

{ Parent Company Income Statement }

EURm	Note	2008	2007
Other operating income	1	9	12
Staff expenses			
Salaries and remunerations		-7	-12
Social security costs			
Pension costs		-2	-6
Other		-1	-1
Depreciation and impairment	2		
Depreciation according to plan		-1	-2
Other operating expenses	3	-13	-31
Operating profit		-14	-39
Financial income and expense	5		
Income from shares in Group companies		381	719
Income from shares in participating undertakings		0	1
Income from other shares		133	43
Other interest and financial income			
Group companies		10	9
Other		68	114
Other investment income and expense		3	3,241
Other interest income		7	12
Interest and other financial expense			
Other than Group companies		-37	-37
Hedge accounting and exchange result		14	-4
Other		0	0
Profit before taxes		566	4,058
Income taxes			
Tax for the financial year		-14	-8
Tax from previous years		1	0
Deferred taxes		2	-17
Profit for the financial year		555	4,033

{ Parent Company Balance Sheet }

EURm	Note	2008	2007
ASSETS			
Non-current assets			
Intangible assets	6		
Intangible rights		0	0
Other long-term expenses		1	1
Property, plant and equipment	7		
Buildings		1	3
Equipment		1	1
Other		2	2
Investments			
Shares in Group companies	8	2,370	2,370
Receivables from Group companies	9	122	128
Shares in participating undertakings	10	0	1
Other shares and participations	11	1,710	2,763
Other receivables	12	1,062	1,896
Short-term receivables			
Receivables from Group companies		5	6
Deferred tax assets	20	6	5
Other receivables	13	36	35
Prepayments and accrued income	14	13	12
Cash at bank and in hand		35	228
TOTAL ASSETS		5,364	7,450
LIABILITIES			
Equity	15		
Share capital		98	98
Premium reserve		1,160	1,160
Fair value reserve		-1,759	26
Other reserves			
Legal reserve		366	366
Other		273	273
Retained earnings		3,993	811
Profit for the financial year		555	4,033
		4,686	6,768
Liabilities			
Long-term liabilities			
Debentures		597	589
Short-term liabilities			
Deferred tax liabilities	20	2	13
Other liabilities	18	36	38
Accruals and deferred income	19	43	42
TOTAL LIABILITIES		5,364	7,450

{ Parent Company Statement of Cash Flows }

EURm	2008	2007
Operating activities		
Profit before taxes	564	4,058
Adjustments:		
Depreciation and amortisation	1	3
Unrealised gains and losses arising from valuation	1	0
Realised gains and losses on investments	-3	-3,239
Other adjustments	568	2,685
Adjustments total	566	-551
Change (+/-) in assets of operating activities		
Investments ^{*)}	90	-3,875
Other assets	1	19
Total	91	-3,855
Change (+/-) in liabilities of operating activities		
Financial liabilities	0	-12
Other liabilities	-2	-21
Paid interests	-37	-41
Paid taxes	-9	-5
Total	-48	-79
Net cash from operating activities	1,173	-427
Investing activities		
Investments in group and associated undertakings	-	0
Proceeds from the sale of group and associated undertakings	1	4,028
Other investments	-522	-2,646
Net investment in equipment and intangible assets	0	20
Net cash used in investing activities	-521	1,402
Financing activities		
Subscription of share options	-	6
Acquisition of own shares	-167	-81
Dividends paid	-678	-685
Issue of debt securities	-	9
Repayments of debt securities in issue	-	-332
Net cash used in financing activities	-845	-1,082
Total cash flows	-193	-107
Cash and cash equivalents at 1 January	228	335
Cash and cash equivalents at 31 December	35	228
Net change in cash and cash equivalents	-193	-107

^{*)} Investments include both investment property and financial assets.

ADDITIONAL INFORMATION TO THE STATEMENT OF CASH FLOWS:

EURm	2008	2007
Interest income received	83	147
Interest expense paid	37	41
Dividend income received	514	763

{ Notes to the Parent Company Financial Statements }

SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The presentation of Sampo plc's financial statements together with the notes has been prepared in accordance with the Finnish Accounting Act and Ordinance. The accounting principles applied to the separate financial statements of Sampo plc do not materially differ from those of the Group, prepared in accordance with the International Financial Reporting Standards (IFRS). The financial assets are measured at fair value derived from the markets. The accounting principles for the Group are described starting from p. 80.

NOTES ON THE INCOME STATEMENT

1 Other Operating Income

EURm	2008	2007
Income from property occupied for own activities	2	2
Other	8	10
Total	9	49

2 Depreciation and Impairment

EURm	2008	2007
Depreciation according to plan		
Property, plant and equipment	0	-1
Intangible assets	0	-1
Total	-1	-2

3 Other Operating Expenses

EURm	2008	2007
Rental expenses	-3	-3
Expense on property occupied for own activities	-1	-2
Losses on disposal of property occupied for own activities	-1	-4
Other	-8	-22
Total	-13	-31

Item Other includes e.g. administration and IT expenses and fees for external services.

4 Auditors' Fees

EURm	2008	2007
Authorised Public Accountants Ernst & Young Oy		
Auditing fees	-0.2	-0.3
Tax consulting	-0.0	-0.0
Other fees	-0.0	-0.1
Total	-0.3	-0.4

5 Financial Income and Expense

EURm	2008	2007
Received dividends in total	514	763
Interest income in total	84	135
Interest expense in total	-37	-37
Gains on disposal in total	5	3 242
Losses on disposal in total	0	-2
Hedging and exchange result	14	-4
Other	-1	0
Total	579	4,096

NOTES ON THE ASSETS

6 Intangible Assets

EURm	2008		2007	
	IT	Other	IT	Other
Cost at beginning of year	3	2	20	23
Additions	-	-	0	1
Disposals	-	-	-17	-21
Accumulated amortisation at beginning of year	-3	-1	-12	-7
of which related to disposals	-	-	9	7
Amortisation according to plan during the financial year	0	0	0	-1
Carrying amount at end of year	0	1	0	1

7 Property, Plant and Equipment

EURm	2008		2007	
	Land and buildings	Other	Land and buildings	Other
Cost at beginning of year	4	4	15	11
Additions	0	0	0	1
Disposals	-2	-	-13	-8
Transfers	-	-	1	-
Accumulated depreciation at beginning of year	-1	0	-1	-7
of which related to disposals	0	-	0	7
Accumulated impairment losses at beginning of year	0	-	-1	-
of which related to disposals	-	-	1	-
Depreciation according to plan during the financial year	0	0	0	-1
Carrying amount at end of year	1	3	3	3

8 Shares in Group Companies

EURm	2008	2007
Cost at beginning of year	2,370	3,157
Disposals	-	-787
Carrying amount at end of year	2,370	2,370

9 Receivables from Group Companies

EURm	2008	2007
Cost at beginning of year	128	130
Disposals	-6	-3
Carrying amount at end of year	122	128

Receivables are subordinated loans issued by subsidiaries. More information in the consolidated note 24 Financial liabilities.

10 Shares in Participating Undertakings

EURm	2008	2007
Cost at beginning of year	1	1
Disposals	-1	0
Carrying amount at end of year	0	1

II Other Shares and Participations

EURm	Fair value	2008 Fair value changes		Fair value	2007 Fair value changes	
		Recognised in p/l	Recognised in fair value reserve		Recognised in p/l	Recognised in fair value reserve
Available-for-sale equity securities	1,705	2	-1,792	2,758	1	9
Changes in property shares						
EURm					2008	2007
Cost at beginning of year					5	14
Disposals					0	-9
Carrying amount at end of year					5	5
Difference between current cost and carrying amount					0	0

12 Other Investment Receivables

EURm	Fair value	2008 Fair value changes		Fair value	2007 Fair value changes	
		Recognised in p/l	Recognised in fair value reserve		Recognised in p/l	Recognised in fair value reserve
Market money	1,062	1	4	1,896	0	1
Derivatives	0	0	-	0	0	-
Total	1,062	1	4	1,896	0	1

13 Other Receivables

EURm	2008	2007
VAT receivable (see note 24)	34	34
Other	2	1
Total	36	35

14 Prepayments and Accrued Income

EURm	2008	2007
Accrued interest	12	11
Other	1	0
Total	13	12

NOTES ON THE LIABILITIES

15 Movements in the Parent Company's Equity

EURm	Restricted equity				Unrestricted equity		Total
	Share capital	Share premium account	Legal reserve	Fair value reserve	Other reserves	Retained earnings	
Carrying amount at 1 Jan. 2007	95	1,157	366	20	273	1,579	3,490
Subscription for shares with options	3	4					6
Dividends						-693	-693
Recognition of undrawn dividends						6	6
Financial assets available-for-sale							
- recognised in equity				6			6
- recognised in p/l				1			1
Acquisition of own shares						-81	-81
Profit for the year						4,033	4,033
Carrying amount at 31 Dec. 2007	98	1,160	366	26	273	4,844	6,768

EURm	Restricted equity				Unrestricted equity		Total
	Share capital	Share premium account	Legal reserve	Fair value reserve	Other reserves	Retained earnings	
Carrying amount at 1 Jan. 2008	98	1,160	366	26	273	4,844	6,768
Dividends						-686	-686
Recognition of undrawn dividends						3	3
Financial assets available-for-sale							
- recognised in equity				-1,784			-1,784
- recognised in p/l				-2			-2
Acquisition of own shares						-167	-167
Profit for the year						555	555
Carrying amount at 31 Dec. 2008	98	1,160	366	-1,759	273	4,548	4,686

Distributable assets

EURm	2008	2007
Parent company		
Profit for the year	555	4,033
Retained earnings	3,993	811
Other reserves	273	273
Undistributable items	-1,759	-10
Total	3,061	5,107

16 Share Capital

Information on share capital is disclosed in Note 29 in the consolidated financial statements.

17 Debentures

EURm	2008	2007
Debenture loan, nominal value EURm 600, call 21.4.09 due 2014		
- annual fixed interest 4.625% until April 2009, thereafter floating	597	589

18 Other Liabilities

EURm	2008	2007
Unredeemed dividends	35	29
Derivatives	0	0
Other	1	9
Total	36	38

19 Accruals and Deferred Income

EURm	2008	2007
Deferred interest	19	19
Other	23	22
Total	43	42

NOTES ON THE INCOME TAXES

20 Deferred Tax Assets and Liabilities

EURm	2008	2007
Deferred tax assets		
Timing differences	4	5
Fair value reserve	1	-
Total	6	5
Deferred tax liabilities		
Timing differences	2	4
Fair value reserve	-	9
Total	2	13

NOTES ON THE LIABILITIES AND COMMITMENTS

21 Pension Liabilities

The basic and supplementary pension insurance of Sampo plc's staff is handled through insurances in Varma Mutual Insurance Company and in Mandatum Life Insurance Company Limited.

22 Future Rental Commitments

EURm	2008	2007
Not more than one year	3	2
Over one year but not more than five years	4	5
Over five years	3	3
Total	9	7

23 Off-Balance Sheet Items

EURm	2008	2007
Underwriting commitments	4	6
Off-balance sheet items total	4	6
To or on behalf of Group companies	-	-
To or on behalf of associates	-	-

24 Other Financial Commitments

Sampo plc's group of entities liable to tax, as per Article 13 a of the Value Added Tax Act, was credited value added tax refunds in 2004 based on the final VAT refund decisions of the Tax Office for Major Corporations.

Contrary to its previous final decisions, the Tax Office for Major Corporations reassessed the matter in December 2004, on the basis of which it debited EUR 33.7 million of previously refunded VAT. Had the reassessment been confirmed as final and enforced as such, the estimated effect on the Sampo Group's net profit could have been as much as EUR 26 million.

As the Group member liable to tax, Sampo plc paid in January 2005 the VAT debited in December 2004. Accordingly, the VAT in question has been treated as a receivable from the Group members in the accounts since 2004.

Sampo plc made an appeal to the Helsinki Administrative Court with respect to the reassessment of the Tax Office for Major Corporations. By a decision made on 12 December 2007, the Helsinki Administrative Court approved Sampo's appeal, overruled the reassessment decisions made and returned the issue to the Tax Office for Major Corporations for further handling.

By a decision made on 16 Dec. 2008, The Supreme Administrative Court denied the leave to appeal from the Tax Office for Major Corporations and the agent for the tax office of Uusimaa, and so the decision of the Helsinki Administrative Court was confirmed final.

NOTES ON THE STAFF AND MANAGEMENT

25 Staff Numbers

	2008 Average during the year	2007 Average during the year
Full-time staff	51	54
Part-time staff	1	2
Temporary staff	1	-
Total	53	56

26 Management's Remuneration and Post-employment Benefits

(EUR thousand)	2008	2007
Managing and Debuty Managing Directors		
Managing Director Björn Wahlroos	1,806	2,999
Deputy Managing Director Kari Stadigh	1,104	1,790
Members of the Board of Directors		
Georg Ehrnrooth	160	120
Tom Berglund	80	70
Anne Brunila	80	70
Lydur Gudmundsson	80	-
Eira Palin-Lehtonen	80	-
Jukka Pekkarinen	80	70
Christoffer Taxell	80	70
Matti Vuoria	100	85

PENSION LIABILITY

The retirement age of the Managing Director and the Deputy Managing Director is 60 years, when the pension benefit is 60% of the pensionable salary.

NOTES ON SHARES HELD

27  Shares Held as of 31 Dec, 2008

COMPANY NAME	Percentage of share capital held	Carrying amount EURm
Group undertakings		
P&C insurance		
If Skadeförsäkring Holding AB, Stockholm Sweden	100.00	1,886
Life insurance		
Mandatum Life Ltd, Helsinki Finland	100.00	484
Property company		
Kiinteistö Oy Hervannan Tieteenkatu 1, Tampere Finland	100.00	1
Other		
Sampo Capital Oy, Helsinki Finland	100.00	1