



AS Sampo Elukindlustus

Annual Report 2001

AS SAMPO ELUKINDLUSTUS

ANNUAL REPORT

AS Sampo Elukindlustus operates in life-insurance market.
Company is owned by Finnish financial group Sampo Oyj.

Business name:	AS SAMPO ELUKINDLUSTUS
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Start of financial year:	01.01.2001
End of financial year:	31.12.2001
CEO:	Ulla Ilisson
Auditor:	KPMG Estonia

The annual report consists of management report, annual accounts,
auditor's statement and proposal of the Management Board regarding the covering of loss.

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ACTIVITIES REPORT

AS Sampo Elukindlustus belongs to Finnish banking-insurance group Sampo Oyj. Company's establishment agreement was concluded on 7th of April 1999, but the market activities started just from the January 2000.

Supervision and Management

In year 2001 new Supervisory Board members were nominated, – chairman Minna Kohmo, Terttu Virma-virta and Gunnar Kraft. Supervisory Board prolonged the authorities of Management Board that consisted of three members – managing director Ulla Ilisson, actuary Hele-Liis Viirsalu ning business division director of Sampo non-life insurance Mika Vilkki. The change in Management Board took place in September – due to his new responsibilities in the Sampo Group Mika Vilkki resigned and removed back to Finland.

On 4th of July 2001 the Company's business name was changed due to the Sampo Group's corporate policy to AS Sampo Elukindlustus. In 4th quarter the Company removed its headquarter to the new premises belonging to AS Sampo Bank in Narva Road, Tallinn.

Financial Results

The gross premiums written consisted of 15,8 mio Estonian kroons in 2001, the biggest part (61%) was contributed by pension insurance agreements' premiums. Total claims paid consisted of 121 th. kroons, mostly derived from the supplementary accident insurance claims. Gross investment income comprised of 1,45 mio kroons. The business technical result for 2001 was a loss of 377 th. kroons. Total assets increased compared with the balance of 31.12.2000 by 22 %. The main source of increase was the change in technical reserves by 6,04 th. kroons, derived mostly by the succesful launch of flexible products. The Company's annual result was a loss of 658 th. kroons that was in accordance with the budget.

In April the service agreement was concluded with Sampo Varahalduse AS to manage Company's investments. The investment portfolio comprised mainly of the allocations into the commercial papers and bonds in 4th quarter. The proportion of equity instruments has increased from 1.3% to 10.1% during 2001. The investment yield result was in the accordance with the Company's targets.

The market share of the Company increased remarkably during 2001, reaching 6.4% in December. The total result for 2001 was 4.4% market share, the respective figure for 2000 was 1.5%. Company achieved market share of 12% from total new pension agreements concluded in Estonia in 2001.

The comparison of financial figures for period 1999–2001:

Dynamics of financial ratio's (th EEK)	2001	2000	1999
Total Assets	36 411	29 789	30 021
Equity Capital	27 410	28 068	28 956
Gross Premiums	15 800	4 549	66
Net Result	-658	-888	-1 044
Investment Yield	5.9%	4.5%	1.6%
Stock Capital Debt Ratio	75.3%	94.2%	96.5%
Neto Expense Ratio	71.2%	124.7%	2638.7%
Net Claims Ratio	2.2%	0.5%	0.0%
Neto Combined Ratio	73.4%	125.2%	2638.7%

Oraganisation and Personnel

There were 20 employees working on the working contract bases in the Company, as of 31.12.01, 12 of them were related with sales and marketing. 2001. Several strategic positions were fulfilled in 2001 – company's general sales manager, chief accountant and internal auditor were requited. Considerable attention was paid to personnel development in 2001 – several internal and external trainings were carried out. The gross salary expenses of the period under the observation comprised of 2,6 mio kroons, 413 th. kroons was the salary of the Managing Director. The work of Supervisory and Management Board members was not remunerated.

Sales and Development

The biggest achievement of 2001 was the development and implementation of Company's IT-system. Old accounting and business management programs were abandoned, and in co-operation with IT partner AS Softshark an integrated internet-based system was developed. Derived from the use of new system the internal efficiency was increased. Considerable efforts were directed to the launch of new products – in 4th quarter the flexible life product was launced, and license of unit-linked products was received. Several internal processes and regulations were implemented in the Company, including these strengthening the money laundering prevention activities.

Most of the sales efforts were directed to the pension products sales in 2001 that contributed over half of gross premiums written. More active sales was implemented in regional centres – Tallinn, Tartu, and Pärnu. To support the pension product sales two comprehensive marketing campaigns were implemented in co-operation with AS Sampo Pank.



More attention was paid to the sales development area in co-operation with Sampo bank. The sales specialists to the personal banking division were requited in 3rd quarter to improve the sales of life insurance and asset management products.

Ulla Ilisson
Chairman of the Management Board
Tallinn, 15 February 2002

A handwritten signature in black ink, appearing to read 'Ulla Ilisson', with a long horizontal flourish extending to the right.

Life assurance market 2001–2002

The life assurance market showed a moderated growth in 2001. Life insurance companies collected 356.4 million kroons of insurance premiums, which is 17% more than the year before. More than 70% of the premium collected by the insurance companies purchased traditional savings insurance, with the supplementary pension insurance being the most popular.

The share of investment insurance fell somewhat if compared to 2000. This can be explained by changes in legislation. The premiums of this particular product contributed to 17% of the life assurance market demonstrating the changes in the saving habits of Estonians and their readiness to take greater risks in the hope of better productivity.

The growth rate of AS Sampo Elukindlustus remained the same during 2001 and the company's market share increased threefold. Sampo Elukindlustus collected 15.8 million kroons of premiums, i.e. 4.4% of all life insurance premiums. This gives enough reason to state that the goal set for the previous year, 4% of market share, was exceeded by 10%. It should also be mentioned that Sampo Elukindlustus concluded 12% of all new supplementary pension insurance contracts, increasing market share of the specific product to 6%.

For the year 2002, Sampo forecasts a growth in the life insurance market of 20%. It is probable that the share of investment insurance will grow this year because customers are increasingly well informed and eager to manage their savings. An important role in the development of the market is given to the pension reform, which is about to be activated. Once people understand the necessity of saving for pension and learn about the various possibilities, the success of obligatory pension funds may mean growth of the entire pension saving market.

Sampo Finance Group in Estonia

Purpose

The strategic goal of Sampo Eesti Grupp is to become a leading finance group in Estonia providing long-term saving and investment products.

Mission

The guiding principle of Sampo Grupp is to guarantee the economic safety and prosperity of its customers by offering them various financial services of a high quality

Owners

The major owner of Sampo Eesti Grupp is Sampo Grupp which has more than 90 years of insurance and banking experience. Sampo Grupp was created at the beginning of 2001 by the merger of two leading Finnish groups, the insurance group Sampo and the banking group Leonia. Sampo today is the largest group in Finland offering financial services. The profit of Sampo Grupp in the last year was 1,286 million euro. In Estonia, Sampo united these enterprises: AS Sampo Elukindlustus, AS Sampo Pank, AS Sampo Liising, AS Sampo Varahaldus and AS If Eesti Kindlustus, previously known as AS Sampo Eesti Varakindlustus.

ANNUAL ACCOUNTING REPORT

Board declaration

The Board hereby declares its responsibility for the correctness of the AS Sampo Elukindlustus Annual Accounting Report of 2001, pages 7 to 20, and confirms that, to the best of its knowledge:

- the annual accounting report has been composed based on Estonian accounting laws, law on insurance activities, the insurers' order of composing the annual accounting report, confirmed by Decree no. 75 of the Minister of Finance, August 9, 2000;
- the annual accounting report will reflect the financial state and economic results of AS Sampo Elukindlustus correctly and justly;
- all known facts that have occurred up to the date the report was prepared, 15.02.2002, have been taken into account when composing the report and have been stated there;
- AS Sampo Elukindlustus is a continuously operating economic unit.



Ulla Ilisson
Chairman of the Board



Hele-Liis Viirsalu
Member of the Board



Terje Otstavel
Member of the Board

BALANCE SHEET

ASSETS	Note	12/31/2001	12/31/2000
1. Cash at bank and in hand		5,744,594	1,286,792
2. Debtors			
2.1. Arising out of direct insurance operations		336,350	155,089
2.1.1. Policyholders		291,353	135,298
2.1.2. Intermediaries		44,997	13,723
2.2. Arising out of reinsurance operations		254,905	117,530
2. Total		591,255	272,619
3. Prepayments and accrued income			
3.1. Accrued income		438,981	707,014
3.2. Other prepayments		160,637	11,711
3. Total	3	599,618	718,725
4. Investments			
4.1. Other financial investments		27,556,948	27,189,016
4.1.1. Shares and other securities		7,898,762	3,104,940
4.1.2. Bonds and other fixed income securities		15,658,186	16,084,076
4.1.3. Deposits with credit institutions		4,000,000	8,000,000
4. Total	1	27,556,948	27,189,016
5. Investments from unit-linked insurance business	2	63,525	-
6. Intangible assests	5	1,466,693	-
7. Fixed assets	4	388,422	322,236
TOTAL ASSETS		36,411,055	29,789,388
LIABILITIES		12/31/2001	12/31/2000
1. Liabilities			
1.1. Arising out of direct insurance operations		424,120	167,082
1.1.1. Policyholders		230,758	167,082
1.1.2. Intermediaries		193,362	
1.2. Arising out of reinsurance operations		277,651	87,427
1. Total		701,771	254,509
2. Accrued expenses and deferred income			
2.1. Accruals		1,370,881	642,653
2. Total	6	1,370,881	642,653
3. Technical provisions			
3.1. Life insurance provision		6,817,098	782,747
3.1.1. Life insurance provision		6,817,098	782,747
3.2. Provision for outstanding claims		43,800	21,000
3.2.1. Provision for outstanding claims		43,800	21,000
3.3. Provision for bonuses		3,885	20,000
3.3.1. Provision for bonuses		3,885	20,000
3. Total	7	6,864,783	823,747
4. Technical provisions for unit-linked insurance contracts			
4.1. Total		63,525	-
4. Total	7	63,525	-
5. Capital and reserves			
5.1. Share capital		20,000,000	20,000,000
5.2. Paid-in capital over par		10,000,000	10,000,000
5.3. Profit/loss brought forward		-1,931,521	-1,043,505
5.4. Profit/loss for the financial year		-658,384	-888,016
5. Total		27,410,095	28,068,479
TOTAL LIABILITES		36,411,055	29,789,388

PROFIT AND LOSS ACCOUNT

TECHNICAL ACCOUNT	Note	2001	2000
1. Premiums written net of reinsurance			
1.1. Premiums written	8	15,800,351	4,549,180
1.2. Reinsurers' share	9	423,503	90,997
1. Total		15,376,848	4,458,183
2. Investment income			
2.1. Other investments		1,450,287	1,243,291
2.2. Value readjustments		56,299	12,800
2.3. Gains on realisation of investments		443,587	118,390
2. Total	10	1,950,173	1,374,481
3. Claims incurred net of reinsurance			
3.1. Claims paid		322,125	-
3.1.1. Sum Insured		121,150	-
3.1.2. Surrenders		31,609	-
3.1.3. Claims handling costs	11	169,366	-
3.2. Change in provision for outstanding claims		-22,800	-21,000
3. Total		344,925	-21,000
4. Change in life insurance provision net of reinsurance	7		
4.1. Change in life insurance provision		-6,034,351	-778,590
4.2. Reinsurers' share		-	-1,056
4. Total		-6,034,351	-779,646
5. Change in other technical provisions, net of reinsurance			
5.1. Total		-63,525	-
5. Total	7	-63,525	-
6. Bonuses net of reinsurance	7	16,115	20,000
7. Net operating expenses			
7.1. Acquisition costs	11	7,326,690	3,188,580
7.2. Administrative expenses	11	3,643,000	2,380,512
7.3. Commissions on reinsurance ceded	9	28,768	9,069
7. Total		10,940,922	5,560,023
8. Investment charges			
8.1. Investment charges		101,987	9,062
8.2. Value adjustments		125,069	93,800
8.3. Losses on the realization of investments		109,500	-
8. Total	10	336,556	102,862
9. BALANCE ON TECHNICAL ACCOUNT		-377,143	-650,867
NON-TECHNICAL ACCOUNT		2001.a.	2000.a.
10. Balance on technical account		-377,143	-650,867
11. Other income		30	10,605
12. Other charges	12	281,271	247,754
13. PROFIT/LOSS FOR THE FINANCIAL YEAR		-658,384	-888,016

CASH FLOW STATEMENT

	2001a.	2000a.
1. INSURANCE OPERATIONS		
1.1. Gross premium income	15,707,972	4,585,386
1.2. Indemnities paid and surrenders	-152,759	-
1.3. Claims handling costs	-140,508	-
1.4. Sums transferred to reinsurer	-342,154	-113,975
1.5. Operating expenses	-10,187,189	-5,258,426
1. Total	4,885,362	-787,015
2. INVESTMENT OPERATIONS		
2.1. Receipts from investments	1,724,064	648,014
2.1.1. Floating income securities	377,537	118,390
2.1.2. Fixed income securities	901,232	278,870
2.1.3. Deposits	500,861	259,817
2.1.4. Other investments	46,421	-
2.1.5. Investment expenses	-101,987	-9,063
2.2. Receipts from expirations and suspensions of investments	69,523,254	148,900,931
2.2.1. Floating income securities	28,363,006	21,221,230
2.2.2. Fixed income securities	33,160,248	-
2.2.3. Deposits	8,000,000	127,679,701
2.3. Purchased investments	-69,959,955	-147,519,479
2.3.1. Floating income securities	-33,225,597	-24,407,170
2.3.2. Fixed income securities	-32,734,358	-16,099,070
2.3.3. Deposits	-4,000,000	-106,679,701
2.3.4. Other investments	-	-333,538
2. Total	1,287,363	2,029,466
3. FINANCING OPERATIONS		
3.1. Other income	-	33,871
3.2. Other expenses paid	-228,949	-1,380
3.3. Paid income tax and other taxes	-1,485,974	-928,054
3. Total	-1,714,923	-895,563
TOTAL CASH FLOW (1. + 2. + 3.)	4,457,802	346,888
4. CHANGE IN BALANCE OF CASH AND BANK ACCOUNT	4,457,802	346,888

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

	Share capital	Paid-in capital over par	Profit/loss for the financial year	Total
12/31/2000	20,000,000	10,000,000	-1,931,521	28,068,479
Profit/loss for the financial period	-	-	-658,384	-658,384
12/31/2001	20,000,000	10,000,000	-2,589,905	27,410,095

The share capital of AS Sampo Eesti Elukindlustuse consists of 2000 A-shares with nominal value 10 000 EEK per share.

Shares are owned 100% by Finnish insurance company Sampo Plc

ANNEXES TO THE ANNUAL ACCOUNTING REPORT

ACCOUNTING METHODS AND ESTIMATION BASES USED FOR COMPOSING THE ANNUAL REPORT

Composition fundamentals

The fiscal year started on January 1, 2001 and ended on December 31, 2001. The numerical data in the annual accounting report is in Estonian kroons, rounded off to full kroons. Property and liabilities have been estimated and weighted according to conservative principles and reflected in the report proceeding from their historical acquisition cost.

Money and cash equivalents

Under money and bank accounts, the balance of the deposit accounts in banks is stated, by the statement of 31.12.01.

Claims from direct insurance activities

When drawing up the report, each outstanding claim has been assessed individually, i.e. the probability of collecting each separate claim has been covered separately for each effective contract.

Investments

SHARES AND OTHER SECURITIES

Shares and other securities are registered in their acquisition costs which consist of the purchase price and the expenses directly connected with the acquisition. The directly connected expenses include service fees to the broker or the bank. Shares and other securities are evaluated using the FIFO method, recording the items' costs according to the order in which the securities were purchased. Shares and other securities are assessed on the balance sheet according to that which is lower, the acquisition cost or net realisation cost. Last reassessment made 31.12.2001.

BILLS OF EXCHANGE AND OTHER FIXED YIELD SECURITIES

Bills of exchange are registered in their acquisition costs which consist of the purchase price and the expenses directly connected with the acquisition. The directly connected expenses include service fees to the broker or the bank. Bills of exchange are evaluated using the FIFO method, recording the items' costs according to the order in which the securities were purchased. Bills of exchange are assessed on the balance sheet according to that which is lower, the acquisition cost or net realisation cost. Net realisation cost is the market price, which means for the bills of exchange registered on the stock exchange the last closing price at the end of the year, and for other bills of exchange the last purchase quote of a credit institution registered in Estonia or in an OECD country. The balance between the acquisition cost of a bill of exchange and its nominal price is amortised from the acquisition date of the bill of exchange to the day they are redeemed. The interest incomes from the bills of exchange are recorded as accrued.

Investments of life assurances with investment risks

The life insurer's balance sheet shows the investment portfolio connected to the life assurance contracts with investment risks, and from the value and productivity of which depend the insurer's obligations arising from these contracts. Investments are stated in their market value. The investments belonging to the investment portfolio of life assurance contracts with an investment risk are assessed individually.

Intangible fixed assets

The balance sheet shows the insurer's intangible fixed assets in residual value. Intangible fixed assets include acquired licences and software (with a cost exceeding 10,000 kroons). Intangible fixed assets are depreciated over a 3-year period using the straight line method.

Tangible fixed assets

The balance sheet shows the insurer's tangible fixed assets in residual value. Tangible assets have an operating period longer than 1 year and an acquisition cost exceeding 10,000 kroons. Tangible fixed assets are depreciated using the straight line method, with the following depreciation norms:

Computing equipment	33%
Other fixed assets	20%

Technical provisions

LIFE ASSURANCE PROVISION

Under life assurance provision, the balance sheet shows the liabilities to policy holders calculated using insurance mathematical methods and the prepaid premium provision created from transferring risk premium to the next fiscal period. Calculating life assurance provision is based on technical insurance business plans of different insurance types, showing among others the prepaid premium provision, for which the *pro rata temporis* method is used.

UNSETTLED CLAIMS PROVISION

Unsettled claims provision shows an amount that should cover all final and estimated expenses in connection with insurance amounts and indemnities (incl. settlement cost) resulting from insurance events known before the balance term.

BONUS PROVISION

Bonus provision lists the amounts calculated for the policy holder or the beneficiaries during the year (in addition to the guaranteed profit share) which gives reason, in the next fiscal year, to increase life assurance provision or pay bonuses.

Technical provision for life assurance contracts with an investment risk

The balance sheet shows the technical provision for life assurance contracts, the amount of which is contractually directly in connection with the productivity and value deviations of the investments covering the technical provision. Any additional technical provisions created for the purpose of covering death risks, operating expenses or other contract-related risks are detailed under life assurance provision.

Calculating premiums

Profit is shown in the income report as accrued. Profit means these insurance premiums or instalments, already paid or still receivable, the due date of which is within the fiscal period.

Operating expenses, division and calculating

Operating expenses are divided into administrative, concluding and claim settlement costs. Concluding costs mean the costs in connection with concluding the insurance contracts. There are direct costs, like commission to the brokers, costs on drawing up the insurance documents, and those expenses directly on the employee connected with concluding, and there are indirect expenses, like advertising expenses and administrative costs in connection with issuing the policies. Operating costs include those expenses in connection with the activities of the company that do not fall under concluding expenses, claim settlement expenses or investment-related costs. Settlement expenses consist of wages to damage assessors, duty assignment and training, costs on premises and transport, and depreciation provisions. Investment costs now consist of management and service fees of the investment.

Changes in investment values

Changes in investment values shows discounts of long-term financial investments, the difference between the balance day market price and the balance cost of the bills of exchange and shares of short-term (un-realised outlay).

Re-insurance

RE-INSURANCE CONTRACT

AS Sampo Elukindlustus re-insurance contract is concluded with Sampo Life Insurance Company. The contract was signed on 18.10.1999, in Helsinki.

RE-INSURANCE CONDITIONS

All work disability risks in life assurance contracts caused by a case of death or an accident must be re-insured, up to 5,000,000 kroons per person. The deductible of AS Sampo Elukindlustus is 200,000 kroons.

Income tax

According to the income tax law enforced in 01.01.2000, the tax is not calculated from the profit earned in Estonia during the fiscal year, but from the dividends paid to non-residents and private persons and from other payments similar to profit sharing. The income tax rate is 26/74 from the paid dividends.

Annex 1. Investments

Stocks and shares

Title	Currency	Country	At the beg. of the fiscal period	Invest- ments made	Invest- ments decrease	Change of invest- ments valuec	Balance value 31.12.01	Market value 31.12.01
Stocks quoted on stock exchange	EEK	Estonia	337,800	3,317,951	803,506	66,704	2,785,541	3,371,571
Total stocks			337,800	3,317,951	803,506	66,704	2,785,541	3,371,571
Fund shares	EEK	Estonia	2,767,140	26,786,142	27,559,500	2,066	1,991,716	1,994,855
Fund shares	EEK	Finland	-	3,121,505	-		3,121,505	3,176,813
Total shares			2,767,140	29,907,647	27,559,500	2,066	5,113,221	5,171,669
Total stocks and shares			3,104,940	33,225,598	28,363,006	68,770	7,898,762	8,543,240

Bills of exchange and other fixed yield securities

Title	Currency	Average yield	Aruande- perioodi alguseks	Invest- ments made	Invest- ments decrease	By the end of the fiscal period	Due date
B/E of Estonian municipalities	EEK	5.33%	1,888,016	2,200,000	1,888,016	2,200,000	14.06.2002
B/E of Estonian business enterprises	EEK	5.08%	3,758,366	1,271,850	3,758,366	1,271,850	20.12.2002
B/E of Estonian financial institutions	EEK	4.73%	-	18,133,485	12,958,004	5,175,481	20.05.2002
B/E of OECD financial institutions	EEK	5.18%	5,795,954	9,129,166	9,914,122	5,010,998	16.05.2002
Total short-term bills			11,442,336	30,734,501	28,518,508	13,658,329	
B/E of OECD financial institutions	EEK	5.18%	4,641,740	1,999,857	4,641,740	1,999,857	19.01.2004
Total long-term bills			4,641,740	1,999,857	4,641,740	1,999,857	
Total			16,084,076	32,734,358	33,160,248	15,658,186	

Deposits

Credit institutions	Currency	Yield	At the beg. of the fiscal period	Invest- ments made	Invest- ments decrease	By the end of the fiscal period	Due date
In Estonian credit institutions	EEK	5.08%	8,000,000	4,000,000	8,000,000	4,000,000	27.12.2002
Total deposits			8,000,000	4,000,000	8,000,000	4,000,000	

Annex 2. Investments of life assurance contracts with investment risks

The total amount of investments of life assurance contracts with investment risks by the readings of the balance date was 63,525 kroons. The following securities were stated by the policy holders:

Sampo Kasvufond share
Sampo-Leonia Euro long
Sampo Leonia Asia Share fund share
Sampo-Leonia Bio Life
Sampo Leonia Euro
Sampo-Leonia Euro Mixed fund share
Sampo-Leonia Global mixed fund share
Sampo-Leonia Völakirjafond share
Sampo-Leonia Aktsiafond share
Sampo Leonia Põhja Ameerika Aktsiafond
Sampo-Leonia Tehnoloogia Aktsiafond
Sampo-Leonia Kompass Intress share
Sampo -Leonია Kompass Säätu share
Sampo Leonia Kompass Aktsia share
Sampo Rahaturufondi share

Annex 3. Accrued revenues

	12/31/2001	12/31/2000
Accrued revenues	438,981	707,014
incl. Deposit interests	69,514	357,939
B/E interests	369,467	349,075
Prepaid expense	160,637	11,711
Total	599,618	718,725

Annex 4. Movements of tangible fixed assets

	Other fixed assets	Accum. depreciat., other fixed assets	Residual value of fixed assets
At the beg. of the fiscal period (*acquisition cost)	365,238	-43,002	322,236
Acquirement	220,947	-	-
Sales (*acquisition cost)	-40,232	18,802	-
Depreciation during fiscal period	-	-133,331	-
By the end of the fiscal period	545,953	-157,531	388,422

Annex 5. Movements of intangible fixed assets

	Licences and patents	Accum. depreciat. other fixed assets	Põhivara of fixed assets
At the beg. of the fiscal period (*acquisition cost)	-	-	-
Acquirement	1,814,672	-	-
Depreciation during fiscal period	-	-347,979	-
By the end of the fiscal period	1,814,672	-347,979	1,466,693

Annex 6. Accrued liabilities

	12/31/2001	12/31/2000
Employee compensation liabilities	26,833	1,216
Liabilities to insurance agent	-	15,499
Vacation pay liability	122,174	34,467
Private person income tax	138,402	108,761
Payroll tax	178,347	145,826
Income tax on bonuses	44,414	1,361
Unemployment insurance tax	560	-
Liabilities to suppliers	842,419	333,575
Liabilities to reporting persons	9,552	1,948
Other liabilities	8,180	-
TOTAL	1,370,881	642,653

Annex 7. Technical insurance provisions

	Beg. of fiscal period		End of fiscal period		Change		Bonus provision		Change In bonus provision
	Total amount		Total amount		Total amount		Total amount		
	Life assurance provision	Unsettled claim provision	Life assurance provision	Unsettled claim provision	Life assurance provision	Unsettled claim provision	Beg. of fiscal period	End of fiscal period	
Fixed-term risk insurance	33,336	-	192,387	-	-159,051	-	-	-	-
Insurance for a case of death and survival term	701,433	-	6,469,955	11,180	-5,768,522	-11,180	-	-	-
Incl. insurance for children*	408,186	-	2,489,987	4,157	-2,081,801	-4,157	-	-	-
Other	-	-	118	-	-118	-	-	-	-
Additional insurances	47,978	21,000	154,638	32,620	-106,660	-11,620	20,000	3,885	16,115
TOTAL	782,747	21,000	6,817,098	43,800	-6,034,351	-22,800	20,000	3,885	16,115
Technical provision for life assurance with investment risk	-	-	63,525	-	-63,525	-	-	-	-

Annex 8. Gross premiums

	12/31/2001	12/31/2000
Insurance in case of a death	1,481,269	546,975
Capital insurance	13,633,186	3,931,967
incl. capital insurance with income tax benefit	9,489,321	1,085,168
Additional insurance	617,646	70,238
Life assurance with investment risk	68,250	-
incl. income tax benefit with income tax benefit and investment risk	62,250	-
Total premiums	15,800,351	4,549,180
<hr/>		
Premiums by contracts		
Premiums from single contracts	15,800,351	4,549,180
Total premiums	15,800,351	4,549,180
<hr/>		
Premiums by income intervals		
Regular premiums	14,977,877	4,372,281
Single premiums	822,474	176,899
Total premiums	15,800,351	4,549,180
<hr/>		
Premiums by profit-sharing		
Premiums from non-profit-sharing contracts	2,098,915	617,213
Premiums from profit-sharing contracts	13,633,186	3,931,967
Premiums from contracts with investment risks	68,250	-
Total premiums	15,800,351	4,549,180

Annex 9. Re-insurance

	31.12.2001	31.12.2000
Re-insurance premium	423,503	90,997
Re-insurance commission	28,768	9,069
Re-insurance revenue	394,735	81,928

Annex 10. Investment earnings and outlays

	12/31/2001	12/31/2000
INVESTMENT EARNINGS		
From other investments	1,450,287	1,243,291
incl. Deposit interests	212,436	596,490
B/E interests	1,143,430	612,950
Earnings from dividends	48,000	20,000
Other	46,421	13,851
Investment value change	56,299	12,800
incl. Stocks and shares	56,299	12,800
Earnings from realized investments	443,587	118,390
incl. Stocks and shares	439,037	118,390
Total investment earnings	1,950,173	1,374,481
OUTLAYS		
Investment outlays	101,987	9,062
Investment value change	125,069	93,800
incl. Stocks and shares	125,069	93,800
Loss from realized investments	109,500	-
Total investment outlays	336,556	102,862

Annex 11. Costs

	Claim settlement loss	Concluding costs	Administrative costs	TOTAL 2001	TOTAL 2000
Wages	78,500	1,557,730	968,360	2,604,590	1,613,769
Payroll tax	25,908	504,383	309,352	839,643	585,182
Commissions to brokers	-	2,387,532	-	2,387,532	2,110,281
Other operating expenses	9,058	2,603,959	1,827,347	4,440,364	1,219,147
Services from other enterprises	55,900	198,379	132,750	387,029	-
Fixed asset depreciation	-	74,707	405,191	479,898	40,623
TOTAL	169,366	7,326,690	3,643,000	11,139,056	5,569,002

Annex 12. Other costs

	12/31/2001	12/31/2000
Insurance inspection upkeep	3,034	-
Consultations and audit services	136,119	7,788
Costs on imported services	73,750	135,445
Membership fees to speciality associations	20,381	15,921
Other costs	47,987	88,600
Total other costs	281,271	247,754

Annex 13. Transactions with associated parties

The associated parties mean in this context the enterprises of the Sampo concern and the members of the Council and the Board of the business enterprise. Transactions with the enterprises of the concern have taken place in ordinary market conditions. In 2001, services and goods were bought from Sampo Kinnisvara AS for one hundred and eighty nine thousand kroons, sales, communication, training and advertising services from AS Sampo Eesti Varakindlustus for 2,850 thousand kroons, services from AS Sampo Pank for four thousand kroons, from AS Sampo Liising for sixty two thousand kroons and from AS Sampo Kinnisvarahaldus for one hundred and ten thousand kroons. There were no transactions between the business enterprise and its Board or members of the Council.

Annex 14. Operating lease

AS Sampo Elukindlustus leases company cars from Hansa Liising and Sampo Liising. This means actually operating lease contracts because the leaseholder is entitled to terminate the contract unilaterally before the contract term without any additional payments, and right of ownership regarding the lease object will not be transferred to the leaseholder during the lease period or after that.

By the readings of 31.12.2001, six lease contracts were effective, and one hundred and thirty nine thousand kroons were paid under these contracts for rent charges during the fiscal period. The average duration of lease contracts is five years. In the year 2002, three hundred and eighteen thousand kroons will be paid under similar contracts.

The lease contract for the office rooms of AS Sampo Elukindlustus, Narva mnt.11, has been concluded with AS Sampo Kinnisvarahaldus for three years. In 2001, one hundred and seven thousand kroons were paid in rent.

In addition, the company leases office rooms in Tartu, Ülikooli 6A from AS Kaseväli & KO, lease contract expiring at the end of 2004. Ninety seven thousand kroons were paid for rental charges during the fiscal period.

In 2002, AS Sampo Eesti Varakindlustus received one hundred and forty five thousand kroons for the use of the rooms of Pärnu and Tallinn representation.

Auditor's final opinion



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Auditor's report

To the shareholders of AS Sampo Elukindlustus

(Translation from Estonian)

We have audited the annual financial statements of AS Sampo Elukindlustus for the year ended 31 December 2001 set out on pages 6 to 19. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Estonian Guidelines on Auditing. Those guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of AS Sampo Elukindlustus as of 31 December 2001, and of the results of its operations and its cash flows for the year then ended in accordance with the Estonian Accounting Act.

Tallinn, 18 February 2002

KPMG Estonia

A handwritten signature in black ink, appearing to read 'Taivo Epner'.

Taivo Epner
Authorised Public Accountant

A handwritten signature in black ink, appearing to read 'Ene Makus'.

Ene Makus
Authorised Public Accountant

Proposal for the covering of loss

The Management Board of AS Sampo Elukindlustus hereby proposes the Shareholders' Meeting to carry the net loss for the period on the amount of EEK 658 384 to the next periods under the balance sheet item "Profit / loss brought forward".



Ulla Ilisson

Chairman of the Management Board



Hele-Liis Viirsalu

Member of the Management Board



Terje Otstavel

Member of the Management Board

Signatures of the Management Board and Supervisory Board for the Annual Report 2001.

The Management Board of AS Sampo Elukindlustus has prepared the management report and annual accounts for the year 2001. The Supervisory Board has approved the management report, annual accounts, auditor's statement and proposal of the management regarding the covering of loss, prepared by Management Board, for submission in General Meeting of the Shareholders.

Ulla Ilisson

Chairman of the Management Board



Hele-Liis Viirsalu

Member of the Management Board



Terje Otstavel

Member of the Management Board



Minna Kohmo

Chairman of the Supervisory Board



Terttu Virmavirta

Member of the Supervisory Board



Gunnar Kraft

Member of the Supervisory Board



List of shareholders

Shares are owned 100% by Finnish financial group Sampo Oyj.