

INTERIM REPORT

January - June 2014



SAMPO  GROUP

13 August 2014

Contents

3 Summary

4 Second quarter 2014 in brief

5 Business areas

- 5 P&C insurance
- 8 Associated company Nordea Bank AB
- 10 Life insurance
- 12 Holding

13 Other developments

- 13 Administration
- 13 Annual General Meeting
- 13 Personnel
- 14 Remuneration
- 14 Shares and share capital
- 14 Internal dividends
- 15 Ratings
- 15 Group solvency
- 16 Debt financing

17 Outlook

- 17 Outlook for the rest of 2014
- 17 Major risks and uncertainties to the Group in the near term

19 Tables 30 June 2014

- 19 Group financial review
- 20 Calculation of key figures
- 22 Group quarterly comprehensive income statement
- 23 Statement of profit and other comprehensive income, IFRS
- 24 Consolidated balance sheet, IFRS
- 25 Statement of changes in equity, IFRS
- 26 Statement of cash flows, IFRS

27 Notes

- 27 Accounting policies
- 28 Comprehensive income statement by segment for six months ended 30 June 2014
- 29 Comprehensive income statement by segment for six months ended 30 June 2013
- 30 Consolidated balance sheet by segment at 30 June 2014
- 31 Consolidated balance sheet by segment at 31 December 2013

32 Other notes

- 32 1 Insurance premiums
- 33 2 Net income from investments
- 36 3 Claims incurred
- 37 4 Staff costs
- 38 5 Intangible assets
- 39 6 Financial assets
- 41 7 Derivative financial instruments
- 42 8 Determination and hierarchy of fair values
- 45 9 Movements in level 3 financial instruments measured at fair value
- 47 10 Sensitivity analysis of level 3 financial instruments measured at fair value
- 47 11 Investments related to unit-linked insurance
- 48 12 Liabilities for insurance and investment contracts
- 50 13 Liabilities from unit-linked insurance and investment contracts
- 50 14 Financial liabilities
- 51 15 Contingent liabilities and commitments
- 53 16 Result analysis of P&C insurance business
- 54 17 Sampo plc's income statement and balance sheet (FAS)

Sampo Group's results for January – June 2014

Sampo Group's profit before taxes for January – June 2014 amounted to EUR 861 million (825). The total comprehensive income for the period, taking changes in the market values of assets into account, rose to EUR 790 million (579).

- Earnings per share was EUR 1.34 (1.27) and mark-to-market EPS increased to EUR 1.41 per share (1.03). The return on equity for the Group was 14.9 per cent for the period (11.6).
- Net asset value per share on 30 June 2014 was EUR 23.00 (22.15). In early May 2014 Sampo plc paid a dividend of 1.65 euro per share which reduced the net assets correspondingly. The fair value reserve after tax on the Group level strengthened to EUR 1,106 million (960).
- In the first half of 2014 the combined ratio of the P&C insurance operations amounted to 88.3 per cent (88.8). This is the best ever combined ratio in If's history for the period of January – June. The profit before taxes rose to EUR 483 million (473). Return on equity was 25.1 per cent (21.7).
- Nordea is accounted for as an associated company and Sampo's 21.2 per cent share of Nordea's profit for January – June 2014 was EUR 309 million (319). Nordea's second quarter results contain a restructuring charge of EUR 190 million.
- In life insurance operations profit before taxes rose to EUR 73 million (69). The interest rate used to discount with profit liabilities in 2015 was lowered to 2 per cent and the rate used in 2016 to 3.25 per cent. For 2014 the discount rate has already earlier been lowered to 2 per cent. The return on equity at market values was 17.9 per cent (4.6).

Key figures

EURm	1-6/2014	1-6/2013	Change, %	4-6/2014	4-6/2013	Change, %
Profit before taxes	861	825	4	465	455	2
P&C insurance	483	473	2	289	270	7
Associate (Nordea)	309	319	-3	139	157	-11
Life insurance	73	69	6	36	33	8
Holding (excl. Nordea)	-3	-34	-92	1	-4	-
Profit for the period	749	710	6	399	390	2
			Change			Change
Earnings per share, EUR	1.34	1.27	0.07	0.71	0.70	0.01
EPS (incl. change in FVR) EUR	1.41	1.03	0.38	0.74	0.16	0.58
NAV per share, EUR *)	23.00	22.15	0.85	-	-	-
Average number of staff (FTE)	6,757	6,827	-70	-	-	-
Group solvency ratio, % *)	189.3	184.4	4.9	-	-	-
RoE, %	14.9	11.6	3.3	-	-	-

*) comparison figure from 31.12.2013

The figures in this report are not audited. Income statement items are compared on a year-on-year basis whereas comparison figures for balance sheet items are from 31 December 2013 unless otherwise stated.

The average EUR-SEK exchange rate used for income statement items for January – June 2014 is 8.9592 and the end of period exchange rate used for balance sheet items is 9.1762. For January - June 2013 the corresponding exchange rates used were 8.5302 and 8.7773, respectively.

Second quarter 2014 in brief

Sampo Group's profit before taxes for the second quarter 2014 amounted to EUR 465 million (455). Earnings per share rose to EUR 0.71 (0.70). Mark-to-market earnings per share was EUR 0.74 (0.16).

Net asset value per share in the second quarter of 2014 decreased to EUR 23.00 from EUR 24.06 at the end of March 2014. The decrease is explained by the dividend of EUR 1.65 per share paid on 7 May 2014.

P&C operation achieved a second quarter combined ratio of 86.5 per cent (86.7). Profit before taxes increased to EUR 289 million (270). Share of the profits of the associated company Topdanmark amounted to EUR 15 million (18).

Sampo's share of Nordea's second quarter 2014 net profit amounted to EUR 139 million (157). In the second quarter Nordea reported a restructuring charge of EUR 190 million. The Bank's Common equity tier one capital ratio continued to rise and amounted to 15.2 per cent.

Profit before taxes for the life insurance operations rose to EUR 36 million (33). Premiums written grew 18 per cent to EUR 339 million from EUR 288 million at the corresponding period a year ago.

Business areas

P&C insurance

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

Results

EURm	1-6/2014	1-6/2013	Change, %	4-6/2014	4-6/2013	Change, %
Premiums, net	2,681	2,737	-2	1,077	1,076	0
Net income from investments	209	198	6	128	106	21
Other operating income	14	14	-5	6	7	-11
Claims incurred	-1,461	-1,486	-2	-717	-731	-2
Change in insurance liabilities	-456	-482	-5	44	63	-30
Staff costs	-275	-289	-5	-140	-144	-3
Other operating expenses	-244	-243	1	-119	-120	-1
Finance costs	-10	-8	19	-5	-4	28
Share of associates' profit/loss	26	33	-19	15	17	-9
Profit before taxes	483	473	2	289	270	7

Key figures

	Change			Change		
Combined ratio, %	88.3	88.8	-0.5	86.5	86.7	-0.2
Risk ratio, %	65.7	65.9	-0.2	64.0	64.2	-0.2
Cost ratio, %	22.6	22.9	-0.3	22.5	22.5	0.0
Expense ratio, %	16.7	16.7	0.0	16.7	16.5	0.2
Return on equity, %	25.1	21.7	3.4	-	-	-
Average number of staff (FTE)	6,181	6,218	-37	-	-	-

For January – June 2014 profit before taxes for P&C insurance increased to EUR 483 million (473). Combined ratio amounted to 88.3 per cent (88.8) which is the best ever January – June combined ratio. Risk ratio decreased 0.2 percentage points and cost ratio 0.3 percentage points. EUR 5 million (39) was released from technical reserves relating to prior year claims. Return on equity (RoE) rose to 25.1 per cent (21.7) and fair value reserve on 30 June 2014 increased to EUR 561 million (472).

Technical result decreased to EUR 286 million (292) because of the weakening of Swedish krona and the lower interest rates. Technical result for BA Private amounted to EUR 173 million (181), EUR 76 million (79) for BA Commercial, EUR 21 million (14) for BA Industrial and EUR 10 (7) for BA Baltic.

If's share of Topdanmark's profit for the first half of 2014 amounted to EUR 26 million (34). On 30 June 2014 If P&C held 31,476,920 Topdanmark shares, corresponding to over 28 per cent of all shares. All Topdanmark shares held by Sampo Group are concentrated in If P&C Insurance Holding Ltd (publ).

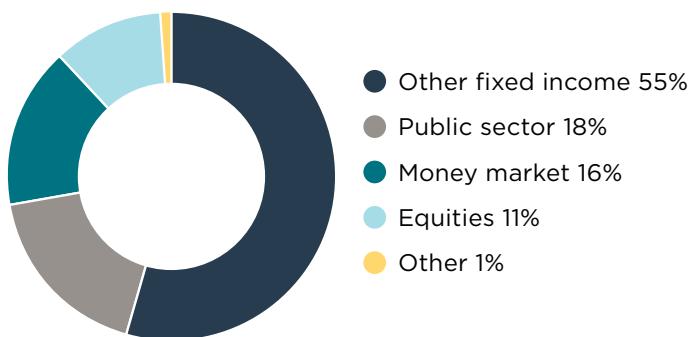
	Combined ratio, %			Risk ratio, %		
	1-6/2014	1-6/2013	Change	1-6/2014	1-6/2013	Change
Private	87.8	87.8	0.0	65.3	64.6	0.7
Commercial	89.1	89.6	-0.5	66.1	66.0	0.1
Industrial	91.4	95.6	-4.2	70.4	74.1	-3.7
Baltic	83.4	89.8	-6.4	53.3	57.4	-4.1
Sweden	95.9	90.4	5.5	73.6	67.1	6.4
Norway	86.1	85.0	1.1	63.7	63.0	0.7
Finland	84.7	95.4	-10.7	62.9	72.0	-9.1
Denmark	82.9	87.3	-4.4	57.3	60.1	-2.8

	Combined ratio, %			Risk ratio, %		
	4-6/2014	4-6/2013	Change	4-6/2014	4-6/2013	Change
Private	86.2	85.2	1.0	63.7	62.5	1.2
Commercial	87.2	87.2	0.0	64.3	63.6	1.0
Industrial	88.2	99.3	-11.1	67.5	77.3	-9.8
Baltic	83.8	85.1	-1.3	53.5	53.1	0.4
Sweden	94.1	88.4	5.7	72.2	65.8	6.4
Norway	82.8	80.8	2.0	60.8	59.6	1.2
Finland	83.8	98.9	-16.1	61.5	74.3	-12.8
Denmark	83.6	80.2	3.4	57.9	53.5	4.4

Claims development in the first half of 2014 was generally benign. Combined ratio for BA Industrial improved significantly as both risk and cost ratios decreased. All in all large claims outcome was close to expected and ended up EUR 3 million negative. In Sweden, however, the large claims amounted to approximately EUR 20 million above expected level. The continuing decline in discount rates used to discount the annuity reserves also burdened the Swedish result. The strong improvement in the Finnish risk ratio for the second quarter of 2014 is largely due to the fact that the discount rate was lowered in the comparison period. The large claims result in Finland also improved compared to last year.

Investment Allocation

P&C insurance, 30 June 2014, total EUR 11.9 billion



Gross written premiums decreased to EUR 2,812 million (2,907) because of weakened Swedish krona. Adjusted for currency, premiums rose 1.5 per cent. Premiums in BA Industrial decreased but all other business areas had positive growth. Cost ratio improved to 22.6 per cent (22.9) and expense ratio remained unchanged at 16.7 per cent.

On 30 June 2014 the total investment assets of If P&C amounted to EUR 11.9 billion (11.7).

Net income from investments amounted to EUR 209 million (198). Investment return mark-to-market for January-June 2014 was 3.1 per cent (1.9).

Duration for interest bearing assets was 1.0 years (1.3) and average maturity 2.2 years (2.3). Fixed income running yield was 2.5 per cent (3.1).

If P&C's solvency ratio as at 30 June 2014 (solvency capital in relation to net written premiums) amounted to 92 per cent (81). Solvency capital increased to EUR 4,035 million (3,601). Reserve ratios remained strong and were 159 per cent (160) of net written premiums and 231 per cent (226) of claims paid.

Associated company Nordea Bank AB

Nordea Bank is the largest Nordic bank and among the ten largest universal banks in Europe in terms of total market capitalization. The bank is headquartered in Stockholm, Sweden, and has around 11 million customers. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

Results

EURm	1-6/2014	1-6/2013	Change, %	4-6/2014	4-6/2013	Change, %
Net interest income	2,730	2,749	-1	1,368	1,391	-2
Total operating income	4,957	4,996	-1	2,456	2,490	-1
Profit before loan losses	2,334	2,473	-6	1,070	1,234	-13
Net loan losses	-293	-384	-24	-135	-186	-27
Loan loss ratio (ann.), bps	17	23		16	22	
Operating profit *)	2,231	2,089	7	1,125	1,048	7
Risk-adjusted profit *)	1,756	1,707	3	876	853	3
Diluted EPS, EUR	0.38	0.39		0.17	0.19	
Return on equity, % *)	11.7	11.3		12.0	11.5	

*) Excluding restructuring costs in Q2/2014 of EUR 190 million

On 30 June 2014 Sampo plc held 860,440,497 Nordea shares corresponding to a holding of 21.2 per cent. The average price paid per share amounted to EUR 6.46 and the book value in the Group accounts was EUR 7.94 per share. The closing price as at end of June 2014 was EUR 10.28. Nordea is accounted as an associated company in Sampo Group's accounts.

The following text is based on Nordea's January - June 2014 interim report published on 17 July 2014.

Net interest income was down 1 per cent compared to last year. Lending volumes were up 3 per cent excluding reversed repurchase agreements in local currencies. Corporate and household lending margins were higher, while deposit margins overall were down from one year ago.

Net fee and commission income increased 10 per cent and the net result from items at fair value decreased by 11 per cent compared to the first half of last year.

Total expenses were largely unchanged compared to the first half year 2013 excluding restructuring costs and in local currencies. Staff costs were up 3 per cent excluding restructuring costs and in local currencies.

Net loan loss provisions decreased to EUR 293 million for the continuing operations, corresponding to a loan loss ratio of 17 basis points (23 basis points in the first half year last year).

Net profit including restructuring costs decreased 2 per cent to EUR 1,556 million.

The Group's fully loaded Basel III Common equity tier 1 (CET1) capital ratio increased to 15.2 per cent at the end of the second quarter from 14.6 per cent at the end of the first quarter, following the divestment of Nordea Bank Polska, strong profit generation and the continued focus on REA (Risk Exposure Amount) initiatives. REA was EUR 152.2 billion, a decrease of EUR 6.7 billion compared to the previous quarter.

Nordea's cost efficiency programme is progressing as planned and the net cost reduction effects are expected to be seen by the end of 2014 and onwards. An annualized gross reduction in total expenses of EUR 45 million has been conducted in the second quarter and EUR 300 million from the beginning of 2013. The plans for reduce costs by 5 per cent by the end of 2015 vs 2013 are now in place. Restructuring costs for the cost efficiency programme were made with EUR 190 million in the second quarter.

The focus on capital efficiency will continue. In the second quarter, efficiencies of approximately EUR 6 billion have been achieved. Of the remaining efficiencies, the focus is on delivering process efficiencies.

The sale of Nordea Bank Polska was completed on 1 April 2014.

The sale of Nordea's 20.7 per cent stake in Nets Holding A/S was completed 9 July 2014. Nordea's total proceeds of the divestment was approx. DKK 3.5 billion (approx. EUR 470 million) leading to a tax free capital gain of approx. DKK 2.8 billion (EUR 378 million) that will be recognised during the third quarter 2014 in Other income.

Further information on Nordea Bank AB and its January – June 2014 result is available at www.nordea.com.

Life insurance

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

Results

EURm	1-6/2014	1-6/2013	Change, %	4-6/2014	4-6/2013	Change, %
Premiums written	584	549	6	339	288	18
Net income from investments	354	176	101	236	-12	-
Other operating income	2	2	22	1	1	44
Claims incurred	-435	-386	13	-206	-173	19
Change in liabilities for inv. and ins. contracts	-377	-216	74	-306	-42	631
Staff costs	-23	-24	-4	-12	-12	3
Other operating expenses	-30	-30	-1	-15	-15	-3
Finance costs	-3	-4	-6	-2	-2	5
Profit before taxes	73	69	6	36	33	8
<hr/>						
Key figures			Change			
Expense ratio, %	105.9	113.7	-7.8	-	-	-
Return on equity, %	17.9	4.6	13.3	-	-	-
Average number of staff (FTE)	522	557	-35	-	-	-

Profit before taxes in life insurance for January-June 2014 amounted to EUR 73 million (69). The interest rate used to discount all with profit liabilities in 2015 was lowered to 2 per cent and the discount rate for 2016 to 3.25 per cent. The discount rate used in 2014 has already earlier been lowered to 2 per cent. Mandatum Life has increased its technical reserves with a total of EUR 161 million due to low level of interest rates.

Return on equity (RoE) rose to 17.9 per cent (4.6). The total comprehensive income for the period, taking changes in the market values of assets into account, amounted to EUR 113 million (25).

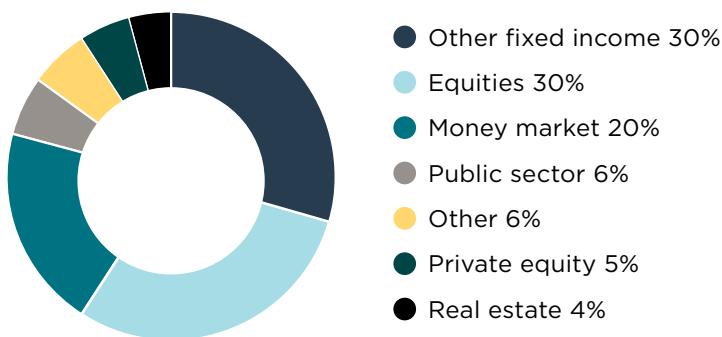
Premiums grew 6 per cent and amounted to EUR 584 million (549) and the overall market share in Finland remained stable at 18.6 per cent (18.8). Unit-linked premiums were 84 per cent of the total volume.

Excluding the assets of EUR 5.1 billion (4.6) covering unit-linked liabilities, Mandatum Life Group's investment assets on 30 June 2014 amounted to EUR 5.4 billion (5.5) at market values.

Net income from investments, excluding income on unit-linked contracts, amounted to EUR 152 million (145). Net income from unit-linked investments increased to EUR 202 million (31).

Investment Allocation

Life insurance, 30 June 2014, total EUR 5.4 billion



Investment return mark-to-market for the first half of 2014 was 3.9 per cent (1.7). The fair value reserve amounted to EUR 544 million (492). At the end of June 2014 the duration of fixed income assets was 1.7 years (1.8) and average maturity 2.0 years (2.2). Fixed income running yield was 3.3 per cent (4.2).

The expense result for the first half of 2014 rose to EUR 8 million (4). The risk result decreased to EUR 9 million (11) in the same period.

Mandatum Life Group's solvency ratio continued to strengthen and on 30 June 2014 amounted to 29.8 per cent (27.6). Mandatum Life's capital requirement is to a very large degree related to with profit technical reserves and the investments covering these reserves.

The unit-linked reserves reached an all-time high and amounted to EUR 5.1 billion (4.6). The with profit reserves amounted to EUR 3.9 billion euro (3.9) and the total technical reserves were EUR 9.0 billion (8.5).

In March 2014 Mandatum Life Insurance Company and Suomi Mutual Life Assurance Company announced that they have agreed on the transfer of Suomi Mutual's with profit group pension portfolio to Mandatum Life. The required approval of both companies' Annual General Meetings and the consent of the Financial Supervisory Authority have been received and the transfer is scheduled to take place on 30 December 2014. The final amount of transferred assets will be established in connection with the transfer, but it is estimated to have been around EUR 1.3 billion on 31 December 2013.

Holding

Sampo plc controls its subsidiaries engaged in P&C and life insurance. In addition on 30 June 2014 Sampo plc held 21.2 per cent of the share capital of Nordea, the largest bank in the Nordic countries. Nordea is an associated company to Sampo plc.

Results

EURm	1-6/2014	1-6/2013	Change, %	4-6/2014	4-6/2013	Change, %
Net investment income	13	6	119	6	-2	-
Other operating income	7	8	-12	3	4	-8
Staff costs	-10	-12	-19	-6	-5	6
Other operating expenses	-6	-6	-5	-3	-4	-16
Finance costs	-7	-29	-77	0	3	-98
Share of associates' profit	309	319	-3	139	157	-12
Profit before taxes	306	285	7	140	152	-8
Key figures		Change				
Average number of staff (FTE)	54	52	2	-	-	-

The segment's profit before taxes amounted to EUR 306 million (285), of which EUR 309 million (319) comes from Sampo's share of Nordea's January - June 2014 profit. The segment's profit, excluding share of Nordea's profit, was EUR -3 million (-34). The depreciation of Swedish krona decreased finance costs in the first of half 2014 by EUR 16 million.

Sampo plc's holding in Nordea Bank was booked in the consolidated balance sheet at EUR 6.8 billion. The market value of the holding was EUR 8.8 billion as at 30 June 2014. In addition the assets on Sampo plc's balance sheet as at 30 June 2014 included holdings in subsidiaries for EUR 2.4 billion (2.4).

Other developments

Administration

On 7 May 2014 the Board of Directors of Sampo Group nominated Knut Arne Alsaker as a member of Group Executive Committee starting from 1 July 2014. Alsaker is Chief Financial Officer in If P&C Insurance and Executive Vice President of If P&C.

Annual General Meeting

The Annual General Meeting of Sampo plc, held on 24 April 2014, decided to distribute a dividend of EUR 1.65 per share for 2013. Meeting adopted the financial accounts for 2013 and discharged the Board of Directors and the Group CEO and President from liability for the financial year.

The Annual General Meeting re-elected all the eight members to the Board. The following members were re-elected to the Board of Directors: Anne Brunila, Jannica Fagerholm, Adine Grate Axén, Veli-Matti Mattila, Eira Palin-Lehtinen, Per Sørli, Matti Vuoria and Björn Wahlroos.

At its organizational meeting, the Board elected Björn Wahlroos as Chairman and Matti Vuoria as Vice Chairman. The following members were elected to the Nomination and Compensation Committee: Veli-Matti Mattila, Eira Palin-Lehtinen, Matti Vuoria, and Björn Wahlroos (Chairman). Anne Brunila (Chairman), Jannica Fagerholm, Adine Grate Axén, and Per Sørli were elected to the Audit Committee.

The Annual General Meeting decided to pay the following fees to the members of the Board of Directors until the close of the 2015 Annual General Meeting: the Chairman of the Board will be paid EUR 160,000 per year, the Vice Chairman EUR 100,000 per year and the other members EUR 80,000 per year. A Board member shall in accordance with the resolution of the Annual General Meeting acquire Sampo plc's A shares at the price paid in public trading for 50 per cent of his/her annual fee excluding taxes and similar payments. The fees have remained on the same level since year 2008.

Ernst & Young Oy was elected as Auditor. The Auditor will be paid a fee determined by an invoice approved by Sampo. Heikki Ilkka, APA, will continue as the principally responsible auditor.

Personnel

The number of full-time equivalent staff decreased to 6,765 employees as at 30 June 2014. At the end of 2013 the Group had 6,800 employees. The number of staff decreased slightly in both P&C insurance and in life insurance.

During the first half of 2014, approximately 92 per cent of the staff worked in P&C insurance, 8 per cent in life insurance and less than 1 per cent in the Group's parent company Sampo plc. Geographically, 33 per cent worked in Finland, 27 per cent in Sweden, 21 per cent in Norway and 19 per cent in the Baltic and other countries. The average number of employees during January-June 2014 was 6,757. A year earlier the corresponding figure was 6,827.

Remuneration

Remuneration in Sampo Group is based on the Remuneration Principles which Sampo plc's Board approved on 4 November 2013. The core of the Remuneration Principles is that all remuneration systems in Sampo Group shall safeguard the financial stability of the Group and comply with regulatory and ethical standards. They shall also be designed to balance the interests of different stakeholder groups such as shareholders, employees, customers and supervisory authorities.

Variable compensation is based either on the contribution to the company's profitability (e.g. short-term incentive programs) or linked to committing employees to the Group for a longer period of time (long-term incentive programs). During 2014 Sampo plc's Board has not adopted new long-term incentive schemes.

In January - June 2014 no payments were made on the basis of the long-term incentive schemes. As short-term incentives EUR 36 million (34), including social costs, was paid during the same period. At the end of June 2014 Sampo Group had provisioned EUR 32 million (38) for future payments of long-term incentive schemes.

The terms of the long-term incentive schemes are available at www.sampo.com/remuneration.

Shares and share capital

As at 30 June 2014, Sampo plc had 560,000,000 shares, which were divided into 558,800,000 A shares and 1,200,000 B shares. Total number of votes attached to the shares is 564,800,000. Each A share entitles the holder to one vote and each B share entitles the holder to five votes at the General Meeting of Shareholders.

The Annual General Meeting of 24 April 2014 authorized the Board to acquire in one or several lots a maximum of 50,000,000 Sampo A shares. The authorization will be valid until the close of the next Annual General Meeting, nevertheless not more than 18 months after AGM's decision.

Sampo plc did not repurchase its own shares during the first half of 2014 and held none of its own shares at the end of June 2014. The other Group companies held no shares in the parent company either.

Sampo plc received on 19 May 2014 a disclosure under Chapter 9, Section 5 of the Securities Markets Act, according to which the total number of Sampo A shares and related voting rights owned by BlackRock, Inc. has risen above five (5) per cent of Sampo plc's entire stock and voting rights and amounted to 5.08 per cent and 5.03 per cent, respectively.

Internal dividends

Sampo plc received a dividend of EUR 370 million from the associated company Nordea Bank AB on 1 April 2014.

Mandatum Life paid already in March 2014 a dividend of EUR 100 million to Sampo plc. If P&C pays its dividend normally in the last quarter of the year.

Ratings

All the ratings for Sampo Group companies remained unchanged in the first half of 2014.

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

Group solvency

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

Sampo Group solvency		
EURm	30 June 2014	31 December 2013
Group capital	10,532	10,643
Sectoral items	1,331	1,274
Intangibles and other deductibles	-2,842	-3,319
Group's own funds, total	9,021	8,598
Minimum requirements for own funds, total	4,765	4,663
Group solvency	4,257	3,935
Group solvency ratio (Own funds % of minimum requirements)	189.3	184.4

The Group's solvency ratio (own funds in relation to minimum requirements for own funds) was 189.3 per cent (184.4) as at 30 June 2014. Nordea is treated as an associated company in the solvency calculation and the part of Nordea's capital requirement corresponding to Sampo's holding in Nordea is taken into account in the Group's capital requirement.

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

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

The economic capital tied up in Group's operations on 30 June 2014 was EUR 5,430 million (5,361) and adjusted solvency capital was EUR 9,499 million (9,417).

Debt financing

Sampo plc's debt financing on 30 June 2014 amounted to EUR 2,009 million (2,027) and interest bearing assets to EUR 460 million (980). Interest bearing assets include bank accounts and EUR 352 million of hybrid capital instruments issued by the subsidiaries and associates. During the first half of 2014 the net debt increased EUR 501 million to EUR 1,549 million (1,048). Sampo plc's dividend of EUR 924 million paid in early May 2014 increased the net debt but dividends of EUR 470 million received from Nordea Bank and Mandatum Life decreased it. Gross debt to Sampo plc's equity was 31 per cent (29).

Financial liabilities in Sampo plc's balance sheet on 30 June 2014 consisted of issued senior bonds and notes of EUR 1,709 million (1,720) and EUR 300 million (308) of outstanding CPs issued. The average interest on Sampo plc's debt as of 30 June 2014 was 2.25 per cent (2.26).

To balance the risks on the Group level Sampo plc's debt is tied to short-term interest rates and issued in euro or Swedish krona. Interest rate swaps are used to obtain the desired characteristics for the debt portfolio. These derivatives are valued at fair value in the profit and loss account although economically they are related to the underlying bonds. As a result Sampo plc maintains the flexibility to adjust derivative position if needed but this comes at the cost of increased volatility in the Holding segment's net finance costs.

The underlying objective of Sampo plc is to maintain a well-diversified debt structure, relatively low leverage and strong liquidity in order for the company to be able to arrange financing for strategic projects if needed. Strong liquidity and the ability to acquire financing are essential factors in maintaining Sampo Group's strategic flexibility.

More information on Sampo Group's outstanding debt issues is available at www.sampo.com/debtfinancing.

Outlook

Outlook for the rest of 2014

Sampo Group's business areas are expected to report good operating results for 2014.

However, the mark-to-market results are, particularly in life insurance, highly dependent on capital market developments. The low interest rate level also creates a challenging environment for reinvestment in fixed income assets.

The P&C insurance operations are expected to reach their long-term combined ratio target of below 95 per cent in 2014 and achieve a combined ratio of 88 - 91 per cent.

Nordea's contribution to the Group's profit is expected to be significant.

Major risks and uncertainties to the Group in the near term

In its day-to-day business activities Sampo Group is exposed to various risks and uncertainties which it identifies and assesses regularly.

Major risks affecting the Group's profitability and its variation are market, credit and insurance risks that can be quantified by financial measurement techniques. Currently their quantified contributions to the Group's Economic Capital - used as an internal basis for capital needs - represent normal levels of 33 per cent, 45 per cent and 11 per cent, respectively.

Uncertainties in the form of major unforeseen events may have an immediate impact on the Group's profitability. Identification of unforeseen events is easier than estimation of their probabilities, timing and potential outcomes. One of the latest examples is the tension in Ukraine that started as an unforeseen event leading to increased volatility at financial markets, but probably will also have an impact on business environment as a result of financial sanctions. Sampo Group has no direct exposures to the region.

Other sources of uncertainty are unforeseen structural changes in the business environment and already identified trends. They both may have also long-term impact how business shall be conducted.

SAMPO PLC
Board of Directors

For more information, please contact

Peter Johansson, Group CFO, tel. +358 10 516 0010

Jarmo Salonen, Head of Investor Relations and Group Communications, tel. +358 10 516 0030

Maria Silander, Press Officer, tel. +358 10 516 0031

Press Conference and Conference Call

Sampo will today arrange a Finnish-language press conference at Savoy (Eteläesplanadi 14, Helsinki), at 12.30 pm Finnish time.

An English-language conference call for investors and analysts will be arranged at 4 pm Finnish time (2 pm UK time). Please call +44 203 194 0550, +1 855 269 2605, +46 8 5199 9355 or +358 (0)9 8171 0465. The title for the conference is 'Sampo's Interim Report Q2/2014'.

The conference call can also be followed live at www.sampo.com/result. A recorded version will later be available at the same address.

In addition a Supplementary Financial Information Package is available at www.sampo.com/result.

Sampo will publish the Interim Report for January – September 2014 on 6 November 2014.

Distribution:

NASDAQ OMX Helsinki

The principal media

Financial Supervisory Authority

www.sampo.com

Group financial review

Financial highlights

Group		1-6/2014	1-6/2013
Profit before taxes	EURm	861	825
Return on equity (at fair value)	%	14.9	11.6
Return on assets (at fair value)	%	7.6	6.0
Equity/assets ratio	%	31.6	30.7
Group solvency ¹⁾	EURm	4,257	3,707
Group solvency ratio	%	189.3	179.2
Average number of staff		6,757	6,827
Property & Casualty insurance			
Premiums written before reinsurers' share	EURm	2,812	2,907
Premiums earned	EURm	2,225	2,255
Profit before taxes	EURm	483	473
Return on equity (at current value)	%	25.1	21.7
Risk ratio ²⁾	%	65.7	65.9
Cost ratio ²⁾	%	22.6	22.9
Loss ratio, excl. unwinding of discounting ²⁾	%	71.6	72.0
Expense ratio ²⁾	%	16.7	16.7
Combined ratio, excl. unwinding of discounting	%	88.3	88.8
Average number of staff		6,181	6,218
Life insurance			
Premiums written before reinsurers' share	EURm	587	553
Profit before taxes	EURm	73	69
Return on equity (at current value)	%	17.9	4.6
Expense ratio	%	105.9	113.7
Average number of staff		522	557
Holding			
Profit before taxes	EURm	306	285
Average number of staff		54	52
Per share key figures			
Earnings per share	EUR	1.34	1.27
Earnings per share, incl. other comprehensive income	EUR	1.41	1.03
Capital and reserves per share	EUR	18.81	17.50
Net asset value per share	EUR	23.00	19.27
Adjusted share price, high	EUR	38.83	32.18
Adjusted share price, low	EUR	33.71	25.04
Market capitalisation	EURm	20,692	16,766

¹⁾ The Group solvency is calculated according to the consolidation method defined in Chapter 3 of the Act on the Supervision of Financial and Insurance Conglomerates (2004/699).

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

The number of shares used at the balance sheet date and as the average number during the financial period was 560,000,000.

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

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

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

Calculation of key figures

Return on equity (fair values), %

+ total comprehensive income	
± valuation differences on investments less deferred tax	x 100 %
+ total equity	
± valuation differences on investments less deferred tax	
(average of values 1 Jan. and the end of reporting period)	

Return on assets (at fair values), %

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

Equity/assets ratio (at fair values), %

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

Risk ratio for P&C Insurance, %

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

Cost ratio for P&C Insurance, %

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

Loss ratio for P&C Insurance, %

claims incurred	
insurance premiums earned	x 100 %

Expense ratio for P&C Insurance, %

operating expenses	
insurance premiums earned	x 100 %

Combined ratio for P&C Insurance, %

Loss ratio + expense ratio

Expense ratio for life insurance, %

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

Per share key figures

Earnings per share

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

Equity per share

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

Net asset value per share

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

Market capitalisation

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

Group quarterly comprehensive income statement

EURm	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013
Insurance premiums written	1,398	1,844	1,187	1,145	1,364
Net income from investments	364	201	276	296	87
Other operating income	7	8	10	6	6
Claims incurred	-923	-973	-896	-909	-904
Change in liabilities for insurance and investment contracts	-244	-566	-12	12	21
Staff costs	-158	-150	-151	-157	-161
Other operating expenses	-133	-140	-137	-134	-134
Finance costs	-1	-9	-4	-21	1
Share of associates' profit/loss	154	181	167	166	174
Profit for the period before taxes	465	396	440	403	455
Taxes	-66	-46	-43	-58	-66
Profit for the period	399	351	397	345	390
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences on translating foreign operations	-54	-17	-68	2	-118
Available-for-sale financial assets	100	85	46	238	-178
Cash flow hedges	-	-	0	0	0
Share of other comprehensive income of associates	-4	-20	-31	5	-56
Taxes	-20	-19	21	-55	42
Total items reclassifiable to profit or loss, net of tax	22	28	-31	190	-311
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	-6	-6	-71	-3	12
Taxes	1	1	19	1	-3
Total items not reclassifiable to profit or loss, net of tax	-5	-4	-52	-2	10
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	415	374	313	533	88
Profit attributable to					
Owners of the parent	399	351	397	345	390
Non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to					
Owners of the parent	415	374	313	533	88
Non-controlling interests	-	-	-	-	-

Statement of profit and other comprehensive income, IFRS

EURm	Note	1-6/2014	1-6/2013
Insurance premiums written	1	3,242	3,286
Net income from investments	2	565	370
Other operating income		15	15
Claims incurred	3	-1,896	-1,872
Change in liabilities for insurance and investment contracts		-809	-698
Staff costs	4	-308	-325
Other operating expenses		-273	-271
Finance costs		-10	-32
Share of associates' profit/loss		335	353
Profit before taxes		861	825
Taxes		-111	-115
Profit for the period		749	710
Other comprehensive income for the period			
Items reclassifiable to profit or loss			
Exchange differences		-72	-87
Available-for-sale financial assets		185	-51
Cash flow hedges		-	0
Share of other comprehensive income of associates		-25	-44
Taxes		-39	12
Total items reclassifiable to profit or loss, net of tax		50	-171
Items not reclassifiable to profit or loss			
Actuarial gains and losses from defined pension plans		-12	53
Taxes		3	-13
Total items not reclassifiable to profit or loss, net of tax		-9	40
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		790	579
Profit attributable to			
Owners of the parent		749	710
Non-controlling interests		-	0
Total comprehensive income attributable to			
Owners of the parent		790	579
Non-controlling interests		-	0
Basic earnings per share (eur)		1.34	1.27

Consolidated balance sheet, IFRS

EURm	Note	6/2014	12/2013
Assets			
Property, plant and equipment		25	25
Investment property		141	125
Intangible assets	5	732	752
Investments in associates		7,221	7,282
Financial assets	6, 7, 8, 9, 10	16,504	16,824
Investments related to unit-linked insurance contracts	11	5,097	4,616
Tax assets		68	68
Reinsurers' share of insurance liabilities		334	422
Other assets		1,931	1,676
Cash and cash equivalents		1,272	785
Total assets		33,323	32,576
Liabilities			
Liabilities for insurance and investment contracts	12	13,702	13,427
Liabilities for unit-linked insurance and investment contracts	13	5,069	4,610
Financial liabilities	14	2,156	2,193
Tax liabilities		545	508
Provisions		59	58
Employee benefits		197	195
Other liabilities		1,063	941
Total liabilities		22,791	21,933
Equity			
Share capital		98	98
Reserves		1,531	1,531
Retained earnings		7,988	8,175
Other components of equity		916	840
Equity attributable to owners of the parent		10,532	10,643
Non-controlling interests		-	-
Total equity		10,532	10,643
Total equity and liabilities		33,323	32,576

Statement of changes in equity, IFRS

EURm	Share capital	Share premium account	Legal reserve	Invested unrestricted equity	Retained earnings	Translation of foreign operations 1)	Available-for-sale financial assets 2)	Cash flow hedges 3)	Total
Equity at 1 Jan. 2013	98	0	4	1,527	7,587	167	760	-29	10,113
Change in IAS 19 Pension benefits ⁴⁾					-93				-93
Restated equity at 1 Jan. 2013	98	0	4	1,527	7,494	167	760	-29	10,020
Changes in equity									
Recognition of undrawn dividends					6				6
Dividends					-756				-756
Share of associate's other changes in equity					-50				-50
Profit for the period					710				710
Other comprehensive income for the period					40	-133	-38	0	-131
Equity at 30 June 2013	98	0	4	1,527	7,444	34	722	-29	9,800
Equity at 1 Jan. 2014	98	0	4	1,527	8,175	-106	976	-30	10,643
Changes in equity									
Recognition of undrawn dividends					8				8
Dividends					-924				-924
Share of associate's other changes in equity					15				15
Profit for the period					749				749
Other comprehensive income for the period					-35	-74	150	-	40
Equity at 30 June 2014	98	0	4	1,527	7,988	-180	1,126	-30	10,532

¹⁾ The total comprehensive income includes also the share of the associate Nordea's other comprehensive income, in accordance with the Group's share holding. The retained earnings thus include EURm -26 (-) of Nordea's actuarial gains/losses from defined pension plans. The exchange differences include the share of Nordea's exchange differences EURm -2 (-46). Respectively, available-for-sale financial assets include EURm 4 (2) of Nordea's valuation differences.

²⁾ The amount recognised in equity from available-for-sale financial assets for the period totalled EURm 227 (-10). The amount transferred to p/l amounted to EURm -81 (-29).

³⁾ The amount recognised in equity from cash flow hedges for the period totalled EURm - (-0).

⁴⁾ IAS 19 Pension benefits had a net effect of EURm -35 (-53) on retained earnings.

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

Statement of cash flows, IFRS

EURm	1-6/2014	1-6/2013
Cash and cash equivalent at the beginning of the period	785	1,034
Cash flow from/used in operating activities	1,039	315
Cash flow from/used in investing activities	365	302
Cash flow from/used in financing activities	-917	-783
Dividends paid	-912	-746
Increase of liabilities	343	865
Decrease of liabilities	-348	-902
Cash and cash equivalent at the end of the period	1,272	868

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

Notes

Accounting policies

Sampo Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The interim financial statements are presented in accordance with IAS 34 *Interim Financial Reporting*. In preparing the interim financial statements, the same accounting policies and methods of computation are applied as in the financial statements for 2013.

Sampo adopted new or revised standards and interpretations at the beginning of the year 2014. These standards and interpretations are explained in Sampo's accounting policies for the financial year 2013.

The financial statements are available on Sampo's website at www.sampo.com/annualreport.

Comprehensive income statement by segment for six months ended 30 June 2014

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premius written	2,681	584	-	-23	3,242
Net income from investments	209	354	13	-12	565
Other operating income	14	2	7	-8	15
Claims incurred	-1,461	-435	-	-	-1,896
Change in liabilities for insurance and investment contracts	-456	-377	-	23	-809
Staff costs	-275	-23	-10	-	-308
Other operating expenses	-244	-30	-6	8	-273
Finance costs	-10	-3	-7	10	-10
Share of associates' profit/loss	26	0	309	-	335
Profit before taxes	483	73	306	-1	861
Taxes	-99	-12	0	0	-111
Profit for the period	384	61	306	-1	749
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences	-72	0	-	-	-72
Available-for-sale financial assets	114	65	7	-1	185
Share of other comprehensive income of associates	-	-	-25	-	-25
Taxes	-25	-13	-1	0	-39
Total items reclassifiable to profit or loss, net of tax	18	52	-19	-1	50
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	-12	-	-	-	-12
Taxes	3	-	-	-	3
Total items not reclassifiable to profit or loss, net of tax	-9	-	-	-	-9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	392	113	286	-2	790
Profit attributable to					
Owners of the parent					749
Non-controlling interests					-
Total comprehensive income attributable to					
Owners of the parent					790
Non-controlling interests					-

Comprehensive income statement by segment for six months ended 30 June 2013

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Insurance premius written	2,737	549	-	0	3,286
Net income from investments	198	176	6	-11	370
Other operating income	14	2	8	-9	15
Claims incurred	-1,486	-386	-	-	-1,872
Change in liabilities for insurance and investment contracts	-482	-216	-	0	-698
Staff costs	-289	-24	-12	-	-325
Other operating expenses	-243	-30	-6	9	-271
Finance costs	-8	-4	-29	9	-32
Share of associates' profit/loss	33	1	319	-	353
Profit before taxes	473	69	285	-2	825
Taxes	-102	-14	0	1	-115
Profit for the period	371	55	286	-2	710
Other comprehensive income for the period					
Items reclassifiable to profit or loss					
Exchange differences	-87	0	-	-	-87
Available-for-sale financial assets	-16	-39	5	-2	-51
Cash flow hedges	-	0	-	-	0
Share of other comprehensive income of associates	-	-	-44	-	-44
Taxes	3	10	-1	0	12
Total items not reclassifiable to profit or loss, net of tax	-100	-30	-40	-2	-171
Items not reclassifiable to profit or loss					
Actuarial gains and losses from defined pension plans	53	-	-	-	53
Taxes	-13	-	-	-	-13
Total items not reclassifiable to profit or loss, net of tax	40	-	-	-	40
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	312	25	245	-3	579
Profit attributable to					
Owners of the parent					710
Non-controlling interests					0
Total comprehensive income attributable to					
Owners of the parent					579
Non-controlling interests					0

Consolidated balance sheet by segment at 30 June 2014

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Assets					
Property, plant and equipment	16	5	3	-	25
Investment property	21	123	-	-4	141
Intangible assets	571	161	0	-	732
Investments in associates	386	0	6,835	-	7,221
Financial assets	11,521	4,838	2,859	-2,714	16,504
Investments related to unit-linked insurance contracts	-	5,127	-	-30	5,097
Tax assets	59	0	13	-4	68
Reinsurers' share of insurance liabilities	332	3	-	-	334
Other assets	1,724	186	28	-7	1,931
Cash and cash equivalents	709	455	108	-	1,272
Total assets	15,338	10,897	9,847	-2,758	33,323
Liabilities					
Liabilities for insurance and investment contracts	9,847	3,855	-	-	13,702
Liabilities for unit-linked insurance and investment contracts	-	5,099	-	-30	5,069
Financial liabilities	358	112	2,023	-336	2,156
Tax liabilities	408	138	-	-2	545
Provisions	59	-	-	-	59
Employee benefits	197	-	-	-	197
Other liabilities	693	265	113	-8	1,063
Total liabilities	11,562	9,469	2,136	-375	22,791
Equity					
Share capital					98
Reserves					1,531
Retained earnings					7,988
Other components of equity					916
Equity attributable to owners of the parent					10,532
Non-controlling interests					-
Total equity					10,532
Total equity and liabilities					33,323

Consolidated balance sheet by segment at 31 December 2013

EURm	P&C insurance	Life insurance	Holding	Elimination	Group
Assets					
Property, plant and equipment	16	5	4	-	25
Investment property	22	107	-	-4	125
Intangible assets	590	162	0	-	752
Investments in associates	374	1	6,906	-	7,282
Financial assets	11,265	5,122	3,148	-2,712	16,824
Investments related to unit-linked insurance contracts	-	4,623	-	-7	4,616
Tax assets	58	-	14	-4	68
Reinsurers' share of insurance liabilities	420	3	-	-	422
Other assets	1,559	81	47	-10	1,676
Cash and cash equivalents	282	222	280	-	785
Total assets	14,586	10,327	10,399	-2,736	32,576
Liabilities					
Liabilities for insurance and investment contracts	9,500	3,927	-	-	13,427
Liabilities for unit-linked insurance and investment contracts	-	4,617	-	-7	4,610
Financial liabilities	373	111	2,045	-336	2,193
Tax liabilities	381	128	-	-1	508
Provisions	58	-	-	-	58
Employee benefits	195	-	-	-	195
Other liabilities	694	129	129	-11	941
Total liabilities	11,202	8,912	2,174	-355	21,933
Equity					
Share capital					98
Reserves					1,531
Retained earnings					8,175
Other components of equity					840
Equity attributable to owners of the parent					10,643
Non-controlling interests					-
Total equity					10,643
Total equity and liabilities					32,576

Other notes, EURm

1 Insurance premiums

P&C insurance	1-6/2014	1-6/2013
Premiums from insurance contracts		
Premiums written, direct insurance	2,749	2,836
Premiums written, assumed reinsurance	63	71
Premiums written, gross	2,812	2,907
Ceded reinsurance premiums written	-131	-171
P&C insurance, total	2,681	2,737
Change in unearned premium provision	-500	-540
Reinsurers' share	44	58
Premiums earned for P&C insurance, total	2,225	2,255
Life insurance	1-6/2014	1-6/2013
Premiums from insurance contracts		
Premiums from contracts with discretionary participation feature	94	89
Premiums from unit-linked contracts	231	242
Premiums from other contracts	1	1
Insurance contracts, total	325	331
Assumed reinsurance	2	2
Premiums from investment contracts		
Premiums from contracts with discretionary participation feature	0	0
Premiums from unit-linked contracts	260	219
Investment contracts, total	260	219
Reinsurers' shares	-3	-3
Life insurance, total	584	549
Single and regular premiums from direct insurance		
Regular premiums, insurance contracts	151	231
Single premiums, insurance contracts	175	100
Single premiums, investment contracts	260	219
Total	585	551
Elimination items between segments	-23	0
Group, total	3,242	3,286

2 Net income from investments >

P&C Insurance	1-6/2014	1-6/2013
Financial assets		
Derivative financial instruments	-7	-4
Financial assets designated as at fair value through p/l		
Debt securities	0	0
Equity securities	0	6
Total	0	6
Loans and receivables	11	11
Financial asset available-for-sale		
Debt securities	136	161
Equity securities	101	59
Total	237	220
Total financial assets	241	234
Income from other assets	0	0
Fee and commission expense	-7	-6
Expense on other than financial liabilities	-2	-2
Effect of discounting annuities	-23	-28
P&C insurance, total	209	198

> 2 Net income from investments >

Life insurance	1-6/2014	1-6/2013
Financial assets		
Derivative financial instruments	-2	-7
Financial assets designated as at fair value through p/l		
Debt securities	1	0
Equity securities	0	0
Total	1	0
Investments related to unit-linked contracts		
Debt securities	52	0
Equity securities	152	22
Loans and receivables	1	0
Other financial assets	-3	10
Total	202	31
Loans and receivables	1	-1
Financial asset available-for-sale		
Debt securities	69	71
Equity securities	72	77
Total	141	148
Total income from financial assets	344	172
Other assets	4	0
Fee and commission income, net	6	5
Life insurance, total	354	176

> 2 Net income from investments

Holding	1-6/2014	1-6/2013
Financial assets		
Derivative financial instruments	0	0
Loans and other receivables	1	-1
Financial assets available-for-sale		
Debt securities	10	7
Equity securities	1	1
Total	12	7
Other assets	0	0
Holding, total	13	6
Elimination items between segments	-12	-11
Group, total	565	370

3 Claims incurred

P&C insurance	1-6/2014	1-6/2013
Claims paid	-1,507	-1,566
Reinsurers' share	137	111
Claims paid, net	-1,370	-1,455
Change in provision for claims outstanding	36	39
Reinsurers' share	-127	-71
P&C insurance total	-1,461	-1,486
Life insurance	1-6/2014	1-6/2013
Claims paid	-404	-369
Reinsurers' share	2	3
Claims paid, net	-402	-366
Change in provision for claims outstanding	-33	-20
Reinsurers' share	0	0
Life insurance, total	-435	-386
Group, total	-1,896	-1,872

4 Staff costs

P&C insurance	1-6/2014	1-6/2013
Wages and salaries	-190	-202
Granted cash-settled share options	-10	-14
Pension costs	-38	-34
Other social security costs	-37	-39
P&C insurance, total	-275	-289

Life insurance	1-6/2014	1-6/2013
Wages and salaries	-17	-17
Granted cash-settled share options	-2	-3
Pension costs	-3	-3
Other social security costs	-2	-2
Life insurance, total	-23	-24

Holding	1-6/2014	1-6/2013
Wages and salaries	-3	-5
Granted cash-settled share options	-5	-6
Pension costs	-1	-1
Other social security costs	-1	0
Holding, total	-10	-12

Group, total	-308	-325
---------------------	-------------	-------------

5 Intangible assets

P&C insurance	6/2014	12/2013
Goodwill	547	567
Other intangible assets	24	23
P&C insurance, total	571	590
Life insurance	6/2014	12/2013
Goodwill	153	153
Other intangible assets	7	9
Life insurance, total	161	162
Group, total	732	752

6 Financial assets >

P&C insurance	6/2014	12/2013
Derivative financial instruments (Note 7)	21	5
Financial assets designated as at fair value through p/l		
Debt securities	0	0
Equity securities	2	2
Total	2	2
Loans and receivables		
Loans	222	245
Deposits with ceding undertakings	1	1
Total	223	246
Financial assets available-for-sale		
Debt securities	9,775	9,531
Equity securities	1,499	1,481
Total	11,274	11,012
P&C insurance, total	11,521	11,265
Life insurance	6/2014	12/2013
Derivative financial instruments (Note 7)	21	33
Financial assets designated as at fair value through p/l		
Debt securities	47	46
Equity securities	2	2
Total	49	48
Loans and receivables		
Loans	14	18
Deposits with ceding undertakings	0	1
Total	14	19
Financial assets available-for-sale		
Debt securities	2,482	2,907
Equity securities *)	2,272	2,116
Total	4,754	5,023
Life insurance, total	4,838	5,122
*) of which investments in fixed income funds	90	112

> 6 Financial assets

Holding	6/2014	12/2013
Derivative financial instruments (Note 7)	39	41
Loans and receivables		
Deposits	0	1
Financial assets available-for-sale		
Debt securities	362	709
Equity securities	87	28
Total	450	737
Investments in subsidiaries	2,370	2,370
Holding, total	2,859	3,148
Elimination items between segments	-2,714	-2,712
Group, total	16,504	16,824

7 Derivative financial instruments

P&C insurance	6/2014			12/2013		
	Contract/ notional amount	Fair value	Fair value	Contract/ notional amount	Fair value	Fair value
Derivatives held for trading	Assets	Liabilities	Assets	Liabilities		
Interest rate derivatives	-24	-	2	1,250	1	5
Foreign exchange derivatives	2,223	21	7	2,189	4	20
P&C Insurance, total	2,199	21	9	3,439	5	25
Life insurance	6/2014			12/2013		
	Contract/ notional amount	Fair value	Fair value	Contract/ notional amount	Fair value	Fair value
Derivatives held for trading	Assets	Liabilities	Assets	Liabilities		
Interest rate derivatives	1,241	15	2	5,978	25	7
Credit risk derivatives	-	-	-	508	0	2
Foreign exchange derivatives	1,510	6	8	955	7	1
Equity derivatives	-	-	-	1	-	0
Total	2,750	21	10	7,441	32	11
Derivatives held for hedging						
Fair value hedges	489	-	2	501	1	-
Life insurance, total	3,239	21	12	7,942	33	11
Holding	6/2014			12/2013		
	Contract/ notional amount	Fair value	Fair value	Contract/ notional amount	Fair value	Fair value
Derivatives held for trading	Assets	Liabilities	Assets	Liabilities		
Interest rate derivatives	800	28	-	800	26	-
Credit risk derivatives	-	-	-	20	0	-
Foreign exchange derivatives	6	-	0	21	-	1
Equity derivatives	87	12	14	88	14	16
Holding, total	894	39	14	930	41	18

8 Determination and hierarchy of fair values >

A large majority of Sampo Group's financial assets are valued at fair value. The valuation is based on either published price quotations or valuation techniques based on market observable inputs, where available. For a limited amount of assets the value needs to be determined using other techniques.

The financial instruments measured at fair value have been classified into three hierarchy levels in the notes, depending on e.g. if the market for the instrument is active, or if the inputs used in the valuation technique are observable.

On level 1, the measurement of the instrument is based on quoted prices in active markets for identical assets or liabilities.

On level 2, inputs for the measurement of the instrument include also other than quoted prices observable for the asset or liability, either directly or indirectly by using valuation techniques.

In level 3, the measurement is based on other inputs rather than observable market data.

Financial assets at 30.6.2014	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest rate swaps	-	42	-	42
Other interest derivatives	-	-	-	
Foreign exchange derivatives	-	27	-	27
Equity derivatives	-	12	-	12
Total	-	81	-	81
Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	-	47	0	47
Total	2	47	0	49
Financial assets related to unit-linked insurance				
Equity securities	396	68	14	477
Debt securities	40	1,227	20	1,286
Mutual funds	2,265	817	70	3,152
Derivative financial instruments	23	-8	-	15
Total	2,725	2,103	103	4,931
Financial assets available-for-sale				
Equity securities	1,599	-	218	1,818
Debt securities	1,485	10,705	68	12,258
Mutual funds	1,257	127	676	2,061
Total	4,341	10,833	962	16,136
Total financial assets measured at fair value	7,067	13,064	1,066	21,197

> 8 Determination and hierarchy of fair values >

Financial liabilities at 30.6.2014	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest derivatives	1	3	-	5
Foreign exchange derivatives	-	16	-	16
Equity derivatives	-	14	-	14
Total financial liabilities measured at fair value	1	33	-	34
Financial assets at 31.12.2013	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest rate swaps	1	51	-	52
Other interest derivatives	-	0	-	0
Foreign exchange derivatives	-	12	-	12
Equity derivatives	-	14	-	14
Total	1	77	-	78
Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	-	46	0	46
Total	2	46	0	48
Financial assets related to unit-linked insurance				
Equity securities	324	2	13	339
Debt securities	14	1,069	19	1,101
Mutual funds	2,098	804	64	2,966
Derivative financial instruments	-	26	-	26
Total	2,436	1,901	97	4,433
Financial assets available-for-sale *)				
Equity securities	1,583	-	243	1,826
Debt securities	1,874	10,858	39	12,770
Mutual funds	993	124	720	1,836
Total	4,449	10,981	1,002	16,432
Total financial assets measured at fair value	6,887	13,006	1,099	20,992

*) Debt securities EURm - (19) were transferred from level 1 to level 2 during the financial year.
From level 2 to level 1 were transferred EURm - (151).

> 8 Determination and hierarchy of fair values

Financial liabilities at 31.12.2013	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Interest derivatives	1	14	-	15
Foreign exchange derivatives	-	22	-	22
Equity derivatives	-	16	-	16
Total financial liabilities measured at fair value	1	52	-	53

Sensitivity analysis of fair values

The sensitivity of financial assets and liabilities to changes in exchange rates is assessed on business area level due to different base currencies. In P&C insurance, 10 percentage point depreciation of all other currencies against SEK would result in an effect recognised in profit/loss of EURm 23 (12) and in an effect recognised directly in equity of EURm -21 (-11). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an effect recognised in profit/loss of EURm 38 (14) and in an effect recognised directly in equity of EURm -81 (-68). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but an effect recognised in equity of EURm -3 (-15). The comparison figures are as of 31 December 2013.

The sensitivity analysis of the Group's fair values of financial assets and liabilities in different market risk scenarios is presented below. The effects represent the instantaneous effects of a one-off change in the underlying market variable on the fair values on 30 June 2014.

The sensitivity analysis includes the effects of derivative positions. All sensitivities are calculated before taxes.

The debt issued by Sampo plc is not included.

	Interest rate		Equity	Other financial assets
	1% parallel shift down	1% parallel shift up		
Effect recognised in profit/loss	-61	39	0	-4
Effect recognised directly in equity	170	-165	-597	-165
Total effect	109	-126	-597	-170

9 Movements in level 3 financial instruments measured at fair value >

Financial assets at 30.6.2014	At Jan. 1 2014	Total gains/ losses in income statement	Total gains/ losses recorded in other com- prehensive income	Total gains/ losses		Transfers between levels 1 and 2	At 30 June 2014	Gains/losses included in p/l for financial assets 30 June 2014
				Purchases	Sales			
Financial assets designated at fair value through profit or loss								
Equity securities	14	0	-	1	-1	-	14	-
Debt securities	19	0	-	1	-1	1	20	0
Mutual funds	64	0	-	17	-11	-	70	0
Total	97	0	-	18	-13	1	103	0
Financial assets available-for-sale								
Equity securities	243	0	0	16	-9	-32	217	2
Debt securities	139	0	3	0	-4	29	168	0
Mutual funds	620	4	35	52	-134	-	577	7
Total	1,002	4	38	68	-146	-3	962	9
Total financial assets measured at fair value	1,099	4	38	86	-159	1	1,066	9
6/2014								
				Realised gains	Fair value gains and losses			Total
Total gains or losses included in profit or loss for the financial period				0	9			9
Total gains or losses included in profit and loss for assets held at the end of the financial period				0	9			9

> 9 Movements in level 3 financial instruments measured at fair value

Financial assets at 31.12.2013	At Jan. 1 2013	Total gains/ losses in income statement	Total gains/ losses in other com- prehensive income	Total gains/ losses recorded in other com- prehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec 2013	Gains/losses included in p/l for financial assets 31 Dec 2013
Financial assets designated at fair value through profit or loss									
Equity securities	14	-1	-	5	-4	-	14	-1	
Debt securities	17	1	-	2	-1	-	19	1	
Mutual funds	50	4	-	24	-13	-	64	3	
Total	81	4	-	31	-19	-	97	4	
Financial assets available-for-sale									
Equity securities	69	-1	3	176	-4	-	243	-3	
Debt securities	73	29	-21	6	-47	-	39	-1	
Mutual funds	894	-24	46	139	-335	-	720	19	
Total	1,036	4	27	320	-385	-	1,002	14	
Total financial assets measured at fair value	1,117	8	27	351	-404	-	1,099	18	
12/2013									
					Realised gains	Fair value gains and losses		Total	
Total gains or losses included in profit or loss for the financial period					8	32		40	
Total gains or losses included in profit and loss for assets held at the end of the financial period					-14	32		18	

10 Sensitivity analysis of level 3 financial instruments measured at fair value

		6/2014		12/2013
		Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount
Financial assets				
Financial assets available-for-sale				
Equity securities		218	-17	243
Debt securities		68	-2	39
Mutual Funds		676	-132	720
Total		962	-151	1,002
				-163

The value of financial assets regarding the debt security instruments has been tested by assuming a rise of 1 per cent unit in interest rate level in all maturities. For other financial assets, the prices were assumed to go down by 20%. Sampo Group bears no investment risks related to unit-linked insurance, so a change in assumptions regarding these assets does not affect profit or loss. On the basis of the these alternative assumptions, a possible change in interest levels at 30 June 2014 would cause descend of EURm 2 (2) for the debt instruments, and EURm 149 (161) valuation loss for other instruments in the Group's other comprehensive income. The reasonably possible effect, proportionate to the Group's equity, would thus be 1.4 per cent (1.5).

11 Investments related to unit-linked insurance

Life insurance	6/2014	12/2013
Financial assets as at fair value through p/l		
Debt securities	1,286	1,101
Equity securities	3,629	3,312
Loans and receivables	196	183
Derivatives	15	26
Life insurance, total	5,127	4,623
Elimination items between segments	-30	-7
Group, total	5,097	4,616

12 Liabilities for insurance and investment contracts >

P&C insurance	6/2014	12/2013
Insurance contracts		
Provision for unearned premiums	2,541	2,065
Provision for claims outstanding	7,306	7,435
P&C insurance, total	9,847	9,500
Reinsurers' share		
Provision for unearned premiums	86	43
Provision for claims outstanding	246	377
P&C insurance, total	332	420

> 12 Liabilities for insurance and investment contracts

Life insurance	6/2014	12/2013
Insurance contracts		
Liabilities for contracts with DPF		
Provision for unearned premiums	1,886	1,969
Provision for claims outstanding	1,957	1,948
Total	3,843	3,917
Liabilities for contracts without DPF		
Provision for unearned premiums	0	0
Provision for claims outstanding	0	1
Total	0	1
Total	3,843	3,918
Assumed reinsurance		
Provision for unearned premiums	6	4
Provision for claims outstanding	2	2
Total	8	5
Insurance contracts, total		
Provision for unearned premiums	1,892	1,973
Provision for claims outstanding	1,959	1,951
Total	3,851	3,924
Investment contracts		
Liabilities for contracts with DPF		
Provision for unearned premiums	3	4
Liabilities for insurance and investment contracts, total		
Provision for unearned premiums	1,896	1,976
Provision for claims outstanding	1,959	1,951
Life insurance, total	3,855	3,927
Recoverable from reinsurers		
Provision for unearned premiums	0	0
Provision for claims outstanding	3	3
Life insurance, total	3	3
Investment contracts do not include a provision for claims outstanding.		
Liability adequacy test does not give rise to supplementary claims.		
Exemption allowed in IFRS 4 Insurance contracts has been applied to investment contracts with DPF or contracts with a right to trade-off for an investment contract with DPF. These investment contracts have been valued like insurance contracts.		
Group, total	13,702	13,427

13 Liabilities from unit-linked insurance and investment contracts

Life insurance	6/2014	12/2013
Unit-linked insurance contracts	3,360	3,095
Unit-linked investment contracts	1,739	1,522
Life insurance, total	5,099	4,617
Elimination items between segments	-30	-7
Group, total	5,069	4,610

14 Financial liabilities

P&C insurance	6/2014	12/2013
Derivative financial instruments (Note 7)	9	25
Subordinated debt securities		
Subordinated loans	349	348
P&C insurance, total	358	373
Life insurance	6/2014	12/2013
Derivative financial instruments (Note 7)	12	11
Subordinated debt securities		
Subordinated loans	100	100
Life insurance, total	112	111
Holding	6/2014	12/2013
Derivative financial instruments (Note 7)	14	18
Debt securities in issue		
Commercial papers	300	308
Bonds	1,709	1,720
Total	2,009	2,027
Holding, total	2,023	2,045
Elimination items between segments	-336	-336
Group, total	2,156	2,193

15 Contingent liabilities and commitments >

P&C insurance	6/2014	12/2013		
Off-balance sheet items				
Guarantees	24	28		
Other irrevocable commitments	11	14		
Total	35	42		
Assets pledged as collateral for liabilities or contingent liabilities				
	6/2014	6/2014	12/2013	12/2013
Assets pledged as collateral	Assets pledged	Liabilities/commitments	Assets pledged	Liabilities/commitments
Cash and cash equivalents	1	1	1	1
Investments				
- Investment securities	259	134	270	131
Total	260	135	271	132
Assets pledged as security for derivative contracts, carrying value				
	6/2014	12/2013		
Investment securities	40	39		
The pledged assets are included in the balance sheet item Other assets.				
Non-cancellable operating leases				
Minimum lease payments	6/2014	12/2013		
- not later than one year	33	32		
- later than one year and not later than five years	98	99		
- later than five years	69	78		
Total	200	209		

> 15 Contingent liabilities and commitments

Life insurance	6/2014	12/2013
Off-balance sheet items		
Investment commitments	391	391
Acquisition of IT-software	2	3
Total	394	394

Assets pledged as security for derivative contracts, carrying value		
Cash and cash equivalents	15	6
The pledged assets are included in the balance sheet item Other assets.		
Non-cancellable operating leases		
Minimum lease payments		
- not later than one year	2	2
- later than one year and not later than five years	8	8
- later than five years	8	9
Total	18	19

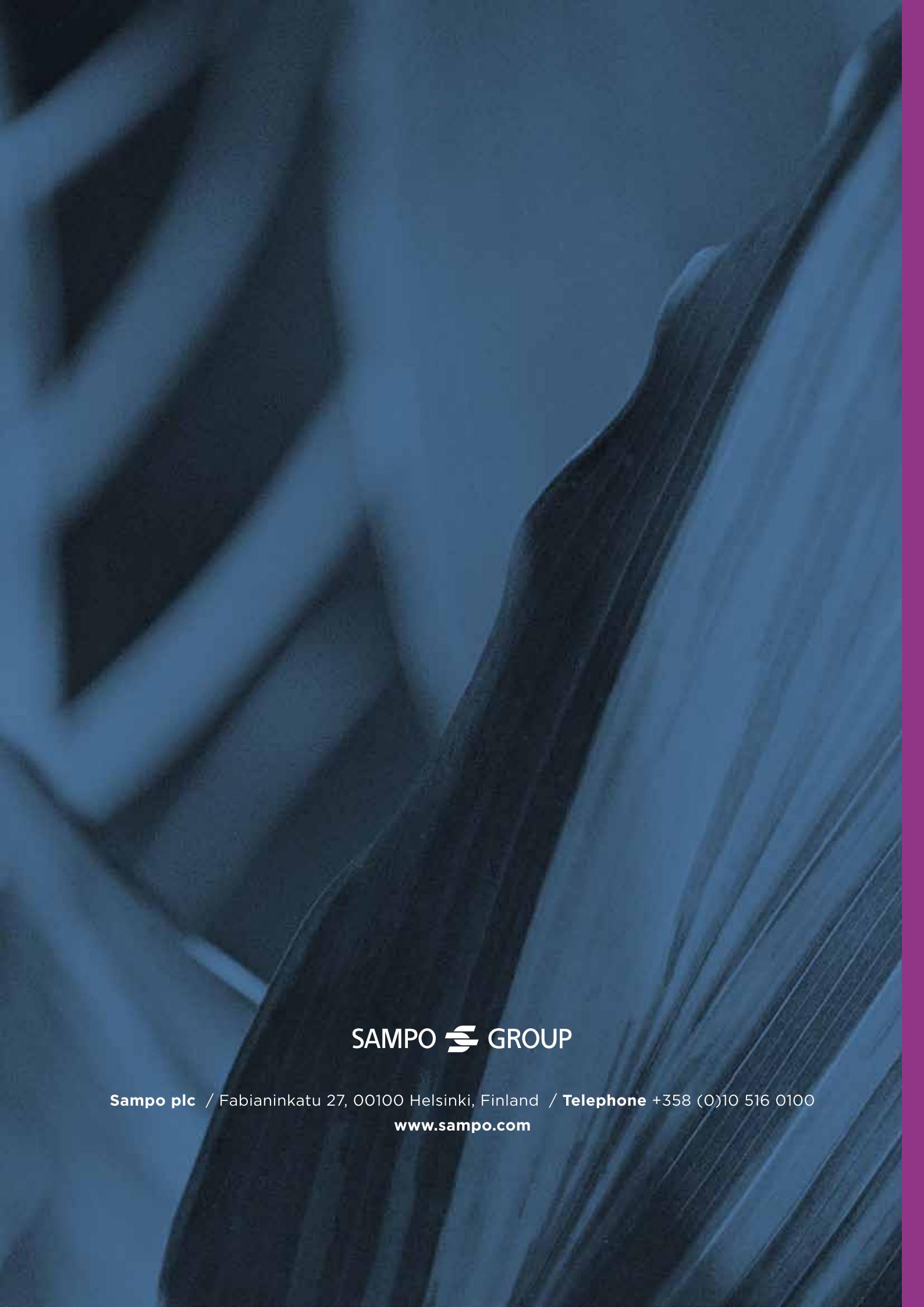
Holding	6/2014	12/2013
Off-balance sheet items		
Investment commitments	0	1
Non-cancellable operating leases		
Minimum lease payments		
- not later than one year	1	1
- later than one year and not later than five years	2	2
Total	3	3

16 Result analysis of P&C insurance business

	1-6/2014	1-6/2013
Premiums earned	2,225	2,255
Claims incurred	-1,593	-1,624
Operating expenses	-369	-378
Other technical income and expenses	2	1
Allocated investment return transferred from the non-technical account	25	37
Technical result	290	292
Investment result	222	217
Allocated investment return transferred to the technical account	-48	-65
Other income and expenses	19	29
Operating result	483	473

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

Income statement	1-6/2014	1-6/2013
Other operating income	7	8
Staff expenses	-10	-12
Depreciation and impairment	0	0
Other operating expenses	-6	-7
Operating profit	-9	-11
Finance income and expenses	476	369
Profit before appropriations and income taxes	467	359
Income taxes	-	0
Profit for the financial period	467	359
Balance sheet	6/2014	12/2013
ASSETS		
Non-current assets		
Intangible assets	0	0
Property, plant and equipment	3	4
Investments		
Shares in Group companies	2,370	2,370
Receivables from Group companies	323	321
Shares in participating undertakings	5,557	5,557
Other shares and participations	87	28
Other receivables	40	388
Receivables	80	101
Cash and cash equivalents	108	280
TOTAL ASSETS	8,569	9,051
LIABILITIES		
Equity		
Share capital	98	98
Fair value reserve	9	4
Invested unrestricted equity	1,527	1,527
Other reserves	273	273
Retained earnings	4,060	4,146
Profit for the year	467	829
Total equity	6,434	6,877
Liabilities		
Long-term	1,709	1,720
Short-term	426	454
Total liabilities	2,136	2,174
TOTAL LIABILITIES	8,569	9,051



SAMPO  **GROUP**

Sampo plc / Fabianinkatu 27, 00100 Helsinki, Finland / **Telephone** +358 (0)10 516 0100
www.sampo.com