

SAMPO HOUSING LOAN BANK PLC

Results announcement for the year 2009

- The profit for the financial year was EUR 19,0 million
- During the year the company purchased mortgage credits worth EUR 0.5 billion from Sampo Bank plc
- The company did not issue new covered bonds during the year
- Loans and advances to customers were EUR 2,073 million at the end of the year
- Mortgage credits and supplementary collateral referred to in section 13 of the Act on Mortgage Banks collateralising the mortgage backed bonds covered the outstanding principal amount of the bonds by 110.00 per cent as at 31 December 2009
- Capital adequacy stood at 18.9 per cent

The profit for the financial year was EUR 19,0 million (11,4). The net interest income increased to EUR 30.3 million (19.9).

The balance sheet total was EUR 2,315.6 million (2,473.2) at the end of the year. Loans and advances to customers were EUR 2,072.7 million (2,112.2). Non-performing loans were EUR 3,1 million (3,7).

Sampo Housing Loan Bank plc did not issue new covered bonds under the EUR 5 billion Euro Medium Term Covered Note Programme. The aggregate value of the collateral of the mortgage backed bonds was EUR 2,200.1 million consisting of mortgage credits worth 2,050.1 million euros and supplementary collateral referred to in section 13 of the Act on Mortgage Banks with nominal value of 150.0 million euros. The ratio of mortgage credits and supplementary collaterals to the outstanding principal amount of the mortgage backed bonds, as calculated in accordance with the terms of the covered note programme, was 110.00 per cent.

Sampo Housing Loan Bank plc is a wholly owned subsidiary of Sampo Bank plc. The equity was EUR 127.7 million (108.6) at the end of the year.

The capital adequacy ratio at the end of the year was 18.9 per cent (15.4). Risk-weighted assets decreased to EUR 888.8 million (967.1).

Sampo Housing Loan Bank plc has no staff of its own, but purchased administrative services from Sampo Bank plc.

The amount of new housing loans fell significantly in 2009, but in the very end of the year the amount of new housing loans started to increase clearly. The housing loan portfolio in Finland increased by over six per cent. In 2010 the demand for new housing loans will remain stable and the housing loan portfolio will increase slightly. Housing loans interest rates are expected to increase slightly but consumer confidence will keep housing market relatively busy.

Above-mentioned development enables Sampo Housing Loan Bank to expand its operations. However the company is not intending to issue new covered bond issuance secured by mortgages for the meantime.

Sampo Housing Loan Bank plc's Board of Directors does not propose dividend to be distributed from year 2009.

The figures concerning year 2009 in this results announcement are unaudited.

Helsinki, 4 February 2010
Sampo Housing Loan Bank plc
Board of Directors

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INCOME STATEMENT

1 000 EUR	Year ended at 31 Dec. 2009	Year ended at 31 Dec. 2008
Interest income	99 314	94 142
Interest expenses	-69 057	-74 197
NET INTEREST INCOME	30 256	19 945
Fee and commission income	499	469
Fee and commission expenses	-266	-266
Net income from transactions in securities and foreign exchange dealing	-246	-1 864
Net gains on hedge accounting	-26	1 538
Administrative expenses	-4 284	-4 220
Other operating expenses	-199	-218
PROFIT BEFORE TAXES	25 733	15 383
TAXES	-6 691	-4 000
PROFIT FOR THE FINANCIAL YEAR	19 042	11 383

SAMPO HOUSING LOAN BANK PLC - STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	1.1.2009-31.12.2009	1.1.2008-31.12.2008
Net gains not recognised in the income statement	-	-
Net profit for the period	19 042	11 383
Total comprehensive income for the period	19 042	11 383

Sampo Housing Loan Bank has no net gains that are not recognised in the income statement and should be stated under Statement of comprehensive income according to IAS 1.

BALANCE SHEET**1 000 EUR****At 31 Dec. 2009****At 31 Dec. 2008****ASSETS**

Loans and advances to credit institutions	24 217	16 000
Loans and advances to customers	2 072 676	2 112 229
Debt securities	143 039	292 291
Derivatives	72 973	43 863
Other assets	-	0
Prepayments and accrued income	2 662	8 801
TOTAL ASSETS	2 315 567	2 473 184

LIABILITIES**LIABILITIES**

Liabilities to credit institutions		
Debt securities in issue	66 507	266 059
Derivatives and other liabilities held for trading	2 050 074	2 024 147
Other liabilities	14 104	16 352
	43	43
Accruals and deferred income	17 183	17 970
Subordinated liabilities	40 000	40 000
EQUITY		
Share capital	41 050	41 050
Share premium account	35 000	35 000
Retained earnings	32 563	21 180
Profit for the year	19 042	11 383
TOTAL LIABILITIES	2 315 567	2 473 184

OFF-BALANCE SHEET ITEMS

Commitments		
Other	5 016	8 271

STATEMENT OF CHANGES IN EQUITY

1 000 EUR	Share capital	Share premium account	Fair value reserve	Retained earnings	Total
Equity at 1 Jan. 2008 IFRS	41 050	35 000	-	21 180	97 230
Financial assets available-for-sale					
- Change in fair value					
Profit for the year				11 383	11 383
Equity at 31 Dec. 2008	41 050	35 000	-	32 563	108 613
Equity at 1 Jan. 2009 IFRS	41 050	35 000	-	32 563	108 613
Financial assets available-for-sale					
- Change in fair value					
Profit for the year				19 042	19 042
Equity at 31 Dec. 2009	41 050	35 000	-	51 605	127 655

CASH FLOW STATEMENT

1 000 EUR

	2009	2008
Cash and cash equivalents at 1 January	16 000	44 563
Cash flows from operating activities	8 217	-28 563
Cash flows from financing activities	0	0
Cash and cash equivalents at 31 December	24 217	16 000

The Group has prepared its cash flow statement according to the indirect method. The statement is based on the pre-tax profit for the year and shows the cash flows from operating, investing and financing activities and the increase or decrease in cash and cash equivalents during the year.

Cash and cash equivalents consists of cash in hand and demand deposits with central banks and amounts due from credit institutions and central banks with original maturities shorter than three months.

CAPITAL ADEQUACY

1 000 EUR	At 31 Dec. 2009	At 31 Dec. 2008
Tier 1	127 655	108 613
Share capital	41 050	41 050
Share premium capital	35 000	35 000
Distributable capital	51 605	32 563
Tier 2	40 000	40 000
Subordinated liabilities	40 000	40 000
Other	-	-
TOTAL CAPITAL	167 655	148 613
RISK-WEIGHTED ASSETS (ON-BALANCE SHEET AND OFF-BALANCE SHEET)	888 184	967 138
CAPITAL REQUIREMENT (8% of risk-weighted assets)	71 055	77 371
Credit- and counterparty risk	68 298	75 172
Market risk	-	-
Operational risk	2 757	2 199
CAPITAL ADEQUACY RATIO, %		
- Total capital/ Risk-weighted assets	18,88 %	15,37 %
- Tier 1 capital/ Risk-weighted assets	14,37 %	11,23 %

Capital adequacy ratio has been calculated in accordance with Credit Institutions Act Sect 5:44-48§ and 54-66§. For calculation of credit and operational risk's risk-weighted assets, Sampo Bank Group applies standard method.

NOTES

1000 EUR

1 Interest income and expenses by balance sheet item	2009	2008
Interest income		
Treasury bills and other eligible bills	-	-
Loans and advances to credit institutions	209	4 476
Loans and advances to customers	74 072	112 661
Debt securities	4 148	7 573
Derivatives	20 884	-30 569
Other interest income	-	0
Total	99 314	94 142
Interest expenses		
Liabilities to credit institutions	2 195	5 483
Debt securities in issue	65 991	65 977
Subordinated liabilities	870	2 073
Other interest expenses	1	664
Total	69 057	74 197
Of which received from or paid to Group companies		
Interest income	21 093	-26 093
Interest expenses	3 066	8 221
2 Fee and commission income and expenses	2009	2008
Fee and commission income		
From loans	499	469
From other activities	-	0
Total	499	469
Fee and commission expenses		
Fees and commissions payable	0	0
Custody fee	265	266
Total	266	266
3 Net income from transactions in securities	2009	2008
	Change in fair value	Change in fair value
From debt securities	1 128	-3 951
From others	-1 374	2 087
Net income from transactions in securities, total	-246	-1 864
4 Net gains on hedge accounting	2009	2008
Change in fair value of hedging instruments, net	31 197	78 853
Change in fair value of hedged items, net	-31 223	-77 315
Total	-26	1 538

5 Loans and receivables to credit institutions 9

To domestic credit institutions		
Repayable on demand	8 217	-
Other	16 000	16 000
Total	24 217	16 000

6 Loans and advances to customers 2009 2008

Corporations and housing companies	292	165
Households	2 067 089	2 108 437
Non-profit institutions servicing households	1 758	1 889
Foreign	3 536	1 738
Total	2 072 676	2 112 229

Non-performing loans 2009 2008

Households	3 106	3 677
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Loans and advances to customers 2009 2008

By type of loan		
Home loans	1 922 927	1 947 163
Consumer loans	76 565	90 301
Other consumer loans	72 891	74 601
Other commercial loans	292	165
Total	2 072 676	2 112 229

7 Debt securities 2009 2008

Issued by public bodies	-	-
Other debt securities	143 039	292 291
Total	143 039	292 291

8 Derivatives

	2009			2009	
	Contract/notional amount			Fair value	
	Remaining maturity			Positive	Negative
Under 5 years	5-15 years	Over 15 years			
Held for hedging purposes					
Interest rate swaps	2 000 000	-	91 988	66 535	5 827
- of which with Group companies	2 000 000	-	91 988		
Held for other purposes					
Interest rate swaps	1 959 833	-	-	276	4 881
- of which with Group companies	1 959 833	-	-		
Other derivatives	150 361	-	-	6 163	3 396
- of which with Group companies	-				
	2008			2008	
	Contract/notional amount			Fair value	
	Remaining maturity			Positive	Negative
	Under 5 years	5-15 years	Over 15 years		
Held for hedging purposes					
Interest rate swaps	2 000 000	-	114 385	37 934	3 602
- of which with Group companies	2 000 000	-	114 385		
Held for other purposes					
Interest rate swaps	1 886 609	-	-	-	12 750
- of which with Group companies	1 886 609	-	-		
Other swaps	300 000	-	-	5 929	-
- of which with Group companies	-				

Sampo Housing Loan Bank uses derivative contracts to hedge against interest rate risks. The counterparty of all derivative contracts is Sampo Bank plc or Danske Bank A/S, the parent company of Sampo Bank.

Sampo Housing Loan Bank has hedged its mortgage loan portfolio with two interest rate swaps, one of which targets the fixed interest rate portfolio while the other targets the floating rate portfolio. These interest rate swaps are used to exchange the base rate cash flows from the hedged mortgages (total loan interest rate less customer-specific margin) to three month Euribor cash flows. The maturity date for the interest rate swap that hedges the fixed rate mortgages is determined on the basis of the end date of the hedged mortgages' interest rate period, while the due date for the interest rate swap hedging the floating rate mortgages is determined on the basis of the hedged mortgages' maturity date.

As a counter for the above-mentioned arrangements are two interest rate swaps, with which Sampo Housing Loan Bank has swapped the fixed coupon rates of the covered bonds it has issued to the three month Euribor rate. Due to the aggregate effect of the interest rate swaps made, Sampo Housing Loan Bank's balance sheet is almost free of interest rate risks.

The interest rate swaps made in order to hedge the issued bonds and the fixed interest rate mortgage loan portfolio comply with the rules for hedge accounting as per IAS 39, and hedge accounting has been applied to them. The interest rate swap hedging the floating rate mortgage loans does not comply with the rules for hedge accounting as per IAS 39, for which reason it has been recognised in the accounting as other than a hedging derivative agreement and its effect on the result has been itemised under the net income from securities trading.

9 Liabilities to credit institutions	2009	2008		
Deposit/Sampo Bank	66 400	263 000		
Sampo-account 800017-70707595	107	47		
Nostro DB	-	3 013		
Total	66 507	266 059		
10 Debt securities in issue	2009		2008	
	Carrying amount	Nominal value	Carrying amount	Nominal value
Bonds	2 050 074	2 000 000	2 024 147	2 000 000
Total	2 050 074	2 000 000	2 024 147	2 000 000
11 Other liabilities	2009	2008		
Other	43	43		
Total	43	43		
12 Subordinated liabilities				
Subordinated liabilities	2009	2008		
Due to Group companies	40 000	40 000		
13 Assets pledged as collateral security	2009	2008		
Secured liabilities				
Balance sheet item	Pledges	Pledges		
Debt securities in issue	2 200 094	2 109 168		
Total	2 200 094	2 109 168		
14 Off-balance sheet item	2009	2008		
Undrawn loans, overdraft facilities and other irrevocable commitments to lend	5 016	8 271		

FINANCIAL HIGHLIGHTS

1000 EUR	2009	2008	2007	2006	2005
Revenues	99 540	94 284	92 008	59 932	13 873
Net interest income	30 256	19 945	21 477	13 364	4 398
% of revenue	30,4	21,2	23,3	22,3	31,7
Profit before taxes	25 733	15 383	12 977	11 862	3 007
% of revenue	25,9	16,3	14,1	19,8	21,7
Total income 1)	30 216	19 821	18 149	15 512	4 653
Total operating expenses 2)	4 484	4 438	5 172	3 649	1 645
Cost to income ratio %	14,8	22,4	28,5	23,5	35,4
Total assets	2 315 567	2 473 184	2 305 542	2 422 368	1 119 065
Equity	127 655	108 613	97 230	87 595	43 849
Return on assets, % 3)	0,8	0,5	0,4	0,5	0,4
Return on equity, % 3)	16,1	11,1	10,7	13,3	8,8
Equity/assets ratio, %	5,5	4,4	4,2	3,6	3,9
Capital adequacy ratio, % 4)	18,9	15,4	11,8	11,7	11,1
Off-balance sheet items	5 016	8 271	2	30	504

The financial highlights have been calculated as referred to in the regulations of the Finnish Financial Supervision Authority, taking into account renamed income statement and balance sheet items resulting from changes in the accounting practice.

- 1) Total income comprises the income in the formula for the cost to income ratio.
- 2) Total operating expenses comprise the cost in the formula for the cost to income ratio.
- 3) The financial highlights have been calculated with taking into account the amount of the fair value reserve in equity and changes in it. Without the change in the fair value reserve the return on equity would have been 13,4 % for 2006.
- 4) In accordance with Credit Institutions Act Sect 5:44-48§ ja 54-66§; to the end of year 2007 in accordance with old Credit Institutions Act Sect 9:72-81§

Formulas used in calculating the financial highlights

Revenues:	interest income, fee and commission income, net income from transactions in securities and foreign exchange dealing, net gains on hedge accounting, other operating income
Cost to income ratio, %:	$\frac{\text{administrative expenses} + \text{other operating expenses}}{\text{net interest income} + \text{fee and commission income, net} + \text{net income from transactions in securities and foreign exchange dealing} + \text{net gains on hedge accounting} + \text{other operating income}} \times 100$
Return on equity (at fair values), %:	$\frac{\text{profit before taxes} \pm \text{change in fair value reserve} - \text{taxes}}{\text{equity} + \text{minority interests (average)}} \times 100$
Return on assets (at fair values), %:	$\frac{\text{profit before taxes} \pm \text{change in fair value reserve} - \text{taxes}}{\text{average total assets}} \times 100$
Equity/assets ratio (at fair values), %:	$\frac{\text{equity}}{\text{total assets}} \times 100$