

SAMPO GROUP'S RESULTS FOR 2004

17 February 2005

Group operating profit exceeds EUR 1 billion

Sampo Group's operating profit more than doubled and was EUR 1,014 million (472). Profitability was good in all business areas and RoEC for the Group rose to 25.0 per cent. Excluding one-off items, RoEC reached 18.0 per cent. Net asset value per share increased to EUR 5.97 (5.64), although Sampo plc paid a dividend of EUR 1.50 per share in April 2004. Earnings per share rose to EUR 1.40 (0.64). Pro forma earnings per share, based on the full-year contribution of If, amounted to EUR 1.55. Earnings contain one-off items worth EUR 0.39 per share. The Sampo Board proposes to the Annual General Meeting that a dividend of EUR 0.20 per share (1.50) be distributed.

New accounting policies on reporting valuation differences in the net asset value calculation for life insurance, which are in line with IFRS, were adopted in the last quarter of 2004. This, together with a reduction in the Finnish corporate tax rate, increased net assets per share by EUR 0.45. When Sampo publishes the 2004 results according to IFRS in April, net asset value per share is estimated to be further enhanced by EUR 0.25 – 0.30. The increase is due to valuation of assets at fair value, reversal of goodwill amortisations and equalisation reserve transfers made during 2004.

Operating profit from banking and investment services rose to EUR 287 million (231). The improvement was largely derived from higher fee income, lower costs and a few one-off items. Strong growth in lending to Finnish households and Baltic customers continued.

The P&C insurance subsidiary If's combined ratio (SGAAP) improved further and was 92.7 per cent for the full year 2004 (100.9). The main contributors were increased efficiency and favourable claims outcome. If's operating profit for 2004 was EUR 570 million (298), of which Sampo Group consolidated EUR 504 million in its profit and loss account.

Sampo Group's life operations reported an operating profit of EUR 211 million (182). The yield on investment assets was 8.3 per cent at market values (9.5). Sampo Life maintained its strong position in focus areas and its overall market share grew to 17.9 per cent (17.6).

Operating profit for the holding company was EUR 20 million (-4). Operating profit for the financial year contains EUR 95 million in sales gains from Skandia shares in the first quarter.

KEY FIGURES

EUR m	2004	2003	Change-%
RESULTS			
Operating profit	1,014	472	115
Banking	287	231	24
P&C insurance	478	-	-
Share of associated company If's profit	27	84	-68
Life insurance	211	182	16
Holding company	20	-4	-
Group profit for the accounting period	779	354	120
PER SHARE KEY FIGURES			
Earnings per share, EUR	1.40	0.64	119
Net asset value per share, EUR *)	5.97	5.64	6
Dividend per share, EUR **)	0.20	1.50	-87
RoEC, %	25.0	-	-

*) Less full deferred tax.

***) Board of Director's dividend proposal.

The internal dividends and sales profits between the different lines of business have not been eliminated in the result analysis and specifications or key figures of banking and investment services and the insurance business. The above-mentioned items have been eliminated in the Group operating profit. Furthermore, the profit or loss corresponding to the share earlier held in the associated company, If, has been added or deducted in the operating profit until Q1. Therefore, the Group operating profit is not equal to the sum of the business area operating profits.

Final quarter of 2004

The Group's earnings per share for the final quarter was EUR 0.33 (0.18) and the growth in net asset value per share in the final quarter was EUR 0.84, of which EUR 0.45 was due to new accounting policies on valuation differences and a reduction in Finnish corporate tax. The Group's operating expenses increased by approximately EUR 16 million due to provisions made for the 2004 bonus schemes and the long-term executive management incentive scheme for 2003 - 2008.

Operating profit for banking and investment services was EUR 56 million (61) in the fourth quarter. Performance in banking was stable and fee income continued to grow. Net interest income was flat, despite the merger of Sampo Credit into Sampo plc at the end of the third quarter, which reduced net interest income by approximately EUR 3 million per quarter.

If's contribution to Group fourth quarter operating profit increased to EUR 185 million from EUR 108 million in the previous quarter, primarily because earnings from insurance operations improved. Earnings during the quarter benefited from a low claims outcome and improved selection of risks, which led to lower risk levels in the insurance portfolio. Compared with the fourth quarter of 2003 the cost and risk ratios declined significantly. As a result the combined ratio improved to 90.3 per cent (99.0).

Life insurance had another successful quarter with profit before extraordinary items rising to EUR 51 million compared with EUR 40 million in the third quarter of 2004. Net investment income increased to EUR 102 million (73). Premiums written were up to EUR 176 million (110), although

the quarter's premium income was negatively affected by the sale of a part of the assumed reinsurance portfolio. The sale lowered premiums by EUR 15 million.

The holding company reported an operating loss of EUR 25 million (-4). Goodwill amortisation and interest expenses for the financing of the If transactions were the main drivers of the result.

Full Year 2004

Changes in Group structure

On 11 February 2004, Sampo plc agreed to acquire the 51.89 per cent of If P&C Insurance Holding Ltd's shares held by Skandia and its subsidiary Skandia Liv, and by Storebrand. The transaction was completed and If became a 89.94 per cent owned subsidiary of Sampo plc on 6 May 2004. On 5 October 2004, Sampo plc acquired the shares held by Varma Mutual Pension Insurance Company. Following these transactions, Sampo plc owns 100 per cent of If.

Sampo plc sold its shareholdings in AS Sampo Pank in Estonia and AB Sampo bankas in Lithuania to Sampo Bank plc, a wholly-owned subsidiary of Sampo plc on 2 January 2004. In addition, Sampo plc sold its life insurance subsidiaries in the Baltic countries, AAS Sampo Dziviba, UAB Sampo Gyvybes Draudimas and AS Sampo Elukindlustus, to Sampo Life Insurance Company Limited on 19 May 2004. On 17 November Sampo Bank plc acquired the privately owned AS Maras Banka in Latvia. Maras Banka focuses on mortgage lending to retail customers. The measures emphasized the role of the fast growing Baltic markets in Sampo Group's strategy.

If concluded the divestment of two companies in its run off portfolio, Patria and ST International, in June 2004.

Sampo plc's wholly-owned subsidiary, Sampo Credit plc, was merged into Sampo plc on 30 September 2004. The outstanding loan portfolio was sold to Sampo Bank plc in September. The merger transferred some EUR 600 million in capital to Sampo plc, which was used to repay a short-term loan of EUR 550 million. The EUR 100 million subordinated loan, issued by Sampo Life and previously held by Sampo Credit, was transferred to Sampo plc.

Sampo Bank plc's wholly-owned subsidiary, Sampo Finance Ltd, was merged into Sampo Bank plc on 30 September 2004.

On 8 December 2004 Sampo Bank plc's Extraordinary General Meeting passed a resolution to distribute the remaining Sampo Life Insurance Company Limited shares it owned to Sampo plc. Consequently, Sampo plc's holding in Sampo Life rose to 100 per cent.

Administration

The Annual General Meeting held on 7 April 2004 elected eight members to the company's Board of Directors. Tom Berglund, Anne Brunila, Georg Ehrnrooth, Jyrki Juusela, Olli-Pekka Kallasvuo, Christoffer Taxell and Björn Wahlroos were re-elected and Matti Vuoria was elected as a new member.

The Annual General Meeting approved the financial accounts for 2003 and discharged the Board of Directors and the Chief Executive Officer from liability. The Meeting also decided, in accordance with the proposal of the Board of Directors, to distribute a dividend of EUR 1.50 per share, totally EUR 831 million.

The firm of authorised public accountants, Ernst & Young Oy, was elected Auditor.

The Corporate Governance Recommendation for Listed Companies issued by HEX plc, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers entered into force on 1 July 2004. Sampo is in full compliance with the Recommendation.

CEO Torbjörn Magnusson, of If P&C Holding Ltd, was appointed to the Executive Committee of Sampo Group in May after the If transaction was closed. In January 2005 Sampo plc's Board of Directors nominated three further members to the Group's Executive Committee. They are Gunnar Rogstad, Head of business area Private in If P&C Insurance, and Ivar Martinsen, Head of business area Commercial in If P&C Insurance, and Ricard Wennerklint, CFO of If P&C Insurance.

In addition to nominating the new members to the Executive Committee Sampo's Board of Directors also appointed a Group MD Committee, consisting of Björn Wahlroos, Group CEO (Chairman), Kari Stadigh, Group Deputy CEO, Torbjörn Magnusson, CEO of If, Mika Ihamuotila, President of Banking and Patrick Lapveteläinen, CIO. Ilona Ervasti-Vaintola, Chief Counsel, acts as Secretary

Changes in share capital

The Annual General Meeting of 7 April 2004 authorized The Board of Directors to decide on the repurchase and conveyance of Sampo's own shares. The authorisation is valid until 7 April 2005. The maximum amount of A shares that can be repurchased is 5 per cent of the company's share capital or of the number of votes attached to all shares. Shares can be bought back either through an offer made to all holders of A shares in proportion to their holdings and on equal terms determined by the Board, or through public trading on the Helsinki Stock Exchange, in which case the shares will not be bought in proportion to the holdings of the shareholders.

Shares can be repurchased to develop the company's capital structure, to finance acquisitions or other reorganisations or otherwise to be further conveyed or cancelled. Sampo plc did not buy back any of its own shares in the period under review.

During the year 2004, Sampo received the following disclosures under chapter 2, section 9 of the Securities Markets Act. On 2 April 2004 Franklin Templeton Group's holding in Sampo fell below 5.0 per cent of all shares and votes. The Finnish Government's holding first fell below 1/3 of the votes and shares on 24 March 2004 and further to 21.3 per cent of all shares and 21.2 of votes on 17 June 2004. On 24 March 2004 the holding of Varma Mutual Pension Insurance Company rose to 15.6 of all shares and 15.5 of votes. In the latter disclosure the Finnish Government also informed Sampo that it had agreed to lock-up its remaining Sampo shares until 1 December 2004.

The B options of Sampo plc's year 2000 option programme were accepted for trading on the main list of the Helsinki Stock Exchange from 2 January 2004, at which time they were also combined with the A options. At the same time, the options were renamed as year 2000 A/B options.

A total of 11,575,050 A shares were subscribed for during the year under review with warrants from Sampo's 1998 option programme, of which the Board was able, during the year, to approve subscriptions for 9,556,200 shares. The remainder of the subscriptions was approved by the Board on 4 January 2005. Similarly, 5,000 A shares have been subscribed for with option rights from Sampo's 2000 option programme. The new shares were accepted for trading in the Helsinki Stock Exchange as each lot is entered in the Trade Register. At the end of the year, Sampo plc's share capital amounted to EUR 94,818,031.58, totalling 563,762,415 shares, of which 1,200,000 were B shares.

On 5 October 2004, Sampo plc's Board of Directors decided to apply for the listing of a new share category called Sampo Uudet (Sampo New) on the main list of the Helsinki Exchanges. The Sampo A shares subscribed for with warrants from the 1998 or 2000 option programs after 31

December 2004 will be traded as a new category. Such shares are entitled to dividends only after the dividend distribution for 2004 has taken place, and the new share category will be adopted to facilitate the payment of year 2004 dividends.

Staff

P&C insurance employees are included in the Group's staff from the second quarter of 2004. Accordingly the staff increased by 6,625 employees to 11,890 employees as of the end of December 2004. 35 per cent of the staff worked in banking and investment services, 56 per cent in P&C insurance, 3 per cent in life insurance, 1 per cent in the holding company and 5 per cent in Primasoft. Staff decreased in Finnish banking due to reorganisation of the branch network and increased in the rapidly growing Baltic subsidiaries. Staff decreased marginally in the life insurance operations, Primasoft and in the P&C operations.

The average number of employees in 2004 was 11,972, compared with 5,529 in the year 2003. Of the average, 54 per cent worked in Finland, 15 per cent in Sweden, 15 per cent in Norway, 3 per cent in Denmark, 13 per cent in the Baltic countries and Poland, and less than one per cent in other countries.

Ratings

During the first half of the year, Moody's assigned a Baa1 first-time issuer rating to Sampo plc on 16 March 2004. In connection with the If transaction, Standard & Poor's downgraded Sampo Bank's counterparty credit rating from A/A-1 to A-/A-2 with a negative outlook on 30 April 2004. S&P also lowered the long-term counterparty credit and insurer financial strength ratings of Sweden-based If P&C Insurance Ltd and Finland-based If P&C Insurance Co. Ltd from A- to BBB+ with a stable outlook. Moody's upgraded If P&C's ratings to A2 (insurance financial strength) and Baa1 (subordinated debt) on 6 May 2004 with a stable rating outlook.

During the second half of the year, Standard & Poor's revised its outlook on Sampo Bank plc's rating, A-, to stable from negative on 28 September 2004. S&P also affirmed its A-/A-2 counterparty credit rating on Sampo Bank. On the same day, S&P raised its long-term counterparty credit and insurer financial strength ratings on Sweden-based If P&C Insurance Ltd and Finland-based If P&C Insurance Company Ltd to A- from BBB+. The outlook is stable. S&P stated that the revisions reflect the strong results in Sampo Group's operating entities, particularly in the If Group, as well as reduced leverage at the level of the holding company, Sampo plc.

Group capital adequacy

Because its operations are weighted towards financial services, Sampo's capital adequacy in 2004 is calculated under the Credit Institutions Act. The Group's capital adequacy ratio was 15.4 per cent on 31 December 2004 (12.5). The tier 1 capital ratio was 14.5 per cent (13.5). In the capital adequacy calculation, deductions from capital and intangible assets more than doubled because of the If acquisition. However, two preferred capital notes issued by Sampo Bank plc added EUR 225 million tier 1 capital and one subordinated EUR 150 million issue raised tier 2 capital, Sampo plc issued EUR 600 million in tier 2 eligible debt and gained over EUR 40 million in equity from exercised warrants. Good results also strengthened the capital adequacy.

The consolidation group comprises Sampo Bank Group, Sampo PTE, Sampo Fund Management Ltd, Mandatum Asset Management Ltd, Mandatum Private Equity Funds Ltd, Mandatum Stockbrokers Ltd, Mandatum & Co Ltd, 3C Asset Management Ltd and the holding company, Sampo plc. In 2005, the Group capital adequacy will be calculated under the national rules on conglomerate capital adequacy based on the European Union's Directive 2002/87/EU.

Other issues

On 31 December 2004, Sampo received a decision from Finland's Tax Office for Major Corporations (KOVE) according to which Sampo Group was obliged to pay approximately EUR 33 million in VAT for the years 2001-2003. This decision reversed two prior final rulings by KOVE. Sampo considers the new decision to be without merit and has appealed the decision.

Banking and investment services

The Group's main banking and investment service companies in Finland are Sampo Bank plc, Sampo Fund Management Ltd, Mandatum Asset Management Ltd, Mandatum Stockbrokers Ltd, Mandatum & Co Ltd, Mandatum Private Equity Funds Ltd and 3C Asset Management Ltd. Sampo Bank's subsidiaries AS Sampo Pank in Estonia, AS Maras Banka in Latvia and AB Sampo bankas in Lithuania as well as Sampo PTE S.A., a pension fund company in Poland, are also included in the accounts of Sampo's banking and investment services. The branch network operates as a distribution channel for a wide range of advisory services and long-term savings products.

Favourable performance in fee income and costs

Operating profit from banking and investment services rose to EUR 287 million (231). The improvement was largely derived from higher fee income, lower costs and partly from a few one-off items. Net income from financial operations decreased. Operationally the biggest results improvement was recorded in the restructured private clients division and growth was strongest in the Baltic subsidiaries. The return on economic capital (RoEC) was 21.5 per cent.

Operating profit contains a few one-off items. EUR 25 million in private equity gains affected dividend income, net income from transactions in securities, and the income from companies accounted for by the equity method. Other operating income includes a EUR 23 million VAT refund. The operating profit also includes a dividend of EUR 8 million paid by Sampo Life to Sampo Bank, which is eliminated in the Group profit. The comparison period included EUR 21 million in Sampo Life's additional dividend.

Net income from financial operations weakened to EUR 394 million (404). This reduction was due to the narrowing of interest margin caused by competition especially in housing loans, and by the fall in market rates influencing the first quarter. Sampo Bank's interest spread between deposits and lending averaged about 2.4 percentage points during 2004, which was about 0.3 percentage points lower than a year earlier. During the fourth quarter net income from financial operations remained at roughly the same level as in the six previous quarters. The merger of Sampo Credit into Sampo plc at the end of September 2004 reduces the net income from financial operations by approximately EUR 3 million by quarter, but the decrease was compensated by growth in lending and minor seasonal factors.

Fees and commissions receivable increased to EUR 256 million (214) and more than compensated for the fall in the net income from financial operations. The biggest increase was recorded in asset management, mainly originating from fast growth and a shift into equity products in mutual funds. But fees and commissions receivable from traditional banking operations were also higher than in 2003. The growth reflects increased activity in the financial markets filtering

through Sampo's strong position in financial services. Fees and commissions payable grew to EUR 62 million (50).

Net income from securities transactions and foreign exchange decreased by EUR 12 million, mainly because the comparison figure includes a one-off gain.

Administrative expenses fell by EUR 8 million due to efficiency improvements. Expenses include one-off provisions for reorganisation both in 2004 and 2003. The underlying reduction in expenses has been larger, but during the fourth quarter more than EUR 10 million was provisioned for executive management incentive schemes, performance bonuses and profit-sharing bonuses to the personnel fund. The cost to income ratio (including the net amount of fees and commissions receivable and payable) improved to 60.4 per cent (64.4).

Substantial growth in Finnish household and Baltic lending

Sampo Group's loan portfolio grew by 6 per cent, with growth continuing to be focused on loans to Finnish households and the Baltic area. Outstanding housing loans increased by 15 per cent year-on-year and Sampo Bank's market share was 14.3 per cent (14.3). Spreads in housing loans decreased compared to 2003. Loans to domestic companies grew by 3 per cent and credit quality continued to be very good. At the end of the year, Sampo Bank's market share of all loans granted by Finnish financial institutions was about 14 per cent (14) and market share of lending to households in Finland was 13 per cent (13).

Total deposits grew by 1 per cent year-on-year, as most of the growth in customer funds flowed to mutual funds and other long-term savings assets. Sampo Bank's market share of deposits by the public in Finland was about 13 per cent (13).

Credit losses and non-performing loans decreased

Net provisions for bad and doubtful loans were EUR 14 million positive (0), because recoveries and releases exceeded new provisions. Provisions pooled by customer group decreased to EUR 15 million at the end of the year (37) as customer specific provisions were recorded. Also specific provisions decreased and stood at EUR 65 million at year end (80). The amount of non-performing loans decreased to EUR 45 million (61), while other non-interest-earning loans totalled EUR 1 million (1).

Strong growth in mutual funds and asset management

Mutual fund assets grew 30 per cent in a year, assisted by new products and strong overall market growth. Funds totalled EUR 6,783 million by the end of 2004 (5,214). This figure includes about EUR 1.3 billion in investments by Sampo Group companies. The increase was biggest in equity and balanced funds, which resulted in Sampo Fund Management becoming the largest equity fund manager in Finland in September 2004. The recent focus on equity funds has lifted the share of mutual fund assets in equity funds to 41 per cent (36). According to the Finnish Association of Mutual Funds Report, Sampo had a 21.8 per cent (22.0) market share in December.

Mainly due to the increase in funds, the discretionary asset management business continued to show good growth at Mandatum Asset Management. Sampo PTE, the fifth largest Polish pension fund management company, also reported continued strong growth. The company had 670,000 registered accounts at the end of December (526 000) and assets under management exceeded EUR 530 million (293). Core assets under management (customer funds under discretionary management in asset management companies belonging to Sampo Group) increased from EUR 8,002 million to EUR 8,940 million.

P&C insurance

If is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. If P&C Insurance Holding Ltd, headquartered in Solna, Sweden, is the parent company for property and casualty insurance within the Sampo Group. Business operations are conducted via subsidiaries and branch offices in the Nordic and Baltic countries.

Sampo increased its holding in If to 89.94 percent in May 2004 and in October 2004 acquired the remaining 10.06 percent of the shares. As of 1 April 2004 If is consolidated as a subsidiary in Sampo Group's accounts. For the first quarter of 2004 and for 2003, If is treated as an associated company and consequently 38.05 per cent of its profit is shown in the consolidated profit and loss account. The Group consolidated accounts have been prepared according to FGAAP. The information in this section of Sampo plc's results announcement refers to If's 2004 in total (SGAAP).

Operating profit improved during the fourth quarter and amounted to EUR 570 million (298) for the entire year, as a result of sharply improved earnings from insurance operations. The claims trend was better than normal, as a result of a continuing low claims frequency and very few major claims during the year. Improved risk selection also had a favourable impact on earnings. All business areas improved their earnings significantly compared with the preceding year. RoEC was 28.3 per cent.

The combined ratio for 2004 was 92.7 per cent (100.3). It improved considerably during both the fourth quarter and the whole year, as a result of the implemented premium adjustments and cost savings, combined with a favourable claims outcome, despite the Asian catastrophe in late December.

Favourable claims and expense performance

Gross premiums written decreased by 3 percent compared with 2003, mainly as a result of the divestment of the marine and energy portfolio and negative exchange-rate effects resulting from the strengthening of the Swedish krona in relation to the Norwegian krone. The Private, Commercial and Baltic business areas showed premium growth, while the reduction in risks in the industrial portfolio led to a decrease in premiums from the Industrial business area.

As a result of the favourable claims outcome and improved risk selection, the Group's risk ratio improved by 6.5 percentage points. All of the business areas reported an improved risk ratio. The claims frequency, particularly for property claims, continued to develop favourably, especially in the Norwegian market. There were significantly fewer major claims than usual, which resulted in the cost of major claims being approximately EUR 110 million below normal.

Nominal costs amounted to EUR 907 million (1,006), with exchange-rate effects resulting from the strengthening of the Swedish krona in relation to the Norwegian krone accounting for EUR 16 million of the cost reduction. The cost ratio decreased additionally as a result of lower commission and consulting costs and reduced staffing and IT costs.

Investment assets grew significantly

Investment income was satisfactory but weakened slightly compared with 2003, due to weak international stock markets and low interest rates. Earnings from investments decreased to EUR 368 million (413) and the return on assets was 4.3 percent (5.1) in 2004. Based on the assets' current value, the return amounted to 4.3 percent (4.6) and earnings amounted to EUR 368 million (376).

The equity weight (including derivative instruments) of the portfolio rose somewhat during the quarter and amounted to approximately 12 percent at the end of the year. Throughout the year, the duration for interest-bearing assets was kept below the target of 3.5 years and amounted to 0.9 years on 31 December 2004. Earnings from equities were stable during the first two quarters, deteriorated slightly during the third quarter and then improved again during the fourth quarter. Despite the short duration of interest-bearing assets, earnings from the fixed-income portfolio were relatively strong during the year.

Despite the divestment of marine and energy operations, the volume of investment assets rose to EUR 8,808 million (8,008), mainly as a result of a positive cash flow from insurance operations. Gross reserves on 31 December 2004 amounted to EUR 7,681 million (7,456) and net reserves rose to EUR 6,889 million (6,801).

The solvency ratio rose to 68.5 per cent (53.8). Solvency capital increased to EUR 2,562 million (2,110), as a result of an increase in shareholders' funds and a reduction in deferred tax. Shareholders' funds rose to EUR 2,274 million from EUR 1,871 million at the beginning of the year, as a result of the profit reported for the year.

Cash flow from insurance operations rose to EUR 595 million (472), despite reinsurance flows of EUR 250 million in connection with the marine and energy transaction at the beginning of the year. Cash flow from investments declined to EUR 222 million (273).

Life insurance

The core of the Group's life insurance operations is Sampo Life, operating in Finland, with subsidiaries in all the three Baltic states. The business area also comprises Sampo T.U. Zycie in Poland.

Operating profit for Sampo Group's life insurance companies rose to EUR 211 million (182) for the financial year. Investment yield was 8.3 per cent at market values (9.5), largely because of the good performance of Finnish equities. Net investment income increased to EUR 411 million (387). Life insurance operations reached a RoEC of 27.2 per cent.

The market value of investment assets (excl. assets covering unit-linked liabilities) was EUR 5.5 billion (5.5) at the end of the year. Valuation differences amounted to EUR 445 million (331). Fixed income instruments constituted 57 per cent (59) of all investments, equity-linked instruments 38 per cent (35) and real estate 6 per cent (6). Due to regulatory reporting requirements the proportion of equity-linked investments includes 6 percentage points of investments in fixed income funds (6).

At the end of the financial year Finnish investments accounted for 35 per cent (47) of all investments, the rest of the euro zone for 29 per cent (25) and other foreign investments for 36 per cent (28). Finland's share of equity-linked investments was 43 per cent, 4 per cent was elsewhere in the euro zone and 53 per cent outside the euro zone.

Sampo Group's life insurance companies had EUR 845 million (865) of solvency capital at the end of the year. Solvency capital amounted to 17.5 per cent of technical reserves on own account (18.0). Sampo Life's solvency capital of EUR 837 million (855) was close to four times the required minimum although the company paid a dividend of EUR 150 million in September 2004.

The total gross premium income of Sampo Group's life insurance companies was flat at EUR 528 million (528). Direct premiums grew by 3 per cent to EUR 537 million but the premium income from reinsurance fell by EUR 15 million and was EUR 9 million negative. The development was due to the sale of part of the reinsurance portfolio. In the Baltic life insurance companies strong growth

continued with premiums of EUR 12 million, which is approximately 60 per cent more than in 2003 (7.5).

Unit-linked premiums increased to EUR 285 million (221) and amounted to 53 per cent of total premiums (42). Sampo Life's main target in the Finnish market was to increase the volume of unit-linked premiums and maintain its strong market position. Volume targets were met as premiums grew by 28 per cent to EUR 273 million. However, increased activity by competitors resulted in a decreased market share of 25.5 per cent (28.5). Regular premiums grew to EUR 307 million (293) increasing their share of total premiums to 57 per cent (56). Sampo Life's overall market share in Finland grew to 17.9 per cent (17.6).

Total technical reserves in Sampo Group's life operations were EUR 5,499 million (5,259), of which unit-linked reserves comprised 16.1 per cent (11.5). Sampo Life's reserve for future customer bonuses decreased in the year under review to EUR 18.3 million (45.2).

Sampo Life aims to provide with-profit policyholders with a total yield matching at least the Finnish Government long bond yield. Total yield consists of a guaranteed return and an annual bonus based on Sampo Life's result. Under IFRS, valuation differences constitute a part of shareholders' funds and to avoid conflicting treatment in Sampo Life's FGAAP accounts and Sampo Group's IFRS accounts, the company has decided to abandon the earlier notional split of valuation differences already in the FGAAP accounts for 2004.

Holding company

The holding company's main function is to own and control subsidiaries engaged in insurance, banking and investment services. The holding company's figures comprise, in addition to Sampo plc, the IT-service provider Primasoft.

The operating profit of the holding company for the financial year was EUR 20 million (-4). Operating profit contains EUR 95 million in sales gains from the sale of shares in Skandia on 1 March 2004 and a VAT refund of EUR 6 million in the second quarter.

The holding company's balance sheet total was EUR 3.7 billion. Of this amount, holdings in banking and investment services companies accounted for EUR 0.8 billion and holdings in insurance companies for EUR 2.5 billion. Other investments totalled EUR 0.5 billion.

The If transactions, the first completed in April and the second in October 2004 had a significant impact on Sampo plc's balance sheet. Three elements were used to finance the first transaction - subordinated notes to the amount of EUR 600 million eligible for inclusion in the tier 2 regulatory capital, senior notes to the amount of EUR 300 million and a syndicated loan of EUR 550 million. The syndicated loan was repaid in early October. A new bank loan of EUR 200 million was taken to partly finance the latter If transaction.

At current market rates, the holding company is liable for interest payments on the above instruments of approximately EUR 11 million per quarter.

At the end of the financial year, Sampo plc had 83 employees (82) and Primasoft had 548 employees (586). In November Primasoft started rationalisation negotiations concerning the entire staff to improve operational efficiency. Annual cost savings of EUR 8 million will be fully reflected as of 2006.

The adoption of International Financial Reporting Standards (IFRS)

On 11 May 2005 Sampo will publish the first-quarter 2005 Interim Report in accordance with IFRS. Before publishing the Interim Report, Sampo will release information on the effects of the transition to IFRS and the changes in key accounting policies. The 2004 Annual Report will include a preliminary account of changes in Sampo Group's capital and reserves under the new accounting standards and a description of the key IFRS changes. In week 14 a stock exchange release, including i.a. the 2004 profit and loss account and balance sheet in accordance with the IFRS, as well as a bridge between the figures calculated according to the Finnish accounting standards and the new standards, will be published.

Outlook for 2005

Although a weak US dollar and high oil prices have increased the risks in the world economy and lowered growth estimates for 2005, growth in the Nordic and Baltic economies, where Sampo Group mainly operates, is forecast to continue at a relatively high level. Macroeconomic developments are therefore not expected to hamper Sampo Group's prospects for 2005.

Sampo Group's profitability is expected to remain good in 2005. However, one-off items similar to those in 2004 are not foreseen. The Group targets a RoEC of 19 per cent.

The Group's banking operations are estimated to maintain their good profitability with stable net financial income and steadily growing fees and commissions. Credit quality shows no signs of weakening and cost efficiency is improving further. The Group's Baltic banks continue to post significant growth numbers. RoEC target for Banking and investment services is 20 per cent.

Expansion of the mutual fund market in Finland is expected to continue. Sampo plans to maintain its strong market position by launching new and innovative fund products including equity funds specialising in emerging markets for those looking for higher returns and capital-protected products for more risk averse investors.

The P&C insurance operation, If, has a leading position in the Nordic and Baltic markets, which have become less cyclical than the international P&C markets. The company targets a combined ratio of less than 95 per cent. With a low-risk investment portfolio If is expected to exceed its RoEC target of 17.5 per cent. Strong cash flow is further enhanced by the low level of taxes paid in 2005 and 2006, which is projected to be approximately 8 per cent.

The Group's life operations are expected to maintain their strong position in focus areas – regular premium retail and corporate policies with an emphasis on unit-linked products. Uncertainties regarding the taxation of individual pension policies have been clarified and new sales will pick up again. Fast growth in the Baltic subsidiaries continues with a focus on unit-linked products. Profitability remains good, barring adverse developments in the capital markets, and a RoEC of 17.5 per cent is targeted.

The holding company will report a loss of approximately EUR 15 million per quarter, primarily because of the interest payments for financing the If acquisition in 2004. Goodwill amortisations will no longer be done under IFRS.

Distribution policy

The Board of Sampo plc adopted a new distribution policy on 3 November 2004, according to which the company aims to distribute 50 per cent of Group net profits to shareholders through share buy-backs and/or dividends. The changes adopted in Finnish dividend taxation are likely to shift the focus to buy-backs.

However, in line with the financial plan laid out in connection with the acquisition of If in February 2004, the Board of Sampo will propose to the AGM of spring 2005 a distribution for the year 2004 not exceeding 25 per cent.

Board's dividend proposal

Distributable capital and reserves totalled EUR 1,478,735,581.27 in the Group and EUR 560,250,756.50 in the parent company. The Board proposes that a dividend for the financial year of EUR 0.20 per share be paid on the company's 565,781,265 shares. The number of shares includes 2,018,850 shares converted in 2004 with warrants, which were approved by the Board on 4 January 2005. The total amount of dividends would be EUR 113,156,253.00.

SAMPO PLC
Board of Directors

For more information, please contact:

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Sampo will arrange a Finnish language press conference on the 2004 results at the Restaurant Bank Unioninkatu 20, Helsinki, today at 2.00 p.m. Finnish time. An English-language telephone conference for investors and analysts will be held at 4.00 p.m. Please call +44 (0) 20 7162 0185 (UK/European) or +1 33 4323 6203 (North American). Password: SAMPO.

The conference can also be followed from a direct transmission on the Internet at www.sampo.com/ir. A recorded version will later be available at the same address.

Sampo plc will publish its Annual Report for 2004 in week 12.

The announcement of the results of Sampo Bank plc (English and Finnish) and the Housing Loan Bank of Finland plc (Finnish) can be viewed on the Internet at www.sampo.com.

Sampo will publish the first quarter 2005 interim report on 11 May 2005.

DISTRIBUTION:
The Helsinki Stock Exchange
The principal media
www.sampo.com
Financial Supervisory Authority

GROUP FINANCIAL REVIEW

KEY FIGURES		2004	2003
		1-12	1-12
GENERAL KEY FIGURES			
Revenue	EUR m	6,017	2,455
Operating profit *)	EUR m	1,014	472
% of revenue	%	16.9	19.2
Profit before extraordinary items	EUR m	965	486
% of revenue	%	16.0	19.8
Profit before appropriations and tax	EUR m	965	486
% of revenue	%	16.0	19.8
Return on equity (at current values)	%	33.3	14.0
Return on assets (at current values)	%	4.4	3.3
Equity/assets ratio	%	9.1	13.6
Capital adequacy ratio		15.4	12.5
Average number of staff		11,972	5,529
BANKING AND INVESTMENT SERVICES			
Revenue	EUR m	1,133	1,119
Net income from financial operations	EUR m	394	404
Operating profit	EUR m	287	231
% of revenue	%	25.3	20.7
Cost to income ratio	%	63.8	67.0
Average number of staff		4,167	4,471
PROPERTY & CASUALTY INSURANCE*			
Revenue	EUR m	3,475	
Premiums written before reinsurers' share	EUR m	2,549	
Premiums earned	EUR m	2,738	
Operating profit	EUR m	478	
% of revenue	%	13.7	
Risk ratio	%	66.8	
Cost ratio	%	24.5	
Loss ratio	%	73.3	
Expense ratio	%	18.1	
Combined ratio	%	91.4	
Solvency margin	EUR m	2,005	
Solvency capital	EUR m	2,201	
% of technical provisions	%	29.7	
Solvency ratio	%	60.3	
Average number of staff		6,776	

* Figures of P&C insurance for April to December 2004

LIFE INSURANCE

Revenue	EUR m	1,169	1,194
Premiums written before reinsurers' share	EUR m	528	528
Operating profit	EUR m	211	182
% of revenue	%	18.0	15.2
Expense ratio	%	99	87
Solvency margin	EUR m	837	857
Equalisation provision	EUR m	6	4
Solvency capital	EUR m	845	865
% of technical provisions	%	17.5	18.0
Average number of staff		378	387

HOLDING COMPANY

Operating profit	EUR m	20	-4
Average number of staff		651	671

PER SHARE KEY FIGURES

Earnings per share	EUR	1.40	0.64
Diluted earnings per share **)	EUR	1.38	0.64
Capital and reserves per share	EUR	5.37	5.43
Net asset value per share less deferred tax of the valuation differences of the Group	EUR	5.97	5.64
Adjusted share price, high	EUR	10.24	8.53
Adjusted share price, low	EUR	7.20	5.05
Market capitalisation	EUR m	5,728	4,542

*) The internal dividends and sales profits between the different lines of business have not been eliminated in the result analysis and specifications or key figures of banking and investment services and insurance business. However, above-mentioned items have been eliminated in the Group operating profit. In addition, the operating profit includes the income from If Group, accounted for by the equity method, for 2003 and for the first quarter of 2004. Therefore, the Group operating profit is not equal to the sum of business area operating profits.

**) The dilution effect has been calculated as if all the remaining subscription rights (1,178,630/the bond loan with warrants of 1998 and 5,199,000/the option programme of 2000 at the end of December, 2004) would have been realised. One subscription right entitles to subscribe 5 shares.

The key figures for Banking and Investment Services and the holding company have been calculated according to regulation 20/420/98 of the Financial Supervision. The key figures for the insurance business have been calculated according to the decree of the Ministry of Finance and the specifying instruction 23/09/2002 of the Ministry of Social Affairs and Health. In calculating the key figures the tax corresponding to the results for the accounting period has been taken into account. In calculating the return on equity, solvency ratio and the net asset value per share the deferred tax liability has been deducted from valuation differences.

In calculating the net asset value per share and the return on equity as per 31 Dec 2003, an interpretation of the principle of fairness in life insurance has been taken into account, according to which the owners' share of the valuation differences is a standard 25 %. As a result of a change in accounting practice in 2004, the target level for total policyholder bonuses was kept as before, but the division of valuation differences in accounting was abandoned. Accordingly, the valuation differences of investments for 2004 have been treated entirely as capital and reserves in calculating the above key figures. As valuation differences are not included in the Balance Sheet, their deferred tax and the change in deferred tax are not entered in the Profit and Loss Account or in the Balance Sheet. Other items of the solvency margin, including derivative contracts, have been deducted from/added to the valuation differences when calculating the key figures.

If is consolidated as a subsidiary in Sampo Group's accounts as of April 1, 2004. Accordingly If figures have been taken into account line by line in the consolidated profit and loss account and balance sheet. In the comparison periods year 2003 and between January 1, 2004 and March 31, 2004 If has been treated as an associated company and its result is presented in the consolidated profit and loss account under the heading "result of P&C operations" and the investment in If under "net assets of P&C insurance business" in the consolidated balance sheet.

GROUP ANALYSIS OF RESULTS

EUR m	2004 1-12	2003 1-12	Result impact
BANKING AND INVESTMENT SERVICES			
Interest receivable	655	677	-22
Interest payable	-261	-273	12
Net income from financial operations	394	404	-10
Dividend income	29	27	2
Fees and commissions receivable	256	214	42
Fees and commissions payable	-62	-50	-12
Net income from transactions in securities and foreign exchange dealing	0	12	-12
Other operating income	41	36	5
Administrative expenses	-319	-327	8
Depreciation and write-down of tangible and intangible assets	-35	-33	-2
Other operating expenses	-43	-54	12
Provisions for bad and doubtful debts	14	0	13
Write-offs in respect of debt securities held as financial fixed assets	0	-	-
Income from companies accounted for by the equity method	13	2	11
Operating profit	287	231	56
PROPERTY & CASUALTY INSURANCE*			
Premiums earned	2,738		
Claims incurred	-2,007		
Operating expenses	-495		
Other technical income and charges	0		
Balance on technical account before the change in equalisation provision	236		
Investment income and charges	268		
Other income and charges	-27		
Share of associated undertakings' profit	1		
Operating profit	478		
Change in equalisation provision	-53		
Unrealised gains and losses on investment assets	-		
Profit before extraordinary items	425		

* Figures of P&C insurance for April to December 2004 according to FGAAP

LIFE INSURANCE

Premiums written	510	513	-3
Investment income and charges, revaluations and revaluation adjustments	411	387	24
Claims paid	-423	-392	-31
Change in technical provisions before customer bonuses and change in equalisation provision	-244	-284	40
Net operating expenses	-48	-42	-6
Other technical income and charges	3	-	3
Technical result before customer bonuses and change in equalisation provision	209	182	27
Other income and charges	0	0	0
Share of associated undertakings' profit	2	0	2
Operating profit	211	182	29
Change in equalisation provision	-2	0	-2
Bonuses and rebates	6	13	-7
Life insurance profit before extraordinary items	215	195	20

HOLDING COMPANY

Interest receivable	8	2	5
Interest payable	-43	-11	-32
Net income from financial operations	-35	-9	-26
Dividend income	13	10	3
Fees and commissions receivable	0	0	0
Fees and commissions payable	-1	-1	-1
Net income from transactions in securities and foreign exchange dealing	94	3	91
Other operating income	133	146	-14
Administrative expenses	-110	-106	-3
Depreciation and write-down of tangible and intangible assets	-50	-17	-34
Other operating expenses	-29	-31	2
Provisions for bad and doubtful debts	0	0	0
Write-offs in respect of debt securities held as financial fixed assets	-	-	-
Income from companies accounted for by the equity method	6	-1	7
Operating profit	20	-4	24
Result of P&C operations*	27	84	-57
Elimination items	-8	-21	13
Profit before appropriations and tax	965	486	480
Tax	-151	-125	-26
Minority interest	-36	-7	-28
Group profit for the accounting period	779	354	425

* Income from If Group until 31 March 2004, accounted for by the equity method

ANALYSIS OF RESULTS BY QUARTER

EUR m	2004 10-12	2004 7-9	2004 4-6	2003 1-3	2003 10-12
BANKING AND INVESTMENT SERVICES					
Interest receivable	169	164	163	159	163
Interest payable	-70	-65	-64	-62	-63
Net income from financial operations	99	98	99	97	100
Dividend income	1	21	4	3	1
Fees and commissions receivable	67	66	61	62	55
Fees and commissions payable	-17	-16	-15	-14	-12
Net income from transactions in securities and foreign exchange dealing	-2	3	1	-2	11
Other operating income	10	5	24	3	11
Administrative expenses	-90	-73	-76	-80	-77
Depreciation and write-down of tangible and intangible assets	-9	-9	-9	-8	-13
Other operating expenses	-5	-15	-11	-12	-18
Provisions for bad and doubtful debts	0	4	3	7	4
Write-offs in respect to debt securities held as financial fixed assets	0	-	-	-	-
Income from companies accounted for by the equity method	3	9	1	0	-1
Operating profit	56	93	81	57	61
PROPERTY & CASUALTY INSURANCE					
Premiums earned	913	912	913		
Claims incurred	-673	-649	-685		
Operating expenses	-163	-167	-166		
Other technical income and charges	0	0	0		
Balance on technical account before the change in equalization provision	77	96	63		
Investment income and charges	117	15	136		
Other income and charges	-9	-4	-13		
Share of associated undertakings' profit	0	1	-		
Operating profit	185	108	185		
Change in equalisation provision	-29	-25	2		
Unrealised gains and losses on investment assets	-	11	-11		
Profit before extraordinary items	156	93	176		

LIFE INSURANCE

Premiums written	176	110	94	130	186
Investment income and charges, revaluations and revaluation adjustments	102	73	77	159	84
Claims paid	-119	-90	-90	-123	-124
Change in technical provisions before customer bonuses and change in equalisation provision	-101	-45	-34	-64	-91
Net operating expenses	-14	-10	-12	-12	-11
Other technical income and charges	3	-	-	-	-
Technical result before customer bonuses and change in equalisation provision	45	38	35	91	44
Other income and charges	0	0	0	0	0
Share of associated undertakings' profit	0	1	0	0	0
Operating profit	45	39	35	91	44
Change in equalisation provision	-2	0	0	0	0
Bonuses and rebates	8	1	8	-11	20
Life insurance profit before extraordinary items	51	40	43	80	65

HOLDING COMPANY

Interest receivable	2	0	3	2	1
Interest payable	-13	-15	-12	-3	-2
Net income from financial operations	-10	-15	-9	-1	-1
Dividend income	3	0	8	3	2
Fees and commissions receivable	0	0	0	0	0
Fees and commissions payable	-1	0	0	0	0
Net income from transactions in securities and foreign exchange dealing	-4	-1	4	95	-1
Other operating income	36	27	37	33	36
Administrative expenses	-29	-24	-27	-30	-30
Depreciation and write-down of tangible and intangible assets	-13	-12	-12	-14	0
Other operating expenses	-8	-5	-10	-6	-9
Provisions for bad and doubtful debts	0	0	0	0	0
Write-offs in respect to debt securities held as financial fixed assets	-	-	-	-	0
Income from companies accounted for by the equity method	1	4	3	-2	1
Operating profit	-25	-26	-7	78	-4
Result of P&C business	-	-	-	27	16
Elimination items	-	-8	-	-	0
Profit before appropriations and tax	238	193	294	241	138
Tax	-54	-61	26	-61	-37
Minority interest	-1	-15	-18	-2	-2
Group profit for the accounting period	182	117	302	178	99

BANKING AND INVESTMENT SERVICES SPECIFICATION OF ANALYSIS OF RESULTS

EUR m	2004 1-12	2003 1-12
INTEREST RECEIVABLE AND PAYABLE		
Interest receivable		
Loans and advances to credit institutions	27	33
Loans and advances to customers	512	523
Debt securities	71	83
Net leasing income	32	29
Other interest receivable	14	10
Total	655	677
Interest payable		
Liabilities to credit institutions and central banks	-12	-17
Liabilities to customers	-116	-134
Debt securities in issue	-130	-128
Subordinated liabilities	-13	-10
Preferred capital notes	-7	0
Other interest payable	17	16
Total	-261	-273
FEES AND COMMISSIONS		
Fees and commissions receivable		
Payment services	57	54
Securities transactions	16	12
Asset management services	80	60
Lending	35	31
Demand deposit accounts	20	19
Guarantees	12	8
Corporate Finance operations	5	5
Other	32	24
Total	256	214
Fees and commissions payable	-62	-50
Fees and commissions, net	194	164
NET INCOME FROM TRANSACTIONS IN SECURITIES AND FOREIGN EXCHANGE DEALING		
Debt securities and interest rate derivatives	-12	-14
Equities and equity derivatives	0	15
Other	0	0
Net income from transactions in securities, total	-11	2
Net income from foreign exchange dealing	11	10
Total	0	12

OTHER OPERATING INCOME

Rental and dividend income from properties and property companies	1	1
Profit on disposal of properties and property companies	0	0
Other income	40	35
Total	41	36

ADMINISTRATIVE EXPENSES

Wages and salaries	-148	-156
Social security costs	-39	-37
Staff costs, total	-187	-193
Other administrative expenses	-133	-134
Total	-319	-327

OTHER OPERATING EXPENSES

Rental expenses	-28	-30
Expenses on properties and property companies	0	0
Loss on disposal of properties and property companies	-	0
Other expenses	-15	-24
Total	-43	-54

PROVISIONS FOR BAD AND DOUBTFUL DEBTS

Total amount written off for the period	-12	-11
Specific provisions written off during the period	7	7
Specific provisions for bad and doubtful debts	-13	-21
Total	-19	-25

Recoveries of loans and guarantees	14	14
Releases of provisions	18	12
Total	33	26

Provisions for bad and doubtful debts for the period, total	14	0
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PREMIUMS WRITTEN, PROPERTY & CASUALTY INSURANCE

EUR m	2004 4-12
Direct insurance	
EEA countries	2,514
Norway	968
Sweden	931
Finland	376
Denmark	172
Baltic countries & Poland	67
Other countries	-
Total	2,514
Reinsurance	35
Property & casualty insurance in total	2,549

PREMIUMS WRITTEN, LIFE INSURANCE

EUR m	2004 1-12	2003 1-12
Unit-linked individual life insurance	194	153
Other individual life insurance	67	90
Unit-linked capital redemption policies	5	4
Other capital redemption policies	1	3
Employees' group life insurance	4	4
Other group life insurance	3	3
Total	273	257
Unit-linked individual pension insurance	74	57
Other individual pension insurance	92	96
Unit-linked group pension insurance	12	7
Other group pension insurance	86	105
Total	264	266
Direct insurance premiums written	537	522
Regular premiums	307	293
Single premiums	229	229
Total	537	522
Premiums from non-profit policies	1	1
Premiums from with-profit policies	251	300
Premiums from unit-linked insurance	285	221
Total	537	522

Life reinsurance	-9	6
Life insurance in total	528	528

INVESTMENT INCOME AND CHARGES, PROPERTY & CASUALTY INSURANCE BUSINESS

EUR m	2004 4-12
Interest income	172
Dividends	12
Income from land and buildings	11
Gains on realisation of investments	119
Unrealised gains arising from valuation of investments	15
INVESTMENT INCOME	328
Interest charges	-6
Charges from land and buildings	-5
Losses on realisation of investments	-6
Unrealised losses arising from valuation of investments	-24
Exchange rate changes	-11
Other charges	-8
INVESTMENT CHARGES	-60
NET INVESTMENT INCOME	268

INVESTMENT INCOME AND CHARGES, LIFE INSURANCE BUSINESS

EUR m	2004 1-12	2003 1-12
Interest income	114	121
Dividends	83	74
Income from land and buildings	32	33
Gains on realisation of investments	147	99
Value readjustments on investments	38	99
Exchange rate gains on investments	15	26
Exchange rate gains on insurance business	1	2
Other income	181	197
INVESTMENT INCOME	611	652

Interest charges	-10	-9
Charges from land and buildings	-10	-10
Planned depreciation on buildings	-7	-7
Losses on realisation of investments	-7	-16
Value adjustments	-49	-71
Other charges	-145	-163
INVESTMENT CHARGES	-229	-277
Revaluations and revaluation adjustments on investments	29	12
NET INVESTMENT INCOME	411	387

CONSOLIDATED BALANCE SHEET

EUR m	12/2004	12/2003
ASSETS		
BANKING AND INVESTMENT SERVICES ASSETS		
Cash and balances at central banks	921	305
Treasury bills and other eligible bills	1,688	1,290
Loans and advances to credit institutions	425	479
Loans and advances to customers	14,749	13,908
Lease assets	685	619
Debt securities	390	648
Shares and participations	45	41
Intangible assets	76	80
Tangible assets	42	35
Other assets	622	690
Prepayments and accrued income	121	141
Deferred tax assets	19	27
Elimination items	-43	-125
Total	19,738	18,138
PROPERTY & CASUALTY INSURANCE ASSETS		
Intangible assets	140	
Investments	8,735	
Deferred tax asset	182	
Debtors, other assets, prepayments and accrued income	1,452	
Elimination items	-105	
Total	10,405	

LIFE INSURANCE ASSETS

Intangible assets	3	4
Investments	5,941	5,757
Debtors, other assets, prepayments and accrued income	105	105
Elimination items	-265	-199
Total	5,784	5,667

HOLDING COMPANY ASSETS

Loans and advances to credit institutions	67	67
Loans and advances to customers	13	4
Debt securities	99	121
Shares and participations	70	288
Intangible assets	812	249
Tangible assets	93	165
Other assets	48	32
Prepayments and accrued income	35	2
Deferred tax assets	5	4
Elimination items	-193	-178
Total	1,049	755

NET ASSETS OF P&C INSURANCE BUSINESS

- 712

TOTAL ASSETS

36,977 25,272

LIABILITIES

Subscribed capital	95	93
Share premium account	1,019	971
Reserves	370	370
Preferred capital notes	225	10
Distributable reserves	346	850
Profit brought forward	418	368
Profit for the financial year	779	354

Minority interest 28 29

Subordinated loans of P&C insurance 237 -

BANKING AND INVESTMENT SERVICES LIABILITIES

Liabilities to credit institutions and central banks	557	381
Liabilities to customers	10,428	10,412
Debt securities in issue	5,901	4,265
Other liabilities	882	944
Accruals and deferred income	286	261
Subordinated liabilities	483	350

Deferred tax liabilities	17	29
Elimination items	-432	-372
Total	18,121	16,270

PROPERTY & CASUALTY INSURANCE LIABILITIES

Property & casualty insurance technical provisions	7,202	
Deferred tax liability	141	
Obligatory provisions	138	
Deposits received from reinsurers, other creditors and deferred income	691	
Elimination items	-32	
Total	8,140	

LIFE INSURANCE LIABILITIES

Life insurance technical provisions	4,615	4,652
Unit-linked insurance technical provisions	884	607
Deposits received from reinsurers, other creditors and deferred income	166	211
Elimination items	-110	-109
Total	5,554	5,361

HOLDING COMPANY LIABILITIES

Liabilities to credit institutions and central banks	207	6
Liabilities to customers	105	105
Debt securities in issue	624	313
Other liabilities	88	45
Accruals and deferred income	56	30
Subordinated liabilities	596	-
Deferred tax liabilities	0	116
Elimination items	-31	-21
Total	1,644	595

TOTAL LIABILITIES	36,977	25,272
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OFF-BALANCE SHEET ITEMS

BANKING AND INVESTMENT SERVICES

Contingent liabilities	2,429	1,911
Commitments	3,582	3,467
Total	6,011	5,378

HOLDING COMPANY BUSINESS

Commitments	17	25
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GROUP'S NET ASSETS BY BUSINESS AREAS

EUR m	Banking	P&C	Life	Sampo Plc	Group	
	12/ 2004	12/ 2004	12/ 2004	12/ 2004	12/ 2004	12/ 2003
Capital and reserves	997	2,050	387	2,073	3,027	3,006
Valuation difference of investments	4	-14	453 *	12	454	157
Deferred tax	-1	4	-118	-3	-118	-45
Net assets in total	1,000	2,040	723	2,081	3,363	3,118

The net assets of business areas have been calculated in accordance with the legal structure.

On Group level intra-group shareholdings have been eliminated.

*) Due to the new interpretation of the principle of fairness, the valuation differences of investments for 2004 have been entirely added to net assets.

PARENT COMPANY BALANCE SHEET

EUR m	12/2004	12/2003
ASSETS		
Loans and advances to credit institutions	50	55
Loans and advances to customers	13	4
Debt securities	99	121
Shares and participations	49	214
Shares and participations in associated undertakings	18	317
Shares and participations in Group undertakings	3,276	2,087
Intangible assets	24	31
Tangible assets	90	162
Other assets	45	20
Prepayments and accrued income	22	2
Deferred tax assets	3	4
Total	3,690	3,015
LIABILITIES		
Liabilities to credit institutions and central banks	200	-
Liabilities to customers	105	105
Debt securities in issue	624	313
Other liabilities	77	45
Accruals and deferred income	47	16
Subordinated liabilities	596	-
Deferred tax liabilities	-	0

Appropriations	0	1
Subscribed capital	95	93
Other capital and reserves	1,946	2,442
Total	3,690	3,015
OFF-BALANCE SHEET ITEMS	17	25

GROUP'S CAPITAL ADEQUACY

EUR m	12/2004	12/2003
TIER 1 *)	2,123	1,882
Share capital	95	93
Premium reserve	1,019	971
Legal reserve	370	370
Preferred capital notes	225	10
Non-restricted capital and reserves	1,419	741
Minority interest	25	29
Intangible assets and goodwill	-1,030	-333
TIER 2	1,071	323
Subordinated liabilities	994	240
Other	77	83
Deductions from capital **)	-941	-470
TIER 3	-	-
Total capital	2,254	1,735
Risk-weighted assets (on-balance Sheet and off-balance sheet)	14,678	13,920
Capital adequacy ratio		
- total capital / risk-weighted assets	15.4 %	12.5 %
- Tier 1 / risk-weighted assets	14.5 %	13.5 %

The group's capital adequacy has been calculated in accordance with the provisions of the Act on Credit Institutions, 9:72-81§.

*) The dividends have been deducted from Capital and Reserves.

**) On 31 March, 2003, the Financial Supervision granted Sampo Bank an exemption, pursuant to the Act on Credit Institutions (75§, 5), permitting the Bank not to deduct from its total capital investments in companies whose main business area is investment activity. The exemption remains valid until 31 December, 2006.

BANKING AND INVESTMENT SERVICES BALANCE SHEET ANALYSIS

EUR m	12/2004	12/2003
LOANS AND ADVANCES TO CUSTOMERS		
Corporations	5,463	5,296
Financial and insurance institutions	79	46
Public sector entities	304	899
Non-profit institutions	158	145
Households	7,609	6,672
Foreign	1,150	886
Provisions for bad and doubtful debts charged by customer group	-15	-37
Total	14,749	13,908
LIABILITIES TO CUSTOMERS		
Deposits		
Demand deposits	2,559	2,618
Savings accounts	1,009	960
Other deposits	2,186	2,022
Current accounts	3,165	3,197
Euro-deposits, total	8,919	8,797
Foreign currency deposits	547	595
Total	9,467	9,392
Other liabilities	961	1,021
Total	10,428	10,412
NON-PERFORMING AND OTHER NON-INTEREST EARNING LOANS		
Non-performing loans	45	61
Other non-interest earning loans	1	1
Total	46	62

INVESTMENTS, PROPERTY & CASUALTY INSURANCE BUSINESS

EUR m	12/2004
PROPERTY & CASUALTY INSURANCE	
Bonds	6,886
Other debt securities and deposits	807
Shares and participations	966
Investments in land and buildings	111
Loans	0
Other investments	2
CURRENT VALUE, TOTAL	8,772

Valuation differences	
Bonds	37
Other debt securities and deposits	0
Shares and participations	-
Investments in land and buildings	-
VALUATION DIFFERENCES, TOTAL	37

BOOK VALUE, TOTAL 8,735

INVESTMENTS, LIFE INSURANCE BUSINESS

EUR m	12/2004	%	12/2003
LIFE INSURANCE			
Bonds	2,348	37	1,793
Other debt securities and deposits	746	12	1,403
Shares and participations	2,084	33	1,905
Investments in land and buildings	311	5	356
Loans	0	0	0
Other investments	16	0	27
Investments pertaining to unit-linked policies	882	14	603
CURRENT VALUE, TOTAL	6,387	100	6,088
Valuation differences			
Bonds	89		47
Other debt securities and deposits	0		0
Shares and participations	326		254
Investments in land and buildings	30		31
VALUATION DIFFERENCES, TOTAL	445		331
BOOK VALUE, TOTAL	5,941		5,757

DISTRIBUTION OF MUTUAL FUND ASSETS

EUR m	12/2004	12/2003
Equity Funds	2,812	1,863
Balanced Funds	651	377
Money Market Funds	2,078	1,846
Bond Funds	760	603
Absolute Return Funds	468	514
Risk Funds	14	11
Total	6,783	5,214

BANKING AND INVESTMENT SERVICES DERIVATIVE CONTRACTS

EUR m	12/2004 Values of underlying instruments		12/2003 Values of underlying instruments	
	For hedging purposes	Other	For hedging purposes	Other
Interest rate contracts				
Futures and forward rate agreements	-	1,729	-	2,041
Options				
Purchased	-	5,080	-	1,957
Written	-	7,619	-	2,518
Interest rate swaps	1,719	12,476	1,493	5,676
Total	1,719	26,904	1,493	12,191
Exchange rate contracts				
Futures and forward exchange	-	9,224	-	9,108
Options				
Purchased *)	-	211	16	31
Written *)	-	212	16	8
Interest rate and cross currency swaps	687	189	785	202
Total	687	9,837	817	9,349
Equity contracts				
Futures and forwards	-	-	-	-
Options				
Purchased *)	231	6	73	105
Written *)	237	8	73	101
Other equity contracts	-	-	73	-
Total	468	14	220	206
Commodity Derivatives				
Commodity forwards	-	159	-	96
Other derivative contracts **)				
Purchased	0	-	-	-
Written	0	-	-	-
Total	0	159	-	96

	Credit equivalent amount of contracts	Risk weighted amount of contracts	Credit equivalent amount of contracts	Risk weighted amount of contracts
Interest rate contracts	43	20	23	10
Exchange rate contracts	115	50	158	71
Equity contracts	5	1	22	5
Commodity contracts	23	11	11	5
Other derivative contracts	0	0	-	-
Contracts settled on a net basis ***)	365	75	253	53
Total	552	157	468	143

*) Options for hedging purposes are embedded options connected to funding and hedging derivatives. Values of underlying instruments are hence given in the items on purchased and written options as well as in the items on interest rate swaps, interest rate and cross currency rates or other equity contracts. Credit equivalent amounts have not been separately calculated for embedded options connected to derivative contracts; instead, the market value of the embedded options is included in the total credit equivalent amount of the derivative contract.

**) Other derivative contracts comprise of options and embedded options attached to funding and derivatives hedging funding. These are barrier options

***) The netting is based on a blanket agreement between ISDA and The Finnish Bankers` Association.

Derivate contracts between business areas have not been eliminated.

BANKING AND INVESTMENT SERVICES ASSETS PLEDGED AS COLLATERAL SECURITY AND SECURED LIABILITIES AND COMMITMENTS

EUR m	12/2004	12/2003
Assets pledged as collateral security		
Pledges	1,264	1,134
Other	-	-
Total	1,264	1,134
Assets pledged as collateral security on behalf of Group undertakings	-	-
Other liabilities	-	21
Off-balance sheet items	716	447
Other commitments		
Intra-day overdraft limit of the Bank of Finland's settlement account	800	800
Other	243	652
Assets sold under agreements to repurchase	8	7

PROPERTY & CASUALTY INSURANCE BUSINESS OFF-BALANCE SHEET LIABILITIES

EUR m	12/2004
Pledged assets and equivalent securities *)	239
Assets covered by policyholders beneficiary rights	296
Contingent liabilities	86

*) Pledged cash assets account for MEUR 35, pledged securities for MEUR 205.

LIFE INSURANCE BUSINESS OFF-BALANCE SHEET LIABILITIES

EUR m	12/2004	12/2003
Mortgages for own loans	2	1
Amount of the above loans	3	0
Pledges against own liabilities	7	10
Amount of the above liabilities	0	0
Pledges against trading in own derivatives	-	-
Collateral against own foreign reinsurance liabilities	15	17
Counter securities	9	9
Own investment liabilities	179	208
VAT deductions	17	16

HOLDING BUSINESS, PLEDGES AND LIABILITIES

EUR m	12/2004	12/2003
Assets pledged as collateral security		
Pledges	4	6
Other securities	-	-
Assets pledged as collateral security on behalf of Group undertakings	-	-
Secured liabilities and commitments		
Other liabilities	0	0
Off-balance sheet liabilities	0	0

PARENT COMPANYS DERIVATIVE CONTRACTS

EUR m	12/2004 Values of underlying instruments		12/2003 Values of underlying instruments	
	For hedging purposes	Other	For hedging purposes	Other
Interest rate contracts				
Interest rate swaps *)	640	-	35	50
Total	640	-	35	50
	Credit equivalent amount of contracts	Risk weighted amount of contracts	Credit equivalent amount of contracts	Risk weighted amount of contracts
Interest rate contracts	23	5	1	0

*) Counterparty Sampo Bank plc
Derivate contracts between business areas have not been eliminated.