

SAMPO

ANNUAL REPORT 1999





Contents



Sampo, the leading insurance group in Finland, and Leonia, the second largest banking group in the country, signed a letter of intent in October 1999, according to which the companies will merge to create the new Sampo-Leonia Group. The press conference pictured here, that was held at the House of Estates in Helsinki, shows Sauli Niinistö, Finnish Minister of Finance (right), Jouko K. Leskinen, President and CEO of Sampo (centre), and Harri Hollmén, President and CEO of Leonia (left).

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The euro-denominated figures in this Annual Report have been calculated by using the conversion coefficient EUR 1 = FIM 5.94573.

The financial statements presented on pages 10-74 are based on bookkeeping and financial statements drawn up in Finnish markka. The official financial statements can be inspected at the following Sampo offices:

- Aleksanterinkatu 11, Helsinki (Sampo Group's Legal Affairs)
- Puolalankatu 5, Turku (Financial Administration)

SAMPO HIGHLIGHTS 1999

January

- Sampo Industrial was accepted as a member of the Finnish Forest Cluster Project. The project aims to raise the profile of Finland's forest cluster companies, especially in Europe, and to enhance sector recognition and operating prerequisites. The Cluster is made up of Finnish paper, board, pulp and mechanical forestry industry companies, the Finnish Forest Industries Federation, the Forest and Park Service and the Central Union of Agricultural Producers and Forest Owners (MTK).
- The FIM 50,000 Export Partner Network Award established together by the Finnish Foreign Trade Association (FINPRO) and Sampo was presented for the first time. The award went to a network that supplies machinery and equipment for the North American wood-processing industry. Member companies are Akamex Oy of Jyväskylä, Avatron Oy of Vantaa, Hyxo Oy of Kerava and Raahen Tevo Oy of Raaha.

February

- Sampo Life was the first Finnish insurance company to develop a web service that allows clients to subscribe to investment insurance via the Internet.

March

- Sampo published its 1998 result. Group operating profit totalled EUR 211 million and earnings per share improved by more than 70% to EUR 2.42.

April

- The FIM 100,000 Sampo Safety Award was conferred on youth-work consultant Jari Koponen of Järvenpää for a concept that effectively improves safety for school children.
- Sampo was the first insurance group in Finland to launch its own mutual funds and asset management services. Clients can invest or save in the eight funds established by Sampo Fund Management, either directly or through Sampo Life unit-linked insurance policies.
- The Annual General Meeting decided to issue a dividend of FIM 4.80 (EUR 0.81) per share as proposed by the Board of Directors.

May

- Sampo Industrial conferred the Sampo Industrial Safety Award on Rautaruukki Steel's Raahe steel mill for its highly versatile and successful training activities in several areas of industrial safety.

- Sampo Internet services expanded to allow clients to buy travel insurance directly on the Internet.
- Sampo Enterprise was the first insurance company worldwide to launch an Internet service (sampo.fi folder) allowing its clients to manage all their insurance needs via the Net.
- Sampo Kindlustuse AS and AS Polaris Vara agreed on the voluntary transfer of Polaris Vara's non-life insurance portfolio, excluding credit insurance, to Sampo Kindlustus.
- Sampo Enterprise purchased the share capital of AS Eesti Kindlustus, Estonia's leading non-life insurance company, from AS Hansapank. The deal included Eesti Kindlustus non-life insurance operations and its loss survey company.

June

- Sampo Industrial Insurance signed an agreement to buy two German insurance operations from French insurance group Assurances Générales de France. The transaction strengthens Sampo's position in the German industrial insurance market.

August

- Sampo published its Interim Report for the first half. Operating profit for January - June doubled to EUR 287 million, due to an improved underwriting result and a solid investment result.

September

- Sampo Towarzystwo Ubezpieczen S.A. (Sampo Poland) commenced insurance operations in Poland.

October

- Sampo and Finland's second largest banking group Leonia signed an agreement stipulating that the companies will merge as equal partners in the new Sampo-Leonia Group. Sampo-Leonia will be the first Finnish full-service financial services group, a leading insurer and a strong domestic bank. Sampo-Leonia's core operations are in banking, asset management, and non-life and life insurance.
- Sampo, Industrial Insurance, Sampo Life, Kaleva and Sampo Finance together purchased Skandia Group's holdings in Pohjola Group Insurance Corporation for EUR 577 million (FIM 3.4 billion). These amounted to 23.6 per cent of Pohjola's share capital and 32.7 per cent of the voting rights. Sampo sold 3.4 million Pohjola shares to Leonia for EUR

205 million (FIM 1.2 billion) as part of the Sampo-Leonia merger.

- The supplementary pensions element of Outokumpu Oyj's pension funds was transferred to Sampo Life by agreement.
- Sampo Industrial Insurance expanded its operations in the UK by buying the renewal rights for a part of Colonia Baltica Insurance Limited's insurance policies.

November

- Sampo extended its Latvian operations into life insurance, when Sampo Enterprise purchased the share capital of Latvian life insurance company AAS Hansa Apdrošinasana from Estonian company Hansapanga Kindlustuse AS. AAS Hansa Apdrošinasana was then renamed AAS Sampo Latvija Dzīvība.
- Sampo Industrial started negotiations to purchase Swedish company Försäkringsaktiebolaget Atlantica's marine insurance portfolio and part of its corporate portfolio.
- Sampo launched an optional redemption cover to be added to the comprehensive motor insurance available for cars, vans and campers, motorcycles, light trailers and caravans.

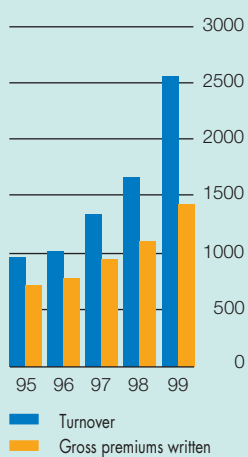
December

- The first Finnish life insurance company Kaleva opened for business on December 1st, 1874. In celebration of its 125th anniversary, the company marked the event by donating FIM 1 million to medical research. As a result, FIM 500,000 scholarships were awarded to Docent Leena Ala-Kokko of the University of Oulu and Professor Tomi Mäkelä of the University of Helsinki. Kaleva began co-operation as Sampo's life insurance company in 1977.
- UAB Sampo Draudimas commenced insurance operations in Lithuania.
- Sampo Enterprise and A/S Bastions ZS, Vista Capital Corporation LCC and the Development Capital Corporation (Latvia) signed a letter of intent, stipulating that Sampo Enterprise will negotiate the purchase of a 72.4% stake in AAS Balta, Latvia's leading insurance company. Sampo Enterprise already owns 14.78% of the shares. The transaction includes Balta's life and non-life insurance operations.
- Two internal mergers took place within the Sampo Group when both Otso and the Insurance Company of Finland merged with the Sampo parent company on December 31st, 1999.

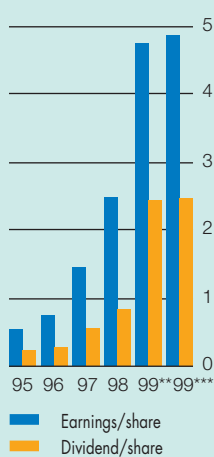
SAMPO GROUP KEY INFORMATION

	1999 EUR	1999 FIM	1998 EUR	1998 FIM	Change %
Turnover, mill.	2,540	15,102	1,651	9,815	53.9
Gross premiums written, mill.	1,425	8,475	1,096	6,516	30.1
Operating profit, mill.	565	3,362	211	1,254	168.2
Total on balance sheet, mill.	6,726	39,990	5,758	34,235	16.8
Solvency capital, mill.	4,477	26,621	2,509	14,921	78.4
Earnings per share	4.70	27.96	2.42	14.37	94.6
Net asset value per share	63.45	377.23	32.62	193.93	94.5
Average number of personnel	3,924		3,292		19.2

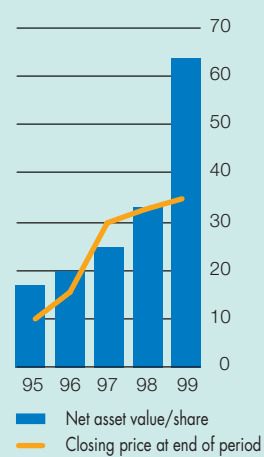
Turnover and gross premiums written, EUR m



Earnings and dividend per share*, EUR



Net asset value per share, EUR



* Board's dividend proposal for the financial year 1999

** Number of shares 60.8 million

*** Number of shares 59.28 million

CHIEF EXECUTIVE OFFICER'S REVIEW

The merger agreement between Sampo and Leonia in Autumn 1999 drew a line under one chapter of development in Sampo's strategy and marked the beginning of another, more intensive phase. The structure of Sampo-Leonia Group and its areas of expertise are a good fit to general trends in the financial services sector for the new millennium.



Former non-life insurer Sampo has now grown into a financial services group entirely in line with its strategy. The first step in this process was the establishment of Sampo Life in 1997, whose position was essentially strengthened by the merger with Nova Life Insurance Company Ltd a year ago. Sampo as the leading life and non-life insurer in Finland will presently complete its merger with Leonia, so bringing solid competence in banking and asset management to the new organisation.

Sampo-Leonia is the first full-service financial group to operate in the Finnish market. Various forms of long-term saving together with the need for asset management in particular are expanding swiftly in line with the growth in private households' financial assets.

New Distribution Channels Through New Technologies

Pressures for change are strongly affecting distribution patterns and service networks. New e-services are developing rapidly

and Sampo-Leonia is well placed in the change process. Leonia's online bank is already at the technical forefront of Internet banking in Europe and boasts one of the highest utilisation rates.

Sampo-Leonia's multichannel service model embraces the most efficient forms of distribution provided for by new technologies such as the Internet, mobile communications, other teleservices and WAP. All offer a viable alternative for many services traditionally offered through conventional office set-ups.

Banks still tend to operate through a burdensome office network whose downsizing in line with decreasing demand can result in significant closure expenses. Sampo-Leonia does not have this problem. The office structure utilised by Leonia will shrink to a fraction of its present size as the agreement with the Finnish Post Office expires at the end of the year, when Sampo-Leonia commences operations. In addition to the new electronic service channels, Sampo's distribution net-

work ideally complements the supply of Leonia services. Correspondingly, Sampo and especially its life insurance business will benefit from the bank's customer contacts.

Distribution solutions utilising the new technologies alongside an appropriately sized and effective traditional network enable the new Group to react quickly to market changes. When we supplement this platform with a product development policy in line with the new technologies, I believe Sampo-Leonia is more than well prepared for even the most abrupt shifts in the financial markets.

Solid Performance and Strong Solvency

The present Sampo Group doubled its earnings per share in 1999 and operating profit developed even better.

Life insurance performed well during the review year, whereas non-life insurance business fell short of target. Once again, Sampo broke its own records in achieving the best investment result in its history. Listed shares in particular produced substantial sales profits. Despite considerable realisations, the Group investment portfolio did not in fact shrink and solvency capital continued to grow at an impressive rate. Net asset value per share reached EUR 63.4 at the year-end, almost twice that of 1998.

Sampo Group investments include the Pohjola shares bought during the year. These were acquired in connection with the creation of Sampo-Leonia, in order to build a negotiation platform that would realise a group structure encompassing Pohjola's life insurance business. Though the future of Pohjola is yet to be resolved, the share acquisitions were nevertheless justified as a solid financial investment.

Sampo Group moves into a new phase financially strong and operationally competitive. The focus placed on life insurance in the past few years has yielded tangible results as the Group's life insurance balance sheet has grown from zero to over EUR 4 billion in just three years. Furthermore, Sampo Life solvency has strengthened considerably and is even reflected in the net asset value of Sampo shares. Whilst the non-life insurance technical result cannot be said to be satisfactory, we are working determinedly to rectify the situation. The new Group structure fully supports these efforts.

New Structure and Shareholder Focus

Sampo clarified its Group structure during the year under review, when Otso Loss of Profits Insurance Company Ltd and the Insurance Company of Finland Ltd merged into their parent company Sampo plc.

Fundamental changes in group structure will occur in connection with the formation of Sampo-Leonia. First, the holding company structure will clarify the role of the bank and the insurance companies in the Group, enabling them to concentrate on the efficient management of their operations supported by prudent capitalisation. Secondly, the new Group structure will make it easier to monitor profitability in different business units.

Holding company capital will be utilised to further develop and expand Group activities where needed, but part of the excess will be returned to shareholders either by the payment of dividends or through share buy-backs. According to the proposal made by the Board of Directors for the year under review, Sampo will pay the largest dividend in its history. Moreover, Sampo bought back 1.5 million of its own shares in January 2000. It is our stated aim to extend and intensify this shareholder focus yet further.

Sampo-Leonia Market Areas

Sampo-Leonia's vision is to be the leading full-service financial group in Finland and to grow in core businesses along the Baltic Rim. We aim to be among the three largest operators in the Baltic countries.

In fact, we have already started to meet Sampo's goals in the Baltic countries. We hold approximately 40 per cent of the non-life insurance market in Estonia and are now achieving growth in Latvia. We also initiated life insurance operations in the Baltic countries during the review year. The Baltic market is so small at this point that sufficient mass and thus operational profitability can only be achieved by acquiring large market shares.

However, it is our belief the Baltic area will develop rapidly in the near future and so it pays to establish our position in the market now, when that can still be achieved through reasonable investment.

Sampo Group also expanded its operations by acquisitions in Germany, the UK and Sweden during the review year. These transactions have strengthened our distribution network and position as an industrial insurer in selected parts of Europe.

A New Era For Our Clients

The commencement of Sampo-Leonia operations at year-end 2000 marks a step into the competitive arena of a new millennium in financial services in Finland.

We will be offering our clients not only the most comprehensive product range but also the most advanced service entity. Next year, the Sampo logo will stand for the complete range of banking and asset management services. It has always been worthwhile being a Sampo client. It will be equally rewarding to be a committed Sampo-Leonia client.

The ongoing structural reorganisations inevitably entail hard work for our personnel. I believe people at both Sampo and Leonia will manage this effort just as successfully as they have accomplished major changes in the past. I am delighted to take this opportunity to extend my thanks to you all for your dedicated work in 1999.

March 2000

Jouko K. Leskinen

SAMPO-LEONIA BECOMES FINLAND'S LEADING FINANCIAL SERVICES GROUP

The leading Finnish insurance group Sampo and the country's second largest banking group Leonia will enter into a merger of equals to form the new Sampo-Leonia Group. The companies signed a letter of intent on October 13th, 1999.

According to the plan, Leonia plc will merge with Sampo Insurance Company plc on December 31st, 2000 to form Sampo-Leonia, the parent company of the new financial group.

Sampo-Leonia will be Finland's first full-service financial group, being both the leading insurer and a strong bank.

Sampo-Leonia's main business operations are banking, asset management, and non-life and life insurance. The Group's pro forma balance sheet at December 31st, 1999 stood at EUR 35 billion, with a pro forma operating profit of EUR 769 million for the year under review.

Synergy benefits accruing to the new group are expected to be EUR 50 million per annum within three years, around half from cost savings and half from cross selling to joint clients.

The merger will create a strong group in terms of both size and capital in the fastest growing financial sectors. The structure of the new group will enable the flexibility required to implement a strategy of active participation in and restructuring of financial markets and organisations in the Nordic countries and along the Baltic Rim.

Vision

The Sampo-Leonia vision is to be the leading full-service financial group in Finland. The Group also aims to grow in certain core businesses along the Baltic Rim. The Group's principal lines of development are in asset management and

life insurance operations; both markets are expanding quickly. Combining resources and channelling additional input will enable the new group to capture a portion of this growth in excess of its current market share.

Sampo-Leonia's main management principle is to increase shareholder value. Minimum targets for solvency and return on equity will be defined for each business sector by applying the appropriate benchmark.

The merger and the new group's management principles will create added value for shareholders and benefit clients and personnel alike.

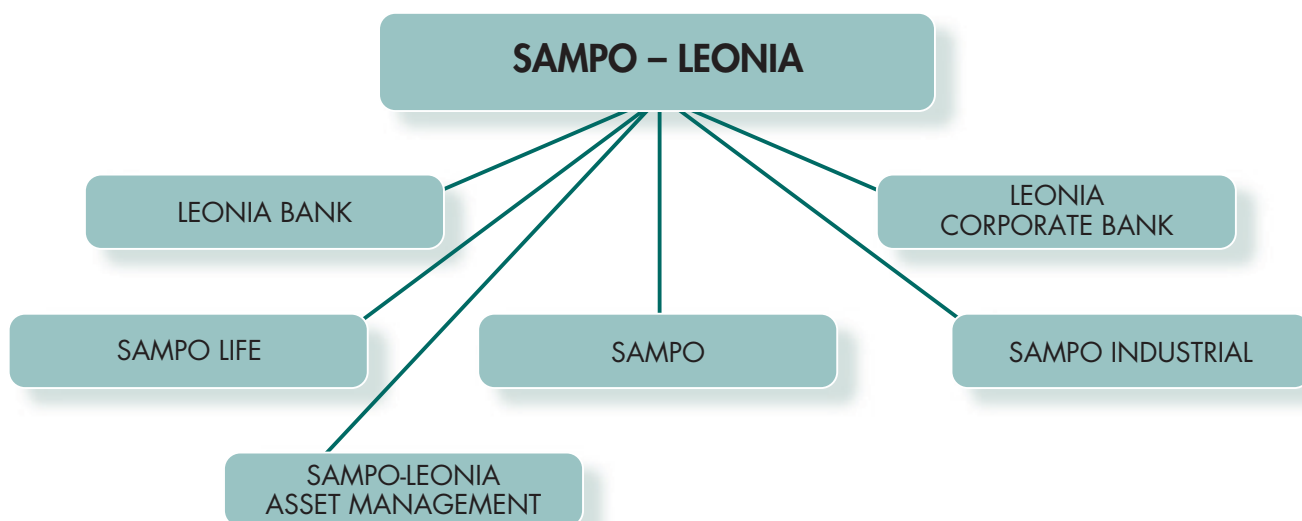
Client Benefits

Sampo-Leonia will offer the most comprehensive range of financial products in Finland, providing banking and asset management services, life insurance and all types of non-life insurance. Group clients' current loans, insurance policies and other contracts will be unaffected by the merger.

Clients will benefit from the new group's product and service range, which is broader than that of any of its competitors. By joining forces, Sampo-Leonia can offer service packages previously unavailable in Finland.

Sampo-Leonia possesses extremely competitive IT and Internet know-how that results in the creation of first-rate product applications. The Group will provide pioneering electronic client services via telephone, Internet and mobile communications.

MAIN STRUCTURE OF THE GROUP





Strong Market Position

Sampo-Leonia will hold a strong position in the market for supplying financial services to Finnish households, SMEs, major corporations and the public sector. The Group will consequently be able to boost returns, generate cost savings and enhance its use of capital.

Sampo-Leonia will have two million active private clients and 100,000 corporate clients, thus serving in total nearly half of all Finnish households and more than 80 per cent of Finnish companies.

Sampo-Leonia will fulfil all its clients' various financing, investment and security needs. Combining the leading strengths of both companies will deliver better-than-ever product and service quality.

Sampo holds around 40 per cent of the Estonian non-life insurance market and a rapidly increasing share in Latvia and Lithuania. Sampo further aims to grow in selected business sectors elsewhere in Europe; some 17 per cent of Europe's paper and board manufacturing capacity, for instance, is already insured with Sampo Industrial.

Competitive Multi-channel Services

Sampo and Leonia have branch offices in as many as 100 cities, towns and villages in Finland. There are 91 Leonia offices and service points for private customers, 19 asset management units and 55 offices for corporate clients. Sampo has 86 offices, 40 of which also provide corporate client services, and there are three other service points.

Both Leonia's telephone bank and the Sampo Call Centre lead in their field. Leonia's online bank is already at the technical forefront of Internet banking in Europe and boasts one of the highest utilisation rates.

Sampo-Leonia's new service network will be a multi-channel solution that makes efficient use of the opportunities offered by market shifts and the new technologies. These include the Internet, mobile communications, other telecommunications and WAP services, as well as partners' networks.

Synergy Benefits

Around half of the estimated EUR 50 million in annual synergy benefits due to materialise in three years' time is expected to accrue from cross selling. Only 18 per cent of Sampo clients currently has an account in Leonia and no more than a third of Leonia's customers is insured with Sampo. The new Group's client structure will enable the following products to be sold to Sampo-Leonia clients as part of the total service package:

- Leonia financing, deposit and transaction services for Sampo clients;
- Sampo non-life insurance policies for Leonia customers;
- Life insurance policies, mutual funds and asset management services for all clients.

The other half of the synergy benefits will come from cost savings, generated by service network solutions and the unification of the two Groups' administrative functions and internal services.

SAMPO INSURANCE COMPANY PLC BOARD OF DIRECTORS' REPORT 1999

The most significant event of the year under review was the signing of a letter of intent in preparation of a merger of Sampo and Leonia. The parties will merge to form a full-service financial group, which will be the leading insurer and a solid bank in Finland. Moreover, Sampo Group continued to expand operations in the Baltic countries and Northern Europe in line with its strategy.

The Group almost tripled its operating profit to EUR 565 million (EUR 211 million in 1998), thanks in particular to the good investment result. Non-life insurance accounted for EUR 391 million (EUR 177 million) and life insurance for EUR 175 million (EUR 34 million) of the operating profit. Earnings per share improved to EUR 4.70 (EUR 2.42). Return on assets at current values doubled to 29 per cent.

The improved profit and the increased valuation differences strengthened Group solvency. Solvency capital amounted to EUR 4,477 million (EUR 2,509 million), and net asset value per share to EUR 63.45 (EUR 32.62).

In life insurance business, comparability of the accounting periods is affected by the merger of Sampo Life Insurance Company Limited and Nova Life Insurance Company Limited on December 31, 1998.

MERGER OF SAMPO AND LEONIA

Sampo Insurance Company plc and Leonia plc signed a letter of intent on October 13th, 1999 in preparation of a merger. According to the planned schedule, the merger will enter into force on December 31st, 2000.

After the merger, the parties intend to form a holding company structure. The holding company Sampo-Leonia, quoted on the Helsinki Stock Exchange, with its subsidiaries would encompass all banking, asset management and insurance operations.

The Boards of Sampo and Leonia approved the draft terms of merger on February 2nd, 2000. The plan will be

ANALYSIS OF RESULT, SAMPO GROUP

EUR m	1999	1998	Impact on result
NON-LIFE INSURANCE			
Premiums earned	748	759	-11
Claims incurred	-674	-714	41
Net operating expenses	-163	-152	-11
Other technical charges	-2	-	-2
Balance on technical account before the change in equalisation provision	-91	-108	16
Investment income and charges	483	305	178
Other income and charges	-3	-13	10
Share of associated undertakings' profit	2	-8	10
Operating profit	391	177	214
Change in equalisation provision	-9	17	-26
Unrealised gains and losses on investments	-1	-	-1
Non-life insurance profit before extraordinary items, untaxed reserves and tax	381	194	187
LIFE INSURANCE			
Premiums written	537	226	311
Investment income and charges, and unrealised gains and losses	293	71	222
Claims paid	-225	-45	-180
Change in technical provisions before customer bonuses and change in equalisation provision	-397	-200	-196
Net operating expenses	-30	-17	-13
Technical result before customer bonuses and change in equalisation provision	178	34	144
Other income and charges	-3	0	-3
Share of associated undertakings' profit	0	-	0
Operating profit	175	34	140
Change in equalisation provision	-7	0	-7
Bonuses and rebates	-133	-23	-110
Life insurance profit before extraordinary items, untaxed reserves and tax	34	12	23
Extraordinary income and charges	-	-39	39
Profit before untaxed reserves and tax	415	166	249
Tax	-121	-46	-74
Minority interest	-8	-1	-8
Group profit for the accounting period	286	119	167

presented to the Annual General Meetings of Sampo and Leonia for decision.

Main contents of the draft terms of merger

According to the draft terms of merger, Leonia will be merged to Sampo. As merger consideration Sampo will direct a share capital increase constituting

44,720,000 Sampo A shares to the shareholder of Leonia, i.e. the Finnish government. The said amount represents 43 per cent of the aggregate of Sampo's shares after the share capital increase. Leonia's shareholder will become Sampo's shareholder after the merger has been entered in the trade register. Before the merger, Leonia will

GROUP SOLVENCY

EUR m	Non-life 1999	Life 1999	Group 1999	Group 1998
Capital and reserves after proposed profit distribution	775	140	853	709
Valuation differences on investments	2,581	837	3,419	1,585
Intangible assets	-85	-11	-96	-78
Deferred tax	8	3	11	10
Other items	-2	-21	-23	-13
Solvency margin	3,279	949	4,165	2,212
Equalisation provision	234	11	245	229
Minority interest	0	4	67	69
Solvency capital	3,513	964	4,477	2,509

pay its shareholder dividend at the total amount of EUR 505 million, taking into account the additional tax imposed on Leonia and its group companies. Correspondingly, Sampo will pay its shareholders a total of EUR 202 million as dividend and by buying back own shares before the effective date of the merger.

The draft terms of merger include a proposal on the amendment of Sampo's Articles of Association, the main content of which is as follows:

- the company name will be Sampo-Leonia Insurance Company plc
- Sampo will renounce its Supervisory Board at the effective date of the merger
- the owners of Sampo B shares will be reserved an option to exchange B shares for A shares
- an amendment will be added to the Articles of Association on the redemption obligation of a shareholder whose stake of all shares or votes of the company reaches 33 1/3 or 50 per cent. A shareholder who reaches these limits would be obliged to redeem the shares of other shareholders should they wish to sell them.

The personnel of Leonia will transfer, and the personnel of Sampo will continue at the service of the new Group as so-called old employees.

A precondition for the merger is that the Parliament approve it and repeal the Act on Post Office Banks. In addition, the merger is subject to the

approval of the Finnish Competition Authority, Financial Supervision, Insurance Supervision Authority, and Trade Register.

Acquisition of Pohjola shares

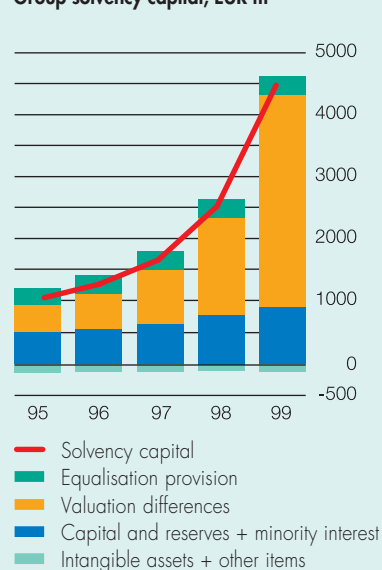
In connection with the agreement on structural reorganisation between Sampo and Leonia, the Sampo Group companies and Leonia, Kaleva Mutual Insurance Company and Sampo Finance Ltd bought a number of shares of Pohjola Group Insurance Corporation. The purpose of these acquisitions was to form the platform for negotiations on Pohjola joining the new group. The shares, bought from Skandia Group, represented 23.6 per cent of Pohjola's shares and 32.7 of the votes. The purchase price of the shares totalled EUR 577 million.

The Pohjola shares acquired by the Sampo Group accounted for 8.39 per cent of the company's shares and 9.95 per cent of the votes. After this, the acquisition of Pohjola shares was continued so that the aggregate amount of Pohjola's votes held by the group of buyers stood at 34.65 per cent at the end of 1999.

CHANGES IN GROUP STRUCTURE

Group subsidiaries and associated undertakings are listed in Notes to the Accounts. These included a total of 73 real estate companies at the 1999 year-end. Sampo Group acquired six and sold 25

Group solvency capital, EUR m



real estate companies during the financial year.

Sampo subsidiaries Otso Loss of Profits Insurance Company Ltd and the Insurance Company of Finland Ltd were merged with their parent company Sampo plc at the end of 1999. The purpose of the mergers was to further develop and simplify Sampo Group structure.

With respect to new policies, the loss of profits insurance business previously handled by Otso and the guarantee insurance business handled by the Insurance Company of Finland were transferred to Sampo subsidiaries Industrial Insurance Company Ltd and Sampo Enterprise Insurance Company Limited. Old liabilities relating to these lines of insurance were transferred to Sampo in connection with the merger.

Expansion of business operations in the Baltic Countries

Sampo Enterprise bought the share capital of Estonia's largest non-life insurance company AS Eesti Kindlustus from AS Hansapank. The transaction became effective on May 31st, 1999. The acquisition included the subsidiaries of AS Eesti Kindlustus, called Eesti Varakindlustuse AS and Eesti Kindlustusekspert. Sampo Kindlustuse AS, a

subsidiary of Sampo Enterprise, and Eesti Varakindlustus were merged with Eesti Kindlustus at the beginning of the year 2000. The name of the new company is AS Sampo Eesti Varakindlustus.

In May 1999, Sampo Kindlustus signed an agreement with AS Polaris Vara, on the basis of which AS Polaris Vara's non-life insurance portfolio excluding credit insurance was transferred to Sampo Kindlustus. Furthermore, Sampo Enterprise founded a life insurance company in Estonia, called Sampo Elukindlustuse AS. The company started operations in Autumn 1999.

The premiums written by the Sampo Group companies in Estonia amounted to EUR 19 million for the period corresponding to the ownership in 1999. Non-life insurance market share in Estonia was 38 per cent. At the year-end, slightly over 800 employees worked in these companies.

On December 30th, 1999, Sampo Enterprise, A/S Bastions ZS, Vista Capital Corporation LCC and Development Capital Corporation (Latvia) signed a letter of intent, according to which Sampo Enterprise will negotiate on the acquisition of a 72.4 per cent stake in AAS Balta, which is the largest insurance company in Latvia. The transaction concerns the non-life and life insurance businesses of the company. At the end of 1999, Sampo Enterprise owned 14.8 per cent of the shares of AAS Balta. In 1999, the premiums written by the Balta Group amounted to approximately EUR 37 million, representing 24 per cent of the non-life insurance market and 16 per cent of the life insurance market in Latvia.

With the trading agreement signed in September 1999 Sampo Enterprise bought the shares of the Latvian life insurance company AAS Hansa Apdrošināšana from the Estonian company Hansapanga Kindlustuse AS. The company was renamed AAS Sampo Latvija Dzīvība. The company's operations are being initiated, and so the premiums written in 1999 totalled only EUR 0.3 million.

In Lithuania, UAB Sampo Draudimas, a wholly-owned subsidiary of Sampo Enterprise, started non-life insurance operations during the year under review. The company got a licence at the end of December.

Expansion of business operations in Northern Europe

Sampo Industrial Insurance N.V., a Dutch subsidiary of Industrial Insurance, concluded an agreement in June 1999 on the acquisition of the two German insurance businesses of the French insurance group Assurances Générales de France (AGF). The transaction entered into force in January 2000 when the approvals of the relevant authorities were obtained.

In October 1999, Sampo Industrial Insurance signed an agreement on the renewal rights of a part of the policies of the British company Colonia Baltica Insurance Limited.

Industrial Insurance bought the marine insurance portfolio and a part of the commercial insurance portfolio of the Swedish company Försäkringsaktiebolaget Atlantica. The portfolio transfer is subject to the approval of the authorities of Sweden and Finland.

Sampo Towarzystwo Ubezpieczeń S.A, a subsidiary established by Industrial Insurance in Poland in 1999, started non-life insurance operations in Autumn. The company will first concentrate on commercial property, loss of profits, cargo and liability insurance. In addition to the said insurance company, the risk management company Sampo Risk Management Sp z.o.o. founded in Poland in February 1999 continues operations.

CHANGES IN ACCOUNTING PRINCIPLES

At the end of 1999, the Ministry of Social Affairs and Health and the Insurance Supervision Authority issued new decisions, instructions and regulations on the compilation of final accounts. These will be applied in the most part by the Sampo Group as of the begin-

ning of the year 2000. In accordance with the possibility included in the new instructions, the treatment of currency conversion differences has been changed already in these final accounts. Currency conversion differences have been calculated as the difference of currency-denominated reinsurance items at changing and fixed rates. The net amount of currency conversion differences has been entered under other investment charges.

NON-LIFE INSURANCE

Gross premiums written in non-life insurance remained at the level of 1998 and totalled EUR 884 million (EUR 871 million). Excluding the non-recurring separate charge in workers' compensation insurance in the previous year, premiums written increased by 7.5 per cent. Premiums written in domestic direct insurance amounted to EUR 745 million (EUR 763 million). Foreign direct insurance premiums written showed a significant increase, thanks to the expansion of international operations, and totalled EUR 108 million (EUR 65 million). Reinsurance premiums written amounted to EUR 31 million (EUR 43 million), which accrued mainly from the co-operation network and clients' captive companies.

Non-life insurance profitability showed a slight improvement, with the combined ratio at 111.9 per cent (115.9%).

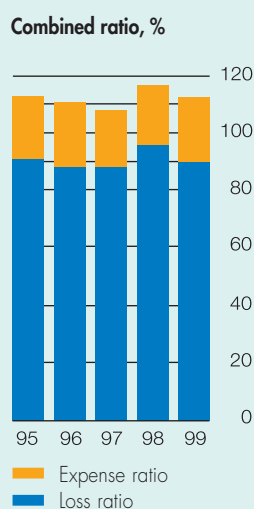
The number of large claims remained at a high level. Sampo Group received eighteen claims for compensation each in excess of EUR 2 million, and as many as ten of these were incurred in November or December. EUR 31 million of these large claims remained on the Group's own account as in the previous year. Thirteen of the large claims occurred overseas.

Workers' compensation insurance profitability remained very satisfactory. In motor third party liability insurance, premium increases were implemented also in 1999, which clearly improved the profitability of this line. However,

the proportion carried by the Sampo Group of the motor TPL claims reported by other companies to the Catastrophe Pool of Finnish Motor Insurers went up considerably. This increase in claims incurred, totalling EUR 6 million, weakened the combined ratio of this line by slightly over four percentage points. An increase in claims incurred weakened also the profitability of land vehicle insurance. Fire and other property insurance profitability was deteriorated by large claims and tight competition in the commercial market.

The expense ratio was 21.8 per cent (20.1%). The increase in operating expenses was largely due to the expenses of structural reorganisations both in Finland and abroad, investments in the Sampo 2000 programme, and preparations for the introduction of the euro.

The run-off of old reinsurance portfolios at subsidiaries Patria, ST International and Lakewood made significant progress during the financial year. Gross technical provisions less the equalisation provision fell by EUR 37 million to stand at EUR 193 million at the year-end. Several significant agreements were commuted during the year. The balance on technical account before the change in equalisation provision was EUR 3 million. The run-off companies' total equalisation provision was accrued by EUR 23 million.



Non-life insurance investments

The market value of non-life insurance investments stood at EUR 5,317 million (EUR 3,576 million) on December 31st, 1999, and net investment income at EUR 482 million (EUR 305 mil-

lion). The share of foreign investments was 13 per cent. Currency-denominated investments outside the euro area constituted 10 per cent of the total investments in non-life insurance.

NON-LIFE INSURANCE BALANCE ON TECHNICAL ACCOUNT BY GROUP OF INSURANCE CLASS

Columns: 1 = Gross premiums written before credit loss and reinsurers' share
2 = Premiums earned
3 = Claims incurred (incl. change in collective guarantee item)
4 = Operating expenses
5 = Balance on technical account before the change in equalisation provision
6 = Combined ratio, %

EUR m	1	2	3	4	5	6
Direct insurance						
Statutory workers' compensation						
1999	174	174	-160	-15	-1	100.8
1998 *)	210	210	-226	-14	-31	114.6
Motor third party liability						
1999	136	129	-138	-25	-34	126.3
1998 *)	119	112	-140	-22	-51	145.6
Motor, other classes						
1999	113	108	-88	-25	-5	105.0
1998	99	97	-74	-23	0	100.2
Fire and other damage to property						
1999	237	181	-175	-57	-52	128.6
1998	214	169	-150	-51	-32	119.2
Other direct insurance						
1999	193	143	-107	-32	4	97.5
1998	185	143	-123	-31	-11	107.7
Direct insurance in total						
1999	853	734	-668	-154	-89	112.1
1998	828	731	-715	-141	-125	117.1
Reinsurance						
1999	31	14	-5	-9	0	99.3
1998	43	28	0	-11	18	38.4
Total						
1999	884	748	-674	-163	-89	111.9
1998 **)	871	759	-714	-152	-108	114.2

Other technical charges

1999 -2

Balance on technical account before the change in equalisation provision

1999 -91

*) Statutory workers' compensation excluding non-recurring adjustments of premiums and technical provisions 104.6% (1998). Motor third party liability excluding non-recurring adjustment of technical provisions 132.1% (1998).

**) Calculated at fixed rates the combined ratio of 1998 was 115.9% and the balance on technical account EUR 13 million weaker than calculated at changing rates. The impact of exchange rates has not been transferred to the figures of investments.

The proportion of shares of the total investment portfolio went up to 67 per cent. EUR 353 million of net gains on investment realisations were entered as income. Value re-adjustments totalled EUR 32 million, and value adjustments EUR 62 million. Nokia shares were sold throughout the year, the market value of the Nokia stake standing at EUR 1,667 million at the year-end.

The non-life insurance companies of the Sampo Group held a total of EUR 22 million of private equity investments, and EUR 20 million was invested through private equity funds. Private equity fund commitments stood at EUR 59 million.

The proportion of land and buildings of the total investment portfolio went down to stand at 10 per cent on December 31st, 1999. The structure of the real estate portfolio was actively upgraded through realisations and development and investment activities. The Group's non-life insurance companies sold land and buildings at the total amount of EUR 91 million, of which EUR 8 million of realised net gains were entered as income. New investments in land and buildings totalled EUR 40 million. On the basis of evaluations carried out by independent experts, EUR 5 million of value adjustments were made on land and buildings, having an impact on result. The number of vacant business premises continued to fall, to as low as 2.9 per cent.

Derivatives have been used to a minor extent by the non-life group, on the one hand to hedge the investment portfolio, on the other hand to implement investment decisions. In non-life insurance investments, profit from trading in derivatives stood at EUR 3 million.

Non-life insurance solvency capital was further strengthened, to stand at EUR 3,513 million (EUR 1,975 million) at the year-end. Solvency ratio went up to 470 per cent (260%). The rating granted by Standard & Poor's remained at A- representing strong security.

LIFE INSURANCE

Gross premiums written in life insurance went up by almost 38 per cent to EUR 541 million, calculated in a comparable manner. According to preliminary information on industry level, the market share held by Sampo Life increased to 19.2 per cent (17.1%).

The most significant increase was experienced by group pension insurance, where the premiums written more than doubled to EUR 167 million. The premiums written were accrued for the most part from liability transfers pertaining to the dissolution of nine pension funds, totalling EUR 100 million.

In individual pension insurance, comparable growth was modest, since the sales during the last weeks of 1999 did not reach the exceptional level of 1998. In life insurance, single premium policies continued to dominate. Comparable growth in the biggest line, capital redemption policies was 6 per cent, the premiums written amounting to EUR 156 million.

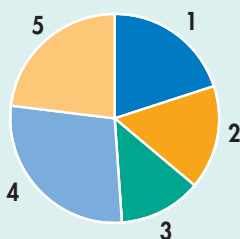
The key objective of 1999 was to strengthen the Group's market position in the fast-growing unit-linked business. According to preliminary information, the market share of Sampo Life went up to 8 per cent (2%) in this field, the premiums written in unit-linked life and

pension insurance totalling EUR 43 million.

Claims paid in life insurance increased by 21 per cent to EUR 227 million, of which EUR 106 million was attributable to pensions. The claims paid included EUR 88 million (EUR 39 million) of surrenders which comprised exceptional non-recurring items related to capital redemption policies. In other respects, surrenders remained at the 1998 level.

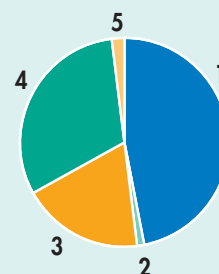
Technical provisions of Sampo Life totalled EUR 3,140 million (EUR 2,598 million) at the year-end, of which EUR 2,196 million was accounted for by the premium reserve. Technical provisions include EUR 40 million of bonuses granted to with-profit insurance policies for the year 1999. For this purpose, EUR 25 million of bonuses reserved earlier were used. EUR 21 million have been reserved for bonuses payable in future years. The need to supplement the technical provisions of group pensions due to a decrease in guaranteed interest was approximately EUR 123 million. This was covered in full by reserving EUR 34 million. The previous supplement totalling EUR 89 million was made in the 1998 final accounts of Nova. The technical provisions of individual lines of insurance were completed by approximately EUR 60 mil-

Distribution of direct non-life insurance premiums written, %
Total EUR 853 m



1	Statutory workers compensation	20
2	Motor third party liability	16
3	Motor, other classes	13
4	Fire and other damage to property	28
5	Other direct insurance	23

Distribution of life insurance premiums written, %
Total EUR 541 m



1	Individual life insurance	47
2	Group life insurance	1
3	Individual pension insurance	19
4	Group pension insurance	31
5	Life reinsurance	2

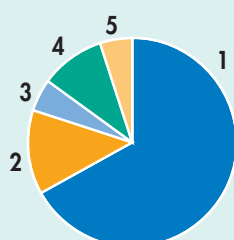
INVESTMENT INCOME AND CHARGES, SAMPO GROUP

EUR m	Non-life 1999	Life 1999	Group 1999	Group 1998
Interest income	67	120	187	84
Dividends	80	49	129	70
Income from land and buildings	30	25	55	45
Gains on realisation of investments	373	229	602	333
Value readjustments	31	28	60	3
Exchange rate gains on investments	39	32	71	17
Other income	3	26	29	5
Investment income	623	509	1,133	558
Interest charges	-1	-2	-3	-6
Charges from land and buildings	-12	-8	-21	-17
Operating expenses and depreciation on investments	-6	-3	-9	-7
Planned depreciation on buildings	-11	-5	-16	-18
Losses on realisation of investments	-16	-40	-56	-9
Value adjustments	-65	-19	-84	-84
Exchange rate losses on investments	-2	-54	-55	-26
Exchange rate losses on insurance business	-26	-2	-28	-
Other charges	-1	-103	-103	-17
Investment charges	-140	-235	-375	-184
Unrealised gains and losses on investments	-1	18	17	2
NET INVESTMENT INCOME	482	293	775	376

The impact (EUR +14 million) of exchange rate differences of the insurance business is not included in the figures of the year of comparison.

Non-life insurance investment portfolio, %

At current values EUR 5.3 billion

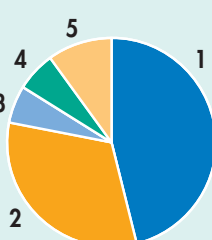


1	Shares	67
2	Bonds	13
3	Money-market instruments	5
4	Land and buildings	10
5	Other	5

Share of foreign investments 13%

Life insurance investment portfolio, %

At current values EUR 4.1 billion



1	Shares	46
2	Bonds	32
3	Money-market instruments	6
4	Land and buildings	6
5	Other	10

Share of foreign investments 31%

lion due to the decrease in guaranteed interest.

Life insurance investments

The market value of Sampo Life's investments stood at EUR 4,108 million (EUR 3,077 million) on December 31st, 1999. Of this amount, foreign investments accounted for 31 per cent, and currency-denominated investments outside the euro area for 22 per cent. Net investment income totalled EUR 293 million.

The proportion of investments in shares went up to 47 per cent. Of the share portfolio, EUR 182 million of net sales profits, EUR 27 million of value re-adjustments, and EUR 17 million of value adjustments were entered. The market value of the largest single equity investment, Nokia, was EUR 242 million.

In 1999, Sampo Life increased private equity investments, which totalled EUR 94 million at the year-end. Private equity investment commitments amounted to EUR 279 million.

In life insurance, the share of interest-bearing instruments of the total investment portfolio fell to 38 per cent. The increase in interest-rate level strained the return on bonds, and interest income was barely positive.

The amount of real estate investments remained practically unchanged, accounting for 6 per cent of total investments. The vacancy rate of business premises remained at the low level of 1998, to stand as low as 2.3 per cent.

Sampo Life actively uses derivatives as a part of its investment operations, mainly to hedge the existing positions. Derivative contracts are used in connection with investments in shares and interest-bearing instruments as well as in currency-denominated investments. As a general rule, the instruments used are standardised forward rate agreements and option contracts. During the year under review, a part of the share portfolio was hedged by use of derivative contracts. EUR 68 million (net) of share portfolio hedging costs and EUR 42

INVESTMENTS, SAMPO GROUP

	31.12.99 EUR m	%	31.12.98 EUR m	%
NON-LIFE INSURANCE				
Investments in land and buildings	550	10	611	17
Shares	3,564	67	2,020	56
Bonds	676	13	615	17
Other debt securities	278	5	92	3
Loans	113	2	89	2
Other investments	135	3	149	4
CURRENT VALUE IN TOTAL	5,317	100	3,576	100
Valuation differences				
Investments in land and buildings	63		74	
Shares	2,514		1,072	
Bonds	3		34	
Other debt securities	1		0	
VALUATION DIFFERENCES IN TOTAL	2,581		1,180	
BOOK VALUE IN TOTAL	2,736		2,396	
LIFE INSURANCE				
Investments in land and buildings	266	6	252	8
Shares	1,913	47	928	30
Bonds	1,323	32	1,401	46
Other debt securities	241	6	134	4
Loans	144	4	160	5
Other investments	152	4	187	6
Investments pertaining to unit-linked policies	70	2	16	1
CURRENT VALUE IN TOTAL	4,108	100	3,077	100
Valuation differences				
Investments in land and buildings	26		9	
Shares	756		267	
Bonds	55		128	
Other debt securities	0		0	
VALUATION DIFFERENCES IN TOTAL	837		405	
BOOK VALUE IN TOTAL	3,271		2,672	

million of currency hedging costs are included in the net investment income.

Life insurance solvency margin amounted to EUR 949 million, seven times the required minimum. Solvency capital was 31.3 per cent of technical provisions. Thanks to the pronounced strengthening of solvency, valuation differences calculated to the shareholders of Sampo Life in accordance with the interpretation of the Principle of Fairness soared to 60 per cent (25%).

PERSONNEL

On December 31st, 1999, Sampo Group employed 4,536 persons (3,337). Of these, 3,514 persons worked in Finland, and 1,022 abroad where the staff increase was over 900 persons. In addition to the increase in international operations, the growth in staff was largely attributable to the merger of Sampo Life and Nova, and to the initiation of own motor vehicle and yacht loss survey operations.

Sampo Group employed an average number of 3,924 persons over 1999

(3,292). Sampo parent company employed an average number of 2,025 persons in 1999 (1,972).

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Preparations for the turn of the millennium succeeded as planned. So far, the Sampo Group has not received significant claims on Y2K related losses.

No essential problems were discovered in Sampo's own information systems at the turn of the millennium or after it. The rest of the year is also expected to progress without problems. Real estate, security and telephone systems have also functioned flawlessly. A total of 81 man-years was used for year 2000-related IT work over the past three years.

On February 24th, 2000, Sampo signed draft terms of merger with its subsidiaries Industrial Insurance and Sampo Enterprise, which will be merged with their parent company. These mergers are a part of a restructuring process aiming at the development of the Sampo Group composition. The purpose is to make the parent company Sampo, currently an insurance company, to a holding company.

After the merger, all non-life insurance business of Sampo will be incorporated to two new insurance companies. At this point, Sampo would also renounce its insurance company licence. According to planned schedule, the mergers will enter into force on December 31st, 2000, providing that the approvals of relevant authorities have been obtained.

In Spring 1999, the Annual General Meeting authorised Sampo's Board of Directors to buy back a maximum of 3,000,000 Sampo A shares. These buy-backs were carried out during the period January 3rd - January 24th, 2000. A total of 1,520,000 own shares at a total amount of EUR 57 million were bought on the Helsinki Stock Exchange.

The Board of Directors is seeking authorisation from the AGM to con-

SAMPO GROUP COMPANIES: KEY FIGURES 1999

EUR m	Sampo ¹⁾ (parent company)	Sampo Enterprise	Industrial Insurance	Sampo Industrial	Run-off companies	Sampo Life
Premiums written	316	227	254	83	-10	541
Claims incurred	-257	-187	-201	-19	13	-312
Net operating expenses	-81	-36	-32	-7	1	-31
Combined ratio, %	111.3	107.2	119.5	128.9	-	-
Net investment income	333	66	280	5	16	294
Profit/loss for the financial year	225	27	190	-1	-4	21
Technical provisions, net	813	487	568	48	201	3,140
Total on balance sheet	1,677	629	977	108	290	3,388
Solvency capital	3,708	386	1,900	47	84	960
Average number of personnel	2,025	617	390	83	32	226

¹⁾ The merger of Otso and Insurance Company of Finland with Sampo has been taken into account in the technical provisions, balance sheet and solvency capital.

tinue the buy-backs, and proposes a decrease in share capital by nullifying the shares already bought without payment. In this way, part of the excess capital created in the past few years by the bullish stock market could be distributed to the owners.

The Board of Directors of Sampo has passed a resolution on observing the Helsinki Stock Exchange Guidelines for Insiders as of March 1, 2000.

SAMPO GROUP OUTLOOK

The moderate growth in domestic non-life insurance premiums written is boosted by the foreign insurance business which has experienced an upward trend thanks to several acquisitions. Premium increases in voluntary motor and statutory motor third party liability insurance were continued in Finland this year in order to improve profitability. Large claims incurred in the past few years will strain Group result through increases in ceded reinsurance premiums and decreases in the level of commissions. However, the non-life technical result of the Sampo Group is expected to improve.

In life insurance, the aim is to further increase Sampo's market share in unit-linked insurance. The focus will be also on increasing the proportion of regular premium-policies and individual pension insurance. Sampo expects to maintain its leading position in com-

mercial life insurance, although there are signs of tightening competition also in this field.

Preparations for the establishment of Sampo-Leonia are expected to take off in spring after the approvals of relevant authorities and administrative organs have been obtained. The distribution channel provided by the bank will create new opportunities, particularly in the field of life and pension insurance sales to private persons.

Focus on new technology will continue in client service and product development. The future Group structure enables the utilisation of Leonia's know-how in technology. Comprehensive multi-channel distribution is the core of the efficient supply of services to the extensive clientele of Sampo-Leonia.

The Board of Directors recommends that the company's profit for the year be applied as follows:

To be paid as dividend	144,567,614.07
To be transferred to the contingency fund	79,889,265.07
To be placed at the disposal of the Board for worthy public causes	210,234.91
To be retained on the closing account	11,894.55
Parent company's profit	224,679,008.60

The closing price of Sampo A share for the financial year 1999 was EUR 34.70, providing an effective dividend yield of 6.9 per cent.

After the close of the financial year, EUR 56,929,023.41 of distributable non-restricted capital and reserves of the parent company have been used for buying back own shares.

BOARD'S DIVIDEND PROPOSAL

The parent company's non-restricted capital and reserves stood at EUR 312,501,866.62, including a profit for the period of EUR 224,679,008.60. Of the non-restricted capital, EUR 307,857,558.80 was distributable. Group non-restricted capital and reserves were EUR 534,192,957.58, of which EUR 500,432,221.54 was distributable.

The Board of Directors will propose that a dividend of FIM 14.50 per share, equalling EUR 2.44 per share, be paid to the 59,280,000 Sampo A and B shares not owned by the company.

PROFIT AND LOSS ACCOUNT

EUR '000	Notes	Group		Parent company	
		1999	1998	1999	1998
Technical Account - Non-Life Insurance					
Premiums earned	2, 8				
Premiums written	1	881,284	868,287	313,577	294,961
Reinsurers' share		-116,049	-97,920	-1,421	-1,180
		765,235	770,367	312,156	293,781
Change in the gross provision for unearned premiums					
Total change		-24,959	-9,570	-10,485	-5,827
Merger		-	-	2,278	-
Portfolio transfer		2,629	-	-	-
		-22,330	-9,570	-8,206	-5,827
Reinsurers' share					
Total change		5,250	-1,619	1,150	8
Merger		-	-	-1,137	-
Portfolio transfer		-379	-	-	-
		4,872	-1,619	13	8
		-17,458	-11,189	-8,193	-5,819
		747,776	759,177	303,964	287,962
Claims incurred	2, 8				
Claims paid		-730,304	-656,809	-237,609	-222,849
Reinsurers' share		128,693	61,718	4,430	267
		-601,611	-595,091	-233,179	-222,581
Change in the provision for outstanding claims					
Total change		-107,180	-137,135	-76,939	-36,544
Merger		-	-	56,890	-
Portfolio transfer		341	-	-	-
		-106,839	-137,135	-20,049	-36,544
Reinsurers' share					
Total change		36,199	18,921	23,163	-366
Merger		-	-	-27,012	-
Portfolio transfer		-195	-	-	-
		36,004	18,921	-3,849	-366
		-70,836	-118,214	-23,898	-36,911
		-672,447	-713,305	-257,076	-259,492
Change in collective guarantee item		-1,158	-1,114	-518	-498
Net operating expenses	2, 5, 8	-162,964	-152,309	-80,735	-79,627
Other technical charges		-2,396	-	-	-
Balance on technical account before the change in equalisation provision		-91,189	-107,550	-34,366	-51,655
Change in the equalisation provision	8				
Total change		-9,200	17,206	-87,021	11,160
Merger		-	-	83,539	-
		-9,200	17,206	-3,481	11,160
Balance on technical account		-100,389	-90,344	-37,847	-40,495

EUR '000	Notes	Group	
		1999	1998
Technical Account - Life Insurance			
Premiums written			
Premiums written	1, 4	541,203	225,181
Reinsurers' share		-4,346	320
		536,858	225,501
Share of net investment income	6	292,869	70,914
Claims incurred			
Claims paid	4	-226,522	-46,332
Reinsurers' share		1,688	1,367
		-224,834	-44,966
Change in the provision for outstanding claims		-88,573	-11,518
Reinsurers' share		1,036	-761
		-87,537	-12,279
		-312,371	-57,245
Change in premium reserve			
Change in premium reserve		-449,735	-209,545
Reinsurers' share		78	-1,143
		-449,657	-210,689
Net operating expenses	5	-30,406	-17,270
Other technical charges		-23	-
Balance on technical account		37,270	11,211

PROFIT AND LOSS ACCOUNT cont.

EUR '000	Notes	Group		Parent company	
		1999	1998	1999	1998
Non-technical Account					
Balance on technical account, non-life insurance		-100,389	-90,344	-37,847	-40,495
Technical underwriting result, life insurance		37,270	11,211	-	-
Investment income	6	1,132,618	558,461	368,448	239,348
Unrealised gains on investments	6	18,380	2,305	-	-
Investment charges	6, 8	-374,821	-184,382	-34,844	-68,423
Unrealised losses on investments	6	-1,080	-18	-1,029	-
		775,098	376,366	332,575	170,925
Transfer of part of net investment income	6	-292,869	-70,914	-	-
		482,229	305,451	332,575	170,925
Other income					
Decrease in negative consolidation difference		467	467	-	-
Merger profit		-	-	16,221	-
Other		2,193	1,104	1,348	914
		2,660	1,571	17,569	914
Other charges					
Depreciation on consolidation difference		-4,548	-11,447	-	-
Depreciation on goodwill		-2,915	-2,464	-5,149	-5,149
Other		-838	-179	-218	-3
		-8,301	-14,090	-5,367	-5,152
Tax on profit on ordinary activities	7, 8				
Tax for the financial year		-116,399	-58,254	-77,611	-35,330
Tax from previous periods		-1,286	-13	-837	-
Deferred tax		-2,932	389	-1,433	-
		-120,618	-57,879	-79,882	-35,330
Share of associated undertakings' profit/loss after tax		1,480	-8,268	-	-
Profit on ordinary activities after tax		294,331	147,653	227,049	90,863

EUR '000	Notes	Group		Parent company	
		1999	1998	1999	1998
Extraordinary income and charges					
Extraordinary charges					
Extraordinary depreciation on consolidation difference		–	–39,348	–	–
Depreciation on goodwill		–	–	–	–47,217
		–	–39,348	–	–47,217
Tax on extraordinary income and charges	7, 8				
Tax for the financial year		–	1,037	–	1,737
Deferred tax		–	10,429	–	10,429
		–	11,466	–	12,166
		–	–27,882	–	–35,051
Profit after extraordinary items		294,331	119,771	227,049	55,811
Minority interest in the profit for the financial year		–8,374	–741	–	–
Increase/decrease in depreciation difference		–	–	–2,165	1,328
Increase/decrease in optional reserves					
Increase/decrease in credit loss reserve		–	–	–205	–505
Profit for the financial year		285,957	119,030	224,679	56,635

BALANCE SHEET

EUR '000	Notes	Group		Parent company	
		1999	1998	1999	1998
ASSETS	18				
Intangible assets	9				
Intangible rights		14,665	10,939	6,340	3,603
Goodwill		4,368	6,952	25,745	30,894
Consolidation difference		20,869	15,547	–	–
Other long-term expenses		55,731	44,838	46,451	35,175
		95,633	78,276	78,536	69,672
Investments	10				
Investments in land and buildings	11				
Land and buildings		725,916	779,814	265,616	289,999
Loans to affiliated undertakings		–	–	11,656	15,485
		725,916	779,814	277,273	305,484
Investments in affiliated and associated undertakings	14				
Shares and participations in affiliated undertakings	13	–	–	193,803	210,270
Shares and participations in associated undertakings	12, 13	74,218	131,051	66,200	97,656
Debt securities and loans of associated undertakings	14	100,913	–	100,913	–
		175,130	131,051	360,916	307,927
Other financial investments					
Shares	12, 13	2,132,991	1,477,213	358,851	278,664
Debt securities	16	2,358,665	2,079,215	284,098	126,537
Loans guaranteed by mortgages		187,662	179,653	20,515	22,701
Other loans	15	69,772	69,338	8,825	15,068
Deposits with credit institutions		237,294	269,408	5,890	3,952
		4,986,384	4,074,827	678,179	446,922
Deposits with ceding undertakings		49,880	66,239	1,496	249
		5,937,311	5,051,931	1,317,864	1,060,581
Investments covering unit-linked insurances	17	69,538	16,288	–	–
Debtors					
Arising out of direct insurance operations					
Policyholders		139,330	147,037	85,592	78,406
Intermediaries		26,633	18,823	–	–
Arising out of reinsurance operations		103,291	78,108	19,863	259
Deferred tax		8,996	10,429	8,996	10,429
Other debtors		45,175	60,275	20,346	57,498
		323,426	314,672	134,797	146,592
Other assets					
Tangible assets					
Equipment	9	41,291	38,903	27,363	26,078
Other tangible assets		4,101	3,540	3,239	3,053
		45,392	42,443	30,601	29,131
Cash at bank and in hand		83,291	107,364	16,139	12,304
Other assets		1,552	1,397	–	–
		130,235	151,204	46,740	41,434
Prepayments and accrued income					
Interest and rents		79,661	71,828	10,490	4,193
Other		89,951	73,701	88,237	23,424
		169,612	145,529	98,727	27,617
		6,725,754	5,757,899	1,676,664	1,345,896

EUR '000	Notes	Group		Parent company	
		1999	1998	1999	1998
LIABILITIES	18				
Capital and reserves	19				
Restricted					
Subscribed capital	20	52,138	52,138	52,138	52,138
Legal reserve		369,241	369,241	366,295	366,295
Revaluation reserve		27,659	28,345	27,659	28,345
Currency conversion differences		14,164	7,120	–	–
		463,202	456,844	446,093	446,779
Non-restricted					
Non-restricted reserves		151,947	125,683	–	–
Security reserve		–	–	11,722	11,722
Contingency reserve		–	–	74,515	67,283
At the disposal of the Board		–	–	290	77
Profit/loss brought forward		96,289	56,695	1,296	1,230
Profit for the financial year		285,957	119,030	224,679	56,635
		534,193	301,408	312,502	136,947
		997,395	758,253	758,594	583,725
Minority interest		67,362	68,570	–	–
Untaxed reserves					
Negative consolidation difference		934	1,401	–	–
Accumulated depreciation difference		–	–	13,795	11,473
Optional reserves					
Credit loss reserve		–	–	1,742	1,379
		934	1,401	15,537	12,852
Technical provisions	21				
Provision for unearned premiums, non-life insurance		260,161	229,862	140,670	130,181
Reinsurers' share		–24,607	–18,937	–1,193	–42
		235,554	210,925	139,477	130,139
Premium reserve, life insurance		2,130,673	1,729,790	–	–
Reinsurers' share		–3,690	–3,255	–	–
		2,126,984	1,726,535	–	–
Claims outstanding, non-life insurance		1,802,833	1,661,783	591,858	514,355
Reinsurers' share		–184,344	–142,267	–29,431	–6,268
		1,618,490	1,519,516	562,427	508,087
Claims outstanding, life insurance		946,666	857,492	–	–
Reinsurers' share		–2,341	–1,232	–	–
		944,325	856,260	–	–
Equalisation provision, non-life insurance		234,278	224,674	97,581	10,560
Collective guarantee item, non-life insurance		30,116	28,957	13,472	12,954
		5,189,745	4,566,867	812,957	661,740
Technical provisions of unit-linked insurances		68,948	15,656	–	–
Obligatory provisions	22	1,517	1,528	–	–
Deposits received from reinsurers		4,234	9,448	716	–
Creditors	23				
Arising out of direct insurance operations		804	2,623	–	–
Arising out of reinsurance operations		100,618	95,066	20,401	622
Bond with warrants	20	1,040	1,053	1,110	1,110
Amounts owed to credit institutions		1,223	15,242	–	–
Pension loans		–	33,284	–	32,838
Deferred tax		11,336	9,765	–	–
Other creditors		21,824	20,364	8,543	10,250
		136,844	177,397	30,054	44,820
Accruals and deferred income		258,776	158,779	58,805	42,760
		6,725,754	5,757,899	1,676,664	1,345,896

WORKING CAPITAL FLOW STATEMENT

EUR '000	Group		Parent company	
	31.12.1999	31.12.1998	31.12.1999	31.12.1998
Source of funds				
Cash-flow financing				
Profit before interest expenses, extraordinary items, untaxed reserves and tax	417,846	217,744	307,742	131,004
Extraordinary income and charges	–	–39,348	–	–47,217
Adjustment items				
Changes in technical provisions	676,169	2,029,490	151,217	32,067
Unrealised losses and gains on investments	7,080	78,443	–994	30,192
Depreciation	48,779	100,961	26,988	82,999
	1,149,875	2,387,290	484,953	229,045
Capital financing				
Increase in minority interest	–	55,879	–	–
Increase in capital and reserves	2,997	–	–	–
	2,997	55,879	–	–
Source of funds in total	1,152,872	2,443,170	484,953	229,045
Application of funds				
Profit distribution				
Interest on liabilities	2,908	5,501	496	4,811
Tax	120,618	57,231	78,449	33,592
Dividends paid	49,084	30,677	49,084	30,677
Other profit distribution	42	27	40	26
	172,652	93,437	128,068	69,107
Investments				
Increase in investments	962,017	2,203,928	261,998	54,329
Increase in intangible and tangible assets	54,086	57,394	32,300	29,178
	1,016,104	2,261,321	294,298	83,507
Repayment of capital and loans				
Decrease in long-term loans	29,625	6,825	32,838	12,122
Decrease in minority interest	9,582	–	–	–
Decrease in capital and reserves	–	2,539	–	–
	39,207	9,364	32,838	12,122
Application of funds in total	1,227,963	2,364,122	455,204	164,736
Increase/decrease in working capital	–75,091	79,047	29,749	64,310
Change in working capital				
Debtors	8,754	72,856	–10,362	56,803
Cash at bank and in hand	–24,073	15,000	3,835	717
Prepayments and accrued income	24,083	55,834	71,110	14,125
	8,764	143,690	64,583	71,644
Deposits received from reinsurers	5,214	2,233	–716	–
Creditors	10,928	4,664	–18,072	–2,562
Accruals and deferred income	–99,997	–71,539	–16,045	–4,773
	–83,854	–64,642	–34,834	–7,335
Increase/decrease in working capital	–75,091	79,047	29,749	64,310

NOTES ON THE ACCOUNTS

Accounting Principles

The financial statements have been compiled in accordance with the Accounting Act, Companies Act and Insurance Companies Act and the decisions, instructions and regulations issued by the Ministry of Social Affairs and Health. The Act on Insurance Supervision Authority entered into force on April 1st, 1999. The tasks of the Insurance Supervision Authority include the supervision and inspection of the activities of those subject to supervision, and the issuing of more detailed instructions on drawing up the final accounts, consolidated accounts and interim report as well as the stock exchange bulletin on final accounts, due to the characteristics of the insurance business. In December 1999, the Ministry of Social Affairs and Health and the Insurance Supervision Authority issued new decisions, instructions and regulations, drawn up on the basis of the new distribution of tasks and containing the changes required by the new Accounting Act.

Furthermore, provisions and recommendations concerning listed companies have been taken into account. The Finnish Accounting Standards Board has granted insurance companies whose shares are publicly traded special permission (22.12.1997 No. 1509), for the years 1997-2000, to report key figures and other information referred to in the decision of the Ministry of Finance according to the instructions issued by the Ministry of Social Affairs and Health.

Comparability of Data

A subsidiary of Sampo Insurance Company plc, Sampo Life Insurance Company Limited, and Nova Life Insurance Company Limited, were merged on December 31, 1998. The share of Nova's profit is included in the share of as-

sociated undertakings' profit in the Consolidated Profit and Loss Account 1998, so it is not possible to evaluate the development of life insurance profit and loss account items directly from the profit and loss account.

The decision issued by the Insurance Supervision Authority on December 23rd, 1999 makes it possible to enter the currency conversion differences of insurance business under investment result, whereby the currency conversion differences arising from both insurance business and investments are presented in the same section of the profit and loss account. The 1998 profit and loss account, balance sheet and notes to the accounts have not been altered to correspond to the new entry practice. For the sake of true and fair view, comparability is presented by profit and loss account item in the note called Income and Charge Items Impacting the Comparability of the Result. The notes also include information on items pertaining to 1998 and impacting comparability.

Consolidation Principles

Sampo's Consolidated Accounts include the parent company Sampo Insurance Company plc, and all the subsidiaries in which the parent company either directly or indirectly holds more than half of the voting rights. The group companies are presented in the Notes on the Accounts, and changes in group structure in the Board of Directors' Report.

The final accounts of group companies are included in the consolidated accounts according to uniform accounting principles.

The consolidated accounts are drawn up as combinations of the profit and loss accounts, balance sheets and notes of the parent company and the subsidiaries. The consolidated accounts comprise non-life and life insurance

technical accounts, and a non-technical account. All investment income and charges are shown in the non-technical account. That part relating to life insurance which includes intra-group eliminations is transferred to life insurance technical account.

Subsidiaries acquired during the financial year are consolidated as from the day of acquisition, and the subsidiaries sold until the assignment day. Intra-group transactions, amounts due to or from group companies, internal gains and losses as well as profit distribution are eliminated. However, intra-group direct insurance is not eliminated.

Intra-group cross-shareholdings are eliminated by using the acquisition method. The difference between the acquisition cost of shares in subsidiaries and their capital and reserves at the time of acquisition is entered primarily under subsidiaries' land and buildings and depreciated according to their depreciation plan. The unallocated part is entered under consolidation difference and depreciated over its useful economic life.

The closing figures for subsidiaries are converted into Finnish markka at the average rate quoted by the European Central Bank on the date of closing the companies' accounts. Currency conversion differences resulting from changes in exchange rates, which have arisen from the elimination of cross-shareholdings, are shown under restricted capital and reserves due to their origin.

Minority interests in subsidiaries' result for the financial year and capital and reserves are presented as separate items in the Profit and Loss Account and the Balance Sheet.

Accounting Principles

Associated Undertakings

In the Consolidated Accounts, those companies in which the group's holding and voting rights amount to 20 - 50% - with the exception of Kaleva Mutual Insurance Company - have been integrated as associated undertakings, using the equity method. The impact of the consolidation of Kaleva Mutual Insurance Company on group result and non-restricted capital and reserves is inessential, because the owner of guarantee capital is entitled only to the guarantee capital and the interest paid on it. Relevant information on the company is presented in the Notes to the Accounts.

Foreign Currency Items

Currency-denominated receivables, investments in the nature of receivables, and liabilities have been converted at the average rate quoted by the European Central Bank. Other investments have been valued at the lower of the rate valid on the date of acquisition or the rate on the date of closing the accounts, with the exception of holdings in other companies in the nature of investments, in the valuation of which the impact of exchange rate and market difference have not been separated. Currency conversion differences on receivables and investments are presented under investments, under the items Other income and Charges arising from other investments.

Currency conversion differences relating to insurance business are derived as the difference of foreign reinsurance figures calculated at changing and fixed rates. Currency conversion differences have been calculated from premiums and claims, including changes in the provisions for outstanding claims and

unearned premiums, and from re-insurance commissions and deposit interests. The net amount of currency conversion differences is presented under investments, under the items Other income and Charges arising from other investments. The impact of currency exchange rates on the change in technical provisions is presented in the Notes to the Accounts.

Valuation and Matching

The variable expenses arising from acquisition and production are included in acquisition costs.

Intangible assets and equipment are entered in the Balance Sheet at acquisition cost less planned depreciation. Items capitalised under other long-term liabilities include computer systems developed by the insurance company itself and refurbishing of rented apartments.

Real estate shares are entered in the Balance Sheet at the lower of acquisition cost or current value. Buildings and structures are presented at the lower of acquisition cost less planned depreciation or current value. Certain book values of real estate and real estate shares include revaluations made in the previous years.

Stocks and shares in the nature of investments are entered at the lower of acquisition cost or probable sales price. Stocks and shares in the nature of fixed assets are presented at the lower of acquisition price or current value, if the value adjustment is considered permanent. The shares are valued according to the average price principle.

Debt securities are considered to include bonds and money-market instruments. They are generally entered in the Balance Sheet at acquisition cost. The difference between par value and

acquisition cost of debt securities is accrued under interest income. The counter-item is the acquisition cost.

Receivables and investments in the nature of receivables are presented at the lower of par value or current value.

Derivative contracts are valued at their current value on the date of closing the accounts. The difference between the current value of a hedging derivative contract and a lower book value/contract rate is entered as income. However, the maximum amount entered is that which corresponds to the amount of the hedged balance sheet item entered as an expense. If the book value/contract rate exceeds the current value, the loss is entered at its full amount. The difference between the current value of derivative contracts not concluded for hedging purposes and a higher book value/contract rate is entered as an expense, and the possible valuation gain is not entered.

Investments covering the technical provisions of unit-linked insurances are valued at their current value.

Unrealised gains and value adjustments on investments in the nature of investment assets and on investments covering unit-linked insurances are entered with impact on the result. Revaluations on investments in the nature of fixed assets and their reversals are entered in the revaluation reserve under restricted capital and reserves. If a fixed assets investment later becomes an investment asset, the funded revaluation is reversed.

Value adjustments which have been made earlier are re-adjusted up to the original acquisition cost if the current value increases.

The difference between the book value and the remaining acquisition cost

of investments shown in the analyses consists of unrealised gains and associated undertakings' value adjustments made by using the equity method.

Depreciation

Planned straight-line depreciations based on the estimated useful lives are made on intangible assets, buildings, structures and their components, and equipment. If the estimate diverges from the earlier estimate on the date of closing the accounts, the depreciation period is adjusted accordingly.

Intangible rights	5-10 years
Goodwill	5-10 years
Consolidation difference and negative consolidation difference	3-10 years
Other long-term liabilities	3-10 years
Residential and business premises and offices	40-50 years
Industrial premises and warehouses	30-40 years
Building components	10-15 years
Computer hardware, cars	3-5 years
Other equipment	10 years

Planned depreciation corresponding to the average useful life of buildings is made annually on the unrealised gains entered as income, arising from buildings in the nature of investments. No depreciations are made on the revaluations of property in the nature of fixed assets.

Current Values

The current values of investments in land and buildings are fixed annually, as required by the Ministry of Social Affairs and Health. Each site is assessed separately, allowing for the net income

earned, location and market situation. Both in-house and outside experts have assisted in the assessment.

Valuation differences in the current value of shares in a life insurance company which is a subsidiary, have been taken into account in accordance with the agreed interpretation of the Principle of Fairness. Shares in other group companies are valued at net asset value. With respect to shares in associated undertakings, net asset value, a value based on the equity method, or the remaining acquisition cost is used as their current value.

Shares and debt securities which are quoted on official stock exchanges or valued at the latest available closing price or, if this is not available, at buying rate. The probable sales price of other shares and debt securities, e.g. based on net asset value or the undepreciated portion of acquisition cost, is taken as their current value.

Loans, deposits with credit institutions, and deposits with ceding undertakings are valued at the lower of par value or probable value.

Expenses by Activity

Operating expenses and depreciation on capitalised ADP systems and equipment are divided between activities. Part of them are allocated directly to activities, part on the basis of a study on working hours which is carried out annually. Thus the percentual share of activities varies from year to year. Expenses by activity are presented under operating expenses (policy acquisition costs, policy management expenses, and administrative expenses), under claims paid (claims settlement expenses), under investment charges (management expenses arising from real estate invest-

ments and other investments) and under other charges (expenses arising from the sale of services).

Claims settlement expenses directly allocated to claims paid are also presented under expenses by activity. These expenses include external loss adjustment expenses, such as external loss assessors' remunerations and legal expenses, and internal loss adjustment expenses which are allocated directly to claims.

Directly allocated investment management expenses which are shown under investment charges comprise management expenses and maintenance charges for real estate shares and for land and buildings, as well as fees for custodian services. Planned depreciations on buildings are presented under Investment charges.

Other Technical Charges

Sampo Kindlustuse AS, the Estonian subsidiary of Sampo Enterprise Insurance Company Limited, took charge of the non-life insurance portfolio of AS Polaris Vara on May 20th, 1999, excluding the credit insurance portfolio. The loss arising from the acceptance of the insurance portfolio has been presented as Other technical charges.

Other Income and Charges

In addition to depreciation on goodwill and consolidation difference and decrease in negative consolidation difference, those items have been handled as Other Income and Charges which have a direct connection with the Group's ordinary activities, for example the income and charges of services relating to captive operations.

Accounting Principles

In the final accounts of Sampo Insurance Company plc for 1999, the merger results of the mergers of Otso Loss of Profits Insurance Company Ltd and the Insurance Company of Finland Ltd have been treated as Other income.

Taxes

Taxes on ordinary activities and on extraordinary items are presented separately in the Profit and Loss Account. Taxes for the year have been calculated on the basis of the taxable income calculated in accordance with tax regulations.

Avoir fiscal tax credit on dividend earned is entered in dividends, under Investment Income. Dividends, guarantee capital interests and avoir fiscal tax credit are entered in the accounting period during which the decision on the distribution of profit was made. However, avoir fiscal tax credit sums exceeding the amount of income tax for the year will not be entered, if it is probable that the credit left unused can be used in setting off the income tax of future periods, with particular regard to the expectations for the financial year immediately following.

The avoir fiscal tax credit relating to dividends received from subsidiaries and associated undertakings is transferred in the Consolidated Profit and Loss Account as a deduction from the taxes for the year.

Untaxed Reserves and Treatment of Deferred Tax

The regulations concerning Finnish accounting and taxation practice allow certain optional untaxed reserves, and depreciation above plan having an impact on the result and taxation, to be made in the final accounts.

In the Group companies, the difference between planned depreciation and the total depreciation made in accordance with the Business Tax Act is presented as a separate item in the Profit and Loss Account, and the accumulated depreciation difference is presented under untaxed reserves in the Balance Sheet.

In the final accounts and key figures of the companies, deferred tax is not deducted from the reserves, from revaluations transferred to reserves, nor from valuation differences on investments. Because the reserves are entered as income, and revaluations transferred to reserves and valuation differences are realised partly to cover expenses, the deferred tax is not realised for this part. Unrealised gains entered as income are taxable income.

In the Consolidated accounts and key figures, excluding the solvency margin, optional reserves and the accumulated depreciation difference are divided into the change in deferred tax and share of profit, and deferred tax and share of capital and reserves. The minority interest is deducted from these. According to the Insurance Companies' Act, the share entered under capital and reserves is not distributable non-restricted capital and reserves. Deferred tax has been calculated in accordance with the 29 per cent tax rate. Deferred tax is not deducted from the valuation differences on investments.

In the final accounts of 1998, essential deferred tax from the non-recurring depreciation on Kansa General's goodwill has been entered under deferred tax. The depreciation made in the accounts has been periodised in the taxation over six years, insofar as it was not tax deductible in 1998. The Sampo

Group will start to present deferred tax in more detail along with the new regulations.

Technical Provisions

In calculating technical provisions, various methods are applied which involve assumptions on such matters as the settlement of claims, mortality, and yield on investments. Technical provisions are annually revised on the basis of assumptions and new data received.

The change in the technical provisions of reinsurance has been calculated at fixed exchange rates, so the impact of the exchange rates of the insurance business on result has been presented under investment result.

Non-life Insurance

The provision for unearned premiums is calculated by use of the pro rata rule or by insurance contract.

In addition to the calculation of the provision for outstanding claims pertaining to annuities, discounting is applied to a part of Patria Reinsurance Company Ltd's provision for outstanding claims in foreign reinsurance. Patria's discounted technical provisions are mainly in USD and are covered by assets in the same currency. The assets are estimated as sufficient to secure a profit exceeding the interest rate applied. The claims settlement period used in discounting is based on Group company statistics.

Life Insurance

The premium reserve is calculated by policy in direct insurance, and according to the disclosure of the ceding company or the company's own calculation basis in reinsurance.

The zillmerisation of individual life and pension insurance, capital redemption insurance and foreign life reinsurance, which has been deducted from the premium reserve, has been planned in such a manner that the loading items of insurance will suffice to cover related amortisations and future operating expenses. The amortisation period of zillmerisation is no longer than the insurance period.

Acquisition costs have not been activated in balance sheet assets. Unpaid sales commissions or corresponding commissions have been entered in balance sheet liabilities.

In discounting the technical provisions, the interest applied has been the same as or lower than the interest applied in the calculation of the premium. A major part of the business has been discounted by use of an interest of 3.5 per cent. The highest interest used has been 4.5 per cent.

In calculating the technical provisions of direct insurance, discounting is applied only in connection with the technical provisions of pensions the payment of which has commenced. The technical provisions of assumed reinsurance are based on the disclosure of the ceding company and on an estimate of claims which have not yet been settled.

Principle of Fairness in Life Insurance

According to the Insurance Companies' Act, Chapter 13, Section 3, a so-called Principle of Fairness must be observed in life insurance with respect to such policies which, according to the insurance contract, entitle to bonuses and rebates granted on the basis of any surplus yielded by the policies. If the solvency requirements do not prevent it, a

reasonable part of the surplus has to be returned to these policies as bonuses.

Sampo Life aims at giving a total return before charges and taxes on policyholders' with-profit insurance savings, which is at least the yield of a Finnish treasury bond. The total return consists of the guaranteed interest and bonuses determined annually on the basis of the company's performance. As for the level of the total return, continuity is pursued.

The aim is to maintain the company's solvency status on such a level that it does not limit the giving of bonuses to the policyholders nor the distribution of profit to shareholders.

The Board of Directors of Sampo Life has for its part made a decision on the interpretation of the Principle of Fairness in life insurance. As a consequence of the principle and the bonus policy, a prominent part of the company's solvency capital is required for ensuring the benefits insured. The restricted and non-restricted capital and reserves are considered to belong to the shareholders. Of the valuation differences which are not needed for ensuring solvency in the long run, 80 per cent are considered to belong to the shareholders. In accordance with the solvency status of December 31st, 1999 in Sampo Life's final accounts, 60 per cent of the valuation differences is calculated to the company's shareholders. This calculatory distribution of valuation differences does not entitle individual shareholders or policyholders to these valuation differences.

The legislation of Estonia and Latvia do not contain regulations corresponding to the Principle of Fairness.

Pension Schemes

For those employed by the Finnish group companies, statutory pension cover has been arranged in compliance with the Employees' Pensions Act, TEL. Some group companies have additional pension arrangements handled by insurance companies. In foreign subsidiaries, pension schemes have been arranged in accordance with local practice.

Pension insurance premiums are entered in the Profit and Loss Account on the accrual basis.

CALCULATION METHODS FOR THE KEY FIGURES

Key figures have been calculated in accordance with the guidelines issued by the Ministry of Social Affairs and Health, which comply with the exceptional permission (December 22, 1997, No. 1509) granted to insurance companies by the Finnish Accounting Standards Board.

GENERAL KEY FIGURES

Turnover

Non-life insurance:

- + premiums earned before credit losses and reinsurers' share
- + investment income
- + other income
- + revaluations entered as income, realised in connection with sales

Life insurance:

- + premiums written before credit losses and reinsurers' share
- + investment income and revaluations
- + other income

Group turnover:

- + non-life insurance turnover
- + life insurance turnover

Operating profit

Non-life insurance:

- + premiums earned
- claims incurred
- change in collective guarantee item
- operating expenses
- other technical charges
- + investment income
- investment charges
- + other income
- other charges
- ± share of associated undertakings' profit and loss

Life insurance:

- + technical result before bonuses and rebates and change in the equalisation provision
- + other income
- other charges
- ± share of associated undertakings' profit and loss

Group operating profit:

- + non-life insurance operating profit
- + life insurance operating profit

Profit before extraordinary items, untaxed reserves and tax

- + Group operating profit
- ± change in the equalisation provision
- + revaluations on investments, non-life insurance
- revaluation adjustments on investments, non-life insurance
- + bonuses and rebates, life insurance

Profit before untaxed reserves and tax

- + profit before extraordinary items, untaxed reserves and tax
- + extraordinary income
- extraordinary charges

Return on equity (at current values)*

- + profit before extraordinary items, untaxed reserves and tax
- + revaluation entered into revaluation reserve
- revaluation withdrawn from revaluation reserve
- ± change in valuation differences on investments
- tax
- + capital and reserves
- + minority interest
- ± valuation differences on investments (average on Jan. 1 and Dec. 31)

Return on assets (at current values)

- + operating profit
- + interest and expenses on liabilities
- + calculated interest on technical provisions
- + revaluations on investments (non-life insurance)
- revaluation adjustments on investments (non-life insurance)
- + revaluation entered into revaluation reserve
- revaluation withdrawn from revaluation reserve
- ± change in valuation differences on investments
- + balance sheet total
- ± valuation differences on investments (average on Jan. 1 and Dec. 31)

Equity/assets ratio (at current values)

- + capital and reserves
- + minority interest
- ± valuation differences on investments
- + balance sheet total
- ± valuation differences on investments

Average number of personnel

average of the number of personnel at the end of each month, adjusted for part-timers

INSURANCE BUSINESS KEY FIGURES

Gross premiums written

premiums written before reinsurers' share and credit losses

Loss ratio (non-life insurance)

$\frac{\text{claims incurred}}{\text{premiums earned}} \times 100\%$

Expense ratio (non-life insurance)

$\frac{\text{operating expenses}}{\text{premiums earned}} \times 100\%$

Combined ratio (non-life insurance)

loss ratio + expense ratio

Expense ratio (life insurance)

+ operating expenses before the change in deferred acquisition costs
+ $\frac{\text{claims settlement expenses}}{\text{load income}} \times 100\%$

Solvency margin**

+ capital and reserves after proposed profit distribution
± valuation differences on investments
- intangible assets
+ deferred tax
± other items prescribed in the decree

Solvency capital**

+ solvency margin
+ equalisation provision
+ minority interest

Solvency capital, % of technical provisions (non-life insurance)

$\frac{\text{+ solvency capital} + \text{technical provisions} - \text{equalisation provision}}{\text{}} \times 100\%$

Solvency capital, % of technical provisions

(whole business and life insurance)

$\frac{\text{+ solvency capital} + \text{technical provisions} - \text{equalisation provision} - 75\% \times \text{technical provisions of unit-linked insurances}}{\text{}} \times 100\%$

Solvency ratio, % (non-life insurance)

$\frac{\text{+ solvency capital} + \text{premiums earned}}{\text{}} \times 100\%$

PER-SHARE KEY FIGURES

Earnings per share

+ profit before extraordinary items, untaxed reserves and tax
- tax
- $\frac{\text{minority interest}}{\text{adjusted average number of shares}}$

Capital and reserves per share

$\frac{\text{capital and reserves}}{\text{adjusted number of shares at Dec. 31}}$

Net asset value per share*

+ capital and reserves
± valuation differences on investments
 $\frac{\text{}}{\text{adjusted number of shares at Dec. 31}}$

Dividend per share

$\frac{\text{dividend for the accounting period}}{\text{adjusted number of shares at Dec. 31}}$

Dividend per earnings, %

$\frac{\text{dividend per share}}{\text{earnings per share}} \times 100\%$

Effective dividend yield

$\frac{\text{dividend per share}}{\text{adjusted closing share price at Dec. 31}} \times 100\%$

Price/earnings ratio

$\frac{\text{adjusted closing share price at Dec. 31}}{\text{earnings per share}}$

Market capitalisation

number of shares at Dec. 31 x closing share price at Dec. 31

Relative share trading volume

$\frac{\text{number of shares traded through the Helsinki Stock Exchange}}{\text{adjusted average number of shares}} \times 100\%$

* In calculating key figures, an interpretation of the Principle of Fairness in life insurance has been taken into account, according to which 60 per cent of the valuation differences pertaining to the year 1999 and 25 per cent of the valuation differences pertaining to the year 1998 is calculated to the owners, in addition to the capital and reserves of life insurance. In previous years, the valuation differences of life insurance were not included in the calculation of the said key figures.

** The solvency capital of the subgroup of Sampo Life has been separated from the Group's solvency capital as belonging to life insurance, and the difference is disclosed as the solvency capital of non-life insurance.

In calculating return on equity, return on assets, solvency-related key figures and net asset value per share, the same "other items prescribed in the decree" have been deducted from valuation differences as in calculating solvency margin.

SAMPO GROUP KEY FIGURES

		1995	1996	1997	1998	1999
General Key Figures						
Turnover	EUR m	992	1,027	1,320	1,651	2,540
	FIM m	5,896	6,105	7,848	9,815	15,102
Gross premiums written	EUR m	710	756	973	1,096	1,425
	FIM m	4,219	4,495	5,784	6,516	8,475
Operating profit	EUR m	54	104	155	211	565
	FIM m	319	619	921	1,254	3,362
% of turnover		5.4	10.1	11.7	12.8	22.3
Profit before extraordinary items, untaxed reserves and tax	EUR m	46	62	116	206	415
	FIM m	271	367	688	1,222	2,467
% of turnover		4.6	6.0	8.8	12.5	16.3
Profit before untaxed reserves and tax	EUR m	39	61	111	166	415
	FIM m	234	365	662	988	2,467
% of turnover		4.0	6.0	8.4	10.1	16.3
Return on equity at current values	%	-3.2	17.3	23.5	33.1	67.1
Return on assets at current values	%	1.1	9.6	11.6	13.8	29.0
Equity/assets ratio	%	33.5	35.9	35.6	28.6	40.8
Solvency capital	EUR m	1,073	1,294	1,682	2,509	4,477
	FIM m	6,379	7,696	10,004	14,921	26,621
% of technical provisions		72.0	82.8	73.0	57.7	90.0
Average number of personnel		3,023	3,113	3,176	3,292	3,924
Non-Life Insurance Key Figures						
Turnover	EUR m	992	1,027	1,055	1,311	1,489
	FIM m	5,896	6,105	6,273	7,794	8,854
Gross premiums written	EUR m	710	756	782	871	884
	FIM m	4,219	4,495	4,648	5,177	5,258
Loss ratio	%	91.7	88.4	88.3	95.9	90.1
Expense ratio	%	20.0	21.9	19.5	20.1	21.8
Combined ratio	%	111.7	110.3	107.8	115.9	111.9
Solvency margin	EUR m	886	1,065	1,333	1,749	3,279
	FIM m	5,266	6,332	7,926	10,401	19,495
Equalisation provision	EUR m	187	229	242	225	234
	FIM m	1,110	1,362	1,438	1,336	1,393
Solvency capital	EUR m	1,073	1,294	1,576	1,975	3,513
	FIM m	6,379	7,696	9,368	11,741	20,890
% of technical provisions		72.0	82.8	96.7	112.2	186.5
Solvency ratio	%	171.8	199.3	233.2	260.1	469.9
Average number of personnel		3,023	3,113	3,059	3,170	3,692
Life Insurance Key Figures						
Turnover	EUR m			265	340	1 051
	FIM m			1,575	2,021	6,248
Gross premiums written	EUR m			191	225	541
	FIM m			1,136	1,339	3,218
Expense ratio	%			195.1	175.9	138.3
Solvency margin	EUR m			98	522	949
	FIM m			581	3,104	5,640
Equalisation provision	EUR m			0	4	11
	FIM m			3	23	66
Solvency capital	EUR m			107	535	964
	FIM m			636	3,180	5,731
% of technical provisions				15.8	20.7	31.3
Average number of personnel				117	122	232

		1995	1996	1997	1998	1999
Per Share Key Figures						
Earnings per share	EUR	0.50	0.71	1.40	2.42	4.70
	FIM	2.96	4.23	8.32	14.37	27.96
Capital and reserves per share	EUR	9.34	9.88	11.07	12.47	16.41
	FIM	55.51	58.73	65.84	74.15	97.54
Net asset value per share	EUR	16.48	19.45	24.48	32.62	63.45
	FIM	98.01	115.64	145.54	193.93	377.23
Dividend per share ^{*)}	EUR	0.21	0.25	0.50	0.81	2.38
	FIM	1.25	1.50	3.00	4.80	14.14
Dividend per share for shares not owned by the Group ^{*)}	EUR					2.44
	FIM					14.50
Dividend per earnings ^{*)}	%	42.2	35.5	36.1	33.4	50.6
Effective dividend yield ^{*)}	%	2.1	1.7	1.7	2.5	6.9
Price/earnings ratio		19.7	21.5	21.3	13.5	7.4
Adjusted average number of shares	'000	60,800	60,800	60,800	60,800	60,800
Number of shares at Dec. 31	'000	15,200	15,200	60,800	60,800	60,800
Adjusted number of shares at Dec. 31	'000	60,800	60,800	60,800	60,800	60,800
Par value at Dec. 31	FIM	20	20	5	5	5
Market capitalisation	EUR m	596	928	1,810	1,979	2,110
	FIM m	3,542	5,518	10,762	11,765	12,544
A Shares						
Adjusted average number of shares	'000	60,560	60,560	60,560	60,560	60,560
Number of shares at Dec. 31	'000	15,140	15,140	60,560	60,560	60,560
Adjusted number of shares at Dec. 31	'000	60,560	60,560	60,560	60,560	60,560
Weighted average share price	EUR	9.56	11.79	21.90	36.70	30.97
	FIM	56.84	70.11	130.19	218.23	184.15
Adjusted share price, high	EUR	11.52	15.35	34.14	52.31	41.00
	FIM	68.50	91.25	203.00	311.00	243.77
Adjusted share price, low	EUR	6.94	9.67	14.93	19.34	25.70
	FIM	41.25	57.50	88.75	115.00	152.81
Adjusted closing price	EUR	9.80	15.26	29.77	32.54	34.70
	FIM	58.25	90.75	177.00	193.50	206.32
Share trading volume during the accounting period	'000	7,792	26,330	30,191	47,902	36,499
Relative share trading volume	%	12.9	43.5	49.9	79.1	60.3
B Shares						
Adjusted average number of shares	'000	240	240	240	240	240
Number of shares at Dec. 31	'000	60	60	240	240	240
Adjusted number of shares at Dec. 31	'000	240	240	240	240	240

In calculating the net asset value per share and the return on equity, an interpretation of the Principle of Fairness in life insurance has been taken into account, according to which 60% of the valuation differences pertaining to the year 1999 and 25% pertaining to the year 1998 is calculated to the owners, in addition to the capital and reserves of life insurance. In previous years, the valuation differences of life insurance were not included in the calculation of the said key figures.

Life insurance capital and reserves, which includes a share of optional reserves and accumulated depreciation difference, is considered to belong entirely to the owners.

Other items of the solvency margin has been deducted from the valuation differences when calculating the key figures.

^{*)} Proposal by the Board to the Annual General Meeting concerning the financial year 1999.

ANALYSES

1 GROSS PREMIUMS WRITTEN

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Non-life insurance				
Direct insurance				
Finland	744,787	762,535	312,739	295,482
EEA countries	88,878	61,955	–	–
Other countries	19,308	3,142	–	–
	852,974	827,632	312,739	295,482
Reinsurance				
Non-life reinsurance	26,091	38,220	4,033	2,541
Life reinsurance	5,200	4,801	–1,179	–1,718
	31,291	43,021	2,854	823
	884,264	870,652	315,593	296,304
Life insurance				
Direct insurance				
Finland	530,640	215,682		
Other countries	42	–		
	530,682	215,682		
Life reinsurance	10,524	9,499		
	541,206	225,181		
Gross premiums written	1,425,471	1,095,833	315,593	296,304
Credit loss on premiums	–2,984	–2,366	–2,016	–1,343
Premiums written before outward reinsurance premiums	1,422,487	1,093,467	313,577	294,961

PREMIUM TAX AND OTHER TRANSFERRED CHARGES INCLUDED IN NON-LIFE INSURANCE PREMIUMS

Premium tax	101,162	96,199	59,083	54,560
Fire brigade charge	1,733	1,760	637	647
Traffic safety charge	1,550	1,488	1,185	1,131
Industrial safety charge	3,273	3,075	118	94
Government medical treatment fees	17,566	16,016	6,343	6,019
Total	125,285	118,538	67,367	62,451

The following insurance premiums have been collected as accessories of Statutory Workers Compensation Insurance, and rendered to the Unemployment Insurance Fund and Employees' Group Life Assurance Pool.

Unemployment Insurance	798,570	771,719	8,546	7,670
Employees' Group Life Assurance	11,750	10,433	272	245

2 GROUP: NON-LIFE INSURANCE BALANCE ON TECHNICAL ACCOUNT BY GROUP OF INSURANCE CLASS

Columns: 1 = Gross premiums written before credit loss and reinsurers' share
 2 = Gross premiums earned before reinsurers' share
 3 = Gross claims incurred before reinsurers' share
 4 = Gross operating expenses before reinsurance commissions and profit participations
 5 = Reinsurance balance
 6 = Balance on technical account before the change in collective guarantee item, other technical charges and the change in the equalisation provision
 7 = Combined ratio

EUR '000	1	2	3	4	5	6	7
Direct insurance							
Statutory workers compensation							
1999	174,159	173,626	-159,122	-15,257	-28	-780	100.8
1998	210,431	209,572	-225,683	-13,806	-46	-29,964	114.6
1997	159,461	158,588	-156,896	-11,220	-69	-9,598	106.1
Non-statutory accident and health							
1999	43,873	43,678	-34,984	-13,477	-339	-5,122	111.8
1998	41,588	41,565	-32,606	-12,730	-202	-3,973	109.6
1997	39,547	39,385	-29,229	-10,915	-213	-971	102.5
Motor third party liability							
1999	135,916	129,385	-138,320	-25,057	624	-33,368	126.3
1998	119,467	111,756	-139,761	-22,323	-85	-50,413	145.6
1997	103,896	97,226	-117,206	-20,023	-105	-40,109	141.3
Motor, other classes							
1999	113,293	108,439	-88,984	-24,718	-166	-5,429	105.1
1998	99,320	96,998	-74,424	-22,776	-35	-238	100.2
1997	94,309	91,625	-70,093	-20,860	-105	566	99.4
Marine, aviation and transport							
1999	52,775	49,611	-70,554	-7,156	30,214	2,115	94.1
1998	44,956	44,403	-36,898	-6,641	-896	-33	100.1
1997	44,183	42,204	-19,238	-5,625	-6,434	10,908	69.0
Fire and other damage to property							
1999	236,947	229,429	-229,590	-67,358	15,821	-51,698	128.6
1998	213,566	213,712	-198,200	-61,243	13,324	-32,408	119.2
1997	209,819	212,915	-157,978	-53,685	-1,682	-430	100.3
Third party liability							
1999	58,112	53,133	-41,159	-9,579	-6,910	-4,515	110.7
1998	54,109	53,804	-45,636	-8,669	-8,365	-8,867	119.4
1997	43,436	43,080	-31,455	-7,121	-7,218	-2,714	107.9
Credit and suretyship							
1999	4,198	2,515	6,141	-1,029	959	8,586	*
1998	6,146	5,436	414	-1,758	-677	3,415	23.6
1997	5,635	5,574	1,406	-1,303	-2,254	3,423	*
Legal expenses							
1999	11,347	10,997	-9,074	-1,582	-34	306	97.2
1998	10,534	10,695	-11,494	-1,425	-	-2,224	120.8
1997	10,937	10,709	-12,605	-1,024	-	-2,920	127.3
Miscellaneous							
1999	22,355	24,648	-21,471	-4,944	3,941	2,174	75.3
1998	27,515	26,828	-15,588	-5,501	-5,038	701	92.4
1997	24,341	24,151	-24,374	-5,304	3,178	-2,349	129.4
Direct insurance in total							
1999	852,974	825,460	-787,116	-170,156	44,082	-87,731	112.1
1998	827,632	814,767	-779,878	-156,872	-2,021	-124,003	117.1
1997	735,563	725,457	-617,668	-137,080	-14,903	-44,194	106.9
Reinsurance							
1999	31,291	33,493	-50,028	-12,010	28,641	96	99.3
1998	43,021	43,949	-14,066	-14,019	1,703	17,567	38.4
1997	46,132	45,892	-76,223	-15,763	-887	-46,981	254.1
Total							
1999	884,264	858,953	-837,144	-182,167	72,723	-87,634	111.9
1998 *)	870,652	858,716	-793,944	-170,890	-318	-106,436	114.2
1997 **)	781,694	771,349	-693,891	-152,843	-15,790	-91,175	113.5
Change in the collective guarantee item							
1999						-1,158	
1998						-1,114	
Other technical charges							
1999						-2,396	
Change in the equalisation provision							
1999						-9,200	
1998						17,206	
1997						-24,344	
Balance on technical account							
1999						-100,389	
1998						-90,344	
1997						-115,520	

*) Calculated at fixed rates the combined ratio of 1998 was 115.9% and the balance on technical account EUR 13 million weaker than calculated at changing rates. The impact of exchange rates has not been transferred to the figures of investments.

**) Calculated at fixed rates the combined ratio of 1997 was 107.8% and the balance on technical account EUR 39 million better than calculated at changing rates. The impact of exchange rates has not been transferred to the figures of investments.

PARENT COMPANY: NON-LIFE INSURANCE BALANCE ON TECHNICAL ACCOUNT BY GROUP OF INSURANCE CLASS

Columns: 1 = Gross premiums written before credit loss and reinsurers' share
 2 = Gross premiums earned before reinsurers' share
 3 = Gross claims incurred before reinsurers' share
 4 = Gross operating expenses before reinsurance commissions and profit participations
 5 = Reinsurance balance
 6 = Balance on technical account before the change in collective guarantee item and equalisation provision
 7 = Combined ratio

EUR '000	1	2	3	4	5	6	7
Direct insurance							
Statutory workers compensation							
1999	9,111	8,975	-12,206	-1,285	0	-4,516	151.6
1998	9,028	8,825	-16,022	-1,270	-2	-8,468	197.2
1997	7,424	7,258	-11,752	-1,120	-2	-5,616	177.4
Non-statutory accident and health							
1999	28,897	28,752	-22,363	-10,838	-221	-4,670	116.4
1998	28,906	28,989	-22,207	-10,712	-182	-4,113	114.3
1997	27,960	27,872	-20,977	-9,444	-180	-2,730	109.9
Motor third party liability							
1999	99,468	93,622	-101,383	-18,305	-65	-26,131	128.4
1998	90,107	84,068	-109,930	-18,092	-61	-44,016	152.9
1997	78,973	72,715	-89,851	-16,227	-77	-33,440	146.0
Motor, other classes							
1999	76,765	73,457	-58,520	-18,827	-101	-3,991	105.4
1998	69,903	68,294	-49,851	-18,608	-54	-2,199	100.3
1997	66,587	64,476	-46,702	-16,691	-65	1,018	98.4
Marine, aviation and transport							
1999	4,841	4,681	-3,137	-963	-91	489	89.1
1998	4,499	4,435	-2,842	-952	-124	516	88.0
1997	4,347	4,335	-168	-727	-2,592	849	79.8
Fire and other damage to property							
1999	83,149	82,576	-56,050	-28,180	-646	-2,299	102.8
1998	83,218	81,811	-50,937	-27,852	-586	2,435	97.0
1997	80,032	80,943	-53,816	-25,132	-546	1,448	98.2
Third party liability							
1999	1,875	1,742	-1,563	-602	-1	-424	124.4
1998	1,548	1,524	-1,663	-595	-	-734	148.2
1997	1,509	1,421	-2,606	-443	-	-1,627	214.5
Credit and suretyship							
1999	129	232	6,689	-161	86	6,846	*
1998	327	415	755	-159	-243	769	*
1997	505	727	3,270	-96	-404	3,498	*
Legal expenses							
1999	8,326	8,062	-6,224	-963	-	875	89.2
1998	7,805	8,086	-8,804	-952	-	-1,670	120.7
1997	8,496	8,349	-8,754	-683	-	-1,088	113.0
Miscellaneous							
1999	178	160	-122	-161	-	-123	176.8
1998	139	130	-53	-159	-	-82	162.6
1997	121	115	-143	-116	-	-143	224.1
Direct insurance in total							
1999	312,739	302,258	-254,879	-80,284	-1,039	-33,944	111.5
1998	295,482	286,578	-261,556	-79,351	-1,251	-55,580	119.6
1997	275,954	268,213	-231,498	-70,680	-3,867	-37,832	114.2
Reinsurance							
1999	2,854	3,113	-2,779	-518	280	96	96.9
1998	823	2,556	2,163	-358	63	4,423	*
1997	587	2,280	-9,266	-528	1,528	-5,985	363.1
Total							
1999	315,593	305,371	-257,658	-80,802	-759	-33,848	111.3
1998	296,304	289,134	-259,393	-79,709	-1,189	-51,157	117.9
1997	276,541	270,493	-240,763	-71,208	-2,338	-43,817	116.3
Change in the collective guarantee item							
1999						-518	
1998						-498	
Change in the equalisation provision							
1999						-3,481	
1998						11,160	
1997						5,611	
Balance on technical account							
1999						-37,847	
1998						-40,495	
1997						-38,206	

The impact of exchange rate differences has not been transferred to the figures of investments in the years of comparison 1998 and 1997.

3 IMPACT OF EXCHANGE RATE DIFFERENCES ON THE CHANGE IN THE PROVISION FOR UNEARNED PREMIUMS AND IN THE PROVISION FOR OUTSTANDING CLAIMS IN NON-LIFE AND LIFE INSURANCE OF THE GROUP

EUR '000	Non-life insurance			Life insurance		
	Before reinsurers' share	Reinsurers' share	Net	Before reinsurers' share	Reinsurers' share	Net
GROUP						
Change in the provision for unearned premiums						
Provision for unearned premiums, Jan. 1, 1999	229,862	-18,937	210,925	1,745,447	-3,255	1,742,191
Provision for unearned premiums, Dec. 31, 1999	260,161	-24,607	235,554	2,199,621	-3,690	2,195,931
	-30,299	5,670	-24,629	-454,175	435	-453,740
Change in group structure	7,181	-617	6,564	200	-6	194
Impact of exchange rate differences	787	-181	606	4,240	-350	3,889
Change in the provision for unearned premiums	-22,330	4,872	-17,458	-449,735	78	-449,657
Change in the provision for outstanding claims						
Provision for outstanding claims, Jan. 1, 1999	1,664,964	-143,466	1,521,499	857,492	-1,232	856,260
Provision for outstanding claims, Dec. 31, 1999	1,802,833	-184,344	1,618,490	946,666	-2,341	944,325
	-137,869	40,878	-96,991	-89,174	1,109	-88,065
Change in group structure	2,580	-868	1,712	-	-	-
Impact of exchange rate differences	28,450	-4,006	24,444	601	-73	528
Change in the provision for outstanding claims	-106,839	36,004	-70,836	-88,573	1,036	-87,537

IMPACT OF EXCHANGE RATE DIFFERENCES ON THE CHANGE IN THE PROVISION FOR UNEARNED PREMIUMS AND IN THE PROVISION FOR OUTSTANDING CLAIMS IN THE PARENT COMPANY

EUR '000	Before reinsurers' share	Reinsurers' share	Net
PARENT COMPANY			
Change in the provision for unearned premiums			
Provision for unearned premiums, Jan. 1, 1999	130,181	-42	130,139
Provision for unearned premiums, Dec. 31, 1999	140,670	-1,193	139,477
	-10,488	1,150	-9,338
Impact of exchange rate differences	4	-	4
Change in the provision for unearned premiums	-10,485	1,150	-9,334
Change in the provision for outstanding claims			
Provision for outstanding claims, Jan. 1, 1999	514,355	-6,268	508,087
Provision for outstanding claims, Dec. 31, 1999	591,858	-29,431	562,427
	-77,504	23,163	-54,340
Impact of exchange rate differences	565	-	565
Change in the provision for outstanding claims	-76,939	23,163	-53,775

4 LIFE INSURANCE PREMIUMS WRITTEN AND CLAIMS PAID

EUR '000	Group	
	1999	1998
Direct insurance gross premiums written		
Life insurance		
Individual life insurance	255,396	123,244
Employees' group life insurance	1,503	–
Other group life insurance	1,685	960
	258,584	124,205
Pension insurance		
Individual pension insurance	105,253	88,547
Group pension insurance	166,844	2,930
	272,098	91,477
Direct insurance premiums written in total	530,682	215,682
Regular premiums	205,852	106,145
Single premiums	324,830	109,537
	530,682	215,682
Premiums from with-profit policies	487,518	209,174
Premiums from unit-linked insurance	43,164	6,508
	530,682	215,682
Claims paid		
Direct insurance		
Life insurance	13,995	2,318
Pension insurance	108,928	18,356
	122,923	20,674
Surrenders	88,485	15,837
Reinsurance	15,113	9,821
Claims paid in total	226,522	46,332
Impact of bonuses and rebates attached to life and pension insurance policies terminated during the year, on the technical result	36,308	22,726

5 EXPENSES BY ACTIVITY

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Non-life insurance				
Claims settlement expenses (claims paid)				
Directly allocated	10,131	11,882	1,076	4,254
Share of fixed costs	61,401	55,910	34,288	30,297
	71,532	67,792	35,365	34,551
Operating expenses				
Policy acquisition costs				
Direct insurance commissions	16,579	12,524	2,914	2,863
Commissions on reinsurance assumed	5,978	8,255	518	358
Other policy acquisition costs	48,649	47,375	28,521	28,196
	71,206	68,154	31,953	31,416
Policy management expenses	72,819	68,060	33,319	33,089
Administrative expenses	38,142	34,676	15,530	15,204
Commissions on reinsurance ceded	-19,203	-18,582	-67	-82
	162,964	152,309	80,735	79,627
Investment management expenses (investment charges)				
Directly allocated ^{*)}	12,723	15,568	6,937	8,030
Share of fixed costs	6,075	5,856	2,898	2,987
	18,797	21,424	9,835	11,017
Other charges	4	147	-	-
	253,297	241,672	125,935	125,195
Life insurance				
Claims settlement expenses (claims paid)				
Directly allocated	-	2		
Share of fixed costs	1,554	738		
	1,554	740		
Operating expenses				
Policy acquisition costs				
Direct insurance commissions	2,733	2,396		
Commissions on reinsurance assumed	2,693	1,577		
Other policy acquisition costs	14,479	7,424		
	19,905	11,396		
Policy management expenses	6,373	3,757		
Administrative expenses	5,093	2,235		
Commissions on reinsurance ceded	-965	-118		
	30,406	17,270		
Investment management expenses (investment charges)				
Directly allocated ^{*)}	8,167	2,476		
Share of fixed costs	3,008	793		
	11,175	3,269		
	43,134	21,279		
^{*)} Comprises management expenses for land and buildings and maintenance charges.				
Change in deferred policy acquisition costs included in the change in premium reserve				
Life insurance	332	-1,049		

EXPENSES BY ACTIVITY cont.

EUR '000	Group		Parent company	
	1999	1998	1999	1998
STAFF EXPENSES AND PERSONNEL				
Executives' salaries and commissions	2,204	1,890	527	552
Other salaries and commissions	120,727	102,692	62,051	56,134
Monetary value of fringe benefits	3,988	3,655	2,195	2,058
Pension expenses	23,786	20,751	12,464	10,262
Other social expenses	14,871	12,927	8,012	7,114
	165,575	141,916	85,248	76,120
Shares of profit paid to executives	122	157	15	54
It has been agreed that the parent company's Managing Director's retirement age is 60 and that of other managers 60-65.				
Average number of personnel during the financial year	3,924	3,292	2,025	1,972
DEPRECIATION ACCORDING TO PLAN				
Depreciation according to plan by activity				
Claims paid	5,675	6,940	3,960	5,021
Operating expenses	19,323	21,840	12,048	15,276
Investment charges	1,050	1,074	807	1,023
Other charges	114	14	–	–
	26,162	29,868	16,816	21,321
Buildings	15,621	18,301	5,023	9,312
Goodwill	2,915	2,464	5,149	52,366 ^{**)}
Consolidation difference	4,548	50,795 ^{*)}	–	–
Negative consolidation difference	–467	–467	–	–
	48,779	100,961	26,988	82,999

^{*)} Includes an extraordinary depreciation of EUR 39 million on the consolidation difference, entered under extraordinary charges.

^{**)} Includes an extraordinary depreciation of EUR 47 million on goodwill, entered under extraordinary charges.

6 NET INVESTMENT INCOME

EUR '000	Group		Parent company	
	1999	1998	1999	1998
INVESTMENT INCOME				
Income from investments in affiliated undertakings				
Dividend income	–	–	219,453	99,914
Income from investments in associated undertakings				
Share of profit/loss of associated undertakings after tax	2,057	–	–	–
Dividend income	756	584	2,034	2,143
Interest income	2,849	316	2,849	–
Other income	–	4,640	–	4,640
	5,662	5,540	4,883	6,783
Income from investments in land and buildings				
Interest income from affiliated undertakings	–	–	837	1,449
Other income from affiliated undertakings	–	–	2,184	1,825
Other income from other than affiliated undertakings	55,316	45,356	14,116	15,780
	55,316	45,356	17,137	19,054
Income from other investments				
Dividend income	128,330	69,820	23,163	16,696
Interest income from affiliated undertakings	–	–	180	170
Interest income from other than affiliated undertakings	184,180	84,053	13,974	9,850
Other income from other than affiliated undertakings	97,283	17,519	3,190	2,434
	409,792	171,392	40,507	29,150
Total	470,770	222,288	281,980	154,901
Value readjustments	59,767	3,311	12,884	1,171
Gains on realisation of investments	602,082	332,862	73,585	83,276
Investment income in total	1,132,618	558,461	368,448	239,348

NET INVESTMENT INCOME cont.

EUR '000	Group		Parent company	
	1999	1998	1999	1998
INVESTMENT CHARGES				
Charges arising from investments in land and buildings	-21,813	-18,084	-8,888	-10,924
Charges arising from other investments	-194,695	-49,340	-3,490	-10,418
Interest and other expenses on liabilities to affiliated undertakings	-	-	-21	-47
Interest and other expenses on liabilities to other than affiliated undertakings	-2,908	-5,501	-474	-4,764
Total	-219,416	-72,925	-12,873	-26,153
Value adjustments and depreciations				
Value adjustments on investments	-84,148	-84,042	-10,861	-31,363
Planned depreciation on buildings	-15,621	-18,301	-5,023	-9,312
	-99,769	-102,343	-15,884	-40,676
Losses on realisation of investments	-55,636	-9,114	-6,087	-1,594
Investment charges in total	-374,821	-184,382	-34,844	-68,423
Net investment income before unrealised gains and losses on investments	757,797	374,079	333,605	170,925
Unrealised gains on investments	18,380	2,305	-	-
Unrealised losses on investments	-1,080	-18	-1,029	-
NET INVESTMENT INCOME	775,098	376,366	332,575	170,925
Share of unit-linked insurance of net investment income	14,128	1,494		
Avoir fiscal tax credit included in income from dividends	26,812	17,339	69,840	33,492
Items included in other income and charges from other investments				
Exchange rate differences of insurance business	-27,964		-493	
Other exchange rate gains of investments	70,681	16,986	3,125	2,348
Other exchange rate losses of investments	-55,454	26,261	-64	-2,332
	-12,737	43,247	2,568	15

The impact of exchange rate differences of the insurance business is not included in the figures of the year of comparison 1998.

In the Group the impact was EUR +14 million and in the parent company EUR +0.2 million.

GROUP NET INVESTMENT INCOME, JANUARY 1 - DECEMBER 31, 1999

EUR '000	Non-life insurance	Life insurance
INVESTMENT INCOME		
Income from investments in associated undertakings		
Share of associated undertakings' profit/loss after tax	2,441	-384
Dividend income	670	86
Interest income	2,849	-
	5,960	-298
Income from investments in land and buildings		
Other income	30,496	24,820
Income from other investments		
Dividend income	79,258	49,072
Interest income	64,031	120,149
Other income	39,013	58,269
	182,302	227,490
Total	218,757	252,012
Value readjustments	31,352	28,415
Gains on realisation of investments	373,173	228,909
Investment income in total	623,282	509,336
INVESTMENT CHARGES		
Charges arising from investments in land and buildings	-13,335	-8,478
Charges arising from other investments	-34,112	-160,583
Interest and other expenses on liabilities	-906	-2,002
Total	-48,353	-171,063
Value adjustments and depreciations		
Value adjustments on investments	-64,834	-19,313
Planned depreciation on buildings	-10,943	-4,678
	-75,777	-23,992
Losses on realisation of investments	-15,894	-39,743
Investment charges in total	-140,024	-234,797
Net investment income before unrealised gains and losses on investments	483,258	274,539
Unrealised gains on investments	-	18,380
Unrealised losses on investments	-1,029	-50
NET INVESTMENT INCOME	482,229	292,869

GROUP NET INVESTMENT INCOME, JANUARY 1 - DECEMBER 31, 1999 cont.

EUR '000	Non-life insurance	Life insurance
Share of unit-linked insurance of net investment income	–	14,128
Avoir fiscal tax credit included in income from dividends	18,965	7,846
Items included in other income and charges from other investments		
Exchange rate differences of insurance business	–26,438	–1,526
Other exchange rate gains of investments	38,884	31,797
Other exchange rate losses of investments	–1,868	–53,585
	10,578	–23,314

7 GROUP TAX, ACCRUED TAX SURPLUS AND UNUSED CREDIT

EUR '000	Tax		Accrued tax surplus		Unused credit	
	1999	1998	1999	1998	1999	1998
Sampo Insurance Company plc	78,449	33,592	44,438	23,047	–	4,069
Industrial Insurance Company Ltd	74,102	32,135	4,544	22,021		
Sampo Enterprise Insurance Company Ltd	10,432	9,497	1,672	3,014		
Otso Loss of Profits Insurance Company Ltd	3,611	8,287	4,331	765		
Insurance Company of Finland Limited	2,498	726	2,498	–		
Sampo Life Insurance Company Limited	13,715	2,783	20,116	17,502		
Other	1,658	850	75	57	571	571
Group companies in total	184,465	87,870	77,674	66,406	571	4,640
Avoir fiscal tax credit on subsidiaries' and associated undertakings' dividends	–66,780	–30,639				
Change in deferred tax	2,932	–10,818				
Tax in the Profit and Loss Account	120,618	46,413				

8 INCOME AND CHARGE ITEMS IMPACTING THE COMPARABILITY OF THE RESULT

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Technical Account - Non-Life Insurance				
Premiums earned				
Premiums written				
Separate charge pertaining to statutory workers' compensation insurance	–	48,212	–	2,012
Impact of exchange rates	–435	–	0	–
Reinsurers' share				
Impact of exchange rates	160	–	–	–
	–275	48,212	0	2,012
Change in the provision for unearned premiums				
Impact of exchange rates	787	–	4	–
Reinsurers' share				
Impact of exchange rates	–181	–	–	–
	606	–	4	0
Total	331	48,212	4	2,012
Claims incurred				
Claims paid				
Equalisation of the separate charge pertaining to statutory workers' compensation insurance	–	–8,690	–	8,245
Extraordinary depreciations according to plan	–	–1,130	–	–769
Impact of exchange rates	2,121	–	–78	–
Reinsurers' share				
Impact of exchange rates	–30	–	–	–
	2,091	–9,820	–78	7,476
Change in the provision for outstanding claims				
Change in the calculation bases				
Change in the rate of interest	–	–43,216	–	–21,100
Impact of exchange rates	27,748	–	565	–
Other	–	–34,548	–	–6,842
Reinsurers' share				
Impact of exchange rates	–3,713	–	–	–
	24,035	–77,764	565	–27,942
Total	26,126	–87,584	487	–20,466
Net operating expenses				
Extraordinary depreciations according to plan	–	–3,824	–	–2,620
Impact of exchange rates on reinsurance commissions	–34	–	3	–
	–34	–3,824	3	–2,620
Balance on technical account before the change in the equalisation provision	26,423	–43,196	493	–21,074
Change in equalisation provision				
Counter items for changes in bases of technical provisions	–	39,371	–	18,455
Calculation bases of equalisation provision		–	4,512	–
	–	43,883	–	18,455
Balance on technical account	26,423	688	493	–2,620

INCOME AND CHARGE ITEMS IMPACTING THE COMPARABILITY OF THE RESULT cont.

EUR '000	Group 1999
Technical Account - Life Insurance	
Premiums written	
Premiums written	
Impact of exchange rates	-3,137
Reinsurers' share	
Impact of exchange rates	437
	-2,700
Share of net investment income	
Impact of exchange rates	-1,511
Claims incurred	
Claims paid	
Impact of exchange rates	-189
Reinsurers' share	
Impact of exchange rates	-16
	-205
Change in the provision for outstanding claims	
Impact of exchange rates	601
Reinsurers' share	
Impact of exchange rates	-73
	528
Total	323
Change in premium reserve	
Impact of exchange rates	4,240
Reinsurers' share	
Impact of exchange rates	-350
	3,889
Net operating expenses	
Impact of exchange rates on reinsurance commissions	-1
Technical result	0

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Non-technical Account				
Investment income				
Impact of exchange rates on interest from reinsurance deposits	29	–	–	–
Investment charges				
Extraordinary depreciations according to plan	–	–317	–	–317
Impact of exchange rates	–27,964	–	–493	–
	–27,964	–317	–493	–317
Transfer of share of net investment income				
Impact of exchange rates	1,511	–	–	–
Tax on profit from ordinary activities				
Tax for the financial year	–	–104	–	822
Extraordinary income and charges				
Depreciation on consolidation difference	–	–39,348	–	–
Depreciation on goodwill	–	–	–	–47,217
Tax on extraordinary income and charges				
Tax for the financial year	–	1,037	–	1,737
Deferred tax	–	10,429	–	10,429
	–	–27,882	0	–35,051
Impact on result	0	–27,615	0	–37,166

9 CHANGES IN INTANGIBLE AND TANGIBLE ASSETS 1999

EUR '000	Intangible rights and long-term expenses	Goodwill Consolidation diff. Negative consoli- dation difference	Equipment	Total
GROUP				
Acquisition cost, Jan. 1	122,520	115,201	87,218	324,938
Change in group structure	100	412	1,671	2,184
Increase	30,019	9,870	15,210	55,099
Decrease	-7,861	-	-14,008	-21,869
Acquisition cost, Dec. 31	144,778	125,483	90,092	360,352
Accumulated depreciation according to plan, Jan. 1	66,739	94,103	48,290	209,132
Change in group structure	18	81	741	839
Depreciation according to plan	13,410	6,996	11,844	32,250
Decrease	-5,786	-	-12,074	-17,860
Accumulated depreciation according to plan, Dec. 31	74,382	101,180	48,800	224,362
Acquisition cost after depreciation according to plan, Dec. 31	70,396	24,303	41,291	135,990
Accumulated depreciation in excess of the plan, Jan. 1	2,935	533	3,451	6,919
Depreciation above/below plan	1,014	-	770	1,784
Decrease	-164	-	-744	-908
Accumulated depreciation in excess of the plan, Dec. 31	3,784	533	3,477	7,795
Net expenditures after total depreciation, Dec. 31	66,612	23,770	37,814	128,195
PARENT COMPANY				
Acquisition cost, Jan. 1	89,819	103,395	59,564	252,778
Increase	23,734	-	8,575	32,309
Decrease	-4,376	-	-6,786	-11,162
Acquisition cost, Dec. 31	109,177	103,395	61,352	273,924
Accumulated depreciation according to plan, Jan. 1	51,041	72,501	33,486	157,028
Depreciation according to plan	9,720	5,149	7,219	22,088
Decrease	-4,376	-	-6,715	-11,091
Accumulated depreciation according to plan, Dec. 31	56,386	77,650	33,990	168,025
Acquisition cost after depreciation according to plan, Dec. 31	52,791	25,745	27,363	105,899
Accumulated depreciation in excess of the plan, Jan. 1	2,206	-	1,513	3,719
Depreciation above/below plan	41	-	1,017	1,059
Decrease	-	-	124	124
Accumulated depreciation in excess of the plan, Dec. 31	2,247	-	2,653	4,901
Net expenditures after total depreciation, Dec. 31	50,544	25,745	24,709	100,998

10 GROUP: CURRENT VALUE AND VALUATION DIFFERENCE ON INVESTMENTS

EUR '000	1999			1998		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	548,612	639,197	719,217	567,597	661,527	732,192
Real estate shares	86,719	86,719	96,479	118,287	118,287	131,030
	635,331	725,916	815,696	685,884	779,814	863,222
Associated undertakings						
Shares and participations	82,195	74,218	83,929	130,693	131,051	146,350
Other debt securities	100,913	100,913	100,913	–	–	–
	183,108	175,130	184,842	130,693	131,051	146,350
Other investments						
Shares and participations	2,132,991	2,132,991	5,393,071	1,477,213	1,477,213	2,801,435
Bonds	1,941,413	1,941,413	1,999,667	1,853,862	1,853,862	2,015,475
Other debt securities	417,252	417,252	418,178	225,352	225,352	225,716
Loans guaranteed by mortgages	187,662	187,662	187,662	179,653	179,653	179,653
Other loans	69,772	69,772	69,772	69,338	69,338	69,338
Deposits with credit institutions	237,294	237,294	237,294	269,408	269,408	269,408
	4,986,384	4,986,384	8,305,645	4,074,827	4,074,827	5,561,025
Deposits with ceding undertakings						
	49,880	49,880	49,880	66,239	66,239	66,239
	5,854,703	5,937,311	9,356,063	4,957,642	5,051,931	6,636,836
The remaining acquisition cost of debt securities comprises that difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
	190			2,357		
Book value comprises						
Unrealised gains entered as income		56,921			59,984	
Revaluations entered in revaluation reserve		27,659			33,946	
		84,580			93,930	
Valuation difference						
(difference between current value and book value)			3,418,752	1,584,904		

**NON-LIFE AND LIFE INSURANCE: CURRENT VALUE AND VALUATION DIFFERENCE
ON INVESTMENTS DEC. 31, 1999**

EUR '000	Non-life insurance			Life insurance		
	Remaining acquisition cost	Book value	Current value	Remaining acquisition cost	Book value	Current value
Investments in land and buildings						
Land and buildings	323,412	405,665	461,760	225,200	233,532	257,457
Real estate shares	80,937	80,937	88,328	5,782	5,782	8,151
	404,349	486,603	550,088	230,982	239,314	265,608
Associated undertakings						
Shares and participations	71,036	62,875	71,538	11,159	11,342	12,391
Other debt securities	100,913	100,913	100,913	–	–	–
	171,949	163,788	172,451	11,159	11,342	12,391
Other investments						
Shares and participations	987,329	987,329	3,492,556	1,145,662	1,145,662	1,900,515
Bonds	673,088	673,088	676,232	1,268,325	1,268,325	1,323,435
Other debt securities	176,544	176,544	177,445	240,709	240,709	240,733
Loans guaranteed by mortgages	50,254	50,254	50,254	137,408	137,408	137,408
Other loans	62,867	62,867	62,867	6,906	6,906	6,906
Deposits with credit institutions	124,586	124,586	124,586	112,708	112,708	112,708
	2,074,667	2,074,667	4,583,939	2,911,718	2,911,718	3,721,706
Deposits with ceding undertakings	10,742	10,742	10,742	39,138	39,138	39,138
	2,661,706	2,735,799	5,317,219	3,192,997	3,201,512	4,038,843
The remaining acquisition cost of debt securities comprises that difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)				9,410		
Book value comprises						
Unrealised gains entered as income		42,988			8,332	
Revaluations entered in revaluation reserve		33,221			–	
		76,209			8,332	
Valuation difference (difference between current value and book value)			2,581,421			837,331

PARENT COMPANY: CURRENT VALUE AND VALUATION DIFFERENCE ON INVESTMENTS

EUR '000	Remaining acquisition cost	1999		Remaining acquisition cost	1998	
		Book value	Current value		Book value	Current value
Investments in land and buildings						
Land and buildings	83,291	160,109	175,553	80,196	159,536	178,061
Shares in affiliated undertakings	38,449	38,449	45,849	29,919	29,919	36,217
Other real estate shares	67,058	67,058	73,017	100,544	100,544	109,928
Loans to affiliated undertakings	11,656	11,656	11,656	15,485	15,485	15,485
	200,455	277,273	306,076	226,144	305,484	339,691
Affiliated undertakings						
Shares and participations	193,803	193,803	2,710,413	210,270	210,270	1,449,098
Associated undertakings						
Shares and participations	66,200	66,200	68,657	97,656	97,656	109,959
Other debt securities	100,913	100,913	100,913	–	–	–
	167,113	167,113	169,570	97,656	97,656	109,959
Other investments						
Shares and participations	358,851	358,851	928,152	278,664	278,664	400,208
Bonds	262,948	262,948	262,208	104,742	104,742	109,563
Other debt securities	21,151	21,151	21,155	21,795	21,795	21,800
Loans guaranteed by mortgages	20,515	20,515	20,515	22,701	22,701	22,701
Other loans	8,825	8,825	8,825	15,068	15,068	15,068
Deposits with credit institutions	5,890	5,890	5,890	3,952	3,952	3,952
	678,179	678,179	1,246,746	446,922	446,922	573,292
Deposits with ceding undertakings	1,496	1,496	1,496	249	249	249
	1,241,046	1,317,864	4,434,302	981,241	1,060,581	2,472,287
The remaining acquisition cost of debt securities comprises that difference between the amount repayable at maturity and purchase price, which has been released to interest income (+) or charged to interest income (-)						
						-1,470
Book value comprises						
Unrealised gains entered as income		49,159			50,995	
Revaluations entered in revaluation reserve		27,659			28,345	
		76,818			79,340	
Valuation difference (difference between current value and book value)			3,116,437			1,411,706

11 GROUP CHANGES IN INVESTMENTS IN LAND AND BUILDINGS

EUR '000	1999		1998	
	Buildings	Land and waters and real estate shares	Buildings	Land and waters and real estate shares
Acquisition cost, Jan. 1	673,343	289,655	621,267	284,887
Portfolio transfer/merger	–	–	88,887	27,955
Change in group structure	–52,641	–2,712	–	–
Increase	63,015	17,394	25,915	16,534
Decrease	–51,560	–57,111	–67,210	–38,963
Acquisition cost, Dec. 31	632,157	247,226	668,860	290,412
Unrealised gains on investments, Jan. 1	69,576	36,854	68,218	34,870
Portfolio transfer/merger	–	–	6,802	4,926
Decrease	–2,147	–445	–5,443	–2,942
Unrealised gains on investments, Dec. 31	67,428	36,409	69,576	36,854
Accumulated depreciation according to plan/ value adjustments, Jan. 1	227,774	58,440	197,210	54,185
Portfolio transfer/merger	–	–	10,297	4,132
Change in group structure	–17,433	–	348	–
Depreciation according to plan/value adjustments and value readjustments	21,717	3,233	34,510	4,724
Decrease	–27,091	–9,335	–15,927	–3,592
Accumulated depreciation according to plan/ value adjustments, Dec. 31	204,966	52,338	226,438	59,449
Book value after depreciation according to plan/ value adjustments, Dec. 31	494,619	231,297	511,997	267,817
Accumulated depreciation in excess of the plan, Jan. 1	16,604		17,630	
Portfolio transfer/merger	–		2,168	
Change in group structure	–117		–84	
Depreciation above/below plan	2,011		–3,021	
Decrease	683		–88	
Accumulated depreciation in excess of the plan, Dec. 31	19,181		16,604	
Value of buildings after total depreciation, Dec. 31	475,439		495,393	

GROUP: LAND AND BUILDINGS OCCUPIED FOR OWN ACTIVITIES

EUR '000	1999	1998
Remaining acquisition cost	72,492	92,050
Book value	99,567	116,886
Current value	119,018	141,911
Management expenses (directly allocated)	3,479	4,057

GROUP REAL ESTATE COMPANIES

Number of companies	73	92
Profit/loss for the financial year in total	691	1,645
Companies' capital and reserves in total	190,631	214,901

PARENT COMPANY: CHANGES IN INVESTMENTS IN LAND AND BUILDINGS

EUR '000	1999			1998		
	Buildings	Land and waters and real estate shares	Loans to affiliated undertakings	Buildings	Land and waters and real estate shares	Loans to affiliated undertakings
Acquisition cost, Jan. 1	136,931	187,950	15,485	140,484	196,286	16,618
Portfolio transfer/merger	1,294	7,861	766	–	–	–
Increase	8,377	11,792	3,597	2,198	10,817	1,009
Decrease	–9,506	–51,381	–8,192	–5,752	–19,153	–2,142
Acquisition cost, Dec. 31	137,095	156,222	11,656	136,931	187,950	15,485
Unrealised gains on investments, Jan. 1	54,627	30,750	–	56,562	32,415	–
Decrease	–1,516	–235	–	–1,934	–1,665	–
Unrealised gains on investments, Dec. 31	53,112	30,515	–	54,627	30,750	–
Accumulated depreciation according to plan/value adjustments, Jan. 1	67,656	52,603	–	60,449	48,337	–
Portfolio transfer/merger	101	1,092	–	–	–	–
Depreciation according to plan/value adjustments and value readjustments	5,864	3,078	–	10,843	8,205	–
Decrease	–6,407	–12,659	–	–3,635	–3,940	–
Accumulated depreciation according to plan/value adjustments, Dec. 31	67,214	44,113	–	67,656	52,603	–
Book value after depreciation according to plan/value adjustments, Dec. 31	122,993	142,623	11,656	123,902	166,097	15,485
Accumulated depreciation in excess of the plan, Jan. 1	7,754			9,951		
Portfolio transfer/merger	158			–		
Depreciation above/below plan	460			–2,787		
Decrease	523			590		
Accumulated depreciation in excess of the plan, Dec. 31	8,894			7,754		
Value of buildings after total depreciation, Dec. 31	114,099			116,149		

PARENT COMPANY: LAND AND BUILDINGS OCCUPIED FOR OWN ACTIVITIES

EUR '000	1999	1998
Remaining acquisition cost	39,690	35,435
Book value	66,764	60,271
Current value	76,051	71,814

12 GROUP'S SHARES AND PARTICIPATIONS

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Profit/loss for the financial year EUR '000	Capital and reserves EUR '000
Affiliated undertakings						
AAS Sampo Latvija	49,996	99.99	99.99	1,171	-191	949
AAS Sampo Latvija Dzīvības Apdrošināšana	1,060,000	100.00	100.00	1,806	42	1,769
AS Sampo Eesti Varakindlustus	8,328,000	100.00	100.00	3,009	-646	5,323
AS Kindlustusekspert	400	100.00	100.00	72	5	26
Capsam Consulting Ltd	1,600	40.00	60.00	135	911	1,327
Eesti Kindlustuse AS	8,228,000	100.00	100.00	10,442	973	3,965
Patria Reinsurance Company Limited	50,000	100.00	100.00	14,087	-3,837	10,079
Lakewood Insurance Company Ltd	11,250,000	100.00	100.00	2,907	109	3,462
Oy Finnish Captive & Risk Services Ltd	800	80.00	80.00	13	18	89
Oy Haveri Ab	20	100.00	100.00	2	0	0
Risk Management Ltd	400	100.00	100.00	673	-17	427
Sampo Elukindlustuse AS	2,000	100.00	100.00	1,917	-67	1,851
Sampo Holdings (UK) Ltd	10,000	100.00	100.00	28,863	1,962	44,672
Sampo Industrial Holding B.V.	45,000	100.00	100.00	19,659	-1	20,958
Sampo Industrial Insurance N.V.	1,050,000	100.00	100.00	27,110	-1,187	43,396
Sampo Industrieförsäkring Ab	30,000	100.00	100.00	1,280	120	1,173
Sampo Kindlustuse AS	1,500	100.00	100.00	1,630	-1,512	1,528
Sampo Risk Management Company Sp.z.o.o.	500	100.00	100.00	154	13	133
Sampo Towarzystwo Ubezpieczeń Spółka Akcyjna	12,000	100.00	100.00	3,558	-167	3,440
Industrial Insurance Company Ltd ¹⁾	500,000	100.00	100.00	42,022	188,281	257,216
Teva Holding B.V.	45,000	100.00	100.00	25,970	-915	20,983
UAB Sampo Draudimas	4,000	100.00	100.00	2,490	-122	2,366
Sampo Life Insurance Company Limited ¹⁾	49,758	60.00	60.00	73,646	19,860	157,037
ST International Insurance Company Limited	9,000,000	100.00	100.00	17,061	-248	15,416
Sampo Enterprise Insurance Company Limited ¹⁾	500,000	100.00	100.00	50,440	27,923	87,665
Total				330,115		
Associated undertakings						
Autovahinkokeskus Oy	2,559	35.54	35.54	1,024	174	2,886
Benefic Oy	490	49.00	49.00	124	0	252
Dividum Oy ¹⁾	291	34.73	34.73	40,761	7,374	117,366
Sampo Finance Ltd ¹⁾	800,000	50.00	50.00	14,746	3,341	29,492
Retro Life Insurance Company Limited	16,945	24.21	24.21	1,387	0	3,894
Kaleva Mutual Insurance Company ¹⁾²⁾	25,000	50.00	25.00	4,339	16,478	48,313
Kiinteistövarma Oy	1,729	46.74	46.74	90	-4	190
Suomen Luottovakuutus Oy	50,000	33.33	33.33	1,549	-377	4,646
Suomen Oikeuspalvelu Oy	3,400	20.00	20.00	45	0	395
Tampereen Kiinteistö Invest Oy	915,625	25.00	25.00	9,941	625	34,734
Vahinkopalvelu Oy	360	20.00	20.00	211	316	1,054
Total				74,218		

¹⁾ Figures at group level

²⁾ Share of guarantee capital

Other shares and participations

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Current value EUR '000
Public companies					
Banks and Finance					
Conventum Limited	256,915	1.08	1.08	1,517	3,571
Mandatun Pankki Oyj	3,865,463	9.65	6.43	13,164	21,840
Merita Plc	2,122,687	0.25	0.25	5,940	12,396
Osuuspankkien Keskuspankki Oyj	282,600	0.61	0.18	2,341	3,165
Insurance					
Pohjola Group Insurance Corporation	4,813,183	11.82	10.81	278,310	305,076
Investment					
Castrum Oyj	8,394,450	10.91	10.91	7,135	7,135
Kiinteistösiirtoyhtiö Oyj Citycon	14,678,071	13.88	13.88	17,090	17,173
Norvestia plc	700,346	13.72	8.97	7,818	10,575
Transport					
Finnair Oyj	2,791,504	3.29	3.29	10,301	12,422
Finnlines Plc	1,770,000	8.86	8.86	17,870	54,870
Neptun Maritime Abp	1,288,403	2.05	2.05	2,737	2,770
Trade					
Kesko Corporation	2,959,830	3.28	0.79	32,987	37,294
Rautakirja Oyj	151,050	2.33	2.34	7,426	7,426
Stockmann plc	2,159,550	4.20	3.25	20,485	32,165
Tamro Corporation	5,730,742	4.76	4.76	17,389	17,421

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Current value EUR '000
Other Services					
Jaakko Pöyry Group Oyj	341,677	2.39	2.39	3,547	4,954
Novo Group Plc	80,600	1.22	1.22	1,897	3,869
Tietoenator Corporation	214,207	0.28	0.28	6,818	13,263
Metal and Engineering					
Componenta Corporation	539,400	5.24	5.24	2,712	3,075
Fiskars Corporation	1,714,642	3.10	4.59	5,186	22,290
Kone Corporation	168,900	0.84	0.33	4,634	8,259
KCI Konecranes International Plc	234,000	1.56	1.56	3,673	8,934
Metra Corporation	3,054,596	5.64	7.78	33,214	56,146
Metso Corporation	3,232,829	2.38	2.38	41,347	41,703
Outokumpu Oyj	2,658,756	2.14	2.14	32,972	37,356
Partek Corporation	3,404,554	6.97	6.97	29,634	45,961
Rautaruukki Corporation	3,880,370	2.79	2.79	25,305	26,969
Forest Industry					
Metsä-Serla Corporation	2,236,930	1.61	4.62	9,497	24,981
Stora Enso Oyj	10,289,932	1.35	3.90	74,533	181,054
UPM-Kymmene Corporation	7,579,587	2.84	2.84	48,093	303,183
Multi-Business					
Aspo Plc	637,363	14.53	14.53	3,198	5,666
Kyro Corporation	2,344,600	5.91	5.91	11,619	16,412
Lassila & Tikanoja Plc	944,183	5.97	5.97	13,964	23,132
Energy					
Fortum Corporation	7,984,298	1.02	1.02	25,183	35,929
Länsivoima Oyj	106,787	1.63	1.63	3,750	4,805
Food Industry					
Chips Abp	470,140	3.51	0.37	4,863	9,779
Hartwall Plc	334,100	0.55	0.17	1,492	4,811
Huhtamäki Van Leer Oyj	889,650	2.83	2.83	25,197	29,892
HK Ruokatalo Oyj	1,673,165	7.78	1.35	3,848	3,848
Lännen Tehtaat plc	342,400	5.31	5.31	3,499	3,499
Construction					
YIT Corporation	660,800	2.25	2.25	7,093	7,203
Telecommunication and Electronics					
Aspocomp Group Plc	1,274,726	14.53	14.53	18,073	47,165
Comptel Oyj	95,000	0.44	0.44	1,805	6,635
Eimo Oyj	85,000	0.73	0.19	1,245	2,550
Elcoteq Network Corporation	135,900	0.58	0.11	1,600	2,066
F-Secure Corporation	72,000	0.27	0.27	554	2,088
Helsinki Telephone Corporation	656,100	1.27	1.27	19,261	54,259
HPY Holding Oyj	1,689,900	2.00	2.00	23,403	62,949
Instrumentarium Corporation	1,148,947	4.77	4.77	32,739	37,226
JOT Automation Group Oyj	978,300	0.57	0.57	1,682	9,049
Nokia Corporation	10,600,810	0.92	0.92	37,811	1,908,145
Perlos Corporation	376,560	0.74	0.74	3,580	13,180
PMJ Automec Oyj	172,700	0.62	0.62	644	2,015
Sonera Corporation	3,340,700	0.46	0.46	57,661	227,335
Tampereen Puhelin Oyj	415,500	1.03	1.03	2,865	3,137
Teleste Corporation	280,650	1.74	1.74	2,252	4,547
Vaisala Oyj	199,525	4.65	3.80	10,022	14,978
Chemicals					
Kemira Oyj	4,691,000	3.64	3.64	28,381	28,381
Orion Corporation	1,120,416	1.60	2.16	24,521	25,605
Uponor Oyj	3,594,867	9.28	9.28	52,195	63,270
Media and Publishing					
Alma Media Corporation	1,062,599	6.76	4.89	30,450	33,705
Sanoma-WSOY Oyj	869,694	2.39	1.94	22,275	44,419
Talentum Oyj	90,016	0.53	0.53	914	2,169
Other Industries					
Nokian Tyres plc	215,000	2.04	2.04	2,571	8,127
Sanitec Corporation	1,067,080	1.72	1.72	12,215	13,872
Tamfelt Corporation	990,736	11.18	12.82	7,730	22,512
I List					
Incap Corporation	344,853	9.82	9.82	2,535	3,449
Menire Corporation	589,499	5.59	5.59	1,821	3,059
Stonesoft Corp.	560,000	1.07	1.07	932	7,392
Suomen Helasto Oyj	395,000	8.31	8.31	710	849
Total				1,271,726	4,126,409
Other public companies				15,639	18,916
Public companies in total				1,287,365	4,145,326

GROUP'S SHARES AND PARTICIPATIONS cont.

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Current value EUR '000
Other companies					
A. Ahlström Osakeyhtiö	3,750	0.88	0.09	5,126	5,126
Fingrid Oyj	79	2.38	1.06	2,657	2,657
Helsinki Exchanges Group Ltd Oy	499,031	3.70	3.70	2,955	2,955
Varma-Sampo Mutual Pension Insurance Company ¹⁾	71	100.00	–	20,841	20,890
Okmetic Oy	2,664	10.93	10.93	3,118	3,118
Oy G. W. Sohlberg Ab	202,380	7.50	2.98	6,748	8,671
Oy Realinvest Ab	800,000	2.33	2.33	3,391	3,391
Sato-Yhtymä Oyj	227,419	10.35	10.35	8,852	10,371
Setec Oy	3,620	9.05	9.05	2,010	2,010
VVO-yhtymä Oy	171,960	7.24	7.24	3,294	3,294
Unit trusts					
Alfred Berg Euro Korko A	3,902,453	–	–	6,728	6,907
Alfred Berg Small Cap B	6,124,516	–	–	17,130	27,340
Alfred Berg Small Cap B Europe	17,057,684	–	–	17,076	25,921
BBL Baltic States Cap. Fund	7,008	–	–	2,009	2,290
Erikoissijoitusrahasto Phalanx A	1,900,025	–	–	3,204	4,427
Evli European Smaller Companies B	374,533	–	–	6,388	8,723
Evli Nordic Smaller Companies B	219,280	–	–	3,833	5,951
Fides New Media B	30,000	–	–	3,000	6,283
Fides Telecom B	99,443	–	–	10,000	20,524
Gyllenberg European Equity B	43,053	–	–	3,700	5,019
Gyllenberg International B	11,913	–	–	1,196	2,008
Gyllenberg Momentum B	21,788	–	–	2,377	10,612
Gyllenberg Money Manager B	39,824	–	–	3,364	3,785
Gyllenberg Small Firm B	22,840	–	–	2,542	7,962
Leonia Kasvuosake	90,500	–	–	1,522	5,550
Mandatum Aasia	434,674	–	–	9,002	12,088
Mandatum Eurooppa	509,658	–	–	8,747	11,804
Mandatum Global	533,249	–	–	9,601	18,488
Mandatum Vipu	175,728	–	–	4,137	11,551
Sampo Euro Bond Fund B	36,523,393	–	–	35,358	35,358
Sampo Sectorsfund (Europe) B	8,409,396	–	–	8,409	11,014
Sampo Sectorsfund (Global) B	3,363,759	–	–	3,364	4,300
Sampo 2020 B Fund	3,454,070	–	–	3,454	4,275
Sampo 2030 B Fund	7,842,775	–	–	7,842	10,261
Seligson Euro Obligatoindeksirahasto A	5,430,000	–	–	9,133	9,177
Seligson Global Top 25 Brands	8,009,435	–	–	13,474	19,623
Capital trusts					
Fennorahasto	5,364,697	–	–	9,023	9,023
Finnventure rahasto III	1,200,000	–	–	2,018	2,018
Finnventure rahasto IV	2,080,000	–	–	3,498	3,498
Nordic Mezzanine Fund 1 Ltd	709,470	–	–	7,095	7,095
Sponsor Fund	5,270,535	–	–	8,864	8,864
Total				286,081	384,221
Other shares and participations				38,618	41,620
Domestic shares and participations in total				1,612,064	4,571,166

¹⁾ Share of guarantee capital

Holdings exceeding EUR 2 million (current value) and holdings in public companies exceeding five per cent specified.

Foreign shares and participations

Name of company	Country	No. of shares	Holding %	Book value EUR '000	Current value EUR '000
Public companies					
Basic Materials					
Chemicals					
Air Liquide	France	6,525	0.01	828	1,084
Akzo Nobel NV	Holland	38,400	0.01	1,121	1,912
Bayer AG	Germany	159,600	0.02	4,495	7,501
Natsteel Broadway Ltd	Hong Kong	1,897,500	0.94	1,386	2,949
Omni Industries Ltd	Singapore	882,000	0.23	1,149	1,592
Steel					
SSAB Svenskt Stål Ab	Sweden	89,000	0.08	720	1,372
Consumer, Cyclical					
Airlines					
Cathay Pacific Airways Ltd	Hong Kong	679,000	0.02	828	1,204
Auto Manufacturers					
Volkswagen AG	Germany	88,220	0.02	3,042	3,294
Volvo Ab	Sweden	88,700	0.02	2,112	2,279
Home Furnishings					
Sony Corp	Japan	70,000	0.02	4,589	20,646
Leisure Time					
Magnum Corporation Bhd	Malaysia	1,803,000	0.12	781	1,327
Lodging					
Metroplex Bhd	Malaysia	8,314,000	0.91	1,621	2,167
Media					
Elsevier NV	Holland	695,600	0.10	8,250	8,250
Reed Interenational Plc	Great Britain	150,000	0.01	1,046	1,122
Walt Disney Corp.	United States	131,600	0.01	2,855	3,832
Wolters Kluwer NV	Holland	62,548	0.02	2,074	2,102
Retail					
Adidas-Salomon AG	Germany	15,000	0.03	1,117	1,118
Ahold (Kon) NV	Holland	209,842	0.03	4,449	6,167
Carrefour SA	France	20,200	0.01	1,704	3,699
Hennes & Mauritz Ab	Sweden	224,350	0.03	1,930	7,467
Ito-Yokado Co	Japan	98,000	0.02	4,437	10,589
Marks & Spencer Plc	Great Britain	752,000	0.03	3,580	3,580
Wal-Mart Stores Inc.	United States	17,400	0.00	200	1,197
Textiles					
Shanghai Matsuoaka Co Ltd	Japan	2,853,000	2.59	694	1,193
Texwinca Holdings Ltd	Hong Kong	6,585,000	0.51	1,012	1,012
Consumer, Non-Cyclical					
Commercial Services					
Granada Group Plc	Great Britain	101,284	0.01	767	1,025
Rentokil Initial	Great Britain	530,000	0.02	1,926	1,926
Vivendi	France	35,190	0.01	2,030	3,155
Cosmetics/Personal Care					
Gillette Co	United States	54,400	0.01	2,139	2,230
L'Oréal	France	5,000	0.01	1,505	3,983
Food					
Carlsberg A/S	Denmark	35,000	0.06	1,317	1,317
Danisco A/S	Denmark	432,240	0.75	16,724	16,724
Diageo Plc	Great Britain	368,400	0.01	2,312	2,963
Heineken NV	Holland	25,000	0.01	641	1,211
L.V.M.H. Louis Vuitton Moet Hennessy	France	19,334	0.02	2,842	8,598
Nestle	Switzerland	2,425	0.01	2,583	4,407
Orkla A/S	Norway	196,571	0.13	2,352	3,359
Unilever NV	Holland	48,285	0.01	2,452	2,648
Health Care					
Nycomed Amersham Plc	Great Britain	381,360	0.06	1,415	2,392
Quality Healthcare Asia Ltd	Hong Kong	4 094,000	0.60	755	1,573
Household Products/Wares					
Bic	France	51,880	0.09	2,344	2,344
Hagemeyer NV	Holland	70,700	0.07	1,591	1,625
Pharmaceuticals					
Astra Zeneca Plc	Great Britain	199,902	0.01	6,535	8,405
Bristol Myers Squibb	United States	116,000	0.01	4,527	7,412
Glaxo Wellcome Plc	Great Britain	742,000	0.02	17,445	20,958
Novartis AG	Switzerland	4,790	0.01	6,730	6,977
Novo-Nordisk A/S	Denmark	23,000	0.04	2,299	3,028
Pharmacia & Upjohn SDB	Sweden	33,500	0.06	1,510	1,510
Roche Holdings AG	Switzerland	456	0.01	2,687	5,369
Smithkline Beecham Plc	Great Britain	300,000	0.01	3,557	3,807
Yamanouchi Pharmaceuticals	Japan	202,000	0.06	3,430	7,020

GROUP'S SHARES AND PARTICIPATIONS cont.

Name of company	Country	No. of shares	Holding %	Book value EUR '000	Current value EUR '000
Energy					
Electric					
Edison SpA	Italy	325,000	0.05	2,513	2,649
Endesa SA	Spain	270,000	0.03	5,127	5,322
Oil Producers					
BP Amoco Plc	Great Britain	1,040,000	0.01	5,536	10,439
Exxon Mobil Corporation	United States	40,397	0.00	1,271	3,240
ENI SpA	Italy	630,000	0.01	3,427	3,427
Norsk Hydro ASA	Norway	40,000	0.02	1,491	1,659
Royal Dutch Petroleum Co NV	Holland	40,500	0.00	1,816	2,464
Total Fina SA	France	77,281	0.01	4,084	10,240
Financial					
Banks					
ABN-Amro Holding NV	Holland	79,948	0.01	1,589	1,983
Barclays Bank Plc	Great Britain	70,000	0.00	1,634	2,006
Commerzbank AG	Germany	184,000	0.04	4,568	6,707
Deutsche Bank AG	Germany	28,500	0.00	1,987	2,390
HSBC Holdings Plc	Great Britain	78,654	0.00	550	1,098
ING Groep N.V.	Holland	163,172	0.02	8,005	9,781
J.P. Morgan & Co Inc.	United States	8,473	0.00	908	1,068
Nordbanken Holding Ab	Sweden	546,700	0.04	2,365	3,192
Societe Generale Strauss Turnbull	France	24,300	0.02	2,736	5,613
Unidanmark A/S	Denmark	15,000	0.03	999	1,048
UBS AG	Switzerland	38,400	0.02	9,983	10,287
Diversified Financial Services					
Citigroup Inc.	United States	19,800	0.00	598	1,095
Federal National Mortgage Association	United States	36,000	0.00	777	2,237
Hong Leong Finance Ltd	Singapore	1 245,000	0.55	2,455	2,456
Takefuji Corporation Ltd	Japan	10,100	0.01	1,126	1,257
Insurance					
AAS Balta	Latvia	687,800	14.78	3,333	3,741
Allied Zurich Plc	Great Britain	61,080	0.13	1,101	1,314
Axa SA	France	75,308	0.02	4,046	10,423
AB Lietuvos Draudimas	Lithuania	34,118	6.12	1,569	2,309
Försäkrings AB Skandia (publ)	Sweden	86,500	0.02	1,533	2,596
Topdanmark AS	Denmark	70,000	0.18	1,124	1,373
Investment Companies					
Investor Ab	Sweden	937,000	0.83	9,609	13,133
Ratin A/S	Denmark	11,600	0.04	1,208	1,294
Industrial					
Electrical Components & Equipment					
Hitachi Cable Ltd	Japan	870,000	0.23	4,446	4,446
Lindteves-Jakoberg Ltd	Singapore	954,000	0.56	620	1,460
Samsung Electronics	Republic of Korea	7,810	0.01	1,201	1,826
Electronics					
Canon Inc.	Japan	70,000	0.01	1,296	2,766
Fanuc Ltd	Japan	10,000	0.00	253	1,266
IDT Holdings Singapore Ltd	Hong Kong	2,924,375	1.70	1,725	6,467
Kyocera Corp	Japan	64,000	0.03	3,420	16,509
Venture Manufacturing Ltd	Singapore	717,000	0.32	2,516	8,185
Wong's Circuits Holdings Ltd	Hong Kong	3,570,000	2.14	2,516	2,896
Engineering and Construction					
ABB Ltd	Switzerland	47,053	0.02	3,459	5,699
British Airport Authorities Plc	Great Britain	180,000	0.02	1,251	1,251
Hochtief AG	Germany	27,500	0.04	918	1,018
Hock Seng Lee Berhad	Malaysia	861,000	0.86	717	1,010
Kvaerner Asa	Norway	74,820	0.16	1,306	1,306
Mannesmann AG	Germany	62,000	0.01	1,905	14,849
Mitsubishi Heavy Industries Ltd	Japan	1,457,000	0.04	4,836	4,836
Skanska Ab	Sweden	46,900	0.04	1,467	1,736
United Engineers Bhd	Malaysia	1,641,600	0.20	1,117	2,378
Miscellaneous Manufacturing					
British Aerospace Plc	Great Britain	734,099	0.02	1,464	4,349
General Electric Co (US)	United States	29,800	0.00	1,441	4,590
Siemens AG	Germany	10,000	0.00	423	1,263
Veba AG	Germany	136,450	0.03	5,445	6,584
Transportation					
Bergesen D-Y ASA	Norway	150,500	0.20	2,715	2,715
Technology					
Biotechnology					
Amgen Inc.	United States	20,000	0.00	224	1,196

Name of company	Country	No. of shares	Holding %	Book value EUR '000	Current value EUR '000
Semiconductors					
Intel Corp.	United States	86,000	0.00	2,777	7,047
Rohm Company Limited	Japan	3,000	0.00	141	1,250
Taiwan Semiconductor Manufacturing Company	Taiwan	334,900	0.00	1,416	1,776
Unisem (M) Berhad	Malaysia	1,133,000	0.79	2,466	7,242
Software					
Cap Gemini SA (FR)	France	10,666	0.01	1,420	2,688
GES International Limited	Singapore	1,818,000	0.18	1,633	1,900
Microsoft Corp	United States	20,000	0.00	970	2,324
Phone.Com Inc.	United States	14,000	0.02	245	1,616
Sap AG	Germany	7,800	0.01	3,465	4,076
Telecommunication Equipment					
GN Store Nord AS	Denmark	70,000	0.19	2,063	3,433
Marconi Plc	Great Britain	1,322,150	0.05	6,200	23,360
Motorola Inc.	United States	8,000	0.00	356	1,173
Telefonaktiebolaget LM Ericsson	Sweden	367,900	0.02	6,585	23,503
Telecommunications					
British Telecommunications Plc	Great Britain	492,000	0.01	4,470	11,726
China Telecom Ltd	Hong Kong	574,000	0.00	1,237	3,572
NetCom Systems Ab	Sweden	43,800	0.04	827	3,059
NTT Data Corp.	Japan	160	0.00	1,239	2,726
Swisscom AG	Switzerland	2,500	0.00	536	1,003
Telecom Italia Mobile SpA	Italy	360,000	0.01	1,926	3,982
Tele Danmark A/S	Denmark	94,600	0.04	2,582	6,977
Telefonica SA	Spain	493,459	0.02	6,133	12,238
Vodafone Airtouch Public Ltd	Great Britain	305,000	0.00	621	1,496
Total				335,493	581,229
Other public companies				50,256	70,345
Public companies in total				385,749	651,574
Other companies					
Investeringssällskapet 1999 Ab	Sweden	841,981	12.55	9,474	9,833
Nordben Life & Pension Insurance Co Ltd	Great Britain	900,000	15.00	2,691	3,598
Steiner Industries AG	Austria	120,926	1.72	1,683	1,782
Streamserve Inc.	United States	188,679	5.04	1,105	1,195
Unit trusts					
Citimarkets Global Emerging Market B	Luxemburg	13,289	–	1,734	2,084
Key International Trust Fund	Cayman Islands	520	–	29,527	56,136
Nektar Hedge Fund	Sweden	64,595	–	7,791	9,112
New Providence Fund	The Bahamas	13,823	–	1,848	2,899
Prosperity Cub Fund	Cayman Islands	300,000	–	2,678	4,423
Russian Prosperity Fund A	Cayman Islands	486,688	–	4,496	4,496
Schroder Ventures International Investment Trust	Great Britain	250,000	–	560	1,281
Capital trusts					
Access Capital L.P.	Great Britain	605,000	–	6,050	6,050
Baltic Investment Fund II L.P.	Great Britain	279,243	–	2,545	2,780
Dolphin Communications Parallel Fund L.P.	United States	189,936	–	1,827	1,891
Duke Street Capital IV UK L.P.	Great Britain	786,417	–	7,864	7,864
EQT Finland C.V.	Holland	185,007	–	1,850	1,850
EQT Scandinavia II	Holland	7,809,053	–	8,783	9,120
Hambro European Ventures III UK L.P.	Great Britain	603,696	–	8,848	9,710
Hibernia Development Capital Partners I	Ireland	146,248	–	1,857	1,857
Industri Kapital 1997 L.P.	Great Britain	795,200	–	7,952	7,952
MediaTel Capital	Luxemburg	287,154	–	2,872	2,872
Preferential Equity Investors LLS	Cayman Islands	327,588	–	3,142	3,261
Procuritas Capital Partners II. L.P.	Sweden	4,647,231	–	5,276	5,427
Schroder Asia Pacific Fund	Cayman Islands	325,500	–	3,240	3,240
Schroder Ventures European Fund	Great Britain	364,297	–	3,643	3,643
Total				129,336	164,355
Other shares and participations				5,842	5,975
Foreign shares and participations in total				520,927	821,905

Holdings exceeding EUR 1 million (current value) specified.

13 PARENT COMPANY'S SHARES AND PARTICIPATIONS

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Profit/loss for the financial year EUR '000	Capital and reserves EUR '000
Subsidiaries						
Capsam Consulting Ltd	1,600	40.00	60.00	135	911	1,327
Risk Management Ltd	400	100.00	100.00	673	-17	427
Sampo Holdings (UK) Ltd	10,000	100.00	100.00	28,863	1,962	44,672
Industrial Insurance Company Ltd ¹⁾	500,000	100.00	100.00	42,022	188,281	257,216
Sampo Life Insurance Company Limited ¹⁾	28,004	33.77	33.77	54,611	19,860	157,037
ST International Insurance Company Limited	9,000,000	100.00	100.00	17,061	-248	15,416
Sampo Enterprise Insurance Company Limited ¹⁾	500,000	100.00	100.00	50,440	27,923	87,665
Total				193,803		
Associated undertakings						
Autovahinkokeskus Oy	2,538	35.25	35.25	1,065	174	2,886
Dividum Oy ¹⁾	291	34.73	34.73	48,029	7,374	117,366
Sampo Finance Ltd ¹⁾	800,000	50.00	50.00	12,614	3,341	29,492
Kaleva Mutual Insurance Company ^{1) 2)}	15,000	30.00	15.00	2,603	16,478	48,313
Kiinteistövarma Oy	685	18.52	18.52	40	-4	190
Suomen Luottovakuutus Oy	50,000	33.33	33.33	1,682	-377	4,646
Suomen Oikeuspalvelu Oy	3,400	20.00	20.00	24	0	395
Vahinkopalvelu Oy	360	20.00	20.00	143	316	1,054
Total				66,200		

¹⁾ Figures at group level

²⁾ Share of guarantee capital

Other shares and participations

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Current value EUR '000
Public companies					
Banks and Finance					
Mandatum Pankki Oyj	1,856,300	4.64	2.87	7,849	10,488
Merita Plc	417,187	0.05	0.05	1,759	2,436
Insurance					
Pohjola Group Insurance Corporation	305,200	0.75	0.14	18,312	18,312
Investment					
Kiinteistösijoitus Oyj Citycon	3,438,903	3.25	3.25	4,024	4,024
Transport					
Finnair Oyj	1,087,352	1.28	1.28	3,516	4,839
Finnlines Plc	150,000	0.75	0.75	2,888	4,650
Trade					
Kesko Corporation	744,000	0.82	0.20	6,489	9,374
Stockmann plc	226,250	0.44	0.74	1,177	3,575
Tamro Corporation	3,579,700	2.97	2.97	10,882	10,882
Other Services					
Tietoenator Corporation	98,004	0.13	0.13	3,244	6,076
Metal and Engineering					
Fiskars Corporation	380,822	0.69	1.71	821	4,951
KCI Konecranes International Plc	90,000	0.60	0.60	1,029	3,436
Metra Corporation	486,112	0.90	1.97	3,939	8,892
Metso Corporation	958,948	0.71	0.71	12,014	12,370
Outokumpu Oyj	198,000	0.16	0.16	2,750	2,782
Partek Corporation	458,463	0.94	0.94	4,447	6,189
Rautaruukki Corporation	577,000	0.42	0.42	3,830	4,010
Forest Industry					
Metsä-Serla Corporation	412,925	0.30	0.23	1,215	4,735
Stora Enso Oyj	2,972,726	0.39	1.13	22,482	52,320
UPM-Kymmene Corporation	2,655,087	1.00	1.00	16,946	106,203
Energy					
Fortum Corporation	2,695,018	0.34	0.34	7,447	12,128
Food Industry					
Chips Abp	120,000	0.90	0.09	1,183	2,496
Huhtamäki Van Leer Oyj	154,650	0.49	0.49	5,149	5,196
Telecommunication and Electronics					
Aspocomp Group Plc	314,000	3.58	3.58	3,661	11,618
Comptel Oyj	35,000	0.16	0.16	665	2,444
Helsinki Telephone Corporation	179,710	0.35	0.35	6,444	14,862
Instrumentarium Corporation	199,659	0.83	0.83	5,310	6,469
Nokia Corporation	1,253,904	0.11	0.11	3,117	225,703
Perlos Corporation	104,640	0.20	0.20	994	3,662
Sonera Corporation	1,348,200	0.19	0.19	30,735	91,745
Chemicals					
Kemira Oyj	1,275,000	0.99	0.99	7,714	7,714
Orion Corporation	336,700	0.48	0.87	7,677	7,677
Uponor Oyj	526,082	1.36	1.36	4,264	9,259

Name of company	No. of shares	Holding %	Votes %	Book value EUR '000	Current value EUR '000
Media and Publishing					
Sanoma-WSOY Oyj	56,000	0.15	0.04	2,856	2,856
Other Industries					
Sanitec Corporation	178,024	0.29	0.29	2,034	2,314
Tamfelt Corporation	211,891	2.39	2.33	1,203	4,807
I List					
Stonesoft Corp.	200,000	0.38	0.38	325	2,640
Total				220,393	694,135
Other public companies				6,740	13,325
Public companies in total				227,133	707,460
Other companies					
Helsinki Exchanges Group Ltd Oy	499,031	3.70	3.70	2,955	2,955
Varma-Sampo Mutual Pension Insurance Company ¹⁾	33	46.48	–	2,345	2,345
Oy G. W. Sohlberg Ab	76,000	2.81	1.54	1,619	3,541
Sato-Yhtymä Oyj	131,152	5.97	5.97	5,981	5,981
Unit trusts					
Evli European Smaller Companies B	100,000	–	–	1,678	2,329
Evli Nordic Smaller Companies B	100,000	–	–	1,672	2,714
Gyllenberg European Equity B	40,360	–	–	3,404	4,705
Mandatium Global	100,397	–	–	1,692	3,481
Sampo Euro Bond Fund B	16,818,793	–	–	16,282	16,282
Seligson Global Top 25 Brands	1,000,000	–	–	1,682	2,450
Capital trusts					
Sponsor Fund	2,161,813	–	–	3,636	3,636
Total				42,946	50,419
Other shares and participations				5,676	6,430
Domestic shares and participations in total				275,755	764,310

¹⁾ Share of guarantee capital

Holdings exceeding EUR 2 million (current value) and holdings in public companies exceeding five per cent specified.

Foreign shares and participations

Name of company	Country	No. of shares	Holding %	Book value EUR '000	Current value EUR '000
Public companies					
Basic Materials					
Chemicals					
Bayer AG	Germany	39,500	0.01	879	1,856
Consumer, Cyclical					
Home Furnishings					
Sony Corp	Japan	30,000	0.01	2,049	8,848
Media					
Elsevier NV	Holland	185,000	0.03	2,194	2,194
Retail					
Ahold (Kon) NV	Holland	50,000	0.01	1,160	1,469
Hennes & Mauritz Ab	Sweden	70,000	0.01	471	2,330
Ito -Yokado Co.	Japan	40,000	0.01	1,799	4,322
Marks & Spencer Plc	Great Britain	330,000	0.01	1,571	1,571
Consumer, Non-Cyclical					
Cosmetics					
Gillette Co	United States	24,400	0.00	940	1,000
Food					
Danisco A/S	Denmark	115,000	0.20	4,450	4,450
Diageo Plc	Great Britain	248,400	0.01	1,517	1,998
Heineken NV	Holland	25,000	0.01	641	1,211
L.V.M.H. Louis Vuitton Moët Hennessy	France	9,350	0.01	1,292	4,158
Nestle SA	Switzerland	725	0.00	833	1,318

PARENT COMPANY'S SHARES AND PARTICIPATIONS cont.

Name of company	Country	No. of shares	Holding %	Book value EUR '000	Current value EUR '000
Pharmaceuticals					
Astra Zeneca Plc	Great Britain	34,641	0.00	938	1,456
Bristol Myers Squibb Co.	United States	94,800	0.00	4,037	6,057
Glaxo Wellcome Plc	Great Britain	157,000	0.00	2,648	4,434
Roche Holdings AG	Switzerland	208	0.00	1,123	2,449
Yamanouchi Pharmaceutical Co. Ltd	Japan	82,000	0.02	1,377	2,850
Energy					
Electric					
Edison SpA	Italy	150,000	0.02	1,222	1,222
Endesa SA	Spain	60,000	0.01	1,140	1,183
Oil Producers					
BP Amoco Plc	Great Britain	480,000	0.00	2,231	4,818
Exxon Mobil Corporation	United States	40,397	0.00	1,271	3,240
Total Fina SA	France	48,374	0.01	2,523	6,410
Financial					
Banks					
Commerzbank AG	Germany	111,500	0.02	2,193	4,064
Nordbanken Holding Ab	Sweden	245,000	0.02	944	1,431
Societe Generale Strauss Turnbull	France	19,300	0.02	2,260	4,458
UBS AG	Switzerland	12,000	0.01	3,215	3,215
Diversified Financial Services					
Federal National Mortgage Association	United States	36,000	0.00	777	2,237
Insurance					
Axa SA	France	45,608	0.01	2,303	6,312
Industrial					
Electrical Components & Equipment					
Hitachi Cable Ltd	Japan	380,000	0.10	1,942	1,942
Electronics					
Kyocera Corp.	Japan	29,000	0.02	1,570	7,481
Engineering and Construction					
ABB Ltd.	Switzerland	12,794	0.00	922	1,549
British Airport Authorities Plc	Great Britain	180,000	0.02	1,251	1,251
Mannesmann AG	Germany	36,000	0.01	963	8,622
Mitsubishi Heavy Industries Ltd.	Japan	657,000	0.02	2,181	2,181
Miscellaneous Manufacturing					
British Aerospace Plc	Great Britain	295,171	0.01	499	1,580
General Electric Co (US)	United States	19,800	0.00	929	3,050
Veba AG	Germany	57,250	0.01	2,064	2,762
Technology					
Semiconductors					
Intel Corp.	United States	30,200	0.00	1,117	2,474
Software					
Microsoft Corp	United States	20,000	0.00	970	2,324
Sap AG	Germany	2,400	0.00	1,203	1,435
Telecommunication Equipment					
Marconi Plc	Great Britain	523,150	0.02	2,300	9,243
Telefonaktiebolaget LM Ericsson	Sweden	36,000	0.00	863	2,300
Telecommunications					
British Telecommunications Plc	Great Britain	220,000	0.00	1,816	5,243
NTT Data Corp.	Japan	100	0.00	678	1,703
Swisscom AG	Switzerland	2,500	0.00	536	1,003
Telecom Italia Mobile SpA	Italy	100,000	0.00	574	1,106
Tele Danmark A/S	Denmark	35,600	0.02	819	2,626
Telefonica SA	Spain	95,508	0.00	1,306	2,369
Total				74,500	154,808
Other public companies				5,849	5,939
Public companies in total				80,349	160,747
Unit trusts					
Citimarkets Global Emerging Market B	Luxemburg	13,289	–	1,734	2,084
Capital trusts					
Access Capital L.P.	Great Britain	100,000	–	1,000	1,000
Other shares and participations				12	12
Foreign shares and participations in total				83,095	163,843

Holdings exceeding EUR 1 million (current value) specified.

14 INVESTMENTS IN AFFILIATED AND ASSOCIATED UNDERTAKINGS

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Shares in affiliated undertakings				
Original acquisition cost, Jan. 1	–	–	271,563	237,656
Portfolio transfer/merger	–	–	–31,954	–
Increase	–	–	14,044	33,907
Accumulated value adjustments, Dec. 31	–	–	–59,849	–61,292
Remaining acquisition cost, Dec. 31	–	–	193,803	210,270
Shares in associated undertakings				
Original acquisition cost, Jan. 1	128,273	123,509	99,002	101,889
Portfolio transfer/merger	1,682	–	1,682	–
Increase	1,885	15,139	53	40
Decrease	–49,177	–563	–33,191	–557
Transfers	–	–7,276	–	–2,370
Accumulated value adjustments/depreciation on consolidation difference /decrease in negative consolidation difference, Dec. 31	–468	–116	–1,346	–1,346
Remaining acquisition cost, Dec. 31	82,195	130,693	66,200	97,656
Total goodwill and negative consolidation difference of associated undertakings included for the first time in the consolidated accounts	–	1,982	–	–
Debt securities issued by, and loans to, associated undertakings				
Original acquisition cost, Jan. 1	–	8,409	–	–
Increase	100,913	–	100,913	–
Decrease	–	–8,409	–	–
Remaining acquisition cost, Dec. 31	100,913	0	100,913	–

15 OTHER LOANS BY SECURITY

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Insurance policy	595	1,201	–	–
Federation of municipalities, municipality and parish securities and loans thereto, and State securities	6,282	11,586	1,061	2,187
Bank guarantee	1,568	4,320	161	678
Shares in housing and real estate companies	11,004	10,288	5,603	5,597
Other security	50,323	41,942	2,001	6,607
	69,772	69,338	8,825	15,068
LOANS TO EXECUTIVES (Insurance Companies' Act, Chapter 12, Section 5)				
Loans to executives	1,005	893	625	408
Interest (%)	2.75–6.75	4.50–7.50	2.75–3.66	4.50–5.00
Average loan period (years)	10	9	11	10

16 SUBORDINATED LIABILITIES BY BALANCE SHEET ITEM

EUR '000	1999	1998
GROUP		
Other investments		
Debt securities	237,532	94,530
Essential subordinated liabilities		
Debtor	Kiinteistösi joitus Oyj Citycon	Merita Bank Plc
Amount of loan	9,325	42,215
Interest %	7.38	5.50
Loan period	30.6.1999–30.6.2009	31.12.1995–31.12.2006
Debtor	Sampo Finance Ltd	Otava Publishing Company Ltd
Amount of loan	100,913	12,614
Interest % ^{*)}	20.00	5.00
Loan period	21.10.1999–31.1.2001	30.12.1998–30.12.2003
Debtor	Merita Bank Plc	
Amount of loan	42,215	
Interest %	5.50	
Loan period	31.12.1995–31.12.2006	
Interests are entered on accrual basis in accordance with the original payment plan.		
PARENT COMPANY		
Other investments		
Debt securities	150,959	33,940
Essential subordinated liabilities		
Debtor	Kiinteistösi joitus Oyj Citycon	
Amount of loan	9,325	
Interest %	7.38	
Loan period	30.6.1999–30.6.2009	
Debtor	Sampo Finance Ltd	
Amount of loan	100,913	
Interest % ^{*)}	20.00	
Loan period	21.10.1999–31.1.2001	
Debtor	Merita Bank Plc	Merita Bank Plc
Amount of loan	23,210	23,210
Interest %	5.50	5.50
Loan period	31.12.1995–31.12.2006	31.12.1995–31.12.2006

^{*)} Equals the dividend of 2,109,158 Pohjola A shares + avoir fiscal tax credit, however, a maximum of 20%

Interests are entered on accrual basis in accordance with the original payment plan.

17 INVESTMENTS COVERING UNIT-LINKED INSURANCES

EUR '000	Group			
	Original acquisition cost	1999 Current value (=book value)	Original acquisition cost	1998 Current value (=book value)
Shares in investment funds	50,688	62,609	10,325	10,340
Debt securities	4,495	6,929	4,495	5,948
	55,183	69,538	14,820	16,288
Investments acquired in advance	-468	-590	-729	-800
Investments pertaining to unit-linked insurances, corresponding to technical provisions	54,715	68,948	14,091	15,488

18 DEBTORS AND CREDITORS, AFFILIATED UNDERTAKINGS

EUR '000	Group		Parent company	
	1999	1998	1999	1998
DEBTORS AND CREDITORS, AFFILIATED UNDERTAKINGS				
Debtors				
Investments				
Investments in land and buildings/ Loans to affiliated undertakings			11,656	15,485
Debtors				
Arising out of reinsurance operations			3,243	725
Other debtors			2,931	41,903
Prepayments and accrued income				
Interest and rents			-	2
Other prepayments and accrued income			76,201	1
			94,032	58,115
Creditors				
Technical provisions				
Provision for unearned premiums			1,718	130
Reinsurers' share			-244	-
Provision for outstanding claims			27,296	3,725
Reinsurers' share			-958	-841
Creditors				
Arising out of reinsurance operations			3,437	128
Bond with warrants			70	57
Other creditors			1,169	1,378
Accruals and deferred income			1,124	140
			33,612	4,716
DEBTORS AND CREDITORS, ASSOCIATED UNDERTAKINGS				
Debtors				
Arising out of reinsurance operations	8	8	8	8
Other debtors	785	34	584	-
	793	42	592	8
Creditors				
Other creditors	90	1,848	55	1,099

19 CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

EUR '000	1.1.1999	Increase	Decrease	31.12.1999
Restricted				
Subscribed capital	52,138	–	–	52,138
Legal reserve	369,241	–	–	369,241
Revaluation reserve	28,345	–	–686	27,659
Currency conversion differences	7,120	7,044	–	14,164
	456,844	7,044	–686	463,202
Non-restricted				
Non-restricted reserves	125,683	51,750	–25,487	151,947
Profit/loss brought forward	175,725	136,122	–215,558	96,289
Profit for the financial year	–	285,957	–	285,957
	301,408	473,829	–241,044	534,193
	758,253	480,873	–241,730	997,395
	1999	1998		
Distributable profit				
Non-restricted capital and reserves	534,193	301,408		
Optional reserves and depreciation difference in non-restricted capital and reserves	–24,570	–22,120		
Other non-distributable items	–9,190	–		
Distributable profit, Dec. 31	500,432	279,288		
Optional reserves and depreciation difference, Dec. 31				
Accumulated depreciation difference	26,606	22,830		
Credit loss reserve	7,281	6,141		
Housing reserve	5,202	5,904		
	39,089	34,874		
Deferred tax on optional reserves and depreciation difference	–11,336	–9,765		
Minority interest in optional reserves and depreciation difference	–3,011	–2,989		
Acquisition cost eliminations	–171	–		
Optional reserves and depreciation difference in non-restricted capital and reserves, Dec. 31	24,570	22,120		

¹⁾ After the close of the financial year, EUR 56,929,023.41 of the parent company's distributable non-restricted capital and reserves have been used for buying back own shares.

PARENT COMPANY STATEMENT OF CHANGES IN CAPITAL AND RESERVES

EUR '000	1.1.1999	Increase	Decrease	31.12.1999
Restricted				
Subscribed capital	52,138	–	–	52,138
Legal reserve	366,295	–	–	366,295
Revaluation reserve	28,345	–	–686	27,659
	446,779	–	–686	446,093
Non-restricted				
Security reserve	11,722	–	–	11,722
Contingency reserve	67,283	7,232	–	74,515
At the disposal of the Board	77	252	–40	290
Profit brought forward	57,865	–	–56,568	1,296
Profit for the financial year	–	224,679	–	224,679
	136,947	232,163	–56,608	312,502
	583,725	232,163	–57,294	758,594

Of the non-restricted capital, EUR 307,857,558.80 was distributable.

20 SAMPO SHARES AND SHAREHOLDERS

Shares and votes

Sampo Insurance Company plc has 60,560,000 A shares and 240,000 B shares. The nominal value of each share is FIM 5. Each A share has 1 vote and each B share 5 votes. The A shares have been quoted at the Helsinki Exchanges since 1988. All B shares are owned by Kaleva Mutual Insurance Company.

The Group companies did not own shares in the parent company on December 31, 1999, but ST International had a bond with warrants issued by

Sampo, totalling FIM 416,000 (EUR 69,966), i.e. 208,000 options.

Authority of the Board of Directors

The Annual General Meeting authorised the Board of Directors to buy back a maximum of three million shares. The buy-back of shares was initiated on January 3, 2000.

The company's Board of Directors is not authorised to increase company share capital or issue convertible bonds or bonds with warrants.

Bond with warrants

Sampo Insurance Company plc offered a bond with warrants valued at FIM 6,600,000 (EUR 1.1 million) on May 22, 1998. No interest will be paid on the bond, which will be repaid on May 22, 2001. Personnel permanently employed by the Sampo Group and Kaleva Mutual Insurance Company were entitled to subscribe. Approximately 72 per cent of the personnel subscribed for the bond.

Each bond of a nominal value of

Increases in share capital in 1988-99¹⁾

Mode	Subscription period	Term of subscription or subscriber	Price/share (FIM)	No. of new shares	Share capital after the issue
New issue A and B shares	April 11 to May 20, 1988	1:1 plus subscription right	250 280	3,000,000	126 million
New issue A and B shares	October 17 to November 18, 1988	2:1 plus subscription right	325 400	3,000,000	186 million
Merger compensation A shares	December 31, 1993	Owners of Industrial Mutual Insurance Company		4,700,000	280 million
Directed issue A shares	June 30, 1994	Kansallis-Osake-Pankki	380	1,500,000	310 million

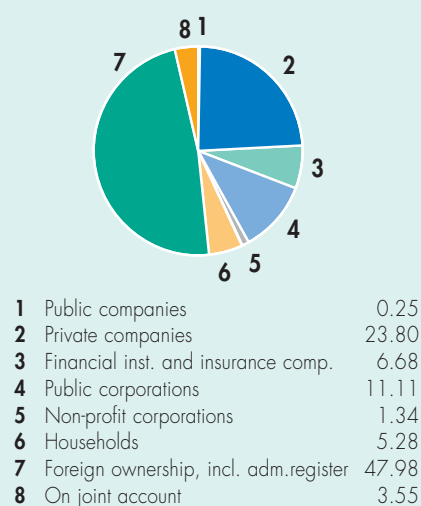
¹⁾ Prices per share and numbers of shares at a nominal value of FIM 20. The nominal value was changed to FIM 5 in October 1997.

Shareholders by number of shares owned, December 31st, 1999

Shareholdings A and B shares	No. of shareholders	No. of shares	%
1 – 100	26,102	1,070,988	1.76
101 – 1,000	7,289	1,963,412	3.23
1,001 – 10,000	593	1,578,504	2.60
10,001 – 100,000	102	3,328,324	5.47
100,001 –	24	50,698,425	83.39
On waiting list		100	0.00
On joint account		2,160,247	3.55
Total	34,110 ¹⁾	60,800,000	100.00

¹⁾ Each administrative register is included in this figure as one single owner.

Shareholder groups December 31st, 1999, %



FIM 500 (EUR 84.09) includes 250 warrants, of which 75 are marked with the letter A, 75 with the letter B and 100 with the letter C. With each warrant one Sampo A share can be subscribed in such a manner that the subscription period for warrants A is from May 1, 2000 to May 31, 2005, for warrants B from May 1, 2001 to May 31, 2005 and for warrants C from May 1, 2002 to May 31, 2005.

The share capital can increase by 3,300,000 A shares at most as a result of the subscriptions, or FIM 16,500,000 (EUR 2.8 million), which equals to 5.3 per cent of the company's share capital.

Shareholders

On December 31, 1999 there were 34,110 registered shareholders. 3.55 per cent of shares had not been entered into the book-entry securities system. Foreign ownership was 48.0 per cent of the share capital and 47.2 per cent of the votes. Almost all foreign owners have listed their holdings in the administrative register.

The members of the Supervisory Board and Board of Directors, the Managing Director and Deputy Managing Directors owned a total of 24,306 shares (share of votes 0.039 per cent).

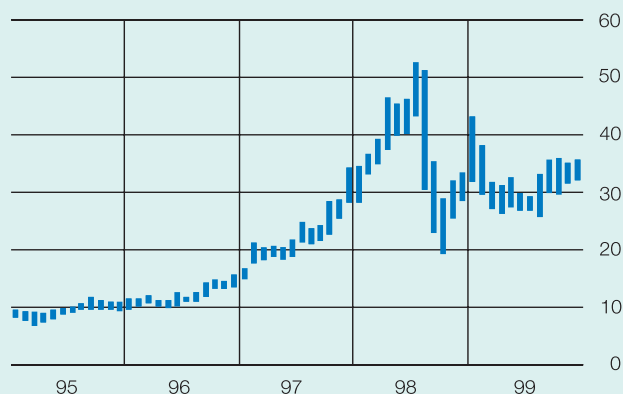
Shareholders, December 31st, 1999

A and B shares	No. of shares	% of share capital	% of votes
Unsa Ltd	9,442,492	15.53	15.29
Varma-Sampo Mutual Pension Insurance Company	4,192,828	6.90	6.79
Kaleva Mutual Insurance Company ^{*)}	2,798,426	4.60	6.09
Stora Enso Oyj	1,649,324	2.71	2.67
Outokumpu Oyj	703,132	1.16	1.14
Local Government Pension Institution	507,472	0.83	0.82
Metra Corporation	380,200	0.63	0.62
Pension fund of Imatran Voima	276,308	0.45	0.45
Mutual Insurance Company Pension-Fennia	249,500	0.41	0.40
Pension fund of Neste	234,308	0.39	0.38
Metso Corporation	200,000	0.33	0.32
The Finnish National Fund for Research and Development	163,400	0.27	0.26
Oy Rettig Ab	156,188	0.26	0.25
Trust fund Leonia Osake	132,400	0.22	0.21
Teollisuuden Voima Oy	122,052	0.20	0.20
Vapo Oy	117,796	0.19	0.19
Steveco Oy	109,160	0.18	0.18
Alfred Berg Finland Sijoitusrahasto	106,540	0.18	0.17
Eläkesäätiö Neliapila	103,544	0.17	0.17
LEL Employment Pension Fund	103,300	0.17	0.17
In the administrative register in total ^{**)}	29,095,422	47.85	47.11
Others in total	9,956,208	16.38	16.12
Total	60,800,000	100.00	100.00

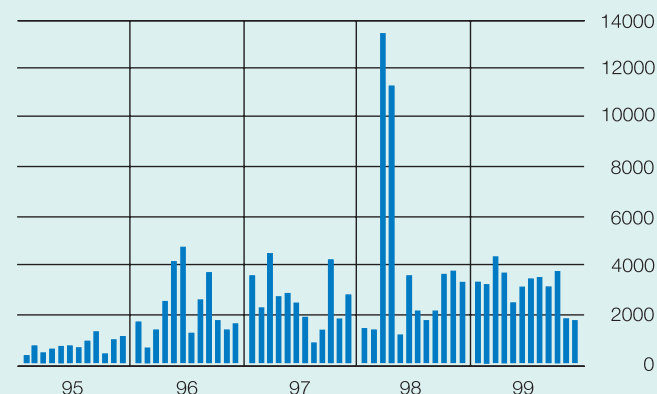
^{*)} 2,558,426 registered A shares and 240,000 registered B shares.

^{**)} Sampo received notice on January 12, 2000 that General Electric Company owns 3,047,287 shares, i.e. 5.01% of the share capital and 4.93% of votes.

Monthly share price development (share price, high and low), EUR



Monthly trading volume, '000



21 TECHNICAL PROVISIONS

EUR '000	Group	
	1999	1998
PROVISION FOR UNEARNED PREMIUMS		
Deferred insurance policy acquisition costs deducted from the life insurance premium reserve	4,772	4,405
PROVISION FOR OUTSTANDING CLAIMS		
Discounting of the provision for outstanding claims of non-life insurance		
Interest rate used in the Group and Parent Company in calculating the technical provisions of annuities (%)	4.00	4.00
Discounting has been effected in calculating the provision for outstanding claims on other than annuity-form compensations, in connection with Patria Reinsurance Company Ltd's foreign reinsurance provision for outstanding claims. A part of this provision has been discounted at four per cent interest rate. The estimated average maturity of the discounted provision for outstanding claims is eight years.		
Provision for outstanding claims (discounted part)		
Before discounting	46,580	44,255
After discounting	-35,213	-33,618
Amount of discount	11,367	10,638
Reinsurers' share		
Before discounting	9,788	8,409
After discounting	-7,703	-6,631
Amount of discounting	2,085	1,779

22 OBLIGATORY PROVISIONS

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Provision for rents	1,517	1,528	-	-

23 LONG-TERM LIABILITIES (5 years or longer)

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Amounts owed to credit institutions	1,236	8,015	-	-
Pension loans	-	22,845	-	22,845
	1,236	30,860	-	22,845

The conditions of the bond with warrants are presented in the note Sampo Shares and Shareholders.

24 CONTINGENT LIABILITIES, PLEDGED ASSETS AND DERIVATIVES

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Mortgages for own loans	2,398	3,697	–	–
Amount of the above loans	1,628	1,271	–	–
Pledges against own liabilities	8,783	68,449	–	66,929
Amount of the above liabilities	4,034	33,598	–	32,838
Pledges against trading in derivatives	19,721	53,798	–	23,971
Collateral against own foreign reinsurance liabilities	56,506	47,679	–	–
Countersecurities	13,237	10,086	–	–
Investment liabilities	244,408	95,436	15,938	5,401
VAT deductions	9,415	8,711	1,759	1,412
From new construction and real estate refurbishments during 1995–1999 / 1994–1998				
Amount of joint liability pertaining to VAT group registration				
Affiliated undertakings	–	–	177	202
Associated undertakings	89	–	89	–136
	89	–	265	66
Leasing liabilities				
To be paid during the starting financial year	1,005	887	–	–
To be paid during following years	3,501	3,042	–	–
Leasehold commitments	87	161	–	–
Derivative contracts				
Interest rate-linked derivatives				
Interest rate swaps				
underlying instrument	88,589	85,511	–	–
current value	0	877	–	–
Futures and forwards, open				
underlying instrument	–	234,913	–	–
current value	–	3,705	–	–
Futures and forwards, locked				
underlying instrument	–	1,403,353	–	–
current value	–	422	–	–
Currency-linked derivatives				
Futures and forwards, open				
underlying instrument	256,692	169,524	26,631	10,398
current value	–5,487	–592	–51	370
Futures and forwards, locked				
underlying instrument	108,467	53,865	–	–
current value	0	543	–	–
Option contracts				
Bought,				
underlying instrument	306,476	142,294	–	–
current value	0	–279	–	–
Sold,				
underlying instrument	614,601	–	–	–
current value	1,322	–	–	–
Locked,				
underlying instrument	–	206,362	–	–
current value	–	668	–	–

CONTINGENT LIABILITIES, PLEDGED ASSETS AND DERIVATIVES cont.

EUR '000	Group		Parent company	
	1999	1998	1999	1998
Share derivatives				
Futures and forwards, open				
underlying instrument	101,319	87,834	–	–
current value	–7,975	–6,113	–	–
Option contracts				
Bought,				
underlying instrument	111,467	95,862	–	41,168
current value	0	–2,748	–	–1,219
Sold,				
underlying instrument	225,073	87,503	–	41,168
current value	975	–3,938	–	–2,934
Locked,				
underlying instrument	–	3,027	–	–
current value	–	65	–	–

The current values of option contracts include received and paid premium.
Negative valuation differences of derivative contracts made for other than hedging purposes have been entered as charges (current value = 0).

The Group has no other liabilities as specified in the Insurance Companies Act, Chapter 10, Section 8, Sub-section 3.

25 PARENT COMPANY KEY FIGURES

EUR '000	1995	1996	1997	1998	1999
KEY FIGURES PERTAINING TO SOLVENCY					
Solvency margin					
Capital and reserves after proposed profit distribution	508,389	523,156	527,806	534,641	557,037
Optional provisions and accumulated depreciation difference	13,900	13,634	13,675	12,852	15,537
Valuation difference between current value and Balance Sheet book value of assets	501,687	714,980	941,836	1,411,706	3,116,437
Intangible assets	–118,363	–117,771	–117,151	–69,672	–78,536
Other items	–8,155	–5	–	–4,153	–70
	897,458	1,133,994	1,366,166	1,885,374	3,610,405
Solvency margin required under the Finnish Insurance Companies Act, Chapter 11, Section 2	48,528	42,567	49,136	54,679	58,248
Equalisation provision for years with large numbers of losses included in technical provisions	26,098	37,033	21,720	10,560	97,581
Equalisation provision to its full value (%)	10.7	14.0	7.7	3.4	29.8
Solvency capital					
Solvency margin and equalisation provision	923,556	1,171,027	1,387,886	1,895,934	3,707,986

EUR '000	1995	1996	1997	1998	1999
Solvency ratio					
Solvency capital to premiums earned (%)	525.2	464.5	515.6	658.4	1,219.9
Solvency capital to technical provisions less equalisation provision (%)	147.9	191.8	228.3	291.2	518.3
OTHER KEY FIGURES					
Loss ratio					
Claims incurred to premiums earned (%)	85.6	83.3	89.9	90.3	84.7
Expense ratio					
Operating expenses to premiums earned (%)	28.8	28.6	26.4	27.7	26.6
Combined ratio					
Loss ratio and expense ratio (%)	114.4	111.9	116.3	117.9	111.3

Helsinki, February 29th, 2000

SAMPO INSURANCE COMPANY PLC

Board of Directors

Jukka Härmälä
Chairman

Kari O. Sohlberg

Georg Ehrnrooth

Ari Heiniö

Paavo Pitkänen

Christoffer Taxell

Jouko K. Leskinen
Managing Director

AUDITORS' REPORT

To the Shareholders of Sampo Insurance Company plc

We have audited the accounting records and the financial statements, as well as the administration by the Supervisory Board, the Board of Directors and the Managing Director of Sampo Insurance Company plc for the financial year 1999. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the company's administration.

The undersigned Jaakko Nyman has scrutinised the accounts for the financial year and submitted a separate report thereon.

We have conducted the audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of administration has been to examine that the Supervisory Board, the Board of Directors and the Managing Director have legally complied with the rules of the Insurance Companies Act and the Finnish Companies Act.

In our opinion, the final accounts have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position. The financial statements can be adopted and the members of the Supervisory Board, the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal made by the Board of Directors on the distribution of profit is in compliance with the Finnish Companies Act.

Turku, March 7th, 2000

Thor Nyroos
Authorised Public Accountant

Jaakko Nyman
Authorised Public Accountant

(KPMG)
(Translation of a Finnish Original)

STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board has received the Accounts for Sampo Insurance Company plc for the financial year 1999 together with the consolidated accounts of the Sampo Group and the Auditors' Report concerning these. The Supervisory Board has found no cause for criticism on account of the above, and therefore submits the Accounts and the Auditors' Report to the Annual General Meeting and recommends that the Profit and Loss Account and Balance Sheet for Sampo Insurance Company plc together with the Consolidated Profit and Loss Account and Balance Sheet for the Sampo Group be approved and that the proposals for the disposal of the profit for the financial year moved by the Board of Directors be accepted.

Helsinki, March 9th, 2000

For the Supervisory Board

Jyrki Juusela

SUPERVISORY BOARD

The Supervisory Board

- supervises the administration of the Company by the Board of Directors and Managing Director;
- submits to the Annual General Meeting a statement concerning the Company's Accounts for the Year, the Consolidated Accounts for the Year, The Auditors' Report for the Company and the Consolidated Auditors' Report;
- determines the commissions and the basis upon which travelling expenses will be calculated for the Chairman, the Vice Chairman and the other members of the Board of Directors;
- determines the number of, and elects, the members of the Board of Directors;
- elects the Chairman and Vice Chairman of the Board of Directors;
- resolves matters concerning the significant contraction or expansion of the operations of the Company or substantive changes in the organisation of the Company.

Jyrki Juusela, born 1943 (2000)
Chairman
CEO, Outokumpu Oyj

Krister Ahlström, born 1940 (2000)
Vice Chairman

Kalevi Aro, born 1947 (2001)
Vice Chairman
President, Aro-Yhtymä Oy

Esa Swanljung, born 1949 (2000)
Vice Chairman
Managing Director, Federation of
Employment Pension Institutions

Antti Aarnio-Wihuri, born 1940
(2000)
Chairman of the Board, Wihuri Ltd

Fredrik Björnberg, born 1938 (2002)
Chairman of the Board,
Myllykoski Corporation

Matti Honkala, born 1945 (2001)
CEO, Kesko Corporation

Henrik Höglund, born 1949 (2000)
Chairman of the Board,
KWH Group Ltd

Matti Ilmari, born 1942 (2002)
President, ABB Oy Group

Heimo Karinen, born 1939 (2000)
CEO, Kemira Oyj

Eino Keinänen, born 1939 (2000)
Chairman of the Board, Leonia plc

Keijo Ketonen, born 1942 (2000)
Managing Director, TS Group

Henri Kuitunen, born 1958 (2001)
Director General, VR Group

Antti Lagerroos, born 1945 (2002)
President, CEO, Finnlines Plc

Heikki Lehtonen, born 1959 (2001)
President and CEO,
Componenta Corporation

Curt Lindbom, born 1942 (2002)
Senior Advisor,
CapMan Capital Management

Esko Muhonen, born 1941 (2001)
Managing Director, Vapo Group

Carl G. Nordman, born 1939 (2000)

Jorma Ollila, born 1950 (2000)
Chairman and CEO,
Nokia Corporation

Erkki Pehu-Lehtonen, born 1950
(2002)
President and CEO,
Jaakko Pöyry Group Oyj

Heikki Pentti, born 1946 (2001)
Chairman of the Board,
Lemminkäinen Corporation

Heikki J. Perälä, born 1958 (2002)
Managing Director,
Helsinki Chamber of Commerce

Jarmo Ryttilahti, born 1944 (2001)
President and CEO, Uponor Oyj

Martin Saarikangas, born 1937 (2002)
Chairman, CEO,
Kvaerner Masa-Yards Inc.

Seppo Sipola, born 1943 (2000)

Stig Stendahl, born 1939 (2002)
President and CEO,
Fiskars Corporation

Matti Sundberg, born 1942 (2001)
Member of the Board,
Metso Corporation

Jukka Suominen, born 1947 (2001)
CEO, Neptun Maritime Oyj

Seppo Säynäjäkangas, born 1942 (2002)
Chairman of the Board,
Polar Electro Oy

Pekka Vennamo, born 1944 (2000)
Managing Director, Sijoitus Oy

Markku Äärimaa, born 1942 (2001)
Secretary General,
Finnish Medical Association

Year of expiry of office given in brackets.

For additional information on the
Members of the Supervisory Board,
please contact:
Sampo Insurance Company plc
Legal Affairs
Aleksanterinkatu 11, Helsinki, Finland
Postal address:
FIN-00025 SAMPO, Finland
Telephone +358 10 515 311

BOARD OF DIRECTORS



Chairman

Jukka Härmälä, born 1946 (2000), Managing Director, Stora Enso Oyj. Vice Chairman of the Board, Confederation of Finnish Industry and Employers. Vice Chairman of the Board, Finnlines Plc and PVO Group. Vice Chairman of the Supervisory Board, Varma-Sampo Mutual Pension Insurance Company. Member of the Supervisory Board, Merita Bank Plc. He was appointed Member of the Board of Sampo Insurance Company Limited on June 26th, 1992. Period of office started on August 1st, 1992. He was appointed Chairman of the Board on October 20th, 1993.



Vice Chairman

Kari O. Sohlberg, born 1940 (2000), Managing Director, Oy G.W. Sohlberg Ab. Vice Chairman of the Board, Perlos Corporation. Member of the Board, Varma-Sampo Mutual Pension Insurance Company. Member of the Supervisory Board, Merita Bank Plc. Chairman of the Board, Finnish Fair Corporation. He transferred to the Board of Sampo Insurance Company Limited from the Supervisory Board on October 20th, 1993.



Georg Ehrnrooth, born 1940 (2002), President, Metra Corporation. Chairman of the Board, Assa Abloy AB, and Sanitec Corporation. Member of the Board, Karl Fazer Oy Ab, ABB Oy, and Sandvik AB. Chairman of the Board, Varma-Sampo Mutual Pension Insurance Company. He was appointed Member of the Board of Sampo Insurance Company Limited on June 26th, 1992. Period of office started on August 1st, 1992.



Ari Heiniö, born 1945 (2001), Managing Director, Stockmann plc. Chairman of the Board, Commercial Employers' Association. Member of the Board, Finnair Oyj, Metsä Tissue Oyj, Palace Hotel Oy Ab, Employers' Confederation of Service Industries, and Stockmann plc. Member of the Supervisory Board, Alma Media Corporation, Merita Bank Plc, Varma-Sampo Mutual Pension Insurance Company, and Finnish Fair Corporation. He transferred to the Board of Sampo Insurance Company Limited from the Supervisory Board on October 20th, 1993.

The Board of Directors is responsible for the administration of the Company and the proper management of its operations. The Board of Directors is furthermore responsible for the proper arrangement of accounting and financial administration.

Moreover the Board of Directors:

- confirms the maximum sums insured, which the Company may without recourse to reinsurance retain on its own account;
- resolves the raising of loans for the Company and the surety obligations entered into by the Company;
- resolves the surrender of real property belonging to the Company and grants permission for the mortgaging of such property;
- appoints the Managing Director, Deputy Managing Directors, Managers and Assistant Managers, accepts their resignations and determines their emoluments;
- determines the general principles governing the emoluments and other benefits of other Company employees;
- confirms the general regulations concerning the retiring age of and pensions due to employees of the Company;
- determines the principles and order in accordance with which the Deputy Managing Directors may exercise the authority and powers of the Managing Director.

AUDITORS



Jouko K. Leskinen, born 1943 (2001), President and CEO, Sampo Insurance Company plc. Vice Chairman of the Board, UPM-Kymmene Corporation. Member of the Board, Finnlines Plc, Varma-Sampo Mutual Pension Insurance Company, Nokia Corporation. Member of the Board of Sampo Insurance Company Limited since January 1st, 1993 (appointed on October 22nd, 1992).



Christoffer Taxell, born 1948 (2002), President, CEO, Partek Corporation. Member of the Board, KCI Konecranes International Plc, Metra Corporation, Stockmann plc, ABB Oy. Chairman of the Board of Directors, Kalmar Industries AB. He transferred to the Board of Sampo Insurance Company Limited from the Supervisory Board on January 1st, 1998.



Paavo Pitkänen, born 1942 (2001), Managing Director, Varma-Sampo Mutual Pension Insurance Company. Member of the Board, Metra Corporation, Partek Corporation, Stora Enso Oyj. Vice Chairman of the Supervisory Board of Alma Media Corporation. Member of the Supervisory Board of Kesko Corporation. Member of the Board of Sampo Insurance Company plc since January 22nd, 1999.

Auditors

Jaakko Nyman
Authorised Public
Accountant, M.Sc. (Econ)

Thor Nyroos
Authorised Public
Accountant, B.Sc. (Econ)

Deputy Auditors

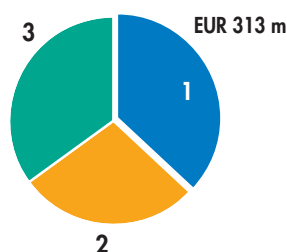
Pertti Keskinen
Authorised Public
Accountant, M.Sc. (Econ)

Authorised Public
Accountants
KPMG Wideri Oy Ab

PRIVATE SAMPO

Direct non-life insurance premiums written, %

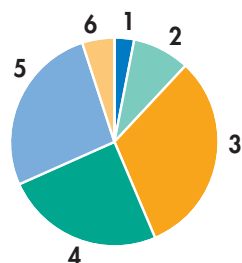
Sampo Group in total EUR 853 m



1 Private clients	37
2 Corporate clients	28
3 Major clients	35

Direct non-life insurance premiums written by line of insurance, %

Total EUR 313 m



1 Statutory workers compensation	3
2 Non-statutory accident and health	9
3 Motor third party liability	32
4 Motor, other classes	25
5 Fire and other damage to property	27
6 Other	5

Within the Sampo Group, private households are served by Private Sampo, a unit that is part of the parent company Sampo plc. The farms and self-employed clients that Private Sampo formerly handled were transferred to Sampo Enterprise at the turn of the millennium. Private Sampo has retained responsibility for the car dealership distribution channel that serves the whole Group.

Operational control is achieved via the balanced scorecard system that plays such a vital role in ensuring a high level of client satisfaction, safeguarding profitability, developing increasingly customer-oriented and cost-efficient service process, monitoring personnel know-how and well-being, and making certain that the prerequisites for continuous innovation are available.

Four regional organisations administer Private Sampo's client service net via 86 offices throughout Finland, supplemented by the Sampo Call Centre telephone service. A network of agents and car dealers provides another significant distribution channel. The potential to integrate Private Sampo's service network with that of Sampo Enterprise during the year 2000 was first examined in the Spring of the year now under review.

Client demand for self-service access continues to grow and travel insurance sales were added to our Internet service channel in May, 1999, followed in December by bodily injury claims handling. Tailored service packages now meet the particular needs of farms and some 30 co-operation organisations.

Private Sampo offices began to offer motor vehicle registration as a form of public service at the beginning of February, 1999. This proved popular with motorists, who can now get their vehicles registered and insured in a single transaction. As a result, Private Sampo dealt with more than 80,000 registrations in 1999.

In October, Sampo became the first insurer to add redemption cover to motor vehicle insurance, another move welcomed by clients and consumer authorities alike.

Private Sampo continued to upgrade its operations and information systems according to plan through the Sampo 2000 programme and will complete the process this

Sampo Insurance Company plc

EUR millions	1999	1998
Turnover	695.2	534.7
Premiums earned	304.0	288.0
Claims incurred ¹⁾	-257.6	-260.0
Net operating expenses	-80.7	-79.6
Change in the equalisation provision	-3.5	11.2
Balance on technical account	-37.8	-40.5
Net investment income	332.6	170.9
Profit/loss for the financial year	224.7	56.6
Technical provisions, net	813.0	661.7
Balance Sheet total	1,676.7	1,345.9
Balance Sheet total at current values	4,793.1	2,757.6
Solvency margin	3,610.4	1,885.4
Equalisation provision	97.6	10.6
Solvency capital	3,708.0	1,895.9
Loss ratio, %	84.7	90.3
Expense ratio, %	26.6	27.7
Combined ratio, %	111.3	117.9
Solvency ratio, %	1,219.9	658.4
Average no. of personnel	2,025	1,972

¹⁾ Including change in the collective guarantee item.

year. The company's current product and service solutions will also be improved through gradual transfer to a single, modular system that will allow individual clients to select the services they require through the most suitable service channel. Client documentation will be completely remodelled.

Upgraded product and service supply along with an improved operating model are built on new IS technologies. A key objective here is to strengthen Private Sampo's flexibility considerably, so that the company can react effectively to shifts in client needs.

Claims Expenditure on the Increase

Private Sampo's operating margin improved by more than 10 per cent over 1998.

Total premiums received in voluntary motor and motor third party liability insurance rose by over 10 per cent, due to premium increases implemented in 1999 and increased motor vehicle sales. Motor TPL profitability improved slightly while that on voluntary motor insurance deteriorated as claims expenditure experienced a clear upward trend.

Sampo launched its in-house loss survey organisation for motor vehicles and boats at the beginning of 1999 and they performed as expected. In fact, the new service received a positive response both from clients and car dealers. The use of electronic data and image transfer between car dealers and Sampo in loss surveys has streamlined the claims settlement process.

In the field of property losses, fire claims rose more than expected. A growing number of such losses is caused by human neglect or simple carelessness. Making loss prevention an essential element of all services is thus a key challenge in promoting safety.

Claims service development focused on improving Sampo office staff know-how. Efforts to streamline the claims-handling process included the abandonment of needless documentation and upgrading filing systems; telephone claims services provision was tested. The goal is to create a customer-oriented, straightforward and efficient claims-handling model for minor damages. The reorganisation of loss survey activities and establishment of a property claim centre will ensure improved targeting and efficiency for Private Sampo survey operations.

Outlook

The outlook for household insurances continues to be favourable. Economic growth and household purchasing power have been strong for several years now and households' own expectations about their economic situation continue to be highly positive. Unemployment is expected to decrease still further, although regional variations will probably remain substantial. Motor vehicle sales have grown for several years now and this positive trend is expected to continue. Residential real estate sales have also been lively.

The growing number of older people in the population creates fresh opportunities to develop new sickness and health service insurances. Cuts in public sector social security payments maintain households' interest in saving through voluntary pension schemes, despite the fact that the increased taxation of voluntary pension arrangements has created uncertainty in the market. The growth in the wealth of private households also promotes rapid growth in mutual fund and insurance savings.

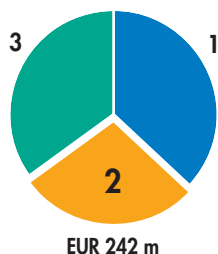
The new technologies in service distribution will continue their brisk development into the near future. Competition will change the way clients act in their choice of products, services and service channels. The utilisation of telephone services and Internet-based self-service is constantly on the increase.

International competition will intensify in insurance markets, but the convergence of insurance companies and banks will change the competitive arena both in the Nordic countries and throughout Europe.

SAMPO ENTERPRISE

Direct non-life insurance premiums written, %

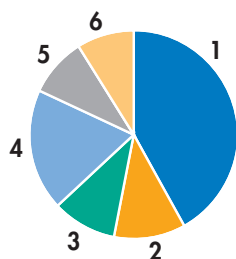
Sampo Group in total EUR 853 m



- 1 Private clients 37
- 2 Corporate clients 28
- 3 Major clients 35

Direct non-life insurance premiums written by line of insurance, %

Total EUR 242 m



- 1 Statutory workers compensation 42
- 2 Motor third party liability 11
- 3 Motor, other classes 10
- 4 Fire and other damage to property 19
- 5 Third party liability 9
- 6 Other 9

Small and medium-sized enterprises, their key personnel, the public sector, and housing and real estate companies are all well served by Sampo Group company Sampo Enterprise.

In Estonia, the ongoing provision and development of insurance services is the responsibility of non-life insurance company Sampo Eesti Varakindlustus and life insurance company Sampo Eesti Elukindlustus. In Latvia, clients are catered for by non-life insurer Sampo Latvija and life company Sampo Latvija Dzīvība, and in Lithuania by the non-life insurance company Sampo Draudimas that was founded during the review year.

Sampo Enterprise has over 90,000 clients and preliminary information indicates that domestic market share stood at 10 per cent. Sampo Eesti Kindlustus has approximately 200,000 clients and holds around 38 per cent of the Estonian market. Sampo Latvija has over 200 clients and a market share of some 0.5 per cent. Sampo Draudimas operating in Lithuania received its operating licence just before the end of the year.

The Sampo Enterprise Service Network is responsible for client relationship management and the Non-Life Insurance Unit ensures a sharper focus on non-life business. The other profit centres are the Baltic Profit Group and Sampo Enterprise Investment Operations, while Corporate Development and Administration provides operations support for the whole company.

The Service Network comprises the regional organisation and Technical Channels that in turn comprise the Sampo Call Centre and Electronic Channel. An analysis was begun in Spring, 1999 with the aim of uniting the service networks of Sampo Enterprise and Private Sampo during the year 2000.

E-business took a giant leap forward when the electronic sampo.fi folder was introduced on the Internet, enabling fully paper-free handling of insurance issues for corporate clients. More than 350 companies

had adopted sampo.fi folder system by the year-end, accounting for over 10 per cent of the premiums written by Sampo Enterprise. To the best of our knowledge, there is no such similar service available for corporate clients anywhere else in the world at this point.

The volume of business mediated by brokers continued its marginal growth, accounting for over 7 per cent of the total premiums written by Sampo Enterprise.

Improved Performance

Sampo Enterprise recorded a profit of EUR 27 million for the financial year. The non-life insurance balance on technical account before the change in equalisation provision was EUR -16 million, and net investment income stood at EUR 66 million. Sampo Enterprise

Sampo Enterprise Insurance Company Limited

EUR millions	1999	1998
Turnover	303.9	334.6
Premiums earned	209.0	230.0
Claims incurred ¹⁾	-187.8	-219.5
Net operating expenses	-36.2	-31.6
Change in the equalisation provision	-12.6	-7.8
Balance on technical account	-27.5	-28.8
Net investment income	65.6	62.8
Profit/loss for the financial year	26.7	24.1
Technical provisions, net	487.4	439.0
Balance Sheet total	629.1	573.6
Balance Sheet total at current values	915.7	701.8
Solvency margin	337.9	208.4
Equalisation provision	48.4	35.8
Solvency capital	386.3	244.2
Loss ratio, %	89.9	95.4
Expense ratio, %	17.3	13.7
Combined ratio, %	107.2	109.1
Solvency ratio, %	184.8	106.1
Average no. of personnel	617	592

¹⁾ Including change in the collective guarantee item.

group profit totalled EUR 28 million for the year, and profitability and solvency continued to improve both in the parent company and in Sampo Enterprise Group.

Direct non-life insurance premiums written by Sampo Enterprise totalled EUR 222 million and gross premiums written EUR 226 million. Direct insurance premiums written increased by 4.8 per cent over 1998 excluding the domestic, non-recurring separate charge on statutory workers compensation insurance. Credit losses on unpaid premiums totalled around EUR 1 million.

Claims incurred during the review year stood at EUR 188 million. Comparable growth in claims incurred as against 1998 was 2.8 per cent, excluding the exceptional items class that was part of the 1998 total. The number of large claims remained unchanged over 1998, but their proportion of the total amount of claims incurred was smaller than in the previous year. Net operating expenses totalled EUR 36 million.

The focus of new investments lay on equities. Investments in bonds were mainly in

short maturity papers, as a result of the considerable rise of interest rate levels in 1999. The demand for financing by SMEs rose during the review year and was directed mainly at financing investments.

In the Baltic countries, Sampo Enterprise acquired and established new companies during the year under review. The total result from these Baltic enterprises was approximately EUR -1 million, accounting for around 8 per cent of non-life insurance premiums written by Sampo Enterprise Group.

Outlook

As a part of the structural development of the Sampo Group, Sampo subsidiaries Sampo Enterprise and Industrial Insurance will be merged into their parent company. Insurance business will be transferred to two new insurance companies after the mergers, one of which will concentrate on major clients and the second on other non-life insurance. Sampo would at the same time renounce its insurance company licence to become a holding company. The schedule as planned means the mergers will come into effect on December 31st, 2000, providing they have been approved by the relevant authorities.

The non-life insurance channel strategy has been determined and resources will be allocated to the development of the appropriate channels. There will be a clear focus on the development of e-business, both in Finland and abroad, which represents a growth area for which the merger of Sampo and Leonia provides an excellent starting point. Success in the rapidly growing and developing electronic communications and e-commerce markets requires the sufficient quantitative and qualitative allocation of resources.

Sampo Enterprise will continue to be responsible for the control of Baltic subsidiaries in the year 2000, at the beginning of which a decision was made to bring Poland into the CEE (Central East European) business area that shall comprise Poland and the Baltic countries.

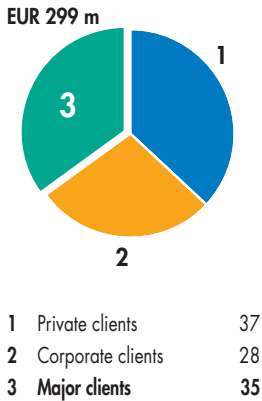
Baltic subsidiaries

EUR millions	1999	1998
Turnover ¹⁾	20.6	3.0
Premiums earned	13.5	0.9
Claims incurred	-6.9	-0.6
Net operating expenses	-5.8	-0.5
Other technical charges	-2.4	-
Change in the equalisation provision	-	-
Balance on technical account	-1.6	-0.1
Net investment income	0.8	0.0
Profit/loss for the financial year ¹⁾	-1.0	-0.1
Technical provisions, net ¹⁾	11.4	1.2
Balance Sheet total ¹⁾	27.6	3.6
Balance Sheet total at current values ¹⁾	27.6	3.6
Solvency margin ¹⁾	12.0	1.9
Equalisation provision	-	-
Solvency capital ¹⁾	12.4	1.9
Loss ratio, %	51.3	58.9
Expense ratio, %	42.7	52.9
Combined ratio, %	93.9	111.7
Solvency ratio, %	92.1	196.9
Average no. of personnel	443	19

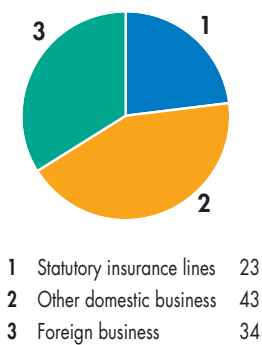
¹⁾Including both non-life and life insurance in 1999.

SAMPO INDUSTRIAL

Direct non-life insurance premiums written, %
Sampo Group in total EUR 853 m



Distribution of gross premiums written by Sampo Industrial, %
Total EUR 326 m ¹⁾



¹⁾ The insurance business between companies has been eliminated.

Sampo Industrial is the brand name for the Sampo companies that specialise in providing insurance and risk management services to large enterprises. Major clients are served by Industrial Insurance in Finland, Sampo Industriförsäkring in Sweden, Sampo Poland in Poland, and Sampo Industrial Insurance in Germany, the UK, the Netherlands and Belgium. Sampo Group also has representative offices in St. Petersburg and Moscow.

After Otso Loss of Profits Insurance Company Ltd and the Insurance Company of Finland Ltd merged into their parent company Sampo plc at the end of 1999, the services they had formerly supplied to large enterprises were transferred to Industrial Insurance. As a result of acquisitions and the establishment of a service entity in Poland during the review year, Sampo's own office network now covers almost the whole of Northern Europe, an area it sees as its domestic market. Elsewhere in the world, Sampo clients are served by a global net of co-operation partners.

Sampo Industrial roots lie in Finland and Finnish industry. Industrial Insurance is the undisputed market leader in its segment in Finland, with a clientele of approximately 500 large-scale industrial groups. Elsewhere in Northern Europe, Sampo Industrial focuses on industries and types of risk in which it has proven expertise. Core areas of know-how are the forestry industry, power generation, the construction, metal, information, chemical and food industries, financial services, and logistics and transportation.

Specialisation enables in-depth understanding of the client's business and the operating model has yielded positive results. Market share in the forestry industry continued to grow during the year under review. Sampo Industrial now insures approximately 20 per cent of all the paper, pulp and cardboard production capacity in Europe.

Sampo Industrial works in close co-operation with the leading experts in its core areas of business. Substantial progress in logistics and transportation insurance, together with significant expertise in dealing with loss of profits risks, adds further value that enables Sampo Industrial to provide comprehensive

risk management services and insurance cover for its client companies. This takes in the entire logistics chain, from raw materials supplies, through subcontractors and service providers, right up to client deliveries.

The importance of the roles of knowledge, technical innovation, product development and expertise in industrial risk management has become increasingly pronounced. This shift in key aspects of risk management work has affected all business enterprises, regardless of their field of activity. The change in risk profiles is particularly emphasised in the information industry. Consequently, Sampo Industrial devoted special attention to the implications of this challenge during 1999, by focusing its product development work on the information industry.

The importance for Sampo Industrial of the new e-channels lies more in client services than sales. The Electronic Client Files project launched in Finland in 1999 will increasingly enable all client information flows to be handled via the Internet. We believe that the use of such electronic client files will streamline co-operation not only with the clients themselves, but also with the brokers that in fact represent almost half of Sampo Industrial's entire clientele.

Growth in Europe and A Large Number of Year-End Losses

Sampo Industrial premium income rose, due in particular to subsidiary Sampo Industrial Insurance N.V. recording 18 per cent growth on the year. Around half of Sampo Industrial Insurance N.V. business was reinsured by Industrial Insurance and Otso. The degree of comparability of Industrial Insurance premium income is affected by the non-recurring separate charge on statutory workers

compensation insurance in 1998; premium income increased by 6 per cent excluding this charge.

No claims were recorded on Y2K risks at the turn of the millennium, and neither did the storms that caused extensive damage in various parts of Europe have a significant impact on Sampo Industrial's portfolio. Loss experience was also favourable in other respects during the first half of the year. The last quarter of 1999, however, saw almost as many large claims exceeding EUR 2 million recorded as in the whole of 1998. The insurance business result cannot therefore be described as satisfactory. There were 17 large claims in total, five in Finland and twelve abroad. This was reflected in the loss ratios of all Sampo Industrial companies.

The higher level of recruitment at Industrial Insurance, combined with IT expenses arising from the transfer to the euro, were the primary causes of increased operating expenses. Those of Sampo Industrial Insurance N.V. were further weighted by the growth in broker commissions attributable to increased trading volumes.

Industrial Insurance recorded an exceptionally large profit for the financial year, thanks to a good investment result. This favourable development plus rising stock markets pushed solvency to an appreciably higher level. Sampo Industrial Insurance N.V.'s unsatisfactory result was mainly attributable to large claims.

Outlook

Two successive years involving a large number of losses places rising emphasis on the importance of loss prevention. Most of these large claims resulted from rather traditional circumstances. The focus of loss prevention measures in the year 2000 will therefore lie increasingly on better control of the causes of major losses.

Sampo Industrial expanded its operations in Germany, the UK and Sweden, through acquisitions that have strengthened the organisation's distribution network and raised its status as an acknowledged insurer of industrial enterprises in Europe.

As a result of the acquisitions, pro forma premiums written by Industrial Insurance Group will exceed EUR 400 million; the business is being handled by around 650 staff. The new operating scenario means that some 40 per cent of premiums written and 30 per cent of the personnel are now foreign.

As a part of the structural development of the Sampo Group, Sampo subsidiaries Industrial Insurance and Sampo Enterprise will be merged into their parent company. Insurance business will be transferred to two new insurance companies after the mergers, one of which will concentrate on major clients and the second on other non-life insurance. Sampo would at the same time renounce its insurance company licence to become a holding company. The schedule as planned means the mergers will come into effect on December 31st, 2000, providing they have been approved by the relevant authorities.

EUR millions	Industrial Insurance Company Ltd		Sampo Industrial Insurance N.V.		Otso Loss of Profits Insurance Company Ltd	
	1999	1998	1999	1998	1999	1998
Turnover	595.2	406.0	78.4	65.7	55.3	78.9
Premiums earned	195.1	203.3	20.2	17.2	15.8	19.4
Claims incurred ¹⁾	-200.9	-212.7	-19.0	-16.6	-17.3	-16.5
Net operating expenses	-32.3	-28.9	-7.1	-6.6	-4.9	-7.6
Change in the equalisation provision	24.0	29.9	-	-	4.1	-0.4
Balance on technical account	-14.1	-8.4	-5.8	-5.9	-2.2	-5.2
Net investment income	279.9	124.2	4.9	4.6	14.7	32.9
Profit/loss for the financial year	189.7	82.2	-1.2	-1.3	9.1	21.2
Technical provisions, net	568.1	552.7	48.5	36.1	*	106.0
Balance Sheet total	977.5	790.4	107.8	101.2	*	162.2
Balance Sheet total at current values	2,791.2	1,563.6	111.4	105.6	*	277.7
Solvency margin	1,864.1	869.5	47.0	48.9	*	135.4
Equalisation provision	35.4	59.4	-	-	*	78.3
Solvency capital	1,899.5	928.9	47.0	48.9	*	213.7
Loss ratio, %	103.0	104.7	93.8	96.4	109.1	85.2
Expense ratio, %	16.5	14.2	35.0	38.1	31.1	39.3
Combined ratio, %	119.5	118.9	128.9	134.5	140.2	124.6
Solvency ratio, %	973.7	457.0	232.1	284.0	*	1,100.9
Average no. of personnel	390	385	83	73	40	43

¹⁾ Including change in the collective guarantee item.

* Otso was merged with Sampo on December 31st, 1999.

FOREIGN REINSURANCE RUN-OFF

The Sampo run-off companies, Patria Reinsurance Company Ltd, ST International Insurance Company Ltd and Lakewood Insurance Company Ltd, are in charge of running off Sampo Group's foreign reinsurance portfolio.

Foreign and domestic reinsurance run-offs continued successfully in 1999. Patria completed commutation negotiations with several companies operating in the London market, including the disposal of asbestos and environmental liabilities according to target. Two long-term disputes were also brought to a close in the year under review. The Courts of Arbitration in Sweden approved Patria's avoidance claim in one, and turned down two-thirds of the adversary's claim for payment in the other.

Patria's gross provision for outstanding claims decreased by EUR 19.3 million using fixed foreign currency exchange rates. Claims paid on contracts active at the year-end totalled EUR 9.0 million. Patria's investments are still mainly in currency-denominated bonds and money-market instruments.

ST International was granted an interim award on a long-term dispute when the Court of Arbitration in Finland rejected the company's right of avoidance. A settlement agreement in this dispute has since been reached.

According to a resolution passed by the ST International and Patria Boards in December 1998, ST International's remaining reinsurance treaty portfolio will be administered by Patria by Autumn 2000.

ST International claims paid developed as expected and the gross provision for outstanding claims decreased by EUR 14.5 million using fixed foreign currency exchange rates. All real estate investments have now

been realised and the final accounts for the financial year show EUR 1.2 million of realised gains.

The insurance portfolio run-off was reasonably successful in Lakewood, operating out of London. The gross provision for outstanding claims decreased by EUR 3.6 million to stand at EUR 23.9 million at the year-end.

The reinsurance systems of all the run-off companies are now euro-ready.

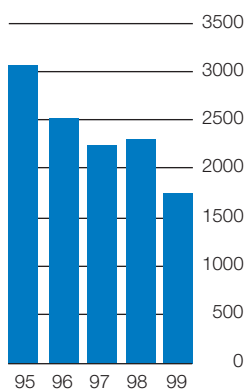
The companies' balance on technical account before the change in equalisation provision stood at EUR 2.8 million, but showed a loss after the change.

Run-offs and commutations are becoming an increasingly common and approved way for insurance companies to eliminate their market liabilities. This gradual change of attitude facilitates and expedites the task of run-off companies, although insurance companies' continuing structural reorganisations tend to slow the process.

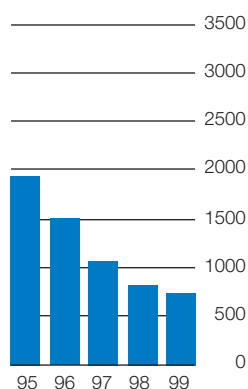
Some 30 per cent of Patria's provision for outstanding claims is reserved for asbestos and environmental damages; the figure for ST International is around 20 per cent.

The run-off companies' equalisation provision provides a good buffer against the uncertainty that continues to surround the evaluation of the provision for outstanding claims. Both domestic run-off companies still have arbitration proceedings underway that involve significant financial interests.

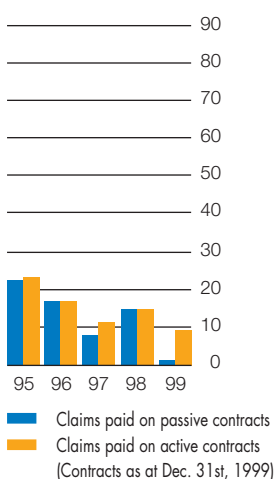
Number of Patria Re's active contracts managed by the company itself



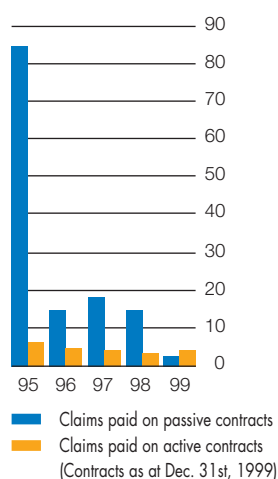
Number of ST International's active contracts managed by the company itself



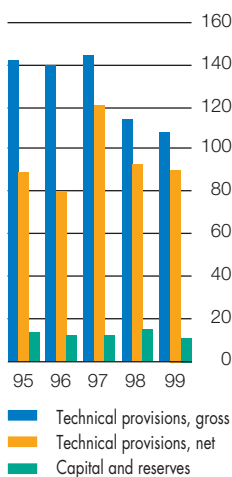
Foreign reinsurance claims paid by Patria Re, EUR m



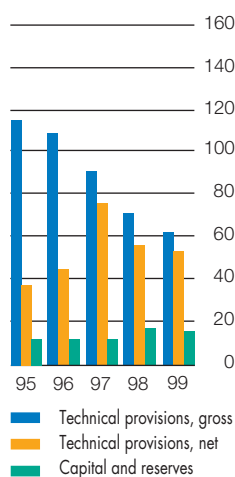
Foreign reinsurance claims paid by ST International, EUR m



Patria Re's technical provisions and capital and reserves, EUR m



ST International's technical provisions and capital and reserves, EUR m

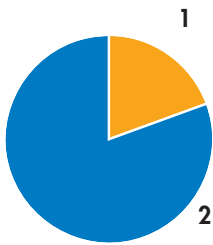


Run-off companies

EUR millions	1999	1998
Premiums earned	-10.5	0.0
Claims incurred	12.6	10.2
Net operating expenses	0.6	-1.3
Change in the equalisation provision	-22.7	-14.3
Balance on technical account	-19.9	-5.5
Net investment income	15.6	11.3
Profit/loss for the financial year	-4.2	6.4
Technical provisions, net	200.9	182.5
Balance Sheet total	290.0	290.7
Balance Sheet total at current values	292.3	295.6
Average no. of personnel	32	34

SAMPO LIFE

Market shares, %



1 Sampo Life	19.2
2 Other companies	80.8

Finnish life insurance operations celebrated 125 years of business handled by domestic companies in 1999. This watershed also marked the new Sampo Life's first year of operations, resulting from the merger of Nova Life Insurance Company Limited and Sampo Life Insurance Company Limited on December 31st, 1998. This was best characterised by the merged company moving into its new Head Office in the Sinebrychoff buildings in March 1999.

Growing Markets, Stronger Companies

Finnish life companies' combined premiums written grew according to preliminary information by 23 per cent to EUR 2.8 billion. Moreover, their investment income and solvency were strengthened by the rising stock market, a trend which accelerated towards the end of the year under review.

Foreign insurance companies continue to show increasing interest in the Finnish market, but in the review year were unable to challenge the domestic operators' strong position. The foreign insurers' market share in Finland thus remained modest.

A discussion arose in Spring, 1999 concerning the tax deductibility of individual

The 125th anniversary of Finnish life insurance operations fell in 1999. The jubilee also marked the first year of the new Sampo Life. In April 1999, the head office operations of Sampo Life moved to their new site in Hietalahti, Helsinki. Approximately 270 life insurance professionals work at the renovated premises in the historical Sinebrychoff buildings.



pension insurance premiums in Finland. The resulting uncertainty affected sales, which as a whole remained below the record levels of 1998. Clients seemed to accept the intent of the tax reform to raise the retirement age, but the restriction of the right to deduct premiums paid on behalf of a spouse met with less understanding. However, the reform as implemented allows the insured to raise the total level of their pension cover after the age of 60.

Premiums from policies taken by individuals rose by more than 40 per cent and totalled EUR 1.9 billion. The proportion of private insurances of the gross premiums written increased by 8 percentage points to 68 per cent. The anticipated growth of the individual life insurance market has thus taken off.

It is estimated that during the next few years, insurance savings will make up a larger proportion of households' financial assets than ever before in Finland - approaching the 20 per cent level common in Europe.

The percentage of gross premiums written accounted for by unit-linked insurances rose in the review year to more than 20 per cent in Finland, from 15 per cent in 1998. This increase is in line with international trends. The growth of this insurance class was further accelerated when the maximum guaranteed interest on traditional insurances fell to 3.5 per cent. Sales of unit-linked life insurances brought in premiums amounting to nearly EUR 0.5 billion in 1999, and those of pension insurances drew EUR 100 million.

While there was also growth in traditional individual pension insurance, it was considerably more modest than for unit-linked insurance. Premiums written stood at around EUR 390 million or around 5 per cent more than in 1998.

Group pension insurance premiums written by Finnish life companies rose in excess of 13 per cent to more than EUR 290 million. Most of the premiums written related to liability transfers by pension funds.

Premiums written on traditional life insurance grew by more than 36 per cent to approximately EUR 1.2 billion.

Sampo Life Gained Market Share

Sampo Life gross premiums written rose to EUR 541 million during the year under review, almost 38 per cent up on 1998. Early figures on premiums written for the entire life industry indicate Sampo Life's market share increased by 2.1 percentage points to 19.2 per cent.

The principal goal for 1999 was to strengthen the company's market position in unit-linked insurances. According to preliminary information, Sampo Life increased its market share by 6 percentage points to around 8 per cent in this segment, which is the fastest growing in the insurance industry. The longer-term goal is to achieve a level corresponding to the company's total market share.

Growth in individual pension insurances remained modest, with premiums written amounting to EUR 105 million. Premiums written during the last few weeks of the year (traditionally the busiest sales period) did not reach the exceptionally high levels of 1998. Individual pension insurance is one of the key areas of development in the company's operations in the year 2000.

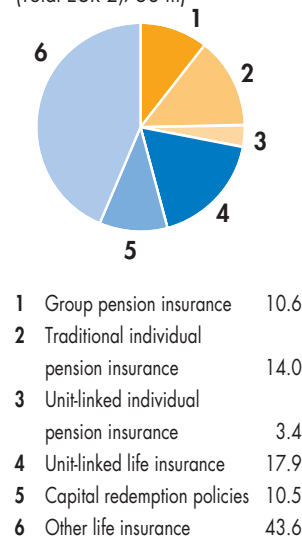
Premiums written on group pension insurance more than doubled over 1998 to EUR 167 million. Growth was particularly strong in voluntary TEL-related (TEL = Employees' Pensions Act) pension business, where premiums written resulted mainly from transfers of liability on the dissolution of a number of pension funds. Sampo Life is the clear market leader in the group pension insurance segment with a market share of nearly 60 per cent.

As in 1998, the major part of life insurance premiums written was single premium endowment policies. Premiums written on capital redemption policies amounted to EUR 156 million, or 6 per cent more than in 1998. The most rapid growth was seen in unit-linked life insurance, where premiums written increased as much as tenfold on the previous year to almost EUR 34 million.

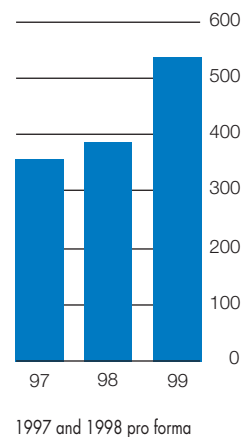
Sampo Life is the first Finnish life company to have launched insurance products the client can subscribe to and pay for via the Internet, and this was achieved in 1999. Both

Direct insurance premiums written by life insurance industry, %

(Total EUR 2,758 m)

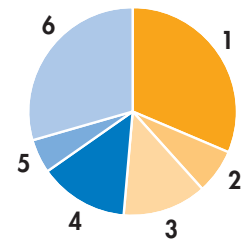


Premiums written by Sampo Life, EUR m



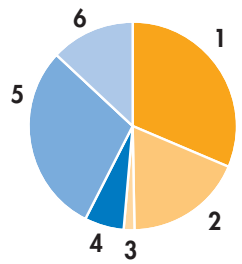
SAMPO LIFE

Direct insurance premiums written by Sampo Life, %
(Total EUR 531 m)



1	Group pension insurance	31.4
2	Individual pension insurance (corporate)	7.0
3	Individual pension insurance (private persons)	12.8
4	Other life insurance (private persons)	13.9
5	Other life insurance (corporate)	5.4
6	Capital redemption policies	29.4

Direct insurance premiums written by Sampo Life, %
(Total EUR 531 m)



1	Group pension insurance	31.4
2	Traditional individual pension insurance	18.3
3	Unit-linked individual pension insurance	1.6
4	Unit-linked life insurance	6.2
5	Capital redemption policies	29.4
6	Other life insurance	13.1

Samponet products - single-premium endowment policy and individual pension policy - got off to a promising start.

The internationalisation of Finnish companies requires Sampo Life to be able to provide services for the management of life, disability and pension insurance needs around the world. The company is therefore participating in two leading co-operation networks in order to meet these requirements, the International Group Program (IGP) and Insurope. This enables Sampo Life to provide services for its clients in over 50 countries.

Furthermore, Sampo Life is a shareholder in Nordben Life & Pension Insurance Company Ltd located on Guernsey in the Channel Islands. Nordben offers pension, life and disability cover to employees and their families who go to work abroad in countries where local insurance cover fails to meet Finnish standards.

An Excellent Investment Result

Sampo Life's level of investment risk is set to meet solvency requirements for the long-term operations of a life insurance company. In practice this means the goal has been to maintain the solvency level at an average 20 - 25 per cent on technical provisions.

A positive yield was returned on investments in 1999 as net investment income increased to EUR 298 million. The strong rise in stock exchange prices raised total investment income and increased the solvency margin. Set against this, the increase in interest rates during the financial year strained the result and income from interest-bearing instruments was barely positive.

The market value of the company's investment portfolio was EUR 4.1 billion at the year-end and this marks an increase of 34 per cent on the previous year. The proportion of investments in shares was exceptionally high at 47 per cent. The proportion of interest-bearing instruments fell to 38 per cent. Investments in real estate accounted for 6 per cent of the investment portfolio.

Sampo Life continued diversification of its investments in 1999 such that the quantity of foreign investments at market value increased to EUR 1.2 billion or 31 per cent of the investment portfolio.

The valuation difference between the market and book values of investments almost doubled to EUR 840 million.

Good Profits for Clients and Shareholders

The Sampo Life result for 1999 was EUR 21 million after tax, untaxed reserves and client bonuses, compared to EUR 13 million for 1998.

Sampo Life aims for a total return on policyholders' with-profit savings that at least matches Finnish treasury bond yields. The total return comprises the guaranteed interest and bonuses determined annually on the basis of Sampo Life performance. The company also pursues future continuity in the level of total returns.

A client bonus of 1.1 - 2.7 per cent was granted on insurance savings, in addition to the guaranteed interest rate, depending on which insurance line was involved. Total yield was thus 5.0 - 6.2 per cent.

Sampo Life aims to maintain solvency status at a level that does not limit the granting of bonuses to policyholders and distributing of profits to shareholders.

Sampo Life's solvency margin stood at EUR 949 million or seven times the required minimum, while solvency capital - solvency margin plus equalisation provision - stood at EUR 960 million. At the end of 1999, solvency capital was 31.1 per cent of own-account technical provisions (21.2 per cent).

Principle of Fairness

The Finnish Insurance Companies Act, Chapter 13, Section 3, states that a so-called Principle of Fairness must be applied to with-profit policies. A reasonable portion of the surplus must therefore be returned to these policies in the form of bonuses, in so far as solvency requirements permit.

Sampo Life's Board of Directors decided on its interpretation of the Principle of Fairness, in conjunction with the 1998 final accounts, and thus on the proportion of assets to be attributed to the owners.

One consequence of the Principle of Fairness and Sampo Life's bonus policy is that a part of the company's solvency capital is required to safeguard the benefits insured. Restricted and non-restricted capital and reserves are considered to belong to the shareholders, as is eighty per cent of valuation differences not needed to ensure long-run solvency. This calculated distribution of valuation differences does not entitle individual shareholders or policyholders to these valuation differences.

Looking to the Future

Life insurance companies are important to the Finnish economy, inasmuch as their combined balance sheet total exceeded EUR 16 billion at current values during the year under review.

The life market yet has the potential for considerable growth, particularly in the increasingly popular individual and group pension insurances that supplement statutory pension cover. Households will invest a substantially larger proportion of their assets in insurance savings than the present 10 per cent.

The proportion of unit-linked policies in new sales will continue to grow and may reach nearly 30 per cent of gross premiums written in the year 2000.

Sampo Life's total market share is not expected to increase significantly this year. The Group's objective is instead to increase its share of the unit-linked market. Sampo Life will also target an increase in the sales of regular premium policies this year. The sharpest focus will fall on individual pension insurances.

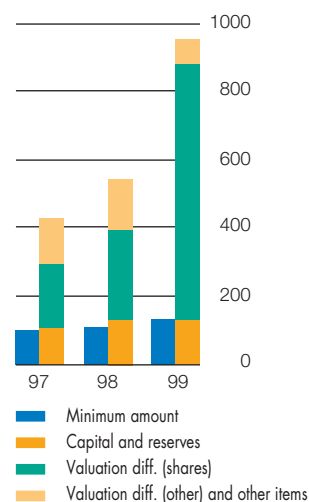
The company began to promote Internet-based products and channels in 1999 and will continue to do so. The next development

shift following on from the provision of current Samponet products will be to bring unit-linked insurances into the online environment. For Sampo Life in the next few years, the Internet will evolve as an important channel to sell and manage these products.

Joining forces with Leonia Life Insurance Company will considerably strengthen Sampo Life's service capacity and market position, most especially in the household and small-business segments. Using the bank as a distribution channel will open up new opportunities for selling life and pension insurances to clients and potential clients shared by the two companies.

Anticipating the formation of the Sampo-Leonia financial group, Sampo Life has already established an asset management network that operates as a new sales channel for Sampo Life products.

Sampo Life's solvency margin, EUR m



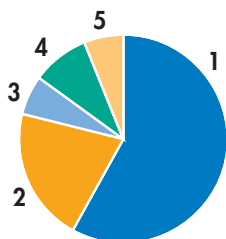
Solvency margin is the company's assets less liabilities.

Year 1997 pro forma.

INVESTMENTS

Group's investment portfolio, %

(Total at current values
EUR 9.4 b)



1 Shares	58
2 Bonds	21
3 Money-market investments	6
4 Land and buildings	9
5 Other	6

Share of foreign investments 21%

The investment market was fairly inconsistent in 1999. Interest rates rose considerably and the 10-year Euro rate that stood at 3.93 per cent at the beginning of the year was 5.36 per cent at the year-end.

The stock market continued its stronger than average growth for the fifth year running. The FT World Index rose by 26 per cent, the Hex All-Share Index by 162 per cent and the weight-limited Portfolio Index by 66 per cent. Strong demand for equities on international markets continued, due to worldwide corporate restructuring, fierce growth in the IT and telecommunications sectors and greatly improved investment yields. The telecommunications and electronics industry already accounts for more than 79 per cent of the market value of the Helsinki Stock Exchange.

Capital values and rental levels of domestic real estates continued to rise as a result of the strong economic growth.

Corporate financing markets in 1999 were characterised by the ongoing strength of growth in Private Equity markets, and the greater willingness of SMEs to seek risk capital through IPOs. This intense development is expected to continue in the year 2000.

The current value of Sampo Group investments at December 31st, 1999 totalled EUR 9.4 billion. Investments in interest-bearing instruments accounted for 33 per cent of Group investment assets, equities for 58 per cent and real estate investments 9 per cent. The valuation difference between the current and book values of investments amounted to EUR 3.4 billion. International investments accounted for 21 per cent of the total investments portfolio.

Life and non-life insurance companies' operational characteristics and technical provisions mean different working requirements and restrictions, especially in securities investments. Sampo Life strategies and ways of working therefore differ from those of non-life companies.

Non-Life Insurance Securities Investments

Securities investments continued to be concentrated strongly on equities, although the value of those sold in 1999 was EUR 774 million and EUR 594 million was reinvested.

The total yield of the securities portfolio including valuation differences was 85 per cent.

Domestic equity investments accounted for 93 per cent of the total equities portfolio. The goal now is to increase the proportion of foreign equities to 20 per cent. The company has for long concentrated its global investments in six lines of business that complement each other in an optimal way from a risk management perspective.

The yield on equity investments was 110 per cent. The benchmark yield, weighted on 93 per cent Hex Portfolio Index and 7 per cent FT World Index, stood at 63 per cent.

The domestic market for interest-bearing instruments is considered to comprise the entire euro area, and these accounted for 69 per cent of the interest portfolio. Treasury bonds make up the greater part of investments in interest-bearing instruments. The aim now is to raise the proportion of corporate bonds in that total. The yield on interest-bearing instruments was 3.6 per cent and the interest portfolio duration was 2.7. The benchmark yield was 1.6 per cent at a duration of 3.8.

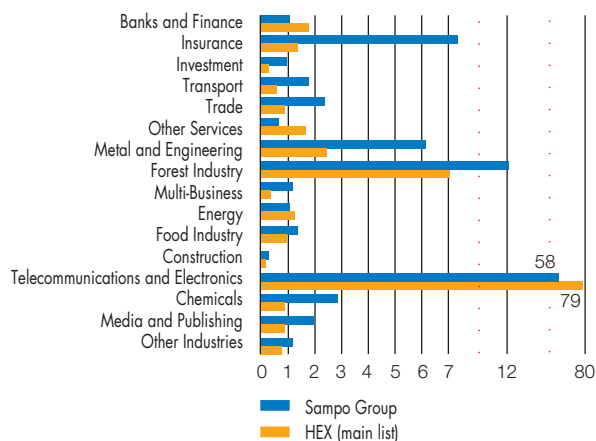
Derivatives have been mainly used for portfolio management, and their yield amounted to EUR 3 million.

Sampo Life Securities Investments

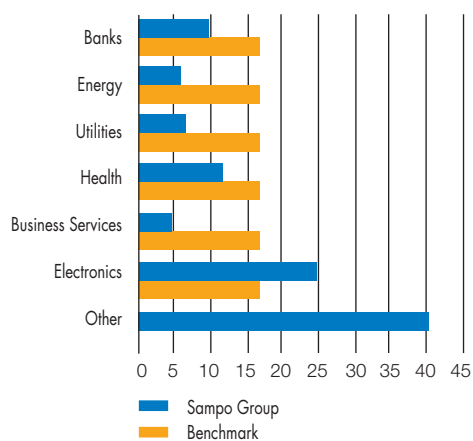
The level of risk attached to Sampo Life's securities portfolio is lower than that for non-life insurance. The aim is to maintain the proportions of the total investment portfolio at 35 per cent for equities and in excess of 50 per cent for interest-bearing investments. The yield on the securities portfolio was 24 per cent.

The yield on equity investments amounted to 62 per cent. The benchmark yield was 57 per cent weighted on 70 per cent Hex Portfolio Index and 30 per cent MSCI World Index. The yield on investments in interest-bearing instruments was 0.3 per cent and the duration 3.6. The benchmark yield was -2.15 per cent and the duration 4.1.

Investments in listed domestic shares by industry, %
(At current values EUR 4,130 m)



Investments in listed foreign shares by industry, %
(At current values EUR 652 m)



Group's Domestic Real Estate Portfolio, December 31st, 1999

	Area '000 m ²	Current value EUR m	Distribution of portfolio %	Net yield/ effective %	Net yield/ potential %	Vacancy rate %	Owner occupied %
Business premises							
Offices and retail premises	357.4	533.6	68.0	6.8	7.0	2.5	30.0
Industrial buildings and warehouses	78.1	54.0	6.9	8.5	9.0	4.4	
Hotels	19.2	13.1	1.7	7.6	7.6	0.0	
Business premises in total	456.6	600.8	76.5	7.0	7.2	2.7	
Residential buildings	94.7	73.3	9.3	7.1	7.1	0.0	
Other buildings	3.4	9.7	1.2	0.7	0.7	0.0	90.0
Completed property portfolio	552.7	683.8	87.1	6.9	7.1	2.3	
Sites and development projects	1.2	53.9	6.9				
Acquisitions during the year	16.8	47.4	6.0				
Total	570.8	785.1	100.0				

Net yield comprises EUR 0.8 million of interest subsidies paid on state-subsidised residential properties.

An independent authorised real estate surveyor has valued the rents for the retail premises and offices occupied by Sampo, at an average of EUR 11.44 per m² per month (gross).

The potential net yield ratio comprises the estimated rental income for vacant premises, at an average of EUR 6.53 per m² per month (gross).

Furthermore, group companies own approximately 8,100 m² of mainly owner occupied real estate abroad, at a current value of around EUR 30.7 million.

INVESTMENTS

Due to the substantial increase in stock market prices, Sampo Life has hedged risk on its equity portfolio through derivatives. Hedging costs of EUR 68 million have been taken into account in calculating the yield on equity investments.

Client Financing

Client financing was split into two separate functions in April 1999, namely Private Equity and Client Financing. The latter retained responsibility for investment credits and guarantee insurance operations. Responsibility for the guarantee insurance liabilities of both Sampo and Sampo Enterprise was transferred to the Client Financing function when the Insurance Company of Finland Ltd merged into its parent company Sampo.

Private Equity and Project Financing

The Private Equity function is responsible for Sampo Group's private equity fund investments, private equity investments in unlisted companies, and investments in the nature of project financing. The volume of investments using these instruments rose considerably

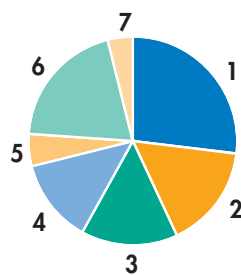
during 1999. For non-life insurance, new commitments in private equity funds were valued at EUR 40 million, while new direct investments were valued at EUR 10 million. In Sampo Life, new private equity fund commitments were valued at EUR 196 million and new direct investments at EUR 22 million.

Sampo Group commitments in private equity funds were valued at EUR 374 million at the year-end, of which EUR 116 million was invested. Direct private equity investments in unlisted companies totalled EUR 67 million at the year-end.

Real Estate Portfolio Structure Development

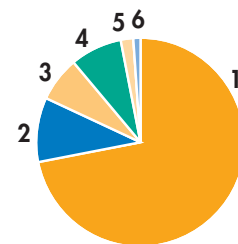
Sampo Group's real estate portfolio structure was further developed in the year under review. Realisations of EUR 125 million were made and new investments amounted to EUR 76 million. Realised gains on real estate sales totalled EUR 18.4 million, of which non-life insurance companies accounted for EUR 8.4 million and Sampo Life EUR 10.0 million. The most significant transactions were the sale of 14 warehousing and logistics

Real estate portfolio,
regional distribution, %
(At current values)



1	Central Helsinki	27
2	Other parts of Helsinki	16
3	Helsinki metropolitan area	15
4	Turku	13
5	Tampere	5
6	Other parts of Finland	20
7	Overseas	4

Real estate portfolio,
distribution by use, %
(At current values)



1	Offices and retail premises	72
2	Residential buildings	10
3	Industrial buildings and warehouses	7
4	Undeveloped sites and development projects	8
5	Hotels	2
6	Other	1

Total investments in land and buildings EUR 816 m

buildings to Castrum Oyj and three shopping centre properties to Kiinteistösi joitus Oyj Citycon.

New investments were concentrated on larger units, mainly office premises in Greater Helsinki. Their value growth potential is considered favourable and demand for premises to rent continues to grow. The most significant new real estate investments were the head office premises of Skanska Oy on Paciuksenkatu in Helsinki, the 3rd stage of the Stella Business Park in Leppävaara (Espoo, near Helsinki), and the decision to build offices for Kone Corporation in Keilaniemi, Espoo and Haaga, Helsinki, as well as to invest in the further development of the Sinebrychoff buildings, again in the Finnish capital.

Funds and Asset Management Services

Sampo Asset Management Ltd and Sampo Fund Management Ltd are wholly owned subsidiaries of Sampo Finance Ltd, which is in turn owned in equal parts by Sampo and Kaleva.

Sampo Fund Management introduced eight new mutual funds on to the market in April, 1999: Sampo Sectorsfund (Finland), Sampo Sectorsfund (Europe), Sampo Sectorsfund (Global), Sampo 2010 Fund, Sampo 2020 Fund, Sampo 2030 Fund, Sampo Euro Liquidity Fund and Sampo Euro Bond Fund. The starting point for the planning of these new funds was to develop new types of investment and savings products, suited to both direct fund investments and compatible with Sampo Life unit-linked insurance.

It first became possible for Sampo clients to subscribe to funds on the Internet in April 1999; to make additional subscriptions, arrange monthly savings contracts and even switch funds. Fund owners can also redeem units directly into their own bank account via the Internet and track unit development.

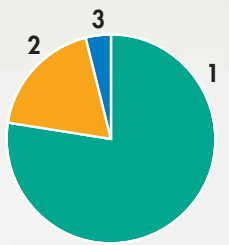
The new funds increased the total asset value of funds administered by the company to around EUR 100 million. Fund savings are expected to continue their positive development during the year 2000 and it is antici-

pated that the number of new fund unit holders will increase considerably. Sampo Fund Management develops its operations by introducing new products on to the market.

Sampo Asset Management employed new portfolio managers and analysts in 1999, in order to devote real attention to increasing investment resources. Furthermore, the company developed portfolio management models and systems to offer asset management services based on a clearly defined investment philosophy.

SAMPO PERSONNEL

Distribution of personnel, %



1	Finland	77.5
2	Baltic countries	18.5
3	Other countries	4.0

Personnel development has continued to focus on the planning of new learning environments. We built and piloted a new net-based learning environment in 1999, which will be implemented on a wider scale during the year 2000.

Sampo Group's growing international operations increased personnel numbers by almost 30 per cent during the review year. The total number of staff as at December 31st, 1999 stood at 4,536. Of these, 1,022 worked in the overseas units, most of them (82 per cent) in the Baltic companies. The proportion of overseas staff increased to slightly over a fifth of the whole personnel. The following deals with Finnish Sampo staff alone.

Sampo Group employed a permanent staff numbering 3,514 in Finland as at December 31st, 1999, of which slightly more than one third is male. A total of 246 new personnel was taken on in the year under review. Some 138 staff left Sampo Group's Finnish employ in 1999, a net turnover of 4 per cent compared to 6.3 per cent in 1998.

Part-time employees accounted for 6.6 per cent of the total personnel and 38 per cent of those were on a part-time pension. There were altogether 87 part-time pension retirees working at the year-end, representing almost one half of those who have reached the age at which they are entitled to a part-time pension. A total of 188 persons had reached that age by the beginning of the year 2000, and that number is increasing at a rate of nearly one hundred per year.

Standard of Education

The annual increase in the average standard of education amongst our personnel is mainly attributable to employee recruitment. Of those who were hired in 1999, a high 78 per cent had at least a college training. In fact, as many as 60.5 per cent of permanent personnel had had a minimum of a college education at the year-end.

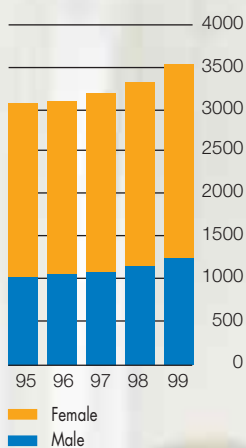
New employee recruitment also impacts on the age structure of Sampo Group personnel. The average age of permanent staff employed as at December 31st, 1999 was 43.5, whereas the average age of new staff hired in 1999 was 34.5. Almost a third of those employed in 1999 were under 30 years of age.

Working Climate and Job Satisfaction

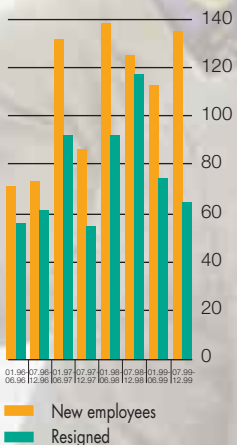
The climate survey in 1999 indicated improved job satisfaction in almost all sectors evaluated. A total of 84.5 per cent of the respondents was happy with Sampo as an employer, up 3.4 percentage points on 1998. The number of those content with their job rose by 5.6 percentage points to 79.4 per cent. Fewer respondents than before reported regular feelings of stress, and the survey also demonstrated a downward trend in dissatisfaction with any occasionally rushed schedules. The perceived quality of information flows had risen by a good 6.5 percentage points.

The improved personnel satisfaction indicated by the working climate survey offers a useful starting point for the activities of well-being support groups operating in Sampo working communities. An evaluation

Personnel in Finland



Employee turnover in Finland



of the recently instigated merit pay system in Sampo Group was added in 1999 to the job satisfaction elements surveyed, enabling the input of information on its annual incentive impact.

Professional Skills and Development

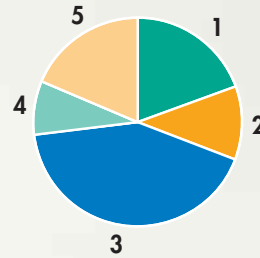
Sampo staff know-how is a good fit with the requirements of their work. The climate survey demonstrated that 88.5 per cent of respondents find their skills at least sufficient for the tasks at hand, and staff faith in their own ability to meet fresh challenges is even greater than before.

Personnel development has continued to focus on the planning of new learning environments. We built and piloted a new net-based learning environment in 1999, which will be implemented on a wider scale during the year 2000.

The systematic implementation of management and supervision training programmes continued during the review year. Management training has also been initiated in the form of apprenticeship tuition, a

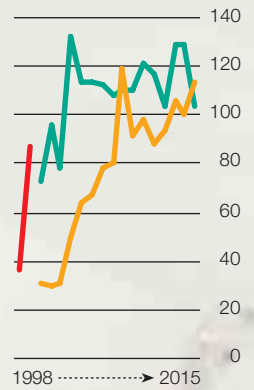
method that has already been implemented successfully in staff training in the fields of business administration and entrepreneurship. Sampo Group training programmes aimed at individuals obtaining a degree qualification attracted 114 members of staff in 1999, thirty of whom gained a further education diploma in entrepreneurship in Spring, 1999. The first business college graduates to have taken advantage of on-the-job training will receive their diplomas in Spring, 2000.

Finnish personnel by education, %



1	Comprehensive school	19.5
2	Vocational school	11.4
3	College	42.0
4	Secondary school	8.5
5	University	18.5

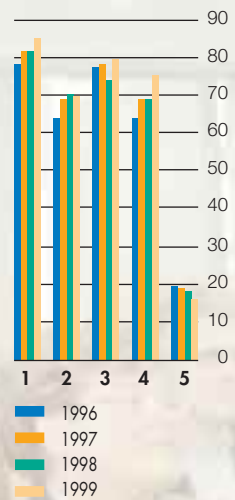
Number of employees reaching retirement age and part-time retirement age/year



1998 2015

- Part-time retirement age
- Retirement age
- On part-time pension

Main results of the corporate climate analysis, %



- 1 Satisfaction with Sampo
- 2 Satisfaction with supervisor
- 3 Satisfaction with work
- 4 Flow of information
- 5 Stress experienced

SAMPO AND THE ENVIRONMENT

Sampo's environmental policy was updated in November to meet the goals of our environmental activities. The policy will be reviewed no later than 2001. The Environmental Policy Steering Group, comprising environmental representatives from the business and service units, monitors policy implementation. Sampo is a signatory to the UNEP Statement of Environmental Commitment by the Insurance Industry. The primary targets of environmental work are to reduce the environmental impacts of our own operations and premises and to integrate environmental issues into claims handling operations.

Environmental actions also carry financial impacts. Sampo's largest expense item is compensations, a very small portion of which was attributable to environmental damage. Cost savings have been achieved in operating costs and asset management, through the environmental work done in connection with internal operations and real estate maintenance.

Environmental operations currently cover Sampo non-life companies in Finland.

Progress in Environmental Work

Further progress is being made in Sampo's internal environmental operations through the ongoing introduction of the Green Office Environmental System in all Sampo offices in Finland. The Green Office system operational in the Lauttasaari office in Helsinki since 1998 carries detailed targets and was audited last autumn. The pie chart shows the extent and depth of environmental systems as applied in Sampo.

External environmental operations relate to insurance, loss prevention, claims handling and asset management.

A total of 374 obligatory environmental damage insurance policies was written in

1999, premiums for which amounted to EUR 1.7 million. These policies are designed to cover damages caused by unknown or insolvent parties. A loss of profits policy was developed to cover business interruptions to manufacturing operations, due to a decision made by the relevant authorities in connection with sudden and unexpected environmental damage. New solutions were sought in co-operation with clients to deal with long-term progressive environmental damage.

Loss prevention work focuses on property, profit, personal, liability and transportation losses. Environmental losses are, for instance, discussed in chemical accident control seminars organised twice a year. In November, clients were invited to participate in a theme day on environmental risks.

Sampo paid EUR 0.4 million in compensation for environmental damage in 1999, for incidents such as an oil tank leak. There were 23 instances of environmental damage reported to Sampo during the year.

Sampo developed an expert system together with the Technical Research Centre of Finland, designed to standardise reporting of moisture analyses conducted in buildings to improve the fairness of compensations and prevent damages due to leakage.

Sampo's motor vehicle loss inspection system requires its subcontractors to abide by the automobile sector's general environmental programme. Vehicles considered to be beyond repair are taken to the Espoo or Pirkkala sections of the vehicle damage inspection centre (Autovahinkokeskus Oy) owned by the Finnish insurance companies. The centre has a valid environmental management programme and will build new reception lines in 2000 to further reduce environmental impacts.

Sampo Group's purchasing department introduced a set of environmental criteria for the 20 main product categories bought in. All new suppliers must comply with the criteria.

In May, Sampo signed a co-operation agreement (KRESS) concluded by real estate and building sector representatives together with the Finnish Ministry of Trade and Industry. KRESS aims at compliance with national goals stipulated by the Kyoto Convention. Sampo has also joined the real estate and building sector environmental programme (ProGresS). Sampo offices in Vantaa were selected as a pilot site for a ProGresS project studying the environmental aspects and impacts of real estate maintenance.

Sampo worked to develop the environmental management of all its real estate in co-operation with Kiinteistövarma Oy. Real estate heat, water and electricity consumption is monitored by an Internet-based system. Five building condition appraisals and two energy audits were carried out. More audits will be conducted this year in connection with the ProGresS and KRESS projects.

Environmental Performance Indicators

The figures published in the table below are used in guiding our environmental work and in benchmarking. They will be complemented by data on waste and travel, once the Green Office system has been extended to cover all Sampo offices. A decision on whether to analyse carbon dioxide emissions caused by Sampo operations is under investigation.

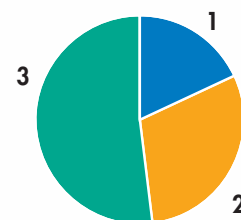
Participation Promoted

All new personnel are introduced to Sampo's environmental work.

A competition was organised last summer to gather ideas on saving paper; these were then summarised and posted on the Sampo intranet for everyone's information.

Special energy passports were distributed to all Sampo staff during the Finnish national energy-saving week in October. Those who performed at least five environmental acts participated in a prize draw. More than 40 per cent of staff returned their completed passports.

In-house environmental activities at Sampo, %



- 1 Certified Green Office, Lauttasaari, Helsinki 18
- 2 Environmental system drafting under progress in Turku and Salo 30
- 3 System drafting beginning in the year 2000 52

Percentages are based on the number of personnel in Sampo offices and other business premises.

Sampo Environmental Performance Indicators

Item	Total consumption			Relative consumption			
	1997	1998	1999	1997	1998	1999	
Electricity (MWh)	18,575	20,024	20,706	7,666	8,070	8,759	kWh/employee/year
				37	40	41	kWh/m ³
Heat (MWh)	14,125	13,333	12,925	5,830	5,372	5,467	kWh/employee/year
				28	26	26	kWh/m ³
Water (m ³)	45,809	47,729	48,790	57	59	63	l/employee/day
				91	95	97	l/m ³
Paper ('000 kg) white and coloured copying paper, laser and printout paper	241	272	255	59	66	60	A4's/employee/day
Total volume in buildings	505,544 m ³						
Personnel at Dec. 31st, 1999	2,364						

These figures cover 76 per cent of premises owned and occupied by Sampo operations in Finland, taking in 70 per cent of Finnish Sampo Group personnel. Increased electricity usage was largely due to the extensive need for cooling during the hot summer of 1999. The rise in water consumption was attributable to extensive renovation work carried out at Sampo's Aleksanterinkatu premises in Helsinki, and on the cooling system at the Niitykumpu premises in Espoo. The growth in paper consumption appears to have been halted. Guidelines established in Germany for environmental management in banks and insurance companies have been applied in calculating relative consumption figures, based on 250 working days per annum.

SAMPO GROUP MANAGEMENT BOARD

Jouko K. Leskinen, President and CEO
Born 1943, Managing Director of Sampo.



Jouko K. Leskinen



Hannu Kokkonen



Juha Toivola

Hannu Kokkonen, President
Born 1947, Managing Director of Private Sampo,
Deputy Managing Director of Sampo.
Areas of responsibility: private households,
information technology, personnel.

Juha Toivola, President
Born 1947, Managing Director of Industrial
Insurance, Deputy Managing Director of Sampo.
Areas of responsibility: major clients, internal
risk management.

Juhani Vesterinen, President
Born 1953, Managing Director of Sampo
Enterprise.



Juhani Vesterinen



Kari Stadigh



Matti Rantanen

Kari Stadigh, President
Born 1955, Managing Director of Sampo Life.

Matti Rantanen, Executive Vice President
Born 1949, Managing Director of Kaleva,
Deputy Managing Director of Sampo Life.

Martti Porkka, Senior Vice President
Born 1951, Chief Investment Officer.



Martti Porkka



Matti Ruuhonen



Juhani Kangas

Matti Ruuhonen, Senior Vice President
Born 1947, Chief Financial Officer.
Areas of responsibility: group finance, logistic
services, IR-operations, internal auditing,
reinsurance run-off.

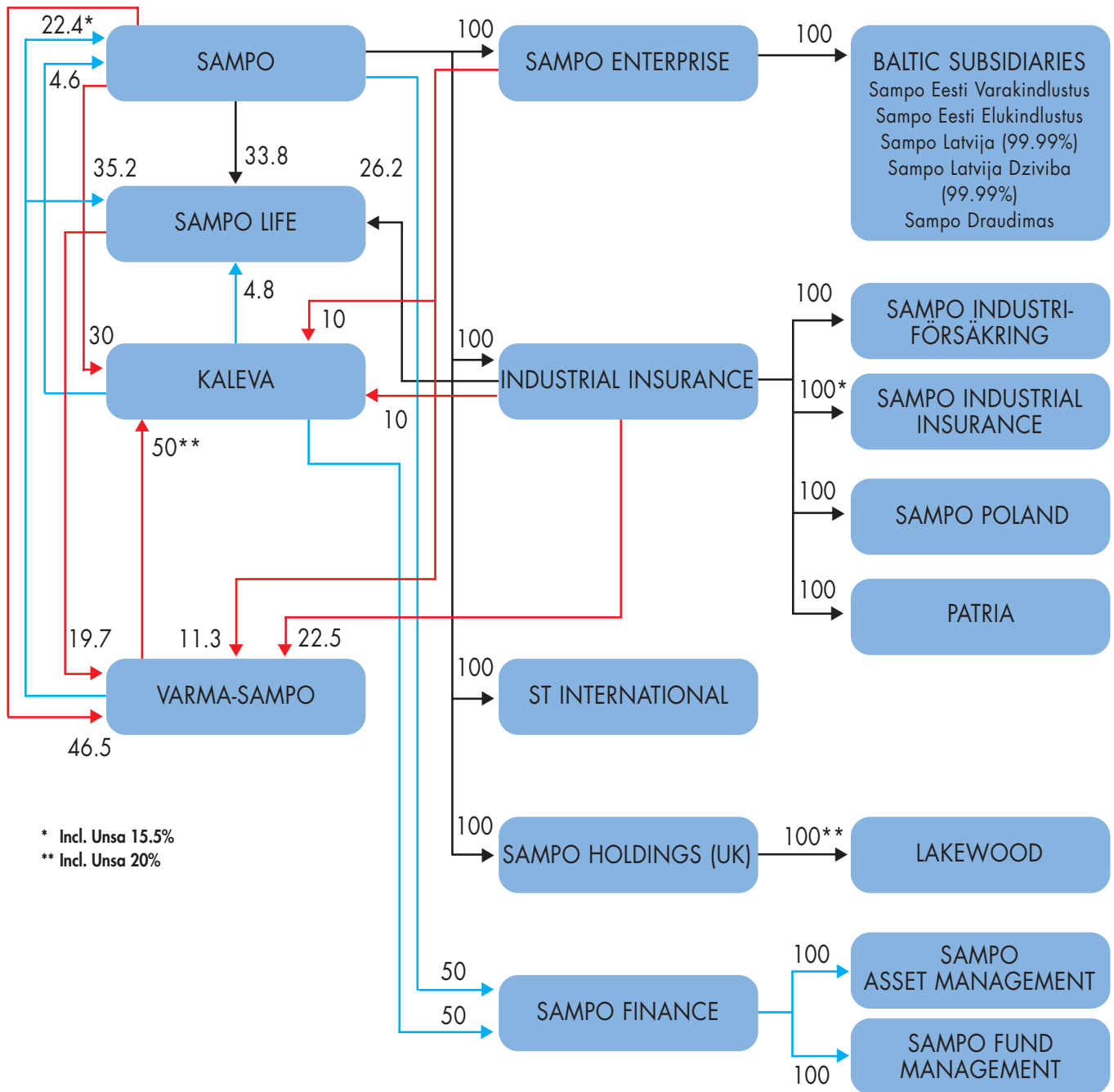
Juhani Kangas, Senior Vice President
Born 1944, General Manager.
Areas of responsibility: group strategy and
strategic business development.

Eero Holma, President
Born 1951, Managing Director of Sampo
Industrial Insurance, General Manager of
International Operations.



Eero Holma

THE SAMPO-VARMA GROUP: PRINCIPAL SHAREHOLDINGS JAN. 1, 2000



* Incl. Unsa 15.5%
** Incl. Unsa 20%

- Interest in share capital, Sampo Group companies, %
- Interest in share capital, %
- Interest in guarantee capital, %

* Part of the ownership is channelled through the holding companies situated in the Netherlands

** Shareholdings of the sub-group Sampo Holdings (UK)

SHAREHOLDER INFORMATION

Annual General Meeting

The Annual General Meeting of Sampo Insurance Company plc will be held at the Helsinki Fair Centre, 2nd floor, Round Hall, at Rautatieläisenkatu 3 (entrance of Hotel Holiday Inn), Itä-Pasila, Helsinki, on Wednesday April 12th, 2000 at 3 p.m. The listing of the persons registered will be started at 2 p.m.

To be entitled to attend the Annual General Meeting, a shareholder must be registered in the shareholders' register held by the Finnish Central Securities Depository Ltd (Suomen Arvopaperikeskus Oy) not later than April 7th, 2000.

Also a shareholder whose shares have not been transferred to the book-entry securities system is entitled to attend the Annual General Meeting if he/she was registered in the Company's shareholder register before September 12th, 1997. In this case, the shareholder must present a share certificate or other account at the Annual General Meeting, showing that the ownership of the shares has not been transferred to the book-entry securities account.

Payment of Dividend

The Board of Directors will propose to the Annual General Meeting that a dividend of FIM 14.50, i.e. EUR 2.44, per share be paid for the year 1999.

According to the proposal, only a shareholder who is registered as shareholder in the register of owners held by the Finnish Central Securities Depository Ltd (Suomen Arvopaperikeskus Oy) on the matching day of the payment of dividend, April 17th, 2000 is entitled to dividend. The dividend is payable on April 26th, 2000.

To those shareholders who have not transferred their shares to the book-entry securities system by the matching day of dividend payment, dividend will be paid after their shares have been transferred to the book-entry securities system.

Financial Information

The official financial statements can be inspected at the following Sampo offices:

- Aleksanterinkatu 11, Helsinki (Sampo Group's Legal Affairs)
- Puolalankatu 5, Turku (Financial Administration)

Sampo Group Annual Reports:

Sampo Insurance Company plc

- available in Finnish, Swedish and English

Industrial Insurance Company Ltd

- available in Finnish, Swedish and English

Sampo Industrial Insurance N.V.

- available in English

ST International Insurance Company Limited

- available in English

Patria Reinsurance Company Limited

- available in English

Sampo Life Insurance Company Limited

- available in Finnish, Swedish and English

Sampo will publish three interim reports in 2000. The reports will be published on May 17th, 2000, August 22nd, 2000, and November 21st, 2000.

Annual Reports and Interim Reports can be ordered from the Information Department:

Fax +358 10 514 1811

For Sampo Annual Report, Interim Reports and other financial information, please visit www.sampo.fi.

INVESTMENT ANALYSES

These stockbrokers and investment analysts assessed Sampo as an exciting investment opportunity in 1999. Sampo does not answer for the assessments presented in the analyses.

		Telephone nos.
ABG Securities	Anders Brege	+44 207 905 5634
Alfred Berg	Ronny Ruohomaa	+44 207 678 6906
Aros Securities	Jesper Skriver Frandsen	+45 3333 1509
C A I Cheuvreux Nordic	Mats Anderson	+46 8 723 5171
Carnegie	Martin Gottlob	+45 32 88 03 35
	Kim Nummelin	+358 9 6187 1235
Conventum	Bengt Dahlström	+358 9 5499 3315
Deutsche Morgan Grenfell	Mark Cathcart	+44 207 547 6355
Enskilda Securities	Mika Koskinen	+358 9 616 28727
Evli Securities	Christian Kock	+358 9 4766 9202
Fox - Pitt, Kelton	Bob Yates	
	William Hawkins	+44 207 377 8929
Goldman Sachs International	Stephen Diaz	+44 207 774 1118
Handelsbanken	Per Gronberg	+45 33 41 82 98
	Karita Meling	+358 10 444 2425
Merita Securities Ltd	Osmo Junkkarinen	+358 9 1234 0426
Morgan Stanley	Espen Nordhus	+44 207 513 6612
Opstock	Ari Lampinen	+358 9 404 4494
Orkla Securities	Andreas Ossmark	+46 8 5871 9921
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	Roberto Cervesi	+44 207 658 3137
Warburg	Joy Ferneyhough	+44 207 568 5038
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Williams de Broe	Kevin Ryan	+44 207 410 9176

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Sampo Life Insurance Company Limited Kaleva Mutual Insurance Company

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Fax +358 10 514 7449

Varma-Sampo Mutual Pension Insurance Company

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SUBSIDIARIES AND OFFICES OUTSIDE FINLAND

Subsidiaries

Sampo Industrial Insurance N.V.

Head Office
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Fax +31 10 212 0850

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Fax +46 60 162 196

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Fax +7 095 937 4376



Sampo Insurance Company plc
Registered domicile and address Turku, Yliopistonkatu 27, FIN-20025 SAMPO, FINLAND
Trade reg. no. 46.425

www.sampo.fi



SAMPO

www.sampo.fi