



Close to customers



Comprehensive financial services offering



Part of OP-Pohjola group

Financial reports

This Annual Review 2009 and the Report by the Board of Directors and the Financial Statements 2009 constitute Pohjola Bank plc's Annual Report 2009 available in Finnish, Swedish and English. The Report by the Board of Directors and the Financial Statements 2009 can be found at www.pohjola.fi/english > Media. Annual Reviews can be ordered at the same address. The Annual Report is available in Finnish, Swedish and English.

OP-Pohjola Group's Annual Review 2009 can be found at www.op.fi/english > OP-Pohjola Group > Media.

Given that all figures in the Annual Report have been rounded off, the sum total of individual figures may deviate from the presented sums.

Interim reports 2010

Pohjola Bank plc will publish the following three interim reports in 2010:

Q1 on 5 May.

H1 on 4 August and

Q1-3 on 3 November.

Available in Finnish, Swedish and English, interim reports can be found at www.pohjola.fi and their printed copies can be ordered by telephone (tel. +358 (0)10 252 7167) or by email (viestinta@op.fi).

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POHJOLA IN BRIEF

Pohjola is a Finnish financial services group whose mission is to promote the prosperity, security and well-being of its customers. Pohjola provides its corporate and institutional customers with a diverse range of banking, non-life insurance and asset management services, and private individuals with an extensive range of non-life insurance and private banking services. Pohjola's profitable growth enables a competitive Total Shareholder Return.



Market position as a corporate bank	2nd
Market position as a non-life insurer	1st
Market position as an institutional asset manager	1st
Shareholders	37,000
Employees	appr. 3,000

Focusing on profitability and an increase in company value, Pohjola Group is committed to strong capitalisation and a shareholder-friendly dividend policy.

Pohjola operates through the following three business segments: Banking, Non-life Insurance and Asset Management. Its business model has also proved effective in the challenging operating environment, and all business divisions increased their market share in 2009.

Within **Banking**, Pohjola operates as a corporate bank for large and mid-size companies. At the end of 2009, the company's market share in corporate lending stood at 19.7%, i.e. Pohjola ranks second among corporate lenders in Finland. The Group provides its domestic customers with a diverse range of financial, investment and payment transfer solutions, also at international level, and foreign customers with banking services for business needs in Finland and neighbouring regions.

Pohjola aims at market leadership as a bank for large corporate customers and, together with OP-Pohjola Group member banks, as a bank for SMEs.

Within **Non-life Insurance**, Pohjola provides private customers and corporate and institutional customers with a diverse range of insurance solutions. Pohjola holds the leading position as a corporate and public-sector insurer. Pohjola also leads the market in terms of premiums written. Pohjola aims to continue to strengthen its market share eg through comprehensive customer relationships and intense cooperation with OP-Pohjola Group member banks.

Asset Management provides asset management services for institutional and private clients and is mainly responsible for the portfolio management of OP mutual funds. Pohjola is Finland's leading provider of asset management services for institutional clients. Assets under its management totalled EUR 33.1 billion at the end of 2009.

Part of Finland's largest and most successful financial services group

Pohjola is part of OP-Pohjola Group, the leading financial services group in Finland, which leads the market not only in lending, deposits and non-life insurance but also life insurance.

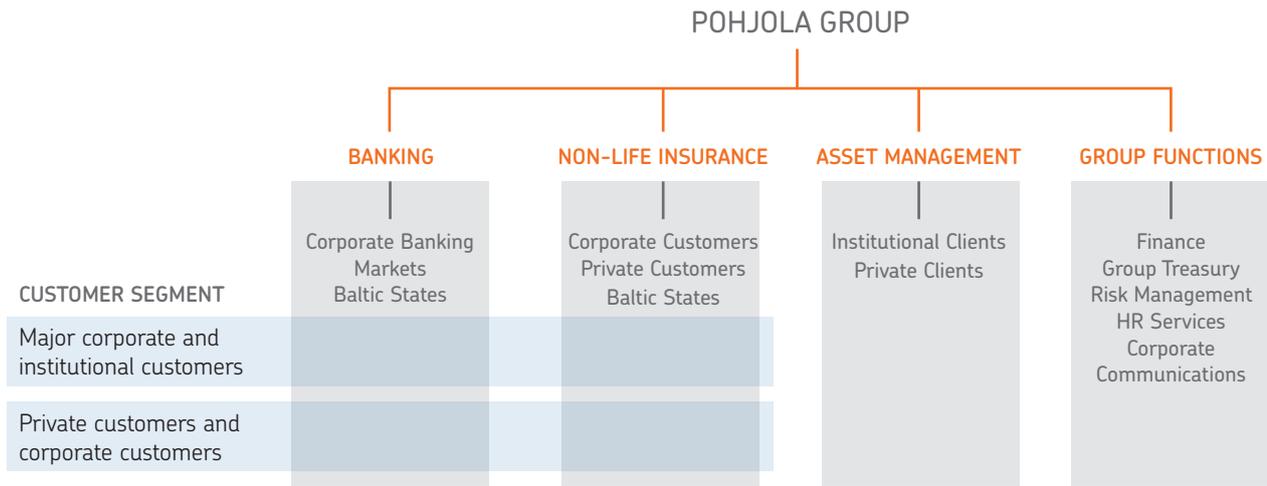
Being part of OP-Pohjola Group provides Pohjola with unique competitive advantages. Pohjola's and OP-Pohjola Group's shared logo is among the most recognisable ones in Finland. Operating through the most extensive branch network in Finland, Pohjola has remarkable growth and cross-selling potential. OP-Pohjola Group has more than four million customers, of whom joint banking and non-life insurance customers total roughly one million.

Pohjola Bank acts as OP-Pohjola Group's central bank and is responsible for the Group's liquidity and international operations. Credit institutions within OP-Pohjola Group are liable for each other's debts and commitments. This strengthens Pohjola's credit rating.

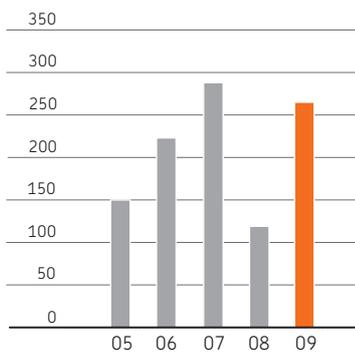
Vision and core values



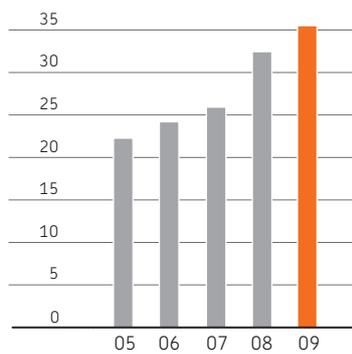
Business structure



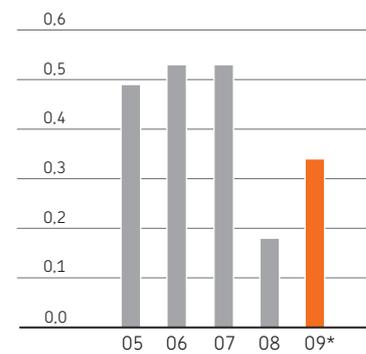
Earnings before tax, € million



Balance sheet total, € billion



Dividend/Series A share, €



* Board proposal

Pohjola Bank plc's credit ratings on 31 Dec. 2009

Rating agency	Short-term debt	Long-term debt
Standard & Poor's	A-1+	AA-
Moody's	P-1	Aa2
Fitch	F1+	AA-



“ Our updated strategy specifically highlights the integration of banking and non-life insurance businesses and cooperation between Pohjola and OP-Pohjola Group member banks. These will provide us with growth potential far into the future.

LETTER TO SHAREHOLDERS

Dear shareholder

The year 2009 was unusual. The world economy drifted into its deepest recession in decades and the mood was characterised by high uncertainty, especially in the early months of the year. Pohjola remained dedicated to customer care during this tumultuous time and weathered the storm well thanks to its strong capital base and effective risk management.

The crisis teaches the importance of commitment

Both the Finnish corporate sector and households were hit by the economic crisis. In 2009, exports declined by around a quarter and capital spending plummeted. Increasing unemployment and large public deficits cast a shadow over future developments.

The crisis also put CRM strategies to the test in the financial sector. During the economic nosedive, we remained true to our values and carried responsibility for our customers. From the very beginning, we were strongly committed to providing our corporate customers with finance while many foreign financial institutions withdrew from the Finnish market. We firmly believe that remaining a trusted partner during difficult times too provides a solid basis for deepening customer relationships during good times. In order to adhere to our corporate philosophy consistently, we must ensure that our company will be well-capitalised and viable from boom to bust. In this respect, Pohjola has made the grade.

Success year for Pohjola

In the challenging environment, Pohjola performed well. Our earnings before tax more than doubled over the previous year and, thanks to the favourable year for investments, we reported the best ever earnings before tax at fair value. Although consolidated earnings were eroded by impairment charges for loans, as expected, this was offset by our strong earnings performance in the capital market, excellent Non-life Insurance profitability and a rapid increase in net interest income.

Our successful rights offering in the spring played an important part in our last year's success. This was demonstrated by our shareholders' great confidence in Pohjola. Our stronger balance sheet resulting from the rights offering and our good results will enable us to pursue our dividend policy consistently. The Board of Directors will propose to the Annual General Meeting that Pohjola distribute 51% of earnings per share in dividends.

Dividends have traditionally accounted for a major share of the total shareholder return at Pohjola and we aim at a TSR that is above the median TSR of our Nordic peer group.

Growth and stability through cooperation

During the recession, we remained determined to take forward-looking measures. Last year, we updated our strategy: we sharpened our competitive advantage, specified our promise to stakeholders, redefined our objectives and paved the path for the future.

Our updated strategy specifically highlights the integration of banking and non-life insurance businesses and cooperation between Pohjola and OP-Pohjola Group member banks. These will provide us with growth potential far into the future. When it comes to our cooperation with OP-Pohjola Group member banks, 2009 marked an epoch-making year when the member banks became Pohjola's most important sales channel of non-life insurance policies for private customers.

As part of our strategy update, we decided to implement four strategic initiatives aimed at improving our service capabilities and competitiveness. These initiatives involve upgrading business for corporate and institutional customers, intensifying the business integration underway, improving international service capabilities and enhancing the Group's intellectual capital. A more detailed description of these initiatives can be found in the Strategy section in this Annual Review.

Looking to the future with a good position

The worst of the world economic crisis was over in 2009. Although many uncertainties will remain in 2010, we are looking ahead with confidence. Our position as a provider of Finnish financial services is ever stronger, and by making determined efforts to implement our updated strategy we will lay foundations for our future success.

We should like to take this opportunity to express our warmest thanks to our shareholders, customers, OP-Pohjola Group member banks and other partners for their trust and fruitful cooperation, and Pohjola's personnel for their dedicated and successful efforts during the challenging year 2009.

Helsinki, 11 February 2010



Reijo Karhinen
Chairman of
the Board of Directors



Mikael Silvennoinen
President and CEO

YEAR 2009

Consolidated earnings before tax in 2009 more than doubled over the previous year. This strong financial performance was based on excellent results recorded by Markets, a strong improvement in the balance on technical account and higher net interest income reported by the Group Functions.



	2009	2008
Earnings before tax, € million	265	119
Earnings before tax at fair value, € million.	508	-133
Return on equity at fair value, %	19.2	-5.6
Earnings per share, €	0.66	0.36
Proposed dividend (Series A share), €	0.34	0.19
Proposed dividend (Series K share), €	0.31	0.16

Year-on-year earnings before tax more than doubled

Earnings before tax came to EUR 265 million (119), showing a year-on-year improvement of EUR 146 million. Earnings before tax at fair value amounted to EUR 508 million (-133). Earnings per share were EUR 0.66 (0.36).

Consolidated net income climbed by 30% to EUR 766 million and net income before impairment on receivables by 45% to EUR 895 million. Net interest income was up by 38% year on year. Impairment charges for receivables increased by EUR 101 million to EUR 129 million (28), accounting for 0.94% (0.20) of the loan and guarantee portfolio. Expenses rose by 6% to EUR 501 million. The number of Group employees increased by 62 from 31 December 2008 and the Group recognised more provisions for performance-based bonuses than a year ago. Non-life Insurance agency fees and sales commissions rose by EUR 15 million, as a result of higher sales and Pohjola's insurance field staff joining the payroll of OP-Pohjola Group member banks in October 2008.

Improved profit performance of Banking despite higher impairment charges

Banking improved its net interest income by 5% to EUR 165 million. The economic recession dampened demand for corporate loans, resulting in a fall of 6% in the loan and guarantee portfolio. Pohjola raised margins on new and renewed loans to cover higher funding costs, which was reflected in an increase in the average corporate loan margin from the 2008-end 0.94% to 1.33% on 31 December 2009.

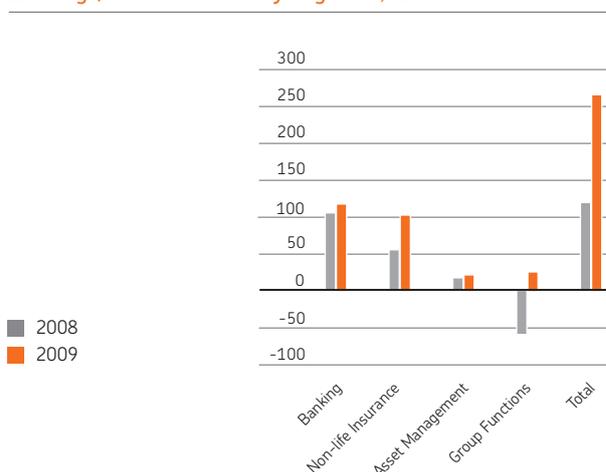
Impairment charges increased considerably from their previous year's level but their growth levelled off during the fourth quarter of 2009. The recession weakened some companies' creditworthiness, which increased impairment charges.

Net commissions and fees were one-third higher than the year before, with commission income from loans and guarantees increasing considerably.

The Markets division showed a particularly strong profit performance and reported an increase in net income from trading in bonds and derivatives.

Banking earnings before tax grew from EUR 105 million a year ago to EUR 117 million. Its earnings before impairment charges almost doubled from EUR 123 million a year ago to EUR 234 million.

Earnings/loss before tax by segment, € million



Strong year for Non-life Insurance

Non-life Insurance showed an excellent balance on technical account – the best ever in Pohjola's history. The operating combined ratio stood at 87.7% (91.5), as against 91.5% a year ago.

Growth in insurance premium revenue remained strong among private customers, thanks to efficient insurance policy sales by OP-Pohjola Group member banks. When it comes to corporate customers, both insurance premium revenue and claims incurred decreased as a result of the recession.

Non-life Insurance return on investments at fair value developed favourably, standing at 10.7% (-7.0).

The integration process of Non-life Insurance operations is proceeding according to plan. The revenue synergies resulting from loyal customer non-life insurance households reached a level of EUR 16 million and the management is targeting EUR 17 million by the end of 2010.

Non-life Insurance's earnings before tax almost doubled from EUR 55 million a year ago to EUR 102 million. Earnings before tax at fair value improved to EUR 290 million whereas in 2008 loss before tax at fair value came to EUR 171 million.

Assets under management reach a new high

Within Asset Management, assets under management exceeded EUR 33 billion as a result of higher net assets inflow and favourable market developments.

Earnings before tax grew from EUR 17 million a year ago to EUR 21 million.

Group Functions' successful management of liquidity portfolio

Earnings before tax came to EUR 25 million, as against the loss of EUR 58 million reported a year ago.

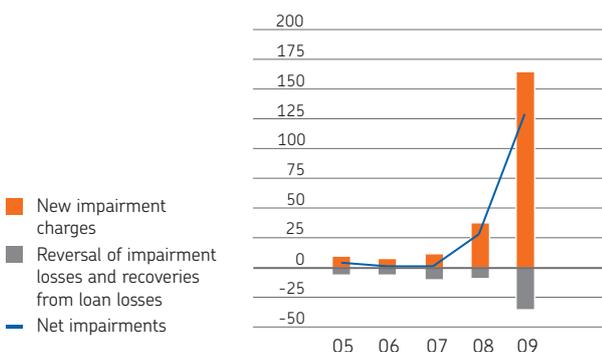
In particular, the successful management of the liquidity portfolio contributed to the Group Functions' good earnings performance. In 2009, Pohjola increased its liquidity portfolio by acquiring state-guaranteed notes and bonds worth EUR 2.4 billion, of which income recognised in net interest income totalled EUR 22 million. The positive price difference of reclassified notes and bonds recognised in net interest income totalled EUR 20 million. In addition, lower interest rates reduced funding costs.

Outlook for 2010

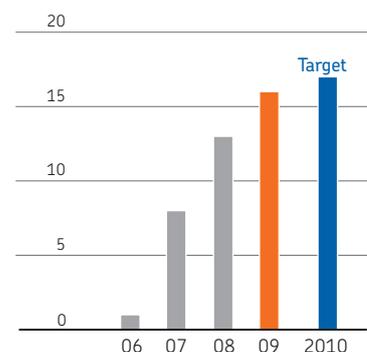
Consolidated earnings before tax in 2010 are expected to be at the same level as in 2009. When it comes to the outlook for 2010, the greatest uncertainty is related to developments in impairment charges, major losses within Non-life Insurance as well as in capital markets.

The full version of outlook can be found in the Report by the Board of Directors 2009.

Impairment charges, € million



Revenue synergies, € million



YEAR 2009

Consolidated earnings, € million	2009	2008
Net interest income	241	174
Impairments of receivables	129	28
Net interest income after impairments	112	146
Net income from Non-life Insurance	402	353
Net commissions and fees	143	122
Net trading income	71	-81
Net investment income	-13	6
Other operating income	50	42
Total income	766	589
Total expenses	501	470
Earnings before tax	265	119
Change in fair value reserve	243	-252
Earnings/loss before tax at fair value	508	-133

Key figures and ratios	2009	2008	2007	2006	2005
Earnings before tax, € million	265	119	288	223	150
Profit for the financial year, € million	194	89	212	180	271
Return on equity at fair value, %	19.2	-5.6	9.3	9.5	22.3
Balance sheet total, € billion	35.5	32.4	25.9	24.2	22.3
Loan portfolio, € billion	10.7	11.6	9.4	7.9	6.8
Assets under management, € billion	33.1	25.3	31.3	31.3	27.5
Non-life Insurance premium revenue, € million	943	923	850	788	138
Capital adequacy ratio, %	13.5	11.3	11.2*	12.9*	12.8*
Tier 1 ratio, %	11.8	9.4	10.7*	8.2*	9.6*
Capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates	1.73	1.26	1.38*	1.13*	-
Earnings/share (EPS), € **					
Series A share	0.66	0.36	0.85	0.73	1.60
Series K share	0.63	0.33	0.84	0.72	1.59
Equity/share, € **	7.09	6.58	7.51	7.34	7.15
Dividend/share, € **					
Series A share	0.34***	0.19	0.53	0.53	0.49
Series K share	0.31***	0.16	0.50	0.52	0.48
Dividend/earnings, (dividend payout ratio), % **	51***	51	62	72	30
Effective dividend yield, % (Series A share) **	4.5***	2.4	5.0	5.1	5.1
Price/earnings ratio (P/E), (Series A share) **	11.5	22.4	12.5	14.2	6.1
Market capitalisation (Series A and K shares), € billion	2.41	1.98	2.66	2.58	2.39
Share trading volume (Series A share), million	175	119	147	104	79
% of all Series A shares	75	74	92	66	75
Number of shares (Series A and K shares) year end, million	320	203	203	203	201
Number of shares (Series A and K shares) year end, million**	320	249	249	249	246
Average personnel	2,966	3,085	3,006	3,030	1,668

* The bases of calculation have changed from those in 2008. Figures for 2007 have been converted into comparable ones in conformity with the Basel II framework and have not been specifically audited. Figures for 2005 and 2006 have been calculated in accordance with the former calculation bases.

** Due to Pohjola Bank plc's rights issue and new shares entered in the Trade Register on 4 May 2009, the per-share ratios for 2005-08 have been adjusted retroactively using the share issue ratio.

*** As proposed by the Board of Directors

HIGHLIGHTS 2009

January	Petri Viertiö, M.Sc. (Tech.), was appointed Pohjola Group's Chief Risk Officer (CRO) and an Executive Committee member, effective as of 2 March.	July	Fitch Ratings affirmed credit ratings of Pohjola Bank plc. The credit ratings remained unchanged, but the outlook for long-term debt changed from stable to negative.
February	Pohjola announced that it was preparing a rights offering of approximately EUR 300 million for its existing shareholders.	August	Pohjola issued a EUR 750-million bond under its EMTN programme in international capital markets, with a maturity of three years.
March	Eva Valkama, M.Sc. (Econ. & Bus. Adm.), was appointed Pohjola Group's Senior Vice President, Human Resources, and an Executive Committee member as of 1 April.	September	Moody's Investors Service downgraded Pohjola's rating for long-term debt from Aa1 to Aa2 and bank financial strength rating (BFSR) from C+ to C-. At the same time, Moody's continued to affirm Pohjola's rating for short-term debt at Prime-1. The rating outlook remained negative.
	Pohjola Bank Art Foundation decided to give its Antonio Stradivari violin to be used by Antti Tikkanen, who is the founder and director of Meta4 quartet.		Pohjola confirmed its updated strategy focusing on intensifying integration and upgrading businesses.
	Related to the planned rights offering, Pohjola announced that it had revised its financial targets, i.e. it revised up the Tier 1 ratio target and revised down the return on equity target.	November	Pohjola signed a partnership agreement with MF Global, a provider of brokerage services, for trade execution and clearing.
April	Pohjola's AGM adopted the Financial Statements for 2008, discharged members of the Board of Directors and the President and CEO from liability and decided on dividend distribution. It also approved the Board's revised proposal to authorise the Board of Directors to decide on a share issue.	December	The Board of Directors decided to strengthen the Group's CRM organisations by adopting a CRM organisation shared by Banking and Non-life Insurance at the beginning of 2010.
	The AGM authorised the Board to decide on the terms and conditions of the rights offering, and the related prospectus was published.		Pohjola Asset Management Ltd and OP Fund Management Company Ltd signed the UN Principles for Responsible Investment (UN PRI) and were accredited by the Carbon Disclosure Project (CDP).
May	The subscription period of the rights offering began on 7 April and terminated on 24 April.	Early 2010 events	
	Pohjola announced the results of the rights offering. A total subscription level represented approximately 127.4% of all Series A shares offered and approximately 110.6% of all series K shares offered.	January	Standard & Poor's affirmed Pohjola's credit ratings, with the outlook remaining stable.
	New Pohjola shares were entered in the Trade Register.		
	Pohjola issued a EUR 750-million bond under its EMTN programme in international capital markets, with a maturity of five years.		



*Close to
customers*



Pohjola makes decisions at local level, genuinely close to its customers. Our service and decision-making are quick, consistent and clear. Pohjola can make use of the most extensive service network in Finland and provides its international services in cooperation with high-profile partners.

STRATEGY

Pohjola provides its corporate and institutional customers with a diverse range of banking, non-life insurance and asset management services, and private individuals with an extensive range of insurance and private banking services. Profitable growth and an increase in company value form our key objectives. The following three key competitive advantages support the achievement of these goals: we operate close to customers, provide comprehensive financial services and are part of the strong OP-Pohjola Group.

Our strategy updated in 2009, "Value through Integration", focuses on intensifying integration, upgrading businesses and improving service capabilities.

Strategy in summary

Finland and its neighbouring regions constitute our key market area. We know our customers well and are in close interaction with them. We build customer relationships on a long-term basis with the aim of establishing comprehensive customer relationships. Pohjola provides services promptly, flexibly and consistently. We are making dedicated efforts to further develop our service network in Finland and neighbouring regions. In other market areas, our service capabilities are based on cooperation with high-profile local or international partners.

Pohjola stands out from the competition based on its competencies and high-quality solutions. Our competitive advantages lie in customer-focused, flexible and prompt services,

a comprehensive financial services offering and a solid ownership base. As part of OP-Pohjola Group, Pohjola boasts the most extensive and diversified service network and largest clientele in Finland.

Our profitable growth enables a competitive Total Shareholder Return. We will secure business continuity by maintaining a strong capital base. Joint responsibility with OP-Pohjola Group Central Cooperative and OP-Pohjola Group's member cooperative banks strengthens Pohjola's creditworthiness.

Mission and key objectives

Pohjola's mission is to promote the prosperity, security and well-being of its customers. Pohjola's vision is to be the most preferred

Strategy in a nutshell

MISSION	>	We promote the prosperity, security and wellbeing of our customers
VISION	>	We are the most preferred financial services partner
KEY OBJECTIVES	>	Increasing company value, profitable growth
VALUES	>	People-first Approach, Responsibility, Prospering Together

Core values

Pohjola's success lies in its sustainable core values: People-first Approach, Responsibility and Prospering Together.

PEOPLE-FIRST APPROACH

- We are approachable and accessible.
- Our service is based on friendliness, initiative and promptness.
- We appreciate our customers, partners and co-workers.

RESPONSIBILITY

- We deliver on our promise and perform consistently.
- We aim at long-term customer relationships based on mutual trust.
- We foster our competencies and good organisational climate.
- We ensure that our business is in the interests of our shareholders and meets high ethical standards.

PROSPERING TOGETHER

- We prosper together with our customers.
- We establish networks in Finland and at international level on an extensive basis.

Targets over the economic cycle

			Target	2009	2008
FINANCIAL TARGETS	Group	Return on equity at fair value, %	13	19.2	-5.6
		Tier 1 ratio, %	> 9.5	11.8	9.4
	Banking	Operating cost/income ratio,	< 40	35	46
		Non-life Insurance	Operating combined ratio, %	92	87.7
		Operating expense ratio, %	< 20	22.2	21.9
		Solvency ratio, %	70	88	66
	Asset Management	Operating cost/income ratio, %	< 50	53	57
RATING TARGET	AA rating issued by at least two credit rating agencies		2	3	3
DIVIDEND POLICY	We aim to distribute a minimum of 50% of earnings per share in dividends, provided that Tier 1 stands at a minimum of 9.5%		≥ 50	51	51

Promises to stakeholders

SHAREHOLDERS	>	Our Total Shareholder Return is competitive
CUSTOMERS	>	We provide the best solutions and operate on a long-term basis
PERSONNEL	>	We foster a motivating organisational climate and create excellent opportunities for skill development
SOCIETY	>	We promote the sustainable development and prosperity of our operating regions

financial services partner, with profitable growth and an increase in company value forming its objectives. The position as the most preferred partner is built around the ability to exceed customer expectations and around the Group's reliability.

Pohjola aims at a Total Shareholder Return that is above its peer group average. We will grow and strengthen our market position profitably. Strong capitalisation enables us to secure the continuity of our business.

Pohjola will operate on a long-term basis and provide its customers with the best solutions. Competencies, our active approach and service quality make us stand out. We will anticipate our customers' needs and actively develop new service packages.

Pohjola fosters a motivating organisational climate and creates excellent opportunities for skill development. We aim to be the most attractive employer in the financial sector. We will invest heavily in leadership work and management development.

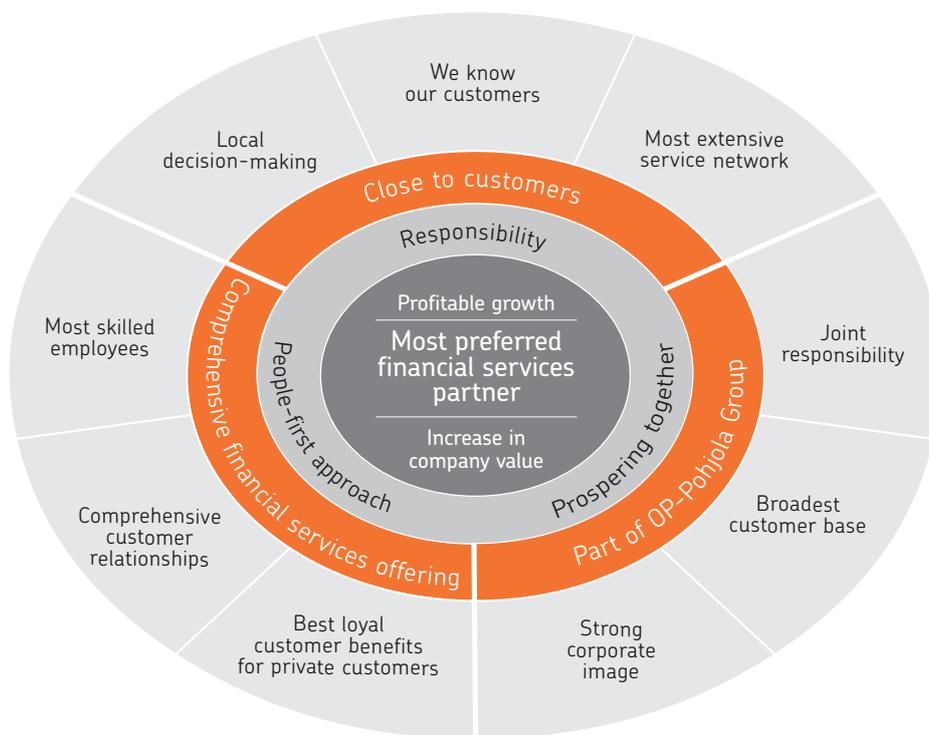
Pohjola operates in a responsible way and promotes the sustainable prosperity and wellbeing of its operating regions. Our profitable business will provide foundations for business continuity, employment and the fulfilment of our societal obligations.

Competitive advantages

In our strategy prepared in 2006 after the non-life insurance acquisition, we promised to implement strong business integration and strengthen our market position. This integration has proved a success, generating growth through all of the Group's business divisions and strengthening Pohjola's market position.

Pohjola exploits its three key competitive advantages:

We **operate close to customers**, **provide comprehensive financial services** and are **part of the strong OP-Pohjola Group**.



Close to customers

We make decisions at local level, genuinely close to our customers. We can offer quick, consistent, predictable and clear service and decision-making to our customers. As a Finnish service provider, we have made a long-term commitment to our home markets.

We know our customers and their needs and will serve them through thick and thin.

We can make use of the most extensive service network serving customers throughout Finland. We provide our international services in cooperation with high-profile partners.

Local decision-making

Promptness
Flexibility
Consistency

We know our customers

Needs
Solutions
Risks

Most extensive service network

Branch network
Electronic services
Partners

Comprehensive financial services offering

We boast Finland's largest group of banking, non-life insurance and asset management professionals providing customers with the most suitable solutions and best service.

Our comprehensive financial services offering enables us to establish comprehensive customer relationships. We manage customer relationships on a long-term basis.

Together with OP-Pohjola Group member banks we promise our private customers the best loyal customer benefits, with OP bonuses at the core. In this way, we will ensure high customer retention, which in turn improves profitability.

Most skilled employees

Best expertise
Best service
Consistent policies and practices

Comprehensive customer relationships

Long-termism
Full range of financial services
Customer equity

Best loyal customer benefits for private customers

OP bonuses
Partner benefits
Customer retention

Part of OP-Pohjola Group

OP-Pohjola Group and its central bank Pohjola have operated for over a hundred years now. The financial services group's capital adequacy and credit rating are among the strongest in the sector and being part of OP-Pohjola Group strengthens Pohjola's creditworthiness.

OP-Pohjola Group has more than four million customers, of whom joint banking and non-life insurance customers total over one million. Being part of OP-Pohjola Group provides Pohjola with remarkable growth and cross-selling potential in both insurance and banking services while creating cost-efficiency and providing a huge amount of information used, for instance, for targeting services and pricing.

Pohjola's and the Group's shared logo numbers among the most recognisable ones in Finland and we have an appealing and revered corporate image associated with trustworthiness.

Joint responsibility

High credit rating
Stability
Continuity

Broadest customer base

Growth potential
Information advantage
Cost-efficiency

Strong corporate image

Brand
Focus on the Finnish market
Employer image

Strategic initiatives

We are upgrading and further developing our operations through the following strategic initiatives:

1. Upgrading business for corporate and institutional customers
2. Intensifying integration
3. Improving international service capabilities
4. Enhancing the Group's intellectual capital

When it comes to **upgrading business for corporate and institutional customers**, we have the aim of strengthening not only Pohjola's but also the entire OP-Pohjola Group's market position as a partner of mid-size companies in particular. Well-defined responsibilities between Pohjola and OP-Pohjola Group member banks play a key role in this respect.

At the beginning of 2010, Pohjola adopted a new CRM organisation covering Banking and Non-life Insurance with the aim of seeking more customer-focused operations. On the basis of this new model, the business lines will remain responsible for the provision, sale and development of their own products and services while enjoying a stronger CRM organisation in support

of their operations. This change will support OP-Pohjola Group's strategic goal of being Finland's leading financial services group in business for corporate customers.

Intensifying business integration involves measures to make more efficient use of Pohjola's shared customer potential. We exploit customer data in identifying customer potential, targeting efforts, selecting customers and determining prices. Pohjola has become the number one insurance company for OP-Pohjola Group member bank customers and more than half of Pohjola's non-life insurance customers are also Group member bank customers.

Our third initiative to upgrade our business involves **improving our international service capabilities**. We will extend our international partner network in order to provide our customers with competitive services on a global scale. We are also a full-blown financial services provider for our customers abroad.

Our fourth initiative involves **enhancing the Group's intellectual capital**. We will invest in our ability to reinvent ourselves and develop our operations further in order to be able to provide our customers with the best solutions and services available in the sector. We will enhance our competencies on a long-term basis in view of future needs.

OPERATING ENVIRONMENT

In 2009, the world economy drifted into its deepest recession in decades. The financial crisis coming to a head in late 2008 sent various economic regions around the world into a simultaneous nosedive never seen before. This crisis spread worldwide through lack of confidence in financial markets and through international trade. However, central banks and governments were quick to react to the crisis.

Central banks cut their key interest rates close to zero and secured money market liquidity by initiating special schemes, while several governments decided to issue state guarantees for bank borrowing to facilitate the funding of banks. Banks in Finland have not resorted to state guarantees.

By and large, governments have pursued an unusually expansionary fiscal policy. With economies contracting, tax revenues have plummeted and government expenditure has risen as a result of higher unemployment. In addition to the worsening budget balance caused by the recent economic development, massive fiscal stimulus packages have sent public deficits soaring to record levels in industrialised countries.

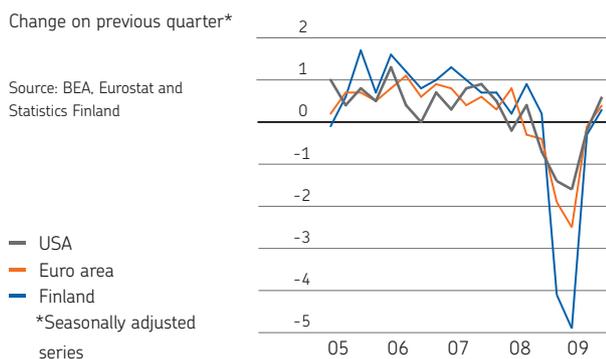
Swift measures taken by central banks and governments helped to restore confidence in financial markets. The world economy showed signs of stabilisation as early as the second quarter of 2009 and the second half saw a cautious recovery in industrialised countries' production figures after a steep fall. The worst of the world economic crisis was over in 2009. Nevertheless, GDP growth expectations for 2010 have remained moderate due to rapidly increasing government debt, low capital spending and cautious mood among consumers.

Finnish economy is expected to recover

The collapse of international trade hit the Finnish economy violently. In 2009, Finnish exports were roughly a quarter lower than a year ago and capital spending fell sharply and housing construction continued its downward trend. The deteriorating employment situation cast a shadow over households with the result that consumer spending began to decline.

When it comes to GDP growth, 2009 was one of the poorest years ever experienced. During the second and third quarters

GDP, %



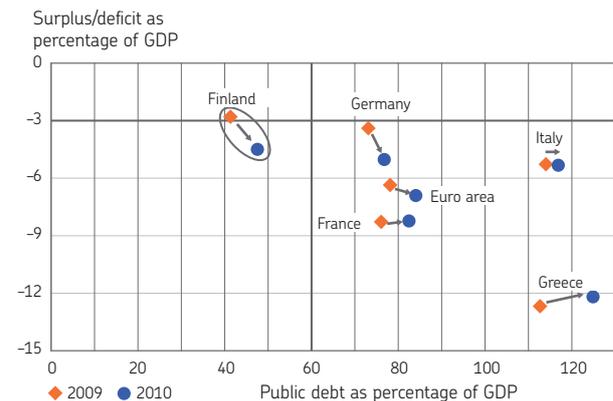
KEY WORLD ECONOMIC CHALLENGES IN 2010

- Extraordinarily great uncertainty about future economic development
- Rapidly increasing public debt will limit the scope for fiscal policy measures and the effects supporting economic growth will be weaker
- Timely withdrawal of stimulus measures
- Uncertainty over the private sector's ability to spearhead the drive towards economic growth
- Record-high unemployment in industrialised countries will restrain consumer spending
- Ample idle production capacity and weak consumer demand will curb capital spending

of 2009, the Finnish economy's decline levelled off in the same way as in other industrialised countries. Despite a sharp fall in GDP, Finland's economic fundamentals remained strong. Finland's public deficit and public debt are markedly below the average of those in the euro area and the EU member states. This is reflected, for example, in low risk premiums on Finnish government debt compared with many other European countries. Moreover, companies and households in Finland are less indebted than in many other countries, which, for its part, dampens down the effects of recession on their ability to service their debts.

2010 is expected to be a year of economic recovery in Finland. Business and consumer confidence has become stronger. Stronger export markets will gradually revive exports and the diminishing threat of unemployment arising from the stabilising job market will pave the way for a greater consumer demand.

Fiscal balance



Capital spending will not probably pick up until 2011. Favourable developments in the number of building permits granted and housing starts, and improved housing markets point to a gradual recovery in residential construction spending during 2010. During the same year, economic growth is expected to turn positive again.

In 2009, the inflation rate slowed to zero. Consumer price increases were chiefly held back by a quick decline in interest rates and a big drop in fuel prices already in late 2008. In 2001, the inflation rate will accelerate slightly but will remain modest.

Modest rise in interest rates in 2010

Over the course of 2009, Euribor interest rates hit a record low following the cuts of the ECB's key interest rate. Central banks pursued an unusually expansionary monetary policy and supplied ample liquidity to ensure the banking system's performance. The restored confidence in money markets also contributed to lower Euribor rates, which returned risk premiums to their pre-financial crisis level. At the end of 2009, the ECB key interest rate stood at 1.0%, the 3-month Euribor rate at 0.70% and the 12-month Euribor rate at 1.25%.

The ECB is not expected to raise its key interest rate until the end of 2010 at the earliest. Short-term money market rates are expected to slowly move higher as early as the first half of 2010 when the ECB begins to restrict liquidity in the money market. Short-term rates will remain below average throughout the year.

Long-term, low-risk market rates already stopped falling at the beginning of 2009. These rates will in future depend on inflationary expectations, the ECB's monetary policy and economic growth outlook in the long term. As a consequence of the financial crisis, issuer risk becomes more pronounced in bond rates than usual and return requirements in the market for euro-area government bonds, for example, may differ from each other considerably.

Turn for the better in capital markets in spring 2009

Equity markets took a turn for the better in early March 2009, which was also reflected in the returns of other asset classes. In addition to the more favourable economic outlook, mutual funds' net inflows turning positive has supported price increases in high-risk asset classes.

In the spring of 2009, investors began to shift away from money market investments, reducing the proportion of these investments. The underlying reason for this shift lay, for example, in low short-term rates, which encouraged investors to increase risk in search of a higher return.

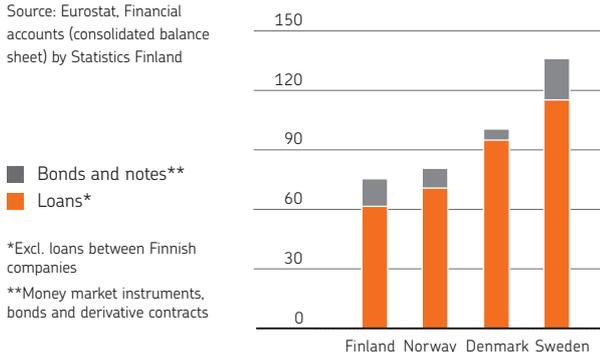
Massive government stimulus packages to revive the economy and strengthen banks' balance sheets and guarantee their funding, coupled with the expansionary monetary policy pursued by central banks, contributed to this capital market improvement. The improved confidence in financial markets returned risk premiums to their pre-financial crisis level and bond markets experienced a record year of issues. However, lower tax revenues combined with the stimulus measures have meant a surge of government indebtedness around the world, which will pose challenges in the next few years. This government indebtedness is expected to be reflected in government credit spreads and foreign exchange markets too.

YEAR OF DICHOTOMY 2009 IN EQUITY MARKETS

- Panic and complete lack of risk appetite in the first quarter, followed by
- One of the strongest market corrections in history.

Corporate debt-to-GDP ratio, %

Source: Eurostat, Financial accounts (consolidated balance sheet) by Statistics Finland



Confidence indicators in Finland, balance figure

Source: Statistics Finland and Confederation of Finnish Industries EK



OPERATING ENVIRONMENT

On the basis of the signals in equity markets, investors worldwide believe that the worst is over. This, combined with major streamlining measures taken in the corporate sector, will lead to handsome growth in earnings in 2010, according to market forecasts. Earnings and cash flow expectations are supported by the fact that companies will be able to respond to increasing demand in the early stage without any need for major investments. Due to increasing share prices towards the end of 2009, the average valuation of shares rose to a high level, measured by P/E and P/B ratios.

Growth to remain slow in financial markets

The economic recession in 2009 dampened demand for corporate loans, resulting in a fall in the Finnish corporate loan portfolio. At the same time, strong recovery in capital markets increased the issuance of commercial papers and bonds, and the volumes of trading in capital market products. Low interest rates and higher consumer confidence boosted demand for home loans.

The economic recovery should gradually be reflected in demand for corporate loans although capital spending and demand for capital investment financing is anticipated to remain low. Corporate financing needs are expected to focus on working capital and the refinancing of existing loans. The home mortgage portfolio is expected to grow slightly in 2010.

Following their strong growth in 2008, growth in deposits almost came to a halt in 2009 because funds from term deposits in particular were transferred to other savings vehicles. Mutual fund assets increased vigorously after the previous year's plunge as a result of growth in the volume of net subscriptions and an improvement in the net asset value of funds.

Share indices soared across the world from their March rock-bottom, boosting market-based operations in the financial sector, such as capital market trading and investment services, as well as asset management. In 2010, share prices are expected to develop more moderately but trading volumes and demand

for investment services and asset management services are anticipated to grow.

The Finnish non-life insurance market was hit by a major slowdown in 2009 when the recession reduced insurance premium revenue within corporate insurance in particular, as a result of a fall in payroll bills and corporate net sales. On the other hand, the recession was reflected in lower non-life insurance claims expenditure. In 2010, growth in premiums written is expected to remain slow. The vigorous recovery in capital markets considerably raised investment income from Non-life Insurance in 2009.

More stringent regulation as a result of the financial crisis

The debate prompted by the financial crisis on the need for enhancing financial regulation and supervision resulted in concrete measures within the EU during 2009. These measures not only involve tighter capital adequacy requirements for banks but also

EQUITY MARKET PROSPECTS FOR 2010

- That interest rates will probably remain low during 2010 and this will, at least on paper, enable above-average equity market valuation
- Widening differences in returns between companies and industries

BOND MARKET PROSPECTS FOR 2010

- Economic turn for the better will enable favourable developments in corporate bonds
- Expectations of higher key interest rates will begin to restrict developments in returns of longer-term corporate bonds
- The supply of government bonds is expected to rise
- Regulatory changes will increase banks' need for issues but the historically high risk premiums in the banking sector will support the availability of bank funding

Unemployment rate* in Finland and euro area, %

Source: Statistics Finland and OECD



Major euro area interest rates, %

Source: Bank of Finland



FINANCIAL REGULATION INITIATIVES

- Creation of macro-prudential supervision of the financial system and cross-border supervision
- Tighter rules on capital requirements in terms of quality and quantity
- Increasing counter-cyclical capital buffers in rules on capital adequacy and financial statements for banks
- Tightening up the general risk management requirements, especially those for liquidity risk
- Regulation on management incentive schemes
- Constraints related to loan securitisation
- Harmonising the regulatory framework for hedge and private equity funds; and
- Increasing derivative market regulation

other measures to secure stability in the financial market and mend the problems caused by the crisis.

In May 2009, the EU adopted several amendments to the Capital Requirements Directive for credit institutions, which will come into force on 1 January 2011, applying to rules on derogations for bank networks from prudential requirements, large customer exposures, the capital base and notably the treatment of hybrid capital instruments within the capital base, as well as liquidity risk management.

The financial crisis also revealed shortcomings in financial supervision. This supervision takes place at national level although an increasing number of financial firms operate across borders. New cooperative arrangements are aimed at ensuring the implementation of the same rules throughout the EU, identifying

systemic risks early and improving cooperation in an emergency.

In September 2009, the European Commission adopted several legislative proposals with a view to strengthening financial supervision in Europe. The legislation will create a new European Systemic Risk Board (ESRB) to detect risks to the financial system as a whole and a European System of Financial Supervisors (ESFS) comprising national supervisors and three new European Supervisory authorities for the banking, securities and insurance sectors, with the aim of ensuring consistent supervision of financial institutions operating in more than one EU member state, in particular.

The financial crisis also revealed the need to make changes to accounting policies. In the autumn of 2009, the International Accounting Standards Board (IASB) issued proposed amendments to the recognition and measurement of financial instruments. The IASB's financial instruments accounting reform programme is scheduled for completion by the end of 2010, these changes relating to the disclosure and measurement of financial instruments, accounting for impairments and hedge accounting. In addition, the IASB is also expected to issue other changes in financial statements disclosures.

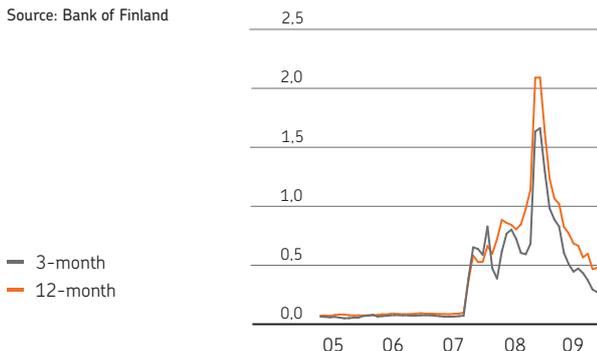
Solvency II to improve risk management of insurance companies

In the spring of 2009, the EU adopted a new, wide-ranging solvency regime applying to the insurance company risk management and solvency management EU-wide.

The Directive enables insurers to better take account of their actual risks in their solvency calculations and encourage them to adopt more sophisticated risk management systems. The Directive is due to be transposed into national legislation by 31 October 2012.

Money market risk premiums, Euribor-Eurepo, percentage point

Source: Bank of Finland



Stock indices in Finland and the USA

Source: NASDAQ OMX and Standard & Poor's



CAPITAL ADEQUACY AND RISK EXPOSURE

In 2009, Pohjola strengthened its risk-bearing capacity as a result of its good financial performance and a rights offering in the spring.



	2009	2008
Tier 1 ratio, %	11.8	9.4
Capital adequacy ratio, %	13.5	11.3
Risk-weighted assets, € million	13,024	13,120
Non-life Insurance solvency ratio, %	88	66
Capital adequacy ratio under the Act on Supervision of Financial and Insurance Conglomerates	1.73	1.26

The capital adequacy ratio stood at 13.5% (11.3) as against the statutory minimum requirement of 8%, and Tier 1 ratio was 11.8% (9.4). Pohjola Group's Tier 1 target ratio stands at a minimum of 9.5% over the economic cycle.

Tier 1 capital came to EUR 1,541 million (1,228) and the total capital base amounted to EUR 1,753 million (1,484). Pohjola strengthened its capital base through the EUR 308-million rights issue held between 7 and 24 April 2009. After the deduction of the related issue expenses, Tier 1 capital increased by EUR 298 million.

On 31 December 2009, risk-weighted assets (RWA) totalled EUR 13,024 million (13,120). When comparing RWAs with the comparable figures at the end of last year, they rose by EUR 240 million, due mainly to downgraded corporate credit ratings.

Pohjola uses the Internal Ratings Based Approach (IRBA) in its capital adequacy measurement for credit risks. This applies to exposures to corporate and institutional customers, accounting for around two-thirds of Pohjola's minimum capital requirement. With respect to other exposure classes, Pohjola aims to phase

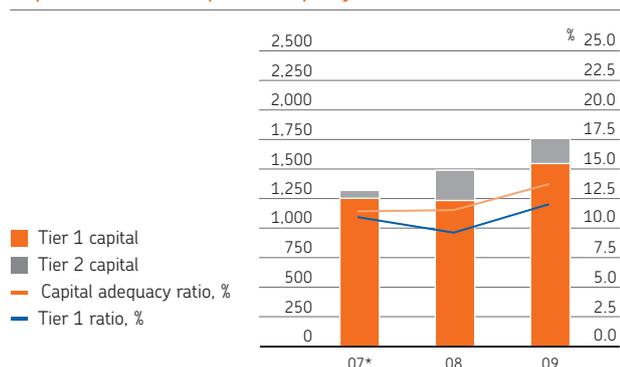
in the Internal Ratings Based Approach in such a way that the approach will next apply to retail exposures. The minimum capital adequacy requirement for operational risks is calculated using the Basic Indicator Approach (BIA) and that for market risks using the Standardised Approach (SA).

The capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates improved to 1.73 (1.26) as a result of good financial performance and the rights issue. The Non-life Insurance solvency ratio rose to 88% (66).

Major risks

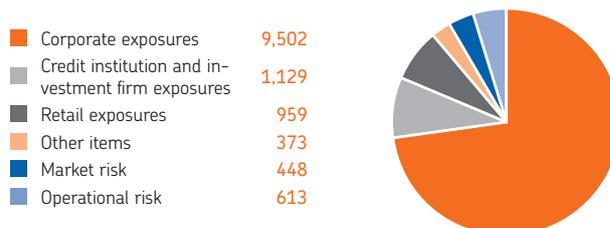
Within Pohjola Group, major risks exposed by Banking and the Group Functions include credit, interest rate, currency, equity and liquidity risks, and those exposed by Non-life Insurance include underwriting risks and market risks associated with investments. Strategic and operational risks, such as changes in the economic situation, competition or customer behaviour, are also inherently related to Banking, Non-life Insurance and Asset Management.

Capital base and capital adequacy, € million



* Figures for 2007 have been converted into comparable ones in conformity with the Basel II framework (2008) and have not been specifically audited.

Exposure classes under Basel II framework on 31 Dec. 2009, € million



Financial position and liquidity remained strong

Pohjola's financial position and liquidity remained at a healthy level in 2009. Short-term funding performed well and the availability of long-term funding also improved. Pohjola strengthened its financial position by issuing last year two senior bonds with a maturity of three and five years and each worth EUR 750 million. In addition, OP Mortgage Bank issued a EUR 1.25-billion covered bond with a maturity of five years in international capital markets.

Pohjola maintains OP-Pohjola Group's liquidity portfolio which mainly consists of notes and bonds eligible as collateral for central bank refinancing. The liquidity portfolio totalled EUR 11.7 billion (9.8) on 31 December 2009. This liquidity portfolio plus other items included in OP-Pohjola Group's balance sheet and eligible for central bank refinancing form the overall liquidity buffer, which can be used to cover OP-Pohjola Group's wholesale funding maturities for some 24 months.

Recovery in capital markets

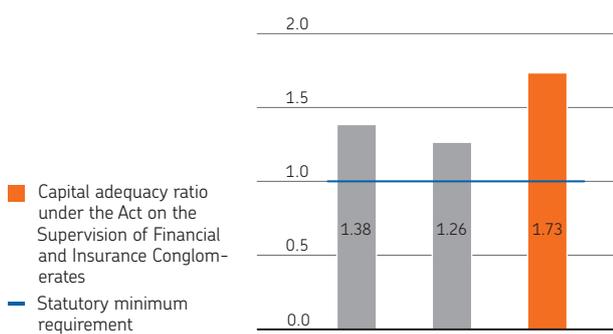
Recovery in capital markets improved Group investment valuations of instruments included in both the liquidity portfolio and the Non-life Insurance investment portfolio. Rising equity prices and lowering credit spreads contributed to Non-life Insurance investment income, with the return at fair value standing at 10.7% (-7.0), which is markedly above the expected long-term return. Equity risks rose due to the de-hedging of equity derivatives and favourable market developments in equity investments.

Recession reflected in higher impairment charges

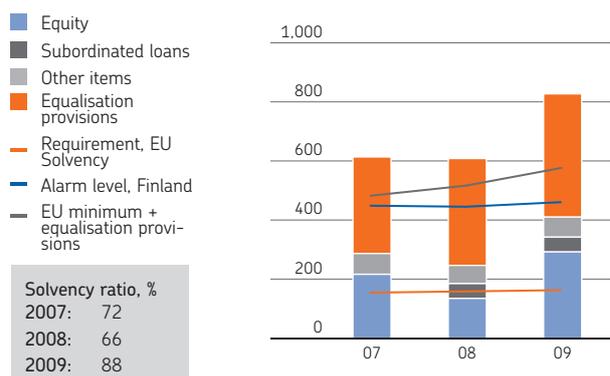
Pohjola's credit risk exposure remained on a sound basis although the economic recession sent impairment charges considerably higher from their previous year's level. Investment-grade exposures continued to remain at good levels with respect to both the total exposure and corporate exposure, but exposures with lower ratings increased as a result of corporate customers' weaker creditworthiness. Past due payments and doubtful receivables continued to remain at low levels.

Net loan losses and impairments recognised for the financial year amounted to EUR 129 million (28), accounting for 0.94% (0.20) of the loan and guarantee portfolio.

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



Non-life Insurance solvency capital (€ million) and solvency ratio (%)



CORPORATE RESPONSIBILITY

Pohjola's corporate responsibility is built around the company's core values. Pohjola enhances corporate responsibility as part of OP-Pohjola Group's corporate responsibility and strategy.

Corporate responsibility management



General principles of corporate responsibility:

- Core values
- Corporate Governance Statement
- Commitments to responsible investment
- Environmental Programme

Corporate responsibility and its further development play a key role in Pohjola's and the entire OP-Pohjola Group's strategy. As part of the strategy, OP-Pohjola Group is preparing a corporate responsibility programme in which Pohjola's representatives are involved.

Economic responsibility aspects are in focus in corporate responsibility issues in the financial sector, for which Pohjola has an extensive range of management and monitoring tools. Fulfilling economic responsibility may relate, for example, to effective risk management and good corporate governance.

In late 2009, Pohjola Asset Management Ltd and OP Fund Management Company Ltd signed the UN Principles for Responsible Investment (UN PRI) and were accredited by the Carbon Disclosure Project (CDP). This marked the start of development work aimed at identifying environmental and social aspects and taking them into consideration as part of investment operations by asset management. Pohjola aims to put such development work to use in other business lines and divisions too.

Interaction with stakeholders

Responsibility to stakeholders and interaction with them form a key part in corporate responsibility. Pohjola applies its well-established practices of interaction with its customers and shareholders. When it comes to other stakeholders, Pohjola's stakeholder interaction issues are managed and developed in cooperation with the rest of OP-Pohjola Group. OP-Pohjola Group has a long tradition of close interaction.

Interaction with stakeholders nationwide is also based on cooperation with other companies. For example, OP-Pohjola Group and Pohjola are in cooperation with the Federation of Finnish Financial Services (FK).

Pohjola's lobbying activities are managed in cooperation with the lobbying activities of the rest of OP-Pohjola Group, of which OP-Pohjola Group Central Cooperative is in charge within the Group. These activities are aimed at active lobbying and interaction in compliance with good practice.

“ Economic responsibility aspects are in focus in corporate responsibility issues in the financial sector.

Pohjola Asset Management Ltd and OP Fund Management Company Ltd signed the UN Principles for Responsible Investment (UN PRI) and were accredited by the Carbon Disclosure Project (CDP). For more information, please visit www.pohjola.fi > English > Group > Corporate Responsibility.

Economic responsibility

Economic responsibility is primarily guided by risk management strategies and principles, Corporate Governance Statement and recommendations, and financial-sector legislation, standards, regulations and guidelines.

In 2009, the recession highlighted the importance of capital adequacy and risk management in the financial sector. Trust demonstrated by the financial market in Pohjola has also played a key role. This has enabled Pohjola to smoothly continue to provide financial services in circumstances in which the availability of financing to the corporate sector has been of particular importance. In the field of indirect responsibility, the importance of providing corporate and other financing has been in focus.

Pohjola's financing operations remained normal in the economic recession. Pohjola maintained high targets set for financing and therefore remained active in its financing business.

Personnel

The number of Pohjola's employees increased slightly in 2009, year on year. The goals set for operations specified in the strategy guide developments in the number of staff.

Donations and other contributions to the public good

In 2009, Pohjola Insurance and Suomi Mutual granted their joint annual Medical Award to Professor Hilikka Soininen for Alzheimer's disease research. In early 2010, it was the 30th Award given and it went to Professor of Medicine Jussi Huttunen in recognition of his broad healthcare expertise in Finland. Pohjola also annually grants an award to a sports club in recognition of good youth work, and in January 2010 SK Vuoksi received this Pohjola Award of Hyvä Seura (Good Sports Club). In addition to this first prize, Pohjola granted its regional Pohjola Award to 16 clubs.

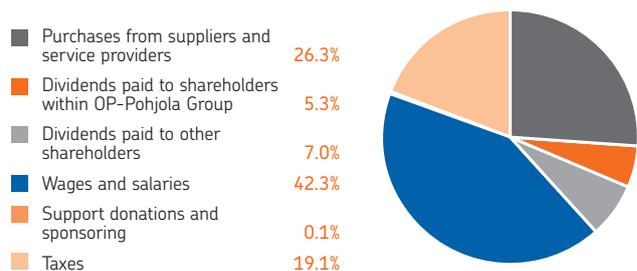
The Pohjola Bank Art Foundation also represents nationwide support activities. It acquires works of present-day artists and has a collection of highly valued stringed instruments which it lends to young, talented musicians. In 2009, the Art Foundation gave its Antonio Stradivari violin to be used by violinist Antti Tikkanen.

Indirect economic responsibility

Financial services play a vital role in supporting business opportunities and overall developments in society. This aspect was highlighted during the recession and, for example, corporate financing was often the subject of public debate. Pohjola aims to take account of the significance of financing and the effects of its services on customers and their operating environment.

Pohjola's non-life insurance products provide protection for a customer's business in unexpected, exceptional circumstances. In the development of its non-life insurance services, Pohjola also takes the promotion of its customer's wellbeing and financial security into consideration.

Allocation of economic benefits



Environmental Responsibility

In 2009, OP-Pohjola Group put a lot of effort into preparing a new environmental programme. Due for completion in the spring of 2010, this programme specifies key environmental aspects relevant to OP-Pohjola Group and sets tangible performance targets. Pohjola's representatives have been involved in this project. The environmental programme separately deals with climate change from the perspective of Non-life Insurance.

However, major environmental responsibility challenges relate to indirect environmental responsibility – taking account of the environmental effects of customer operations and guiding and consulting customers in the context of, for example, decisions on financing, non-life insurance and investment.

In December 2009, OP-Pohjola Group's companies that are engaged in investment operations signed the UN Principles for Responsible Investment (UN PRI). This also marked the beginning of taking environmental aspects related to investment assets into consideration.

In cooperation with WWF Finland, Pohjola has monitored the environmental impacts of its operations and office work and developed the related methods. The head office of Pohjola and OP-Pohjola Group Central Cooperative in Vallila, Helsinki, has a WWF Green Office diploma. Green Office practices focus on cutting energy consumption and the use of office paper among employees at the head office in particular.

The most significant future development projects aimed at reducing the Pohjola's paper consumption relate to electronic contract management and Non-life Insurance eServices. Contracts play an important role in banking and non-life insurance, with the latter being the heaviest user of paper for contracts. Printing out contracts and sending them to customers currently constitute a major part of paper consumption.

Pohjola and OP-Pohjola Group have been actively involved in developing eBilling services. The most significant future measures relate to electronic contract management and Non-life Insurance eServices. Non-life Insurance is the largest sender of bills and contracts within the Group.

Financial services play a vital role in securing customers' operating conditions. This also makes it possible to take account of and lessen the environmental impacts of customers in connection with their use of services. In 2009, Pohjola's Non-life Insurance initiated a pilot project aimed at developing motor vehicle insurance whose premiums are based on a driving style and kilometres driven. This has the potential of motivating customers towards environmentally-friendly motoring by reducing kilometres driven and encouraging them to drive outside rush hours. Pohjola is committed to this service development as part of the European Road Safety Charter to which signatory Pohjola Insurance Ltd is.

“ Pohjola and the entire OP-Pohjola Group have been actively involved in developing eBilling services.

Social Responsibility



Principles guiding HR management:

- Principles of responsible HR management
- Principles of organisational citizenship
- Vision of competencies
- Corporate equality plans

Responsible HR management plays a key role in Pohjola, placing emphasis on competence enhancement and a motivating organisational climate in 2009.

Competence enhancement

Pohjola's vision of competencies, which describes overall objectives, provides guidelines for competence enhancement. This vision enables Pohjola to create a culture of competence in which employees enhance their skills on a long-term basis in support of the strategy and business.

Enhancing competencies plays a vital role in the implementation of Pohjola's strategy. Employee performance reviews and competence surveys are used to agree on personal skill development programmes involving on-the-job learning, mentoring and training within and outside the Group. For those in expert duties in particular, Pohjola also makes use of courses and seminars organised by external service providers.

The intranet offered a plenty of web-based training programmes in 2009 and dedicated efforts are being made to develop web-based training further.

Enhancing competencies and promoting management by coaching and the expert career model in particular will also remain priorities in 2010.

Personnel

The number of Pohjola's employees increased slightly in 2009. The average age of employees is 42.9 years. Pohjola aims at long-term employment contracts. It mainly concludes fixed-term contracts to enable various types of leave and dayoff, and part-time contracts to enable flexibility at work that improves employee wellbeing and the quality of life.

Pohjola's employees typically have a long career within the Group. During such a long career, Pohjola provides employees with the opportunity for a diverse range of duties and for job rotation.

Equal opportunity and diversity

With a corporate equality plan in place, Pohjola aims at employee equality in all of its forms and actively monitors the plan's implementation. For example, personnel surveys are used to elicit information on how Pohjola has succeeded in its equality implementation. Pohjola is prepared and undertakes to tackle any shortcomings in equality that personnel surveys may reveal.

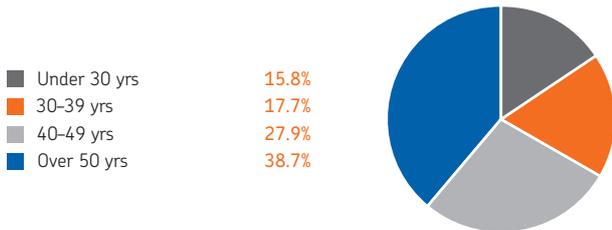
Women account for a major share of employees among salaried employees in particular. The proportion of women is rather high in expert positions and managerial positions other than upper-level managerial positions, whereas men dominate upper-level managerial positions. Pohjola has long supported the entry into managerial and supervisory positions through a variety of training programmes and career plans.

The cooperation and management of employees of different ages and in different phases of life form a key challenge in many workplaces within OP-Pohjola Group. The 'Hyvä Ikä' programme (Good Age) is aimed at identifying strengths of people of different ages and utilising and sharing skills and knowledge.

Personnel by gender, %



Personnel by age



Compensation

Pohjola’s incentive schemes seek to support strategy implementation.

Pohjola’s long-term employee incentive scheme comprises OP Personnel Fund. Employees who have been the Fund’s members for at least five years may annually draw out up to 15% of the amount accrued in the Fund.

The goals set for the short-term incentive scheme are based on personal performance targets deriving from annual plans. Entitlement to such bonuses requires the achievement of operating results.

In addition, Pohjola has a specific management incentive scheme in place. A debate on bank executive bonuses was underway in Finland in 2009. Fulfilling official requirements set by the authorities forms the basis for the creation of all Pohjola’s incentive schemes.

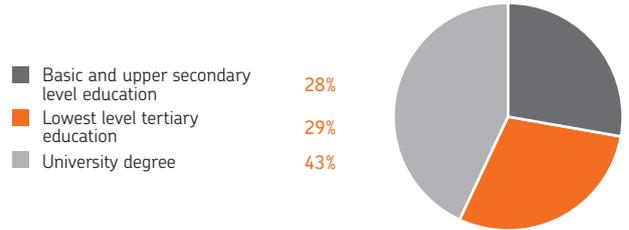
Occupational healthcare

Pohjola boasts fairly low rates of sick leave. Last year, Pohjola Group was successful in preparing for the spread of influenza caused by the A(H1N1) virus among its employees. During the epidemic, Pohjola adopted sick-leave approval procedures out of line with its standard practice in such a way that managers had the right to approve more sick leave days without an employee having to provide a sick note.

Job satisfaction

Regular personnel surveys enable Pohjola to monitor job satisfaction among its employees. These surveys help monitor job motivation and incentive, factors affecting job motivation, and organisational performance and the performance of management and leadership work. Accordingly, the level of job satisfaction is high in all business lines. High job satisfaction supports strategy implementation and HRM goals.

Personnel by education



Employee relations

Pohjola’s employees are free to unionise, in compliance with Finnish legislation. In 2009, the financial sector negotiated a new collective agreement.

The Union of Insurance Employees and the Federation of Finnish Financial Services reached a wage settlement in December in 2009.

Indirect social responsibility

The safety of Pohjola’s products and the indirect effects of the use of Pohjola’s services have also to do with the promotion of prosperity and wellbeing. The effects of Pohjola’s services on customers and their wellbeing and prosperity are, by and large, regarded as favourable. In particular, non-life insurance products play a vital role in this respect. In its service development, Pohjola seeks to pay particular attention to the long-term effects of its services.

In 2009, Non-life Insurance implemented projects aimed at improving road safety, for example. Pohjola launched a pilot project with a view to creating motor liability insurance on a pay-as-you-drive basis. In this project, the GPS system is used to track the kilometres driven and the driving style.

According to this model, infrequent driving and, for example, driving outside of rush hours are reflected in lower insurance premiums. There is proof that driving outside of rush hours reduces the incidence of road traffic accidents remarkably. Moreover, as the signatory to the European Road Safety Charter, Pohjola Insurance Ltd is committed to the implementation of road safety projects in the next few years.

RESPONSIBLE HR MANAGEMENT INDICATORS

- Job satisfaction
- Competence enhancement
- Job rotation opportunities
- Employee recognition
- Employer image
- Sick leave days

CASE: NEW EMPLOYEE WELLBEING MODEL IN SUPPORT OF COPING AT WORK

Pohjola provides its employees with new methods designed to promote their wellbeing and stress management. 2009 saw the launch of a pilot project, Aino, in which employees have the opportunity to systematically enhance their wellbeing by improving their physical fitness level and working capacity or by slimming down. Before any personal plans are prepared for any required measures, employees are first tested for their fitness and health. Tests are performed on a regular basis in order for employees to be able to monitor their progress. The employees involved in this project also have access to the latest health and keep-fit information.

Employees are involved in the project on a voluntary basis and the project has attracted great interest. Of the over 500 people taking part in the early-phase bicycle ergometre fitness test, 262 were randomly selected to become users of the service and a group of similar size constituted a peer group. Those involved in the service received an activity computer for personal use, which records data on their daily exercise, supporting physical exercise

and providing nutrition tips, for example. A personal trainer is also available, responsible for monitoring progress made by the employee and for motivating him.

Pohjola is developing new tools to ensure that its employees will maintain their working capacity until their retirement age. Before the project launch, a diverse range of factors and methods contributing to employee wellbeing were analysed.

Employees have given excellent feedback on this pilot project. People have said that the activity computer is virtually unnoticeable and easy to carry along anywhere.

For many employees, the motivating aspect and personal advice characterised by the service have lowered their barrier to beginning to exercise. Personal service is an excellent incentive in case of minor problems too and instructions provided through the service are clear and practical.

This model is expected to reduce sick leave rates, but the main goal is to improve employees' working capacity.



*Comprehensive financial
services offering*



We have the country's largest group of banking, non-life insurance and asset management professionals available to our customers.

BUSINESS LINES: BANKING

Pohjola's Banking provides corporate and institutional customers with solutions for their financing and financial management needs. Pohjola ranks second in these services in Finland. Banking consists of the following divisions: Corporate Banking, Markets and Baltic Banking.

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	2009	2008
Earnings before tax, € million	117	105
Loan and guarantee portfolio, € billion	13.3	14.1
Margin on corporate loan portfolio, %	1.33	0.94
Ratio of impairments of receivables to loan and guarantee portfolio, %	0.88	0.12
Operating cost /income ratio, %	35	46
Personnel	607	613

Good profitability and stronger market position represent Pohjola's goals within Banking. The long-term profitability target measured by the operating cost/income ratio stands at less than 40%. Banking has the goal of becoming Finland's leading corporate and investment bank. We aim at market leadership as a bank for large corporate customers and, together with OP-Pohjola Group member banks, as a bank for SMEs. As an arranger of financing in the capital market, we aim at the leading market position in Finland.

Pohjola seeks to occupy the position of the main bank among its customers by providing them with comprehensive solutions fulfilling all of their needs for banking and insurance services. This will require superior customer satisfaction. We aim to make more efficient use of the customer potential we share with OP-Pohjola Group by intensifying the integration of banking and insurance operations.

Early 2010 saw the introduction of a new CRM organisation covering Banking and Non-life Insurance, in which customers are divided into major corporate and institutional customers, and private customers and field corporate customers. Through this new organisation, we aim to understand our customers' needs and business better and seek more customer-focused operations in the provision of comprehensive financial services with a view to ensuring services that best meet customer needs.

Market overview

Pohjola accounts for 19.7% of the market share of corporate loans and the entire OP-Pohjola Group for 28.7% of the market share of corporate and institutional loans. Pohjola ranks second as the main bank used by large Finnish corporations (survey by SFR) and is the only Finnish bank acting as the main market maker in Finnish Government benchmark bonds.

The combined corporate loans of financial institutions in Finland totalled EUR 54.1 billion. Finnish companies have financed their business by issuing bonds and commercial papers worth around EUR 25.6 billion in capital markets and pension insurers have lent EUR 9.1 billion to the corporate sector.

Finnish corporate customers came to appreciate Pohjola's dedicated commitment to corporate funding during the difficult market situation prevailing in 2008-09 when, as a result of the financial crisis, some foreign financial institutions withdrew from the Nordic corporate funding market. This has contributed to Pohjola's stronger position for instance as an arranger of Finnish companies' syndicated loans, involving a remarkable refinancing potential in the years to come.

Market position	Today	Strategic goal
Large corporations	2nd	1st
SMEs*	2nd	1st
Arranger of financing in capital markets	2nd	1st

*Share of the entire OP-Pohjola Group

Banking earnings, € million

	2009	2008
Net interest income	165	158
Impairments of receivables	117	18
Net interest income after impairments of receivables	49	140
Net commissions and fees	85	63
Net trading income	78	-20
Other operating income	30	28
Total income	242	211
Total expenses	125	106
Earnings before tax	117	105

KEY VALUE DRIVERS

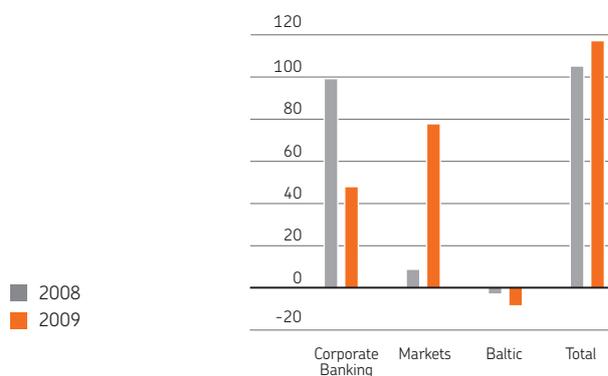
- Growth in the loan and guarantee portfolio
- Quality of the loan and guarantee portfolio, and impairment charges
- Level of margins and commissions/fees
- Trading volumes in Markets
- Cost-efficiency

Year 2009

The economic recession dampened demand for corporate loans and tightened corporate liquidity. During the first half of 2009, companies increasingly fell back on TyEL (under the Employees Pensions Act) premium loans (reborrowing of insurance contributions) and the related guarantees provided by banks. Corporate loan margins rose and diversified by risk but exceptionally low interest rates were reflected in companies' lower financing costs.

During 2009, we were able to exploit our strong capital base, increase the market share of Banking and, consequently, bear responsibility for our customers' financing needs amid troubled market conditions.

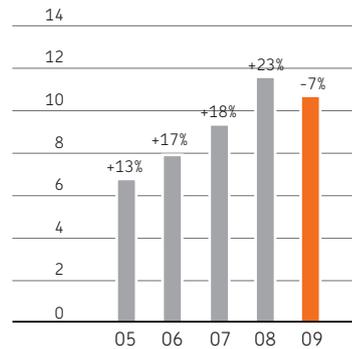
Faced by the challenging market situation, Banking managed to maintain good profit performance. Thanks to growth in the trading volume of bonds and derivatives in capital markets, Markets showed an excellent result. Impairment charges increased considerably from their previous year's level, eroding Corporate Banking earnings, although their amount can be regarded as moderate, considering how rapidly Finland entered into the recession and how deep the recession has been.

Earnings before tax by division, € million

Market share of corporate loans, %



Corporate loan portfolio, € billion



Pohjola is highly knowledgeable about Finnish companies and their needs and boasts quick and consistent decision-making on a local basis. According to corporate image surveys, corporate customers perceive high-quality services, skilled personnel and committed management as Pohjola's strengths. Customers also appreciate the long-term management of customer relationships and operational reliability.

Corporate Banking

Corporate Banking provides financing, payment transfer and cash management services, and financing services for foreign trade. It grants eg loans and guarantees and provides leasing and factoring services.

As a payment transfer and cash management services provider, Pohjola has been successful in attracting new customers, which provides good opportunities to develop this business further. Pohjola has also strengthened its position as a provider of financing for foreign trade. Our strengths lie in our domestic services for Finnish customers and our strong international partner network.

Corporate Banking seeks to play a more important role in the future as its customers' partner in streamlining key processes related to finance and business through a variety of financial and risk management services.

In addition, we aim to provide companies with economic value added by providing innovative products and services in the field out of line with conventional banking, such as analyses of data related to business networks, risk management and the management of capital assets in a versatile way.

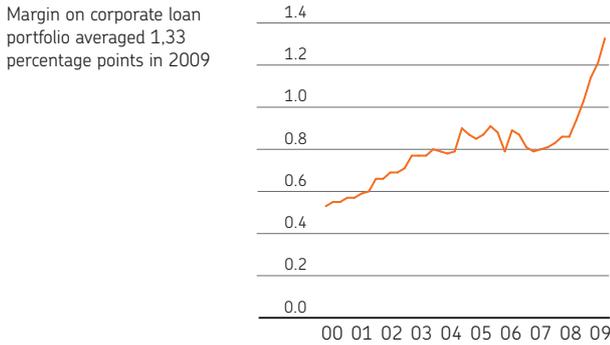
Markets

The Markets division's services range from the arrangement of debt issues, corporate finance services and custody, equity, foreign exchange, money market and derivative products to research and analysis services. We aim to be the leading player in the Finnish capital market while seeking growth in the derivatives business in particular by expanding our product range and utilising various sales channels. The derivatives business forms one of the Group's strategic priorities, given that companies are increasingly utilising derivatives in an effort to hedge against interest rate risks, foreign exchange risks and other price risks.

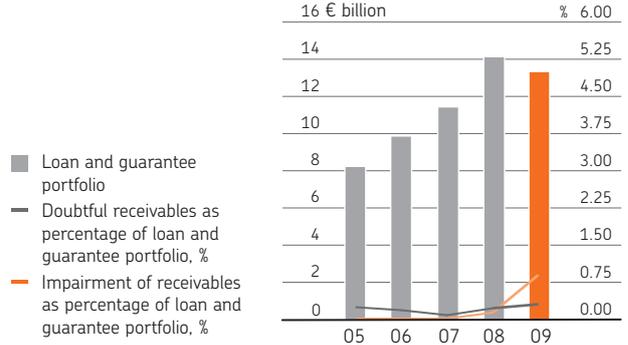
The Single Euro Payments Area, SEPA, involved the introduction of standardised basic payment transfer services for customers in the euro payments area. Pohjola is among the first European banks to offer SEPA credit transfer services to its customers. The period of transition over to SEPA will last until the end of 2010, after which SEPA-related services will replace equivalent national payment transfer services.

☾ Pohjola is the only Finnish bank acting as the main market maker in Finnish Government benchmark bonds.

Average margin on corporate loan portfolio, percentage point



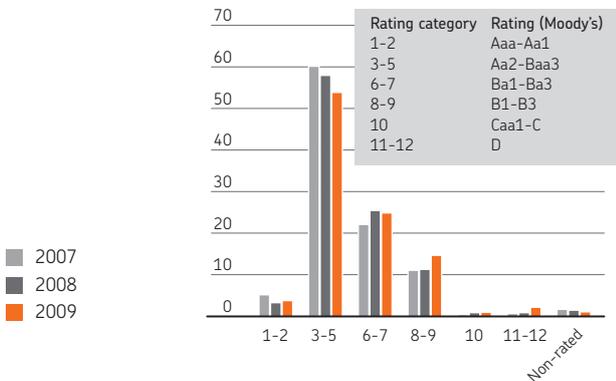
Impairment charges by Banking, %



Pohjola Research boasts Finland's most extensive capital market research service that covers equity, interest rate, foreign exchange, credit risk and commodity analyses. It has a 16-member team of analysts – one of the largest ones in Finland – with its monitoring list including approximately 90 Finnish listed companies.

Pohjola also aims to increase equity brokerage, sales of money market and foreign exchange products while enhancing its position as the arranger of share issues and other issues for Finnish companies and as a financial advisor in mergers and acquisitions. Pohjola Corporate Finance Ltd, a Pohjola Group subsidiary providing services for share issues, equity sales and corporate transactions, acts as a consultant in the field of securities-based financing solutions and various corporate transactions.

Corporate exposure by rating category, %



In 2009, it acted as no. 1 lead manager for Finnish companies' share issues in terms of capital collected from the market. It was also the leading financial advisor in corporate transactions in Finland, according to a Mergermarket report. We make use of our extensive network of partners in international corporate transactions.

Pohjola Bank Securities is a member of NASDAQ OMX Helsinki, NASDAQ OMX Stockholm and Eurex AG. In 2009, we accounted for 4.3% (2.6) of turnover on NASDAQ OMX Helsinki Ltd in euro terms.

“ In 2009, Pohjola Corporate Finance acted as no. 1 lead manager for Finnish companies’ share issues and was the leading financial advisor in corporate transactions in Finland.

International Operations

Pohjola is in charge of OP-Pohjola Group’s international services, such as financing, investment, cash management and payment transfer solutions. We are investing in international service capabilities according to our customer needs, which means that we will partner up with carefully selected, strong local players in markets important to our customers while expanding our operations in the Baltic countries.

The provision of Pohjola’s international services is mainly based on the partnership strategy. We aim to cooperate with foreign banks which have established a firm foothold in their markets, boast the best expertise in local business and banking and have the best opportunities to provide corporate customers in these markets with suitable service solutions. This cooperation ranges from payment transfers to strategic partnerships.

We provide finance-company products in all of the three Baltic countries. Our representative offices in St. Petersburg and Tallinn track the local markets and help to improve the banking services and enhance the service network. Corporate leasing and factoring solutions provided by Pohjola Finance form the core of our

Baltic Banking operations. Baltic Banking has a staff of some 50 employees. Pohjola will continue to invest in the development of its Baltic operations: we will establish a branch in Estonia in 2010.

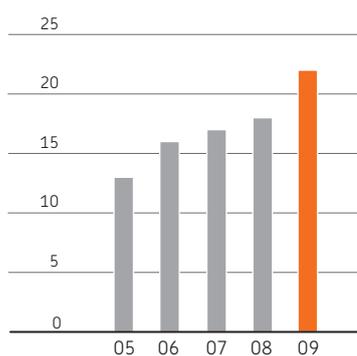
Pohjola is making dedicated efforts to develop its banking services for corporate customers in the fast-growing BRIC markets, i.e. Brazil, Russia, India and China. We have a representative office in Russia and have cooperated with Raiffeisen Bank for many years. Pohjola has entered into partnership with ICICI Bank Limited of India and Bank of China and has agreed with its partner banks on mutual customer referrals, cooperation in trade finance and international payment transfer services provided for Finnish companies which are engaged in foreign trade or plan to operate at local level.

In 2009, Pohjola extended its service offering to cover commodity derivatives markets by entering into partnership with MF Global, a provider of brokerage services, enabling Pohjola’s customers to have access to MF Global’s entire product family. In addition, Pohjola agreed to cooperate with Citibank in international custody and clearing services, with the aim of upgrading its product and service range.

Pohjola is a member of the Unico Banking Group, an association of European cooperative banks. The Unico cooperation focuses on the development of payment transfer and cash management services, and international capital market, financing and leasing services for corporates. All Unico member banks are top institutions in their home countries and the branches of these member banks form an extensive international service network which also serves as a service channel for our corporate and institutional customers.

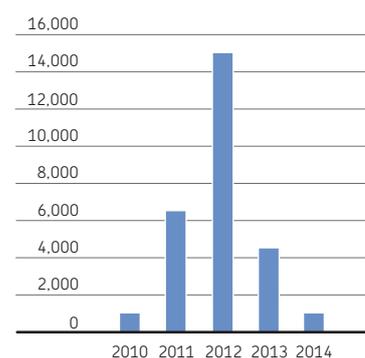
Unico member banks include Crédit Agricole in France, DZ BANK in Germany, Rabobank in the Netherlands, RZB in Austria and ICCREA in Italy.

Bond trading volume, € billion



Estimate of maturing Finnish syndicated loans, total, € million

Source: Pohjola Bank plc, Reuters/LPC



BUSINESS LINES: NON-LIFE INSURANCE

Pohjola is Finland's leading non-life insurer, providing private customers and corporate and institutional customers with a diverse range of comprehensive insurance solutions. Non-life Insurance consists of the following business divisions: Private Customers, Corporate Customers and Baltic States.

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	2009	2008
Earnings before tax, € million	102	55
Operating combined ratio, %	87.7	91.5
Operating expense ratio, %	22.2	21.9
Return on investment at fair value, %	10.7	-7.0
Solvency ratio, %	88	66
Personnel	2,070	2,018

Within Non-life Insurance, Pohjola has set a strategic goal of growing at a rate above the market average, strengthening its market leadership and maintaining good business profitability. The long-term profitability target measured by the operating combined ratio stands at 92%. We will strengthen our market position by making efficient use of OP-Pohjola Group's shared customer base and service network while intensifying the integration of Banking and Non-life Insurance businesses.

Within both the private customer segment and the corporate customer segment, we are acquiring new customers from the clientele of OP-Pohjola Group member banks in particular. We aim at comprehensive, permanent customer relationships through an extensive spectrum of products used by customers. We seek to increase the number of loyal customer households to 450,000 by the end of 2010; if achieved, this will mean a 50% rise in their number since 2005. Currently, 55% of loyal customer households

have also concentrated their banking transactions in OP-Pohjola Group member banks. Within corporate customers, we seek to expand our market position, especially in the SME segment.

Based on insurance products and services related to wellbeing and health, we are building a new growth business around our insurance products offering, utilising OP-Pohjola Group's service offering. In this respect, we specifically focus on new types of solutions related to employee wellbeing, OP-Pohjola Group's combination products and new opportunities for insurance in the public and private sector interface.

Non-life Insurance comprises six companies: Pohjola Insurance Ltd as a non-life insurer in Finland, A-Insurance Ltd focusing on insurance for commercial transport, Eurooppalainen Insurance Company Ltd specialising in travel insurance and the Seesam companies in the Baltic States.

“ A Pohjola loyal customer household has taken out policies from three insurance lines. The year-end number of loyal customer households totalled over 420,000. An OP-Pohjola Group loyal customer is both an OP bonus customer and Pohjola's loyal customer at the same time. The year-end number of such loyal customers totalled over 330,000.

BUSINESS LINES: NON-LIFE INSURANCE

Earnings by Non-life Insurance, € million	2009	2008
Insurance premium revenue	943	923
Claims incurred	-617	-643
Operating expenses	-210	-202
Amortisation adjustment of intangible assets	-28	-30
Balance on technical account	88	49
Net investment income	61	59
Other income and expenses	-46	-53
Earnings before tax	102	55
Earnings before tax at fair value	290	-171

KEY VALUE DRIVERS

- Growth in insurance premium revenue
- Risk selection and pricing
- Promptness, quality and efficiency of claims settlement
- Investment income
- Cost-efficiency

Market overview

Pohjola's strength in the Finnish market lies in OP-Pohjola Group's strong market position and extensive branch network and the extensive range of electronic services. Local presence and high expertise provide exceptionally great potential for the sale of Pohjola's non-life insurance policies.

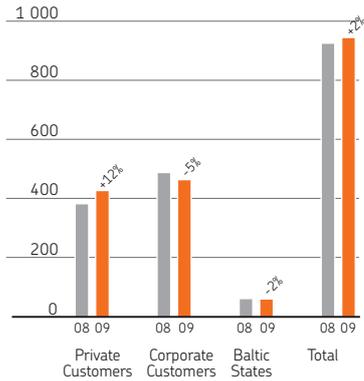
In the Finnish non-life insurance market, the combined premiums written amounted to an estimated EUR 3.3 billion in 2009, around 40% representing statutory policies and the rest voluntary policies. Slightly over half of the voluntary non-life insurance policies have been taken out by households and the rest by companies and institutions. The four largest insurance groups generate roughly 85% of all premiums written.

In comparison with the other Nordic countries, property and life and health risks in particular are insufficiently insured in Finland, which is why we have great growth potential in personal insurance. In the Baltic countries, the insurance market is young and the ratio of premiums written to GDP is still low, especially with respect to policies for private customers.

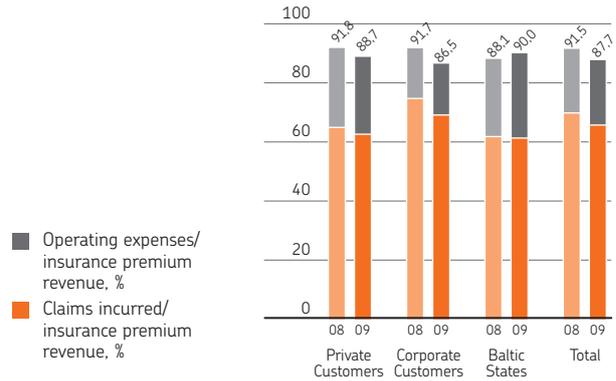
The Finnish non-life insurance market was hit by a major slowdown in 2009 when the recession reduced insurance premium revenue within corporate insurance in particular, as a result of a fall in payroll bills and corporate net sales. Our strategic goal is to become the largest non-life insurer in all of our customer segments in Finland and strengthen our position in the non-life insurance market in the Baltic region.

Market position	Today	Strategic goal
Large corporations	1st	1st
Mid-size companies	1st	1st
Small companies	2nd/3rd	1st
Private customers	2nd/3rd	1st
Baltic countries	6th	3rd

Insurance premium revenue by division, € million



Operating combined ratios, %



Year 2009

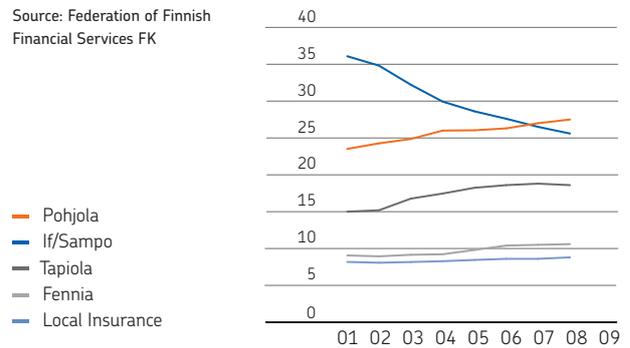
In 2009, Non-life insurance reported an excellent balance on technical account. Growth in insurance premium revenue remained strong among private customers, thanks to efficient policy sales by OP-Pohjola Group member banks. When it comes to corporate customers, both insurance premium revenue and claims incurred decreased as a result of the recession. Non-life Insurance return on investments at fair value developed favourably.

In 2009, our customers used EUR 58 million in OP bonuses to pay their non-life insurance premiums, totalling over 914,000 bills, ja and 25% of these were paid using solely OP bonuses. Bonuses have reduced insurance premiums by an average of EUR 63.

At the beginning of 2010, Pohjola Group adopted a new CRM organisation within which an executive in charge of large and mid-size companies is responsible for both banking and insurance services.

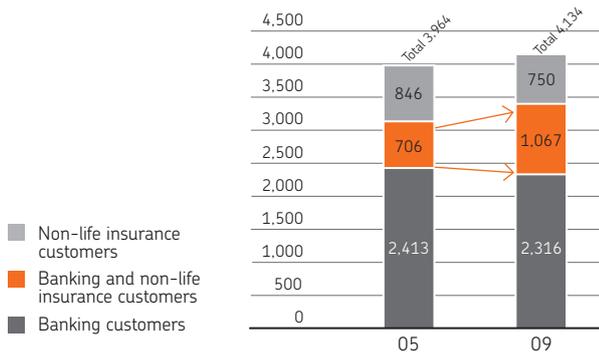
Non-life insurers' market share, %

Source: Federation of Finnish Financial Services FK

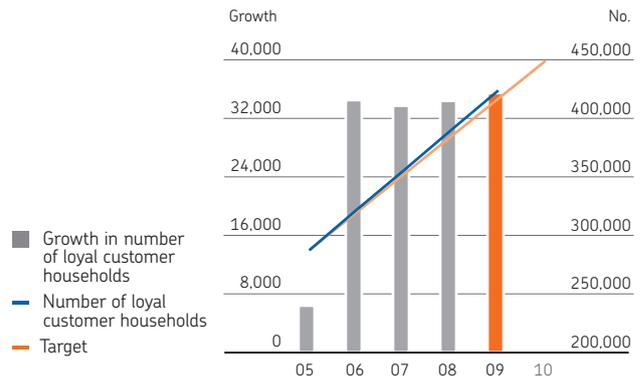


Customers	2009	2008	2007	2006	2005
Total in Finland	1,817,000	1,800,000	1,743,000	1,651,000	1,551,000
- Corporate Customers	1,690,000	1,678,000	1,627,000	1,541,000	1,449,000
- Private Customers	127,000	122,000	116,000	110,000	102,000

OP-Pohjola Group's customer potential, 1,000 customers



No. of loyal customer households



Private Customers

The main policies for private customers include household and motor liability policies and accident, medical expenses and travel policies. We also provide policies under group insurance through, for example, associations.

The key content of our CRM concept for private customers pertains to loyal customer relationships promoting customer retention and the purchase of policies on a one-stop-shop basis. Thanks to OP-Pohjola Group's bonus concept and loyalty benefits for private customers, customers using the full spectrum of OP-Pohjola Group's banking and insurance services can use their OP bonuses earned through banking transactions to pay non-life insurance premiums.

As part of cooperation between OP-Pohjola Group and K-Group, K-Plussa loyal customers also earn K-Plussa points by paying their Pohjola insurance premiums, covering home, family and motor vehicle policies.

Private customers can buy non-life insurance policies and update their insurance cover at more than 300 OP-Pohjola Group member bank branches, and we also have our national telephone service and online service. Our branch network is supplemented with an extensive network of agents.

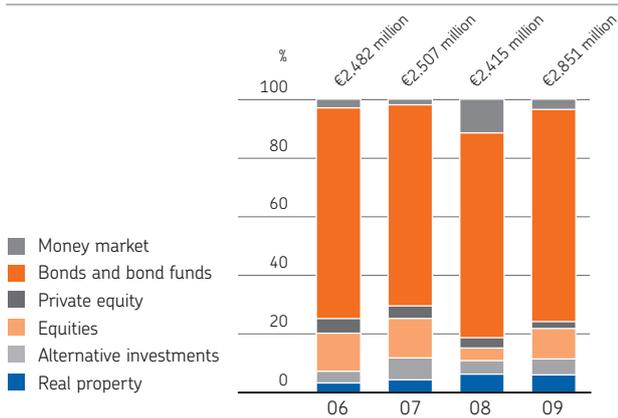
Non-life insurance refers to bearing the customer's risk against insurance premium. Non-life Insurance operating profit consists of the balance on technical account and investment income. The former refers to insurance premium revenue less claims incurred and operating expenses.

The most important profitability indicator is the combined ratio showing the proportion of claims incurred and operating expenses to insurance premium revenue. Non-life Insurance profitability is secured, for example, by risk-based premium rating, proactive loss prevention, reinsurance on the greatest individual risks and efficient claims settlement.

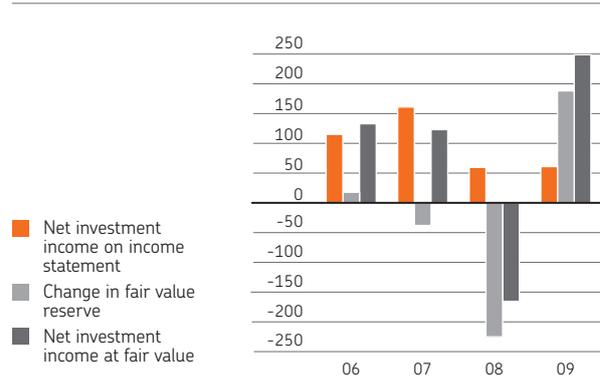
For customers, non-life insurance usually becomes concrete in terms of compensation. Pohjola's competitive edge lies in its extensive, nationwide partner network.

Pohjola invests assets covering technical provisions in a diversified portfolio, securely and profitably.

Investment portfolio allocation



Net investment income and change in fair value reserve, € million



Corporate Customers

Pohjola provides corporate and institutional customers with all statutory and voluntary policies. Our main policies consist of statutory workers' compensation insurance, property and business liability insurance and statutory and voluntary corporate motor vehicle insurance policies. Employee pension insurance policies provided by our partner, Ilmarinen Mutual Pension Insurance Company, supplement OP-Pohjola Group's and Pohjola's range of services for corporate customers.

An extensive range of diverse risk management services, services related to employee pension, proactive loss prevention and safety consultancy services play a key role in our service concept for corporate customers.

Royal & SunAlliance, which is a world leading non-life insurer operating through its network in 135 countries, is Pohjola's partner for overseas insurance services for corporate customers operating in the international market.

In order to mitigate risks, Pohjola reinsures all of the greatest individual risks and the risk accumulation that may arise from catastrophes. For risk diversification purposes, Pohjola has entered into partnership with 35 reinsurers, with Munich Re being the main reinsurer. All of these partners have at least A rating category, affirmed by S&P.

Baltic States

The Pohjola-owned Seesam companies provide their customers with expert services on a local basis and comprehensive insurance coverage in Estonia, Latvia and Lithuania. Seesam also sells its insurance products on an extensive basis through other distribution channels, such as banks, brokers and its agents.

With the ratio of premiums written to GDP still low in the Baltic region, there is definitely a market for a more extensive range of policies offered to customers. However, the current economic situation presents a challenge to growth. In 2009, the non-life insurance market shrank by 11% in Estonia, 30% in Latvia and 26% in Lithuania. Pohjola's market share is 12% in Estonia, 5% in Latvia and 3% in Lithuania.

Claims settlement

The strengths of our claims settlement service lie in its promptness and efficiency. Our extensive partner network enables efficient claims settlement services. Pohjola has entered into partnership with firms representing over 20 industries, such as healthcare services providers, car repair shops, building renovation firms and household appliance retailers, with the aim of ensuring cost-efficient and even-quality claims settlement services and their easy availability.

Claims settlement seeks to further enhance promptness and improve customer satisfaction. In this respect, we will upgrade claims settlement processes and adopt a new claims settlement system. The related planning will begin in 2010 and the resulting, new concept will be phased in from 2011.

BUSINESS LINES: ASSET MANAGEMENT

Pohjola Asset Management is a trusted asset manager and the largest player in Finland. Its 160 asset management experts work as a single team managing assets, worth over EUR 33 billion, of institutions, wealthy private individuals and families, and of OP-Pohjola Group's mutual funds.



	2009	2008
Earnings before tax, € million	21	17
Assets under management, € billion	33.1	25.3
Operating cost/income ratio, %	53	57
Personnel	162	154

The Asset Management business line comprises Pohjola Asset Management Ltd, Pohjola Property Management Ltd, Pohjola Capital Partners Ltd and Pohjola Private Equity Funds Ltd. Good profitability and stronger market position represent Pohjola's goals within Asset Management. The long-term profitability target measured by the operating cost/income ratio stands at less than 50%. We aim to be the leading asset manager for Finnish private and institutional investors.

Pohjola Asset Management has specified competence areas in which it manages its portfolios. For services in the other areas of capital markets, we have entered into partnership with a host of high-profile international investment management firms. Thanks to its strong market position in Finland, Pohjola Asset Management is a desired partner.

Our own portfolio management covers euro-denominated fixed-income investments and European equities (including Eastern European and Russian), and we also make asset allocation decisions ourselves, or choices of how investments are distributed among asset classes. Using our in-house trading team in equity trading provides our clients with price and return benefits.

In addition to conventional fixed-income and equity asset classes, Pohjola Asset Management has its own Hedge Fund, Property and Private Equity teams. These teams have a total of over 60 portfolio managers and analysts, all of them based in Helsinki, and the resulting information flow and intense teamwork form the key basis of our success in investment operations.

Despite the teamwork, portfolio management is based on well-defined responsibilities within the teams and asset management operations are driven by customer needs.

The quality of Pohjola Asset Management's customer service is markedly better than the average of the industry and the main competitors (survey by SFR).

Market overview

For the third year in a row, Pohjola Asset Management was clearly the largest institutional asset manager in Finland in 2009. In markets characterised by tough competition, we increased our market share of not only traditional fixed-income and equity investments but also property and private equity investments within which Asset Management launched new investment products for its clients.

Institutional assets under management totalled EUR 19.2 billion at the year end.

Pohjola Private provides its services for private individuals and families with client portfolios worth over one million euros. Within private banking, the company is a genuine market challenger whose market share in 2009 increased vigorously and assets under management more than tripled to EUR 2.5 billion.

The Private Banking and Wealth Management Survey 2010 by Euromoney rated OP-Pohjola Group's Private Banking services the best in Finland – the first ever number one position. The survey covered both domestic and foreign service providers.

The 2009 survey ranked OP-Pohjola Group as the best domestic private banker and service provider in terms of clients with assets worth more than one million euros.

“ Thanks to its strong market position in Finland, Pohjola Asset Management is a desired partner.

Asset Management earnings, € million	2009	2008
Net commissions and fees	50	46
Other income and expenses	2	0
Total income	52	46
Total expenses	30	29
Earnings before tax	21	17

KEY VALUE DRIVERS

- Assets under management and asset class allocation
- Commissions and fees
- Investment performance
- Cost-efficiency

Year 2009

2009 was characterised by major fluctuations in capital markets. The financial crisis that deepened in the autumn of 2008 gradually eased and capital markets eventually showed excellent returns of almost all asset classes.

Institutional assets under management were up, showing a clearly positive net assets inflow.

In 2009, Pohjola Private continued its vigorous growth and a significant number of new investors became its clients. These new clients, who joined our clientele from our competitors, mainly represented experienced users of asset management services.

The assets of OP Fund Management Company's funds managed by Pohjola Asset management increased strongly as a result of net subscriptions and market value changes, with money market and equity funds showing particularly strong growth. With higher relative returns, around two-thirds of the funds reported higher returns before management fees than their benchmark index.

In 2009, Pohjola Asset Management and OP Fund Management Company signed the UN Principles for Responsible Investment (UN PRI), committing themselves to promoting responsible investment activities in such a way that they will integrate environmental, social and governance (ESG) issues as part of their investment processes.

Institutional clients

Providing its institutional clients with a full range of asset management services, Pohjola Asset Management offers services of discretionary portfolio management, advisory portfolio management and fund selection. In addition, clients receive reporting services and multifarious information on the situation in capital markets.

Although demand for asset management services focuses on conventional investment products, demand for private equity investments, for example, is expected to continue its vigorous growth. Institutional investors are highly interested in opportunities provided by emerging markets. The market turmoil also offered new opportunities to property investors with a long-term horizon.

Pohjola Private

Pohjola Private provides wealthy private individuals and family businesses with asset management, insurance and banking services as well as tax and inheritance planning services. Representing the Finnish forerunner in asset management concepts aiming at absolute returns, Private offers concepts with various return and risk levels, which proved very successful amid the economic crisis. Private seeks returns that are higher than in equity markets in all circumstances by identifying the best investments on a global basis, and its portfolio management has the primary aim of protecting the principal sum invested by clients. It seeks to generate returns through its active allocation policy between asset classes, based on changes in markets. According to its operating model, Private manages investment risks by diversifying portfolios among multiple asset classes.

Service for private and family business clients is always personal in nature, and Finland's largest portfolio management team specialising on an asset class basis is there to support asset managers. Pohjola Private provides wealthy private individuals with diverse expertise and high cost-efficiency and a wide range of investment products typically available only to professional investors.

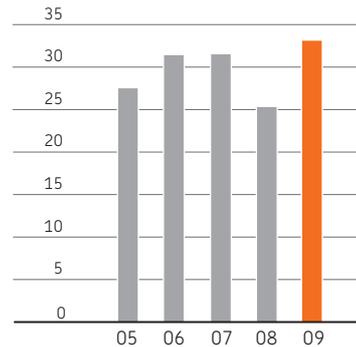
International business

Based on our operating model for international cooperation, we select a well-defined and thoroughly examined group of partners with whom we seek to engage in cooperation deeper than that covering only the choice of funds. Our market leadership and good reputation in Finland provide us with great opportunities to choose the best international partners.

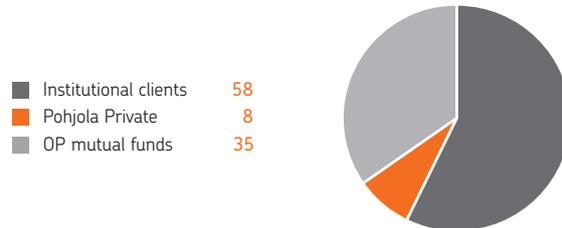
In 2009, we increasingly used international partners in both our own model portfolios and the sale of funds to clients. Our international partners already manage portfolios worth almost EUR 5 billion.

Pohjola Private also serves clients in Europe and Asia. Since 2009, Pohjola Asset Management has also invested in selling asset management services to international clients, and established a specific service organisation for this group of sophisticated clients.

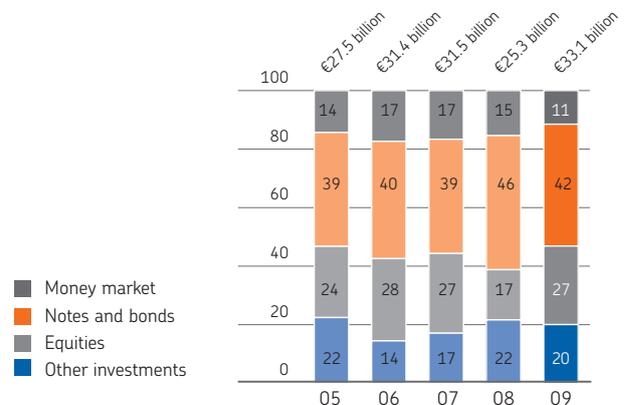
Assets under management, € billion



Assets under management by client, %



Assets under management by asset class, %



GROUP FUNCTIONS

In support of the Group and its businesses, the Group Functions comprises Finance, Risk Management, HR Services and Corporate Communications. It also runs Central Banking and Group Treasury whose main task is to manage Pohjola's and the entire OP-Pohjola Group's liquidity and wholesale funding.

i

	2009	2008
Earnings before tax, € million	25	-58
Liquidity portfolio, € billion	11.7	9.8
Receivables and liabilities from/to OP-Pohjola Group member banks, net position, € billion	1.0	-0.2
Personnel	136	129

The Group Functions is tasked with guiding, supporting and encouraging the business lines in their efforts to achieve Group goals. Proactive risk management, optimum capital management coupled with motivated and skilled employees play a key role in this respect.

Liquidity management is aimed at securing the availability of funding to OP-Pohjola Group in a cost-effective way and in all circumstances using measures based on the contingency funding plan.

The recent financial crisis put financial institutions' liquidity management to the test in which Pohjola and the entire OP-Pohjola Group scored high marks. Thanks to its high credit rating, Pohjola had no difficulty in receiving market funding without state guarantees throughout the crisis period, and its liquidity position remained strong.

On a global scale, the crisis led a number of players to resorting to government aid, which helped to avoid the materialisation of systemic risk. We can expect major changes in financial regulation and supervision, especially with respect to the capital adequacy framework and liquidity management as well as accounting for financial instruments. Analysing these changes and estimating their effects on markets and the Group's business form the Group Functions' key challenges in 2010.

Year 2009

Over the course of 2009, confidence in the financial market improved and risk premiums narrowed to their pre-crisis levels. This, coupled with successful investment through the liquidity portfolio and the reclassification in 2008 of notes and bonds, considerably improved the financial performance of the Group Functions, year on year.

The liquidity position remained strong throughout the year and the liquidity portfolio amounted to EUR 11.7 billion on 31 December, accounting for 33% of Pohjola's consolidated balance sheet and for 15% of OP-Pohjola Group's balance sheet, invested primarily in notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, and in securitised assets.

Pohjola implemented long-term funding by issuing two senior bonds with a maturity of five and three years and each worth EUR 750 million. In addition, OP Mortgage Bank issued a covered bond worth EUR 1.25 billion and with a maturity of five years.

Finance

Finance is in charge of Pohjola Group's business planning and monitoring, the development of Group control methods, the effective allocation of capital to the business lines, and investor relations.

Finance also includes the Non-life Insurance Actuarial Function in charge eg of the grounds for technical provisions and the support of pricing covering various insurance lines.

Central Banking and Group Treasury

Finance also runs Central Banking and Group Treasury responsible for managing Pohjola Group's financing and liquidity and serving as an internal bank in charge of financial risk and interest rate risk management related to the balance sheet.

Transactions between Pohjola and OP-Pohjola Group member banks are based on market terms, transparency and the matching principle. For the purpose of financing central banking services, the Executive Board of OP-Pohjola Group Central Cooperative annually confirms a central banking fee paid by Group member banks and Helsinki OP Bank Plc to Pohjola.

GROUP FUNCTIONS

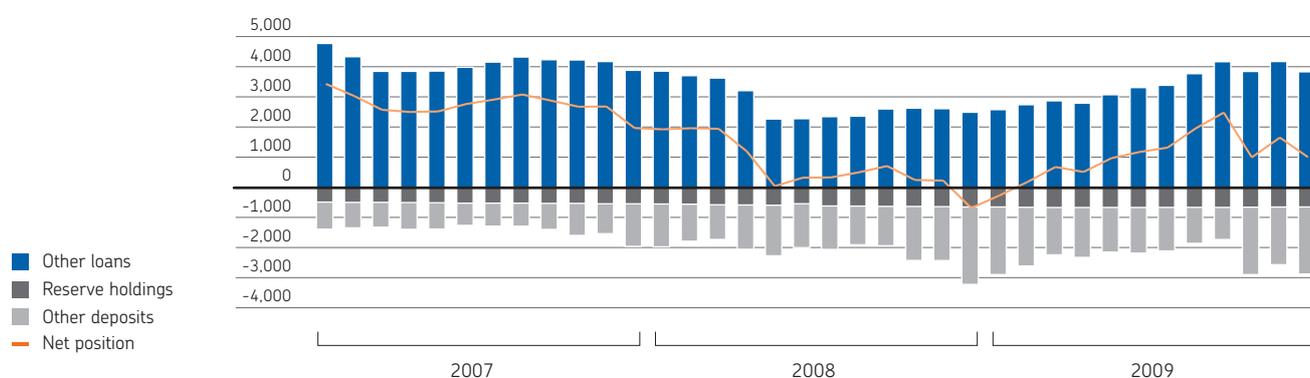
Earnings by Group Functions, € million

	2009	2008
Net interest income	75	25
Impairments of receivables	12	10
Net interest income after impairments of receivables	63	15
Net trading income	-7	-61
Net investment income	-14	6
Other operating income	18	21
Total income	60	-19
Total expenses	36	39
Earnings before tax	25	-58

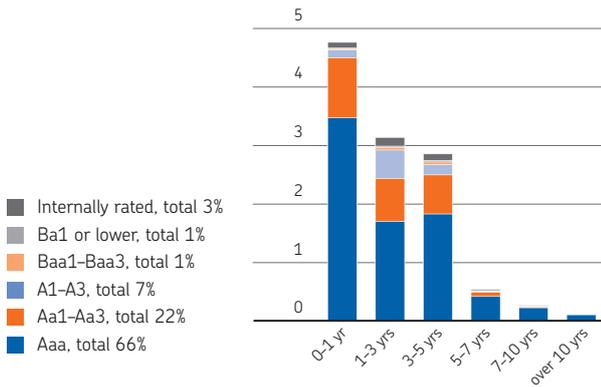
KEY VALUE DRIVERS

- Size of and income from the liquidity portfolio
- Developments in credit spreads
- Loans and deposits between OP-Pohjola Group member banks and Pohjola
- Pohjola's credit rating and funding costs
- Cost-efficiency

Receivables and liabilities between Pohjola and OP-Pohjola Group retail banks, € million



Liquidity portfolio by maturity and rating category
31 Dec. 2009, € billion



Risk Management

Risk Management develops and implements integrated risk management and capital adequacy management within Pohjola Group and is also tasked with identifying, assessing, analysing and monitoring risks and developing risk management methods and indicators.

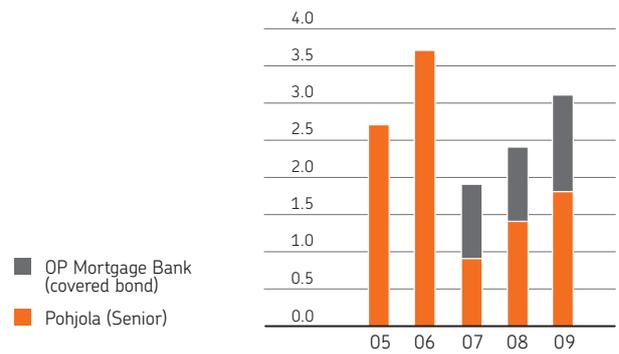
Risk Management is responsible for assisting the Board of Directors and its committees in preparing and developing the Group's capital adequacy management principles and preparing the Group's risk policies. It is also in charge of monitoring and reporting on the implementation of the Group's risk-bearing capacity and risk policies, and preparing and maintaining decision-making powers and instructions pertaining to risk-taking.

Furthermore, Risk Management assists in decision-making and serves as a quality controller, coordinates compliance within Pohjola Group and supports Group business lines in the management of their compliance risks. It also assesses risks associated with the introduction of new products and business models.

HR Services

Enhancing the Group's intellectual capital is one of Pohjola's four strategic initiatives. In cooperation with line managers, HR Services creates opportunities for continuous skill improvements in support of the implementation of business strategies. By capitalising on and enhancing intellectual capital, the Group will ensure the best expertise available to customers in the sector.

Wholesale funding, new issues, € billion



HR Services is tasked with supporting leadership work and workplace development when implementing good HR practices on a Group-wide basis. In an effort to foster a good employer image and motivating organisational climate, its key duties involve further developing employee recognition and incentive schemes, supporting the line organisation in the promotion of employee wellbeing and creating skill improvement opportunities and career paths for employees. Succession planning for key employees and executives and ensuring the availability of potential key employees also number among its key duties.

Corporate Communications

OP-Pohjola Group Central Cooperative's Corporate Communications also answers for and coordinates communications and media relations for Pohjola Group and OP-Pohjola Group as a whole.

Pohjola Group's corporate communications function is tasked with promoting the Group's business by providing all stakeholder groups with true information on the Group's goals, targets and operations. External and internal communications aim to support Pohjola's strategic and business goals and enhance and maintain the Group's strong corporate image while fostering cooperation within the Group. In addition, internal communications contribute to deploying the strategy throughout the Group through communication tools.



*Part of
OP-Pohjola Group*



OP-Pohjola Group and its central bank Pohjola have operated for over a hundred years now. The financial services group's capital adequacy and credit rating are among the strongest in the sector. OP-Pohjola Group has more than four million customers, of whom joint banking and non-life insurance customers total over one million.

POHJOLA – PART OF OP-POHJOLA GROUP

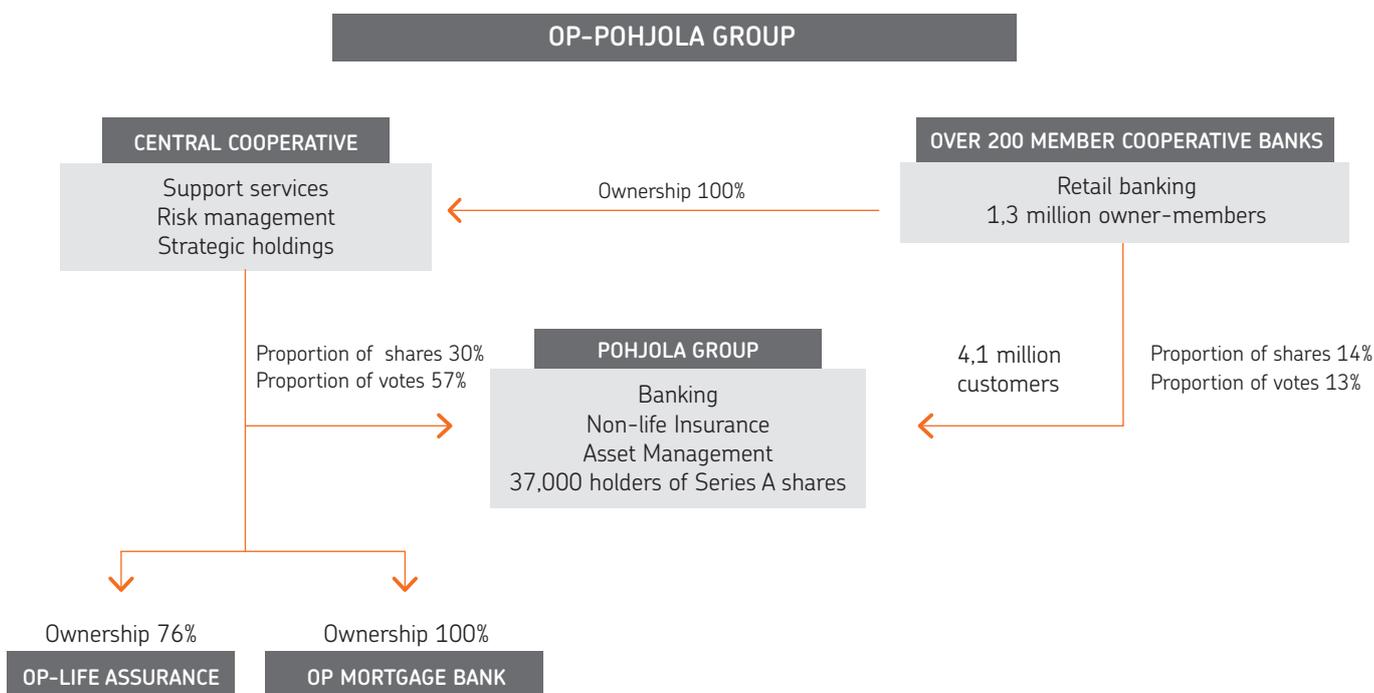
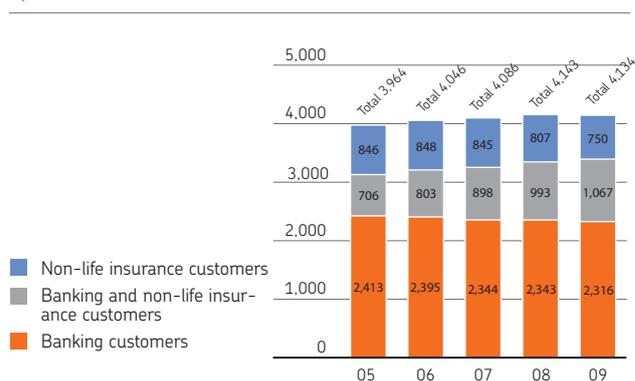
Pohjola is part of OP-Pohjola Group, the leading financial services group in Finland, which leads the market not only in lending, deposits, non-life insurance but also life insurance.

OP-Pohjola Group is made up of 220 member cooperative banks and OP-Pohjola Group Central Cooperative which they own, including its subsidiaries and closely related companies. Pohjola Bank plc is the Central Cooperative's most significant subsidiary acting as OP-Pohjola Group's central bank responsible for liquidity and international operations for the Group.

Being part of OP-Pohjola Group provides Pohjola with competitive advantage. Pohjola's and OP-Pohjola Group's shared logo is among the most recognisable ones in Finland. Operating through the most extensive service network in Finland, Pohjola has remarkable growth and cross-selling potential. OP-Pohjola Group has more than four million customers, of whom joint banking and non-life insurance customers total slightly over one million. With almost 600 branches providing banking and non-life insurance services, the Group boasts the broadest customer base and the most extensive branch network in Finland.

Credit institutions within OP-Pohjola Group are liable for each other's debts and commitments. Being part of OP-Pohjola group strengthens Pohjola's creditworthiness.

OP-Pohjola Group's customers and customer potential, 1,000 customers



Credit institutions within OP-Pohjola Group are liable for each other's debts and commitments. OP-Pohjola Group is monitored on a consolidated basis by FSA.

Key figures and ratios	OP-Pohjola Group 2009	Pohjola 2009	OP-Pohjola Group 2008	Pohjola 2008
Balance sheet total, € million	80,430	35,510	75,746	32,448
Receivables from customers, € million	52,992	11,323	51,708	12,279
Deposits, € million	34,617	4,133	34,533	3,508
Equity capital, € million	6,187	2,267	5,215	1,640
Tier 1 ratio, %	12.6	11.8	12.6	9.4
Non-performing receivables, € million	223	44	203	35
Non-performing and zero-interest bearing receivables of loans and guarantees, %	0.4	0.32	0.4	0.25
Loan and guarantee portfolio, € billion	55.6	13.3	53.9	14.1
Impairments of receivables, € million	179	129	58	28
Impairments of receivables / loan and guarantee portfolio, %*	0.32	0.94	0.11	0.20
Average personnel	12,504	2,966	12,752	3,085

* OP-Pohjola Group shows this figure as an annualised one. The figure presented in the table is the actual figure reported for the year.

Income statement, € million	OP-Pohjola Group 2009	Pohjola 2009	OP-Pohjola Group 2008	Pohjola 2008
Net interest income	1,070	241	1,189	174
Impairments of receivables	179	129	58	28
Net interest income after impairments	891	112	1,131	146
Net income from Non-life Insurance	396	402	345	353
Net income from Life Insurance (OP-Pohjola)	-120	-	-139	-
Net commissions and fees	496	143	433	122
Other income	208	108	-5	-33
Total income	1,872	766	1,764	589
Personnel costs	622	190	598	178
Other expenses	625	311	640	292
Total expenses	1,248	501	1,238	470
Returns to owner-members and OP bonus customers (OP-Pohjola Group)	160	-	154	-
Earnings before tax	464	265	372	119
Change in fair value reserve	677	243	-737	-252
Earnings/loss before tax at fair value	1,140	508	-365	-133

OP-Pohjola Group's deposit and loan market share, %

Source: Bank of Finland and OP-Pohjola Group Central Cooperative



CORPORATE GOVERNANCE STATEMENT

This section is a summary of Pohjola Bank plc's Corporate Governance Statement which can be found at www.pohjola.fi > English > Investor Relations > Corporate Governance

Applicable regulations and exceptions

In its operations, Pohjola complies with Finnish legislation, and rules and regulations. In addition to the Finnish Limited Liability Companies Act, Pohjola complies with regulations governing public limited companies, financial services companies and insurance companies, its Articles of Association and the guidelines issued by OP-Pohjola Group Central Cooperative. In its international operations, Pohjola also complies with local legislation when applicable.

Pohjola also complies with the Finnish Corporate Governance Code, approved by the Securities Market Association in October 2008, and the Insider Guidelines issued by NASDAQ OMX Helsinki. However, Pohjola's corporate governance and control system deviates from the following Code recommendations for reasons attributable to the Group structure (i.e. the company is OP-Pohjola Group Central Cooperative's subsidiary) and intense cooperation between the Company and OP-Pohjola Group's other entities:

- Recommendations 8 and 10: election and term of Board members (the General Meeting of Shareholders does not elect persons acting as the Board of Directors' Chairman and Vice Chairman, see Election of the Board of Directors)
- Recommendation 14: independence of Board members (the majority of Board members are not independent of the Company)
- Recommendation 26: independence of members of the Audit Committee (not all of the Audit Committee members are independent of the Company) and
- Recommendation 32: independence of members of the Remuneration Committee (the majority of Remuneration Committee members are not independent of the Company).

General Meeting of Shareholders

The Annual General Meeting (AGM) must be held within six months of the termination of the financial year. The AGM shall discuss matters assigned to it in accordance with the Articles of Association and any other proposals submitted to it.

The most significant items on the AGM's agenda include:

- deciding on the number of members of the Board of Directors, electing Board members and deciding on their emoluments
- electing the auditor or auditors and deciding on their remuneration
- adopting the financial statements
- deciding on profit distribution
- altering the Articles of Association and
- deciding on a share issue or authorising the Board of Directors to launch a share issue.

Notice of a General Meeting will be published in at least two newspapers, determined by the Board of Directors, no earlier than two months and no later than three weeks prior to the Meeting. The notice lists items on the Meeting's agenda and the criteria specifying a shareholder's right to attend the Meeting himself or by proxy. The notice of the General Meeting and the Board of Directors' proposals to the Meeting will be published as a stock exchange release. In addition, the notice, proposals by the Board of Directors or a shareholder and documents (such as the financial statements, the Report by the Board of Directors and the Auditors' Report) presented at the Meeting will be available to shareholders on the Company's website for at least three weeks before the Meeting.

General Meetings are open to all shareholders registered in the Company's Shareholder Register, maintained by Euroclear Finland Ltd, eight weekdays prior to the Meeting. In addition, holders of nominee-registered shares may be reported for temporary entry into the Shareholder Register for the purpose of attending the Meeting if, on the basis of the shares held, they have the right to be entered into the Shareholder Register on the record date for the Meeting.

A shareholder has the right to have a matter within the remit of a General Meeting, under the Finnish Limited Liability Companies Act, to be discussed by the General Meeting if he requests this in writing from the Board of Directors well in advance so that said matter can be incorporated into the notice of the Meeting. A request pertaining to said matter may be sent to the Company's Investor Relations by email to ir@pohjola.fi.

A shareholder may attend the Meeting in person or appoint a proxy to represent him at the Meeting. Minutes of the General Meeting shall be drawn up, which will be available for shareholders' inspection on the Company's website no later than two weeks of the Meeting. In addition, the Company shall publish decisions by the General Meeting in a stock exchange release without undue delay.

Board of Directors and its committees

Election of the Board of Directors

According to the Articles of Association, Pohjola's Board of Directors comprises a minimum of five and a maximum of eight members, elected, except for the Chairman and Vice Chairman, by the Annual General Meeting for a term of office expiring upon the closing of the Annual General Meeting following their election. In accordance with the Act on Cooperative Banks and Other Cooperative Credit Institutions, the Chairman of the Central Cooperative's Executive Board chairs the Board of Directors. According to the Articles of Association, the Vice Chairman of the Central Cooperative's Executive Board serves as the Vice Chairman of the Board of Directors. According to an agreement between the Central Cooperative,



Suomi Mutual and Ilmarinen on the preconditions stated in the agreement, one of the members of the Board of Directors must primarily be a person named by Suomi Mutual and secondarily a person named by Ilmarinen.

Pohjola does not have a nomination committee within its Board of Directors as referred to in the Corporate Governance Code. The parent institution, OP-Pohjola Group Central Cooperative, prepares proposals for the election of Board members submitted to the General Meeting. Pohjola publishes these proposals as part of the Notice of the General Meeting and in a stock exchange release.

Board committees

The Board of Directors has set up an Audit Committee, a Remuneration Committee and a Risk Management Committee for the purpose of preparing tasks within its remit. The Board elects chairmen, vice chairmen and other members to the committees from among its members and confirms the committees' rules of procedure specifying the committees' key tasks and principles.

The committees have no independent power of decision but the Board of Directors makes decisions based on preparations made by the committees. The committees shall provide regular reports on their activities to the Board of Directors.

Audit Committee

The Audit Committee had six meetings in 2009, with the average attendance rate of members standing at 94%.

The Audit Committee is tasked with assisting the Board of Directors in ensuring that the Company and its consolidated group have a sufficient and effective internal control system covering all operations and that the supervision of accounting and financial management is duly organised.

Remuneration Committee

The Remuneration Committee had seven meetings in 2009, with the average attendance rate of members standing at 100%.

The Remuneration Committee is tasked with preparing proposals submitted to the Board of Directors for the appointment of the President and CEO and his deputy and other members of the Group Executive Committee, as well as their pay, any bonuses and other terms and conditions of their executive contract.

Risk Management Committee

The Risk Management Committee had six meetings in 2009, with the average attendance rate of members standing at 89%.

The Risk Management Committee is tasked with assisting the Board of Directors in ensuring that the Company and its consolidated group have adequate capital adequacy management and risk management systems covering all operations.

Board work

In 2009, the Board of Directors convened 20 times, with the average attendance rate of members standing at 96%.

The Board of Directors prepares an annual action plan. The Board of Directors and its committees appraise their performance and working methods once a year.

The President and CEO shall bear primary responsibility for preparing issues to be discussed at Board meetings. Board decisions are based on a majority vote and in case of a tie, the Chairman has the casting vote.

CORPORATE GOVERNANCE STATEMENT

Assessment of Board member independence

On 27 March 2009, the Board of Directors assessed the independence of its members in accordance with the Corporate Governance Code. As concluded by the Board of Directors, Jukka Hienonen, Satu Lähteenmäki and Tom von Weymarn are non-executive members independent of the Company and its major shareholders.

Since Reijo Karhinen and Tony Vepsäläinen are members of the Executive Board of OP-Pohjola Group Central Cooperative, the parent company, they are executive members dependent on the Company and its major shareholders.

Furthermore, the Board of Directors concluded that Merja Auvinen and Simo Kauppi were executive members dependent on the Company. While the former is the Managing Director of Savonlinnan Osuuspankki, the latter act as the Managing Director of Länsi-Suomen Osuuspankki. Both Savonlinnan Osuuspankki and Länsi-Suomen Osuuspankki have a significant customer relationship and partnership with Pohjola.

Markku Vesterinen is the President and CEO of Suomi Mutual, a major shareholder of Pohjola, and is therefore dependent on the Company's major shareholders.

President and CEO, and Group Executive Committee

Pohjola has a President and CEO in charge of the Company's daily management in accordance with the instructions and orders issued by the Board of Directors, while ensuring that accounting practices comply with the law and that financial management is organised in a reliable manner.

The President and CEO's duties include the management and supervision of the Group's business, the preparation of matters to be discussed by the Board of Directors and the execution of Board decisions.

Board duties

The Board of Directors is responsible for the Company's administration and appropriate organisation of operations and for the duly organisation of the supervision of accounting and financial management. It deals with far-reaching and important matters in principle from the perspective of the Company's and its consolidated group's operations.

The Board of Directors has confirmed a written charter defining the duties and meeting procedures applying to the Board of Directors.

In this respect, the Board of Directors shall

- decide on Group strategy and confirm business strategies.
- confirm values to be adhered to with regard to the operations of the Company and its consolidated group.
- approve an annual business plan and investment plan and supervise their implementation.
- decide on the core organisational structure and management system for the Group and its functions.
- discuss and approve the consolidated financial statements and interim reports.
- determine the Company's dividend policy and present a proposal to the General Meeting for the amount of dividends payable.
- appoint the Company's President and CEO and his deputy and decide on their remuneration, benefits and other terms and conditions of their executive contract.
- decide on the appointment of members to the Group Executive Committee and their remuneration, benefits and other terms and conditions of their employment or executive contract.
- confirm the principles and procedures for ensuring the fitness, propriety and professional skills of the Company's and its consolidated group's management.

- decide on the basic principles governing the Company's and its consolidated group's management incentive schemes and employee incentive schemes.
- decide on strategically or financially significant individual investments and any corporate acquisitions, divestments and transactions.
- annually confirm the Group's capital adequacy management principles, risk policies, funding plan, investment plan and significant operating principles governing risk management.
- assess and supervise the appropriateness, extent and reliability of the Group's capital adequacy management.
- decide on principles for ensuring that the Company and its consolidated group operate in compliance with external regulations and internal instructions.
- decide on reporting procedures which it uses to monitor the Group's and subsidiaries' business, risk-bearing capacity and risk status.
- decide on principles aimed at ensuring open communication and an internal information flow.
- confirm the description of internal control and supervise the performance and adequacy of internal control within the Company and its consolidated group.
- confirm the principles of internal audit and an audit plan; and
- be responsible for any other duties of the Board of Directors as prescribed in the Limited Liability Companies Act or otherwise.

The Board of Directors may set up committees or other permanent or temporary bodies to perform tasks it has assigned. The Board of Directors shall confirm decision-making powers for bodies it has set up and elect their members. Such permanent decision-making bodies comprise the Risk Management Executives, the Senior Credit Committee, the Balance Sheet Management Executives and the Underwriting Executives.

He also chairs Pohjola Group's Executive Committee and the Boards of Directors of major Group companies.

The Board of Directors appoints the President and CEO and decides on the terms and conditions of his executive contract. Approved by the Board of Directors, a written CEO employment contract stipulates these terms and conditions.

With respect to the Company's operational management, the President and CEO is assisted by the Group Executive Committee, which is an advisory body set up by the Board of Directors. The Executive Committee has neither authority nor any independent decision-making rights based on laws or the Articles of Association. Decisions on matters discussed by the Executive Committee shall be taken by the President and CEO or an Executive Committee member responsible for the matter in question, unless the decision on the matter belongs within the remit of the Company's or a Group company's Board of Directors. The "Executive Committee" section in this Annual Review presents the members of the Executive Committee.

Compensation

Board emoluments and other benefits

The AGM decides on Pohjola Bank plc's Board emoluments and other financial benefits, the related proposals being prepared by the parent institution, the Central Cooperative. These proposals are included in the Notice of the Annual General Meeting and/or published in a stock exchange release.

Board emoluments in 2009

Based on the decision made by the AGM on 27 March 2009, the monthly Board emoluments between 27 March 2009 and 27 March 2010 were as follows:

Chairman	EUR 7,000
Vice Chairman	EUR 5,000
Other members	EUR 4,000

In addition, all Board members received an attendance allowance of EUR 500 for each meeting, in accordance with the AGM's decision (involving both Board meetings and its committees' meetings).

Emoluments paid to Board members, €

Board of Directors 31 Dec. 2009	2009	2008
Reijo Karhinen, Chairman	97,000	93,900
Tony Vepsäläinen, Vice Chairman	75,500	78,300
Merja Auvinen, member	60,000	59,400
Jukka Hienonen, member	43,364	
Simo Kauppi, member	59,000	59,000
Satu Lähteenmäki, member	59,500	60,400
Markku Vesterinen, member	60,500	44,500
Tom von Weymarn, member	60,500	60,000
Board member until 27 March 2009		
Eino Halonen, member	15,636	57,000

Principles governing compensation paid to the President and CEO and other management

Compensation payable to the President and CEO and the Group's other Executive Committee members consists of the following three components:

- 1) Basic pay (salary and fringe benefits, based on the job grade and skills);
- 2) Short-term incentives (performance-based and specific bonuses, based on the achievement of targets under the annual plan); and
- 3) Long-term incentives (management incentive scheme, based on the achievement of strategic goals separately determined).

President and CEO's salary and other benefits

The President and CEO's allowed and required retirement age is 63 years. His pension benefits are determined in accordance with pension legislation and OP-Pohjola Group's own pension plans. His period of notice is six months and the severance pay equals a 12-month salary in addition to compensation for loss of office.

Compensation paid to the President and CEO, and the Executive Committee in 2009, €

	Salary	Performance-based bonus	Fringe benefits	Total
President and CEO	550,131	80,546	21,993	652,670
Other Executive Committee members	1,272,965	99,255	80,110	1,452,330
Total	1,823,096	179,801	102,103	2,105,000

The Board of Directors is responsible for deciding on compensation paid to the President and CEO and other members of the Group's Executive Committee. The President and CEO and the Executive Committee members are not covered by any supplementary pension scheme.

The Board of Directors decides annually on the Executive Committee members' short-term incentive scheme, based on targets deriving from the annual plan and the results achieved.

The Board of Directors has confirmed the long-term management incentive scheme for 2008-10. Those covered by the scheme are entitled to annual bonuses in the form of a certain number of Pohjola Bank plc shares, if the Company achieves its strategic goals set for the year in question.

CORPORATE GOVERNANCE STATEMENT

Internal control

Internal control is aimed at ensuring that the Group will achieve its key objectives, and the assessment of whether these objectives have been achieved is largely based on reports provided by line operations. Business lines, divisions and units must perform internal control on an ongoing basis, forming part of their daily routines with the aim of ensuring that their operations are in line with the objectives. They bear significant responsibility for ensuring that the reported information is accurate and sufficient.

The Compliance, Risk Monitoring and Business Control functions operating within the Group Functions and independent of the business lines assist Pohjola Bank plc's President and CEO, senior and executive management and other functions in ensuring the effectiveness of internal control within each business. Internal Audit assists Pohjola Bank plc's Board of Directors, President and CEO and the Group Executive Committee in ensuring internal control effectiveness. Moreover, external auditors in particular ensure that financial information is correct in this respect. The Board of Directors has assigned much of the duties ensuring internal control to its committees which have assumed the role of preparation while the Board of Directors makes actual decisions.

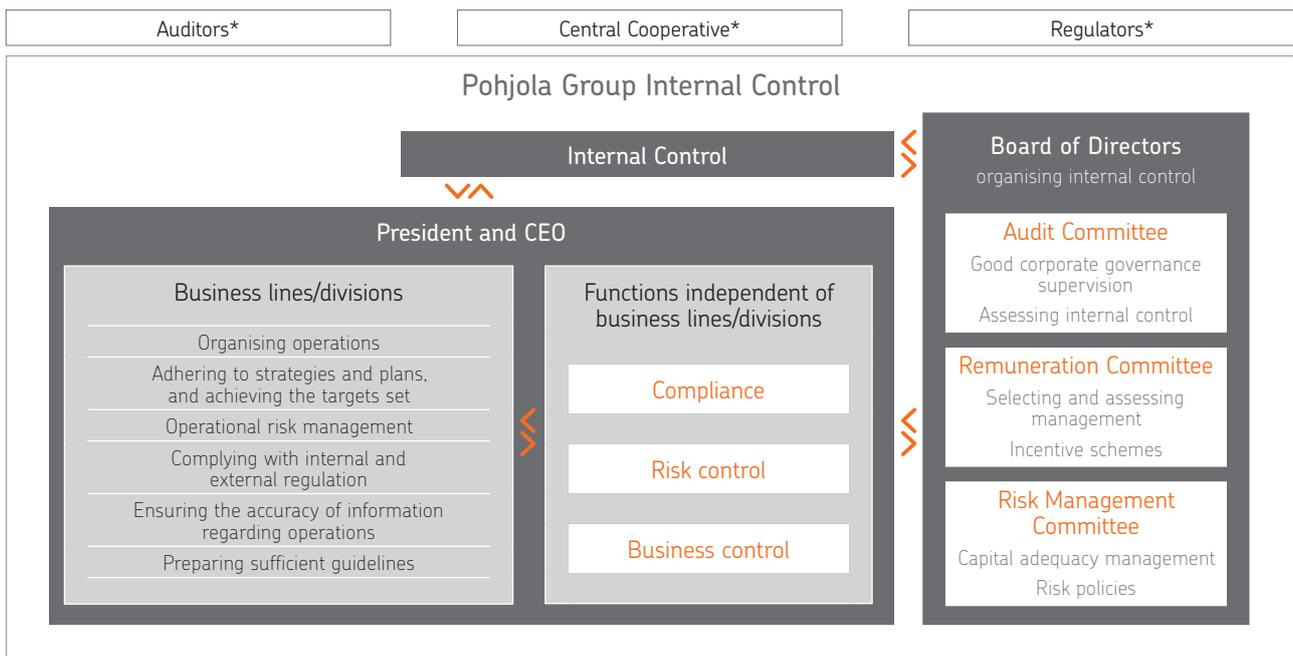
The Board of Directors of each Group company is in charge of duties ensuring internal control within the company. Internal Audit also covers Group companies and supports their Board of Directors in ensuring effective internal control.

The Board of Directors' role

As part of the organisation of Group internal control and risk management, the Board of Directors shall regularly monitor the Company's and its consolidated group's financial performance and risks associated with operations and decide on reporting, procedures and qualitative and quantitative indicators aimed at gauging efficiency and performance. The Board confirms, specifically and as part of the Group's business plan, the desired annual risk appetite included in the capital adequacy management principles and major risk management principles, as well as risk policies and indicators by risk type. The Board also annually deals with an investment plan. It is also tasked with securing liquidity and funding required for the Group's and OP-Pohjola Group's operations.

Group companies' Boards of Directors are responsible for the top management tasks of the company in question related to internal control. Each Group company's executive management is responsible for the implementation of internal control and risk management according to the agreed principles and guidelines, and reports regularly on the company's business, risk-bearing capacity and risk status, in accordance with the Group's management system.

Framework for Pohjola Group's internal control



* In the development of its internal control, Pohjola also takes account of changes in external control and observations made by external regulators regarding internal control

Risk management

Pohjola must identify and assess regularly internal and external risks exposed by the Company and its consolidated group that may have a detrimental effect on the achievement of its business goals. It shall mitigate risks and supervise limits. Pohjola applies assessment and management methods for quantitative and qualitative risks.

The Company has a risk management function independent of other business, tasked with supervising, measuring and reporting on risks, and maintaining, developing and preparing capital adequacy management and risk management principles submitted for the Board's approval and preparing methods for risk assessment and measurement. As part of Risk Management, the Compliance unit is responsible for assisting the senior and executive management of the Company and its consolidated group and other functions in non-compliance related risk management.

Internal Audit

The Internal Audit function is tasked with assisting the Board of Directors and other management in controlling, supervising and assuring operations by carrying out operational audits. It shall assess the performance level, efficiency, the sufficiency of internal control and supervision, the appropriateness of risk management, as well as compliance with laws, official regulations and internal instructions. The Board of Directors has confirmed guidelines for the organisation and operating principles governing Internal Audit.

External control

Audit

The Articles of Association stipulate that the General Meeting of Shareholders shall elect a minimum of one and a maximum of three auditors and one deputy auditor, if none of the auditors is a firm of authorised public accountants as referred to in the Auditing

Act, for the purpose of examining the Company's accounting, financial statements and corporate governance. The auditor and deputy auditor must be an authorised public accountant (APA) or a firm of authorised public accountants as referred to in the Auditing Act. The auditors' term of office begins on the date of their election and terminates upon the closing of the Annual General Meeting following their election.

In 2009, KPMG Oy Ab, a firm of authorised public accountants, and Sixten Nyman, APA, acted as the Company's auditors, with Mr Nyman acting as the chief auditor appointed by KPMG Oy Ab. KPMG Oy Ab or auditors in its employ acted as auditors of the Group's subsidiaries.

In 2009, auditors' remuneration totalled EUR 516,000, involving the statutory audit of Group companies and contractual extended audits in 2009. Fees for non-audit services paid to KPMG Oy Ab in 2009 totalled EUR 780,000.

Insider management

The Board of Directors has confirmed Insider Guidelines and Guidelines on Insider Trading, containing instructions regarding public and company-specific Insider Registers, as well as regulations on the organisation and procedures of insider management. The content of these instructions conforms to the recommendation for listed companies' insider guidelines issued by NASDAQ OMX Helsinki.

Disclosure Policy

The Disclosure Policy approved by the Board of Directors describes the key principles used by Pohjola as a public limited company in its communication with capital market participants and other interested parties (www.pohjola.fi > English > Investor Relations > Corporate Governance).

BOARD OF DIRECTORS

1 January 2010



Chairman

Reijo Karhinen, b. 1955

Executive Chairman, OP-Pohjola Group, vuorineuvos (Finnish honorary title)



Vice Chairman

Tony Vepsäläinen, b. 1959

President, OP-Pohjola Group Central Cooperative



Merja Auvinen, b. 1960

Managing Director, Savonlinnan Osuuspankki



Jukka Hienonen, b. 1961

President and CEO of Finnair Corporation from 2006 until 31 Jan. 2010; President and CEO of SRV from 1 Aug. 2010

Place of residence	Helsinki	Helsinki	Savonlinna	Helsinki
	Board member since 1994	Board member since 2007	Board member since 2006	Board member since 2009
	Chairman of the Remuneration Committee	Chairman of the Risk Management Committee Vice Chairman of the Remuneration Committee	Member of the Audit Committee	Member of the Audit Committee
Education	M.Sc. (Econ. & Bus. Adm.).	LL.M., eMBA	M.Sc. (Econ. & Bus. Adm.), eMBA	M.Sc. (Econ. & Bus. Adm.)
Relevant previous experience	President 1997–2006, Executive Vice President 1994–96, OKOBANK Group Central Cooperative; Managing Director 1990–94, Kuopion Osuuspankki; Managing Director 1988–90, Savonlinnan Osuuspankki; Managing Director 1985–88, Varkauden Osuuspankki; Assistant Director 1979–84, Juvan Osuuspankki	Managing Director 1998–2006, Tampereen Seudun Osuuspankki; Deputy Managing Director 1996–98, Turun Seudun Osuuspankki; Bank Manager 1993–96, Kuopion Osuuspankki; Deputy to Area Manager 1992–93, Suomen Säästöpankki SSP Oy; managerial duties 1985–92, Pohjois-Savon Säästöpankki	Managing Director, in addition to her regular duties, 1992–93, Pohjois-Savon OP-Kiinteistökeskus Oy; Bank Manager 1992–2001, Kuopion Osuuspankki; Marketing Director 1989–92, Savonlinnan Osuuspankki; Bank Manager 1989, Marketing Manager 1987–89, Nilsin Osuuspankki	Executive Vice President 2003–05, Director of Department Store Division 2001–05 and Director of Foreign Operations 1995–2000, Stockmann Plc
Other relevant positions	Federation of Finnish Financial Services: Chairman of the Board of Directors and representative for the European Banking Federation; Confederation of Finnish Industries EK: Vice Chairman of the Board of Directors; Ilmarinen Mutual Pension Insurance Company: Member of the Board of Directors; Central Chamber of Commerce: Member of the Board of Directors; Luottokunta: Member of the Supervisory Board; OP-Pohjola Group Central Cooperative: Chairman of the Executive Board; Unico Banking Group: Member of the Steering Committee; Finnish Housing Fair Co-operative Organisation: Chairman of the Supervisory Board	Luottokunta: Chairman of the Board of Directors; OP-Pohjola Group Central Cooperative: Vice Chairman of the Executive Board; Finnish Cultural Foundation: Member of the Board of Trustees	Etelä-Savo Chamber of Commerce: Vice Chairman of the Board of Directors	SRV Group Plc: Member of the Board of Directors; Helsinki Region Chamber of Commerce: Member of the Delegation
Holdings in Pohjola shares	No. of Series A shares: 24,873 on 1 Jan. 2009 and 43,189 on 31 Dec. 2009	No. of Series A shares: 409 on 1 Jan. 2009 and 1,767 on 31 Dec. 2009	No. of Series A shares: 302 on 1 Jan. 2009 and 866 on 31 Dec. 2009	No. of Series A shares: 10,000 on 1 April 2009 and 15,712 on 31 Dec. 2009

Information on Board emoluments and other benefits can be found in "Corporate Governance Statement".



Simo Kauppi , b. 1954	Satu Lähteenmäki , b. 1956	Markku Vesterinen , b. 1951	Tom von Weymarn , b. 1944
Managing Director, Länsi-Suomen Osuuspankki	Director from 1 Jan. 2010 until 31 July 2012, Turku School of Economics (leave of absence: Professor at the Turku School of Economics)	President and CEO, Suomi Mutual Life Assurance Company	Retired since 2004
Pori	Turku	Helsinki	Helsinki
Board member since 2007	Board member since 2006	Board member since 2008	Board member since 2006
Vice Chairman of the Risk Management Committee	Member of the Remuneration Committee	Member of the Audit Committee, Member of the Risk Management Committee	Chairman of the Audit Committee
M.Sc. (Econ. & Bus. Adm.), eMBA	D.Sc. (Econ. & Bus. Adm.)	Lic.Phil.	M.Sc. (Eng.)
Deputy Managing Director from 2006 until 30 April 2009, Länsi-Suomen Osuuspankki; Managing Director 1996–2006, Rauman Seudun Osuuspankki	Professor of Management and Organisation since 1999, Assistant Professor 1997–98 and various teaching and research positions 1985–96, Turku School of Economics; Career and Outplacement Consultant 1996, MPS/DBM Scandinavia; visiting professor since 2004, Johannes Kepler University, Linz, Austria	Senior Executive Vice President 2001–07, Suomi Mutual Life Assurance Company; Director General 1999–2001, Insurance Supervisory Authority; Managing Director 1998–99, Fennia Life Insurance Company Ltd; Director, Deputy to Managing Director 1995–98, Federation of Finnish Insurance Companies; Chief Actuary 1987–95, Suomi Mutual Life Assurance Company; Chief Actuary 1986–87, Nova Life Insurance Company; Managing Director 1983–86, Kansa Pension Insurance Company Ltd	President and CEO 1997–2004, Oy Rettig Ab; Executive Vice President 1991–97, Cultor Plc; Director 1983–91, the last two years of this period as President and CEO, Oy Karl Fazer Ab; Managing Director 1981–83, Telko Oy; Executive Vice President 1975–81, Oy Huber Ab
Satakunnan Osuuspankkiliitto: Vice Chairman of the Board of Directors; Satakunta Chamber of Commerce: Vice Chairman of the Board of Directors; Länsi-Suomen Diakonialaitoksen säätiö: Chairman of the Board of Directors	Raisio plc: Member of the Board of Directors; Raisio plc's Research Foundation: Member of the Board of Directors; Turku School of Economics: Vice Chairman of the Board of Directors and Chairman of the Council for Academic Research and Education; Turku School of Economics Support Foundation: Member of the Board; Member of the Scientific Advisory Council for Public Administration and Management set up by the Ministry of Finance	Ilmarinen Mutual Pension Insurance Company: Member of the Board of Directors; Finsilva Oyj: Member of the Board of Directors	TeliaSonera AB (publ): Chairman of the Board of Directors; Lännen Tehtaat plc: Chairman of the Board of Directors; Turku Science Park Ltd: Chairman of the Board of Directors; IK Investment Partners Ltd: Senior Advisor; Sibelius Academy: Chairman of the Board of Directors; Hartwall Capital: Advisory Board member; Boardman Ltd: partner; Hydrios Biotechnology Oy: Member of the Board of Directors
No. of Series A shares: 1,204 on 1 Jan. 2009 and 3,163 on 31 Dec. 2009	No. of Series A shares: 0 on 1 Jan. 2009 and 0 on 31 Dec. 2009	No. of Series A shares: 0 on 1 Jan. 2009 and 0 on 31 Dec. 2009	No. of Series A shares :1,050 on 1 Jan. 2009 and 1,650 on 31 Dec. 2009

Secretary of the Board of Directors
Markku Koponen, b. 1957
 Master of Laws trained on the bench, eMBA

EXECUTIVE COMMITTEE

1 January 2010



Chairman

	Mikael Silvennoinen , b. 1956	Mikko Koskimies , b. 1967	Jouko Pölonen , b. 1970
	President and CEO, Pohjola Bank plc	Executive Vice President, Pohjola Asset Management Ltd	CFO, Pohjola Bank plc
Place of residence	Espoo	Helsinki	Vantaa
	Employed by Pohjola Group since 1989 President and CEO of Pohjola Bank plc (formerly OKO Bank plc) since 1997 and member of the Executive Board 1997-2006	Employed by Pohjola Group since 2005	Employed by Pohjola Group since 2001
	Chairman of Pohjola Group's Executive Committee since 2006	Member of Pohjola Group's Executive Committee since 2006	Member of Pohjola Group's Executive Committee since 2008
Education	M.Sc. (Econ. & Bus. Adm.)	M.Sc. (Econ. & Bus. Adm.)	M.Sc. (Econ. & Bus. Adm.), eMBA
Relevant previous experience	Managing Director of various Group companies 1989-97, Pohjola Group; various managerial positions 1983-89, Wärtsilä Group	Managing Director 1998-2005, ABN Amro Omaisuudenhoido Oy; various managerial positions at Nordea Group 1989-97 and during 1993-97 at Merita Bank Luxembourg S.A.	CRO 2001-08, Pohjola Bank plc; Authorised Public Accountant 1999-2001 and auditor 1993-99, PricewaterhouseCoopers
Other relevant positions	Unico Banking Group: Member of the Steering Committee; Konecranes Plc: Member of the Board of Directors	St1 Oy: Member of the Board of Directors	-
Holdings in Pohjola shares	No. of Series A shares: 21,583 on 1 Jan. 2009 and 37,055 on 31 Dec. 2009	No. of Series A shares: 2,000 on 1 Jan. 2009 and 5,000 on 31 Dec. 2009; 2.5% indirect shareholding in Pohjola Asset Management Ltd	No. of Series A shares: 281 on 1 Jan. 2009 and 3,004 on 31 Dec. 2009

Information on executive remuneration and other benefits can be found in "Corporate Governance Statement".



Reima Rytsölä , b. 1969	Eva Valkama , b. 1949	Petri Viertiö , b. 1962	Tomi Yli-Kyyny , b. 1962
Executive Vice President, Banking, Group-level responsibility for major corporate and institutional customers, Pohjola Bank plc	Senior Vice President, Human Resources, Pohjola Bank plc	Chief Risk Officer, Pohjola Bank plc	President, Pohjola Insurance Ltd, Group-level responsibility for private customers and field corporate customers
Kauniainen	Helsinki	Espoo	Espoo
Employed by Pohjola Group since 1996	Employed by Pohjola Group since 1984	Employed by Pohjola Group since 2009	Employed by Pohjola Group since 1990 (except 1999–2000)
Member of Pohjola Group's Executive Committee since 2008	Member of Pohjola Group's Executive Committee since 2009	Member of Pohjola Group's Executive Committee since 2009	Member of Pohjola Group's Executive Committee since 2006
M.Soc.Sc., CEF	M.Sc. (Econ. & Bus. Adm.)	M.Sc. (Tech.)	M.Sc. (Tech.)
Various managerial duties 1998–2007 and chief dealer, domestic money market, 1996–97, Pohjola Bank plc and its subsidiaries; foreign exchange dealer, Merita Plc	Various managerial positions 1984–2009, Pohjola Insurance Ltd	Director 2007–09, Advisory Services, Ernst & Young; Chief Risk Officer 2002–07, Sampo plc; Chief Risk Officer 2000–01, Varma-Sampo; various managerial positions 1997–99, Leonia Group	Various managerial duties 2000–05, Pohjola Insurance Ltd; Managing Director 1999–2000, Oy Porasto Ab
-	-	OP Life Assurance Company: Member of the Board of Directors	Federation of Accident Insurance Institutions: Chairman of the Board of Directors
No. of Series A shares: 1,000 on 1 Jan. 2009 and 2,188 on 31 Dec. 2009	No. of Series A shares: 0 on 1 April 2009 and 720 on 31 Dec. 2009	No. of Series A shares: 400 on 2 March 2009 and 1,572 on 31 Dec. 2009	No. of Series A shares: 8,805 on 1 Jan. 2009 and 15,716 on 31 Dec. 2009

SHARES AND SHAREHOLDERS

Pohjola's promise to its shareholders based on its strategy is to generate a competitive total shareholder return (TSR). Pohjola aims at a TSR that is above the average TSR of its Nordic peer group.

Share price and trading volume

On 31 December 2009, Pohjola share closed at EUR 7.55 against EUR 7.88 a year earlier. The share price reached a high of EUR 9.31 and a low of EUR 3.80. Pohjola's share price decreased by 4%, while the weight capped index, OMX Helsinki CAP, rose by 45%.

The share trading volume rose by 47%, with roughly 175 million shares changing hands during the year as against 119 million a year ago.

Share series

Pohjola Bank plc shares are divided into Series A and K shares.

Series A shares available for subscription by the general public are quoted on NASDAQ OMX Helsinki. While Series A shares have been quoted on the Main List of the Helsinki Stock Exchange since 1989, the holding of Series K shares is restricted only to OP-Pohjola Group's entities.

If a dividend is paid, Series A shares entitle their holders to an annual per-share dividend which is at least three (3) cents higher than the per-share dividend declared on Series K shares.

Series K shares represent unlisted shares, held by OP-Pohjola Group member cooperative banks and entities, which may be transferred only between these banks and entities but which may be converted into Series A shares if so required by a holder of Series K shares.

In accordance with provisions under the Act on Cooperative Banks and Other Cooperative Credit Institutions, Pohjola Bank plc must be a subsidiary of OP-Pohjola Group Central Cooperative, the central institution. Pohjola shares held by the Central Cooperative represent approximately 57% of all votes conferred by the shares.

BASIC INFORMATION ON SHARES 31 DEC. 2009

Series A share

- Trading code: POH1S
- ISIN code: FI0009003222
- Round lot: 1 share
- Vote/share: 1 vote
- No. of shares: 251,144,690
- Total votes conferred: 251,144,690

Series K share (unlisted)

- ISIN code: FI0009003925
- Vote/share: 5 votes
- No. of shares: 68,406,725
- Total votes conferred: 342 033 625

Share capital on 31 Dec. 2009: EUR 427,617,463.01

Total no. of shares: 319,551,415

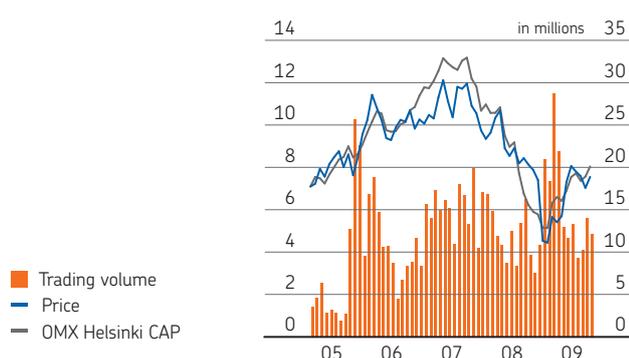
Total votes conferred by shares: 593,178,315

Shareholders

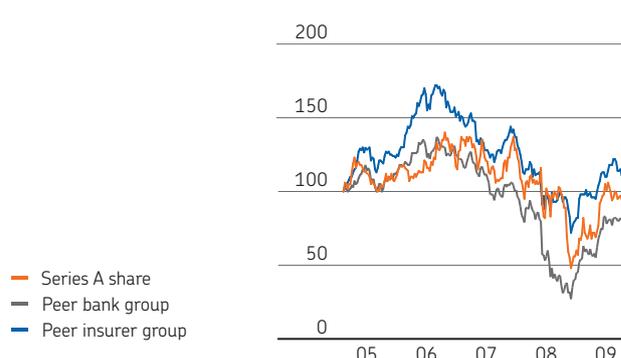
The number of Pohjola's registered shareholders totalled 30,600 on 1 January 2009 and 37,000 on 31 December 2009, up by 21% during the year, private individuals accounting for around 94% of all shareholders.

The largest shareholder was OP-Pohjola Group Central Cooperative, the parent entity of Pohjola, representing 30.0% of all shares and 57.04% of votes. On 31 December 2009, nominee registered shares accounted for 16% of Series A shares.

Trading volume and price of Series A share and OMX Helsinki CAP index, €



Total shareholder return vis-à-vis a group of peer banks and insurance companies



Rights offering

In April 2009, Pohjola held a EUR 308-million rights offering enabling the Company to strengthen its capital base in a situation in which capital adequacy had become a major competitive edge between banks. In this way, Pohjola sought to secure its ability to provide credit to its clients in a market where the availability of financing had decreased. In addition, Pohjola aimed to strengthen its position as a major actor within the financial sector and prepare for a greater need for capital caused by the economic downturn.

With 28,000 shareholders subscribing for shares, a total of up to 91,179,502 new Series A shares and a total of up to 25,021,013 new Series K shares were subscribed in the rights issue which was oversubscribed.

Trading in the new Series A shares began on NASDAQ OMX Helsinki on 5 May 2009. The new shares included the right to dividends, other distributions and other shareholder rights as of the registration date of 4 May 2009.

Conversion of Series K Shares into Series A Shares

A total of 401,060 Series K shares held by OP-Pohjola Group member cooperative banks were converted into Series A shares, with the result that the number of Series K shares decreased to 68,406,725 while that of Series A shares increased to 251,144,690. Trading in the converted Series A shares began on 26 June 2009.

Annual General Meeting and dividend payout

Pohjola Bank plc will hold its Annual General Meeting (AGM) in the Congress Wing of the Helsinki Fair Centre, Messuaukio 1, Helsinki, on Friday, 26 March 2010, starting at 2.00 pm.

Notice of the Meeting was published at www.pohjola.fi and in Helsingin Sanomat and Hufvudstadsbladet on Monday 1 March 2010. It was also published in the form of a stock exchange release. Registration for the AGM will terminate at 4.00 pm on Friday, 19 March 2010.

16 March 2010	Record date for the AGM
26 March 2010	AGM
31 March 2010	Dividend record date
9 April 2010	Dividend payout

Dividend

The Board of Directors of Pohjola Bank plc proposes that a per-share dividend of EUR 0.34 (0.19) be paid on Series A shares and EUR 0.31 (0.16) on Series K shares for the financial year 2009.

Dividend policy

The long-term target for the dividend payout ratio is a minimum of 50%, provided that the Tier 1 ratio stands at a minimum of 9.5%.

Dividend payout ratio (%) and dividends paid (€ million)

	2009*	2008	2007	2006	2005
Dividend payout ratio, %**	51	51	62	72	30
Dividends paid, € million	106.6	45.5	130.9	130.9	119.7

*As proposed by the Board
**Proportion of EPS

Share issue authorisations and other special rights entitling to shares

The Board of Directors holds no effective authorisations to decide on a rights issue and/or granting stock options or other special rights as referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act (624/2006, as amended).

The AGM of 27 March 2009 authorised the Board of Directors to decide, until the closing of the following Annual General Meeting, on one rights issue. On the basis of this authorisation, the Board of Directors decided on 27 March 2009 on a rights issue carried out in April 2009 and registered on 4 May.

Stock-option schemes

Pohjola has no valid stock-option schemes in place.

Share buyback authorisations

Pohjola has no valid authorisations to buy back its own shares.

Disclosure of shareholdings

No disclosures of shareholdings (flagging) took place in 2009.

Management shareholding and stock options

The sections "Board of Directors" and "Executive Committee" present shareholdings by Board members and Executive Committee members.

On 31 December 2009, they held a total of 131,602 Series A shares (75,507), accounting for 0.04% (0.04) of all Company shares and 0.02% (0.02) of all votes.

SHARES AND SHAREHOLDERS

Largest shareholders

	% of shares	% of votes
OP-Pohjola Group Central Cooperative	30.0	57.0
Suomi Mutual Life Assurance Company	10.3	5.5
Ilmarinen Mutual Pension Insurance Company	10.0	5.4
Oulun Osuuspankki	1.3	1.8
OP Bank Group Pension Fund	1.1	0.6
OP Bank Group Pension Foundation	0.7	0.4
Turun Seudun Osuuspankki	0.6	0.4
OP-Delta Fund	0.6	0.3
Folketrygdfondet	0.5	0.3
Länsi-Suomen Osuuspankki	0.5	0.5
Etelä-Karjalan Osuuspankki	0.4	0.2
Pohjolan Osuuspankki	0.4	0.2
Pielisen Osuuspankki	0.3	0.2
Tampereen Seudun Osuuspankki	0.3	0.2
Kiteen Seudun Osuuspankki	0.3	0.2
Valio Pension Fund	0.3	0.2
OP-Focus Fund (Non-UCITS)	0.3	0.2
Savonlinnan Osuuspankki	0.3	0.2
Kainuun Osuuspankki	0.3	0.4
OP Life Assurance Company Ltd	0.3	0.1
Nominee-registered shareholders, total	12.2	6.6

Major shareholders, Series A shares, %

OP-Pohjola Group Central Cooperative	14.0
Suomi Mutual Life Assurance Company	13.0
Ilmarinen Mutual Pension Insurance Company	12.7
OP Bank Group Pension Fund	1.4
Oulun Osuuspankki	1.0
OP Bank Group Pension Foundation	0.9
Turun Seudun Osuuspankki	0.8
OP-Delta Fund	0.8
Folketrygdfondet	0.7
Etelä-Karjalan Osuuspankki	0.5
Pohjolan Osuuspankki	0.5
Länsi-Suomen Osuuspankki	0.4
Pielisen Osuuspankki	0.4
Kiteen Seudun Osuuspankki	0.4
Valio Pension Fund	0.4
Tampereen Seudun Osuuspankki	0.4
OP-Focus Fund (Non-UCITS)	0.4
Savonlinnan Osuuspankki	0.4
OP Life Assurance Company Ltd	0.3
Varma Mutual Pension Insurance Company	0.3
Nominee-registered shareholders, total	15.6
Other	24.1
100 largest shareholders, total	60.4

Investor relations

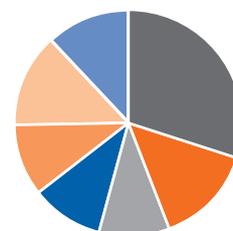
Pohjola Investor Relations is in charge of contacts with investors and analysts and coordinates investor meetings, with the aim of ensuring, according to the Disclosure Policy, that markets will have simultaneous access to sufficient and true information on the Company and its consolidated group as the basis for Pohjola share price formation, and that such information will be published promptly and equitably.

The full version of the Disclosure Policy guiding Investor Relations can be found at www.pohjola.fi > English > Investor Relations > Corporate Governance.

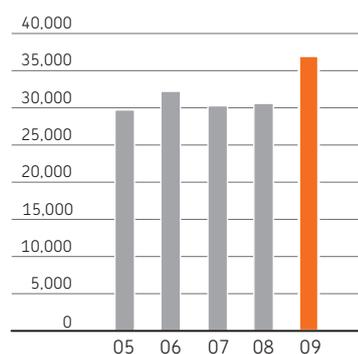
In 2009, the Company management and those in charge of investor relations met institutional and retail equity investors and analysts at events held regularly at home and abroad. The management attended a number of investor seminars and forums and in early November Pohjola held a Capital Markets Day in London themed around Pohjola Group's updated strategy.

Holdings by type of shareholders 31 Dec. 2009 (Series A and K total)

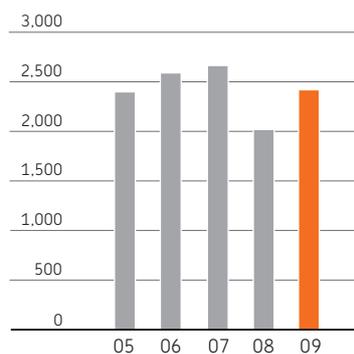
OP-Pohjola Group Central Cooperative	30%
Group member banks	14%
Ilmarinen Mutual Pension Insurance Company	10%
Suomi Mutual Life Assurance Company	10%
Other domestic institutions	10%
Nominee-registered and foreign	13%
Households	12%



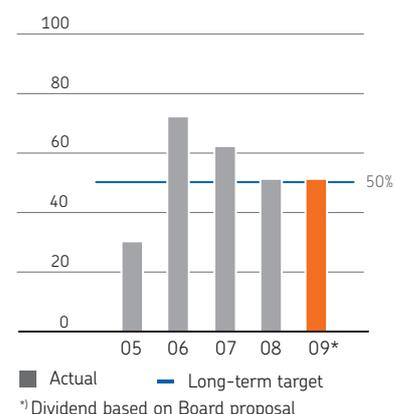
Number of shareholders



Market capitalisation, € million



Dividend payout ratio, %



Silent period

Pohjola adheres to a three-week silent period before the announcement of its annual and interim financial statements, i.e. it does not issue any comments or statements related to its financial standing, markets or future prospects, and the Group's senior management and Investor Relations do not meet any capital market representatives.

Silent periods in 2010

- 14 Jan.-11 Feb. (until the announcement of results at 8.00 am)
- 7 April-5 May (until the announcement of results at 8.00 am)
- 7 July-4 Aug. (until the announcement of results at 8.00 am)
- 6 Oct.-3 Nov. (until the announcement of results at 8.00 am)

Interim reports in 2010

Q1	5 May
H1	4 August
Q1-3	3 November

Published in Finnish, Swedish and English, the interim reports will be readily available at www.pohjola.fi > English > Media > Releases. At the same address, you can also order Pohjola's stock exchange releases (incl. interim reports) to be sent to your personal email address and Annual Reviews to be sent by post to you.

Orders for Annual Review

Pohjola and OP-Pohjola Group:
www.pohjola.fi > English > Media > Releases
Tel. +358 (0)10 252 7167

Website

Pohjola's website at www.pohjola.fi > English > Investor Relations > Equity Investors provides equity investors with a variety of information, such as on the Pohjola share and share performance, consensus estimates, share performance calculator and extensive presentation material.

Equity analysts

The following banks and brokers have announced that they carry out investment analyses of Pohjola. Pohjola is not responsible for any opinions, estimates or forecasts presented in these analyses.

ABG Sundal Collier
Carnegie
Cheuvreux
Danske Equities
eQ Bank
Evli Bank
Handelsbanken
JPMorgan
Nordea
SEB Enskilda
Sofia Bank
Swedbank

IR contact information

Jouko Pölönen, CFO
Tel. +358 (0)10 252 3405
Tarja Ollilainen, SVP, Investor Relations
Tel. +358 (0)10 252 4494

Email addresses: firstname.lastname@pohjola.fi

DEBT INVESTORS

Funding

Acting as OP-Pohjola Group's central bank, Pohjola is responsible for planning all of the Group's wholesale funding in money and capital markets. Pohjola and OP Mortgage Bank act as the issuers of debt instruments within the Group.

Pohjola performs the Group's unsecured wholesale funding. It has a EUR 15-billion EMTN programme and a EUR 12-billion ECP programme, with debt instruments with a maturity of over one year issued under the former programme and debt instruments with a maturity of less than one year issued under the latter. In addition, Pohjola issues certificates of deposit (CD) in the Finnish market.

OP Mortgage Bank is responsible for secured wholesale funding. It issues covered bonds.

In its wholesale funding operations for OP-Pohjola Group, Pohjola aims at broad diversification, according to which it diversifies risks by maturity category, counterparty, product and market area.

In 2009, Pohjola and OP Mortgage Bank were able to obtain funding without difficulties and without resorting to state guarantees,

despite the financial crisis. OP-Pohjola Group has a strong funding structure, given that 64% of lending is based on deposits and the rest comes from money and capital markets.

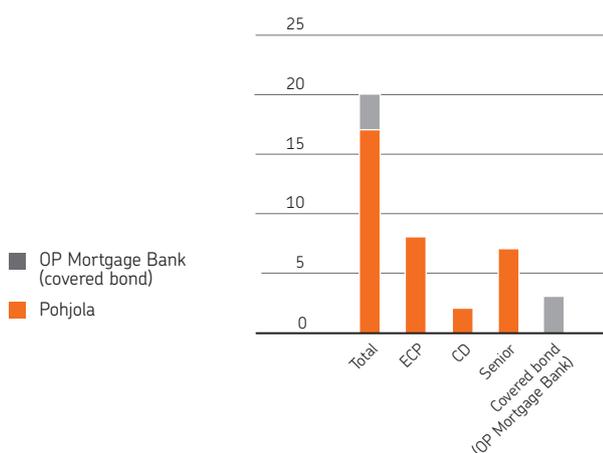
Credit rating

Pohjola's credit rating remained good throughout the financial crisis and only two other Nordic banks boast the AA rating for long-term debt affirmed by all of the three credit rating agencies. Pohjola's rating outlook for short-term debt is stable. Standard & Poor's has issued a stable outlook for long-term debt, whereas Moody's and Fitch have issued a negative outlook, mainly reflecting the deterioration of the Finnish economy and any effects that it may have on Pohjola.

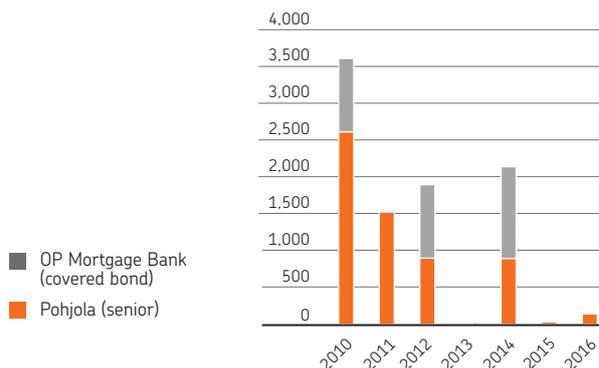
Based on its strategy, Pohjola aims at an AA credit rating affirmed by at least two credit rating agencies. When assessing Pohjola's credit rating, credit rating agencies take account of the entire OP-Pohjola Group's financial standing.

Both Moody's and Standard & Poor's have affirmed OP Mortgage Bank covered bonds at AAA.

Pohjola and OP Mortgage Bank wholesale funding by source, € billion



Pohjola and OP Mortgage Bank long-term funding by maturity, € million



Pohjola's credit ratings as of 31 Dec. 2009

Rating agency	Short-term debt	Long-term debt
Standard & Poor's	A-1+	AA-
Moody's	P-1	Aa2
Fitch	F1+	AA-

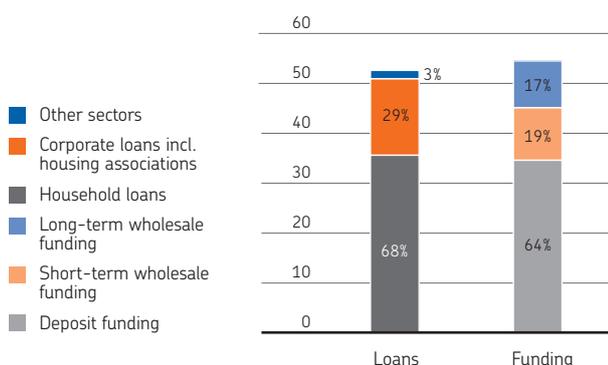
Rating analyses and opinions from each credit rating agency can be found at www.pohjola.fi > English > Investor Relations > Credit Ratings

Joint responsibility within OP-Pohjola Group

Joint responsibility within OP-Pohjola Group is based on the Act on Cooperative Banks and Other Cooperative Credit Institutions according to which OP-Pohjola Group Central Cooperative and OP-Pohjola Group's member banks are liable for each other's debts and commitments.

Deposit banks (member banks) within OP-Pohjola Group – Pohjola Bank plc, Helsinki OP Bank Plc and OP-Kotipankki Oyj – are regarded as a single bank with respect to deposit guarantee. Under legislation governing the Investors' Compensation Fund, OP-Pohjola Group is also considered a single entity for purposes of compensation protection.

Loans and funding by OP-Pohjola Group, 31 Dec. 2009, € billion



Investor relations

Pohjola maintains regular contact with investors and analysts. Its Investor Relations aims at ensuring that all investors will have sufficient, true and real-time information on Pohjola's financial position. The full Disclosure Policy guiding investor relations can be found at www.pohjola.fi > English > Investor Relations > Corporate Governance.

Information on the website

Pohjola's website provides plenty of information for debt investors at www.pohjola.fi > English > Investor Relations > Debt Investors

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Credit rating for long-term debt

	Moody's Investors Service	Standard & Poor's	Fitch Ratings
Pohjola Bank plc	Aa2*	AA-	AA-*
Handelsbanken	Aa2	AA-	AA-
Nordea	Aa2	AA-	AA-
DnB NOR	Aa3	A+	A+
Danske Bank	Aa3	A*	A+
SEB	A1*	A*	A+
Swedbank	A2*	A*	-
OP-Mortgage Bank**	Aaa	AAA***	-
Pohjola Insurance Ltd	A2*	A+	-
If	A2	A	-
Finland	Aaa	AAA	AAA

* Negative credit rating outlook

** Rating covered for bonds

*** On Watch List

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