

SUPPLEMENT NUMBER 4 DATED 6 JUNE 2011 TO THE BASE PROSPECTUS DATED 5 NOVEMBER 2010



POHJOLA BANK PLC

(incorporated with limited liability in the Republic of Finland)

EUR 15,000,000,000 Programme for the Issuance of Debt Instruments

This Supplement is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 5 November 2010, as supplemented by a first supplemental prospectus dated 9 February 2011, a second supplemental prospectus dated 8 March 2011 and a third supplemental prospectus dated 5 May 2011 (together, the "**Base Prospectus**") each prepared by Pohjola Bank plc (the "**Bank**" or "**Pohjola Bank**") in connection with its Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to EUR 15,000,000,000 in aggregate principal amount of instruments (the "**Instruments**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

This Supplement has been prepared in order to (i) update the Risk Factors section of the Base Prospectus so as to disclose certain new risks that may arise as a result of the Basel Committee on Banking Supervision's proposed reforms to the regulatory capital framework being implemented, which are disclosed in the form of a new risk factor entitled "Basel III", and (ii) to correct a manifest error in Condition 3B.02 (*Status – Subordinated Instruments*) of the Terms and Conditions of the Instruments as set out in the Base Prospectus.

IMPORTANT NOTICES

Pohjola Bank accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Instruments issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Investors should be aware of their rights under Section 87Q(4) of FSMA 2000.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

By virtue of this Supplement the following amendments shall be deemed to be made to the Base Prospectus:

1. To insert the following risk factor in the section entitled "**Risks Relating to the Instruments**", after the heading and before the risk factor entitled "*There May Not Be an Active Trading Market for the Instruments*" at page 23 of the Base Prospectus:

"Basel III

The Basel Committee on Banking Supervision (the "**Basel Committee**") has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on 16th December, 2010 and on 13th January, 2011 (the "**January 2011 Press Release**").

The January 2011 Press Release states that the terms and conditions of all Tier 1 and Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a specified trigger event (a "**Non-Viability Event**"). The Non-Viability Event will be the earlier of (a) a decision that a write-off, without which the firm would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the financial institution would become non-viable, as determined by the relevant authority.

However, the January 2011 Press Release also states that it is not necessary to include a Non-Viability Event in the contractual terms of the instruments if (a) the governing jurisdiction of the bank has in place laws that (i) require such instruments to be written off upon the occurrence of such trigger event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss; (b) a peer group review confirms that the jurisdiction so conforms; and (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to such loss.

In the event that the terms and conditions of the Subordinated Instruments were not to contain a provision which requires them to be converted into equity or written off on the occurrence of a Non-Viability Event, there can be no assurance that the Finnish Act on Credit Institutions, as amended, or any amendment or supplementary legislation or regulation will be confirmed in due course by a peer group review (as referred to in point (b) above) to conform with point (a) above so that such Subordinated Instruments would be subject to being written down or fully loss absorbing as set out in point (a) in the above paragraph. If the authorities having regulatory oversight of the Issuer at the relevant time (i) disclose that a peer group review has confirmed that the legislation conforms with point (a) above and (ii) disclose that they do not require a change to the

terms and conditions of any non-common Tier 1 and Tier 2 instruments to include a provision that requires either that they be written off or converted into equity upon the occurrence of a trigger event (which they may require even if legislation is deemed by a peer group review to conform with point (a) in the above paragraph), then the Issuer will notify holders of any affected subordinated Notes in accordance with applicable Transparency Directive rules that, going forward, such instruments are confirmed as subject to loss as set out in point (a) in the above paragraph.

Furthermore, there can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Union and/or authorities in Finland may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Finnish banks."

2. To delete the phrase "Subordinated Instruments" in the first line of the second paragraph of Condition 3B.02 (*Status – Subordinated Instruments*) at page 30 of the Base Prospectus and to replace it with the following phrase "Subordinated Indebtedness", so that the second paragraph of Condition 3B.02 (*Status – Subordinated Instruments*) is amended as follows:

"For the purposes of this Condition, "**Subordinated Indebtedness**" means all indebtedness of the Bank the right of which is subordinated in the event of winding up or in bankruptcy of the Bank to the claims of depositors and other unsubordinated creditors of the Bank".