		1
Property	1	0		0
Derivatives	-8	-44	81	-43
Fair value gains and losses				
Notes and bonds	-3	10		17
Shares and participations	-6	-46	87	-58
Loans and receivables	-4	-5		-3
Property	1	0		-1
Derivatives	42	13		2
Other	5	8		11
Assets serving as cover for unit-linked policies				
Shares and participations				
Capital gains and losses	-86	38		53
Fair value gains and losses	-388	171		297
Other	20	17	22	23
Total	**-296**	**307**		**531**
Net income from Non-life Insurance	**78**	**62**	**26**	**100**

Note 8. Net commissions and fees

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Commission income				
Lending	120	115	4	153
Deposits	4	4	1	5
Payment transfers	120	111	8	150
Securities brokerage	25	22	15	30
Securities issuance	9	9	-6	13
Mutual funds brokerage	71	65	9	89
Asset management and legal services	46	44	6	65
Insurance brokerage	41	46	-10	57
Guarantees	17	17	1	23
Other	31	29	6	39
Total	**483**	**461**	**5**	**624**
Commission expenses	47	44	8	61
Net commissions and fees	**435**	**417**	**4**	**563**

Note 9. Net trading income

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Capital gains and losses				
Notes and bonds	3	21	-86	20
Shares and participations	2	1	37	2
Derivatives	8	-22		-13
Changes in fair value				
Notes and bonds	4	5	-29	3
Shares and participations	-11	3		5
Derivatives	-16	12		12
Financial assets and liabilities amortised at cost				
Capital gains and losses				
Loans and other receivables	-	-		-
Dividend income	1	1	-4	1
Net income from foreign exchange operations	-3	18		17
Total	**-13**	**38**		**46**

Note 10. Net investment income

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds	12	25	-50	32
Shares and participations	11	5		13
Financial assets and liabilities amortised at cost				
Capital gains and losses				
Loans and other receivables	-1	0		1
Other	-	-		-
Dividend income	25	13	96	15
Impairment losses	-3	-24	-85	-17
Total	**43**	**19**		**44**
Investment property				
Rental income	30	34	-12	45
Maintenance charges and expenses	-20	-21	7	-29
losses	1	1	0	1
Other	0	0	89	0
Total	**12**	**15**	**-18**	**18**
Other	-	-		-
Net investment income	**55**	**34**	**64**	**62**

Note 11. Other operating income

EUR million	Q3/ 2011	Q3/ 2010	Change, %	2010
Income from property and business premises in own use	12	11	3	15
Rental income from assets rented under operating lease	13	16	-20	22
Other	41	40	2	63
Total	**66**	**68**	**-3**	**99**

Note 12. Classification of financial instruments

EUR million	Loans and other receivables	Invest-ments held to maturity	Financial assets at fair value through profit or loss*	Available-for-sale financial assets	Hedging derivatives	Total
Assets						
Cash and balances with central banks	1,903	-	-	-	-	1,903
Receivables from credit institutions and central banks	3,678	-	-	-	-	3,678
Derivative contracts	-	-	2,485	-	338	2,823
Receivables from customers	59,387	-	-	-	-	59,387
Non-life Insurance assets**	570	-	102	2,496	-	3,168
Life Insurance assets***	384	-	3,369	3,147	-	6,900
Notes and bonds	-	892	285	6,727	-	7,904
Shares and participations	-	-	65	249	-	314
Other receivables	4,709	-	405	-	-	5,114
Total 30 September 2011	**70,630**	**892**	**6,712**	**12,619**	**338**	**91,191**
Total 30 September 2010	**63,060**	**1,052**	**6,704**	**11,923**	**235**	**82,974**
Total 31 December 2010	**64,512**	**978**	**6,177**	**12,104**	**199**	**83,969**

EUR million			Financial liabilities at fair value through profit or loss******	Other liabilities	Hedging derivatives	Total
Liabilities						
Liabilities to credit institutions	-	-	-	1,972	-	1,972
Financial liabilities held for trading (excl. derivatives)	-	-	52	-	-	52
Derivative contracts	-	-	2,461	-	335	2,796
Liabilities to customers	-	-	-	43,836	-	43,836
Non-life Insurance liabilities****	-	-	4	2,620	-	2,624
Life Insurance liabilities*****	-	-	2,998	3,972	-	6,970
Debt securities issued to the public	-	-	-	20,732	-	20,732
Subordinated loans	-	-	-	937	-	937
Other liabilities	-	-	-	4,852	-	4,852
Total 30 September 2011	-	-	**5,515**	**78,920**	**335**	**84,770**
Total 30 September 2010	-	-	**4,904**	**71,150**	**288**	**76,342**
Total 31 December 2010	-	-	**4,815**	**72,200**	**228**	**77,243**

*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.
**Non-life Insurance assets are specified in Note 14.
***Life Insurance assets are specified in Note 15.
****Non-life Insurance liabilities are specified in Note 16.
*****Life Insurance liabilities 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 30 September, the fair value of these debt instruments was approximately EUR 142 million higher than their carrying amount, based on information available in markets and employing commonly used valuation techniques.

Subordinated liabilities are carried at amortised cost.

Note 13. Financial instruments recognised at fair value, grouped by valuation technique

Fair value of assets on 30 Sep 2011, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	163	174	13	350
Non-life Insurance	-	-	6	6
Life Insurance	-	-	96	96
Derivative financial instruments				
Banking	13	2,749	62	2,823
Non-life Insurance	2	0	-	2
Life Insurance	-	46	-	46
Available-for-sale				
Banking	6,746	183	47	6,976
Non-life Insurance	1,674	568	254	2,496
Life Insurance	2,038	385	723	3,147
Total	**10,634**	**4,106**	**1,201**	**15,941**

Fair value of assets on 31 Dec 2010, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	307	199	14	519
Non-life Insurance	-	-	8	8
Life Insurance	-	-	116	116
Derivative financial instruments				
Banking	32	1,764	137	1,933
Non-life Insurance	-	1	-	1
Life Insurance	-	0	-	0
Available-for-sale				
Banking	5,379	592	61	6,032
Non-life Insurance	1,563	648	231	2,442
Life Insurance	2,428	496	705	3,629
Total	**9,709**	**3,700**	**1,272**	**14,681**

Fair value of liabilities on 30 Sep 2011, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	43	9	-	52
Non-life Insurance	-	-	-	-
Life Insurance	-	-	-	-
Derivative financial instruments				
Banking	13	2,750	34	2,796
Non-life Insurance	1	3	-	4
Life Insurance	-	3	-	3
Total	**56**	**2,765**	**34**	**2,855**

Fair value of liabilities on 31 Dec 2010, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	0	-	-	0
Non-life Insurance	-	-	-	-
Life Insurance	-	-	-	-
Derivative financial instruments				
Banking	22	1,917	12	1,951
Non-life Insurance	1	0	-	2
Life Insurance	-	-	-	0
Total	**24**	**1,917**	**12**	**1,953**

* This level includes equities listed on major stock exchanges, quoted corporate debt instruments, bonds issued by governments and financial institutions with credit rating of at least A-, and exchange-traded derivatives. The fair value of these instruments is determined on the basis of market quotes.

** Valuation techniques based on observable input parameters. The fair value of the instruments included within this level means value derived from the market price of a financial instrument's components or similar financial instruments; or value which can be determined using commonly used valuation models and techniques if the inputs significant to the fair value measurement are based on observable market data. The fair value hierarchy level at Pohjola Group includes OTC derivatives, treasury bills/notes, debt instruments issued by companies and financial institutions, repo agreements, and securities lent or borrowed.

*** Valuation techniques whose input parameters involve special uncertainty. The fair value determination of the financial instruments included within this level contains inputs not based on observable market data (unobservable inputs). This level includes the most complex OTC derivatives, certain private equity investments, and illiquid bonds, structured bonds, including securitised bonds and structured debt securities, and hedge funds.

Transfers between levels of the fair value hierarchy

During 2011, EUR 47 million in bonds were transferred from level 1 to level 2, due to changes in credit ratings.

Note 14. Non-life Insurance assets

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Investments				
Loan and other receivables	125	246	-49	229
Shares and participations	415	362	14	400
Property	94	75	26	87
Notes and bonds	1,525	1,534	-1	1,490
Derivatives	2	5	-65	1
Other participations	562	623	-10	561
Total	**2,723**	**2,845**	**-4**	**2,768**
Other assets				
Prepayments and accrued income	34	33	4	38
Other				
Arising from direct insurance operations	281	251	12	228
Arising from reinsurance operations	85	87	-2	87
Cash in hand and at bank	7	6	15	4
Other receivables	36	58	-38	39
Total	**444**	**436**	**2**	**396**
Non-life Insurance assets	**3,168**	**3,281**	**-3**	**3,164**

Note 15. Life Insurance assets

EUR million	30 Sep 2011	30 Sep 2010	Change, %	30 Sep 2010
Investments				
Loan and other receivables	281	343	-18	418
Shares and participations	2,461	2,683	-8	2,818
Property	126	118	6	135
Notes and bonds	781	821	-5	927
Other	46	1		0
Total	**3,696**	**3,966**	**-7**	**4,298**
Assets covering unit-linked insurance contracts				
Shares and participations	3,102	2,992	4	3,147
Other assets				
Prepayments and accrued income	30	29	4	32
Other				
Arising from direct insurance operations	4	3	13	7
Arising from reinsurance operations	70	59	19	61
Cash in hand and at bank	0	0	-100	0
Total	**103**	**91**	**14**	**99**
Life Insurance assets	**6,900**	**7,049**	**-2**	**7,544**

Note 16. Non-life Insurance liabilities

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Provision for unpaid claims				
Provision for unpaid claims for annuities	1,103	1,066	3	1,108
Other provision for unpaid claims	743	732	2	739
Total	1,846	1,798	3	1,847
Provisions for unearned premiums	498	457	9	377
Other liabilities	280	264	6	127
Total	**2,624**	**2,518**	**4**	**2,350**

Note 17. Life Insurance liabilities

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Technical provisions	3,788	3,778	0	4,024
Insurance contract liabilities for unit-linked insurance policies	2,995	2,832	6	3,090
Other liabilities	187	290	-35	176
Total	**6,970**	**6,900**	1	**7,290**

Technical provisions on 30 September 2011 contain €43 million as a result of a change in the fair value of secured interest rate swaps.

Note 18. Debt securities issued to the public

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Bonds	11,827	9,635	23	9,693
Certificates of deposit, commercial papers and ECPs	8,615	9,568	-10	9,623
Other	290	252	15	262
Total	**20,732**	**19,456**	**7**	**19,577**

Note 19. Fair value reserve after income tax

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Notes and bonds	-153	-14		-75
Shares and participations	-77	150		194
Other	5	-1		-6
Total	**-225**	**135**		**112**

A negative fair value reserve may recover by means of asset appreciation and recognised impairments.

The fair value reserve before tax amounted to EUR -305 million (151) and the related deferred tax liability to EUR 79 million (deferred tax asset EUR 39 million). On 30 September, positive mark-to-market valuations of equity instruments in the fair value reserve totalled EUR 193 million (286) million and negative mark-to-market valuations EUR 269 million (19).

Note 20. Capital structure and capital adequacy

Capital structure and capital adequacy, € m	30 Sep 2011	30 Sep 2010	Change, %	2010
Tier 1 capital				
OP-Pohjola Group's equity capital	6,421	6,632	-3	6,726
The effect of insurance companies on the Group's shareholders' equity is excluded (incl. OVY's technical provisions)	188	-91		-28
Fair value reserve, transfer to Tier 2	115	-2		21
Supplementary cooperative capital not included in equity capital	615	632	-3	644
Tier 1 capital before deductions and hybrid capital	7,338	7,172	2	7,363
Hybrid capital	223	222		222
Intangible assets	-334	-287	16	-323
Excess funding of pension liability and fair value measurement of investment property and deferred tax assets on previous losses	-389	-372	5	-373
Planned profit distribution / profit distribution as proposed by the Board	-43	-49	-13	-69
Investment in insurance companies and financial institutions	-1,537	-1,123	37	-1,234
Impairments – shortfall of expected losses	-90	-143	-37	-131
Net Tier 1 capital	**5,168**	**5,420**	**-5**	**5,454**
Tier 2 capital				
Fair value reserve (excl. cash flow hedge valuation)	-120	3		-15
Perpetual bonds	292	295	-1	295
OVY's equalisation provision	211	207		207
Debenture loans	395	698	-43	609
Investment in insurance companies and financial institutions	-778	-1,202	-35	-1,095
Net Tier 2 capital	-	-		-
Total capital base	**5,168**	**5,420**	**-5**	**5,454**
Minimum capital requirement				
Credit and counterparty risk	3,280	3,105	6	3,153
Market risk	48	34	43	37
Operational risk	232	282	-18	228
Total	**3,560**	**3,421**	**4**	**3,418**
Capital adequacy ratio, %	11.6	12.7		12.8
Tier 1 ratio, %	11.6	12.7		12.8

Note 21. Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

€ million	30 Sep 2011	30 Sep 2010	Change, %	2010
OP-Pohjola Group's equity capital	6,421	6,632	-3	6,726
Business-segment-specific items	1,495	1,857	-19	1,783
Goodwill and intangible assets	-1,103	-1,061	4	-1,094
Equalisation provisions	-344	-344	0	-331
Other items included in equity capital and business-segment-specific items, but not included in the conglomerate's capital base	-567	-599	-5	-604
Conglomerate's total capital base	**5,902**	**6,485**	**-9**	**6,480**
Regulatory capital requirement for credit institutions	3,560	3,421	4	3,418
Regulatory capital requirement for insurance operations	400	385	4	396
Total minimum amount of conglomerate's capital base	**3,960**	**3,806**	**4**	**3,814**
Conglomerate's capital adequacy	**1,942**	**2,679**	**-27**	**2,666**
Conglomerate's capital adequacy ratio (capital base/minimum of capital base)	**1.49**	**1.70**		**1.70**

Note 22. Collateral given

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Given on behalf of own liabilities and commitments				
Mortgages	1	1		1
Pledges	6,563	5,988	10	6,027
Other	540	512	5	349
Total	**7,104**	**6,501**	**9**	**6,377**

Note 23. Off-balance-sheet items

EUR million	30 Sep 2011	30 Sep 2010	Change, %	2010
Guarantees	1,163	1,268	-8	1,223
Other guarantee liabilities	1,579	1,618	-2	1,621
Pledges	2	1		1
Loan commitments	9,467	8,912	6	8,805
Commitments related to short-term trade transactions	170	140	21	164
Other	776	803	-3	783
Total off-balance-sheet items	**13,157**	**12,742**	**3**	**12,595**

Note 24. Derivative contracts

30 September 2011, EUR million	Nominal values / remaining term to maturity <1 year	1-5 years	>5 years	Total	Fair values* Assets	Liabilities
Interest rate derivatives	55,143	87,768	34,125	177,037	2,503	2,381
Currency derivatives	17,060	2,362	674	20,096	459	414
Equity and index-linked derivatives	335	1,109	6	1,450	40	1
Credit derivatives	33	146	34	214	1	6
Other derivatives	3,113	344	5	3,462	21	35
Total derivatives	**75,684**	**91,730**	**34,845**	**202,258**	**3,024**	**2,837**

31 December 2010, EUR million	Nominal values / remaining term to maturity <1 year	1-5 years	>5 years	Total	Fair values* Assets	Liabilities
Interest rate derivatives	45,568	57,161	28,059	130,788	1,461	1,400
Currency derivatives	16,143	2,081	675	18,898	324	409
Equity and index-linked derivatives	160	967	29	1,156	128	0
Credit derivatives	13	162	-	175	5	0
Other derivatives	3,561	261	-	3,822	30	44
Total derivatives	**65,445**	**60,632**	**28,763**	**154,840**	**1,948**	**1,854**

*Fair values include accrued interest which is shown under other assets or provisions and other liabilities in the balance sheet.

Derivatives netting is applied at OP-Pohjola Group, but in this document derivative transactions are presented in gross amounts.

Note 25. Related-party transactions

The related parties of OP-Pohjola Group include associates, administrative personnel and other related party companies. The administrative personnel comprise 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 close relatives. Related parties also include companies over which a person among administrative personnel or his close family member exercises significant influence. Other communities considered as related parties include OP Bank Group Pension Fund and OP Bank Group Pension Foundation.

Standard terms and conditions for credit are applied to loans granted to the related parties. Loans are tied to generally used reference rates.

Related-party transactions have not undergone any substantial changes since 31 December 2010.

OP-Pohjola Group's financial performance will be presented to the media by Executive Chairman Reijo Karhinen in a press conference on 2 November 2011 at 12 noon at Teollisuuskatu 1 b, Vallila, Helsinki.

Pohjola Bank plc will publish its own interim report.

Financial reporting in 2012

Schedule for Financial Statements Bulletin for 2011 and Interim Reports in 2012:

Financial Statements Bulletin 2011	8 February 2012
Interim Report Q1/2012	3 May 2012
Interim Report H1/2012	1 August 2012
Interim Report Q1−3/2012	31 October 2012

Helsinki, 2 November 2011.

OP-Pohjola Group Central Cooperative
Executive Board

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