Pohjola Bank plc's Financial Statements Bulletin 1 January–31 December 2011

Q4

Pohjola

Pohjola Group in 2011

- Consolidated earnings before tax amounted to EUR 258 million (308). Consolidated earnings before tax excluding changes in reserving bases within Non-life Insurance (a lower discount rate and higher technical provisions arising from increased life expectancy) came to EUR 317 million (322). Consolidated earnings before tax at fair value were EUR 78 million (291) and return on equity at fair value stood at 3.4% (9.3).
- Banking earnings before tax rose to EUR 198 million (133). These included EUR 49 million (105) in impairment charges on receivables. The loan portfolio increased by 9% from its level on 31 Dec. 2010 and the average margin stood at 1.34% (1.36).
- Within Non-life Insurance, insurance premium revenue rose by 6%. The combined ratio was 97.7% (96.6). Excluding the changes in reserving basis and amortisation on intangible assets arising from company acquisition, the operating combined ratio stood at 89.8% (89.7). Return on investments at fair value was –0.4% (5.1).
- Earnings before tax posted by Asset Management totalled EUR 27 million (31). Earnings a year ago included net income of EUR 6 million deriving from corporate transactions. Assets under management on 31 Dec. 2011 totalled EUR 31.3 billion (35).
- Earnings before tax reported by the Group Functions decreased to EUR 24 million (61) as a result of higher funding costs and lower capital gains.
- The Board of Directors proposes that a per-share dividend of EUR 0.41 (0.40) be paid on Series A shares and EUR 0.38 (0.37) on Series K shares. This means a dividend payout ratio of 60%.
- Outlook: Consolidated earnings before tax for 2012 are expected to be markedly higher than in 2011. For more detailed information on outlook, see “Outlook for 2012” below.

October–December 2011

- Consolidated earnings before tax amounted to EUR 13 million (66). Excluding changes in reserving bases (a lower discount rate, EUR 32 million, and higher technical provisions arising from increased life expectancy, EUR 27 million) consolidated earnings came to EUR 72 million (80). A year ago, changes in reserving bases and other non-recurrent items decreased earnings by EUR 14 million in net terms. Consolidated earnings before tax at fair value amounted to EUR 13 million (18).
- Earnings before tax recorded by Banking improved to EUR 63 million (40). The average corporate loan portfolio margin increased by 2 basis points to 1.34% over the previous quarter. Earnings include EUR 13 million (15) in impairment charges on receivables.
- Within Non-life Insurance, the combined ratio stood at 116.9% (110.2), the operating combined ratio at 91.0% (93.1) and the return on investments at fair value at 1.4% (–0.1).
- Earnings before tax posted by Asset Management were EUR 8 million (14) and the cost/income ratio stood at 49% (55). Earnings a year ago included net income of EUR 6 million deriving from corporate transactions.
- Earnings before tax recorded by the Group Functions amounted to EUR 5 million (13 million).

Earnings before tax, € million	**2011**	**2010**	**Change, %**	**Q4/2011**	**Q4/2010**	**Change, %**
Banking	198	133	49	63	40	57
Non-life Insurance	8	83	-91	-63	-2	
Asset Management	27	31	-13	8	14	-44
Group Functions	24	61	-60	5	13	-64
Total	**258**	**308**	**-16**	**13**	**66**	**-80**
Change in fair value reserve	-180	-17		0	-47	
Earnings before tax at fair value	78	291	-73	13	18	-28
Earnings per share, €	0.67	0.72		0.10	0.16	
Earnings per share at fair value, €	0.25	0.68		0.09	0.05	
Equity per share, €	7.29	7.44				
Average personnel	3,189	3,005		3,353	3,036	

Financial targets	**2011**	**2010**	**Q4/2011**	**Q4/2010**	**Target**
Return on equity at fair value, %	3.4	9.3	5.1	2.5	13
Tier 1 ratio, %	10.6	12.5			>9.5
Core Tier 1 ratio, %	10.3	10.5			
Operating cost/income ratio by Banking, %	35	35	32	39	<40
Operating combined ratio by Non-life Insurance, %	89.8	89.7	91.0	93.1	92
Operating expense ratio by Non-life Insurance, %	21.8	21.3	25.6	21.3	<20
Solvency ratio by Non-life Insurance, %	77	86			70
Operating cost/income ratio by Asset Management, %	49	53	49	55	<50
AA rating affirmed by at least two credit rating agencies	2	3			≥ 2
Dividend payout ratio 50%, provided that Tier 1 > 9.5%	60*	55			>50

*Board proposal

President and CEO Mikael Silvennoinen:

The year 2011 was a period of dichotomy in the European economy and financial markets. In the wake of the economic stabilisation in the spring, market volatility calmed down and funding risk premiums went down. But the situation changed in the summer when the debt crisis exacerbated in some euro-area member states with the result that market confidence diminished and investment returns fell sharply in most asset classes.

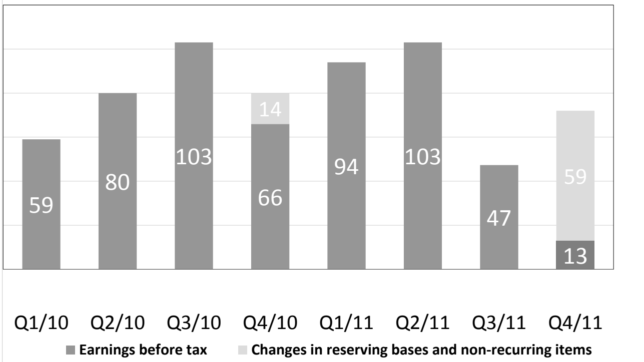
As a result of the euro crisis, the supply of international financial services decreased in the Finnish market. This only highlighted our competitive advantages based on our local presence and customer focus.

In 2011, we hired a large number of new staff members in sales and customer service. Indeed, our customer business volume increased markedly both within Banking and Non-life Insurance. This good performance is evidenced by a 9% increase in our loan portfolio and a 6% increase in insurance premium revenue. Business growth remained steady in the fourth quarter too.

Investment income that was lower than a year ago was offset by higher income from our customer business. Nevertheless, consolidated earnings before tax were lower than the year before, due to around 60 million euros recognised in the fourth quarter as a result of changes in Non-life Insurance reserving bases. We cut the discount rate for technical provisions related to pension liabilities because of low interest rates, and increased non-life insurance technical provisions because of increased life expectancy among policyholders.

The operating environment looks challenging in 2012. It is probable that the economic growth rate in Finland and the rest of Europe will remain more slowly than last year. However, Pohjola has entered 2012 with confidence and on solid foundations: we are competitive in terms of our capital base and creditworthiness, our liquidity is on a solid basis and we have good access to market funding. We will continue to focus on what we can do the best: we promote the prosperity, security and wellbeing of our customers.

Consolidated earnings before tax, € million



Pohjola Group Financial Statements Bulletin for 1 January–31 December 2011

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Operating environment

On average, the world economy grew at a fairly brisk rate in 2011. However, economic growth characterised by uncertainty slowed down clearly during the year and was uneven. The European sovereign debt crisis escalated during the second half, which substantially deteriorated the operating environment.

The Finnish economy showed fair growth in 2011. Following the favourable first half of the year, economic sentiment worsened dramatically during the second half due to the euro-area debt crisis. Nevertheless, this was not so strongly reflected in spending or investment decisions among consumers although exports slowed down markedly in the second half.

The euro-area sovereign debt crisis weighed on financial markets in 2011. After their rise in the first half of the year, market rates began to fall in the summer. The European Central Bank (ECB) cut its benchmark interest rate to 1.00 per cent in December 2011 and also supported markets by providing banks with additional enhanced credit support and buying government bonds in the market.

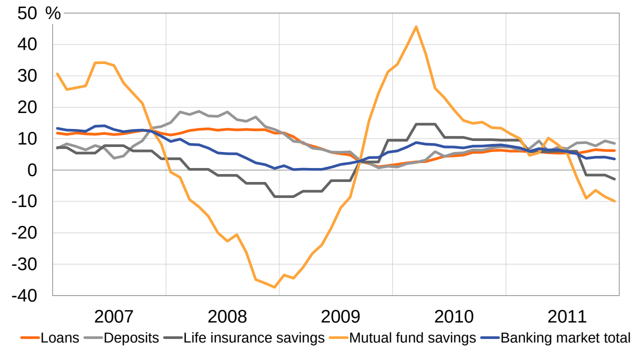
The world economic outlook for 2012 is uneven. The debt crisis will continue to cast a shadow over the euro-area outlook and economic growth is likely to remain feeble. The Finnish economic prospects for 2012 look subdued. The ECB is still supporting economic development by increasing market liquidity. The Euribor rates are exceptionally low.

The euro-area sovereign debt crisis had only a minor effect on bank lending in Finland in 2011, as evidenced by lending growing at an annual rate of 6%. Despite weaker consumer confidence, home sales remained brisk and consumer loans showed a steady growth rate. Growth in corporate loans accelerated somewhat towards the year end because companies sought to secure their liquidity in the face of unstable financial markets.

In 2011, the combined assets invested in mutual funds and insurance declined by 7% in Finland as a result of weak developments in capital markets. Share prices fell by an average of around 10% globally and by almost 30% in Finland. Mutual funds experienced a decline in their net asset inflows. However, growth in deposits increased to an annual rate of 8%. The term deposit growth rate decelerated slightly towards the year end because money market rates turned down.

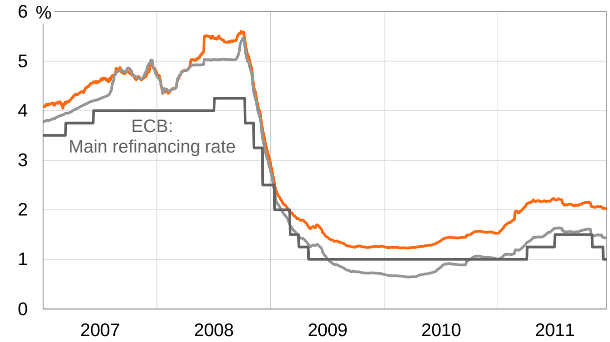
Non-life insurance premiums written rose at an annual steady rate of around 4%. Claims expenditure increased much more than premiums written, or by well over 10%. For the second year in a row, unusually heavy storms and a very snowy winter led to higher claims expenditure. The uncertain outlook in capital markets and low interest rates will continue to present challenges to insurance companies' investment operations.

Banking business volumes
Sector total



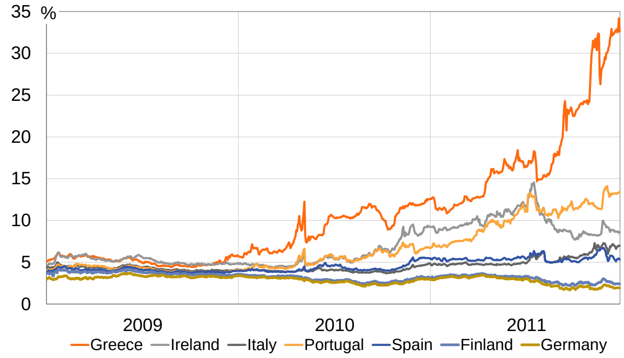
Sources: Bank of Finland, Federation of Finnish Financial Services, The Finnish Association of Mutual Funds

Euribor rates and ECB refi rate



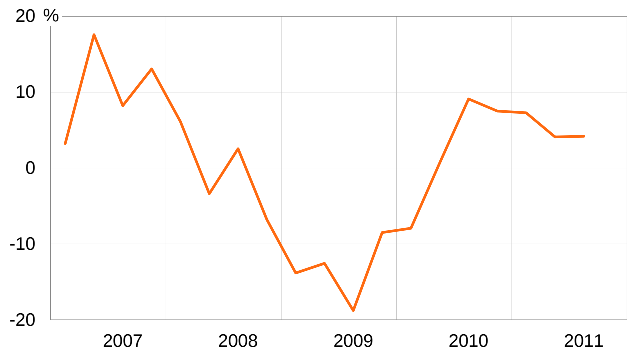
Source: Bank of Finland

Long-term interest rates
Government bonds (10 years)



Source: Reuters EcoWin

Fixed investments
Annual change in volume



Source: Statistics Finland

Consolidated earnings

Earnings analysis

€ million	2011	2010	Change, %	Q4/2011	Q4/2010	Change, %
Net interest income						
Corporate and Baltic Banking	180	172	5	50	45	13
Markets	58	27	114	11	14	-18
Other operations	38	59	-35	9	10	-9
Total	276	258	7	71	69	3
Net commissions and fees	161	164	-2	41	46	-9
Net trading income	26	35	-28	30	2	
Net investment income	23	31	-25	6	10	-38
Net income from Non-life Insurance						
Insurance operations	332	327	2	45	47	-6
Investment operations	32	92	-65	-11	24	-146
Other items	-46	-30	53	-12	4	
Total	318	388	-18	22	75	-71
Other operating income	41	50	-18	10	18	-43
Total income	**843**	**926**	**-9**	**181**	**218**	**-17**
Personnel costs	213	199	7	57	55	3
IT expenses	81	76	7	23	20	16
Depreciation and amortisation	57	72	-21	15	16	-6
Other expenses	177	168	6	54	46	16
Total expenses	**528**	**514**	**3**	**148**	**137**	**8**
Earnings before impairments of receivables	**316**	**412**	**-23**	**33**	**81**	**-59**
Impairments of receivables	60	104	-42	21	16	32
Share of associates' profits	2	0		0	0	
Earnings before tax	**258**	**308**	**-16**	**13**	**66**	**-80**
Change in fair value reserve	-180	-17		**0**	-47	
Earnings before tax at fair value	**78**	**291**	**-73**	**13**	**18**	**-28**

January–December earnings

Consolidated earnings before tax amounted to EUR 258 million (308). Excluding changes in Non-life Insurance reserving bases, consolidated earnings before tax came to EUR 317 million (322). These changes related to higher technical provisions resulting from increased life expectancy and a reduction in the discount rate for technical provisions related to pension liabilities, eroding earnings by a total of EUR 59 million. A year ago, changes in reserving bases and other non-recurrent items decreased earnings by EUR 14 million in net terms. Total income shrank by 9% and total expenses increased by 3%. Impairment charges on receivables fell to EUR 60 million (104).

The unstable economic environment reduced the fair value reserve by EUR 180 million year on year. Earnings before tax at fair value amounted to EUR 78 million (291).

Net interest income was up by 7%. Corporate Banking increased its net interest income, thanks to growth in the loan portfolio. The average corporate loan margin remained at the previous year's level. Net interest income from other operations was affected by lower interest rates and higher funding costs.

The Markets division increased its net interest income but net trading income came down.

Net commissions and fees were slightly lower than a year ago. Asset Management net commissions and fees decreased over the previous year, whereas those from lending and securities brokerage increased.

Net investment income was a quarter lower than a year ago. Net investment income included EUR 14 million (29) in capital gains. Dividend income was EUR 6 million higher than the year before.

Within Non-life Insurance, net income fell by EUR 70 million, year on year. Changes in reserving bases reduced net income by EUR 59 million (20). Insurance premium revenue continued to grow and operating profitability remained good. Investment income recognised in the income statement was EUR 60 million lower than the year before. Return on investments at fair value was –0.4% (5.1).

Personnel costs rose by 7% year on year. On 31 December 2011, the Group had a staff of 3,380, up by 364 from 31 December 2010. The Group hired additional employees for Non-life Insurance sales and in order to improve claims services among a growing number of customers. Moreover, Pohjola Health increased its workforce by some 40 wellbeing-at-work experts. Amortisation on intangible assets related to corporate acquisitions was EUR 8 million lower than a year ago.

October–December earnings

Consolidated earnings before tax amounted to EUR 13 million (66). Excluding changes in reserving bases, earnings before tax were EUR 72 million (80).

Income was at the previous year's level if the changes in reserving bases are excluded. Expenses rose by 8%. Impairment charges on receivables were EUR 5 million higher than a year ago.

Earnings before tax at fair value amounted to EUR 13 million (18).

Net interest income grew by 3% year on year, thanks to the strong growth reported by Corporate Banking in particular.

Net commissions and fees decreased by 9% year on year. Asset Management net commissions and fees came down because companies sold in 2010 no longer brought revenue and performance-based fees were smaller.

Income from assets measured at fair value increased net trading income vigorously.

Insurance premium revenue was up by 4%. Non-life Insurance net income included EUR 59 million in changes in reserving bases: a EUR 27-million increase in technical provisions arising from increased life expectancy and EUR 32 million resulting from a reduction in the discount rate. Earnings a year ago included a rise of EUR 35 million in technical provisions due to increased life expectancy and the removal of provision for the joint guarantee system that brought income of EUR 15 million.

Personnel costs rose by 3%. Growth in other expenses was mainly due to a strong increase in sales commissions in Non-life Insurance.

Earnings analysis by quarter		2010				2011		
€ million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Net interest income								
Corporate and Baltic Banking	40	44	43	45	43	44	43	50
Markets	6	4	3	14	12	18	16	11
Other operations	14	19	16	10	13	9	6	9
Total	60	67	62	69	68	72	65	71
Net commissions and fees	40	41	37	46	41	40	39	41
Net trading income	7	8	18	2	14	5	-24	30
Net investment income	18	-3	6	10	11	2	3	6
Net income from Non-life Insurance								
Insurance operations	74	99	106	47	68	115	105	45
Investment operations	17	26	26	24	37	23	-17	-11
Other items	-11	-11	-11	4	-12	-12	-12	-12
Total	79	114	120	75	94	126	76	22
Other operating income	11	10	11	18	11	10	10	10
Total income	**215**	**239**	**255**	**218**	**239**	**254**	**170**	**181**
Personnel costs	47	52	44	55	55	55	46	57
IT expenses	19	19	18	20	19	20	19	23
Depreciation and amortisation	18	16	23	16	15	14	14	15
Other expenses	39	43	40	46	41	43	40	54
Total expenses	**123**	**130**	**125**	**137**	**129**	**132**	**119**	**148**
Earnings before impairments of receivables	**92**	**109**	**130**	**81**	**110**	**122**	**51**	**33**
Impairments of receivables	33	29	27	16	15	20	4	21
Share of associates' profits	0	0	0	0	0	1	1	0
Earnings before tax	**59**	**80**	**103**	**66**	**94**	**103**	**47**	**13**
Change in fair value reserve	61	-92	62	-47	-21	-11	-148	0
Earnings before tax at fair value	**119**	**-11**	**165**	**18**	**74**	**92**	**-101**	**13**

Group risk exposure

The Group's risk exposure remained favourable as investment-grade exposures remained high. Economic uncertainty in the euro area has not so far been reflected in corporate exposures but has been slightly felt in credit institution exposures.

Net loan losses and impairment losses recognised for 2011 amounted to EUR 60 million (104), accounting for 0.40% (0.73) of the loan and guarantee portfolio. Final loan losses recognised for the period totalled EUR 47 million (45) and impairment charges EUR 84 million (111). Loan loss recoveries and allowances for impairments totalled EUR 71 million (52). The majority of the impairment losses were those recognised on an individual basis.

Doubtful receivables rose by EUR 1 million in the fourth quarter. On 31 December, doubtful receivables came to EUR 62 million (43), accounting for 0.41% (0.30) of the loan and guarantee portfolio. Past due payments came to EUR 23 million (17), representing 0.15% (0.12) of the loan and guarantee portfolio.

No major changes took place in Non-life Insurance's underwriting risks. Risk exposure was affected by a reduction of the discount rate for pension liabilities and higher technical provisions arising from increased life expectancy. The investment portfolio risk exposure remained unchanged.

The financial and liquidity position remained strong. Short-term funding performed well but the European sovereign debt crisis has made it more difficult for banks to access long-term funding. Nevertheless, OP-Pohjola Group's funding operations have functioned as expected, despite the market conditions. Pohjola Bank plc maintains OP-Pohjola Group's liquidity portfolio which mainly consists of notes and bonds eligible as collateral for central bank refinancing. This liquidity portfolio plus other items included in OP-Pohjola Group's balance sheet and eligible for central bank refinancing constitute the total liquidity buffer, which can be used to cover OP-Pohjola Group's wholesale funding maturities for at least 24 months.

Determining the value of the available-for-sale financial assets at fair value through profit or loss and included in the liquidity portfolio is based on mark-to-market valuations.

Major risks related to the Group's business are associated with developments in the overall economic environment and capital markets as well as upcoming regulatory changes in the financial sector.

The table below shows Pohjola Group's direct exposure to GIIPS sovereign bonds as of 31 December 2011. The investments are measured at market value.

	Banking	**Non-life Insurance**	**Group Functions**	**Total**
Greece	0	12	0	12
Italy	0	29	0	29
Ireland	0	5	0	5
Portugal	0	17	0	17
Spain	0	17	0	17
Total	**0**	**79**	**0**	**79**

Capital adequacy

Capital structure and capital adequacy

€ million	**31 Dec 2011**	**31 Dec 2010**
Core Tier 1 capital	1,486	1,418
Tier 1 capital	1,521	1,692
Tier 2 capital	0	111
Total capital base	1,521	1,803
Risk-weighted assets		
Credit and counterparty risk	12,890	12,314
Market risk	606	467
Operational risk	913	739
Total	14,409	13,520
Core Tier 1 ratio, %	10.3	10.5
Tier 1 ratio, %	10.6	12.5
Capital adequacy ratio, %	10.6	13.3

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

€ million	**31 Dec 2011**	**31 Dec 2010**
Conglomerate's capital base	1,891	2,154
Conglomerate's minimum		
capital base	1,339	1,259
Conglomerate's capital adequacy	552	895
Conglomerate's capital adequacy ratio	1.41	1.71

The capital adequacy ratio under the Act on Credit Institutions stood at 10.6% (13.3) as against the statutory minimum requirement of 8%. Tier 1 ratio was 10.6% (12.5). Pohjola Group's Tier 1 target ratio stands at a minimum of 9.5% over the economic cycle. Core Tier 1 ratio was 10.3% (10.5).

Tier 1 capital amounted to EUR 1,521 million (1,692) and the total capital base came to EUR 1,521 million (1,803). The 238-million-euro shortfall of Tier 2 capital reduced Tier 1 capital. Hybrid capital accounted for EUR 274 (274) million of Tier 1 capital.

Pohjola Bank plc redeemed the Lower Tier 2 debenture loan of EUR 150 million in March and the Lower Tier 2 subordinated notes of USD 325 million in September. Pohjola Bank plc issued Lower Tier 2 subordinated notes of CHF 100 million in July and of EUR 100 million in September. These four transactions decreased Pohjola Group's capital adequacy ratio by 1.5 percentage points, Tier 1 ratio by 1.1 percentage points and capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates by 0.16, in net terms.

On 31 December 2011, risk-weighted assets totalled EUR 14,409 million, as against EUR 13,520 million a year earlier, increasing by 7%, or EUR 889 million. On 31 December 2011, Pohjola adopted the Internal Ratings-Based Approach (IRBA) to retail and credit institution exposures. Since September 2008, Pohjola has had permission to use IRBA to its corporate and institutional exposures. As a result of the adoption in 2011 of the netting of derivative contracts, risk-weighted assets fell considerably.

Pohjola Group belongs to OP-Pohjola Group whose capital adequacy is supervised in accordance with the Act on the Supervision of Financial and Insurance Conglomerates. Pohjola Group's capital adequacy ratio under the Act, measured using the consolidation method, decreased to 1.41 (1.71).

In the autumn of 2011, the European Banking Authority (EBA) set the minimum requirement for the Core Tier 1 ratio at 9% applying to major European banks. In a test carried out by EBA in October, OP-Pohjola Group clearly exceeded the stricter requirements of the test, since it has a strong capital base and the risks associated with sovereign bonds are low. Calculated with the 30 June figures, OP-Pohjola Group's Core Tier 1 ratio was 11.5% in EBA's tests at the time. Pohjola's data were included in OP-Pohjola Group's capital adequacy figures.

As a result of the financial crisis, the regulatory framework for banks' capital requirements is becoming more rigorous in an effort, for example, to improve the quality of their capital base, to reduce the cyclic nature of capital requirements, to decrease banks' indebtedness and to set quantitative limits to liquidity risk. These changes are still under preparation, due to be effective between 2013 and 2019, and it is too early to predict precisely what their effects will be. From Pohjola Group's viewpoint, the most significant changes in the new regulations are related to allowances for insurance company holdings and liquidity risk requirements whose treatment will most likely to be finalised only in national legislation.

Credit ratings

Pohjola Bank plc's credit ratings underwent the following changes in 2011.

On 15 December 2011, as part of its extensive review of the global and European banking sector, Fitch Ratings downgraded OP-Pohjola Group's and Pohjola Bank plc's long-term IDR from AA- to A+ and short-term IDR from F1+ to F1, with a stable outlook for these ratings. Fitch states that the general developments in the global economy and a notable shift in market confidence towards the banking sector are the main reasons for the downgrade. Fitch also stated that OP-Pohjola Group's asset quality is sound, liquidity well managed and its risk-weighted capital ratios are solid.

On 8 December 2011, Standard & Poor's Ratings Services affirmed Pohjola Bank plc's long-term counterparty rating at AA- and short-term counterparty rating at A-1+, considering the outlook as stable. Standard & Poor's also upgraded Pohjola Insurance Ltd's credit rating from A+ to AA-. Standard & Poor's emphasises that Pohjola's rating reflects its solid market position, capital adequacy and earnings power.

On 10 August 2011, Moody's Investors Service put Pohjola Bank plc's Aa2 rating for long-term debt, OP-Pohjola Group's bank financial strength rating (BFSR) B- and Pohjola Insurance Ltd's insurance financial strength rating (IFSR) A2 on review for a possible downgrade. Moody's expected OP-Pohjola Group's BFSR and Pohjola Bank plc's rating for long-term debt to be limited to one notch. Moody's estimated that OP-Pohjola Group's earnings capacity has weakened from its pre-financial crisis level in 2008, and has paid attention to the level of problem loans and industry concentrations. However, Moody's expects OP-Pohjola Group's asset quality to remain strong.

Pohjola Bank plc's credit ratings on 31 December 2011

Rating agency	Short-term debt	Outlook	Long-term debt	Outlook
S&P	A-1+	Stable	AA-	Stable
Fitch	F1	Stable	A+	Stable
Moody's	P-1	Negative	Aa2*	Negative

* Credit rating put on review for a possible downgrade

Financial performance and risk exposure by business segment

Banking

- Earnings before tax amounted to EUR 198 million (133).
- The loan portfolio grew by 9% and the market share of corporate loans increased to over 20%.
- The average corporate loan portfolio margin stood at 1.34% (1.36), rising by 2 basis points in the fourth quarter.
- Impairment charges for receivables shrank by EUR 55 million to EUR 49 million (105).
- Operating cost/income ratio stood at 35.5% (35.4), which was better than the strategic target of 40%.

Banking: financial results and key figures and ratios

€ million	2011	2010	Change, %	Q4/2011	Q4/2010	Change, %
Net interest income						
Corporate and Baltic Banking	180	172	5	50	45	13
Markets	58	27	114	11	14	-18
Total	238	199	19	61	58	5
Net commissions and fees	97	93	4	23	24	-4
Net trading income	18	47	-61	17	2	798
Other income	31	29	7	10	6	50
Total income	**384**	**368**	**4**	**112**	**91**	**23**
Expenses						
Personnel costs	57	54	4	15	16	-7
IT expenses	26	24	11	7	6	5
Depreciation and amortisation	21	25	-16	5	6	-16
Other expenses	32	27	18	9	7	28
Total expenses	**136**	**130**	**4**	**35**	**35**	**1**
Earnings before impairments of receivables	**248**	**238**	**4**	**76**	**56**	**37**
Impairments of receivables	49	105	-53	13	15	-16
Earnings before tax	**198**	**133**	**49**	**63**	**40**	**57**
Earnings before tax at fair value	188	133	42	62	40	53
Loan portfolio, € billion	12.4	11.4	9			
Guarantee portfolio, € billion	2.6	2.6	-1			
Margin on corporate loan portfolio, %	1.34	1.36	-1			
Ratio of doubtful receivables to						
loan and guarantee portfolio, %	0.41	0.30				
Ratio of impairments of receivables to						
loan and guarantee portfolio, %	0.33	0.75				
Operating cost/income ratio, %	35	35				
Personnel	748	657	14			

January–December earnings

Earnings before tax amounted to EUR 198 million (133). Impairment charges on receivables fell to EUR 49 million (105).

The loan portfolio grew by EUR 1.0 billion from its 2010-end level, or by 9%, to EUR 12.4 billion. In 2011, the market share of corporate loans increased to over 20% for the first time. The guarantee portfolio remained at the previous year's level. Committed standby credit facilities increased by over EUR 0.4 billion to EUR 3.3 billion.

On 31 December, the average corporate loan portfolio margin stood at 1.34%, or 2 basis points lower than the year before. The average margin remained steady throughout the financial year. Thanks to the growth in the portfolio, net interest income from Corporate Banking rose by 5% although funding costs increased year on year.

Net commissions and fees were 4% higher than the year before. Total commission income from loans and guarantees was over one million euros higher than in the previous year. Net commissions resulting from securities brokerage increased by one million euros.

Expenses rose by 4% due mainly to higher personnel costs and IT expenses.

€ million	2011	2010	Change, %
Corporate Banking	140	82	72
Markets	60	55	8
Baltic Banking	-2	-4	
Total	**198**	**133**	**49**

Corporate Banking improved its earnings before tax because it halved impairment charges. Syndicated loan arrangements in particular, in which Corporate Banking has strengthened its position further, were behind higher net interest income and net commissions and fees. Net commissions and fees arising from syndicated loans increased by 25% year on year.

Despite the uncertain economic environment, the client trading volumes of Markets remained at somewhat the previous year's level. Net income from assets measured at fair value improved although the market situation remained challenging throughout the financial year.

Baltic Banking made good progress although it showed a loss before tax of EUR 2 million. The loan portfolio doubled to EUR 0.2 billion from its 2010-end level.

October–December earnings

Earnings before tax were EUR 63 million, or EUR 23 million higher than the year before. Impairment charges on receivables amounted to EUR 13 million (15).

The loan portfolio grew to EUR 12.4 billion (12.3). Earnings posted by Corporate Banking included EUR 4 million in capital gains.

Net income arising from assets measured at fair value increased by EUR 15 million but client income decreased by a quarter year on year.

€ million	Q4/2011	Q4/2010	Change, %
Corporate Banking	44	32	37
Markets	21	9	135
Baltic Banking	-1	0	
Total	**63**	**40**	**57**

Risk exposure by Banking

Within Banking, key risks are associated with credit risk arising from customer business, and market risks.

During January–December, total exposure grew by EUR 0.6 billion to EUR 22.5 billion. Total exposure was significantly reduced by the adoption of the netting of derivative contracts in the second quarter and credit support annex agreements (CSA), these together reducing total exposure by EUR 3.0 billion. On a comparable basis, total exposures grew by EUR 3.6 billion from their 2010-end level. The changes were mainly reflected in investment-grade exposures. The ratio of investment-grade exposure – i.e. rating categories 1–5 – to total exposure, excluding households, remained at a healthy level, standing at 65% (67). The share of rating categories 11–12 was 1.3% (1.7).

Corporate exposure (including housing corporations) accounted for 82% (76) of total exposure within Banking. Of corporate exposure, the share of investment-grade exposure stood at 61% (61) and the exposure of the lowest two rating categories amounted to EUR 274 million (360), accounting for 1.5% (2.2) of the total corporate exposure.

Significant corporate customer exposure increased to EUR 4.5 billion (3.4) due mainly to a reduction of the Group's capital base. The Group's capital base for the purpose of calculating major customer exposure came to EUR 1,634 million (1,925). The distribution of corporate exposure by industry remained highly diversified. The most significant industries included Letting and Operation of Dwellings representing 10.5% (11.5), Manufacture of Machinery and Equipment 9.9% (9.5) and Trade 9.1% (9.2). A total of 50% of exposures within Letting and Operation of Dwellings and 18% of exposures within Operation of Other Real Estates were guaranteed by general government.

Net loan losses and impairment losses reduced Banking earnings by EUR 49 million (105) in 2011, accounting for 0.33% (0.75) of the loan and guarantee portfolio. Final loan losses recognised totalled EUR 47 million (45) and impairment charges EUR 72 million (111). Loan loss recoveries and allowances for impairments totalled EUR 71 million (51).

On 31 December 2011, Baltic Banking exposures totalled EUR 0.3 billion (0.1), accounting for 1.5% (0.6) of total Banking exposures. The Baltic Banking net loan losses and impairment losses for 2011 amounted to EUR –1 million (1).

Interest rate risk exposure in 2011 averaged EUR 8.1 million (4.8), based on the 1-percentage-point change in the interest rate.

Non-life Insurance

- Earnings before tax were EUR 8 million (83). Excluding changes in reserving bases, earnings amounted to EUR 66 million (103). Investment income was EUR 50 million lower than a year ago as a result of the difficult market situation.
- Insurance premium revenue rose by 6% to over one billion euros.
- Excluding the changes in reserving bases, the balance on technical account was at the previous year's level. The operating combined ratio stood at 89.8% (89.7).
- Return on investments at fair value was –0.4% (5.1).

Non-life Insurance: financial results and key figures and ratios

€ million	**2011**	**2010**	**Change, %**	**Q4/2011**	**Q4/ 2010**	**Change, %**
Insurance premium revenue	1,024	964	6	251	241	4
Claims incurred	-754	-694	9	-223	-208	7
Operating expenses	-223	-205	9	-64	-51	25
Amortisation adjustment of intangible assets	-22	-31	-28	-6	-6	0
Balance on technical account	**24**	**33**	**-29**	**-42**	**-25**	**72**
Net investment income	36	87	-59	-6	22	-129
Other income and expenses	-52	-37	38	-14	1	
Earnings before tax	**8**	**83**	**-91**	**-63**	**-2**	
Earnings before tax at fair value	-39	139	-128	-18	-26	-30
Combined ratio, %	97.7	96.6		116.9	110.2	
Operating combined ratio, %	89.8	89.7		91.0	93.1	
Operating expense ratio, %	21.8	21.3		25.6	21.3	
Return on investments at fair value, %	-0.4	5.1		1.4	-0.1	
Solvency ratio , %	77	86				
Personnel	2,355	2,090	13			

January–December earnings

Earnings before tax amounted to EUR 8 million (83). Excluding changes in reserving bases, earnings before tax were EUR 66 million (103). These changes reduced earnings by EUR 59 million. The discount rate for technical provisions related to pension liabilities was revised down from 3.5% to 3.3%, which increased technical provisions by EUR 32 million while increased life expectancy lifted technical provisions by EUR 27 million. Earnings a year ago included a rise of EUR 35 million in technical provisions due to increased life expectancy and the removal of provision for the joint guarantee system increased other income by EUR 15 million, leading to a reduction of earnings by EUR 20 million in net terms.

In their joint actuarial project launched in the spring of 2010, the Federation of Accident Insurance Institutions and the Finnish Motor Insurers' Centre examine whether the mortality model commonly used by Finnish insurers and applied to motor liability insurance and statutory workers' compensation insurance is up to date. On the basis of the preliminary findings based on the first stage of the project, Pohjola increased its technical provisions by EUR 35 million in 2010. On the basis of the final results, life expectancy in Finland has increased more than expected, which is why Pohjola increased its technical provisions by EUR 27 million.

Insurance business

Insurance premium revenue continued to grow and, excluding the changes in reserving bases, the balance on technical account was at the previous year's level. Total insurance premium revenue was up by 6% (2). The operating balance on technical account totalled EUR 105 million (99) and the operating combined ratio stood at 89.8% (89.7). These operating figures exclude changes in reserving bases and amortisation on intangible assets arising from the corporate acquisition. The combined ratio, including the abovementioned items, stood at 97.7% (96.6).

Insurance premium revenue

€ million	**2011**	**2010**	**Change, %**
Private Customers	503	470	7
Corporate Customers	472	445	6
Baltic States	48	49	-2
Total	**1,024**	**964**	**6**

Pohjola continued to improve its market position among private customers and became the market leading insurer of private customers' motor vehicles. The number of motor liability policies increased to over one million. The number of loyal customer households increased by 42,731 (46,485).

The year-end number of loyal customer households totalled 523,336, of which 66% also use OP-Pohjola Group member cooperative banks as their main bank. OP-Pohjola Group member banks' and Helsinki OP Bank's customers can use their OP bonuses earned through banking transactions to pay Pohjola non-life insurance premiums. OP bonus customers also earn bonuses from insurance premiums for home, family and motor vehicle policies. In 2011, bonuses were used to pay 1,391,000 insurance bills, with 209,000 of them paid in full using bonuses. Insurance premiums paid using bonuses totalled EUR 66 million.

Insurance premium revenue from Corporate Customers rebounded by 6%, the strongest growth coming from SMEs. In the Baltic countries, insurance premium revenue decreased slightly.

The lower discount rate and the changed mortality model increased claims incurred by EUR 59 million. A year ago, the changed mortality model increased claims incurred by EUR 35 million. Excluding the changes in reserving bases, claims incurred grew by 6%. Growth in the insurance portfolio and especially the higher number of material damage claims filed by private customers added to claims incurred. The number of losses reported increased by 8% to 420,000. The December-end storm caused one of the largest claims in history but its effect on the financial results was only EUR 8 million, thanks to the good reinsurance cover. Claims incurred due to major losses were lower than a year ago. The reported number of major or medium-sized losses (in excess of EUR 0.1 million and over EUR 0.5 million in pension liabilities) came to 234 (224) in January–December, with their claims incurred retained for own account totalling EUR 92 million (109). Provision for claims reserved for loss events occurred prior financial years, excluding the effect of reserving bases, was EUR 25 million (33) higher than claims paid out. The operating loss ratio was 68.0% (68.4) and the risk ratio (excl. loss adjustment expenses) stood at 61.9 % (62.5).

The operating expense ratio stood at 21.8% (21.3). Growth in the number of employees added to operating expenses. Pohjola recruited more personnel for sales and claims services with a view to improving services for its growing customer base. Pohjola Insurance also strengthened resources in its wellbeing-at-work business through some 40 wellbeing experts, the most of whom came from Excenta as a result of the company acquisition. The operating cost ratio (incl. indirect loss adjustment expenses) stood at 27.9% (27.2).

Operating balance on technical account and combined ratio (CR)

	2011		2010	
	Balance, € million	CR, %	Balance, € million	CR, %
Private Customers	60.0	88.1	76.1	83.8
Corporate Customers	47.1	90.0	23.9	94.6
Baltic States	-2.6	105.3	-0.7	101.5
Total	**104.5**	**89.8**	**99.3**	**89.7**

Within Private Customers, profitability remained good despite higher claims incurred. Within Corporate Customers, the operating balance on technical account improved as a result of the favourable development in claims expenditure. In the Baltic countries, higher claims incurred and lower insurance premium revenue weakened the balance on technical account.

Investment

Capital market uncertainty was reflected in investment income. Return on investments at fair value was –0.4% (5.1). Net investment income recognised in the income statement amounted to EUR 36 million (87). Impairment charges recognised in the income statement totalled EUR 42 million (40), EUR 34 million of which was recognised on Greek government bonds. In addition, capital losses deteriorated the financial result. Net investment income at fair value was EUR –11 million (143).

Investment portfolio by asset class

%	2011	2010
Bonds and bond funds	72	71
Alternative investments	5	7
Equities	10	12
Private equity	3	2
Real property	9	7
Money market instruments	2	1
Total	**100**	**100**

On 31 December 2011, the investment portfolio totalled EUR 2,863 million (2,924). The fixed-income portfolio by credit rating remained healthy, considering that investments under the “investment-grade” represented 91% (91) and 75% of the investments were rated at least A–. The average residual term to maturity of the fixed-income portfolio was 4.8 years (5.3) and the duration 3.9 years (4.1).

October–December earnings

Insurance business

The balance on technical account, excluding changes in reserving bases, was slightly better than a year earlier. The operating balance on technical account totalled EUR 23 million (17) and the operating combined ratio stood at 91.0% (93.1).

Insurance premium revenue

€ million	Q4/2011	Q4/2010	Change, %
Private Customers	120	115	4
Corporate Customers	119	114	5
Baltic States	11	12	-5
Total	**251**	**241**	**4**

Within Private Customers, the adjustment to calculation of provisions for unearned premiums increased provisions for unearned premiums and cut revenue by EUR 6 million, of which adjusted revenue from Private Customers rose by 9%. The number of loyal customer households continued to grow strongly, increasing by 15,588 (16,548). Growth in premium revenue from Corporate Customers evened out slightly from its level a year ago, as its growth rebounded after the recession eased towards the end of 2010. In the Baltic countries, insurance premium revenue was lower than the year before.

Changes in reserving bases increased claims incurred by EUR 59 million (35) and without such changes claims incurred dropped by 5%. The trend in major losses appeared more favourable than the year before. The reported number of major or medium-sized losses (in excess of EUR 0.1 million and over EUR 0.5 million in pension liabilities) came to 59 (67) in October–December, with their claims incurred retained for own account totalling EUR 16 million (34). The operating loss ratio improved to 65.4% (71.8) and the risk ratio (excl. loss adjustment expenses) stood at 58.5% (65.9).

The operating expense ratio stood at 25.6% (21.3). Higher personnel costs and sales commissions added to operating expenses. The operating cost ratio (incl. indirect loss adjustment expenses) stood at 32.2% (27.2).

Operating balance on technical account and combined ratio (CR)

	Q4/2011		Q4/2010	
	Balance, € million	**CR, %**	**Balance, € million**	**CR, %**
Private Customers	2.1	98.2	14.6	87.4
Corporate Customers	20.1	83.1	2.2	98.1
Baltic States	0.2	97.9	-0.1	101.1
Total	**22.5**	**91.0**	**16.6**	**93.1**

Private Customers showed weaker profitability as claims incurred continued their growth. Storms in December added to claims incurred. In addition, higher operating expenses came mainly from Private Customers. The Corporate Customers division made excellent progress in profitability as a result of the favourable trend in major losses. Claims expenditure continued to develop unfavourably in the Baltic States.

Investment

Favourable developments in capital markets were reflected in investment income. Return on investments at fair value was 1.4% (–0.1). Net investment income recognised in the income statement amounted to EUR -6 million (22). Impairment charges recognised in the income statement totalled EUR 21 million (11), EUR 18 million of which was recognised on Greek government bonds. Net investment income at fair value was EUR 39 million (–2).

Risk exposure by Non-life Insurance

Major risks within Non-life Insurance include underwriting risks associated with claims developments and market risks associated with investment portfolios covering technical provisions.

Non-life Insurance’s solvency capital stood at EUR 787 million (832) on December 31.

The ratio of solvency capital to insurance premium revenue (solvency ratio) stood at 77% (86). Equalisation provisions fell to EUR 353 million (424).

Pohjola Insurance Ltd’s credit ratings are as follows: A2 by Moody’s (outlook: negative) and AA– by Standard & Poor's (outlook: stable).

Risk exposure was affected by a reduction of the discount rate for pension liabilities and higher technical provisions arising from increased life expectancy.

The investment risk exposure remained unchanged.

Asset Management

- Earnings before tax came to EUR 27 million (31). Earnings before tax for 2010 included net income of EUR 6 million deriving from corporate transactions.
- Assets under management dropped by 11% to EUR 31.3 billion (35.0).
- The operating cost/income ratio improved to 49% (53).

Asset Management: financial results and key figures and ratios

€ million	2011	2010	Change, %	Q4/2011	Q4/2010	Change, %
Net commissions and fees	50	58	-13	14	18	-25
Other income	6	9	-40	2	7	-69
Total income	**56**	**67**	**-16**	**16**	**26**	**-38**
Personnel costs	18	21	-14	5	7	-26
Other expenses	13	15	-12	4	5	-28
Total expenses	**31**	**35**	**-13**	**9**	**12**	**-27**
Share of associate's profit	2			0		
Earnings before tax	**27**	**31**	**-13**	**8**	**14**	**-44**
Earnings before tax at fair value	27	31	-13	8	14	-44
Assets under management, € billion	31.3	35.0	-11	31.3	35.0	-11
Operating cost/income ratio, %	49	53		49	55	
Personnel	149	144	3			

January–December earnings

Earnings before tax came to EUR 27 million (31). Earnings before tax for 2010 included net income of EUR 6 million deriving from corporate transactions.

Performance-based fees amounted to EUR 1 million (4). Earnings before tax include net profit of EUR 2 million shown by Access Capital Partners Group SA, an associated company, in proportion to Pohjola's shareholding.

Earnings a year ago included income and expenses of Pohjola Capital Partners Ltd and Pohjola Private Equity Funds Ltd, sold in December 2010, posted until the date of divestment. Earnings posted by these sold companies increased earnings before tax by EUR 4 million in 2010. The operating cost/income ratio stood at 49% (53). Assets under management decreased by 11% during 2011, totalling EUR 31.3 billion (35) on 31 December. This EUR 3.7-billion drop was mainly due to a sharp downturn in capital markets and negative net asset inflows caused by market uncertainty.

October–December earnings

Earnings before tax totalled EUR 8 million (14) and performance-based fees came to EUR 0 million (4). The operating cost/income ratio improved to 49% (55). Earnings include EUR 0.4 million in earnings recorded by Access Capital Partners Group SA.

Assets under management

€ billion	31 Dec 2011	30 Sept 2011	31 Dec 2010
Institutional clients	18.5	18.7	19.5
OP mutual funds	9.9	10.1	12.0
Private	2.8	2.7	3.4
Total	**31.3**	**31.5**	**35.0**

Assets under management by asset class

%	31 Dec 2011	30 Sept 2011	31 Dec 2010
Money market investments	17	18	14
Bonds	39	39	39
Equities	26	24	29
Other	19	20	18
Total	**100**	**100**	**100**

Group Functions

- Earnings before tax amounted to EUR 24 million (61), eroded by lower net interest income and capital gains on notes and bonds as well as higher impairment losses on notes and bonds.
- Earnings before tax at fair value fell by EUR 86 million year on year to EUR –98 million (–12).
- Liquidity and the availability of funding remained good.

Group Functions: financial results and key figures and ratios

€ million	2011	2010	Change, %	Q4/2011	Q4/2010	Change, %
Net interest income	35	64	-46	8	12	-38
Net trading income	3	-9		8	1	
Net investment income	18	31	-43	2	10	-80
Other income	11	12	-6	4	3	17
Total income	**67**	**98**	**-32**	**22**	**26**	**-18**
Personnel costs	13	15	-15	4	5	-22
Other expenses	18	23	-20	6	8	-33
Total expenses	**31**	**38**	**-18**	**9**	**13**	**-29**
Earnings before impairments of receivables	**36**	**60**	**-41**	**12**	**13**	**-7**
impairments of receivables	11	-1		8	0	
Earnings before tax	**24**	**61**	**-60**	**5**	**13**	**-64**
Earnings before tax at fair value	-98	-12		-39	-11	267
Liquidity portfolio, € billion	12.6	9.5	33			
Receivables and liabilities from/to OP-Pohjola Group entities, net position, € billion	1.7	3.4	-50			
Central Banking earnings, € million	13	12	12			
Personnel	129	126	2			

January–December earnings

Earnings before tax diminished by EUR 37 million year on year to EUR 24 million (61). A decline in net interest income was due to lower interest rates and higher funding costs. Net investment income included EUR 7 million in capital gains on notes and bonds (29) and EUR 10 million (4) in dividend income. Impairment charges recognised on shares and participations included in available-for-sale financial assets totalled EUR 1 million (4). Impairment charges recognised on bonds came to EUR 11 million (–1), which was EUR 12 million higher than a year ago.

The availability of funding remained good despite the exceptional market situation. Pohjola increased its long-term funding by issuing in international capital markets one senior bond with a maturity of five years and worth EUR 500 million. In addition, OP Mortgage Bank issued two covered bonds each worth EUR 1 billion and with a maturity of five and seven years.

On 31 December, the average wholesale funding margin of senior bonds was 27 basis points (22).

Earnings before tax at fair value were in the red, EUR –98 million, or EUR 86 million lower than the year before. Owing to the euro-area sovereign debt crisis, widening credit spreads in the market eroded the fair value reserve.

October–December earnings

Earnings before tax were EUR 5 million, or EUR 8 million lower than the year before. This reduction resulted from higher funding costs, lower capital gains on notes and bonds and higher impairment charges on notes and bonds.

Earnings before tax at fair value were EUR 28 million lower than a year earlier.

Risk exposure by Group Functions

Major risks within the Group Functions include market risks associated with the liquidity portfolio and liquidity risks.

The Group Functions exposure totalled EUR 20.1 billion (18.1), consisting of assets held in the liquidity portfolio to secure OP-Pohjola Group's liquidity and of receivables from OP-Pohjola Group member banks.

The liquidity portfolio amounted to EUR 12.6 billion (9.5), comprising primarily investments in notes and bonds issued by governments, municipalities, financial institutions and companies all showing good credit ratings, and in securitised assets.

Interest rate risk exposure averaged EUR 17.3 million (11) in 2011, based on the 1-percentage-point change in the interest rate.

Personnel and remuneration

On 31 December 2011, the Group had a staff of 3,380, up by 364 on a year earlier.

A total of 748 Group employees (657) worked for Banking, 2,355 for Non-life Insurance (2,090), 149 for Asset Management (144) and 129 for the Group Functions (126), and 336 employees (338) worked abroad.

The scheme for variable remuneration within OP-Pohjola Group and Pohjola consists of short-term, company-specific incentives and OP-Pohjola Group-wide long-term incentives. In its financial statements 2011, Pohjola made a provision of a total of EUR 27 million (28) for variable remuneration to be paid for the financial year 2011. Bonuses payable under the short-term incentive schemes accounted for EUR 21 million (22) of this amount.

A new long-term incentive system for the entire OP-Pohjola Group consists of a management incentive scheme, and a personnel fund for other staff. Bonuses recognised for 2011 under the long-term management incentive scheme come to EUR 2 million (2) and those recognised for the personnel fund amount to EUR 4 million (4)

The management incentive scheme has a three-year performance period, the first one of which is 2011–13. The share-based scheme covers 372 people within OP-Pohjola Group. Those covered by the scheme will be entitled to receiving a certain number of Pohjola Bank plc Series A shares, if OP-Pohjola Group attains its strategy-based targets set for the performance period in question. The bonus based on the scheme will be paid out to the beneficiary in terms of shares and cash and in three instalments in 2015, 2016 and 2017 after the performance period, provided that the Group's capital adequacy is higher than the internal minimum requirements on the payout date. Conditions related to employment or executive contracts have been attached to the bonus payout. More detailed information on remuneration can be found in Note 92 to the Financial Statements 2011 (to be published on 5 March 2012).

Shares and shareholders

The total number of Pohjola Series A shares, quoted on the NASDAQ OMX Helsinki, and unquoted Series K shares did not change in 2001.

Number of shares

Share series 31 Dec 2011	Number of shares	% of all shares	% of votes
Pohjola A (POH1S)	251,169,770	78.60	42.35
Pohjola K (POHKS)	68,381,645	21.40	57.65
Total	319,551,415	100.00	100.00

On the last trading day in 2011, 30 December, one Series A share closed at EUR 7.51 (8.97). In January–December, the share price reached a high of EUR 10.28 (11 April 2011) and a low of EUR 6.47 (23 November 2011).

Pohjola's market capitalisation amounted to EUR 2,400 million (2,866) on 31 December. In calculating the market capitalisation, Series K shares were valued at the price of Series A shares.

Trading in Series A shares in euro terms amounted to EUR 1,514 million in 2011 as against EUR 1,311 million a year earlier, while in volume terms it came to 174 million shares (154).

Number of shareholders

	31 Dec 2011	31 Dec 2010	Change
Holders of Series A shares	33,956	34,903	-947
Holders of Series K shares	114	119	-5
Total*	33,962	34,910	-948

*The combined number of the holders of Series A and K shares differs from the total number of the holders of Series A and K shares, because some holders of Series K shares also hold Series A shares.

On 31 December 2011, Pohjola had 33,962 shareholders, private individuals accounting for 95.2%. The number of nominee-registered shares totalled 50.8 million on 31 December 2011, increasing by 0.3 million shares from their level on 31 December 2010. On 31 December 2011, these shares accounted for 20.2% (20.1) of all Series A shares.

Major shareholders

31 Dec 2011	% of all shares	% of Series A shares	% of votes
1. OP-Pohjola Group Central Cooperative	37.24	23.23	60.96
2. Ilmarinen Mutual Pension Insurance Company	10.00	12.72	5.39
3. Oulun Osuuspankki	1.37	1.11	1.81
4. OP Bank Group Pension Fund	1.08	1.38	0.58
5. State Pension Fund	0.78	1.00	0.42
6. OP Bank Group Pension Foundation	0.73	0.93	0.39
7. Turun Seudun Osuuspankki	0.57	0.72	0.33
8. Varma Mutual Pension Insurance Company	0.55	0.71	0.30
9. Tampereen Seudun Osuuspankki	0.51	0.61	0.34
10. Suur-Savon Osuuspankki	0.47	0.53	0.36
Nominee-registered shares, total	15.89	20.22	8.56
Other	30.80	36.85	20.54
Total	100.00	100.00	100.00

In 2011, 79.5% of euro-denominated trading in Series A shares took place on NASDAQ OMX. During the financial year, around a fifth of trading transferred to multilateral trading facilities (MTF).

Trading venues for Pohjola shares

Trading venue	% of euro-denominated trading in 2011
NASDAQ OMX	79.52
Chi-X	11.73
BATS	4.69
Turquoise	3.66
Burgundy	0.34
EuroNext Arca	0.07

Source: NASDAQ OMX Helsinki

Group restructuring

In the Baltic countries, Pohjola continued to restructure its non-life insurance business in order to streamline its corporate structure and enhance Group capital management. Joint Stock Insurance Company Seesam Latvia and Joint Stock Insurance Company Seesam Lithuania were merged with Seesam Insurance AS on 1 December 2011. This means that the Latvian and Lithuanian non-life insurance business operates as branches of Seesam Insurance AS registered in Estonia.

Events after the balance sheet date

Pohjola Health Ltd merged with Excenta Ltd on 1 January 2012 and the company operates under the corporate name of Pohjola Health Ltd.

Pohjola Bank plc's Board proposal for the allocation of distributable funds

On 31 December 2011, the shareholders' equity of Pohjola Bank plc totalled EUR 1,483,174,404.31, EUR 367,775,016.60 of which represented distributable equity.

The following funds are at the AGM's disposal for profit distribution:

	Euro
Profit for 2011	103,733,682.96
Retained earnings	69,936,778.10
Reserve for invested non-restricted equity	307,931,364.75
and other non-restricted reserves	23,449,472.31
less negative fair value reserve	-137,276,281.52
Total	**367,775,016.60**

The Board of Directors proposes that the Company's distributable funds be distributed as follows:

EUR 0.41 per share payable on 251,169,770 Series A shares, totalling EUR 102,979,605.70, and EUR 0.38 per share payable on 68,381,645 Series K shares, totalling EUR 25,985,025.10, i.e. the proposed total dividend distribution amounts to EUR 128,964,630.80.

The Board of Directors proposes that the profit for 2011, EUR 103,733,682.96, and EUR 25,230,947.84 out of the retained earnings be allocated to dividend distribution, Accordingly, EUR 238,810,385.80 remains in the Company's distributable equity. Pohjola Bank plc has EUR 691 million in voluntary provisions in its balance sheet, and their reversal enables an increase of distributable funds by EUR 521 million.

In addition, the Board of Directors proposes that a maximum of EUR 150,000 be available to the Board of Directors reserved from the distributable funds for donations and other charitable contributions.

The Company's financial position has not undergone any material changes since the end of the financial year 2011. The Company's liquidity is good and will not be jeopardised by the proposed profit distribution, in the Board of Directors' view.

The Board of Directors proposes that the dividend be paid to shareholders who have been entered in the Shareholder Register, maintained by Euroclear Finland Ltd, by the dividend record date on 30 March 2012 and that the dividend be paid on 10 April 2012.

Outlook for 2012

Within Banking, the loan portfolio grew strongly in 2011 and the growth is expected to continue in 2012, albeit not as strongly as in 2011. The average corporate loan margin is expected to remain at least at its current level. The operating environment for the corporate sector will remain challenging. The greatest uncertainties related to Banking's financial performance in 2012 are associated with future impairment charges on the loan portfolio.

Insurance premium revenue is expected to increase at an above-the-market-average rate. In Non-life Insurance, the operating combined ratio is estimated to vary between 89% and 94% in 2012, if the number of large claims is not much higher than in 2011. Expected investment returns are largely dependent on developments in the investment environment. The most significant uncertainties related to Non-life Insurance's financial performance in 2012 pertain to the investment environment and the effect of large claims on claims expenditure.

The greatest uncertainties related to Asset Management's financial performance in 2012 are associated with the actual performance-based fees tied to the success of investments and the amount of assets under management.

The key determinants affecting the Group Functions' financial performance include net interest income arising from assets in the liquidity portfolio, any capital gains or losses on notes and bonds and any impairment charges recognised on notes and bonds in the income statement.

Consolidated earnings before tax in 2012 are expected to be markedly higher than in 2011.

The treatment of insurance company investments in capital adequacy measurement has a major effect on Pohjola Group's capital adequacy. The related regulatory framework that is currently being revised is expected to be specified during 2012.

There is still great uncertainty about the economic outlook and the operating environment. A major risk that may undermine the economic outlook is the exacerbation of the fiscal crisis in certain euro countries. The crisis with its repercussions may have a significant impact on the entire financial sector's operating environment.

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

Consolidated income statement

EUR million	Note	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Net interest income	3	71	69	276	258
Impairments of receivables	4	21	16	60	104
Net interest income after impairments		**50**	**53**	**215**	**154**
Net income from Non-life Insurance	5	22	75	318	388
Net commissions and fees	6	41	46	161	164
Net trading income	7	30	2	26	35
Net investment income	8	6	10	23	31
Other operating income	9	10	18	41	50
Total income		**160**	**202**	**783**	**822**
Personnel costs		57	55	213	199
IT expenses		23	20	81	76
Depreciation/amortisation		15	16	57	72
Other expenses		54	46	177	168
Total expenses		**148**	**137**	**528**	**514**
Share of associates' profits/losses		0	0	2	0
Earnings before tax		**13**	**66**	**258**	**308**
Income tax expense		-19	15	42	79
Profit for the period		**32**	**50**	**215**	**229**
Attributable to owners of the Parent		32	50	215	229
Total		**32**	**50**	**215**	**229**
Earnings per share (EPS), basic, EUR					
Series A		0.11	0.16	0.68	0.72
Series K		0.08	0.13	0.65	0.69

Consolidated statement of comprehensive income

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Profit for the period	**32**	**50**	**215**	**229**
Change in fair value reserve				
Measurement at fair value	-6	-40	-202	-8
Cash flow hedge	6	-7	22	-8
Translation differences	1	0	1	0
Income tax on other comprehensive income				
Measurement at fair value	2	-10	-49	-2
Cash flow hedge	1	-2	5	-2
Total comprehensive income for the period	**30**	**15**	**80**	**216**
Total comprehensive income attributable to owners of the Parent	30	15	80	216
Total	**30**	**15**	**80**	**216**

Consolidated balance sheet

EUR million	Note	31 Dec 2011	31 Dec 2010
Cash and cash equivalents		4,247	1,501
Receivables from credit institutions		7,367	8,033
Financial assets at fair value through profit or loss			
Financial assets held for trading		170	410
Financial assets at fair value through profit or loss at inception		13	12
Derivative contracts		3,326	1,962
Receivables from customers		12,701	12,433
Non-life Insurance assets	12	3,256	3,198
Investment assets		7,341	6,339
Investment in associates		27	25
Intangible assets	13	920	925
Property, plant and equipment (PPE)		82	97
Other assets		1,604	1,208
Tax assets		87	40
Total assets		**41,142**	**36,184**
Liabilities to credit institutions		5,935	4,960
Financial liabilities at fair value through profit or loss			
Financial assets held for trading		1	0
Derivative contracts		3,460	2,054
Liabilities to customers		8,025	4,231
Non-life Insurance liabilities	14	2,508	2,351
Debt securities issued to the public	15	15,179	16,685
Provisions and other liabilities		2,234	1,816
Tax liabilities		418	455
Subordinated liabilities		1,050	1,255
Total liabilities		**38,811**	**33,807**
Shareholders' equity			
Capital and reserves attributable to owners of the Parent			
Share capital		428	428
Fair value reserve	16	-149	-12
Other reserves		1,093	1,093
Retained earnings		959	868
Total shareholders' equity		**2,331**	**2,377**
Total liabilities and shareholders' equity		**41,142**	**36,184**

Consolidated statement of changes in equity

EUR million	Share capital	Fair value reserve: Measure-ment at fair value	Fair value reserve: Cash flow hedge	Other reserves	Retained earnings	Total equity
Balance at 1 January 2010	**428**	**0**		**1,093**	**746**	**2,267**
Total comprehensive income for the period		-6	-6	0	229	216
Profit distribution					-107	-107
EUR 0.34 per Series A share					-85	-85
EUR 0.31 per Series K share					-21	-21
Equity-settled share-based payment					1	1
Other					0	0
Balance at 31 December 2010	**428**	**-6**	**-6**	**1,093**	**868**	**2,377**

EUR million	Share capital	Fair value reserve: Measure-ment at fair value	Fair value reserve: Cash flow hedge	Other reserves	Retained earnings	Total equity
Balance at 1 January 2011	**428**	**-6**	**-6**	**1,093**	**868**	**2,377**
Total comprehensive income for the period		-152	16	0	216	80
Profit distribution					-126	-126
EUR 0.40 per Series A share					-100	-100
EUR 0.37 per Series K share					-25	-25
Equity-settled share-based payment					1	1
Other					0	0
Balance at 31 December 2011	**428**	**-159**	**10**	**1,093**	**959**	**2,331**

Consolidated cash flow statement

EUR million	Q1–4/ 2011	Q1–4/ 2010
Cash flow from operating activities		
Profit for the period	215	229
Adjustments to profit for the period	238	318
Increase (-) or decrease (+) in operating assets	**-1,100**	**-2,021**
Receivables from credit institutions	771	-296
Financial assets at fair value through profit or loss	181	972
Derivative contracts	-9	-89
Receivables from customers	-320	-1,241
Non-life Insurance assets	-189	-92
Investment assets	-1,141	-1,133
Other assets	-393	-140
Increase (+) or decrease (-) in operating liabilities	**5,294**	**672**
Liabilities to credit institutions	954	-28
Financial liabilities at fair value through profit or loss	1	-71
Derivative contracts	34	94
Liabilities to customers	3,794	98
Non-life Insurance liabilities	95	54
Provisions and other liabilities	416	525
Income tax paid	-83	-79
Dividends received	40	25
A. Net cash from operating activities	**4,604**	**-855**
Cash flow from investing activities		
Decreases in held-to-maturity financial assets	217	165
Acquisition of subsidiaries and associates, net of cash acquired	-4	-28
Disposal of subsidiaries and associates, net of cash disposed	0	14
Proceeds from sale of investment securities	0	2
Purchase of PPE and intangible assets	-34	-17
Proceeds from sale of PPE and intangible assets	1	2
B. Net cash used in investing activities	**180**	**138**
Cash flow from financing activities		
Increases in subordinated liabilities	181	77
Decreases in subordinated liabilities	-388	-130
Increases in debt securities issued to the public	36,482	45,401
Decreases in debt securities issued to the public	-38,081	-46,016
Dividends paid	-126	-107
Other decreases in equity items	0	0
C. Net cash used in financing activities	**-1,931**	**-775**
Net increase/decrease in cash and cash equivalents (A+B+C)	**2,853**	**-1,492**
Cash and cash equivalents at period-start	**1,758**	**3,250**
Cash and cash equivalents at period-end	**4,612**	**1,758**
Cash and cash equivalents		
Liquid assets*	4,253	1,505
Receivables from credit institutions payable on demand	359	253
Total	**4,612**	**1,758**

* Of which EUR 6 million (4) consists of Non-life Insurance cash and cash equivalents.

Segment information

Q4 earnings 2011, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	50					50
Markets	11					11
Other operations		0	2	8	0	9
Total	61	0	2	8	0	71
Net commissions and fees	23	5	14	0	-1	41
Net trading income	17		0	8	5	30
Net investment income	4	0		2		6
Net income from Non-life Insurance						
From insurance operations		45				45
From investment operations		-6			-5	-11
From other items		-12				-12
Total		27			-5	22
Other operating income	6	1	1	3	-1	10
Total income	**112**	**33**	**16**	**22**	**-1**	**181**
Personnel costs	15	33	5	4		57
IT expenses	7	13	1	2	1	23
Amortisation on intangible assets related to company acquisitions		5	1			6
Other depreciation/amortisation and impairments	5	3	0	0		9
Other expenses	9	40	2	4	-2	54
Total expenses	**35**	**96**	**9**	**9**	**-1**	**148**
Earnings/loss before impairment of receivables	**76**	**-63**	**7**	**12**	**0**	**33**
Impairments of receivables	13	0		8		21
Share of associates' profits/losses		0	0		0	0
Earnings before tax	**63**	**-63**	**8**	**5**	**0**	**13**
Change in fair value reserve	-1	45	0	-43	0	0
Earnings/loss before tax at fair value	**62**	**-18**	**8**	**-39**	**0**	**13**

Q4 earnings 2010, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	45					45
Markets	14					14
Other operations		-2	-1	12	0	10
Total	58	-2	-1	12	0	69
Net commissions and fees	24	5	18	0	-2	46
Net trading income	2		0	1	-1	2
Net investment income			0	10		10
Net income from Non-life Insurance						
From insurance operations		47				47
From investment operations		22			2	24
From other items		4				4
Total		73			2	75
Other operating income	6	1	8	3	-1	18
Total income	**91**	**78**	**26**	**26**	**-2**	**218**
Personnel costs	16	28	7	5	0	55
IT expenses	6	11	0	1	0	20
Amortisation on intangible assets related to company acquisitions		6	1			7
Other depreciation/amortisation and impairments	6	2	0	0		9
Other expenses	7	31	3	6	-2	46
Total expenses	**35**	**79**	**12**	**13**	**-2**	**137**
Earnings/loss before impairment of receivables	**56**	**-2**	**14**	**13**	**0**	**81**
Impairments of receivables	15			0		16
Share of associates' profits/losses		0				0
Earnings before tax	**40**	**-2**	**14**	**13**	**0**	**66**
Change in fair value reserve	0	-24	0	-24	0	-47
Earnings/loss before tax at fair value	**40**	**-26**	**14**	**-11**	**0**	**18**

Q1–4 earnings 2011, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	180					180
Markets	58					58
Other operations		-2	3	35	2	38
Total	238	-2	3	35	2	276
Net commissions and fees	97	20	50	-2	-4	161
Net trading income	18		0	3	4	26
Net investment income	5	0	0	18		23
Net income from Non-life Insurance						
From insurance operations		332				332
From investment operations		36			-3	32
From other items		-46				-46
Total		321			-3	318
Other operating income	25	5	2	13	-5	41
Total income	**384**	**344**	**56**	**67**	**-6**	**843**
Personnel costs	57	125	18	13		213
IT expenses	26	46	2	6	0	81
Amortisation on intangible assets related to company acquisitions		21	2			24
Other depreciation/amortisation and impairments	21	10	1	1		33
Other expenses	32	133	7	11	-6	177
Total expenses	**136**	**336**	**31**	**31**	**-6**	**528**
Earnings/loss before impairment of receivables	**248**	**8**	**25**	**36**	**0**	**316**
Impairments of receivables	49			11		60
Share of associates' profits/losses		0	2		0	2
Earnings before tax	**198**	**8**	**27**	**24**	**0**	**258**
Change in fair value reserve	-10	-47	0	-122	-1	-180
Earnings/loss before tax at fair value	**188**	**-39**	**27**	**-98**	**-1**	**78**

Q1–4 earnings 2010, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Net interest income						
Corporate Banking and Baltic Banking	172					172
Markets	27					27
Other operations		-6	0	64	1	59
Total	199	-6	0	64	1	258
Net commissions and fees	93	19	58	-1	-5	164
Net trading income	47		0	-9	-3	35
Net investment income	0		0	31		31
Net income from Non-life Insurance						
From insurance operations		327				327
From investment operations		87			5	92
From other items		-30				-30
Total		383			5	388
Other operating income	29	3	9	13	-4	50
Total income	**368**	**399**	**67**	**98**	**-6**	**926**
Personnel costs	54	109	21	15	0	199
IT expenses	24	43	2	7	0	76
Amortisation on intangible assets related to company acquisitions		29	3			31
Other depreciation/amortisation and impairments	25	14	1	1		41
Other expenses	27	123	9	15	-6	168
Total expenses	**130**	**316**	**35**	**38**	**-6**	**514**
Earnings/loss before impairment of receivables	**238**	**82**	**31**	**60**	**0**	**412**
Impairments of receivables	105	0		-1		104
Share of associates' profits/losses		0				0
Earnings before tax	**133**	**83**	**31**	**61**	**0**	**308**
Change in fair value reserve	0	56	0	-72	0	-17
Earnings/loss before tax at fair value	**133**	**139**	**31**	**-12**	**0**	**291**

Balance sheet 31 Dec 2011, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Receivables from customers	12,627			207	-132	12,701
Receivables from credit institutions	363	0	3	11,261	-13	11,614
Financial assets at fair value through profit or loss	250			-67		183
Non-life Insurance assets		3,352			-97	3,256
Investment assets	281	16	28	7,026	-11	7,341
Investments in associates		2	25			27
Other assets	3,875	780	115	1,303	-53	6,020
Total assets	**17,396**	**4,150**	**171**	**19,730**	**-306**	**41,142**
Liabilities to customers	3,084			4,989	-48	8,025
Liabilities to credit institutions	924			5,143	-132	5,935
Non-life Insurance liabilities		2,543			-36	2,508
Debt securities issued to the public				15,202	-23	15,179
Subordinated liabilities		50		1,005	-5	1,050
Other liabilities	4,252	67	14	1,842	-61	6,114
Total liabilities	**8,261**	**2,661**	**14**	**28,181**	**-305**	**38,811**
Shareholders' equity						**2,331**
Average personnel	748	2,355	149	129		3,380
Capital expenditure, EUR million	12	20	1	1		33

Balance sheet 31 Dec 2010, EUR million	Banking	Non-life Insurance	Asset Manage-ment	Group Functions	Elimi-nations	Group total
Receivables from customers	11,544			977	-88	12,433
Receivables from credit institutions	249	2	1	9,300	-18	9,534
Financial assets at fair value through profit or loss	483			-60		422
Non-life Insurance assets		3,307			-109	3,198
Investment assets	83	16	41	6,231	-32	6,339
Investments in associates		2	23			25
Other assets	2,505	788	122	919	-101	4,232
Total assets	**14,865**	**4,115**	**186**	**17,366**	**-348**	**36,184**
Liabilities to customers	1,391			2,914	-74	4,231
Liabilities to credit institutions	1,245			3,804	-88	4,960
Non-life Insurance liabilities		2,357			-6	2,351
Debt securities issued to the public				16,760	-75	16,685
Subordinated liabilities		50		1,205		1,255
Other liabilities	2,811	143	17	1,460	-105	4,325
Total liabilities	**5,446**	**2,550**	**17**	**26,142**	**-349**	**33,807**
Shareholders' equity						**2,377**
Average personnel	657	2,090	144	126		3,016
Capital expenditure, EUR million	6	9	1	1		17

Notes

Note 1. Accounting policies

The Financial Statements Bulletin for 1 January–31 December 2011 has been prepared in accordance with IAS 34 (Interim Financial Reporting).

The Financial Statements 2011 contain a description of the accounting policies, which have been applied in the preparation of this Financial Statements.

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

Note 2. Formulas for key figures and ratios

Return on equity (ROE) at fair value, %
Profit for the period + Change in fair value reserve after tax /
Shareholders' equity (average of the beginning and end of period) x 100

Earnings/share (EPS)
Profit for the period attributable to owners of the Parent / Average share-issue adjusted number of shares during the period

Earnings/share (EPS) at fair value
(Profit for the period attributable to owners of the Parent + Change in fair value reserve) /
Average share-issue adjusted number of shares during the period

Equity/share
Shareholders' equity / Share-issue adjusted number of shares on the balance sheet date

Dividend per share (DPS)
Dividends paid for the financial year/ Share-issue adjusted number of shares on the balance sheet date

Market capitalisation
Number of shares x closing price on the balance sheet date

Capital adequacy ratio under the Act on the Supervision of Financial and Insurance Conglomerates
Conglomerate's total capital / Conglomerate's total minimum capital requirement

Capital adequacy ratio, %
Total capital / Total minimum capital requirement x 8

Tier 1 ratio, %
Total Tier 1 capital / Total minimum capital requirement x 8

Core Tier 1, %
Total Tier 1 capital, excl. hybrid capital and shortfall of Tier 2 capital covered by hybrid capital /
Total minimum capital requirement x 8

KEY RATIOS FOR NON-LIFE INSURANCE

The key ratio formulas for Non-life Insurance are based on regulations issued by the Finnish Financial Supervisory Authority, using the corresponding IFRS sections to the extent applicable. The ratios are calculated using expenses by function applied by non-life insurance companies, which are not presented on the same principle as in the Consolidated Income Statement.

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

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

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

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

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

Solvency ratio
(+ Non-life Insurance net assets
+ Subordinated loans
+ Net tax liability for the period
- Deferred tax to be realised in the near future and other items deducted from the solvency margin
- Intangible assets)/
Insurance premium revenue x 100

OPERATING KEY RATIOS

Operating cost/income ratio
(+ Personnel costs
+ Other administrative expenses
+ Other operating expenses excl. amortisation on intangible assets and goodwill related to Pohjola acquisition) /
(+ Net interest income
+ Net income from Non-life Insurance
+ Net commissions and fees
+ Net trading income
+ Net investment income
+ Other operating income) x 100

Operating loss ratio, %
Claims incurred, excl. changes in reserving bases/
Insurance premium revenue, excl. net changes in reserving bases x 100

Operating expense ratio
Operating expenses / Insurance premium revenue, excl. net changes in reserving bases x 100

Operating combined ratio, %
Operating loss ratio + Operating expense ratio

Values used in calculating the ratios

EUR million	31 Dec 2011	31 Dec 2010
Non-life Insurance		
Non-life Insurance net assets	1,490	1,564
Net tax liabilities for the period	4	-13
Own subordinated loans	50	50
Deferred tax to be realised in the near future and other items deducted from the solvency margin of the companies	-5	2
Intangible assets	756	767

EUR million	31 Dec 2011	31 Dec 2010
Changes in reserving bases and non-recurring items		
Increase in technical provisions related to higher life expectancy	-27	-35
Change in discount rate	-32	
Cancellation of provision for guarantee system		15
Items related to corporate transaction (Asset Management)		6

Note 3. Net interest income

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Loans and other receivables	103	83	376	308
Receivables from credit institutions and central banks	38	3	144	96
Notes and bonds	63	80	241	222
Derivatives (net)				
Derivatives held for trading	7	14	29	30
Derivatives under hedge accounting	-4	-6	-18	-34
Liabilities to credit institutions	-27	-16	-90	-56
Liabilities to customers	-18	-6	-53	-16
Debt securities issued to the public	-80	-69	-305	-240
Subordinated debt	-9	-8	-32	-32
Hybrid capital	-3	-3	-11	-10
Financial liabilities held for trading	0	0	0	-1
Other (net)	1	-2	0	-3
Net interest income before fair value adjustment under hedge accounting	**70**	**70**	**279**	**263**
Hedging derivatives	-19	45	-111	-62
Value change of hedged items	19	-47	108	57
Total net interest income	**71**	**69**	**276**	**258**

Note 4. Impairments of receivables

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Receivables eliminated as loan or guarantee losses	1	3	47	45
Receoveries of eliminated receivables	0	0	-1	0
Increase in impairment losses	31	15	84	111
Decrease in impairment losses	-11	-3	-70	-51
Total impairments of receivables	**21**	**16**	**60**	**104**

Note 5. Net income from Non-life Insurance

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Net insurance premium revenue				
Premiums written	190	173	1,120	1,023
Insurance premiums ceded to reinsurers	-4	-2	-55	-40
Change in provision for unearned premiums	77	81	-44	-13
Reinsurers' share	-12	-10	3	-6
Total	**251**	**241**	**1,024**	**964**
Net Non-life Insurance claims				
Claims paid	176	178	703	655
Insurance claims recovered from reinsurers	-4	-10	-33	-29
Change in provision for unpaid claims	86	38	51	19
Reinsurers' share	-52	-12	-29	-8
Total	**206**	**194**	**692**	**637**

Net investment income, Non-life Insurance				
Interest income	15	16	61	65
Dividend income	1	2	30	21
Investment property	1	-2	5	2
Capital gains and losses				
Notes and bonds	-3	0	-8	53
Shares and participations	-1	15	0	-2
Loans and receivables		2	0	1
Investment property	0	1	0	3
Derivatives	-9	2	-18	-20
Fair value gains and losses				
Notes and bonds	-18	0	-34	0
Shares and participations	-1	-10	-10	-33
Loans and receivables	0	-1	-1	-4
Investment property	2	0	3	1
Derivatives	0	-4	0	0
Other	1	1	5	5
Total	**-11**	**24**	**32**	**92**
Unwinding of discount	-12	-11	-46	-45
Other	0	15	0	14
Total net income from Non-life Insurance	**22**	**75**	**318**	**388**

Note 6. Net commissions and fees

EUR million	**Q4/ 2011**	**Q4/ 2010**	**Q1–4/ 2011**	**Q1–4/ 2010**
Commission income				
Lending	11	9	37	35
Payment transfers	4	3	14	13
Securities brokerage	5	8	29	29
Securities issuance	3	2	9	10
Asset management and legal services	15	19	56	63
Insurance operations	6	5	20	19
Guarantees	4	5	16	17
Other	2	1	6	5
Total commission income	**48**	**53**	**187**	**192**
Commission expenses				
Payment transfers	1	0	2	2
Securities brokerage	2	3	10	10
Securities issuance	2	2	5	6
Asset management and legal services	2	2	7	7
Other	0	1	2	2
Total commission expenses	**7**	**7**	**27**	**28**
Total net commissions and fees	**41**	**46**	**161**	**164**

Note 7. Net trading income

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Financial assets and liabilities held for trading				
Capital gains and losses				
Notes and bonds	4	-1	5	18
Shares and participations	0	0	0	0
Derivatives	27	15	9	2
Fair value gains and losses				
Notes and bonds	-2	-3	2	-1
Shares and participations	0	0	0	0
Derivatives	0	-10	10	0
Financial assets and liabilities at fair value through profit or loss				
Capital gains and losses				
Notes and bonds				0
Fair value gains and losses				
Notes and bonds	0	0	0	2
Net income from foreign exchange operations	2	0	-1	14
Total net trading income	**30**	**2**	**26**	**35**

Note 8. Net investment income

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Available-for-sale financial assets				
Capital gains and losses				
Notes and bonds		7	10	29
Shares and participations	5	0	5	1
Dividend income	0	1	10	4
Impairments	0	0	-1	-4
Carried at amortised cost				
Capital gains and losses				
Loans and other receivables	0	0	-1	0
Total	**6**	**8**	**23**	**30**
Investment property	0	1	0	2
Total net investment income	**6**	**10**	**23**	**31**

Note 9. Other operating income

EUR million	Q4/ 2011	Q4/ 2010	Q1–4/ 2011	Q1–4/ 2010
Central banking service fees	2	2	8	9
Realisation of repossessed items		-1	0	0
Rental income from assets rented under operating lease	3	5	17	23
Other	5	11	15	17
Total	**10**	**18**	**41**	**50**

Note 10. Classification of financial instruments

Assets, EUR million	Loans and receivables	Held to maturity	At fair value through profit or loss*	Available for sale	Hedging derivatives	Total
Cash and balances with central banks	4,247					4,247
Receivables from credit institutions and central banks	7,367					7,367
Derivative contracts			3,126		200	3,326
Receivables from customers	12,701					12,701
Non-life Insurance assets**	592		104	2,559		3,256
Notes and bonds***		716	182	6,522		7,420
Shares and participations			1	77		78
Other receivables	2,720		25			2,746
Total 31 December 2011	**27,628**	**716**	**3,439**	**9,159**	**200**	**41,142**
Total 31 December 2010	**24,912**	**928**	**2,408**	**7,838**	**98**	**36,184**

Liabilities, EUR million	At fair value through profit or loss	Other liabilities	Hedging derivatives	Total
Liabilities to credit institutions		5,935		5,935
Financial liabilities held for trading (excl. derivatives)	1			1
Derivative conctracts	3,082		378	3,460
Liabilities to customers		8,025		8,025
Non-life Insurance liabilities	1	2,507		2,508
Debt instruments issued to the public		15,179		15,179
Subordinated liabilities		1,050		1,050
Other liabilities		2,652		2,652
Total 31 December 2011	**3,084**	**35,349**	**378**	**38,811**
Total 31 December 2010	**1,854**	**31,751**	**202**	**33,807**

* Assets at fair value through profit or loss include financial assets held for trading, financial assets at fair value through profit or loss at inception and investment property.
** Non-life Insurance assets are specified in Note 12.
*** On 31 December 2011, notes and bonds included EUR 13 million (12) in notes and bonds recognised using the fair value option.

Debt securities issued to the public are carried at amortised cost. On 31 December 2011, the fair value of these debt instruments was EUR 14 million higher than their carrying amount, based on information available in markets and employing commonly used valuation techniques. Subordinated liabilities are carried at amortised cost. Their fair value are lower than their carrying amount, but determining reliable fair values involves uncertainty.

Note 11. Financial instruments recognised at fair value, grouped by valuation technique

Fair value of assets on 31 December 2011, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	105	74	4	183
Non-life Insurance			6	6
Derivative financial instruments				
Banking	15	3,287	25	3,326
Non-life Insurance	0	0		0
Available-for-sale				
Banking	5,516	1,070	14	6,600
Non-life Insurance	1,743	557	259	2,559
Total	**7,379**	**4,988**	**308**	**12,675**

Fair value of assets on 31 December 2010, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	307	112	4	422
Non-life Insurance			8	8
Derivative financial instruments				
Banking	32	1,866	65	1,962
Non-life Insurance	0	0		1
Available-for-sale				
Banking	4,782	588	15	5,385
Non-life Insurance	1,577	653	223	2,453
Total	**6,699**	**3,218**	**314**	**10,231**

Fair value of liabilities on 31 December 2011, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking	1			1
Derivative financial instruments				
Banking	23	3,342	96	3,460
Non-life Insurance	0	0		1
Total	**24**	**3,342**	**96**	**3,462**

Fair value of liabilities on 31 December 2010, EUR million	Level 1*	Level 2**	Level 3***	Total
Recognised at fair value through profit or loss				
Banking		0		0
Derivative financial instruments				
Banking	22	1,975	56	2,054
Non-life Insurance	1	0		2
Total	**24**	**1,976**	**56**	**2,056**

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

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

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

Transfers between levels of the fair value hierarchy

During 2011, EUR 67 million in bonds were transferred from level 1 to level 2, due to changes in credit ratings.

Note 12. Non-life Insurance assets

EUR million	31 Dec 2011	31 Dec 2010
Investments		
Loans and other receivables	141	254
Shares and participations	435	400
Property	98	87
Notes and bonds	1,562	1,500
Derivatives	0	1
Other participations	568	561
Total	**2,805**	**2,802**
Other assets		
Prepayments and accrued income	36	38
Other		
From direct insurance	262	228
From reinsurance	121	87
Cash in hand and at bank	6	4
Other receivables	26	39
Total	**451**	**396**
Total Non-life insurance assets	**3,256**	**3,198**

Note 13. Intangible assets

EUR million	31 Dec 2011	31 Dec 2010
Goodwill	519	516
Brands	172	173
Customer relationships	155	179
Other	74	56
Total	**920**	**925**

Note 14. Non-life Insurance liabilities

EUR million	31 Dec 2011	31 Dec 2010
Provision for unpaid claims		
Provision for unpaid claims for annuities	1,155	1,108
Other provision for unpaid claims	789	739
Total	1,944	1,847
Provision for unearned premiums	422	377
Derivatives	1	2
Other liabilities	141	125
Total	**2,508**	**2,351**

Note 15. Debt securities issued to the public

EUR million	31 Dec 2011	31 Dec 2010
Bonds	6,769	6,861
Certificates of deposit, commercial papers and ECPs	8,113	9,563
Other	297	262
Total	**15,179**	**16,685**

Note 16. Fair value reserve after income tax

EUR million	31 Dec 2011	31 Dec 2010
Loans and other receivables		
Reclassified notes and bonds	-4	-8
Available-for-sale financial assets		
Notes and bonds	-162	-57
Equities and mutual funds with equity risk	7	28
Other funds	0	31
Derivatives		
Cash flow hedge	10	-6
Total	**-149**	**-12**

The negative fair value reserve may recover by means of asset appreciation, capital losses and recognised impairments.

The fair value reserve before tax totalled EUR –197 million (–17) and the related deferred tax asset amounted to EUR 48 million (5). On 31 December, positive mark-to-market valuations of equity instruments before tax in the fair value reserve totalled EUR 66 million (84) and negative mark-to-market valuations EUR 58 million (5). In January–December, impairment charges recognised from the fair value reserve in the income statement totalled EUR 31 million (35), of which equity instruments accounted for EUR 3 million (35).

Note 17. Risk exposure by Banking

Total exposure by rating category*, EUR billion

Rating category	31 Dec 2011	31 Dec 2010	Change
1–2	2.3	2.4	-0.1
3–5	11.6	11.8	-0.2
6–7	5.1	4.2	1.0
8–9	1.9	2.1	-0.2
10	0.1	0.1	0.0
11–12	0.3	0.4	-0.1
Non-rated	0.2	0.2	0.0
Total	**21.6**	**21.0**	**0.5**

* excl. private customers

Sensitivity analysis of market risk

			31 Dec 2011		31 Dec 2010	
Banking, EUR million	Risk parameter	Change	Effect on results	Effect on shareholders' equity	Effect on results	Effect on shareholders' equity
Interest-rate risk	Interest	1 percentage point	4		4	
Currency risk	Market value	20 percentage points	7		1	
Volatility risk						
Interest-rate volatility	Volatility	20 percentage points	1		2	
Currency volatility	Volatility	10 percentage points	0		0	
Credit risk premium*	Credit spread	0.5 percentage points	7		12	

Sensitivity figures have been calculated as the sum of the currencies' intrinsic value.
* The credit risk premium has been calculated on notes and bonds at fair value through profit or loss and available for sale, included in liquidity reserves.

Note 18. Risk exposure by Non-life Insurance

Risk parameter	Total amount 31 Dec 2011, EUR million	Change in risk parameter	Effect on combined ratio	Effect on shareholders' equity, EUR million
Insurance portfolio or insurance premium revenue*	1,024	Up 1%	Up 0.9 percentage points	10
Claims incurred*	754	Up 1%	Down 0.7 percentage points	-8
Major loss of over EUR 5 million		1 loss	Down 0.5 percentage points	-5
Personnel costs*	120	Up 8%	Down 0.9 percentage points	-10
Expenses by function*/**	286	Up 4%	Down 1.1 percentage points	-11
Inflation for collective liability	553	Up 0.25 percentage points	Down 0.4 percentage points	-4
Life expectancy for discounted insurance contract liability	1,427	Up 1 year	Down 3.2 percentage points	-33
Discount rate for discounted insurance contract liability	1,427	Down 0.1 percentage point	Down 1.6 percentage points	-16

* Moving 12-month
** Expenses by function in Non-life Insurance excluding expenses for investment management and expenses for other services rendered

Non-life Insurance investment portfolio by allocation

Portfolio allocation, EUR million	Fair value 31 Dec 2011	%	Fair value 31 Dec 2010	%
Money market instruments	48	2 %	14	0 %
Bonds and bond funds	2,050	72 %	2,074	71 %
Equities	379	13 %	422	14 %
Alternative investments	132	5 %	207	7 %
Real property	254	9 %	207	7 %
Total	**2,863**	**100 %**	**2,924**	**100 %**

Non-life Insurance fixed-income portfolio by maturity and credit rating on 31 December 2011*, EUR million

Year(s)	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	40	202	215	125	116	86	784	38 %
Aa1−Aa3	132	50	94	30	11	29	345	17 %
A1−A3	24	171	142	32	25	31	426	20 %
Baa1−Baa3	48	123	57	69	23	14	334	16 %
Ba1 or lower	28	56	47	29	16	3	180	9 %
Internally rated	2	1	0	8	5		17	1 %
Total	**273**	**603**	**556**	**294**	**196**	**163**	**2,085**	**100 %**

* Excludes credit derivatives.

The table below shows the sensitivity of investment risks and their effect on shareholders' equity:

Non-life Insurance	Risk parameter	Change	Effect on shareholders' equity, EUR million 31 Dec 2011	31 Dec 2010
Bonds and bond funds1)	Interest rate	1 percentage point	84	92
Equities 2)	Market value	20 percentage points	70	83
Venture capital funds and unquoted equities	Market value	20 percentage points	19	16
Commodities	Market value	20 percentage points	0	5
Real property	Market value	10 percentage points	25	21
Currency	Value of currency	20 percentage points	39	48
Credit risk premium 3)	Credit spread	0.5 percentage points	42	47
Derivatives 4)	Volatility	10 percentage points	4	0

1) Include money-market investments, convertible bonds and interest-rate derivatives
2) Include hedge funds and equity derivatives
3) Includes bonds and money-market investments, including government bonds and interest-rate derivatives issued by developed countries
4) 20 percentage points for equity derivatives, 10 percentage points for interest-rate derivatives and 5 percentage points for currency derivatives.

Note 19. Risk exposure by Group Functions

Total exposure by rating category, EUR billion

Rating category	31 Dec 2011	31 Dec 2010	Change
1–2	14.9	13.5	1.4
3–5	4.7	4.3	0.4
6–7	0.3	0.1	0.1
8–9	0.1	0.1	-0.1
10	0.1	0.0	0.1
11–12	0.0	0.0	0.0
Non-rated	0.0	0.0	0.0
Total	**20.1**	**18.1**	**1.9**

Sensitivity analysis of market risk

Group Functions, EUR million	Risk parameter	Change	31 Dec 2011 Effect on results	31 Dec 2011 Effect on share-holders' equity	31 Dec 2010 Effect on results	31 Dec 2010 Effect on share-holders' equity
Interest-rate risk	Interest rate	1 percen-tage point	25	0	6	0
Interest-rate volatility	Volatility	20 percen-tage points	0		0	
Credit risk premium*	Credit spread	0.5 percen-tage points	0	116	0	121
Price risk						
Equity portfolio	Market value	20 percen-tage points		1		2
Private equity funds	Market value	20 percen-tage points		5		6
Property risk	Market value	10 percen-tage points	3		4	

Sensitivity figures have been calculated as the sum of the currencies' intrinsic value.
* The credit risk premium has been calculated on notes and bonds at fair value through profit or loss and available for sale, included in liquidity reserves.

Financial assets included in liquidity reserve by maturity and credit rating on 31 December 2011*, EUR million

Year	0–1	1–3	3–5	5–7	7–10	10–	Total	%
Aaa	4,375	973	1,835	966	513	21	8,683	69 %
Aa1−Aa3	154	850	385	158	209		1,756	14 %
A1−A3	271	703	173	10	10	0	1,166	9 %
Baa1−Baa3	221	191	167	15	0	0	593	5 %
Ba1 or lower	45	119	11	14			188	1 %
Internally rated	81	54	92	35			261	2 %
Total	**5,147**	**2,888**	**2,662**	**1,198**	**731**	**21**	**12,647**	**100 %**

The residual maturity of liquidity reserves averages 3.6 years.
* Based on carrying amounts

Note 20. Capital base and capital adequacy

EUR million	31 Dec 2011	31 Dec 2010
Tier 1 capital		
Equity capital	2,331	2,377
Elimination of insurance companies' effect in equity capital (equity capital and Group eliminations)	111	93
Fair value reserve, transfer to Tier 2	136	36
Core Tier 1 capital before deductions	**2,578**	**2,505**
Intangible assets	-171	-165
Excess funding of pension liability and fair value measurement of investment property	-32	-30
Dividend distribution proposed by Board of Directors	-129	-126
Investments in insurance companies and financial institutions	-704	-705
Impairments – shortfall of expected losses	-56	-61
Core Tier 1 capital	**1,486**	**1,418**
Hybrid capital	274	274
Shortfall of Tier 2 capital	-238	
Total Tier 1 capital for calculating capital adequacy	**1,521**	**1,692**
Tier 2 capital		
Fair value reserve	-146	-29
Perpetual bonds	294	299
Debenture loans	375	608
Investments in insurance companies and financial institutions	-704	-705
Impairments – shortfall of expected losses	-56	-61
Transfer to Tier 1 capital	238	
Total Tier 2 capital for calculating capital adqeuacy		**111**
Total capital base	**1,521**	**1,803**
Deductions from Tier 1 and 2 capital		
Investments in insurance companies and financial institutions	-1,408	-1,410
Impairments – shortfall of expected losses	-112	-122
Total	-1,521	-1,531
Risk-weighted assets	**14,409**	**13,520**
Core Tier 1 ratio, %	**10.3**	**10.5**
Tier 1 ratio, %	**10.6**	**12.5**
Capital adequacy ratio, %	**10.6**	**13.3**

Capital base and capital adequacy measurement is based on approaches under Basel II. Pohjola has used the Internal Ratings Based Approach (IRBA) for corporate, credit institution and retail exposures since 31 December 2011. On 31 December 2010, Pohjola used IRBA for corporate exposures and the Standardised Approach (SA) for other exposure classes.

OP-Pohjola Group's capital adequacy ratio under the Act on Credit Institutions stood at 14.0% and Tier 1 ratio at 14.0%.

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

EUR million	31 Dec 2011	31 Dec 2010
Pohjola Group's equity capital	2,331	2,377
Hybrid instruments, perpetual bonds and debenture bonds	992	1,230
Other sector-specific items excluded from capital base	-2	
Goodwill and intangible assets	-869	-862
Equalisation provision	-266	-314
Proposed profit distribution	-129	-126
Items under IFRS deducted from capital base*	-53	-30
Impairments – shortfall of expected losses	-112	-122
Conglomerate's capital base, total	**1,891**	**2,154**
Regulatory capital requirement for credit institutions**	1,153	1,082
Regulatory capital requirement for insurance operations	186	177
Total minimum amount of conglomerate's capital ba	**1,339**	**1,259**
Conglomerate's capital adequacy	**552**	**895**
Conglomerate's capital adequacy ratio (capital resources/minimum of capital resources)	**1.41**	**1.71**

* Excess funding of pension liability, Fair value measurement of investment property, Portion of cash flow hedge of fair value reserve
** Risk-weighted assets x 8%
*** Minimum solvency margin

OP-Pohjola Group's capital adequacy ratio was 1.80.

Note 22. Collateral given

EUR million	31 Dec 2011	31 Dec 2010
Given on behalf of own liabilities and commitments		
Mortgages	1	1
Pledges	6,832	6,026
Other	492	349
Total collateral given	**7,325**	**6,376**
Total collateralised liabilities	**765**	**651**

Note 23. Off-balance-sheet commitments

EUR million	31 Dec 2011	31 Dec 2010
Guarantees	1,004	1,125
Other guarantee liabilities	1,303	1,333
Loan commitments	4,952	3,912
Commitments related to short-term trade transactions	225	140
Other	359	463
Total off-balance-sheet commitments	**7,844**	**6,972**

Note 24. Derivative contracts

31 Dec 2011, EUR million	Nominal values/residual term to maturity <1 year	1–5 years	>5 years	Total	Fair values* Assets	Liabilities
Interest rate derivatives	46,381	94,395	39,747	180,523	2,777	2,926
Currency derivatives	18,104	2,339	732	21,174	626	419
Equity and index derivatives	161	1,110	6	1,277	55	1
Credit derivatives	45	191		236	2	2
Other derivatives	3,561	360	22	3,943	27	39
Total derivatives	**68,252**	**98,394**	**40,507**	**207,153**	**3,487**	**3,388**

31 Dec 2010, EUR million	Nominal values/residual term to maturity <1 year	1–5 years	>5 years	Total	Fair values* Assets	Liabilities
Interest rate derivatives	45,688	66,499	28,059	140,246	1,471	1,505
Currency derivatives	16,373	2,081	675	19,129	326	409
Equity and index derivatives	160	967	29	1,156	128	0
Credit derivatives	13	162		175	5	0
Other derivatives	3,925	263		4,188	30	47
Total derivatives	**66,160**	**69,972**	**28,763**	**164,894**	**1,961**	**1,962**

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

Pohjola Group's derivatives business adopted netting of derivatives during 2011. However, derivative contracts are presented in gross amounts in this note.

Note 25. Other contingent liabilities and commitments

On 31 December 2011, Banking commitments to venture capital funds amounted to EUR 11 million and Non-Life Insurance commitments to EUR 133 million. They are included in the section 'Off-balance-sheet commitments'.

Note 26. Related-party transactions

Pohjola Group's related parties comprise its parent company OP-Pohjola Group Central Cooperative, subsidiaries consolidated into the Group, associates and administrative personnel and other related-party entities. Pohjola Group's administrative personnel comprises Pohjola Bank plc's President and CEO, members of the Board of Directors and their close family members. Related parties also include companies over which a person among administrative personnel or his close family member exercises significant influence. Other related-party entities include OP Pension Fund, OP Pension Foundation and sister companies within OP-Pohjola Group Central Cooperative Consolidated.

Normal loan terms and conditions apply to loans granted to related parties. These loans are tied to generally used reference rates.

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

Helsinki, 8 February 2012

Pohjola Bank plc
Board of Directors

This Financial Statements Bulletin is available at www.pohjola.fi > Media > Releases, where background information on the Bulletin can also be found.

Analyst meeting, conference call and live webcast

Pohjola will hold a briefing in English for analysts and investors on 8 February starting at 3.00 pm Finnish time, EET (2.00 pm CET, 1.00 pm UK time, 8am US EST). The briefing is a combined analyst meeting, conference call and live webcast.

Analysts and investors may attend the briefing in one of the following two ways:
1) By viewing the briefing as live webcast via the internet. The link will be available on the IR website before the briefing begins. Questions on the internet are welcome via a question button available in the webcast window. An on-demand webcast of the briefing can be viewed via the IR website afterwards.

2) By dialling one of the regional conference call numbers shown below. Questions are welcome by telephone in the Q&A session according to instructions. To participate via a conference call, please dial in 5−10 minutes before the beginning of the event:

UK, International +44 203 043 24 36
US +1 866 458 40 87
FIN +358 923 101 527
Password: Pohjola

Press conference

Mikael Silvennoinen, Pohjola Bank plc's President and CEO, will present the financial results in a press conference on OP-Pohjola Group's premises (Teollisuuskatu 1b, Vallila, Helsinki), on 8 February, starting at noon.

Annual General Meeting

Pohjola Bank plc will hold its Annual General Meeting (AGM) in the Congress Wing of the Helsinki Exhibition & Convention Centre on Tuesday 27 March 2012, starting at 2.00 pm. Proposals by the Board of Directors to the AGM will be published as a company release on 8 February 2012 and notice of the Meeting on 21 February 2012 when the notice will also appear in Helsingin Sanomat and Hufvudstadsbladet. Thereafter, the Report by the Board of Directors and the Financial Statements and other AGM documentation will also be available on the company's website at www.pohjola.fi.

Financial reporting in 2012

Schedule for Interim Reports in 2012:

Interim Report Q1/2012	3 May
Interim Report H1/2012	1 August
Interim Report Q1−3/2012	31 October

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