

# Q2

INTERIM REPORT 11 AUGUST 2010

---

January–June 2010

SAMPO  GROUP

# Contents

|  |    |
|--|----|
| Summary .....  | 2  |
| Second quarter 2010 in brief .....   | 3  |
| Business areas .....   | 4  |
| P&C insurance .....  | 4  |
| Life insurance .....   | 6  |
| Holding .....  | 7  |
| Associated company Nordea Bank .....   | 8  |
| Developments in the first half of 2010 .....                                     | 9  |
| Annual General Meeting .....   | 9  |
| Personnel .....  | 9  |
| Management incentive schemes .....   | 9  |
| Shares and share capital .....   | 10 |
| Internal dividends .....   | 10 |
| Ratings .....  | 10 |
| Group solvency .....   | 11 |
| Outlook for the rest of 2010 .....   | 12 |
| Tables 30 June 2010 .....  | 13 |
| Group financial review .....   | 14 |
| Calculation of key figures .....   | 15 |
| Group quarterly income statement .....   | 17 |
| Consolidated comprehensive income statement .....                                | 18 |
| Consolidated balance sheet .....   | 19 |
| Statements of changes in equity, IFRS .....                                      | 20 |
| Statement of cash flows .....  | 21 |
| Notes .....  | 22 |
| Accounting policies .....  | 22 |
| Consolidated income statement by segment for six months ended 30 June 2010 ..... | 23 |
| Consolidated income statement by segment for six months ended 30 June 2009 ..... | 24 |
| Consolidated balance sheet by segment at 30 June 2010 .....                      | 25 |
| Consolidated balance sheet by segment at 31 December 2009 .....                  | 26 |
| Other notes .....  | 27 |
| 1 Insurance premiums .....   | 27 |
| 2 Net income from investments .....  | 28 |
| 3 Claims incurred .....  | 31 |
| 4 Staff costs .....  | 32 |
| 5 Intangible assets .....  | 33 |
| 6 Financial assets .....   | 34 |
| 7 Derivative financial instruments .....   | 36 |
| 8 Investments related to unit-linked insurance .....                             | 37 |
| 9 Liabilities for insurance and investment contracts .....                       | 38 |
| 10 Liabilities from unit-linked insurance and investment contracts .....         | 39 |
| 11 Financial liabilities .....   | 40 |
| 12 Contingent liabilities and commitments .....                                  | 41 |
| 13 Result analysis of P&C insurance business .....                               | 43 |
| 14 Sampo plc's income statement and balance sheet (FAS) .....                    | 44 |

SAMPO GROUP'S RESULTS FOR JANUARY–JUNE 2010

# Good performance on all fronts

Sampo Group's profit before taxes for the first six months of 2010 rose to EUR 621 million (433). The total comprehensive income for the period, taking changes in the market value of assets into account, was EUR 773 million (1,900).

- Earnings per share amounted to EUR 0.92 (0.61) and marked-to-market EPS was EUR 1.38 per share (3.33). The return on equity for the Group was 19.9 per cent for the period (69.5).
- Net asset value per share amounted to EUR 14.50 (14.63). The dividend of EUR 1 per share paid in April 2010 decreased the NAV per share correspondingly. Nordea's share price has risen significantly since the end of June and consequently Sampo Group's net asset value has increased by roughly one billion euro by early August. The fair value reserve after tax on the Group level increased to EUR 401 million (296).
- The insurance technical performance of the P&C insurance operation returned to normal after the difficult first quarter of 2010. The combined ratio for the second quarter of 2010 improved to 89.9 per cent (90.7) and was 94.1 per cent (92.5) for the first half of 2010. The profit before taxes increased to EUR 333 million (308) and marked-to-market result was EUR 414 million (438). Return on equity remained high at 35.4 per cent (47.0).
- Profit before taxes for the life insurance operations rose to EUR 69 million (52) and the marked-to-market result decreased to EUR 100 million (166). The return on equity was 25.0 per cent (95.7).
- Nordea is accounted for as an associated company. In the segment reporting share of Nordea's net profit is included in the holding segment. The profit before taxes for the segment amounted to EUR 222 million (52), of which Nordea's share was EUR 231 million.

## Key figures

| EURm                          | 1-6/2010   | 1-6/2009   | Change %      |
|-------------------------------|------------|------------|---------------|
| Profit before taxes           | 621        | 433        | 43            |
| P&C insurance                 | 333        | 308        | 8             |
| Life insurance                | 69         | 52         | 31            |
| Associates (Nordea)           | 231        | -          | -             |
| Holding excl. associates      | -9         | 52         | -             |
| <b>Profit for the period</b>  | <b>518</b> | <b>345</b> | <b>50</b>     |
|                               |            |            | <b>Change</b> |
| Earnings per share, EUR       | 0.92       | 0.61       | 0.31          |
| EPS, marked-to-market, EUR    | 1.38       | 3.33       | -1.95         |
| NAV per share, EUR *)         | 14.50      | 14.63      | -0.13         |
| Average number of staff (FTE) | 6,958      | 7,436      | -478          |
| Group solvency ratio, % *)    | 159.7      | 158.3      | 1.4           |
| RoE, %                        | 19.9       | 69.5       | -49.6         |

\*) comparison figure from 31.12.2009

The figures in this report are not audited. Income statement items are compared on a year-on-year basis whereas comparison figures for balance sheet items are from 31 December 2009 unless otherwise stated.



## Second quarter 2010 in brief

Sampo Group's second quarter 2010 profit before taxes amounted to EUR 334 million (264). Earnings per share were EUR 0.48 (0.38). Marked-to-market earnings per share were EUR 0.32 (3.45).

Net asset value per share decreased in the second quarter of 2010 by EUR 1.62 largely explained by the dividend of EUR 1.00 per share paid in April 2010 and by the decrease in Nordea's share price during the second quarter. Since the end of June the recovery of Nordea's share price has increased Sampo Group's net asset value by roughly one billion euro.

In P&C insurance the second quarter was benign and the profit before taxes rose to EUR 208 million (164). The combined ratio improved to 89.9 per cent (90.7).

Profit before taxes for the life insurance operations amounted to EUR 33 million (26). Premiums written increased 36 per cent to EUR 256 million (188).

Segment 'Holding' reported a profit before taxes of EUR 96 million (74) in the second quarter, of which EUR 106 million relates to Sampo's share of Nordea's second quarter 2010 profit.

# Business areas

## P&C insurance

If P&C is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries and Russia. The P&C insurance group's parent company, If P&C Insurance Holding Ltd, is located in Sweden, and the If subsidiaries provide insurance solutions and services in Finland, Sweden, Norway, Denmark, the Baltic countries and Russia. If's operations are divided into four business areas: Private, Commercial, Industrial and Baltic&Russia.

### Results

| EURm                            | 1-6/2010   | 1-6/2009   | Change % |
|---------------------------------|------------|------------|----------|
| Premiums                        | 2,358      | 2,174      | 8        |
| Net income from investments     | 237        | 191        | 24       |
| Other operating income          | 11         | 11         | 4        |
| Claims incurred                 | -1,357     | -1,234     | 10       |
| Change in insurance liabilities | -437       | -378       | 15       |
| Staff costs                     | -235       | -220       | 7        |
| Other expenses                  | -231       | -220       | 5        |
| Finance costs                   | -14        | -15        | -8       |
| <b>Profit before taxes</b>      | <b>333</b> | <b>308</b> | <b>8</b> |

### Key figures

|                               |       |       | Change |
|-------------------------------|-------|-------|--------|
| Combined ratio, %             | 94.1  | 92.5  | 1.6    |
| Risk ratio, %                 | 70.6  | 68.7  | 1.9    |
| Cost ratio, %                 | 23.5  | 23.8  | -0.3   |
| Expense ratio, %              | 17.0  | 17.3  | -0.3   |
| Return on equity, %           | 35.4  | 47.0  | -11.6  |
| Average number of staff (FTE) | 6,443 | 6,916 | -473   |

Claims development in If P&C was favorable in the second quarter of 2010 after the extreme winter conditions of the first quarter. Combined ratio for the second quarter was 89.9 per cent (90.7) and consequently the combined ratio for January–June 2010 improved from the first quarter to 94.1 per cent (92.5). Marked-to-market result amounted to EUR 414 million (438).

Profit before taxes for P&C insurance for the first six months of 2010 increased to EUR 333 million (308). The technical result was EUR 210 million (241). The decrease was due to lower allocated investment income and lower underwriting result. The technical result for Private business area amounted to EUR 110 million (121), Commercial EUR 54 million (65), Industrial EUR 35 million (38) and Baltic and Russia EUR 8 million (13). Large claims development was worse than normal in both Commercial and Industrial business areas.

Insurance margin (technical result in relation to net premiums earned) was 10.9 per cent (13.4). Return on equity (RoE) remained high at 35.4 per cent (47.0) and the fair value reserve rose to EUR 160 million (105).

The combined ratio for January–June 2010 was 94.1 per cent (92.5). EUR 68 million (44) was released from the technical reserves related to prior year claims. The risk ratio of 70.6 per cent (68.7) still reflects the difficult first quarter of the year.

In the Private business area the combined ratio rose to 94.0 (92.5). Cost ratio developed favorably and decreased 0.5 percentage points to 23.6 per cent. In the Commercial business area risk ratio rose 1.5 percentage points to 71.9 per cent and the combined ratio weakened to 96.1 per cent (94.5). In the Industrial business area large claims had a negative effect on the combined ratio which rose to 90.6 per cent (90.3). In the Baltic&Russia business area the combined ratio was 92.4 per cent (89.7).

Gross written premiums increased 8 per cent to EUR 2,523 million (2,337). Adjusted for currency the premiums increased 0.3 per cent. In the business area Private the premiums grew in all countries and overall increased 4.0 per cent. In the Commercial business area premiums were almost flat with a decrease of 0.1 per cent. The Industrial business area still suffered from recessionary effects and the premiums decreased 4.4 per cent. The business area Baltic&Russia was worst affected with a drop of 20 per cent in premiums written.

The cost ratio improved to 23.5 per cent (23.8) and adjusted for currency the nominal costs decreased 1.6 per cent.

As at 30 June 2010, total investment assets amounted to EUR 11.2 billion (10.7) of which 87 per cent (89) was invested in fixed income instruments and 12 per cent (11) in equities. Net income from investments rose to EUR 237 million (191). Investment return for the first six months of 2010 was 3.1 per cent (5.0). Duration for interest bearing assets was 2.0 years (2.5).

If P&C's solvency ratio as at 30 June 2010 (solvency capital in relation to net premiums written) amounted to 81 per cent (77). The solvency capital was EUR 3,268 million (2,943) in comparison to the regulatory minimum capital requirement of EUR 687 million. Reserving position continues to be strong with reserve ratio of 173 per cent (172) of net premiums written and 237 per cent (240) of claims paid.

## Life insurance

Mandatum Life Group consists of Mandatum Life, a wholly-owned subsidiary of Sampo plc, operating in Finland, and its subsidiary Mandatum Life Insurance Baltic SE, which has the form of a European company and is headquartered in Estonia. It operates in the other Baltic countries through branches.

### Results

| EURm  | 1-6/2010  | 1-6/2009  | Change %  |
|---|-----------|-----------|-----------|
| Premiums written                                  | 603       | 332       | 82        |
| Net income from investments                       | 245       | 251       | -3        |
| Other operating income                            | 0         | 0         | -         |
| Claims incurred                                   | -435      | -312      | 39        |
| Change in liabilities for inv. and ins. contracts | -296      | -177      | 67        |
| Staff costs                                       | -17       | -13       | 25        |
| Other operating expenses                          | -27       | -24       | 14        |
| Finance costs                                     | -4        | -4        | -8        |
| <b>Profit before taxes</b>                        | <b>69</b> | <b>52</b> | <b>31</b> |

### Key figures

|                               |       |       | Change |
|-------------------------------|-------|-------|--------|
| Expense ratio, %              | 119.8 | 121.4 | -1.6   |
| Return on equity, %           | 25.0  | 95.7  | -70.7  |
| Average number of staff (FTE) | 463   | 465   | -2     |

Mandatum Life reported a good result and a strong premium growth for the first half of 2010. Premium income rose more than 80 per cent to EUR 603 million.

Profit before taxes in life insurance for January–June 2010 was EUR 69 million (52). Net investment income, excluding income on unit-linked contracts, amounted to EUR 153 million (132). Meanwhile, net income from unit-linked investments was EUR 92 million (119). The fair value reserve increased to EUR 258 million from EUR 210 million at the end of 2009. Return on equity (RoE) in life insurance amounted to 25.0 per cent (95.7).

Excluding the assets of EUR 2.7 billion (2.4) covering unit-linked liabilities, investment assets amounted to EUR 5.5 billion (5.4) at market values as at 30 June 2010. Fixed income represented 64 per cent (68), equity 25 per cent (23), private equity 4 per cent (4), real estate 3 per cent (3) and other assets 3 per cent (2) of the total assets.

Return on investments for January–June 2010 was 3.8 per cent (6.2). At the end of June 2010 the duration of fixed income assets was 2.6 years (2.6).

Mandatum Life maintained its strong solvency position during the second quarter of 2010. The company also exceeds clearly internal Economic Capital requirements. The solvency ratio was 20.7 (18.5). Mandatum Life Group's total technical reserves were EUR 7.1 billion (6.8), of which unit-linked reserves accounted for 2.7 billion (2.4). The share of unit-linked reserves of total technical reserves increased to 37 per cent (35).

Expense ratio for the life segment improved to 119.8 per cent (121.4). This ratio does not take into account all fees intended to cover the operating expenses. Mandatum Life does not defer acquisition costs, which burdens the first year's result.

Mandatum Life Group's premium income on own account grew over 80 per cent and amounted to EUR 603 million (332). Unit-linked premiums amounted to 72 per cent (71) of all premiums written. Premium income from the Baltic countries was EUR 33 million (18).

Mandatum Life's overall market share in Finland measured by premium income was 23.1 per cent (23.4) and market share in unit-linked business was 30.2 per cent (28.3). After deleting a duplication recorded in Finnish life insurance statistics, Mandatum Life's overall market share was 26.0 per cent. The duplication has no effect on unit-linked market share. Market share in the Baltic countries amounted to 23 per cent (14).

## Holding

Sampo plc controls its subsidiaries engaged in P&C and life insurance. In addition Sampo plc held on 30 June 2010 approximately 20 per cent of the share capital of Nordea, the largest bank in the Nordic countries. Nordea is an associated company to Sampo plc.

### Results

| <b>EURm</b>                   | <b>1-6/2010</b> | <b>1-6/2009</b> | <b>Change %</b> |
|-------------------------------|-----------------|-----------------|-----------------|
| Net investment income         | 49              | 86              | -43             |
| Other operating income        | 8               | 6               | 31              |
| Staff costs                   | -7              | -6              | 17              |
| Other operating expenses      | -6              | -11             | -42             |
| Finance costs                 | -52             | -23             | 127             |
| Share of associates' profit   | 231             | -               | -               |
| <b>Profit before taxes</b>    | <b>222</b>      | <b>52</b>       | <b>323</b>      |
|                               |                 |                 | <b>Change</b>   |
| Average number of staff (FTE) | 52              | 55              | -3              |

The segment's profit before taxes amounted to EUR 222 million (52), of which EUR 231 million relates to Sampo's share of Nordea's first half 2010 profit.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 5.4 billion. The market value of the holding was EUR 5.7 billion at 30 June 2010. In addition the assets on Sampo plc's balance sheet as at 30 June 2010 included holdings in subsidiaries for EUR 2.4 billion (2.4).

As at 30 June 2010 Sampo plc's debt financing amounted to EUR 1,721 million, of which senior bonds and notes accounted for EUR 1,006 million and commercial papers EUR 575 million. Gross debt to Sampo plc's equity was 27 per cent (24).



## **Associated company Nordea Bank**

On 30 June 2010 Sampo plc held 830,440,497 Nordea shares corresponding to a holding of 20.5 per cent. The average price paid per share amounted to EUR 6.39. The closing price as at 30 June 2010 was EUR 6.82.

As Sampo's holding exceeds 20 per cent Nordea is accounted as an associated company in Sampo Group's accounts since 31 December 2009. Sampo's share of Nordea's net profit is shown on the face of Sampo Group's profit and loss account on the line Share of associate's profit/loss.

The following text is based on Nordea's January–June 2010 interim report published on 21 July 2010.

Nordea's operating profit for the first half of 2010 amounted to EUR 1,608 million (1,651). Risk-adjusted profit decreased 22 per cent compared to last year and was EUR 1,194 million (1,524). Net interest income held up well despite the low interest rate levels. Net fee and commission income increased. The net result from items at fair value decreased from the high level in the first quarter.

Operating profit for the second quarter of 2010 was EUR 730 million (818). In the second quarter net interest income increased 1 per cent compared to the previous quarter to EUR 1,249 million. Lending and deposit volumes continued to increase, resulting in higher net interest income in the customer areas, which, however, was partly offset by higher average funding costs.

Net fee and commission income increased 13 per cent compared to the previous quarter to EUR 538 million. Increases were seen in most areas, with higher commission income from corporate finance and higher savings commission income both from asset management and life as well as from custody business.

Net result from items at fair value decreased 38 per cent from a very high level in the first quarter to EUR 339 million. The result on Group level included a non-recurring gain of approx. EUR 50 million in connection to the merger of the two payment transaction companies Nordito in Norway and PBS in Denmark.

Net loan loss provisions in the second quarter of 2010 were EUR 245 million. This includes provisions of EUR 58 million related to the Danish guarantee scheme (none in the first quarter), which includes incurred claims and also provisions for potential claims under the guarantee. Net loan losses excluding the guarantee scheme provisions were 28 per cent lower in the second quarter than in the first quarter, with decreases in most countries.

The loan loss ratio was 35 basis points in the second quarter, including the Danish guarantee scheme provisions, and 26 basis points excluding these. This compares to 37 basis points in the first quarter, when no guarantee scheme provisions were recorded. Net loan losses in 2010 are expected to be lower than in 2009. Credit quality continues to stabilize, in line with the macroeconomic recovery.

In its outlook for 2010, Nordea expects risk-adjusted profit to be lower in 2010 compared to 2009, due to lower income in Treasury and Markets.

The core tier 1 ratio, excluding transition rules under Basel II, was 10.0 per cent. The tier 1 capital ratio and the total capital ratio are well above the targets in Nordea's capital policy. The capital base of EUR 24.3 billion exceeds the Pillar 1 capital requirements of EUR 14.8 billion excluding transition rules by EUR 9.5 billion. The tier 1 capital of EUR 20.5 billion exceeds the Pillar 1 capital requirements (excluding transitions rules) by EUR 5.7 billion.

# Developments in the first half of 2010

## Annual General Meeting

The Annual General Meeting held on 13 April 2010 decided to distribute a dividend of EUR 1.00 per share for 2009. The record date for dividend payment was 16 April 2010 and the dividend was paid on 23 April 2010. The Annual General Meeting adopted the financial accounts for 2009 and discharged the Board of Directors and the Group CEO and President from liability for the financial year.

The following members were re-elected to the Board of Directors: Tom Berglund, Anne Brunila, Veli-Matti Mattila, Eira Palin-Lehtinen, Jukka Pekkarinen, Christoffer Taxell, Matti Vuoria and Björn Wahlroos. At its organisational meeting, the Board elected Björn Wahlroos as Chairman and Matti Vuoria as Vice Chairman. The following members were elected to the Nomination and Compensation Committee: Veli-Matti Mattila, Eira Palin-Lehtinen, Christoffer Taxell, Matti Vuoria, and Björn Wahlroos. Tom Berglund, Jukka Pekkarinen and Christoffer Taxell were elected to the Audit Committee.

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2011 Annual General Meeting: the Chairman of the Board will be paid EUR 160,000 per year, the Vice Chairman EUR 100,000 per year and the other members EUR 80,000 per year. After deduction of taxes and similar payments, approximately 50 per cent of the Board members' annual compensation will be paid in Sampo A shares and the rest in cash.

Ernst & Young Oy was elected as Auditor. The Auditor will be paid a fee determined by a reasonable invoice. Ernst & Young Oy nominated Heikki Ilkka, APA, as responsible auditor.

The Annual General Meeting resolved to amend section 12 of the Articles of Association as a result of the amendments to Chapter 5, section 19 of the Finnish Limited Liability Companies Act that entered into force on 3 August 2009 and 31 December 2009.

## Personnel

The number of full-time equivalent personnel in Sampo Group decreased during the first half of 2010. On 30 June 2010 the number of staff was 6,899 compared to 7,087 on 31 December 2009. The average number of employees in January–June amounted to 6,958 (7,454).

Approximately 92 per cent of the Sampo Group staff – 6,381 employees – worked in P&C insurance on 30 June 2010. The number of staff is divided into 1,706 employees in Finland, 1,858 employees in Sweden, 1,516 employees in Norway and 1,301 employees in Baltics and other countries. The number of personnel in P&C insurance decreased somewhat during the first half of the year.

Nearly 7 per cent of the Sampo Group staff – 467 employees – worked in life insurance. Life insurance operations had 359 employees in Finland and 108 employees in Baltics. The number of staff increased slightly.

Approximately 1 per cent of the Sampo Group staff – 51 employees – worked in the holding company Sampo plc. The number of staff remained at earlier level.

## Management incentive schemes

The management incentive schemes of Sampo Group are of two types; long-term management incentive schemes based on share appreciation rights and one share-based incentive scheme.

The outcome of the long-term management incentive schemes is determined by Sampo's share price development over a period of approximately three years starting from the issue of the respective program. The programs are subject to thresholds on share price development and company profitability, as well as ceilings for maximum bonuses. Furthermore, the programs are subject to rules requiring part of the paid bonus to be used to acquire Sampo shares, which must in turn be held for a specified period of time.

In 2006, Sampo's Annual General Meeting decided on a share-based incentive scheme for the Executive Management belonging to the Group Executive Committee. Under the program, the participants are granted the right to receive up to a pre-determined number of Sampo shares, if Sampo's share price has outperformed a predefined threshold value and insurance margin targets have been exceeded. The bonus will be paid in Sampo shares, in cash or a combination thereof. Furthermore, the programs are subject to lock-up on Sampo shares received.

Payments based on the long-term management incentive schemes in the first half of 2010 amounted to EUR 2 million (0). No payments were made on the basis of the share-based incentive scheme 2006 (0).

The terms of all incentive schemes are available on Sampo's web pages at [www.sampo.com/compensation](http://www.sampo.com/compensation).

## Shares and share capital

As at 30 June 2010, Sampo plc had 561,372,390 shares, which were divided into 560,172,390 A shares and 1,200,000 B shares. Sampo plc held 90,000 of its own A shares corresponding to 0.02 per cent of the total number of shares and voting rights. The shares were purchased at an average price of EUR 16.53 per share and the total amount paid for the shares was EUR 1.5 million. The shares were purchased in late 2009 under the authorization received in the AGM of 2009. The other Group companies held no shares in the parent company.

On 8 June 2010 the Sampo Board decided to cancel the 90,000 Sampo A shares referred to above according to the authorization by the Annual General Meeting. The cancellation reduces the number of Sampo A shares with the corresponding amount but has no effect on the share capital.

The cancellation was entered into the trade register on 13 July 2010, after which the number of Sampo plc's A shares totals 560,082,390. Total number of shares of the company, including 1,200,000 B shares, is 561,282,390 shares. Sampo plc does not hold its own A shares on 11 August 2010. The other Group companies hold no shares in the parent company either.

The Annual General Meeting of 2010 authorised the Board to acquire in one or several lots a maximum of 50,000,000 Sampo A shares. Shares can be repurchased in other proportion than the shareholders' proportional shareholdings (private repurchase). The share price will be no higher than the highest price paid for Sampo shares in public trading at the time of purchase. The authorisation will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after AGM's decision.

## Internal dividends

On 13 April 2010 Sampo plc received a dividend of EUR 103 million (SEK 1,000 million) from If P&C Insurance Holding Ltd. In addition the associated company Nordea Bank AB paid on 8 April 2010 Sampo plc a dividend amounting to EUR 204 million. No dividend was paid from Mandatum Life to Sampo plc in the first half of 2010.

## Ratings

All the main ratings for Sampo Group companies remained unchanged in the second quarter of 2010.

| Rated company                          | Moody's |         | Standard and Poor's |         |
|--|---------|---------|---------------------|---------|
|  | Rating  | Outlook | Rating              | Outlook |
| Sampo plc                              | Baa2    | Stable  | Not rated           | -       |
| If P&C Insurance Ltd (Sweden)          | A2      | Stable  | A                   | Stable  |
| If P&C Insurance Company Ltd (Finland) | A2      | Stable  | A                   | Stable  |

## Group solvency

Sampo Group, with Nordea Bank AB (publ) as its associated company, is regarded as a financial and insurance conglomerate according to the Act on the Supervision of Financial and Insurance Conglomerates (2004/699).

Group solvency has been calculated according to Chapter 3 of the Act on the Supervision of Financial and Insurance Conglomerates (2004/699). The Act is based on Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment.

### Sampo Group solvency

| EURm  | 30 June 2010 | 31 December 2009 |
|---|--------------|------------------|
| Group capital   | 7,847        | 7,613            |
| Sectoral items  | 1,734        | 1,545            |
| Intangibles and other deductibles                             | -2,403       | -2,314           |
| Dividends   | -281         | -561             |
| Group's own funds, total                                      | 6,898        | 6,283            |
| Minimum requirements for own funds, total                     | 4,320        | 3,968            |
| Group solvency  | 2,577        | 2,315            |
| Group solvency ratio<br>(Own funds % of minimum requirements) | 159.7        | 158.3            |

The Group's solvency ratio (own funds in relation to minimum requirements for own funds) was 159.7 per cent (158.3) as at 30 June 2010. Nordea is treated as an associated company in the solvency calculation and the part of Nordea's capital requirement corresponding to Sampo's holding in Nordea is taken into account in the Group's capital requirement.

In Sampo Group solvency is assessed internally by comparing the capital required to the capital available. Capital requirement assessment is based on an economic capital framework, in which Group companies quantify the amount of capital required for measurable risks over a one year time horizon at 99.5 per cent's confidence level. In addition to economic capital companies are assessing their capital need related to non-measurable risks like risks in business environment.

Capital available or Adjusted Solvency Capital include regulatory capital and in addition other loss absorbing items like the effect of discounting technical reserves and other reserves excluded from regulatory capital.

The economic capital tied up in Group's operations on 30 June 2010 was EUR 4,131 million (3,783) and adjusted solvency capital was EUR 7,168 million (7,077).

## Outlook for the rest of 2010

Global economic recovery is well under way and is expected to continue despite European debt issues and some other factors creating uncertainty in the capital markets.

Sampo Group is expected to report a good result for 2010 with a continuing good profitability of its insurance operations supported by the share of Nordea's profit.

If P&C is expected to reach its long-term combined ratio target of below 95 per cent in 2010 and achieve a combined ratio between 92 and 94 per cent. Profit is expected to remain on a very good level. The macro economic situation will continue to dampen the premium growth but has a limited impact on profitability.

Mandatum Life's marked-to-market profit is highly dependent on capital markets and is expected to remain good. Reported profit is foreseen to reach year 2009 level. The company seeks further growth in the unit-linked volumes.

The associated company, Nordea Bank AB, is expected to contribute significantly to the Group profit in 2010.

*Sampo plc*  
*Board of Directors*

### **For more information, please contact:**

- Peter Johansson, Group CFO, tel. +358 10 516 0010
- Jarmo Salonen, Head of Investor Relations and Group Communications, tel. +358 10 516 0030
- Maria Silander, Press Officer, tel. +358 10 516 0031

Sampo will arrange a Finnish-language press conference (Savoy, Eteläesplanadi 14, Helsinki), at 12:30 pm Finnish time. An English-language telephone conference for investors and analysts will be arranged at 4 pm Finnish time (2 pm UK time). Please call +44 207 162 0025 (Europe) or +1 334 323 6201 (North America). Please be ready to state the conference ID '869182', the conference title 'Sampo plc 2010/Q2 release' and the password 'SAMPO'.

The telephone conference can also be followed from a direct transmission on the Internet at [www.sampo.com/result](http://www.sampo.com/result). A recorded version will later be available at the same address.

In addition, Group CEO and President Kari Stadigh's video interview and Supplementary Financial Information are available at [www.sampo.com/result](http://www.sampo.com/result).

Sampo will publish the third quarter 2010 interim report on 3 November 2010.

Distribution:

NASDAQ OMX Helsinki

The principal media

Financial Supervisory Authority

[www.sampo.com](http://www.sampo.com)



# Tables 30 June 2010

# Group financial review

## Financial highlights

|  |      | 1-6/2010 | 1-6/2009 |
|--|------|----------|----------|
| <b>Group</b>   |      |          |          |
| Profit before taxes                                  | EURm | 621      | 433      |
| Return on equity (at fair value)                     | %    | 19.9     | 69.5     |
| Return on assets (at fair value)                     | %    | 9.5      | 19.9     |
| Equity/assets ratio                                  | %    | 27.8     | 25.6     |
| Group solvency <sup>1)</sup>                         | EURm | 2,577    | 4,707    |
| Group solvency ratio                                 | %    | 159.7    | 675.7    |
| Average number of staff                              |      | 6,958    | 7,436    |
| <b>Property &amp; casualty insurance</b>             |      |          |          |
| Premiums written before reinsurers' share            | EURm | 2,523    | 2,337    |
| Premiums earned                                      | EURm | 1,921    | 1,796    |
| Profit before taxes                                  | EURm | 333      | 308      |
| Return on equity (at current value)                  | %    | 35.4     | 47.0     |
| Risk ratio <sup>2)</sup>                             | %    | 70.6     | 68.7     |
| Cost ratio <sup>2)</sup>                             | %    | 23.5     | 23.8     |
| Loss ratio <sup>2)</sup>                             | %    | 78.6     | 76.9     |
| Loss ratio excl. unwinding of discount <sup>3)</sup> | %    | 77.1     | 75.2     |
| Expense ratio <sup>2)</sup>                          | %    | 17.0     | 17.3     |
| Combined ratio                                       | %    | 95.6     | 94.1     |
| Combined ratio excl. unwinding of discount           | %    | 94.1     | 92.5     |
| Average number of staff                              |      | 6,443    | 6,916    |
| <b>Life insurance</b>                                |      |          |          |
| Premiums written before reinsurers' share            | EURm | 609      | 338      |
| Profit before taxes                                  | EURm | 69       | 52       |
| Return on equity (at current value)                  | %    | 25.0     | 95.7     |
| Expense ratio  | %    | 119.8    | 121.4    |
| Average number of staff                              |      | 463      | 465      |
| <b>Holding</b>                                       |      |          |          |
| Profit before taxes                                  | EURm | 222      | 52       |
| Average number of staff                              |      | 52       | 55       |
| <b>Per share key figures</b>                         |      |          |          |
| Earnings per share                                   | EUR  | 0.92     | 0.61     |
| Earnings per share, incl. other comprehensive income | EUR  | 1.38     | 3.33     |
| Capital and reserves per share                       | EUR  | 13.98    | 10.85    |
| Net asset value per share                            | EUR  | 14.50    | 10.87    |
| Adjusted share price, high                           | EUR  | 20.23    | 15.03    |
| Adjusted share price, low                            | EUR  | 16.13    | 8.63     |
| Market capitalisation                                | EURm | 9,749    | 7,550    |

<sup>1)</sup> The Group solvency is calculated according to the consolidation method defined in Chapter 3 of the Act on the Supervision of Financial and Insurance Conglomerates (2004/699). In the comparison year the solvency was calculated based on adjusted solvency calculations for insurance groups according to the Decree of the Ministry of Social Affairs and Health (1106/2000), determined on the basis of the Group financial statements. Nordea Bank has been consolidated as an associate as of 31 Dec. 2009, so the capital demand required by this investment did not burden the Group's solvency on 30 June 2009.

<sup>2)</sup> The key figures for P&C Insurance are based on activity based costs and cannot, therefore, be calculated directly from the consolidated income statement. The result analysis of P&C insurance is presented in note 13.

In calculating the per share key figures, the number of shares used at the balance sheet date and as the average number of shares was 561,282,390.

The valuation differences on investment property have been taken into account in calculating the return on assets, return on equity, equity/assets ratio and net asset value per share. The tax component includes the tax corresponding to the result for the period, and the deferred tax liability related to valuation differences on investment property.

The total comprehensive income has been used in the calculation of the return on assets and return on equity.

The key figures for the insurance business have been calculated in accordance with the decree issued by the Ministry of Finance and the specifying regulations and instructions of the Finance Supervisory Authority (former Insurance Supervisory Authority).

# Calculation of key figures

## Return on equity (fair values), %

|  |         |
|--|---------|
| + total comprehensive income   |         |
| ± change in valuation differences on investments   |         |
| - tax (incl. change in deferred tax relating to valuation differences on investments)  |         |
|  | x 100 % |
| + total equity   |         |
| ± valuation differences on investments after deduction of deferred tax<br>(average of values 1 Jan. and the end of reporting period) |         |

## Return on assets (at fair values), %

|   |         |
|---|---------|
| + operating profit  |         |
| ± other comprehensive income  |         |
| + interest and other financial charges  |         |
| + calculated interest on technical provisions   |         |
| ± change in valuation differences on investments  |         |
|   | x 100 % |
| + balance sheet total   |         |
| - technical provisions relating to unit-linked insurance  |         |
| ± valuation differences on investments<br>(average of values on 1 Jan. and the end of the reporting period) |         |

## Equity/assets ratio (at fair values), %

|  |         |
|--|---------|
| + total equity   |         |
| ± valuation differences on investments after deduction of deferred tax |         |
|  | x 100 % |
| + balance sheet total  |         |
| ± valuation differences on investments                                 |         |

## Risk ratio for P&C Insurance, %

|                              |         |
|------------------------------|---------|
| + claims incurred            |         |
| - claims settlement expenses |         |
|                              | x 100 % |
| insurance premiums earned    |         |

## Cost ratio for P&C Insurance, %

|                              |         |
|------------------------------|---------|
| + operating expenses         |         |
| + claims settlement expenses |         |
|                              | x 100 % |
| insurance premiums earned    |         |

## Loss ratio for P&C Insurance, %

|                           |         |
|---------------------------|---------|
| claims incurred           |         |
|                           | x 100 % |
| insurance premiums earned |         |

## Expense ratio for P&C Insurance, %

|                           |         |
|---------------------------|---------|
| operating expenses        |         |
|                           | x 100 % |
| insurance premiums earned |         |

## Combined ratio for P&C Insurance, %

Loss ratio + expense ratio

## Expense ratio for life insurance, %

|  |         |
|--|---------|
| + operating expenses before change in deferred acquisition costs |         |
| + claims settlement expenses                                     |         |
|  | x 100 % |
| expense charges  |         |

## Per share key figures

### Earnings per share

profit for the financial period attributable to the parent company's equity holders  
adjusted average number of shares

---

### Equity per share

equity attributable to the parent company's equity holders  
adjusted number of shares at the balance sheet date

---

### Net asset value per share

+ equity attributable to the parent company's equity holders  
± valuation differences on listed associates in the Group  
± valuation differences after the deduction of deferred taxes  
adjusted number of shares at balance sheet date

---

### Market capitalisation

number of shares at the balance sheet date x closing share price at the balance sheet date

# Group quarterly income statement

| EURm  | 4-6/2010   | 1-3/2010   | 10-12/2009  | 7-9/2009     | 4-6/2009     |
|---|------------|------------|-------------|--------------|--------------|
| Insurance premiums written                                      | 1,198      | 1,764      | 1,077       | 896          | 1,036        |
| Net income from investments                                     | 163        | 363        | 259         | 348          | 384          |
| Other operating income  | 6          | 3          | 6           | 6            | 5            |
| Claims incurred   | -874       | -918       | -792        | -767         | -729         |
| Change in liabilities for insurance and investment contracts    | 26         | -759       | -61         | -17          | -165         |
| Staff costs   | -124       | -135       | -134        | -136         | -125         |
| Other operating expenses  | -139       | -121       | -130        | -115         | -122         |
| Finance costs   | -29        | -35        | -25         | -23          | -21          |
| Share of associates' profit/loss                                | 106        | 124        | 0           | 0            | 0            |
| <b>Profit for the period before taxes</b>                       | <b>334</b> | <b>287</b> | <b>199</b>  | <b>192</b>   | <b>264</b>   |
| Taxes   | -62        | -41        | -51         | -44          | -46          |
| <b>Profit for the period</b>                                    | <b>273</b> | <b>245</b> | <b>148</b>  | <b>148</b>   | <b>217</b>   |
| <b>Other comprehensive income for the period</b>                |            |            |             |              |              |
| Exchange differences on translating foreign operations          | 30         | 83         | -8          | 102          | 17           |
| Available-for-sale financial assets                             | -179       | 328        | -189        | 1,549        | 1,875        |
| Cash flow hedges  | -4         | -2         | -3          | 1            | -8           |
| Share of other comprehensive income of associates               | 9          | 27         | -           | -            | -            |
| Income tax relating to components of other comprehensive income | 48         | -85        | -50         | -175         | -143         |
| <b>Other comprehensive income for the period, net of tax</b>    | <b>-96</b> | <b>351</b> | <b>-250</b> | <b>1,477</b> | <b>1,741</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>    | <b>177</b> | <b>596</b> | <b>-102</b> | <b>1,624</b> | <b>1,959</b> |
| <b>Profit attributable to</b>                                   |            |            |             |              |              |
| Owners of the parent  | 273        | 245        | 148         | 148          | 217          |
| Non-controlling interests                                       | 0          | 0          | 0           | 0            | 0            |
| <b>Total comprehensive income attributable to</b>               |            |            |             |              |              |
| Owners of the parent  | 177        | 596        | -101        | 1,625        | 1,958        |
| Non-controlling interests                                       | 0          | 0          | 0           | 0            | 0            |



# Consolidated comprehensive income statement

| EURm  | Note | 1-6/2010    | 1-6/2009     |
|---|------|-------------|--------------|
| Insurance premiums written                                      | 1    | 2,961       | 2,506        |
| Net income from investments                                     | 2    | 527         | 549          |
| Other operating income  |      | 9           | 8            |
| Claims incurred   | 3    | -1,792      | -1,546       |
| Change in liabilities for insurance and investment contracts    |      | -733        | -555         |
| Staff costs   | 4    | -259        | -240         |
| Other operating expenses  |      | -260        | -250         |
| Finance costs   |      | -63         | -38          |
| Share of associates' profit/loss                                |      | 231         | 0            |
| <b>Profit before taxes</b>                                      |      | <b>621</b>  | <b>433</b>   |
| Taxes   |      | -103        | -88          |
| <b>Profit for the period</b>                                    |      | <b>518</b>  | <b>345</b>   |
| <b>Other comprehensive income for the period</b>                |      |             |              |
| Exchange differences  |      | 113         | 28           |
| Available-for-sale financial assets                             |      | 149         | 1,628        |
| Cash flow hedges  |      | -6          | -1           |
| Share of other comprehensive income of associates               |      | 36          | -            |
| Income tax relating to components of other comprehensive income |      | -37         | -101         |
| <b>Other comprehensive income for the period, net of tax</b>    |      | <b>255</b>  | <b>1,555</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                |      | <b>773</b>  | <b>1,900</b> |
| <b>Profit attributable to</b>                                   |      |             |              |
| Owners of the parent  |      | 518         | 345          |
| Non-controlling interests                                       |      | 0           | 0            |
| <b>Total comprehensive income attributable to</b>               |      |             |              |
| Owners of the parent  |      | 773         | 1,900        |
| Non-controlling interests                                       |      | 0           | 0            |
| <b>Basic earnings per share (eur)</b>                           |      | <b>0.92</b> | <b>0.61</b>  |

# Consolidated balance sheet

| EURm   | Note | 6/2010        | 12/2009       |
|--|------|---------------|---------------|
| <b>Assets</b>  |      |               |               |
| Property, plant and equipment                                  |      | 31            | 34            |
| Investment property  |      | 124           | 124           |
| Intangible assets  | 5    | 726           | 688           |
| Investments in associates                                      |      | 5,389         | 5,172         |
| Financial assets   | 6, 7 | 16,323        | 15,479        |
| Investments related to unit-linked insurance contracts         | 8    | 2,679         | 2,366         |
| Tax assets   |      | 76            | 81            |
| Reinsurers' share of insurance liabilities                     |      | 575           | 481           |
| Other assets   |      | 1,751         | 1,439         |
| Cash and cash equivalents                                      |      | 623           | 771           |
| <b>Total assets</b>  |      | <b>28,295</b> | <b>26,635</b> |
| <b>Liabilities</b>   |      |               |               |
| Liabilities for insurance and investment contracts             | 9    | 13,945        | 13,014        |
| Liabilities for unit-linked insurance and investment contracts | 10   | 2,666         | 2,359         |
| Financial liabilities  | 11   | 2,250         | 2,098         |
| Tax liabilities  |      | 566           | 500           |
| Provisions   |      | 31            | 35            |
| Employee benefits  |      | 106           | 104           |
| Other liabilities  |      | 886           | 912           |
| <b>Total liabilities</b>                                       |      | <b>20,448</b> | <b>19,022</b> |
| <b>Equity</b>  |      |               |               |
| Share capital  |      | 98            | 98            |
| Reserves   |      | 1,530         | 1,530         |
| <b>Retained earnings</b>                                       |      | <b>5,868</b>  | <b>5,889</b>  |
| Other components of equity                                     |      | 351           | 96            |
| <b>Equity attributable to owners of the parent</b>             |      | <b>7,847</b>  | <b>7,613</b>  |
| Non-controlling interests                                      |      | 0             | 0             |
| <b>Total equity</b>  |      | <b>7,847</b>  | <b>7,613</b>  |
| <b>Total equity and liabilities</b>                            |      | <b>28,295</b> | <b>26,635</b> |

# Statements of changes in equity, IFRS

| EURm   | Share capital | Share premium account | Legal reserve | Invested unrestricted equity | Retained earnings | Translation of foreign operations *) | Available-for-sale financial assets **) | Cash flow hedges ***) | Total        |
|--|---------------|-----------------------|---------------|------------------------------|-------------------|--------------------------------------|---|-----------------------|--------------|
| <b>Equity at 1 Jan. 2009</b>                 | <b>98</b>     | <b>1,161</b>          | <b>370</b>    | <b>0</b>                     | <b>5,614</b>      | <b>-249</b>                          | <b>-2,375</b>                           | <b>11</b>             | <b>4,631</b> |
| <b>Changes in equity</b>                     |               |                       |               |                              |                   |                                      |   |                       |              |
| Transfers between equity                     |               | -1,161                | -366          | 1,527                        |                   |                                      |   |                       | -1           |
| Share-based payments                         |               |                       |               |                              | -2                |                                      |   |                       | -2           |
| Recognition of undrawn dividends             |               |                       |               |                              | 11                |                                      |   |                       | 11           |
| Dividends                                    |               |                       |               |                              | -449              |                                      |   |                       | -449         |
| Total comprehensive income for the period    |               |                       |               |                              | 345               | 28                                   | 1,528                                   | 0                     | 1,900        |
| <b>Equity at 30 June 2009</b>                | <b>98</b>     | <b>0</b>              | <b>4</b>      | <b>1,527</b>                 | <b>5,519</b>      | <b>-221</b>                          | <b>-847</b>                             | <b>11</b>             | <b>6,090</b> |
| <b>Equity at 1 Jan. 2010</b>                 | <b>98</b>     | <b>0</b>              | <b>4</b>      | <b>1,527</b>                 | <b>5,889</b>      | <b>-200</b>                          | <b>287</b>                              | <b>9</b>              | <b>7,613</b> |
| <b>Changes in equity</b>                     |               |                       |               |                              |                   |                                      |   |                       |              |
| Share-based payments                         |               |                       |               |                              | 0                 |                                      |   |                       | 0            |
| Recognition of undrawn dividends             |               |                       |               |                              | 10                |                                      |   |                       | 10           |
| Dividends                                    |               |                       |               |                              | -561              |                                      |   |                       | -561         |
| Share of associate's other changes in equity |               |                       |               |                              | 12                |                                      |   |                       | 12           |
| Total comprehensive income for the period    |               |                       |               |                              | 518               | 150                                  | 110                                     | -5                    | 773          |
| <b>Equity at 30 June 2010</b>                | <b>98</b>     | <b>0</b>              | <b>4</b>      | <b>1,527</b>                 | <b>5,868</b>      | <b>-50</b>                           | <b>397</b>                              | <b>4</b>              | <b>7,847</b> |

\*) The total comprehensive income includes also the share of the associate Nordea's other comprehensive income, in accordance with the Group's share holding. As Nordea's other comprehensive income comprise mainly the currency hedging of net investments and exchange differences, the Group's share of Nordea's other comprehensive income EURm 367 is also included in the Group's exchange differences in the statement of changes in equity.

\*\*\*) The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 177 (1,466). The amount transferred to p/l amounted to EURm -67 (61).

\*\*\*) The amount recognised in equity from cash flow hedges for the period totalled EURm -6 (-0) .

The amount included in the translation, available-for-sale and cash flow hedge reserves represent other comprehensive income for each component, net of tax.

## Statement of cash flows

|  | 1-6/2010   | 1-6/2009   |
|--|------------|------------|
| <b>Cash and cash equivalent at the beginning of the period</b> | <b>761</b> | <b>499</b> |
| Cash flow from/used in operating activities                    | 244        | 1,168      |
| Cash flow from/used in investing activities                    | 61         | -1,205     |
| Cash flow from/used in financing activities                    | -454       | 42         |
| Dividends paid   | -554       | -443       |
| Increase of liabilities  | 989        | 487        |
| Decrease of liabilities  | -888       | -1         |
| <b>Cash and cash equivalent at the end of the period</b>       | <b>612</b> | <b>504</b> |

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities. Cash flows are reported by using the indirect method. Cash flows from operating activities derive primarily from the principal revenue-producing activities. Cash flows from investments in subsidiaries and associated undertakings and those from investments in intangible assets and property, plant and equipment are presented in investing activities. Financing activities include cash flows resulting from changes in equity and borrowings in order to conduct the business. Cash and cash equivalents consist of cash at bank and in hand and short-term deposits (under 3 months).

# Notes

## Accounting policies

Sampo Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The interim financial statements are presented in accordance with IAS 34 *Interim Financial Reporting*. In preparing the interim financial statements, the same accounting policies and methods of computation are applied as in the financial statements for 2009.

Sampo adopted various new or revised standards and interpretations at the beginning of the year 2010. These standards and interpretations are explained in Sampo's accounting policies for the financial year 2009. The financial statements are available on Sampo's website at [www.sampo.com/result](http://www.sampo.com/result).

The most significant of the adopted standards is the revised IFRS 3 *Business combinations*.

The standard includes various significant changes regarding the accounting treatment of business combinations by allowing the company to measure the non-controlling interest at fair value instead of the proportionate interest in the acquiree's net assets. The choice affects the amounts of recognised goodwill and non-controlling interest.



## Consolidated income statement by segment for six months ended 30 June 2010

| EURm  | P&C<br>insurance | Life<br>insurance | Holding    | Elimination | Group      |
|---|------------------|-------------------|------------|-------------|------------|
| Insurance premium written                                       | 2,358            | 603               | -          | -           | 2,961      |
| Net income from investments                                     | 237              | 245               | 49         | -3          | 527        |
| Other operating income  | 11               | 0                 | 8          | -10         | 9          |
| Claims incurred   | -1,357           | -435              | -          | -           | -1,792     |
| Change in liabilities for insurance and investment contracts    | -437             | -296              | -          | -           | -733       |
| Staff costs   | -235             | -17               | -7         | -           | -259       |
| Other operating expenses  | -231             | -27               | -6         | 4           | -260       |
| Finance costs   | -14              | -4                | -52        | 6           | -63        |
| Share of associates' profit/loss                                | 0                | 0                 | 231        | -           | 231        |
| <b>Profit before taxes</b>                                      | <b>333</b>       | <b>69</b>         | <b>222</b> | <b>-2</b>   | <b>621</b> |
| Taxes   | -87              | -17               | 0          | 0           | -103       |
| <b>Profit for the period</b>                                    | <b>246</b>       | <b>52</b>         | <b>222</b> | <b>-2</b>   | <b>518</b> |
| <b>Other comprehensive income for the period</b>                |                  |                   |            |             |            |
| Exchange differences  | 113              | 0                 | -          | -           | 113        |
| Available-for-sale financial assets                             | 75               | 71                | 2          | 1           | 149        |
| Cash flow hedges  | -                | -6                | -          | -           | -6         |
| Share of other comprehensive income of associates               | -                | -                 | 36         | -           | 36         |
| Income tax relating to components of other comprehensive income | -20              | -17               | 0          | 0           | -37        |
| <b>Other comprehensive income for the period, net of tax</b>    | <b>169</b>       | <b>48</b>         | <b>38</b>  | <b>0</b>    | <b>255</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                | <b>414</b>       | <b>100</b>        | <b>260</b> | <b>-2</b>   | <b>773</b> |
| <b>Profit attributable to</b>                                   |                  |                   |            |             |            |
| Owners of the parent  |                  |                   |            |             | 518        |
| Non-controlling interests                                       |                  |                   |            |             | 0          |
| <b>Total comprehensive income attributable to</b>               |                  |                   |            |             |            |
| Owners of the parent  |                  |                   |            |             | 773        |
| Non-controlling interests                                       |                  |                   |            |             | 0          |

## Consolidated income statement by segment for six months ended 30 June 2009

| EURm  | P&C<br>insurance | Life<br>insurance | Holding      | Elimination | Group        |
|---|------------------|-------------------|--------------|-------------|--------------|
| Insurance premium written                                       | 2,174            | 332               | -            | -           | 2,506        |
| Net income from investments                                     | 191              | 251               | 86           | 20          | 549          |
| Other operating income  | 11               | 0                 | 6            | -9          | 8            |
| Claims incurred   | -1,234           | -312              | -            | -           | -1,546       |
| Change in liabilities for insurance and investment contracts    | -378             | -177              | -            | -           | -555         |
| Staff costs   | -220             | -13               | -6           | -           | -240         |
| Other operating expenses  | -220             | -24               | -11          | 5           | -250         |
| Finance costs   | -15              | -4                | -23          | 4           | -38          |
| Share of associates' profit/loss                                | 0                | 0                 | -            | -           | 0            |
| <b>Profit before taxes</b>                                      | <b>308</b>       | <b>52</b>         | <b>52</b>    | <b>20</b>   | <b>433</b>   |
| Taxes   | -77              | -10               | 4            | -5          | -88          |
| <b>Profit for the period</b>                                    | <b>231</b>       | <b>42</b>         | <b>57</b>    | <b>15</b>   | <b>345</b>   |
| <b>Other comprehensive income for the period</b>                |                  |                   |              |             |              |
| Exchange differences  | 28               | 0                 | -            | -           | 28           |
| Available-for-sale financial assets                             | 243              | 169               | 1,236        | -19         | 1,628        |
| Cash flow hedges  | -                | -1                | -            | -           | -1           |
| Income tax relating to components of other comprehensive income | -64              | -44               | 2            | 5           | -101         |
| <b>Other comprehensive income for the period, net of tax</b>    | <b>206</b>       | <b>124</b>        | <b>1,238</b> | <b>-14</b>  | <b>1,555</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                | <b>438</b>       | <b>166</b>        | <b>1,295</b> | <b>0</b>    | <b>1,900</b> |
| <b>Profit attributable to</b>                                   |                  |                   |              |             |              |
| Owners of the parent  |                  |                   |              |             | 345          |
| Non-controlling interests                                       |                  |                   |              |             | 0            |
| <b>Total comprehensive income attributable to</b>               |                  |                   |              |             |              |
| Owners of the parent  |                  |                   |              |             | 1,900        |
| Non-controlling interests                                       |                  |                   |              |             | 0            |

# Consolidated balance sheet by segment at 30 June 2010

| EURm   | P&C<br>insurance | Life<br>insurance | Holding      | Elimination   | Group         |
|--|------------------|-------------------|--------------|---------------|---------------|
| <b>Assets</b>  |                  |                   |              |               |               |
| Property, plant and equipment                                  | 21               | 5                 | 5            | -             | 31            |
| Investment property  | 27               | 96                | 4            | -4            | 124           |
| Intangible assets  | 560              | 166               | 0            | -             | 726           |
| Investments in associates                                      | 10               | 0                 | 5,379        | -             | 5,389         |
| Financial assets   | 10,945           | 5,338             | 2,578        | -2,539        | 16,323        |
| Investments related to unit-linked insurance contracts         | -                | 2,679             | -            | -             | 2,679         |
| Tax assets   | 66               | 0                 | 10           | 0             | 76            |
| Reinsurers' share of insurance liabilities                     | 571              | 4                 | -            | -             | 575           |
| Other assets   | 1,547            | 139               | 77           | -12           | 1,751         |
| Cash and cash equivalents                                      | 395              | 120               | 108          | -             | 623           |
| <b>Total assets</b>  | <b>14,142</b>    | <b>8,548</b>      | <b>8,160</b> | <b>-2,555</b> | <b>28,295</b> |
| <b>Liabilities</b>   |                  |                   |              |               |               |
| Liabilities for insurance and investment contracts             | 9,475            | 4,469             | -            | -             | 13,945        |
| Liabilities for unit-linked insurance and investment contracts | -                | 2,666             | -            | -             | 2,666         |
| Financial liabilities  | 586              | 110               | 1,721        | -167          | 2,250         |
| Tax liabilities  | 435              | 130               | -            | -             | 566           |
| Provisions   | 31               | -                 | -            | -             | 31            |
| Employee benefits  | 106              | -                 | -            | -             | 106           |
| Other liabilities  | 637              | 178               | 84           | -14           | 886           |
| <b>Total liabilities</b>                                       | <b>11,270</b>    | <b>7,554</b>      | <b>1,805</b> | <b>-181</b>   | <b>20,448</b> |
| <b>Equity</b>  |                  |                   |              |               |               |
| Share capital  |                  |                   |              |               | 98            |
| Reserves   |                  |                   |              |               | 1,530         |
| Retained earnings  |                  |                   |              |               | 5,868         |
| Other components of equity                                     |                  |                   |              |               | 351           |
| <b>Equity attributable to owners of the parent</b>             |                  |                   |              |               | <b>7,847</b>  |
| Non-controlling interests                                      |                  |                   |              |               | 0             |
| <b>Total equity</b>  |                  |                   |              |               | <b>7,847</b>  |
| <b>Total equity and liabilities</b>                            |                  |                   |              |               | <b>28,295</b> |

# Consolidated balance sheet by segment at 31 December 2009

| EURm   | P&C<br>insurance | Life<br>insurance | Holding      | Elimination   | Group         |
|--|------------------|-------------------|--------------|---------------|---------------|
| <b>Assets</b>  |                  |                   |              |               |               |
| Property, plant and equipment                                  | 23               | 5                 | 5            | -             | 34            |
| Investment property  | 28               | 87                | 10           | -             | 124           |
| Intangible assets  | 521              | 167               | 0            | -             | 688           |
| Investments in associates                                      | 3                | 0                 | 5,168        | -             | 5,172         |
| Financial assets   | 10,248           | 5,216             | 2,554        | -2,538        | 15,479        |
| Investments related to unit-linked insurance contracts         | -                | 2,366             | -            | -             | 2,366         |
| Tax assets   | 71               | -                 | 11           | 0             | 81            |
| Reinsurers' share of insurance liabilities                     | 477              | 4                 | -            | -             | 481           |
| Other assets   | 1,265            | 133               | 76           | -36           | 1,439         |
| Cash and cash equivalents                                      | 292              | 68                | 412          | -             | 771           |
| <b>Total assets</b>  | <b>12,927</b>    | <b>8,047</b>      | <b>8,235</b> | <b>-2,574</b> | <b>26,635</b> |
| <b>Liabilities</b>   |                  |                   |              |               |               |
| Liabilities for insurance and investment contracts             | 8,583            | 4,431             | -            | -             | 13,014        |
| Liabilities for unit-linked insurance and investment contracts | -                | 2,359             | -            | -             | 2,359         |
| Financial liabilities  | 524              | 132               | 1,609        | -166          | 2,098         |
| Tax liabilities  | 403              | 97                | -            | -             | 500           |
| Provisions   | 35               | -                 | -            | -             | 35            |
| Employee benefits  | 104              | -                 | -            | -             | 104           |
| Other liabilities  | 719              | 134               | 95           | -36           | 912           |
| <b>Total liabilities</b>                                       | <b>10,367</b>    | <b>7,153</b>      | <b>1,703</b> | <b>-202</b>   | <b>19,022</b> |
| <b>Equity</b>  |                  |                   |              |               |               |
| Share capital  |                  |                   |              |               | 98            |
| Reserves   |                  |                   |              |               | 1,530         |
| Retained earnings  |                  |                   |              |               | 5,889         |
| Other components of equity                                     |                  |                   |              |               | 96            |
| <b>Equity attributable to owners of the parent</b>             |                  |                   |              |               | <b>7,613</b>  |
| Non-controlling interests                                      |                  |                   |              |               | 0             |
| <b>Total equity</b>  |                  |                   |              |               | <b>7,613</b>  |
| <b>Total equity and liabilities</b>                            |                  |                   |              |               | <b>26,635</b> |

# Other notes

## 1 Insurance premiums

| P&C insurance  | 1-6/2010     | 1-6/2009     |
|--|--------------|--------------|
| <b>Premiums from insurance contracts</b>                         |              |              |
| Premiums written, direct insurance                               | 2,464        | 2,270        |
| Premiums written, assumed reinsurance                            | 59           | 68           |
| <b>Premiums written, gross</b>                                   | <b>2,523</b> | <b>2,337</b> |
| Ceded reinsurance premiums written                               | -165         | -163         |
| <b>P&amp;C Insurance, total</b>                                  | <b>2,358</b> | <b>2,174</b> |
| Change in unearned premium provision                             | -503         | -438         |
| Reinsurers' share  | 66           | 60           |
| <b>Premiums earned for P&amp;C Insurance, total</b>              | <b>1,921</b> | <b>1,796</b> |
|  |              |              |
| Life insurance   | 1-6/2010     | 1-6/2009     |
| <b>Premiums from insurance contracts</b>                         |              |              |
| Premiums from contracts with discretionary participation feature | 170          | 94           |
| Premiums from unit-linked contracts                              | 189          | 113          |
| Premiums from other contracts                                    | 2            | 2            |
| <b>Insurance contracts, total</b>                                | <b>362</b>   | <b>210</b>   |
| Assumed reinsurance  | 2            | 0            |
| <b>Premiums from investment contracts</b>                        |              |              |
| Premiums from contracts with discretionary participation feature | 0            | 0            |
| Premiums from unit-linked contracts                              | 245          | 128          |
| <b>Investment contracts, total</b>                               | <b>245</b>   | <b>128</b>   |
| Reinsurers' shares   | -5           | -6           |
| <b>Life insurance, total</b>                                     | <b>603</b>   | <b>332</b>   |
|  |              |              |
| <b>Single and regular premiums from direct insurance</b>         |              |              |
| Regular premiums, insurance contracts                            | 200          | 163          |
| Single premiums, insurance contracts                             | 162          | 46           |
| Single premiums, investment contracts                            | 245          | 128          |
| <b>Total</b>   | <b>607</b>   | <b>337</b>   |
| <b>Group, total</b>  | <b>2,961</b> | <b>2,506</b> |



## 2 Net income from investments

| P&C Insurance  | 1-6/2010   | 1-6/2009   |
|--|------------|------------|
| <b>Financial assets</b>                                  |            |            |
| Derivative financial instruments                         | 12         | 43         |
| Financial assets designated as at fair value through p/l |            |            |
| Debt securities  | 4          | 15         |
| Equity securities  | 2          | 6          |
| Total  | 7          | 21         |
| Loans and receivables                                    | 6          | 8          |
| Financial asset available-for-sale                       |            |            |
| Debt securities  | 230        | 164        |
| Equity securities  | 17         | -10        |
| Total  | 246        | 154        |
| <b>Total financial assets</b>                            | <b>271</b> | <b>226</b> |
| Income from other assets                                 | 0          | 0          |
| Fee and commission expense                               | -4         | -4         |
| Expense on other than financial liabilities              | -1         | -1         |
| Effect of discounting annuities                          | -29        | -30        |
| <b>P&amp;C insurance, total</b>                          | <b>237</b> | <b>191</b> |

| Life insurance   | 1-6/2010   | 1-6/2009   |
|--|------------|------------|
| <b>Financial assets</b>                                  |            |            |
| Derivative financial instruments                         | -39        | 36         |
| Financial assets designated as at fair value through p/l |            |            |
| Debt securities  | 3          | 3          |
| Equity securities  | 0          | 0          |
| Total  | 3          | 3          |
| Investments related to unit-linked contracts             |            |            |
| Debt securities  | 33         | 6          |
| Equity securities  | 67         | 113        |
| Loans and receivables                                    | 0          | -          |
| Other financial assets                                   | -7         | -          |
| Total  | 92         | 119        |
| Loans and receivables                                    | 3          | 2          |
| Financial asset available-for-sale                       |            |            |
| Debt securities  | 123        | 92         |
| Equity securities  | 55         | -19        |
| Total  | 178        | 72         |
| <b>Total income from financial assets</b>                | <b>238</b> | <b>232</b> |
| Other assets   | 3          | 18         |
| Fee and commission income, net                           | 4          | 0          |
| <b>Life insurance, total</b>                             | <b>245</b> | <b>251</b> |

| Holding                             | 1-6/2010   | 1-6/2009   |
|-------------------------------------|------------|------------|
| <b>Financial assets</b>             |            |            |
| Derivative financial instruments    | 21         | 1          |
| Loans and other receivables         | 19         | 1          |
| Financial assets available-for-sale |            |            |
| Debt securities                     | 5          | 14         |
| Equity securities                   | 1          | 62         |
| Total                               | 6          | 76         |
| Other assets                        | 2          | 8          |
| Fee income, net                     | 1          | 0          |
| <b>Holding, total</b>               | <b>49</b>  | <b>86</b>  |
| Elimination items between segments  | -3         | 20         |
| <b>Group, total</b>                 | <b>527</b> | <b>549</b> |

## 3 Claims incurred

| P&C insurance                              | 1-6/2010      | 1-6/2009      |
|--|---------------|---------------|
| Claims paid                                | -1,391        | -1,217        |
| Reinsurers' share                          | 74            | 54            |
| <b>Claims paid, net</b>                    | <b>-1,317</b> | <b>-1,163</b> |
| Change in provision for claims outstanding | -34           | -36           |
| Reinsurers' share                          | -6            | -35           |
| <b>P&amp;C Insurance total</b>             | <b>-1,357</b> | <b>-1,234</b> |
| <br>                                       |               |               |
| Life insurance                             | 1-6/2010      | 1-6/2009      |
| Claims paid                                | -390          | -277          |
| Reinsurers' share                          | 4             | 4             |
| <b>Claims paid, net</b>                    | <b>-386</b>   | <b>-274</b>   |
| Change in provision for claims outstanding | -49           | -38           |
| Reinsurers' share                          | 0             | 0             |
| <b>Life insurance, total</b>               | <b>-435</b>   | <b>-312</b>   |
| <br>                                       |               |               |
| <b>Group, total</b>                        | <b>-1,792</b> | <b>-1,546</b> |

## 4 Staff costs

| P&C insurance                      | 1-6/2010    | 1-6/2009    |
|------------------------------------|-------------|-------------|
| Wages and salaries                 | -168        | -160        |
| Granted cash-settled share options | 0           | 0           |
| Pension costs                      | -34         | -31         |
| Other social security costs        | -32         | -29         |
| <b>P&amp;C insurance, total</b>    | <b>-235</b> | <b>-220</b> |
|                                    |             |             |
| Life insurance                     | 1-6/2010    | 1-6/2009    |
| Wages and salaries                 | -13         | -11         |
| Granted cash-settled share options | -1          | 0           |
| Pension costs                      | -2          | -2          |
| Other social security costs        | -1          | -1          |
| <b>Life insurance, total</b>       | <b>-17</b>  | <b>-13</b>  |
|                                    |             |             |
| Holding                            | 1-6/2010    | 1-6/2009    |
| Wages and salaries                 | -4          | -4          |
| Granted cash-settled share options | -1          | -1          |
| Pension costs                      | -1          | -1          |
| Other social security costs        | -1          | 0           |
| <b>Holding, total</b>              | <b>-7</b>   | <b>-6</b>   |
|                                    |             |             |
| <b>Group, total</b>                | <b>-259</b> | <b>-240</b> |

## 5 Intangible assets

| P&C insurance                   | 6/2010     | 12/2009    |
|---------------------------------|------------|------------|
| Goodwill                        | 546        | 506        |
| Customer relations              | 3          | 6          |
| Other intangible assets         | 11         | 8          |
| <b>P&amp;C Insurance, total</b> | <b>560</b> | <b>521</b> |
|                                 |            |            |
| Life insurance                  | 6/2010     | 12/2009    |
| Goodwill                        | 153        | 153        |
| Other intangible assets         | 13         | 14         |
| <b>Life insurance, total</b>    | <b>166</b> | <b>167</b> |
|                                 |            |            |
| Holding                         | 6/2010     | 12/2009    |
| Other intangible assets         | 0          | 0          |
| <b>Group, total</b>             | <b>726</b> | <b>688</b> |

## 6 Financial assets

| P&C insurance  | 6/2010        | 12/2009       |
|--|---------------|---------------|
| Derivative financial instruments (Note 7)                | 77            | 84            |
| Financial assets designated as at fair value through p/l |               |               |
| Debt securities  | 129           | 136           |
| Equity securities  | 3             | 27            |
| Total  | 133           | 163           |
| Loans and receivables                                    |               |               |
| Loans  | 50            | 2             |
| Deposits with ceding undertakings                        | 1             | 1             |
| Total  | 52            | 3             |
| Financial assets available-for-sale                      |               |               |
| Debt securities  | 9,248         | 8,797         |
| Equity securities  | 1,436         | 1,201         |
| Total  | 10,684        | 9,998         |
| <b>P&amp;C insurance, total</b>                          | <b>10,945</b> | <b>10,248</b> |
|  |               |               |
| Life insurance   | 6/2010        | 12/2009       |
| Derivative financial instruments (Note 7)                | 72            | 66            |
| Financial assets designated as at fair value through p/l |               |               |
| Debt securities  | 49            | 46            |
| Equity securities  | 14            | 4             |
| Total  | 63            | 50            |
| Loans and receivables                                    |               |               |
| Loans  | 26            | 24            |
| Deposits with ceding undertakings                        | 2             | 2             |
| Total  | 28            | 26            |
| Financial assets available-for-sale                      |               |               |
| Debt securities  | 3,196         | 3,289         |
| Equity securities *)                                     | 1,980         | 1,785         |
| Total  | 5,175         | 5,074         |
| <b>Life insurance, total</b>                             | <b>5,338</b>  | <b>5,216</b>  |
|  |               |               |
| *) of which investments in interest funds                | 68            | 157           |

| Holding                                   | 6/2010        | 12/2009       |
|---|---------------|---------------|
| Derivative financial instruments (Note 7) | 32            | 12            |
| Loans and receivables                     |               |               |
| Deposits                                  | 1             | 1             |
| Financial assets available-for-sale       |               |               |
| Debt securities                           | 137           | 135           |
| Equity securities                         | 39            | 36            |
| Total                                     | 176           | 172           |
| Investments in subsidiaries               | 2,370         | 2,370         |
| <b>Holding, total</b>                     | <b>2,578</b>  | <b>2,554</b>  |
| Elimination items between segments        | -2,539        | -2,538        |
| <b>Group, total</b>                       | <b>16,323</b> | <b>15,479</b> |



## 7 Derivative financial instruments

| P&C insurance                       | 6/2010                          |            |             | 12/2009                         |            |             |
|-------------------------------------|---------------------------------|------------|-------------|---------------------------------|------------|-------------|
|                                     | Contract/<br>notional<br>amount | Fair value | Fair value  | Contract/<br>notional<br>amount | Fair value | Fair value  |
|                                     |                                 | Assets     | Liabilities |                                 | Assets     | Liabilities |
| <b>Derivatives held for trading</b> |                                 |            |             |                                 |            |             |
| Interest rate derivatives           | 1,344                           | 13         | 1           | 849                             | 22         | 0           |
| Foreign exchange derivatives        | 3,728                           | 64         | 149         | 3,365                           | 62         | 88          |
| Equity derivatives                  | -                               | -          | -           | 1                               | -          | 0           |
| <b>Total</b>                        | <b>5,072</b>                    | <b>77</b>  | <b>150</b>  | <b>4,215</b>                    | <b>84</b>  | <b>88</b>   |
| <b>Derivatives held for hedging</b> |                                 |            |             |                                 |            |             |
| Fair value hedges                   | 181                             | 0          | 0           | 217                             | 0          | 0           |
| <b>P&amp;C Insurance, total</b>     | <b>5,253</b>                    | <b>77</b>  | <b>150</b>  | <b>4,432</b>                    | <b>84</b>  | <b>89</b>   |
| <b>Life insurance</b>               |                                 |            |             |                                 |            |             |
|                                     | 6/2010                          |            |             | 12/2009                         |            |             |
|                                     | Contract/<br>notional<br>amount | Fair value | Fair value  | Contract/<br>notional<br>amount | Fair value | Fair value  |
|                                     |                                 | Assets     | Liabilities |                                 | Assets     | Liabilities |
| <b>Derivatives held for trading</b> |                                 |            |             |                                 |            |             |
| Interest rate derivatives           | 5,619                           | 46         | 3           | 1,406                           | 51         | 3           |
| Foreign exchange derivatives        | 1,010                           | 16         | 8           | 852                             | 4          | 29          |
| <b>Equity derivatives</b>           | <b>1</b>                        | <b>0</b>   | <b>0</b>    | -                               | -          | -           |
| Commodity derivatives               | -                               | -          | -           | 14                              | -          | 0           |
| <b>Total</b>                        | <b>6,630</b>                    | <b>62</b>  | <b>10</b>   | <b>2,272</b>                    | <b>54</b>  | <b>32</b>   |
| <b>Derivatives held for hedging</b> |                                 |            |             |                                 |            |             |
| Cash flow hedges                    | 889                             | 3          | -           | 365                             | 12         | -           |
| Fair value hedges                   | 478                             | 7          | 0           | 227                             | -          | -           |
| <b>Total</b>                        | <b>1,367</b>                    | <b>10</b>  | <b>0</b>    | <b>591</b>                      | <b>12</b>  | <b>-</b>    |
| <b>Life insurance, total</b>        | <b>7,997</b>                    | <b>72</b>  | <b>10</b>   | <b>2,863</b>                    | <b>66</b>  | <b>32</b>   |
| <b>Holding</b>                      |                                 |            |             |                                 |            |             |
|                                     | 6/2010                          |            |             | 12/2009                         |            |             |
|                                     | Contract/<br>notional<br>amount | Fair value | Fair value  | Contract/<br>notional<br>amount | Fair value | Fair value  |
|                                     |                                 | Assets     | Liabilities |                                 | Assets     | Liabilities |
| <b>Derivatives held for trading</b> |                                 |            |             |                                 |            |             |
| Interest rate derivatives           | 975                             | 26         | -           | 975                             | 7          | -           |
| Exchange derivatives                | 11                              | -          | 1           | 48                              | 1          | 0           |
| Equity derivatives                  | 54                              | 6          | 9           | 42                              | 4          | 7           |
| <b>Total</b>                        | <b>1,040</b>                    | <b>32</b>  | <b>9</b>    | <b>1,065</b>                    | <b>12</b>  | <b>7</b>    |

## 8 Investments related to unit-linked insurance

| Life insurance                                       | 6/2010       | 12/2009      |
|--|--------------|--------------|
| <b>Financial assets as at fair value through p/l</b> |              |              |
| Debt securities                                      | 494          | 365          |
| Equity securities                                    | 2,075        | 1,923        |
| Loans and receivables                                | 107          | 70           |
| Derivatives  | 3            | 8            |
| <b>Life insurance, total</b>                         | <b>2,679</b> | <b>2,366</b> |

## 9 Liabilities for insurance and investment contracts

| P&C insurance                         | 6/2010        | 12/2009        |
|---------------------------------------|---------------|----------------|
| <b>Insurance contracts</b>            |               |                |
| Provision for unearned premiums       | 2,229         | 1,668          |
| Provision for claims outstanding      | 7,247         | 6,915          |
| <b>P&amp;C Insurance, total</b>       | <b>9,475</b>  | <b>8,583</b>   |
| <b>Reinsurers' share</b>              |               |                |
| Provision for unearned premiums       | 119           | 49             |
| Provision for claims outstanding      | 451           | 428            |
| <b>P&amp;C Insurance, total</b>       | <b>571</b>    | <b>477</b>     |
| <b>Life insurance</b>                 | <b>6/2010</b> | <b>12/2009</b> |
| <b>Insurance contracts</b>            |               |                |
| Liabilities for contracts with DPF    |               |                |
| Provision for unearned premiums       | 2,520         | 2,513          |
| Provision for claims outstanding      | 1,889         | 1,844          |
| Total                                 | 4,408         | 4,358          |
| Liabilities for contracts without DPF |               |                |
| Provision for unearned premiums       | 13            | 13             |
| Provision for claims outstanding      | 0             | 0              |
| Total                                 | 14            | 13             |
| <b>Total</b>                          | <b>4,422</b>  | <b>4,371</b>   |
| Assumed reinsurance                   |               |                |
| Provision for unearned premiums       | 1             | 1              |
| Provision for claims outstanding      | 2             | 2              |
| <b>Total</b>                          | <b>3</b>      | <b>3</b>       |
| <b>Insurance contracts, total</b>     |               |                |
| Provision for unearned premiums       | 2,534         | 2,528          |
| Provision for claims outstanding      | 1,891         | 1,846          |
| <b>Total</b>                          | <b>4,425</b>  | <b>4,374</b>   |

|  |               |               |
|--|---------------|---------------|
| <b>Investment contracts</b>                                      |               |               |
| Liabilities for contracts with DPF                               |               |               |
| Provision for unearned premiums                                  | 44            | 57            |
| <b>Liabilities for insurance and investment contracts, total</b> |               |               |
| Provision for unearned premiums                                  | 2,578         | 2,585         |
| Provision for claims outstanding                                 | 1,891         | 1,846         |
| <b>Life insurance, total</b>                                     | <b>4,469</b>  | <b>4,431</b>  |
| <b>Recoverable from reinsurers</b>                               |               |               |
| Provision for unearned premiums                                  | 0             | 0             |
| Provision for claims outstanding                                 | 4             | 4             |
| <b>Life insurance, total</b>                                     | <b>4</b>      | <b>4</b>      |
| <b>Group, total</b>  | <b>13,945</b> | <b>13,014</b> |

Investment contracts do not include a provision for claims outstanding.

Liability adequacy test does not give rise to supplementary claims.

Exemption allowed in IFRS 4 *Insurance contracts* has been applied to investment contracts with DPF or contracts with a right to trade-off for an investment contract with DPF. These investment contracts have been valued like insurance contracts.

## 10 Liabilities from unit-linked insurance and investment contracts

| Life insurance                   | 6/2010       | 12/2009      |
|----------------------------------|--------------|--------------|
| Unit-linked insurance contracts  | 2,091        | 1,961        |
| Unit-linked investment contracts | 575          | 398          |
| <b>Life insurance, total</b>     | <b>2,666</b> | <b>2,359</b> |

# 11 Financial liabilities

| P&C insurance                             | 6/2010       | 12/2009      |
|---|--------------|--------------|
| Derivative financial instruments (Note 7) | 150          | 89           |
| <b>Subordinated debt securities</b>       |              |              |
| Subordinated loans                        | 436          | 435          |
| <b>P&amp;C insurance, total</b>           | <b>586</b>   | <b>524</b>   |
| Life insurance                            | 6/2010       | 12/2009      |
| Derivative financial instruments (Note 7) | 10           | 32           |
| <b>Subordinated debt securities</b>       |              |              |
| Subordinated loans                        | 100          | 100          |
| <b>Life insurance, total</b>              | <b>110</b>   | <b>132</b>   |
| Holding                                   | 6/2010       | 12/2009      |
| Derivative financial instruments (Note 7) | 9            | 7            |
| <b>Debt securities in issue</b>           |              |              |
| Commercial papers                         | 575          | 466          |
| Bonds                                     | 1,006        | 962          |
| <b>Total</b>                              | <b>1,582</b> | <b>1,429</b> |
| <b>Subordinated debt securities</b>       |              |              |
| Debentures                                | -            | 37           |
| <b>Other</b>                              |              |              |
| Pension loan                              | 130          | 130          |
| Other                                     | -            | 6            |
| <b>Total</b>                              | <b>130</b>   | <b>136</b>   |
| <b>Holding, total</b>                     | <b>1,721</b> | <b>1,609</b> |
| Elimination items between segments        | -167         | -166         |
| <b>Group, total</b>                       | <b>2,250</b> | <b>2,098</b> |

## 12 Contingent liabilities and commitments

| P&C insurance                  | 6/2010    | 12/2009   |
|--------------------------------|-----------|-----------|
| <b>Off-balance sheet items</b> |           |           |
| Guarantees                     | 17        | 19        |
| Other irrevocable commitments  | 58        | 69        |
| <b>Total</b>                   | <b>74</b> | <b>88</b> |

### Assets pledged as collateral for liabilities or contingent liabilities

|                                     | 6/2010<br>Assets<br>pledged | 6/2010<br>Liabilities/<br>commitments | 12/2009<br>Assets<br>pledged | 12/2009<br>Liabilities/<br>commitments |
|-------------------------------------|-----------------------------|---------------------------------------|------------------------------|--|
| <b>Assets pledged as collateral</b> |                             |                                       |                              |  |
| Cash at balances at central banks   | 10                          | 8                                     | 9                            | 7                                      |
| Investments                         |                             |                                       |                              |  |
| - Investment securities             | 147                         | 121                                   | 124                          | 101                                    |
| <b>Total</b>                        | <b>157</b>                  | <b>129</b>                            | <b>133</b>                   | <b>108</b>                             |

| Non-cancellable operating leases                    | 6/2010     | 12/2009    |
|---|------------|------------|
| <b>Minimum lease payments</b>                       |            |            |
| - not later than one year                           | 32         | 32         |
| - later than one year and not later than five years | 77         | 82         |
| - later than five years                             | 103        | 106        |
| <b>Total</b>  | <b>212</b> | <b>220</b> |

| Life insurance                                      | 6/2010        | 12/2009        |
|---|---------------|----------------|
| <b>Off-balance sheet items</b>                      |               |                |
| Fund commitments                                    | 392           | 357            |
| <b>Other commitments</b>                            | <b>6/2010</b> | <b>12/2009</b> |
| Acquisition of IT-software                          | 0             | 0              |
| <b>Non-cancellable operating leases</b>             | <b>6/2010</b> | <b>12/2009</b> |
| <b>Minimum lease payments</b>                       |               |                |
| - not later than one year                           | 2             | 2              |
| - later than one year and not later than five years | 7             | 7              |
| - later than five years                             | -             | 1              |
| <b>Total</b>  | <b>8</b>      | <b>10</b>      |

| Holding                        | 6/2010 | 12/2009 |
|--------------------------------|--------|---------|
| <b>Off-balance sheet items</b> |        |         |
| Fund commitments               | 3      | 3       |

**Assets pledged as collateral for liabilities or contingent liabilities**

|                                     | 6/2010<br>Assets<br>pledged | 6/2010<br>Liabilities/<br>commitments | 12/2009<br>Assets<br>pledged | 12/2009<br>Liabilities/<br>commitments |
|-------------------------------------|-----------------------------|---------------------------------------|------------------------------|--|
| <b>Assets pledged as collateral</b> |                             |                                       |                              |  |
| Investments                         |                             |                                       |                              |  |
| - Mortgaged collateral notes        | -                           | -                                     | 15                           | 6                                      |

| Non-cancellable operating leases                    | 6/2010   | 12/2009  |
|---|----------|----------|
| <b>Minimum lease payments</b>                       |          |          |
| - not later than one year                           | 1        | 1        |
| - later than one year and not later than five years | 3        | 3        |
| - later than five years                             | 2        | 2        |
| <b>Total</b>  | <b>6</b> | <b>7</b> |

## 13 Result analysis of P&C insurance business

|  | 1-6/2010   | 1-6/2009   |
|--|------------|------------|
| Premiums earned  | 1,921      | 1,796      |
| Claims incurred  | -1,480     | -1,350     |
| Operating expenses   | -327       | -311       |
| Other technical income and expenses                                    | 0          | 1          |
| Allocated investment return transferred from the non-technical account | 97         | 105        |
| <b>Technical result</b>  | <b>210</b> | <b>241</b> |
| Investment result  | 252        | 206        |
| Allocated investment return transferred to the technical account       | -126       | -135       |
| Other income and expenses  | -4         | -3         |
| <b>Operating result</b>  | <b>333</b> | <b>308</b> |



# 14 Sampo plc's income statement and balance sheet (FAS)

| INCOME STATEMENT                                     | 1-6/2010      | 1-6/2009       |
|--|---------------|----------------|
| Other operating income                               | 8             | 7              |
| Staff expenses                                       | -7            | -6             |
| Depreciation and impairment                          | 0             | 0              |
| Other operating expenses                             | -6            | -11            |
| <b>Operating profit</b>                              | <b>-5</b>     | <b>-11</b>     |
| Finance income and expenses                          | 302           | 167            |
| <b>Profit before appropriations and income taxes</b> | <b>297</b>    | <b>157</b>     |
| Income taxes   | 0             | 4              |
| <b>Profit for the financial period</b>               | <b>297</b>    | <b>161</b>     |
| <b>BALANCE SHEET</b>                                 | <b>6/2010</b> | <b>12/2009</b> |
| <b>ASSETS</b>  |               |                |
| Non-current assets                                   |               |                |
| Intangible assets                                    | 1             | 1              |
| Property, plant and equipment                        | 4             | 4              |
| Investments  |               |                |
| Shares in Group companies                            | 2,370         | 2,370          |
| Receivables from Group companies                     | 120           | 122            |
| Shares in participating undertakings                 | 5,304         | 5,168          |
| Receivables from participating undertakings          |               | -              |
| Other shares and participations                      | 39            | 14             |
| Other receivables                                    | 21            | 41             |
| Receivables  | 118           | 98             |
| Cash and cash equivalents                            | 108           | 412            |
| <b>TOTAL ASSETS</b>                                  | <b>8,084</b>  | <b>8,229</b>   |
| <b>LIABILITIES</b>                                   |               |                |
| <b>Equity</b>  |               |                |
| Share capital  | 98            | 98             |
| Fair value reserve                                   | -2            | -3             |
| Invested unrestricted equity                         | 1,527         | 1,527          |
| Other reserves                                       | 273           | 273            |
| Retained earnings                                    | 4,088         | 4,108          |
| Profit for the year                                  | 297           | 531            |
| <b>Total equity</b>                                  | <b>6,281</b>  | <b>6,534</b>   |
| <b>Liabilities</b>                                   |               |                |
| Long-term  | 1,136         | 1,129          |
| Short-term   | 668           | 567            |
| <b>Total liabilities</b>                             | <b>1,803</b>  | <b>1,696</b>   |
| <b>TOTAL LIABILITIES</b>                             | <b>8,084</b>  | <b>8,229</b>   |

SAMPO  GROUP

Sampo plc  
Fabianinkatu 27  
00100 Helsinki, Finland  
*Telephone* +358 (0)10 516 0100  
*Fax* +358 (0)9 228 90 434 or +358 (0)10 516 0016

[www.sampo.com](http://www.sampo.com)