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Contents

Information to shareholders

Annual General Meeting

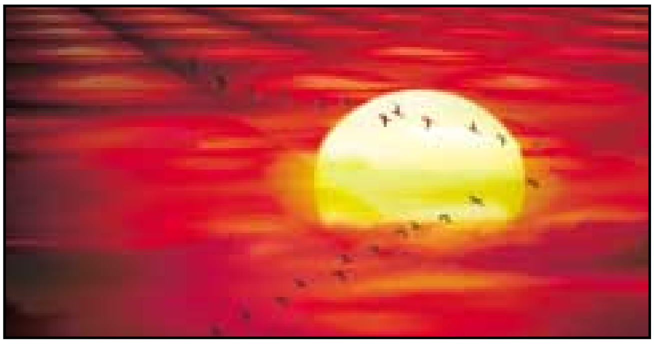
The Annual General Meeting of Pohjola Group Insurance Corporation will be held on Tuesday, April 10, 2001 at 4 p.m. in the company's head office at Lapinmäentie 1, Helsinki.

Shareholders who wish to attend the AGM are requested to give notice of attendance by Friday, April 6, 2001 at 4 p.m. either in person at Lönnrotinkatu 5, Helsinki, by letter to Pohjola Group Insurance Corporation, Shareholder Register, P.O. Box 1068, 00101 Helsinki, by telephone at +358 10 559 6771 or at +358 10 559 2946, or by e-mail: erja.ventomaa@pohjola.fi.

Shareholders who, by Friday, March 30, 2001, have been entered as shareholders in the company's shareholder register kept by the Finnish Central Securities Depository Ltd have the right to attend the shareholders' meeting.

Also shareholders whose shares have not been transferred to the book-entry system have the right to attend the AGM provided that these shareholders have been entered in the company's share register before March 19, 1993. In such a case, shareholders are requested to present, at the meeting, their share certificate or other document showing that the ownership of the shares has not been transferred to a book-entry account.

Holders of nominee-registered shares who wish to attend the AGM and exercise their right of vote can be entered temporarily in the shareholder register. The entry will be made on Friday, March 30, 2001. For the purpose of temporary entry in the register, shareholders must, well in advance, contact the custodian of their shares.



Dividend payment

The Board of Directors proposes to the Annual General Meeting that EUR 16 per share be distributed in dividend. The dividend confirmed by the AGM will be paid to shareholders who by the record date of dividend distribution, April 18, 2001, have been entered as shareholders in the shareholder register kept by the Finnish Central Securities Depository Ltd. The dividend payment date proposed by the Board of Directors to the AGM will be April 25, 2001.

Changes of address

Shareholders are requested to notify the custodian of their shares of any changes in their personal or address data.

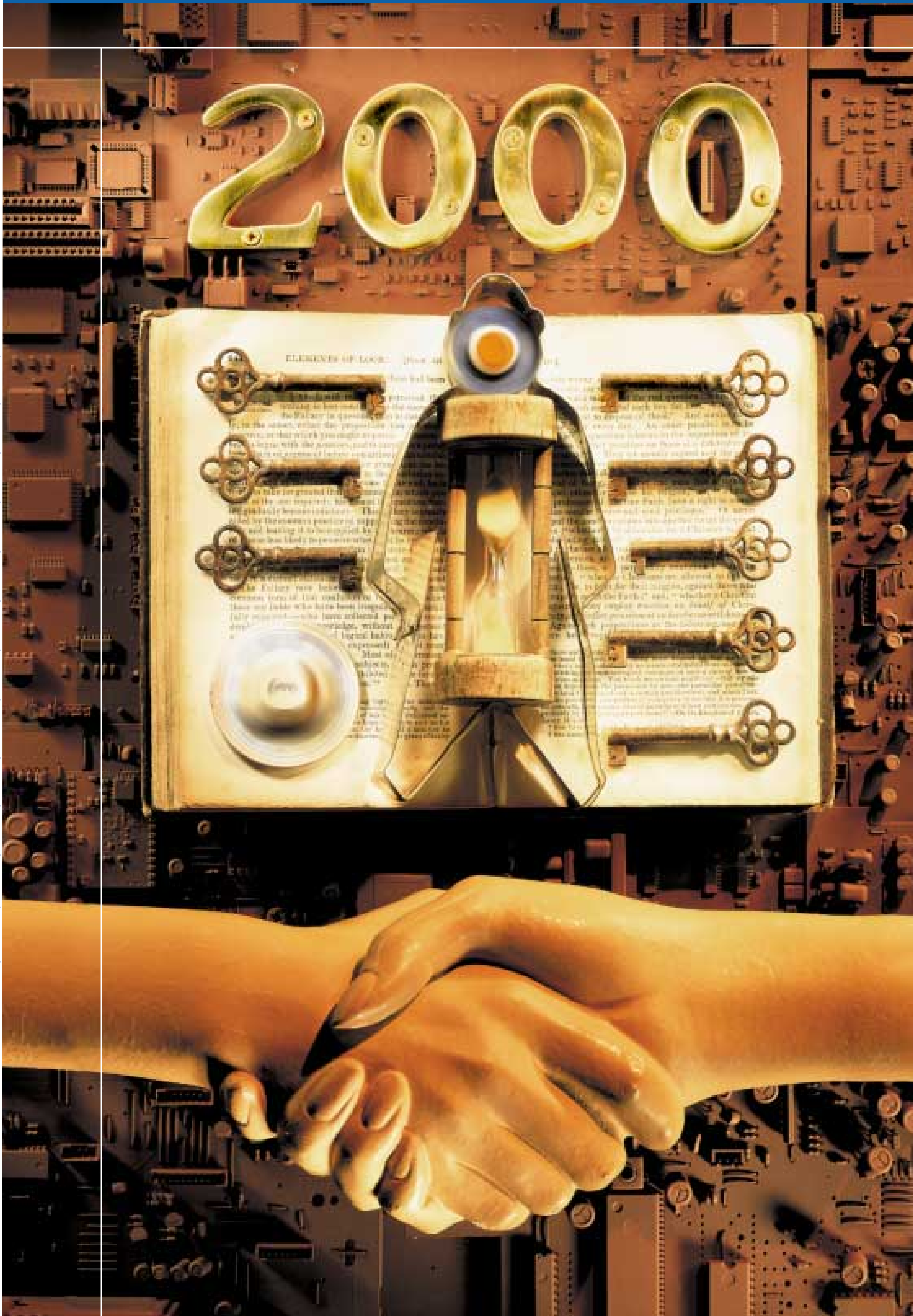
Financial reports

Pohjola annual accounts are available on the Pohjola web site, at www.pohjola.fi. The Annual Report is sent by post to all shareholders and those who have been entered in the company's mailing list. Interim Reports will be disclosed on May 10, 2001, August 7, 2001 and November 8, 2001.

The Annual and Interim Reports can be ordered from Pohjola Corporate Communications, tel. +358 10 559 2628, fax +358 10 559 3590 or e-mail ir@pohjola.fi.

The Annual and Interim Reports are published in Finnish and English. These, as well as stock exchange and other releases, are also available on the Internet, at www.pohjola.fi.

ANNUAL REPORT



THE YEAR 2000 WAS A YEAR OF STRATEGIC CHANGES AT POHJOLA. A RECORD NUMBER OF EIGHT SHAREHOLDERS' MEETINGS WERE HELD. A TOTAL OF 60 STOCK EXCHANGE BULLETINS WERE ISSUED.

Year 2000, a year of strategic decisions

January

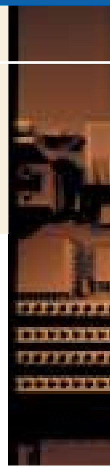
- Pohjola's non-life insurance organization adopted a pan-Nordic operational model in accordance with the If agreement signed the previous year.
- The various administrative services provided by Pohjola were incorporated in a separate subsidiary, Pohjola Insurance Service Ltd.
- The Finnish Insurance Supervision Authority approved the share transactions of Pohjola's major shareholders. As a result, both Ilmarinen-Suomi Mutual-OKOBANK Group and Sampo-Leonia with their cooperation partners each owned approximately 27% of Pohjola shares.

February

- As a result of the changes in the ownership structure of Pohjola, the company's Board of Directors also changed. An extraordinary shareholders' meeting elected Mr Heikki Hakala (Chairman), Mr Martin Granholm, Mr Eero Heliövaara, Mr Timo Salonen, Mr Oiva Savela, Mr Mikael Silvennoinen and Mr Matti Vuoria as members of the Board. The Board appointed Mr Matti Kavetvuo as the President and CEO, and launched preparations for a corporate strategy.

March

- Pohjola disclosed its annual accounts for 1999. Operating profit totalled EUR 1 234 million. The write-up of Nokia shares sold in 2000 increased the profit to EUR 1 983 million. The Board's proposal for dividend was EUR 22 per share.
- The Pohjola Board decided to submit a review of the If project to the Annual General Meeting, and to request an expert valuation report on Pohjola Life with a view to a possible sale of the company.
- Mr Eino Halonen, who was to assume the duties of the President of Suomi Mutual on July 1, 2000, resigned from the post of President of Pohjola Life. Mr Jarmo Kuisma, First Vice President, was appointed the new President of the company.



April

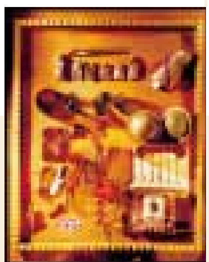
- The Annual General Meeting approved the proposed dividend, partly postponed the issue of release from liability to a continuation meeting of the AGM, and authorized the Board to continue with the review of the If project.

May

- Pohjola issued an interim report for the first quarter of 2000. Operating profit was EUR 696 million, as the portion of Nokia shares in the share portfolio had decreased.
- An extraordinary shareholders' meeting decided to postpone the handling of the If project to a continuation meeting. The continuation meeting of the AGM granted release from liability for 1999.
- Sampo-Leonia decided to sell its Pohjola shares to Ilmarinen, Suomi Mutual and the OKOBANK Group.
- The continuation meeting of the extraordinary shareholders' meeting decided that Pohjola's non-life insurance operations would not be transferred to If.
- Mr Matti Vuoria resigned from the Board. The President of Pohjola Non-Life, Mr Veli Kalle Tavakka, resigned from his post and was replaced by Mr Jouko Bergius, head of Pohjola's Major Clients Division.

June

- A new organization based on customer groups was confirmed for Pohjola Non-Life. The customer groups are private households, corporate clients and major clients.
- Pohjola launched an image campaign, New Pohjola.
- An extraordinary shareholders' meeting approved the Board's proposal to the effect that an additional dividend of EUR 25 per share be paid for 1999.
- When the Sampo-Leonia share transaction was completed, the ownership portion of Ilmarinen, Suomi Mutual, the OKOBANK Group and their cooperation partners rose to 54% of shares and 64% of votes in Pohjola.
- The Pohjola Board approved a Memorandum of Understanding under which Suomi Mutual could acquire the stock of shares of Pohjola Life in 2001. This meant that the extensive cooperation between the companies would continue and that Pohjola would focus on transacting non-life insurance business.
- Pohjola, Skandia and Storebrand reached a settlement agreement on their disputes related to Pohjola's withdrawal from the If project.



August

- Pohjola issued its semi-annual report, which showed an operating profit of EUR 745 million. The general outline of the company's strategy was also made public and the company announced its intention to return to shareholders, in the near future, the capital not pertaining to business operations. The refund would be made in the form of dividends.
- Based on the Memorandum of Understanding, Pohjola and Suomi Mutual signed option agreements on the sale of Pohjola Life. An extraordinary shareholders' meeting granted the Board the authorization to sell the company.

September

- The disposal of Pohjola Life investments commenced with a view to the planned sale of the company.

October

- A new organization was confirmed for Service Pohjola based on four customer segments: private households; asset management customers; small companies; and medium-sized companies and large regional companies.

November

- Pohjola disclosed its nine-month results. Operating profit was EUR 865 million.
- Pohjola signed an agreement on extended cooperation with the British insurance company Royal & SunAlliance. The companies' worldwide service network covers over 130 countries.

December

- An extraordinary shareholders' meeting decided that the parent company's insurance portfolio would be transferred to Pohjola Non-Life once the regulatory approvals of the authorities had been obtained. The parent will then become a holding company, the A and B share series will be combined and the voting restrictions will be abolished. The name of the company will be Pohjola Group plc.
- Through an internal transaction of the cooperation alliance, Ilmarinen increased its stake in Pohjola to 32% of shares and 40% of votes.
- The Pohjola Board made expedited dividend payment possible by requiring that Pohjola Life distribute EUR 400 million of its 2000 dividend as a so-called interim dividend.

REVIEW BY THE PRESIDENT AND CEO

Confidence a cornerstone

THE YEAR 2000 WAS A YEAR OF STRATEGIC DECISIONS AT POHJOLA. THE COMPANY'S OWNERSHIP STRUCTURE STABILIZED WHEN ILMARINEN, SUOMI MUTUAL AND THE OKOBANK GROUP BECAME THE MAJOR SHAREHOLDERS OF POHJOLA IN THE EARLY MONTHS OF THE YEAR. THE DECISION WAS MADE TO WITHDRAW FROM THE PAN-NORDIC IF NON-LIFE INSURANCE COMPANY PROJECT AND TO GRANT SUOMI MUTUAL AN OPTION TO ACQUIRE POHJOLA LIFE.

After the withdrawal from the If project, Pohjola in the summer again took up an active role in the non-life insurance market. The new corporate strategy defined non-life insurance as the company's core business. Pohjola thus returned to its roots, the current year being its 110th year of operations as a major Finnish non-life insurer.

In the past couple of years, the strategic choices made earlier by Pohjola did not gain long-standing support from major shareholders, which led to rapid changes in the ownership structure and even to speculations about the company being wound down. This uncertainty was also reflected in the company's market position as there was a clear-cut decline in market share, particularly from the latter half of 1999 up to mid-2000.

In accordance with the new strategy outlined by the company's Board of Directors in the spring and summer last year, Pohjola will continue to operate as a listed company. Besides its core business, non-life insurance, the company will provide its major shareholders with sales and customer services as well as with various business support services. A decision has been made to continue with the process of returning to shareholders extra capital not tied to the business operations of the Pohjola group.

The company's new Board of Directors and senior management are deeply committed to restoring customers' and employees' confidence in Pohjola. Customer Satisfaction surveys and Work Climate surveys carried out among the staff show that faith in our company has taken a clear upturn, though we still have a lot to improve. These favourable developments are also evident in Pohjola's market position: the downward trend in market share has, in the main, been brought to a halt and the market share is, in certain areas, even edging upwards.

One of the cornerstones of an insurance company's success is the confidence that the company has gained among its interest groups. In this respect, Pohjola is heading in the right direction. A balanced consideration of the interests of various constituent groups is likewise vital, as we have learned by hard experience. In future years, Pohjola's success in the insurance and financial sectors will essentially depend on our capability, as trailblazers, to improve our customer service and range of products. We will also promote professional skills, well-being and work motivation among the staff.

In the near future, the decisions that the alliance formed by Pohjola and its major shareholders will make on cooperation in the sectors of insurance and banking will play a significant role in choosing the course of action for Pohjola. All members of the alliance are important players in the Finnish market and there are ample opportunities in practice for substantial synergy benefits. All parties are in good financial condition, and this would set a highly positive and innovative tone to possible joint development projects.

I wish to take this opportunity to thank our customers, staff, shareholders and all other stakeholders for the confidence they have shown in Pohjola. A new Pohjola is now being built up on a more stable basis.

Matti Kavetvuo

Pohjola in brief

Parent company

Pohjola Group Insurance Corporation is the parent company of the Group and a listed company. Pohjola's shares have been quoted on the Helsinki stock exchange since 1912.

The field of operations of Pohjola Group comprises the ownership and possession of shares in insurance and other companies, and of other securities and real estate. As the parent of its group companies, the company is in charge of and responsible for group governance. The company is also in charge of investment services for its subsidiaries and for Suomi Mutual Life Assurance Company, and transacts reinsurance business.

The intention is to turn the parent into a holding company. The change calls for regulatory approvals of the authorities and the transfer of the reinsurance portfolio from the parent to Pohjola Non-Life.

Non-life insurance

Pohjola Non-Life provides customers with insurance, claims settlement and risk management services. The units in charge of day-to-day business operations are Private Households, Corporate Clients, Major Clients, and International Operations.

The Private Households unit is responsible for services to private households and handles motor, home, private accident and travel insurance policies for all customer groups. Travel insurance is managed centrally by Eurooppalainen Insurance Company Ltd, a subsidiary of Pohjola.

Highlights

		1999	2000		1999	2000
Premiums written						
Non-life insurance	FIM million	3 351	3 276	EUR million	564	551
Life assurance	FIM million	2 321	2 010	EUR million	390	338
Operating profit	FIM million	7 336	6 885	EUR million	1 234	1 158
Profit before extraordinary items and tax	FIM million	16 441	6 546	EUR million	2 765	1 101
Balance sheet total	FIM million	39 339	30 829	EUR million	6 616	5 185
Solvency capital	FIM million	14 982	11 707	EUR million	2 520	1 969
Average number of employees					2 720	2 704
Earnings/share	FIM	289.56	113.62	EUR	48.70	19.11
Dividend/share	FIM	279.44	95.13	EUR	47.00	16.00 [1)]
Net asset value/share at current values	FIM	600.04	324.46	EUR	100.92	54.57
Market capitalization on Dec. 31	FIM million	15 441	11 350	EUR million	2 597	1 909

1) Proposed by the Board of Directors

The Corporate Clients unit is in charge of services to companies and public corporations and manages statutory workers' compensation, property, business interruption, liability, suretyship and construction defects insurance. Insurance and claims settlement services for major clients are handled worldwide in cooperation with the British insurance company Royal & SunAlliance.

The International Operations unit is developing Pohjola's business in the Baltic States and Russia. Customers are served by the Seesam companies in the Baltics and by Principal in Moscow.

The run-off companies Bothnia, Moorgate (Great Britain) and Varma (in liquidation) are in charge of cancelled foreign insurance.

Life assurance

Pohjola Life and the holdings related to life assurance operations in the Baltics were sold to Suomi Mutual on March 7, 2001.

Customer service

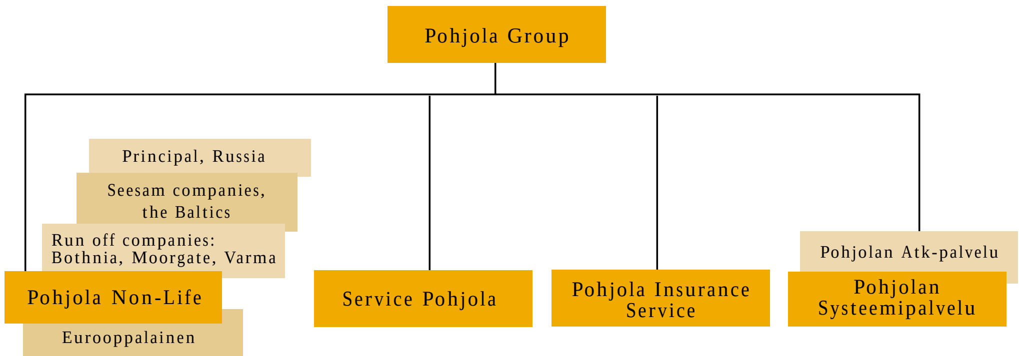
Service Pohjola is responsible for sales and customer service not only for Pohjola but also for Suomi Mutual and Ilmarinen. The company's operations are divided into four customer segments: private households; asset management customers; small companies; and medium-sized companies and large regional companies.

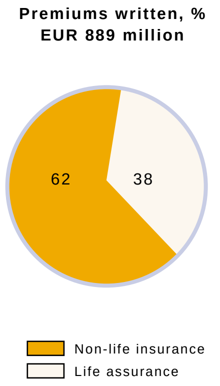
Support services

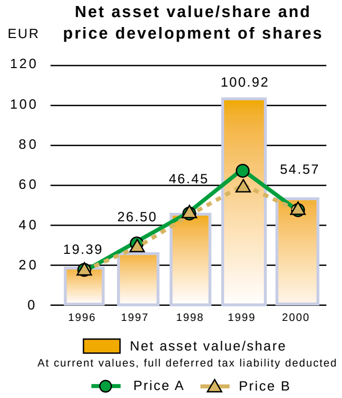
Pohjola Insurance Service produces and sells administrative services to Pohjola and Suomi Mutual.

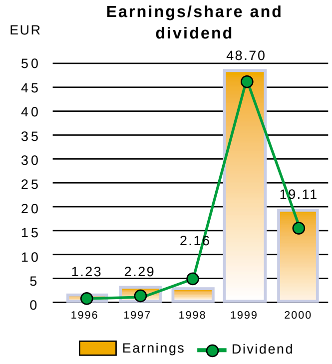
Pohjolan Atk-palvelu provides Pohjola, Suomi Mutual and Ilmarinen with user, support, data communications and Help Center services. Pohjolan Systeemipalvelu offers data systems and consultancy services to Pohjola and Suomi Mutual.

Pohjola Group is in charge of the investment services of Pohjola and Suomi Mutual.









Cooperation alliance

Pohjola is the non-life insurance company of the cooperation alliance formed by Pohjola and its major shareholders. Ilmarinen manages statutory employment pension insurance, while Suomi Mutual offers risk life assurance and group pension insurance. Pohjola Life, a subsidiary of Suomi Mutual, focuses on savings-related insurance and unit-linked insurance. The OKOBANK Group offers banking services and sells non-life insurance products of Pohjola. The OKOBANK Group has a life assurance company of its own, Aurum.

Negotiations between Pohjola and its largest shareholders concerning the strategy of the cooperation alliance are underway and their results may have an effect on the future operational model of the alliance.

Strategy and financial goals

In the cooperation alliance, Pohjola concentrates on transacting non-life insurance business and offers, through its group companies, distribution and business support services to other members of the cooperation alliance. In addition to Pohjola, the cooperation alliance includes Ilmarinen Mutual Pension Insurance Company, Suomi Mutual Life Assurance Company and the OKOBANK Group.

Pohjola's operations are based on the principle that all shareholders are treated fairly and on equal terms. Furthermore, the company's objective is to produce maximum added value for the benefit of all shareholders and to operate in a manner that also takes into account the interests of policyholders and other stakeholders. Investing in customers and staff will ultimately also generate added value for shareholders.

The solvency capital related to the non-life insurance business will be kept at a safe and competitive level. New business opportunities will also be sufficiently provided for. Capital will, to some extent, continue to be tied to strategic shareholdings, thus underpinning the company's own business operations while taking into account the requirements of a sound investment portfolio structure. More detailed solvency and profitability targets will be confirmed once the strategy of the cooperation alliance has been disclosed.

Capital not pertaining to business operations will be returned to shareholders in the form of dividends in the near future.

ECONOMIC GROWTH IN FINLAND WAS AMONG THE FASTEST WITHIN THE EUROPEAN ECONOMIC AREA IN 2000. GROSS NATIONAL PRODUCT INCREASED BY 6% AS EXPORTS GREW, UNDERPINNED BY THE EURO, WAGES ROSE AND THE EMPLOYMENT SITUATION IMPROVED.

Non-life insurance a core business

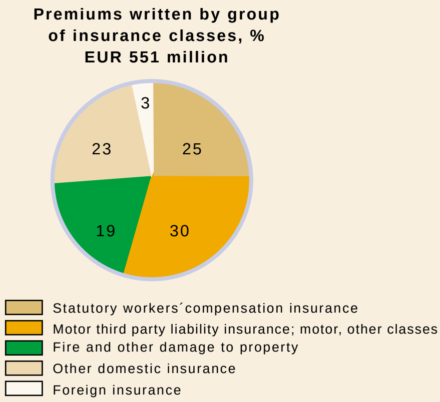
According to preliminary information, premiums written in Finnish non-life insurance went up by 4%. In statutory workers' compensation insurance, customers increasingly selected deductible (own risk) systems, which had an adverse impact on growth in non-life premiums written. The growth in premiums written, in fact, was mainly due to an increase in the volume of motor vehicle insurance, which went up by 9%, aided by rises in premium levels and the modernization of the fleet of cars. Non-life insurance accounted for around 20% of the Finnish insurance market.

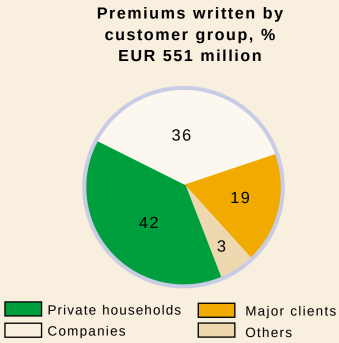
Growth in the Finnish economy is expected to continue in 2001, although at a slower pace. In non-life insurance, keen competition for market shares is likely to go on. In addition to Finnish players, new foreign competitors are entering the market. Restructuring of the banking and insurance sectors has started, entailing new legislation which will enable, for instance, cross sales of products. New distribution channels will emerge alongside the traditional sales organizations. The development of e-commerce will open up new opportunities for both the marketing of insurance and for customer service.

New Pohjola held ground

Finland is Pohjola's main market area. Here, the company's market share was 24% in 2000. The market share declined during the first months of the year but the decline stopped after the company had made a decision to withdraw from the If project. Towards the end of the year, the company's market position stabilized.

The result of the transfer business in statutory workers' compensation insurance improved over the previous year. Transfer business refers to corporate clients being able annually, by the end of September, to change the insurance company with whom they wish to take out their accident and employment pension insurance the following year. Measured by wage bill, the volume grew but, measured by premiums written,





the volume contracted somewhat. In the competition between pension insurance companies, Pohjola's cooperation company, Ilmarinen, fared the best.

In June, the non-life insurance organization was revamped, with the focus on the customer perspective. Three major customer groups were formed: private households, companies and major clients. Each customer group is served by an insurance and claims settlement organization specialized in the particular features of the customer group concerned, as well as by risk management experts.

The role of the customer perspective is evident also in the way the company has dedicated resources to the follow-up of customer satisfaction and customer feedback and to related improvement measures. Other vital perspectives steering operations are the financial perspective; the internal efficiency perspective translating into improvement of processes; and the learning and individual growth perspective.

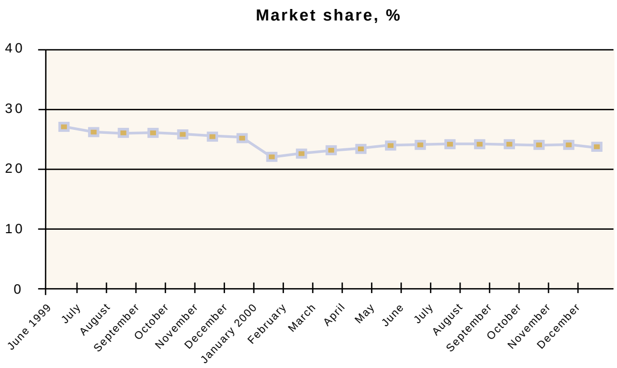
In major losses, the trend was favourable at Pohjola since only one claim exceeded EUR 2 million, net of reinsurance. The loss occurred in Central Europe and was the biggest loss that had ever hit Pohjola's portfolio.

The foreign insurance business accounted for 3% of premiums written. Pohjola transacts non-life insurance in the Baltic States and Russia. The market share of the Seesam companies is in Estonia 12%, in Latvia around 3% and in Lithuania less than 1%.

Services for private-household customers become increasingly versatile

Private households are Pohjola's largest customer group, both in terms of money and number of customers. The company has close on a million and a half customers and premiums written amount to EUR 232 million (EUR 239 million), i.e. 42% of the total premiums written in non-life insurance.

By volume, Pohjola's most important insurance products for private households are motor third party liability and comprehensive motor vehicle insurance policies. Extrasure (Mittaturva)



contracts cover flexibly the bulk of private households' non-life insurance requirements. The Easy insurance is directed at the young and has been designed to meet their needs. Pohjola's range of products also includes the various types of travel insurance underwritten by Eurooppalainen.

The main responsibility for direct customer service to private households lies with Pohjola offices. Pohjola actively develops its service channels in order to meet the changing needs of customers. Through the OKOBANK Group member banks, customers were offered "Gold Protection" home and forest insurance policies, as well as travel insurance. Keen cooperation with financing companies was launched to boost in particular sales of motor vehicle insurance.

In the latter half of the year, special attention was paid to customer satisfaction. Positive results could be seen in the autumn as the number of customers took an upward turn. When improving internal processes, the focus was on customer feedback, and customer orientation will be a top priority in the near future as well.

The growth of volume in motor vehicle insurance was due to a relatively favourable trend in car sales and to rate increases. At the end of 1999, the portfolio of medical expenses insurance was transferred to Pohjola Life. The number of Extrasure contracts signed by the end of 2000 was as much as 300 000 (110 000).

In the course of the year under review, private households reported 154 000 losses to Pohjola. In accordance with the new claims settlement practice, the company increasingly often replaced a damaged object by a new equivalent product instead of indemnifying the customer by a cash payment. This was the case especially for household effects. Customer feedback on this was positive.

Favourable weather conditions were reflected in the incidence of loss, as claims incurred declined to EUR 188 million (EUR 215 million). Balance on technical account improved in insurance for private households.

Finland's only company specializing in travel insurance, Eurooppalainen, remained the market leader with a market share of nearly 50%. The company's profitability was again

satisfactory. Premiums written amounted to EUR 27 million and claims paid to EUR 14 million. Eurooppalainen's foreign service network was strengthened by opening a new Euro-Center claims office in New York. Sales of travel insurance were launched on the company's web pages.

New solutions for corporate clients

Pohjola is well-known as an insurer of companies and corporations. The Corporate Clients unit is responsible for the management of small and medium-sized companies and public corporations. The number of these clients is around 85 000. Premiums written account for about 36% of non-life premiums written.

The strong economic activity that continued throughout 2000 made the insurable volume grow. Premiums written by the Corporate Clients unit rose to EUR 201 million (EUR 193 million), the market share corresponding at present to roughly a quarter of the overall domestic corporate insurance.

Pohjola's service model for corporate clients is aimed at offering increasingly specified target groups solutions that meet their insurance and risk management requirements.

Market conditions in corporate non-life insurance are changing. New competitors and service channels are emerging to supplement the existing ones. Brokers are responsible for some 7% of premiums written generated by corporate clients, and this share is on the increase. In the course of the year, Pohjola introduced an Extranet service for companies and corporations. The development of the service continues.

The extensive project for making corporate insurance policies euro compliant was completed by the end of the year, when the invoicing of corporate clients moved over to the euro.

Statutory workers' compensation insurance is the most important type of non-life insurance designed for corporate clients, accounting for about half of premiums written. Pohjola is the only insurance company in Finland that has received the ISO 9002 quality certificate for management of statutory workers' compensation insurance.

The sale of the credit insurance portfolio, completed at the end of 1999, to the world's third largest credit insurer, Gerling Credit Insurance Group, reduced premiums written. Through

Gerling, Pohjola continues to offer corporate clients global credit insurance solutions and new sophisticated risk management and financing solutions as well as local service in more than 25 countries.

The trend in major losses was favourable, claims incurred falling to EUR 165 million (EUR 173 million). For the above reasons, balance on technical account in corporate insurance improved.

Major clients served by teams

Pohjola's Major Clients unit is in charge of a good 200 groups of companies and public corporations. Premiums written generated by these clients amounted to EUR 103 million in 2000 (EUR 115 million). In the latter half of the year, policy renewal and sales of new policies were successful, which is likely to result in an increased market share for Pohjola in 2001.

Balance on technical account for the major clients business deteriorated. Premiums written fell compared to 1999 and major losses occurred more frequently than in previous years. In particular, the portfolio of contracts underwritten through Pohjola's international service network was hit by a few major losses, as was the cargo insurance portfolio.

Towards year-end, the rise in the level of rates, which began in the reinsurance market, was evident in the entire sector, as renewal rates rose and insurance terms and conditions tightened.

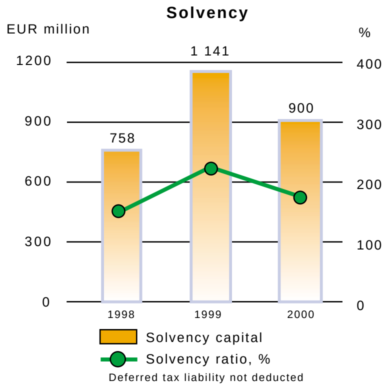
Customer care was entrusted to client teams headed by an account manager. Each team incorporates experts in the respective lines of insurance and risk management. Customer satisfaction and other quality factors are monitored on a regular basis. The teams serve customers directly and through brokers.

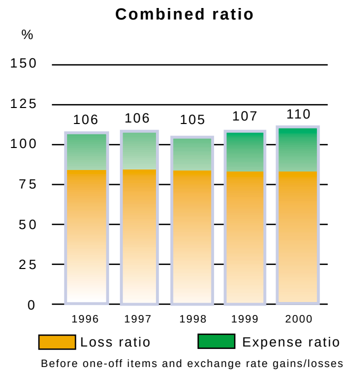
The major clients service model varies depending on the client's field of operations, degree of internationalization and risk-carrying capacity. In the management of the largest clients, focus is being increasingly shifted to management system and reporting services.

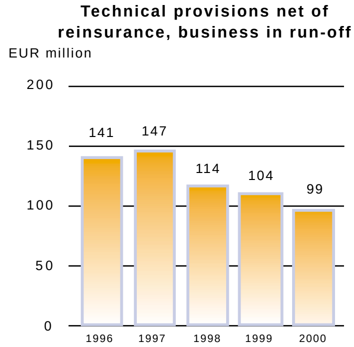
Pohjola's international service network was revamped in the course of the year. The business that

Management group of Pohjola Non-Life

Martti Pesonen, Tomi Yli-Kyyny, Timo Tuomenpuro, Hannu Ervamaa, Olavi Kauppila, Jouko Bergius, Olli Latola, Eva Valkama, Esa Säyrinen







previously came through Skandia/If was transferred to Royal & SunAlliance, with which a letter of intent was also signed concerning the ownership of a joint service network. The other partners in the service network company are Nissan Fire & Marine Insurance, Helvetia Patria and HDI Haftpflichtverband der Deutschen Industrie Versicherung. The new cooperation agreement with Royal & SunAlliance increasingly strengthens Pohjola's ability to provide insurance and risk management services to customers worldwide.

Reinsurance means protection

As of the beginning of 2000, Pohjola and If had joint reinsurance protection. Even after cooperation with If otherwise ended, the joint reinsurance contracts remained in force, but the scope of protection was later extended.

For 2001, Pohjola has signed new reinsurance contracts. Because of tightened markets and a different reinsurance solution, the rate level of these contracts is higher than in the previous year.

The rise in the reinsurance rate level was particularly caused by natural catastrophes. 1999 was the second worst year in the history of insurance as regards incidence of loss. The worst was 1992. In 1999, catastrophes caused insurance companies a total of USD 30 billion in claims, of which natural catastrophes accounted for USD 26 billion and other catastrophes for USD 4 billion.

Foreign insurance in run-off

The remaining technical provisions of Pohjola's foreign insurance business in run-off totalled EUR 99 million. Computations went on, resulting in decreased technical provisions.

Risk management together with customers

Pohjola is an active and skilful cooperation partner for small, medium-sized and large companies also in the case of risk management. Favourable results have been obtained through risk management work done together with customers. For over ten years, for instance, we have arranged training for customers in correct methods of work involving use of fire to enable them to identify and prevent risks associated with this kind of activity. So far, as many as 360 000 people have a certificate for such training and, compared to the early 1990s, losses have gone down to a quarter.

Arson-related crimes have become a wide-spread problem in large areas of Europe. Every third fire is estimated to have been caused intentionally. Pohjola has taken an active part in many loss prevention projects.

A risk management forum arranged in September was a major public event which dealt with security issues and with problems caused by use of drugs. In connection with this, a safety fair was arranged and an award for risk management work was presented.

A campaign was directed at private households encouraging them to come to Pohjola and see how carefulness is rewarded. Customers who underwent a safety test at a Pohjola office were given a total of 70 000 fire alarms to improve fire safety in homes.

Structure of investment portfolio was balanced

In the course of the year, Pohjola Non-Life's investment portfolio was balanced by selling listed shares and real estate and by increasing investments in fixed-income securities.

Net realizations of investments in shares totalled EUR 137 million, of which a major part represented Nokia. New investments in fixed-income securities amounted to EUR 167 million. Private equity investments were further increased in the course of the year mainly through funds. By the end of the year, EUR 94 million was tied to this form of investment, including the investments and open investment commitments made in private equity funds. At year-end, around 43% of all investments in securities were foreign investments.

The operative return on listed shares, by current values, was -6.9%. The return on the benchmark index, computed on the basis of the breakdown of investments, was -18.0%.

Pohjola Non-Life's investments in fixed-income securities were mostly made in the euro area. The operative return, by market values, on these investments was 6.9% and the return on the benchmark index 7.2%. The duration of the fixed-income securities portfolio at the end of the year was 5.1 and that of the benchmark index 5.2.

Investments made by Eurooppalainen, Bothnia and Moorgate mainly include fixed-income securities and liquid money-market instruments.

The realization of investments in land and buildings continued. The properties sold included mainly housing premises, as well as a share of the Hotel President property. These disposals totalled EUR 62 million. In the course of the year, one new real estate investment was made amounting to EUR 3 million. Investments in land and buildings accounted for 8% of the overall investment portfolio, of which 70% represented premises in the Helsinki metropolitan area. The portfolio includes in all 599 residential apartments.

IN THE YEAR 2000, ROBUST GROWTH CONTINUED IN THE FINNISH LIFE ASSURANCE MARKET. IN PARTICULAR, BANKASSURANCE OPENED UP NEW PRIVATE CUSTOMER MARKETS. THIS DEVELOPMENT WAS A RESULT, ON THE ONE HAND, OF HOUSEHOLDS WISHING TO TRANSFER THEIR FINANCIAL ASSETS FROM BANK ACCOUNTS TO BETTER-YIELDING INVESTMENT OUTLETS AND, ON THE OTHER HAND, OF INCREASED CONCERNS ABOUT THE SUFFICIENCY OF STATUTORY PENSION COVER.

Life assurance transferred to Suomi Mutual

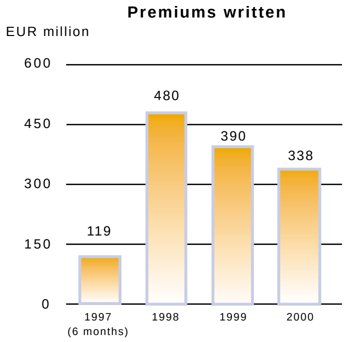
The focus in life assurance has shifted to savings insurance. In the sector, investments are seen as a major factor when competing for customers. The margins that, in the form of dividend, are paid to shareholders are mainly generated by investment returns.

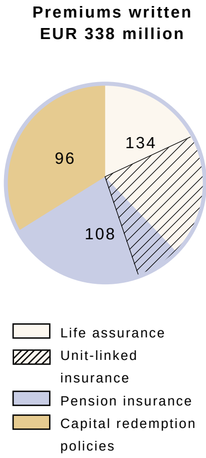
Comprehensive product range

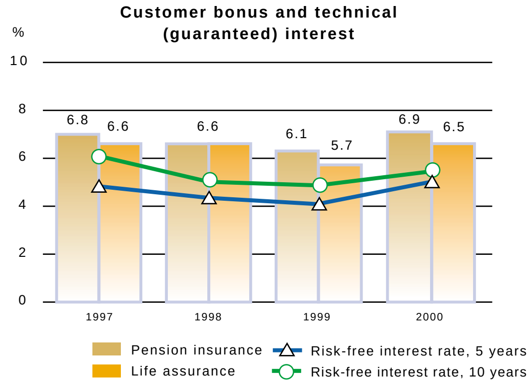
In 2000, Pohjola offered customers all product groups available in Finland. Policies providing cover in case of death and disability and policies covering medical expenses are of interest to both private household and corporate customers. Parents of new-born babies are offered life assurance for which the first-year premium is paid by the company and which does not involve risk selection.

A savings life assurance can be a regular- or a single-premium policy designed for long-term saving. The term of maturity of the latter is often 5 to 10 years only. Companies and corporations are offered capital redemption policies with no insurance element. Pohjola's product on the Internet is a savings vehicle called eNet.

The bulk of individual pension insurance products are fixed-term annuities taken out to fill gaps in statutory pension cover or to enable early retirement. Group pension is a useful tool when employers wish to improve the statutory pension cover of their staffs. The plan normally includes old-age pension, survivors' pension and disability pension. All new supplementary employment pension policies are, as of the beginning of 2000, taken out from life assurance companies since the companies underwriting statutory pension insurance ceased to grant these policies. The contracts did not have any major effect on Pohjola's premiums written in 2000, although a large number of supplementary pension contracts were signed.





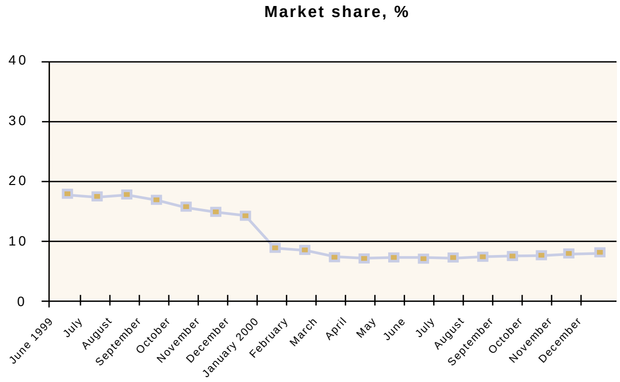


Life and pension insurance policies accruing savings are divided into unit-linked and traditional products. Premiums written generated by unit-linked insurance represented a good one quarter of Pohjola's overall life premiums written. The proportion was the same as in the entire Finnish life assurance market. Savings in traditional products are credited with technical (guaranteed) interest and customer bonuses, the size of which is determined separately every year. Pohjola has aimed at crediting these policies, on average, with an overall return which is 1 to 2 percentage points higher than the risk-free rate for a duration comparable to that of a policy term. The yield on unit-linked products is determined directly on the basis of the funds chosen by the customer.

In 2000, the average total return on traditional products varied from 6.2% to 6.9%, whereas the average risk-free interest rate was from 5.1% to 5.2%. In addition, the company financed the strengthening of the technical provisions of the old group pension portfolio following a gradual decrease in the technical interest rate.

The uncertainty caused by Pohjola's If project and the change of the company's major shareholders hampered insurance sales as of the autumn of 1999. After the spring months, the situation settled down but, on the other hand, the restart of sales of new policies by Suomi Mutual in the autumn affected Pohjola's premiums written, which amounted to EUR 338 million (EUR 390 million). The company's market share was 9% (14%).

In the year under review, Seesam Elu, a subsidiary operating in Estonia, acquired the insurance portfolios of two companies, thus gaining the third rank in Estonia's fragmented insurance market.

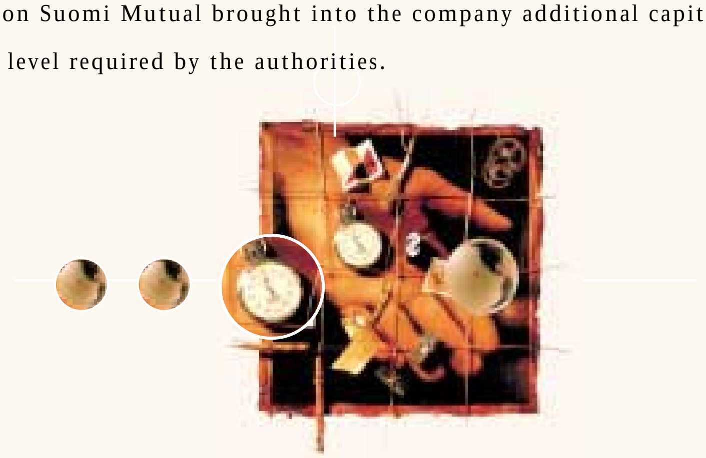


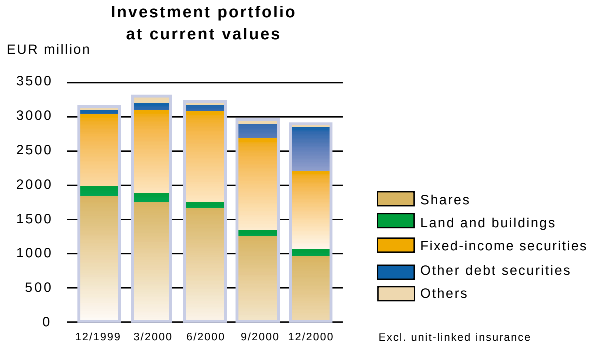
Establishment and sale of Pohjola Life

In 1997, Pohjola initiated a restructuring of its operations and, on July 1, 1997, acquired the stock of shares of Salama Life Assurance Company Ltd. from Suomi Mutual Life Assurance Company (92%) and other shareholders for EUR 143 million. In that connection, Suomi Mutual ceased underwriting new business for a consideration of EUR 9 million. Salama was renamed Pohjola Life.

At the time of the transaction, Pohjola Life's solvency capital totalled EUR 283 million and the solvency ratio was 24%. The company's technical provisions amounted to EUR 1.2 billion. As a result of a EUR 45 million increase in the share capital and, in particular, of the favourable trend in share prices, Pohjola Life's solvency capital strengthened vigorously and totalled EUR 1 112 million in June 2000. The solvency ratio was 54%.

In the future, Pohjola will concentrate on non-life insurance. In accordance with this strategic decision, option agreements on the sale of Pohjola Life to Suomi Mutual were signed on August 15, 2000. The sale was completed in March 2001, the preliminary selling price amounting then to EUR 290 million. At the time of the transaction, Pohjola Life's technical provisions totalled about EUR 2.3 billion and the solvency ratio was 12%. In connection with the transaction Suomi Mutual brought into the company additional capital in order to reach the solvency level required by the authorities.





Disposal of investments

The structure of Pohjola Life's investment portfolio changed materially in the course of 2000 as, on the signing of the option agreement on the sale of the company, the parties agreed that part of the company's extra capital would be dissolved before the sale.

Net realizations of investments in shares totalled EUR 788 million, of which Nokia accounted for EUR 654 million. The amount of liquid assets and investments in fixed-income securities rose in the course of the year by EUR 687 million. At year-end, the capital tied to private equity totalled EUR 132 million, including the investments and open investment commitments made in private equity funds. At the end of the year, 52% of investments in securities were foreign investments.

The operative return, by market values, on listed shares was -9.0%, whereas the benchmark index, calculated on the basis of the breakdown of investments, was -16.8%.

Investments in fixed-income securities were mostly made in the euro area. The operative return of investments, by market values, was 7.1%, while the return as per the benchmark index was 7.2%. The duration of the fixed-income securities portfolio at the end of the year was 5.0 and that of the benchmark index 5.2.

Investments in land and buildings were realized to a total of EUR 29 million, of which the bulk was generated by the Klåsarö power plant in Pyhtää. No new investments in land and buildings were made. Of the overall investment portfolio, investments in land and buildings accounted for 3%, of which 65% represented premises in the Helsinki metropolitan area. The portfolio includes in all 553 residential apartments.

AS OF THE BEGINNING OF THE CURRENT YEAR, THE OLD GEOGRAPHICAL DIVISION WAS DISSOLVED AND OPERATIONS WERE ORGANIZED INTO FOUR CUSTOMER SEGMENTS, WHICH ARE PRIVATE HOUSEHOLDS; ASSET MANAGEMENT CUSTOMERS; SMALL COMPANIES; MEDIUM-SIZED COMPANIES AND LARGE REGIONAL COMPANIES. SERVICES ARE DEVELOPED TOWARDS A MULTI-CHANNEL DISTRIBUTION MODEL, IN WHICH CUSTOMERS CHOOSE SERVICES ACCORDING TO THEIR PREFERENCES.

Management group of Service Pohjola

Kimmo Arasalo, Ari Kaperi, Matti Kiiski, Jouko Lehtonen, Hannu Ervamaa, Mika Perkiö, Harri Ahokas

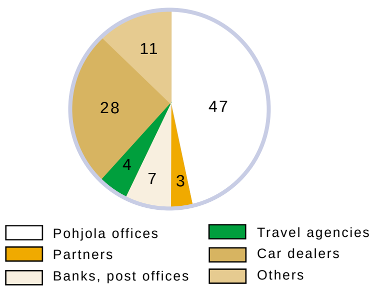
New channels for customer service

Service Pohjola (Pohjola Customer Service Ltd) is a national sales and customer service company, wholly owned by Pohjola, providing a comprehensive range of insurance, savings and investment services. At year-end, the company had 885 employees. The company's turnover, consisting of service fees charged from insurance companies, totalled EUR 75 million.

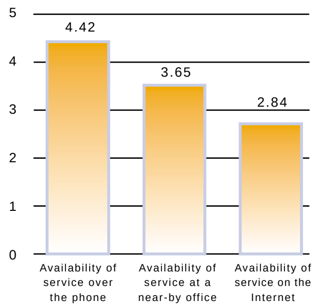
Service Pohjola is responsible for the sales and customer services of Pohjola, Ilmarinen and Suomi Mutual. Its service network comprises 83 service points, a national call center operating in Helsinki and Tampere and a telemarketing unit operating in Tampere and Kuopio. In addition, the sales network includes 2 350 partners, of whom 80 operate as independent entrepreneurial sales representatives. The clientele of Pohjola includes over one million private households and about 80 000 corporate clients. The company has 500 000 regular customers and 250 000 customers with pooling benefits.

Uncertainty pertaining to Pohjola's ownership structure and the If project affected the sales of insurance policies in the first months of the year. As a consequence of completed ownership arrangements, increased termination of insurance policies came to a standstill and sales went up. This was supported by the New Pohjola campaign aimed at private households, as well as by the sales of life assurance policies resumed by Suomi Mutual at the beginning of September.

Sales to private households, %
Non-life insurance



Importance of service channel for small and medium-sized companies when choosing non-life insurer



Taloustutkimus Oy 2000
Average 1-5 (1=Not important at all, 5=Very important)

Multi-channel distribution model for customers

In 2000, a project was launched to improve and intensify customer service. The objective of the project was to adjust sales and customer service functions to correspond to changes in customer behaviour and financial markets.

Operations were organized into four customer segments, which are private households; asset management customers; small companies; medium-sized companies and large regional companies. However, the company has ensured that customer service functions locally as well. Changes in customer behaviour and rapid developments in the markets – facts that were observed in the course of several years – gave the impulse to reorganize operations. The objective is also to simplify the organization and to intensify operations and their steerability.

Beside the office network, contact persons and telephone service, there are brokers, car dealers and travel agencies as well as increasingly popular web services. Service availability and the functionality of customer service are improved by benefiting from the opportunities offered by new technologies. Each customer group is offered a selection of services to meet specifically their needs and expectations.

Telephone service, in particular, has gained in popularity. Over half of all customer contacts are made over the telephone. Pohjola receives annually over one million telephone calls which are taken by one hundred professional employees at the telephone service. The aim is to shorten waiting times effectively.

Transfer to a service model based on customer segments also enhances the staff's specialisation and provides a solid basis for the development of expertise.

Great emphasis is laid on the professional skills of the staff. As an example, 35 employees specialising in saving and investment services participated in training programmes organized in cooperation with the Helsinki School of Economics and Business Administration and the Institute of Marketing. Out of these employees, 20 obtained a basic degree in the program of the investment service sector arranged for the first time in Finland by the Finnish Association of Securities Dealers.

POHJOLA'S INVESTMENT OPERATIONS ARE BASED ON AN INVESTMENT PLAN ANNUALLY CONFIRMED BY THE COMPANY'S BOARD OF DIRECTORS AND ON INVESTMENT POWERS APPROVED BY THE BOARD. THE AIM IS TO OBTAIN A GOOD LONG-TERM YIELD IN RELATION TO THE RISK INVOLVED. THE CURRENT VALUE OF THE CONSOLIDATED INVESTMENT PORTFOLIO AT YEAR-END TOTALLED EUR 6.4 BILLION, OF WHICH POHJOLA LIFE ACCOUNTED FOR EUR 3.1 BILLION.

Investments and investment services

The target allocation of the investment portfolio between interest-bearing instruments, shares and investments in land and buildings depends on the structure and duration of the technical provisions and on the solvency of the company. Special attention is paid to the spread of investment risks, the liquidity of investments and the counterparty risk. Derivative contracts are used for hedging purposes.

Close monitoring of investment environment

Rapid growth in the US economy forced the Federal Reserve to further tighten its monetary policy. Correspondingly, the European Central Bank sought to stop the weakening of the euro both by raising interest rates and by making pegging purchases of the currency. Rising market prices for oil added to inflationary expectations worldwide.

In the stock market, share prices were generally falling. Early in 2000, the trends in the technology sector were still favourable, but uncertainty was mounting vigorously in the autumn owing to a notable slowdown of economic growth in the USA towards the end of the year.

In the housing market, prices continued to rise and trading and new construction were brisk in the early months of the year. In the spring, the trade in old apartments slackened and the rise in prices came to a standstill, taking a slight downturn towards the end of the year. Owing to lesser demand, fewer new housing construction projects were launched.

Demand for rented housing continued in growth centres, and especially in the Helsinki metropolitan area. Demand that exceeded supply made the level of rents go up notably. In the market for business premises, the year under review was lively. There were numerable sale transactions throughout Finland. In growth centres, the volume of vacant office and business premises decreased considerably, which in turn accelerated the rise in rents and boosted new construction and planning of new office premises and shopping centres.

Parent company's investments

In addition to shares in subsidiaries, the parent company owns listed shares. The total market value of the listed shares at year-end was around EUR 1 billion, of which Skandia shares accounted for EUR 0.8 billion. At the beginning of 2000, the parent company sold all of its Nokia shares.

Moreover, the parent's investment portfolio includes fixed-income securities and money-market instruments, part of which will be transferred to Pohjola Non-Life in connection with the planned insurance portfolio transfer.

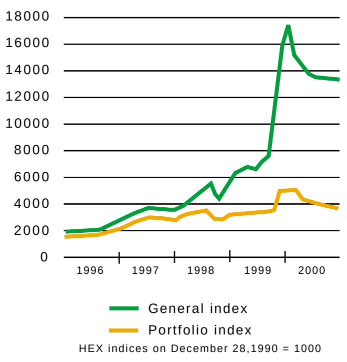
Asset management services

Besides the management of its own investment portfolio, the parent company is in charge of asset management for its subsidiaries and Suomi Mutual.

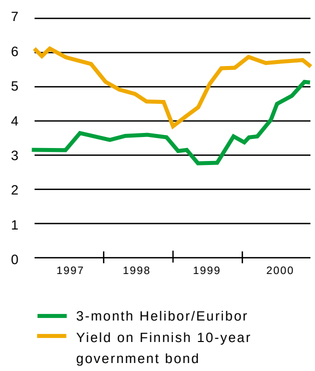
The operations of the Securities Division encompasses domestic and foreign securities and private equity investments. The Division is also responsible for cash management and is in charge of Pohjola's shareholder register. The management of investments is based on continuous benchmarking of returns with market indices, as well as efficient risk management. The Securities Division employs 31 experts in the field.

The Real Estate Division is responsible for new real estate investments, disposals, renting, property maintenance and care, development issues, and construction projects. Investing in land and buildings is long-term asset management aimed at a diversified, well-spread and productive portfolio structure. The Division staff incorporates 40 employees in charge of property management and 60 employees in charge of property maintenance

Price development of listed shares



Interest rate, %



Trends on major stock exchanges in 2000

Country	Index	Change in basic currency
Finland	HEX	-10.60%
	HEX portfolio	-24.86%
Germany	Dax	-7.54%
France	Cac 40	-0.53%
Great Britain	FTSE 100	-10.21%
USA	S&P 500	-10.14%
Japan	Nikkei 225	-27.19%
Hong Kong	Hang Seng	-11.00%

Investment portfolio

EUR million	Non-life insurance	%	Life assurance	%	Holding operations	%	Total	%
Current value								
Land and buildings	183.9	8	77.5	3	0.1	-	261.5	4
Shares	1 066.9	47	979.9	34	1 000.2	98	3 047.0	49
Fixed-income securities	937.5	41	1 275.0	44	8.7	1	2 221.2	36
Other debt securities	72.0	3	550.6	19	-	-	622.6	10
Loans	0.1	-	0.6	-	-	-	0.7	-
Other investments	23.3	1	14.2	-	11.1	1	48.6	1
Total	2 283.7	100	2 897.8	100	1 020.1	100	6 201.6	100
Investments based on unit-linked insurance			194.8				194.8	
Difference between current and book values								
Land and buildings	35.4		15.4		-		50.8	
Shares	512.7		188.0		873.7		1 574.4	
Fixed-income securities	17.7		28.4		0.1		46.2	
Total	565.8		231.8		873.8		1 671.4	
Book value in total	1 717.9		2 860.8		146.3		4 725.0	

Net investment income

	Non-life insurance	Life assurance	Holding operations	Total
Continuous income				
Interest	62.8	83.6	28.7	175.1
Dividends	49.2	42.2	15.3	106.7
Income from land and buildings	9.2	5.6	-	14.8
Other income/charges	2.8	1.1	-0.8	3.1
Total	124.0	132.5	43.2	299.7
Appreciation/depreciation in profit and loss account				
Gains/losses on realization	244.4	790.3	129.7	1 164.4
Value adjustments	-63.0	-81.1	-0.4	-144.5
Value re-adjustments	9.0	12.5	-	21.5
Depreciation on buildings	-5.1	-2.0	-	-7.1
Unrealized gains/losses	0.4	-5.0	-	-4.6
Total	185.7	714.7	129.3	1 029.7
Interest on and charges for long-term loans	-1.0	-0.2	-	-1.2
Investment management expenses	-2.3	-2.0	-0.3	-4.6
Total	306.4	845.0	172.2	1 323.6

Investments in shares Dec. 31, 2000 1)

Current value	Non-life insurance EUR million	Non-life insurance %	Life assurance EUR million	Life assurance %	Group EUR million	Group %
Finland	766	72	512	52	1 458	48
Other Nordic countries	36	3	70	7	915	30
Rest of Europe	165	15	237	24	402	13
USA	69	6	100	10	169	6
Japan	15	1	35	4	50	2
Emerging markets	19	2	31	3	51	2
	1 070	100	985	100	3 044	100

1) Includes shares classified as investments and equity-linked investments

Fixed income securities portfolio Dec. 31, 2000 1)

Current value	Non-life insurance EUR million	Non-life insurance %	Life assurance EUR million	Life assurance %	Group EUR million	Group %
Currency						
EUR Finland	332	36	454	36	794	36
EUR other countries	472	51	768	61	1 240	56
SEK	19	2	31	2	50	2
GBP	43	5	11	1	54	2
USD	62	7	-	-	62	3
Other	1	0	-	-	1	0
	928	100	1 264	100	2 201	100
Rating						
AAA	772	83	1 047	83	1 827	83
AA+, AA, AA-	104	11	148	12	252	11
Other	53	6	69	5	122	6
	928	100	1 264	100	2 201	100

1) Excludes equity-linked investments

Sensitivity analysis of solvency (non-life insurance)

	Portfolio Dec. 31, 2000 at current values EUR million	Risk parameter	Change	Effect on solvency capital EUR million
Fixed-income securities	928	Interest	1%-pt	44
Shares 1)	1 070	Market value	10%	107
Investments in land and buildings 2)				
Residential premises	45	Market value	10%	5
Business premises	88	Continuous income requirement	+1%-pt -1%-pt	-9 12

Sensitivity analysis of solvency (life assurance)

	Portfolio Dec. 31, 2000 at current values EUR million	Risk parameter	Change	Effect on solvency capital EUR million
Fixed-income securities	1 264	Interest	1%-pt	67
Shares 1)	985	Market value	10%	99
Investments in land and buildings 2)				
Residential premises	43	Market value	10%	4
Business premises	34	Continuous income requirement	+1%-pt -1%-pt	-4 4

1) Includes shares classified as investments and equity-linked investments
2) Premises leased to outsiders as at December 31, 2000

Consolidated real estate portfolio

	Current value EUR million	Net yield %	Potential net yield % 1)	Leasable floor area m^2	Vacancy rate %
Business premises					
Business and office premises	146	8.3 2)	8.8 2)	173 000	4.1
Industrial and warehouse premises	2	34.7	36.6	9 000	4.1
Business premises in total	148	8.7	9.2	182 000	4.1
Residential premises	87	3.9 3)	3.9 3)	84 000	0.0
Completed property portfolio	235	6.9	7.2	266 000	
Sites and leisure premises	8				
Premises owned part of the year	4				
Real estate investment companies and minority interest	14				
Real estate portfolio in total	261				

1) Includes calculated rent for vacant premises, on the average EUR 8.0/m^2/month.

2) Includes calculated rent for premises occupied by company and group of companies, on the average EUR 10.2/m^2/month.
Of business and office premises, 42% occupied by company and group of companies.

3) Includes government interest subsidy totalling EUR 0.3 million.

Cash-based vacancy rate has been calculated for individual leasable areas. Other figures in the table have been calculated for individual real estate holdings.

Group's major shareholdings (listed companies) Dec. 31, 2000

	Number	Percentage of shares/votes	Current value EUR million		
			Non-life insurance	Life assurance	Holding operations
Skandia Insurance Company Limited (publ)	46 400 000	4.5			806
UPM-Kymmene Corporation	9 794 798	3.8	218	51	89
Nokia Corporation	3 351 904	0.1	69	90	
Kone Corporation	1 396 900	6.9/2.7	44	11	49
Nordea AB	8 300 000	1.2	53	17	
SanomaWSOY Oyj	4 088 076	2.8/1.8	37	14	6
YIT Corporation	3 460 000	11.8	32	10	5
Sonera Corporation	2 280 000	0.3	25	19	
Metso Corporation	3 470 000	2.6	23	19	
Fortum Corporation	8 289 071	1.0	17	12	7
Elisa Communications Corporation	1 458 345	1.2	17	16	
Tietoenator Corporation	1 100 000	1.3	14	11	8
Orion Corporation	1 470 684	2.2/3.8	20	15	
Huhtamäki Van Leer Oyj	1 070 146	3.4	17	13	
Rautakirja Oyj	558 000	8.6/10.2	11	1	11
Lassila & Tikanoja plc	1 169 100	7.4	13	9	

Support services

IT services

Systeemipalvelu (Pohjolan Systeemipalvelu Oy), a wholly-owned company of Pohjola, is an IT solutions provider that serves insurance and asset management operations. Pohjola and Suomi Mutual are its customers.

In 2000, the company's most significant projects were euro projects, the development of applications for e-business services and the further development of existing systems. The millennium change went successfully. In addition to IT training, staff development focused on customer training, service training and human relations training.

Systeemipalvelu had 156 regular employees and 53 consultants. The company's turnover was EUR 25 million.

Atk-palvelu (Pohjolan Atk-palvelu Oy) is a subsidiary specializing in IT production and support services. Pohjola, Suomi Mutual and Ilmarinen are its customers. Since 1999 the company has operated under the joint ownership of Pohjola and WM-data, with WM-data having the management responsibility. Pohjola has a 40% holding in the company and has 60% of the votes.

In 2000, the company's service level remained good despite an increase in the amount of services provided. The production of services benefited from the expertise of the whole WM-data organization.

Atk-palvelu had 107 employees. The company's turnover was EUR 25 million.

Administrative services

Pohjola Insurance Service Ltd, a company wholly owned by Pohjola, has operated since the beginning of 2000. The company specializes in producing administrative services. Its business areas include human resources services; accounting services and related information system services; translation services; payment transaction services and related information systems; marketing support services; message transfer and transportation services; and occupational health care services. Pohjola and Suomi Mutual are the company's customers.

The company's objective is to guarantee that various administrative areas function in accordance with the service centre principle, which means that service processes are standardized, turned into products and priced as well as improved continuously.

At the end of 2000, the company had 197 employees and its turnover was EUR 25 million.

CUSTOMER SATISFACTION, WORK SATISFACTION OF THE STAFF, AND PROFIT-MAKING ARE THE CORNERSTONES IN BUILDING THE NEW POHJOLA. ENCOURAGING THE STAFF TO INCREASE THEIR KNOW-HOW AND PARTICIPATION FORMS AN INTEGRAL PART OF OPERATIONAL DEVELOPMENT.

Staff representatives on subsidiaries' Boards of Directors

Tuula Tahkolahti Tuula Kuusio Hannes Lampimäki Sirpa Komonen

Focus on well-being of staff

At year-end, Pohjola had 2 731 employees, compared to 2 663 in the previous year. At the beginning of the year, uncertainties pertaining to Pohjola's ownership structure and the If project led to some employee resignations. Since the situation stabilized, expertise and service capacity have increased through new staff recruitments for key positions. Employees who previously worked for Pohjola have returned to strengthen the company's human resources and have brought along new know-how.

Organization and operational processes

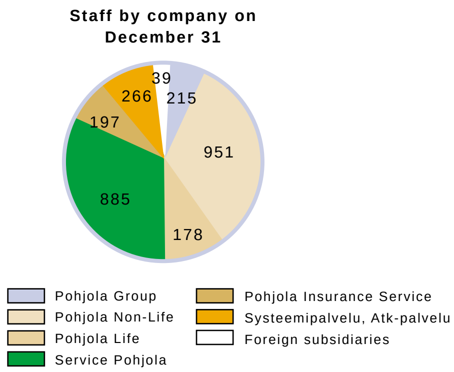
Non-life insurance was organized into three customer groups and three support functions in June. Likewise, customer service was organized into customer segments at the beginning of 2001. High-level functioning of customer service processes, smooth working methods among the staff and fruitful cooperation are the objectives of these changes.

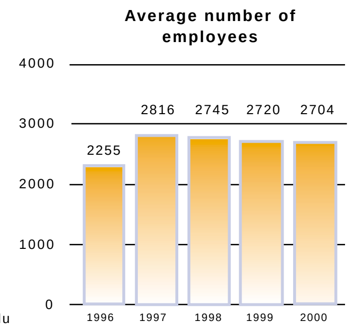
The development of service processes has played a major role in building New Pohjola. The staff's know-how and correctly adjusted and planned tasks and duties are crucial factors for success. In October 2000, the staff participated in collecting customer feedback, the purpose of which was to find areas to be improved in service processes. This activity will continue in the spring 2001.

Since July 2000, staff representatives have participated in the Board meetings of Pohjola Non-Life and Service-Pohjola. In addition, the staff has representation in several management groups.

Personal development plan

The focal points of the development of the staff are set in accordance with the key areas specified in the Balanced Scorecard. Career discussions are held annually with the whole staff and a personal development plan is made for each employee in the discussions.





Changes in the company's operational environment had an effect on the focal points of the staff development. Owing to the If project, the importance of learning languages and the Nordic culture was emphasized at the beginning of the year. A customer-based operational model calls for the improvement of the know-how of the whole staff in the areas of customer service, professional skills and the use of various tools. This improvement process has been initiated in various business areas. In 2000, about 600 Pohjola employees obtained a task-based computer driving licence specifically tailored for Pohjola.

During the current spring, Pohjola together with the Education Department of the City of Helsinki and the Finnish Business College offer once more an opportunity for every Pohjola employee to study in apprenticeship for a diploma of a Commercial College programme tailored for the purposes of working life. So far, several dozens of employees throughout the company have been interested in updating their personal skills.

Work satisfaction and incentives

An annual work satisfaction survey has been carried out among the staff since 1995. Survey results are used for developing operations both in work communities and at the company level. The survey focuses on assessments of the employees' own work, work community, immediate superior, quality of products and Pohjola as a company. A survey carried out in December 2000 showed that the employees' respect for their own work and the functionality of work communities needed to be improved. The survey revealed that, in the staff's opinion, there has been a significant improvement in the image of Pohjola compared to the previous year, although the image has not yet reached a satisfactory level.

Pohjola has adopted a performance-based pay system taking into account the perspectives of the Balanced Scorecard. The system covers the whole staff, with the exception of the sales people who have their own reward system based on sales commissions paid in accordance with collective agreements determined on a company level.

Sustaining and improving the staff's working capacity

Pohjola has long and successful, even nationally recognized, traditions in sustaining and improving the staff's working capacity. This has been done through application of the Motivo programme designed by Ilmarinen. The activity involves a regular follow-up of the staff's state of health, monitoring absenteeism due to illness, and measures to support the staff's well-being.

At the beginning of 2001, a Good Life campaign was launched for all Pohjola employees. Mental and physical well-being at work and in leisure time are the objectives of the campaign, not forgetting the joy of work.

Report by the Board of Directors

Consolidated operating profit for 2000 totalled EUR 1 158 million (EUR 1 234 million). Investment income was still buoyant, at EUR 1 323 million (EUR 1 453 million), partly as a result of dissolution of risk concentrations in the early months of the year and the disposal, towards the end of the year, of Pohjola Life investments with a view to the planned sale of the company. Of the operating profit, non-life insurance accounted for EUR 242 million (EUR 109 million), life assurance for EUR 772 million (EUR 88 million) and holding operations for EUR 144 million (EUR 1 037 million). In addition to the investment income included in operating profit, write-ups totalling EUR 1 565 million were released to income in 1999.

Premiums written in non-life insurance amounted to EUR 551 million (EUR 564 million) and in life assurance to EUR 338 million (EUR 390 million). The stabilization of the company's ownership structure, the withdrawal from the pan-Nordic insurance company If, and an option agreement signed on the sale of Pohjola Life to Suomi Mutual Life Assurance Company in 2001 provided good conditions for restoring customers' confidence and for further development of Pohjola as a listed company concentrating on non-life insurance.

Earnings per share were EUR 19.11 (EUR 48.70). Return on equity at current values stood at 1% (80%) and return on assets at 3% (47%).

At year-end, net asset value per share at current values, after deduction of the entire deferred tax liability, totalled EUR 54.57 (EUR 100.92). The net asset value was affected by the dividend of EUR 47 per share distributed by Pohjola for 1999. At the end of 2000, the parent company had EUR 667 million in distributable funds. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 16 per share, i.e. a total of EUR 651 million (EUR 1 913 million), be distributed for 2000.

After the deduction of profit distribution, consolidated solvency capital totalled EUR 2.0 billion (EUR 2.5 billion), of which non-life insurance accounted for EUR 0.9 billion (EUR 0.9 billion), life assurance for EUR 0.3 billion (EUR 1.0 billion) and holding operations for EUR 0.8 billion (EUR 0.6 billion). Following the fall in share prices in the current year, the value of the share portfolio had, by February 23, 2001, decreased by about EUR 452 million.

The company's Board of Directors is not currently authorized to issue shares, convertible bonds or warrants, nor to redeem the company's own shares.

Financial development of Group

		1996	1997	1998	1999	2000
General ratios						
Turnover	EUR million	711.6	1 016.9	1 530.7	2 543.3	4 057.8
Premiums written	EUR million	497.5	635.9	1 052.7	953.9	889.1
Operating profit	EUR million	88.5	156.2	228.2	1 233.8	1 157.8
of turnover	%	12.4	15.4	14.9	48.5	28.5
Profit before extraordinary items	EUR million	64.8	133.0	146.2	2 765.1	1 100.8
of turnover	%	9.1	13.1	9.6	108.7	27.1
Profit before appropriations and tax	EUR million	60.7	133.0	146.2	2 765.1	1 100.8
of turnover	%	8.5	13.1	9.6	108.7	27.1
Return on equity at current values [1]	%	30.2	28.4	58.6	77.8	2.3
after deduction of full deferred tax liability	%				79.5	1.0
Return on assets at current values	%	14.5	13.6	27.0	46.3	
(excl. unit-linked insurance)	%				46.9	2.8
Equity to balance sheet total at current values [1]	%	40.7	34.4	43.5	46.0	35.7
after deduction of full deferred tax liability	%				44.2	32.7
Average number of employees [2]		2 255	2 816	2 745	2 720	2 704
Ratios for non-life insurance						
Turnover	EUR million	711.6	854.6	802.6	799.8	967.2
Premiums written	EUR million	497.5	517.3	572.5	563.6	551.2
Loss ratio	%	95.0	93.8	80.0	90.6	87.8
excluding exchange gains/losses	%	92.0	89.9	81.3	88.1	87.0
Expense ratio	%	22.0	21.3	21.1	22.8	24.8
Combined ratio	%	117.0	115.2	101.0	113.4	112.6
excluding exchange gains/losses	%	114.0	111.3	102.3	110.9	111.8
Solvency margin [1]	EUR million	765.4	833.5	424.3	690.9	679.2
Equalization provision	EUR million	110.5	132.0	196.9	203.3	217.6
Solvency capital [1]	EUR million	880.3	968.9	624.6	897.0	899.6
Solvency capital as percentage of technical provisions [1]	%	94.3	100.7	60.2	67.8	65.5
Solvency ratio [1]	%	251.1	267.4	147.8	176.1	177.8
Average number of employees			2 640	1 023	984	937
Ratios for life assurance						
Turnover	EUR million		162.3	642.6	671.6	1 313.0
Premiums written	EUR million		118.6	480.2	390.3	338.0
Expense ratio	%		236.8	169.4	128.4	127.8
Solvency margin [1]	EUR million		314.2	498.5	1 004.7	314.0
Equalization provision	EUR million		7.9	8.7	9.8	10.7
Solvency capital [1]	EUR million		322.6	507.8	1 015.0	325.2
Solvency ratio	%		26.2	30.8	52.1	15.2
Average number of employees			176	168	172	190

Figures for 1996-1998 presented as per previous accounting principles

1) In 1999-2000, likely realizable deferred tax liability deducted from difference between current and book values of investments

2) 1996: in proportion to workloads; 1997-2000: based on employment contracts

Consolidated profit

EUR million	1996	1997	1998	1999	2000
Non-life insurance					
Earned premiums	431.9	463.4	513.1	509.3	505.9
Claims incurred	-410.4	-434.8	-410.4	-461.3	-444.4
Operating expenses	-95.0	-98.9	-108.0	-116.2	-125.7
Other technical income and charges				-0.9	-0.9
Balance on technical account before change in equalization provision	-73.5	-70.3	-5.3	-69.1	-65.1
Investment income and charges	161.8	241.0	161.0	176.1	306.0
Other income and charges	0.2	0.7	-0.3	1.4	-0.3
Share of associated undertakings' profit/loss	-	0.2	-0.2	0.4	1.5
Operating profit	88.5	171.6	155.2	108.8	242.1
Change in equalization provision	-23.7	-29.4	-64.9	-6.4	-14.3
Unrealized gains and losses on investments	-	0.2	0.5	-0.8	0.4
Profit before extraordinary items	64.8	142.4	90.8	101.6	228.2
		7-12/1997	1998	1999	2000
Life assurance					
Premiums written		117.6	478.5	388.2	335.8
Investment income and charges; unrealized gains and losses		24.7	97.7	210.2	845.0
Claims paid		-39.7	-93.5	-161.5	-192.1
Change in technical provisions before bonuses and rebates and change in equalization provision		-92.3	-430.1	-324.5	-187.3
Operating expenses		-12.8	-20.5	-23.6	-24.8
Other technical income and charges		-	-	-	-2.9
Depreciation on goodwill		-0.5	-0.9	-0.9	-0.9
Share of associated undertakings' profit/loss		-	-	-	-0.9
Operating profit/loss		-3.0	31.2	87.9	771.9
Change in equalization provision		-0.7	-0.8	-1.0	-0.9
Bonuses and rebates		6.7	-16.8	-26.0	-42.1
Profit before extraordinary items		3.0	13.6	60.9	728.9
Holding operations					
Investment income and charges		-	67.6	1 067.4	172.2
Depreciation on unallocated consolidation difference		-12.3	-24.7	-24.7	-24.7
Other income and charges		-	-1.7	-6.6	-5.0
Share of associated undertakings' profit/loss		-	0.7	1.1	1.3
Operating profit/loss		-12.3	41.9	1 037.2	143.8
Unrealized gains on investments		-	-	1 565.4	-
Profit/loss before extraordinary items		-12.3	41.9	2 602.6	143.8
	1996	1997	1998	1999	2000
Group in total					
Operating profit	88.5	156.2	228.2	1 233.8	1 157.8
Profit before extraordinary items	64.8	133.0	146.2	2 765.1	1 100.8
Extraordinary income	-	22.4	-	-	-
Extraordinary charges	-4.0	-22.4	-	-	-0.1
Profit before appropriations and tax	60.8	133.0	146.2	2 765.1	1 100.7
Tax on profit	-13.5	-39.7	-58.1	-781.9	-320.2
Minority interest	-	-	-	-0.5	-2.6
Consolidated profit	47.3	93.3	88.1	1 982.7	777.9

Figures for 1996-1998 presented as per previous accounting principles

Withdrawal from the If project

The Pohjola Board of Directors in June 1999 made a decision on the transfer of the Group's non-life insurance operation to the Nordic If group formed by Skandia and Storebrand. After the completion of the transfer, Pohjola's share of the parent company of the If group would have been 25%, that of Skandia 42% and that of Storebrand 33%. Had the scheduled stock market listing materialized, the partners' shareholdings would have dropped to 60%, or less, of the original ownership. The voting rights, divided evenly between the partners, would also have been reduced to correspond to the respective shareholdings.

The Board of Directors, elected on February 1, 2000 by an extraordinary shareholders' meeting, gave the Annual General Meeting on April 10, 2000 and the continuation meeting of an extraordinary shareholders' meeting on May 16, 2000 reports of the many legal and financial issues that pertained to the If project. Based on these reports, the continuation meeting of the extraordinary shareholders' meeting decided to withdraw from the If project and to discontinue the implementation procedure related to the transfer of the insurance portfolio.

At the end of June, Pohjola, Skandia and Storebrand reached a settlement agreement on the disputes between the companies concerning Pohjola's withdrawal from the If project. The companies also agreed that they would not disclose the details of the settlement agreement. The agreement did not include any such compensational elements that would have had any material impact on Pohjola's profit or financial position.

Sale of Pohjola Life

In the course of the spring and summer, the Pohjola Board of Directors outlined the company's strategy. Pohjola will continue to operate as a listed company. Within the cooperation alliance formed by Pohjola and its major shareholders (Ilmarinen, Suomi Mutual and the OKOBANK Group), Pohjola will concentrate on transacting non-life insurance and will offer distribution and business support services to other members of the alliance.

In line with the corporate strategy, the Board of Directors of Pohjola in March decided to request an expert valuation report on Pohjola Life with a view to a possible sale of the company. In April, the Board appointed the investment bank Fox-Pitt, Kelton Limited to carry out the valuation of Pohjola Life's business and to explore the options available.

At the end of June, the Pohjola Board approved a Memorandum of Understanding (MoU) signed with Suomi Mutual Life Assurance Company. On the basis of the MoU, option agreements were drawn up enabling the sale of Pohjola Life to Suomi Mutual. Suomi Mutual can exercise its call option during the period from February 28 to April 30, 2001, and Pohjola its put option in May 2001. An extraordinary shareholders' meeting on August 29, 2000 gave the Board a corresponding power to sell. Suomi Mutual on February 7, 2001 obtained the authorities' approval required for the sale and for the acquisition of the stock of shares.

As per the option agreements, the selling price will total the capital and reserves and difference between current and book values of investments of the Pohjola Life group as at February 28, 2001, increased by EUR 100 million. The difference between current and book values of investments will be reduced by deferred tax liability and minority interest. The Annual General Meeting of Pohjola Life on February 26, 2001 decided to distribute EUR 470 million in dividend for 2000. This dividend is no longer included in the reserves of the Pohjola Life group on February 28, 2001. Of the dividend, EUR 400 million is entered, as an interim dividend, in Pohjola's earnings and distributable funds in 2000. The rest is dividend income for Pohjola in 2001.

Based on current values on February 23 and on forecasted results for January-February, the estimated selling price of the Pohjola Life stock of shares would be around EUR 310 million. Gains on realization for the parent company would then amount to EUR 122 million and for the Group to EUR 212 million.

Premiums written, non-life insurance

	1999 EUR million	2000 EUR million	Change %
Domestic direct insurance			
Statutory workers' compensation	143.9	137.8	-4
Other accident and health	43.6	37.4	-14
Motor, third party liability	88.7	92.5	4
Motor, other classes	70.7	73.0	3
Marine, aviation and transport	30.3	27.2	-10
Fire and other damage to property	108.0	103.4	-4
Third party liability	29.9	31.8	6
Credit and suretyship	3.2	1.3	-59
Legal expenses	3.5	5.1	47
Miscellaneous	12.1	13.9	14
Total	533.9	523.4	-1
Domestic reinsurance	14.7	8.7	-40
Retained foreign insurance	14.6	18.2	23
Total	563.2	550.3	-2
Foreign insurance in run-off	0.4	0.9	
Total	563.6	551.2	-2

Balance on technical account, loss ratio and combined ratio, non-life insurance

	1999			2000		
	EUR million	%	%	EUR million	%	%
Domestic direct insurance						
Statutory workers' compensation	4.4	91	97	12.3	84	91
Other accident and health	-4.6	80	111	-5.4	84	115
Motor, third party liability	-22.9	103	127	-21.6	97	123
Motor, other classes	-0.4	76	101	-0.8	74	101
Marine, aviation and transport	0.7	59	97	-4.3	81	122
Fire and other damage to property	-7.0	74	107	-13.2	75	114
Third party liability	-3.7	94	118	-2.5	86	110
Credit and suretyship	0.9	-59	54	1.6	-103	-27
Legal expenses	-0.4	96	112	1.5	50	64
Miscellaneous	-1.4	84	132	-2.4	91	147
Total	-34.4	85	107	-34.8	83	107
Domestic reinsurance	0.9	68	96	-2.9	120	136
Retained foreign insurance	-4.0	114	146	-10.3	169	207
Total	-37.5	85	107	-48.0	85	109
Foreign insurance in run-off	3.4			-4.0		
Total	-34.1	84	107	-52.0	85	110
Effect of foreign exchange rates	-12.9			-4.3		
One-off items	-22.1			-8.8		
In profit and loss account	-69.1	91	113	-65.1	88	113

Effect of foreign exchange rates on non-life business

EUR million	1996	1997	1998	1999	2000
Balance on technical account	-13.1	-18.2	6.9	-13.6	-4.3
Net investment income	5.6	15.0	-0.8	19.3	11.0
Total effect on profit	-7.5	-3.2	6.1	5.7	6.7
Unrealized exchange gains/losses	9.1	20.4	-7.7	11.4	-1.5
Total effect	1.6	17.2	-1.6	17.1	5.2

In connection with the sale of the Pohjola Life stock of shares, other asset items, shares in subsidiaries and rights directly connected with life assurance would also be transferred against a separate consideration of EUR 6.5 million.

Customer bonuses, as per the principle of equity applied in life assurance, will be included in the technical provisions on February 28, 2001 in accordance with the established principle of equity applied by Pohjola Life. Otherwise, Pohjola Life will not be obligated to strengthen its technical provisions on the basis of the option agreements. As per the agreements, Suomi Mutual may resume sales of life assurance policies. The sales of new policies started on September 1, 2000. It was further agreed that the service and rental agreements between Pohjola and Suomi groups will continue on previous terms primarily until June 30, 2002.

The investment banks Fox-Pitt, Kelton and Alfred Berg gave Pohjola their fairness opinions concerning the terms of the transaction made possible by the agreements.

Non-life insurance

Operating profit in non-life insurance rose to EUR 242 million (EUR 109 million), of which balance on technical account amounted to EUR -65 million (EUR -69 million). The operating profit was boosted by increased investment income. Gains on realization of investments totalled EUR 244 million (EUR 97 million).

Premiums written in non-life insurance went down by two per cent to EUR 551 million (EUR 564 million). Premiums written in statutory workers' compensation insurance were on a par with those for the previous year when the adjustment item for 1998 included in the latter year's figures is taken into account. Based on previous loss experience, the premiums for motor third party liability and comprehensive motor vehicle insurance (motor, third party liability and motor, other classes) were raised at the beginning of the year. The transfers of the medical expenses and credit insurance portfolios at the end of 1999 reduced premiums written in these lines of insurance. The transfer of the foreign credit insurance portfolio to the Nordic insurance company Gerling Nordic Kredittforsikring AS was completed on June 20, 2000 in accordance with a plan made the previous year. The adoption of the Extrasure (Mittaturva) contract model to some extent changed the breakdown of premiums written over different lines of insurance. The bulk of the reinsurance business originating from Finnish insurance companies was not renewed because of the operational policies of If P&C Insurance.

In the light of the data available in November, the company's market share was 24%, i.e. some two percentage points lower than the previous year. The uncertainty resulting from the change of Pohjola's ownership structure and the If project impaired the market position in the early months of 2000. After the spring, however, the fall in the market share came to a standstill.

The provision for claims outstanding for motor third party liability insurance was adjusted by EUR 9 million (EUR 22 million) following rises in medical expenses. Trends in foreign exchange rates also impaired the result by EUR 4 million (EUR 13 million). Balance on technical account before the above items went down to EUR -52 million (EUR -34 million). The combined ratio before technical provisions adjustments in motor third party liability insurance and before exchange gains and losses was 110% (107%) and the loss ratio 85% (84%).

Performance in statutory workers' compensation insurance improved towards the end of the year, impacted, besides by the result of the equalization arrangement between insurers, also by the fact that, at the end of the year, a more accurate reservation procedure is applied to employment accidents than in interim accounts. The combined ratio was 91% (97%). The reinsurance arrangement for 2000 was changed in accordance with the operational policies of If, which had a particularly adverse effect on domestic insurance covering fire and other damage to property. Performance in motor third

Premiums written, life assurance

	1999 EUR million	2000 EUR million	Change %
Life assurance	103.7	131.1	26
Capital redemption policy	122.8	96.4	-21
Employees' group life assurance	2.6	2.6	-
Pension insurance	161.2	107.9	-33
Total	390.3	338.0	-13
Share of unit-linked insurance	62.2	91.9	48

Claims incurred, life assurance

	1999 EUR million	2000 EUR million	Change %
Claims paid			
Life assurance	83.1	87.1	5
Employees' group life assurance	1.8	1.8	-
Pension insurance	42.7	48.1	13
Surrenders	34.0	54.3	60
Claims settlement expenses	1.4	2.3	64
Total	163.0	193.6	19
Change in provision for claims outstanding (incl. equalization provision)	13.1	96.5	
Claims incurred in total	176.1	290.1	65

party liability insurance improved somewhat but the combined ratio was still high. The result for comprehensive motor vehicle insurance was on the same level as the previous year. The result for assumed domestic reinsurance deteriorated because of the changes made by ceding companies in the calculation of the provision for claims outstanding. The worst loss to hit Pohjola's portfolio occurred at the end of the year in Poland. Of this loss, however, only EUR 3 million remained on the company's own account.

Technical provisions, net of reinsurance, of foreign insurance in run-off at the end of the year totalled EUR 99 million (EUR 104 million). As a result of claims paid and commutations made, the technical provisions contracted, although, on the other hand, the trends in foreign exchange rates and adjustment of certain reservation bases increased them.

Operating expenses amounted to EUR 126 million (EUR 116 million). Preparations for the launching of the operations of If increased operating expenses. When the reinsurance arrangement was changed to conform to If's operational policies, there was also a drop in reinsurance commissions that have a reducing effect on operating expenses.

Pohjola and the British insurance company Royal & SunAlliance in November signed an agreement on extended cooperation. The network serving Pohjola customers abroad now covers more than 130 countries. According to the letter of intent signed, Pohjola Non-Life will become a shareholder in Royal & SunAlliance Global Network Limited, a subsidiary of Royal & SunAlliance.

In connection with a share issue in September, Pohjola and the European Bank for Reconstruction and Development (EBRD) agreed that the bank will increase its holding in Pohjola's Russian subsidiary, after which Pohjola's stake will be 67.5%.

Life assurance

Life assurance posted an operating profit of EUR 772 million (EUR 88 million), propelled by investment income. Gains on realization of investments totalled EUR 790 million (EUR 90 million) and write-ups decided on separately EUR 10 million. The disposal of investments carried out after August aimed at dissolution of the company's capital not pertaining to business operations before the scheduled sale of the company's stock of shares.

Premiums written stood at EUR 338 million (EUR 390 million). The reason for the decline was that premiums written in the previous year included EUR 59 million in one-off premiums for insurance policies covering some major pension fund liabilities. In 2000, the corresponding premiums totalled only EUR 5 million. The launching of sales of new life assurance policies by Suomi Mutual in September partly affected the development of Pohjola Life's premiums written. Surrenders rose to EUR 54 million (EUR 34 million). The uncertainty that pertained to the restructuring of Pohjola and change of the company's major shareholders hampered insurance sales in the early months of the year, but the stabilization of the ownership structure and the agreement signed with Suomi Mutual restored customers' confidence.

According to preliminary information, premiums written in the overall sector rose by around 37%. Investment-related insurance, in particular unit-linked life assurance, showed a vigorous growth, while sales of capital redemption policies decreased. Pohjola Life's market share was 9%, a decrease of five percentage points over the previous year. The company's market position deteriorated especially in investment and savings-related insurance for private households. In individual pension insurance, the company's market share remained unchanged. Growing popularity of investment in shares and mutual funds and the vigorous growth in sales of investment-related insurance by banking groups largely contributed to this development.

Premiums written by Pohjola's Estonian subsidiary, Seesam Life, rose to EUR 3 million (EUR 1 million) through portfolio transfers. The goodwill of EUR 3 million pertaining to the portfolio transfers was entered as charge. A subsidiary in Latvia started operations, while the project for a subsidiary in Poland was given up.

EUR 42 million (EUR 26 million) was reserved for customer bonuses of Pohjola Life's with-profits policies. Depending on the product, insurance savings were credited with an annual interest of 6.2% to 6.9%. Following a gradual decrease in the technical (guaranteed) interest of group pension insurance, the technical provisions were strengthened by an additional EUR 4 million (EUR 4 million).

There was a risk surplus. The expense ratio was on a par with that for the previous year and stood at 128% (128%).

Pohjola Life's strategic investments include a 47.5% stake in the portal company Virtuaalinen Suomi Oy. In the autumn, Pohjola Life subscribed for a portion of the subordinated loan issued by the portal company. The portion subscribed corresponds to Pohjola's share of ownership and is meant to secure the continuation of the portal company's operations and its entry into the market in the spring of 2001. The capital invested in the company totals EUR 3 million. The company's results showed a deficit.

Investments

At the end of the year, the current value of the consolidated investment portfolio totalled EUR 6.4 billion (EUR 8.9 billion). The payment of dividends reduced the investment portfolio by EUR 1.9 billion. Of the year-end investment portfolio, Pohjola Life accounted for EUR 3.1 billion (EUR 3.2 billion).

Net investment income and write-ups amounted to EUR 1 323 million (EUR 3 018 million). Interest and dividend income increased. In the life and non-life insurance share portfolios, risk concentration of Nokia shares, increased by the rising share price, was dissolved in the early months of the year. The parent company sold all of its Nokia shares. Of the realized appreciation for these shares, EUR 1 565 million was entered as write-ups in 1999 and the rest as gains on realization in

Investment portfolio on December 31, non-life insurance

	1996	1997	1998	1999	2000	2000
	EUR million	EUR million	EUR million	EUR million	EUR million	%
Current value						
Land and buildings	491.6	405.3	314.2	236.9	183.9	8
Shares	1 021.1	1 337.4	751.6	1 282.0	1 066.9	47
Fixed-income securities	484.2	508.6	733.5	812.2	937.5	41
Other debt securities	37.5	51.0	71.6	608.5	72.0	3
Loans	125.6	92.2	0.7	0.1	0.1	-
Other investments	30.1	33.5	13.0	13.7	23.3	1
	2 190.1	2 428.0	1 884.6	2 953.4	2 283.7	100
Difference between current and book values						
Land and buildings	121.3	93.3	61.2	45.9	35.4	
Shares	573.9	832.2	375.2	783.7	512.7	
Fixed-income securities	20.2	30.8	40.9	11.7	17.7	
	715.4	956.3	477.3	841.3	565.8	
Book value in total	1 474.7	1 471.7	1 407.3	2 112.1	1 717.9	

Investment portfolio on December 31, life assurance

	1997	1998	1999	2000	2000
	EUR million	EUR million	EUR million	EUR million	%
Current value					
Land and buildings	133.7	144.1	105.5	77.5	3
Shares	426.9	795.0	1 884.3	979.9	34
Fixed-income securities	875.1	1 037.2	1 028.7	1 275.0	44
Other debt securities	40.5	65.9	40.3	550.6	19
Loans	4.2	1.5	0.7	0.6	-
Other investments	31.6	33.5	15.0	14.2	-
	1 512.0	2 077.2	3 074.5	2 897.8	100
Investments based on unit-linked insurance	22.9	59.7	149.8	194.8	
Difference between current and book values					
Land and buildings	18.5	18.8	16.6	15.4	
Shares	102.3	289.6	1 069.4	188.0	
Fixed-income securities	48.1	76.5	21.8	28.4	
	168.9	384.9	1 107.8	231.8	
Book value in total	1 366.0	1 752.0	2 116.5	2 860.8	

Investment portfolio on December 31, holding operations

	1998	1999	2000	2000
	EUR million	EUR million	EUR million	%
Current value				
Land and buildings	0.5	0.1	0.1	-
Shares	1 469.1	2 529.6	1 000.2	98
Fixed-income securities	9.9	172.7	8.7	1
Other investments	5.0	25.3	11.1	1
	1 484.5	2 727.7	1 020.1	100
Difference between current and book values				
Shares	1 292.4	795.6	873.7	
Fixed-income securities	0.5	1.3	0.1	
	1 292.9	796.9	873.8	
Book value in total	191.6	1 930.8	146.3	

Net investment income, non-life insurance

EUR million	1996	1997	1998	1999	2000
Continuous income					
Interest	55.2	51.3	49.3	49.0	62.8
Dividends	28.6	39.0	28.9	39.8	49.2
Income from land and buildings	19.0	15.5	10.4	10.1	9.2
Other income/charges	1.2	2.9	-0.7	1.9	2.8
Total	104.0	108.7	87.9	100.8	124.0
Appreciation/depreciation in profit and loss account					
Gains/losses on realization	60.4	131.9	111.7	96.9	244.4
Value adjustments	-7.2	-15.8	-36.5	-32.0	-63.0
Value re-adjustments	22.9	35.5	9.9	19.8	9.0
Depreciation on buildings	-11.8	-13.5	-8.6	-6.6	-5.1
Unrealized gains/losses	-	0.2	0.5	-0.8	0.4
Total	64.3	138.3	77.0	77.3	185.7
Interest on and charges for long-term loans	-3.0	-2.5	-1.5	-1.2	-1.0
Investment management expenses	-3.4	-3.2	-2.0	-1.6	-2.3
Total	161.9	241.3	161.4	175.3	306.4

Net investment income, life assurance

EUR million	7-12/1997	1998	1999	2000
Continuous income				
Interest	29.6	57.3	61.6	83.6
Dividends	0.5	16.8	29.7	42.2
Income from land and buildings	4.2	8.6	7.3	5.6
Other income/charges	0.2	-	1.5	1.1
Total	34.5	82.7	100.1	132.5
Appreciation/depreciation in profit and loss account				
Gains/losses on realization	3.4	60.5	90.4	790.3
Value adjustments	-8.6	-41.2	-41.0	-81.1
Value re-adjustments	0.2	2.9	26.1	12.5
Depreciation on buildings	-1.0	-2.0	-2.0	-2.0
Unrealized gains/losses	-	2.2	39.3	-5.0
Total	-6.0	22.4	112.8	714.7
Interest on and charges for long-term loans	-3.4	-6.4	-1.3	-0.2
Investment management expenses	-0.3	-1.0	-1.4	-2.0
Total	24.8	97.7	210.2	845.0

Net investment income, holding operations

EUR million	1998	1999	2000
Continuous income			
Interest	0.3	7.0	28.7
Dividends	19.7	21.9	15.3
Other income/charges	-0.3	0.7	-0.8
Total	19.7	29.6	43.2
Appreciation/depreciation in profit and loss account			
Gains/losses on realization	48.6	1 038.6	129.7
Value adjustments	-	-0.4	-0.4
Value re-adjustments	-	0.3	-
Unrealized gains	-	1 565.4	-
Total	48.6	2 603.9	129.3
Interest on and charges for long-term loans	-	-0.2	-
Investment management expenses	-0.7	-0.6	-0.3
Total	67.6	2 632.7	172.2

Figures for 1996-1998 presented as per previous accounting principles

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Consolidated solvency

EUR million	1996	1997	1998	1999	2000
Non-life insurance					
Solvency margin					
Capital and reserves	265.1	273.0	96.7	107.9	120.4
Difference between current and book values of investments	715.3	956.3	477.3	841.3	565.8
Deferred tax liabilities	-200.3	-267.8	-133.6	-244.0	3.1
Intangible assets	-11.3	-125.1	-13.6	-11.2	-7.1
Other	-3.4	-2.9	-2.5	-3.1	-3.0
	765.4	833.5	424.3	690.9	679.2
Equalization provision	110.5	132.0	196.9	203.3	217.6
Minority interest	4.4	3.4	3.4	2.8	2.8
Solvency capital	880.3	968.9	624.6	897.0	899.6
Life assurance					
Solvency margin					
Capital and reserves		64.1	63.9	64.9	113.4
Difference between current and book values of investments		168.9	385.0	1 107.8	231.8
Deferred tax liabilities		0.3	0.3	-159.9	-24.6
Subordinated liabilities		92.5	58.9	-	-
Intangible assets		-11.6	-9.6	-8.1	-6.6
		314.2	498.5	1 004.7	314.0
Equalization provision		7.9	8.7	9.8	10.7
Minority interest		0.5	0.5	0.5	0.5
Solvency capital		322.6	507.7	1 015.0	325.2
Holding operations					
Solvency margin					
Capital and reserves			261.9	2 028.5	826.8
Proposed distribution of profit			-205.4	-1 913.4	-651.4
Difference between current and book values of investments			1 292.9	796.9	873.8
Deferred tax liabilities			-362.0	-231.1	-253.4
Intangible assets			-94.9	-73.6	-50.3
Other			-	-	-4.9
			892.5	607.3	740.6
Minority interest			-	0.5	3.8
Solvency capital			892.5	607.8	744.4
Group in total	880.3	1 291.5	2 024.8	2 519.8	1 969.2

Figures for 1996-1998 presented as per previous accounting principles

In 1999-2000, likely realizable deferred tax liability deducted from difference between current and book values of investments

2000 in the profit and loss account. In the latter half of the year, disposal of Pohjola Life investments took place in accordance with the intent of the option agreements signed. In addition, the Nokia shares held by Pohjola Life were written up by EUR 10 million. The Group received EUR 1 137 million (EUR 1 180 million) in gains on realization of investments in shares, of which amount EUR 852 million (EUR 1 090 million) represented Nokia shares. Gains and losses on realization of fixed-income securities totalled EUR -2 million (EUR 26 million).

Disposal of investments in land and buildings continued in non-life insurance in January-June, after which the disposals mainly pertained to dissolution of risk concentrations. In life assurance, a power plant holding with a repurchase option was sold. Investments in land and buildings generated EUR 28 million (EUR 20 million) in gains on realization.

Solvency and capital pertaining to business operations

Pohjola intends to keep the solvency capital related to the non-life insurance business at a safe and competitive level. New business opportunities will also be sufficiently provided for. Capital will, to some extent, continue to be tied to strategic shareholdings, thus underpinning the company's own business operations while taking into account the requirements of a sound investment portfolio structure. Since the preparation of the strategy for cooperation between Pohjola and its major shareholders is still underway, Pohjola does not yet disclose more detailed profitability and solvency targets for non-life insurance.

Solvency capital in non-life insurance at year-end amounted to EUR 0.9 billion (EUR 0.9 billion). The solvency capital has been reduced by EUR 154 million in dividend proposed to be distributed to the parent company for 2000. Before the deduction of deferred tax liability, the solvency ratio was 178% (224%). In connection with the portfolio transfer in 1998, the parent granted Pohjola Non-Life an option, effective until 2008, for a EUR 50 million subordinated loan. The option right can be exercised if the solvency ratio falls to under 50%.

In life assurance, solvency capital totalled EUR 0.3 billion (EUR 1.0 billion) after deduction of the dividend of EUR 470 million, and the solvency ratio was 15% (52%). In accordance with the option agreement on the sale of the stock of shares of Pohjola Life, Pohjola will ensure that the solvency ratio of the Pohjola Life group as at February 28, 2001 is at least 10%. Suomi Mutual, on its part, will make sure that the solvency ratio, in connection with the possible completion of the sale, is raised to an amount that meets the regulatory requirements and is satisfactory from the authorities' point of view. Should the sale not materialize, Pohjola will make sure that Pohjola Life is provided with sufficient solvency capital by May 7, 2001.

After the deduction of dividends, the solvency capital pertaining to holding operations amounted to EUR 0.8 billion (EUR 0.6 billion). The solvency capital included EUR 0.7 billion in difference between current and book values of Skandia shares.

In January-February of the year that has commenced, the value of the share portfolio has, because of falling share prices, gone down in non-life insurance by about EUR 98 million, in life assurance by about EUR 73 million and in holding operations by about EUR 281 million.

Transfer to the holding company structure

An extraordinary shareholders' meeting on December 21, 2000 approved a plan under which the parent company would transfer all of its remaining insurance portfolio to Pohjola Non-Life, thus bringing to a conclusion the process of moving over to a holding company structure begun in 1998. The portfolio to be transferred comprises mostly domestic and foreign reinsurance business. The parent company has branch offices in Hong Kong and Canada. At the end of 2000, the technical provisions, net of reinsurance, amounted to EUR 56 million. In addition to the technical provisions, a corresponding amount of investments or cash would be transferred. The assets and liabilities to be transferred will be at current value.

The transfer of the insurance portfolio is scheduled to take effect on March 1, 2001 provided that all regulatory approvals of the authorities have been obtained. The transfer can also take place in two stages. Unless all approvals have been obtained by December 31, 2002, the companies' Boards of Directors can together decide that the plan concerning transfer of insurance portfolio is null and void to the extent that it has not already taken effect.

On the entry into force of the entire transfer of insurance portfolio, the parent company would relinquish its licence to carry on insurance operations and would continue to operate as a limited liability company transacting other business. This is made possible by an amendment, effective as of December 1, 2000, of the Insurance Companies Act.

The transfer to the holding company structure will also entail an amendment of the company's Articles of Association in such a manner that the company's shares of series A and B would be combined into one share class, after which all shares would confer equal rights. No compensation would be paid to holders of A or B shares for the combining of the share classes. The voting restriction included in the Articles of Association would also be deleted. The new name of the company would be Pohjola Group plc.

The amendments of the Articles of Association will enter into force after registration, which can take place once the transfer of the entire insurance portfolio has become effective.

Other operations

At the beginning of 2000, the administrative services provided by the various companies in the Group were transferred to Pohjola Insurance Service Ltd, which is a wholly-owned subsidiary of Pohjola.

In June, a new organization based on customer groups was confirmed for Pohjola Non-Life. The customer groups are private households, corporate clients and major clients. At the beginning of 2001, the organization of Pohjola Customer Service Ltd was reformed, based on customer segments. The changes are aimed at upgrading operations, improving steerability and increasing customer satisfaction.

The transition to the year 2000 went smoothly as regards data systems. The changeover to the euro is proceeding in accordance with the plans made for each customer group and function. In certain operations the euro has already been adopted. Of the estimated total amount of work, over 60% had been done by December. The actual costs incurred totalled EUR 2.4 million in 2000 and, before that, EUR 2.5 million.

Staff

At the end of 2000, the Group had 2 731 employees (2 663 employees). The average number of employees was 2 704 people (2 720 people). The sale of Pohjola Life would decrease the number of the Group's staff by 205 people.

The parent company at year-end employed 215 people (387 people). In the course of 2000, employees transferred to the administrative services company and Pohjola Non-Life. The number of non-life staff at the end of the year was 963 employees and that of the service companies altogether 1 348 employees.

Shareholders

Pohjola's largest shareholder, Suomi Mutual Life Assurance Company, in January 2000 sold the main part of its Pohjola shares to the new cooperation alliance which, besides Suomi Mutual, includes Ilmarinen, the OKOBANK Group and some minor cooperation partners. In June, the Sampo-Leonia group sold its Pohjola shares, acquired in October 1999, to the Ilmarinen-Suomi Mutual-OKOBANK Group alliance, whose share ownership as a consequence of the transaction rose to 54% and voting rights to 64%. In that connection, part of the A shares were converted into B shares. In December, Ilmarinen increased its holding to 32% of shares and 40% of votes through an internal transaction of the cooperation alliance.

The number of shareholders at the end of the year was 11 575 (7 056).

Corporate management

Since February 1, 2000, the Board of Directors has included Mr Heikki Hakala (Chairman), Mr Mikael Silvennoinen (Deputy Chairman), Mr Martin Granholm, Mr Eero Heliövaara, Mr Timo Salonen and Mr Oiva Savela. Mr Matti Vuoria was member of the Board from February 1 to May 17, 2000.

Previously, the Board included Mr Tauno Matomäki (Chairman), Mr Lars-Eric Petersson (Deputy Chairman), Mr Jaakko Ihamuotila, Mr Antti Potila, Mr Aatto Prihti and Mr Oiva Savela.

Mr Matti Kavetvuo has been the company's President and CEO since February 2, 2000, at which date the previous President and CEO, Mr Iiro Viinanen, and his deputy, Ms Pirkko Alitalo, resigned from their posts.

Outlook

The profitability trend in non-life insurance is not expected to change materially compared to the year 2000. Entry into the Finnish market by foreign companies will increase competition mainly in products sold via the Internet and over the phone. On the other hand, rate increases will improve profitability, as there is a general pressure towards premium raises in the sector. The rise in the premium level of reinsurance will partly impact pricing as well. Resources that will be dedicated to the euro project and the development of e-commerce services and the steering system will have an effect on operating expenses.

The clarified strategy of Pohjola and the marketing measures taken are expected to improve the company's competitiveness and market position. The negotiations between Pohjola and its major shareholders (Ilmarinen, Suomi Mutual and the OKOBANK Group) on the sales and distribution strategies of the cooperation alliance are underway and the results of these negotiations may also have an impact on Pohjola's future operational model and on cost development.

Pohjola Life will be included in the consolidated figures until the possible sale transaction in 2001. No material changes are anticipated to occur in the profitability trend of life assurance. Premiums written will be affected by the sales of new policies gradually launched by Suomi Mutual in September.

Investment income and the level of solvency will be impacted, among other things, by price trends in the securities markets and the development of exchange rates.

Proposal by the Board of Directors for distribution of retained profits

As per the annual accounts of December 31, 2000, the Group's distributable funds amounted to EUR 861 million and those of the parent company to EUR 667 million.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 16 per share, or a total of EUR 651 360 000, be distributed in dividend, and that EUR 35 000 be reserved for donations for worthy causes. The rest of the distributable funds will be retained in the contingency reserve.

Cash flow statement

EUR million	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Cash flow from operating activities				
Profit on ordinary activities	780.6	1 983.2	605.8	1 921.5
Adjustments				
Change in technical provisions	296.2	432.3	-4.3	-1.1
Value adjustments and unrealized gains on investments	127.6	-1 576.6	1.9	-1 571.1
Unrealized exchange gains/losses	-1.7	-3.6	-0.3	-0.7
Depreciation according to plan	47.6	54.0	5.4	6.3
Other income and charges without payment	-1.4	-0.2	-400.0	-
Other adjustments	-872.0	-451.9	-85.8	-305.2
Cash flow before change in working capital	376.9	437.2	122.7	49.7
Change in working capital:				
Increase/decrease in non-interest-bearing short-term receivables	-39.9	3.0	2.8	0.3
Decrease/increase in non-interest-bearing short-term payables	-7.4	1.3	0.9	-1.3
Cash flow from operating activities before financing items and tax	329.6	441.5	126.4	48.7
Interest paid and payments for other financing expenses of operating activities	-1.3	-2.7	-	-
Income tax paid	-959.3	-116.8	-674.9	-107.0
Cash flow before extraordinary items	-631.0	322.0	-548.5	-58.3
Cash flow from extraordinary items of operating activities (net)	-	-	-	-
Net cash from/used in operating activities	-631.0	322.0	-548.5	-58.3
Cash flow from investing activities				
Acquisitions of investment assets (excl. cash and cash equivalents)	-2 274.8	-1 821.6	-72.1	-180.0
Proceeds from sale of investment assets (excl. cash and cash equivalents)	4 781.8	2 296.8	1 970.4	1 059.0
Investments in and proceeds from sale of intangible, tangible and other assets (net)	-9.7	-16.0	-1.9	-8.8
Net cash from investing activities	2 497.3	459.2	1 896.4	870.2
Cash flow from financing activities				
Loans drawn	-	16.7		
Loans repaid	-13.9	-60.2		-0.1
Dividends paid and other profit distribution	-1 912.5	-205.3	-1 912.5	-205.3
Net cash used in financing activities	-1 926.4	-248.8	-1 912.5	-205.4
Net decrease/increase in cash and cash equivalents	-60.1	532.4	-564.6	606.5
Cash and cash equivalents at beginning of period	764.9	232.5	583.6	-22.9
Cash and cash equivalents at end of period				
Cash at bank and in hand	45.7	71.7	5.3	25.7
Other debtors and creditors	-1.5	-0.4	-1.3	-2.3
Debt securities	619.2	646.6	4.0	541.3
Deposits with credit institutions	41.4	47.0	11.0	18.9
Cash and cash equivalents at end of period	704.8	764.9	19.0	583.6

Profit and loss account

EUR million	Notes	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Technical account Non-life insurance	2				
Earned premiums					
Premiums written	3	551.2	563.6	21.5	21.6
Outward reinsurance premiums		-41.0	-48.7	-7.5	-11.3
		510.2	514.9	14.0	10.3
Change in provision for unearned premiums					
Total change		-7.4	-9.7	-0.8	3.9
Share of transferred portfolio		-0.1	-3.7	-	-
Reinsurers' share					
Total change		3.1	7.6	-	-0.2
Share of transferred portfolio		0.1	0.2	-	-
		-4.3	-5.6	-0.8	3.7
Earned premiums in total		505.9	509.3	13.2	14.0
Claims incurred					
Claims paid		-435.1	-423.3	-28.0	-19.7
Reinsurers' share		38.4	30.0	11.4	10.4
		-396.7	-393.3	-16.6	-9.3
Change in provision for claims	9				
Total change		-70.4	-65.0	-37.8	-7.2
Share of transferred portfolio		-0.2	-9.5	-	-
Reinsurers' share					
Total change		24.2	6.1	32.8	1.9
Share of transferred portfolio		0.1	0.3	-	-
		-46.3	-68.1	-5.0	-5.3
Claims incurred in total		-443.0	-461.4	-21.6	-14.6
Change in collective guarantee item		-1.0	-0.9	-	-
Operating expenses	6, 7, 10	-118.0	-111.2	-4.0	-5.3
Balance on technical account before change in equalization provision		-56.1	-64.2	-12.4	-5.9
Change in equalization provision		-14.3	-6.4	10.1	2.7
Balance on technical account		-70.4	-70.6	-2.3	-3.2

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Profit and loss account

EUR million	Notes	Group 2000	Group 1999
Technical account			
Life assurance			
Premiums written			
Premiums written	4	338.0	390.3
Outward reinsurance premiums		-2.2	-2.2
		335.8	388.1
Allocated investment return transferred from non-technical account	8, 9	844.7	209.7
Claims incurred			
Claims paid			
Claims paid	5	-193.8	-163.0
Reinsurers' share		1.5	1.4
		-192.3	-161.6
Change in provision for claims			
Change in provision for claims			
Total change		-99.4	-22.2
Share of transferred portfolio		2.9	9.0
Reinsurers' share		-	0,1
		-96.5	-13.1
Claims incurred in total		-288.8	-174.7
Change in life assurance provision			
Change in life assurance provision	5		
Total change		-134.0	-342.0
Share of transferred portfolio		-	3,5
Reinsurers' share		0.2	0.2
		-133.8	-338.3
Operating expenses	6, 7, 10	-23.8	-22.3
Other technical charges		-2.9	-
Balance on technical account		731.2	62.5

The pictures on pages 50 to 81 were taken at a shareholders' meeting of Pohjola in December 2000.

Profit and loss account

EUR million	Notes	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Non-technical account					
Balance on technical account of non-life insurance		-70.4	-70.6	-2.3	-3.2
Balance on technical account of life assurance		731.2	62.5		
Investment income	8	1 577.6	1 539.1	896.7	1 123.6
Unrealized gains on investments	8, 9	13.6	1 604.9	-	1 565.4
Investment charges	8, 10	-255.2	-130.2	-35.9	-3.2
Unrealized losses on investments	8	-18.3	-0.9	-	-
		1 317.7	3 012.9	860.8	2 685.8
Allocated investment return transferred to life assurance technical account	8, 9	-844.7	-209.7	-	-
Other income		27.6	22.2	34.6	43.0
Other charges					
Depreciation on unallocated consolidation goodwill	10	-24.7	-24.7	-	-
Depreciation on goodwill	10	-0.9	-0.9	-	-
Other		-36.9	-28.1	-44.8	-52.1
		-62.5	-53.7	-44.8	-52.1
Share of associated undertakings' profit/loss		1.9	1.4		
Tax on profit on ordinary activities					
Tax for financial year		-321.6	-780.6	-246.1	-749.1
Tax for previous financial years		3.0	-2.8	3.5	-2.9
Deferred tax	27	-1.6	1.6	0.1	-
		-320.2	-781.8	-242.5	-752.0
Profit on ordinary activities		780.6	1 983.2	605.8	1 921.5
Extraordinary items					
Deferred tax	27	-0.1	-	0.5	-
Profit after extraordinary items		780.5	1 983.2	606.3	1 921.5
Appropriations					
Change in voluntary provisions				-	0.5
Minority interest		-2.6	-0.5		
Profit for financial year		777.9	1 982.7	606.3	1 922.0

Balance sheet

EUR million	Notes	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Assets					
Intangible assets	11				
Intangible rights		12.9	13.7	8.1	7.3
Goodwill		6.7	8.4	-	-
Unallocated consolidation goodwill		45.5	61.6	-	-
Other long-term expenses		6.9	9.2	0.8	0.2
		72.0	92.9	8.9	7.5
Investments	12				
Land and buildings	13, 18				
Land and buildings and shares therein		210.7	280.0	0.1	0.1
Investments in affiliated undertakings and participating interests					
Shares in affiliated undertakings	14, 18	2.7	1.1	313.2	307.3
Loans to affiliated undertakings	14	-	-	1.5	-
Shares in associated undertakings	15, 18	12.3	11.5	9.1	8.9
Participating interests	15, 18	0.2	0.2		
Debt securities issued by undertakings linked by virtue of a participating interest	15	1.6	-	-	-
		16.8	12.8	323.8	316.2
Other financial investments					
Shares	18	1 457.4	3 034.4	129.7	1 727.3
Debt securities		2 796.0	2 627.5	37.7	758.1
Other loans	16	0.8	0.8	0.1	0.1
Deposits with credit institutions		41.4	47.0	11.0	18.9
		4 295.6	5 709.7	178.5	2 504.4
Deposits with ceding undertakings		7.1	7.1	0.5	0.4
Investments in total		4 530.2	6 009.6	502.9	2 821.1
Investments for the benefit of life assurance policyholders who bear the investment risk	17	194.9	149.8		
Debtors	19				
Direct insurance debtors					
Policyholders		112.9	110.1	-	-
Intermediaries		1.3	1.5	-	-
		114.2	111.6	-	-
Reinsurance debtors		22.7	21.6	11.4	10.1
Deferred tax assets	27	2.1	-	0.7	-
Other debtors		80.0	51.0	429.0	13.3
		219.0	184.2	441.1	23.4
Other assets					
Tangible assets and stocks					
Machinery and equipment	11	18.2	19.9	5.6	9.0
Stocks		2.3	2.3	-	1.3
		20.5	22.2	5.6	10.3
Cash at bank and in hand		45.7	71.7	5.3	25.7
Other		2.2	2.2	2.0	2.2
		68.4	96.1	12.9	38.2
Prepayments and accrued income	20				
Interest and rent		79.3	69.8	1.3	6.1
Deferred acquisition costs		5.7	4.7	-	-
Other		15.1	9.2	1.7	3.2
		100.1	83.7	3.0	9.3
Assets in total		5 184.6	6 616.3	968.8	2 899.5

Balance sheet

EUR million	Notes	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Liabilities					
Capital and reserves	21				
Share capital		35.0	35.0	35.0	35.0
Revaluation reserve		0.3	4.8	-	-
Legal reserve		158.3	158.3	158.2	158.2
Other reserves					
Contingency reserve		143.7	82.2	60.8	52.2
Profit/loss brought forward		-54.6	-61.7	-	-
Profit for financial year		777.9	1 982.7	606.3	1 922.0
Capital and reserves in total		1 060.6	2 201.3	860.3	2 167.4
Minority interest		7.2	3.9		
Subordinated loans	22	-	2.0		
Technical provisions					
Provision for unearned premiums of non-life insurance		199.8	192.4	3.5	2.7
Reinsurance amount		-27.4	-24.4	-0.1	-0.1
		172.4	168.0	3.4	2.6
Life assurance provision	23	1 764.5	1 674.2	-	-
Reinsurance amount		-1.7	-1.4	-	-
		1 762.8	1 672.8	-	-
Provision for claims outstanding of non-life insurance	24	1 269.8	1 199.4	108.4	70.6
Reinsurance amount		-93.5	-69.3	-58.5	-25.8
		1 176.3	1 130.1	49.9	44.8
Provision for claims outstanding of life assurance		344.8	249.0	-	-
Reinsurance amount		-0.4	-0.4	-	-
		344.4	248.6		
Equalization provision of non-life insurance		217.6	203.3	2.8	12.9
Collective guarantee item of non-life insurance		25.2	24.2	-	-
Technical provisions in total		3 698.7	3 447.0	56.1	60.3
Technical provisions for life assurance policies where the investment risk is borne by the policyholders		191.1	143.7		
Deposits received from reinsurers		0.2	0.1		
Creditors	25				
Direct insurance creditors		6.2	6.5	-	-
Reinsurance creditors		21.5	26.5	3.1	6.3
Amounts owed to credit institutions		22.3	35.8	-	-
Deferred tax liability	27	15.2	0.2	-	-
Other creditors		129.1	55.7	44.9	25.1
		194.3	124.7	48.0	31.4
Accruals and deferred income	26	32.5	693.6	4.4	640.4
Liabilities in total		5 184.6	6 616.3	968.8	2 899.5

1. Accounting principles

a) Changes in accounting principles and comparability of data

Pohjola Group annual accounts have been drawn up in euros since January 1, 1999. Former years' figures in Finnish marks have been converted into euros by the conversion rate of EUR 1 = FIM 5.94573.

Since January 1, 2000, the annual accounts have been drawn up in accordance with new accounting rules. The most significant change relates to deferred tax liabilities and assets. The deferred tax liabilities and assets pertaining to timing differences between taxable profit and accounting profit and to other temporary differences have been entered in the balance sheet. The portion of deferred tax liabilities and assets originating from previous financial periods has been entered under extraordinary items and the portion generated by differences originating from the period under review has been entered under tax. The deferred tax liabilities pertaining to the revaluation reserve and translation differences have been entered directly under reserves. The most important items originate from consolidation goodwill allocated to land and buildings, from value adjustments and revaluations of investments in land and buildings, and from internal gains and losses.

Classification under the balance sheet has also changed to some extent.

The 1999 solvency capital has also been reduced by the amount distributed in dividends decided on after the Annual General Meeting.

The key ratios are shown in accordance with the decision issued by the Ministry of Finance on March 25, 1999 and the related guidelines issued by the Ministry of Social Affairs and Health on June 21, 2000 specifying the above decision. The main changes are as follows:

- When calculating solvency margin, solvency capital and key ratios, deferred tax liability is deducted from difference between current and book values of investments and of the revaluation reserve, provided that such liability is deemed likely to become payable in the near future. Deferred tax liability has been deducted in full from difference between current and book values of investments in holding operations. No deferred tax liability has been deducted from difference between current and book values of investments in non-life insurance. In life assurance, deferred tax liability has been deducted from the difference between current and book values of investments for the part exceeding a 10% solvency ratio. Previously, difference between current and book values of investments in holding operations and non-life insurance was reduced by full deferred tax, while in life assurance the reduction was made only to the extent that solvency capital exceeded solvency of 30%. The change in the procedure was brought about by the withdrawal from the If project and the option agreements signed with a view to sell the shares in Pohjola Life.
- Premiums written are reduced by credit loss on premiums.
- Change in collective guarantee item and portfolio transfer gains and losses are shown under other technical income and charges.
- Income and charges under non-life insurance, life assurance and holding operations also include service charges, rents and interest payable between these segments. The change has no impact on the overall result. As previously, inter-group items have been eliminated from the key ratios for the entire group.
- Return on assets is calculated excluding unit-linked insurance.
- The key-ratios for the previous year have been changed correspondingly, with the exception of deferred tax liabilities and assets. To improve comparability, net asset value/share, return on equity and equity to balance-sheet total have also been shown in such a manner that, for the calculation of these ratios, deferred tax liability has throughout been deducted in full from difference between current and book values of investments and the revaluation reserve.

b) Consolidated accounts

Those corporations in which the parent company either directly or indirectly has a controlling interest are consolidated. In all Pohjola Group subsidiaries, the control is based on the majority of voting rights.

All subsidiaries are consolidated, item by item, excluding Varma Mutual Insurance Company (in liquidation), Joint Stock Life Insurance Company "Seesam Life Latvia", Pohjola Insurance Consulting Polska and Pohjola Life Insurance Consulting Polska. Varma went into voluntary liquidation after acquisition and the acquisition cost of guarantee shares was in whole entered as charge. The Polish consulting companies are being wound up. The other companies pertain to the potential sale of Pohjola Life. The effect of non-inclusion in the consolidated accounts is insignificant.

The consolidated accounts are combinations of the profit and loss accounts, balance sheets and notes on the accounts of the parent company and subsidiaries. In this consolidation, inter-group receivables and debts, income and charges, profit distribution, internal gains and losses entered in the balance sheets and mutual share ownership are eliminated. Subsidiaries acquired during the year are consolidated as of the moment of acquisition, while undertakings sold during the year are consolidated up to the moment of sale. Before consolidation, the essential items of the subsidiaries' accounts are changed to conform to the parent company's accounting principles. Eliminated internal gains and losses are released to income along with scheduled depreciation or value adjustments. Minority interest is shown as an item separate from profit and capital and reserves.

The book value of shares in undertakings included in consolidation is eliminated by the acquisition method. The consolidation goodwill is entered directly against the subsidiaries' asset items and is depreciated in accordance with their depreciation schedule. The unallocated consolidation goodwill is shown as a separate item in the consolidated balance sheet and is written off as scheduled over a period of five years. The total consolidation goodwill for the acquisition of Pohjola Life is entered as an unallocated item in the consolidated balance sheet as it pertains mostly to investments. The depreciation schedule has not been changed on the basis of the option agreements.

The deferred tax liability pertaining to allocated consolidation goodwill is, on the other hand, entered as unallocated consolidation goodwill and is written off within the same period as the allocated consolidation goodwill. The revaluations on shares in subsidiaries owning land and buildings are, on the consolidated balance sheet, shown as revaluations of the land and buildings in question.

Associated undertakings, i.e. undertakings in which the Group holds from 20% to 50% of the voting rights, are included in the consolidated accounts mainly by the equity method. The profit and loss account includes the Group's share of associated undertakings' profit or loss. In the balance sheet, the Group's share of associated undertakings' profit or loss which has accrued after acquisition is added to or deducted from associated undertakings' acquisition cost, and consolidated profit brought forward. Internal gains/losses entered in the balance sheet and originating from transactions between the Group and associated undertakings are eliminated in proportion to the Group's shareholding. Consolidation goodwill and eliminated internal gains/losses are entered in the profit and loss account in accordance with the principles applied to the consolidation of subsidiaries.

Asunto Oy Helsingin Korppaanmäki is included by proportional consolidation, item by item, in proportion to the holding (50%), otherwise applying the same principles as those used in the consolidation of subsidiaries. Other holdings (20% to 50%) in mutual housing and real estate companies are stated at cost. Since the expenses for these companies are covered by shareholders, the effect on consolidated profit and profit brought forward is insignificant.

Ilmarinen Mutual Pension Insurance Company is likewise stated at cost since the act on employment pension insurance companies provides that a company carrying on statutory pension insurance may not be included by the equity method in the consolidated accounts of another company. The prohibition is based on restrictions pertaining to employment pension insurance. There are some transactions between the Group and Ilmarinen in the ordinary course of their insurance or insurance-related activities. Ilmarinen owns 32% of the shares in Pohjola Group Insurance Corporation.

Accounting principles

c) Book value of investments

Buildings and constructions are shown in the balance sheet at acquisition cost reduced by scheduled depreciation or at current value, whichever is lower. Acquisition cost includes purchase price and production cost directly attributable to the item in question. Shares in land and buildings as well as land and water areas are shown in the balance sheet at purchase price or at current value, whichever is lower. The book value of certain land and buildings or shares therein has been written up (see section e).

Other shares as well as debt securities classified as investments are shown in the balance sheet at purchase price or at current value, whichever is lower. The difference between the amount repayable at maturity and acquisition cost of debt securities is released to interest income or charged to that income in instalments during the period remaining until repayment. The counter-item is shown as an increase or a decrease in acquisition cost. Acquisition cost is calculated on the basis of the average price method. The book values of certain securities have been written up (see section e).
Shares subject to stock lending are valued in the same manner and their amount is stated in the notes on the accounts.

Shares and debt securities classified as fixed assets are shown in the balance sheet at acquisition cost reduced by permanent value adjustments.

Acquisition cost is calculated in accordance with the FIFO-method.

Investments classified as receivables are shown in the balance sheet at nominal value or at permanently lower likely realizable value.

Previously made value adjustments on investments are entered in the profit and loss account as value re-adjustments insofar as the current value rises.

Investments acquired for the benefit of life assurance policyholders who bear the investment risk are shown in the balance sheet at current value and the change in current value is entered in the profit and loss account as unrealized gains/losses or value adjustments/re-adjustments.

Derivative contracts are used to hedge the fixed-income securities portfolio against interest and exchange rate risks and the share portfolio against price and exchange rate risks. Derivative contracts are valued at current value, and profit or loss is entered in the profit and loss account to the extent that it corresponds to the amount entered as income or charge for the hedged item. However, any loss exceeding the rise in the value of the hedged item is entered in whole as charge.

d) Book value of other assets than investments

Intangible assets as well as machinery and equipment are shown in the balance sheet at acquisition cost reduced by scheduled depreciation. Acquisition cost includes purchase price and directly attributable production costs.

Premium receivables are shown in the balance sheet at likely realizable value; other receivables at nominal value or at permanently lower likely realizable value.

e) Unrealized gains on and revaluation of investments

The book values of land and water areas, buildings and securities can be written up if the current values of these items are, on a permanent basis, materially higher than their original acquisition cost. Write-ups of items classified as investments are entered in the profit and loss account as unrealized gains, and write-ups of items classified as fixed assets are entered in the revaluation reserve. The revaluation reserve may be used for bonus issues to the extent that the reserve, at the time of the bonus issue, pertains to investments classified as fixed assets. Write-ups are made observing the principle of prudence.

If a previous write-up becomes unjustified, unrealized gains are entered as unrealized losses in the profit and loss account, and the revaluation is withdrawn from the revaluation reserve or, in the event that the revaluation reserve has been used for a bonus issue, from non-restricted reserves.

Unrealized gains on buildings are depreciated according to schedule.

f) Current value of investments and difference between current and book values

The notes on the accounts indicate, by balance sheet item, the remaining acquisition cost, book value and current value of investments. The difference between the two first-mentioned values consists of write-ups of book values as well as of equity-method adjustments related to associated undertakings. The difference between the two last-mentioned values indicates the difference between current and book values not entered in the balance sheet.

The individual current values of land and buildings and shares therein are annually defined by in-house experts. Current values are defined primarily by the yield value method. A parallel assessment method applied to housing real estate and sites is that based on local market price statistics, while the current technical value is applied to buildings. The current values are defined individually, observing the principle of prudence.

The current value of shares and debt securities which are quoted on official stock exchanges or which otherwise are subject to public trading is the last quoted trading price on the balance sheet date or, where this is not available, the bid price. If the balance sheet date is not a trading day, the corresponding price for the previous day is used. The current value of other shares and debt securities is the likely realizable value, the remaining acquisition cost or the net asset value.

The current value of receivables is the nominal value or the likely realizable value, whichever is lower.

g) Technical provisions of non-life insurance and policy acquisition costs

The provision for unearned premiums includes that part of premiums written which is attributable to the period after the balance-sheet date. The amount of the provision is mainly calculated by statistical methods. Policy acquisition costs are shown under operating expenses in the profit and loss account.

The provision for claims outstanding includes unpaid items for losses which have occurred and their claims settlement expenses. Individual reserves are made for large claims while, for small claims and claims not yet reported to the company (IBNR), reserves are made by statistical methods. For annuities and some other long-term liabilities, the provision for claims outstanding is calculated in accordance with the present value method. In discounting, the interest rate is chosen prudently on the basis of investment income from company assets. The claims settlement period is based on company statistics.

The provision for claims outstanding includes a collective guarantee item which pertains to the guarantee system of statutory non-life insurance and has to be shown separately in the balance sheet. By means of the guarantee item companies provide for their joint liability should one of the companies granting these policies end up in liquidation or go bankrupt.

The provision for claims outstanding includes the equalization provision, which, too, has to be shown separately in the balance sheet.The purpose of the equalization provision is to balance the annual fluctuations of claims incurred and to maintain the insurance undertaking's solvency. The size of the equalization provision is determined on the bases of calculation prescribed by the Insurance Supervision Authority.

Confirmation of new bases of calculation has to be sought in advance. The equalization provision increases if the loss ratio is less than the average for previous years, and decreases if the loss ratio exceeds that average. Moreover, an amount calculated in accordance with confirmed bases must be transferred to the equalization provision. This amount can, for the class of insurance concerned, be 0% to 15% of earned premiums, net of reinsurance. In addition, the equalization provision must always be raised by an interest of four per cent calculated on the opening balance of the equalization provision.

Technical provisions are entered in the balance sheet in accordance with the net principle whereby reinsurance amounts are shown as debt

Accounting principles

deduction items. The debt and the receivable by which it is reduced cannot be set off against each other, since the creditor and debtor involved are different parties.

h) Technical provisions of life assurance and policy acquisition costs

Technical provisions are calculated separately for each life assurance contract. The rates of interest for the different types of insurance are chosen prudently on the basis of investment income from company assets. The interest rates used meet the requirements set by the Ministry of Social Affairs and Health.

Policy acquisition costs are shown under operating expenses in the profit and loss account. Part of the policy acquisition costs are deferred over future years by deducting a so-called zillmerization item from the life assurance provision or by entering a deferred acquisition cost item in the balance sheet under prepayments and accrued income. The period of amortization in zillmerization is a maximum of ten years and that of the deferred acquisition cost item a maximum of four years.

The technical provisions include a provision for bonuses. In accordance with the regulations by the Insurance Supervision Authority, bonuses comprise all benefits which are not included in the insurance company's liability on the basis of the insurance contract, such as premium rebates, additional sums insured, customer bonuses and the provision for future bonuses. The impact which the bonuses declared during the financial year have on the technical account of life assurance is determined by calculating the amount of technical provisions corresponding to these bonuses.

Technical provisions are entered in the balance sheet net of reinsurance, as in non-life insurance.

i) Principle of equity in life assurance

Chapter 13, §3 of the Insurance Companies Act provides that the so-called principle of equity has to be applied in life assurance to policies which, in accordance with the insurance contract, are entitled to bonuses granted on the basis of any surplus the portfolio may generate. According to this principle, a reasonable part of the surplus from the policies is returned as bonuses to these policies, provided that the solvency requirements do not prevent such a prodecure. As to the level of bonuses, continuity is aimed at. The principle of equity has an impact on how the difference between current and book values of investments shown in the notes on the accounts is, in the long term, divided between owners and policyholders; however, without giving the individual persons in either group the right to claim these funds.

Pohjola Life applies the principle of equity as follows:

- The company aims at crediting with-profits policies, on average, with a return (gross return before deduction of expenses) which is 1 to 2 percentage points higher than the risk-free rate for a duration comparable to that of a policy term. This is the basis on which the level and continuity of annual bonuses are determined.
- To provide for the fluctuation of asset values, the company's relative solvency, measured by the company's average solvency ratio, has been kept at 20% to 30%, depending on the phase of the economic cycle at any given time (excluding life assurance policies where the investment risk is borne by the policyholders).
- Pohjola undertakes to ensure that the solvency ratio of the Pohjola Life group on February 28, 2001, after the deduction of the dividend, is at least 10%. As per the option agreements, Suomi Mutual undertakes, on the completion of the eventual sale of Pohjola Life, to ensure that the solvency ratio of Pohjola Life is raised to a level that meets the regulatory requirements and is satisfactory to the Finnish supervision authority. Should the sale not materialize, Pohjola will be responsible for increasing Pohjola Life's solvency capital.
- The provision for bonuses can, in exceptional circumstances, be used to cover a loss resulting from a change in the bases of calculation of the technical provisions.

j) Book value of other liabilities

Other liabilities than technical provisions are entered in the balance sheet at nominal value or, if the liability concerned is tied to an index or another basis for comparison, at a higher value as per the changed basis of comparison.

k) Deferred tax liabilities and assets

In the profit and loss account, the tax paid or refunded as well as the tax to be paid or to be returned on the taxable profit is entered under tax for the financial year and tax for previous financial years.

Under Finnish accounting and tax legislation, voluntary provisions and depreciation in excess of schedule (accelerated depreciation) can be included in the annual accounts. These items are tax-deductible only if deducted also in the books. In the consolidated accounts, voluntary provisions and accelerated depreciation are included partly in profit for financial year and reserves and partly in deferred tax charge and deferred tax liability. Other deferred tax liabilities and assets have not earlier been entered in the balance sheet.

As of 2000, all deferred tax liabilities and assets pertaining to timing differences between taxable profit and accounting profit and to other temporary differences are entered in the balance sheet. The portion of deferred tax liabilities and assets originating from previous financial periods has in 2000 been entered under extraordinary items and the portion generated by differences originating from the period under review has been entered under deferred tax. The deferred tax liabilities pertaining to the revaluation reserve and translation differences have been entered directly under reserves. The most important items originate from consolidation goodwill allocated to land and buildings, from value adjustments and revaluations of investments in land and buildings, and from internal gains and losses. Deferred tax liability is also included in the difference between current and book values of investments shown in the notes on the accounts. No tax liability is included in unrealized gains on investments entered in the profit and loss account because these are accounted for as taxable profit for the write-up year and the depreciation and value adjustment made on them are correspondingly deducted from the taxable profit.

As of 1999, deferred tax liability has been deducted from the difference between current and book values of investments included in solvency margin, solvency capital and key ratios, in a manner specified in section a. The deferred tax liability is shown in accordance with the tax rate valid at the time of closing the accounts. The tax rate applied is 29% (28% in 1996 to1998).

l) Solvency margin and solvency capital

The Insurance Supervision Authority monitors the solvency of insurance companies. The main indicator used is solvency margin which refers to the difference between assets and liabilities assessed at current value applying the principle of prudence, the difference being increased by subordinated loans which meet certain criteria. Solvency margin and capital and reserves have to meet the requirements set in the Insurance Companies Act. Moreover, the total amount of solvency margin and equalization provision, i.e. solvency capital, has to remain within the regulatory limits, depending on the investment and underwriting risks involved. Solvency margin and solvency capital are shown in the notes on the accounts.

m) Items in foreign currencies

Transactions in foreign currencies are entered at the rate quoted on the date of the transaction. Receivables and liabilities unsettled at the end of the financial year and current values of investments denominated in foreign currencies are translated into euros at the rates quoted by the Bank of Finland on December 31. Exchange gains and losses arising

Accounting principles

during the financial year and at year-end are entered in the profit and loss account as adjustments of the income and charges concerned or as investment income or charges, provided that the exchange gains/losses pertain to financing transactions.

The balance sheet items of foreign subsidiaries and associated undertakings are translated into euros at the rate quoted by the Bank of Finland at the balance-sheet date and the profit and loss account items at the average rate for the accounting period. The difference resulting from applying the average rate to the profit and loss account is entered in the consolidated non-restricted reserves. The translation differences pertaining to capital and reserves are stated partly under restricted and partly under non-restricted capital and reserves.

n) Activity-based profit and loss account

Insurance undertakings' profit and loss account layout requires activity-based cost accounting. Operating expenses and depreciation on intangible assets and on machinery and equipment are included, by activity, in the profit and loss account items. Claims management expenses are included in claims paid; investment management expenses in investment charges. Only expenses for policy acquisition and portfolio administration as well as general administrative expenses are shown under operating expenses. Commissions received in ceded reinsurance are deducted from operating expenses. Expenses corresponding to services sold to other companies and holding operations expenses are included in other charges. Scheduled depreciation on buildings is shown as investment charges.

In the consolidated profit and loss account, all items are shown after inter-group eliminations. The Pohjola Life sub-group's and Seesam Life's share of the net investment income calculated in this manner is transferred from the non-technical account to the life assurance technical account.

o) Information by segment

In the analyses by segment, the subsidiaries transacting non-life insurance and their sub-groups, the parent's non-life insurance operations and foreign associated undertakings are included in the non-life insurance segment. The life assurance segment is composed of the Pohjola Life sub-group and of holdings related to foreign life assurance. The rest pertains to the holding operations segment.

With the exception of dividends, transactions between segments have not been eliminated as of 1999.

Of the consolidated solvency capital, the solvency capital shown in the accounts of the Pohjola Life sub-group and Seesam Life is stated separately as pertaining to the life assurance segment. The solvency capital of the non-life insurance segment equals the solvency capital as stated in the accounts of the non-life subsidiaries, increased by the minimum solvency margin of the reinsurance business of the parent company. The rest of the Group's solvency capital pertains to the holding operations segment.

p) Definition of key ratios

General

The key ratios are consolidated data and comply with the decision issued by the Ministry of Finance and the related guidelines issued by the Ministry of Social Affairs and Health specifying that decision.

In its rules of June 21, 2000, the Ministry of Social Affairs and Health gave insurance companies permission to deviate from the regulations of the decision by the Ministry of Finance, in respect of the following:

- The market values of securities subject to public trading are not specified by balance-sheet item since the total current value of each balance-sheet item is shown in the notes on the accounts.
- Volume of orders, research and development costs and gross investments in fixed assets are not indicated owing to the special nature of insurance
- Return on invested capital is replaced by return on assets.

The accounting of deferred tax liability is described in sections a and k.

Turnover =

Non-life insurance

\+ Premiums earned before reinsurers' share
\+ Investment income
\+ Other income
\+ Unrealized gains insofar as materialized in connection with realizations

Life assurance

\+ Premiums written before reinsurers' share
\+ Investment income and unrealized gains/losses
\+ Other income

Premiums written =

Premiums written before reinsurers' share

Operating profit or loss =

Non-life insurance

± Profit or loss before change in equalization provision, unrealized gains or losses on investments, extraordinary items and tax

Life assurance

± Profit or loss before change in equalization provision, bonuses and rebates, extraordinary items and tax

Return on equity at current values (%) =

± Profit or loss before extraordinary items and tax
± Revaluation entered in/withdrawn from revaluation reserve
± Change in difference between current and book values of investments (incl. consolidation goodwill)
\- Tax
± Change in deferred tax liability on difference between current and book values of investments

x 100

\+ Capital and reserves
\+ Minority interest
± Difference between current and book values of investments (incl. consolidation goodwill)
\- Deferred tax liability on difference between current and book values of investments
(average of Jan. 1 and closing date)

The bonuses provided in life assurance in accordance with the company's target are included in the technical provisions. Any amounts attributable to policyholders and pertaining to the capital and reserves and difference between current and book values of investments of Pohjola Life have not been separated in the calculation (see item i 'Principle of equity').

Return on assets excl. unit-linked insurance at current values (%) =

± Operating profit or loss
\+ Interest on and charges for loans
\+ Interest assumption of technical provisions
± Unrealized gains and losses of investments (non-life insurance)
± Revaluation entered in/withdrawn from revaluation reserve
± Change in difference between current and book values of investments (incl. consolidation goodwill)

x 100

\+ Balance-sheet total
\- Technical provisions for unit-linked insurance
± Difference between current and book values of investments (incl. consolidation goodwill)
(average of Jan. 1 and closing date)

Accounting principles

Equity to balance-sheet total at current values (%) =

+ Capital and reserves
+ Minority interest
± Difference between current and book values of investments (incl. consolidation goodwill)
- Deferred tax liability on difference between current and book values of investments

x 100

+ Balance-sheet total
± Difference between current and book values of investments (incl. consolidation goodwill)

Average number of employees =

Average of number of employees at the end of each month. The figure is adjusted by the number of employees working on a part-time basis only.

Loss ratio (%) (non-life insurance) =

Claims incurred / Earned premiums x 100

Expense ratio (%) (non-life insurance) =

Operating expenses / Earned premiums x 100

Combined ratio (%) (non-life insurance) =

Loss ratio + expense ratio

Expense ratio (%) (life assurance) =

+ Operating expenses before change in deferred policy acquisition costs
+ Claims settlement expenses

x 100

Expense loading

Expense loading is an item covering expenses as per the bases of calculation.

Solvency margin =

+ Capital and reserves after deduction of proposed distribution of profit
± Difference between current and book values of investments
± Deferred tax liability
+ Subordinated loans
- Intangible assets
± Other items required by ordinance

Solvency capital =

Solvency margin + equalization provision + minority interest

Solvency capital as percentage of technical provisions (non-life insurance) =

Solvency capital

x 100

+ Technical provisions
- Equalization provision

Solvency ratio (%) (non-life insurance) =

Solvency capital / Earned premiums for 12 months x 100

Solvency ratio (%) (life assurance) =

Solvency capital

x 100

+ Technical provisions
- Equalization provision
- 75% of technical provisions for unit-linked insurance

Earnings/share =

± Profit or loss before extraordinary items and tax
- Tax
- Minority shares of above items

Adjusted average number of shares

Capital and reserves/share =

Capital and reserves / Adjusted number of shares at closing date

The bonuses provided in life assurance in accordance with the company's target are included in the technical provisions. Any amounts attributable to policyholders and pertaining to the capital and reserves of Pohjola Life have not been separated in the calculation (see item i 'Principle of equity').

Net asset value/share at current values =

+ Capital and reserves
± Difference between current and book values of investments (incl. consolidation goodwill)
- Deferred tax liability on difference between current and book values of investments
- Minority share of difference between current and book values of investments

Adjusted number of shares at closing date

The bonuses provided in life assurance in accordance with the company's target are included in the technical provisions. Any amounts attributable to policyholders and pertaining to the capital and reserves and difference between current and book values of investments of Pohjola Life have not been separated in the calculation (see item i 'Principle of equity').

Dividend/share =

Dividend for financial year / Adjusted number of shares at closing date

Dividend/earnings (%) =

Dividend/share / Earnings/share x 100

Effective dividend yield (%) =

Dividend/share / Adjusted average share price weighted by trading volumes of last trading day of financial year x 100

Price/earnings ratio =

Adjusted average share price weighted by trading volumes of last trading day of financial year / Earnings/share

Adjusted average share price =

Total turnover of shares in euros / Adjusted average number of traded shares

Adjusted share price, lowest and highest =

Lowest and highest share price in public trading

Adjusted share price on Dec. 31 =

Average share price weighted by trading volumes of last trading day of financial year

Market capitalization =

Number of shares at closing date x average share price weighted by trading volumes of last trading day of financial year

Development of turnover =

Number of shares traded during financial year and their percentage of average number of all shares in the series

2. Balance on technical account by group of insurance classes/non-life insurance

Balance on technical account before change in collective guarantee item and equalization provision	Group					
	Premiums written (before reinsurers' share)	Premiums earned (before reinsurers' share)	Claims incurred (before reinsurers' share)	Operating expenses (before reinsurance commissions and profit participation)	Reinsurance balance	Balance on technical account
Direct insurance						
Statutory workers' compensation						
2000	137.8	138.1	-116.1	-8.7	-	13.3
1999	143.9	143.9	-131.3	-7.9	-	4.7
1998	160.2	159.9	-137.5	-8.0	-	14.4
Other accident and health						
2000	37.4	37.6	-31.2	-11.1	-0.3	-5.0
1999	43.6	42.9	-33.9	-13.4	-0.5	-4.9
1998	41.9	40.6	-31.3	-11.8	-2.3	-4.8
Motor, third party liability						
2000	92.5	90.8	-96.4	-21.8	-0.3	-27.7
1999	88.7	84.9	-109.5	-18.2	-	-42.8
1998	80.4	76.8	-88.1	-16.7	0.1	-27.9
Motor, other classes						
2000	73.0	72.4	-52.9	-18.0	-	1.5
1999	70.6	68.5	-51.9	-14.9	-	1.7
1998	65.9	64.6	-47.1	-12.6	-	4.9
Marine, aviation and transport						
2000	27.2	27.0	-21.3	-8.7	-1.1	-4.1
1999	30.3	30.1	-16.1	-9.5	-4.2	0.3
1998	31.1	31.1	-16.4	-9.4	-3.2	2.1
Fire and other damage to property						
2000	103.9	103.3	-73.8	-35.7	-5.0	-11.2
1999	108.1	106.1	-81.5	-32.4	3.3	-4.5
1998	108.8	107.3	-84.7	-35.8	5.8	-7.4
Third party liability						
2000	31.1	28.8	-24.8	-5.7	-0.9	-2.6
1999	29.3	22.8	-21.2	-5.4	-0.2	-4.0
1998	31.3	28.2	-23.8	-5.3	-2.9	-3.8
Miscellaneous						
2000	21.1	19.9	-13.5	-5.6	0.6	1.4
1999	19.7	19.6	-17.1	-6.6	3.8	-0.3
1998	17.2	16.7	-12.3	-6.1	1.3	-0.4
Direct insurance in total						
2000	524.0	517.9	-430.0	-115.3	-7.0	-34.4
1999	534.2	518.8	-462.5	-108.3	2.2	-49.8
1998	536.8	525.2	-441.2	-105.7	-1.2	-22.9
Reinsurance						
2000	27.2	25.8	-75.8	-6.8	36.1	-20.7
1999	29.4	31.3	-35.3	-9.2	-0.3	-13.5
1998	31.8	29.7	3.7	-9.9	-6.3	17.2
Total						
2000	551.2	543.7	-505.8	-122.1	29.1	-55.1
1999	563.6	550.1	-497.8	-117.5	1.9	-63.3
1998	568.6	554.9	-437.5	-115.6	-7.5	-5.7

Balance on technical account by group of insurance classes/non-life insurance

Group

	Premiums written (before reinsurers' share)	Premiums earned (before reinsurers' share)	Claims incurred (before reinsurers' share)	Operating expenses (before reinsurance commissions and profit participation)	Reinsurance balance	Balance on technical account
Change in collective guarantee item						
2000						-1.0
1999						-0.9
1998						-0.9
Change in equalization provision						
2000						-14.3
1999						-6.4
1998						-64.9
Total						
2000						-70.4
1999						-70.6
1998						-71.5

Parent company

Balance on technical account before change in collective guarantee item and equalization provision	Premiums written (before reinsurers' share)	Premiums earned (before reinsurers' share)	Claims incurred (before reinsurers' share)	Operating expenses (before reinsurance commissions and profit participation)	Reinsurance balance	Balance on technical account
Direct insurance in total						
2000	-	-	-0.2	-	0.2	-
1999	-	-	-0.3	-	0.3	-
1998	364.2	261.1	-217.6	-46.7	-9.0	-12.2
Reinsurance						
2000	21.5	20.7	-65.6	-5.2	37.7	-12.4
1999	21.6	25.5	-26.7	-7.5	2.8	-5.9
1998	40.3	37.3	-12.9	-11.5	-5.5	7.4
Total						
2000	21.5	20.7	-65.8	-5.2	37.9	-12.4
1999	21.6	25.5	-27.0	-7.5	3.1	-5.9
1998	404.5	298.4	-230.5	-58.2	-14.5	-4.8
Change in collective guarantee item						
2000						-
1999						-
1998						-0.4
Change in equalization provision						
2000						10.1
1999						2.7
1998						-40.5
Total						
2000						-2.3
1999						-3.2
1998						-45.7

3. Premiums written of non-life insurance

	Group		Parent company	
	2000	1999	**2000**	1999
Direct insurance				
In Finland	523.4	533.9	-	-
In EEA countries	-	0.4	-	-
In other countries	0.6	-	-	-
Total	524.0	534.3	-	-
Reinsurance				
Non-life insurance	22.0	24.2	21.5	21.6
Life assurance	5.2	5.1	-	-
Total	27.2	29.3	21.5	21.6
Total (before reinsurers' share)	551.2	563.6	21.5	21.6
Items deducted from premiums written				
Credit loss on premiums	4.9	4.9	-	-
Premium tax	69.0	67.4	-	-
Public charges and fees				
Fire brigade charge	1.1	1.1	-	-
Road safety charge	1.1	1.1	-	-
Occupational safety charge	2.5	2.7	-	-
Medical treatment fee forwarded to the State	11.9	13.3	-	-
	90.5	90.5	-	-

4 . Premiums written of life assurance

	Group	
	2000	1999
Direct insurance		
In Finland	334.8	389.3
In other countries	3.1	0.9
Total	337.9	390.2
Reinsurance		
Life assurance	0.1	0.1
Total (before reinsurers' share)	338.0	390.3
Items deducted from premiums written		
Credit loss on premiums	-	-
Specification of premiums written, direct insurance		
Life assurance		
Life assurance policies where the investment risk is borne by the policyholders	63.5	41.9
Capital redemption policy	96.4	122.8
Other individual life assurance	62.0	57.2
Employees' group life assurance	2.5	2.6
Other group life assurance	5.5	4.5
Total	229.9	229.0
Pension insurance		
Individual pension insurance policies where the investment risk is borne by the policyholders	15.6	9.3
Other individual pension insurance	55.9	56.9
Group pension insurance	36.5	95.0
Total	108.0	161.2
Total	337.9	390.2
Periodic premiums	129.7	117.0
Single premiums	208.2	273.2
Total	337.9	390.2
Premiums from non-bonus contracts	-	-
Premiums from bonus contracts	246.0	328.0
Premiums from contracts where the investment risk is borne by the policyholders	91.9	62.2
Total	337.9	390.2

5. Claims paid of life assurance and bonuses and rebates

	Group	
	2000	1999
Claims paid		
Direct insurance		
Claims paid		
Life assurance	88.9	84.9
Pension insurance	48.1	42.7
Total	137.0	127.6
Surrenders		
Life assurance	48.8	28.1
Pension insurance	5.5	5.9
Total	54.3	34.0
Claims settlement expenses		
Life assurance	1.8	0.7
Pension insurance	0.7	0.7
Total	2.5	1.4
Direct insurance in total	193.8	163.0
Reinsurance	-	-
Total	193.8	163.0
Bonuses and rebates		
Effect on balance on technical account of bonuses and rebates declared in financial year	42.2	26.0

6. Operating expenses by profit and loss account item and by activity

	Group		Parent company	
	2000	1999	**2000**	1999
Non-life insurance				
Claims paid				
Claims settlement expenses	41.2	39.8	0.8	0.8
Operating expenses				
Acquisition costs				
Direct insurance commissions	4.8	5.0	-	-
Commissions and profit participation, assumed reinsurance	3.5	5.1	3.5	5.1
Other acquisition costs	34.4	35.6	0.2	0.4
Total	42.7	45.7	3.7	5.5
Portfolio administration expenses	55.5	57.4	0.7	1.0
Other administrative expenses	23.9	14.4	0.9	1.1
Commissions and profit participation, ceded reinsurance	-4.1	-6.3	-1.3	-2.3
Operating expenses in total	118.0	111.2	4.0	5.3
Investment charges				
Investment management expenses (own organization)	2.3	2.9	0.1	-
Other charges				
Expenses for services sold	6.7	7.7	31.3	43.2
Non-life insurance in total	168.2	161.6	36.2	49.3

Operating expenses by profit and loss account item and by activity

	Group		Parent company	
	2000	1999	**2000**	1999
Life assurance				
Claims paid				
Claims settlement expenses	2.4	1.4		
Operating expenses				
Acquisition costs				
Direct insurance commissions	3.1	2.1		
Other acquisition costs	10.3	10.6		
Total	13.4	12.7		
Change in deferred acquisition costs	-0.9	-0.3		
Portfolio administration expenses	8.2	7.5		
Other administrative expenses	3.1	2.4		
Commissions and profit participation, ceded reinsurance	-	-		
Operating expenses in total	23.8	22.3		
Investment charges				
Investment management expenses (own organization)	1.2	1.2		
Other charges				
Expenses for services sold	3.8	4.3		
Life assurance in total	31.2	29.2		
Holding operations				
Investment charges				
Investment management expenses (own organization)	0.2	0.6	0.2	0.6
Other charges				
Administrative expenses	13.4	8.7	13.4	8.7
Expenses for services sold	13.1	7.5	-	0.3
Holding operations in total	26.7	16.8	13.6	9.6
Operating expenses in total	226.1	207.6	49.8	58.9
Operating expenses include				
Scheduled depreciation on intangible assets and on machinery and equipment	14.4	14.3	5.4	6.3
Depreciation on goodwill	0.4	0.6	-	-
Gains and losses on realization of intangible assets and of machinery and equipment	-0.1	0.1	-	-

7. Specification of staff expenses, staff and members of corporate organs

	Group		Parent company	
	2000	1999	**2000**	1999
Staff expenses in profit and loss account				
Salaries and remunerations	89.9	86.6	7.4	13.1
Pension expenses	14.9	17.6	0.2	2.8
Other social expenses	7.3	7.6	0.6	1.3
Total	112.1	111.8	8.2	17.2
Average number of employees during financial year				
Office staff	2 355		164	
Sales staff	278		-	
Real estate management staff	71		63	
Total	2 704	2 720	227	407
Information on Board members, Presidents and Managing Directors				
Salaries and remunerations paid to Board members by reason of their responsibilities	0.2	0.2	0.2	0.1
Salaries and remunerations paid to the Presidents and Managing Directors by reason of their responsibilities	1.4	2.0	0.5	1.5
Total	1.6	2.2	0.7	1.6

No money loans have been granted to Board members, Presidents or Managing Directors.

No security or financial commitments have been made regarding Board members, Presidents or Managing Directors.

No pension commitments have been made for the benefit of Board members by reason of their responsibilities.

The retirement age of the President of the parent company is 60 years and his pension will amount to 60% his pensionable salary under TEL (TEL=Employees' Pensions Act). In the event that the company gives the President notice of termination of his contract of service, the notice period is 12 months, after which the President is entitled to an immediately commencing pension of the above size. The previous President and his deputy have the right to retire on a full 60% pension once they have reached the age of 58.

Certain Presidents of subsidiaries have the right to retire on a full 60% TEL pension once they have reached the age of 60. Certain previous Board members have the corresponding right. Other Presidents and Managing Directors of subsidiaries have the right to retire on a full 60% TEL pension once they have reached the age of 63, provided that they at that age have at least 30 years of service.

8. Net investment income

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Investment income				
Income from affiliated undertakings				
Dividends	-	-	685.7	44.7
Other income	-	-	0.3	0.3
Total	-	-	686.0	45.0
Income from participating interests				
Dividends	-	-	1.3	1.4
Interest	0.3	0.2	-	-
Total	0.3	0.2	1.3	1.4
Income from land and buildings				
Dividends				
Other	0.2	0.3	-	-
Other				
Affiliated undertakings	-	-	-	0.1
Other	23.2	29.9	-	-
Total	23.4	30.2	-	0.1
Income from other investments				
Dividends	106.7	91.5	15.9	22.5
Interest				
Affiliated undertakings	-	-	1.0	0.7
Other	176.5	119.2	31.8	7.9
Other	8.6	5.0	1.1	1.0
Total	291.8	215.7	49.8	32.1
Total	315.5	246.1	737.1	78.6
Value re-adjustments on investments	21.6	46.2	1.3	6.2
Gains on realization of investments	1 240.5	1 246.8	158.3	1 038.8
Investment income in total	1 577.6	1 539.1	896.7	1 123.6
Investment charges				
Charges for land and buildings	15.4	18.4	-	0.1
Charges for other investments	9.1	4.5	1.1	0.9
Interest and other financing charges				
Affiliated undertakings	-	-	1.3	0.7
Other	2.9	4.3	0.9	0.8
Total	27.4	27.2	3.3	2.5
Value adjustments and depreciation				
Value adjustments on investments	144.6	73.6	3.2	0.5
Scheduled depreciation on buildings	6.8	8.4	-	-
Depreciation on unallocated consolidation goodwill	0.3	-	-	-
Total	151.7	82.0	3.2	0.5
Losses on realization of investments	76.1	21.0	29.4	0.2
Investment charges in total	255.2	130.2	35.9	3.2
Net investment income before unrealized gains and losses	1 322.4	1 408.9	860.8	1 120.4
Unrealized gains on investments	13.6	1 604.9	-	1 565.4
Unrealized losses on investments	-18.3	-0.9	-	-
Net investment income in profit and loss account	1 317.7	3 012.9	860.8	2 685.8
Net investment income of contracts where the investment risk is borne by the policyholders	-21.0	37.3	-	-

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9. Income and charge items affecting comparability of profit/loss

	Group		Parent company	
	2000	1999	**2000**	1999
Non-life insurance				
Change in provision for claims outstanding (after reinsurers' share)				
Change in bases of technical provisions	-8.8	-22.1	-	-
Life assurance				
Unrealized gains on investments (other than those due to valuation principle)	10.3	-		
Holding operations				
Unrealized gains on investments (other than those due to valuation principle)	-	1 565.4	-	1 565.4

10. Grounds for scheduled depreciation

Buildings and constructions

Scheduled depreciation is calculated, per building, on acquisition cost and on write-up released to income as unrealized gains, in accordance with the straight-line depreciation method applying the following estimated useful lives of buildings. The depreciation periods and corresponding annual depreciation percentages are on the average:

Housing	50 years	2%
Offices and hotels	30-50 years	2-3.3%
Business and industrial premises	20-50 years	2-5%
Building fixtures	10-15 years	6.7-10%
Repair and renovation	10-20 years	5-10%
Other assets	10 years	10%
Write-up through unrealized gains	As for buildings	
Revaluation entered in revaluation reserve	No depreciation	

Intangible assets, machinery and equipment

Scheduled depreciation is calculated on the acquisition cost per commodity (in previous years partly per group of commodities) in accordance with the straight-line depreciation method applying the following estimated useful lives of groups of commodities. The depreciation periods and corresponding annual depreciation percentages are:

Intangible rights (software)	5 years	20%
Goodwill	10 years	10%
Unallocated consolidation goodwill	5 years or as for corresponding allocated consolidation goodwill	20%
IT systems work expenses	5 years	20%
Long-term expenses pertaining to investments in land and buildings	10 years	10%
IT workstations	3 years	33.3%
Transport facilities and other hardware	5 years	20%
Other machinery and equipment	10 years	10%

The 10-year depreciation period of goodwill is based on the permanence of the insurance portfolio and on the long duration of the contracts.

11. Changes in intangible assets and in machinery and equipment

	Group				
	Intangible rights	Goodwill	Unallocated consolidation goodwill	Other long-term expenses	Machinery and equipment
Acquisition cost Jan. 1, 2000	21.0	27.0	124.0	12.1	41.8
From allocated consolidation goodwill (deferred tax)	-	-	9.0	-	-
Increase	3.7	-0.5	-	0.7	5.5
Decrease	-	-	0.7	-0.3	-0.9
Acquisition cost Dec. 31, 2000	24.7	26.5	133.7	12.5	46.4
Accumulated depreciation Jan. 1, 2000	-7.3	-18.5	-62.4	-2.9	-21.9
From allocated consolidation goodwill (deferred tax)	-	-	-0.8	-	-
Accumulated depreciation related to decrease and transfers	-	-	-	0.3	0.6
Depreciation in financial year	-4.5	-1.3	-25.0	-3.0	-6.9
Accumulated depreciation Dec. 31, 2000	-11.8	-19.8	-88.2	-5.6	-28.2
Book value Dec. 31, 2000	12.9	6.7	45.5	6.9	18.2
Book value Dec. 31, 1999	13.7	8.4	61.6	9.2	19.9
Consolidation goodwill (asset) Dec. 31, 2000			45.6		
Consolidation goodwill (liability) Dec. 31, 2000			-0.1		
Total Dec. 31, 2000			45.5		
Depreciation on consolidation goodwill (asset)			-25.0		
Decrease in consolidation goodwill (liability)			-		
Total			-25.0		

	Parent company				
	Intangible rights	Goodwill	Unallocated consolidation goodwill	Other long-term expenses	Machinery and equipment
Acquisition cost Jan. 1, 2000	9.8			0.2	23.1
Increase	2.9			0.7	2.2
Decrease	-0.1			-	-4.7
Acquisition cost Dec. 31, 2000	12.6			0.9	20.6
Accumulated depreciation Jan. 1, 2000	-2.5			-	-14.1
Accumulated depreciation related to decrease and transfers	-			-	2.5
Depreciation in financial year	-2.0			-0.1	-3.4
Accumulated depreciation Dec. 31, 2000	-4.5			-0.1	-15.0
Book value Dec. 31, 2000	8.1			0.8	5.6
Book value Dec. 31, 1999	7.3			0.2	9.0

12. Investments: current value, book value and their difference

	Group					
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
	2000	**2000**	**2000**	1999	1999	1999
Investments in land and buildings						
Land and buildings	160.4	179.3	228.4	210.2	236.5	296.9
Shares in land and buildings related to participating interests	13.2	13.2	14.3	13.6	13.6	14.4
Other shares in land and buildings	18.2	18.2	18.8	29.9	29.9	31.2
Investments in affiliated undertakings						
Shares	2.7	2.7	2.7	1.1	1.1	1.2
Investments in participating interests						
Shares in associated undertakings	11.8	12.3	11.9	11.8	11.5	11.7
Participating interests	0.2	0.2	0.2	0.2	0.2	0.2
Debt securities	1.6	1.6	1.7	-	-	-
Other investments						
Shares	1 443.0	1 457.4	3 032.2	1 464.8	3 034.4	5 682.8
Debt securities	2 795.6	2 796.0	2 842.1	2 627.4	2 627.5	2 662.3
Other loans	0.8	0.8	0.8	0.8	0.8	0.8
Deposits with credit institutions	41.4	41.4	41.4	47.0	47.0	47.0
Deposits with ceding undertakings	7.1	7.1	7.1	7.1	7.1	7.1
	4 496.0	4 530.2	6 201.6	4 413.9	6 009.6	8 755.6
Land and buildings and shares therein, occupied by company	67.4	72.8	80.1	69.8	75.2	81.9
Remaining acquisition cost of debt securities includes that difference between the amount repayable at maturity and purchase price which has been released to interest income (+) or charged to interest income (-)	-24.9			-32.3		
Book value includes						
Unrealized gains entered in profit and loss account		23.4			1 584.3	
Revaluation entered in revaluation reserve		10.3			11.8	
		33.7			1 596.1	
For unrealized gains and revaluation, see section 1 e of notes on the accounts						
Difference between current and book values			1 671.4			2 746.0

	Parent company					
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
	2000	**2000**	**2000**	1999	1999	1999
Investments in land and buildings						
Other shares in land and buildings	0.1	0.1	0.1	0.1	0.1	0.1
Investments in affiliated undertakings						
Shares	313.2	313.2	315.2	307.3	307.3	309.2
Loans	1.5	1.5	1.5	-	-	-
Investments in participating interests						
Shares	9.1	9.1	9.2	8.9	8.9	9.0
Other investments						
Shares	128.5	129.7	1 016.1	160.7	1 727.3	2 533.5
Debt securities	37.7	37.7	39.3	758.1	758.1	759.6
Other loans	0.1	0.1	0.1	0.1	0.1	0.1
Deposits with credit institutions	11.0	11.0	11.0	18.9	18.9	18.9
Deposits with ceding undertakings	0.5	0.5	0.5	0.4	0.4	0.4
	501.7	502.9	1 393.0	1 254.5	2 821.1	3 630.8
Land and buildings and shares therein, occupied by company	0.1	0.1	0.1	-	-	-
Remaining acquisition cost of debt securities includes that difference between the amount repayable at maturity and purchase price which has been released to interest income (+) or charged to interest income (-)	-3.2			-1.4		
Book value includes						
Unrealized gains entered in profit and loss account		1.2			1 566.6	
For unrealized gains, see section 1 e of notes on the accounts						
Difference between current and book values			890.1			809.7

13. Investments in land and buildings

	Group		Parent company	
	2000	1999	**2000**	1999
Land and buildings and shares therein				
Acquisition cost Jan. 1	365.9	480.6	0.1	0.6
Increase	5.4	5.0	-	-
Decrease	-88.6	-119.7	-	-0.5
Acquisition cost Dec. 31	282.7	365.9	0.1	0.1
Unrealized gains and revaluation Jan. 1	37.0	45.5	-	-
Increase	-	-	-	-
Decrease	-12.0	-8.5	-	-
Unrealized gains and revaluation Dec. 31	25.0	37.0	-	-
Accrued depreciation Jan. 1	-80.1	-91.7	-	-
Accrued depreciation related to decrease and transfers	22.7	20.1	-	-
Depreciation in financial year	-6.8	-8.5	-	-
Accrued depreciation Dec. 31	-64.2	-80.1	-	-
Value adjustments Jan. 1	-42.9	-55.8	-	-
Value adjustments related to decrease and transfers	16.8	17.1	-	-
Value adjustments in financial year	-6.9	-4.1	-	-
Value re-adjustments	0.2	-	-	-
Value adjustments Dec. 31	-32.8	-42.8	-	-
Book value Dec. 31	210.7	280.0	0.1	0.1

14. Investments in affiliated undertakings

	Group		Parent company	
	2000	1999	**2000**	1999
Shares				
Acquisition cost Jan. 1	1.1	2.2	310.9	308.1
Increase	3.0	1.1	7.8	4.4
Decrease	-	-1.1	-0.3	-0.5
Transfers between items	-1.1	-1.1	-	-1.1
Acquisition cost Dec. 31	3.0	1.1	318.4	310.9
Value adjustments Jan. 1	-	-	-3.6	-9.3
Value adjustments related to decrease and transfers	-	-	-	-
Value adjustments in financial year	-0.3	-	-2.8	-
Value re-adjustments	-	-	1.2	5.7
Value adjustments Dec. 31	-0.3	-	-5.2	-3.6
Book value Dec. 31	2.7	1.1	313.2	307.3
Loans				
Acquisition cost Jan. 1	-	-	-	-
Increase	-	-	4.7	-
Decrease	-	-	-3.2	-
Acquisition cost Dec. 31	-	-	1.5	-

15. Investments in participating interests

	Group		Parent company	
	2000	1999	**2000**	1999
Shares				
Acquisition cost and equity-method adjustments related to associated undertakings Jan. 1	11.6	9.3	9.0	7.8
Increase	0.8	1.2	0.1	0.1
Transfers between items	-	1.1	-	1.1
Acquisition cost and equity-method adjustments related to associated undertakings Dec. 31	12.4	11.6	9.1	9.0
Accumulated depreciation (consolidation goodwill) Jan. 1	0.1	-	-	-
Accrued depreciation related to decrease and transfers	-	0.1	-	-
Accumulated depreciation (consolidation goodwill) Dec. 31	0.1	0.1	-	-
Value adjustments Jan. 1			-0.1	-0.2
Value adjustments related to decrease and transfers	-	-	0.1	-
Value adjustments in financial year	-	-	-	-
Value re-adjustments	-	-	-	0.1
Value adjustments Dec. 31	-	-	-	-0.1
Book value Dec. 31	12.5	11.7	9.1	8.9
Non-depreciated consolidation goodwill (asset) Dec. 31	-	-		
Consolidation goodwill (liability) not released to income Dec. 31	0.1	0.1		
Debt securities				
Acquisition cost Jan. 1	-	-		
Increase	1.7	-		
Acquisition cost Dec. 31	1.7	-		
Value adjustments Jan. 1	-	-		
Value adjustments in financial year	-0.1	-		
Value adjustments Dec. 31	-0.1	-		
Book value Dec. 31	1.6	-		

16. Other loans specified by security

	Group		Parent company	
	2000	1999	**2000**	1999
Insurance policy	0.7	0.7	-	-
Other	0.1	0.1	0.1	0.1
Total	0.8	0.8	0.1	0.1

Loans do not include inner-circle loans.

17. Investments for the benefit of life assurance policyholders who bear the investment risk

	Group			
	Acquisition cost	Current value (= book value)	Acquisition cost	Current value (= book value))
	2000	**2000**	1999	1999
Shares and fund units	181.1	194.9	107.7	149.8
Invested in advance	-3.7	-3.8	-4.1	-5.5
Investments covering technical provisions for life assurance policies where the investment risk is borne by the policyholders	177.4	191.1	103.6	144.3
Cash at bank and in hand and other receivables include not as yet invested net premiums of policies valid and paid at accounting date		1.7		-

18. Holdings in other undertakings

Name of company	Last annual accounts Profit/loss	Last annual accounts Capital and reserves	Domicile	Percentage of shares/votes	Group 2000 Book value	Parent company 2000 Book value
Affiliated undertakings						
Bothnia International Insurance Company Ltd.			Helsinki	100.00		21.0
Eurooppalainen Insurance Company Ltd			Helsinki	100.00		
Northclaims Oy			Helsinki	100.00		
Pohjola Life Assurance Company Ltd			Helsinki	100.00		188.3
Pohjola Non-Life Insurance Company Ltd			Helsinki	100.00		67.3
Moorgate Insurance Company Limited			United Kingdom	100.00		13.2
Seesam Life Insurance Company Limited			Estonia	99.00		3.4
Russia Life Investments Limited			United Kingdom	67.50		0.9
Finnish Insurance Services Oy			Helsinki	85.71		0.0
Osmo Oy			Helsinki	100.00		0.0
Pohjola Insurance Service Ltd			Helsinki	100.00		3.2
Pohjola International Consulting Ltd			Helsinki	100.00		0.0
Pohjola Customer Service Ltd			Helsinki	100.00		10.3
Pohjolan Atk-palvelu Oy			Helsinki	40/60		1.5
Pohjolan Systeemipalvelu Oy			Helsinki	100.00		1.7
Affiliated undertakings, stated at cost						
Varma Mutual Insurance Company (in liquidation)	0.0	-0.3	Helsinki	100.00	0.0	0.0
Joint Stock Life Insurance Company “Seesam Life Latvia”	0.0	2.8	Latvia	90.00	2.6	2.3
Pohjola Insurance Consulting Polska S.A.			Poland	100.00	0.0	0.0
Pohjola Life Insurance Consulting Polska S.A.			Poland	100.00	0.1	0.1
					2.7	313.2
Participating interests						
Associated undertakings, accounted for by the equity method						
Autovahinkokeskus Oy			Helsinki	22.93	0.7	
Joint-stock Insurance Company “Seesam Latvia”			Latvia	45.00	1.5	0.7
Joint Stock Insurance Company “Seesam Lithuania”			Lithuania	44.42	0.2	0.5
Seesam International Insurance Company Ltd			Estonia	49.00	1.8	1.0
Standard Union Reassurance S.A.			Luxembourg	50.00	0.6	
Vahinkopalvelu Oy			Helsinki	46.67	0.6	
Virtuaalinen Suomi Oy			Helsinki	47.50	0.0	
Associated undertaking, stated at cost						
Ilmarinen Mutual Pension Insurance Company	4.9	117.9	Helsinki	67.14/ 23.37	6.9	6.9
					12.3	9.1
Participating interest, stated at cost						
Euro-Center Holding A/S	0.2	1.4	Denmark	16.67	0.2	-
Associated undertakings (real estate), included by proportional (50%) consolidation						
Asunto Oy Helsingin Korppaanmäki			Helsinki	50.00	-	-
Associated undertakings (real estate), stated at cost						
Asunto Oy Einonkatu 8	0.0	0.2	Imatra	42.77	0.4	
Bostads Ab Ekenäs Stationsvägen 10	0.0	0.6	Tammisaari	20.19	0.1	
Asunto Oy Espoon Haukitie 2	0.0	0.7	Espoo	50.00	0.3	
Kiinteistö Oy Eteläesplanadi 12	-0.1	11.0	Helsinki	27.18	6.0	
Asunto Oy Forssan Hämeentie 11	0.0	2.1	Forssa	24.58	0.5	
Asunto Oy Helsingin Korppaantie 6	0.0	1.3	Helsinki	27.01	0.0	
Joensuun Metsätalo Oy	0.0	3.2	Joensuu	20.70	0.9	
Asunto Oy Joutsenkatu 9	0.0	0.2	Lahti	50.00	0.2	
Kiinteistö Oy Kaarinan City	0.0	1.0	Kaarina	34.88	0.2	
Kiinteistö Oy Keravan Kauppakaari 1	0.0	9.6	Helsinki	43.98	2.4	
Kiinteistö Oy Kiteen Yhdyskulma	0.0	0.1	Kitee	24.42	0.2	
Asunto Oy Kukkosalama	0.0	0.2	Helsinki	26.67	0.1	
Asunto Oy Loimaan Pohjolankulma	0.0	1.3	Loimaa	27.19	0.2	
Asunto Oy Luode	0.0	0.5	Helsinki	25.54	0.5	
Sarfvik Oy	0.0	1.0	Kirkko-nummi	20.00	0.3	
Asunto Oy Veräjänmäenmutka	0.0	0.2	Helsinki	31.11	0.5	
Asunto Oy Vilkenintie 18	0.0	0.3	Helsinki	25.00	0.3	
Kiinteistö Oy Ylivieskan Asemankulma	0.0	1.2	Ylivieska	25.22	0.2	
					13.3	-

Holdings in other undertakings

Name of company	Domicile	Group 2000 Percentage of shares	Group 2000 Book value	Group 2000 Current value	Parent company 2000 Percentage of shares	Parent company 2000 Book value	Parent company 2000 Current value
Other companies							
Domestic companies, listed							
Aldata Solution Oyj	Finland	1.09	4.3	4.3			
Alma Media Corporation	Finland	4.88	14.0	14.8			
Amer Group Plc	Finland	1.21	8.2	8.4			
A-Rakennusmies Oyj	Finland	1.31	0.7	0.8			
Aspo Plc	Finland	5.90	0.9	2.6			
Aspocomp Group Plc	Finland	5.34	3.2	16.2			
Biotie Therapies Corp.	Finland	0.52	0.6	0.6			
Chips Corporation	Finland	1.09	1.6	2.4			
Comptel Plc	Finland	0.32	3.7	5.2			
Eimo Oyj	Finland	0.81	1.7	2.0			
Elisa Communications Corporation	Finland	1.17	28.6	33.4			
Finnair Oyj	Finland	1.06	4.0	4.0			
Finnlines Plc	Finland	5.21	18.7	18.7	0.73	2.6	2.6
Fortum Corporation	Finland	0.98	25.7	36.1	0.19	4.0	6.8
F-Secure Corporation	Finland	0.15	1.1	1.1			
Hartwall Plc	Finland	0.08	0.5	1.0			
Honkarakenne Oyj	Finland	3.11	0.6	0.6			
Huhtamäki van Leer Oyj	Finland	3.40	23.9	30.4	0.34	2.7	3.0
Instrumentarium Corporation	Finland	3.41	17.2	17.2			
Jaakko Pöyry Group Oyj	Finland	1.62	2.7	4.0			
JOT Automation Group Plc	Finland	0.72	3.2	3.2			
KCI Konecranes International Plc	Finland	1.20	4.9	4.9			
Kemira Oyj	Finland	2.27	15.8	15.8			
Kesko Corporation	Finland	1.98	19.2	19.2			
Kiinteistösijoitus Oyj Citycon	Finland	2.16	2.1	2.1			
Kone Corporation	Finland	6.93	15.7	104.1	3.27	4.4	49.1
Kyro Corporation	Finland	0.88	1.9	2.8			
Lassila & Tikanoja plc	Finland	7.39	10.8	21.7			
Lemminkäinen Corporation	Finland	7.62	11.2	15.8			
Lännen Tehtaat plc	Finland	2.55	1.1	2.0			
Martela Oyj	Finland	6.50	2.6	3.5			
Metso Corporation	Finland	2.56	41.3	41.3			
Nokia Corporation	Finland	0.07	16.9	159.2			
Nokian Tyres plc	Finland	2.93	5.5	5.5			
Okmetic Oyj	Finland	0.88	0.7	0.7			
Olvi plc	Finland	3.70	1.5	1.5			
Orion Corporation	Finland	2.18	29.7	35.3			
Osuuspankkien Keskuspankki Oyj	Finland	0.73	3.6	4.7			
Outokumpu Oyj	Finland	0.75	7.5	7.5			
Oyj Leo Longlife Plc	Finland	3.06	0.6	0.6			
Perlos Corporation	Finland	0.58	6.1	6.6			
PKC Group Oyj	Finland	1.22	0.6	0.6			
PMJ automec Corporation	Finland	0.64	0.8	0.8			
Polar Real Estate Corporation	Finland	1.48	0.5	0.5			
Raisio Group plc	Finland	0.42	1,4	1.4			
Rakentajain Konevuokraamo Oyj	Finland	7.80	0.9	4.2			
Rautakirja Oyj	Finland	8.61	4.9	23.2	4.07	2.0	11.0
Rautaruukki Corporation	Finland	1.77	9.4	9.4			
Sanitec Corporation	Finland	0.51	2.7	2.7			
SanomaWSOY Corporation	Finland	2.81	12.9	57.6	0.88	0.9	17.9
Silja Oyj Abp	Finland	1.88	1.0	1.0			
Sonera Corporation	Finland	0.31	35.0	44.0			
Sponda plc	Finland	0.98	3.2	3.2			
SSH Communications Security Corp	Finland	0.37	0.7	1.6			
Stockmann plc	Finland	0.88	4.7	4.7			
Stonesoft Corp.	Finland	0.23	2.0	2.0			
Stora Enso Oyj	Finland	0.18	15.8	20.2			
Spar Finland plc	Finland	4.59	1.1	1.1			
Tamfelt Corp.	Finland	3.11	4.9	4.9			
Tampere Telephone Plc	Finland	1.06	1.9	1.9			
Technopolis Plc	Finland	4.10	1.1	1.2			
Teleste Corporation	Finland	0.72	1.0	2.8			
Tietoenator Corporation	Finland	1.32	10.5	33.3	0.32	0.4	8.2
UPM-Kymmene Corporation	Finland	3.77	78.9	358.0	0.94	10.7	89.1
Uponor Oyj	Finland	1.94	11.5	14.1			
Vaisala Corporation	Finland	0.87	2.6	4.4			
Wecan Electronics Oyj	Finland	1.18	0.9	1.1			
Wärtsilä Corporation	Finland	0.46	5.0	5.0			
YIT Corporation	Finland	11.78	19.9	47.1	1.81	2.4	7.2
Other shares			3.8	4.7			
Other warrants			0.0	0.0			

Holdings in other undertakings

Name of company	Domicile	Group 2000 Percentage of shares	Group 2000 Book value	Group 2000 Current value	Parent company 2000 Percentage of shares	Parent company 2000 Book value	Parent company 2000 Current value
Foreign companies, listed							
ABB Ltd Holding	Sweden	0.02	5.5	7.7			
ABN Amro Holding NV	Netherlands	0.01	2.8	3.1			
Accor S.A.	France	0.01	1.0	1.1			
Adcore Ab	Sweden	0.63	1.1	1.1			
Adecco SA	Switzerland	0.01	1.1	1.4			
Aegon N.V.	Netherlands	0.00	1.5	1.6			
AES Corporation	United States	0.00	0.7	1.4			
Ahold NV	Netherlands	0.01	3.7	4.1			
Alcatel	France	0.01	9.0	9.4			
Alcatel Optronics	France	0.13	1.0	1.0			
Allianz AG Holding	Germany	0.00	3.6	4.5			
Ambac Financial Group Inc.	United States	0.02	0.8	1.3			
Amdocs Limited	United States	0.01	0.9	1.0			
American Home Products Corp	United States	0.00	1.2	1.7			
American International Group, Inc.	United States	0.00	3.0	4.7			
Amgen Inc.	United States	0.00	1.3	1.4			
ASM Lithography Holding NV	Netherlands	0.03	2.8	2.8			
Assicurazioni Generali SPA	Italy	0.00	1.1	1.3			
Astra-Zeneca Plc GBP	United Kingdom	0.00	2.8	4.4			
Astra-Zeneca Plc SEK	United Kingdom	0.09	3.2	5.9			
AT&T Liberty Media	United States	0.00	1.0	1.0			
Atlas Copco Ab	Sweden	0.24	7.8	8.0			
Aventis SA	France	0.01	2.2	3.7			
Axa-UAP	France	0.01	4.2	5.4			
Banco Santander Central Hispano, SA	Spain	0.00	1.9	2.0			
Bank of America Corporation	United States	0.00	1.4	1.4			
Bank of New York Company Inc.	United States	0.00	1.0	1.3			
BASF AG	Germany	0.00	1.1	1.4			
Bayer AG	Germany	0.01	2.6	3.2			
Blue Circle Industries Plc	United Kingdom	0.03	1.2	1.2			
BNP Paribas	France	0.01	3.4	3.6			
BOC Group Plc	United Kingdom	0.01	1.1	1.1			
BP Amoco Plc	United Kingdom	0.01	10.8	11.3			
Bristol-Myers Squibb Company	United States	0.00	3.1	4.2			
British Land Co	United Kingdom	0.03	1.0	1.0			
British Sky Broadcasting Group Plc	United Kingdom	0.01	1.7	1.8			
British Telecommunications Plc	United Kingdom	0.00	2.5	2.5			
Cable & Wireless Plc	United Kingdom	0.00	1.5	1.6			
Cap Gemini SA	France	0.02	4.4	4.4			
Carrefour SA	France	0.01	2.3	2.5			
Celltech Group plc	United Kingdom	0.04	2.0	2.0			
Centrica plc	United Kingdom	0.01	1.1	1.2			
Cisco Systems, Inc.	United States	0.00	3.5	3.5			
Citigroup Inc.	United States	0.00	3.6	4.8			
Coca-Cola Company	United States	0.00	2.3	2.8			
Colgate-Palmolive Co.	United States	0.00	1.2	1.5			
Compagnie Financière Richemont AG	Switzerland	0.01	1.1	1.4			
Compagnie de Saint Gobain	France	0.01	1.3	1.3			
Credit Lyonnais	France	0.01	0.9	1.1			
Credit Suisse Group	Switzerland	0.00	1.5	1.7			
Danisco A/S FDR	Denmark	0.45	10.7	10.7			
Den Danske Bank A/S	Denmark	0.01	1.2	1.9			
Deutsche Bank AG	Germany	0.01	4.3	4.9			
Deutsche Telekom AG	Germany	0.00	4.4	4.4			
Duke Energy Corp.	United States	0.00	0.7	1.2			
E.N.I.	Italy	0.01	3.3	3.8			
Elan Corporation ADR	Ireland	0.01	0.7	1.3			
Eli Lilly and Company	United States	0.00	0.9	1.3			
Ericsson	Sweden	0.00	3.2	3.2			
Exxon Mobile Corporation	United States	0.00	1.5	2.0			
Falck	Denmark	0.10	1.9	2.8			
Fannie Mae	United States	0.00	2.7	4.1			
Freddie Mac	United States	0.00	1.6	2.5			
Skandia Insurance Company Limited (publ)	Sweden	4.53	84.9	806.5	4.53	84.9	806.5
General Electric Company	United States	0.00	5.4	6.0			
General Motors	United States	0.00	1.2	1.2			
Glaxosmithkline plc	United Kingdom	0.01	11.1	13.2			
GN Store Nord	Denmark	0.51	3.7	3.7			
Granada Plc	United Kingdom	0.01	3.5	3.5			
Hays plc	United Kingdom	0.01	1.2	1.2			
Holderbank Financiere Glarus AG	Switzerland	0.01	1.0	1.0			
Home Depot, Inc.	United States	0.00	1.9	1.9			
Honeywell International Inc.	United States	0.00	1.2	1.5			
HSBC Holdings Plc	United Kingdom	0.00	3.4	4.9			
ING Group NV	Netherlands	0.01	7.8	9.5			
Intel Corporation	United States	0.00	3.3	3.3			
International Business Machines Corp.	United States	0.00	2.8	2.8			

Holdings in other undertakings

Name of company	Domicile	Group 2000 Percentage of shares	Group 2000 Book value	Group 2000 Current value	Parent company 2000 Percentage of shares	Parent company 2000 Book value	Parent company 2000 Current value
Invensys plc	United Kingdom	0.02	1.5	1.5			
ISS-International Service System	Denmark	0.18	3.6	5.1			
Johnson & Johnson	United States	0.00	2.1	2.9			
Koninklijk KPN NV	Netherlands	0.02	1.9	1.9			
Lagardere S.C.A.	France	0.04	3.0	3.0			
Lloyds TSB Group Plc	United Kingdom	0.01	2.9	3.3			
Logica Plc	United Kingdom	0.02	1.3	1.9			
L'Oreal S.A.	France	0.00	0.9	1.7			
Marschollek, Lautenschlaeger & Part. AG	Germany	0.04	0.9	2.1			
Merck & Co. Inc.	United States	0.00	2.0	3.0			
Microsoft Corporation	United States	0.00	4.3	4.3			
Motorola, Inc.	United States	0.00	1.7	1.7			
Munchener Rückversicherungs-Gesells. AG	Germany	0.00	1.6	1.8			
Nestle S.A.	Switzerland	0.01	4.6	6.6			
Nordea AB	Sweden	1.17	40.1	69.7			
Nortel Networks Corporation	Canada	0.00	1.5	1.5			
Novartis AG	Switzerland	0.01	5.7	7.5			
Novo-Nordisk A/S	Denmark	0.04	3.8	4.4			
Novozymes A/S	Denmark	0.08	0.8	1.1			
Oracle Corporation	United States	0.00	2.6	2.6			
Orkla	Norway	0.03	0.9	1.5			
Pearson Plc	United Kingdom	0.03	6.4	6.4			
Pepsico Inc.	United States	0.00	1.3	2.0			
Pfizer Inc.	United States	0.00	2.2	3.4			
Philip Morris Companies Inc	United States	0.00	0.6	1.0			
Philips Electronics NV	Netherlands	0.01	4.9	5.3			
Pilkington Plc	United Kingdom	0.18	4.0	4.0			
Pinault-Printemps-Redoute SA	France	0.01	2.4	2.7			
Procter & Gamble Company	United States	0.00	2.1	2.1			
Prudential Corporation Plc	United Kingdom	0.01	2.2	3.0			
Qualcomm Incorporated	United States	0.00	1.2	1.2			
Renault SA	France	0.01	1.7	1.9			
Reuters Group Plc	United Kingdom	0.01	1.2	2.0			
Rio Tinto Plc	United Kingdom	0.01	1.3	1.3			
Roche Holdings AG	Switzerland	0.01	7.7	8.0			
Royal Dutch Petroleum Co	Netherlands	0.00	4.1	5.1			
Sandvik Ab	Sweden	0.16	2.8	2.8			
Sanofi-Synthelabo SA	France	0.00	0.8	1.8			
SAP AG	Germany	0.02	4.6	5.0			
SBC Communications Inc.	United States	0.00	2.6	2.9			
Schering-Plough Corporation	United States	0.00	1.7	2.5			
Schneider Electric SA	France	0.01	1.2	1.4			
Securitas Ab	Sweden	0.10	5.7	6.9			
Siemens AG	Germany	0.00	3.6	3.7			
Skandinaviska Enskilda Banken	Sweden	0.04	3.1	3.2			
ST Microelectronics	Netherlands	0.01	3.4	3.8			
Standard Chartered Plc	United Kingdom	0.01	1.1	1.3			
State Street Corporation	United States	0.01	0.8	1.5			
Sun Microsystems Inc.	United States	0.00	1.7	1.7			
Swatch Group AG	Switzerland	0.03	0.9	1.2			
Svenska Handelsbanken Ab	Sweden	0.04	2.4	4.3			
Telecom Italia Mobile	Italy	0.01	4.8	4.8			
Telefonica S.A.	Spain	0.01	4.4	5.4			
Telenor ASA	Norway	0.02	1.3	1.3			
Thales / ex. Thomson CSF	France	0.02	1.2	1.3			
Time Warner Inc.	United States	0.00	1.5	1.5			
Total Fina Elf SA	France	0.01	5.6	8,0			
UBS (UtdBkofSwitz.)	Switzerland	0.01	3.6	4.6			
Usinor SA	France	0.03	1.1	1.1			
Walgreen Company	United States	0.00	0.7	1.1			
Wal-Mart Stores, Inc.	United States	0.00	2.8	3.0			
Wells Fargo & Company	United States	0.00	1.8	2.8			
Verizon Communications	United States	0.00	2.3	2.3			
Vestas Wind Systems	Denmark	0.05	0.8	2.9			
Vivendi Universal	France	0.01	7.0	7.0			
Vodafone Group Public Ltd	United Kingdom	0.01	15.1	20.4			
Volkswagen AG	Germany	0.01	1.1	1.1			
Volvo	Sweden	0.03	1.7	1.7			
Zurich Financial Services	Switzerland	0.01	2.4	2.9			
Other shares			86.3	101.4			
Domestic companies, non-listed							
Fingrid Oyj	Finland	4.51	5.0	5.0			
Helsinki Exchanges Group Oyj	Finland	3.70	3.0	3.0	3.70	3.0	3.0
Hormos Medical Oy Ltd	Finland	2.11	0.5	0.5			
Innopoli Oy	Finland	12.47	2.0	2.0			
Ion Blast Ltd	Finland	7.99	0.5	0.5			
Suomi Mutual Life Assurance Company	Finland	100.00	0.5	0.5	100.00	0.5	0.5
Kytösuon Pysäköinti Oy	Finland	5.62	0.5	0.5			
Other shares			2.2	2.2		0.0	0.0

Holdings in other undertakings

Name of company	Domicile	Group 2000 Percentage of shares	Group 2000 Book value	Group 2000 Current value	Parent company 2000 Percentage of shares	Parent company 2000 Book value	Parent company 2000 Current value
Foreign companies, non-listed							
EIC Corporation Ltd.	Bermuda		0.7	1.1			
Other shares			1.2	1.3		0.2	0.2
Private equity funds							
Access Capital LP	United Kingdom		2.0	2.0			
Behrman Capital III L.P.	United States		1.3	1.3			
Bio Fund Ventures I Ky	Finland		1.1	1.1			
Bio Fund Ventures II Ky	Finland		1.1	1.1			
Boston Millennia Partners II LP	United States		1.3	1.3			
Deutsche European Partners IV (no.3) LP	United Kingdom		5.0	5.0			
Duke Street Capital IV Limited	United Kingdom		4.2	4.2			
Eqvitec Teknologiarahasto I Ky	Finland		1.0	1.0			
Euroknights IV Jersey No.2 L.P.	United Kingdom		2.0	2.0			
European Strategic Partners LP	United Kingdom		4.6	4.6			
Fenno Rahasto Ky	Finland		2.6	2.6			
Finnmezzanine Rahasto II B Ky	Finland		4.8	4.8			
Finnventure Rahasto I Ky	Finland		2.2	2.2			
Finnventure Rahasto III Ky	Finland		1.0	1.0			
Finnventure Rahasto IV Ky	Finland		2.1	2.1			
Finnventure Rahasto V Ky	Finland		4.2	4.2		2.8	2.8
First European Fund Investments UK LP	United Kingdom		2.6	2.6			
Forenvia Venture I Ky	Finland		0.5	0.5			
Granville Private Eq. Managers (Deutschland) Fund	United Kingdom		0.7	0.7			
Hambro European Ventures III UK no 2	United Kingdom		2.0	2.1			
HarbourVest Partners VI - Buyout Partnership Assoc	United States		1.1	1.1			
HarbourVest Partners VI - Partnership Fund L.P.	United States		1.5	1.5			
Industri Kapital 1997 LP II	Sweden		4.8	4.8			
Industri Kapital 2000 Limited	United Kingdom		8.5	8.5		4.3	4.3
Lexington Capital Partners IV, L.P.	United States		2.6	2.6			
MB Equity Fund II Ky	Finland		1.5	1.5			
MB Equity Fund Ky	Finland		0.6	0.6			
MB Mezzanine Fund II Ky	Finland		1.2	1.2			
Nordic Capital III Limited	United Kingdom		4.3	4.3			
Nordic Mezzanine Fund No.1 LP	United Kingdom		2.9	2.9		2.9	2.9
Procuritas Capital Partners II LP	Sweden		2.2	2.2			
Promotion Capital I Ky	Finland		1.1	1.1		1.1	1.1
Proventure & Partners Scottish LP	United Kingdom		1.6	1.6			
SFK 99-Rahasto Ky	Finland		3.4	3.4			
Sponsor Fund I Ky	Finland		3.1	3.1			
Springboard Partnership I KB	Sweden		1.8	1.8			
Stiga Förvaltning Ab/ Nordic Mezzanine	Sweden		1.9	1.9			
Willshire Associates Private Markets Fund III	United States		1.3	1.3			
Other private equity funds			3.6	3.6			
Mutual funds							
Asian Growth Fund	Luxembourg		11.1	11.1			
Carnegie Småbolag	Sweden		3.1	3.1			
Eastern Europe Fund	Netherlands		10.0	10.0			
Europe Mid-Cap Fund	France		4.8	10.0			
Gartmore Japan Fund	United Kingdom		3.1	4.2			
Nations Small Company Growth Fund Cl. A	United States		6.8	6.8			
P.T.F. Small Cap Europe	Luxembourg		4.9	6.8			
Parvest Europe Mid Cap C	Luxembourg		17.9	17.9			
SISF Emerging Europe Class C	Luxembourg		0.7	0.7			
SISF Japanese Equity Class C	Japan		44.4	45.6			
SISF Pacific Equity Class C	Luxembourg		24.8	25.1			
Trans Europe Fund	Netherlands		3.8	11.4			
Other mutual funds			1.1	1.5			
Other shares in total			1 457.4	3 032.2		129.7	1016.0
Investments for the benefit of life assurance policyholders who bear the investment risk							
Mutual funds							
Alfred Berg Funds	Finland		72.4	72.4			
Conventum Funds	Finland		32.5	32.5			
Fidelity Funds	United Kingdom		41.0	41.0			
FIM Funds	Finland		9.0	9.0			
Gartmore Funds	United Kingdom		34.7	34.7			
Odin Funds	Norway		4.3	4.3			
WIP Funds	Finland		1.0	1.0			
			194.9	194.9			

Holdings in other undertakings

Name of company	Number of lended shares	Expiry of lending period	Group 2000 Book value of shares	Group 2000 Current value of shares	Parent company 2000 Book value of shares	Parent company 2000 Current value of shares
LEX stock lending						
Nokia Corporation	260 000	Jan. 19, 2001	2.2	12.4		
Nokia Corporation	50 000	March 16, 2001	0.4	2.4		
Sonera Corporation	74 000	Jan. 19, 2001	1.3	1.4		
Sonera Corporation	20 000	Feb.16, 2001	0.4	0.4		
Sonera Corporation	20 000	March 16, 2001	0.4	0.4		
Stora-Enso Oyj	139 000	Jan. 19, 2001	1.4	1.8		
Tietoenator Corporation	12 000	Jan. 19, 2001	0.0	0.4	0.0	0.4
UPM-Kymmene Corporation	34 000	Jan. 19, 2001	1.0	1.2		

19. Debtors

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Affiliated undertakings				
Reinsurance debtors	-	-	-	0.3
Other debtors	0.1	-	416.9	7.3
Total	0.1	-	416.9	7.6
Participating interests				
Direct insurance debtors	0.2	0.2	-	-
Reinsurance debtors	0.1	0.1	0.1	0.1
Other debtors	4.6	2.6	8.0	4.3
Total	4.9	2.9	8.1	4.4

20. Prepayments and accrued income

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Interest and rent	79.3	69.8	1.3	6.1
Deferred policy acquisition costs				
Life assurance	2.2	1.9	-	-
Pension insurance	3.5	2.8	-	-
	5.7	4.7	-	-
Other				
Expenses paid in advance	4.5	6.0	1.3	2.0
Income tax	7.7	0.6	0.2	0.5
Other	2.9	2.6	0.2	0.7
	15.1	9.2	1.7	3.2
Total	100.1	83.7	3.0	9.3

21. Capital and reserves

	Group		Parent company	
	2000	1999	**2000**	1999
Share capital				
A shares Jan. 1	16.6	16.7	16.6	16.7
Bonus issue	-	0.4	-	0.4
Conversion	-8.5	-0.5	-8.5	-0.5
Total	8.1	16.6	8.1	16.6
B shares Jan. 1	18.4	17.5	18.4	17.5
Bonus issue	-	0.4	-	0.4
Conversion	8.5	0.5	8.5	0.5
Total	26.9	18.4	26.9	18.4
Share capital Dec. 31	35.0	35.0	35.0	35.0
Revaluation reserve				
Reserve Jan. 1	4.8	5.1	-	-
Cancelled revaluation	-1.5	-0.3	-	-
Deferred tax liability	-3.0	-	-	-
Reserve Dec. 31	0.3	4.8	-	-
Legal reserve				
Reserve Jan. 1	158.3	159.1	158.2	159.0
Bonus issue	-	-0.8	-	-0.8
Reserve Dec. 31	158.3	158.3	158.2	158.2
Other reserves				
Contingency reserve				
Reserve Jan. 1	82.2	138.4	52.2	127.3
To parent company distribution of dividend	-1 017.8	-75.1	-1 017.8	-75.1
From profit for previous financial year	1 079.3	-4.5	1 026.4	-
From profit/loss brought forward	-	23.4	-	-
Reserve Dec. 31	143.7	82.2	60.8	52.2
Profit/loss brought forward				
Reserve Jan. 1	-61.7	-5.3	-	-
From profit/loss for previous financial year	7.8	-34.7	-	-
To contingency reserve	-	-23.5	-	-
From changed accounting principles	0.1	-	-	
Translation difference	-0.8	1.8	-	-
Reserve Dec. 31	-54.6	-61.7	-	-
Profit for previous financial year	1 982.7	91.1	1 922.0	130.3
To parent company distribution of dividend	-895.6	-130.3	-895.6	-130.3
To contingency reserve	-1 079.3	4.5	-1 026.4	-
To profit/loss brought forward	-7.8	34.7	-	-
Total	-	-	-	-
Profit for financial year	777.9	1 982.7	606.3	1 922.0
Capital and reserves in total	1 060.6	2 201.3	860.3	2 167.4

Major provisions of the Articles of Association concerning classes of shares

The company's shares are divided into Series A and B. The minimum number of A shares is 0 and the maximum number 142 427 748. The minimum number of B shares is 20 412 252 and the maximum number 162 840 000. Series A shares can be converted into Series B shares. Both share series provide equal rights to dividend and to the company's assets. Shares of series A have ten votes per share and shares of series B one vote at a shareholders' meeting. All shares are subject to a group-specific 10% voting restriction.

Authorizations of the Board of Directors

The Board is not currently authorized to issue shares, warrants or convertible bonds, or to redeem Pohjola's own shares.

Capital and reserves

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Revaluation reserve				
Pertaining to investments classified as fixed assets	7.2	8.2	-	-
Pertaining to other investments	3.1	3.6	-	-
Deferred tax liability	-3.0	-	-	-
Total	7.3	11.8	-	-
Bonus issues	-7.0	-7.0	-	-
	0.3	4.8	-	-

Under the Insurance Companies Act, only such revaluation reserve that pertains to fixed assets at the time of increasing the share capital can be used for bonus issues.

Accelerated depreciation and voluntary provisions transferred to capital and reserves (net of tax)

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Profit/loss brought forward	1.0	5.1		
Profit for financial year	0.6	-4.1		
Total	1.6	1.0		

Distributable funds

	Group 2000	Group 1999	Parent company 2000	Parent company 1999
Profit for financial year	777.9	1 982.7	606.3	1 922.0
Contingency reserve	143.7	82.2	60.8	52.2
Profit/loss brought forward	-54.6	-61.7	-	-
Accelerated depreciation and voluntary provisions transferred to capital and reserves	-1.6	-1.0	-	-
Translation differences of restricted capital and reserves	-4.3	-3.7	-	-
Other adjustments	-0.1	-	-	-
	861.0	1 998.5	667.1	1 974.2

After the proposed distribution of profit, the parent company has unused tax surplus totalling EUR 5 062 000.

22. Subordinated loans

	Group 2000	Group 1999
Subordinated loans	-	2.0

1999
Creditor: WM-data Ab
Loan terms: The loan will be repaid when full cover remains for the restricted capital and reserves and other non-distributable items as per the balance sheet to be adopted for the latest financial period of Pohjolan Atk-palvelu Oy. The loan has no security and no interest is paid on it.

23. Life assurance provision

	Group 2000	Group 1999
Deferred acquisition costs deducted from life assurance provision (zillmerization)		
Life assurance	0.1	0.7
Pension insurance	2.9	3.4
	3.0	4.1
Life assurance provision includes a provision for unexpired risks	-	-

24. Provision for claims outstanding of non-life insurance

	Group		Parent company	
	2000	1999	**2000**	1999
Annuities				
Interest rate used for calculation of technical provisions	4%	4%		

Discounting of other provision for claims

Discounting has been applied to Bothnia's liability insurance (excluding collective provision for claims related to asbestos and pollution treaties) and to combined treaties (not marine), under which the average claims settlement period is 8.5 years and the interest rate applied 3%.

	Group		Parent company	
	2000	1999	**2000**	1999
Provision for claims subject to discounting				
Provision before discounting	6.0	6.8	-	-
Amount of deduction	-1.5	-1.7	-	-
Provision after discounting	4.5	5.1	-	-

25. Creditors

	Group		Parent company	
	2000	1999	**2000**	1999
Amounts owed to affiliated undertakings				
Other creditors	1.0	-	23.5	2.0
Amounts owed to participating interests				
Amounts owed to credit institutions	19.0	30.8	-	-
Other creditors	1.6	0.4	1.0	0.1
Total	20.6	31.2	1.0	0.1
Amounts becoming due and payable later than in five years				
Amounts owed to credit institutions	8.1	15.5	-	-

26. Accruals and deferred income

	Group		Parent company	
	2000	1999	**2000**	1999
Staff expenses	21.8	22.8	2.7	4.8
Income tax	4.8	659.6	0.6	634.5
Other	5.9	11.2	1.1	1.1
	32.5	693.6	4.4	640.4

27. Deferred tax assets and liabilities

	Group		Parent company	
	2000	1999	**2000**	1999
Profit and loss account items				
Income tax/deferred tax				
Included in affiliated undertakings' annual accounts	-3.8	-	0.1	-
Based on appropriations	-0.2	1.6	-	-
Timing differences based on consolidation procedure	2.1	-	-	-
Other temporary differences based on consolidation procedure	0.3	-	-	-
	-1.6	1.6	0.1	-
Extraordinary items/deferred tax				
Portion of deferred tax liabilities and assets originating from previous financial years				
Pertaining to affiliated undertakings' annual accounts	5.8	-	0.5	-
Timing differences based on consolidation procedure	-5.9	-	-	-
	-0.1	-	0.5	-

Deferred tax assets and liabilities

	Group		Parent company	
	2000	1999	**2000**	1999
Balance-sheet items				
Deferred tax assets				
Included in affiliated undertakings' annual accounts	2.1	-	0.7	-
Deferred tax liabilities				
Based on appropriations	0.5	0.2	-	-
Timing differences based on consolidation procedure	3.8	-	-	-
Other temporary differences based on consolidation procedure	10.9	-	-	-
	15.2	0.2	-	-
Deferred tax assets have been omitted from the balance sheet because they were not deemed likely to be realized	3.8	-	-	-

28. Security and financial commitments

	Group		Parent company	
	2000	1999	**2000**	1999
Security				
Given as security on company's own behalf				
Loans from financing institutions	15.6	29.0	-	-
Guarantees	15.6	27.5	-	-
Mortgaged land and buildings	-	0.6	-	-
Technical provisions	24.5	22.6	14.2	12.4
Assets pledged	32.2	25.8	24.2	17.1
Guarantees	4.4	4.5	-	-
As security for rent payment				
Mortgaged land and buildings	-	0.1	-	-
As security for derivatives				
Assets pledged	12.4	6.4	-	0.9
Given as security on behalf of affiliated undertakings				
Guarantees	-	-	4.4	4.5
Assets pledged	-	-	4.1	5.6
Given as security on behalf of undertakings linked by virtue of participating interests				
Mortgaged land and buildings	-	2.6	-	-
Guarantees	5.8	6.5	-	-
Given as security on behalf of other companies				
Guarantees	1.2	1.3	-	-
Given as security in total	71.6	75.3	32.7	28.1

Security and financial commitments

	Group		Parent company	
	2000	1999	**2000**	1999
Financial commitments not included in balance sheet				
Contractual liabilities				
Resale contracts/options on land and buildings and shares therein				
Book value	6.1	30.7	-	-
Current value	6.1	35.1	-	-
Agreed sales price	6.4	35.2	-	-
Difference between current value and sales price	0.3	0.1	-	-
Purchase commitments				
Commitment to subscribe for shares in general partnership companies carrying on Venture Capital investments	154.2	117.6	15.2	23.1
Agreed subordinated loan limit	-	-	50.5	50.5
Other contractual liabilities	11.7	3.2	8.6	-
Derivatives (hedging)				
Interest rate derivatives				
Option contracts				
Bought, market value	0.1	-	-	-
value of underlying security	60.0	-	-	-
Sold, market value	-0.3	-	-	-
value of underlying security	120.0	-	-	-
Currency derivatives				
Option contracts				
Bought, market value	23.2	-	6.8	-
value of underlying security	705.0	-	340.0	-
Sold, market value	-12.6	-	-4.5	-
value of underlying security	1 359.6	-	680.0	-
Equity derivatives				
Option contracts				
Bought, market value	3.0	-	-	-
value of underlying security	62.8	-	-	-
Sold, market value	-1.5	-	-	-
value of underlying security	69.1	-	-	-
Leasing liabilities				
Amount payable during current financial year	1.2	1.8	0.1	0.2
Amount payable in subsequent financial years	0.2	1.0	-	0.1
Amount of joint liability				
Pertaining to VAT group registration, Pohjola Group is, together with the other members of the Pohjola Group taxable group, jointly and severally liable for the value added tax imposed on the group				
Affiliated undertakings	-	-	0.3	0.1
Participating interests	2.0	1.3	2.0	1.3
Other undertakings	-0.1	0.2	-0.1	0.2
	1.9	1.5	2.2	1.6

29. Solvency

	Group		Parent company	
	2000	1999	**2000**	1999
Solvency margin				
Capital and reserves	1 060.6	2 201.3	860.3	2 167.4
Proposed distribution of profit	-651.4	-1 913.4	-651.4	-1 913.4
Difference between current and book values of investments	1 671.4	2 746.0	890.1	809.7
Deferred tax liability	-274.9	-635.0	-258.1	-234.8
Intangible assets	-64.1	-92.9	-8.9	-7.5
Other items	-7.9	-3.1	-13.4	-8.7
	1 733.7	2 302.9	818.6	812.7
Equalization provision				
Equalization provision included in the technical provisions for years with a high loss frequency	228.3	213.0	2.8	12.9
Minority interest	7.2	3.9	-	-
Solvency capital	1 969.2	2 519.8	821.4	825.6
Minimum solvency margin (chapter 11, section 2 of Insurance Companies Act)			4.0	2.8

	Parent company				
	2000	1999	1998	1997	1996
Key ratios for solvency					
Equalization provision as a percentage of its full amount	3%	14%	16%	24%	22%
Solvency capital to earned premiums, net of reinsurance (= solvency ratio)	6 246%	5 895%	570%	306%	249%
Solvency capital to technical provisions, net of reinsurance, less equalization provision	1 543%	1 740%	3 388%	127%	103%

Helsinki, February 26, 2001

Heikki Hakala | Mikael Silvennoinen | Martin Granholm

Eero Heliövaara | Timo Salonen | Oiva Savela

Matti Kavetvuo
President and CEO

Auditors' report

To the shareholders of Pohjola Group Insurance Corporation

We have examined the accounting records, annual accounts and corporate governance of Pohjola Group Insurance Corporation for the financial year from January 1 to December 31, 2000. The annual accounts drawn up by the Board of Directors and the President include the Board's report and the consolidated and parent company profit and loss account, balance sheet and notes on the accounts. Based on our audit we express an opinion on the annual accounts and on corporate governance.

SVH Pricewaterhouse Coopers Oy, Authorized Public Accountants, have been responsible for the supervisory audit, on which they have submitted a separate report.

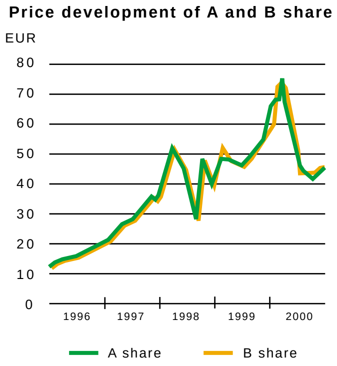
The audit was carried out in accordance with Finnish Standards on Auditing. The accounting records and the accounting principles, contents and presentation of the annual accounts were examined to the extent required to ascertain that the annual accounts did not contain any material errors or deficiencies. In examining corporate governance, the conformity with law of the operations of the members of the Board of Directors and the President was examined on the basis of the provisions of the Insurance Companies Act and the Companies Act.

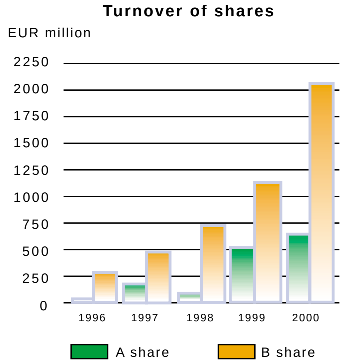
In our opinion, the company's annual accounts have been drawn up in accordance with the Accounting Act and the regulations of the Ministry of Social Affairs and Health and other provisions governing the drawing up of annual accounts. The annual accounts provide, in the manner required by the Accounting Act, a true and fair view of the result of the operations and the financial position of the Group and the parent company. The annual accounts, including the consolidated accounts, can be adopted, and the members of the Board of Directors and the President of the parent company can be discharged from liability for the financial year we have audited. The proposal by the Board of Directors for the distribution of the retained profits for the financial year is in conformity with law.

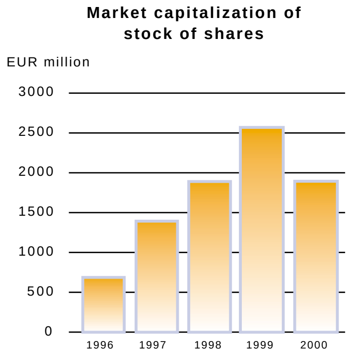
Helsinki, March 9, 2001

SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants

Tauno Haataja	Juha Wahlroos
Authorized Public Accountant	Authorized Public Accountant







A N N U A L R E P O R T

Pohjola share

Share capital

Pohjola's share capital totals EUR 35 000 000. The minimum authorized capital is EUR 35 000 000 and the maximum authorized capital EUR 140 000 000, within which limits the share capital can be increased or decreased without changing the Articles of Association.

Share series

Valid Articles of Association

The company's shares are divided into Series A and B. The shares confer equal rights to the company's assets and profits. The accounting par value of the shares is EUR 0.86 per share.

Series A shares confer ten votes per share and Series B shares one vote per share at a shareholders' meeting. The minimum number of Series A shares is 0 shares and the maximum number 142 427 748 shares. The minimum number of Series B shares is 20 412 252 shares and the maximum number 162 840 000 shares.

A Series A share can be converted into a Series B share at the request of the owner of the A share or, where nominee-registered shares are concerned, at the request of the custodian entered in the shareholder register. In 2000, a total of 9 904 779 Series A shares, i.e. 51.4%, were converted into Series B shares.

New Articles of Association

The company's extraordinary shareholders' meeting on December 21, 2000 took a decision on combining the company's share series A and B in such a way that the stipulations concerning share series are deleted from the Articles of Association. As a result, the Series A and Series B shares are turned into one share class and the company only has one listed series of shares. After the combining of the share series, all shares in the company have equal voting rights, as each share confers one vote

Consolidated per-share data

		1996	1997	1998	1999	2000
Earnings/share	EUR	1.23	2.29	2.16	48.70	19.11
Capital and reserves/share	EUR	6.85	8.78	10.38	54.07	26.05
Net asset value/share at current values 1)	EUR	24.26	33.75	61.19	104.87	59.63
after deduction of full deferred tax liability	EUR				100.92	54.57
Dividend/share	EUR	0.34	0.50	5.05	47.00	16.00 2)
Dividend/earnings	%	27.3	22.0	233.2	96.5	83.7
Effective dividend yield						
Series A	%	1.8	1.5	11.0	32.4	34.4
Series B	%	1.9	1.5	10.9	36.2	34.0
Price/earnings ratio						
Series A		14.9	14.8	21.3	1.4	2.4
Series B		14.2	14.7	21.5	1.3	2.5
Adjusted average share price						
Series A	EUR	16.14	28.75	38.38	48.21	58.44
Series B	EUR	13.86	26.79	39.95	51.77	55.91
Adjusted share price, lowest						
Series A	EUR	9.59	17.49	27.25	41.00	33.00
Series B	EUR	9.08	17.16	26.41	41.00	33.65
Adjusted share price, highest						
Series A	EUR	18.50	38.68	58.02	69.00	85.38
Series B	EUR	17.98	38.52	58.53	66.50	83.30
Adjusted share price on Dec. 31						
Series A	EUR	18.33	34.65	46.25	68.00	46.50
Series B	EUR	17.41	33.97	46.76	60.00	47.00
Market capitalization on Dec. 31						
Series A	EUR million	378.3	703.3	918.1	1 309.5	434.9
Series B	EUR million	349.4	693.4	975.4	1 287.2	1 473.8
Total	EUR million	727.7	1 396.7	1 893.5	2 596.7	1 908.7
Development of turnover						
Series A	1 000 shares	1 906	5 753	2 180	10 681	11 166
of average number	%	9.2	28.1	10.9	54.3	79.4
Series B	1 000 shares	20 902	18 258	18 526	22 606	36 343
of average number	%	104.1	90.6	89.6	107.4	136.4
Adjusted average number of shares						
Series A	1 000 shares	20 640	20 561	20 026	19 663	14 068
Series B	1 000 shares	20 070	20 149	20 684	21 047	26 642
Total	1 000 shares	40 710	40 710	40 710	40 710	40 710
Adjusted number on Dec. 31						
Series A	1 000 shares	20 640	20 298	19 851	19 257	9 352
Series B	1 000 shares	20 070	20 412	20 859	21 453	31 358
Total	1 000 shares	40 710	40 710	40 710	40 710	40 710
Number of shareholders on Dec. 31		7 920	7 010	6 901	7 056	11 575

1) In 1999-2000, likely realizable deferred tax liability deducted from difference between current and book values of investments

2) Proposed by the Board of Directors

Share capital on December 31, 2000

	Share capital	Number of shares	Percentage of share capital	Percentage of votes
	EUR			
Series A	8 040 545	9 352 303	22.97	74.89
Series B	26 959 455	31 357 697	77.03	25.11
Total	35 000 000	40 710 000	100.00	100.00

The accounting par value of shares is EUR 0.86/share

Breakdown of shareholdings by sector on December 31, 2000

	Shareholders				Shares						Votes
	Series A		Series B		Series A		Series B		Total		
	Number	%	Number	%	Number	%	Number	%	Number	%	%
Public enterprises	0	0.0	5	0.1	0	0.0	25 483	0.1	25 483	0.1	0.0
Private enterprises	111	2.6	530	5.3	1 362 696	14.6	3 142 236	10.0	4 504 932	11.1	13.4
Financing and insurance institutions	8	0.2	56	0.6	1 783 740	19.1	4 906 773	15.7	6 690 513	16.4	18.2
Public corporations	10	0.2	30	0.3	4 632 937	49.5	9 733 889	31.1	14 366 826	35.3	44.9
Non-profit institutions	92	2.1	181	1.8	369 412	4.0	412 521	1.3	781 933	1.9	3.3
Households	4 093	94.1	9 108	91.2	701 964	7.5	2 323 443	7.4	3 025 407	7.4	7.5
Foreign owners	32	0.7	60	0.6	18 417	0.2	43 915	0.1	62 332	0.2	0.2
Nominee registrations	5	0.1	11	0.1	470 950	5.0	10 763 968	34.3	11 234 918	27.6	12.4
Shares not yet transferred to book-entry system					12 187	0.1	5 469	0.0	17 656	0.0	0.1
Total	4 351	100.0	9 981	100.0	9 352 303	100.0	31 357 697	100.0	40 710 000	100.0	100.0

Breakdown of shareholdings by size of holding on December 31, 2000

	Shareholders				Shares						Votes
	Series A		Series B		Series A		Series B		Total		
	Number	%	Number	%	Number	%	Number	%	Number	%	%
1 - 50	2 171	49.9	3 844	38.5	59 497	0.6	90 711	0.3	96 712	0.2	0.3
51 - 100	761	17.5	1 735	17.4	63 278	0.7	153 065	0.5	210 269	0.5	0.6
101 - 500	1 081	24.9	3 158	31.6	247 972	2.7	797 975	2.6	1 003 881	2.5	2.4
501 - 1 000	189	4.3	697	7.0	141 178	1.5	543 220	1.7	669 364	1.7	1.4
1 001 - 5 000	112	2.6	414	4.1	215 221	2.3	909 610	2.9	1 184 115	2.9	2.8
5 001 - 10 000	14	0.3	57	0.6	105 049	1.1	463 514	1.5	492 975	1.2	0.9
10 001 - 50 000	11	0.3	55	0.6	250 085	2.7	1 222 478	3.9	1 437 475	3.5	2.6
50 001 - 100 000	2	0.0	7	0.1	139 461	1.5	508 770	1.6	640 201	1.6	1.9
100 001 - 1 000 000	8	0.2	10	0.1	2 668 090	28.5	2 958 092	9.4	3 350 334	8.2	11.6
1 000 001 -	2	0.0	4	0.0	5 450 285	58.3	23 704 793	75.6	31 607 018	77.7	75.4
Shares not yet transferred to book-entry system					12 187	0.1	5 469	0.0	17 656	0.0	0.1
Total	4 351	100.0	9 981	100.0	9 352 303	100.0	31 357 697	100.0	40 710 000	100.0	100.0

at a shareholders' meeting. No compensation will be paid to holders of A or B shares for the combining of the share series. The company will have a minimum of 40 710 000 shares and a maximum of 162 840 000 shares.

The combining of the share series does not call for any measures on the part of shareholders. The procedure will take place automatically in the book-entry system once the amendments of the Articles of Association approved by the shareholders' meeting have become effective.

The changes in the Articles of Association will become effective once the parent company's entire insurance portfolio has been transferred to Pohjola Non-Life in accordance with the decision by the shareholders' meeting, and the amendments of the Articles of Association have been entered in the trade register. The transfer of the insurance portfolio requires the regulatory approvals of the authorities.

Voting restrictions

In accordance with the current provision of the Articles of Association, any participant in a shareholders' meeting may on his own behalf, or authorized by someone else by proxy or otherwise, vote with a maximum of one tenth of the total number of votes represented at the meeting. If several corporations belonging to the same group are shareholders, the vote restriction shall apply to the total number of votes of the corporations belonging to the same group.

The voting restriction included in the Articles of Association will be abolished once the above-mentioned amendment of the Articles of Association has taken effect. At the same time, the company will become an ordinary limited liability company to which the one tenth voting restriction provided by the Insurance Companies Act does not apply.

Authorizations

The company's Board of Directors is not currently authorized to issue shares, convertible bonds or warrants. Nor are the Boards of the group companies authorized to redeem Pohjola's own shares.

Stock exchange quotation and turnover

Pohjola's shares are quoted (codes POHAS, POHBS) on the Helsinki Exchanges, where the A share has been quoted since the establishment of the stock exchange in 1912. The round lot of the shares is 200 shares. As of November 15, 2000, the shares have been quoted on the Frankfurt stock exchange and on the Xetra electronic trading system (code PIFB). The Reuters trading code is POHBS.HE and the Bloomberg trading code POHBS FH.

The price of the Pohjola A share fell by 31.6% and that of the B share by 21.7%, while the Helsinki Exchanges HEX general index dropped by 10.6% and the HEX portfolio index by 24.9%. The HEX insurance business sector index rose by 15.1%.

Ten largest shareholders on December 31, 2000

As per shareholder register kept by the Finnish Central Securities Depository Ltd	Shares Series A Number	Shares Series B Number	Total Number	Percentage of shares	Percentage of votes
Ilmarinen Mutual Pension Insurance Company	4 044 022	9 082 438	13 126 460	32.24	39.66
Suomi Mutual Life Assurance Company	1 406 263	3 375 650	4 781 913	11.75	13.96
OKOBANK Group Central Cooperative	682 149	1 806 660	2 488 809	6.11	6.91
OKOBANK Osuuspankkien Keskuspankki Oyj	342 985	956 356	1 299 341	3.19	3.51
UPM-Kymmene Corporation	479 002	189 501	668 503	1.64	3.99
Neste's Pension Foundation	327 040	34 220	361 260	0.89	2.65
Pension Foundation Polaris	139 800	66 800	206 600	0.51	1.17
Livränteanstalten Hereditas	48 000	146 000	194 000	0.48	0.50
The Local Government Pensions Institution		167 600	167 600	0.41	0.13
OKOBANK Group Pension Fund	9 000	116 600	125 600	0.31	0.17
Total	7 478 261	15 941 825	23 420 086	57.53	72.65
Nominee registrations	470 950	10 763 968	11 234 918	27.60	12.39

The largest shareholder groups on December 31, 2000

As per shareholder register kept by the Finnish Central Securities Depository Ltd	Shares Series A Number	Shares Series B Number	Total Number	Percentage of shares	Percentage of votes
Ilmarinen Mutual Pension Insurance Company	4 044 022	9 082 438	13 126 460	32.24	39.66
Suomi Mutual Life Assurance Company	1 406 263	3 375 650	4 781 913	11.75	13.96
OKOBANK Group Central Cooperative	682 149	1 806 660	2 488 809	6.11	6.91
OKOBANK Osuuspankkien Keskuspankki Oyj	342 985	956 356	1 299 341	3.19	3.51
Aurum Life Assurance Company Ltd		22 200	22 200	0.05	0.02
OP Fund Management Company Ltd		204 208	204 208	0.50	0.16
Group in total	1 025 134	2 989 424	4 014 558	9.86	10.60
A-Vakuutus Mutual Insurance Company		31 000	31 000	0.08	0.02
Pohjantähti Mutual Insurance Company		8 500	8 500	0.02	0.01
Corporations in total (cooperation agreement)	6 475 419	15 487 012	21 962 431	53.95	64.25

Shareholders

December 31, 2000: 11 575 shareholders
February 28, 2001: 14 065 shareholders

Senior management's shareholdings

On December 31, 2000, members of the Board of Directors and the President owned a total of 500 shares.
The ownership propotions were 0.0012% of all shares and 0.0004% of the total number of votes.

The price development of Pohjola shares was materially impacted by both dividend distribution and investors' expectations regarding the size and timing of dividend distribution. For 1999, a dividend of EUR 22 was distributed in April and a dividend of EUR 25 in June, i.e. a total of EUR 47 per share.

A total of 47.5 million Pohjola shares (33.3 million shares) were traded on the Helsinki Exchanges. Pohjola ranked the sixth among the most traded listed companies and the proportion of the overall turnover was 1.2%. The exchange value was EUR 2.7 billion (EUR 1.7 billion) and the turnover of shares 117% (82%). The market capitalization of the Pohjola stock of shares at year-end amounted to EUR 1.9 billion (EUR 2.6 billion). A total of EUR 1.9 billion was distributed in dividend.

Indices

Pohjola's share is included in the following indices: HEX general index, HEX portfolio index, HEX insurance business sector index, HEX-20 index, and FOX-25 index.

Earnings per share

Consolidated earnings/share were EUR 19.11 (EUR 48.70). Return on equity at current values was 1% (80%). As a result of dividend distribution, consolidated net asset value went down to EUR 2.2 billion and was EUR 54.57 (EUR 100.92) per share.

Taxable values

For year 2000 taxation, the following taxable values have been confirmed for the Pohjola shares:

Series A: EUR 31.50, FIM 187.29

Series B: EUR 31.50, FIM 187.29

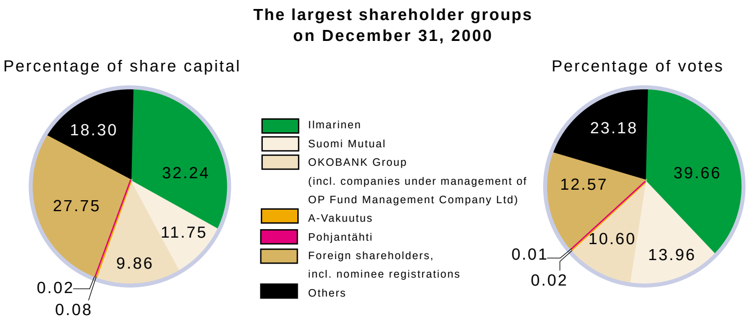
Proposed dividend

The Board of Directors proposes that EUR 16 per share, i.e. a total of EUR 651 million, be distributed in dividend.

According to the proposal of the Board, the dividend confirmed by the Annual General Meeting can be drawn by shareholders as of April 25, 2001, the dividend payment date.

Avoir fiscal tax credit system

The avoir fiscal tax credit system is applied to the dividend distributed on the Pohjola share. Pohjola pays corporate tax totalling at least 29/71 of the amount of the dividend paid. Under Finnish legislation, taxpayers who receive dividend are, on account of the tax paid by the company, entitled to deduct in their own taxation an amount which corresponds to 29/71 of the dividend. The credit corresponding to the dividend of EUR 16.00/share, proposed by the Board of Directors, amounts to EUR 6.53. The dividend recipient's taxable income totals EUR 22.53/share, which is capital income subject to a 29% tax rate in Finnish taxation in 2001. The avoir fiscal tax credit is taken into account in the same manner as withholding tax.



Changes in owneship portions

Announcements as per Chapter 2, Section 10 of the Securities Markets Act:

- January 5, 2000: Ilmarinen Mutual Pension Insurance Company, Suomi Mutual Life Assurance Company, OKOBANK Group Central Cooperative, OKOBANK Osuuspankkien Keskuspankki Oyj, Sijoitusyhtiö Ahva Ky and Sijoitusyhtiö Pohta Ky form a cooperation alliance whose members are parties to an agreement signed on December 21, 1999 that on implementation will result in the limits referred to in Chapter 2, Section 9 of the Securities Markets Act being exceeded. The members of the cooperation alliance announced on January 4, 2000 that the joint holding of the parties and the corporations forming part of their groups will exceed one third (1/3) of the voting rights and one fourth (1/4) of the share capital of Pohjola Group Insurance Corporation.
- January 20, 2000: The members of the cooperation alliance on January 19, 2000 carried out the share transactions based on the above-mentioned agreement. As a result, the holding of Suomi Mutual in Pohjola went down to under one tenth (1/10) of the voting rights and one twentieth (1/20) of the share capital, the holding of Ilmarinen exceeded one twentieth (1/20) of the voting rights and share capital, the holding proportion of OKOBANK Group Central Cooperative, OKOBANK Osuuspankkien Keskuspankki Oyj, Aurum Life Assurance Company Ltd and OP Fund Management Company Ltd exceeded one twentieth (1/20) of the voting rights and share capital, the holding of Sijoitusyhtiö Pohta Ky exceeded one twentieth (1/20) of the voting rights and the holding of Sijoitusyhtiö Ahva Ky one twentieth (1/20) of the voting rights.
- February 3, 2000: Sampo Insurance Company plc and Leonia plc on February 1, 2000 signed a merger plan that on implementation on December 31, 2000 will result in the holding proportion of the new group, in which Sampo Insurance Company plc as the parent company will exercise control, exceeding one fifth (1/5) of the voting rights and share capital of Pohjola.
- May 16, 2000: Ilmarinen Mutual Pension Insurance Company, the OKOBANK Group Central Cooperative and its subsidiaries, Suomi Mutual Life Assurance Company, A-Vakuutus Mutual Insurance Company, Sijoitusyhtiö Avakinvest Ky, Pohjantähti Mutual Insurance Company and Sijoitusyhtiö Pohta Ky form a group referred to in Chapter 2, Section 9, of the Securities Markets Act. On the basis of an agreement concluded between the parties, the shareholders may jointly decide on the use of the ownership portions of the group. In accordance with the Securities Markets Act, the ownership portions of the parties will be added up when notifications of the ownership portions are made. Suomi Mutual and Ilmarinen, which are members of the cooperation alliance, on May 16, 2000 signed a preliminary agreement with the Sampo-Leonia grouping on the purchase of the Pohjola shares held by the latter.

  On implementation of the agreement, the ownership portion of the cooperation alliance in Pohjola will exceed one half (1/2) of the voting rights and share capital, the holding of Suomi Mutual will exceed one tenth (1/10) of the voting rights and share capital, and the holding of Ilmarinen will exceed one tenth (1/10) of the voting rights and one fourth (1/4) of the share capital.

  In consequence of the merger plan signed on February 1, 2000 between Sampo Insurance Company plc and Leonia plc and the merger that will take effect on December 31, 2000, the new group, in which control will be exercised by Sampo

Insurance Company plc as the parent company, on May 16, 2000 signed a preliminary agreement on the sale of the 8 267 588 Pohjola shares held by the group. When completed, the share transaction will lead to the group's stake in Pohjola falling to less than one twentieth (1/20) of the share capital and voting rights.

Sampo Finance Ltd on May 16, 2000 signed a preliminary agreement on the sale of the 2 109 158 Pohjola shares held by it. When completed, the share transaction will lead to the group's holding in Pohjola falling to less than one twentieth (1/20) of the share capital and voting rights in the company.

- May 17, 2000: Ilmarinen on May 16, 2000 signed a preliminary agreement with OKOBANK Group Central Cooperative and OKOBANK Osuuspankkien Keskuspankki Oyj concerning the sale of part of the shares held by Ilmarinen in Pohjola. As a result, Ilmarinen's holding in Pohjola will drop to under one twentieth (1/20) of the voting rights and share capital.

  In accordance with the terms of the preliminary agreement signed between Suomi Mutual, Ilmarinen and Sampo-Leonia, made public on May 16, 2000, Ilmarinen will, no later than on June 30, 2000, purchase 8 373 048 Pohjola B shares from Sampo-Leonia. As a result, the holding of Ilmarinen in Pohjola will, once again, exceed one fifth (1/5) of the share capital and one tenth (1/10) of the voting rights.

  The combined ownership portions of the OKOBANK group and the mutual funds under management of OP Fund Management Company Ltd in Pohjola exceed one tenth (1/10) of the voting rights.

- May 31, 2000: In consequence of the share transaction based on the preliminary agreement signed on May 16, 2000 and carried out on May 30, 2000, Ilmarinen's holding in Pohjola went down to under one twentieth (1/20) of the voting rights and share capital, the combined holding of the OKOBANK group and the mutual funds under management of OP Fund Management Company in Pohjola exceeded one tenth (1/10) of the voting rights, and the holding of OKOBANK Group Central Cooperative exceeded one twentieth (1/20) of the share capital of Pohjola.

- June 13, 2000: Suomi Mutual and Ilmarinen signed deeds of sale with the members of the Sampo-Leonia grouping on June 13, 2000 in accordance with the terms of the preliminary agreement signed on May 16, 2000 concerning the purchase of the 11 121 746 Pohjola B shares held by the Sampo-Leonia grouping. As a result, the holding of the cooperation alliance in Pohjola exceeded one half (1/2) of the voting rights and share capital, the holding of Suomi Mutual exceeded one tenth (1/10) of the voting rights and share capital, the holding of Ilmarinen exceeded one fifth (1/5) of the share capital and one tenth (1/10) of the voting rights, the holding of Pohta exceeded one tenth (1/10) of the voting rights, the holding of the Pohjantähti group exceeded one twentieth (1/20) of the share capital and one tenth (1/10) of the voting rights, the holding of Avakinvest exceeded one tenth (1/10) of the voting rights, and the holding of the A-Vakuutus group exceeded one twentieth (1/20) of the share capital and one tenth (1/10) of the voting rights.

  The new Sampo-Leonia group, in which control will be exercised by Sampo Insurance Company plc as the parent company, on June 13, 2000 sold the 8 267 588 Pohjola shares held by the group. The transaction was based on the preliminary agreement signed on May 16, 2000. As a consequence of the transaction, the group's stake in Pohjola went down to under one twentieth (1/20) of the share capital and voting rights.

  Sampo Finance Ltd on June 13, 2000 sold its 2 109 158 Pohjola shares. As a result, the holding of Sampo Finance Ltd in Pohjola fell to under one twentieth (1/20) of the share capital and voting rights.

- December 27, 2000: Following share transactions on December 22, 2000, the ownership of Avakinvest Ky fell below one twentieth (1/20) of the votes in Pohjola. The ownership of the A-Vakuutus Mutual Insurance Company group fell below one twentieth (1/20) of the votes and share capital of Pohjola. The ownership of Sijoitusyhtiö Pohta Ky in Pohjola fell below one twentieth (1/20) of the votes. The ownership of the Pohjantähti Mutual Insurance Company group fell under one twentieth (1/20) of the voting rights and share capital of Pohjola. The ownership of Ilmarinen Mutual Pension Insurance Company exceeded one third (1/3) of the voting rights and one fourth (1/4) of the share capital of Pohjola.

Corporate governance

The Board of Directors

The Board of Directors is responsible for the management and the proper arrangement of the company's operations, as well as for the supervision of accounting and asset management to ensure that they are adequately organized. In addition to the duties specified in the Insurance Companies Act, legal provisions, the Articles of Association and official regulations, the Board deals with matters of principle and great importance with regard to the operations of the parent company and subsidiaries.

The most essential duties of the Board are as follows:

- Confirm the operational strategy of the Group
- Define the company's dividend policy
- Approve operational plans, objectives and budgets and supervise their implementation
- Approve investment plans
- Approve reinsurance principles
- Approve major investments
- Confirm the general outline of the Group's organizational structure
- Appoint the President, the deputy to the President and other immediate subordinates to the President and decide on their terms of employment
- Confirm reward and incentive schemes for the staff
- Confirm operative powers
- Attend to the company's internal supervision and the arrangement of risk management

The Board has at least four and at most seven members, elected by the shareholders' meeting. The members of the Board are elected for a term of office expiring upon the closing of the Annual General Meeting following their election. A person who by the beginning of the term of office has reached the age of 65 cannot be elected a Board member. The Annual General Meeting shall convene annually after the completion of the annual accounts, but not later than at the end of June.

The shareholders' meeting elects the Chairman of the Board. The Board elects, from among its own circle, a member who will act as Deputy Chairman, whenever necessary.

The Board convened 26 times in 2000. One of the meetings was a telephone conference.

President

The Board appoints the President, who is in charge of the company's day-to-day operative management in accordance with the Board's instructions and orders and who ensures that the accounting is in accordance with the law and that asset management is organized in a reliable manner.

The duties of the President include the following:

– Preparation of matters to be handled by the Board and implementation of the Board's decisions
– Management of corporate investments and supervision of strategic holdings
– Corporate communications and investor relations
– Guidance and supervision of the Group's staff policies
– Supervision of operative performance level, and strategic guidance in subsidiaries

Reward pay scheme for the management

For the year 2000, salaries and remunerations paid to the Board members and to the Presidents of the parent company totalled EUR 652 912, of which EUR 165 497 was paid to the Board and EUR 216 371 to the President elected in February 2000.

No pension commitments were made in favour of Board members by reason of their duties. The contractual retirement age of the President is 60 years. His pension will be 60% of the pensionable salary as per TEL (TEL = Employees' Pensions Act). In the event that the company terminates the President's employment relationship, the notice period is 12 months, after which the President is entitled to the above-mentioned pension starting immediately as of the termination date of employment.

Performance-based pay for the management is on a par with the corresponding scheme applied in the Group. The maximum pay equals two individual monthly salaries. In connection with the company's reward pay scheme, the President is entitled to a result-based pay corresponding to a maximum of three monthly salaries.

Supervision system

The Board of the parent company has the ultimate responsibility for the supervision of accounting and asset management, as well as for proper arrangement of operations. The President is responsible for the steering of business operations and the implementation of internal supervision in practice. The Board assesses the state of internal supervision at least once a year.

In the Group's daily work, the Boards of the subsidiaries, the management groups of Pohjola Non-Life and Service Pohjola, as well as the steering groups for customer segments engage in the administrative supervision and steering of business operations. The company's actuary gives the Board a statement of whether the company's investments meet the requirements set by the nature of the technical provisions. The management group for risk management coordinates and develops risk management and reporting on related issues, and prepares a risk management plan for the Board's approval.

In accordance with the operational guidelines approved by the Board of the parent company, PwC Services Oy is responsible for the implementation of internal supervision in the companies within the Group. Considerations of the management are taken into account in the annually approved operational plan. The internal supervision regularly reports to the President and at least once a year to the Board.

SVH Pricewaterhouse Coopers Oy, Authorized Public Accountants, is the auditor and supervisory auditor of the Group. The auditors issue for shareholders a report related to annual accounts. The Board summons the supervisory auditor to their meeting at least once a year to report on the company's internal supervision and financial position. The supervisory auditor also provides a written report on his findings to the company's Board. The report includes, among other things, statements on solvency margin and assets covering technical provisions.

The Finnish Insurance Supervision Authority, in the capacity of supervising authority, monitors the operations, risk-taking and solvency ratio of insurance companies to ensure that the interests of those insured are not jeopardized.

Board of Directors

Chairman
Heikki Hakala *1941

Chairman of the Board of Directors of Pohjola Group Insurance Corporation since 2000
Member of the Board of Directors of Metso Corporation since 2000
Member of the Board of Directors of Ilmarinen Mutual Pension Insurance Company 1998-2000 and Chairman of the Board of Directors of Ilmarinen Mutual Pension Insurance Company since 2000
Member of the Board of Directors of Lassila&Tikanoja plc since 1988
Member of the Supervisory Board of Orion Corporation since 2000
Shareholding: 500 Pohjola shares

Deputy Chairman
Mikael Silvennoinen *1956

President and Member of the Executive Board of OKOBANK Osuuspankkien Keskuspankki Oyj since 1997
Deputy Chairman of the Board of Directors of Pohjola Group Insurance Corporation since 2000

Martin Granholm *1946

Executive Vice President of UPM-Kymmene Corporation since 1996
Member of the Board of Directors of Pohjola Group Insurance Corporation since 2000
Member of the Board of Directors of Ilmarinen Mutual Pension Insurance Company since 1998
Chairman of the Board of Directors of VR-Group Ltd. since 1996

Insider rule

Pohjola complies with the insider rules approved by the Pohjola Board on December 13, 1999. These rules are based on the guidelines for insiders issued by Helsinki Exchanges on October 28, 1999. In accordance with the law, insiders are the Board members, President and auditors. The specified insider group includes, among others, the Presidents and Managing Directors and their secretaries in subsidiaries, and those responsible for finance, investments, and actuarial and legal matters. Project-based insider registers are kept for major projects.

On December 15, 2000, the Pohjola Board approved the company's insider rule for investment operations. The rule is based on the recommendation given by the Federation of Finnish Insurance Companies on November 1, 2000. Insiders include the whole staff of the Securities Division.

Eero Heliövaara *1956

Executive Vice President of Ilmarinen Mutual Pension Insurance Company since 2000
Member of the Board of Directors of Pohjola Group Insurance Corporation since 2000
Member of the Board of Directors of Skandia Insurance Company Limited (publ) since 2000

Timo Salonen *1958

Chief Financial Officer of Huhtamäki Van Leer Oyj since 1998
Member of the Board of Directors of Pohjola Group Insurance Corporation since 2000

Oiva Savela *1936

Chairman of the Board of Directors of Suomi Mutual Life Assurance Company since 1999
Member of the Board of Directors of Pohjola Group Insurance Corporation since 1999

Senior management and Auditors

President and CEO
Matti Kavetvuo (*1944)
President and CEO of Pohjola Group
Entered Pohjola in 2000

General staff of Group
Olavi Nieminen (*1943)
General Counsel
Entered Pohjola in 1971

Heikki Räyhäntausta (*1961)
Group Chief Information Officer
Entered Pohjola in 1983

Marja-Liisa Valtonen (*1945)
Group Chief Financial Officer
Entered Pohjola in 1972

Investments and administration
Esa Auvinen (*1962)
First Vice President
Securities Investments
Entered Pohjola in 1989

Eero Ilkka (*1946)
First Vice President
Real Estate Investments
Entered Pohjola in 1996

Tuula Nordlund (*1950)
Managing Director of Pohjola
Insurance Service Ltd
Administrative Services
Entered Pohjola in 1998

Non-life insurance
Jouko Bergius (*1945)
President of Pohjola Non-Life
Entered Pohjola in 1986

Olavi Kauppila (*1943)
Deputy to President of Pohjola Non-Life
Senior Vice President
Corporate Clients
Entered Pohjola in 1968

Olli Latola (*1955)
Senior Vice President
Private Households
Entered Pohjola in 2000

Tomi Yli-Kyyny (*1962)
Senior Vice President
Major Clients
In Pohjola's service 1990-1999, and 2000–

Life assurance
Jarmo Kuisma (*1961)
President of Pohjola Life until March 7, 2001
In Pohjola's service in 1984-2001

Customer service
Hannu Ervamaa (*1946)
President of Service Pohjola
Entered Pohjola in 1977

Jouko Lehtonen (*1953)
First Vice President
Private Households
Entered Pohjola in 1979

Ari Kaperi (*1960)
First Vice President
Asset Management Customers
Entered Pohjola in 1998

Harri Ahokas (*1957)
First Vice President
Small Companies
In Pohjola's service 1985-2000, 2000-

Matti Kiiski (*1956)
First Vice President
Medium-sized Companies, Large Regional Companies and Public Corporations
Entered Pohjola in 1998

Auditors
SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants
Auditor and Supervisory Auditor
Partner-in-charge:
Tauno Haataja
Authorized Public Accountant

Veijo Riistama
Authorized Public Accountant
Auditor until September 22, 2000

Juha Wahlroos
Authorized Public Accountant
Deputy Auditor until September 22, 2000
Auditor as of September 22, 2000
Deputy to Supervisory Auditor

Leena Rajala
Authorized Public Accountant
Deputy Auditor

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Entrepreneurs, companies and corporations:
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Motor claims: +358 10 55 88 44
Swedish-language service: +358 10 55 88 22

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Other addresses
For the addresses of our domestic offices and foreign service network, please consult our web pages.

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