

1 Insurance premiums written

P&C insurance

EURm	2013	2012
Premiums from insurance contracts		
Premiums written, direct insurance	4,674	4,590
Premiums written, assumed reinsurance	94	109
Premiums written, gross	4,768	4,698
Reinsurers' share of premiums written	-208	-258
Premiums written, net	4,560	4,441
Change in unearned premium provision	-46	-79
Reinsurers' share	-10	1
Change in unearned premium provision, net	-55	-78
Premiums earned, total	4,505	4,363

Life insurance

EURm	2013	2012
Premiums from insurance contracts		
Premiums written, direct insurance	624	591
Premiums written, assumed reinsurance	4	2
Insurance contracts total, gross	628	593
Premium revenue ceded to reinsurers on insurance contracts issued	-5	-5
Insurance contracts total, net	623	588
Investment contracts	440	389
Premiums written, net ¹⁾	1,063	977
Elimination items between segments	-6	-5
Group, total	5,618	5,413

¹⁾ The change in unearned premiums is presented in note 4 "The change in insurance and investment liabilities".

Specification of premiums written in Life insurance

EURm	2013	2012
Premiums from insurance contracts		
Premiums from contracts with discretionary participation feature	153	168
Premiums from unit-linked contracts	469	421
Premiums from other contracts	1	1
Total	624	591
Assumed reinsurance	4	2
Premiums from investment contracts		
Premiums from contracts with discretionary participation feature	0	0

Premiums from unit-linked contracts	440	389
Total	440	389
Insurance and investment contracts, total	1,068	983
Reinsurers' share	-5	-5
Premiums written, total	1,063	977
Single and regular premiums from direct insurance		
Regular premiums, insurance contracts	291	320
Single premiums, insurance contracts	333	271
Single premiums, investment contracts	440	389
Total	1,064	981

2 Net income from investments

P&C insurance

EURm	2013	2012
Financial assets		
Derivative financial instruments		
Gains/losses	-5	-12
Financial assets designated as at fair value through p/l		
Debt securities		
Interest income	0	3
Gains/losses	-0	4
Equity securities		
Gains/losses	6	0
Dividend income	0	0
Total	7	7
Loans and receivables		
Interest income	22	18
Financial assets available-for-sale		
Debt securities		
Interest income	317	379
Impairment losses	-0	3
Gains/losses	13	11
Equity securities		
Gains/losses	57	12
Impairment losses	-4	-27
Dividend income	37	40
Total	419	418
Total from financial assets	443	430
Other assets		
Investment properties		

Gains/losses	-0	1
Other	-1	-1
Total from other assets	-1	0
Expense on other than financial liabilities	-4	-3
Effect of discounting annuities	-55	-57
Fee and commission expenses		
Asset management	-15	-11
P&C insurance, total	368	359

Included in gains/losses from financial assets available-for-sale is a net gain of EURm -63 (28) transferred from the fair value reserve.

Life insurance

EURm	2013	2012
Financial assets		
Derivative financial instruments		
Gains/losses	6	42
Financial assets designated as at fair value through p/l		
Debt securities		
Interest income	1	3
Gains/losses	0	-1
Equity securities		
Gains/losses	0	0
Dividend income	0	0
Total	2	3
Investments related to unit-linked contracts		
Debt securities		
Interest income	46	34
Gains/losses	-27	37
Equity securities		
Gains/losses	210	237
Dividend income	13	11
Loans and receivables		
Interest income	-1	1
Other financial assets		
Gains/losses	29	-26
Total	270	294
Loans and receivables		
Interest income	1	1
Gains/losses	-5	1
Total	-4	1
Financial assets available-for-sale		

Debt securities		
Interest income	115	144
Gains/losses	2	13
Equity securities		
Gains/losses	111	37
Impairment losses	-33	-37
Dividend income	87	67
Total	282	224
Total financial assets	555	563
Other assets		
Investment properties		
Gains/losses	1	-0
Impairment losses	0	-2
Other	2	4
Total other assets	2	2
Net fee income		
Asset management	-13	-13
Fee income	25	22
Total	11	9
Life insurance, total	569	574

Included in gains/losses from financial assets available-for-sale is a net gain of EURm 70 (2) transferred from the fair value reserve.

Holding

EURm	2013	2012
Financial assets		
Derivative financial instruments		
Gains/losses	8	23
Loans and receivables		
Interest income	1	0
Gains/losses	-6	-0
Total	-5	-0
Financial assets available-for-sale		
Debt securities		
Interest income	16	21
Gains/losses	-	3
Equity securities		
Gains/losses	5	-0
Impairment losses	-0	-1
Dividend income	1	5
Total	22	28
Total financial assets	25	51

Other assets		
Investment properties		
Gains/losses	1	0
Other	-0	-0
Total other assets	1	0
Net fee income	-0	-0
Holding, total	26	51
Included in gains/losses from financial assets available-for-sale is a net gain of EURm 4 (2) transferred from the fair value reserve.		
Elimination items between segments	-22	-18
EURm	2013	2012
Group, total	942	967

Other income and expenses comprise rental income, maintenance expenses and depreciation of investment property.

All the income and expenses arising from investments are included in Net income from investments. Gains/losses include realised gains/losses on sales, unrealised and realised changes in fair values and exchange differences. Unrealised fair value changes for financial assets available-for-sale are recorded in other comprehensive income and presented in the fair value reserve in equity.

The changes in the fair value reserve are disclosed in the Statement of changes in equity.

The effect of discounting annuities in P&C insurance is disclosed separately. The provision for annuities is calculated in accordance with actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future return on investments into account. To cover the costs for upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return on investments is added to annuity results.

3 Claims incurred

P&C insurance

EURm	2013			2012		
	Gross	Ceded	Net	Gross	Ceded	Net
P&C insurance						
Claims cost attributable to current-year operations						
Claims paid	-1,718	21	-1,697	-1,694	30	-1,665
Change in provision for claims outstanding (incurred and reported losses)	-715	19	-696	-894	166	-727
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-633	13	-620	-622	13	-609
Claims-adjustment costs	-4	0	-4	2	-	2
Change in claims provision for annuities	-7	0	-7	-9	-	-9
Total claims cost attributable to current-year operations	-3,078	53	-3,025	-3,218	209	-3,009
Claims costs attributable to prior-year operations						

Claims paid	-1,274	165	-1,108	-1,426	139	-1,288
Annuities paid	-77	0	-77	-20	-0	-20
Change in provision for claims outstanding (incurred and reported losses)	915	-140	775	938	-100	837
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	508	-18	489	647	-44	603
Total claims cost attributable to prior-year operations	71	7	79	139	-6	133
Insurance claims paid						
Claims paid	-2,991	186	-2,805	-3,121	168	-2,952
Annuities paid	-129	-	-129	-42	-	-42
Total claims paid	-3,120	186	-2,935	-3,163	168	-2,995
Change in provision for claims outstanding						
Change in provision for claims outstanding (incurred and reported losses)	199	-121	79	44	66	110
Change in provision for claims outstanding (incurred but not reported losses, IBNR)	-126	-5	-131	25	-31	-6
Change in claims provision for annuities	45	0	45	13	-0	13
Claims-adjustment costs	-4	-	-4	2	-	2
Total change in provision for claims outstanding	114	-126	-12	84	35	119
P&C insurance, total	-3,006	60	-2,946	-3,079	203	-2,876

The provision for annuities is valued in accordance with normal actuarial principles taking anticipated inflation and mortality into consideration, and discounted to take the anticipated future investment return into account. To cover costs for the upward adjustment of annuity provisions required for the gradual reversal of such discounting, an anticipated return is added to the annuity results. Provisions for incurred but not reported losses pertaining to annuities in Finland are discounted. The provisions in 2013 amounted to EURm 282 (289). The non-discounted value was EURm 453 (513). The exchange effect on the discounted provisions was an increase of EURm 9. The acquired businesses increased the the provision by some EURm 9. The real decrease EURm 15 is partly explained by the model adjustment for Motor Third Party Liability and Workers' Compensation insurances.

Interest rate used in calculating the technical provisions of annuities (%)

	2013	2012
Sweden	1.19%	0.18%
Finland	2.50%	3.00%
Denmark	2.00%	2.00%

Life insurance

EURm	Claims paid		Change in provision for claims outstanding		Claims incurred	
	2013	2012	2013	2012	2013	2012
Insurance contracts						
Life insurance						
Contracts with discretionary participation feature (DPF)	-50	-77	-0	-3	-50	-80
Other contracts	-0	-0	-0	-1	-0	-1
Unit-linked contracts	-160	-155	0	4	-160	-152
Total	-211	-233	0	0	-210	-233
Pension insurance						
Contracts with discretionary participation feature (DPF)	-344	-346	24	51	-320	-296

Unit-linked contracts	-12	-10	-16	-10	-29	-20
Total	-357	-357	8	41	-349	-315
Assumed reinsurance	-1	-1	-1	0	-2	-1
Insurance contracts total, gross	-568	-590	7	41	-561	-548
Reinsurers' share	3	4	-1	0	2	4
Insurance contracts total, net	-565	-586	7	41	-559	-545
Investment contracts						
Capital redemption policies						
Contracts with discretionary participation feature (DPF)	-1	-1	-	-	-1	-1
Unit-linked contracts	-172	-123	-	-	-172	-123
Investment contracts, total	-173	-124	-	-	-173	-124
Life insurance, total	-738	-710	7	41	-731	-669

Claims paid by type of benefit

EURm	2013	2012
Insurance contracts		
Life insurance		
Surrender benefits	-10	-8
Death benefits	-21	-26
Maturity benefits	-9	-33
Loss adjustment expenses	-0	-0
Other	-10	-10
Total	-50	-77
Life insurance, unit-linked		
Surrender benefits	-115	-89
Death benefits	-34	-27
Maturity benefits	-12	-40
Loss adjustment expenses	0	-0
Total	-160	-155
Pension insurance		
Pension payments	-319	-320
Surrender benefits	-20	-19
Death benefits	-5	-7
Loss adjustment expenses	-0	-0
Total	-344	-346
Pension insurance, unit-linked		
Surrender benefits	-9	-8
Death benefits	-4	-2
Other	-0	-0
Total	-12	-10
Assumed reinsurance	-1	-1

Insurance contracts total, gross	-569	-590
Reinsurers' share	3	4
Insurance contracts total, net	-565	-586
Investment contracts		
Capital redemption policy, with-profit		
Surrender benefits	-0	-0
Loss adjustment expenses	-0	-0
Total	-1	-1
Investment contracts		
Capital redemption policy, unit-linked		
Surrender benefits	-170	-123
Loss adjustment expenses	-2	-0
Total	-172	-123
Investment contracts total, gross	-173	-124
Claims paid total, gross	-741	-714
Claims paid total, net	-738	-710
Elimination items between segments	-	4
EURm	2013	2012
Group, total	-3,677	-3,541

4 Change in liabilities for insurance and investment contracts

P&C insurance

EURm	2013	2012
Change in unearned premium provision	-46	-79
Reinsurers' share	-10	1
Change in unearned premium provision, net	-55	-78

Life insurance

EURm	2013	2012
Insurance contracts		
Life-insurance		
Contracts with discretionary participation feature (DPF)	19	47
Other contracts	0	0
Unit-linked contracts	-232	-214
Total	-213	-167
Pension insurance		

Contracts with discretionary participation feature (DPF)	102	83
Unit-linked contracts	-183	-229
Total	-80	-146
Assumed reinsurance	-3	0
Insurance contracts total, gross	-296	-313
Reinsurers' share	0	0
Insurance contracts total, net	-296	-313
Investment contracts		
Capital redemption policy		
Contracts with discretionary participation feature (DPF)	2	1
Unit-linked contracts	-353	-330
Investment contracts, total	-352	-329
Change in liabilities for insurance and investment contracts in total, gross	-648	-642
Change in liabilities for insurance and investment contracts in total, net	-648	-642
Elimination items between segments	6	1
Group, total	-697	-719

5 Staff costs

P&C insurance

EURm	2013	2012
Staff costs		
Wages and salaries	-390	-381
Cash-settled share-based payments	-22	-16
Pension costs		
- defined contribution plans	-51	-44
- defined benefit plans (Note 31)	-22	-7
Other social security costs	-79	-73
P&C insurance, total	-564	-521

Life insurance

EURm	2013	2012
Staff costs		
Wages and salaries	-33	-31
Cash-settled share-based payments	-5	-3
Pension costs - defined contribution plans	-5	-5
Other social security costs	-3	-2
Life insurance, total	-46	-42

Holding

EURm	2013	2012
Staff costs		
Wages and salaries	-8	-8
Cash-settled share-based payments	-12	-7
Pension costs - defined contribution plans	-3	-3
Other social security costs	-1	-1
Holding, total	-23	-18

EURm	2013	2012
Group, total	-634	-582

More information on share-based payments in note 36 Incentive schemes.

6 Other operating expenses

P&C insurance

EURm	2013	2012
IT costs		
Other staff costs	-16	-17
Marketing expenses	-44	-45
Depreciation and amortisation	-11	-9
Rental expenses	-53	-53
Change in deferred acquisition costs	3	10
Direct insurance commissions	-180	-184
Commissions on reinsurance ceded	18	19
Other	-108	-144
P&C insurance, total	-393	-422

Life insurance

EURm	2013	2012
IT costs	-12	-14
Other staff costs	-2	-2
Marketing expenses	-3	-4
Depreciation and amortisation	-3	-4
Rental expenses	-3	-3
Direct insurance commissions	-10	-8
Commissions of reinsurance assumed	0	-1
Commissions on reinsurance ceded	2	1
Other	-23	-24
Life insurance, total	-54	-58

Item Other for P&C and Life Insurance includes e.g. expenses related to communication, external services and other administrative expenses.

Holding

EURm	2013	2012
IT costs	-0	-0
Other staff costs	-0	-0
Marketing expenses	-2	-1
Depreciation and amortisation	-0	-0
Rental expenses	-1	-1
Other	-8	-9
Holding, total	-11	-13

Item Other includes e.g. consultancy fees and rental and other administrative expenses.

Elimination items between segments	16	16
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EURm	2013	2012
Group, total	-543	-576

7 Result analysis of P&C insurance

EURm	2013	2012
Insurance premiums earned	4,505	4,363
Claims incurred	-3,215	-3,142
Operating expenses	-755	-738
Other insurance technical income and expense	2	3
Allocated investment return transferred from the non-technical account	65	89
Technical result	601	574
Net investment income	405	397
Allocated investment return transferred to the technical account	-120	-146
Other income and expense	43	39
Operating result	929	864

Specification of activity-based operating expenses included in the income statement

EURm	2013	2012
Claims-adjustment expenses (Claims paid)	-269	-266
Acquisition expenses (Operating expenses)	-525	-528
Joint administrative expenses for insurance business (Operating expenses)	-245	-240
Administrative expenses pertaining to other technical operations (Operating expenses)	-26	-30
Asset management costs (Investment expenses)	-15	-11
Total	-1,081	-1,075

8 Performance analysis per class of P&C insurance

EURm	Accident and health	Motor, third party liability	Motor, other classes	Marine, air and transport	Fire and other damage to property	Third party liability	Credit insurance
Premiums written, gross							
2013	772	689	1,334	148	1,367	216	3
2012	738	693	1,291	150	1,366	203	3
Premiums earned, gross							
2013	757	695	1,308	147	1,359	211	2
2012	720	694	1,249	148	1,352	203	2
Claims incurred, gross ¹⁾							
2013	-560	-508	-918	-93	-966	-105	-1
2012	-477	-499	-911	-66	-1,006	-96	-1
Operating expenses, gross ²⁾							
2013	-135	-144	-195	-26	-207	-31	-0
2012	-125	-144	-191	-26	-208	-31	-0
Profit/loss from ceded reinsurance							
2013	-2	-2	-2	-10	-81	-32	0
2012	-18	5	-2	-25	-70	-34	-0
Technical result before investment return							
2013	60	41	193	18	105	42	1
2012	100	56	145	31	68	42	1

EURm	Legal expenses	Other	Total direct insurance	Reinsurance assumed	Elimination	Total
Premiums written, gross						
2013	40	112	4,680	94	-6	4,768
2012	34	117	4,596	109	-6	4,698
Premiums earned, gross						
2013	39	113	4,631	97	-6	4,723
2012	34	116	4,519	106	-6	4,619
Claims incurred, gross ¹⁾						
2013	-26	-48	-3,226	-56	6	-3,276
2012	-24	-170	-3,250	-100	4	-3,345
Operating expenses, gross ²⁾						
2013	-7	-14	-760	-24	11	-773
2012	-6	-10	-742	-26	13	-755
Profit/loss from ceded reinsurance						
2013	-0	-14	-144	-2	6	-140
2012	0	99	-46	7	6	-34
Technical result before investment return						
2013	6	37	501	16	17	534
2012	3	35	481	-13	17	485

1) Activity-based operating costs EURm 269 (271) have been allocated to claims incurred.

2) Includes other technical income EURm 28 (33) and other technical expenses EURm 26 (30).

9 Earnings per share

EURm	2013	2012
Earnings per share		
Profit or loss attributable to the equity holders of the parent company	1,452	1,408
Weighted average number of shares outstanding during the period	560	560
Earnings per share (EUR per share)	2.59	2.51

10 Financial assets and liabilities

Financial assets and liabilities have been categorised in accordance with IAS 39.9. In the table are also included interest income and expenses, realised and unrealised gains and losses recognised in P/L, impairment losses and dividend income arising from those assets and liabilities. The financial assets in the table include balance sheet items Financial assets and Cash and cash equivalents.

EURm	Carrying amount	Interes inc./exp.t	2013		Dividend income
			Gains / losses	Impairment losses	
FINANCIAL ASSETS					
Financial assets at fair value through p/l					
Derivative financial instruments	78	1	37	-	-
Financial assets designated as at fair value through p/l	50	1	7	-	0
Loans and receivables	1,051	23	-11	-	-
Financial assets available-for-sale	16,430	427	187	-38	125
Financial assets, group total	17,609	453	220	-38	125

FINANCIAL LIABILITIES

Financial liabilities at fair value through p/l					
Derivative financial instruments	53	-	-		
Other financial liabilities	2,140	-73	16		
Financial liabilities, group total	2,193	-73	16		

EURm	Carrying amount	Interes inc./exp.t	2012		Dividend income
			Gains / losses	Impairment losses	
FINANCIAL ASSETS					
Financial assets at fair value through p/l					
Derivative financial instruments	168	2	32	-	-
Financial assets designated as at fair value through p/l	70	6	3	-	0
Loans and receivables	1,142	19	0	-	-

Financial assets available-for-sale	16,511	526	75	-62	112
Financial assets, group total	17,891	554	111	-62	112
FINANCIAL LIABILITIES					
Financial liabilities at fair value through p/l					
Derivative financial instruments	62	-	-		
Other financial liabilities	2,316	-85	10		
Financial liabilities, group total	2,378	-85	10		

11 Property, plant and equipment

P&C insurance

EURm	2013 Equipment	2012 Equipment
At 1 Jan.		
Cost	154	146
Accumulated depreciation	-138	-131
Net carrying amount	16	16
Opening net carrying amount	16	16
Additions	9	9
Disposals	-1	-2
Depreciation	-8	-8
Exchange differences	-1	0
Closing net carrying amount	16	16
At 31 Dec.		
Cost	162	154
Accumulated depreciation	-146	-138
Net carrying amount	16	16

Life insurance

EURm	2013			2012		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
At 1 Jan.						
Cost	4	8	12	4	7	12
Accumulated depreciation	-1	-6	-6	-0	-5	-6
Net carrying amount	4	2	5	4	2	6
Opening net carrying amount	4	2	5	4	2	6
Additions	-	-	0	-	0	0
Depreciation	-	-	0	-0	-0	-1
Closing net carrying amount	4	2	5	4	2	5
At 31 Dec.						

Cost	4	8	12	4	8	12
Accumulated depreciation	-1	-6	-6	-1	-6	-6
Net carrying amount	4	2	5	4	2	5

Holding

EURm	2013			2012		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
At 1 Jan.						
Cost	2	5	7	2	5	7
Accumulated depreciation	-1	-2	-3	-1	-2	-3
Net carrying amount	1	3	4	1	3	4
Opening net carrying amount	1	3	4	1	3	4
Additions	0	0	0	-	0	0
Depreciation	-0	-0	-0	-0	-0	-0
Closing net carrying amount	1	3	4	1	3	4
At 31 Dec.						
Cost	2	5	7	2	5	7
Accumulated depreciation	-1	-2	-3	-1	-2	-3
Net carrying amount	1	3	4	1	3	4

EURm	2013	2012
Group, total	25	26

Equipment in different segments comprise IT equipment and furniture.

12 Investment property

P&C insurance

EURm	2013	2012
At 1 Jan.		
Cost	34	34
Accumulated depreciation	-7	-6
Accumulated impairment losses	-0	-2
Net carrying amount	27	26
Opening net carrying amount	27	26
Additions	-5	-0
Disposals	-1	-1
Depreciation	-1	-1
Impairment losses	1	2
Reversal of impairment losses	-1	0
Exchange differences	2	1
Closing net carrying amount	22	26
At 31 Dec.		

Cost	29	34
Accumulated depreciation	-7	-7
Accumulated impairment losses	-0	-0
Net carrying amount	22	27
Rental income from investment property	3	3
Property rented out under operating lease		
Non-cancellable minimum rental		
- not later than one year	1	2
- later than one year and not later than five years	1	1
- later than five years	0	0
Total	2	3
Expenses arising from investment property		
- direct operating expenses arising from investment property generating rental income during the period	-2	-2
- direct operating expenses arising from investment property not generating rental income during the period	-1	-1
Total	-2	-3
Fair value of investment property at 31 Dec.	23	23

Life insurance

EURm	2013	2012
At 1 Jan.		
Cost	157	150
Accumulated depreciation	-45	-42
Accumulated impairment losses	-16	-16
Net carrying amount	95	92
Opening net carrying amount	95	92
Additions	17	8
Disposals	-2	0
Depreciation	-3	-3
Impairment losses	-1	-2
Closing net carrying amount	107	95
At 31 Dec.		
Cost	172	158
Accumulated depreciation	-48	-45
Accumulated impairment losses	-17	-17
Net carrying amount	107	95
Rental income from investment property	13	15
Property rented out under operating lease		
Non-cancellable minimum rental		
- not later than one year	6	6
- later than one year and not later than five years	14	11
- later than five years	2	3
Total	22	20

Expenses arising from investment property		
- direct operating expenses arising from investment property generating rental income during the period	-7	-8
- direct operating expenses arising from investment property not generating rental income during the period	-2	-1
Total	-9	-8
Fair value of investment property at 31 Dec.	125	112

Holding

EURm	2013	2012
At 1 Jan.		
Cost	4	4
Accumulated depreciation	0	-0
Accumulated impairment losses	0	0
Net carrying amount	4	4
Net carrying amount	4	4
Disposals	-4	-0
Closing net carrying amount	0	4
At 31 Dec.		
Cost	0	4
Accumulated depreciation	0	-0
Accumulated impairment losses	0	0
Net carrying amount	0	4
Rental income from investment property	0	0
Fair value of investment property at 31 Dec.	0	4
Elimination items between segments	-4	-4
EURm	2013	2012
Group, total	125	122

Fair values for the Group's investment property are entirely determined by the Group, based on the market evidence. The determination and hierarchy of financial assets and liabilities at fair value are disclosed in note 17. Based on the principles of this determination, the investment property falls under level 2.

The premises in investment property for different segments are leased on market-based, irrevocable contracts. The lengths of the contracts vary from those for the time being to those for several years.

13 Intangible assets

P&C insurance

EURm	2013		Total
	Goodwill	Other intangible	

	assets		
At 1 Jan.			
Cost	585	125	710
Accumulated amortisation	-	-104	-104
Net carrying amount	585	21	606
Opening net carrying amount	585	21	606
Exchange differences	0	-2	-2
Additions			
Acquired separately	-	7	7
Disposals	0	-	0
Amortisation	-	-3	-3
Closing net carrying amount	585	23	608
At 31 Dec.			
Cost	585	130	715
Accumulated amortisation	-	-107	-107
Net carrying amount	585	23	608

EURm	Goodwill	2012 Other intangible assets	Total
At 1 Jan.			
Cost	564	119	682
Accumulated amortisation	-	-102	-102
Net carrying amount	564	13	580
Opening net carrying amount	564	13	576
Exchange differences	22	1	22
Additions			
Acquired separately	-	6	6
Disposals	0	-1	-1
Amortisation	-	-2	-2
Closing net carrying amount	585	17	602
At 31 Dec.			
Cost	585	125	710
Accumulated amortisation	-	-104	-104
Net carrying amount	585	21	606

Life insurance

EURm	2013			2012		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
At 1 Jan.						
Cost	153	42	195	153	0	153
Accumulated amortisation	-	-31	-31	-	0	0

Net carrying amount	153	11	164	153	0	153
Opening net carrying amount	153	11	164	153	12	165
Additions	-	1	1	-	2	2
Amortisation	-	-3	-3	-	-3	-3
Closing net carrying amount	153	9	162	153	11	164
At 31 Dec.						
Cost	153	43	196	153	42	195
Accumulated amortisation	-	-34	-34	-	-31	-31
Net carrying amount	153	9	162	153	11	164

EURm	2013	2012
Group, total	770	771

Other intangible assets in all segments comprise mainly IT software.

Depreciation and impairment losses are included in the income statement item Other operating expenses.

Testing goodwill for impairment

Goodwill is tested for impairment in accordance with IAS 36 Impairment of assets. No impairment losses have been recognised based on these tests.

For the purpose of testing goodwill for impairment, Sampo determines the recoverable amount of its cash-generating units, to which goodwill has been allocated, on the basis of value in use. Sampo has defined these cash-generating units as If Group and Mandatum Life.

The recoverable amounts for If have been determined by using a discounted cash flow model. The model is based on Sampo's management's best estimates of both historical evidence and economic conditions such as volumes, interest rates, margins, capital structure and income and cost development. The value in use model for Mandatum Life is greatly influenced by the long-term development of insurance liabilities, affecting e.g. the required solvency capital and thus the recoverable amount. That is why the forecast period is longer for Mandatum Life, 10 years. The derived cash flows were discounted at the pre-tax rates of the weighted average cost of capital which for If was 9.4 per cent and for Mandatum Life 9.7 per cent. These are somewhat higher than last year due to the increase in Nordic government bonds.

Forecasts for If, approved by the management, cover years 2014 - 2016. The cash flows beyond that have been extrapolated using a 2 per cent growth rate. A 2 per cent growth rate for years beyond 2023 has been used for the for Mandatum Life as well, as it is believed to be close to the anticipated inflation.

In Mandatum Life, the recoverable amount exceeds its carrying amount by some EURm 180. With the calculation method used, e.g. an increase of about 1.4 per cent in the weighted average cost of capital could lead to a situation where the recoverable amount of the entity would equal its carrying amount.

As for the If Group, the management believes that any reasonably possible change in any of these key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

14 Investments in associates

Associates that have been accounted for by the equity method at 31 Dec. 2013

EURm	Carrying amount	Fair value ^{*)}	Interest held %	Assets/liabilities	Revenue	Profit/loss
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Name

Nordea Bank Abp	6,906	8,413	21.25	630 434 / 601 225	9,891	3,116
Topdanmark A/S	363	603	27.98	7 980 / 7 278	1,187	167
Autovahinkokeskus Oy	3		35.50	9 / 1	9	0
Consulting AB Lennemark & Andersson	1		22.00	11 / 6	17	1
Urzus Group AS	2		28.60	11 / 10	8	-4
Svithun Assuranse AS (Norway)	1		33.00	1 / 1	2	0
Watercircles Skandinavia AS (Norway)	4		39.60	7 / 10	6	-4

Associates that have been accounted for by the equity method at 31 Dec. 2012

EURm

Name	Carrying amount	Fair value ^{*)}	Interest held %	Assets/ liabilities	Revenue	Profit/loss
Nordea Bank Abp	6,687	6,226	21.25	668 178 / 640 173	9,998	3,126
Topdanmark A/S	352	512	25.44	8 291 / 7 612	1,253	178
Autovahinkokeskus Oy	3		35.54	9 / 1	8	1
Consulting AB Lennemark & Andersson	1		21.98	16 / 1	16	1
Urzus Group AS	3		28.57	4 / -6	4	-6
Svithun Assuranse AS (Norway)	1		33.00	2 / 0	2	0
Watercircles Skandinavia AS (Norway)	2		27.68	3 / -4	3	-4

^{*)} Published price quotation

Changes in investments in associates

EURm	2013	2012
At beginning of year	7,049	6,593
Share of loss/profit	686	700
Additions	3	3
Disposals	-293	-224
Changes in the equity of associates	-128	-21
Exchange differences	-36	-1
At end of year	7,282	7,049

At 31 Dec. 2013, the carrying amount of investments in associates included goodwill EURm 1,102 (1,100), including goodwill from the Nordea acquisition EURm 978 (978).

Sampo's holding in Nordea

Nordea is an universal bank with positions within corporate merchant banking as well as retail banking and private banking. With approximately 1,400 branches, call centers in all Nordic countries and an e-bank, Nordea also has a large distribution network for customers in the Nordic and Baltic sea region, including more than 260 branches in five new European markets, Russia, Poland, Lithuania, Latvia and Estonia.

Nordea was first consolidated as an associate company from 31 Dec. 2009 with Sampo's holding of 20.05 per cent. In the financial year 2013, Sampo's holding in Nordea was 21.25 per cent with the goodwill related to the acquisitions of EURm 978.

Sampo's share of Nordea's profit at 31 Dec. 2013:

EURm

Share of loss/profit of the associate	662
Amortisation of the customer relations	-35
Change in deferred tax	8
Share of the loss/profit of an associate	635

15 Financial assets

Group's financial assets comprise investments in derivatives, financial assets designated as at fair value through p/l, loans and receivables, available-for-sale financial assets and investments in subsidiaries. The Holding segment includes also investments in subsidiaries.

The Group uses derivative instruments for trading and for hedging purposes. The derivatives used are foreign exchange, interest rate and equity derivatives. In P&C insurance business, fair value hedging has been applied during the financial year. In Life insurance, both fair value and cash flow hedging have been applied.

EURm	2013	2012
P&C insurance		
Derivative financial instruments	5	49
Financial assets designated as at fair value through p/l	2	22
Loans and receivables	246	85
Financial assets available-for-sale	11,012	11,045
P&C insurance, total	11,265	11,200
Life insurance		
Derivative financial instruments	33	60
Financial assets designated as at fair value through p/l	48	48
Loans and receivables	19	23
Financial assets available-for-sale	5,023	5,138
Life insurance, total	5,122	5,269
Holding		
Derivative financial instruments	41	59
Loans and receivables	1	1
Financial assets available-for-sale	737	599
Investments in subsidiaries	2,370	2,370
Holding, total	3,148	3,028
Elimination items between segments	-2,712	-2,641
Group, total	16,824	16,857

P&C insurance

Derivative financial instruments

EURm	Contract/ notional amount	2013 Fair value		Contract/ notional amount	2012 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
OTC derivatives						
Interest rate swaps	1,165	-	4	50	0	1
Exchange traded derivatives						
Interest rate futures	85	1	1	163	2	-
Total interest rate derivatives	1,250	1	5	213	2	1
Foreign exchange derivatives						
OTC derivatives						
Currency forwards	2,147	4	20	2,173	37	36
Currency options, bought and sold	42	0	-	-	-	-
Total foreign exchange derivatives	2,189	4	20	2,173	37	36
Equity derivatives						
OTC derivatives						
Equity and equity index options	0	0	-	0	0	-
Total derivatives held for trading	3,439	5	25	2,386	40	37
Derivatives held for hedging						
Fair value hedges						
Currency forwards	-	-	-	372	9	1
Total derivatives	3,439	5	25	2,759	49	38

Other financial assets

EURm	2013	2012
Financial assets designated as at fair value through p/l		
Debt securities		
Issued by public bodies	-	3
Certificates of deposit issued by banks	-	16
Other debt securities	0	1
Total debt securities	0	19
Equity securities		
Other than listed	2	2
Total financial assets designated as at fair value	2	22

through p/l

Loans and receivables

Deposits with ceding undertakings	1	1
Other	245	83
Total loans and receivables	246	85

Financial assets available-for-sale**Debt securities**

Issued by public bodies	1,327	152
Certificates of deposit issued by banks	2,741	3,729
Other debt securities	5,462	5,794
Total debt securities	9,531	9,675

Equity securities

Listed	1,277	1,240
Unlisted	205	130
Total	1,481	1,370

Total financial assets available-for-sale	11,012	11,045
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Financial assets available-for-sale for P&C insurance include impairment losses EURm 242 (323).

P&C insurance, total financial assets	11,265	11,200
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Life insurance**Derivative financial instruments**

EURm	Contract/ notional amount	2013 Fair value		Contract/ notional amount	2012 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
OTC derivatives						
Interest rate swaps	5,978	25	7	778	19	2
Credit risk swaps	508	0	2	531	0	2
Total	6,486	25	10	1,309	19	3
Foreign exchange derivatives						
OTC derivatives						
Currency forwards	955	7	1	1,149	17	2
Currency options, bought and sold	0	0	0	99	1	0
Total foreign exchange derivatives	955	7	1	1,248	17	2
Equity derivatives						
OTC derivatives						
Equity and equity index options	1	0	0	-	-	-

Total derivatives held for trading	7,441	32	11	2,556	37	5
Derivatives held for hedging						
Fair value hedges						
Currency forwards	501	1	0	575	23	-
Interest rate swaps	0	0	0	-	-	-
Total	501	1	-	575	23	0
Cash flow hedges						
Interest rate swaps	0	-	-	9	0	-
Total derivatives held for hedging	501	1	-	584	23	0
Total derivatives	7,943	33	11	3,141	60	5

Fair value hedges

Fair value hedging is used to hedge a proportion of foreign exchange and interest risk in available-for-sale financial assets. The interest elements of forward contracts have been excluded from hedging relationships in foreign exchange hedges.

Net result from exchange derivatives designated as fair value hedges amounted to EURm 18 (12). Net result from hedged risks in fair value hedges of available for sale financial assets amounted to EURm -18 (-11).

Cash flow hedges

The interest rate derivatives hedging cash flows fell due during the financial year and no new cash flow hedges were started.

Other financial assets

EURm	2013	2012
Financial assets designated as at fair value through p/l		
Debt securities		
Issued by public bodies	11	12
Certificates of deposit issued by banks	35	35
Total debt securities	46	47
Listed equity securities	2	1
Total financial assets designated as at fair value through p/l	48	48
Loans and receivables		
Deposits with ceding undertakings	1	1
Loans	18	22
Total loans and receivables	19	23
Financial assets available-for-sale		

Debt securities		
Issued by public bodies	727	12
Issued by banks	632	1,066
Other debt securities	1,548	1,708
Total debt securities	2,907	2,786
Equity securities		
Listed	1,379	1,561
Unlisted	737	792
Total	2,116	2,353
Total financial assets available-for-sale	5,023	5,138
Financial assets available-for-sale for life insurance include impairment losses EURm 33 (29).		
Life insurance, total financial assets	5,122	5,269

Financial assets available for sale / debt securities: Debt securities available for sale include EURm 2,553 (2,381) investments in bonds and EURm 354 (405) investments in money market instruments.

Financial assets available for sale /shares and participations: Listed equity securities include EURm 641 (589) listed equities. Unlisted equity securities include EURm 640 (752) investments in capital trusts.

Holding

Derivative financial instruments

EURm	Contract/ notional amount	2013 Fair value		Contract/ notional amount	2012 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest derivatives						
OTC-derivatives						
Interest rate swaps	800	26	-	800	42	-
Credit risk swaps	20	0	-	20	1	-
Total interest derivatives	820	26	0	820	43	-
Foreign exchange derivatives						
OTC-derivatives						
Currency forwards	21	0	1	284	0	0
Equity derivatives						
Exchange traded derivatives						
Equity and equity index options	88	14	16	90	16	19
Total derivatives	930	41	18	1,194	59	19

Other financial assets

EURm	2013	2012
Loans and receivables		
Deposits	0	1
Financial assets available-for-sale		
Debt securities		
Certificates of deposit issued by banks	350	100
Other debt securities	360	475
Total debt securities	709	575
Equity securities		
Listed	7	1
Unlisted	21	24
Total	28	24
Total financial assets available-for-sale	737	599
Financial assets available-for-sale for Holding business include impairment losses EURm 0 (0).		
Investments in subsidiaries	2,370	2,370
Holding, total financial assets	3,148	3,028
Elimination items between segments	-2,712	-2,641
EURm	2013	2012
Group, total	16,824	16,856

16 Fair values

EURm	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets, group				
Financial assets	16,827	16,824	16,858	16,857
Investments related to unit-linked contracts	4,616	4,616	3,834	3,834
Other assets	17	17	9	9
Cash and cash equivalents	779	785	1,029	1,034
Total	22,240	22,242	21,730	21,734
Financial liabilities, group				
Financial liabilities	2,273	2,193	2,485	2,378
Other liabilities	26	26	4	4
Total	2,299	2,219	2,489	2,382

In the table above are presented fair values and carrying amounts of financial assets and liabilities. The detailed measurement bases of financial assets and liabilities are disclosed in Group Accounting policies.

The fair value of investment securities is assessed using quoted prices in active markets. If published price quotations are not available, the fair value is assessed using discounting method. Values for the discount rates are taken from the market's yield curve.

The fair value of the derivative instruments is assessed using quoted market prices in active markets, discounting method or option pricing models.

The fair value of loans and other financial instruments which have no quoted price in active markets is based on discounted cash flows, using quoted market rates. The market's yield curve is adjusted by other components of the instrument, e.g. by credit risk.

The fair value for short-term non-interest-bearing receivables and payables is their carrying amount.

Disclosed fair values are "clean" fair values, i.e. less interest accruals.

17 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.

EURm	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS 31.12.2013				
Derivative financial instruments				
Interest rate swaps	1	51	-	52
Other interest derivatives	-	0	-	0
Foreign exchange derivatives	-	12	-	12
Equity derivatives	-	14	-	14
	1	77	-	78
Financial assets designated at fair value through profit or loss				
Equity securities	2	-	-	2
Debt securities	-	46	0	46
	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

Derivative financial instruments	2,098	804	64	2,966
Mutual funds	-	26	-	26
	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
	4,449	10,981	1,002	16,432
Total financial assets measured at fair value	6,887	13,006	1,099	20,992
FINANCIAL LIABILITIES 31.12.2013				
Derivative financial instruments				
Interest rate derivatives	1	14	-	15
Foreign exchange derivatives	-	22	-	22
Equity derivatives	-	16	-	16
Total financial liabilities measured at fair value	-	52	-	53

EURm	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS 31.12.2012				
Derivative financial instruments				
Interest rate swaps	2	62	-	64
Other interest rate derivatives	-	2	-	2
Foreign exchange derivatives	-	87	-	87
Equity derivatives	-	16	-	16
	2	166	-	168
Financial assets designated at fair value through profit or loss				
Equity securities	3	-	-	3
Debt securities	-	66	-	66
	3	66	-	70
Financial assets related to unit-linked insurance				
Equity securities	239	67	14	320
Debt securities	-	808	17	826
Derivative financial instruments	1,821	520	50	2,390
Mutual funds	-	16	-	16
	2,060	1,412	81	3,553
Financial assets available-for-sale ^{*)}				
Equity securities	1,535	-	69	1,603
Debt securities	253	12,439	73	12,764
Mutual funds	1,131	118	894	2,143
	2,918	12,557	1,036	16,511
Total financial assets measured at fair value	4,984	14,201	1,117	20,301
FINANCIAL LIABILITIES 31.12.2012				

Derivative financial instruments

Interest rate derivatives	-	4	-	4
Foreign exchange derivatives	-	39	0	39
Equity derivatives	-	-	19	19
Total financial liabilities measured at fair value	-	43	19	62

**) During the financial year, debt securities EURm 19 (7) were transferred from level 1 to level 2. From level 2 to level 1 were transferred EURm 151 (-). Mutual funds EURm 34 were transferred from level 2 to level 1 in the comparison year.*

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 increase recognised in profit/loss of EURm 12 (15) and in a decrease recognised directly in equity of EURm 11 (11). In Life insurance, 10 percentage point depreciation of all other currencies against EUR would result in an increase recognised in profit/loss of EURm 14 (52) and in a decrease recognised directly in equity of EURm 68 (64). In Holding, 10 percentage point depreciation of all other currencies against EUR would have no impact in profit/loss, but a decrease recognised in equity of EURm 15 (3).

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 31 Dec. 2013.

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 investments
	1% parallel shift down	1% parallel shift up	20% fall in prices	20% fall in prices
Effect recognised in profit/loss	9	-23	0	-4
Effect recognised directly in equity	192	-186	-550	-169
Total effect	202	-210	-550	-173

18 Movements in level 3 financial instruments measured at fair value

EURm	At Jan. 2013	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive 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 2013								
Financial assets related to unit-linked insurance								

Equity securities	14	-1	-	5	-4	-	14	-1
Debt securities	17	1	-	2	-1	-	19	1
Mutual funds	50	4	-	24	-13	-	64	3
	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
	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

EURm	Realised gains	2013 Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial year	8	32	40
Total gains or losses included in profit and loss for assets held at the end of the financial year	-14	32	18

EURm	At Jan. 2012	Total gains/losses in income statement	Total gains/losses recorded in other comprehensive income	Purchases	Sales	Transfers between levels 1 and 2	At 31 Dec. 2012	Gains/losses included in p/l for financial assets 31 Dec. 2012
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RAHOITUSVARAT 2012**Financial assets designated at fair value through profit or loss**

Debt securities	0	-	-	-	-	-	0	-
	0	0	-	-	0	0	0	0

Financial assets related to unit-linked insurance

Equity securities	0	-0	-	19	-6	-	13	-0
Debt securities	0	1	-	17	-0	-	17	1
Mutual funds	62	2	-	31	-45	-0	50	2
	63	2	0	66	-50	-0	81	3

Financial assets available-for-sale

Equity securities	72	0	1	2	-6	-	69	-1
Debt securities	99	17	-16	4	-31	-	73	15
Mutual funds	904	4	13	168	-196	-	894	12
	1,074	21	-2	174	-232	-	1,035	25

Total financial assets measured at fair value								
	1,137	23	-2	240	-282	-0	1,117	28
EURm								
						Realised gains	2012 Fair value gains and losses	Total
Total gains or losses included in profit or loss for the financial year						23	5	29
Total gains or losses included in profit and loss for assets held at the end of the financial year						23	5	28

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

EURm	2013		2012	
	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)	Carrying amount	Effect of reasonably possible alternative assumptions (+ / -)
Financial assets				
Financial assets available-for-sale				
Equity securities	243	-23	69	-14
Debt securities	39	-2	73	-3
Mutual funds	720	-138	894	-163
Total	1,002	-163	1,036	-180

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 per cent. The 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 these alternative assumptions, a possible change in interest levels would cause a decrease of EURm 2 (3) for the debt instruments, and EURm 161 (177) 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 1.5 per cent (1.8).

20 Investments related to unit-linked insurance contracts

Life insurance

EURm	2013	2012
Financial assets designated at fair value through p/l		
Debt securities		
Issued by public bodies	47	34
Certificates of deposit issued by banks	223	207

Other debt securities	832	585
Total	1,101	826
Equity securities		
Listed	3,290	2,702
Unlisted	22	9
Total	3,312	2,711
Total financial assets designated at fair value through p/l	183	281
Other	26	16
Investment related to unit-linked contracts, total	4,623	3,834
Elimination items between segments	-7	0
Group total	4,616	3,834

The historical cost of the equity securities related to unit-linked contracts was EURm 2,646 (2,460) and that of the debt securities EURm 1,089 (776).

21 Deferred tax assets and liabilities

Changes in deferred tax during the financial period 2013

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
Deferred tax assets					
Tax losses carried forward	18	-3	0	-0	15
Changes in fair values	0	0	0	0	0
Employee benefits	65	-1	7	-5	65
Other deductible temporary differences	0	-2	4	-5	-2
Total	83	-6	11	-10	78
Netting of deferred taxes					-10
Deferred tax assets in the balance sheet					68
Deferred tax liabilities					
Depreciation differences and untaxed reserves	337	-26	-0	-17	293
Changes in fair values	197	-23	28	-0	202
Other taxable temporary differences	13	10	-1	0	22
Total	547	-40	27	-17	518
Netting of deferred taxes					-10
Total deferred tax liabilities in the balance sheet					508

Changes in deferred tax during the financial period 2012

EURm	1.1.	Recognised in comprehensive income statement	Recognised in equity	Exchange differences	31.12.
Deferred tax assets					
Tax losses carried forward	19	-0	0	-0	18
Changes in fair values	0	-0	0	0	-0
Employee benefits	84	-10	-13	4	65
Other deductible temporary differences	29	-28	2	2	5
Total	132	-38	-11	6	88
Netting of deferred taxes					-10
Deferred tax assets in the balance sheet					78
Deferred tax liabilities					
Depreciation differences and untaxed reserves	356	-29	-0	10	337
Changes in fair values	107	-2	93	-1	197
Other taxable temporary differences	28	-10	0	1	18
Total	491	-41	93	10	552
Netting of deferred taxes					-10
Total deferred tax liabilities in the balance sheet					542

In Sampo plc, EURm 25 of deferred tax asset has not been recognised on unused tax losses. The first losses will expire in 2021.

In life insurance, EURm 4 of deferred tax asset has not been recognised on unused tax losses.

22 Taxes

EURm	2013	2012
Profit before tax	1,668	1,622
Tax calculated at parent company's tax rate	-409	-397
Different tax rates on overseas earnings	19	-11
Income not subject to tax	5	4
Expenses not allowable for tax purposes	-3	-4
Consolidation procedures and eliminations	159	183
Tax losses for which no deferred tax asset has been recognised	-9	-6
Changes in tax rates	22	15
Tax from previous years	-1	1
Total	-216	-214

23 Components of other comprehensive income

EURm	2013	2012
Other comprehensive income:		

Items reclassifiable to profit or loss		
Exchange differences	-153	46
Available-for-sale financial assets		
Gains/losses arising during the year	362	540
Reclassification adjustments	-129	-31
Cash flow hedges		
Gains/losses arising during the year	-0	-1
Share of associate's other comprehensive income	-70	9
Taxes	-22	-114
Total items reclassifiable to profit or loss, net of tax	-13	449
Items not reclassifiable to profit or loss		
Actuarial gains and losses from defined pension plans	-21	44
Taxes	7	-13
Total items not reclassifiable to profit or loss, net of tax	-14	31

24 Tax effects relating to components of other comprehensive income

	2013			2012		
	Before-tax amount	Tax	Net-of-tax amount	Before-tax amount	Tax	Net-of-tax amount
Items reclassifiable to profit or loss						
Exchange differences	-153	-	-153	46	-	46
Available-for-sale financial assets	233	-22	211	509	-114	395
Cash flow hedges	-0	0	-0	-1	0	-1
Share of associate's other comprehensive income	-70	-	-70	9	-	9
Total	79	-22	-13	554	-114	449

25 Other assets

P&C insurance

EURm	2013	2012
Interests	102	126
Assets arising from direct insurance operations	1,119	1,098
Assets arising from reinsurance operations	45	79
Settlement receivables	3	3
Deferred acquisition costs ¹⁾	159	172
Assets related to Patient Insurance Pool	69	56
Other	62	57
P&C insurance, total	1,559	1,592

Other assets include non-current assets EURm 71 (57).

Item Other comprise rental deposits, salary and travel advancements and assets held for resale.

1) See table Change in deferred acquisition costs in the period

Change in deferred acquisition costs in the period

EURm	2013	2012
At 1 Jan.	172	157
Net change in the period	-3	10
Exchange differences	-10	5
At 31 Dec.	159	172

Life insurance

EURm	2013	2012
Interests	36	45
Receivables from policyholders	3	6
Assets arising from reinsurance operations	1	0
Settlement receivables	8	6
Taxes	0	19
Assets pledged for trading in derivatives	6	6
Other	27	27
Life insurance, total	81	109

Item Other comprise e.g. pensions paid in advance and receivables from co-operation companies.

Holding

EURm	2013	2012
Interests	36	36
Other	11	5
Holding, total	47	41

Item Other includes e.g. asset management fee receivables.

Elimination items between segments	-10	-13
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EURm	2013	2012
Group, total	1,676	1,729

26 Cash and cash equivalents

P&C insurance

EURm	2013	2012
Cash at bank and in hand	250	145
Short-term deposits (max 3 months)	33	261
P&C insurance, total	33	261

Life insurance

EURm	2013	2012
Cash at bank and in hand	179	55
Short-term deposits (max 3 months)	44	99
P&C insurance, total	222	154

Holding

EURm	2013	2012
Cash	280	200
Short-term deposits (max 3 months)	-	273
Holding, total	280	473
Group, total	535	889

27 Liabilities from insurance and investment contracts

P&C insurance

Change in insurance liabilities

EURm	2013			2012		
	Gross	Ceded	Net	Gross	Ceded	Net
Provision for unearned premiums						
At 1 Jan.	2,107	55	2,053	1,972	53	1,919
Acquired insurance holdings	38	-	38	-	-	-
Exchange differences	-127	-2	-128	56	1	56
Change in provision	46	-10	36	79	1	78
At 31 Dec.	2,065	43	2,022	2,107	55	2,053

EURm	2013			2012		
	Gross	Ceded	Net	Gross	Ceded	Net
Provision for claims outstanding						
At 1 Jan.	7,747	522	7,225	7,576	476	7,100
Disposed insurance holdings	61	0	61	-1	-0	-1
Exchange differences	-314	-20	-294	199	12	187
Change in provision	-59	-126	66	-27	35	-62
At 31 Dec.	7,435	377	7,058	7,747	522	7,225

Liabilities from insurance contracts

EURm	2013	2012
Provision for unearned premiums	2,065	2,107
Provision for claims outstanding	7,435	7,747
Incurred and reported losses	1,770	2,050
Incurred but not reported losses (IBNR)	3,538	3,573
Provisions for claims-adjustment costs	271	275

Provisions for annuities and sickness benefits	1,856	1,849
P&C insurance total	9,500	9,854
Reinsurers' share		
Provision for unearned premiums	43	55
Provision for claims outstanding	376	522
Incurred and reported losses	270	401
Incurred but not reported losses (IBNR)	107	121
Total reinsurers' share	420	577

As the P&C insurance is exposed to various exchange rates, comparing the balance sheet data from year to year can be misleading.

Claims cost trend of P&C insurance

The tables below show the cost trend for the claims for different years. The upper part of the tables shows how an estimate of the total claims costs per claims year evolves annually. The lower section shows how large a share of this is presented in the balance sheet.

More information on P&C insurance's insurance liabilities in the Risk Management section of the Annual accounts.

Claims costs before reinsurance

Estimated claims cost

EURm	< 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
At the close of the claims year	7,715	2,468	2,629	2,639	2,703	2,847	2,853	2,968	3,051	3,085	2,979	
One year later	7,770	2,434	2,575	2,621	2,700	2,801	2,801	3,009	3,170	3,071		
Two years later	7,768	2,371	2,521	2,592	2,664	2,741	2,771	2,953	3,168			
Three years later	7,851	2,365	2,492	2,589	2,630	2,712	2,728	2,952				
Four years later	7,871	2,349	2,458	2,548	2,583	2,688	2,709					
Five years later	7,853	2,322	2,423	2,498	2,557	2,674						
Six years later	7,928	2,281	2,369	2,467	2,547							
Seven years later	8,037	2,247	2,345	2,456								
Eight years later	8,077	2,209	2,327									
Nine years later	8,061	2,194										
Ten years later	8,096											
Current estimate of total claims costs	8,096	2,194	2,327	2,456	2,547	2,674	2,709	2,952	3,168	3,071	2,979	35,174
Total disbursed	5,586	1,975	2,095	2,196	2,250	2,357	2,336	2,513	2,639	2,407	1,654	28,011
Provision reported in the balance sheet	2,510	219	232	259	297	316	373	440	529	664	1,325	7,164
of which established vested annuities	1,316	53	70	74	70	66	55	63	48	34	7	1,856
Provision for claims-adjustment costs												271
Total provision reported in the BS												7,435

Claims cost after reinsurance*Estimated claims cost*

EURm	< 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
At the close of the claims year	6,994	2,398	2,482	2,530	2,602	2,723	2,733	2,821	2,884	2,880	2,927	
One year later	5,918	2,363	2,422	2,502	2,592	2,691	2,699	2,869	2,960	2,865		
Two years later	7,030	2,300	2,366	2,473	2,565	2,634	2,668	2,826	2,948			
Three years later	7,097	2,294	2,345	2,477	2,532	2,607	2,639	2,819				
Four years later	7,110	2,281	2,313	2,438	2,487	2,586	2,621					
Five years later	7,091	2,254	2,279	2,394	2,462	2,573						
Six years later	7,116	2,212	2,238	2,364	2,454							
Seven years later	7,242	2,180	2,215	2,355								
Eight years later	7,283	2,143	2,199									
Nine years later	7,282	2,130										
Ten years later	7,318											
Current estimate of total claims costs	7,318	2,130	2,199	2,355	2,454	2,573	2,621	2,819	2,948	2,865	2,911	33,194
Total disbursed	4,875	1,921	1,974	2,103	2,164	2,263	2,256	2,455	2,492	2,287	1,617	26,407
Provision reported in the balance sheet	2,442	210	225	252	291	311	365	365	455	4,915	7,388	6,787
of which established vested annuities	1,315	53	70	74	70	66	55	63	48	34	7	1,856
Provision for claims-adjustment costs												271
Total provision reported in the BS												7,058

Life insurance**Change in liabilities arising from other than unit-linked insurance and investment contracts**

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2013	4,065	6	4,071
Premiums	159	0	159
Claims paid	-396	-1	-396
Expense charge	-37	-0	-37
Guaranteed interest	139	0	139
Bonuses	3	0	3
Other	-11	-1	-12
At 31 Dec. 2013	3,924	4	3,927
Reinsurers' share	-3	0	-3
Net liability at 31 Dec. 2013	3,921	4	3,925

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2012	4,242	7	4,249
Premiums	172	0	172
Claims paid	-425	-1	-426

Expense charge	-38	-0	-38
Guaranteed interest	148	0	148
Bonuses	3	0	3
Other	-37	-1	-38
At 31 Dec. 2012	4,065	6	4,071
Reinsurers' share	-3	0	-3
Net liability at 31 Dec. 2012	4,062	6	4,067

Change in liabilities arising from unit-linked insurance and investment contracts

EURm	Insurance contracts	Investment contracts	Total
At 1 Jan. 2013	2,665	1,168	3,833
Premiums	469	440	909
Claims paid	-173	-172	-345
Expense charge	-36	-18	-54
Other	169	104	274
At 31 Dec. 2013	3,095	1,522	4,617
At 1 Jan. 2012	2,216	838	3,054
Premiums	421	389	810
Claims paid	-165	-123	-289
Expense charge	-32	-14	-46
Other	225	79	303
At 31 Dec. 2012	2,665	1,168	3,833

The liabilities at 1 Jan. and at 31 Dec. include the future bonus reserves and the effect of the reserve for the decreased discount rate. The calculation is based on items before reinsurers' share. A more detailed specification of changes in insurance liabilities is presented in Group's Risk Management.

EURm	2013	2012
Insurance contracts		
Liabilities for contracts with discretionary participation feature (DPF)		
Provision for unearned premiums	1,969	2,090
Provision for claims outstanding	1,948	1,972
Liabilities for contracts without discretionary participation feature (DPF)		
Provision for unearned premiums	0	0
Provision for claims outstanding	1	1
Total	3,918	4,063
Assumed reinsurance		
Provision for unearned premiums	4	1
Provision for claims outstanding	2	1
Total	5	2
Insurance contracts total		
Provision for unearned premiums	1,973	2,091
Provision for claims outstanding	1,951	1,975
Total	3,924	4,065

Investment contracts		
Liabilities for contracts with discretionary participation feature (DPF)		
Provision for unearned premiums	4	6
Liabilities for insurance and investment contracts total		
Provision for unearned premiums	1,976	2,096
Provision for claims outstanding	1,951	1,975
Life insurance total	3,927	4,071
Reinsurers' share		
Provision for unearned premiums	0	0
Provision for claims outstanding	-3	-3
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.

EURm	2013	2012
Group, total	3,927	4,071

28 Liabilities from unit-linked insurance and investment contracts

Life insurance

EURm	2013	2012
Unit-linked insurance contracts	3,095	2,665
Unit-linked investment contracts	1,522	1,168
Total	4,617	3,833
Elimination items between segments	-7	-1

EURm	2013	2012
Group, total	4,610	3,832

29 Financial liabilities

The segment financial liabilities include derivatives, debt securities and other financial liabilities.

P&C insurance

EURm	2013	2012
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			2013	2012
Derivative financial instruments (note 15)			25	38
Subordinated debt securities				
Subordinated loans				
Euro-denominated loans				
	Maturity	Interest		
Preferred capital note, 2002 (nominal value EURm 65)	20 years	8.98%	-	66
Preferred capital note, 2005 (nominal value EURm 150)	perpetual	4.94%	150	149
Preferred capital note, 2011 (nominal value EURm 110)	30 years	6.00%	109	109
Preferred capital note, 2013 (nominal value EURm 90)	perpetual	4.70%	90	-
Total subordinated debt securities			348	215
P&C insurance, total financial liabilities			373	253

The subordinated loan issued in 2002 was repaid in April 2013.

The loans 2005 and 2011 are issued with fixed interest rates for the first ten years, after which they become subject to variable interest rates. The new subordinated loan issued in June 2013 has a fixed interest rate for the first 5.5 years after which it becomes subject to variable interest rates. At the point of change, there is the possibility of redemption for all the loans. All loans and their terms are approved by supervisory authorities and the loans are utilised for solvency purposes.

The loans issued in 2011 and 2013 are wholly subscribed by Sampo Plc.

The loans issued in 2005 and 2011 are listed on the Luxembourg Exchange.

Life insurance

EURm	2013	2012
Derivative financial instruments (note 15)	11	5
Subordinated debt securities		
Subordinated loans	100	100
Life insurance, total	111	105

Mandatum Life issued in 2002 EURm 100 Capital Notes. The loan is perpetual and pays floating rate interest. The interest is payable only from distributable capital. The loan is repayable only with the consent of the Insurance Supervisory Authority and at the earliest on 2012 or any interest payment date after that. The loans is wholly subscribed by Sampo Plc.

Holding

EURm	2013	2012
Derivative financial instruments (note 15)	18	19
Debt securities in issue		
Commercial papers *)	308	451
Bonds	1,720	1,710
Total	2,027	2,162
Holding, total	2,045	2,181

*) The determination and hierarchy of financial assets and liabilities at fair value are disclosed in note 17. Based on the principles of this determination, the bonds of the Holding Company fall under level 2.

Elimination items between segments	-336	-270
EURm	2013	2012
Group, total	2,193	2,269

30 Provisions

P&C insurance

EURm	2013
At 1 Jan. 2013	56
Exchange rate differences	-3
Additions	13
Amounts used during the period	-7
Unused amounts reversed during the period	-1
At 31 Dec. 2013	58
Current (less than 1 year)	52
Non-current (more than 1 year)	7
Total	58

EURm 22 of the provision consist of assets reserved for the development of efficient administrative and claims-adjustment processes and structural changes in distribution channels result in organisational changes that affect all business areas. In addition, the item includes a provision of about EURm 33 for law suits and other uncertain liabilities.

31 Employee benefits

Employee benefits

Sampo has defined benefit plans in P&C insurance business in Sweden and Norway.

In addition to statutory retirement pension insurance, the Group has certain voluntary defined benefit plans. The voluntary defined benefit plans are intra-Group and included in the insurance liabilities of Mandatum Life. The amount is negligible and they have no material impact on the Group profit or loss or equity.

Employee benefit obligations of P&C Insurance 31 Dec.

EURm	01/2012	12/2012	12/2013
Present value of estimated pension obligation,	612	595	580
including social costs	347	392	385
Fair value of plan assets	266	203	195

Since January 1, 2008, the main Swedish pension plan has been closed to new employees born in 1972 or later and the corresponding Norwegian pension plan has been closed to new employees since January 1, 2007 regardless of age. The pension benefits referred to are old-age pension and survivors' pension in Sweden and old-age pension, survivors' pension and disability

pension in Norway. A common feature of all of the pension plans is that the employees and survivors encompassed by the plans are entitled to a guaranteed pension that depends on the employees' service period and pensionable salary at the time of retirement. The dominating benefit is the old-age pension, which refers in part to temporary pension before the anticipated retirement age and in part to a life-long pension after the anticipated retirement age.

The retirement age for receiving premature pension is normally 62 years in Sweden and normally 65 years in Norway. In Sweden, premature old-age pension following a complete service period is payable at a rate of approximately 65 per cent of the pensionable salary and applies to all employees born in 1955 or earlier and who were covered by the insurance sector's collective bargaining agreement of 2006. In Norway, premature old-age pension following a complete service period is payable at a rate of approximately 70 per cent of the pensionable salary and applies to all employees born in 1957 or earlier and who were employed by If in 2013.

The anticipated retirement age in connection with life-long pension is 65 years for Sweden and 67 years for Norway. In Sweden, life-long old-age pension following a complete service period is payable at a rate of approximately 10 per cent of the pensionable salary between 0 and 7.5 income base amounts, 65 per cent of salary between 7.5 and 20 income base amounts and 32.5 per cent between 20 and 30 income base amounts. In Norway, life-long old-age pension following a complete service period is payable at a rate of approximately 70 per cent of the pensionable salary up to 12 Norwegian base amounts, together with the estimated statutory old-age pension. Paid-up policies and pension payments from the Swedish plans are normally indexed upwards in an amount corresponding to the change in the consumer price index. However, there is no agreement guaranteeing the value and future supplements in addition to the contractual pension benefit could either rise or fall. Pension payments from the Norwegian plans are indexed upwards in an amount corresponding to the change in the consumer price index.

The pensions are primarily funded through insurance whereby the insurers establish the premiums and disburse the benefits. If's obligation is primarily fulfilled through payment of the premiums. Should the assets that are attributable to the pension benefits not be sufficient to enable the insurers to cover the guaranteed pension benefits, If could be forced to pay supplementary insurance premiums or secure the pension obligations in some other way. In addition to insured pension plans, there are also unfunded pension benefits in Norway for which If is responsible for ongoing payment.

To cover the insured pension benefits, the related capital is managed as part of the insurers' management portfolios. In such management, the characteristics of the investment assets are analysed in relation to the characteristics of the obligations, in a process known as Asset Liability Management. New and existing asset categories are evaluated continuously in order to diversify the asset portfolios with a view to optimising the anticipated risk-adjusted return. Any surplus that arises from management of the assets normally accrues to If and/or the insured and there is no form of transfer of the asset value to other members of the insurance collective.

The insurers and If are jointly responsible for monitoring the pension plans, including investment decisions and contributions. The pension plans are essentially exposed to similar material risks regarding the final amount of the benefits, the investment risk associated with the plan assets and the fact that the choice of discount interest rate affects their valuation in the financial statements.

When applying IAS 19, the pension obligations are calculated, as is the pension cost attributable to the fiscal period, using actuarial methods. Pension rights are considered to have been vested straight line during the service period. The calculation of pension obligations is based on future anticipated pension payments and includes assumptions regarding mortality, employee turnover and salary growth. The nominally calculated debt is discounted to the present value using an interest rate based on current market interest rates adjusted to take into account the duration of the company's pension obligations. As a basis for determining the discount interest rate for the Swedish obligation, If uses liquid covered mortgage bonds issued by a mortgage institution. Covered mortgage bonds are also used for the Norwegian obligation. After a deduction for the plan assets, a net asset or net liability is recognised in the balance sheet.

The following tables contain a number of material assumptions, specifications of pension costs, assets and liabilities and a sensitivity analysis showing the potential effect on the obligations of reasonable changes in those assumptions as at the end of the fiscal year. The carrying amounts have been stated including special payroll tax in Sweden (24.26 per cent) and a corresponding fee in Norway (14.1 per cent).

Specification of employee benefit obligations by country

	2013			2012		
	Sweden	Norway	Total	Sweden	Norway	Total
Recognised in income statement and other comprehensive income						
Current service cost	-6	-10	-16	-5	-16	-21
Past service cost	-0	-	-0	-2	24	22

Interest expense on net pension liability	-2	-5	-7	-2	-6	-8
Total in income statement	-7	-15	-22	-9	1	-7
Remeasurement of the net pension liability	19	-40	-21	-18	63	45
Total in comprehensive income statement	12	-55	-44	-27	64	38

Recognised in balance sheet

Present value of estimated pension liability, including social costs	154	426	580	174	420	595
Fair value of plan assets	124	261	385	119	273	392
Net liability recognised in balance sheet	30	165	195	56	147	203

Distribution by asset class	2013		2012	
	Sweden	Norway	Sweden	Norway
Debt instruments, level 1	34%	49%	} 40%	} 53%
Debt instruments, level 2	3%	12%		
Equity instruments, level 1	31%	8%	} 29%	} 18%
Equity instruments, level 3	0%	3%		
Property, level 3	10%	11%	10%	15%
Other, level 1	11%	13%	} 21%	} 14%
Other, level 2	0%	1%		
Other, level 3	11%	3%		

The following actuarial assumptions have been used for the calculation of defined benefit pension plans in Norway and Sweden:

	31.12.2013		31.12.2012	
	Sweden	Norway	Sweden	Norway
Discount rate	4,00%	3,50%	4,00%	4,00%
Future salary increases	3,00%	3,00%	3,75%	3,75%
Price inflation	2,00%	2,00%	2,25%	2,25%
Mortality table	FFFS 2007:31 +1 year	K2013	FFFS 2007:31	K2005
Average duration of pension liabilities	20 years	16 years	20 years	15 years
Expected contributions to the defined benefit plans during 2014	9	15		

Sensitivity analysis of effect of reasonably possible changes	Sweden	Norway	Total
Discount rate, +0,50%	-17	-34	-51
Discount rate, -0,50%	20	38	58
Future salary increases, +0,25%	6	7	13
Future salary increases, -0,25%	-5	-7	-12
Expected longevity, +1 year	5	13	18

EURm	2013			2012		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Analysis of the employee benefit obligation						
Present value of estimated pension liability, including social costs	532	490	1,022	538	57	595
Fair value of plan assets	385	-	385	392	-	392

Analysis of the change in net liability recognised in the balance sheet

EURm	2012	2013
Pension liabilities:		
At the beginning of the year	612	595
Earned during the financial year	21	16
Costs pertaining to prior-year service	-21	0
Interest cost	19	21
Actuarial gains (-)/losses (+) on financial assumptions	-74	-22
Actuarial gains (-)/losses (+) on demographic assumptions	-	67
Actuarial gains (-)/losses (+), experience adjustments	33	-15
Exchange differences on foreign plans	31	-57
Benefits paid	-26	-26
Defined benefit plans at 31 Dec.	595	580
Reconciliation of plan assets:		
At the beginning of the year	347	392
Interest income	11	15
Difference between actual return and calculated interest income	2	8
Contributions paid	28	24
Exchange differences on foreign plans	18	-38
Benefits paid	-15	-16
Plan assets at 31 Dec.	392	385

Other short-term employee benefits

There are other short-term staff incentive programmes in the Group, the terms of which vary according to country, business area or company. Benefits are recognised in the profit or loss for the year they arise from. An estimated amount of these short-term incentives, social security costs included, for 2013 is EURm 80.

32 Other liabilities

P&C insurance

EURm	2013	2012
Liabilities arising out of direct insurance operations	148	149
Liabilities arising out of reinsurance operations	49	103
Liabilities related to Patient Insurance Pool	68	55
Tax liabilities	113	176
Prepayments and accrued income	197	199
Other	119	125
P&C insurance, total	694	807

The non-current share of other liabilities is EURm 57 (45).

Item Other includes e.g. withholding taxes, social expenses related to Workers Compensation insurance policies and employee

benefits, unpaid premium taxes and other accruals.

Life insurance

EURm	2013	2012
Interests	7	9
Tax liabilities	18	0
Liabilities arising out of direct insurance operations	6	6
Liabilities arising out of reinsurance operations	5	5
Settlement liabilities	26	4
Guarantees received	31	122
Other liabilities	37	32
Life insurance, total	129	177

Item Guarantees received comprise assets accepted as guarantees required in derivative trading and securities lending. Item Other includes e.g. liabilities arising from withholding taxes and social security costs, liabilities to creditors and insurance premium advances.

Holding

EURm	2013	2012
Interests	34	34
Guarantees for trading in derivatives	47	78
Liability for dividend distribution	26	24
Other	21	16
Holding, total	129	152

Item Other includes e.g. reservations for share-based incentive programmes and other incentive salaries.

Elimination items between segments	-11	-13
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EURm	2013	2012
Group, total	941	1,123

33 Contingent liabilities and commitments

P&C insurance

EURm	2013	2012
Off-balance sheet items		
Guarantees	28	37
Other irrevocable commitments	14	6
Total	42	43

Assets pledged as collateral for liabilities or contingent liabilities

EURm	2013		2012	
	Assets	Liabilities/	Assets	Liabilities/

	pledged	commitments	pledged	commitments
Assets pledged as collateral				
Cash at balances at central banks	1	1	6	4
Investments				
- Investment securities	270	131	285	153
Total	271	132	290	157
EURm			12/2013	12/2012
Assets pledged as security for derivative contracts, carrying value				
Investment securities			39	40

The pledged assets are included in the balance sheet item Other assets.

EURm	2013	2012
Commitments for non-cancellable operating leases		
Minimum lease payments		
not later than one year	32	37
later than one year and not later than five years	99	110
later than five years	78	101
Total	209	248
Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	25	-45
- sublease payments	11	-
Total	36	-45

The subsidiaries If P&C Insurance Ltd and If P&C Insurance Company Ltd provide insurance with mutual undertakings within the Nordic Nuclear Insurance Pool and If P&C Insurance Ltd within the Norwegian Natural Perils' Pool and the Dutch Terror Pool.

In connection with the transfer of property and casualty insurance business from the Skandia Group to the If Group as of March 1, 1999, If P&C Holding Ltd and If P&C Insurance Ltd issued a guarantee for the benefit of Försäkringsaktiebolaget Skandia (publ.) whereby the aforementioned companies in the If Group mutually guarantee that companies in the Skandia Group will be indemnified against any claims or actions due to guarantees or similar commitments made by companies in the Skandia Group within the property and casualty insurance business transferred to the If Group.

If P&C Insurance Holding Ltd and If P&C Insurance Ltd have separately entered into contracts with Försäkringsaktiebolaget Skandia (publ.) and Tryg-Baltica Forsikrings AS whereby Skandia and Tryg-Baltica will be indemnified against any claims attributable to guarantees issued by Försäkringsaktiebolaget Skandia (publ.) and Vesta Forsikring AS, on behalf of Skandia Marine Insurance Company (U.K.) Ltd. (now Marlon Insurance Company Ltd.) in favor of the Institute of London Underwriters. Marlon Insurance Company Ltd. was disposed during 2007, and the purchaser issued a guarantee in favour of If for the full amount that If may be required to pay under these guarantees.

Normal seller's guarantees have been given in connection the disposal of the subsidiary IPSC Region.

If P&C Insurance Company Ltd has outstanding commitments to private equity funds totalling EURm 6, which is the maximum amount that the company has committed to invest in the funds. Capital will be called to these funds over several years as the funds make investments.

With respect to certain IT systems If and Sampo use jointly, If P&C Insurance Holding Ltd has undertaken to indemnify Sampo for any costs caused by It that Sampo may incur in relation to the owners of the systems.

Life insurance

EURm	2013	2012
Off-balance sheet items		
Investment commitments	391	367
Acquisition of IT-software	3	1
Total	394	368

EURm	12/2013	12/2012
Assets pledged as security for derivative contracts, carrying value		
Cash and cash equivalents	6	6
The pledged assets are included in the balance sheet item Other assets.		
Lended securities		
Domestic shares		
Remaining acquisition cost	14	67
Fair value	4	53

Security lendings can be interrupted at any time and they are secured.

EURm	2013	2012
Commitments for 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	3
later than five years	9	-
Total	19	5
Total of sublease payments expected to be received under non-cancellable operating sub-leases at 31 Dec.	1	1
Lease and sublease payments recognised as an expense in the period		
- minimum lease payments	-3	-3
- sublease payments	0	0
Total	-3	-3

Holding

EURm	2013	2012
Off-balance sheet items		
Investment commitments	1	1

EURm	2013	2012
Commitments for 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	3
Total	3	4

The Group had at the end of 2013 premises a total of 178,877 m² (178,971) taken as a lessee. The contracts have been made mainly for 3 to 10 years.

34 Equity and reserves

Equity

The number of Sampo plc's shares at 31 Dec. 2013 was 560,000,000, of which 558,000,000 were A-shares and 1,200,000 B-shares. There was no change in the company's share capital of EURm 98 during the financial year.

At the end of the financial year 2013, the mother company or other Group companies held no shares in the parent company.

Reserves and retained earnings

Legal reserve

The legal reserve comprises the amounts to be transferred from the distributable equity according to the articles of association or on the basis of the decision of the AGM.

Invested unrestricted equity

The reserve includes other investments of equity nature, as well as issue price of shares to an extent it is not recorded in share capital by an express decision.

Other components of equity

Other components of equity include fair value changes of financial assets available for sale and derivatives used in cash flow hedges, and exchange differences.

Changes in the reserves and retained earnings are presented in the Group's statement of changes in equity.

35 Related party disclosures

Key management personnel

The key management personnel in Sampo Group consists of the members of the Board of Directors of Sampo plc and Sampo Group's Executive Committee, and the entities over which the members of the key management personnel have a control.

Key management compensation

EURm	2013	2012
Short-term employee benefits	7	6
Post employment benefits	3	3
Other long-term benefits	10	6
Total	19	16

Short-term employee benefits comprise salaries and other short-terms benefits, including profit-sharing bonuses accounted for for the year, and social security costs.

Post employment benefits include pension benefits under the Employees' Pensions Act (TEL) in Finland and voluntary supplementary pension benefits.

Other long-term benefits consist of the benefits under long-term incentive schemes accounted for for the year (see Note 36).

Related party transactions of the key management

The related party transactions of the key management are not material nor does the key management have any loans from the Group companies.

Associates

Outstanding balances with related parties/Associate Nordea

EURm	2013	2012
Assets	1,152	1,074
Liabilities	111	122

The Group's receivables from Nordea comprise mainly long-term investments in bonds and deposits. In addition, the Group has several on-going derivative contracts related to the Group's risk management of investments and liabilities.

36 Incentive schemes

Long-term incentive schemes 2009 I - 2011 I

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2009 I - 2011 I for the management and key employees of Sampo Group. The Board has authorised the CEO to decide who will be included in the scheme, as well as the number of calculated incentive units granted for each individual used in determining the amount of the incentive reward. In the schemes, the number of calculated incentive units granted for the members of the Group Executive Committee is decided by the Board of Directors. Over 110 persons were included in the schemes at the end of year 2013.

The amount of the performance-related bonus is based on the value performance of Sampo's A share and on the insurance margin (IM) and, regarding the 2011 I scheme, also on Sampo's return on the risk adjusted capital (RORAC). The value of one calculated incentive unit is the trade-weighted average price of Sampo's A-share at the time period specified in the terms of the scheme, and reduced by the starting price adjusted with the dividends per share distributed up to the payment date. The pre-dividend starting prices vary between eur 16.49 - 24.07. The maximum value of one incentive unit varies between eur 28.49 - 39.07, reduced by the dividend-adjusted starting price. In the 2011 I scheme, the incentive reward depends on two benchmarks. The payout is 70 per cent, if the IM is 6 per cent or more, and 35 per cent, if the IM is between 4 - 5.99 per cent. No IM-related reward will be paid out, if the IM stays below these. In addition, the return on the risk adjusted capital is taken into account so that an incentive reward of 30 per cent is paid out, if the return is at least risk free return + 4 per cent. If the return is risk free return + 2 per cent, but less than risk free return + 4 per cent, the payout is 15 per cent. If the return stays below these benchmarks, no RORAC-based reward will be paid out.

Each plan has three performance periods and incentive rewards are settled in cash in three installments. In the scheme 2009 I when the reward is paid, the employee shall buy Sampo's A-shares at the first possible opportunity, taking into account the provisions on insiders, with 30 per cent of the amount of the reward after taxes and other comparable charges, and to keep the shares in his/her possession for 2 years. In the 2011 I scheme, the employee shall buy Sampo A shares with 60 per cent of the net amount of reward received. The shares are subject to transfer restrictions for three years from the day of payout. A premature payment of the reward may occur in the event of changes in the group structure or in the case of employment termination on specifically determined bases. The fair value of the incentive schemes is estimated by using the Black-Scholes pricing model.

The long-term incentive scheme 2009 I ended in September 2013, when the last reward was paid out.

	2009 I	2011 I	2011 I/2
Terms approved ^{*)}	08/27/09	09/14/11	09/14/11
Granted (1,000) 31 Dec. 2010	4,369	-	-
Granted (1,000) 31 Dec. 2011	3,002	4,359	-
Granted (1,000) 31 Dec. 2012	1,444	4,199	130
Granted (1,000) 31 Dec. 2013	-	4,134	100
End of performance period I 30%	Q2-2011	Q2-2014	Q2-2015
End of performance period II 35%	Q2-2012	Q2-2015	Q2-2016
End of performance period III 35%	Q2-2013	Q2-2016	Q2-2017
Payment I 30%	9-2011	9-2014	9-2015
Payment II 35%	9-2012	9-2015	9-2016
Payment III 35%	9-2013	9-2016	9-2017
Price of Sampo A at terms approval date ^{*)}	16.74	18.10	18.10
Starting price ^{**)}	16.49	18.37	24.07
Dividend-adjusted starting price at 31 Dec. 2013	13.14	15.82	22.72
Sampo A - closing price 31 Dec. 2012	35.72		
Total intrinsic value, EURm	-	37	0
Total debt	38		
Total cost for the financial period, meur (incl. social costs)	42		

^{*)} Grant dates vary

^{**)} Trade-weighted average for ten trading days from the approval of terms

37 Auditors' fees

EURm	2013	2012
Auditing fees	-2	-2
Other fees	-0	-1
Total	-3	-3

38 Legal proceedings

There are a number of legal proceedings against the Group companies outstanding on 31 Dec. 2013, arising in the ordinary course of business. The companies estimate it unlikely that any significant loss will arise from these proceedings.

39 Investments in subsidiaries

Name	Group holding %	Carrying amount
P&C insurance		
If P&C Insurance Holding Ltd	100	1,886

If P&C Insurance Ltd	100	1,364
If P&C Insurance Company Ltd	100	501
If P&C Insurance AS	100	50
AS If Kinnisvarahaldus	100	0
CJSC If Insurance	100	10
If Livförsäkring Ab	100	8
Life insurance		
Mandatum Life Insurance Company Ltd	100	484
Mandatum Life Insurance Baltic SE	100	11
Other business		
If IT Services A/S	100	0
Sampo Capital Oy	100	1

The table excludes property and housing companies accounted for in the consolidated accounts.

40 Investments in shares and participations other than subsidiaries and associates

P&C insurance

	Country	No. of shares	Holding %	Carrying amount / Fair value
Listed companies				
A P Moller - Maersk	Denmark	1,125	0.03%	9
ABB	Switzerland	3,162,541	0.14%	61
Atlas Copco A+B	Sweden	1,918,293	0.16%	35
BB Tools	Sweden	254,500	0.89%	3
Be Group	Sweden	3,740,083	7.48%	5
Clas Ohlson	Sweden	3,114,337	4.75%	42
CTT Systems	Sweden	511,200	4.49%	2
Eitzen Maritime	Norway	8,231,616	30.16%	3
Beijer Ab GI	Sweden	188,774	0.44%	3
Gunnebo AB	Sweden	8,849,114	11.67%	40
Hennes Mauritz B	Sweden	2,180,192	0.13%	73
Husqvarna AB	Sweden	5,833,987	1.01%	25
Husqvarna	Sweden	2,249,321	0.39%	10
Investor	Sweden	970,000	0.13%	24
Lindab Intl	Sweden	3,890,055	4.94%	28
Nederman Holding AB	Sweden	1,160,400	9.90%	25
Nobia AB	Sweden	21,075,000	12.02%	130
Nolato AB	Sweden	243,131	0.92%	4
Reservoir Exploration Tech	Norway	5,438,761	6.11%	0
Sandvik AB	Sweden	3,945,780	0.31%	40
Scania AB	Sweden	3,044,397	0.38%	43
Sectra AB	Sweden	4,322,927	11.65%	37

SSAB	Sweden	663,760	0.20%	4
SSAB	Sweden	1,360,353	0.42%	6
Statoil ASA	Norway	1,783,700	0.06%	31
Svedbergs i Dalstrop	Sweden	2,427,790	11.45%	6
Teliasonera AB	Sweden	14,400,000	0.33%	87
VBG Group AB	Sweden	540,211	3.94%	8
Veidekke ASA	Norway	12,111,648	9.06%	71
Volvo AB	Sweden	1,287,600	0.06%	12
Volvo AB	Sweden	4,409,972	0.21%	42
Yara Intl ASA	Norway	596,861	0.21%	19
Noreco	Norway	5,277,700	0.09%	4
Marine Harvest ASA	Norway	9,495,173	2.31%	8
Total listed companies				942

Other 185

Unit trusts

Aberdeen AM	Luxemburg	940,169		48
Danske Invest	Finland	32,303,302		66
Danske Invest	Finland	22,375,015		40
DB Platinum Advisors	Luxemburg	160,000		15
PEQ Eqt III	Guernsey	4,720,364		2
PEQ Eqt IV	Guernsey	6,257,655		5
Henderson Global	Great Britain	883,774		13
Investec Asset Mgmt	Great Britain	2,036,689		32
Barclays Global Investment	Ireland	752,200		23
Blackrock Inc	United States	595,000		80
Lyxor Int AM	France	220,000		7
PEQ Mandatum I	Finland	4,874,032		5
PEQ Mandatum II	Finland	1,436,768		2
PEQ Mandatum II	Finland	3,383,184		4
PEQ Private Egy mkt	Finland	2,851,007		3
Handelsbanken Fonder	Sweden	406,261		11
PEQ Eqt Mid Market	Great Britain	2,164,951		2
Total unit trusts				356

Total shares and participations 1,483

Life insurance

	Country	No. of shares	Holding %	Carrying amount / Fair value
Listed companies				
Amer Sports OYJ	Finland	4,000,000	3.38%	60
Comptel OYJ	Finland	20,532,625	19.18%	10
Elecster OYJ A	Finland	117,000	6.43%	1
eQ Oyj	Finland	2,053,296	5.63%	5
Fortum OYJ	Finland	4,954,834	0.56%	82
F-Secure OYJ	Finland	6,674,081	4.20%	12
Kemira OYJ	Finland	1,279,880	0.82%	16
Lassila & Tikanoja OYJ	Finland	2,181,238	5.62%	33

Metso OYJ	Finland	1,487,381	0.99%	35
Nokia OYJ	Finland	1,500,000	0.04%	9
Nokian Renkaat OYJ	Finland	1,099,757	0.83%	38
Norvestia OYJ B	Finland	1,789,538	12.41%	13
Oriola-KD OYJ B	Finland	3,000,000	2.88%	8
Poyry OYJ	Finland	2,075,287	3.47%	8
Suominen OYJ	Finland	20,759,500	8.37%	10
Teleste OYJ	Finland	1,679,200	8.92%	7
Tikkurila Oyj	Finland	1,577,079	3.58%	31
UPM-Kymmene OYJ	Finland	9,531,219	1.80%	117
Vaisala Oyj A	Finland	629,250	4.24%	15
Valmet Corp	Finland	1,487,381	0.99%	11
Wartsila OYJ	Finland	1,018,119	0.52%	36
YIT OYJ	Finland	4,370,951	3.44%	44
Total				602
Other listed companies	Finland	20,312,267		12
Listed companies in total				614
Unit trusts				
Danske Invest Emerging Asia Fund G	Finland	765,617		22
Fourton Odysseus	Finland	161,675		39
KJK Fund SICAV-SIF Baltic States B1 C	Finland	4,990		9
Total				70
Capital trusts				
Amanda III Eastern Private Equity L.P.	Finland	13,455,462		16
Amanda IV West L.P.	Finland	19,305,862		19
Capman Real Estate I Ky	Finland	10,257,479		12
Capman Real Estate II Ky	Finland	6,612,696		8
Mandatum Private Equity Fund I L.P.	Finland	8,042,153		8
Sponsor Fund III Ky	Finland	4,778,688		5
Total				68
Other shares and participations				34
Domestic shares and participations in total				786
Other companies				
BenCo Insurance Holding B.V.	Netherlands	389,329	6.49%	6
EQT IV ISS Co-investment L.P.	Guernsey	872,610	12.52%	12
Pension Corporation Group Limited	Guernsey	8,706,965	1.39%	8
Apple Inc	United States	21,120	0.00%	9
Foreign unit trusts				
Prosperity Russia Domestic Fund	Guernsey			54
Prosperity Cub Fund	Guernsey			53
DJ STOXX 600 OPT Healthcare	Ireland			23
Aberdeen Global Asia Pacific Equity Fund	Luxemburg			70
Danske Invest Europe High Dividend I	Luxemburg			48
DB X-Trackers DAX	Luxemburg			31
MFS MER-Europe SM COS-I1EUR	Luxemburg			13

MFS European Value Fund Z	Luxemburg	41
Allianz RCM Europe Equity Growth W	Luxemburg	57
Comgest Panda	Luxemburg	37
Brummer & Partners Nektar Fund	Sweden	16
Unideutschland XS	Germany	19
Henderson Gartmore Latin America R	Great Britain	48
Investec GSF-Asia Pacific-I	Great Britain	58
Ishares Core S&P 500 Index Fund	United States	127
Technology Select Sect SPDR	United States	25

Foreign unit trusts

Fortress Credit Opportunities Fund II (C) L.P.	Cayman islands	55
Fortress Credit Opportunities Fund III (C) L.P.	Cayman islands	20
Victory Park Capital Fund II (Cayman), L.P.	Cayman islands	15
Avenue Special Situations Fund VI (C-Feeder), L.P.	Cayman islands	25
Financial Credit Investment I, L.P.	Cayman islands	10
Fortress Life Settlement Fund (C) L.P.	Cayman islands	20
Goldman Sachs Loan Partners I Offshore B, L.P.	Cayman islands	14
Goldman Sachs Loan Partners I Offshore Investment Fund L.P.	Cayman islands	32
Highbridge Liquid Loan Opportunities Fund, L.P.	Cayman islands	42
Highbridge Principal Strategies - Senior Loan Fund II L.P.	Cayman islands	6
Highbridge Specialty Fund III	Cayman islands	18
Lunar Capital Partners III L.P.	Cayman islands	6
Mount Kellet Capital Partners (Cayman), L.P.	Cayman islands	30
Mount Kellett Capital Partners (Cayman) II, L.P.	Cayman islands	23
Petershill Offshore LP	Cayman islands	17
Russia Partners II, L.P.	Cayman islands	9
Capman Buyout IX Fund A L.P.	Guernsey	10
Capman Buyout VIII Fund A L.P.	Guernsey	6
EQT Credit (No.1) L.P.	Guernsey	47
EQT Credit (No.2) L.P.	Guernsey	17
EQT V (No.1) L.P.	Guernsey	6
EQT VI (No.1) L.P.	Guernsey	10
Gilde Buy-Out Fund III	Guernsey	9
Permira IV L.P. 2	Guernsey	7
Activa Capital Fund II FCPR	France	9
Verdane Capital VII K/S	Denmark	10
Gresham IV Fund L.P.	Great Britain	7
M&G Debt Opportunities Fund	Great Britain	16
Other share and participations		82

Foreign shares and participations in total **1,332**

Shares and participations in total **2,117**

Holding

	Country	No. of shares	Holding %	Carrying amount / Fair value
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Domestic other than listed companies

Varma Mutual Pension Insurance Company	Finland	57	80,28%	14
Other	Finland			10

Total domestic shares and participations**24****Foreign unit trusts****4****Total shares and participations****28**

Holdings exceeding EURm 5 and holdings in listed companies exceeding five per cent specified.

The table does not include investments related to unit-linked insurance contracts.

41 Events after the balance sheet date

In the meeting of 12 Feb. 2014, the Board of Directors decided to propose at the Annual General Meeting on 24 April 2014 a dividend distribution of EUR 1.65 per share, or total EUR 924,000,000, for 2013. The dividends to be paid will be accounted for in the equity in 2014 as a deduction of retained earnings.