

Sampo Bank PLC
7.8.2008

INTERIM REPORT 1.1. - 30.6.2008

SAMPO BANK GROUP IN JANUARY - JUNE 2008

Changes in Group structure

Arvo Value Asset Management Ltd is now 100% owned subsidiary of Sampo Bank. Minority was bought out in March 2008. Real Estate company Kiinteistö Oy Salon Örninkatu 15 was sold in February 2008 and associated company Primasoft Ltd. (20% of shares) in April 2008.

Changes in Accounting Policies and Presentation

At Easter 2008, Sampo Bank migrated to the Danske Bank Group's shared IT platform. Sampo Bank group is now following the generally accepted accounting policies of Danske Bank Group. Comparison figures for 2007 have not been adjusted. Due to that comparability of the periods presented in this interim report is affected. The biggest effect is visible in Net interest income, where policy and presentation change explains EUR 39.6 million of the increase from the comparison period. The changes are explained more detailed in Notes of Interim Report.

Result

Sampo Bank Group's profit before taxes for January-June was EUR 114.7 million (582.0). The comparison figure contains the income from discontinued operations, altogether EUR 466.6 million. Return on equity before tax was 9.4 per cent (79.8). Cost-to-income-ratio was 71.4 per cent (28.3).

Continuing operations' net interest income rose to EUR 256.5 million (183.3). The net fee and commission income decreased to EUR 96.3 million (112.2).

Continuing operations' total operating costs amounted to EUR 283.6 million (246.8). Growth in costs (excluding impairment losses) was EUR 59.2 million (33.6). This was largely due to integration costs.

Continuing operations' profit before taxes for January-June was EUR 114.7 million (115.4).

Credit quality remained firm and net impairment losses on loans and receivables was EUR -0.9 million (21.4).

Balance sheet

Loans and advances to customers increased by EUR 202.7 million from year-end 2007 and totalled EUR 20 772.8 million (20 570.1).

Deposits to customers decreased by EUR 283.4 million from year-end and totalled EUR 12 512.7 million (12 796.1).

Integration

At Easter 2008, Sampo Bank Finland migrated to the Danske Bank Group's shared IT platform – one of the largest IT projects ever carried out in northern Europe. The migration of data went according to plan, but in the first months after Easter, a number of unexpected system challenges resulted in regrettable inconveniences for customers involving mainly online banking and card transactions.

In spite of significant improvements, the Group is not yet fully satisfied with operations and customer service at Sampo Bank, and steps have been taken to improve system stability and service quality.

Despite the integration problems, the migration of Sampo Bank Finland has created a basis for realising planned synergies.

Capital adequacy

Sampo Bank Group's capital adequacy ratio was 10.9 per cent (11.7) and the Tier 1 ratio was 8.8 per cent (9.2). The total capital included in capital adequacy calculations amounted to EUR 2,139.1 million at the end of June (1,903.7). The Group's risk-weighted assets totalled EUR 19,776.7 million (16,298.3). From beginning of 2008 Sampo Bank Group calculates risk-weighted assets for operational and credit risk according to Basel II standard method.

Planned dividends have been deducted from Tier 1 capital for 2008. The Tier 1 for 2007 does not include the profit accumulated during the annual period.

Ratings

Ratings of Sampo Bank plc were unchanged; Moody's Aa1/P-1 with stable outlook and Standard & Poor's AA-/A-1+ with stable outlook.

Administration

Sampo Bank board members are Peter Straarup (Chairman), Sven Erik Lystbæk (Deputy chairman), Teija Andersen, Tonny Thierry Andersen, Ilkka Hallavo, Thomas Mitchell, Esko Mäkeläinen, Lars Stensgaard Mørch and Maarit Näkyvä. Ilkka Hallavo is the managing director of the Bank and Maarit Näkyvä is his deputy.

The firm of authorised public accountants, Ernst & Young Oy, has acted as Auditor for Sampo Bank plc with Kunto Pekkala, APA, as responsible auditor.

Developments after the reporting period

Sampo Bank plc's subsidiaries MDT Invest Ltd and Mandatum & Co were liquidated in July 2008. The Russian bank, ZAO Danske Bank, was sold to Danske Bank A/S in July 2008.

Outlook for the whole year

Assuming that economic conditions remain favourable, Sampo Bank is likely to see continued growth in 2008, albeit more moderate than in 2007.

Helsinki, 7 August 2008

SAMPO BANK PLC
Board of Directors

Tables for interim report 30.6.2008:**FINANCIAL HIGHLIGHTS**

		1-6/2008	1-6/2007
Total income	EURm	398	842
Total operating expenses	EURm	285	238
Impairment on loans and receivables	EURm	-1	22
Profit before taxes *	EURm	115	582
Cost to income ratio	%	71,4	28,3
Total assets	EURm	29 171	25 845
Equity	EURm	1 975	1 737
Return on equity before tax	%	9,4	79,8
Capital adequacy	%	10,9	11,7
Full-time-equivalent staff, end of period		3 111	3 284

*) Sampo Bank plc's profit from sales of its subsidiary banks in Baltics and corporate finance as well as their operational result are included in the Group key figures; in the 2007 income statement they are presented as 'Discontinued operations'.

CONSOLIDATED INCOME STATEMENT

EURm	Note	1-6/2008	1-6/2007	Change
<u>Continuing operations</u>				
Interest income	2	713,0	527,5	185,5
Interest expense		-456,4	-344,2	-112,2
Net trading income		26,1	42,9	-16,8
Fee income		138,6	157,1	-18,6
Fee expenses		-42,3	-44,9	2,6
Net income from investments		1,5	7,1	-5,6
Other operating income		17,9	16,6	1,3
Total operating income		398,2	362,1	36,1
Staff costs		-128,2	-94,9	-33,3
Other operating expenses		-156,3	-130,5	-25,9
Impairment losses on loans and receivables		0,9	-21,4	22,4
Total operating expenses		-283,6	-246,8	-36,8
Profit from continuing operations before taxes		114,7	115,4	-0,7
Taxes		-27,9	-29,2	1,3
Profit from continuing operations		86,8	86,2	0,6
<u>Discontinued operations</u>				
Profit from discontinued operations before taxes	1	0,0	466,6	-466,6
Taxes		0,0	-3,8	3,8
Profit from discontinued operations		0,0	462,9	-462,9
Profit for the period		86,8	549,0	-462,3
Attributable to				
Equity holders of parent company		86,5	544,6	
Minority interests		0,3	4,4	

CONSOLIDATED BALANCE SHEET

EURm	Note	6/2008	12/2007
Assets			
Cash and balances at central banks		278,4	290,8
Trading portfolio assets		3 487,6	1 429,2
Financial assets at fair value through p/l			551,2
Loans and receivables	3	23 697,6	25 292,8
Investments	4	4,2	17,5
Intangible assets		5,5	8,7
Property, plant and equipment		95,2	90,2
Other assets		1 587,6	439,9
Tax assets		14,5	31,1
Total assets		29 170,6	28 151,5
Liabilities			
Trading portfolio liabilities		2 142,2	671,0
Amounts owed to credit institutions and customers		14 199,6	13 503,6
Debt securities in issue		9 541,5	11 064,3
Other liabilities		1 306,3	970,3
Tax liabilities		5,6	40,0
Total liabilities		27 195,3	26 249,2
Equity			
Share capital		106,0	106,0
Reserves		271,1	271,7
Retained earnings		1 596,7	1 510,3
Equity attributable to parent company's equity holders		1 973,9	1 888,0
Minority interests		1,5	14,4
Total equity		1 975,3	1 902,4
Total equity and liabilities		29 170,6	28 151,5

**STATEMENT OF CHANGES IN
EQUITY**

EURm	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total	Minority interest	Total
Equity at 1 Jan. 2007	106,0	271,1	-2,5	808,6	1 183,2	13,7	1 196,9
Financial assets available-for-sale							
- change in fair value			2,8		2,8		2,8
- recognised in p/l			0,8		0,8		0,8
Exchange rate translation differences							
Profit for the period				544,6	544,6	4,4	549,0
Total income and expenses recognised for the period			3,5	544,6	548,2	4,4	552,6
Dividend distribution					0,0	-12,2	-12,2
Share incentives				0,1	0,1		0,1
Equity at 30 June 2007	106,0	271,1	1,0	1 353,3	1 731,4	5,9	1 737,3
Equity at 1 Jan. 2008	106,0	271,1	0,6	1 510,2	1 888,0	14,4	1 902,4
Financial assets available-for-sale			0,0		0,0		0,0
- change in fair value							
- recognised in p/l			-0,6		-0,6		-0,6
Exchange rate translation differences					0,0		0,0
Profit for the period				86,5	86,5	0,3	86,8
Total income and expenses recognised for the period			-0,6	86,5	85,9	0,3	86,2
Dividend distribution				0,0	0,0	-13,2	-13,2
Share incentives				0,0	0,0		0,0
Equity at 30 June 2008	106,0	271,1	0,0	1 596,7	1 973,9	1,5	1 975,3

CASH FLOW STATEMENT

EURm	1-6/2008	1-6/2007
Cash and cash equivalents at the beginning of the period	483	1 815
Cash flows from/used in operating activities	2 267	-1 520
Cash flows from/used in investing activities	-23	440
Cash flows from/used in financing activities	-5	-430
Cash and cash equivalents at the end of the period	2 722	305
The net cash flows of discontinued operations	1-6/2008	1-6/2007
Cash flows from/used in operating activities	0	30
Cash flows from/used in investing activities	0	0
Cash flows from/used in financing activities	0	-24
Net cash flows total	0	6

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities.

Cash flows are reported by using the indirect method.

Cash flows from operating activities derive primarily from the principal revenue-producing activities.

Cash flows from investments in subsidiaries and associated undertakings and those from investments in intangible assets and property, plant and equipment are presented in investing activities.

Financing activities include cash flows resulting from changes in equity and borrowings in order to conduct the business.

Cash and cash equivalents consist of cash and balances with central banks and and loans and advances to credit institutions repayable on demand.

Cash flow statement for 1-6/2008 has been adjusted to Danske Bank Group -principles. Increase of cash is due to classification where below 3 month's due from credit institutions is now considered as cash.

NOTES

ACCOUNTING POLICIES

Sampo Bank Group is part of the Danske Bank Group. The Danske Bank Group presents its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the EU and with relevant interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

Changes in accounting policies and presentation:

1. Changes in accounting policies

Issued CD's are classified into category 'fair value through profit or loss'. The one-off effect of the policy change on net trading income of Sampo Bank plc was EUR 3.6 million in H1.

Balance sheet category 'available for sale' is no longer used and the securities are re-classified into trading.

2. Changes in presentation

Commitment fees are presented as part of Net interest instead of Fee income as previous. The effect for H1 2008 is a decrease of EUR 2.7 million on Fee income and a corresponding increase in Net interest.

Interest on trading securities and derivatives are presented in Net interest. Valuation and realised profit and loss of zero coupon trading instruments are moved from Net trading to Net interest. The Net trading income for H1 2007 included EUR 33.1 million of income that in H1 2008 are presented in Net interest. Net interest income from investments (H1 2007 EUR 3.8 million) is now presented in Net interest income.

Securities are presented in 2008 balance sheet according to the settlement date and in 2007 balance sheet according to the trade date. Profit and loss impact is taken into account according to the trade date also in 2008.

The interim report has not been audited.

The interim report is available on Sampo Bank's web site <http://www.sampobank.com>.

SEGMENT INFORMATION

The segment reporting of Sampo Bank Group is based on internal business areas and on the organisational structure in 2008.

Banking in Finland and other functions includes segments private clients, corporate and institutional clients, markets operations and other as they were reported in the financial statements for 2007. The East European banking is presented in 2007 as discontinued operations and the profit from sales as well as the operational result are included in the Group figures.

The inter-segment pricing is based on market prices.

In the consolidated financial statements the inter-segment transactions, assets and liabilities have been eliminated.

JANUARY-JUNE 2007

	Banking in Finland and other functions	Asset Management & Funds in Finland	Integration	Eliminations	Sampo Bank Group
EURm					
Net interest income	181,9	0,6		0,8	183,3
Other income (net)	186,6	30,9	-0,1	-38,7	178,8
Total operating income	368,6	31,5	-0,1	-37,9	362,1
Total operating expenses	-206,6	-8,5	-13,7	3,5	-225,3
Impairment losses on loans and receivables	-21,4				-21,4
Profit before taxes from continuing oper.	140,5	22,9	-13,7	-34,4	115,4
Sales profit from discontin. oper.					466,6

JUNE 30, 2007

TOTAL ASSETS	26 406	51		-612	25 845
of which loans and advances to credit inst. & cust.	23 104	35		-271	22 869
TOTAL LIABILITIES	24 566	27		-486	24 108
of which liabilities to credit inst. & customers	12 538			-275	12 262

JANUARY-JUNE 2008

	Banking in Finland and other functions	Asset Management & Funds in Finland	Integration	Eliminations	Sampo Bank Group
EURm					
Net interest income	255,1	0,4		1,0	256,5
Other income (net)	155,2	33,1		-46,6	141,7
Total operating income	410,3	33,5		-45,6	398,2
Total operating expenses	-217,0	-12,4	-55,3	0,2	-284,5
Impairment losses on loans and receivables	0,9				0,9
Profit before taxes from continuing oper.	194,3	21,1	-55,3	-45,4	114,7
Profit before taxes from discontin. oper.					0,0

JUNE 30, 2008

TOTAL ASSETS	29 461	68		-358	29 171
of which loans and advances to credit inst. & cust.	23 829	50		-181	23 698
TOTAL LIABILITIES	27 365	42		-211	27 195
of which liabilities to credit inst. & customers	14 380	0		-180	14 200

OTHER NOTES

1 DISCONTINUED OPERATIONS

EURm

<u>Income statement of subsidiary banks in Baltics</u>	1-6/2008	1-6/2007
Net interest income	0,0	4,7
Net income from financial transactions	0,0	1,7
Net fee and commission income	0,0	1,9
Net income from investments	0,0	0,2
Other operating income	0,0	0,1
Total operating income	0,0	8,6
Staff costs	0,0	-2,0
Other operating expenses	0,0	-1,9
Impairment losses on loans and receivables	0,0	-0,5
Total operating expenses	0,0	-4,4
Sales profit	0,0	452,3
<u>Income statement of Mandatum & Co Ltd</u>	1-6/2008	1-6/2007
Net interest income	0,0	0,1
Net income from financial transactions	0,0	0,0
Net fee and commission income	0,0	1,3
Other operating income	0,0	8,3
Total operating income	0,0	9,7
Staff costs	0,0	-1,0
Other operating expenses	0,0	-0,4
Total operating expenses	0,0	-1,4
Sales profit	0,0	8,3
<u>MDT Invest plc</u>	1-6/2008	1-6/2007
Net interest income	0,0	-0,1
Net income from financial transactions	0,0	0,9
Net fee and commission income	0,0	12,9
Other operating income	0,0	0,2
Total operating income	0,0	13,8
Staff costs	0,0	-4,1
Other operating expenses	0,0	-3,7
Total operating expenses	0,0	-7,8
Sales profit	0,0	6,0

2 NET INTEREST INCOME

EURm	1-6/2008	1-6/2007
Interest income, total	713,0	519,9
Interest expenses, total	-456,4	-336,6
Net interest income	256,5	183,3

Net interest income in income statement, total

In net interest income	256,5	183,3
In net income from financial transactions	0,0	33,1
In net income from investments	0,0	3,8
Total	256,5	220,2

3 LOANS AND RECEIVABLES

EURm	6/2008	12/2007
Loans and advances to credit institutions		
Deposits	2 358,4	4 525,3
Other loans	566,3	197,4
Total	2 924,8	4 722,7

Loans and advances to customers

By type of loan

Home loans	9 681,9	9 679,9
Consumer loans	819,4	998,2
Other retail loans	2 081,5	1 794,8
Finance lease assets	697,6	648,4
Money market loans	0,0	18,1
Other commercial loans	7 591,7	7 541,1
Allowance for impairment	-99,3	-110,4
Total	20 772,8	20 570,1

Total loans and receivables	23 697,6	25 292,8
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4 INVESTMENTS

EURm	6/2008	12/2007
Financial assets		
Investments held-to-maturity	-	0,0
Financial assets available-for-sale	0,0	6,4
Total	0,0	6,4

Other assets

Investments in associates	4,2	11,1
Total	4,2	11,1

5 CONTINGENT LIABILITIES AND COMMITMENTS

EURm	6/2008	12/2007
Off-balance sheet items		
Guarantees	1 523,0	2 337,7
Undrawn loans, overdraft facilities and other commitments to lend	3 196,0	3 819,7
- original maturity less than one year	575,3	692,2
- original maturity more than one year	2 620,7	3 127,5
Other irrevocable commitments	0,0	0,0
Total	4 719,0	6 157,4

Sampo Bank Group is continually a party to various lawsuits. The Group does not expect the outcomes of the cases pending to have any material effect on its financial position.