Pohjola Bank plc's Corporate Governance Statement 2014



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1 Applicable regulations

This document is a description of the Corporate Governance Statement of Pohjola Bank plc (Pohjola), as referred to in Chapter 7, Section 7 and Chapter 8 and Section 15 of the Act on Credit Institutions and Chapter 7, Section 7 of the Securities Markets Act. The Statement has been issued separately from the Report by the Board of Directors.

At its meeting on 20 February 2015, the Board of Directors discussed this Corporate Governance Statement. KPMG Oy Ab, the Company's auditor, has verified that the Statement has been issued and that the description it contains covering the main features of internal control and risk management systems related to the financial reporting process is consistent with the financial statements.

This Corporate Governance Statement is available on Pohjola's website at www.pohjola.com > Investor Relations > Corporate Governance > Corporate Governance Statement > Year 2014. This Statement together with the Financial Statements, Report by the Board of Directors, Auditor's Report and Annual Review are available at www.pohjola.com > Media > Material Service.

The Articles of Association are available on Pohjola's website at www.pohjola.com > Corporate Governance > Articles of Association.

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

Pohjola belongs to the amalgamation of cooperative banks, under applicable legislation, and is a subsidiary of OP Cooperative, the central cooperative of said amalgamation. Laws and Pohjola's Articles of set some restrictions on the composition of the Board of Directors. The Company acts as the central financial institution for OP Financial Group member cooperative banks.

2 Structure of OP Financial Group and Pohjola Group, and Administrative Bodies

2.1 Structure of OP Financial Group

Pohjola Bank plc is a subsidiary wholly owned by OP Cooperative acting as OP Financial Group's central cooperative, and a member credit institution. In terms of operations and ownership, Pohjola belongs to OP Financial Group which provides banking, insurance and other financial services. OP Financial Group consists of around 180 cooperative banks and their central cooperative, OP Cooperative, with its subsidiaries. OP Financial Group is supervised as a single entity.

The central cooperative is obliged to support its member credit institutions and is liable for their debts. The member credit institutions are obliged to participate in any necessary support measures aimed at preventing another member credit institution from going into liquidation. In addition, they are jointly and severally liable for debts of a member credit institution failing to meet its obligations.

Read more about OP Financial Group's structure in section 2 of OP Financial Group's Corporate Governance Statement 2014.

2.2 Structure of Pohjola Group

Pohjola Group comprises Pohjola Bank plc, the parent company, and its subsidiaries. The most significant subsidiaries are Pohjola Insurance Ltd, A-Insurance Ltd, Eurooppalainen Insurance Company Ltd, Omasairaala Oy, Pohjola Asset Management Ltd and Pohjola Property Management Ltd. Pohjola also has branch offices engaged in banking, and subsidiaries running finance-company business in Estonia, Latvia and Lithuania, and Seesam Insurance AS, which runs non-life insurance business in Estonia, Latvia and Lithuania.

Pohjola Group is planning to carry out structural changes in accordance with the public voluntary bid made by OP Cooperative, in practice, for example, by transferring the Non-life Insurance and Asset Management segments from Pohjola Group to direct ownership of OP Cooperative. The transfer of Asset Management is scheduled during 2015. In addition, the businesses of Helsinki OP Bank Plc and Pohjola Bank plc will be combined under the shared management.

The process of planning and examination of different options regarding the restructuring of OP Cooperative consolidated and the implementation of legal structures of the organisation is still underway. In the context of further planning of the restructuring, the separation of OP Financial Group's central banking operations, being presently part of Pohjola Bank plc, as a detached subsidiary wholly owned by OP Cooperative, is also under consideration. OP Financial Group's banking operations in their entirety will continue to fall within the scope of joint liability as laid down in the applicable law. The specific manner to implement these changes or schedule have not yet been decided.

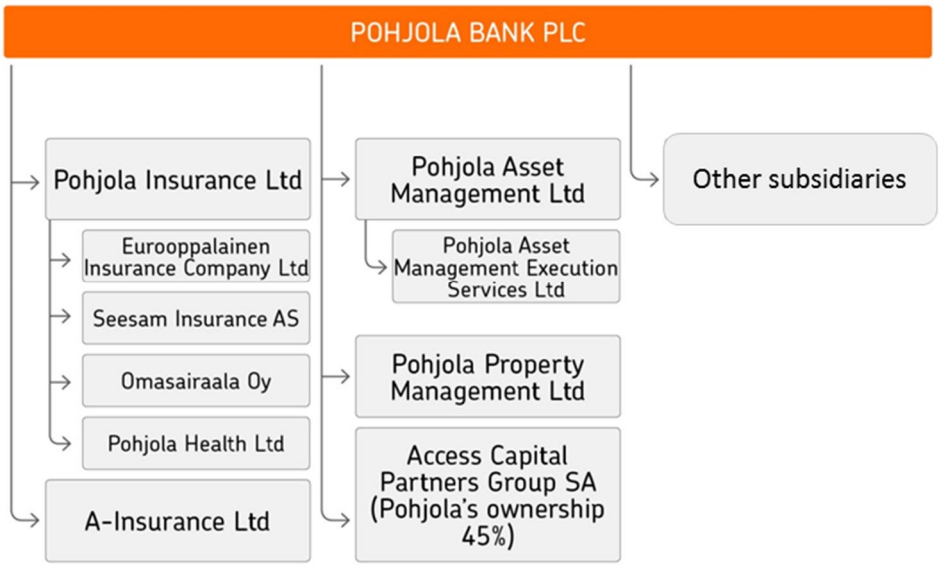
Changes in Pohjola Group structure in 2014:

- On 30 October 2014, Pohjola Health Ltd merged with Pohjola Insurance Ltd.
- The new name of OP-Pohjola Group, OP Financial Group, was adopted on 1 January 2015.

2.3 Administrative bodies

A General Meeting of Shareholders exercises the highest decision-making powers and elects the Board of Directors (except for the Chairman) and auditors. The Board of Directors is in charge of the Company's strategic management. Responsibility for operational management rests with the President and CEO appointed by the Board of Directors.

Pohjola Group's structure on 31 December 2014



3 General Meeting of Shareholders

A General Meeting of Shareholders is Pohjola's highest decision-making body. The Annual General Meeting (AGM) must be held within six months of the termination of the financial year on a date specified by the Board of Directors. The AGM shall discuss matters assigned to it in accordance with the Articles of Association and any other business referred to in the notice of the meeting.

In accordance with Pohjola's Articles of Association, the AGM must

- be presented with the financial statements and the Report by the Board of Directors;

decide on

- the adoption of the financial statements;
- the allocation of profit shown on the balance sheet;
- the discharge from liability of the members of the Board of Directors and the President and CEO;
- the number of members of the Board of Directors and their emoluments;

- auditors' fees;

elect

- Board members and an auditor;

and discuss

- any other business in the Notice of the Meeting.

3.1 Annual General Meeting 2014

Pohjola Bank plc held its Annual General Meeting at the Helsinki Exhibition & Convention Centre on 20 March 2014. The number of shareholders present at the Meeting totalled 1,083. The shares represented at the Meeting accounted for 78.19% of all Company shares and the votes for 87.34% of all votes.

The AGM adopted the Financial Statements for 2013, discharged members of the Board of Directors and the President and CEO from liability and decided to distribute a dividend of EUR 0.67per Series A share and EUR 0.64 per Series K share. The AGM confirmed the number of members of the Board of Directors at eight.

Minutes of the AGM 2014 and other documents related to the Meeting are available at www.pohjola.com > Investor Relations > Corporate Governance > Annual General Meetings > Annual General Meeting 2014.

OP Cooperative obtained ownership of all Pohjola shares on 30 September 2014 and, upon its decision as shareholder on 8 October 2014, appointed Tony Vepsäläinen, Harri Luhtala and Erik Palmén to the Board of Directors. In accordance with the Act on Cooperative Banks and Other Cooperative Credit Institutions, Reijo Karhinen chairs the Board of Directors.

Upon its decision as shareholder on 18 November 2014, OP Cooperative decided to remove the company's shares from the Book Entry Register and combine the Company's Series A and K shares in such a way the Company will have only one class of shares with each share conferring one vote and equal rights.

4 Board of Directors and its committees

4.1 Board of Directors

4.1.1 Election of the Board of Directors

On 8 October 2014, OP Cooperative made a unanimous decision, as referred to in Chapter 5, Subsection 1(2) of the Limited Liability Companies Act, to alter Pohjola Bank plc's Articles of Association so that the Board's Chairman will be the Chairman of the Executive Board of the amalgamation's central cooperative, with at least two but no more than three other members elected by the AGM. The AGM elects, except for the Chairman, members to the Board of Directors for a term of office expiring upon the closing of the AGM following their election. In accordance with the Act on Cooperative Banks and Other Cooperative Credit Institutions, the Chairman of OP Cooperative's Executive Board chairs the Board of Directors.

In accordance with the Articles of Association, Pohjola has not set any upper age limit for members of the Board of Directors, limited the number of their terms of office or in any other manner restricted decision-making powers of a General Meeting of Shareholders in electing Board members (with the exception of election of the Chairman).

The parent institution, OP Cooperative, prepares proposals for the election of Board members submitted to the AGM.

Credit institutions' board members are required to demonstrate the kind of reliability and professionalism and to fulfil the fit and proper criteria specified in the Act on Credit Institutions and official regulations. The Board provides an annual assessment of the above matters and submits the results to the Financial Supervisory Authority.

4.1.2 Members of the Board of Directors

Information on the members of the Board of Directors in 2014 can be found in 4.1.6 "Board and committee meetings: frequency and attendance in 2014" below and Board members' personal data and other relevant information at the end of 12.1 below.

4.1.3 Independence of Board members

On 20 March 2014, the Board of Directors assessed the status of independence of its members in relation to the Company and its shareholders, in accordance with the Finnish Corporate Governance Code.

Based on this assessment, the following members were executive members dependent on the Company and its major shareholders: Reijo Karhinen, Tony Vepsäläinen and Harri Sailas. Karhinen and Vepsäläinen sit on the Executive Board of OP-Pohjola Group Central Cooperative (currently OP Cooperative), the Company's parent institution, the former acting as OP-Pohjola Group Central Cooperative's (currently OP Cooperative) Executive Chairman and CEO and as the Executive Board's Chairman and the latter as OP-Pohjola Group Central Cooperative's Chief Business Development Officer(currently Executive Vice President, Operations) and as the Executive Board's Vice Chairman. Sailas was the President and CEO of Ilmarinen Mutual Pension Insurance Company until 31 January 2015, which was a major shareholder of Pohjola until 8 April 2014. Ilmarinen also has a significant partnership with Pohjola.

Furthermore, the following members were executive members dependent on the Company: Jukka Hulkkonen and Marjo Partio. The former acts as Managing Director of Salon Osuuspankki and the latter as Managing Director of Kymenlaakson Osuuspankki. Both Kymenlaakson Osuuspankki and Salon Osuuspankki have a significant customer relationship and partnership with Pohjola.

As concluded by the Board of Directors, Jukka Hienonen, Mirkku Kullberg and Tom von Weymarn are non-executive members independent of the Company and its major shareholders.

The criteria for the assessment of the status of Board member independence did not change in 2014.

All of the members of the Board of Directors that began its term on 8 October 2014 are executive members dependent on the Company and its shareholder.

4.1.4 Board duties

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

The Board of Directors and the President and CEO shall manage the Company and its consolidated group professionally following sound and prudent business practices.

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

In this respect, the Board of Directors shall, among other things,

- decide on the Company's business strategy, in line with the principles adopted by the central cooperative Executive Board, and supervise its implementation;
- confirm the core values applied in the Company's business in line with principles adopted by the central cooperative Executive Board;
- approve an annual business plan and supervise its implementation in line with principles adopted by the central cooperative Executive Board;
- confirm the principles and procedures for ensuring the fitness and propriety of the Company's and its consolidated group's management in line with the principles adopted by the central cooperative Executive Board;
- decide on the basic principles of the remuneration schemes governing the Company's management and other employees in line with principles adopted by the central cooperative Executive Board;
- appoint and dismiss the President and CEO and his deputy after hearing the Executive Board of the central cooperative;
- annually adopt the Company's capital adequacy management principles, risk policies/risk strategies, funding plan, capital plan, investment plan and significant operating principles governing risk management in line with principles adopted by the central cooperative Executive Board;
- confirm outsourcing guidelines in line with principles adopted by the central cooperative Executive Board;
- confirm the principles of internal audit and an action plan in line with principles adopted by the central cooperative Supervisory Board;
- confirm the key principles of the Company's compliance policy and compliance activities in line with principles adopted by the central cooperative Executive Board;

- decide on the organisational structure of the Company and its functions and the management system in line with principles adopted by the central cooperative Executive Board;
- confirm the description of internal control and supervise the performance and adequacy of internal control within the Company and its consolidated group, in line with principles adopted by the central cooperative Executive Board;
- discuss and approve the financial statements and interim reports;
- make a proposal on the amount of dividends payable in line with principles adopted by the central cooperative Executive Board;
- approve the principles which promote the diversity of the Board composition, in line with principles adopted by the central cooperative Executive Board;
- annually confirm the Company's business continuity plan in line with principles adopted by the Executive Board;
- be responsible for any other duties of the Board of Directors as prescribed by legislation or in regulations issued by the relevant authority.

The following principles shall apply to Board meetings:

- The Board of Directors meets an average of 4–6 times a year.
- The Chairman and the President and CEO assume primary responsibility for the preparation of the meeting.
- The Board of Directors has a quorum when more than half of its members are present.
- Those present at Board meetings comprise Board members and the President and CEO but Board meetings may also be attended by some other person whose presence is necessary due to the matter under discussion.
- Minutes of Board meetings shall be drawn up and be signed by all Board members and secretary.

4.1.5 Responsibilities of Chairman of the Board of Directors

The Board Chairman is responsible for ensuring that the Board of Directors works efficiently and performs all duties within its remit. As part of this responsibility, the Board Chairman shall ensure that an individual Board member has the experience and skills required to perform his duties in an appropriate manner. The Chairman cooperates with the President and CEO in preparing items on the agenda for Board meetings. He shall also ensure that sufficient time has been allowed for discussion and that each member present at meetings has the opportunity to express his opinion. The Chairman is also responsible for the further development of Board work and ensures the Company’s good corporate governance.

The Board of Directors shall annually assess their performance and working methods for the purpose of further developing Board work. This self-appraisal is performed in such a way that Board members fill in a self-appraisal form after which they discuss performance and working methods of the Board, and the results of self-appraisal at a Board meeting.

4.1.6 Board work in 2014

The Board of Directors had 17 meetings in 2014. Reijo Karhinen acted as Board Chairman, Tony Vepsäläinen as Vice Chairman (until 7 October 2014, as member since 8 October 2014), and Jukka Hienonen, Jukka Hulkkonen, Mirkku Kullberg, Marjo Partio, Harri Sailas and Tom von Weymarn as members until 7 October 2014 and Harri Luhtala and Erik Palmén since 8 October 2014. The average attendance rate of its members stood at 96%.

The Board discussed and accepted the update of Pohjola Group’s management and decision-making system and changes to the remuneration scheme. The main duties of the Board also include monitoring of the strategy implementation, of outsourced efficiency-enhancement measures and to ensure that the estimated cost savings are achieved.

The non-executive Board members held several Board meetings in the winter when they, for example, issued an assessment of the price of the public voluntary bid submitted on 6 February 2014 by OP Cooperative (formerly OP-Pohjola Group Central Cooperative) from the perspective of the Company and other shareholders. The Board comprising non-executive members and the grounds described in greater detail in the stock exchange release of 13 February 2014 recommended acceptance of the bid to Pohjola's shareholders.

As a result of the successfully submitted bid, OP Cooperative (formerly OP-Pohjola Group Central Cooperative) obtained ownership of all Pohjola Bank plc shares, based on a decision by the Arbitral Tribunal. As a result, Pohjola's Board of Directors filed an application with NASDAQ OMX Helsinki for delisting Series A shares and they were

delisted from NASDAQ OMX Helsinki on 30 September 2014. OP Cooperative (formerly OP-Pohjola Group Central Cooperative) was entered as the only shareholder in Pohjola's shareholder register on 7 October 2014.

On 6 February 2014, the Executive Board of OP Cooperative (formerly OP-Pohjola Group Central Cooperative) proposed to the Board of Directors of Pohjola Bank plc that Pohjola's capital adequacy target of 11% (CT1) be increased to 15% (CET1). This target must be achieved on a front-loaded basis by the end of 2016. The proposed higher capital adequacy target results from the tighter regulatory framework, uncertainty related to the treatment of insurance holdings after 2014 and the decision made on 5 February 2014 by OP Cooperative's Supervisory Board to increase the capital adequacy target for OP Financial Group's Banking from 15% (CT1) to 18% (CET1). In order to secure the achievement of the new capital adequacy target, the Executive Board of OP Cooperative has proposed to the Board of Directors of Pohjola Bank plc that Pohjola Group's dividend payout ratio be decreased from 50% to 30% as of dividend distribution for the financial year 2014 until the CET1 reaches the new target. On 17 March 2014, the Board of Directors confirmed new financial targets for Pohjola Group by updating the capital adequacy ratio target and specifying the dividend policy as proposed by OP Cooperative's Executive Board while replacing the 70% solvency target for Non-life Insurance with the 120% solvency ratio target under Solvency II. Other financial targets remained unchanged.

Major changes are taking place in financial regulation. Some of the changes will have a major impact on Pohjola Group, its operations and the capital adequacy regulations concerning the Group. The Board was following closely in 2014 how the regulatory changes were taking shape and what their effect would be on Pohjola Group.

Board and committee meetings: frequency and attendance in 2014

	Board of Directors 17 meetings*	Audit Committee 3 meetings	Risk Management Committee 2 meetings	Remuneration Committee 6 meetings**
Reijo Karhinen	17/17			6/6
Tony Vepsäläinen	17/17		2/2	6/6
Harri Luhtala (since 8 Oct. 2014)	4/4			
Erik Palmén (since 8 Oct. 2014)	4/4			
Jukka Hienonen (until 7 Oct. 2014)	10/13			5/6
Jukka Hulkkonen (until 7 Oct. 2014)	13/13		2/2	
Mirkku Kullberg (until 7 Oct. 2014)	11/13	2/3		
Marjo Partio (until 7 Oct. 2014)	13/13	3/3		
Harri Sailas (until 7 Oct. 2014)	13/13		2/2	
Tom von Weymarn (until 7 Oct. 2014)	13/13	3/3		

** Eight of the Board meetings were held by telephone or email.*
*** Three of the Remuneration Committee meetings were held by email.*

4.2 Board committees

As a result of the reorganisation of OP Cooperative Consolidated, Pohjola's Board of Directors did away with its committees (Audit Committee, Remuneration Committee, and Risk Management Committee) on 8 October 2014. The then committee duties have been assigned to Pohjola's Board of Directors. Board duties can be found in 4.1.4 of this Statement.

4.2.1 Audit Committee work between 1 January 2014 and 7 October 2014

The Audit Committee had three meetings in 2014. The Committee Chairman was Tom von Weymarn and Mirkku Kullberg and Marjo Partio were members. In addition to the Audit Committee members, the President and CEO, the Chief Financial Officer, the Chief Risk Officer, OP Financial Group's Executive Board member in charge of finance and representatives of Internal Audit and auditors and the Compliance Officer participated in Committee meetings. The average attendance rate of its members stood at 89%.

The key tasks in 2014 involved ensuring the content of the Financial Statements and interim reports in such a way that they give a true and fair view of the Group's financial performance and financial position. The Audit Committee also followed how outsourcing related to the efficiency-enhancement programme proceeded and whether cost savings targets were achieved.

Issues related to internal control and regulatory compliance were in the forefront at each Committee meeting with the help of reports issued by Internal Audit, auditors, regulators and the compliance organisation.

With respect to its role, the Audit Committee focused on issues related to good corporate governance, internal control, regulatory changes and their effects on the Group and its operations, and risks and their effect on financial indicators.

4.2.2 Remuneration Committee work between 1 January 2014 and 7 October 2014

The Remuneration Committee had six meetings in 2014, Reijo Karhinen acting as Chairman and Jukka Hienonen and Tony Vepsäläinen as other members. In addition to the Remuneration Committee members, Pohjola Group's President and CEO and Executive Vice President, Human Resources and OP Financial Group's Executive Vice President, Human Resources, participated in Committee meetings. The average attendance rate of its members stood at 94%.

The work of the Remuneration Committee in 2014 focused on the harmonisation and documentation of remuneration in Pohjola Group within OP Financial Group and OP Cooperative Consolidated, taking into account the development of and changes to the regulatory framework related to remuneration at EU level. The Remuneration Committee's key aim was to ensure that remuneration policies and practices are in line with a company's long-term interests and that they are consistent with good and effective risk management and promote it.

4.2.3 Risk Management Committee work in between 1 January 2014 and 7 October 2014

The Risk Management Committee had two meetings in 2014, with Tony Vepsäläinen acting as the Chairman and Jukka Hulkkonen and Harri Kailas as other members. In addition to the Committee members, the President and CEO, the CFO, the Chief Risk Officer and the Board member in charge of risk management in OP Financial Group participated in Committee meetings. The average attendance rate of its members stood at 100%.

The Risk Management Committee paid particular attention in 2014 on outlook in the operating environment, economic development in Finland and the rest of Europe, and the currently low interest rates. The Committee also discussed preparations necessary for changes in capital adequacy and liquidity regulations.

5 President and CEO

5.1 President and CEO

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

The President and CEO's duties include the management and supervision of the Company's business, and responsibility for the development and coordination of the Company's operations. In accordance with the job description confirmed by the Board of Directors, the President and CEO's main responsibilities are as follows:

- Group financial performance
- Managing Group operations and developing the organisation
- Group strategic development
- Group coordination
- Supervising subsidiary and associated company investments
- Cooperation with OP Cooperative and other OP Financial Group's units
- Lobbying in the financial sector's cooperation bodies
- Communication with customers, shareholder, various authorities, the corporate sector, other Finnish and international banking and insurance organisations, and other stakeholder groups.

The Board of Directors appoints the President and CEO and decides on the terms and conditions of his executive contract. A written executive contract with Executive Vice President for Banking within OP Financial Group and its appendix specifies the terms and conditions of the executive contract with the President and CEO. The Board of Directors annually assesses the performance of the President and CEO.

Jouko Pölönen, M.Sc. (Econ. & Bus. Adm.), eMBA, Executive Vice President, Banking, OP Financial Group, acts as President and CEO. He has acted as President and CEO since 2013.

Personal and other data on the President and CEO can be found in 12.2. below. Information on the President and CEO's remuneration can be found in 9 below.

5.2 Group Executive Committee

The new organisation of OP Cooperative Consolidated entered into force on 1 October 2014. The management system of the new OP Financial Group is founded on the following three business segments: Banking, Non-life Insurance, and Wealth Management. As a result of the reorganised management system of OP Cooperative Consolidated, the Board of Directors decided on 23 September 2014 to abolish Pohjola's company-level Executive Committee as of 1 October 2014. Since then, Pohjola's operations have been managed through three business segments according to the new management system.

5.3 Board of directors of Pohjola's subsidiaries

The board of directors of each Pohjola's subsidiary shall ensure that all Pohjola Group companies are managed in compliance with applicable laws, rules and regulations, and OP Financial Group's principles.

The board of directors and President/Managing Director of major subsidiaries as of 31 December 2014

	Board of Directors	Managing Director/President/ President & CEO
A-Insurance Ltd	Karhinen Reijo (Chair since 1 Oct. 2014) Vepsäläinen Tony (Chair until 30 Sept. 2014, member since 1 Oct. 2014) Luhtala Harri Palmén Erik (since 1 Oct. 2014) Jormalainen Sami (until 30 Sept. 2014)	Lehtilä Olli (since 1 Oct. 2014) Pölönen Jouko (until 30 Sept. 2014)
Omasairaala Oy	Lehtilä Olli (Chair since 1 Oct. 2014) Dahlström Tom (since 1 Oct. 2014) Geber-Teir Carina Pölönen Jouko (Chair until 30 Sept. 2014) Impiö Jukka (until 30 Sept. 2014)	Aho Harri
Pohjola Health Ltd (1 Jan.–30 Oct. 2014), merged into Pohjola Insurance Ltd on 30 Oct. 2014	Lehtilä Olli (Chair since 1 Oct. 2014) Dahlström Tom (since 1 Oct. 2014) Geber-Teir Carina Pölönen Jouko (Chair until 30 Sept. 2014) Impiö Jukka (until 30 Sept. 2014)	Aho Harri
Pohjola Insurance Ltd	Karhinen Reijo (Chair since 1 Oct. 2014) Vepsäläinen Tony (Chair until 30 Sept. 2014, member since 1 Oct. 2014) Luhtala Harri Palmén Erik (since 1 Oct. 2014) Jormalainen Sami (until 30 Sept. 2014)	Lehtilä Olli (since 1 Oct. 2014) Pölönen Jouko (until 30 Sept. 2014)
Seesam Insurance AS (Supervisory Board)	Lehtilä Olli (Chair since 3 Nov. 2014) Pölönen Jouko (Chair until 2 Nov. 2014, member since 3 Nov. 2014) Aho Vesa Alanne Jorma	Abner Toomas
Eurooppalainen Insurance Company Ltd	Karhinen Reijo (Chair since 1 Oct. 2014) Vepsäläinen Tony (Chair until 30 Sept. 2014, member since 1 Oct. 2014) Luhtala Harri Palmén Erik (since 1 Oct. 2014) Jormalainen Sami (until 30 Sept. 2014)	Lehtilä Olli (since 1 Oct. 2014) Pölönen Jouko (until 30 Sept. 2014)
Pohjola Asset Management Execution Services Ltd	Alameri Karri (Chair) Vuorinen Pasi (since 1 Oct. 2014) Jormalainen Sami (since 1 Oct. 2014) Kinnala Rami (until 30 Sept. 2014) Leskinen Timo (until 30 Sept. 2014)	Puhakka Simo
Pohjola Property Management	Alameri Karri (Chair) Vuorinen Pasi Jormalainen Sami (since 1 Oct. 2014) Kinnala Rami (until 30 Sept. 2014)	Mäkiaho Markku
Pohjola Asset Management Ltd	Karhinen Reijo (Chair since 1 Oct. 2014) Vepsäläinen Tony (Chair until 30 Sept. 2014, member since 1 Oct. 2014) Luhtala Harri (since 1 Oct. 2014) Palmén Erik (since 1 Oct. 2014) Aho Vesa (until 30 Sept. 2014) Pölönen Jouko (until 30 Sept. 2014) Ryynänen Erkko (until 30 Sept. 2014)	Nummela Harri (since 1 Oct. 2014) Alameri Karri (until 30 Sept. 2014)

6 Management system

On 23 September 2014, Pohjola Bank plc's Board of Directors gave its approval to the plans to change OP Financial Group's management system and to reform the OP Cooperative's organisation. Pohjola's operations will from now on be managed in accordance with OP Cooperative Consolidated's new management system through three business segments. The description of this management system was published as part of up-to-date description of OP Financial Group's Corporate Governance Statement in February 2015.

Read more about OP Financial Group's management system in section 6 of OP Financial Group's Corporate Governance Statement 2014.

6.1 Pohjola as part of OP Cooperative Consolidated

OP Cooperative Consolidated comprises OP Cooperative, which acts as the central cooperative owned by the member banks of the amalgamation, and entities majority-owned or wholly-owned by the parent institution or any of its subsidiaries. Pohjola Bank plc and its subsidiaries (Pohjola) belong to OP Cooperative Consolidated. Credit institutions within OP Cooperative Consolidated are the member credit institutions of the amalgamation described in greater detail in the *Laki talletuspankkien yhteenliittymästä Act* (Act on the Amalgamation of Deposit Banks).

OP Cooperative is owned by OP Financial Group member cooperative banks. The Supervisory Board of the central cooperative represents the owners. The general role of the Supervisory Board is to oversee the corporate governance of the central cooperative consolidated as managed by the Executive Board and the President and Executive Chairman, the supreme operational decision-making body of OP Cooperative Consolidated, and ensure that the central cooperative's and its Group's operations are managed in an expert and prudent manner in accordance with the Co-operatives Act and in the best interests of the central cooperative and OP Financial Group. The Supervisory Board also oversees compliance with OP Financial Group level policy guidelines and principles, which it has confirmed, within the central cooperative consolidated. The special task of the Supervisory Board is to confirm the general principles referred to in the Act on the Amalgamation of Deposit Banks. It is also tasked with deciding on issuing key OP Financial Group level guidelines.

6.2 Organisational structure as of 31 December 2014

Based on the management system, the organisation of OP Cooperative Consolidated is founded on the following three business segments: Banking, Non-life Insurance, and Wealth Management.

The support functions required by business segments (e.g. Finance and Treasury, Risk Management, HR Management, Development) have been organised at the central cooperative consolidated level.

6.3 Decision-making

OP Cooperative's Executive Board has operational responsibility for the management of the entire central cooperative consolidated. The basis for management within the Group consists of the following three business lines: Banking, Non-life Insurance, and Wealth Management. Executive Board members' duties and areas of responsibility follow this division. Within the Executive Board, Pohjola's President and CEO is responsible for banking.

The Executive Board is responsible for managing the central cooperative's and its consolidation group's operations in accordance with applicable laws, official regulations and the central cooperative Bylaws. The Executive Board takes charge of the governance and appropriate organisation of the parent institution and its consolidation group, as well for managing the Group's operations. Furthermore, the Executive Board confirms the central cooperative consolidated's operational and legal decision-making processes.

In the central cooperative consolidated, decisions are made as extensively as possible at Group level by the central cooperative's Executive Board. As a general rule, Pohjola's Board of Directors considers matters that concern it in line with principles adopted by the central cooperative's Executive Board or after hearing the Executive Board about the matters discussed.

The Board rules of procedure describe the key tasks that the Board of Directors carries out.

6.4 Pohjola's performance monitoring and reporting

Pohjola monitors the implementation of plans and the achievement of the set goals and targets on an ongoing basis in order to quickly identify any changes in the operating and competitive environment and deviations from the plans and to be able to initiate any corrective measures. Performance reviews between superiors and their subordinates are also aimed at discussing the achievement of goals and targets based on past performance, according to the organisational structure. Reporting must provide a true and clear picture of the status of line operations vis-à-vis the objectives set, actual and expected performance and any risks threatening to prevent the achievement of the objectives. Providing updated and reliable information and highlighting relevant issues and conclusions as the basis of decision-making play a key role in performance monitoring. In addition to actual performance reporting, preparing forecasts and creating optional scenarios form an integral part of monitoring. Performance monitoring is part of internal control aimed at ensuring that the Group

- implements its strategy and action plans and achieves its financial targets
- runs comprehensive and adequate risk management
- operates efficiently and reliably
- has reliable financial and other reporting in place
- abides by laws and comply with external and internal regulation.

7 Internal and external control

7.1 Internal control

Internal control is aimed at ensuring systematic and successful strategy implementation, appropriate management of risks, efficient and reliable operations, and regulatory compliance throughout the Group's operations. Internal control covers all organisational levels. Internal control in its most extensive form primarily takes place at the operational level, characterised by continuous processes and forming part of daily routines.

The Risk Management, Business Control, Treasury and HR functions independent of the business lines/divisions assist the President and CEO and line management and other functions in ensuring the effectiveness of internal control within each business. Internal Audit also assists Pohjola's Board of Directors and President and CEO in ensuring internal control effectiveness. Auditors in particular ensure that financial information is correct in this respect.

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

7.1.1 The Board of Directors' role in internal control

The Board of Directors is responsible for organising and maintaining adequate and effective internal control. It shall, for example,

- confirm the internal control principles and supervise the performance and adequacy of internal control in line with principles adopted by the central cooperative's Executive Board;
- annually adopt the Company's capital adequacy management principles, risk policies/risk strategies, funding plan, capital plan, investment plan and significant operating principles governing risk management in line with principles adopted by the central cooperative Executive Board;
- decide on principles for ensuring that the Company and its consolidation group operate in compliance with external regulation and internal instructions (compliance) in line with principles adopted by the central cooperative Executive Board;
- confirm the principles of internal audit and an action plan in line with principles adopted by the central cooperative Executive Board;
- confirm the principles and procedures for ensuring the fitness and propriety of the Company's and its consolidation group's management in line with principles adopted by the central cooperative Executive Board; and
- decide on the organisational structure and management system for the Company and its functions in line with principles adopted by the central cooperative Executive Board.

Central cooperative consolidated-level risk management and financial reporting are performed in a coordinated way by a function independent of the business lines/divisions. Each Group company's board of directors is responsible for the top management tasks of the company in question related to internal control. Each Group company's executive management is responsible for the implementation of internal control and risk management according to the agreed principles and guidelines, and shall regularly report on the company's business, risk-bearing capacity and risk status, in accordance with the Group's management system.

7.1.2 Internal control in 2014

The Board of Directors is responsible for considering issues related to the Group's governance and is in charge of internal control effectiveness and ensuring regulatory compliance.

In 2014, internal control tasks included assessing the fitness and propriety of all members of the Board of Directors and the Group Executive Committee. In addition, the Board of Directors assessed its own performance.

The executive management, the Audit Committee (until 7 October 2014) and the Board of Directors assessed the performance of good corporate governance and internal control.

7.1.3 Compliance function

The Compliance function is tasked with assisting senior management and executive management and business lines/divisions in the management of risks associated with regulatory non-compliance, supervising regulatory compliance and, for its part, developing internal control further. Finance and Treasury and HR Services are, for their part, in charge of regulatory compliance management.

Almost all activities involve compliance risk and responsibility for the management of risks rests with the business lines/divisions. The President and CEO is in charge of the Company's compliance activities. OP Financial Group's Compliance, whose director reports to the OP Financial Group's CRO, supports the President and CEO in this respect Compliance activities and the related recommendations issued to the business lines/division are subject to regular reporting to Pohjola Bank plc's Board of Directors. Compliance activities must also be reported to the Executive Board of the central cooperative consolidated and the Audit Committee of the Supervisory Board as part of OP Financial Group level reporting.

As part of the annual risk management plan, OP Financial Group’s Compliance function shall annually draw up a compliance action plan which will be discussed and confirmed by Pohjola Bank plc’s Board of Directors with respect to the Company. Principles and instructions governing compliance shall also be confirmed in the same manner. OP Financial Group’s Compliance function controls the Company's compliance and is also responsible for compliance risk management at OP Financial Group level and the provision of advice and support concerning compliance risk.

Compliance is aimed at preventing the materialisation of compliance risks. For this purpose, the Compliance function shall, for example,

- prepare and maintain guidelines on key matters related to practices;
- advise employees on, and train them in, matters related practices;
- support the business lines/divisions in the planning of development measures promoting the management of compliance risks;
- keep senior and executive management and the business lines/division informed of upcoming regulatory changes and monitor the business lines’/divisions’ preparation for regulatory changes;
- supervise compliance within the Group with the current regulatory framework, ethical practices and internal guidelines related to practices; and
- regularly report to both senior and executive management on recommendations and the results of control given to the business lined/divisions and other observations related to compliance risk exposure.

7.1.4 Risk management

Pohjola’s core values, strategic goals and financial targets form the basis for risk and capital adequacy management. The purpose of risk management is to identify threats and opportunities affecting strategy implementation. Risk management is aimed at helping to achieve the targets set in the strategy by ensuring that risks are proportional to risk-bearing capacity. The Company is a moderate risk-taker and its business operations are based on a reasoned risk/return approach.

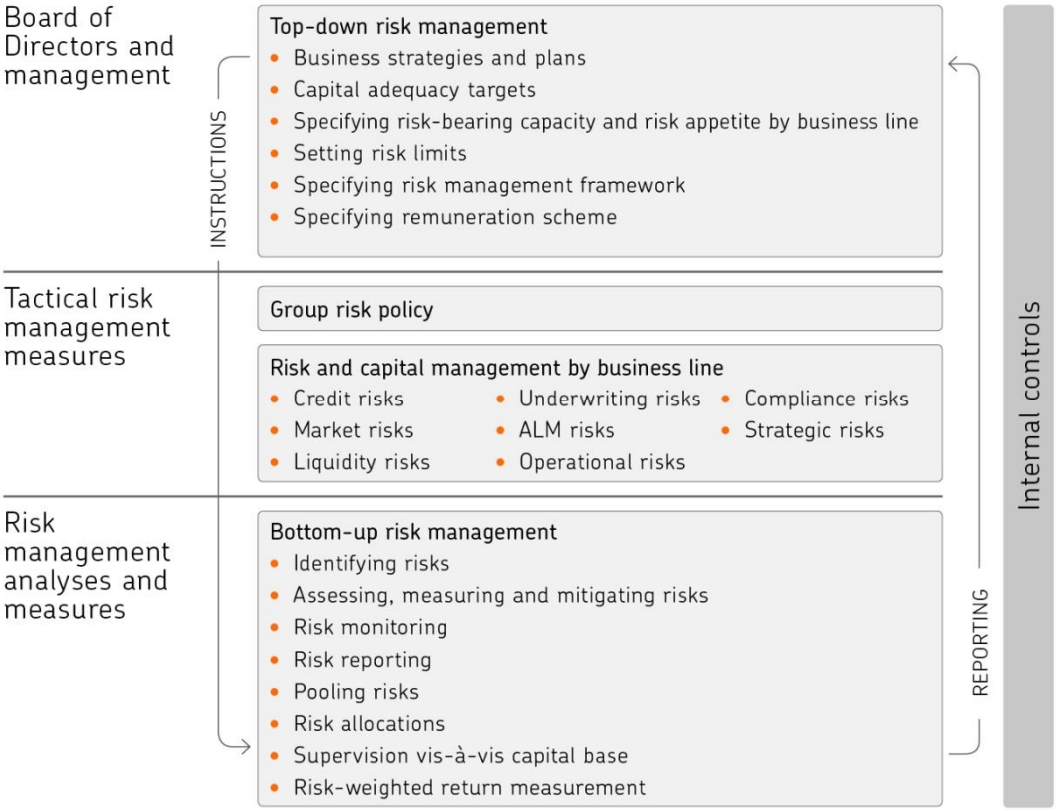
The Company applies integrated risk management aimed at identifying, assessing and mitigating all major business-related risks to an acceptable level. The Company has integrated its risk management process as part of the central cooperative consolidated's decision-making, control and monitoring system.

7.1.4.1 Major risks

The Company’s major risks include credit risks, market risks, liquidity risks, underwriting risks and market risks associated with investments, as well as strategic and operational risks associated with all business operations.

More detailed information on major risks can be found in Pohjola's most recent Report by the Board of Directors and Financial Statements (see www.pohjola.com > Media > Material Service).

Framework for Pohjola's integrated risk management as of 31 December 2014



7.1.4.2 Internal capital adequacy assessment process (ICAAP)

Forming part of integrated risk management, capital adequacy management aims to ensure effective capital management and the sufficient quantity and quality of capital in order to secure uninterrupted operations in the event of unexpected losses. Capital adequacy management also involves good corporate governance and the organisation of internal control and risk management, in view of the nature, extent and diversity of operations. Capital adequacy management is grounded on a proactive approach based on the Group's business strategy and plans. In preparing the strategy and the plans, the Group sets its capital adequacy target, considering business-related risks, risk appetite, target returns on capital and the structure and availability of capital. In addition to the capital adequacy target, the internal capital adequacy assessment process defines capitalisation targets by business line, capital adequacy forecasts, stress tests, scenarios and sensitivity analyses, as well as a contingency plan for maintaining the capital adequacy target considering all material risks arising from the business and changes in the operating environment.

Capital adequacy management places a strong emphasis on profitability and effective capital management. Pohjola Bank plc's parent company, OP Cooperative Consolidated, is responsible for capital management on a coordinated basis. Every year, subsidiaries distribute their surplus capital to OP Cooperative as dividends and, if necessary, OP Cooperative injects capital into the subsidiaries through subordinated loans or equity investments.

Internal Audit is responsible for the independent assessment and quality of capital adequacy management.

7.1.4.3 Risk policies

Risk-taking control is based on the risk policy approved by Pohjola Group, which in turn is based on OP Financial Group's risk policy. The risk policy confirms annually the risk management guidelines, targets and restrictions that business lines/divisions must follow in order to steer business operations in the direction specified in OP Financial Group's and Pohjola Group's strategies. In the risk policy and supplementary guidelines by risk type, risk appetite is apportioned to various types of risks in such a way that the Company is able to achieve its business goals without jeopardising its risk-bearing capacity and capital adequacy targets. The risk policy is also aimed at restricting the creation of risk concentrations.

In addition, Non-life Insurance is guided by risk policies applied to private and corporate customers, reinsurance principles, investment plans and the policy governing hedging against interest rate risk associated with insurance liabilities.

7.1.4.4 Organisation of risk management and capital adequacy management

The Company's Board of Directors decides on the goals and organisation of risk management and capital adequacy management, confirms the risk and capital adequacy management principles, risk policy, investment plans and the main principles governing risk management in line with principles adopted by the central cooperative Executive Board.

In addition, the Board supervises and monitors the implementation of risk management and capital adequacy management. The Board ensures the adequacy of risk management systems, confirms business goals, assesses the need for the Group's and Group companies' capital buffers, confirms capital plans and a proactive contingency plan for the capital base, and decides on principles for ensuring that the Company and its consolidation group operate in compliance with external regulation and internal instructions (compliance). It also decides on reporting procedures which senior management uses to monitor the Group's and subsidiaries' business, risk-bearing capacity and risk status. The Board assesses the appropriateness, extent and reliability of Pohjola Group's capital adequacy management on a holistic basis at least once a year. The Board also approves the Group's decision-making system and appoints members of Pohjola's Senior Credit Committee, and confirms the description of the Underwriting Executives' duties and appointments. In the aforementioned tasks, the Board of Directors acts in line with principles adopted by the central cooperative Executive Board.

The Board is responsible for ensuring that the Company and its consolidation group have an adequate capital adequacy management and risk management systems covering all operations. The Board of Directors is also tasked with supervising the Company and its consolidation group so that they do not take excessive risks which would materially jeopardise the Company's and its consolidation group's capital adequacy, liquidity or profitability, and that the Company's risk-bearing capacity is sufficient to secure the continuity of operations. To carry out its duties, the Board deals with the Company's capital adequacy management principles, risk policy and other general guidelines governing risk management. The Board supervises the scope and performance of the Company's risk management systems and the quantity and quality of the Company's and its consolidation group's capital base, developments in their financial performance, risk exposure and compliance with the risk policy, credit limits and other instructions. The Board also supervises the Company to ensure that risk management is in conformity with laws and regulations and instructions issued by relevant authorities. Pohjola's President and CEO takes charge of the overall control of the Company in such a way that the Company as a whole achieves its profit, risk-bearing capacity and other targets and goals by following shared strategies and policies. To carry out its duties, the President and CEO shall particularly deal with the strategy and action plan of the Company, significant issues to be presented to the Board of Directors, policy issues related to ALM and risk management as well as major purchases and projects.

The President and CEO is tasked with analysing, coordinating and controlling the Company's asset/liability management in accordance with laws, official regulations and the risk policy. The President and CEO deals with the development of the equity structure, the allocation of equity to business units and risk types and the allocation of credit limits specified in risk policy to the business lines/divisions.

OP Cooperative is responsible for OP Financial Group-level risk and capital adequacy management and for ensuring that OP Financial Group's risk management system is sufficient and kept up to date. OP Financial Group's Risk Management is a function independent of business lines/divisions that defines, steers and supervises the overall risk management of the Group and its entities, and analyses their risk exposure. As part of the central cooperative consolidated and OP Financial Group, the Company follows the principles of OP Financial Group-level risk and capital adequacy management in its risk and capital adequacy management. Pohjola further develops risk management in cooperation with the central cooperative's Risk Management.

Risk Management of OP Financial Group's central cooperative assists the Board of Directors in the preparation and development of the risk and capital adequacy management principles and in the preparation of risk policy. In addition, the central cooperative's Risk Management Control is in charge of monitoring and reporting the implementation of risk-bearing capacity and risk policy, and preparing and maintaining decision-making powers and instructions pertaining to risk-taking. Risk Management also assists in decision-making and controls the quality of the credit decision process. It also assesses risks associated with the introduction of new products and business models/concepts.

The business lines/divisions shall bear primary responsibility for their risk-taking, financial performance and compliance with the principles of internal control and risk management and capital adequacy management. The

business lines/divisions have the right to take decisions on risk-taking within the approved decision-making powers, exposure limits and credit limits in compliance with the Company's risk policy and guidelines.

A more detailed description of the Company's risk management and capital adequacy management principles and risk exposure can be found in the Group's most recent Report by the Board of Directors and Financial Statements (see www.pohjola.com > Media > Material Service).

7.1.4.5 Risk management in 2014

In risk management of the central cooperative, 2014 included monitoring external regulatory changes and continuing to prepare for regulatory changes. From Pohjola Group's perspective, a significant change includes the pan-European Solvency II regulation applying to insurance companies that will enter into force as of the beginning of 2016.

In addition, Risk Management has updated risk management guidelines, risk reporting and risk limitation. The Company adopted new models for measuring economic capital related to credit risk and insurance market risks. The Company continued to further develop its risk management assessment processes and operational processes in order to ensure that risk management has been integrated as part of all business.

The ECB and national regulators conducted a comprehensive assessment in the largest banks within the EU that have been subject to direct supervision by the ECB since November 2014. The ECB's comprehensive assessment involved a risk assessment, comprehensive asset quality review and stress test on OP Financial Group as a banking institution, including Pohjola as a credit institution. The ECB's comprehensive assessment estimated that OP Financial Group's risk-bearing capacity is strong.

7.1.5 Internal audit

The Internal Audit function is tasked with assisting Pohjola Bank plc's Board of Directors and the Company's management in controlling, supervising and assuring operations by carrying out operational audits. Internal audit is based on an independent and objective assessment, assurance and consulting activities. It supports the management in their efforts to achieve objectives by providing a systematic, disciplined approach to assessing and upgrading the efficiency of the organisation's risk management, control and management and governance processes, with the focus on the identification of risk factors and the assessment of the performance of internal control.

Responsibility for internal audit rests with two Internal Audit functions within Audit of Pohjola Bank plc's parent institution, OP Cooperative, whose heads report to the Chief Audit Executive of OP Financial Group, The Chief Audit Executive reports audit observations applying to the Company to Pohjola Bank plc's Board of Directors (until 7 October 2014 to the Board's Audit Committee) and the President and CEO.

The Board of Directors has confirmed the instructions governing the organisation and operating principles of internal audit. Internal Audit prepares an annual action plan submitted for the Board's approval. It also produces special reports at the management's request.

Internal Audit is a function independent of Pohjola's business lines/divisions. Internal Audit shall prepare a report on each audit and deliver it to the President and CEO, the Board of Directors (until 7 October 2014 to the Board's Audit Committee) auditors, the Compliance function and those in charge of the business line concerned. These reports may contain recommendations aimed at improvements. Internal Audit and the Board of Directors monitor the execution of the measures based on such recommendations.

Internal audit is conducted in compliance with good internal auditing practice. The International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, and professional standards, issued by the Information Systems Audit and Control Association, and the code of ethics provide the conceptual framework for good internal auditing practice.

7.1.5.1 Internal audit in 2014

The internal audit action plan for 2014, approved by the Board of Directors, involved audits related to the central cooperative consolidated and those related only to Pohjola Group. Internal Audit completed 17 audit reports regarding Pohjola Group and four regarding the central cooperative consolidated which also involved some audits related to Pohjola Group. These audits involved assessing the effectiveness of Pohjola Bank plc's and its subsidiaries' controls and internal control in various operating processes and information systems, as well as the effectiveness of risk management and its procedures.

Internal Audit regularly monitored the progress of the implementation of the recommendations issued on a half-yearly basis and regularly reported its monitoring observations to the Audit Committee of the Board of Directors and the Group Executive Committee.

7.2 External control

7.2.1 Audit

For the purpose of examining the Company's accounting, financial statements and governance, Pohjola Bank plc's Articles of Association stipulate that the General Meeting of Shareholders shall elect an auditor which must be a firm of authorised public accountants approved by the Finland Chamber of Commerce. The auditors' term of office is the financial year during which they were elected, ending upon the closing of the Annual General Meeting following their election.

Pohjola Bank plc's parent institution, OP Cooperative, puts audit services out to tender at some five years' interval (last time at the end of 2011), on the basis of which it proposes eligible auditors to the Annual General Meeting.

The auditors are tasked with auditing the accounting, financial statements and governance of the Company in order to obtain assurance that the Company and its administrative bodies act in compliance with applicable laws and that the financial statements have been prepared in compliance with the rules and regulations in force and give the shareholder and other stakeholders a true and fair view of the financial performance and the financial position of the Company. In addition, the firm of authorised public accountants shall perform an extended audit according to plans specific to each audit. The Board of Directors annually assesses the performance of the auditor and the quality of advisory services.

The auditors presents the Auditor's Report to the Annual General Meeting, expressing their opinion of the content of the financial statements and proposed profit distribution, and the discharge those in charge from liability. Based on their observations, they also draw up audit memoranda delivered to the Board of Directors, the President and CEO, the Audit Committee, the CRO, Internal Audit and the Finnish Financial Supervisory Authority. Whenever necessary, auditors also issue oral reports to the aforementioned persons and bodies.

The Board of Directors consults the auditor when dealing with the annual accounts and interim accounts, as well as the accounting policies. The auditors have a statutory obligation to notify the Financial Supervisory Authority of any matters or decisions that put operations and the existence of licence requirements at risk, or that result in an opinion in the Auditor's Report other than the unqualified opinion, as referred to in the Auditing Act, or result in an auditors' remark as referred to in Section 15, Paragraph 4 of the Auditing Act.

Audit fees for statutory audit are based an annual plan and those for extended audit on an audit-specific plan.

7.2.1.1 Audit in 2014

KPMG Oy Ab, a firm of authorised public accountants, acted as the Company's auditor in 2014, with Raija-Leena Hankonen, APA, acting as the Chief Auditor, appointed by KPMG Oy Ab. KPMG Oy Ab, a firm of authorised public accountants, has acted the Company's auditor since 2002 with APA Raija-Leena Hankonen as the Chief Auditor since 2014. KPMG Oy Ab, a firm of authorised public accountants, and auditors appointed by KPMG Oy Ab acted as auditors of Pohjola Group's subsidiaries.

Pohjola Group's audit plan for 2014 was prepared as part of the central cooperative consolidated's audit plan. Statutory audit of separate companies and the Group involves the audit of the entity's accounting, financial statements, report by the board of directors and governance for the financial year. Capital adequacy measurement, derivatives business and insurance liability interest rate hedging included in the priorities in statutory audit. In addition, all published interim reports and financial statements bulletins have been audited.

Pohjola Group has used KPMG Oy Ab's advisory services related mainly to the comfort letters of bond programmes and tax counselling.

7.2.1.2 Auditors' remuneration in Pohjola Group in 2014

In 2014, audit fees for audit paid to auditors totalled EUR 321,000 million (292,000), whereas fees for assignments as referred to in Section 1, Sub-paragraph 1(2) of the Auditing Act were EUR 119,000 (143,000), those for tax

counselling EUR 20,000 (154,000) and for other services EUR 118,000 (396,000), or a total of EUR 577,000 (985,000).

7.2.2 Supervision by OP Cooperative

Pohjola belongs to the amalgamation of cooperative banks, under applicable laws. The amalgamation comprises OP Cooperative as the central cooperative together with its member credit institutions and financial institutions and service companies over which they exercise control. OP Cooperative controls the amalgamation's operations and provides the companies within the amalgamation with guidelines on the qualitative requirements for safeguarding their liquidity and capital adequacy, as well as guidelines for their risk management, good corporate governance and internal control. The central cooperative may also confirm general principles to be followed by the member credit institutions in operations relevant to the amalgamation.

In addition, the central cooperative supervises the operations of its member credit institutions in the manner as referred to in *"Laki talletuspankkien yhteenliittymästä"* (Act on the Amalgamation of Deposit Banks). In its operations, the Company takes account of OP Financial Group strategy, confirmed by OP Cooperative's Supervisory Board, and regulations and guidelines on risk management and other operations issued by OP Cooperative to the member banks. The Company reports to OP Cooperative in a separately agreed manner.

7.2.3 Regulatory supervision

The Company is supervised by the Financial Supervisory Authority and the ECB as prescribed in the laws governing financial and insurance markets. The Company in Estonia, Latvia and Lithuania is supervised when applicable by the respective national.

As part of OP Financial Group, Pohjola as a credit institution was transferred under the ECB's supervision in November 2014.

Read more about OP Financial Group's internal and external supervision in section 7 of OP Financial Group's Corporate Governance Statement 2014.

8 Financial reporting process

Pohjola's operations will from now on be managed in accordance with OP Cooperative Consolidated's new management system through three business segments. A description of OP Financial Group's financial reporting system was published in February as part of OP Financial Group's Corporate Governance Statement.

The different financial management units subordinate to OP Financial Group's CFO take charge of not only the preparation of interim and annual accounts for OP Financial Group and Group entities, as required by financial accounting, but also of the production of management accounting reports, such as monthly reports on business performance. The Group Control function within OP Financial Group also produces earnings forecasts and analyses the actual outcome in comparison with the forecasts and reports on any deviations.

Pohjola Bank plc as part of the central cooperative consolidated is subject to regulatory supervision. According to regulations issued by the regulators, the Board of Directors of Pohjola Bank plc must decide on reporting and other internal control methods that senior management uses to monitor the Company's operations, financial performance and risks associated with operations. Group-level financial information correctly consolidated using sub-ledger accounting and Group companies' information forms the basis of reliable financial reporting.

Pohjola Group reports its business segments – Banking, Non-life Insurance and Asset Management – and the Group Functions as its operating segments in internal and external reporting. Following the realisation of OP Cooperative's public voluntary bid, Pohjola Group is planning structural changes, meaning, for example, that the Non-life Insurance segment and the Asset Management segment would be transferred from Pohjola Group to be directly owned by OP Cooperative. For this reason, the Non-life Insurance and Asset Management segments were reported as discontinued operations in accordance with IFRS 5. The structural change relating to the Non-life Insurance segment is delayed for over a year, which is why it has returned to be reported under continuing operations together with Banking and the Group Functions. The Asset Management segment is still being reported, according to IFRS 5, as discontinued operations in the income statement and as assets and liabilities classified as held for distribution to owners in the balance sheet.

OP Financial Group uses Group-wide financial reporting and risk reporting to monitor the achievement of its business goals and financial targets, and these reports are regularly reviewed at executive management and Board meetings. Financial information in financial reports is compared with related plans and any differences are analysed and the report also describes earnings outlook for the current year and for a longer period of time. The very same principles apply to the monthly financial performance and risk report prepared by the management. When preparing and examining the report, the management ascertains the accuracy and correctness of the financial results and reporting by analysing the performance and risk exposure and any deviations from targets.

Pohjola Group's external reporting is based, for example, on the International Financial Reporting Standards, the Finnish Limited Liability Companies Act, the Act on Credit Institutions, the Insurance Companies Act, the Accounting Act, and the standards and regulations issued by the Financial Supervisory Authority. Pohjola Bank plc follows OP Financial Group's shared principles in the accounting and financial statements of the Company and Group companies and in the consolidated financial statements. Pohjola Group prepares its financial statements in compliance with IFRS. Group subsidiaries, excluding Pohjola Asset Management Ltd, prepare their financial statements for the time being in accordance with the Finnish Accounting Standards (FAS). Responsibility for the interpretation of the official accounting standards and the provision of the related instructions and guidance as well as supervision of compliance with the common accounting policies rests with OP Cooperative, OP Financial Group's central cooperative. Whenever necessary, OP Cooperative turns to auditors who give a statement of the selected principles and interpretations.

The financial reporting guidelines and application instructions have been compiled to form an accounting manual which includes interpretations of the IFRS at the OP Financial Group level. The updatedness of the most significant standards is annually checked as part of the update of the accounting policies.

Read more about OP Financial Group's financial reporting process in section 7.3 of OP Financial Group's Corporate Governance Statement 2014.

8.1 Organisation of financial reporting

OP Cooperative's Executive Board is the highest decision-making body in matters associated with business control. The Board of Directors must ensure that supervision of accounting and financial management is duly organised. It decides on reporting, procedures and qualitative and quantitative indicators used to assess operational efficiency and performance in line with principles adopted by OP Cooperative. The Board of Directors discusses and adopts the consolidated financial statements and interim reports.

The Board of Directors is tasked with ensuring that the Company has a sufficient internal control system covering all of its operations and that the supervision of accounting and financial management is duly organised. It must also evaluate how the Company complies with laws, regulations, official instructions and internal instructions. The Board also discusses the most significant changes made to the accounting policies during the financial year, principles governing impairment testing for goodwill and intangible assets and the outcome of this testing, and critical accounting estimates and judgements, as well as control reports and reports prepared by regulators, auditors, Internal Audit and the Compliance function.

Under the Limited Liability Companies Act, the President and CEO shall ensure that the Company's and its consolidation group's accounting practices comply with the law and that financial management is organised in a reliable manner. OP Cooperative's Finance and Treasury, and Risk Management, independent of business lines/divisions, are responsible for the Group's financial reporting. These functions produce reliable, relevant and up-to-date information on the Group's performance and finances, and keep the Board of Directors and the President and CEO and other decision-makers informed of the Group's financial performance and near-term outlook. The President and CEO shall also control the quality of outsourced accounting services and services for reports to regulators and other relevant authorities, and develop business control and risk management methods, indicators and the supporting systems.

Compiling financial statements information and interim reports are coordinated at the central cooperative consolidated level. The needs of the management and business lines/division as well as applicable legislation guide reporting. Reporting systems and communication have been established in such a way that monitoring and controlling goals and targets, financial performance, operations and risks at specified organisational levels in the appropriate way by business unit and on the whole are possible and that the required reporting and communication are open both vertically and horizontally throughout the organisation. When reporting Pohjola Group's and business lines' results and other insider information, it is necessary to ensure that those receiving the report belong to the Insider Register.

Business control primarily uses OP Financial Group's shared systems. Operational duties related to financial and management accounting are coordinated at OP Cooperative Consolidated level.

8.2 Independent assessment of financial reporting

As provided by law, auditors shall assess the accuracy of financial reporting. The auditors are tasked with auditing the accounting, financial statements and governance of the Company and its consolidation group in order to obtain assurance that the Company and its administrative bodies act in compliance with applicable laws and that the financial statements have been prepared in compliance with the rules and regulations in force and give owners and other stakeholders a true and fair view of the financial performance and the financial position of the Company and its consolidation group.

In its audits, Internal Audit assesses the effectiveness and adequacy of the Company's and its consolidation group's financial reporting, and reports these audits to the executive management and the Board of Directors. During its inspections, the Financial Supervisory Authority also oversees the financial reporting process and its effectiveness.

8.3 Financial reporting in 2014

Pohjola Group's financial statements were prepared in accordance with IFRS, applying IASs, IFRSs and SIC and IFRIC interpretations effective on 31 December 2014.

In 2014, OP Financial Group and Pohjola Group adopted the following standards and interpretations:

- As a result of entry into force of IFRS 10 – Consolidated Financial Statements, the number of companies to be consolidated into OP Financial Group's financial statements increased as OP-Kiinteistökeskus real estate agencies owned by the member cooperative banks and various mutual funds were also included.
- Entry into force of IFRS 11 – Joint Arrangements had a minor effect on the balance sheet and the statement of comprehensive income on OP Financial Group.
- IFRS 12 – Disclosure of Interests in Other Entities expanded disclosures in the Notes to the Financial Statements.
- Amendment to IAS 32 – Financial Instruments: Presentation did not have a significant effect on OP Financial Group's financial statements.
- Amendment to IAS 36 – Impairment of Assets specified disclosure requirements in the Notes to the Financial Statements.
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement concerned hedge accounting application requirements when a derivative contract is novated to a central counterparty.
- IFRIC 21 – Levies applied in OP Financial Group, for example, to the recognition of bank levy liability and of liability arising from contributions to the Deposit Guarantee Fund.

9 Remuneration

9.1 Board emoluments and other benefits

The Annual General Meeting (AGM) decides on Board emoluments and other benefits, proposed by the parent institution, OP Cooperative.

The monthly Board emoluments approved by the AGM of 20 March 2013 were as follows:

Chairman 8,000 euros, Vice Chairman 5,500 euros and other members 4,500 euros. In addition, all Board members received an attendance allowance of EUR 550 per meeting. In addition to the above, an additional monthly emolument of EUR 1,000 was paid to such Board committee chairs who are not the Chairman or Vice Chairman of the Board. These emoluments are treated as pensionable salary. Daily allowances and compensation for travel expenses were paid to the Board members in accordance with the Group's Travel Expenses Regulations. The emoluments and attendance allowances were paid in cash. The emoluments were the same as in 2013 and 2012. The emoluments were paid to the Board members until 7 October 2014.

The Board members have not received any separate attendance fees of monthly emoluments since 8 October 2014.

Board emoluments in 2014 (€)

Name and position	Monthly emoluments	Meeting allowance	Total
Reijo Karhinen, Chairman	72,000	18,150	90,150
Tony Vepsäläinen, Vice Chairman	49,500	21,450	70,950
Harri Luhtala, member (since 8 Oct. 2014)			0
Erik Palmén, member (since 8 Oct. 2014)			0
Jukka Hienonen, member (until 7 Oct. 2014)	40,500	15,950	56,450
Jukka Hulkkonen, member (until 7 Oct. 2014)	40,500	13,750	54,250
Mirkku Kullberg, member (until 7 Oct. 2014)	40,500	13,200	53,700
Marjo Partio, member (until 7 Oct. 2014)	40,500	11,550	52,050
Harri Sailas, member (until 7 Oct. 2014)	40,500	14,850	55,350
Tom von Weymarn, member and Chairman of the Audit Committee (until 7 Oct. 2014)	49,500	14,850	64,350
Total	**373,500**	**123,750**	**497,250**

9.2 President and CEO's salary and other benefits

The Board of Directors appoints the President and CEO and decides on his salary, benefits and the terms and conditions of his executive contract. A written executive contract with Executive Vice President for Banking within OP Financial Group and its appendix specifies the terms and conditions of the executive contract with the President and CEO.

The President and CEO as OP Financial Group's Executive Vice President, Banking, is a member of OP Cooperative's Executive Board whose members' retirement age is 63 years. Pension benefits are determined in accordance with pension laws and OP Financial Group's own pension plans. The President and CEO is covered by TyEL (the Finnish Employees Pensions Act) which provides pension benefits based on the years of employment and earnings as prescribed in the Act. The President and CEO is not included in any supplementary pension plan.

The period of notice applicable under the President and CEO's executive contract is six months. According to the executive contract with the Executive Vice President of Banking, the Company must pay the President and CEO severance pay equalling his 12-month total salary, in addition to compensation for loss of office, if the Company dismisses him or he has to resign or terminate the contract due to a reason attributable to the company. In case the executive contract terminates due to reasons attributable to the Company, the President and CEO will be entitled to bonuses under the short- and long-term incentive schemes for the year of contract termination, provided that the schemes' performance criteria and the criteria for payment under the schemes' terms and conditions are fulfilled.

9.3 Principles governing remuneration paid to the President and CEO and other management

The incentive schemes approved by the central cooperative consolidated are aimed at encouraging and engaging key human resources in the development of business and ensuring that the Company attracts new key employees. The Board of Directors assesses and monitors regularly the effectiveness of the Company's incentive schemes with the aim of ensuring that remuneration policies and practices with respect to all personnel groups are in line with core values, strategy, targets and goals, risk policies and control systems. The regulations regarding the financial sector's incentive schemes have been taken into account in establishing the Group's incentive schemes.

Remuneration payable to the President and CEO and other executives consists of the following three components: 1) Basic pay (salary and fringe benefits, based on the job grade and skills); 2) short-term incentives (performance-based bonuses, based on the achievement of targets under the annual plan); and 3) long-term incentives (OP Financial Group's long-term management incentive scheme, based on the achievement of the Group's shared strategic goals and targets).

The Board of Directors is responsible for deciding on remuneration to the President and CEO and other management.

9.4 Short-term management incentive scheme

The Board of Directors decides annually on the short-term management incentive scheme, based on targets shared by the executives and deriving from the Company's annual plan and the results achieved, on the one hand, and on personal targets set during the performance reviews held at the beginning of each year, on the other hand. In addition, the entire financial services group's financial performance is taken into account with respect to the President and

CEO. The next performance reviews a year later involves the assessment of the achievement of these targets. The Company's financial performance vis-à-vis the target set affects maximum bonus amounts stepwise. If the Company posts a pre-tax loss, no short-term performance-based bonuses will be paid to the executives. If OP Financial Group or Pohjola Group reports a capital adequacy ratio of less than 1.3 under the Act on the Supervision of Financial and Insurance Conglomerates at the end of each performance year, no bonuses will be paid either.

In 2014, the President and CEO and the other executives are entitled to a maximum bonus corresponding to their regular four-month salary subject to PAYE tax. Bonuses under the short-term incentive scheme are paid in cash, in view of OP Financial Group's payment guidelines with respect to persons affecting the Company's risk profile (Identified Staff).

9.5 Long-term management incentive scheme

At its meeting in March 2014, the Board of Directors decided on Pohjola's involvement in OP Financial Group's long-term management incentive scheme. The incentive scheme has OP Financial Group-level targets with the primary performance indicators including growth in the number of customers using OP Financial Group as their main bank and insurer, OP Financial Group's earnings before tax and OP Financial Group's Common Equity Tier 1 (CET1) ratio. In addition, the scheme takes account of profitability (return on economic capital and capital adequacy under the Act on Financial and Insurance Conglomerates. No bonuses will be paid if OP Financial Group's capital adequacy ratio under the Act is less than the minimum of 1.3 on the payout date.

OP Financial Group's shared management incentive scheme consists of consecutive three-year performance periods, on which the period of 2014–16 has now been decided. The Supervisory Board decides on a new performance period. The Supervisory Board shall determine the performance metrics for the scheme and a target set for them separately for each performance period. The President and CEO and other persons confirmed by the Board of Directors are included in the scheme.

The persons included in the incentive scheme may receive a specified quantity of debentures issued by OP Financial Group if the strategic targets specified for OP Financial Group are met during the performance period in question. The bonus based on the scheme will be paid out to the beneficiary in terms of debentures and cash and in three instalments in 2018, 2019 and 2020 after the performance period, provided that OP Financial Group's capital adequacy is higher than the minimum requirement on the payout date. Taxes and tax-like charges incurred by the key employee will form the portion paid in cash. Bonus payout includes conditions relating to the duration of employment or executive contracts and stipulations governing the hedging prohibition and the retention period. The hedging prohibition refers to a prohibition against use of financial instruments or insurance under the incentive scheme for hedging personal risks. The President and CEO must hold the debentures received under the scheme for one year from the bonus payout date (retention period). Restrictions governing the retention period also apply to other people included in the scheme on certain terms specified in greater detail.

The bonus is determined by the management position. If the set targets are annually achieved at 100%, the management and key employees will be entitled to a bonus equalling their regular 4–7-month salary subject to PAYE tax. If the targets are met at 100%, the President and CEO is entitled to a maximum bonus equalling his regular 4–7-month salary subject to PAYE tax.

9.6 Long-term incentive scheme for other employees

The majority of personnel (excl. management) is included in the long-term incentive scheme based on OP Financial Group Personnel Fund. This long-term scheme is grounded on the achievement of OP Financial Group's shared strategic goals and targets. The scheme uses the same target performance metrics as the long-term management incentive scheme. The Board of Directors annually decides the amount of profit-based bonuses transferred to the Fund.

Remuneration paid to the President and CEO in 2014 (€)

	Regular pay	Fringe benefits *)	Amount paid in 2014 of deferred bonuses earned previously	Earned bonuses for 2013	Amount of bonus paid in 2014	Amount of bonus deferred **)	Amount of bonus paid in cash **)
President and CEO Pölönen	389,287	10,805		84,000	50,400	33,600	25,200

	Amount of bonus paid in instruments **)	Pay, bonuses and fringe benefits paid in total in 2014	Pay, bonuses, fringe benefits and deferred bonuses paid in total in 2014
President and CEO Pölönen	25,200	450,491	484,091

*) President and CEO Pölönen had an unlimited company car benefit.
**) Procedure in accordance with the Act on Credit Institutions (610/2014, Laki luottolaitostoiminnasta)

10 Insider management

As provider of investment services and securities issuer, Pohjola Bank plc has its own Insider Guidelines and Guidelines for Insider Trading. The Guidelines contain regulations on insider information, prohibition against abuse of insider information, insider registers, trading restrictions applying to insiders and insider management. The Guidelines also cover restrictions imposed on relevant persons and the organisation of supervision of compliance with the restrictions. Those with regular access to insider information on securities issued by Pohjola Bank plc are included in the non-public company-specific insider registers of the company.

The Insider and Insider Trading Guidelines are based, for example, on laws governing securities markets, regulations issued by the Finnish Financial Supervisory Authority and the Securities Trading Instructions for Member Organisations of the Federation of Finnish Financial Services (*Finanssialan Keskusliiton sijoituspalveluja tarjoavien jäsenyhteisöjen kaupankäyntiohje*).

These Guidelines are aimed at fostering stock market players' trust in Pohjola Bank plc.

OP-Services Ltd's Legal Affairs shall maintain the public insider registers and permanent company-specific insider registers of OP Financial Group's entities through the SIRE system maintained by Euroclear Finland Ltd (formerly Finnish Central Securities Depository Ltd, or APK).

When necessary, Pohjola Bank plc maintains a project-specific insider register.

As a credit institution, Pohjola Bank's operations include participation in securities trades performed by clients or in other transactions related to securities. In connection with financing arrangements or as part of Pohjola Bank plc's other ordinary operations, Pohjola Bank plc and its executives and salaried employees may receive inside information on client companies. For the abovementioned reasons, among other things, Pohjola Bank plc and its executives and salaried employees are subject to insider regulation as referred to in the applicable law.

Insider issues are subject to regular training. In particular, training takes place as a result of changes in the insider guidelines.

10.1 Access to insider registers and their display for public inspection

Anyone has the right to access the public register of insider holdings and receive extracts and copies of the information in the register against a charge. However, a natural person's personal ID code and address and the name of a natural person other than the insider are not publicly available. Information included in the permanent company-specific insider register or project-specific registers is not publicly available. Extracts from and copies of the public register of insider holdings can be ordered from OP-Services Ltd's Legal Affairs. Written requests for such information specifically describing the information sought should be submitted to:

OP-Services Ltd
Legal Services
PO Box 909
00101 Helsinki

11 Disclosure policy

On 16 December 2014, Pohjola Bank plc's Board of Directors approved OP Financial Group's Group-level Communications and Disclosure Policy. This replaced the Communications and Disclosure Policy issued by Pohjola on 17 December 2013.

OP Cooperative's subsidiaries Pohjola Bank plc (Pohjola) and OP Mortgage Bank (OPA) are in charge of OP Financial Group's funding from money and capital markets. Securities issued by OP Financial Group entities are traded on the London Stock Exchange, SIX Swiss Exchange or other stock exchanges, in addition to or in place of NASDAQ OMX Helsinki. Pohjola has also issued an unlisted Samurai bond in the Japanese market.

In its disclosure policy, OP Financial Group, Pohjola and OP Mortgage Bank comply with Finnish laws, the rules of NASDAQ OMX Helsinki and, when applicable, other stock exchanges, and the regulations and instructions issued by the Finnish Financial Supervisory Authority. OP Financial Group's communications takes into account not only the above but also Corporate Governance Recommendations and the Code of Business Ethics.

This disclosure policy approved by OP Cooperative's Executive Board on 16 December 2014 applies to the disclosure principles and practices of bond issuers (Pohjola Bank plc and OP Mortgage Bank) and OP Financial Group. This disclosure policy was approved by Pohjola Bank plc's Board of Directors on 16 December 2014 and OP Mortgage Bank's Board of Directors on 18 December 2014. OP Cooperative's Executive Board set a guideline on 16 December 2014 – taking into account the central cooperative consolidated's management system, new organisation structures and the joint responsibility of the amalgamation – that OP Cooperative's task is to ensure, also in terms of Pohjola Bank and OP Mortgage Bank, that information subject to periodic and continuous disclosure obligation is published, distributed and made available. The subsidiaries will report and publish their own interim reports, financial statements and reports by the board of directors. OP Cooperative discloses information for and on behalf of its subsidiaries that falls under its disclosure obligation. In practice, the central cooperative issues bulletins and releases in the name of OP Financial Group or the issuer. Disclosure of information with regard to securities issued by Pohjola and OP Mortgage Bank is decided upon on a case-by-case basis with the issuer. Responsibility for the issuer's disclosure obligation is held by each issuer.

The disclosure policy describes the key principles and policies followed by OP Financial Group and issuers in their communication with capital market participants and other stakeholders. In addition, the policy describes the disclosure, dissemination and storage of the information within the scope of periodic and ongoing disclosure obligation. OP Financial Group assesses the disclosure policy's consistency, suitability and sufficiency on a regular basis, at least once a year.

OP Financial Group's corporate communications are tasked with promoting the Group's business by providing all stakeholder groups with accurate information on the Group's goals, targets and operations. External and internal communications aim to support the Group's strategic and business goals and enhance and maintain the Group's strong corporate image while fostering cooperation within the Group. Both external and internal communications are based on facts and provide a true picture of the state of affairs.

OP Financial Group's disclosure policy pursued by Pohjola is available at www.pohjola.com > Investor Relations > Corporate Governance > Disclosure Policy.

Pohjola’s website address is www.pohjola.com.

12 Personal and other data on the Board of Directors and Group President and CEO

12.1 Board of Directors



Chairman (by virtue of law and his position)
Reijo Karhinen, b. 1955

- Vuorineuvos (Finnish honorary title), President and Executive Chairman, OP Financial Group
- M.Sc. (Econ. & Bus. Adm.), Honorary Doctor of Turku School of Economics and University of Eastern Finland
- Board member since 1994; Chairman of the Remuneration Committee of the Board of Directors until 7 October 2014
- Executive Board member dependent on the Company and its major shareholder (OP Cooperative)

Other relevant positions:

- Federation of Finnish Financial Services: Chairman of the Board
- Finland Chamber of Commerce: Vice Chairman of the Board
- International Chamber of Commerce Finland: Vice Chairman of the Board
- Confederation of Finnish Industries (EK): Member of the Board of Directors and the Committee for Skilled Work Force
- Savonlinna Opera Festival Patrons' Association: Chairman of the Board of Trustees
- HelsinkiMissio: Chairman of the Delegation
- New Children's Hospital Foundation: Vice Chairman of the Board
- The Mannerheim Foundation: Member of the Board
- Maanpuolustuksen tuki ry: Chairman of the Board
- Unico Banking Group: Member of the Board

Relevant previous experience:

- OP Bank Group Central Cooperative: President 1997–2006, Executive Vice President 1994–1996
- Kuopion Osuuspankki: Managing Director 1990–1994
- Savonlinnan Osuuspankki: Managing Director 1988–1990
- Varkauden Osuuspankki: Managing Director 1985–1988
- Juvan Osuuspankki: Assistant Director 1979–1984

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 76,677 on 1 January 2014 and 0 on 31 December 2014.



Tony Vepsäläinen, b. 1959

- Executive Vice President of Operations (since 1 October 10 2014), deputy to President and Executive Chairman, OP Financial Group
- LL.M. eMBA
- Board member since 2007; Chairman of the Risk Management Committee and Vice Chairman of the Remuneration Committee of the Board of Directors until 7 October 2014
- Executive Board member dependent on the Company and the major shareholder (OP Cooperative)

Other relevant positions:

- Housing Fair Finland Co-op: Chairman of the Supervisory Board

Relevant previous experience:

- OP-Pohjola Group Central Cooperative: Chief Business Development Officer 2011–2014
- OP-Pohjola Group Central Cooperative: President 2007–2010
- Tampereen Seudun Osuuspankki: Managing Director1998–2006
- Turun Seudun Osuuspankki: Deputy Managing Director 1996–1998
- Kuopion Osuuspankki: Bank Manager 1993–1996
- Suomen Säästöpankki SSP Oy: Deputy to Area Manager 1992–1993

- Pohjois-Savon Säästöpankki: managerial duties 1985–1992

Holdings in Pohjola shares and share-based entitlements:
- No. of Series A shares: 25,552 on 1 January 2014 and 0 on 31 December 2014



Harri Luhtala, b. 1965
- CFO, OP Financial Group
- M.Sc. (Econ. & Bus. Adm.)
- Board member since 8 October 2014

Other relevant positions:
- Deposit Guarantee Fund: Chairman of the Board
- Confederation of Finnish Industries (EK): Member of the Finance and Tax Commission

Relevant previous experience:
- OP-Pohjola Group: various expert and managerial duties 1989-2007

Holdings in Pohjola shares and share-based entitlements:
- No. of Series A shares: 9,286 on 1 January 2014 and 0 on 31 December 2014



Erik Palmén, b. 1959
- CRO, OP Financial Group
- M.Sc. (Econ. & Bus. Adm.), M.Sc. (Eng.)
- Board member since 8 October 2014

Other relevant positions
- Deposit Guarantee Fund: Chairman of the Delegation
- Unico Banking Group: Member of the Country Risk Managers Committee

Relevant previous experience
- Nordea Bank Finland Plc: various expert and managerial duties 1987–2009

Holdings in Pohjola shares and share-based entitlements:
- No. of Series A shares: 4,521 on 1 January 2014 and 0 on 31 December 2014



Jukka Hienonen, b. 1961
- President and CEO, SRV Group Plc (until 31 December 2014)
- M.Sc. (Econ. & Bus. Adm.)
- Board member from 2009 until 7 October 2014; member of the Remuneration Committee of the Board of Directors until 7 October 2014
- Non-executive Board member

Other relevant positions:
- Helsinki Region Chamber of Commerce: Chairman of the Board of Directors
- Finland Chamber of Commerce: Member of the Board of Directors

Relevant previous experience:
- Finnair Corporation: President and CEO 2005–2010
- Stockmann Plc: Executive Vice President 2003–2005, Director of Department Store Division 2001–2005, and Director of Foreign Operations 1995–2000

Holdings in Pohjola shares and share-based entitlements:
- No. of Series A shares: 15,712 on 1 January 2014 and 0 on 31 December 2014



Jukka Hulkkonen, b 1955

- Kauppaneuvos (Finnish honorary title), Managing Director, Lounaismaan Osuuspankki
- M.Sc. (Forestry), eMBA
- Board member from 2012 until 7 October 2014; Vice Chairman of the Risk Management Committee of the Board of Directors until 7 October 2014
- Executive Board member dependent on the Company

Other relevant positions:

- SSP Yhtiöt Oy: Chairman of the Board
- Delegation of Finnet Association, 2nd Vice Chairman

Relevant previous experience:

- Salon Osuuspankki: Managing Director 2009–2013
- Salon Seudun Osuuspankki: Managing Director 1997–2009
- Joensuun Osuuspankki: Bank Manager 1989–1996
- Kainuun Osuuspankki: Area Manager 1984–89
- Oulun Osuuspankki: Business Liaison Officer 1984
- Suur-Helsingin Osuuspankki: Branch Manager 1983

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 9,310 on 1 January 2014 and 0 on 31 December 2014



Mirkku Kullberg, b. 1962

- Head of Vitra Home Segment, Vitra (since 1 July 2014)
- Managing Director, Artek oy ab (30 June 2014)
- Diploma in Business and Administration
- IDBM (International Design Business Management)
- Board member from 2012 until 7 October 2014; member of the Audit Committee of the Board of Directors until 7 October 2014
- Non-executive Board member

Other relevant positions:

- KSF Media: Member of the Board
- Puhelinosuuskunta LPO: Member of the Board
- Helsinki OP Bank Plc: Board member (until 7 October 2014)
- Saga Furs Oyj: Member of the Board

Relevant previous experience:

- Nanso Oy: Brand Director 2002–2005
- Grünstein Product Ab: Managing Director 1995–2002
- Turkistukku Oy: Export Manager, Product Manager 1992–1995

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 0 on 1 January 2014 and 0 on 31 December 2014



Marjo Partio b. 1956

- Managing Director, Kymenlaakson Osuuspankki
- M.Sc. (Econ. & Bus. Adm.), DBA
- Board member from 2013 until 7 October 2014; Vice Chairman of the Audit Committee of the Board of Directors until 7 October 2014
- Executive Board member dependent on the Company

Other relevant positions:

- Member of the South-East Finland Regional Advisory Committee of the Federation of Finnish Industries
- Kouvola Innovation Ltd (economic development company owned by the City of Pohjola), member of the Board

Relevant previous experience:

- Kouvolan Seudun Osuuspankki: Managing Director from 1996 until 31 May 2012, Bank Manager 1991–1995, Investment Manager 1989–1991
- Iitin Osuuspankki: Assistant Director 1985–1989, Marketing Manager, corporate banker 1981–1984

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 9,185 on 1 January 2014 and 0 on 31 December 2014



Harri Sailas, b. 1951

- President and CEO, Ilmarinen Mutual Pension Insurance Company (until 31 January 2015)
- M.Sc. (Econ.)
- Board member from 2012 until 7 October 2014; member of the Risk Management Committee of the Board of Directors until 7 October 2014
- Executive Board member dependent on the company and its major shareholder (Ilmarinen Mutual Pension Insurance Company, shareholder until 8 April 2014)

Other relevant positions:

- Finnish Pension Alliance TELA: Chairman of the Board

Relevant previous experience:

- Nordea Bank Finland Plc: Head of Regional Bank 2004–2006, and Deputy Managing Director, Head of Retail Banking Finland 2002–2004;
- MeritaNordbanken/Merita Bank Finland Plc: Deputy Managing Director, Head of Regional Bank 1998–2002
- Merita Bank Plc: District Director of Uusimaa 1995–1998
- Kansallis-Osake-Pankki: Various duties 1975–1995

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 0 on 1 January 2014 and 0 on 31 December 2014



Tom von Weymarn, b. 1944

- M.Sc. (Eng.)
- Board member from 2006 until 7 October 2014; Chairman of the Audit Committee of the Board of Directors until 7 October 2014
- Non-executive Board member

Other relevant positions:

- K. Hartwall Oy Ab: Chairman of the Board
- Hartwall Capital Oy Ab: Chairman of the Board
- Sibelius Academy Foundation: Member of the Board
- IK Investment Partners Ltd: Senior Advisor
- Boardman Ltd: Partner
- Hydrios Biotechnology Oy: Member of the Board
- Oy Transmeri Ab: Chairman of the Board
- Finnsweet Oy: Member of the Board

Relevant previous experience:

- Oy Rettig Ab: President and CEO 1997–2004
- Cultor Plc: Executive Vice President 1991–1997
- Oy Karl Fazer Ab: Director 1983–91, the last two years of this period as President and CEO
- Telko Oy: Managing Director 1981–1983
- Oy Huber Ab: Executive Vice President 1975–81

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 1,650 on 1 January 2014 and 0 on 31 December 2014

12.2 Group President and CEO



Jouko Pölönen, b. 1970

- President and CEO, Pohjola Bank plc
- Executive Vice President, Banking, OP Financial Group (since 1 October 2014)
- Managing Director, Helsinki OP Bank Plc (since 1 October 2015)
- Group-level responsibility for private and corporate customers, Pohjola Bank plc (until 1 October 2014)
- OP Financial Group-level responsibility for the development of non-life insurance business (until 30 September 2014)
- President, Pohjola Insurance Ltd (until 30 September 2014)
- Employed by Pohjola Group since 2001
- M.Sc. (Econ. & Bus. Adm.), eMBA

Relevant previous experience:

- Pohjola Bank plc: CFO 2009–2010
- Pohjola Bank plc: Chief Risk Officer 2001–2008
- PricewaterhouseCoopers: Authorised Public Accountant 1999–2001 and auditor 1993–1999

Other relevant positions:

- Federation of Finnish Financial Services: Chairman of the Banking Executive Committee
- Unico Banking Group: Member of the Board
- OP-Pohjola Group Research Foundation: Member of the Board
- Kyösti Haataja Foundation: Member of the Board

Holdings in Pohjola shares and share-based entitlements:

- No. of Series A shares: 12,273 on 1 January 2014 and 0 on 31 December 2014